

Economic Profile Series: Clare, Nova Scotia Spring 2020

This series looks at select 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 Clare can sustain its workforce needs in the years ahead: the role of immigration

The Municipality of Clare is home to nearly half the total population living in Digby County, Nova Scotia. The 2016 Census reported that nearly 30% of those in the Digby County workforce were over the age of 55. Nearly half of all workers in professional services, 39% of workers in construction, and more than 1 in 3 workers in the strategically important fishing and fish processing sectors were closing in on retirement (Figure 1).

Further, 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 future economic growth.

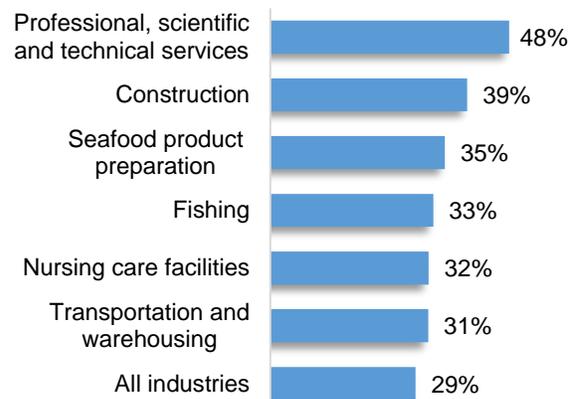
Clare: a strategically important, French-speaking community in Nova Scotia

The Municipality of the District of Clare (population 8,000) is a historically Francophone community in Nova Scotia. Located along the Bay of Fundy, more than 72% of the population speaks French—the highest share of any municipality in Nova Scotia. The economy in Clare and the surrounding region is anchored by a large fish and fish-processing industry as well as services such as retail, health care and education. The tourism sector is an increasingly important sector of the economy.

The population has started to decline

The population of Clare has been in decline in recent years. Between 2006 and 2016, the number of people living in Clare dropped by 9%. The population under the age of 20 declined even more, by 27%, while the number aged 65 and older living in Clare rose by 24% (Figure 2). There are now more than 3 people over the age of 65 for every person under the age of 20 living in the municipality. Further, the natural population growth rate (births minus deaths) is negative. In 2018 there were only 68 births for every 100 deaths across Digby County.

Figure 1: Share of the Digby county workforce over the age of 55—selected industries

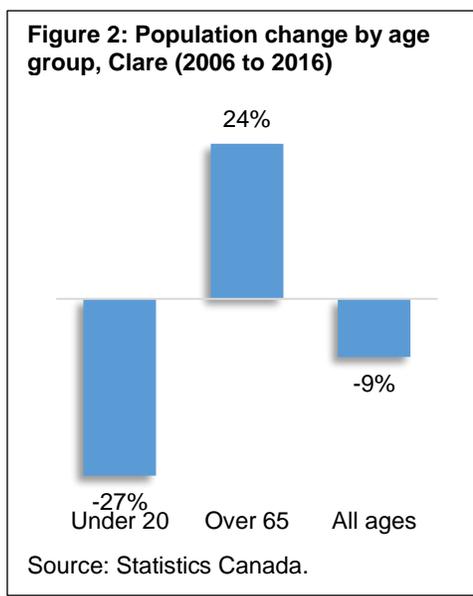


Source: Statistics Canada, 2016 Census.

The aging workforce: a risk for the Clare economy

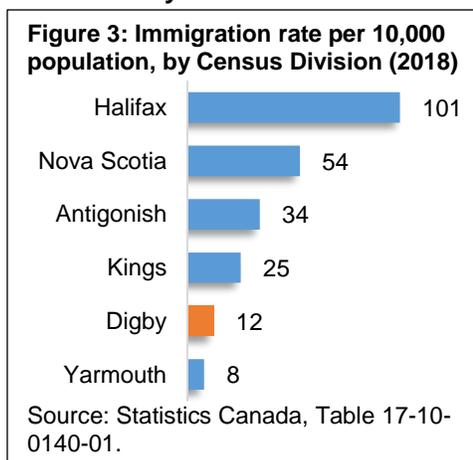
This demographic shift has hit the workforce, and there are signs that it is starting to have a negative impact on the regional economy surrounding Clare. Across the Annapolis Valley economic region, the number of job vacancies jumped by 22% in 2019 compared to 2018¹. Across Digby County, there are more than 2,500 people who are likely to retire in the next decade or so (as they are 55 or older) and less than 1,500 are set to join the workforce². This doesn't take into account any loss of population through migration.

Unlike some other areas within Atlantic Canada, the Clare region has not benefitted from an increase in immigration in the past few years to help address this substantial demographic shift. Between 2015 and 2018, the average annual number of immigrants settling in Digby County was only 17. Compared to other counties across Nova Scotia, Digby County's immigration rate per 10,000 population is well below average (Figure 3).



What could be the impacts of increased retirements on the Clare economy?

Predicting future labour market demand is not easy, but as shown in Figure 1 above there are a number of very important industries to the region and province that are facing a looming crisis. The Western Nova Scotia Regional Enterprise Network, which includes Clare, has made people attraction one of its top priorities. In its [business plan](#), the Western REN outlines its role helping to align immigration efforts to workforce gaps and in the development of a regional immigrant attraction and retention plan.



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

Table 1 reveals the industries for which Clare and Digby County have a much higher concentration of workers compared to the rest of the country. The Clare and Digby County labour markets are highly integrated. Over 600 people living in Clare work elsewhere in the region while nearly 500 from elsewhere drive into Clare every day for work.

Across Digby County there are nearly 1,500 people working in fishing and fish processing. Adjusted for size, there are 55 times as many people working in fishing compared to the rest of the country. Farming, boat building, retail trade as well as nursing and residential care homes are all sectors with a much higher concentration of workers compared to the national economy. If the workforce continues to tighten, many of these industries may struggle to find workers. Some of this economic activity could move to other communities with a stronger talent pipeline.

¹ The average quarterly job vacancies in 2019 compared to 2018. Source: Statistics Canada, Table 14-10-0325-01.

² Extrapolated using 2016 Census data.

Table 1: Digby County's dominant industries: employment share compared to the national economy*

 Fishing—55 times as many	 Farms—2.8 times as many
 Food manufacturing—7 times more	 Retail trade—10% more
 Transportation equipment manufacturing—more than 2 times as many	 Nursing and residential care facilities—more than double

These statistics are for Digby County. The Municipality of Clare is located in the centre of this county and is home to a majority of the workforce.

*For example, adjusted for size, Digby County has 7 times as many people employed in food manufacturing compared to the national economy. Source: Statistics Canada, 2016 Census.

Clare's aging entrepreneurs

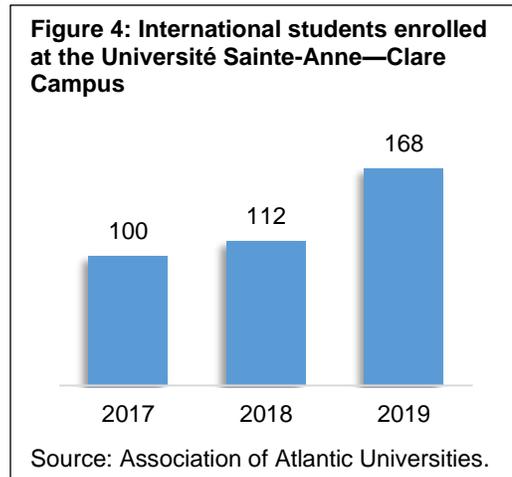
The community's entrepreneurs and small business owners are also getting older, which is an additional challenge for the local economy. There are 400 self-employed persons in Clare and 900 across Digby County. Of the 900 entrepreneurs in Digby County, 38% are over the age of 55 and will in the near future be looking to transition into retirement. Where will the new generation of entrepreneurs come from?

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

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

- **Attract more students to the region**

The Municipality of the District of Clare is home to the main campus of Université Sainte-Anne, the only Francophone post-secondary institution in Nova Scotia. As shown in Figure 4, the number of international students has been increasing in recent years. There is also a campus of the Nova Scotia Community College in nearby Yarmouth. More students in the area's post-secondary colleges and universities means a larger talent pool for local firms to access.



- **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, the Indigenous population 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. In both Clare and Digby County, the labour market participation rate (the share of adults in the workforce) is considerably below the national level.

- **Attract people from outside the region**

There is no doubt that one of Clare’s greatest opportunities involves the attraction of young people and families to the region. 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 communities with the highest immigration rates have, by far, the fastest labour market growth. As shown in Figure 2 above, Clare and Digby County have attracted relatively few immigrants in recent years.

Immigration: boosting the Clare talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants, including French-speaking or bilingual immigrants, settling in Clare is one way in which the region can ensure 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 could create new demand for local products and services. Every 100 new immigrant families with an average household income directly generate over \$7.3 million worth of new household expenditures, much of this spending in the local community⁴.

Statistics show that these 100 immigrant families would spend:

- \$1.4 million per year on housing costs, such as mortgage payments, electricity and property taxes,
- \$1.1 million each year on transportation costs, such as vehicle purchases and maintenance, and
- \$770,000 on food expenditures at local grocery stores and restaurants.

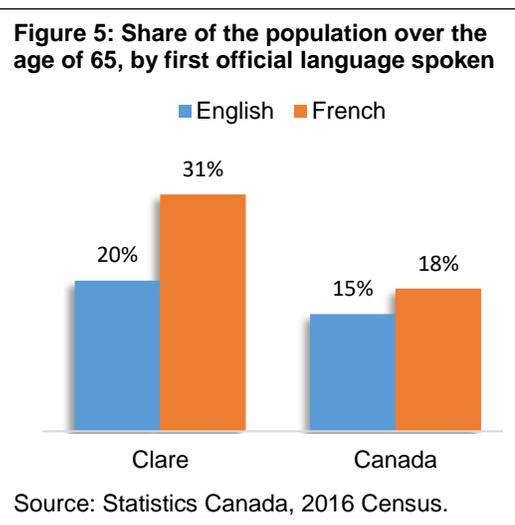
These 100 new families would also generate some \$2.2 million worth of taxes per year for local, provincial and federal governments.

Supporting the region’s French-speaking community

Clare is the only municipal government in Nova Scotia that conducts business and offers services in both official languages. The Acadian community was settled more than 250 years ago. Now, however, it is aging fast.

The median age was 52.9 years at the time of the Census in 2016. Almost 1 out of every 3 people with French as their first official language (31%) were over the age of 65 compared to only 18% across the country (Figure 5). Only 8% were under the age of 25.

Immigration could help to ensure that Clare’s Francophone population continues to thrive. Clare has been selected as a [Welcoming Francophone Community](#) to help French-speaking and bilingual newcomers feel welcomed and integrated in Francophone minority communities outside



³ The number of people born in Canada exiting the workforce is greater than the number of people born in Canada joining each year.

⁴ Assumes the new household spending conforms to the current spending pattern in Nova Scotia.

Quebec. Attracting and retaining younger French-speaking, bilingual and Francophone immigrants to Clare will help ensure this important community can sustain itself in the years ahead.

Other positive effects

Attracting more immigrants, including French-speaking or bilingual immigrants, to Clare could 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. The local population in the region doesn't have much recent history with immigration. Ninety-two percent of residents are at least third-generation Canadians, meaning they were born in Canada, as were their parents and grandparents.

It is important that newcomers are welcomed into our social life and develop a strong sense of Canadian identity and social cohesion. The community will need to foster a welcoming environment for newcomers.

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 Clare and Digby County 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 well-being of their communities and their province by working, paying taxes and giving back through volunteer and charitable activities. As residents of Clare retire and move into a new stage in life, it creates new economic opportunities in health care, personal services and recreation industries.

But these should not be considered a replacement for Clare's important export-oriented industries such as forestry, manufacturing, transportation and tourism. In the years ahead, the community can and should benefit from the economic opportunities arising from more retirees, as well as the opportunities arising from attracting and growing the younger workforce.

Clare in 2035

So, what will Clare look like in 2035? Will the region continue to have a thriving fish and fish processing cluster? Will it have grown its role as a regional tourist destination? Will the workforce be there to ensure the region can take advantage of new opportunities?

In the years ahead, Clare and Digby County are poised to make important contributions to the provincial economy through natural resources, tourism and other industries. Immigration, including Francophone immigration, may be key to ensuring the region lives up to its economic potential. By significantly increasing immigration, Clare will be better positioned to thrive in the years ahead.

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