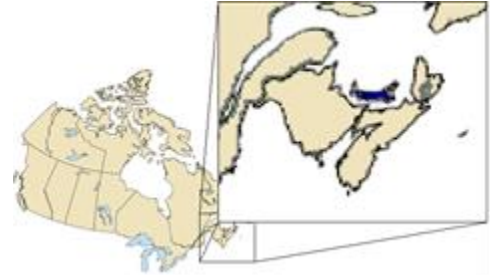




Labour Market Bulletin

Prince Edward Island



September 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 slowed somewhat in the third quarter of 2022 – with slight contractions in both employment and the labour force. This follows record highs set for these major indicators in the previous quarter. The level of unemployment in the province was unchanged in Q3 2022 and remains at its lowest level since the mid-1980’s. It is also worth noting that in the most recent quarter, it was the first time the province experienced a contraction in (quarterly) employment during its recovery from the COVID-19 pandemic. The cluster of those not looking for work, or available to work, surged in Q3 2022 – so much so that the quarterly volume of persons out of the labour force is on par with the number displaced by the pandemic, in Q2 2020. As a result, this put downward pressure on the Island’s participation rate in the most recent quarter, well below the national average.

Prince Edward Island Quarterly Employed Labour Force, by Industry

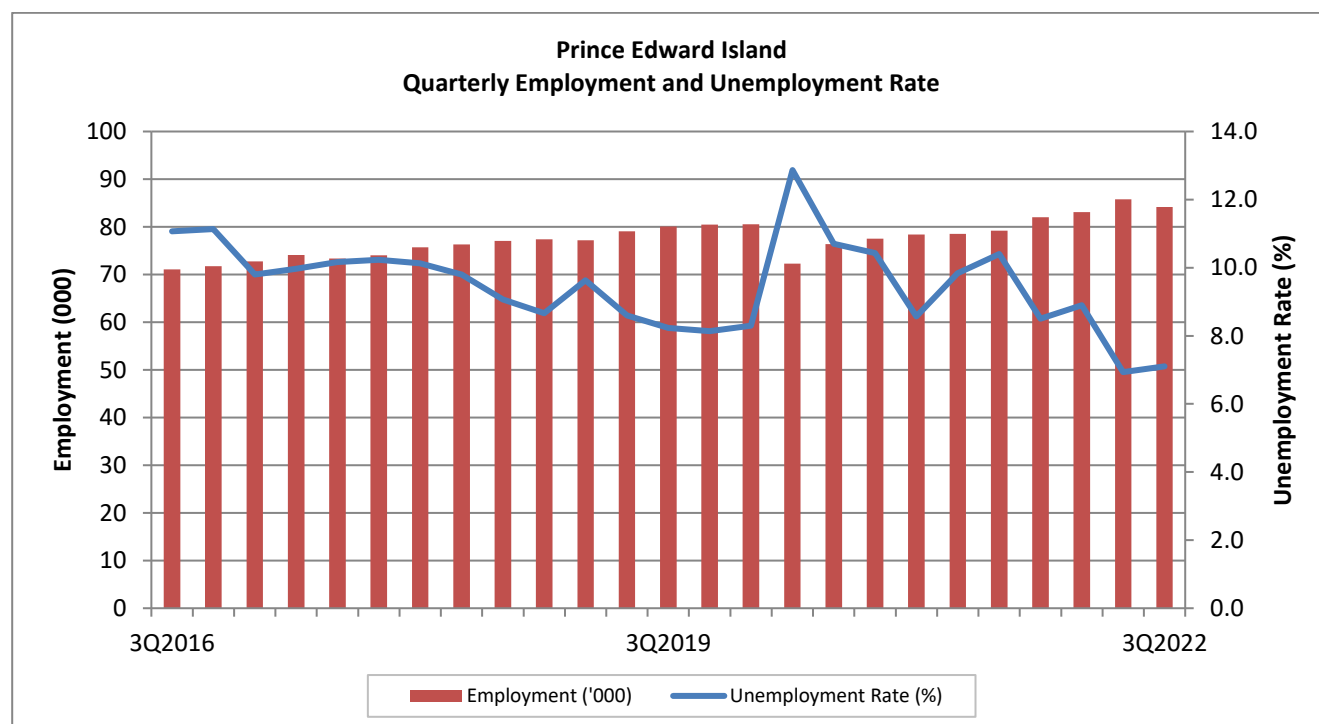
Seasonally Adjusted Quarterly Data	3rd Quarter 2022	2nd Quarter 2022	3rd Quarter 2021	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	140.1	138.7	134.6	1.4	1.0	5.5	4.1
Labour Force ('000)	90.6	92.2	88.4	-1.6	-1.7	2.2	2.5
Employment ('000)	84.2	85.8	79.2	-1.6	-1.9	5.0	6.3
Full-Time ('000)	70.4	71.5	66.8	-1.1	-1.5	3.6	5.4
Part-Time ('000)	13.8	14.2	12.4	-0.4	-2.8	1.4	11.3
Unemployment ('000)	6.4	6.4	9.2	0.0	0.0	-2.8	-30.4
Unemployment Rate (%)	7.1	6.9	10.4	0.2	-	-3.3	-
Participation Rate (%)	64.7	66.5	65.7	-1.8	-	-1.0	-
Employment Rate (%)	60.1	61.8	58.9	-1.7	-	1.2	-

Note: Totals may not add due to rounding

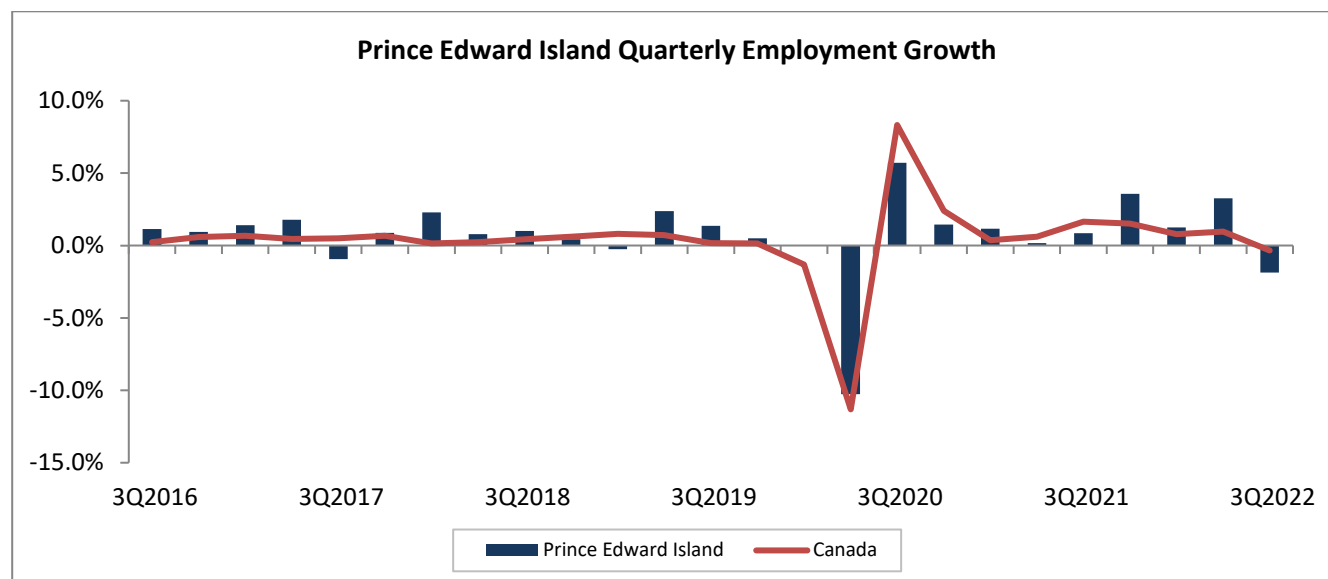
Source: Statistics Canada Labour Force Survey – Table 14-10-0287

The labour force in Q3 totalled 90,600 which was 1.7% lower compared to Q2 (but 2.5% higher on a year-over-year basis). The decline was largely attributed to males – particularly of the youth cohort (15-24 years).

The number of people not participating in the labour force in Q3 2022 increased by 6.4% from the previous quarter – driven largely by more youths having left the labour force (the majority being male). A total of 49,500 persons were not in the Island’s labour force in the most recent quarter which is 12.7% higher than what it was in Q1 2020, just before the pandemic hit. With the recent exodus of 3,000 people from the labour force in Q3 (compared to the previous quarter), this means that there is a total of 5,600 persons who had some form of labour market attachment prior to the pandemic, but were no longer attached as of Q3 2022. This is distributed almost evenly between the youth and older worker (55+ years) age groups.



The Island’s employment base, at 84,200 in Q3 2022, contracted by 1.9% over the previous quarter – which was an all-time (quarterly) high for the province. The majority of the decline was attributed to youths (again, largely male) with some slight declines for both older workers and the core-aged group (25-54 years). The majority of employment losses were full-time in nature – attributed more to older workers and to a lesser degree, youths. There were fewer part-time jobs in Q3 2022 as well, which was largely felt by the youths age group.



The level of unemployment in the province in Q3 2022 was unchanged from the previous quarter, but at 6,400 persons, was down by nearly a third from what it was the same quarter a year ago. The Island's unemployment rate rose slightly, to 7.1%, but remains very low by historical standards. In the three years preceding the pandemic – during a period of favorable economic conditions - the quarterly unemployment rate in the province averaged 9.2%.

Prince Edward Island Quarterly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	3rd Quarter 2022 %	2nd Quarter 2022 %	3rd Quarter 2021 %	Quarterly Variation (% points)	Yearly Variation (% points)
Total	7.1	6.9	10.4	0.2	-3.3
25 years and over	6.8	6.0	9.6	0.8	-2.9
Men - 25 years and over	7.8	6.6	12.0	1.2	-4.2
Women - 25 years and over	5.7	5.3	6.7	0.3	-1.0
15 to 24 years	8.8	11.6	14.5	-2.8	-5.7
Men - 15 to 24 years	9.0	12.9	16.3	-3.9	-7.3
Women - 15 to 24 years	9.1	10.2	12.5	-1.1	-3.4

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

With more people having left the labour force in Q3 2022, the Island's participation rate slipped by 1.8 percentage points from the previous quarter (and 1 percentage point below what it was a year ago). At 64.7% in the most recent quarter, P.E.I.'s participation rate was below the national average and seventh highest among its provincial counterparts. P.E.I.'s participation rate usually exceeds the national average and typically ranks in the top three or four in the country. Despite this, the Island's participation rate for male older workers, at 46.2%, was the highest in the country in September 2022.

EMPLOYMENT BY INDUSTRY

The decline in employment in Q3 2022 was felt more in the goods-producing sector – specifically, in the **construction and forestry, fishing, mining, quarrying, oil and gas** industries. Employment losses in the services-producing sector was felt largely in the **wholesale and retail trade industry**, however a respectable gain in **public administration** helped mitigate the losses.

Despite fewer people employed in **construction** in the most recent quarter, the industry continues to be supported by strong residential and non-residential construction activity. Indeed, the level of employment in Q3 2022, which averaged 7,300 persons, is 600 fewer from the previous quarter which was a record (quarterly) high for the industry. All indications point toward robust construction activity 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.

Wholesale and retail trade employment contracted by nearly 6% in Q3 2022 compared to the previous quarter. In fact, this is the fourth consecutive quarter that the industry experienced employment declines since Q3 2021, when employment was at a near record level. It is worth noting that retail sales surged in 2021, to a record \$3 billion in the province, driven by consumer spending on new motor vehicles, building materials, and gasoline stations. The value of retail spending in the first seven months of 2022 is up by 7.3% compared to the same period a year ago. This growth is heavily influenced by inflation, which in the first eight months of 2022, consumer prices on goods and services are 9% higher than what they were compared to the same period a year ago. Prices for major budget items like energy, food and shelter are up by 43%, 10% and 9%, respectively, in the province.

Prince Edward Island Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	3rd Quarter 2022	2nd Quarter 2022	3rd Quarter 2021	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	84.2	85.8	79.2	-1.6	-1.9	5.0	6.3
Goods-producing sector	21.1	22.1	18.5	-1.0	-4.5	2.6	13.9
Agriculture	3.4	3.4	3.3	0.0	0.0	0.1	4.0
Forestry, fishing, mining, quarrying, oil and gas	2.0	2.4	2.6	-0.4	-17.8	-0.6	-22.1
Utilities	0.2	0.3	0.5	-0.1	-33.3	-0.3	-60.0
Construction	7.3	7.9	5.5	-0.6	-8.0	1.8	33.5
Manufacturing	8.2	8.1	6.7	0.1	1.2	1.5	22.4
Services-producing sector	63.1	63.7	60.7	-0.6	-1.0	2.4	4.0
Trade	10.7	11.3	11.8	-0.6	-5.6	-1.1	-9.1
Transportation and warehousing	1.3	1.5	2.4	-0.2	-13.0	-1.1	-45.2
Finance, insurance, real estate and leasing	2.6	2.8	2.7	-0.2	-6.0	-0.1	-3.7
Professional, scientific and technical services	4.9	5.0	4.4	-0.1	-1.3	0.6	13.0
Business, building and other support services	2.5	2.6	2.6	0.0	-1.3	0.0	-1.3
Educational services	5.9	6.2	6.4	-0.2	-3.8	-0.5	-7.3
Health care and social assistance	12.9	12.4	11.8	0.5	4.0	1.1	9.0
Information, culture and recreation	3.2	3.3	2.4	-0.1	-2.0	0.8	34.7
Accommodation and food services	5.0	5.1	4.7	0.0	-0.7	0.3	7.1
Other services	3.2	3.3	3.2	-0.1	-2.0	0.0	-1.0
Public administration	10.8	10.3	8.4	0.5	4.5	2.4	28.1

Note: Totals may not add due to rounding

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

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 us at: atl-lmi-imt-gd@servicecanada.gc.ca

© His Majesty the King in Right of Canada, as represented by the Minister of Employment and Social Development Canada, 2022