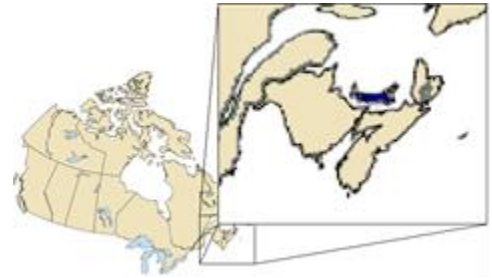




Labour Market Bulletin

Prince Edward Island



September 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 84,000 in the third quarter of 2018, which was the second highest quarterly level in the 42 year history of the time series. Employment in PEI averaged 76,400 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 Q3 2018 which put downward pressure on unemployment – reducing the unemployment rate to 9.2%. The participation rate eased to 66.7%, 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	3rd Quarter 2018	2nd Quarter 2018	3rd Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	125.9	125.3	124.1	0.6	0.5	1.8	1.5
Labour Force ('000)	84.0	83.9	81.6	0.1	0.1	2.4	2.9
Employment ('000)	76.4	75.7	73.6	0.7	0.9	2.8	3.8
Full-Time ('000)	64.3	63.4	60.8	0.9	1.4	3.5	5.8
Part-Time ('000)	12.1	12.3	12.8	-0.2	-1.6	-0.7	-5.5
Unemployment ('000)	7.7	8.2	8.0	-0.5	-6.1	-0.3	-3.8
Unemployment Rate (%)	9.2	9.8	9.9	-0.6	-	-0.7	-
Participation Rate (%)	66.7	67.0	65.7	-0.3	-	1.0	-
Employment Rate (%)	60.6	60.4	59.3	0.2	-	1.3	-

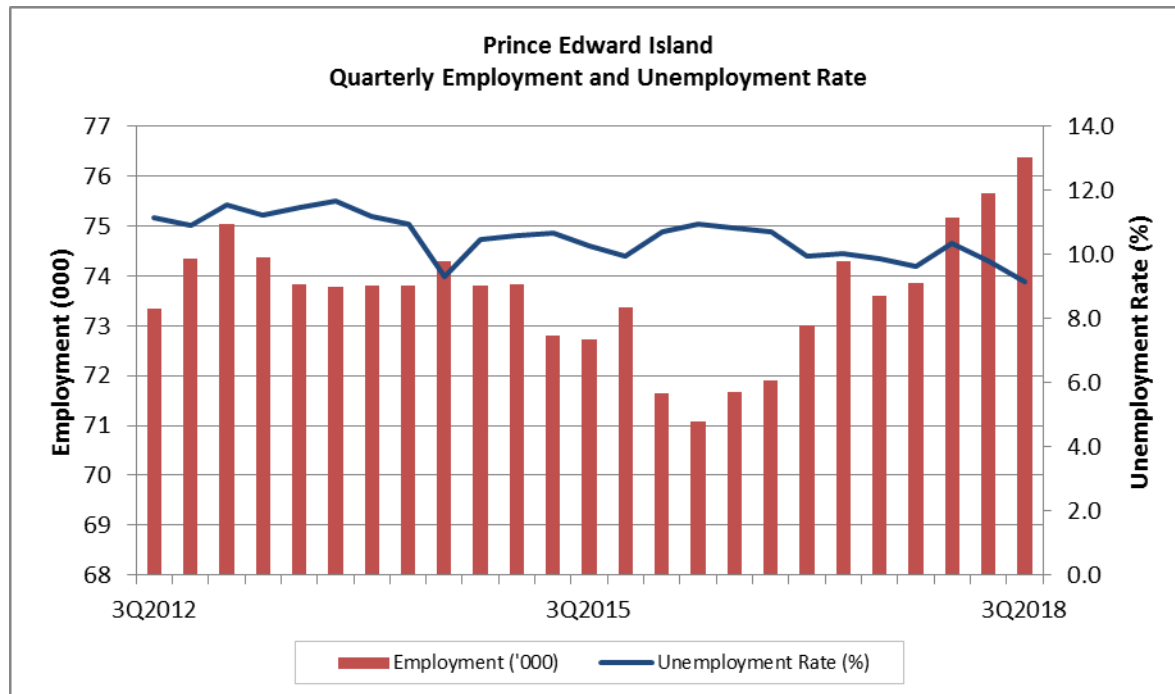
Note: Totals may not add due to rounding

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

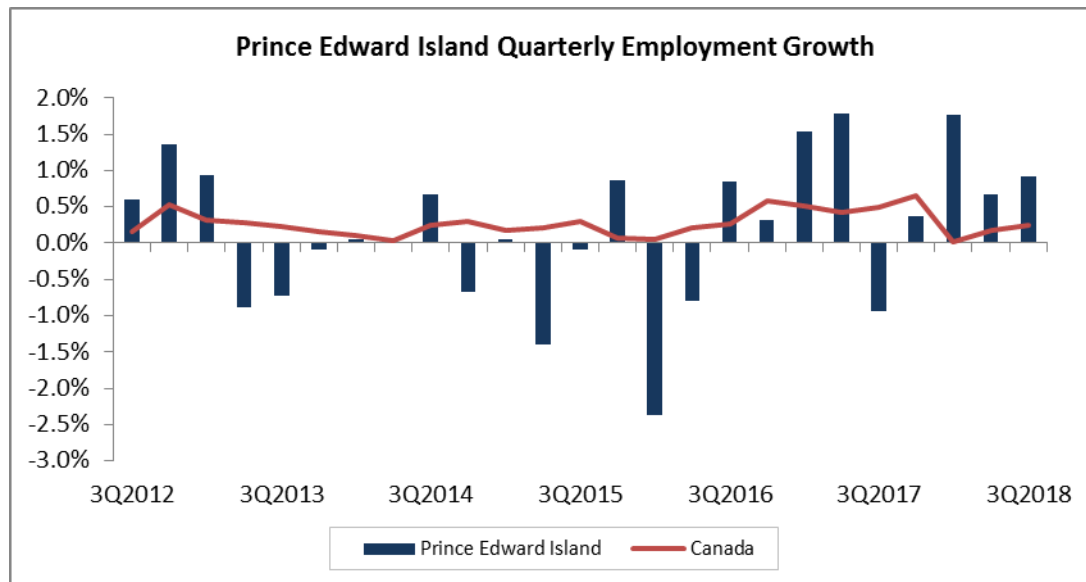
Labour force gains in PEI showed respectable growth year-over-year, especially compared to national growth. The Island's labour force increased by nearly 3% from its level in Q3 2017, which compares to 0.8% nationally. The core-aged group (persons 25-54 years) accounted for the majority (+1,000) of the year-over-year gain, followed by equal representation among older workers (persons 55 years and over) and youths (persons 15-24 years), each with 700 more in the labour force.

Overall labour force growth was equally distributed among men and women, however there was some discrepancy across age categories: while males accounted for the majority of gains among youths, women made up most of the growth among core-aged individuals.

Employment in PEI in the most recent quarter expanded by 3.8% year-over-year, which was highest in the country (and three times the rate of growth nationally). This was attributed entirely to strong gains in full-time employment, limited by a contraction in the number of persons employed part-time. Growth in full-time employment was distributed equally among men and women, however the drop in part-time numbers was attributed mostly to men.



Nearly half of the year-over-year gain in employment in Q3 2018 was attributed to strong growth in the number of self-employed persons (+12.3%), surpassing national growth considerably (+0.8%). Private-sector employment was also up year-over-year (+2.3%) and the number of public-sector employees increased by 2.9% compared to the same quarter a year ago.



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 in Q3 2018 dipped by 0.7 of a percentage point from the same quarter a year ago. Among the major age categories in PEI, youths exhibited the highest unemployment rate in the third quarter, at 12.3%. The unemployment rate for youth males remains relatively high (at 14.9%) and is nearly 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	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation (% points)	Yearly Variation (% points)
	2018 (%)	2018 (%)	2017 (%)		
Total	9.2	9.8	9.9	-0.6	-0.7
25 years and over	8.6	9.0	9.6	-0.4	-1.0
Men - 25 years and over	10.2	9.5	10.7	0.7	-0.4
Women - 25 years and over	6.6	8.6	8.2	-2.0	-1.6
15 to 24 years	12.3	14.3	11.3	-2.0	1.0
Men - 15 to 24 years	14.9	18.2	13.2	-3.3	1.7
Women - 15 to 24 years	9.4	9.5	9.3	-0.1	0.2

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 in Q3 2018 (ranked fourth in the country behind the Prairies and Alberta). The participation rate for females of the core-aged category, at 87.6% in Q3 2018, was highest in the country. Overall participation rates for PEI's youth and core-aged categories each ranked in the top 2 nationally in the most recent quarter.

In the third quarter (Q3) 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 70,300 people. Employment among Indigenous people in the Atlantic Provinces was 41,800, representing an increase of 3,300 (+8.6%) from a year earlier (Q3 2017). The increase was mostly driven by full-time positions (+2,800 or +8.7%). Part-time positions saw a moderate increase (600 or 9.8%).

The unemployment rate among the Indigenous population was 13.8% in Q3 2018, representing an increase of +0.2 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate was 8.4% (-0.3pp). Between Q3 2017 and Q3 2018, the participation rate of Indigenous people increased

significantly to 69% (+3.9pp) while among non-Indigenous population, it was 62.5% (+0.3pp). The employment rate of Indigenous people increased year-over-year to 59.5% (+3.3pp); for the non-Indigenous population, it increased to 57.3% (+0.5pp).

Atlantic - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q3 2018	Q3 2017	number	%	Q3 2018	Q3 2017	number	%
Population 15 + ('000)	70.3	68.4	1.9	2.8%	1,926.4	1,919.5	6.9	0.4%
Labour Force ('000)	48.5	44.5	4.0	9.0%	1,204.6	1,194.4	10.2	0.9%
Employment ('000)	41.8	38.5	3.3	8.6%	1,103.9	1,090.2	13.7	1.3%
Full-Time ('000)	35.1	32.3	2.8	8.7%	940.1	928.9	11.2	1.2%
Part-Time ('000)	6.7	6.1	0.6	9.8%	163.8	161.3	2.5	1.5%
Unemployment ('000)	6.7	6.1	0.6	9.8%	100.7	104.2	-3.5	-3.4%
Unemployment Rate (%)	13.8	13.6	0.2	-	8.4	8.7	-0.3	-
Participation Rate (%)	69.0	65.1	3.9	-	62.5	62.2	0.3	-
Employment Rate (%)	59.5	56.2	3.3	-	57.3	56.8	0.5	-

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 Q3 2018 was largely concentrated in the goods-producing sector. The primary industries (mainly **Agriculture, Forestry and Fishing**) lead the way in terms of employment growth over the same quarter a year ago, followed by **Construction** and **Manufacturing**.

There has been considerable growth in construction activity in PEI in recent months. Based on available estimates, the value of building permits (residential and non-residential) for the first seven months of 2018 was up by 9.2% over the same period in 2017 (driven by residential building projects). Furthermore, the volume of housing starts in the province was up by 15.4% year-to-date, driven by urban and rural construction of multiple-dwelling units. 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.

The **Manufacturing** industry's employment base reached 6,900 in Q3 2018, which is an all-time high for the province. 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. Although Island-based exports year-to-date (January-August 2018) are down by 1.8% compared to the same period a year ago, it comes down from a record year for exporters in 2017, in terms of value.

Service-sector employment was up by just over 1.7% year-over-year, driven predominantly by solid employment gains in **Accommodation and food services**. According to tourism traffic indicators¹ for the first seven 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 and cruise ship visitation rose 21% over the same period in 2017. Furthermore, new restaurant openings and expansions of existing food service businesses throughout 2018 contributed to employment gains in this industry.

Employment levels in Q3 2018 were notably lower in **Health care and social assistance** and **Trade** (wholesale and retail). Although employment in Trade dipped 2.1% in the most recent quarter, employment levels remain high by historical standards – and just 500 short of its quarterly record high. 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 Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter 2018	2nd Quarter 2018	3rd Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	76.4	75.7	73.6	0.7	0.9	2.8	3.8
Goods-producing sector	19.3	19.1	17.5	0.2	1.2	1.8	10.3
Agriculture	4.0	3.8	3.2	0.2	5.3	0.8	25.3
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.7	2.3	0.0	0.0	0.4	17.6
Utilities	0.2	0.2		0.0	16.7	0.2	-
Construction	5.6	5.7	5.3	-0.1	-1.7	0.3	5.6
Manufacturing	6.9	6.8	6.6	0.1	1.5	0.2	3.5
Services-producing sector	57.0	56.6	56.1	0.4	0.8	0.9	1.7
Trade	11.0	11.1	11.3	-0.1	-0.9	-0.2	-2.1
Transportation and warehousing	2.7	2.5	2.8	0.2	9.3	-0.1	-3.5
Finance, insurance, real estate and leasing	2.9	2.9	2.8	0.0	-1.1	0.1	4.8
Professional, scientific and technical services	3.5	3.6	3.6	-0.1	-1.9	-0.1	-1.9
Business, building and other support services	2.1	1.9	1.9	0.2	10.7	0.2	10.7
Educational services	5.5	5.5	5.3	0.0	-0.6	0.2	4.4
Health care and social assistance	10.1	10.8	10.5	-0.7	-6.2	-0.4	-3.5
Information, culture and recreation	2.8	2.7	2.7	0.2	6.2	0.1	4.9
Accommodation and food services	6.6	6.2	5.3	0.4	6.5	1.3	25.3
Other services	3.1	3.0	3.3	0.1	4.4	-0.2	-6.0
Public administration	6.6	6.4	6.7	0.2	3.1	-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.

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

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2018, all rights reserved

¹ Prince Edward Island Tourism Indicators (July 2018)