FCM Rural FactSheet #1

Introduction

Federation of Canadian Municipalities: contact <u>DRubinstein@FCM.CA</u> FactSheets at http://www.fcm.ca/home/issues/rural-and-northern/rural-report-fact-sheets.htm

What is rural?

Rural Canada refers to areas:

- with a lower population density;
- with a longer distance to a location with a high population density; or
- with both!

New FCM research focuses on non-metro areas (i.e. with a population density less than 100,000 inhabitants and with a distance that is outside the commuting zone of metro centres). With this focus, rural Canada encompasses 10.4 million Canadians, representing 31 per cent of Canada's population. This share varies by province - from 100 per cent within Prince Edward Island and within the three northern territories, to 20 per cent within Ontario.

Rural and metro differences

Rural Canada is similar to metro Canada in some ways, but different in others. Rural Canada is growing overall, but at a slower pace than metro Canada. However, rural Canada is not growing everywhere. Rural Canada is growing near cities, in cottage-country and other desirable retirement locations and in northern areas with higher Aboriginal birth rates and in a few lucky areas with resource development. It appears that "people-creation", not job creation, holds the key to growth in rural Canada. Canada's population is approaching a scenario with more deaths than births, and some rural areas are already there. To grow, these communities must attract immigrants or migrants from elsewhere in Canada. However, population growth may not be the objective of every community. Growing the well-being of the community and retaining younger residents might be preferred. Nevertheless, some parts of rural Canada are very successful in attracting immigrants, with immigration attraction rates surpassing the rate of metro centres. Rural Canada is more intensive in goods production and is more intensive in seasonal industries. Also, the rural component of most industries is more seasonal in rural areas than in metro areas.

The rural economy

Rural Canada's share of the GDP is essentially the same as its share of population. In some provinces, the share will be lower as GDP per worker may be lower in rural areas due to the types of jobs in rural areas versus metro areas. Also, rural GDP is relatively lower because a relatively smaller share of the rural population is employed in the formal workforce (because of relatively more children in the rural population, relatively more retirees and seasonality, which means relatively fewer workers are employed year-round). Most rural areas were settled to export resources (fish, lumber, wheat, nickel, etc.). On-going mechanization means more can be exported with fewer workers. These areas face the challenge of needing to expand the export base to prevent a loss of workers to other areas. This historical challenge will likely continue for many rural communities.

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List of FCM Rural FactSheets

- #1 Introduction
- #2 Size of non-metropolitan population
- #3 Growth of non-metropolitan population
- #4 Replacement of working age population
- #5 Immigrant arrivals
- #6 Youth out-migration
- #7 Youth retention
- #8 Aging
- #9 Size of non-metropolitan economy
- #10 Non-metropolitan employment by sector
- #11 Non-metropolitan Gross Domestic Product (GDP) by sector