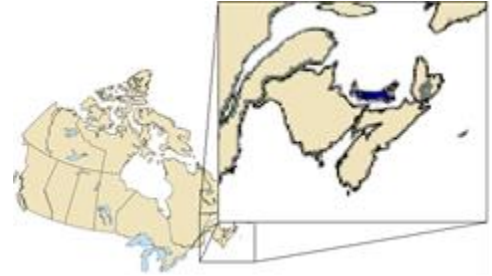




# Labour Market Bulletin

## Prince Edward Island

May 2021



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

### OVERVIEW

The Island's labour force experienced respectable growth in May 2021, of 2.1% from April, and is the strongest monthly gain in ten months. Employment levels also increased, but by a relatively slower pace. All of the employment gains were concentrated in part-time jobs while a slight monthly reduction in full-time employment served to partially offset growth. More people were available and looking for work in May, relative to the number of jobs available, which resulted in a higher level of unemployment in the province. The unemployment rate in P.E.I. was 9.6% in May, up from 8.2% a month prior, but considerably lower when compared to May 2020 (one month following the economic shutdown due to the coronavirus pandemic). To date, the labour force has recovered 99% of its pre-COVID February 2020 level while the employment recovery continues to idle at 97%, for the third month in a row.

Prince Edward Island Monthly Labour Force Statistics

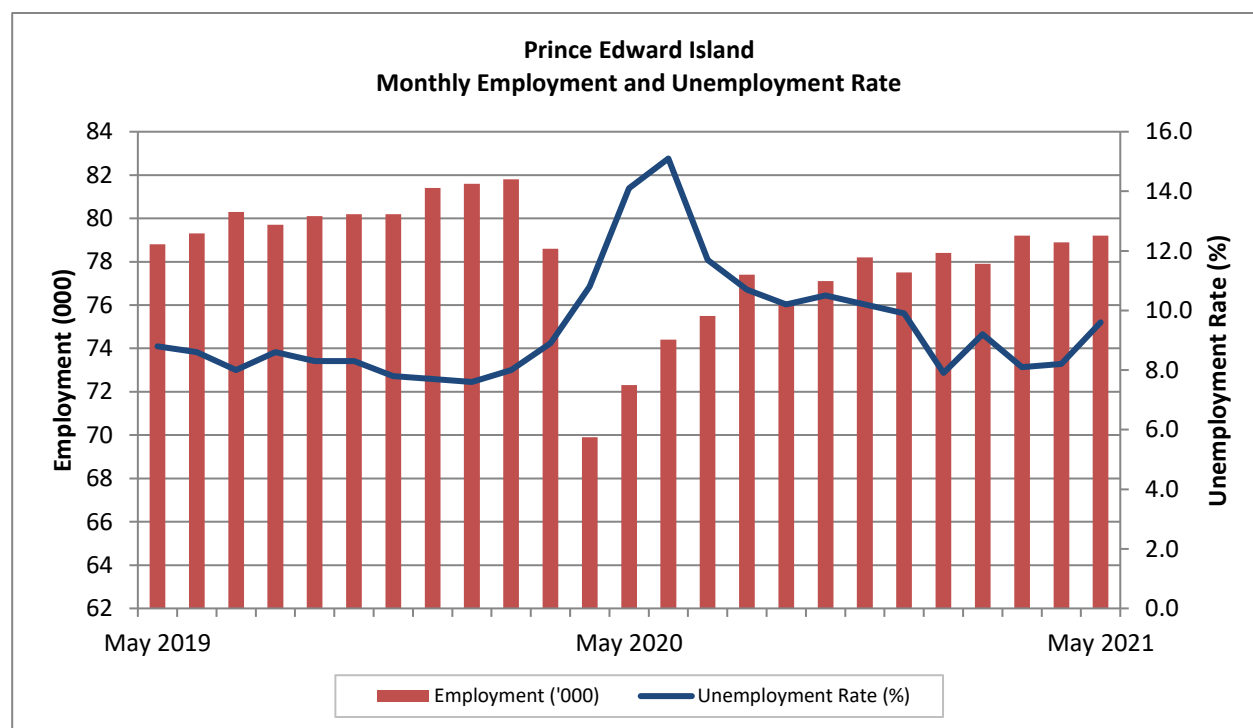
Seasonally Adjusted Monthly Data	May 2021	April 2021	May 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	133.6	133.5	132.2	0.1	0.1	1.4	1.1
Labour Force ('000)	87.6	85.8	84.2	1.8	2.1	3.4	4.0
Employment ('000)	79.2	78.9	72.3	0.3	0.4	6.9	9.5
Full-Time ('000)	65.9	66.3	62.7	-0.4	-0.6	3.2	5.1
Part-Time ('000)	13.3	12.6	9.5	0.7	5.6	3.8	40.0
Unemployment ('000)	8.4	7.0	11.9	1.4	20.0	-3.5	-29.4
Unemployment Rate (%)	9.6	8.2	14.1	1.4	-	-4.5	-
Participation Rate (%)	65.6	64.3	63.7	1.3	-	1.9	-
Employment Rate (%)	59.3	59.1	54.7	0.2	-	4.6	-

Note: Totals may not add due to rounding

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

The labour force gain in May was in the order of 1,800 persons driven by a surge of women participating which overshadowed the slight decrease in the number of men in the labour market that month. Labour force growth among women was about evenly distributed across the three major age categories: youths (15-24 years of age), the core-aged cohort (25-54 years of age) and older workers (55 years and over). Indeed, there was a respectable uptick in female employment in May, however, recovery still lags for youths and older workers, both currently at 93% of their February pre-COVID levels. Women in the core-aged group, on the other hand, were near full recovery in the most recent month.

The Island’s employment base totalled 79,200 in May 2021, and has regained 9,300 of the nearly 12,000 positions lost at the onset of the pandemic. The recovery to date has not been even among gender and age groups. As of May 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, with the exception being male youths (with 93% of their February pre-COVID level recovered). By contrast, progress has been relatively slower for women, especially for the youths cohort. Overall, the level of female employment in May 2021 is 94% of what it was prior to the pandemic (up two percentage points from the previous month), with women in the core-aged group having recovered 96% of their February pre-COVID level. For youths, however, employment levels are 89% of what they were before the pandemic (although, this is a considerable improvement of 6 percentage points compared to April 2021); and for female older workers, recovery continues to progress, with employment at 90% of pre-pandemic levels (up 2 percentage points from the previous month).



Unemployment in the province rose by 20% in May from the previous month reflecting more labour force participation despite there being fewer jobs available indicating growing optimism about labour market prospects in the near term. At 9.6%, the Island’s unemployment rate remains 1.6 percentage points higher than it was at the dawn of the pandemic, in February 2020. The higher rate of unemployment reflects the transition of people who were formerly not activity seeking employment (or in other words, not in the labour force) to being available and

looking for work. In February 2020, just before the economic shutdown, there were close to 43,000 people not participating in the Island labour market before this number surged to a record 53,700 by April 2020. By May 2021, the number of people categorized as *not in the labour force* has fallen to a six-month low, of 46,000 persons.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2021 %	April 2021 %	May 2020 %	Monthly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	9.6	8.2	14.1	1.4	-4.5
<b>25 years and over</b>	9.0	7.6	13.4	1.4	-4.4
Men - 25 years and over	9.1	8.3	11.4	0.8	-2.3
Women - 25 years and over	8.8	6.5	15.7	2.3	-6.9
<b>15 to 24 years</b>	12.2	11.4	17.6	0.8	-5.4
Men - 15 to 24 years	11.1	9.7	16.2	1.4	-5.1
Women - 15 to 24 years	14.9	13.1	19.0	1.8	-4.1

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

The Island's participation rate rose by 1.3 percentage points in May 2021, to 65.6%, which is the highest it has been since June 2020. This gain was entirely attributed to higher participation among women across the major age categories, with the largest gain occurring in the female youths cohort (+6.2 percentage points), having increased to 68.4% (the highest in the country for women in this age group). Overall, the Island's participation rate in the most recent month remains below its February 2020 pre-pandemic level (67.5%), however, it exceeded the national average (of 64.6%) for the first time since November 2020. Historically, since the 1990-91 recession, the monthly participation rate in P.E.I. has exceeded the national average more than eight times out of 10. P.E.I. also had the highest participation rate among its Atlantic counterparts in the most recent month.

## EMPLOYMENT BY INDUSTRY

The level of employment in May 2021 was slightly higher than it was in the previous month, but up 9.5% year-over-year (noting however, that by May 2020, the destructive force of the pandemic had begun to ease). Despite little movement in overall employment, there were considerable changes in the number of jobs within both the goods and service-sectors. Employment in the **services-producing sector** increased by 3% from the previous month, attributed to strong employment growth in **wholesale and retail trade** industry. The sharp drop in goods-sector employment was predominantly caused by a decline in the number of people employed in the **construction** industry and, to a lesser extent, **manufacturing** industry.

Despite the apparent downward plunge in employment in the **construction** industry in May, all indications point toward robust construction activity in the province in the current period that is expected to continue over the next few 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.<sup>1</sup> The industry has fared relatively well throughout the pandemic and employment continues to be supported by strong residential and non-residential construction activity. Indeed, to April 2021, the number of new single dwelling housing starts are up considerably on a year-to-date basis, complemented by a 137% rise in the value of residential building permits. Non-residential permits are up by 372% in the first four months of this year compared to the same period in 2020.

The monthly decline in **manufacturing** industry employment reflects a 25% year-to-date contraction in shipment values of manufactured durable products (Q1 2021 compared to Q1 2020). By contrast, growth in the value of shipments of non-durable goods (including manufactured food products) continues to be a bright spot, as was the case throughout the pandemic in 2020. The industry's reliance on food processing, as well as pharmaceutical manufacturing, continues to benefit the provincial economy, evidenced by increased export values across these particular categories year-to-date.

**Wholesale and retail trade** industry employment totaled 12,000 in May 2021, matching the record level set in December 2019, just prior to the pandemic. Furthermore, this most recent month represents the first time since the onset of COVID-19 showing employment fully recovered compared to its February 2020 (pre-pandemic) level. Current indications suggest that retail spending has been very strong in recent months which may have translated into increased hiring in the industry. For example, the value of retail sales is up by 25% in Q1 2021 compared to the same quarter in 2020 (before the full impact of the pandemic was experienced). Categories of retail spending that have experienced considerable growth on a year-to-date basis include motor vehicle and parts dealers (+28%); building material and garden equipment dealers (+58%); and grocery stores (+9%).

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<sup>1</sup> Atlantic Provinces Economic Council, *Major Projects Inventory 2021*, May 2021.

## Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	May 2021	April 2021	May 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	79.2	78.9	72.3	0.3	0.4	6.9	9.5
<b>Goods-producing sector</b>	18.3	19.8	18.6	-1.5	-7.6	-0.3	-1.6
Agriculture	3.3	3.7	3.9	-0.4	-10.8	-0.6	-15.4
Forestry, fishing, mining, quarrying, oil and gas	2.8	2.5	2.3	0.3	12.0	0.5	21.7
Utilities	0.3	0.2	0.3	0.1	50.0	0.0	0.0
Construction	5.8	6.8	6.9	-1.0	-14.7	-1.1	-15.9
Manufacturing	6.3	6.7	5.2	-0.4	-6.0	1.1	21.2
<b>Services-producing sector</b>	60.9	59.1	53.7	1.8	3.0	7.2	13.4
Trade	12.0	10.7	10.7	1.3	12.1	1.3	12.1
Transportation and warehousing	2.6	2.5	2.4	0.1	4.0	0.2	8.3
Finance, insurance, real estate and leasing	2.9	2.8	2.5	0.1	3.6	0.4	16.0
Professional, scientific and technical services	4.5	4.5	4.0	0.0	0.0	0.5	12.5
Business, building and other support services	2.1	2.1	2.3	0.0	0.0	-0.2	-8.7
Educational services	6.8	6.3	5.7	0.5	7.9	1.1	19.3
Health care and social assistance	11.6	11.2	10.7	0.4	3.6	0.9	8.4
Information, culture and recreation	2.7	2.7	2.0	0.0	0.0	0.7	35.0
Accommodation and food services	3.8	4.1	2.5	-0.3	-7.3	1.3	52.0
Other services	3.2	3.2	3.4	0.0	0.0	-0.2	-5.9
Public administration	8.7	9.0	7.6	-0.3	-3.3	1.1	14.5

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](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](http://www.statcan.gc.ca)

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