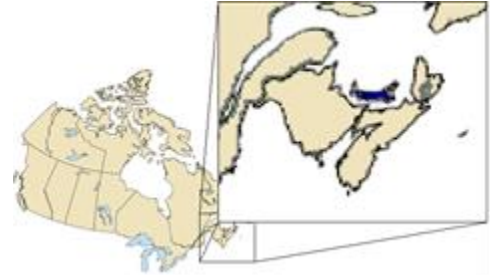




Labour Market Bulletin

Prince Edward Island



December 2021

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

OVERVIEW

Prince Edward Island's labour market continues to be resilient in its recovery from the lingering effects of COVID-19. In the fourth quarter of 2021 (Q4), the Island's labour force and employment bases reached record (quarterly) levels, at 89,500 and 82,100 respectively, and both having surpassed their pre-pandemic Q1 2020 levels. Although full-time employment in the province remains just short of fully recovering its pandemic-induced job losses, the number of persons working part-time also hit a record-high in Q4 2021. The number of people who have not yet returned to the labour force since leaving at the onset of the pandemic remains elevated, though it has been trending downward in recent quarters. This has helped support the Island's participation rate, which remained elevated at 65.9% in the most recent quarter, exceeding the national average. The unemployment rate averaged 8.3% in Q4 2021, which is down by 2.2 percentage points (pp) from the previous quarter, and on par with its Q1 2020 pre-pandemic level.

Prince Edward Island Quarterly Employed Labour Force, by Industry

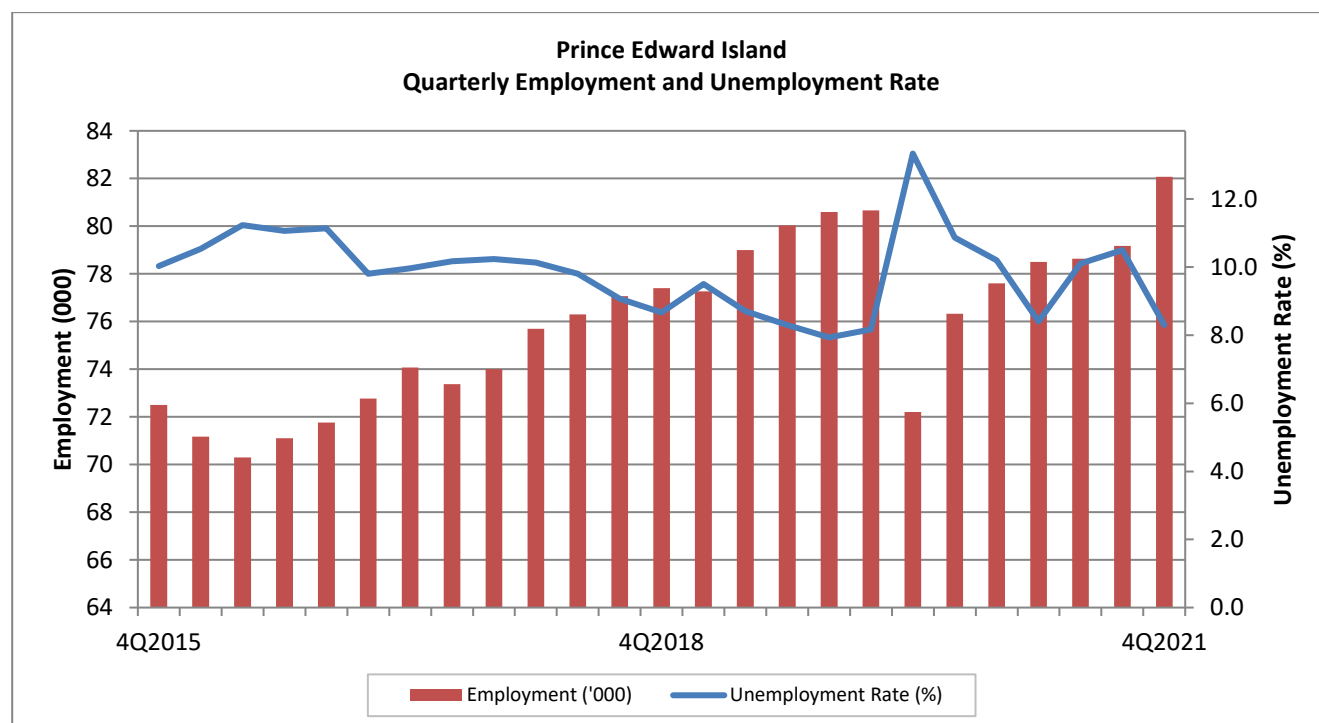
Seasonally Adjusted Quarterly Data	4th Quarter 2021	3rd Quarter 2021	4th Quarter 2020	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	136.0	134.6	133.0	1.4	1.0	3.0	2.3
Labour Force ('000)	89.5	88.4	86.4	1.1	1.2	3.1	3.6
Employment ('000)	82.1	79.2	77.6	2.9	3.7	4.5	5.8
Full-Time ('000)	68.3	66.5	65.4	1.8	2.7	2.9	4.4
Part-Time ('000)	13.8	12.7	12.2	1.1	8.7	1.6	13.1
Unemployment ('000)	7.4	9.3	8.8	-1.9	-20.4	-1.4	-15.9
Unemployment Rate (%)	8.3	10.5	10.2	-2.2	-	-1.9	-
Participation Rate (%)	65.9	65.7	65.0	0.2	-	0.9	-
Employment Rate (%)	60.4	58.8	58.3	1.6	-	2.1	-

Note: Totals may not add due to rounding

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

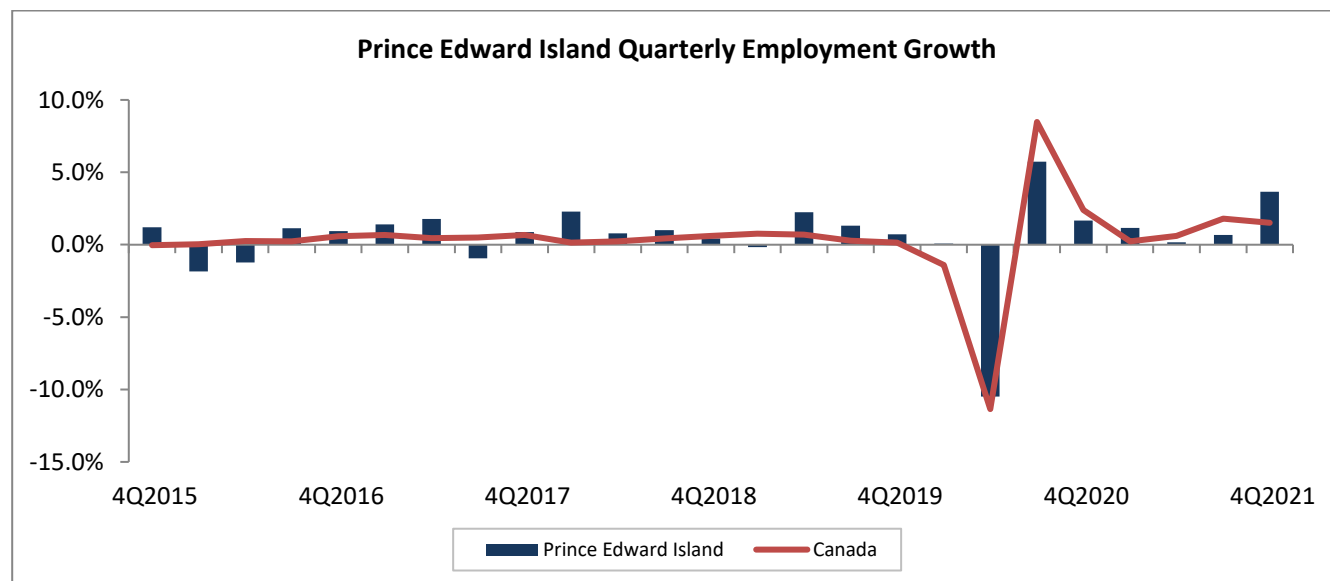
The labour force in Q4 2021 increased by 1.2% from the previous quarter. For 2021 as a whole, the labour force increased by 2.3% over 2020, and was 1.3% higher relative to 2019, pre-pandemic. The vast majority of the labour force growth in Q4 2021 is attributed to more men participating in the labour market relative to the previous quarter, particularly youths (15-24 years) and, to a lesser extent, those belonging to the core-aged cohort (25-54 years of age). For women, there were slightly fewer active participants in the labour force quarter-over-quarter. Among women, although notably fewer youth (15-24 years) participated in the labour market in the most recent quarter, participation grew for both the core-aged and older (55+ years) groupings.

To date, the number of men in the labour force exceeds its pre-pandemic levels across all major age categories. By contrast, the recovery remains slower for women: with labour force participation at just 88% of its Q1 2020 pre-pandemic level for older workers and 91% for youths. The number of core-aged females is on par with its pre-pandemic labour force base.



The number of people not participating in the labour force in Q4 2021 rose slightly from the previous quarter, and to a level that remains 5.6% higher than what it was in Q1 2020, just before the pandemic. This suggests that the Island’s labour market has yet to fully reverse the COVID-induced effect from early 2020. For 2021 overall, the number of people not participating in the labour force averaged 46,600, which compares to the pre-pandemic figure of 43,600. This means that there remains an additional 3,000 persons, on average, who had some form of labour market attachment prior to the pandemic, but continue to remain unattached (i.e. either not seeking or available to work) as the economy continues to recover. Approximately 3 in 4 persons who remain unattached belong to the older worker cohort and the vast majority of which are female.

The Island's employment base reached a quarterly record of 82,100 in the fourth quarter, well above the previous pre-pandemic record of 80,700 in Q1 2020. On an annual basis, Island employment in 2021 is slightly above what it was in 2019, and is up 3.8% over 2020, indicating that economic recovery continues to gain momentum – supported by increasing vaccination rates and easing of public health restrictions.



The employment recovery to date has been uneven among gender and age groups. As of Q4 2021, employment levels for men in all major age categories are above what they were in Q1 2020. Progress continues to lag for women – particularly for the older worker cohort and to a lesser degree, youths. Overall, the level of female employment in the most recent quarter is 97.5% of what it was prior to the pandemic, with the core-aged group the only major age category having fully recovered their Q1 2020 pre-COVID employment level.

The level of full-time employment in the province increased by 2.7% in the most recent quarter, bringing levels on par with what they were just prior to the pandemic in Q1 2020. In contrast, part-time employment remains well above pre-pandemic levels. The vast majority of the additional 1,100 part-time jobs in Q4 2021 was attributed to more men working, especially youths.

Unemployment in the province decreased to 7,400 persons in the most recent quarter, down 20% from the previous quarter. This decline was the result of more people finding employment relative to the increase in the number of people actively seeking work. The Island's unemployment rate, at 8.3% in Q4 2021, is on par with what it was in Q1 2020, at the dawn of the pandemic.

Prince Edward Island Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	4th Quarter 2021 %	3rd Quarter 2021 %	4th Quarter 2020 %	Quarterly Variation (% points)	Yearly Variation (% points)
Total	8.3	10.5	10.2	-2.2	-1.9
25 years and over	7.6	9.6	8.7	-2.0	-1.1
Men - 25 years and over	9.3	12.0	8.9	-2.7	0.4
Women - 25 years and over	5.6	6.7	8.8	-1.1	-3.2
15 to 24 years	11.6	15.0	17.8	-3.4	-6.2
Men - 15 to 24 years	14.3	17.2	20.2	-2.9	-5.9
Women - 15 to 24 years	7.6	12.0	14.4	-4.4	-6.8

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

The Island's participation rate in Q4 2021, at 65.9%, increased slightly from the previous quarter, and remains nearly a percentage point lower compared to its Q1 2020 pre-pandemic rate. Growth in the labour force in the most recent quarter helped P.E.I.'s participation rate surpass the national average and rank among the highest in the country. Further to this, and interesting to note: the December 2021 participation rates for Island males in both the youths and older worker age categories were highest in the country.

EMPLOYMENT BY INDUSTRY

Employment growth in Q4 2021 was concentrated largely in the goods-producing sector – particularly in **manufacturing** and to a lesser extent, in **construction** and **agriculture**. Employment in the services-sector also increased but by a relatively modest rate with notable employment gains in **information, culture and recreation** and **public administration**. The **accommodation and food services** industry in the province continues to recover although progress has been slow.

The quarterly employment gain in P.E.I.'s **manufacturing** industry reflects increased shipment values of manufactured products throughout the 2021 period, relative to the 2020 pandemic year. Indeed, shipment values for non-durable goods – particularly seafood products – have increased considerably in the first three quarters of the year (+18%), and is a key driver supporting growth in manufacturing activity to date. Furthermore, export values of both processed and fresh seafood are up considerably year-to-date, as are certain durable exports, like manufactured industrial machinery products.

The level of employment in the Island's **construction** industry in 2021 averaged 6,000 workers which is 7% below what it was in 2019, before the pandemic. Despite the lower levels in 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.

Prince Edward Island Quarterly Employed Labour Force, by Industry

Seasonally Data ('000)	Adjusted	4th Quarter 2021	3rd Quarter 2021	4th Quarter 2020	Quarterly Variation		Yearly Variation	
					Number	%	Number	%
Total employed, all industries		82.1	79.2	77.6	2.9	3.7	4.5	5.8
Goods-producing sector		20.9	18.3	19.3	2.6	14.2	1.6	8.3
Agriculture		4.0	3.3	3.4	0.7	21.2	0.6	17.6
Forestry, fishing, mining, quarrying, oil and gas		2.0	2.5	2.4	-0.5	-20.0	-0.4	-16.7
Utilities		0.4	0.5	0.2	-0.1	-20.0	0.2	100.0
Construction		6.2	5.3	6.2	0.9	17.0	0.0	0.0
Manufacturing		8.3	6.7	7.0	1.6	23.9	1.3	18.6
Services-producing sector		61.2	60.9	58.3	0.3	0.5	2.9	5.0
Trade		11.5	11.8	10.3	-0.3	-2.5	1.2	11.7
Transportation and warehousing		2.3	2.4	2.7	-0.1	-4.2	-0.4	-14.8
Finance, insurance, real estate and leasing		2.5	2.7	2.9	-0.2	-7.4	-0.4	-13.8
Professional, scientific and technical services		4.7	4.4	4.4	0.3	6.8	0.3	6.8
Business, building and other support services		2.0	2.6	2.4	-0.6	-23.1	-0.4	-16.7
Educational services		5.9	6.4	5.8	-0.5	-7.8	0.1	1.7
Health care and social assistance		12.0	11.8	11.2	0.2	1.7	0.8	7.1
Information, culture and recreation		2.9	2.4	2.4	0.5	20.8	0.5	20.8
Accommodation and food services		4.9	4.8	5.1	0.1	2.1	-0.2	-3.9
Other services		3.3	3.3	2.6	0.0	0.0	0.7	26.9
Public administration		9.1	8.4	8.5	0.7	8.3	0.6	7.1

Note: Totals may not add due to rounding

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

The level of employment in the **accommodation and food services (AFS)** industry in 2021 averaged 4,600 persons, and remains well below its pre-pandemic level (-23.5%), when compared to 2019. Despite its slow recovery, the industry did manage to recoup some of its pandemic-induced losses during this 2021 tourist season thanks to the implementation of the provincial government's reopening plan for the Summer/Fall periods. The plan allowed for increased personal gathering sizes and restaurant capacity; and expanded travel within the region as well as domestic travel outside Atlantic Canada. According to provincial tourism statistics between April and October 2021, considerable year-over-year gains were experienced in tourist traffic, by way of air and ferry services; as well as motorcoach traffic during this period. Visitation at certain national parks and golf courses also surged.

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

For information on the Labour Force Survey, please visit the Statistics Canada Web site at: www.statcan.gc.ca

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