

Economic Profile Series: Corner Brook, Newfoundland

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.

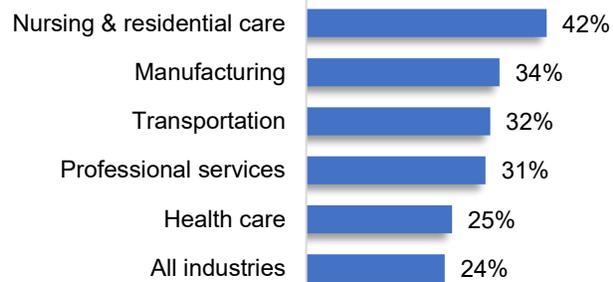
Ensuring Corner Brook remains a growing and dynamic economy: the role of immigration

The looming workforce challenge

The 2016 Census reported that nearly 1 out of every 4 people in the Corner Brook workforce was over the age of 55. More than 40% of the nursing and residential care workforce and 34% in the strategically important manufacturing sector were 55 and older and heading towards retirement in the next decade or so (Figure 1). More than 30% of professional services workers and 25% of health-care workers were 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 future economic growth.

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



Source: Statistics Canada, 2016 Census.

Corner Brook: a small but important urban economy in western Newfoundland

Corner Brook is the largest city in western Newfoundland. It plays the role of a regional services centre for a wide population catchment area. In addition to a large services sector, the Corner Brook urban area (population 32,000)¹ is home to manufacturing, mining and construction sectors. The area is also known for its role as a centre of regional tourism and it is home to campuses of Memorial University and the College of the North Atlantic.

¹ The Corner Brook census agglomeration area includes Corner Brook and several small surrounding communities. All statistics in this report, unless otherwise noted, are taken from the Statistics Canada 2016 Census.

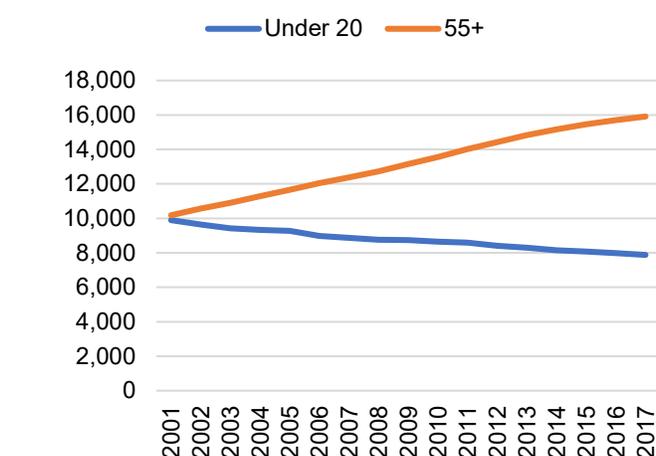
The population is aging fast

The median age in the Corner Brook urban region is 47.2, making its population one of the older in Canada's urban areas. Across the Corner Brook region², in 2001, there were 112 births for every death (the natural population growth rate). By 2017, that figure had dropped to 83 births for every death. The population over the age of 55 increased by 56% between 2001 and 2017, while the number under the age of 20 dropped by 24% (Figure 2).

The aging workforce: a risk for the economy

This demographic shift has hit the workforce, and there are signs that it may be impacting the economic potential of the community. The size of the Corner Brook workforce peaked in 2007, with 15,100 working or looking for work, and has declined slightly since (to 14,800 in 2018).

Figure 2: The demographic shift in Corner Brook region* – population change by age group



* Census division No. 5.
Source: Statistics Canada, Table 17-10-0084-01

The number of total employed persons has dropped slightly over the same timeframe (Table 1). As an indication of the growing number of retirees in the community, between 2008 and 2016, the number of people living in Corner Brook and reporting Canada Pension Plan income swelled by 45%.

According to Statistics Canada's Job Vacancy Survey, the number of vacant jobs in the West Coast-Northern Peninsula-Labrador region of Newfoundland and Labrador rose by 24% in 2018 compared to 2017³. Corner Brook has a relatively large seasonal workforce, as 30% of those who earned employment income in 2016 also reported earning Employment Insurance income. This partly explains the higher reported unemployment rate (more than 13% in an average month in 2018), while at the same time, the number of vacant jobs is increasing.

The Atlantic Immigration Pilot is an employer-led immigration pathway that was specifically designed to attract and retain skilled workers to fill job vacancies that employers could not fill locally. The Atlantic Immigration Pilot also focuses on retention, by requiring all applicants work with [settlement service provider organizations](#) to establish a settlement plan to help them and their families better integrate into the community.

Table 1: Changing labour market indicators: Corner Brook

	2007	2018	Change
Workforce	15,100	14,800	-2%
Employment	13,400	12,800	-4%
Not in labour force	7,800	8,300	6%
Participation rate	66.2%	64.1%	

Source: Statistics Canada, Table 14-10-0002-01.

² Annual population estimates are only available for census division No. 5. The Corner Brook census agglomeration accounts for the bulk of the census division population.

³ Average quarterly job vacancies for the first 3 quarters of 2018.

There has been very little immigration

Unlike many small and mid-sized urban centres across Canada, Corner Brook has not benefitted from an increase in immigration to help offset this substantial demographic shift. According to Statistics Canada, an average of 20 immigrants came to the Corner Brook region (census division No. 5) per year between 2013 and 2017, or an immigration rate of 5 per 10,000 population (Figure 3). This was 87% below the rate for Atlantic Canada overall.

Across the 4 Atlantic Provinces, the immigration rate has been steadily rising from 16 per 10,000 in an average year between 2003 and 2007, to 38 per 10,000 in an average year between 2013 and 2017.

What are the impacts of increased retirement on the Corner Brook economy? Predicting future labour market demand is not easy, but the community clearly understands the need for population growth. In its [Corporate Priorities Plan for 2017–2020](#), the Corner Brook city council established population growth and economic development as key priorities, along with the revitalization of its downtown and growth in the tourism sector.

What industries are at risk if labour market needs can't be addressed? Table 2 shows the industries for which Corner Brook has a much higher concentration of workers compared to the rest of the country.

There are nearly 2,000 people working in the hospital sector, or twice as many as the national economy adjusted for size. The higher concentration of workers in the accommodation services sector points to the importance of tourism in the area. The relatively large share of employment in general merchandise stores, motor vehicle and parts dealers, and clothing stores reveals the importance of the retail trade sector. The region also has above-average employment in manufacturing and construction.

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

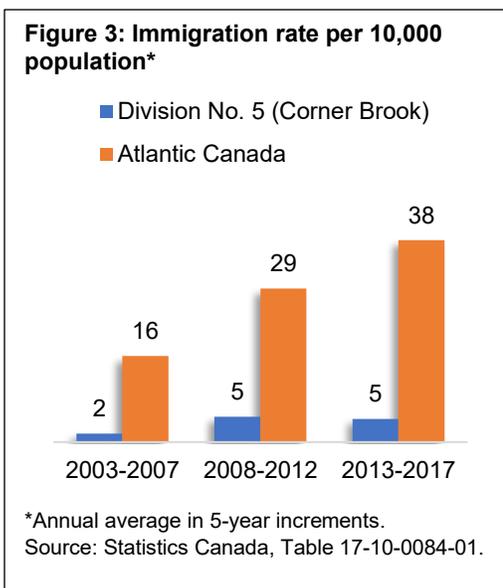


Table 2: Corner Brook’s dominant industries: employment share compared to the national economy*

 Food manufacturing – twice as many	 Hospitals – twice as many
 Paper manufacturing – five times more	 General merchandise stores – 82% more
 Heavy engineering construction – nearly twice as many	 Accommodation services – 55% more
 Motor vehicle and parts dealers – twice as many	 Clothing stores – 64% more

*For example, adjusted for size, Corner Brook has twice as many people employed in hospitals compared to the national economy. Source: Statistics Canada, 2016 Census.

Corner Brook's aging entrepreneurs

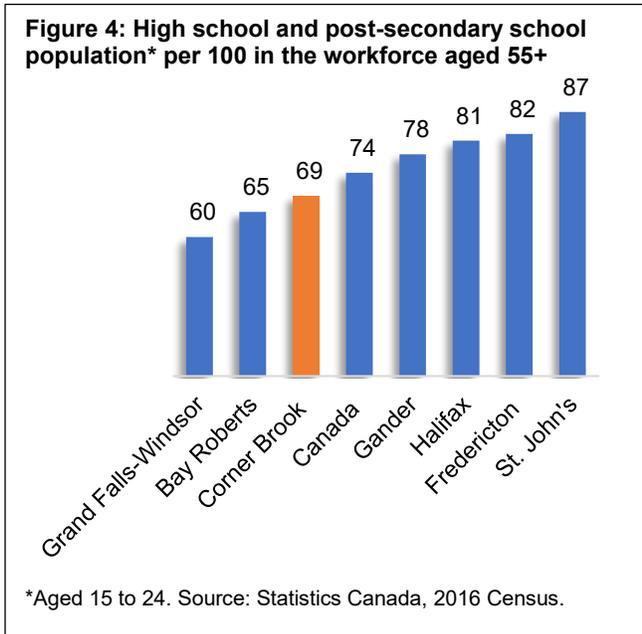
The community's entrepreneurs and small business owners are getting closer to retirement, which is an additional challenge for the local economy. Across all industries, 40% of people who are self-employed are over the age of 55. Corner Brook could benefit from a new generation of entrepreneurs to replace those who retire, and to help drive growth in important industries such as professional services and tourism.

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

The Corner Brook 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**

Corner Brook is home to the Grenfell Campus of Memorial University and a campus of the College of the North Atlantic. This boosts the number of young people studying in the community and the potential workforce. However, compared to many other small and larger urban centres, the community is at a disadvantage. In 2016, there were 69 young people aged 15 to 24 in school for every 100 people in the workforce over the age of 55 (Figure 4). If the community is able to attract more students (Canadian and international), it will help build a larger talent pipeline for local industry 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. Additionally, in 2016, the Corner Brook region was comprised of 25% Indigenous people, of which 83% were First Nations⁴; this group provides an additional potential source for talent for the workforce. 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.

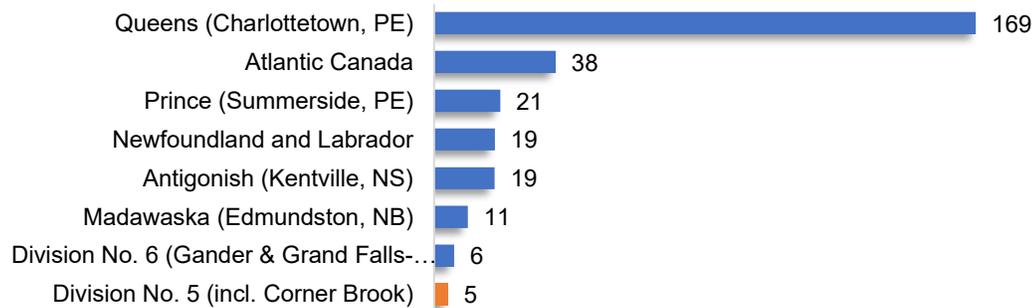
- **Attract people from outside the region**

Corner Brook has a great opportunity to attract young people and families to the region. Since 2013, across Canada, all net growth in the labour market has come from immigrants⁵. 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. Corner Brook has among the lowest immigration rates among small urban centres in Canada (Figure 5).

⁴ Statistics Canada, 2016 Census of Population

⁵ The number of people born in Canada exiting the workforce is greater than the number of people born in Canada joining each year.

Figure 5: Average annual immigration rate between 2013 and 2017 in selected jurisdictions – number of immigrants per 10,000 population



Shows the main census division for each small urban centre. Source: Statistics Canada, Tables 17-10-0079-01 and 17-10-0084-01.

Immigration: boosting the Corner Brook talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Corner Brook would be a strategic move to 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 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 community⁶.

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 some \$2.2 million worth of taxes per year for local, provincial and federal governments.

Other positive effects

Attracting more immigrants to Corner Brook 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. Nearly 95% of Corner Brook residents are at least third-generation Canadians, meaning they were born in Canada, as were their parents and their grandparents⁶. This has

⁶ Assumes the new household spending conforms to the current spending pattern in Newfoundland.

⁶ Or were residents of Newfoundland before it joined Canada in 1949.

led to a strong sense of community and social cohesion in the local community. It is important that newcomers are welcomed into local social life and afforded the opportunity to develop this 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 Corner Brook 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 Corner Brook retire and move into a new stage of their lives, it creates new economic opportunities in health care, personal services, and recreation industries.

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

Corner Brook in 2035

What will Corner Brook look like in 2035? Will it have expanded its role as an urban hub for services for western Newfoundland? Will it continue to be a manufacturing and tourism centre? Will the workforce be there to ensure the region can take advantage of new opportunities?

In the years ahead, western Newfoundland is poised to make important contributions to the provincial economy through its natural resources sectors, tourism and other industries. Immigration may be the key to ensuring the region plays this important economic role, and to achieving the growth objectives laid out in Corner Brook's economic development plan. The [Atlantic Immigration Pilot Program](#) will continue to make it easier to attract and retain the skilled workforce that Corner Brook needs.

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