

Economic Profile Series: Brockville, Ontario

Spring 2019

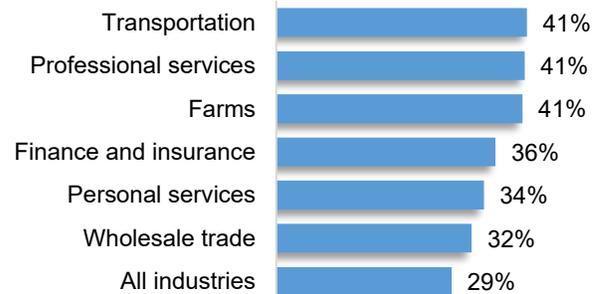
This series looks at 20 communities across Canada and highlights key labour market statistics and the role that immigration has played or could play to help these communities flourish. It is important to note that predicting future labour market demand can be challenging, as economies are always evolving. This profile uses current population and labour market trends to give a profile of how immigration might play a role in this community.

Ensuring Brockville remains an important urban centre in eastern Ontario: the role of immigration

The looming workforce challenge

The 2016 Census reported that nearly 30 percent of everyone in the Brockville workforce was over the age of 55. By this measure, Brockville has the 10th oldest workforce in Canada (out of more than 110 urban centres). Overall, nearly 6,000 people are likely to retire in the next decade or so (as they are 55 and older). Over 40 percent of everyone working in transportation, professional services and the farming sector was 55 and older at the time of the Census (Figure 1). Over 30 percent of everyone working in finance and insurance, personal services and wholesale trade was over the age of 55. There are not enough young people coming through the education system to meet the demand of the current labour market, let alone provide the workforce for potential future economic growth.

Figure 1: Share of the Brockville workforce over the age of 55 – selected industries*



Source: Statistics Canada 2016 Census.

Brockville has an important economic role

Brockville¹ (pop. 39,000) lies about halfway between Kingston and Cornwall and is south of Ottawa. Brockville plays the role of a regional services centre and has a high concentration of workers in healthcare, transportation and other services. It also has a significant manufacturing sector with more than 60 firms producing paper products, chemicals and food. Tourism is another labour-intensive and important industry for the regional economy.

¹ The data in this report is based on the Brockville Census Agglomeration area, which includes the City of Brockville and the townships of Augusta and Elizabethtown-Kitley.

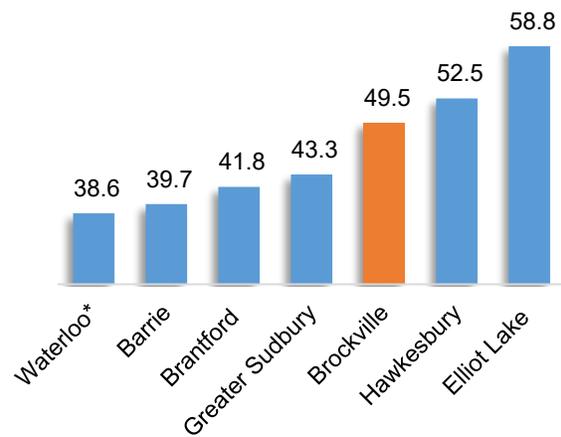
The population is aging fast

At the time of the 2016 Census, the Brockville urban centre featured a median age of 49.5 (Figure 2), meaning that half of the population was under and half was over this age. There were 170 people over the age of 60 living in the community for every 100 under the age of 20.

The aging workforce: A risk for the economy

This demographic shift has hit the workforce and there are signs it is starting to impact the economic potential of the community. A [recent story](#) in the Brockville Recorder & Times discussed how there is a growing workforce shortage in a wide range of occupations including trades, management and sales jobs. Another article entitled "[Where have all the workers gone?](#)" cited construction and the restaurant sectors as both facing shortages of workers. Both stories, and many others in the past two years, focused on the need to attract and retain more workers to the area. Another indication of the growing talent supply shortage is that the number of people in Brockville reporting employment income dropped by 10 percent between 2008 and 2016, while the number reporting Canada Pension Plan (CPP) income rose by 17 percent².

Figure 2: Median age - selected urban centres (2016)



*Kitchener-Cambridge-Waterloo
Source: Statistics Canada 2016 Census

There has been very little immigration to Brockville

Brockville hasn't seen an increase in immigration, which is unlike an increasing number of small and mid-sized urban centres across Canada where immigration has helped address workforce shortages and provided a foundation to address longer-term demographic challenges. According to Statistics Canada, there were only 190 immigrants living in Brockville in 2016 who arrived in Canada between 2011 and 2016. Adjusted for population size, Brockville has one of the lower recent immigration rates among small urban centres in Canada. There were five recent immigrants out of every 1,000 people living in the Brockville urban centre. Figure 3 shows how this rate compares to a number of other small urban centres across Canada.

Figure 3: Recent immigrants per 1,000 in the overall population*



*Immigrants settling in Canada between 2011 and 2016.
Source: Statistics Canada 2016 Census.

If there are not enough workers to replace the retirees, what could be the impact on the economy?

Predicting future labour market demand is not easy but the community clearly understands the need for population growth. In recent years, the City of Brockville has [started a campaign](#) to attract people to the

² Source: Statistics Canada Table: 11-10-0007-01.

area. The city is trying to convince people to move to Brockville and offers a residential relocation package as an incentive to do so.

But what industries are at risk if labour market needs can't be addressed? Table 1 reveals the industries for which Brockville has a much higher concentration of workers compared to the rest of the country. There are several manufacturing sub-sectors with high concentrations of workers. Adjusted for size, there are 6.5 times as many people working in chemical manufacturing and three times as many working in paper manufacturing compared to the country overall. There are twice as many working in general merchandise stores, pointing to the importance of the retail sector. Brockville has a well-above-average concentration of workers in hospitals, ambulatory health care services and nursing and residential care facilities. 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: Brockville's dominant industries: Employment share compared to the national economy*

 Chemical manufacturing – 6.5 times as many	 General merchandise stores – 2 times more
 Paper manufacturing – over three times more	 Hospitals – 28% more
 Truck transportation – 38% more	 Nursing & residential care facilities - 89% more
 Administrative & support services – 44% more	 Ambulatory health care services - 23% more

*For example, adjusted for size, Brockville has twice as many people employed in general merchandise stores compared to the national economy. Source: Statistics Canada 2016 Census.

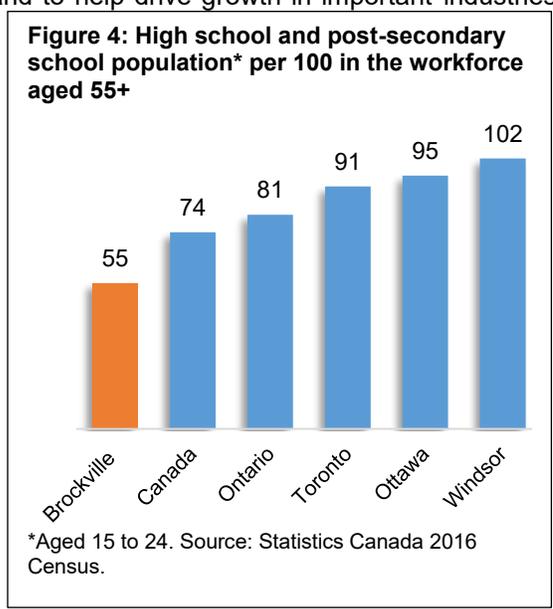
Brockville's aging entrepreneurs

The community's entrepreneurs and small business owners are getting closer to retirement, which is an additional challenge for the local economy. There are nearly 1,900 self-employed people in Brockville and well over 50 percent of them are over the age of 55. Brockville 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 trade, professional services and tourism.

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

The Brockville workforce is aging and the pipeline for younger workers is shrinking. There are a number of ways in which the community can expand the number of available workers in the years ahead:

- Attract more students to the region**
 Brockville is home to a campus of St. Lawrence College which boosts the number of young people studying in the community and the potential future workforce. However, compared to many other smaller and larger urban centres, the community is at a disadvantage. In 2016, there were only 55 young people aged 15-24 in school for every 100 people in



the workforce over the age of 55 (Figure 4). This was well below both the Ontario and Canada level. Windsor, by contrast, has 102 young people in school for every 100 in the workforce over the age of 55 and many of these are international students. If Brockville is able to attract more students (Canadian and international), it may help to build a larger local talent pipeline to address workforce needs 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. 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 that the biggest opportunity involves the attraction of young people and families to Brockville. Since 2013, across Canada all net growth in the labour market has come from immigrants³. There is a direct correlation between immigrant attraction and workforce growth. The urban centres with the highest immigration rates have, by far, the fastest labour market growth. As discussed above, Brockville has among the lowest immigration rates among small urban centres in Canada. 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 Brockville talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Brockville 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.

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 community.

Statistics show that these 100 immigrant families would spend:

- \$1.5 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
- \$800,000 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 Brockville 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.

³ The number of Canadian-born workers exiting the workforce is greater than the number of Canadian-born workers joining the workforce each year.

Supporting Brockville’s French-speaking population

There is a relatively small but important French-speaking community in the area. In Brockville, over 1,000 residents speak French as their first official language. Across Leeds and Grenville, the number rises to more than 3,100. There are more than 11,600 people living in the area who speak both French and English. Attracting a young French-speaking population through immigration would help strengthen the francophone community in the region in the years ahead. Community leaders understand the importance of this community as the Leeds and Grenville immigration portal [makes the case](#) for French-speaking immigrants to settle in the region.

Retaining and integrating newcomers

Retention will be critical to long-term population growth. The local population in the region doesn’t have much recent history with immigration. Over 78 percent of Brockville residents are at least third generation Canadians meaning that they were born in Canada, as were their parents and grandparents. In order to ensure the successful integration and retention of immigrants to Brockville, it is important that newcomers are welcomed into social life and quickly develop a strong sense of Canadian identity and social cohesion.

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 Brockville 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 Brockville 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 Brockville’s important export-oriented industries such as manufacturing and tourism. In the years ahead, the community can benefit from the economic opportunities arising from more retirees and from attracting and growing the younger workforce.

Brockville in 2035

What will Brockville look like in 2035? Will it continue to be an important urban centre in eastern Ontario? In the years ahead, Brockville faces great opportunities to grow its local economy and build on its existing successes in its manufacturing, service 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.