



CHATHAM-KENT:

Demographic, Economic and Housing Trends and Projections

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**EMPLOYMENT
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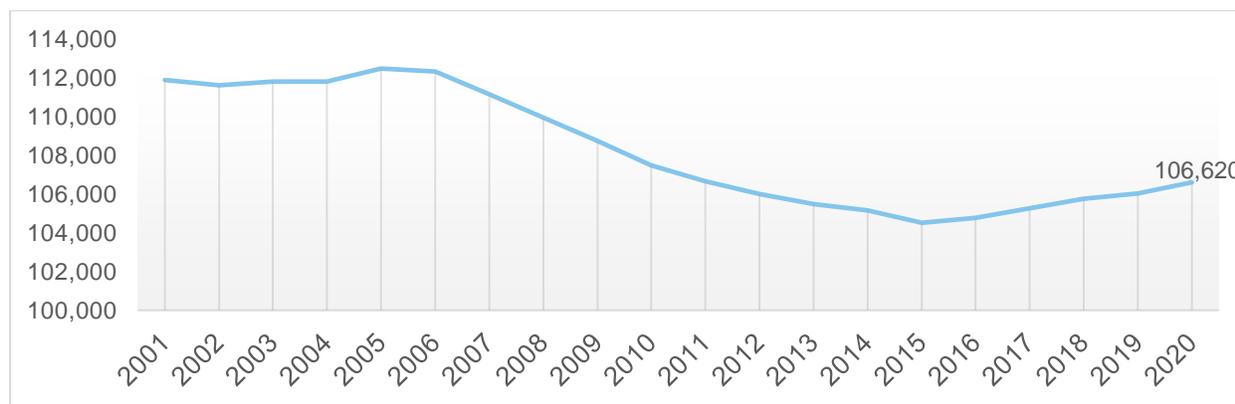
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Chatham-Kent: Demographic trends

Chatham-Kent has not witnessed much population growth in recent years. The population declined by over 7,000 between 2001 and 2015 and has risen by 2% since. As a result, the 2020 population of 106,620 is down slightly from 107,500 in 2010.

Compared to the other Ontario counties, Chatham-Kent ranks 41st for its five-year population growth and 45th for its 10-year population growth/decline. The median age is now 45.7 years making it the 19th oldest county across the province.

Figure 1: Population by year, Chatham-Kent

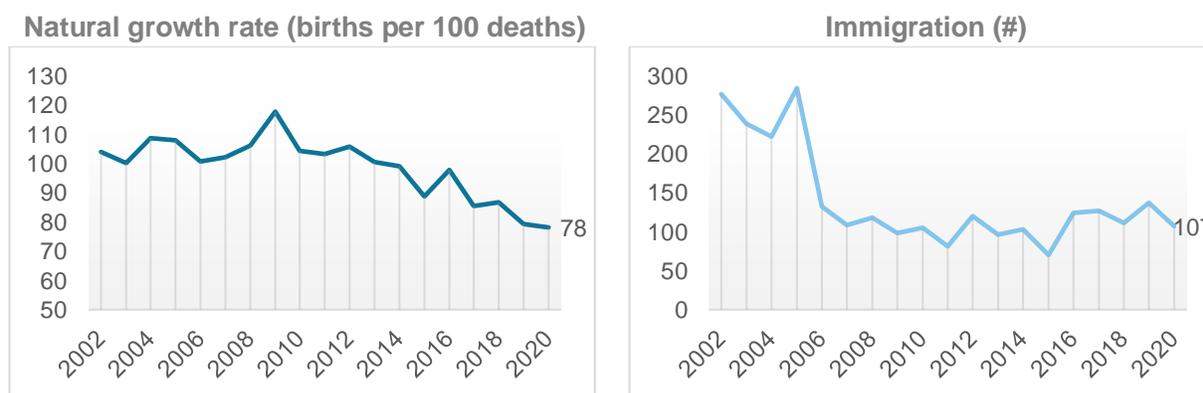


Source: Statistics Canada Table: 17-10-0139-01.

A decade ago, Chatham-Kent witnessed more births than deaths each year. Now there are only 78 births per 100 deaths ranking the county 33rd. Thirty years ago, natural population growth was the primary source of growth in the region.

Chatham-Kent also attracted considerably more immigrants 20 years ago than it does today. Now that the community is part of the Welcoming Communities pilot project, the annual number is likely to increase in the coming years. As of 2020, the immigration rate was still 88% below the provincial immigration rate.

Figure 2: Natural population growth and immigration, Chatham-Kent

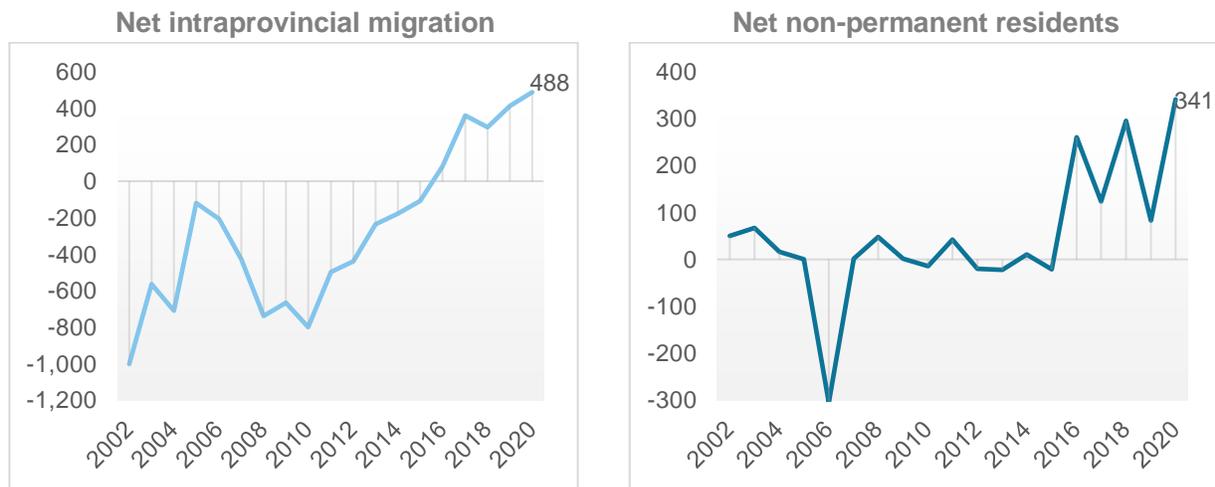


Source: Statistics Canada Table: 17-10-0140-01.

Chatham-Kent does have positive net intraprovincial migration with an average of 390 per year over the past four years. However, 40% of these in-migrants are over the age of 55.

The Chatham-Kent workforce is attracting more non-permanent residents. There were 341 in 2019-2020 ranking the county 11th among 49 for its non-permanent resident rate.

Figure 3: Net intraprovincial migration and non-permanent residents, Chatham-Kent



Source: Statistics Canada Table: 17-10-0140-01.

Chatham-Kent: Workforce supply and demand through 2030

The Chatham-Kent economy has been growing in recent years. In 2020 there were 3,050 employer businesses/organizations across the municipality. The economy has a higher concentration of firms in agriculture, utilities, construction, manufacturing, retail trade and finance and insurance compared to the country overall. There are 387 firms in the construction sector, 416 in retail trade and 284 in other/personal services. There are 154 different manufacturing firms with employees across the municipality including 31 in fabricated metal product manufacturing, 23 in machinery manufacturing, 12 in furniture and related product manufacturing, 10 in transportation equipment manufacturing and another 14 in food manufacturing.

According to EMSI estimates, there were 47,000 people employed in Chatham-Kent in 2020 almost the same as back in 2010. Just under 8,000 of those workers were self-employed (a slightly above average 17% self-employment rate).

The Location Quotient analysis shows the Chatham-Kent economy has a very high concentration of workers in the utilities and agriculture sector and an above average concentration in manufacturing, trade, information, health care and other/personal services sectors.

Over the next decade, total employment is expected to rise by over 2,600, a growth rate of 6%. The sectors with the fastest expected growth over this period are:

- Health care (by far)
- Construction
- Retail trade
- Public administration
- Education
- Finance and insurance

Based on the age profile of the workforce, there could be some 12,500 exiting the workforce over the next decade. The sectors expecting to lose the most to retirement include retail trade, manufacturing, health care, agriculture, and public administration.

Combined, workforce demand will be an estimated 15,100 (12,500 from replacement and 2,600 from growth).

Table 1: Firms, employment and growth projections, Chatham-Kent
Industries with a high employment concentration are highlighted in red

| NAICS | Firms | Index CAN=1.00 | Employ- ment (2020) | % of total | Location Quotient |
|--|----------|-------------------|---------------------------|---------------|----------------------|
| Unclassified | 128 | | 671 | 1% | 1.01 |
| 11 - Agriculture, forestry, fishing and hunting | 372 | 3.15 | 3,082 | 7% | 3.29 |
| 21 - Mining, quarrying, and oil and gas ext. | 8 | 0.39 | 76 | 0% | 0.15 |
| 22 - Utilities | 8 | 2.34 | 1,446 | 3% | 4.67 |
| 23 - Construction | 387 | 1.09 | 2,777 | 6% | 0.83 |
| 31-33 - Manufacturing | 154 | 1.26 | 4,976 | 11% | 1.30 |
| 41 - Wholesale trade | 114 | 0.84 | 2,313 | 5% | 1.10 |
| 44-45 - Retail trade | 416 | 1.21 | 5,427 | 12% | 1.08 |
| 48-49 - Transportation and warehousing | 141 | 0.82 | 1,938 | 4% | 0.82 |
| 51 - Information and cultural industries | 32 | 0.72 | 979 | 2% | 1.09 |
| 52 - Finance and insurance | 109 | 1.08 | 1,014 | 2% | 0.49 |
| 53 - Real estate and rental and leasing | 118 | 0.87 | 586 | 1% | 0.59 |
| 54 - Professional, scientific and tech. services | 160 | 0.45 | 1,385 | 3% | 0.39 |
| 55 - Management of companies and enterprises | 22 | 1.38 | 100 | 0% | 0.36 |
| 56 - Administrative and support* | 116 | 0.90 | 2,412 | 5% | 1.01 |
| 61 - Educational services | 17 | 0.47 | 2,738 | 6% | 0.80 |
| 62 - Health care and social assistance | 237 | 0.80 | 6,829 | 15% | 1.18 |
| 71 - Arts, entertainment and recreation | 38 | 0.83 | 519 | 1% | 0.64 |
| 72 - Accommodation and food services | 185 | 0.92 | 2,698 | 6% | 1.02 |
| 81 - Other services (except public admin) | 284 | 1.05 | 2,217 | 5% | 1.09 |
| 91 - Public administration | <u>6</u> | 0.31 | <u>2,762</u> | 6% | 0.92 |
| Totals | 3,052 | | 46,943 | | |

*includes waste management and remediation services

The firm concentration index (CAN = 1.00) compares the relative share of firms in the county relative to the country overall. A number more than 1.00 shows there are more firms in the county, adjusted for size.

The Location Quotient compares the relative share of employment by industry to the country overall. A number more than 1.00 shows a higher reliance on the industry in the county.

Sources: Statistics Canada, EMSI and Mellor Murray Consulting estimates.

Table 2: Firms, employment and growth projections, Chatham-Kent (cont.)

| NAICS | Projected employment (2030) | Net change | % change (2020-2030) | Potential retirements (by 2030) | Est. workforce demand by 2030 |
|--|-----------------------------|--------------|----------------------|---------------------------------|-------------------------------|
| Unclassified | 708 | 37 | 6% | 130 | 167 |
| 11 - Agriculture, forestry, fishing and hunting | 3,025 | - 57 | -2% | 1,009 | 952 |
| 21 - Mining, quarrying, and oil and gas ext. | 104 | 28 | 36% | 26 | 54 |
| 22 - Utilities | 1,492 | 46 | 3% | 400 | 446 |
| 23 - Construction | 3,088 | 311 | 11% | 615 | 926 |
| 31-33 - Manufacturing | 4,959 | - 17 | 0% | 1,370 | 1,353 |
| 41 - Wholesale trade | 2,493 | 181 | 8% | 681 | 862 |
| 44-45 - Retail trade | 5,719 | 292 | 5% | 1,429 | 1,721 |
| 48-49 - Transportation and warehousing | 2,027 | 89 | 5% | 707 | 796 |
| 51 - Information and cultural industries | 997 | 19 | 2% | 199 | 218 |
| 52 - Finance and insurance | 1,193 | 179 | 18% | 295 | 474 |
| 53 - Real estate and rental and leasing | 606 | 20 | 3% | 253 | 274 |
| 54 - Professional, scientific and tech. services | 1,547 | 162 | 12% | 451 | 613 |
| 55 - Management of companies and enterprises | 145 | 45 | n/a | 28 | 73 |
| 56 - Administrative and support* | 2,262 | - 150 | -6% | 567 | 417 |
| 61 - Educational services | 2,974 | 236 | 9% | 648 | 884 |
| 62 - Health care and social assistance | 7,560 | 730 | 11% | 1,702 | 2,432 |
| 71 - Arts, entertainment and recreation | 567 | 48 | 9% | 123 | 170 |
| 72 - Accommodation and food services | 2,770 | 73 | 3% | 394 | 467 |
| 81 - Other services (except public admin) | 2,326 | 109 | 5% | 724 | 833 |
| 91 - Public administration | 3,023 | 261 | 9% | 760 | 1,021 |
| Totals | 49,586 | 2,643 | 6% | 12,512 | 15,154 |

*includes waste management and remediation services

Potential retirements are Mellor Murray estimates based on the share of workers over the age of 55.

Sources: Statistics Canada, EMSI and Mellor Murray Consulting estimates.

Chatham-Kent: In-demand occupations through 2030

Chatham-Kent’s top in-demand occupations including both growth and replacement demand through 2030 are shown in the table below. Motor vehicle and transit drivers (truck driver and related occupations) are the top 3-digit NOC in-demand occupation followed by managers in agriculture (farmers). Health occupations are also in high demand with nearly a thousand jobs in professional and assisting health occupations. The rest are a broad mix of retail professional and manufacturing occupations. Of the top 25 in-demand occupations, 13 offer below average wages and nine are at significantly lower wages (30% below or less).

Table 3: Chatham-Kent, Top 25 in-demand occupations by 3-digit NOC, by 2030

| Occupational group: | 2020 workforce | Growth demand (2030) | Replacement demand (2030) | Total workforce demand | Wage +/- |
|--|----------------|----------------------|---------------------------|------------------------|----------|
| Motor vehicle and transit drivers | 1592 | 83 | 669 | 752 | 0.84 |
| Managers in agriculture, horticulture and aquaculture | 1346 | -43 | 650 | 607 | 0.62 |
| Professional occupations in nursing | 1230 | 311 | 263 | 574 | 1.40 |
| Assisting occupations in support of health services | 1329 | 212 | 287 | 498 | 0.70 |
| Retail and wholesale trade managers | 1085 | 57 | 361 | 418 | 1.27 |
| Cleaners | 1292 | -60 | 442 | 383 | 0.56 |
| Cashiers | 1053 | 120 | 202 | 323 | 0.28 |
| Retail salespersons | 1250 | -43 | 346 | 304 | 0.52 |
| Agriculture and horticulture workers | 846 | 88 | 200 | 288 | 0.47 |
| Machining, metal forming, shaping and erecting trades | 728 | 117 | 167 | 284 | 1.20 |
| Machine operators and related workers in mineral and metal products processing and manufacturing | 832 | 104 | 178 | 282 | 1.05 |
| Finance, insurance and related business administrative occupations | 551 | 14 | 258 | 271 | 0.98 |
| Insurance, real estate and financial sales occupations | 426 | 63 | 208 | 271 | 1.20 |
| Administrative and regulatory occupations | 772 | -8 | 277 | 270 | 1.14 |
| Secondary and elementary school teachers and educational counsellors | 1483 | 96 | 155 | 251 | 1.31 |
| Auditors, accountants and investment professionals | 571 | 51 | 185 | 236 | 1.94 |
| Social and community service professionals | 584 | 60 | 170 | 230 | 1.14 |
| Sales and account representatives - wholesale trade (non-technical) | 506 | 30 | 191 | 221 | 1.35 |
| Contractors and supervisors, maintenance trades and heavy equipment and transport operators | 450 | 76 | 138 | 214 | 1.63 |
| Paraprofessional occupations in legal, social, community and education services | 987 | 75 | 132 | 207 | 0.68 |
| Other sales support and related occupations | 759 | 64 | 143 | 207 | 0.42 |
| Financial, insurance and related administrative support workers | 539 | 43 | 159 | 202 | 0.94 |
| Managers in construction and facility operation and maintenance | 513 | 81 | 120 | 201 | 1.50 |
| Managers in food service and accommodation | 528 | 26 | 172 | 199 | 0.84 |
| Office administrative assistants - general, legal and medical | 636 | -33 | 229 | 196 | 0.80 |

Sources: Statistics Canada, EMSI and Mellor Murray Consulting estimates.

Chatham-Kent: Projected population growth through 2040

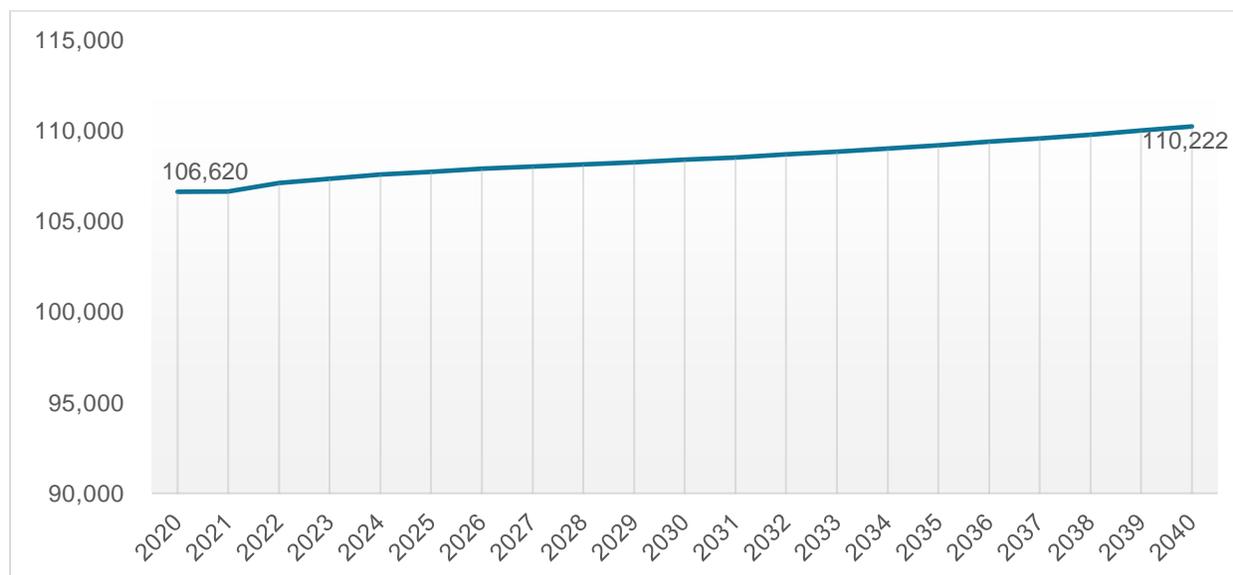
The Ontario Ministry of Finance is projecting that Chatham-Kent will only see a modest increase in its population through 2040. The community is expected to grow its population by an estimated 0.2% per year through 2040.

Because workforce demand is expected to be more than 15,500 over the 2020 to 2030 period, this level of population growth will not be enough to address the demand. Chatham-Kent will need to find a way to increase its annual population growth (with a focus on younger workers) to at least 1.3% per year if it wants to meet workforce demand into the future.

The Ontario Ministry of Finance projections are not inevitable. Chatham-Kent is part of the Welcoming Communities initiative meant to attract more immigrants. It has a fairly large number of non-permanent residents that could be provided permanent residency at some point. But it will require an effort to boost the annual intake of workers.

The risk is that Chatham-Kent’s important export-focused industries such as manufacturing and agriculture will not be able to meet workforce needs and that could lead to downsizing and investment moving elsewhere in Ontario and beyond.

Figure 4: Population growth projection, Chatham-Kent



Sources: Derived using Statistics Canada population data and Ontario Ministry of Finance projections (Spring 2021).

Chatham-Kent: Projected net new households by 2041

Using Ontario Ministry of Finance population forecasts by Census Division, the Smart Prosperity Institute recently published estimates of housing demand in five-year increments over the next three decades¹. The type of housing demand was broken down by either low and medium density (refers to buildings below five storeys) or high density (buildings with five storeys or higher).

The assumption throughout the development of the WOWC region workforce development plan is that population growth outside the separated cities will be similar to growth inside the cities. For the most part this has been the trend in recent years across the WOWC region. In fact, some areas have grown faster outside the separated cities.

The projections for Chatham-Kent are shown in the table. The county is expected to require 2,971 net new households by 2041.

| | Occupied private dwellings (2016) | Projected Net New Households | | | | Total net new households |
|---------------------|-----------------------------------|------------------------------|-----------|-----------|-----------|--------------------------|
| | | 2021-2026 | 2026-2031 | 2031-2036 | 2036-2041 | |
| Chatham-Kent | 43,175 | 1,060 | 801 | 632 | 478 | 2,971 |

The region will need a broad range of housing options to meet demand. As shown in the table, 55% of the jobs expected to be required through 2030 pay the average annual employment income or below.

Jobs to be filled by income level, 2020-2030

| Jurisdiction: | 30%+ below average | 70% to 100% of average | Up to 30% above average | 30% or more above average |
|---------------------|--------------------|------------------------|-------------------------|---------------------------|
| Chatham-Kent | 27% | 28% | 19% | 26% |
| WOWC Region | 27% | 28% | 17% | 29% |

How much can households afford to spend on shelter costs? As is shown in the table below, for household income at the average level or below, the maximum per month that can be spent on shelter without breaking through the 30% threshold is only \$2,000/month and this includes rent/mortgage payments and property taxes along with the costs of electricity, heat, water and other municipal services.

¹ Source: Smart Prosperity Institute. (October 2021). Baby Needs a New Home: Projecting Ontario's Growing Number of Families and their Housing Needs.

Household income level:

Maximum to spend on shelter costs:

Under \$40,000

Less than \$1,000/month

\$40,000 - \$80,000

Between \$1,000-\$2,000/month

\$80,000 to \$125,000/year

Between \$2,000-\$3,100/month

\$125,000+

Over \$3,100/month

Shelter costs for owner households include, where applicable, mortgage payments, property taxes and condominium fees, along with the costs of electricity, heat, water and other municipal services. For renter households, shelter costs include, where applicable, the rent and the costs of electricity, heat, water and other municipal services.

Source: Statistics Canada.

Appendix A: Sources and methodological considerations

- Firms by sector: Shows the number of firms/organizations with employees by two-digit NAICS industries. It is important to point out this represents unique establishments so a firm such as Tim Horton's could have multiple locations in a specific community and those locations would be showing up as individual restaurants. The index value (CAN = 1.00) shows the concentration of firms by industry adjusted for size. For example, if 5% of all firms in a community are in the construction sector compared to 2.5% across the country, the community would have an index value of 2.00 (or twice as many firms as a share of total firms).
- Employment in 2020 taken from EMSI, a data provider that estimates county and municipal-level employment. Importantly this is employment in the county or municipality not workers living in the county or municipality. In areas where there is a large urban centre nearby this is an important distinction.
- The Location Quotient value shows employment by industry compared to the country overall with the national level set at 1.00. Any number above 1.00 means a higher concentration of workers. In the tables, any LQ values 1.10 and higher are shown in red.
- The projected employment by 2030 is based on EMSI projections through 2028 and Mellor Murray estimates through 2030.
- Potential retirements by 2030 were derived using the employment by industry and age data from the 2016 Census, provincial trends since the Census and other factors. For example, a relatively high share of workers in the WOWC region remain in the workforce after the age of 65. That is factored into the analysis.
- Estimated workforce demand by 2030 represents the net number of jobs that will need to be filled by new workers. It does not represent all the job vacancies through 2030. For example, the manufacturing sector across the WOWC region has an estimated 97,000 workers. If that sector has an annual turnover rate of 5%, it would mean companies would need to fill nearly 5,000 positions before accounting for retirements or growth. The focus here is on the need to grow the workforce in the region to meet replacement (from retirement) and growth demand (from expansions).
- The population trends for each jurisdiction were developed using Statistics Canada annual estimates. This data is only available at the county (Census Division) or Census Metropolitan/Agglomeration areas). The geographic coverage area for each of the 15 jurisdictions is explained in each section. Not all of the 15 demographic profiles include the same information. Different components were highlighted in each jurisdiction based on their unique situation.