

Economic Profile Series: Haut-Saint-Jean, New Brunswick

Spring 2020

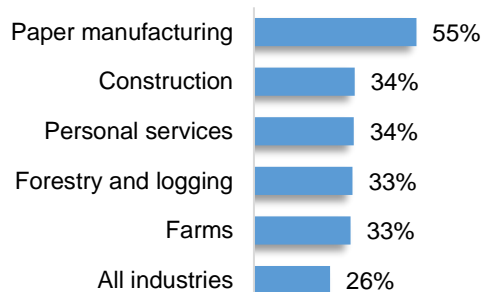
This series looks at select communities across Canada and highlights key labour market statistics and the role that immigration has played, or could play, to help these communities flourish. It is important to note that predicting future labour market demand can be challenging as economies are always 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 Haut-Saint-Jean remains a thriving economy in northwest New Brunswick: the role of immigration

The 2016 Census reported that more than 1 in 4 people in the Haut-Saint-Jean workforce was over the age of 55. More than half of those working in paper manufacturing, 34% in construction and personal services, as well as 33% in forestry and logging and farms were closing in on retirement (Figure 1).

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 future economic growth.

Figure 1: Share of the Haut-Saint-Jean workforce over the age of 55—selected industries*



*Madawaska census division. Source: Statistics Canada, 2016 Census.

Haut-Saint-Jean: a diverse regional economy

The Haut-Saint-Jean region (population 30,000) includes the City of Edmundston, the Maliseet First Nation of Madawaska and several smaller municipalities in Madawaska County. Edmundston plays a strategically important role as the main urban centre for a region that extends into both Quebec and northern Maine. Madawaska is the centre of New Brunswick's thriving maple syrup industry and also is home to important forestry and tourism sectors.

Population growth has stalled

The overall population of Madawaska County has been between 33,000 and 34,000 for the last decade. However, the number of people living in the county over the age of 60 has jumped by 46% over the same time frame (2009 to 2019). By contrast, the number of people under the age of 20 has dropped by 10%.

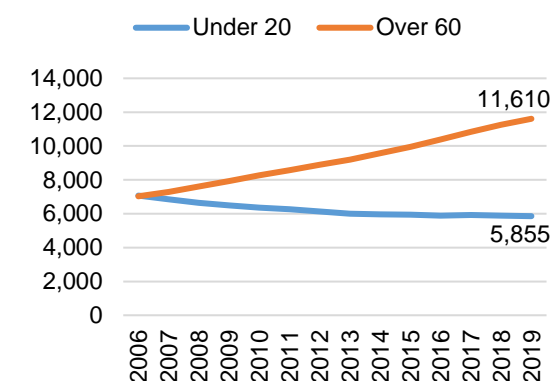
Further, the natural population growth rate (births minus deaths) has turned negative. In 2010, there were more births than deaths across the county. Now there are 142 deaths for every 100 births. This demographic imbalance is becoming a major challenge for the Haut-Saint-Jean region (Figure 2).

The aging workforce: a risk for the Haut-Saint-Jean economy

The changing population mix is impacting the workforce, and there are signs that it is starting to have a negative impact on the Haut-Saint-Jean economy. The recent closure of one of the larger employers in Edmundston was tied to a shortage of workers¹.

As shown in Table 1, the size of the Edmundston census agglomeration (CA)² workforce peaked in 2010 at 13,200 and has declined by 16% since (11,100 in 2019)³. The unemployment rate is now 6.3%, which is relatively low given the seasonal nature of a number of industries in the region. The workforce participation rate has dropped from 64.4% to 59.4%, likely due to older workers dropping out of the labour market. Between 2008 and 2017, the number reporting Canada Pension Plan living in the Edmundston CA income swelled by 54%.

Figure 2: The demographic shift in the Haut-Saint-Jean region*



*Madawaska census division. Source: Statistics Canada, Table 17-10-0139-01.

Table 1: Changing labour market indicators (Edmundston CA)

	2010	2019	% change
Labour force	13,200	11,100	-16%
Employment	12,300	10,400	-15%
Unemployment %	6.8%	6.3%	
Participation %	64.4%	59.4%	

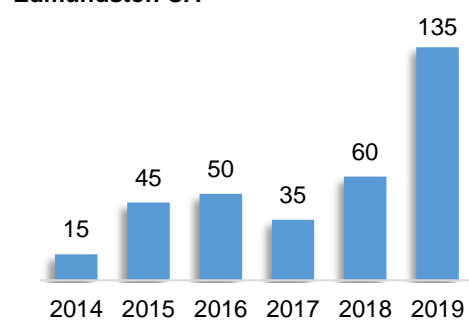
Source: Statistics Canada, Table 14-10-0002-01.

Until recently, Haut-Saint-Jean has not benefitted from an increase in immigration. However, in 2019 the Edmundston CA saw a significant increase in the number of newcomers (Figure 3). Adjusted for population size, the immigration rate (41 per 10,000 population) in the Edmundston CA is still well below the average across New Brunswick (77 per 10,000), but the increase shows the trend is in the right direction. Statistics Canada reports that there were also more than 100 non-permanent residents living in Madawaska County in 2019.

What industries are at risk if labour market demand can't be addressed?

Table 2 reveals the industries for which Haut-Saint-Jean has a much higher concentration of workers compared to the rest of the country. Across Madawaska County there are 9 times as many people working

Figure 3: Immigration by selected year – Edmundston CA*



*Permanent residents. Source: IRCC.

¹ Labour shortage a factor in S&P Data closure, Edmundston mayor says. [CBC News](#) (April 1, 2019).

² The Edmundston Census Agglomeration (CA) area includes the City of Edmundston and several surrounding communities and is made up of a core population of at least 10,000.

³ Labour market data for Madawaska County is not published annually.

in forestry and logging, 7.5 times as many in paper manufacturing and nearly 3 times as many in food manufacturing.

The maple syrup industry, farming and the trucking industry are other large employers. Health care is a growing industry in the region, with well-above-average employment in hospitals and nursing homes compared to the rest of the country. Finally, the well-above-average share of employment in the accommodations services sector points to the importance of the tourism industry in the area.

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

Table 2: Haut-Saint-Jean’s dominant industries: employment share compared to the national economy*

	Forestry and logging—9 times as many		Accommodation services—56% more
	Paper manufacturing—7.5 times more		Truck transportation—more than twice as many
	Farming (incl. maple syrup)—85% more		Nursing homes—2.3 times as many
	Food manufacturing—nearly 3 times as many		Hospitals—77% more

*Data for Madawaska County. For example, adjusted for size, the county has 2.3 times as many people employed in nursing homes compared to the national economy. Source: Statistics Canada, 2016 Census.

Haut-Saint-Jean’s aging entrepreneurs

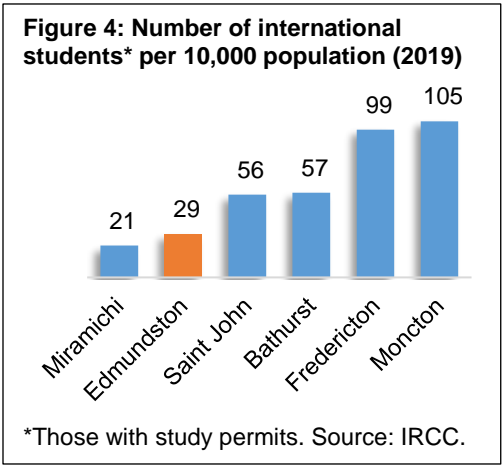
The community’s entrepreneurs and small business owners are also getting older, which is an additional challenge for the local economy. Across all industries, 41% of persons who are self-employed are over the age of 55. In total, there are 650 business owners across Madawaska County who will be heading into retirement in the near future. In the professional services sector, nearly 40% are over the age of 55. Based on these statistics, Haut-Saint-Jean could benefit from a new generation of entrepreneurs to replace those who retire. These new entrepreneurs would also help to drive growth in important industries such as farming, forestry, professional services and tourism.

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

The Haut-Saint-Jean workforce is aging and the pipeline for younger workers is shrinking. 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 the last 5 years, New Brunswick has more than doubled its international student population. Edmundston is home to a campus of the Université de Moncton and the New Brunswick Community College, but the area has not attracted many international students. In 2019, there were 70 persons with study permits in the Edmundston CA. Adjusted for population size, the number is well below most of the community’s peers in New Brunswick (Figure 4). Attracting more students into the region’s post-secondary education institutions could provide more



workers for service industries (while they study) and a talent pool for local industry once they graduate.

- **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.

- **Attract people from outside the region**

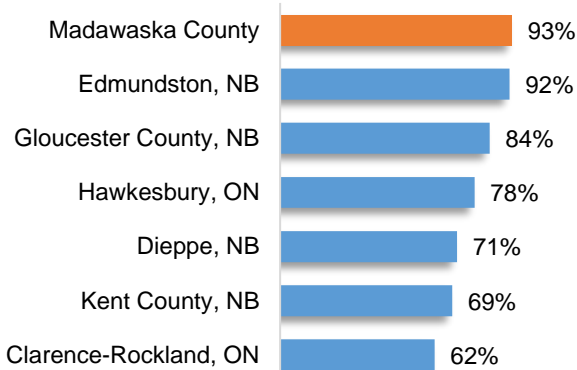
There is no doubt that one of Haut-Saint-Jean's greatest opportunities involves the continued attraction of young people and families to the region. Since 2013, across Canada, all net growth in the labour market has come from immigrants⁴. There is a direct correlation between immigrant attraction and workforce growth. The communities with the highest immigration rates have, by far, the fastest labour market growth. Haut-Saint-Jean has a lower immigration rate compared to many of its peers, but it has improved in 2019.

The importance of Francophone immigration

Haut-Saint-Jean is one of the most important French-speaking regions of Canada outside of Quebec. Across Madawaska County, 93% of the population has French as their mother tongue. In the Edmundston CA, 92% are Francophone (Figure 5).

Haut-Saint-Jean has been selected as a [Welcoming Francophone Community](#) to help French-speaking and bilingual newcomers feel welcomed and integrated in Francophone communities outside Quebec. Immigration could help to ensure the Haut-Saint-Jean's Francophone population continues to thrive.

Figure 5: Percent of the population with French as their mother tongue



Source: Statistics Canada, 2016 Census.

Canada attracts thousands of French-speaking or bilingual immigrants every year and many live in communities outside Quebec. According to the Census, in 2016 there were nearly 68,000 immigrants who had settled in Canada outside Quebec in the previous 10 years with French as their first official language spoken. More than 40,000 of them settled in Ontario and 12,000 in Alberta. New Brunswick attracted just over 2,000, and the Edmundston CA attracted 130. Adjusted for population size, however, Edmundston's French-speaking or bilingual immigration attraction rate is one of the highest in the country, outside of Quebec (Figure 6).

Increasing the number of French-speaking immigrants settling in the Haut-Saint-Jean region could help ensure there is enough talent to address workforce needs and ensure the region maintains its linguistic characteristics. These French-speaking immigrants could come as students, workers and business owners filling important roles in the economy and boosting demand for local goods and services.

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

Helping to grow the local economy

Attracting more immigrants in the coming years to the Haut-Saint-Jean region could create new demand for local products and services. Every 100 new immigrant families with an average household income directly generate over \$7 million worth of new household expenditures, much of this spending in the local community⁵.

Statistics show that these 100 immigrant families would spend:

- \$1.3 million per year on housing costs, such as mortgage payments, electricity and property taxes,
- \$1.2 million each year on transportation costs, such as vehicle purchases and maintenance, and
- \$800,000 on food expenditures at local grocery stores and restaurants.

These 100 new families would also generate some \$2 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 Haut-Saint-Jean 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.

Retaining and integrating newcomers

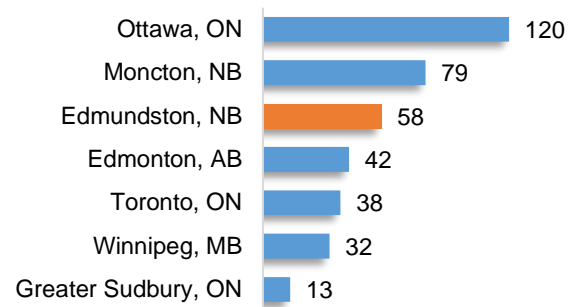
Retention will be critical to long-term population growth. The local population in the region doesn't have much recent history with immigration. Nearly 90% of Haut-Saint-Jean residents are at least third-generation Canadians, meaning they were born in Canada, as were their parents and grandparents.

It is important that newcomers are welcomed into our social life and develop a strong sense of Canadian identity and social cohesion. Settlement agencies are an important asset in the region providing support services to help newcomers in the community, however, the community itself also plays a role in fostering a welcoming environment for newcomers.

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 Haut-Saint-Jean could lead to a greater public investment in services and infrastructure.

Figure 6: French-speaking immigrant attraction rate per 10,000 population*



*Those landing in Canada between 2006 and 2016 with French as their first official language spoken. Source: Statistics Canada, 2016 Census.

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

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 Haut-Saint-Jean retire and move into a new stage in life, it creates new economic opportunities in health care, personal services and recreation industries.

But these should not be considered a replacement for Haut-Saint-Jean's important export-oriented industries such as forestry, manufacturing, maple syrup 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.

Haut-Saint-Jean in 2035

So, what will Haut-Saint-Jean look like in 2035? Will the region continue to have thriving forest products and maple syrup clusters? Will Edmundston have expanded its role as an urban hub for northwestern New Brunswick, eastern Quebec and northern Maine? Will the workforce be there to ensure the region can take advantage of new opportunities?

In the years ahead, Haut-Saint-Jean is poised to make important contributions to the provincial economy through its natural resources sectors, maple syrup, tourism and other industries. Immigration, including French-speaking or bilingual immigrants, may be key to ensuring the region lives up to its economic potential.

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