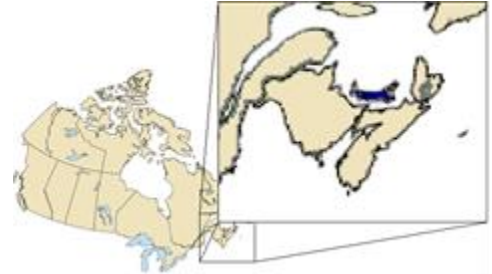




# Labour Market Bulletin

## Prince Edward Island



October 2017

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

### OVERVIEW

Prince Edward Island's (P.E.I.) labour market conditions remained stable in October, with most indicators changing by small increments from the previous month. The first half of 2017 was marked by strong gains in labour force and employment levels, before easing in July. In October, there was a slight month-to-month decline in employment due to a reduction in part-time employment. The number of persons unemployed rose by about the same amount resulting in little change to the Island's labour force in October.

At 10.3%, the unemployment rate went up from September, but remains relatively low for the province by historical standards. After reaching a three-year high of 83,300 in May 2017, labour force participation declined in each subsequent month before stabilizing in August. At 65.1%, the Island's participation rate was unchanged month-over-month. However, this was the second lowest it has been in almost two decades.

Prince Edward Island Monthly Labour Force Statistics

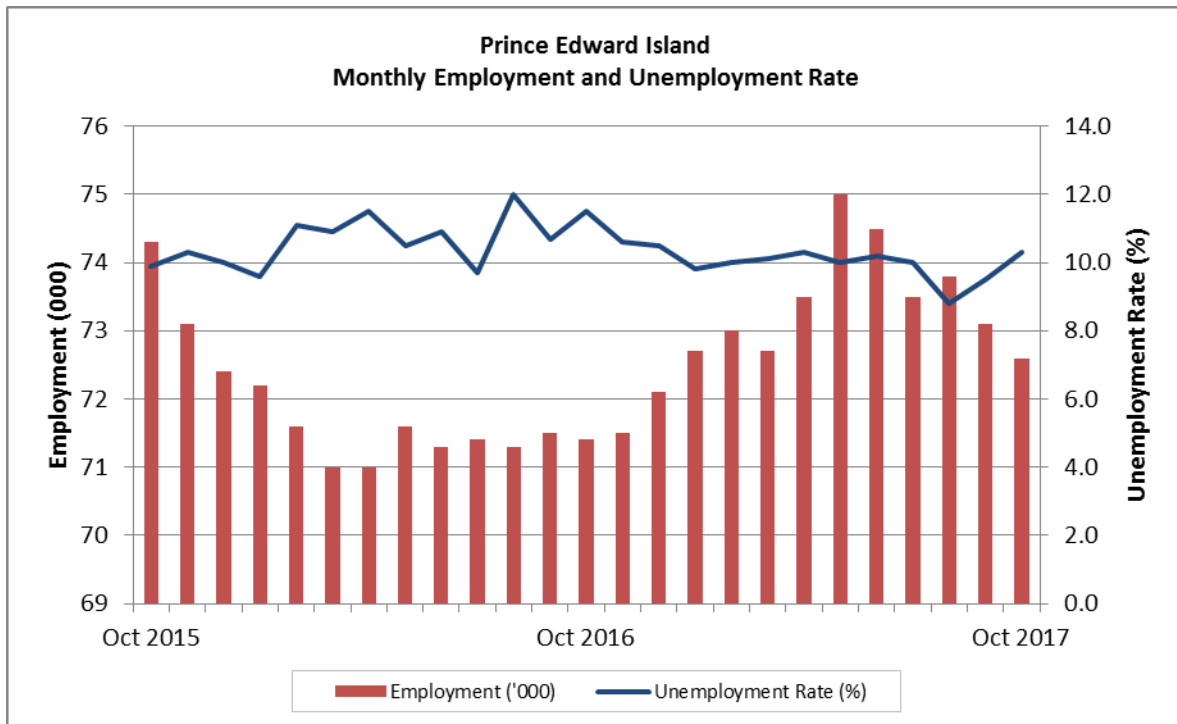
Seasonally Adjusted Monthly Data	Oct 2017	Sept 2017	Oct 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	124.3	124.2	122.2	0.1	0.1	2.1	1.7
<b>Labour Force ('000)</b>	80.9	80.8	80.7	0.1	0.1	0.2	0.2
<b>Employment ('000)</b>	72.6	73.1	71.4	-0.5	-0.7	1.2	1.7
Full-Time ('000)	60.3	60.3	57.8	0.0	0.0	2.5	4.3
Part-Time ('000)	12.4	12.8	13.7	-0.4	-3.1	-1.3	-9.5
<b>Unemployment ('000)</b>	8.3	7.7	9.3	0.6	7.8	-1.0	-10.8
<b>Unemployment Rate (%)</b>	10.3	9.5	11.5	0.8	-	-1.2	-
<b>Participation Rate (%)</b>	65.1	65.1	66.0	0.0	-	-0.9	-
<b>Employment Rate (%)</b>	58.4	58.9	58.4	-0.5	-	0.0	-

Note: Totals may not add due to rounding

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

Labour market conditions on a year-over-year basis continue to strengthen, however it should be noted that labour force and employment levels were at 5 year lows in 2016. There was little change in the Island's labour

force compared to October 2016. Employment was up by 1,200 compared to the same month a year ago, however the number of unemployed persons declined by about the same amount. The year-over-year employment gains were all full-time in nature, offset by a reduction in part-time employment. Males accounted for the majority (two-thirds) of full-time employment gains.



The private-sector remained the key driver of employment growth in October 2017, adding an additional 600 persons to the labour force. Also contributing to year-over-year gains were increases in the number of self-employed persons (+500) and public sector employees (+200). The public sector in October accounted for 27% of the Island's employment base, while the private sector and self-employment comprised 59% and 14% respectively.

All labour market indicators for the older worker cohort (persons aged 55 years and over) showed positive changes between October 2016 and October 2017. The size of the labour force for older workers increased by 1,500 with the gain attributed almost entirely to women. Labour force growth outpaced population growth, resulting in a 2 percentage point increase in the participation rate for this age group (at 41.8% in October). Employment for this group increased by 1,600 year-over-year and the unemployment rate went down by a percentage point to 12.9%.

There was increased participation of older workers in October 2017 compared to a year ago, driven in large part by more women in the labour force. The unemployment rate for older workers was 12.9% in October. Overall, the unemployment rate in PEI was down by 1.2 percentage points in October 2017 compared to the previous year. This decline was due to a year-over-year drop in the number of unemployed youths (persons aged 15-24 years). The unemployment rate for this cohort was 9.8% in October, down 6.7 percentage points compared to the same month a year ago. There were fewer youths in the labour force (-1,500) with most of the decline

attributed to males. There was very little change in the unemployment rate of workers in the core-aged group (persons 25 to 54 years of age), which was 9.2% in October 2017.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Oct 2017	Sept 2017	Oct 2016	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	10.3	9.5	11.5	0.8	-1.2
<b>25 years and over</b>	10.2	9.5	10.6	0.7	-0.4
Men - 25 years and over	11.8	10.4	12.6	1.4	-0.8
Women - 25 years and over	8.7	8.7	8.8	0.0	-0.1
<b>15 to 24 years</b>	9.8	9.9	16.5	-0.1	-6.7
Men - 15 to 24 years	13.0	9.6	16.7	3.4	-3.7
Women - 15 to 24 years	8.6	10.2	16.4	-1.6	-7.8

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

The participation rate dropped by almost a percentage point in October 2017. The working-age population in PEI expanded by 1.7% year-over-year compared to a little change in the size of the labour force, resulting in a decline in the participation rate. The older worker cohort accounted for the the majority of population growth over the past year.

Since the early 1990's, PEI's participation rate has for the most part exceeded the national rate. October 2017 is the third consecutive month that PEI's participation rate fell short of the national (at 65.7%). However, PEI's participation rate was the highest east of Manitoba.

## EMPLOYMENT BY INDUSTRY

The year-over-year gains in employment in October were concentrated entirely in the **Goods-producing sector**, driven in large part by Forestry, fishing, mining, quarrying, oil and gas (+800). Employment was also higher in **Construction** and **Manufacturing**, but lower in agriculture. The goods-sector accounts for 24% of total employment in the province, placing PEI third behind Saskatchewan and Alberta in terms of employment dependency on the goods-producing sector.

Both **Construction** and **Manufacturing** are key economic drivers in the province. Current indications suggest that both residential and non-residential construction activity remains strong: based on available data to August, the value of building permits is up by 22.3% year-to-date. Furthermore, the volume of new home construction is 44% higher in the first nine months of the year compared to the same period a year ago.

The **Manufacturing** industry continues to benefit from a favorable currency position relative to the U.S. dollar which makes Canadian exporters more competitive in world markets. To date, Island based exports are up by 5.3% driven by frozen food manufacturing (i.e. French fries); engine, turbine and power transmission equipment manufacturing; and pharmaceutical products.

Employment in the **Services-producing** sector was unchanged year-over-year. The most notable gains were in **Trade**; **Health care and social assistance**; and **Transportation and warehousing**. Offsetting these gains were declines in **Accommodation and Food services**; and **Business, building and other support services**.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Oct 2017	Sept 2017	Oct 2016	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	72.6	73.1	71.4	-0.5	-0.7	1.2	1.7
<b>Goods-producing sector</b>	17.4	17.8	16.2	-0.4	-2.2	1.2	7.4
Agriculture	2.8	3.2	3.2	-0.4	-12.5	-0.4	-12.5
Forestry, fishing, mining, quarrying, oil and gas	2.8	2.6	2.0	0.2	7.7	0.8	40.0
Utilities			0.3	-	-	-	-
Construction	5.4	5.3	4.8	0.1	1.9	0.6	12.5
Manufacturing	6.3	6.6	5.9	-0.3	-4.5	0.4	6.8
<b>Services-producing sector</b>	55.2	55.3	55.2	-0.1	-0.2	0.0	0.0
Trade	11.5	11.0	10.4	0.5	4.5	1.1	10.6
Transportation and warehousing	2.7	2.7	2.3	0.0	0.0	0.4	17.4
Finance, insurance, real estate and leasing	2.6	2.8	2.8	-0.2	-7.1	-0.2	-7.1
Professional, scientific and technical services	3.6	3.5	3.6	0.1	2.9	0.0	0.0
Business, building and other support services	1.8	1.9	2.4	-0.1	-5.3	-0.6	-25.0
Educational services	5.1	5.5	5.4	-0.4	-7.3	-0.3	-5.6
Health care and social assistance	10.6	10.4	9.7	0.2	1.9	0.9	9.3
Information, culture and recreation	2.6	2.7	2.9	-0.1	-3.7	-0.3	-10.3
Accommodation and food services	5.0	5.0	5.7	0.0	0.0	-0.7	-12.3
Other services	3.1	3.2	3.3	-0.1	-3.1	-0.2	-6.1
Public administration	6.5	6.7	6.8	-0.2	-3.0	-0.3	-4.4

Note: Totals may not add due to rounding

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

**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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[http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact\\_us.aspx?section=lmi](http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi)

**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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