

Regina Official Community Plan
Working Paper

POPULATION, EMPLOYMENT AND ECONOMIC ANALYSIS OF REGINA



EXECUTIVE SUMMARY

Prepared for City of Regina Planning and Sustainability Department
by Derek Murray Consulting and Associates

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Executive Summary

This document is one of the supporting pieces in the development of the City of Regina Official Community Plan (OCP). The study identifies current economic trends and provides population and employment projections. This information will establish a common understanding with respect to prospects for future growth, opportunities, and challenges, based on the most current data available. The analysis and data in this study provide a comprehensive base of analysis regarding Regina's economy, population, and employment in support of future studies and consultations to be undertaken as part of the OCP process.

The prime study area is the City of Regina as it is the area of focus for policy and other considerations. Analysis has also been completed at the Census Metropolitan Area (CMA) level as it is reflective of the service area for Regina in terms of the total population employed in Regina and served by Regina. The Regina commuting area and commuting patterns were examined, although the availability of this data is more limited.

Population Projections

Population projections are made under three sets of economic growth scenarios: high, moderate, and low economic growth. While economic growth cannot be forecast over a 25-year period, providing a set of parameters allows the population growth model to be applied under various changing economic circumstances.

Based on the economic growth models, the following table shows the annual population projections for Regina under each of the projected scenarios.

	2005	2010F	2015F	2020F	2025F	2030F	2035F
High Growth	183,649	196,931	218,579	240,450	261,837	282,371	302,621
Medium Growth	183,649	196,123	212,711	225,513	237,094	247,778	257,950
Low Growth	183,649	195,590	204,410	207,216	209,381	210,453	210,425

Under the medium growth scenario the City of Regina would grow at a rate of 2,500 people per year reaching 225,500 in 2020 and 248,000 in 2030. Over the period the population of the City of Regina would grow by 64,650 to 257,950 under the medium scenario.

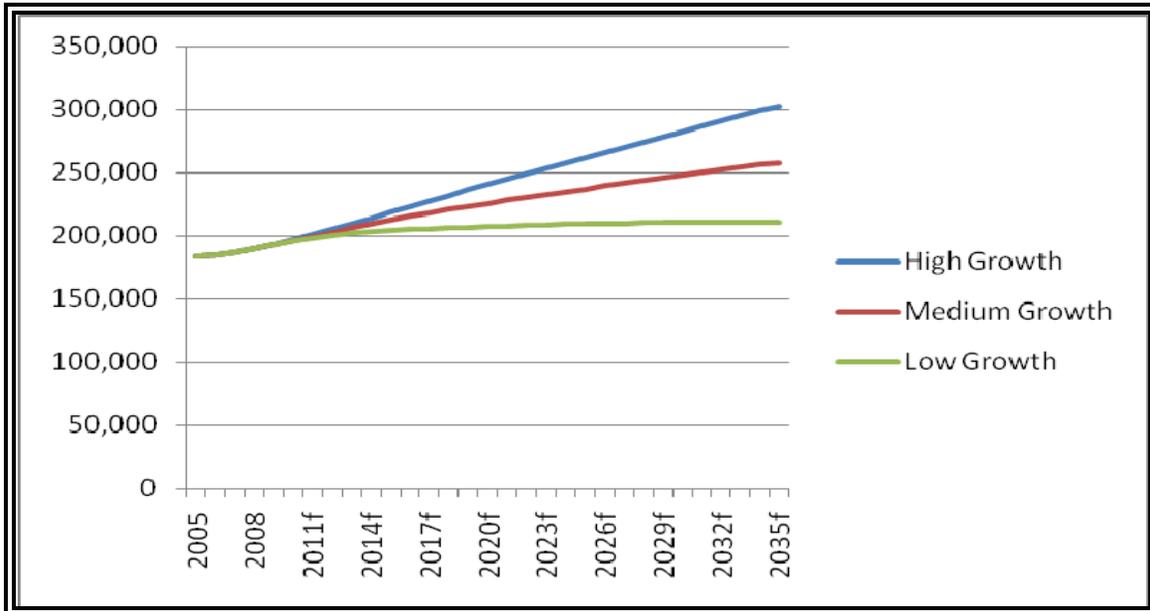
The projected annual growth rate for Regina under the medium scenario is 1.12%. While the projected growth rate is higher than the historic growth rate for Regina of 0.64%², this is still below the average growth rate for CMAs in Canada at 1.34%. The primary reason for the

¹ Statistics Canada Annual Population Estimates are the baseline.

² From 1980 to 2009 Saskatchewan Health Covered Population Statistics.

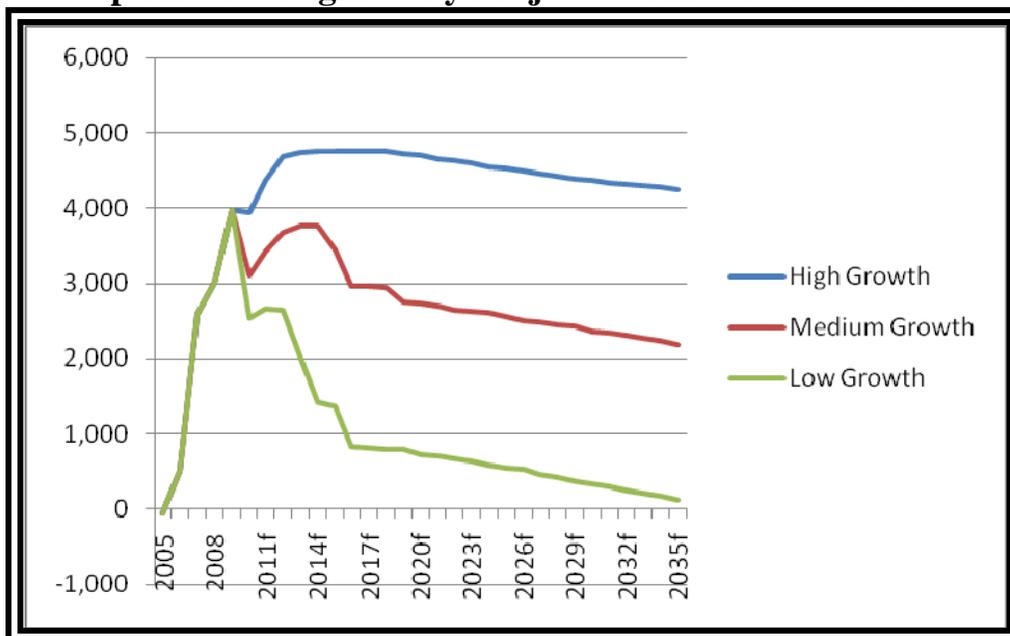
increase is the projected level of international immigration for the city. The increase in immigration alone, driven by labour shortages and projected retirements, will add between .5% and 1.0% growth for Regina on an annual basis. The following graph shows the growth patterns for Regina city over the 25-year period.

Graph ES-1 – Regina City Total Population Growth



The following graph shows the projected annual total growth for Regina under each of the projection scenarios.

Graph ES-2 – Regina City Projected Annual Growth Rates



Based on the above annual growth, the following growth patterns are projected under the respective economic circumstances:

- Under a high growth scenario, Regina's population would grow to 302,621 in 2035 at an average annual growth rate of 4,204 people per year or an average annual growth rate of 1.74%.
- Under medium projections based on moderate economic growth, Regina would grow to a size of 257,950 in 2035 at a rate of 2,486 per year or a 1.12% annual growth rate.
- Based on the low growth model, Regina would grow to a population of 210,246 by 2035 at an annual growth rate of 658 people per year or a 0.33% annual growth rate.

Regina CMA – Under the medium growth scenario Regina CMA would grow by 72,000 residents to 282,000 by 2035. Consistent high economic growth in the region would see the population growing to 328,000 by 2035. Under the low growth scenario Regina CMA would grow to 233,000 by 2035.

Regina Commuting Area – Under a medium growth scenario Regina CMA and the surrounding commuting area will grow from 224,000 in 2009 to 296,000 by 2035 (not including Moose Jaw). Under the high growth scenario the population would grow to 341,000. If Moose Jaw were included, the commuting region population would reach nearly 400,000 by 2035 under the high growth scenario. Under the low growth scenario, Regina's commuting area would grow from 224,000 in 2009 to 247,000 in 2035.

Saskatchewan Context

Population Growth

Population growth patterns and population growth projections for Saskatchewan and its respective jurisdictions have changed significantly in the past four years. These changes include:

- Reversing the long-term trend of out-migration
- Strong economic growth has led to employment and population growth
- Labour shortages due to strong economic activity
- Migration towards areas of higher economic activity such as the major centres
- Statistics Canada population growth projections recently released show projected growth for the province of 6,600 on an annual basis, contrasting with previous projections that identified population loss as a forecast.

Economic Growth

Saskatchewan led the country in terms of economic growth in 2007 and 2008 and has been far less impacted than other jurisdictions by the economic downturn in 2009. Major factors in the Saskatchewan economic context include:

- The global recession has impacted key commodity prices for the province, however, prices are projected to rebound in 2010.

- Saskatchewan continued to add jobs in 2009 (up 1.5% vs. 0.9% nationally)
- Saskatchewan has maintained low unemployment levels (4.7% in 2009 vs. 8.4% for Canada).
- With the exception of 2009, Saskatchewan is projected to maintain positive GDP growth.
- Projections for Saskatchewan indicate that Saskatchewan's economy may not lead the country, as in years past, but will maintain solid economic growth.

Regina Context

Overall Population Growth for the City of Regina

- Between 1996 and 2009 Regina's population grew by 7,631, or an average annual rate of 540 people per year.
- Regina's population actually shrank by an average of 625 people between 1996 and 2002.
- While Regina lost residents from 1996 to 2002 the city grew by 11,382 (6.3%) between 2003 and 2009 at an average of 1,626 between 2003 and 2009.
- This was the most significant and sustained continuous population growth for the city since the early 1980s.

Economic and Employment Growth

Over the past ten years employment in the Regina CMA has grown by 1,438 annually while the population has only grown by 1,215. This level of job growth cannot be sustained without increased population. Additional employment will require additional working age people in Regina.

Based on moderate economic growth Regina's economy will add an estimated 17,800 jobs growing to a labour force of 134,000 by 2020. To support the addition of 17,800 jobs, or 1,600 new jobs annually, the population of Regina must grow. With high participation rates and low unemployment, new job creation requires new entrants (immigration) to the labour market. Current population projections indicate that Regina will continue to face labour shortages given the recent economic growth and the declining working age population.

In terms of the number of jobs added to the economy over the past 24 years, the finance, insurance and real estate and professional, scientific and technical sectors led the way adding 5,800 jobs comprising over a quarter of all job growth. Health care, social assistance and construction also were growing sectors for Regina.

Growth Components

Natural Growth – Death rates have been rising since the mid 1980s while birth rates have been falling. The decline in birth rates meant that, since the early 1980s, Regina's population has not been replacing itself. This will eventually lead to a negative natural population growth. While birth rates have been generally declining, Regina has had a recent spike in

fertility rates leading to a small ‘baby boom’. This is consistent with national trends, but is more pronounced in Regina with a 17% increase in births over six years. One explanation is that people in their prime years of fertility are also of the highest mobility. The strong economic conditions over the past several years have meant an increase in the number of people moving to Regina, as well as a greater retention of young people.

The rise in birth rates will be a short-term trend based on demographics. The aging population will eventually counteract the rise in fertility in segments of the population leading to a return in the overall decline in fertility rates.

Interprovincial Migration – Interprovincial migration has, on average, been a drain on Regina’s population. Recent economic strength in Regina’s economy has resulted in positive in-migration from other provinces. The most recent trend is quite positive, but does not overwhelmingly indicate that Regina has broken the long-term trend of interprovincial out-migration. Some other observations regarding interprovincial migration include:

- Regina is not capturing a high share of interprovincial migrants.
- Ontario and Alberta are the major sources of in-migrants.
- Interprovincial migrants remain mobile after the primary move.

Intra-provincial Migration – The major source of this in-migration is urbanization as individuals move from rural areas to Regina. Given the level of urbanization to date, the capacity for rural Saskatchewan to continue to provide significant levels of in-migration is becoming strained. However, the net in-migration will remain positive as urbanization remains a force. This trend will continue at some level for the foreseeable future.

Immigration Trends and Policy – The Saskatchewan Ministry of Advanced Education, Employment and Labour has recently enhanced their Immigration Program, set new targets, and dramatically increased the attraction of immigrants to Saskatchewan. The 2010 target for Saskatchewan is 3,400 immigrant nominations. This target will result in over 10,000 new permanent residents when spouses and dependent children are added. The projected capture for Regina will be 3,300 immigrants annually.

Immigration has grown to become the largest component of population growth for Regina with over 2,000 immigrants in 2009 alone. Considering the current labour force shortages due to economic growth in the city and the projected labour force due to the aging population, international immigration is a key component in Regina’s long-term economic and population growth.

Aboriginal Population Growth

In 2006 the Census Aboriginal population of Regina was 16,535, an increase of 1,240 over 2001 or an annual growth rate of 250. From 2001 to 2006, Regina’s Aboriginal population grew at almost half the rate of the previous five years. Fertility rates were down slightly over the period. It is also likely that the broader out-migration trend in the community also had an impact on the city’s Aboriginal population. It is likely that recent higher in-migration patterns can be extended to the Aboriginal population.

Aboriginal population growth will continue to outpace non-Aboriginal population growth. It is estimated that Regina's Aboriginal population will grow by 2.4% annually under moderate conditions. In this scenario, the Regina's Aboriginal population would reach 23,230 by 2021 and 29,140 by 2031. These numbers do not include the widely recognized undercount of the Aboriginal population in the Census, but they indicate the trend.

Housing

The analysis indicates that, over the next ten years there would be a demand for 1,100 to 1,500 units per year under the medium growth conditions. High growth conditions would result in a demand for 1,600 to 2,000 new housing units per year. Slow growth would result in a demand for 1,000 units per year falling to 500 units per year by 2016. These estimates are based on current average household size for the city.

Expert Panel Comments

An Expert Panel with academic, government and business backgrounds was asked to review a draft of the study. A summary is available on request. Some key observations were:

- Projections can be greatly affected by unknown events such as the recent international financial crisis and must always be viewed with caution. Saskatchewan is especially subject to boom-bust cycles in its primary industries.
- The Panel did not endorse a specific projection, but felt that the realistic scenario would be growth in the slow to medium range since the high growth projection would call for a series of positive events over a sustained period of time.
- It should be recognized that the medium growth scenario, which is the focus of this report, is based on the assumption that the recent trend of positive growth will continue for a short period and will moderate somewhat, but remain positive over the long term. This is a change from the longer-term historic pattern of very slow growth. (The difference is primarily due to strong economic trends and the impact of the Province's new immigration policy, which was first seen in 2008).
- The report indicates that immigration will be a key component of Regina's population for some time. Retention of immigrants is currently quite high, but retention and patterns in the labour force need to be monitored to determine if the impact is sustained.
- Housing sizes are subject to change and this could affect the number of housing units and land requirements.
- Population growth in the rural fringe of the Regina CMA and the main commuting area could affect the growth of the City's population. (The report takes these trends into consideration, but they are subject to change and impacts on the city should be monitored.)