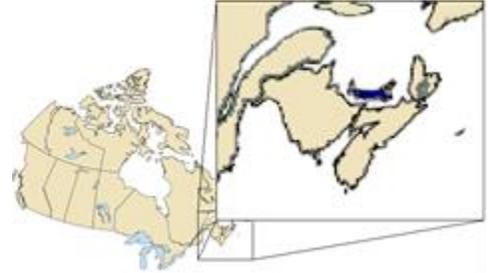




Labour Market Bulletin

Prince Edward Island

July 2022



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

OVERVIEW

The Prince Edward Island labour market experienced somewhat of a correction in July 2022 from the previous month when, in June, employment reached a record high and the unemployment rate was the lowest on record. Both the Island's labour force and employment base contracted in July and the unemployment rate rose by nearly a percentage point to 5.7%. Despite this gain in the jobless rate, it remains considerably lower than the typical norm of 9.4% in the few years preceding the pandemic. The low unemployment rate in July may appear as a bright spot, but it should be noted that there was a considerable increase in the number of people that left the labour force altogether in the most recent month. This served to temper growth in the unemployment rate that resulted from fewer people having been employed in July. The Island's participation rate dropped by 1.4 percentage points to 64.5% in the most recent month.

Prince Edward Island Monthly Labour Force Statistics

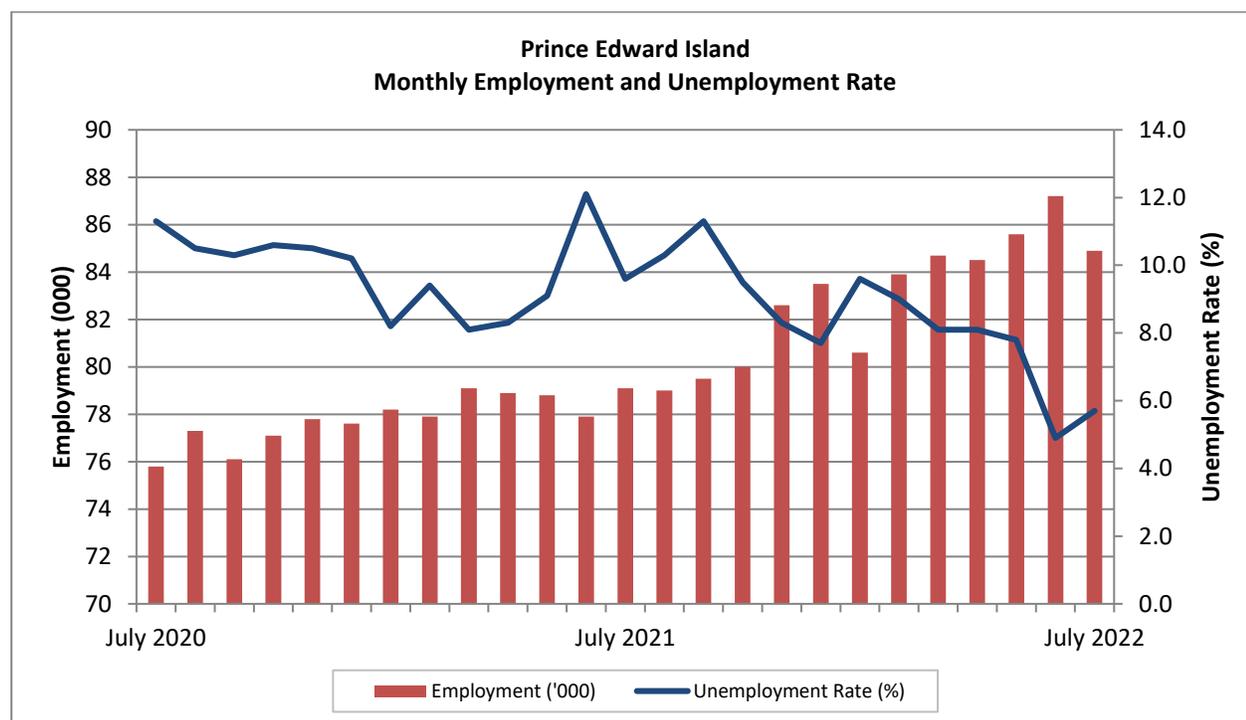
Seasonally Adjusted Monthly Data	July 2022	June 2022	July 2021	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	139.7	139.2	133.9	0.5	0.4	5.8	4.3
Labour Force ('000)	90.1	91.7	87.5	-1.6	-1.7	2.6	3.0
Employment ('000)	84.9	87.2	79.1	-2.3	-2.6	5.8	7.3
Full-Time ('000)	72.3	73.5	65.8	-1.2	-1.6	6.5	9.9
Part-Time ('000)	12.7	13.6	13.3	-0.9	-6.6	-0.6	-4.5
Unemployment ('000)	5.1	4.5	8.4	0.6	13.3	-3.3	-39.3
Unemployment Rate (%)	5.7	4.9	9.6	0.8	-	-3.9	-
Participation Rate (%)	64.5	65.9	65.3	-1.4	-	-0.8	-
Employment Rate (%)	60.8	62.6	59.1	-1.8	-	1.7	-

Note: Totals may not add due to rounding

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

The labour force in July totalled 90,100 which was 1.7% lower compared to the previous month. Despite the decline, the labour force on a year-to-date basis is up by 4.6% when compared to the prior year; and 5.4% higher than the first seven months of 2019 (pre-pandemic), on average. The monthly decrease in July 2022 was attributed largely to women (-2.5%) and to a lesser extent, men (-1.3%). For women, the decline was largely concentrated in the youths (15-24 years) and older worker (55+ years) age categories.

The number of people not participating in the labour force in July 2022 rose by 4.4% over the previous month, totalling 49,600 persons. This was the highest number of people reported not in the Island’s labour force since the onset of the pandemic, when it peaked at 53,700 in April 2020. Furthermore, between January and June 2022, there has consistently been about 3,600 persons on average who remained out of the labour force, despite having had some form of labour market attachment prior to the pandemic (the vast majority of which being older workers). In the most recent month, an additional 2,100 persons did not participate in the labour force – the majority of which were comprised of people from the core-aged (25-54 years) group (mostly men), followed by youths (the majority being women).



The Island’s employment base, at 84,900, decreased by 2.6% over the previous month – which, in June 2022, was an all-time high for the province. The employment decline in July was about evenly distributed among gender: for men, the vast majority of the employment losses occurred in the core-aged group; and for women, older workers. Employment losses were in both full-time and part-time jobs, with men comprising most of the full-time job losses and women, part-time losses.

Due to the contraction in employment in July exceeding that for the labour force, the number of people unemployed in May increased from the previous month, to 5,100 people. Despite more unemployed in the most recent month, there were far fewer unemployed when compared to July 2021, at 8,400. The Island's unemployment rate increased by just under a percentage point to 5.7% in July 2022, up from the all-time low of 4.9% reported in the month prior.

Prince Edward Island Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	July 2022 %	June 2022 %	July 2021 %	Monthly Variation (% points)	Yearly Variation (% points)
Total	5.7	4.9	9.6	0.8	-3.9
25 years and over	5.2	4.3	9.3	0.9	-4.1
Men - 25 years and over	6.2	5.3	10.9	0.9	-4.7
Women - 25 years and over	4.1	3.2	7.3	0.9	-3.2
15 to 24 years	8.2	7.9	11.1	0.3	-2.9
Men - 15 to 24 years	10.4	5.3	15.8	5.1	-5.4
Women - 15 to 24 years	7.2	10.5	5.9	-3.3	1.3

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

The Island's participation rate in July decreased from June, to 64.5%, and is about three percentage points lower than its February 2020 pre-pandemic rate. P.E.I.'s participation rate in the most recent month fell short of the national average (64.7%) for the first time in nine months, but remains highest in the Atlantic region, and in addition, ranked third highest in the country. Further to this, the Island's participation rate for core-aged females, at 86.8%, was highest in the country in July 2022.

EMPLOYMENT BY INDUSTRY

The monthly contraction in employment in the most recent month was largely concentrated in the services-producing sector – particularly in **business, building and other support services; wholesale and retail trade;** and the **other services** category. Employment in the goods sector also declined, but by a lesser degree, with the majority of losses reported in **forestry, fishing, mining, quarrying, oil and gas** and to a lesser extent, **manufacturing**.

Manufacturing employment contracted slightly in July but remains considerably higher than its 2019 pre-pandemic level. On a year-to-date basis, from January to July 2022, employment in the industry averaged 7,800 persons which is nearly 17% higher than it was over the same period last year; and nearly 13% higher compared to the first seven months of 2019. Manufacturing activity has been robust throughout the year, supported by surging shipments of both durable and non-durable products, which are up by 45% and 9% respectively over the first five months of the year.

Furthermore, this builds on record-level shipments experienced in 2021, which totaled nearly \$2.6B in sales for the year. Export values of manufactured goods are up by 22% over the first half of 2022, relative to the same period a year ago. International demand for Island-based products so far in 2022 was strongest for frozen food and fresh seafood; followed by durable products associated with pharmaceutical and medicine; and aerospace-related manufacturing.

Prince Edward Island Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	July 2022	June 2022	July 2021	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	84.9	87.2	79.1	-2.3	-2.6	5.8	7.3
Goods-producing sector	21.1	21.8	18.5	-0.7	-3.2	2.6	14.1
Agriculture	3.4	3.4	3.0	0.0	0.0	0.4	13.3
Forestry, fishing, mining, quarrying, oil and gas	1.9	2.4	3.0	-0.5	-20.8	-1.1	-36.7
Utilities	0.0	0.0	0.6	0.0	-	-0.6	-100.0
Construction	7.9	7.9	5.4	0.0	0.0	2.5	46.3
Manufacturing	7.8	8.1	6.6	-0.3	-3.7	1.2	18.2
Services-producing sector	63.8	65.4	60.6	-1.6	-2.4	3.2	5.3
Trade	10.9	11.5	12.2	-0.6	-5.2	-1.3	-10.7
Transportation and warehousing	1.5	1.5	2.2	0.0	0.0	-0.7	-31.8
Finance, insurance, real estate and leasing	2.6	2.8	2.8	-0.2	-7.1	-0.2	-7.1
Professional, scientific and technical services	5.1	5.1	4.3	0.0	0.0	0.8	18.6
Business, building and other support services	2.5	3.1	2.6	-0.6	-19.4	-0.1	-3.8
Educational services	6.0	6.2	6.5	-0.2	-3.2	-0.5	-7.7
Health care and social assistance	12.5	12.6	11.8	-0.1	-0.8	0.7	5.9
Information, culture and recreation	3.3	3.1	2.6	0.2	6.5	0.7	26.9
Accommodation and food services	5.6	5.4	4.6	0.2	3.7	1.0	21.7
Other services	3.1	3.4	3.1	-0.3	-8.8	0.0	0.0
Public administration	10.8	10.6	8.0	0.2	1.9	2.8	35.0

Note: Totals may not add due to rounding

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

The **business, building and other support services** industry includes businesses that provide support services for the day-to-day operations of businesses. The building services component includes occupations related to janitorial as well as services associated with waste and remediation services (i.e. garbage collection and recycling). Employment in this industry contracted by nearly 20% from the previous month, however it should be noted that June's employment level was abnormally high for the industry and the contraction in July may be more representative of a correction. The current level of employment is in line with what it was in 2019, prior to the pandemic.

Wholesale and retail trade employment totaled 10,900 in July 2022, which is down by 5% compared to the previous month. However, on a year-to-date basis, employment levels for the first seven months of this year are

on par with what they were in 2021 and as well as in 2019, pre-pandemic. Current indications suggest that retail spending remains healthy in the province, thus supporting employment.

The value of retail sales, for example, is up by 4.3% in the first five months of 2022 compared to the same period in 2021. Categories of retail spending that have experienced considerable growth year-to-date include: gasoline stations (+29%), building material and garden equipment dealers (+7%); and grocery stores (+6%). It should be noted however, that these growth rates are influenced more by inflationary pressure as opposed to increased sales volumes. For example, energy inflation year-to-date in 2022 is 45%, and for food, nearly 9%. Tempering retail sales growth in the industry is a 14% contraction in the value of new motor vehicle sales over the January-May 2022 period. This follows a record-breaking year in sales of new vehicles in 2021.

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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