Ensuring Yellowknife has the workforce it needs to thrive: the role of immigration

Attracting workers can be a challenge

Yellowknife (population 22,000) is the fast-growing capital city of the Northwest Territories. Because of its relatively remote location, Yellowknife can be a challenging place to attract enough workers it needs to meet labour market demand. Between 2014 and 2019, the Yellowknife population increased by 8%, which is well above average for small and mid-sized urban centres across Canada.

Employment has been growing robustly in recent years. Across all industries, the number of people working in the Northwest Territories increased by 15% between 2014 and 2018. Mining generated over $2 billion worth of international exports in 2019 and remains the territory’s most important industry. As shown in Figure 1, however, employment in a number of services-based industries has also grown strongly in recent years including accommodation and food services employment which is up 46% and professional services, up 39%.

Unlike many other smaller urban centres across Canada, Yellowknife does not face a looming challenge relating to a large retiring workforce. However, local government in Yellowknife is working hard to attract people to the region by promoting its quality of life, well above average incomes and many recreational opportunities.

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1 Annual employment growth is not available specifically for Yellowknife, but the city accounts for nearly half of the Northwest Territories population and workforce.
2 Source: Statistics Canada.
Immigration is an important source of population growth and immigrants account for a growing part of the regional workforce. At the time of the 2016 Census, there were 2,870 immigrants living in Yellowknife, 24% of whom had settled in Canada between 2011 and 2016. Overall, immigrants accounted for 15% of the total population in 2016. There were also 255 non-permanent residents living in the city in 2016.

Historically, Yellowknife attracted a significant number of French-speaking or bilingual persons, with nearly 17% of the population speaking French. Yellowknife has been selected as a Welcoming Francophone Community to help French-speaking and bilingual newcomers feel welcomed and integrated in Francophone minority communities outside Quebec.

### Yellowknife: a strategically important economy

The City of Yellowknife is located in the traditional territory of the Yellowknives Dene First Nation and attracted a new population to support a growing gold mining sector. While mining is still the most important industry in Yellowknife, the region is also working to attract investment in other sectors such as tourism and supply chain opportunities related to a large scale mine remediation project. Tourism is an important and growing industry. The city hosts multiple festivals and events each year and promotes year-round recreational opportunities, including fishing and cross-country skiing. The public sector is also a top employer in the community. At the time of the Census in 2016, over 3,300 people worked for local, territorial and federal government.

### If there are not enough workers to meet labour demand, what could be the impact?

Predicting labour market demand is not easy, but the community clearly understands the need for population growth and the attraction of new workers. What industries are at risk if labour market needs can’t be addressed?

Table 1 shows a few selected industries for which Yellowknife has a higher concentration of workers compared to the rest of the country. For example, nearly 1,000 work directly in mining. Adjusted for size, there are over 14 times as many people working in the mining sector (excluding oil and gas) compared to the country overall. There are over 500 workers in air transportation, nearly 11 times more than the country’s average. All 3 levels of government have a larger share of the workforce compared to the country overall. If the community cannot attract enough workers, many of these strategically important industries could struggle and some of this economic activity could move to other communities with a stronger talent pipeline.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment Share Compared to National Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>14 times as many</td>
</tr>
<tr>
<td>Air transportation</td>
<td>11 times more</td>
</tr>
<tr>
<td>Information and cultural industries</td>
<td>27% more</td>
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<tr>
<td>Religious, grant-making, civic, and professional organizations</td>
<td>70% more</td>
</tr>
<tr>
<td>Federal government administration</td>
<td>2.7 times as many</td>
</tr>
<tr>
<td>Territorial public administration</td>
<td>11 times more</td>
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</tbody>
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*For example, adjusted for size, Yellowknife has 14 times as many people employed in mining (excluding oil and gas) compared to the national economy. Source: Statistics Canada, 2016 Census.

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3 As of the 2016 Census.
Yellowknife’s aging entrepreneurs
Many of the community’s entrepreneurs and small business owners are getting closer to retirement, which is an additional challenge for the local economy. According to the 2016 Census, over 35% of all self-employed people in Yellowknife are over the age of 55. The city will need to attract a new generation of entrepreneurs in the coming years.

The Yellowknife population is mobile
According to the 2016 Census, over 24% of the population aged 5 and older living in Yellowknife in 2016 did not live in the community 5 years previous (in 2011). This means 4,300 people living in the community were recent inward migrants. Only 435 moved in from elsewhere in the province and 3,115 from elsewhere in Canada. A total of 760 people living outside of Canada in 2011 were residents of Yellowknife in 2016.

Statistics Canada tracks the changes in Yellowknife’s population by various sources on an annual basis. Figure 2 shows the 5-year average annual change in population by source for the city and the data confirms both the churn in population and the growing importance of immigration.

Between 2015 and 2019, in an average year, the region lost over 200 people (net) to interprovincial migration. This was offset by strong natural population growth (births minus deaths), positive net intraprovincial migration and by immigration, which averaged 206 per year over the 5-year period.

This immigration ‘rate’ per 10,000 population (i.e. the number of immigrants adjusted for population size), was slightly below average for all urban centres across Canada, but higher than many other northern urban centres (Figure 3).

Critical to sustained economic growth: ensuring there is a talent pipeline
There are a number of ways through which Yellowknife can expand the number of available workers in the years ahead:

- Attract more students to the region
Relative to population size, Yellowknife already has a higher share of the population in K-12 education compared to many other communities across the province. The share of the population aged 5-18 is 13% higher in Yellowknife than in the average urban centre across Canada. There are 2 colleges in the community: Aurora College and the College Nordique Francophone which offer a variety of different post-secondary
programs related to mining, business, health care and other sectors. Attracting more students to Yellowknife, including international students, will help boost the talent pipeline in the region.

- **Encourage more people to join the workforce**
  The relatively tight 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. Yellowknife has a large Indigenous population. In 2016, Indigenous people made up 23% of the city's population. Of that 23%, 55% were First Nations, 30% Métis and 13% Inuk (Inuit). The Indigenous population accounts for 19% of the total workforce in Yellowknife, and the unemployment rate among this workforce was 12.4% in 2016. This group provides an additional potential source for talent for the growing number of jobs in the community.

- **Attract people from outside the region**
  There is no doubt that an important opportunity involves attracting young people and families to Yellowknife. They can come from elsewhere in the province, across the country or from outside the country. 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 workforce growth. A continued focus on attracting immigrants, including French-speaking or bilingual immigrants, will help the region meet its workforce demand in the years ahead.

**Supporting the French-speaking population**

Of the 61 urban centres in Canada west of Ontario, only Canmore in Alberta has a higher share of its population who speak French. In total, nearly 17% of the population in Yellowknife speak French, according to the 2016 Census (Figure 4). Approximately 5% of the population have French as their mother tongue.

The community’s French-speaking community is a lot younger, on average, than its English-only speaking population. Only 21% of people who can speak French are over the age of 45 compared to 35% among those who only speak English. The region has not attracted many French-speaking immigrants in recent years. Attracting younger French-speaking or bilingual immigrants to Yellowknife could help this important community sustain itself in the years ahead. The ability to speak French or be bilingual is an advantage in Yellowknife. Nearly 1 in 5 health care workers and those working in public administration speak French. Over 25% of those working in education speak French and 23% of all those working in arts, entertainment and recreation (Figure 5).

**Helping to grow the local economy**

There are many other benefits that come from attracting immigrants. Attracting more newcomers in the coming years would create new demand for local products and services. Every 100 new immigrant families

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4 The number of Canadian-born workers exiting the workforce is greater than the number of Canadian-born workers joining the workforce each year.
with an average household income directly generate some $13.3 million worth of new household expenditures, much of this spending in the local community\textsuperscript{5}.

Statistics show that these 100 immigrant families would spend:

- $3 million per year on housing costs, such as mortgage payments, electricity and property taxes
- $1.9 million each year on transportation costs, such as vehicle purchases and maintenance, and
- $1.2 on food expenditures at local grocery stores and restaurants.

These 100 new families would also generate some $2.9 million worth of taxes per year for local, provincial and federal governments.

**Supporting social life**

Attracting more immigrants to Yellowknife 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.

**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 Yellowknife could lead to a greater public investment in services and infrastructure.

**Retaining and integrating newcomers**

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

**Yellowknife in 2035**

What will Yellowknife look like in 2035? Will it continue to be an important mining, tourism and services hub in northern Canada? In the years ahead, the city will have many opportunities to continue growing its local economy and build on existing successes. 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.

In the years ahead, Yellowknife is poised to make important contributions to the territorial economy through mining, tourism and other industries. Immigration, including French-speaking or bilingual immigrants, may be key to ensuring the region lives up to its economic potential.

\textsuperscript{5} Assumes the new household spending conforms to the current spending pattern in Yellowknife.
By significantly increasing immigration, Yellowknife may be better positioned to thrive in the years ahead. Attracting more French-speaking and bilingual immigrants might also help the region’s economy and ensure an important Francophone minority community continues to prosper.

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