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Appendix A:
Newfoundland and Labrador technical brief and data details for 2026 living wages

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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, 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 no provincial support.

Stage 3: Determining the living wage amount.

Stage 4: Verifying the calculations.

Newfoundland and Labrador household expenses for 2026 data and sources

Changes in the Market Basket Measure Methodology

Many of the family expenses in N.L. are calculated using not only data from Statistics Canada's Market Basket Measure (MBM), but also data from the Newfoundland and Labrador Market Basket Measure (NLMBM) and the Newfoundland and Labrador Nutritious Food Basket (NLNFB), as explained in each section below. However, some components still depend on MBM data.

For the 2026 living wage calculations, we use the new 2023-base Market Basket Measure (MBM). It's important to mention that Statistics Canada completed its third comprehensive review of the MBM in 2025. The proposed 2023-base methodology was released on May 1, 2025, with corrections published on May 5 and November 7, 2025.[1] This represents a change from previous living wage calculations, which used the 2018-base MBM, and introduces changes that affect some components of the family budget. Two changes are particularly important for our methodology, both related with how the new MBM calculates "Other Expenses."

First, under the 2018-base MBM, "Other Expenses" was set at 75.4 per cent of the combined cost of food and clothing. For the 2023-base MBM, Statistics Canada updated the spending data used in the calculation and changed the group of families used as a reference, additionally Communication costs were taken out of this category because they are now calculated separately. With these changes, Statistics Canada calculates the "Other Expenses" at 50.3 per cent of the combined cost of food and clothing.

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[1] Devin, N., Gustajtis, B., Kow, B., Raymond-Brousseau, L., & Steinmetz-Wood, M. (2025). *The proposed methodology for the 2023-base Market Basket Measure of poverty.* Income Research Paper Series, Statistics Canada. www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2025003-eng.htm

Second, in our previous living wage calculations, we collected data for communication services based on a survey of the least expensive residential high-speed Internet plans available in each region and accessible to residents across the region. Now, we use the new Communication Services data from the 2023-base MBM for 2025. The "Communication Services" component includes landline, cell phone and Internet costs, allowing us to include a wider range of communication costs in the household budget.

These changes have a significant impact on the final household budget, which affects the living wage in each region and limits its growth. In particular, Household Expenses and Social Inclusion, which are both calculated directly using the "Other Expenses" component, show significant reductions of around 20 per cent and 30 per cent, respectively. This also changes the share of the total household budget that these two components represent, from around 16 to 18 per cent in previous years to approximately 12 per cent in 2026.

We use the 2023-base MBM data for 2025, which was released in April 2026. To provide 2026 costs, those amounts are adjusted for inflation using Statistics Canada's Consumer Price Index (CPI) average for the January to June 2026.[2]

Food: Costs are drawn from the Newfoundland Labrador Market Basket Measure (NLMBM) using the food component's weighted average for regions for 2025, the most recent data, this component is based on the Newfoundland and Labrador Nutritious Food Basket (NLNFB).[3] The 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 2026 costs, the 2026 NLMBM highest food costs for

[2] Statistics Canada. (2026). *Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted.* doi.org/10.25318/1810000401-eng

[3] 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). See: Newfoundland and Labrador Statistics Agency. (2025). *Newfoundland and Labrador Nutritious Food Basket, Weekly Food Cost for a Family of Four, Health Zone with Urban and Rural Estimates, 2021 to 2025*. www.stats.gov.nl.ca/Statistics/Topics/personalfinance/PDF/NNFB_final.pdf

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 2026 (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.[4] The 2025 MBM clothing costs are adjusted for inflation using N.L.'s average CPI index for “clothing and footwear” for the first half of 2026 (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.

Rent: 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.[5] 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 2026 (January to June) to arrive at 2026 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 Insurance.[6] The median quote across these addresses was used.

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[4] Statistics Canada. (2026). *Table 11-10-0066-01 Market Basket Measure (MBM) thresholds for the reference family by Market Basket Measure region, component and base year.* doi.org/10.25318/1110006601-eng
[5] Canada Mortgage and Housing Corporation (CMHC). (2025). *Housing Market Information Portal*. www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/1/1/Canada
[6] TD Insurance. (n.d.) “Tenant insurance.” www.tdinsurance.com/products-services/tenant-insurance

Utilities: We used data from Statistics Canada's Table 11-10-0222-01: Household spending, Canada, regions and provinces.[7] Inflation Adjustment: As the most recent available data corresponded to 2023, we adjusted the values to reflect 2026 prices using the N.L. CPI annual averages for 2024 and 2025, and the January to June 2026 average 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, getting kids to child care, and attending college. The included costs are drawn from the NLMBM,[8] 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 plus cab fees to service centres.[9] The NLMBM 2023 transportation costs for these regions are adjusted for inflation using the Newfoundland and Labrador average CPI index for "transportation" for January to June 2026.

Additionally, we assume for all N.L. regions that a family of four needs an extra vehicle. In order to include it, we add to the transportation amounts from NLMBM, the 2025 MBM rural

[7] Statistics Canada. (2026). *Table 11-10-0222-01 Household spending, Canada, regions and provinces*. doi.org/10.25318/1110022201-eng
[8] Community Accounts, Department of Finance. (2022). *Market Basket Measure of low-income in Newfoundland and Labrador*. Government of Newfoundland and Labrador. nl.communityaccounts.ca/pdf_files/IncomeTablesPDF/NLMBM_2016.pdf
[9] Community Accounts (2023). Op.Cit.

transportation cost for N.L. from Statistics Canada,[10] which covers private transportation, as the basis for the cost of an eight-year-old, four-door compact vehicle. The amount is then adjusted to 2026 using the N.L. CPI for "Operation of passenger vehicles," based on the January to June 2026 average.

The new methodology included in the MBM 2025 (2023 base) considers differences in the average number of kilometres driven in each province. Statistics Canada notes that "Based on this methodology, on average, Atlantic provinces would tend to have higher kilometres driven."[11] There are also changes in how tune-up costs are calculated, moving from Survey of Household Spending (SHS) data to Consumer Prices Division (CPD) data. These changes, along with inflation, explain the increases seen across all regions of N.L.

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 Canada.[12] 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

[10] Statistics Canada. (2026). *Table 11-10-0066-01 Market Basket Measure (MBM).* Op. Cit.
[11] Devin, N. et. al. (2025). Op. Cit.
[12] Statistics Canada. (2025). "Canadian Survey on the Provision of Child Care Services (CSPCCS)." www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&Id=1535038

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-August 2026).

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 2026 cost of purchasing Blue Cross, assuming the oldest person is 37.

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 2025-2026 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 and includes a cell phone, 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 2025 MBM's "Other Expenses" category and adjusting it for inflation N.L. all-items average CPI for January to June 2026. As we explained before, under the 2023-base MBM, "Other Expenses" are calculated as 50.3 per cent of the combined food and

clothing and footwear costs. Due to these changes, for 2026 household expenses decreased about twenty per cent across all regions in comparison with 2025. Also, for 2026, instead of collecting our own Internet price data for each region, we use the separate MBM "Communication Services" amount. This includes two basic cell phone plans with three gigabytes of monthly data, unlimited Canada-wide incoming and outgoing calls, and unlimited text message; residential internet with a minimum download speed of 50 Mbps, upload speed of 10 Mbps, and unlimited data; and the cost for a landline services based on the annual price for basic landline services in each province. These costs also include cell phone activation fees, SIM cards, and Internet and landline installation fees.[13] As a result, the annual cost is $1,963.97 for St. John's / Eastern, Central and Western, and $2,011,11 for Labrador and Northern peninsula, the difference comes from the MBM amounts that we are using, for St. John's / Eastern, we're using its respective communication services amounts from the 2025 MBM, for Central and Western we're using the amount for *Newfoundland and Labrador, population under 30,000,* while for Labrador and Northern peninsula we're using the amount for rural communities, in all the cases, we've adjusted the amounts using the average Communications CPI for January to June 2026.

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."[14] 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 2025 MBM "other" amount adjusted for inflation using N.L. all-items average CPI for

[13] See *Communication services component* in Devin, N. et. al. (2025), op. cit.
[14] Djidel, S., Gustajus, B., Heisz, A., Lam, K., Marchand, I., and McDermott, S. (2020). *Market Basket Measure 2018-base: Report on the second comprehensive review of the Market Basket Measure.* Statistics Canada. www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2020002-eng.htm

January to June 2026. Due to these changes, for 2026 household expenses decreased about twenty per cent across all regions in comparison with 2025.