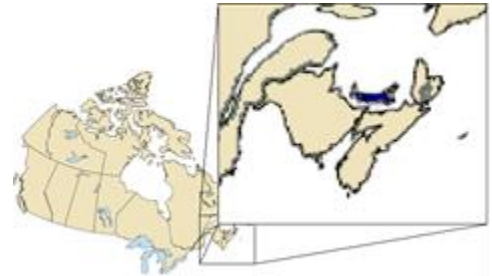




Labour Market Bulletin

Prince Edward Island



September 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 third 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 66,500 for the quarter. Employment growth outpaced labour force gains in Q3 2019 resulting in lower unemployment in the province. The unemployment rate averaged 8.7% in the third quarter which is considerably lower than what has typically been the norm for Q3 each year since the 2008-09 recession (10.4% on average). As labour force gains outpaced a growing working-age population, the Island's participation rate increased marginally to 66.6% from Q2 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

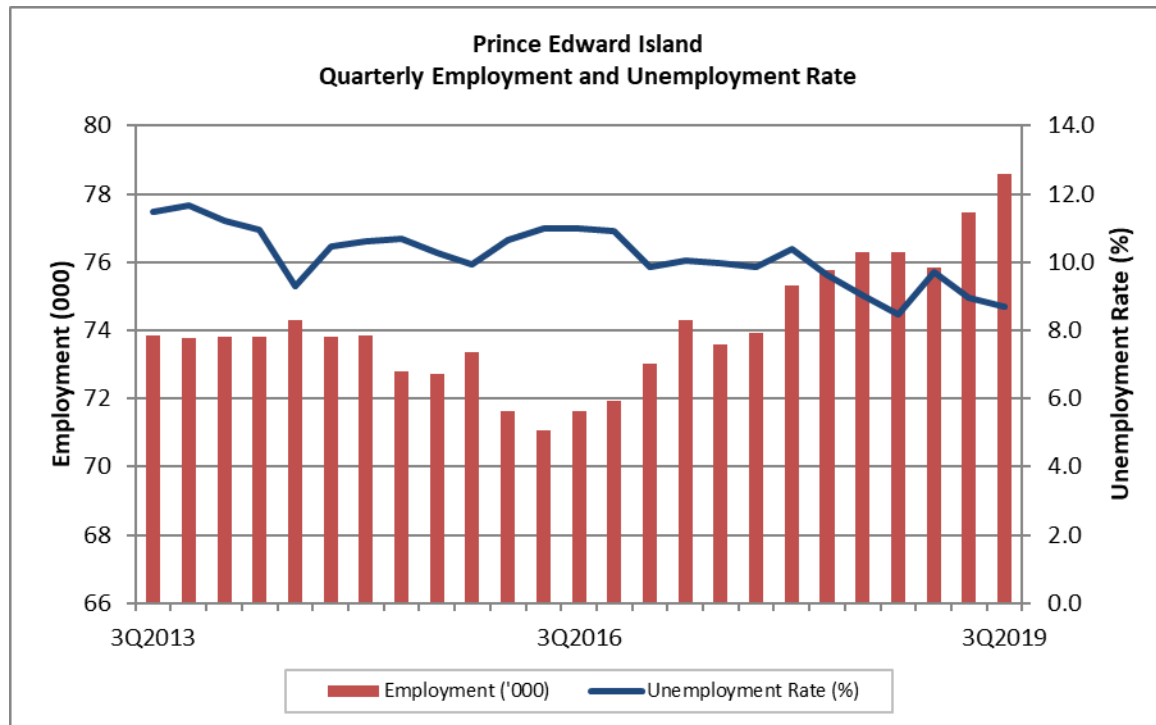
Seasonally Adjusted Quarterly Data	3rd Quarter 2019	2nd Quarter 2019	3rd Quarter 2018	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	129.3	128.2	125.9	1.1	0.9	3.4	2.7
Labour Force ('000)	86.1	85.0	83.8	1.1	1.3	2.3	2.7
Employment ('000)	78.6	77.5	76.3	1.1	1.4	2.3	3.0
Full-Time ('000)	66.5	65.2	64.3	1.3	2.0	2.2	3.4
Part-Time ('000)	12.2	12.2	12.0	0.0	0.0	0.2	1.7
Unemployment ('000)	7.5	7.6	7.6	-0.1	-1.3	-0.1	-1.3
Unemployment Rate (%)	8.7	9.0	9.0	-0.3	-	-0.3	-
Participation Rate (%)	66.6	66.3	66.6	0.3	-	0.0	-
Employment Rate (%)	60.8	60.5	60.6	0.3	-	0.2	-

Note: Totals may not add due to rounding

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

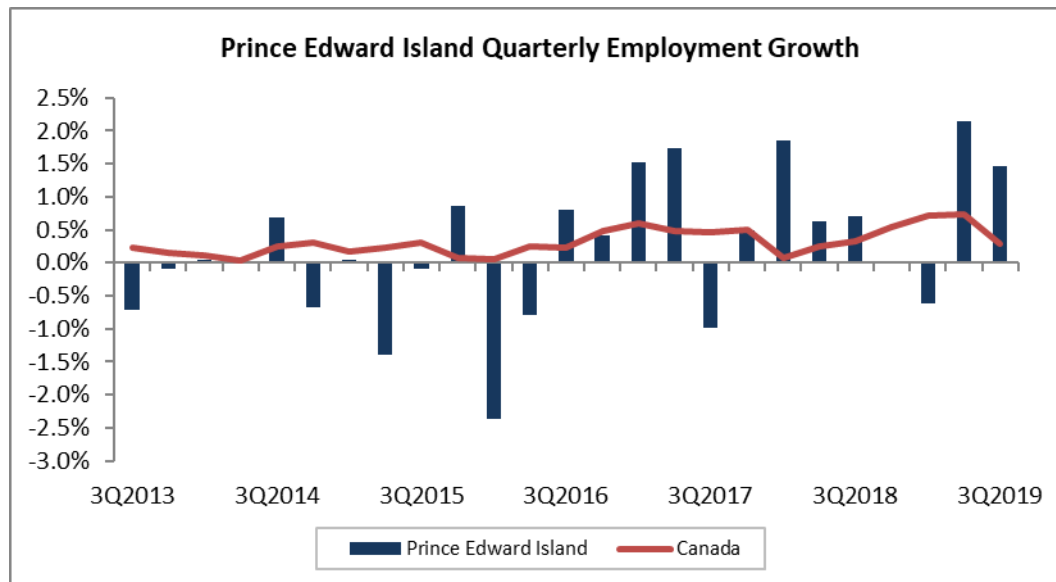
The Island's labour force in Q3 2019 increased by 2,300 from the same quarter in 2018, attributed mainly to growth of 1,200 in the number of core-aged workers (aged 25-54 years). This represented the largest percentage increase in the labour force across the country. The youth cohort (aged 15-24 years) contributed to the labour force gains in Q3 as well, increasing by 600, and the number of older workers (aged 55 years and over) grew by 500.

PEI’s employment in the most recent quarter increased by 3.0% compared to the same quarter a year ago, attributed almost entirely to full-time employment gains. This was the fastest growth in the country. All of the major age categories experienced full-time employment gains, with core-aged workers accounting for the largest increase (+1,300). Gains were split between males and females.



Year-over-year growth in employment in Q3 2019 was primarily among private sector employees, though public sector employment increased more in percentage terms. The number of those self-employed in the province declined. Public sector employment increased by 7.9% compared to the same quarter a year ago, and private sector employment rose by 5.9%. 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 1,300 from Q3 2018. 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 lower in Q3 2019 compared to a year ago as employment growth outpaced that of the labour force. The unemployment rate in the third quarter decreased by 0.3 of a percentage point from the same quarter a year ago. Among the major age categories, the unemployment rate among youths was not the highest in PEI for only the second time on record, with the highest rate among older workers. The only other time that occurred was Q4 1998. The unemployment rate for youth males fell by two percentage points year-over-year (to 13.0% in Q3 2019) and for female youths, the unemployment rate averaged 7.5%, the lowest in almost four years. The unemployment rate among older workers grew by 0.9 of a percentage point relative to a year earlier, to 10.2%, while the rate for the core-working age group was 7.8%.

Prince Edward Island Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation (% points)	Yearly Variation (% points)
	2019 (%)	2019 (%)	2018 (%)		
Total	8.7	9.0	9.0	-0.3	-0.3
25 years and over	8.5	8.5	8.5	0.0	0.0
Men - 25 years and over	10.5	10.7	10.2	-0.2	0.3
Women - 25 years and over	6.3	6.1	6.5	0.2	-0.2
15 to 24 years	9.7	11.3	12.1	-1.6	-2.4
Men - 15 to 24 years	12.9	14.8	14.9	-1.8	-2.0
Women - 15 to 24 years	6.0	7.5	8.9	-1.5	-2.9

Note: Totals may not add due to rounding

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

The Island's participation rate averaged 66.6% in Q3 2019, which is unchanged from a year earlier. PEI continues to exceed the national average in terms of labour force participation, behind only Alberta and Saskatchewan.

Atlantic - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q3 2019	Q3 2018	number	%	Q3 2019	Q3 2018	number	%
Population 15 + ('000)	72.3	70.3	2.0	2.8%	1,938.0	1,926.4	11.6	0.6%
Labour Force ('000)	47.1	48.5	-1.4	-2.9%	1,214.0	1,204.6	9.4	0.8%
Employment ('000)	41.4	41.8	-0.4	-1.0%	1,116.5	1,103.9	12.6	1.1%
Full-Time ('000)	35.1	35.1	0.0	0.0%	948.8	940.1	8.7	0.9%
Part-Time ('000)	6.4	6.7	-0.3	-4.5%	167.7	163.8	3.9	2.4%
Unemployment ('000)	5.7	6.7	-1.0	-14.9%	97.6	100.7	-3.1	-3.1%
Unemployment Rate (%)	12.0	13.8	-1.8	-	8.0	8.4	-0.4	-
Participation Rate (%)	65.2	69.0	-3.8	-	62.6	62.5	0.1	-
Employment Rate (%)	57.3	59.5	-2.2	-	57.6	57.3	0.3	-

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.

In the third quarter (Q3) of 2019, the total population aged 15+ in the Atlantic Provinces was approximately 2 million. The Indigenous population living off reserve accounted for about 3.6% of that, or 72,300 people. Employment among Indigenous people in the Atlantic Provinces reached 41,400, a decrease of 400 (-1.0%) from a year earlier (Q3 2018). The decrease was in part-time positions, while the number of full-time positions was unchanged.

The unemployment rate among the Indigenous population was 12.0% in Q3 2019, down 1.8 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate decreased to 8.0% (-0.4pp). Year-over-year, the participation rate among Indigenous people decreased significantly to 65.2% (-3.8pp), while the participation rate for the non-Indigenous population remained unchanged at 62.6% (+0.1pp). The employment rate of the Indigenous population decreased year-over-year to 57.3% (-2.2pp), and the employment rate amongst the non-Indigenous population reached 57.6% (+0.3%).

EMPLOYMENT BY INDUSTRY

The annual increase in PEI's employment base in Q3 2019 was concentrated largely in the services-producing sector (+3.3%), particularly in **Health care and social assistance** and **Public administration**. Goods-sector employment also increased (+2.6%), with much of the growth attributed to **Construction** and **Agriculture**.

Employment in the services-producing industries on PEI reached a record high of 58,800 in Q3 2019. There were notable gains in **Public administration** of 1,100, in part attributed to work terms of the Federal Student Work Experience Program. Employment in **Health care and social assistance** also grew by 1,100, reaching a record high of 11,200. **Finance, insurance, real estate, rental and leasing** employment also reached a record high of 3,000. Offsetting these gains were declines in **Information, culture and recreation** and **Accommodation and Food Services** employment, both down by 500. The traditional May to October tourist season is underway for 2019 and follows a strong 2018 performance. According to provincial tourism figures, year-to-date visitation up to July 2019 was on par with the previously strong tourism year in 2018. Though cruise ship passengers dipped in July, bridge

and air traffic were both up 2.3% in the first seven months of the year. New restaurant openings and expansions of existing food service businesses so far in 2019 have also contributed to ongoing employment growth in this industry.

Construction employment grew by 600 year-over-year to 6,300, just behind the record-level of 6,400 set in the previous quarter. Following a banner year in 2018, the construction industry has maintained its momentum throughout the first three-quarters 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 permits to date (between January-August 2019) are valued 58% 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 related 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 rose by 400 persons year-over-year. The 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.

Prince Edward Island Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter	2nd Quarter	3rd Quarter	Quarterly Variation		Yearly Variation	
	2019	2019	2018	Number	%	Number	%
Total employed, all industries	78.6	77.5	76.3	1.1	1.5	2.3	3.0
Goods-producing sector	19.8	20.4	19.3	-0.5	-2.6	0.5	2.6
Agriculture	4.4	4.2	4.0	0.1	3.1	0.4	10.1
Forestry, fishing, mining, quarrying, oil and gas	2.4	2.7	2.7	-0.3	-11.3	-0.3	-11.3
Utilities	0.3	0.3	0.2	0.0	0.0	0.1	28.6
Construction	6.3	6.4	5.6	-0.1	-2.1	0.6	11.2
Manufacturing	6.5	6.7	6.9	-0.2	-3.5	-0.4	-5.3
Services-producing sector	58.8	57.1	57.0	1.7	3.0	1.9	3.3
Trade	11.0	11.0	11.0	0.0	0.0	0.0	-0.3
Transportation and warehousing	3.0	2.8	2.7	0.2	7.2	0.2	8.5
Finance, insurance, real estate and leasing	3.0	2.8	2.9	0.2	7.1	0.1	4.7
Professional, scientific and technical services	3.5	3.3	3.5	0.2	6.1	0.0	0.0
Business, building and other support services	2.4	2.5	2.1	0.0	-1.4	0.3	15.9
Educational services	5.5	5.5	5.5	0.0	-0.6	0.0	0.6
Health care and social assistance	11.2	11.1	10.1	0.1	0.9	1.1	10.5
Information, culture and recreation	2.2	2.0	2.8	0.2	11.7	-0.5	-19.3
Accommodation and food services	6.0	5.3	6.5	0.6	11.9	-0.5	-8.2
Other services	3.2	3.4	3.2	-0.3	-7.8	0.0	0.0
Public administration	7.8	7.4	6.7	0.4	5.4	1.1	16.9

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

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

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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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

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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