



**City of Kingston
Report to Council
Report Number 15-387**

To: Mayor and Members of Council
From: Lanie Hurdle, Commissioner, Community Services
Resource Staff: Same
Date of Meeting: September 15, 2015
Subject: City of Kingston Workforce and In-Migration Strategy – Work Plan

Executive Summary:

This report is to provide Council with a work plan and next steps to develop a Workforce and In-Migration Strategy (the Strategy) for the City of Kingston. The need for this Strategy was identified a few years ago as a way to address an expected local shortage in the skilled labour force; however, the initiative was delayed to allow for the completion of the 2013 update of the Population, Housing and Employment Study. The expected shortage in labour force is identified in the City of Kingston's Population, Housing and Employment Projections completed and endorsed by Council in 2013. The labour shortage is expected to be most critical starting in 2021 at which time the available jobs will exceed the actual population aged between 20 and 74 years old. The areas where the shortage is expected to be greatest are in the fields of education and health care and trades.

A Workforce and In-Migration (immigration strategy) was identified as a priority in the 2011-2014 Kingston's Strategic Plan and has been endorsed more recently as a priority by this Council (2015–2018). Staff have reviewed information from the Population, Housing and Employment Projections; Youth Employment Strategy; as well as KEDCO's 2015-2020 Strategic Plan and have also had a number of discussions with key community stakeholders to obtain a better understanding of local employment challenges and labour market trends. Based on information reviewed, staff have concluded that in order for a Strategy to be successful, community stakeholders will need to be involved in the development and implementation. Staff are proposing that selected community stakeholders be part of a steering committee to lead the development of the Strategy.

The Strategy will focus on retaining, attracting and preparing the local under employed youth to play a more active role in filling anticipated labour shortages and attracting and retaining other

September 15, 2015

Page 2 of 7

professionals from other areas of the Province, Country and World in order to ensure that local jobs are filled with a skilled labour force. Critical elements of the Strategy will include an overview of housing, transportation, quality of life, cultural services and educational opportunities.

Recommendation:

That Council direct staff to issue a Request for Proposal to retain consulting expertise to support the development of a Workforce and In-Migration Strategy; and

That Council approve a budget of up to \$100,000 from the Working Fund Reserve to fund the development of a Workforce and In-Migration Strategy; and

That Council authorize the Mayor and Clerk to execute all agreements related to the development of the Workforce and In-Migration Strategy to the satisfaction of the Director of Legal Services.

Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER
Lanie Hurdle, Commissioner, Community Services

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER
Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Cynthia Beach, Corporate & Strategic Initiatives	Not required
Denis Leger, Transportation, Facilities & Emergency Services	Not required
Jim Keech, President and CEO, Utilities Kingston	Not required
Desiree Kennedy, Chief Financial Officer & City Treasurer	Not required

September 15, 2015

Page 3 of 7

Options/Discussion:**Population, Housing and Employment Projections**Population

In 2013, Council endorsed its Population, Housing and Employment Projections. These projections are reviewed and updated every five (5) years and are included in the Official Plan. The City of Kingston has a current population of 123,410 based on 2011 Census Canada. The population in Kingston has been growing at a rate of approximately 1,000 persons per year. The majority of the growth has been attributed to in-migration as the increase of natural growth (births versus deaths) has been slightly more than 100 persons per year. The relative pace of population growth by region across Canada is largely explained by the relative pace of growth in economic base jobs.

The projections indicate that the population in the Kingston Census Metropolitan Area (CMA) will peak at 193,500 in 2033 and then decline gradually to 185,530 in 2041. The largest population growth is expected in the age group of 65 and older. It is anticipated that by 2031, all boomers will be 65 years or older and by 2041 they will all be 75 or older. Over the next three decades, therefore, most of the working boomers will retire. Most of the jobs from which they retire will need to be filled by someone else. The boomers did not replace themselves through natural birth rates, thus there is not enough of a homegrown next generation available to fill the jobs they will be vacating. In addition, new jobs generated as a result of a growing population will also put pressure on the supply and stability of the workforce. This phenomenon will occur in communities throughout this country. In Kingston, it is expected that the number of jobs available in the community will exceed the total population between the ages of 20-74 by 2021. This means that in-migration will be required to ensure that all jobs within the community are filled by a skilled labour force. Kingston will be competing with other communities to attract and retain a skilled labour force.

It is expected that there will not be a need for the same level of in-migration after 2031, given that beyond 2031 the number of deaths among boomers will increase each year resulting in the overall decline of the population.

Employment

The City has a highly diversified economic base. About one fifth is dependent upon industry and the remaining four fifths is distributed across public sector administration and services, post-secondary education, specialized health care and tourism.

Kingston employment can be broken down in the following sectors: public administration, health care, education, tourism, industry and agriculture. Public administration (including federal armed forces base jobs), education (including all post-secondary institutions) and health provide the majority of jobs within the community. From the 2013 study, the current number of jobs has been identified at 64,050 and 21,130 of those are identified as economic base jobs and 42,920 as community based jobs. Economic based industries usually produce goods shipped to markets outside the community (manufacturing, agriculture, etc.) or provide services to visitors or temporary residents of the community (tourism attractions, post-secondary institutions, etc.).

September 15, 2015

Page 4 of 7

Community based industries provide goods and services that meet the needs primarily of the local residents (retail, government services, etc.). It is important to note that expansion of the economic based industries will drive the growth of a community at large.

Employment projections endorsed by Council anticipate that the primary areas of growth will be in health care and education. These projections are based on national/provincial trends with an aging population and a focus on attraction of international students. The City of Kingston will need to address the needs of an aging population through its health care system but it will continue to play a significant role in health care by continuing to provide specialized care to outside communities. In the Education sector, both Queen's University and St. Lawrence College have developed plans to attract more international students. It is important to note that both the health care and education sectors also offer significant opportunities in research and development for which it will be critical to attract and retain skilled professionals.

The projections also anticipate that the tourism industry will have a modest growth. Jobs in the industry and agricultural sectors are anticipated to continue to decline as they have been in the past years. All projections are based both on national/provincial trends as well as the current local context. It is important to note that some trends can be influenced by local initiatives such as research, development and innovation through incubators which are now being implemented in Kingston through young entrepreneurs with support from institutions.

2015-2020 KEDCO Strategic Plan

In 2015, the Kingston Economic Development Corporation (KEDCO) issued its 2015-2020 Strategic Plan with a goal to facilitate the attraction and creation of 5,000 jobs and \$500 million of new investment for Kingston by 2020.

The KEDCO Strategic Plan focuses on four (4) sectors of employment growth:

1. Agri-business (food manufacturing and distribution companies)
2. ICT/Defence (information communications technologies)
3. Sustainable emerging technologies (greener and alternative technologies)
4. Health care (health care and medical innovation sectors)

KEDCO's Strategic Plan also recognizes the need to ensure that Kingston has a qualified labour force. The plan indicates that the economic prosperity of Kingston is intimately connected to the City's ability to attract, retain and build a workforce that meets the business challenges of today and the needs of the future. The availability of a skilled labour force was critical in recent discussions with some companies contemplating Kingston to locate their businesses.

Youth Employment

The youth population is defined between the ages of 15 and 24 by Statistics Canada. Challenges facing youth in Kingston were identified a few years ago when information provided to the Arts, Recreation and Community Policies Committee and Council demonstrated that youth had the highest of any age group living below the low income cut off (LICO) as determined by Statistics Canada.

September 15, 2015

Page 5 of 7

Up to date information from Statistics Canada indicate that youth make up 15.2% of the total population in Kingston. While the 11.2% of the Kingston population live below the after tax low income cut-off (LICO-AT), it was identified that this percent is at 24.2% within the youth age group. The unemployment rates in the overall community reported in 2011 was 5.4% compared to 14.3% for the youth age group. It was also identified that 41% of employed youth work in part time positions compared to 17.4% of the general workforce. It is important to note that part time work could also be impacted by students working on a part time basis. The table below provides comparables for Kingston to other communities of a similar size in Ontario. Data indicates that the youth unemployment rate and youth percentage under the LICO-AT is higher in Kingston than some similar sized communities.

	Kingston	Barrie	Guelph	Whitby	St. Catharines
Total Population	123,410	135,711	121,688	122,022	132,400
Total Population over the Age of 15	100,830	106,960	99,060	95,030	109,500
% of Population under the LICO-AT	11.2%	8.70%	9.5%	6.1%	9.2%
Unemployment Rate (based on 2010)	5.4%	5.70%	4.5%	5.3%	6.0%
Population Aged 15-24	18,055	19,330	17,245	17,195	17,890
15-24 under the LICO-AT	24.2%	12.5%	17.7%	7.2%	15.9%
% 15-24 with High School Diploma	43.2%	40.1%	42.6%	41.7%	40.7%
% 15-24 with Post-Secondary	26.3%	20.5%	24.1%	22.0%	25.4%
Unemployment Rate 15-24	14.3%	13.3%	12.0%	13.7%	13.2%

A Youth Employment Strategy was initiated in partnership with United Way a few months ago. A number of employment agencies, social service agencies, school board representatives and employers are involved with this Strategy. The Strategy Working Group has identified two distinct youth groups in Kingston that will require different supports. The first one is youth with barriers which will require basic life skill supports in order to graduate from high school and from any post-secondary program as well as to enter the workforce. The second group is the young graduates that are having challenges entering the workforce even with a post-secondary education. The Working Group is currently exploring potential initiatives for each youth groups.

It is anticipated that recommendations from this Strategy will be finalized in 2016. It is important to note that the recommendations contained in the Youth Employment Strategy will be included in the larger Workforce and In-Migration Strategy as it is important for the City of Kingston to ensure that its local youth and graduates are well prepared to fill some of the expected local labour shortages. This will not only address the high youth unemployment issue in Kingston, it

September 15, 2015

Page 6 of 7

will also meet some of the needs identified in labour shortages and enable the City to retain more young graduates.

Approach to Workforce and In-Migration Strategy

The Workforce and In-Migration Strategy will strategically take into consideration all of the population, employment, labour market and education factors. Ultimately, the Strategy will provide the community with a number of initiatives to ensure that local youth acquire the right skills and are retained as well as attracting and retaining professionals from other areas of the Province, Country and possibly other countries to fill the expected labour shortage.

As far as the local youth are concerned, this will mean that it will be critical to direct youth in fields where shortages are anticipated. The approach to working with local youth could include incentives for certain programs, internships and support for innovation and entrepreneurship. It is recognized that even if all local youth and some of the young graduates were retained and employed, there would still be a skilled labour shortage.

Retention of youth and other certified professionals in Kingston will be critical. This will include ensuring that there is adequate housing, transportation and a quality of life to meet the needs of residents. It is important to recognize that a number of youth and other professionals migrating to Kingston may have various cultural backgrounds and it will be critical to have various agencies and businesses involved in ensuring that multicultural services are available within the community. Kingston Immigration Partnership will be an important stakeholder in this Strategy as it is well positioned to provide settlement support and services.

In order to be successful, the Strategy will need to be developed and implemented by a number of community stakeholders who will be part of the Steering Committee. A number of organizations and agencies will have significant roles to play in the initiatives required to be able to attract and retain a skilled labour force. It is proposed that the Strategy will be led by the City of Kingston with the support of a consultant and should be completed within eight (8) months.

Existing Policy/By-Law:

Not applicable

Notice Provisions:

Not applicable

Accessibility Considerations:

Not applicable

Financial Considerations:

The estimated cost for a consultant to support this initiative has been based on other work completed such as the Population, Housing and Employment Projections. It is proposed that a budget of up to \$100,000 be allocated from the Working Fund Reserve.

September 15, 2015

Page 7 of 7

Contacts:

Lanie Hurdle, Commissioner, Community Services 613-546-4291 extension 1231

Other City of Kingston Staff Consulted:

Not applicable

Exhibits Attached:

Not applicable