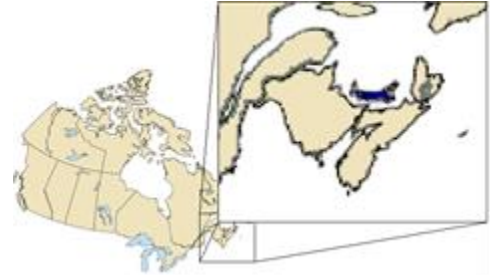




Labour Market Bulletin

Prince Edward Island



April 2019

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

OVERVIEW

The PEI Labour market continued to strengthen in April. The labour force totalled 85,100 in the most recent month which is just shy of its all-time high reached five years ago. By contrast, employment reached an all-time high in April, at 77,800 due to gains in both full-time and part-time jobs. The number of persons working full-time is just short of its record level set six months prior. Employment growth exceeded that for the labour force which pulled down the unemployment rate in April, to 8.6%. With more people engaged in the labour market, the Island's participation rate increased to 66.6% over March, remaining above the national average, and the highest East of Manitoba.

Prince Edward Island Monthly Labour Force Statistics

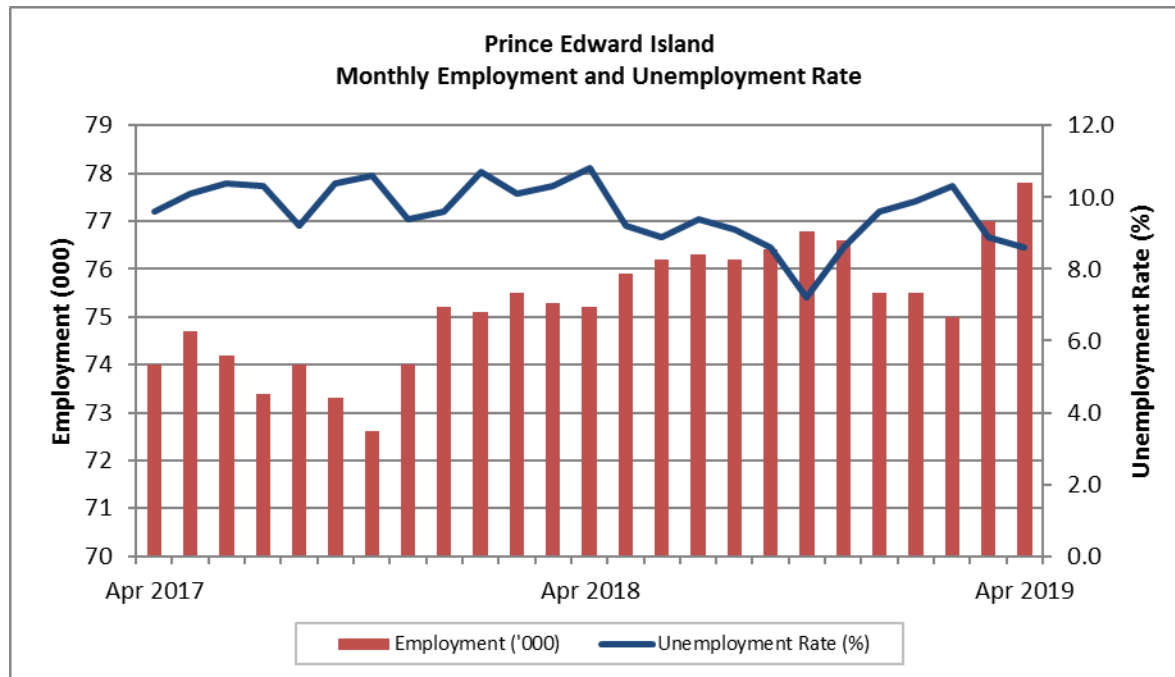
Seasonally Adjusted Monthly Data	Apr 2019	Mar 2019	Apr 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	127.8	127.4	125.1	0.4	0.3	2.7	2.2
Labour Force ('000)	85.1	84.5	84.3	0.6	0.7	0.8	0.9
Employment ('000)	77.8	77.0	75.2	0.8	1.0	2.6	3.5
Full-Time ('000)	65.3	65.0	63.0	0.3	0.5	2.3	3.7
Part-Time ('000)	12.5	12.0	12.2	0.5	4.2	0.3	2.5
Unemployment ('000)	7.3	7.5	9.1	-0.2	-2.7	-1.8	-19.8
Unemployment Rate (%)	8.6	8.9	10.8	-0.3	-	-2.2	-
Participation Rate (%)	66.6	66.3	67.4	0.3	-	-0.8	-
Employment Rate (%)	60.9	60.4	60.1	0.5	-	0.8	-

Note: Totals may not add due to rounding

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

The PEI labour market gained considerable traction year-over-year: the level of employment increased by 3.5% over April 2018 as a result of both full-time and part-time gains. Overall, employment growth was evenly distributed between men and women, however there were differences among age groups. For example, youth males (persons 15-24 years of age) experienced a 17.3% increase in employment year-over-year, and this was offset by a 10.7% decline for women of the same cohort. On the flip-side, the number of older worker females (55 years +) employed increased by nearly 12% in April while there was no change in the number for their male counterparts.

There were 2,300 more persons employed full-time in April 2019 compared to the same month a year ago, and women comprised the vast majority of these gains – attributed specifically to the older worker cohort (+1,300) and to a lesser-degree, the core working-age group (+900). For men, there were 800 more youths employed full-time year-over-year, however this was partially offset by a reduction in the number of core-aged workers (-500).



April’s year-over-year employment gains were spread evenly over both the private and public sectors. There was no change in the number of self-employed persons. Over 1 in 4 workers 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 gain in PEI’s labour force in the most recent month was relatively modest compared to employment growth – so much so that the number of unemployed persons in the province declined by 20% when compared to April 2018, or a decline of 1,800 people. Women accounted for 1,200 of this decline, with reduced unemployment experienced across all major age categories, particularly the core working-age group (25-54 years) and older workers. For men, the entire decline in unemployment was concentrated in the youth cohort with the other age categories unchanged.

The unemployment rate for Island youths dropped to 9.7% in April, the lowest in the history of the time series (dating back to January 1976). This was largely attributed to a 9.7 percentage point decline in the youth male unemployment rate, to 10.3% in April, an unusual low for this particular cohort.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Apr 2019	Mar 2019	Apr 2018	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	8.6	8.9	10.8	-0.3	-2.2
25 years and over	8.4	8.5	10.1	-0.1	-1.7
Men - 25 years and over	9.9	9.8	10.0	0.1	-0.1
Women - 25 years and over	6.8	7.1	10.4	-0.3	-3.6
15 to 24 years	9.7	10.9	15.0	-1.2	-5.3
Men - 15 to 24 years	10.3	13.9	20.0	-3.6	-9.7
Women - 15 to 24 years	9.1	7.0	9.7	2.1	-0.6

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

The year-over-year increase in the Island's labour force (+0.9%) failed to keep pace with working-age population growth (+2.2%) which put downward pressure on the participation rate (-0.8 of a percentage point, to 66.6%). With the exception of the core working-age cohort, which didn't change, the other major age groupings experienced reduced participation rates year-over-year. A closer inspection by gender reveals different outcomes in workforce participation: the participation rate for youths was higher for males compared to a year ago, and considerably lower for females (-9.8 percentage points). Looking at the older worker cohort, female participation was higher relative to males, on average. The participation rate for youth males in PEI, at 69.4%, was highest in the country, which suggests some degree of optimism about employment prospects in the province.

EMPLOYMENT BY INDUSTRY

Most of the increase to PEI's employment base in April was concentrated in the **Goods-producing sector**. Employment growth was wide-spread among the goods-industries, led by Construction, primary industries and manufacturing. The **Services-producing sector** also saw net year-over-year gains, attributed to notable growth in **Transportation and warehousing** and **Public administration**, but limited by reduced employment in **Information, culture and recreation**; and **Accommodation and food services**.

There were 6,500 people employed in Construction in April, representing a 12% increase year-over-year. The level of construction employment is just 100 shy of its all-time high recorded in January 2010. The construction industry – particularly residential construction – has been a considerable hotspot for the Island economy. The value of building permits in the province (both residential and non-residential) increased by 28% in 2018. Furthermore, growth in the volume of new housing starts in the province rose by nearly 20% that same year and at 1,089 housing starts (urban and rural), was the highest in three decades – driven by 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.

PEI's **Agriculture** industry in 2018 benefitted from increased funding and investment in its aquaculture sub-sector. Local shellfish companies experienced some growth in 2018, due in part to Federal-Provincial funding to support innovation (new products and technologies in harvesting and processing); infrastructure and industry-based collaboration and research. Eight companies in PEI received funding to expand on operations and invest in capital equipment. This was a welcome development for the industry given a challenging year for potato crops. According to the PEI Potato Board, Island farmers had to contend with reduced crop production in 2018 due to poor

harvesting conditions. On top of a dry growing season, farmers struggled with heavy rains and frosts during the fall harvest season.

Manufacturing employment totaled 6,700 in April and within reach of its all-time high set last Fall. The industry continues to thrive thanks in part to a favorable currency position, making Island exports more competitive in international markets. Island-based exports rose 5% in value over 2017 (which was an all-time high). Although only two months of data are available for 2019, early indications suggest continued strength in manufacturing and export activity. Key export products that drove growth in 2018 include aerospace-related goods and food products (i.e. fresh potatoes).

With respect to the services-sector, **Public Administration** employment saw the greatest year-over-year gains in employment, followed by **Transportation and Warehousing** which experienced considerable growth to its employment base due to robust activity in construction, manufacturing and exports. Limiting growth in this sector was reduced employment in **Accommodation and Food Services**. The traditional May to October tourist season is about to get underway for 2019 and follows a strong 2018 performance. According to provincial tourism figures¹, visitation in 2018 was on par with the previously strong tourism year in 2017 (related to Canada 150 celebrations). The volume of cruise ship visitation continues to grow in PEI, having risen by 8.2% in 2018. New restaurant openings and expansions of existing food service businesses throughout 2018 also contributed to ongoing employment growth in this industry.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Apr 2019	Mar 2019	Apr 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	77.8	77.0	75.2	0.8	1.0	2.6	3.5
Goods-producing sector	20.4	19.8	18.8	0.6	3.0	1.6	8.5
Agriculture	4.2	3.7	3.8	0.5	13.5	0.4	10.5
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.6	2.4	0.1	3.8	0.3	12.5
Utilities	0.3	0.3	0.2	0.0	0.0	0.1	50.0
Construction	6.5	6.5	5.8	0.0	0.0	0.7	12.1
Manufacturing	6.7	6.8	6.6	-0.1	-1.5	0.1	1.5
Services-producing sector	57.4	57.2	56.4	0.2	0.3	1.0	1.8
Trade	11.2	11.5	11.1	-0.3	-2.6	0.1	0.9
Transportation and warehousing	3.2	3.2	2.4	0.0	0.0	0.8	33.3
Finance, insurance, real estate and leasing	2.8	2.7	2.9	0.1	3.7	-0.1	-3.4
Professional, scientific and technical services	3.2	3.2	3.6	0.0	0.0	-0.4	-11.1
Business, building and other support services	2.5	2.4	2.0	0.1	4.2	0.5	25.0
Educational services	5.4	5.1	5.5	0.3	5.9	-0.1	-1.8
Health care and social assistance	11.0	10.8	10.8	0.2	1.9	0.2	1.9
Information, culture and recreation	1.9	2.2	2.8	-0.3	-13.6	-0.9	-32.1
Accommodation and food services	5.4	5.5	5.8	-0.1	-1.8	-0.4	-6.9
Other services	3.6	3.1	3.1	0.5	16.1	0.5	16.1
Public administration	7.3	7.4	6.4	-0.1	-1.4	0.9	14.1

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355

¹ Prince Edward Island Tourism Indicators (December 2018)

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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