

Economic Profile Series: Iqaluit, Nunavut

Spring 2020

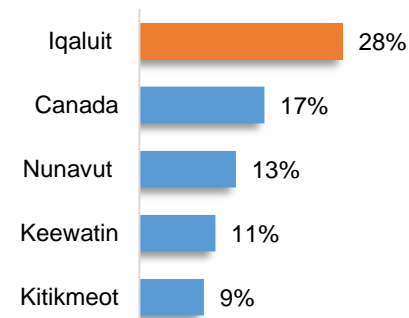
This series looks at communities across Canada and highlights key labour market statistics and the role that immigration has played, or could play, to help these communities flourish. It is important to note that predicting future labour market demand can be challenging as economies are always evolving.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

Ensuring Iqaluit has the workforce it needs to thrive: the role of immigration

The city is attracting people from across Canada and beyond

Iqaluit (population 7,800) is the capital of the territory of Nunavut. Because of its relatively remote location, Iqaluit can be a challenging place to attract the workers it needs to meet labour market demand. However, it has shown an impressive ability to attract people. Between 2011 and 2016, the city's population increased by over 15%. While some of that growth came from a strong natural growth rate (births minus deaths), most of the growth came from people moving in. In 2016, 28% of the total population aged 5 and older living in Iqaluit were living elsewhere in Canada and beyond 5 years prior (2011). As shown in Figure 1, the inward migration rate is much higher in Iqaluit than for the country overall and other communities in Nunavut. Almost all of this inward migration came from elsewhere in Canada—73% from other provinces, 22% from within Nunavut and only 6% from elsewhere in the world.

Figure 1: Share of the Iqaluit population aged 5+ in 2016 who lived in another community 5 years previous



Source: Statistics Canada 2016 Census.

The workforce in Iqaluit is relatively young; the 2016 Census reported that only 15% of workers were over the age of 55. As a result, the community is not facing a looming retirement challenge like so many other cities across the country. However, as demonstrated in Figure 1, the community does rely on inward population migration to provide many of the workers for local industry.

Iqaluit's French-speaking population

In Iqaluit, 14% of the population speaks French. This is above average for urban centres across Canada (Figure 2). Iqaluit has been selected as a [Welcoming Francophone Community](#) to help French-speaking and bilingual newcomers feel welcomed and integrated in Francophone minority communities outside Quebec.

Iqaluit: a strategically important economy

Mining is the largest sector of Nunavut’s economy, accounting for 25% of gross domestic product (GDP) in 2018 and 99% of the value of the territory’s international exports. Although mining is very important to Iqaluit’s economy, the city is also [promoting other sectors](#) including arts and culture, tourism and environmental industries. Iqaluit is also the capital, and it is a hub for public services in the territory.

If there are not enough workers to meet future labour demand, what could be the impact?

Predicting labour market demand is not easy but sustaining the community’s recent population growth spurt will require a significant number of people to move in over the next decade. What industries are at risk if labour market needs can’t be addressed?

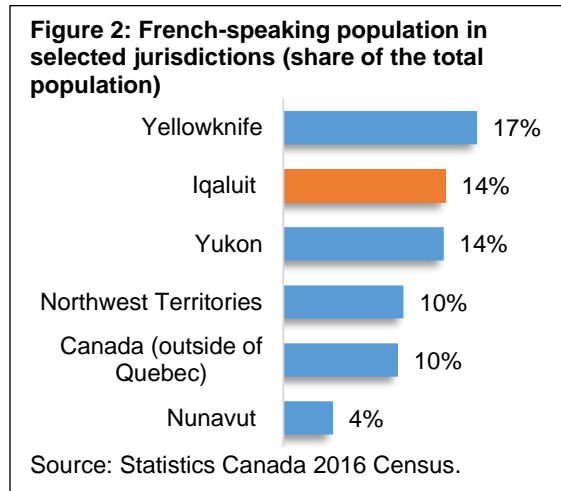










Table 1 shows a few selected industries for which the Baffin Census Division has a higher concentration of workers compared to the rest of the country. Iqaluit is the urban centre for Baffin and accounts for 52% of Baffin’s total workforce. Adjusted for size, there are over 5 times as many people working in the mining sector compared to the country overall. There are twice as many working in accommodation services and 2.8 times as many working in grocery stores. Education is another important sector employing 45% more than the country overall, as a share of total employment. The public sector, comprising all 3 levels of government, has considerably more workers in Iqaluit than the average community across Canada. It will be important to ensure these industries have enough workers in the years ahead.

Table 1: Baffin/Iqaluit dominant industries: employment share compared to the national economy*

 Mining—over 5 times as many	 Education—45% more
 Accommodations services—double	 Federal government administration—2.5 times as many
 Grocery stores—2.8 times as many	 Territorial public administration—12 times
 Transportation and warehousing—8% more	 Municipal public administration—3.6 times

*For example, adjusted for size, the Baffin Census Division has 45% more people employed in education compared to the national economy. Source: Statistics Canada, 2016 Census.

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

Like all cities across Canada, Iqaluit will need to have a talent pipeline in place to ensure local industry has the workers needed to meet labour demand. The good news is the community has a large and relatively young Inuit population. As shown in Figure 3, 50% of the Inuit population living in Iqaluit are under the age of 25—a share substantially higher than the country overall. In fact, at the time of the

Census the average age among the city's Inuit population was only 27.2 years compared to 41 across the country.

In addition, the Baffin region continues to have a very strong natural population growth rate. Between 2015 and 2019 there were nearly 5 times as many births as deaths across the Baffin Census Division.

Other ways to support Iqaluit's future talent pipeline:

- **Attract more students to the region**

Relative to population size, Iqaluit already has a much higher share of the population in K-12 education compared to many other communities across the province. The share of the population aged 5 to 18 is 90% higher in Iqaluit than the country overall. There are 2 colleges in the community attracting students from across the territory: Nunavut Arctic College and Frontier College. Attracting more students, including international students, will help boost the talent pipeline in the region.

- **Encourage more people to join the workforce**

The labour market participation rate (the share of the adult population participating in the workforce) across Nunavut was only 61.8% in 2019 compared to 65.7% across the country. This would indicate there may be potential for more adults to join the workforce. The 2019 data specifically for Iqaluit is not available but at the time of the 2016 Census, the participation rate in the city was high at 81.8%.

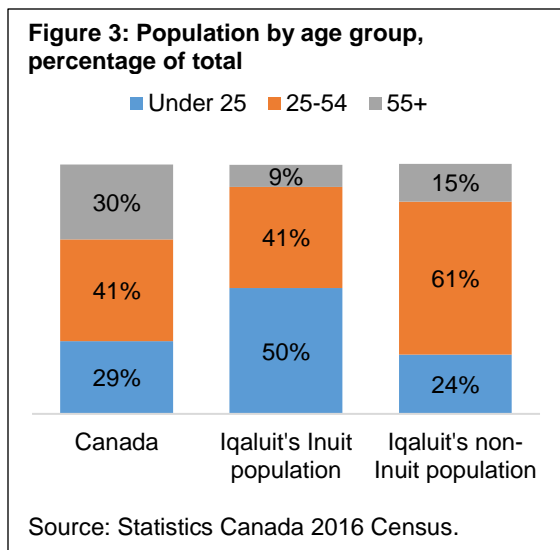
- **Attract people from outside the region**

Like other cities across Canada, inward migration is an important tool to help ensure there are enough workers to meet labour market demand. These workers can come from elsewhere in the province, across the country or from outside the country. Immigration is an increasingly important source of workforce growth across the country. In fact, since 2013, across Canada all net growth in the labour market has come from immigrants¹. A focus on attracting immigrants, including French-speaking or bilingual immigrants, will be another important way to help the region meet its workforce demand in the years ahead.

Iqaluit: immigration trends and profile

Immigration has become an important source of population growth for many urban centres across Canada. There has been some immigration into Iqaluit in recent years, but it has been limited. At the time of the 2016 Census there were 555 immigrants living in Iqaluit or just over 7% of the population. The Philippines is the top country of origin, accounting for 22% of the immigrant population in the city.

Since the Census, there has been limited immigration into Iqaluit. Statistics Canada tracks the changes in population by various sources on an annual basis, at the county or Census Division level. Iqaluit accounts for more than 40% of the population of the Baffin Census Division. Figure 4 shows the immigration rate per



¹ The number of Canadian-born workers exiting the workforce is greater than the number of Canadian-born workers joining the workforce each year.

10,000 population for several jurisdictions. Yellowknife and Whitehorse have attracted a considerable amount of immigrants in recent years while Baffin has not.

The immigrants that live in Iqaluit/Baffin are playing an important role in the economy. There are nearly 800 immigrants active in the Baffin workforce (70% of them live in Iqaluit). They are disproportionately involved in the public sector with 42% employed in public administration, 14% employed in health care and social assistance and 11% employed in the education sector (Figure 5). Overall, 2 out of every 3 immigrants living in Baffin are employed in the public sector. Transportation and warehousing is the only other sector with more than just a handful of immigrant workers.

On average, the region's immigrant population is considerably older than its non-immigrant population. As of the 2016 Census, 50% of immigrants in the workforce were over the age of 45 compared to only 32% of the non-immigrant population.

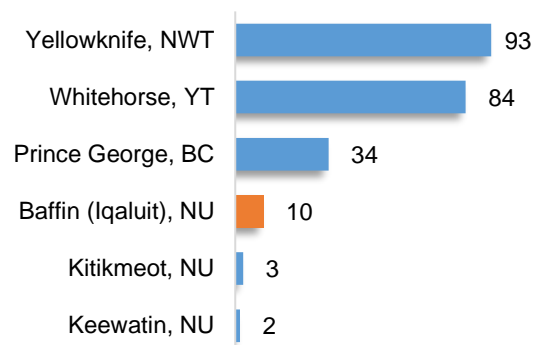
Immigration: supporting the French-speaking population

The share of Iqaluit's population who can speak French is above the national average². The French language plays an important role in the community. At the time of the 2016 Census, there were 1,060 people who spoke French which amounts to 17% of the population. The community's French-speaking population is older, on average, than the rest of the population; 28% of people who can speak French are under 25 compared to 41% among the rest of the population. The region has not attracted many French-speaking immigrants in recent years. However, now that the community is part of the Welcoming Francophone Communities initiative, there will be more opportunity to attract and retain French-speaking or bilingual immigrants.

Helping to grow the local economy

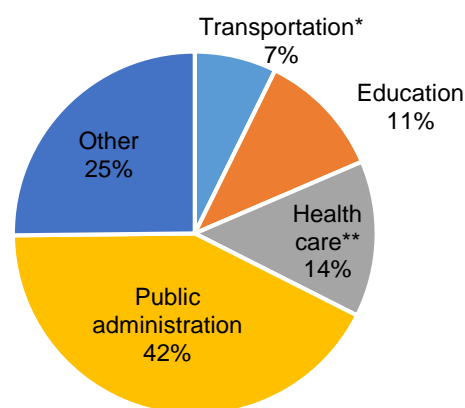
There are many other benefits that come with attracting French speaking or bilingual immigrants. For instance, attracting more newcomers in the coming years would create new demand for local products and services. Every 100 new immigrant families with an average household income could directly generate \$7.0 million worth of new household expenditures, most of which would be spent in the local community³.

Figure 4: Immigration rate per 10,000 population, by selected jurisdiction (2018– 2019)



Source: Statistics Canada, Tables 17-10-0139-01 and 17-10-0140-01.

Figure 5: Breakdown of immigrant employment by sector (percentage of total), Nunavut (2016)



*and warehousing. **and social assistance.
Source: Statistics Canada 2016 Census.

² Compared to the rest of the country, excluding Quebec.

³ Assuming the new household spending conforms to the current spending pattern in Nunavut.

Statistics show that these 100 immigrant families would spend:

- \$940,000 per year on housing costs such as mortgage payments, electricity and property taxes
- \$422,000 each year on transportation costs such as vehicle purchases and maintenance, and
- \$1.2 million on food expenditures at local grocery stores and restaurants

These 100 new families could also generate around \$1.9 million in taxes per year for local, provincial and federal governments.

Other positive effects

Attracting more immigrants, including French-speaking or bilingual immigrants, to Iqaluit 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.

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 Iqaluit could lead to a greater public investment in services and infrastructure.

Retaining and integrating newcomers

Retention will be critical to long-term population growth. In order to ensure the successful integration and retention of immigrants to the community, it is important that newcomers are welcomed into social life, and that they quickly develop a strong sense of Canadian identity and social cohesion.

Iqaluit in 2035

What will Iqaluit look like in 2035? Will it continue to be an important mining hub for northern Canada? Will other industries such as tourism thrive? Will Iqaluit's French-speaking population continue to grow?

In the years ahead, the Iqaluit is poised to make important contributions to the territorial economy through mining, tourism and other industries. Immigration, including French-speaking or bilingual immigrants, may be key to ensuring the region lives up to its economic potential.

By significantly increasing immigration, Iqaluit 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 minority community continues to prosper.

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