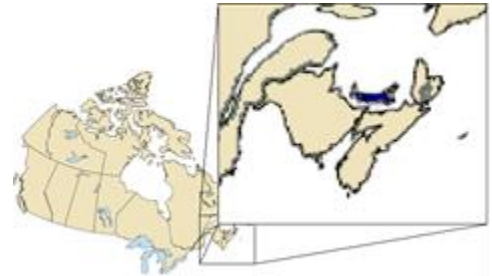




# Labour Market Bulletin

## Prince Edward Island



October 2019

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

### OVERVIEW

Labour market conditions remained strong on the Island in October. The labour force was somewhat short of its all-time high of 86,100 reached in September 2019. Employment remained at its record level-which was also reached in the previous month. This was supported by full-time employment growth. The number of persons working full-time reached a record level in October, but these gains in employment were offset by decreases in part-time work. There were fewer persons unemployed in October relative to the prior month, and PEI's unemployment rate eased to 8.4% which remains well below normal levels for the province. With slightly fewer people engaged in the labour market in October, the Island's participation rate edged down by 0.5 of a percentage point. Despite the decline, PEI's participation rate, at 66.3%, was third highest in the country, behind Alberta (71.3%) and Saskatchewan (68.8%).

Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Oct 2019	Sept 2019	Oct 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	129.8	129.7	126.4	0.1	0.1	3.4	2.7
<b>Labour Force ('000)</b>	86.1	86.6	82.8	-0.5	-0.6	3.3	4.0
<b>Employment ('000)</b>	78.9	78.9	76.8	0.0	0.0	2.1	2.7
Full-Time ('000)	67.7	67.2	65.1	0.5	0.7	2.6	4.0
Part-Time ('000)	11.2	11.7	11.6	-0.5	-4.3	-0.4	-3.4
<b>Unemployment ('000)</b>	7.2	7.6	6.0	-0.4	-5.3	1.2	20.0
<b>Unemployment Rate (%)</b>	8.4	8.8	7.2	-0.4	-	1.2	-
<b>Participation Rate (%)</b>	66.3	66.8	65.5	-0.5	-	0.8	-
<b>Employment Rate (%)</b>	60.8	60.8	60.8	0.0	-	0.0	-

Note: Totals may not add due to rounding

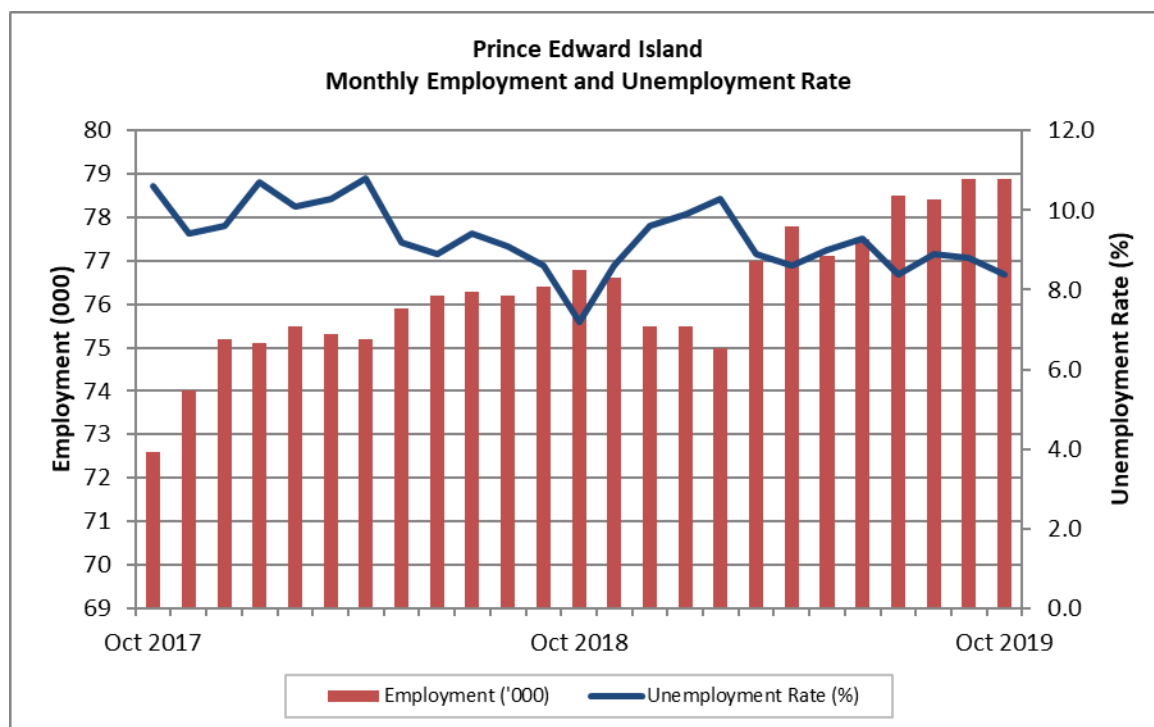
Source: Statistics Canada Labour Force Survey – Table 14-10-0287

The Island's labour market continued to gain traction year-over-year as both labour force and employment levels were higher compared to the same month a year ago. However, labour force gains were stronger than employment growth, resulting in a higher level of unemployment. PEI's labour force rose by 4% in October 2019

compared to a year ago, with significant gains experienced across all major age categories – the majority of which were shared between youths (persons 15-24 years of age) and core-aged workers (25-54 years). The vast majority of labour force growth was attributed to men, particularly of the core-aged group. October saw respectable gains in the number of youths participating in the labour market which was distributed about evenly between men and women (each having experienced close to 11% growth year-over-year).

Employment in the province expanded by 2.7% with the majority of the gain explained by more youths securing employment compared to a year ago. Approximately two out of every three workers who found employment year-over-year were youths, with the slight majority being male.

There were 2,600 more persons employed on a full-time basis in October with the majority in the youth age group, followed closely by the core-working age. There were more women working full-time relative to men, year-over-year, with the majority being core-aged workers. There were fewer part-time workers in October 2019 compared to a year ago. The declines were concentrated in the core-aged and older worker groups, however a slight increase in the number of youths working part-time partially offset.



The year-over-year employment gains were concentrated largely in private sector employment (+2,700) and the public sector (+1,200). A partial offset to these gains were 1,700 fewer self-employed persons in the Island labour market in October 2019. More than 1 in 4 persons are employed by the public sector (which includes educational services; health care and social assistance; and public administration) in Prince Edward Island, seven percentage points higher than the national average. British Columbia had the lowest dependence on public sector employment (18%) while Newfoundland and Labrador, the highest (31%).

Employment growth was lower than the increase seen in the labour force which put upward pressure on the Island’s unemployment rate. The number of unemployed persons in the province increased by 1,200 persons in

October 2019, compared to the same month a year ago. A closer inspection by gender reveals that men accounted for the entire increase in unemployment, concentrated largely in the core-aged and older worker cohorts.

The overall unemployment rate in PEI rose by 1.2 percentage points to 8.4% in October. Although a seemingly large year-over-year increase, it should be noted that the unemployment rate in October 2018, at 7.2%, was unusually low, and a record low in fact. Regardless, the jobless rate in October 2019 remains well below normal levels for the province.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Oct 2019	Sept 2019	Oct 2018	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	8.4	8.8	7.2	-0.4	1.2
<b>25 years and over</b>	8.2	8.2	6.6	0.0	1.6
Men - 25 years and over	10.3	10.8	6.4	-0.5	3.9
Women - 25 years and over	6.0	5.4	6.8	0.6	-0.8
<b>15 to 24 years</b>	9.0	11.9	10.8	-2.9	-1.8
Men - 15 to 24 years	11.1	13.9	13.8	-2.8	-2.7
Women - 15 to 24 years	6.6	9.7	7.3	-3.1	-0.7

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

The year-over-year increase in the labour force outpaced the working-age population growth, resulting in a higher participation rate for the Island that spanned across all major age categories for males. Youths accounted for the largest increase in labour force participation with respect to both genders, however it was the only female age category to experience growth in labour force participation. Older worker females experienced the largest reduction in labour force participation, having declined by 1.4 percentage points year-over-year. PEI was one of only three provinces with youth participation rates in excess of 70% in October 2019: behind Quebec (at 72.3%), and tied with Nova Scotia (70.7%).

## EMPLOYMENT BY INDUSTRY

Most of the increases in PEI's employment base in October 2019 was concentrated in the **Services-producing sector**, particularly in government-related services. The **Goods-producing sector** overall experienced a slight contraction in employment, largely attributed to declines in **manufacturing** employment as well as in **Forestry, fishing, mining, quarrying, oil and gas** (which could be associated with reduced oil and gas activity out west and in Newfoundland and Labrador). **Construction**, however, continues to be a bright spot for the local economy. There were 6,500 people employed in construction in October, representing a 14% increase year-over-year, and just shy of its all-time high recorded in January 2010. Residential construction activity has been, and continues to be robust. The value of residential building permits in the province is up over 60% year-to-date (in the first eight months of 2019) while non-residential construction permits is on par with its robust performance in the previous year. Further to this, growth in the volume of new housing starts in the province is up by 50% to date (compared to the first three-quarters of 2018). Growth in multiples-type complexes in both urban and rural settings continues to drive activity in the industry.

Manufacturing employment declined in October, falling from an all-time high reached in the same month a year ago. A total of 6,100 persons worked in the industry in the most recent month. Despite the job losses this month, 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 are up by 18.7% to September 2019, supported by strong market demand for packaged seafood, aerospace-related goods, and pharmaceutical products.

Employment growth in the service-sector was primarily attributed to job gains in **Public Administration** and **Health Care and Social Assistance**. With respect to the former, this growth could be in part attributed to population aging – specifically, the baby-boom generation which is entering the traditional retirement age of 65. This has resulted in higher volumes of applications for programs, such as Canada Pension Plan and Old Age Security.

Employment in **Accommodation and Food Services** has remained on par with the previous year's strong performance. According to provincial tourism figures<sup>1</sup>, visitation in 2019 was on par with the previously strong tourism years of 2018 and 2017 (related to Canada 150 celebrations). For the first eight months of the year, both bridge and air traffic were up by 2.7% and 3.9% respectively. Reduced ferry traffic slightly offset these gains.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Oct 2019	Sept 2019	Oct 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	78.9	78.9	76.8	0.0	0.0	2.1	2.7
<b>Goods-producing sector</b>	19.0	19.3	19.9	-0.3	-1.6	-0.9	-4.5
Agriculture	4.2	4.1	4.1	0.1	2.4	0.1	2.4
Forestry, fishing, mining, quarrying, oil and gas	1.9	2.2	2.8	-0.3	-13.6	-0.9	-32.1
Utilities	0.3	0.3	0.2	0.0	0.0	0.1	50.0
Construction	6.5	6.3	5.7	0.2	3.2	0.8	14.0
Manufacturing	6.1	6.3	7.1	-0.2	-3.2	-1.0	-14.1
<b>Services-producing sector</b>	59.9	59.7	56.8	0.2	0.3	3.1	5.5
Trade	11.0	11.2	11.0	-0.2	-1.8	0.0	0.0
Transportation and warehousing	3.0	3.0	2.8	0.0	0.0	0.2	7.1
Finance, insurance, real estate and leasing	3.2	3.2	2.9	0.0	0.0	0.3	10.3
Professional, scientific and technical services	3.8	3.5	3.5	0.3	8.6	0.3	8.6
Business, building and other support services	2.2	2.4	2.1	-0.2	-8.3	0.1	4.8
Educational services	5.3	5.5	5.3	-0.2	-3.6	0.0	0.0
Health care and social assistance	11.4	11.2	10.4	0.2	1.8	1.0	9.6
Information, culture and recreation	2.3	2.4	2.5	-0.1	-4.2	-0.2	-8.0
Accommodation and food services	6.3	6.3	6.2	0.0	0.0	0.1	1.6
Other services	3.4	3.4	3.1	0.0	0.0	0.3	9.7
Public administration	8.1	7.6	7.0	0.5	6.6	1.1	15.7

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](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](http://www.statcan.gc.ca)

<sup>1</sup> Prince Edward Island Tourism Indicators (Release date: October 22, 2019)

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