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SNAPSHOT OF THE TOURISM SECTOR LABOUR MARKET

CATALYST
RESEARCH GROUP

**Provincial Report Series: Prince Edward
Island (P.E.I.)**



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Tourism HR Canada is recognized as a global leader in setting occupational standards, building competency frameworks, developing occupational training and certification programs, conducting research into the tourism labour market, and analyzing the resulting data to plan and implement HR strategies for the industry.

Tourism HR Canada supplies tourism stakeholders with the labour market intelligence they need to plan for and overcome their current and future human resource challenges.

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The word "Canada" is written in a large, black, serif font. A small Canadian flag is positioned to the right of the letter 'a'.

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INTRODUCTION

BACKGROUND

Prior to the COVID-19 pandemic, tourism was a significant and growing source of employment across all regions of the province. However, employment declined sharply beginning in March 2020. As evidenced in recent surveys and confirmed in the daily news, the sector is now facing significant staff shortages as we emerge from the pandemic. Many employees left for other sectors or left the workforce altogether, and the sector has faced strong competition in attracting new workers.

There is continued uncertainty regarding future labour market demand and skills requirements for the sector. Requirements could vary widely depending on factors such as the potential waves of COVID-19, the continuing strength of pent-up demand for travel, on-going changes in the characteristics of markets, business practices and technology, environmental considerations, the labour market supply, among others. To the extent possible, the sector must continue to be nimble and responsive to changing conditions. Given this dynamic situation, access to labour market intelligence and other sectoral supports have never been more important.

SERIES OF PROVINCIAL TOURISM LABOUR MARKET REPORTS

This report represents one of a series of reports prepared on the tourism labour market. The series includes a report for each province as well as a national report. This report, which focuses on P.E.I., is divided into three chapters which align with the following research questions:

1. **What is the current status of the tourism sector labour market?** Chapter 1 provides information on P.E.I.'s tourism sector total labor force and unemployment rates, demographics, attachment to the tourism workforce, and leading occupations.
2. **What impact did COVID-19 have on the tourism sector labour market?** Chapter 2 provides information on how the pandemic impacted employment by sector, employee characteristics, hours worked and wages.
3. **What is the outlook for the tourism sector labour market?** Chapter 3 provides projections regarding employment in the P.E.I.'s tourism sector and leading occupations.

The report draws on information from Statistics Canada's Labour Force Survey, from surveys and reports commissioned by Tourism HR Canada including employment projections developed by the Conference Board of Canada.

OVERVIEW OF THE PRINCE EDWARD ISLAND TOURISM SECTOR

Prince Edward Island has an abundance of stunning sceneries, outdoor activities, culinary and authentic experiences as well as cultural products. Tourists in PEI enjoy golf vacations, exploring Anne of Green Gables sites, red cliffs, sand dunes, PEI National Park, the Confederation Art Gallery, shopping on Victoria Row, camping and visiting the singing sands beach.¹ The industry provides 15,000 to 17,000 full-time, part-time, seasonal and year-round jobs. One in ten Islanders work in the tourism industry.² In May 2022, PEI had 7,800 full-time and part-time employees working in tourism.³ PEI accounts for approximately 6% of GDP which is the largest share in the country.⁴

Prior to the COVID-19 pandemic, the tourism sector in PEI was surging. In 2019, there was an estimated 1.6 million visitors on the island – marking a record year for tourism as revenue surpassed \$500 million for the first year ever and the province exceeded over one million overnight stays.⁵ However, the COVID-19 pandemic interrupted this growth with tourism employment dropping more than 14% in 2020, and only partially recovering in 2021.⁶

Looking over the horizon, tourism employment projections in the province are healthy, indicating enormous gains in job opportunities by 2026, led by restaurants, hospitality businesses and conferences. Further, PEI tourism had a record-breaking June 2022 – a significant rebound since the pandemic. For example: Total room nights sold in June 2022 were 83,630, compared to 75,433 in the same month of 2019; Golf rounds sold in June 2022 surpassed the same month three years earlier by more than 7,000; and campground sites sold in June 2022 were up more than 2,400 from three years before⁷

¹ <https://travellemming.com/things-to-do-in-prince-edward-island/#:~:text=While%20visiting%20PEI%20you%20should,visiting%20the%20singing%20sands%20beach.>

² <https://www.tiapei.pe.ca/tourism-counts/>

³ <https://employmentjourney.com/tourism/>

⁴ https://www.princeedwardisland.ca/sites/default/files/publications/tourismpei_ar_web_2019-2020.pdf

⁵ https://www.princeedwardisland.ca/sites/default/files/publications/tourismpei_ar_web_2019-2020.pdf

⁶ <https://www.tiapei.pe.ca/wp-content/uploads/2022/06/TIAPEI-Final-Strategy-Report-.pdf>

⁷ <https://www.cbc.ca/news/canada/prince-edward-island/pei-tourism-record-breaking-june-numbers-clemence-1.6555563>

This series of workforce profiles follows the Tourism Satellite Account's definition of the Tourism sector, in particular, the NAICs Codes that are used to define the accommodation industry. Those NAICs codes are:

- Accommodation:
 - 7211 Traveller accommodation
 - 7212 Recreational vehicle (RV) parks and recreational camps
- Food and Beverage Services:
 - 7224 Drinking places (alcoholic beverages)
 - 7225 Full-service restaurants and limited service eating places
- Recreation and Entertainment:
 - 5121 Motion picture and video exhibition
 - 7111 Performing arts companies
 - 7112 Spectator sports
 - 7115 Independent artists, writers and performers
 - 7121 Heritage institutions
 - 7131 Amusement parks and arcades
 - 7132 Gambling industries
 - 7139 Other amusement and recreation industries
- Transportation
 - 4811 Scheduled air transport
 - 4812 Non-scheduled air transport
 - 4821 Rail transportation
 - 4831 Deep sea, coastal and great lakes water transportation
 - 4832 Inland water transportation
 - 4851 Urban transit systems
 - 4852 Interurban and rural bus transportation
 - 4853 Taxi and limousine service
 - 4854 School and employee bus transportation
 - 4855 Charter bus industry
 - 4859 Other transit and ground passenger transportation
 - 4871 Scenic and sightseeing transportation - land
 - 4872 Scenic and sightseeing transportation - water
 - 4879 Scenic and sightseeing transportation - other
 - 5321 Automotive equipment rental and leasing
- Travel Services
 - 5615 Travel arrangement and reservation services



Note: Any business is assigned to only one NAICs code, corresponding to the industry classification from which it generates its greatest revenues. NAICs Codes can be found at the following link:
<https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=380372>

1. CURRENT LABOUR MARKET

EMPLOYMENT AND UNEMPLOYMENT IN THE TOURISM SECTOR

P.E.I.'s tourism sector employed an average of 7,861 employees through the first nine months of 2022, of whom 51% were employed in food and beverage services and 28% in recreation and entertainment.

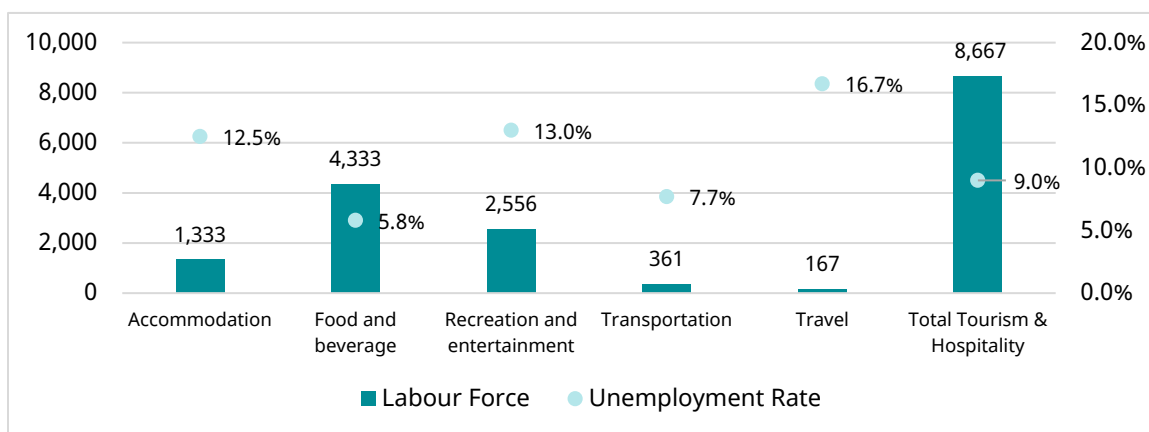
Table 1: Employment in the Prince Edward Island Tourism Industry and Sector, 2022

Industry	Prince Edward Island	
	#	%
Accommodation	1,167	15%
Food and beverage services	4,000	51%
Recreation and entertainment	2,222	28%
Transportation	333	4%
Travel services	139	2%
Tourism Sector Total	7,861	100%

Source: Statistics Canada, Labour Force Survey (LFS) via Real Time Remote Access.

Including both employed and unemployed individuals (i.e., those whose most recent job was in tourism), the labor force for the tourism sector averaged 8,667 through the first nine months of 2022. Unemployment averaged 9%.

Figure 1: Total Labour Force and Unemployment Rate, P.E.I. Tourism by Industry and Sector, 2022



Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

* Note: Each of the tables and charts in this report uses shortened forms to refer to the Food and beverage services and the Travel services industry groups.

The P.E.I. tourism sector accounts for approximately 9.3% of the total employment in P.E.I, slightly less than the national tourism industry average of 9.5%.

Table 2: P.E.I. Tourism Sector vs Total Employment, 2022

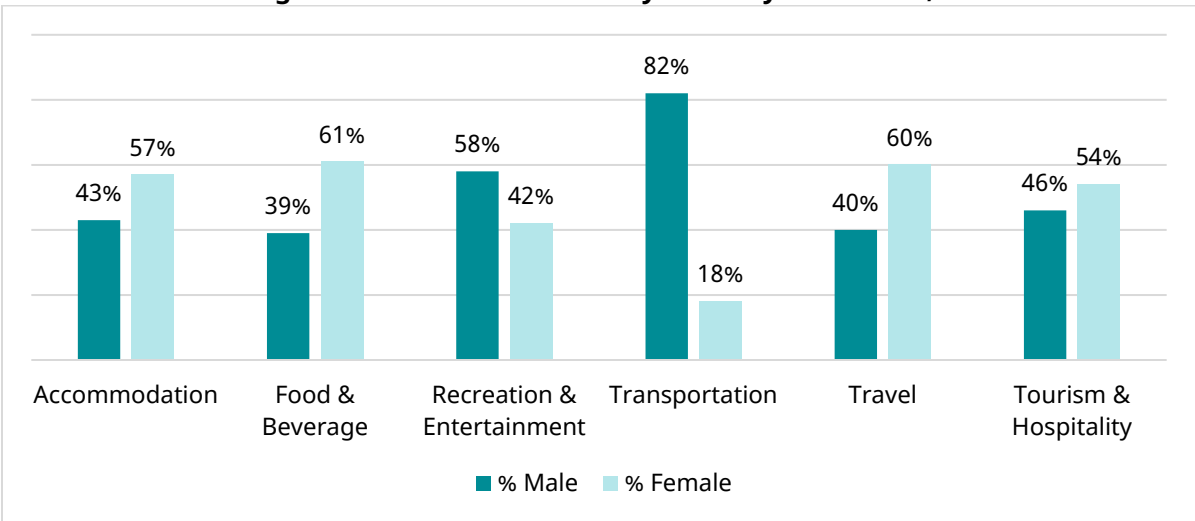
Employment	Prince Edward Island	Canada
Tourism	7,861	1,859,806
Overall Employment	84,806	19,523,917
Percent Tourism of Overall Employment	9.3%	9.5%

Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

DEMOGRAPHIC CHARACTERISTICS

The workforce has slightly more female workers (54%) than males (46%). The transportation industry has the highest concentration of male workers (82%) while the food and beverage services has the highest concentration of female workers (61%).

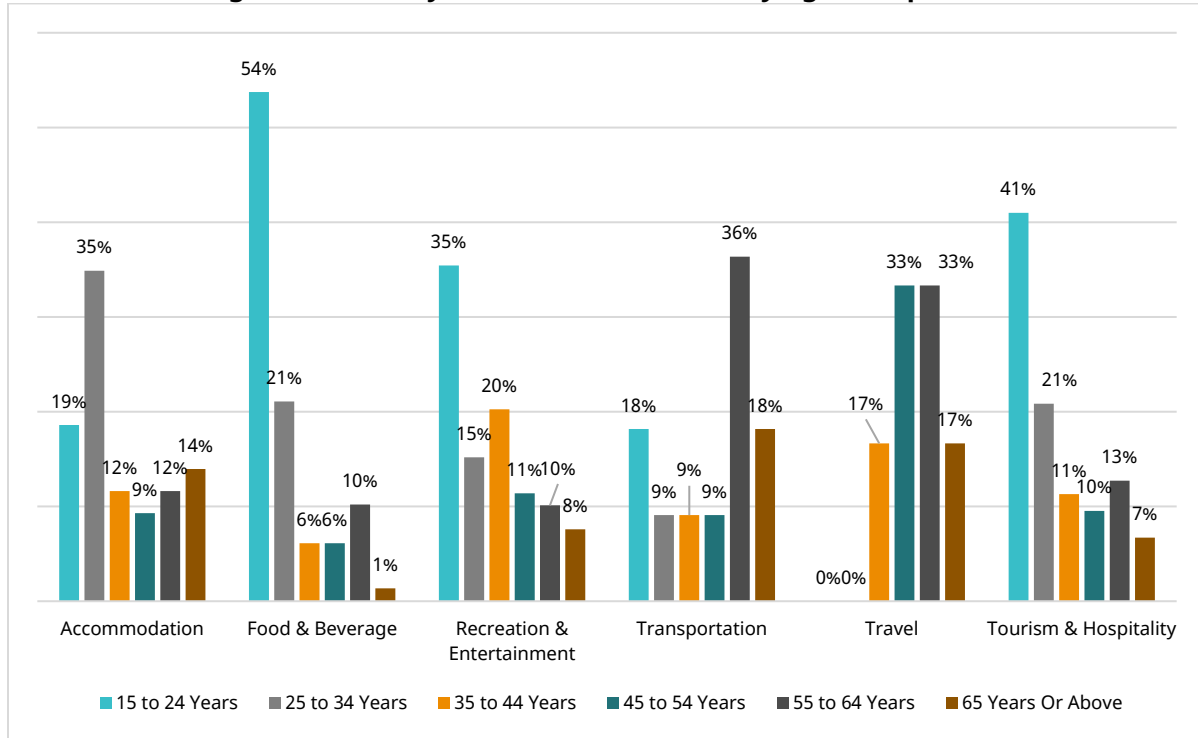
Figure 2: Workforce Gender by Industry and Sector, 2022



Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

The food and beverage services industry has the youngest workforce with 54% of its workers being between 15 and 24 years of age, while the transportation industry is the oldest with 18% of its workers being 65 years or older. A total of 62% of the workforce is under the age of 35.

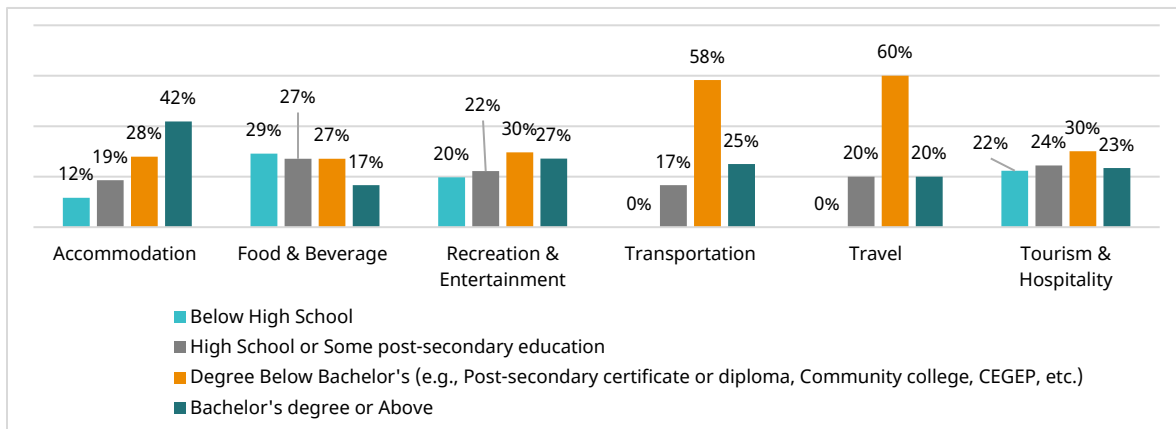
Figure 3: Industry and Sector Workforce by Age Groups, 2022



Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

Over half (53%) have a post-secondary degree or diploma or higher. The transportation industry has the highest percentage of workers with a post-secondary education or higher (83%) while the food and beverage services has the highest percentage of workers with less than a bachelor's degree (56%), reflecting the high percentage of workers who are 24 or less.

Figure 4: Workforce Education Level by Industry and Sector, 2022

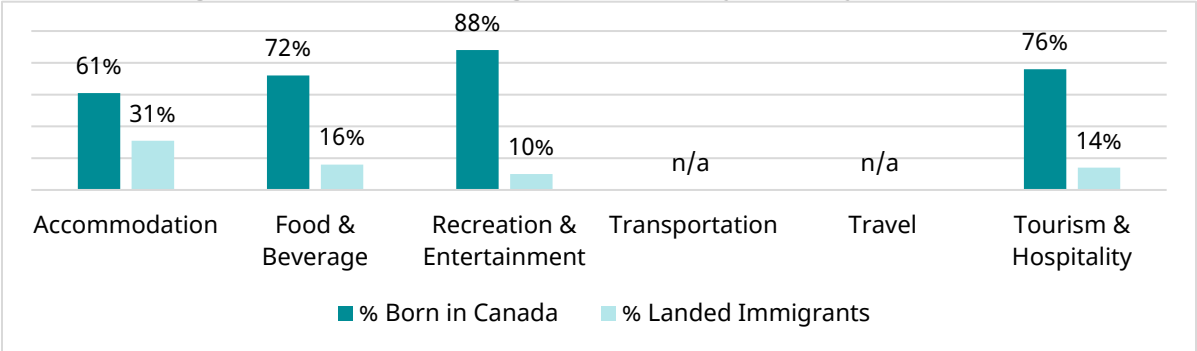


Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

In 2022, 76% of the tourism sector workforce were born in Canada, whereas 14% were landed immigrants. The majority of the workforce who were born in Canada work in the recreation and

entertainment industry while the majority of landed immigrants work in the accommodation industry.

Figure 5: Workforce Immigration Status by Industry and Sector, 2022

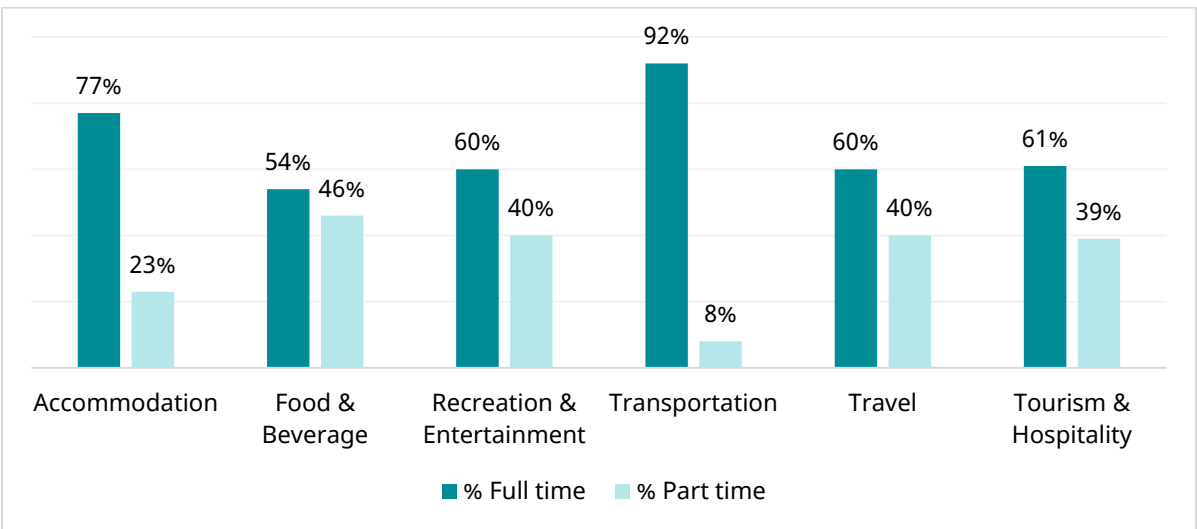


Source: THRC Employment Tracker, LFS Statistics Canada.

EMPLOYMENT STATUS AND WAGES

Approximately 61% of the provincial workforce is employed on a full-time basis and 39% is employed part-time. The transportation industry has the highest percentage of full-time workers (92%) while the food and beverage services industry has the highest percentage of part-time workers (46%).

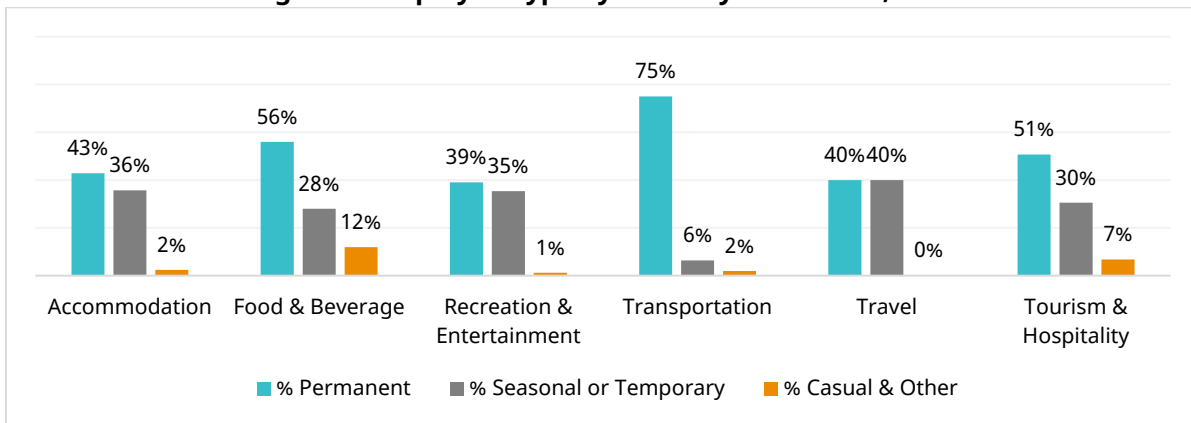
Figure 6: Job Status by Industry and Sector, 2022



Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

Permanent workers account for 51% of the workforce, while 37% are seasonal, temporary, or casual workers (the remaining 12% of the workers have an unknown status in the Labour Force Survey). The transportation industry has the highest percentage of permanent employees (75%), whereas the food and beverage services industry has the highest percentage of seasonal employees (40%).

Figure 7: Employee Type by Industry and Sector, 2022

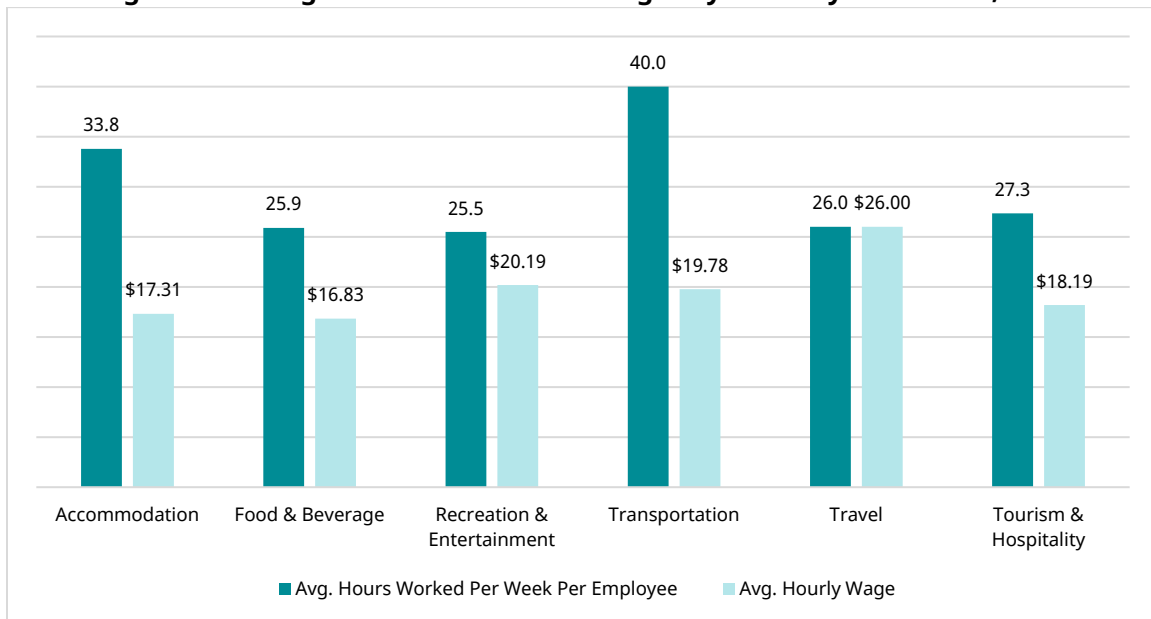


Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

*Note: The percentages in the table do not equal 100% because a portion of the employees' work status is unknown in the dataset.

The average wage rate is \$18.19 per hour and the average hours worked per week is approximately 27. Employees in the transportation industry work the most hours per week (of 40 hours per employee). The highest average hourly wage paid is in travel services (\$26 per hour).

Figure 8: Average Hours Worked and Wages by Industry and Sector, 2022



Source: Statistics Canada, Labour Force Survey via Real Time Remote Access. Note: Wage includes tips and commissions.

YEARS OF EXPERIENCE

On average, members of the P.E.I. tourism sector workforce have been employed in their current positions for approximately six years. In terms of sectors, the travel services sector has the longest average length of employment of 11.9 years, while the food and beverage services industry has the shortest average length of employment of 4.9 years.

Table 3: Tourism Industry and Sector Workforce Experience, 2022

Years of Employment	Accommodation		Food & Beverage services		Recreation & Entertainment		Transportation		Travel services		Tourism	
	#	%	#	%	#	%	#	%	#	%	#	%
Less than 1	306	26%	1,167	29%	667	30%	28	8%	-	0%	2,139	27%
1 to 2	250	21%	1,056	26%	389	18%	28	8%	28	20%	1,750	22%
2 to 4	250	21%	833	21%	472	21%	111	33%	0	0%	1,667	21%
5 to 7	194	17%	472	12%	306	14%	83	25%	56	40%	1,111	14%
8 to 10	28	2%	28	1%	139	6%	0	0%	0	0%	194	2%
11 to 15	28	2%	250	6%	111	5%	56	17%	0	0%	444	6%
16 to 20	0	0%	28	1%	56	3%	0	0%	0	0%	83	1%
Over 20	111	10%	167	4%	83	4%	28	8%	56	40%	500	6%
Total	1,167	100%	4,000	100%	2,222	100%	333	100%	139	100%	7,861	100%
<i>Avg. Length</i>	<i>6.2 years</i>		<i>4.9 years</i>		<i>5.6 years</i>		<i>8.5 years</i>		<i>11.9 years</i>		<i>5.6 years</i>	

Source: Statistics Canada, Labour Force Survey via Real Time Remote Access

LEADING OCCUPATIONS

Table 4 provides an overview of the leading occupations in various tourism industries in terms of common certifications or training/education requirements, the primary tourism industry in which those workers are employed, annual employment levels, and average wage rates. The food and beverage services and accommodation industry accounts for the occupations that have the highest average experience levels.

Table 4: Leading Occupations in Prince Edward Island's Tourism Industry Workforce, 2022

NOC	Occupation	Certification/Training Requirements	Primary Industry	Employment	Avg. Hourly Wage	Avg. Years of Experience
6711	Food counter attendants, kitchen helpers	<ul style="list-style-type: none"> On-the-job training 	Food & Beverage services	1,056	\$15.10	2.0
6513	Food and beverage servers	<ul style="list-style-type: none"> On the job training Responsible beverage service certification 	Food & Beverage services	833	\$16.70	3.6
6511	Maitres d'hôtel and hosts/hostesses	<ul style="list-style-type: none"> On the job training 	Food & Beverage services	611	\$17.10	4.4
6322	Cooks	<ul style="list-style-type: none"> Completion of a three-year apprenticeship program for cooks or completion of college or other program in cooking or food safety 	Food & Beverage services	583	\$16.20	3.6
5254	Program leaders and instructors in recreation, sport, and fitness	<ul style="list-style-type: none"> College program in recreation or physical education Extensive sport related training Coaching and refereeing certificates 	Recreation & Entertainment	444	\$17.10	3.9
6731	Light duty cleaners	<ul style="list-style-type: none"> On-the-job training Certification for housekeeping room attendants or similar certification 	Accommodation	306	\$15.10	3.1
0631	Restaurant and food service managers	<ul style="list-style-type: none"> Completion of a college or other program related to hospitality or food and beverage service management Several years of experience in the food service sector including supervisory experience Responsible beverage service certification 	Food & Beverage services	278	\$19.60	13.7
0632	Accommodation service managers	<ul style="list-style-type: none"> A university degree or college diploma in hotel management or other related discipline or equivalent job experience 	Accommodation	250	n/a	10.0
6722	Operators and attendants in amusement, recreation, and sport	<ul style="list-style-type: none"> On-the-job training 	Recreation & Entertainment	250	\$15.30	1.8
6733	Janitors, caretakers and building superintendents	<ul style="list-style-type: none"> A provincial licence to apply chemical fertilizers, fungicides, herbicides and pesticides may be required. 	Recreation & Entertainment	250	\$19.10	2.9

NOC	Occupation	Certification/Training Requirements	Primary Industry	Employment	Avg. Hourly Wage	Avg. Years of Experience
8612	Landscaping and grounds maintenance labourers	<ul style="list-style-type: none"> A provincial licence to apply chemical fertilizers, fungicides, herbicides, and pesticides may be required. 	Recreation & Entertainment	194	\$17.30	2.7
6321	Chefs	<ul style="list-style-type: none"> Cook's trade certification or equivalent credentials, training and experience Chef's Red Seal Certification 	Food & Beverage services	194	\$22.00	4.0
6311	Food service supervisors	<ul style="list-style-type: none"> Completion of a community college program in food service administration, hotel and restaurant management or related discipline, or equivalent job experience 	Food & Beverage services	194	\$15.30	8.5
6525	Hotel front desk clerks	<ul style="list-style-type: none"> Completion of a two-year apprenticeship program, or a college program in front desk operations or hotel management Guest services representative trade certification 	Accommodation	194	\$16.00	1.8
6611	Cashiers	<ul style="list-style-type: none"> On-the-job training 	Food & Beverage services	139	\$14.00	2.2

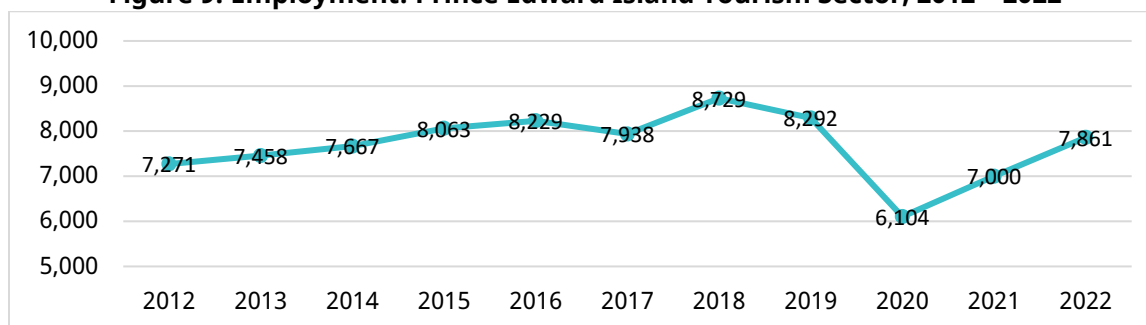
Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

2. IMPACT OF THE PANDEMIC

CHANGES IN THE LEVEL OF EMPLOYMENT

Prior to the pandemic, sector employment increased at an annual growth rate of 1.9% from 2012 to 2019, rising from an average of 7,271 employees per month in 2012 to 8,292 in 2019. However, employment declined sharply with the onset of COVID-19 in March 2020. So far in 2022, average monthly employment levels (7,861 employees per month) remain below pre-pandemic levels.

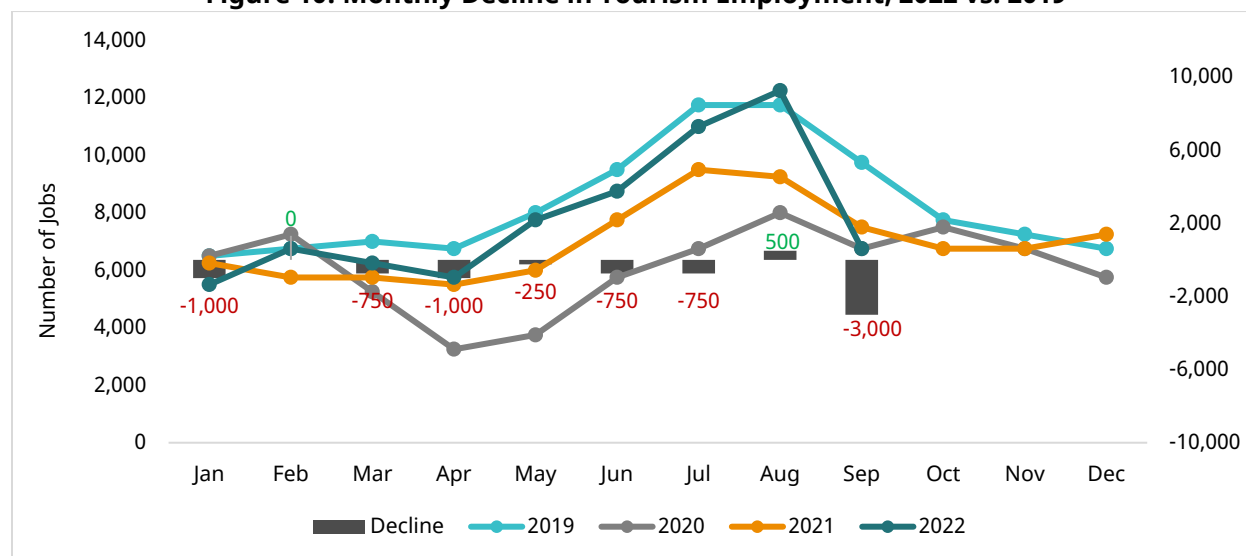
Figure 9: Employment: Prince Edward Island Tourism Sector, 2012 – 2022



Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

The chart below compares average monthly employment from 2019 to 2022 and also calculates the difference between average monthly employment levels in 2019 and 2022. As indicated, August 2022 was the first month since the onset of the pandemic in which employment levels were higher than those experienced in 2019. This was followed by a sharp decline in September 2022.

Figure 10: Monthly Decline in Tourism Employment, 2022 vs. 2019



Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

The impact of the pandemic on employment varies by industry. While overall employment in the tourism sector is down 5% in 2022 relative to 2019, the percentage varies from growth of 48% in recreation and entertainment to losses of 50% in transportation.

Table 5: Employment by Sector, 2019-2022

Employment	2019	2020	2021	2022	% Change 20 vs 19	% Change 21 vs 19	% Change 22 vs 19
Accommodation	1,083	1,000	896	1,167	-8%	-17%	8%
Food and Beverage services	4,833	3,083	3,646	4,000	-36%	-25%	-17%
Recreation and Entertainment	1,500	1,417	1,833	2,222	-6%	22%	48%
Transportation	667	500	479	333	-25%	-28%	-50%
Travel services	208	104	146	139	-50%	-30%	-33%
Total	8,292	6,104	7,000	7,861	-26%	-16%	-5%

Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

IMPACT BY EMPLOYEE SEGMENT

Job losses did not impact all demographic groups equally in 2020. Seasonal and temporary workers, the youngest (15 to 24 years, who tended to be the least experienced workers) and less educated workers were the most likely to be displaced. The relative balance in decline between part-time and full-time workers in 2020 masks the fact that many of the full-time workers became part-time workers while those who previously worked part-time were displaced.

Table 6: Employment by Demographics, 2019-2022

Demographics	2019	2020	2021	2022	% Change 20 vs 19	% Change 21 vs 19	% Change 22 vs 19
Job Status							
Full-time	5,313 (64%)	3,875 (63%)	4,583 (65%)	4,806 (61%)	-27%	-14%	-10%
Part-time	2,958 (36%)	2,208 (36%)	2,417 (35%)	3,056 (39%)	-25%	-18%	3%
Permanent							
Permanent	5,167 (62%)	3,583 (59%)	3,833 (55%)	3,972 (51%)	-31%	-26%	-23%
Seasonal	1,729 (21%)	1,021 (17%)	1,125 (16%)	1,833 (23%)	-41%	-35%	6%
Casual	396 (5%)	500 (8%)	479 (7%)	500 (6%)	26%	21%	26%
Temporary	271 (3%)	167 (3%)	292 (4%)	556 (7%)	-38%	8%	105%
Gender							
Male	3,604 (43%)	2,750 (45%)	3,479 (50%)	3,639 (46%)	-24%	-3%	1%

Demographics	2019	2020	2021	2022	% Change 20 vs 19	% Change 21 vs 19	% Change 22 vs 19
Female	4,688 (57%)	3,354 (55%)	3,563 (51%)	4,222 (54%)	-28%	-24%	-10%
Age Group							
15 to 24	3,313 (40%)	1,854 (30%)	2,625 (38%)	3,222 (41%)	-44%	-21%	-3%
25 to 34	1,521 (18%)	1,229 (20%)	1,146 (16%)	1,639 (21%)	-19%	-25%	8%
35 to 44	1,167 (14%)	792 (13%)	979 (14%)	889 (11%)	-32%	-16%	-24%
45 to 54	938 (11%)	938 (15%)	792 (11%)	750 (10%)	0%	-16%	-20%
55 to 64	979 (12%)	792 (13%)	1,125 (16%)	1,000 (13%)	-19%	15%	2%
65 or above	417 (5%)	542 (9%)	438 (6%)	528 (7%)	30%	5%	27%
Education							
Below high school	1,750 (21%)	896 (15%)	1,292 (19%)	1,778 (22%)	-49%	-26%	2%
High school or some post-secondary	2,771 (34%)	2,021 (33%)	2,333 (33%)	1,944 (24%)	-27%	-16%	-30%
Degree below bachelor's	2,688 (32%)	1,688 (28%)	2,104 (30%)	2,389 (30%)	-37%	-22%	-11%
Bachelor's degree or above	1,063 (13%)	1,438 (24%)	1,292 (19%)	1,861 (23%)	35%	22%	75%

Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

These patterns are also reflected in the number of years people have worked in the sector. The loss of experienced workers is evident in the decline in workers with 8 to 10 years and 16-20 years of experience.

Table 7: Tourism Sector Employment by Workforce Experience (2019-2022)

Length of Employment	2019	2020	2021	2022	% Change 20 vs 19	% Change 21 vs 19	% Change 22 vs 19
Less than 1 year	2,083	1,063	1,646	2,139	-49%	-21%	3%
1 year	2,188	1,271	1,271	1,750	-42%	-42%	-20%
2 to 4 years	1,813	1,646	1,771	1,667	-9%	-2%	-8%
5 to 7 years	667	771	813	1,111	16%	22%	67%
8 to 10 years	417	375	354	194	-10%	-15%	-53%
11 to 15 years	396	292	271	444	-26%	-32%	12%
16 to 20 years	313	188	292	83	-40%	-7%	-73%
Over 20 years	396	563	563	500	42%	42%	26%
Total	8,292	6,104	7,000	7,861	-26%	-16%	-5%

Avg. years	5.3	7.0	6.9	5.6	-	-	-
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Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

CHANGES IN HOURS AND WAGES

Employers reduced employee hours as a means to maintain staff throughout the pandemic. The average hours worked per week per employee declined by 15% in 2020. In 2022, the average hours worked are almost back to 2019 levels and the accommodation and transportation industries experienced an increase in average hours per week relative to 2019.

Table 8: PEI's Tourism Average Actual Hours Worked Per Week Per Employee (2019-2022)

	2019	2020	2021	2022	% Change 20 vs 19	% Change 21 vs 2019	% Change 22 vs 19
Accommodation	29.6	23.2	30.3	33.8	-22%	2%	14%
Food and Beverage services	28.3	24.0	29.5	25.9	-15%	4%	-8%
Recreation and Entertainment	27.8	24.4	30.3	25.5	-12%	9%	-8%
Transportation	33.0	28.1	38.8	40.0	-15%	18%	21%
Travel services	30.0	30.0	24.0	26.0	0%	-20%	-13%
Tourism P.E.I.	28.9	24.5	30.4	27.3	-15%	5%	-6%

Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

Overall, the average hourly wage in P.E.I.'s tourism sector increased during the pandemic. Average hourly wage increased by 16% in 2021 and by 19% in 2022 as compared to 2019. The average hourly wage increased from \$15.25 in 2019, \$17.34 in 2020, \$17.75 in 2021 and \$18.19 in 2022.

Table 9: Average Hourly Wage in P.E.I.'s Tourism by Industry and Sector(2019-2022)

	2019	2020	2021	2022	% Change 20 vs 19	% Change 21 vs 19	% Change 22 vs 19
Accommodation	\$14.25	\$17.17	\$16.88	\$17.31	20%	18%	21%
Food and Beverage services	\$14.26	\$15.03	\$15.47	\$16.83	5%	8%	18%
Recreation and Entertainment	\$16.67	\$19.55	\$19.34	\$20.19	17%	16%	21%
Transportation	\$20.86	\$28.45	\$30.63	\$19.78	36%	47%	-5%
Travel services	\$18.20	\$19.80	\$21.00	\$26.00	9%	15%	43%
Tourism P.E.I.	\$15.25	\$17.34	\$17.75	\$18.19	14%	16%	19%

Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

The increase in wages is attributable to three factors:

- An increase in average wage per position (including entry level positions);
- Changes in the average level of experience within positions (e.g., more experienced workers tend to receive higher wages); and
- Changes in the distribution of positions within the sector. For example, the sector had fewer entry level positions during the pandemic and, as a result, higher paid staff accounted for a greater percentage of sector employment.

CHANGES IN EMPLOYMENT BY OCCUPATIONAL GROUP

Occupations associated with the food and beverage services tended to experience the largest declines in employment. The following table shows the change in employment of the leading occupations in the sector throughout the pandemic until now.

Table 10: Employment of Leading Occupations in P.E.I.'s Tourism Sector (2019-2022)

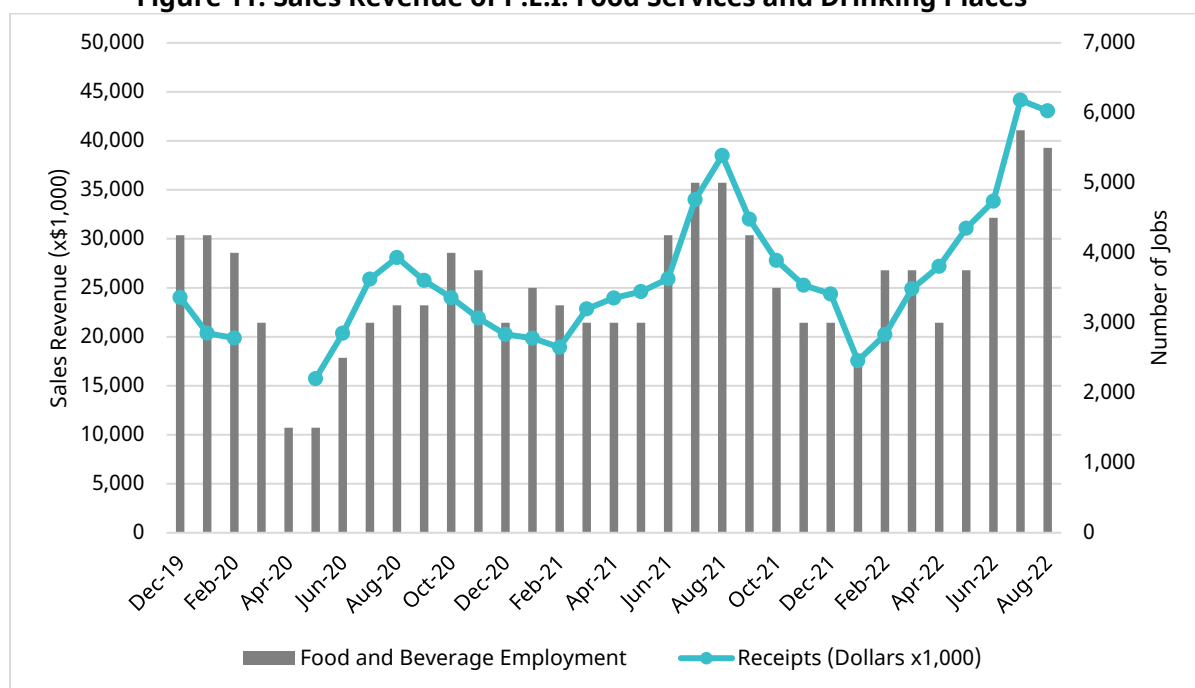
NOC	Occupations	2019	2020	2021	2022	% Change 20 vs 19	% Change 21 vs 19	% Change 22 vs 19
6711	Food counter attendants, kitchen helpers	1,583	854	1,083	1,056	-46%	-32%	-33%
6513	Food and beverage servers	771	479	583	833	-38%	-24%	8%
6511	Maîtres d'hôtel and hosts/hostesses	271	188	167	611	-31%	-38%	126%
6322	Cooks	917	667	604	583	-27%	-34%	-36%
5254	Program leaders and instructors in recreation, sport and fitness	229	146	229	444	-36%	0%	94%
6731	Light duty cleaners	208	250	208	306	20%	0%	47%
0631	Restaurant and food service managers	271	271	438	278	0%	62%	3%
0632	Accommodation service managers	188	271	250	250	44%	33%	33%
6722	Operators and attendants in amusement, recreation and sport	229	125	292	250	-45%	27%	9%
6733	Janitors, caretakers and building superintendents	42	63	146	250	50%	250%	500%
8612	Landscaping and grounds maintenance labourers	167	104	83	194	-38%	-50%	17%
6321	Chefs	167	104	271	194	-38%	63%	17%
6311	Food service supervisors	708	250	271	194	-65%	-62%	-73%
6525	Hotel front desk clerks	208	21	104	194	-90%	-50%	-7%
6611	Cashiers	354	292	167	139	-18%	-53%	-61%

Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

The trend in food & beverage services employment is closely correlated with changes in food and beverage revenues. During the height of the pandemic, it is likely that most operations experienced a sharper decline in revenues than in employment. Most operations require a certain number of staff members to be able to open and operate. If revenues declined by 30%, that did not necessarily mean that the operation reduced its staffing levels by 30%. The result is that the average revenue per employee declined. Further complicating these factors is the addition of new staffing requirements during the pandemic to maintain health and safety standards.

The following chart compares monthly food service and drinking places' revenues from December 2019 to June 2022 reported by Statistics Canada on employment levels for the food and beverage services industry reported through the Labour Force Survey. Throughout 2020 and 2021 there were a few months where revenues surpassed employment levels. Since April of 2022, the growth of the revenues has continued to surpass the growth of the food and beverage services industry employment levels.

Figure 11: Sales Revenue of P.E.I. Food Services and Drinking Places



Source: Statistics Canada, Labour Force Survey via Real Time Remote Access; Statistics Canada. Table 21-10-0019-01 Monthly survey of food services and drinking places (x 1,000)

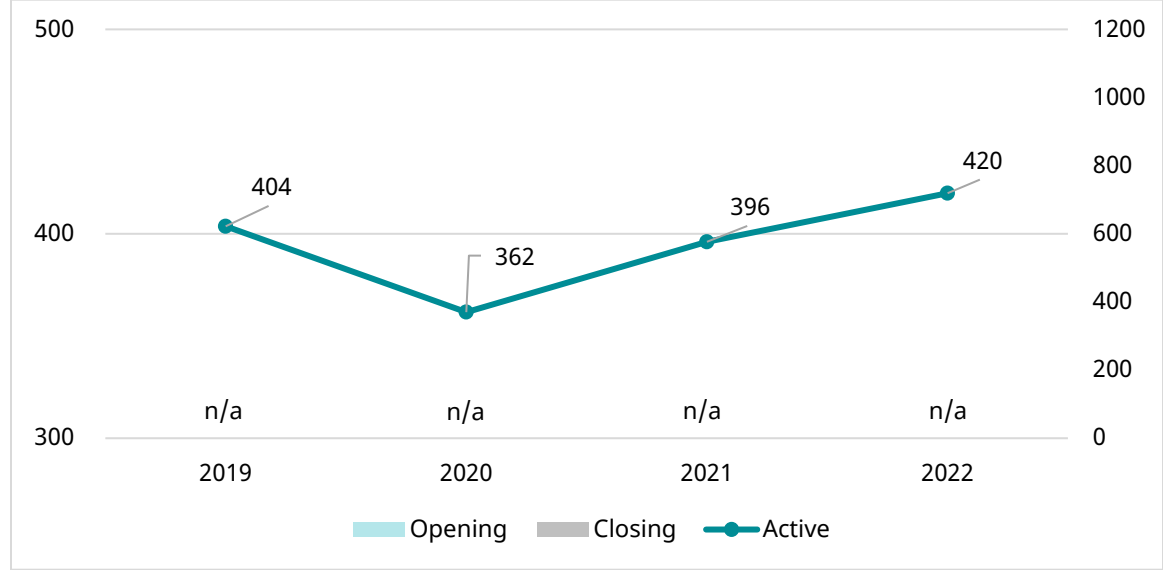
Note: Sales Data for March 2020 and April 2020 were suppressed by Statistic Canada.

CHANGES IN THE NUMBER OF ACTIVE BUSINESSES

Statistics Canada defines business openings as businesses with employment in the current month and no employment in the previous month, while business closures are defined as businesses that had employment in the previous month, but no employment in the current month. Active businesses are defined as those businesses that reported having one or more employees in a given month. During the pandemic, the tourism sector not only saw a decline in employment, but also a

decline in the number of active businesses. The number of active tourism businesses declined from 404 in 2019 to 362 in 2020 before recovering to 420 in 2022.

Figure 12: Avg Monthly Business Opening and Closures, P.E.I.'s Tourism Sector (2019-2022)



Source: THRC Employment Tracker/Statistics Canada.
Note: Opening and Closing Business Data are not available for this province.

DATA ON WHERE EMPLOYEES WENT

Data indicates that the tourism sector lost employees to other sectors, either when permanent employees were displaced because of the pandemic or when seasonal workers failed to return for the following season. A recent Prudential Finance study found that about 22% of workers changed their jobs or careers during the pandemic.⁸ However, there is limited data available as to which sector these departing employees went. It is likely that most of these workers moved to other sectors which were growing in 2021, particularly construction and public administration as indicated in the table below.

⁸ Pulse of the American Worker Survey: A Third Year Begins — Life and Work in the Pandemic Era.

Table 11: Year to Year Employment by Industry and Sector, P.E.I. (2019-2022)

Industry	2019	2020	2021	2022	Change 20 vs 19	Change 21 vs 20	Change 22 vs 21
Accommodation	1,083	1,000	896	1,167	-83	-104	271
Food and Beverage services	4,833	3,083	3,646	4,000	-1,750	563	354
Recreation and Entertainment	1,500	1,417	1,833	2,222	-83	416	389
Transportation	667	500	479	333	-167	-21	-146
Travel services	208	104	146	139	-104	42	-7
Sector Totals	8,292	6,104	7,000	7,861	-2,188	896	861
Accommodation and food services (non-tourism)	188	167	83	83	-21	-83	-
Administrative and support, waste management and remediation services	2,167	1,958	2,042	2,250	-208	83	208
Agriculture, forestry, fishing and hunting	6,146	5,729	5,708	5,639	-417	-21	-69
Arts, entertainment and recreation (non-tourism)	83	63	188	167	-21	125	-21
Construction	6,521	6,667	5,938	7,444	146	-729	1,507
Educational services	5,500	5,750	6,229	5,972	250	479	-257
Finance and insurance	1,979	2,250	1,792	1,694	271	-458	-97
Health care and social assistance	11,021	10,979	11,667	12,472	-42	688	806
Information and cultural industries	646	708	542	944	63	-167	403
Manufacturing	6,688	6,688	7,063	8,000	-	375	938
Mining, quarrying, and oil and gas extraction	313	271	271	222	-42	-	-49
Other services (except public administration)	3,292	3,271	3,083	3,222	-21	-188	139
Professional, scientific and technical services	3,583	4,208	4,438	4,944	625	229	507
Public administration	7,792	8,125	8,729	10,361	333	604	1,632
Real estate and rental and leasing	833	646	938	861	-188	292	-76
Retail trade	10,063	9,521	10,042	9,861	-542	521	-181
Transportation and warehousing (non-tourism)	2,250	2,083	1,917	1,389	-167	-167	-528

Industry	2019	2020	2021	2022	Change 20 vs 19	Change 21 vs 20	Change 22 vs 21
Utilities	313	208	333	222	-104	125	-111
Wholesale trade	1,521	1,333	1,396	1,111	-188	63	-285
Total P.E.I. Employment	79,188	76,688	79,438	84,778	-2,500	2,750	5,340

Source: Statistics Canada, Labour Force Survey via Real Time Remote Access.

3. LABOUR MARKET OUTLOOK

PROJECTED EMPLOYMENT

Tourism HR Canada engaged the Conference Board of Canada to develop employment projections for the tourism sector. The results were published in July 2022. The following table summarizes their projections regarding employment in the P.E.I.'s tourism sector by industry group from 2021 to 2025. Over the four-year period, employment in the tourism sector (overall) is projected to grow at a compounded annual rate of 6%. The leading industry in terms of growth is expected to be accommodation (11.6%) and travel services (5.8%).

Table 12: Projected Growth Rates in P.E.I.'s Tourism Sector by Industry (2021-2025)

Prince Edward Island	Projected Growth vs 2020 Levels					
	2021	2022	2023	2024	2025	4-year Growth
Tourism Sector Totals	7,000	8,203	8,606	8,752	8,841	26.3%
<i>Year-over-year Growth</i>	-	17.2%	4.9%	1.7%	1.0%	6.0%
Industry						
Accommodation	896	1,270	1,358	1,375	1,389	55.0%
<i>year-over-year growth</i>	-	41.7%	6.9%	1.2%	1.0%	11.6%
Food and Beverage services	3,646	4,262	4,418	4,457	4,501	23.4%
<i>year-over-year growth</i>	-	16.9%	3.6%	0.9%	1.0%	5.4%
Recreation and Entertainment	1,833	2,022	2,161	2,203	2,242	22.3%
<i>year-over-year growth</i>	-	10.3%	6.9%	1.9%	1.8%	5.2%
Transportation	479	541	568	593	593	23.7%
<i>year-over-year growth</i>	-	12.9%	5.0%	4.5%	-0.1%	5.5%
Travel services	146	153	169	178	183	25.5%
<i>year-over-year growth</i>	-	4.6%	10.4%	5.4%	3.1%	5.8%

Source: Projections-of-Tourism-and-Employment-Demand-in-Canada-2019-2025, Conference Board of Canada

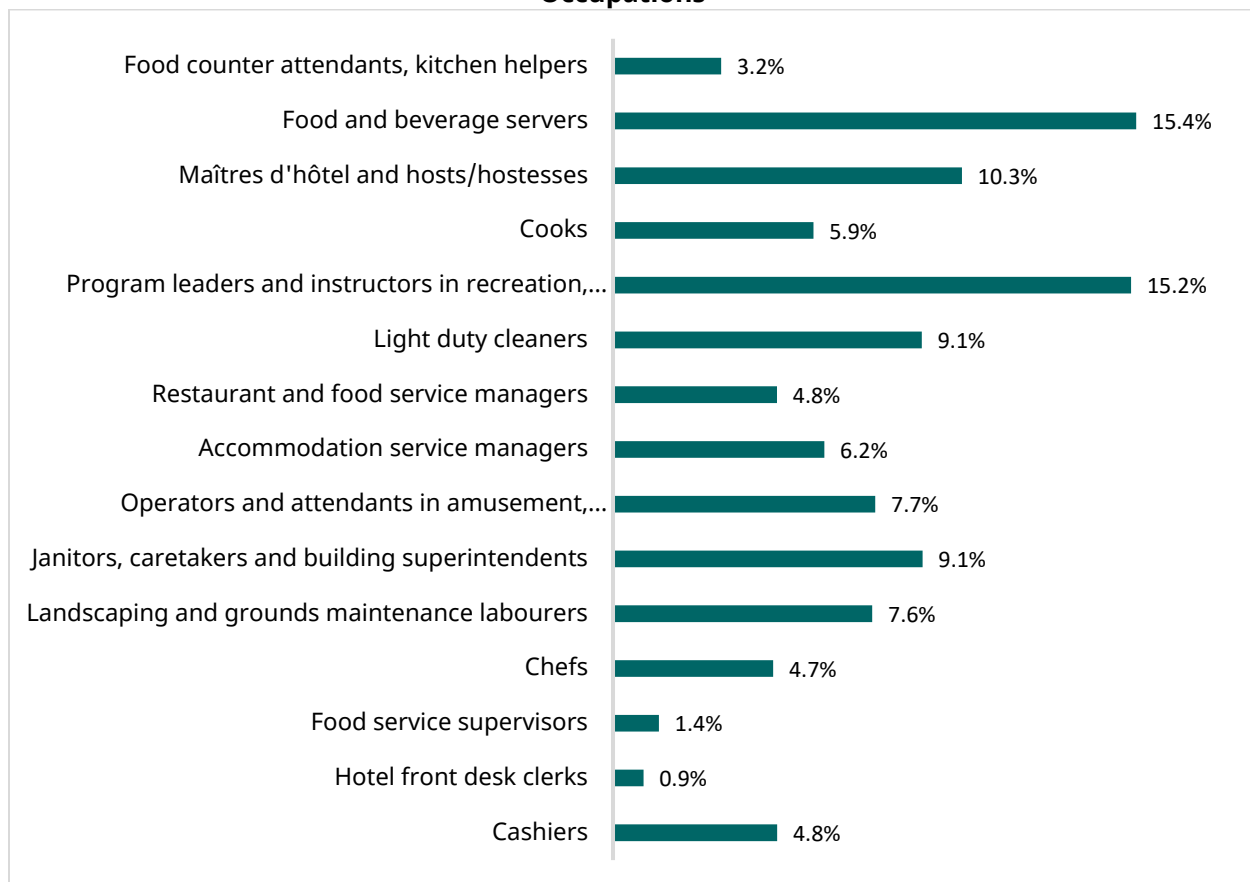
Across Canada, the Conference Board projected compounded annual employment growth in the tourism sector of 6.4% of the 4-year growth period from 2021 to 2025. This growth is consistent with the results of a recent survey conducted for Tourism HR Canada.⁹ Of the 700 tourism employers surveyed, 29% are projecting employment to increase. The projected growth was attributed to improving business conditions (59% of employers indicated that current business and operating conditions have improved compared to the summer of 2021) and business expansion (53% of those employers who anticipate an increase in employment reported that their operations are growing).

⁹ Business Intelligence Survey, Labour Market Information, Tourism HR Canada, 2022

EMPLOYMENT BY OCCUPATION

The following chart shows the projected four-year compounded annual growth in P.E.I.'s tourism sector for the 15 leading occupations. The fastest growing occupations are expected to be food and beverage servers and program leaders and instructors in recreation.

Figure 13: P.E.I. Tourism Projected 5-year compounded annual growth rates by Top 15 Occupations¹⁰



Source: *Projections-of-Tourism-and-Employment-Demand-in-Canada-2019-2025*, Conference Board of Canada

¹⁰ Detailed descriptions of these occupations can be found here:
<https://noc.esdc.gc.ca/Structure/Hierarchy?objectid=%2Fd0IGA6qD8JPRfoj5UCjpg%3D%3D>

