

Economic Profile Series: Sudbury, Ontario

Spring 2019

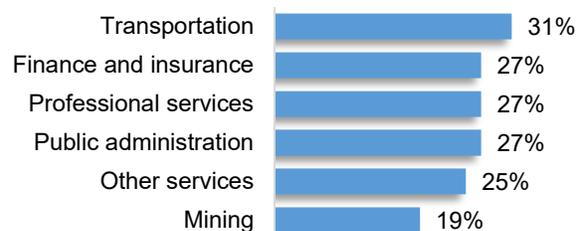
This series looks at 20 communities across Canada and highlights key labour market statistics and the role that immigration has played or could play to help these communities flourish. It is important to note that predicting future labour market demand can be challenging, as economies are always evolving. This profile uses current population and labour market trends to give a profile of how immigration might play a role in this community.

Ensuring Greater Sudbury remains an economic engine for Northern Ontario: the role of immigration

The 2016 Census reported that more than 1 in 5 people in the Greater Sudbury workforce were over the age of 55. More than 30% of transportation sector workers were over the age of 55, and 27% in the public administration, professional services and finance sectors were close to retirement (Figure 1).

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 the Greater Sudbury workforce over the age of 55—selected industries



Source: Statistics Canada, 2016 Census.

Greater Sudbury: an important urban economy in Ontario

Greater Sudbury (pop. 165,000)¹ is the largest urban centre by population in Northern Ontario. The municipality is the second largest by land area in Canada. As a major mining centre, Sudbury plays an important role in the economy not only of Ontario, but Canada overall. The community is also an important services hub providing trade, health care, education, finance and professional services for a wide area in the North.

The population has started to decline

A decade ago, the Greater Sudbury population was growing as people were moving in from elsewhere in Ontario (intraprovincial migration) and the community had a positive natural population growth rate (births minus deaths). Now, the population is declining because there are fewer births, and not as many people are moving in from elsewhere in the province (Table 1).

Unlike many other urban areas, Greater Sudbury has not benefitted from an increase in immigration to offset weakness in other sources of population growth.

Table 1: The changing sources of population: Greater Sudbury

	2007	2017
Natural growth*	+89	-79
Net intraprovincial migration	+448	-384
Immigrants	+112	+162

*Births minus deaths.

Source: Statistics Canada, Table 17-10-0079-01.

¹ The Greater Sudbury Census Metropolitan Area includes the City of Sudbury, the municipality of Markstay-Warren and the First Nations communities of Wahnapeitei 11 and Whitefish Lake 6.

According to Statistics Canada, 162 immigrants came to Sudbury in 2017, which equates to an immigration rate of just under 10 immigrants per 10,000 population (Figure 2). This was the third-lowest immigration rate among the 33 largest urban centres across Canada².

The aging workforce: a risk for the Greater Sudbury economy

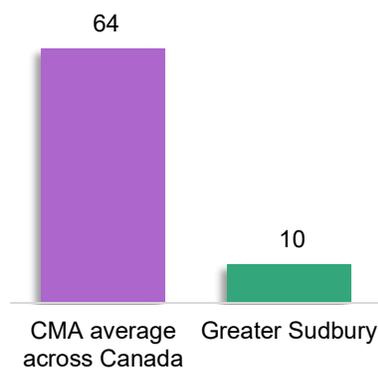
There are signs that the aging population is starting to have a negative impact on the Greater Sudbury economy. The workforce peaked in 2010 at 89,000 and has declined slightly since (to 87,000 in 2018). The workforce under the age of 45 has declined by 8%, while the number aged 55 and older has risen by nearly 70% since 2010, meaning there are now more than 19,000 people headed towards retirement in the near future.

Table 2: Changing labour market indicators: Greater Sudbury

	2010	2018	Change
Workforce (age 15+)	89,000	87,000	-2%
Workforce (under age 45)	56,200	51,600	-8%
Workforce (age 55+)	11,500	19,300	+68%
Unemployment (age 15+)	8,300	5,600	-33%
Unemployment rate	9.3%	6.4%	

Source: Statistics Canada, table 14-10-0096-01

Figure 2: Immigration rate per 10,000 population (2017, non-weighted average)



Source: Statistics Canada, Tables 17-10-0078-01 and 17-10-0079-01.

If the Greater Sudbury workforce continues to decline, what will be the impact on the economy?

Greater Sudbury's economic development strategy, *From the Ground Up: A Community Economic Development Plan*, set a target of 10,000 net new jobs between 2015 and 2025³. Growing the employed labour market by a net 10,000 workers as 19,000 are heading towards retirement is a challenge for the community.

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

Figure 3 reveals the industries for which Greater Sudbury has a much higher concentration of workers compared to the rest of the country. It shows employment in specific industries per 10,000 workers in the overall labour market.

The mining and quarrying sector is the top driver of the economy, with more than 5,600 direct employees. As a share of the labour market, there are almost 16 times as many people working in this sector in Greater Sudbury compared to the rest of Canada.

The higher concentration of workers in nursing and residential care facilities points to the region's role as a health-care centre. The level of employment in heritage institutions highlights the importance of tourism. Employment figures for other sectors reveal Greater Sudbury's role as a retail trade and public administration hub for Northern Ontario.

If the workforce continues to decline, many of these strategically important industries will struggle to find workers. Much economic activity could move to urban centres that have a stronger talent pipeline.

² Census Metropolitan Areas (CMA).

³ Source: Invest Sudbury.

Figure 3: Greater Sudbury’s dominant industries: Selected industry employment per 10,000 workers in the overall labour market



Source: Statistics Canada, 2016 Census.

Greater Sudbury’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, 42% of persons who are self-employed are over the age of 55. In total, there are nearly 2,500 business owners who will be heading into retirement in the near future.

In the professional services sector, over half are over the age of 55. Based on these statistics, Sudbury 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 tourism.

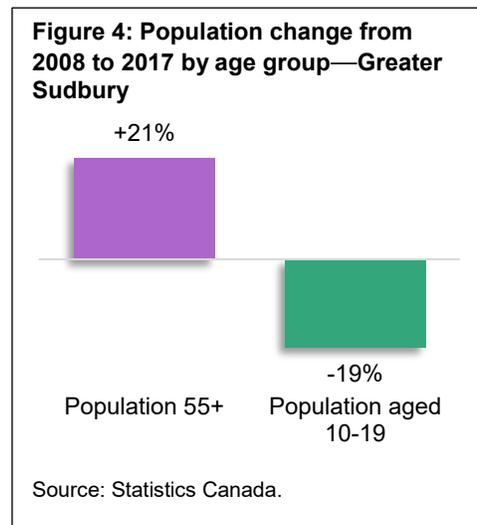
Critical to sustained economic growth: ensuring there is a talent pipeline

The Greater Sudbury workforce is aging and the pipeline of younger workers is shrinking as the number of people aged 10 to 19 has declined by nearly 20% in the past decade (Figure 4). There are a number of ways the community can expand the number of available workers in the years ahead:

- Attract more students to the region**

In recent years, Greater Sudbury has increased the number of international students in the region’s high schools and post-secondary institutions. There are as many people aged 15 to 24 in secondary and post-secondary education in Sudbury as the national average as a share of total population. Boosting this number further could strengthen the talent pipeline 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. Additionally, in 2016, Greater Sudbury was comprised of 10% Indigenous people, of which 47% were First Nations and 49% Métis⁴; this group provides an additional potential source for talent for the



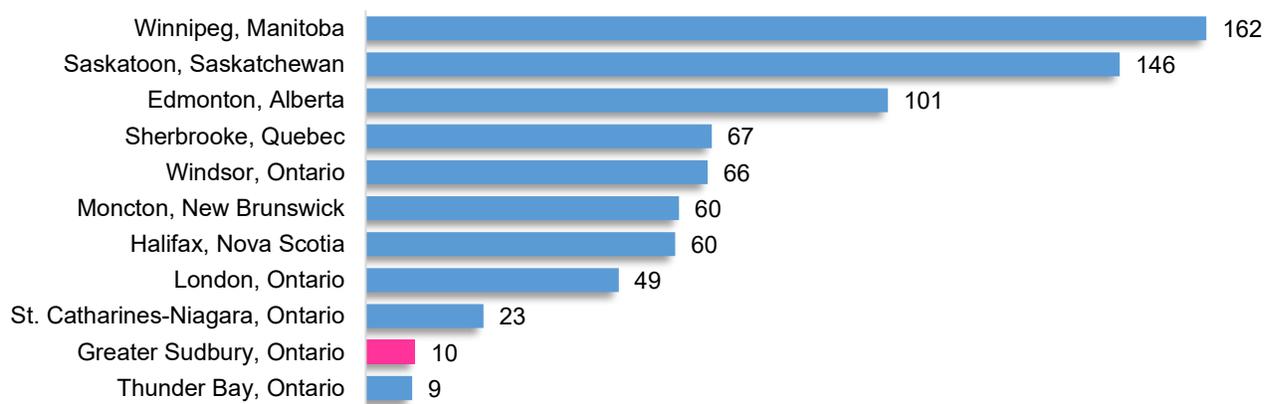
⁴ Statistics Canada, 2016 Census of Population

workforce. 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 biggest opportunity involves attracting young people and families to Greater Sudbury. Since 2013, across Canada all net growth in the labour market has come from immigrants⁵. 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. Greater Sudbury has the third-lowest immigration rate among the 33 large urban centres in Canada (Figure 5) and is only among 4 to witness a decline in the size of the workforce between 2010 and 2018.

Figure 5: Average annual immigration rate between 2009 and 2017 for large urban centres across Canada (census metropolitan areas)
Number of immigrants per 10,000 population



Source: Statistics Canada, Table 17-10-0079-01.

Immigration: boosting the Greater Sudbury talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Sudbury 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. These 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 local economy

Attracting more immigrants in the coming years will create new demand for local products and services. Every 1,000 new immigrant families with an average household income directly generate \$84 million worth of new household expenditures—much of this spending is in the local community⁶.

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

- \$14 million per year on housing costs, such as mortgage payments, electricity and property taxes
- \$11 million each year on transportation costs, such as vehicle purchases and maintenance, and
- nearly \$8 million on food expenditures at local grocery stores and restaurants.

These 1,000 new families would also generate over \$20 million worth of taxes per year for local, provincial and federal governments.

⁵ The number of people born in Canada exiting the workforce is greater than the number of people born in Canada joining each year.

⁶ Assumes the new household spending conforms to the current spending pattern in Ontario.

Other positive effects

Attracting more immigrants to Greater Sudbury 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. Nearly 83% of Greater Sudbury residents are at least third-generation Canadians, meaning they were born in Canada, as were their parents and their grandparents.

While the community does have a number of [organizations that offer settlement services](#), such as help finding a job or registering children for school, it is important that newcomers are welcomed into social life and quickly develop that strong sense of Canadian identity and social cohesion.

Supporting Greater Sudbury's French-speaking population

There is a large French-speaking community in Greater Sudbury. Among urban centres outside Quebec with a population of at least 50,000, Greater Sudbury ranks third in Canada for the share of population that speaks both French and English. There are 42,000 people with French as their mother tongue and a total of 63,000 who can speak French living in Greater Sudbury. The Francophone population is older on average, with 40% over the age of 55. The community has the lowest inward migration rate of persons with French as their mother tongue of any urban centre outside Quebec, with a minimum of 10,000 Francophones (Figure 6). This migration rate is based on those moving in from elsewhere in Ontario or Canada, as well as from other countries.

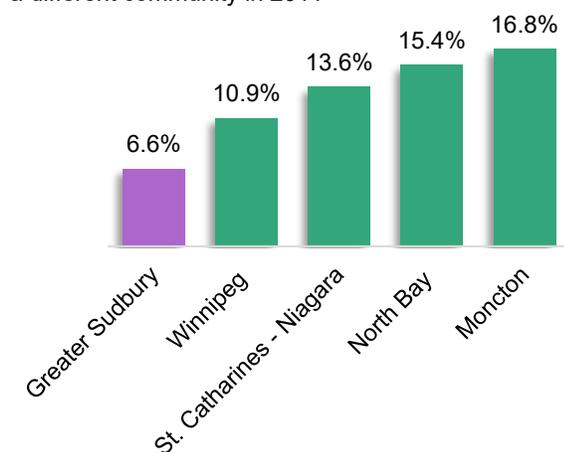
A large number of immigrants to Canada are French-speaking. In 2016, there were 110 Francophones living in Greater Sudbury who moved to Canada between 2011 and 2016. In Moncton, New Brunswick, an urban centre with roughly the same population, there were 645, and in Winnipeg there were 625. In Ottawa, there were more than 3,000 Francophone immigrants who moved to Canada between 2011 and 2016. Immigration could help to ensure Greater Sudbury's Francophone population continues to thrive.

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 Greater Sudbury could lead to a greater public investment in services and infrastructure. A declining economy could lead to a reduction in public spending and worsen the region's economic situation.

Figure 6: Five-year inward migration rate: Francophones*

% of the total Francophone population in 2016 that lived in a different community in 2011



*Population with French as their mother tongue.

Source: Statistics Canada, 2016 Census.

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 Greater Sudbury 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. But these industries should not be considered a replacement for Greater Sudbury's important export-oriented industries such as mining, manufacturing, transportation and tourism.

Greater Sudbury in 2035

So, what will Greater Sudbury look like in 2035? Will the region continue to be a national mining hub and a thriving regional services centre for Northern Ontario? Will it continue to be a health sciences and education centre? Will the workforce be there to ensure the region can take advantage of new opportunities?

In the years ahead, Northern Ontario is poised to make important contributions to the provincial economy through its mining and other natural resources sectors, tourism and other services industries. Immigration could be a key solution to helping the region play this important economic role.

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