

Economic Profile Series: Altona/Rhineland, Manitoba

Fall 2019

This series looks at communities across Canada and highlights key labour market statistics and the role that immigration has played or could play to help these communities flourish. It is important to note that predicting future labour market demand can be challenging, as economies are always evolving. This profile uses current population and labour market trends to give a profile of how immigration might play a role in this community.

Ensuring Altona/Rhineland remains a strong and growing economy in southern Manitoba: the role of immigration

The looming workforce challenge

The Town of Altona and the Municipality of Rhineland are home to a relatively young population. In the 2016 Census, the median age in the area was only 32 years old, compared to 41.2 across Canada and 38.3 across Manitoba. Figure 1 shows the breakdown of the Altona/Rhineland workforce by age group.

However, the community is facing a big challenge finding enough workers to meet local labour market demand. The unemployment rate is very low (3.7% at the time of the Census) and 20% of the workforce is over the age of 55 (or more than 2,000 in total).

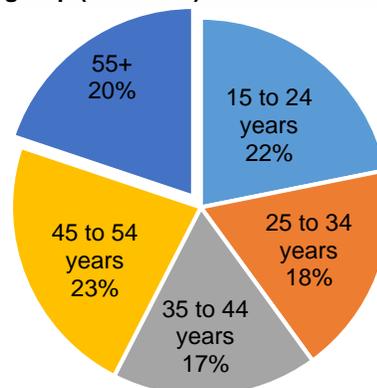
Altona/Rhineland fills an important economic role

Altona/Rhineland (pop. 10,000) is located in southern Manitoba, east of Winkler and Morden and along the border with the United States. Altona/Rhineland is an important agricultural centre producing cattle, wheat, canola, soybean, corn and other grains. The area also features a small but important manufacturing cluster. There are 19 manufacturing companies in the region employing approximately 900 workers. Tourism is another important sector for the area's economy and there are more than 100 firms in the construction sector.

Inward population migration has helped grow the population

Unlike many rural areas across Canada, Altona/Rhineland has been able to attract new residents in recent years. This is one of the reasons why the community features a younger population. Over 21% of everyone aged five and older in 2016 did not live in the community in 2011. This inward migration rate is much higher than the provincial and national migration rates. In fact, much of southern Manitoba has done a good job of attracting people, as shown in Figure 2. Altona/Rhineland, Morden and Winkler all have relatively high rates of recent inward migration.

Figure 1: Altona/Rhineland workforce by age group (% of total)



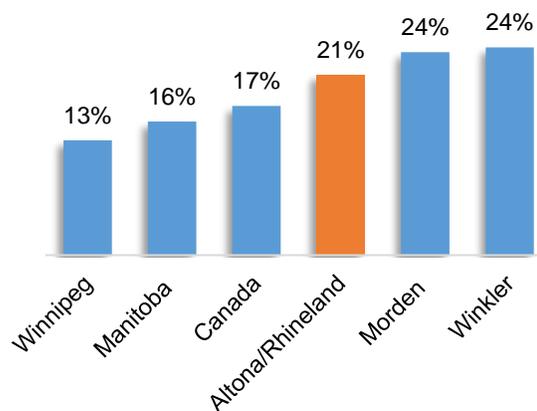
Source: Statistics Canada 2016 Census.

Moving forward, the community will need to continue this positive inward mobility of population to ensure the workforce can grow and meet the needs of local industry.

Immigration has been an important part of the story

Immigrants make up over 20% of Altona/Rhineland's population (2016 Census). This is higher than most rural areas across the country. In 2016, there were 425 immigrants living in the community who settled in Canada after 2011. This represents a recent immigration rate of 42 per 1,000 population (i.e. those that settled in the community between 2011 and 2016), which is higher than the national level of 35 per 1,000. These immigrants are active in a wide variety of industries, from agriculture to personal services.

Figure 2: Share of the population over the age of 5 in 2016 who lived in another jurisdiction five years earlier



Source: Statistics Canada 2016 Census

But while higher than the country overall, the recent immigration rate in Altona/Rhineland is still below many other communities in Manitoba, as demonstrated in Figure 3. Immigration would need to play a key part, if Altona/Rhineland were to increase its population in the years to come.

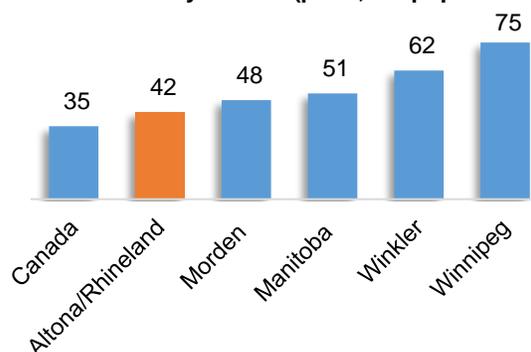
The aging workforce: A risk for the economy?

What might happen if the community is unable to attract and retain the talent required to support the needs of the workforce? Predicting future labour market demand is not easy but the community clearly understands the need for population growth. The economic development strategy for the region identifies a current shortage of workers as the top challenge to local business' growth.

What industries are at risk if labour market needs can't be addressed?

Table 1 reveals the industries for which Altona/Rhineland has a much higher concentration of workers compared to the rest of Canada. Adjusted for size, there are 5.5 times as many people working in agriculture compared to the country overall. There are more than twice as many working in manufacturing. The area has a well-above-average concentration of workers in transportation and warehousing, along with educational services.

Figure 3: Share of the population in 2016 who lived in another country in 2011 (per 1,000 population)



Source: Statistics Canada 2016 Census

If the workforce continues to tighten, many of these strategically important industries could struggle to find workers, and some of this economic activity could move to other communities with a stronger talent pipeline.

Table 1: Altona/Rhineland’s dominant industries: Employment share compared to the national economy*

	Agriculture – 5.5 times as many		Wholesale trade – 16% more
	Manufacturing – more than double		Educational services – 14% more
	Transportation and warehousing – 26% more		Construction - 7% more

*For example, adjusted for size, Altona/Rhineland has more than doubled employment in manufacturing compared to the national economy. Source: Statistics Canada 2016 Census.

Altona/Rhineland’s aging entrepreneurs

Many of the community’s entrepreneurs and small business owners are getting closer to retirement, which is an additional challenge for the local economy. There are over 800 self-employed people in Altona/Rhineland, or 17% of the working population. This is well above the national self-employment rate of 12%. The area could benefit from the attraction of a new generation of entrepreneurs to replace those who retire and to help drive growth in important industries such as agriculture, trade, and tourism.

Critical to sustained economic growth: Ensuring there is a talent pipeline

There are a number of ways in which Altona/Rhineland can ensure there will be enough workers in the years ahead:

- **Encourage more people to join the workforce**

The tightening labour market creates employment opportunities for people who previously struggled to participate in the labour market, such as women re-entering the workforce or those with disabilities. As an example, from the Census, only 57% of women in Altona/Rhineland were participating in the labour market compared to 80% of men. Persons aged 55 and older who are not in the labour market could also be enticed back in by being offered flexible work and other benefits.

- **Attract people from outside the region**

There is no doubt the biggest opportunity involves the attraction of young people and families to Altona/Rhineland. Since 2013, across Canada, all net growth in the labour market has come from immigrants¹. There is a direct correlation between immigrant attraction and workforce growth. The communities with the highest immigration rates have, by far, the fastest labour market growth. A focused effort to attract more immigrants and retain them in the community may serve to ensure economic growth in the years ahead.

Immigration: Boosting the Altona/Rhineland talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in the community would be a strategic move to ensure that the talent pipeline is large and strong enough to meet local industry demands and provide a source of new entrepreneurs. These immigrants could come as students, workers and business owners filling important roles in the economy and boosting demand for local goods and services. Altona/Rhineland is part of the new [Rural and Northern Immigration Pilot](#)

¹ The number of Canadian-born workers exiting the workforce is greater than the number of Canadian-born workers joining the workforce each year.

established to help rural and northern communities attract and retain foreign skilled workers to meet their economic development and labour market needs.

Helping to grow the local economy

Attracting more immigrants in the coming years would create new demand for local products and services. Every 100 new immigrant families with an average household income directly generate over \$8 million worth of new household expenditures – much of this spending in the local community². Statistics show that these 100 immigrant families would spend:

- \$1.6 million per year on housing costs such as mortgage payments, electricity, and property taxes;
- \$1.3 million each year on transportation costs such as vehicle purchases and maintenance; and
- \$830,000 on food expenditures at local grocery stores and restaurants.

These 100 new families would also generate approximately \$2.2 million worth of taxes per year for local, provincial and federal governments.

Other positive effects

Attracting more immigrants to Altona/Rhineland would help support a vibrant economic and social life in many other ways. Civic and business groups would have a growing pool from which to draw members. Youth sports clubs and leagues around the region would benefit from an increasing population of young residents.

Retaining and integrating newcomers

Retention will be critical to long-term population growth. In order to ensure the successful integration and retention of immigrants to Altona/Rhineland, it is important that newcomers are welcomed into social life and quickly develop a strong sense of Canadian identity and social cohesion. The community has a number of [organizations that support immigrants](#) and help newcomer families build strong connections into the local community. The [Pembina Valley Local Immigration Partnership \(LIP\)](#) works to ensure effective coordination of immigration support services across the region.

Helping to sustain high quality public services

There is a direct relationship between economic growth and provincial and local government capacity to provide high quality public services and public infrastructure such as roads, schools and hospitals. A growing economy and population in Altona/Rhineland could lead to a greater public investment in services and infrastructure.

Older residents play an important role in the community

Residents of all ages contribute to the wellbeing of their communities and their province by working, paying taxes and giving back through volunteer and charitable activities. As residents of Altona/Rhineland retire and move into a new stage in their lives, it creates new economic opportunities in healthcare, personal services, and recreation industries. But these industries should not be considered a replacement for Altona/Rhineland's important export-oriented industries such as manufacturing and agriculture. In the years ahead, the community can benefit from the economic opportunities arising from more retirees and from attracting and growing the younger workforce.

Altona/Rhineland in 2035

² Assumes the new household spending conforms to the current spending pattern in Manitoba.

What will Altona/Rhineland look like in 2035? Will it continue to be a dynamic and growing rural community in southern Manitoba? In the years ahead, the community faces many opportunities to grow its local economy and build on existing successes in its manufacturing, agriculture and tourism industries. Increasing immigration may be a critical piece that will help to secure a strong and vibrant economy in the region—and drive innovation and growth for years to come.

For more information on how immigration matters across Canada, visit Canada.ca/Immigration-Matters.