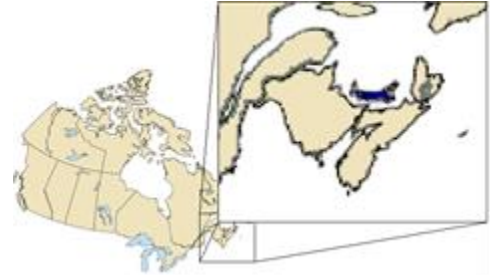




Labour Market Bulletin

Prince Edward Island



August 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 August. The labour force reached a record high in the province while employment dipped slightly behind July's record level. The majority of employment gains were full-time, which reached 66,300 in August, which was another record high. Though unemployment increased as a result of the labour force having outpacing employment growth, the unemployment rate remained well below historical levels, at 8.9%. The gain in PEI's labour force in August outpaced population growth, resulting in a slight increase in the participation rate. At 66.6%, the Island's participation rate was fourth highest in the country and exceeded the national average by nearly a percentage point.

Prince Edward Island Monthly Labour Force Statistics

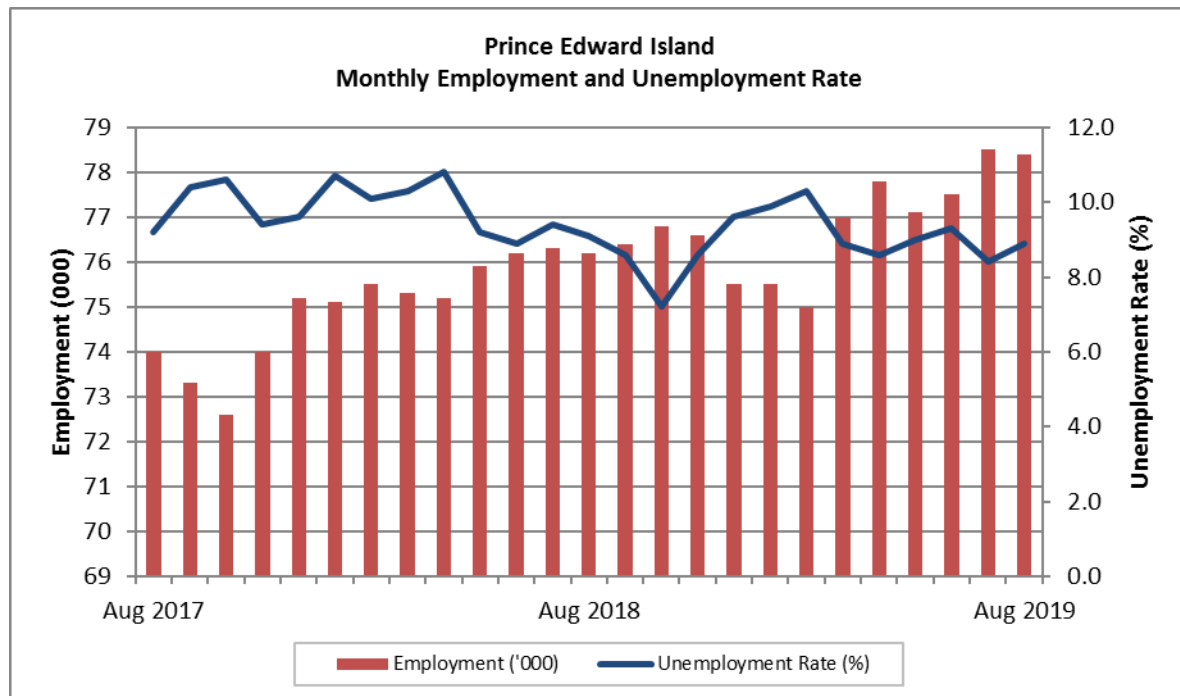
Seasonally Adjusted Monthly Data	Aug 2019	July 2019	Aug 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	129.3	129.0	125.9	0.3	0.2	3.4	2.7
Labour Force ('000)	86.1	85.7	83.8	0.4	0.5	2.3	2.7
Employment ('000)	78.4	78.5	76.2	-0.1	-0.1	2.2	2.9
Full-Time ('000)	66.3	65.9	64.2	0.4	0.6	2.1	3.3
Part-Time ('000)	12.1	12.7	12.0	-0.6	-4.7	0.1	0.8
Unemployment ('000)	7.7	7.2	7.6	0.5	6.9	0.1	1.3
Unemployment Rate (%)	8.9	8.4	9.1	0.5	-	-0.2	-
Participation Rate (%)	66.6	66.4	66.6	0.2	-	0.0	-
Employment Rate (%)	60.6	60.9	60.5	-0.3	-	0.1	-

Note: Totals may not add due to rounding

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

The Island's working-age population was 2.7% higher in August 2019 relative to the same period a year ago and the labour force grew by the same rate. More than half of this gain was attributed to growth in the number of core-aged workers (aged 25-54 years), most of which being women. The number of youth workers (aged 15-24 years) increased, in the order of 500 persons (or 4.0%) – with the gains primarily among men; and the older worker cohort (aged 55 years and over) grew by 300 (+1.4%).

PEI’s employment base increased by 2.9% (or 2,200 persons) in August with the core-aged group having gained 1,500 and youths 700. With respect to the core-aged cohort, all of the employment gain was full-time. The number of older workers employed was unchanged, with a slight gain in part-time work offset by a loss in full-time jobs.



The year-over-year employment gain in August 2019 was attributed to both the private and public sectors, while the number self-employed in the province declined. Private sector employment increased by 2,700 (+6.1%) compared to the same period a year ago, and public sector employment rose by 1,000 (or +5.0%). Public sector employment comprised 27% of PEI’s employment base in August 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 1,400 year-over-year. 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 slightly higher in August 2019 as there were more people looking for work compared to a year ago. The unemployment rate fell slightly year-over-year as growth in employment outpaced labour force gains. Among the major age categories in PEI, youths experienced the greatest change in its unemployment rate, having declined two percentage points year-over-year to 8.5% in August 2019. The unemployment rate for female youths fell by five percentage points compared to the same period a year ago.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Aug 2019	July 2019	Aug 2018	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	8.9	8.4	9.1	0.5	-0.2
25 years and over	9.0	8.4	9.0	0.6	0.0
Men - 25 years and over	10.6	10.1	11.0	0.5	-0.4
Women - 25 years and over	7.3	6.2	6.4	1.1	0.9
15 to 24 years	8.5	8.7	10.5	-0.2	-2.0
Men - 15 to 24 years	13.0	11.9	12.5	1.1	0.5
Women - 15 to 24 years	3.3	5.0	8.3	-1.7	-5.0

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

The Island's participation rate in August 2019 was unchanged year-over-year as labour force gains kept pace with population growth over this period. The participation rate in PEI continues to exceed the national average (at 65.8%). The participation rate for 15-64 workforce in PEI averaged 81.3% which was the highest rate in the country.

EMPLOYMENT BY INDUSTRY

The annual increase in PEI's employment base in August 2019 was led by the services-producing sectors. Goods-sector employment rose by 2.1% compared to the same period a year ago, driven by growth in **Agriculture** and **Construction**. Employment gains in government-related industries accounted for the majority of growth in the service-sector (offset in part by reduced year-over-year employment in **Information, culture and recreation** and **Accommodation and food services**).

Construction employment in PEI remains at the high end of the spectrum: having totaled 6,300 in August and just 300 short of an all-time high. 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 for the first six months of the year is up 50.4% compared to the same period in 2018; and the volume of new housing construction is up by 8% in the first half of 2019 (driven by construction of multiples-units).

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."¹

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

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

Like the construction industry, farmers are experiencing difficulty in finding workers and the industry expects its labour gap will continue to widen over the next few years: “In 2014, the province saw a small gap of 200 unfilled jobs...By 2025, there will be 1,100 more jobs than the domestic workforce can fill...(due to attrition and fewer young people entering the agricultural workforce).”² Although the industry has shown greater dependence on temporary foreign labour to fill vacancies (with the number of farm worker positions having increased by 26% between Q1 2018 and Q1 2019), the report cites that increased productivity will be a key factor to help limit demand pressures for the industry.

Service-sector employment gains were primarily driven by notable gains in **Public administration** and **Health care and social assistance**; while a decline in **Accommodation and food services** and **Information, culture, and recreation** employment partially offset. The traditional May to October tourist season is underway for 2019 and follows a strong 2018 performance. According to provincial tourism figures to June 2019³, visitation by bridge, air and ferry has seen a slight up-tick over 2018, complemented by an increase in cruise ship visitation. However, a 23% decline in motorcoach visitation was a limiting factor for the industry.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Aug 2019	July 2019	Aug 2018	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	78.4	78.5	76.2	-0.1	-0.1	2.2	2.9
Goods-producing sector	19.8	20.4	19.4	-0.6	-2.9	0.4	2.1
Agriculture	4.4	4.6	4.1	-0.2	-4.3	0.3	7.3
Forestry, fishing, mining, quarrying, oil and gas	2.4	2.5	2.7	-0.1	-4.0	-0.3	-11.1
Utilities	0.3	0.3	0.2	0.0	0.0	0.1	50.0
Construction	6.3	6.2	5.5	0.1	1.6	0.8	14.5
Manufacturing	6.4	6.8	6.8	-0.4	-5.9	-0.4	-5.9
Services-producing sector	58.6	58.2	56.8	0.4	0.7	1.8	3.2
Trade	10.9	10.9	11.1	0.0	0.0	-0.2	-1.8
Transportation and warehousing	3.0	2.9	2.7	0.1	3.4	0.3	11.1
Finance, insurance, real estate and leasing	2.9	2.9	2.9	0.0	0.0	0.0	0.0
Professional, scientific and technical services	3.6	3.4	3.5	0.2	5.9	0.1	2.9
Business, building and other support services	2.4	2.5	2.2	-0.1	-4.0	0.2	9.1
Educational services	5.3	5.7	5.5	-0.4	-7.0	-0.2	-3.6
Health care and social assistance	11.3	11.1	9.8	0.2	1.8	1.5	15.3
Information, culture and recreation	2.3	2.0	2.8	0.3	15.0	-0.5	-17.9
Accommodation and food services	5.9	5.7	6.5	0.2	3.5	-0.6	-9.2
Other services	3.0	3.1	3.1	-0.1	-3.2	-0.1	-3.2
Public administration	8.0	7.9	6.6	0.1	1.3	1.4	21.2

Note: Totals may not add due to rounding

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

² Labour Market Forecast: Prince Edward Island Agriculture sector (2014-2025), Canadian Agricultural Human Resource Council.

³ Prince Edward Island Tourism Indicators, Tourism Industry Association of PEI (June 28, 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.

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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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