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The Sussex Region in 2040

Population growth planning document

PREPARED BY New Brunswick Multicultural Council

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INTRODUCTION

The Sussex Region in 2040

The primary objective of this report is to show the need for population growth in the Sussex Region in the coming years if the area wants to ensure there will be enough workers to meet local needs and to provide talent for new industries to grow. In addition, another objective is to make the case that the local leaders in the area need to get involved directly in population growth planning and the related work needed to ensure the county's economy can grow in the years ahead.

For the purposes of the population forecasting later in this report, the region includes all those living in Kings County excluding those living in the Saint John Census Metropolitan Area. This includes the Town of Sussex, the villages of Norton and Sussex Corner as well as a number of surrounding parishes. The total population in this area was approximately 17,200 in 2020. The population, migration and other data associated with this region was derived by combining the Kings and Saint John County population data and removing the data associated with the Kings County municipalities in the Saint John CMA. The remaining population is defined as Kings County (excluding the Saint John CMA).

Covid-19 Considerations

The Covid-19 pandemic has impacted the economy and population in New Brunswick in a variety of ways. Some of these implications are temporary such as a reduction in demand for certain local goods and services and the impact on public transportation, and some could be more permanent such as working from home. However, the pandemic has not changed the fundamental demographic situation in New Brunswick. Without a significant increase in population attraction, there will not be enough workers to meet workforce demand now and in the future.

The need for a population growth plan

Historically, not much has been done to deliberately grow the population of New Brunswick. The natural population growth rate was strong (far more births than deaths), and more people moved out of the province in a typical year than moved in. Because of this, it was assumed there was no need to proactively attempt to convince people to move to New Brunswick.

Of course, people did move here from elsewhere in Canada and even from other countries. According to Statistics Canada, in 2016 there were 320 people aged five and older living in Kings County (excluding the Saint John CMA) who had lived outside New Brunswick five years earlier (85 of these folks lived outside Canada). However, the natural population growth rate (births less deaths) has turned negative in the region. As a result, the overall population in Kings County (excluding the Saint John CMA) decreased by 2.3 percent between 2011 and 2016 even as the population over the age of 55 increased significantly.

Since 2016, the overall population in the region increased by 0.7 percent. However, the population over the age of 70 has increased by 17% and the population under the age of 20 decreased slightly over the same timeframe.

Within the region none of the municipalities are fast-growing. The Town of Sussex population in 2020 was essentially the same as back in 2016 (2,500). The population in the Village of Sussex Corner also hasn't grown much (1,500 in 2020 compared to 1,486 in 2016). The Sussex Parish has witnessed a 3.5 percent decline in population since 2016.

For decades almost all of the economic development efforts in New Brunswick involved trying to convince local firms as well as national and international firms to invest in the province. Increasingly, the focus is shifting to addressing growing workforce gaps around the province as a precondition to industry investment. The Sussex Region is no different.

There are over 740 employers located in the region including 83 in retail services, 37 in accommodation and food services and more than 80 in personal services. In the Town of Sussex alone there are over 300 employers. Ensuring local industries have the workforce they need, not only to maintain their current operations, but to grow, needs to be a focus in the years ahead.

Sustaining our high-quality health care system and public services

What is the relationship between population growth and the quality of public services in New Brunswick?

The answer is simple. We need enough workers paying taxes to ensure there is a large enough tax base to sustainably fund health care and other public services. As shown in Figure 1, people are in the top 'taxpaying' years when they are between the ages of 45 and 54. The average taxpayer aged 65 and older pays 46 percent less income tax than the average taxpayer aged 45-54. This is not a criticism of older New Brunswickers. When they were in their prime taxpaying years, they were making an above-average contribution to tax revenue. As more and more people retire each year, there are not enough young people to take their place in the workforce or to provide the talent for growing industries.

A growing population in the Sussex Region and the rest of the province would help sustain the quality and sustainability of our public services and public infrastructure in the years ahead.

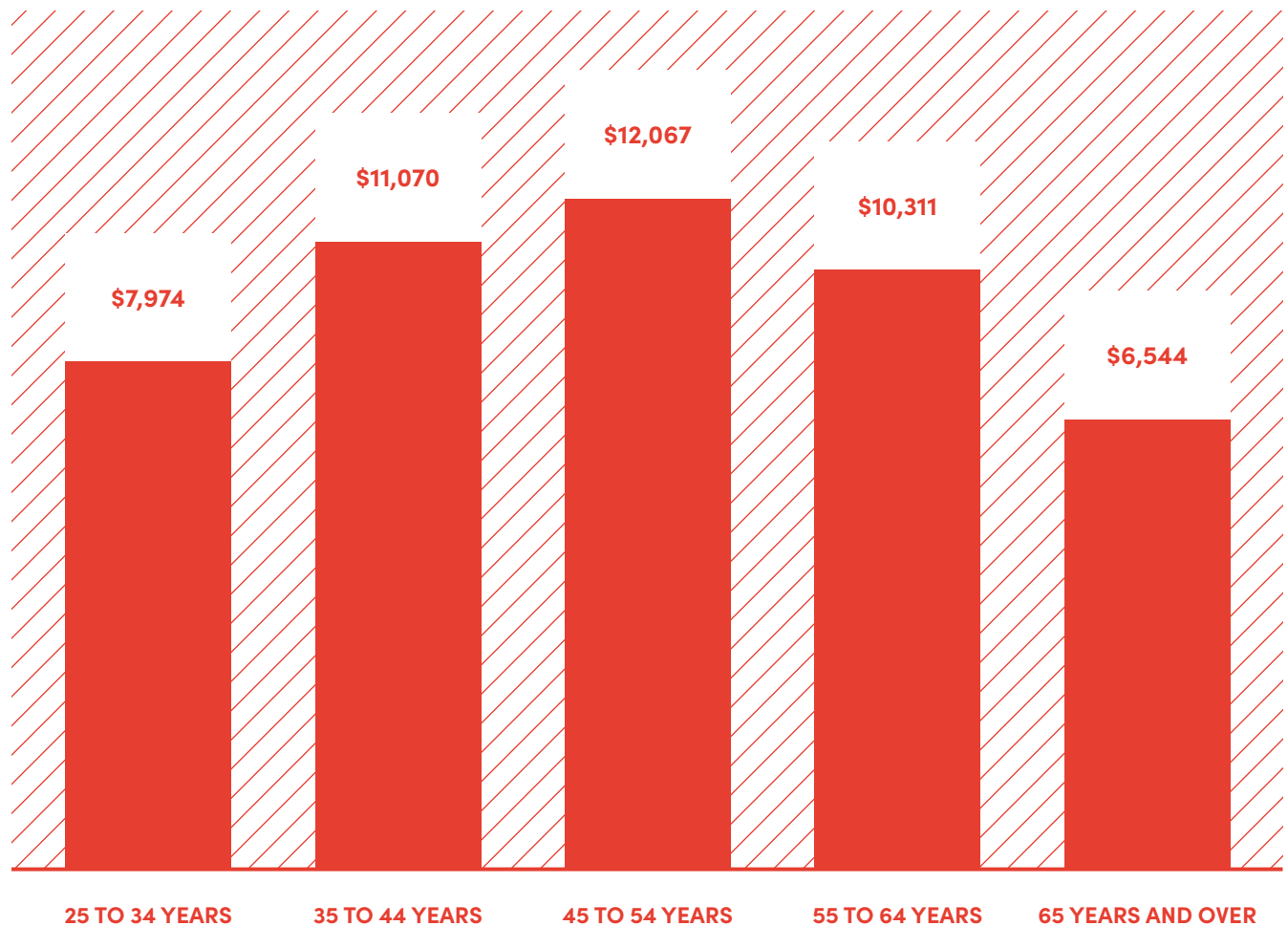


Figure 1: Average income taxes paid by age cohort, New Brunswick (2017)

*New Brunswick (2017). Statistics Canada Table: 11-10-0051-01

THE HEALTH CARE EXAMPLE

The New Brunswick government spent \$3.2 billion on health care and seniors' long-term care in 2016. Just from the impact of aging through 2034, health care and seniors' long-term care spending is likely to push the costs to \$4.4 billion, a \$1.2 billion increase. This does not include the impact of inflation or other upward cost pressures related to prescription drugs, etc.

As a result, the cost of population aging on the health care system could result in provincial government spending on health care and seniors' long-term care rising from 35 percent of the budget in 2016 to 49 percent by 2034.

To put this in perspective, \$1.2 billion is more than the New Brunswick government spends each year on the entire K-12 education budget. It is equivalent to nearly double the amount the government spends on post-secondary education and training and five times as much as we spend on public safety. It is also equivalent to 3.5 times as much as the annual Transportation and Infrastructure department budget.

Growing the population in New Brunswick and ensuring we have a growing workforce alone will not solve this issue, but it will go a long way to help. Attracting young migrants to New Brunswick:

- Will ensure there are enough workers to meet the demands of the economy around the province and provide workers for future growth.
- Will not significantly burden the health care system.
- Will help ensure there is enough tax revenue to sustainably fund public services and public infrastructure investment.

Sustaining our K-12 school system

The primary purpose of a population growth plan for the Sussex Region is to ensure workforce demand can be addressed for the foreseeable future to support both 'replacement' workforce demand as people retire and 'new' demand as industries and companies grow.

However, there are many secondary benefits to attracting people to the county. More population means more demand for local business owners. It means more tax revenue for local governments. It also means more young people to populate the province's K-12 education system to ensure workforce needs can be addressed for future generations.

As shown in Figure 2, all counties around the province have seen a reduction in the population between 0 and 19 years of age in the past 30 years, with the exception of Westmorland County. Most counties have seen a substantial reduction, with 10 counties witnessing a 30 percent decline or more. This has led to school closures, consolidations and a number of additional challenges related to the provision of public education around the province.

In other words, just as we need a larger K-12 talent pipeline to address the increasing retirements from the workforce, the local K-12 system is turning out ever fewer graduates. And, according to Statistics Canada, the population under the age of 20 across New Brunswick is forecast to decline by 11 percent more by 2034.

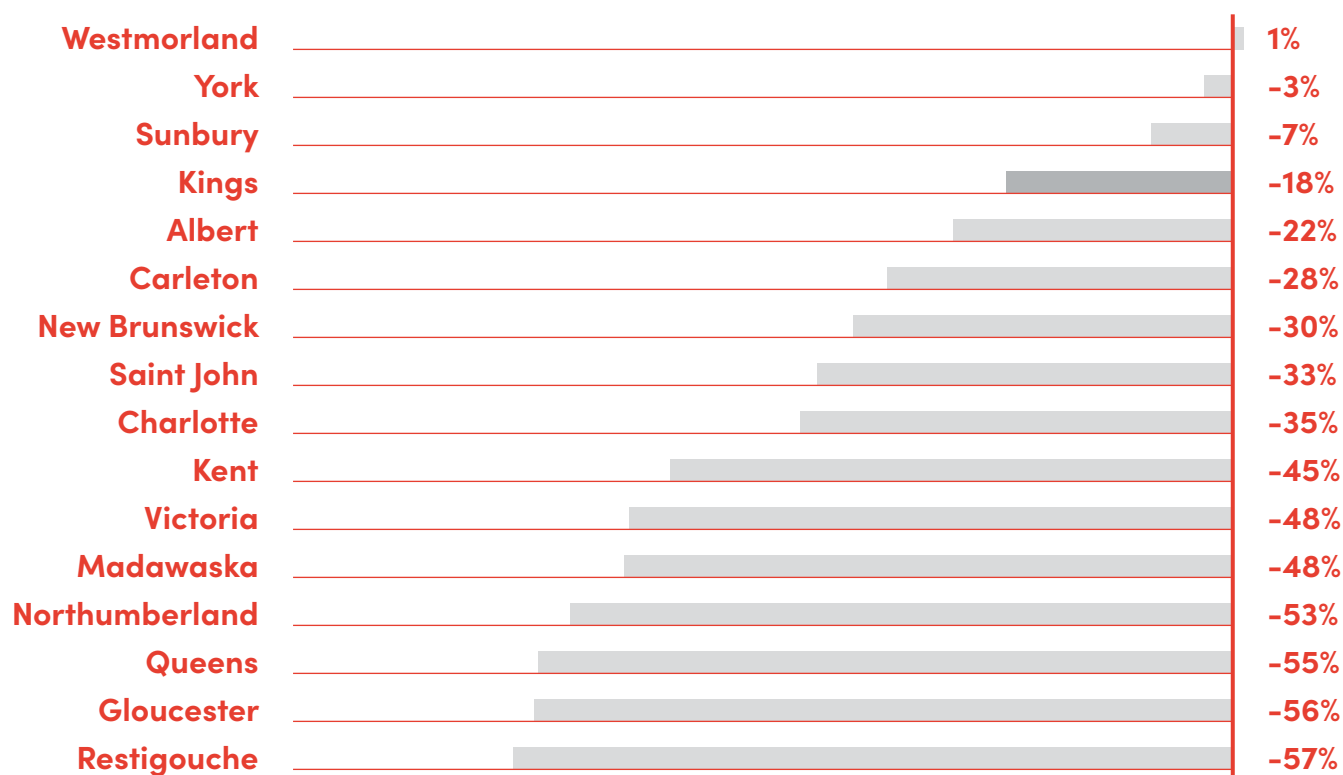


Figure 2: Percentage change in the 0-19 population (1988 – 2018), by county
Source: Statistics Canada.

Immigration and the New Brunswick K-12 student population: A model

If New Brunswick continues to attract young immigrants to the province, it will help address the decline in the K-12 student population and, indeed, lead to an increase in that population. We could see a repopulation of schools across the province ensuring we have a large potential workforce in the 2030s and 2040s.

The example below is based on a significant increase in immigration in the coming years which would boost the number of immigrant students (and international students¹) in 2019-20 from 6,700 to more than 19,800 by 2030-31.

¹ New Brunswick attracts hundreds of international students into its K-12 system each year through Atlantic Education International and other initiatives.

Model assumptions:

- The baseline immigrant/international student enrolment K-12 is 6,700 (in 2019/2020).
- New immigrants (all age groups): 5,000 in 2019-20 rising to 7,500 by 2023-24 and 10 percent per year afterward.
- The immigrant retention rate will be 85%.
- 22 percent of all new immigrants will be K-12 aged (this is consistent with current levels).
- Immigrant female fertility rate: 2.0 children per female.

Based on these assumptions, the impact of attracting immigrants on the K-12 education system is shown in Figure 3. The number of born-in-Canada (excluding immigrants) K-12 students continues to decline from 90,500 in 2019-2020 to 83,900 by 2029-30, but this decline is more than offset by the newcomer population. Immigrants and international student numbers rise to more than 13,800 by 2024-25 and to 19,840 by 2029-30. This is just one growth scenario, but it is a realistic vision for immigration and how it will impact the K-12 education system.

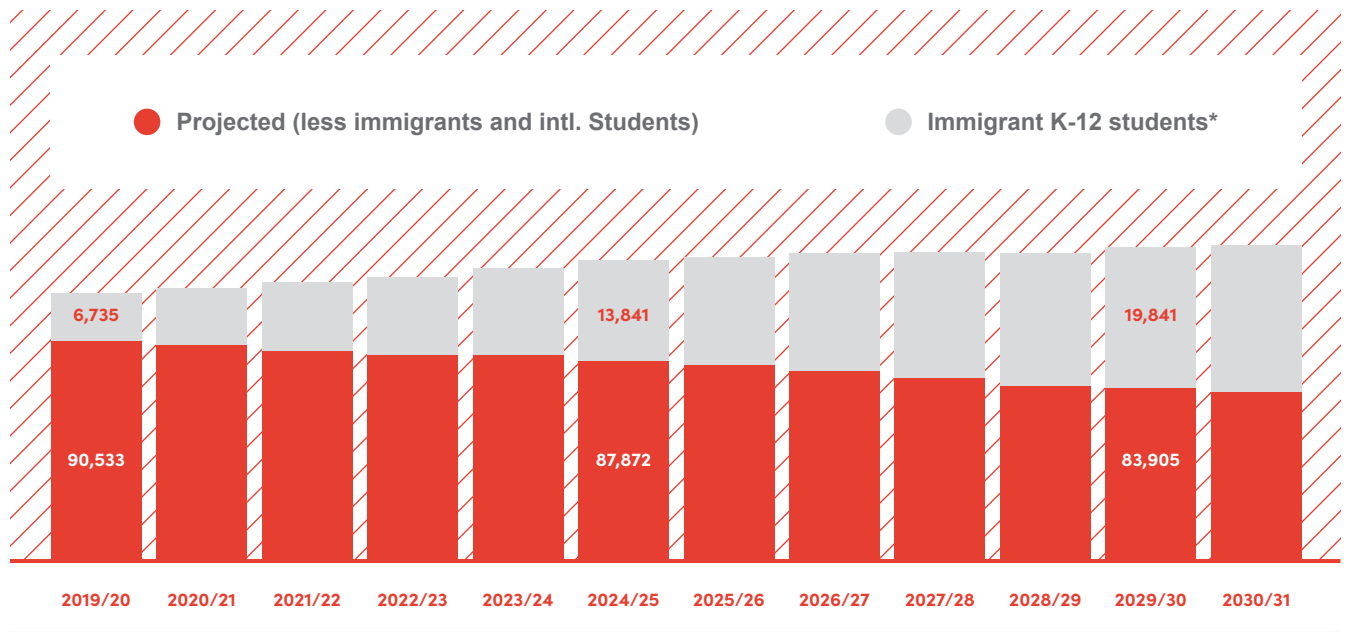


Figure 3: Forecasted impact of immigrants on K-12 student population in New Brunswick
Sources: Baseline numbers for 2019-20 provided by GNB. Forecast model based on the assumptions shown in Appendix A.

Strong local communities = strong provincial economy

The goal should be for all regions of the province to have an economic growth strategy and corresponding population growth plan. Not all regions have the same growth potential, but all should be proactively working to ensure there is enough population to meet workforce demand in the years ahead.

Population decline will lead to less public services in the community and also to less private sector services. If employers cannot find workers, they will move their businesses to other communities. It could have profound long-term impacts on smaller communities such as Sussex, Sussex Corner and Norton, and could jeopardize the economic vibrancy of these communities' downtowns.

All communities around New Brunswick should be asking the question: What do we want to be as a community in 10 years, or 15 or 20? The decisions made now will impact the province for decades to come.

The business plan for New Brunswick and local communities

This document is focused on making the case for a population growth plan in the Sussex Region. However, population growth should not be the only focus of municipal and regional government as there are many other related actions that will be needed to ensure the region can thrive over the next 20 years. This includes efforts to exploit economic development opportunities, attract more entrepreneurs and ensure there is enough housing to meet the needs of a younger, growing population as well as the increasing number of retirees.

THE CASE: LOCAL COMMUNITIES NEED TO GET ENGAGED

Historically, the role of municipal government in New Brunswick was fairly limited to services such as water/sewerage, waste management and public safety. Today, there is a demand for them to get involved in a much wider range of activities including economic development, tourism promotion, people attraction/retention efforts, community marketing and activities meant to boost quality of life (Figure 4).

We need all communities/regions to take more control over their destinies and not just wait for the inevitable population decline and the implications of that decline. There needs to be local/regional population growth as well as economic sustainability plans.

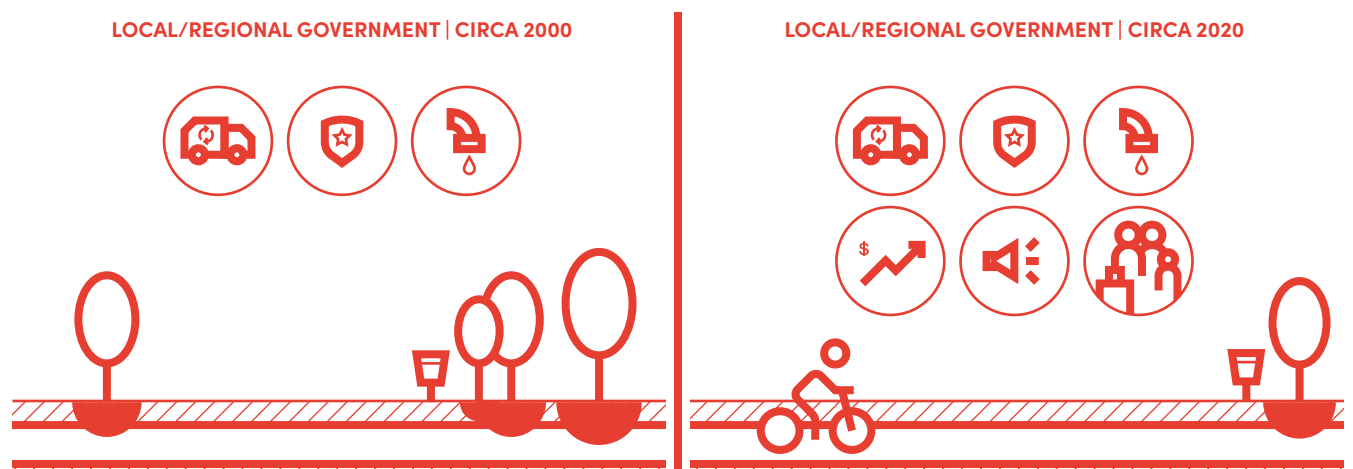


Figure 4: The changing demands on local/regional government

THE GOAL: A STRONGER PARTNERSHIP BETWEEN LOCAL AND PROVINCIAL GOVERNMENT

Empowering local/regional government does not mean less of a role for the provincial government. It does mean a stronger partnership model moving forward. An effective partnership where government partners with local community and business leaders to develop plans to foster economic growth, attract population, ensure there is adequate housing and work collaboratively on other issues that boost quality of life and opportunity.

WHAT DOES A LOCAL 'BUSINESS PLAN' LOOK LIKE?

A local business plan for the Sussex Region would bring together the various components that will influence the future growth and sustainability of the region. These components include:

- A clear understanding of labour market needs to support workforce exits and accommodate new growth.
- What industries have potential to grow in the future in the region?
- What level of inward population migration do we need to support economic development?
- What are the barriers to attracting new population? (e.g. housing, local support infrastructure, language training, etc.)

Most of all the 'business plan' should be aspirational. It might not be easy to grow a regional economy, but we should make the effort.

Why focus on 2040?

The next two decades represent a critical period in the history of New Brunswick. Since the 1950s, the province has made significant economic progress. The income gap between New Brunswick and the rest of Canada has narrowed. The share of the population below the poverty line has declined significantly. Structural unemployment has dropped to the point that many industries are struggling to find workers. Public infrastructure such as highways, bridges, airports, schools and hospitals are much improved compared to 40-50 years ago.

But the province is at a crossroads. Since 2007 the economy has only grown by 0.5 percent per year after several decades of 2.5 percent growth². It has become clear that a significant demographic shift is the top reason for this weak economic performance.

The year 2040 will be a good year of reflection. If after 20 years we have addressed our demographic issues, grown new industries and made the shift to green energy, we will emerge as a stronger, more prosperous New Brunswick. If we cannot, the next two decades will be a challenging time for the people of New Brunswick as governments are forced to decide which schools to close, which health care services to consolidate or which roads and bridges cannot be serviced anymore.

² Real gross domestic product (GDP) growth.

We are not disconnected from what is happening elsewhere in Canada. Western Canada, particularly Alberta and Saskatchewan, will be dealing with the transition away from oil and gas production. Other provinces will face their own sets of challenges. The ability of the federal government to provide even more funding to pay for public services in New Brunswick will likely be diminished. All of this means now is the time for us to step up and take more control over our destiny.

Where will the new population come from?

There is potential for people to move to the Sussex Region from elsewhere in New Brunswick or other places in Canada. In many ways, the region offers the best of two worlds – a small town/rural lifestyle with close proximity to larger urban centres in nearby Moncton and Saint John.

However, the growing workforce shortage has impacted the rest of New Brunswick and as a result there will be competition for people across the country who would like to live in a small town or rural area.

Across Canada, since 2013, all net growth in the workforce has come from new immigrants. Among those born in Canada, the number participating in the workforce in 2019 was 14.47 million, almost the same as the 14.48 million in 2013. The number of landed immigrants participating in the workforce increased by over a million over the same timeframe (a 25 percent growth rate). If New Brunswick had attracted its 'share' of these immigrant workers over the same period, the provincial workforce would have grown rather than decline as it did between 2013 and 2019.

Immigrants will need to be a main focus of any population growth plan for the region in the years ahead.

POPULATION GROWTH IN KINGS COUNTY
(EXCLUDING THE SAINT JOHN CMA) THROUGH 2040:

Three Scenarios

The looming workforce shortage

As of 2020, Statistics Canada estimates there are about 3,800 people aged 0 to 19 living in Kings County (excluding those living in the Saint John CMA). This represents essentially the maximum number of persons currently living in the area who could join the workforce within the next 20 years. However, the current population profile indicates that only around 82 percent of people aged 15-30 are active in the workforce so the likely maximum number is closer to 3,300. Based on the 2020 workforce estimates for the area, it is likely around 3,900 people will leave the workforce over the next 20 years through retirements.

As shown in Table 1, this leaves a potential workforce shortage of 600 before accounting for any migration.

TABLE 1: POTENTIAL WORKFORCE SHORTFALL BY 2040, CLOSED LABOUR MARKET, KINGS COUNTY (EXCLUDING THE SAINT JOHN CMA)

Maximum potential entrants (excluding migration)	+3,300
Forecasted exits	<u>-3,900</u>
Shortfall (before any migration)	-600

Summarizing three population growth scenarios

The following table provides three different scenarios for population growth/decline over the next 20 years in Kings County (excluding the Saint John CMA). They are based on assumptions detailed below. The assumption for both growth scenarios is that the incoming population would be predominantly working age. There is a scenario where the region attracts considerably more retirees, but that would do nothing to address future workforce needs.

SCENARIO	PROJECTED OUTCOME	IMPLICATIONS
1. Current trajectory	<ul style="list-style-type: none"> Population forecast to decline slightly from 17,200 today to 16,700 by 2040 (-3%). The workforce will decline from 8,300 today to 7,100 by 2040 (a 15% decline). 	<ul style="list-style-type: none"> A modest decline in the region's population leads to a fairly steep decline in the workforce as the older population retires and not enough young people join the workforce. A decline in the size of the workforce could mean the loss of export-focused jobs and the loss of service industry jobs to the nearby Moncton or Saint John. This could weaken the local economy and tax base.
2. To maintain the current workforce size	<ul style="list-style-type: none"> The population needs to grow to from 17,200 to 19,200 by 2040 (+12%) The workforce stays at around 8,300. 	<ul style="list-style-type: none"> The region has grown at this rate in the 1980s. Only maintaining the current size of the workforce over the next 20 years will likely lead to fewer workers for important export-focused industries. The region may not have enough workers to support new industries.
3. To grow the workforce by 0.5% per year	<ul style="list-style-type: none"> The population needs to grow to 21,100 by 2040 (+23%). The workforce grows to 9,200. 	<ul style="list-style-type: none"> The population will need to grow by 3,900. The region will likely need to increase its immigration attraction from 38 per 10,000 population in 2019/2020 to 120 per 10,000 in the near future.

Methodology: Forecasting population growth

It is challenging to forecast population growth at a regional level with the province. The change in population is impacted by several factors including natural population growth (births less deaths), net intraprovincial migration (to and from within the province), net interprovincial migration (to and from other provinces), immigration (from other countries) and emigration (people moving to other countries).

To develop the three population scenarios a model was developed using the following parameters and methodology:

- **Baseline population and workforce data:** 2020 population and workforce levels estimated using Statistics Canada population and workforce tables.
- **Baseline labour market participation:** The labour market participation rate by five-year age cohort from the Census was considered to remain consistent through 2040. The participation rate is the share of the population active in the workforce. In Kings County (excluding the Saint John CMA), it ranges from 81

percent of the population aged 20-24 to 90 percent among those aged 35-44 and back down to just 17 percent of the population aged 65-69.

- **Baseline population growth forecast:** Statistics Canada prepares population growth forecasts at the provincial level through 2068 for a variety of scenarios. The 'high growth' scenario for New Brunswick was used for the 2020-2040 period. However, it was adjusted to reflect the current population breakdown by age group and growth rate in Kings County (excluding the Saint John CMA).
- It was assumed that most inward population movement over the next 20 years would be people of working age.
- For scenarios #2 and #3 population growth scenarios, it was assumed that almost all net new population growth would be in age cohorts under the age of 45. The population over the age of 55 will grow strongly over the next 20 years, but from the existing population.

NET POPULATION GROWTH

Population growth occurs from natural population changes (births less deaths) and from the difference between people moving in and out. The natural growth rate has turned negative in the past decade. In 2020 there were 109 deaths in the region for every 100 births (2020). However, immigrant numbers are rising (66 in 2020 compared to just 24 in 2017) and net interprovincial migration has been moderately positive in the past three years. The inward population flow has offset the negative natural growth rate, resulting in a regional population that is not growing.

Scenario 1: Current population and workforce trend

The population in Kings County (excluding the Saint John CMA) has remained essentially the same between 2016 and 2020. However, the population under the age of 20 has declined slightly (-0.4%) while the population over the age of 70 has risen by 17 percent in just five years.

Statistics Canada provides population growth forecasts through 2040, but only at the provincial level. Using the statistics agency's 'high-growth' scenario for the province and adjusting it to align with trends in Kings County (excluding the Saint John CMA) results in an estimate of the baseline population trend in over the next 20 years assuming similar rates of intra-migration, interprovincial migration and immigration.

Based on this forecast, the population in Kings County (excluding the Saint John CMA) is expected to decline by a modest three percent between 2020 and 2040. However, the age distribution will significantly change with the total population over the age of 70 expected to rise by 67 percent over the 20-year period while the population under the age of 70 will decline by an estimated 15 percent.

This will have a big impact the workforce. Even though the population is only forecasted to decline by three percent, the workforce will decline by 15 percent (or an estimated 1,300) over the 20-year period as more and more retire and there are not enough young people to take their place let alone provide the talent for a growing workforce.

TABLE 2: BASELINE, CURRENT TRAJECTORY OF THE KINGS COUNTY POPULATION AND WORKFORCE (EXCLUDING THE SAINT JOHN CMA)

	2020	2040	CUMULATIVE % CHANGE	AVG. ANNUAL % CHANGE	# CHANGE
Population	17,200	16,700	-3%	-0.1%	-500
Workforce	8,300	7,100	-15%	-0.8%	-1,300

See Appendix A for sources and methodology.

IMPLICATIONS OF SCENARIO #1

A modest three percent decline in the regional workforce will impact industries that can ‘move’ before those industries that are less mobile. Mobile industries include most manufacturing, transportation and other related sectors. In the case of the Sussex Region, the agriculture sector could be at risk as it is highly reliant on being able to access a workforce. In the Town of Sussex, if there are not enough workers for the retail, food services and other local services sectors, many firms could move to Moncton or Saint John where there is access to a larger workforce.

The municipalities in the Sussex Region are home to 34 manufacturing firms³ in a wide variety of sectors including food production (nine firms), wood products (six firms) and fabricated metal products (three firms). If these firms cannot access a local workforce, they will be forced to look elsewhere. There are over 80 firms in the construction sector, 83 in the retail trade sector and 31 in professional services. Again, many of these firms could move to another jurisdiction if workforce demand is not met.

³ Firms with employment. Source: Statistics Canada business counts, June 2020.

Scenario 2: Population growth to maintain the current workforce size

Just to maintain the current workforce size, based on forecasted demographic trends, Kings County (excluding the Saint John CMA) would need grow its population by 2,000 over the next 20 years or a growth rate of 12 percent. This would result in net growth in the workforce of zero, but it would ensure the workforce does not decline between now and 2040.

Because natural population growth has turned negative it will require continuing to attract more people from outside the region to move in, particularly those of working age.

TABLE 3: POPULATION GROWTH TO MAINTAIN THE CURRENT WORKFORCE SIZE

	2020	2040	CUMULATIVE % CHANGE	AVG. ANNUAL % CHANGE	# CHANGE
Population	17,200	19,200	+12%	+0.6%	+2,000
Workforce	8,300	8,300	0%	0.0%	0

See Appendix A for sources and methodology.

IMPLICATIONS OF SCENARIO #2

There is going to be an increasing need for workers in service sectors such as home care, ambulatory health care and other industries to service an older population in the region. Maintaining the workforce at the current level over the next 20 years could lead to fewer workers for important export-focused industries and it would still require 12 percent population growth.

Scenario 3: Population growth to expand the workforce

The third scenario involves modest workforce growth in Kings County (excluding the Saint John CMA) of an average 0.5 percent per year. This only represents annual workforce growth of an average of net 40 per year over the 20-year period (or 800 in total), but again, because of the age distribution of the current workforce this would require significant growth in the younger population to provide the workforce needed to make up for those leaving the workforce and to provide the 800 for net growth in the workforce. Overall, the population in Kings

County (excluding the Saint John CMA) would have to grow by 63,900 over the 20-year period or an average annual growth rate of 1.1 percent (assuming all of the incremental growth is at the younger end of the age distribution) to ensure the workforce grows by 0.5 percent over the 20-year period.

TABLE 4: POPULATION GROWTH REQUIRED TO EXPAND THE WORKFORCE

	2020	2040	CUMULATIVE % CHANGE	AVG. ANNUAL % CHANGE	# CHANGE
Population	17,200	21,100	+22.7%	+1.1%	+3,900
Workforce	8,300	9,200	+10.0%	+0.5%	+800

See Appendix A for sources and methodology.

IMPLICATIONS OF SCENARIO #3

To grow the workforce by 0.5 percent per year would require a significant increase in the inflow of population. A growing pool of working-age population in the region would mean more potential entrepreneurs and the potential to grow emerging and new industries in tourism, agriculture, services and manufacturing.

Towards a population growth plan for the Sussex Region

A population growth plan for the Sussex Region requires a number of components including:

Attracting population

Kings County (excluding the Saint John CMA) has seen an uptick in the number of immigrants in the past two years to a rate of 38 per 10,000 population in 2019/2020. In order to meet the population growth rate in Scenario #3, the region will likely need to attract immigrants at a rate closer to 120 per 10,000 population (or 1.2% per year) per year in the near future⁴. That would require the annual intake to rise from 66 in 2019/2020 to 200 in the near future. As shown in Figure 5, the region continues to attract a modest number from elsewhere in Canada, but less from elsewhere in New Brunswick compared to years past.

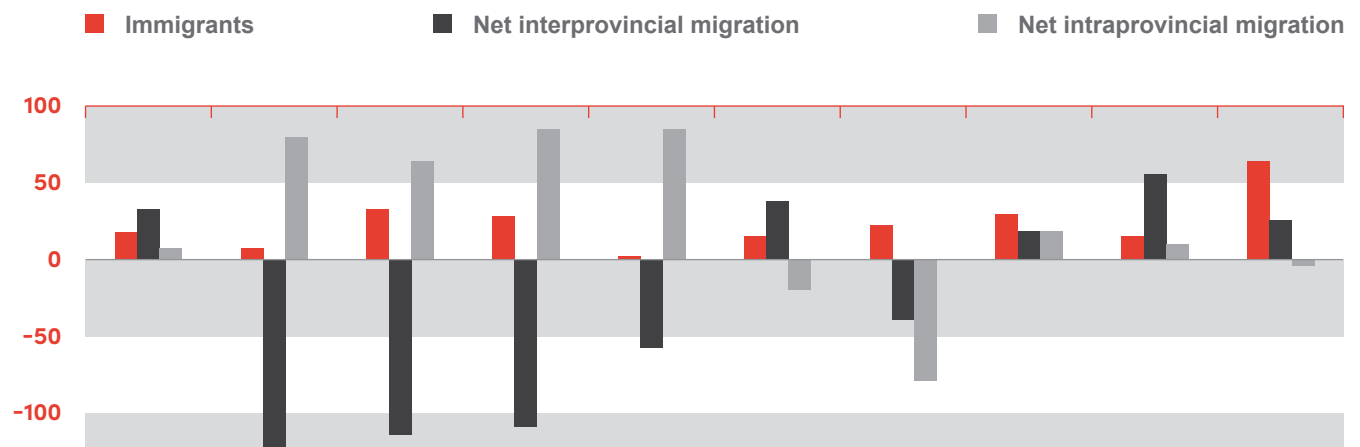


Figure 5: Population growth by source, Kings County (excluding the Saint John CMA)

Source: Statistics Canada Tables: 17-10-0140-01 and 17-10-0136-01.

In order to increase the immigrant attraction from 66 per year now to 200 per year, a deliberate focus is required. It will take cooperation between industry and government along with local community groups. An identification of specific jobs and labour market demand in the short term will help attract newcomers as well the identification of specific entrepreneurial opportunities. In addition, the Sussex Region will need to work with the provincial government and other stakeholders on a specific immigrant attraction strategy. It is important to align immigrant attraction to specific jobs and entrepreneurial opportunities available in the region. Long-term retention will be tied to attracting people who have the skills and interest in working the available jobs in the community.

⁴ Not all immigrants will stay in the region, so the attraction rate will need to be higher than the net population growth required.

Ensuring there is adequate housing

This is emerging as a real challenge across New Brunswick. The reality is that more people are retiring – they are not moving out of the county. Therefore, new population attraction will require more housing options in the Sussex Region. This new housing will need to be priced at a reasonable level as many of the available jobs are not high-wage jobs. The standard of no more than 30 percent of household income going towards shelter costs should be the objective.

In addition, more rental housing options are important. Many newcomers prefer to rent rather than buy when they first settle in the community. This puts smaller communities at a disadvantage compared to larger urban centres, and it needs to be a focus.

To illustrate the extent of the challenge, the average annual number of new housing units built in the region combined has dropped by nearly half between the 1980s and the 2011-2016 period. To grow the population will require a good housing development strategy.

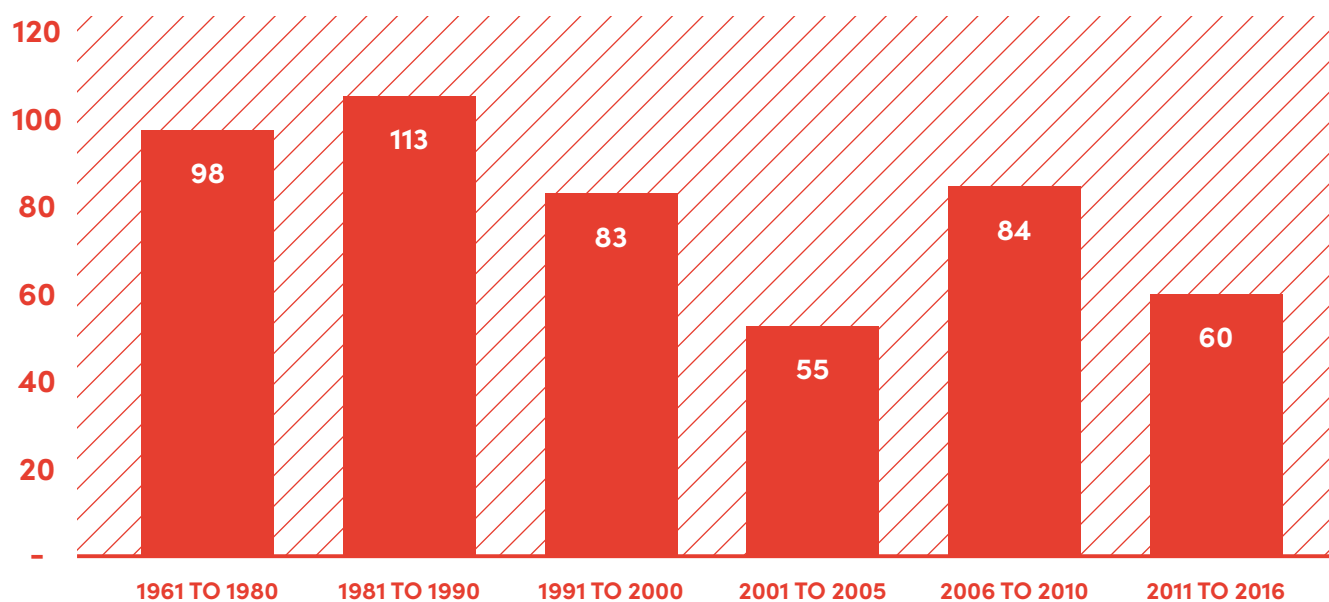


Figure 6: Average annual private dwellings built by year, Sussex Region.

Source: Statistics Canada 2016 Census.

Ensuring there is a focused effort at retention

In the long run, the goal is to retain as many newcomers as possible in the community. This means integration into business and social networks, local schools, churches, sports and recreation organizations. Ultimately, newcomers that build these relationships and develop personal networks and friendships are far more likely to stay in the community long term. This can be facilitated by settlement agencies as well as a host of other organizations in the region.

Conclusion

This is an exciting time for New Brunswick and for the Sussex Region. The coming years represent a great opportunity for communities across the province to reinvent themselves by developing new industries and attracting new population.

There are no fundamental reasons why the Sussex Region in 2040 could not have a larger and more vibrant economy with a growing population and sustainable municipalities. The region is well positioned to prosper, but it must address this fundamental issue of population growth and workforce sustainability.

After more than a decade of virtually no population growth, since 2016, the overall population in New Brunswick has started to grow again adding 26,000 people in the past five years. This is good but we need to do better. Ensuring smaller urban centres such as the Sussex Region attract the population needed to address workforce demand will be a big part of ensuring New Brunswick will prosper and thrive in the years ahead.

APPENDIX A:

Sources and Methodology

Population projections for New Brunswick

Source: Statistics Canada. Population Projections for Canada, Provinces and Territories, 2018 to 2068

Population values: Table 17-10-0057-01

Components of growth: Table 17-10-0058-01

Recent population trends

Source: Statistics Canada Table: 17-10-0139-01

Components of population growth, annual

Source: Statistics Canada Tables 17-10-0140-01 and 17-10-0136-01.

New Brunswick K-12 education enrolment forecast

Model assumptions:

- The immigrant/international student baseline population (2018-2019): According to Statistics Canada there were approximately 4,500 immigrants and non-permanent residents enrolled in New Brunswick K-12 education in 2015-2016 (or 4.6 percent of the total student population). This number likely understates the impact of immigration on K-12 enrolment as students born to immigrant parents after arriving here are not included in the total. The timing of the Census could also impact the non-permanent resident numbers. Since the 2015-2016 school year, another 3,900 K-12 age students have arrived in New Brunswick. The model assumes grade 10, 11 and 12 immigrant students since the 2015-2016 school year have graduated by the first projection year (2020-2021).
- Immigrant retention: It was assumed that 85 percent of annual immigrants would be retained in New Brunswick.
- Age at arrival: 21 percent of all new immigrants each year arrive school aged (K-12). This is consistent with existing immigration patterns (New Brunswick).
- The immigrant female fertility rate: 2.0 children per female.
- Distribution pattern of new births after arrival: Equal annual distribution of additional births (beyond those arriving as children) over a six-year period after arrival (i.e. assumes some women will start having additional children right away but it will take six years from the year of immigration for all children of the women arriving during the year to be born).

- Age at school entrance: All children will attend school starting at age 5.
- The baseline K-12 student projection:
 - Base - 2018-2019 enrolment numbers (Source: Department of Education and Early Childhood Development)
 - Project future enrolment in subsequent years using Statistics Canada Projection Scenario LG: low-growth forecasts of population growth by age through the forecast period.
 - Excludes the forecasted new immigrant student population starting in 2020-2021. It was assumed that the age distribution (aged 5 to 17) would be the same each year for new immigrant cohorts each year through the forecast period.
- The model includes an estimate of 700 international students per year.

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