#IMMIGRATION MATTERS

Economic Profile Series: Winnipeg, Manitoba

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.

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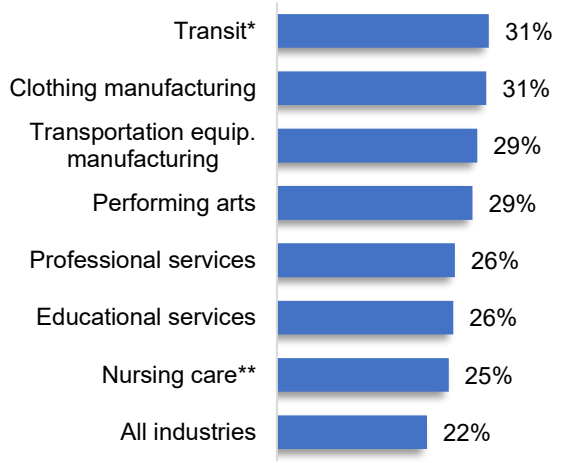
Ensuring Winnipeg continues its positive economic momentum: the role of immigration

The 2016 Census reported that 22% of everyone in the Winnipeg workforce were over the age of 55. Thirty percent of workers in the nursing home and residential care sector were over the age of 55 and a similar share in truck transportation, personal services and construction were close to retirement (Figure 1).

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



*and ground passenger transportation.
**and residential care facilities.
Source: Statistics Canada, 2016 Census.

There were 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.

Winnipeg: a thriving economic hub in the Prairies

Winnipeg (population 826,000)[1] is the seventh largest urban centre in Canada and has been the sixth fastest growing metropolitan area population over the past 5 years. Over that same timeframe, the Winnipeg workforce has expanded at nearly double the rate as the average of the 33 large urban centres across Canada.

Immigration is helping to sustain the community's growth

Immigration has been a major reason why Winnipeg has achieved this growth. Between 2011 and 2016, Winnipeg added 39,000 immigrant workers[2] to the workforce. Only Regina attracted proportionately more workers among the 60 largest urban centres in Canada. Winnipeg has always relied on immigration as an

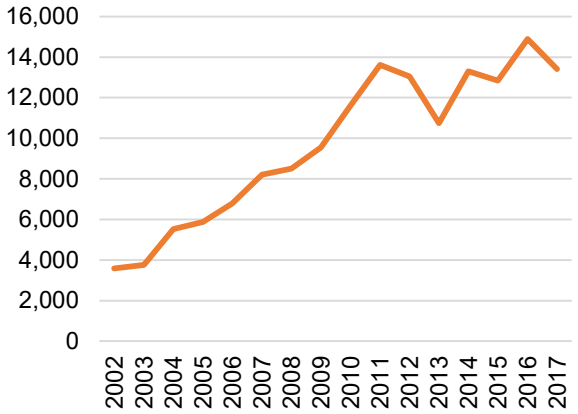
[1] The Winnipeg census metropolitan area includes Winnipeg, several rural municipalities and a First Nations community.
[2] Including non-permanent residents.

important driver of population growth; however, the number settling in the region has increased substantially in recent years (Figure 2). This has led to a boost in annual population growth from an average of 0.8% per year between 2006 and 2011 to 1.7% per year since.

Winnipeg is still facing a demographic challenge

The attraction of younger immigrants has helped begin to address the impacts of the aging workforce, but the community still faces a considerable demographic challenge as 91,600 workers are set to retire in the near future (the workforce aged 55 and older). According to Statistics Canada's annual Labour Force Survey, the workforce aged 55 and older has risen by 26% between 2010 and 2018, while the number under 55 has grown by only seven% (Table 1).

Figure 2: Annual immigration into the Winnipeg CMA



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

This is despite the addition of thousands of younger immigrant workers over the same time frame. The number of people who have left the workforce, mostly because of retirement, rose 22% between 2010 and 2018. 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 22% between 2008 and 2016.

Table 1: Changing labour market indicators: Winnipeg

	2010	2018	Change
Workforce (age 15 to 54)	350,100	376,000	+7%
Workforce (age 55+)	72,300	91,600	+27%
Employment (age 15 to 54)	328,700	351,000	+7%
Employment (age 55+)	69,400	87,200	+26%
Not in the labour force (15+)	178,900	218,100	+22%

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

If Winnipeg wasn't attracting immigrants, what might happen to the economy?

Community leaders in Winnipeg understand the importance of population growth to help achieve broader economic and social goals. In fact, the city itself is targeting a population growth of 200,000 over the next 20 years. This focused approach will help ensure the workforce has the talent needed to help local industries grow, even as the 90,000+ in the workforce over 55 transition into retirement.

But which industries might be at risk if the community doesn't achieve strong population growth in the coming years? Table 2 reveals a few of the industries for which Winnipeg has a much higher concentration of workers compared to the rest of the country.

As a share of the labour market, there are 73% more people working in the insurance carrier sector in Winnipeg compared to the rest of Canada. The high concentration of workers in health care, education and public administration point to the importance of the services sector to the economy. Relatively high levels of employment in truck, air and rail transportation show the importance of the urban centre's logistics sector.

If the workforce starts to stagnate or even decline, many of these strategically important industries may struggle to find workers and much economic activity could move to other urban centres.

Winnipeg'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 13,000 business owners who will be heading into retirement in the near future. In the professional services sector, over 49 are over the age of 55.

Based on these statistics, Winnipeg 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 more than 4,000 immigrant-owned businesses in the region and the number is growing each year.

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

- Air, rail and road transportation – 54% more
- Clothing manufacturing – nearly twice as many
- Printing and related support activities – 66% more
- Insurance carriers – 73% more
- Hospitals – 31% more
- Nursing and residential care facilities – 34% more
- Provincial public administration – 70% more
- Education services – 15% more

*For example, adjusted for size, Winnipeg has 31% more people employed in hospitals compared to the national economy.

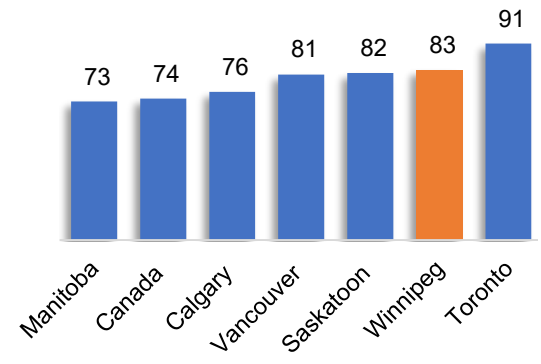
Source: Statistics Canada. 2016 Census.

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

The Winnipeg workforce is aging and the pipeline of younger workers has been declining in recent years. In addition to 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**
  In 2016, there were 83 young people aged 15 to 24 in school for every 100 people in the workforce over the age of 55 (Figure 3) in the Winnipeg region. There was one of the larger talent pipelines among urban centres across Canada (Figure 3). Attracting more national and international post-secondary students will build a larger young talent pipeline for local industry in the years ahead.

Figure 3: High school and post-secondary school population* per 100 in the workforce aged 55+



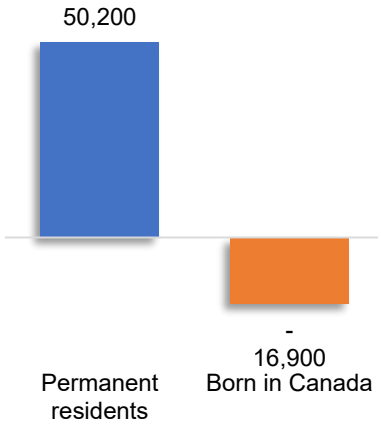
*Aged 15 to 24. For the census metropolitan area and census agglomeration urban regions.
Source: Statistics Canada, 2016 Census.

- **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, the Winnipeg region was comprised of 12% Indigenous people, of which 42% were First Nations and 56% Métis[3]. 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 biggest opportunity involves the attraction of young people and families to Winnipeg. Since 2013, all net growth in the labour market across Canada has come from immigrants[4]. In Manitoba, the born-in-Canada workforce declined by 16,900 between 2010 and 2018 while the permanent resident workforce expanded by 50,200 people, or 47% (Figure 4). Immigrants now account for 26% of the Winnipeg workforce. In the manufacturing sector, 46% were not born in Canada. More than 36% of workers in the truck transportation sector are immigrants, as are nearly half of all workers in the nursing and residential care sector.

Figure 4: Change in the size of the Manitoba workforce by source of workers (2010 to 2018)



Source: Statistics Canada, Table 14-10-0083-01.

Immigration: boosting the Winnipeg talent pipeline

Along with other efforts to boost the workforce now, increasing the number of immigrants settling in Winnipeg is 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 in the years ahead. 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 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 community[5].

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.

Other positive effects

Attracting immigrants to Winnipeg helps support 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.

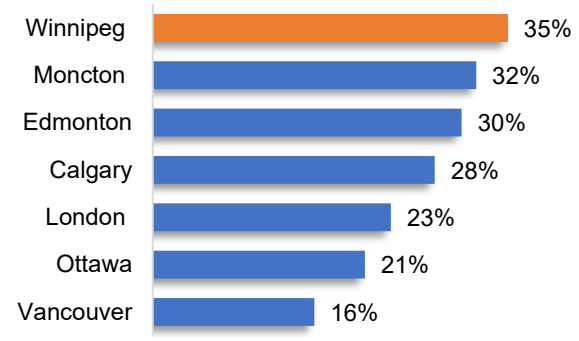
[3] Statistics Canada, 2016 Census.
[4] The number of people born in Canada exiting the workforce is greater than the number of people born in Canada joining each year.
[5] Assumes the new household spending conforms to the current spending pattern in Manitoba.

Supporting Winnipeg's French-speaking population

There is a significant French-speaking community in Winnipeg. More than 30,000 people in the urban centre are Francophones (French as their mother tongue) and 80,000 speak French. However, more than 40% of Francophones are over the age of 55 compared to only 27% of the overall population in the Winnipeg region.

The community is having considerable success attracting Francophone immigrants. In 2016, there were 1,130 immigrants and non-permanent residents who had moved to Canada between 2011 and 2016 with French as their mother tongue. Thirty-five percent of all Francophone immigrants living in Winnipeg in 2016 had moved to Canada in the 5-year period between 2011 and 2016, which is the highest Francophone immigration rate among urban centres in Canada (outside Quebec). Immigration will be an important tool to to ensure Winnipeg's Francophone population continues to thrive in the years ahead.

Figure 5: Percentage of all Francophone immigrants in 2016 who moved to Canada between 2011 and 2016*



*Minimum Francophone immigrant population of 1,000.
Source: Statistics Canada, 2016 Census.

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 Winnipeg could lead to a greater public investment in services and infrastructure, whereas a declining economy could lead to a reduction in public spending and worsen an already weak 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 Winnipeg retire and move into a new stage in life, it creates new economic opportunities in health care, personal services, and recreation industries.

But these industries should not be considered a replacement for Winnipeg'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 of newcomers will be critical to long term population growth. Certain local settlement services provider organizations develop personalized settlement plans for newcomers to help them integrate. It is important that newcomers are welcomed into social life and quickly develop that strong sense of Canadian identity and social cohesion.

Winnipeg in 2039

So, what will Winnipeg look like in 20 years? Will the City have grown its population by 200,000? Will it have a relatively large and growing Francophone population? Will it continue to be a transportation hub connecting eastern and western Canada? Will it continue to have a large insurance sector? Will the

workforce be there to ensure the region can take advantage of new opportunities? Will a new generation of entrepreneurs emerge?

In the past few years, Winnipeg has been an example of how immigration can help support economic growth and ensure industries have the workers they need for the future. The community will need to continue this talent attraction in the years ahead to ensure that is economy continues to grow and thrive.

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