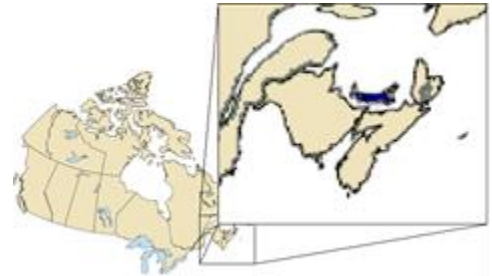




Labour Market Bulletin

Prince Edward Island



December 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 P.E.I. during the fourth quarter (Q4) of 2020 improved, building on its recovery in Q3 from the devastating impact of COVID-19 felt earlier in the year. Both the Island's labour force and employment levels are higher than they were the most recent quarter, relative to Q3, however they remain lower compared with Q4 2019. On a monthly basis, the province's labour force slipped in December, as did its employment base, and both remain 3% and 5% lower than their February, pre-COVID levels, respectively. The unemployment rate in Q4 was 10.1%, which is over 2 percentage points higher compared to the same quarter a year ago, while the province's participation rate was down by 1.8 percentage points.

Prince Edward Island Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Quarterly Data	4th Quarter 2020	3rd Quarter 2020	4th Quarter 2019	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	132.2	131.7	129.9	0.5	0.4	2.3	1.8
Labour Force ('000)	85.4	84.7	86.3	0.7	0.8	-0.9	-1.0
Employment ('000)	76.8	75.5	79.4	1.3	1.7	-2.6	-3.3
Full-Time ('000)	64.9	62.8	67.6	2.1	3.3	-2.7	-4.0
Part-Time ('000)	11.9	12.7	11.7	-0.8	-6.3	0.2	1.7
Unemployment ('000)	8.6	9.2	7.0	-0.6	-6.5	1.6	22.9
Unemployment Rate (%)	10.1	10.8	8.0	-0.7	-	2.1	-
Participation Rate (%)	64.6	64.3	66.4	0.3	-	-1.8	-
Employment Rate (%)	58.1	57.3	61.1	0.8	-	-3.0	-

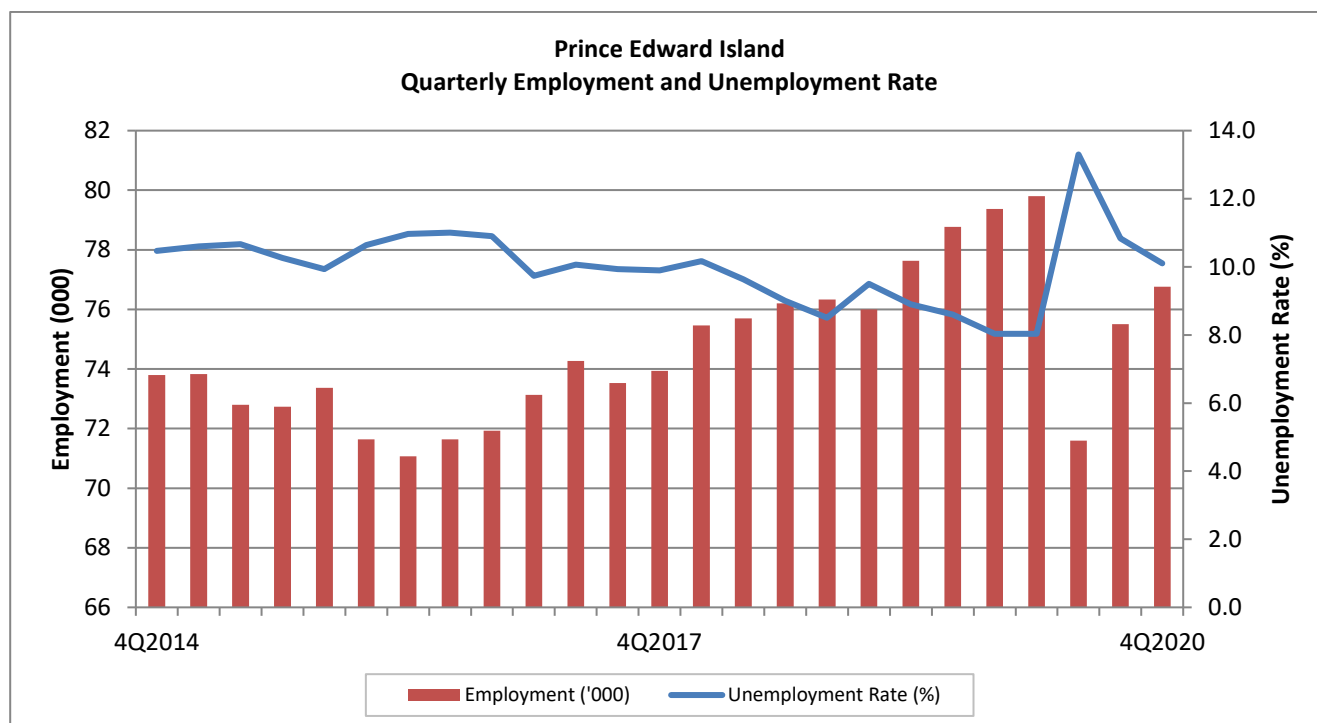
Note: Totals may not add due to rounding

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

December's LFS estimates reflect labour market conditions during the December 6 to 12 period. On December 7, P.E.I. imposed a two week "circuit breaker" lockdown to limit the spread of COVID-19 following reports of four

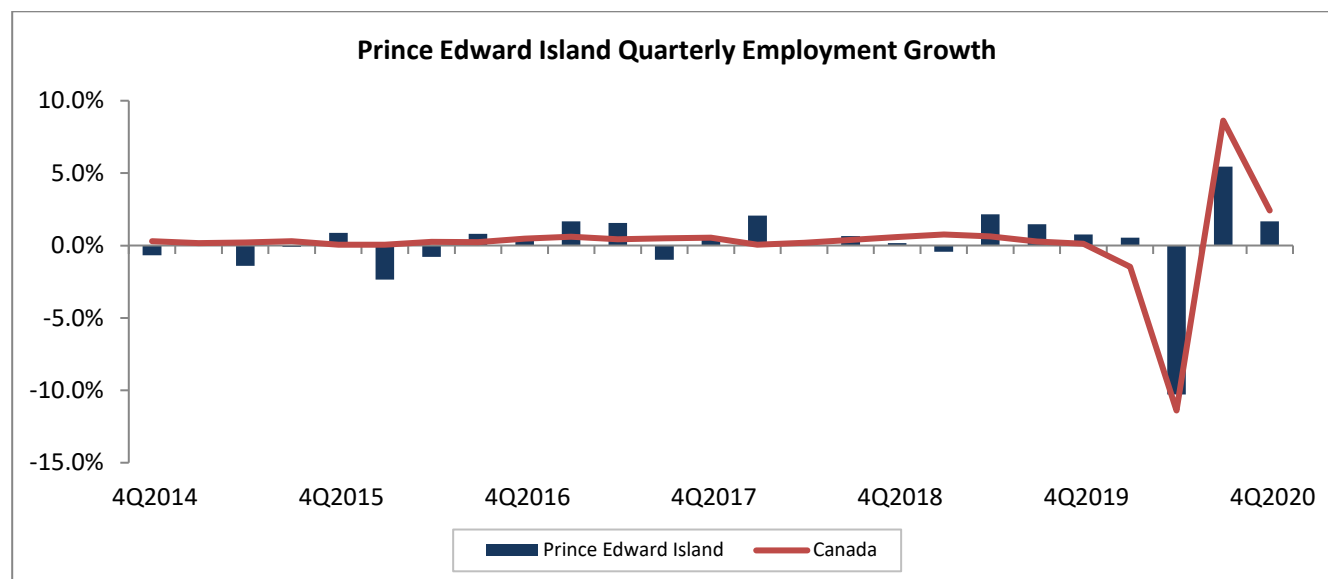
new positive cases in the province and the source of the outbreak unknown. In addition to restrictions on social gatherings, in-restaurant dining, fitness facilities, bingo halls and libraries were all closed during the circuit breaker period, and retail stores operated at limited capacity.

The labour force averaged 85,400 in Q4 2020 which is up slightly from the previous quarter. The majority of this gain was attributed to both the core-aged cohort (25-54 years of age), a larger number of which being male; and youths (15-24 years of age). These collective gains were partially offset by a reduction in the number of older workers (persons 55+ years of age) participating in the labour market in Q4.



In terms of employment growth, men accounted for the vast majority in Q4 2020 – with the majority of this attributed to the core-aged cohort and to a lesser extent, youths. All of the Island’s employment gains were full-time in nature, attributed almost entirely to the core-aged group – with women comprising the majority of these gains. By contrast, the number of persons working part-time declined, with losses attributed largely to women of the core-aged and youth cohorts. There were more men working part-time in Q4 2020 relative to the Q3, the majority being youths.

Despite the recent quarterly improvements, the impact of COVID-19 on the Island’s labour market continues to linger, with employment 3.3% lower compared to Q4 2019 and unemployment levels higher (+23%). 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 the second half of 2020, the number of those that did not participate in the labour force is still considerably higher compared with the same quarter in 2019.



The Island's unemployed pool decreased by 500 persons in Q4, and follows a reduction of 2,000 persons in Q3 (women in the core-aged group accounted for the majority of this decline). The unemployment rate in Q4, at 10.1%, is 0.7 of a percentage point lower than the previous quarter, but is 2.1 percentage points compared with Q4 2019. Men across all major age categories experienced lower unemployment rates (particularly for youths and the core-aged group), while for women, the core-aged cohort was the only group with a lower rate of unemployment in Q4 (down one percentage point compared to the previous quarter).

Prince Edward Island Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	4th Quarter 2020 %	3rd Quarter 2020 %	4th Quarter 2019 %	Quarterly Variation (% points)	Yearly Variation (% points)
Total	10.1	10.8	8.0	-0.7	2.1
25 years and over	8.8	9.6	7.9	-0.8	0.9
Men - 25 years and over	8.6	9.4	9.5	-0.8	-0.9
Women - 25 years and over	9.1	9.9	5.9	-0.8	3.2
15 to 24 years	17.9	18.1	9.3	-0.2	8.6
Men - 15 to 24 years	20.6	23.7	11.9	-3.1	8.7
Women - 15 to 24 years	14.4	11.2	6.5	3.2	7.9

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

With more people participating in the labour force in Q4 2020, the Island's participation rate increased slightly to 64.6%. P.E.I recorded the fifth lowest participation rate in the country – having ranked even lower than the national average – which is not typical as the province has historically exceeded 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

The quarterly employment gain in Q4 2020 was attributed entirely to the Island's services-producing sector while there was little change in goods-sector employment. The majority of the job gains in the services-producing sector was concentrated largely in business, building and other support services; and the accommodation and food services industry. For the goods-sector, the manufacturing; and forestry, fishing, mining, quarrying, oil and gas industries experienced slight gains, but were offset by lower employment in levels in agriculture and construction. Despite the slight employment contraction in Q4 2020, the construction industry has been one of the more resilient industries throughout the coronavirus pandemic.

The accommodation and food services industry was heaviest hit by the pandemic and remained constrained in Q4 with employment comprising about 78% of what it was in Q4 2019. However, in the most recent quarter, the industry did continue to experience employment gains, with some momentum attributed to the rollout of the province's pandemic-related recovery phases since May; and the Atlantic Provinces Travel Bubble (although, since late November, P.E.I.'s participation in the bubble was suspended as a result of the second wave of COVID-19 moving across the region and country). The industry maintained a consistent pace of recovery since May, with six consecutive months of employment gains to November 2020. That streak ended in December, however, when employment declined by 16% that month, which in addition to the suspension of the Atlantic Bubble, is likely the result of the "circuit breaker" measures imposed by the Chief Public Health Office to curb and contain the spread of the virus. These measures included banning in-room dining at restaurants. Islanders were also advised to stay at home as much as possible (and only go out for essential purposes), further reducing demand for restaurant services.

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). Growth in this industry may be reflective of enhanced safety measures across all industries due to COVID-19, particularly increased sanitization requirements.

Employment in the Island's manufacturing industry in Q4 expanded for the third consecutive quarter in 2020, building on robust growth of 21% in Q3 2020. At 6,800 persons, the Island's manufacturing industry is just 100 shy of reaching its all-time quarterly high. Further to this, employment in the industry is well above pre-COVID-19 levels, relative to Q1 2020. The industry's reliance on food processing, as well as pharmaceutical manufacturing, has been key for the provincial economy throughout the crisis, as evidence by strong year-to-date growth in export values across these particular categories.

The Island's construction industry has fared relatively well throughout the pandemic and 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 14% in the first nine months of the year, it is worth noting that total volume of new builds 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. Construction of multiple-units has been driving residential activity in the province. Non-residential building permits are up 21.3% so far in 2020 (January to October) driven by institutional and commercial projects.

Prince Edward Island Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	4th Quarter 2020	3rd Quarter 2020	4th Quarter 2019	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	76.8	75.5	79.4	1.3	1.7	-2.6	-3.3
Goods-producing sector	19.3	19.4	19.1	-0.1	-0.5	0.2	1.0
Agriculture	3.6	3.8	4.4	-0.2	-5.3	-0.8	-18.2
Forestry, fishing, mining, quarrying, oil and gas	2.5	2.0	1.7	0.5	25.0	0.8	47.1
Utilities	0.2	0.3	0.3	-0.1	-33.3	-0.1	-33.3
Construction	6.2	6.6	6.8	-0.4	-6.1	-0.6	-8.8
Manufacturing	6.8	6.6	6.0	0.2	3.0	0.8	13.3
Services-producing sector	57.5	56.2	60.3	1.3	2.3	-2.8	-4.6
Trade	10.0	10.5	11.3	-0.5	-4.8	-1.3	-11.5
Transportation and warehousing	2.8	2.6	2.7	0.2	7.7	0.1	3.7
Finance, insurance, real estate and leasing	2.9	3.0	3.3	-0.1	-3.3	-0.4	-12.1
Professional, scientific and technical services	4.3	4.5	4.0	-0.2	-4.4	0.3	7.5
Business, building and other support services	2.7	1.7	2.2	1.0	58.8	0.5	22.7
Educational services	5.7	5.6	5.4	0.1	1.8	0.3	5.6
Health care and social assistance	11.0	11.0	11.3	0.0	0.0	-0.3	-2.7
Information, culture and recreation	2.2	1.9	2.4	0.3	15.8	-0.2	-8.3
Accommodation and food services	5.0	3.8	6.4	1.2	31.6	-1.4	-21.9
Other services	2.5	3.3	3.4	-0.8	-24.2	-0.9	-26.5
Public administration	8.5	8.2	8.1	0.3	3.7	0.4	4.9

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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