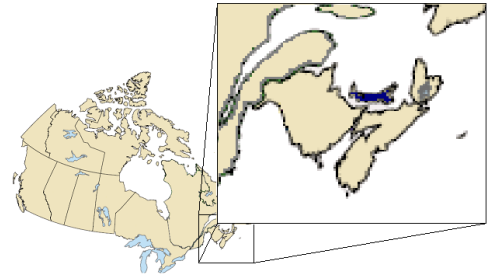




Labour Market Bulletin

Prince Edward Island

2015



This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of Prince Edward Island.

OVERVIEW

Labour market conditions in Prince Edward Island (PEI) have been showing some signs of weakness since 2013, when labour force and employment levels attained record highs in the province. The labour force has been in decline over the past two years due to declining trends in both employment and unemployment. A growing number of people exited the labour force in 2014 and 2015, evidenced by a declining participation rate.

The PEI labour force totaled 81,700 in 2015 which is 2,100 less (-2.5%) than it was in 2013. Both employment and unemployment levels were lower in 2015 compared to the previous two years. There was a slight gain in the number of part-time workers in 2015 (+500) compared to 2014, however this was more than offset by a reduction in full-time positions (-1,300). There was a total of 8,500 unemployed in 2015 which is the lowest level since before the recession. In addition, at 10.4%, the unemployment rate was at its lowest since 2007. While the working-age population grew since 2013, a growing number of people exited the labour force. A total of 39,200 were counted as not being in the labour force in 2015, a record high for the province. This is reflected in the Island's participation rate which declined by 1.1 percentage points year-over-year, to 67.6%.

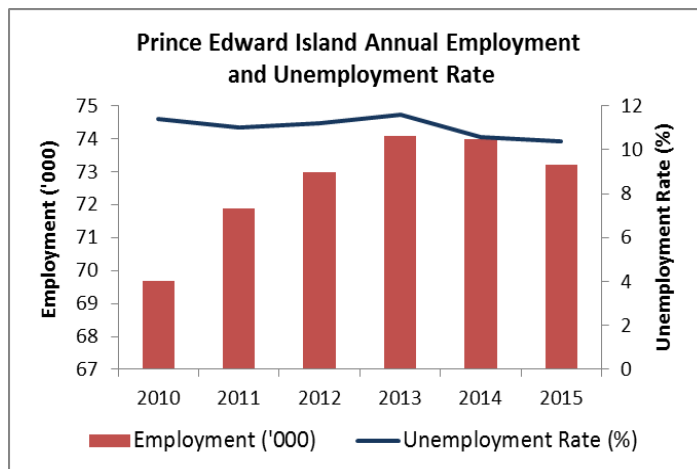
Prince Edward Island Annual Labour Force Statistics

Annual Labour Force Survey Estimates	2015	2014	2013	2014 to 2015		2013 to 2014	
				Number	%	Number	%
Population 15+ ('000)	120.9	120.6	120.2	0.3	0.2%	0.4	0.3%
Labour Force ('000)	81.7	82.8	83.8	-1.1	-1.3%	-1	-1.2%
Employment ('000)	73.2	74	74.1	-0.8	-1.1%	-0.1	-0.1%
Full-Time ('000)	60.8	62.1	61	-1.3	-2.1%	1.1	1.8%
Part-Time ('000)	12.4	11.9	13.2	0.5	4.2%	-1.3	-9.8%
Unemployment ('000)	8.5	8.8	9.7	-0.3	-3.4%	-0.9	-9.3%
Unemployment Rate (%)	10.4	10.6	11.6	-0.2	-	-1	-
Participation Rate (%)	67.6	68.7	69.7	-1.1	-	-1	-
Employment Rate (%)	60.5	61.4	61.6	-0.9	-	-0.2	-

Note: Totals may not add due to rounding

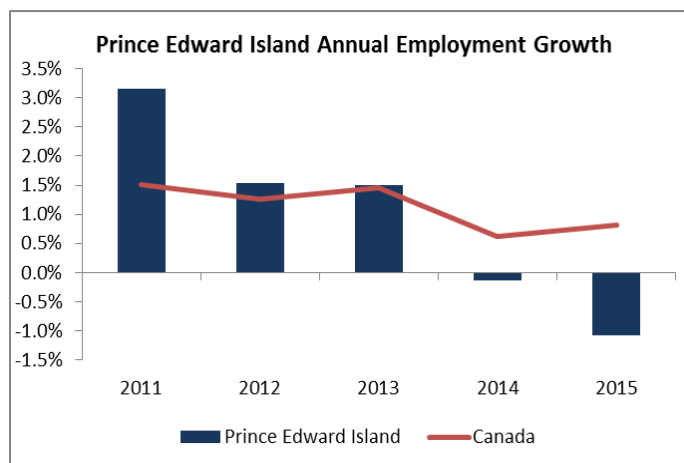
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0002

There were 73,200 people employed in PEI in 2015, which is 800 fewer compared to the previous year, which as indicated above, was driven by the decline in full-time employment (from a record high set in 2014). Men were impacted most by the decline in full-time work (accounting for nearly 7 out of every 10 losses), especially males in the core-working age group (25-54 years). Helping to mitigate the overall year-over-year decline in employment was a 4.2% increase in the number of part-time positions. Men accounted for the entire gain, about evenly split between the core-working age group and older workers (those 55 years of age and over).



Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0002

The level of unemployment fell to a seven year low in 2015 despite there being fewer people employed. The implication is that people have been leaving the labour force altogether reflecting a less than optimistic view about employment prospects in the province. The rate of labour force withdrawal that occurred in 2014 (+3.8%) and 2015 (+3.7%) was unparalleled at any time in the history of the time series, including the three preceding recessionary periods. For PEI, the cumulative outflow of people from the labour force in both years (+7.5%) was the highest in the country, and compares to 4% nationally. The exodus in 2014 and 2015 was comprised entirely of older workers with the majority (or 6 out of 10) being women.



Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0002

The unemployment rate edged down slightly in 2015 following a 1 percentage point drop in the previous year. The unemployment rate for younger workers aged 15-24 years was 15.7% in 2015. This was half of a percentage point lower than in 2014, and 3 percentage points lower compared to 2013 (which at 18.7%, was a 21 year

high). The unemployment rate for younger males changed little over the past 2 years, however, there was a more significant increase for younger females (up 5 percentage points compared to 2013). The unemployment rate for youth females averaged 14.9% in 2013 (a 14 year high) and declined to 10% in 2015. The participation rate for younger females was 67.4% in 2015, which declined by a cumulative 4.6 percentage points since 2013. This compares to a cumulative decline of 2.1 percentage points for the province overall.

Prince Edward Island Annual Unemployment Rates, by Gender and Age

Annual Labour Force Survey Estimates	2015	2014	2013	2014 to 2015	2013 to 2014
	%	%	%	(% points)	(% points)
Total	10.4	10.6	11.6	-0.2	-1
25 years and over	9.6	9.6	10.2	0	-0.6
Men - 25 years and over	10.2	10.3	11.6	-0.1	-1.3
Women - 25 years and over	8.9	8.5	8.7	0.4	-0.2
15 to 24 years	15.7	16.2	18.7	-0.5	-2.5
Men - 15 to 24 years	21.2	20	20.9	1.2	-0.9
Women - 15 to 24 years	10	12.5	14.9	-2.5	-2.4

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0002

EMPLOYMENT BY INDUSTRY

The year-over-year reduction in employment in 2015 was largely concentrated in the **Goods-producing sector** although PEI's **Services-producing sector** did experience a small net loss (-200). In the goods-sector, employment was lower in the primary industries (-600) and in **construction** (-600), however a 7.1% increase in **manufacturing** employment helped to offset some of the losses.

The **manufacturing** industry in Prince Edward Island has benefitted from the depreciation of the Canadian dollar. The value of the loonie relative to the U.S. dollar averaged 78 cents throughout 2015, down from 90 cents in 2014 and almost parity in 2013. The depreciation of the Canadian currency makes Canadian exports cheaper and more competitive in international markets, particularly for the United States, our largest trading partner. According to Industry Canada, exports of merchandise products from PEI to the U.S. was valued at \$792.3 million in 2015, an increase of 16.4% from 2014 (the only Atlantic province with positive growth). This growth in the value of PEI's exports was driven in large part by increased sales of processed food products (i.e. frozen food manufactured products and seafood product preparation and packaging products).

Employment in the **Services-producing sector** totalled 55,900 in 2015, accounting for 76% of total employment in the province. The level of employment in Trade was unchanged from 2014. Retail is the largest private sector employer in the province and that industry experienced a number of closures in 2015, the most significant being the major retail chain Target which resulted in more than 100 layoffs.

The marginal reduction in service-sector employment in 2015 was mainly due to lower employment in **Healthcare and social assistance** (-600), **Transportation and warehousing** (-400) and in **Educational services** (-300). With respect to employment reductions in government services, this may be reflective of what the Conference Board of Canada highlighted at the time of the 2015-16 Provincial Budget: "The recently tabled provincial

budget still calls for expenditure restraint to eliminate the deficit, but the province had to push out its target for balancing the budget by one fiscal year to 2016–17 with nominal program expenditures expected to decline this (2015-16) fiscal year.”¹

These losses were limited by gains in **Accommodation and food services** (+500) and **Public Administration** (+400). The accommodation and food services industry benefitted from increased tourist visitation in 2015. According to the PEI Department of Economic Development and Tourism, traffic on the Confederation Bridge and Northumberland Ferries increased by 6.6% and 8.5% respectively in 2015. Motorcoach traffic was also higher year-over-year (+8.6%). Low pump prices, a weaker Canadian currency and a strengthened U.S. economy are some factors that have contributed to increased tourist visitation in the province in 2015.

Prince Edward Island Annual Labour Force Statistics, by Industry

Employment ('000)	2015	2014	2013	2014 to 2015		2013 to 2014	
				Number	%	Number	%
Total employed, all industries	73.2	74	74.1	-0.8	-1.1%	-0.1	-0.1%
Goods-producing sector	17.2	18	17.4	-0.8	-4.4%	0.6	3.4%
Agriculture	3.2	3.7	3.9	-0.5	-13.5%	-0.2	-5.1%
Forestry, fishing, mining, quarrying, oil and gas	2.4	2.5	2.6	-0.1	-4.0%	-0.1	-3.8%
Utilities	0.4	0.3	0.4	0.1	33.3%	-0.1	-25.0%
Construction	5.2	5.8	5.5	-0.6	-10.3%	0.3	5.5%
Manufacturing	6	5.6	5	0.4	7.1%	0.6	12.0%
Services-producing sector	55.9	56.1	56.7	-0.2	-0.4%	-0.6	-1.1%
Trade	11	11	11	0.0	0.0%	0.0	0.0%
Transportation and warehousing	2.5	2.9	2.5	-0.4	-13.8%	0.4	16.0%
Finance, insurance, real estate and leasing	2.5	2.3	2.2	0.2	8.7%	0.1	4.5%
Professional, scientific and technical services	3.1	2.9	3.1	0.2	6.9%	-0.2	-6.5%
Business, building and other support services	2.5	2.3	2.2	0.2	8.7%	0.1	4.5%
Educational services	5.3	5.6	5.6	-0.3	-5.4%	0.0	0.0%
Health care and social assistance	9.9	10.5	10.8	-0.6	-5.7%	-0.3	-2.8%
Information, culture and recreation	2.4	2.6	2.9	-0.2	-7.7%	-0.3	-10.3%
Accommodation and food services	6	5.5	5.6	0.5	9.1%	-0.1	-1.8%
Other services	3.4	3.3	3.2	0.1	3.0%	0.1	3.1%
Public administration	7.4	7	7.6	0.4	5.7%	-0.6	-7.9%

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0008

Note: In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.

¹ Provincial Outlook Economic Forecast, Summer 2015. The Conference Board of Canada

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For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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