

Economic Profile Series: Hawkesbury, Ontario

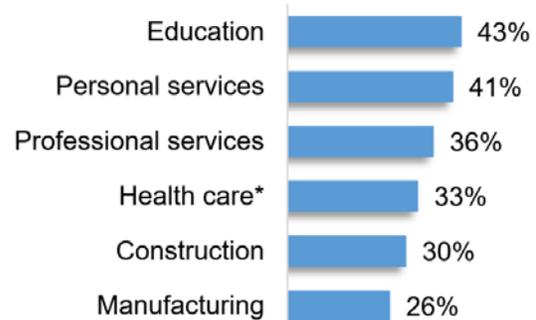
Winter 2020

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 Hawkesbury can sustain its workforce needs in the years ahead: The role of immigration

The Town of Hawkesbury is a manufacturing, retail trade and services hub in eastern Ontario. The 2016 Census reported that more than 30% of the town's workforce were over the age of 55. Over 40% of all workers in educational services, 41% of workers in personal services, and more than 1 in 3 workers in professional services and health care 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.

Figure 1: Share of Hawkesbury's workforce over the age of 55 – selected industries



*includes social assistance.
Source: Statistics Canada, 2016 Census.

Hawkesbury, Ontario: A strategically important, Francophone community

The Town of Hawkesbury (population 10,525) is located in eastern Ontario on the border with Quebec, on Highway 17 between the cities of Montréal and Ottawa. The town is a services centre for a regional population of more than 20,000 people in both provinces. Hawkesbury is a historically Francophone community, with French being the mother tongue of over 80% of the population. The economy is anchored by a relatively large manufacturing sector and regional services such as retail, restaurants and personal services.

The population is not growing, but it is aging fast

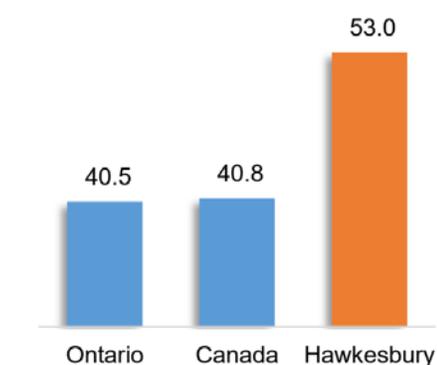
The population of Hawkesbury has declined only slightly over the past decade, but the median age has been rising fast. As shown in Figure 2, the median age¹ in the town is now 53 years, making it among the oldest municipalities in Ontario. Further, the natural population growth rate (births minus deaths) is only 42 births per 100 deaths (2019), one of the largest gaps between births and deaths among municipalities across the province.

¹ The age at which half of the population is older and half is younger.

The aging workforce: A risk for the Hawkesbury 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. A [2019 report](#) found that 51% of employers in the town were having difficulty recruiting new staff. Sixty-three percent of firms rated the ability to retain new employees as fair to poor. According to Statistics Canada, there were nearly 1,000 more people reporting Canada Pension Plan benefits on their tax returns in 2018 compared to 2013, an increase of 29% (Figure 3). There are another 2,000 people who are likely to retire in the next decade or so. This does not take into account any loss of population through migration.

Figure 2: Median age, 2019



Source: Statistics Canada.

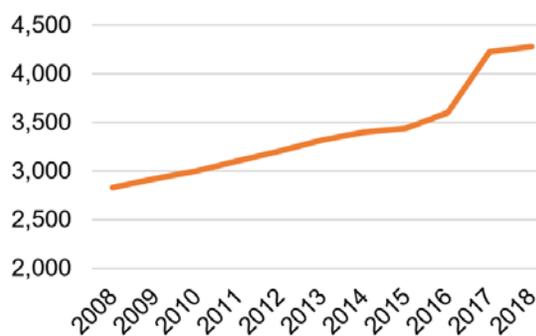
Unlike many cities and towns across Canada, there has not been an increase in the number of immigrants settling in the community in recent years. Between 2015 and 2019, the town has attracted an average of only 16 new immigrants per year, or an immigration rate of only 15 per 10,000 population. The good news is that in the past few years there has been a modest increase in the number of people moving into Hawkesbury from elsewhere in Ontario and Canada. Net intraprovincial and interprovincial migration has averaged a positive 130 people per year between 2017 and 2019.

How will the rising number of retirees impact the Hawkesbury workforce and economy?

Predicting future labour market demand is not easy but, as shown in Figure 1 above, there are a number of very important industries facing a looming crisis and the rise in the number of people retiring clearly indicates the scope of the challenge (as illustrated in Figure 3).

It is important to point out that employers in the Town of Hawkesbury pull workers from a wider region. The 2016 Census found that of the total number of people working in Hawkesbury, only around 40% also live in the town. The rest commute in from the wider area².

Figure 3: The number of Hawkesbury residents receiving Canada Pension Plan benefits, by year



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

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

As of June 2020, there are more than 370 firms and organizations in the town with employees, including 25 manufacturing companies, 35 construction firms, 35 professional services firms and 20 in the accommodations and food services sector. Twenty-eight of the town's employers have at least 50 employees.

Table 1 shows the industries for which the Town of Hawkesbury has a much higher concentration of workers compared to the rest of the country. As of June 2020, there are an estimated 890 working in manufacturing

² Based on persons not working from home and that have a fixed place of work.

companies located in the town³. As reported in the 2016 Census, there were over 60% more working in Hawkesbury’s manufacturing sector compares to the country overall (as a share of the total workforce). Fabricated metal manufacturing is the top sub-sector within manufacturing. Again, using Census data adjusted for size, there were 2.6 times as many people working in general merchandise stores compared to the rest of the country. There were more than twice as many workers in the nursing home and residential care sector. 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.

Table 1: Hawkesbury’s dominant industries: Employment share compared to the national economy*

 Personal services—25% more	 Restaurants—36% more
 Manufacturing—61% more	 Retail trade—61% more
 General merchandise stores—2.6 times more	 Nursing and residential care facilities—more than double

*For example, adjusted for size, Hawkesbury has 61% more people employed in retail trade compared to the national economy, based on the workforce living in the town. Source: Statistics Canada, 2016 Census.

Hawkesbury’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 more than 400 self-employed persons in the area, of which 42% were over the age of 55 at the time of the 2016 Census. These business owners 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 Hawkesbury workforce is aging and the pipeline for younger workers is shrinking. There are several ways the community can expand the number of available workers in the years ahead:

- **Encourage more local 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. Hawkesbury has one of the lowest labour market participation rates (the share of adults in the workforce) among the population 55 to 64 in the country, with only 54.5% participating at the time of the 2016 Census.

- **Attract people from outside the region**
 There is no doubt that one of Hawkesbury’s greatest opportunities involves the attraction of young people and families to the region. These people could come from elsewhere in Ontario or the rest of Canada, and they could come from elsewhere in the world. Since 2013, across Canada, all net growth in the number of people in the labour market has come from immigrants⁴. In most cities, 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. Being part of the [Welcoming](#)

³ This includes workers living in the town and those commuting into the town each day for work.
⁴ The number of people born in Canada exiting the workforce is greater than the number of people born in Canada joining each year.

[Francophone Communities initiative](#) could help Hawkesbury attract and retain more immigrants in the coming years, by ensuring French-speaking newcomers feel welcomed and integrated in their community, one of many Francophone communities outside Quebec. More specifically, immigration could help attract and retain foreign skilled workers to meet Hawkesbury's economic development and labour market needs.

Immigration: Boosting the Hawkesbury talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in the town is one way in which the region can ensure the talent pipeline is large and strong enough to meet local industry demands in the future and provide a source of new entrepreneurs. These immigrants could come as students, temporary workers, permanent residents and business owners filling important roles in the economy, while also increasing 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 \$9 million worth of new household expenditures, much of this spending in the local community⁵.

Statistics show that these 100 immigrant families would spend

- \$2.1 million per year on housing, such as mortgage payments, electricity and property taxes
- \$1.3 million each year on transportation, such as vehicle purchases and maintenance, and
- \$900,000 on food at local grocery stores and restaurants

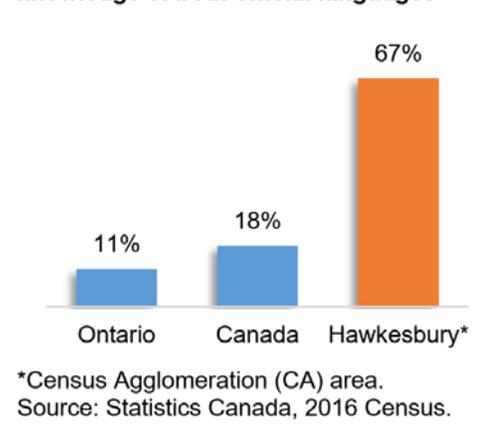
These 100 new families could also generate about \$2.5 million worth of taxes per year for local, provincial and federal governments.

Supporting the region's French-speaking workforce needs

The Town of Hawkesbury has one of the most bilingual populations among municipalities in Canada. In fact, among urban centres⁶, the Hawkesbury region is the second most bilingual in the country with 67% who speak both French and English. In the town itself, 68% are bilingual. Further, more than 80% of the population in the town speak French as their mother tongue, compared to only 4% across Ontario and 23% across Canada.

French is the primary language of commerce too. Seventy-eight percent of the workforce speaks French as the main language at work. Among urban centres across Canada, only Edmundston in New Brunswick has a larger share of the workforce who primarily speak French at work each day.

Figure 4: Share of the population with knowledge of both official languages



Attracting younger French-speaking or bilingual immigrants to Hawkesbury could help ensure the community can continue to meet the language needs of the local workforce.

Other positive effects

Attracting more immigrants, including French-speaking or bilingual immigrants, to Hawkesbury could help support a vibrant economic and social life in many other ways.

⁵ Assumes the new household spending conforms to the current spending pattern in Ontario.

⁶ Census agglomerations and Census metropolitan areas.

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 the community's social life and 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 Hawkesbury could lead to more public investment.

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

However, these should not be considered a replacement for the town's important industries such as manufacturing, services and tourism. In the years ahead, the community could benefit from the economic opportunities arising from more retirees, as well as the opportunities arising from attracting and growing the younger workforce.

Hawkesbury in 2035

So, what will Hawkesbury look like in 2035? Will the region continue to have a thriving manufacturing sector? Will it have grown in 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, Hawkesbury is poised to make an important contribution to the provincial economy. Immigration, including French-speaking or bilingual immigrants, may be key to ensuring the region lives up to its economic potential.

By significantly increasing immigration, Hawkesbury may be better positioned to thrive in the years ahead. Attracting more French-speaking or bilingual immigrants might also help the region's economy and ensure an important community continues to prosper.

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

