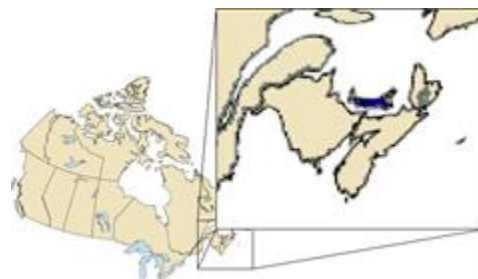




# Labour Market Bulletin

## Prince Edward Island



June 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 remained strong in the second quarter of 2019. Both the labour force and employment reached record (quarterly) highs. All of the job gains were in full-time work, which peaked at 65,200 for the quarter. Employment growth outpaced labour force gains in Q2 2019 resulting in lower unemployment in the province. The unemployment rate averaged 9% in the second quarter which is considerably lower than what has typically been the norm for Q2 each year since the 2008-09 recession (10.8% on average). As labour force gains outpaced a growing working-age population, the Island's participation rate increased marginally to 66.3% from Q1 2019. The Island's participation rate remains above the national average, suggesting a healthy level of optimism about employment prospects in the province.

Prince Edward Island Quarterly Labour Force Statistics

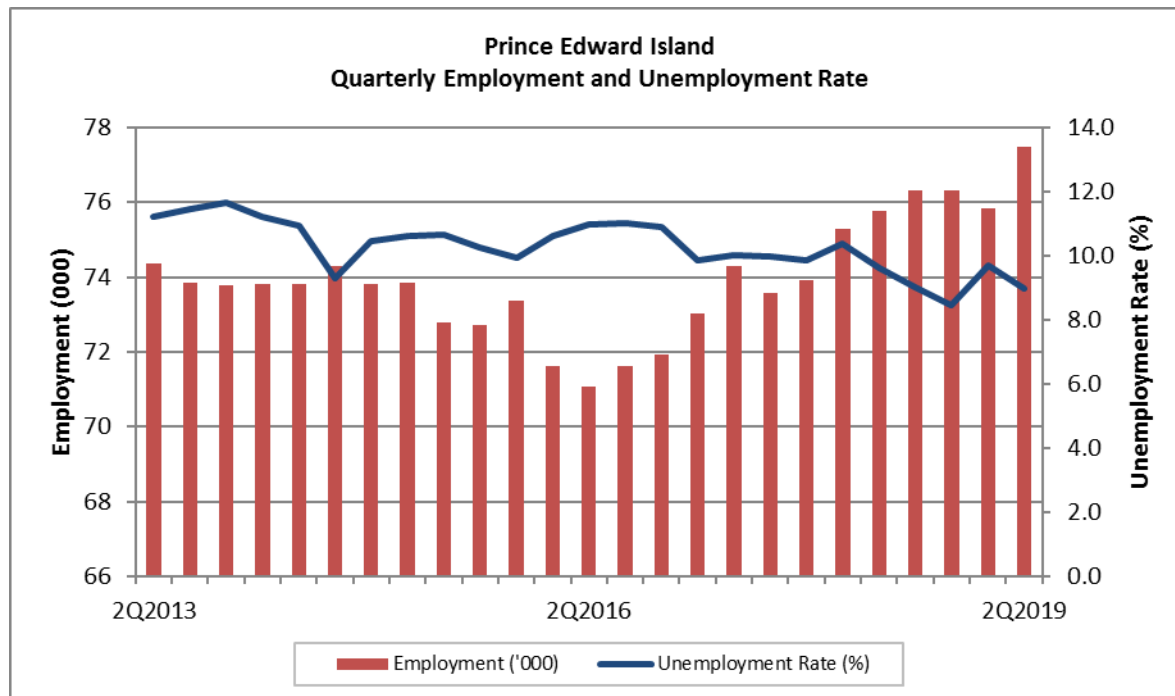
Seasonally Adjusted Quarterly Data	2nd Quarter 2019	1st Quarter 2019	2nd Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	128.2	127.2	125.3	1.0	0.8	2.9	2.3
<b>Labour Force ('000)</b>	85.0	83.9	83.9	1.1	1.3	1.1	1.3
<b>Employment ('000)</b>	77.5	75.8	75.8	1.7	2.2	1.7	2.2
Full-Time ('000)	65.2	64.2	63.4	1.0	1.6	1.8	2.8
Part-Time ('000)	12.2	11.6	12.4	0.6	5.2	-0.2	-1.6
<b>Unemployment ('000)</b>	7.6	8.1	8.1	-0.5	-6.2	-0.5	-6.2
<b>Unemployment Rate (%)</b>	9.0	9.7	9.6	-0.7	-	-0.6	-
<b>Participation Rate (%)</b>	66.3	66.0	67.0	0.3	-	-0.7	-
<b>Employment Rate (%)</b>	60.5	59.6	60.5	0.9	-	0.0	-

Note: Totals may not add due to rounding

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

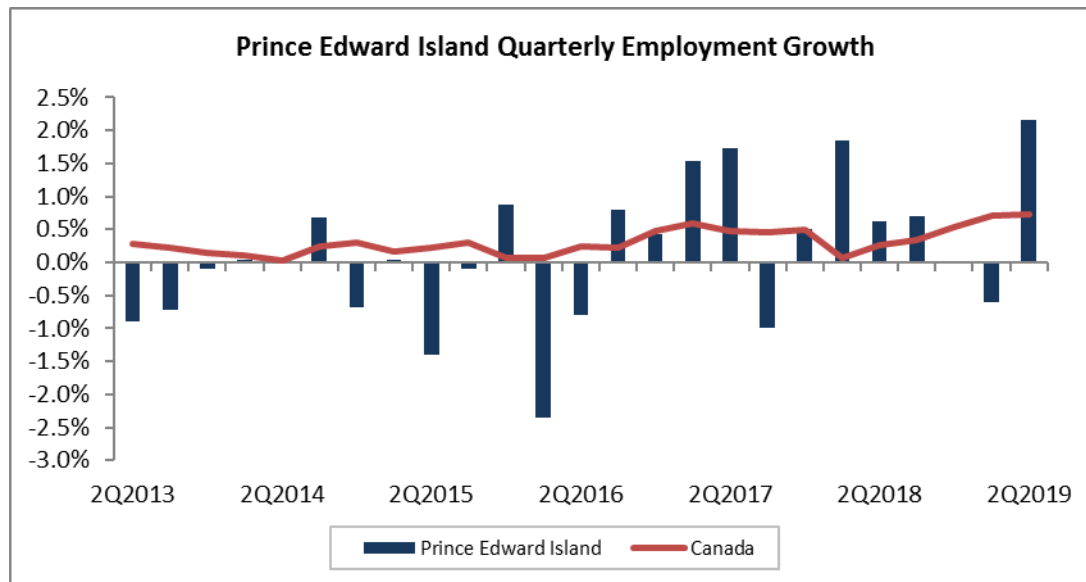
The Island's labour force in Q2 2019 increased by 1,100 from the same quarter in 2018, attributed almost entirely to growth in the number of core-aged workers (aged 25-54 years), particularly males. Both the youths cohort (aged 15-24 years) and older workers (aged 55 years and over) contributed slightly to the labour force gains in Q2, with each group having increased by about 1% year-over-year.

PEI’s employment in the most recent quarter increased by 2.2% compared to the same quarter a year ago, attributed entirely to full-time employment gains. All of the major age categories experienced gains in full-time employment, with youths accounting for the largest increase (+900). Youth males accounted for the majority of the gain amongst that age category.



All of the year-over-year gains in employment in Q2 2019 were attributed to both the private and public sectors, while the number of those self-employed in the province declined. Public sector employment increased by 5.1% compared to the same quarter a year ago, and private sector employment rose by 2.7%. Public sector employment makes up 27% of PEI’s employment base which is amongst the highest in the country (second to Newfoundland and Labrador at 30%).

The number of those who are self-employed in the province declined by 1,100 from Q1 2019, representing the largest quarterly decline for PEI in the history of the time series. The closure of the entrepreneur stream of the Provincial Nominee Program last Fall (which grants immigrants permanent residency if they set up a business in the province) may have been a contributing factor to the decline in self-employment.



The level of unemployment was lower in Q2 2019 compared to a year ago due to employment growth outpacing that of the labour force. The unemployment rate in the second quarter decreased by just over half of a percentage point from the same quarter a year ago. Among the major age categories in PEI, youths experienced the highest unemployment rate in the second quarter, at 11.3%. However, it is worth noting that this was the second lowest (quarterly) rate in the history of the time series for that age cohort, as more youths were working in Q2 2019. The unemployment rate for youth males fell by three percentage points year-over-year (to 14.8% in Q2 2019) and for female youths, the unemployment rate averaged 7.5%, the lowest in almost four years. The unemployment rates for the core-working age group and older workers were 8.2% and 9.3% respectively.

**Prince Edward Island Quarterly Unemployment Rates, by Gender and Age**

Seasonally Adjusted Data	2nd Quarter	1st Quarter	2nd Quarter	Quarterly Variation (% points)	Yearly Variation (% points)
	2019 (%)	2019 (%)	2018 (%)		
<b>Total</b>	9.0	9.7	9.6	-0.7	-0.7
<b>25 years and over</b>	8.5	9.0	8.9	-0.5	-0.4
Men - 25 years and over	10.7	10.7	9.7	0.0	1.1
Women - 25 years and over	6.1	7.2	8.3	-1.1	-2.2
<b>15 to 24 years</b>	11.3	13.8	14.1	-2.4	-2.8
Men - 15 to 24 years	14.8	16.4	17.8	-1.6	-3.0
Women - 15 to 24 years	7.5	9.9	10.1	-2.3	-2.5

Note: Totals may not add due to rounding

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

The Island's participation rate averaged 66.3% in Q2 2019, which is a decrease of 0.7 of a percentage point year-over-year as labour force gains failed to keep pace with population growth. Despite this, the participation rate in PEI continues to exceed the national average in terms of labour force participation. The participation rate for youth males in PEI was 68.6% in the most recent quarter, the highest in the country.

In the second quarter (Q2) of 2019, the total population aged 15+ in the Atlantic Provinces was approximately 2 million. The Indigenous population living off reserve accounted for 3.6% of that, or 71,700 people. Employment among Indigenous people in the Atlantic provinces reached 37,500, representing a decrease of 3,100 (-7.6%)

from a year earlier (Q2 2018). The decrease was in full-time positions (-4,100 or -12.0%) that was partially offset by an increase in part-time positions (+900 or +14.1%).

The unemployment rate among the Indigenous population was 13.8% in Q2 2019, up 0.1 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate decreased to 8.1% (-0.8pp). Year-over-year, the participation rate among Indigenous people decreased significantly to 60.7% (-6.9pp), while the participation rate for the non-Indigenous population increased marginally to 62.1% (+0.4pp). The employment rate of the Indigenous population decreased year-over-year to 52.3% (-6.0pp), and the employment rate amongst the non-Indigenous population reached 57.1% (+0.9%), compared to a year earlier.

### Atlantic - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q2 2019	Q2 2018	number	%	Q2 2019	Q2 2018	number	%
Population 15 + ('000)	71.7	69.6	2.1	3.0%	1,933.0	1,924.5	8.5	0.4%
Labour Force ('000)	43.5	47.1	-3.6	-7.6%	1,201.0	1,187.7	13.3	1.1%
Employment ('000)	37.5	40.6	-3.1	-7.6%	1,103.6	1,081.7	21.9	2.0%
Full-Time ('000)	30.1	34.2	-4.1	-12.0%	924.3	910.6	13.7	1.5%
Part-Time ('000)	7.3	6.4	0.9	14.1%	179.2	171.1	8.1	4.7%
Unemployment ('000)	6.0	6.5	-0.5	-7.7%	97.4	106.0	-8.6	-8.1%
Unemployment Rate (%)	13.8	13.7	0.1	-	8.1	8.9	-0.8	-
Participation Rate (%)	60.7	67.6	-6.9	-	62.1	61.7	0.4	-
Employment Rate (%)	52.3	58.3	-6.0	-	57.1	56.2	0.9	-

**Notes:** The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

**Source:** Statistics Canada Labour Force Survey - ESDC custom table.

## EMPLOYMENT BY INDUSTRY

The annual increase in PEI's employment base in Q2 2019 was concentrated largely in the goods-producing sector (+6.1%), particularly in **Construction** and **Agriculture**. Service-sector employment also increased, but modestly (+0.9%), with much of the growth attributed to **Public Administration** and **Business, building and other support services**.

**Construction** employment reached a record (quarterly) high of 6,400 in Q2 2019. Following a banner year in 2018, the construction industry has maintained its momentum throughout the first half of 2019. The value of residential building permits in 2018 closed out at a record high as did the volume of new housing construction. Non-residential building permits also peaked in all major categories (i.e. industrial, commercial and institutional construction). Both residential and non-residential permits to date (between January-April 2019) are valued 24% higher than they were over the same period in 2018 which suggests the Island's construction industry is showing little sign of slowing down over the medium term.

A limiting factor for the industry however, is the unavailability of skilled labour to meet not only growing demand pressures, but to mitigate the affects of impending retirements. According to BuildFORCE Canada, current indications suggest that the industry is experiencing shortages across most construction-occupations. Furthermore, BuildFORCE states that “...industry will need to replace more than 600 workers projected to retire over the next four years...(there is) a projected gap of almost 900 additional workers that will need to be recruited from outside the local construction labour market.”<sup>1</sup>

PEI’s Agriculture industry has been benefitting from increased funding and investment in its aquaculture sub-sector. A new round of funding through the Quality Oyster Aquaculture Program was announced last Fall for projects that promote quality control and innovative technology. Also, a number of shellfish companies in PEI have expanded operations and invested in new capital equipment by way of The Atlantic Fisheries Fund.

There was little change to service-sector employment overall, however there were some notable year-over-year changes at the industry level. There were notable gains in **Public administration** (in part attributed to work terms of the Federal Student Work Experience Program) and **Business building and other support services** (which may in part be explained by expansion of a local call centre). Offsetting these gains was a decline in **Accommodation and Food Services** employment. The traditional May to October tourist season is underway for 2019 and follows a strong 2018 performance. According to provincial tourism figures, 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 Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	2nd Quarter	1st Quarter	2nd Quarter	Quarterly Variation		Yearly Variation	
	2019	2019	2018	Number	%	Number	%
<b>Total employed, all industries</b>	77.5	75.8	75.8	1.6	2.2	1.7	2.2
<b>Goods-producing sector</b>	20.4	19.4	19.2	0.9	4.8	1.2	6.1
Agriculture	4.2	3.7	3.8	0.5	13.4	0.5	12.4
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.6	2.7	0.1	2.6	0.0	-1.2
Utilities	0.3	0.3	0.2	0.0	0.0	0.1	50.0
Construction	6.4	6.1	5.7	0.3	5.5	0.7	11.6
Manufacturing	6.7	6.8	6.8	-0.1	-1.0	0.0	-0.5
<b>Services-producing sector</b>	57.1	56.4	56.6	0.7	1.3	0.5	0.9
Trade	11.0	11.3	11.1	-0.3	-2.7	-0.1	-1.2
Transportation and warehousing	2.8	3.0	2.5	-0.2	-6.7	0.3	10.7
Finance, insurance, real estate and leasing	2.8	2.7	2.9	0.1	5.0	-0.1	-4.5
Professional, scientific and technical services	3.3	3.1	3.6	0.2	6.5	-0.3	-7.5
Business, building and other support services	2.5	2.5	1.9	-0.1	-2.6	0.6	32.1
Educational services	5.5	5.0	5.5	0.5	9.9	0.0	0.0
Health care and social assistance	11.1	10.6	10.7	0.5	5.0	0.4	3.7
Information, culture and recreation	2.0	2.3	2.6	-0.3	-11.8	-0.6	-24.1
Accommodation and food services	5.3	5.4	6.3	-0.1	-1.8	-0.9	-14.9
Other services	3.4	3.0	3.0	0.4	13.2	0.4	14.4
Public administration	7.4	7.4	6.4	0.0	0.0	1.0	15.5

Note: Totals may not add due to rounding

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

<sup>1</sup> BuildFORCE Canada, *Construction & Maintenance Looking Forward, Prince Edward Island* (January 2019)

**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.

**Prepared by:** Labour Market Analysis Directorate, Service Canada, Atlantic Region

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

[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)

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2019, all rights reserved