

Economic Profile Series: Edmundston, New Brunswick

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 Edmundston can strengthen its role as an urban hub: the role of immigration

The looming workforce challenge

The 2016 Census reported that 27% of people in the Edmundston region¹ workforce were over the age of 55. More than 40% of those working in the personal services sector were over 55, as were over 30% of workers in administrative services or construction and professional services (Figure 1). There are not enough young people coming through the education system to meet the demand of the current and future labour market.

Edmundston has the potential to expand its role as an urban hub

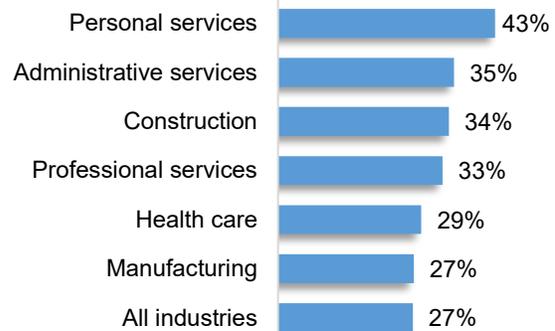
The Edmundston region (population 23,524) is in an interesting position that could lead to significant economic opportunity in the years ahead. The nearest urban centre to the west is 1.5 hours away by car in Rivière-du-Loup (Quebec). To the southeast, Fredericton is nearly 3 hours by car and to the northwest, Campbellton is nearly a 2.5-hour drive.

Edmundston is well positioned to strengthen its role as the closest urban centre for a population of more than 100,000 people (including northern Maine). It already plays this regional urban centre role as it has a much higher concentration of employment in health care, transportation and tourism-related industries.

But like most urban centres in Canada, Edmundston's demographic context could be a barrier to future growth opportunities. Its median age of 50.4 years makes it one of the oldest urban centres in Canada. In 2001, across Madawaska County, there were 100 people under the age of 20 for every 100 over the age of 55 in the population. Now there are only 41 young people for every 100 aged 55 and older. This points to a fundamental issue: where will the next-generation workforce come from?

¹ The Edmundston census agglomeration includes the City of Edmundston, several smaller surrounding communities and a First Nations community.

Figure 1: Share of the Edmundston workforce¹ over the age of 55—selected industries



Source: Statistics Canada, 2016 Census

Statistics Canada's annual Labour Force Survey and other data provide good insight into the state of the workforce. The number of people participating in the workforce has dropped by 30% since 2010 with a similar decline in total employment. The unemployment rate has remained well below historical levels and the number leaving the workforce is growing fast. In fact, between 2006 and 2016, the number of people living in the Edmundston region and reporting Canada Pension Plan income rose by 49%.

Table 1: Changing labour market indicators: Edmundston

	2010	2018	Change
Workforce	13,200	9,300	-30%
Employment	12,300	8,900	-28%
Unemployment rate	6.8%	6.5%	
Employment rate	60.0%	57.4%	

Source: Statistics Canada, Table 14-10-0102-01

The aging workforce: a risk for the economy

What is at risk if Edmundston cannot continue to attract enough new population to meet the current and future needs of the local labour market? Table 1 reveals the broad industry groups for which Edmundston has a higher concentration of workers compared to the rest of the country. The region has 9 times as many people employed in forestry and logging compared to the national economy, as a share of total employment. There are several manufacturing sectors with a high concentration of employment.

The high levels of employment in hospitals and nursing, and residential care facilities, points to the importance of the health-care sector to the regional economy. Gas station and accommodation services employment levels show the importance of the tourism industry. If the workforce continues to tighten, many of these strategically important industries will struggle to find workers, and some of this economic activity could move to other communities with a stronger talent pipeline.

Table 2: Edmundston's dominant industries: sectors with an above-average share of employment compared to the national economy*

 Forestry and logging – 9 times more	 Truck transportation – 94% more
 Wood product manufacturing – more than 6 times as many	 Hospitals – twice as many
 Paper manufacturing – 9 times more	 Nursing and residential care facilities – 2.4 times as many
 Gasoline stations – 80% more	 Accommodation services – 55% more

*For example, there are 94% more people employed in truck transportation compared to the national economy.
Source: Statistics Canada, 2016 Census.

Edmundston'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. More than 40% of all self-employed people in the Edmundston urban region are over the age of 55. Edmundston 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 personal services, retail trade and tourism.

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

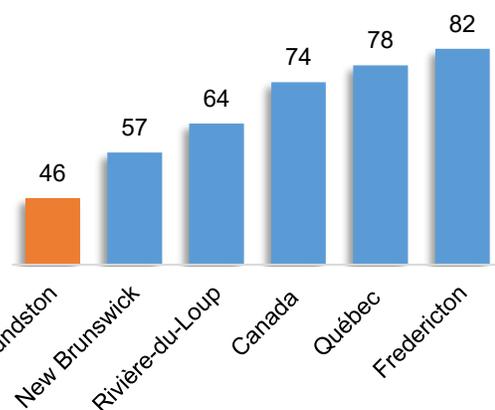
The Edmundston workforce is aging and the pipeline for younger workers is shrinking. There are a number of ways in which the community can expand the number of available workers in the years ahead:

- **Attract more students to the region**

While Edmundston is home to a community college and a university campus, it has relatively few students when compared to the number of people in the workforce aged 55 and older. In 2016, there were only 46 young people aged 15 to 24 in school for every 100 people in the workforce over the age of 55 (Figure 2). This represents one of the smallest talent pipelines of any urban centre in Canada.

If the community college and Université de Moncton campuses can attract more students (Canadian and international) in the coming years, it will help to build a larger local talent pipeline to address workforce needs.

Figure 2: High school and post-secondary school population* per 100 in the workforce aged 55+



*Aged 15 to 24. Source: Statistics Canada, 2016 Census.

- **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 and retain people from outside the region**

There is no doubt that the biggest opportunity involves the attraction and retention of young people and families to Edmundston. Since 2013, across Canada, all net growth in the labour market has come from immigrants². There is a direct correlation between immigrant attraction and workforce growth. Edmundston has not attracted many immigrants in recent years. In 2018, there were only 60 permanent residents admitted to Edmundston. The immigrant attraction rate in 2018 was 75% below the national level.

Immigration: boosting the Edmundston talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Edmundston will 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

² The number of workers born in Canada exiting the workforce is greater than the number of workers born in Canada joining the workforce each year.

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 more than \$8 million worth of new household expenditures, much of this spending in the local community³.

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.

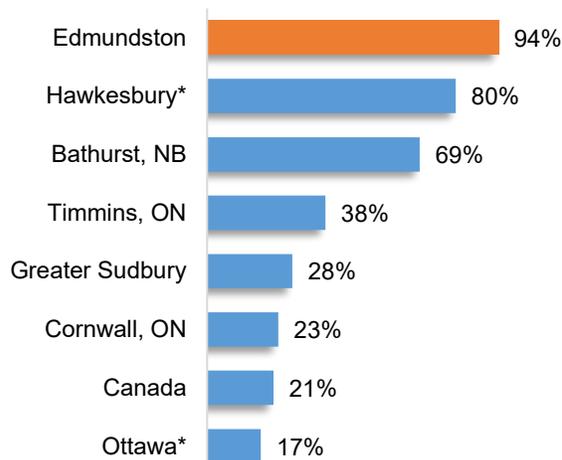
Other positive effects

Continuing to attract immigrants to Edmundston will help support a vibrant economic and social life in many other ways. Civic and business groups will have a growing pool from which to draw members. Youth sports clubs and leagues around the region benefit from an increasing population of young residents.

Supporting an important Francophone region

Edmundston is part of the Welcoming Francophone Communities pilot project launched by Immigration, Refugees and Citizenship Canada. The purpose of this initiative is to help the target community create an environment in which Francophone newcomers will feel welcome by giving them the opportunity to settle and thrive in French.

Figure 3: Percentage of the population with French as their mother tongue



*Ontario part. Source: Statistics Canada, 2016 Census.

The Edmundston region is home to one of the most significant Francophone populations in Canada outside of Quebec. There are 22,000 residents with French as their mother tongue. No other urban centre outside Quebec has such a concentration of Francophones as a share of total population (Figure 3). However, 42% of this population is over the age of 55. Attracting more French-speaking immigrants would help ensure the region continues to thrive into the future.

Retaining and integrating newcomers

Attraction of newcomers is important, but long-term retention will be critical to sustained population growth. More than 90% of all residents living in the Edmundston region are at least third-generation Canadian, meaning there is no recent history of immigration to the area.

In order to ensure the successful integration and retention of immigrants to Edmundston, it is important that newcomers are welcomed into social life and quickly develop a strong sense of Canadian identity and social cohesion. The [Northwest Resource Center for Newcomers](#) offers a wide variety of services to help newcomers, including help with accessing local services such as finding a job, housing, schools for children, language training and more. It also works to create stronger ties between new immigrant communities and the long-time population.

³ Assumes the new household spending conforms to the current spending pattern in New Brunswick.

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 Edmundston 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 Edmundston retire and move into a new stage in their lives, it creates new economic opportunities in health care, personal services, and recreation industries.

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

Edmundston in 2035

What will Edmundston look like in 2035? Will it continue to be an important urban services hub supporting the broader regional population? Will it have the workforce to ensure local industries can grow? Will a new generation of entrepreneurs emerge? Increasing immigration could be a critical piece to 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.