

Economic Profile Series: Greater Moncton, New Brunswick

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.

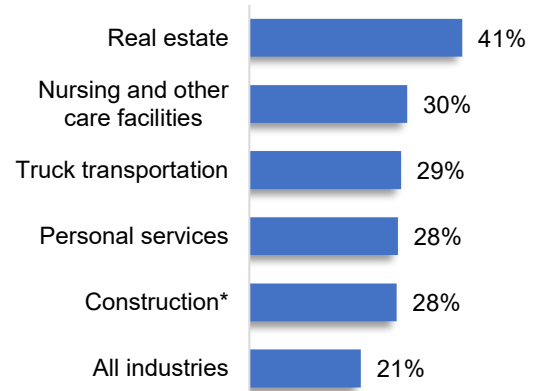
Ensuring Greater Moncton continues its economic momentum: the role of immigration

The 2016 Census reported that more than 1 in 5 people in the Greater Moncton workforce, or 18,000 workers in total, were over the age of 55. In the nursing and other care facilities sector, 30% of workers were over the age of 55 and a similar percentage in truck transportation, personal services and construction are 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.

Greater Moncton: a thriving economic hub in Atlantic Canada

Greater Moncton (population 152,000)¹ is the largest urban centre in New Brunswick and, over the past five years, has been the fastest-growing metropolitan area east of Ontario. The local economy relies heavily on the export markets, particularly services-based exports.

Figure 1: Share of the Greater Moncton workforce¹ over the age of 55—selected industries



*Excluding specialty trades.
Source: Statistics Canada, 2016 Census.

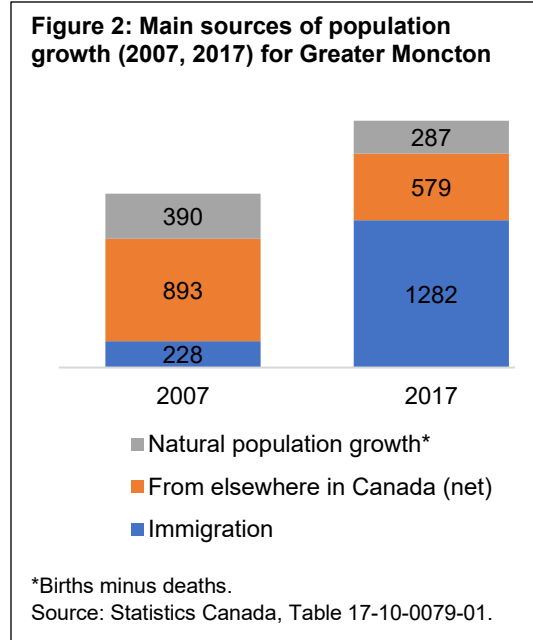
As an example, out of more than 150 small and larger urban centres across Canada, Greater Moncton has the third-highest concentration of insurance industry employment. The community also has high concentrations of employment in manufacturing and transportation. In addition, because of its large catchment area, Greater Moncton is a services hub with above average concentration of employment in trade, health care and tourism-related industries.

¹ The Greater Moncton census metropolitan area includes the cities of Moncton and Dieppe, the town of Riverview and several outlying communities.

Immigration is helping to sustain the community's growth

A decade ago, Greater Moncton's population was growing as a result of people moving there from elsewhere in New Brunswick and Canada, and from natural population growth (births minus deaths). Now, the bulk of net population growth is coming from immigration (Figure 2). The annual number of immigrants settling in Greater Moncton is up five-fold in the past decade, while the net population growth from inter- and intraprovincial migration is down by 35%. Natural population growth is down by 26%.

These new immigrants are having an important impact on the workforce. According to the 2016 Census, 45% of all immigrants and non-permanent residents active in the Greater Moncton workforce arrived in Canada between 2011 and 2016. Over 60% of all immigrants and non-permanent residents working in Greater Moncton's transportation, manufacturing and food services sectors arrived in Canada between 2011 and 2016. Over 80% of immigrants working in administrative support services arrived in the same time frame. Immigrants now represent 11% of all workers in food manufacturing, 7% in warehousing and storage, and 6% in accommodation and food services.



Greater Moncton is still facing a demographic challenge

Despite a significant boost in the number of immigrants, the community still faces a considerable demographic challenge, as 18,000 workers from the working population 55 and older are set to retire in the near future. According to Statistics Canada's annual Labour Force Survey, the workforce aged 55 and older has risen by 38% between 2010 and 2018, while the number of people under 55 has grown by only 6% (Table 1), despite the addition of some 3,000 younger immigrant workers over the same time frame². As another indication of the impact of the aging workforce, the number of people claiming Canada Pension Plan income on their annual tax form rose by 37% between 2008 and 2016, while the number reporting employment income increased by only 5%.

The Atlantic Immigration Pilot (AIP) is an employer-led immigration pathway that was specifically designed to attract and retain skilled workers to fill job vacancies that employers could not fill locally. The AIP also focuses on retention, by requiring all applicants work with settlement agencies to establish a settlement plan to help them and their families better integrate into the community.

Table 1: Changing labour market indicators: Greater Moncton

	2010	2018	Change
Workforce (age 15 to 54)	64,600	68,400	+6%
Workforce (age 55+)	12,300	17,000*	+38%
Not in the labour force (age 15+)	24,400	31,200	+28%
Unemployment rate (age 15+)	6.9%	5.9%	

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

*The 2016 Census reported 18,000 in the workforce over the age of 55. The annual Labour Force Survey reported 17,000 in this age group. The difference is that the Labour Force Survey annual data is based on the average active in the workforce on a monthly basis, whereas the Census data includes all workers at any point during the year.

² The increase in the number of immigrants in the workforce estimated based on provincial Labour Force Survey data and 2016 Census data.


What are the impacts of increased retirement on the Greater Moncton economy?

Greater Moncton's [economic development strategy](#), Together, For Prosperity: The Greater Moncton Region Economic Development Strategic Plan (2018–2022) set a target for labour market growth of at least 1 to 1.5% per year. To ensure the labour market grows at this rate, the plan also has an overall population growth target of between 1.5 and 2% per year³. Community leaders clearly understand the relationship between labour force growth and economic growth.

Which industries are at risk if the community cannot hit these growth targets? Table 2 reveals a few of the industries for which Greater Moncton has a much higher concentration of workers compared to the rest of the country. As a share of the labour market, there are more than twice as many people working in the insurance carrier sector in Greater Moncton compared to the rest of Canada. The high concentration of workers in telecommunications and administrative and support services highlights the importance of the export-focused back office sector in the region.

Relatively high levels of employment in truck transportation, hospitals, general merchandise stores and amusement-related industries reveals Greater Moncton's role as a regional services sector and tourism hub within the Maritime provinces. If the workforce starts to stagnate or decline, many of these strategically important industries will struggle to find workers and much economic activity could move to other urban centres.

Table 2: Greater Moncton's dominant industries: employment share compared to the national economy*

 Truck transportation—50% more	 Hospitals—32% more
 Paper manufacturing—twice as many	 General merchandise stores—32% more
 Telecommunications—69% more	 Administrative and support services—64% more
 Insurance carriers—more than twice as many	 Amusement, gambling and recreation—42% more

*For example, adjusted for size, the Moncton CMA has 32% more people employed in hospitals compared to the national economy.

Source: Statistics Canada, 2016 Census.

Greater Moncton'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 more than 2,000 business owners who will be heading into retirement in the near future. In the professional services sector, over 40 are over the age of 55.

Based on these statistics, Moncton could benefit from a new generation of entrepreneurs to replace those who retire and to help drive growth in important industries such as construction, professional services and tourism. The good news is there are already over 100 immigrant-owned businesses in the community and the number is growing each year.

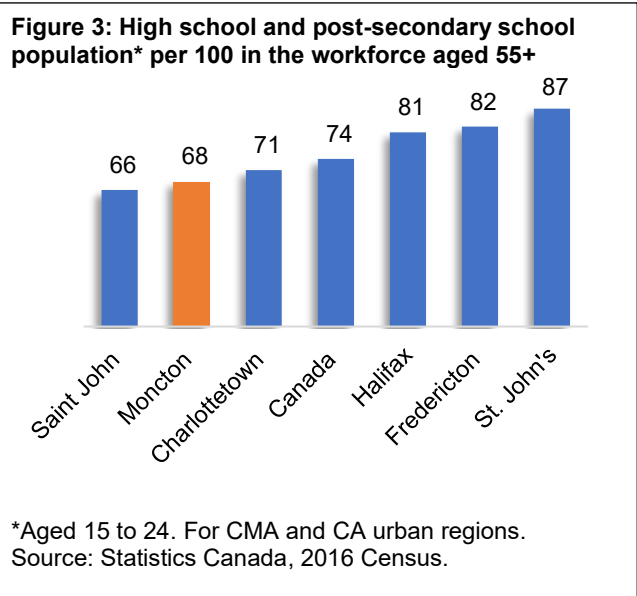
³ Source: 3+ Corporation.

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

The Greater Moncton workforce is aging and the pipeline of younger workers has been declining in recent years. Including immigration, 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**

There are three universities in the Greater Moncton region and several public and private colleges. However, compared to many other urban centres, the community has a smaller pipeline of talent as measured by the number of young people in school relative to the workforce aged 55 and older. In 2016, there were 68 young people aged 15 to 24 in school for every 100 people in the workforce over the age of 55 (Figure 3). The community is focused on growing its student population to help build a larger young talent pipeline for local industry in the years ahead.



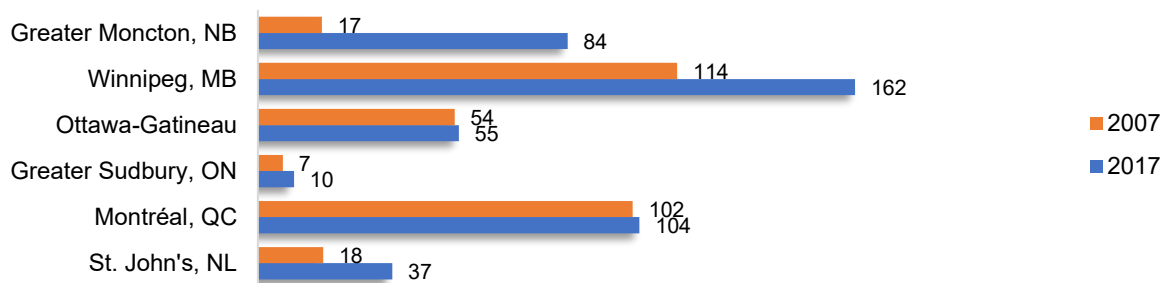
- **Encourage more people to join the workforce**

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 the attraction of young people and families to Greater Moncton. Since 2013, across Canada, all net growth in the labour market has come from immigrants⁴. 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 Moncton has witnessed among the fastest growth in immigration among urban centres across Canada and that has helped sustain positive economic growth. Figure 4 shows the annual immigration rate per 10,000 population in 2007 and 2017 for selected urban centres across Canada.

Figure 4: Annual immigration rate in 2007 and 2017—selected large urban centres across Canada: number of immigrants per 10,000 population



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

⁴ The number of people born in Canada exiting the workforce is greater than the number of people born in Canada joining each year.

Immigration: boosting the Greater Moncton talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Moncton 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 the 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 community⁵.

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.

Other positive effects

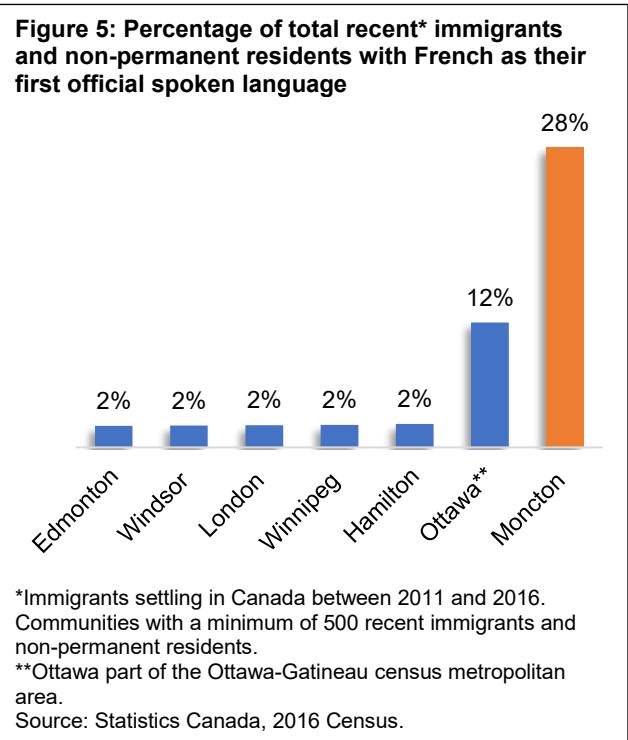
Attracting more immigrants to Greater Moncton would help support a vibrant economic and social life in many other ways. Civic and business groups would have a growing pool from which to draw members. Youth sports clubs and leagues around the region would benefit from an increasing population of young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

Supporting Greater Moncton's French-speaking population

There is a large French-speaking community in Greater Moncton. Among urban centres in Canada with a population of at least 50,000, Greater Moncton ranks second in Canada for the share of population that speaks both French and English. There are 48,500 people with French as their mother tongue and a total of 67,000 who can speak French living in Greater Moncton.

The community is attracting French-speaking immigrants. In 2016, there were 535 immigrants living in Great Moncton who had settled in Canada between 2011 and 2016 with French as their first official spoken language, as well as 620 non-permanent residents. This represented 28% of all recent immigrants and non-permanent residents living in Greater Moncton in 2016. This was by far the highest rate of French-speaking immigrant attraction among major urban centres in Canada (Figure 5).

Over 51% of the non-immigrant population in the community with French as their mother tongue is over the



⁵ Assumes the new household spending conforms to the current spending pattern in Manitoba.

age of 55. Immigration can be an important tool to ensure Greater Moncton'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 Moncton could lead to 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 Greater Moncton retire and move into a new stage of life, it creates new economic opportunities in health care, personal services and recreation industries.

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

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 87% of Greater Moncton residents are at least third-generation Canadians, meaning they were born in Canada, as were their parents and grandparents.

The community does have a number of [organizations that offer settlement services](#), such as help finding a job or registering children in schools. In order to ensure the successful integration and retention of immigrants to Greater Moncton, it is important that newcomers are welcomed into social life and quickly develop a strong sense of Canadian identity and social cohesion.

Greater Moncton in 2035

What will Greater Moncton look like in 2035? Will the region continue to be a national back office hub for insurance and other service industries? Will it continue as an important manufacturing and transportation centre? Will Greater Moncton be the hub for regional services in 2035? Will the workforce be there to ensure the region can take advantage of new opportunities?

In the past few years, Greater Moncton has been an example of how immigration can help to support economic growth and ensure industries have the workers they need for the future. The Atlantic Immigration Pilot Program will continue to make it easier to attract and retain the skilled workforce that Moncton needs; however, the community will need to continue this talent attraction in order for its economy to flourish in the years ahead.

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