

Economic Profile Series: Charlottetown, Prince Edward Island

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 Charlottetown remains a dynamic and growing urban centre in Atlantic Canada: the role of immigration

The looming workforce challenge

The 2016 Census reported that nearly 1 out of every 4 people in the Charlottetown workforce was over the age of 55. Overall, more than 10,000 workers are likely to retire in the next decade or so (as they are 55 and older). Two out of every five workers in farming are over 55 (Figure 1). Thirty-seven percent of everyone working in transportation and 29% of those working in nursing and residential care facilities 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 in Charlottetown, let alone provide the workforce for potential future economic growth.

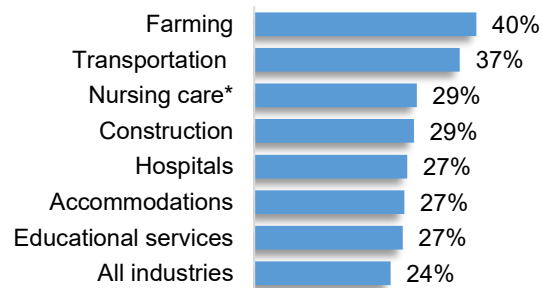
Charlottetown plays an important economic role

Charlottetown¹ (population 69,325) is experiencing the fastest growing population of any urban centre in Atlantic Canada. It is the capital city of Prince Edward Island and is the hub for the province's important services and tourism industries.

The population is aging fast

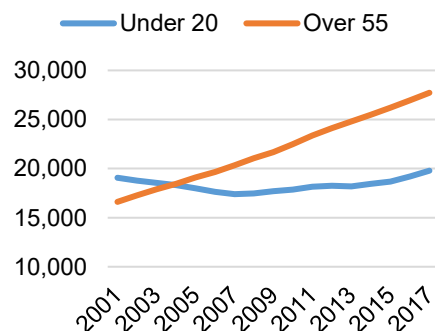
In 2001, across Queens County (of which, the Charlottetown urban centre makes up nearly 80% of the population), there were 115 young people under the age of 20 for every 100 people over the age of 55. By 2017, that ratio had declined to

Figure 1: Share of the Charlottetown workforce over the age of 55 – selected industries*



*Nursing and residential care facilities.
Source: Statistics Canada, 2016 Census.

Figure 2: Population by age group and year – Queens County, Prince Edward Island



Source: Statistics Canada Table 17-10-0084-01.

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

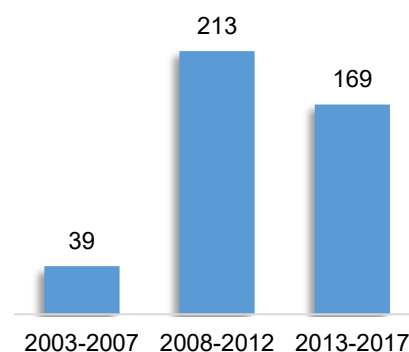
only 71 young people for everyone over the age of 55 (Figure 2). The PEI government recognized the challenges that would come with the aging population faster than many other provinces and made a serious push on immigration starting over a decade ago.

Charlottetown has benefitted from the increase in immigration

The main reason why the population has been growing in recent years has been the community’s ability to attract people. The immigration rate in the Charlottetown region has been among the highest in Canada for the past decade (Figure 3). Many of these newcomers are filling gaps in the workforce.

In 2016, more than 5% of all workers were recent immigrants² or non-permanent residents. Certain sectors have an even higher share of these recent migrants to Canada, including 20% of everyone working in the truck transportation sector; 15% in wholesale trade; 10% in professional, scientific and technical services; and 8% in both banking and manufacturing.

Figure 3: Average annual immigration per 10,000 in the overall population (by five-year period) – Queens County, PE



Source: Statistics Canada Table: 17-10-0085-01.

As shown in Table 1, the Charlottetown workforce has grown by 5,000 people even as there has been an increase in retirements. The number of people in Charlottetown reporting Canada Pension Plan income rose by 34% between 2008 and 2016³.

The Atlantic Immigration Pilot 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 Atlantic Immigration Pilot 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: Charlottetown

	2010	2018	Change
Workforce	36,600	41,600	+14%
Employment	33,600	38,800	+15%
Total unemployed	3,000	2,800	-7%
Unemployment rate	8.2%	6.7%	

Source: Statistics Canada, Table 14-10-0102-01.

The aging workforce: a risk for the economy

Predicting future labour market demand is not easy, but the provincial government clearly understands the role of immigration. The [Population Growth Strategy](#) released in 2017 targets an increase in the population of 10,000 people by 2022. The [2018 economic update](#) reported that the median age of Prince Edward Island residents declined in 2017 for the first time since 1967 as a “result of the large number of immigrants to the Island.”

² Those landing in Canada between 2011 and 2016.

³ Source: Statistics Canada, Table 11-10-0007-01.

But what industries could be at risk if the province is unable to continue attracting a significant number of immigrants each year? Table 2 shows the industries for which Charlottetown has a much higher concentration of workers compared to the rest of the country.

Adjusted for size, there are five times as many people working in fishing. The importance of Charlottetown’s tourism industry is found in the table, as the urban centre has considerably more people employed in arts, entertainment and recreation, as well as accommodation and food services. The city is also a major government centre with a high concentration of federal and provincial government administration employment.

If the workforce continues to tighten, many of these strategically important industries may struggle to find workers, and some of this economic activity could move to other communities with a stronger talent pipeline.

Table 2: Charlottetown’s dominant industries: employment share compared to the national economy*

 Fishing—5 times more	 Arts, entertainment and recreation—24% more
 Chemical manufacturing—87% more	 Accommodation and food services—27% more
 Financial investment and related activities—62% more	 Federal government public administration—2.5 times as many
 Nursing and residential care facilities—48% more	 Provincial public administration—3.6 times as many

*For example, adjusted for size, Charlottetown has 48% more people employed in nursing and residential care facilities compared to the national economy. Source: Statistics Canada 2016 Census.

Charlottetown’s aging entrepreneurs

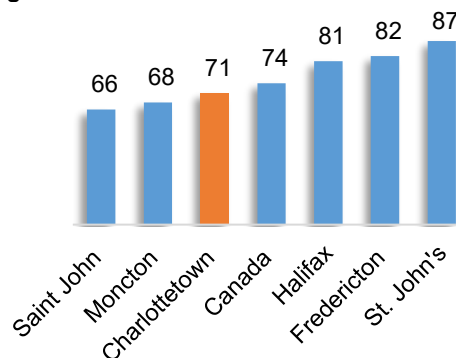
The community’s entrepreneurs and small business owners are getting closer to retirement, which is an additional challenge for the local economy. There are 3,300 self-employed people in Charlottetown and more than 40% of them are over the age of 55. The urban centre needs a new generation of entrepreneurs to replace those that will be retiring and to set up new businesses in the community’s important industries such as tourism and professional services. Attracting immigrant entrepreneurs could be an important part of the solution.

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

The Charlottetown 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, Charlottetown is at a disadvantage because it has a smaller student population and therefore less of a local talent pipeline. In 2016, there were 71 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 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.

among urban centres across Canada. In order to address this impending talent shortage, the University of Prince Edward Island and Holland College are working to attract more international students and the government has acknowledged the large influx of young immigrants is leading to an increase in enrolment in primary and secondary schools. These efforts will help to ensure there is a growing local pool of talent to enter the provincial workforce.

- **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.

- **Continue to attract people from outside the region**

Charlottetown's greatest opportunity lies in its ability to attract young people and families to the region. 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. Immigration will continue to be an important way in which Charlottetown can secure its future economic growth.

Immigration: boosting the Charlottetown talent pipeline

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Charlottetown ensures the talent pipeline is large and strong enough to meet local industry demands and provides a source of new entrepreneurs. These immigrants come as students, workers and business owners and fill important roles in the economy, 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 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

Continuing to attract immigrants to Charlottetown supports 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.

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 Prince Edward Island.

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 Charlottetown, it is important that newcomers are welcomed into social life and quickly develop a strong sense of Canadian identity and social cohesion. The [PEI Association for Newcomers to Canada](#) 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 Charlottetown 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 Charlottetown 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 industries should not be considered a replacement for Charlottetown's important export-oriented industries such as tourism. In the years ahead, the community can benefit from the economic opportunities arising from more retirees and from attracting and growing the younger workforce.

Charlottetown in 2035

What will Charlottetown look like in 2035? Will it continue to attract newcomers to meet workforce needs and provide talent for the future? Charlottetown has been one of the fastest growing urban centres in eastern Canada and much of that growth as a result of new immigrants settling in the region.

The Atlantic Immigration Pilot will continue to make it easier to attract and retain the skilled workforce that Charlottetown needs. If the community continues to attract people from around the world, Charlottetown is well positioned to be a larger, more multicultural and thriving urban centre by 2035.

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