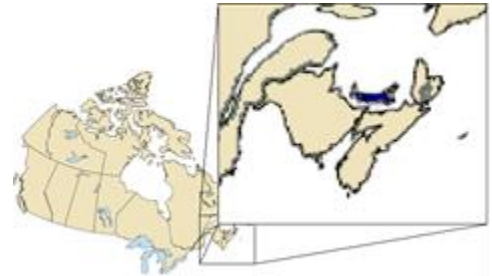




Labour Market Bulletin

Prince Edward Island



August 2020

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 continue to improve from the initial impact of COVID-19. However, August estimates remain well below what they were in the same month a year ago. Following a slight contraction in July, the Island's labour force increased in the most recent month, but modestly. Employment growth was relatively stronger, up by 2% from July. Employment levels have increased in the past four consecutive months since its April plunge due to COVID-19. To date, the Island has recovered about two-thirds of its (cumulative) March and April plunge, which is an improvement from July's recovery rate of 50%. With employment gains outpacing labour force growth in August, unemployment levels in the province declined. The unemployment rate in P.E.I. was down by 1 percentage point in August, and stood at 10.7%.

Prince Edward Island Monthly Labour Force Statistics

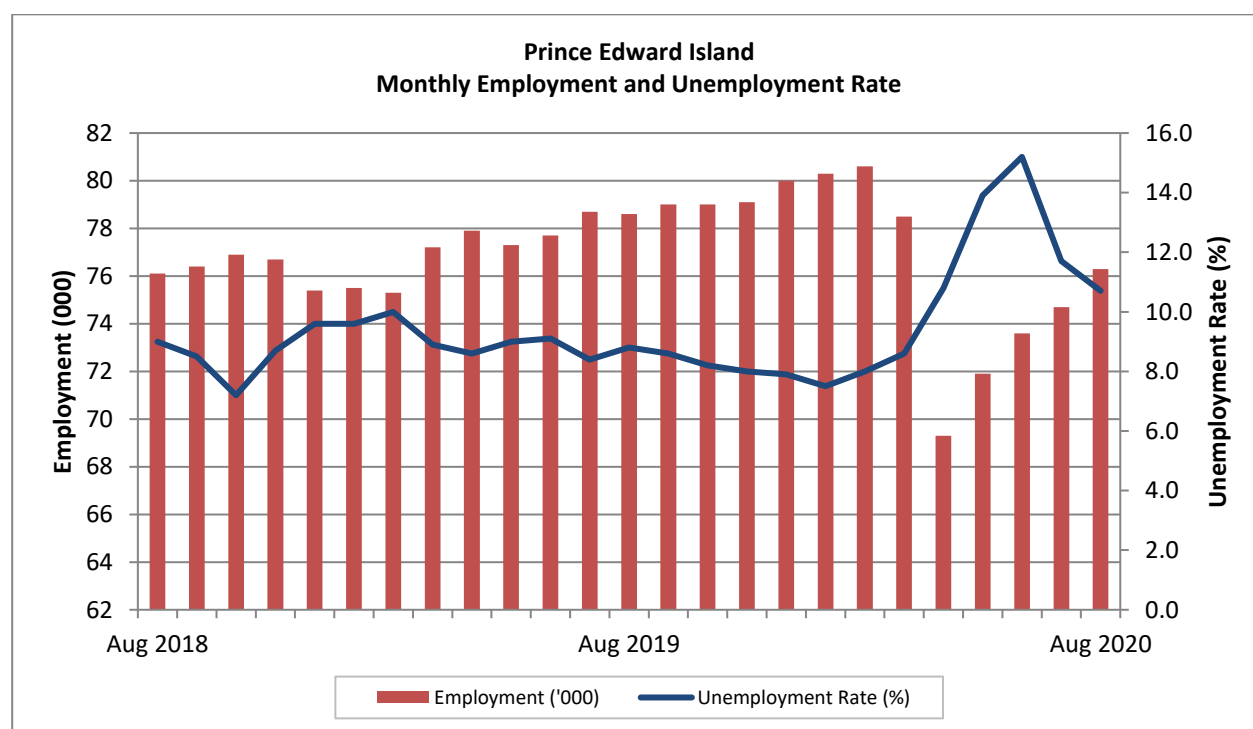
Seasonally Adjusted Monthly Data	Aug 2020	July 2020	Aug 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	131.7	131.6	129.3	0.1	0.1	2.4	1.9
Labour Force ('000)	85.3	84.7	86.2	0.6	0.7	-0.9	-1.0
Employment ('000)	76.3	74.7	78.6	1.6	2.1	-2.3	-2.9
Full-Time ('000)	63.7	61.8	66.6	1.9	3.1	-2.9	-4.4
Part-Time ('000)	12.6	12.9	12.1	-0.3	-2.3	0.5	4.1
Unemployment ('000)	9.1	9.9	7.6	-0.8	-8.1	1.5	19.7
Unemployment Rate (%)	10.7	11.7	8.8	-1.0	-	1.9	-
Participation Rate (%)	64.8	64.4	66.7	0.4	-	-1.9	-
Employment Rate (%)	57.9	56.8	60.8	1.1	-	-2.9	-

Note: Totals may not add due to rounding

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

“By mid-August, public health restrictions had substantially eased across the country and more businesses and workplaces had re-opened.”¹ This has bode well for Prince Edward Island’s ongoing recovery in its labour market: the fourth of four recovery plan phases has been in motion since late June (which allowed for larger organized gathering limits, expanded recreational activities and facilities, more retail and personal services, and expanded health care services). Further to this, provincial tourism – which was hardest hit by the Coronavirus pandemic - has benefited from the Atlantic Canada Travel Bubble (allowing Atlantic Canada to travel within the region without the need to self-isolate) launched in early July.

The modest gain in the Island’s labour force (+600) now means that the province has recovered about 76% of its COVID-19 induced contraction back in the Spring. The majority of the gain in August was allocated to core-aged workers (25-54 years of age) and to a lesser degree, youths (persons aged 15-24 years). Males accounted for the entire gain in the former age group while for youths, women accounted for all the growth. There was no change in the number of older workers participating in the labour market in the most recent month.



In terms of employment growth, women accounted for nearly 7 out of 10 job gains in August – about evenly distributed between the core-aged and youth cohorts. The remaining balance was attributed entirely to core-aged males. All of the employment gains in August were full-time while the number of part-time workers declined. A slight majority of full-time jobs were filled by men of the core-aged group, while for females, the full-time gains were about evenly distributed across the three major age categories. With respect to part-time growth, women of the core-aged cohort accounted for most of the gain and for men, all three age categories experienced declines in their respective employment bases.

The Island’s labour market in August continued its recovery from employment losses due to COVID-19 with the core-aged cohort leading the way. For example, the core-aged employment contracted by 5,500 persons in March and April combined. Since then, from May to August, this cohort experienced cumulative employment growth of

¹ Statistics Canada, *Labour Force Survey, August 2020* (September 4, 2020).

4,000 or alternatively, has recovered 73% of its losses attributed to the Coronavirus pandemic. This compares to a recovery rate of 53% for youths; and 46% for older workers.² With respect to gender, the recovery rate for core-aged and older worker males, at 87% and 83% respectively, exceeds that for women (67% and 33% respectively); but the recovery rate for youth women of 67% in August, is almost double that for males of the same age group.

The Island's unemployed pool shallowed in August by another 800 persons (following 3,300 fewer unemployed in July). The majority of the decline in unemployment was allocated to the core-aged cohort while a minor increase in older worker unemployment slightly offset. Women across all major age categories experienced lower unemployment rates (the largest decline being -3.4% attributed to the core-aged group), while for men, the core-aged cohort was the only group with a lower rate of unemployment in August (9.6%, down one percentage point compared to the previous month). The unemployment rate was unchanged for youth males, and 2.6% higher for older worker males (at 9.4% in August).

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Aug 2020 %	July 2020 %	Aug 2019 %	Monthly Variation (% points)	Yearly Variation (% points)
Total	10.7	11.7	8.8	-1.0	1.9
25 years and over	9.1	10.1	8.9	-1.0	0.2
Men - 25 years and over	9.5	9.2	10.6	0.3	-1.1
Women - 25 years and over	8.7	11.2	7.1	-2.5	1.6
15 to 24 years	19.4	20.5	8.5	-1.1	10.9
Men - 15 to 24 years	24.3	24.3	13.0	0.0	11.3
Women - 15 to 24 years	13.6	15.8	3.3	-2.2	10.3

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

With slightly more people in the labour force in August, the Island's participation rate increased by about half a percentage point to 64.8% in the most recent month. 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 August, the sector has recovered close to 60% of its COVID-19 related losses. For the month August, the majority of employment gains were concentrated in **accommodation and food services, wholesale and retail trade**, and **professional, scientific and technical services**. The **goods-producing sector** up to the most recent month has regained over 80% of its cumulative employment losses in March and April – with August gains concentrated in **forestry, fishing, mining, quarrying, oil and gas** and to a lesser extent, **manufacturing**.

² Recovery rate refers to the portion of jobs previously lost due to COVID-19 that have since been regained. It is measured based on cumulative employment gains from May onward divided by the total employment losses in March and April.

The **accommodation and food services** industry was heaviest hit by the pandemic and remains constrained. However, the industry in August continued to recoup some of its March and April losses which most recently has benefitted from the Atlantic Provinces Travel Bubble, as well as 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 was constrained during its peak months (July and August) with accommodations operators contending with traditionally fewer travellers and higher cleaning costs; restaurant operators with lower sales year-over-year (due to fewer visitation as well as some operators choosing not to open); as well as cancellation of the Island's growing cruise ship market. The accommodation and food services industry however continues to recover, having recouped 37% of its COVID-19 related losses as of August (an improvement from a 25% recovery rate in July).

Employment in **wholesale and retail trade** is up by 4% over July and about on par with levels in August 2019. The retail sector is supported by food and beverage stores – a fairly stable component accounting for 25% of total retail activity in the province. However, on year to date basis, employment in retail is down 3% to August, with growth prospects limited by COVID-19 related factors such as: reduced disposable incomes, temporary store closures, depressed tourism, and soft labour market conditions.

Professional, scientific and technical services industry employment in August is up by 7% from the previous month, and 30% higher year-over-year. This growth is largely reflected in strong Q1 2020 levels (pre-COVID-19 impact) relative to the same quarter in 2019, which set the benchmark for the year. Computer systems/design services is one of the major producers within the industry, followed by legal and accounting services. One factor that may support growth in the industry: there are a number of bioscience companies in the province involved in research and product development related to COVID-19.

Although the **construction** industry experienced a minor contraction in August, employment in the industry remains higher than it was compared to a year ago. The industry in recent months has benefitted from the full implementation of the province's recovery plan and 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 10% year-to-date to July.

The Island's **manufacturing** industry experienced a slight increase in its employment base in August, and is nearly 2% higher relative to the same period a year ago. 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)	Aug 2020	July 2020	Aug 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	76.3	74.7	78.6	1.6	2.1	-2.3	-2.9
Goods-producing sector	19.6	19.1	19.7	0.5	2.6	-0.1	-0.5
Agriculture	3.9	3.9	4.4	0.0	0.0	-0.5	-11.4
Forestry, fishing, mining, quarrying, oil and gas	2.2	1.8	2.3	0.4	22.2	-0.1	-4.3
Utilities	0.3	0.3	0.3	0.0	0.0	0.0	0.0
Construction	6.6	6.7	6.4	-0.1	-1.5	0.2	3.1
Manufacturing	6.5	6.4	6.4	0.1	1.6	0.1	1.6
Services-producing sector	56.7	55.7	58.9	1.0	1.8	-2.2	-3.7
Trade	10.9	10.5	11.0	0.4	3.8	-0.1	-0.9
Transportation and warehousing	2.6	2.5	3.0	0.1	4.0	-0.4	-13.3
Finance, insurance, real estate and leasing	3.1	3.0	3.0	0.1	3.3	0.1	3.3
Professional, scientific and technical services	4.7	4.4	3.6	0.3	6.8	1.1	30.6
Business, building and other support services	1.7	1.4	2.4	0.3	21.4	-0.7	-29.2
Educational services	5.6	5.5	5.3	0.1	1.8	0.3	5.7
Health care and social assistance	11.2	11.3	11.3	-0.1	-0.9	-0.1	-0.9
Information, culture and recreation	1.7	2.2	2.3	-0.5	-22.7	-0.6	-26.1
Accommodation and food services	3.8	3.3	6.0	0.5	15.2	-2.2	-36.7
Other services	3.3	3.5	3.0	-0.2	-5.7	0.3	10.0
Public administration	8.1	8.1	8.0	0.0	0.0	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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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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