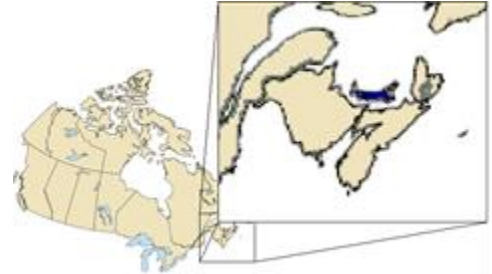




Labour Market Bulletin

Prince Edward Island



August 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 be healthy in Prince Edward Island. The labour force averaged 84,000 in August 2018, down slightly from July. Despite this slip, the labour force has experienced considerable growth in recent years, having risen 6% from its low point in July 2016. The level of employment in Prince Edward Island slipped from its record level in the previous month. The province experienced a monthly gain in its full-time employment base, although there were fewer employed part-time compared to July 2018. There was a very slight dip in the Island's unemployment rate, which stood at 9.3% in August. The participation rate eased in the most recent month, to 66.7%, though remained highest in the Atlantic Region and exceeded the national average by 1.4 percentage points.

Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Aug 2018	July 2018	Aug 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	125.9	125.7	124.1	0.2	0.2	1.8	1.5
Labour Force ('000)	84.0	84.4	81.4	-0.4	-0.5	2.6	3.2
Employment ('000)	76.2	76.5	74.0	-0.3	-0.4	2.2	3.0
Full-Time ('000)	64.1	63.9	61.0	0.2	0.3	3.1	5.1
Part-Time ('000)	12.1	12.6	13.0	-0.5	-4.0	-0.9	-6.9
Unemployment ('000)	7.8	8.0	7.4	-0.2	-2.5	0.4	5.4
Unemployment Rate (%)	9.3	9.5	9.1	-0.2	-	0.2	-
Participation Rate (%)	66.7	67.1	65.6	-0.4	-	1.1	-
Employment Rate (%)	60.5	60.9	59.6	-0.4	-	0.9	-

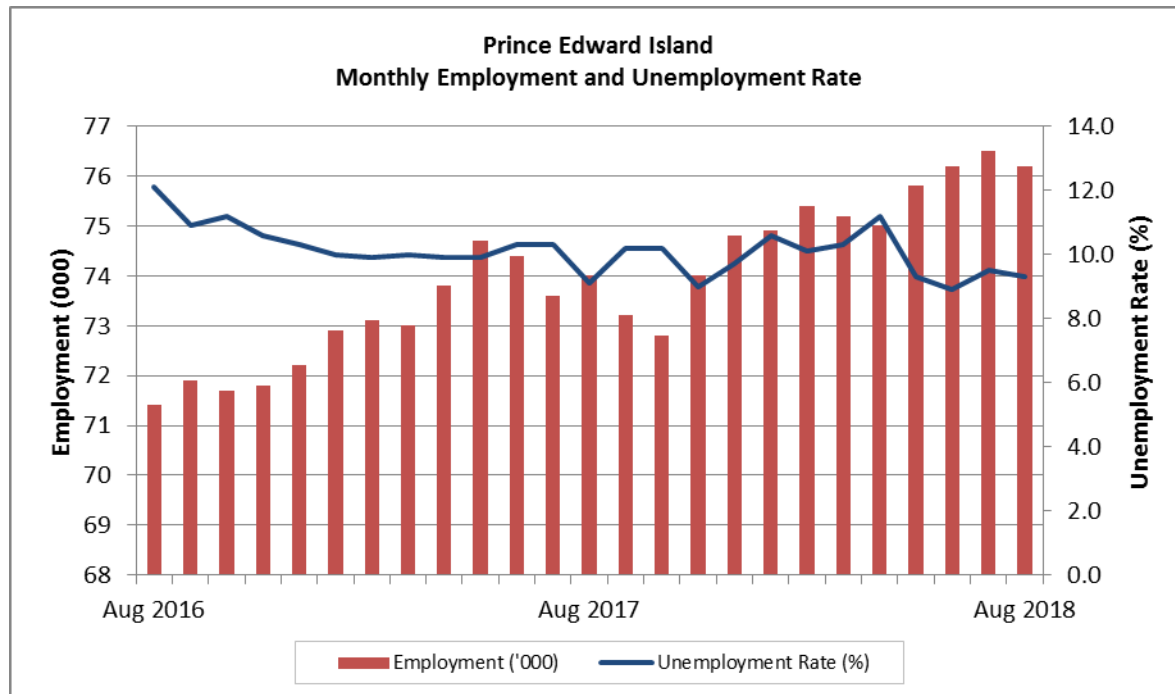
Note: Totals may not add due to rounding

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

The PEI labour force experienced respectable growth on a year-over-year basis, with gains distributed somewhat evenly across the major age groups: the core-age labour force (persons 25-54 years) increased by 1,000 compared to the same month a year ago, followed by growth of 800 for both the youths (persons 15 -24 years) and older worker (persons 55+ years) cohorts. Although labour force growth was somewhat consistent across these age categories, men accounted for the majority of gains.

An average of 12,400 youths participated in the labour force in August, which is 7% higher than a year ago. The youth labour force was on a downward trend since its 22 year high in March 2013 (at 14,400), before having stabilized in 2016. Since that peak, the number of youths comprising PEI's labour force declined by nearly 14%.

Employment in PEI expanded by 3% on a year-over-year basis, which was highest in the country (and compares to 0.9% nationally). Employment growth in the province was driven entirely by full-time employment gains (+5.1%), which was however, slightly offset by a reduction in part-time employment. The full-time gains in August were about evenly distributed between men and women, however the older worker age cohort accounted for 6 in 10 of those employed.



The year-over-year employment gain in August was attributed to increases in both self-employment (+1,300) and public-sector employment (+1,000). Growth in self-employment was 12.7% year-over-year, representing the highest rate of growth in the country. By comparison, the number of self-employed workers nationally expanded by just under 1%. Approximately 1 in 4 persons in PEI are employed by the public sector, about six percentage points higher than the national average.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Aug 2018	July 2018	Aug 2017	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	9.3	9.5	9.1	-0.2	0.2
25 years and over	9.1	8.4	9.0	0.7	0.1
Men - 25 years and over	11.2	10.2	10.0	1.0	1.2
Women - 25 years and over	6.7	6.1	7.7	0.6	-1.0
15 to 24 years	10.5	15.7	9.5	-5.2	1.0
Men - 15 to 24 years	12.5	18.2	10.0	-5.7	2.5
Women - 15 to 24 years	8.3	13.1	8.9	-4.8	-0.6

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

The level of unemployment in the province increased year-over-year as labour force growth outpaced employment gains. The unemployment rate increased marginally to 9.3% in August. Among the major age categories in PEI, youths exhibited the highest unemployment rate in August, at 10.5%. The unemployment rate for youth males was 12.5% and compares to 8.3% for females.

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 66.7% in August 2018, or +1.1 percentage points). All the major age categories experienced higher participation rates – the largest being youths (+3.4 percentage points). In fact, the youth participation rate in PEI, at 68.9% in August, was the highest in the country.

EMPLOYMENT BY INDUSTRY

The annual increase in PEI's employment base in August 2018 was concentrated largely in the goods-producing sector, particularly in **Agriculture and Forestry, fishing, mining, quarrying, oil and gas**. **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 April 2016 low point (4,300).

There were 5,500 people employed in construction in August (+4% year-over-year). On a year-to-date basis, construction employment was up by 11.3% in the first eight months of 2018 compared to the same period a year ago. 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 7.5% over the same period in 2017 (driven by residential building projects). Furthermore, the volume of housing starts in the province was up by 12.4% year-to-date, driven by a surge in urban and rural construction of multiple-dwelling units (+48.3%). 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.

Although there was no change in the level of **Manufacturing** employment year-over-year, the industry's employment base, at 6,800 in August, is just 200 shy of its all time high (reached in August 2005). 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 (Jan-Jun 2018) are down by 5.4% compared to the same period a year ago, which in 2017 was a record year for Island exports, in terms of value.

Service-sector employment was up by just over 1% year-over-year, driven predominantly by employment gains in **Accommodation and Food services**. According to tourism traffic indicators¹ for the first six months of the year, the province experienced increased visitation compared to the previous year. Tourism-related traffic was up on a year-to-date basis for all three entrance points: Confederation Bridge (+0.7%), Ferry (+6.2%) and Air (+0.4%). A partial offset to tourist volume gains was reduced cruise ship and motorcoach traffic (down 9.6% and 0.3%, respectively). Furthermore, new restaurant openings and expansions of existing food service businesses throughout 2018 contributed to employment gains in this industry.

¹ Prince Edward Island Tourism Indicators (June 2018)

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 August, employment levels remain high by historical standards – and is just 600 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 six months of 2018, the value of retail spending in the province expanded by 5% over the same period in 2017.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Aug 2018	July 2018	Aug 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	76.2	76.5	74.0	-0.3	-0.4	2.2	3.0
Goods-producing sector	19.4	19.3	17.8	0.1	0.5	1.6	9.0
Agriculture	4.1	4.0	3.1	0.1	2.5	1.0	32.3
Forestry, fishing, mining, quarrying, oil and gas	2.8	2.7	2.5	0.1	3.7	0.3	12.0
Utilities	0.2	0.3		-0.1	-33.3	0.2	-
Construction	5.5	5.7	5.3	-0.2	-3.5	0.2	3.8
Manufacturing	6.8	6.7	6.8	0.1	1.5	0.0	0.0
Services-producing sector	56.8	57.1	56.2	-0.3	-0.5	0.6	1.1
Trade	11.1	11.2	11.4	-0.1	-0.9	-0.3	-2.6
Transportation and warehousing	2.7	2.7	2.8	0.0	0.0	-0.1	-3.6
Finance, insurance, real estate and leasing	2.9	2.9	2.9	0.0	0.0	0.0	0.0
Professional, scientific and technical services	3.5	3.4	3.5	0.1	2.9	0.0	0.0
Business, building and other support services	2.2	1.9	1.9	0.3	15.8	0.3	15.8
Educational services	5.5	5.7	5.3	-0.2	-3.5	0.2	3.8
Health care and social assistance	9.8	10.2	10.4	-0.4	-3.9	-0.6	-5.8
Information, culture and recreation	2.9	2.9	2.7	0.0	0.0	0.2	7.4
Accommodation and food services	6.6	6.5	5.3	0.1	1.5	1.3	24.5
Other services	3.1	3.2	3.4	-0.1	-3.1	-0.3	-8.8
Public administration	6.5	6.5	6.6	0.0	0.0	-0.1	-1.5

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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http://www.esdc.gc.ca/cgi-bin/contact/esdc-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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