



mellor murray
CONSULTING

Warwick Township Demographic and Industrial Profile

Mellor Murray Consulting
August 28, 2017



mellor murray
CONSULTING



Contents

Warwick: Summary Demographic Profile	3
Warwick Industrial Profile: Introduction	5
Initial Observations	5
Primary Industries	7
Construction, Manufacturing, Trade and Transportation	7
Information, Finance and Professional Services	8
Education, Health Care and Public Administration	8
Tourism	8
Other Sectors	8
Appendix	9
Appendix A: Detailed Industry Tables	9
Appendix B: Source and Methodology	12



Warwick: Summary Demographic Profile

Warwick Township has a population of 3,700 people. Between 2011 and 2016, the population remained relatively stable. The average age in the township in 2016 was 40.7; below the County (43.9) and slightly below the Province (41 years). The Township's population density per square kilometre is 12.7, making Warwick one of the least densely populated municipalities in the County.

One of the challenges facing the community has been the lack of inward migration. While the 2016 data is not available until November, the 2011 National Household Survey found that eight per cent of the population were first generation immigrants compared to 40 per cent for the Province as a whole. Seventy-five per cent of the township's population is at least a third generation Canadian. Table 1 provides the summary demographic information for 2016.

Table 1: Summary demographic profile for Warwick

	Warwick	Lambton County	Ontario	Canada
Population, 2016	3,692	126,638	13,448,494	35,151,728
Population, 2011	3,717	126,199	12,851,821	33,476,688
Population percentage change, 2011 to 2016	-0.7	0.3	4.6	5
Population density per square kilometre	12.7	42.2	14.8	3.9
Population by age group				
0 to 14 years	19%	15%	16%	17%
15 to 24 years	13%	11%	13%	12%
25 to 44 years	22%	22%	26%	26%
45 to 64 years	28%	30%	28%	28%
65+	18%	22%	17%	17%
Average age	40.7	43.9	41	41
Average household size (persons)	2.6	2.3	2.6	2.4

Source: Statistics Canada 2016 Census.

Table 2 shows the income profile for the residents of Warwick. This is taken from tax filer data for 2014 and reflects the amounts people claim on their tax forms. On average, people in Warwick earn 11 per cent less than their counterparts across Ontario. Average employment income is 17 per cent below the provincial level and average pension income (public and private pensions) is 11 per cent lower.

Warwick has a higher share of adults claiming pension income. When looking at the ratio of pensioners to employment income earners, there are 15 per cent more in Warwick compared to the province as a whole. Average investment income is 16 per cent lower.

Warwick has a much higher percentage of people claiming self-employment income which is common in agriculture-intensive economies.

**Table 2: Income profile for Warwick per taxfiler**

	<u>Warwick</u>	<u>Ontario</u>	<u>Variance</u>
Average income from all sources	\$41,883	\$46,898	-11%
Average employment income	\$39,303	\$47,169	-17%
Average self-employment income	\$11,785	\$18,491	-36%
<i>Share of total employment income earners</i>	33%	17%	
Average pension income	\$22,545	\$25,204	-11%
<i>Ratio of pensioners to employment income earners</i>	0.49	0.43	+15%
Average investment income	\$10,020	\$11,965	-16%
<i>Share of total income earners declaring investment income</i>	39%	34%	

Source: CRA Taxfiler data (2014).

The 2011 National Household Survey (NHS) provides additional insight into the income profile for Warwick. (The 2016 NHS will be released in November 2017). From the survey, the median cost of dwellings (housing) was \$170,035 in the community; 48 per cent below the Ontario average and one of the lowest in the County. The share of owner households spending 30 per cent or more on shelter costs in Warwick was only 10.8 per cent well below both the provincial and national levels and the second lowest among the municipalities in Lambton County. Average personal income and median family income were below average.

Table 3: Income profile for Warwick – from the National Household Survey

	<u>Warwick</u>	<u>Lambton County</u>	<u>Ontario</u>	<u>Canada</u>
% of owner households spending 30% or more of household total income on shelter costs	10.8	13.4	20.9	18.5
Median monthly shelter costs for owned dwellings (\$)	\$736	\$757	\$1,163	\$978
Median value of dwellings (\$)	\$170,035	\$180,165	\$300,862	\$280,552
Average personal income \$	\$35,208	\$41,241	\$42,264	\$40,650
Employment income %	70.4	67.7	74.8	74.7
Wages and salaries %	64	64.3	70.1	70.3
Self-employment income %	6.3	3.4	4.6	4.4
Investment income %	4.4	4.1	4.2	4.6
Retirement pensions, superannuation and annuities %	7.7	10.9	7	6.7
Canada/Quebec Pension Plan benefits %	4	4.5	3.4	3.5
Old Age Security pensions and Guaranteed Income Supplement %	3.3	3.7	2.8	3.1
Median family income \$	\$74,043	\$77,637	\$80,987	\$76,511

Source: Statistics Canada 2011 National Household Survey.



Warwick Industrial Profile: Introduction

As of December 2016, there were 539 business locations (hereafter referred to as firms or establishments) in Warwick of which only 120 had employees. These are establishments that are registered and providing payroll and other information to the Canada Revenue Agency (CRA). The data comes from Statistics Canada's Canadian Business Patterns database which provides information on the establishments by detailed industry (NAICS) and employment size.

The industry profiles below provide a summary of the key sectors and the number of firms by employment size. In addition, the economic structure is compared to Ontario as a whole to provide a first level insight into firm intensity and size. The tables show the number of firms by sector adjusted for population size (per 10,000 population) to allow for a meaningful comparison to the provincial economy. For example, there are 26 businesses in Warwick active in the retail trade sector (NAICS 44-45). Compared to Ontario, there are the same number of businesses (adjusted for population size) in Warwick and the average size of a retail business is smaller (30 per cent smaller displayed as 0.7 in the table).

The data is presented at a detailed sector level to help provide an initial assessment of areas in which the Warwick has a very high concentration of firms or a low concentration. See Appendix B for a more detailed description of the source and methodology.

Table 4 compares the Warwick economic profile to the province as a whole by firm concentration and average firm size. Appendix A provides detailed tables listing the number of firms in each industry group, the size by employment range and the comparison to the Ontario economy as a whole.

Initial Observations

- Overall, the Warwick economy has a heavy concentration of firms in the agriculture sector with 45 per cent of all establishments involved in either crop or animal farming. Soybean farming is the largest sub-sector.
- Warwick has a higher concentration of construction firms with 50 per cent more in in NAICS 238 - Specialty trade contractors.
- The community's retail sector is similar in size to the provincial sector with higher concentrations of building supplies stores, motor vehicle and parts dealers and gasoline stations.
- The community has very few professional services firms.
- The health care sector is smaller than it should be based on its population size but there is a high concentration of nursing and residential care facilities (there are seven or five times the provincial level adjusted for population size).
- There are a well below average number of tourism-related firms.



Table 4: Warwick Industrial Profile: Summary

Firms by employment size/concentration compared to Ontario

Industry:	Total	Without employees	Employment Range						Avg. per location	1.0 = Average Compared to ONT	
			<10	10-19	20-49	50-99	100+	# Firms		Avg.size	
Total	910	720	148	22	14	3	3	10	1.1	0.8	
Unclassified	69	66	3	0	0	0	0	4	0.7	0.8	
Sub-total, classified	841	654	145	22	14	3	3	10	1.1	0.7	
11 - Agriculture, forestry, fishing and hunting	319	283	31	2	2	0	1	10	11.9	1.0	
21 - Mining, quarrying, and oil and gas ext.	4	1	2	1	0	0	0	8	3.6	0.3	
22 - Utilities	7	7	0	0	0	0	0	n/a	4.4	n/a	
23 - Construction	86	48	33	3	1	1	0	8	1.1	0.8	
31-33 - Manufacturing	11	7	1	2	0	0	1	47	0.5	1.5	
41 - Wholesale trade	23	11	8	2	1	1	0	13	1.0	0.8	
44-45 - Retail trade	50	35	8	3	4	0	0	13	0.9	0.8	
48-49 - Transportation and warehousing	38	27	8	2	1	0	0	7	0.9	0.8	
51 - Information and cultural industries	2	1	1	0	0	0	0	2	0.2	0.1	
52 - Finance and insurance	34	29	5	0	0	0	0	3	0.7	0.2	
53 - Real estate and rental and leasing	108	104	3	1	0	0	0	7	0.8	0.8	
54 - Professional, scientific and tech. services	50	38	12	0	0	0	0	2	0.5	0.3	
55 - Management of companies	1	1	0	0	0	0	0	n/a	0.1	n/a	
56 - Administrative and support, waste management and remediation services	16	12	2	2	0	0	0	9	0.5	0.4	
61 - Educational services	5	2	2	1	0	0	0	10	0.6	0.4	
62 - Health care and social assistance	20	10	9	0	0	0	1	19	0.4	1.4	
71 - Arts, entertainment and recreation	4	3	0	1	0	0	0	15	0.3	0.7	
72 - Accommodation and food services	21	10	6	2	2	1	0	18	0.8	1.0	
81 - Other services (except public admin.)	40	25	14	0	1	0	0	5	0.8	0.7	
91 - Public administration	2	0	0	0	2	0	0	30	2.3	0.3	

Source: Statistics Canada Canadian Business Patterns (December 2016).

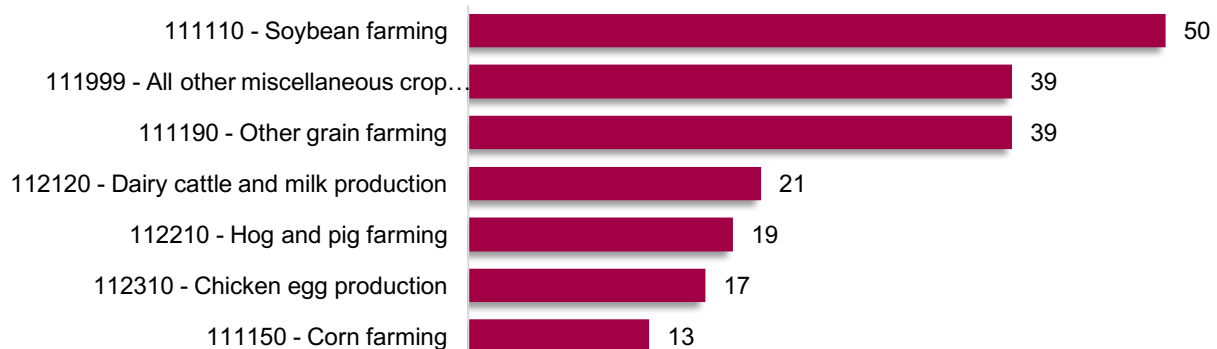


Primary Industries

Warwick has a very high concentration of establishments in the crop production sector; specifically soybean farming, the main area of farming in the community. Compared to the provincial economy, there are 35 times as many soybean farms. There is also a large number of establishments in the animal production sector. Most of the farms do not have significant employment.

Warwick is home to three firms in NAICS 212 - Mining and quarrying (except oil and gas).

Figure 1: Number of business establishments by sector - NAICS 111 & 112 - Farming



Construction, Manufacturing, Trade and Transportation

There are 44 firms in the Warwick construction sector of which 22 have formal employment. The community has a much higher concentration of firms in the specialty trade contractor sector compared to the province as a whole (two times as many adjusted for population size). Warwick has nine manufacturing firms of which four have formal employment. There are four firms in wood and furniture-related manufacturing. There are 35 firms involved in wholesale and retail trade. Figure 2 shows the sub-sectors with higher than average concentration.

Figure 2: Trade-related sectors with a high concentration of firms relative to the Ontario economy (Ontario = 1.0)





Information, Finance and Professional Services

Warwick has more than 115 firms in various services industries including 19 in finance and insurance, 79 in real estate, 10 in professional services and five in administrative services. For the most part, the township does not have a high concentration of firms in these sectors. The exception is in lessors of real estate. There are 75 in NAICS 5311 - Lessors of real estate which is 60 per cent above the provincial level.

Education, Health Care and Public Administration

There are no establishments listed in NAICS 61 - Educational services. There are nine establishments in the health care and social assistance sector, with six having some level of employment. The health care and social assistance sector concentration is well below average when adjusted for population size. The community does have a small cluster of nursing and residential care facilities. There is one firm in NAICS 6231 - Nursing care facilities; four in NAICS 6232 - Residential developmental handicap, mental health and substance abuse facilities and two in NAICS 6233 - Community care facilities for the elderly.

Tourism

Warwick is home to only seven firms in the two main tourism sectors: NAICS 71 - Arts, entertainment and recreation and NAICS 72 - Accommodation and food services. There are three firms in the full-service restaurants and limited-service eating places sector representing about 30 per cent as many compared to the Province as a whole adjusted for population size.

Other Sectors

Warwick is home to 19 firms in NAICS 811 - Repair and maintenance or 2.6 times as many as the province adjusted for population size.



Appendix

Appendix A: Detailed Industry Tables

Table 5: Warwick Industrial Profile: Primary Industries

Firms by employment size/concentration compared to Ontario

Industry:	Total	Without employees	Employment Range					Avg. per location	1.0 = Average Compared to ONT	
			<10	10-19	20-49	50-99	100+		# Firms	Avg.size
111 - Crop production	152	138	12	1	1	0	0	6	26.2	0.4
111110 - Soybean farming	50	50	0	0	0	0	0	n/a	47.6	n/a
111150 - Corn farming	13	12	1	0	0	0	0	2	16.7	0.5
111190 - Other grain farming	39	30	9	0	0	0	0	3	38.9	0.6
111330 - Non-citrus fruit and tree nut farming	3	2	0	1	0	0	0	15	16.0	0.8
111999 - All other miscellaneous crop	39	38	1	0	0	0	0	7	27.5	0.7
112 - Animal production	89	64	21	3	1	0	0	5	16.7	1.0
112110 - Beef cattle ranching and farming, including feedlots	12	12	0	0	0	0	0	n/a	7.8	n/a
112120 - Dairy cattle and milk production	21	14	6	1	0	0	0	4	14.9	0.9
112210 - Hog and pig farming	19	12	6	1	0	0	0	4	54.0	0.7
112310 - Chicken egg production	17	9	6	1	1	0	0	8	148.5	0.7
112320 - Broiler and other meat-type chicken	8	6	2	0	0	0	0	2	32.5	0.5
112991 - Animal combination farming	6	6	0	0	0	0	0	n/a	8.2	n/a
115110 - Support activities for crop production	5	4	1	0	0	0	0	7	11.0	0.5
115210 - Support activities for animal production	2	2	0	0	0	0	0	n/a	6.0	n/a

Source: Statistics Canada Canadian Business Patterns (December 2016).



Table 6: Warwick Industrial Profile: Construction, Manufacturing, Trade & Transportation

Firms by employment size/concentration compared to Ontario

Industry:	Total	Without employees	Employment Range						Avg. per location	1.0 = Average Compared to ONT	
			<10	10-19	20-49	50-99	100+	# Firms		Avg. size	
236 - Construction of buildings	9	4	4	1	0	0	0	8	0.8	0.9	
237 - Heavy and civil engineering construction	3	3	0	0	0	0	0	n/a	1.0	n/a	
238 - Specialty trade contractors	32	15	12	3	2	0	0	8	1.5	0.9	
321 - Wood product manufacturing	2	0	0	1	0	0	1	83	3.9	3.6	
332 - Fabricated metal product manufacturing	1	1	0	0	0	0	0	n/a	0.7	n/a	
333 - Machinery manufacturing	3	2	1	0	0	0	0	7	2.9	0.2	
337 - Furniture and related product manufacturing	2	1	1	0	0	0	0	2	2.7	0.1	
339 - Miscellaneous manufacturing	1	1	0	0	0	0	0	n/a	0.8	n/a	
413 - Food, beverage and tobacco merchant wholesalers	2	1	1	0	0	0	0	2	1.5	0.1	
417 - Machinery, equipment and supplies merchant wholesalers	2	1	0	0	1	0	0	30	0.8	1.7	
418 - Miscellaneous merchant wholesalers	2	1	1	0	0	0	0	2	1.1	0.1	
441 - Motor vehicle and parts dealers	7	4	2	0	1	0	0	13	3.1	0.6	
444 - Building material and garden equipment and supplies dealers	4	1	1	0	2	0	0	21	3.2	1.0	
445 - Food and beverage stores	5	3	2	0	0	0	0	2	1.2	0.1	
446 - Health and personal care stores	1	0	0	1	0	0	0	15	0.3	1.2	
447 - Gasoline stations	5	3	2	0	0	0	0	5	3.6	0.5	
452 - General merchandise stores	1	1	0	0	0	0	0	n/a	0.8	n/a	
453 - Miscellaneous store retailers	3	2	1	0	0	0	0	2	1.0	0.2	
484 - Truck transportation	6	5	1	0	0	0	0	7	0.5	1.4	
491 - Postal service	1	1	0	0	0	0	0	n/a	14.7	n/a	
492 - Couriers and messengers	1	1	0	0	0	0	0	n/a	0.6	n/a	
493 - Warehousing and storage	2	2	0	0	0	0	0	n/a	4.1	n/a	

Source: Statistics Canada Canadian Business Patterns (December 2016).



Table 7: Warwick Industrial Profile: Other

Firms by employment size/concentration compared to Ontario

Industry:	Total	Without employees	Employment Range						Avg. per location	1.0 = Average Compared to ONT	
			<10	10-19	20-49	50-99	100+	# Firms		Avg. size	
518 - Data processing and related services	1	1	0	0	0	0	0	n/a	2.2	n/a	
522 - Credit intermediation and related	3	1	1	0	1	0	0	19	1.1	0.8	
523 - Financial investment and related	13	13	0	0	0	0	0	n/a	0.8	n/a	
524 - Insurance carriers and related activities	3	1	1	0	1	0	0	16	0.8	1.1	
531 - Real estate	77	73	4	0	0	0	0	2	1.2	0.3	
532 - Rental and leasing services	2	1	1	0	0	0	0	7	1.3	0.6	
541 - Professional, scientific and tech. services	10	8	2	0	0	0	0	2	0.2	0.3	
551 - Management of companies	1	1	0	0	0	0	0	n/a	0.3	n/a	
561 - Administrative and support services	4	2	1	0	1	0	0	16	0.3	0.8	
562 - Waste management and remediation	1	0	0	0	0	1	0	75	2.1	4.0	
621 - Ambulatory health care services	2	2	0	0	0	0	0	n/a	0.1	n/a	
623 - Nursing and residential care facilities	7	1	1	3	1	1	0	25	5.1	0.6	
711 - Performing arts, spectator sports and related industries	1	1	0	0	0	0	0	n/a	0.3	n/a	
712 - Heritage institutions	2	2	0	0	0	0	0	n/a	14.1	n/a	
713 - Amusement, gambling and recreation	1	1	0	0	0	0	0	n/a	0.5	n/a	
722 - Food services and drinking places	3	1	2	0	0	0	0	2	0.3	0.1	
811 - Repair and maintenance	19	12	7	0	0	0	0	5	2.6	0.8	
812 - Personal and laundry services	2	0	2	0	0	0	0	5	0.3	0.6	
813 - Religious, grant-making, civic, and professional and similar organizations	6	1	5	0	0	0	0	2	0.8	0.2	
913 - Local, municipal and regional public administration	1	0	0	0	1	0	0	30	5.0	0.3	

Source: Statistics Canada Canadian Business Patterns (December 2016).



Appendix B: Source and Methodology

The data in this report is taken from the December 2016 edition of Canadian Business Patterns which is published by Statistics Canada. Canadian business patterns data provide counts of active locations by industry classification and employment size categories for Canada and the provinces/territories. Data are compiled from the Business Register, which is a repository of information on the Canadian business population.

In order to be included in this database, a business must have been assigned a NAICS code and meet at least one of the following criteria: be an employer (i.e., have employees), be a corporate tax filer (T2), be a GST registrant with sales greater than \$0, file an individual tax return (T1) showing business revenue greater than \$0 and for which we can match the Business Number (BN) to the Social Insurance Number (SIN) and/or show evidence (obtained via profiling activities) of size.

In order to compare the community's economic structure to the province as a whole, the data was standardized in two ways:

The number of firms was adjusted based on population size and then compared to the provincial economy. A number greater than 1.0 means a higher concentration of firms (relative to population size). The average size of firm by sector was estimated by taking the mid-point employment level for each employment range (1-4, 5-9, etc.) and deriving the average for all firms.