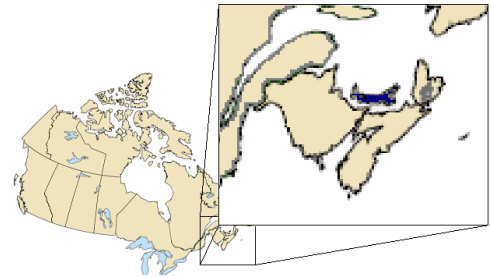




Labour Market Bulletin

Prince Edward Island

June 2016



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 remain soft in the second quarter of 2016. The labour force was unchanged from the first quarter, at 80,200. The level of employment declined on a quarter-over-quarter basis, with all of the loss concentrated in full-time employment. The unemployment rate averaged 11% in the second quarter, up by 0.5 of a percentage point from the previous quarter. The participation rate slipped to 65.9% in the second quarter of 2016.

Prince Edward Island Quarterly Labour Force Statistics

| Seasonally Adjusted Quarterly Data | 2nd Quarter 2016 | 1st Quarter 2016 | 2nd Quarter 2015 | Quarterly Variation | | Yearly Variation | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|------|------------------|------|
| | | | | Number | % | Number | % |
| Population 15+ ('000) | 121.7 | 121.2 | 120.8 | 0.4 | 0.4 | 0.8 | 0.7 |
| Labour Force ('000) | 80.2 | 80.2 | 81.6 | -0.1 | -0.1 | -1.4 | -1.8 |
| Employment ('000) | 71.4 | 71.8 | 72.8 | -0.3 | -0.5 | -1.3 | -1.8 |
| Full-Time ('000) | 59.9 | 60.4 | 59.9 | -0.5 | -0.8 | 0.0 | -0.1 |
| Part-Time ('000) | 11.6 | 11.4 | 12.9 | 0.2 | 1.8 | -1.3 | -9.8 |
| Unemployment ('000) | 8.8 | 8.4 | 8.8 | 0.3 | 4.0 | 0.0 | -0.4 |
| Unemployment Rate (%) | 11.0 | 10.5 | 10.8 | 0.5 | - | 0.2 | - |
| Participation Rate (%) | 65.9 | 66.2 | 67.5 | -0.3 | - | -1.6 | - |
| Employment Rate (%) | 58.7 | 59.2 | 60.2 | -0.5 | - | -1.5 | - |

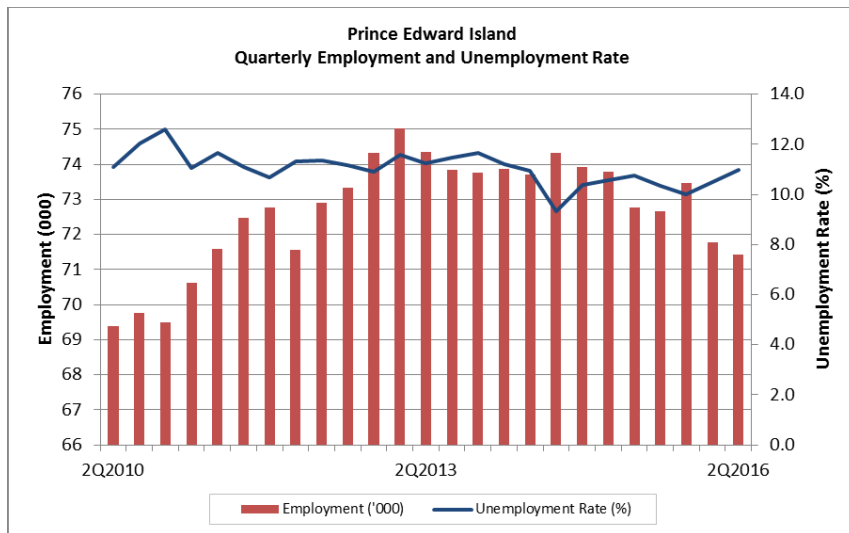
Note: Totals may not add due to rounding

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

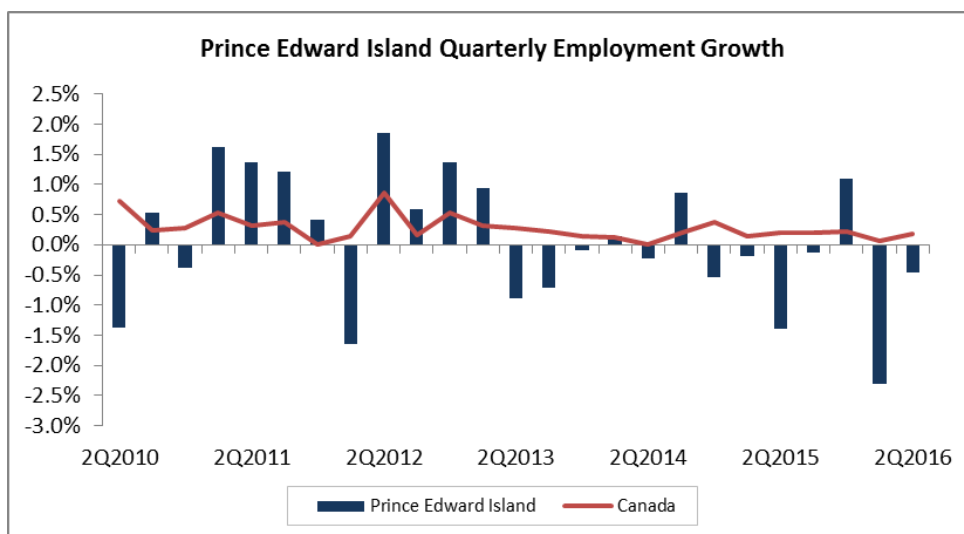
Labour market conditions in the second quarter were less favorable on a year-over-year basis. There were 1,400 fewer people that participated in the labour force in the most recent quarter compared to the same period in 2015. The current labour force count in the province is the lowest it has been since the first quarter of 2011. With regards to employment, there were 1,300 fewer people working in the second quarter of 2016 relative to the same quarter a year ago. This reduction in employment was concentrated in the prime-age working group (25-54 years), particularly women, while employment levels were higher for both older workers (55 years and over) and youths (15-24 years of age), by 1.8% and 1.6% respectively.

The year-over-year reduction in employment was all part-time, with no change in full-time employment levels. There were 11,600 part-time workers in the second quarter of 2016, compared to 12,900 a year prior, represent-

ing a near 10% reduction. Men accounted for the majority of the decline (-700), particularly youth-aged workers. There were 500 fewer women working part-time in the most recent quarter, with the majority in the prime-aged group.



On average, there were 8,800 persons unemployed in the second quarter of 2016 which was unchanged compared to the same period a year ago. The unemployment rate in the province averaged 11% between April and June 2016 which is up marginally year-over-year. With respect to age group and gender, youth males yielded the highest unemployment rate in the second quarter, at 19.7% (compared to 12.3% for females in the same age category); followed by older worker males at 15% (compared to 10% for females). The unemployment rate for males of the prime-aged working group averaged 10.1% in the second quarter of 2016 compared to 7.4% for females.



The participation rate in the second quarter of 2016 is 1.6 percentage points lower compared to a year ago. The participation rate in Prince Edward Island has been on a declining trend since its peak in the first quarter of 2013, when it averaged 70.7%. For the second quarter of 2016, labour force participation was higher for youths (+1.3 percentage points) on a year-over-year basis, but lower for the core-working age group (-3.5 percentage points). The participation rate of older workers averaged 40.4% in the second quarter, unchanged from a year ago.

Prince Edward Island Quarterly Unemployment Rates, by Gender and Age

| Seasonally Adjusted Data | 2nd Quarter | 1st Quarter | 2nd Quarter | Quarterly Variation | Yearly Variation |
|---------------------------|-------------|-------------|-------------|---------------------|------------------|
| | 2016 (%) | 2016 (%) | 2015 (%) | (% points) | (% points) |
| Total | 11.0 | 10.5 | 10.8 | 0.5 | 0.2 |
| 25 years and over | 10.0 | 9.7 | 9.5 | 0.3 | 0.5 |
| Men - 25 years and over | 11.7 | 11.0 | 10.6 | 0.6 | 1.0 |
| Women - 25 years and over | 8.2 | 8.2 | 8.3 | 0.0 | -0.1 |
| 15 to 24 years | 16.4 | 14.9 | 18.0 | 1.5 | -1.6 |
| Men - 15 to 24 years | 19.7 | 17.4 | 23.7 | 2.2 | -4.0 |
| Women - 15 to 24 years | 12.3 | 13.3 | 12.3 | -1.0 | 0.0 |

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

INDIGENOUS POPULATION

In the second quarter (Q2) of 2016, the total population aged 15+ in the Atlantic Provinces was 1.97 million. The Indigenous population living off-reserve accounted for 3.4% of that, or 66,700 people. Employment among the Indigenous population stood at 33,200 representing a decline of -4,900 (-12.9%) from a year earlier. The declines were in both full-time (-4,000 or -12.9%) and part-time (-900 or -12.5%) positions.

Atlantic Canada - Labour Market Indicators for Indigenous People

| 3-month moving averages Seasonally unadjusted data | Indigenous | | Yearly variation (Indigenous) | | Non-Indigenous | | Yearly variation (non-Indigenous) | |
|---|------------|---------|----------------------------------|--------|----------------|---------|--------------------------------------|-------|
| | Q2 2016 | Q2 2015 | number | % | Q2 2016 | Q2 2015 | number | % |
| Population 15 + ('000) | 66.7 | 65.4 | 1.3 | 2.0% | 1,910.7 | 1,905.2 | 5.5 | 0.3% |
| Labour Force ('000) | 41.4 | 44.0 | -2.6 | -5.9% | 1,194.4 | 1,202.2 | -7.8 | -0.6% |
| Employment ('000) | 33.2 | 38.1 | -4.9 | -12.9% | 1,083.1 | 1,080.4 | 2.7 | 0.2% |
| Full-Time ('000) | 26.9 | 30.9 | -4.0 | -12.9% | 901.9 | 903.7 | -1.8 | -0.2% |
| Part-Time ('000) | 6.3 | 7.2 | -0.9 | -12.5% | 181.3 | 176.7 | 4.6 | 2.6% |
| Unemployment ('000) | 8.2 | 5.9 | 2.3 | 39.0% | 111.3 | 121.8 | -10.5 | -8.6% |
| Unemployment Rate (%) | 19.8 | 13.4 | 6.4 | - | 9.3 | 10.1 | -0.8 | - |
| Participation Rate (%) | 62.0 | 67.2 | -5.2 | - | 62.5 | 63.1 | -0.6 | - |
| Employment Rate (%) | 49.7 | 58.2 | -8.5 | - | 56.7 | 56.7 | 0.0 | - |

Notes: The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

Source: Statistics Canada Labour Force Survey - ESDC custom table.

In Q2 2016, the unemployment rate among the Indigenous population increased significantly from Q2 2015 to 19.8%, a +6.4 percentage point (pp) increase, while that of the non-Indigenous population declined slightly to 9.3% (-0.8pp). Year-over-year, the participation rate among the Indigenous population declined by a substantial margin to 62.0% (-5.2%) and a smaller decline was seen amongst the non-Indigenous population whose participation rate stood at 62.5% in Q2 2016 (-0.6pp). The employment rate of the Indigenous population also declined

significantly year-over-year to 49.7% (-8.5pp), and the employment rate amongst the non-Indigenous population remained unchanged at 56.7% (0.0pp) compared to a year earlier.

EMPLOYMENT BY INDUSTRY

The level of employment in the **goods-producing sector** averaged 16,500 in the second quarter of 2016, which is about 6% below what it was the same period in 2015. **Service-sector** employment was also lower, but marginally. Employment in this sector totalled 55,000 in the second quarter of 2016 which is 0.6 of a percentage point lower than it was a year ago. The largest year-over-year declines in employment levels occurred in **Trade** (-800), **Public Administration** (-600) and **Other services** (-500). Employment gains in both the **Professional, scientific and technical services** (+900) and **Accommodation and food services** (+700) industries helped to mitigate the overall decline in service-sector employment.

Prince Edward Island Quarterly Labour Force Statistics, by Industry

| Seasonally Adjusted Data ('000) | 2nd Quarter 2016 | 1st Quarter 2016 | 2nd Quarter 2015 | Quarterly Variation | | Yearly Variation | |
|---|---------------------|---------------------|---------------------|---------------------|-------|------------------|-------|
| | | | | Number | % | Number | % |
| Total employed, all industries | 71.4 | 71.8 | 72.8 | -0.3 | -0.5 | -1.3 | -1.8 |
| Goods-producing sector | 16.5 | 16.9 | 17.5 | -0.4 | -2.4 | -1.0 | -5.9 |
| Agriculture | 2.9 | 3.2 | 3.5 | -0.3 | -9.3 | -0.6 | -16.2 |
| Forestry, fishing, mining, quarrying, oil and gas | 2.7 | 2.2 | 2.5 | 0.5 | 24.2 | 0.2 | 9.3 |
| Utilities | 0.3 | 0.4 | 0.4 | -0.1 | -30.8 | -0.1 | -25.0 |
| Construction | 4.5 | 4.7 | 5.2 | -0.2 | -4.9 | -0.7 | -13.5 |
| Manufacturing | 6.0 | 6.4 | 6.0 | -0.3 | -5.2 | 0.1 | 1.1 |
| Services-producing sector | 55.0 | 54.9 | 55.3 | 0.1 | 0.1 | -0.3 | -0.6 |
| Trade | 10.1 | 10.5 | 10.8 | -0.4 | -3.8 | -0.8 | -7.1 |
| Transportation and warehousing | 2.4 | 2.6 | 2.7 | -0.3 | -10.1 | -0.4 | -13.4 |
| Finance, insurance, real estate and leasing | 2.7 | 2.6 | 2.6 | 0.1 | 3.8 | 0.1 | 3.8 |
| Professional, scientific and technical services | 3.9 | 3.5 | 2.9 | 0.3 | 9.4 | 0.9 | 31.8 |
| Business, building and other support services | 2.3 | 2.3 | 2.2 | 0.0 | 0.0 | 0.0 | 1.5 |
| Educational services | 4.9 | 5.5 | 5.3 | -0.6 | -11.5 | -0.4 | -7.6 |
| Health care and social assistance | 10.2 | 9.9 | 9.6 | 0.3 | 2.7 | 0.6 | 6.3 |
| Information, culture and recreation | 2.5 | 2.2 | 2.5 | 0.3 | 12.1 | 0.0 | 0.0 |
| Accommodation and food services | 6.3 | 5.8 | 5.5 | 0.4 | 7.4 | 0.7 | 13.3 |
| Other services | 3.0 | 3.1 | 3.5 | -0.1 | -3.2 | -0.5 | -14.2 |
| Public administration | 6.9 | 6.8 | 7.5 | 0.1 | 1.5 | -0.6 | -8.4 |

Note: Totals may not add due to rounding

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

The **Goods-producing sector** was affected by reduced employment in the **Construction** (-700) and **Agriculture** (-600) industries, year-over-year. Employment in the **Construction** industry averaged 4,500 in the second quarter of 2016, which is the lowest quarterly average in 11 years. Although the level of employment in **Construction** is low by historical standards, current indications suggest that both residential and non-residential construction activity in the province is rising. For example, the value of construction permits in PEI totalled an eight year low in 2015, at \$196.1 million. In the first five months of 2016, building permits were up by 21%, driven in large part by growth in the value of industrial and residential permits. Similarly, the number of urban housing starts over the January to May 2016 period was up by 67% on a year-to-date basis.

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.

Prepared by: Labour Market Analysis Directorate, Service Canada, Atlantic Region

For further information, please contact Labour Market Analysis Directorate at:

NC-LMI-IMT-GD@hrsdc-rhdcc.gc.ca

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

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