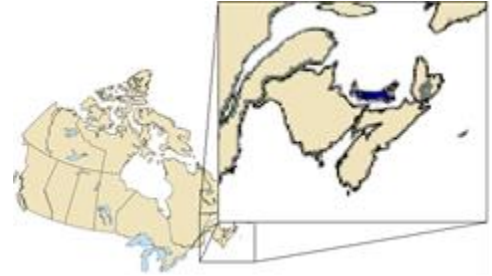




Labour Market Bulletin

Prince Edward Island

June 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 83,900 in the second 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 4,100 persons) in less than two years. The level of employment in PEI averaged 75,700 in the most recent quarter, a record-high for the province. For PEI, quarter-to-quarter employment gains were in full-time positions, however growth was offset in part by a slight reduction in part-time employment. Growth in employment outpaced labour force gains in Q2 2018 which put downward pressure on unemployment – reducing the unemployment rate to 9.8%. The participation rate eased to 67%, but remains above the national average suggesting a healthy level of optimism about employment prospects in the province.

Prince Edward Island Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	2nd Quarter 2018	1st Quarter 2018	2nd Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	125.3	124.7	123.6	0.6	0.5	1.7	1.4
Labour Force ('000)	83.9	83.8	82.6	0.1	0.1	1.3	1.6
Employment ('000)	75.7	75.2	74.3	0.5	0.7	1.4	1.9
Full-Time ('000)	63.4	62.5	62.5	0.9	1.4	0.9	1.4
Part-Time ('000)	12.3	12.7	11.8	-0.4	-3.1	0.5	4.2
Unemployment ('000)	8.2	8.7	8.3	-0.5	-5.7	-0.1	-1.2
Unemployment Rate (%)	9.8	10.3	10.0	-0.5	-	-0.2	-
Participation Rate (%)	67.0	67.2	66.8	-0.2	-	0.2	-
Employment Rate (%)	60.4	60.3	60.1	0.1	-	0.3	-

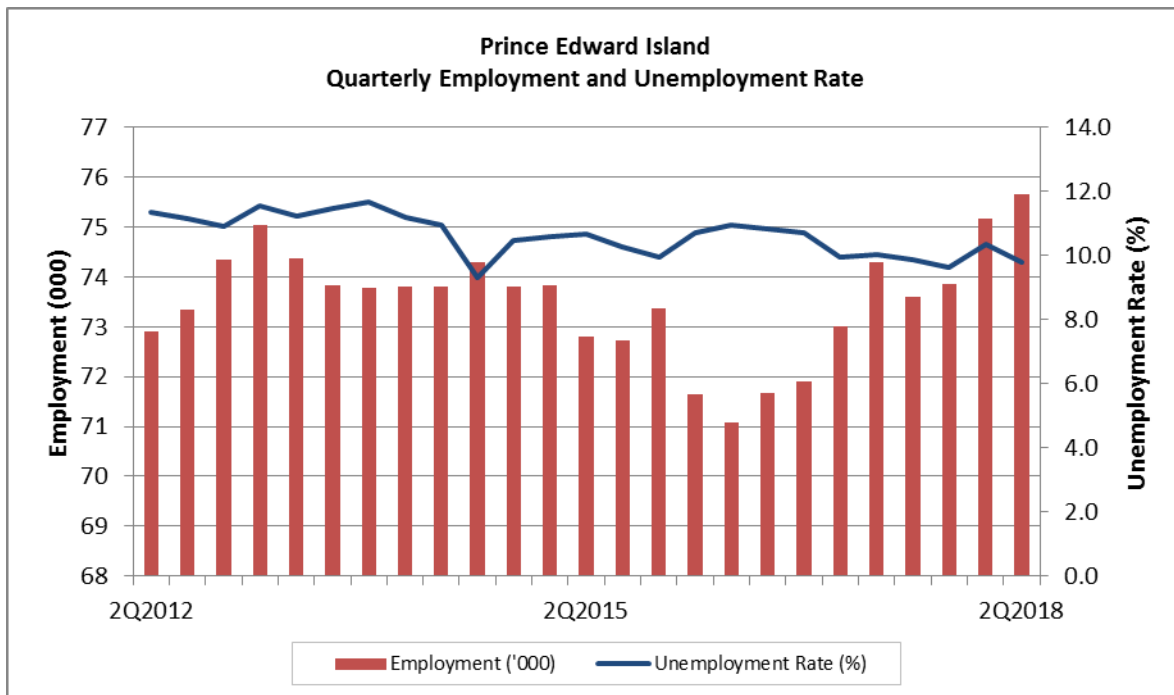
Note: Totals may not add due to rounding

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

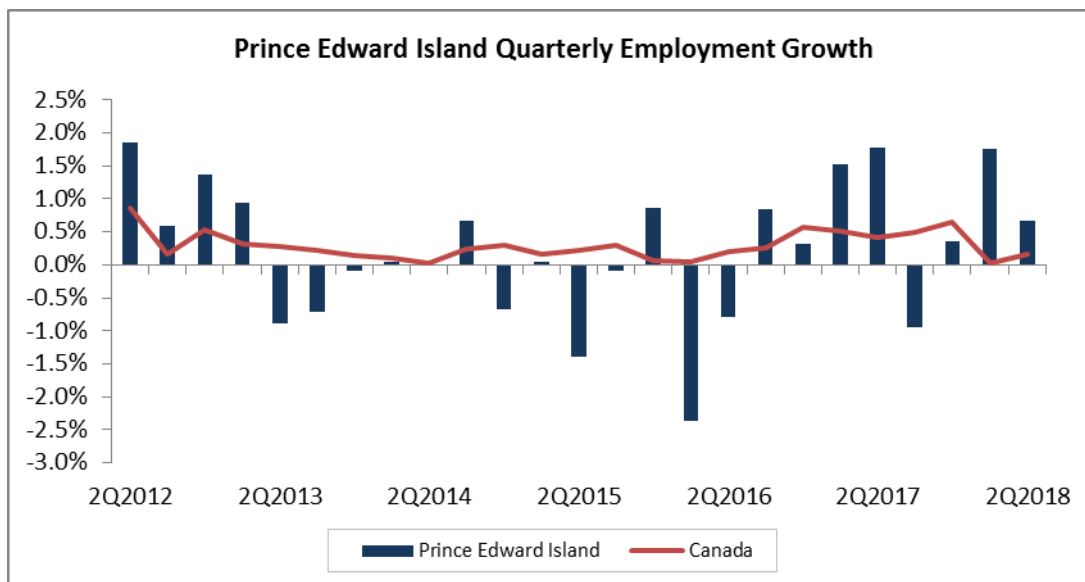
Labour force gains in PEI showed respectable growth year-over-year, especially compared to national growth. The Island's labour force increased by 1.6% from its Q2 2017 level, which more than doubled national growth (0.7%). PEI's labour force gains over this period was driven entirely by increased participation 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 12,600 youths participated

in the labour force in Q2 2018, which is 1.3% fewer than a year prior. The youth labour force has been on a downward trend since having peaked in Q2 2013, at 13,900, but remains above its lowest level of the time series, which in Q4 2017, was 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 25%). Thirty years ago, the opposite was true.

Employment in PEI expanded by 1.9% on a year-over-year basis, slightly exceeding national growth. This was attributed largely to full-time employment gains, although there was respectable growth in the number employed part-time. Women accounted for all of the part-time job growth year-over-year while men comprised the entire gain in full-time employment.



Half of the year-over-year gain in employment in Q2 2018 was attributed to strong growth in the number of self-employed persons (+6.9%), exceeding national growth (+1.9%). Private sector employment was also up year-over-year (by 0.9%) and the number of public sector employees increased by 1.2% 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 was slightly lower than it was the previous year as employment growth exceeded that of the labour force. The unemployment rate dipped below what it was the same quarter a year ago ranking second highest in the country behind Newfoundland and Labrador. Among the major age categories in PEI, youths exhibited the highest unemployment rate in Q2 2018, at 14.3%. The unemployment rate for youth males remains relatively high (at 18.2% compared to 12.5% nationally), and is just over 2 percentage points higher than it was in the same quarter of 2017.

Prince Edward Island Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	2nd Quarter	1st Quarter	2nd Quarter	Quarterly Variation (% points)	Yearly Variation (% points)
	2018 (%)	2018 (%)	2017 (%)		
Total	9.8	10.3	10.0	-0.5	-0.2
25 years and over	9.0	9.6	9.4	-0.6	-0.4
Men - 25 years and over	9.5	9.8	11.1	-0.3	-1.6
Women - 25 years and over	8.6	9.4	7.6	-0.8	1.0
15 to 24 years	14.3	14.5	12.8	-0.2	1.5
Men - 15 to 24 years	18.2	18.1	16.4	0.1	1.8
Women - 15 to 24 years	9.5	10.9	10.1	-1.4	-0.6

Note: Totals may not add due to rounding

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

Respectable growth in the Island's labour force over the past quarter supported a slight increase in its participation rate, which averaged 67% in Q2 2018 (ranked fourth in the country behind the Prairies and Alberta). The participation rate for youth females, at 70.5% in Q2 2018, was highest among the provinces. The relative participation rates for the other major age categories in PEI ranked in the country's top four.

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.

In the second quarter (Q2) of 2018, the total population aged 15+ in the Atlantic Provinces was around 2 million. The Indigenous population living off-reserve accounted for 3.5% of that, or 69,600 people. Employment among Indigenous people in the Atlantic Provinces was 40,600, representing an increase of 3,000 (+8.0%) from a year earlier (Q2 2017). The increase was primarily driven by full-time positions (+3,300 or +10.7%). This was partially offset by a decrease in part-time positions over the same time period (-400 or -5.9%).

The unemployment rate among the Indigenous population was 13.7% in Q2 2018, representing an increase of +1.7 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate was 8.9% (-0.7pp). Between Q2 2017 and Q2 2018, the participation rate of Indigenous people increased to 67.6% (+4.6pp) while among non-Indigenous population, it was 61.7% (-0.3pp). The employment rate of Indigenous people increased year-over-year to 58.3% (+2.8pp); for the non-Indigenous population, it remained unchanged at 56.2% (+0.2pp).

Atlantic - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q2 2018	Q2 2017	number	%	Q2 2018	Q2 2017	number	%
Population 15 + ('000)	69.6	67.9	1.7	2.5%	1,924.5	1,917.5	7.0	0.4%
Labour Force ('000)	47.1	42.8	4.3	10.0%	1,187.7	1,188.2	-0.5	0.0%
Employment ('000)	40.6	37.6	3.0	8.0%	1,081.7	1,074.1	7.6	0.7%
Full-Time ('000)	34.2	30.9	3.3	10.7%	910.6	901.8	8.8	1.0%
Part-Time ('000)	6.4	6.8	-0.4	-5.9%	171.1	172.3	-1.2	-0.7%
Unemployment ('000)	6.5	5.1	1.4	27.5%	106.0	114.1	-8.1	-7.1%
Unemployment Rate (%)	13.7	12.0	1.7	-	8.9	9.6	-0.7	-
Participation Rate (%)	67.6	63.0	4.6	-	61.7	62.0	-0.3	-
Employment Rate (%)	58.3	55.5	2.8	-	56.2	56.0	0.2	-

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 Q2 2018 was entirely concentrated in the goods-producing sector. The **Agriculture** industry lead the way with employment growth of 800 persons over the same quarter a year ago. **Construction** followed with 10% more persons employed in the industry.

There has been considerable growth in construction activity in the first half of 2018. Based on available estimates, the value of residential and non-residential building permits (in the first four months of 2018) were up by 46% and 29%, respectively, over the same period a year ago. Furthermore, the volume of urban housing starts – multiples units – is up by 144% year-to-date. 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)	2nd Quarter	1st Quarter	2nd Quarter	Quarterly Variation		Yearly Variation	
	2018	2018	2017	Number	%	Number	%
Total employed, all industries	75.7	75.2	74.3	0.5	0.7	1.4	1.8
Goods-producing sector	19.1	19.0	17.6	0.1	0.4	1.5	8.7
Agriculture	3.8	3.7	3.0	0.1	2.7	0.8	27.0
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.6	2.6	0.1	2.6	0.1	3.9
Utilities	0.2	0.1	0.1	0.1	50.0	0.1	50.0
Construction	5.7	6.0	5.2	-0.2	-3.9	0.5	9.6
Manufacturing	6.8	6.6	6.6	0.1	2.0	0.1	2.0
Services-producing sector	56.6	56.1	56.7	0.5	0.9	-0.2	-0.3
Trade	11.1	11.4	11.3	-0.2	-2.1	-0.2	-1.8
Transportation and warehousing	2.5	2.1	2.7	0.4	17.2	-0.2	-7.4
Finance, insurance, real estate and leasing	2.9	2.8	2.5	0.1	3.5	0.4	15.8
Professional, scientific and technical services	3.6	3.5	3.4	0.0	0.9	0.2	4.9
Business, building and other support services	1.9	1.7	1.9	0.1	7.7	0.0	-1.8
Educational services	5.5	5.4	5.2	0.1	2.5	0.4	7.1
Health care and social assistance	10.8	10.9	10.5	-0.1	-0.9	0.3	2.9
Information, culture and recreation	2.7	2.8	2.9	-0.1	-4.8	-0.3	-9.1
Accommodation and food services	6.2	5.6	5.9	0.6	10.7	0.3	4.5
Other services	3.0	3.2	3.3	-0.2	-7.2	-0.3	-8.2
Public administration	6.4	6.7	7.1	-0.3	-4.0	-0.7	-9.9

Note: Totals may not add due to rounding

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

The **Manufacturing** industry continues 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 such as frozen food products (i.e. French fries); fresh or chilled potatoes; and turbo jet and propeller parts are key export drivers for the province.

Service-sector employment contracted slightly in Q2 2018. Employment levels on a year-over-year basis were lower in **Public administration; Information, culture and recreation; and Trade** (wholesale and retail). The Trade industry was effected in part by the closure of the Sears store early in the year, effecting about 85 employees. Although employment in Trade is down slightly year-over-year, levels have been on par with historical highs. In fact, since its low point in Q2 2016, employment in this industry rose significantly, reaching an all-time high a year later (at 11,700 in June 2017). The value of retail spending in the province, however, continues to grow, up by 4.3% on a year-to-date basis (to April 2018). Mitigating the loss in this sector were notable gains in **Finance, insurance, real estate, rental and leasing; Educational services; and Accommodation and Food Services**.

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

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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