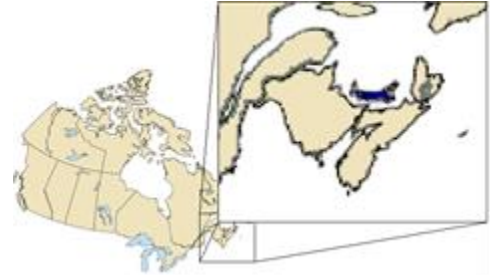




# Labour Market Bulletin

## Prince Edward Island



September 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 continue to improve from the lingering effects of COVID-19 with quarterly labour force levels having reached a record 88,400 persons and employment in Q3 2021 increasing for the fifth consecutive quarter. Despite this optimism, recovery in the province continues to be slow with employment in the most recent quarter still just shy of pre-pandemic levels. With more people available and looking for work relative to the number of jobs secured, unemployment in the province rose. The unemployment rate in P.E.I. rose by 0.4 of a percentage point to average 10.5% in the most recent quarter. This compares to a pandemic-high of 13.3% rate recorded in Q2 2020 (the quarter in which the initial impact of the coronavirus pandemic was felt). The Q3 2021 increase in the Island's labour force helped lift the participation rate to near its pre-pandemic level.

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

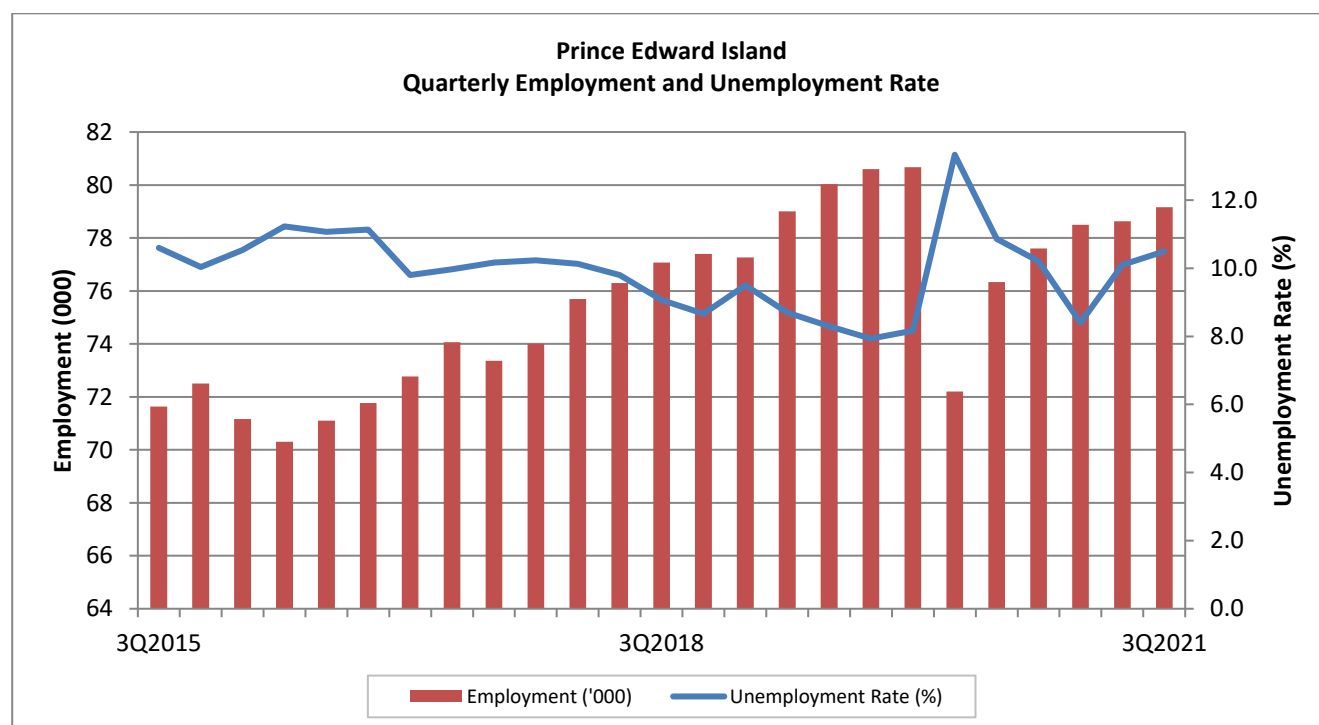
Seasonally Adjusted Quarterly Data	3rd Quarter 2021	2nd Quarter 2021	3rd Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	134.6	133.6	132.7	1.0	0.7	1.9	1.4
<b>Labour Force ('000)</b>	88.4	87.4	85.6	1.0	1.1	2.8	3.3
<b>Employment ('000)</b>	79.2	78.6	76.3	0.6	0.8	2.9	3.8
Full-Time ('000)	66.5	65.6	63.1	0.9	1.4	3.4	5.4
Part-Time ('000)	12.7	13.1	13.2	-0.4	-3.1	-0.5	-3.8
<b>Unemployment ('000)</b>	9.3	8.8	9.3	0.5	5.7	0.0	0.0
<b>Unemployment Rate (%)</b>	10.5	10.1	10.9	0.4	-	-0.4	-
<b>Participation Rate (%)</b>	65.7	65.5	64.5	0.2	-	1.2	-
<b>Employment Rate (%)</b>	58.8	58.9	57.5	-0.1	-	1.3	-

Note: Totals may not add due to rounding

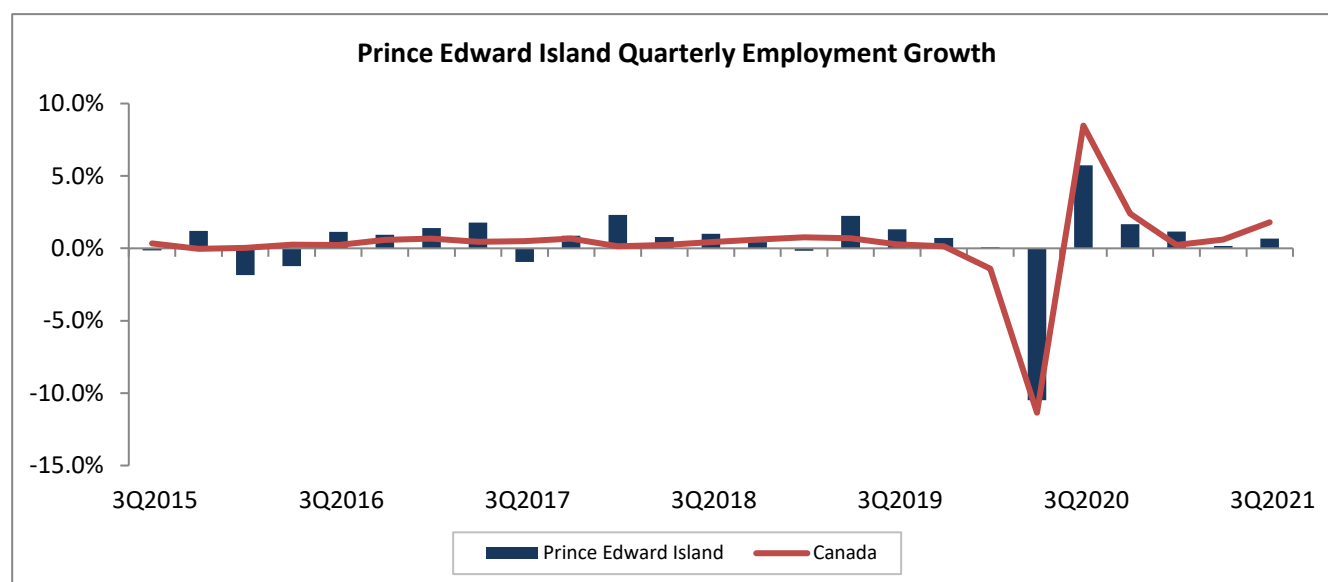
Source: Statistics Canada Labour Force Survey – Table 14-10-0287

The labour force gain in Q3 2021 was in the order of 1,000 persons driven entirely by more men participating in the labour market. Higher quarterly labour force counts were recorded for men in both the youth (15-24 years of age) and core-aged (25-54 years of age) groupings, while the number of male older workers (55 years and over) contracted slightly. To date, the number of men in the labour force exceeds its pre-pandemic levels across all major age categories. By contrast, recovery remains relatively slower for women – particularly older workers whose labour force presence is just 87% of its pre-pandemic level. Both the female youths and core-aged workers reached 100% of their respective pre-covid labour force levels in Q3 2021; it was the first quarter this occurred for youths.

The Island’s employment base totalled 79,200 in Q3 2021 and remains close to fully recovering its pandemic-induced loss experienced in Q2 2020. Although the province has consistently been gaining ground with respect to its employment recovery, progress has been slow among the hardest-hit industries – particularly in accommodations and food services, as well as other services.



The employment recovery to date has not been even among gender and age groups however the gap is narrowing. As of Q3 2021, employment levels for men in the core-aged group and among the older worker cohort are at par with what they were in Q2 2020 – and have been since the beginning of 2021, while employment among male youth is at 97% of the pre-COVID level. Progress has lagged for women overall in prior quarters, but notable gains were made this quarter. The level of female employment in Q3 2021 is 97% of its pre-pandemic level (compared to 94% in the previous quarter). Female youths and those in the core-aged group are both at par with their pre-pandemic levels; however, for older worker females, recovery remains stale, with employment at 85% of what it was prior to COVID-19.



Unemployment in the province increased to 9,300 persons in Q3 2021, up by 5.7% from the previous quarter. This increase was the result of more people seeking work relative to available jobs in the most recent quarter which, in turn indicates growing optimism about labour market prospects in the province as the post-pandemic recovery continues. At 10.5%, the Island's unemployment rate remains 2.3 percentage points higher than it was at the onset of the pandemic, in Q1 2020.

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

Seasonally Adjusted Data	3rd Quarter 2021 %	2nd Quarter 2021 %	3rd Quarter 2020 %	Quarterly Variation (% points)	Yearly Variation (% points)
<b>Total</b>	10.5	10.1	10.9	0.4	-0.4
<b>25 years and over</b>	9.6	9.4	9.7	0.2	-0.1
Men - 25 years and over	12.0	9.9	9.3	2.1	2.7
Women - 25 years and over	6.7	8.8	10.1	-2.1	-3.4
<b>15 to 24 years</b>	15.0	13.5	17.5	1.5	-2.5
Men - 15 to 24 years	17.2	12.9	22.8	4.3	-5.6
Women - 15 to 24 years	12.0	14.7	10.7	-2.7	1.3

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

The Island's participation rate rose slightly in Q3 2021, from the previous quarter, to 65.7%, which is the highest quarterly average since Q1 2020. Proportionately, this was attributed largely to higher participation among youths, with the largest percentage gain attributed to male youths (+6.3 percentage points). Furthermore, the participation rate for male youths, at 70.6%, was the highest in the country in September 2021. Overall, the Island's participation rate in the most recent quarter has yet to match its Q1 2020 pre-pandemic level (at 67.5%).

## EMPLOYMENT BY INDUSTRY

The level of employment in Q3 2021 was marginally higher than it was in the previous quarter, but up by 3.8% compared to the same July-September period a year ago (a period of time when pandemic restrictions eased following the initial lockdown in Q2 2020). Despite little movement in overall employment, there were considerable changes to employment at the industry level within both the **goods-producing** and **services-producing** sectors.

In the **goods-producing** sector, the **construction** industry experienced the most notable quarterly change in employment, having contracted by 11.7%. Among **services-producing** industries, strong employment gains in Q3 2021 of 20% and 36.8% in **accommodation and food services** and **business, building and other support services** industries, respectfully, helped offset the contraction in employment in the **goods-producing** sector.

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

Seasonally Adjusted Data ('000)	3rd Quarter 2021	2nd Quarter 2021	3rd Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	79.2	78.6	76.3	0.6	0.8	2.9	3.8
<b>Goods-producing sector</b>	18.3	18.7	19.7	-0.4	-2.1	-1.4	-7.1
Agriculture	3.3	3.6	3.7	-0.3	-8.3	-0.4	-10.8
Forestry, fishing, mining, quarrying, oil and gas	2.5	2.5	2.0	0.0	0.0	0.5	25.0
Utilities	0.5	0.3	0.3	0.2	66.7	0.2	66.7
Construction	5.3	6.0	6.7	-0.7	-11.7	-1.4	-20.9
Manufacturing	6.7	6.4	7.0	0.3	4.7	-0.3	-4.3
<b>Services-producing sector</b>	60.9	59.9	56.6	1.0	1.7	4.3	7.6
Trade	11.8	11.7	10.8	0.1	0.9	1.0	9.3
Transportation and warehousing	2.4	2.4	2.5	0.0	0.0	-0.1	-4.0
Finance, insurance, real estate and leasing	2.7	2.8	3.0	-0.1	-3.6	-0.3	-10.0
Professional, scientific and technical services	4.4	4.5	4.5	-0.1	-2.2	-0.1	-2.2
Business, building and other support services	2.6	1.9	1.5	0.7	36.8	1.1	73.3
Educational services	6.4	6.6	5.7	-0.2	-3.0	0.7	12.3
Health care and social assistance	11.8	11.4	11.2	0.4	3.5	0.6	5.4
Information, culture and recreation	2.4	2.6	2.1	-0.2	-7.7	0.3	14.3
Accommodation and food services	4.8	4.0	3.8	0.8	20.0	1.0	26.3
Other services	3.3	3.2	3.4	0.1	3.1	-0.1	-2.9
Public administration	8.4	8.7	8.2	-0.3	-3.4	0.2	2.4

Note: Totals may not add due to rounding

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

Despite the lower levels in **construction industry** 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; 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 August 2021, the number of new single dwelling housing starts are up considerably on a year-to-date basis (+103%), complemented by a 47% rise in the value of residential building permits. Non-residential permits are up by 66% in the first eight months of 2021 compared to the same period in 2020. However, the industry continues to struggle with labour shortages in light of strong construction activity. The year-over-year decline in construction employment reflects fewer workers in both the 15-24 age range and the 45-64 age range.

Employment in the **accommodation and food services** industry in Q3 2021 fully rebounded from a 16% contraction experienced in the previous quarter, but remains furthest from recovery to pre-pandemic levels when compared to other services-producing industries. The industry's employment base has lingered around 84% of its pre-pandemic level since the beginning of 2021, but is a considerable improvement from what it was during the same quarter a year ago (68%). The industry has benefitted from implementation of the provincial government's 5-step Moving Forward plan for the Summer/Fall 2021 period. However, at the time of writing, the plan has been not progressed to its fifth and final step due to the emergence of a fourth wave and rising case COVID-19 counts in and around the region, and across the country.

The **business, building and other support services** industry includes businesses that provide support services for the day-to-day operations of businesses. Building services group includes occupations related to janitorial as well as services associated with waste and remediation services (i.e. garbage collection and recycling). The quarterly employment growth in this industry may be by some measure reflective of increased sanitization requirements across all industries in response to the emergence of a fourth wave during this Q3 2021 period.

***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)

© Her Majesty the Queen in Right of Canada as represented by Employment and Social Development Canada, 2021, all rights reserved