

TWENTY-FIVE YEARS OF IMMIGRATION IN PRINCE EDWARD ISLAND

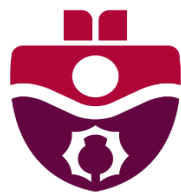
(A STATISTICAL REVIEW)

By

Ather H. Akbari* and Wimal Rankaduwa**

* Department of Economics, Saint Mary's University, Halifax, NS

** Department of Economics, University of Prince Edward Island,
Charlottetown, PE



ARGEAID
Saint Mary's
University

ACKNOWLEDGEMENTS

We acknowledge support from the following partners towards this project:

1. Atlantic Canada Opportunities Agency
2. Province of New Brunswick
3. Province of Nova Scotia
4. Province of Newfoundland and Labrador
5. Province of Prince Edward Island
6. Sobey School of Business, Saint Mary's University

We also acknowledge comments on earlier drafts received from:

1. Professor Morley Gunderson, University of Toronto
2. Professor Constantine Passaris, University of New Brunswick

PROJECT TEAM

1. Ather H. Akbari (Saint Mary's University)
2. Tony Fang (Memorial University of Newfoundland)
3. Martha MacDonald (Saint Mary's University)
4. Nicholas Manuel (Saint Mary's University)
5. Wimal Rankaduwa (University of Prince Edward Island)

Contents

ACKNOWLEDGEMENTS	i
PROJECT TEAM.....	ii
EXECUTIVE SUMMARY	iv
I. INTRODUCTION	1
II. SOME DEMOGRAPHIC TRENDS.....	3
III. IMMIGRATION TRENDS IN PRINCE EDWARD ISLAND.....	5
IV. IMMIGRANTS IN THE LABOUR FORCE OF PRINCE EDWARD ISLAND	17
V. INTERNATIONAL STUDENTS IN PRINCE EDWARD ISLAND	32
VI. CONCLUSIONS, SOME POLICY IMPLICATIONS AND DIRECTIONS FOR FUTURE RESEARCH.....	37



EXECUTIVE SUMMARY

SOME DEMOGRAPHIC TRENDS

- The natural growth of PEI's population has been negative since the end of the past decade, as the annual number of deaths exceeded births.
- Net migration, both interprovincial and international, became the primary driver of population growth in the province since 2010.
- The significance of non-permanent residents in the growth of the population has also risen since 2010.
- Immigrants (permanent residents) accounted for approximately 70 percent of the population growth in 2024.
- The proportion of immigrants in the population increased steadily from 3.11 percent in 2001 to 7.82 percent in 2021.
- The province receives a small fraction (approximately one percent or less) of annual immigrant inflows to Canada.

IMMIGRATION TRENDS

- Among the Atlantic provinces, PEI received the lowest number of immigrants during 2001- 2005 and 2022-2024. During 2006-2021, it received the second-lowest number of immigrants.
- Economic immigrants are the dominant class of immigrants destined for PEI. They accounted for more than 91 percent of total inflows in 2024, followed by the sponsored families class (about 5 percent), refugees and protected persons (about 2.4 percent), and others (1.3 percent).
- The skilled immigrants displayed a strong upward trend from 2015 to 2024. Their share of the economic immigrants rose from 5 percent to 13.5 percent between 2015 and 2024.
- Most immigrants during 2001-2024 entered under the Provincial Nominee Program (PNP), followed by the Atlantic Immigration Program (AIP) since its introduction in 2017. In 2024, the PNP and AIP accounted for approximately 72 percent and 13 percent of immigrants entering PEI, respectively.
- The mix of the top five source countries has shifted from the USA and the UK towards Asian countries. Most recently, the Asian countries (India, the Philippines, China, and Vietnam) together accounted for approximately 73

percent of immigrants. China occupies the third position among the top five source countries.

- Immigrants to PEI are more likely to live in Queens County and Prince County, where the two major cities of Charlottetown and Summerside are located, respectively. Approximately 98 percent of the immigrants who arrived between 2016 and 2021 lived in Queens (82 percent) and Prince (16 percent) counties.
- The immigrant retention rates in PEI are notably low. After five years, approximately only 25 percent and 26 percent of immigrants who had arrived in 2012 and 2017, respectively, remained in the province. Only 23 percent of immigrants who arrived in 2012 remained in the province 10 years later.
- Compared with immigrants who arrived in 2012, retention rates for sponsored family immigrants who were admitted in 2017 were substantially higher, with more than 71 percent remaining in the province after five years.
- Refugees and family class immigrants tend to have relatively higher retention rates than economic immigrants and the overall average.

IMMIGRANTS IN THE LABOUR FORCE

- The immigrants' contribution to labour force growth continued to rise throughout the period. During 2012-2016, immigration helped mitigate the decline in the labour force. Immigrants' contribution to the labour force growth increased from 7.1 percent in 2001-2006 to 29.3 percent in 2022-2024.
- The education level of immigrants to PEI compared favourably with that of non-immigrants over the 2001-2024 period. The percentage of recent immigrants (those admitted within 5 years of a census or Labour Force Survey) with a university degree increased from 25 percent to 35 percent between 2001 and 2024, while the percentage of non-immigrants with a university degree increased from 11 percent to 26 percent.
- Both the overall immigrants and recent immigrants have markedly different labour market outcomes compared to non-immigrant residents. They have higher participation rates (i.e., are more likely to be in the labour force), higher unemployment rates, and lower average incomes.
- For immigrants and recent immigrants, the male and female participation rates and unemployment rates are higher than those of non-immigrants.
- Since 2016, immigrants and recent immigrants in each sub-period received lower average weekly earnings than non-immigrants.

- The differences in unemployment rates and incomes may partly be due to recent immigrants being less experienced; it may also be due to limited recognition of their educational credentials.
- Falling percentage of immigrants in the top two Training, Education, Experience and Responsibility (TEER) categories, accompanied by an increased share of lower categories, despite rising percentages having acquired a university degree, highlights a discrepancy (mismatch) between the educational and occupational profiles of recent immigrants.
- Immigrants are most likely to be employed in four industries, namely accommodation and food services, manufacturing, retail trade, and healthcare and social assistance. These industries employed 50 percent and 56 percent of all immigrants and recent immigrants, respectively.
- Most of the non-immigrant labour force is in rural areas, whereas most immigrants are in population centres.
- Immigrants and recent immigrants in the labour force of both rural and population centres increased over time and narrowed the gap between the labour force working in rural areas and population centres.
- Unemployment rates for immigrant males and females in the province are higher than those for non-immigrants. This is true both in rural areas and population centres.

INTERNATIONAL STUDENTS

- International students in all three broad categories, namely post-secondary, secondary or less, and other, displayed upward long-term trends.
- In general, international students at the post-secondary level of study accounted for the majority.
- The number and the diversification of source countries increased over time, shifting the relative importance away from the high-income (Western) countries to a set of Asian (China, Taiwan, India) and African (Nigeria and Ghana) countries as the top five source countries.
- Annual median income earned by former study permit holders indicates an upward trend over time in the first five years of obtaining permanent resident status.

I. INTRODUCTION

Natural population growth in Prince Edward Island (PEI), which had been declining since the early 1990s, turned negative at the end of the last decade. Notwithstanding this, PEI recently achieved population growth rates that ranked the province second-highest among Canadian provinces and territories (See Provincial Population Report 2025, published by Prince Edward Island Finance Department). International immigration has been the primary driver of recent population growth, followed by net interprovincial migration. In February 2024, the PEI government adopted measures to slow the influx of immigrants to the province as part of its population strategy, aiming to ease pressure on the health-care system and housing markets. In 2025, the federal government imposed further restrictions by reducing the number of nominees the provincial government is allowed to nominate under the Provincial Nominee Program (PNP) and the Atlantic Immigration Program (AIP), the two main programs under which most immigrants arrived in recent years. (See the media reports at <https://www.cbc.ca/news/canada/prince-edward-island/pei-workers-immigration-population-strategy-1.7193708> and <https://www.cbc.ca/news/canada/prince-edward-island/pei-immigration-cuts-1.7434787>) These measures will result in slow population growth in both the short and long term and are likely to generate economic consequences that go far beyond population growth. A comprehensive analysis of the role of immigration in the PEI economy is therefore needed to shed light on its possible consequences and policy implications. In this context, the primary focus of this research is placed on the role of immigration in promoting economic growth and development in the province.

Objectives of the study

To understand the role of immigration in shaping the demographics and economy of Prince Edward Island, we:

- collect and tabulate data on immigration to Prince Edward Island for the period 2001 - 2024, with a focus on the economic objectives of immigration
- provide a descriptive analysis of the data to understand the demographic and geographic dimensions of immigration to Prince Edward Island as they relate to the economic objectives of immigration
- identify some gaps in research that can provide necessary information for an informed public policy discussion on immigration, and to implement immigrant attraction, integration, and retention strategies in the province.

Methodology

The term “immigrant” in this study refers to all foreign-born individuals who are permanent residents of Canada, except for those born to Canadian citizens residing abroad. “Recent immigrants” are those permanent residents who were admitted within the past five years of a population census or a Labour Force Survey (LFS). The primary data sources for this study were

- Immigration, Refugee and Citizenship Canada (IRCC)
- Statistics Canada

Some data used in this study were obtained from the websites of the above government sources. However, much of the required data were not available in the public domain and had to be acquired through different channels. Some data were made available to the authors under the specific data-sharing agreements of the Atlantic Research Group on Economics of Immigration, Aging and Diversity (ARGEIAD) with IRCC. Some Statistics Canada data were accessed through their online resources, and some were purchased as customized requests.

While we acquired most required data through different channels, we could not obtain all, due partly to the unavailability of some provincial data and partly to the confidentiality constraints that apply to cases where there are insufficient observations.

The analysis we conducted is based primarily on descriptive tools of statistical analysis. A distinction was made between immigrants destined for the province and those who stayed in the province. Among those who stayed, separate data were also analyzed for recent immigrants, i.e., those who arrived within five years before a population census, or the LFS, when possible. Some parts of the analysis also used data on the non-immigrant population to facilitate comparisons with non-immigrants.

The period of analysis of this study is 2001-2024. The IRCC data are based on the landing documents of immigrants and are for immigrant inflows. These are available for the entire period of analysis. Statistics Canada data are for the resident population. Some of these are drawn from the population census conducted every five years and are from 2001 to 2021. The data pertaining to resident labour forces of immigrants and non-immigrants are based on LFS that are conducted monthly by Statistics Canada. The LFS introduced questions on the immigrant status of the population starting in 2006, and the data are available on an annual basis until 2024. Finally, some data are also based on the Longitudinal Immigration Database (IMDB) of Statistics Canada.

The report is organized as follows. Section II reviews demographic trends in Prince Edward Island over the current century, highlighting the importance of immigration to the province's population growth. Section III presents some trends in immigration inflows to the province, their entry classes, settlement patterns, and source countries. Section IV reviews the statistical profile of immigrants in the province's labour force and compares them with non-immigrants. Their contributions to labour force growth, industrial and

occupational breakdowns, and labour market indicators are reviewed using data extracted from Statistics Canada's Labour Force Surveys. Section V analyzes trends in Prince Edward Island's international student population, as this represents a potential pool of highly skilled immigrants to the province. Section VI provides conclusions, some policy implications of the statistical review, and some directions for future research.

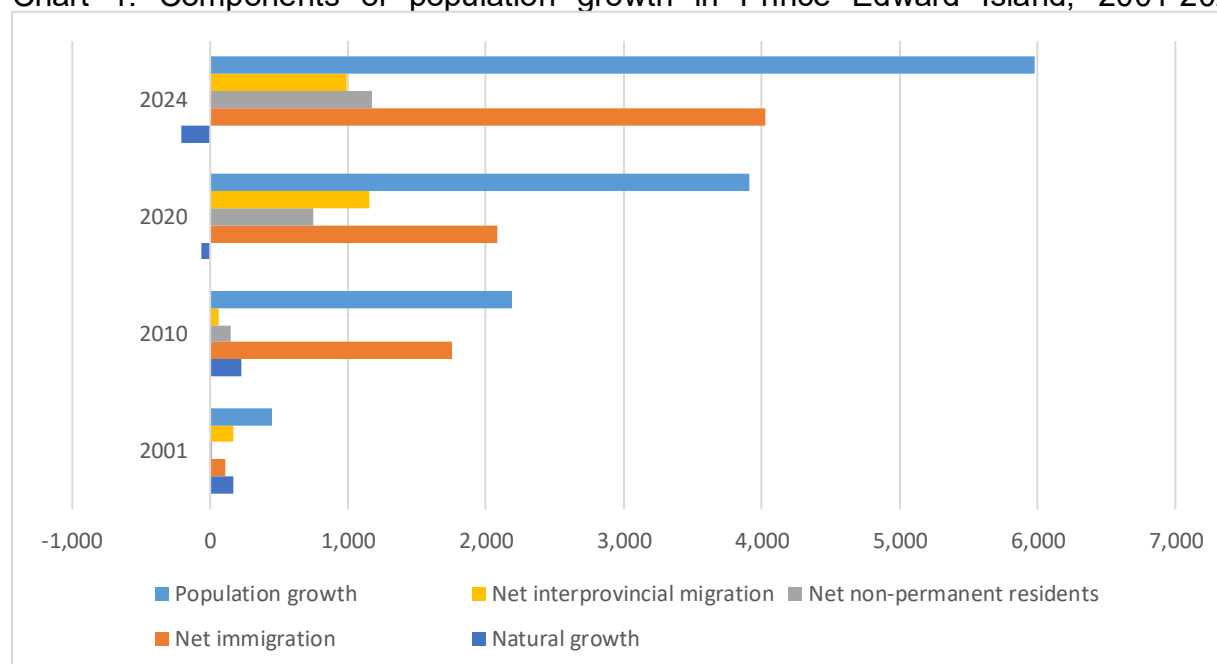
II. SOME DEMOGRAPHIC TRENDS

Summary Points

- Among the Atlantic provinces, PEI received the fewest immigrants during 2001-2005 and 2022-2024, During 2006-2021, it received the second lowest number of immigrants.
- The percentage of PEI's immigrant population increased steadily from 3.1 percent in 2001 to 7.8 percent in 2021.
- Net migration has been the most significant driver of population growth since 2010. In 2024, new immigrants accounted for 86 percent of population growth.
- For the period 2001-2021, the age profiles indicate that at the time of their admission, immigrants were younger than the resident non-immigrant population, with a gap widening over time.
- That immigrants are younger than the resident population at the time of arrival suggests that for a long time after their arrival, immigrants are not likely to be heavy users of such age-related components of Canada's social security system as Canada Pension, Old Age Security benefits, and health care.

The natural increase in Prince Edward Island's population had been weak at the turn of the current century. It turned negative towards the end of the past decade when the number of deaths began exceeding the number of births. Net migration, both interprovincial and international, became the primary driver of population growth in the province since 2010. The contribution of non-permanent residents has also risen since that year. Chart 1 illustrates the trends in population growth components.

Chart 1: Components of population growth in Prince Edward Island, 2001-2024.



[Table 17-10-0008-01 Estimates of the components of demographic growth, annual.](#)

Table 1 shows that immigrants (permanent residents) accounted for approximately 70 percent of the population growth in 2024. Their contribution rises to 86.4 percent if non-permanent residents are excluded from population growth.

Table 1: Detailed components of population growth in Prince Edward Island, 2024.

Component	Number
Births (1)	1,380
Deaths (2)	1,589
Immigration (3)	4,147
Emigration (4)	250
Net temporary emigration (5)	...*
Returning emigrants (6)	126
Net non-permanent residents (7)	1,176
Net interprovincial migration (8)	985
Population Growth (9) = (1) - (2) + (3) - (4) - (5) + (6) + (7) + (8)	5,975
Immigrants in population growth % = (3) of (9)	69.4

Source: - Statistics Canada. [Table 17-10-0008-01 Estimates of the components of demographic growth, annual.](#) *Shows data not available for a specific reference period.

When assessing immigrants' contributions to population growth, it is essential to note that, over time, immigrants also contribute through both reproduction and migration from other provinces in Canada. Given the recent natural decrease in population, promoting

immigration will likely be the more reliable demographic policy for arresting the decline or slowing population growth.

III. IMMIGRATION TRENDS IN PRINCE EDWARD ISLAND

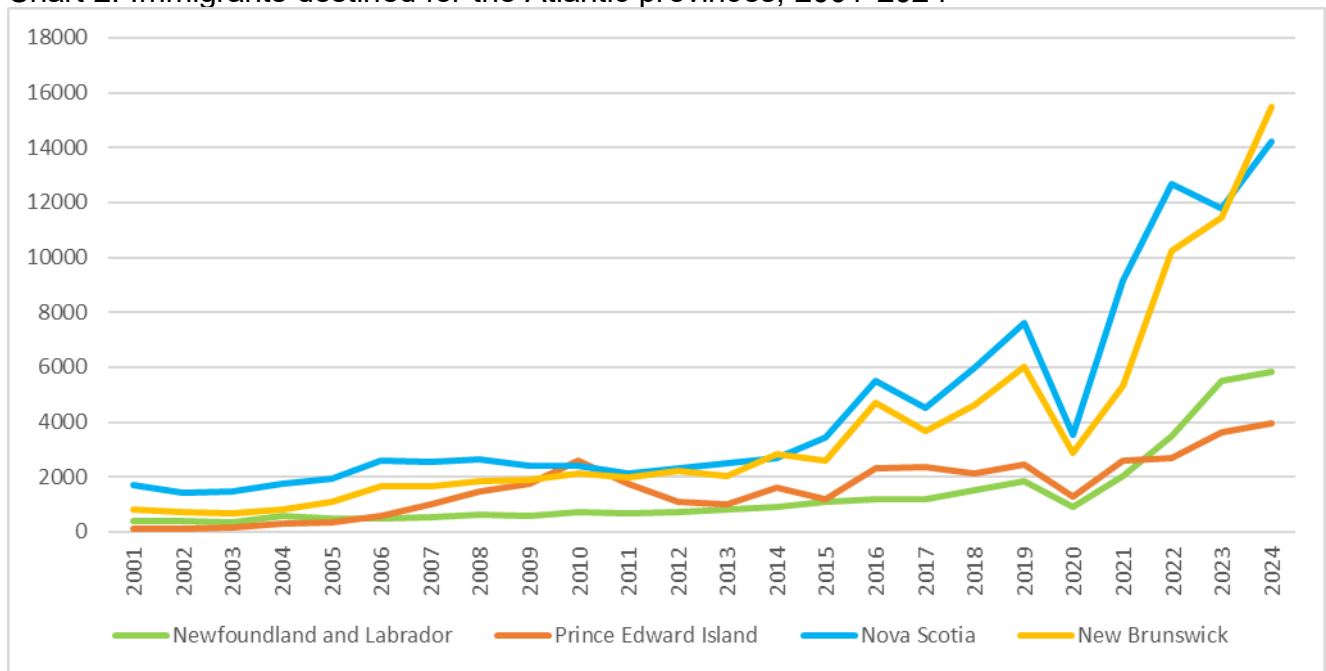
Summary Points

- Economic class immigrants comprised the largest category of immigrants destined for PEI, accounting for more than 91 percent of the total inflows in 2024, followed by a distant sponsored families' category (about 5 percent), refugees and protected persons (about 2.4 percent), and others (1.3 percent).
- The number and proportion of skilled immigrants increased, displaying a strong upward trend from 2015 to 2024. The share of skilled immigrants in the economic immigrant category rose from 5 percent to 13.5 percent between 2015 and 2024.
- Business immigration made up a negligible portion of the immigrant inflows to PEI, only 0.15 percent of the total economic immigrants in 2023.
- PNP and AIP together accounted for most economic immigrants since 2015, 95 percent and 81.4 percent of economic immigrants in 2015 and 2024, respectively.
- Most immigrants during 2001-2024 entered under the PNP, followed by the AIP since its introduction in 2017. In 2024, the PNP and AIP accounted for approximately 72 percent and 13 percent of immigrants entering PEI, respectively.

Chart 2 illustrates the annual inflows of immigrants (principal applicants and dependents) into the four Atlantic Provinces, showing an upward trend from 2001 to 2024, with varying rates of growth. Before 2006, PEI received the fewest immigrants among the Atlantic Provinces. Between 2006 and 2021, the number of immigrants destined for PEI annually was higher than for Newfoundland and Labrador (NL). As a result of faster growth in immigrant inflows in other provinces, PEI recorded the lowest immigrant inflows in the Atlantic Provinces since 2022.



Chart 2: Immigrants destined for the Atlantic provinces, 2001-2024



Source: Immigration, Refugees and Citizenship Canada (IRCC)-Custom Data-Canada - Admissions of Permanent Residents by Province/Territory of Intended Destination and Immigration Category.

Rising inflows of immigrants caused the share of immigrants in PEI's small population to rise steadily, as recorded in the five censuses conducted over the period. Table 2 illustrates immigrants' share rose from 3.11 percent in 2001 to 7.82 percent in 2021.

Table 2: Immigrant Status of Population in Prince Edward Island, 2001-2021.

Year	Total Population	Non-Immigrants	Immigrants	Immigrants' share in population (%)
2001	133,385	128,935	4,145	3.11
2006	134,205	129150	4,785	3.57
2011	137,375	129385	7,085	5.16
2016	139,685	129405	8,940	6.40
2021	150,480	133,285	11,765	7.82

Source: Statistics Canada, Census 2001, 2006, 2011, 2016, 2021.

The demographic implications of the population growth resulting from its natural decline or new immigration can differ significantly depending on the age profiles (and fertility) of immigrants and non-immigrants. Table 3 compares the age distributions of immigrant and non-immigrant residents of PEI. The continued aging of the PEI population is evident in the data, particularly in the decline of the 15-24 age group and the rise of the 65+ age group (both in percentage terms). While immigrants to PEI are consistently younger, on average, than non-immigrants, the gap in the age distributions between immigrants and non-immigrants has widened over the period as the non-immigrant population has continued to grow older.

Evidence on the age profile of immigrants supports the implication of the economic theory of human capital investment: younger people are more likely to migrate than older people because they have more time ahead to reap the benefits of their investment. Since 2016, more than 70 percent of arriving immigrants have been aged under 45, compared with nearly 40 percent of non-immigrants.

Table 3: Age distribution, Immigrants and Non-immigrants in selected years, Prince Edward Island (%)

Age group (Years)	Immigrants Arriving 2006-10	Non-Immigrants in 2011	Immigrants Arriving 2011-15	Non-Immigrants in 2016	Immigrants Arriving 2016-21	Non-Immigrants in 2021	Immigrants Arriving 2021-24	Non-Immigrants in 2024
15 - 24	13.64	16.41	19.83	14.32	20.51	13.71	27.61	13.68
25 - 44	59.09	29.06	45.69	27.39	50.85	27.68	52.11	29.51
45 - 54	24.24	19.19	24.14	17.37	22.22	14.91	16.06	13.60
55 - 64	3.03	17.58	10.34	18.62	5.56	18.25	4.23	16.79
65 +	0.00	17.76	0.00	22.20	0.85	25.54	0.00	26.33
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

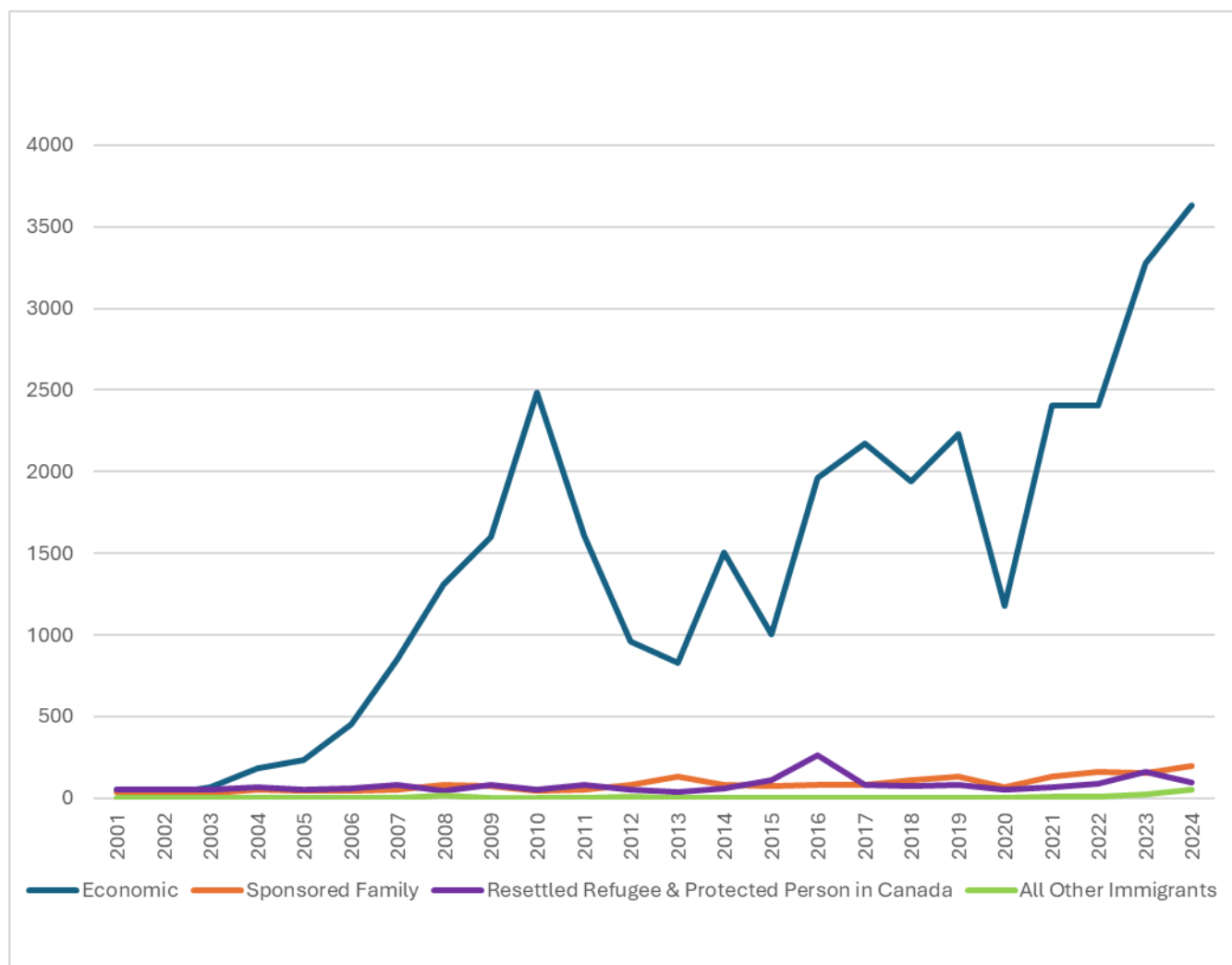
Source: Statistics Canada - LFS, Customized tabulations.

Immigration by entry class

The refugee and protected person class of immigrants reflects Canada's commitment to humanitarian principles. The refugees are selected based on meeting the United Nations definition of a bona fide refugee. In contrast, the family class is intended to facilitate family reunification – that is, to allow individuals to enter Canada if they have close relatives who are already permanent residents or citizens. Economic immigrants, on the other hand, are chosen based on their expected direct positive economic contribution to Canada through the skills, expertise, entrepreneurship, or capital they bring. Their selection takes place under both federally administered and provincially/territorially administered programs.

As shown in Chart 3, the number of immigrants annually destined to the province increased rapidly between 2001 and 2024, from 110 to 3,980, with some fluctuations during the period. Economic immigrants accounted for the largest share of PEI's immigrant inflows. Their share increased from 45.5 percent (50/110) in 2001 to 91.3 percent (3,635/3,980) in 2024. The share of other classes accounted for less than 9 percent in 2024. The shares of sponsored families, refugees, and protected persons, as well as all other immigrants, remained relatively stable over the period. In 2024, their shares were approximately 5 percent, 2.4 percent, and 1.3 percent, respectively. It is noteworthy that the family class, which accounted for more than 50 percent at the beginning of the millennium, now accounts for only about 5 percent, as the economic immigrants rose sharply (See Akbari et al, 2007).

Chart 3: Immigrants destined for Prince Edward Island by Entry Class, 2001-2024.

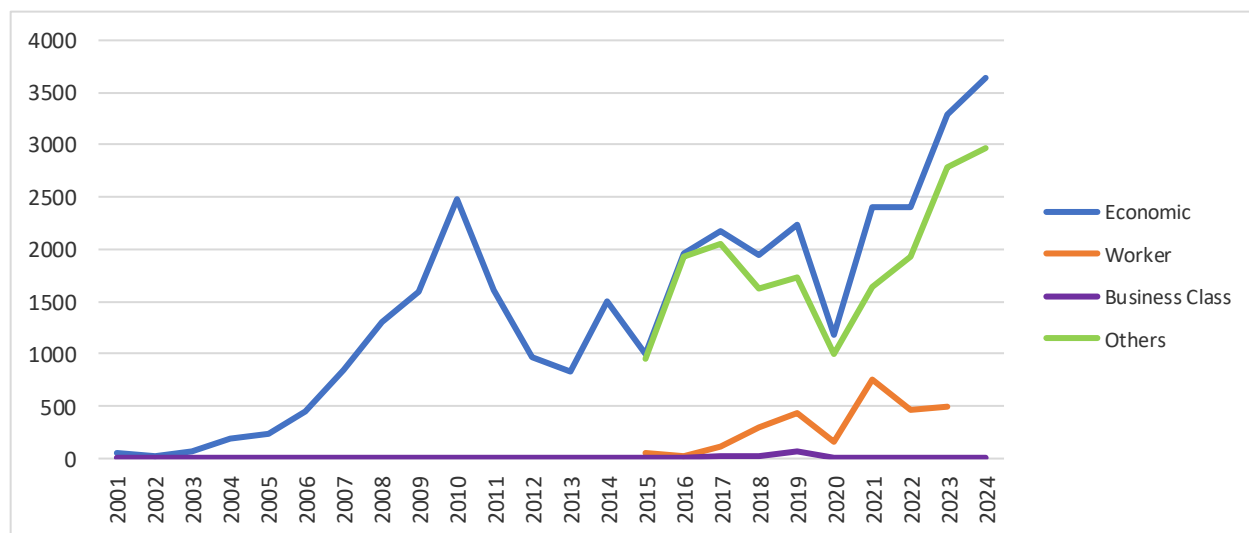


Source: Immigration, Refugees and Citizenship Canada (IRCC)- Canada - Admissions of Permanent Residents by Province/Territory of Intended Destination and Immigration Category.
 Note: The definition of Immigration category is according to Statistics Canada Classification of admission category.

Chart 4 displays changes in the number of economic immigrants destined for Prince Edward Island, and their three subcategories. The skilled worker and business classes are federally administered subclasses of economic immigrants. Skilled workers are selected under the Express Entry immigration stream based on factors such as education,

language ability, work experience, age, and adaptability. The program is mainly aimed at applicants applying from outside Canada who can contribute to the labour market. From 2001 to 2005, immigrants admitted in skilled-worker and business classes were tiny fractions of the total number of economic immigrants. Since 2015, the number of skilled workers has increased significantly. Business-class immigrants, however, remained almost unchanged. The rapid growth of economic immigrants has been driven mainly by increases in the numbers of immigrants in the two subcategories of 'others' and 'skilled workers'. The “others” category includes the Provincial Nominee Program (PNP) and Atlantic Immigration Program (AIP) both of which are provincially administered but remain under federal jurisdiction. Provincial nominees are admitted after being nominated by the province in which they intend on residing. In PEI, the provincial nominee program is designed to prioritize applicants who have work experience in occupations that have a shortage of workers in the province, such as construction and healthcare-related occupations. To be admitted through the Atlantic Immigration Program, immigrants must be either a skilled worker or a recent graduate from a Canadian post-secondary institution. They must also have a job offer from an employer based in one of the four Atlantic Provinces. The program was introduced in 2017.

Chart 4: Economic Immigrants destined for Prince Edward Island by Subcategory, 2001-2024.

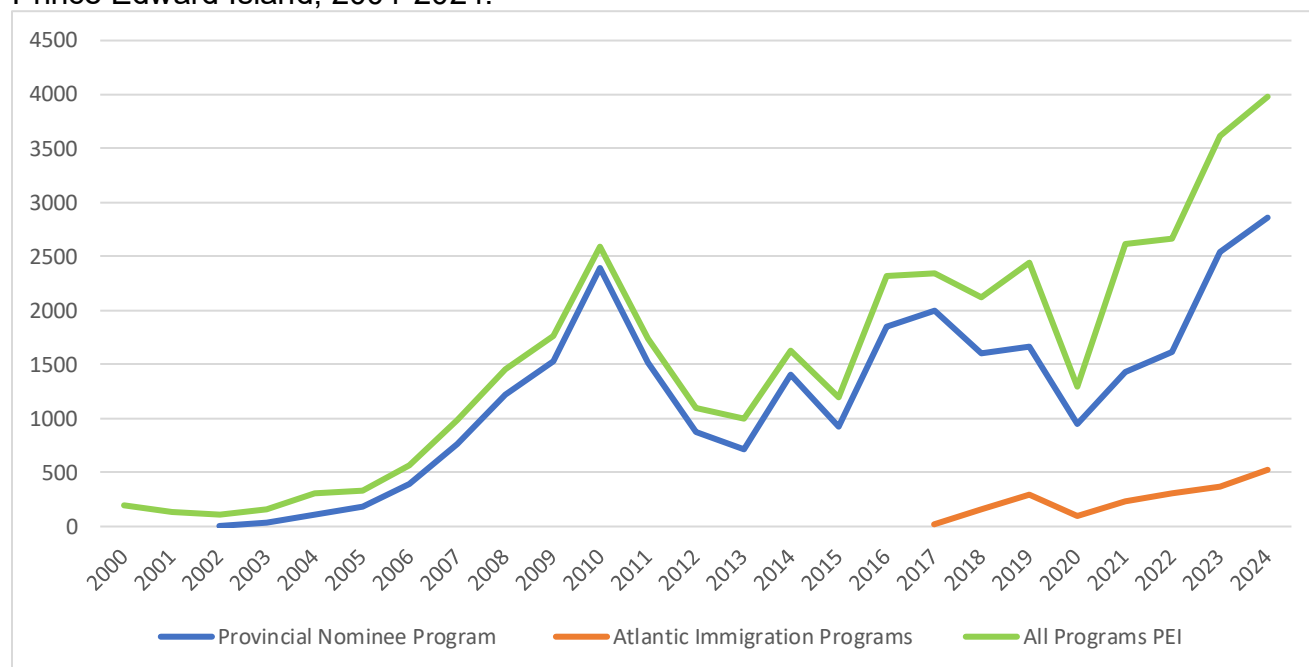


Source: [Immigration, Refugees and Citizenship Canada \(IRCC\)- Canada - Admissions of Permanent Residents by Province/Territory of Intended Destination and Immigration Category](#)
 Data for Worker total and Others are available only from 2015-2024. Others include not specified elsewhere and calculated as (=Economic-Worker-Business class).

The number of economic immigrants destined for PEI under the PNP and the AIP with the totals, is shown in Chart 5. Most immigrants were admitted under the PNP, followed by the AIP, which was introduced in 2017. In 2024, the PNP and AIP accounted

for approximately 72 percent and 13 percent of immigrants entering PEI, respectively. All the other entry programs accounted for approximately 15 percent.

Chart 5: Provincial nominees and Atlantic Immigration program immigrants destined for Prince Edward Island, 2001-2024.



Source and Notes: Immigration, Refugees and Citizenship Canada (IRCC)- Admissions of Permanent Residents by Provincial Nomination/AIP to Total All Programs. AIP was introduced in 2017.

Where Immigrants Come From

Summary Points

- The combined share of immigrants from the US and UK decreased as the source countries of immigrants diversified. Neither the USA nor the UK (traditional sources) was among the top five sources after 2015.
- Most recently, four of the top five sources include Asian countries, including India, the Philippines, China, and Vietnam, together accounting for approximately 73 percent of immigrants in the 25-year period.
- Faster growth of immigrants from India and the Philippines dropped China's position to third among the top five source countries.

Table 4 presents data on the top five source countries of immigrants (principal applicants) to Prince Edward Island. The share of immigrants from the province's top five source countries rose from 43 percent in 2001-2005 to 74 percent in 2021-2024

Table 4: Top 5 source countries of immigrants (Principal Applicants) destined towards Prince Edward Island, 2001-2024.

Rank	2001-2005		2006-2010		2011-2015		2016-2020		2021-2024	
1	USA***	120	China*	4,340	China*	3,475	China*	3,430	India	5,725
2	Korea****	110	Korea****	625	Iran	620	India	2,250	Philippines	2,320
3	UK**	95	Iran	365	Philippines	395	Philippines	805	China*	710
4	China*	80	Taiwan	320	India	185	Vietnam	675	Vietnam	600
5	Taiwan	40	UK**	240	UK**	165	Syria	410	Jamaica	205
Total		445		5,890		4,840		7,570		9,560
Province Total		1,040		7,355		6,660		10,520		12,885

Source and Notes: Immigration, Refugees and Citizenship Canada (IRCC)-Custom Data-Permanent Residents.

* China, People's Republic of, **United Kingdom and Colonies, *** United States of America **** Korea, Republic of.

The mix of the top five source countries has shifted from the USA and the UK towards Asian countries. The USA, which ranked as the top source country during 2001-2005, was not among the top five thereafter. The UK remained among the top five source countries until the 2011-2015 period. The Asian countries (East, South, and Southeast Asian countries), whose share of immigrants increased from 22.2 to 72.6 percent between the 2001-2005 and 2021-2024 periods, dominate the top five source countries list. China remained the top source country from the 2006–2010 period to the 2016-2020 period. The number of immigrants from China declined sharply during 2021-2024, and their share fell from 32.6 percent to 5.5 percent. As a result of the relatively faster growth in immigration from India and the Philippines, China's position has fallen to third among the top source countries. In the most recent period, immigrants from India accounted for more than 44.4 percent of total immigrants destined for PEI, whereas immigrants from China accounted for only 5.5 percent. Syria appeared in the list during 2016-20 as Canada accepted more refugees from there, fleeing the political unrest. During 2021-24, Jamaica, a Caribbean country also become a top immigrant source country. They may have entered under Canada's Seasonal Agriculture Worker Program as temporary workers, later becoming permanent residents (for reference on Jamaican farm workers in Canada, please see <https://jamaica-gleaner.com/article/news/20251106/some-jamaican-farm-workers-returning-canada-have-lost-homes>).

Where Immigrants Go in the Province

Summary Points

- Approximately 94 percent of all immigrants and 98 percent of the recent immigrants (who arrived between 2016 and 2021) lived in two census divisions, Queens and Prince, where 87 percent of the PEI population lives.
- About 76 percent of immigrants and 82 percent of recent immigrants live in the census division of Queens, the most populous census division of the province, where more than 58 percent of PEI's population also lives.

Table 5 presents the geographic distributions of immigrant and non-immigrant populations in 2021, as well as of recent immigrants who arrived between 2016 and 2021.

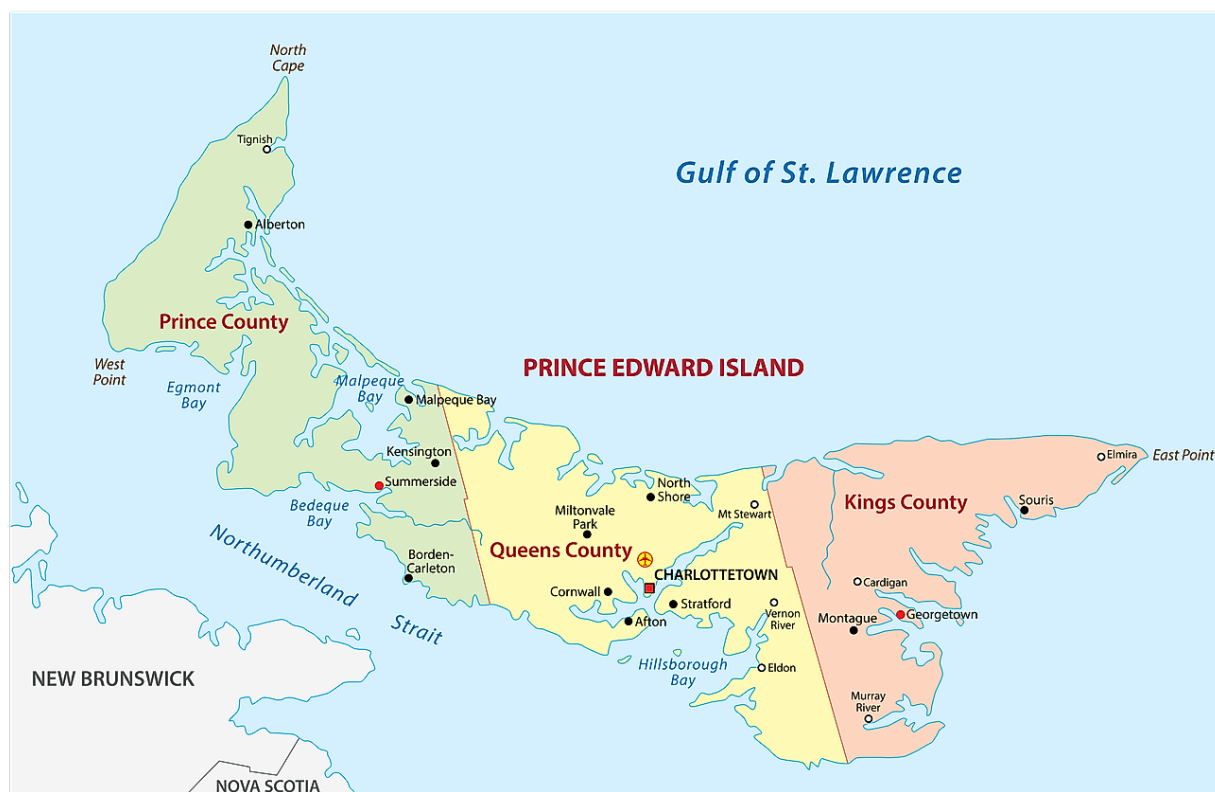
Table 5: Geographic distribution of immigrants in Prince Edward Island, 2021.

Census Division	Total Population	Non-immigrants	Immigrants	Immigrants who arrived 2016 - 2021
Kings	17,500	16,615	715	100
Queens	87,530	74,460	8,970	3,960
Prince	45,450	42,205	2,075	795

Source: Statistics Canada. [Table 98-10-0348-02 Immigrant status and period of immigration by gender and age: Census divisions by province or territory](#)

Immigrants – particularly recent immigrants – are much more likely to live in Canada's larger urban centers. Similarly, immigrants to PEI are more likely to live in Queens and Prince Counties, where the two major cities, Charlottetown and Summerside, are located. About 88.37 percent of the PEI population resides in these two cities. The two counties account for about 94 percent of the immigrant population and about 87.54 percent of the non-immigrant population. About 76.28 percent of immigrants in PEI live in Queens County, as does more than 58 percent of the PEI population. In the other two counties (Kings and Prince), the proportions of the immigrant population are smaller than those of the non-immigrant population. Approximately 98 percent of the immigrants who arrived between 2016 and 2021 lived in Queens (82 percent) and Prince (16 percent) counties.

See the map below for the geographic location of the three counties and some major urban centers of Prince Edward Island.



Source: <https://www.worldatlas.com/maps/canada/prince-edward-island>

Retention of immigrants

Summary Points

- The retention of immigrants, both in the short term and the long term, appears to be a challenging issue in PEI
- After five years of arrival, approximately 75 percent and 74 percent of immigrants who arrived in 2012 and 2017, respectively, had left the province.
- Retention rates are higher for sponsored family and refugee immigrants compared to economic immigrants.

Retention rate data for PEI are reported in Table 6 for 2012 and 2017 admission cohorts in each of the subsequent years they filed taxes in PEI until 2022 (at the time of writing this report latest taxation year data was for 2022). Because of incomplete data



and too much volatility in them, we can analyze data for all immigrants and for their major classes, including economic, family, and refugees. For economic class, we are also able to analyze data for PNPs in both cohorts and Canadian Experience Class (CEC) in the 2017 cohort.

Retention of immigrants, both in the short and long terms, appears to be a challenging issue in PEI. Approximately 34 percent and 30 percent of all immigrants admitted in 2012 and 2017, respectively, left the province within a year. The percentage who remained in the province decreased each year after arrival. After five years, approximately 75 percent of immigrants who were admitted in 2012 and 74 percent of those admitted in 2017 were not living in the province. Only 23 percent of immigrants who were admitted in 2012 remained in the province 10 years later.

Among 2012 admissions, family-class immigrants had the highest retention rates. This may be because their decision to move to PEI was made jointly with their family members. They are also likely to reside close to their sponsoring relatives for any immediate support they may need. Economic immigrants are more mobile because they are selected solely based on their potential labour-market contribution, making them more employable across regions. Hence, they are apt to maximize the potential benefits of their immigration to Canada by choosing the place where their skills are best used. Refugees initially stay in the community that sponsors them but later tend to move in search of better economic opportunities.

Overall, immigrants' retention rates in the 2017 entry cohort were also very low after five years (in 2022). Only about a quarter of them stayed in the province. By class, rates were higher among refugees than family class. The 2016–2017 period was part of Canada's large Syrian resettlement effort. Total immigration in 2017 was still relatively small in PEI, which may have led to more personalized settlement support and stronger institutional attachment of refugees (schools, churches, mosques, sponsors, employers). Only about one in five of economic immigrants in the 2017 cohort remained in PEI after five years.

Table 6: Retention rates in 2022 by admission type of economic immigrants, 2012 and 2017 arrivals, Prince Edward Island.

Admission category	Retention rate (%) (Admission year 2012 by taxation year)										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total All Immigrants	66.4	43.4	37.3	31	28.5	25.3	24.2	22	23.3	23.6	22.8
Economic Immigrant	65.1	40.3	33.1	26.1	24.3	21.9	20.7	18.8	20.4	20.7	19.7
Provincial/territorial nominee	66.3	40.7	33.1	25.8	23.1	20.6	20.2	18.2	20	20.2	19.2
Immigrant sponsored by family	66.7	69.2	61.5	57.1	57.1	53.8	50	53.8	53.8	50	50
Refugee	85.7	57.1	71.4	62.5	50	37.5	37.5	37.5	37.5	33.3	33.3
Other immigrants	..	..	..	..	..	..	..	..	..	..	..
Admission category	Retention rate (%) (Admission year 2017 by taxation year)										
							2018	2019	2020	2021	2022
Total All Immigrants							53.7	41.3	34.9	30.4	25.8
Economic Immigrant							51.1	37.8	31.2	26.1	21.6
Canadian experience class							33.3	27.3	27.3	18.2	18.2
Provincial/territorial nominee							51.9	38.2	31.2	26.1	21.6
Immigrant sponsored by family							85.7	78.6	78.6	71.4	71.4
Refugee							90.0	81.8	75	83.3	76.9

Source: Statistics Canada. Table 43-10-0018-01 Interprovincial migration of immigrant tax filers, by pre-admission experience and tax year, for Canada and provinces.

Retention rate represents the percentage of immigrant tax filers continuing their residence in the province of destination, in a given taxation year. This does not take into account immigrants migrating in from another province of destination. '..' represents data not available.

IV. IMMIGRANTS IN THE LABOUR FORCE OF PRINCE EDWARD ISLAND

Immigrants represent a vital human resource that can bring significant economic and other benefits to PEI. One way to examine how immigrants are performing in the economic sphere is to examine their contributions to the quantity and quality of labour force and their comparison with the non-immigrants in terms of various labour market outcomes.

Labour Force Growth

Summary Points

Immigrants' contribution to labour force growth in PEI rose significantly from 7.1 percent during 2001-2006 to over 29.3 percent in 2022-2024.

Labour force growth increases the quantity of human capital, thereby improving the economy's productive capacity and residents' standard of living in the long term. In Table 7, the contribution of immigrants to PEI's labour force growth is measured in two ways: column 4 shows how much of the change in labour force was caused by the presence of new immigrants; column 5 shows how much the change would have been without new immigrants.

As Table 7 shows, PEI's labour force increased substantially over the 25-year period, with most growth taking place since 2017. The 2012-2016 decline appears to be due to a general slowdown in the Canadian economy, which affected the seasonal industries on which PEI's economy heavily relies (such as tourism, fisheries, agriculture, and construction). Nevertheless, the immigrants' contribution to labour force growth continued to rise throughout the period. During 2012-2016, the increased immigration helped mitigate the decline in the labour force. Immigrants' contribution to the labour force growth, measured by the percentage of labour force decline averted by new immigrants, increased from 7.1 percent in 2001-2006 to 29.3 percent in 2022-2024. Without recent immigrants, the labour force growth would have been slower (Column 5).

Table 7: Contribution of recent immigrants to the growth in PEI's labour force.

Period	Total growth of labour force ('000)	Growth owed to recent immigrants ('000)	Growth without recent immigrants ('000)	Immigrants' contribution to labour force growth (Absolute, %)	
	{1} ¹	{2}	{3}	$4(a)^2 = \{2\} / \{3\} \times 100$	$4(b)^3 = \{2\} / \{1\} \times 100$
2001-2006	4.2	0.3	3.9	7.7	7.1
2007-2011	4.5	0.4	4.1	9.8	8.9
2012-2016	-1.4	0.9	-2.3	-39.1	-64.3
2017-2021	6.3	2.1	4.2	50.0	33.3
2022-2024	9.2	2.7	6.5	41.5	29.3

Source and notes: Statistics Canada: based on census 2001 and LFS. ¹Due to natural growth and net interprovincial migration. Recent immigrants are those who arrived during the listed period. ²Measures percentage labour force increase by virtue of recent immigrants' presence.

³Measures percentage of labour force decline averted by new immigrants. Absolute values are used in interpretations.

Human Capital

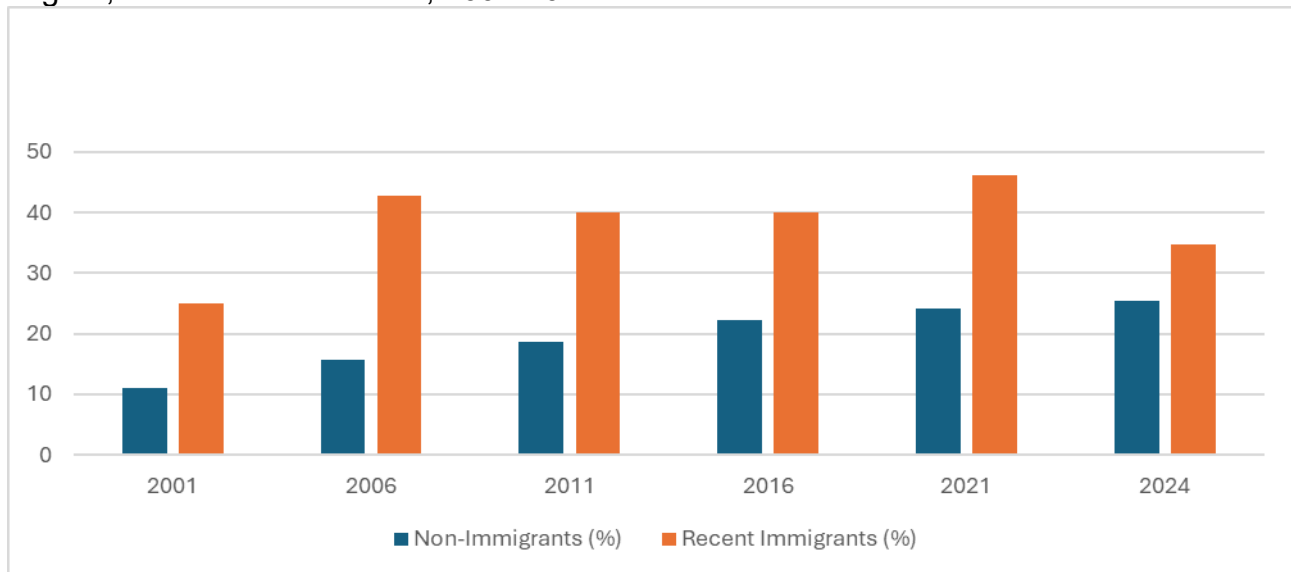
Summary Points

- The education level of immigrants to PEI compared favourably with that of non-immigrants over the 2001-2024 period. The percentage of each recent immigrant cohort arriving having a university degree increased from 25 percent to 35 percent between 2001 and 2024, while the percentage of non-immigrants who had a university degree increased from 11 percent to 26 percent.

Economic growth is driven by increases in both the quantity and quality of human capital. How do immigrants contribute to the growth in the quality and quantity of PEI's human capital stock? While schooling and labour-market experience measures are typically used to reflect quantity, quality is more difficult to assess because data are often unavailable. Labour market outcomes can indicate the quality of human capital through the returns to skills. In this section, we consider the quantity of human capital of recent immigrants in comparison to non-immigrants. An analysis of labour market outcomes in PEI will be provided in the next subsection.

Data limitations allow us to only consider recent immigrants and non-immigrants who have acquired university degrees. Chart 6 shows that over the period, the share of university degree holders in both populations has risen. More of the recent immigrants in each period had acquired university degrees than resident non-immigrants. Rising percentages of university degree holders reflect greater demand for higher skilled workers caused by the expansion of the knowledge based economy (growth in health care, education, information technology, and professional services), greater access to post-secondary education (especially among women, mature students and those with special needs), federal and provincial immigration programs increasingly prioritizing education and skills, and international students transitioning to permanent residence status.

Chart 6: Recent Immigrants and non-immigrants in the Labour Force with University degree, Prince Edward Island, 2001-2024.



Source: Statistics Canada -The percentage for 2001 is calculated using Census data table BO-0293, 2001 Target Group Profile. For 2006–2024, custom labour force data is used.

While the prevalence of higher education among immigrants represents a potentially higher economic contribution, is that potential fully realized? It may not be if the quality of their education is not recognized in local labour markets, resulting in overqualified workers in lower-paying occupations. However, without sufficiently detailed data, it is impossible to assess the extent to which this is occurring. Nevertheless, an analysis of their average labour market outcomes can provide some broad insights into how immigrants are able to use their human capital in the labour market. This will be addressed in the next subsection.

Labour Market Outcomes

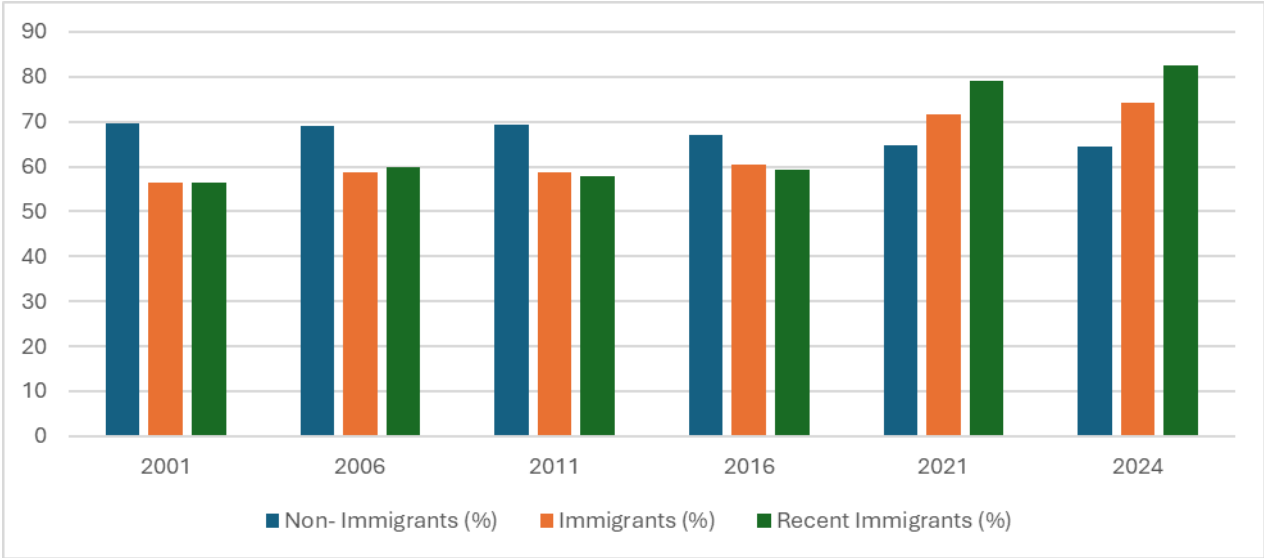
Summary Points

- Both the overall immigrants and recent immigrants have markedly different labour market outcomes (labour force participation rates, unemployment rates, and employment income) compared to non-immigrant residents. Their participation rates and unemployment rates are higher, and average incomes are lower.
- Most recently (in 2024), the participation rates of immigrants and recent immigrants were approximately 10 percent and 18 percent higher, respectively, than the participation rate of non-immigrants.
- For immigrants and recent immigrants, the male and female participation rates are higher than those of non-immigrants.
- Both males and females among immigrants and recent immigrants have higher unemployment rates than non-immigrants.
- Since 2016, immigrants and recent immigrants received lower average weekly income than non-immigrants.
- Part of the difference in unemployment rates and incomes may likely be due to recent immigrants being less experienced; it may also be due to limited recognition of their educational credentials and international work experience.
- The combined percentage of recent immigrants in the top two occupation categories, which include occupations in management and occupations requiring a university degree, decreased substantially by 50 percent while rose in the lower categories between 2016 and 2024. This shift, despite rising percentages having acquired a university degree, highlight a discrepancy (mismatch) between the educational and occupational profiles of recent immigrants.
- All immigrants and recent immigrants are most likely to be employed in four industries, namely accommodation and food services, manufacturing, retail trade, and healthcare and social assistance. These industries employed 50 percent and 56 percent of immigrants and recent immigrants, respectively.

Three indicators of labour market performance are considered. First, chart 7 shows the labour force participation rates (LFPR) among non-immigrants and immigrants. These rates show the percentage of the population aged 15 and over in a group (immigrant or non-immigrant) who were in the labour force (working or looking for work) and are largely dependent on the age structure of each group and its motivation to work. During 2001-

2016, the LFPR of non-immigrants was higher than that of both the overall immigrant population and recent immigrants. Overall, the rate of non-immigrants decreased from 70 percent to 65 percent between 2001 and 2024. Their rates fell below those of both immigrants and recent immigrants in 2021 and 2024. On the other hand, the participation rates of immigrants increased from 56 percent to 74 percent and from 57 percent to 83 percent for recent immigrants over the 25-year period. In 2024, the participation rates for recent immigrants and immigrants were 83 percent and 74 percent, respectively, compared to the 66 percent participation rate for non-immigrants. The gap between the participation rates of immigrants and non-immigrants seems to be increasing as non-immigrants age relative to immigrants.

Chart 7: Labour force participation rates by immigrant status, Prince Edward Island, 2001-2024.



Source and notes: 2001: Statistics Canada: Census Catalogue – 97F0009XCB2001041
2006-2024: Custom Labour Force data.

Table 8 presents the participation rates by gender for non-immigrants and for the two immigrant categories. A gender breakdown helps determine whether the labour market analysis reflects the full diversity of immigrant experiences and highlights the importance of policies that better utilize the skills of both immigrant men and women.

Table 8: Labour force participation rates by gender and immigrant status, Prince Edward Island, 2024*.

	Male	Female
Non-immigrants	70.1	59.6
All immigrants	78.5	67.9
Recent immigrants	86.1	75.8

Source and notes: Statistics Canada: Custom Labour Force data.

Recent Immigrants are Immigrants, landed 5 years or less earlier.

*Reported for population aged 15 and above.

Regardless of immigrant status, male participation rates are higher than female participation rates, and the rates for immigrants are higher than those of non-immigrants. The recent immigrants have the highest participation rates among both males and females.

Table 9 presents the unemployment rates data for immigrants and non-immigrants over the 25-year period under study.

Table 9: Unemployment rates in Prince Edward Island, immigrants and non-immigrants, 2001-2024.

Year	Non- Immigrants (%)	Immigrants (%)	Recent Immigrants (%)
2001	13	9	9
2006	11.5	11.1	x
2011	11.4	8.8	18.2
2016	10.8	9.1	12.5
2021	9.5	12.2	11.9
2024	7.6	9.3	10.5

Source and notes: 2001: Census Catalogue – 97F0009XCB2001041 & 2006-2024: Custom Labour Force data. A 'x' value indicates data suppressed by Statistics Canada to meet confidentiality requirement.

The rate among non-immigrants declined from 13 percent to 7 percent between 2001 and 2024 as the economy of PEI improved over this period. The unemployment rate among immigrants had been lower than resident non-immigrants until 2016 after which it has exceeded non-immigrants. For recent immigrants, it has been consistently higher than the other groups despite them being largely admitted through employment-driven programs. This outcome poses the question if these programs are more aligned with national or medium-term labour market needs and not always with immediate, province-specific needs. Separate research is needed to investigate this possibility.

Knowing the unemployment rates by gender is also important for a fair labour market policy making. These are reported in Table 10.

Table 10: Unemployment rates in Prince Edward Island, immigrants and non-immigrants, by gender 2001-2024.

Year	Non- Immigrants (%)		Immigrants (%)		Recent Immigrants (%)	
	Male	Female	Male	Female	Male	Female
2006	13.4	9.6	x	x	X	X
2011	12.8	9.9	12.5	x	X	X
2016	13	8.6	8.7	9.5	X	X
2021	10.9	8	13.7	10.4	13.6	10
2024	8.6	6.6	9.6	7.3	9.7	8

Source and notes: Custom Labour Force data.

A 'x' value indicates data suppressed by Statistics Canada to meet confidentiality requirement.

Both non-immigrant males and females experienced a continuous decrease in their unemployment rates over time. Due to missing data for some of the years, a complete trend analysis is not possible for the immigrant groups. However, available data indicate that the unemployment rates for males and females among immigrants and recent immigrants increased in 2021 (this can be attributed to the COVID-19 pandemic) but decreased in 2024. The available data also show that female unemployment rates were generally lower than male unemployment rates across all three groups. This could be because more women, especially non-immigrant women, have acquired skills and education that are in demand in the labour market. Alternatively, women may be working in lower-paid or part-time jobs to support household income due to the unemployment of a male household member. These possibilities can be addressed in a future research.

Table 11 presents average weekly wage data for all employed immigrants and recent immigrants, each relative to the wage of non-immigrants. A value greater than 1 indicates higher weekly wage than that of non-immigrants.

Table 11: Average Weekly wage of immigrants relative to non-immigrants, Prince Edward Island, 2006-2024.

Year	2001	2006	2011	2016	2021	2024
All Immigrants	1.13	1.17	1.08	0.93	0.82	0.78
Recent Immigrants	0.58	x	0.73	0.79	0.69	0.70

Source: 2001: Statistics Canada, Census 2001; 2006-2024: Custom Labour Force data. A ratio higher than 1 means an average immigrant's wage was higher than that of an average non-immigrant. A lower than 1 ratio means the opposite is true.

The data indicate that, on average, immigrants' weekly wage relative to non-immigrants decreased over time; they were higher than those of non-immigrants before 2016 and lower thereafter. The weekly wage of recent immigrants was lower than that of non-immigrants and immigrants throughout the period. Since 2016, immigrants and recent immigrants received lower average weekly wages than non-immigrants. In 2024, the weekly wage earning of non-immigrants was 22 percent and 30 percent higher than that of immigrants and recent immigrants, respectively. As such, the recent immigrants earned about 10 percent less than all immigrants in 2024. A drop in the income among the overall immigrant population could be the consequence of larger numbers of recent immigrants pulling their average down.

As we saw earlier, more immigrants now come to PEI from non-Western European countries. Whether the above findings on rising wage gaps between recent immigrants and non-immigrants reflect the undervaluation of their human capital (education and experience) can be investigated in future research by isolating the effects of their demographic characteristics (such as age, marital status, gender, etc.). Undervaluation of human capital could result from employers' lack of knowledge of the quality of foreign human capital or due to discrimination.

Income of Economic Class Immigrants

Table 12 presents data on the median annual income earned by economic immigrants in 2022 by their admission years 2017-2021. As a group, economic immigrants experience a general rise in their income with their length of stay, except for the 2019 entry cohort (Row 1 of the table). The group averages appear to be driven by the PNP immigrants (bottom row of the table), who comprise most economic immigrants. High-income earners in the 2019 cohort may have left the province, as they were hit by the Covid-19 pandemic soon upon arrival, leaving behind lower-income earners. The employer-driven programs that helped retain economic immigrants also came into full force in the post-pandemic period. Skilled workers, whose admission is federally processed, earn higher than the group average of economic immigrants. The Canadian Experience Class is also a federally administered program. Immigrants admitted under this program have at least one year of work experience in Canada prior to obtaining their permanent residence status (such as former international students or temporary foreign workers). Their earning pattern reported in Table 12 for PEI is too volatile to reflect their true labour-market outcomes. It strongly suggests a small sample. It could also be due to their lower retention as they are less tied to their employers than the provincial nominees. Data on other sub-classes of economic immigrants are much more incomplete and hence not reported.

Table 12: Median income of economic immigrants by their types, principal applicants, Prince Edward Island, 2022.

Admission Year	2017	2018	2019	2020	2021
	Median income in 2022 dollars				
Economic Immigrant, principal applicant	\$42,900	\$40,800	\$38,300	\$41,300	\$35,500
Skilled worker and skilled trades, principal applicant	-	\$45,300	\$44,500	\$42,000	\$45,200
Canadian experience class, principal applicant	\$65,200	\$30,800	\$57,300	\$7,100	\$25,300
Provincial/territorial nominee, principal applicant	\$41,800	\$38,900	\$34,000	\$41,800	\$37,700

Source and Notes: - [Statistics Canada. Table 43-10-0026-01\(tax filers data\) Income of Immigrant tax-filers, by immigrant admission category and tax year, for Canada and provinces, 2022 constant dollars.](#) '-' refers to data not available or observations suppressed due to insufficient data. Employment income is the sum of wages, salaries, commissions, and self-employment income.

Occupation distribution of the labour force in PEI

The LFS data on the occupational distribution of the labour force are based on the Training, Education, Experience and Responsibility (TEER) classifications developed by Employment and Social Development Canada (ESDC). TEER classifies occupations by the level of education or experience they typically require. A description is provided in Table 13.

Table 13: Training, Education, Experience, and Responsibility (TEER) level classification

Level	Description	Typical requirement
0	Managerial	University degree or college diploma plus significant work experience
1	Professional	University degree
2	Technical	College diploma (1–3 years), or Apprenticeship training (2–5 years), or Supervisory experience in a related occupation
3	Intermediate	College diploma (less than 2 years), or Apprenticeship training (less than 2 years), or more than 6 months of on-the-job training
4	Labour occupations	Secondary school completion, or several weeks of on-the-job training
5	Elemental occupations	Minimal or none

Source: Based on ESDC classifications. Extensive experience in occupations with a TEER level that is one higher is often a substitute for the education typically required of occupations at a particular TEER level.

Consistent data on occupational distributions of recent immigrants and non-immigrants are available for PEI only since 2016. As shown in Table 14, the percentages of recent immigrants in managerial and professional occupations (TEER 0-1) decreased over the eight-year period (from 25 percent in 2016 to 12.28 percent in 2024), while the percentages of non-immigrants in these occupations rose. Recent immigrants are now more concentrated in TEER 2-5 jobs, which require less than a university degree, while non-immigrants are more in TEER 0-1 jobs that require a university degree and/or significant work experience. As shown earlier, the percentages of university degree holders have increased in both groups, faster among recent immigrants than among non-immigrants. However, the results presented in Table 14 show deskilling among immigrants but upskilling among non-immigrants. Further research on this topic could examine whether these outcomes vary by where education was obtained (within or outside Canada).

Table 14: Percentages of recent Immigrants and non-immigrants in Prince Edward Island's labour force by major skill classification, 2016-2024.

Occupation	2016		2021		2024	
	Recent Immigrants	Non-Immigrants	Recent Immigrants	Non-Immigrants	Recent Immigrants	Non-Immigrants
TEER 0	12.50	7.22	7.14	7.41	3.51	8.74
TEER 1	12.50	15.51	16.67	17.33	8.77	17.61
TEER 2	12.50	23.26	16.67	24.74	19.30	25.49
TEER 3	18.75	18.45	9.52	18.25	21.05	19.09
TEER 4	18.75	16.04	28.57	14.68	21.05	13.92
TEER 5	25.00	17.78	21.43	15.74	22.81	13.79
Unclassified	-	1.74	-	1.85	3.51	1.35
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Statistics Canada -Custom Labour Force data.

Table 15 displays data on where non-immigrants, all immigrants, and recent immigrants worked in 2024. Previous years' data are not complete and hence not reported. Data on all immigrants helps understand if recent immigrants tend to be attracted by industries with greater immigrant concentration. There are four industries in which 10 percent or more of the immigrant labour force works. These are accommodation and food services (14.73 percent), manufacturing (12.4 percent), retail trade (12.4

percent), and healthcare and social assistance (10.85 percent). Recent immigrants in these industries, except for healthcare and social assistance, exceeded 10 percent of all recent immigrants in labour force. At least half of immigrants and recent immigrants work in these four industries (combined), while only 37 percent of non-immigrants work in them. In the case of non-immigrants, their employment is more widespread across industries. There are 3 industries where their employment approaches or exceeds 10 percent. These include Health care and social assistance (15.29 percent), public administration (12.21 percent), and construction (9.9 percent).

Notably, in the manufacturing, accommodation and food services, retail trade, professional, scientific and technical services, and transport and warehousing industries, the percentages of immigrants and recent immigrants are higher than those of non-immigrants. Except for the professional, scientific, and technical services, these industries usually offer low-paid jobs. In contrast, in healthcare and social assistance, public administration, construction, agriculture, forestry, fishing, and hunting, and educational services, the percentage of non-immigrants exceeds that of immigrants and recent immigrants employed. Most of these industries offer higher-paid jobs. Further research is needed to investigate at what level of jobs (TEER categories) do immigrants and non-immigrants work in these industries.

Table 15: Immigrant and non-immigrant labour force (%) by industry of employment, 2024.

Industry	Non-immigrants	All immigrants	Recent immigrants
Agriculture, forestry, fishing, and hunting	8.38	3.88	5.26
Mining, quarrying, and oil and gas extraction	X	X	X
Utilities	0.49	X	X
Construction	9.99	7.75	7.02
Manufacturing	7.27	12.40	17.54
Wholesale trade	1.60	1.55	X
Retail trade	9.37	12.40	14.04
Transportation and warehousing	3.33	3.88	5.26
Information and cultural industries	0.62	X	X
Finance and insurance	2.34	2.33	X
Real estate and rental and leasing	1.73	2.33	X
Professional, scientific and technical services	4.56	6.98	7.02
Management of companies and enterprises	X	X	X
Administrative and support, waste management and remediation services	2.47	2.33	3.51
Educational services	7.64	3.88	X
Health care and social assistance	15.29	10.85	8.77
Arts, entertainment and recreation	2.47	2.33	X
Accommodation and food services	4.56	14.73	15.79
Other services (except public administration)	4.07	3.10	X
Public administration	12.21	5.43	3.51
Unclassified industries	1.36	3.10	3.51
Total (All Industries)	100.00	100.00	100.00

Source and notes: Statistics Canada: Custom Labour Force data. Recent Immigrants are immigrants who landed 5 years or less earlier. "X": data not available.

Labour force in rural areas and population centres

Summary Points

- Most labour force in PEI is found in rural areas (about 55 percent). Most of the non-immigrant labour force is in rural areas, whereas most immigrant labour force is in the population centres.
- The numbers and the percentages of immigrants and recent immigrants in the labour force of both rural and population centres increased over the 25-year period and narrowed the gap between the labour force working in rural areas and population centres.
- Unemployment rates for males and females among immigrants in rural areas, population centres, and the province are higher than those for non-immigrants.

Starting in 2011, Statistics Canada replaced the term “urban” in its survey and census data by “population centre (POPCTR)”. A POPCTR has a population of at least 1,000 and a population density of 400 persons or more per square kilometre, based on population counts from the current Census of Population. All areas outside population centres are classified as rural areas.

According to the 2021 census, PEI is the most rural province in Canada. The census identified 4 population centres in the province: Charlottetown (medium-sized with 52,390 residents), Summerside (small-sized with 14,952 residents), Montague (small-sized with 1,896), and Kensington (small-sized with 1,743 residents) [www12.statcan.ca]. They represent 70,981 people, about 45 percent of the province’s population, with the remaining 55 percent living in rural areas. The distribution of the province’s labour force by rural and population centres, along with their immigrant status, is provided in Table 16 for selected years between 2006 and 2024.

The size of the labour force in rural PEI had been larger than that in population centres until the middle of the last decade. Since then, the difference has narrowed, and in 2024, there was an even distribution of the labour force in rural and population centres. Despite this shift in overall distribution, most of the non-immigrant labour force continues to be found in rural areas. On the other hand, most of the immigrant labour force, including that of recent immigrants, is found in population centres. These patterns indicate that the growth of the immigrant labour force has been a key factor in narrowing the total labour force’s gap between rural and population centres. Immigrants accounted for approximately 3 percent of the labour force in rural areas from 2006 to 2016, and

approximately 7 percent from 2021 to 2024. Their proportion in population centres increased from approximately 4 percent to 18 percent between 2006 and 2024.

Table 16: Rural Areas -Population centres breakdown of labour force in Prince Edward Island, 2006-2024.

	2006		2011		2016		2021		2024	
	Rural areas	Population centres	Rural areas	Population centres	Rural areas	Population centres	Rural areas	Population centres	Rural areas	Population centres
Total ('000)	43.2	33.6	44.2	37.2	43.4	37.4	45.9	42.8	50.5	49.9
% growth			2	11	-2	1	6	14	10	17
Recent Immigrants ('000)	x	0.2	0.2	0.8	0.2	1.4	0.7	3.5	1.6	4.1
% growth			x	-300.0	0	-75.0	250	-150.0	129	-17.1
Immigrants ('000)	1.4	1.3	1.2	2.2	1.2	3.1	3	6.8	3.6	9.2
% growth			-14	69.2	0	40.9	150	119.4	20	35.3
Non-Immigrants ('000)	41.6	32.1	42.8	34.4	41.9	33	42.5	33	46.2	34.9
% growth			3	7.2	-2	-4.1	1	0.0	9	5.8

Source: -Statistics Canada, Custom data on Labour force characteristics-Table on Selected characteristics by immigrant status, gender, and population centre and rural areas.

Notes: -Total may not equal the sum of the Immigrant and Non-Immigrant categories, as the Total Labour Force also includes Non-Permanent Residents

As shown in Table 17, most of the labour force comprised of males across rural areas and population centres in case of all immigrant and non-immigrants in 2024. In case of recent immigrants, equal division of males and females was found in rural areas. The table also shows that the unemployment rates for males and females among all immigrants and recent immigrants in the province, including its rural areas and population centres, were higher than those for non-immigrants in 2024.

Table 17: Labour force and unemployment rates, immigrants and non-immigrants by rural and urban regions and gender, Prince Edward Island, 2024.

	Rural areas			Population centres			Provincial		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Labour Force ('000)									
Immigrants	2	1.6	3.6	5.3	3.9	9.2	7.3	5.5	12.9
Recent Immigrants	0.8	0.8	1.6	2.3	1.8	4.1	3.1	2.5	5.7
Non-Immigrants	24	22.2	46.2	17.8	17.1	34.9	41.9	39.3	81.1
Unemployment rate (%)									
Immigrants	10	12.5	11.1	9.4	7.7	8.7	9.6	7.3	9.3
Recent Immigrants	X	X	12.5	8.7	X	9.8	9.7	8	10.5
Non-Immigrants	9.6	6.8	8.2	7.3	5.8	6.6	8.6	6.6	7.6

Source: Statistics Canada, Custom data on Labour force characteristics-Table on Selected characteristics by immigrant status, gender, and population centre and rural areas.

V. INTERNATIONAL STUDENTS IN PRINCE EDWARD ISLAND

Summary Points

- International students in all three broad categories, namely post-secondary, secondary or less, and other, displayed upward long-term trends over the past twenty five years.
- In general, international students at the post-secondary level of study accounted for the majority.
- Over time, the number and the diversification of source countries increased, shifting the relative importance away from the high-income (Western) countries to a set of Asian (China, Taiwan, India) and African (Nigeria and Ghana) countries as the top five source countries.
- Annual median income earned by former study permit holders in the first five years indicates an upward trend over time.

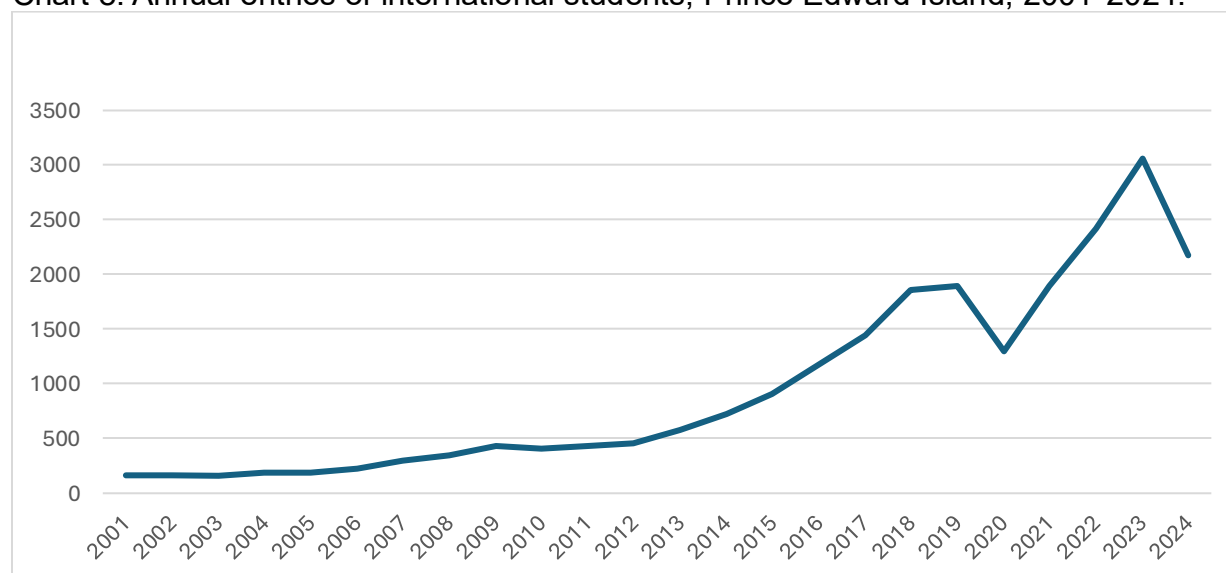
The attraction of international students has been an important component of the immigration strategy of each Atlantic province. Upon graduation, international students often are on important pathways into permanent residency given their language skills, experience with the Canadian economy, and their credentials, thus avoiding the difficult task for their potential employers to evaluate foreign credentials. Their high international tuition fee cross-subsidizes Canadian students. They also help finance the fixed infrastructure costs at post-secondary institutions. If they enter the labour market after



graduating, they are in the years of their professional careers when they tend to pay taxes and not draw on social services and can mitigate the labour shortages associated with Canada's aging workforce. Whether they remain in Canada or return to their home country, they can facilitate trade and interactions with their home country.

As depicted in Chart 8, the number of international students entering PEI has significantly increased over the past 25 years. Since 2012, growth has been faster than in earlier years. Notable declines occurred in 2021 due to the COVID-19 pandemic and in 2024 due to federal restrictions on the inflow of immigrants and international students.

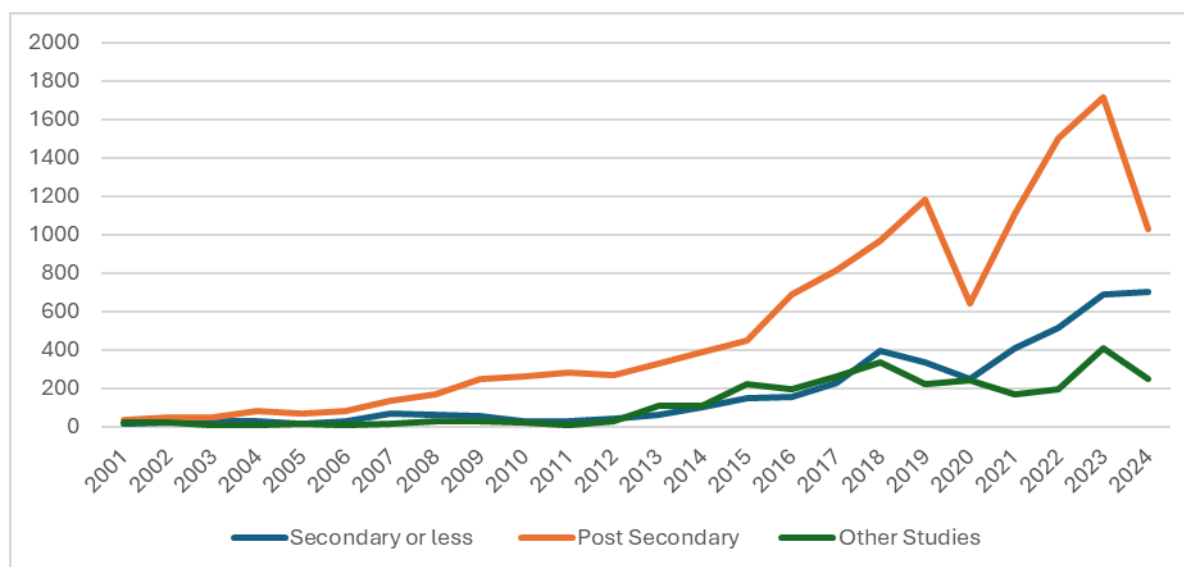
Chart 8: Annual entries of international students, Prince Edward Island, 2001-2024.



Source: Immigration, Refugees and Citizenship Canada (IRCC)-Custom Data--Canada – Study Permit Holders by Province/Territory of Destination, Country of Citizenship, Study Level, and Year in which Permit(s) became effective, 2000 - December 2024.

Chart 9 displays the growth patterns of international students from 2001 to 2024 by their level of study. All levels exhibited upward long-term trends at varying rates. Most of them attend post-secondary institutions. In 2023, they accounted for 56 percent of all international students. In 2024, when federal regulations came into effect, their percentage dropped to 47 percent. (Federal regulations introduced allocations to institutions by level of study).

Chart 9: International Students studying in Prince Edward Island by level of study, 2001 – 2024.



Source: Immigration, Refugees and Citizenship Canada (IRCC)-Custom Data--Canada – Study Permit Holders by Province/Territory of Destination, Country of Citizenship, Study Level, and Year in which Permit(s) became effective, 2000 - December 2024.

Table 18 presents data on the number of international students in the province from the top five source countries for selected years from 2001 to 2024. The data show that the USA ranked first from 2001 to 2006, China ranked first from 2011 to 2021, and Taiwan ranked first in 2024, with China and Taiwan separated by only 4 students. The number of students from the top five countries has increased over time and accounted for more than 50 percent in the selected years. In the early 2000s, a set of high-income countries, including the USA, Japan, France, Australia, and Germany, dominated the list of top source countries. Over time, the significance of high-income countries diminished as the number and the diversification of sources increased, with China, Taiwan, India, Nigeria, and Ghana rising to the top five source countries. Most notably, none of the high-income countries, including the USA, the top-ranking source which accounted for more than 27 percent of international students in 2001, were among the five source countries in 2024. On the other hand, Taiwan and China, which accounted for only 3 percent each and shared the 4th ranking in 2001, ranked as the 1st and 2nd highest countries in 2024, accounting for 13.3 and 13.1 percent of international students, respectively.

Table 18: Top five source countries of international students in PEI, 2001-2024.

Rank	2001		2006		2011		2016		2021		2024	
1	USA*	45	USA*	45	China**	160	China**	415	China**	260	Taiwan	290
2	Japan	20	China**	35	Saudi Arabia	40	Bahama Islands, The	105	India	255	China**	285
							Taiwan	105				
3	France	10	Korea, Republic of	35	USA*	40	Nigeria	95	Nigeria	125	Nigeria	260
4	Australia	5	France	5	Bahama Islands, The	25	USA*	60	Bahama Islands, The	110	India	235
	China**	5	Germany	5					Vietnam	110		
	Germany	5	India	5								
	Korea, Republic of	5	Japan	5								
	Taiwan	5	Saudi Arabia	5								
			Thailand	5								
			UK***	5								
5					Korea, Republic of	20	Japan	35	Hong Kong SAR	100	Ghana	110
							Saudi Arabia	35				
Total (Top 5 countries)		100		150		285		850		960		1180
Province Total		165		220		430		1,175		1,890		2,175

Source: Immigration, Refugees and Citizenship Canada (IRCC)-Custom Data- Canada – Study Permit Holders by Province/Territory of Destination, Country of Citizenship, Study Level, and Year in which Permit(s) became effective, 2000 - December 2024:

*United States of America, **China, People's Republic of, ***United Kingdom and Overseas Territories

Incomes of Former International Students

Incomes (Median, annual) earned by former study permit holders (former international students) are provided in Table 19. These data are reported by admission year and in each taxation year. Some of the data are reported as zeros which could be because of some self employment income data are negative. The first row of the table

shows that those who were admitted in 2012 (when they became permanent residents) earned \$5,600 in 2013 (the first year after admission). Their earnings rose with their length of stay in the province. Similar trends are found in other admission years.

The initial incomes of former study permit holders may be low because they lack Canadian labour-market experience or face other barriers to labour-market entry. Another reason could be that during their studies, they are stuck in low-paid jobs to make their living, and after their studies, they find it harder to move to a better job as employers weigh their past job experience. Some may be continuing to work in the same jobs they held as students while waiting for their work permits. These possibilities can be addressed in future survey research.

Table 19: Income earned in the first five years by former study permit holders who became permanent residents, Prince Edward Island, (2022 dollars).

Admission year	Taxation year (constant 2022 dollars)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2012	5,600	6,600	10,200	21,800	19,100	20,000	20,600	32,900	44,200	46,700
2013	..	0	0	0	0	0	8,400	10,100	12,200	26,200
2014	..	..	0	0	0	0	0	0	0	0
2015	..	..	..	9,900	12,800	0	0	17,800	20,900	0
2016	..	..	..	..	0	0	0	0	0	0
2017	..	..	..	..	..	11,600	11,200	11,900	12,300	0
2018	..	..	..	..	..	..	5,300	8,600	10,500	9,100
2019	..	..	..	..	..	..	..	12,200	13,300	14,100
2020	..	..	..	..	..	..	..	..	13,600	31,400
2021	..	..	..	..	..	..	..	..	..	16,200

Source: -Statistics Canada. Table 43-10-0026-01 Income of Immigrant tax-filers, by immigrant admission category and tax year, for Canada and provinces, 2022 constant dollars. Income includes wages and salaries, commissions and self-employment incomes. Zero median income could be because of some negative self employment incomes.

VI. CONCLUSIONS, SOME POLICY IMPLICATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This report examined the role of immigration in Prince Edward Island over the past 25 years based on an analysis of the available data from IRCC and Statistics Canada. The report focused on the significance of immigration and the immigrant population in the context of the province's recent demographic changes, and on their impacts on the labour market and the economy. In doing so, the report analyzed several aspects of immigration, including overall trends in annual inflows, rural-urban distribution, education and human capital, labour market contributions, and experiences. A brief analysis of international students as a potential source of immigrants was also presented in the report.

Demographic Trends

The natural growth of PEI's population (the difference between the number of births and deaths) has been negative since the end of the past decade. Consequently, international net migration became the primary driver of population growth, followed by the interprovincial net migration. The contribution of non-permanent residents to population growth also increased since 2010. The share of immigrants (foreign-born granted permanent resident status) in the resident population more than doubled from 2001 to 2021. The critical role of international immigration in population growth is likely to persist, given the potential for continued negative natural growth and uncertainties surrounding interprovincial migration. However, maintaining immigrant inflows to ensure a reasonable rate of positive population growth appears challenging considering the recently imposed provincial and federal immigration restrictions.

Immigration Trends

Despite short-term fluctuations, immigrant inflows to PEI have shown an upward trend over the last 25 years. It received the fewest immigrants among the Atlantic provinces at both the beginning (2001-2005) and the end (2022-2024) of that period. Between those two periods, it received the second-lowest number of immigrants after Newfoundland and Labrador.

The economic class has been the dominant class of immigrants destined for PEI during the last 25 years. They accounted for more than 91 percent of total inflows in 2024, followed by the sponsored families class (about 5 percent), refugees and protected persons (about 2.4 percent), and others (1.3 percent). Among economic-class immigrants, the skilled immigrant's category showed a strong upward trend from 2015 to 2024. Their share of the economic immigrants rose from 5 percent to 13.5 percent between 2015 and 2024.

Most immigrants during 2001-2024 entered under the Provincial Nominee Program, and it remains PEI's top immigration program. The Provincial Nominee Program was followed by the Atlantic Immigration Program since its inception in 2017. In 2024, the two programs jointly accounted for approximately 85 percent of immigrants entering PEI.

The mix of the top five source countries of immigrants has shifted from the USA and the UK towards Asian, African and Caribbean countries. Most recently, the Asian countries (India, the Philippines, China, and Vietnam) together accounted for approximately 73 percent of immigrants. China ranks third among the top five source countries. Among the most noticeable changes about the source countries are the increases in India's share and decreases in China's share of the provincial total. China's share decreased from 59 percent to 6 percent between the two periods, 2006-2010 and 2021-2024. In contrast, India's share increased from 3 percent to 44 percent between the two periods, 2011-2015 and 2021-2024.

An overwhelming majority of immigrants settled in the two most populous census divisions (counties), Queens and Prince, where the two major cities, Charlottetown and Summerside, are located. Approximately 82 percent of the immigrants who arrived between 2016 and 2021 settled in Queens. Another 16 percent lived in the Prince census division.

The province's immigrant retention record appears weaker than its attraction record, as PEI's retention rates are notably low and have been declining over time. Evidence shows that, overall, approximately 75 percent of immigrants who arrived in 2012 and 74 percent who arrived in 2017 left the province within 5 years. In general, family class and refugee immigrants tend to have higher retention rates than the economic class.

Immigrants in the Labour Force

Immigrant inflows into the province helped expand the province's labour force, human capital stock, and hence productive capacity. Their contribution to labour force growth continued to rise throughout the period. Immigrants' contribution to the labour force growth increased from 7.1 percent in 2001-2006 to 29.3 percent in 2022-2024. During 2012-2016, immigration helped mitigate the decline in the labour force.

The education level of immigrants, which reflects their human capital endowment, compared favourably with that of non-immigrants over the 2001-2024 period. The percentage of recent immigrants with a university degree has been relatively higher than that of non-immigrants. Over time, that percentage increased from 25 percent to 35 percent, while the percentage of non-immigrants with a university degree increased from 11 percent to 26 percent.

In terms of labour market experiences, both overall immigrants and recent immigrants had markedly different outcomes compared to non-immigrant residents. They

had higher participation rates (i.e., were more likely to be in the labour force). Both males and females had higher participation rates than non-immigrants. However, even though immigrants and recent immigrants were, on average, younger and better educated than the resident non-immigrant population, their unemployment rates were higher and their average incomes lower. The differences in unemployment rates and incomes may partly be due to recent immigrants being less experienced; it may also be due to limited recognition of their educational credentials.

According to the TEER classifications of occupations developed by Employment and Social Development Canada, the proportion of immigrants in the top two TEER categories (TEER 0-1) has sharply decreased from 2016 to 2014, while the proportion of non-immigrants increased. Recent immigrants are relatively more concentrated in occupations requiring less than a university degree, as indicated by the increase in their proportion in TEER 2-5 categories while there has been a decrease in the proportion of non-immigrants in those categories. The deskilling of recent immigrants, despite a relatively higher proportion of them having university degrees, reveals a mismatch between their educational and occupational profiles that policymakers should explore and address.

The industrial composition of immigrants' employment shows that they are most likely to work in four industries: accommodation and food services, manufacturing, retail trade, and healthcare and social assistance. These industries employed 50 percent or more of all immigrants and recent immigrants, respectively. The majority of industries (i.e., manufacturing, accommodation and food services, retail trade, professional, and transport and warehousing) with a higher percentage of immigrants than non-immigrants are those that offer relatively low-paid jobs. In contrast, most industries, such as healthcare and social assistance, public administration, construction, and educational services, with the percentage of non-immigrants exceeding that of immigrants and recent immigrants, offer relatively higher-wage jobs. It may be worthwhile to investigate the TEER classifications of jobs held by immigrants and non-immigrants within each industry to better understand why higher proportions of immigrants are employed in industries that appear low-paid.

The industrial composition of immigrants' employment and the mismatch between their educational and occupational profiles together point to possible underemployment of immigrant labour and human capital, and to an underutilization of their economic potential, which needs to be further explored in detail and addressed by policymakers.

In PEI, most of the non-immigrant labour force is in rural areas, and most immigrants in the labour force are in population centres. Over time, immigrants in the labour force increased in both rural and population centres, narrowing the gap between the labour forces in the two. The unemployment rates for immigrant males and females are higher than non-immigrants in both rural areas and the population centres.

International Students

The number of international students entering PEI has increased significantly over the past 25 years, with faster growth since 2012. All three broad categories of international students, namely post-secondary, secondary or less, and other, displayed upward long-term trends. The majority of students entered at the post-secondary level. The number of source countries also increased and diversified. As a consequence, the relative importance of source countries shifted away from high-income (Western) countries toward Asian (China, Taiwan, India) and African (Nigeria and Ghana) countries, with these countries ranking among the top five. The data show that the income of former study permit holders has increased over time.

Policymaking and Research

Based on the findings of this study, three broad areas of concern for policymaking and research can be identified as follows:

(a) finding effective strategies to attract immigrants and international students in sufficient numbers and of sufficient quality to sustain positive population, labour force, industry, and economic growth, in the face of federal restrictions on immigrants and international student inflows. See the University of Prince Edward Island (2025) for information on the economic contribution of international students as exports of educational services.

(b) exploring the factors behind the apparent mismatch between the educational and the occupational and industrial profiles on both demand and supply sides of labour markets, including issues such as credential recognition, employer-employee preferences, and possible labour market discrimination. This is also important for identifying areas (professions, industries, and sectors) experiencing labour oversupply or short supply. The relatively higher unemployment rates among immigrants may partly be structural and explained by labour-market mismatches, which may also have led to underemployment of immigrants' human capital and underutilization of their full potential contributions to the workforce and the provincial economy. See Fang et al. (2020) for some employer perspectives, and Corkum (2022) for international students' perspectives on related issues in the province.

(c) averting outmigration among immigrants and international students and raising their retention rates. Promoting retention not only of immigrants and international students but also of non-immigrants is more vitally important at present than before, given the possibility of slowing immigrant and student inflows. Addressing labour market mismatches and unemployment rates is essential for improving retention rates, reducing out-migration, and crafting effective strategies and policies to attract immigrants to meet the province's economic and other needs.

References

Ather Akbari, Scott Lynch, James Ted McDonald, and Wimal Rankaduwa, *Socioeconomic and Demographic Profiles of Immigrants in Prince Edward Island*, Economics Domain, Atlantic Metropolis Centre, 2007

Corkum Trevor, *Migrant Youth, Islandness, and Belonging on Prince Edward Island*, PhD Thesis, University of Toronto, November 2022
<https://utoronto.scholaris.ca/items/c5453335-752c-4687-8cd6-2aedab91099f>

Tony Fang, Jane Zhu, and Evan McCarthy, *Solving for Shortages in Prince Edward Island: Employer Experiences and the Labour Market Across Atlantic Provinces*, Public Policy Forum, November 2020.
https://ppforum.ca/wp-content/uploads/2020/12/PEI_SH1.pdf

Prince Edward Island Finance Department, *Provincial Population Report 2025*, October 2025.
https://www.princeedwardisland.ca/sites/default/files/publications/pt_pop_rep_0.pdf

University of Prince Edward Island, *University of Prince Edward Island: A Catalyst for the Island's Economic Transformation*, Economic Impact Report Prepared by Jupia Consultants Inc., October 2020.
https://files.upei.ca/publications/upei_economic_impact_assessment.pdf