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State of the Cowichan Economy, Winter 2023

This report highlights the latest data and economic trends for the Cowichan Valley Regional District (CVRD), and is produced by staff at Economic Development Cowichan.

A Note on Census 2021

Statistics Canada has completed its major data releases from Census 2021. In our [Spring 2022 report](#), we provided a summary of population, age, and dwelling counts and types. In this report, we have Census data on income, education, labour, housing, migration, agriculture, and the region's Indigenous population.

Indigenous Demographics

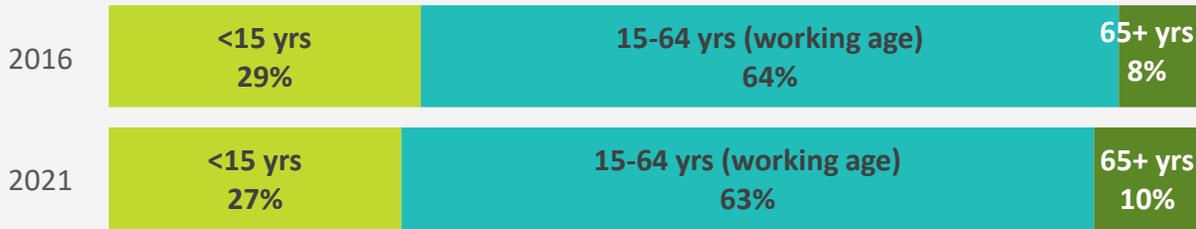
Population ([Statistics Canada, Census 2021](#))

	2016	2021	Population Growth
Indigenous	9,660	10,985	+ 13.7%
Cowichan Overall	83,739	89,013	+ 6.3%

Census 2021 data shows that the Indigenous population in the Cowichan region is growing at a much faster rate than Cowichan's population overall. This trend is consistent across the country, with Canada seeing an overall 9.4% increase in the Indigenous population since the last census. Statistics Canada gives two reasons for this growth: natural growth (higher birth rates and increasing lifespans), and an increasing number of people who now self-identify as Indigenous.

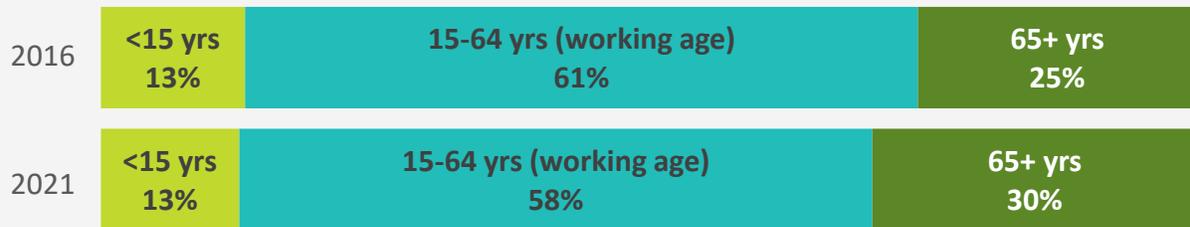
Age ([Statistics Canada, Census 2021](#))

Indigenous



Average Age in 2021 – **33.3**

Non-Indigenous



Average Age in 2021 – **48.6**

The region’s Indigenous population is also much younger on average than our non-Indigenous population. The Indigenous population has a higher proportion of children age 0 to 14 years, and a lower proportion of seniors age 65 and over when compared to Cowichan’s non-Indigenous age distribution. The proportion of Indigenous people of working age (15 to 54 years) is also higher than non-Indigenous. Given this age distribution, Statistics Canada predicts that “future census data may see the Indigenous population accounting for a larger share of the labour force.”¹ It will be important to work with the First Nations in the Cowichan region to ensure their members have access to the education and support they need to be successful in the workforce.

¹ “Indigenous population continues to grow and is much younger than the non-Indigenous population, although the pace of growth has slowed”, Statistics Canada, September 21 2022, <https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921a-eng.htm>

Education

Highest Level of Education ([Statistics Canada, Census 2021](#))

	2016	2021
No certificate, diploma or degree	12.4%	11.2%
High school diploma or equivalency certificate	28.9%	30.2%
Postsecondary certificate, diploma or degree	58.7%	58.6%
Apprenticeship or trades certificate or diploma	13.4%	11.8%
College, CEGEP or other non-university certificate or diploma	23.6%	22.4%
University certificate or diploma below bachelor level	4.4%	4.5%
Bachelor's degree or higher	17.2%	19.9%

From 2016 to 2021, there was a drop in the percentage of people in Cowichan aged 25 to 64 years who had no formal education. While the proportion of the population with a postsecondary education remained stable, there was a drop in the percentage of apprenticeship and trades graduates, and a rise in the percentage of people with a bachelor's degree or higher. Given the recent labour shortages in trades jobs, it will be important to support those seeking to enter the trades in the future.

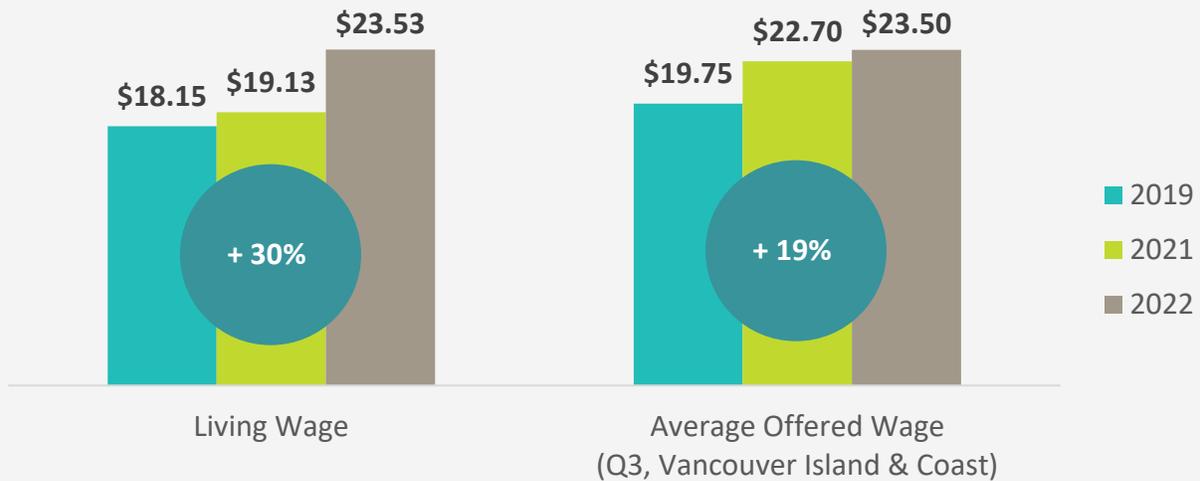
Labour Force

Median Household Income ([Statistics Canada, Census 2021](#))

	2015	2020	Percentage Change
Cowichan	\$65,191	\$79,500	22%
BC	\$69,995	\$85,000	21%

Cowichan's median household income increased at a rate just slightly higher than the province overall. Income varies widely by sub-region, with Area B residents earning a median income of \$99,000 while City of Duncan residents earn a median of \$53,200.

Hourly Wages ([Social Planning Cowichan](#), [Statistics Canada](#))



While Cowichan’s living wage is not directly comparable to the average offered wage in the Vancouver Island & Coast region, it is interesting to note that our living wage has grown at a faster pace over the past three years. This could signal that wages are not keeping up with what workers need to make ends meet.

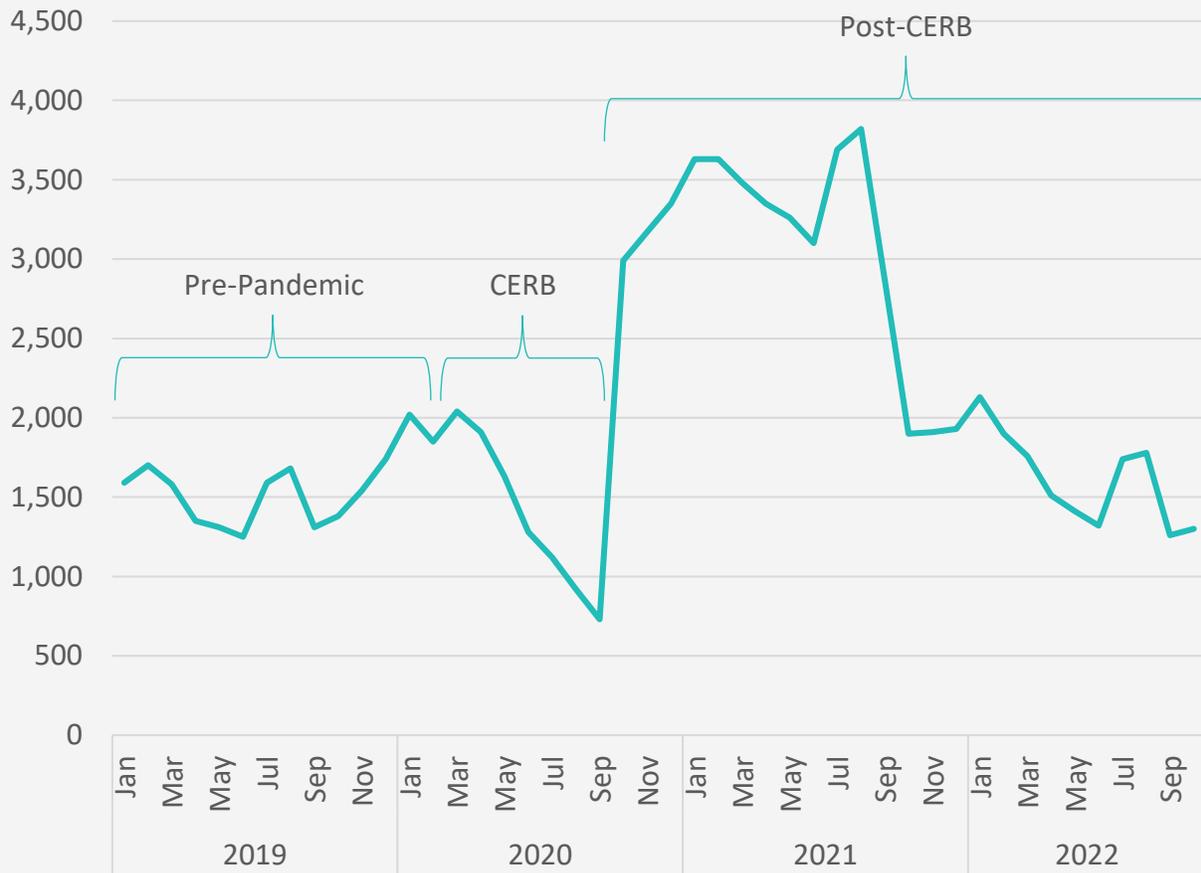
Labour Force Status ([Statistics Canada, Census 2021](#))

	2016	2021
Participation rate	57.4%	55.3%
Employment rate	53.1%	51.2%
Unemployment rate	7.4%	7.3%

As of May 2021, Cowichan’s labour force participation and employment rates had both dropped 2% since Census 2016. While unemployment rose sharply during the onset of the COVID-19 pandemic, it had returned to 2016 levels by Census 2021. At 7.3%, the unemployment rate in Cowichan was slightly lower than in the overall Vancouver Island and Coast region, which sat at 7.6%. Since May 2021, unemployment rates across the province have dropped significantly. As of December 2022, the unemployment rate in BC sits at 3.9% and in the Vancouver Island and Coast region at 2.7%.²

² “Labour Force Statistics Data Tables”, Statistics Canada, December 2022, https://www2.gov.bc.ca/assets/gov/data/statistics/employment-labour-market/lfs_data_tables.pdf

Employment Insurance Beneficiaries in Cowichan ([Statistics Canada](#))



During the first six months of the pandemic, the federal Canada Emergency Response Benefit (CERB) was implemented to support affected workers in place of the Employment Insurance (EI) program. When CERB was discontinued, those eligible for EI were transitioned over. Beneficiaries remained very high through September 2021, when many recipients reached the maximum of 50 weeks of regular benefits and became ineligible. Recently, the number of EI beneficiaries has decreased to levels similar to the same period in 2019.

Place of Work ([Statistics Canada, Census 2021](#))

	2016	2021
Worked at home	10.6%	17.8%
Worked outside Canada	0.3%	0.2%
No fixed workplace address	16.2%	18%
Usual place of work	72.9%	64%

Not surprisingly, the percentage of people in Cowichan working from home rose significantly from 2016 to 2021, with many forced or choosing to stay out of the office. This change highlights the importance of having appropriate infrastructure to facilitate home-based work, such as connectivity infrastructure.

Commuting ([Statistics Canada, Census 2021](#))

	2016	2021
Destination		
Commute within municipality or electoral area of residence	28.9%	31.5%
Commute to a different municipality or electoral area within Cowichan	43.5%	43.1%
Commute outside of Cowichan, but within BC	26.3%	24.6%
Commute to a different province or territory	1.2%	0.8%
Mode		
Car, truck or van - as a driver	83.6%	84.5%
Car, truck or van - as a passenger	5.9%	5.7%
Public transit	1.9%	0.9%
Walked	5.4%	5.6%
Bicycle	1.1%	0.9%
Other method	2.1%	2.3%
Duration		
Less than 15 minutes	34.6%	37.5%
15 to 29 minutes	31.3%	31.5%
30 to 44 minutes	15.3%	15.5%
45 to 59 minutes	7.7%	7.4%
60 minutes and over	11.1%	8.2%

It is encouraging to see that Cowichan’s workforce is more likely to work close to home with a shorter commute than in 2016. This will contribute to reductions in greenhouse gas emission. However, commuting by private vehicle increased, while use of public transit and cycling to get to work decreased. This could reflect impacts of the COVID-19 pandemic, with more people choosing to ride solo for health and safety reasons. It will be interesting to see how these trends are impacted by ongoing CVRD policy development, such as the Modernized Official Community Plan and the Regional Active Transportation Plan.

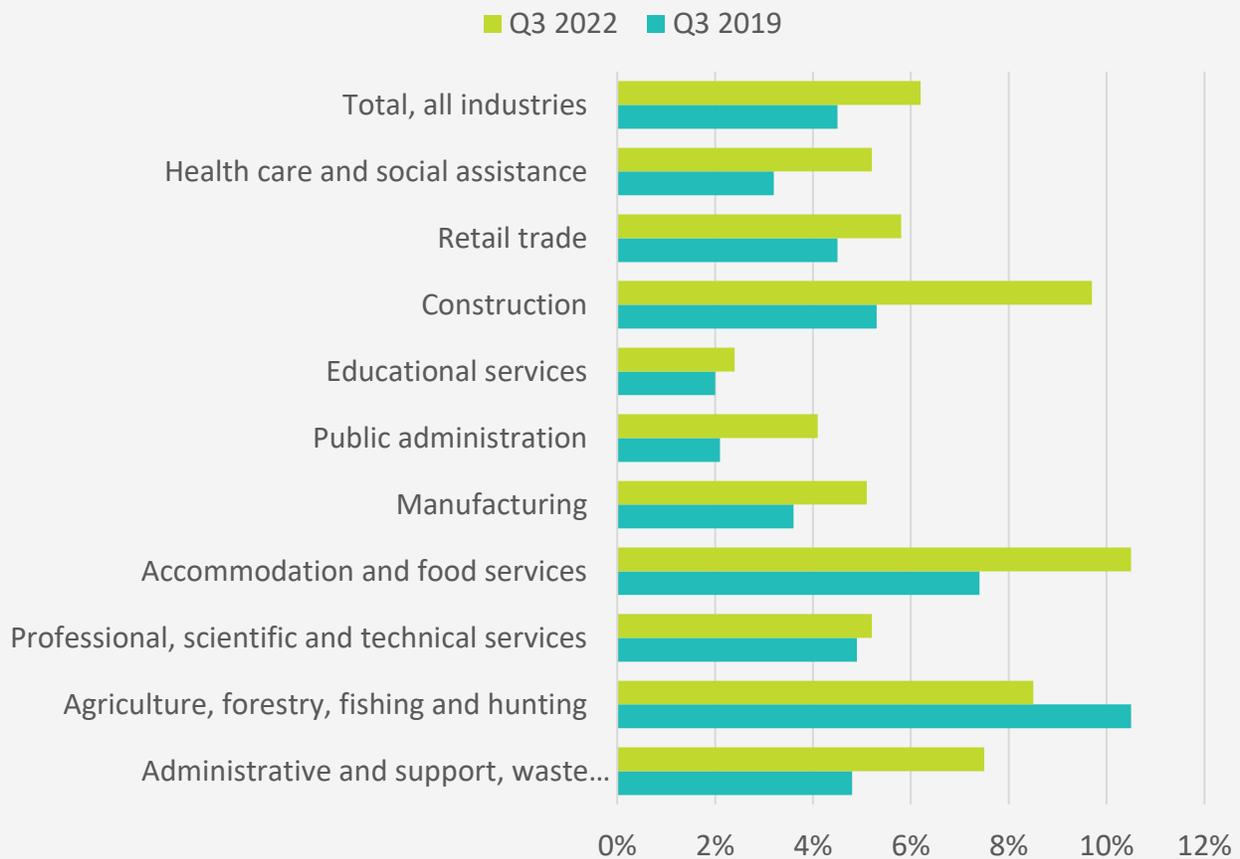
Labour Force by Industry – Top 10 ([Statistics Canada, Census 2021](#))

	2016	2021
Health care and social assistance	12.5%	13.3%
Retail trade	12.6%	11.9%
Construction	9.5%	11.3%
Educational services	6.9%	7.6%
Public administration	6.5%	7%
Manufacturing	7.3%	6.7%
Accommodation and food services	7.4%	6.5%
Professional, scientific and technical services	5.6%	6%
Agriculture, forestry, fishing and hunting	5%	4.7%
Administrative and support, waste management and remediation services	4.6%	4.7%

The distribution of labour amongst industries in Cowichan remained relatively stable from 2016 to 2021. The percentage of workers in health care and social assistance, construction, educational services, and public administration rose, while retail trade, manufacturing, and accommodation and food services saw declines. The effects of the COVID-19 pandemic can be seen here, particularly in the declines in retail, accommodation and food services, which were hard hit during periods of public health restrictions.

For a complete table of labour force by industry, see [Appendix A](#).

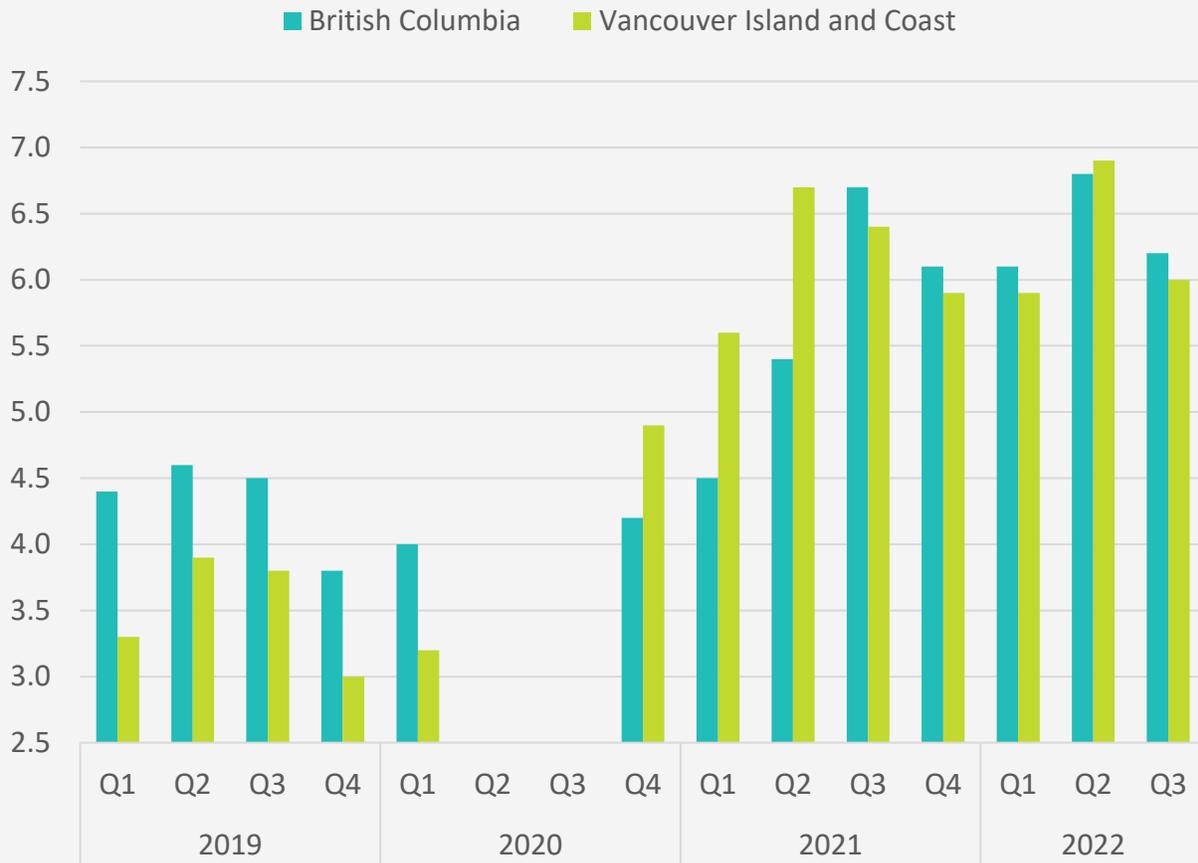
Provincial Job Vacancy Rates by Industry – Top 10 Industries by Employment ([Statistics Canada](#))



The labour shortage is a topic of much discussion right now. Our aging population, coupled with the impacts of the pandemic, mean that there simply are not enough workers to fill available positions. Since 2019, job vacancy rates in BC have risen in almost every industry, with the exception of agriculture, forestry, fishing and hunting. Some of the highest increases have been seen in the accommodation and food services, and construction industries. The construction industry has seen business boom since the COVID-19 pandemic, making it hard to keep up with the demand for labour. Accommodation and food services are a different story. Many workers left this industry for more stable and higher paying jobs in other sectors. There has also been a shift to less labour-intensive business practices in some cases, such as takeout only restaurants and accommodations that switched from short-term to long-term rentals.

For a complete table of provincial job vacancy rates by industry, see [Appendix A](#).

Regional Job Vacancy Rates ([Statistics Canada](#))



Note: data on job vacancy rates is unavailable for 2020 Q2 and Q3.

Job vacancy rates remain elevated in the Vancouver Island and Coast region, as well as provincially. The labour shortage is predicted to continue well into the foreseeable future. Economic Development Cowichan has published an [Employer Resource Guide](#) and blog series to help businesses adapt.

Migration

Mobility Status – 5 Years ([Statistics Canada, Census 2021](#))

Mobility status of Cowichan residents in last 5 years	2021	2016
Did not move	60%	62.5%
Moved residences between 2016 and 2021	40%	37.5%
- Moved within the same community	8.9%	15.3%
- Moved from a different community	31.2%	22.2%
* Moved from outside Canada	1.7%	1.5%
* Moved from a different community within Canada	29.4%	20.8%
^ Moved from another BC community	24%	16%
^ Moved from another Canadian province	5.4%	4.8%

The table above shows the mobility patterns of people who lived in Cowichan at Census 2021, showing the percentage of persons who moved within the last 5 years and where they moved from. From this data, we can see that people were much more likely to have moved into Cowichan from outside the region in the 5 years preceding Census 2021 as compared to Census 2016. The vast majority of those people came from within BC. This could reflect an increasing desire to live a more rural lifestyle and work from home, and/or a desire to leave increasingly unaffordable urban areas. One challenge of an influx of urban-dwellers into more rural areas is in setting the right expectations for infrastructure and servicing, which are often less developed than in cities.

Immigrant Status ([Statistics Canada, Census 2021](#))

	Cowichan	BC
Non-immigrants	87.6%	67.5%
Immigrants	11.9%	29%
Non-permanent residents	0.5%	3.5%

Residents of Cowichan are much more likely to be Canadian citizens by birth than the population of BC overall. 'Immigrants' includes persons who are or who have ever been landed immigrants or permanent residents, as well as those who have obtained Canadian citizenship by naturalization.

Age at Immigration ([Statistics Canada, Census 2021](#))

	Cowichan	BC
Under 5 years	13.4%	8.2%
5 to 14 years	20.5%	15.9%
15 to 24 years	21.3%	19.3%
25 to 44 years	37.2%	44.8%
45 years and over	7.6%	11.7%

A higher percentage of those who immigrate to Cowichan are under age 25 compared to BC overall. This is encouraging, as it helps to balance out our aging population and bolster our workforce.

Immigration Admission Category ([Statistics Canada, Census 2021](#))



More than half of immigrants to Cowichan came to Canada as Economic Immigrants, meaning that they have been selected for their ability to contribute to Canada's economy through their ability to meet labour market needs, to own and manage or to build a business, to make a substantial investment, to create their own employment or to meet specific provincial labour market needs. Of the remaining immigrants, most were sponsored by family and granted permanent resident status on the basis of their relationship (e.g., spouse, parent, child, etc).

Housing & Real Estate

Housing Indicators ([Statistics Canada, Census 2021](#))

	Unacceptable Housing	In Core Housing Need
Cowichan	25.7%	7.8%
BC	33.5%	13.4%

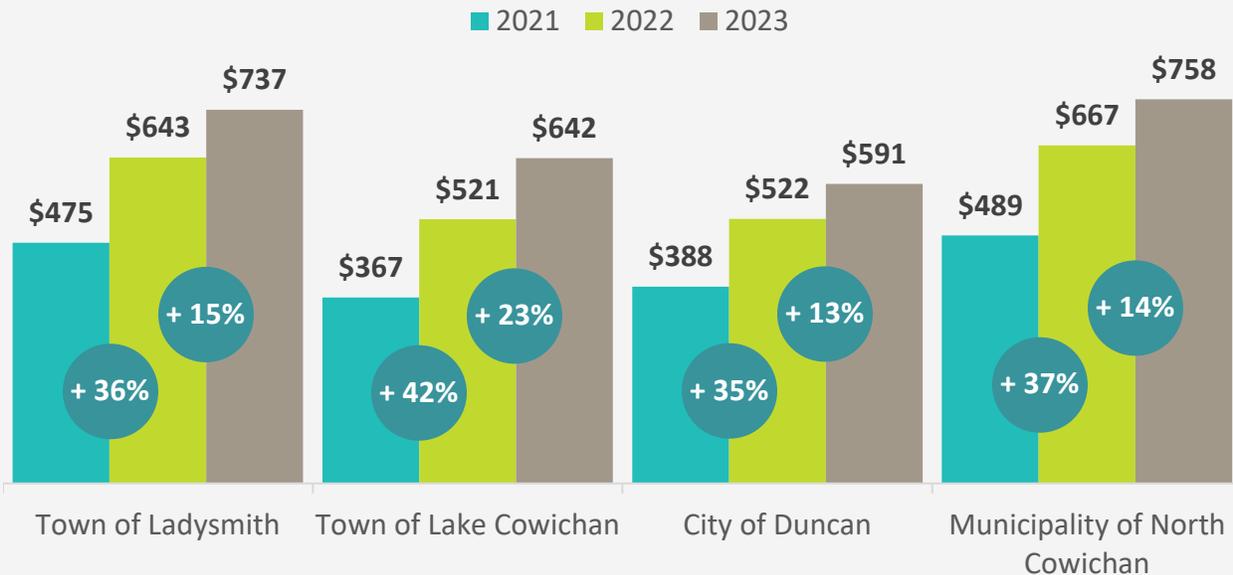
In Cowichan, 25.7% of occupied private dwellings are deemed unacceptable, meaning that occupants are spending 30% or more of their income on shelter costs, the housing has an unsuitable number of bedrooms for the size and composition of the household, and/or major repairs are needed. Also, 7.8% of private households are in core housing need, defined by Statistics Canada as living in unacceptable housing and unable to afford alternative local housing that is acceptable. Cowichan has a lower percentage of unacceptable housing and households in core need than BC overall.

Single-Family Home Sales ([Vancouver Island Real Estate Board](#), Multiple Listings Service)

	Dec 2017	Dec 2021	May 2022	Dec 2022	5 Year Change
Benchmark Price	\$450,700	\$776,800	\$886,300	\$752,700	+ 67%
Active Listings	123	33	150	137	+ 11%

In Cowichan, the number of active listings reached a low of 33 in December 2021, and the benchmark price of a single-family home reached a high of \$886,300 in May 2022. As noted earlier in this report, migration into Cowichan has been higher over the last 5 years than previously, resulting in population growth that has not been matched by growth in housing inventory. Since May 2022, rising inventory and interest rates are helping to cool the housing market. Prices are now 3% lower than the same month last year, and inventory has slightly surpassed that of 5 years ago.

Typical Assessed Value of Single-Family Homes in 1,000s ([BC Assessment](#))



Assessed values of homes on Vancouver Island have risen between 10% and 20%. While home prices in Cowichan are now lower than they were a year ago, assessment values are based on what homes could have sold for on July 1, 2022, when the market was performing higher. Of note, values in the Town of Lake Cowichan rose 23%, one of the highest increases on Vancouver Island, surpassed only by the Town of Port McNeil and the Village of Sayward.

A Note on Housing and the Labour Force

While the issues of housing affordability and availability may be well known, their link to the labour force is less so. When workers are unable to find or afford housing in Cowichan, they are more likely to leave the region, resulting in local businesses of all sizes and sectors struggling to attract and retain staff. This is a story that staff at Economic Development Cowichan (EDC) have heard over and over from businesses across the region. As a result, EDC has launched a Cowichan Workforce Housing Strategy project, which aims to develop actionable solutions to the housing crisis as it relates to employment. For more information on this project, visit planyourcowichan.ca/workforce-housing.

Business

Number of Businesses with Employees ([BC Stats](#))

2016	2021	Business Growth in Cowichan	Business Growth in BC
2,913	3,084	+ 5.9%	+ 5.8%

Growth in the number of businesses with employees in Cowichan has been steady over the last five years, with overall growth slightly higher than BC overall. It is also worth noting that the number of businesses in Cowichan continued to grow in 2020 and 2021, despite challenges presented by the pandemic.

Agriculture

Number of Farms ([Statistics Canada, Census of Agriculture 2021](#))

	2011	2016	2021	2021 vs 2016 Cowichan	2021 vs 2016 BC
Number of Farms	685	632	498	- 21.2%	- 9.6%
Total Farm Area (acres)	26,779	24,923	26,280	+ 5.4%	- 11.8%

The total number of farms in Cowichan decreased significantly between the 2016 and 2021 censuses, showing a much higher percentage decrease than BC overall. Decreases occurred in all farm types except poultry and egg production. While there was a decrease in the number of farms less than 760 acres, the data shows 5 farms of 760 acres or more which were not reported in 2016. Also, while the number of farms decreased, the total acres of land being used for farming in Cowichan increased. Statistics Canada reports that a trend of industry consolidation has been present for several censuses now and continues in 2021, which may explain the Cowichan data.

“Over time, farms have been evolving to become increasingly sophisticated businesses that harmonize automation, modernization and production operations. As a result, many farms have consolidated and become increasingly larger both in terms of sales and number of employees. Conversely, smaller and mid-sized farms are declining in Canada, thereby impacting the rural landscape and profile of Canadian regions.”³

³ “Canada's 2021 Census of Agriculture: A story about the transformation of the agriculture industry and adaptiveness of Canadian farmers”, Statistics Canada, May 11 2022, <https://www150.statcan.gc.ca/n1/daily-quotidien/220511/dq220511a-eng.htm?indid=22863-1&indgeo=0>

Vancouver Island Economic Alliance's State of the Island Economic Report 2022 states that many farmers have sold or consolidated their land due to rising real estate prices and the aging agricultural workforce.⁴

⁴ "State of the Island Economic Report 2022", Vancouver Island Economic Alliance, October 2 2022, <https://viea.ca/economic-resources/state-of-the-island-report/>

Appendix A

Labour Force by Industry - Complete ([Statistics Canada, Census 2021](#))

	2016	2021
Health care and social assistance	12.5%	13.3%
Retail trade	12.6%	11.9%
Construction	9.5%	11.3%
Educational services	6.9%	7.6%
Public administration	6.5%	7%
Manufacturing	7.3%	6.7%
Accommodation and food services	7.4%	6.5%
Professional, scientific and technical services	5.6%	6%
Agriculture, forestry, fishing and hunting	5%	4.7%
Administrative and support, waste management and remediation services	4.6%	4.7%
Other services (except public administration)	4.8%	4.7%
Transportation and warehousing	3.6%	3.4%
Finance and insurance	2.8%	2.5%
Arts, entertainment and recreation	2.3%	2.2%
Wholesale trade	2.2%	1.7%
Real estate and rental and leasing	1.6%	1.5%
Information and cultural industries	1.2%	1.3%
Mining, quarrying, and oil and gas extraction	0.8%	0.6%
Utilities	0.5%	0.4%
Management of companies and enterprises	0.1%	0.1%

Provincial Job Vacancy Rates by Industry ([Statistics Canada](#))

