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2025 Living Wages for Newfoundland and Labrador, Nova Scotia and Prince Edward Island

Too many workers struggle to make ends meet

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Summary

This report provides the 2025 living wage rates for Newfoundland and Labrador (N.L.), Nova Scotia (N.S.), and Prince Edward Island (P.E.I.). It includes regional living wage rates in all three provinces and provincial living wage averages. The Human Development Council will update New Brunswick's living wage rates. See their upcoming report for details.¹

The living wage calculation is a powerful tool for governments to make evidence-based labour and social market policy decisions. Achieving a living wage can come from increased wages, public programs that reduce the cost of living, or a combination of the two. We make recommendations to address both the costs and the income side of the equation, which would improve income security and fill the gaps in the social safety nets.

¹<https://sjhdc.ca/report-category/living-wage/>

Table 1 / N.S., N.L. and P.E.I. living wages 2025, 2024 and annual change

Province	Region	Rates 2025	Rates 2024	% Annual change
N.L.	Central	\$24.40	\$24.10	1.24%
	Eastern	\$25.40	\$24.70	2.83%
	Western	\$24.40	\$24.10	1.24%
	Labrador-Northern Peninsula	\$28.30	\$27.30	3.66%
N.S.	Annapolis Valley	\$27.20	\$26.20	3.82%
	Cape Breton	\$24.50	\$24.00	2.08%
	Halifax	\$29.40	\$28.30	3.89%
	Northern	\$25.50	\$24.90	2.41%
	Southern	\$26.60	\$25.20	5.56%
P.E.I.	Charlottetown	\$23.30	\$23.30	0.00%
	Summerside	\$22.20	\$22.20	0.00%

Table 2 / Provincial weighted average living wages 2024-2025

Province	Rates 2025	Rates 2024	% Change
N.L.	\$25.31	\$24.70	2.45%
N.S.	\$27.60	\$26.63	3.64%
P.E.I.	\$22.77	\$22.77	0.00%

In 2025, living wage rates—the income required to afford a minimal standard of living—have continued to rise across most of Atlantic Canada. While rates are broadly comparable, there is variation across and within provinces, driven by differences in regional costs, such as housing and transportation. Like in 2024, the living wage is highest in the Halifax and Labrador-Northern-Peninsula regions and lowest in Prince Edward Island.

The trends within and between provinces have largely stayed the same, with some notable differences. Last year, the highest wage increases were in Halifax and Cape Breton, mainly due to rental cost increases. This year, Cape Breton has seen a decrease in housing costs and thus has the smallest increase in the living wage in Nova Scotia. The most significant increase across these provinces is in the rate for the Southern region in Nova Scotia because of housing and child care costs.

This year, P.E.I. has seen its living wage rate remain the same, with some costs barely changing, including transportation, with only slight increases in food, clothing and footwear. There is a notable decline in child care costs. While rent costs have increased, they have not grown as much as in previous years and more affordable internet options exist. For families with children, the P.E.I. government also introduced the P.E.I. child benefit, a modest income transfer of between \$20 and \$30 monthly per child. Unlike the other provincial child benefits, the living wage households qualify for the one in P.E.I. This income transfer, combined with some provincial and federal tax changes, has offset the small changes in budgetary expenses. P.E.I. shows that even small changes can support households, reduce pressures on employers, and improve conditions for struggling workers.

Child care costs are broadly comparable across the region, with the highest in Nova Scotia and the lowest in Prince Edward Island. The top two most expensive items in our household budgets are food and shelter, with shelter the most costly in all provincial regions except for Western N.L. and Labrador, where food is more expensive than shelter costs. P.E.I.'s food costs are higher than Nova Scotia's. Transportation is most expensive in N.L., and least expensive in P.E.I..

These regional wages are calculated first and foremost to encourage employers to pay their employees a living wage based on where they live. We also provide a provincial weighted average based on the working-age population for each province's region. However, we encourage employers with employees in the higher-wage regions to use those regional rates. The provincial wage provides an important comparator to the provincial minimum wage. We do not recommend regional minimum wage rates.

There are **four key observations** from this year's calculations:

- 1) Following recent years of sustained cost-of-living increases on household necessities, inflation has largely stabilized, though families may not be experiencing an actual difference.** Food inflation has slowed, clothing and footwear costs have decreased, and child care fees have decreased for most communities. However, inflation continues to hit lower-income households harder than is generally the case. Rent increases are still beyond the provincial inflationary index for most communities and are cumulative, meaning they have increased for years and beyond average wage increases. We also know rent is much higher for turnover rates, and that while there is a new supply of rentals, those are higher-cost units. In other words, while the growth of the cost for rentals is decelerating, it is not enough to improve affordability. Regarding food, families are not seeing noticeable decreases in prices after years of very significant growth in costs.

- 2) Significant variation in living costs remains; cost-of-living challenges are more severe in urban areas and the North.** Halifax and Labrador-Northern Peninsula have uniquely high costs of living within the region and have the two highest living wage rates in the Atlantic region. While rental costs have not gone up as much as in previous years, the rental costs in Halifax are still much more significant than elsewhere. Child care has tended to be higher in urban areas, but with government-imposed fee caps, the gap has narrowed. Transportation costs are higher in rural areas, but because they take less of the budget, it does not have the same impact on the overall budget as differences in shelter costs, except in Labrador, where they consume more of the budget than elsewhere. Food costs are higher in rural and remote areas, which can be seen best in N.L., where food makes up 23 to 29 per cent of budgets compared to 17 to 19 per cent in Nova Scotia.

3) Government programs to help address cost-of-living challenges at both the provincial and federal levels continue to underserve low-income workers in the region.

In this year's calculation, inflation has been offset somewhat by the increased transfers from the federal government, with the inflationary adjustment to the Canada Child Benefit. This year's living wage calculation still includes the full Canada Carbon Rebate, which has really benefited low-income working households in recent years. This support has been eliminated going forward (after April 2025), and there are no plans to replace it. The cancellation of the Canada Carbon Rebate is a loss for these households because they were eligible for the full amount; the CCR was not calculated based on income, but rather on where you live (province and rural) and family size. As for other income support, except for the Canada Child Benefit (the creation of which was the largest single income program for families with children ever), the living wage reference household simply does not qualify for programs and income benefits that would substantially reduce the cost of living and improve the quality of life for working people. All P.E.I. households qualify for the new P.E.I. Child Benefit, though the level of income support provided is not near what it should be. Without more effective government policies, ordinary households have to earn more just to keep pace with the cost of living.

4) Expanding public services and investments to lower out-of-pocket costs helps, however, more is needed.

The living wage data clearly shows that investments in public services, universal programs, or at least programs that extend fully to low-income working households, as well as redistributive policies CAN help address the large gap we see between what people earn and the cost of living.

Key Recommendations Summary:

- Employers should commit to paying at least the living wage.
- Provincial governments should increase the minimum wage and improve working conditions.
- Provincial and federal governments should carefully assess threshold and claw-back levels for existing household supports to expand access and increase amounts.
- To improve affordability, federal and provincial governments must increase funding to expand access to key universal public services, including child care and health care, and the amount directed to non-market affordable housing, transportation, and food security.

Calculating the living wage

In Atlantic Canada, the first living wage report was released in June 2015, when the living wage report for Halifax (*Working for a Living, Not Living for Work*)² and the technical calculation guide were published.

The 2025 living wage follows the principles underpinning the Canadian Living Wage Framework.³ The living wage is designed to:

- Enable working families to escape poverty,
- Foster healthy childhood development,
- Encourage gender equality,
- Alleviate severe financial stress and provide some level of economic security, and,
- Allow active participation in the community's social, cultural, and civic life.

The living wage is the hourly rate required for a reference household to meet all basic yearly expenses. It assumes the adults in the house work full-time and builds in the impact of tax rates, government transfers, and support. The rate is recalculated each year to update changes in the cost of living and government programs that impact low—and middle-income working households.

² Johnston, MD., & Saulnier, C. (2015). *Working for a Living, Not Living for Work: the Halifax Living Wage 2015*. CCPA-NS Office.
<https://www.policyalternatives.ca/publications/reports/working-living-not-living-work>.

³ Living Wage Canada. (nd). *Canadian Living Wage Framework: A National Methodology For Calculating The Living Wage In Your Community*.
https://d3n8a8pro7vhmx.cloudfront.net/ontariolivingwage/pages/110/attachments/original/1574970054/Canadian_Living_Wage_Framework.pdf?1574970054

The reference household

The reference household used to determine the annual income needed to cover needs, and thus the hourly rate for people working full-time (35 hours a week), full year, is a family of two working parents (aged between 35 and 44) and two young children (aged two and seven). The household is also assumed to need full-time child care for the two-year-old and care before and after school and during school breaks, with the parents using three weeks of vacation to cover some of these care needs (taking the fourth week of vacation to have a joint family vacation). This reference household does not cover the full spectrum of real-world situations; for example, no one in this hypothetical household has a chronic illness or disability. This reference household was developed as the “standard” approach in 2008 because it best covers a range of household situations, helping to ensure the living wage resulted in enough annual employment income to support a reasonable standard of living.

However, this is still an estimate based on averages. Therefore, whether the annual income for two full-time working adults covers expenses, or half of that suffices for one person, depends on many factors affecting costs, often influenced by luck and market availability. Are you living in an average-cost apartment included in the living wage calculation for your community? Were you able to find affordable child care in a licensed centre? Are you fortunate enough not to need to drive to work or child care? Or fortunate to find child care close to your home or your work? Do you have to drive further than the average household to access essential services? Is your food budget average, or can you shop around for more affordable items?

One common misconception about the living wage is that using this reference family results in a wage that is too high for an individual. For example, minimum wage employers like to suggest that their workers are single people who somehow do not face the same costs as the reference household. However, testing these calculations has shown little difference between the living wage needed for the two adults in the reference family and a single individual. In many cases, an individual might need a higher living wage than the reference two-income household. Again, it depends on circumstances - but many household costs are “fixed,” meaning a single income earner must bear them. Because of changes in recent years to government support for child care,

etc., many in the “living wage community” are more concerned that the living wage underestimates the challenges in single-income situations.

Some living wage calculators in Canada are moving to use a weighted average hourly wage based on different-sized families (Ontario⁴ and some communities in Alberta⁵). Recent testing of the hourly wage needed in Vancouver found that an individual’s living wage would need to be 31 cents an hour higher than the four-member reference family’s. And, if that household is a lone parent with one child, the living wage would need to be significantly higher (more than \$3 an hour). The Vancouver test found that a weighted average based on the numbers of those types of families would see the living wage adjusted higher by about 50 cents.⁶ By their nature, averages mean that some workers need more and others need less; that is what our provincial weighted average shows.

Our testing has shown that the annual income from the hourly living wage might be enough if the single parent has access to a full child care subsidy for a licensed space, and an affordable rental. Working individuals without children may not have the child care costs, but they also do not receive the dependent and child care tax deductions or the income from child benefits. For our test, the individual might need to work a 37.5-hour work week instead of 35 hours to arrive at enough income, which is closer to the typical weekly hours worked for hourly workers. Likely more important than a small difference in each household’s hourly wages are the large inequities emerging in housing costs in Canada’s broken housing market system and one’s luck finding an affordable rental.

⁴ <https://www.ontariolivingwage.ca/>

⁵ <https://www.livingwagealberta.ca/>

⁶ See Table 1: Preliminary estimates of a Metro Vancouver living wage using a weighted average of three family types (p. 14), in Ivanova, I. and French, A. (2024). *Living Wage for Families BC*. (2024). Canadian Centre for Policy Alternatives, B.C. Office. https://assets.nationbuilder.com/livingwageforfamilies/pages/642/attachments/original/1732072466/BC_Living_Wage_2024_FINAL.pdf?1732072466

- *The living wage will not address all economic and social challenges; it is designed to provide a realistic assessment of what an average household needs to earn to make ends meet.*

What the living wage is:

- ✓ It's a conservative measure of what people need to earn per hour to afford basic expenses based on the cost of living in their area.
- ✓ Employers can use it to ensure their workers achieve a decent standard of living.
- ✓ Governments can use it to ensure that labour market and social policies are adequately structured to help working people escape poverty traps and design support policies that actually address the needs of low-income working households.

What the living wage is not:

- ✗ It is not a statutory minimum wage that the government enforces for all employers. The living wage is not a legally determined wage like the minimum wage. The living wage is a wage paid voluntarily by employers. Hundreds of employers in Canadian communities with living wage campaigns have signed on to be certified "living wage employers," ranging from small non-profits and for-profits to large public-sector employers.

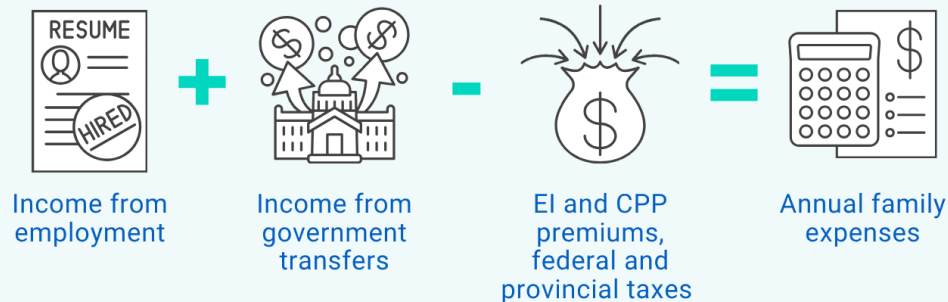
The living wage is an important benchmark highlighting what it means to earn a living that allows people to achieve the most basic quality of life. The living wage calculation provides communities with information about the costs of living and raising a family in each region: What are the most significant costs? What can be done to lower the costs? Which public policy, program, or service could impact the expenses or income?

The process and formula

The process begins by collecting the cost of the basic "basket of goods and services" for all household budgets - housing, food and transportation, etc. This forms the basis of an annual household budget. From the budget, we can then calculate what workers need to earn annually and hourly to cover those expenses. In calculating this wage, we also need to include income which workers receive in the form of government transfers, and we must also subtract the impact of taxes and other deductions on that income (e.g., federal and provincial income taxes and premiums for Employment Insurance and the Canada Pension Plan).

The result is expressed as an hourly (gross) wage that works out to annual employment income needed based on a full-time (35 hours), full-year (52 weeks) salary.

Living wage formula



The living wage rate for the 2025 Report is calculated based on the following assumptions:

- Costs in the living wage budget are those for June 2025.
- Employers provide two weeks of paid vacation.
- The cost of government deductions (provincial and federal taxes, Employment Insurance premiums and Canada Pension Plan contributions) for the 2024 tax year.
- The value of government transfers, such as the Canada Child Benefit, is calculated for the July 2024 to June 2025 period using rates based on the previous year's income (2023 base-year thresholds, as CRA uses the prior year's income). The Canada Carbon Rebate is included for July 2024 to April 2025, covering four quarterly payments; the program was cancelled after April 2025. The new P.E.I. Child Benefit is included for the first six months of 2025.

Note that living wage spreadsheets are available upon request.

Living wage household budget

The living wage budget includes ten expense categories, which are explained in detail in the appendices for each province, including the data and sources used. In some cases, the monthly budget amounts reflect fixed monthly expenses (such as rent), while others are based on an annual total averaged over 12 months. Some of these expenses are one-time yearly amounts, while some fluctuate depending on the season and expense (such as utilities during the winter or child care during the school year versus the summer). Many are drawn from the Market Basket Measure (MBM) components, which is the official poverty line in Canada.

1. **Food:** The budget items are from the National Nutritious Food Basket, with prices collected for 38 cities across Canada for the MBM's reference household.
2. **Clothing and footwear:** The budget is drawn from the MBM and covers clothes and footwear for school, work, and play, including replacement costs for growth and wear.
3. **Shelter:** The shelter amount includes renting a 3-bedroom accommodation, the cost of basic tenant contents insurance, and utilities (water, fuel, electricity).
4. **Transportation:** This budget item is calculated to cover transportation for daily needs, including shopping, work, and other daily necessities. The included costs in this budget differ by region and may include the cost of maintaining a second-hand car, monthly bus passes if available, and a modest budget for a limited number of taxi trips. The transportation budget enables the family to ensure timely daily travel, plus having quality time at home. It is reasonable to assume there would be instances aside from attending community college where one parent may have the vehicle, and when transit, even in communities like Halifax, where it is most available, may not be convenient for the parent.
5. **Child care:** This expense includes full-time, full-year child care for the two-year-old and before- and after-school care for the seven-year-old for all teaching days. The budget also includes additional fees for when the older child is not in school and would need full-time care, such as during March, summer and winter

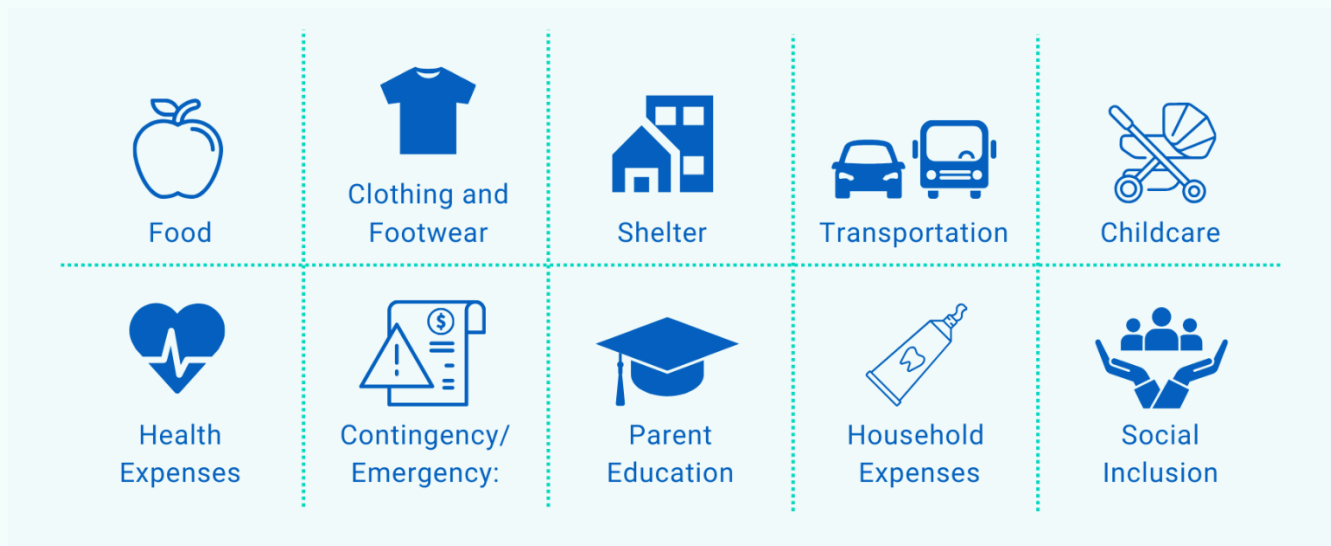
breaks, Professional Development days, and non-statutory holidays. The child care calculations also assume the parents can cover some of the time for the seven-year-old, using some of the four weeks of parental vacation.

- 6. Health expenses:** The budget includes the cost of a basic private health insurance plan to cover dental care and prescription drugs not covered by public health care in Nova Scotia. The Canada Dental Plan was not fully rolled out in 2024 and will be used in next year's calculation. The family must still pay deductibles and the remaining costs after insurance, which are assumed to be covered under household expenses.
- 7. Contingency/emergency:** A modest allowance for unforeseen circumstances is included in the family budget, equivalent to two weeks' pay per parent per year, and is a small percentage of the overall household budget. A small cushion for emergencies can make a big difference in averting further problems.
- 8. Parent education:** Part-time education for one parent at a community college is within budget. The living wage framework recognizes that additional education and skills could assist low-wage workers in finding higher-paying jobs.
- 9. Household expenses:** This budget item is for other essentials not covered elsewhere and includes communication needs (a cell phone). It would also be used for toiletries and personal care (e.g., toothbrush, toothpaste, deodorant, shampoo, menstrual products), furniture, small kitchen appliances, or kitchen tools, household supplies (e.g., clingwrap, foil, cleaning supplies), bank fees and laundry costs. The amount is drawn from the "other" category of the MBM plus internet costs.
- 10. Social inclusion:** This budget item is meant to cover costs that help lessen stigma and allow family members to participate fully in the life of their community. What form that participation could take could "depend on the structure, age, location or other circumstances of a family."⁷ This category could be used for expenses such as school supplies and fees, reading materials,

⁷ Gustajtis, B., & Heisz, A. (2022). *Market Basket Measure Technical Paper: The other necessities component*. Statistics Canada, Income Research paper Series. <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2022006-eng.htm>

minimal recreation and sports fees, art or music classes, a child's birthday or holiday gifts, a small budget for entertainment (e.g., tickets for a movie, museum fees), restaurant meals, family day-trips or children's toys or games. The amount is drawn from the "other" category of the MBM.

Living wage budget



What is NOT included in the living wage budget:

No special dietary needs or costs of growing and feeding a baby: The Market Basket Measure (MBM) food budget does not cover additional costs for special dietary health needs, cultural or other food preferences, and there is no eating out. The MBM does not include expenses for growing and feeding a baby⁸ (whether increased costs of food during pregnancy or breastfeeding, or the cost of infant formula) partially because of the reference family used and partially because there is no data for babies in the nutritional basket (for under 2, which is also not part of our reference family).

⁸ Frank, L., Waddington, M., Sim, M., Rossiter, M., Grant, S., & Williams, P. L. (2020). *The cost and affordability of growing and feeding a baby in Nova Scotia*. *Canadian Journal of Public Health*, 111(4), 531–542. <https://doi.org/10.17269/s41997-020-00306-5>

No disability or chronic health needs or care: The reference household is assumed to be healthy, requiring only a small private health insurance. There is no provision for elder care unless the child care budget can be used once the children age.

No savings: Beyond the cushion equivalent to four weeks of pay, which is more for emergencies, there is no dedicated budget for retirement savings. Those that have child care might be able to use some of that budget for savings for post-secondary education for their children.

No debt: Most households in Canada have some form of debt, such as credit cards, student loans or otherwise, but no proxy has been estimated and included.

No traditional clothing or specified cultural needs: While there is a social inclusion budget, there is no explicit budget designated for these needs, which was raised about the MBM in a recent report on the poverty line and Mi'kmaq communities.⁹

No pets: The household is assumed to have no pets, for disability needs or otherwise.

No life insurance: Part of breaking cycles of low-income is ensuring funeral and burial costs are covered, and perhaps a small amount is provided to the children, but this is not included in the living wage budget.

⁹ Ta'n Etli-tpi'tmk (TEA) & Ontario Native Welfare Administrators Association (ONWAA). (2024, August). *Market Basket Measure research report: Cost of living for First Nations persons with disabilities living on-reserve in Nova Scotia*. <https://www.msgam.ca/reports-plans#h.spd1v3czrc4s>

Background:

Understanding costs and wages in Atlantic Canada

Calculating a regionally sensitive living wage is crucial to help employers and governments respond better to this growing problem - too many working households cannot afford to make ends meet. Indeed, it is particularly important to understand cost and wage trends in Atlantic Canada, as many have argued that residents in the region enjoy a lower cost of living compared to other regions in Canada, where wages are often higher.¹⁰ This report again underlines that living wages are surprisingly high in Atlantic Canada - workers are not enjoying some sort of “good deal” in the region; they are being left behind, struggling to cover basic expenses.

Housing, transportation and child care are among the most expensive items in the living wage budgets of our reference households. This section provides some context for those costs.

¹⁰See for a useful illustration: Lam, A. (2025, July 03). *Is it cheaper to live in Halifax or Toronto? This data says the relative costs are comparable*. CBC News.
<https://www.cbc.ca/news/canada/nova-scotia/halifax-housing-transportation-cost-index-1.7574072>

Housing and transportation costs

Each provincial section on the changes to the living wage rates outlines the newest data on average rent and vacancies by CMHC (Fall 2024). Recent Statistics Canada data show there are many communities in Atlantic Canada where residents are spending a much higher portion of their before-tax median income on essentials, like housing and transportation, even compared to some larger cities in Canada, with Halifax spending more of its median income on housing and transportation than Toronto. Compared to St. John's, Halifax has slightly higher rents, but slightly lower transportation costs. Antigonish is spending more on transportation than Halifax and somewhat less on housing.

For the housing index, the affordability test is that households should not spend more than 30% of before-tax income on housing, and those that do are considered insecurely housed. This cost index includes all housing, but we also know that renters' income is lower, and renters tend to spend more on housing costs than home buyers. The reasons for the high percentage of income being spent on these essentials have to do with both sides of that equation; costs are comparable to other communities in Canada, while incomes are lower (average weekly earnings in Atlantic Canada are among the lowest each year - though Newfoundland and Labrador does have higher average weekly earnings than the other three Atlantic provinces.)¹¹

¹¹ Finance and Treasury Board, Government of Nova Scotia. (2025, July 31). *Nova Scotians' Payroll Employment and Average Weekly Earnings, May 2025*. <https://www.novascotia.ca/finance/statistics/news.asp?id=21216#:~:text=Nova%20Scotians'%20average%20weekly%20earnings,average%20weekly%20earnings%20in%20April>

Table 3 / Housing and transportation cost index, 2024, select Canadian communities

Geography		Housing and transportation	Housing	Transportation
Newfoundland and Labrador	St. John's	31.32%	17.17%	14.15%
	Grand Falls-Windsor	29.61%	15.97%	13.64%
	Happy Valley-Goose Bay	22.19%	12.79%	9.40%
Nova Scotia	Yarmouth	32.34%	16.55%	15.79%
	Bridgewater	31.67%	17.23%	14.44%
	Kentville	32.90%	17.99%	14.91%
	Wolfville	34.94%	17.46%	17.49%
	Halifax	30.65%	18.24%	12.42%
	Truro	44.09%	17.10%	26.99%
	Pictou	34.75%	14.87%	19.88%
	New Glasgow	34.36%	15.31%	19.06%
	Antigonish	40.98%	14.99%	25.99%
	Cape Breton	34.67%	13.94%	20.73%
Prince Edward Island	Charlottetown	29.81%	16.98%	12.83%
	Summerside	28.77%	15.02%	13.76%
Other Cities Canada	Montréal	27.38%	16.10%	11.28%
	Ottawa	25.10%	17.49%	7.61%
	Toronto	29.74%	20.92%	8.82%
	Calgary	34.58%	20.75%	13.82%
	Vancouver	31.25%	19.65%	11.61%

Source: Statistics Canada. (2025). *Housing and transportation cost index* (Housing and Transportation Cost Index) (Table 46-10-0090-01) <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=4610009001>

Child care analysis and discussion

For this year's living wage calculations, child care budgets reflect the investments that have brought down fees and expanded licensed care. This year's report uses new data from Statistics Canada on what parents are paying for licensed and unlicensed care, which we have incorporated into the report for the toddler. Toddler fees across the region have been reduced for those able to access licensed care, and those fees have also seen pressure to reduce unlicensed care costs. In most communities, before and after-school care has also decreased as these are part of the bilateral targets. There have, however, been increases in the costs of care that children need when schools are closed, whether summer camp fees (for most families, this can be up to eight weeks of care), March break camp fees, professional development day fees, or other statutory and non-statutory holidays. This care is also not licensed or regulated. We applaud the overall reduction in child care costs for most regions across the three provinces. However, more context is needed to understand why many families still do not get access to the most affordable licensed care in their communities.

In 2021, the federal government announced the historic Canada-wide Early Learning and Child Care (CWELCC, or the \$10-a-day plan) and significant multi-year funding. By March 2022, bilateral agreements were signed with each province and territory. These agreements aimed to develop a child care system based on the principles of "affordability, accessibility, quality, flexibility, and inclusivity," as outlined in the first Canada-wide child care legislation passed into law in March 2024.¹² The initial goal of these plans was to reduce parent fees for child care by 50 per cent (on average) by December 2022, using 2019 as the baseline year for fees. The second target was to lower parental fees to an "average of" \$10 a day by April 2026. Each bilateral agreement also sets targets for the number of licensed spaces to be created, with coverage rate goals for their child population under 12.

¹² Parliament of Canada. (2024). *Bill C-35: An Act respecting early learning and child care – Royal Assent*. <https://www.parl.ca/DocumentViewer/en/44-1/bill/C-35/royal-assent>

The CCPA has recently published two reports providing updates on the bilateral child care agreement targets, which are important to understand for this year's living wage report for each of the three provinces.¹³ In summary, P.E.I. is the furthest along in meeting all targets, with important expansion.¹⁴ A primary concern is that the P.E.I. system has the highest concentration of for-profit licensed care, thereby introducing risks for families of closures, or selling centres to multinational corporations. While for-profit enterprises are mostly funded with public money, they can also close their doors or sell their business.

Nova Scotia has not yet reached its target coverage, so families continue to face a market system where they pay high fees. To reach the 50 per cent reduction target, Nova Scotia provided funding based on a flat rate in December 2022 using 2019 average fees, and this funding has not been increased. However, some families do receive additional subsidies.¹⁵

Newfoundland and Labrador reached the \$10 a day target before the deadline, providing funding to licensed care providers that replaces the amount received in parent fees above the \$10, with other low-income families also receiving further subsidies. However, parents still face a shortage of new child care spaces, leaving many families struggling to find and afford care outside licensed facilities. More details are available in each province's section of this report. All these subsidies require income eligibility¹⁶ and families must have access to licensed care, thus because these are not universal programs they are not considered in the calculations.

¹³ Macdonald, D., & Friendly, M. (2025, July 9). *The price is not right (yet)*. Canadian Centre for Policy Alternatives.

<https://www.policyalternatives.ca/news-research/the-price-is-not-right-yet-10-a-day-child-care-falling-short-of-target/> & Macdonald, D. (2025). *Cash Cow*. Canadian Centre for Policy Alternatives.

¹⁴ Government of Prince Edward Island, Department of Education and Early Years. (2025). *Early Learning and Child Care Space Creation Progress*.

<https://www.princeedwardisland.ca/en/information/education-and-early-years/early-learning-and-child-care-space-creation-progress>

¹⁵ The adjusted income is \$70,000, while some of the households may qualify for a small subsidy, the family also has to find regulated child care space.

<https://childcarenovascotia.ca/families/child-care-subsidy>

¹⁶ For N.L., the family net income cutoff for a family with two children attending regulated child care is \$47,000.

<https://www.gov.nl.ca/education/files/Child-Care-Subsidy-Policy-Manual-2022-01-01-Final-1.pdf>. For P.E.I. the family net income cutoff for a family with two children attending regulated child care is \$59,122.50:

https://www.princeedwardisland.ca/sites/default/files/publications/1.1_eligibility_final.pdf

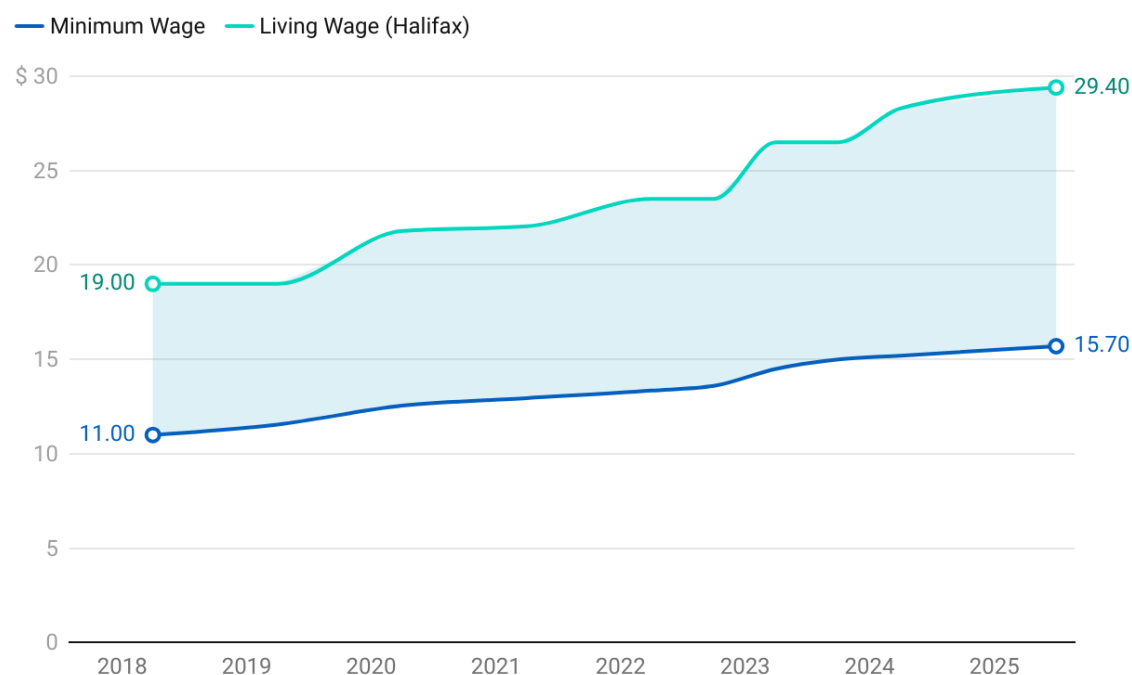
The living wage calculations underline why it is so important that there be systematic, central planning and increased federal and provincial funding to build a nonprofit, public, quality, affordable, accessible system of child care all year round, that meets the needs of the diversity of families in every community. The expansion cannot be left to request for proposals from overworked child care directors or volunteer boards of non-profit centres. The CCPA report on child care availability highlights the importance of community- and neighbourhood-level targets and planning. There is a need for a publicly led and appropriately funded expansion, much like we see in the K–12 school and health care systems. While rural density is a challenge, except for Newfoundland and Labrador, all children in the Atlantic region live within 10 kilometres of an elementary school, which could serve as sites.¹⁷ Capital, public planning, and funding for better wages and benefits for recruiting and retaining the workforce to staff new spaces will all be needed.

Wages are not keeping up

In the labour market, minimum wages have become less effective in ensuring that working people can meet their basic living costs. For people in Atlantic Canada, the minimum wage ranges between \$6 and \$12 an hour less than the required living wage— a significant percentage less than what it would need to be if we expected it to enable people to pay basic living costs (see Table 4). While minimum wages have increased in recent years, this came after a long period of neglect in which rates fell behind the cost-of-living increases. Figure 1 illustrates this using the Halifax-region living wage - to put it simply, the gap between what people need to earn and what the minimum wage ensures they earn has almost doubled since 2018. Governments continue to tweak the minimum wage based on what employers tell them and what the rates are in neighbouring provinces, but all are missing the point - the minimum wage isn't doing its job anymore.

¹⁷ Macdonald, D. (2025). *Cash Cow*. Canadian Centre for Policy Alternatives.

Figure 1 / Living wage gap for Halifax 2018–2025



Created with Datawrapper

https://www.datawrapper.de/_/Eessc/?v=8

Table 4 / N.L., N.S., P.E.I. 2025 living wage gap

Province	2025 living wage provincial weighted averages	Minimums (May 2025)	Minimum wage as % of living wage weighted averages	Living wage gap (%)
N.L.	\$25.31	\$16.00	62.22%	36.78%
N.S.	\$27.65	\$15.70	56.78%	43.22%
P.E.I.	\$22.77	\$16.00	70.27%	29.73%

Table 5 / Median hourly wage rate and provincial weighted averages, June 2025

Province	All gender	Women	Men	2025 LW provincial weighted averages
N.L.	\$27.75	\$26.45	\$29.40	\$25.31
N.S.	\$27.00	\$26.40	\$27.50	\$27.65
P.E.I.	\$25.00	\$25.74	\$24.30	\$22.77

Source: Statistics Canada (2025), *Employee wages by industry, monthly, unadjusted for seasonality* (Table 14-10-0063-01), <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410006301>

The essential question is: What do workers need to earn to keep their “heads above water?” For anyone whose employment income is less than a living wage, their options for meeting their needs are considerably narrowed, often detrimentally affecting their health, denying them adequate housing and contributing to food insecurity. Households making less than the living wage face a severe reduction in the quality of life. Approximately 30% of workers across the Atlantic region earn less than \$20 an hour.¹⁸ In Nova Scotia, approximately 50 per cent of workers earn less than a living wage, with more women than men below that threshold. In N.L., the gap between what women and men earn is the largest in the region (see Table 5).

Low-wage workers are disproportionately female, and members of visible minority communities; the living wage gap is targeting some members of our community in a systematically unjust way. Minimum wages were designed to promote equity, not ignore an expansion of wage injustice.

Worse yet, because the gap has been allowed to grow so large between the necessary living wage and the minimum wage, and so much of the labour force falls into this gap, it is becoming increasingly hard for employers to imagine the kind of wage increases that would be needed to restore the balance. Employers routinely lobby for the status quo, to keep minimum wages down, but this worsens the problem and results in significant labour force shortages.

¹⁸ Saulnier, C. and Thompson, K. (2024). *Atlantic Canadians need a raise: One-third of Workers Earn Less than \$20 an hour*. CCPA NS Office. <https://policyalternatives.ca/AtlanticLowWageWorkers2024>

The vast body of evidence that the living wage—the real minimum cost of living—far exceeds minimum wage rates is an important reminder that one key solution to the problems of low-income households is a much higher minimum wage and higher wages generally.

It is very short-sighted for businesses to simply assume that paying a living wage is impossible because it raises their labour costs and narrows their profit margins. There is ample evidence across our country, and internationally about the positives for employers of paying a living wage. Paying living wages has been shown to reduce absenteeism and staff turnover, improve morale and productivity levels, reduce turnover costs, make it easier to recruit, and result in improved customer service and satisfaction. A survey of living wage employers in BC found that 97 per cent reported some benefit.¹⁹

Benefits of paying a living wage

Employee

- Lifted out of poverty and food secure
- Fairer compensation
- Better health outcomes
- Improved standard of living and quality of life
- Higher worker bargaining power
- Reduces need to work multiple jobs
- Allows adults to spend more time with family and in the community

Employer

- Higher employee loyalty and productivity
- Lower absenteeism
- Decreased employee turnover
- Cost saving for staff hiring and training

Community

- More social participation
- Larger taxpayer base
- Increased consumer purchasing power
- Reduced costs of health care and social services
- Increased local investment

¹⁹ Ivanova, I. and French, A. *Op. cit.*

Nova Scotia living wage update for 2025

Since 2021, we have calculated living wages in Nova Scotia for five regions across the province. These regions are:

- Annapolis Valley (Annapolis, Kings, and Hants counties)
- Cape Breton (Cape Breton, Inverness, Richmond, and Victoria counties)
- Halifax (Halifax County)
- Northern (Antigonish, Colchester, Cumberland, Guysborough, and Pictou counties)
- Southern (Digby, Lunenburg, Queens, Shelburne, and Yarmouth counties)

Regional rates enable comparison across all parts of Nova Scotia, reflecting the impact of costs and the availability of products and services. These rates cover a larger geographic area than small community rates and better reflect people's real lives. Since they have no choice, people often have to work in one community, use child care in another, and live in yet another. We have also calculated a weighted living wage based on each region's working-age population.

Table 6 / Living wages Nova Scotia, 2025 and 2024

Region	Rates 2025	Rates 2024	% Annual change
Annapolis Valley	\$27.20	\$26.20	3.82%
Cape Breton	\$24.50	\$24.00	2.08%
Halifax	\$29.40	\$28.30	3.89%
Northern	\$25.50	\$24.90	2.41%
Southern	\$26.60	\$25.20	5.56%

Provincial Weighted Average (working population): \$27.60 in 2025; \$26.63 in 2024 (annual increase: 3.64%).

As seen in Table 6, Halifax continues to have the highest living wage in Nova Scotia. The wage is 17 per cent higher in Halifax than in Cape Breton, the lowest living wage in the province. Table 6 shows that the Southern region actually saw the largest year-over-year increase, twice that of the Annapolis Valley. These increases are primarily driven by housing and child care costs in the Southern region. Halifax had the second-highest increase in the living wage this year (up almost four per cent), with the highest growth in housing costs.

These living wage increases (two to six per cent) are similar to last year's increases, which ranged from one to seven per cent for Nova Scotia,²⁰ and significantly smaller increases than in 2023, when increases ranged from 11 to 19 per cent.²¹ Cost increases generally have slowed, meaning the living wage is not going up quite as quickly, but as we note below, costs are still increasing in many areas. Last year's higher inflationary increases were dampened more substantially by government transfers, particularly the Canada Carbon Rebate. This year's calculations include the last payments of the now-cancelled Canada Carbon Rebate, and the inflationary increase to the Canada Child Benefit. As in previous years, because income eligibility thresholds have not increased, the living wage households are still not eligible to access the Nova Scotia Affordable Living Tax Credit (only available if adjusted family net income is below

²⁰Saulnier, C. and Williams, R. (2024). *2024 Living Wages for Newfoundland and Labrador, Nova Scotia and Prince Edward Island* Canadian Centre for Policy Alternatives Nova Scotia.
<https://www.policyalternatives.ca/wp-content/uploads/2024/11/2024-Living-Wages-for-Newfoundland-and-Labrador-Nova-Scotia-and-Prince-Edward-Island.pdf>

²¹ Saulnier, C. (2023). *Living wages in Nova Scotia 2023 update: Working for a living, not living to work*. Canadian Centre for Policy Alternatives Nova Scotia.
https://policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2023/09/FinalLivingWagesinNovaScotia2023_0.pdf

\$35,100²²) or the Nova Scotia Child Benefit (for households with adjusted family net income between \$26,000 and \$34,000²³). As for taxes, there is a further increase to the federal government's basic individual exemption, plus the annual inflationary adjustment to federal tax brackets. Federal transfers and tax changes helped dampen increases, but not as much as last year and not for all regions this year.

Explaining the cost changes since 2024 for Nova Scotia regions

The three top expenses in the budget for all regions in Nova Scotia are shelter, food and child care, in that order (see Table 19 in Appendix B). The year-over-year budgetary changes are outlined in Table 7. There are some notable trends and changes in household costs (see Appendix B, Table 18 for detailed monthly budget amounts):

- With shelter taking up between 26 per cent and 35 per cent of budgets, any increases in rental prices for each region drive up budgets overall—with Cape Breton seeing very little change (less than one per cent), to nine per cent increase in Halifax, eight per cent in Southern, six per cent in Annapolis Valley and five per cent in Northern. Average rent in most communities has slowed compared to the growth seen in previous years. However, there are still concerns about the higher cost of available rentals, and the lack of affordable housing and the overall rental market. Government failure to tackle the crisis in housing costs is a key driver of the living wage gap.
- Average fees for licensed and unlicensed centre-based and home-based toddler child care have decreased across the province. Before—and after-school fees have also decreased in most communities. However, summer camps and PD day child care costs for school-aged children increased quite a lot in some communities—this is unlicensed child care that is not subject to the set fee cap. The result is that some communities see a decrease in the overall child care budget, while others see a slight increase.

²²

<https://www.novascotia.ca/finance/en/home/taxation/tax101/personalincometax/altrc.aspx.html>

²³

<https://www.canada.ca/en/revenue-agency/services/child-family-benefits/provincial-territorial-programs/province-nova-scotia.html>

- Transportation costs have decreased for most communities.
- Food cost increases have stabilized, representing less than a one per cent increase.
- Clothing and footwear expenses, as determined by Statistics Canada and found in the Market Basket Measure, decreased this year; however, they are a small part of the overall budget.
- More affordable internet packages are increasingly available in communities across the province, and all communities saw reduced costs. However, there is a concern that the more rural parts of those regions may still not be accessing these services at the standard needed, and some families may have to pay more than the budget allocated.
- On balance, given the differences in each region, as seen in Table 7, the overall budgets increased from 1.56 per cent to 4.53 per cent.

Table 7 / N.S. family living wage budget percentage changes, 2025 compared to 2024

Budget Item	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Food	0.96%	0.97%	0.52%	0.96%	0.96%
Clothing and Footwear	-0.17%	-0.17%	-0.55%	-0.17%	-0.17%
Shelter	6.08%	0.19%	8.96%	4.61%	7.71%
Transportation	-1.72%	-2.66%	0.64%	-3.33%	-1.83%
Child Care	-2.37%	2.16%	-7.42%	-5.92%	5.74%
Health Care	5.00%	5.00%	5.00%	5.00%	5.00%
Contingency/Emergency	3.82%	2.08%	3.89%	2.41%	5.55%
Parent Education	0.00%	0.00%	0.00%	0.00%	0.00%
Household Expenses	10.00%	10.33%	9.94%	9.98%	9.98%
Social Inclusion	1.68%	1.67%	1.35%	1.68%	1.68%
Total	2.76%	1.79%	3.19%	1.56%	4.35%

Rental Costs Analysis

In last year's living wage report, the rental market report for Halifax (census municipality)²⁴ for 2023 found that compared to 2022, the average rent increased by 11.9 per cent. This was the highest single-year increase and four times above the average historical growth rate. 2023 was the third year the vacancy rate had been at one per cent, and under two per cent since 2017.²⁵ In the Fall 2024 rental market report,²⁶ the vacancy rate for Halifax was 2.1 per cent. However, the vacancy rate for more affordable apartments (below \$1,300 for a two-bedroom) was well below one per cent, and turnover reached a seven-year low for those units.²⁷ While rental supply is increasing, many new units are higher-priced, and the city is losing older, more affordable stock.²⁸

In general, in 2024, the growth in average rents has slowed. The average for a two-bedroom unit in Halifax in 2024 increased by 3.8 per cent from 2023. The first quarterly report for 2025 on asking rents for available units produced by CMHC and Statistics Canada further illustrates the downward trend in cost increases. Supply is increasing, demand has decreased slightly and asking rents were down for most units.

However, increases in average rents are still higher than the general rate of inflation and regulations to try to cap rent increases are not as effective as they could be if they were based on vacancy control (tied to the rental unit).²⁹ In Nova Scotia, the five per cent cap on rental increases for

²⁴ Dugan, B., Iowerth, A., Hughes, K., Nanowski, J., Cortellino, F., Batch, B., Pardy, T., Passarelli, A., & Nodoro, K. (2024). *Housing Market Information Rental Report Canada and Selected Markets*. Canada Mortgage and Housing Corporation.
<https://assets.cmhc-schl.gc.ca/sites/cmhc/professional/housing-markets-data-and-research/market-reports/rental-market-report/rental-market-report-2023-en.pdf>

²⁵ CMHC (2024). Rental Market Report 2023.
<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/market-reports/rental-market-reports-major-centres>

²⁶ CMHC. (2024). *Op. cit.* Note: this report focuses on two-bedroom apartments as the most common rental unit.

²⁷ Seguin, N. (2024, December 17). *Halifax's apartment vacancy rate rose above 2% in 2024 as rent growth slows*. CBC News.
<https://www.cbc.ca/news/canada/nova-scotia/halifax-s-apartment-vacancy-rate-rose-above-2-in-2024-as-rent-growth-slows-1.7412375>

²⁸ Lam, A. (2025, March 3). *N.S. rapidly losing some of its most affordable apartments, while cost soars for new ones*. CBC News.
<https://www.cbc.ca/news/canada/nova-scotia/n-s-rapidly-losing-some-of-its-most-affordable-apartments-while-cost-soars-for-new-ones-1.7469479>

²⁹ Leviten-Reid, C., & Saulnier, C. (2023, April 3). *CCPA-NS submission to Law Amendments on Bill No. 262: Interim Residential Rental Increase Cap Act*. Canadian Centre for Policy Alternatives – Nova Scotia.
<https://www.policyalternatives.ca/news-research/submission-to-law-amendments-on-bill-no-262-interim-residential-rental-increase-cap-act/>

current tenants has several loopholes, leading to sharp rent hikes for apartments leased to new tenants. In Halifax, rent for turnover units went up by about 28 per cent in 2024. “Rents for units that became available continued to increase faster than incomes,” reports CMHC. The turnover rate remained at 10 per cent, with very few renters able to move due to low vacancy and high rents for available apartments, though evictions are on the rise.³⁰

More importantly, even though the cost of housing may no longer be going up as quickly as it had been, the long-term trend has been devastating for working households. Compared with the average asking rent from 2019, Halifax studio apartment rents were up 68.4 per cent in the first quarter 2025, one-bedrooms were up 59.5 per cent, two bedrooms were up 63.4 per cent, and in Halifax from 2019 to the first quarter in 2025 asking rents for units with three bedroom or more are up 65.6 per cent.³¹ This shift in housing costs has devastated the budgets of working households. We are raising concerns again this year about the lack of affordable apartments and of those suitable apartments for families or for sharing amongst non-family members for affordability reasons. The vacancy rate for three-bedroom apartments was 0.7 per cent in 2023 and was 1.5 per cent in 2024³². As of October 2024, only eight per cent of the rental stock is three-plus bedrooms in the Halifax Census Metropolitan Area (CMA).³³

Child Care in Nova Scotia

For Nova Scotia, 38 per cent of non-school-aged children have access to adequate full-time child care in the province.³⁴ However, when considering community-level access, 34 per cent live in a child care desert, and another 36 per cent have inadequate coverage, with 30 per cent of communities having access to the target coverage in the bilateral

³⁰

<https://acorncanada.org/wp-content/uploads/2024/09/ACORN-Fixed-Term-Lease-Report.pdf>

³¹ Finance and Treasury Board, Government of Nova Scotia. (2025, June 25). *Apartment Rents, Q1 2025*.
https://novascotia.ca/finance/statistics/archive_news.asp?id=21123&dg=&df=&dto=0&dti=3

³² CMHC (2024). Rental Market Survey, Halifax 2024. *Table 3.1.1*.
<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

³³ CMHC (2024), *Op. cit.*

³⁴ See Figure 3 *Full-time child care coverage rates* (p. 17) in: Macdonald, D. (2025). *Cash Cow*. *Op. cit.*

agreement.³⁵ For rural communities, 47 per cent live in child care deserts compared to 19 per cent in Halifax.³⁶

Although Nova Scotia will likely reach 59 per cent coverage by 2027, there are reasons to question why this target, whether or not it is achieved. The province's labour market participation rate for women with children under three was 78 per cent in 2024. Additionally, 86.9 per cent of mothers with children aged four to five and 88.3 per cent of those with children aged six to twelve were working.³⁷ This indicates the real need in the province, which casts doubt on the 59 per cent target. Furthermore, the number of spaces needed should be counted separately for those requiring full-day spaces in centres and those needing before- and after-school care, as these should not be considered equivalent options. Lastly, a provincial coverage rate does not show whether spaces are available where families need them.

Explaining changes in living wage rates beyond budgets

As shown in Table 8, three of the five regions in N.S. saw a decrease in government transfers overall this year. Government deductions increased across the board, with increases to EI and CPP, and only small decreases to federal tax rates that did not result in significant tax reductions because more employment income was needed.

³⁵ See Figure 7, *Proportion of non-school age children by child care accessibility, Q1 2025* (p. 26) in: Macdonald, D. (2025). *Cash Cow. Op. cit.*

³⁶ See Figure 9, *Proportion of children living in child care deserts by community size, Q1 2025* (p. 30) in: Macdonald, D. (2025). *Cash Cow. Op. cit.*

³⁷ Finance and Treasury Board, Government of Nova Scotia. (2025, January 10). *Labour Market Trends, Annual 2024*.

<https://www.novascotia.ca/finance/statistics/news.asp?id=20622>

For women who have a spouse or partner, and their spouse or partner is employed. For men that ranges from 93.8% to 96%.

Table 8 / Annual changes 2025 compared to 2024 N.S. regions: Family income less government deductions and taxes plus government transfers

	Annapolis	Cape Breton	Halifax	Northern	Southern
Employment Income (gross)	3.82%	2.08%	3.89%	2.41%	5.56%
Government Deductions	6.52%	1.73%	4.80%	4.60%	9.39%
Family Take Home Pay	3.21%	2.15%	3.66%	1.93%	4.73%
Government Transfers	0.17%	-2.67%	-0.68%	-0.57%	2.29%
Total Disposable Family Income	2.88%	1.55%	3.24%	1.65%	4.46%
Family Expenses	2.76%	1.79%	3.19%	1.56%	4.35%

Table 8 also shows that cost increases in family expenses do not always translate to a similar percentage increase in the living wage rate (calculated to ensure sufficient total annual employment income pre-tax). The differences between regions are:

- Halifax's employment income had to be slightly higher than the increase in budgetary costs because of higher taxes and payroll deductions resulting from the need for a higher overall income, but lower government transfers.
- The Southern region saw the largest increases in shelter and child care costs, which resulted in the largest overall budget increase of 4.35 per cent. Such a significant increase for Southern translated into a considerable increase in government deductions, even while the region saw an increase in government transfers.
- The overall budget for the Northern region only increased by 1.56 per cent. Northern needed a 2.41 per cent increase in employment income, because of a decrease in transfers, which resulted in a slight increase in deductions and The Annapolis Valley had the third-largest increase in family expenses of 2.76 per cent, with a 3.82 per cent increase in employment income needed to cover additional government deductions.

As seen in this analysis, whether workers struggle less to make ends meet depends on many factors. The calculation illustrates the need for balanced and effective solutions, focused on decent working conditions, government redistributive income supports, fair taxation, and the regulation of the costs of essential services or/and their removal from the market through public services.

Newfoundland and Labrador living wage update for 2025

In assessing the living wage for Newfoundland and Labrador, we divide the province into four regions: Eastern, Central, Western and a “Northern” region, including Labrador and part of the Northern Peninsula. There are several reasons for doing this. Even though the living wage varies less across the Eastern, Central and Western regions, there are significant differences in living costs within those regions – essentially, shelter is more expensive in the Eastern region, where the increasing costs of urban housing seen elsewhere in Canada have become a challenge in the St. John’s metro area.

Table 9 / Living wages N.L., 2025 and 2024

Region	Rates 2025	Rates 2024	% Annual Change
Central	\$24.40	\$24.10	1.24%
Eastern	\$25.40	\$24.70	2.83%
Western	\$24.40	\$24.10	1.24%
Labrador-Northern Peninsula	\$28.30	\$27.30	3.64%

Provincial Weighted Average (working population): \$25.31 in 2025; \$24.70 in 2024 (annual increase: 2.45%).

There are two key observations from the living wage assessment in Newfoundland and Labrador this year: First, the living wage has not grown as quickly as it could have due to some relief from inflation and the impact of federal government policies targeted at helping lower-income households. Second, the living wage in Labrador-Northern Peninsula, already high, has grown considerably again this year. This highlights the concern of the 2023 and 2024 Reports - northern residents face unique challenges that require greater government attention.

Explaining budgetary cost changes

In general, the growth in the living wage has slowed as the overall rate of inflation has slowed. In the Central and Western regions, the rate of growth is less than 2%. In the Eastern region, dominated by St. John's, the increase is larger – and the rate was already higher – reflecting higher housing costs and an increase in child care costs. However, increases in the cost of living for some goods and services have been offset, in part, by a decline in the cost of some essential consumer goods –like clothing. Some regions also have more access to less expensive internet services. The other major decline in the living wage budget in some regions is for child care expenses, which we discuss in more detail below.

That said, inflation continues to hit lower-income working households harder than might generally be the case because increases in the cost of housing and groceries are higher than the overall rate of inflation³⁸ –this really hurts low-income households.

³⁸Finance and Treasury Board, Government of Nova Scotia. (2025, June 24). *Analysis of Consumer Price Index for May 2025*.
https://novascotia.ca/finance/statistics/archive_news.asp?id=21116&dg=.2&df=&dto=.3c&dti=12

Table 10 / N.L. family living wage cost percentage changes, 2025 compared to 2024

Budget item	Central	Eastern	Western	Labrador-Northern Peninsula
Food	1.99%	1.99%	1.99%	1.99%
Clothing and Footwear	-3.09%	-3.09%	-3.09%	-3.09%
Shelter	4.44%	2.23%	5.14%	4.97%
Transportation	2.81%	2.51%	2.81%	20.13%
Child Care	-2.93%	12.17%	-4.70%	-4.15%
Health Care	5.00%	5.00%	5.00%	5.00%
Contingency/Emergency	1.25%	2.83%	1.24%	9.52%
Parent Education	0.00%	0.00%	0.00%	0.00%
Household Expenses	1.24%	-1.81%	2.70%	-3.04%
Social Inclusion	0.84%	0.83%	0.84%	0.84%
Total	1.63%	3.01%	1.68%	3.20%

Government Relief

Government transfer and taxation policies offered residents of the province some relief this year. The increase in the Canada Child Benefit helps our reference household. Residents also received the last full year of quarterly payments of the Canada Carbon Rebate before its cancellation – a policy which has had a significant positive impact on lower-income household budgets. Changes in federal tax rates and brackets also provided a small benefit to our reference household this year, as did similar moves by the provincial government. Essentially, several government tax and transfer policies have helped offset the impact of cost-of-living increases on low-income working households.

Table 11 / Annual changes 2025 compared to 2024, family income, government deductions, government transfers, N.L. regions

	Central	Eastern	Western	Labrador-Northern Peninsula
Employment Income (gross)	1.24%	2.83%	1.24%	3.66%
Government Deductions	-0.44%	0.30%	-0.52%	5.33%
Family Take Home Pay	1.59%	3.37%	1.61%	3.36%
Government Transfers	1.33%	1.15%	0.80%	-0.62%
Total Disposable Family Income	1.56%	3.11%	1.51%	2.95%
Family Expenses	1.63%	3.01%	1.68%	2.96%

When the impact of tax and transfer changes is combined, our reference household is left with more after-tax income. In Central, for example, this means an additional \$1300 in 2025. These changes dull the impact of inflationary pressures on household budgets this year, reducing the growth in the required living wage - though much of this impact will be short term.

Measures like these place more money in the hands of low-income households even without increases in pay - this directly impacts their ability to manage cost of living increases and could reduce the living wage if pursued more aggressively by governments.

But the situation for working households is still getting worse, it's just getting worse less quickly

It is important to understand the context of what the living wage increases this year “mean” for real households. Even with the limited good news above, the reference household budget increased considerably this year across the province—inflation is still having an impact, and inflationary pressures are clearly greater on necessities for low-income households like groceries and shelter. Housing costs, on average, went up by more than 2% - and that increase is larger than, for example, the small increase in the provincial minimum wage. Time and again, residents say that they are falling behind on the cost of living, and they are right. Increases in the living wage are not “good news”; they mean people need to earn more money and the gap between the minimum wage and the living wage is already close to \$10 an hour.

Governments can do more to help these households. This is an important point we have emphasized in other Living Wage Reports for Newfoundland and Labrador:³⁹ There are many paths to reducing the gap between what people earn and what they need to earn to make ends meet. Unfortunately, the problem is that governments aren't doing enough. Some of the changes that have helped in the province are essentially "one-time only," and the required living wage still went up. Worryingly, based on current trends in inflation, the living wage will likely increase again next year. Addressing the gap between what people earn and what they need to earn requires far more sustained effort.

Takeaways from this year's data for the province:

While increased federal transfers and tax treatment of low-income households in the province helped to blunt cost-of-living increases this year, there are still big gaps in federal and provincial programs designed to reduce poverty or increase economic equality. Because the required living wage has grown so much, our reference case households do not qualify for a range of supports to reduce the cost of living and have had other transfers further clawed back (the CCB in particular).

Provincially, our reference household does not qualify for the Newfoundland and Labrador Child Benefit. To fully qualify for the N.L. Child benefit, a family's net income needs to be less than \$17,397 a year.⁴⁰ This is a tiny fraction of what the reference household needs to earn to cover basic expenses and is well below the poverty line. To put it bluntly, this is a program designed to fail. No working household could qualify for the program.

The Newfoundland and Labrador Income Supplement is also a problem. Part of a suite of measures to help seniors, persons with disabilities and low-income households, it replaced a provincial HST credit. It can provide a benefit of up to a maximum of \$520 a year, but only households with total family incomes between \$15,000 and \$40,000 are eligible.⁴¹ At most, this is less than half what our reference household needs to earn in order to afford essentials —this is not a policy designed to help working people.

³⁹ Saulnier, C. and Williams, R. (2023). *Newfoundland and Labrador's 2023 Living Wages: Seeking a Better Deal for Low-Wage Workers*. CCPA NS Office.
<https://policyalternatives.ca/publications/reports/newfoundland-and-labrador%E2%80%99s-2023-living-wages#:~:text=The%20living%20wage%20rates%20for,%2423.80%20for%20Western%20and>

⁴⁰ <https://www.gov.nl.ca/cssd/income-support/child/>

⁴¹ <https://www.gov.nl.ca/fin/tax-programs-incentives/personal/income-supplement/>

Poverty traps like this with extremely low eligibility cut-offs, are poor social policy in general, but in this case they help illustrate the extent to which provincial governments simply haven't grasped how much the cost of living has shifted over the last decade.

Similarly, most residents in the province do not have access to affordable public transit, which helps manage transportation costs in other parts of Canada. Education and tuition costs have also increased considerably –tuition at Memorial University has more than doubled since 2021. The provincial government has a great deal of work to do to address these issues.

Federally, the reference household does not qualify for the full benefit from the Canada Child Benefit (CCB), and other than the Canada Carbon Rebate, qualifies for no other income support program, not the Canada Worker Benefit or the GST Credit, as they make too much money –something we focused on last year. Many residents feel that they get punished for trying to move out of the lowest levels of poverty.

The impact of the federal Dental Care Plan and Pharmacare programs is still unclear at this point, and there is reason to doubt whether they will continue to exist. If the federal government were to fully fund these programs to ensure that low-income and middle-income working households could access them across the province, this would have a big impact on cost-of-living challenges.

Housing analysis

Much like in the rest of Atlantic Canada, housing costs are a major problem. Even though the average rent increase has decreased from 7.6 per cent to 3.2 per cent,⁴² the baseline amounts with those increases continue to mean many households are insecurely housed, paying too much of their income on rent, and concerned about what might happen next month. Decades of neglect in supporting subsidized low-income rental housing have left the province in a poor position to manage the current crisis. While the province needs to “build more homes,” it needs to build more affordable housing, especially non-profit and social housing. The most recent rental report from CMHC shows that N.L.’s vacancy rate has not changed much from 1.5 per cent to 1.8 per cent, though St. John’s has moved from 1.5 per cent to 2.1 per cent (2024 compared to

⁴² CMHC (2024). Rental Market Survey, Newfoundland and Labrador 2024. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

2023). The apartment turnover rate has declined slightly however, indicating very little movement in the rental market (from 13.9 to 12.7 per cent).⁴³

Child care analysis

On paper, Newfoundland and Labrador has already met the \$10 a day target for licensed child care (down from the set fees depending on the age of the child of \$44/33/30 a day in 2019). This is a median monthly savings of \$738 for parents in St. John's who can access this care.⁴⁴ N.L. also offers a child care subsidy program,⁴⁵ which is vital because even \$10 a day can be unaffordable for many families. However, with strict eligibility criteria, including a needs assessment and income requirements, only a few can access it —not even all low-income families. Access to child care should primarily focus on children's early development, early learning, and care, and should be universal, not contingent on whether a parent is working, studying, or shows other needs.

Making licensed child care more affordable was easy to implement by replacing parent fees with funding to the centres. However, many barriers to access still exist in Newfoundland and Labrador. The provincial coverage rate is the lowest in the region at 35 per cent of non-school-aged children having access to full time licensed care. When we look closer at a community level, we find that 37 per cent of children live in "child care deserts" where there is no access, and another 55 per cent face inadequate coverage (the second-highest rate in the country). Only seven per cent of communities have adequate coverage, with 59 per cent of access being the target. Across the province, 54 per cent of rural children reside in child care deserts.⁴⁶

While N.L. has made some progress, there is still much more to accomplish to ensure families have access to care wherever they live. There is a need for just under 6000 new spaces to even reach the 59 per cent coverage target, but is that even adequate? This also seems a low target given the high labour market participation of women in N.L.; women with children's labour force participation ranges from a high of

⁴³ CMHC (2024). Rental Market Survey, Newfoundland and Labrador 2024. *Op. cit.*

⁴⁴ Macdonald, D., & Friendly, M. (2025, July 9). *The price is not right (yet)*. *Op. cit.*

⁴⁵ <https://www.gov.nl.ca/education/files/Child-Care-Subsidy-Policy-Manual-2022-01-01-Final-1.pdf>

⁴⁶ Macdonald, D. (2025). *Cash Cow*. *Op. cit.*

90.5 per cent for mothers with children aged four to five years, to 83.9 per cent for those with children aged zero to three years old.⁴⁷

Interestingly, the projected decline in the child population is the highest in the country (15 per cent between 2021 and 2027); having child care could help retain and even grow families.

The planning for more child care spaces, which must be public, or non-profit, needs to be based on coverage needed in communities, and not on whether someone is willing to open or expand their business. The N.L. government is to be commended for its investment with a planned rollout of 3,000 regulated non-profit child care spaces in communities throughout the province by March 31, 2026, for pre-kindergarten.⁴⁸ However, unlike in Nova Scotia, the program will be offered by a non-profit, and not as part of the public education system. While non-profit early learning is of better quality than for-profit enterprises, there is still less security and permanence than if it was fully public.

Labrador

Finally, Labrador-Northern Peninsula, as we explored in the 2023 report⁴⁹ is a unique challenge in the province. Costs of living are high there —comparable to many urban areas of the country. While living wages tend to be high in urban areas because of rapid increases in the cost of housing, the northern region in Newfoundland and Labrador faces unique challenges with both housing scarcity and extremely high food costs and transportation costs.

While the living wage was already high in the region, this year it increased by a further 3.64% —another dollar an hour in the living wage. Labrador's required living wage now exceeds the provincial minimum wage by \$12.30 an hour. While it is early this year to say, this may be one of the largest living wage gaps in the country. Government failure to address this problem makes it extremely hard for people to make ends meet and has a demonstrable negative impact on health and quality of life. It also means that the burden for dealing with the crisis falls more directly on employers.

⁴⁷ Statistics Canada (2025). *Labour force characteristics by family structure, annual, unadjusted for seasonality* (Table 14-10-0396-01) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410039601>

⁴⁸ <https://www.gov.nl.ca/education/earlychildhood/kinderstart/>

⁴⁹ Saulnier, C. and Williams, R. (2023). *Newfoundland and Labrador's 2023 Living Wages*. *Op cit*.

Prince Edward Island living wage update for 2025

The Prince Edward Island living wage rates are regional and not strictly rates for the communities of Charlottetown and Summerside. The Charlottetown wage includes the entire census area, while the Summerside wage represents the rest of Prince Edward Island, including the more rural areas. Summerside is a more populated community than many smaller, more rural areas, but data availability prevents us from calculating a smaller regional wage. Regional rates allow for a more extensive geographic coverage than specific community rates and better capture the reality of people's lives; people might have to work in one community, use child care in another, and live in yet another. The living wage calculations are regional to better capture the reality and differences between areas, depending on the availability of products and services, and the costs of essentials, including apartments, food, transportation, internet, and clothing. Both regional wages are then weighted according to the Census 2021 working-age population to arrive at a provincial-weighted average. This weighted average should inform the setting of the provincial minimum wage.

Table 12 / P.E.I. living wages, 2025

Region	Rates 2025	Rates 2024	% Change
Charlottetown	\$23.30	\$23.30	0.00%
Summerside	\$22.20	\$22.20	0.00%

Provincial Weighted Average (working population): \$22.77 in 2025; \$22.77 in 2024 (annual increase: 0.00%).

As shown in Table 12, the living wage rates on P.E.I. have not changed this year —this is good news, of a sort. It means that those households that see a real increase in their incomes this year (in cases where they do) have a better chance of catching up with the cost of living in the province. The difference between the wages for each region is less than five per cent.

P.E.I. living wage costs

Appendix C explains in detail what is included in these budgets, each item and what data sources are used to determine the amounts (Table 21 in Appendix C provides the monthly expense amounts for both regions). The primary sources of data are Statistics Canada and the Market Basket Measure for food, clothing, transportation, household expenses, and social inclusion. The rental data is from the Canadian Mortgage and Housing Corporation.

Food and shelter are the two most expensive budget items for the two regions, which take up 49.64 per cent of the Charlottetown budget and 47.19 per cent of the Summerside budget (see Table 22 in Appendix C). While child care comes in as the third most expensive budget item, it is much smaller than other regions, as is the cost of transportation. The living wage is lower in the P.E.I. region than elsewhere in Atlantic Canada, because in general, the cost of living is a little bit more manageable.

Table 13 / P.E.I. family living wage budget percentage changes, 2025 compared to 2024

Item	Charlottetown	Summerside
Food	0.74%	0.74%
Clothing and Footwear	0.68%	0.68%
Shelter	5.80%	4.89%
Transportation	0.94%	-0.61%
Child Care	-13.14%	-4.90%
Health Care	5.40%	5.40%
Contingency/Emergency	0.00%	0.00%
Parent Education	0.00%	0.00%
Household Expenses	-0.56%	-5.02%
Social Inclusion	-0.28%	1.17%
Total	-0.15%	0.25%

As can be seen in Table 13, the Charlottetown regional family expenses have decreased very slightly. The largest decrease is in child care costs, with the largest increase in rental costs, though tempered by a slight decrease in utility costs. For the costs in the more rural Summerside regional rate, rental costs have increased at a similar rate to Charlottetown, only slightly less. While child care costs have decreased, they have not decreased as much as in Charlottetown. The other decreases in the rural rate is a significant decrease in internet costs and a small decrease in transportation costs (Charlottetown's transportation cost increased slightly). This year's calculation is also based on less expensive internet across P.E.I., which is more available in rural regions (hence the decrease in household expenses). The costs for clothing, footwear, food and transportation see very little increase this year. As the second most expensive item, food costs are still high, and higher than in N.S., but lower than in N.L.. Note that the food cost data is drawn from the Market Basket Measure, which shows no differences between rural Prince Edward Island and Charlottetown.

Prince Edward Island's investments in making public transit and inter-regional transportation more affordable and more available has helped; which leaves Prince Edward Island regions with the lowest household budget amounts for transportation.⁵⁰ The Charlottetown region's transportation budget is a weighted average of transit and private car usage based on the MBM amounts, recognizing that there is still a need to expand bus service outside of the main corridors. Transportation costs in the Summerside/rural region living wage have a higher amount allocated for travel using a vehicle, but also includes interregional bus costs, and taxi to enable the family to get to child care, work, and college classes, as well as access essential services. While there is work to be done, these kinds of investments in public transportation can make life more affordable for working households.⁵¹

⁵⁰ Department of Transportation and Infrastructure (2022). *Transit fares lowered*. Government of Prince Edward Island.
<https://www.princeedwardisland.ca/en/news/transit-fares-lowered>

⁵¹ Maclean, L. (2024). *Charlottetown's 10-year transit strategy aims to expand service beyond University Avenue*. Saltwire.
<https://www.saltwire.com/prince-edward-island/news/local/charlottetowns-10-year-transit-strategy-aims-to-expand-service-beyond-university-avenue-100988529/>

Rental analysis

Housing is the most expensive budget item is housing costs as for the other provinces. As we reported in the last living wage report, the CMHC rental survey report for Prince Edward Island⁵² showed a 0.5 per cent vacancy rate for Charlottetown, the lowest amongst any community across the three provinces. In that 2023 rental report, the vacancy rate for Prince Edward Island as a whole was 1.1 per cent, with Summerside's estimated at 4.2 per cent.

According to CMHC, this year, the vacancy rate for P.E.I. (communities of 10,000 plus) is worse at 0.8 per cent, and Charlottetown's remains extremely low at 0.7 per cent. Evidence also suggests that this is translating into higher rents —the average rent has increased by 3.3 to 3.8 per cent in the province.⁵³ However, it is important to note that a significant portion of this data must be used with caution – there are data gaps in CMHC's work. As we note in the recommendations section, more provincial and local data is needed on many of these budgetary items, including rental and local food data.

Child care on Prince Edward Island

Child care is the third most expensive cost in this household budget. Child care includes the cost of licensed, regulated child care for the toddler (aged two) and the care needed for the seven-year-old when they are not in school (before and after school, professional development days, March break, holiday break and summer break).

P.E.I. has already reached the \$10 a day target for licensed spaces, which is a significant drop from the 2019 set fees, depending on the child's age, of \$34/28/27 a day, representing a median monthly savings for preschool-aged child care of \$369.⁵⁴ However, not all families can access this more affordable care, though child care fees whether licensed or unlicensed are dropping, especially for the non-school aged children.

⁵² CMHC (2023). Rental Market Survey, Prince Edward Island 2023. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

⁵³ CMHC (2024). Rental Market Survey, Prince Edward Island 2024. <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

⁵⁴ Macdonald, D., & Friendly, M. (2025, July 9). *The price is not right (yet)*. *Op. cit*

There has been an expansion in licensed spaces in P.E.I., reaching 57 per cent provincially; meaning 57 per cent of non-school-aged children have access to full-time licensed care. It is, however, concerning that 80 per cent of the new spaces have been in the for-profit sector in P.E.I.. Charlottetown has almost no children living in deserts, which means that there should be enough space for families needing care. However, 17 per cent of children in P.E.I. live in a community with fewer than three spaces per 10 children nearby—what the CCPA is calling a child care desert. That represents 1,400 children in P.E.I. who live in child care deserts. P.E.I. has the second-highest percentage of children who meet the federal target of 59 per cent coverage, at 63 per cent (second to Quebec).⁵⁵ However, is this target sufficient when we know that more than 86.7 per cent of mothers with children under the age of five are in the labour market (84.4 per cent with children under the age of three), and 88.5 per cent of those with children between the ages of six and 12?⁵⁶

A 2024 survey of child care staff and directors on P.E.I.⁵⁷ reveals some key areas that still need attention to ensure families can access quality, affordable early learning and child care. There have been some important positive steps made, including “regular wage increases, pedagogical support staff, access to post-secondary courses, and the introduction of a pension plan and health benefits.”⁵⁸ One of the key challenges is finding ways to “introduce flexible workplace options in order to support staff in better balancing their work/family responsibilities,”⁵⁹ as well as for centres to hire substitute staff. The retention and recruitment of early childhood educators is key to the expansion of quality child care for all who need it across P.E.I. and elsewhere.

⁵⁵ Macdonald, D. (2025). *Cash Cow. Op. cit.*

⁵⁶ Statistics Canada (2025). Labour force characteristics by family structure, annual, unadjusted for seasonality (Table 14-10-0396-01)

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410039601>

⁵⁷ Flanagan, K. and Associates. (2025). Early Learning and Child Care Recruitment and Retention: P.E.I.’S 2024. Director and Staff Surveys. Final Report. https://mcusercontent.com/aff981eb17e452f90e6094988/files/50178ef2-2c85-9175-8afd-59f7f42ff215/2024_ELCC_Director_and_Staff_Survey_Final_Report.pdf

⁵⁸ Flanagan, K. and Associates., *Op. cit.*, p. 77.

⁵⁹ Flanagan, K. and Associates., *Op. cit.* p. 78.

Understanding P.E.I.'s 2025 living wage beyond the budgetary costs

Like in the other two provinces, the income eligibility for provincial income support programs phase-out at much too low-incomes. For example, the living wage households do not qualify for the Prince Edward Island Sales Tax Credit because their incomes are too high. Prince Edward Island announced a new provincial child benefit. This new transfer, which began to be disbursed in January 2025, will undoubtedly help some families. The low monthly amounts of \$20-\$30 depending on net income, will have some positive effects.⁶⁰ Given that the adjusted living wage household incomes this year are just under \$67,000 and \$69,700, they are only eligible for \$20 a month.

Table 14 / P.E.I. family income less gov't deductions and taxes plus gov't transfers, percentage change, 2025 vs 2024

	Charlottetown	Summerside
Employment Income (gross)	0.00%	0.00%
Government Deductions	-3.15%	-3.40%
Family Take Home Pay	0.71%	0.73%
Government Transfers	5.30%	5.03%
Total Disposable Family Income	1.30%	1.32%
Family Expenses	-0.15%	0.25%

60

<https://www.princeedwardisland.ca/en/information/social-development-and-seniors/PEI-child-benefit>

For the 2024 tax year, the P.E.I. government also brought in changes to taxes, adding two additional income tax brackets and eliminating the 10% surtax. It also adjusted the personal income tax rates for inflation and increased the basic personal amount.⁶¹ These changes and the reductions by the federal government resulted in slightly lower taxes.

The living wage required to help households keep their heads above water may not have increased, but that does not mean that households feel any real relief in their budgets. Housing and food costs, in particular, hit low-income households hard, and there is a lack of programs that target the challenges these households face. While the government has done some good work around public transportation and child care, as well as introducing the new child benefit, more remains to be done around those and to acquire or build non-market affordable and public housing.

⁶¹ Canada Revenue Agency (CRA). (2024). Prince Edward Island tax information for 2024. <https://www.canada.ca/en/revenue-agency/services/forms-publications/tax-packages-years/general-income-tax-benefit-package/prince-edward-island/5002-pc.html>

Policy recommendations to support working people

Wages and working conditions

First and foremost, this report calls for employers to pay a living wage.

For too long employers and governments have pretended that there is some sort of cost-of-living cushion to living in Atlantic Canada that “makes up” for lower wages in the region. This is not true, and it is a serious labour market problem that so many in the region earn less than a living wage.

All private and public sector employers should pay their employees, whether direct or on contract, at least a living wage. Governments, in particular, should not contribute to the problem by paying poverty wages. Government budgets are impacted by the high costs of poverty, whether by productivity loss or by the pressures on its budget to help people manage to live on a low-income.⁶² Municipalities should be living wage employers, as should hospitals and other public bodies, and all public procurement should include provisions for paying contract workers a living wage. Moreover, governments must ensure that grant agreements with non-profit service providers are sufficient to enable them to pay their employees a living wage. There are whole segments of our economy where workers providing vital publicly-funded services, like home care workers and early childhood educators, do not earn a living wage.

⁶² Saulnier, C., & Plante, C. (2021). *The Cost of Poverty in the Atlantic Provinces*. CCPA-NS Office. <https://policyalternatives.ca/AtlanticPovertyCosts>

Private employers must also recognize that the more generous government programs, services, and income transfers are, the less income workers need to cover their costs. Social programs, redistribution and government investments would also help address this problem. Private sector employers should pay living wages and help manage increasing costs of living for working households through improvements in universal services and programs and investments in public infrastructure. Employers should also understand the evidence on the benefits they can reap when their workers earn a living wage and are not so stressed, happier, and even healthier.

Recommendations:

- All employers should pay at least a living wage.
- All levels of government ensure that all their direct and contract employees are paid at least a living wage, and paying at least a living wage should be included as a provision for all public procurement.

Raising the minimum wage

As CCPA-NS has noted in recent reports,⁶³ workers in the Atlantic provinces bring home some of the lowest wages in the country. One-third of Atlantic Canada's workers make less than \$20 an hour, and minimum wages in the region range from \$15.70 to \$16 an hour.

Minimum wages have historically been too low to allow workers to meet the basic cost of living, as governments and employers have chosen to pretend that all minimum wage workers are just teenagers working at a “first job”. Never true, this logic has become even more anachronistic as employers, desperate to find low wage workers willing to work for minimum wages, rely more on the retired and temporary foreign workers.

⁶³ Saulnier, C. and Thompson, K. (2024). *Atlantic Canadians need a raise. Op cit.*

People working in industries where minimum wages exert a large influence over pay have been hit hard by recent inflation. The real value of minimum wages in Canada peaked in the late 1970s and stagnated for decades, failing to fully account for changes in the cost of living.

A significant increase in the minimum wage is a crucial response to the living wage gap.

As the CCPA-NS has noted elsewhere, arguments against raising minimum wages are ... out of date.⁶⁴ Bluntly, businesses always oppose minimum wage increases, claiming they simply “increase inflation” and lead to “job losses”. Ironically many low-wage employers lobby governments against minimum wage increases while also advertising that they offer higher wages in the increasingly desperate effort to find workers. There is a simpler solution: fix the minimum wage.

Since the 1990s, real-world evidence—not the theories of arm-chair economists—has shown that even significant increases in the minimum wage have little to no effect on job loss.⁶⁵ In Ontario, a significant minimum wage increase found employment grew even in sectors known for low wages and precarious work; overall unemployment fell, and wages rose, with significant gains for racialized workers in particular.⁶⁶

As for inflation, businesses only transfer a fraction of the increase in labour costs to higher prices; the increase largely depends on demand and supply, not just a simple cause-and-effect relationship. Broader macroeconomic factors overwhelmingly determine costs and employment levels.

Raising the minimum wage reduces income inequality (and gender and racial inequalities), given the highly unequal distribution of “who” earns minimum wage. We cannot underestimate the positive impacts of providing workers with a living wage on their health and ability to bring their best to the workplace—nor can we underestimate the negative

⁶⁴ Saulnier, C. and Thompson, K. (2024). *Atlantic Canadians need a raise*. *Op cit*.

⁶⁵ Card, D. & Krueger, A. (1993). *Minimum Wages and Employment: A Case Study of the Fast Food Industry in New Jersey and Pennsylvania*. National Bureau of Economic Research. <https://www.nber.org/papers/w4509>

⁶⁶ Canadian Centre for Policy Alternatives (2022). *Raising Ontario's minimum wage boosted incomes while employment rose: report*. CCPA National Office. <https://policyalternatives.ca/newsroom/news-releases/raising-ontarios-minimum-wage-boosted-incomes-while-employment-rose-report>

impacts of a low-wage economy on government revenue and expenses, or on our society.⁶⁷

In a recent submission to a review of minimum wage by Newfoundland and Labrador's provincial government, CCPA-NS recommended a \$20 minimum wage, because the existing "base amount of the current minimum wage does not sufficiently reflect the cost of living as captured by the living wage calculations."⁶⁸ Instead, the government raised the minimum wage by 40 cents an hour in April of this year. Moves like these fail to understand the real world of household budgets in Atlantic Canada; and it's unclear who benefits from this foot-dragging.

Recommendation:

- Provincial governments should significantly raise minimum wages and ensure that all workers are paid at least the same provincial minimum wage.

Improve working conditions

Living wages are only part of creating decent working conditions. Governments must better protect and support workers' fundamental rights to organize and have input into their working conditions, improving productivity while making workplaces safer and healthier.

As a key cost-of-living measure, the living wage is a benchmark designed to help organized workers fight for pay increases that respond to the real world impacts of inflation.

Many of the labour force problems that governments in Atlantic Canada are tackling - shortages in workers in key areas - are fundamentally a problem of low wages. Almost everyone who has looked at the crisis in

⁶⁷ Saulnier, C. (2022). *The impact of a low-wage economy on government revenue and expenses*. CCPA NS Office.
<https://policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2022/06/LowwageeconomyCCPANSSubmissionPublicAccounts.pdf>

⁶⁸ Saulnier, C. & Williams, R. (2024). *Closing the Gap between a living wage and minimum wages in Newfoundland and Labrador*. CCPA NS Office.
<https://policyalternatives.ca/publications/commentary/closing-gap-between-living-wage-and-minimum-wages-newfoundland-and-labrador>

the health care sector, for example, has quickly discovered that efforts to keep wages artificially low have helped produce staffing shortages and chaos in service delivery.⁶⁹ A generation of blaming workers' demands for decent pay for all societies' economic woes has produced a situation where workers cannot pay their bills, and employers cannot find workers.

Respect for collective bargaining is crucial to restoring the balance. In the context of living wages, no worker should have to go to work sick because they risk losing wages if they stay at home - minimally, workers deserve paid sick days.⁷⁰ Draconian leave provisions mean parents also struggle to take care of sick children. Workers deserve more coverage for statutory holidays and additional paid vacation and leave to cover personal time.⁷¹

Provincial governments in Atlantic Canada should extend labour standards to all exempt workers and proactively enforce them. They should also seek to remove barriers to unionization. Modernizing labour standards would ensure that workers are safe and healthy and able to be as productive as possible by supporting them to bring their best to work. The provincial governments must also strengthen pay equity, extend it to cover the private sector, not just the public sector, and enact pay transparency legislation.⁷²

⁶⁹ See for example, Health and Community Services (2023). *Thinkwell: Nursing Workforce Research*. Government of Newfoundland and Labrador.

<https://www.gov.nl.ca/hcs/files/Nursing-Workforce-Research-Thinkwell.pdf>

⁷⁰ Casey, R., Brickner, R., Carlson, J., Rudrum, S., & Munroe, J. (2021). *No Nova Scotian Should Have To Work Sick The Urgent Need for Universal and Permanent Paid Sick Leave Legislation*. CCPA-NS Office.

<https://policyalternatives.ca/publications/reports/no-nova-scotian-should-have-work-sick>

⁷¹ Casey, R. (2019). *A Rising Tide to Lift All Boats: Recommendations for Advances to Nova Scotia's Labour Standards Code*. CCPA-NS Office.

<https://policyalternatives.ca/publications/reports/rising-tide-lift-all-boats>

⁷² Newfoundland and Labrador Federation of Labour (2023). *Newfoundland and Labrador Needs an Equality Reset, A Backgrounder on Bill 3, Pay Equity and Pay Transparency Act*. CBC News.

<https://www.cbc.ca/news/canada/newfoundland-labrador/nl-federation-labour-pay-equity-recommendations-1.6810373>

Recommendations

- Provincial governments must strengthen labour standards to better protect workers' health, safety, and work-life balance and proactively enforce these standards.
- The provincial governments must also strengthen pay equity, extend it to cover the private sector, not just the public sector, and enact pay transparency legislation.
- Governments should also remove barriers to unionization to improve workers' say over their conditions.

Government taxes and transfers

Governments need to do more to help low-income working households. Transfers designed, in theory, to help low-income people are not reaching real households.

For example, the Canada Child Benefit (CCB) has helped households with children, with the maximum benefit available is \$7,787 per year for each eligible child under the age of 6 and \$6,570 per year for each eligible child aged six to 17 in 2024-25.⁷³ For the CCB transfer included in our calculation, this year's adjustment for inflation was significant, with the 4.7 per cent increase applying to the 2024-25 rates (2023 base year), while the previous year's high inflation resulted in a 6.3 per cent increase for the 2023-24 rates (2022 base year).

Crucially, the actual allowable benefit under the CCB is reduced once a household's adjusted family net income goes over \$37,487.⁷⁴ This means, for example, our reference household, which is based on a conservative measure of the bare minimum a family needs to earn, does not qualify for the full benefit. This threshold is too low. It undermines the purpose of the

⁷³ Employment and Social Development Canada (2024). *Canada Child Benefit increases again to keep up with the cost of living*.
<https://www.canada.ca/en/employment-social-development/news/2024/07/canada-child-benefit-increases-again-to-keep-up-with-the-cost-of-living.html>

⁷⁴ For the base year 2023, payment period of July 2024 to June 2025, Eligibility criteria for the Canada Child Benefit can be found here:
<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/t4114/canada-child-benefit.html#toc2>

CCB, and the federal government should adjust it. However, the CCB is the only transfer for which all the reference households in our calculation do qualify to receive because the CCB has a further reduction for households with incomes of \$81,222, but does not fully phase-out for these households.

One transfer that made a difference was the Canada Carbon Rebate, which was designed to offset the federal fuel charge. Despite the rhetoric surrounding it, the Rebate, based on where you live and household size (not income), helped low-income households, in particular, deal with cost-of-living increases. In our calculation, the carbon rebate amounts which included the carbon rebate rural supplement made a significant difference in last year's calculation.⁷⁵ The rebate was cancelled making this the last year this will offer support to these households. Because the rebate is universal and not subject to claw back as incomes rise, it had a large positive effect for these households (who also tend to be lower polluters given consumption patterns).

Provinces offer superficially similar benefits, but they result in very little help getting to the households that need it. Prince Edward Island's new child benefit is quite small - \$20 to \$30, but more families qualify there because of the higher income eligibility cutoff. Potential benefits are higher in Newfoundland and Labrador and Nova Scotia, but the income level for people to be eligible is a fraction of the living wage -- policies like these sound like they do something, but they do not help real working families.

There is little to no support for households without children -- low-income people who cannot afford children in the first place, do not get much attention from the government. In theory, the Canada Workers Benefit could help working single adults, but most low-income people working full-time just don't qualify--the threshold is too low.

Our reference households do not get access to the GST credit either.

⁷⁵ Information on the Canada Carbon Rebate (CCR) can be found here: <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-carbon-rebate/qualify-for-the-supplement.html>

Similar issues exist with the tax system. We need a more progressive income and wealth taxation system to ensure sufficient government revenue to support public programs.⁷⁶ We should also ensure that our tax system is responsive to the reality of what income levels are needed to afford essentials and thus does not penalize low—and middle-waged workers. A redistributive tax system helps households below the living wage by increasing after-tax household income.

This year our reference households benefited a bit from changes in the federal tax system, which illustrates that key point: progressivity helps. Federal and provincial governments could do much more to use this tool to combat inequality and reduce the gap between what people earn and what they need to earn.

It is also important to point out that while politically popular, calls for “across-the-board” tax cuts are a really poor idea. They drain revenue needed to fund public programs that help keep the cost of living down, and the major beneficiaries of those tax cuts are high-income earners who are not struggling with the costs of life’s essentials. Government deliberations on tax and transfer policy have been hijacked by high income Canadians for a generation - and the disastrous results are clear in living wage reports.

While many things could be done to make the tax system fairer, from the perspective of the living wage gap, measures that target low-income and middle-income households through enhanced progressivity or using specific transfers could help considerably. Tax credits that offset sales taxes should more effectively support these households.

Recommendations

- Governments should address the eligibility thresholds for measures designed to combat poverty and inequality and raise the cut-off and claw back levels, taking into consideration the annual living wage incomes.
- Improve the progressivity of taxation systems.

⁷⁶ Canadian Centre for Policy Alternatives Nova Scotia (2015). *Nova Scotia Budget Watch 2015 Tax Changes: What Principles, in Whose Interest?* CCPA-NS Office. https://policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2015/04/NS_Budget_Watch_Tax_Changes.pdf

Public services

Housing

Shelter costs, our measure for housing expenses in the reference household, include rent and utilities in our calculations. They are the most expensive items in the living wage calculations and make up the most significant portion of living wage budgets across the Atlantic region. The cost of housing has become a crisis requiring much greater attention—it is the single biggest driver of recent increases in the living wage.

Support for affordable housing has been neglected across Atlantic Canada for a long time. Policy-makers have comfortably assumed there was a “cost of living advantage” in the region. Much of the response to the current situation seems to rely on hopes that federal government initiatives, which tend to focus heavily on propping up homeownership, will address the issue. However, action on housing requires cooperation across all levels of government – and crucially, it needs to focus far more on supporting the construction of affordable rental housing – public, non-market housing is vital to damping inflation in housing costs. Sadly, while federal governments neglect this key housing response, even where funding is available, municipal governments in the region seem to find it difficult to approve the construction of this type of housing. Every level of government is failing this test.

Governments also need to explore the range of options commonly used to limit the frequency and level of rent increases. Where such systems exist in Atlantic Canada (Nova Scotia, New Brunswick and P.E.I.), they aren’t currently designed to work effectively.⁷⁷

⁷⁷ Leviten-Reid, C. and Saulnier, C. (2023). Submission to Law Amendments on BILL NO. 262: Interim Residential Rental Increase Cap Act. <https://policyalternatives.ca/publications/reports/submission-law-amendments-bill-no-262>

Recommendations

All provinces should:

- Invest in rental subsidy support as a critical immediate (temporary) policy that can help renters who have to spend more than 30 per cent of their income on housing.
- Institute vacancy control that caps the annual increases for a unit to once every 12 months.⁷⁸
- Use legislative changes and funding to support tenants' organizing efforts while ensuring landlords are licensed and proactive enforcement of tenants' rights prevents renovictions and tenant displacement.
- Substantially increase the funding of affordable housing, which must be directed to the public and community (non-profit and co-operative) housing sectors, with a plan that has targets to eliminate homelessness and core housing needs.⁷⁹

Child care

Child care is the third most expensive item in all budgets across the region. The costs included in the budgets are full-time licensed child care for a toddler plus “wraparound” before and after school care for a seven-year-old. These costs do not reflect availability, which is a serious concern across the Atlantic region, most severely in Newfoundland and Labrador. In some places, people just can't get child care.

Child care costs included in the reference household budget do not reflect only the reduced cost of licensed child care in these provinces; only P.E.I. is reaching the provincial target coverage of enough spaces for 59 per cent of children, which is the target for all Atlantic provinces. As we

⁷⁸ See this six part series on rent control:

<https://monitormag.ca/reports/rent-control-in-ontario-part-5/>

⁷⁹ See *Keys to a housing secure future for all Nova Scotians*, a report published by CCPA NS on enacting housing as a human right that outlines many dozens of recommendations:

<https://policyalternatives.ca/publications/reports/keys-housing-secure-future-all-nova-scotians>

discuss for each province, these provincial targets do not consider community-level accessibility, or come close to the labour market participation rates of mothers with young children, putting into doubt the adequacy of this target. As we also discuss in each section, many communities still face child care ‘deserts’ where the majority of children cannot access licensed care. As a result, many households are still relying on unlicensed care or/and informal arrangements.

In general, across all three provinces, many communities also do not effectively offer care for children across the age spectrum, with fewer spots for infants. Our calculations also survey child care for school-aged children because the seven-year-old child in our reference household needs care outside of the regular school day. In collecting the data, we found that only some (more urban) communities have before-school care, and many communities have few options for after-school care to bridge the gap between school and the end of the workday. Many communities have very little available to cover Professional Development (PD) days, and outside of more urban areas, most have limited options for March break and summer holidays. And, the options are becoming increasingly expensive. Ensuring all families could access affordable child care remains one of the most tangible things that could be done to reduce the required living wage.

Governments must commit to sustained investment to expand the availability of quality licensed and regulated, non-profit universal care in communities across all provinces. Quebec implemented a universal program in the late 1990s, and researchers are still providing evidence of the tremendous impact of this program. We know, for example, that for every dollar invested in early childhood education, the broader economy receives between \$1.50 and \$2.80 in return.⁸⁰ This is an economic “winner” for the region. Moreover, early learning and child care is essential social infrastructure and critical for children’s development.

⁸⁰ Montpetit, S., Beauregard, P-L., & Carrer, L. (2024). A welfare analysis of universal childcare: Lessons from a Canadian reform. <https://childcarecanada.org/documents/research-policy-practice/24/07/welfare-analysis-universal-childcare-lessons-canadian>

Importantly, we can't have expanded access to child care without more Early Childhood Educators (ECE), and we risk reducing quality if we don't ensure that they are properly supported, financially in terms of income, but also pensions and health benefits—retaining those we have. In terms of recruitment and training, we need to ensure that we are bolstering public postsecondary options and not 'streamlining' training, and thus, putting a much heavier supervisory load on educators already facing short staffing. Investment in expansion must put educators' working and learning conditions at the forefront to retain and recruit these educators.

Recommendations

- All governments must intensify efforts to solve the child care problem. More sustained, long-term investment is needed to ensure families can access quality licensed and regulated, non-profit universal care in communities across all provinces and regions.
- The coverage rate of 59 per cent is inadequate, and should at least reflect the reality for most working families. Child care should be seen as an investment in children and thus ideally universal coverage is the target as for public schools.
- More investment is needed to retain current ECE workers and recruit new ones with publicly-funded wage grids that guarantee decent wages and benefits for all early childhood educators.

Health care

The living wage budget includes the cost of a basic private health insurance plan. This insurance covers health-related expenses such as dental care and prescription drugs not covered by public health care in all three provinces. Households must still pay deductibles and the remaining cost after insurance, which are assumed to be covered under household expenses.

- This budget item is a modest estimate and would not be adequate for families with significant medical expenses, such as households where one or more family members have a severe health condition or a disability requiring expensive equipment or medications.

The Canada Dental Benefit is not a universal program for the entire household and thus was not included in our calculations. A universal dental care program would help lessen out-of-pocket expenses and be the most cost-efficient while addressing inequities in access for all.⁸¹ The first full year for all eligible Canadians is 2025, and this will figure into next year's calculation, and should result in decreasing insurance costs slightly.

Similarly, pharmacare initiatives are also potentially important. The federal government's limited investment in a partial pharmacare plan (covering contraception and diabetes treatments), illustrates that helping low-income people with drug costs is a good idea – but the scope is simply too narrow. While some provinces also have limited pharmacare options for very low-income populations, these programs don't do much for most households below the living wage – they just don't qualify. Essentially, government programs in pharmacare are a patchwork – a simple, fully funded universal system would be better, costing low-income households less and providing better benefits.

Dental and pharmacare programs are conceptually what governments should be doing to respond to the living wage problem, but governments need to fund them and get those benefits into real houses more quickly.

Canadians know what Medicare does for them, and we know that expanding efficient universal health care is one way to reduce the cost of living. We need to learn from what we already know.

⁸¹ Doucet, B. (2023). *About Canada: Dental Care*. Fernwood Publishing.
<https://fernwoodpublishing.ca/book/about-canada-dental-care>

Recommendations

- Stop privatizing health care and end the patchwork that only builds onto the existing market system.
- Expand universal public health care to cover full free access to dental care, prescription drugs, mental health, eye care, hearing aids, assistive devices/products, and harm reduction support for substance use disorders and drug use.

Post-secondary education

Post-secondary education is vital to helping people move out of lower-income employment, and employers and governments are constantly concerned about skills shortages, but “up-front” costs (tuition, in particular) have increased, reducing access across the region. This is a poor strategy. We know that affordable public education has been a key part of Canada’s economic strategy for decades – it’s an economic ladder, and it’s not clear why governments want to kick that ladder out from under young people.

Recommendation

- Remove barriers to post-secondary education – reduce or eliminate tuition fees and encourage the development of part-time program options that respond to current challenges for workers.

Cost of living measures

As this report highlights, inflation is still a problem in the region - many unavoidable costs are still going up, and people are still dealing with the rapid escalation of housing and grocery prices documented in preceding living wage reports.. Price increases tend to be highest on things households cannot avoid. While governments talk a great deal about wanting to combat this type of inflation, little has been done – and there are options to consider.

Take the cost of groceries, for example. While price increases have stabilized, grocery prices are still high. Food insecurity is the inadequate or insecure access to food due to financial constraints. Evidence shows that “low-income status increases the risk of food insecurity and makes affording housing a challenge. In fact, food and housing insecurities are interconnected; those living in unaffordable housing often compromise their food purchasing.”⁸² Generally, rates of food insecurity have been higher in Atlantic Canada than in other parts of the country and markedly high in Newfoundland and Labrador and P.E.I..

The main way to address food insecurity is to address income insecurity using the solutions we have outlined above. Support for a broader “food security strategy” is needed to get at the root causes of food insecurity.⁸³ This strategy should have funding to encourage more local food production to reduce the dependency on expensive imports by the large grocery chains, which could help address affordability and accessibility.

Governments could do more than just talk about “greedflation”. Canada, and Atlantic Canada specifically, does not have a competitive grocery market. Every Canadian who goes to the grocery store has reason to question whether they are getting a fair deal.

⁸² Saulnier, C. & Frank, L. (2024). 2023 Report Card on Child and Family Poverty in Nova Scotia Families Deserve Action, Not Excuses. CCPA NS Office.
<https://policyalternatives.ca/publications/reports/2023-report-card-child-and-family-poverty-nova-scotia>

⁸³ Food First N.L. (2018). *Annual Report 2018, From 1998 to 2018, Celebrating 20 Years*.
<https://static1.squarespace.com/static/54d9128be4b0de7874ec9a82/t/5c080228c2241b25cb339347/1544028766773/Annual+Report+2018+%28PDF%29.pdf>

There are similar cost challenges around other vital services. Households cannot participate in the economy or society without internet and phone services. Canadians pay some of the highest costs in the world for these services. Much like the situation with groceries, governments could do more to reduce those prices by using their regulatory power. Indeed, governments know this is a problem and they know that limited options for alternative services in some regions need to be addressed, but the response is a patchwork.

Recommendations:

- Invest in supporting local, sustainable, affordable food production and distribution, while addressing food insecurity by improving income security.
- Use the tools available to governments to combat anti-competitive practices and price gouging.
- Tackle the digital divide by expanding programs that support low-income households' access to affordable internet and phone services.
- Take steps to ensure that household costs for these services are fair and reasonable.

Evidence-based decisions

The living wage calculations use the best available data that provides the most realistic and reliable cost estimations possible but the data is often inadequate. However, there are limitations that the governments could address. Provinces could undertake more provincial data collection and request oversampling for some Statistics Canada data.

One example of needed data is information on rent, which is inconsistently available across the Atlantic region except for the Halifax Regional Municipality. Very few communities have rental rates available through CMHC's data portal, while communities with populations less than 10,000 have no annual rental market data collected by CMHC. A better, more robust rental survey would also reflect what is, or is not,

included in the rent (i.e., CMHC doesn't specify whether their rental data include utilities in the cost or not).⁸⁴

Newfoundland and Labrador has developed its own Market Basket Measure that better captures that province's local and regional realities, but it relies heavily on the Census. In some provinces, the dietician's association does regular collection of food costing, data that is then used in calculating the living wage.⁸⁵ The Prince Edward Island researchers who did the food costing in 2013 as a pilot concluded that "the cost of the P.E.I. Nutritious Food Basket should be monitored annually by the provincial government, using standardized and valid methods. Annual reports should be made available to the public."⁸⁶ Participatory food costing was supported for many years in Nova Scotia, but public funding ceased.

Recommendation:

- Invest to support more provincial, local, and regional research that makes more robust, disaggregated, and timely data on the costs of essentials available to inform policy decisions.

⁸⁴ Leviten-Reid, C., Horel, B., Matthew, R., Deveau, F. & Vassallo, P. (2019). *Strong foundations: Building community through improved rental housing data*. Journal of Rural and Community Development, 14(3), pg. 73-86.

<https://journals.brandonu.ca/jrcd/article/view/1689>

⁸⁵ Ivanova, I., French, A., & Oliveira, T. (2023). *Working for a Living Wage: Making paid work meet basic family needs in Metro Vancouver*. CCPA B.C. Office & Living Wage for Families B.C.

<https://policyalternatives.ca/sites/default/files/uploads/publications/2023/11/ccpa-bc-Working-for-a-Living-Wage-2023.pdf>

⁸⁶ Walton, C. & Taylor, J. (2013). *Prince Edward Island Pilot Food Costing Project Report*. University of Prince Edward Island & Prince Edward Island Food Security Network. <https://PEIfoodsecurity.wordpress.com/wp-content/uploads/2013/11/uPEI-fsn-food-costing-report-nov-21-2013.pdf>

Conclusion

Aside from reporting this year's living wage rates for those employers seeking to meet the living wage standard, this year's report offers four observations on living wages in Atlantic Canada.

First, following several years of sustained cost-of-living increases on household necessities, inflation has largely stabilized, though families may not be experiencing an actual difference. Food inflation has slowed, clothing and footwear costs have decreased, and child care fees have decreased for some communities. However, inflation continues to hit lower-income households harder than is generally the case. Rent increases are still beyond the provincial inflationary index for most communities and are cumulative, meaning they have been increasing for years and well beyond average wage increases. The situation is similar in the case of food; families are not seeing noticeable decreases in prices, and have faced years of very significant increases.

Second, significant variation in living costs remains; cost-of-living challenges are more severe in urban areas and the North. Halifax and Labrador-Northern Peninsula have uniquely high costs of living within the region and have the two highest living wage rates in the region. While rental costs have not gone up as much as in previous years, the rental costs in Halifax are still much more significant than elsewhere.

Child care costs have tended to be higher in urban areas, but with government imposed fee caps the gap has narrowed. Transportation costs are higher in rural areas, but because it takes less of the budget, it does not have the same impact on the overall budget as differences in shelter costs, except in Labrador where transportation consumes more of the budget than elsewhere. Food costs are higher in rural and remote areas, which can be seen best in N.L. where food makes up 23 to 29 per cent of budgets compared to 17 to 19 per cent in Nova Scotia.

Third, government programs to help address cost-of-living challenges at both the provincial and federal levels continue to underserve low-income workers in the region. In this year's calculation, inflation has been offset somewhat by the increased transfers from the federal government, with the inflationary-driven adjustment to the size of the Canada Child Benefit. This year's living wage calculation also still includes the full Canada Carbon Rebate, which has really benefited low-income working households in recent years. This support has been eliminated going forward, and there are no plans to replace it. The cancellation of the Canada Carbon Rebate is a loss for these households because they were eligible for the full amount; the CCR was not calculated based on income, but rather on where you live (province and rural) and family size. The living wage reference household simply does not qualify for any other programs and income benefits that would substantially reduce the cost of living and improve the quality of life for working people. Without more effective government policies, ordinary households have to earn more just to keep pace with the cost of living.

Finally, expansion of public services and investments to lower out of pocket costs helps working households - though, much more is needed. The most significant investments in a generation were made by the Trudeau government. After decades of neglect and cuts to social policy, investments in child care, the expansion of the Canadian Dental Care program, and early moves in pharmacare - are all policies that could really help lower income working households - provided they reach those households. The fee reductions for child care have been a tremendous help for families who can access licensed care. The new federal government needs to work with the provinces to continue funding for these initiatives, expand access to the programs and expand coverage.

More needs to be done to expand universal health care, including pharmacare which does not mirror the dental care program's implementation, but better honors the principle of public provision for everyone who needs it. For example, the most significant announcement in transportation support was the reduction in fees to all those ferries owned by the federal government as well as the P.E.I. bridge fees.⁸⁷ This is especially important for shipping costs to N.L. with Marine Atlantic transporting nearly 65 per cent of goods and services to the province.

⁸⁷ Prime Minister of Canada. (2025, July). *Canada's new government cuts transportation costs in Atlantic Canada*
<https://www.pm.gc.ca/en/news/news-releases/2025/07/28/canada-s-new-government-cuts-transportation-costs-in-atlantic-canada>

However, with the exception of P.E.I., there has been very little investment made to keep public transportation affordable.

There has been insufficient affordable housing built and efforts designed to combat inequality are targeted at only the most extreme situations of poverty. Public investment in universal programs is vital to addressing the gap between what people earn and the living wage.

The living wage calculation is a powerful tool for governments to make evidence-based labour and social market policy decisions. Achieving a living wage can come from increased wages, public programs that reduce the cost of living for low-income households, or a combination of the two. We make recommendations to address both the costs and the income side of the equation, which would improve income security and fill the gaps in the social safety nets. Unless all levels of government act, many thousands of workers will continue to struggle to make ends meet. Many workers, from 30 per cent to 50 per cent depending on the province, are trapped in the gap between the living wage-what they need to earn to afford essentials and their current earnings. This is an especially deep gap for minimum wage workers.

Appendix A:

Newfoundland and Labrador technical brief and data details

The regions for Newfoundland and Labrador are as follows:

1. **Eastern:** Including the Avalon, Burin and Bonavista Peninsulas.
2. **Central:** Including the communities of Fogo Island, Gander, Grand Falls-Windsor, the south coast and the Notre Dame Bay region.
3. **Western:** Stretching from Port aux Basques southeast to Francois, northwest to Bartlett's Harbour, and on the eastern boundary north to Jackson's Arm.
4. **Labrador-Northern Peninsula:** Including all of Labrador and the Northern Peninsula.

Methodology for calculating a living wage for a reference family of four for Newfoundland and Labrador

Stage 1: Calculating family expenses.

Stage 2: Calculating government transfers, deductions and taxes: e.g., the Canada Child Benefit (CCB), Goods and Services Tax (GST) credit, the Canada Carbon Rebate (CCR) and others. For provincial items, we include the Provincial Tuition Credit, the Child Care Tax Credit. The N.L. living

wage households are only eligible for the CCB and the CCR, and no provincial support. For the Labrador-Northern Peninsula, we include the Northern Residents Deductions (residency and travel), which provide relief to residents in prescribed zones facing higher living costs, environmental hardships, and limited access to services.

Stage 3: Determining the living wage amount.

Stage 4: Verifying the calculations

Expense sources and explanations

Food: Costs are drawn from the Newfoundland Labrador Market Basket Measure (NLMBM) using the food component's weighted average for regions for 2023, the most recent data.⁸⁸ The 2023 Newfoundland and Labrador's Nutritious Food Basket (NLNFB) comprises 61 foods from the 2019 Canada's Food Guide. The prices of specific amounts of these foods, combined with the nutrient needs of individuals and families, determine the basket's cost. The NLMBM does not cover additional costs for special dietary needs, cultural or other food preferences, or eating out. To arrive at 2025 costs, the 2023 NLMBM highest food costs for each living wage region are adjusted for inflation using the average Consumer Price Index (CPI) index for "food" for Newfoundland and Labrador for the first half of 2025 (January to June).

Clothing and footwear: Clothing and footwear costs are drawn from the national MBM for Newfoundland and Labrador and cover the MBM's family cost of clothes and footwear for school, work, and play, including replacement costs for growth and wear. The 2024 MBM clothing costs are adjusted for inflation using N.L.'s average CPI index for "clothing and footwear" for the first half of 2025 (January to June).

Shelter: The shelter amount is based on the average cost of renting a 3-bedroom accommodation, the cost of basic tenant contents insurance and utilities.

⁸⁸ In this data, a family of four consists of a man and a woman (31-50 years), a boy (14-18 years) and a girl (4-8 years): Community Accounts (2023). *Newfoundland and Labrador Nutritious Food Basket, Weekly Food Cost for a Family of Four, Health Zone with Urban and Rural Estimates, 2021 to 2023*.
https://stats.gov.nl.ca/Statistics/Topics/personalfinance/PDF/NNFB_final.pdf

The four regions' rental rates represent the community's costs within the geographic region with the highest calculated median rent. Most living wage calculations in Canada use CMHC annual rental survey data. The smaller the community, the less likely that CMHC data is available. In the case of N.L., the only available CMHC data are for Gander, Grand Falls-Windsor, and St. John's.⁸⁹ The rental rates for all regions except Eastern (St. John's CMHC data is used), is drawn from the Canadian Rental Housing Index data based on 2021 census data. The rental amounts are then adjusted for inflation using the overall average rental accommodation for the Newfoundland and Labrador CPI for the first half of 2025 (January to June) to arrive at 2025 rental cost amounts.

We obtained several quotes for the least expensive insurance for various addresses within the region for coverage of \$30,000 in contents. To do this, we used the online tool provided by TD Insurance⁹⁰. The median quote across these addresses was used.

Utilities costs for 2025 are based on the median amount spent on utilities (i.e., water, fuel and electricity) by Newfoundland and Labrador couples with two children, as reported in the 2019 Survey of Household Spending (the latest year available). The data were obtained from a Statistics Canada custom tabulation in 2022 and adjusted for inflation using average CPI for "water, fuel and electricity" for January to June 2025.

Transportation: This budget item is calculated to cover transportation for daily needs, including shopping, work, getting kids to child care, and attending college. The included costs are drawn from the NLMBM,⁹¹ which captures the significant differences between those living in the Eastern region and those living in Labrador and those in communities that may be coastal, rural, or remote. The regional transportation costs use the weighted averages for the (old) health regions within the geographic boundaries drawn for the four living wage rates (Eastern; Western, Central and Northern). The budget may include maintaining a second-hand car or monthly bus passes (only for St. John's). Based on the 2021 Census work on commuting habits, some communities also have coverage for ferry trips. Northern Labrador communities include costs to cover air travel

⁸⁹ Canada Mortgage and Housing Corporation (CMHC). (2022). *Housing Market Information Portal*. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/1/1/Canada>

⁹⁰ <https://www.tdinsurance.com/products-services/tenant-insurance>

⁹¹ Community Accounts, Department of Finance. (2022). *Market Basket Measure of low-income in Newfoundland and Labrador*. Government of Newfoundland and Labrador. https://nl.communityaccounts.ca/pdf_files/IncomeTablesPDF/NLMBM_2016.pdf

plus cab fees to service centres.⁹² The NLMBM 2022 transportation costs for these regions are adjusted for inflation using the Newfoundland and Labrador average CPI index for “transportation” for January to June 2025.

Child care: This covers the cost of full-time, full-year child care for the two-year-old and before and after-school care for the seven-year-old for all teaching days. For toddler fees, we used two data sources. The average fee amounts for centre-based care, licensed home-based child care, and unlicensed home-based child care come from the Canadian Survey on the Provision of Child Care Services (CSPCCS), as of April 2024, by Statistics Canada⁹³. To ensure the overall figure reflects the relative use of each type of care, we applied the share of preschool-age children in each setting, as reported in *Child Care at the Crossroads: Fertile Funding, Deserted Planning, Space Creation Progress So Far Through 2025* by David Macdonald, to calculate a weighted average. For N.L., the coverage rate for full-time licensed care for non-school aged is the lowest in the region at 35 per cent. Unfortunately, given limited options for child care across the province, very few families can access licensed child care, and thus, the \$ 10-a-day discounted care is not included in these calculations.

The budget also includes the additional fees for when the older child is not in school and would need full-time care, such as during the March, summer and winter breaks, Professional Development days, and non-statutory holidays. The child care calculations also assume the parents can cover some of the time for the seven-year-old given four weeks of parental vacation. The median cost for summer and March break camps, as well as PD days, is from a survey of options in communities in those regions (collected in June-July 2025).

Health expenses: The budget includes the cost of a basic private health insurance plan. This insurance covers health-related expenses such as dental care and prescription drugs not covered by public health care in Newfoundland and Labrador. The family must still pay deductibles and the remaining costs after insurance, which are assumed to be covered under household expenses. The amount used province-wide is the 2025 cost of purchasing Blue Cross, assuming the oldest person is 37.

⁹² Community Accounts (2023). Op.Cit.

⁹³ Canadian Survey on the Provision of Child Care Services (CSPCCS): <https://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&Id=1535038>

Contingency/emergency: A modest allowance for unforeseen circumstances is included in the family budget, equivalent to two weeks' pay per parent per year, and is a small percentage of the overall household budget —a cushion for emergencies can make a big difference in averting further problems.

Parent education: Part-time education for one parent at the College of the North Atlantic is included in the budget. This expense covers the 2024-2025 tuition cost of two courses for the year, a small textbook allowance, and part-time student fees. The living wage framework recognizes that additional education and skills could assist low-wage workers in finding higher-paying jobs.

Household expenses: This budget item covers other essentials not included elsewhere. It covers a cell phone,⁹⁴ and money for toiletries and personal care (e.g., toilet paper, tissue paper, toothbrush, toothpaste, deodorant, shampoo, menstrual products), furniture, small kitchen appliances, or kitchen tools, household supplies (e.g., clingwrap, foil, cleaning supplies), bank fees and laundry costs. This expense represents 60 per cent of the MBM's "other" essential expenses category⁹⁵ using the 2024 MBM "Other" category and adjusting it for inflation Newfoundland and Labrador "all-items" average CPI for January to June 2025.

The cost of internet service is added to this budget line as it is considered essential. The amount is based on a survey of the least expensive residential high-speed internet plan available in each region and accessible to residents across the region. The service must also provide a minimum speed of 50/10 Mbps and unlimited data, including the modem cost, installation fees and taxes as applicable and not be based on promotional amounts. This service is necessary for ensuring families can work, play, and do school from home. The level of service (the speeds and data access) also reflects the federal government's target minimum plan for all Canadians aimed at closing the digital divide.⁹⁶

⁹⁴ This cost is based on average provincial expenditure on cell phones for the second decile in the Survey of Household Spending (1999): Djidel, S., Gustajtis, B., Heisz, A., Lam, K., Marchand, I. & McDermott, S. (2020). *Report on the second comprehensive review of the Market Basket Measure*. Statistics Canada.

<https://www150.statcan.gc.ca/n1/en/catalogue/75F0002M2020002>

⁹⁵ Gustajtis, B., & Heisz, A. (2022). *Market Basket Measure Technical Paper: The other necessities component*. Statistics Canada, Income Research paper Series.

<https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2022006-eng.htm>

⁹⁶ Government of Canada. *High-Speed Access for All: Canada's Connectivity Strategy*. Innovation, Science and Economic Development Canada.

<https://ised-isde.canada.ca/site/high-speed-internet-canada/en/canadas-connectivity-strategy/high-speed-access-all-canadas-connectivity-strategy>

Social inclusion: The social inclusion category is meant to include costs that help lessen stigma and allow family members to participate fully in the life of their community. What form that participation could take could “depend on the structure, age, location or other circumstances of a family.”⁹⁷ This category could be used for expenses such as school supplies and fees, reading materials, minimal recreation and sports fees, art or music classes, a child’s birthday or holiday gifts, a small budget for entertainment (e.g., tickets for a movie, museum fees), restaurant meals, family day-trips or children’s toys or games. This expense represents 40 per cent of the MBM’s “other” category using the 2024 MBM “other” amount adjusted for inflation using Newfoundland and Labrador all-items average CPI for January to June 2025.

Table 15 / N.L., 2025, monthly expenses, regions

Item	Central	Eastern	Western	Labrador-Northern Peninsula
Food	\$1,642.03	\$1,632.94	\$1,701.17	\$2,315.22
Clothing and Footwear	\$161.89	\$161.89	\$161.89	\$161.89
Shelter	\$1,661.43	\$1,784.73	\$1,618.90	\$1,691.46
Transportation	\$588.96	\$585.15	\$588.96	\$924.18
Child Care	\$994.89	\$1,132.14	\$983.75	\$982.39
Health Care	\$222.00	\$222.00	\$222.00	\$222.00
Contingency/Emergency	\$284.67	\$296.33	\$284.67	\$330.17
Parent Education	\$100.25	\$100.25	\$100.25	\$100.25
Household Expenses	\$857.59	\$814.61	\$857.59	\$857.59
Social Inclusion	\$484.84	\$466.41	\$484.84	\$484.84
Total	\$6,998.55	\$7,196.45	\$7,004.02	\$8,088.65

⁹⁷Gustajtis, & Heisz. Op. cit.

Table 16 / N.L. 2025 monthly family expenses as portion of the budget

Item	Central	Eastern St John's	Western	Labrador-Northern Peninsula
Food	23.46%	22.69%	24.29%	28.69%
Clothing and Footwear	2.31%	2.25%	2.31%	2.01%
Rent and Utilities	23.74%	24.80%	23.11%	20.96%
Transportation	8.42%	8.13%	8.41%	11.45%
Child Care	14.22%	15.73%	14.05%	12.17%
Health Care	3.17%	3.08%	3.17%	2.75%
Contingency/Emergency	4.07%	4.12%	4.06%	4.09%
Parent Education	1.43%	1.39%	1.43%	1.24%
Household Expenses	12.25%	11.32%	12.24%	10.63%
Social Inclusion	6.93%	6.48%	6.92%	6.01%
Total	100.00%	100.00%	100.00%	100.00%

Table 17 / Annual family income, deductions, government transfers 2025, N.L. regions

	Central	Eastern	Western	Labrador-Northern Peninsula
Employment Income (gross)	\$88,816.00	\$92,456.00	\$88,816.00	\$103,012.00
Government Deductions	\$14,876.65	\$15,749.24	\$14,844.66	\$15,932.64
Family Take Home Pay	\$73,939.35	\$76,706.76	\$73,971.34	\$87,079.36
Government Transfers	\$10,198.34	\$9,878.19	\$10,210.16	\$9,761.98
Total Disposable Family Income	\$84,137.69	\$86,584.95	\$84,181.50	\$96,841.34
Family Expenses	\$83,982.56	\$86,357.50	\$84,048.20	\$96,839.84

Appendix B: Nova Scotia technical brief and data details

The regions for Nova Scotia as follows:

1. **Annapolis Valley:** Annapolis, Kings, and Hants counties
2. **Cape Breton:** Cape Breton, Inverness, Richmond, and Victoria counties
3. **Halifax:** Halifax County
4. **Northern:** Antigonish, Colchester, Cumberland, Guysborough, and Pictou counties
5. **Southern:** Digby, Lunenburg, Queens, Shelburne, and Yarmouth counties

Methodology for calculating a living wage for a reference family of four for Nova Scotia

Stage 1: Calculating family expenses.

Stage 2: Calculating government transfers, deductions and taxes: e.g., the Canada Child Benefit (CCB), Goods and Services Tax (GST) credit, the Canada Carbon Rebate N.S. (CCR) and the provincial credits and transfers, which for Nova Scotia are the N.S. Affordable Living Tax Credit, and the N.S. Child Benefit. The Nova Scotia living wage households are only eligible for the CCB and the CCR, and no provincial support.

Stage 3: Determining the living wage amount.

Stage 4: Verifying the calculations

Nova Scotia household expenses for 2025 data and sources

Amounts as of June 2025, adjusted for inflation using Statistics Canada's Consumer Price Index (CPI) average for the January to June 2025).⁹⁸

Food: Statistics Canada bases the MBM (2018 base) food costs for the items in the National Nutritious Food Basket, with prices collected for 38 cities across Canada. The MBM food budget does not cover additional costs for special dietary needs, cultural or other food preferences, or eating out. The MBM's family composition has older kids than included in the living wage family, but this is the best available food costing data. When food costing data was collected locally via Dr. Patti Williams's work, we could provide costs for each living wage family member and include more local data. This data is no longer available without sufficient funding to cover the participatory costing collection.⁹⁹ The 2024 MBM food costs are adjusted for inflation using the average CPI index for "food" for Nova Scotia for January to June 2025.

Clothing and footwear: Clothing and footwear costs are drawn from the MBM 2024 and cover the MBM's family cost of clothes and footwear for school, work, and play, including replacement costs for growth and wear. The 2024 MBM clothing costs are adjusted for inflation using the average CPI for "clothing and footwear" in Nova Scotia, calculated from January to June 2025.

Shelter: The shelter amount includes renting a 3-bedroom accommodation, the cost of basic tenant contents insurance, and utilities (water, fuel, electricity).

Rent: The rent amount is based on average rents for three-bedroom apartments and three-bedroom row houses using data from Canada Mortgage and Housing's survey on rental housing for October 2024 for Halifax CMA (*Table 3.1.2 Private Row (Townhouse) and*

⁹⁸ Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted DOI: <https://doi.org/10.25318/1810000401-eng>

⁹⁹ More information on Food Action Research Centre (FoodARC) can be found here: <https://www.msvu.ca/academics/professional-studies-at-the-mount/bsc-applied-human-nutrition/food-action-research-centre-foodarc/>

*Apartment Average Rents (\$), by Bedroom Type - Nova Scotia 10,000+).*¹⁰⁰

The regional rental rates represent the costs in the community with the highest calculated expenses as determined in Summer 2021 when we tested these. The rental amounts are then adjusted for average inflation using the average CPI for January to June 2025, for overall rental accommodations in Nova Scotia.

Tenant insurance: We obtained several quotes for the least expensive insurance for various addresses within the region for coverage of \$30,000 in contents. To do this, we used the online tool provided by TD Insurance¹⁰¹. The median quote across these addresses was used.

Utilities: We used data from Statistics Canada's Table 11-10-0222-01: *Household spending, Canada, regions and provinces*¹⁰². Inflation Adjustment: As the most recent available data corresponded to 2023, we adjusted the values to reflect 2025 prices using the average N.S. CPI for January to June 2025 for the "Water, Fuel and Electricity" category. Equivalence Scale Adjustment: Since the table 11-10-0222-01 does not disaggregate by household type, we then adjusted the figures to represent a reference family of two adults and two children. To account for economies of scale in household consumption, we applied the square root equivalence scale.

Transportation: This budget item is calculated to cover transportation for daily needs, including shopping, work, and other daily necessities. The included costs in this budget differ by region and may include the cost of maintaining a second-hand car, monthly bus passes if available, and a modest budget for a limited number of taxi trips depending on the transit system available. With two parents working, two kids needing to get to child care and school, and one parent taking community college classes, the transportation budget enables the family to ensure timely travel daily, plus having quality time at home. It is reasonable to assume there would be instances aside from attending community college where one parent may have the vehicle and when transit may not be convenient for the parent (if available). The transportation amounts for Halifax use the MBM

¹⁰⁰ Canada Mortgage and Housing Corporation (CMHC) (2024). *Fall 2024 Rental Market Report*.
<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables>

¹⁰¹ <https://www.tdinsurance.com/products-services/tenant-insurance>

¹⁰² Statistics Canada. Table 11-10-0222-01 Household spending, Canada, regions and provinces
DOI: <https://doi.org/10.25318/1110022201-eng>

budget for communities of between 3000-90000 communities, which represents a weighted average cost of public transit and private transport (based on the Census data on the method of commuting to work). The MBM public transportation costs for these communities cover the cost of passes for two adults and one child plus 12 round trips in a taxi, and the private transportation reflects the cost of second-hand car loan, maintenance, and all annual expenses, including 1200 litres of gas).¹⁰³ The MBM 2024 transportation costs for these communities are adjusted for inflation using the Nova Scotia average CPI index for “transportation” from January to June 2025. The other regional rates use the MBM transportation costs for rural communities, which is the cost for private transportation only, and then adjusted for inflation using the Nova Scotia CPI for “Operation of passenger Vehicles” for 2025 (January to June average). For these communities, except Cape Breton, both bus and taxi costs were added to the MBM transportation costs: a bus pass for one adult and one child, plus at least 16 taxi round trips, with the number adjusted according to bus availability.

Child care: For toddler fees, we used two data sources. The average fee amounts for centre-based care, licensed home-based child care, and unlicensed home-based child care come from the Canadian Survey on the Provision of Child Care Services (CSPCCS), as of April 2024, by Statistics Canada¹⁰⁴. To ensure the overall figure reflects the relative use of each type of care, we applied the share of preschool-age children in each setting, as reported in *Child Care at the Crossroads: Fertile Funding, Deserted Planning, Space Creation Progress So Far Through 2025* by David Macdonald (forthcoming), to calculate a weighted average. For Nova Scotia the coverage rate for full-time care for non-school aged is 38 per cent. Unfortunately, given limited options for child care across the province, very few families can access licensed child care, and thus, the \$ 10-a-day discounted care is not included in these calculations.

The budget also includes the additional fees for when the older child is not in school and would need full-time care, such as during the March, summer and winter breaks, Professional Development days, and non-statutory holidays. The child care calculations also assume the parents can cover some of the time for the seven-year-old given four weeks of parental vacation. The median cost for summer and March

¹⁰³ Djidel, S. et al. (2020). Op cit.

¹⁰⁴ Canadian Survey on the Provision of Child Care Services (CSPCCS): <https://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&Id=1535038>

break camps, as well as PD days, is from a survey of options in communities in those regions (collected in May-June 2025).

Health expenses: The budget includes the cost of a basic private health insurance plan. This insurance covers health-related expenses such as dental care and prescription drugs not covered by public health care in Nova Scotia. The family must still pay deductibles and the remaining costs after insurance, which are assumed to be covered under household expenses. The amount used province-wide is the 2025 cost of purchasing Blue Cross, assuming two adults who are 37 and two young dependents.

Contingency/emergency: A modest allowance for unforeseen circumstances is included in the family budget, equivalent to two weeks' pay per parent per year, and is a small percentage of the overall household budget. A small cushion for emergencies can make a big difference in averting further problems.

Parent education: Part-time education for one parent at Nova Scotia Community College is within budget. This expense covers the 2024-2025 tuition cost of two courses for the year, a small textbook allowance, and part-time student fees. The living wage framework recognizes that additional education and skills could assist low-wage workers in finding higher-paying jobs.

Household essentials: This budget item covers other essentials not included elsewhere and includes a cell phone,¹⁰⁵ but would also be used for toiletries and personal care (e.g., toothbrush, toothpaste, deodorant, shampoo, menstrual products), furniture, small kitchen appliances, or kitchen tools, household supplies (e.g., clingwrap, foil, cleaning supplies), bank fees and laundry costs. This expense represents 60 per cent of the MBM's "other" category using the 2024 MBM "Other" category and adjusting it for inflation Nova Scotia all-items average CPI for January to June 2025. The cost of internet service is added to this budget line as it is considered essential. The amount is based on a survey of the least expensive residential high-speed internet plan available in each region and accessible to residents across the region. The service must also provide a minimum speed of 50/10 Mbps and unlimited data, including the modem cost, installation fees and taxes as applicable and not be based on promotional amounts.

¹⁰⁵ This cost is based on the average provincial expenditure on cell phones for the second decile in the Survey of Household Spending (1999), as cited in: Djidel, S. et al. (2020). Op cit.

Social inclusion: The social inclusion category is meant to include costs that help lessen stigma and allow family members to participate fully in the life of their community. What form that participation could take could “depend on the structure, age, location or other circumstances of a family.”¹⁰⁶ This category could be used for expenses such as school supplies and fees, reading materials, minimal recreation and sports fees, art or music classes, a child’s birthday or holiday gifts, a small budget for entertainment (e.g., tickets for a movie, museum fees), restaurant meals, family day-trips or children’s toys or games. This expense represents 40 per cent of the MBM’s “other” category using the 2024 MBM “other” amount adjusted for inflation using Nova Scotia all-items average CPI for January to June 2025.

Table 18 / Nova Scotia 2025 monthly family expenses

Item	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Food	\$1,412.43	\$1,324.75	\$1,347.11	\$1,412.43	\$1,412.43
Clothing and Footwear	\$178.15	\$178.15	\$177.47	\$178.15	\$178.15
Shelter	\$2,097.44	\$1,986.73	\$2,748.85	\$1,851.83	\$1,902.66
Transportation	\$699.92	\$505.97	\$459.61	\$729.64	\$740.97
Child Care	\$1,073.14	\$1,119.07	\$1,162.36	\$956.08	\$1,156.28
Health Care	\$222.00	\$222.00	\$222.00	\$222.00	\$222.00
Contingency/Emergency	\$317.33	\$285.83	\$343.00	\$297.50	\$310.33
Parent Education	\$129.80	\$132.72	\$132.51	\$138.13	\$136.05
Household Expenses	\$819.06	\$782.97	\$793.89	\$819.06	\$819.06
Social Inclusion	\$501.28	\$477.21	\$484.49	\$501.28	\$501.28
Total	\$7,450.55	\$7,015.39	\$7,871.30	\$7,106.09	\$7,379.20

¹⁰⁶ Djidel, S. et al. (2020). Op cit.

Table 19 / Nova Scotia 2025 monthly family expenses as portion of the budget

Item	Annapolis Valley	Cape Breton	Halifax	Northern	Southern
Food	18.96%	18.88%	17.11%	19.88%	19.14%
Clothing and Footwear	2.39%	2.54%	2.25%	2.51%	2.41%
Shelter	28.15%	28.32%	34.92%	26.06%	25.78%
Transportation	9.39%	7.21%	5.84%	10.27%	10.04%
Child Care	14.40%	15.95%	14.77%	13.45%	15.67%
Health Care	2.98%	3.16%	2.82%	3.12%	3.01%
Contingency/Emergency	4.26%	4.07%	4.36%	4.19%	4.21%
Parent Education	1.74%	1.89%	1.68%	1.94%	1.84%
Household Expenses	10.99%	11.16%	10.09%	11.53%	11.10%
Social Inclusion	6.73%	6.80%	6.16%	7.05%	6.79%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Table 20 / Annual family income, deductions, government transfers 2025, N.S. regions

	Annapolis	Cape Breton	Halifax	Northern	Southern
Employment Income (gross)	\$99,008.00	\$89,180.00	\$107,016.00	\$92,820.00	\$96,824.00
Government Deductions	\$18,672.52	\$15,005.46	\$21,331.08	\$16,910.04	\$17,706.46
Family Take Home Pay	\$80,335.48	\$74,174.54	\$85,684.92	\$75,909.96	\$79,117.54
Government Transfers	\$9,289.26	\$10,116.25	\$8,838.24	\$9,569.53	\$9,582.65
Total Disposable Family Income	\$89,624.73	\$84,290.78	\$94,523.16	\$85,479.49	\$88,700.19
Family Expenses	\$89,406.64	\$84,184.64	\$94,455.55	\$85,273.07	\$88,550.40

Appendix C: Prince Edward Island technical brief and data details

The regions for Prince Edward Island are as follows:

1. **Charlottetown** : includes the entire census area.
2. **Summerside**: represents the rest of Prince Edward Island, including the more rural areas

Methodology for calculating a living wage for a reference family of four for Prince Edward Island

Stage 1: Calculating family expenses.

Stage 2: Calculating government transfers, deductions and taxes: e.g., the Canada Child Benefit (CCB), Goods and Services Tax (GST) credit, the Canada Carbon Rebate P.E.I. (CCR), and the provincial credits and transfers, which for Prince Edward Island are the Prince Edward Island Sales Tax Credit (PEISTC) and the Prince Edward Island Child Benefit (PEICB). The P.E.I. living wage households are only eligible for the PEICB.

Stage 3: Determining the living wage amount.

Stage 4: Verifying the calculations

Prince Edward Island household expenses data and sources

The living wage budget costs and data used for calculating the reference family's expenses are as follows:

Food: Statistics Canada bases the MBM (2018 base) food costs for the items in the National Nutritious Food Basket, with prices collected for 38 cities across Canada. The MBM food budget does not cover additional costs for special dietary needs, cultural or other food preferences, or eating out. The MBM's family composition has older kids than included in the living wage family, but this is the best available food costing data. The 2024 MBM food costs are adjusted for inflation using the average CPI index for "food" for Prince Edward Island for the first half of 2025 (January to June). The MBM food costs are the same across the province.

Clothing and footwear: Clothing and footwear costs are drawn from the MBM and cover the MBM's family cost of clothes and footwear for school, work, and play, including replacement costs for growth and wear. The 2024 MBM clothing costs are adjusted for inflation using the average monthly CPI index for "clothing and footwear" for Prince Edward Island for the first half of 2025 (January to June). There is no variation in the cost of clothing and footwear across the province in the MBM.

Shelter: The shelter amount includes renting a 3-bedroom accommodation, the cost of basic tenant contents insurance, and utilities (water, fuel, electricity).

Rent: The rent amount is based on average rents for three-bedroom apartments and three-bedroom row houses using data from Canada Mortgage and Housing's survey on rental housing for October 2024 for Charlottetown and the provincial rates.¹⁰⁷ The rental amounts are then adjusted for inflation using the overall rental accommodation for Prince Edward Island CPI for the first half of 2025 (January to June).

Tenant insurance: We obtained several quotes for the least expensive insurance for various addresses within the region for coverage of \$30,000 in contents. The median quote for these addresses was used.

Utilities: The data for the 2024 calculation is based in data from Statistics Canada's Table 11-10-0222-01: *Household spending, Canada*,

¹⁰⁷ CMHC (2022). *Housing Market Information Portal*. Op cit.

*regions and provinces*¹⁰⁸. Inflation Adjustment: As the most recent available data corresponded to 2023, we adjusted the values to reflect 2025 prices using the average N.S. CPI for January to June 2025 for the “Water, Fuel and Electricity” category. Equivalence Scale Adjustment: Since the table 11-10-0222-01 does not disaggregate by household type, we then adjusted the figures to represent a reference family of two adults and two children. To account for economies of scale in household consumption, we applied the square root equivalence scale.

Transportation: This budget item is calculated to cover transportation for daily needs, including shopping, work, and other daily necessities. The included costs in this budget differ by region and may include the cost of maintaining a second-hand car, monthly bus passes if available, and a modest budget for a limited number of taxi trips depending on the transit system available. With two parents working, two kids needing to get to child care and school, and one parent taking community college classes, the transportation budget enables the family to ensure timely travel daily, plus having quality time at home. It is reasonable to assume there would be instances aside from attending community college where one parent may have the vehicle and when transit may not be convenient for the parent (if available). The transportation amounts for Charlottetown use the MBM budget for Charlottetown, which represents a weighted average cost of public transit and private transport (based on the Census data on the method of commuting to work). The MBM public transportation costs for these communities cover the cost of passes for two adults and one child plus 12 round trips in a taxi, and the private transportation reflects the cost of second-hand car loan, maintenance, and all annual expenses, including 1200 litres of gas).¹⁰⁹ The MBM 2024 transportation costs for these communities are adjusted for inflation using the Prince Edward Island average CPI index for “transportation” for January to June 2025. The other regional rates use the MBM transportation costs for rural communities, which is the cost for private transportation only, and then adjusted for inflation for 2025 (January to June average). Added to the MBM transportation costs for these communities are a bus pass for the year for one adult and one child plus and 12 roundtrips in a taxi . The actual costs of buses and estimates of taxi rides (to Holland College) were collected in July 2025.

¹⁰⁸ Statistics Canada. Table 11-10-0222-01 Household spending, Canada, regions and provinces

DOI: <https://doi.org/10.25318/1110022201-eng>

¹⁰⁹ Djidel, S. et al. (2020). Op cit.

Child care: For toddler fees, we used two data sources. The average fee amounts for centre-based care, licensed home-based child care, and unlicensed home-based child care come from the Canadian Survey on the Provision of Child Care Services (CSPCCS), as of April 2024, by Statistics Canada¹¹⁰. To ensure the overall figure reflects the relative use of each type of care, we applied the share of preschool-age children in each setting, as reported in *Child Care at the Crossroads: Fertile Funding, Deserted Planning, Space Creation Progress So Far Through 2025* by David Macdonald (forthcoming), to calculate a weighted average. For P.E.I., the coverage rate for full-time licensed care for non-school aged is 57 per cent.

The budget also includes the additional fees for when the older child is not in school and would need full-time care, such as during the March, summer and winter breaks, Professional Development days, and non-statutory holidays. The child care calculations also assume the parents can cover some of the time for the seven-year-old given four weeks of parental vacation. The median cost for summer and March break camps, as well as PD days, is from a survey of options in communities in those regions (collected in July 2025).

Health expenses: The budget includes the cost of a basic private health insurance plan. This insurance covers health-related expenses such as dental care and prescription drugs not covered by public health care. The family must still pay deductibles and the remaining costs after insurance, which are assumed to be covered under household expenses. The amount used province-wide is the 2025 cost of purchasing Blue Cross, assuming two adults who are 37 and two young dependents.

Contingency/emergency: A modest allowance for unforeseen circumstances is included in the family budget, equivalent to two weeks' pay per parent per year, and is a small percentage of the overall household budget. A small cushion for emergencies can make a big difference in averting further problems.

Parent education: Part-time education for one parent at Holland College is within budget. This expense covers the 2024-2025 tuition cost of two courses for the year, a small textbook allowance, and part-time student fees. The living wage framework recognizes that additional education and skills could assist low-wage workers in finding higher-paying jobs.

¹¹⁰ Canadian Survey on the Provision of Child Care Services (CSPCCS): <https://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&Id=1535038>

Household expenses: This budget item covers other essentials not included elsewhere and includes a cell phone,¹¹¹ but would also be used for toiletries and personal care (e.g., toothbrush, toothpaste, deodorant, shampoo, menstrual products), furniture, small kitchen appliances, or kitchen tools, household supplies (e.g., clingwrap, foil, cleaning supplies), bank fees and laundry costs. This expense represents 60 per cent of the MBM's "other" category using the 2024 MBM "Other" category and adjusting it for inflation Prince Edward Island all-items average CPI for January to June 2025. The cost of internet service is added to this budget line as it is considered essential. The amount is based on a survey of the least expensive residential high-speed internet plan available in each region and accessible to residents across the region. The service must also provide a minimum speed of 50/10 Mbps and unlimited data, including the modem cost, installation fees and taxes as applicable and not be based on promotional amounts.

Social inclusion: The social inclusion category is meant to include costs that help lessen stigma and allow family members to participate fully in the life of their community. What form that participation could take could "depend on the structure, age, location or other circumstances of a family."¹¹² This category could be used for expenses such as school supplies and fees, reading materials, minimal recreation and sports fees, art or music classes, a child's birthday or holiday gifts, a small budget for entertainment (e.g., tickets for a movie, museum fees), restaurant meals, family day-trips or children's toys or games. This expense represents 40 per cent of the MBM's "other" category using the 2024 MBM "other" amount adjusted for inflation using Prince Edward Island all-items average CPI for January to June 2025.

¹¹¹ This cost is based on the average provincial expenditure on cell phones for the second decile in the Survey of Household Spending (1999), as cited in: Djidel, S. et al. (2020). Op cit.

¹¹² Djidel, S. et al. (2020). Op cit.

Table 21 / P.E.I. 2025 living wage monthly family expenses

Item	Charlottetown	Summerside
Food	\$1,451.53	\$1,451.53
Clothing and Footwear	\$181.89	\$181.89
Shelter	\$1,817.61	\$1,576.85
Transportation	\$399.15	\$562.86
Child Care	\$862.73	\$774.64
Health Care	\$222.00	\$222.00
Contingency/Emergency	\$271.83	\$259.00
Parent Education	\$94.33	\$94.33
Household Expenses	\$798.02	\$813.93
Social Inclusion	\$486.02	\$493.11
Total	\$6,585.11	\$6,430.14

Table 22 / P.E.I. 2025 monthly family expenses as a portion of the budget

Item	Charlottetown	Summerside
Food	22.04%	22.57%
Clothing and Footwear	2.76%	2.83%
Shelter	27.60%	24.52%
Transportation	6.06%	8.75%
Child Care	13.10%	12.05%
Health Care	3.37%	3.45%
Contingency/Emergency	4.13%	4.03%
Parent Education	1.43%	1.47%
Household Expenses	12.12%	12.66%
Social Inclusion	7.38%	7.67%
Total	100.00%	100.00%

Table 23 / Annual family income, deductions, government transfers 2025, P.E.I. regions

	Charlottetown	Summerside
Employment Income (gross)	\$84,812.00	\$80,808.00
Government Deductions	\$15,202.91	\$13,849.73
Family Take Home Pay	\$69,609.09	\$66,958.27
Government Transfers	\$10,590.15	\$11,130.69
Total Disposable Family Income	\$80,199.24	\$78,088.96
Family Expenses	\$79,021.30	\$77,161.84

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The CCPA-NS office is located in Kijipuktuk in Mi'kma'ki, the unceded, unsurrendered ancestral land of the Mi'kmaq people. Epekwitk (Prince Edward Island) is also located in Mi'kma'ki. Newfoundland and Labrador is on the ancestral homelands of the Beothuk, whose culture has been lost forever and can never be recovered. We also acknowledge the island of Ktaqmkuk (Newfoundland) as the unceded, traditional territory of the Beothuk and the Mi'kmaq, and we acknowledge Labrador as the traditional and ancestral homelands of the Innu of Nitassinan, the Inuit of Nunatsiavut, and the Inuit of NunatuKavut.

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