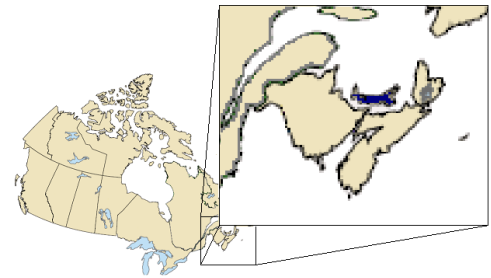




Labour Market Bulletin

Prince Edward Island

July 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 fell to a near five-year low in July, having totalled 79,000. There was no change in the level of employment compared to the previous month and 1,200 fewer people were unemployed relative to June. At 9.6%, the unemployment rate dropped by 1.4 percentage points month-over-month. With fewer people in the labour force in July, the participation rate in PEI slipped to 64.7% which is the lowest monthly rate in nearly 18 years.

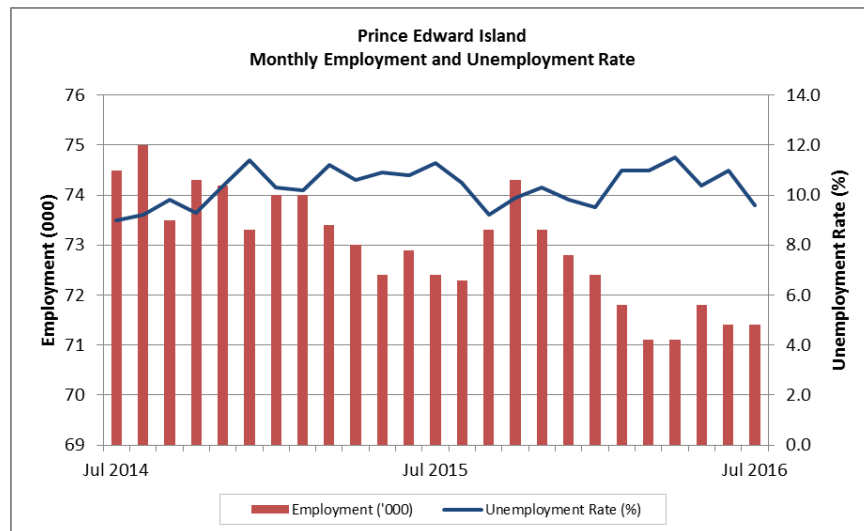
Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2016	June 2016	July 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	122.1	121.8	120.9	0.3	0.2	1.2	1.0
Labour Force ('000)	79.0	80.1	81.5	-1.1	-1.4	-2.5	-3.1
Employment ('000)	71.4	71.4	72.4	0.0	0.0	-1.0	-1.4
Full-Time ('000)	59.2	59.5	59.9	-0.3	-0.5	-0.7	-1.2
Part-Time ('000)	12.2	11.9	12.5	0.3	2.5	-0.3	-2.4
Unemployment ('000)	7.6	8.8	9.2	-1.2	-13.6	-1.6	-17.4
Unemployment Rate (%)	9.6	11.0	11.3	-1.4	-	-1.7	-
Participation Rate (%)	64.7	65.8	67.4	-1.1	-	-2.7	-
Employment Rate (%)	58.5	58.6	59.9	-0.1	-	-1.4	-

Note: Totals may not add due to rounding

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

After reaching a peak in March 2013, the labour force in Prince Edward Island has been on a downward trend. The labour force was down by 3.1% (or -2,500 persons) compared to what it was in July 2015. The year-over-year reduction was evenly distributed between men and women, and in both cases, the decline was largely concentrated in the core working-age group (25-54 years). By contrast, labour market participation by both male and female older workers (persons 55 years and over) increased year-over-year which helped to offset some of the labour force slide.



Employment totaled 71,400 in July, which is 1,000 less compared to a year ago, and women accounted for the majority of the decline. There were 1,200 fewer women in the core working-age group employed year-over-year, and 200 fewer female youths (15-24 years of age). Helping to offset the losses was a year-over-year increase in the number of older workers of the same gender (+700). With respect to males, there were 1,100 fewer men in the core working-age group compared to July 2015, however this was completely offset by a year-over-year increase in male older workers. The net year-over-year decline was 300, comprised of youth males. The number of full-time positions in the province declined by 700 compared to a year ago, and there were 300 fewer part-time positions.

There were 7,600 unemployed persons in July which was 1,600 less compared to a year ago. Coupled with reduced employment 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 declined by 1.7 percentage points in July from 11.3% a year ago reflecting the reduction in the size of the labour force. On a year-over-year basis, the unemployment rate was unchanged for youths (14.9%) and down by 1.1 percentage points for those in the core-aged working group. At 9%, the unemployment rate for older workers was 3.2 percentage points lower compared to what it was a year ago, and the lowest it has been since December 2009 (8.1%).

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2016	June 2016	July 2015	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	9.6	11.0	11.3	-1.4	-1.7
25 years and over	8.7	10.1	10.4	-1.4	-1.7
Men - 25 years and over	8.0	11.7	10.3	-3.7	-2.3
Women - 25 years and over	9.7	8.3	10.6	1.4	-0.9
15 to 24 years	14.9	16.0	15.0	-1.1	-0.1
Men - 15 to 24 years	19.0	18.5	19.7	0.5	-0.7
Women - 15 to 24 years	10.3	13.3	11.5	-3.0	-1.2

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

With fewer people in the labour force, the PEI participation rate declined 2.7 percentage points in July (to 64.7%), falling short of the national average (65.4%). July was the first month since May 2010 that the national participation rate exceeded that for PEI. A closer review by age group and gender shows that at 36.9%, the participation rate for older worker females was amongst the highest in the country, second behind Alberta.

EMPLOYMENT BY INDUSTRY

The year-over-year decline in the province's employment base was largely concentrated in the **Services-producing sector**. Employment in this sector totalled 54,500 in July which is 1.3% lower than it was a year ago, due in large part to lower employment in **Educational services** (-500), **Trade** (-400) and **Accommodation and Food Services** (-400).

Employment in the **Goods-producing sector** was down 1.7% compared to July 2015. The **Construction** industry saw a year-over-year reduction in its employment base (-400) while an increase in **Manufacturing** employment (+200) partly offset the losses experienced in this sector. Current indications suggest that non-residential construction activity in 2016 may be a limiting factor to construction activity in the province however the value of residential building permits is up 38% year-to-date suggesting a strong point for the industry in the medium term. Construction has been relatively weak in the province as of late, having employed 4,600 between January and July 2016. This is down 12% compared to the same period a year ago.

Prince Edward Island Monthly Labour Force Statistics, by Industry

Seasonally Adjusted Data ('000)	July 2016	June 2016	July 2015	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	71.4	71.4	72.4	0.0	0.0	-1.0	-1.4
Goods-producing sector	16.9	16.8	17.2	0.1	0.6	-0.3	-1.7
Agriculture	3.2	2.9	3.5	0.3	10.3	-0.3	-8.6
Forestry, fishing, mining, quarrying, oil and gas	2.5	2.8	2.2	-0.3	-10.7	0.3	13.6
Utilities	0.3	0.3	0.4	0.0	0.0	-0.1	-25.0
Construction	4.8	4.7	5.2	0.1	2.1	-0.4	-7.7
Manufacturing	6.1	6.0	5.9	0.1	1.7	0.2	3.4
Services-producing sector	54.5	54.6	55.2	-0.1	-0.2	-0.7	-1.3
Trade	10.3	9.8	10.7	0.5	5.1	-0.4	-3.7
Transportation and warehousing	2.3	2.2	2.2	0.1	4.5	0.1	4.5
Finance, insurance, real estate and leasing	2.6	2.6	2.4	0.0	0.0	0.2	8.3
Professional, scientific and technical services	4.0	4.0	3.2	0.0	0.0	0.8	25.0
Business, building and other support services	2.2	2.3	2.6	-0.1	-4.3	-0.4	-15.4
Educational services	4.5	4.4	5.0	0.1	2.3	-0.5	-10.0
Health care and social assistance	10.5	10.8	9.8	-0.3	-2.8	0.7	7.1
Information, culture and recreation	2.6	2.6	2.3	0.0	0.0	0.3	13.0
Accommodation and food services	5.7	6.1	6.1	-0.4	-6.6	-0.4	-6.6
Other services	2.9	3.1	3.4	-0.2	-6.5	-0.5	-14.7
Public administration	6.9	6.8	7.5	0.1	1.5	-0.6	-8.0

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 3.4% 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.

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

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