

Economic Profile Series: Labrador City-Wabush, Newfoundland and Labrador

Spring 2020

This series looks at select 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 Labrador City-Wabush has the workforce it needs to thrive: the role of immigration

Attracting workers can be a challenge

Labrador City-Wabush (population 9,100), also known as Labrador-West, is a region encompassing 2 neighbouring towns in western Labrador on the border with Quebec. Because of its relatively remote location, Labrador City-Wabush can be a challenging place to attract the workers it needs to meet labour market demand.

While mining is the largest employer with more than 1,600 workers living in the 2 towns, retail and wholesale trade is also a large employer with over 900 workers. Other significant employment sectors in the area are the public services (including health care, education and public administration), which employs 800 people, construction, accommodation and food, as well as professional and administrative services (Figure 1).

The workforce in the region is relatively young; at the time of the Census only 15% of the workforce was over the age of 55. Local government and the community in Labrador City-Wabush are working to attract people by promoting its well above average incomes, affordable housing, many recreational opportunities and its overall high quality of life.

Immigration is an important source of population growth.

Immigrants account for a growing part of the regional workforce. At the time of the 2016 Census, there were 385 immigrants living in Labrador City-Wabush, 68% of whom had settled in Canada between 2011 and 2016. There were also 115 non-permanent residents living in the 2 towns in 2016.

Figure 1: Employment by industry, Labrador City-Wabush (2016)



*including health care, education and public administration. Source: Statistics Canada 2016 Census.

Labrador City-Wabush has been selected as a [Welcoming Francophone Community](#) to help French-speaking and bilingual newcomers feel welcomed and integrated in Francophone minority communities outside Quebec.

Labrador City-Wabush: a strategically important economy

The towns of Labrador City and Wabush were originally settled to support the mining sector in the region. The industry today employs over 1,600 people directly and supports thousands more jobs across the province in its supply chain and from induced economic impacts. Iron ore mining generated \$2.5 billion worth of international export revenue for Newfoundland and Labrador in 2019, and mining was the third most important export sector behind oil production and petroleum refining.

While mining is still the most important industry in Labrador City-Wabush, the region is also [promoting itself](#) as a location for other sectors such as secondary ore processing, data centres and the transportation sector. Tourism is also an important and growing industry. The region offers 12-month tourism opportunities that include camping, fishing, hunting, hiking and boating in the summer, and 450 kilometres of groomed snowmobile trails in the winter. Overall, Labrador City-Wabush is home to some 250 businesses engaged in mining supply/service, manufacturing, secondary processing, retail, tourism, transportation and personal services.

If there are not enough workers to meet labour demand, what could be the impact?

Predicting labour market demand is not easy, but the community clearly understands the need for population growth and the attraction of new workers. What industries are at risk if labour market needs can't be addressed?

Table 1 shows a few selected industries for which Labrador City-Wabush has a higher concentration of workers compared to the rest of the country. Adjusted for size, there are 21 times as many people working in the mining sector compared to the country overall. There are 80% more people employed in support services for mining and 20% more people employed in retail (including an estimated 70% more in general merchandise stores), pointing to the importance of the retail sector. Labrador City-Wabush has a well-above-average concentration of workers in air transportation, as well as accommodations services. If the workforce continues to shrink, 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 1: Labrador City-Wabush dominant industries: employment share compared to the national economy*

	Mining—21 times as many		Utilities—20% more
	Support activities for mining—80% more		Accommodations services—90% more
	Retail trade—20% more		Air transportation—4 times more

*For example, adjusted for size, Labrador City-Wabush has 20% more people employed in retail trade compared to the national economy. Source: Statistics Canada, 2016 Census.

Labrador City-Wabush’s aging entrepreneurs

Many of the community’s entrepreneurs and small business owners are getting closer to retirement, which is an additional challenge for the local economy. While the data is not available specifically for Labrador City-Wabush, Statistics Canada reports that 33% of all self-employed people in the wider area (Census Division No. 10) are over the age of 55.

The Labrador City-Wabush population is mobile

According to the 2016 Census, over 16% of the population aged 5 and older living in Labrador City-Wabush in 2016 did not live in the community 5 years prior (in 2011). This means 1,400 people living in the community were recent inward migrants. Over 700 people moved in from elsewhere in the province, nearly 400 others from elsewhere in Canada and more than 250 people from outside Canada.

Statistics Canada tracks the changes in population by various sources on an annual basis at the county or Census Division level. Labrador City-Wabush accounts for nearly 40% of the population of Division No. 10. Figure 2 shows the five-year average annual change in population by source for Division No. 10 and the data confirms both the churn in population but also the growing importance of immigration.

Between 2015 and 2019, the region lost over 400 people (net) in an average year to interprovincial and intraprovincial migration. This was offset by strong natural population growth (births minus deaths) and by immigration which averaged 168 people per year over the five-year period.

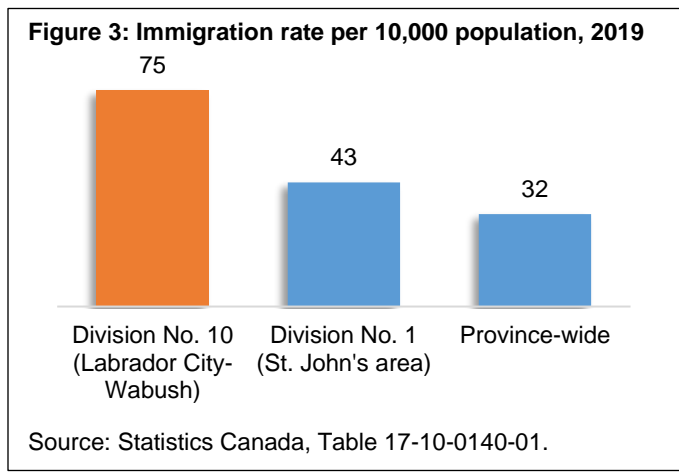
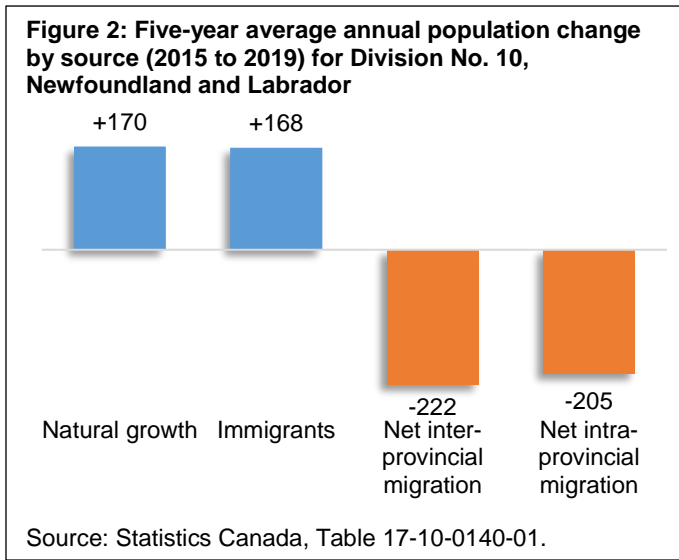
This immigration rate per 10,000 population (i.e. the number of immigrants adjusted for population size), in Division No. 10 was the fastest among all 11 Census Divisions in Newfoundland and Labrador in 2019, including Division No. 1 which includes the St. John's urban centre (Figure 3).

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

There are a number of ways that Labrador City-Wabush can expand the number of available workers in the years ahead:

- **Attract more students to the region**

Relative to population size, Labrador City-Wabush already has a higher share of the population in K-12 education compared to many other communities across the province. The share of the population aged 5-18 is 23% higher in Labrador City-Wabush than in the province as a whole. The College of the North Atlantic has a campus in the community, known as the "Mining Centre of Excellence." It offers many different post-secondary programs related to mining, construction and other sectors. Attracting more students, including international students, will help boost the talent pipeline in the region.



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

The relatively tight 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. At the time of the 2016 Census, women had a much lower workforce participation rate than men across the community. Over 82% of adult men were in the workforce compared to 63% of women. 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**

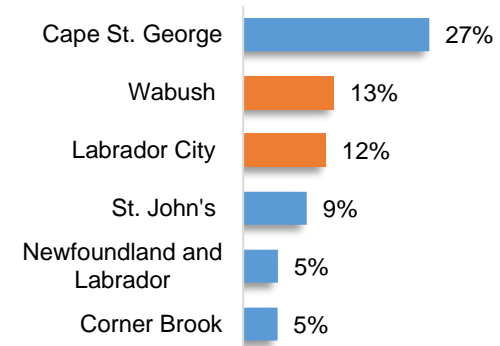
There is no doubt the biggest opportunity involves the attraction of young people and families to Labrador City-Wabush. These people can come from elsewhere in the province, across the country or from outside the country. In fact, since 2013, across Canada all net growth in the labour market has come from immigrants¹. There is a direct correlation between immigrant attraction and workforce growth. The cities and towns with the highest immigration rates have, by far, the fastest workforce growth. A continued focus on attracting immigrants, including French-speaking or bilingual immigrants, will help the region meet its workforce demand in the years ahead.

Supporting the French-speaking population

Labrador City-Wabush is located on the border between Newfoundland and Labrador and Quebec. Historically many of the people moving to the community were Francophone. The French language still plays an important role in the community. There are more than 1,100 people who speak French in the region, which accounts for more than 12% of the population. In fact, compared to all the villages, towns and cities across the province, Labrador City-Wabush's rate of French-speaking population is higher than all but 1 of them (Figure 4).

The community's French-speaking population is a lot younger, on average, than its English-only speaking population. Only 20% of people who can speak French are over the age of 45 compared to 38% among those who only speak English. The region has not attracted many French-speaking or bilingual immigrants in recent years. However, now that the community is part of the Welcoming Francophone Communities initiative, there will be more opportunity to attract and retain French-speaking or bilingual immigrants.

Figure 4: French-speaking population (share of the total population)



Source: Statistics Canada 2016 Census.

Helping to grow the local economy

There are many other benefits that come from attracting immigrants. Attracting more newcomers in the coming years would create new demand for local products and services. Every 100 new immigrant families with an average household income directly generate some \$8.1 million worth of new household expenditures, much of this spending in the local community².

¹ The number of Canadian-born workers exiting the workforce is greater than the number of Canadian-born workers joining the workforce each year.

² Assumes the new household spending conforms to the current spending pattern in Newfoundland and Labrador.

Statistics show that these 100 immigrant families would spend:

- \$1.5 million per year on housing costs, such as mortgage payments, electricity and property taxes
- \$1.4 million each year on transportation costs such as vehicle purchases and maintenance, and
- \$780,000 on food expenditures at local grocery stores and restaurants.

These 100 new families would also generate some \$2.3 million worth of taxes per year for local, provincial and federal governments.

Other positive effects

Attracting more immigrants, including French-speaking or bilingual immigrants, to Labrador City-Wabush could 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 social life

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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 Labrador City-Wabush could lead to a greater public investment in services and infrastructure.

Retaining and integrating newcomers

Retention will be critical to long-term population growth. While there has been a modest increase in immigration in recent years, in general the local population in the region doesn't have much history with immigration. Over 91% of Labrador City-Wabush residents are at least third-generation Canadians, meaning that they were born in Canada, as were their parents and grandparents. In order to ensure the successful integration and retention of immigrants to the community, it is important that newcomers, including French-speaking or bilingual immigrants, are welcomed into social life and quickly develop a strong sense of Canadian identity and social cohesion.

Labrador City-Wabush in 2035

What will Labrador City-Wabush look like in 2035? Will it continue to be an important mining, manufacturing and services hub in Labrador? Will it continue to have thriving agriculture and food processing industries? Will the workforce be there to ensure the region can take advantage of new opportunities? Will Labrador City-Wabush's French-speaking population continue to grow?

In the years ahead, Labrador City-Wabush is poised to make important contributions to the provincial economy through agriculture, tourism and other industries. Immigration, including French-speaking or bilingual immigrants, may be key to ensuring the region lives up to its economic potential.

By significantly increasing immigration, Labrador City-Wabush may be better positioned to thrive in the years ahead. Attracting more Francophone and French-speaking immigrants might also help the region's economy and ensure an important minority community continues to prosper.

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