

Economic Profile Series: Windsor, Ontario

Spring 2019

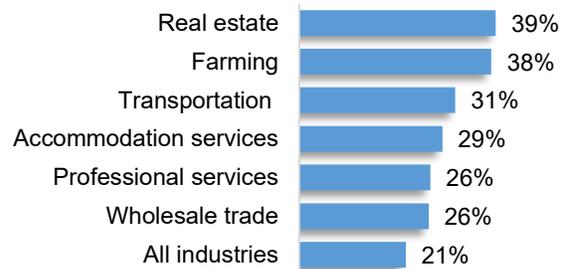
This series looks at 20 communities across Canada and highlights key labour market statistics and the role that immigration has played, or could play, to help these communities flourish. It is important to note that predicting future labour market demand can be challenging, as economies are always evolving.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

Ensuring Windsor remains an economic engine in southwestern Ontario: the role of immigration

The 2016 Census reported that more than 1 in 5 people in the Windsor workforce were over the age of 55. More than 30% of transportation, real estate and farming sector workers were over the age of 55, and 26% in the professional services and wholesale trade sectors were close to retirement (Figure 1). There were over 34,000 people in the Windsor workforce over the age of 55.

Ensuring a strong pipeline of workers for the future will be very important to the community in the years ahead.

Figure 1: Share of the Windsor workforce over the age of 55 in selected industries



Source: Statistics Canada, 2016 Census.

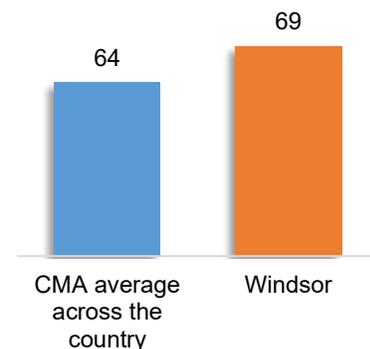
Windsor: an important urban economy

Windsor (population 345,000)¹ is a strategically important urban centre in southwestern Ontario. It is the location of one of the most important border crossings between Canada and the United States, and has above-average-sized transportation and tourism sectors. Windsor also has one of the largest manufacturing clusters among urban centres in Canada.

Immigration has improved Windsor's demographic outlook

Over the past decade, Windsor has attracted more than 2,500 immigrants per year, on average. Adjusted for population size, this represents an immigration rate above the average for large urban centres across Canada and higher than other urban centres in Ontario such as Hamilton, London and Kitchener-Cambridge-Waterloo.

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



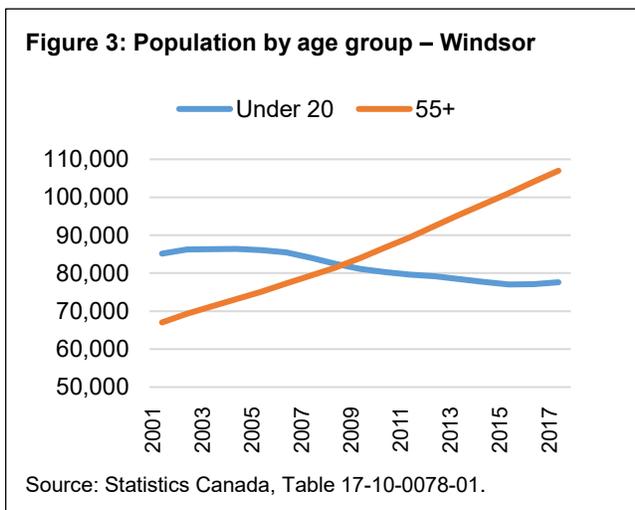
Source: Statistics Canada, Tables 17-10-0078-01 and 17-10-0079-01.

¹ The Windsor census metropolitan area includes the Windsor and the towns of Amherstburg, LaSalle, Lakeshore and Tecumseh.

Immigrants accounted for all net population growth in the Windsor urban area between 2011 and 2016. They have been an important source of labour market growth in recent years and have supported the region's economic, population and workforce growth over the past decade.

The population has started to decline

Despite an above-average immigration rate bringing young migrants to the region, Windsor is still facing a demographic challenge. As shown in Figure 3, in the early 2000s, there were considerably more people under the age of 20 (the future workforce) in the population than there were people aged 55 and older. In 2017 there were only 73 people under the age of 20 for every 100 over the age of 55. As explained further below, Windsor has important advantages that other communities do not have, which may help it address this demographic imbalance and provide the talent pool for the future.



The aging workforce: a risk for the Windsor economy

The number of people in the workforce over the age of 55 increased by 48% between 2010 and 2018 (Table 1). There are 34,300 people in the workforce who are heading towards retirement. At the same time, the number of unemployed people in the Windsor census metropolitan area has declined by nearly 50%, resulting in an unemployment rate that has gone from 11.7% in 2010 down to only 6% in 2018. The tightening labour market is one of the main risks to the region's economic prosperity in the coming years.

Table 1: Changing labour market indicators: Windsor

	2010	2018	Change
Workforce (age 15+)	167,000	174,900	+5%
Workforce (age 55+)	23,200	34,300	+48%
Unemployment (age 15+)	19,500	10,500	-46%
Unemployment rate	11.7%	6.0%	

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

What are the economic impacts of Windsor's declining workforce?

A [survey](#) in 2018 by the Windsor-Essex Economic Development Corporation found that addressing labour challenges and attracting more workers through immigration were among the top priorities for local businesses. The Corporation has made people attraction a top focus. The Windsor-Essex Regional Chamber of Commerce [reported in 2017](#) that 82% of businesses were having trouble recruiting staff, which was costing the regional economy some \$600 million per year in lost economic activity.

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

Table 2 reveals some of the industries for which Windsor has a much higher concentration of workers compared to the rest of the country. Windsor has more than twice as many employed in manufacturing as a share of the workforce compared to the Canadian workforce overall, with specific strengths in transportation equipment and related manufacturing. In addition, the community has 77% more people

employed in amusement and recreation industries and 30% more in truck transportation when compared to the national workforce.

As a sign of the importance of health care, Windsor has a high concentration of workers in nursing and residential care as well as ambulatory health care services.

If the workforce starts to decline as a result of the demographic shift, 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.

Table 2: Windsor’s dominant industries: employment share compared to the national economy*

 Machinery manufacturing – 5 times more	 Amusement industries – 77% more
 Transportation equip. manufacturing – 7 times more	 Nursing and residential care – 24% more
 Plastics and rubber manufacturing – more than 3 times more	 Ambulatory health care – 20% more
 Fabricated metal product manufacturing – nearly double	 Truck transportation – 30% more

*For example, adjusted for size, Windsor has nearly twice as many people employed in fabricated metal product manufacturing compared to the national economy. Source: Statistics Canada, 2016 Census.

Windsor’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, 39% of persons who are self-employed are over the age of 55. In total, there are over 5,100 business owners who will be heading into retirement in the near future.

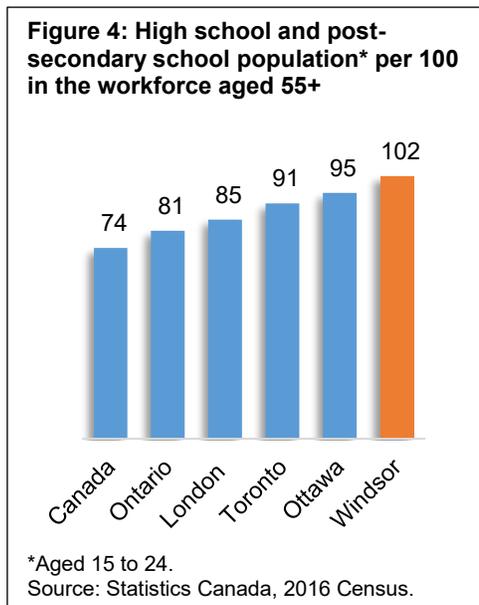
Based on these statistics, Windsor could benefit from a new generation of entrepreneurs to replace those who retire and to help drive growth in important industries such as professional services and tourism. The good news is that immigrants can help address this challenge, as they are nearly 50% more 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

Windsor needs to focus on ensuring there is a strong pipeline of workers to join the workforce to address labour demand. From boosting the student population to attracting more immigrants, 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**

Windsor already has a distinct advantage in this area. As shown in Figure 4, Windsor is the only urban centre in Canada that has more people aged 15 to 24 enrolled in secondary and post-secondary education than those aged 55 and older in the workforce. The University of Windsor, St. Clair College and other post-



secondary institutions are ensuring the community has this very strong talent pipeline. There are efforts underway to attract even more international students 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.

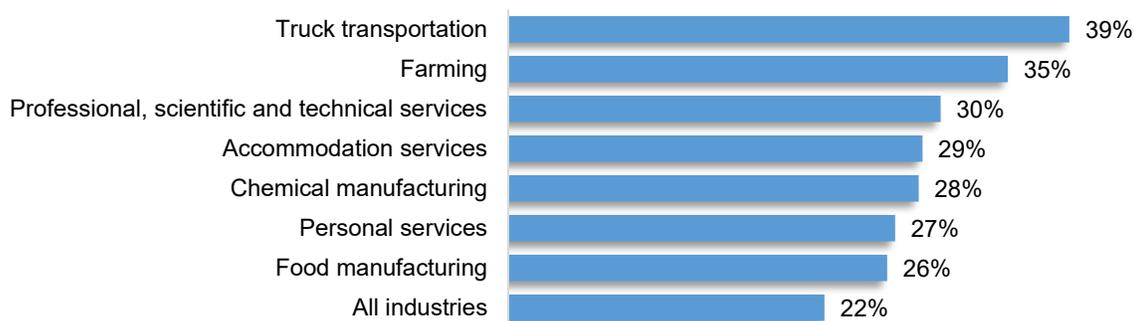
- **Attract people from outside the region**

There is no doubt that the biggest opportunity involves attracting young people and families to Windsor. Since 2013, all net growth in the labour market across Canada has come from immigrants². 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.

Windsor has benefited from immigration more than many other mid-sized urban centres in Canada. More than 1 in 5 workers in the current labour market is an immigrant. In some sectors, the share of immigrant workers is much higher (Figure 5). Nearly 40% of workers in the truck transportation sector are immigrants. Thirty% of all workers in Windsor’s professional, scientific and technical services were not born in Canada.

But it is likely the Windsor urban region will need to boost its attraction of immigrants even further. The community’s immigration rate has remained stable in recent years, even though it has increased significantly in many other urban centres. The largest urban centres have an immigration rate more than double the rate in Windsor (an average of 141 immigrants per 1,000 population compared to 69 per 10,000 in Windsor).

Figure 5: Immigrants as a share of the total Windsor workforce (2016)



Source: Statistics Canada, 2016 Census.

Immigration: boosting the Windsor talent pipeline

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

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

Helping to grow 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 would also generate some \$25 million worth of taxes per year for local, provincial and federal governments.

Other positive effects

Attracting more immigrants to Windsor 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.

Supporting Windsor's French-speaking population

There is small French-speaking community in Windsor. At the time of the 2016 Census, there were more than 9,100 people with French as their first official language spoken. In addition, there were 34,000 who speak both French and English, giving Windsor one of the largest bilingual populations among urban centres in Ontario. A large number of immigrants to Canada are French-speaking. Immigration could help to ensure Windsor'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 Windsor 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 Windsor 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 Windsor's important export-oriented industries such as mining, manufacturing, transportation and tourism.

Windsor in 2035

So, what will Windsor look like in 2035? Will the region continue to be a manufacturing, health care services and education hub? Will there be enough workers and new entrepreneurs to ensure the region can take advantage of new opportunities?

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

Immigration should continue to 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.