



Community Futures

Thompson Country

thriving communities

Building the
Future Now

Executive Summary Report February 2020



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Summary Report

Introduction

We live in dynamic and ever-changing times and as such it is always important for communities through-out BC to prepare for and adapt to these changes. **This inspired the question: how can a community become more resilient so when change happens, they can adapt, innovate, and thrive?**

The answer is multi-faceted, and the best way to start understanding potential threats (to proactively mitigate them), and opportunities (to proactively to pursue them), is to engage with stakeholders – the community of Merritt.

WorkBC and Community Futures Nicola Valley are spearheading a Thriving Communities project to ask strategic questions of local citizens, finding out what's on the minds of local workers and business leaders. All information will be used to develop a labour market study to pinpoint potential gaps and uncover innovative opportunities just waiting to be realized.

Purpose

The purpose of this project was to facilitate meaningful engagement and consultation with the community in order to conduct a review of Merritt's unique local labour market conditions. The goals of the project are as follow:

1. Develop a detailed understanding of the unique labour market characteristics of Merritt through community engagement;
2. Develop a series of recommendations which can be implemented by various organizations to address the labour market challenges and opportunities.

The Thriving Communities Presentation will share recommendations for local businesses, organizations, and educational facilities, as well as local and provincial governments, to strategically provide skills training, build partnerships, and make good investments.

Engagement Summary

The Project Team wanted to provide the community with as many options as possible to not only learn about the project, but also to provide feedback on Merritt's unique labour market. This was achieved in a number of ways which can be summarized as:

- In-person sessions such as: public presentations, participation in the employment fair, door-to-door visits with local businesses and engagement of local partners who interact with the community on a regular basis.
- Digital Information: A dedicated project website, Facebook posts, an online survey, power point presentations and email conversations.
- Print Material: Postcards, hand-outs, posters, booklets and fact sheets.

Overall Participation

570 individuals participated in the Thriving Communities survey. Using the Statistics Canada 2016 Census population size of 5,321 for the City of Merritt, this would mean that the results from this project are statistically significant and represent a confidence level of 99% and a confidence interval of 5%. In other words, there is a 99% chance that the data in the report is representative of the population as a whole, plus or minus 5%.

Key Findings:

Demographics:

Merritt will see a bigger labour market turn-over (both loss and new entrants) than the rest of BC in 10 – 15 years.

Assuming zero population migration (the movement of people in and out of the region), Merritt is going to see a bigger impact from the retiring baby boomer population (assuming this demographic retires between the ages of 65 and 70) and a bigger influx of new workers entering the labour market (assuming this demographic (ages 15 to 35) choose to participate in the labour market) than the rest of the Province.

This is because Merritt is currently over-represented in age categories which are 50 years and over as well as in age categories of 0 – 15 years of age.

Education:

When looking at the findings from the Province's 2018 Labour Market Outlook, we can see that the majority (77%) of the job openings expected in the next 10 years will require some level of post-secondary education or training.

Most of the current workers in Merritt do not hold a Bachelor's degree or higher, yet there are projected future job openings for individuals with a diploma, certificate or apprenticeship training (371,300) and those with high school or occupational training (176,300).

It is important for Merritt to continue to make post-secondary educational options available for its population, to not only close the gap with the rest of the province, but also to better position their workforce for future job opportunities as position requirements continue to increase in education demand and complexity.

Labour Market Supply

Merritt's labour mobility patterns very closely match those with the rest of the province with the exception of intraprovincial migrants meaning that **Merritt is more likely to be the destination for people moving with-in the province than the average city in BC**. This could indicate that Merritt is well situated to continue to attract people to relocate, increasing the labour supply and bolstering the economy.

Merritt has more people looking for jobs (higher unemployment) in comparison to the rest of the Province (9% vs. 7%), although it does not provide enough information to be able to tell if this unemployment is frictional, structural or seasonal.

Merritt has a lower percentage of labour market participation than the rest of BC (57% vs.64%). This will result in an increased dependency ratio, which effectively means that there are fewer resources available in an economy to provide for the population. This results in increased pressure on city infrastructure and business owners and in and around Merritt.

Local Job Growth:

None of the business owners who participated in this project anticipate workforce shrinkage over the next two years. Instead they all indicated that they anticipated either maintaining or growing the current number of positions available. This growth varied with the highest frequency of responses indicating between 0 and 9 and the maximum being 54 new positions in the coming two years.

Out of the anticipated vacancies reported by the Business owners who participated in the Thriving Communities survey, the largest employer demand is for sales and service positions (48.72%), followed by trades, transport, equipment operators and related positions (33.33%), then business finance and administration (25.64%), then management related roles (20.51%).

Labour Market Supply Barriers:

The top reported barriers to employment for those looking for work was lack of prior work experience (54.53%), education (44.67%) as well as “upgrading skills and employment training” (43.86%) all of which are associated with current skills mismatch in the marketplace. This grouping of barriers represents just over 88% of individuals opinions of the barriers to employment*.

Affordable housing (28.57%), childcare (25.15%) and transportation (24.75%) are all barriers associated with the infrastructure in and around Merritt which supports an effective labour market.

This grouping of barriers represents just over 78% of individuals opinions of the barriers to employment* .

* **Note:** totals can sum to more than 100% as each response category represents a percentage of responses from every individual

Labour Market Demand Barriers:

The number one perceived barrier to employment from labour market demand perspective was an inability to offer wages which are high enough to cover the cost of living (52.52%).

This was followed by a “lack of available jobs in the industry/sector” which represented 44.47% of the responses. This category is interesting as it can represent two very different scenarios: the first is once again a skills mismatch between the current employment opportunities and those looking for work. This can be perceived as a lack of jobs in the field of the job seeker’s preference. The second scenario is either a contraction or lack of growth in a certain industry or sector, which can result in a curtailment of job vacancies in this industry and an oversupply of available workforce.

Lastly; a lack of “soft-skills”, such as showing up on time, being respectful, dressing appropriately, etc. was identified as a barrier to employment by 25.96% of the respondents. This response is in effect once again an example of skills mismatch as the skills employers are seeking are not matching those which the job seekers possess.

Opportunities to Improve the Labour Market

All participants in the Thrive Communities survey (representing both labour supply and demand) were asked what, in their opinion, were opportunities or ways in which the labour market could be improved in Merritt and the surrounding region.

Skills Training:

Not surprisingly, based on the feedback in the previous section, “skills and employment training support” was the most frequent response at 66.13%. Access to post-secondary education was also mentioned (31.44%) along with public education at 22.31%. This grouping of “Skills Training” represents a combined total of just under 120% when each category percentage is summed*.

Affordable Housing:

The next two largest single categories represent a perceived need of more affordable house (55.98%) as well as an overall need for more housing in general (55.98%). Another category mentioned was “more available land for development” which could mean either land for housing development or land for commercial and industrial development (18.05%). This grouping of “Affordable Housing” represents a combined total of just under 130% when each category percentage is summed*.

* **Note:** totals can sum to more than 100% as each response category represents a percentage of responses from every individual

Labour Market Support Programming:

This category represents a range of responses which are associated with support programming for a variety of sub-groups in and around Merritt. Support for entrepreneurs ranked the highest at 29.01%, followed by mature worker (28.40%) and youth (25.96%) support programs. This grouping of “Labour Market Support Programming” represents a combined total of just under 83.37% when each category percentage is summed*.

Improved Transportation Options:

Transportation is seen as a barrier to employment (24.75%) and therefore also represents an opportunity if there are means to improve available options. Merritt already boasts some of the lower commute times in the Province (Figure 40: 2016 Census: Commuting Duration for the Employed Labour Force), so duration is likely not the problem. Instead improved access and options would help support the current labour market.

Access to Healthcare:

Lastly, access to healthcare was viewed as an opportunity to improve the labour market in the region. There is a chronic family doctor shortage in the Province of BC. If Merritt was able to provide better access to primary healthcare it could act as a differentiator in a competitive market to motivate both workers (labour supply) and business owners (labour demand) to relocate to Merritt.

Housing:

Business owners employed and unemployed individuals all agree that housing affordability is a barrier to the labour market in Merritt.

Merritt boasts much more affordable dwelling options of the rest of the province with median dwelling costs in Merritt (\$250,000) being about half of the median value of a home in the rest of the province (just over \$500,000).

When looking at the average age of dwellings in and around Merritt we can see that there was a construction boom between 1961 and 1981, where construction of new dwellings in Merritt far exceeded the provincial average, but since that time Merritt has lagged the rest of the province in new dwelling construction consistently. The largest discrepancy between the Merritt and the rest of BC was between 2006 and 2010, where growth in the Province was sitting around 9%, while Merritt was at 2%.

Overall, Merritt has a higher percentage of single detached homes, semi-detached homes and movable dwellings than the rest of the province but is generally underrepresented in all of the other categories.

There is an opportunity to develop apartment buildings (of all kinds), duplexes and Row houses to provide new more affordable housing options.

Transportation to Work:

Merritt employees are more likely to walk to work in comparison to the province averages. Walking to work is the second most widely used mode of transportation, exceeding carpooling (traveling to work in a vehicle as a passenger).

Commuting times for Merritt are far less than most of the rest of the province, with the majority (73%) of workers having a commute time of 15 min or less. In comparison, the average commute time in BC is close to double (26 min), while the average commute times for Metro Vancouver (individuals living in Vancouver, not commuting from the lower mainland) was 67 minutes.

There is an opportunity to increase or promote carpooling as an option in and around Merritt. This is the second most preferred method of transportation for all parties, yet data would seem to indicate that there is very little carpooling currently taking place in and around Merritt.

There is an opportunity to further expand the “walking to work” infrastructure and awareness in Merritt. Walking to work is far more popular in Merritt when compared to the rest of the province, which could indicate that Merritt is ideally setup for employees to walk to work and is the third most preferred mode of transportation by the participants in the Thriving Communities survey.

This could indicate an opportunity to further enhance walking infrastructure and promote walking to work as a means to remove transportation as a barrier to the labour market and also to attract additional people to Merritt (as both labour supply and demand) by marketing Merritt’s “walkability”.

Opportunities for Future Growth of Merritt’s Existing Industries

When comparing the current industry representation in Merritt by North American Industry Classification System (NAICS) to the 10 industries forecast to have the largest number of job openings in the Thompson Okanagan region we can see that **Merritt will likely see increased job openings in “other retail trade” (excluding cars and personal care), Hospitals and Nursing and residential care facilities, ambulatory health care services, food services and drinking places, elementary and secondary schools as well as accommodation services.**

Provincially the fastest growing industries from now until 2028 are anticipated to be Warehousing and Storage, Telecommunications and Nursing and Residential Care Facilities. Once again, comparing this data to the existing industry mix in Merritt, likely **there will also be growth in the existing Warehousing and Storage as well as Nursing and Residential Care Facilities.**



Opportunities for Merritt to Diversify the Economy

Historically, B.C.'s economy has been defined by resource extraction, particularly the forestry and mining industries. Those industries are still important, but sectors such as tourism and high technology are continuing to grow and as a result are becoming increasingly important to the provincial economy.

In British Columbia, five industries will account for about half of the total job openings projected over the next 10 years¹. They are:

- Health Care and Social Assistance (148,400 job openings; 16.4 percent of total job openings)
- Professional, Scientific and Technical Services (106,200 job openings; 11.8 percent of total job openings)
- Retail Trade (82,300 job openings; 9.1 percent of total job openings)
- Accommodation and Food Services (61,000 job openings; 6.8 percent of total job openings)
- Finance, Insurance and Real Estate (59,700 job openings; 6.6 percent of total job openings)

When we compare these projections to 2016 Census: Major Field of study - Classification of Instructional Programs (CIP), we can see that Merritt is well positioned to further grow the following industry sectors:

- **Healthcare and social assistance industry**
- **Professional, scientific and technical services**
- **Accommodation and Food services**
- **Educational Services**
- **Mechanic and repair technologies/technicians services**



¹ British Columbia Labour Market Outlook: 2018 Edition

Opportunities for Merritt to be a Leader in Emerging Industries:

This last section of the report goes beyond labour forecasting and instead focuses on expert opinions on the next big emerging industries in Canada. These top emerging industries were then put to the Thriving Communities participants to ask, given their knowledge of Merritt, if they feel that their community would be well situated to capitalize on these opportunities.

Cannabis Production and Products

The top emerging industry that community members felt Merritt would be best situated to take advantage of was cannabis production and products (60.69%). Overall, the industry is expected to grow an annualized 137.1% to \$3.16 billion in revenue in 2020, up from the \$1.46 billion forecast for 2019².

Given the regions connectedness to the rest of the province and country through transportation networks, high sunshine hours annually, roots in agriculture along with the natural grasslands and fields surrounding Merritt, coupled with policy changes in the industry which are now allowing for outside “field” growth of cannabis, Merritt is well situated for the cannabis industry.

Merritt is already proving to be a provincial leader in the cannabis industry with projects such as Emerald Plants Heath Source 56 -acre farm and research facility (with plans to phase in 1.2 M sq. ft. over the next 5 years) as well as Sundial Cannabis’ plans for multi-acre projects. Analysts are pointing to continued opportunity and growth in this industry for years to come.

Wind Turbine manufacturing

Wind Turbine manufacturing was the second highest ranked response at 44.06%. Electricity from wind energy is one of the fastest growing methods of electrical generation in the world³. Canada finished 2019 with 13,413 MW of wind energy capacity - enough to power approximately 3.4 million homes.

The year saw completion of five projects that added 597 MW of new installed capacity, representing over \$1 billion of investment. Canada is home to the world's eighth largest wind generating fleet⁴.

Reasons given for why people feel Merritt is particularly well suited to be a leader in wind turbine production include plenty of available land, well connected to the Lower mainland and Alberta, a general feeling of wanting to diversify the economy into more green energy as well as the fact that Merritt has plenty of naturally windy weather.

² Bloomberg News: *Pot sales in Canada to hit \$3.16B in 2020 despite slower growth: Canaccord*, October 31st, 2019.

³ Natural Resources Canada: *Energy Sources and Distribution: Renewable Energy: Wind Energy*

⁴ Canadian Wind Energy Association: *National Installed Capacity*

Specialized Health Related Industries

Specialized health related industries ranked third highest in this list at 43.63%. Given the data already mentioned in previous sections, which shows strong forecasted growth and Merritt's above average number of students focusing on healthcare and related studies, this sentiment should not be surprising.

Health-related occupations will grow at a faster rate than other jobs in the coming years, as BC's growing and aging population require more health services. This industry has a low unemployment rate and is generally not affected by changes in the economy⁵, which makes it a natural hedge for other more cyclical industries.

Specialized health related industries are a very broad category that encompasses a large range of businesses and professions. Most of the anticipated growth are those which focus on the aging population (as already mentioned), such as home care, senior support services, physiotherapy and personal health care providers. Many of these individuals are entrepreneurs and contractors as well as employees.

Green Building Supplies and Associated Technologies

Green building supplies and their associated technologies and services was ranked the fourth highest response at 39.52%. The Canada green building market is vigorous and growing, which has been fueled by growing consumer interest to build greener buildings⁶. In April 2017, the Province introduced the BC Energy Step Code, which provides incentives for the use of green building materials and for builders/developers to exceed the minimums of the current provincial building code.

Wood is the only renewable building material. Advances in wood science and building technology, coupled with modern building codes, allow wood to be used in an increasingly broad range of non-residential, multi-story and longer span buildings and applications⁷. Examples of new innovative products include engineered mass timber products, Glue-laminated timber (glulam) panels and beams.

⁵ The Skilled Immigrant Info Centre › Industry Profiles › Fastest Growing Industries Health Care

⁶ Canada Green Building Trends: *Benefits Driving the New and Retrofit Market*. McGraw Hill Construction in partnership with the Canada Green Building Council, 2016.

⁷ Canfor: Wood in Green Building, 2019

Technology: Software Development and Manufacturing

Technology in the form of software development and manufacturing was the fifth highest rank response at 34.56%. Canada's 2017 Budget included a comprehensive Innovation and Skills Plan Part to encourage business to invest in innovative technology industries. British Columbia is leading the country in the technology sector with \$26 billion a year. BC's tech workforce is proving the fastest growing in Canada as well, with 150,000 people employed in technology.

One key advantage to workers in the technology sector is their ability to thrive as "remote workers" which is a trend that is quickly growing around the world. Remote workers, as the name implies, work remotely from anywhere for various companies and firms around the year. The major advantage being the ability to command major epicenter wages (such as those found in Vancouver, San Francisco or Los Angeles), but live in a location with more affordable housing or lower costs of living, such as Merritt. One key limiting factor with this trend is the ability for these individuals or companies to access high speed/capacity internet connections.

Wine and Distilled Alcohol Beverage Industry:

BC already has a successful and established wine industry which continues to grow as appetite for BC wine grows internationally. **BC craft breweries have been exploding all over the province with many industry experts believing that there is still plenty of room in the marketplace for new entrants and now BC distilleries are starting to gain attention as they experience 400%+ growth year over year.** This last category is set to see changes in government regulation and policy which were created in 2013 to exempted craft distilleries from the more than 160 per cent markup the province applies to all other B.C. spirit makers — as long as they produce less than 50,000 liters of alcohol per year and ferment their own base alcohol⁸.

Industry experts point to the fact that this number is vastly lower than what is currently allowed by BC craft breweries or wineries and is very much a limiting factor for growth in this industry. If this legislation is updated, there will be a massive amount of growth in this industry in the province. Once again, Merritt's history in agriculture, abundant space for development and access to markets was cited as reasons why there is opportunity in this industry for the region.

⁸ Craft Distillers Guild of BC: *About BC Craft Distilleries*





Remediation and Environmental Clean-up:

In July of 2019 the Government of Canada announced it was renewing the Federal Contaminated Sites Action Plan for another 15 years (2020–2034) and investing \$1.16 billion from 2020–2024. With this new funding, it is estimated that 242 sites will be assessed, and remediation activities will be undertaken on 1,316 sites. Of these, remediation activities will be carried out on about 475 sites on First Nation reserves. This investment is expected to support 6,400 new and existing private-sector jobs in the waste management and remediation sector across Canada over 5 years⁹.

2016 Census data points to the fact that Merritt boasts nearly 300% higher representation of students with a major focus of study being classified as “natural resources and conservation”. Given this announcement and this upcoming pool of trained individuals, Merritt is well positioned to see growth in the Remediation and Environmental Clean-up industry sector.

⁹ Environment and Climate Change Canada: *Government of Canada invests \$1.16 billion to continue cleaning up contaminated sites* - Jul 24, 2019

WorkBC Support Programming¹⁰

Women

[Women in Trades](#) – Get support from the Industry Training Authority training initiative, which helps women get training; find funding and paid apprenticeship opportunities; and match their interests with B.C.'s labour market.

[Women in Science and Technology](#) - Technology drives some of the most dynamic sectors of British Columbia's economy, creating new employment and career options for women. See how these organizations can support your career in science or technology.

[Women in Business](#) - Many women find employment and a career by creating a business of their own. By establishing a business, you can create employment that you control while building long-term employment opportunities in your own community.

[Women's Enterprise Centre](#) – Discover essential business services for women starting, purchasing or growing a small business. The Women's Enterprise Centre offers guidance, skills development, networking and referrals to mentors and other resources and business services in B.C.

Indigenous People

[Indigenous Youth Internship Program](#) – Build your professional and leadership skills while you experience a career in government.

[Indigenous Skills and Employment Training Program \(ISET\)](#) – Learn about work experience, skills training and access to high-demand jobs. Find a service provider in B.C.

[British Columbia's Indigenous Small Business Resource Guide](#) - Are you interested in starting or running a business? Grow your business skills with the programs and services featured in this guide.

Mature Workers

[Older Workers 55+](#) - This program provides the skills training and employment supports needed for people who are 55 years of age or older to overcome barriers and achieve sustainable employment.

Impacted Workers

[DeNovo](#) - The DeNovo program offers computer skills and short-term occupational certificate training, hands-on training, a job club and work experience. Wage subsidies, mentorships, direct matching to employers and Indigenous cultural components are available if needed.

¹⁰ WorkBC, Province of British Columbia: workbc.ca

Workers with Disabilities

[Indigenous Business and Entrepreneurship and Skills Training Program \(BEST\)](#) - Entrepreneurial skills training for eligible Indigenous persons, with a focus on youth and persons with disabilities.

Youth

[Skills Training for Employment – Young Adults General](#) – Check out a program that offers skills training and employment support. Overcome barriers to employment through, for example, counselling, mentoring, childcare, transportation, disability supports, work experience, wage subsidies and equipment.

[Skills Training for Employment – Young Adults at Risk](#) – Are you a current or former youth in care or someone with a barrier to employment—unstable housing, incomplete high school, recovering from addiction, mental health challenges or prior criminal justice involvement? Find out if this program can help you become employment ready through skills training and support.

[BladeRunners Program](#) – Discover this program that helps unemployed, at-risk youth prepare for and find employment.

New to BC (or Canada)

[Career Paths for Skilled Immigrants Program](#) - Provides services to help immigrants find skilled employment in B.C. that uses the education and experience they bring to Canada. Customized to participant needs, including support specific to in-demand occupations.

[WelcomeBC](#) - helps newcomers adapt to work and life in British Columbia.

[B.C. Provincial Nominee Program](#) – Speed up your application for permanent resident status if you are a qualified trained professional or skilled worker sponsored by a B.C. employer.

Project Supporters:



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