



Economic Development and Tourism Strategy 2022- 2026

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November 2021



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Community Competitive Assessment Report

November 2021



Introduction

This competitive assessment provides a snapshot of community and economic conditions in Guelph compared to other similarly sized municipalities. This analysis compares Guelph to 14 Canadian communities in Ontario, whose size, demographics, and economics are similar of Guelph and offer policies and best practices that the community can look to: Cambridge, Kitchener, Waterloo, Milton, Hamilton, Brantford, Burlington, Oakville, Niagara Falls, London, Oshawa, Whitby, Barrie, Kingston.

Methodology

Over 40 metrics were collected for the City of Guelph and the benchmarking (comparator) communities. The metrics fall into the following six categories: People and Diversity, Talent, Economic Vitality, Innovation, Equity, and Quality of Place.

The data points used in this assessment can serve as a point of reference to gauge the city's performance, outline the city's comparative and competitive advantages or weaknesses, and give the premise to the approaches and recommendations in the economic development strategy.

Data Sources

Polaris Intelligence is a specialist in consumer data products, analytics, and predictive modeling. Polaris is a leading data and analytical service provider in Canada, providing businesses and government organizations with comprehensive data products since 2001. Using the latest census data and other annual published datasets, Polaris Intelligence utilizes mathematical modelling techniques to develop accurate estimates of demographic variables.

Statistics Canada. 2021. Annual Population Estimates by Age and Sex, 2015 and 2020.
Distributor: Community Data Program.

Please note: Unless otherwise specified, this analysis is based primarily on data estimated from Polaris Intelligence.

Caveats

Occupation and industry data in this document are based on place of residence—not place of work and reflects the traditional definitions foundational to both the National Occupation Classification (NOC) and the North American Industry Classification System (NAICS). Further analysis and of industry clusters and priority sectors for Guelph is detailed in the accompanying, Cluster Analysis Report.

Disclaimer

Due to data limitations and constraints, the extensive use of Polaris Intelligence was necessary to conduct this analysis effectively. Furthermore, due to systemic data gaps exacerbated by the

global COVID-19 pandemic, where more accurate and localized datasets are unavailable at the required granularity, it is recognized—and acknowledged—that not all figures in this document will accurately reflect the real world consequences/impacts of the pandemic and established health restrictions.

Moving forward, as the City continues to expand its data and analytics capabilities and resources, coupled with the release of Statistics Canada's 2021 Census of Population, we aim to correct these data gaps and deficiencies in the scheduled refresh in 2023.

Definitions

Location Quotient (LQ): the relative concentration of an industry sector in a given region (Guelph CMA) compared to a larger geographic area (Canada).

LQs above 1.00 signify employment concentration above that of the country.

LQs above 1.20 typically signal high levels of concentration and are an indicator of possible industry clustering.

Employment Estimate: the total employment for the specified sector.

Business [Location] Count: the total business location count for the specified sector.

Share of Ontario (ON) Sector Employment: the degree of significance of employment concentration (clustering) in relation to Ontario, expressed as a percentage.

Employment Change: the change in total employment for the specified sector.

Business Count Change: the change in business count for the specified sector.

Employment Growth Rate: the employment growth, over a given reference period (2015 to 2020), for the specified sector, expressed as a percentage.

Employment Growth Difference from Ontario (ON): the difference between Guelph CMA and Ontario employment growth rates.



Key Insights

Fast population growth in the last 5 years

Guelph's population growth ranks among the top peers. The City of Guelph is home to 145,379 residents: a 9.5 percent increase since 2015. This growth rate is almost 30 percent higher than the provincial growth rate during the same period.

Growing more diverse

Nearly 33,000 immigrants are residents of Guelph. They represent 22.4 percent of Guelph's population, a share that is equivalent to the Canadian average

Young educated population

Guelph has a 23.9 percent share of young adults (between 20 and 34 years of age), almost 20 percent larger than the national average and 12 percent larger than the provincial average. The median age in Guelph is 38, compared to 41 for Canada. Educational attainment levels are also very high, where 29.5 percent of residents have a Bachelor's degree or higher; a share that is 30 percent larger than the Canadian average, and which has grown by 32.6 percent since 2015.

High labour participation and low unemployment

The labour force participation rate in Guelph is 67.2 percent, which is higher than both the national (65.1 percent) and provincial (64.9 percent) labour force participation rates. The unemployment rate is also one of the lowest in the province at 7.2 percent; lower than the national (8.5 percent) and provincial (9.1 percent) unemployment rates.

Innovation hub

The city is home to a leading research institution, the University of Guelph ranks 19th in Canada. It acts as a key anchor for Guelph's innovation ecosystem. Moreover, Guelph has a high employment rate (75.3 percent) for graduates of physical and life sciences and technologies instructional programs.

Slowing economic growth

Guelph's economy is growing slower than many regional peers, and this can be seen in employment figures as well as the median household income, which has grown by only 17.3 percent since 2015, comparable with 15.6 percent on the provincial level and 18.2 percent on the national level.

Housing affordability

Guelph is relatively affordable to its peers, especially on the rental side of housing. Only 42.4 percent of tenants are rent-burdened in Guelph.

Gender wage disparity

Men earn, on average, \$17,300 more than women; this is smaller than the national (\$21,000) and provincial (\$19,000) gender wage differences.

Poverty, equity, and community

Eleven percent of residents are low-income status, this rate has been stable over the last 5 years.

Promoting Guelph as a tourist destination

Guelph has limited promotion as a destination where social media and online efforts trail peers.

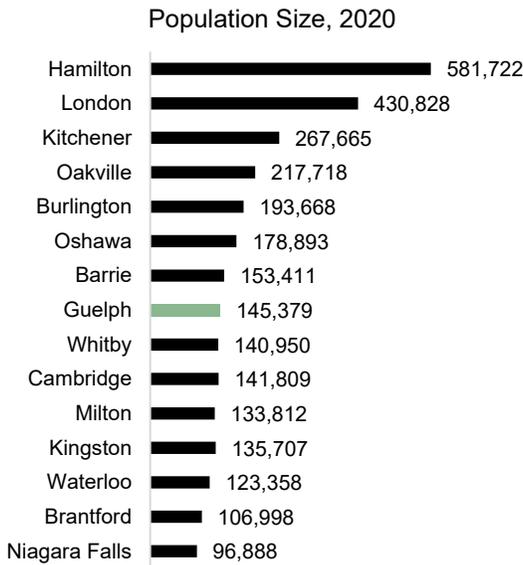


People and Diversity

The City of Guelph is home to an estimated 145,920 residents. Over the past five years, Guelph’s population has increased by 9.5 percent.

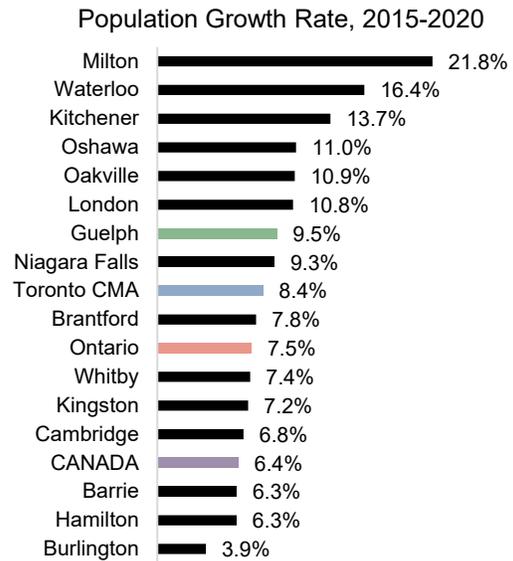
Fast-growing population

Chart 1.1



Source: Statistics Canada, 2020

Chart 1.2



Source: Statistics Canada, 2015 and 2020

Growing immigrant population

Newcomers to Canada make up nearly 22.4 percent of Guelph’s population — a share that is equivalent to the national average. The share of newcomers at the provincial level (29.9 percent) is 30 percent greater than the national average.

Chart 1.3

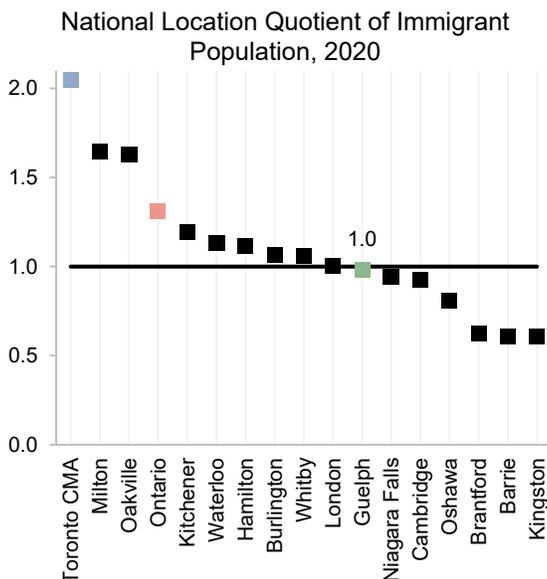
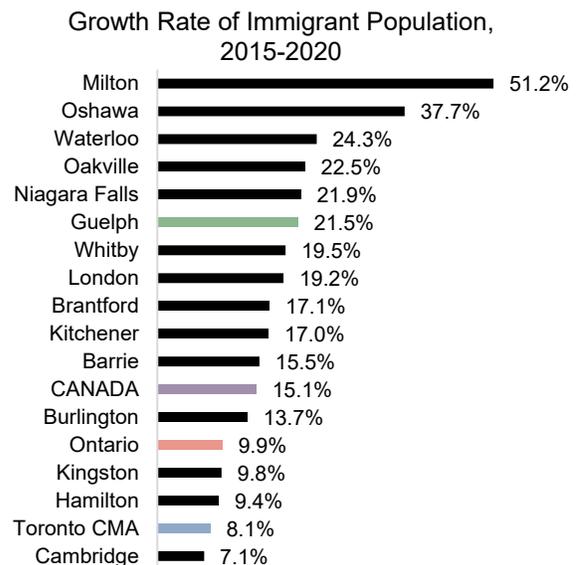


Chart 1.4



Source: Polaris Intelligence, 2020

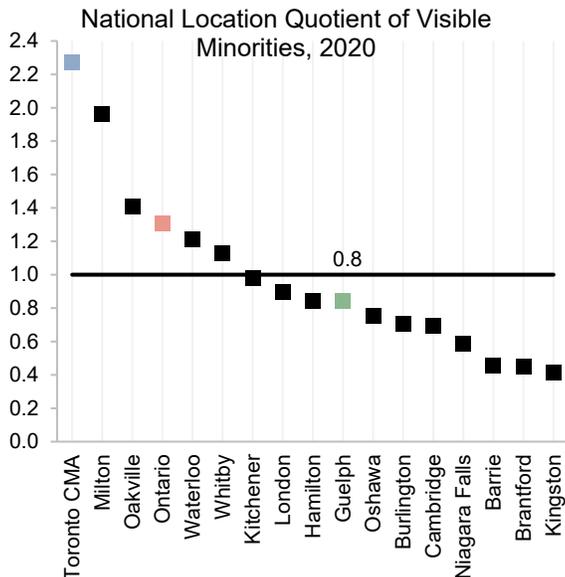
Source: Polaris Intelligence, 2015 and 2020



Visible minority population

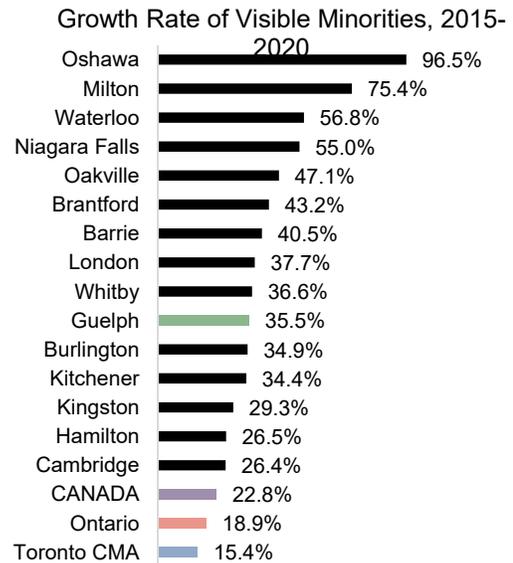
Guelph is increasingly attracting visible minorities and is growing more diverse. Almost 19.0 percent of Guelph's residents are visible minorities an increase of 35.5 percent since 2015. Guelph's visible minorities' population (27,693) is 20 percent smaller than the national average and 50 percent smaller than the provincial average.

Chart 1.5



Source: Polaris Intelligence, 2020

Chart 1.6



Source: Polaris Intelligence, 2015 and 2020

Low internal migration

Less than five percent of Guelph residents are inter-provincial migrants (moving from other areas in Canada), with the majority (88.3 percent) intra-provincial or coming from other areas in Ontario. This share has grown only slightly in the last five years (5.6 percent), which is on par with the national internal migration rate, but significantly lower than most comparator communities.

Chart 1.7

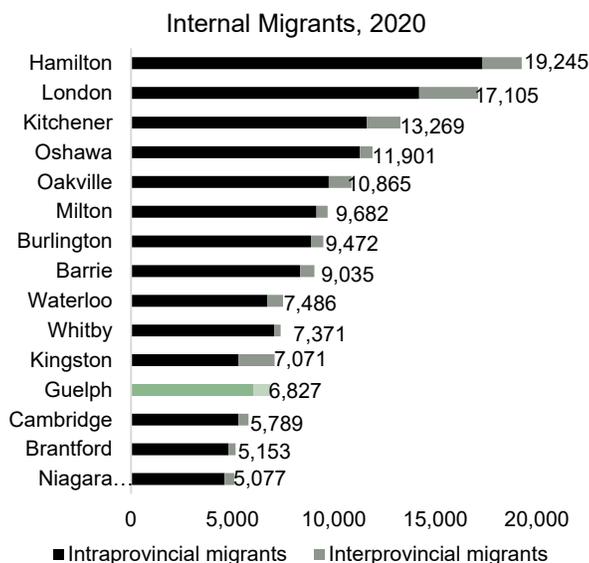
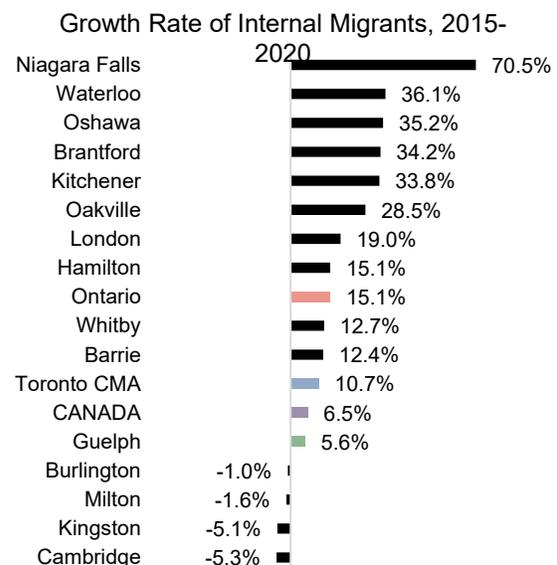


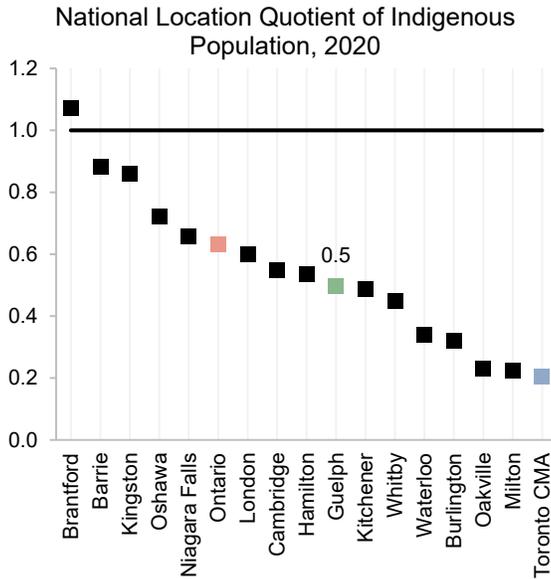
Chart 1.8



Urban indigenous population

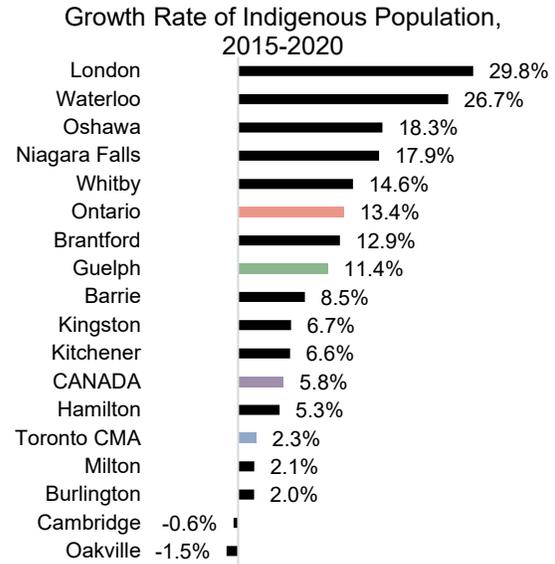
Guelph's urban indigenous population (4,471 residents) is 10 percent smaller than the provincial average.

Chart 1.9



Source: Polaris Intelligence, 2020

Chart 1.10



Source: Polaris Intelligence, 2015 and 2020



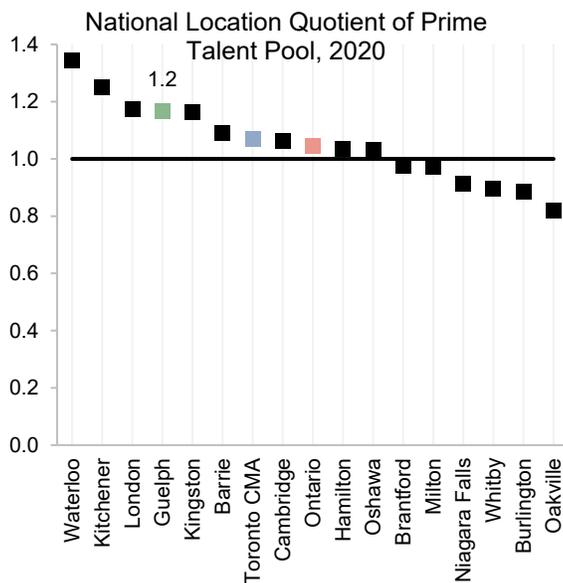
Talent

The City of Guelph’s population is younger and highly educated than comparator communities, with 56.4 percent completing post-secondary education (apprenticeship, college or university), driving workforce development opportunities to retain and grow talent.

Younger population

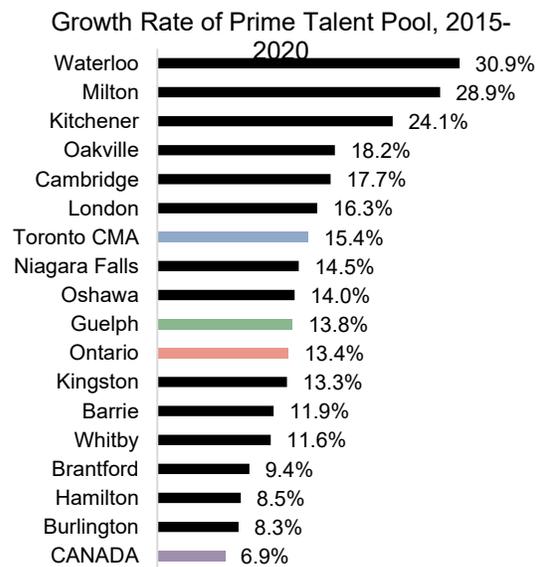
Guelph has a 23.9 percent share of young adults (between 20 and 34 years of age); almost 20 percent larger than the national average and 12 percent larger than the provincial average, representing a 13.8 percent increase since 2015.

Chart 1.11



Source: Statistics Canada, 2020

Chart 1.12



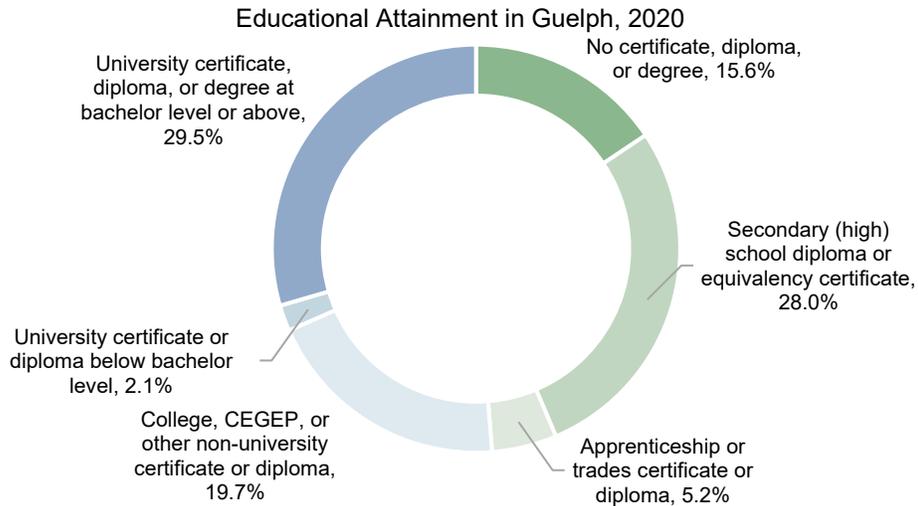
Source: Statistics Canada, 2015 and 2020

Educational attainment

Approximately 29.5 percent of Guelph residents have a Bachelor’s degree or higher, a share that is 30 percent higher than the national average, and 13 percent higher than the provincial average and that has grown by 32.6 percent in the last five years.

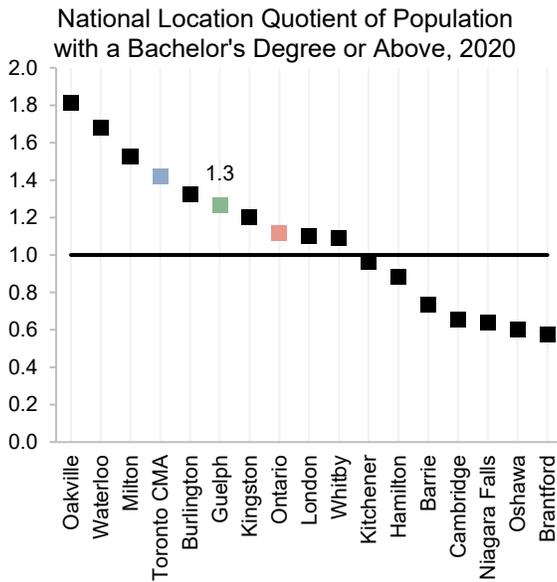
Chart 1.13





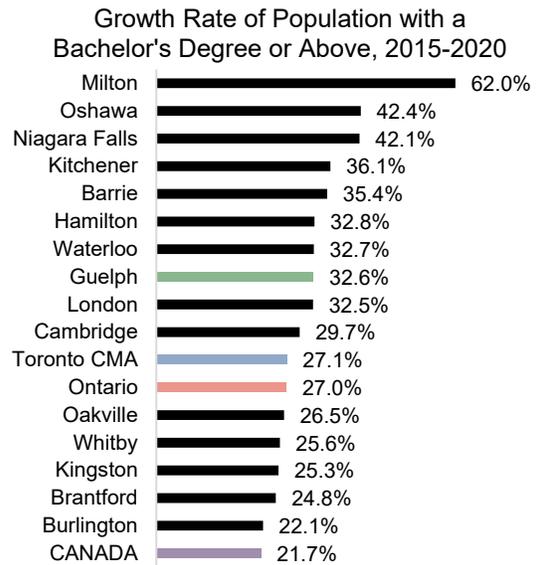
Source: Polaris Intelligence, 2015 and 2020

Chart 1.14



Source: Polaris Intelligence, 2020

Chart 1.15



Source: Polaris Intelligence, 2015 and 2020

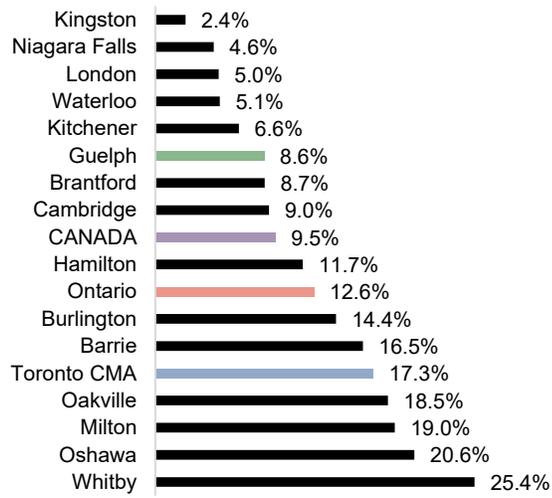
Talent Concentration

Over 90 percent of Guelph residents spend less than an hour to get to work, indicating that talent is mostly retained in and around Guelph.

Chart 1.16



Percentage of the Population Spending 60 Minutes or More to Work

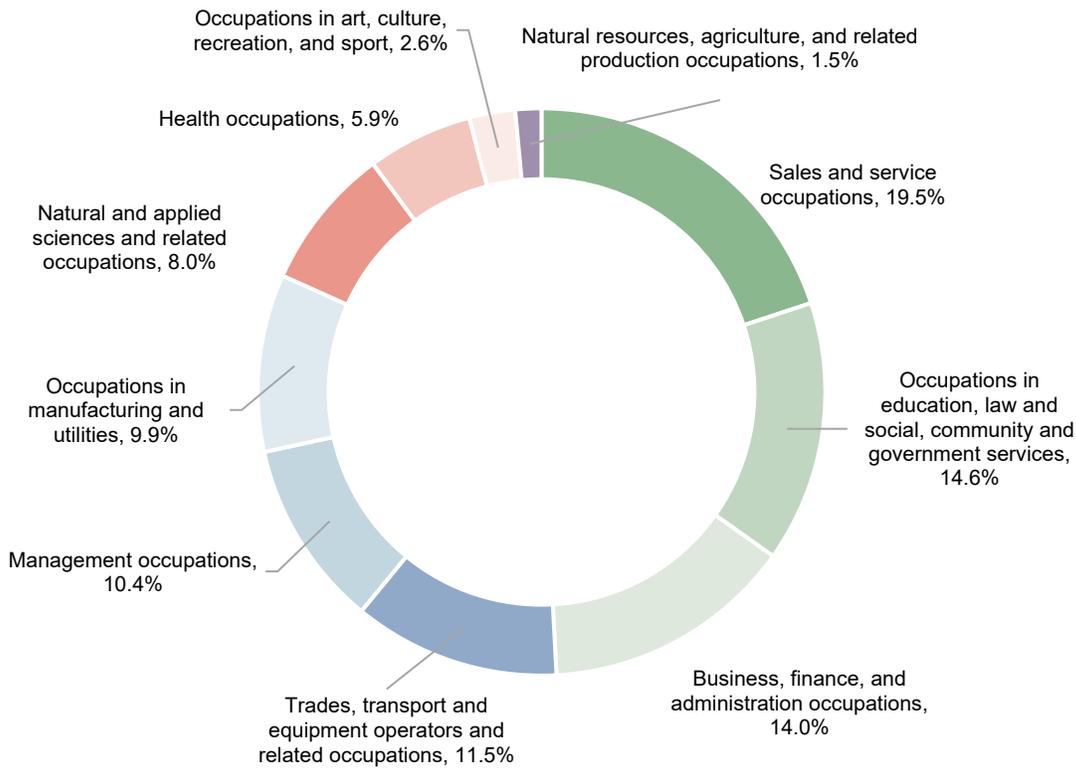


Source: Polaris Intelligence, 2020



Major occupations

Chart 1.17



Source: Polaris Intelligence, 2020

Sales and service

Approximately 16,000 Guelph residents are employed in sales and service, a share that is 10 percent less than the national average, and that has decreased slightly by 3.1 percent over the last five years.

Chart 1.18

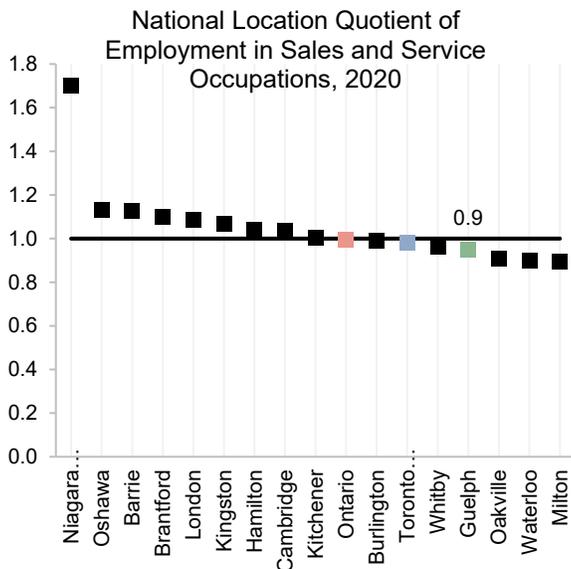
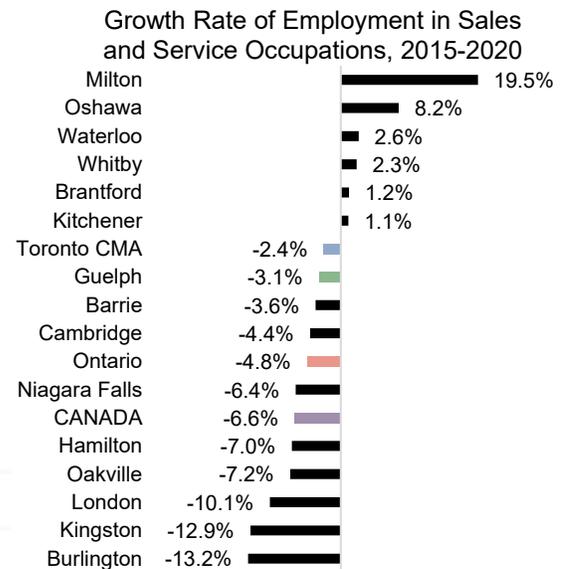


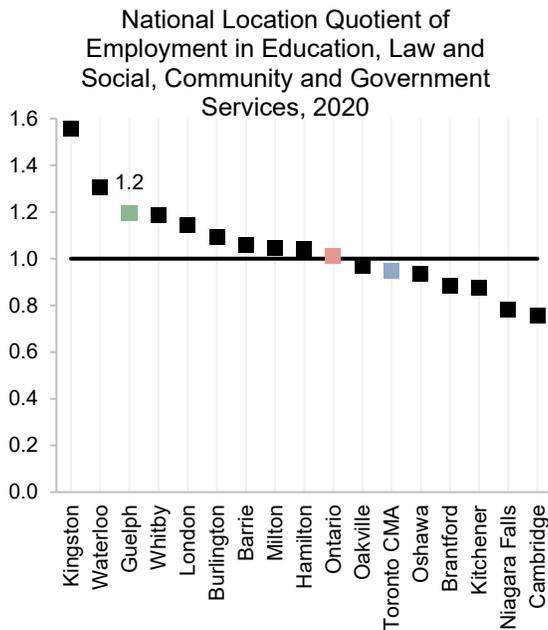
Chart 1.19



Education and public administration

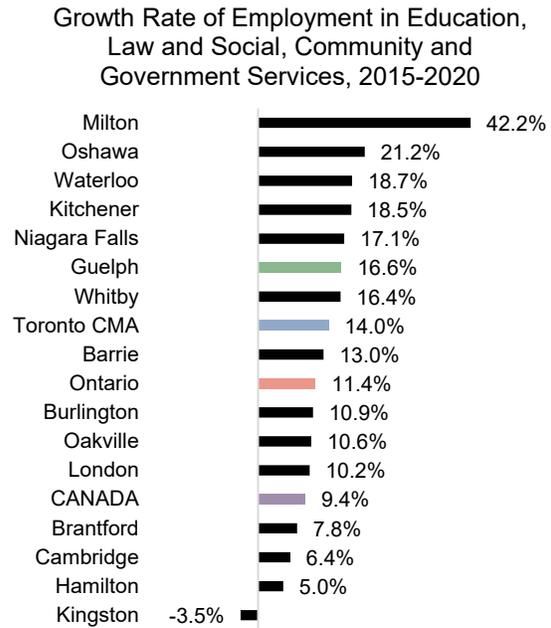
Approximately 12,000 Guelph residents are employed in education and public administration occupations a share that is 20 percent higher than the national average. This may be attributed to two post secondary institutions located in Guelph: the University of Guelph and Conestoga College.

Chart 1.20



Source: Polaris Intelligence, 2020

Chart 1.21



Source: Polaris Intelligence, 2015 and 2020

Business and Finance

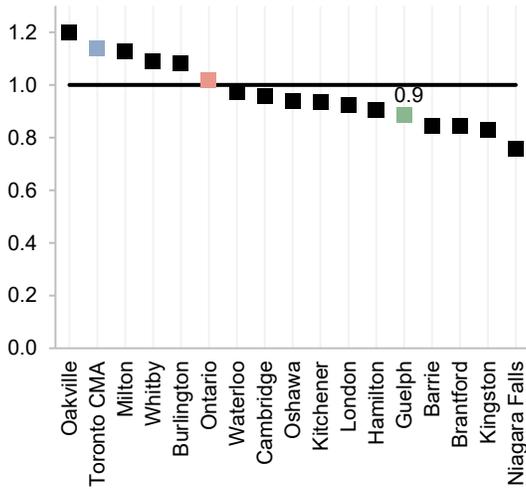
Approximately 11,500 Guelph residents are employed in business and finance occupations, a share that is 10 percent lower than the national average.

Chart 1.22

Chart 1.23

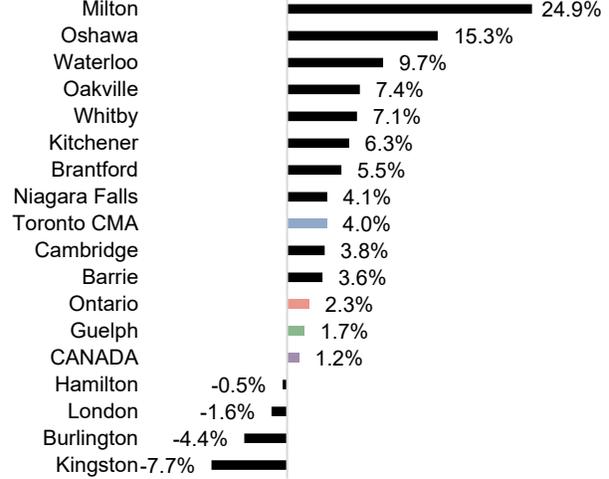


National Location Quotient of Employment in Business, Finance, and Administration Occupations, 2020



Source: Polaris Intelligence, 2020

Growth Rate of Employment in Business, Finance, and Administration Occupations, 2015-2020



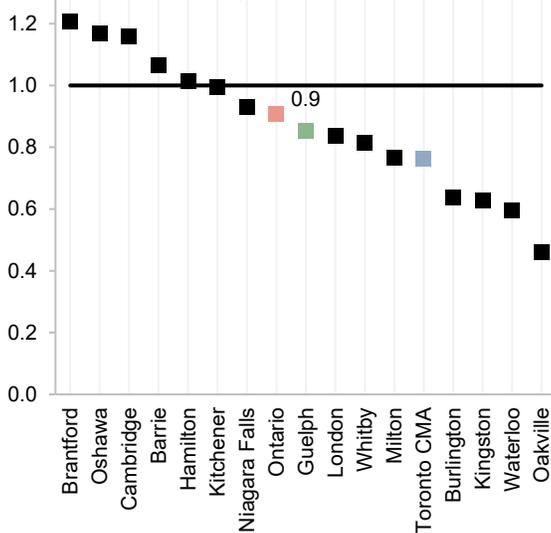
Source: Polaris Intelligence, 2015 and 2020

Trades and Transport

11.5 percent of Guelph residents are employed in trades and transport occupations, a share that is 10 percent lower than the national average.

Chart 1.24

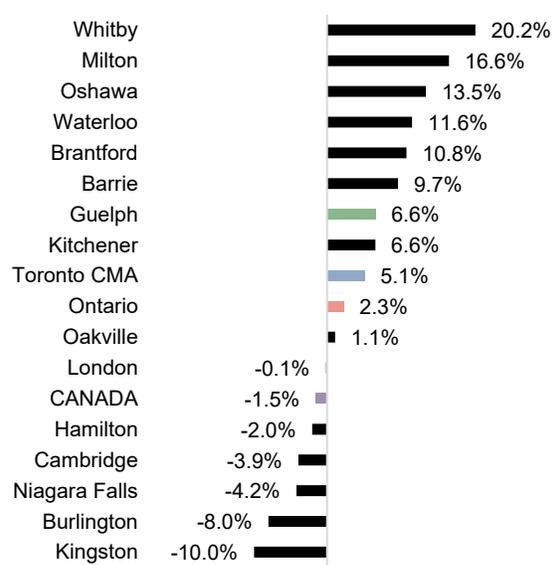
National Location Quotient of Employment in Trades and Transport Occupations, 2020



Source: Polaris Intelligence, 2020

Chart 1.25

Growth Rate of Employment in Trades and Transport Occupations, 2015-2020

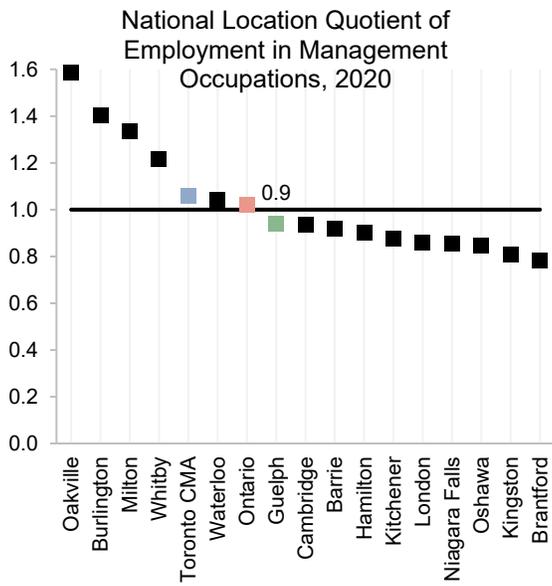


Source: Polaris Intelligence, 2015 and 2020

Management

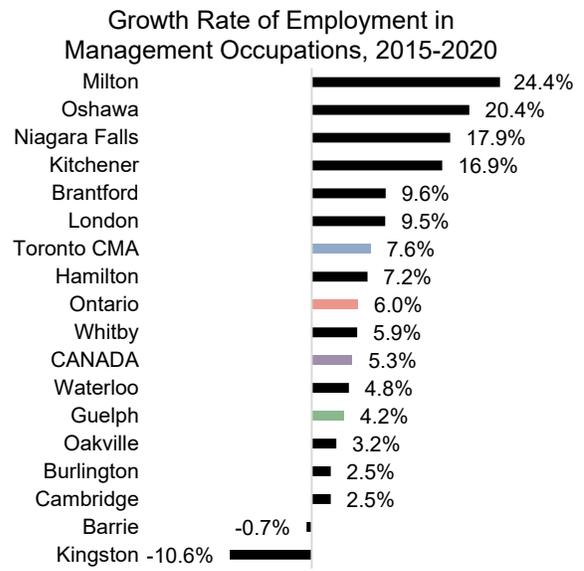
Guelph's share of residents in management occupations (10.4 percent) has increased by just 4 percent since 2015. This share is 10 percent lower than the national and provincial averages.

Chart 1.26



Source: Polaris Intelligence, 2020

Chart 1.27



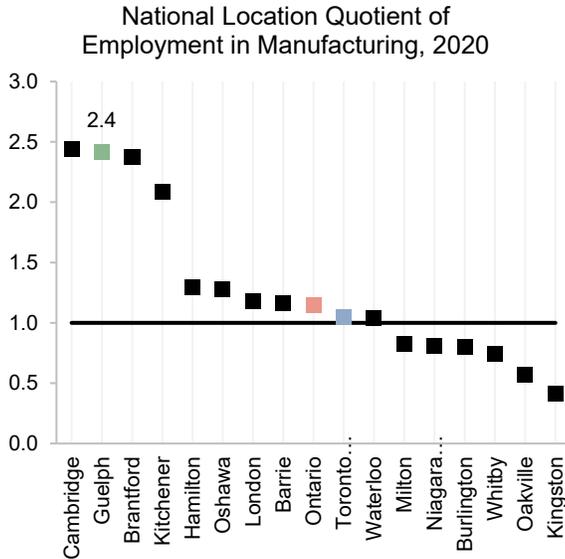
Source: Polaris Intelligence, 2015 and 2020



Manufacturing

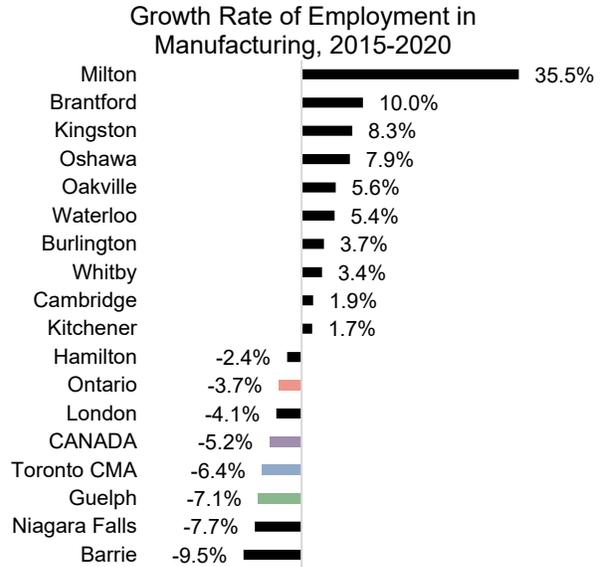
Guelph's share of residents in manufacturing occupations is 2.4 times the national average and 2.1 times the provincial average; however, it has decreased by 7.1% since 2015, which is more pronounced decrease than that on the national (-5.2%) and provincial (-3.7%) levels.

Chart 1.28



Source: Polaris Intelligence, 2020

Chart 1.29

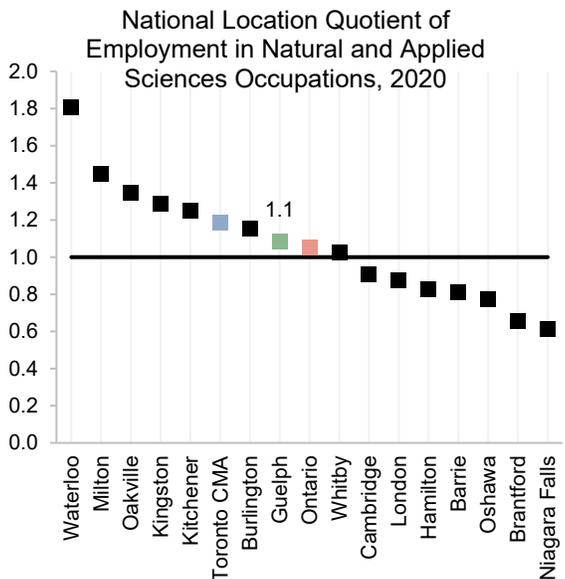


Source: Polaris Intelligence, 2015 and 2020

Natural and Applied Science

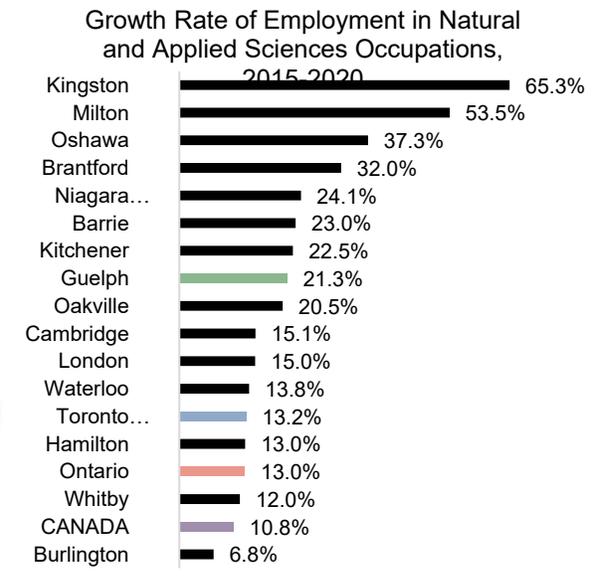
Eight percent of Guelph residents are in science occupations, a share that is 10 percent higher than the national and provincial averages, and that has grown by 21.3 percent since 2015.

Chart 1.30



Source: Polaris Intelligence, 2020

Chart 1.31



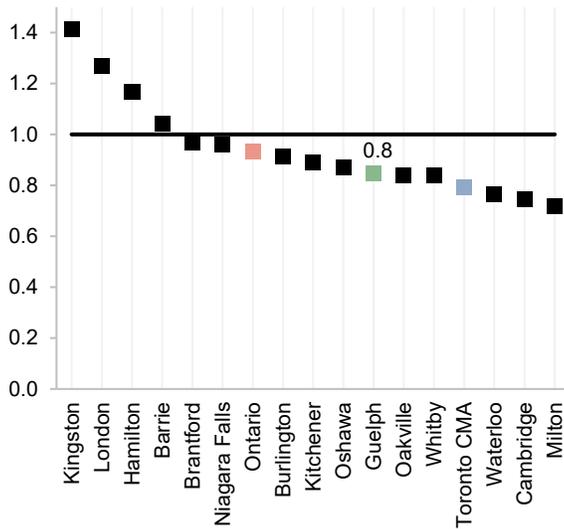
Source: Polaris Intelligence, 2015 and 2020

Health Care

Guelph's share of residents in health care occupations (5.9 percent) is 20 percent lower than the national average and 10 percent lower than the provincial average, however, it has increased by 22.9 percent in the last five years.

Chart 1.32

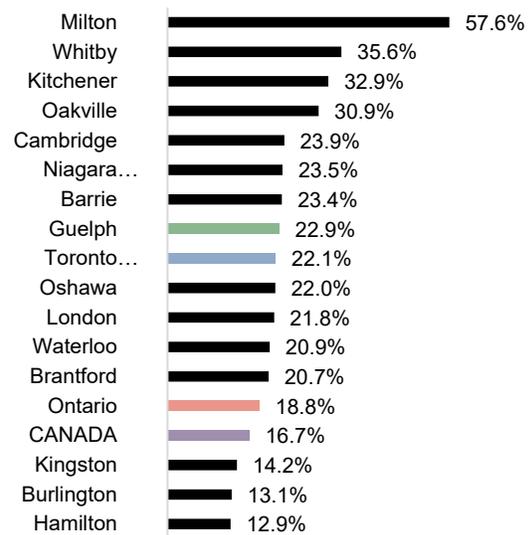
National Location Quotient of Employment in Health Occupations, 2020



Source: Polaris Intelligence, 2020

Chart 1.33

Growth Rate of Employment in Health Occupations, 2015-2020



Source: Polaris Intelligence, 2015 and 2020

Arts, Culture, Recreation, and Sport

Almost 2,000 Guelph residents are in arts and culture occupations, a share that is 10 percent lower than the national average but has increased by 14.2 percent since 2015. This growth is almost 8 times that on the provincial level which reflects Guelph's tourism efforts.

Chart 1.34

National Location Quotient of Employment in Arts, Culture, Recreation, and Sports Occupations, 2020

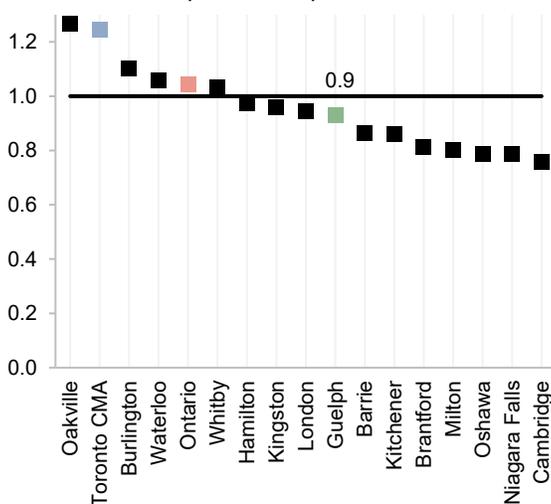
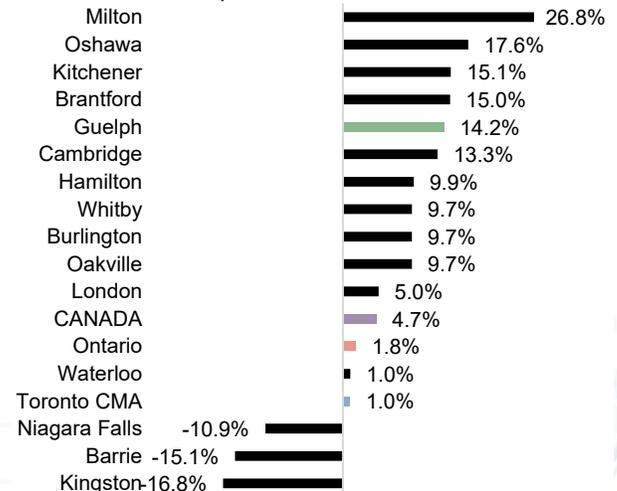


Chart 1.35

Growth Rate of Employment in Arts, Culture, Recreation, and Sports Occupations, 2015-2020

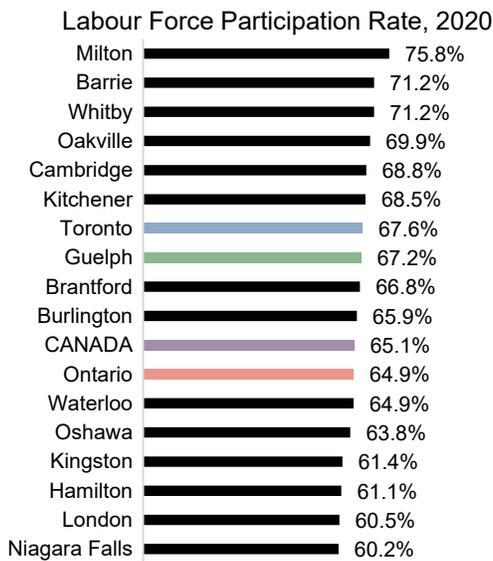


Economic Vitality

High Labour Force Participation and Low Unemployment

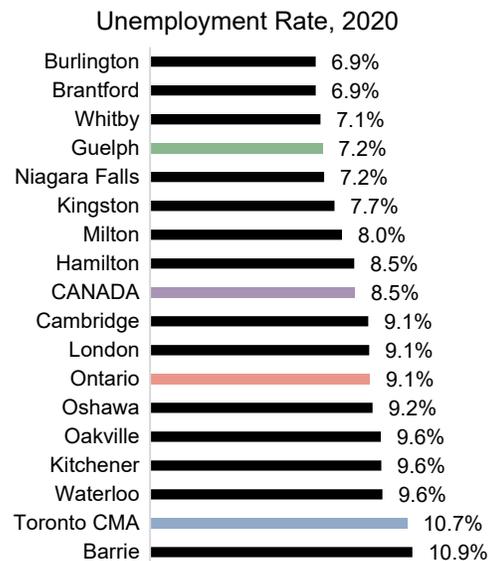
Approximately 82,000 individuals comprise the City of Guelph’s labour force. With a participation rate of 67.2 percent, above the national average (65.1 percent), the provincial average (64.9 percent) and ranking 8th among comparator communities. The unemployment rate in 2020 was at 7.2 percent which is lower than the national (8.5 percent) and provincial (9.1 percent) averages. Guelph ranks 4th among comparator communities for the unemployment rate.

Chart 1.36



Source: Polaris Intelligence, 2020

Chart 1.37



Source: Polaris Intelligence, 2020

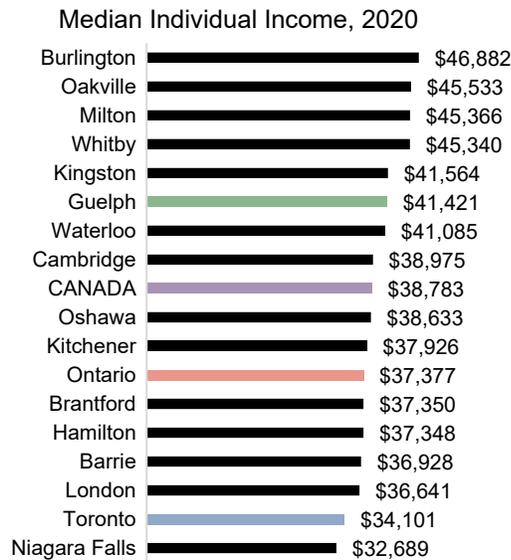
Fast-Increasing Median Individual Incomes

Over the last 5 years, median incomes grew by 17.6 percent comparable with 13.4 percent provincially. The median individual income is now at \$41,421, which is 10.8 percent higher than the provincial median income and 6.8 percent higher than the national median income.

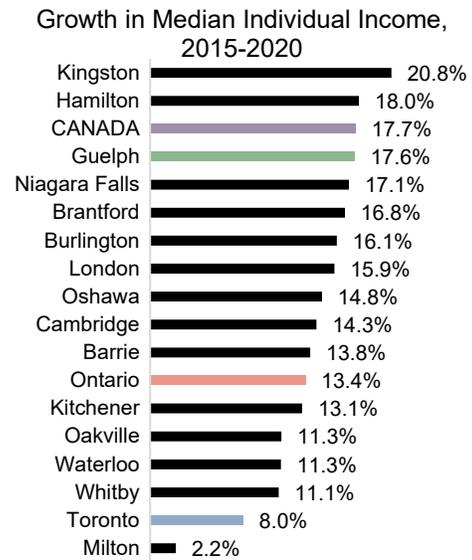
Chart 1.38

Chart 1.39





Source: Polaris Intelligence, 2020

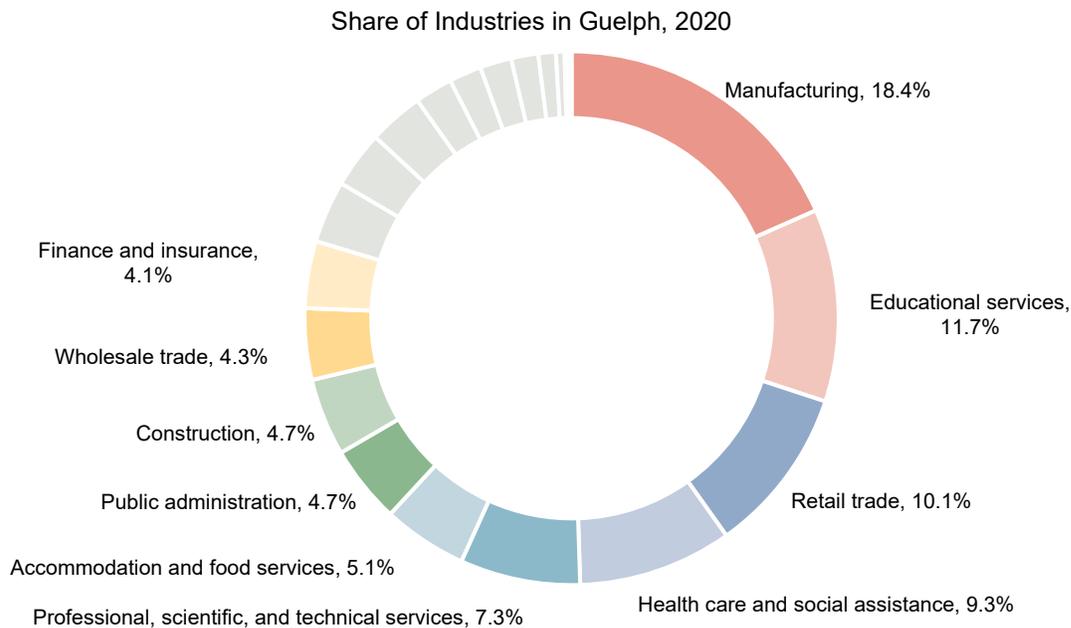


Source: Polaris Intelligence, 2015 and 2020

Major Sectors of Employment in Guelph

The four major sectors of employment in Guelph are manufacturing, educational services, retail trade, and health care and social assistance. Together, these four sectors employ almost half (49.5 percent) of Guelph residents.

Chart 1.40

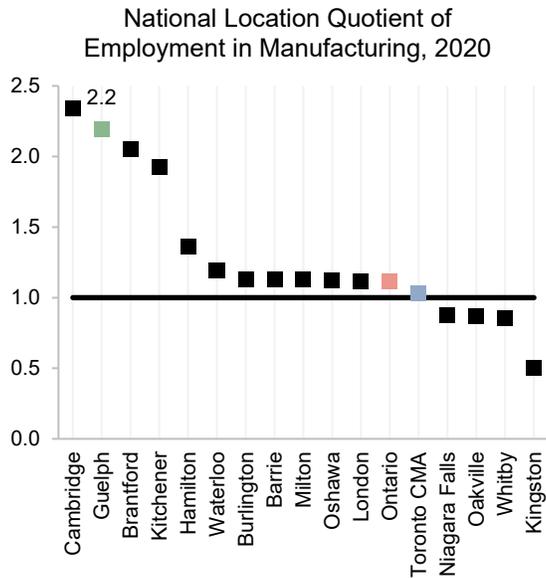


Source: Polaris Intelligence, 2020

Manufacturing

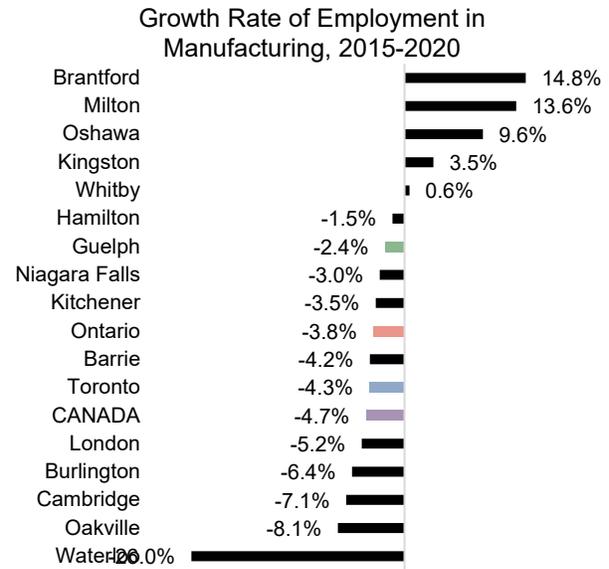
Approximately 18.4 percent of Guelph residents (15,039 workers) are employed in the manufacturing sector. This concentration is 2.2 times higher than the national average.

Chart 1.41



Source: Polaris Intelligence, 2020

Chart 1.42

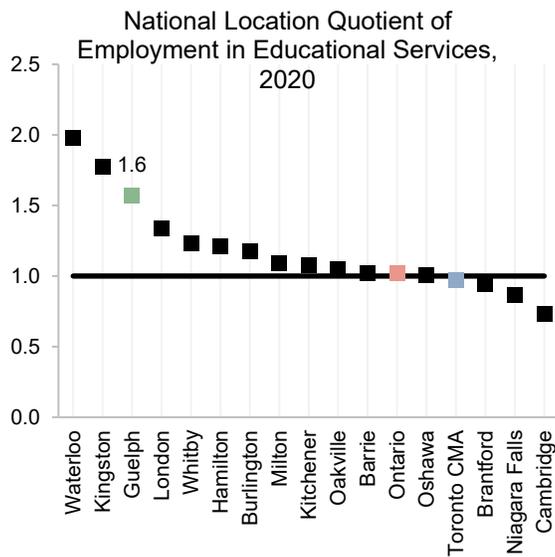


Source: Polaris Intelligence, 2015 and 2020

Educational Services

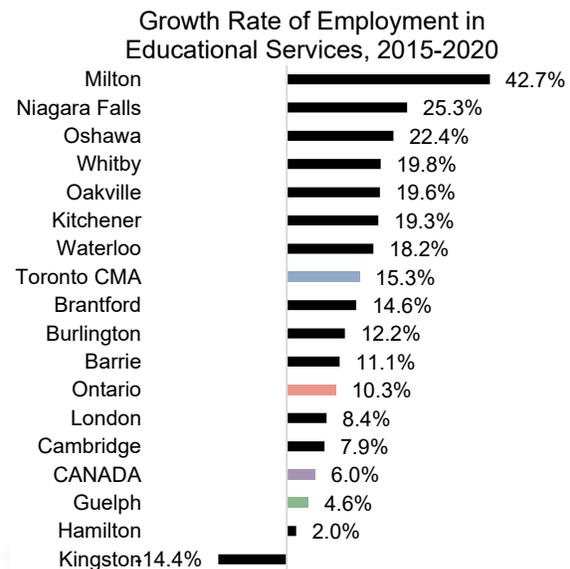
The concentration of employment in the educational services sector is 60 percent higher than the national average (11.7 percent). This is comparable with other cities with major universities like Waterloo and Kingston.

Chart 1.43



Source: Polaris Intelligence, 2020

Chart 1.44



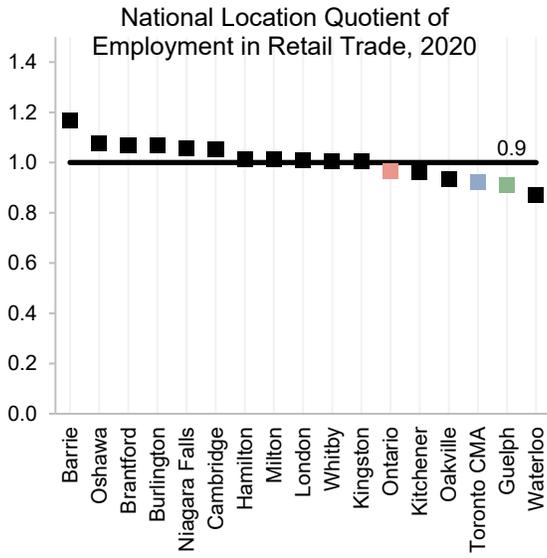
Source: Polaris Intelligence, 2015 and 2020

Retail Trade

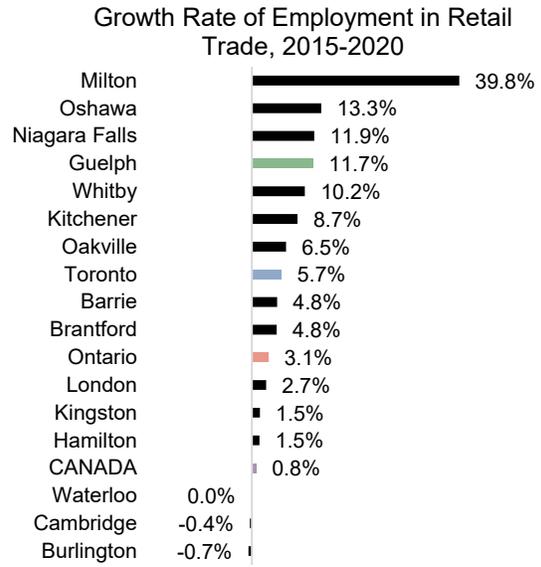
The concentration of employment in the retail trade sector is 10 percent lower than the national average.

Chart 1.45

Chart 1.46



Source: Polaris Intelligence, 2020



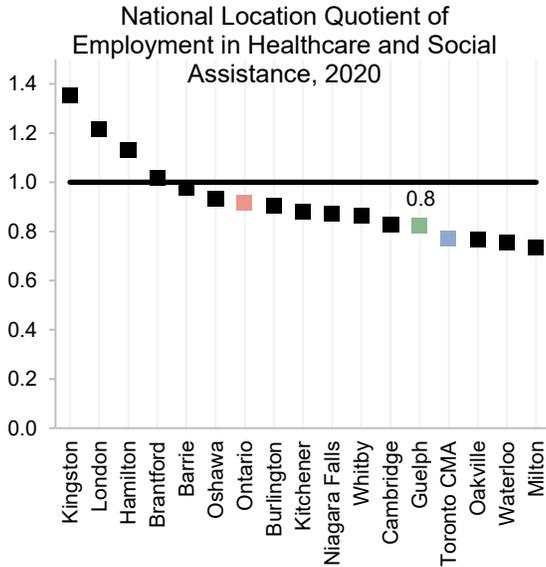
Source: Polaris Intelligence, 2015 and 2020



Healthcare and Social Assistance

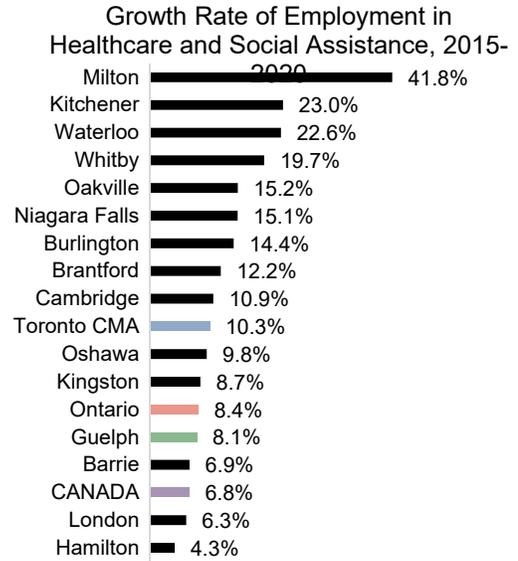
Guelph's employment in healthcare and social assistance sector is 20 percent lower than the national average. This sector employs 9.3 percent of Guelph residents (7,636 workers); a growth of 8.1 percent since 2015.

Chart 1.47



Source: Polaris Intelligence, 2020

Chart 1.48

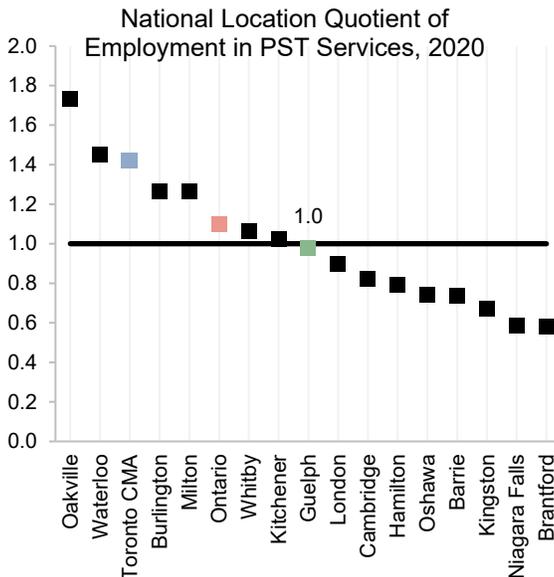


Source: Polaris Intelligence, 2015 and 2020

Professional, Scientific, and Technical

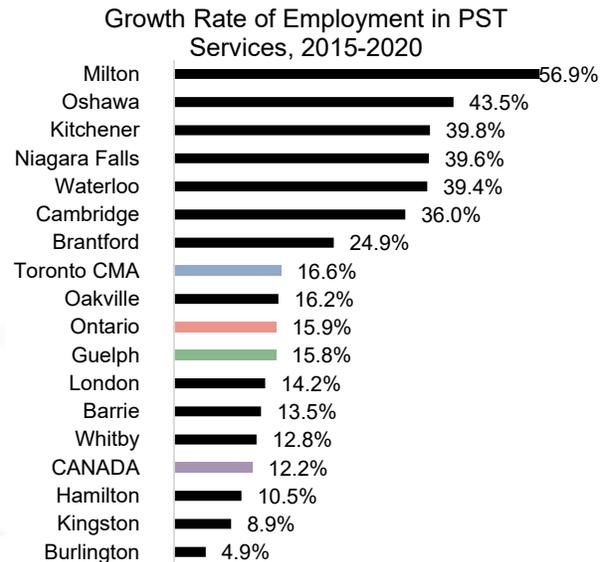
The concentration of employment in professional, scientific, and technical (PST) services sector is equivalent to the national average. Approximately 7.3 percent Guelph residents are employed in PST services sector, an increase of 15.8 percent since 2015. This growth rate is comparable to the provincial growth rate.

Chart 1.49



Source: Polaris Intelligence, 2020

Chart 1.50

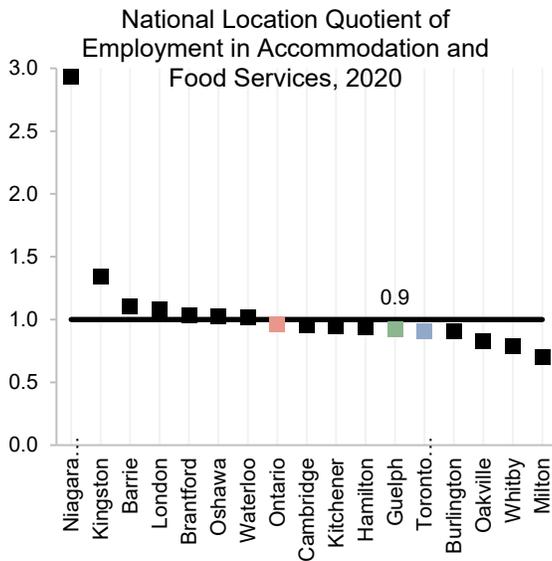


Source: Polaris Intelligence, 2015 and 2020

Accommodation and Food Services

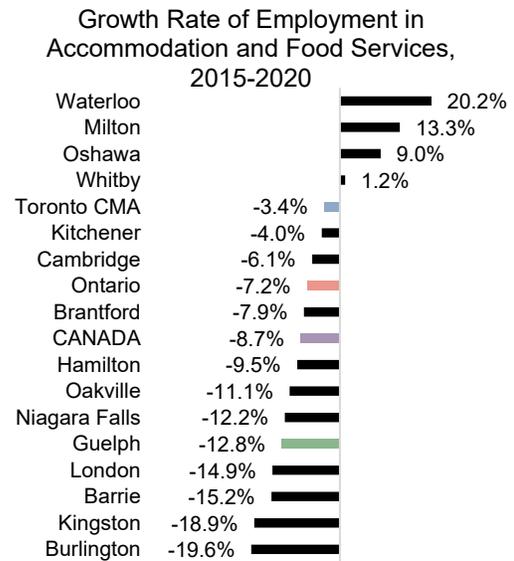
Guelph's employment in accommodation and food services sector is 10 percent smaller than the national and provincial averages; employment has decreased by 12.8 percent since 2015.

Chart 1.51



Source: Polaris Intelligence, 2020

Chart 1.52



Source: Polaris Intelligence, 2015 and 2020



Innovation

One of the major benefits of innovation is its contribution to economic growth. This can be demonstrated by metrics that are closely linked to the innovation, technology, and education sectors; the sectors that drive productivity forward. The strength of the ecosystem to produce new ideas and companies in Guelph is presented in the analysis below:

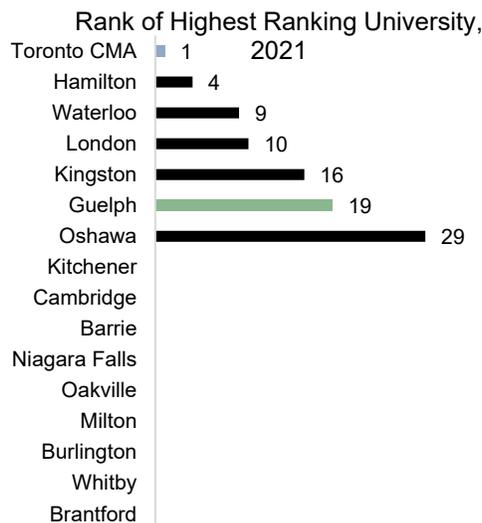
Accelerators and Incubators

Guelph is the home 3 business and innovation accelerators working locally, regionally, provincially and nationally driving innovation and business success. Innovation Guelph is one of the 17 provincially established Regional Innovation Centres and Campus-Linked Accelerators. Guelph businesses also benefit from access to 10 Carden a social enterprise focused incubator and Bioenterprise Canada’s National agri-innovation accelerator driving innovation across the agri-tech and food industry.

University of Guelph

A leading research university, the University of Guelph is a key anchor for the City’s innovation ecosystems. It ranks 19th nationally, and 483rd globally. The University of Guelph also houses the [Research Innovation Office](#) driving enterprise development, innovation and commercialization of technologies on campus.

Chart 1.57

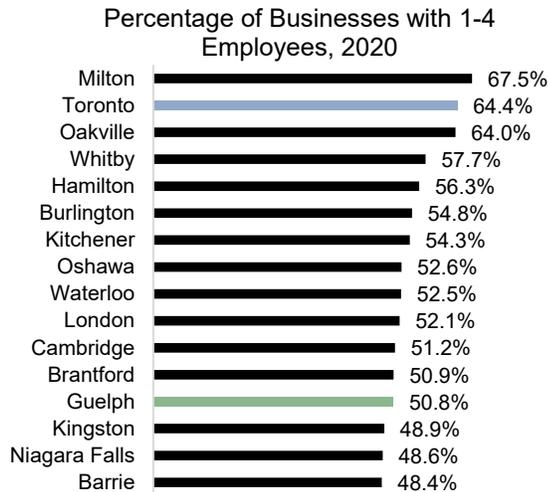


Source: US News Global University Rankings, 2021

Small Businesses in Guelph

Assessing Guelph as a City that fosters entrepreneurship, slightly more than half of Guelph's businesses are micro-enterprises (1-4 employees).

Chart 1.58

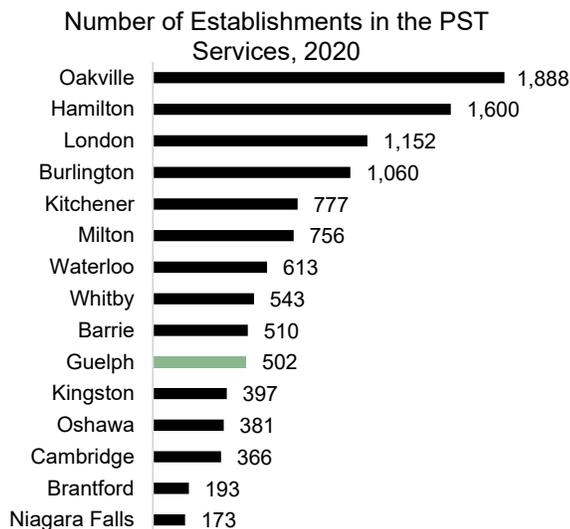


Source: Business Register, 2020

Establishments in the professional services sector

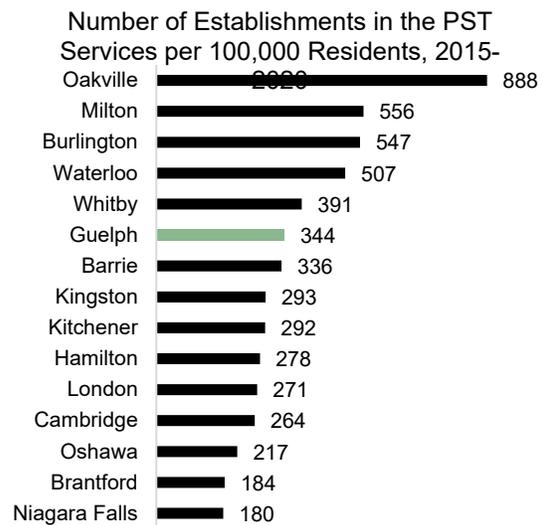
Guelph has 502 establishments in the professional, scientific, and technical services, representing 12 percent of all Guelph establishments in the sector.

Chart 1.53



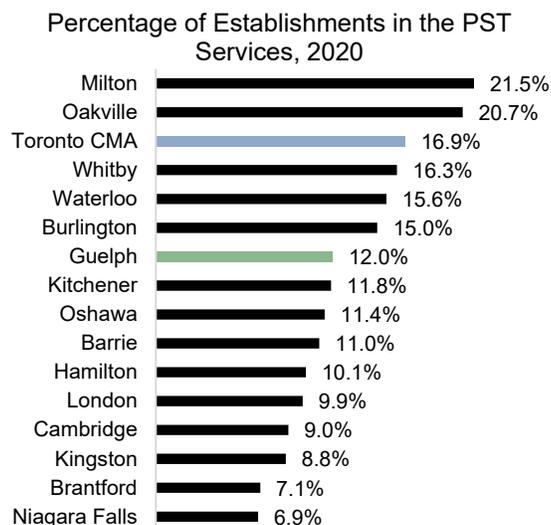
Source: Polaris Intelligence, 2020

Chart 1.54



Source: Polaris Intelligence, 2015 and 2020

Chart 1.55

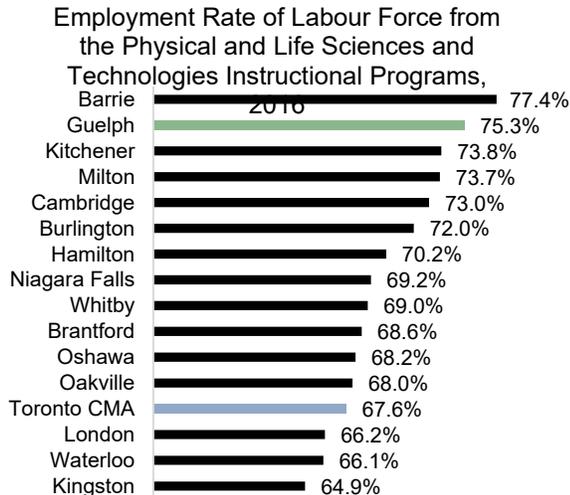


Source: Polaris Intelligence, 2020

Employment of graduates from technology-related programs

Guelph has the second highest employment rate for graduates of physical and life sciences and technologies instructional programs.

Chart 1.56



Source: Statistics Canada. 2016 Census Profile.

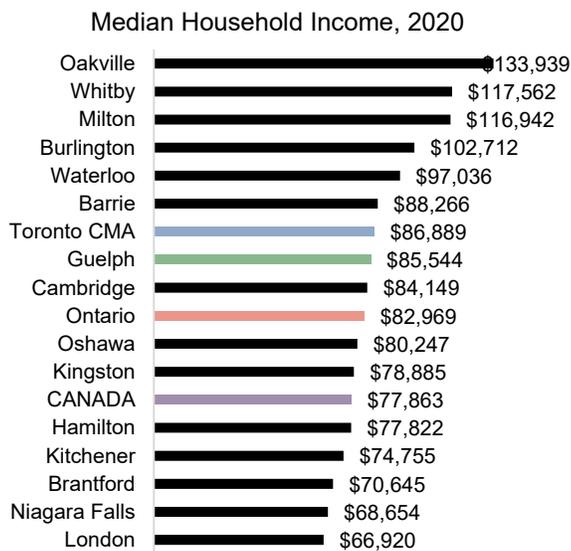
Equity

Equity evaluates who benefits from growth within a city. Increased economic equity, measured through household incomes and poverty rates amongst other indicators, enables more people to participate in the local economy. A closer look at equity in Guelph is presented in the analysis below:

Median household income

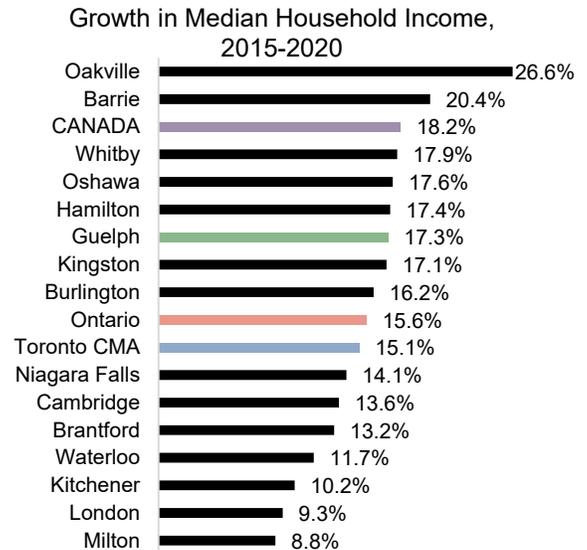
Household income in Guelph is 3.1 percent higher than the provincial average, and it is growing faster than the provincial average, but slower than the national average.

Chart 1.59



Source: Polaris Intelligence, 2020

Chart 1.60



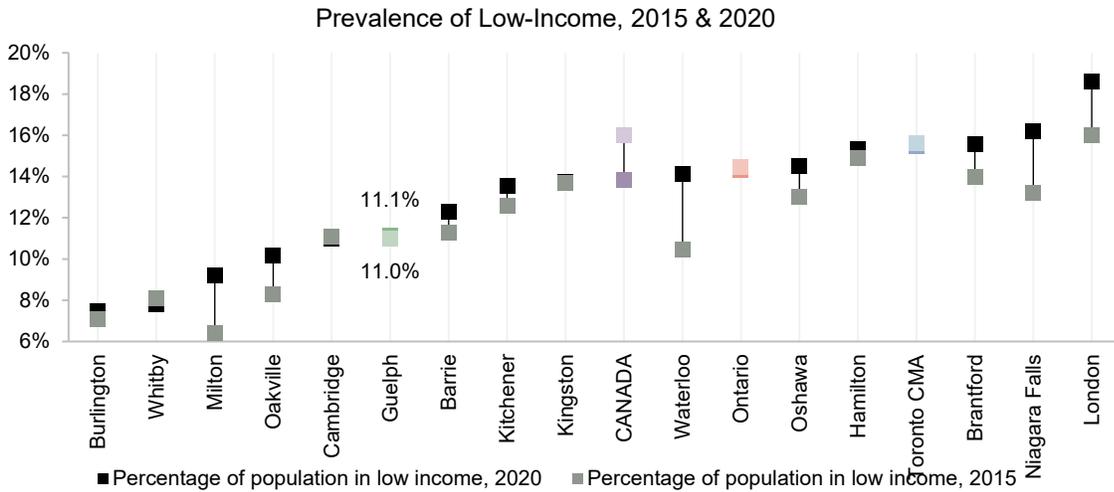
Source: Polaris Intelligence, 2015 and 2020

Poverty rate

The Low-Income Measure of poverty defines a household as low income if its after-tax income is less than half of the median after-tax income of all households in Canada. Eleven percent of residents in Guelph are defined as low-income, a 0.1 percent increase since 2015. As shown below, this is a share that is lower than that in most comparator communities.



Chart 1.61



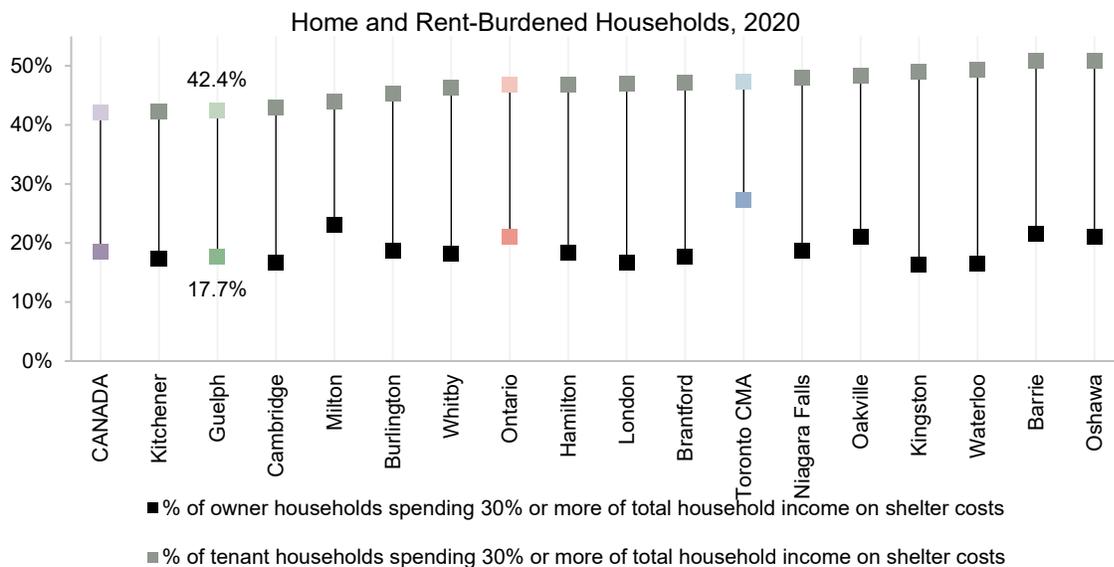
Source: Polaris Intelligence, 2015 and 2020

Affordable Housing

Housing is considered “affordable” by the Canadian Mortgage and Housing Corporation if housing expenses (including rent or mortgage payments, utilities and property taxes) costs less than 30 percent of a household’s before-tax income. This measure aims to identify households that spend a disproportionate share of their income on housing, and may not have enough left to spend on other necessary items.

Guelph is relatively affordable to the comparator communities. Renters in Guelph are more burdened than homeowners, where 42.4 percent of renters in Guelph are rent-burdened, while only 17.7 percent of owners are home-burdened (lower than the Canadian national average).

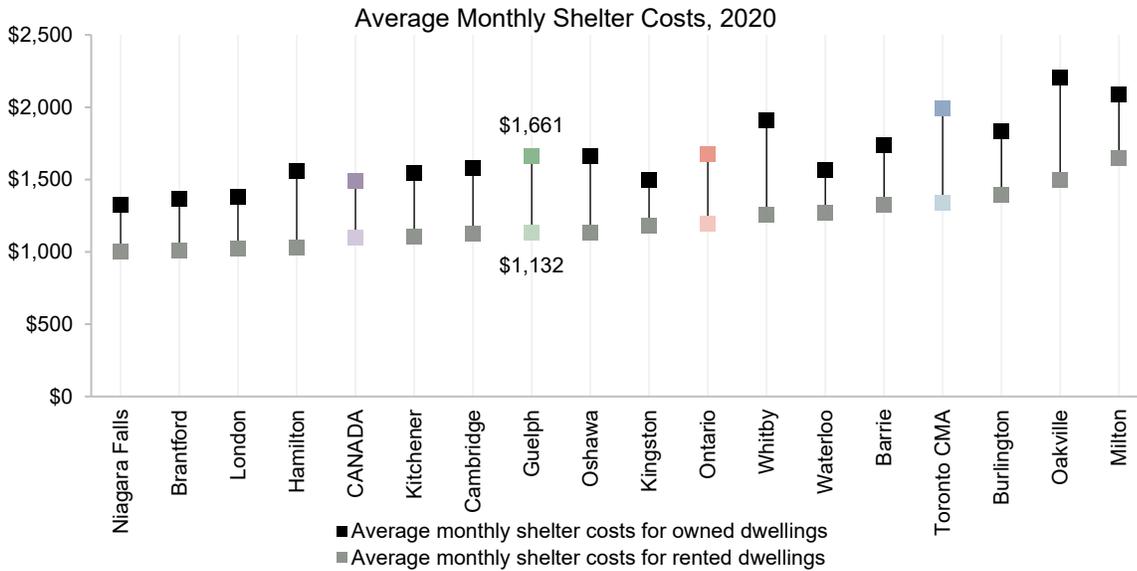
Chart 1.62



Source: Polaris Intelligence, 2020

There is a more than a 500\$ difference between monthly shelter costs for owners and renters.

Chart 1.63

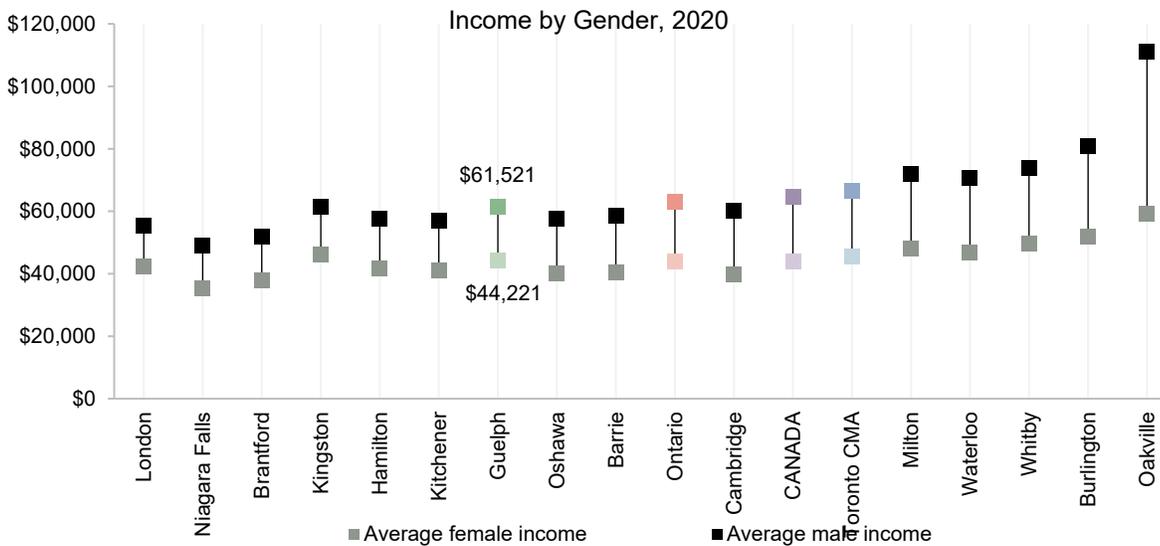


Source: Polaris Intelligence, 2020

Gender wage gap

Guelph's gender wage gap is \$17,300 which is less than both the national and provincial wage gaps, indicating better pay equality in the workplace.

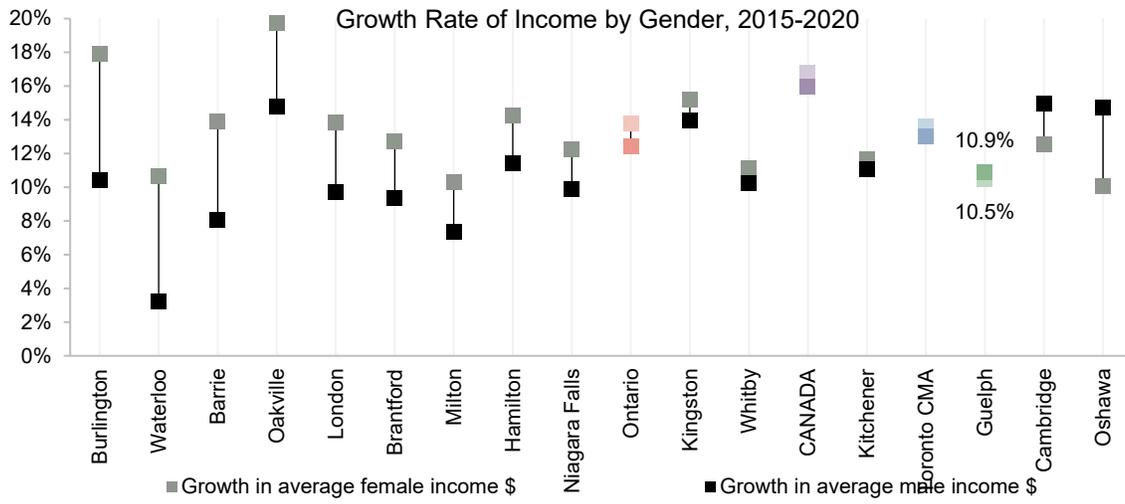
Chart 1.64



Source: Polaris Intelligence, 2020

Male and female individual incomes have grown at similar rates; however, in some comparator communities such as Burlington and Oakville, female individual incomes have been growing at a faster rate.

Chart 1.65



Source: Polaris Intelligence, 2015 and 2020



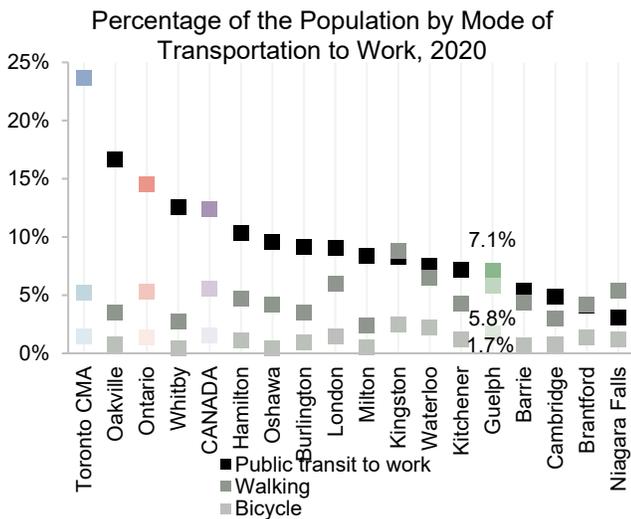
Quality of Place

Quality of place is an important factor in attracting and retaining talent, population growth and community resilience, and attracting new business and investment. It is also important for tourism, a significant sector of focus that is driving employment and incomes. A closer look at the quality of place in Guelph is presented in the analysis below:

Short commutes

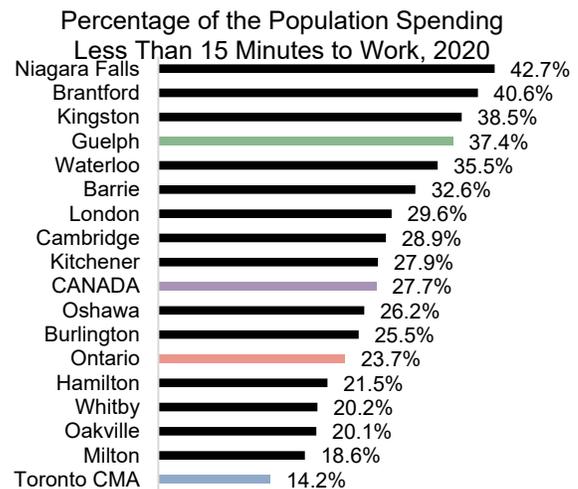
Many Guelph residents (37.4 percent) spend less than 15 minutes commuting to work, which is an indicator of a good work-life balance. In contrast to the comparator communities of similar size, only 7.1 percent of residents take public transportation to work (a value that has been impacted negatively through the COVID-19 pandemic).

Chart 1.66



Source: Polaris Intelligence, 2020

Chart 1.67

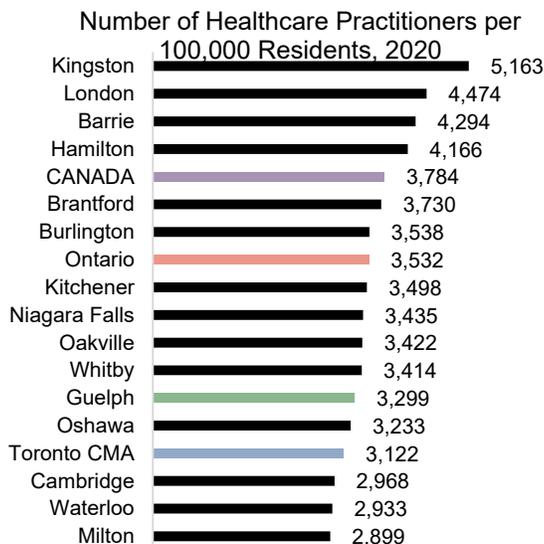


Source: Polaris Intelligence, 2020

Healthcare

Guelph has 3,299 healthcare practitioners per 100,000 residents, lower than both the national and provincial averages.

Chart 1.68



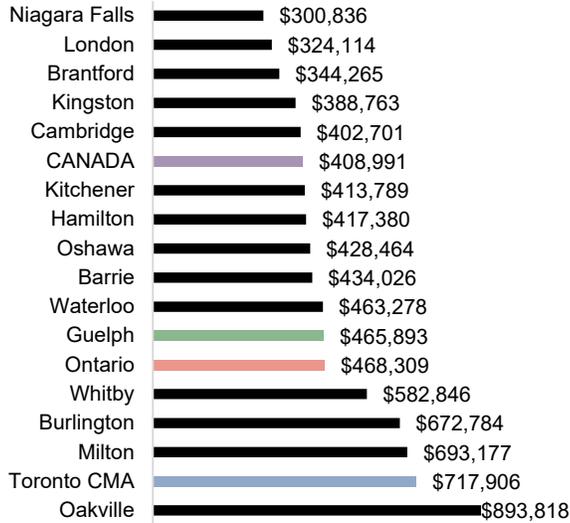
Source: Polaris Intelligence, 2020

Housing Prices

Guelph's median housing value is \$465,893 on par with the provincial average; however, the value has increased at 2 times the provincial rate since 2015.

Chart 1.69

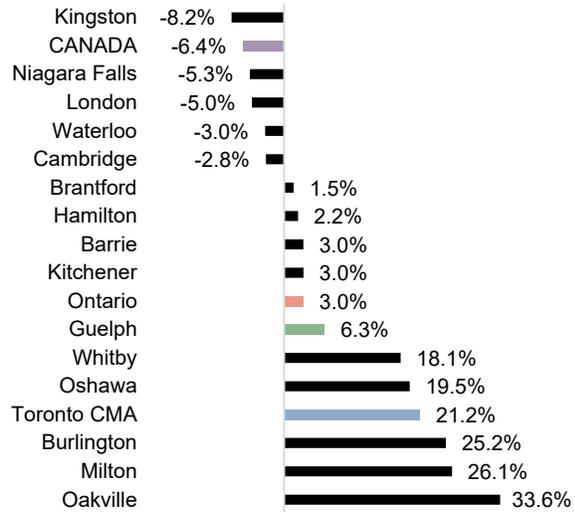
Median Value of Dwelling, 2020



Source: Polaris Intelligence, 2020

Chart 1.70

Growth Rate in Median Value of Dwelling, 2015-2020



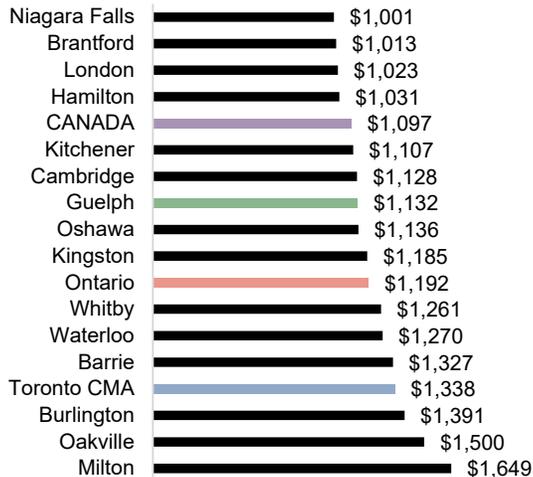
Source: Polaris Intelligence, 2015 and 2020

Rental Costs

An average tenant in Guelph spends \$1,132 per month, 35\$ greater than the national average. This is an 18.5 percent increase since 2015—a growth rate which is comparable with the national average and lower than the provincial average.

Chart 1.71

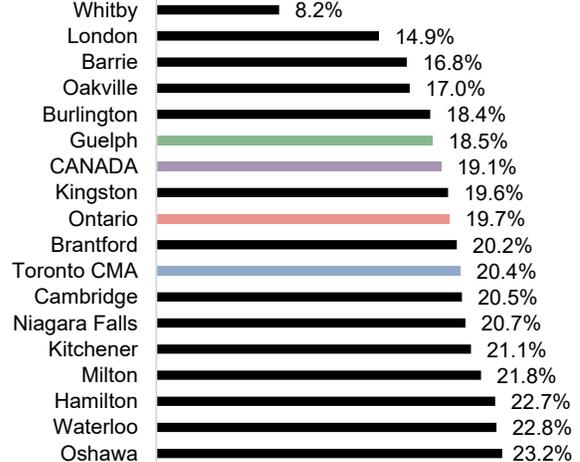
Average Monthly Shelter Costs for Rented Dwellings, 2020



Source: Polaris Intelligence, 2020

Chart 1.72

Growth Rate in Average Monthly Shelter Costs for Rented Dwellings, 2015-2020

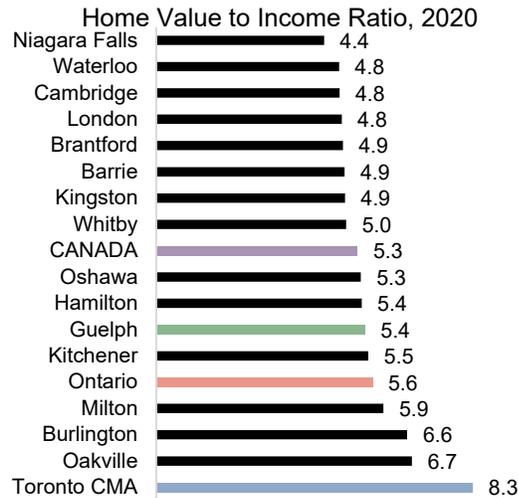


Source: Polaris Intelligence, 2015 and 2020

Home Value to Income Ratio

The price of a single-family home in Guelph is more than 5 times the median household income, ranking 11th among comparator communities. Guelph is more affordable than the provincial average.

Chart 1.73



Source: Polaris Intelligence, 2020

Tourism Amenities

TripAdvisor data has been used to count the number of quality experiences/ establishments in the different experiential categories (e.g. outdoor activities, nightlife, dining, etc.). To integrate a “quality” element in these counts, we only include experiences with a star rating of 4 or more.

Guelph ranks mid-range for the number of quality shopping experiences and theatres and concerts.

Chart 1.74

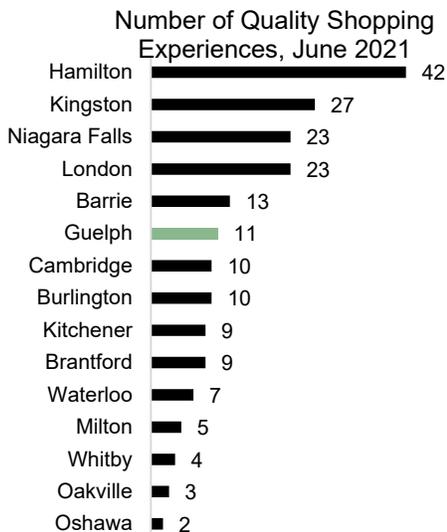
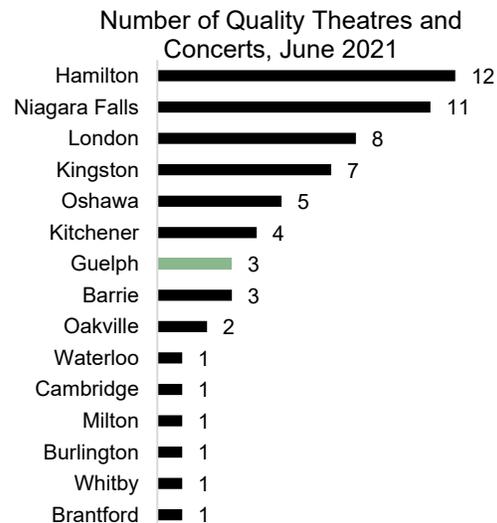


Chart 1.75



Source: TripAdvisor, 2021

Source: TripAdvisor, 2021

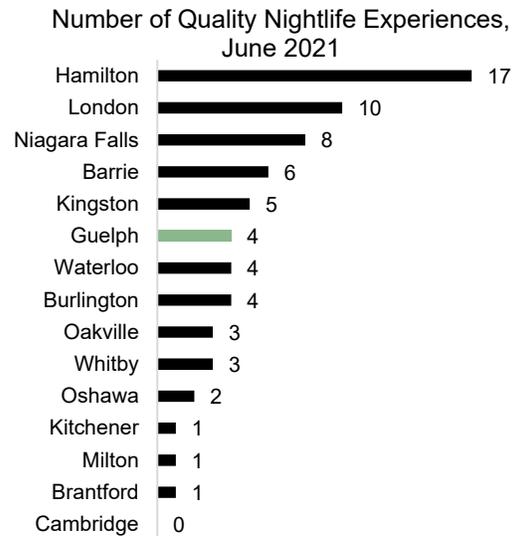
Guelph ranks near the bottom of comparator communities for dining and mid-tier for nightlife.

Chart 1.74



Source: TripAdvisor, 2021

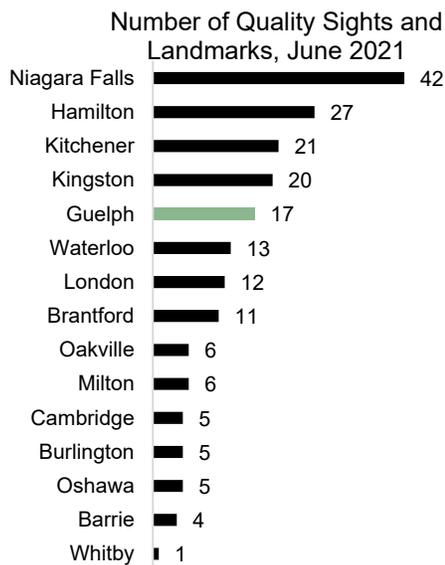
Chart 1.75



Source: TripAdvisor, 2021

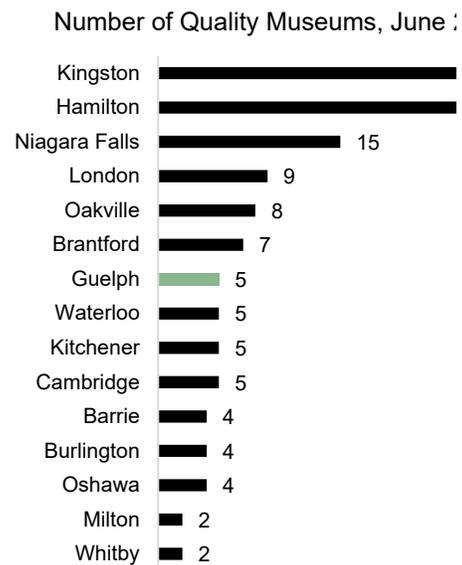
Guelph has a rich culture to showcase through its sights, landmarks, and museums.

Chart 1.76



Source: TripAdvisor, 2021

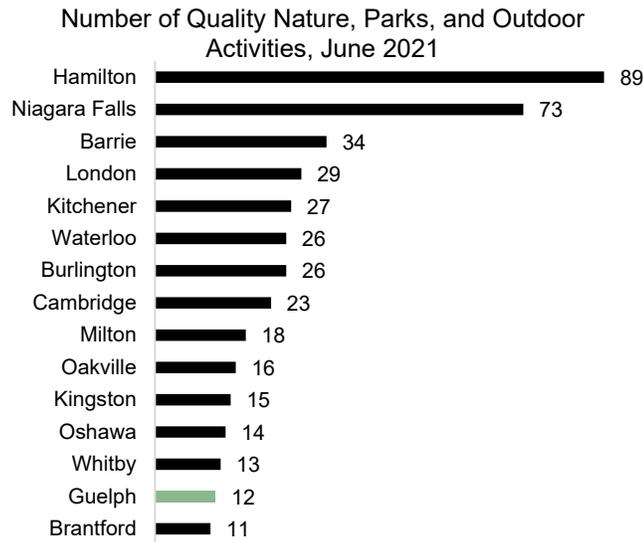
Chart 1.77



Source: TripAdvisor, 2021

Despite its beautiful landscape, Guelph trails behind in the number of outdoor experiences promoted on TripAdvisor.

Chart 1.78

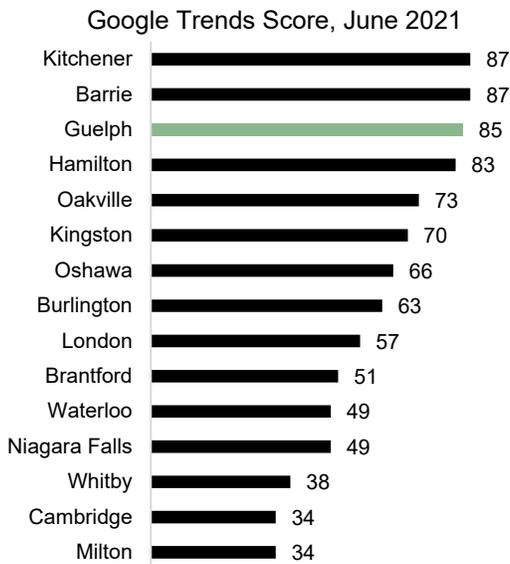


Source: TripAdvisor, 2021

Online promotional efforts

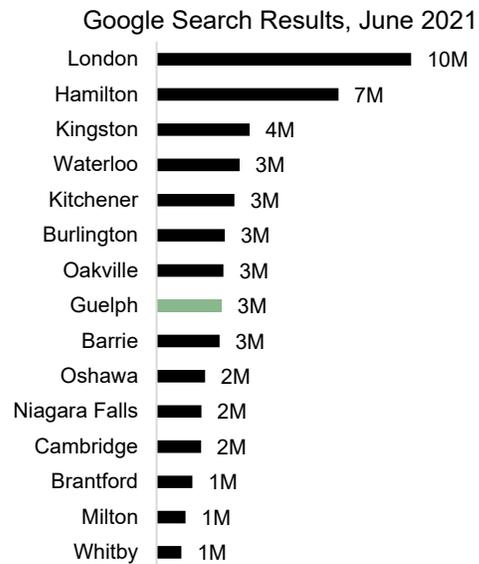
Guelph has less content available online, as measured by the Google search results.

Chart 1.79



Source: Google Trends, 2021

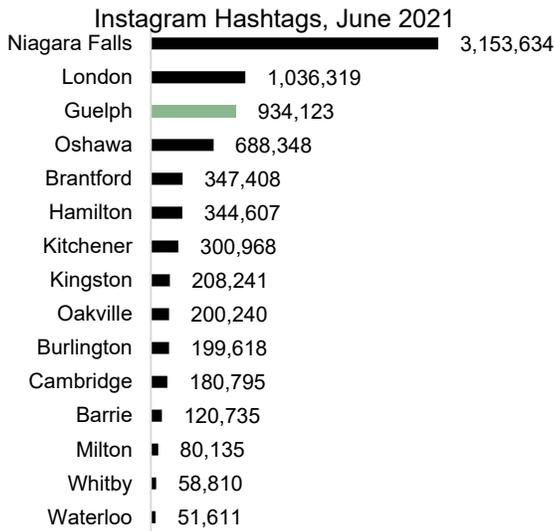
Chart 1.80



Source: Google, 2021

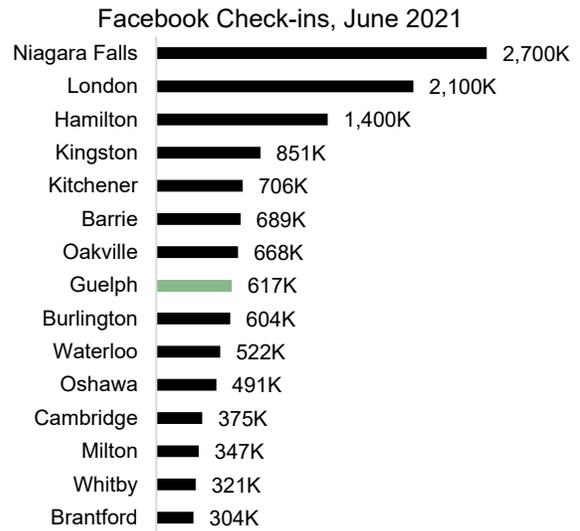
Tourist-generated engagement, as measured by Instagram hashtags (#guelph) is stronger than local engagement, as measured by Facebook check-ins.

Chart 1.81



Source: Instagram, 2021

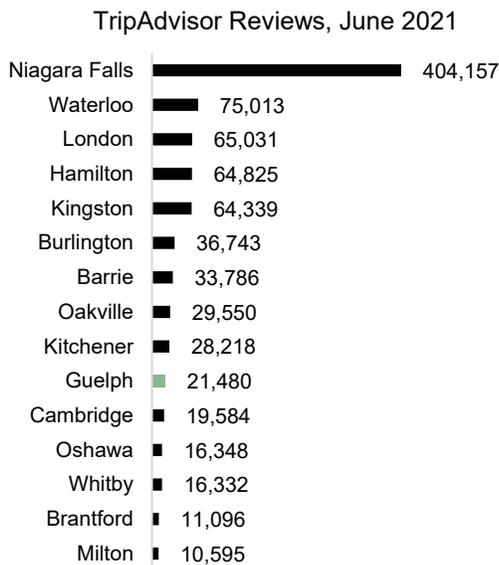
Chart 1.82



Source: Facebook, 2021

Despite the strength of destination amenities, Guelph ranks near the bottom of comparator communities for TripAdvisor reviews. This represents the total number of reviews for all the tourism amenities in the city listed on TripAdvisor.

Chart 1.83



Source: TripAdvisor, 2021

Economic Development and Tourism Strategy 2022-2026

Industry Cluster Analysis Report

November 2021



Introduction

Clusters (industry clusters) are geographic concentrations of interconnected companies and institutions in a particular field, encompassing an array of linked industries and other entities important to competition (Porter, 1998). They generally consist of companies, suppliers, and service providers, as well as government agencies and other institutions that provide education, information, research, and technical support to the local/regional economy. This network of industries and entities create a competitive advantage for the related firms in the region, in time drawing in similar businesses to capitalize on this advantage (cluster).

Traded industry clusters are those industry clusters that are export-oriented, serving markets beyond the region, bringing new money into the local economy. Unlike local industry clusters which serve local markets and are not typically impacted by the competitive advantages of a city/region, traded clusters capitalize on this advantage and are the economic drivers for their respective cities/regions, becoming catalysts for innovation, knowledge-sharing and collaboration, research and development, wage growth, etc.

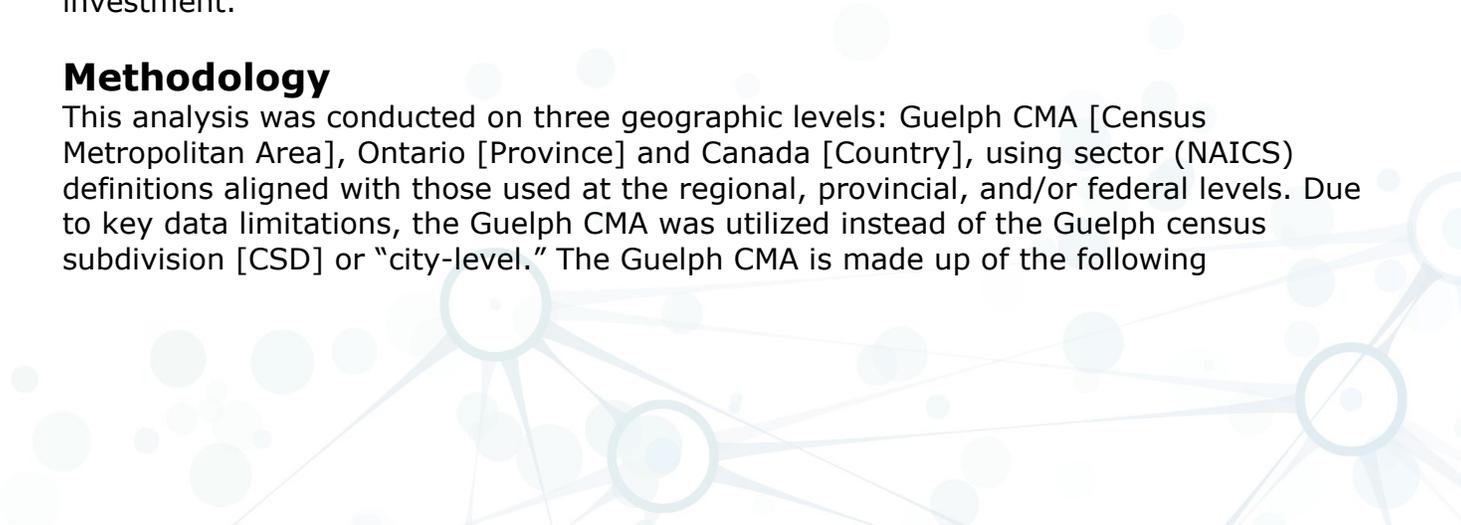
The purpose of conducting an industry cluster analysis is to take a deep dive into the local economy and understand its underlying structure. By undertaking this process of categorizing Guelph's economy into traded industry clusters, the City of Guelph can better identify its economic composition and prioritize its key sectors/clusters. Overall, this process will help determine the direction Guelph's economy and industries are heading in — as such, the city is better able to:

- Identify and support these clusters/sectors through partnerships, programming, policy development, etc.;
- Define its role in the regional and national economy;
- Encourage the development of new and relevant business opportunities; and
- Effectively communicate the city's competitive advantages to attract outside talent and investment.

An environmental cluster analysis will be undertaken by the City of Guelph, through industry cluster working groups to define cluster assets, performance, growth opportunities and challenges (example: supply chain needs, emerging target markets and marketing opportunities). The strategy defines further programming, tactics and activities that will guide the advancement of these industries to support growth and investment.

Methodology

This analysis was conducted on three geographic levels: Guelph CMA [Census Metropolitan Area], Ontario [Province] and Canada [Country], using sector (NAICS) definitions aligned with those used at the regional, provincial, and/or federal levels. Due to key data limitations, the Guelph CMA was utilized instead of the Guelph census subdivision [CSD] or "city-level." The Guelph CMA is made up of the following



municipalities: the City of Guelph and both the Townships of Guelph Eramosa and Puslinch.

With the defined geographies and sectors as the foundation, working within the reference periods of 2015 and 2020, a location quotient (LQ) analysis was undertaken on both business counts and employment for the Guelph CMA, in relation to Ontario and Canada – all LQs referenced in this analysis are comparing the Guelph CMA to Canada.

Employment

Until the release of the 2021 Census of Population by Statistics Canada in 2022, an alternative methodology was implemented to provide intercensal employment estimates. Using the 2016 Census of Population as the baseline for all three geographies, growth rates derived from the Labour Force Survey (LFS) were applied to estimate employment for 2015 and 2020. All employment estimates are at the NAICS four-digit level.

Business Count

The Canadian Business Counts (Business Counts), a Statistics Canada data product, was the main dataset used in reviewing the business counts at all three geographic levels, for the reference periods of 2015 and 2020. Published biannually, the business counts used are the December releases by statistical location. While the business counts are available at the 6-digit level, the 4-digit level was chosen to maintain consistency/comparability with the employment estimates.

Definitions

- **Location Quotient (LQ):** the relative concentration of an industry sector in a given region (Guelph CMA) compared to a larger geographic area (Canada).
 - LQs above 1.00 signify employment concentration above that of the country.
 - LQs above 1.20 typically signal high levels of concentration and are an indicator of possible industry clustering.
- **Employment Estimate:** the total employment for the specified sector.
- **Business [Location] Count:** the total business location count for the specified sector.
- **Share of Ontario (ON) Sector Employment:** the degree of significance of employment concentration (clustering) in relation to Ontario, expressed as a percentage.
- **Employment Change:** the change in total employment for the specified sector.
- **Business Count Change:** the change in business count for the specified sector.
- **Employment Growth Rate:** the employment growth, over a given reference period (2015 to 2020), for the specified sector, expressed as a percentage.
- **Employment Growth Difference from Ontario (ON):** the difference between Guelph CMA and Ontario employment growth rates.

Data Sources



Statistics Canada. 2021. Canadian Business Counts, 2015-2020. Distributor: Community Data Program.

Statistics Canada. 2021. Labour Force Characteristics by Industry, Annual, 2014-2020. Table 14-10-0023-01.

Statistics Canada. 2021. Labour Force Survey: Employment by Industry, Three-month Moving Average, Unadjusted for Seasonality, 2014-2020. Table 14-10-0379-01.

Statistics Canada. 2017. 2016 Census of Population, by Labour Force Status. Statistics Canada Catalogue No. 98-400-X2016290.

Caveats

While all sector definitions are typically defined at the NAICS 6-digit level, due to the employment estimates being compiled at the NAICS 4-digit level, there will be a small degree of discrepancy to which industry groups are included, or omitted, in the sector definitions. While most sector definitions align well at the 4-digit level, there are a few exceptions. In those situations, where the Canadian industry (or industries) comprise a small percentage of the total industry group, the industry group will be omitted. Where the Canadian industry (or industries) comprise a substantial percentage of the industry group, the industry group will be included.

Furthermore, pertaining to the NAICS and the 2016 Census data used in the employment estimates process, NAICS codes 3123 - Cannabis Product Manufacturing and 4134 - Cannabis Merchant Wholesalers are omitted from the 4-digit level estimates, for both 2015 and 2020. The cause for this omission is due to their introduction happening after the 2016 census was conducted; this omission will impact 2020 employment estimates. The 2020 business counts include both 3123 and 4134.

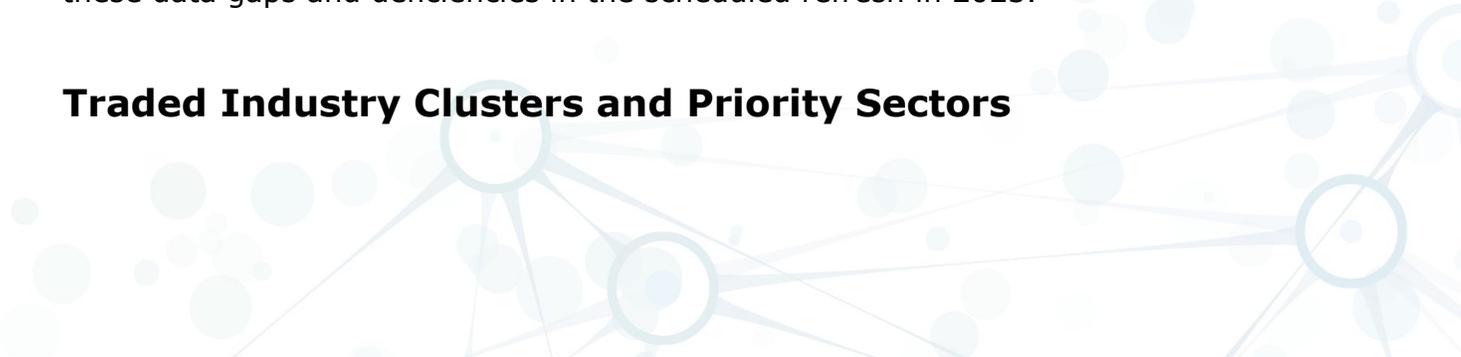
Please note: All figures at or above one (1) thousand are round to the nearest hundredth, all figures below one (1) thousand are round to the nearest tenth.

Disclaimer

The employment estimates in this analysis are experimental and should not be used for any other purposes outside of this analysis. The figures represented are a conservative estimate of employment in the Guelph CMA, Ontario, and Canada, subject to the limitations inherent in the labour force survey, changes in the NIACS code after the 2016 census, and disrupted by the negative impacts of global COVID-19 pandemic in 2020.

Moving forward, as the Economic Development and Tourism department (EDT) continues to expand its data and analytics capabilities/resources, coupled with the release of Statistics Canada's 2021 Census of Population in 2022, the department aims to correct these data gaps and deficiencies in the scheduled refresh in 2023.

Traded Industry Clusters and Priority Sectors



From the work previously undertaken by the EDT department, six sectors were reviewed. Of those six, five were previously identified as key sectors: Advanced Manufacturing, Agri-Innovation, Tourism, Cleantech and Information and Communications Technology (ICT), and one (1) newly proposed: Life Sciences.

As detailed below, three sectors have been identified as significant traded industry clusters and the other three, while not clusters, are priority sectors for the City of Guelph. These priority sectors, while their employment concentration (LQ) is lower than 1.00, there is an established ecosystem of networks, support services, and programs at the local, regional, provincial, and federal levels, where these priority sectors could feasibly become clusters through further development and guidance.

The data review projected for 2022 will enhance the foundational understanding of the above industries, the competitive advantages for each, and target opportunities for the city to leverage.



With more foundational work required in future analyses, given current information and data available, the proposed traded industry clusters and priority sectors are as follows:

Table 2.1

Traded Industry Clusters
1. Advanced Manufacturing
2. Life Sciences
3. Agri-Innovation
Priority Sectors
4. Tourism
5. Cleantech
6. Information and Communications Technology (ICT)



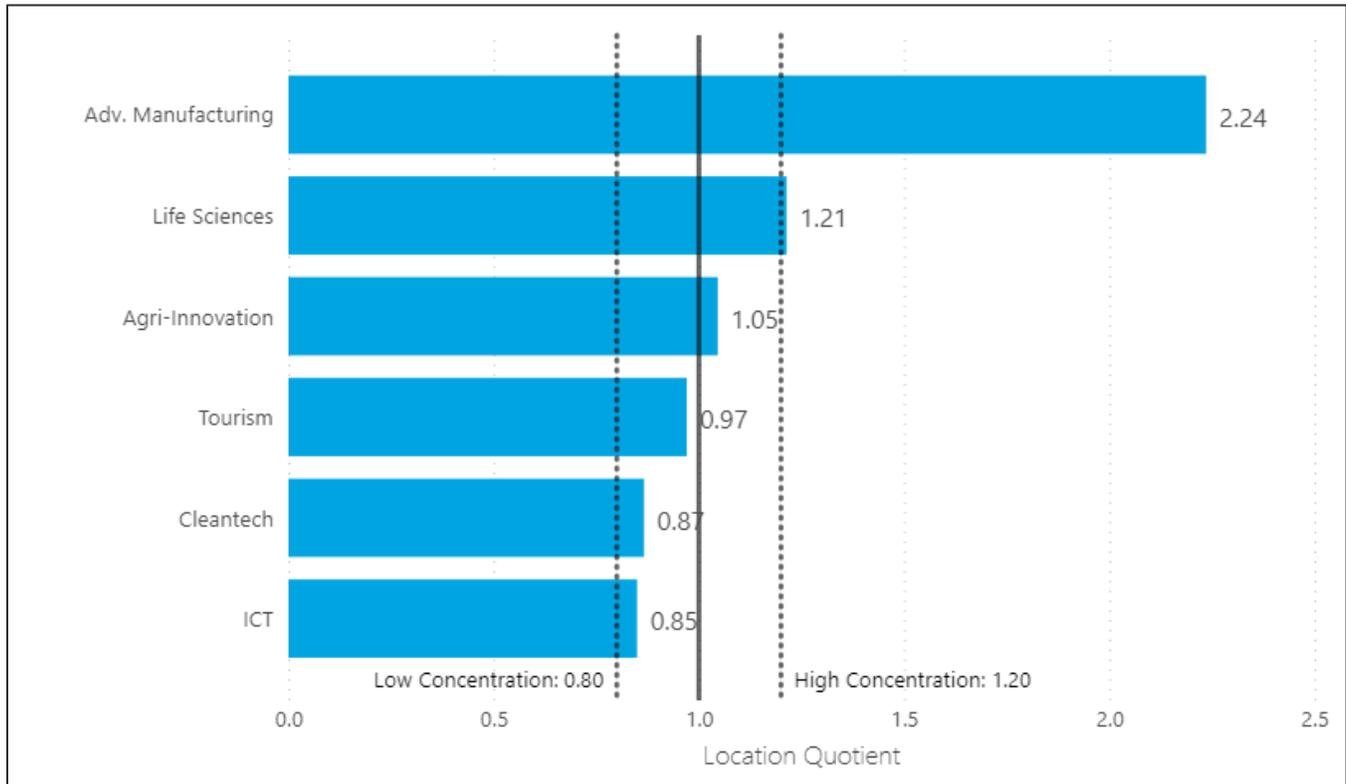
An Overview of Sectors in Guelph CMA

Employment Concentration

Three (3) industry sectors in the Guelph CMA have employment (LQ) concentrations above 1.00, two (2) industry sectors are above 1.20: Advanced Manufacturing and Life Sciences.

Chart 2.1

Guelph CMA: Employment Location Quotients (LQ) – Guelph CMA to Canada, 2020



Employment Summary

Of the six (6) sectors analyzed, two (2) sectors saw positive employment change and three (3) sectors saw growth above the provincial rate. Overall, only two (2) sectors saw positive employment change and growth above the provincial rates: Advanced Manufacturing and Life Sciences.

Table 2.2

	Employment Estimate, 2020	Employment Change, 2015-20	Employment Growth Difference from ON, 2015-20	Employment Growth Rate, 2015-20
Advanced Manufacturing	13,500	640	5.3%	5.0%
Agri-Innovation	6,300	-360	-6.9%	-5.4%
Cleantech	2,700	-180	-11.2%	-6.3%
ICT	2,300	-180	-9.2%	-6.9%
Life Sciences	800	30	6.9%	4.1%
Tourism	7,000	-240	11.7%	-3.3%

Note: Light blue shading represents a positive employment change or sector growth higher than the Ontario average.

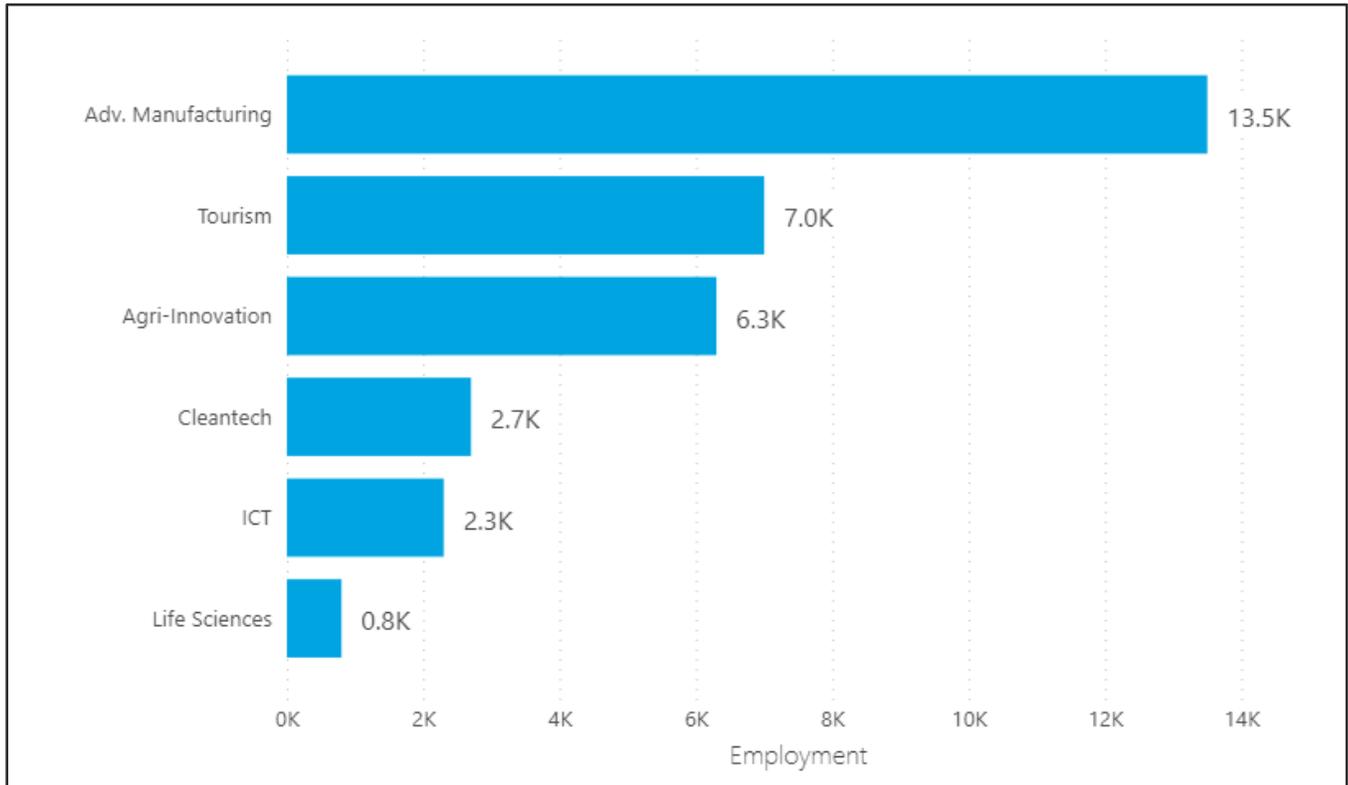


Employment

Guelph CMA's largest traded industry cluster is Advanced Manufacturing, comprising approximately 16 per cent of estimated total employment in 2020.

Chart 2.2

Guelph CMA: Employment Estimates, 2020

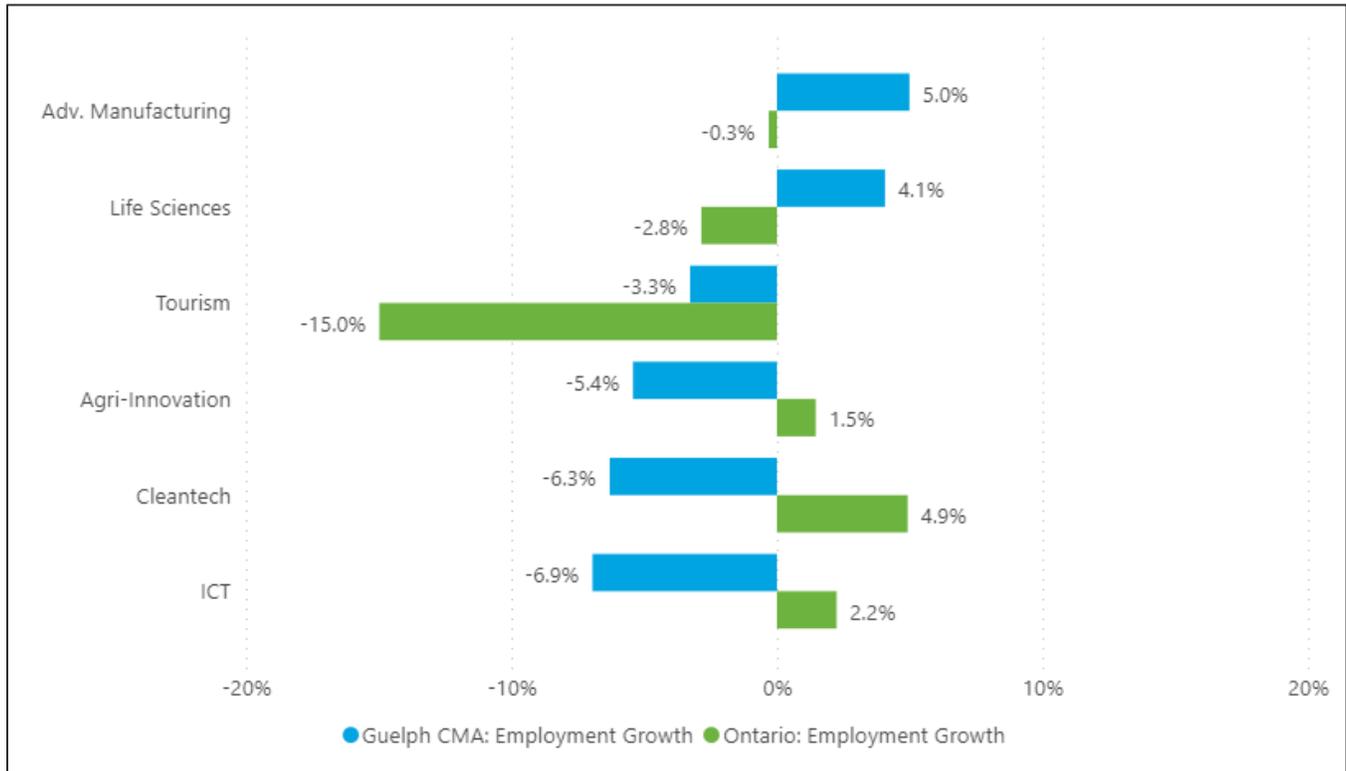


Employment Growth

Three (3) Guelph CMA sectors outpaced Ontario in positive employment change (2015-2020): Advanced Manufacturing, Life Sciences, and Tourism.

Chart 2.3

Guelph CMA and Ontario (ON): Estimated Employment Growth, 2015-2020

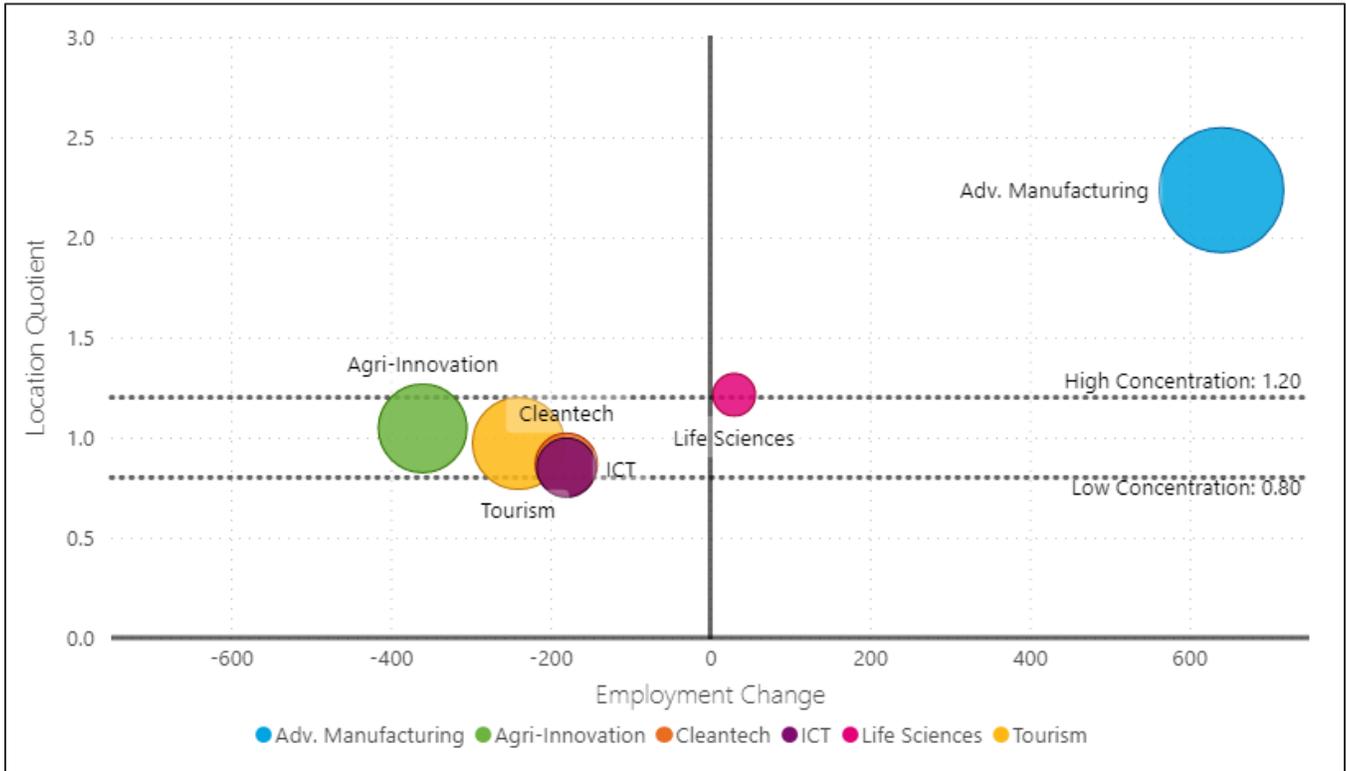


Employment Concentration and Change

Advanced Manufacturing, the largest of the six (6) sectors analyzed, having also seen the largest positive change in employment, continues to be Guelph CMA's most competitive traded industry cluster.

Chart 2.4

Guelph CMA: Employment LQ, 2020 vs. Estimated Employment Change, 2015-2020



Size of Bubble: Est. Sector Employment, 2020.

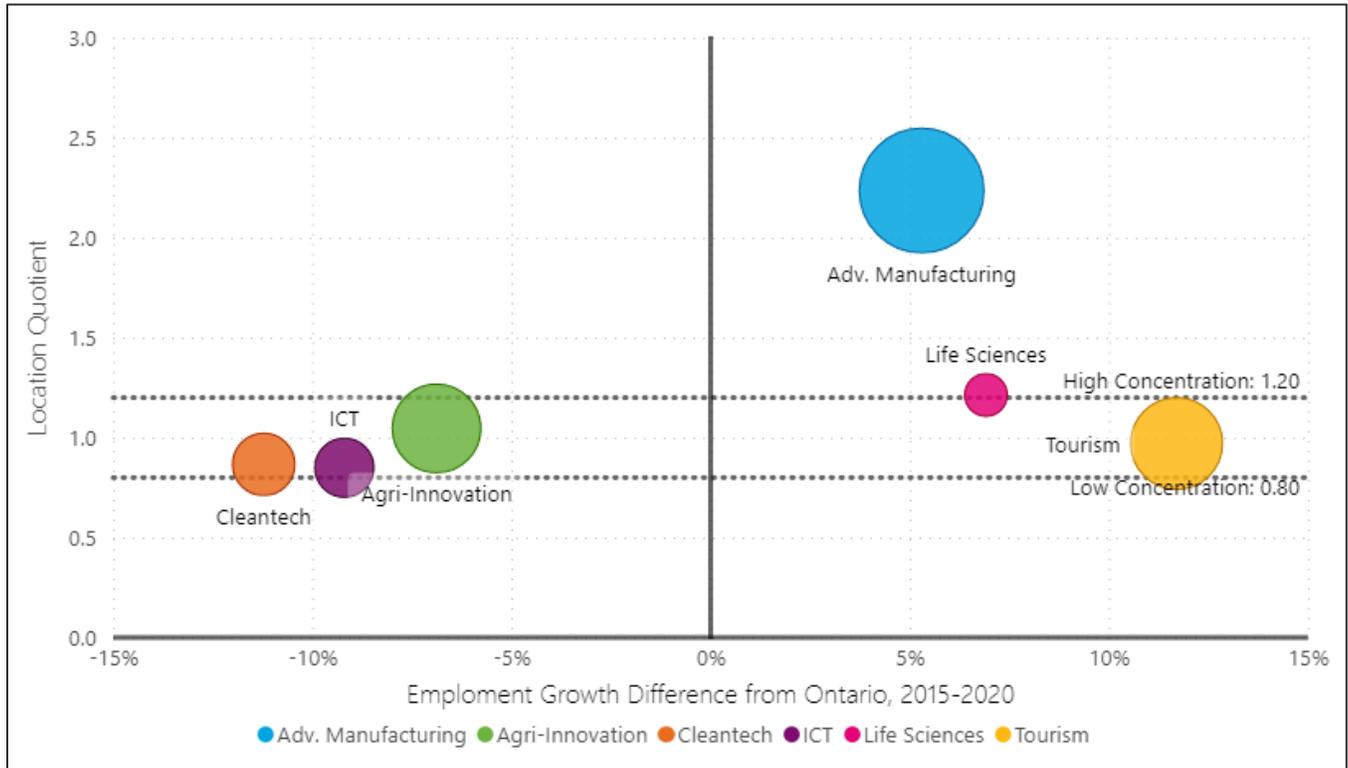


Employment Concentration and Growth vs. Ontario

In addition to Advanced Manufacturing and Life Sciences maintain a high employment concentration (LQs above 1.20), both sectors also performed better than the provincial rates for employment change (gains).

Chart 2.5

Guelph CMA: Employment LQ, 2020 vs. Est. Employment Growth Difference from ON, 2015-2020



Size of Bubble: Est. Sector Employment, 2020.

Sector Summary

Given the available data, three (3) of the six (6) sectors reviewed have been identified as maintaining a noticeable concentration of employment to be defined as a cluster (LQ above 1.00): Advanced Manufacturing, Life Sciences and Agri-Innovation. Of those sectors, Advanced Manufacturing and Life Sciences saw positive employment change, from 2015-2020.

For the remaining three (3) sectors analyzed, Cleantech, Information and Communications Technology (ICT) and Tourism, while these sectors do not maintain an LQ above 1.00, the current regional support programs, networks, provincial/federal priorities, and business environment surrounding Guelph warrant continued prioritization by the City.

Until a more substantial cluster analysis is undertaken by the City of Guelph, the proposed traded industry clusters are Advanced Manufacturing, Life Sciences and Agri-Innovation, with three (3) priority sectors: Cleantech, Information and Communications Technology (ICT) and Tourism.

Table 2.3

	Employment LQ – National, 2020	Employment Estimate, 2020	Employment Change, 2015-20	Business Count, 2020	Business Change, 2015-20	Share of ON Sector Employment, 2020	Employment Growth Difference from ON, 2015-20
Advanced Manufacturing	2.24	13,500	640	290	0	2.5%	5.3%
Agri-innovation	1.05	6,300	-360	450	30	1.5%	-6.9%
Cleantech	0.87	2,700	-180	180	10	1.2%	-11.2%
ICT	0.85	2,300	-180	160	20	0.9%	-9.2%
Life Sciences	1.21	800	30	40	0	1.4%	6.9%
Tourism	0.97	7,000	-240	450	80	1.3%	11.7%

Note: Light grey represents clusters with LQs greater concentration than the Canadian average; light blue shading represents a positive employment change or sector growth higher than the Ontario average.

Where we came from: Prosperity 2020 Report

November 2021



Prosperity 2020

In November 2008, Guelph City Council committed to the development of a new ten-year Economic Development and Tourism Strategy for Guelph — Prosperity 2020. At the time of its development, Prosperity 2020 supported the City of Guelph’s vision of being “the city that makes a difference”, and the strategic goal of having “a diverse and prosperous local economy.” This strategy has led the service delivery of the economic development and tourism services, in a coordinated approach with our local business, government and tourism support partners between 2010 and 2020.

High-level deliverables as directed by Prosperity 2020 include:

Focus Investment and Growth

- HAL report – Strategic plan for a Guelph Agri-innovation Cluster (2010)
- Clean Tech Alliance member (2012-2017)
- Ontario Food Cluster founding member (2013-present)
- Agri-Food and Agri-Tech Value Proposition (2014)
- FDI Strategic Plan (2014-2016)
- Municipal Comparator Study (2016)
- Mind Your Business (2016-present) and Network News (2017)
- Guelph Community Profile (2016, 2020)
- Targeted sector profiles and RFI template (2019)
- FDI Corridor Strategy (2020)

Re-Position Guelph

- Invest in Guelph and Visit Guelph brand development and marketing strategy (2011-2016)
- Integrated Operational Review (2011-2018)
- Established Grow Guelph Business Retention and Expansion Program (2013-present)
- Building partnerships – business pledge and marketing campaign (2018-present)

Invest in People and Ideas

- Founding partner of Innovation Guelph (2011)
- Business Case: Two Way Urban Commuter Rail (2014)
- Local Workforce Development Committee – led through Workforce Planning Board Wellington Waterloo Dufferin (2017-2018)
- Guelph Shops and business spotlight profiles (2020-present)

Invest in Hard and Green Infrastructure

- Hanlon Creek business Park Marketing Plan (2012) and website (2017)
- Brownfield Community Improvement Program (2012, 2018)
- Guelph Innovation District Secondary Plan (2014)
- Signaled crossing LED upgrades (2014-present)
- Crossing track upgrades (2014-present)
- Insulated joint program (2014-present)
- Tie replacement and surfacing program increasing track speeds (2014-present)
- Rehabilitation of Eramosa rail bridge (2015)
- Our Energy Guelph, Community Energy Initiative update (2018).
- Arkell east and west siding construction (2019)

Invest in Tourism

- Founding partner of RTO4 (2010)
- DestinationGUELPH (2017)
- Destination Animation Partnership Funds (2018)
- Refreshing Our Local Tradition Phase 1 (2018-2020)
- Destination Guelph Strategic Investment Opportunity (2019)

Invest in the Downtown

- Downtown Secondary Plan (2012)
- Market Square Construction (2012)
- Downtown Community Improvement Plan (2010-2016)
- Downtown Guelph Streetscape Manual, Built Form Standards and St. George's Square Concept (2014)
- Baker Street District Project (2016-present)
- GUELPH sign, lighting and new seating in Market Square for enhancement of space (2020)
- #GLOWGuelph – Covered Bridge Lighting initiative (2020)

Strengthen Governance, Profile and Reach

- Tourism and economic development social media profiles (Facebook, Twitter and Instagram) (2009-present)
- Downtown Advisory Committee (2011-2020)
- VisitGuelphWellington.ca update (2014)
- Tourism Advisory Committee (2015-present)
- Grow Guelph Communications Committee (2015-paused)
- Guelph Economic Monitor (2018-present)
- Smart Cities Challenge – Our Food Future (2018-present)
- Grow Guelph website (2019)
- Guelph Junction Railway website (2019)
- ExploreGuelph.ca website (2020)
- Tourism website amalgamation (2020-present)



**Economic Development
and Tourism**

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