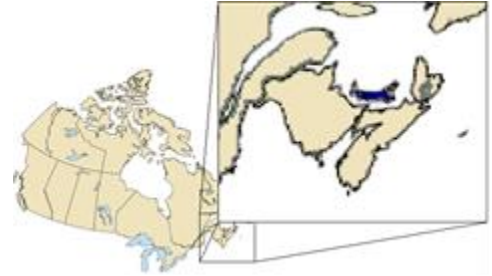




# Labour Market Bulletin

## Prince Edward Island



January 2020

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

### OVERVIEW

Strong labour market conditions continue to prevail in Prince Edward Island. The labour force in January settled close to its record level that was set just a month prior, and the province's employment base climbed to reach its fourth consecutive record high in January. The monthly gains in employment were supported by more full-time and part-time work. With more people working - relative to a static labour force in January, this resulted in fewer unemployment in the province. The Island's unemployment rate decreased to 7.5% which is a near record low - and certainly well below normal for P.E.I. Over the post-recession to 2017 period, the unemployment rate has hovered around 11%. The Island's participation rate edged down just slightly in January, settling in at 66.7%, but remains among the top three in the country, behind Alberta (at 70.3%) and Saskatchewan (69.1%).

Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Jan 2020	Dec 2019	Jan 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	130.2	130.1	126.9	0.1	0.1	3.3	2.6
<b>Labour Force ('000)</b>	86.8	86.9	83.6	-0.1	-0.1	3.2	3.8
<b>Employment ('000)</b>	80.3	80.0	75.5	0.3	0.4	4.8	6.4
Full-Time ('000)	68.4	68.2	64.3	0.2	0.3	4.1	6.4
Part-Time ('000)	11.9	11.8	11.2	0.1	0.8	0.7	6.3
<b>Unemployment ('000)</b>	6.5	6.9	8.0	-0.4	-5.8	-1.5	-18.8
<b>Unemployment Rate (%)</b>	7.5	7.9	9.6	-0.4	-	-2.1	-
<b>Participation Rate (%)</b>	66.7	66.8	65.9	-0.1	-	0.8	-
<b>Employment Rate (%)</b>	61.7	61.5	59.5	0.2	-	2.2	-

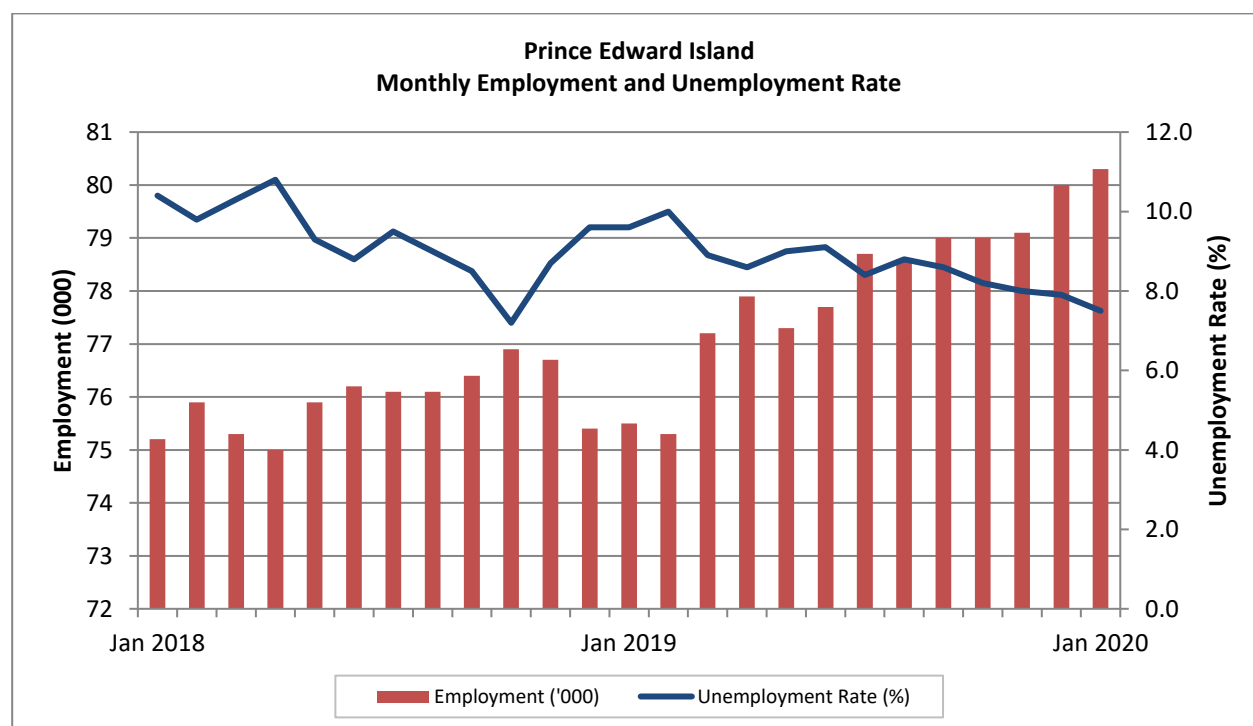
Note: Totals may not add due to rounding

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

The Island’s labour market gained considerable traction year-over-year with robust gains in both labour force and employment levels. P.E.I.’s labour force in January 2020 rose by an impressive 3.8% compared to a year ago, with gains across all major age categories, the majority of which was attributed to the core-aged worker cohort (25-54 years). Core-aged workers accounted for 2,000 of the 3,200 gains in the province’s labour force, with the remainder attributed to older workers (persons 55 years and over) and youths (persons 15-24 years of age).

An additional 4,800 persons were employed year-over-year, which translates into growth of 6.4% (the second highest annual rate of growth on record for the province). Again, core-aged workers accounted for nearly half of the gains, with the remainder split between the youths and older worker groups. These gains, with the exception of older workers, were fairly evenly distributed among the genders. For the older worker cohort, all of the annual job gains were attributed to males while females experienced a small reduction.

The vast majority of employment gains year-over-year were full-time jobs. All major age groupings experienced full-time gains – half of which were attributed to the core-age workers. Further, about three in ten full-time positions were filled by youths. The level of part-time employment also increased from January 2019, although, by a relatively smaller amount (+700). These positions were picked up mostly by the older worker cohort – particularly males.



The year-over-year employment gains were concentrated largely in private sector employment (+8.5%) and the public sector (+7.6%). A partial offset to these gains was a reduction in the number of self-employed persons in January. 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, and this is seven percentage points higher than the national average.

Employment growth exceeded the increase in the labour force which put downward pressure on the Island's unemployment rate. The number of unemployed persons in the province decreased by nearly 20% in January 2020 compared to the same month a year ago. A closer inspection reveals that youths accounted for most of the decrease in unemployment, particularly males.

The overall unemployment rate in P.E.I. fell to 7.5% in January 2020. Youths experienced the greatest year-over-year decrease to its unemployment rate, having declined by 6.7 percentage points overall, to 8.5%. The greatest year-over-year impact was on the male unemployment rate: having decreased by nearly 12 percentage points on a year-over-year basis, to 6% in January 2020, the lowest on record.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Jan 2020 %	Dec 2019 %	Jan 2019 %	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	7.5	7.9	9.6	-0.4	-2.1
<b>25 years and over</b>	7.2	7.9	8.6	-0.7	-1.4
Men - 25 years and over	8.4	8.9	10.8	-0.5	-2.4
Women - 25 years and over	5.9	6.4	6.3	-0.5	-0.4
<b>15 to 24 years</b>	8.5	8.4	15.2	0.1	-6.7
Men - 15 to 24 years	6.0	11.8	17.9	-5.8	-11.9
Women - 15 to 24 years	11.1	4.8	12.3	6.3	-1.2

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

The year-over-year increase in the labour force outpaced working-age population growth, which lifted the province's participation rate to 66.7% in the most recent month. This gain was driven predominantly by increased labour force participation by women of the core-aged group. It is also worth noting that, at 71.6% in January 2020, the female youth participation rate was the highest in the country.

## EMPLOYMENT BY INDUSTRY

The year-over-year increase in P.E.I.'s employment base in January 2020 was driven almost entirely by the **Services-producing sector**, particularly: **Professional, scientific and technical services** and **Health Care and Social Assistance**. Further, there were considerable employment gains in **Educational Services** over the period as well. The **Goods-producing sector** also expanded at a respectable pace, with growth concentrated in **Construction** and **Agriculture**. Limiting growth in the goods-sector was a contraction in **Manufacturing** employment.

There were 7,300 people employed in construction in January which is a record high for the industry. Residential construction activity has been, and continues to be the driving force. The value of residential building permits in the province is up over 36% year-to-date (to November 2019) while non-residential construction permits are up nearly 15%, building on its robust performance in the previous year. Further to this, growth in the volume of new housing starts in the province is up by 40% on a year-to-date basis. Growth in multiples-type complexes (in both urban and rural areas) continues to drive activity in the industry.

With respect to PEI's Agriculture industry, a number of factors have contributed to its improved employment position - particularly, a rebound in potato production. Overall, the potato harvest this past fall improved over the previous season's difficult crop conditions. Nearly 7,000 acres, or close to 10% of potatoes were left in the ground during the 2018 fall harvest after heavy rain and cold temperatures abruptly ended the harvest. Further to this, over the past year, the industry has benefitted from increased funding and investment in its aquaculture subsector. 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 with investments in new capital equipment by way of The Atlantic Fisheries Fund.

Manufacturing employment in P.E.I. has been slipping in recent months from its all-time high experienced last Fall, however its current level is more of a norm for the industry, historically. Despite this declining trend in employment, the industry continues to thrive thanks in part to a favorable currency position, making Island exports more competitive in international markets. Island-based exports expanded by 17% in 2019, from a record level set in the year prior. International demand for Island-based products in 2019 was strongest for frozen food and processed seafood, as well as pharmaceutical and medicine products .

The strong year-over-growth in service-sector employment was led by the **Professional, scientific and technical services** industry. Indeed, the province's digital technology and bioscience sectors have been the driving forces behind growth over the past year thanks in large part to ongoing investment/funding and expansions (in respect to new partnerships and markets, as well as existing infrastructure). Throughout 2019, a number of bioscience companies announced strategic hiring plans over the short-medium term; and for the information technology sector, particularly relating to computer programmers. A limiting growth factor for the industry is availability of qualified workers.

Employment growth in P.E.I.'s **Educational Services** over the past year may be reflective of some dynamic trends that the industry has been contending with: particularly relating to increased enrollment in both secondary and post-secondary institutions. This is due in large part to international immigration and people returning to the province from elsewhere. Further, since January of last year, the provincial government hired more educational assistants to work with new immigrant students; as well as new contract teachers to help students learn English or French. Government also announced hires of new teacher positions and educational assistants prior to the fall 2019 school year. And in November of last year, P.E.I.'s Public Schools Branch held a number of job fairs to recruit positions directly related to the industry, such as substitute teachers and educational assistants, and indirectly, such as school bus drivers, cleaners, and school psychologists.

Employment in **Accommodation and Food Services** exceeded last year's strong performance. According to provincial tourism figures<sup>1</sup>, visitation in 2019 exceeded strong tourist volumes in 2018 and 2017 (the latter supported by Canada 150 celebrations). For the first ten months of 2019, both bridge and air traffic were up by 2% and 3% respectively. Although ferry traffic softened somewhat, a near 30% surge in cruise ship visitation helped to offset the reduced ferry usage.

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<sup>1</sup> Prince Edward Island Tourism Indicators (Release date: December 11, 2019)

## Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Jan 2020	Dec 2019	Jan 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	80.3	80.0	75.5	0.3	0.4	4.8	6.4
<b>Goods-producing sector</b>	20.1	19.6	19.5	0.5	2.6	0.6	3.1
Agriculture	4.6	4.5	3.9	0.1	2.2	0.7	17.9
Forestry, fishing, mining, quarrying, oil and gas	1.9	1.7	2.8	0.2	11.8	-0.9	-32.1
Utilities	0.2	0.2	0.3	0.0	0.0	-0.1	-33.3
Construction	7.3	7.1	5.7	0.2	2.8	1.6	28.1
Manufacturing	6.1	6.1	6.8	0.0	0.0	-0.7	-10.3
<b>Services-producing sector</b>	60.3	60.4	56.1	-0.1	-0.2	4.2	7.5
Trade	11.5	11.6	11.1	-0.1	-0.9	0.4	3.6
Transportation and warehousing	2.8	2.5	2.9	0.3	12.0	-0.1	-3.4
Finance, insurance, real estate and leasing	3.1	3.4	2.7	-0.3	-8.8	0.4	14.8
Professional, scientific and technical services	4.2	4.1	3.1	0.1	2.4	1.1	35.5
Business, building and other support services	2.2	2.2	2.7	0.0	0.0	-0.5	-18.5
Educational services	5.7	5.5	5.0	0.2	3.6	0.7	14.0
Health care and social assistance	11.4	11.4	10.4	0.0	0.0	1.0	9.6
Information, culture and recreation	2.3	2.3	2.3	0.0	0.0	0.0	0.0
Accommodation and food services	5.9	6.4	5.3	-0.5	-7.8	0.6	11.3
Other services	3.6	3.2	3.1	0.4	12.5	0.5	16.1
Public administration	7.7	8.0	7.5	-0.3	-3.8	0.2	2.7

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.

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**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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