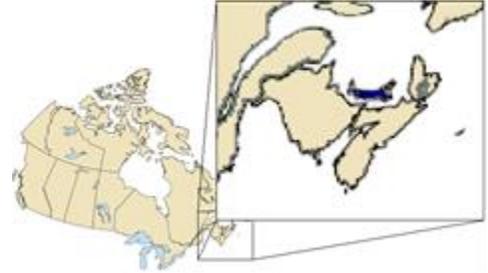




# Labour Market Bulletin

## Prince Edward Island



December 2018

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 stabilized in the fourth quarter of 2018, as employment remained unchanged from the previous quarter. That said, labour market conditions remain healthy by past standards. The level of employment, which averaged 76,400 in the fourth quarter, stands at a record-high for the province. Meanwhile, the unemployment rate, at 8.4%, is only 0.1 of a percentage point above its record low in 1976.

Prince Edward Island Quarterly Labour Force Statistics

Seasonally Adjusted Quarterly Data	4th Quarter 2018	3rd Quarter 2018	4th Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Population 15 + ('000)</b>	126.6	125.9	124.4	0.7	0.6	2.2	1.8
<b>Labour Force ('000)</b>	83.4	84.0	81.7	-0.6	-0.7	1.7	2.1
<b>Employment ('000)</b>	76.4	76.4	73.9	0.0	0.0	2.5	3.4
Full-Time ('000)	65.1	64.3	61.8	0.8	1.2	3.3	5.3
Part-Time ('000)	11.3	12.1	12.0	-0.8	-6.6	-0.7	-5.8
<b>Unemployment ('000)</b>	7.0	7.7	7.9	-0.7	-9.1	-0.9	-11.4
<b>Unemployment Rate (%)</b>	8.4	9.2	9.6	-0.8	-	-1.2	-
<b>Participation Rate (%)</b>	65.9	66.7	65.7	-0.8	-	0.2	-
<b>Employment Rate (%)</b>	60.3	60.6	59.4	-0.3	-	0.9	-

Note: Totals may not add due to rounding

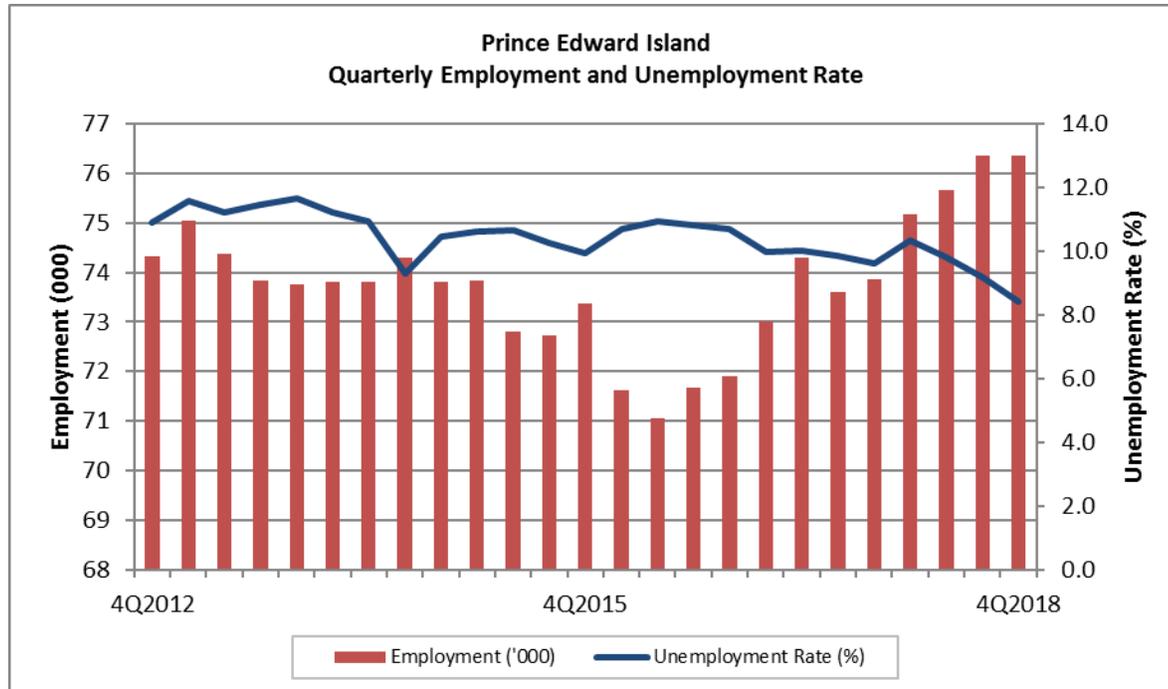
Source: Statistics Canada Labour Force Survey – Table 14-10-0287

Labour market conditions have shown significant improvement over the past year. The level of employment in the fourth quarter of 2018 has risen by 2,500 since the same quarter of 2017. The driving factor behind the growth in employment was a considerable 3,300 increase in full-time work, which offset a relatively modest decline in part-time work. The significant increase in employment over the past year lowered the unemployment by 1.2 percentage points to 8.4% in the fourth quarter of 2018.

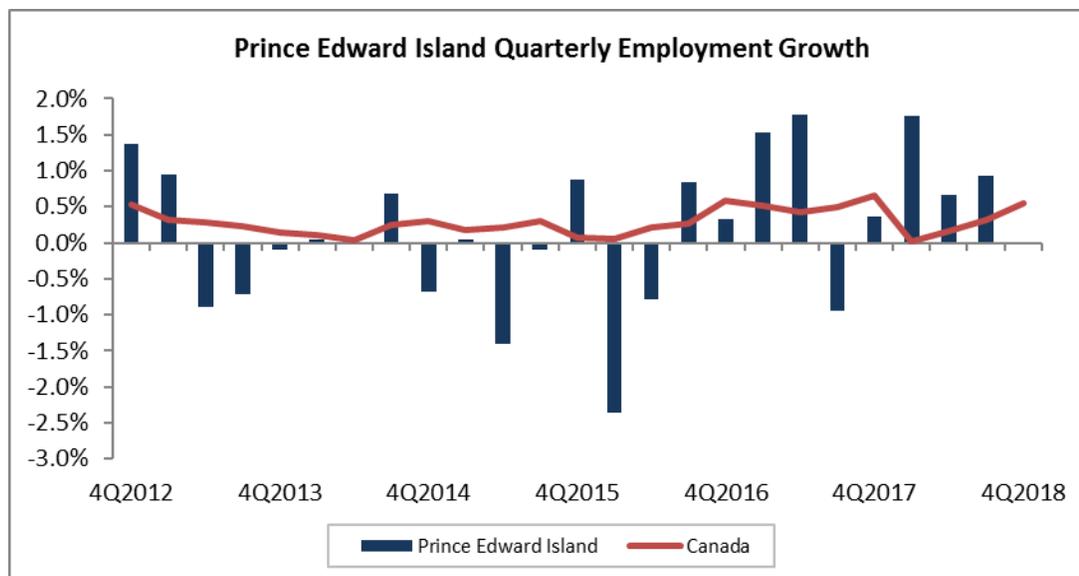
Containing the year-over-year decline in the rate of unemployment was the influx of 1,700 entrants into the provincial labour force. In percentage terms, the 2.1% increase in the provincial labour force since the fourth quarter of 2017 represents the fastest growth in the country. For additional context, the national growth rate was

0.8%. Growth in the province’s labour force was fastest among youths (persons 15-24 years), who accounted for almost half of the increase (+800).

Employment gains were largest among core-aged workers, who added 1,100 workers, while older workers added about 800 and youths added about 700.



Year-over-year growth in employment was evenly split between employees and self-employment, both of which grew by about 1,300. This represented especially strong growth in self-employment in percentage terms of 11.7%. Among employees, public sector employment grew by 2.6% while employment in the private sector grew by 1.7%.



The level of unemployment in the province fell year-over-year by around 900, or 11.4%, as growth in employment outpaced growth in the labour force. The unemployment rate in Q4 averaged 8.4%, down 1.2 percentage points from Q4 2017 and only a tick above the province's record low of 8.3% in the final quarter of 1976. The unemployment rate was highest among youth, at 12.3%, up 0.3 percentage points year-over-year. The rate is highest among young men, at 13.5%, up a full point year-over-year.

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

Seasonally Adjusted Data	4th Quarter	3rd Quarter	4th Quarter	Quarterly	Yearly
	2018 (%)	2018 (%)	2017 (%)	Variation (% points)	Variation (% points)
<b>Total</b>	8.4	9.2	9.6	-0.7	-1.2
<b>25 years and over</b>	7.7	8.6	9.2	-0.9	-1.5
Men - 25 years and over	8.5	10.2	10.0	-1.7	-1.5
Women - 25 years and over	7.0	6.6	8.4	0.3	-1.4
<b>15 to 24 years</b>	12.6	12.3	12.3	0.3	0.3
Men - 15 to 24 years	13.5	14.9	12.5	-1.5	1.0
Women - 15 to 24 years	10.8	9.4	12.1	1.4	-1.3

Note: Totals may not add due to rounding

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

Strong labour force growth in the province supported a year-over-year increase in the participation rate in Q4 2018, up 0.2 points to 65.9% (ranked fourth in the country behind the Prairies and Alberta). Growth in participation was strongest among youth males (+6.6 points), followed by core-aged women (+1.9 points) and older women (+0.4 points).

In the fourth quarter (Q4) of 2018, the total population aged 15+ in the Atlantic Provinces was around 2 million. The Indigenous population living off-reserve accounted for 3.5% of that, or 70,700 people. Employment among Indigenous people in the Atlantic Provinces was 41,200, representing an increase of 6,000 (+17.0%) from a year earlier (Q4 2017). The increase was mostly driven by full-time positions (+4,200 or +14.6%). Part-time positions also saw a moderate increase (+1,900 or +29.7%).

The unemployment rate among the Indigenous population was 12.3% in Q4 2018, representing a decrease of -3.9 percentage points (pp) from the previous year. For the non-Indigenous population, the unemployment rate was 7.7% (-1.2pp). Between Q4 2017 and Q4 2018, the participation rate of Indigenous people increased to 66.4% (+5.4pp) while among non-Indigenous population, it was 60.3% (-0.7pp). The employment rate of Indigenous people increased year-over-year to 58.2% (+7.1pp); for the non-Indigenous population, it increased to 55.7% (+0.1pp).

## Atlantic - Labour Market Indicators for Indigenous People

3-month moving averages Seasonally unadjusted data	Indigenous		Yearly variation (Indigenous)		Non-Indigenous		Yearly variation (non-Indigenous)	
	Q4 2018	Q4 2017	number	%	Q4 2018	Q4 2017	number	%
Population 15 + ('000)	70.7	68.8	1.9	2.8%	1,928.3	1,921.1	7.2	0.4%
Labour Force ('000)	47.0	42.0	5.0	11.9%	1,163.7	1,172.7	-9.0	-0.8%
Employment ('000)	41.2	35.2	6.0	17.0%	1,074.0	1,068.1	5.9	0.6%
Full-Time ('000)	32.9	28.7	4.2	14.6%	894.7	889.4	5.3	0.6%
Part-Time ('000)	8.3	6.4	1.9	29.7%	179.2	178.7	0.5	0.3%
Unemployment ('000)	5.8	6.8	-1.0	-14.7%	89.8	104.6	-14.8	-14.1%
Unemployment Rate (%)	12.3	16.2	-3.9	-	7.7	8.9	-1.2	-
Participation Rate (%)	66.4	61.0	5.4	-	60.3	61.0	-0.7	-
Employment Rate (%)	58.2	51.1	7.1	-	55.7	55.6	0.1	-

**Notes:** The Labour Force Survey excludes those living on-reserve.

Estimates are based on three-month moving averages.

Totals may not add due to rounding.

Totals may be different from other tables due to adjustments done to indigenous statistics in the Labour Force Survey.

**Source:** Statistics Canada Labour Force Survey - ESDC custom table.

## EMPLOYMENT BY INDUSTRY

Of the 2,500 year-over-year net gain to PEI's employment in Q4 2018, 1,600 were added to the goods-producing sector. **Agriculture** saw the largest increase, with a net gain of 900 or 28.0%, followed by **Manufacturing** (+400) and **Construction** (+100).

The **Manufacturing** industry's employment base remained steady at 6,900 in Q4 2018, which is an all-time high for the province. Companies in the industry continue to benefit from a favorable currency position relative to the U.S. dollar, which makes domestic exports more competitive in international markets. Overall manufacturing shipments in the province grew 9.4% year-to-date as of October, while Island-based exports are up by 1.6% year-over-year, in terms of value.

**Construction** activity in PEI has been elevated since late 2017. Based on available estimates, the value of building permits (residential and non-residential) through the first eleven months of 2018 was up by 17.4% over the same period in 2017, driven primarily by growth in the residential permits. Significant construction activity in the province is one of the key factors that has been driving new housing activity and population growth in the province. According to the Construction Association of Prince Edward Island, the industry is looking to hire upwards of 400 additional workers to meet existing demand. Furthermore, the association projects another 1,800 workers will need to be recruited in the province over the next ten years to fill anticipated vacancies from attrition.

The service-sector saw a net gain to employment of 900 jobs year-over-year in the fourth quarter, driven mainly by growth in **Accommodation and food services**. According to tourism traffic indicators<sup>1</sup> for the first eleven months of 2018, the province experienced modestly increased visitation compared to the same period the previous year. Cruise ship visitation in particular rose 8.2% over the same period in 2017. Furthermore, new restaurant openings

<sup>1</sup> Prince Edward Island Tourism Indicators (November 2018)

and expansions of existing food service businesses throughout 2018 contributed to employment gains in this industry.

There were notable year-over-year declines in employment in **Health care and social assistance**, **Professional, scientific and technical services**, and **Trade**, though employment levels in all three industries remain high by historical standards. Although employment in Trade dipped 1.5% in the most recent quarter, employment levels remain elevated by past standards - and just 500 short of its quarterly record high. The value of retail spending in the province was up 4.7% year-to-date as of October.

Prince Edward Island Quarterly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	4th Quarter 2018	3rd Quarter 2018	4th Quarter 2017	Quarterly Variation		Yearly Variation	
				Number	%	Number	%
<b>Total employed, all industries</b>	76.4	76.4	73.9	0.0	0.0	2.5	3.4
<b>Goods-producing sector</b>	19.9	19.3	18.4	0.6	3.1	1.6	8.5
Agriculture	4.3	4.0	3.3	0.3	7.6	0.9	28.0
Forestry, fishing, mining, quarrying, oil and gas	2.7	2.7	2.7	0.1	2.5	0.0	1.2
Utilities	0.2	0.2		0.0	-14.3	0.2	-
Construction	5.8	5.6	5.7	0.2	3.0	0.1	1.8
Manufacturing	6.9	6.9	6.5	0.0	0.5	0.4	6.7
<b>Services-producing sector</b>	56.4	57.0	55.5	-0.6	-1.0	0.9	1.7
Trade	11.0	11.0	11.2	0.0	-0.3	-0.2	-1.5
Transportation and warehousing	2.9	2.7	2.7	0.2	6.1	0.2	8.7
Finance, insurance, real estate and leasing	2.9	2.9	2.6	0.0	-1.1	0.2	8.9
Professional, scientific and technical services	3.3	3.5	3.6	-0.2	-5.7	-0.3	-8.3
Business, building and other support services	2.1	2.1	1.7	0.0	1.6	0.4	23.5
Educational services	5.2	5.5	5.4	-0.3	-4.8	-0.1	-2.5
Health care and social assistance	10.4	10.1	10.8	0.3	3.0	-0.4	-3.7
Information, culture and recreation	2.5	2.8	2.6	-0.4	-12.9	-0.1	-3.9
Accommodation and food services	6.0	6.6	5.1	-0.6	-9.1	0.9	16.9
Other services	3.1	3.1	3.2	0.0	-1.1	-0.1	-3.1
Public administration	7.0	6.6	6.7	0.4	6.6	0.3	4.5

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 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)

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