

Economic Profile Series: Whitehorse, Yukon

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 Whitehorse remains an important urban centre in Northern Canada: the role of immigration

The looming workforce challenge

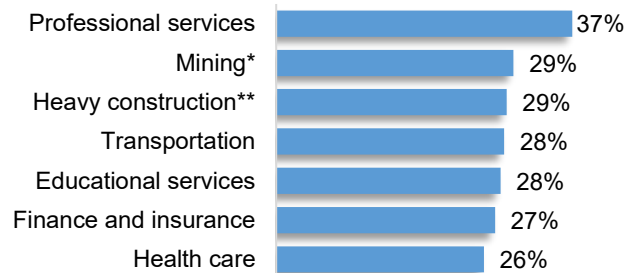
The 2016 Census reported that nearly 30% of the Whitehorse workforce¹ was over the age of 55. Overall, more than 4,500 people are likely to retire in the next decade or so (as they are 55 and older). Thirty-seven percent of those working in professional services was 55 and older at the time of the Census (Figure 1). More than 1 out of every 4 workers in mining, construction, transportation, education, finance and insurance, and health care are over the age of 55.

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 potential future economic growth.

Whitehorse has an important economic role

Whitehorse¹ (population 28,225) is home to nearly 80% of the Yukon Territory's population. It featured one of the fastest growing populations between 2011 and 2016, with an 8.4% growth rate. While population estimates for Whitehorse are not available post-Census (for 2017 and 2018), Yukon overall has grown by 5% in just those 2 years. It is likely that most of that population growth is concentrated in the Whitehorse urban centre.

Figure 1: Share of the Whitehorse workforce¹ over the age of 55 in selected industries*



*Includes mining and quarrying (except oil and gas).

**Heavy and civil engineering construction.

Source: Statistics Canada, 2016 Census.

¹ The data in this report is based on the Whitehorse census agglomeration area, which includes the City of Whitehorse and several communities surrounding the city.

The population is aging fast

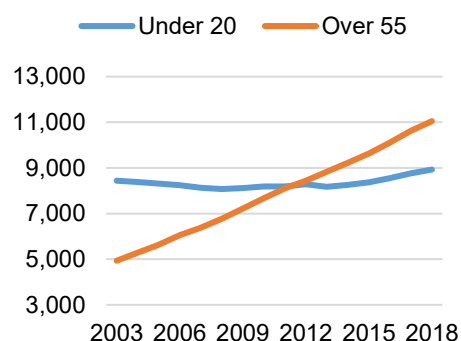
Across Yukon, in 2003 there were 171 people under the age of 20 living in the community for every 100 over the age of 55. In 2018, there were only 81 young people (under 20) for every 100 over the age of 55 (Figure 2).

The aging workforce: a risk for the economy

This profound demographic shift is threatening Whitehorse’s growth potential. As shown in Table 1, in recent years there has been strong growth in both the size of the Yukon workforce and employment. The number of unemployed people has declined significantly, leaving a rock bottom unemployment rate of only 2.7% in 2018.

In addition, the size of the workforce has not increased at all in the past 3 years. Another indication of the growing talent supply shortage is that the number of people in Whitehorse reporting Canada Pension Plan income rose by 58% between 2008 and 2016 – well above the national increase of 29%².

Figure 2: Population by age group and year—Yukon



Source: Statistics Canada, Table 17-10-0005-01.

Table 1: Changing labour market indicators (Yukon)

	2010	2018	Change
Workforce	18,900	21,900	+16%
Employment	17,500	21,300	+22%
Total unemployed	1,300	600	-54%
Unemployment rate	6.9%	2.7%	

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

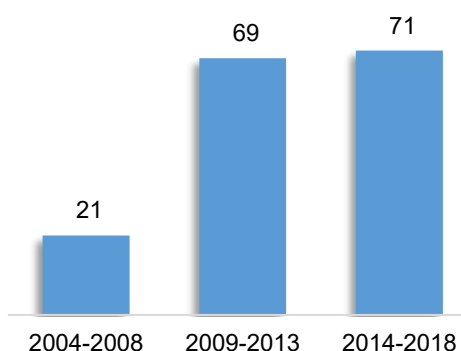
Whitehorse has benefitted from an increase in immigration

A main reason why the population has been growing in recent years has been the community’s ability to attract people. The immigration rate to Yukon increased from an average of 21 per 10,000 population in the early 2000s to 71 per 10,000 in the past 5 years (an average of 275 people per year). The territory has also benefitted from a rise in interprovincial migration in the past few years.

What are the impacts of increased retirement on the Whitehorse economy?

Predicting future labour market demand is not easy, but the community clearly understands the need for population growth. One of the [5 strategic goals](#) published in the 2015 Community Economic Development Strategy was “To Attract Residents to Live in Whitehorse”.

Figure 3: Average annual immigration per 10,000 in the overall population (by 5-year period)—Yukon











Source: Statistics Canada, Table 17-10-0008-01.

² Source: Statistics Canada, Table: 11-10-0007-01.

But what industries are at risk if labour market needs can't be addressed? Table 2 reveals the industries for which Whitehorse has a much higher concentration of workers compared to the rest of the country. Adjusted for size, there are 2.3 times as many people working in mining and 5 times as many working in air transportation, when compared to the national economy.

The fact there are 86% more people employed in accommodation services is an indication of the role the community plays as a services centre for the North. If the workforce continues to tighten, many of these strategically important industries could struggle to find workers, and some of this economic activity could move to other communities with a stronger talent pipeline.

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

	Mining and quarrying (except oil and gas) – 2.3 times as many		Heavy and civil engineering construction – 60% more
	Support activities for mining – 53% more		Petroleum and petroleum products merchant wholesalers – 59% more
	Telecommunications – more than twice as many		Public administration – nearly 4 times as many
	Accommodation services – 86% more		Air transportation – 5 times as many

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

Whitehorse's aging entrepreneurs

The community's entrepreneurs and small business owners are getting closer to retirement, which is an additional challenge for the local economy. There are more than 1,900 self-employed people in Whitehorse, and some 40% of them are over the age of 55. Whitehorse could benefit from the attraction of a new generation of entrepreneurs to replace those who retire and to help drive growth in important industries such as trade, professional services and tourism.

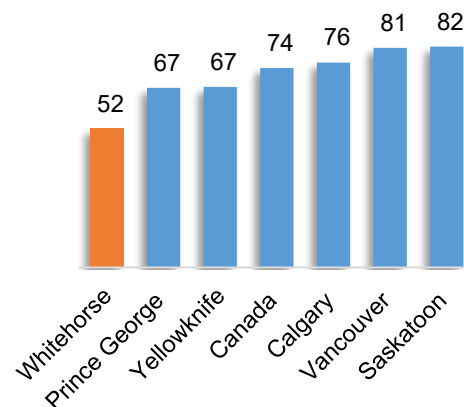
Critical to sustained economic growth: ensuring there is a talent pipeline

The Whitehorse workforce is aging and the pipeline for younger workers is shrinking. There are a number of ways in which the community can expand the number of available workers in the years ahead:

- **Attract more students to the region**

Compared to many other smaller and larger urban centres, Whitehorse is at a disadvantage because it has a much smaller student population and therefore less of a local talent pipeline. In 2016, there were only 52 young people aged 15 to 24 in school (high school and post-secondary) for every 100 people in the workforce over the age of 55 (Figure 4). This was well below average.

Figure 4: High school and post-secondary school population* per 100 in the workforce aged 55+



*Aged 15 to 24.
Source: Statistics Canada, 2016 Census.

By contrast, Yellowknife had 67 students per 100 persons in the workforce over the age of 55. The Whitehorse [Community Economic Development Strategy](#) identifies the importance of post-secondary education and is working to evolve Yukon College to a university and to attract more students. If Whitehorse is able to attract more students (Canadian and international), it could help to build a larger local talent pipeline to address workforce needs 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, Whitehorse was comprised of 17% Indigenous people, of which 74% were First Nations, 18% Métis, and 4% Inuit³; this group provides an additional potential source for talent for the 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 greatest opportunity involves the attraction of young people and families to Whitehorse. 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. As discussed above, Whitehorse has been attracting more immigrants in recent years but it is likely even more will be required to support the community's population growth objective.

Immigration: boosting the Whitehorse talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Whitehorse would be a strategic move to ensure that 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 filling important roles in the economy and boosting 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 in the local community⁵.

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

- \$16 million per year on housing costs, such as mortgage payments, electricity and property taxes
- \$13 million each year on transportation costs, such as vehicle purchases and maintenance, and
- more than \$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.

³ Statistics Canada, 2016 Census

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

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

Other positive effects

Attracting more immigrants to Whitehorse 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. In order to ensure the successful integration and retention of immigrants to Whitehorse, it is important that newcomers are welcomed into social life and quickly develop a strong sense of Canadian identity and social cohesion. The [Multicultural Centre of the Yukon](#), based in Whitehorse, provides a wide range of services to help newcomers integrate into the community.

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 Whitehorse 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 Whitehorse retire and move into a new stage in their lives, it creates new economic opportunities in health care, personal services, and recreation industries.

But these should not be considered a replacement for Whitehorse's important export-oriented industries such as manufacturing and tourism. In the years ahead, the community could benefit from the economic opportunities arising from more retirees and from attracting and growing the younger workforce.

Whitehorse in 2035

What will Whitehorse look like in 2035? Will it continue to be an important urban centre in northern Canada? The government of Yukon is moving ahead on a number of economic growth plans, including a 10-year [tourism development](#) strategy released in 2018. The strategy sets an ambitious target of doubling tourism revenue over the next decade. Tourism is a labour-intensive industry. Where will the new workers come from? Increasing immigration may be a critical piece to help secure a strong and vibrant economy in the region—and drive growth for years to come.

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