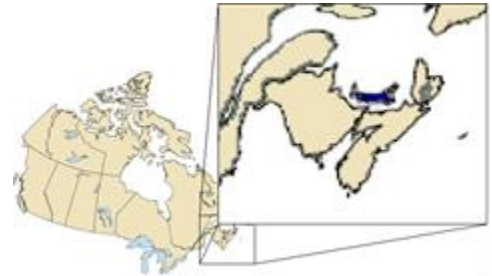




Labour Market Bulletin

Prince Edward Island

March 2018



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

OVERVIEW

Labour market conditions continue to improve in Prince Edward Island. The labour force averaged 83,800 in the first quarter of 2018, which was the second highest level in the history of the time series. This is a marked improvement from its five-year low in Q3 2016 – having rebounded by 5% (or 4,000 persons) in less than two years. The level of employment in PEI averaged 75,200 in the most recent quarter, a record-high for the province. For PEI, quarter-to-quarter employment gains were supported by balanced growth in full-time and part-time levels. Growth in the labour force outpaced employment gains in Q1 2018 which put upward pressure on unemployment – moving the unemployment rate up slightly to 10.3%, on average. The participation rate climbed a respectable 1.5 percentage points to reach a near three-year high, suggesting an improved level of optimism about employment prospects in the province.

Prince Edward Island Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	1st Quarter 2018	4th Quarter 2017	1st Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	124.7	124.4	122.8	0.3	0.2	1.9	1.5
Labour Force ('000)	83.8	81.7	81.1	2.1	2.6	2.7	3.3
Employment ('000)	75.2	73.9	73.0	1.3	1.8	2.2	3.0
Full-Time ('000)	62.5	61.8	61.9	0.7	1.1	0.6	1.0
Part-Time ('000)	12.7	12.0	11.1	0.7	5.8	1.6	14.4
Unemployment ('000)	8.7	7.9	8.1	0.8	10.1	0.6	7.4
Unemployment Rate (%)	10.3	9.6	10.0	0.7	-	0.3	-
Participation Rate (%)	67.2	65.7	66.0	1.5	-	1.2	-
Employment Rate (%)	60.3	59.4	59.4	0.9	-	0.9	-

Note: Totals may not add due to rounding

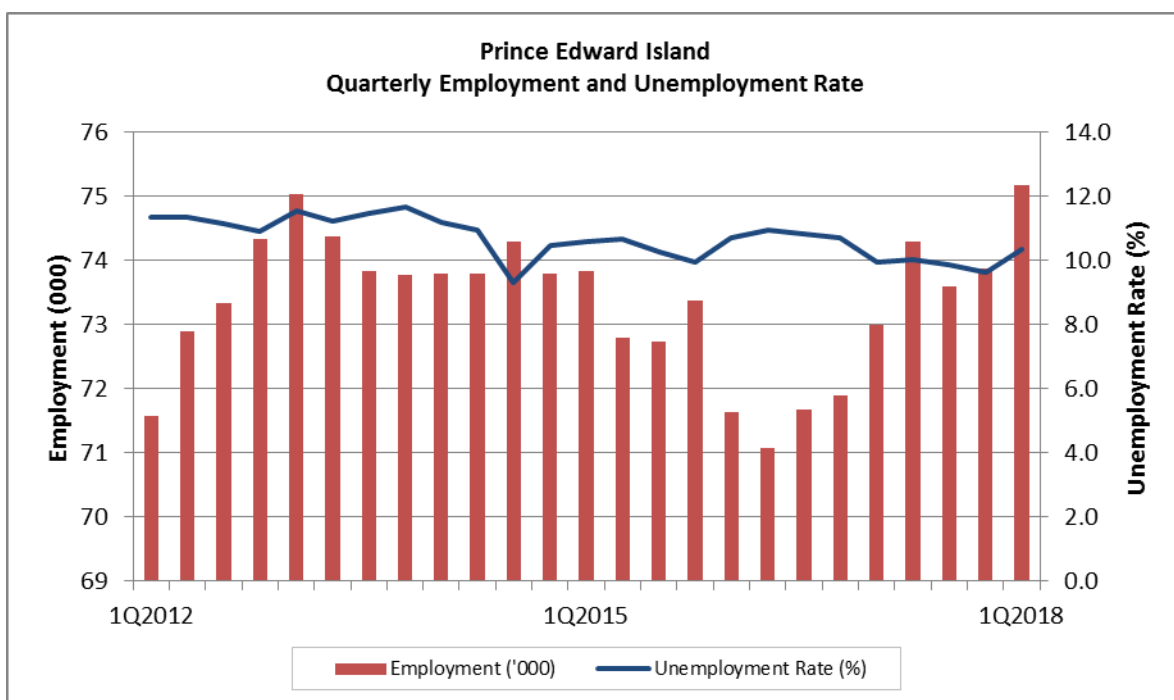
Source: Statistics Canada Labour Force Survey – CANSIM Table 282-0087

Labour force gains in PEI were robust year-over-year, especially compared to national growth. The Island's labour force increased by 3.3% from its Q1 2017 level, representing the strongest growth in the country. By comparison, growth nationally was 0.7%. PEI's labour force gains over this period was driven almost entirely by increased participation of older workers (persons aged 55 years and over). Women comprised the majority of this growth, accounting for about six of every ten additional workers in this age category. A partial offset to this gain was a reduction in the number of Island youths (persons aged 15-24 years) working or looking for work. An

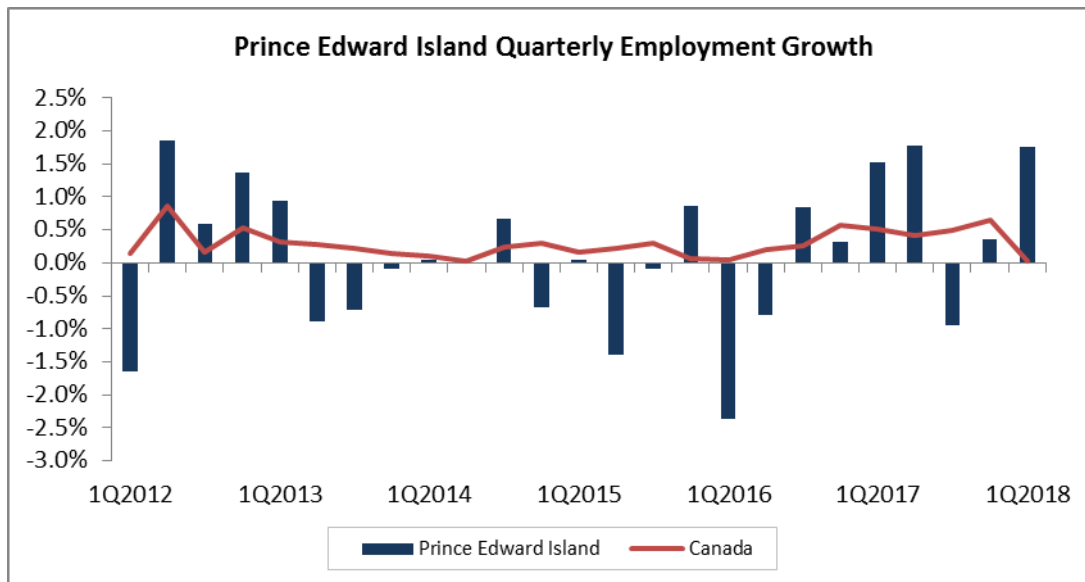
average of 12,200 youths participated in the labour force in Q1 2018, which is 4.4% fewer than a year prior. The youth labour force has been on a downward trend since having peaked in Q2 2013, at 13,900, and reached its lowest level (of the time series) in Q4 2017, at 11,100 persons.

In the most recent quarter, youths comprised 15% of the Island’s labour force, which is 11 percentage points lower compared to older workers (at 26%). Thirty years prior, the opposite was true: the proportion of youths in PEI’s labour force exceeded that for older workers by 12 percentage points.

Employment in PEI expanded by 3% on a year-over-year basis, which nearly doubled the national rate. This was attributed largely to part-time employment gains, although there was respectable growth in the number employed on a full-time basis. Women accounted for the vast majority of the part-time job growth, accounting for 1,100, or 70%, of the overall gain; however, more than half of this was represented by those transitioning from full-time status. Men comprised the majority of full-time employment gains since the same quarter a year ago.



The majority of the year-over-year gain in employment in Q1 2018 was attributed to strong growth in the number of self-employed persons (having accounted for two-thirds of the overall gain in employment). The number of self-employed workers in PEI increased by 14% in the most recent quarter (over Q1 2017) and represents the highest growth in the country. This compares to 4% growth nationally. Private sector employment was also up year-over-year (by 1.8%) while the number of public sector employees remained relatively unchanged compared to the same quarter a year ago. Prince Edward Island has the second highest dependency on the public sector for employment (at 26%), six percentage points higher than the national average.



The level of unemployment in the province increased year-over-year as employment growth failed to keep pace with the labour force. The unemployment rate edged up to an average 10.3% in the first three months of 2018, which is second highest in the country behind Newfoundland and Labrador. Among the major age categories in PEI, youths exhibited the highest unemployment rate in Q1 2018, at 14.5%. Though the unemployment rate for youth males remains relatively high (at 18.1% compared to 12.4% nationally), it was about 3 percentage points lower compared to the same quarter of 2017. It should be qualified, however, that the labour force for youth males was 9% lower in Q1 2018 relative to a year ago.

Prince Edward Island Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	1st Quarter	4th Quarter	1st Quarter	Quarterly Variation (% points)	Yearly Variation (% points)
	2018 (%)	2017 (%)	2017 (%)		
Total	10.3	9.6	10.0	0.7	0.4
25 years and over	9.6	9.2	8.8	0.4	0.8
Men - 25 years and over	9.8	10.0	10.9	-0.1	-1.1
Women - 25 years and over	9.4	8.4	6.4	1.0	3.0
15 to 24 years	14.5	12.3	16.2	2.2	-1.7
Men - 15 to 24 years	18.1	12.5	21.0	5.6	-3.0
Women - 15 to 24 years	10.9	12.1	10.9	-1.2	0.0

Note: Totals may not add due to rounding

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

Strong growth in the Island’s labour force over the past year supported a 1.2 percentage point increase in its participation rate, which averaged 67.2% in the most recent quarter (ranked third in the country behind Alberta and Saskatchewan). This annual gain was the strongest in the country. Further, the participation rate for youth females, at 72.6% in Q1 2018, was highest among the provinces. The relative participation rates for the other major age categories in PEI ranked in the top three among provinces in this most recent quarter.

In the first quarter (Q1) of 2018, the total population aged 15+ in the Atlantic Provinces was 1.99 million. The Indigenous population living off-reserve accounted for 3.5% of that, or 69,200 people. Employment among Indigenous people in the Atlantic provinces reached 34,800, representing an increase of 2,000 (6.1%) from a year earlier (Q1 2017). The increase was in both full-time positions (+1,500 or +5.6%) and part-time positions (+500 or 8.3%).

The unemployment rate among the Indigenous population was 16% in Q1 2018, representing an increase of 2.2 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate was also relatively stable at 10.7% (-0.5pp). Year-over-year, the participation rate among Indigenous people increased to 59.9% (+3.4pp) while the participation rate for the non-Indigenous population stood at 60% (-0.2pp). The employment rate of the Indigenous population increased year-over-year to 50.3% (+1.6pp), and the employment rate amongst the non-Indigenous population remained unchanged at 53.5%, compared to a year earlier.

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q1 2018	Q1 2017	number	%	Q1 2018	Q1 2017	number	%
	Population 15+ ('000)	69.2	67.3	1.9	2.8%	1,922.5	1,915.2	7.3
Labour Force ('000)	41.4	38.1	3.3	8.7%	1,153.0	1,153.8	-0.8	-0.1%
Employment ('000)	34.8	32.8	2.0	6.1%	1,029.4	1,024.9	4.5	0.4%
Full-Time ('000)	28.3	26.8	1.5	5.6%	850.4	838.4	12.0	1.4%
Part-Time ('000)	6.5	6.0	0.5	8.3%	179.0	186.5	-7.5	-4.0%
Unemployment ('000)	6.6	5.3	1.3	24.5%	123.6	128.9	-5.3	-4.1%
Unemployment Rate (%)	16.0	13.8	2.2	-	10.7	11.2	-0.5	-
Participation Rate (%)	59.9	56.5	3.4	-	60.0	60.2	-0.2	-
Employment Rate (%)	50.3	48.7	1.6	-	53.5	53.5	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.

EMPLOYMENT BY INDUSTRY

The annual increase in PEI's employment base in Q1 2018 was almost entirely concentrated in the goods-producing sector. The **Construction** industry lead the way with a 17% increase in employment compared to the same quarter a year ago. There were 6,000 people employed in Construction in Q1 2018, which is only 200 shy of the all-time high posted in the same quarter of 2010.

There has been considerable growth in construction activity in recent months. Based on available estimates, the value of residential and non-residential building permits (over the November 2017 to January 2018 period) were up by 77% and 96%, respectively, over the same three months a year earlier. Furthermore, the volume of new home construction in Q4 2017 was up by 172% over the same quarter in 2016. Growth in housing sales and population are key factors attributing to the strong performance in residential construction activity 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.

Prince Edward Island Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	1st Quarter 2018	4th Quarter 2017	1st Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	75.2	73.9	73.0	1.3	1.8	2.2	3.0
Goods-producing sector	19.0	18.4	16.9	0.7	3.6	2.1	12.4
Agriculture	3.7	3.3	3.0	0.3	10.0	0.7	22.2
Forestry, fishing, mining, quarrying, oil and gas	2.6	2.7	2.4	-0.1	-3.7	0.2	9.9
Utilities	0.2		0.2	0.2	-	0.0	-14.3
Construction	6.0	5.7	5.1	0.3	4.7	0.9	17.0
Manufacturing	6.6	6.5	6.3	0.2	2.6	0.4	5.9
Services-producing sector	56.1	55.5	56.0	0.6	1.0	0.0	0.1
Trade	11.4	11.2	10.5	0.2	1.8	0.8	7.9
Transportation and warehousing	2.1	2.7	2.9	-0.5	-20.0	-0.7	-25.6
Finance, insurance, real estate and leasing	2.8	2.6	2.5	0.2	7.6	0.3	11.8
Professional, scientific and technical services	3.5	3.6	3.4	-0.1	-1.9	0.2	5.0
Business, building and other support services	1.7	1.7	2.1	0.0	2.0	-0.4	-17.5
Educational services	5.4	5.4	5.4	0.0	0.6	0.0	0.0
Health care and social assistance	10.9	10.8	10.4	0.1	0.6	0.5	4.8
Information, culture and recreation	2.8	2.6	2.8	0.2	9.1	0.0	1.2
Accommodation and food services	5.6	5.1	5.8	0.5	9.1	-0.2	-4.0
Other services	3.2	3.2	3.3	0.0	1.0	0.0	-1.0
Public administration	6.7	6.7	6.9	-0.1	-1.0	-0.3	-3.8

Note: Totals may not add due to rounding

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

The **Agriculture** and **Manufacturing** industries also experienced considerable employment growth. Manufacturing companies 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 in 2017 were up by 4.6% over the previous year, driven by frozen food products (i.e. French fries); Turbo-Propellers; and fresh potatoes.

Total service-sector employment remained stable in Q1 2018. The most notable upward swings in employment occurred in **Trade** (wholesale and retail); and **Health care and social assistance**. Offsetting this were reduced employment levels in **Transportation and warehousing**; and **Business, building and other support services**. **Public administration** employment was also lower year-over-year.

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 the LMI team at:

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

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