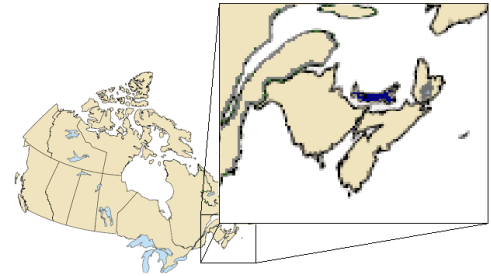




Labour Market Bulletin

Prince Edward Island

2016



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

OVERVIEW

Labour market conditions remained soft in Prince Edward Island (P.E.I.) in 2016. The labour force was 1,500 less than it was in 2015 and there was a similar decline in the level of employment, which shed 1,700 jobs. At 71,500, employment was at its lowest level in the province since 2010. The unemployment rate went up slightly to 10.7%, as employment declined at a faster pace than the labour force. A total of 41,700 were reported as not in the labour force in 2016, which is a record high for the province. This is reflected in the Island's participation rate, which declined by 1.8 percentage points year-over-year, to 65.8%.

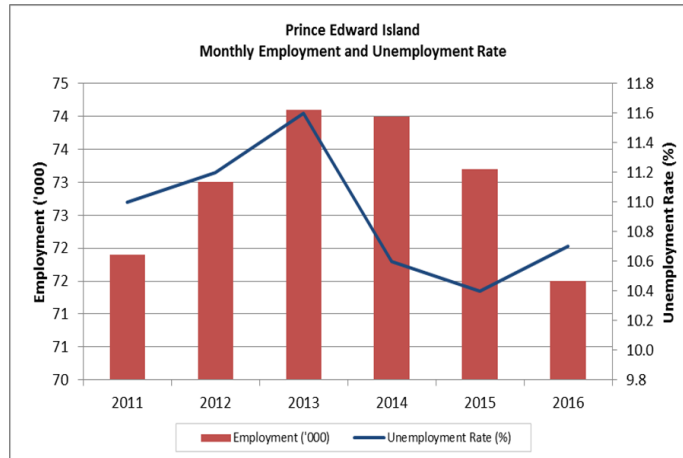
Prince Edward Island Annual Labour Force Statistics							
Annual Labour Force Survey Estimates	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Population 15+ ('000)	121.8	120.9	120.6	0.9	0.7%	0.3	0.2%
Labour force ('000)	80.2	81.7	82.8	-1.5	-1.8%	-1.1	-1.3%
Employment ('000)	71.5	73.2	74	-1.7	-2.3%	-0.8	-1.1%
Full-time ('000)	59.3	60.8	62.1	-1.5	-2.5%	-1.3	-2.1%
Part-time ('000)	12.2	12.4	11.9	-0.2	-1.6%	0.5	4.2%
Unemployment ('000)	8.6	8.5	8.8	0.1	1.2%	-0.3	-3.4%
Unemployment rate (%)	10.7	10.4	10.6	0.3	-	-0.2	-
Participation rate (%)	65.8	67.6	68.7	-1.8	-	-1.1	-
Employment rate (%)	58.7	60.5	61.4	-1.8	-	-0.9	-

Note: Totals may not add up due to rounding

Source: Statistics Canada Labour Force Survey - Cansim Table 282-0002

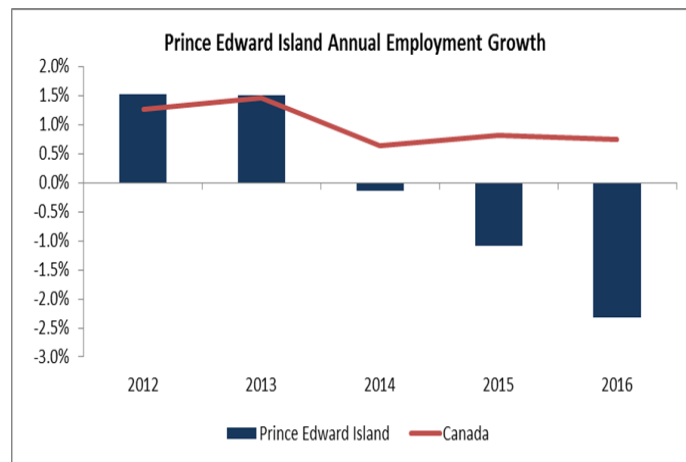
Labour market conditions in the province have been weak since 2013, when labour force and employment levels reached record highs. Since then, more than 3,500 people have exited the labour force, accompanied by notable reductions in the level of employment (-2,600 jobs). This represents a third straight year of job losses and the longest stretch of persistent employment declines on record. The unemployment rate went down by a full percentage point, only because more people exited the labour force than the number of jobs that were lost during this period.

Between 2015 and 2016, the total number of job losses was fairly evenly distributed between males (-900) and females (-700) and the bulk of the job losses in 2016 were in full-time employment. Males shed 200 part-time jobs, while females saw little improvement in this area. On an age basis, the bulk of the job losses for both males and females were attributable to the core working-age group (aged 25 to 54 years), which fell by 1,300, overall. Younger workers (aged 15 to 24 years) shed 300 jobs while employment for older workers (aged 55 years and over) was little changed.



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

Over the past three years, more people have exited the labour force than have joined, reflecting a less than optimistic view about employment prospects in the province. Indeed, these are the most pronounced exits from the labour force on record. The number of those not participating in the labour force grew by 2,500 (+6.4%) in 2016. The bulk of the exodus in 2016 was comprised of workers in the 25 to 54 years age group and losses were split fairly evenly between males and females.



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

The provincial unemployment rate edged up slightly, in 2016, following a dip in 2015. At 10.7%, the unemployment rate remains below its ten-year average of 11.0%. The unemployment rate for younger workers was 15.3% in 2016. This was half of a percentage point lower than in 2015 and three-and-a-half percentage points lower compared to 2013 (which at 18.7%, was a 19-year high). The unemployment rate for the core working-age group was little changed, while those of older workers grew sharply from 11.1% to 12.4%. This change was

completely due to males, who are more likely to participate in the labour force at this age, but who saw their rate of unemployment increase from 11.5% to 14.2%.

Prince Edward Island Annual Unemployment Rates, by Gender and Age					
Annual Labour Force Survey Estimates	2016	2015	2014	2015 to 2016	2014 to 2015
	%	%	%	(% points)	(% points)
Total	10.7	10.4	10.6	0.3	-0.2
25 years and over	9.9	9.6	9.6	0.3	0
Men - 25 years and over	11.5	10.2	10.3	1.3	-0.1
Women - 25 years and over	8.2	8.9	8.5	-0.7	0.4
15 to 24 years	15.3	15.7	16.2	-0.4	-0.5
Men - 15 to 24 years	18.8	21.2	20	-2.4	1.2
Women - 15 to 24 years	11.7	10	12.5	1.7	-2.5
<i>Note: Totals may not add due to rounding</i>					
<i>Source: Statistics Canada, Labour Force Survey - CANSIM Table 282-0002</i>					

The participation rate in P.E.I. dropped by 1.8 percentage points in 2016. At 65.8%, the labour force participation is consistent with the national average (65.7%). The participation rate for females (at 62.2%) has declined markedly, by 4.2 percentage points since 2013, and is now much lower than that of their male counterparts (69.7%). In particular, losses have been observed for females within the core working-age group, who saw their participation decline by 2.8 percentage points in 2016.

EMPLOYMENT BY INDUSTRY

The year-over-year reduction in employment in 2016 was spread across both the **Goods-producing sector** (-600) and **Services-producing sector** (-900). Job losses, as a share of the total number of employment, were more significant for the former, as the goods-producing employment base is only about a third of what it is in the services-producing sector. This represents a continuation of employment declines, as both sectors shed jobs in 2015 as well.

Employment levels in the **Goods-producing sector** have declined in seven of the past ten years, losing about 12% of its employment base during this period. Between 2015 and 2016, there were job losses in **Construction** (-500), **Agriculture** (-100) and **Utilities** (-100), while employment levels in the remaining industries was unchanged.

Construction employment went down, despite growth in investment in both residential and non-residential building construction. The degree of erosion was, however, lessened by the presence of projects like the \$120 million PEI-New Brunswick Interconnection Upgrade¹. Benefits associated with federal government investment commitments relating to the Atlantic Growth Strategy and other stimulus packages like the Clean Water and Wastewater Fund have yet to fully take effect.

While the **Manufacturing** industry in Prince Edward Island appears to continue to benefit from a favourable exchange rate, this did not translate into more jobs in 2016. The value of the loonie relative to the U.S. dollar aver-

¹ Electricity Industry Canada: <http://electricalindustry.ca/latest-news/2344-pe-i-begins-substantial-interconnection-upgrade-project>

aged 75 cents throughout 2016, down slightly from 78 cents in 2015 and almost at parity with the value in 2013. The depreciation of the Canadian currency makes Canadian exports cheaper and more competitive in international markets, particularly the United States, our largest trading partner. According to Industry Canada, exports of merchandise products from PEI to the U.S. were valued at \$926M in 2016, representing an increase of 15.1% from 2015 (the only Atlantic province with positive growth).

Employment in the **Services-producing sector** totalled 55,000 in 2016 and accounted for 77% of total employment in the province. This represents a decline of 900 jobs and the third decline in as many years.

The reductions in services-producing sector employment in 2016 were mainly due to losses in **Retail Trade** (-600), **Public administration** (-600) and **Other services** (-300). Retail trade was hit hard in 2015, when Target closed its Charlottetown location.

With respect to employment reductions in **Public administration**, this may reflect a commitment on behalf of the provincial government to “embrace economic frugality” in order to achieve a balanced budget by the 2016-17 fiscal year².

The job losses in the services producing sector were partially offset by gains in **Professional, scientific and technical services** (+600), **Finance, insurance, real estate, rental and leasing** (+200) and **Information, culture and recreation** (+200). The **Professional, scientific and technical services** industry has likely benefited from a concerted effort to provide enabling conditions for bioscience and aerospace activity. Data relating to occupancy and visitor information³ suggests strong tourism activity on the Island, in 2016, which likely helped to maintain employment levels in **Information, culture and recreation**.

² Prince Edward Island Budget Address:

<https://www.princeedwardisland.ca/sites/default/files/publications/budgetadd2015.pdf>

³ Prince Edward Island; Tourism Indicators:

https://www.princeedwardisland.ca/sites/default/files/publications/current_monthly_indicators.pdf

Prince Edward Island Annual Labour Force Statistics, by Industry							
Employment ('000)	2016	2015	2014	2015 to 2016		2014 to 2015	
				Number	%	Number	%
Total, all industries	71.5	73.2	74	-1.7	-2.3%	-0.8	-1.1%
Goods-producing sector	16.6	17.2	18	-0.6	-3.5%	-0.8	-4.4%
Agriculture	3.1	3.2	3.7	-0.1	-3.1%	-0.5	-13.5%
Forestry, fishing, mining, quarrying, oil and gas	2.4	2.4	2.5	0	0.0%	-0.1	-4.0%
Utilities	0.3	0.4	0.3	-0.1	-25.0%	0.1	33.3%
Construction	4.7	5.2	5.8	-0.5	-9.6%	-0.6	-10.3%
Manufacturing	6	6	5.6	0	0.0%	0.4	7.1%
Services-producing sector	55	55.9	56.1	-0.9	-1.6%	-0.2	-0.4%
Trade	10.3	11	11	-0.7	-6.4%	0	0.0%
Transportation and warehousing	2.5	2.5	2.9	0	0.0%	-0.4	-13.8%
Finance, insurance, real estate and leasing	2.7	2.5	2.3	0.2	8.0%	0.2	8.7%
Professional, scientific and technical services	3.7	3.1	2.9	0.6	19.4%	0.2	6.9%
Business, building and other support services	2.3	2.5	2.3	-0.2	-8.0%	0.2	8.7%
Educational services	5.1	5.3	5.6	-0.2	-3.8%	-0.3	-5.4%
Health care and social assistance	10.1	9.9	10.5	0.2	2.0%	-0.6	-5.7%
Information, culture and recreation	2.6	2.4	2.6	0.2	8.3%	-0.2	-7.7%
Accommodation and food services	5.8	6	5.5	-0.2	-3.3%	0.5	9.1%
Other services	3.1	3.4	3.3	-0.3	-8.8%	0.1	3.0%
Public administration	6.8	7.4	7	-0.6	-8.1%	0.4	5.7%

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.

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

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2017, all rights reserved