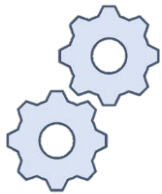


Spotlight



Industries

Accommodation and food services

Employment

+18.3% (y/y)

6,900 (Q4)

The accommodation and food services industry employed 6,900 persons in the most recent Q4 2025 period, which is just shy of its all-time high of 7,100 in Q3 2018. Island tourism experienced another strong performance in 2025, building off a record-breaking year in 2024 - highlighted by record-level visitation and economic stimulus.



Economic Regions

Charlottetown

Employment

-1.7% (y/y)

52,600 (Q4)

Employment in the province's capital averaged 52,600 in the most recent fourth-quarter, which is down from a year ago, but the second highest Q4 level on record. Charlottetown's participation rate in Q4 2025 eased from its all-time quarterly high posted just a year prior and is currently hovering around pre-pandemic levels.

Key Indicators



Population*

+1.8% (v/v)

155,100 (Q4)

Employment

+0.2% (v/v)

94,000 (Q4)

Unemployment Rate

-1.0pp (y/y)

7.8% (Q4)

Labour Force Participation Rate

-1.7pp (y/y)

65.8% (Q4)

Job Vacancy Rate

+0.0pp (y/y)

3.4% (Q3)

Weekly Wages

+3.2% (y/y)

\$1,164 (Q4)

*Note: Y/Y is a year-over-year change; pp is a percentage point change; Q4 stands for the 4th quarter of the calendar year
Population represents those aged 15 and over

The Island's working-age population reached a record-high level in Q4 2025. The labour force in the most recent quarter changed little from what it was in the previous quarter (which in Q3 2025, was the second-highest level on record). The level of employment in P.E.I. rose by 1% on a quarterly basis and remains on par with what it was a year ago. With the labour force having contracted slightly on a quarterly basis, unemployment in the province declined— meaning there were fewer people actively searching and available to work in Q4 2025 than in the previous Q3 period. This put downward pressure on the Island's participation rate in the most recent quarter.

Feature Article

A Shifting Retail Sector in Prince Edward Island: A Post-Pandemic Overview

Sources: Unless stated otherwise, all data sourced from Statistics Canada's Job Vacancy and Wage Survey (JVWS) and Labour Force Survey (LFS).

Note: Quarterly LFS estimates are based on three-month average seasonally-adjusted data, except for sub-provincial regions where monthly data are unadjusted.





Recent Trends

Working Age Population

Following respectable growth in the previous quarter, the Island’s working-age population (ages 15 and over) grew at a slightly slower pace, having increased by 0.4% to reach a new quarterly high of 155,100 in Q4 2025. As shown in the adjoining graph, growth in the working-age population accelerated at a robust pace post-pandemic due to an increase in the volume of immigrants coming to P.E.I. over that period. The graph shows that the pace of growth for the working-age population held strong throughout the first three quarters of 2024 (+1.1% per quarter, on average), then lost some momentum in the following two quarters, before picking up some pace in the latter three quarters.

Employment

Employment in P.E.I. averaged 94,000 in Q4 2025, which is up by 1% from the previous quarter (but level on a year-over-year basis). Following a period of stagnant growth throughout the pandemic year, recovery continued at a relatively consistent pace through to the end of 2022 when labour market conditions appeared to somewhat stabilize. Employment growth then surged once again toward the latter half of 2023, before easing thereafter. Although positive, the pace of growth with respect to the Island’s employment base has softened considerably throughout 2025.

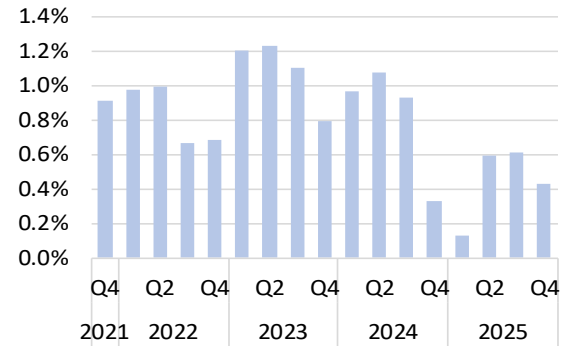
Unemployment

The unemployment rate in the province declined by about 1 percentage point to 7.8% in Q4 2025. This is due to the labour force having contracted slightly while employment edged up in the most recent quarter. The unemployment rate in Q4 2025 remains below what it was just prior to the pandemic - which averaged 8.7% in 2019. Most of the quarterly contraction in the Island’s unemployed pool was attributed to the older worker age group (persons aged 55+).

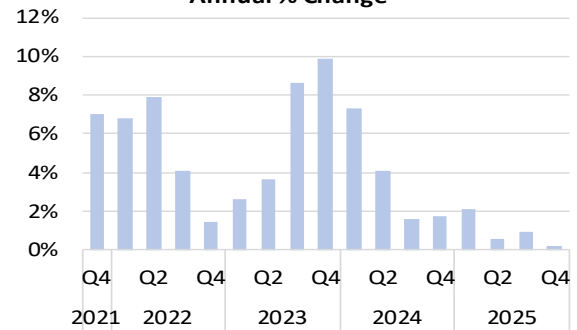
Labour Force Participation

P.E.I.’s participation rate fell by about half of a percentage point to 65.8% in Q4 2025. This measure of labour force participation remains below its pre-pandemic average of 67% in 2019. Throughout 2023, quarterly growth in the labour force consistently outpaced that for population growth, resulting in a rising participation rate. In 2024, labour force growth stalled relative to gains in the working-age population, which tempered the rate of labour force participation in the province. The participation rate spiked in Q4 2024 due to increased labour market participation by male youths and older female workers, and has eased since. The lower rate of participation in Q4 2025 was attributed to proportionately fewer youths entering the labour force.

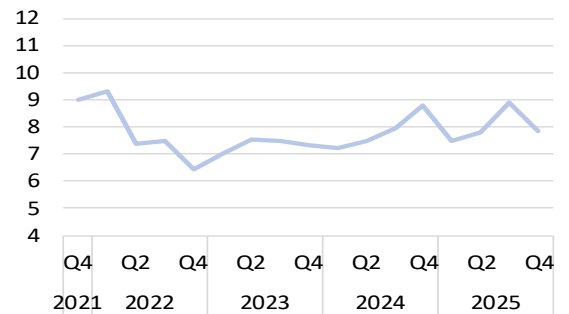
Prince Edward Island, Population, Total - Gender, 15 years and over, Quarterly % Change



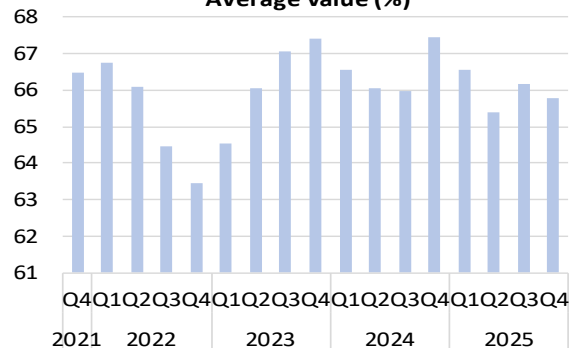
Prince Edward Island, Employment, Total - Gender, 15 years and over, Annual % Change

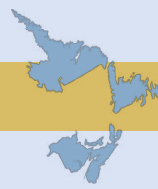


Prince Edward Island, Unemployment rate, Total - Gender, 15 years and over, Average Value (%)



Prince Edward Island, Participation rate, Total - Gender, 15 years and over, Average Value (%)





Age Groups

The unemployment rate for youths (ages 15–24) remains the highest among all major age groups, reaching 13% in Q4 2025. By comparison, the rates for core aged (ages 25–54) and older workers stand at 6.5% and 8%, respectively. As shown in the graph, youth unemployment had been trending downward through 2023 and 2024 before reversing course and rising steadily throughout 2025—from 9% in Q1 to 13% in Q4. This sharp reversal, particularly the speed at which youth unemployment increased, reflects broader economic instability earlier in the year linked to U.S. trade uncertainties. Reduced business confidence, slower job creation, as well as rising minimum wages, and higher labour costs are all contributing factors that likely intensified the increase in youth unemployment during 2025.

Sex

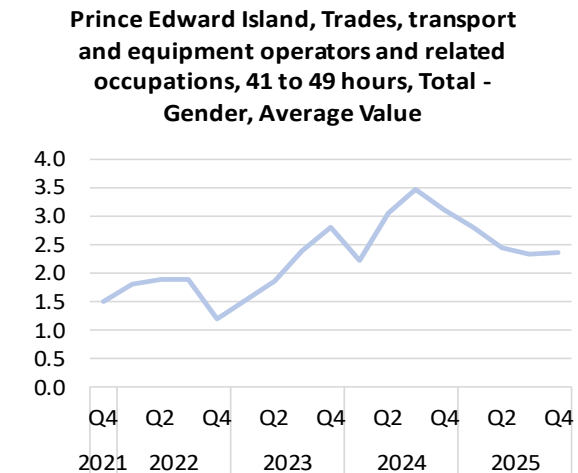
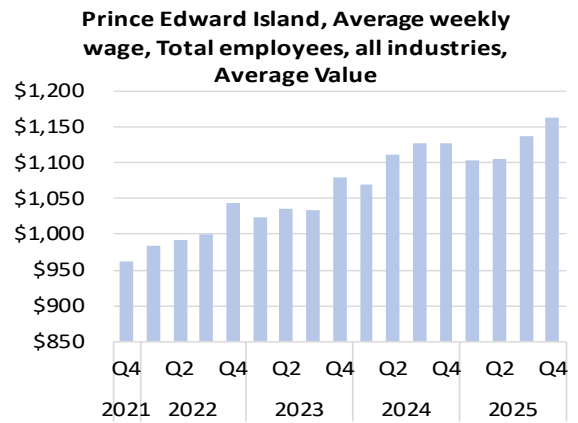
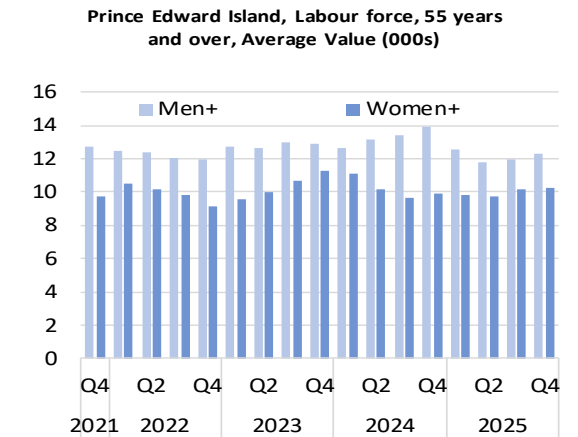
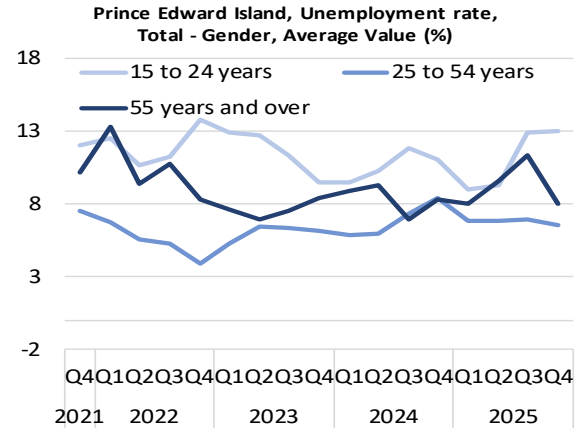
There are proportionately more older worker men+ participating in the labour market in P.E.I. relative to women+. This gap widened considerably throughout 2024 but has been narrowing in recent quarters. In 2019, prior to the pandemic, an average of about 12,000 men+ in this age category were either employed or looking for work and this compares to about 10,000 for women+, representing a gender gap of about 20% (meaning there were 20% more older worker men+ in the labour force than women+ in 2019). As can be observed in the graph, this gender gap among older worker men+ and women+ narrowed toward the end of 2023, before widening to its largest gap of 39% in Q4 2024. In Q4 2025, this gap has narrowed to 20% which is on par with pre-pandemic norms.

Wages

Throughout 2022, the province experienced strong growth in average weekly wages (+6.6%) driven by wide-spread labour shortages and to some degree, successful union contract negotiations in response to high inflation. This was overshadowed by 8.9% inflation during that same year which eroded consumer purchasing power. Since then, consumer inflation has eased while average wages continue to grow. Following wage growth of 3.7% in 2023 (vs. 2.9% inflation that year), wages grew considerably throughout 2024 (+6.3%) which greatly offset the 1.8% rise in consumer prices. Wage pressures have been easing since and on a year-to-date basis, the growth in P.E.I. average wages remains on par with inflation in 2025.

Hours Worked

There has been a sharp increase in the number of people working between 41 and 49 hours per week in the trades, transport, and equipment operators occupational group since mid-2023. The peak occurred in Q3 2024 when nearly 3,500 persons in this group worked within the 41-49 hours range (representing the highest in the time series). The number of workers in the province working those hours has since decreased, but remains well above historical norms. Strong construction and manufacturing activity (driven by strong export demand), coupled with skilled labour shortages (particularly within the construction industry) are likely factors supporting the elevated working hours within this occupational group.





Industries

Goods-producing Sector

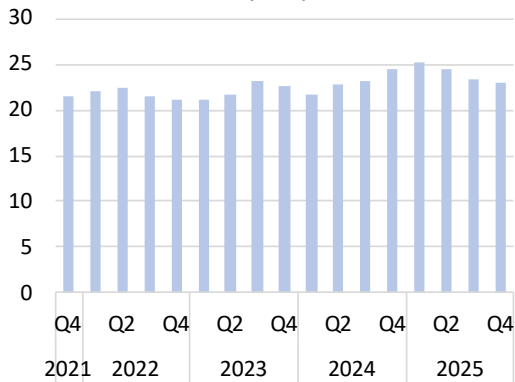
The employment level in P.E.I.'s goods-producing sector continued its decline during Q4 2025, though the drop from Q3 was marginal (-400). Following rising employment during 2024 which peaked at a record high of 25,200 in Q1 2025, it has been a downward trend for the rest of 2025.

At 23,000, employment in this sector is not far off the historical Q1 peak and around 6% less than the same period one year prior. Compared to Q4 2024, manufacturing employment was unchanged while the utilities industry experienced a slight (+100) increase. Job losses were concentrated in agriculture (-800), construction (-800), and forestry, fishing, mining, oil and gas (-200).

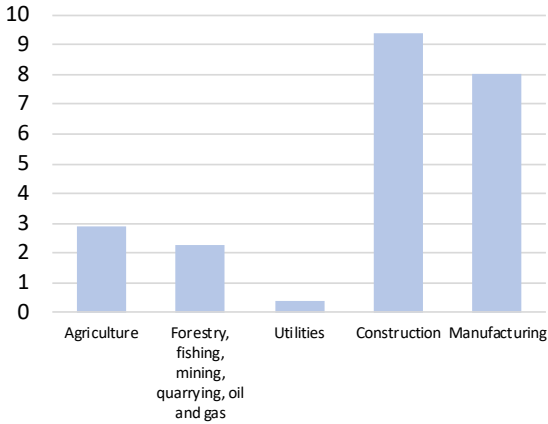
Agriculture has been hampered by the summer droughts across Atlantic Canada, which reduced crops yields and left lingering effects beyond the growing season. Meanwhile, fishing activity continues to be negatively impacted by U.S. and Chinese tariffs, reducing demand from the province's two largest export markets.

While construction employment fell compared to last year, the industry will likely remain strong and see growth at some point if the need for skilled trade workers can be filled. P.E.I. needs to build an average of 2,000 homes per year to keep up with its recent population growth and more people are expected to arrive in the province in the coming year.

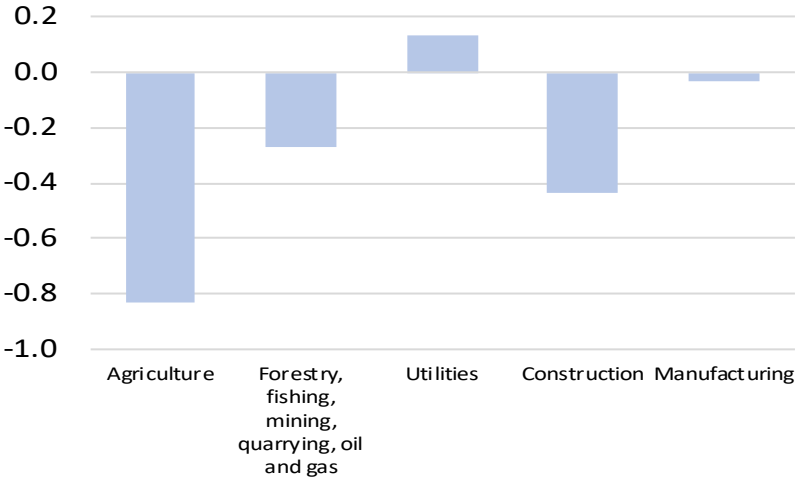
Employment, Prince Edward Island, Goods-producing sector, Average Value (000s)



Employment, Prince Edward Island, Average Value, Q4 2025 (000s)



Employment, Prince Edward Island, Annual Change, Q4 2025 (000s)



Employment in the goods-producing has declined the last three quarters.





Services-producing Sector

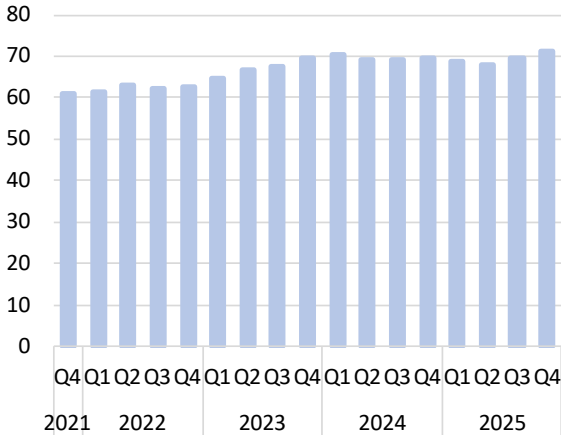
Employment was up again for the second straight quarter in P.E.I.'s services-producing sector during Q4 2025. At 71,000, the sector's employment level surpassed the previous record high of 70,300 set in Q1 2024.

The sector's employment base is largely concentrated in healthcare, public administration, and trade. With the Island's population base growing substantially in recent years, retail trade has been buoyed by an increased number of consumers. However, this same population growth has been putting strain on the healthcare system as well as increasing demands for public programs and services operated by government.

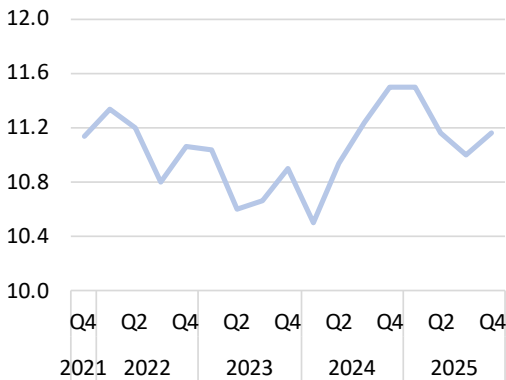
Overall, employment in the sector was up 2.3% over Q4 2024. The healthcare industry accounted for most of the new job growth since last year. Indeed, the P.E.I. government and provincial stakeholders in healthcare have launched a focused strategy to attract skilled immigrants to this industry over the past year, as well as bolstering the local post-secondary programming to bring in more young people. This includes the Province investing \$120M to create its own medical school, which is expected to train more local students to be doctors who will stay and work on the Island.

Employment declined slightly compared to Q4 2024 in the public service as local and federal governments exercise austerity measures. Employment in trade was also down since last year as tariffs have created a more difficult environment for wholesalers. Nevertheless, the employment level in the trade industry has hovered near 11,000 the last several years.

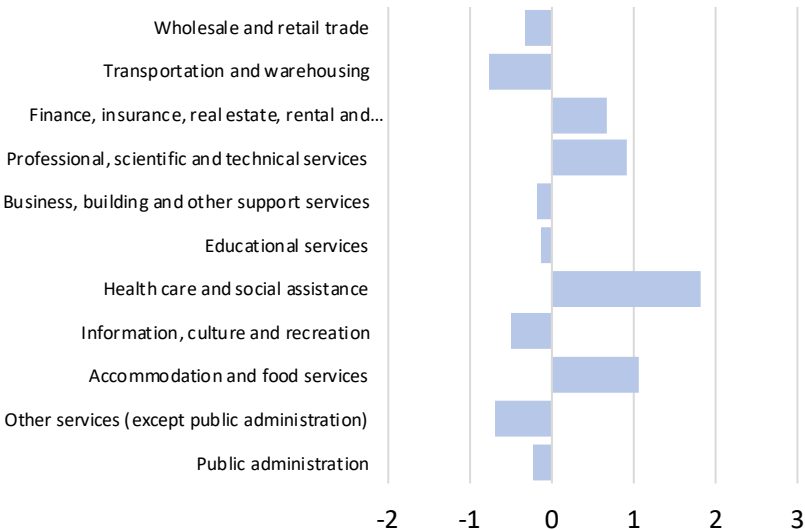
Employment, Prince Edward Island, Services-producing sector, Average Value (000s)



Employment, Prince Edward Island, Wholesale and retail trade, Average Value (000s)



Employment, Prince Edward Island, Annual Change, Q4 2025 (000s)



Employment hit a record high in the services-producing sector during Q4.





Job Vacancies

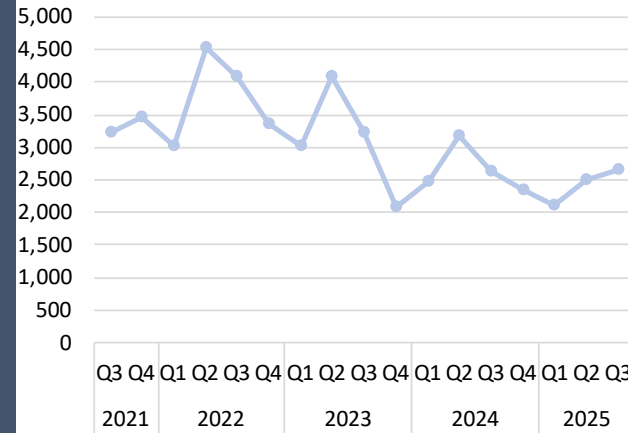
Job vacancies have been creeping up in each of the last two quarters. There were 135 more vacancies in the most recent quarter compared to Q2. Compared to last year, vacancies were up by 5.

Slightly more than 25% of the vacancies were in sales and services occupations. Most of these positions are lower-skilled jobs which gives employers a larger labour pool to recruit from. However, with the rising cost of living, it can be difficult to attract workers to low wage jobs. P.E.I. increased the minimum wage to \$16.50 per hour on October 1, 2025, which may help entice people to these sales and service jobs.

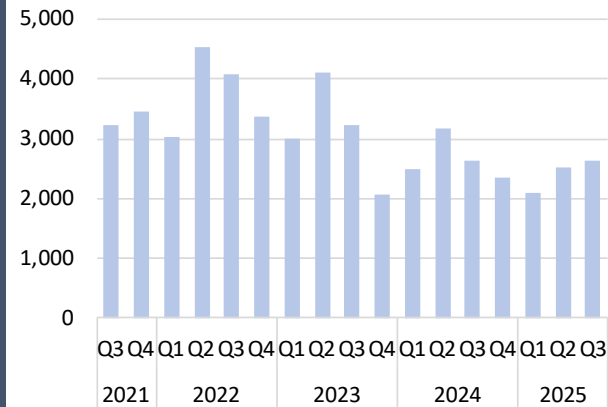
There were 685 vacant positions in the healthcare industry in Q3, making it the second largest source of vacancies in the province by industry. Compared to Q3 2024, vacancies in this industry were up by 135. On the positive side, the federal government recently granted P.E.I. an additional 575 permanent residency nominations this year, which would bring the Island’s total to 1,600. These extra spots will be focused on international student graduates and industries facing labour shortages, such as health care.

The job vacancy rate – which corresponds to the number of vacant positions as a proportion of the total labour demand (the sum of filled and vacant positions) – was 3.4% in Q3 2025. This marked a small drop of 0.1 percentage point from the previous quarter while remaining unchanged from the previous year.

Prince Edward Island, Job vacancies, Average Value



Prince Edward Island, Job vacancies, Average Value

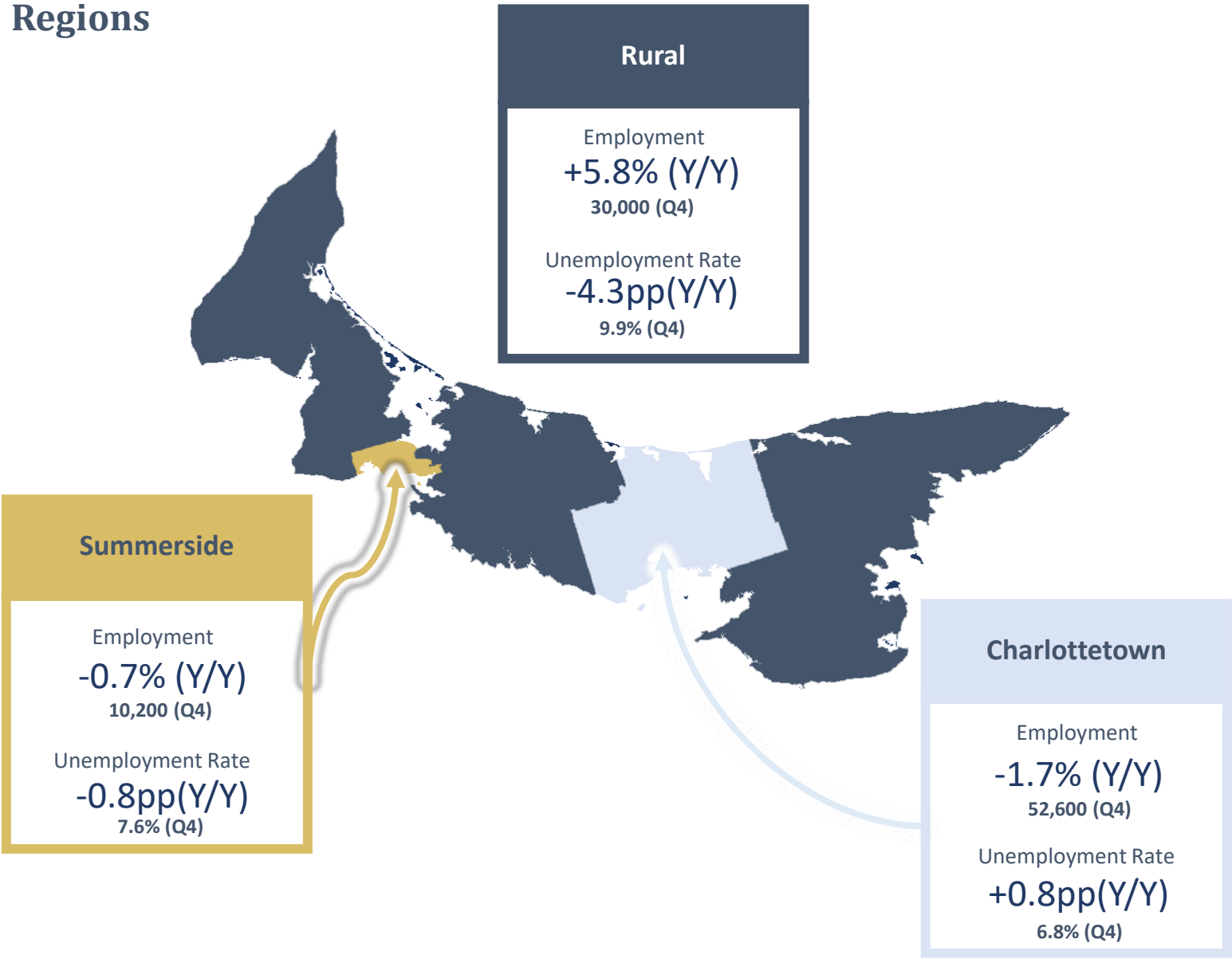


Job Vacancies by Occupation Group (1 Digit NOC)	Q3 2025	Yr/Yr Change
Business, finance and administration occupations	150	-14.3%
Natural and applied sciences and related occupations	95	46.2%
Health occupations	685	24.5%
Occupations in education, law and social, community and government services	315	26.0%
Occupations in art, culture, recreation and sport	n/a	n/a
Sales and service occupations	740	-16.4%
Trades, transport and equipment operators and related occupations	320	-16.9%
Natural resources, agriculture and related production occupations	n/a	n/a
Occupations in manufacturing and utilities	110	-26.7%
Total employees, all occupations	2,645	0.2%

Job vacancies were highest for sales and service occupations.



Regions



Charlottetown: Charlottetown’s working-age population (ages 15+) expanded by 2.4% in Q4 2025 from the same quarter a year ago. The labour force and employment levels in the province’s capital averaged 56,500 and 52,600, respectively, in the most recent quarter. Both indicators are down on a year-over-year basis but remain amongst the highest Q4 levels on record.

Summerside: The labour force in this area averaged 11,100 in Q4 2025, which is unchanged from the same quarter a year ago (but remains the highest Q4 level on record). Growth in the working-age population base outpaced labour force growth which put downward pressure on the region’s participation rate (having declined by 1.3 percentage points to 63.4% in Q4 2025).

Rural: Working-age population growth in the rural region expanded by nearly 1% in the most recent quarter. Employment growth expanded by 5.8% in Q4 2025 relative to a stable labour force which resulted in a considerable drop in the region’s unemployment rate (from 14.3% in Q4 2024 to 9.9% in the most recent quarter). The rural participation rate remained stable at 60.3% in Q4 2025.





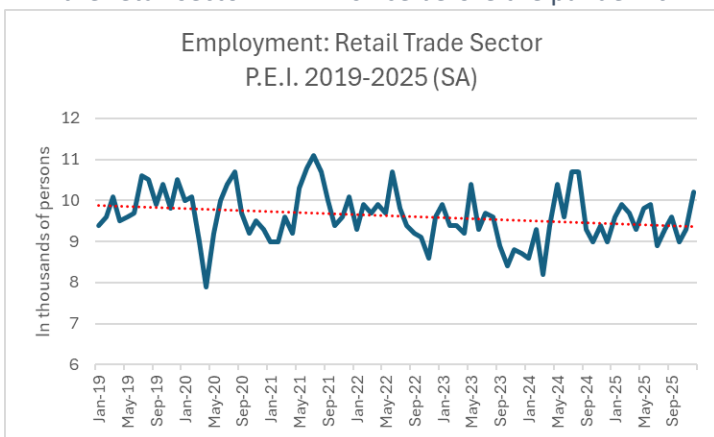
Feature Article

A Shifting Retail Sector in Prince Edward Island: A Post-Pandemic Overview

The retail sector in Prince Edward Island has undergone a significant transformation in the years following the COVID-19 pandemic. As public-health measures forced businesses to modify operations and consumers shifted rapidly toward online purchasing, retailers in the province (and nationally) have adapted to new shopping behaviours. Online shopping surged nationally, although most Canadians still preferred in-store experiences once restrictions eased. “While the pandemic accelerated the move to online shopping, 67 per cent of Canadian consumers still prefer to shop in-store versus online.”¹

Against this backdrop, this report examines how retail employment in P.E.I. has evolved since 2019, investigating why job levels have not returned to—or surpassed—their pre-pandemic levels despite strong economic and demographic growth. P.E.I. has experienced remarkable population expansion, primarily driven by immigration, and consistent GDP growth that has outpaced many other provinces in recent years. For example, in Q4 2025, the Island’s population totalled 182,508 which is up by 16% from what it was in the same quarter of 2019. Between 2019 and 2024, the Island’s economy expanded by 17.4% in real terms, which was the highest pace of growth in the country.

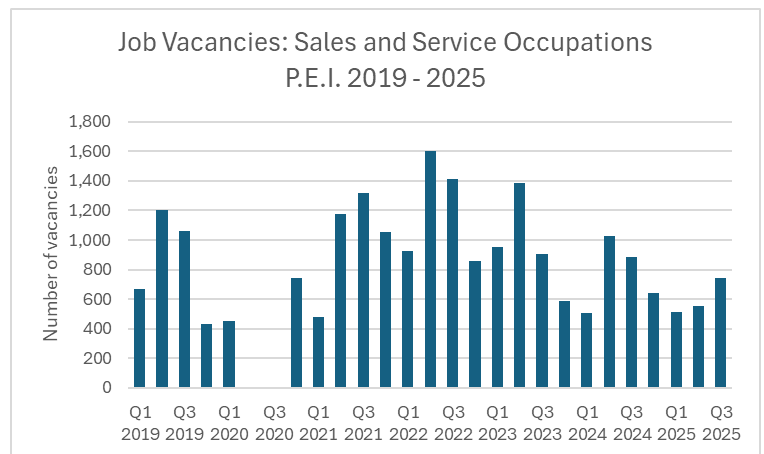
One might expect that strong population and economic growth would support increased retail employment. However, this has not been the case in P.E.I. The graph below shows seasonally unadjusted employment growth in the retail sector in P.E.I. since before the pandemic.



Source: Statistics Canada Table: 14-10-0022-01

At first glance, the level of retail employment has been on a slight, downward trend since 2019. In fact, just prior to the pandemic, there were about 10,000 persons employed in retail, but this number drops to 9,500 in 2025, a decrease of 4.3%. Both full-time and part-time positions were lower when comparing these time periods, by 3.6% and 5.5%, respectively. The age composition of the retail sector in the province changed as well between 2019 and 2025: there were just over 13% more youths (persons between 15 and 24 years of age) employed in the sector in 2025 while the number of those in the core age group (25-54 years) and older workers (55+ years) declined, by 12.4% and 9% respectively.

The graph below shows the number of job vacancies in the sales and services occupational grouping since 2019.



Source: Statistics Canada Table 14-10-0443-01

Similarly, the number of vacancies in the province has been trending down since the post-pandemic recovery period (throughout 2021 and 2022 - which at the time, produced a record number of vacancies). In the first three quarters of 2025 (Q4 data not yet available), there was an average of 602 vacancies in the province, and this compares to 977 over the same period in 2019. This is nearly a 40% decline in vacancies in this occupational group. Furthermore, Job Bank postings for occupations related to retail (including managers and supervisors, salespersons, customer service representatives, cashiers, shelf stockers and order fillers, etc.) have declined in recent years. In 2024 for example, the number of retail-postings in the province were 26% lower than the prior year, and were relatively unchanged in 2025.

*Feature Article*

A Shifting Retail Sector in Prince Edward Island: A Post-Pandemic Overview

P.E.I.'s retail sector illustrates how economic growth and employment trends can move in different directions during periods of structural change. Despite strong GDP performance and a rapidly expanding population, retail employment has not increased—and in fact remains below pre-pandemic levels. Several forces help explain this divergence: a persistent shift toward online shopping, widespread adoption of automation within stores, workforce shortages driven by demographic pressures, and so on. At the same time, declining job vacancies in sales and service occupations suggest that both labour supply limitations and changing business models are reshaping the industry. As immigration levels moderate and the workforce ages, retailers may continue facing challenges balancing staffing needs with evolving consumer expectations.

References:

1. <https://kpmg.com/ca/en/home/insights/2024/03/the-future-of-seamless-commerce-in-canada.html>





Appendix

Characteristic	Prince Edward Island			Canada		
	Estimate	Change		Estimate	Change	
	Latest Quarter Q4 2025	Vs. Previous Quarter	Vs. Quarter Year Prior	Latest Quarter Q4 2025	Vs. Previous Quarter	Vs. Quarter Year Prior
Population 15+ ('000)	155.1	0.4%	1.8%	34,710.5	0.2%	1.4%
Labour Force ('000)	102.0	-0.2%	-0.8%	22,649.0	0.3%	1.3%
Employment ('000)	94.0	1.0%	0.2%	21,120.4	0.6%	1.3%
Full-time Employment ('000)	81.0	0.4%	1.7%	17,248.0	0.4%	0.9%
Part-time Employment ('000)	13.0	4.8%	-8.2%	3,872.4	1.6%	3.3%
Unemployment ('000)	8.0	-11.8%	-11.4%	1,528.6	-3.7%	1.4%
Unemployment Rate (%)	7.8	-1.0pp	-1.0pp	6.7	-0.3pp	0.0pp
Participation Rate (%)	65.8	-0.4pp	-1.7pp	65.3	0.1pp	-0.1pp
Employment Rate (%)	60.6	0.3pp	-1.0pp	60.9	0.3pp	0.0pp
Employment ('000):						
15-24 years of age	14.0	-3.7%	-5.2%	2,739.6	1.7%	1.5%
25-54 years of age	59.3	0.5%	3.4%	14,031.2	0.6%	1.7%
55 years and older	20.8	5.9%	-4.6%	4,349.5	0.0%	0.2%
Women+	46.6	1.5%	4.9%	9,966.8	0.6%	1.3%
Men+	47.5	0.4%	-4.0%	11,153.6	0.6%	1.3%
Goods-producing sector	23.0	-2.0%	-5.7%	4,218.2	0.9%	0.5%
Agriculture	2.9	-10.4%	-22.5%	230.8	4.7%	0.8%
Forestry, fishing, mining, oil and gas	2.3	1.5%	-10.5%	342.0	2.3%	-2.1%
Utilities	0.4	100.0%	50.0%	172.8	6.3%	13.0%
Construction	9.4	-0.7%	-4.4%	1,621.2	-0.4%	-0.1%
Manufacturing	8.0	-4.0%	-0.4%	1,851.4	0.9%	0.5%
Services-producing sector	71.1	2.0%	2.3%	16,902.2	0.5%	1.5%
Wholesale and retail trade	11.2	1.5%	-2.9%	3,009.5	0.1%	2.3%
Transportation and warehousing	2.3	-6.8%	-25.0%	1,095.2	1.7%	2.1%
Finance, insurance, real estate, and other	4.5	8.1%	17.5%	1,498.5	-0.2%	4.5%
Professional, scientific and technical srv.	5.6	2.4%	20.0%	2,007.7	-0.3%	0.3%
Business, building and other s.s.	2.4	5.8%	-6.4%	670.1	-0.6%	-7.7%
Educational services	6.3	-1.0%	-2.1%	1,604.1	-0.9%	1.0%
Health care and social assistance	16.4	1.0%	12.6%	2,928.2	1.4%	2.4%
Information, culture and recreation	2.3	-12.8%	-18.1%	864.1	3.1%	1.1%
Accommodation and food services	6.9	15.0%	18.3%	1,188.7	1.0%	3.1%
Other services (except public admin)	2.8	0.0%	-19.8%	783.4	1.0%	-0.2%
Public administration	10.5	2.3%	-2.2%	1,252.8	0.5%	2.0%

Source: Statistics Canada - Labour Force Survey

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