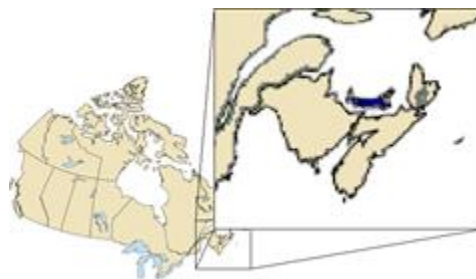




# Labour Market Bulletin

## Prince Edward Island



June 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 increased at a respectable pace in Q2 2021, up by 2% from the previous quarter while the Island's employment base remained relatively unchanged. With more people available and looking for work relative to the number of jobs available, unemployment in the province rose. Indeed, the unemployment rate in P.E.I. rose by 1.7 percentage points to average 10.1% in the most recent quarter. Despite this increase, the unemployment rate was considerably lower than the 13.3% rate recorded in Q2 2020 (the period in which the initial impact of the coronavirus pandemic was felt). The Q2 2021 surge in the Island's labour force helped lift the participation rate to near pre-pandemic levels (at 65.5%).

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

Seasonally Adjusted Quarterly Data	2nd Quarter 2021	1st Quarter 2021	2nd Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	133.6	133.2	132.2	0.4	0.3	1.4	1.1
<b>Labour Force ('000)</b>	87.4	85.7	83.4	1.7	2.0	4.0	4.8
<b>Employment ('000)</b>	78.6	78.5	72.2	0.1	0.1	6.4	8.9
Full-Time ('000)	65.6	66.0	62.3	-0.4	-0.6	3.3	5.3
Part-Time ('000)	13.1	12.5	9.8	0.6	4.8	3.3	33.7
<b>Unemployment ('000)</b>	8.8	7.2	11.2	1.6	22.2	-2.4	-21.4
<b>Unemployment Rate (%)</b>	10.1	8.4	13.3	1.7	-	-3.2	-
<b>Participation Rate (%)</b>	65.5	64.3	63.1	1.2	-	2.4	-
<b>Employment Rate (%)</b>	58.9	58.9	54.6	0.0	-	4.3	-

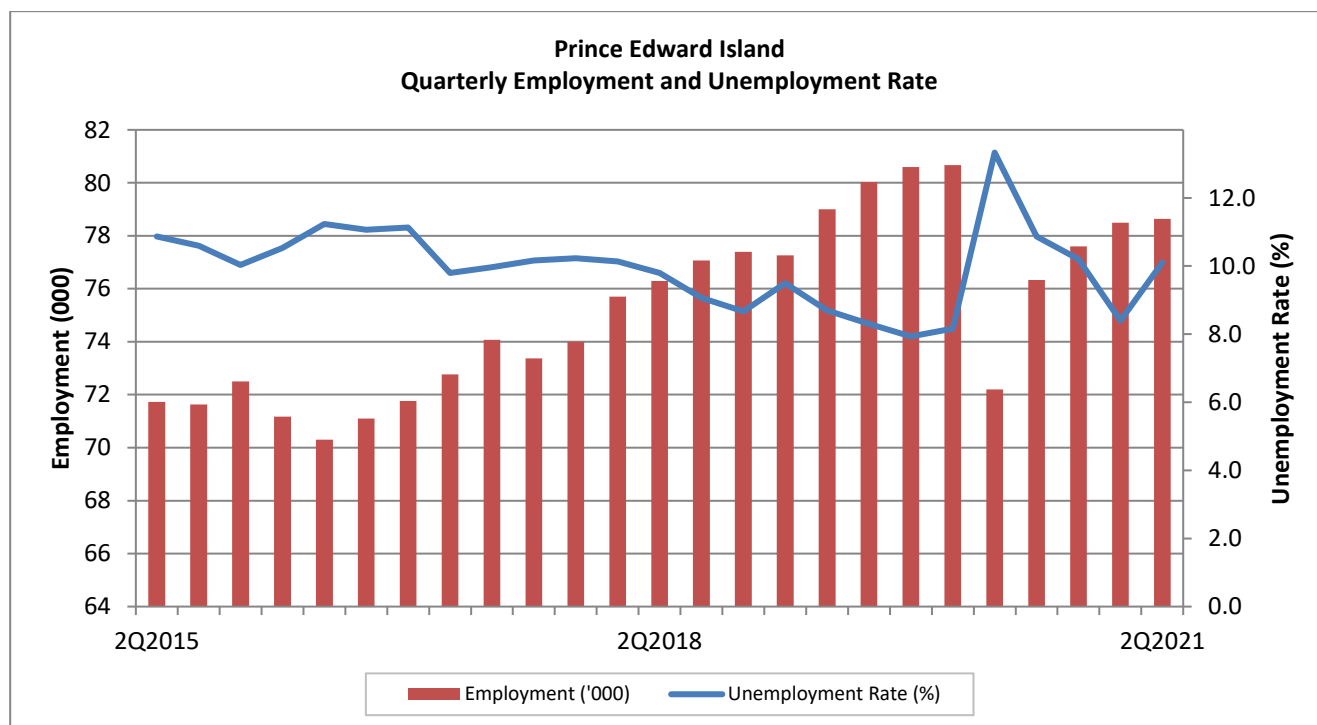
Note: Totals may not add due to rounding

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

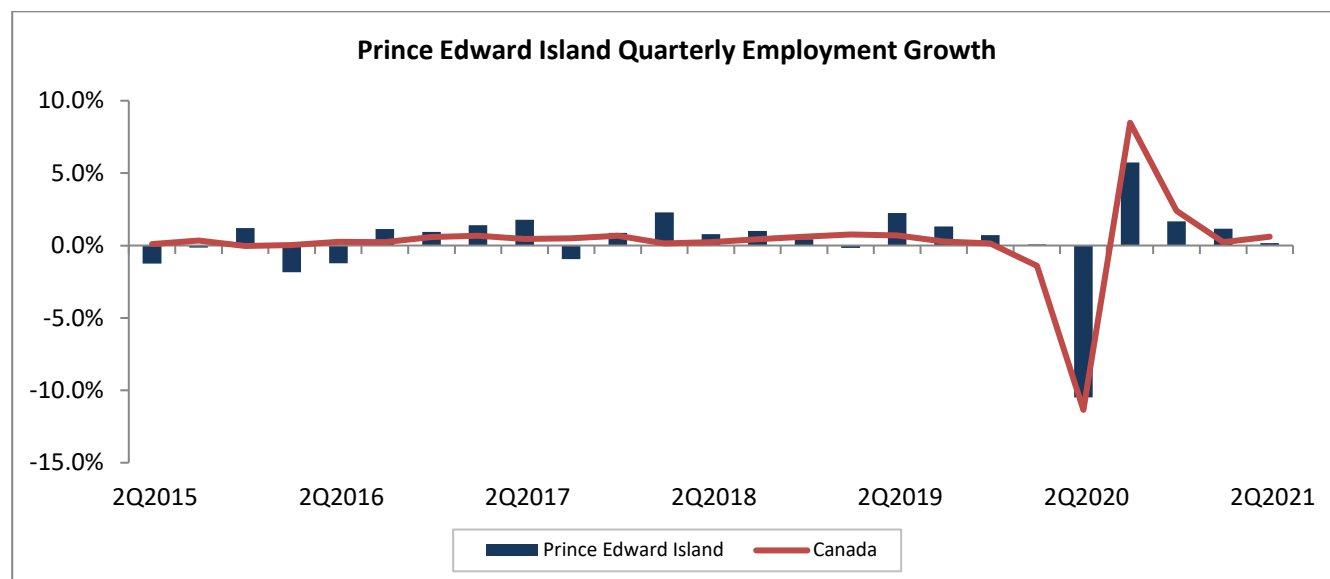
The labour force gain in the most recent quarter was in the order of 1,700 persons driven by a surge of women participating, which overshadowed the relatively smaller increase in the number of men in the labour market.

Labour force growth among women was experienced by all three major age categories, lead by growth in the number of youths (15-24 years of age). Indeed, despite a respectable uptick in female participation, recovery still lags for the youths and older worker (55 years and over) cohorts, both currently at 94% and 91% of their Q1 2020 pre-COVID levels, respectfully. Women in the core-aged cohort (25-54 years of age), on the other hand, had fully recovered in the most recent quarter.

The Island’s employment base totalled 78,600 in Q2 2021, and to date, has regained 97% of its pre-pandemic employment base. The pace of recovery has not been even among gender and age groups. As of the most recent quarter, employment levels for men in the core-aged group and among the older worker cohort are at par with what they were in Q1 2020, with the exception being male youths (with 95% of their pre-COVID level recovered). By contrast, progress has been relatively slower for women, especially for the older worker (88%) and youths cohorts (91%). Overall, the level of female employment in Q2 2021 is 95% of what it was prior to the pandemic (up two percentage points from the previous quarter). Women in the core-aged group were near full recovery as of the most recent quarter.



Unemployment in the province rose by 22% in Q2 2021 from the previous quarter reflecting more labour force participation despite there being no increase in jobs available. This would indicate growing optimism about labour market prospects in the province as the post-pandemic recovery continues to progress. At 10.1%, the Island’s unemployment rate remains 1.9 percentage points higher than it was at the onset of the pandemic, in Q1 2020.



The higher rate of unemployment reflects the transition of people who were formerly not actively seeking employment (or in other words, not in the labour force) to being available and looking for work. For example, 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 June 2021, the number of people categorized as not in the labour force has fallen to a 12-month low, of 44,800 persons.

#### Prince Edward Island Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	2nd Quarter 2021 %	1st Quarter 2021 %	2nd Quarter 2020 %	Quarterly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	10.1	8.4	13.3	1.7	-3.2
<b>25 years and over</b>	9.4	7.7	12.0	1.7	-2.6
Men - 25 years and over	9.9	7.9	9.8	2.0	0.1
Women - 25 years and over	8.8	7.3	14.2	1.5	-5.4
<b>15 to 24 years</b>	13.5	12.8	20.3	0.7	-6.8
Men - 15 to 24 years	12.9	12.6	17.4	0.3	-4.5
Women - 15 to 24 years	14.7	11.9	23.2	2.8	-8.5

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

The Island's participation rate rose by 1.2 percentage points in Q2 2021, from the previous quarter, to 65.5%, which is the highest quarterly average since Q1 2020. This gain was attributed largely to higher participation among women across the major age categories, with the largest percentage gain occurring in the female youths cohort (+6.9 percentage points), having increased to 66.7%. In the most recent month, June 2021, the participation rate for older worker males and core-aged women were the highest in the country, at 49.8% and 87.8% respectfully. Overall, the Island's participation rate in the most recent quarter has yet to match its Q1 2020 pre-pandemic level (at 67.5%). However, it did exceed the national average (of 64.9%) for the first time since Q2 2020. Historically, since the 1990-91 recession, the quarterly participation rate in P.E.I. has almost always exceeded the national average, and P.E.I. has the highest participation rate among its Atlantic counterparts in the most recent month.

## EMPLOYMENT BY INDUSTRY

The level of employment in Q2 2021 was marginally higher than it was in the previous quarter, but up by 8.9% compared to the same quarter a year ago (which would have captured a period of severe pandemic restrictions). Despite little movement in overall employment, there were considerable changes in the number of jobs within both the goods and service-producing sectors. Employment in the **services-producing** sector increased by 1.2% from the previous quarter, attributed to strong employment growth in **wholesale and retail trade** industry; although reduced employment in **accommodation and food services** offset overall growth in the sector. The sharp drop in **goods-producing** sector employment was predominantly caused by declines in the number of people employed in **construction** and **manufacturing**.

Despite the drop in employment in the **construction** industry in the most recent quarter, all indications point toward robust construction activity in the province in the current period, which 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. The 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 May 2021, the number of new single dwelling housing starts are up considerably on a year-to-date basis, complemented by a 103% rise in the value of residential building permits. Non-residential permits are up by 178% in the first five months of this year compared to the same period in 2020.

The monthly decline in **manufacturing** industry employment reflects a 10% year-to-date contraction in shipment values of manufactured durable products. 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 non-durable processing activity, as well as pharmaceutical manufacturing, continues to benefit the provincial economy, evidenced by increased export values across some related categories year-to-date.

**Wholesale and retail trade** industry employment totaled 11,700 in Q2 2021 which is near full-recovery with respect to its Q1 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 the first four months of 2021 compared to the same period in 2020 (before strict pandemic restrictions were put in place). Categories of retail spending that have experienced considerable growth in Q1 2021 include motor vehicle and parts dealers (+28%); building material and garden equipment dealers (+58%); and grocery stores (+9%).

The **accommodation and food services** industry in Q2 2021 contracted for the second consecutive quarter, and remains the furthest behind industries on the road to recovery to pre-COVID employment levels. After having generated some momentum from the rollout of the province's pandemic related recovery phases earlier in the year, and the introduction of the Atlantic Provinces Travel Bubble, the industry maintained a respectable pace of recovery. This was until November's suspension of the Atlantic Bubble and December's circuit breaker. Despite some easing of public health restrictions and rollout of COVID-19 vaccinations, progress was periodically disrupted due to circuit breaker measures and ongoing travel restrictions (i.e. suspension of the Atlantic Bubble) due to a third wave that affected the region.

Prospects for the industry – and the provincial economy overall – are looking quite positive for Q3 2021 given implementation of the provincial government’s 5-step provincial re-opening plan over the Summer/Fall period. The first step was put in effect on June 6, which increased personal gathering size and restaurant capacity; and the second step, on June 27, allowing travel within the region as well as domestic travel outside the region (subject to pre-travel approval and shortened isolation and testing).

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

Seasonally Data ('000)	Adjusted	2nd Quarter 2021	1st Quarter 2021	2nd Quarter 2020	Quarterly Variation		Yearly Variation	
					Number	%	Number	%
<b>Total employed, all industries</b>		78.6	78.5	72.2	0.1	0.1	6.4	8.9
<b>Goods-producing sector</b>		18.7	19.8	18.7	-1.1	-5.6	0.0	0.0
Agriculture		3.6	3.6	3.9	0.0	0.0	-0.3	-7.7
Forestry, fishing, mining, quarrying, oil and gas		2.5	2.4	2.0	0.1	4.2	0.5	25.0
Utilities		0.3	0.2	0.3	0.1	50.0	0.0	0.0
Construction		6.0	6.6	6.6	-0.6	-9.1	-0.6	-9.1
Manufacturing		6.4	7.1	5.8	-0.7	-9.9	0.6	10.3
<b>Services-producing sector</b>		59.9	58.7	53.5	1.2	2.0	6.4	12.0
Trade		11.7	10.7	10.5	1.0	9.3	1.2	11.4
Transportation and warehousing		2.4	2.6	2.5	-0.2	-7.7	-0.1	-4.0
Finance, insurance, real estate and leasing		2.8	2.9	2.7	-0.1	-3.4	0.1	3.7
Professional, scientific and technical services		4.5	4.2	4.0	0.3	7.1	0.5	12.5
Business, building and other support services		1.9	2.0	2.0	-0.1	-5.0	-0.1	-5.0
Educational services		6.6	6.3	5.6	0.3	4.8	1.0	17.9
Health care and social assistance		11.4	11.5	10.4	-0.1	-0.9	1.0	9.6
Information, culture and recreation		2.6	2.4	2.0	0.2	8.3	0.6	30.0
Accommodation and food services		4.0	4.8	2.7	-0.8	-16.7	1.3	48.1
Other services		3.2	2.5	3.3	0.7	28.0	-0.1	-3.0
Public administration		8.7	8.8	7.8	-0.1	-1.1	0.9	11.5

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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