

Economic Profile Series: Edmonton, Alberta

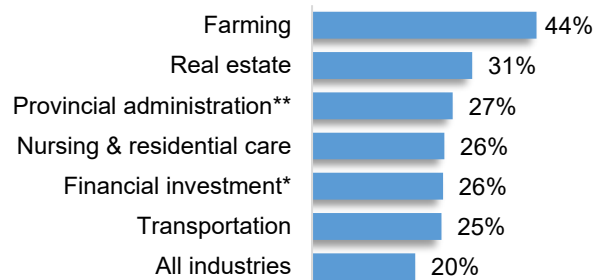
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This series looks at 20 communities across Canada and highlights key labour market statistics and the role that immigration has played, or could play, to help these communities flourish. It is important to note that predicting future labour market 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 Edmonton remains an economic engine in western Canada: the role of immigration

The 2016 Census reported that more than 1 in 5 people in the Edmonton workforce were over the age of 55. More than 40% of workers in the farming sector were over the age of 55, and over a quarter of all workers in real estate, provincial government administration, nursing and residential care, financial investment activities and the transportation and warehousing sector (Figure 1). As of 2018, there are more than 146,000 people in the workforce over the age of 55. Ensuring a strong pipeline of workers for the future will be very important for the community in the years ahead.

Figure 1: Share of the Edmonton workforce over the age of 55 – selected industries



*Financial investment and related activities.

**Provincial government administration.

Source: Statistics Canada, 2016 Census

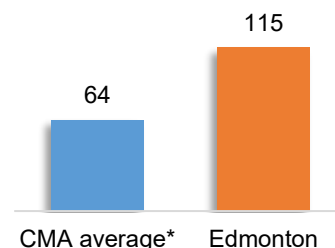
Edmonton: an important urban economy

The Edmonton census metropolitan area (population 1.4 million)¹ is now the fifth largest urban centre in Canada and the third fastest growing by population over the past two decades. In addition to a large oil and gas support sector, Edmonton has a large manufacturing sector and above-average employment in services such as ambulatory health care and trade.

Immigration has been critical to Edmonton's economic growth

Edmonton has benefited from one of the highest immigration rates in Canada in recent years (Figure 2). Over the past 10 years, the community has attracted an average of more than 12,000

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



*Average for census metropolitan areas. Average for Canada as a whole is 33.

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

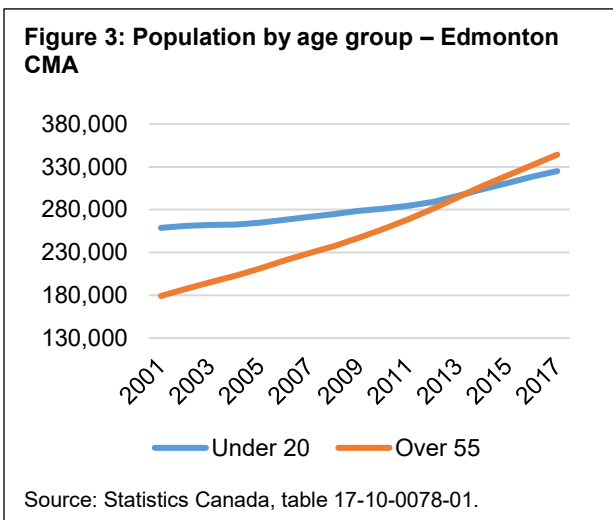
¹ The Edmonton Census Metropolitan Area includes Edmonton and a number of smaller municipalities that surround the city.

immigrants per year. More than a quarter of the entire workforce in Edmonton is comprised of immigrants.

The community is still facing demographic headwinds

Edmonton is benefitting from a well-above-average immigration rate that brings young migrants to the region. Edmonton has the lowest median age (36.3 years old) among urban centres with a population of 200,000 or more. Despite this, the community 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. Now there are less than 100 people under the age of 20 for every 100 over the age of 55. While Edmonton is in much better shape than most urban centres, there is work to be done to ensure that there is a talent pipeline in place for the future.



The aging workforce: what is the risk for the Edmonton economy?

The number of people in the workforce over the age of 55 increased by 38% between 2010 and 2018 (Table 1). There are now more than 146,000 in the workforce who are heading towards retirement. The unemployment rate has been dropping and is now down to 6.4%. As another indicator of the demographic challenge, the number of Edmontonians reporting Canada Pension Plan (CPP) income rose by 33% between 2008 and 2016. 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: Edmonton (CMA)

	2010	2018	Change
Workforce (age 15+)	687,300	837,300	+22%
Workforce (age 55+)	105,600	146,200	+38%
Unemployment (age 15+)	47,800	54,000	+13%
Unemployment rate	7.0%	6.4%	

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

The Edmonton Economic Development Corporation is the lead organization focused on fostering long term economic growth in the Edmonton urban centre. One of its main [strategic pillars](#) involves “attracting and supporting talent and students”. The community made the [2018 World’s Best Cities](#) list in part because of its demonstrated ability to attract talent from around the world. Edmonton’s relatively high share of foreign-born residents was a main reason why it ranked 66th among the top world cities. Community leaders understand the importance of attracting global talent.









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

Table 2 reveals some of the industries for which Edmonton has a much higher concentration of workers compared to the rest of the country. Overall, Edmonton has a much larger share of workers in oil and gas extraction and in the support of that industry.

The urban centre also has strengths in multiple manufacturing sectors, including petroleum manufacturing and fabricated metal products. It is a hub for heavy and civil engineering construction employment with more than double the level of employment compared to the country overall. As a sign of the importance of health care, Edmonton has a high concentration of workers in 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: Edmonton’s dominant industries: employment share compared to the national economy*

	Oil and gas extraction – more than twice as many		Heavy and civil engineering construction – more than double
	Support activities for oil and gas extraction – more than 3 times as many		Provincial public administration – 62% more
	Petroleum and coal product manufacturing – 4 times more		Fabricated metal product manufacturing – 54% more
	Utilities – 37% more		Ambulatory health care services – 19% more

*For example, adjusted for size, Edmonton has more than twice as many people employed in oil and gas extraction compared to the national economy. Source: Statistics Canada, 2016 Census.

Edmonton’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, 36% of persons who are self-employed are over the age of 55. In total, there are over 23,000 business owners who will be heading into retirement in the near future. Based on these statistics, Edmonton 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. They are considerably 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

Edmonton 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**

As one measure of the future talent pipeline, the Edmonton urban centre has 74 young people aged 15-24 in school for every 100 people in the workforce aged 55 and up. As shown in Figure 4, this ratio of young talent in school to workers 55+ is slightly above average in Edmonton but a little below many

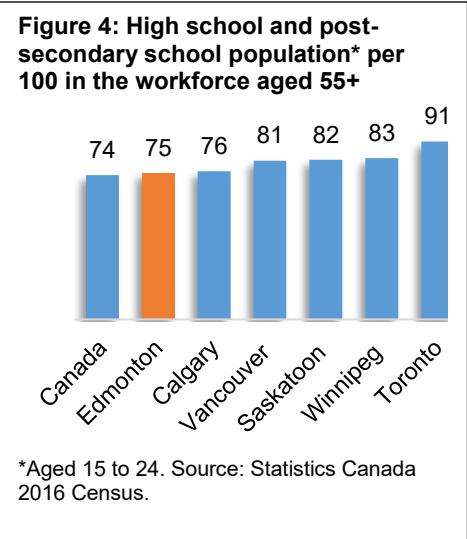
of its peer urban centres. Efforts to boost this talent pipeline by attracting more college and university level students will strengthen the talent pipeline for the future.

- **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**

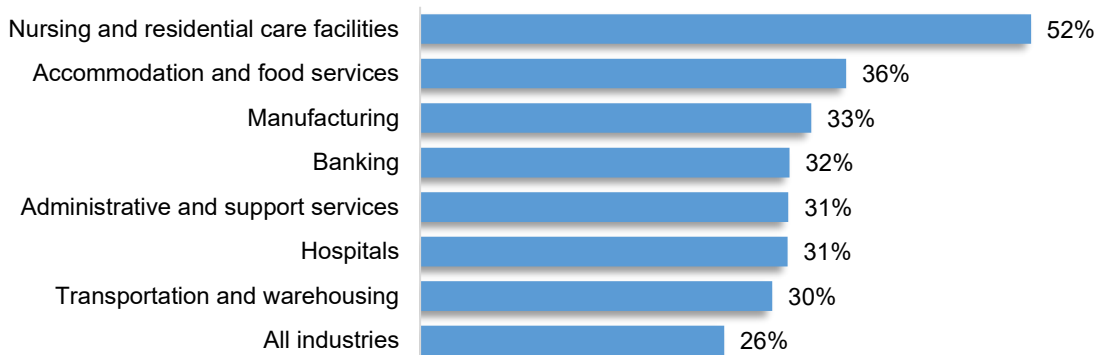
There is no doubt that the biggest opportunity involves attracting young people and families to Edmonton. Since 2013, across Canada all net growth in the labour market has come from immigrants². There is a direct correlation between immigrant attraction and workforce growth. The urban centres with the highest immigration rates have, by far, the fastest labour market growth.



Edmonton has been one of the top beneficiaries from the attraction of immigrants. More than 1 in every 4 workers in the current labour market is an immigrant. In some sectors, the share of immigrant workers is much higher (Figure 5). Over 50% of workers in the nursing and residential care sector are immigrants. More than 30% of all workers in Edmonton’s manufacturing, banking, administrative and support services, accommodation and food services, and hospital and transportation sectors were not born in Canada.

But it is likely the Edmonton urban region will need to continue its attraction of immigrants. As an example, if the community were to grow its labour market at the same rate in the future as in the recent past, it would need to add close to 300,000 new people to the labour market by 2027³.

Figure 5: Immigrants as a share of the total Edmonton workforce



Source: Statistics Canada, 2016 Census.

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

³ Assuming the same labour force growth rate between 2010 and 2018, and that some 110,000 people will leave the workforce through retirement between 2019 and 2027.

Immigration: boosting the Edmonton talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Edmonton 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 some \$84 million worth of new household expenditures, much of this spending in the local community⁴.

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 more than \$20 million worth of taxes per year for local, provincial and federal governments.

Other positive effects

Attracting immigrants to Edmonton supports a vibrant economic and social life in many other ways. Civic and business groups have a growing pool from which to draw members. Youth sports clubs and leagues around the region benefit from an increasing population of young residents.

Supporting Edmonton's French-speaking population

There is an important French-speaking community in the Edmonton urban centre. At the time of the 2016 Census, there were more than 27,000 people with French as their first official language spoken. In addition, there were more than 95,000 who speak both French and English, giving Edmonton one of the largest bilingual (French and English) populations among urban centres outside of Quebec in Canada. A large number of immigrants to Canada are French-speaking. Francophone immigration could help to ensure Edmonton'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 Edmonton 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.

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 Edmonton retire and move into a new stage of life, it creates new economic opportunities in health care, personal services and recreation industries.

⁴ Assumes the new household spending conforms to the current spending pattern in Alberta.

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 Edmonton's important export-oriented industries such as mining, manufacturing, transportation and tourism.

Edmonton in 2035

So, what will Edmonton look like in 2035? The [Edmonton Economic Development Corporation](#) calls Edmonton a “city on the brink of reinvention” and wants to “give the world more Edmonton”. Community leaders clearly want the urban centre to grow and prosper in the coming years. Edmonton is among the best-positioned urban centres in Canada to continue growing, but it will need to attract even more talent from around the world to achieve its ambition.

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