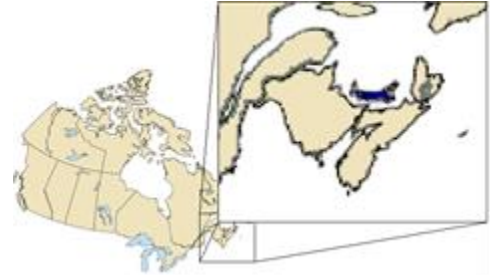




Labour Market Bulletin

Prince Edward Island



January 2019

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

OVERVIEW

Labour market conditions in Prince Edward Island remain healthy. The labour force averaged 83,700 in January 2019, which is marginally higher than it was in December. Employment levels have eased since reaching a record high in October 2018 (at 76,800) but remain high by historical standards. Employment was stable at 75,500 in January as there was no monthly change in full-time and part-time levels. A slight uptick in PEI's monthly labour force combined with stable employment numbers resulted in a higher level of unemployment in the province. At 9.9%, the unemployment rate in January is therefore 0.3 of a percentage point higher than it was in December 2018, albeit still low by historical standards (i.e. compared to an average unemployment rate of 10.5% over each January period in the preceeding five years). The participation rate in the province edged up to 66% with more people seeking work in January, positioning PEI highest in the Atlantic Region and above the national average.

Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Jan 2019	Dec 2018	Jan 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	126.9	126.7	124.5	0.2	0.2	2.4	1.9
Labour Force ('000)	83.7	83.5	84.1	0.2	0.2	-0.4	-0.5
Employment ('000)	75.5	75.5	75.1	0.0	0.0	0.4	0.5
Full-Time ('000)	64.3	64.3	62.3	0.0	0.0	2.0	3.2
Part-Time ('000)	11.2	11.2	12.8	0.0	0.0	-1.6	-12.5
Unemployment ('000)	8.3	8.0	9.0	0.3	3.8	-0.7	-7.8
Unemployment Rate (%)	9.9	9.6	10.7	0.3	-	-0.8	-
Participation Rate (%)	66.0	65.9	67.6	0.1	-	-1.6	-
Employment Rate (%)	59.5	59.6	60.3	-0.1	-	-0.8	-

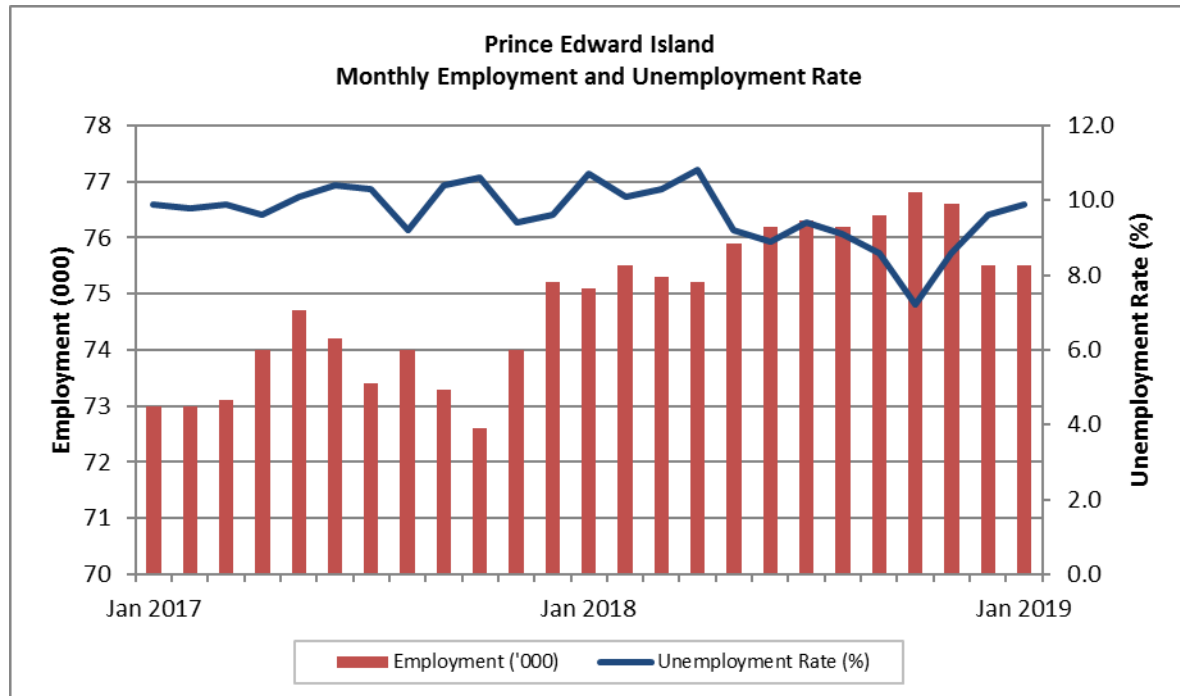
Note: Totals may not add due to rounding

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

On a year-over-year basis, the PEI labour force contracted just slightly in January. Again, the Island's labour force remains respectfully high when compared to historical trends. Despite modest gains in labour force participation by youths (persons 15-24 years of age) and older workers (55 years +), there were fewer core-aged persons (25-

54 years) in the labour force compared to a year ago, which served to offset the stated gains. The majority of the core-aged cohort that left the labour force were males.

Employment growth was modest on a year-over-year basis, having expanded by half of a percentage point. While there were slight employment gains for youths and older workers, employment remained stagnant for the core-aged group during the same period. Women accounted for the net gain in employment growth. There were more individuals employed in full-time work in January 2019 compared to a year earlier (+3.2%). That said, a considerable decline in part-time employment (-12.5%) offset most of that full-time gain. Youth women accounted for the majority of this part-time job losses, although a reduction in the number of older male workers in part-time positions was also registered.



The year-over-year employment gain in January 2019 was attributed entirely to an increase in the number self-employed (+15.7%). The other major employment classes experienced reductions to their respective employment bases: private sector and public sector employment contracted by 2.7% and 0.5%, respectively. For the self-employed class, the annual growth in PEI was highest in the country. Approximately 1 in 4 persons in PEI are employed by the public sector (which includes educational services; health care and social assistance; and public administration), which is about six percentage points higher than the national average.

The level of unemployment in the province decreased slightly year-over-year as employment growth outpaced labour force gains. This kept the Island’s unemployment rate relatively low, at 9.9%. Among the major age categories in PEI, youths exhibited the highest unemployment rate at 16.8% in January. The unemployment rate for youth males was nearly 18%, exceeding the 15.5% rate for females.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Jan 2019	Dec 2018	Jan 2018	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	9.9	9.6	10.7	0.3	-0.8
25 years and over	8.7	8.7	9.9	0.0	-1.2
Men - 25 years and over	10.8	10.6	10.2	0.2	0.6
Women - 25 years and over	6.6	6.9	9.9	-0.3	-3.3
15 to 24 years	16.8	14.8	15.4	2.0	1.4
Men - 15 to 24 years	17.9	14.5	19.7	3.4	-1.8
Women - 15 to 24 years	15.5	13.3	11.3	2.2	4.2

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

The year-over-year slip in the Island's labour force, coupled with a growing working-age population, meant that the participation rate fell by 1.6 percentage points in January, settling at 66%. While each of the major age groups experienced reduced participation rates – the drop was most pronounced among the core-aged cohort. A closer inspection by gender reveals that not all groups experienced declines in workforce participation. For example, there was increased participation by both youth males and female older workers in January. The participation rate for Island youths, at 68.7%, was highest in the country, thus suggesting some degree of optimism about employment prospects in the province.

EMPLOYMENT BY INDUSTRY

The modest increase to PEI's employment base in January 2019 was spread over both sectors. Employment growth in the **Goods-producing sector** in recent months has been driven in part by strong **Construction** and **Manufacturing** activity.

There were 5,800 people employed in **Construction** in January. Despite a year-over-year slide, employment levels remain high by historical standards. Based on available estimates, the value of building permits (residential and non-residential) increased by 20% in 2018 (driven by residential construction). Furthermore, growth in the volume of new housing starts in the province remain strong, especially construction of multiple-dwelling projects (+40% in 2018). 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 that an additional 1,800 workers will need to be recruited in the province over the next ten years in order to fill anticipated vacancies from attrition.

Manufacturing employment increased slightly to 6,800 in January, which is just 300 persons shy of an all-time high. The industry continues to thrive thanks in part to a favorable currency position making Island exports more competitive in international markets. Island-based exports year-to-date (January to November 2018) are up by 2.7% compared to the same period a year earlier (its worth noting that 2017 was a record year for Island exports, in value terms). Key export products driving this growth include aerospace-related goods; and food products (i.e. fresh potatoes).

The Island's **Services-producing sector** continues to benefit from strong employment gains in **Transportation and Warehousing** (which has increased by 40% since last Spring – driven in part by the strong manufacturing activity); **Business, building and other support services**; and **Accommodation and Food Services**. According to provincial tourism figures¹, the visitation was on par with the previously strong tourism year in 2017. The volume of cruise ship visitation, however, continues to grow, rising by 8.2% in 2018. New restaurant openings and expansions of existing food service businesses throughout 2018 contributed to ongoing employment growth in this industry.

Employment levels on a year-over-year basis were notably lower in **Professional, Scientific and technical services** and in **Information, culture and recreation**.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Jan 2019	Dec 2018	Jan 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	75.5	75.5	75.1	0.0	0.0	0.4	0.5
Goods-producing sector	19.4	19.4	19.2	0.0	0.0	0.2	1.0
Agriculture	3.9	4.0	3.7	-0.1	-2.5	0.2	5.4
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.7	2.7	0.0	0.0	0.0	0.0
Utilities	0.3	0.2		0.1	50.0	0.3	-
Construction	5.8	5.8	6.1	0.0	0.0	-0.3	-4.9
Manufacturing	6.8	6.6	6.6	0.2	3.0	0.2	3.0
Services-producing sector	56.0	56.2	55.9	-0.2	-0.4	0.1	0.2
Trade	11.1	11.0	11.2	0.1	0.9	-0.1	-0.9
Transportation and warehousing	2.8	3.1	2.2	-0.3	-9.7	0.6	27.3
Finance, insurance, real estate and leasing	2.7	2.7	2.8	0.0	0.0	-0.1	-3.6
Professional, scientific and technical services	3.1	3.2	3.6	-0.1	-3.1	-0.5	-13.9
Business, building and other support services	2.7	2.1	1.5	0.6	28.6	1.2	80.0
Educational services	4.9	5.1	5.4	-0.2	-3.9	-0.5	-9.3
Health care and social assistance	10.4	10.5	10.7	-0.1	-1.0	-0.3	-2.8
Information, culture and recreation	2.4	2.3	2.8	0.1	4.3	-0.4	-14.3
Accommodation and food services	5.3	5.7	5.6	-0.4	-7.0	-0.3	-5.4
Other services	3.0	3.2	3.2	-0.2	-6.3	-0.2	-6.3
Public administration	7.5	7.3	6.8	0.2	2.7	0.7	10.3

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/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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¹ Prince Edward Island Tourism Indicators (December 2018)