Ensuring Morden remains a vibrant services economy in southern Manitoba: the role of immigration

The looming workforce challenge
The 2016 Census reported that more than 20% of the City of Morden workforce was over the age of 55. In the wider urban area (the Winkler census agglomeration\(^1\)), 33% of everyone working in farming was over the age of 55, as were 30% of workers in administrative support services, 24% in nursing and residential care services, and 22% in professional services.

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 needed to support economic growth in the coming years.

Morden has an important economic role in southern Manitoba
Morden is a city located in the Pembina Valley region of southern Manitoba. It has been growing rapidly in recent years, with an 11% population growth rate between 2011 and 2016. Morden is a regional services hub with a significant share of employment in industries such as education, health care and personal services, as well as a relatively large manufacturing sector featuring 12 firms and more than 750 workers. Morden’s sister city, Winkler, has a high concentration of workers in trade, transportation and warehousing.

\(^1\) Unless specifically noted, the data in this report is primarily for the City of Morden. However, some statistics are only available for the Winkler census agglomeration (population 30,300) which includes both Morden (8,700) and Winkler (12,600) and some surrounding population.
The community is facing a demographic challenge

The City of Morden has a median age of 38, which is below the national level but well above the nearby City of Winkler median age of about 32. In 1996, there were 105 people under the age of 20 for every 100 people over the age of 55 living in Morden. As of the 2016 Census, that ratio had dropped to only 86 young people for every 100 over the age of 55. While this is better than many other cities in Canada, it is still a good illustration of the changing demographic reality in the community.

Morden’s early focus on immigration

Morden was quicker than many small cities in Canada to focus on attracting new immigrants as a way to address workforce needs and grow the population for the future. In 2012, the community established the Morden Community Driven Immigration Initiative with a target of bringing 50 new immigrant families each year to Morden. The initiative features the Immigrate to Morden website along with Facebook pages, online forums, blogs, and YouTube channels all dedicated to attracting people to Morden.

The community’s efforts to attract immigrants are working. In 2016, the city was home to 520 recent immigrants and non-permanent residents who had settled in Canada between 2011 and 2016. Nearly half of the community’s robust net population growth between 2011 and 2016 was the result of new immigrants (Figure 2).

Unlike many provinces in Canada, Manitoba has been able to attract a significant number of immigrants to smaller cities such as Morden.

The aging workforce: a risk for the economy

What is at risk if Morden 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 Morden has a higher concentration of workers compared to the rest of the country. The city has nearly twice as many employed in manufacturing and considerably more in agriculture, health care, personal services and educational services. 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 1: Morden’s dominant industries: Sectors with an above average share of employment compared to the national economy*

<table>
<thead>
<tr>
<th>Industry</th>
<th>Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>92% more</td>
</tr>
<tr>
<td>Agriculture</td>
<td>67% more</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>38% more</td>
</tr>
<tr>
<td>Personal services</td>
<td>26% more</td>
</tr>
<tr>
<td>Educational services</td>
<td>24% more</td>
</tr>
<tr>
<td>Construction</td>
<td>3% more</td>
</tr>
</tbody>
</table>

*For example, as a share of all workers, Morden has 92 percent more people employed in manufacturing compared to the national workforce.

Morden’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. A third of all self-employed people in the Winkler urban region are over the age of 55. Morden could benefit from attracting a new generation of entrepreneurs to replace those who retire and to help drive growth in important industries such as agriculture, professional services and tourism.

Critical to sustained economic growth: ensuring there is a talent pipeline
The Morden 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**
  The Winkler urban area features a relatively strong local pipeline for the future workforce. In 2016, there were 81 young people aged 15 to 24 in school for every 100 people in the workforce over the age of 55 (Figure 3). This was above the provincial and national levels and other small urban areas across the province. If the region is able to attract more students (Canadian and international) and young immigrant families, it could help to build a larger local talent pipeline to address workforce needs 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. 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**
  There is no doubt that the greatest opportunity involves the attraction of young people and families to Morden. Since 2013, across Canada, all net growth in the labour market has come from immigrants. There is a direct correlation between immigrant attraction and workforce growth. The cities with the highest immigration rates have, by far, the fastest labour market growth. As discussed above, Morden has benefited from strong growth in its immigrant population in recent years. Between 2006 and 2016, the labour force in Morden expanded by nearly 30% and the immigrant population more than doubled. There is a strong correlation between the area’s attraction of immigrants and its labour force growth.

---

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.
Immigration: boosting the Morden talent pipeline
Along with other efforts to boost the workforce, increasing the number of immigrants settling in Morden 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
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 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 approximately $2.2 million worth of taxes per year for local, provincial and federal governments.

Other positive effects
Continuing to attract immigrants to Morden 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 would benefit from an increasing population of young residents.

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

The city has implemented a number of services to help newcomers, including:
- providing temporary, furnished housing
- helping them access local services such as education and health care
- assisting with filling out forms, such as taxes, and
- helping them prepare for the cold winter

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 Morden 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 Morden retire and move

³ Assumes the new household spending conforms to the current spending pattern in Manitoba.
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 Morden’s important industries such as manufacturing and services. In the years ahead, the community can benefit from the economic opportunities arising from more retirees and from attracting and growing the younger workforce.

Morden in 2035
What will Morden look like in 2035? Will it continue to be an important urban services hub in southern Manitoba? In the years ahead, Morden faces great opportunities to grow its local economy and build on its existing successes in its manufacturing and service industries. Increasing immigration may be a critical piece that will 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.