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Appendix C:

Prince Edward Island technical brief and data details for 2026 living wages

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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

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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), the Goods and Services Tax (GST/HST) credit for January to June 2026, the Canada Groceries and Essentials Benefit (CGEB) for July to December 2026, and the Canada Workers Benefit (CWB), where applicable. For Prince Edward Island, we also include provincial benefits such as the Prince Edward Island Child Benefit (PEICB) and the new Island Essentials Benefit (IEB), which replaces the Prince Edward Island Sales Tax Credit (PEISTC). We also calculate federal and provincial income taxes, tax credits, and Canada Pension Plan (CPP) and Employment Insurance (EI) contributions.

Stage 3: Determining the living wage amount.

Stage 4: Verifying the calculations.

Prince Edward Island household expenses for 2026 data and sources

Changes in the Market Basket Measure Methodology

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.

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.

[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

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]

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. For the 2023-base MBM, Statistics Canada changed how food prices are collected by using scanner data from grocery stores, covering 916 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 2025 MBM food costs are adjusted for inflation using the average CPI index for "food" for Prince Edward Island for the first half of 2026 (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 2025 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 2026 (January to June). There is no variation in the cost of clothing and footwear across the province in the MBM.

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

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 2025 for Charlottetown and the provincial rates.[3] The rental amounts are then adjusted for inflation using the change in the CPI between October 2025 to June 2026, for overall rental accommodations in Prince Edward Island.

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 Insurance.[4] The median quote across these addresses was used. The median quote for these addresses was used.

Utilities: We used data from Statistics Canada's Table 11-10-0222-01: Household spending, Canada, regions and provinces.[5] Inflation Adjustment: As the most recent available data corresponded to 2023, we adjusted the values to reflect 2026 prices using the P.E.I. 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, and other daily necessities. The included costs in this budget differ by region and may include the cost of maintaining a

[3] Canadian Mortgage and Housing Corporation (CMHC). (2025). "Rental Market Survey, Prince Edward Island 2025." www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables
[4] TD Insurance. (n.d.) "Tenant insurance." www.tdinsurance.com/products-services/tenant-insurance
[5] Statistics Canada. (2026). *Table 11-10-0222-01 Household spending, Canada, regions and provinces*. doi.org/10.25318/1110022201-eng

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 private transportation reflects the cost of second-hand car loan, maintenance, and all annual expenses, including 1200 litres of gas).[6] The MBM 2025 transportation costs for these communities are adjusted for inflation using the Prince Edward Island average CPI index for "transportation" for January to June 2026. 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 2026 (January to June average).

Additionally, because of the limited hours and geographic coverage of public transit, we assume that a family of four needs an extra vehicle in all P.E.I. regions. For this reason, we have doubled the transportation amounts reported in the MBM so that transportation costs reflect the use and maintenance of two used vehicles. 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".[7] 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 P.E.I.

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[6] 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

[7] Devin, N. et. al. (2025). 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 Canada[8]. 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 May-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 P.E.I.. 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 two adults who are 37 and two young dependents. Our calculations do not include that families have access to the Canadian Dental Care Plan[9] (CDCP), because it is not a universal program, as eligibility depends on family income. The program is only available to families with an adjusted family net income below $90,000 per year. Most of the reference families in the regions included in this report have incomes above this threshold. Even eligible

[8] Statistics Canada. (2025). "Canadian Survey on the Provision of Child Care Services (CSPCCS)." www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&Id=1535038

[9] See more on the Canadian Dental Care Plan: www.canada.ca/en/services/benefits/dental/dental-care-plan/coverage.html

families with incomes between $70,000 and $89,999 must pay between 40 and 60 per cent of eligible dental costs, plus any additional charges. For these reasons, we continue to include the cost of a basic private dental insurance plan rather than assume access to the CDCP.

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 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 P.E.I. 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.[10] As a result, the annual cost is $1,748.38 for Charlottetown, and $1,807.52 for rural P.E.I, the difference comes from the MBM amounts that we are using, for Charlottetown, we're using their respective communication services amounts from the 2025 MBM, while for rural P.E.I., 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."[11] 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 P.E.I. all-items average CPI for January to June 2026. Due to these changes, for 2026 household expenses decreased about twenty per cent across all regions in comparison with 2025.

[10] See *Communication services component* in Devin, N. et. al. (2025), op. cit.
[11] Djidel, S. et al. (2020). Op cit.