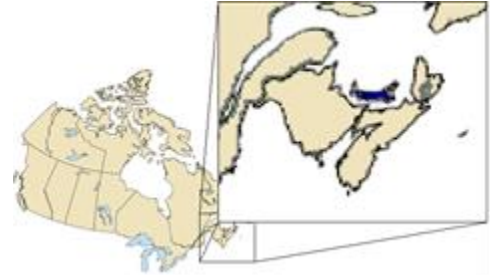




Labour Market Bulletin

Prince Edward Island



October 2021

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

OVERVIEW

Current indications suggest that the Island's labour market has fully recovered its pandemic-induced employment losses. From January to October 2021, average labour force and employment levels are on par with what they were over the same period in 2019 – just prior to the onset of the COVID-19 pandemic. It is worth noting that both indicators reached record levels in 2019, on an annualized basis, reflecting a period of strong economic growth in the province. However, during the post-pandemic period, the provincial economy has been in recovery-mode, and some people who were initially displaced by COVID-19 have not yet returned to the labour market. This has resulted in many employers having difficulty finding workers.

Prince Edward Island Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	Oct 2021	Sept 2021	Oct 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	135.6	135.2	132.9	0.4	0.3	2.7	2.0
Labour Force ('000)	88.1	89.6	86.1	-1.5	-1.7	2.0	2.3
Employment ('000)	80.0	79.6	77.1	0.4	0.5	2.9	3.8
Full-Time ('000)	68.3	67.6	65.2	0.7	1.0	3.1	4.8
Part-Time ('000)	11.8	12.0	12.0	-0.2	-1.7	-0.2	-1.7
Unemployment ('000)	8.0	10.1	9.0	-2.1	-20.8	-1.0	-11.1
Unemployment Rate (%)	9.1	11.3	10.5	-2.2	-	-1.4	-
Participation Rate (%)	65.0	66.3	64.8	-1.3	-	0.2	-
Employment Rate (%)	59.0	58.9	58.0	0.1	-	1.0	-

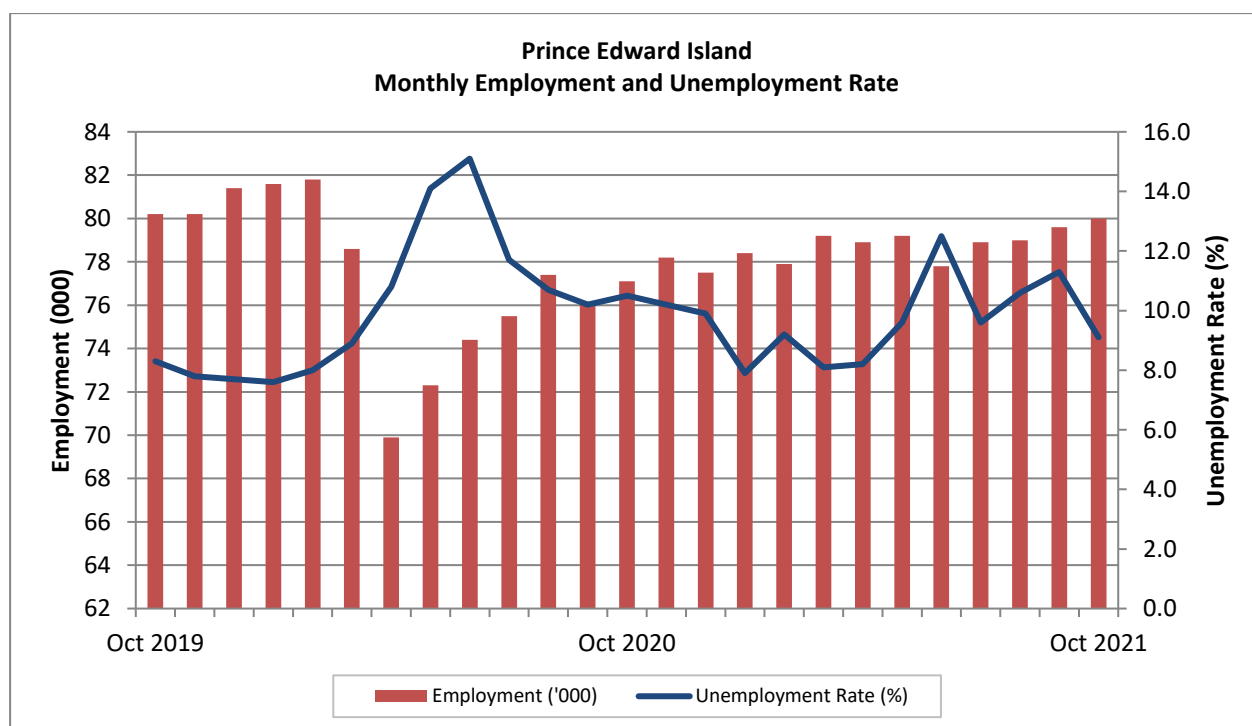
Note: Totals may not add due to rounding

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

The labour force in October 2021 contracted by 1.7% from the previous month, however it should be noted that the number of people available for and seeking employment in September was at an all-time high in the province. On a year-to-date basis (“YTD”), for the first ten months of 2021, the labour force increased by 1.8% over the same period in 2020, and was nearly 1% higher relative to the 2019 YTD period. In terms of the labour force contraction in October, the majority is attributed to fewer men of the core-aged group (25-54 years of age) that were available and looking for work during that time. For women, there were notably fewer youths (15-24 years) and those in the core-aged category participating.

To date, the number of men in the labour force exceeds its pre-pandemic levels across all major age categories. By contrast, recovery continues to remain slower for women: with labour force participation just 86% of its February 2020 pre-pandemic level for older workers (55+ years), and 94% for both youths and for core-aged workers.

The number of people not participating in the labour force in October 2021 increased by 4%, and that level remains about 11% higher than what it was in February 2020, just before the pandemic hit. This suggests that the Island’s labour market has yet to fully correct for the COVID-induced shock it felt in early 2020. In terms of reasons as to why there remains an elevated number of people still not looking for work 18 months later, available data suggests an increased incidence of people who did not want to work or were not available over this period (i.e. due to retirement, for example), and who were struggling with illness.



Between January and October 2021, the number of people not participating in the labour force averaged 46,700 and this compares to the pre-pandemic, 2019 YTD figure of 43,600. This means that there remains an additional 3,200 persons, on average, who had some form of labour market attachment prior to the pandemic, but continue

to remain unattached (i.e. either not seeking or available to work) as the economy continues to recover. Nearly 7 in 10 of those persons who choose to remain unattached are in the older worker cohort (the vast majority being female), while the remaining 3 in 10 are youths (about evenly split between men and women).

The Island's employment base totalled 80,000 in October 2021, which means the province has regained most of the jobs lost at the onset of the pandemic. It should be noted, however, that employment was at a record high in February 2020 (at 81,800) before things collapsed. On a YTD basis, however, Island employment in 2021 is on par with what it was over the same period in 2019, and is up 3.2% compared to the first ten months of 2020, indicating that economic recovery continues to gain momentum – supported by increasing vaccination rates and easing of public health restrictions.

The employment recovery to date has not been even among gender and age groups. As of October 2021, employment levels for men in the core-aged group and among the older worker cohort are at par with what they were in February 2020, while male youth employment is 94% of their February pre-COVID level. Progress continues to lag for women, especially for the older worker cohort. Overall, the level of female employment in August 2021 is 95% of what it was prior to the pandemic with the core-aged group the only major age category having fully recovered their February pre-COVID employment level.

Unemployment in the province decreased to 8,000 persons in October 2021, down 21% from the previous month. This decline was the result of fewer people seeking employment relative to an increase in available jobs in the most recent month. The Island's unemployment rate, at 9.1% in October, remains 1.1 percentage points higher than it was in February 2020, at the dawn of the pandemic.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	Oct 2021	Sept 2021	Oct 2020	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	9.1	11.3	10.5	-2.2	-1.4
25 years and over	7.4	10.2	8.8	-2.8	-1.4
Men - 25 years and over	9.7	13.8	8.8	-4.1	0.9
Women - 25 years and over	4.7	5.8	9.1	-1.1	-4.4
15 to 24 years	17.6	16.8	18.8	0.8	-1.2
Men - 15 to 24 years	19.8	16.5	22.1	3.3	-2.3
Women - 15 to 24 years	14.7	16.9	14.0	-2.2	0.7

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

The Island's participation rate in October 2021, at 65%, fell 1.3 percentage points from the previous month, and remains considerably lower than its February 2020 pre-pandemic rate of 67.5%. The labour force contraction in the most recent month resulted in P.E.I.'s participation rate falling slightly short of the national average (65.3%), however it still remains well above participation rates among its Atlantic counterparts. Furthermore, the participation rate for male youths in the province in October, at 70.6%, was the highest in the country.

EMPLOYMENT BY INDUSTRY

Although there was little change in the overall level of employment in October, compared to the previous month, there were noticeable changes at the industry level. In the goods-producing sector, **agriculture** experienced the largest monthly gain, followed by respectable growth in **construction** and **manufacturing**. Employment in the services-sector contracted slightly in October from the previous month, due in large part to reduced employment in **business, building and other support services**.

The level of employment in the Island's **construction** industry over the January to October 2021 period averaged 6,000 workers which is 6.7% below what it was over the same period in 2019, before the pandemic. Despite the lower levels in employment, all indications point toward robust construction activity in the province in the current period, which is expected to continue over the next couple of years. This is driven by major construction projects associated with the Building Canada Fund; provincial capital investment; ongoing residential construction and development; and infrastructure upgrades in preparation for the Canada Winter Games in 2023; as well as other major projects that have been approved or are currently underway.

The construction industry has fared relatively well throughout the pandemic and employment continues to be supported by strong residential and non-residential construction activity. Indeed, through to September 2021, the number of new single dwelling housing starts are up by 57% on a year-to-date basis, complemented by a 37% rise in the value of residential building permits. Non-residential permits are up by 6% in the first nine months of 2021, driven by a 121% increase in the value of commercial building permits. In light of strong construction activity, the industry continues to struggle with considerable labour shortages. The year-to-date decline in construction employment reflects fewer workers in the 15-29 age range, and less in the 25-44 age range. Compounding these losses are more retirement-aged workers (55+) having left the industry year-to-date.

The monthly employment gain in P.E.I.'s **manufacturing** industry reflects increased shipment values of manufactured products over the January-September 2021 period, relative to the same period during the pandemic year. Indeed, shipment values for non-durable goods – particularly seafood products – have increased considerably in the first three quarters of the year, and is the key driver supporting growth in manufacturing activity. The industry's reliance on non-durable processing activity, as well as pharmaceutical manufacturing, were key factors supporting the provincial economy throughout the pandemic.

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). Employment in this industry contracted in October following a period of strong growth during the Summer months. Changes in this industry may be by some measure reflective of increased sanitization requirements across all industries. The emergence of a fourth wave impacted many provinces during the Q3 2021 period. The lower employment level in the most recent month is about on par with what it was during the pre-pandemic, February 2020 level. Continued growth in the province's vaccination rate, and further reductions in public health restrictions, are factors that may temper demand for related services in this industry.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	Oct 2021	Sept 2021	Oct 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	80.0	79.6	77.1	0.4	0.5	2.9	3.8
Goods-producing sector	19.8	18.3	19.1	1.5	8.2	0.7	3.7
Agriculture	4.0	3.0	3.6	1.0	33.3	0.4	11.1
Forestry, fishing, mining, quarrying, oil and gas	1.9	2.3	2.2	-0.4	-17.4	-0.3	-13.6
Utilities	0.5	0.4	0.2	0.1	25.0	0.3	150.0
Construction	5.9	5.5	6.1	0.4	7.3	-0.2	-3.3
Manufacturing	7.5	7.0	7.0	0.5	7.1	0.5	7.1
Services-producing sector	60.2	61.3	58.0	-1.1	-1.8	2.2	3.8
Trade	11.4	11.4	9.8	0.0	0.0	1.6	16.3
Transportation and warehousing	2.4	2.7	2.8	-0.3	-11.1	-0.4	-14.3
Finance, insurance, real estate and leasing	2.6	2.6	3.1	0.0	0.0	-0.5	-16.1
Professional, scientific and technical services	4.7	4.4	4.6	0.3	6.8	0.1	2.2
Business, building and other support services	2.1	2.6	2.3	-0.5	-19.2	-0.2	-8.7
Educational services	5.7	6.1	5.5	-0.4	-6.6	0.2	3.6
Health care and social assistance	11.5	11.8	10.4	-0.3	-2.5	1.1	10.6
Information, culture and recreation	2.3	2.3	2.5	0.0	0.0	-0.2	-8.0
Accommodation and food services	5.1	4.9	5.4	0.2	4.1	-0.3	-5.6
Other services	3.4	3.3	3.0	0.1	3.0	0.4	13.3
Public administration	9.1	9.0	8.7	0.1	1.1	0.4	4.6

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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