Agenda

- Opening / Acknowledgment of the land
- Demographic and labour market presentation
- Question period
- Panel
- Break and networking
- Open discussion
- Next steps
Saint Andrews, St. Stephen & Charlotte County in 2030
What’s wrong with an aging and declining population? Japan has little immigration and seems to be doing fine…

Part of the problem is that employers don’t pay enough. Will immigration just keep wages down?

Why do we need immigrants when so many young people are leaving the province?

With unemployment so high, why do we need more immigrants?

Why should we spend money on attracting more immigrants instead of improving the lives of New Brunswickers?
The Challenge

- Until a decade ago, New Brunswick’s labour market was growing at a rate of several thousand new entrants per year.

- Almost all of this labour market growth came from New Brunswickers young and old joining the labour market.

- Now, the labour market is in structural decline and we need a substantial boost in immigration to ensure that our important industries have the workers they need.
The Challenge (cont’d)

• This is the **biggest public policy challenge** of our time.

• Similar scale to equal opportunity in the 1960s.

• How to attract and retain **150,000 immigrants** over the next 20 years?

• We are trying to do something **rarely if ever done before** – a massive boost in immigration in a short period of time.
What’s at stake?

- The difference between a **healthy, vibrant economy** that is generating enough tax revenue to sustainably fund good quality public services and public infrastructure…

  and
What’s at stake?

• The difference between a **healthy, vibrant economy** that is generating enough tax revenue to sustainably fund good quality public services and public infrastructure...

  and

• An economy where firms increasingly **can’t find workers** even to provide local services and it is increasingly challenging to generate enough tax revenue.

• Managing the challenges of **growth** versus managing the challenges of **decline**.
What’s at stake? (cont’d)

• Which battles would you prefer to fight over the next decade?

  How to integrate immigrant kids into our schools?

  OR

  How to convince firms to hire immigrants?

  OR

  How to generate sustainable tax revenue as firms downsize and close?

  OR

  How to attract/retain immigrants in rural areas?

  OR

  Which schools, hospitals and roads should close?
NB is aging fast, as baby boomers grow older and life expectancy continues to progress.

Source: Statistics Canada, CANSIM, table 0510001.
For decades, NB’s economy has been fueled by a steady flow of new workers. This is no longer the case. With baby boomers retiring, the province is now losing workers.

**New Brunswick's Labour Force (in thousands)**

Source: Statistics Canada, CANSIM, table 2820002.
NB’s economy has slowed sharply with its recent labour force decline - much more so than Canada as a whole.

**Labour Force Growth (annual average)**

<table>
<thead>
<tr>
<th></th>
<th>1990-2010</th>
<th>2010-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>1.4%</td>
<td>0.0%</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>0.8%</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

**Real GDP Growth (annual average)**

<table>
<thead>
<tr>
<th></th>
<th>1990-2010</th>
<th>2010-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>2.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>2.0%</td>
<td>-0.2%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, CANSIM, tables 2820002 and 3840038.
A Declining Workforce

What it could mean for my province and my community
What is at stake if current labour force trends continue?

• Based on recent trends, NB could lose 30,000+ workers in the next 15 years.
  – That’s billions in economic activity and hundreds of millions in lost tax revenue.

• Meanwhile, demand for public services will only grow as baby boomers continue to age.

• Health care spending rises dramatically as seniors age. Today, 65,000 people are aged 75+. In about 15 years, this number will have doubled.
Why are young people still leaving?

• Even as employers are struggling to find workers, young people are leaving for a variety of reasons:
  – Post-secondary education.
  – Career opportunities not available in their home town.
  – Desire to see more of the world and to experience other places.

• We need to infuse our labour force with young workers:
  – Expose young people to career and entrepreneurial opportunities at home.
  – Attract young migrants from elsewhere to our communities.
The Immigration Imperative

Why immigration is central to the future of my province and community
How can NB reverse the tide of a declining labour force?

- Our province needs to:
  - Encourage more New Brunswickers to join and/or stay longer in the labour force.
  - Draw more workers from other provinces and retain more New Brunswickers.
  - Attract and retain more immigrants.
Growth in the labour market (2013 to 2017)

- Landed immigrants: +590,600
- Born in Canada: -9,700
- Landed immigrants: +3,100
- Born in Canada: -15,300

Source: Statistics Canada CANSIM Table 282-0102

#NewConversationsNB
Cumulative economic growth by province (2007-2016)

- Manitoba: 21.2%
- British Columbia: 19.8%
- Saskatchewan: 19.4%
- Alberta: 15.0%
- Prince Edward Island: 14.1%
- Ontario: 13.2%
- Quebec: 12.1%
- Nova Scotia: 6.0%
- New Brunswick: 3.5%
- Newfoundland and Labrador: -4.3%

Source: Statistics Canada CANSIM Table 379-0030.
Some common myths about immigration

- Wages in New Brunswick are not competitive enough to attract immigrants
- Governments subsidize immigrant wages
- Immigrants (and temporary foreign workers) are paid less than local residents
- Immigration lowers local wages
- Immigrants take the jobs of New Brunswickers
Immigration and Charlotte County

Why immigration is central to the future of my province and community
What about St. Stephen, Saint Andrews and Charlotte County?

• It’s a strategically important economy
  – The region features a significant fishing sector.
  – It is the centre of New Brunswick’s finfish aquaculture industry. Aquaculture in New Brunswick generated $274 million worth of international exports in 2017.
  – St. Stephen is now the most important border crossing with the United States east of Quebec as measured by the number of vehicles entering Canada.
  – Saint Andrews is a top tourism destination within Atlantic Canada.

• Export-focused industries are the highest at risk from the declining workforce
## St. Stephen: Manufacturing and services hub

Industries with above average Location Quotient Values: Town of St. Stephen

<table>
<thead>
<tr>
<th>Industry:</th>
<th>LQ values</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-33 Manufacturing</td>
<td>CAN = 1.00</td>
</tr>
<tr>
<td>48-49 Transportation and warehousing</td>
<td>3.23</td>
</tr>
<tr>
<td>51 Information and cultural industries</td>
<td>1.76</td>
</tr>
<tr>
<td>56 Administrative and support</td>
<td>1.76</td>
</tr>
<tr>
<td>81 Other services (except public administration)</td>
<td>1.50</td>
</tr>
<tr>
<td>52 Finance and insurance</td>
<td>1.32</td>
</tr>
<tr>
<td>44-45 Retail trade</td>
<td>1.13</td>
</tr>
<tr>
<td>91 Public administration</td>
<td>1.12</td>
</tr>
<tr>
<td>62 Health care and social assistance</td>
<td>1.08</td>
</tr>
</tbody>
</table>

# Saint Andrews: Tourism, services and education centre

Industries with above average Location Quotient Values: Town of Saint Andrews

<table>
<thead>
<tr>
<th>Industry:</th>
<th>LQ Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>54 Professional, scientific and technical services</td>
<td>3.90</td>
</tr>
<tr>
<td>61 Educational services</td>
<td>3.18</td>
</tr>
<tr>
<td>62 Health care and social assistance</td>
<td>1.56</td>
</tr>
<tr>
<td>72 Accommodation and food services</td>
<td>1.56</td>
</tr>
<tr>
<td>91 Public administration</td>
<td>1.41</td>
</tr>
<tr>
<td>44-45 Retail trade</td>
<td>1.33</td>
</tr>
<tr>
<td>52 Finance and insurance</td>
<td>1.30</td>
</tr>
</tbody>
</table>

Source: Statistics Canada 2016 Census
The population is declining (from 2011 to 2016)
  - Town of Saint Andrews: -5.5%
  - Town of St. Stephen: -8.3%
  - Charlotte County: -4.2%

And, getting older
  - 15 years ago there were 162 people under the age of 20 for every 100 over the age of 65 across Charlotte County. Now there are 88.
  - Median age:
    - Town of Saint Andrews: 52.8
    - Town of St. Stephen: 45.8
    - Charlotte County: 47.9
And, a significant number of workers are heading towards retirement.

• 3,600 workers across Charlotte County are 55+ (2016 Census)

• Nearly one in four are heading towards retirement (2016 Census)

• 48% of entrepreneurs are 55+ * (over 600)

These factors bring serious challenges to the strength of the economy in the years ahead.

*Persons that are self-employed in Charlotte County.
Share of the workforce aged 55 and older

- St. Stephen: 24%
- Saint Andrews: 32%
- Charlotte County: 28%

This is only 12 years away – but this is a pivotal moment in our history.

Will St. Stephen continue to be a manufacturing and services hub?

Will Saint Andrews continue to have a significant tourism sector?

Will Charlotte County continue to have a large fishing and aquaculture sector?

Will new industries emerge?

Will the workforce be there to ensure the region can take advantage?

Will the entrepreneurs be there to exploit new opportunities?
St. Stephen, Saint Andrews and Charlotte County in 2030

- ~83% of residents are at least third-generation Canadians.

- This has created a strong social cohesion that contributes to the high quality of life in the region.

- We need to ensure that newcomers will be welcomed into our communities and become a productive part of our future.