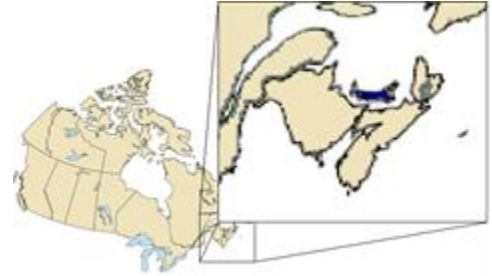




# Labour Market Bulletin

## Prince Edward Island



September 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 the third quarter (“Q3”) of 2020 rebounded considerably after having deteriorated in the previous quarter due to the Coronavirus pandemic. The blunt force of COVID-19 was felt in April, a month in which the province experienced record monthly declines in both labour force and employment levels. Despite the Q3 rebound, both employment and the labour force are at levels well below what they were during Q3 2019. On a monthly basis, following a slight increase in August, the Island’s labour force slipped in September 2020. Employment also declined following four consecutive months of gains since April. To date, in September, employment in the province is 5,100 lower than its pre-COVID level, or 94% of February’s total. The Q3 unemployment rate slipped by 2.5 percentage points to 10.8% and the participation rate rose by 1.3 points.

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

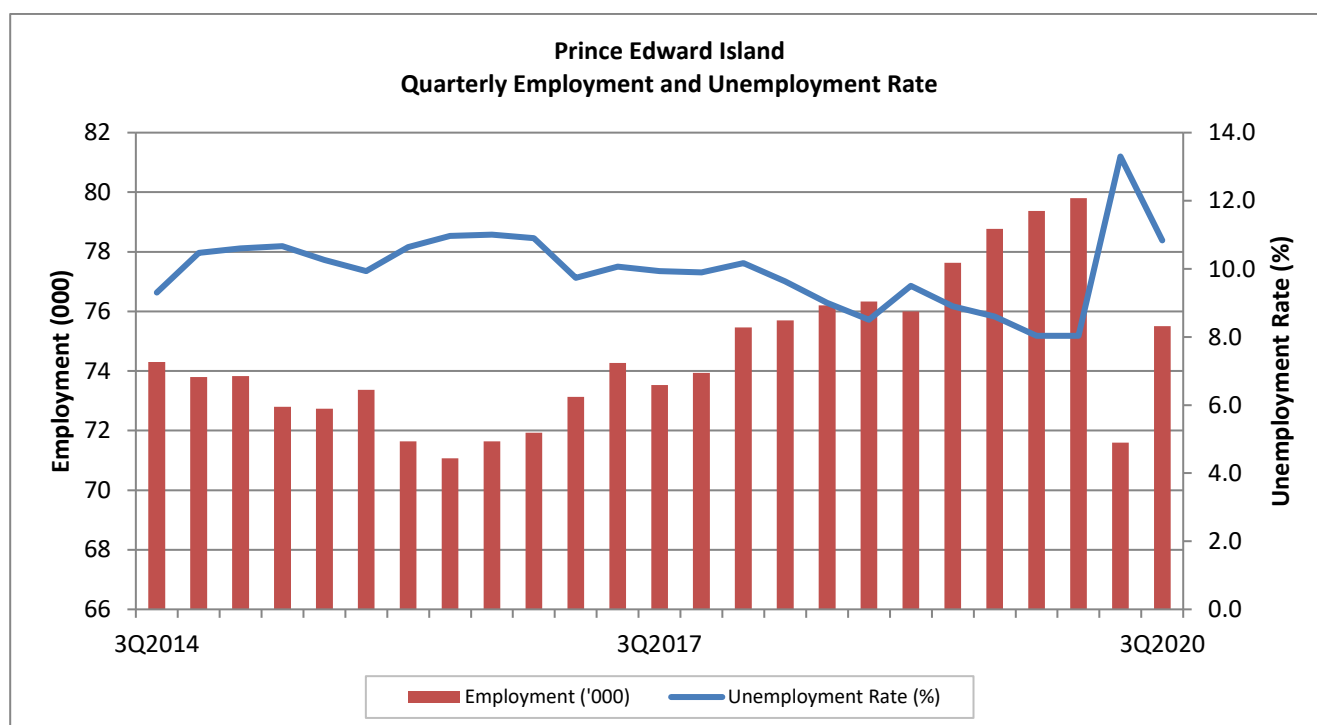
| Seasonally Adjusted Quarterly Data | 3rd Quarter 2020 | 2nd Quarter 2020 | 3rd Quarter 2019 | Quarterly Variation |       | Yearly Variation |      |
|------------------------------------|------------------|------------------|------------------|---------------------|-------|------------------|------|
|                                    |                  |                  |                  | Number              | %     | Number           | %    |
| <b>Population 15 + ('000)</b>      | 131.7            | 131.1            | 129.3            | 0.6                 | 0.5   | 2.4              | 1.9  |
| <b>Labour Force ('000)</b>         | 84.7             | 82.6             | 86.2             | 2.0                 | 2.5   | -1.5             | -1.7 |
| <b>Employment ('000)</b>           | 75.5             | 71.6             | 78.8             | 3.9                 | 5.4   | -3.3             | -4.1 |
| Full-Time ('000)                   | 62.8             | 61.8             | 66.7             | 1.0                 | 1.6   | -3.9             | -5.8 |
| Part-Time ('000)                   | 12.7             | 9.8              | 12.2             | 2.9                 | 29.6  | 0.5              | 4.4  |
| <b>Unemployment ('000)</b>         | 9.2              | 11.1             | 7.4              | -1.9                | -17.2 | 1.8              | 23.9 |
| <b>Unemployment Rate (%)</b>       | 10.8             | 13.3             | 8.6              | -2.5                | -     | 2.2              | -    |
| <b>Participation Rate (%)</b>      | 64.3             | 63.0             | 66.6             | 1.3                 | -     | -2.3             | -    |
| <b>Employment Rate (%)</b>         | 57.3             | 54.6             | 60.9             | 2.7                 | -     | -3.6             | -    |

Note: Totals may not add due to rounding

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

“At the beginning of September, as Canadian families adapted to new back-to-school routines, public health restrictions had been substantially eased across the country and many businesses and workplaces had reopened.”<sup>1</sup> Indeed, this is reflected in the Island’s labour market progress in Q3 with the (Province’s) fourth of four recovery plan phases having been in motion since late June; and the Atlantic Canada Travel Bubble since early July.

The labour force averaged 84,700 in Q3 2020 which is up by 2.5% from the previous quarter. The majority of this gain was attributed to the core-aged cohort (25-54 years of age) and distributed evenly between men and women. Older worker (persons 55 years and over) males, accounted for most of the remainder of the labour force gains. There was little change quarter-to-quarter in the number of youths participating in the labour market in Q3.

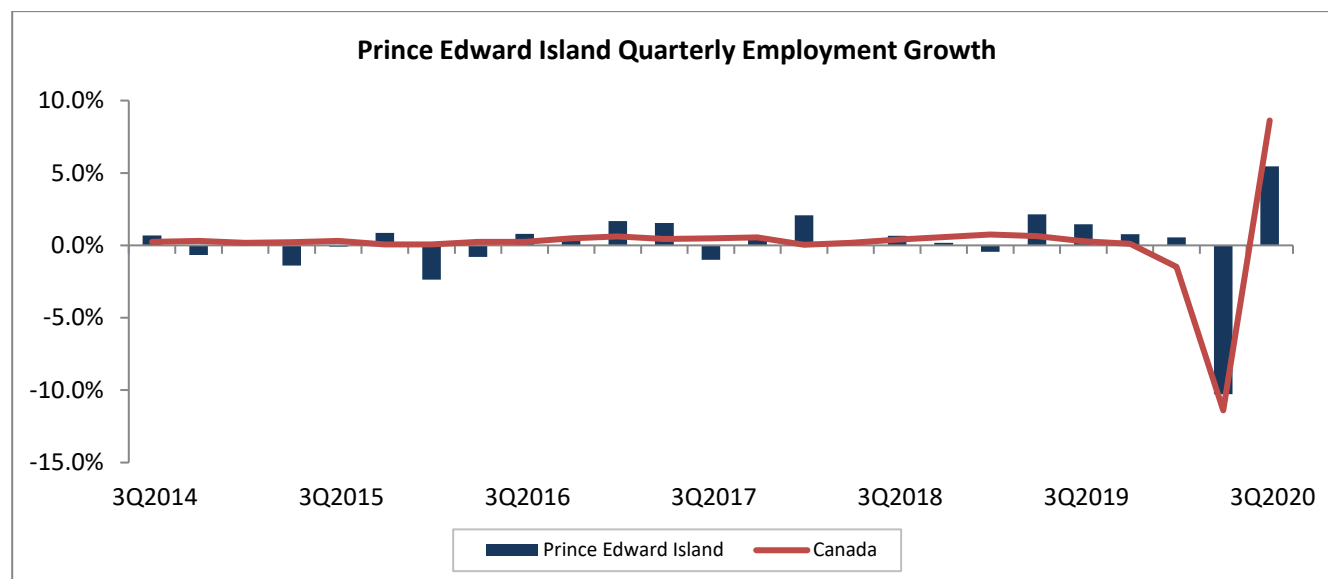


In terms of employment growth, women accounted for nearly 7 out of 10 job gains in Q3 2020 – with the majority of this attributed to the core-aged cohort and to a lesser extent, youths. Three-quarters of the employment gains in Q3 were part-time positions. With respect to the remaining full-time job growth, again, women of the core-aged group accounted for the majority. The employment gains by women in Q3 reflect a rebalancing of full-time employment shares to more normal levels following the COVID-19 disturbance. For example, in May, the proportion of men in full-time employment rose to 57% (3.6 percentage points higher compared to May 2019) – the highest share since June 2001. In the most recent month (September), the male share of full-time employment declined to 55.3%.

Part-time employment levels bounced back in Q3 after having plummeted 17% in Q2 2020 – the worst of which was felt by women of both the core-aged and youth cohorts. However, these same age groups have recovered their losses in the most recent quarter. Further to this, overall part-time employment levels in Q3 2020 are higher than they were in Q1 – just before the worst of COVID-19 hit in April.

<sup>1</sup> Statistics Canada: Labour Force Survey, September 2020 (October 9, 2020)

Despite the recent quarterly improvements, the impact of COVID-19 on the Island’s labour market continues to linger, with employment considerably lower (-4.1%) compared to Q3 2019 and unemployment levels higher (+24%). This historic disruption resulted in a record number of persons displaced from the labour force in Q2 2020, and though there were more people engaged in the labour force in Q3, the number of those that did not participate in the labour force is still considerably higher year-over-year.



The Island’s unemployed pool decreased in Q3 by nearly 2,000 persons compared to the previous quarter, with women in the core-aged group accounting for the majority of this decline. The unemployment rate in Q3 is 2.5 percentage points lower than the previous quarter, but is 2.8 percentage points higher year-over-year. Women across all major age categories experienced lower unemployment rates (particularly for youths and the core-aged group), while for men, the core-aged cohort was the only group with a lower rate of unemployment in Q3 (down one percentage point compared to the previous quarter).

**Prince Edward Island Quarterly Unemployment Rates, by Gender and Age**

| Seasonally Adjusted Data  | 3rd Quarter 2020<br>% | 2nd Quarter 2020<br>% | 3rd Quarter 2019<br>% | Quarterly Variation<br>(% points) | Yearly Variation<br>(% points) |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------------------|--------------------------------|
| <b>Total</b>              | 10.8                  | 13.3                  | 8.6                   | -2.5                              | 2.2                            |
| <b>25 years and over</b>  | 9.6                   | 12.0                  | 8.3                   | -2.5                              | 1.2                            |
| Men - 25 years and over   | 9.4                   | 10.1                  | 10.3                  | -0.7                              | -0.9                           |
| Women - 25 years and over | 9.9                   | 14.1                  | 6.2                   | -4.3                              | 3.6                            |
| <b>15 to 24 years</b>     | 18.1                  | 20.1                  | 9.7                   | -2.0                              | 8.4                            |
| Men - 15 to 24 years      | 23.7                  | 17.1                  | 12.9                  | 6.7                               | 10.8                           |
| Women - 15 to 24 years    | 11.2                  | 23.3                  | 6.5                   | -12.2                             | 4.6                            |

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

With more people participating in the labour force in Q3 2020, the Island’s participation rate increased by 1.3 percentage points to 64.3%. P.E.I recorded the sixth highest participation rate in the country – having ranked even

lower than the national average – which is not typical as the province usually exceeds the national rate. Regardless, the participation rate in P.E.I. was highest among its Atlantic counterparts in the most recent quarter.

## EMPLOYMENT BY INDUSTRY

Both sectors of the Island economy experienced (quarterly) employment gains in Q3 2020. The majority of the job gains in the services-producing sector was concentrated in the **accommodation and food services**, and **Health care and social assistance** industries; and for the goods-sector, **manufacturing**. **Construction**, which has been one of the more resilient industries throughout the Coronavirus pandemic, was unchanged from the previous quarter – but was 3.7% higher compared to the same quarter a year ago.

The **accommodation and food services** industry was heaviest hit by the pandemic and remained constrained in Q3 with employment comprising about 65% of what it was in Q3 2019. However, in the most recent quarter, the industry did experience some employment gains owing to the implementation of the province's four recovery phases since May, and most significantly, the Atlantic Provinces Travel Bubble in July. Though positive steps for the industry, Island tourism was constrained during its peak July and August months 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.

Employment gains in **Health care and social assistance** in Q3 reflect hiring initiatives by Health PEI in preparation for a possible second wave of COVID-19 (of LPNs, RNs and residential care workers). Further to this, government also sought to fill additional positions for caregivers, resident care workers, personal support workers, at its three private long-term care facilities. So far in 2020, Health PEI states that twelve specialists and six family medicine doctors were hired to practise on the Island.

The Island's **manufacturing** industry experienced a considerable increase in its employment base in Q3 2020, and is 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.

Although the **construction** industry experienced no change in the most recent quarter, employment in the industry remains higher than it was compared to Q3 2019. The industry 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 34% year-to-date to August.

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

| Seasonally Adjusted<br>Data ('000)                | 3rd<br>Quarter<br>2020 | 2nd<br>Quarter<br>2020 | 3rd<br>Quarter<br>2019 | Quarterly<br>Variation |       | Yearly Variation |       |
|---|------------------------|------------------------|------------------------|------------------------|-------|------------------|-------|
|   |                        |                        |                        | Number                 | %     | Number           | %     |
| <b>Total employed, all industries</b>             | 75.5                   | 71.6                   | 78.8                   | 3.9                    | 5.4   | -3.3             | -4.1  |
| <b>Goods-producing sector</b>                     | 19.4                   | 18.3                   | 19.7                   | 1.1                    | 6.0   | -0.4             | -1.9  |
| Agriculture                                       | 3.8                    | 4.1                    | 4.4                    | -0.3                   | -6.6  | -0.6             | -13.6 |
| Forestry, fishing, mining, quarrying, oil and gas | 2.0                    | 2.0                    | 2.3                    | 0.0                    | 1.7   | -0.2             | -10.3 |
| Utilities   | 0.3                    | 0.3                    | 0.3                    | 0.0                    | 0.0   | 0.0              | -11.1 |
| Construction                                      | 6.6                    | 6.6                    | 6.4                    | 0.0                    | 0.5   | 0.2              | 3.7   |
| Manufacturing                                     | 6.6                    | 5.4                    | 6.5                    | 1.2                    | 21.5  | 0.1              | 2.1   |
| <b>Services-producing sector</b>                  | 56.2                   | 53.3                   | 59.1                   | 2.9                    | 5.4   | -2.9             | -4.9  |
| Trade   | 10.5                   | 10.2                   | 11.1                   | 0.3                    | 3.0   | -0.6             | -5.4  |
| Transportation and warehousing                    | 2.6                    | 2.7                    | 3.0                    | -0.1                   | -2.5  | -0.4             | -12.4 |
| Finance, insurance, real estate and leasing       | 3.0                    | 2.7                    | 3.1                    | 0.3                    | 11.1  | -0.1             | -2.2  |
| Professional, scientific and technical services   | 4.5                    | 4.0                    | 3.5                    | 0.4                    | 10.7  | 1.0              | 27.6  |
| Business, building and other support services     | 1.7                    | 2.1                    | 2.4                    | -0.4                   | -17.7 | -0.7             | -29.2 |
| Educational services                              | 5.6                    | 5.4                    | 5.5                    | 0.2                    | 4.3   | 0.1              | 2.4   |
| Health care and social assistance                 | 11.0                   | 10.4                   | 11.2                   | 0.6                    | 5.8   | -0.2             | -1.8  |
| Information, culture and recreation               | 1.9                    | 1.9                    | 2.2                    | 0.0                    | 1.8   | -0.3             | -13.4 |
| Accommodation and food services                   | 3.8                    | 2.7                    | 6.0                    | 1.2                    | 43.7  | -2.2             | -36.5 |
| Other services                                    | 3.3                    | 3.3                    | 3.2                    | 0.0                    | 0.0   | 0.1              | 4.2   |
| Public administration                             | 8.2                    | 7.9                    | 7.9                    | 0.3                    | 3.8   | 0.3              | 4.2   |

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/esdc-esdc/eng/contact\\_us.aspx?section=lmi](http://www.esdc.gc.ca/cgi-bin/contact/esdc-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](http://www.statcan.gc.ca)

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