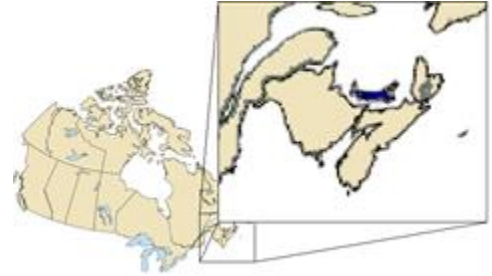




Labour Market Bulletin

Prince Edward Island



October 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 impact of COVID-19, however, October's labour force and employment levels remain well below what they were in the same month a year ago. With the gains in October, both labour force and employment levels are now nearly at par with its pre-COVID-19 February levels. The Island's labour force increased by 1.1% from a month ago, as did employment, resulting in no change to unemployment in the most recent month. October's employment gains were entirely in full-time work as the number of part-time jobs declined compared to the previous month. The unemployment rate in P.E.I. was 10% in October, which again, is on par with the previous month, but nearly 2 percentage points higher compared to the same month a year ago.

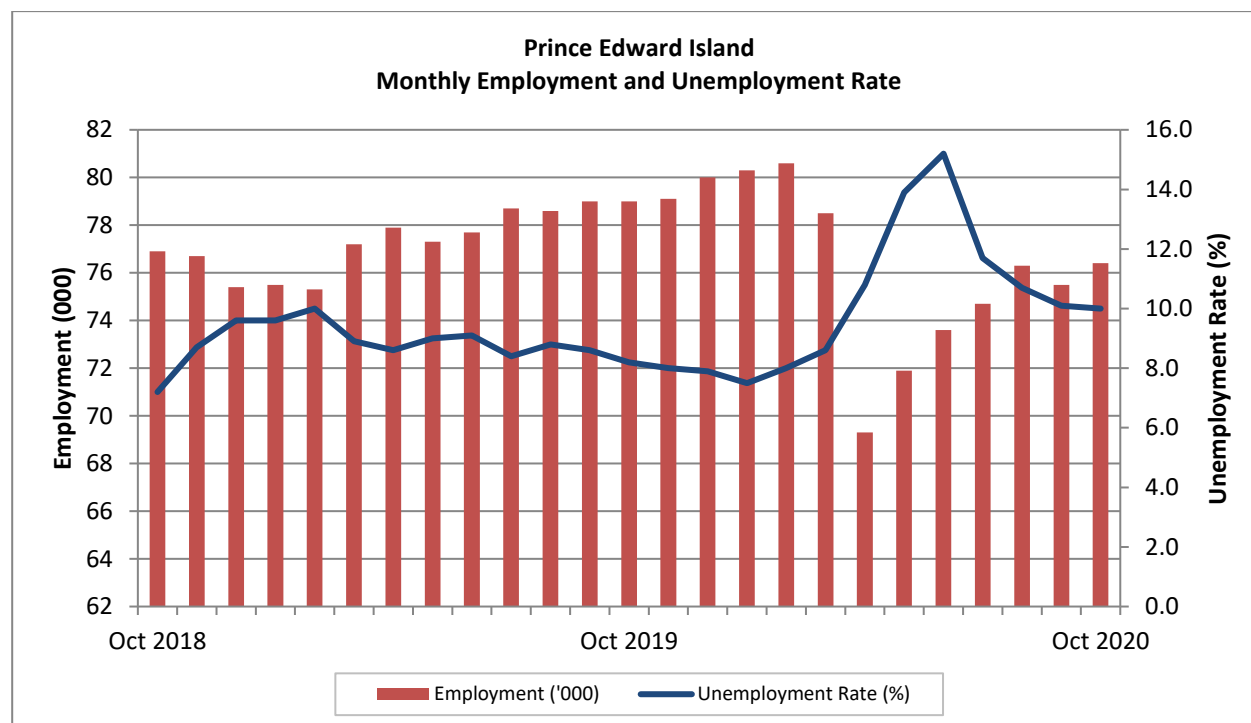
Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Oct 2020	Sept 2020	Oct 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	132.0	131.9	129.8	0.1	0.1	2.2	1.7
Labour Force ('000)	84.9	84.0	86.1	0.9	1.1	-1.2	-1.4
Employment ('000)	76.4	75.5	79.0	0.9	1.2	-2.6	-3.3
Full-Time ('000)	64.6	62.9	67.7	1.7	2.7	-3.1	-4.6
Part-Time ('000)	11.8	12.6	11.3	-0.8	-6.3	0.5	4.4
Unemployment ('000)	8.5	8.5	7.1	0.0	0.0	1.4	19.7
Unemployment Rate (%)	10.0	10.1	8.2	-0.1	-	1.8	-
Participation Rate (%)	64.3	63.7	66.3	0.6	-	-2.0	-
Employment Rate (%)	57.9	57.2	60.9	0.7	-	-3.0	-

Note: Totals may not add due to rounding

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

With the respectable gains in the Island’s labour force (+900) the province has now recovered about 97% of its pre-COVID-19 February level. The gains in October were attributed almost entirely to the youth cohort (15-24 years of age) supported by a modest increase in the number of older workers (persons 55 years and over) participating in the labour force. There were 1.2% fewer core working-age persons (aged 25-54 years) in the labour force in October, compared to the previous month. Youth males accounted for the majority of the month-to-month gains for this cohort (approximately 6 in 10). It is also interesting to note that, at 7,100 youth males in the labour force in October, this is just 100 shy of what it was in the same month a year ago. By contrast, the number of youth women in the labour force is 15% lower year-over-year.



In terms of employment growth, men accounted for the entire month-to-month gains while the number of women employed in the labour market contracted slightly. The majority of employment growth in October was attributed to youth males, followed by older workers of the same gender. All of the employment gains in October were full-time in nature and half of which were attributed to the core working-age cohort. Youths accounted for nearly a third of the full-time gains – again, the majority of which were males. There were also more older workers employed on a full-time basis in October, relative to the previous month – the majority were women. The number employed part-time in the province declined by 6.3% from September with the entire loss attributed to the core working-age cohort and the majority were women.

The Island’s unemployed pool was unchanged on a month-to-month basis. “As labour market conditions continue to evolve, long-term unemployment will become a key measure of the ability of Canadian workers to adapt to new labour market conditions by finding new work.”¹ Long-term unemployment refers to those unemployed and who have been looking for work (or on temporary layoff) for 27 weeks or more. October’s long-term unemployment estimates would begin to reflect the proportion of those who lost jobs in March and April and have been unemployed since then.

¹ Statistics Canada, *Labour Force Survey, October 2020*, November 6, 2020.

In October, the proportion of P.E.I.'s unemployment base considered 'long-term unemployed' was 17.1%, which compares to a monthly average of 11.6% spanning January 2019 to September 2020. In comparison, the share who were long-term unemployed during previous recessions reached as high as 15% over 2008-10 and 21% throughout 1990-92.

The unemployment rate for the province remained at 10% in October. The largest change occurred for the youth cohort as there were more youths participating in the labour force in October with relatively fewer having secured employment. As a result, the jobless rate increased by 4 percentage points. Youth males had the largest rate of unemployment among the major age groupings, by gender, at 22.5%, more than double the rate experienced in October 2019.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Oct 2020 %	Sept 2020 %	Oct 2019 %	Monthly Variation (% points)	Yearly Variation (% points)
Total	10.0	10.1	8.2	-0.1	1.8
25 years and over	8.6	9.5	8.1	-0.9	0.5
Men - 25 years and over	8.0	9.5	10.1	-1.5	-2.1
Women - 25 years and over	9.5	9.7	6.0	-0.2	3.5
15 to 24 years	18.5	14.5	9.0	4.0	9.5
Men - 15 to 24 years	22.5	22.6	11.1	-0.1	11.4
Women - 15 to 24 years	13.5	4.1	6.6	9.4	6.9

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

With slightly more people in the labour force in October, the Island's participation rate increased by half a percentage point to 64.3% in the most recent month but down 2 percentage points year-over-year. P.E.I. and British Columbia both shared 7th place with respect to participation rate rankings across the country and the Island's participation rate was lower than the national average, which is a stark contrast to the province's traditional top 3 or 4 rankings.

EMPLOYMENT BY INDUSTRY

The majority of October's employment gain was concentrated in the **services-producing sector**, namely **accommodation and food services; business, building and other support services; and information, culture and recreation**. **Goods-sector** employment was down overall, as gains in the Island's primary industries were offset by declines in both **construction** and **manufacturing** employment.

The **accommodation and food services** industry was heaviest hit by the pandemic, however, the industry in October continued on its road to recovery having experienced the single largest monthly gains since May 2020. October marks the fifth consecutive month of employment gains since having bottomed out in April due to COVID-19, and to date, the industry's employment level is about 87% of its pre-pandemic base in February. Although the industry has followed a positive road to recovery, employment levels remain well below what they were a year

ago. Contributing to the industry's recovery was the Atlantic Provinces Travel Bubble, as well as the implementation of the province's recovery plan aimed at easing public health restrictions.

The **business, building and other support services** industry includes businesses that provide support services for the day-to-day operations of businesses. Building services group includes occupations related to janitorial as well as services associated with waste and remediation services (i.e. garbage collection and recycling).² Growth in this industry may be reflective of enhanced safety measures across all industries due to COVID-19, particularly increased sanitization requirements.

Although the **construction** industry experienced a minor contraction in October, employment in recent months has been hovering around normal levels in year-over-year respects. The industry continues to be driven by strong residential and non-residential construction activity. Although the number of new housing starts in the province is down by 22% in the first nine months of the year, it is worth noting that total number of starts reached a record level in 2019. In fact, the number of new starts in the province has increased by 40% on an average annual basis between 2017 and 2019 – the latter being a record year for the province. Construction of multiples-units is driving residential activity in the province, which for the first three quarters of 2020 is up by 3.4% over the same period in 2019 – which incidentally, is another record year for multiples-construction. Non-residential building permits is up 14.3% so far in 2020 (January to September) driven by institutional and commercial projects.

The Island's **manufacturing** industry experienced a small contraction in its employment base in October, however employment remains higher year-over-year. 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)	Oct 2020	Sept 2020	Oct 2019	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	76.4	75.5	79.0	0.9	1.2	-2.6	-3.3
Goods-producing sector	19.1	19.4	19.0	-0.3	-1.5	0.1	0.5
Agriculture	3.7	3.6	4.3	0.1	2.8	-0.6	-14.0
Forestry, fishing, mining, quarrying, oil and gas	2.3	2.1	1.8	0.2	9.5	0.5	27.8
Utilities	0.2	0.2	0.3	0.0	0.0	-0.1	-33.3
Construction	6.1	6.5	6.6	-0.4	-6.2	-0.5	-7.6
Manufacturing	6.8	6.9	6.1	-0.1	-1.4	0.7	11.5
Services-producing sector	57.3	56.1	60.0	1.2	2.1	-2.7	-4.5
Trade	9.5	10.0	11.1	-0.5	-5.0	-1.6	-14.4
Transportation and warehousing	2.9	2.7	2.9	0.2	7.4	0.0	0.0
Finance, insurance, real estate and leasing	3.1	2.9	3.2	0.2	6.9	-0.1	-3.1
Professional, scientific and technical services	4.5	4.3	3.8	0.2	4.7	0.7	18.4
Business, building and other support services	2.7	2.0	2.2	0.7	35.0	0.5	22.7
Educational services	5.5	5.7	5.3	-0.2	-3.5	0.2	3.8
Health care and social assistance	10.3	10.6	11.4	-0.3	-2.8	-1.1	-9.6

² WorkBC (<https://www.workbc.ca/Labour-Market-Information/Industry-Information/Industry-Profiles/Business-Building-and-Other-Support-Services>)

Information, culture and recreation	2.2	1.9	2.4	0.3	15.8	-0.2	-8.3
Accommodation and food services	5.2	4.4	6.3	0.8	18.2	-1.1	-17.5
Other services	2.9	3.1	3.4	-0.2	-6.5	-0.5	-14.7
Public administration	8.6	8.5	8.1	0.1	1.2	0.5	6.2

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/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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