Manitoba in Profile

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November 2002

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ISBN 1-895992-04-7

Introduction

Manitoba, like all Canadian provinces, faces the challenge of maximizing its human and economic potential in the face of an increasingly globalized world. Although international markets are expanding, so are the forces of competition. The Manitoba of 2002 is in global competition to attract and retain the resources and people that will make the province strong, and is more exposed than ever to the forces of an international economic slowdown.

This represents a real challenge for a province with lower than average rates of population growth and modest past economic performance. What is needed to overcome these trends is sound political and economic choices, grounded in a statistical understanding of the competitive advantages and disadvantages of the province. Having a firm grasp on provincial demographic and economic trends will help guide Manitoba business and political leaders to develop policy that positions Manitoba to compete for and retain the best and the brightest of the world's "human capital."

Manitoba in Profile aims to inform this policy development process. Using a graphical approach to the presentation of data, the report provides a snapshot of a number of provincial demographics and trends. The report outlines data on population growth, education and skill shortages, visible minority populations, rates of urbanization, Aboriginal people, immigration, the "brain drain" and provincial outmigration, and aspects of the economy including job growth, exports and gross domestic product. The purpose of *Manitoba in Profile* is to inform public debate on the future of the Manitoba.

Key Findings

- Manitoba population growth in the next quarter century is predicted to be only 0.15% per year, less than one third the national rate of 0.55% per year.

- Over the past 35 years, just under 5% of Manitoba's population has moved to cities; at 71.9% Manitoba is one of the least urban provinces in the country and well below the 2001 national average of 79.4%. Urban growth as a percentage of Manitoba population has actually slightly ***decreased*** since 1986.

- The Aboriginal unemployment rate in Manitoba was more than three times higher than that of the total population (14% versus 4% for the total population) at the time of the 1996 Census.

- Proportionately, almost twice as many Aboriginal persons were under the age of 14 as in the non-Aboriginal population (at the time of the 1996 Census). This Aboriginal "baby boom" is on the verge of entering an already challenging employment market for Aboriginal persons.

- Three-quarters of Manitoba's population growth in the next quarter century is projected to come from immigration.

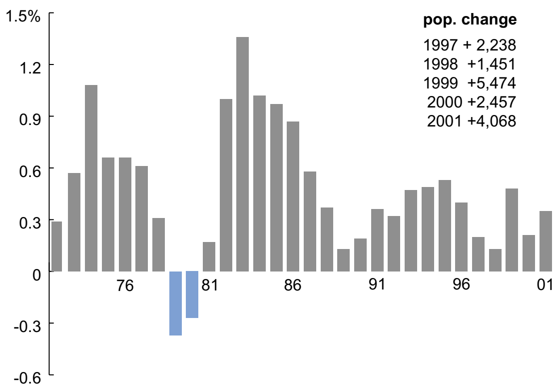
- Only 2% of Canada's new immigrant population settled in Manitoba in 2000, well below the province's 3.7% share of Canada's total population.

- Only once in the past 30 years have more interprovincial migrants come to the province than left. The average annual loss over that period was over 5,000 persons per year.

- Although still growing, the labour market's rate of expansion has fallen below the national average. In 2001, total employment in Manitoba grew by only 0.6%—half the national rate of 1.2%.

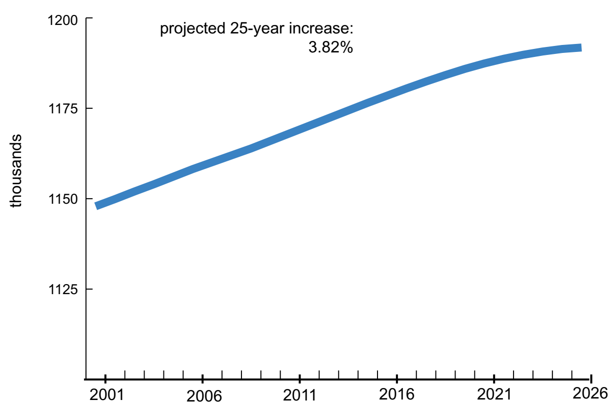
- Between 1990 and 2001, the ratio of exports to United States has increased 17.4 percentage points, from 62.6% in 1990 to 80% in 2001.

Figure 1: Annual % Change in MB Population, 1971-2001



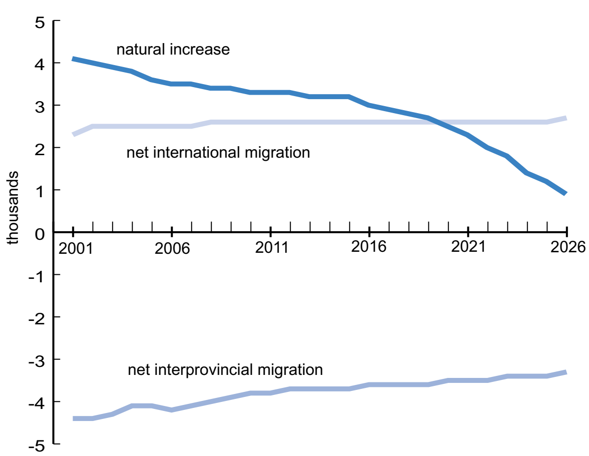
Source: Statistics Canada, Catalogue no. 91-213
Note: Population includes both intercensal and post-censal estimates at July 1. Intercensal estimates correspond to estimates between Census after the most recent Census.

Figure 2: MB Population Projections 2001-2026



Source: Statistics Canada Catalogue No. 91-520
Note: Projection based on medium growth scenario. See source for assumptions and methods.

Figure 3: Components of Projected MB Pop. Growth, 2001-2026



Source: Statistics Canada Catalogue No. 91-520
Note: Projection based on medium growth scenario. See source for assumptions and methods.

1.0 Population

Population growth can be an effective, albeit crude, measure of provincial prosperity. Provinces with growing populations are typically those with stronger economies and higher living standards. Higher rates of growth also act as economic engines themselves as population growth increases talent pools for employers, the consumer base, and expands the tax base.

Since 1972, when Manitoba's population pushed over the symbolic one million mark for the first time, the rate of provincial population growth has rarely broken one percent in annual growth. Average annual growth over the last 30 years has averaged only 0.46%, or less than 5,000 new persons each year (Figure 1). Between 1971 and 2001 Manitoba has only grown by 15% (151,150 persons), compared with 33% growth in the rest Canada over the same period. Growth in Manitoba also falls well below the 58% growth in the West as a region (BC, AB, SK and MB) (Roach and Berdahl 2001).

Statistics Canada's medium growth projections for the future population of Manitoba suggest that growth rates will further decline over the next 25 years. They predict a quarter century growth of only 3.82%—an average of only 0.15% growth per year (Figure 2). In contrast, annual growth in the rest of the country is predicted to be three times as robust, at 0.55% per year.

Population projections consist of three components: net immigration (number of international migrants minus the number of Canadian emigrants), natural increase (the difference between births and deaths), and interprovincial migration (the movement of Canadians between provinces). As the overall Manitoba population ages, the rate of natural increase declines as there are less births and more deaths. By 2026, the level of natural increase is expected to dip below 1,000 persons a year (Figure 3). In the future, provincial out-migration is expected to slow, but provincial migration will remain a net loss to the province. The primary source of population growth for Manitoba in the next decade is projected to be international immigrants.

1.1 Visible Minority Population

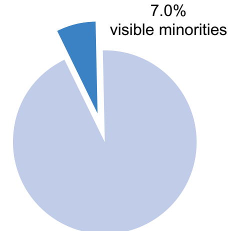
As levels of immigration are sustained or increase, the proportion of visible minorities in the province will gradually increase. As of the 1996 Census, about 7% of the provincial population were classified as visible minorities (Aboriginal persons are not classified as visible minorities in these data) (Figure 4). This total is less than the national average of 10.8%. Given efforts to attract a young immigrant population to Canada, it is possible that Manitoba's visible minority population will grow in the years ahead.

It is common in Canada for persons of similar ethnic backgrounds to develop population clusters in a few locations—typically large urban centers due to more ready access of support structures and close proximity to persons with similar backgrounds. In Manitoba, a cluster of persons from the Philippines has emerged. Almost one-third of the visible minority population is Filipino—by far Manitoba's largest represented visible minority community followed by Chinese persons (16.0%), South Asian persons (15.7%) and Black persons (13.9%). This concentration of Filipino persons is unique to Manitoba as no other western province has a concentration greater than 11% (Roach and Berdahl 2001). In Winnipeg, 11.1% of the population are visible minority persons, the sixth highest concentration of Canadian metropolitan centres (according to the 1996 Census).

1.2 Urbanization

The economic activity centred in urban regions and the rising importance of knowledge-based industries has resulted in the growth of cities throughout Canada. In Manitoba, this urban growth shift, while evident, has not been as pronounced. Over the past 35 years, just under 5% of Manitoba's population has moved to cities; at 71.9%, Manitoba is one of the least urban regions in the country and well below the 2001 national average of 79.4% (Figure 5). Urban growth as a percentage of Manitoba's population has actually slightly ***decreased*** since 1986. Counter to the trend toward urbanization elsewhere, there has been no overall rural de-population in Manitoba over the last 15 years.

Figure 4: % of Visible Minorities in MB Population, 1996

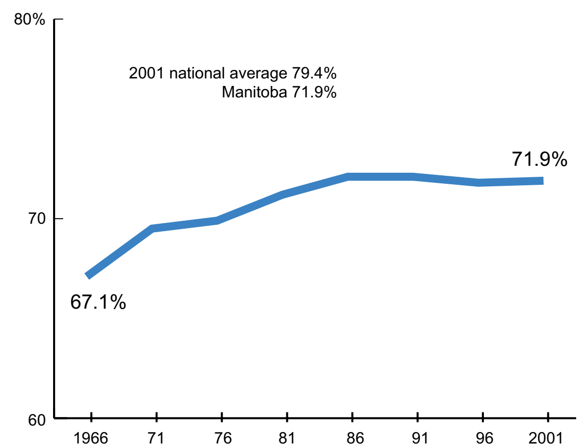


Distribution of Visible Minorities in MB

Filipino	33.5%
South Asian	15.7%
Chinese	16.0%
Black	13.9%
Southeast Asian	5.8%
Latin American	5.3%
Arab/West Asian	2.4%
Japanese	2.2%
Korean	1.4%
Other	3.9%

Source: Statistics Canada (1996 Census)
Note: The Employment Equity Act defines the visible minority population as "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour." Due to a classification change in 1996, time series data are not available for comparison.

Figure 5: % of MB Population Living in Urban Areas, 1996-2001



Source: Statistics Canada (Census Data)
Note: Urban is defined by Statistics Canada as an area with more than 1,000 people and a population density of 400 or more per square km.

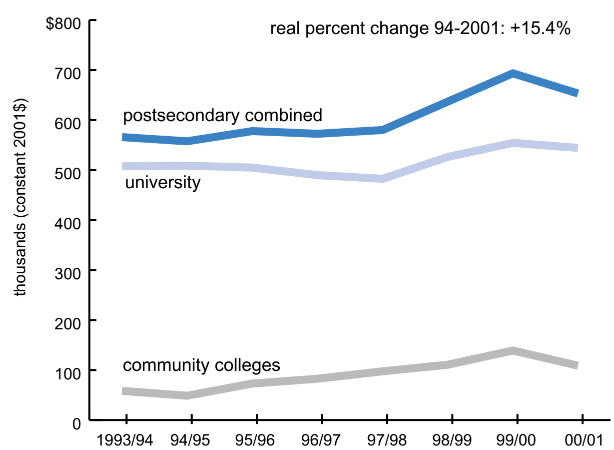
2.0 Education

Figure 6: Education Indicators

	Canada	Manitoba
Educational attainment 2001:	%	%
Less than a secondary diploma	24.4	27.8
Postsec. certificate, diploma or univ. degree	48.9	44.6
Expenditures:		
Total education (all levels) expenditure (private & public) as a % of GDP, 1994-95	7.0	7.8
Public exp as a % of total public exp., 1994-95	13.6	12.9
Outcomes:		
Secondary school graduation rates, 1999	76.7	74.3
University graduation rate, 1998-1999[a]	35.0	31.5
Elementary/secondary pupil-educator ratio, 1998-99	15.9 to 1	15.6 to 1
Labour force participation rate by educational attainment 2001[b]:	%	%
Total (for 25 years or older)	66.3	67.2
Less than a secondary diploma	38.8	42.1
Graduated from high school	69.1	74.0
Some postsecondary	69.9	75.7
Postsec. certificate, diploma. or univ. degree	78.3	78.5
Unemployment rate by educational attainment 2001[c]:		
Total (for 25 years or older)	6.1	3.9
Less than a secondary diploma	10.1	6.3
Graduated from high school	5.8	3.2
Some postsecondary	6.7	4.2
Postsec. certificate, diploma. or univ. degree	5.1	3.4

Source: Statistics Canada, Catalogue 81-003
Note: (a) number of degrees awarded at the undergraduate level, as a percentage of the population aged 22; (b) educational attainment and labour force participation rate refers to the population aged 25 and over; (c) unemployment rate by level of education attainment is the number of unemployed with a given level of education expressed as a percentage of the labour force with the same education (for the population aged 25 and over).

Figure 7: Real MB Postsecondary Expenditure on Education (2001$)



Source: Statistics Canada, Catalogue no, 81-003
Note: Includes operating and capital expenditures of universities, community colleges and similar institutions and postsecondary programs in nursing schools; student aid, scholarships and bursaries; and direct expenditures by federal and provincial governments

According to many indicators of educational attainment, Manitoba falls slightly below the other provinces. On average, less Manitobans over the age of 25 have obtained a postsecondary degree, certificate or diploma and fewer have graduated from high school (Figure 6). Over a quarter of the Manitoba population (28%) have not earned a high school diploma compared to 24% nationally. Similarly, the university graduation rate trails the national average, as 35% of 22 years olds in Canada have earned an undergraduate degree, compared with only 31.5% in Manitoba.

Those Manitobans with lower levels of educational attainment are less likely to be employed. Only 42% of the population without a secondary diploma are working compared to 74% of those who do. In general, however, educational attainment is not a substantial barrier to employment in Manitoba due to the province's relatively high number of available jobs. Even among those without a secondary diploma, the unemployment rate is only 6.3% in Manitoba, well below the national unemployment rate for this group of 10.1%. The unemployment rate in Manitoba drops to as low as 3.2% for those with a secondary diploma.

Although behind the national average in attainment, spending on education in the province does rival that of other provinces. As a percentage of provincial GDP, at 7.8% the private and public expenditures on education were higher than the national average of 7.0% in 1994-95 (the most recent year this calculation was available). As a percent of the total public expenditure, the rate of public expenditure on education in Manitoba falls just slightly below the national average at 12.9% compared to 13.6% nationally (in 1994-1995). Manitoba is doing well in classroom size, the 1998-99 pupil-to-student ratio was third best provincially, behind only Quebec and Newfoundland, at 15.6 full-time equivalent enrollments (grade 1-12, including Ontario Academic Credits) for every full-time equivalent educator.

The level of postsecondary expenditure in Manitoba has seen remarkable growth over the last eight years. Using a real dollar calculation, spending on postsecondary education in the province has increased by 15.4% from $566 million in 1993-94 to $653 million in 2000-01 (Figure 7). In real dollar terms, this represents a substantial increase in post-secondary spending in Manitoba (although the 2000-01 numbers are down from a high of $693 million in 1999-2000). In contrast, the average total real growth in expenditures on post-secondary education over the same period for all the provinces combined was only 0.1%.

2.1 Skill Shortages

Although difficult to measure precisely, a number of indicators suggest that Manitoba is faced with a skill shortage in most of sectors of the economy. Two recent surveys by the Canadian Federation of Independent Business (CFIB) suggest that the skill shortage facing Manitoba is the most pronounced of any Canadian province. Almost 60% of the Manitoba business owners surveyed in 2000 indicated concern over labour shortages, well above the average response of 46% (Figure 8). While these shortages are reported in nearly every sector, the areas of greatest concern reported by business are in manufacturing and construction.

Manitoba small and medium sized businesses also report the highest rates of unfulfilled jobs in Canada. More than one in every 20 jobs (6%) posted in Manitoba goes unfulfilled according to those businesses surveyed by the CFIB. (Figure 9). A prolonged period of low unemployment in the province has reduced the number of individuals looking for work, and those who are looking for jobs lack the needed skills.

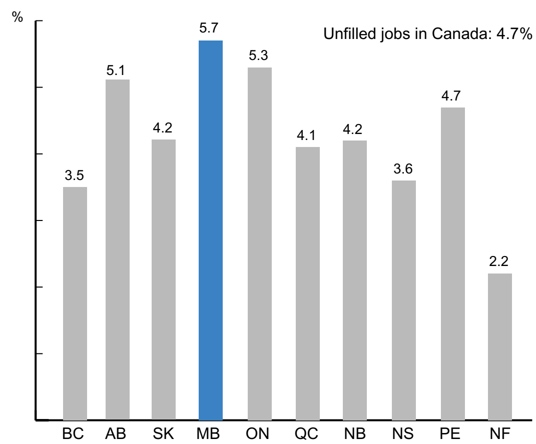
High rates of unfilled jobs and low levels of unemployment can increase the cost of doing business in Manitoba. Employers have the double burden of needing to put more effort into recruiting talent and into retaining their current employees. As a result, there is an increased urgency to develop skills among Manitoba youth and to attract the talent needed to fill some of these gaps. In Manitoba, there is current demand for a whole host of skills, particularly in information technologies and communication. Figure 10 and 11 list the current high demand skills and high demand jobs in the province as recognized by Manitoba Education.

Figure 8: Business Concerns over the Shortage of Qualified Labour,

by Province	%	by Industry Sector (national data)	%
British Columbia	35.9	Construction	59.3
Alberta	54.6	Manufacturing	54.3
Saskatchewan	40.4	Transportation/Communication	51.5
Manitoba	59.3	Primary	51.3
Ontario	50.8	Agriculture	46.4
Quebec	40.9	Business Services	45.5
New Brunswick	37.0	Retail	42.8
Nova Scotia	41.2	Wholesale	41.2
Prince Edward Island	41.9	Hospitality Services	40.0
Newfoundland	32.7	Community Services	0.4
		Financial, Insurance, Real Estate	6.8
Total	46.0	**Total**	46.0

Source: Canadian Federation of Independent Business *Our Member's Opinion Survey*
Note: The survey reflect the views to 22,203 business owners interviewed during July-December 2000.

Figure 9: Unfilled Jobs Rate in Small-Medium Enterprises, 2000



Source: Canadian Federation of Independent Business, results of *Hard Facts* Survey
Note: The survey reflects the views to 8,767 respondents interviewed during October-November 2000.

Figure 10: Manitoba's High Demand Skills

General written and verbal communication	Quality assurance
Analytical problem-solving	Inventory management
Group effectiveness, interpersonal and teamwork	Marketing and export development
Time management	Customer service
Presentations	Negotiation and conflict resolution
Supervisory	Technical sales
Small business management	Knowledge of product safety regulations
Telephone communication	Technical reading and writing
General computer	Workplace-based instructional
Internet use skills	Medical education
Information technology project management	Environmental assessment
Computer-assisted drafting manufacturing (CAD/CAM) applications	

Source: Manitoba Education and Youth

Figure 11: Manitoba's High Demand Occupations

Information Systems - Project Manager	Pharmacist	Cook	Aircraft Mechanic and Inspector
Advertising and Marketing Manager	Physiotherapist	Retail Salesperson	Motor Vehicle Mechanic
Accountant	Occupational Therapist	Waiter/Waitress	Motor Vehicle Body Repairer
Customer Service/Information Clerk	Registered Nurse	Visiting Homemaker	Tractor Trailer Driver — Long Haul
Survey Interviewer	Respiratory Therapist	Telesales Staff	Delivery Driver
Mechanical Engineer	Radiological Technologist	Security Guard	Hog Barn Manager
Industrial and Manufacturing Engineer	Veterinarian	Housekeeper	Pork Swine Technician
Actuary	University Professor	Machinist	General Farm Worker
Computer Systems Analyst	Secondary School Teacher	Tool and Die Maker	Landscape Maintenance Worker
Software Developer	Family and Marriage Counsellor	Construction Electrician	Sewing Machine Operator
Computer Programmer	Community Service Worker	Sheet Metal Worker	Machining Tool Operators
Industrial Engineering Technologist	Early Childhood Educator/Preschool Teacher	Welder	Food and Beverage Processing Worker
User Support Technician	Rehabilitation Teacher	Cabinetmaker	
Doctor/Physician	Technical Occupations in Film	Bricklayer	
Optometrist	Technical Sales Specialist	Heavy-Duty Equipment Mechanic	

Source: Manitoba Education and Youth

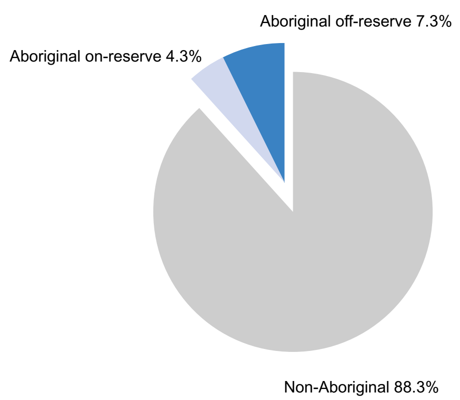
3.0 Aboriginal Population

Manitoba's wealth of Aboriginal people represents both a substantial human capital opportunity and a challenge for the province. As the province with the greatest proportion of Aboriginal persons (12% of the provincial population) and with the third largest absolute Aboriginal population (after Ontario and British Columbia), involvement of Aboriginal persons in the culture, social fabric and economy is a fundamental part of provincial economic prosperity. (Data in this section are based on Statistics Canada's Aboriginal identity population Census data.)

This involvement extends well-beyond the reserve communities. Of the 128,680 Aboriginal persons in Manitoba in 1996, more than 80,000 (63%) lived off-reserve—primarily in urban settings. Winnipeg was home to more than 45,000 Aboriginal persons in 1996; more than one-third of all Aboriginal persons in the province and over half of those living off-reserve reside in Winnipeg. For the province as a whole, almost 1 in 15 persons (7.3%) are an off-reserve Aboriginal person, and almost 1 in 20 (4.3%) a on-reserve Aboriginal person (Figure 12).

With over one in 10 persons (12%) in the Manitoba population being Aboriginal, addressing issues of age, wage disparity, urban distribution, labour force participation and education are at the heart of economic development for the province as a whole.

Figure 12: % of Aboriginal Persons in MB Population, 1996



Source: Statistics Canada, (1996 Census)
Note: Figure refers to the Aboriginal identity population as directly asked in the 1996 Census. Figure is not comparable to previous Census data nor the "registered Indian population" as recorded by Indian and Northern Affairs Canada.

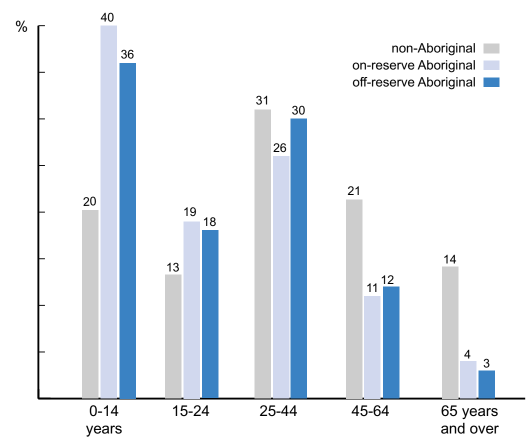
The Manitoba Aboriginal population is growing at a fast rate. By 2016, the Aboriginal population is predicted to represent 15.3% of the population as the growth rate of Aboriginal persons is projected to be more than six times that of the non-Aboriginal population (MBS 1997). These growth rates stem from higher fertility rates among Aboriginal women than non-Aboriginal women and decreasing Aboriginal mortality rates (Hallett 2002).

Aboriginal populations are also much younger than the total population—40% of on-reserve and 35% of off-reserve Aboriginal persons are under the age of 14 compared with only two in 10 for the rest of the population (Figure 13). The dramatic effect of these large groups of young persons entering the job market will have a profound impact on Manitoba businesses and the province's social support networks. As the bulk of the Aboriginal population reaches the age of employment, employers in Manitoba will find greater proportions of applicants coming from Aboriginal persons. The vocational and employment training services available in the province will also be significantly impacted by large numbers of Aboriginal youth seeking out these services to guide them into the workforce.

Unless Manitoba's employers develop successful strategies to attract this emerging workforce and reduce workplace barriers, the social services of the province will be strained, particularly in the urban areas. Aboriginal persons are much less likely to have access to traditional economic family supports to assist their transition to the workforce. Because of the young age distribution of the Aboriginal population, only 37% of Aboriginal on-reserves persons are currently of prime wage earning age (25-64). The age distribution is slightly more favourable for off-reserve Aboriginal persons, with 42% of off-reserve Aboriginal persons of prime wage-earning age, yet this is still well below the non-Aboriginal population average of 52%.

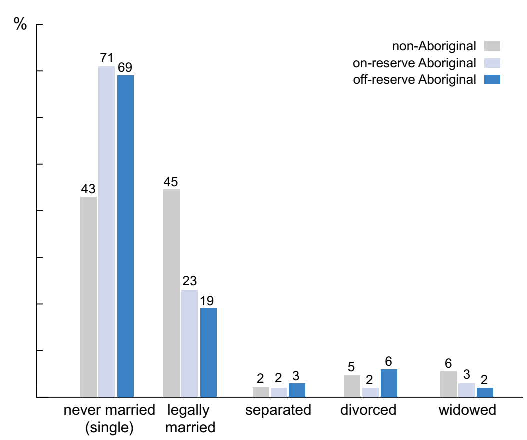
Aboriginal persons are much less likely to be able to rely on a married spouse for support. Only 23% of on-reserve and 19% of off-reserve Aboriginal persons are legally married, far less than the 45% of non-Aboriginal population (Figure 14). On the whole, Aboriginal persons

Figure 13: Aboriginal and Non-Aboriginal MB Pop. by Age Group



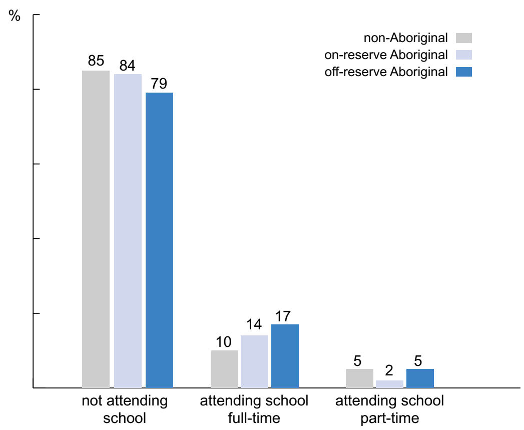
Source: Statistics Canada (1996 Census)
Note: Figures refer to the Aboriginal identity population.

Figure 14: Aboriginal and Non-Aboriginal MB Pop. by Marital Status



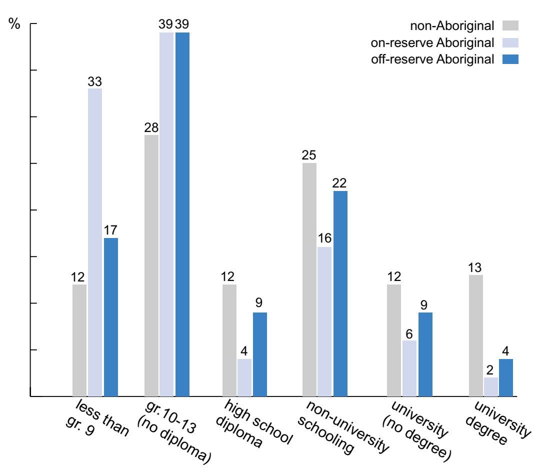
Source: Statistics Canada (1996 Census)
Note: Figures refer to the Aboriginal identity population.

Figure 15: Aboriginal and Non-Abor. MB Pop. by School Attendance



Source: Statistics Canada (1996 Census)
Note: Figures refer to the Aboriginal identity population. Data for those 15 years of age and older.

Figure 16: Aboriginal and Non-Abor. MB Pop. by Education Level



Source: Statistics Canada (1996 Census)
Note: Figures refer to the Aboriginal identity population. Data for those 15 years of age and older.

have less non-government traditional supports to assist them financially and socially.

Also in part due to demographic age distribution, relatively large numbers of Aboriginal people over the age of 15 are currently enrolled in school full-time, particularly those living off-reserve. Proportionately, there are many more off-reserve Aboriginal persons attending school full- and part-time (22%) than in the non-Aboriginal population (15%) (Figure 15). Relatively more off-reserve Aboriginal persons over the age of 15 are in the process of gaining employment skills than in either the on-reserve or non-Aboriginal populations.

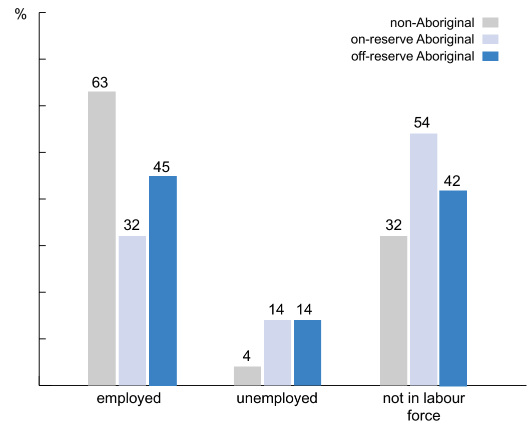
Despite participating in school at higher proportional rates, Aboriginal persons have, on average, lower education levels than the population as a whole. The majority of both off-reserve (56%) and on-reserve (72%) Aboriginal persons over the age of 15 have not attained a high school diploma, higher than the 40% rate in the non-Aboriginal population (Figure 16).

In the area of non-university-based postsecondary education, the gap between Aboriginal and non-Aboriginal persons, while still prevalent, lessens somewhat. This is due to the fact that of those Aboriginal persons who complete high school, most will pursue further education. In fact, only 4% of on-reserve and 9% of off-reserve Aboriginal persons with high school diplomas ended their education there. Non-university-based postsecondary options are the most popular among both on-reserve and off-reserve Aboriginal persons, attended by 16% of those on-reserve and 22% of those off-reserve. Despite these encouraging data, there are relatively few Aboriginal persons with university degrees. Only 2% of those Aboriginal persons on-reserve and 4% of those off-reserve have earned an undergraduate degree—combined this is less than one-quarter of the rate of the non-Aboriginal population.

Aboriginal workforce participation data demonstrate similar gaps. The Aboriginal workforce participation rate is substantially lower, at 46% for on-reserve Aboriginal persons and 59% for those off-reserve, than the participation rate of the non-Aboriginal population (67%)

(Figure 17). In other words, there are larger numbers of Aboriginal persons who are not currently looking for work or working. In Manitoba's Aboriginal reserve communities more than half (54%) of all Aboriginal persons over the age of 15 are not looking for work.

Figure 17: Aboriginal and Non-Abor. MB Pop. by Employment Status



Source: Statistics Canada (1996 Census)
Note: Figures refer to the Aboriginal identity population.

The situation for unemployed Aboriginal people in Manitoba is particularly challenging. The Aboriginal unemployment rate both on- and off-reserve in Manitoba was more than three times higher than that of the total population (14% versus 4% for the total population) at the time of the 1996 Census. (Census estimates, although not current, give the best available indication of actual Aboriginal unemployment because the coverage is more thorough than found in Labour Force Survey estimates.) Put another way, the ratio of unemployed to employed Aboriginal people is less than 1 to 3, while for the non-Aboriginal population this same ratio is nearly 1 to 16.

These data represent a substantial challenge, one that may be exacerbated by the greater number of Aboriginal persons on the verge of entering an already challenging employment market. Increasing employment opportunities for Aboriginal youth is a fundamental precursor to bringing prosperity to the province; at the same time it should be noted that Manitoba Education and Youth identifies a need for skills on-reserves (see Figure 18). This may be an opportunity for Aboriginal youth in years ahead.

Figure 18: High Demand Skills on Aboriginal and Reserve Communities

Business Management Skills
Retail Management (Small Business)
Accounting Skills
Community and Economic Development Skills (including a cultural awareness component)
Project Management
Band Management / Administrator (with negotiation and conflict resolution skills)
Housing Property Management
Infrastructure Maintenance
Surveyor (land claims and development)

Health, Medical and Education Skills
General Practitioner and Traditional Healer (someone who has obtained a medical degree, but also apprentices with an elder or a practicing traditional healer)
Specialist Physician, Optometrist and Chiropractor
Nurse
Public Health Nurse and Health Care Aide
Public Health Educator (especially with knowledge of diabetes)
Teacher, (especially high school math and science, Aboriginal languages and reading clinicians)
Teacher Aide
Early Childhood Educator / Daycare Manager
Social Worker (Family Violence Counselor)
Alcohol, Substance Abuse and Gambling Addictions Counselor

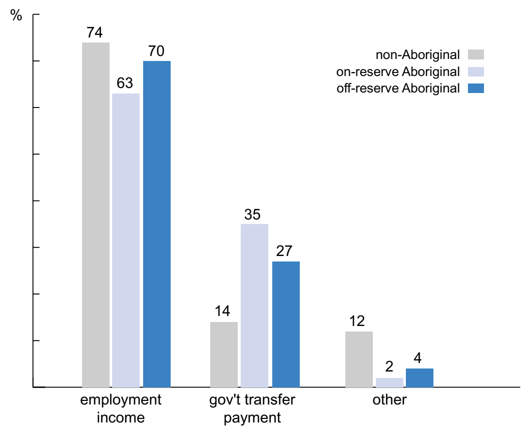
Experienced/Certified Tradespersons
Plumber
Electrician
Carpenter
Sheet-Metal Worker
Heavy-Duty Equipment Mechanic
Motor Vehicle Mechanic
Small Engine Repair (outboard motors, chain saws, snowmobiles)
Heavy-Equipment Operator

Self-Government
Political Science Training and Leadership Training (B.A., certificates)
Treaty / Land Claim Settlement Specialist
Lawyer
Justice Worker (B.A. in Law, specialized)
Education Administrator
Project Manager and Proposal Writer (accessing and managing funding dollars)

Source: Manitoba Education and Youth

Contrasting the high Aboriginal unemployment rate with Manitoba's overall position as having one of the lowest total unemployment rates in Canada, Aboriginal people represent the province's most under-utilized resource (Hallett 2002). Not unexpectedly, these employment data impact the sources and levels of income for Aboriginal persons. Most notably, on-reserve Aboriginal persons receive almost one-third of their total income from government transfer payments (social assistance, employment insurance, old age benefits, etc.), more than twice the rate of the non-Aboriginal Manitoba population and higher than the the off-reserve rate of 27% (Figure 19).

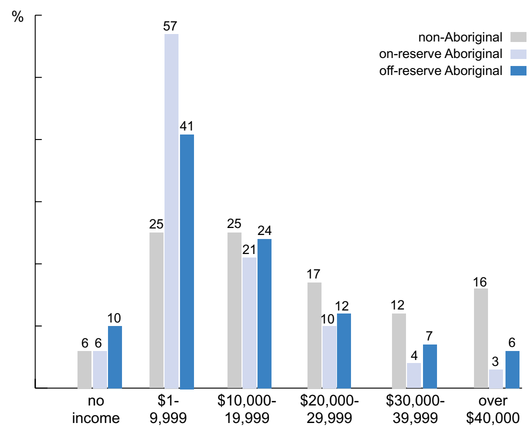
Figure 19: Aboriginal and Non-Abor. MB Pop. Composition of Income



Source: Statistics Canada (1996 Census)

Note: Figures refer to the Aboriginal identity population. Data refers to portion of income received from income source, not % of individuals receiving income from source.

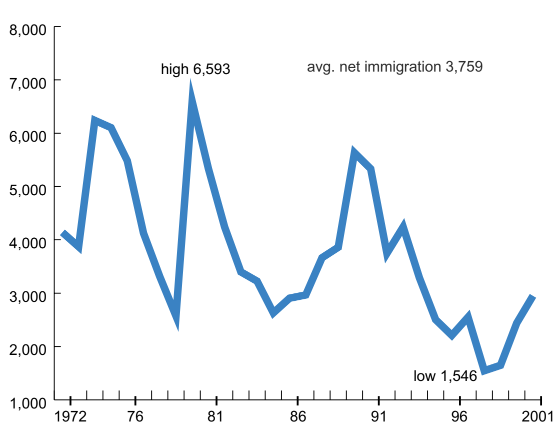
Figure 20: Aboriginal and Non-Abor. MB Pop. by Annual Income Level



Source: Statistics Canada (1996 Census)

Note: Figures refer to the Aboriginal identity population. Based on annual individual income.

Figure 21: Net Immigration, 1972-2001



Source: Statistics Canada (Cansim II Table 051-0004)
Note: Net immigration is calculated by total immigration less emigration.

Income distribution levels reflect both higher rates of government transfers and less active participation in the workforce. Almost two-thirds (63%) of on-reserve Aboriginal persons have annual incomes of less than $10,000 (Figure 20). The lack of employment among on-reserve Aboriginal persons and higher than average reliance on government transfers results in lower than average incomes. The income situation is also bleak among off-reserve Aboriginal persons; more than half (51%) reported less than $10,000 in income in 1996. Overall, only 7% of on-reserve and 13% of off-reserve Aboriginal persons earned over $30,000 in 1996, compared to 28% of the non-Aboriginal population. These data indicate that even among those employed, Aboriginal persons tend to have significantly lower incomes than the rest of the Manitoba population.

4.0 Immigration

Canada's immigration policy will have a profound and important impact on Manitoba in the future. Three-quarters of the province's population growth in the next quarter century is projected to come from immigration (Statistics Canada, 2001). These new immigrants to Manitoba will bring cultures, skills and new taxpayers to the province that each can contribute to economic prosperity.

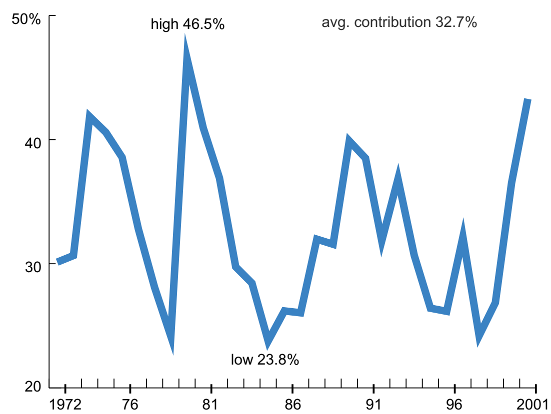
In spite of the value of immigration to the province's population and economic growth, Manitoba currently receives less than its proportional share of Canada's new immigrants. Immigrants are more likely to opt for major urban centres in Ontario or BC than Manitoba. In 2000, only 2% of Canada's new immigrant population settled in Manitoba, well below the province's 3.7% share of Canada's total population (Roach and Berdahl 2001). Although another 3,000 net immigrants came to Manitoba in 2001, annual net levels of immigration have been below the 25-year average of just under 3,800 since 1992 (Figure 21). Overall, fewer immigrants come to Manitoba now than in the past. A number of factors contribute to these declining rates, including immigration policy and economic conditions.

Although the net immigration numbers have been in decline, immigration has been a critical component of population growth in the region over the last 25 years. On average, nearly one-third of annual growth of the province came from immigration (Figure 22). The declining birth rates and increasing mortality rates of Canadian-born populations coupled with continued negative net interprovincial migration mean that immigration will be the most important source of Manitoba population growth over the next two decades.

Considering the immigration class divisions, Manitoba has, over the past five years, experienced an increase in the number of Refugee class immigrants coming into the province. The Refugee class is the only immigrant class in which Manitoba receives more than its proportional national share (Figure 23). In contrast, less than 1% of Canada's Business class and Skilled Workers class immigrants settle in Manitoba. For a province with nearly 4% of Canada's population, these data represent a lost opportunity to enrich and develop the province's economy with the talents of these high-skilled immigrant classes. These data suggest that Manitoba lacks the economic, political, and social conditions that attract the highest skill classes of immigrants. Those skilled immigrants who are in most high demand are listed in Figure 24.

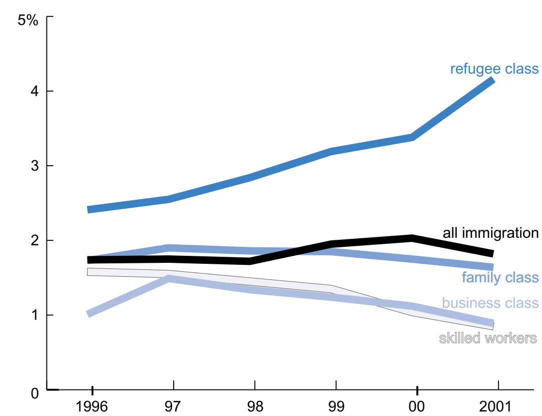
Immigrants who do come to Manitoba have education levels above those of the total Manitoba population. More than one-third of the principal applicants (not including dependents) in 2000 had earned university degrees—2.5 times the rate of the Manitoba population (Figure 25). Combined, 61% of principal applicants have education

Figure 22: Contribution of Immigration to Net Population Growth



Source: Statistics Canada (Cansim II Table 051-0004)
Note: The contribution to population growth is calculated by adding natural increase (births less deaths) and net international migration (immigrants less emigrants) and calculating the percentage of the total contributed by net international migration. The figures exclude non-permanent residents and the effects of interprovincial migration.

Figure 23: % of Immigration in MB by Class (economic, family, refugee)



Source: Citizenship and Immigration Canada
Note: Includes principal applicants and dependents in each category. Refugee class includes dependents of refugees living abroad.

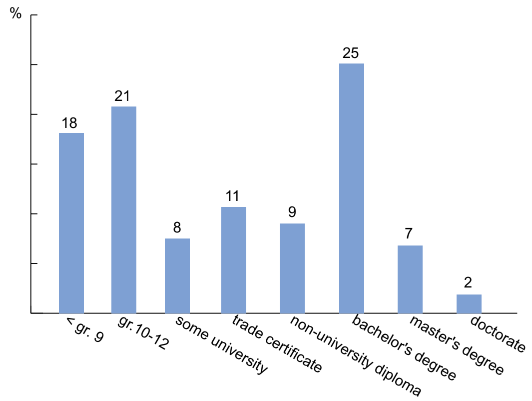
Figure 24: Manitoba Immigration's High Demand Occupations

Aircraft Assembler and Inspector
Aircraft Maintenance Engineer
Aircraft Maintenance Technician
Bricklayer
Cabinetmaker
Computer Engineer
Computer Programmer
Electrical and Electronic Engineering Technologist and Technician
Electrical and Electronics Engineer
Heavy-duty Equipment Mechanic
Industrial and Manufacturing Engineer
Industrial Engineering and Manufacturing Technologist and Technician
Industrial Instrument Technician
Information Systems Business Analyst and Consultant
Long Haul Truck Driver
Machining Tool Operator
Machinist
Motor Vehicle Body Repairer
Motor Vehicle Mechanic
Nondestructive Tester and Inspector
Pattern-maker in Garment Manufacturing
Sheet Metal Worker
Software Engineer
Tool and Die Maker
Web Designer/Graphic Illustrator
Welder

Guaranteed job offer from Manitoba employer required for the following occupations:
Chef
College and Other Vocational Instructor
Construction Contractor/Manager
Financial Auditors and Accountant
Hog Barn Manager
Information Systems and Data Processing Manager
Marketing and Advertising Manager; fluent in English or French
Pork Production Technician
Psychologist
Social and Community Services Worker
Family Counsellor
Technical Sales Specialist
University Professor

Source: Manitoba Labour and Immigration

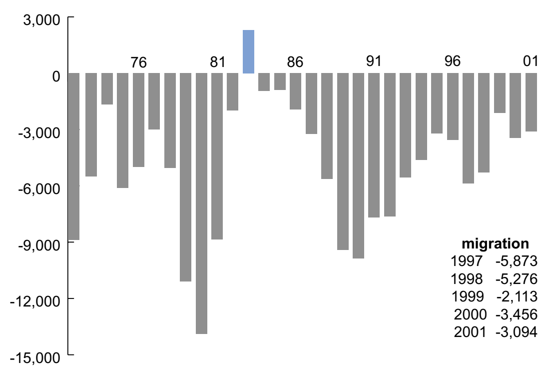
Figure 25: Immigration by Education Level of Principal Applicant



Source: Manitoba Immigration and Multiculturalism Division

Note: Figure does not include education level of dependents.

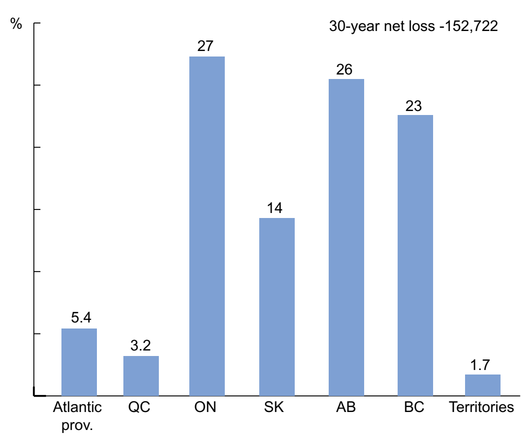
Figure 26: Net Interprovincial Migration



Source: Statistics Canada (Cansim II Table 510018)

Note: Net figure is the difference between those arriving and departing Manitoba in a single year.

Figure 27: Destination of Interprovincial Out-Migration



Source: Statistics Canada (Cansim II Table 510018)

above grade 12, compared with 50% in the total population. These data highlight the importance of favourable provincial approaches to increased immigration levels. Immigrants enhance the economy in that they possess employable skills. The challenge for Manitoba is to find strategies to attract these skilled immigrants and to involve them in the workforce by reducing employment barriers.

5.0 Interprovincial Migration

As well as competing for immigrants, provinces compete to attract migrants from other provinces. The number and skill sets of migrants gained or lost can have a profound impact on a province's well-being. The most desirable option for a province is to attract and retain individuals who will contribute to the tax base and participate in the economy. Migrants are attracted to provinces by favourable business and tax policy, climate, and social and cultural environment, among other factors

In the competition for provincial migrants, Manitoba has historically been a net loser (Figure 26). Only once in the past 30 years have more migrants come to the province than left. The average annual loss over that period has been over 5,000 per year, for a total net loss over the last 30 years of 152,722 persons—enough people to populate a city almost four times the size of Brandon!

Ontario (27%) and Alberta (26%) have been the primary destination of the departed residents of Manitoba over the last thirty years (Figure 27). As a region, the West is by far the most popular destination of former Manitoba residents—63% of those who left Manitoba went to one of the three western provinces.

The "brain drain" of the young graduates is a costly concern. It is the least ideal situation for a province to pay for the education and employment training of its young people and then have them leave to contribute tax revenue in to another jurisdiction. Overall, Manitoba does suffer from this brain drain—a Statistics Canada study of 1995 graduates found that Manitoba loses almost 8% of all graduates from its provincial postsecondary institutions within two years. Among university graduates, the rate is even higher: one in 10 university graduates left the province within two years (Figure 28). Only in the area of trade/vocational graduates was there a modest net gain.

A few graduates from other provinces also come to Manitoba, so the overall net brain drain is reduced to 5% annually. However, a net loss of one in 20 graduates is quite problematic because the province is unable to draw graduates to replace them. In total, the province is only able to attract 35 graduates for every 100 that leave (and only 24 for every 100 university graduates).

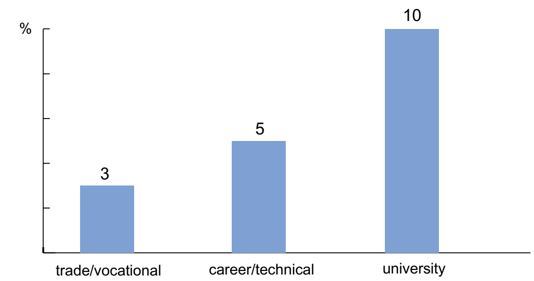
6.0 Economy

Since 1992, Manitoba has sustained a period of overall annual growth in the level of total employment in the province. Faced with only modest population growth, Manitoba has succeeded in maintaining low rates of unemployment and high rates of workforce participation.

Although growing annually, the labour market's rate of expansion has fallen below the national average. In 2001, total employment in Manitoba grew by only 0.6%—half the national rate of 1.2% (Manitoba Finance 2002).

Service-producing jobs are currently the greatest source of employment growth. Annual rates in service-related jobs have averaged +2% over the last three years (Figure 29). Slowing the overall employment growth in the province has been a reduction of jobs in the goods-producing sector since 1998, most notably the loss of over 9,000 agriculture jobs (from 39,200 to 30,000) and job losses of 3,000 in the forest, fishing, mining and oil and gas sectors. Offsetting these losses was an increase of 8,000 manufacturing jobs, yet overall, the number of goods-producing jobs has decreased by 4,000 since 1998.

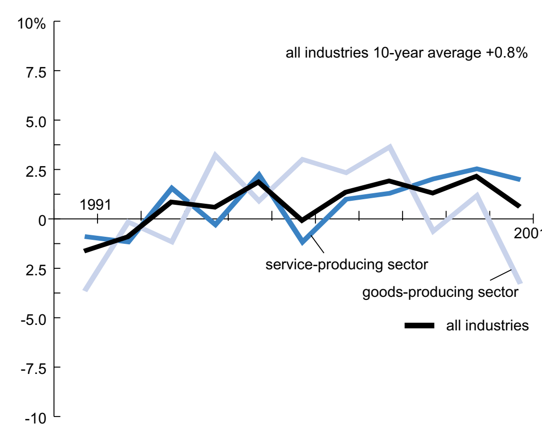
Figure 28: % of 1995 MB Graduates Who Moved Out-of-Province by June 1997



	graduates graduating from an institution in the province	graduates leaving the province after graduation	graduates entering the province after graduation	net gain (loss) of graduates	replacement rate of lost graduates
trade/vocational	899	28	29	1	105%
career/technical	2,544	139	86	(53)	62%
university	5,511	535	127	(408)	24%
total	8,954	702	242	(460)	35%

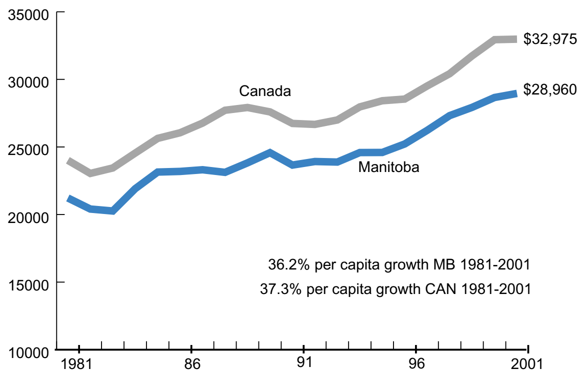
Source: National Graduates Survey, June 1997
Note: Note: Excludes all 1995 graduates living outside Canada in May/June 1997. Also excluded are graduates who did not report their principal residence before enrolling, or indicated their principal residence before enrolling was outside Canada, or did not have their province of interview recorded for May/June 1997.

Figure 29: Manitoba Employment by Industry, aged 15 and older



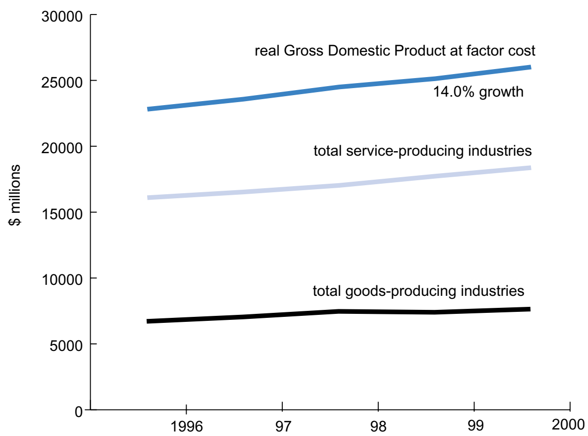
Source: Statistics Canada (Cansim II Table 051-0004)

Figure 30: Real Per Capita GDP for Manitoba (constant 1997$)



Source: Statistics Canada (Cansim I Matrix 10604)

Figure 31: Real GDP Growth at Factor Cost, 1996-2000



	1996	1997	1998 ($ millions)	1999	2000
Goods Producing Industries					
Manufacturing	2,971	3,231	3,431	3,463	3,516
Construction	1,230	1,305	1,397	1,403	1,427
Utilities	1,074	1,103	1,113	1,094	1,171
Agriculture	884	797	893	881	938
Mining	507	556	582	507	533
Forestry	47	52	52	53	55
Total Goods Producing	**6,713**	**7,044**	**7,468**	**7,401**	**7,640**
Service Producing Industries - *Commercial Services*					
Real Estate	2,714	2,859	2,942	2,977	3,022
Transportation & Storage	1,497	1,523	1,525	1,609	1,659
Wholesale trade	1,262	1,343	1,411	1,441	1,466
Retail Trade	1,261	1,331	1,351	1,400	1,455
Communication	969	1,025	1,114	1,256	1,345
Business Services	831	901	969	1,034	1,097
Finance and Insurance	916	918	910	941	1,006
Accom., Food and Bev.	594	599	625	668	709
Other Services	997	984	1,045	1,123	1,188
Total Commercial Ser.	***11,041***	***11,483***	***11,892***	***12,449***	***12,947***
Non-Commercial Services					
Hospitals and Welfare	2,007	2,033	2,111	2,174	2,236
Education	1,401	1,420	1,422	1,452	1,504
Federal Administration	843	801	795	818	839
Provincial Administration	449	436	446	456	462
Local Administration	357	355	364	379	387
Total Non-Comm. Ser.	***5,057***	***5,045***	***5,138***	***5,279***	***5,428***
Total Service Producing Industries	**16,098**	**16,528**	**17,030**	**17,728**	**18,375**
Real Gross Domestic Product at Factor Cost	**22,811**	**23,572**	**24,498**	**25,129**	**26,015**

Source: Annual report of the Province of Manitoba, Form 18-K.
Note: Real gross domestic product at factor cost is the sum of all factor incomes from production in the province. Real gross domestic product at factor cost plus indirect taxes, minus subsidies, equals Real gross domestic product at market price. Amounts in the table are expressed in 1992 dollars.

Steady employment growth has contributed to a steady real increase in the per capita gross domestic product (GDP) output of the province. Over the last 20 years real per capita GDP has grown 36% to $28,960; however this is about $4,000 below the national average (Figure 30). Although lagging behind in value, over the last two decades, growth of the province's real per capita GDP output (36.2%) has kept pace with the growth in national output (37.3%). The rate and periods of growth in the province have been nearly parallel to those of the country over this time.

Manitoba has a relatively diversified economy compared to many other provinces. Goods-producing sectors provided 29.4% of GDP in 2000, commercial-service producing sectors 49.7% of GDP, and non-commercial services 20.9% of GDP (all calculated at factor cost). The single largest sector of the Manitoba economy is manufacturing, with $3.5 billion in real factor cost output (Figure 31). Food, transportation equipment and machinery are the largest components of the manufacturing sectors. Other large contributors to GDP are real estate, hospitals and welfare, and transportation and storage sectors.

Overall, commercial services have experienced the most productive growth period in the last five years, adding an additional $2 billion to provincial GDP in just five years. Strongest individual growth components of the commercial services sector were communications, business services, and real estate.

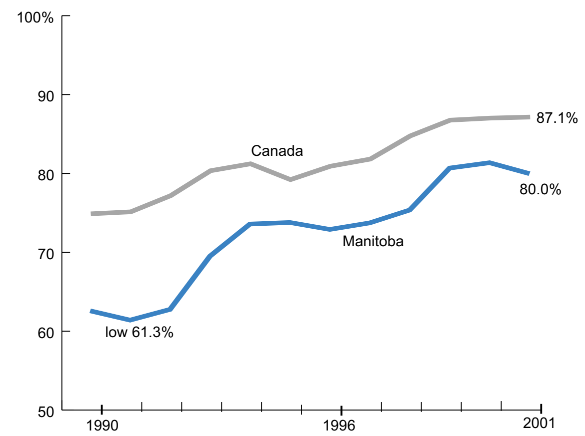
Manitoba's economy has also been buoyed by an increasingly productive merchandise export relationship with the United States. Between 1990 and 2001, the ratio of exports to United States has increased 17.4 percentage point, from 62.6% in 1990 to 80% in 2001 (Figure 32). Not controlling for the impact of inflation, the value of goods exported to the United States has nearly quadrupled—from $2 billion to $7.5 billion. This growth reflects the impact of trade liberalization and an increased demand in the US for Manitoba-produced products. Partly due free trade, demand for Canadian products and a favourable currency exchange, export activity to the U.S. has also increased in each region of the country. Therefore, even with its recent growth, Manitoba remains less dependent on the U.S. as a market than is Canada as a whole.

The heavy reliance upon a single dominant trade partner increases the provincial exposure to the impact of cyclical economic trends. The diversified export structure of 1990 offered greater insulation from the effects of a US economic downturn than does the current structure. In particular, as a result of US export activity, the relative importance of most Asian destinations to the Manitoba economy has been reduced.

In addition to growing in absolute terms, Manitoba exports have also dramatically increased relative to GDP. By using this ratio to control for the impact of inflation on the value of exports, there has been a stark increase in the importance of international exports to the Manitoba economy. Between 1981 and 2001, international exports rose from 12.7% of GDP to 30% (Figure 33). International exports are now of greater value to the province than interprovincial exports. In dollar value terms, Manitoba companies sell more goods internationally than they do to the rest of the Canada. This is particularly telling considering that interprovincial exports have not diminished as a portion of GDP over the same time period.

Manitoba is a diversified international exporter. The range of exports is evenly spread over a broad number of manufacturing and raw materials sectors that include (in order of relative financial size) non-ferrous metals, smelting and refining, oil and gas extraction, wheat

Figure 32: % Manitoba Exports to the United States

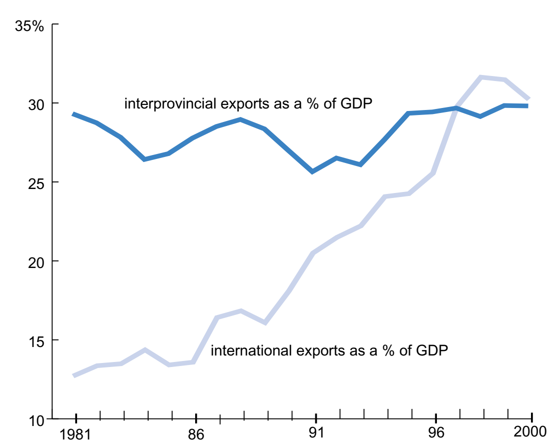


Manitoba Export By Destination

	1990	%	2001	%	*change*
United States (US)	$2,030,181,290	62.6	$7,578,054,570	80.0	+17.4
Japan	245,277,861	7.6	437,698,093	4.6	-2.9
Mexico	13,110,015	0.4	176,334,488	1.9	+1.5
China (including Mongolia)	167,804,803	5.2	147,004,927	1.6	-3.6
Belgium	94,047,343	2.9	143,064,821	1.5	-1.4
Hong Kong	7,418,587	0.2	131,666,123	1.4	+1.2
Iran	36,992,561	1.1	71,446,161	0.8	-0.4
United Kingdom (UK)	69,637,796	2.1	52,473,322	0.6	-1.6
Taiwan (Taipei)	42,121,413	1.3	52,122,158	0.6	-0.7
Australia	9,803,887	0.3	39,498,508	0.4	+0.1
OTHERS	527,575,001	16.3	646,912,358	6.8	-9.4
Total	**3,243,970,557**		**9,476,275,529**		

Source: Industry Canada, Trade Data Online
Note: Figures reflects only the trade in goods, not services.

Figure 33: Trade as a % of GDP (goods and services)



Source: Statistics Canada (Cansim Matrix 10604) farming, animal slaughtering and processing, electrical power generation and motor vehicle body manufacturing and aerospace products (Figure 27).

Although diversified, the bulk of Manitoba's exports are essentially connected to the natural resource and agricultural sectors. This reliance on non-renewable resources represents a number of challenges for the province. First, it will be increasingly difficult to maintain the levels of exports of raw materials as the cost of extraction must be expected to increase over time. Second, those resources that are renewable need to be carefully managed and limited in the amount harvested to ensure that long-term export levels can be maintained Finally, reliance on raw commodities reduces the predictability of economic forecasting, as the price of goods are in large part out of the control of regional producers. Commodity prices, and thus profits, are more exposed to the to cyclical peaks and troughs of volatile markets (Roach 2002).

Figure 34: Manitoba International Merchandise Exports by Top 25 Industries (5-digit NAICS codes), 1995-2001 (% of total)

	1995	1996	1997	1998	1999	2000	2001
Non-Ferrous Metal (except Aluminum) Smelting and Refining (M)	5.85	4.41	6.35	7.61	6.47	6.21	7.81
Oil and Gas Extraction (R)	6.42	7.80	5.94	3.82	6.19	6.08	6.95
Wheat Farming (R)	8.88	10.56	10.51	5.60	5.63	5.32	5.69
Animal Slaughtering and Processing (M)	1.57	1.36	2.21	2.56	3.13	4.23	5.64
Electric Power Generation (R)	4.87	4.49	4.20	4.38	4.21	4.52	5.64
Motor Vehicle Body and Trailer Manufacturing (M)	3.13	2.89	2.60	2.87	3.82	4.27	4.82
Aerospace Product and Parts Manufacturing (M)	3.06	3.74	4.30	6.19	6.83	4.37	4.62
Oilseed (except Soybean) Farming (R)	8.39	6.11	6.17	7.57	5.58	4.04	4.22
Beef Cattle Ranching and Farming, including Feedlots (R)	2.52	2.94	3.01	2.93	2.17	1.92	2.72
Hog and Pig Farming (R)	1.18	2.44	2.22	1.91	2.03	2.12	2.61
Household and Institutional Furniture Manufacturing (M)	1.55	1.81	1.97	1.80	1.97	1.90	2.19
Paper Mills (M)	4.14	3.21	2.77	2.40	2.36	2.18	2.13
Agricultural Implement Manufacturing (M)	5.87	5.14	5.94	4.26	2.39	2.48	1.70
Dry Pea and Bean Farming (R)	1.46	1.39	1.52	1.15	1.43	1.20	1.63
Other Grain Farming (R)	1.92	2.77	2.93	1.47	1.42	1.37	1.63
Pharmaceutical and Medicine Manufacturing (M)	0.17	0.53	0.39	0.65	1.73	1.33	1.57
Frozen Food Manufacturing (M)	0.19	0.57	1.19	1.73	1.76	1.30	1.49
Wood Kitchen Cabinet and Counter Top Manufacturing (M)	0.50	0.68	0.70	0.82	1.03	1.14	1.38
Printing (M)	0.61	0.56	0.65	0.74	0.86	0.90	1.29
Starch and Vegetable Fat and Oil Manufacturing (M)	2.67	4.49	3.78	6.77	3.51	1.62	1.27
Petroleum Refineries (M)	0.97	1.06	1.16	0.80	1.07	2.08	1.25
Unsupported Plastic Film, Sheet and Bag Manufacturing (M)	0.83	0.74	0.74	0.81	0.98	0.98	1.22
Material Handling Equipment Manufacturing (M)	0.70	0.67	0.74	0.93	0.99	0.94	1.10
Sawmills and Wood Preservation (M)	1.85	1.03	1.06	1.14	1.55	1.48	1.10
Fertilizer Manufacturing (M)	0.62	0.64	0.41	0.46	0.82	0.70	1.03
SUB-TOTAL	69.90	72.05	73.46	71.39	69.91	64.69	72.72
OTHERS	30.10	27.95	26.54	28.61	30.09	35.31	27.28
TOTAL (ALL INDUSTRIES)	100	100	100	100	100	100	100

M = manufacturing sector R = raw materials sector NAICS = North American Industry Classification System

Source: Industry Canada Trade Data Online and CWF. Note: Figures are at current prices on a customs basis and do not include service exports.

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