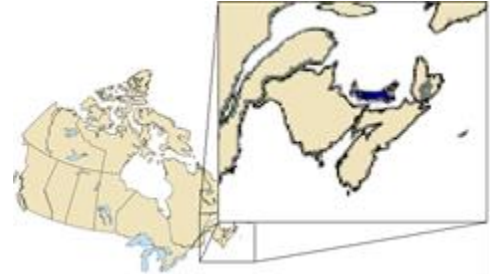




Labour Market Bulletin

Prince Edward Island



October 2018

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

OVERVIEW

Labour market conditions remain healthy in Prince Edward Island. The labour force averaged 82,900 people in October 2018, down slightly from September. Despite this slip, the labour force has experienced considerable growth in recent years, having risen 5% from its July 2016 low point. The level of employment in Prince Edward Island reached a record high in October, driven by additional full-time employment – which, at 65,200, was also a record high. The Island’s unemployment rate fell to its lowest point ever in October, at 7.2%. The participation rate eased in the most recent month, to 65.6%, though remained highest in the Atlantic Region and exceeded the national average.

Prince Edward Island Monthly Labour Force Statistics

| Seasonally Adjusted Monthly Data | Oct 2018 | Sept 2018 | Oct 2017 | Monthly Variation | | Yearly Variation | |
|-------------------------------------|----------|-----------|----------|-------------------|-------|------------------|-------|
| | | | | Number | % | Number | % |
| Population 15 + ('000) | 126.4 | 126.2 | 124.3 | 0.2 | 0.2 | 2.1 | 1.7 |
| Labour Force ('000) | 82.9 | 83.7 | 81.1 | -0.8 | -1.0 | 1.8 | 2.2 |
| Employment ('000) | 76.9 | 76.4 | 72.8 | 0.5 | 0.7 | 4.1 | 5.6 |
| Full-Time ('000) | 65.2 | 64.8 | 60.5 | 0.4 | 0.6 | 4.7 | 7.8 |
| Part-Time ('000) | 11.6 | 11.7 | 12.3 | -0.1 | -0.9 | -0.7 | -5.7 |
| Unemployment ('000) | 6.0 | 7.3 | 8.3 | -1.3 | -17.8 | -2.3 | -27.7 |
| Unemployment Rate (%) | 7.2 | 8.7 | 10.2 | -1.5 | - | -3.0 | - |
| Participation Rate (%) | 65.6 | 66.3 | 65.2 | -0.7 | - | 0.4 | - |
| Employment Rate (%) | 60.8 | 60.5 | 58.6 | 0.3 | - | 2.2 | - |

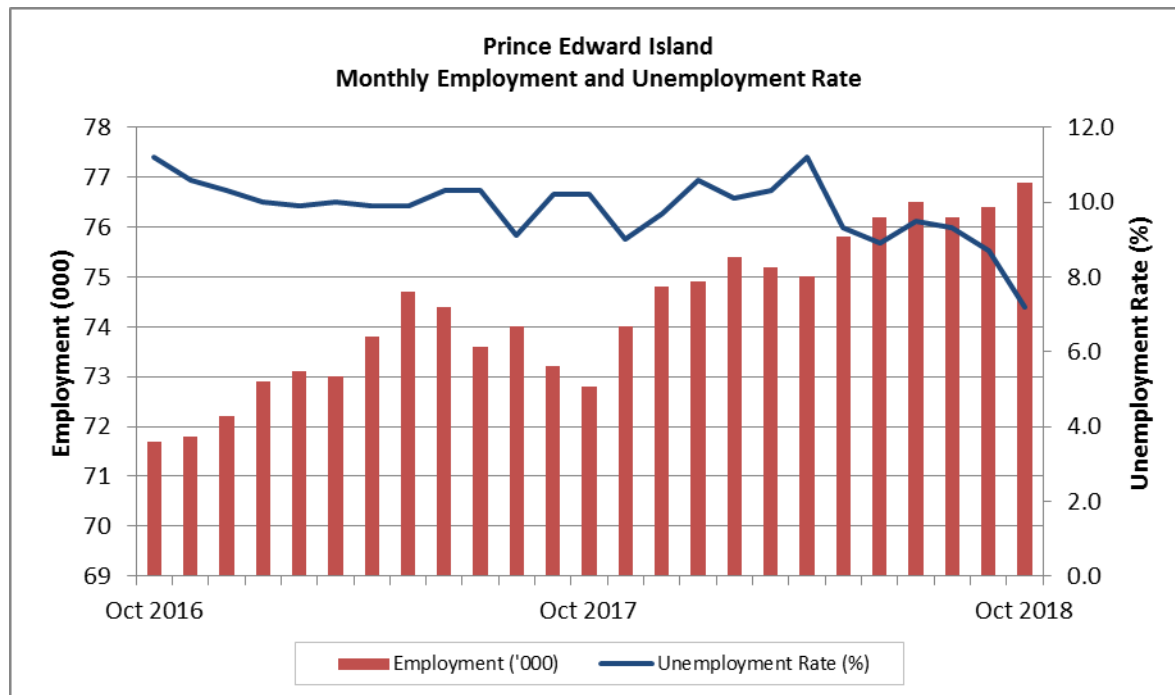
Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

The PEI labour force experienced respectable growth on a year-over-year basis, with most of the gains attributed to persons of the core-age group (25-54 years) – particularly women. There were also more youths (persons 15 - 24 years) in the labour force in October. These gains were limited by a reduction in the number of older workers (persons 55 years and older).

An average of 12,000 youths participated in the labour force in October, which is 7% higher than a year ago. Despite this impressive gain, the size of the youth labour force remains 17% below its 22-year high observed in March 2013, having reached 14,400.

Employment in PEI expanded by 5.6% on a year-over-year basis, which was highest in the country, far exceeding national growth of 1.1%. Employment growth in the province was driven entirely by full-time employment gains (+7.8%), which was however, offset slightly by a reduction in part-time employment. The full-time gains in October were about evenly distributed between men and women, however the core-aged worker cohort accounted for 7 in 10 of those employed.



The year-over-year employment gain in October was attributed to increases in all major employment classes: private sector (+1,600), public sector (+1,300) and self-employed (+1,200). Growth in the latter class was 11.1% year-over-year, representing the highest rate of growth in the country. By comparison, the number of self-employed workers nationally expanded by less than 1%. Approximately 1 in 4 persons in PEI are employed by the public sector, about six percentage points higher than the national average.

The level of unemployment in the province is shown to have decreased considerably year-over-year as employment growth more than doubled labour force gains. As a result, the unemployment rate bottomed out at 7.2% in October, the lowest in the history of the time series. Among the major age categories in PEI, youths exhibited the highest unemployment rate in August, at 10.8%. The unemployment rate for youth males was 13.6% and compares to 7.3% for females.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

| Seasonally Adjusted Data | Oct 2018 | Sept 2018 | Oct 2017 | Monthly Variation | Yearly Variation |
|---------------------------|----------|-----------|----------|-------------------|------------------|
| | % | % | % | (% points) | (% points) |
| Total | 7.2 | 8.7 | 10.2 | -1.5 | -3.0 |
| 25 years and over | 6.6 | 8.4 | 10.2 | -1.8 | -3.6 |
| Men - 25 years and over | 6.4 | 9.3 | 11.5 | -2.9 | -5.1 |
| Women - 25 years and over | 6.8 | 7.1 | 8.7 | -0.3 | -1.9 |
| 15 to 24 years | 10.8 | 10.7 | 10.7 | 0.1 | 0.1 |
| Men - 15 to 24 years | 13.6 | 14.1 | 14.3 | -0.5 | -0.7 |
| Women - 15 to 24 years | 7.3 | 6.9 | 7.1 | 0.4 | 0.2 |

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

Year-over-year growth in the Island's labour force exceeded that of the working-age population, which led to a higher participation rate (at 65.6% in October 2018). Both core working-aged adults and youths experienced higher participation rates year-over-year, however the rate of participation by older workers decreased in the order of 2 percentage points. The participation rate for females of the core-aged working group, at 88.2% in October, was the highest in the country.

EMPLOYMENT BY INDUSTRY

The annual increase in PEI's employment base in October 2018 was concentrated largely in the goods-producing sector, particularly in **Agriculture** and **Manufacturing**. **Construction** employment was also higher than it was compared to a year ago. Employment growth in construction has been easing since the beginning of the year, following a period of strong and consistent gains from its low point in April 2016 of 4,300 workers.

The level of **Manufacturing** employment in the province continues its steady climb which has spanned over the course of nearly two years. The industry's employment base reached an all-time high of 7,200 in October. Companies in the industry continue to benefit from a favorable currency position relative to the U.S. dollar, which makes its exports more competitive in international markets. Island-based exports year-to-date (January to August 2018) are up by 4.7% compared to the same period a year ago, which in 2017 was a record year for Island exports, in terms of value. Key export products driving this growth include: vegetables; aerospace parts; and engine, turbine and power transmission equipment.

There were 5,700 people employed in construction in October, representing a 5.6% gain year-over-year. There has been considerable growth in construction activity in recent months: based on available estimates, the value of building permits (residential and non-residential) for the first half of 2018 was up by nearly 10% over the same period in 2017 (driven by residential building projects). Furthermore, growth in the volume of housing starts in the province has been driven by urban and rural construction of multiple-dwelling projects (+11%). Growth in housing sales and population are key factors owing to the strong construction performance in the province. According to the Construction Association of Prince Edward Island, the industry is looking to hire upwards of 400 additional workers to meet existing demand. Furthermore, the association projects another 1,800 workers will need to be recruited in the province over the next ten years to fill anticipated vacancies from attrition.

Service-sector employment was up by nearly 3% year-over-year, driven predominantly by employment gains in **Accommodation and food services**. According to provincial tourism figures¹ up to August 2018, the province has

¹ Prince Edward Island Tourism Indicators (August 2018)

seen increased visitations this year compared to the previous year. Tourism-related traffic was up on a year-to-date basis for the Confederation Bridge (+0.7%) and Ferry (+2.6%). A slight reduction in air traffic (-1%) partially offset the growth in other areas. The volume of cruise ship visitation was about on par with the previous year. Furthermore, new restaurant openings and expansions of existing food service businesses throughout 2018 contributed to employment gains in this industry.

Employment levels on a year-over-year basis were notably lower in **Health care and social assistance** and **Trade** (wholesale and retail). Although employment in the trade industry dipped slightly in October, it remains as PEI's largest employing industry. Further, employment levels in trade remain high by historical standards – and is just 700 short of its record set in June 2017. The retail employment base was affected by the closure of Sears earlier in the year, which effected about 85 employees. For the first eight months of 2018, the value of retail spending in the province expanded by close to 5% over the same period in 2017.

Prince Edward Island Monthly Employed Labour Force, by Industry

| Seasonally Adjusted Data ('000) | Oct 2018 | Sept 2018 | Oct 2017 | Monthly Variation | | Yearly Variation | |
|---|----------|-----------|----------|-------------------|------|------------------|------|
| | | | | Number | % | Number | % |
| Total employed, all industries | 76.9 | 76.4 | 72.8 | 0.5 | 0.7 | 4.1 | 5.6 |
| Goods-producing sector | 20.0 | 19.3 | 17.6 | 0.7 | 3.6 | 2.4 | 13.6 |
| Agriculture | 4.1 | 3.8 | 2.9 | 0.3 | 7.9 | 1.2 | 41.4 |
| Forestry, fishing, mining, quarrying, oil and gas | 2.8 | 2.5 | 2.9 | 0.3 | 12.0 | -0.1 | -3.4 |
| Utilities | 0.2 | 0.2 | | 0.0 | 0.0 | 0.2 | - |
| Construction | 5.7 | 5.7 | 5.4 | 0.0 | 0.0 | 0.3 | 5.6 |
| Manufacturing | 7.2 | 7.1 | 6.2 | 0.1 | 1.4 | 1.0 | 16.1 |
| Services-producing sector | 56.8 | 57.1 | 55.2 | -0.3 | -0.5 | 1.6 | 2.9 |
| Trade | 11.0 | 10.8 | 11.4 | 0.2 | 1.9 | -0.4 | -3.5 |
| Transportation and warehousing | 2.7 | 2.8 | 2.7 | -0.1 | -3.6 | 0.0 | 0.0 |
| Finance, insurance, real estate and leasing | 3.0 | 2.9 | 2.6 | 0.1 | 3.4 | 0.4 | 15.4 |
| Professional, scientific and technical services | 3.5 | 3.6 | 3.6 | -0.1 | -2.8 | -0.1 | -2.8 |
| Business, building and other support services | 2.1 | 2.1 | 1.8 | 0.0 | 0.0 | 0.3 | 16.7 |
| Educational services | 5.3 | 5.3 | 5.2 | 0.0 | 0.0 | 0.1 | 1.9 |
| Health care and social assistance | 10.4 | 10.4 | 10.8 | 0.0 | 0.0 | -0.4 | -3.7 |
| Information, culture and recreation | 2.5 | 2.7 | 2.6 | -0.2 | -7.4 | -0.1 | -3.8 |
| Accommodation and food services | 6.3 | 6.7 | 5.0 | -0.4 | -6.0 | 1.3 | 26.0 |
| Other services | 3.0 | 3.1 | 3.1 | -0.1 | -3.2 | -0.1 | -3.2 |
| Public administration | 6.9 | 6.8 | 6.5 | 0.1 | 1.5 | 0.4 | 6.2 |

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355

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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