

Envision Saint John
Population, Employment and
Labour Force Demand
Projections



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Executive Summary

Population and Employment Projections for the Saint John CMA

Envision Saint John engaged the services of Deloitte LLP and metroeconomics to provide Envision Saint John with an understanding of multiple scenarios for population growth and labour force demand. These scenarios include a Base Case scenario, a Moderate Case scenario, and a High Case scenario. The research included interviews with key regional employers and organization and considers their projected growth into the moderate and high case scenarios. Further, it identifies labour force demand for priority growth sectors within the Economic Base.

In the Base Case, metroeconomics projections indicate that the Economic Base jobs would increase by 1,700 between 2021 and 2041. The overall impact of this growth would translate into an additional 14,000 jobs and 15,000 new residents to the region by 2041.

Considering the growth estimates from key employers and the net migration trends to the region, the Moderate and High Case scenarios were calculated to show the impact of these trends in the Saint John CMA. A 50% success rate in key employers' growth and an average net migration from the last six years will result in an additional 23,000 jobs and 32,600 new residents by 2041. If all growth targets are met, 33,500 jobs will be created, and 50,300 new residents will be added over the same time.

Saint John CMA Alternative Population and Employment Projections

	2031	2041	Change 21-41	AA%
Population				
<i>Low</i>	141,750	143,500	10,700	0.4%
<i>Base</i>	143,164	147,800	15,000	0.5%
<i>Moderate</i>	153,019	165,400	32,600	1.1%
<i>High</i>	162,875	183,100	50,300	1.6%
Employment				
<i>Low</i>	68,900	73,200	10,100	0.7%
<i>Base</i>	69,900	77,100	14,000	1.0%
<i>Moderate</i>	75,900	86,100	23,000	1.6%
<i>High</i>	80,900	96,600	33,500	2.2%
Economic Base Employment				
<i>Low</i>	12,400	12,300	1,100	0.5%
<i>Base</i>	12,700	12,900	1,700	0.7%
<i>Moderate</i>	14,600	14,800	3,600	1.4%
<i>High</i>	16,400	16,600	5,400	2.0%

Sources: metroeconomics



Document Review

Document Review

Introduction

A detailed review of documents relevant to the population and labour market of the Saint John Region including policies and strategies from Saint John, the surrounding region, and the province was conducted. A comparative analysis identified areas of thematic overlap and informed on key trends that are impacting growth in the Saint John region.

The following observations are important, as they highlight topics and trends that are strongly represented in the documents, policies, and strategies that were analyzed. Further, it supported the identification of gaps related to key areas of importance that were not reflected in the relevant documents reviewed.

The key trends identified among the reports and strategies that are impacting growth in the Saint John region are:

Population decline trends have reversed

The labour market is growing slowly

Labour retention rates are lower than set targets

Housing is becoming a challenging issue for newcomers

Economic development can support creation of new jobs

Documents reviewed

1. City of Saint John, Succeed & Stay Saint John Immigration Strategy, 2022.
2. City of Saint John, Succeed and Stay – Understanding the experiences and perspectives of Great Saint John Region’s Immigrant Population: From Settlement to Retention, 2022.
3. Deloitte LLP, Saint John Industrial Parks Market Assessment, February 2023.
4. Develop Saint John, Residential Market Study Update, 2020.
5. Dillon Consulting, Newcomer Housing Strategy, December 2021.
6. Don Mills, A Few Economic Growth Ideas: Plan the Work, Work the Plan, March 2021.
7. Envision Saint John, Powered by People, 2023.
8. Housing Hub, Housing Demand by Region in New Brunswick Through 2030, 2023.
9. Jupia consultants, Identifying high demand occupations: A review of the Saint John Workforce, April 2020.
10. Gardner Pinfold Consultants, City of Saint John Budgeting for Growth, 2021.
11. Nbjobs.ca, New Brunswick Labour Force Trends, March 2023.
12. Nbjobs.ca, New Brunswick Regional Profile: Southwest – Draft, May 2023.
13. New Brunswick Institute for Research, Data and Training, Graduate Retention in New Brunswick, April 2021.
14. Province of New Brunswick, Estimating the Impact of Future Immigration in New Brunswick on K-12 Student Enrolment, 2021.
15. Province of New Brunswick, New Beginnings A Population Growth Strategy for New Brunswick 2019-2024, 2019.
16. Tassonyi, Emery and Ross, Local Economic Development: Issues to be Considered in a Strategic Plan in the City of Saint John. Potential Benefits and Pitfalls, February 2021.
17. Turner Drake & Partners, Residential Market Study and Analysis Limited Update Memo, June 2020.
18. Unknown, 2018 Report on the Economy – A greater Saint John perspective, 2018.

Document Review

Population Growth

The Province of New Brunswick launched a population growth strategy in 2019 which set targets to attract an additional 7,500 immigrants annually to the province by 2024. It is expected that this target will track in the long-term to be approximately 1% of the total population. To help achieve this goal, initiatives were set based on four primary objectives of the plan: attract a skilled workforce, recruit entrepreneurs in key growth sectors, create an environment where newcomers can succeed, and engage communities to foster a more diverse province.¹ Envision Saint John sets the goal to grow the population by 25,000 by 2030. This represents 2,250 new immigrants per year over the timeframe of the strategy.²

The population of New Brunswick's Southwest region (which includes the Saint John Region) was estimated to be 179,836 in July 2022. This total is a slight increase from 2007 at a growth rate of 5.1%. Between 2008 and 2022, 2022 saw the largest increase in population in the Southwest region.³

The city of Saint John lost 25% of its population between 1971 and 2016. Saint John was the only city in Canada to lose population in the census 2011-2016. The loss of population had a direct negative impact on the City's finances, resulting in a \$3 million reduction in the unconditional grant from the Province. A significant portion of higher income households have left the city for nearby communities in the Kennebecasis Valley over the last 30 years, which further hindered any potential growth of the Saint John tax base.⁴

Primarily due to the anticipated increase in population through immigration, it is expected that the K-12 student population in Saint John will grow between 28-32% by 2030-31. It is expected that without immigration growth, the student population would decline over the same period.⁵ Although these figure apply to the province, results in the Saint John region may be similar.

Post-secondary student enrollment is lower among international students in Saint John, compared to Fredericton or Moncton. Both UNB and NBCC are focused on growing their international student population.²

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“Prior to the pandemic, there were encouraging signs that the City’s population had begun to grow again, mostly through immigration.”

– A Few Economic Growth Ideas: Plan the Work, Work the Plan

Sources

1. Province of New Brunswick, *New Beginnings A Population Growth Strategy for New Brunswick 2019-2024*, 2019.
2. City of Saint John, *Succeed & Stay Saint John Immigration Strategy*, 2022.
3. Nbjobs.ca, *New Brunswick Regional Profile: Southwest – Draft, May 2023*.
4. Don Mills, *A Few Economic Growth Ideas: Plan the Work, Work the Plan*, March 2021.
5. New Brunswick Multicultural Council, *Estimating the Impact of Future Immigration in New Brunswick on K-12 Student Enrolment*, 2021.

Document Review

Labour Market

Provincial Trends

New Brunswick has one of the lowest rates of labour force participation in Canada (60.6% compared to 65.4% in 2022). Employment in the following industries was proportionally much more common in New Brunswick compared to the country as a whole in 2022: fishing, hunting and trapping; forestry, logging and support activities; utilities; and public administration.¹

From July 2021 to July 2022, the province of New Brunswick saw an increase of 10,612 residents through interprovincial migration with 91% of these new interprovincial migrants coming from Ontario.¹ The Southwest region of New Brunswick saw a net interprovincial increase of 2,022 during the same period.² This is a significant reversal of the trend as from 1996 to 2016 during which the province experienced an average loss of 1,634 residents annually through interprovincial migration.¹

Local Trends

In 2019, the top three identified skills in job postings in the Saint John region were communication skills, teamwork, and customer service. The top occupations for job postings were sales and service occupations; business, finance, and administrative occupations; trades, transport, and equipment operators and related occupations; and health occupations.³

The top identified barriers for immigrants entering the labour market are a lack of Canadian work experience and the lack of a professional network. To achieve Canadian work experience some labour market entrants volunteer. More research is needed to address this issue in the Saint John region and across Canada.⁴

Growth in the Saint John Region labour force participation rate (+1.0%) exceeded all major Atlantic Canada regions, and the Canadian average (-0.3%) in 2022.⁵

“In recent years, labour force growth has been particularly concentrated in and around the cities of Moncton and Fredericton, while employment levels in Saint John and the rest of the province have remained relatively unchanged.”

– New Brunswick Labour Force Trends

Sources

1. Nbjobs.ca, *New Brunswick Labour Force Trends*, March 2023.
2. Nbjobs.ca, *New Brunswick Regional Profile: Southwest – Draft*, May 2023.
3. Jupia consultants, *Identifying high demand occupations: A review of the Saint John Workforce*, April 2020.
4. City of Saint John, *Succeed and Stay – Understanding the experiences and perspectives of Great Saint John Region’s Immigrant Population: From Settlement to Retention*, 2022.
5. Envision Saint John, *Powered by People*, 2023.

Document Review

Labour Retention

The latest numbers indicate that New Brunswick has a 50% retention rate for immigrants after five years.¹ According to the University of New Brunswick, the 5-year immigrant retention rate for the Saint John region was close to 67% (for immigrant landed in 2016).²

The retention rates for university graduates in New Brunswick overall is 68% after one year and 61% after three years. Community colleges (mostly comprised of NB residents) have higher graduate retention rates compared to university graduates.³

90% of newcomers to New Brunswick settle disproportionately in the province's three largest cities. The Saint John region welcomes fewer immigrants year over year than both Fredericton and Moncton.⁴

The 2022-2032 Saint John Immigration Strategy supports the commitment by the region to grow its population over a 10-year span and recognizes that immigration will be a key driver of this growth. To achieve this, the strategy identifies actions to attract new people to Saint John, enhance the newcomer experience by better connecting them with the community, and retain immigrants by investing in the creation of communities of support for newcomers.⁵ The identified target immigrant retention rate target for the province of New Brunswick is 85%, while the identified target rate for Saint John is 90%.⁶

“Saint John welcomes fewer immigrants year over year than Fredericton and Moncton.”

– Newcomer Housing Strategy

Sources

1. Don Mills, *A Few Economic Growth Ideas: Plan the Work, Work the Plan*, March 2021.
2. University of New Brunswick, *Immigrant Retention in New Brunswick: 2019 and 2020 Arrival Cohorts*
3. New Brunswick Institute for Research, Data and Training, *Graduate Retention in New Brunswick*, April 2021.
4. Dillon Consulting, *Newcomer Housing Strategy*, December 2021.
5. City of Saint John, *Succeed and Stay – Understanding the experiences and perspectives of Great Saint John Region's Immigrant Population: From Settlement to Retention*, 2022.
6. City of Saint John, *Succeed & Stay Saint John Immigration Strategy*, 2022.

Document Review

Residential Market

The Saint John Region is experiencing historically low residential vacancy rates, and rental market fees are increasing as a result. The pace of development for housing has increased in the Saint John Region but has not kept pace with demand for housing.¹

In 2022, there were 608 new housing starts in the Saint John Region, a significant increase from the 2016-2021 period where there was an average of 407 annual housing starts. If the Saint John Region meets its moderate population growth target, the city will require significant new housing construction above the record period of 1961-1980, where there was an annual average of 918 housing starts.²

Newer housing stock has the lowest vacancy rates, with two-bedroom apartments having the highest demand in the city.³ The projected multi-unit rental supply in the Saint John Region was 9,262 and included proposed but not approved projects in 2019. The expected base demand by 2025 will be 9,123,⁴ which would mean a vacancy rate of 1.5%, which is lower than the 2019 vacancy rate of 3.3%. To meet expected demand in apartment units, additional construction will be required.

Accessing housing was identified as a challenge for many newcomers to the Saint John Region. Challenges also extended to those looking to purchase property as they did not have familiarity with construction codes which increased difficulty in evaluating housing quality.⁵

“Creating a value proposition for these larger units [apartment’s] and diverse housing typologies will support the existing housing market and prepare the City to welcome an influx of newcomers, regardless of the circumstances under which they arrive.”

– Newcomer Housing Strategy

Sources

1. Dillon Consulting, *Newcomer Housing Strategy*, December 2021.
2. Housing Hub, *Housing Demand by Region in New Brunswick Through 2030*, 2023.
3. Develop Saint John, *Residential Market Study Update*, 2020.
4. Turner Drake & Partners, *Residential Market Study and Analysis Limited Update Memo*, June 2020.
5. City of Saint John, *Succeed and Stay – Understanding the experiences and perspectives of Great Saint John Region’s Immigrant Population: From Settlement to Retention*, 2022.

Document Review

Economic Development

Economic Development is crucial for population growth as it provides new job opportunities for existing residents and newcomers to the community. Organizations in the community have taken meaningful steps to address economic development and growth by either developing or supporting existing strategies such as the Urban Core Master Plan, Waterfront Master Plan, and Population Growth Strategy. Other existing core building blocks for economic development in the Saint John Region include community leadership, entrepreneurship and innovation, post-secondary institutions, regional health services, regulatory environment, the current climate for change, its existing infrastructure and amenities, and the Port of Saint John.¹

Various challenges have been identified for the City of Saint John to improve its tax base and provide services and a high quality of life to residents. These include creating business conditions that allow its anchor industries to expand and retain services, and creating the conditions to develop communities and neighbourhoods that attract new residents to live in the city over outlying communities.²

Deloitte research noted that Saint John has approximately 310 acres of serviced land available for development in its industrial parks (85 acres owned by the City) and an additional 1,000+ acres of privately owned sites for development within Saint John. Clusters that offer particular potential are transportation and logistics, manufacturing and assembly, traditional and new energy, agri-business and food processing, environment and sustainability, and industrial services. Positioning land for these sectors will be of importance for Saint John's competitive positioning.³

“Several factors make Saint John unique among Canadian jurisdictions other than the large cities. Saint John has a deep-water seaport with capacity to grow its business. The city’s industrial base is more diverse than most cities of its size.”

– Local Economic Development: Issues to be Considered in a Strategic Plan in the City of Saint John. Potential Benefits and Pitfalls

Sources

1. Don Mills, *A Few Economic Growth Ideas: Plan the Work, Work the Plan*, March 2021.
2. Tassonyi, Emery and Ross, *Local Economic Development: Issues to be Considered in a Strategic Plan in the City of Saint John. Potential Benefits and Pitfalls*, February 2021
3. Deloitte LLP, *Saint John Industrial Parks Market Assessment*, February 2023.



What We Heard – Engagement Key Themes

What We Heard – Engagement Key Themes

As part of this research, Deloitte interviewed representatives from five of the largest employers and organizations in the Saint John Region. These employers and organizations were approved by Envision Saint John and include industries related to fishing and aquaculture, manufacturing, construction, post-secondary education, and logistics. The key themes presented in the following slides summarize what was heard during the engagement process.



Growth Goal

- Majority of organizations interviewed agreed that the growth goal of 25,000 by 2031 is reachable. However, resources are needed, and the local economy must adapt rapidly to new types of workers and skills.
- Coming out of the pandemic, people are evaluating what they are looking to accomplish in their life. People are looking for a balance of work and lifestyle and are moving away from highly dense areas. This is increasing New Brunswick's appeal to a younger cohort who are returning to the province.
- With the expected growth of some of the largest employers and education institutions in the region, it will be possible to attract more people to the Saint John Region with increased opportunities for new migrants to the area.



Organization's Growth

- The key employers and organizations experienced growth over the last four years, with some of them doubling their workforce.
- With the continuous growth and expansion of these organizations, it is expected that new jobs and post-secondary enrollment will add more than 4,600 people over the next 10 years (including jobs and new students).
- Some of these jobs will depend on the volume of cargo moved through the Port of Saint John and the ability of the College and the University to meet their recruitment targets and retain faculty and instructors during this period (student to faculty ratio is estimated at 15:1).

What We Heard – Engagement Key Themes

The key themes presented in the following slides summarize what we heard during the engagement process.



Interprovincial and International Migration

- It is well known in New Brunswick that a significant interprovincial migration has been happening during and after the COVID-19 pandemic. It is evident that the number of people working and looking for jobs is also on the rise.
- At the start of the influx of interprovincial migration, people arriving to the Saint John Region seemed to have a connection with the city or the province (returning migrants or people with roots in New Brunswick). During the last year, a new wave of migrants arriving from other provinces seem to have no connection with the city or the province and are looking for new job opportunities in the region.
- Organizations are focusing recruitment effort in both national and international labour markets; post-secondary institutions estimate that most international students in Saint John stay within Canada and prefer to stay in the Saint John Region.



Challenges to Support and Sustain Growth

- Considering the goal of 25,000 new residents by 2031, the region must be prepared to sustain this growth. Currently housing is a challenge (vacancy rates in the Saint John Region reached 1.7% in October 2022, and the average value of a dwelling increased by 55.5% from May 2019 to May 2023. A variety of new housing options is essential to retain people in the area (single-family, high-density units, rental, student housing, and affordable housing).
- Other services needed to sustain and support population growth include better access to public transportation, childcare, and improved pedestrian infrastructure.
- Currently, there are some mismatches of skills from interprovincial migration. Jobs in the Saint John Region are more traditional than those from people coming from provinces, like Ontario. There is a need to attract and create more technology-based companies locally to fill this gap.



Key Trend: Interprovincial Migration in New Brunswick and Saint John CMA

Key Trend: Interprovincial Migration in New Brunswick

Interprovincial migration represents movements from one province or territory to another, involving a change in usual place of residence. Net interprovincial migration is the difference between the number of in-migrants and the number of out-migrants.

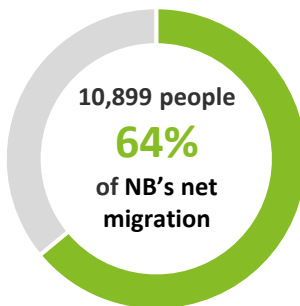
Map of Saint John Census Metropolitan Area



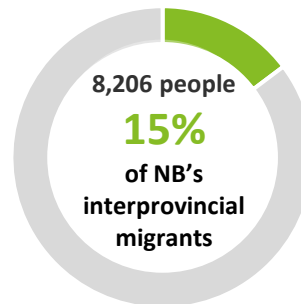
Key Takeaways

- Between 2011 to 2016, New Brunswick lost more people to interprovincial migration than it was able to attract. This trend started to reverse in 2017, when the province saw a net interprovincial migration gain of 434 people.
- Between 2017 and 2019, over a third (35%) of the net interprovincial migration were attributed to returning migrants. Between 2019 and 2022, returning migrants represented 5% of the net migrants. This coincides with what we heard during the interview process.
- Between 2011 to 2022, approximately 116,792 people left New Brunswick to other provinces. Most of these people moved to Ontario (28%), Alberta (21%), and Nova Scotia (19%).
- Between 2011 to 2022, approximately 123,888 moved to New Brunswick from other provinces. Most of these people moved from Ontario (38%), Alberta (16%), and Nova Scotia (16%).
- Between 2020 and 2022, the net interprovincial migration in New Brunswick grew at an annual average rate of 141%. Thus, doubling the number of previous years.

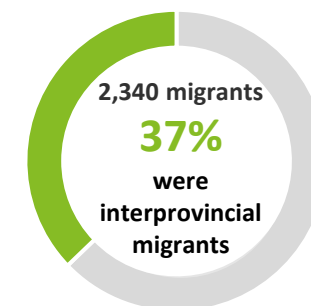
Under 44 years | 2019-2022



Saint John CMA as Destination | 2016-2020



Mobility Status One 1 Year Ago | 2020



Implications of Net Migration Gains for the Saint John Region

Assuming interprovincial migration continues at the same levels of 2020/2021 and 2021/2022, the communities in the Saint John Census Metropolitan Region will experience significant benefits as the local tax base will increase. Population growth will also create challenges in the following areas: housing, services and infrastructure, and skills and employment.

Housing

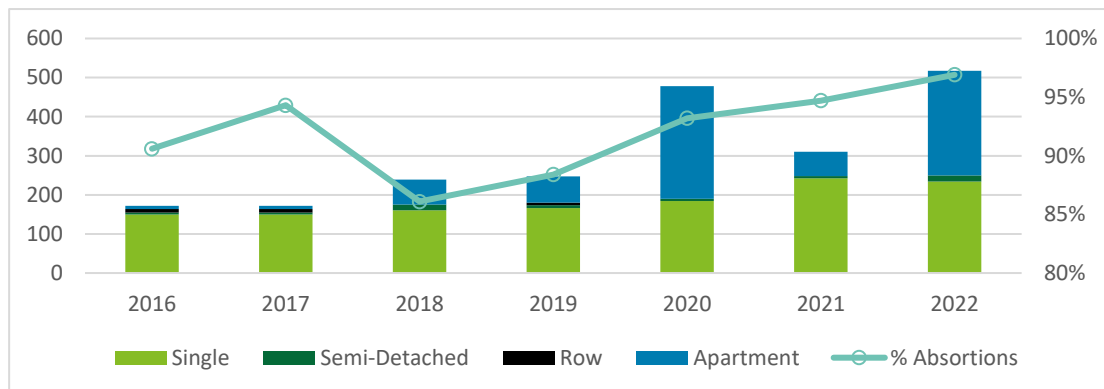
- Between 2016 and 2022 a total of 2,135 housing units were completed in the CMA, with an average absorption rate of 92% (by 2022 the absorption rate reached 97%).
- Saint John CMA's vacancy rate was estimated at 1.7% in October 2022, and it is projected to reach 1.5% by 2025. If the current interprovincial migration trends continue and housing completions do not meet the demand, Saint John will experience a significant growth in the cost of housing, which has increased by 55.5% since the COVID-19 pandemic (Canadian Real Estate Association).
- If the Saint John CMA reached its population growth target, it will require a record level of new housing construction, were over 900 new houses/dwellings constructed per year (Jupia Consultants). Labour constrains may impact these targets.

Services and Infrastructure

- As population increases, pressures in the public services and local infrastructure will grow. Areas such as health care, and family services (including childcare) will need significant investment to sustain the influx of new residents.
- The Saint John CMA is heavily dependent on cars, approximately 91% of employed labour force commute to work using an automobile. Currently, main bus lines run every 30 minutes, and others run every 45 minutes. A more robust public transportation system would be needed to reduce the impact of new population on local traffic.

Skills and Jobs

Completions by Dwelling and Percentage of Units Absorbed at Completion



- As of 2021, 18% of the employed labour force worked at home; this is 13% higher than in 2016 at 5%. This increase is the result of hybrid work arrangements, which allows people to move from larger urban centres into more affordable communities. Between 2016 and 2021, 36% of interprovincial migrants to the Saint John CMA came from Toronto (13%), Halifax (9%), Calgary (7%), Edmonton (7%), Vancouver (4%), Ottawa (3%), and Montreal (2%).
- The increasing influx of people with less traditional skills than in Saint John (e.g., high tech), would create the need to foster local entrepreneurship, and to attract and retain companies where these skills can be leveraged. This will also help to increase the retention of international students whose skillset is not currently in demand.
- Considering the larger population projections will take place in people above 44 years, it is important to attract and retain labour to replace workers as they hit retirement age.

Sources: Canada Mortgage and Housing Corporation

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Metropolitan Area Projections

Saint John Census Metropolitan Area Projections

This report was prepared by metroeconomics for Deloitte in support of their assessment on behalf of Envision Saint John of the potential for population, employment and labour force growth for the Saint John Census Metropolitan Area (CMA) over the next 20 years. For this request – and with the assistance of the Deloitte team and the client – metroeconomics developed three scenarios to 2041 including a Base Case, High Case and Moderate Case.

***metroeconomics'* Projections Approach**

metroeconomics has developed a sub-provincial-based projection system that takes account of the economic and demographic factors influencing an area's potential population, dwelling and employment growth. The system takes these factors into account as follows:

- The economic base of the area is identified through the decomposition of local jobs on a place of work basis by industry into those that are economic base industries – those driving the area's growth – and those that are community base industries – those serving the local population; this is achieved using a location quotient process.
- Economic base industries produce goods and services consumed primarily by businesses or people outside of the local area; these industries – also called export-based industries – either produce agriculture or manufactured products for consumption elsewhere or provide tourism or higher-order education or health care services to visitors/temporary residents of the area.
- The potential for growth of a local area's economic base jobs is identified through assessing how many such jobs exist today and how many might exist in the future drawing on *metroeconomics'* extensive forecasts of economic base industrial job trends nation-wide and province-wide.
- an assessment is also made, where applicable, of the potential for local residents to commute to jobs in nearby major employment locations drawing on existing patterns and on metro economics' base case forecasts of such jobs in metropolitan areas across the country; the potential for job growth within the local area and for job growth in nearby locations determines the potential for job growth among local residents.

Saint John Census Metropolitan Area Projections

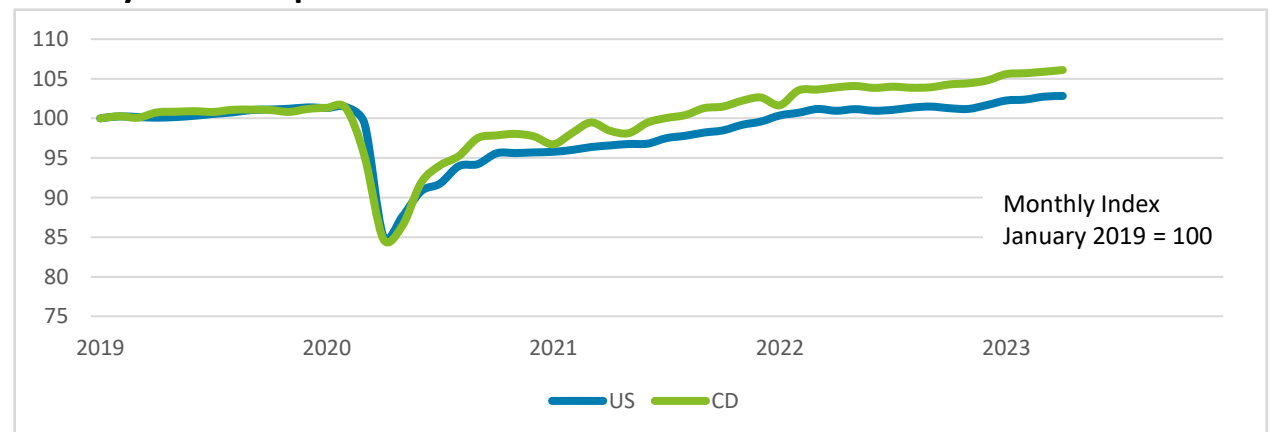
metroeconomics' Projections Approach (cont'd)

- The system ties this resident job growth potential to the demographic side of the area; if potential job growth among local residents exceeds the current supply of workers (based on an age and gender assessment of the current population, age specific rates of labour force participation and the level of unemployment), in-migration occurs; thus job growth potential determines population growth potential recognizing that every new job-holding resident typically brings with him/her one or two dependents.
- The system further considers the fact that each new resident jobholder increases the number of workers required to service the local population – the community base jobs (by industry) – and that these additional community base jobs, in turn, create the need for more workers, more residents, etc.
- Resident job growth, in other words, drives the area's net in-migration requirements which, along with standard assumptions regarding fertility and mortality rates, allow for the development of local area population projections by age and gender.
- Projected economic base jobs by industry are added to projected community base jobs by industry to determine the total number of jobs by place of work that will exist in the area in the decades ahead.

The External Environment: Recent Trends

Over the span from early-2020 to late-2021 the world's economies were disrupted by the onslaught and retreat of the COVID-19 virus. The pandemic resulted in considerable declines followed by recoveries in employment and production and an acceleration followed by deceleration in consumer and commodity prices. Without going into details, it is safe to conclude that the economies of Canada and the United States have returned to more normal trajectories.

Employment in Canada and the United States – Monthly Seasonally Adjusted January 2019 to April 2023



Sources: US Bureau of Labor Statistics and Statistics Canada

Saint John Census Metropolitan Area Projections

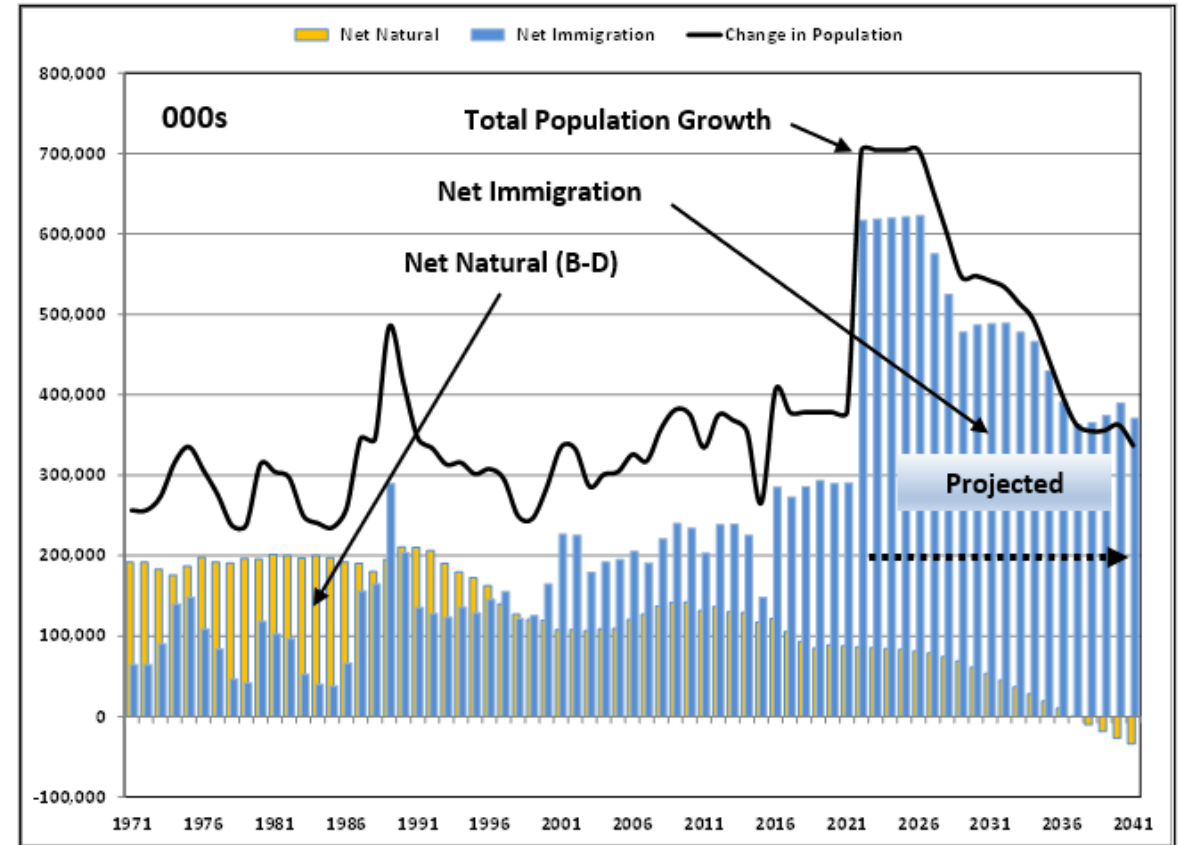
The External Environment: Long Term Trends

metroeconomics' projects real growth in Canada and the United States will slow slightly from the pace obtained in 2022 due primarily to the rapid rise in interest rates that occurred during 2022 and 2023 as the US Federal Reserve and the Bank of Canada directed monetary policies toward arresting the acceleration in inflation that occurred because of the pandemic.

Beyond 2023, real GDP growth in both countries will resume a pace at annual rates of around 2% gradually slowing to about 1.8% per year reflecting the slowing pace of population and labour force growth expected over that span.

Due to the retirement of Baby Boomers between now and the mid-2030s and to the lack of a domestic supply of workers to replace them – low fertility rates in Canada since the mid-1960s created this insufficient supply situation – immigration will need to increase significantly over the next dozen years to fill the gap. The need to replace retiring Baby Boomers is a country-wide phenomenon; increased flows of immigrants to all communities throughout Canada will help alleviate this situation.

Canada Sources of Population Growth (Annual) – Actual 1971 to 2022, Projected 2023 to 2041



Sources: US Bureau of Labor Statistics and Statistics Canada

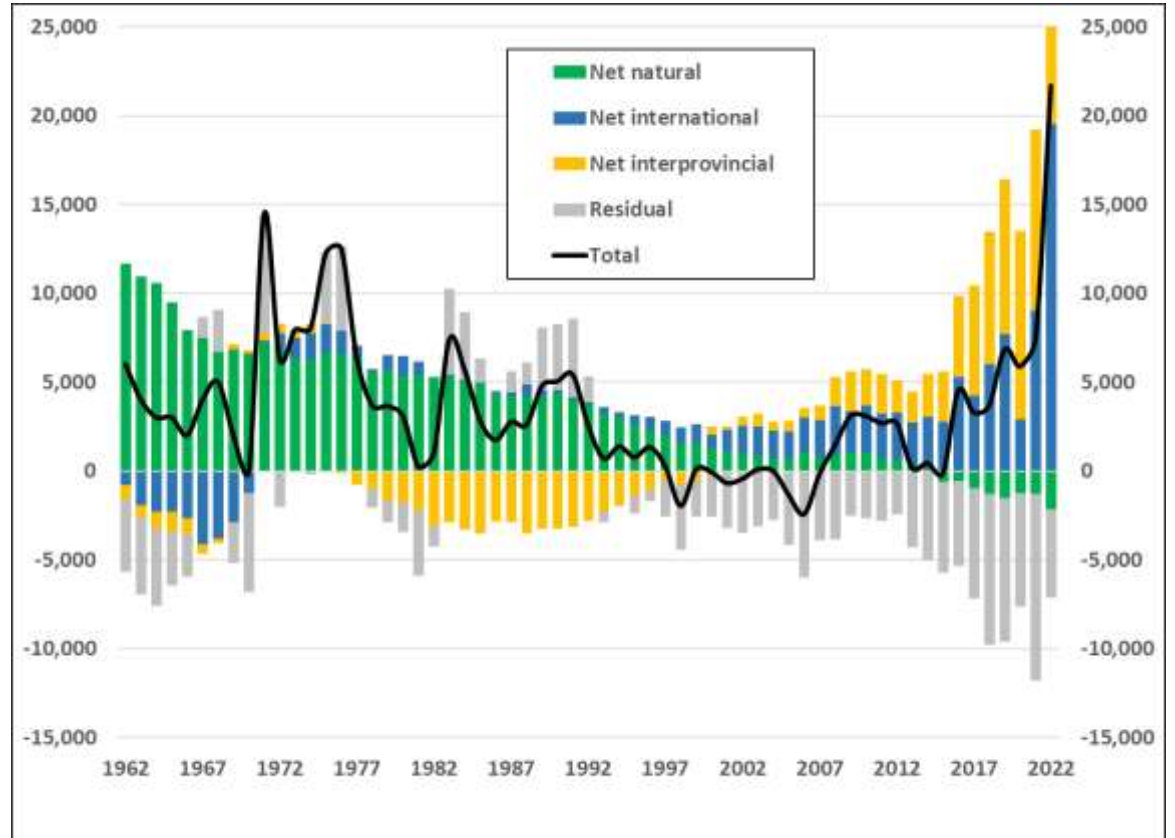
Saint John Census Metropolitan Area Projections

The next slides illustrate recent trends in the key factors determining New Brunswick's population growth.

Recent Trends in the Sources of New Brunswick's Population Growth

- The green bars indicate the contribution of net natural sources (births less deaths) to population growth. This source has dropped steadily from an annual positive pace of 10,000 in the early 1960s to an annual negative pace of around 1,000. The decline has occurred because of steady fertility rates/steady annual births offset by rising deaths due to the aging in place of the existing population.
- The blue bars indicate the contribution of net international migration and the yellow bars the contribution of net interprovincial migration to the province's population growth. International migrants have been growing since around 2000 and since 2016 have become major contributors, especially in 2021 and 2022.
- The yellow bars indicate the contribution of net interprovincial migration. From 2006 to 2015 this category was minimal but since 2016 has become increasingly significant.
- The gray bars reflect the residual change in New Brunswick's population each year after accounting for the annual changes in the total population due to net natural sources, net international migration and net interprovincial migration. The residual amount has been negative every year since the mid-1990s and has grown steadily since 2011; since 2016, it has hovered in the minus 5,000 to minus 10,000 range.

New Brunswick Sources of Population Growth – Annually 1962 to 2022



Sources: Statistics Canada

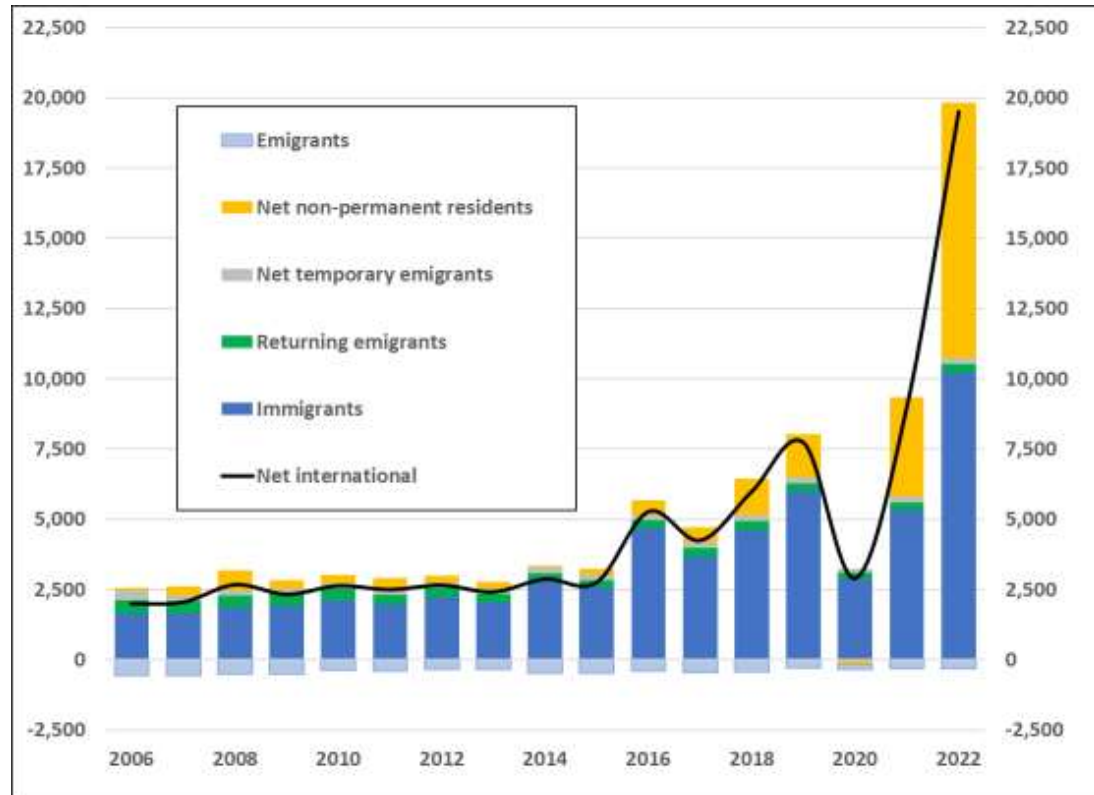
The large negative residual values mean the published values cited above regarding the contribution of each of the three main sources of population growth added together overstate the published annual gain in the total population.

Saint John Census Metropolitan Area Projections

The charts below shows breaks down net immigration into its component, and both the positive and negative impacts of interprovincial migration flows on the province's population. A large inflow in 2021 was reversed in 2022.

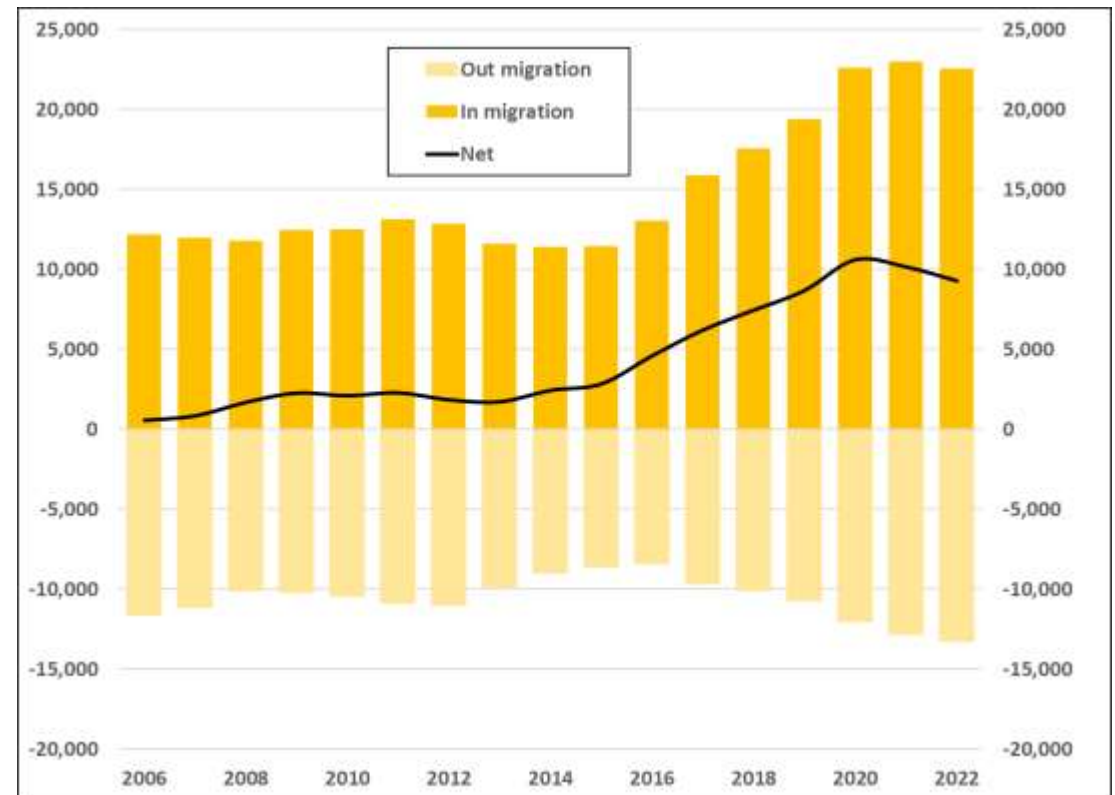
The major positive sources are immigrants and net non-permanent residents, both large in recent years.

New Brunswick Sources of Population Growth: International Migration, Annually 2006 to 2022



Sources: Statistics Canada

New Brunswick Sources of Population Growth: Interprovincial Migration, Annually 2006 to 2022



Sources: Statistics Canada

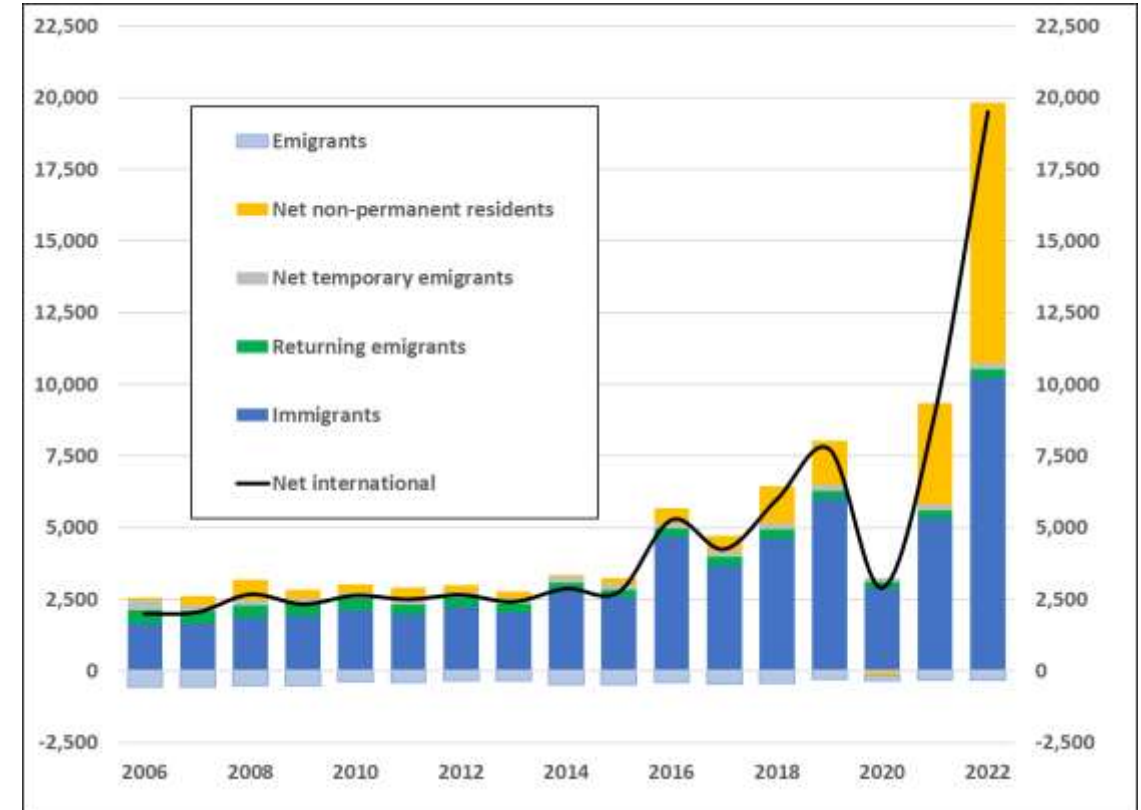
Saint John Census Metropolitan Area Projections

This slide illustrates the various contributors to the population of the Saint John CMA since 2006. In this case one additional contributor – net intraprovincial migration – is included.

Recent Trends in the Sources of the Saint John CMA's Population Growth

- Total population growth (the black line) has swung from positive in the 2007 to 2011 period to negative from 2012 to 2015 to positive from 2016 to 2021 to a surge in 2022.
- Net natural gains (green) have gradually shifted from slightly positive to slightly negative.
- Net international migration (blue) has always been positive and accounts for a large part of the 2022 surge.
- Net interprovincial migration (gold) was negative from 2006 to 2016, zero from 2017 to 2019, then very positive in 2020 and even more positive in 2021 and 2022.
- Intraprovincial migration has mostly been neutral to negative for the CMA.

Saint John CMA Sources of Population Growth



Sources: Statistics Canada

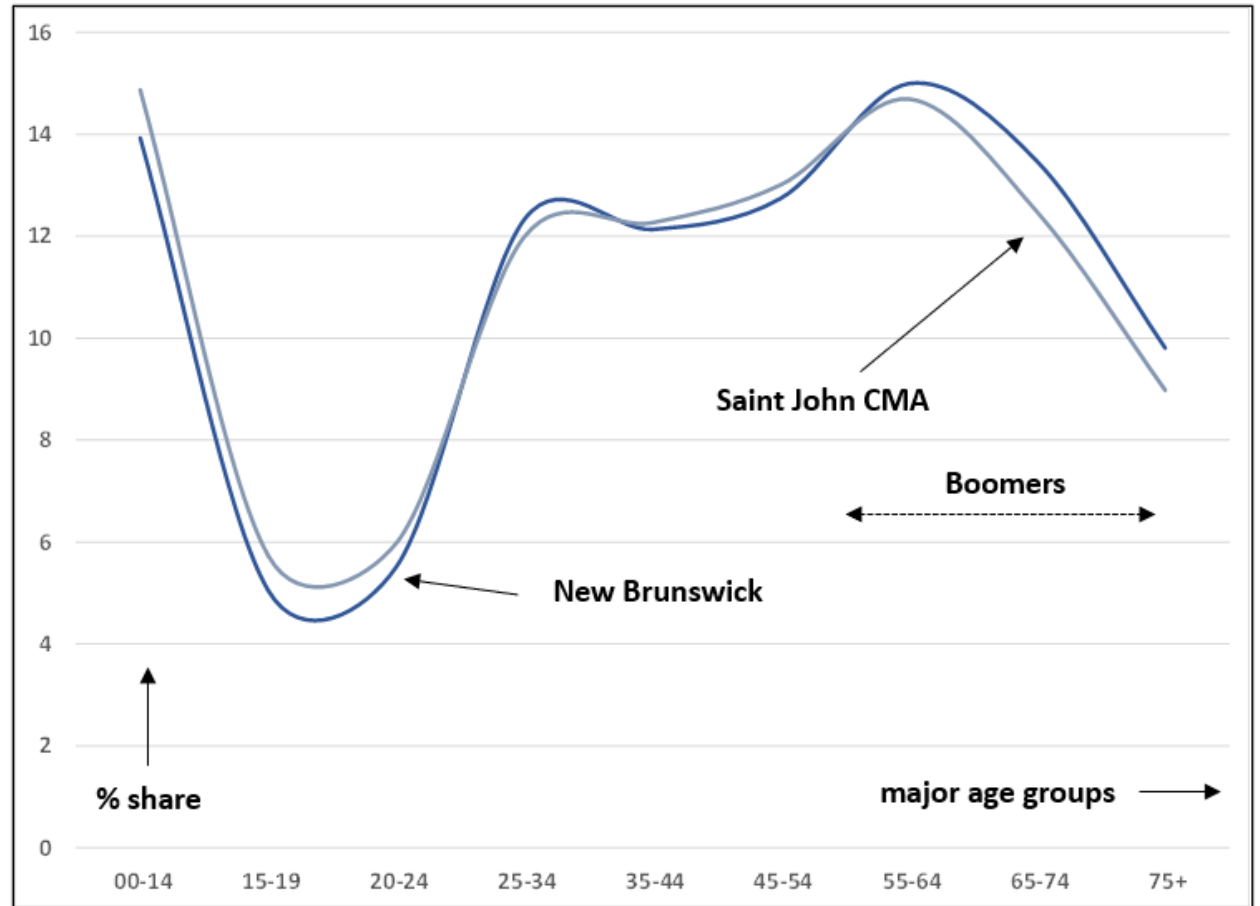
Saint John Census Metropolitan Area Projections

The Population of the Saint John CMA by Age

The figure on the right compares the age distribution of the population of the CMA to that of the province by major age group as of 2023. The dominance of Baby Boomers – now aged 57 to 77 – is clear in both cases and underlines the point made earlier that migration into New Brunswick and the Saint John Region will need to be well above average over the next fifteen years in order that retiring Boomers can be replaced by younger workers. Replacing the Boomers will attract new residents; most of the Boomers will choose to retire in the area.

The influx of new residents, in turn, generates the need for more jobs in the community base group – those serving the local population – which will attract more migrants, etc. The retiring Baby Boomer phenomenon, therefore, will provide a major boost to population growth throughout Canada and New Brunswick from now through to around 2036. The impacts of this phenomenon are captured in the projections developed below.

Saint John CMA and New Brunswick, Population by Major Age Group as a Percent Share of the Total in 2023



Sources: Statistics Canada

Saint John Census Metropolitan Area Projections

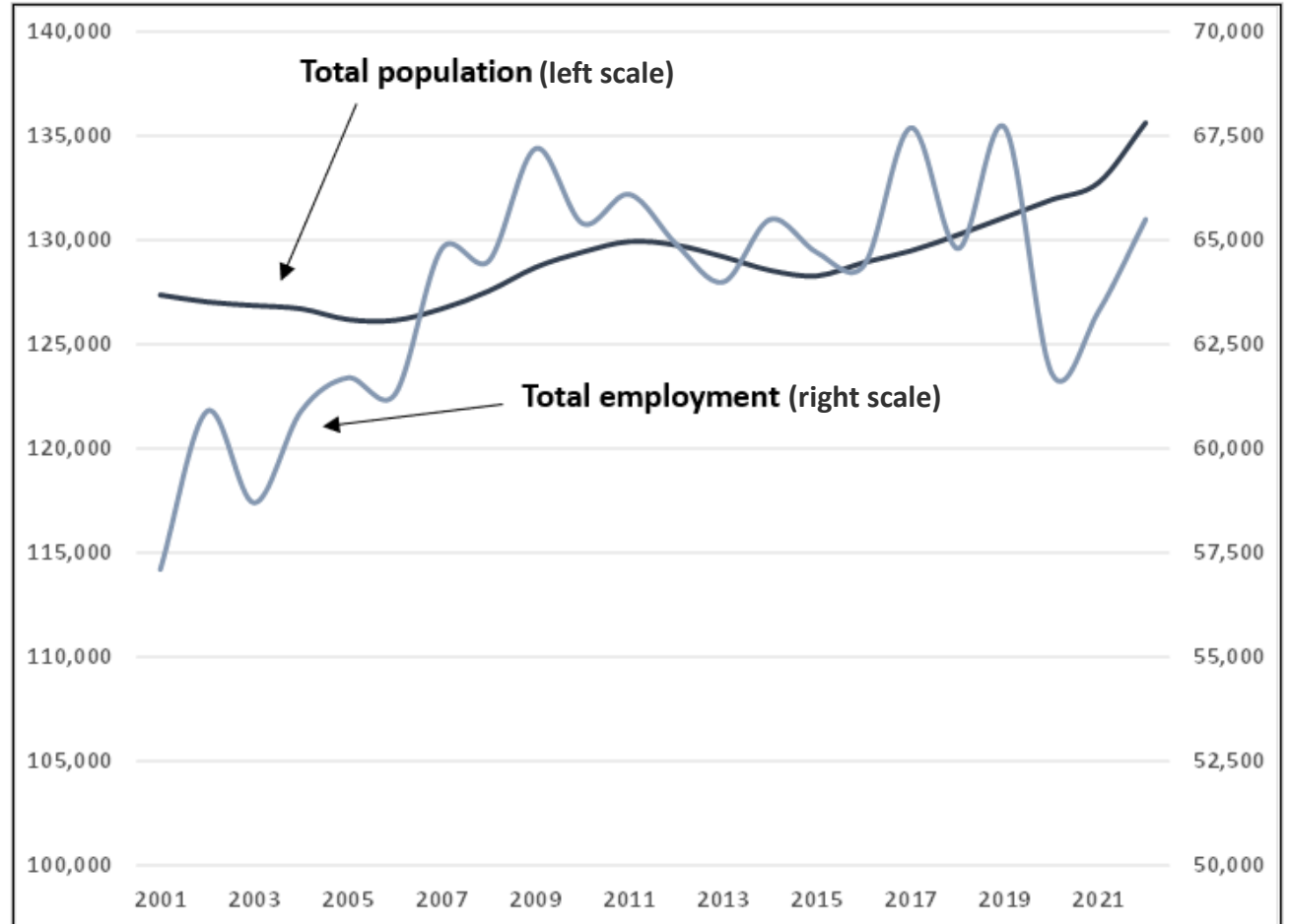
The Population of the Saint John CMA by Age

The figure on the right traces the historical path from 2001 to 2022 of the CMA's total population along with the path of total employment in the area. The population scale on the left is double that of the employment scale on the right (reflecting the reality that each new job on average attracts one worker and one dependent).

Clearly the two have moved in tandem over that span though annual fluctuations in employment significantly exceeded those in population. The figure also indicates population growth was considerable in 2022 even though employment had not yet returned to its pre-pandemic peak level.

“Each new job on average attracts one worker and one dependent”

Saint John CMA, Total Population and Total Employment



Sources: Statistics Canada, (Postcensal population estimates and the Labour Force Survey)

Saint John Census Metropolitan Area Projections

The Economic Base of the Saint John CMA

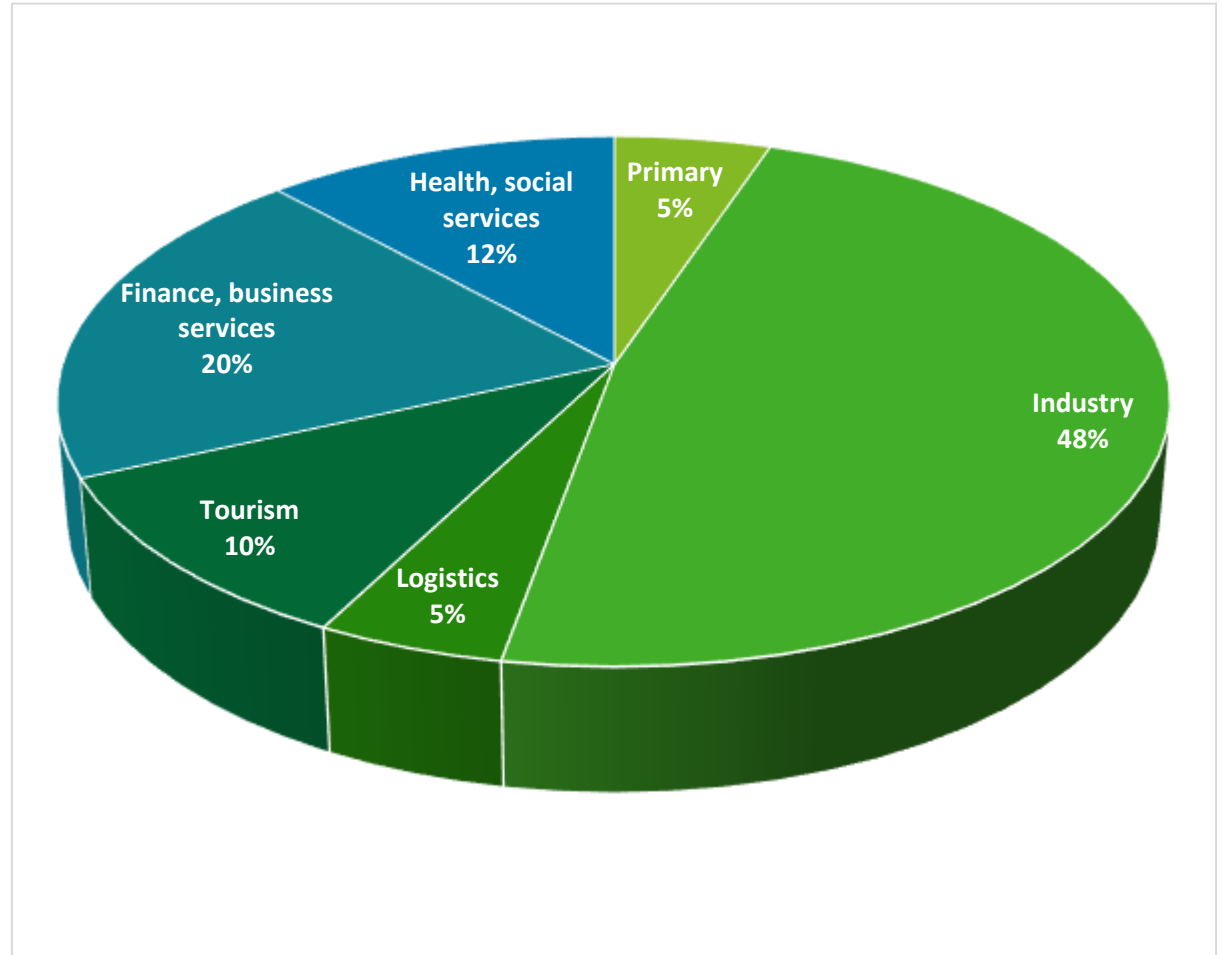
Using a Location Quotient (LQ) procedure (described in the accompanying Appendix) jobs located in the Saint John CMA on a place-of-work basis in 2021 were decomposed into their Economic Base and Community Base components.

In 2021 there were 54,140 jobs in the Saint John CMA of which 11,170 (21%) are economic base and 79% are community base jobs. Of the 11,170 Economic Base jobs the major contributing industries are:

- Manufacturing: 3,990 jobs
- Health and social services: 1,314 jobs
- Professional, scientific and technical services: 941 jobs
- Utilities: 869 jobs
- Other business services: 870 jobs
- Wholesale trade: 488 jobs
- Construction: 463 jobs
- Finance, insurance: 368 jobs
- Agriculture, other primary: 365 jobs
- Information, culture: 287 jobs

These results – signaling significant economic diversity

Saint John CMA Economic Base Jobs by Industry in 2021



Sources: Statistics Canada and metroeconomics

Saint John Census Metropolitan Area Projections

Saint John CMA Population and Employment Projections

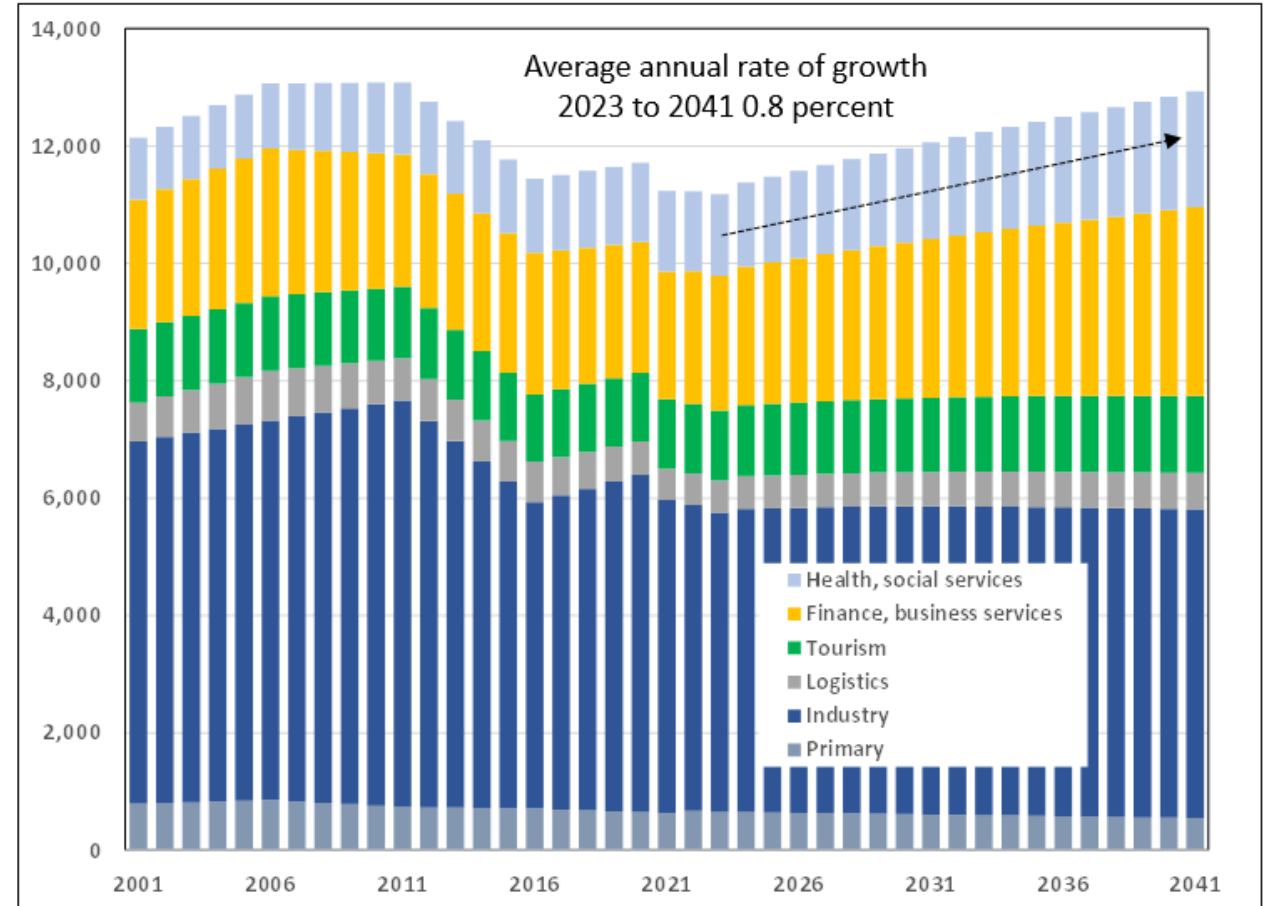
Drawing on the estimates above for economic base jobs by industry in the CMA in 2021 and projecting them forward to 2041 at the rates metroeconomics projects for jobs in each industry provincewide generates the path of Economic Base jobs. The projections suggest Economic Base jobs will increase from 11,200 in 2021 to almost 12,900 in 2041 for an increase of 1,700.

The direct impact of that gain on the total population can be expected to total about 3,500 (one dependent for each new worker). However, the metroeconomics system projects the total population will increase from 132,800 in 2021 to 147,800 in 2041 or by a total of 15,000 including the direct impact of 3,500 plus indirect and induced impacts totaling about 11,500*.

The projection described here is the Base Case projection put forward by metroeconomics. It reflects the future for the CMA considering metroeconomics' expectations regarding the potential for growth in the US and Canada, growth in the CMA's Economic Base jobs by industry (reflecting the pace provincewide by industry) plus the impacts of retiring Baby Boomers.

*Direct impacts include all the jobs created by employers in the CMA adding to their payrolls over the 2021 to 2041 span. Indirect impacts include all the jobs created as those organizations also purchase goods and services from other firms in Saint John. Induced impacts include all the jobs created as the direct job holders spend their incomes on goods and services throughout the community.

Saint John CMA Economic Base Jobs by Industry 2021-2041



Sources: metroeconomics

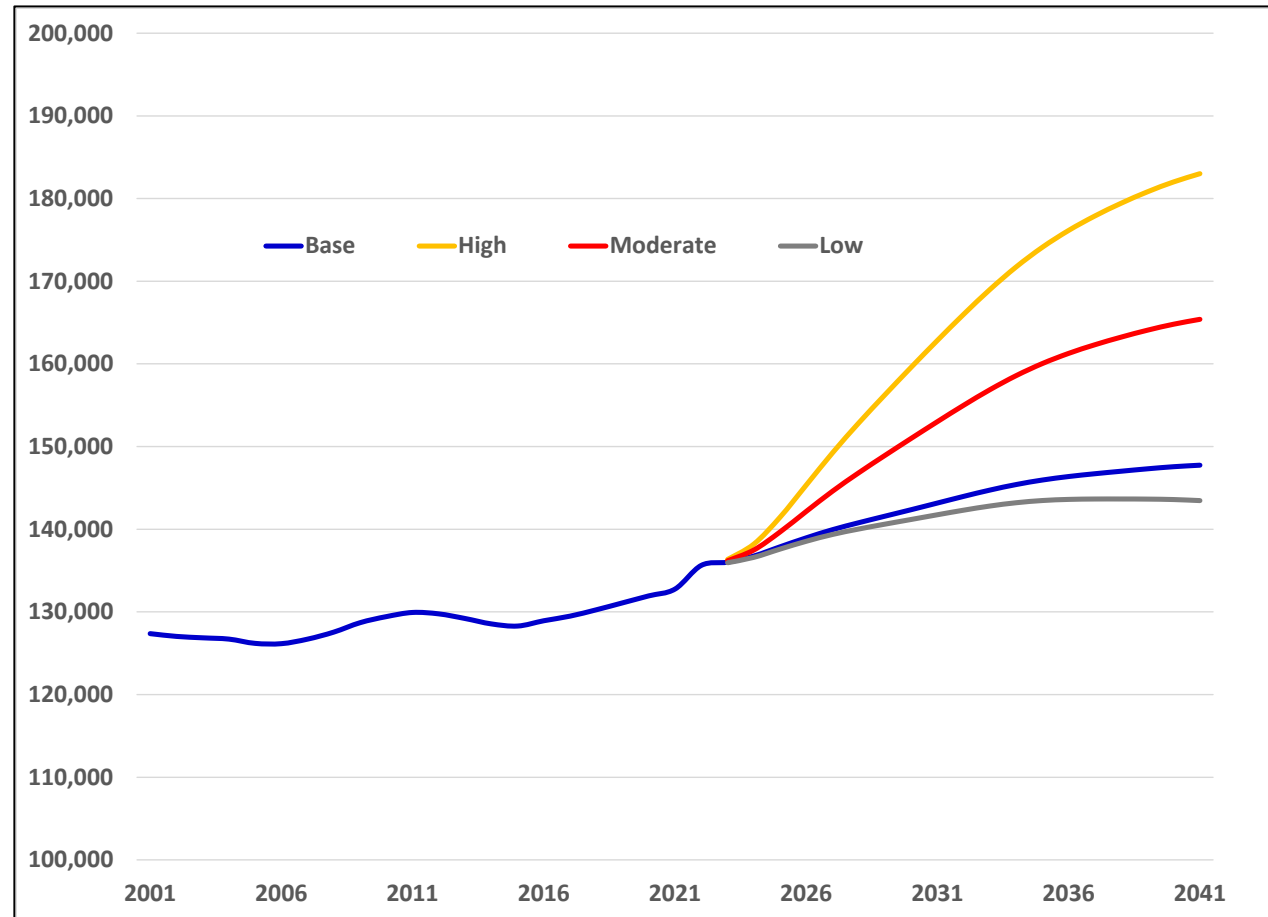
Saint John Census Metropolitan Area Projections

Growth Scenarios

To better understand the impact of local economic dynamics in the region, *metroeconomics* developed a **Moderate Case** and a **High Case** drawing on local intelligence (gathered by Deloitte and provided by Envision Saint John) regarding announced and unannounced plans for major expansions in several areas of Economic Base activity. Reflecting on these plans:

The **High Case** is driven by assumptions that foresee Economic Base jobs in 2041 reaching a level about 3,700 higher than the 2041 level in the Base Case. The higher level is based on announced and unannounced expansions of jobs in agriculture (about 250 more by 2041), transportation and warehousing (1,100), manufacturing (2,200) and post-secondary education (135 more at the university and college). The **Moderate Case** assumes a success rate of 50 % in each of the above categories by 2041. The Low Case foresees a total of 143,500 in 2041. Whereas the Base Case foresees the CMA's population reaching 147,800 in 2041 the High Case foresees a total of 183,100 and the Moderate Case a total of 165,400.

Saint John CMA Alternative Total Population Projections



Sources: metroeconomics

Saint John Census Metropolitan Area Projections

Employment Projections

The figure on the right compares the projections for total employment – including all Economic Base and Community Base jobs – for the four cases. In the Base Case total employment reaches 77,100 in 2041 whereas the 2041 total is 96,600 for the High Case, 86,100 for the Moderate Case and 73,200 for the Low Case.

Employment Base Case (2041)

77,100 jobs

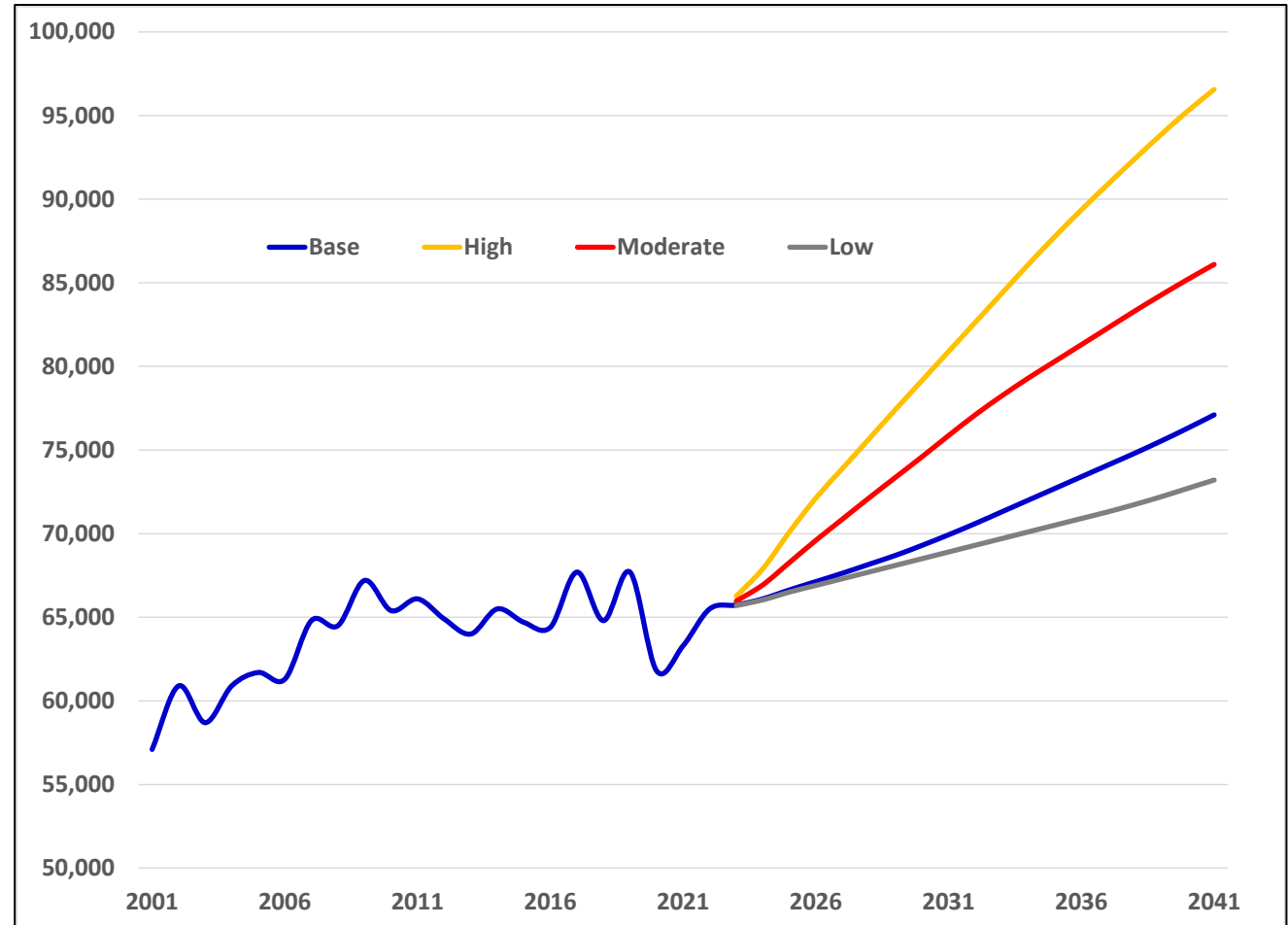
Employment Moderate Case (2041)

86,100 jobs

Employment High Case (2041)

96,600 jobs

Saint John CMA Alternative Total Employment Projections



Sources: metroeconomics

Saint John Census Metropolitan Area Projections

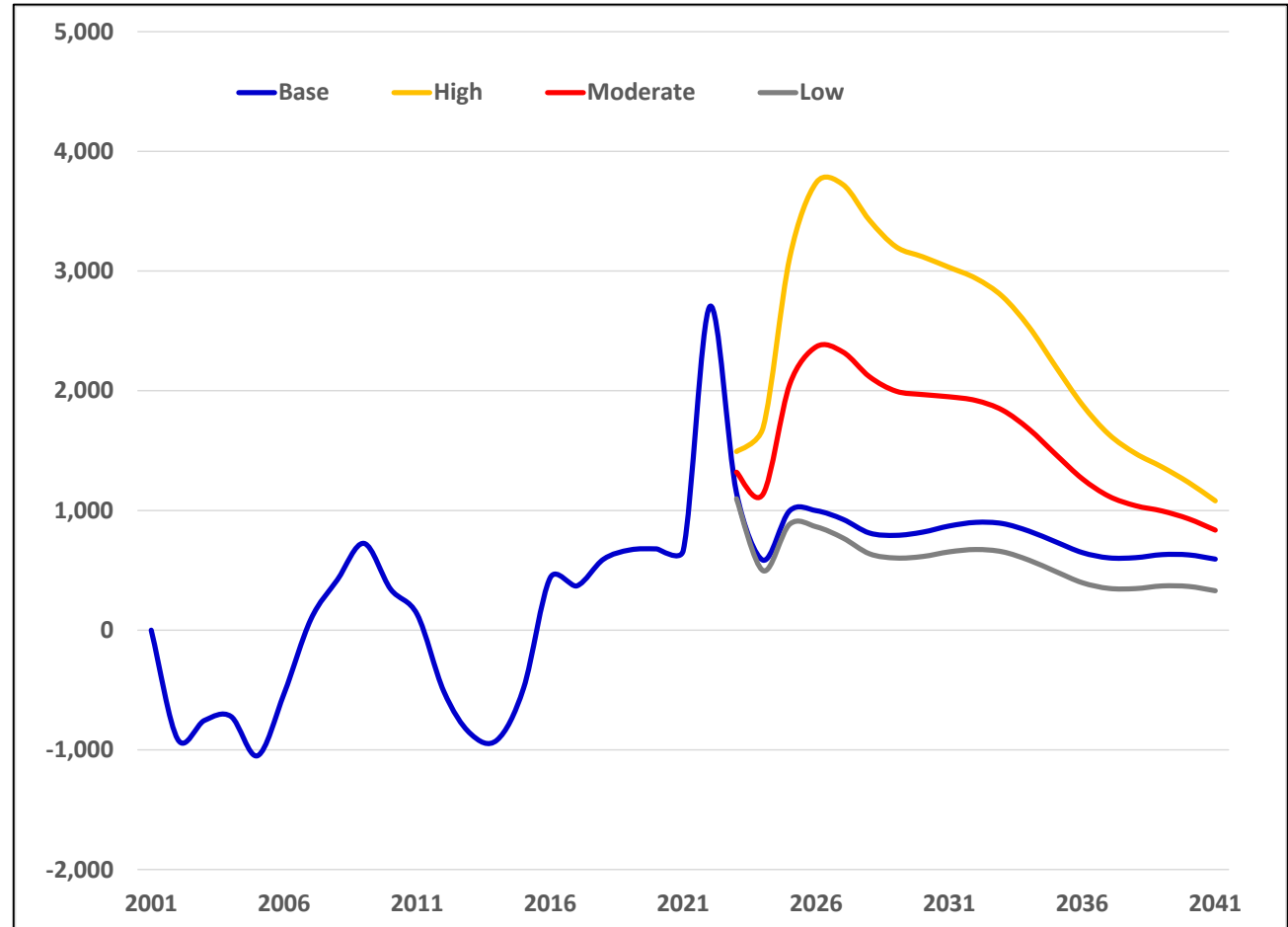
Net In-Migration Projections

The figure on the right illustrates the impact of each future on the need for in-migration to the CMA.

- The **Base Case** suggests an average annual need of about 1,000 migrants from 2024 onwards.
- The **Moderate Case** will require an annual pace of about 2,000 through to 2033 falling gradually to 500 by 2041.
- The **High Case** will require an annual pace of 3,000 to 4,000 until about 2033 falling gradually each year beyond to just over 1,000 by 2041.
- The **Low Case** requires an annual pace of between 0 and 500 over the entire span.

To reach the moderate case scenario, the Saint John CMA will need to attract approximately 2,000 migrants a year through 2033.

Saint John CMA Alternative Annual Net In-Migration



Sources: metroeconomics

Saint John Census Metropolitan Area Projections

Occupational Demand

metroeconomics forecasts that most of the occupational demand in the Saint John Region will be mainly for registered nurses and registered psychiatric nurses (309 workers); retail salespersons and visual merchandisers (311 workers); and nurse aides, orderlies and patients service associates (199 workers). Most of the demand for the top 20 occupations will be created to industry growth (economic demand).

In terms of industry sectors, hospitals, elementary and secondary schools, and computer system design and related services will have the largest demand.

Saint John CMA Total Demand 2023 to 2028 – Top 20 Occupations

		Economic Demand	Retiree Replace Demand	Total Demand
	All occupations	4,771	1,848	6,619
	Top 20 based on total demand	1,957	754	2,711
31301	Registered nurses and registered psychiatric nurses	239	70	309
64100	Retail salespersons and visual merchandisers	120	91	211
33102	Nurse aides, orderlies and patient service associates	158	40	199
65100	Cashiers	157	36	193
13110	Administrative assistants	116	45	161
60020	Retail and wholesale trade managers	90	70	159
42202	Early childhood educators and assistants	150	9	159
65310	Light duty cleaners	112	37	150
41221	Elementary school and kindergarten teachers	135	11	146
43100	Elementary and secondary school teacher assistants	89	33	123
13100	Administrative officers	72	33	105
64409	Other customer and information services representatives	55	43	98
14100	General office support workers	58	35	93
00018	Seniors managers - public and private sector	52	39	91
42201	Social and community service workers	72	18	90
11100	Financial auditors and accountants	58	31	89
65312	Janitors, caretakers and heavy-duty cleaners	60	29	89
14101	Receptionists	45	39	85
65102	Store shelf stockers, clerks and order fillers	58	25	83
72410	Automotive service technicians, truck and bus mechanics and m	62	19	81

Sources: metroeconomics

Appendix: Economic and Community Base Jobs

Employment by industry in any given area can be decomposed into economic base jobs (those that drive the overall economy) and community base jobs (those that serve the local population). The population growth of an area typically depends on its potential for growth in economic base employment while an area's growth in community base employment depends on its population growth. In recognition of this interdependence between population and employment growth *metroeconomics* has developed a community-based projection system that takes account of the economic and demographic factors influencing an area's growth potential. The system takes these factors into account as follows:

- The economic base of the community is identified through the de-composition of local jobs on a place of work basis by industry into those that are *economic base* jobs and those that are *community base* jobs; this is achieved using a location quotient process.
- Economic base industries produce goods and services consumed primarily by businesses or people outside of the local community; these industries – also called export-based industries – produce agriculture, mining or manufactured products for consumption elsewhere or provide tourism or higher-order education/health care services to visitors/temporary residents.
- The potential for growth of a local community's economic base jobs is identified through assessing how many such jobs exist today and how many might exist in the future drawing on *metroeconomics'* extensive forecasts of economic base industrial job trends nation-wide and province-wide.
- An assessment is also made of the potential for local residents to commute to jobs in nearby employment locations drawing on existing patterns and on *metroeconomics'* base case forecasts of such jobs by sub-provincial area across the country.
- The potential for job growth within the local area and for job growth in nearby locations determines the potential for job growth among local residents.

Appendix: Economic and Community Base Jobs

- The *metroeconomics* system ties this resident job growth potential to the demographic side of the community; if potential job growth among residents exceeds the current supply of workers (based on an age and gender assessment of the current population, age specific rates of labour force participation, the level of unemployment, and the need to replace retiring workers), in-migration occurs; thus job growth potential determines population growth potential recognizing that each new job-holding resident typically brings along one or two dependents.
- The system further reflects that each new resident jobholder increases the need for workers who service the local population – the community base jobs – and that these additional community base jobs, in turn, create the need for more workers, more residents, etc.
- Employed residents' growth, in other words, drives the community's net in-migration requirements which, along with standard assumptions regarding fertility and mortality rates, provide the parameters needed to develop local area population projections by age and gender.
- Projected economic base jobs by industry are added to projected community base jobs by industry to determine the total number of jobs by place of work that will exist in the community in the decades ahead.

The Location Quotient procedure is carried out as follows:

- All jobs in agriculture and forestry, in mining and oil and gas extraction, and in manufacturing are considered to be economic base jobs as most of their production is consumed by businesses and people outside of the area.
- For all other industries, the number of jobs per 1,000 residents in the sub-area is compared to that ratio across the province in question. Where the ratio in an industry in sub-area exceeds that of the province it is assumed the excess jobs in the sub-area are providing services to people or businesses outside of the sub-area. These excess jobs are defined as export-based service jobs and their output as exportable services.



Conclusion

Conclusion

The Saint John CMA has reversed a long trend of population decline. Most of this growth has been propelled by the significant increase in interprovincial migration into New Brunswick. The recent net migration flows suggest reaching annual net inflows of 2,500 (over 21-33) and 1,000 (over 33-41) will require large increases in both net international and net interprovincial flows to meet those requirements, with an expectation the shares are likely to be 50% net international flows and 40% interprovincial flows. Should the economic base job gains suggested by the local employers and organizations interviews be achieved in the next decade, employers in the Saint John area will need to recruit both internationally and throughout the rest of Canada to meet their labour market requirements.

In addition, the City of Saint John and communities within the Saint John CMA will need to at least double the number of housing completions during the next decade to accommodate the population growth. This by itself will require an important increase in construction labour and ensuring public services and local infrastructure are prepared to support new residents.





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