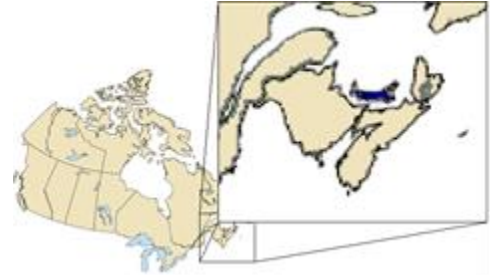




# Labour Market Bulletin

## Prince Edward Island



August 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. The labour force in August is just shy of its record level achieved in June 2021 (matching its February 2020 pre-pandemic level), while there was little change in employment in the most recent month. With more people available and looking for work and fewer jobs available, the level of unemployment in the province rose. The unemployment rate in P.E.I. increased by 1 percentage point to 10.6% in August. The cluster of people not participating in the labour force declined in the most recent month and remains about 8% higher than prior to the pandemic. This means the labour market has yet to fully correct for the COVID-induced shock felt in the spring of 2020.

Prince Edward Island Monthly Labour Force Statistics

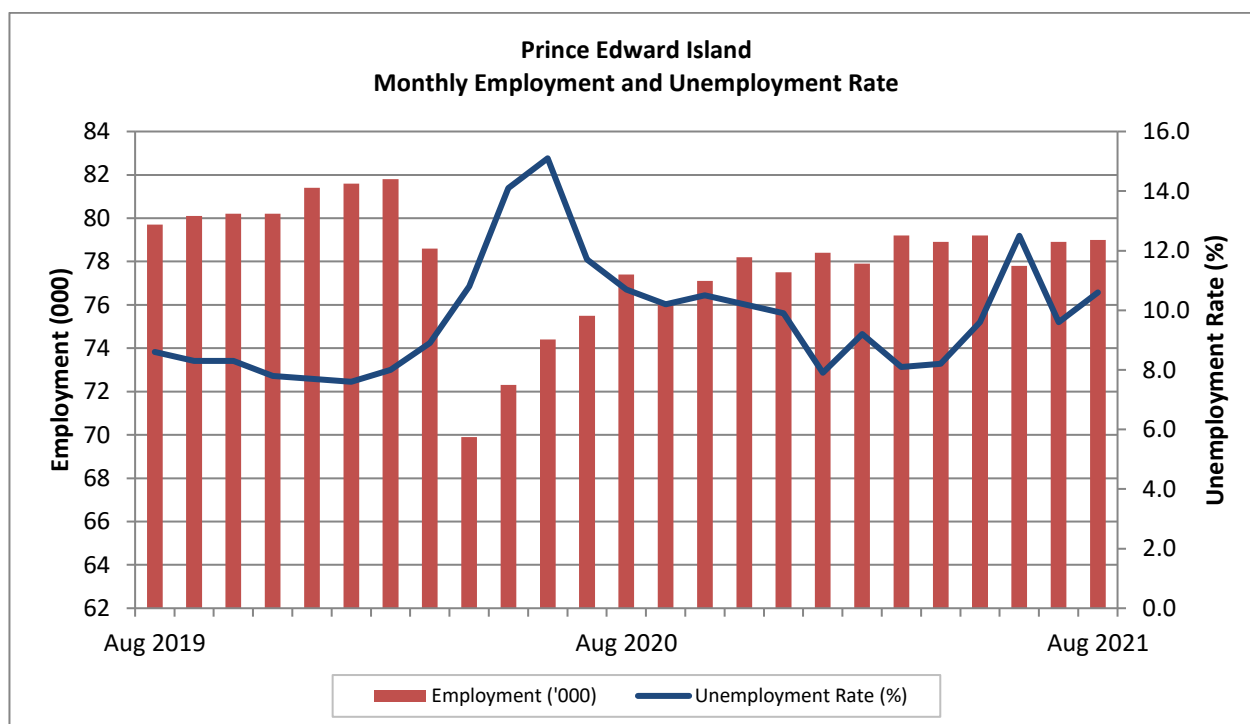
Seasonally Adjusted Monthly Data	Aug 2021	July 2021	Aug 2020	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	134.6	133.9	132.7	0.7	0.5	1.9	1.4
Labour Force ('000)	88.4	87.3	86.7	1.1	1.3	1.7	2.0
Employment ('000)	79.0	78.9	77.4	0.1	0.1	1.6	2.1
Full-Time ('000)	66.7	65.2	64.2	1.5	2.3	2.5	3.9
Part-Time ('000)	12.3	13.7	13.1	-1.4	-10.2	-0.8	-6.1
Unemployment ('000)	9.4	8.4	9.3	1.0	11.9	0.1	1.1
Unemployment Rate (%)	10.6	9.6	10.7	1.0	-	-0.1	-
Participation Rate (%)	65.7	65.2	65.3	0.5	-	0.4	-
Employment Rate (%)	58.7	58.9	58.3	-0.2	-	0.4	-

Note: Totals may not add due to rounding

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

The labour force increase in August was in the order of 1,100 persons driven entirely by more men participating in the labour market. Each of the male age groupings experienced higher monthly labour force counts, however, the majority of which was in the core-aged cohort (25-54 years of age). 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 87% of its pre-pandemic level for older workers, 94% for youths (15-24 years), and 95% for core-aged workers.

The Island’s employment base totalled 79,000 in August 2021, and has regained 9,000 of the nearly 12,000 positions lost at the onset of the pandemic - noting that employment was at a record high in February 2020, at 81,800. Again, the small monthly gain in employment was attributed to men of the core-aged group.



The employment recovery to date has not been even among gender and age groups. As of August 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 93% 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 94% of what it was prior to the pandemic with women in the core-aged group having recovered 98% of their February pre-COVID level. Female youth employment in the most recent month is 91% of its pre-pandemic level; and for older worker females, recovery is in the order of 85%.

Unemployment in the province increased to 9,400 persons in August, up by 12% from the previous month. This increase was the result of more people seeking work relative to available jobs in the most recent month. The Island’s unemployment rate remains 2.6 percentage points higher than it was at the dawn of the pandemic.

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

Seasonally Adjusted Data	Aug 2021	July 2021	Aug 2020	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
<b>Total</b>	10.6	9.6	10.7	1.0	-0.1
<b>25 years and over</b>	9.5	9.1	9.5	0.4	0.0
Men - 25 years and over	11.9	10.4	9.3	1.5	2.6
Women - 25 years and over	6.7	7.6	9.7	-0.9	-3.0
<b>15 to 24 years</b>	15.8	12.3	17.3	3.5	-1.5
Men - 15 to 24 years	17.9	17.1	23.3	0.8	-5.4
Women - 15 to 24 years	13.2	5.8	10.6	7.4	2.6

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

The Island's participation rate in August, at 65.7%, was 0.5 of a percentage point higher than it was during the previous month. June 2021 recorded the highest rate of labour force participation (66.5%) since the onset of the pandemic (i.e. 67.5% in February 2020). Overall, the Island's participation rate exceeded the national average in the most recent month.

## EMPLOYMENT BY INDUSTRY

Although there was little change in the overall level of employment in August, compared to the previous month, there were noticeable changes at the industry level. In the goods-producing sector, **agriculture** experienced the largest monthly gain while a near equal contraction in the **forestry, fishing, mining, quarrying, oil and gas** industry largely offset the gain. Both industries were about on par with their respective employment levels a year earlier. Although there was little change in **construction** in the latest month, the number employed is down by 12% on a year-to-date basis.

With respect to the service sector, the **wholesale and retail sales** industry experienced a considerable monthly contraction in August, while a respectable gain in **transportation and warehousing** employment helped offset the loss. Although there was little change in monthly employment in the **accommodation and food services** industry, employment is up by 21% year-to date. Despite this improvement, employment levels have yet to recover from the devastating impact of the pandemic – with employment in August about 76% of its February 2020 pre-pandemic level.

Despite the lower levels in construction 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 June 2021, the number of new single dwelling housing starts are up considerably on a year-to-date basis (+86%), complemented by a 56% rise in the value of residential building permits. Non-residential permits are up by 112% in the seven months of 2021 compared to the same period in 2020. The industry continues to struggle with labour shortages in light of strong construction activity. The year-to-date decline in construction employment reflects fewer workers in both the 15-29 age range and the 25-44 age range. Compounding these losses are more retirement-aged workers (55+) having left the industry year-to-date.

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

Seasonally Data ('000)	Adjusted	Aug 2021	July 2021	Aug 2020	Monthly Variation		Yearly Variation	
					Number	%	Number	%
<b>Total employed, all industries</b>		79.0	78.9	77.4	0.1	0.1	1.6	2.1
<b>Goods-producing sector</b>		18.3	18.3	19.9	0.0	0.0	-1.6	-8.0
Agriculture		3.8	3.0	3.9	0.8	26.7	-0.1	-2.6
Forestry, fishing, mining, quarrying, oil and gas		2.3	3.0	2.3	-0.7	-23.3	0.0	0.0
Utilities		0.5	0.6	0.3	-0.1	-16.7	0.2	66.7
Construction		5.1	5.2	6.6	-0.1	-1.9	-1.5	-22.7
Manufacturing		6.6	6.5	6.8	0.1	1.5	-0.2	-2.9
<b>Services-producing sector</b>		60.7	60.6	57.5	0.1	0.2	3.2	5.6
Trade		11.5	12.4	11.3	-0.9	-7.3	0.2	1.8
Transportation and warehousing		2.5	2.0	2.5	0.5	25.0	0.0	0.0
Finance, insurance, real estate and leasing		2.7	2.8	3.1	-0.1	-3.6	-0.4	-12.9
Professional, scientific and technical services		4.4	4.3	4.8	0.1	2.3	-0.4	-8.3
Business, building and other support services		2.6	2.5	1.4	0.1	4.0	1.2	85.7
Educational services		6.6	6.5	5.8	0.1	1.5	0.8	13.8
Health care and social assistance		11.9	11.8	11.5	0.1	0.8	0.4	3.5
Information, culture and recreation		2.4	2.5	1.9	-0.1	-4.0	0.5	26.3
Accommodation and food services		4.7	4.7	3.9	0.0	0.0	0.8	20.5
Other services		3.3	3.2	3.4	0.1	3.1	-0.1	-2.9
Public administration		8.1	8.0	8.0	0.1	1.3	0.1	1.3

Note: Totals may not add due to rounding

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

The **transportation and warehousing** industry is supported by strong construction and manufacturing activity, and to a lesser extent, by some recovery in the Island's tourism market this year. Manufacturing shipments are up by 8.4% on a year-to-date basis, for the first half of the year, driven entirely by non-durable processing (i.e. food manufacturing). The industry's reliance on food processing has been a bright spot for the provincial economy throughout the pandemic, particularly for seafood, and continues to be – evidenced by strong export values year-to-date. Export values for aerospace-related manufactured goods, as well as industrial machinery, are also higher.

Despite a considerable monthly contraction in **wholesale and retail trade** employment in August, retail spending in the province is up by 27% for the first six months of 2021 relative to the same period in 2020 (the value of retail spending during the pandemic year reached a record \$2.535 billion). Motor vehicle sales are driving growth in retail spending, with new vehicle sales up by 63% (and sales volume up 50%) relative to the first six months of last year. Sales are also considerably higher at building material and garden equipment stores; as well as gasoline stations, which is largely influenced by higher prices for building materials/supplies and pump prices. Wholesale and retail trade employment totaled 11,500 in August 2021, having recovered 97% of its February pre-pandemic level.

Employment in the **accommodation and food services** industry was unchanged from the previous month – which, in July, experienced 15% growth in jobs. The industry continues its slow recovery toward pre-pandemic levels, and has benefited in recent months from implementation of the provincial government’s 5-step provincial reopening plan for the Summer/Fall period. The plan has allowed for increased personal gathering sizes and restaurant capacity; and expanded travel within the region as well as domestic travel outside Atlantic Canada (subject to pre-travel approval and shortened isolation and testing).

***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](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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