

## Community Profile Series: Peterborough, Ontario

Spring 2020

This series looks at 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 Peterborough remains a thriving urban hub in central Ontario: the role of immigration

According to Statistics Canada's annual Labour Force Survey, more than 25% of the people in the Peterborough workforce are over the age of 55. From the 2016 Census, it is clear that specific sectors have a higher rate of older workers.

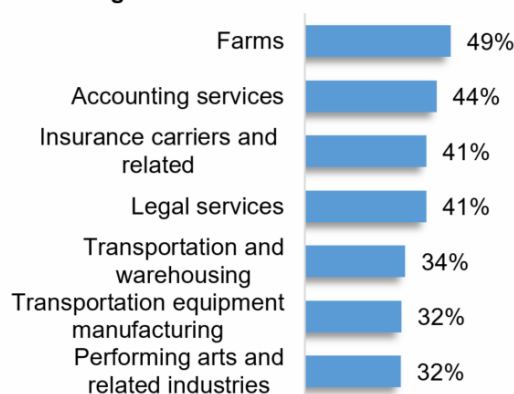
Almost 50% of everyone working in farming in 2016 was over the age of 55, as were 44% in the accounting services sector. The legal services and insurance industries also had a large share over the age of 55 (Figure 1). In total there are now 16,500 in the Peterborough workforce over the age of 55, up by 33% in just the past 4 years. Ensuring a strong pipeline of workers for the future will be very important to the community in the years ahead.

#### Peterborough: an important urban hub

Peterborough (population 131,400)<sup>1</sup> is a strategically important urban centre in central Ontario. It is home to important electricity utility and manufacturing industries, and is the urban hub for a wider agricultural area. In addition, its cottage country attracts hundreds of thousands of visitors each year. The urban centre has well-above-average employment in the health-care and community college sectors, as well as in a number of retail and wholesale trade sectors.

Despite fairly strong population growth in recent years, Peterborough is facing a significant demographic challenge. The urban centre has a negative natural population growth rate (more deaths than births each

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



Source: Statistics Canada, 2016 Census.

<sup>1</sup> The Windsor census metropolitan area includes the City of Peterborough, the townships of Cavan Monaghan, Douro-Dummer, Otonabee-South Monaghan and Selwyn, as well as 2 First Nations communities.

year), limited immigration and a negative interprovincial migration rate. It relies mostly on intraprovincial migration (from elsewhere in Ontario) for almost all net population growth, but more than 40% of these inward migrants are over the age of 50. This is leading to a growing gap between the younger and older population in the area.

### The growing generational divide

In 2006, there were almost the same number of people under the age of 20 living in Peterborough as the number 60 and older. Since then, the gap has steadily increased every year and there are now only 64 people under the age of 20 for every 100 over the age of 60 living in the community (Figure 2).

Older residents are very important contributors to the local economy and are an important reason why Peterborough has been growing in recent years. However, ensuring there is a talent pipeline of younger workers is critical to the long-term success of any urban centre.

### There has been limited immigration into Peterborough

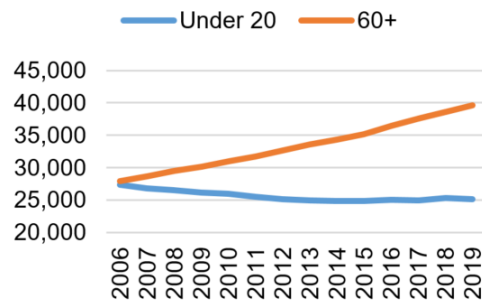
Over the past decade, Peterborough has attracted relatively few immigrants. Just over 200 immigrants settled in Peterborough in 2019 according to Statistics Canada, the equivalent of 16 per 10,000 population. This is compared to an immigration rate into all census metropolitan areas of 106 per 10,000 population (Figure 3). It is possible that some immigrants are settling elsewhere in Ontario and moving to Peterborough, but the 2016 Census confirms there are relatively few immigrants living in the community relative to most other metropolitan areas across Canada.

### The aging workforce: a risk for the Peterborough economy

Overall, the number of people in Peterborough's workforce declined slightly in the past 4 years, from 66,300 in 2015 to 65,000 in 2019. But the story changes when breaking it down by age group.

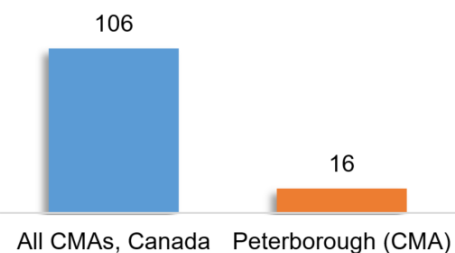
The number of people in the workforce over the age of 55 increased by 33% (Table 1). There are now 16,500 people in the workforce who are heading towards retirement in the next decade or so. At the same time, the number of people in the workforce under the age of 55 declined by 10% (or 5,400). The total number of adults over the age of 55 not participating in the workforce increased by 23% between 2015 and 2019, and is set to rise further.

**Figure 2: Population by selected age group – Peterborough census metropolitan area**



Source: Statistics Canada, Table 17-10-0135-01.

**Figure 3: Immigration rate per 10,000 population (2019)**



Source: Statistics Canada, tables 17-10-0136-01 and 17-10-0135-01.

**Table 1: Peterborough's changing workforce**

	2014	2019	% change
Workforce (under 55)	53,900	48,500	-10%
Workforce (over 55)	12,400	16,500	+33%
Adults over 55 not in the workforce	24,900	30,600	+23%
Participation rate (under 55)*	80%	80%	
Participation rate (over 55)*	33%	35%	

\*The participation rate is the share of all adults who are participating in the workforce (either employed or seeking work).

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

### **What is the risk to the economy if there are not enough workers to meet labour demand?**

A 2019 [survey](#) of firms in the Peterborough area by the Workforce Development Board/Local Employment Planning Council (WDB/LEPC) found that over 67% of employers had difficulty hiring needed employees in the previous year. When asked for specific reasons, 78% of firms said a general lack of applicants was making it harder to find workers. When asked how the firms handled the difficulty finding workers, 45% responded they did not fill one or more of the job openings and 54% said they hired a less qualified applicant into one or more positions.

### **What industries are at risk if labour market demand cannot be addressed?**

Table 2 reveals some of the industries for which Peterborough has a much higher concentration of workers compared to the rest of the country. Peterborough has several manufacturing sectors with high concentrations of employment relative to the national workforce, including plastic products (2.4 times as many employed) and electric power generation, transmission and distribution (more than twice as many employed). In addition, the community has 1.4 times as many workers in machinery manufacturing, relative to the national workforce.

As a sign of the importance of health care, Peterborough has a high concentration of workers in both nursing and residential care, as well as ambulatory health-care services. If the workforce starts to decline as a result of the demographic shift, many of these strategically important industries will struggle to find workers. Much economic activity could move to urban centres that have a stronger talent pipeline.

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

	Electric power generation, transmission and distribution—more than 2 times as many		Business support services—3.5 times as many
	Plastic product manufacturing—2.4 times		Community college—over twice as many
	Machinery manufacturing—1.4 times		Ambulatory health care services—39% more
	General merchandise stores—1.4 times		Nursing and residential care facilities—70% more

\*For example, adjusted for size, Peterborough has over twice as many people employed in the community college sector compared to the national economy. Source: Statistics Canada, 2016 Census.

### Peterborough'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, 45% of persons who are self-employed are over the age of 55. In total, there are more than 3,100 business owners who will be heading into retirement in the near future. Based on these statistics, Peterborough could benefit from a new generation of entrepreneurs to replace those who retire and to help drive growth in important industries such as professional services and tourism. In fact, the community is already [courting immigrant entrepreneurs](#) by promoting the opportunities and profiling success stories.

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

Peterborough needs to focus on ensuring there is a strong pipeline of workers to join the workforce to address labour demand. From boosting the student population to attracting more immigrants, 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**

Peterborough is home to 3 post-secondary education institutions: Trent University, Fleming College and the Seneca College School of Aviation. In total, more than 11,000 students come to Peterborough and the Kawarthas to study each year<sup>2</sup>. Attracting more Canadian and international students to the area will increase the size of the talent pipeline for employers.

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

The older population not currently participating in the workforce could be enticed back in by employers offering flexible work options and increasing benefits. Among those aged 65 and older living in Peterborough, 14.3% are active in the workforce at some point during the year, about average when compared to the urban centre's peers across the country. However, among those aged between 55 and 64, only 60% are participating in the workforce, well below the average of 65% among Canada's metropolitan areas. Women 55 and older are far less likely to be active in the workforce than men.

<sup>2</sup> Source: Peterborough & the Kawarthas Economic Development.

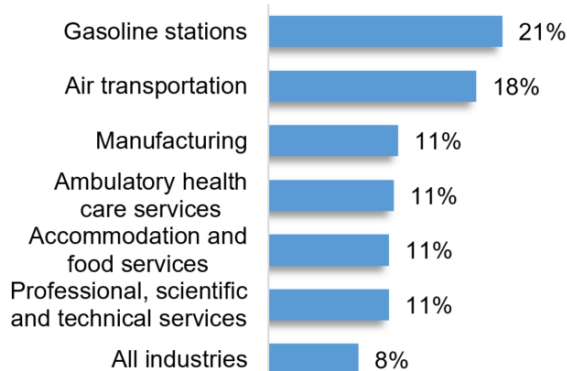
- **Attract people from outside the region**

There is no doubt that the biggest opportunity to boost the talent pipeline involves attracting young people and families to Peterborough. In recent years much of this attraction has come from elsewhere in Ontario—but immigration could be an important source of new workers, particularly younger workers, as 50% of all immigrants attracted to Ontario are under the age of 30<sup>3</sup>.

At the time of the 2016 Census, there were some 5,500 immigrants and non-permanent residents active in the Peterborough workforce (or about 8% of the total). As shown in Figure 4, immigrants accounted for 21% of all workers in gasoline stations, 18% of workers in air transportation and 11% of workers in manufacturing, ambulatory health-care and tourism-related industries.

It is likely that Peterborough will need to boost its attraction of immigrants in the years ahead (either directly or from secondary migration). As discussed above, the community's immigration rate is below most of its peers. Attracting younger immigrant workers not only helps address workforce needs now and in the near future, their children provide a source of future workers and help rebalance the demographic situation in the community.

**Figure 4: Immigrants as a share of the total Peterborough workforce (2016)\***



\*and non-permanent residents. Source: Statistics Canada, 2016 Census.

### **Immigration: boosting the Peterborough talent pipeline**

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Peterborough could be 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. These immigrants could come as students, workers and business owners, who would fill important roles in the economy and boost demand for local goods and services.

### **Helping to grow local economy**

Attracting more immigrants 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 over \$9 million worth of new household expenditures, much of this spending in the local community<sup>4</sup>.

Statistics show that these 100 immigrant families would spend:

<sup>3</sup> Source: IRCC data for 2019: admission of permanent residents by intended destination.

<sup>4</sup> Assumes the new household spending conforms to the current spending pattern in Ontario.

- \$2.1 million per year on housing, such as mortgage payments, electricity and property taxes,
- \$1.3 million each year on transportation, such as vehicle purchases and maintenance, and
- \$900,000 on food at local grocery stores and restaurants.

These 100 new families could also generate about \$2.5 million worth of taxes per year for local, provincial and federal governments.

### **Other positive effects**

Attracting more immigrants to Peterborough would 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.

### **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 Peterborough 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 Peterborough retire and move into a new stage in life, it creates new economic opportunities in health care, personal services and recreation industries.

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. But these industries should not be considered a replacement for Peterborough's important export-oriented industries such as manufacturing, business services and tourism.

### **Peterborough in 2035**

So, what will Peterborough look like in 2035? The new [regional economic development plan](#) has as a goal "to be the most sustainable and innovative community and economy in Ontario." The plan focuses on attracting investment and entrepreneurs, and growing a number of targeted industries including aerospace, agriculture, clean tech and tourism.

Will there be enough workers and new entrepreneurs to ensure the region can take advantage of these new opportunities? Immigration could continue to play an important role in the region's economic growth and prosperity.

For more information on how immigration matters across Canada, visit [canada.ca/immigration-matters](https://canada.ca/immigration-matters).