

## Economic Profile Series: Williams Lake, British Columbia

Winter 2020

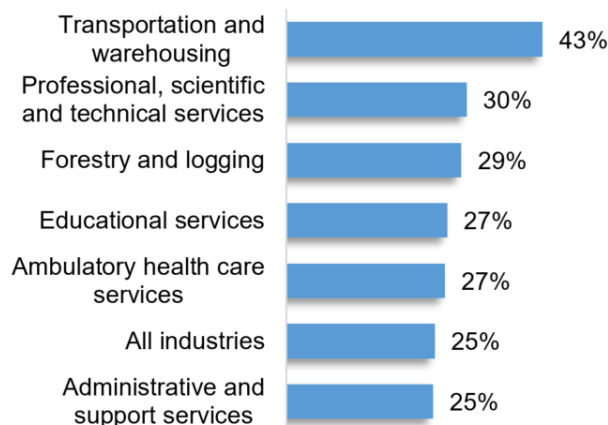
This series looks at communities across Canada and highlights key labour market statistics and the role that immigration has played, or could play, to help these communities flourish. It is important to note that predicting future labour market demand can be challenging as economies are always evolving. This profile uses current population and labour market trends to give a profile of how immigration might play a role in this community.

### Ensuring Williams Lake remains a growing and dynamic economy in Northern British Columbia: the role of immigration

Statistics Canada reported in the 2016 Census that nearly 1 in 4 people in the Williams Lake workforce was over the age of 55. More than 40% of transportation and warehousing sector workers were over the age of 55, as were 30% in the professional services sector (Figure 1). Strategically important sectors such as forestry and logging, as well as education and health care, all have a fairly high share of workers heading towards retirement.

There are not enough young people coming through the local 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 Williams Lake workforce over the age of 55 – selected industries**



Source: Statistics Canada, 2016 Census.

#### Williams Lake: a small but important urban economy in central BC

The Williams Lake urban area (population 19,500)<sup>1</sup> is located in central British Columbia, halfway between Williams Lake to the north and Kamloops to the south. Its economy is based on natural resources—forest products and mining—and tourism. The community is also an urban services centre for a wider economic area in the Cariboo Region offering health-care, education, retail, professional and personal services to the regional population.

Like most communities across Canada, the demographic situation in Williams Lake is becoming a potential barrier to the community's prosperity and future growth potential. Across the community, the population

<sup>1</sup> The census agglomeration area includes the city of Williams Lake, 2 other municipalities and several First Nations communities.

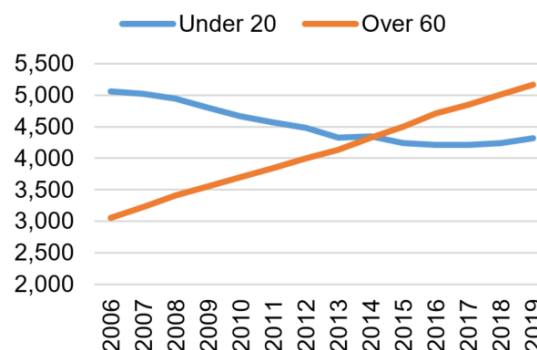
over the age of 60 increased by 15% between 2013 and 2019, while the number under age 20 dropped slightly (Figure 2).

### The aging workforce: a risk for the Williams Lake economy

This demographic shift is starting to impact the workforce. As shown in Table 1, the number of people reporting employment income on their annual tax form in Williams Lake increased by only 1% between 2013 and 2017, but the number reporting Old Age Security rose by 18%. The number with Canada Pension Plan income increased by 15% and the number reporting private pension plan income was also up by 15%.

At the time of the 2016 Census, there were 2,400 in the workforce over the age of 55. These workers will be transitioning into retirement over the next decade and it is not obvious who will replace them.

**Figure 2: Population change by selected age group, Williams Lake**



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

**Table 1: Number of residents reporting income by source: Williams Lake**

Source of income	2013	2017	No. change	% change
Employment income	10,460	10,570	110	+1%
Old Age Security (OAS)*	2,810	3,310	500	+18%
Canada Pension Plan (CPP) benefits	3,800	4,370	570	+15%
Private pension income	2,020	2,330	310	+15%

\*and net federal supplement payments.

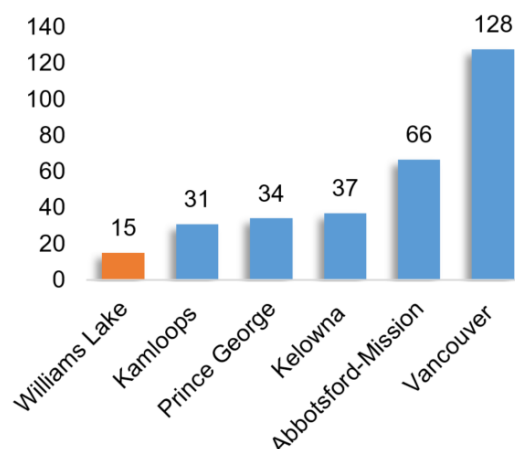
Source: Statistics Canada, Table 11-10-0007-01.

Williams Lake has not benefitted from an increase in immigration to help address this substantial demographic shift. In 2019, among the 26 urban centres across British Columbia only Quesnel and Port Alberni had lower immigration rates. Statistics Canada reports that over the past 5 years, Williams Lake had on average 52 immigrants settle in the community per year. In 2019, 29 immigrants were added to the population, or an amount equivalent to only 15 per 10,000 population. Figure 3 shows how this compares to select other urban centres around the province.

### What could be the impact of increased retirements on the Williams Lake economy?

Predicting labour market demand is not easy, but the community is focused on economic growth and understands the importance of attracting workers. The city's [Economic Development Strategy](#) states that

**Figure 3: Immigrants settling in British Columbia's urban centres in 2019, per 10,000 population**



Source: Statistics Canada, Table 17-10-0136-01.









“the Williams Lake area has been experiencing significant worker shortages in most job categories” and concludes this is a serious barrier to the community’s economy. The strategy includes multiple initiatives to attract workers and develop the workforce.

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

Table 2 reveals the industries for which Williams Lake has a much higher concentration of workers compared to the rest of the country.

The community has a very large forest products cluster, with more than 1,600 workers in forestry and logging, related support activities and wood product manufacturing (as of the 2016 Census). More than 500 people work in mining, or 12 times more than the country overall adjusted for workforce size. The community’s role as a services centre is evidenced by the concentration of workers in general merchandise stores, gasoline stations and car dealerships.

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: Dominant industries in Williams Lake: employment share compared to the national economy*			
	Forestry and logging—21 times more		Motor vehicle and parts dealers—85% more
	Support activities for forestry—12 times more		Gasoline stations—more than twice as many
	Wood product manufacturing—12 times as many		General merchandise stores—91% more
	Mining and quarrying (except oil and gas)—12 times more		Truck transport—59% more

\*For example, adjusted for size, Williams Lake has 12 times as many people employed in wood product manufacturing compared to the national economy. Source: Statistics Canada, 2016 Census.

**The community’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, 43% of persons who are self-employed are over the age of 55. In total, there are 450 business owners in Williams Lake who will be heading into retirement in the near future. Based on these statistics, Williams Lake 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 forest products and tourism.

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

The Williams Lake 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**  
The city’s [Economic Development Strategy](#) has as one of its main goals the expansion of educational programming in Williams Lake. The Williams Lake campus of Thompson Rivers University has more than 1,600 full and part time students, but the strategy calls for a significant expansion of programming aligned with the needs of the workforce. It also talks about attracting more students to attend university in the community. This could include the attraction of international students looking to move to Canada

and work in industries where there is demand in Williams Lake. Boosting the student population further will strengthen the talent pipeline in the years ahead.

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

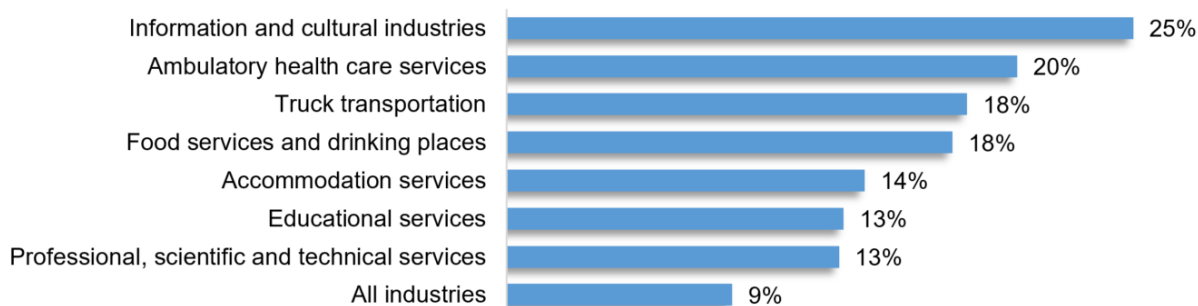
The tightening labour market creates employment opportunities for people who previously struggled to participate in the labour market, such as women re-entering the workforce or those with disabilities.

The Williams Lake region is home to a large Indigenous population that accounted for 20% of the urban centre total in 2016<sup>2</sup>. There were more than 1,700 Indigenous people in the workforce in 2016, with an unemployment rate of 14.3%—considerably higher than the overall community average. Efforts to boost employment among this segment of the workforce could help address workforce shortages. In addition, 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 the greatest opportunities for Williams Lake involves the continued attraction of young people and families to the region, including immigrants. Since 2013, across Canada, all net growth in the labour market has come from immigrants<sup>3</sup>. 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. As discussed above, Williams Lake has a much lower immigration rate compared to most other urban centres in Canada. Despite this, immigrants are still an important part of the workforce, accounting for 9% of the total in 2016. Figure 4 shows a number of industries where the share of the workforce accounted for by immigrants is at least 13%. In the information and cultural industries sector, 1 in 4 workers was not born in Canada. In the ambulatory health-care services sector, 20% were not born in Canada.

**Figure 4: Immigrants as a share of the workforce, selected industries, Williams Lake**



Source: Statistics Canada, 2016 Census.

### **Immigration: boosting the Williams Lake talent pipeline**

Along with other efforts to boost the workforce, increasing the number of immigrants settling in Williams Lake is one way in which the region can 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,

<sup>2</sup> Statistics Canada, 2016 Census

<sup>3</sup> The number of people born in Canada exiting the workforce is greater than the number of people born in Canada joining each year.

workers and business owners filling important roles in the economy and boosting demand for local goods and services.

### **Helping to grow the 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:

- \$2.2 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
- \$925,000 on food expenditures at local grocery stores and restaurants.

These 100 new families would also generate some \$2.2 million worth of taxes per year for local, provincial and federal governments.

### **Other positive effects**

Attracting more immigrants to Williams Lake 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.

### **Retaining and integrating newcomers**

Retention will be critical to long-term population growth, but the population in the region doesn't have much recent history with immigration. More than 75% of Williams Lake residents are at least third-generation Canadians, meaning they were born in Canada, as were their parents and grandparents.

Settlement agencies are an important asset in the region, providing support services to help newcomers in the community. However, the community itself 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 Williams Lake 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 Williams Lake 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 Williams Lake's important export-oriented industries such as forestry, manufacturing and tourism. In the years ahead, the community can and should benefit from the economic opportunities arising from more retirees, as well as from attracting and growing the younger workforce.

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

**Williams Lake in 2035**

What will Williams Lake look like in 2035? Will the region continue to have a thriving and growing forest products cluster? Will it have expanded its role as an urban hub for services in central British Columbia? Will the workforce be there to ensure the region can take advantage of new opportunities? By increasing immigration, Williams Lake may be better positioned to achieve the growth objectives laid out in its economic development plan.

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