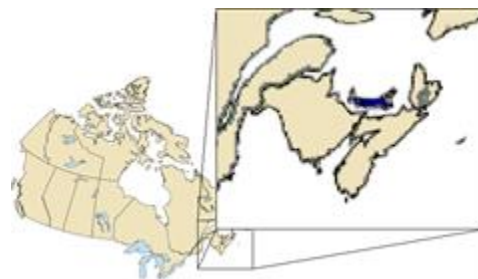




Labour Market Bulletin

Prince Edward Island



March 2021

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. showed some improvement during the first quarter (Q1) of 2021, continuing to build on its ongoing recovery from the devastating impact of COVID-19 felt earlier in Q2 2020. Following three consecutive quarters of gains, the Island's labour force in Q1 2021 contracted slightly, while employment levels were higher than they were in the previous quarter, but short of full recovery when compared to Q1 2020 pre-COVID levels. On a monthly basis, both the province's labour force and employment levels increased in March 2021 compared to the previous month, and both were at par with March 2020 estimates – the month in which the pandemic began to effect labour market conditions across the country. The unemployment rate in Q1 averaged 8.4%, which is nearly 2 percentage points lower compared to the previous quarter, and just 0.2 of a percentage point higher than a year ago. The province's participation rate in Q1 2021, at 64.3%, slipped from Q4 2020, and remains 2.3 percentage points lower year-over-year.

Prince Edward Island Quarterly Employed Labour Force, by Industry

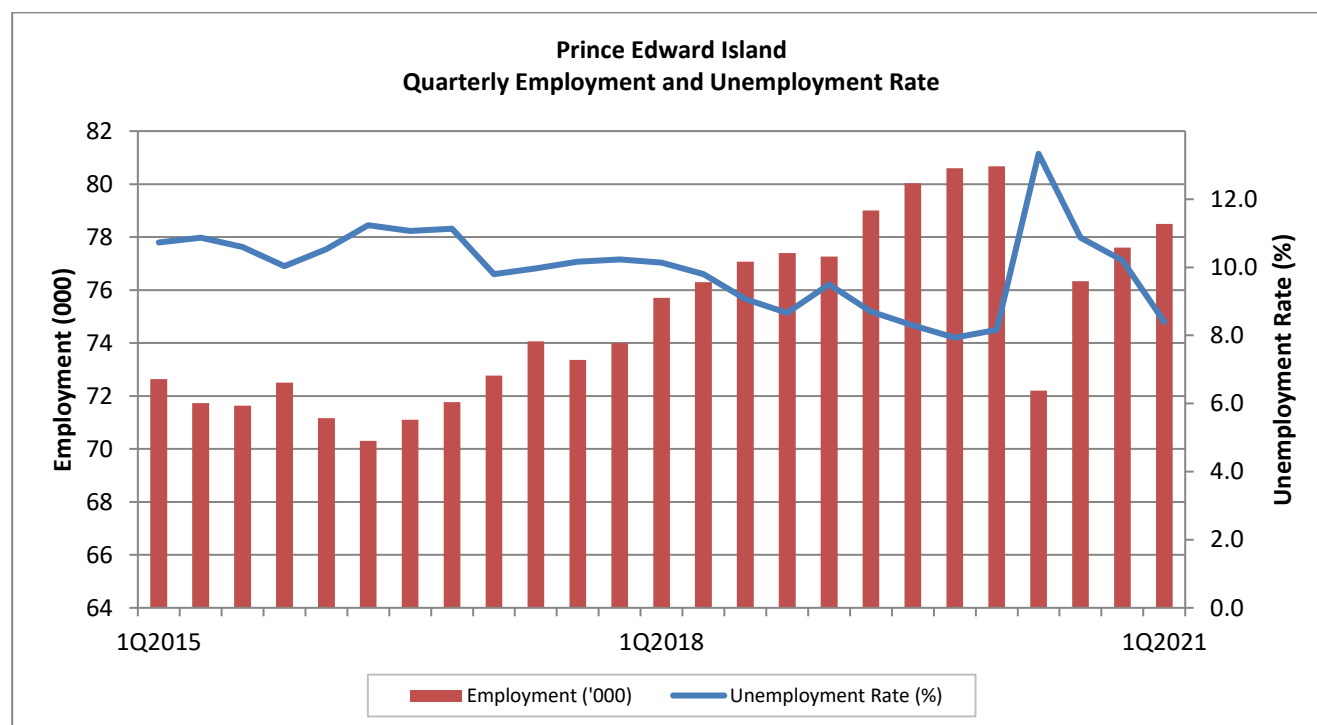
Seasonally Adjusted Quarterly Data	1st Quarter 2021	4th Quarter 2020	1st Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	133.2	133.0	131.8	0.2	0.2	1.4	1.1
Labour Force ('000)	85.7	86.4	87.8	-0.7	-0.8	-2.1	-2.4
Employment ('000)	78.5	77.6	80.7	0.9	1.2	-2.2	-2.7
Full-Time ('000)	66.0	65.4	68.7	0.6	0.9	-2.7	-3.9
Part-Time ('000)	12.5	12.2	12.0	0.3	2.5	0.5	4.2
Unemployment ('000)	7.2	8.8	7.2	-1.6	-18.2	0.0	0.0
Unemployment Rate (%)	8.4	10.2	8.2	-1.8	-	0.2	-
Participation Rate (%)	64.3	65.0	66.6	-0.7	-	-2.3	-
Employment Rate (%)	58.9	58.3	61.2	0.6	-	-2.3	-

Note: Totals may not add due to rounding

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

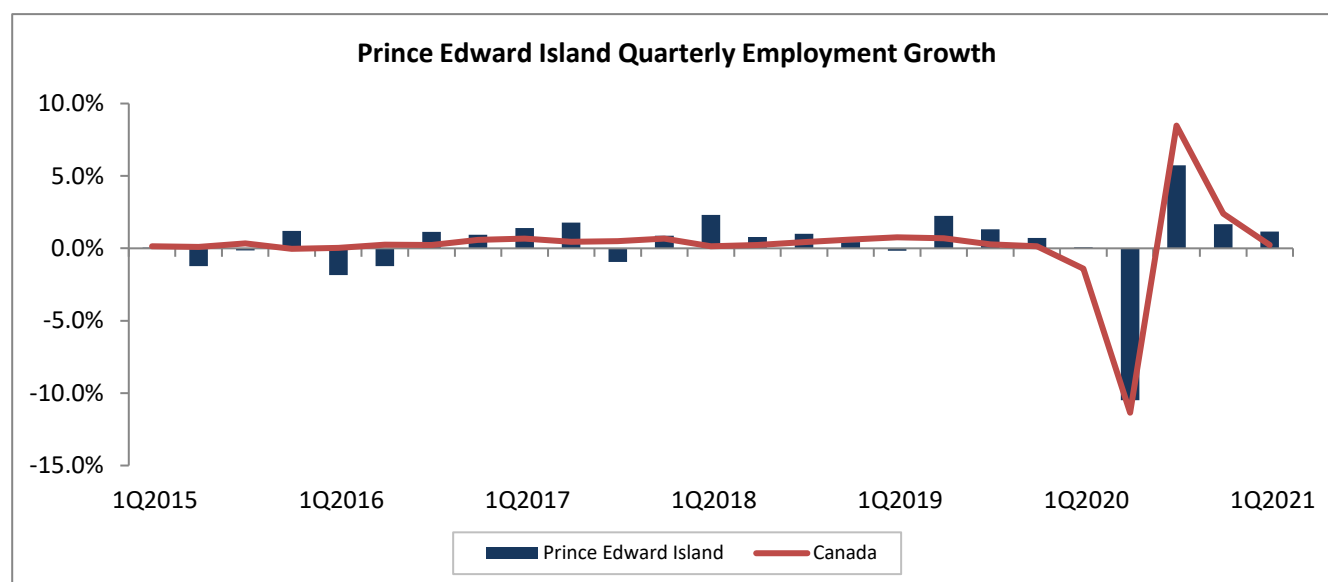
The Q1 estimates reflect public health announcements made between January and March, 2021 including easing of restrictions since the December 7, 2020 “circuit breaker” lockdown (in response to new positive cases in the province with unknown sources). Following January announcements around further easing of public health measures, the province imposed another circuit breaker between the February 28 to March 14 period in response to new cases with public exposure. Public health restrictions were again eased on March 13th following success in containing the spread of the virus, although travel restrictions remained in place and the Atlantic Bubble was suspended during the most recent quarter. On March 18, the Atlantic Premiers announced plans to reopen the Bubble by April 19, 2021, conditional upon cases remaining low in the region.

The labour force averaged 85,700 in Q1 2021 which is down by close to 1% from the previous quarter (and 2.4% lower year-over-year). The quarterly contraction was felt by both the core-aged cohort (25-54 years of age) and youths (15-24 years of age), offset partially by an increase in the number of older workers (persons 55+ years of age) participating in the labour force. Females in the core-age group accounted for the majority of the decline while the drop in youth participation was attributed primarily to males.



In terms of the employment gains experienced in the most recent quarter, male older workers (55+ years of age) accounted for most of this growth. Although there were also more female older workers participating in the labour force in Q1 relative to Q4 2020, this was offset by fewer participating females of the core-aged cohort. As of Q1 2021, the Island’s employment base has recovered 97% of its pre-COVID (Q1 2020) level.

Most of the Island’s employment quarterly gains were full-time in nature, attributed to both the youths and older worker cohorts. Men accounted for both the full-time and part-time gains in the most recent quarter. Males of the older worker cohort accounted for the growth in part-time work in Q1 2021.



The Island's unemployed pool decreased by 1,600 persons in Q1 2021, and follows a reduction of 500 persons in Q4 2020. The majority of the reduction in unemployment in the most recent quarter was attributed to youths (15-24 years of age), particularly men, although reductions were felt across the other major age categories as well. The unemployment rate in Q1 fell by nearly 2 percentage points from Q4 2020 and is nearly at par with what it was during the same (pre-pandemic) quarter a year ago. Both men and women across all major age categories experienced lower unemployment rates on a quarterly basis, however, male youth experienced the sharpest decline of 7.7 percentage points, from a jobless rate of 20.2% in Q4 2020 to 12.6% in Q1 2021.

Prince Edward Island Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	1st Quarter 2021 %	4th Quarter 2020 %	1st Quarter 2020 %	Quarterly Variation (% points)	Yearly Variation (% points)
Total	8.4	10.2	8.2	-1.8	0.2
25 years and over	7.7	8.7	7.7	-1.0	0.0
Men - 25 years and over	7.9	8.9	8.8	-1.0	-0.9
Women - 25 years and over	7.3	8.8	6.5	-1.5	0.8
15 to 24 years	12.8	17.8	10.1	-5.0	2.7
Men - 15 to 24 years	12.6	20.2	8.4	-7.6	4.2
Women - 15 to 24 years	11.9	14.4	11.5	-2.5	0.4

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

The reduction in the Island's labour force in Q1 2020, coupled with a slight increase in the province's working-age population resulted in the participation rate contracting slightly. For the month of March, P.E.I.'s participation rate was 64.6%, which is the fifth lowest participation rate in the country – and 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. Furthermore,

the participation rate for males of the older worker cohort (55+ years of age), at 49.6% in Q1 2021, ranked highest in the country.

EMPLOYMENT BY INDUSTRY

As of March 2021, employment in the **goods-producing** sector comprised 98% of its February 2020 pre-pandemic level; and the **services-producing** sector recovered 97% of its pre-covid employment base. However, a number of industries, where close contact is required, continue to lag behind pre-COVID levels of employment - specifically, the **wholesale and retail trade** and the **accommodation and food services** industries. The **goods-producing** sector employment overall was within close proximity of pre-pandemic levels in the most recent month, however the exception was the **construction** industry (at 93% of its pre-COVID level). It should be noted however, that employment levels for both trade and construction, for example, were near all-time highs in February 2020, which can exaggerate the year-over-year contractions.

The quarterly employment gain in Q1 2021 was attributed almost equally to both sectors. Employment growth in the **goods-producing** sector was concentrated almost entirely in the **construction** industry; and for the **services-producing** sector: the **educational services**, and **wholesale and retail trade** industries accounted for most of the gains. The quarterly decline in the **accommodations and food services** industry employment partially offset those gains.

The Island's **construction** industry has fared relatively well throughout the pandemic and employment growth is driven by strong residential and non-residential activity. Although the number of new housing starts in the province was down in 2020, from a record level in 2019, it was the second highest level on record in the province. Furthermore, non-residential building permits in the first two months of 2021 are up by 130% on a year-to-date basis, and the value of residential permits is nearly 60% higher over this same period.

Employment in the **wholesale and retail trade** industry in the most recent quarter is up by nearly 4% compared to Q4 2020, but remains 9.3% lower compared to the same period a year ago. The easing of public health restrictions helped boost employment in the industry in March. Categories of retail trade that have fared relatively well throughout the pandemic include electronics and appliances, building supplies, health and personal care, and grocery stores. By contrast, clothing retailers, gas stations, and motor vehicle sales and parts dealers have struggled. With respect to this later category, the volume of new motor vehicle sales in the province declined by 14% in 2020, to an 8 year low.

The **accommodation and food services** industry was heaviest hit by the pandemic and remained constrained in the most recent quarter. After having generated some momentum from the rollout of the province's pandemic-related recovery phases earlier in the year, and the Atlantic Provinces Travel Bubble, the industry maintained a respectable pace of recovery up until November's suspension of the Atlantic Bubble and December's "circuit breaker". Easing of restrictions later in December and the rollout of COVID-19 vaccinations helped the industry rebound in January 2021, when employment surged by 22% (having recouped its December losses). However, in February, the industry experienced a sharp decline in employment. The circuit breaker announced in late February, aimed at curbing and containing the spread of COVID-19 as new cases were identified, resulted in a further contraction in employment in March, by 4.4%. Employment in the **accommodations and food services** industry in Q1 2021 comprised 84% of what it was during the same quarter a year ago and remains furthest from full recovery.

Prince Edward Island Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	1st Quarter 2021	4th Quarter 2020	1st Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	78.5	77.6	80.7	0.9	1.2	-2.2	-2.7
Goods-producing sector	19.8	19.3	20.3	0.5	2.6	-0.5	-2.5
Agriculture	3.6	3.4	4.5	0.2	5.9	-0.9	-20.0
Forestry, fishing, mining, quarrying, oil and gas	2.4	2.4	1.7	0.0	0.0	0.7	41.2
Utilities	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Construction	6.6	6.2	7.2	0.4	6.5	-0.6	-8.3
Manufacturing	7.1	7.0	6.8	0.1	1.4	0.3	4.4
Services-producing sector	58.7	58.3	60.3	0.4	0.7	-1.6	-2.7
Trade	10.7	10.3	11.8	0.4	3.9	-1.1	-9.3
Transportation and warehousing	2.6	2.7	2.6	-0.1	-3.7	0.0	0.0
Finance, insurance, real estate and leasing	2.9	2.9	3.0	0.0	0.0	-0.1	-3.3
Professional, scientific and technical services	4.2	4.4	4.0	-0.2	-4.5	0.2	5.0
Business, building and other support services	2.0	2.4	2.3	-0.4	-16.7	-0.3	-13.0
Educational services	6.3	5.8	5.8	0.5	8.6	0.5	8.6
Health care and social assistance	11.5	11.2	11.2	0.3	2.7	0.3	2.7
Information, culture and recreation	2.4	2.4	2.3	0.0	0.0	0.1	4.3
Accommodation and food services	4.8	5.1	5.7	-0.3	-5.9	-0.9	-15.8
Other services	2.5	2.6	3.6	-0.1	-3.8	-1.1	-30.6
Public administration	8.8	8.5	7.9	0.3	3.5	0.9	11.4

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.

Prepared by: Labour Market Analysis Directorate, Service Canada, Atlantic Region

For further information, please contact the LMI team at:

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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