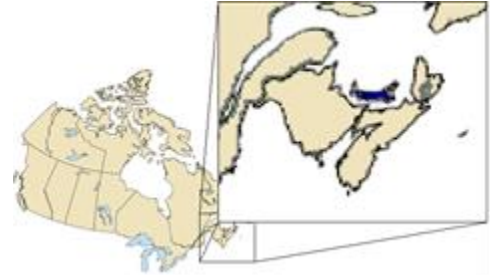




# Labour Market Bulletin

## Prince Edward Island



July 2020

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

### OVERVIEW

The Island's labour market continues to recover from the initial impact of COVID-19; the progress, however, has been moderate. Following the abrupt impact of the Coronavirus storm during March and April (when the province experienced record monthly declines in both labour force and employment levels), conditions have since improved. That said, July estimates remain well below what they were in the same month a year ago. Following strong labour force gains in May and June (having almost fully recovered from the impact of COVID-19), the province lost ground in July with its labour force contracting by 2.3%. Despite this, employment rose by 1.5%, and furthermore, with the employment gains in May and June considered, the Island has recovered about half of its (cumulative) March and April plunge due to COVID-19.

Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	131.6	131.3	129.0	0.3	0.2	2.6	2.0
<b>Labour Force ('000)</b>	84.7	86.7	85.9	-2.0	-2.3	-1.2	-1.4
<b>Employment ('000)</b>	74.7	73.6	78.7	1.1	1.5	-4.0	-5.1
Full-Time ('000)	61.8	63.1	66.2	-1.3	-2.1	-4.4	-6.6
Part-Time ('000)	12.9	10.5	12.6	2.4	22.9	0.3	2.4
<b>Unemployment ('000)</b>	9.9	13.2	7.2	-3.3	-25.0	2.7	37.5
<b>Unemployment Rate (%)</b>	11.7	15.2	8.4	-3.5	-	3.3	-
<b>Participation Rate (%)</b>	64.4	66.0	66.6	-1.6	-	-2.2	-
<b>Employment Rate (%)</b>	56.8	56.1	61.0	0.7	-	-4.2	-

Note: Totals may not add due to rounding

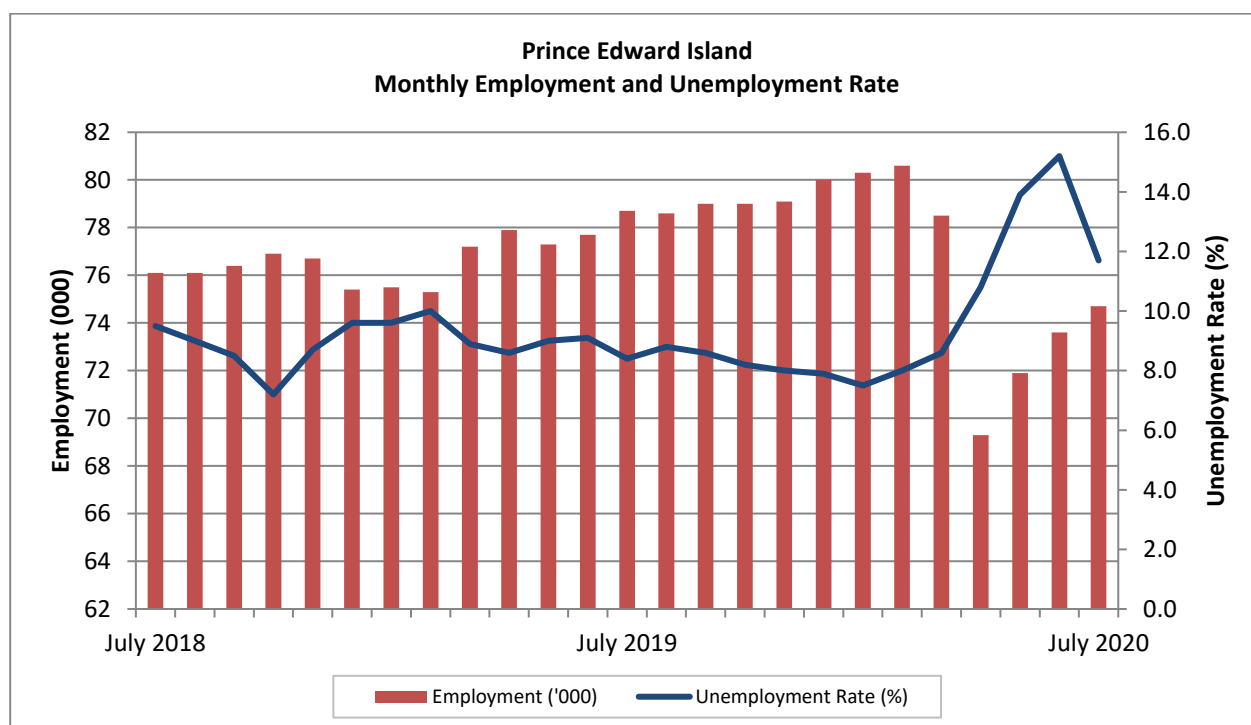
Source: Statistics Canada Labour Force Survey – Table 14-10-0287

A contracting labour force coupled with employment growth means lower unemployment levels. Indeed, the number unemployed in June declined by 25% from the previous month indicating a considerable number of people

left the labour force altogether in July. The unemployment rate in P.E.I. in the most recent month fell by 3.5 percentage points to 11.7%.

“The July Labour Force Survey (LFS) results reflect labour market conditions...four months after the beginning of the economic shutdown resulting from the COVID-19 global pandemic. By then, businesses and workplaces across Canada were continuing to re-open, building on the resumption of economic activities that began in May and continued in June.”<sup>1</sup> For Prince Edward Island, the fourth of four recovery plan phases was introduced by the province on June 26<sup>th</sup> which allows for larger organized gathering limits; expanded recreational activities and facilities; more retail and personal services as well as expanded health care services and providers. Also reflected in the July LFS results is the Atlantic Canada Travel Bubble which started on July 3<sup>rd</sup> and allows residents of Atlantic Canada to travel within the region without the need to self-isolate.

The labour force contraction in July of 2,000 persons was about evenly distributed among core-aged workers (25-54 years of age) and youths (persons aged 15-24 years) – with the majority of these declines attributed to women. By contrast, there was a 1.4% gain in the number of older workers participating in the labour market in the most recent month.



The Island’s monthly employment gain in July (+1.5%) was attributed to more older workers finding employment (+800), and to a lesser degree, youths (+500). Offsetting these gains was a reduction in the number of employed persons of the core-aged cohort. Women accounted for the entire employment gain among youths, while the opposite was true for older workers.

<sup>1</sup>Statistics Canada: Labour Force Survey, July 2020 (August 7, 2020)

The Island's labour market in July continued its recovery from employment losses due to COVID-19 with older workers leading the way - measured by pace of recovery (or "recovery rate"). For example, older worker employment contracted by 2,400 persons in March and April combined. Since then, from May to July, this cohort experienced cumulative employment growth of 1,300 or alternatively, has recovered 54% of its losses attributed to the Coronavirus pandemic. This compares to a recovery rate of 49% for the core-age cohort; and 44% for youths. Overall, despite women experiencing the majority of employment gains in July, the recovery rate for males, at 54% to date, exceeds that for women by 11 percentage points.

All of the employment gains in July were part-time (+2,400) which served to offset the reduction in full-time employment (-1,300). Women accounted for the vast majority of these part-time gains – particularly those of the youth cohort. By contrast, men accounted for the majority of the contraction in full-time employment – largely those in the core-aged group. Older worker males did experience a slight increase in full-time employment which helped mitigate the overall loss.

The Island's unemployed pool became shallower in July with 3,300 fewer persons actively seeking employment compared to the previous month. A third of these moved into employment meaning the remainder left the labour force. All major age categories experienced reduced unemployment levels – the majority of which spread among the core-aged cohort and youths. With respect to the latter, women accounted for the single largest decline in their unemployment rate, which fell to 15.8% in July.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2020	June 2020	July 2019	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	11.7	15.2	8.4	-3.5	3.3
<b>25 years and over</b>	10.1	12.5	8.2	-2.4	1.9
Men - 25 years and over	9.2	9.5	10.1	-0.3	-0.9
Women - 25 years and over	11.2	15.5	6.2	-4.3	5.0
<b>15 to 24 years</b>	20.5	29.2	9.4	-8.7	11.1
Men - 15 to 24 years	24.3	20.0	11.9	4.3	12.4
Women - 15 to 24 years	15.8	38.8	6.6	-23.0	9.2

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

With fewer people in the labour force, the Island's participation rate declined by 1.6 percentage points to 64.4% in July. P.E.I. recorded the fourth highest participation rate in the country, behind Alberta, Saskatchewan and Manitoba, and marginally exceeded the national average.

## EMPLOYMENT BY INDUSTRY

The cumulative impact of COVID-19 on Prince Edward Island's employment base in March and April 2020 was felt predominantly in the **services-producing sector**, which declined by 9,000 persons in those two months combined. From May to July, the sector recouped nearly half of its COVID-19 related losses, attributed to increased employment in **wholesale and retail trade, health care and social assistance** and **accommodation and food services**. The **goods-producing sector** regained about two-thirds of its cumulative employment losses from March and April attributed especially to employment growth in **construction** and **manufacturing**.

The **accommodation and food services** industry was heaviest hit by the pandemic and remains constrained. However, the industry in July continued to recoup some of its March and April losses which most recently has benefitted from the Atlantic Provinces Travel Bubble. Also contributing to recovery was the implementation of Phase 4 of the province's recovery plan, which allowed for: indoor dining and service at food premises, breweries, cideries and wineries permitted with a limit of 50 persons inside, and additional persons on patio; golf courses, campgrounds, hospitality homes, inns, and bed and breakfasts. Though positive steps for the industry, Island tourism remains constrained in its current peak month of July. With that said, the accommodation and food services industry to July has recouped just a quarter of its COVID-19 related losses. Alternatively, July's employment level for the industry remained 43% below what it was in 2019.

Employment in the **health care and social assistance** industry in July increased by 6.6% over the previous month, and is about par with what it was a year ago. The industry has gained considerable traction now that all four phases of the Province's recovery plan is in effect. The most recent Phase 4 was implemented in late June and includes reintegration of various health care services, such as: dental hygienists returning to practice; chiropractors, registered massage therapists, acupuncturists and acupressurists; physiotherapy and occupational therapy; and so on.

Although the **construction** industry experienced a slight contraction in July, employment in the industry remains higher than it was compared to a year ago. The industry in recent months has benefitted from the implementation of the province's recovery plan which is now fully in effect. The industry continues to be driven by strong residential construction activity: the number of new housing starts in the province is up by 13% on a year-to-date basis (January to June); and with respect to the construction of multiples-units, this is up by 70% over the same period.

The Island's **manufacturing** industry experienced considerable growth in its employment base in July 2020, and is almost on par with what it was in July 2019. The industry's reliance on food processing, as well as pharmaceutical manufacturing, has been key for the provincial economy throughout the crisis, evidenced by strong year-to-date growth in export values across these particular categories.

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

Seasonally Adjusted Data ('000)	July 2020	June 2020	July 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	74.7	73.6	78.7	1.1	1.5	-4.0	-5.1
<b>Goods-producing sector</b>	19.1	19.1	20.2	0.0	0.0	-1.1	-5.4
Agriculture	3.9	4.3	4.6	-0.4	-9.3	-0.7	-15.2
Forestry, fishing, mining, quarrying, oil and gas	1.8	2.1	2.4	-0.3	-14.3	-0.6	-25.0
Utilities	0.3	0.3	0.3	0.0	0.0	0.0	0.0
Construction	6.7	7.0	6.3	-0.3	-4.3	0.4	6.3
Manufacturing	6.4	5.5	6.7	0.9	16.4	-0.3	-4.5
<b>Services-producing sector</b>	55.7	54.4	58.5	1.3	2.4	-2.8	-4.8
Trade	10.5	10.9	11.0	-0.4	-3.7	-0.5	-4.5
Transportation and warehousing	2.5	2.8	2.9	-0.3	-10.7	-0.4	-13.8
Finance, insurance, real estate and leasing	3.0	2.8	3.0	0.2	7.1	0.0	0.0
Professional, scientific and technical services	4.4	4.1	3.4	0.3	7.3	1.0	29.4
Business, building and other support services	1.4	1.7	2.5	-0.3	-17.6	-1.1	-44.0
Educational services	5.5	5.4	5.6	0.1	1.9	-0.1	-1.8
Health care and social assistance	11.3	10.6	11.2	0.7	6.6	0.1	0.9
Information, culture and recreation	2.2	1.8	2.0	0.4	22.2	0.2	10.0
Accommodation and food services	3.3	3.0	5.8	0.3	10.0	-2.5	-43.1
Other services	3.5	3.2	3.1	0.3	9.4	0.4	12.9
Public administration	8.1	8.0	8.0	0.1	1.3	0.1	1.3

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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