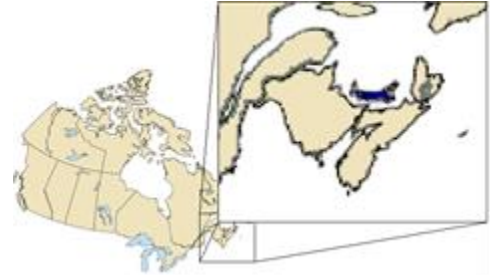




Labour Market Bulletin

Prince Edward Island



January 2021

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

OVERVIEW

In January 2021, the Island's labour market experienced increased employment and lower unemployment compared to December 2020. P.E.I. was one of only two provinces (the other, Nova Scotia) where public health restrictions eased following the December Labour Force Survey (LFS) reference week (December 6 to 12) which is reflected in the January LFS data. While the level of unemployment is on par with what it was a year ago, both labour force and employment levels remain well below pre-pandemic levels. January's employment gains were about equally distributed between part-time and full-time work. With monthly employment gains having outpaced labour force growth, the level of unemployment in the province dropped sharply from December 2020. The unemployment rate fell by 2 percentage points to 7.9% in January 2021, and is 0.3 of a percentage point higher year-over-year.

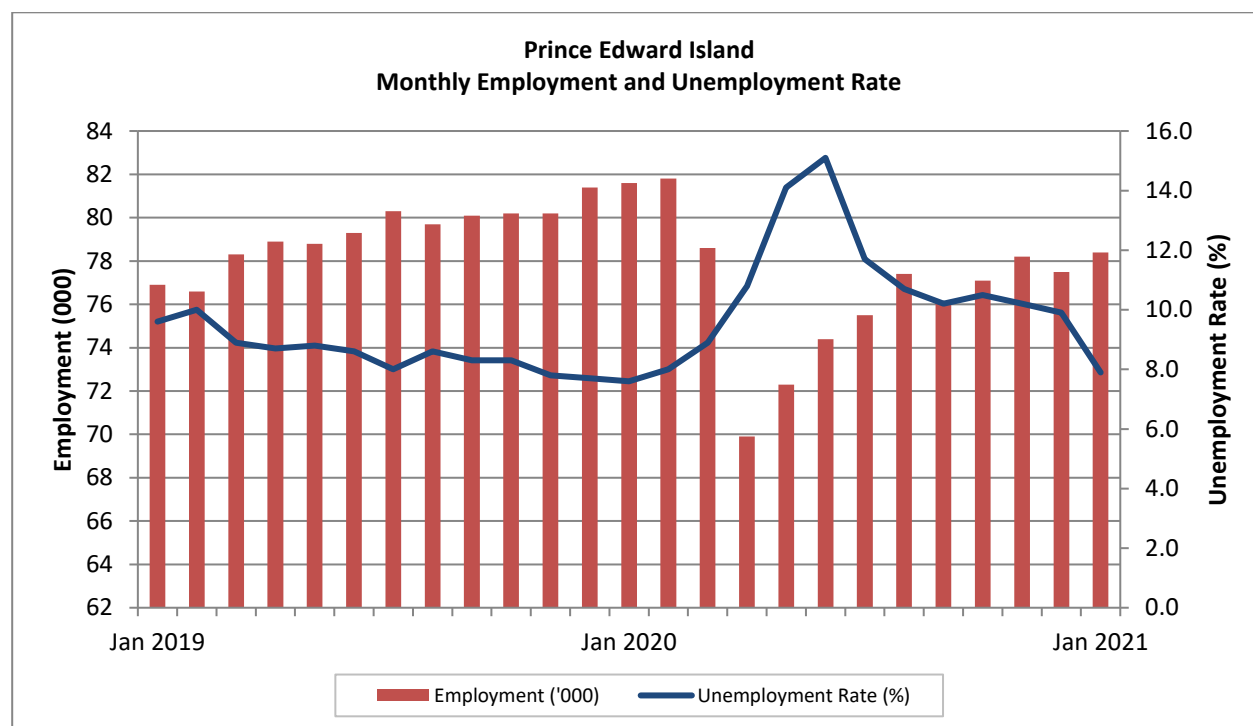
Prince Edward Island Monthly Labour Force Statistics

| Seasonally Adjusted Monthly Data | Jan 2021 | Dec 2020 | Jan 2020 | Monthly Variation | | Yearly Variation | |
|-------------------------------------|----------|----------|----------|-------------------|-------|------------------|------|
| | | | | Number | % | Number | % |
| Population 15 + ('000) | 133.1 | 133.1 | 131.6 | 0.0 | 0.0 | 1.5 | 1.1 |
| Labour Force ('000) | 85.1 | 86.0 | 88.2 | -0.9 | -1.0 | -3.1 | -3.5 |
| Employment ('000) | 78.4 | 77.5 | 81.6 | 0.9 | 1.2 | -3.2 | -3.9 |
| Full-Time ('000) | 66.6 | 66.2 | 69.4 | 0.4 | 0.6 | -2.8 | -4.0 |
| Part-Time ('000) | 11.8 | 11.3 | 12.2 | 0.5 | 4.4 | -0.4 | -3.3 |
| Unemployment ('000) | 6.7 | 8.5 | 6.7 | -1.8 | -21.2 | 0.0 | 0.0 |
| Unemployment Rate (%) | 7.9 | 9.9 | 7.6 | -2.0 | - | 0.3 | - |
| Participation Rate (%) | 63.9 | 64.6 | 67.0 | -0.7 | - | -3.1 | - |
| Employment Rate (%) | 58.9 | 58.2 | 62.0 | 0.7 | - | -3.1 | - |

Note: Totals may not add due to rounding

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

The Island’s labour force is 3.5% below what it was in January 2020 – just two months preceding the devastating impact of COVID-19. The monthly decline in the labour force was about evenly distributed between the core working-age group (aged 25-54 years), mostly women; and male youth (15-24 years of age). The number of older workers (55 years and over) in the labour force was unchanged from the previous month. With respect to each of the three major age categories, the core-aged labour force in January 2021 is at par with what it was a year ago, while the number of youths and older workers in the labour force both remain over 8% lower year-over-year, attributed in large part to fewer women participating in the labour force.



There were 78,400 persons employed in January 2021 which is 1.2% higher compared to December 2020. Although employment has not yet recovered to pre-pandemic levels, the gap continues to shrink. The largest labour market impacts from COVID-19 were experienced in April when employment on P.E.I. plunged to 86% of its pre-pandemic level in February. Since then, the Island’s employment base continues to recover and as of January 2021, the level of employment is 96% of what it was a year ago.

Employment levels for men across the major age categories, particularly the core-aged group and the older worker cohort, are higher year-over-year. The exception is male youths, where there were almost 9% fewer employed. However, for women, the number of employed youth and older workers remains considerably lower year-over-year, in the order of 15% less for both cohorts. The number of employed women in the core working-age group is slightly below what it was a year ago.

The number of workers employed full-time in November was 4% lower year-over-year, attributed largely to a reduced number of youths and older workers working full-time. The reduction in full-time older workers was not even across genders: the number of older working males was down by 400 year-over-year while the reduction in older working females was triple that. This gender disparity is reversed with respect to the youth cohort: there are 900 fewer male youth employed full-time compared to a year ago, compared to 500 fewer female youth. Part-

time employment levels in the province were close to pre-pandemic levels in January 2020, with men experiencing annual gains across all major age categories. These gains, however, were offset by fewer women working part-time, reflected across the three age categories.

The Island's unemployed pool in January 2021 shallowed compared to the previous month, and was at par with January 2020 levels. At 7.9%, the Island's unemployment rate is 2 percentage points lower compared to the previous month, and 0.3 of a percentage point higher year-over-year. Among the major age categories, the largest monthly variation occurred for youths, with the unemployment rate for this cohort 5.5 percentage points lower. Male youth accounted for the largest variation by gender (-8.5 percentage points) compared to female youth (-3.3 percentage points).

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

| Seasonally Adjusted Data | Jan 2021 | Dec 2020 | Jan 2020 | Monthly Variation | Yearly Variation |
|---------------------------|----------|----------|----------|-------------------|------------------|
| | % | % | % | (% points) | (% points) |
| Total | 7.9 | 9.9 | 7.6 | -2.0 | 0.3 |
| 25 years and over | 7.0 | 8.4 | 7.4 | -1.4 | -0.4 |
| Men - 25 years and over | 6.6 | 9.0 | 8.4 | -2.4 | -1.8 |
| Women - 25 years and over | 7.3 | 7.8 | 6.1 | -0.5 | 1.2 |
| 15 to 24 years | 12.9 | 18.4 | 8.3 | -5.5 | 4.6 |
| Men - 15 to 24 years | 13.9 | 22.4 | 6.8 | -8.5 | 7.1 |
| Women - 15 to 24 years | 10.0 | 13.3 | 9.9 | -3.3 | 0.1 |

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

With fewer people in the labour force in January 2021, the Island's participation rate declined by 0.7 of a percentage point to 63.9% in the most recent month, and declined 3.1 percentage points year-over-year. P.E.I. had the highest participation rate among its Atlantic counterparts in January.

EMPLOYMENT BY INDUSTRY

The majority of the Island's monthly employment gains in January 2021 were concentrated in the **services-producing sector**, with the most notable gain in the **accommodation and food services** industry. **Goods-sector** employment rose modestly from December 2020, with most of the gain in **construction**.

The **accommodation and food services** industry was heaviest hit by the pandemic and remains constrained. However, employment levels continue to slowly recover. In January 2021, employment in the industry was about 88% of its pre-pandemic level in January 2020. The industry has generated some momentum from the rollout of the province's pandemic-related recovery phases since May and the Atlantic Provinces Travel Bubble (though, the province's participation in the bubble was suspended in late November 2020.) 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%, reflecting both the suspension of the Atlantic Bubble, and the "circuit breaker" measures imposed by the Chief Public Health Office which included a ban on in-room dining at restaurants. Islanders were also advised to stay at home as much as possible, further reducing demand for restaurant services. The "circuit breaker" restrictions were eased on December 17th, five

days after the December LFS reference week, and any associated labour market impacts would be reflected in the January LFS data. Indeed, that was the case with the **accommodations and food services** industry recouping all of its December losses.

Employment in the **construction** industry increased by 8.2% in January 2021 compared to the previous month, and is slightly above average levels observed through 2019. The industry has fared relatively well throughout the pandemic and employment continues to be supported by strong residential and non-residential construction activity. Although the number of new housing starts in the province was down by 23% in 2020, it is worth noting that total volume of new builds reached a record level in 2019. In fact, the number of new housing 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 increased by nearly 32% in 2020 driven by institutional and commercial projects.

Employment in the Island's **manufacturing** industry was unchanged in January 2021, but remains higher on a year-over-year basis (+4.3%). The industry's reliance on food processing, as well as pharmaceutical manufacturing, has been a benefit for the provincial economy throughout the crisis, evidenced by strong annual growth in export values across these particular categories in 2020.

Prince Edward Island Monthly Employed Labour Force, by Industry

| Seasonally Adjusted Data ('000) | Jan 2021 | Dec 2020 | Jan 2020 | Monthly Variation | | Yearly Variation | |
|---|----------|----------|----------|-------------------|-------|------------------|-------|
| | | | | Number | % | Number | % |
| Total employed, all industries | 78.4 | 77.5 | 81.6 | 0.9 | 1.2 | -3.2 | -3.9 |
| Goods-producing sector | 19.7 | 19.5 | 20.5 | 0.2 | 1.0 | -0.8 | -3.9 |
| Agriculture | 3.4 | 3.3 | 4.6 | 0.1 | 3.0 | -1.2 | -26.1 |
| Forestry, fishing, mining, quarrying, oil and gas | 2.6 | 2.9 | 1.6 | -0.3 | -10.3 | 1.0 | 62.5 |
| Utilities | 0.2 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Construction | 6.6 | 6.1 | 7.3 | 0.5 | 8.2 | -0.7 | -9.6 |
| Manufacturing | 7.0 | 7.0 | 6.7 | 0.0 | 0.0 | 0.3 | 4.5 |
| Services-producing sector | 58.8 | 57.9 | 61.1 | 0.9 | 1.6 | -2.3 | -3.8 |
| Trade | 10.5 | 10.5 | 11.9 | 0.0 | 0.0 | -1.4 | -11.8 |
| Transportation and warehousing | 2.5 | 2.7 | 2.7 | -0.2 | -7.4 | -0.2 | -7.4 |
| Finance, insurance, real estate and leasing | 2.8 | 2.6 | 3.0 | 0.2 | 7.7 | -0.2 | -6.7 |
| Professional, scientific and technical services | 4.1 | 4.1 | 3.9 | 0.0 | 0.0 | 0.2 | 5.1 |
| Business, building and other support services | 2.3 | 2.3 | 2.2 | 0.0 | 0.0 | 0.1 | 4.5 |
| Educational services | 6.3 | 6.2 | 6.0 | 0.1 | 1.6 | 0.3 | 5.0 |
| Health care and social assistance | 11.5 | 11.7 | 11.3 | -0.2 | -1.7 | 0.2 | 1.8 |
| Information, culture and recreation | 2.5 | 2.4 | 2.4 | 0.1 | 4.2 | 0.1 | 4.2 |
| Accommodation and food services | 5.5 | 4.5 | 6.2 | 1.0 | 22.2 | -0.7 | -11.3 |
| Other services | 2.2 | 2.3 | 3.7 | -0.1 | -4.3 | -1.5 | -40.5 |
| Public administration | 8.6 | 8.7 | 7.8 | -0.1 | -1.1 | 0.8 | 10.3 |

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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