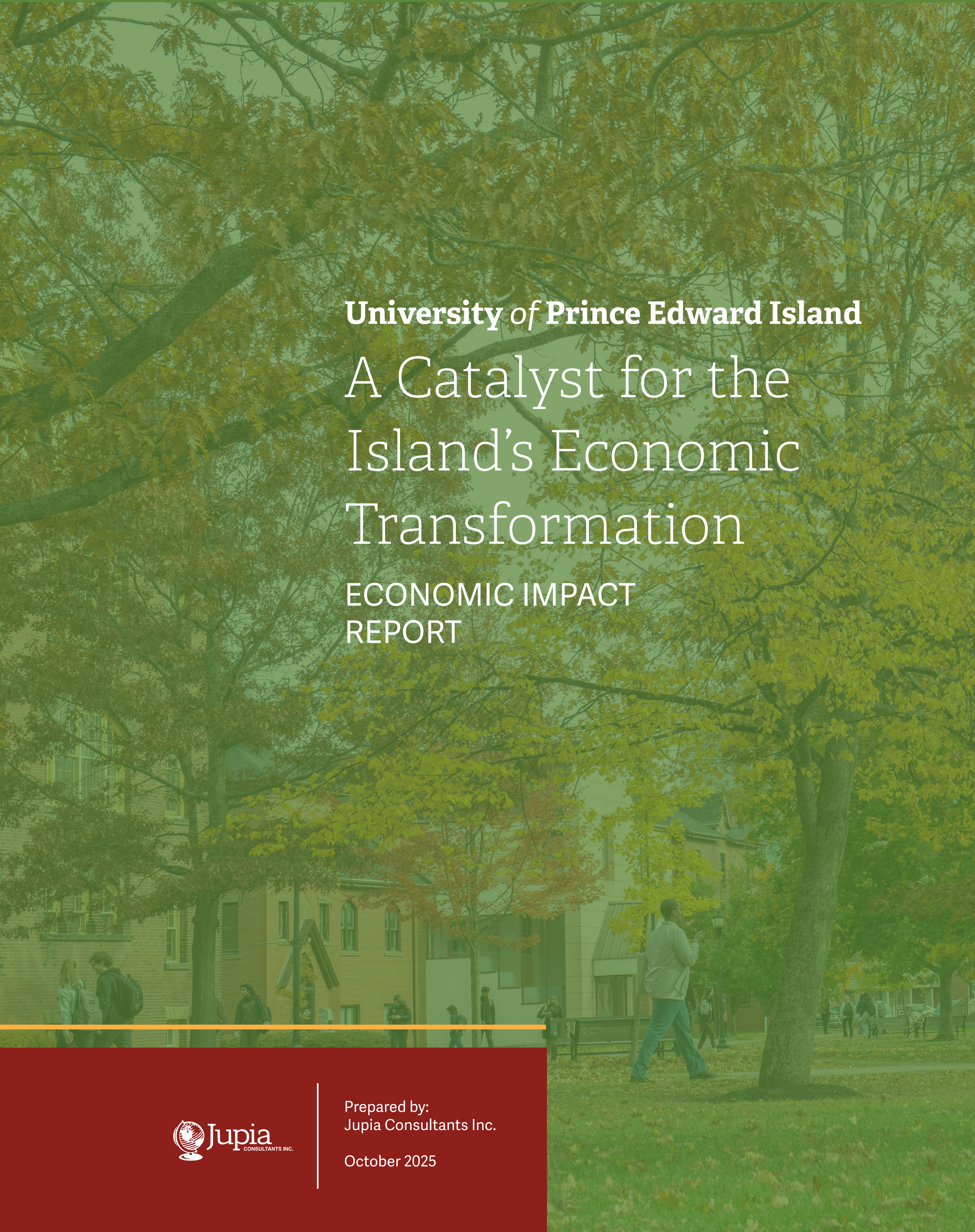

University *of* Prince Edward Island

A Catalyst for the Island's Economic Transformation

ECONOMIC IMPACT REPORT

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

The University of Prince Edward Island (UPEI) is one of the top employers in the province providing jobs for over 1,400 people and spending more than $250 million in 2024 on operational expenditures and capital investment. As will be developed in this report, the university is an important source of export revenue as students from across Canada and around the world come to study in the province each year.

The economic impact model developed for this report includes estimates of the indirect (supply chain) and induced spending associated with the university's operations and off-campus student living spending in 2024.

ECONOMIC IMPACT OF UPEI'S ANNUAL OPERATIONS

Table 1 provides a summary of UPEI's economic impact on the Island economy in 2024. The operational expenditures and living expenses from off-campus students boosted provincial gross domestic product (GDP) by over $228 million, labour income by $157.5 million and tax revenue to governments of $66.4 million. Through direct, indirect and induced effects, over 1,800 full-time equivalent (FTE) jobs were supported across the province. Further, the labour income generated by the university boosted household spending by an estimated $120 million supporting businesses large and small in a broad range of industry sectors.

To put the economic impact of UPEI in perspective, among the 10 provinces across Canada, only Nova Scotia and Newfoundland and Labrador generate a higher share of provincial gross domestic product (GDP) from the universities sector. In addition, the university is one of only three non-government employers with more than 500 employees across the entire province.

Because of the high value activity and highly educated and trained workforce, the university ranks among the top for total compensation per hour worked - 56 percent above the average for all sectors.

The university continues to attract talent from across Canada and around the world. As of October 2024, the university had 5,669 students of which over 53 percent came from elsewhere in Canada and around the world.

As is developed in Section 3.4, the federal government changes to international students are starting to impact UPEI. According to the Association of Atlantic Universities, full-time visa students enrolled at UPEI were down 7.2 percent in fall 2024 compared to fall 2023.

TABLE 1 SUMMARY ECONOMIC IMPACT, UPEI OPERATIONS AND STUDENT SPENDING (2024)

ECONOMIC IMPACT	FROM UPEI OPERATIONS	ASSOCIATED WITH STUDENTS LIVING OFF CAMPUS	TOTAL IMPACT
Output	$183.5M	$44.7M	$228.2M
Provincial GDP	$193.6M	$38.8M	$232.4M
Labour income	$145.9M	$11.6M	$157.5M
Employment (direct) FTE	1,145	218	1,363
Employment (total) FTE	1,529	277	1,806
Taxes (provincial/local)	$33.7M	$5.9M	$39.6M
Taxes (incl. federal)	$56.9M	$9.5M	$66.4M
Household spending			**$120.3M**

ECONOMIC IMPACT OF UPEI'S CAPITAL INVESTMENT PROGRAM

The report also evaluates the boost to the provincial economy from UPEI's current $170 million capital investment program associated with the new Faculty of Medicine, AVC expansion and other campus upgrades. The $170 million will boost provincial GDP by $138 million, support nearly 1,380 person years of full-time employment and generate $78.5 million in labour income over a 4-5 year timeframe. The capital spending will also induce an estimated $31.6 million in tax revenue for all levels of government (including $18.1 million for provincial and local government).

The capital spending will also boost household spending by $60 million over 4-5 years (Table 2).

TABLE 2 SUMMARY ECONOMIC IMPACT, UPEI CAPITAL INVESTMENT PROGRAM

TIMEFRAME	2024-2027
Direct investment	$170M
Provincial GDP boost	$137.8M
Labour income	$78.5M
Person years of employment	1,376
Taxes (provincial/local)	$18.1M
Taxes (incl. federal)	$31.6M
Household spending	**$60.0M**

THE STRATEGIC ROLE OF THE UNIVERSITY

The university plays a fundamental role for the Island economy by turning out trained graduates, supporting research and development, and the growth of key industry clusters around the Island. This report summarizes some of the ways in which the university is influencing growth and prosperity.

A catalyst for research	PEI runs an annual trade deficit each year (i.e. more imports than exports). Despite this, the province has led the country in the growth of exports in the past decade and that has been key to its economic resurgence. UPEI is helping by bringing in over half of its students from outside the province. According to a recent study, in 2023-2024, international students boosted PEI GDP by $78.8 million (**see Section 3.2**).
A significant source of export revenue	According to Statistics Canada, the higher education sector on PEI accounted for $44 million worth of R&D in 2022. Over the 9-year period between 2014 and 2022, the higher education sector performed 48 percent of total R&D in the province. This was well above the average of 39 percent across the country during this period (**see Section 3.1**).
Supporting key growth clusters	University enrollment on PEI grew faster than all other provinces between 2017/2018 and 2022/2023. Many of the graduates are supporting key industries such as biosciences, information technology and health care (**Section 3.3**).
Boosting its graduate level education	There has been a 53% increase in enrollment in master's and doctoral programs between 2012-2013 and 2022-2023.
Helping to grow the provincial economy and population	Between 2019 and 2024, PEI ranked first in Canada among the 10 provinces for the growth in university-educated people participating in the workforce (Section 3.4). Among those aged 25+, the number of jobs requiring university education has increased much faster than the number not requiring university (**Section 4.2**).
Promoting diversity at the university	In recent years, no other province has seen a faster decrease in the gap between male and female academic staff (**Section 3.5**). The ratio of male to female academic staff on PEI is better than all other provinces.
Providing value for the taxpayers' investment	Among the 10 provinces, PEI ranked eighth for the share of total university funding coming from the provincial government and seventh on a per student basis. The university leveraged provincial funding well generating $3.03 dollars in total revenue for every $1.00 of provincial government revenue. That was the third best provincial funding leverage ratio among the 10 provinces. See **Section 3.6** for details.
Benefitting municipal governments	UPEI's operations and student spending boosted municipal tax revenue by an estimated $4.3 million in 2024. The university's $228 million worth of spending (operations and off-campus students) supported hundreds of small businesses across the region (**Section 3.7**).
Suporting sports tourism	Charlottetown consistently ranks first in Canada for hosting sporting events among cities under 50,000 population. UPEI has been critical to the city achieving this position (**Section 3.8**).
The value of a university education	University graduates on PEI earn a 74% employment income premium over those just completing high school. On average, university graduates on the Island can expect to earn $1.2 million more (in 2020$) over a 40-year career compared to those with just a high school diploma (**Section 4.1**). In the past five years, the university-educated workforce on PEI increased by 7,600 jobs while the non-university educated workforce increased by only 4,300 (among those aged 25+). See **Section 4.2**.

1. Introduction

1.1 BACKGROUND: UPEI AND THE ISLAND'S ECONOMIC TRANSFORMATION

Prince Edward Island is in the middle of a profound economic transformation. First, the Island is getting younger. Along with only two other provinces, the median age of the population across PEI was much lower in 2024 (41.3 years) than it was back in 2016 (44 years). In fact, the Island saw the steepest decline in median age by a wide margin over the 2015 to 2024 timeframe. Overall population growth on the Island has been faster than all other provinces over the past five years boosted by a significant increase in immigration.

Among the 10 provinces, PEI has led the country in immigration levels for the past decade. This population expansion combined with growth in export-focused industries has led to PEI having the second fastest economic growth among the 10 provinces over the 2014 to 2024 timeframe as measured by real gross domestic product (GDP).

This report will make the case that the University of Prince Edward Island (UPEI) has been a strategically important catalyst aiding in this economic transition. It has been growing its student population and expanding into new and relevant program areas. It has been a conduit for international students, many of whom end up staying in the province. It has been an important partner in cluster development in biosciences and other industries.

Many industries on the Island that require a university educated workforce are in expansion mode. Over the past decade, the professional, scientific and technical services sector has witnessed workforce growth of 49 percent. The health care and social assistance workforce is up by 41 percent. Insurance companies have expanded their workforce by 31 percent and information technology (IT) services providers are up 41 percent.

Historically, the Island economy did not require as many university graduates as most other provinces. In the past five years, among the population aged 25 and older, there has been a 41 percent increase in the number with a university degree, a faster growth rate than all other provinces.

In the years ahead, UPEI will play an even more important role helping to grow the province's educated workforce, foster research and development and support the growth of strategically important industries across the province.

1.2 PURPOSE OF THIS REPORT

The objective of the project is to estimate the economic contribution arising from the operations of the University of Prince Edward Island economy including direct, indirect, and induced effects. This report provides estimates of gross domestic product (GDP) as well as employment, employment income, taxation and consumer spending.

In addition, the report includes a broader set of data to better frame the story of the contribution the university makes to the Island economy. While the university's primary role is to turn out skilled talent for the workforce, its direct economic contribution is also especially important. UPEI is also a driver for much of the Island's research and development activities in support of growth industries such as biosciences. Through its attraction of international students, the university is supporting efforts to attract skilled immigrants.

This report is broken down into five sections:

- Section 1 provides an introduction to the economic impact model and report overview.
- Section 2 looks at the economic impact of the university including its secondary effects on consumer spending, taxation and other economic activity.
- Section 3 summarizes a broader set of economic benefits induced by the university to strengthen the Island's economy and society.
- Section 4 provides a short case as to why university education matters now more than ever.
- Section 5 considers the future impact of the university.

Appendix A includes a detailed description of the economic impact model and sources.

1.3 THE ECONOMIC IMPACT MODEL

The economic impact model used to estimate how UPEI's operations directly impact the economy is based on Statistics Canada's Input-Output (I-O) tables which provide a detailed profile of how expenditures in specific sectors flow through the provincial and national economy as well as through international trade. The I-O tables are developed using actual spending patterns within specific industries and provinces and, as a result, estimates of new economic activity are based on the expenditure profile of previous activity in those industries.

The economic impact model evaluates the direct, indirect, and induced economic impacts, using the following parameters:

- Direct impact measures the value-added to the economy that is attributed directly from the employees, the wages earned, and the revenues generated from the university's spending on the Island.
- Indirect impact measures the value-added generated within the Island economy through firm and organizational demand for intermediate inputs or other support services (e.g. the supply chain). UPEI has many suppliers and partners across the province.
- Induced impacts are derived when employees in the aforementioned industries spend their earnings and owners spend their profits. These purchases lead to more employment, higher wages, and increased income and tax revenues, and can be felt across a wide range of industries.

The I-O tables trace the impact of economic activity (output shock) on the provincial and national economies (including imports and exports). In addition to the GDP and employment impacts, the economic impact model estimates the amount of tax revenue supported by the industry as well as consumer spending impacts.

The university provided data on the revenue, employment, wages and other costs as well as a breakdown of revenue by source. Economic multipliers and other data supplied by Statistics Canada for the university sector (industry code GS611300) was used to estimate the impact of UPEI's annual operational economic footprint on the Island.

In addition, the report estimates the economic impact of the university's capital investment on the Island using multipliers for the non-residential building construction sector (industry code BS23B000).

2. Economic impacts: UPEI annual operating expenditures

2.1 ECONOMIC IMPACT MODEL INPUTS

The university provided 2024 information on direct spending, employment and student enrollment on Prince Edward Island (Table 3). Statistics Canada also reports on employment, wages and other data related to the universities sector by province across Canada. The total employment income and employment figures for 2024 are based on the Statistics Canada reporting.

This data was used as the core information on which to build the economic impact model. The gross domestic product (GDP) impacts are measured in relation to total annual expenditures. Indirect and induced labour income and employment are determined using multipliers of direct salaries and benefits and employment. Taxes, consumer spending and other impact measures are developed with these inputs as the starting point.

As shown in Table 3, the university had 5,669 students as of October 2024, of which 631 were graduate students (11%). Over half (53%) came from outside the province highlighting the important role of UPEI as a conduit for talent from across Canada and the world.

TABLE 3 UPEI EXPENDITURE, EMPLOYMENT AND ENROLLMENT PROFILE (2024)

Total operational expenditures	$185,500,000
Total employment income	$122,737,000
Direct employment	1,425
Employment (full-time equivalent)	1,145
Total student enrollment	5,669
BY ORIGIN	
PEI	2,655
Other Canada	1,117
International	1,897

Enrollment data as of October 2024.
Source: UPEI. Includes the Atlantic Veterinary College and Statistics Canada.

2.2 UPEI: PROVINCIAL ECONOMIC IMPACT FROM OPERATIONS (2024)

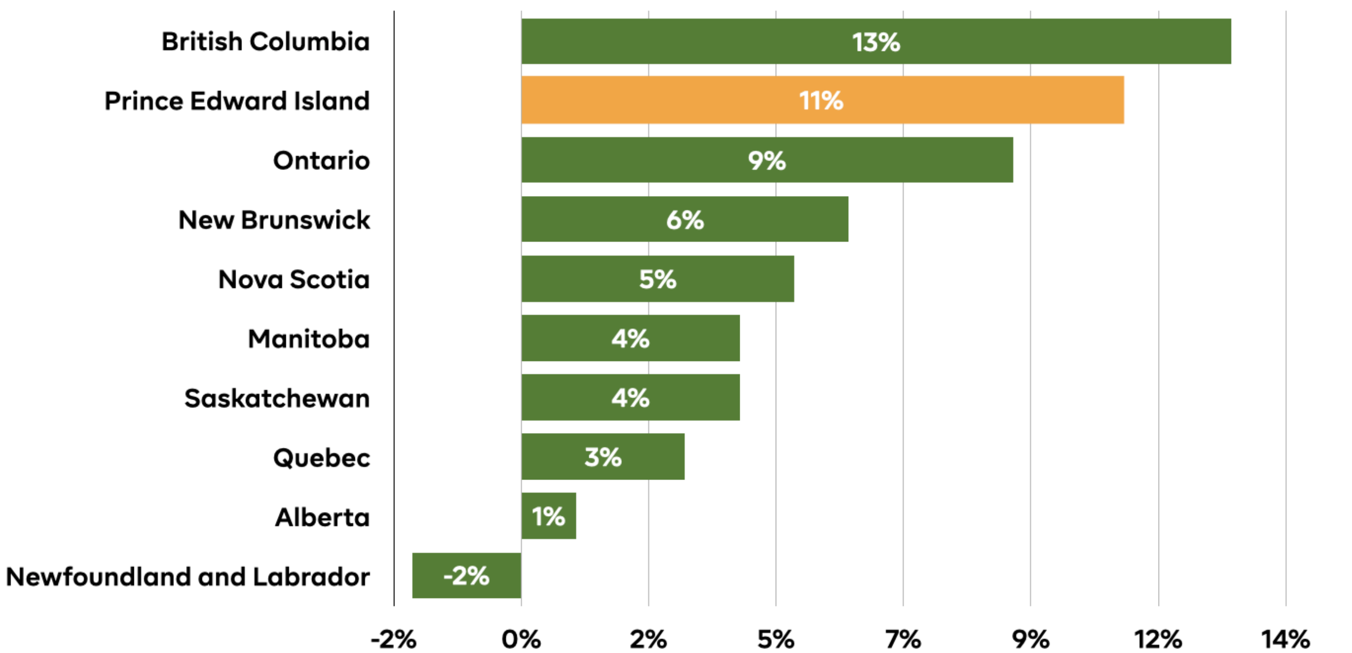
The University of Prince Edward Island is the only university located in the province. According to Statistics Canada, the university sector on PEI generated $147 million worth of real (inflation adjusted) gross domestic product (GDP) in 2018[1]. Provincial GDP represents the economic value generated by the sector that contributes to the provincial economy. There is economic value created elsewhere in Canada, but it is not included in provincial GDP statistics nor is it modelled in this economic analysis.

To put the university sector's provincial GDP contribution into perspective, Figure 1 compares the sector's real GDP growth rate to other provinces across the country. The Island had the second fastest real GDP growth rate between 2019 and 2024 among the 10 provinces. Going back further, over the past 10 years the province also ranked second with a real GDP growth rate of 24 percent. Only British Columbia has witnessed faster economic growth from the university sector.

UPEI's GDP contribution is similar or larger than many other important industries on the Island. The university sector directly contributes a similar amount of provincial GDP as the aerospace product and parts manufacturing sector, the fruit and vegetable preserving and specialty food manufacturing sector and the pharmaceutical and medicine manufacturing sector.

It is important to note the university sector provides a critical service to other industries on the Island as it incubates talent and supports research and development activities in many of these industries.

FIGURE 1 INCREASE IN THE REAL GDP CONTRIBUTION FROM THE UNIVERSITIES SECTOR, 2019-2024

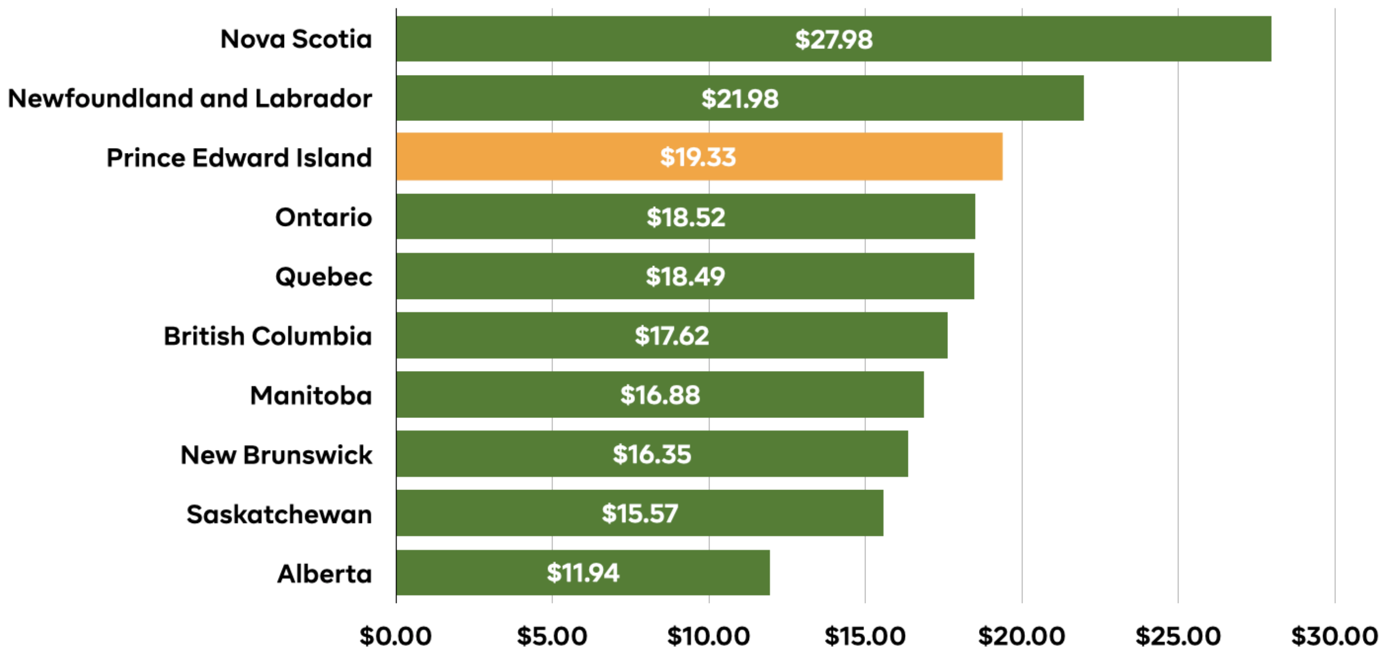


Chained (2017) dollars.
Source: Statistics Canada Table: 36-10-0402-01.

[1]Real GDP is inflation adjusted and expressed in 2017 dollars. The GDP figure here includes operational spending and other related activities such as sponsored research.

The university sector GDP contribution on the Island is higher than most other provinces measured as a share of total GDP. The sector directly generated just under two percent of the provincial economy (GDP) in 2024 or $19.33 per $1,000 of the total GDP from all sectors of the economy. As shown in Figure 2, this ranks PEI third among the 10 provinces for university GDP relative to the size of the economy.

FIGURE 2 UNIVERSITY SECTOR PROVINCIAL GDP CONTRIBUTION, PER $1,000 TOTAL GDP (2024)



Chained (2017) dollars.
Source: Statistics Canada Table: 36-10-0402-01.

2.2.1 UPEI provincial GDP impacts from operations

In 2024, the operations of the University of Prince Edward Island resulted in $183.5 million worth of expenditures on the Island. This does not include the impacts of other spending such as sponsored research, capital projects, and endowments[2]. The university has an estimated 2,800 students that do not live on campus and have to pay for living costs each month while attending school. The costs associated with these individuals living off campus are estimated to be $44.7 million in 2024. Combined, the spending of the university and the off-campus spending of students amounted to an estimated $228 million in 2024.

Table 4 shows how those expenditures flow through the economy and become provincial gross domestic product (GDP). The direct GDP contribution is the result of internal spending by the university (and direct spending related to students living off campus). The direct and indirect GDP contribution includes the impact of supply chain spending, and the total GDP contribution includes the effects of induced economic activity as labour income is spent on goods and services across the economy.

The $228 million of operational and student expenditures resulted in a $232 million GDP impact on the Island[3].

[2]This is one cause of the discrepancy between Statistics Canada reported direct GDP from the university sector and the GDP contribution derived in this report.
[3]As discussed earlier there are economic impacts elsewhere in Canada and beyond.

TABLE 4 UPEI INDUSTRY OUTPUT AND GDP IMPACT ON PEI (2024)

	FROM UPEI OPERATIONS OFF CAMPUS	ASSOCIATED WITH STUDENTS LIVING	TOTAL IMPACT
Output (expenditures)	$183,500,000	$44,658,600	$228,158,600
Direct provincial GDP contribution	$144,598,000	$26,725,300	$171,323,300
Direct and indirect GDP contribution	$158,727,500	$33,191,400	$191,918,900
Total provincial GDP	$193,592,500	$38,782,200	$232,374,700

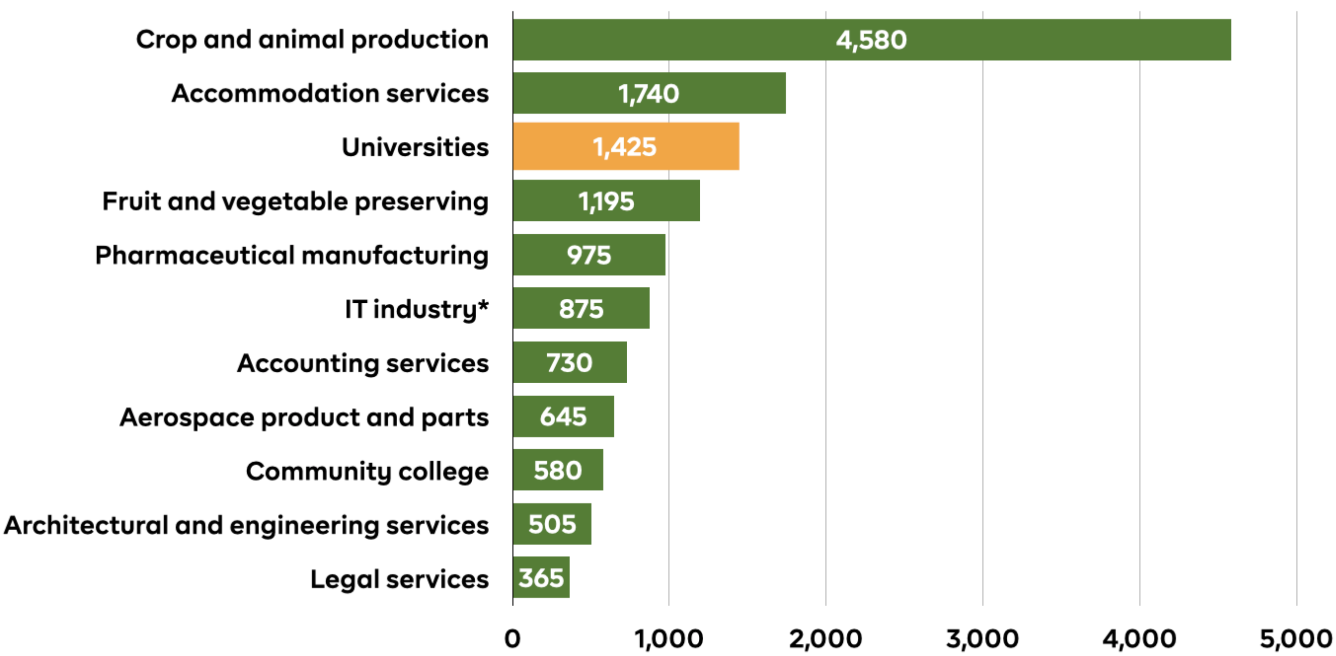
See Appendix A for sources and methodology.

2.2.2 Employment and labour income effects

UPEI is one of the largest employers on Prince Edward Island. According to Statistics Canada the university sector on PEI directly employed 1,425 people (full, part-time and contract employees). That works out to one out of every 65 people employed during 2024 across the province and one out of every 36 workers in the Greater Charlottetown region[4].

To add additional context, UPEI directly employs a similar number of employees as the entire information technology sector across the Island (software development, video games, IT services, etc.). UPEI employs more than the entire fruit and vegetable product manufacturing sector (e.g. frozen potato products, etc.) as well as the pharmaceutical manufacturing sector, and more than twice as many as the college sector. Figure 3 shows how the university sector employment compares to other important industries across the Island.

FIGURE 3 EMPLOYMENT BY INDUSTRY, PRINCE EDWARD ISLAND (2024)

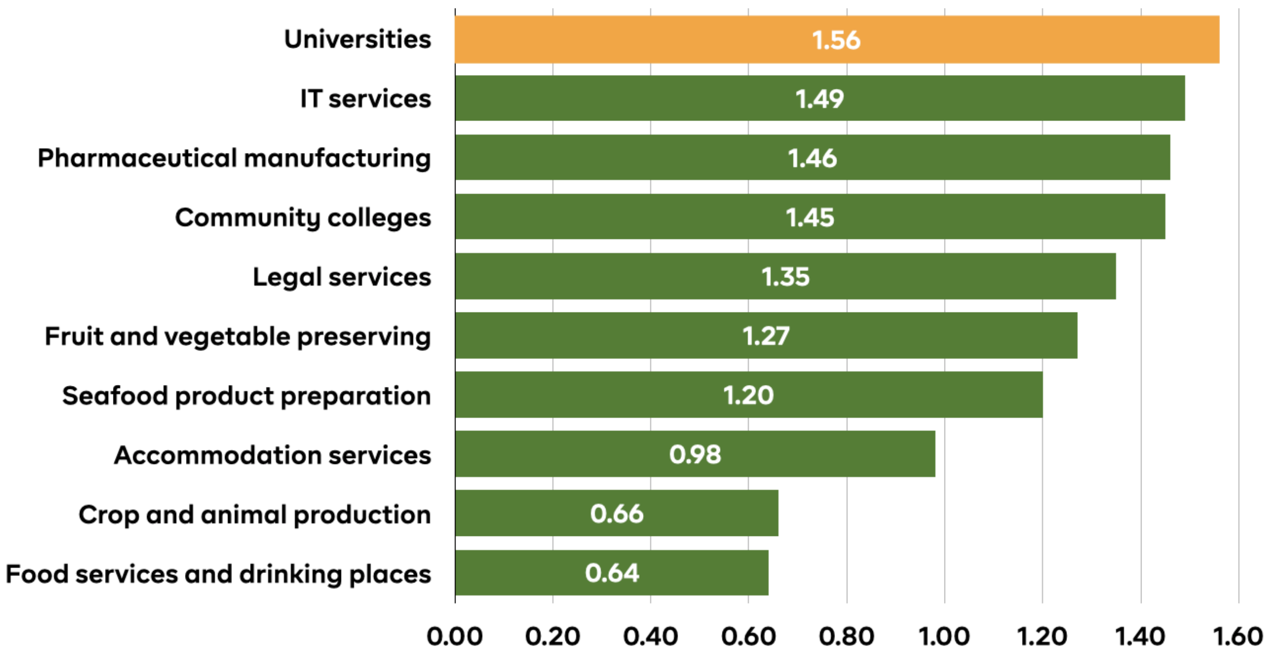


*Includes IT services, software publishing and data processing, hosting and related services.
Source: Statistics Canada Table: 36-10-0480-01.

[4]Some employees may live outside the Greater Charlottetown region. This statistic is meant to show the relative importance of the university as an employer in the area.

In addition, UPEI generates well above average employment income due to the high level of skills and educational attainment required. In 2024, the average total compensation per hour worked in the province's universities sector was 56 percent higher than the average for all workers. Of the 150+ four-digit NAICS[5] industries on the Island, the university sector is in the top 10 percentile for this measure. This is important because industries with higher average wages generate more tax revenue for governments.

FIGURE 4 **INDEX: TOTAL COMPENSATION PER HOUR WORKED COMPARISON, OVERALL ECONOMY = 1.00 (2024)**



Source: Statistics Canada Table: 36-10-0480-01.

The direct employment income associated with the university's operations in 2024 was $122.7 million. This includes both wages and salaries as well as benefits and payroll taxes. With indirect and induced effects, the economic impact model estimates the university supported $145.9 million in labour income across the Island (Table 5). Adding in the effects of the off-campus students, the total labour income supported by the university in 2024 was an estimated $157.6 million. The 1,425 people working for the university were not all employed full-time. Using Statistics Canada's estimate of total hours worked in the sector during 2024, the full-time equivalent employment is 1,145. Using Statistics Canada's multipliers for the university sector on the Island, the indirect and induced employment pushes the total FTE employment associated with the university's operations to 1,529.

Adding in the effects associated with students living off campus, the total employment supported by UPEI in 2024 was an estimated 1,806. This is an amount equivalent to one out of every 28 workers in the Charlottetown region[6].

[5]North American Industrial Classification System, NAICS.
[6]The Charlottetown Census Agglomeration area. Most of the workers associated with the university would be living in this region.

TABLE 5 UPEI EMPLOYMENT AND LABOUR INCOME IMPACTS (2024)

	FROM UPEI OPERATIONS	ASSOCIATED WITH STUDENTS LIVING OFF CAMPUS	TOTAL IMPACT
Direct employment	1,425		
Direct employment (FTE)	1,145	218	1,363
Direct and indirect employment	1,282	251	1,533
Total employment	**1,529**	**277**	**1,806**
Direct employment income*	$122,737,000	$8,748,100	$131,485,100
Direct and indirect employment income	$132,310,500	$10,514,000	$142,824,500
Total labour income supported on PEI	**$145,934,300**	**$11,619,300**	**$157,553,600**

***includes non-wage benefits and payroll taxes.**
See Appendix A for sources and methodology.

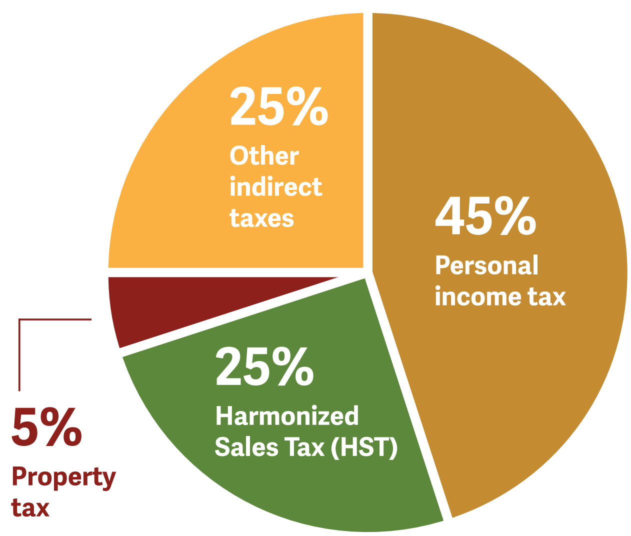
2.2.3 Taxation impacts

Wages, salaries and benefits are the largest part of the university's operational expenditures. Combined with higher than average salaries this results in the university contributing an above average amount of tax revenue to governments compared to most other industries.

As shown in Table 6, UPEI's operations on the Island generated an estimated $39.6 million worth of tax revenue for provincial and local government in 2024 and $66.4 million for all three levels of government. This included both the spending of UPEI on the Island and the impact of student spending off campus.

The university contributed an estimated $29 million in personal income tax (PIT) to federal and provincial governments as well as $18 million worth of harmonized sales taxes (HST). In addition, indirect taxes generated by UPEI's economic activity on the Island accounted for an estimated $16 million worth of revenue to federal, provincial and local governments. In total, taxes generated by UPEI were equivalent to 29 percent of its GDP contribution. Figure 5 shows the breakdown of taxes generated by the university on the Island in 2024 by source of tax.

FIGURE 5 BREAKDOWN OF TAX REVENUE BY SOURCE (% OF TOTAL)



Note: Business/organizational property taxes supported is included in 'other indirect taxes'.
See Appendix A for sources and methodology.

TABLE 6 TAXES INDUCED FROM UPEI'S OPERATIONAL EXPENDITURES (2024)

	FROM UPEI OPERATIONS	ASSOCIATED WITH STUDENTS LIVING OFF CAMPUS*	TOTAL IMPACT
Provincial and local government	$33,715,300	$5,900,700	$39,616,000
All levels of government	**$56,922,300**	**$9,498,100**	**$66,420,400**
Taxes generated relative to GDP	**29%**	**24%**	**29%**

***includes HST paid on relevant purchases (food, general merchandise, etc.).**
See Appendix A for sources and methodology.

NOTE: The university sector on PEI boosts tax revenue in other provinces as a result of supply chain spending (e.g. the purchase of goods and services from suppliers elsewhere in Canada) and the impact of induced spending (e.g. when a vehicle is purchased on PEI economic activity is boosted in Ontario). This additional revenue for federal and provincial governments was not included in the economic impact model.

Table 7 compares the annual provincial government funding for UPEI to its provincial and local tax revenue contribution. According to the 2024-2025 PEI government budget, $63.5 million was allocated to UPEI through core operating grants and restricted funding. This means that after accounting for the tax revenue generated for government, the provincial contribution net of induced taxes in 2024 was $23.9 million.

This means the provincial government funding for UPEI was reduced by 62 percent when considering the income tax, HST, property tax and other revenues generated for the provincial government from the university's operations.

Section 3.6 below takes a closer look at the return on taxpayer investment from government funding for UPEI.

TABLE 7 TAXES GENERATED ON PEI FROM UPEI'S EXPENDITURES (2024)

Core operating grant	$39,671,800
Restricted funding	$13,564,000
Atlantic Veterinary College	$10,260,300
Total PEI government funding	$63,496,100
Less: Tax revenue generated by operations (provincial & local)	$39,616,000
PEI government funding - NET of induced tax revenue	$23,880,100
Reduction in provincial government funding for UPEI after accounting for induced taxes	**-62%**

*Source: UPEI funding taken from PEI Government Main Estimates 2024-2025 budget.

2.2.4 Household spending impacts

The employment income generated by the university in 2024 supported a wide variety of consumer spending on the Island. Table 8 shows the estimated direct, indirect and induced consumer spending activity supported by the industry by major expenditure category. The figures were derived using the average household expenditures on PEI and on the assumption that the industry's employment income would be spent in a similar pattern to the average household across the Island.

In total, the employment income generated by the university and related activities supported $120.3 million worth of consumer spending during the year.

This included $21.5 million on food (groceries and restaurants), over $32.4 million in housing-related expenditures such as mortgage payments, utilities and insurance, and $20.9 million on transportation costs that are mostly related to vehicle purchases, operations and maintenance. As shown in Table 8, the university supported $9.6 million worth of spending on recreation and another $6.9 million on health and personal care.

TABLE 8 ESTIMATED CONSUMER SPENDING FROM UPEI INDUCED ECONOMIC ACTIVITY ON THE ISLAND (2024)

Total current consumption	$120,319,200
Food expenditures	$21,494,700
Shelter	$32,445,000
Transportation	$20,896,800
Health and personal care	$6,895,200
Recreation	$9,565,100

Source: Derived using Statistics Canada Table: 11-10-0223-01.

2.2.5 Deeper dive: Supporting the Prince Edward Island economy

In 2024, the university's direct, indirect and induced spending generated an estimated $120.3 million worth of consumer spending across the province. This spending supports a wide variety of businesses of all sizes. As shown in Table 9, restaurants benefitted from $6.6 million worth of revenue. Telephone and Internet service providers generated $6.5 million. Insurance companies benefitted from more than $5.8 million worth of premiums. Veterinarians and pet food suppliers received a $1.6 million revenue boost from the income generated by UPEI activities during the year.

TABLE 9 CONSUMER SPENDING INDUCED BY UPEI OPERATIONAL SPENDING (2024) DETAILED CATEGORIES

EXPENDITURE CATEGORY	AMOUNT	EXPENDITURE CATEGORY	AMOUNT
Grocery stores	$15.1 million	Purchase of vehicles	$7.1 million
Restaurants	6.6 million	Maintenance/repairs of vehicles	$1.6 million
Rent and mortgage payments	$14.9 million	Vehicle insurance premiums	$2.2 million
Telephone and Internet services	$6.5 million	Gas and other fuels	$6.3 million
Household furnishings and equipment	$5.5 million	Clothing and accessories	$3.7 million
Homeowners' insurance premiums	$1.5 million	Entertainment (movies, arts, etc.)	$1.6 million
Premiums on life insurance & related	$1.1 million	Pet expenses	$1.6 million
Health insurance plan premiums	$1.0 million	RV purchases and services	$1.5 million
Dental and eye care services*	$1.0 million		

***direct to household billing only. See Appendix A for the detailed** economic impact methodology and sources.

2.3 ECONOMIC IMPACT FROM CAPITAL INVESTMENT

2.3.1 Capital investment projects: Summary

Starting in 2024, the university started investing what will ultimately be $170 million worth of capital to build new facilities and make a variety of upgrades to existing infrastructure. Over half of the investment was deployed in 2024-2025 with the remaining amounts mostly spent between 2025-2026 and 2026-2027. The major projects include $103 million for the new Faculty of Medicine building and $35 million for an expansion and various upgrades to the Atlantic Veterinary College facilities. Other capital spending includes IT infrastructure, parking upgrades and other facility improvements.

2.3.2 Economic impact of UPEI capital construction projects

Table 10 shows the economic impact of these construction projects on the Island through 2027. The $170 million investment will boost Island GDP by $137.8 million (cumulative over several years), support 1,376 person years of employment (i.e. full-time, full-year employment) and boost labour income by $78.5 million.

The capital investment will also generate substantial tax revenue for governments. The $170 million capital investment is expected to result in $31.6 million in tax revenue paid to all levels of government combined. The provincial and local portion of the taxes generated is estimated to be over $18 million.

A considerable amount of the investment will pay for construction materials (e.g. cement, steel, wood, etc.) and other imported supplies, but the largest share of the investment will go towards labour income. The majority of the $78.5 million worth of labour income becomes household spending which will rise by nearly $60 million as a result of the capital investment.

TABLE 10 ECONOMIC IMPACT OF CAPITAL INVESTMENT - CURRENT UPEI EXPANSION PROJECTS*

Capital investment projects:	$169,927,000
Total Island GDP contribution	$137,811,000
Person years of employment	1,376
Labour income supported on PEI	$78,506,000
Taxes generated	
Provincial and local government	$18,143,000
All levels of government	$31,549,000
Taxes generated relative to GDP	22.9%
Household spending boost	
Total current consumption	$59,956,000
Food expenditures	10,961,000
Shelter	16,673,000
Transportation	10,057,000
Health and personal care	3,711,000
Recreation	3,922,000

***Direct, indirect and induced effects.**
See Appendix A for the detailed economic impact methodology and sources.

3. UPEI: Broader economic impacts

Beyond the economic impacts from the university's spending each year, the investment in UPEI generates many other benefits for the Island's economy and population.

3.1 UPEI - CATALYST FOR RESEARCH

According to Statistics Canada, the higher education sector on PEI performed an estimated $44 million worth of R&D activity in 2022, the most recent year for published data. This includes sponsored research income and other sources of funding. It represents a modest increase over the $37 million worth of R&D completed by the higher education sector on PEI back in 2014. UPEI is responsible for the vast majority of this R&D.

The higher education sector on the Island is responsible for a significant share of total provincial R&D spending. Over the nine-year period 2014-2022, the sector performed 48 percent of total R&D in the province compared to 39 percent across the country.

However, in absolute terms and on a per capita basis, the Island ranked last among the 10 provinces for growth in R&D spending in the higher education sector. As shown in Table 11, a main reason for this has been the decline in federal funding on the Island. A decade ago, the federal government was investing between $8 million and $10 million per year. Between 2019 and 2022, the amount had dipped to less than $4 million per year.

TABLE 11 CHANGE IN THE VALUE OF R&D PERFORMED IN THE HIGHER EDUCATION SECTOR, 2014-2022

SOURCE OF R&D FUNDING	CANADA	PEI
Total, all sectors	+40%	+19%
Federal government sector	+41%	-50%
Provincial governments sector	+24%	+200%
Business enterprise sector	+27%	0%
Higher education sector	+39%	+38%
Private non-profit sector	+69%	+200%

In current dollars (not adjusted for inflation).
Source: Statistics Canada Table: 27-10-0273-01.

There are a number of positive signs. According to Statistics Canada, sponsored research income in the university sector on the Island rose by 32 percent between 2019 and 2023, the fastest growth rate in the country. Further, the new Faculty of Medicine will be a catalyst for new R&D spending in the years ahead.

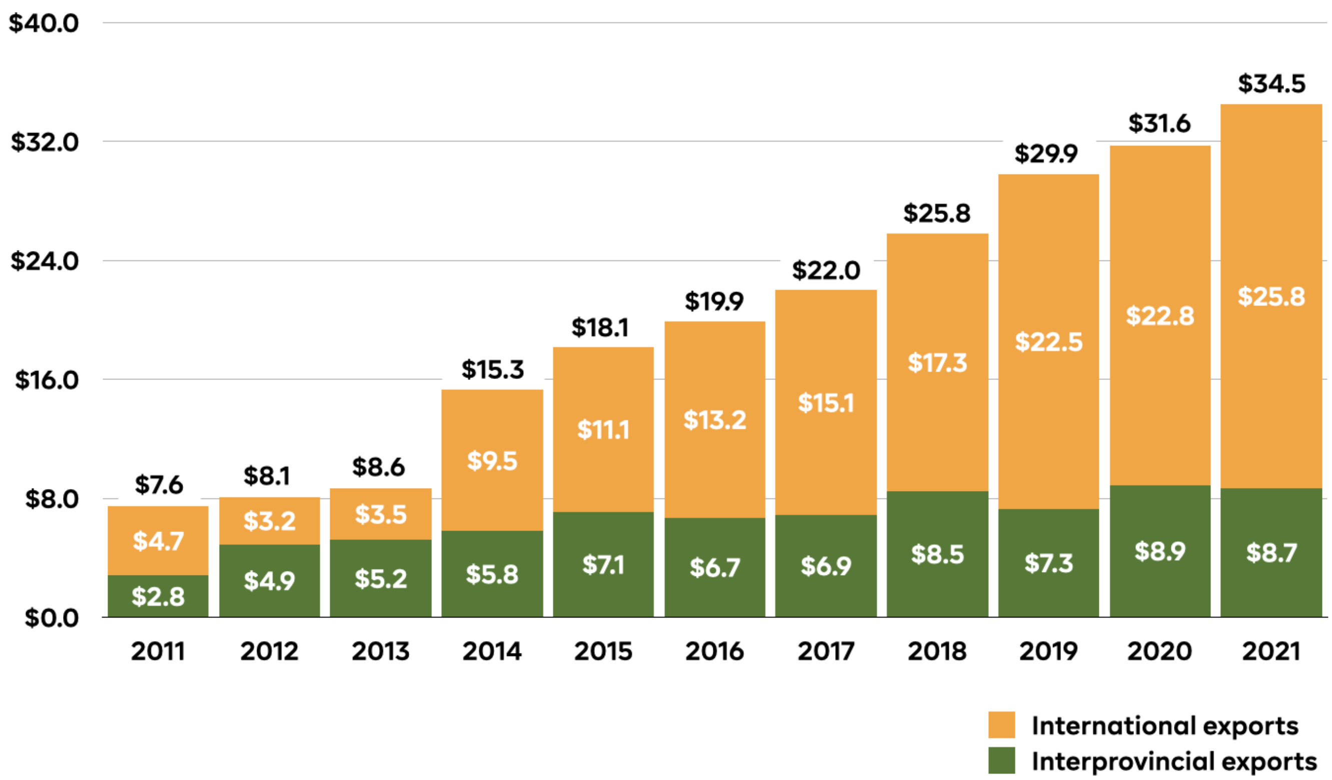
3.2 A DRIVER OF EXPORT REVENUE FOR THE ISLAND ECONOMY

UPEI generates a significant amount of export revenue for the Island economy. This is not export revenue in the traditional sense of Island industries selling fish, potatoes or manufactured products to customers outside the province. This is the export revenue associated with educational services.

Figure 7 clearly illustrates how the university pivoted to the attraction of students from off-Island when the domestic market for university services started to decline a few years ago. In 2011, the university generated $2.8 million in tuition and related revenue from international students. By 2021, the amount had increased to $25.8 million. There is no data from Statistics Canada on the spending trend after 2021 but given the rise of international students since, there is no doubt the amount has gone up even further.

Interprovincial revenue from university students has increased at a slower pace in recent years but is still much higher than a decade earlier.

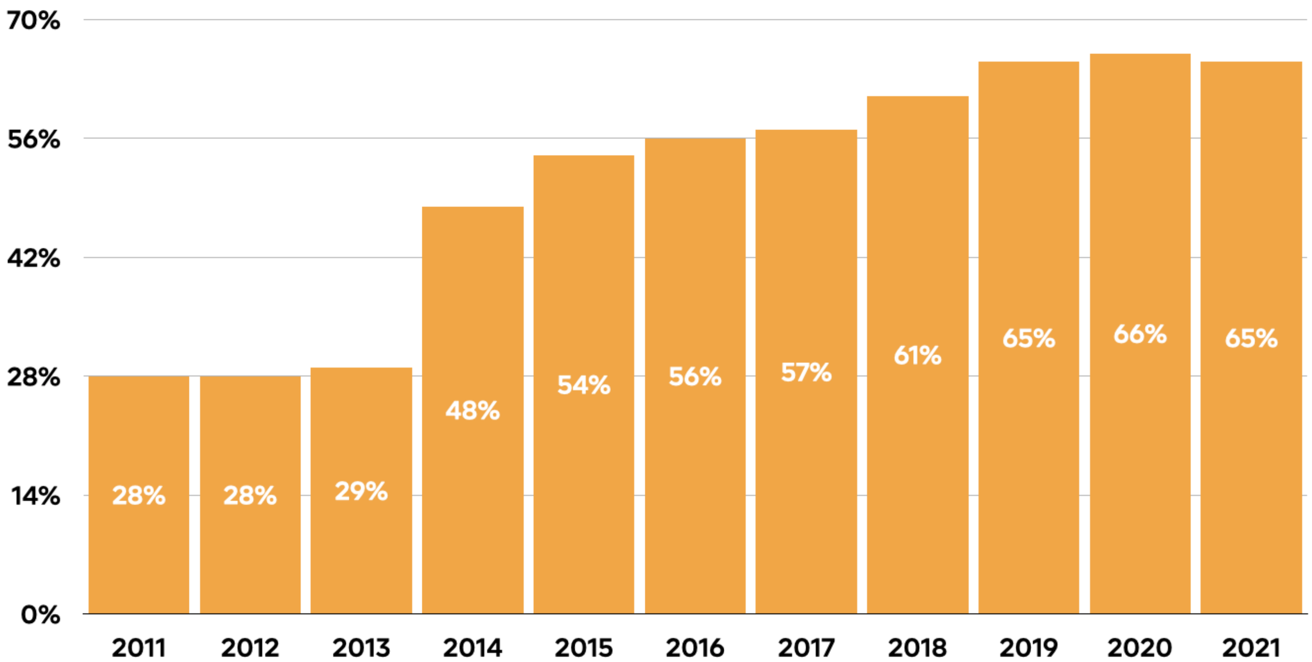
FIGURE 6 EXPORT REVENUE FROM UNIVERSITY TUITION AND RELATED COSTS, PEI ($MILLION)



Source: Statistics Canada Table 14-10-0118-01.

Again, after being mostly a locally focused university 15-20 years ago, UPEI has been able to pivot and attract students from across Canada and around the world. As shown in Figure 8, students from out-of-province generated 65 percent of total tuition and related fees for the university in 2021 (based on Statistics Canada data).

FIGURE 7 PERCENTAGE OF TOTAL TUITION AND RELATED FEES FOR UNIVERSITIES PAID BY UPEI STUDENTS FROM OUTSIDE PRINCE EDWARD ISLAND



Source: Statistics Canada Table 14-10-0118-01.

The consulting firm Gardner Pinfold completed a study on the economic impact of international students in the 2023-2024 school year and found that, on PEI, these students contributed an estimated $78.7 million to provincial GDP from both tuition and related fees to the university and their annual living costs.

Gardner Pinfold estimated the impact of federal government changes to international study and work permits and concluded there was only a modest impact to UPEI in 2024-2025 including a decline of $925,000 in the GDP and $604,000 worth of income. Newfoundland and Labrador lost an estimated $20.5 million worth of GDP and Nova Scotia lost an estimated $152 million in GDP from the changes.

Looking to the future, the new federal government approach to international students could be a drag on UPEI's economic contribution and its ability to act as a catalyst for international talent recruitment to the Island.

3.3 SUPPORTING THE ISLAND'S KEY GROWTH CLUSTERS

Overall, the number enrolled in university programs on PEI increased by 20 percent between 2017/2018 and 2022/2023. As shown in Figure 9, that was the fastest growth rate among the 10 provinces over the five-year period. Many of these graduates are feeding workforce demand in high value and export-focused industries.

Biosciences cluster

The biosciences cluster on PEI has been one of the most successful cluster development efforts in Canada over the past decade. There are now more than 70 firms and organizations in the cluster employing over 2,100 workers. The cluster generated more than $470 million worth of GDP in 2023 up over 84 percent since 2018. With indirect and induced effects, the cluster supports over 3,400 workers on the Island. UPEI has been instrumental in the development of this cluster turning out high quality graduates and supporting research and development.

Information technology

The number of students enrolled in mathematics, computer and information sciences programs increased by more than double between 2017/2018 and 2022/2023 (from 156 to 378 enrolled). This is a vital talent pipeline for the growing IT industry on the Island.

Health care

The number of students enrolled in programs related to health care has been increasing every year for the past decade. There were 615 enrolled in 2022/2023 up by 20 percent since 2017/2018. The new Faculty of Medicine will lead to significant growth in health care enrollment in the coming years.

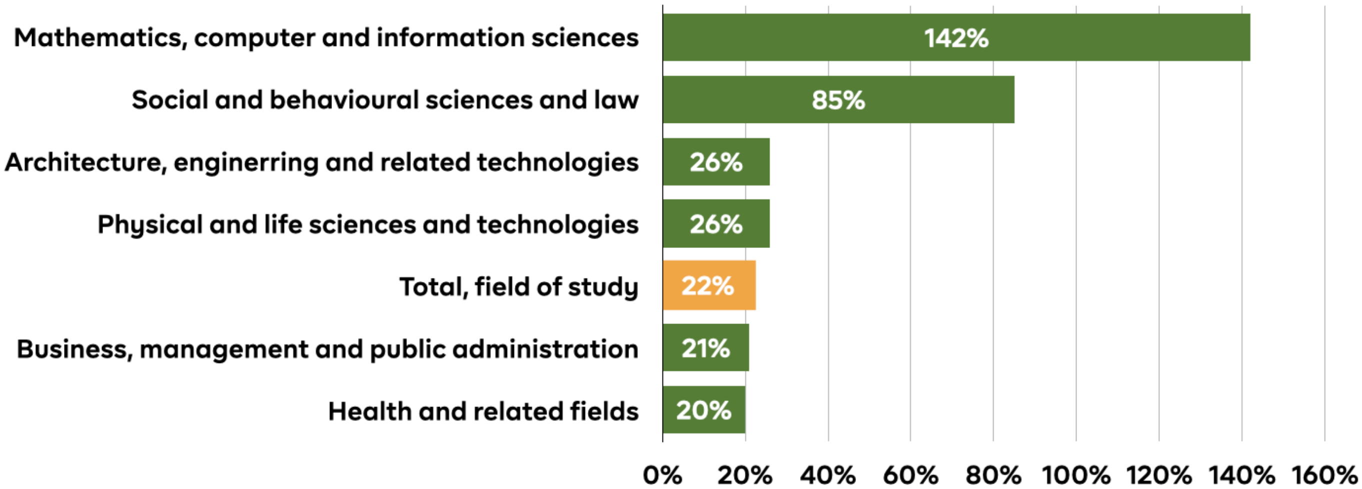
Engineering

UPEI has been expanding its activity in the area of engineering in recent years. The Faculty of Sustainable Design Engineering is an important focus area for the school. The university has added a Master of Science in Sustainable Design Engineering degree. Overall enrollment in architecture, engineering and related technologies programs was up by 34 percent between 2017/2018 and 2022/2023.

Graduate-level education

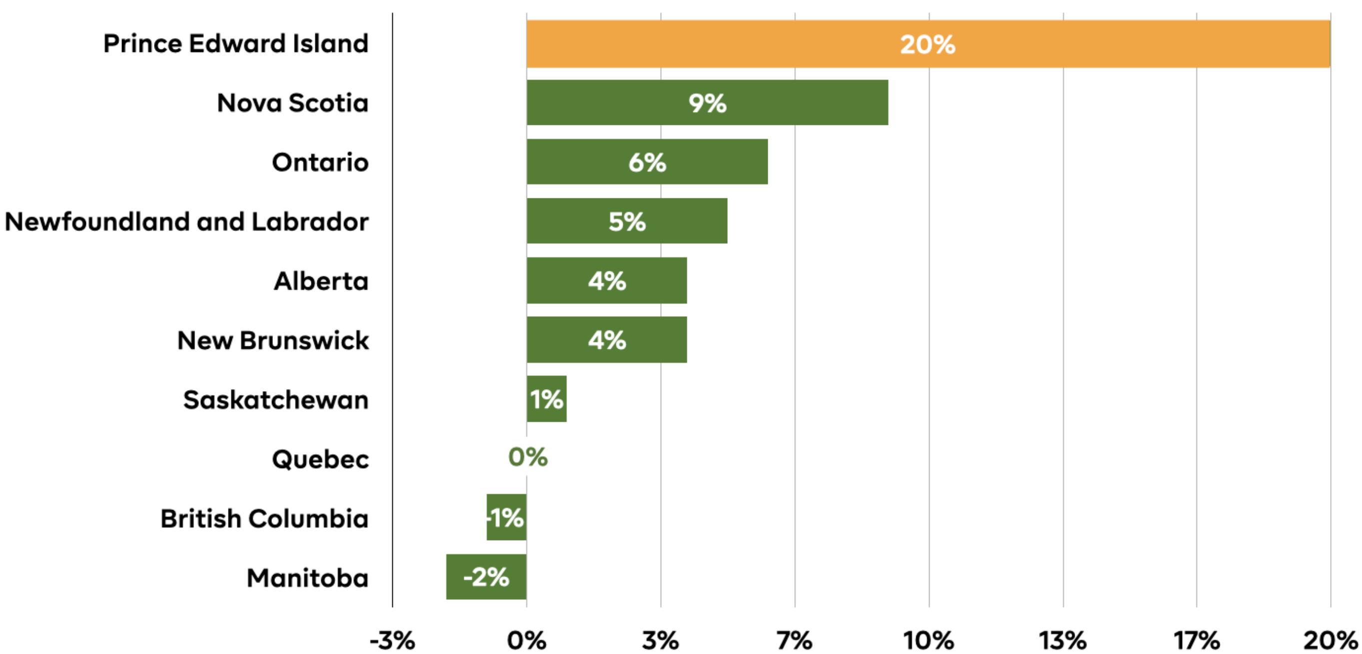
The university has been increasing enrollment in master's and doctoral programs in recent years. In 2012/2013 there were 531 students enrolled in master's or equivalent and Doctoral or equivalent programs at the university. By 2022/2023 the number had risen to 813 – an increase of 53 percent over the decade.

FIGURE 8 INCREASE IN UNIVERSITY ENROLLMENT ON PEI BY FIELD OF STUDY, 2018/2019 TO 2022/2023



Source: Statistic Canada Table: 37-10-0018-01.

FIGURE 9 INCREASE IN UNIVERSITY ENROLLMENT BETWEEN 2018/2019 AND 2022/2023, ALL FIELDS OF STUDY



Source: Statistic Canada Table: 37-10-0018-01.

3.4 HELPING TO GROW THE PEI ECONOMY AND WORKFORCE

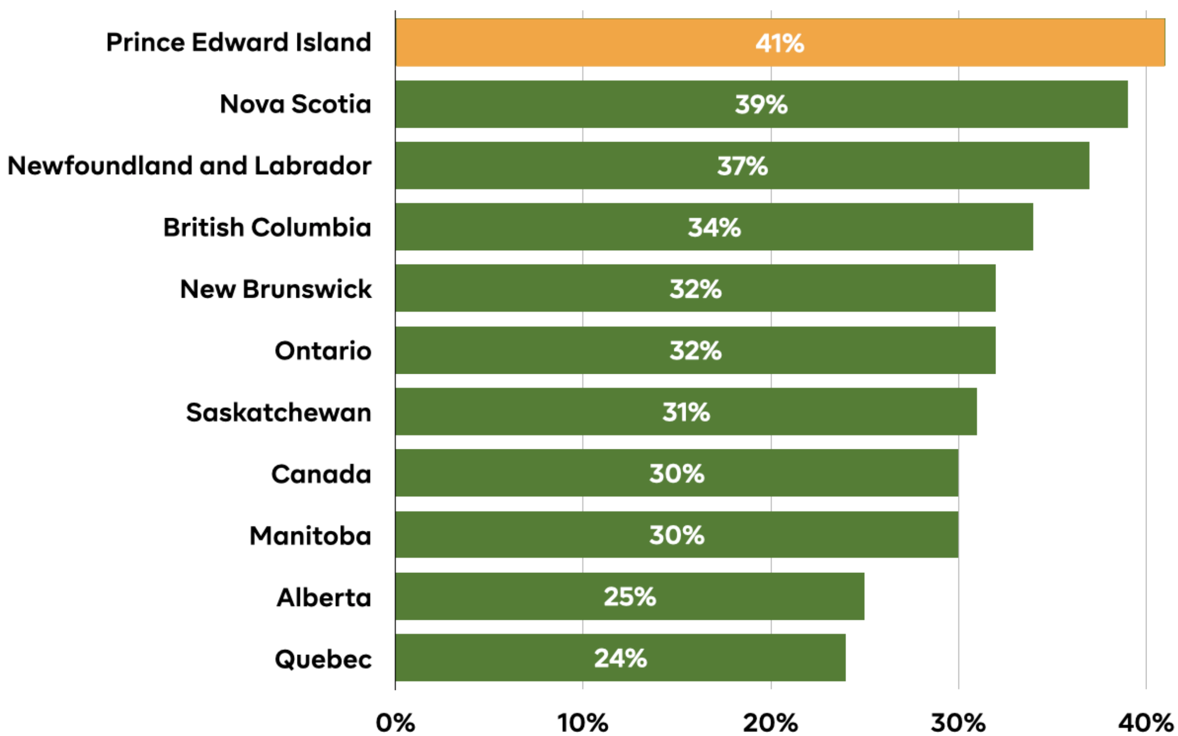
A key theme of this report has been the role of the university in support of the growing economy and population across the Island. In the past decade, the success of the Island economy has been the result of population growth, the expansion of important export-focused industries and the growth of more knowledge-based clusters such as biosciences.

The university has played an important role in this transformation. The Island's economy is still dominated by natural-resources industries (e.g. fishing and farming) and tourism, two areas that have a higher share of non-university-trained workers. Figure 10 shows just how important the university has been as a provider of skilled talent in recent years. As enrollment has risen, so has the number of people with university degrees participating in the provincial workforce.

In fact, no other province has seen as large an increase in university educated people participating in the workforce. In absolute terms, there were an estimated 7,600 more university educated people in the Island workforce in 2024 than there were back in 2019. To put this in context, previously, it took 15 years – between 2004 and 2019 – to add that many university graduates to the workforce.

The University of PEI has been and will continue to be key to the transformation of the workforce.

FIGURE 10 PERCENTAGE INCREASE IN THE WORKFORCE AGED 25 AND OLDER WITH A UNIVERSITY DEGREE (2019 TO 2024)



Source: Statistics Canada Table 14-10-0118-01.

3.5 PROMOTING DIVERSITY

According to Statistics Canada, PEI had the most equitable distribution of full-time academic staff at universities among the 10 provinces. In 2023-2024, there were 98 female full-time academic staff for every 100 male full-time academic staff. The average across Canada was only 77.

Among full professors the ratio was only 38 females per 100 males, the lowest among the 10 provinces. The associate professor ratio was 87 females per 100 males (second best in the country), and the assistant professor ratio was 189 females per 100 males (the highest ratio in the country by a wide margin). Note Statistics Canada does report on non-binary person and unknown gender, but there are none reported for PEI (either none or for privacy reasons listed as zero).

The main difference among full professors is related to age. Over 90 percent of male full professors are over the age of 50 and 62 percent are over the age of 60. As these professors retire, the younger mix is more balanced.

As shown in Table 12, no other province in Canada has seen a more significant increase in the gender balance among academic staff in the university sector over the past decade.

TABLE 12 FEMALE ACADEMIC STAFF PER 100 MALE ACADEMIC STAFF, UNIVERSITY SECTOR

	2013/2014	2023/2024	% CHANGE
Canada	62	77	23%
Newfoundland and Labrador	63	75	19%
Prince Edward Island	66	98	48%
Nova Scotia	68	91	33%
New Brunswick	72	81	13%
Quebec	56	72	27%
Ontario	62	74	19%
Manitoba	64	80	25%
Saskatchewan	59	79	34%
Alberta	65	77	18%
British Columbia	67	85	28%

Source: Statistics Canada Table: 37-10-0228-01.

3.6 VALUE FOR THE TAXPAYERS' INVESTMENT INTO UPEI

The University of Prince Edward Island offers a strategically important service for residents across the Island. It is turning out graduates needed across all sectors of the economy. It is collaborating on research and development to support strategic industries such as agriculture, bioscience and health care and it is attracting students from around the world to help boost the talent pipeline for the economy.

In addition to these benefits, the Government of Prince Edward Island investment into the university generates significant economic value. As shown in Section 2.2.3, the estimated tax revenue generated by the university's operations in 2024 was equivalent to 62 percent of the government's funding of the university during the year.

Government of Prince Edward Island funding in 2023/2024 accounted for only 33 percent of total university revenue (based on Statistics Canada reporting). Other revenue sources included tuition, residence fees, other sales and services as well as donations and investment income. Among the 10 provinces, PEI ranked eighth for the share of total university funding coming from the provincial government and seventh on a per student basis.

The university leveraged provincial funding generating $3.03 dollars in total revenue for every $1.00 of provincial government revenue. That was the third best leverage ratio among the 10 provinces.

This means the government's investment is leveraged by many other sources of funding to create a larger economic impact.

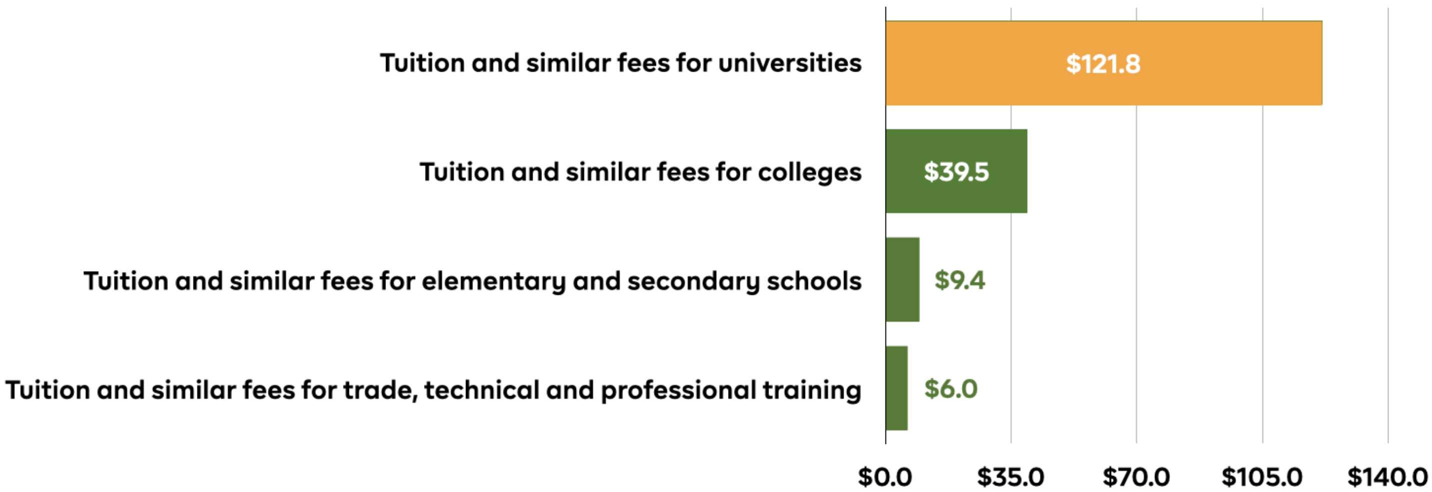
TABLE 13 PROVINCIAL GOVERNMENT FUNDING OF UNIVERSITIES BY PROVINCE, 2023/2024

	TOTAL UNIVERSITY REVENUES ($M)	PROVINCIAL GOVERNMENT FUNDING ($M)	% OF TOTAL FUNDING	PROVINCIAL FUNDING PER STUDENT*	LEVERAGE (TOTAL FUNDING PER $1.00 PROVINCIAL FUNDING)
Canada	$52,360	$16,953	**32%**	$11,456	$3.09
Newfoundland and Labrador	$804	$397	**49%**	$20,398	$2.03
Prince Edward Island	$217	$72	**33%**	$12,296	$3.03
Nova Scotia	$1,886	$486	**26%**	$12,249	$3.88
New Brunswick	$831	$289	**35%**	$14,942	$2.88
Quebec	$10,578	$5,376	**51%**	$15,936	$1.97
Ontario	$21,516	$4,537	**21%**	$7,510	$4.74
Manitoba	$1,648	$645	**39%**	$12,450	$2.55
Saskatchewan	$1,803	$676	**38%**	$17,560	$2.67
Alberta	$5,262	$1,770	**34%**	$12,661	$2.97
British Columbia	$7,746	$2,665	**34%**	$12,046	$2.91

***in 2022/2023.**
Source: Statistics Canada Table: 37-10-0026-01.

A main reason for the higher economic impact from the university relative to the college or K-12 education sector has been its ability to generate export revenue (as discussed in Section 3.2 above). Figure 11 shows the amount of tuition and related fees generated between 2018 and 2021 from outside the province for the university sector compared to college and K-12 education. This does not include the living expenses of students from off-Island make while studying at the university.

FIGURE 11 INTERPROVINCIAL AND INTERNATIONAL EXPORT REVENUE, TUITION AND SIMILAR FEES, PEI EDUCATION SECTOR, 2018-2021 COMBINED ($MILLION)



Source: Statistics Canada. Table 12-10-0101-01.

3.7 MUNICIPAL GOVERNMENT BENEFITS

The economic footprint associated with the university is highly beneficial to municipal governments – mostly the City of Charlottetown but also other municipalities in the wider area.

According to the economic impact model developed for this report, the university's employees and other workers contributed just over $3.2 million in municipal property taxes and fees in 2024. Further, the university's spending on the Island supported another $1.1 million in municipal property taxes from induced effects. This includes business and organization-related property taxes supported by the $228 million worth of spending (operations and off-campus students). Combined the university supported $4.3 million in municipal property taxes mostly in Charlottetown but also in other municipalities across the region.

The municipal benefits go well beyond just property taxes:

- The university contributes a large share of the high wage jobs in the region.
- The university induces $120 million in annual household spending on goods and services supporting hundreds of small businesses across the region such as restaurants, retail, personal services and recreation.
- The university is a key partner in a number of important industries such as sports tourism, conventions/meetings, etc.
- The university generates significant traffic for the Charlottetown Airport.

3.8 SUPPORTING THE SPORTS TOURISM SECTOR

Charlottetown is highly ranked for sports tourism, consistently holding the number one spot in Canada for cities under 50,000 population for hosting sporting events and ranking sixth overall in Canada according to the Canadian Sport Hosting Index developed by Sport Tourism Canada. UPEI is a vital partner in support of sports tourism.

First, UPEI has a vibrant sports program fielding 14 varsity sport teams as part of its UPEI Panthers athletics program split between six men's teams (Soccer, Hockey, Basketball, Cross Country, Track & Field, Curling) and eight women's teams (Soccer, Hockey, Basketball, Rugby, Cross Country, Track & Field, Curling, Field Hockey) competing within U SPORTS in the Atlantic University Sport conference. These programs are key to student recruitment and retention.

The economic benefit from these sports programs is an important part of the UPEI economic impact story:

- Varsity events and programs contribute to local tourism and campus economy.
- Games generate revenue from ticket sales, sponsorships, and merchandise.
- Athletics often attract donations and corporate partnerships, enhancing university growth.
- Business relationships with various suppliers (local, regional and national).
- Positive impact on enrollment. Some people would not choose a school unless their sport is offered. This includes club teams.
- Boost ancillary services such as: residence, meal plans, books and supplies, UPEI brand wear.
- Create employment opportunities on campus through facilities, events and internships – important for international students who often require employment opportunities.

Number of home varsity games:

- Soccer (Men’s & Women’s): 12
- Rugby (Women’s): 3
- Hockey (Men’s & Women’s): 29
- Basketball (Men’s & Women’s): 20
- Cross Country, Track & Field: Host 1 per year
- Atlantic University Sport (AUS) Playoffs and Championships

The UPEI sports facilities attract thousands of visitors from off-Island every year. They include competing athletes and fans coming to see the sports events.

In addition, UPEI has hosted seven National U SPORTS Championships since 2014 including:

- 2014 CIS Men’s Soccer Championship
- 2018 U SPORTS Women’s Hockey Championship ($1.5M Economic Impact)
- 2019 U SPORTS Women’s Hockey Championship ($400K Economic Impact)
- 2022 U SPORTS Women’s Hockey Championship ($2M Economic Impact)
- 2023 U SPORTS Men’s Hockey Championship ($4M Economic Impact)
- 2024 U SPORTS Women’s Rugby Championship ($1M Economic Impact)
- 2025 U SPORTS Field Hockey Championship

***The economic impact numbers were provided by the City of Charlottetown.**

There is no doubt the UPEI sports facilities and teams are key to the city’s high ranking for sports tourism.

4. The value of a university education

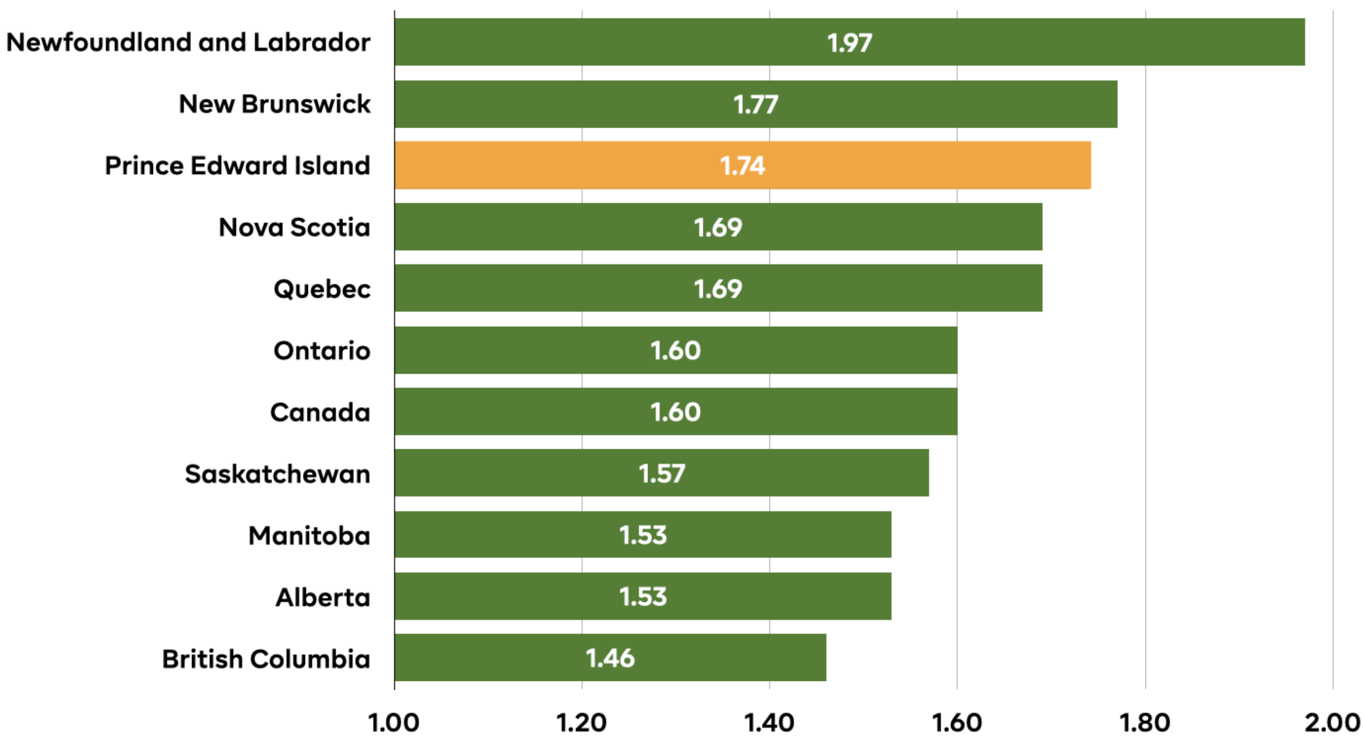
4.1 THE UNIVERSITY INCOME PREMIUM

From the 2021 Census, the median employment income for a university graduate (bachelor's degree or higher) on PEI was 2.2 times the median employment income for persons with just a high school education (more than double). This was the third highest university education income premium among the 10 provinces. The income premium versus those with a college diploma was 43 percent and 48 percent for those with a trades-related education.

Among those working full-time and full-year, the university education employment income premium was 74 percent higher. This was the third highest university education income premium among the 10 provinces (Figure 12).

This has substantial economic consequences. On average, university graduates on the Island can expect to earn $1.2 million more (in 2020$) over a 40-year career compared to those with just a high school diploma.

FIGURE 12 MEDIAN EMPLOYMENT INCOME PREMIUM, UNIVERSITY GRADUATE VERSUS A HIGH SCHOOL GRADUATE, FULL-TIME/FULL-YEAR EMPLOYMENT (HIGH SCHOOL ONLY INCOME LEVEL = 1.00)



Source: Statistics Canada 2021 Census.

4.2 THE ISLAND IS CREATING MORE JOBS REQUIRING A UNIVERSITY EDUCATION

The Island economy is creating more university requiring jobs than ever before. Between 2019 and 2024, the number of university educated workers aged 25+ employed on the Island increased by 7,600. The number without a university degree increased by only 4,300. This was a marked difference compared to previous five-year periods when the increase in non-university graduates in the workforce outpaced the increase in university graduates. This trend is likely to continue as many of the growing occupations require university graduates (information technology, health care, engineering, etc.).

TABLE 14 INCREASE IN EMPLOYMENT BY EDUCATION LEVEL, AGED 25+ (PEI)

	2019-2024	2014-2019	2009-2014
Increase in the number of university graduates in the workforce	+7,600	+2,200	+3,800
Increase in the number of non-university graduates in the workforce	+4,300	+3,000	+4,600

Source: Statistics Canada Table: 14-10-0118-01.

5. The future of UPEI

The University of Prince Edward Island's impact is set to grow even further in the years ahead. The new strategic plan focuses on "pursuing opportunities to leverage University-developed initiatives into larger-scale community impacts". The plan also talks about stronger linkages with key industry sectors and communities, including Indigenous people, and focuses on boosting its research and development activities.

The new Faculty of Medicine will continue to grow its impact including both students and research activities. The Atlantic Veterinary College with its strengths in animal health research, aquaculture, and public health is poised for an increasing impact.

The Faculty of Sustainable Design Engineering is well aligned with the provincial government's vision of a sustainable economy and reduced carbon footprint.

6. Conclusion

This report has summarized the economic impact of the University of Prince Edward Island on the provincial economy. The university is one of the top employers in the province and the university's GDP impact is among the highest in Canada as a share of the provincial economy.

The report also covered the broader role the university plays as a driver of research and development, an incubator of talent for the Island's key industries and a major influence in the advancement of the economy and society on the Island.

UPEI has been a key catalyst in support of the Island's recent growth spurt and the development of key clusters including biosciences.

The university's role in the coming years will be amplified further as the province looks to grow its knowledge-based industries and attract talent from around the world. Much of that talent will be incubated at the university.

Appendix A: The economic impact model and sources

The data sources used in the preparation of this report include:

STATISTIC	DESCRIPTION
UPEI operating budgets, payroll, staff levels, etc.	Supplied by the university.
Indirect and induced GDP, employment and income estimates	Uses Statistics Canada Input-Output multiplier and impact estimates at the M industry level. Provincial Input-Output Multipliers, 2021. Catalogue no. 15F0046XDB. Industry Accounts Division. Statistics Canada.
HST paid	Based on the ratio of HST collected to total provincial personal income in 2024 (Source: provincial budget documents and Statistic Canada).
Personal income taxes paid	Derived using several sources including Statistics Canada personal tax-related tables and its survey of household spending (SHS) for 2023.
Property taxes paid (from employment income)	Derived using Statistics Canada's survey of household spending (SHS) for 2023.
Indirect taxes	Source: Statistics Canada Input-Output tables. These indirect taxes are levied on the business activity (not employment income) and include such tax areas as: business property taxes, fuel taxes, vehicle license fees, land transfer taxes, and any sales taxes arising out of the corporate activity.
Estimated consumer spending impacts	Derived using Statistics Canada's Survey of household spending (SHS) for 2023.
Average weekly wages	Taken from Statistics Canada Table: 14-10-0204-01. Shows the annualized average weekly wage including overtime in each of the sectors.
Capital investment projects	Investment level provided by UPEI. Economic impact derived using multipliers for non-residential construction on the Island.

NOTES

NOTES

University *of* Prince Edward Island

A Catalyst for the Island's Economic Transformation

ECONOMIC IMPACT REPORT

Jupia CONSULTANTS INC.

Prepared by:
Jupia Consultants Inc.

October 2025