

The Economic Cost of Inaction

Immigration, population growth and economic prosperity in Atlantic Canada

Prepared for the New Brunswick Business Council | Analysis by Jupia Consultants Inc. | October 2026

THE CASE IN FOUR POINTS

Growth follows workforce, and immigration now supplies all of it



2.6% → 0.5%

Growth has followed the workforce.

Real GDP growth fell from 2.6% a year (1981–2007) to 0.5% (2008–2018) when the workforce stopped growing, then recovered to 2.4% (2019–2024) as immigration rose.

+438% vs -3%

Immigration is now the only source of workforce growth.

Immigrants and temporary workers in the labour force grew 438% over 20 years. The Canadian-born workforce shrank 3%.

31% vs 6%

The next decade is a choice.

Cumulative real GDP growth to 2035: 31% with sustained immigration, 6% at pre-2018 levels. Permanent resident admissions are already down 29% in New Brunswick.

175

Communities and public finances carry the risk.

175 communities are projected to have one-third of residents aged 65+ by 2035 (12 in 2011). Maritime equalization is up 95% since 2017–18.

Sources: Statistics Canada; IRCC; Jupia Consultants Inc., *The Economic Cost of Inaction*, October 2026.

THE MOMENT

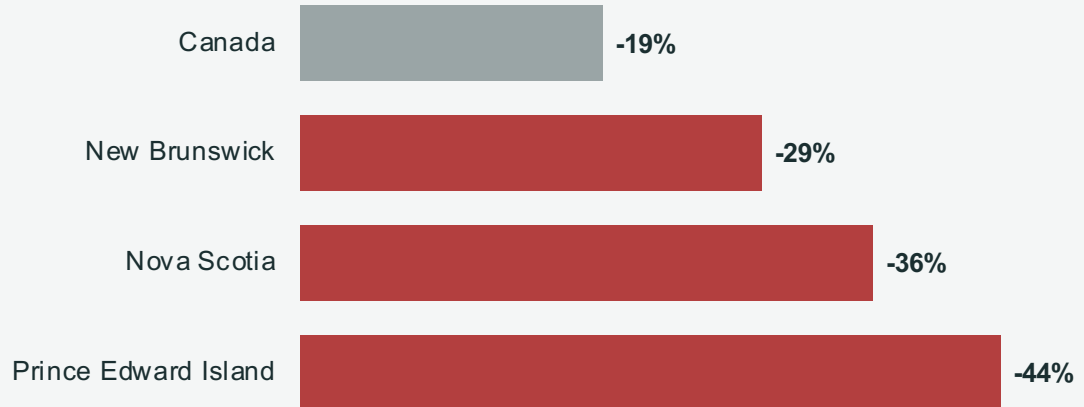
Permanent resident admissions fell far more in the Maritimes than nationally

2.1% → 0.5%

Canada's annual population growth: 2021–2025 average, versus July 2025 to July 2026.

The federal plan to cut both temporary residents and permanent resident admissions puts the region's growth potential at risk.

Decline in permanent resident admissions, 2025 vs. 2024

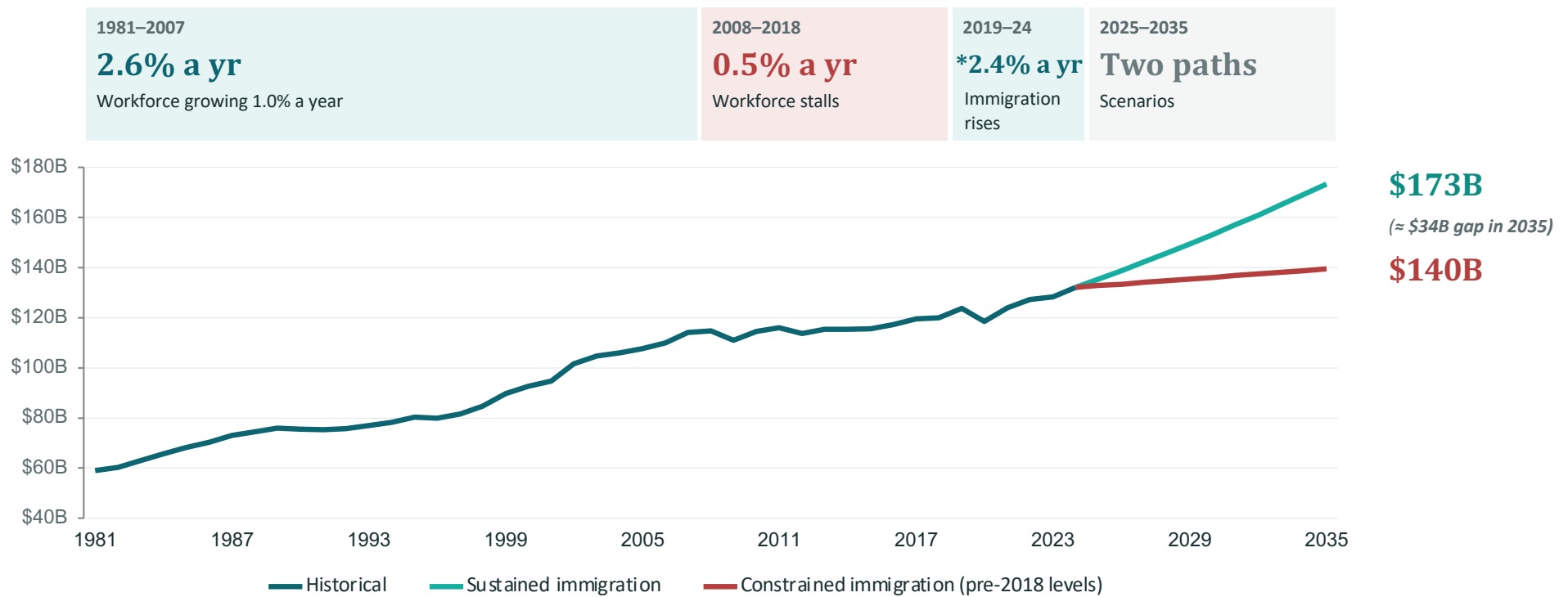


These cuts come on top of steep reductions in international students and other temporary residents.

Sources: IRCC (permanent resident admissions, 2025 vs. 2024); Jupia Consultants Inc.

THE COST OF INACTION

When the workforce grew, the economy grew. When it stalled, so did growth.



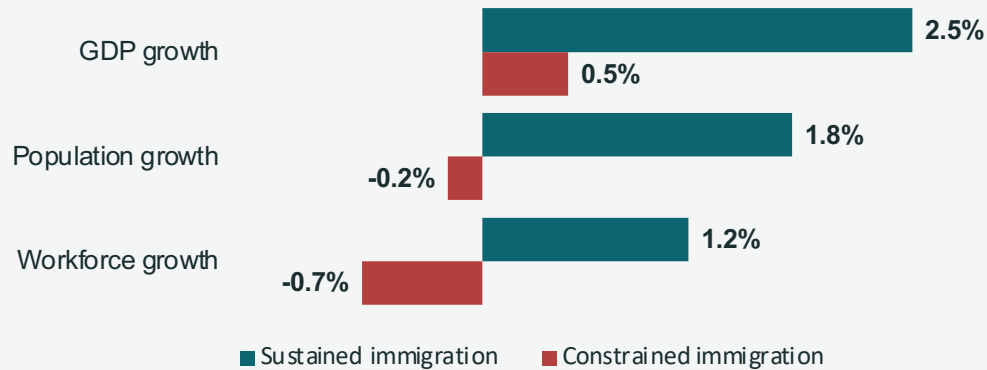
Real GDP. The 2019–2024 average excludes pandemic years 2020–2021. Historical data: Statistics Canada. Projections: Jupia Consultants Inc.

THE COST OF INACTION

Sustained immigration: 2.5% annual growth. Constrained immigration: 0.5%.



Average annual growth, 2025–2035



Job openings filled, 2025–2035

441,000	172,000
Sustained	Constrained

Change in labour force, 2025–2035

+175,300	-94,000
Sustained	Constrained

WHAT IT MEANS: JUPIA ASSESSMENT (TEAL = SUSTAINED, RED = CONSTRAINED)



Rural and small-urban

Reverses long-term decline

Accelerates long-term decline



Exports

Growth sustained

Likely decline



Provincial and municipal finances

More balanced fiscal position

Could worsen structural deficits



Federal equalization

Increase moderated

Likely substantial expansion



New economic opportunities

Ability to act: significant

Ability to act: highly limited

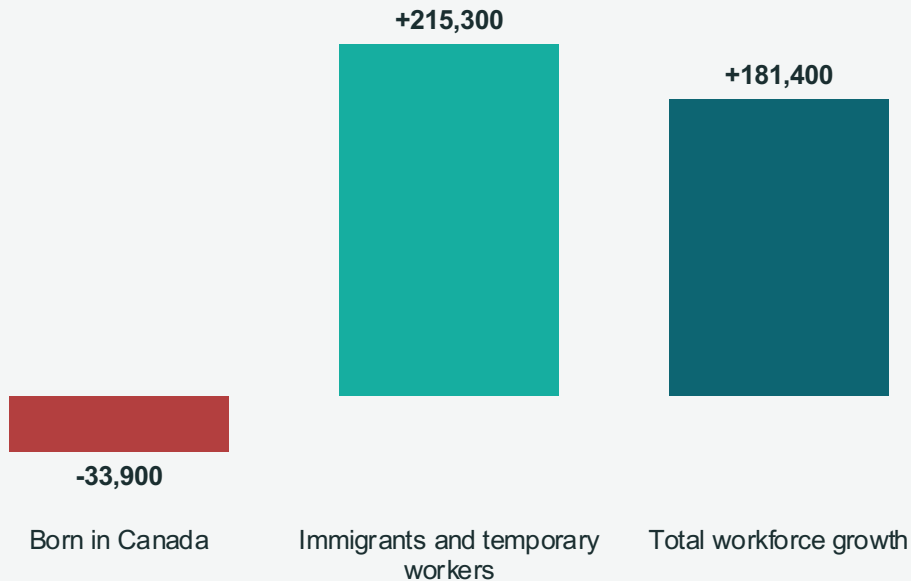
Scenarios 2025–2035. Constrained = pre-2018 immigration levels with few temporary workers. Qualitative outcomes are Jupia's assessment. Source: Jupia Consultants Inc., October 2026.

WORKFORCE

All net workforce growth in 20 years came from immigrants and temporary workers



Change in Atlantic Canada's labour force, Aug 2006 to Aug 2026



+438%

Immigrants and temporary workers in the labour force (49,200 to 264,500)

-3%

Canadian-born workers in the labour force (1.19M to 1.15M)

Raising participation among Canadian-born workers will help. New Brunswick has the second-lowest participation rate among those 55+. But it can only be a small part of the growth required.

Unadjusted monthly data, August 2006 to August 2026. Source: Statistics Canada Table 14-10-0471-01.

WORKFORCE

The pipeline has tripled since 2017, and 203,000 more are needed by 2035



Immigrants and temporary workers in the Atlantic Canada workforce



3X

growth since the 2017 launch of the Atlantic Immigration Pilot (82,500 to 264,500)

+203,000

more immigrants and temporary workers needed by 2035 to meet the Atlantic Economic Panel's 1.3% workforce growth target

At risk

Curtailling permanent and temporary residents could significantly cut this growth. Temporary workers rose from 10,500 to 88,100 since 2006.

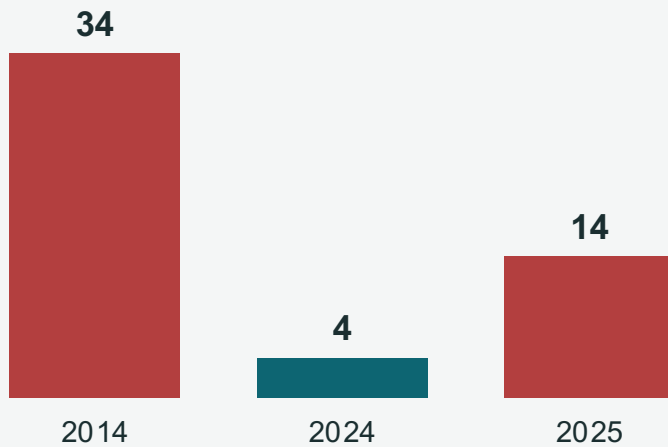
As of August each year; unadjusted monthly data. 2035 reflects the Atlantic Economic Panel's target of 1.3% annual workforce growth. Source: Statistics Canada Table 14-10-0471-01; Jupia Consultants Inc.

RURAL AND SMALL-URBAN COMMUNITIES

Immigration kept smaller communities from shrinking, and the cuts are already reversing that



Census divisions losing population (of 46)



Births minus deaths was negative in 42 of 46 divisions in 2025. Immigration is the main source of growth.

Immigrants settling in smaller communities, 2014 → 2024

45 → 563

Gloucester County, NB

55 → 1,200

Prince County, PEI

13 → 234

Cumberland County, NS

47 → 316

Division 5, western NL

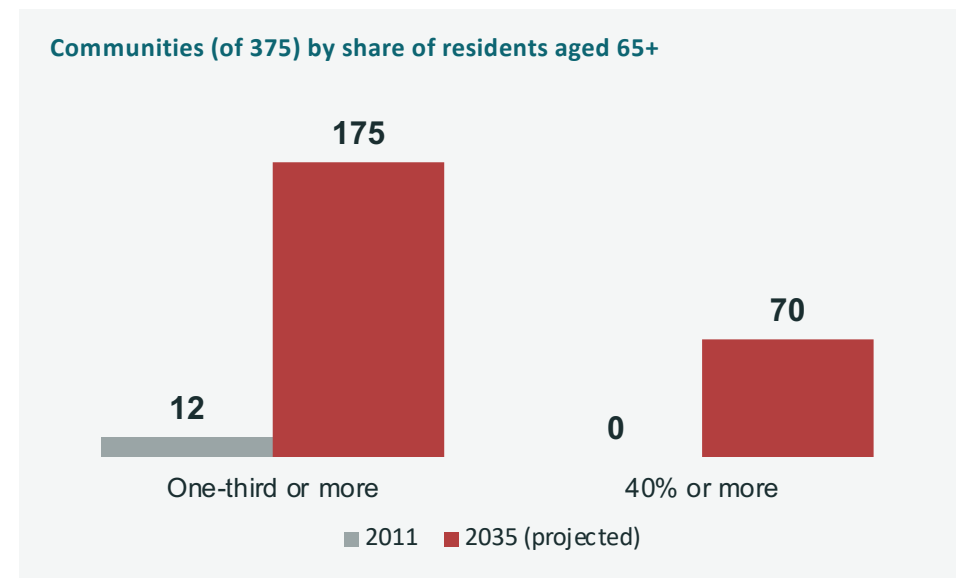
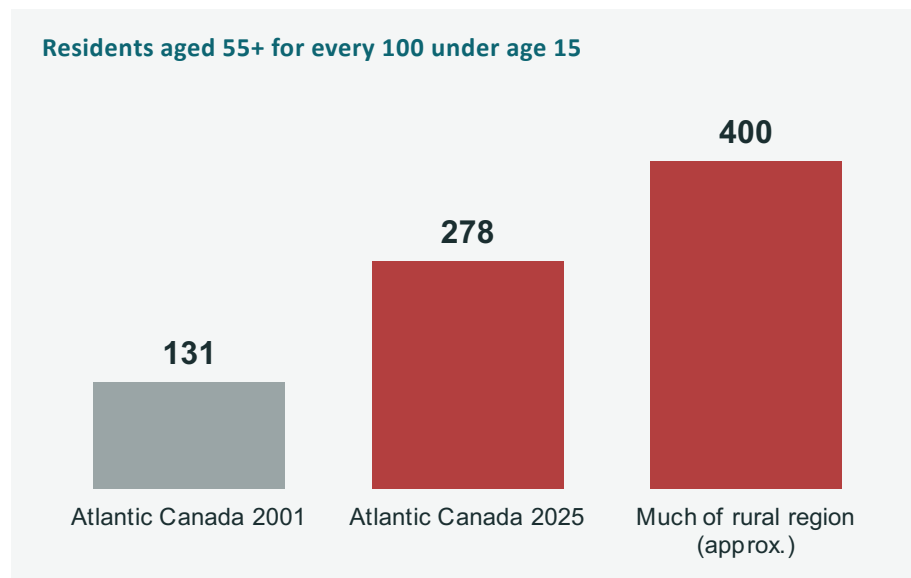
2025: immigration fell in 34 of 46 divisions

Restigouche County –44% | Prince County –41% | Cape Breton –22%. 2026 is likely to see a further decline.

Census divisions: 46 across Atlantic Canada. Source: Statistics Canada; Jupia Consultants Inc.

RURAL AND SMALL-URBAN COMMUNITIES

By 2035, 175 communities are projected to have one-third of residents aged 65 and over



WHAT AGING OUT LOOKS LIKE

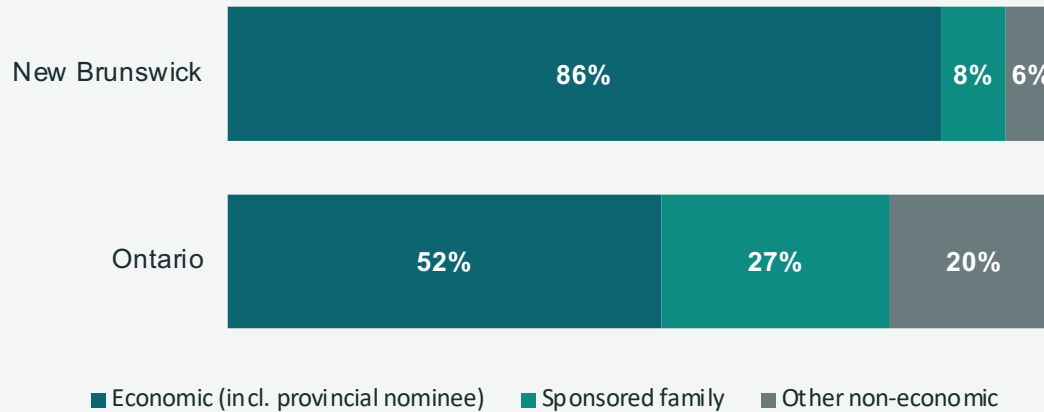


Left: Statistics Canada, 2001 and 2025. Right: Statistics Canada population projections (February 2026) for 375 census subdivisions. Source: Jupia Consultants Inc.

The pathway mix matters: Atlantic Canada has few routes beyond employer-tied streams



Permanent resident admissions by pathway, 2025 (% of total)



**14% vs
48%**

Non-economic share of permanent residents: New Brunswick versus Ontario

**45% vs
15%**

Provincial nominee share of admissions: New Brunswick versus Ontario

75 vs 8,885

Privately sponsored refugees admitted in 2025: New Brunswick versus Ontario

Non-economic arrivals can work in any sector, including small businesses that cannot afford to recruit abroad. A narrow focus on highly skilled workers risks underemployment and out-migration.

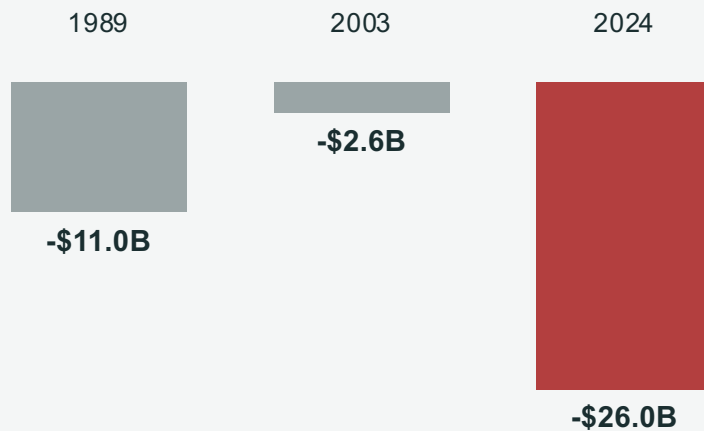
Economic pathways include worker programs, business programs and provincial nominee programs. Other non-economic includes refugees and protected persons. Source: IRCC, 2025.

EXPORTS

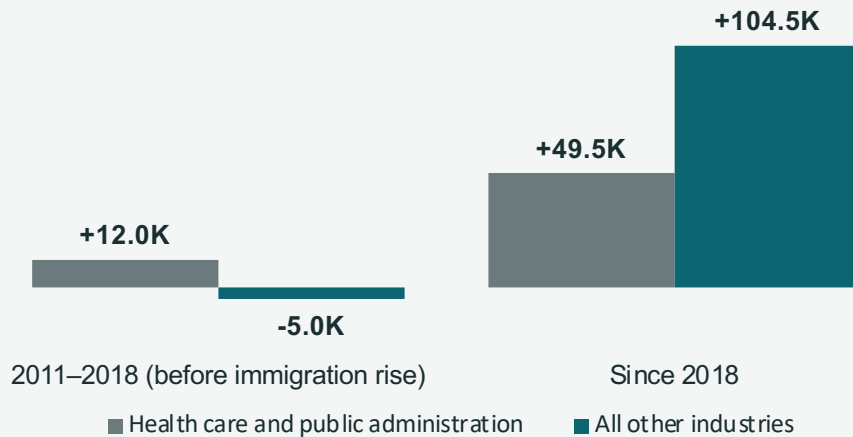
A tight labour market pulls workers into local services and away from exports



Atlantic Canada's trade balance (\$ billions)



Change in employment (thousands of jobs)



55% → 66%

Imports as a share of GDP, 1987 to 2024 (\$87B imported in 2024)

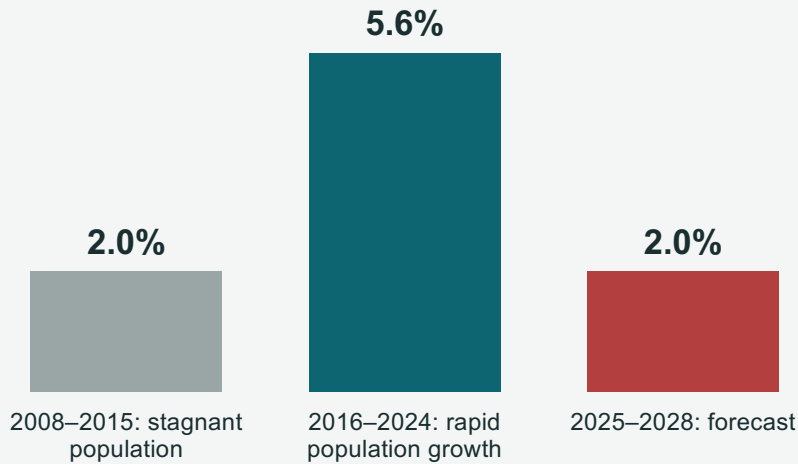
Immigration is necessary for export growth, but not sufficient. It must be paired with an export-focused strategy.

Employment change across the four Atlantic provinces. Source: Jupia Consultants Inc.; Statistics Canada.

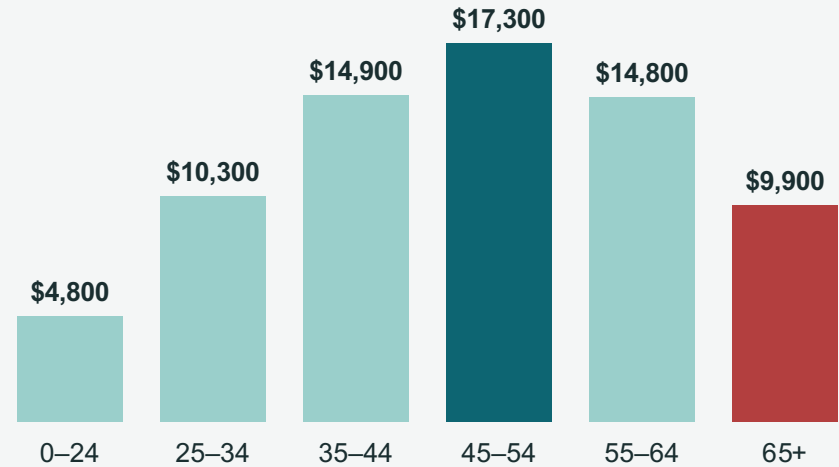
Revenue has tracked population, and working-age residents carry the tax base



New Brunswick government revenue growth (average per year)



Average income tax paid by age, Atlantic Canada (2023)



A 45–54-year-old pays about 75% more income tax than someone 65 or older. Renewing the working-age base is how the tax base grows without higher rates.

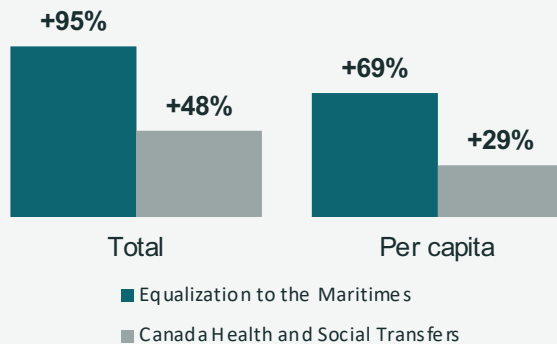
Left: RBC Economics Provincial Fiscal Tables; 2027 and 2028 estimated by the provincial government in Main Estimates. Right: Statistics Canada Table 11-10-0051-01 (2023).

Growth is the alternative to a rising equalization bill

\$3.9B → \$7.6B

Federal equalization to the three Maritime provinces,
2017–18 to 2026–27 (+95%)

Increase since 2017–18



Source: Department of Finance Canada; RBC Economics; Jupia Consultants Inc.

Constitutional commitment

Section 36 of the Constitution Act, 1982 commits Canada to reasonably comparable public services across provinces.

Limited room to raise own revenue

The region already has the highest tax rates (HST, personal and corporate income tax). A shrinking working population erodes capacity to fund services.

A bigger federal bill

Without population growth, the federal government could be on the hook for billions more in equalization over the next 10–15 years.

The self-sufficiency path

Alberta, Saskatchewan and B.C. grew royalties from resource development. Outside Newfoundland and Labrador, Atlantic royalties have declined.

Higher immigration goes hand in hand with higher prosperity, not lower



	Lowest GDP per capita	Highest GDP per capita
U.S. states	Mississippi, West Virginia, Arkansas, Alabama, Oklahoma, Kentucky, Idaho and South Carolina. All have low rates of immigration.	New York, Massachusetts, California, Connecticut, Illinois, New Jersey, Washington and Texas. Most have a large foreign-born population.
Canadian provinces	The poorest provinces have traditionally had low immigration. The exception is Newfoundland and Labrador, where offshore oil and mining lift GDP per capita.	Ontario, Alberta and British Columbia have high immigration rates. Saskatchewan is an outlier but has among the fastest-growing immigrant populations in North America.

The objection: restrict immigration so firms invest in technology and productivity rises. The long-term evidence points the other way. **Growing populations attract investment and build high-value, export-focused industries. (Correlation, not proof of causation, but a strong indicator.)**

Real GDP per capita, 2024, purchasing power parity. Foreign-born share: U.S. 2024; Canada 2021 Census. Source: U.S. Census Bureau, Bureau of Labor Statistics, Statistics Canada.

Four priorities to restore growth in Atlantic Canada



Restore sustained population growth of 1.5–2.0% a year

The sustained scenario (1.8% a year) delivers 2.5% GDP growth and 1.2% workforce growth. If larger centres keep growing at 2% or more, the regional rate must be higher.



Set targets using Atlantic Canada's own labour and demographic data

Meet the Atlantic Economic Panel's workforce target: 203,000 more immigrants and temporary workers by 2035, with flexibility for seasonal surges in fish and agriculture processing.



Broaden the pathway mix beyond employer-tied streams

Align immigration to labour demand across skill levels, and bring more family and other non-economic pathways to the region (14% of NB admissions versus 48% in Ontario).



Plan deliberately for rural and small-urban growth

Targeted population growth plans for the communities where workforce replacement need is greatest, and where growth opportunities in resources and agriculture are located.

Paired with an export-focused strategy, sustained immigration moves Atlantic Canada toward economic self-sufficiency. NBBC stands ready to work with government partners.

Sources: Jupia Consultants Inc., *The Economic Cost of Inaction*, October 2026; Atlantic Economic Panel; IRCC. Priorities reflect NBBC's recommendations informed by the analysis.