

# **THE ANNAPOLIS VALLEY WORKFORCE ADVANTAGE**

**June 2015**

## The Annapolis Valley: A high quality workforce and economic growth

The Annapolis Valley - defined here as encompassing Annapolis County, Kings County and the municipal district of West Hants - is located in western Nova Scotia. It covers over 6,500 square kilometres and has a population of approximately 97,000 people or 10.2 percent of the provincial total.

The economy of the area is based in large part on agriculture but it also has significant educational assets (Acadia University and two campuses of the Nova Scotia Community College). The Valley is also home to a large scale Michelin tire manufacturing plant and the largest air force base in Atlantic Canada at CFB Greenwood. The natural beauty of the area and key tourism assets make it a popular destination for visitors to Atlantic Canada and are the main reasons why people choose to live in the region.

Figure 1: The Annapolis Valley\*



\*Annapolis County, Kings County, West Hants

This document, the **Annapolis Valley Workforce Advantage**, was developed to highlight the key workforce benefits in the area and help businesses as they consider their workforce requirements and evaluate expansion opportunities. It is meant for both local businesses and those considering new operations in the region.

The quality and availability of the workforce are critical components of any business investment decision making process. Labour costs account for between 30 and 50 percent of the total operating costs of a typical business. Efficient and productive operations require a high quality and motivated workforce.

The recruitment and training environment is also key. Businesses that have difficulty recruiting staff or are unable to retain their trained workforce will struggle to be successful. **The Annapolis Valley workforce is loyal and productive.**

Nova Scotia's workforce has a long history of producing high quality products and services through innovative thinking and hard-work. In the Annapolis Valley, innovation is complimented with a strong agricultural base, and internationally recognized tourism and cultural industries.

The Annapolis Valley is evolving. The region is looking for a new wave of entrepreneurs and national and international firms to invest and create good employment opportunities in key sector areas where there is a natural competitive advantage.

The **Annapolis Valley Workforce Advantage** report will support these businesses as they plan for the future.

⇒ There are **over 5,600 business establishments** in the Annapolis Valley and **47,000 persons** in the labour market.

# The Case for Investing in the Annapolis Valley: Five Key Workforce Advantages

Companies expanding in the Annapolis Valley benefit from five key workforce advantages:

1. A **LOYAL AND PRODUCTIVE WORKFORCE** with *expertise in agriculture and manufacturing* as well as solid base of *service and tourism-based industry skills*.
2. One of the **MOST COMPETITIVE BUSINESS COST ENVIRONMENTS IN NORTH AMERICA** with low labour costs compared to U.S. jurisdictions.
3. An **UNMATCHED QUALITY OF LIFE AND LOW COST OF LIVING IN THE REGION** that acts as a magnet for employee recruitment and supports a high level of employee retention. *Employee turnover rates* in Nova Scotia are among the lowest in North America.
4. Access to one of the **STRONGEST PROVINCIAL EDUCATIONAL TRAINING SYSTEMS** in Canada. Nova Scotia has more university students, adjusted for population size, than all other provinces in Canada. The Annapolis Valley is home to *Acadia University* and *two campuses of the Nova Scotia Community College* offering *customized training solutions* for firms moving into the region.
5. Multiple **PROGRAMS TO HELP FIRMS RECRUIT AND TRAIN THEIR ANNAPOLIS VALLEY WORKFORCE**. The Nova Scotia government provides comprehensive workforce development support to companies investing in the region. An *Industry Response Team* supports businesses by *matching firms to appropriate workforce programs*, assisting them with accessing *customized training* for staff through the province's community college system, supporting with *staff recruitment from outside Nova Scotia*, and in some instances, providing *matchmaking support* to ensure firms have the qualified staff they need to generate a strong return from their investment in the region.

In addition to workforce advantages, the overall business environment in the Annapolis Valley is highly attractive and offers firms:

- ⇒ **A VERY COMPETITIVE BUSINESS TAX ENVIRONMENT.** A KPMG report that looked at the full range of business taxes (income, property and payroll-based taxes) in over 200 global jurisdictions found that Nova Scotia offered one of the lowest cumulative tax environments.
- ⇒ **GOOD QUALITY TRANSPORTATION INFRASTRUCTURE** including strong road, port and air transportation infrastructure in or adjacent to the Valley.
- ⇒ **A STRONG FISCAL ENVIRONMENT** and long term, stable inflation.
- ⇒ **EXCELLENT SUPPORT ORGANIZATIONS.** A number of economic and business support organizations exist that encourage industrial expansion and foster new entrepreneurs.
- ⇒ **LOW COST LAND** and affordable real estate costs.
- ⇒ Local and provincial governments **COMMITTED TO LONG TERM ECONOMIC DEVELOPMENT.**

## The Annapolis Valley Workforce: 2014

Comprehensive data on the Annapolis Valley workforce is published every five years from Statistics Canada's National Household Survey. On an annual basis, the Labour Force Survey provides more current but higher level data on the state of the workforce in the region. This section looks at the 2014 data for the Annapolis Valley while much of the detailed analysis below is based on the National Household Survey from 2011.

The unemployment rate in the Annapolis Valley<sup>1</sup> in 2014 was 8.9 percent. This was similar to the provincial rate of 9.0 percent but lower than three of the other four economic regions in Nova Scotia (Figure 2). The employment rate, the percentage of the adult population that was working in 2014, in the Valley was 54.8 percent again above all but Halifax when compared to the other economic regions across the province.

In fact, full time employment in the Annapolis Valley actually increased by a modest three percent between 2010 and 2014 again bucking the trend compared to other regions.

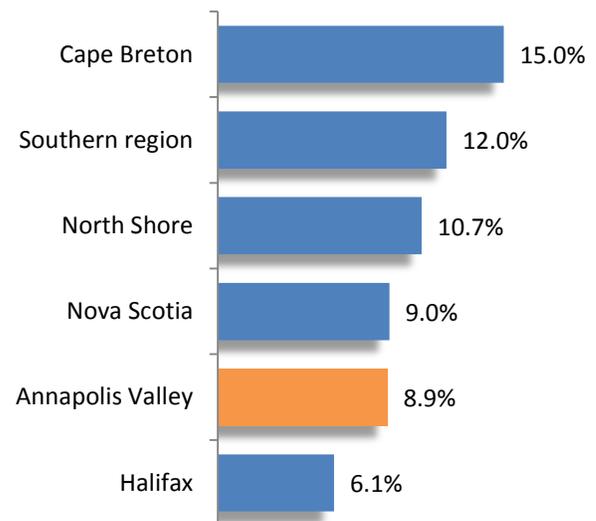
However, the structure of the Annapolis Valley labour market has changed fairly significantly in the last decade. A Location Quotient (LQ) analysis of two-digit NAICS industries in the region compared to the national labour market illustrates the change. Table 1 shows the LQ scores for Valley compared to the national labour market. A score greater than 1.00 means a higher intensity of employment and a score below 1.00 means a lower intensity of employment relative to the national labour market.

As the table shows, in 2014 the Annapolis Valley labour market was more weighted towards agriculture, construction, trade, education, health care and other services compared to the national labour market – with agriculture and health care having the highest LQ scores.

Table 1 also shows how the labour market has changed in the past 10 years. Between 2004 and 2014 the Annapolis Valley labour market has shifted significantly towards the information, culture and recreation; FIRE (finance, insurance, real estate and leasing), agriculture and accommodation and food services sectors relative to the national labour market. The Valley still has fewer people employed in FIRE and information, culture and recreation but the gap with the national labour market has narrowed significantly.

The Valley economy is consolidating around agriculture, tourism-related industries, and the finance and information sectors. Figure 3 shows a shift share analysis for the Annapolis Valley (change in employment intensity by industry compared to the national labour market over the past 10 years).

**Figure 2: Regional unemployment rates across Nova Scotia (2014)**



Source: Statistics Canada CANSIM Table 282-0123.

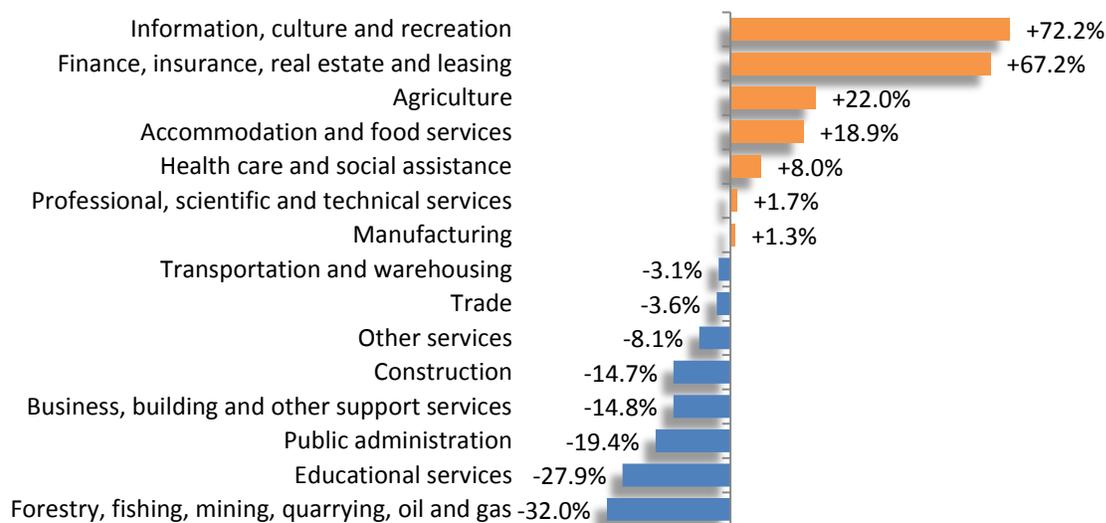
<sup>1</sup> Includes Annapolis, Kings and Hants counties.

**Table 1: Location Quotient (LQ) and Shift Share Analysis (2004 & 2014)**

Canadian labour market = 1.00

| Industry group:                                    | Annapolis Valley |             |              | Nova Scotia |             |              |
|--|------------------|-------------|--------------|-------------|-------------|--------------|
|  | 2004             | 2014        | % Change     | 2004        | 2014        | % Change     |
| <b>Goods-producing sector</b>                      | <b>1.08</b>      | <b>1.09</b> | <b>+1.1%</b> | <b>0.85</b> | <b>0.86</b> | <b>+1.1%</b> |
| <i>Agriculture</i>                                 | 1.87             | 2.28        | +22.0%       | 0.60        | 0.68        | +12.2%       |
| Forestry, fishing, mining, quarrying, oil and gas  | 1.25             | 0.85        | -32.0%       | 1.77        | 1.20        | -32.5%       |
| Utilities  | n/a              | 1.16        | n/a          | 0.65        | 1.10        | +68.6%       |
| Construction                                       | 1.44             | 1.22        | -14.7%       | 1.06        | 0.99        | -7.4%        |
| Manufacturing                                      | 0.82             | 0.83        | +1.3%        | 0.69        | 0.70        | +0.9%        |
| <b>Services-producing sector</b>                   | <b>0.97</b>      | <b>0.98</b> | <b>+0.1%</b> | <b>1.05</b> | <b>1.04</b> | <b>-1.0%</b> |
| Trade  | 1.10             | 1.06        | -3.6%        | 1.07        | 1.08        | +1.0%        |
| Transportation and warehousing                     | 1.02             | 0.99        | -3.1%        | 0.97        | 0.93        | -4.5%        |
| <i>Finance, insurance, real estate and leasing</i> | 0.49             | 0.82        | +67.2%       | 0.84        | 0.81        | -3.1%        |
| Professional, scientific and technical services    | 0.51             | 0.52        | +1.7%        | 0.71        | 0.78        | +9.4%        |
| Business, building and other support services      | 0.96             | 0.82        | -14.8%       | 1.44        | 1.07        | -25.8%       |
| Educational services                               | 1.46             | 1.05        | -27.9%       | 1.24        | 1.14        | -8.0%        |
| Health care and social assistance                  | 1.18             | 1.27        | +8.0%        | 1.12        | 1.24        | +10.8%       |
| <i>Information, culture and recreation</i>         | 0.49             | 0.84        | +72.2%       | 0.82        | 1.01        | +23.6%       |
| <i>Accommodation and food services</i>             | 0.82             | 0.97        | +18.9%       | 1.10        | 1.06        | -3.8%        |
| Other services                                     | 1.21             | 1.12        | -8.1%        | 1.07        | 0.92        | -14.1%       |
| Public administration                              | 1.12             | 0.90        | -19.4%       | 1.21        | 1.17        | -3.3%        |

Source: Statistics Canada CANSIM Table 282-0123.

**Figure 3: Annapolis Valley Labour Market Shift Share Analysis****Percentage change in employment by sector relative to the national labour market (2004-2014)**

Source: Statistics Canada CANSIM Table 282-0123.

## Annapolis County: Anchored by agriculture, fishing, tourism and cultural industries

Annapolis County has an estimated population of 21,000 (2014) and a labour market of 9,500 workers or 20 percent of the total Annapolis Valley workforce. There are over 1,000 registered business establishments operating in the county. The Annapolis County Location Quotient is weighted towards agriculture, cultural industries public administration and other services (Figure 4).

### ⇒ Annapolis County is known for its agriculture and fishing sectors

There are over 500 people employed in the agriculture and food manufacturing in Annapolis County or six percent of the workforce. Overall, *the county has more than two times as many people employed in this sector compared to the country as a whole.*

There are 92 businesses in Annapolis County in either agriculture (NAICS 111-112) or food manufacturing (NAICS 311). The industry has developed a local supply chain integrating fish by-products into the food supply and by using local manufacturing and service firms.

Fishing remains an important driver of the economy and labour market – although not to the extent of some other rural regions around the province. There are 54 businesses operating in NAICS 114113 – salt water fishing across the county.

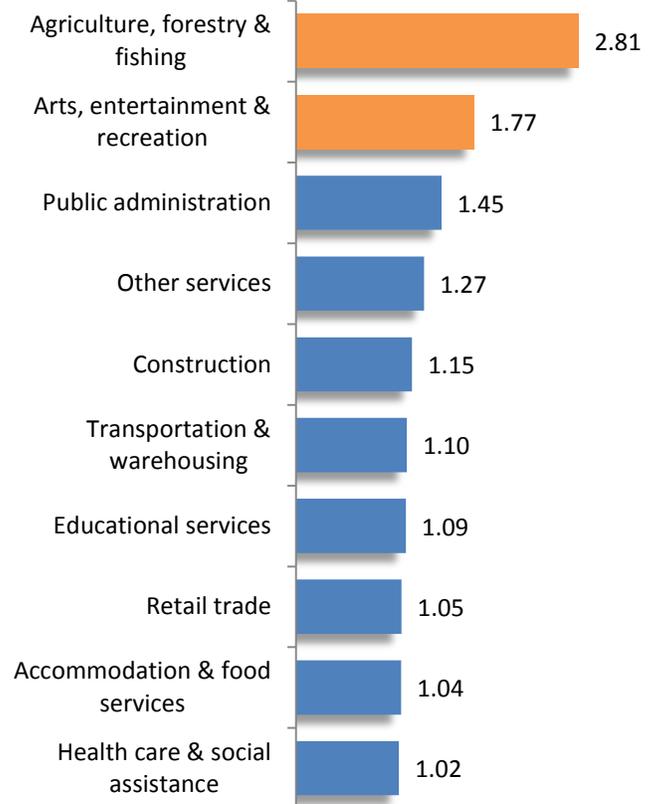
### ⇒ Annapolis County has a high concentration of tourism and cultural industry employment

There are 740 persons working in NAICS 71 Arts, entertainment and recreation and NAICS 72 Accommodation and food services sectors in Annapolis County – an amount representing more than nine percent of total employment. There are *six times as many people employed in heritage institutions (NAICS 712)* compared to the national labour market and 26 percent more employed in NAICS 713 Amusement, gambling and recreation industries. There are 37 restaurants operating in the county as well as 20 accommodation facilities.

### ⇒ Annapolis County has a higher share of its workers in post-secondary education

There are two campuses of the Nova Scotia Community College located in Annapolis County. Adjusted for the size of the labour market, there are nearly twice as many people employed in NAICS 6112 Community colleges compared to the country as a whole. Overall, there are more than 160 employed in post-secondary education and living in Annapolis County.

**Figure 4: Annapolis County Location Quotient\***  
Canadian labour market = 1.00



\*A number greater than 1.00 means a higher intensity of employment compared to the national labour market.  
Source: Statistics Canada National Household Survey (2011).

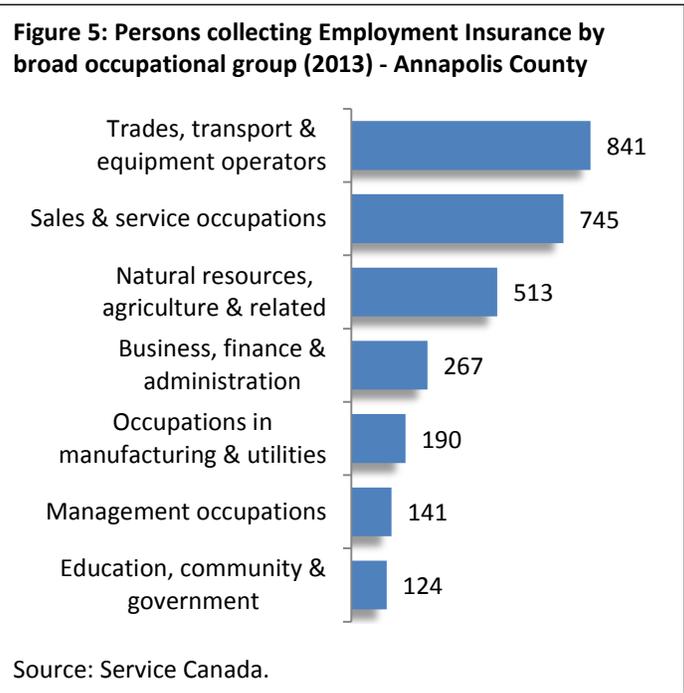
⇒ **Annapolis County has a high concentration of defence-related employment**

Many of the people who work at CFB Greenwood live in Annapolis County. According to Statistics Canada’s National Household Survey there were 500 employed in *NAICS 9111 Defence services* in 2011. More than 200 were either commissioned officers or non-commissioned personnel.

⇒ **Annapolis County features an available workforce with a concentration of trades and college-level educated workers**

The Annapolis County workforce has a *higher percentage of people with college certificates or diplomas* than the national or provincial population (among those aged 25-64). The unemployed labour force is also fairly well educated with 52 percent having some post-secondary credentials. The employment rate (the percentage of adult population with jobs) in Annapolis County is 45.6 percent – well below the national level of 61 percent – indicating *potential for considerable workforce expansion* among the adult population.

There were over 3,000 persons in the county who collected Employment Insurance (EI) in 2013 – this pool of workers may be targets for full time, full year employment opportunities (the breakdown by category shown in Figure 5). Over 900 of these workers were employed either management or sales and service occupations. In addition, nearly 1,500 of them were employed in trades, natural resources development or manufacturing jobs.

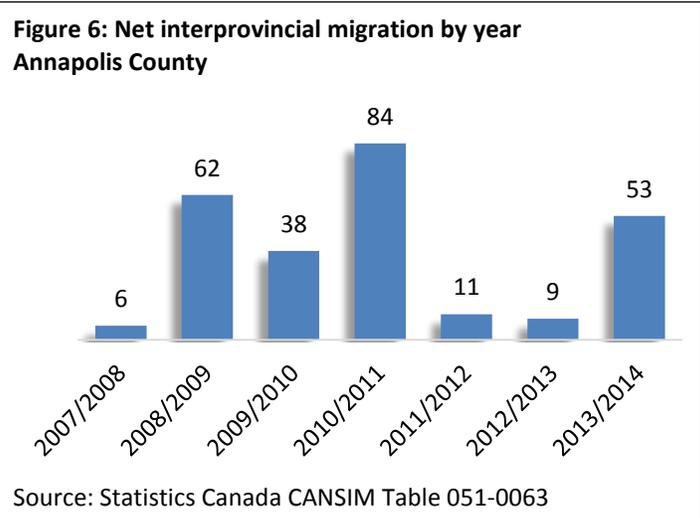


⇒ **People in Annapolis County will commute for employment**

The average commute time for a worker living in Annapolis County is 21 minutes which is similar to the provincial average and confirms people will commute within the Valley for employment opportunities. Twenty-seven percent of workers (who work outside of their homes) have at least a 30 minute commute to work every day.

⇒ **Annapolis County has shown a demonstrated ability to attract talent from outside the region**

Eighteen percent of the population in Annapolis County in 2011 lived in another jurisdiction in 2006 (nearly two out of every five people). A full 44 percent of the people moving in came from outside Nova Scotia. Further, 42 percent of workers between the ages of 25-34 lived elsewhere in 2006. Between 2008 and 2014, net interprovincial migration between Annapolis County and the rest of the country has been positive every year.



## Community Profile: Town of Annapolis Royal

The Town of Annapolis Royal in Annapolis County has a population of around 500. There are approximately 200 people in the Annapolis Royal labour market working around 200 business establishments. The Annapolis Royal Location Quotient is weighted heavily towards cultural employment and retail trade (Figure 7).

⇒ **The town of Annapolis Royal features a highly educated population**

Forty-four percent of the adult population (aged 25-64) in the Town of Annapolis Royal has a university degree.

⇒ **Annapolis Royal has a significant immigrant population**

A significant share of the population – over one out of five – in Annapolis Royal - are immigrants. The community has one of the fastest growing immigrant populations across Nova Scotia.

⇒ **The Annapolis Royal workforce is entrepreneurial**

The community has a very high self-employment rate at 44.7 percent compared to only 8.5 percent across the province.

⇒ **People are retiring in Annapolis Royal because of its quality of life**

People are moving into Annapolis Royal. Twenty-eight percent of the population in 2011 lived elsewhere in Nova Scotia or Canada in 2006. At the same time the community is one of the oldest in the province as measured by median age (59.8) providing opportunities for industries that cater to that demographic group.

⇒ **The relatively low cost of living in Annapolis Royal is attractive**

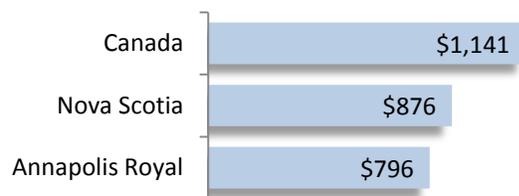
A low cost of living and excellent recreation and tourism-related amenities are key assets for the community. The average Annapolis Royal household spends \$796 per month on shelter costs compared to \$1,141 across the country. The average value of a house in 2011 was 30 percent below the national level. The town is not the lowest cost location to live in Nova Scotia but is attracting people because of its reasonable cost environment and various amenities.

**Figure 7: Annapolis Royal Location Quotient\***  
Canadian labour market = 1.00



\*A number greater than 1.00 means a higher intensity of employment compared to the national labour market.  
Source: Statistics Canada National Household Survey (2011).

**Figure 8: Average monthly shelter costs for owned dwellings**



Source: Statistics Canada 2011 National Household Survey.

**NOTE:** The National Household Survey reports labour market data based on where people *live* and not where they *work*. The Annapolis Royal data is for the population that lives in the town.

## Community Profile: Town of Middleton

The Town of Middleton has a population of 1,750 and a workforce of 800 people working in the area. There are 260 business establishments operating in the town. The Middleton Location Quotient is weighted educational services, retail trade, public administration, accommodation and food services as well as arts, entertainment and recreation (Figure 9).

### ⇒ The role of educational services

Middleton is home to two public schools: Annapolis East Elementary School and Middleton Regional High School. The town is also home to a Nova Scotia Community College campus. In total, 115 persons live in the town and work in the education sector.

### ⇒ Middleton is a retail services hub

There are more than 40 business establishments in the Middleton involved in retail trade activities. In total, 160 people living in the town work in retail trade. Another 80 work in the accommodation and food services sector.

### ⇒ Middleton features a significant share of its workforce with a university degree

Nearly 29 of the population aged 25-64 in Middleton have a university degree which is higher than both the provincial and national populations. Across the Valley 18.2 percent have a university degree.

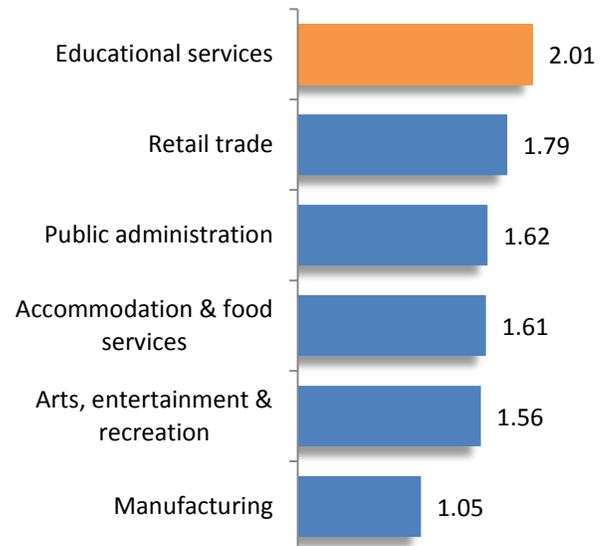
### ⇒ The Town of Middleton features an available workforce

The Middleton has a relatively low employment rate at 49.7 percent of the adult population compared to 60.9 percent across the country (at the time of the National Household Survey). This points to the potential of available workers. Thirty-five percent of the adult population (aged 25-64) not in the workforce in 2011 had a university degree.

### ⇒ Middleton offers an attractive cost of living and quality of life

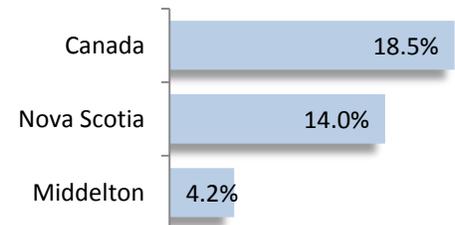
The Town of Middleton offers high quality rural living near the Bay of Fundy coast. The average value of a house in 2011 was \$159,000 compared to \$345,000 across the country. Only 4.2 percent of owner households spend 30 percent or more of household total income on shelter costs (Figure 10).

**Figure 9: Middleton Location Quotient\***  
Canadian labour market = 1.00



\*A number greater than 1.00 means a higher intensity of employment compared to the national labour market.  
Source: Statistics Canada National Household Survey (2011).

**Figure 10: Percentage of households spending 30 percent or more of total household income on shelter costs**



Source: Statistics Canada 2011 National Household Survey.

## Kings County: Fishing, manufacturing and regional services hub

Kings County has an estimated population of 61,000 (2014) and a labour market of approximately 30,100 workers with a significant concentration of employment in agriculture, defence, health care and retail services (Figure 11). There are 3,900 business establishments operating in the county.

### ⇒ Agriculture is a key driver of the Kings County economy

There are 1,700 persons working in the agriculture sector as well another 750 employed in food manufacturing. Over eight percent of the workforce is employed in these two industries. Adjusted for labour market size, there are more than three times as many people working in the agriculture sector in Kings County compared to the rest of the country. There are over 460 registered business establishments operating in the agriculture sector including 96 in *NAICS 111330 - Non-citrus fruit and tree nut farming* and 71 in *NAICS 112320 - Broiler and other meat-type chicken production*. In addition, there are a 35 firms involved in food manufacturing across the county.

### ⇒ Defence services is a major employer

There are more than 1,600 people employed in *NAICS 9111 Defence services* and living in Kings County. This is over eight times as many compared to the national labour market adjusted for size. There are 300 *Commissioned officers of the Canadian Forces (NOC 0433)*.

### ⇒ Kings County is a health care hub

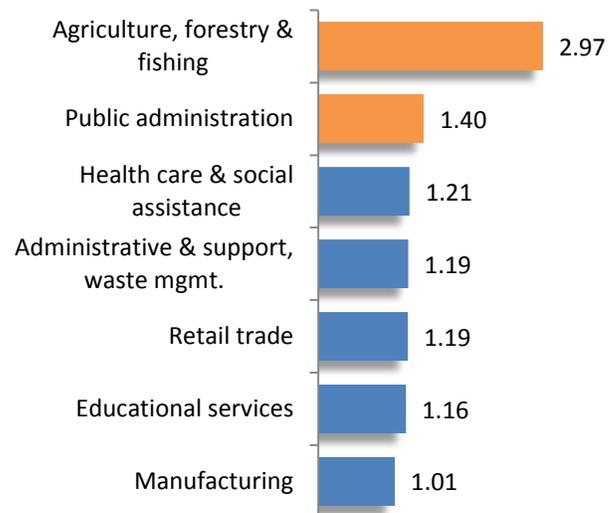
The health care sector is the top employer in Kings County with nearly 3,800 workers or approximately 12.4 percent of the workforce. Adjusted for labour market size, there are 15 percent more people working in *NAICS 6211 Offices of physicians* than the national labour market, 25 percent more working in *NAICS 6213 Offices of other health practitioners* and 30 percent more working in home health care services. The largest spread is in the *NAICS 623 Nursing and residential care facilities*. Kings County has twice as many people working in this sector compared to the national labour market. The county also has a high concentration of workers in vocational rehabilitation services. The county has 125 people working as licensed practical nurses – 27 percent more when compared to the provincial labour market.

### ⇒ Kings County is a retail trade and services centre

There are over 3,700 persons working in retail trade in Kings County or 12 percent of the workforce. Adjusted for labour market size, there are 21 percent more people working in Kings County's retail sector than the national labour market. Over 1,000 people work in food and beverage stores, 285 in health and personal care stores and 560 in general merchandise retailers. There are 469 business establishments in the retail sector across Kings County.

**Figure 11: Kings County Location Quotient\***

Canadian labour market = 1.00



\*A number greater than 1.00 means a higher intensity of employment compared to the national labour market.  
Source: Statistics Canada National Household Survey (2011).

⇒ **Educational services is an important sector of the economy**

Mainly because of the influence of Acadia University, Kings County has considerably more people working in educational services than the country as a whole. There are 600 people living in the county that work in *NAICS 6113 Universities* – 51 percent more than the country as a whole adjusted for labour market size. There are 215 people working in *NAICS 6116 Other school and instruction* – 34 percent more than the country as a whole. In fact, according to Statistics Canada there are 26 non-public training and educational organizations across the country.

⇒ **Kings County is home to more than 30 manufacturing firms**

Kings County has nearly 1,600 persons employed in manufacturing-related occupations – 31 percent higher than the national labour market. Specific occupations with a high concentration in the county include: *NOC 9423 Rubber processing; machine operators and related workers; NOC 9214 Supervisors, plastic and rubber products manufacturing; NOC 9615 Labourers in rubber and plastic products manufacturing; NOC 9617 Labourers in food, beverage and associated products processing and NOC 9461 Process control and machine operators, food, beverage and associated products processing.*

⇒ **The Kings County workforce is known for its trades and technical skills**

The Kings County labour market has a **higher percentage of people with trades certificates and college education** than the national average. Among the unemployed population, forty-two percent of the Kings County population aged 25-64 have a trade certificate or college diploma compared to 33 percent across Canada.

⇒ **Kings County features an available workforce**

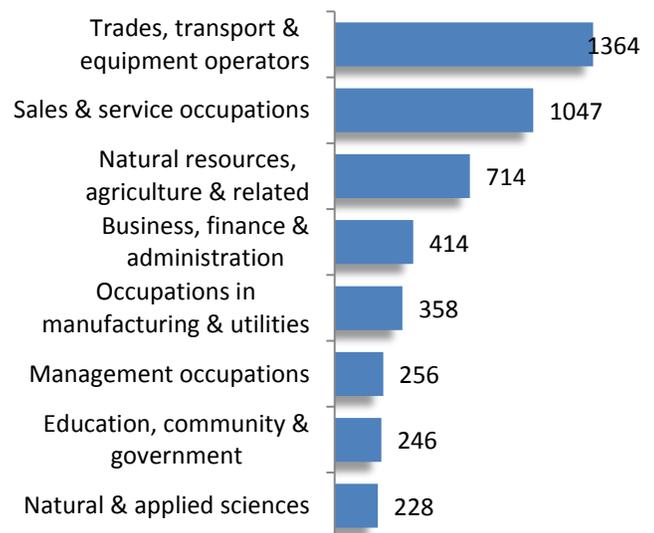
The employment rate in Kings County is 54 percent – well below the national level of 61 percent – indicating potential for considerable workforce expansion among the current adult population.

There were 7,100 persons who collected Employment Insurance (EI) in 2013 – this pool of workers is a target for full time, full year employment opportunities (Figure 12). The majority of these workers are in natural resources, trades, manufacturing and related occupations.

⇒ **The high quality of life and low cost of living in Kings County are attractive to newcomers**

The median value of dwellings in 2011 was \$174,000 or 38 percent below the national level. A low cost of living combined with a high quality of life makes the area attractive for newcomers. In recent years the number of immigrants to Kings County each year has been rising.

**Figure 12: Persons collecting Employment Insurance by broad occupational group (2013) - Kings County**



Source: Service Canada.

**Kings County businesses can attract workers from elsewhere in the province and beyond. Half of the population aged 25-34 living in Kings County in 2011 lived outside the county in 2006. Overall, 25 percent of people aged 25-64 in 2011 lived outside the county in 2006.**

## Community Profile: Town of Berwick

The Town of Berwick has a population of approximately 2,400 people and a workforce of over 1,000. There are more than 340 registered business establishments operating in the community. The Berwick Location Quotient is weighted towards health care, agriculture, manufacturing, public administration (defence) and retail trade (Figure 13).

**NOTE:** The National Household Survey reports labour market data based on where people *live* and not where they *work*. The Berwick data is for the population that lives in the town.

### ⇒ **Approximately 200 people in the Berwick workforce work in health care**

This is 80 percent more than the national labour market adjusted for size. There are two dozen health care-related establishments in the town including four physicians' offices, two dentists, six facilities to support the elderly and disabled and three child care facilities.

### ⇒ **Berwick has a fairly large retail trade workforce**

There are 150 people who live in Berwick and work in retail – about 15 percent of the total workforce. Adjusted for size, that is 33 percent more than the national labour market. There are 44 registered business establishments in this sector in Berwick including four grocery-related stores, six gas stations and three general merchandise stores.

### ⇒ **Berwick features an educated workforce**

Nearly 26 percent of adults aged 25-64 have a university degree and 65 percent have a post-secondary education certificate, degree or diploma.

### ⇒ **The Berwick features an available workforce**

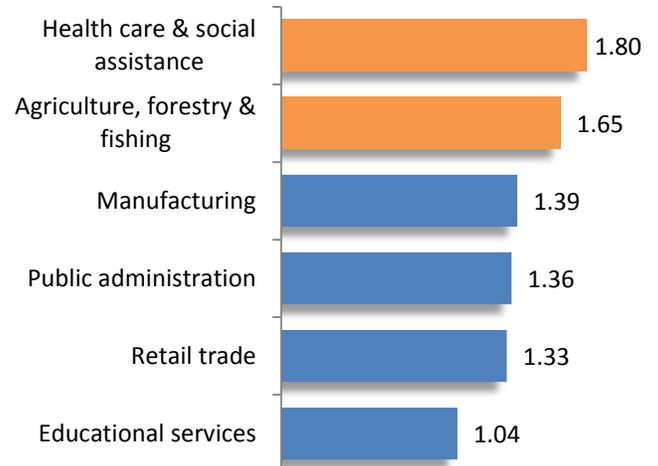
The employment rate in the Town of Berwick is only 48.4 percent compared to 61 percent across the country (at the time of the National Household Survey).

### ⇒ **The Berwick offers a high quality of life and low cost of living**

A low cost of living and excellent recreation and tourism-related amenities are key assets for the community. The average value of a house in 2011 was \$173,000 in the community compared to \$345,000 across the country. A full 28 percent of the population in 2011 lived elsewhere in 2006 (elsewhere in Nova Scotia or the rest of Canada) indicating that people will and are moving to the town.

**Figure 13: Berwick Location Quotient\***

*Canadian labour market = 1.00*



*\*A number greater than 1.00 means a higher intensity of employment compared to the national labour market.*

*Source: Statistics Canada National Household Survey (2011).*

## Community Profile: Town of Kentville

The Town of Kentville features a population of approximately 6,100 people and a workforce living in the town of 2,900\*. There are 770 registered business establishments operating in the community. The Kentville Location Quotient is weighted towards agriculture, health care, accommodation and food services, retail trade, education and manufacturing (Figure 14). Kentville attracts workers from a wide area. When including workers from other adjacent communities the number of people working in Kentville in a typical day swells to 5,200.

### ⇒ **Agriculture is an important driver of employment**

Kentville serves as a support centre for the Valley's agriculture sector. Adjusted for size, the agriculture sector makes up a disproportionate share of the Kentville workforce. There are also 34 firms in *NAICS 111-112 Farms* located in Kentville.

### ⇒ **The health care sector accounts for 15 percent of the workforce**

The Kentville labour market features 430 people working in health care or about 38 percent more than the national labour market, on a relative basis.

### ⇒ **Kentville is a hub for tourism and retail services**

Compared to the national labour market, the Kentville labour market has 71 percent more workers in accommodation and food services (NAICS 72). A full 23 percent of the town's workforce is employed in sales and services occupations (655 in total). There are six businesses in the accommodation sector and 18 in the food services sector. There are 71 businesses in the retail trade sector including nine car dealers (new and used), five supermarkets and five gas stations.

### ⇒ **The town features an educated workforce**

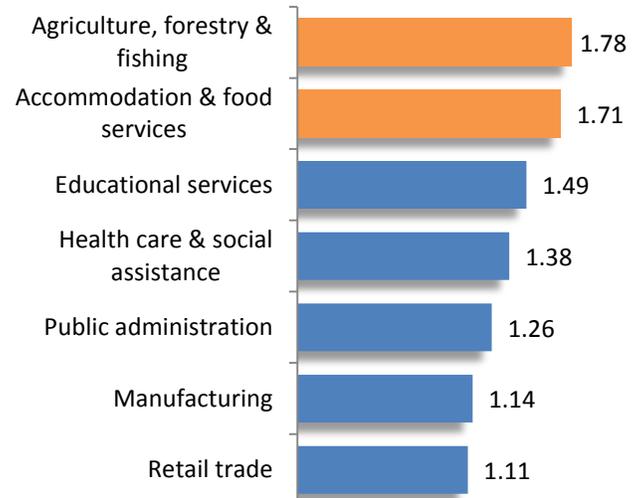
Sixty-four percent of the workforce aged 25-64 in the Kentville have some form of post-secondary education. More than 40 percent of adults aged 25-64 that are not currently in the labour market have a post-secondary certificate, diploma or degree.

### ⇒ **The Kentville offers a high quality of life and low cost of living**

A low cost of living and excellent recreation and tourism-related amenities are key assets for the community. Only 13 percent of households spend 30 percent or more on shelter costs compared to 18.5 percent across the country. The average value of a house in 2011 was 42 percent lower compared to the country as a whole. People are moving into Kentville. In 2011, 19 percent of the population over the age of five had lived elsewhere in Nova Scotia in 2006.

**Figure 14: Kentville Location Quotient\***

*Canadian labour market = 1.00*



*\*A number greater than 1.00 means a higher intensity of employment compared to the national labour market.*

*Source: Statistics Canada National Household Survey.*

*\*This data is for the town only. Statistics Canada also provides data for the Kentville Census Agglomeration area which includes a larger share of the county geography and population.*

## Community Profile: Town of Wolfville

The Town of Wolfville has a population of some 4,300 residents and a workforce residing in the town of approximately 2,000 people. The total number of people who work in the town, however, is closer to 6,500\*. Because of Acadia University, the Wolfville Location Quotient is weighted towards education. Other over weight sectors include agriculture, administrative services, accommodation and food services and health care (Figure 15).

### ⇒ Acadia University employs a large share of the workforce

Twenty-five percent of the workforce living in Wolfville works in the education sector (470 in total). This is more than three times the intensity of workers in this sector compared to the national labour market. Acadia University also pulls workers from outside the town.

### ⇒ Health care is also a significant employer

There are 260 people living in Wolfville that are employed in the health care sector and 165 in specific health care occupations.

There are 56 establishments in *NAICS 62 Health care and social assistance* in the town including 19 physician's offices, nine dentist offices, three nursing care facilities and three optometrists.

### ⇒ The Wolfville workforce has a significant retail trade component

Thirteen percent of the town's workforce is employed in the retail trade sector. Nearly 400 people are employed in sales and services occupations. There are 46 registered business establishments operating in retail trade.

### ⇒ Professional services is an important segment of the economy and workforce

There are 110 people working in the town's professional services workforce. For its size, Wolfville has a larger than average professional services sector. There are 48 firms in professional services including eight law firms, seven architectural and engineering services firms, eight computer systems services firms and 11 firms in various consulting activities.

### ⇒ Wolfville features a highly educated workforce

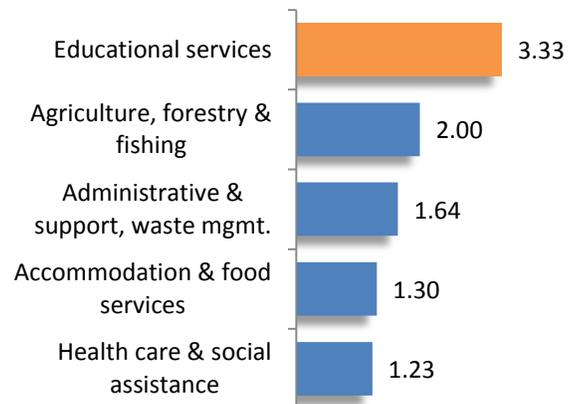
Over half of the adult population (aged 25-64) in Wolfville has a university degree (55 percent compared to 31 percent across the country). A full 78 percent have some form of post-secondary education. Forty-one percent of the unemployed workforce has a university degree.

### ⇒ Wolfville is attracting immigrants

Over six percent of the population in 2011 were immigrants (those that lived outside of Canada in 2006). This is well above both the provincial and national immigrant numbers.

**Figure 15: Wolfville Location Quotient\***

*Canadian labour market = 1.00*



*\*A number greater than 1.00 means a higher intensity of employment compared to the national labour market.*

Source: Statistics Canada National Household Survey

**NOTE:** The National Household Survey reports labour market data based on where people *live* and not where they *work*. Only 700 of the people living in Wolfville actually work in the town. The rest commute to jobs in adjacent communities.

## Community Profile: West Hants

The Municipal District of West Hants has a population of over 14,000 people and a labour market of 7,400 workers with a significant concentration of employment in construction, agriculture and retail trade. There are 639 registered business establishments in West Hants but much of the workforce commutes to other adjacent communities (see below).

### ⇒ **West Hants is home to a large construction workforce**

There are over 1,000 people living in West Hants and working in the construction sector. Nearly 1,700 people work in occupations related to *trades, transport and equipment operators* (NOC 7). In West Hants there are 66 firms in the construction sector including 28 in residential building construction, 32 in electrical and plumbing contracting and 13 in finish carpentry.

### ⇒ **Agriculture is an important driver of the economy**

There are 51 farms located in West Hants (registered businesses in *NAICS 111-112 Farms*) and approximately 300 people work in the sector.

### ⇒ **The West Hants has a significant retail trade workforce**

There are over 1,000 people employed in retail trade sector jobs that live in West Hants (or 14 percent of the workforce). There are over 1,500 people working in sales and service occupations.

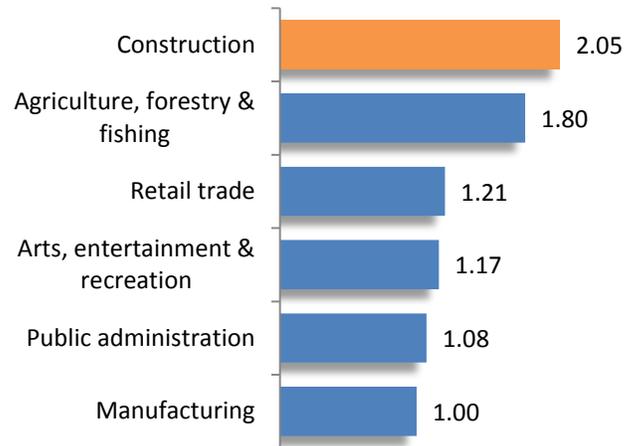
### ⇒ **Much of the West Hants workforce commutes to jobs in adjacent communities**

The National Household Survey reports labour market data based on where people *live* and not where they *work*. The West Hants workforce data is for the population that lives in the town. However, over 70 percent of the workforce living in West Hants commutes to jobs in other communities – notably Halifax and Windsor (Figure 17). Presumably many of these workers would forgo the commute and work in West Hants if a good opportunity became available.

### ⇒ **West Hants offers a high quality of life and a moderate cost of living**

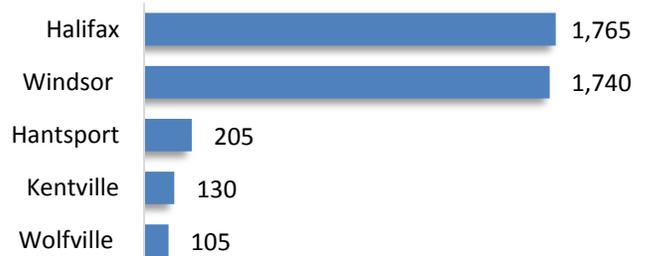
People living in West Hants take advantage of a relatively low cost of living. The average monthly shelter costs for households who own their dwelling is just \$783 per month or 30 percent below the national average. The average value of a dwelling in 2011 in the community was \$193,000 – 44 percent below the national average.

**Figure 16: West Hants Location Quotient\***  
Canadian labour market = 1.00



\*A number greater than 1.00 means a higher intensity of employment compared to the national labour market.  
Source: Statistics Canada National Household Survey (2011).

**Figure 17: Live in West Hants but work in adjacent communities (selected communities)**



Source: Statistics Canada National Household Survey (2011).

## Nova Scotia offers distinct workforce training advantages

### ⇒ Annapolis Valley employers have access to Nova Scotia's world-class post-secondary education system

There are 57,000 persons enrolled in public colleges or universities across Nova Scotia giving the province and its employers a deep talent pipeline. Adjusted for population size, there are **more people enrolled in universities across Nova Scotia than all other provinces across Canada** by a wide margin (Figure 18). These universities offer a full range of undergraduate and graduate degrees with higher than average graduates in business and management; physical and life sciences; architecture and engineering.

The province's universities and colleges have built strong research partnerships with the private sector and as a result **Nova Scotia's higher education sector has the second highest concentration of research and development (R&D) spending per capita among the 10 provinces across Canada.**

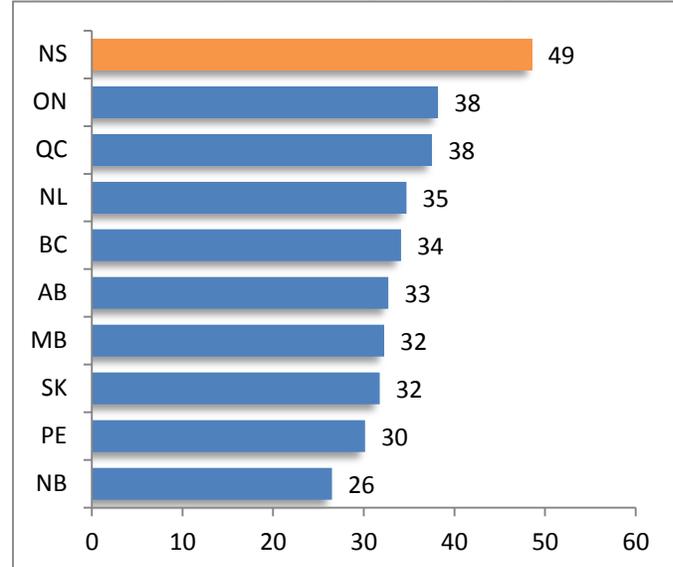
### ⇒ Education and training in the Annapolis Valley

The education sector in the Annapolis Valley is anchored by **Acadia University** and two campuses of the **Nova Scotia Community College**. There are approximately 6,000 students enrolled at the university and two community colleges. A number of private training schools round out the training field with niche programs geared directly to industry.

**Acadia University** – Located in Wolfville, Acadia University is a mostly undergraduate university although it does have some graduate programs and over 200 graduate students. Acadia offers over 200 degree combinations in the Faculties of Arts, Pure and Applied Science, Professional Studies, and Theology. The university claims a student-faculty ratio of 15:1 and the average class size of 28. Through Open Acadia, the university offers correspondence and distance education courses. In 2014 there are 4,600 enrolled at the university (full and part time programs). Nearly 40 percent of students come from outside Nova Scotia.

The **Annapolis Valley Campus of the Nova Scotia Community College** is located in Middleton. The Middleton site is home to the *Applied Research Group* and *Pilikan House*, a living lab and demonstration site for energy efficiency and sustainable design. The campus offers a wide variety of diploma programs in health care, energy efficiency, geographic sciences, information technology and plumbing. There are 450 full-time students enrolled at the Annapolis Valley Campus.

Figure 18: University enrolment per 1,000 population (2014)



2014 full and part time enrolments.

Source: Universities Canada.

The **Kingstec Campus** of the **Nova Scotia Community College** is located in Kentville and has 1,000 full time students enrolled in programs including business administration, education, horticulture, health care, machining, office administration and tourism management.

⇒ **The NSCC offers firms in the Annapolis Valley customized training solutions**

The NSCC will customize training based on the specific needs of an industry or individual company. Depending on the needs, the college will adapt existing courses or develop new ones.

⇒ **Nova Scotia has made education and training a priority**

One of Nova Scotia's greatest competitive advantages is the quality and depth of its education and training infrastructure. There are over **36,000 people employed in education and training industries** across Nova Scotia – adjusted for population size that is more employment than all but one other province.

*Nearly seven percent of Nova Scotia's gross domestic product (GDP) is generated by the educational services sector – a higher percentage than all but one other province.*

This high quality training infrastructure provides companies in the Annapolis Valley with an ongoing pool of skilled labour as well as specialized training services to ensure that employees have the skills they need to provide companies in the region with a distinct competitive advantage.

## **Nova Scotia provides workforce development support**

In addition to the excellent education and training infrastructure, Nova Scotia offers a wide range of support programs to ensure employers in the Annapolis Valley are able to meet their training needs.

⇒ **The Workplace Innovation and Productivity Skills Incentive helps firms adapt to new technologies**

The Workplace Innovation and Productivity Skills Incentive supports businesses as they invest in employee and management skills development, and improve productivity. It is also designed to help companies adapt to the introduction of new technology and innovative processes, and enhance international competitiveness. Companies are provided with funding support to cover training costs, certification processes and management skills development.

⇒ **The Nova Scotia Payroll Rebate Program is an important tool to help firms recruit and train new employees**

The payroll rebate incentive, through Nova Scotia Business Inc., is tailored for companies that are profitable, with a strong management team and a proven track record for success. The incentive is calculated on a company's eligible gross payroll generated by new jobs created over the length of the program (usually two to five years), including all taxable benefits such as employer-paid portions of medical and bonuses. The company receives a rebate payment after it has created the jobs in Nova Scotia and those job numbers have been confirmed annually. For every dollar a company spends on the new jobs, it receives between five and ten cents back.

⇒ **The One Journey Work and Learn program provides a tool for workforce integration**

This program specifically targets those who are unemployed or underemployed and provides them with the skills they need for available jobs in Nova Scotia. The program has successfully completed over 60 projects in the following sectors: hospitality, flooring installation, automotive, continuing care, customer service, contact and support center, special needs assistant and trucking.

⇒ **The Strategic Cooperative Education Incentive facilitates cooperative training opportunities**

The Strategic Cooperative Education Incentive (SCEI) provides 50 per cent of the required minimum hourly wage of \$15.00 an hour for co-operative education opportunities. This program assists businesses across the province to recruit and retain students for work placements.

*Nova Scotia's workforce training support programs are designed to ensure workers have the skills they need to compete and employers can easily access the workers they need.*

⇒ **The Cooperative Graduate Placement Program limits the costs and risk associated with hiring new graduates that have limited experience**

The Cooperative Graduate Placement Program (CGPP) provides a financial incentive to Nova Scotia employers offering full-time employment to graduates of Nova Scotia co-operative education programs. Reimbursement of 50% up to a maximum of \$7,500 will be issued to the organization once the employer and employee complete an online survey.

⇒ **The START Program provides support for firms taking on new employees and apprentices**

The START program encourages employers to hire Nova Scotians requiring work experience or apprenticeship support. Financial incentives are provided to employers with a labour need willing to support ready-to-work Nova Scotians.

⇒ **The National Research Council (NRC) Industrial Research Assistance Program (IRAP) supports the hiring of graduates in technology related opportunities**

This program provides financial assistance to innovative small and medium-sized enterprises in Canada to hire post-secondary science, engineering, technology, business and liberal arts graduates. The program covers a portion of the salary costs of a post-secondary graduate. The small and medium-sized enterprise is responsible for other expenses such as fringe benefits and overhead costs.

## Recruiting workers in the Annapolis Valley

### ⇒ The Annapolis Valley: A comprehensive approach to recruitment support

It can be challenging to recruit staff particularly for firms that are new to a community. The Nova Scotia government and its partners on the ground in the Annapolis Valley offer a full suite of services to help employers find the staff they need.

An **Industry Response Team** has been established to support businesses by:

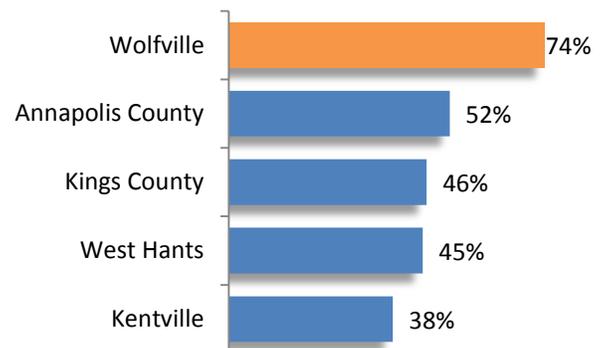
- Helping match employers to recruitment resources in the region.
- Providing firms with access to immigration attraction resources to target skillsets that may not be present in the region.
- Assisting firms to access customized training for staff through the Province's Community College system.
- Helping firms access appropriate workforce programs to ensure staff have the right skills to do the job.

### ⇒ The relatively high unemployment rate has created a pool of potential workers for employers looking to expand within the Annapolis Valley

The Annapolis Valley has a relatively high unemployment rate compared to the rest of Canada. The unemployment rate in the Valley in 2014 was 10.7 percent compared to 6.9 percent across Canada. The employment rate, the percentage of the adult population with employment, is also lower than both the provincial and national labour market indicating a potential workforce. Over half of the unemployed labour pool in the Annapolis Valley has some type of post-secondary education (Figure 19).

One important indicator of the available workforce in the Valley is the pool of persons that collect Employment Insurance (EI). These workers were either let go from a job or did not have enough work over the course of the year to be employed full time. Many of them would be candidates for full time and full year work should the opportunity arise.

**Figure 19: Percentage of unemployed persons with a post-secondary certificate, diploma or degree (2011)**



Source: Statistics Canada 2011 National Household Survey.

In total, there were 17,800 persons collecting EI at some point during 2013 across Annapolis, Kings and Hants counties. There were over 4,000 persons in management, administrative, financial or sales-related occupations who collected Employment Insurance in 2013. Across the three counties, there were also more than 3,700 industrial, electrical and construction trades persons and material handlers, trades helpers and those working other related roles who collected EI in 2013. There were a number of people employed in secondary manufacturing jobs that were unemployed at some point during 2013. In total there were over 700 persons working as machine operators, assemblers and labourers in manufacturing that collected EI during 2013.

⇒ **Annapolis Valley employers could attract back its recent migrant workforce for good jobs**

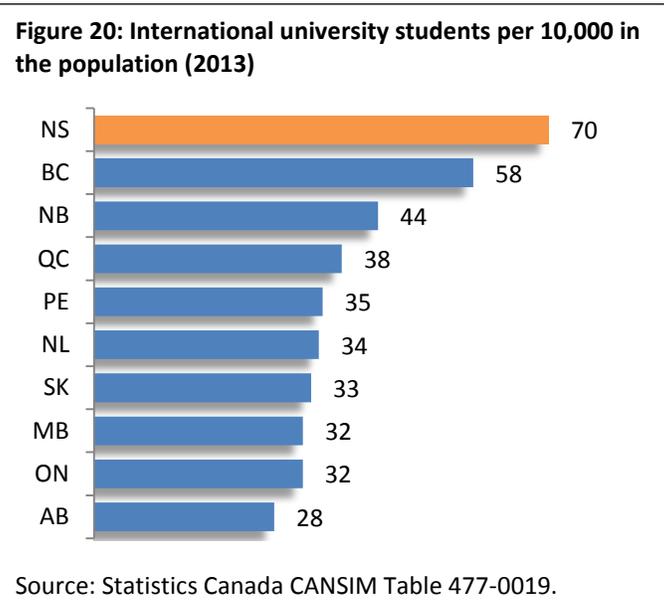
In recent years, a number of the Annapolis Valley skilled blue-collar workers have either left the region for work or continue to migrate on a long term basis for employment elsewhere in Canada. Alberta, Newfoundland and Labrador and Saskatchewan have attracted a portion of the region’s skilled workers. There could be as many as several thousand workers who have left the region over the past decade and could be potential candidates to return if a good job opportunity was available in the Annapolis Valley region.

⇒ **Employers can attract talent to the Annapolis Valley**

In addition to accessing the local workforce, employers can attract workers into the region offering the high quality of life and competitive cost of living. There is solid evidence people will move into the Annapolis Valley area if there are good employment opportunities. Over 40 percent of persons between the ages of 25-34 living in Annapolis County in 2011 lived elsewhere in 2006. Over 50 percent of those aged 25-34 living in Kings County in 2011 lived elsewhere in 2006. This indicates inward mobility among the young population. It is clear that skilled workers will move to the Annapolis Valley for good job opportunities.

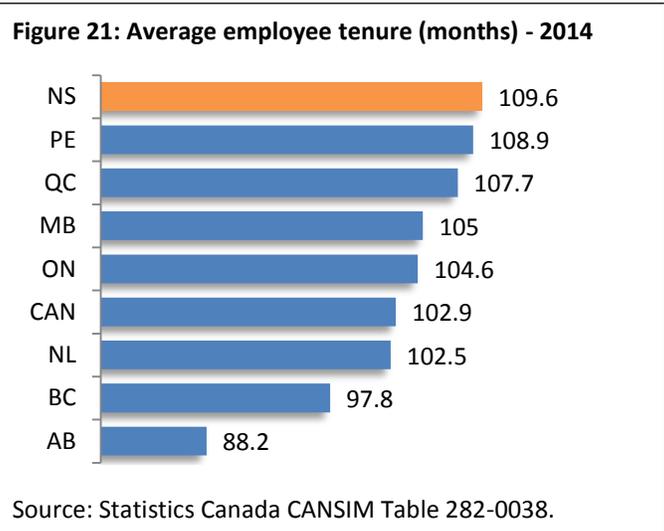
⇒ **Nova Scotia has the largest pool of international students relative to its population size than any province in Canada. This is a resource that can be accessed by employers in the Annapolis Valley**

Employers can also access the large international student population in Nova Scotia’s universities. There are over 5,000 international students studying at the province’s universities. Adjusted for population size, there are 20 percent more international students in universities across Nova Scotia than in British Columbia and more than double that of Ontario (Figure 20). Ten percent of the student population at Acadia University are international students. Many of those in this pool of talent many are looking to build their careers in Canada and could be attracted to the region for good job opportunities.



⇒ **The Annapolis Valley has high employee retention levels**

Workers in the Annapolis Valley are known for their strong work ethic and commitment. The same can be said for the workforce across Nova Scotia. One indicator of this characteristic is average employee tenure with the same company (Figure 21). In 2014, the average employee in Nova Scotia had been with their employer for 110 months – above the national level of 103 months. In the United States, the average tenure of a full time employee is less than 60 months. A stable workforce can significantly reduce recruitment and training costs.



## The Annapolis Valley: A competitive cost environment

Partially as a result of the lower cost of living, wage costs are highly competitive in the Annapolis Valley and across Nova Scotia. This translates into more profit for successful industries. The 2014 KPMG Competitive Alternatives Report looked at business costs in over 200 global locations and found Nova Scotia to be one of the most cost competitive jurisdictions in North America and Europe.

⇒ **KPMG finds that manufacturing firms in Nova Scotia can generate more profits compared to the competition**

Overall operating costs and taxes in Nova Scotia are highly competitive for most industries. KPMG looked at the average total costs for sample manufacturing operations in 12 sub-sectors and determined the potential profit levels for each of them. On average, the manufacturing operations in Nova Scotia generated \$3.4 million in annual profit after tax (Figure 22) compared to less than \$2 million per year in Boston and only \$1.2 million in San Francisco, California.

⇒ **Payroll-related benefit costs can be 40 percent less in the Annapolis Valley compared to U.S. locations**

Nova Scotia employers pay 40 percent less in benefit costs compared to U.S. jurisdictions because of the high cost of health care and other payroll-related taxes in the United States.

⇒ **A low cost of living translates into competitive wage rates**

On average, residents in the Annapolis Valley pay between 34 percent and 50 percent less for housing-related costs than the national average. This results in paycheques going further and allows for more competitive wage costs. Average employment income in the region is 23 and 35 percent lower than the national average (Figure 23).

⇒ **Lower effective business taxes provide an ongoing benefit to employers**

Nova Scotia corporate taxes are very competitive with other jurisdictions in Canada, the United States and Europe. In KPMG's 2012 Competitive Alternatives report, the firm reviewed the total tax environment facing corporations around the world. Each city was assigned a Total Tax Index (TTI) based on the three main corporate tax areas: corporate income tax; other corporate taxes (property, sales, etc.) and statutory labour costs (i.e. payroll taxes). Halifax, the only Nova Scotia city in the study, was ranked 8<sup>th</sup> out of the 113 global cities for its total tax environment. Firms in the Annapolis Valley take advantage of this competitive tax environment.

**Figure 22: Net profit after tax (\$US Millions)  
Average of 12 manufacturing operations**



\*Average of three NS communities: Halifax, Truro and Sydney. Based on the average modeled costs of 12 manufacturing operations. Includes all taxes. Source: KPMG Competitive Alternatives 2014.

**Figure 23: Average employment income comparison (2011)**



## The Annapolis Valley offers an unmatched quality of life

⇒ **In the battle for talent, companies need to locate in areas that are attractive to employees as places to live and raise their families. The Annapolis Valley is such a place.**

The Annapolis Valley is one of the most attractive areas to live in eastern Canada. It offers residents a wide range of tourism and recreational opportunities, safe and friendly communities and a relatively low cost of living as compared to urban centres across Canada.

The Annapolis Valley is well connected. The largest urban centre in Atlantic Canada is located a short commute to the east and the Digby-Saint John ferry provides easy access to New Brunswick and into central Canada and the United States.

⇒ **Housing costs are approximately 30-40 percent lower in the Annapolis Valley than the national average**

One of the biggest advantages is the relatively low cost of housing and related expenditures such as property taxes. The average household in Annapolis County spends 42 percent less per year on shelter than the Canadian average (Figure 24). In West Hants, the average household spends 31 percent less.

In 2011, the average value of homes in the Annapolis Valley ranged from a low of \$159,000 in Middleton to a high of \$269,000 in Wolfville compared to over \$345,000 across Canada<sup>2</sup>. Renters have the same advantage. The average monthly shelter cost for those who rent in Annapolis County is 28 percent lower than the average across Canada.

⇒ **The Annapolis Valley offers urban amenities**

Residents of the Annapolis Valley benefit from a unrivalled rural lifestyle but they also are in close proximity to excellent health care and education facilities as well as other services. From watching a movie to eating at five-star restaurants, residents of the region are only a short commute from a range of entertainment and personal services.

**Figure 24: Average monthly shelter costs for owned dwellings (2011)\***



\*including mortgage and related payments.

Source: Statistics Canada 2011 National Household Survey.

<sup>2</sup> Source: Statistics Canada National Household Survey (2011).

## **Conclusion: The Annapolis Valley workforce will be key to regional economic transformation**

The economy in the Annapolis Valley is in transition. Its workforce has strengths in traditional natural resource industries such as agriculture and manufacturing that will be critical to develop the next generation of economic activity.

The workforce in the Annapolis Valley is educated and skilled with a higher percentage of educated persons experiencing unemployment. Local access to high quality education and training is a benefit to local employers.

Employers in the Annapolis Valley have access to a broad set of tools for recruitment, training and up-skilling their workforce. A well-trained workforce is key to the success of individual firms as well as the long-term success of the region and its communities and as indicators suggest, there is an available labour pool.

Creating job opportunities and fostering a strong economic foundation will be critical for the area in the years ahead. A strong economy will generate the tax revenues needed to maintain the high quality public services and infrastructure valued by residents of the Annapolis Valley. This supports the region's high quality of life and reinforces the ability of companies to attract and retain motivated and loyal employees.

Attracting high quality companies to the region and fostering new local entrepreneurs are two of the building blocks of a stronger economy.