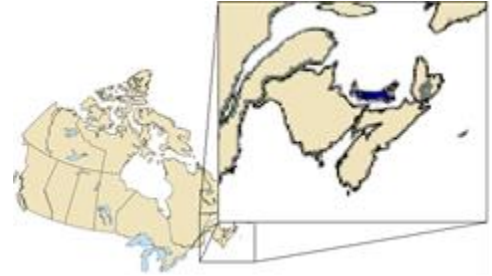




# Labour Market Bulletin

## Prince Edward Island

July 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 Prince Edward Island remain stable, and continue to hover around pre-pandemic levels. After having reached a record high in June 2021 (matching its February 2020 pre-pandemic level), the size of the Island's labour force eased slightly in July while employment levels in the most recent month showed a respectable increase. With fewer people available and looking for work and more jobs available, the level of unemployment in the province declined. The unemployment rate in P.E.I. fell by nearly 3 percentage points to 9.6% in the most recent month, which at first glance appears positive. However, the number of people not participating in the labour force remains close to 10% higher than prior to the pandemic meaning the labour market to date has yet to fully correct for the COVID-induced shock.

#### Prince Edward Island Monthly Labour Force Statistics

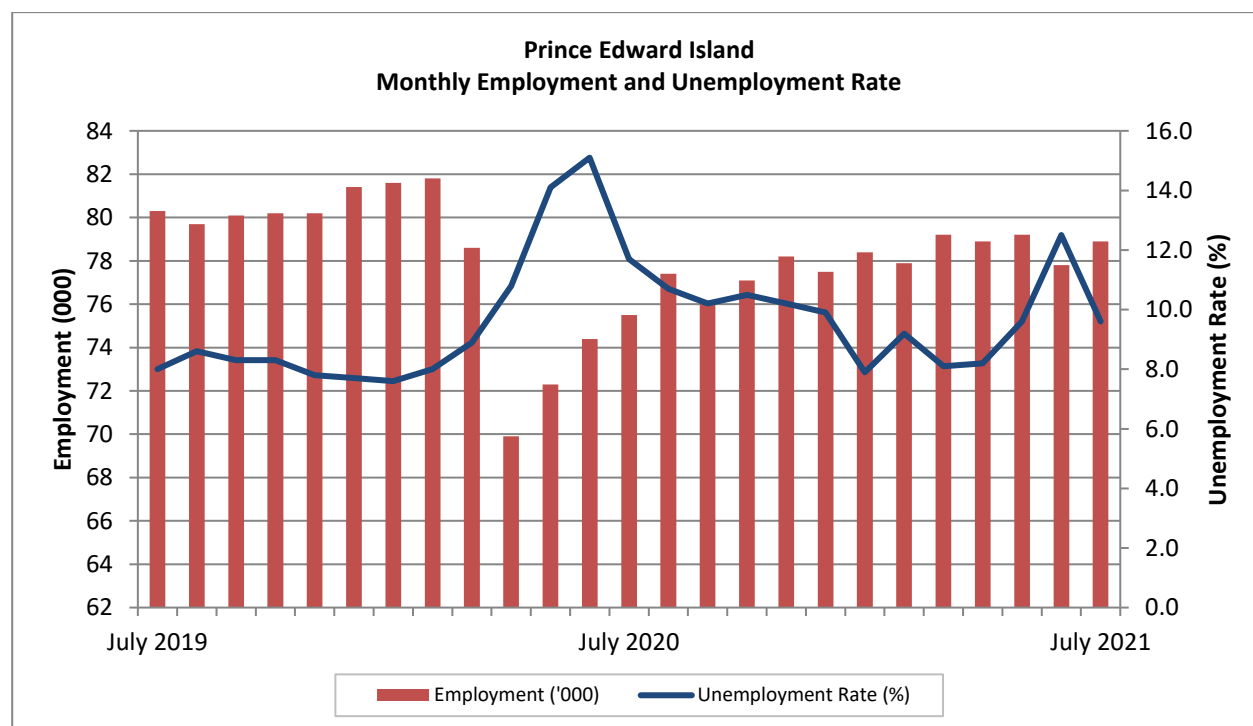
Seasonally Adjusted Monthly Data	July 2021	June 2021	July 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	133.9	133.7	132.6	0.2	0.1	1.3	1.0
Labour Force ('000)	87.3	88.9	85.5	-1.6	-1.8	1.8	2.1
Employment ('000)	78.9	77.8	75.5	1.1	1.4	3.4	4.5
Full-Time ('000)	65.2	64.5	61.8	0.7	1.1	3.4	5.5
Part-Time ('000)	13.7	13.3	13.7	0.4	3.0	0.0	0.0
Unemployment ('000)	8.4	11.1	10.0	-2.7	-24.3	-1.6	-16.0
Unemployment Rate (%)	9.6	12.5	11.7	-2.9	-	-2.1	-
Participation Rate (%)	65.2	66.5	64.5	-1.3	-	0.7	-
Employment Rate (%)	58.9	58.2	56.9	0.7	-	2.0	-

Note: Totals may not add due to rounding

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

The labour force contraction in July was in the order of 1,600 persons driven by fewer women of the core-aged cohort (25-54 years of age) participating in the labour market. Compounding this was a relatively slight decrease in the number of men in the labour force that month as well, comprised mostly of older workers (55 years and over). Despite this, the number of men in the labour force in July was on par with its pre-pandemic levels across all major age categories, while recovery remains slower for women: with labour force participation just 88% of its pre-pandemic level for older workers, 95% for youths (15-24 years), and 96% for core-aged workers.

The Island’s employment base totalled 78,900 in July 2021, and has regained 9,000 of the nearly 12,000 positions lost at the onset of the pandemic. There were gains in both full-time and part-time employment in the most recent month with men having accounted for the entire gain in full-time opportunities (attributed to both the youths and older worker cohorts); while women accounted for the entire gain in part-time jobs – the majority from the core-aged cohort.



The recovery to date has not been even among gender and age groups. As of July 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 91% of their February pre-COVID level recovered). By contrast, progress has been relatively slower for women, especially for the older worker cohort. Overall, the level of female employment in May 2021 is 95% of what it was prior to the pandemic with women in the core-aged group having recovered 97% of their February pre-COVID level. For female youths, however, a considerable uptick in monthly employment in July 2021 (+14%) increased employment to its pre-pandemic level (the first time this occurred since the pandemic began).

Unemployment in the province declined considerably in July, by 24% from the previous month. This decline was the result of more employment relative to fewer people participating in the labour force in the most recent month. 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.

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

Seasonally Adjusted Data	July 2021	June 2021	July 2020	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	9.6	12.5	11.7	-2.9	-2.1
<b>25 years and over</b>	9.1	11.6	10.0	-2.5	-0.9
Men - 25 years and over	10.4	12.2	9.2	-1.8	1.2
Women - 25 years and over	7.6	11.0	10.9	-3.4	-3.3
<b>15 to 24 years</b>	12.3	17.0	20.4	-4.7	-8.1
Men - 15 to 24 years	17.1	17.8	23.3	-0.7	-6.2
Women - 15 to 24 years	5.8	16.2	15.6	-10.4	-9.8

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

The Island's participation rate in July, at 65.2%, was 1.3 percentage points lower than it was during the previous month. June recorded the highest rate of labour force participation (66.5%) since the onset of the pandemic (i.e. 67.5% in February 2020). Proportionately, there were fewer male older workers and female core-aged workers available and actively seeking employment in July relative to the previous month. Overall, the Island's participation rate matched the national average in the most recent month, and continues to exceed its Atlantic counterparts.

## EMPLOYMENT BY INDUSTRY

The increased level of employment in July 2021 was concentrated largely in the **services-producing sector** (+1.5%), attributed to strong growth in the **business, building and other support services** industry; and to a lesser extent, **accommodation and food services** industry. **Goods-sector** employment increased slightly, attributed largely to the **forestry, fishing, mining, quarrying, oil and gas** industry; but offset in part by declines in **agriculture** and **construction** industries.

Despite the drop in employment in the **construction** industry in the most recent month, 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 June 2021, the number of new single dwelling housing starts are up considerably on a year-to-date basis, complemented by a

90% rise in the value of residential building permits. Non-residential permits are up by 156% in the first half of this year compared to the same period in 2020.

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

Seasonally Data ('000)	Adjusted	July 2021	June 2021	July 2020	Monthly Variation		Yearly Variation	
					Number	%	Number	%
<b>Total employed, all industries</b>		78.9	77.8	75.5	1.1	1.4	3.4	4.5
<b>Goods-producing sector</b>		18.3	18.1	19.5	0.2	1.1	-1.2	-6.2
Agriculture		3.0	3.8	3.7	-0.8	-21.1	-0.7	-18.9
Forestry, fishing, mining, quarrying, oil and gas		3.0	2.3	1.8	0.7	30.4	1.2	66.7
Utilities		0.6	0.3	0.3	0.3	100.0	0.3	100.0
Construction		5.2	5.5	6.8	-0.3	-5.5	-1.6	-23.5
Manufacturing		6.5	6.2	6.9	0.3	4.8	-0.4	-5.8
<b>Services-producing sector</b>		60.6	59.7	56.0	0.9	1.5	4.6	8.2
Trade		12.4	12.4	10.8	0.0	0.0	1.6	14.8
Transportation and warehousing		2.0	2.1	2.4	-0.1	-4.8	-0.4	-16.7
Finance, insurance, real estate and leasing		2.8	2.7	3.1	0.1	3.7	-0.3	-9.7
Professional, scientific and technical services		4.3	4.5	4.4	-0.2	-4.4	-0.1	-2.3
Business, building and other support services		2.5	1.6	1.4	0.9	56.3	1.1	78.6
Educational services		6.5	6.6	5.5	-0.1	-1.5	1.0	18.2
Health care and social assistance		11.8	11.5	11.4	0.3	2.6	0.4	3.5
Information, culture and recreation		2.5	2.5	2.4	0.0	0.0	0.1	4.2
Accommodation and food services		4.7	4.1	3.2	0.6	14.6	1.5	46.9
Other services		3.2	3.2	3.5	0.0	0.0	-0.3	-8.6
Public administration		8.0	8.3	8.0	-0.3	-3.6	0.0	0.0

*Note: Totals may not add due to rounding*

*Source: Statistics Canada Labour Force Survey – Table 14-10-0355*

Employment in the **accommodation and food services** industry increased by 15% in July, and continues its slow recovery toward pre-pandemic levels. Prospects for the industry, and the provincial economy overall, remain positive given implementation of the provincial government's 5-step provincial reopening plan over the Summer/Fall period. The first step was put in effect on 6 June, which increased personal gathering size and restaurant capacity; and the second step, on 27 June, allowing travel within the region as well as domestic travel outside the region (subject to pre-travel approval and shortened isolation and testing). However, at this time, rising COVID-19 cases in the other Atlantic Provinces and subsequent re-instatement of a State of Emergency in Nova Scotia (effective August 9) are potential risk factors that could affect the pace of recovery in this industry.

**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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**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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