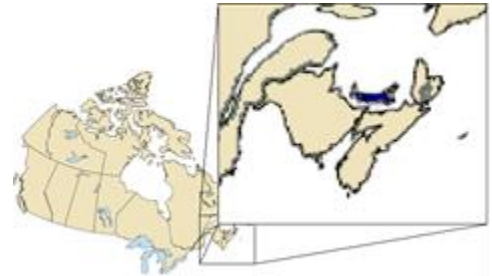




Labour Market Bulletin

Prince Edward Island



February 2019

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 remain healthy in Prince Edward Island, despite easing trends in both labour force and employment levels. The labour force averaged 83,600 in February 2019, which is on par with the previous month, and rests just 2% lower than its all time high set in March 2013. Employment is also lower on a month-to-month basis, but again, the level of employment in February is not that far removed from its all-time high set in October 2018. Employment stabilized at 75,000 in the most recent month, with part-time employment gains partially offsetting a reduction in full-time work. Employment fell by a greater proportion than the labour force, which resulted in higher unemployment in the province. At 10.3%, the unemployment rate in February is 0.4 of a percentage point higher than it was in January. Although the Island's participation rate slipped in February, to 65.7%, it remains the highest among the Atlantic Provinces.

Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Feb 2019	Jan 2019	Feb 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	127.2	126.9	124.7	0.3	0.2	2.5	2.0
Labour Force ('000)	83.6	83.7	83.9	-0.1	-0.1	-0.3	-0.4
Employment ('000)	75.0	75.5	75.5	-0.5	-0.7	-0.5	-0.7
Full-Time ('000)	63.4	64.3	62.8	-0.9	-1.4	0.6	1.0
Part-Time ('000)	11.6	11.2	12.6	0.4	3.6	-1.0	-7.9
Unemployment ('000)	8.6	8.3	8.5	0.3	3.6	0.1	1.2
Unemployment Rate (%)	10.3	9.9	10.1	0.4	-	0.2	-
Participation Rate (%)	65.7	66.0	67.3	-0.3	-	-1.6	-
Employment Rate (%)	59.0	59.5	60.5	-0.5	-	-1.5	-

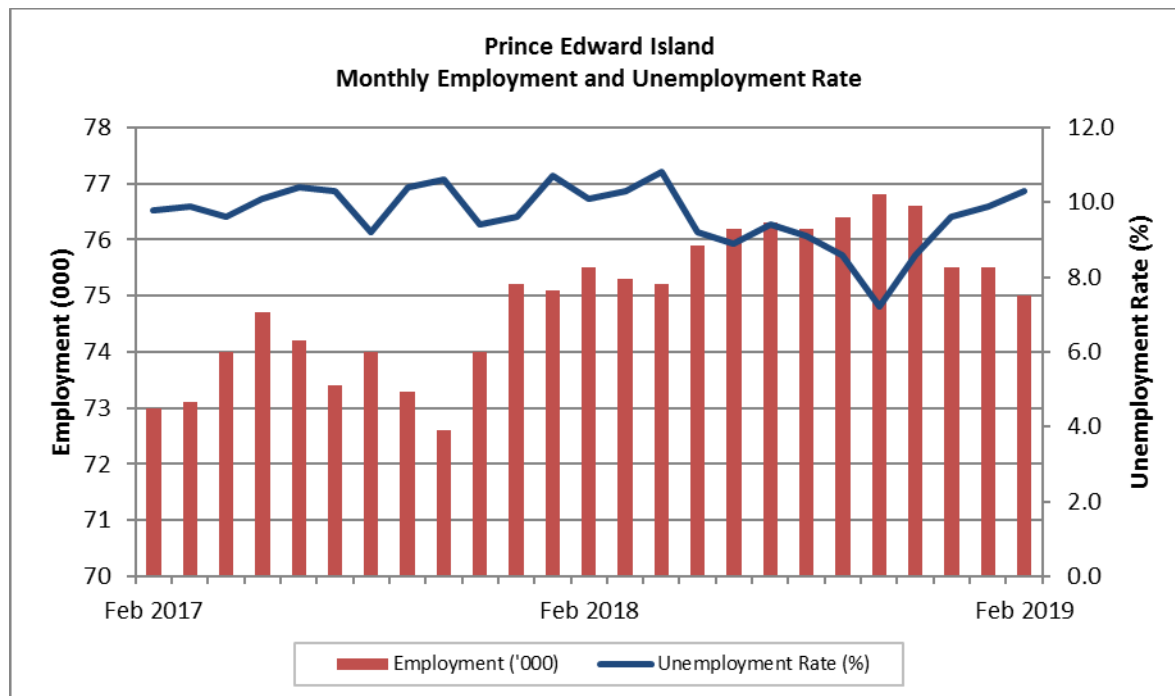
Note: Totals may not add due to rounding

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

On a year-over-year basis, the PEI labour force contracted slightly in February, but remains high compared to historical trends. Despite modest gains in labour force participation by youths (persons 15-24 years of age) and

older workers (55 years +), it was not enough to offset the 1.8% reduction among the core-aged (25-54 years) cohort. This reduction was about evenly distributed between men and women.

Employment contracted slightly on a year-over-year basis, having declined by just over half of a percent. While there were slight employment gains for youths and older workers, fewer persons employed of the core-aged group more than offset these gains. There were more women employed in February compared to a year ago, but this was overshadowed by a relatively larger reduction in the number of employed males. Year-over-year employment growth for women was concentrated in the older worker cohort. Among men, there were more youths employed compared to a year ago, but again, this was offset by reductions in the other major age categories. There was a slight increase in the number of persons employed full-time in February 2019 (+1%), driven by older female workers. That said, part-time employment declined over the same period (-8%), which served to offset these full-time gains.



The year-over-year reduction in employment in February 2019 was attributed entirely to a decrease in private sector employment (-2.3%). Helping to mitigate this were slight gains in both public sector employment (+2.0%) and self-employment (+1.0%). For the self-employed class, PEI was the only Atlantic Province to experience positive gains, and bettered the national average in February. Over 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 seven percentage points higher than the national average.

The level of unemployment in the province increased slightly on a year-over-year basis with fewer persons employed. This resulted in a slight uptick in the Island's unemployment rate. Among the major age categories in PEI, youths exhibited the highest unemployment rate at 13.6% in February, and compares to 11% and 9.1% for older workers and the core-aged group, respectively. The unemployment rate for youth males was 17.4%, over ten percentage points higher relative to females of the same age group.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Feb 2019	Jan 2019	Feb 2018	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	10.3	9.9	10.1	0.4	0.2
25 years and over	9.7	8.7	9.6	1.0	0.1
Men - 25 years and over	11.6	10.8	10.2	0.8	1.4
Women - 25 years and over	8.0	6.6	9.0	1.4	-1.0
15 to 24 years	13.6	16.8	12.4	-3.2	1.2
Men - 15 to 24 years	17.4	17.9	14.8	-0.5	2.6
Women - 15 to 24 years	7.1	15.5	10.0	-8.4	-2.9

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, put downward pressure on the Island's participation rate (having declined by 1.6 percentage points to 65.7%). With the exception of youths, the other major age groups experienced reduced participation rates year-over-year. A closer inspection by gender reveals different outcomes in workforce participation: the participation rate was higher for youth males in February compared to a year ago (and lower for youth females). Looking at the older worker cohort, meanwhile, female participation was higher relative to males, on average. The participation rate for youth males in PEI, at 71.1%, was highest in the country, which suggests some degree of optimism about employment prospects in the province.

EMPLOYMENT BY INDUSTRY

The modest decline in PEI's employment base in February was concentrated in the **Services-producing sector**, offset partially by some gain in **Goods-sector employment**. Employment growth in the Goods-producing sector in recent months has been driven by **Manufacturing** output growth and sustained, robust **Construction** activity.

Manufacturing employment totaled 6,800 in February, just within 300 off its all-time high set in the Fall 2018. The industry continues to thrive thanks in part to a favorable currency position making Island exports more competitive in international markets. The value of Island-based exports in 2018 were up 5.4% over 2017. Key export products driving this growth include aerospace-related goods; and food products (i.e. fresh potatoes).

There were 5,900 people employed in Construction in February, representing a 1.7% increase year-over-year. 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 the 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.

The Island's Services-sector contracted in February, by 1.1% from a year ago. There were respectable gains in **Transportation and Warehousing** (driven by strong manufacturing and export activity); **Public Administration**; and **Business, building and other support services**. Growth in the latter two industries is more reflective of a return to normal levels following a period of sustained employment decline in each respective industry.

These collective gains, however, were overshadowed by lower year-over-year employment levels in all other services-producing industries, particularly **Information, culture and recreation** (-27%).

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Feb 2019	Jan 2019	Feb 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	75.0	75.5	75.5	-0.5	-0.7	-0.5	-0.7
Goods-producing sector	19.1	19.4	18.9	-0.3	-1.5	0.2	1.1
Agriculture	3.6	3.9	3.6	-0.3	-7.7	0.0	0.0
Forestry, fishing, mining, quarrying, oil and gas	2.5	2.7	2.6	-0.2	-7.4	-0.1	-3.8
Utilities	0.3	0.3	0.2	0.0	0.0	0.1	50.0
Construction	5.9	5.8	5.8	0.1	1.7	0.1	1.7
Manufacturing	6.8	6.8	6.8	0.0	0.0	0.0	0.0
Services-producing sector	55.9	56.0	56.5	-0.1	-0.2	-0.6	-1.1
Trade	11.3	11.1	11.5	0.2	1.8	-0.2	-1.7
Transportation and warehousing	2.9	2.8	2.1	0.1	3.6	0.8	38.1
Finance, insurance, real estate and leasing	2.6	2.7	2.9	-0.1	-3.7	-0.3	-10.3
Professional, scientific and technical services	3.0	3.1	3.5	-0.1	-3.2	-0.5	-14.3
Business, building and other support services	2.5	2.7	1.9	-0.2	-7.4	0.6	31.6
Educational services	5.1	4.9	5.3	0.2	4.1	-0.2	-3.8
Health care and social assistance	10.5	10.4	10.9	0.1	1.0	-0.4	-3.7
Information, culture and recreation	2.2	2.4	3.0	-0.2	-8.3	-0.8	-26.7
Accommodation and food services	5.5	5.3	5.6	0.2	3.8	-0.1	-1.8
Other services	3.0	3.0	3.2	0.0	0.0	-0.2	-6.3
Public administration	7.4	7.5	6.7	-0.1	-1.3	0.7	10.4

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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