

## Economic Profile Series: North Bay, Ontario

Winter 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 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 North Bay remains an important urban hub in Northern Ontario: the role of immigration

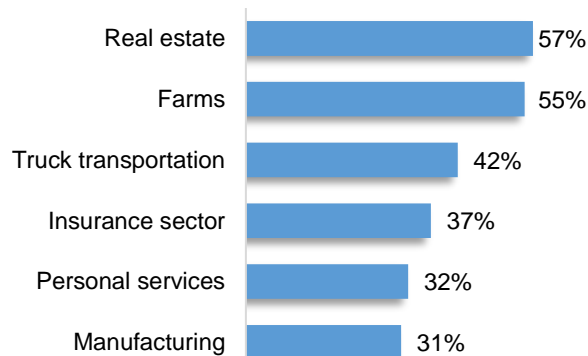
#### The looming workforce challenge

The 2016 Census reported that 1 out of every 4 workers in North Bay was over the age of 55. Overall, 9,200 people in North Bay are likely to retire in the next decade or so (as they are over the age of 55).

Thirty-one percent of everyone working in the manufacturing sector was 55 and older at the time of the Census (Figure 1). Thirty-two percent of everyone working in personal services, 37% of those in the insurance sector and 42% in transportation were over the age of 55.

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 potential economic growth.

Figure 1: Share of the North Bay workforce over the age of 55—selected industries\*



Source: Statistics Canada 2016 Census.

#### North Bay has an important economic role

North Bay<sup>1</sup> (population 73,600) is a 1.5-hour drive east of Greater Sudbury and a 3-hour drive north of Toronto. The community is home to important mining, manufacturing and transportation industries and, in recent years, has become a regional services hub with a high concentration of employment in health care, post-secondary education, the provincial government and personal services. North Bay has a long history of hosting film and television productions, starting in the 1940s and continuing today. In 2018, the community launched its [five-year economic development plan](#), which features boosting the size of the population as its first goal.

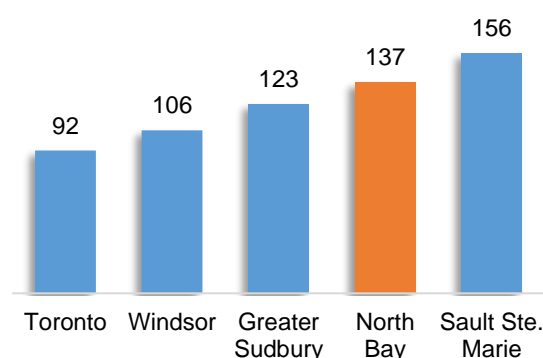
<sup>1</sup> The data in this report is for the North Bay census agglomeration area, which includes North Bay, the townships of Bonfield, Chisholm and Nipissing, as well as the municipalities of Callander, East Ferris and Powassan.

### The population is aging fast

The main reason why population growth is a top goal for the community is the rapidly changing demographic picture. The population is lower today than it was a decade ago (down by 1%). More importantly, the population is aging fast.

In 2008, there were 102 people over the age of 60 in North Bay for every 100 under the age of 20. As of 2018, the ratio is now 137 over age 60 for every 100 under 20. Figure 2 shows North Bay in comparison to several other Ontario communities. As a share of the population, there are nearly 50% more people over the age of 60 living in North Bay compared to Toronto.

**Figure 2: Number of people over the age of 60 for every 100 under the age of 20 (2018)**



Source: Statistics Canada, 2016 Census

### The aging workforce: a risk for the economy

This demographic shift has hit the workforce and there are signs that it is starting to impact the economic potential of the community. The number of people in North Bay reporting employment income increased by 4% between 2008 and 2017, while the number reporting Canada Pension Plan income increased by 35%<sup>2</sup>. As shown in Table 1, between 2012 and 2018, the number of people active in the labour market declined by 3,200, while the number of unemployed people dropped by 31%.

**Table 1: Summary labour market indicators, North Bay**

	2012	2018	# Change	% Change
Labour force	36,400	33,200	-3,200	-9%
Employment	33,600	31,200	-2,400	-7%
Unemployment	2,900	2,000	-900	-31%
Unemployment rate	8.0%	6.0%		-2.0*

\*Percentage point change.

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

### There has been relatively little immigration to North Bay

Despite the tightening labour market and the aging population, there has been limited immigration in recent years. Adjusted for population size, North Bay has one of the lower recent immigration rates among small urban centres in Canada.

<sup>2</sup> Source: Statistics Canada, Table 11-10-0007-01.

In 2018, there were 33 immigrants (including non-permanent residents) for every 10,000 people in North Bay. By comparison, there were 116 for every 10,000 in Greater Sudbury and 91 for every 10,000 in Thunder Bay (figure 3).

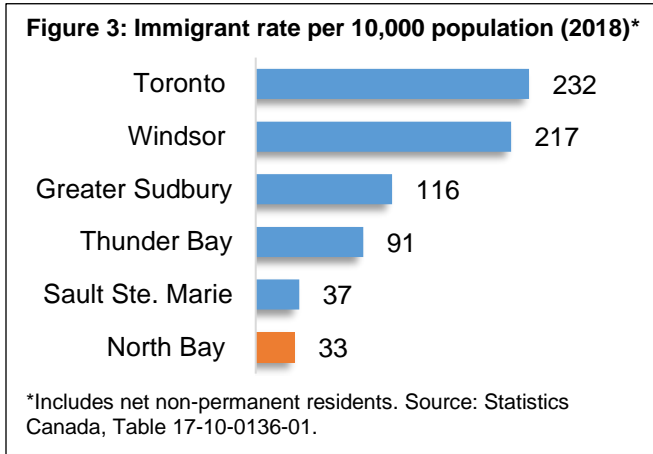
**If there are not enough workers to replace the retirees, what could be the impact on the economy?**

Predicting labour market demand is not easy, but the community clearly understands the need for population growth. North Bay's [Economic Development Strategy 2018-2023](#)

highlights the community's aspiration to be a city "where talented people from Canada and around the world are attracted to live and build their careers."

But what industries could be at risk if labour market needs can't be addressed? Table 2 reveals the industries for which North Bay has a much higher concentration of workers compared to the rest of the country.

Adjusted for size, there are 5 times as many people working in rail transportation compared to the country overall. There are 90% more working in mining and 2.5 times as many in support activities for mining. There are 35% more employed in general merchandise stores, pointing to the importance of the retail sector. North Bay has a well-above-average concentration of workers in health care and nursing, and residential care facilities, and a lot of employment in heavy and civil engineering construction. If the workforce continues to tighten, many of these strategically important industries could struggle to find workers, and some of this economic activity could move to other communities with a stronger talent pipeline.



**Table 2: North Bay's dominant industries: employment share compared to the national economy\***

 Mining—90% more	 General merchandise stores—35% more
 Support activities for mining—2.5 times	 Public administration—34% more
 Heavy and civil construction—50% more	 Nursing & residential care—57% more
 Rail transportation—5 times more	 Health care—33% more

\*For example, adjusted for size, North Bay has 35% more people employed in general merchandise stores compared to the national economy. Source: Statistics Canada, 2016 Census.

**North Bay'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. There are more than 3,300 self-employed people in North Bay, and around 40% of them are over the age of 55. North Bay 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 trade, transportation and tourism.

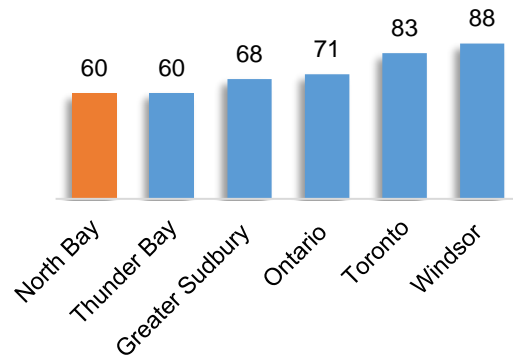
### Critical to sustained economic growth: ensuring there is a talent pipeline

The North Bay 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**

An evaluation of the population in school shows that compared to many other small and larger urban centres, the community is at a disadvantage. In 2016, there were only 60 young people aged 15 to 24 in school for every 100 people in the workforce over the age of 55 (Figure 4). Windsor, by contrast, has 88 young people in school for every 100 in the workforce over the age of 55. North Bay is home to Nipissing University and Canadore College, as well as several private colleges. If the community is able to attract more Canadian and international students, it will help to build a larger local talent pipeline to address workforce needs in the years ahead.

**Figure 4: 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 people with disabilities. In 2016, the population of North Bay included about 11% Indigenous people, of which 23% were First Nations and 34% were Métis. The indigenous population accounts for 10% of the total workforce in North Bay and the unemployment rate among this segment of the workforce was 14% at the time of the 2016 Census. This group provides an additional potential source for talent for the workforce. Also, persons aged 55 and older who are not in the labour market could be enticed back in by being offered flexible work and other benefits.

- **Attract people from outside the region**

There is no doubt the biggest opportunity involves the attraction of young people and families to North Bay. Since 2013, across Canada, all net growth in the labour market has come from immigrants<sup>3</sup>. There is a direct correlation between immigrant attraction and workforce growth. The urban centres with the highest immigration rates have, by far, the fastest labour market growth.

<sup>3</sup> The number of Canadian-born workers exiting the workforce is greater than the number of Canadian-born workers joining the workforce each year.

As discussed above, North Bay has among the lowest immigration rates among small urban centres in Canada, but those who have come are playing an important role. As shown in Figure 5, over 7% of all workers in the ambulatory health care, and accommodation and food services sectors are immigrants, as are more than 6% in the professional services and education sectors. A focused effort to attract more immigrants and retain them in the community may serve to ensure economic growth in the years ahead.

**Immigration: boosting the North Bay talent pipeline**

Along with other efforts to boost the workforce, increasing the number of immigrants settling in North Bay would 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.

North Bay is part of the new [Rural and Northern Immigration Pilot](#) established to help smaller rural and northern communities attract and retain foreign skilled workers to meet their economic development and labour market needs.

**Supporting North Bay’s French-speaking population**

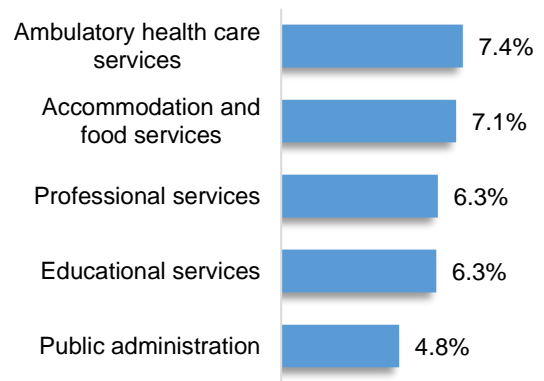
There is a large French-speaking community in North Bay. Over 10,200 people have French as their mother tongue (15% of the population) and more than 25% of the total population can speak French. Bilingualism is an important asset for a number of important industries in the community including banking where 35% of workers speak both French and English (Figure 6).

However, the Francophone population is older on average, with 47% over the age of 55, compared to only 32% among those with English as their mother tongue. The good news is that the community has a track record of attracting Francophones. Between 2011 and 2016, more than 1,300 people who speak French as their first language moved to North Bay from other communities in Canada. Immigration could be an important way to ensure North Bay’s Francophone population continues to thrive.

**Helping to grow the local economy**

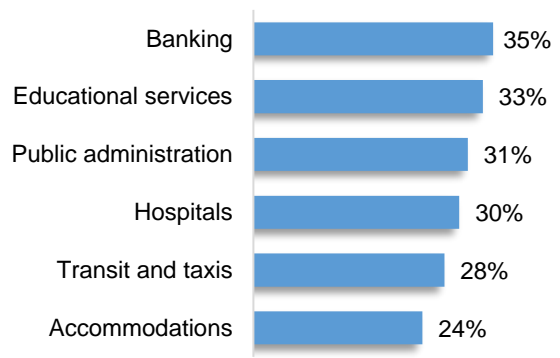
Attracting more immigrants in the coming years would create new demand for local products and services. Every 100 new immigrant families with an average household income directly generate over \$9 million

**Figure 5: Immigrants and non-permanent residents as a share of the total North Bay workforce, by selected sector**



Source: Statistics Canada, 2016 Census.

**Figure 6: Percentage of the North Bay workforce by sector with knowledge of French and English**



Source: Statistics Canada 2016 Census.

worth of new household expenditures, much of this spending in the local community<sup>4</sup>. Statistics show that these 100 immigrant families would spend:

- \$2.1 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
- \$870,000 on food expenditures at local grocery stores and restaurants.

These 100 new families would also generate around \$2.4 million worth of taxes per year for local, provincial and federal governments.

### **Other positive effects**

Attracting more immigrants to North Bay would 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.

### **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. More than 83% of North Bay residents are at least third-generation Canadians, meaning that they were born in Canada, as were their parents and grandparents. In order to ensure the successful integration and retention of immigrants to North Bay, it is important that newcomers are welcomed into social life and quickly 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 North Bay 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 North Bay 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 industries should not be considered a replacement for North Bay's important export-oriented industries, such as manufacturing and tourism. In the years ahead, the community can benefit from the economic opportunities arising from more retirees and from attracting and growing the younger workforce.

### **North Bay in 2035**

What will North Bay look like in 2035? Will it continue to be an important and growing services hub in Northern Ontario?

In the years ahead, North Bay faces many opportunities to grow its local economy and build on existing successes in its manufacturing, transportation and tourism 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](https://canada.ca/immigration-matters).

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<sup>4</sup> Assumes the new household spending conforms to the current spending pattern in Ontario.