Sustainable communities: The importance of a strong economic foundation

Presented by:
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Jupia Consultants Inc.
Presentation overview

The state of PEI’s economy: Towards a **sustainable economic foundation**

Attracting people to PEI: Towards a **sustainable demographic mix**

Where will the new population come from? Seeking **sustainable population growth**.

Sustainable communities: The four legs on the stool - **Economy, demography, society and environment**
The state of PEI’s economy: Towards a sustainable economic foundation
Prince Edward Island: General trends

• **Best economic performance** (GDP growth) among the four Atlantic Provinces by a wide margin – up 16% between 2007 and 2017. Still slower growth than previous decade, however.

• The size of the **labour force did not decline** like elsewhere in the region but has remained relatively flat at 83,900 in 2018.

• However, there are **21,300 in the workforce over the age of 55** – or more than 25% of the total.

• PEI has **led the country in immigration attraction** since 2010 (adjusted for population size).

• PEI has benefited from **strong, export-led growth**. The province ranks 2nd out of 10 provinces for the growth in international exports (by value) since 2010.
### Cumulative real GDP growth

<table>
<thead>
<tr>
<th>Region</th>
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<tbody>
<tr>
<td>NL</td>
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<tr>
<td>PE</td>
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<td>SK</td>
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<td>AB</td>
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<tr>
<td>BC</td>
</tr>
</tbody>
</table>

**Atlantic Canada:**
- 1997-07: 40%
- 2007-17: 4%

Chained (2012) dollars. Statistics Canada Table: 36-10-0402-010.
Prince Edward Island: General economic trends

• **ICT GDP growth has lagged**: growth of 90% between 97-07 to 14% 07-17.

• **Agricultural GDP has grown modestly** but aquaculture GDP is up 50% over the decade.

• **Manufacturing GDP overall is up** a robust 38% over the decade led by:
  
  - Food manufacturing up GDP 47% (meat production down 40%)
  - Pharmaceutical manufacturing GDP up 256% ($89M)
  - Fabricated metal GDP up 30% / aerospace GDP up modestly
Percentage increase in the value of international merchandise exports (2009 to 2018)

- Prince Edward Island: 85%
- British Columbia: 85%
- Alberta: 67%
- Ontario: 65%
- Quebec: 59%
- Newfoundland and Labrador: 51%
- Manitoba: 47%
- Saskatchewan: 42%
- Nova Scotia: 35%
- New Brunswick: 29%

Source: Trade Data Online
### PEI: Shifting sources of population growth

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2008</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural growth</td>
<td>398</td>
<td>281</td>
<td>257</td>
</tr>
<tr>
<td>Immigrants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural growth</td>
<td>123</td>
<td>1,282</td>
<td>2,102</td>
</tr>
<tr>
<td>Net temporary emigrants</td>
<td>34</td>
<td>36</td>
<td>40</td>
</tr>
<tr>
<td>Net interprovincial migration</td>
<td>-</td>
<td>416</td>
<td>-</td>
</tr>
<tr>
<td>Net non-permanent residents</td>
<td>-</td>
<td>38</td>
<td>239</td>
</tr>
<tr>
<td>Net population change*</td>
<td>101</td>
<td>1,547</td>
<td>2,832</td>
</tr>
</tbody>
</table>

*excludes residual deviation. Source: Statistics Canada.
### The Benjamin Button effect?
Some provinces are actually getting younger

<table>
<thead>
<tr>
<th>Province</th>
<th>Median age (1988)</th>
<th>Median age (2018)</th>
<th>Year median age peaked</th>
<th>Years added since 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>NL</td>
<td>29.0</td>
<td>46.5</td>
<td>2018</td>
<td>+3.9</td>
</tr>
<tr>
<td>PE</td>
<td><strong>31.5</strong></td>
<td><strong>43.6</strong></td>
<td><strong>2016</strong></td>
<td><strong>+1.9</strong></td>
</tr>
<tr>
<td>NS</td>
<td>31.9</td>
<td>45.1</td>
<td>2017</td>
<td>+2.7</td>
</tr>
<tr>
<td>NB</td>
<td>31.5</td>
<td>45.9</td>
<td>2018</td>
<td>+3.5</td>
</tr>
<tr>
<td>QC</td>
<td>32.8</td>
<td>42.5</td>
<td>2017</td>
<td>+1.4</td>
</tr>
<tr>
<td>ON</td>
<td>32.4</td>
<td>40.6</td>
<td>2015</td>
<td>+1.3</td>
</tr>
<tr>
<td>MB</td>
<td>31.7</td>
<td>37.3</td>
<td>2009</td>
<td>-0.5</td>
</tr>
<tr>
<td>SK</td>
<td>30.9</td>
<td>37.3</td>
<td>2007</td>
<td>-0.5</td>
</tr>
<tr>
<td>AB</td>
<td>29.9</td>
<td>36.9</td>
<td>2018</td>
<td>+1.2</td>
</tr>
<tr>
<td>BC</td>
<td>33.5</td>
<td>42.2</td>
<td>2016</td>
<td>+1.6</td>
</tr>
</tbody>
</table>

Statistics Canada Table: 17-10-0005-01
PEI: Shifting sources of population growth

<table>
<thead>
<tr>
<th>Period</th>
<th>Immigrants</th>
<th>Net interprovincial migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-2006</td>
<td>255</td>
<td>-117</td>
</tr>
<tr>
<td>2007-2010</td>
<td>1384</td>
<td>-404</td>
</tr>
<tr>
<td>2011-2014</td>
<td>1564</td>
<td>-668</td>
</tr>
<tr>
<td>2015-2018</td>
<td>1930</td>
<td>-164</td>
</tr>
</tbody>
</table>

Source: Statistics Canada Table 17-10-0008-01.
Attracting people to PEI: Towards a sustainable demographic mix
Median age of the population

*only includes Montague, Cardigan, Georgetown.

Statistics Canada 2016 Census.

Cornwall: 39.8
Stratford: 40.5
Borden-Carleton: 46
Charlottetown: 42.8

Kensington: 48.9
Summerside: 46.7

North Rustico: 56

O’Leary: 53.3
Tignish: 53.2
Alberton: 52

Kings: 48

Three Rivers: n/a

*only includes Montague, Cardigan, Georgetown.

Statistics Canada 2016 Census.
Population replacement ratio

# of persons under 20 for every 100 over the age of 60

Source: Statistics Canada.


Years: 2006 to 2018
Population replacement ratio

# of persons under 20 for every 100 over the age of 60

*only includes Montague, Cardigan, Georgetown.

Statistics Canada 2016 Census.

Cornwall: 130
Stratford: 109
Canada: 96
PEI: 82
Borden-Carleton: 79
Rural Queens: 74
Charlottetown: 73
Summerside: 72
Kensington: 61
Alberton: 43
North Rustico: 32
Tignish: 47
O'Leary: 50
Alberton: 43
Rural Queens: 74
Charlottetown: 73
Summerside: 72
Kensington: 61
North Rustico: 32
Tignish: 47
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Kensington: 61
Industries that will need to attract younger workers

Communities where an above average number of workers are employed in tourism-related industries:

- North Rustico, Three Rivers*, Charlottetown, Summerside, O'Leary, Borden-Carleton, Souris, Cornwall and Kings

Communities where at least 25% of workers are employed in agriculture, fishing or manufacturing:

- Souris, Tignish, Alberton, Kings, Prince and Borden-Carleton

Communities where at least 15% of workers are employed in health care:

- Stratford, Cornwall, Alberton

*only includes Montague, Cardigan, Georgetown. Statistics Canada 2016 Census.
PEI’s aging workforce

- There are over **20,000 workers aged 55 and older**.

  - 25% of everyone in the workforce on PEI.
  
  - Already the born-in Canada workforce on PEI is in decline.

% of workers over 55

<table>
<thead>
<tr>
<th>Industry</th>
<th>% of Workers Over 55</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>38%</td>
</tr>
<tr>
<td>Farming</td>
<td>38%</td>
</tr>
<tr>
<td>Arts &amp; entertainment</td>
<td>30%</td>
</tr>
<tr>
<td>Fishing</td>
<td>29%</td>
</tr>
<tr>
<td>All industries</td>
<td>26%</td>
</tr>
<tr>
<td>Health care*</td>
<td>25%</td>
</tr>
</tbody>
</table>

*Includes social assistance.  
Source: Statistics Canada 2016 Census
PEI’s aging entrepreneurs

• 25% of employees are 55 and older on PEI.

▪ 42% of entrepreneurs (self-employed persons) are 55+
▪ Over 3,500 heading towards retirement.

Source: Statistics Canada 2016 Census
Where will the new population come from? Seeking sustainable population growth.
Seeking sustainable population growth

• 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 PEI’s median age declined in 2017 for the first time since 1967 as a “result of the large number of immigrants to the Island”.
Seeking sustainable population growth

• The objectives of the **Population Growth Strategy** include:
  
  • Expanding the working age population.
  
  • Maintaining at least 2,200 new immigrants per year.
  
  • Better retention of international students.
  
  • Attracting entrepreneurs.

• **Rural Population Action Plan:**
  
  • Aligning economic and population growth strategies.
  
  • Aligning PSE, international student recruitment and labour market demand.
  
  • Use immigration to support business succession and entrepreneur opportunities in rural areas.
  
  • Every Islander to have Internet speeds up to 25 Mbps.
Where will the new population come from?

- We need to continue attracting young families to **specific economic opportunities** (employment or entrepreneur).

- These young families can come from elsewhere in Canada or from other countries.

- Immigrants will likely continue to be the primary source of new population growth.

- We should boost the number of PSE students with a focus on aligning educational opportunities to specific job opportunities.

- We need to focus more on immigrant retention (begins with better targeted recruitment).
# enrolled in PSE per 100 workers aged 55 and older

<table>
<thead>
<tr>
<th>Province</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>QC</td>
<td>56</td>
</tr>
<tr>
<td>ON</td>
<td>50</td>
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<tr>
<td>CAN</td>
<td>49</td>
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<td>NS</td>
<td>48</td>
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<td>NB</td>
<td>30</td>
</tr>
<tr>
<td>PE</td>
<td>30</td>
</tr>
</tbody>
</table>
Why would people want to move to PEI?

- **Why wouldn’t people want to move to PEI?**
- 2019 Best Countries rankings, **Canada ranked #1 for quality of life** ahead of Sweden, Denmark and Norway.
- Shelter costs on PEI – 40% lower, on average, than in BC.
- Islanders take advantage of the outsized tourism infrastructure.
  - 25 golf courses - PEI has the most golf courses per 100,000 population.
  - 23 provincial and national parks and 24 beaches.
  - 11 theatres and nine amusement parks and related facilities.

### Average value of dwellings (2016)

- **Vancouver**: $1.4M
- **Toronto**: $754,015
- **Canada**: $443,058
- **Montreal**: $430,072
- **Charlottetown**: $232,809
- **East Kings**: $164,221
- **Rustico**: $161,160
- **Summerside**: $158,321
- **Évangéline**: $148,662
- **West Prince**: $132,231

Why would people want to move to PEI?

- PEI has the **lowest crime severity index** level and violent crime severity index score among the 10 provinces in Canada by a wide margin.
- Over 92% are satisfied or very satisfied with their life on Prince Edward Island (Community Health Survey).
- Only 15% say “most days are quite a bit or extremely stressful” - only NL lower among the provinces.
- Over 77% of Islanders said they have a **strong or very strong sense of belonging** to their local community.
- Islanders have the 2nd highest rate of **volunteering**.

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**Crime severity index (2006 = 100)**

- Violent crime severity index
- Overall crime severity index

<table>
<thead>
<tr>
<th></th>
<th>Violent crime severity index</th>
<th>Overall crime severity index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prince Edward Island</td>
<td>38.9</td>
<td>44.9</td>
</tr>
<tr>
<td>Canada (total)</td>
<td>80.3</td>
<td>72.9</td>
</tr>
</tbody>
</table>

Source: Statistics Canada Table 35-10-0026-01.
Sustainable communities: The four legs on the stool - Economy, demography, society and environment
Sustainable population

• Attracting newcomers:

☑ Helps **address current workforce needs.**

☑ Ensures there is a **workforce to foster future economic growth** leading to a sustainable source of tax revenue to fund public services and public infrastructure.

☑ Provides the **population for a wide range of community organizations and activities** including schools, churches, sports activities as well as civic, social and business groups.

☑ **Boosts the local economy** from increased household spending.

☑ 200 new immigrant families spending average household expenditures leads to **$14.7 million in household expenditures** on the Island.
Sustainable population = sustainable local economies

• 200 new immigrant families spending the average household expenditures leads to:
  - $11 million spent on goods and services on PEI.
  - $1.2 million in grocery purchases and over $430,000 spent in restaurants.
  - Over $1.2 million spent on rent and mortgage payments.
  - Over $1 million spent on utilities (electricity, water, etc.).
  - Over $800,000 on insurance products and services purchased.
  - Over $300,000 in property taxes paid.
  - More than $2.4 million in income taxes paid.
Sustainable population = how do we do it?

• It takes **local leadership**. We are all in this together.

• What are the **workforce needs** in your community and region now?

• What are the **growth industries** in your community and region?

• Is there a plan in place to **ensure the labour supply is in place** to meet the demand?

• An effective economic and population growth plan **needs support** from all levels of government, industry and other community groups.

  • But **municipal government leadership is key**. Local government is closest to the people. Best positioned to make the case for population growth to residents.
In Summary.....

PEI’s economy and fiscal foundation is strong but the province will need to grow its workforce to foster a **sustainable economic foundation**.

PEI has been successful attracting people to PEI but it will need to sustain inward migration and work towards greater retention to foster a **sustainable demographic mix**.

To achieve **sustainable population growth**, PEI will need to be a place that offers economic opportunities and highly liveable communities with an excellent quality of life.

In the long run sustainable communities are those that are strong in all four areas: **Economy, demography, society and environment**.
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Questions?