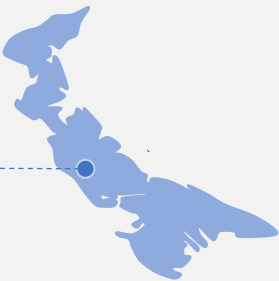


Quarterly

Labour Market Bulletin

Prince Edward Island

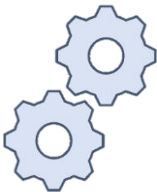


An in-depth look at the latest quarterly labour market trends

APR - JUN 2026

Spotlight

Industries



Accommodation and food services

Employment

+25.4% (y/y)

7,400 (Q2)

Employment in the accommodation and food services industry averaged 7,400 in the most recent quarter (Q2 2026). P.E.I. had another exceptional tourism year in 2025, achieving record highs in visitation, visitor spending, and overnight stays for the second consecutive year. The Island welcomed 1.87 million non-resident visitors, up 10 per cent from 2024, while visitor spending rose by an estimated 12.4 per cent. Another solid season is expected for 2026.

Economic Regions



Charlottetown

Employment

+4.6% (y/y)

54,000 (Q2)

Employment in the province's capital reached 54,000 in Q2 2026 which is the highest Q2 level on record. Charlottetown's participation rate in the most recent quarter, at 69.2%, rose by 1.7 percentage points – the highest Q2 value in a decade.

Key Indicators

Population*

+1.6% (y/y)

156,000 (Q2)

Unemployment Rate

-0.6pp (y/y)

7.4% (Q2)

Job Vacancy Rate

+0.0pp (y/y)

3.3% (Q1)

Employment

+4.0% (y/y)

96,300 (Q2)

Labour Force Participation Rate

+1.1pp (y/y)

66.6% (Q2)

Weekly Wages

+8.4% (y/y)

\$1,198 (Q2)

Note: Y/Y is a year-over-year change; pp is a percentage point change; Q2 stands for the 2nd quarter of the calendar year
**Population represents those aged 15 and over*

The Island's working-age population reached a record-high level in Q2 2026. The labour force in the most recent quarter rose by 3.4% from what it was a year ago. The level of employment in P.E.I. rose by 4% year-over-year. With annual employment growth having outpaced the labour force, unemployment in the province contracted—meaning there were slightly fewer people actively searching and available to work in Q2 2026 compared to a year ago. The Island's participation rate increased by 1.1 percentage points in the most recent quarter.

Feature Article

Balancing Growth and Labour Supply in Prince Edward Island

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

The Island’s working-age population (ages 15 and over) continues to grow although the pace of growth has eased considerably since the third quarter of 2024, as shown in the adjoining graph, due to immigration policies. In Q2 2026, the 15+ population increased by 0.3% to reach a new quarterly high of 156,000. 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.

Employment

Employment in P.E.I. averaged 96,300 in Q2 2026, which is up by 4% on a year-over-year basis. Since having surged throughout the mid 2023-24 period, employment growth has eased considerably in the province. In fact, the annual gain in employment in the most recent quarter was the highest rate since Q2 2024. Although employment growth appears to have lost some momentum in recent quarters, the current pace in Q2 2026 continues to exceed average growth over the pre-pandemic 2017-19 period.

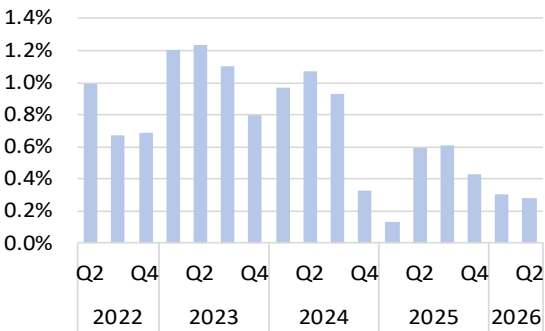
Unemployment

The unemployment rate in the province averaged 7.4% in the most recent quarter, which is unchanged from Q1 2026, and down from 8% in Q2 2025. The annual decline is due to employment growth having outpaced the labour force in the most recent quarter. The unemployment rate in Q2 2026 remains well below what it was just prior to the pandemic - which averaged 8.7% in 2019. On a year-over-year basis, unemployment levels were higher for youths (ages 15-24) and lower for both the core-aged (25-54) and older worker (55+) cohorts.

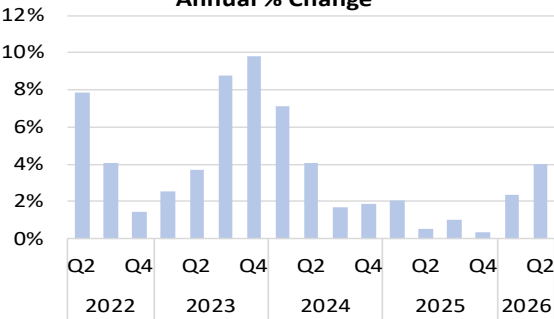
Labour Force Participation

P.E.I.’s participation rate increased year-over-year, by 1.1 percentage points to 66.6% in Q2 2026. This measure of labour force participation is just shy of its pre-pandemic average in 2019. As can be observed in the adjacent graph, the Island’s participation rate has remained relatively stable throughout the 2025-26 period. This suggests that that new entrants (i.e. immigrants, students, returning workers) are roughly balancing those exiting the labour force (i.e. retirements, out-migration, or for other reasons).

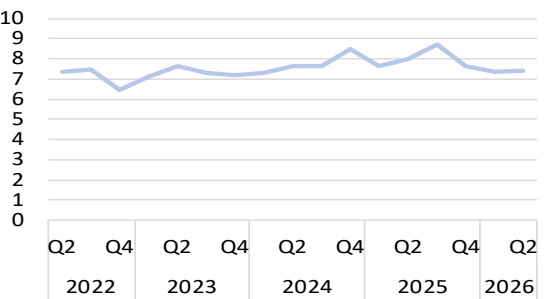
Prince Edward Island, Population, Total - Gender, 15 years and over, Quarterly % Change



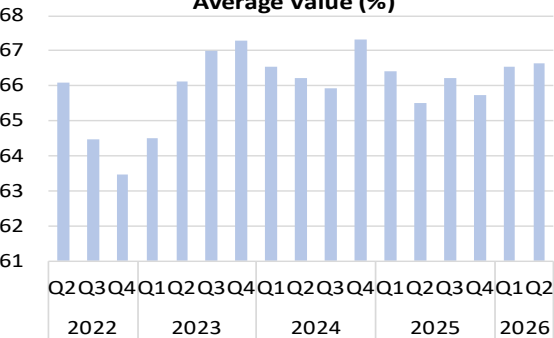
Prince Edward Island, Employment, Total - Gender, 15 years and over, Annual % Change



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 12.6% in Q2 2026. By comparison, the rates for core aged (ages 25–54) and older workers stand at 5.6% and 9%, respectively. As shown in the graph, youth unemployment had been trending downward through 2023 and 2024 before reversing course and rising steadily throughout the 2025-26 period. Recent increases in youth unemployment in P.E.I. appear to be driven primarily by stronger growth in the youth labour force relative to employment opportunities, combined with softer hiring conditions in entry-level occupations.

Sex

There are proportionately more older worker men+ participating in the labour market in P.E.I. relative to women+. As can be observed in the graph, this gap widened considerably throughout 2024 but has narrowed since – although a noticeable widening has occurred in the past two 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%. As can be observed, this gender gap widened to its largest gap in Q4 2024 (of 39%), but has since eased, to 26% in Q2 2026.

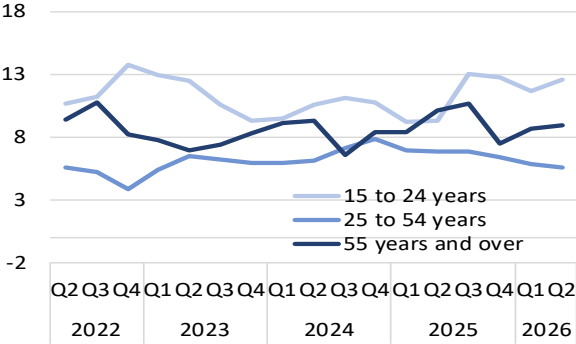
Wages

Average weekly wages in the province amounted to about \$1,198 in the most recent quarter, which is up by 3.4% from the previous quarter (and +8.4% year-over-year). Throughout 2024, 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 previously high inflation. Consumer inflation has since eased while average wages have grown enough to somewhat sustain purchasing power for consumers.

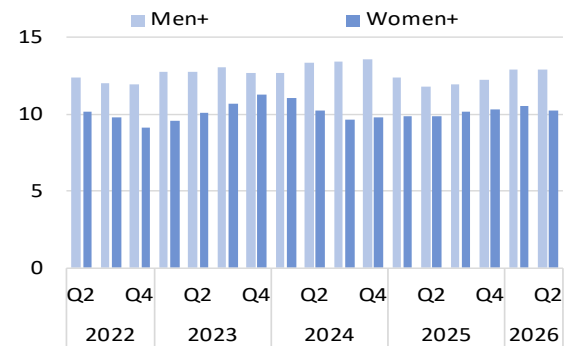
Hours Worked

As can be seen in the graph, there has been a sharp increase in the number of people working between 41 - 49 hours per week in the trades, transport, and equipment operators occupational group since 2023. The peak occurred in Q3 2024 when nearly 3,500 persons worked the 41-49 hours range within this occupational grouping. The number working those hours in the province has since fallen, 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 possible factors supporting the elevated working hours within this occupational group.

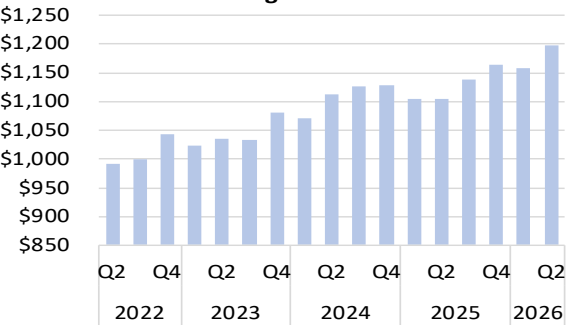
Prince Edward Island, Unemployment rate, Total - Gender, Average Value (%)



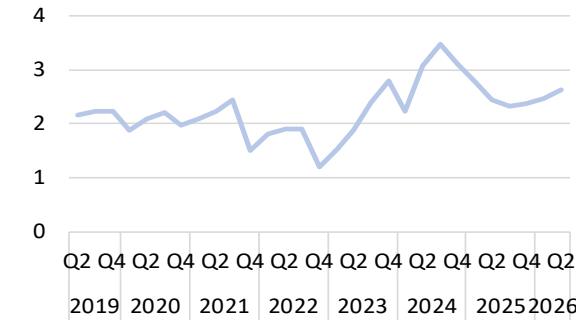
Prince Edward Island, Labour force, 55 years and over, Average Value (000s)



Prince Edward Island, Average weekly wage, Total employees, all industries, Average Value



Prince Edward Island, Trades, transport and equipment operators and related occupations, 41 to 49 hours, Total - Gender, Average Value





Industries

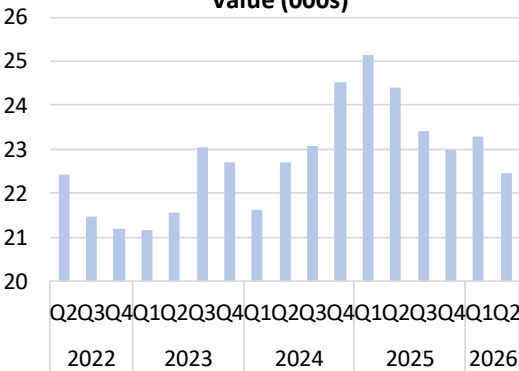
Goods-producing Sector

Employment in P.E.I.’s goods-producing sector averaged 22,500 in Q2 2026 which is down by 3.6% from the previous quarter. As can be observed in the graph, goods-sector employment has been on a general decline since achieving a record high in Q1 2025.

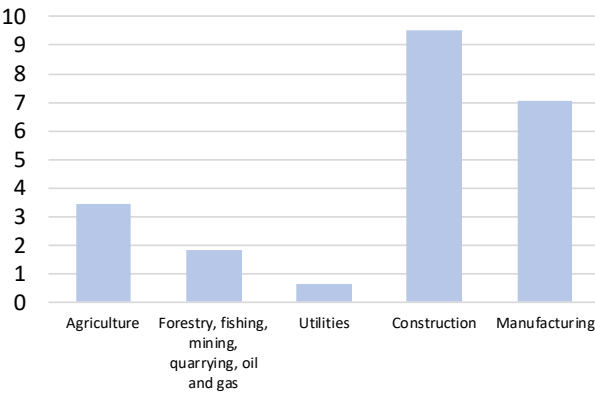
Compared to Q2 2025, the utilities industry employment level was up by 400. Employment declined in the other goods-producing industries with agriculture, forestry, fishing, mining, oil and gas as well as the construction industry all falling by around 200. Manufacturing observed the largest year-over-year employment decline (-1,700).

On the positive side, different levels of government and stakeholders in the manufacturing and trade industries continue to seek new markets for P.E.I. products, including domestic markets. A report from the International Monetary Fund says if Canada eliminated provincial trade barriers, it could increase its real GDP by about 7%. The report says that smaller provinces would gain the most, with P.E.I. potentially seeing up to a 40% jump in GDP.

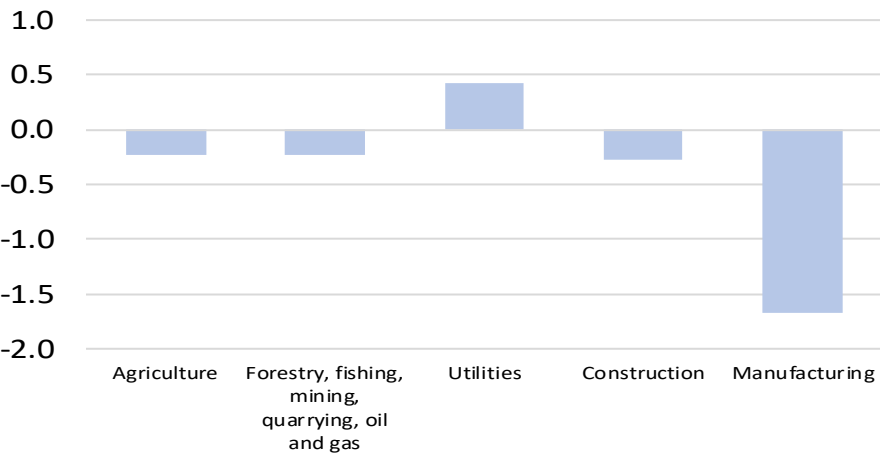
Employment, Prince Edward Island, Goods-producing sector, Average Value (000s)



Employment, Prince Edward Island, Average Value, Q2 2026 (000s)



Employment, Prince Edward Island, Annual Change, Q2 2026 (000s)



Manufacturing employment the lowest level since Q3 2021.



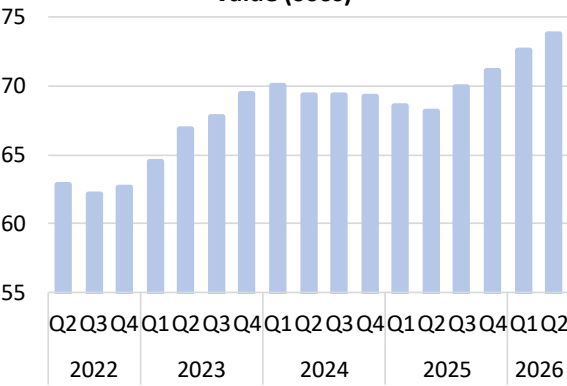
Services-producing Sector

Employment was up again for the fourth straight quarter in P.E.I.’s services-producing sector during Q2 2026. At 73,800, the sector’s employment level surpassed the previous record high of 72,700 set just last quarter.

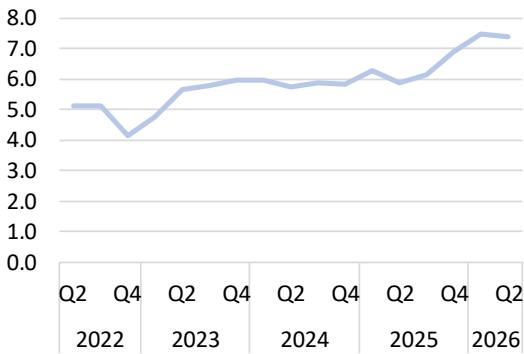
Overall, employment in the sector was up 8.2% over Q2 2025. The wholesale and retail trade industry accounted for the largest number of new positions since last year, at +1,700. With a growing population base on P.E.I., it has had a positive impact on the trade industry, boosting employment in retail trade as more consumers shop local stores. A growing population also presents better conditions for retailers to find employees as these positions are relatively low skilled and typically easier to train people to do. Additionally, with a minimum wage increase occurring in P.E.I. during Q2, it has improved wages for these types of lower skilled occupations.

Similarly, the accommodation and food services industry, which was the second largest job growth industry over the past year (+1,500), is largely made up of lower skilled workers. This industry has been buoyed by strong tourism to the Island with P.E.I. experiencing record-breaking tourism numbers in 2025. The Island welcomed 10% more tourists than it did in 2024, with 1.87M visitors in 2025. During this same time, spending rose 12.4%, while hotels and inn stays were up 7%.

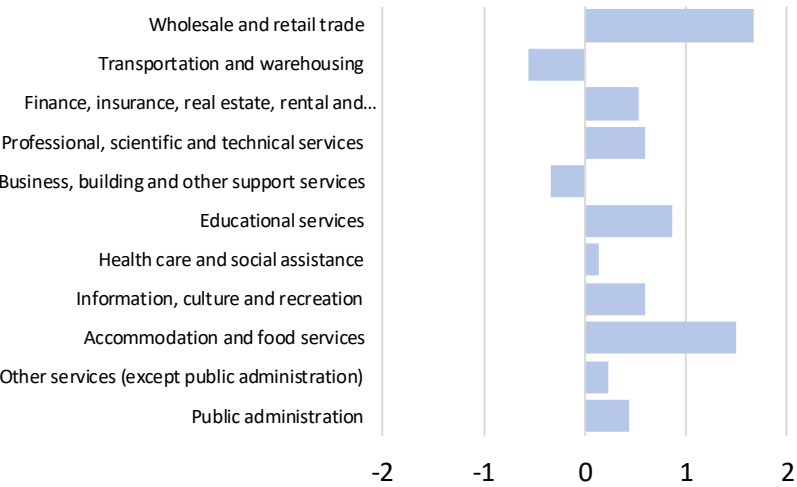
Employment, Prince Edward Island, Services-producing sector, Average Value (000s)



Employment, Prince Edward Island, Accommodation and food services, Average Value (000s)



Employment, Prince Edward Island, Annual Change, Q2 2026 (000s)



Wholesale and retail trade employment rose 15% year-over-year



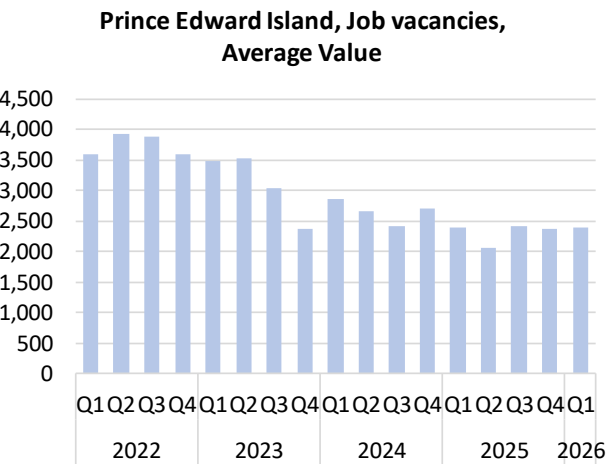
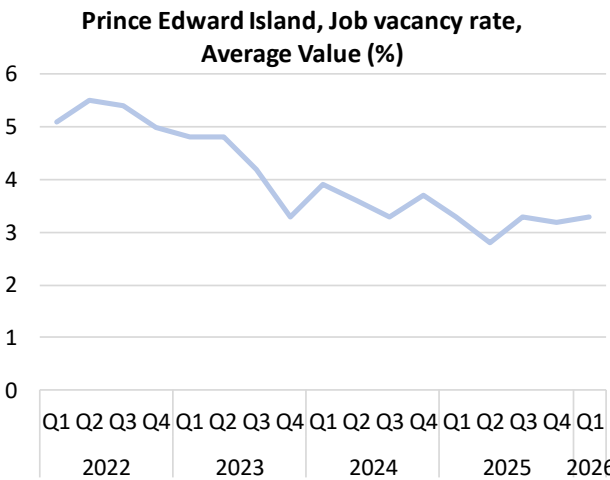


Job Vacancies

The number of job vacancies was little changed from the previous quarter in Q1 2026. There were 15 fewer vacancies in the most recent quarter compared to Q4 2025. There was little change in the number of vacancies year-over-year.

Just over a third of the vacancies were in health care occupations. Jobs in the healthcare field are difficult to fill as they require specialized workers that are not always available. The P.E.I. government and stakeholders are actively engaged in recruitment strategies to bring workers from abroad as well as training locals to enter this field.

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 3.3% in Q1 2026. This rate was up slightly from the previous quarter (3.2%) and unchanged from the previous year.



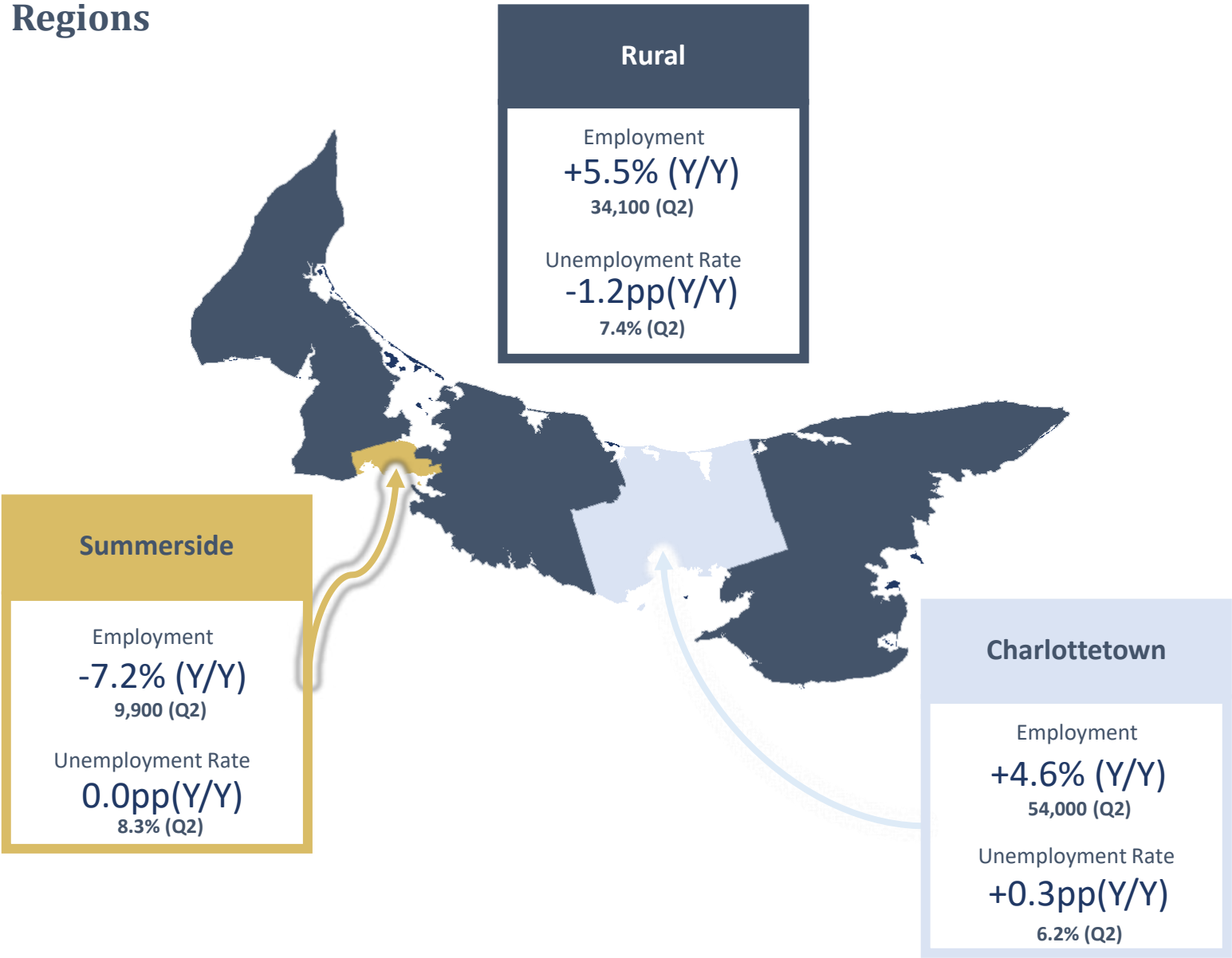
Job Vacancies by Occupation Group (1 Digit NOC)	Q1 2026	Yr/Yr Change
Business, finance and administration occupations	240	33.3%
Natural and applied sciences and related occupations	80	-20.0%
Health occupations	745	35.5%
Occupations in education, law and social, community and government services	195	-50.0%
Occupations in art, culture, recreation and sport	n/a	n/a
Sales and service occupations	405	-21.4%
Trades, transport and equipment operators and related occupations	355	61.4%
Natural resources, agriculture and related production occupations	20	n/a
Occupations in manufacturing and utilities	80	-15.8%
Total employees, all occupations*	2,130	1.2%

*The total number of vacancies identified in this table may not sum to values identified in the two charts and written content above, as data relating to job vacancies by occupation is only available as an unadjusted series (whereas the data above is seasonally adjusted).

Over a third of the vacancies were in health care occupations



Regions



Charlottetown: Charlottetown’s working-age population (ages 15+) expanded by 2.5% in Q2 2026 from the same quarter a year ago. The labour force and employment levels in the province’s capital averaged 57,700 and 54,000 in the most recent quarter, respectively, (both record Q2 highs). Labour force growth outpaced that for employment resulting in an increase in the unemployment rate, to 6.2%.

Summerside: The labour force in this area averaged 10,800 in Q2 2026, which is down from the same quarter a year ago. By contrast, the working-age population base expanded by 1.3% which resulted in some downward pressure on the region’s participation rate, which declined by 5.7 percentage points to 61.7% in the most recent quarter. This was the lowest Q1 participation rate in five years.

Rural: The rural labour force expanded by 4.2% in the most recent quarter and employment rose 5.5%. This led to a 1.2 percentage point drop in the rural unemployment rate, to a low of 7.4% in Q2 2026. The participation rate in rural P.E.I. was 66.8% in the most recent quarter, up by nearly 4 percentage points compared to the year prior, but below historical Q2 norms.



Feature Article

Balancing Growth and Labour Supply in Prince Edward Island

Labour and skills shortages continue to be a key challenge for Prince Edward Island's economy. In recent years, strong population growth driven by immigration helped expand the provincial labour force and support employment growth across a range of industries. However, changes to federal immigration policies and reductions in the number of temporary residents have contributed to slower population growth, raising questions about the future availability of labour in the province.

While slower growth may help ease pressure on housing and public infrastructure, it may also limit labour force growth at a time when employers continue to face recruitment challenges across several sectors. This article examines recent population and labour market trends in Prince Edward Island and explores how recent immigration policy changes are reshaping labour supply.

While governments have sought to ease pressures on housing, infrastructure, and public services by moderating population growth, immigration policies continue to prioritize workers in sectors experiencing persistent labour shortages. As a result, the labour market challenge has shifted from supporting rapid workforce growth to ensuring that available immigration pathways are aligned with the province's most pressing workforce needs.

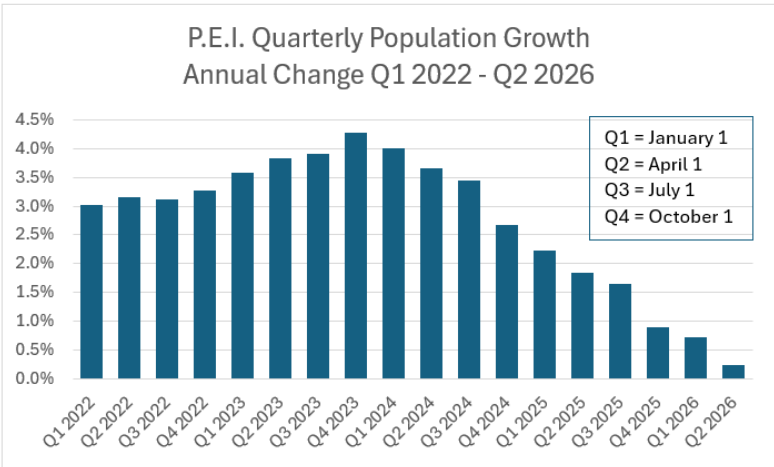
Immigration has become an important source of labour force growth

Like many jurisdictions across Canada, Prince Edward Island faces demographic pressures associated with an aging population. Natural population growth has weakened over time and, in recent years, deaths have increasingly outnumbered births. As a result, immigration has become an important source of both population growth and labour force expansion.

According to the 2025 P.E.I. Population Report, immigration contributed 2,843 new arrivals to the province between July 2024 and June 2025. Although immigration remained a key source of population growth, arrivals declined by 31.4% from the previous year (a period of record international migration).¹

During the same period, natural population change remained negative, continuing a longer-term demographic trend.

More recent quarterly population estimates indicate that the pace of growth has slowed considerably. Prince Edward Island's population was estimated at 181,715 as of April 1, 2026, up 0.2% from one year earlier. After reaching a record annual growth rate of 4.3% in the third quarter of 2023, year-over-year population growth has continued to decelerate, as can be observed in the graph below.



Source: Statistics Canada. Table 17-10-0009-01. Population estimates, quarterly.

Labour demand remains strong

Despite slower population growth, labour demand remains elevated across many sectors of the provincial economy. Based on recent Labour Force Survey data, the Island's labour force reached a record high of 104,400 in June 2026, while employment increased by 5.0% on a year-over-year basis. During the first six months of 2026, both the Island's labour force and employment levels were up by around 3% over the same period in 2025, and the province's unemployment rate declined to an average of 7.4%. Employment gains year-to-date were concentrated in several service-producing industries, including retail trade; accommodation and food services; and professional, scientific and technical services.

At the same time, recruitment challenges persist in



Feature Article

Balancing Growth and Labour Supply in Prince Edward Island

occupations related to healthcare, skilled trades, and manufacturing.

Media reporting over the past year has also highlighted current and anticipated workforce shortages across a broader range of occupations, including local policing, early childhood educators, educational assistants, funeral directors and embalmers, hospitality and tourism workers, and employees in the bioscience; digital and technical services sectors.

Balancing labour supply and population growth

While slower immigration growth may create challenges for employers, it may also help alleviate some of the pressures associated with rapid population expansion. In recent years, Prince Edward Island has experienced increased demand for housing, healthcare services, transportation infrastructure, and other public services. Slower population growth may provide an opportunity for housing supply, health care and other services to better align with demand.

From a labour market perspective, however, the challenge remains maintaining an adequate supply of workers while supporting sustainable population growth. Targeted immigration policies have increasingly aimed to support this balancing act. For example, the federal government provided Prince Edward Island with an additional 575 permanent residency nominations in 2025, with priority given to international graduates and sectors experiencing labour shortages.²

The federal government also introduced the In-Canada Workers Program, an initiative intended to help address

labour shortages by creating pathways for workers already residing in Canada. The program places particular emphasis on sectors experiencing persistent workforce shortages, including those located in rural and smaller communities.³

Provincially, immigration programming continues to be guided by federal nomination allocations and labour market needs. Recent selection activity has focused on occupations experiencing workforce shortages, including healthcare, skilled trades, manufacturing, and other priority industries.⁴

Recent immigration policy changes highlight the increasingly important relationship between population growth objectives and labour market needs in the province. While governments have taken steps to moderate population growth and relieve pressures – particularly on housing and health care, labour shortages remain a persistent concern across many industries.

As a result, the focus of immigration policy seems to have moved toward more targeted workforce development. Rather than emphasizing overall immigration volumes alone, recent federal and provincial initiatives increasingly seek to direct immigration toward occupations and sectors facing the greatest recruitment challenges. For P.E.I., where demographic aging continues to constrain labour supply and natural population growth remains negative, ensuring that immigration aligns with workforce needs will remain an important component of long-term economic sustainability.

Sources:

1. Provincial Population Report 2025. Prince Edward Island Statistics Bureau. September 24, 2025.
2. <https://www.cbc.ca/news/canada/prince-edward-island/pei-granted-575-additional-permanent-residency-nominations-9.7003450>
3. <https://www.canada.ca/en/immigration-refugees-citizenship/news/2026/04/filling-labour-gaps-in-smaller-communities-by-accelerating-permanent-residence-for-33000-workers.html>
4. P.E.I. Office of Immigration Invitations to Apply. <https://www.princeedwardisland.ca/en/information/office-of-immigration/expression-of-interest-draws>





Appendix

Characteristic	Prince Edward Island			Canada		
	Estimate	Change		Estimate	Change	
	Latest Quarter Q2 2026	Vs. Previous Quarter	Vs. Quarter Year Prior	Latest Quarter Q2 2026	Vs. Previous Quarter	Vs. Quarter Year Prior
Population 15+ ('000)	156.0	0.3%	1.6%	34,774.1	0.1%	0.7%
Labour Force ('000)	104.0	0.4%	3.4%	22,604.3	0.2%	0.2%
Employment ('000)	96.3	0.4%	4.0%	21,098.3	0.1%	0.5%
Full-time Employment ('000)	83.3	2.1%	3.7%	17,271.3	0.1%	0.6%
Part-time Employment ('000)	13.0	-9.3%	6.0%	3,827.0	0.2%	-0.1%
Unemployment ('000)	7.7	0.9%	-3.7%	1,506.0	0.7%	-3.3%
Unemployment Rate (%)	7.4	0.1pp	-0.6pp	6.7	0.0pp	-0.3pp
Participation Rate (%)	66.6	0.1pp	1.1pp	65.0	0.1pp	-0.3pp
Employment Rate (%)	61.7	0.1pp	1.4pp	60.7	0.0pp	-0.1pp
Employment ('000):						
15-24 years of age	14.3	3.9%	-3.6%	2,703.4	0.3%	-0.5%
25-54 years of age	60.9	0.3%	4.6%	14,032.4	0.3%	0.8%
55 years and older	21.0	-1.7%	7.9%	4,362.5	-0.6%	0.2%
Women+	47.1	-0.1%	5.3%	9,997.0	0.3%	0.9%
Men+	49.2	1.0%	2.9%	11,101.3	-0.1%	0.1%
Goods-producing sector	22.5	-3.6%	-7.9%	4,193.4	-0.4%	0.1%
Agriculture	3.4	-7.2%	-6.4%	230.0	-3.1%	0.9%
Forestry, fishing, mining, oil and gas	1.8	25.0%	-11.3%	343.9	-0.2%	2.4%
Utilities	0.6	0.0%	216.7%	169.4	-3.6%	6.3%
Construction	9.5	-1.7%	-2.7%	1,630.0	-0.2%	-0.3%
Manufacturing	7.1	-9.8%	-19.1%	1,820.1	0.1%	-0.6%
Services-producing sector	73.8	1.5%	8.2%	16,904.8	0.3%	0.6%
Wholesale and retail trade	12.7	8.5%	15.1%	2,944.4	-1.2%	-1.4%
Transportation and warehousing	2.0	3.5%	-22.4%	1,104.3	0.8%	2.7%
Finance, insurance, real estate, and other	4.3	-3.8%	14.3%	1,473.9	-0.6%	-1.7%
Professional, scientific and technical srv.	5.8	-0.6%	11.5%	2,007.1	0.8%	-0.2%
Business, building and other s.s.	1.9	14.3%	-15.2%	695.3	2.3%	0.5%
Educational services	6.8	4.6%	14.7%	1,579.1	0.1%	-1.7%
Health care and social assistance	16.1	-2.4%	0.8%	2,997.3	1.0%	4.0%
Information, culture and recreation	2.7	1.2%	28.1%	870.3	-0.8%	1.1%
Accommodation and food services	7.4	-0.9%	25.4%	1,188.5	1.7%	2.2%
Other services (except public admin)	3.2	-3.1%	8.0%	789.3	0.3%	1.9%
Public administration	10.9	1.9%	4.1%	1,255.3	0.3%	-0.1%

Source: Statistics Canada - Labour Force Survey

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