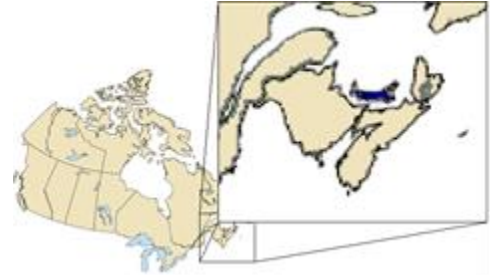




# Labour Market Bulletin

## Prince Edward Island



May 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 relatively strong on the Island in May. The labour force totalled 84,600 in the most recent month which is within range of its all-time high reached five years prior. Employment slipped from its record level set a month ago due entirely to a decline in part-time jobs. The number of persons working full-time was unchanged from its near-record high set in the previous month. Employment contracted more than the labour force in May resulting in increased unemployment in the province. The unemployment rate rose to 9% which remains well below historical norms for PEI. With slightly fewer people engaged in the labour market, the Island's participation rate edged down to 66% from April, remaining above the national average and the highest rate East of Manitoba.

Prince Edward Island Monthly Labour Force Statistics

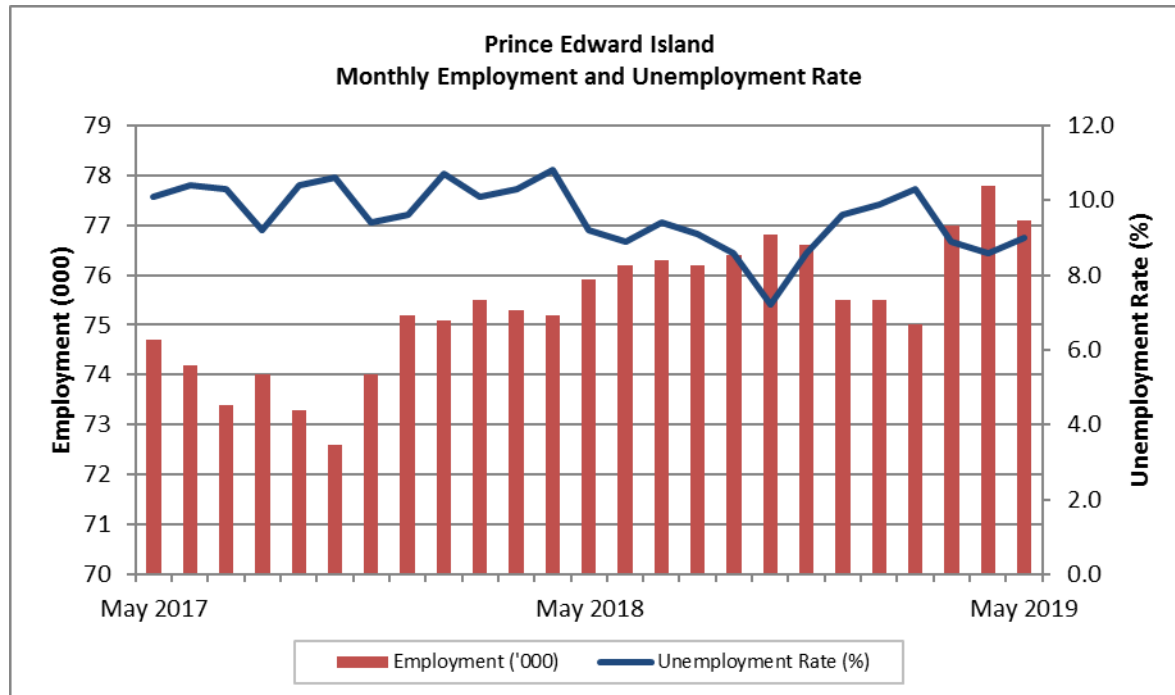
Seasonally Adjusted Monthly Data	May 2019	Apr 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	128.1	127.8	125.3	0.3	0.2	2.8	2.2
<b>Labour Force ('000)</b>	84.6	85.1	83.6	-0.5	-0.6	1.0	1.2
<b>Employment ('000)</b>	77.1	77.8	75.9	-0.7	-0.9	1.2	1.6
Full-Time ('000)	65.3	65.3	63.5	0.0	0.0	1.8	2.8
Part-Time ('000)	11.8	12.5	12.4	-0.7	-5.6	-0.6	-4.8
<b>Unemployment ('000)</b>	7.6	7.3	7.7	0.3	4.1	-0.1	-1.3
<b>Unemployment Rate (%)</b>	9.0	8.6	9.2	0.4	-	-0.2	-
<b>Participation Rate (%)</b>	66.0	66.6	66.7	-0.6	-	-0.7	-
<b>Employment Rate (%)</b>	60.2	60.9	60.6	-0.7	-	-0.4	-

Note: Totals may not add due to rounding

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

The Island's labour market gained some traction year-over-year: labour force and employment levels were higher compared to a year ago, and the number unemployed lower. The labour force rose by 1.2% in May 2019 compared to a year ago, led entirely by males of the core working-age group (25-54 years), followed by youths (persons 15-24 years of age) and older workers (55 years +).

Employment levels rose by 1.6% year-over-year with gains about equally distributed across the major age categories, although women experienced remarkably greater success in finding employment compared to men. There were 1,800 more persons employed on a full-time basis in May, and again, women comprised the vast majority of these gains – attributed largely to the core-aged and youths cohorts. There were nearly 5% fewer persons working in part-time positions compared to a year ago. The most notable observation was the change in employment composition among women: with 1,000 fewer working part-time and 2,000 more employed full-time.



The year-over-year employment gains were concentrated largely in private sector employment (+1,900) and to a lesser degree, the public sector (+400). There were 1,100 fewer self-employed persons in the Island labour market in May 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, six percentage points higher than the national average. British Columbia had the lowest dependence on public sector employment (17%) while Newfoundland and Labrador, the highest (30%).

Employment growth outpaced that for the labour force which put downward pressure on the Island’s unemployment rate. The number of unemployed persons in the province declined marginally overall, by 100 persons (or -1.3%). A closer look by gender reveals an imbalanced outcome among men and women: there were 800 more men unemployed in May, with the majority in the core-aged group – but this was overshadowed by a 32.4% reduction (-1,100 persons) in the number of unemployed women (distributed evenly across all 3 major age categories).

The overall unemployment rate in PEI dipped slightly to 9% in May, pulled down by a 2.3 percentage point drop in the female jobless rate. The unemployment rate for women was 5.7% in the most recent month, which was a record low, and compares to 11.7% for men. Furthermore, the female unemployment rate declined in each of the major age categories in May.

## Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2019	Apr 2019	May 2018	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	9.0	8.6	9.2	0.4	-0.2
<b>25 years and over</b>	8.2	8.4	8.3	-0.2	-0.1
Men - 25 years and over	10.7	9.9	9.0	0.8	1.7
Women - 25 years and over	5.5	6.8	7.8	-1.3	-2.3
<b>15 to 24 years</b>	13.3	9.7	14.4	3.6	-1.1
Men - 15 to 24 years	19.1	10.3	16.7	8.8	2.4
Women - 15 to 24 years	6.8	9.1	11.9	-2.3	-5.1

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

The year-over-year increase in the Island's labour force failed to keep pace with working-age population growth resulting in a lower participation rate for PEI – a reduction that spanned across all major age categories for both men and women. Youths accounted for the biggest drop in labour force participation among men while for females, the greatest decline occurred among the older worker cohort (-1.4 percentage points). The participation rate for youths in PEI, at 69.2%, was highest in the country, which suggests that younger workers tend to be optimistic about finding work in PEI.

## EMPLOYMENT BY INDUSTRY

Most of the increase in PEI's employment base in May 2019 was concentrated in the **Goods-producing sector**, particularly in **Construction** and **Agriculture**. The **Services-producing sector** saw a relatively lower net gain year-over-year, attributed to growth in **Business, building and other support services** and **Public administration**. Employment reductions in **Accommodation and food services; Information, culture and recreation** and **Manufacturing** limited overall growth in the province.

There were 6,300 people employed in Construction in May, representing an 8.6% increase year-over-year, and within reach 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) is up by 24% in the first four months of 2019. Furthermore, growth in the volume of new housing starts in the province rose by nearly 20% in 2018 – and at 1,089 housing starts (urban and rural), it was the highest level in three decades (driven by construction of multiple-dwelling projects). 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 the first five months of 2019 continues to benefit 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 May and despite being 3% below what it was a year ago, it remains within reach of its all-time high that was 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 are up by 13.8% in value in the first four months of 2019. Key export products driving growth include aerospace-related goods, pharmaceutical products and packaged seafood.

With respect to the services-sector, **Business, building and other support services** saw the greatest year-over-year gains in employment (which may in part be explained by expansion of a local call centre), followed by **Public Administration** (in part attributed to beginning work terms of the Federal Student Work Experience Program). Limiting growth in this sector was reduced employment in **Accommodation and Food Services**. The traditional May to October tourist season is underway for 2019 and follows a strong 2018 performance. According to provincial tourism figures<sup>1</sup>, 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)	May 2019	Apr 2019	May 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	77.1	77.8	75.9	-0.7	-0.9	1.2	1.6
<b>Goods-producing sector</b>	20.3	20.4	19.4	-0.1	-0.5	0.9	4.6
Agriculture	4.2	4.2	3.7	0.0	0.0	0.5	13.5
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.7	2.8	0.0	0.0	-0.1	-3.6
Utilities	0.3	0.3	0.2	0.0	0.0	0.1	50.0
Construction	6.3	6.5	5.8	-0.2	-3.1	0.5	8.6
Manufacturing	6.7	6.7	6.9	0.0	0.0	-0.2	-2.9
<b>Services-producing sector</b>	56.8	57.4	56.5	-0.6	-1.0	0.3	0.5
Trade	11.0	11.2	11.1	-0.2	-1.8	-0.1	-0.9
Transportation and warehousing	2.5	3.2	2.6	-0.7	-21.9	-0.1	-3.8
Finance, insurance, real estate and leasing	2.7	2.8	2.9	-0.1	-3.6	-0.2	-6.9
Professional, scientific and technical services	3.2	3.2	3.5	0.0	0.0	-0.3	-8.6
Business, building and other support services	2.7	2.5	1.7	0.2	8.0	1.0	58.8
Educational services	5.5	5.4	5.5	0.1	1.9	0.0	0.0
Health care and social assistance	11.0	11.0	10.8	0.0	0.0	0.2	1.9
Information, culture and recreation	2.0	1.9	2.5	0.1	5.3	-0.5	-20.0
Accommodation and food services	5.3	5.4	6.4	-0.1	-1.9	-1.1	-17.2
Other services	3.5	3.6	2.9	-0.1	-2.8	0.6	20.7
Public administration	7.4	7.3	6.5	0.1	1.4	0.9	13.8

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.

<sup>1</sup> Prince Edward Island Tourism Indicators (December 2018)

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**For further information,** please contact the LMI team at:

[http://www.esdc.gc.ca/cgi-bin/contact/esdc-esdc/eng/contact\\_us.aspx?section=lmi](http://www.esdc.gc.ca/cgi-bin/contact/esdc-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)

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