

Community Profile Series: Kingston, Ontario 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 Kingston continues to be a thriving hub for higher education and innovation: the role of immigration

Across the Kingston region, there has been a significant increase in the number of people retiring in recent years and there are many more set to retire in the near future. According to Statistics Canada's annual Labour Force Survey, 24% of the people in the Kingston workforce are over the age of 55.

From the 2016 Census, more than half of everyone working as taxi drivers or in ground transportation is over the age of 55, as are 48% of people who work in the farming sector (Figure 1). Important industries such as truck transportation, finance, legal and ambulatory health-care services all have at least 26% over the age of 55.

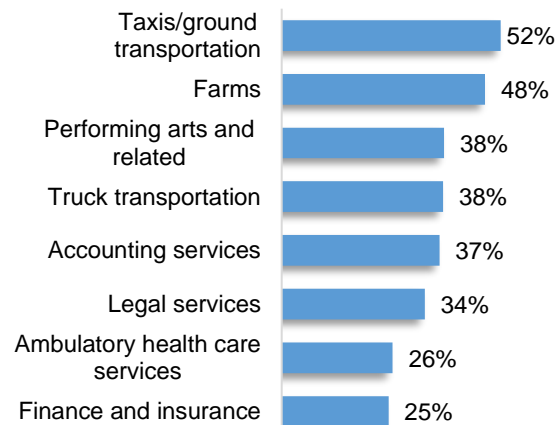
In total, there are now more than 22,000 people in the Kingston region workforce who will be heading into retirement in the near future. Ensuring a strong pipeline of workers for the future will be very important to the community in the years ahead.

Of the more than 150 urban centres across Canada, Kingston (population 176,000)¹ has the highest concentration, by a wide margin, of workers in the university sector. There are 4.2 times as many people working in Kingston's university sector compared to the share in the national workforce. The next closest urban centre is Guelph at 3.4 times, followed by Fredericton at 2.7 times.

The high concentration of Doctor of Philosophy (PhD) and graduate students has resulted in Kingston having one of the largest research and development sectors in Canada, adjusted for population size. Queens University alone had \$176 million in sponsored research income in 2018.

Kingston is also a services centre for a wide area and attracts a significant number of tourists every year.

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



Source: Statistics Canada, 2016 Census.

¹ The Kingston census metropolitan area includes the City of Kingston and the townships of Frontenac Islands, Loyalist and South Frontenac.

The region's demographic challenge

The population in the Kingston urban centre has risen modestly in recent years, lower than the average when compared to its peers across the country. The population over 60 is growing fast while the younger population is not.

In 2006, there were far more people under the age of 20 living in Kingston compared to the number aged 60 and older. Now there are only 73 people under the age of 20 for every 100 over the age of 60 in the community (Figure 2). This poses a potential challenge to the region's continued growth, as there are not enough people in the local population to replace upcoming workforce retirees, let alone provide the supply for workforce growth.

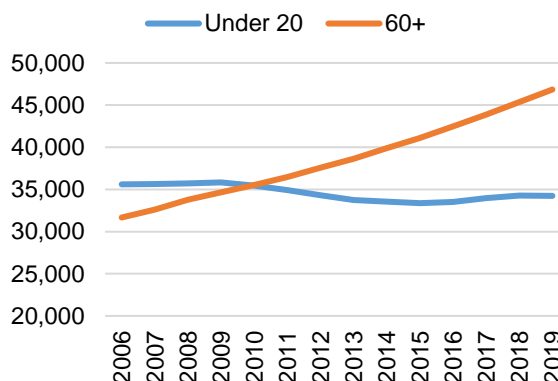
Kingston attracts far fewer immigrants than most of its peers across Canada. In 2019, the community attracted 461 immigrants, equivalent to 26 per 10,000 population (Figure 3). This was 75% lower than the overall average for all census metropolitan areas across the country (106 immigrants per 10,000 population). Kingston also attracted 902 net non-permanent residents in 2019, a considerable number but still slightly below average among large urban centres.

The aging workforce: a potential risk for the Kingston economy

The workforce over the age of 55 is growing much faster than the younger workforce. As shown in Table 1, the number of people in the workforce over the age of 55 increased by 20% in the past 5 years. There are now more than 20,000 people in the workforce who are heading towards retirement in the next decade or so.

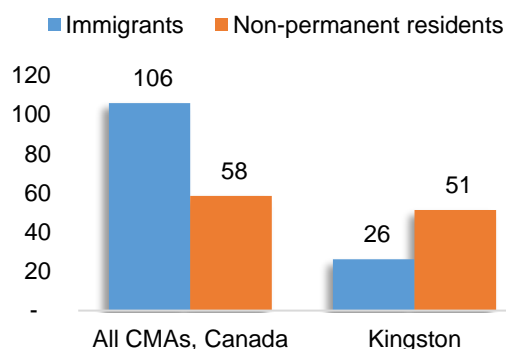
At the same time, the number of people in the workforce under the age of 55 increased only by 2%. The total number of adults over the age of 55 not participating in the workforce increased by 16% between 2014 and 2019, and is set to rise further.

Figure 2: Population by selected age group, Kingston census metropolitan area (CMA)



Source: Statistics Canada, Table 17-10-0135-01.

Figure 3: Immigrants and non-permanent residents per 10,000 people (2019)



Source: Statistics Canada, Tables 17-10-0136-01 and 17-10-0135-01.

Table 1: Kingston's changing workforce

	2014	2019	% change
Workforce (all ages)	87,300	92,500	+6%
Workforce (under 55)	68,800	70,300	+2%
Workforce (over 55)	18,500	22,200	+20%
Adults over 55 not in the workforce	33,200	38,600	+16%
Unemployment rate	6.8%	5.3%	

Source: Statistics Canada, Table 14-10-0096-01.

What is the risk to the economy if there are not enough workers to meet labour demand?

The region already is facing workforce challenges. The Eastern Workforce Innovation Board conducts an annual survey of employers in Frontenac County (the Kingston census metropolitan area accounts for almost all the population in the county). The [2019 survey](#) found that 68% of Frontenac employers had trouble filling one or more positions during the year. Employers in Frontenac experienced the greatest challenge filling positions within sales and service occupations, as well as trades, transport and equipment operation. It was also challenging to fill many positions in natural and applied sciences occupations.

What industries are at risk if labour market demand cannot be addressed?

Table 2 reveals some of the industries for which Kingston has a much higher concentration of employment compared to the rest of the country.

As mentioned above, Kingston has the highest concentration of workers in the university sector among urban centres across Canada. The community also has a large number of workers in defence services. Kingston is a regional centre for health-care services and has 78% more employed in the hospital sector compared to the rest of the country, as a share of total employment. Home health care is a growing business centered out of Kingston. Given the importance of tourism, there are 31% more employed in traveller accommodations.

If labour demand can't be addressed as a result of the demographic realities detailed above, it may impede the growth of these strategically important industries.

Table 2: Kingston's dominant industries: employment share compared to the national economy*

 Chemical manufacturing—74% more	 Home health-care services—50% more
 Business support services—60% more	 Hospitals—78% more
 Universities—4.2 times as many	 Traveller accommodation—31% more
 Defence services—8 times as many	 Other general merchandise stores—31% more

*For example, adjusted for size, Kingston Region has 78% more people employed in the hospitals sector compared to the national economy. Source: Statistics Canada, 2016 Census.

Kingston's aging entrepreneurs

The community's entrepreneurs and small business owners are also getting older, which is an additional challenge for the local economy. Across all industries, 44% of persons who are self-employed are over the age of 55. In total, there are 3,600 business owners who will be heading into retirement in the near future. Based on these statistics, Kingston 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 information technologies. The good news is that immigrants can help address this challenge, as they are nearly 50% more likely to be self-employed compared to those in the workforce who were born in Canada.

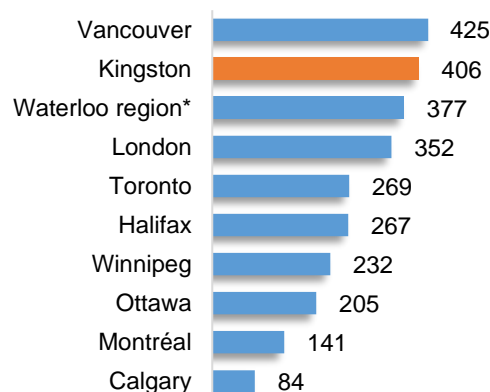
Critical to sustained economic growth: ensuring there is a talent pipeline

Kingston needs to focus on ensuring there is a strong pipeline of workers to address growing labour demand. From boosting the student population to attracting more immigrants, 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 Kingston has fewer students enrolled in K-12 education compared to many of its peers, the urban centre has a large number enrolled in its post-secondary education institutions, including Queen's University, the Royal Military College of Canada and St. Lawrence College. Many of these students come from outside the country. Adjusted for population size, only one other census metropolitan area across the country has a higher share of international students than Kingston (Figure 4). In 2018, there were an estimated 7,100 international study permits issued for schools in the Kingston region, more than triple the 2015 number. Continuing to attract a large number of post-secondary education students will help provide both an important source of economic activity for the region and a source of talent that boosts the local labour supply.

Figure 4: International students per 10,000 population (2018)



*Kitchener-Cambridge-Kingston CMA.
Source: Source: IRCC, August 31, 2018, and Statistics Canada, Table: 17-10-0135-01.

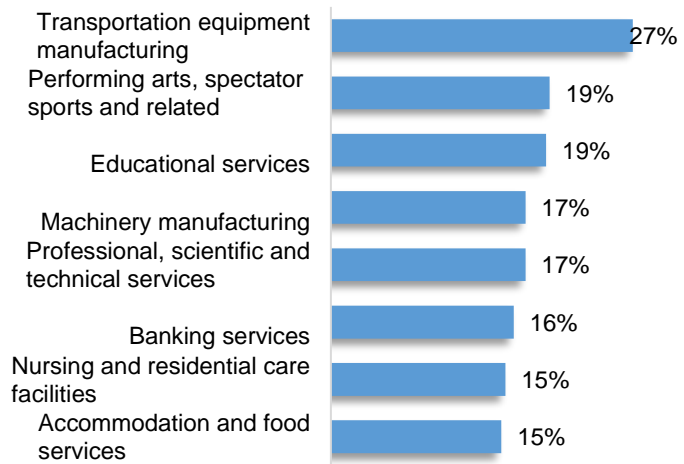
- **Encourage more people to join the workforce**

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. The older population not currently participating in the workforce could be enticed back in by employers offering flexible work options and by increasing benefits. In 2019, nearly 37% of those aged 55 and older were active in the workforce, a share slightly less than the average among census metropolitan areas.

- **Attract people from outside the region**

There is no doubt that the biggest opportunity to boost the talent pipeline involves continuing to attract young people and families. Since 2013, all net growth in the labour market across Canada has come from immigrants². Kingston has not attracted many immigrants in recent years compared to most other larger urban centres. However, in some sectors at least 15% of the workforce are immigrants, such as the banking sector, nursing homes, accommodation and food services (Figure 5). Twenty-seven percent of workers in transportation equipment manufacturing were not born in Canada.

Figure 5: Immigrants as a share of the workforce, selected sectors, Kingston



Source: Statistics Canada, 2016 Census.

Immigration: boosting the Kingston talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in the Kingston Region 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. Immigrants could come as students, workers and business owners, who would fill important roles in the economy and boost 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 1,000 new immigrant families with an average household income directly generate over \$90 million worth of new household expenditures, much of this spending is in the local community³.

Statistics show that these 1,000 immigrant families would spend:

- \$21 million per year on housing, such as mortgage payments, electricity and property taxes,
- \$13 million each year on transportation, such as vehicle purchases and maintenance, and
- \$9 million on food at local grocery stores and restaurants.

These 1,000 new families could also generate about \$25 million worth of taxes per year for local, provincial and federal governments.

Other positive effects

Attracting more immigrants to Kingston 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.

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

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

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

Kingston region in 2035

So, what will Kingston region look like in 2035? Will there be enough workers and new entrepreneurs to ensure the region can both meet workforce demand and take advantage of new growth opportunities?

In Kingston's Strategic Plan 2019-2022, one of the [6 priorities](#) is the development of innovation hubs in health care, biotechnology, clean technology education and the arts. Growing these clusters will require a strong talent pipeline. Immigration could play an important role in the region's economic growth and prosperity.

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