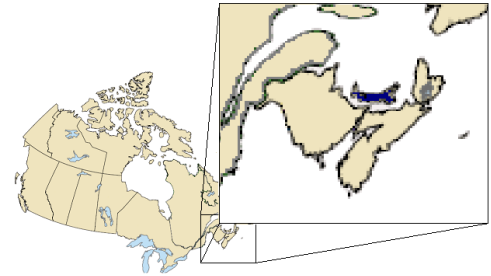




# Labour Market Bulletin

## Prince Edward Island

May 2016



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

### OVERVIEW

The Prince Edward Island labour force decreased marginally in May (-200), following slight gains experienced in the previous month (+400). The level of employment increased by 1% or 700 jobs in May and all of the gains were full-time positions. There were 900 fewer people unemployed which more than offset the gains in employment. The unemployment rate in May was 10.4%, down 1.1 percentage points from the previous month. With fewer people in the labour force, the participation rate fell slightly to 65.8% which is the lowest monthly rate in nearly 17 years.

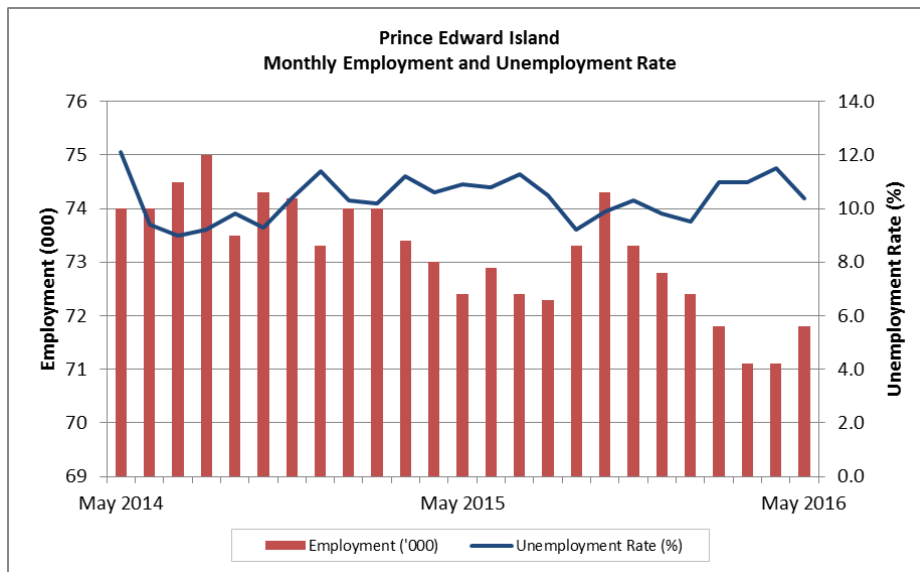
Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2016	Apr 2016	May 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15+ ('000)	121.7	121.5	120.8	0.2	0.2	0.9	0.7
Labour Force ('000)	80.1	80.3	81.3	-0.2	-0.2	-1.2	-1.5
Employment ('000)	71.8	71.1	72.4	0.7	1.0	-0.6	-0.8
Full-Time ('000)	60.4	59.7	59.6	0.7	1.2	0.8	1.3
Part-Time ('000)	11.4	11.5	12.8	-0.1	-0.9	-1.4	-10.9
Unemployment ('000)	8.3	9.2	8.9	-0.9	-9.8	-0.6	-6.7
Unemployment Rate (%)	10.4	11.5	10.9	-1.1	-	-0.5	-
Participation Rate (%)	65.8	66.1	67.3	-0.3	-	-1.5	-
Employment Rate (%)	59.0	58.5	59.9	0.5	-	-0.9	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Labour market conditions in Prince Edward Island continue to remain soft in 2016. The labour force totalled 80,100 in May which is down by 1.5% from a year ago. Since reaching a peak of 85,300 in March 2013, the labour force has been trending downward, by an average annual pace of -0.2% per month. This trend is representative of reduced labour market participation by both youths (persons 15-24 years of age) and those in the core-aged working group (persons 25-54 years). There was a slight increase in labour market participation by older workers (persons 55 years and over) which helped limit the labour force slide over the past two years.



Employment totaled 71,800 in May, which is 600 less compared to a year ago, and this decline is attributed entirely to women. There were 1,200 fewer core-aged working females employed year-over-year, however an increase in the number of older workers of the same gender (+700) helped to offset the losses. There were more youth males employed on a year-over-year basis (+600), while employment was lower for males in the core-aged and older worker age groups (by -500 and -200 respectively).

There number of part-time positions in the province declined by over 10% (or -1,400 jobs) compared to a year ago. Again, women in the core-aged working group accounted for most of this decrease. Full-time employment increased by 800 year-over-year, comprised largely by youths.

There were 8,300 unemployed persons in May which was 600 less compared to a year ago. Combined with a decline in employment levels year-over-year, the Island labour market continues to contend with people leaving the labour force which is reflective of reduced optimism about employment prospects in the province. The unemployment rate was 10.4% in May and compares to 10.9% a year ago which is a reflection of the reduction in the size of the labour force. On a year-over-year basis, the unemployment rate was lower for youths (-3.7 percentage points), especially for younger males (-7.1 percentage points) and core-aged workers (-0.2 of a percentage point). At 12.4%, the unemployment rate was 0.7 of a percentage point higher in May for older workers.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2016	Apr 2016	May 2015	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	10.4	11.5	10.9	-1.1	-0.5
<b>25 years and over</b>	9.6	10.3	9.5	-0.7	0.1
Men - 25 years and over	11.5	11.8	11.0	-0.3	0.5
Women - 25 years and over	7.6	8.7	8.0	-1.1	-0.4
<b>15 to 24 years</b>	15.3	17.9	19.0	-2.6	-3.7
Men - 15 to 24 years	17.9	22.6	25.0	-4.7	-7.1
Women - 15 to 24 years	10.5	13.1	12.3	-2.6	-1.8

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

With fewer people in the labour force, the PEI participation rate declined to 65.8% in May, down by 1.5 percentage points compared to May 2015. This was marginally higher than the national average by 0.1 of a per-

centage point. From an annual perspective, the participation rate in Prince Edward Island has exceeded the national average every year since the mid-1990's, with its largest gap occurring in 2013 (3.2 percentage points). Since then, the gap narrowed, and in monthly respects, closed in March 2016 when both the PEI and national participation rates were the same (65.9%). A closer review by age group and gender shows that at 72%, youth males in PEI had the highest participation rate in the country in May.

## EMPLOYMENT BY INDUSTRY

The year-over-year decline in the province's employment base was entirely concentrated in the **Goods-producing sector**. Employment in this sector totalled 16,700 in May which is 5.6% lower than it was a year ago, due in large part to lower employment in **Construction** (-700) and **Agriculture** (-700).

Current indications suggest that non-residential construction activity in early 2016 is considerably weaker compared to a year ago. The value of non-residential building permits in the first four months is down by 16.5% compared to the same period in 2015. Although housing construction was off to a slow start in the first quarter of 2016 (evidenced by a 26.4% decline compared to the first quarter 2015), the value of residential building permits is higher year-to-date (by +39.5%) which may be an indication that the PEI construction industry could benefit from increased residential activity in the near term.

Prince Edward Island Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	May 2016	Apr 2016	May 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	71.8	71.1	72.4	0.7	1.0	-0.6	-0.8
<b>Goods-producing sector</b>	16.7	16.0	17.7	0.7	4.4	-1.0	-5.6
Agriculture	2.9	3.0	3.6	-0.1	-3.3	-0.7	-19.4
Forestry, fishing, mining, quarrying, oil and gas	2.8	2.6	2.5	0.2	7.7	0.3	12.0
Utilities	0.3	0.3	0.4	0.0	0.0	-0.1	-25.0
Construction	4.5	4.3	5.2	0.2	4.7	-0.7	-13.5
Manufacturing	6.3	5.8	6.0	0.5	8.6	0.3	5.0
<b>Services-producing sector</b>	55.1	55.2	54.7	-0.1	-0.2	0.4	0.7
Trade	10.1	10.3	10.6	-0.2	-1.9	-0.5	-4.7
Transportation and warehousing	2.4	2.5	2.7	-0.1	-4.0	-0.3	-11.1
Finance, insurance, real estate and leasing	2.7	2.8	2.7	-0.1	-3.6	0.0	0.0
Professional, scientific and technical services	3.6	4.0	2.9	-0.4	-10.0	0.7	24.1
Business, building and other support services	2.4	2.1	2.1	0.3	14.3	0.3	14.3
Educational services	5.0	5.2	5.3	-0.2	-3.8	-0.3	-5.7
Health care and social assistance	10.0	9.8	9.6	0.2	2.0	0.4	4.2
Information, culture and recreation	2.5	2.3	2.2	0.2	8.7	0.3	13.6
Accommodation and food services	6.4	6.3	5.7	0.1	1.6	0.7	12.3
Other services	3.0	3.0	3.3	0.0	0.0	-0.3	-9.1
Public administration	6.9	7.0	7.6	-0.1	-1.4	-0.7	-9.2

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0088

Employment in the province's **Manufacturing** industry increased by 5% year-over-year. The Manufacturing industry continues to benefit from the depreciation of the Canadian dollar which makes domestic exports cheaper and more competitive in international markets. This is especially true for the processed food market, which is a key export driver for the province. The industry rebounded from the 2009 recession, with shipments having reached an all-time high of \$1.62 billion in 2015.

There were 55,100 people employed in the Services-producing sector in May, as employment marginally increased by 0.7% compared to a year ago. Owing to the year-over-year gain was increased employment in **Profes-**

**sional, scientific and technical services (+700)** and **Accommodation and food services (+700)**. Limiting growth in this sector were reduced employment in **Public administration (-700)** and **Trade (-500)**.

**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.

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**For information on the Labour Force Survey,** please visit the Statistics Canada Web site at: [www.statcan.gc.ca](http://www.statcan.gc.ca)

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