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Prospects for the Mile of Gold: An Economic Profile of Kirkland Lake

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By: William Dunstan

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- Thunder Bay is on Robinson-Superior Treaty territory and the land is the traditional territory of the Anishnaabeg and Fort William First Nation.
- Kirkland Lake is on the Robinson-Huron Treaty territory and the land is the traditional territory of Cree, Ojibway, and Algonquin peoples, as well as Beaverhouse First Nation.

We recognize and appreciate the historic connection that Indigenous peoples have to these territories. We support their efforts to sustain and grow their nations. We also recognize the contributions that they have made in shaping and strengthening local communities, the province, and Canada.

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Project Partner



KIRKLAND LAKE
THE RIGHT ENVIRONMENT

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William Dunstan graduated with a Bachelor of Public Affairs and Policy Management student at Carleton University in June 2022. During his undergraduate studies, William learned about the wide world of public policy and developed a particular research interest in economic policy and regional development. Professionally, he has worked in several policy-related roles both in the think tank sphere and with the federal government. Originally from Ottawa, William developed a love for Northeastern (or Central) Ontario and the region's high quality of living during his time as an Experience North intern in 2021.

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Executive Summary

The Town of Kirkland Lake is a community in the Timiskaming District with an official population of just under 8,000. Kirkland Lake also attracts many transient workers and commuters from nearby communities, making the town a hub of economic activity for more than just its full-time residents.

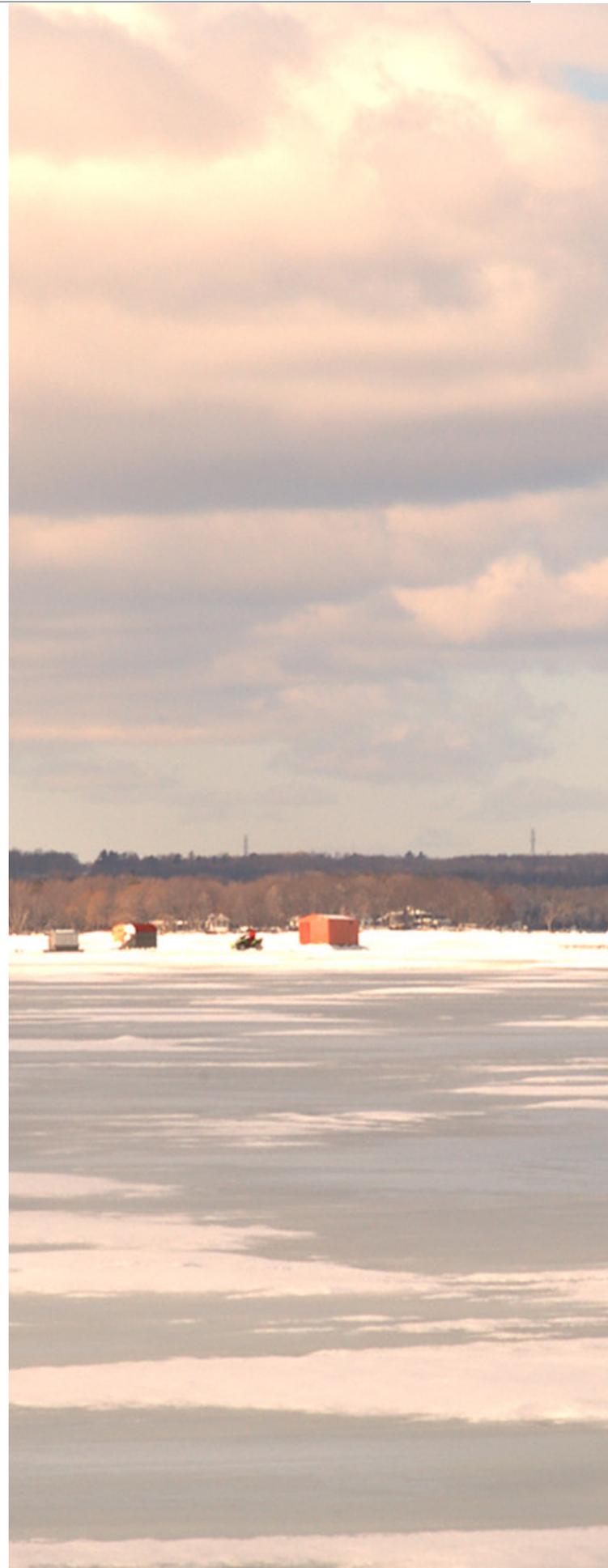
Kirkland Lake has strong prospects for future economic prosperity. The town continues to have a large mining sector and has seen rising employment in other industries in recent years, including Utilities, Arts, entertainment and recreation, and Wholesale trade. Over the past decade, incomes have risen in Kirkland Lake while the cost of living, particularly in terms of housing affordability, has remained lower than elsewhere in Ontario.

Despite these positive developments, Kirkland Lake faces some economic challenges. Most significantly, Kirkland Lake's population is aging and shrinking, meaning there are fewer working-age individuals to support the local economy and a growing elderly population. Additionally, the share of working-age residents who are active in the labour force is below the provincial average. For the town to achieve its economic potential, Kirkland Lake will need to attract and retain more residents and improve the economic participation of its existing population.

Introduction

This report provides an economic profile of the Town of Kirkland Lake, a community located in the Timiskaming District between North Bay and Timmins. This economic profile analyzes the state of the local economy, drawing on data regarding demographics, incomes, the labour force, education, housing, and other themes. This profile can be used to assess past economic development efforts in Kirkland Lake and to inform future decisions.

This project has been carried out under the Northern Analyst Cooperative agreement, which allows members to "time share" a professional policy analyst. By merging Northern Policy Institute's and member organizations' collective resources, the agreement ensures that the smallest municipality or local charity can access high-end skills at an affordable price.



Demographics

Population

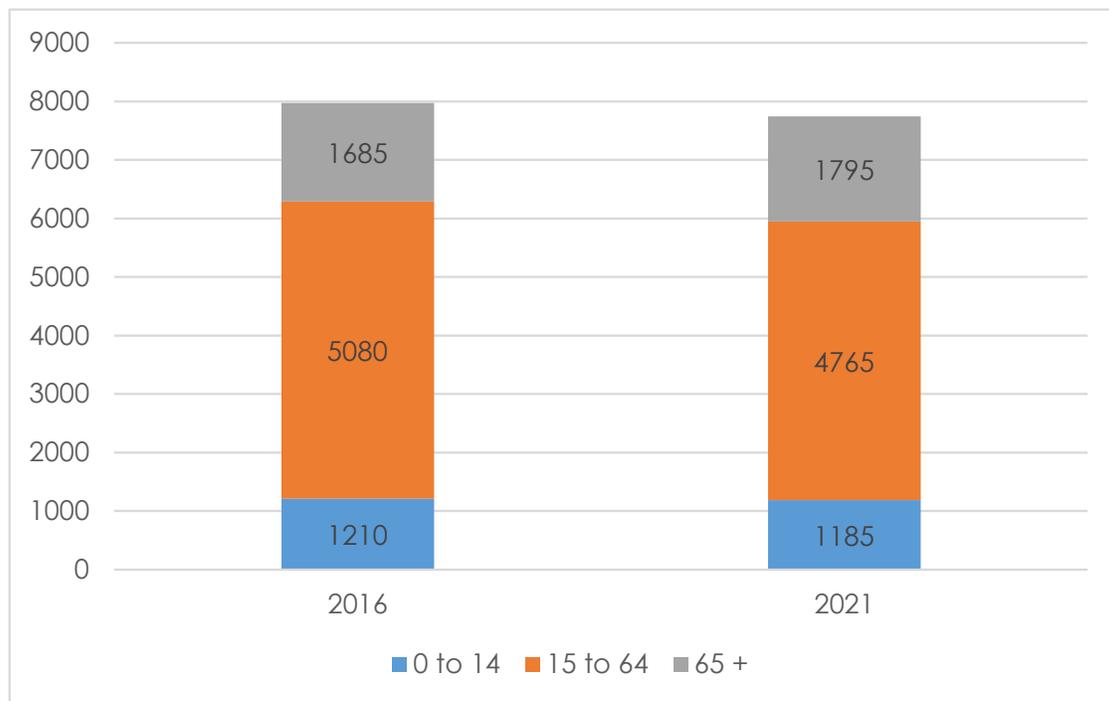
Kirkland Lake's population has been declining for many years. In 2021, Kirkland Lake had a population of 7,750, 49 per cent of whom were male and 51 per cent female — a decline of 2.9 per cent from 2016, when the population was 7,981 (230 fewer individuals). Over the same period, the populations of Ontario and Canada increased by 5.8 per cent and 5.2 per cent, respectively. From 2011 to 2016, Kirkland Lake's population decreased by 6 per cent, from 8,493 to 7,981 people.¹

Not only is Kirkland Lake's population shrinking, it is also aging. In 2021, the average age of the population was 44.3 years old, an increase of 0.5 years from 2016, when the average age was 43.8. The average age of females in 2021 was higher than that of males: 45.1 versus 43.4 years old. In 2021, this population was distributed over 261.29 km², with around 30 people per km².

Related to an aging population is a reduction in Kirkland Lake's working-age population — those ages 15 to 64. Between 2016 and 2021, the town's working-age population fell from 64 per cent of the total population to 61 per cent. The population ages 65 and older increased from 21 per cent to 23 per cent of the total population, while the population ages 0 to 14 remained stable at around 15 per cent.

These demographic trends have worrisome implications for Kirkland Lake's economy. A shrinking population means fewer workers and customers available to local businesses. Further, a shrinking working-age population coupled with a growing elderly population means fewer workers available to support a community where health care and other services are likely to face increased demand.

Figure 1: Population, by age, Kirkland Lake, 2016 and 2021



Sources: Statistics Canada (2021, 2022a).

¹ Unless otherwise specified, all figures in this report were produced through Statistics Canada census and national household survey profiles. Specifically, data for 2011 come from Statistics Canada (2018, 2019a), data for 2016 come from (Statistics Canada 2021), and data for 2021 come from (Statistics Canada 2022a).

Diversity

Kirkland Lake has a sizeable Francophone population. In the 2021 census, 12.5 per cent of Kirkland Lake residents listed French as their first official language and 27.9 per cent reported being able to speak French. For reference, across Ontario, 4.1 per cent of individuals listed French as their first official language and 11.1 per cent reported being able to speak French. A large population that can work in both official languages is an economic asset for Kirkland Lake.

Compared to Ontario, Kirkland Lake also has a larger-than-average Indigenous population. In the 2021 census, 11.5 per cent of Kirkland Lake residents identified as Indigenous. Of these individuals, 52.3 per cent identified as First Nations, 39.1 per cent identified as Métis, 1.7 per cent identified as Inuit, and 6.3 per cent identified with two or more of these three groups. By contrast, across Ontario 2.9 per cent of people identified as Indigenous.

Finally, Kirkland Lake has a relatively small immigrant population. Only 4.5 per cent of Kirkland Lake residents are immigrants to Canada, and over one-third of these individuals immigrated before 1980. Across Ontario, for comparison, immigrants are 30 per cent of the population. Attracting more newcomers to Kirkland Lake is one way the town could reverse its trend of population decline.

Transient and Commuting Populations

Due to the large local mining industry, Kirkland Lake has a substantial transient workforce. Although these transient workers contribute to the local economy and use municipal services, they are usually counted elsewhere for the census. It is difficult to calculate exactly how many transient workers live part time in Kirkland Lake. One can, however, use census data on the percentage of dwellings not occupied by usual residents to estimate the percentage of households made up of transient workers. In 2021, approximately 13 per cent of dwellings in Kirkland Lake were not occupied by usual residents. Dwellings that fall into this category include short-term rentals, cottages, and similar private residences used for tourism and recreation, as well as residences inhabited by transient workers. Given that there are few tourism and recreation-oriented residences within the boundaries of the Kirkland Lake census subdivision, it is likely that a large share of those 13 per cent of dwellings not occupied by usual residents is occupied instead by transient workers. For comparison, across Ontario, slightly more than 7 per cent of dwellings were not occupied by usual residents in 2021 — and this province-wide statistic likely includes a larger share of dwellings used for tourism and recreation purposes.



Kirkland Lake also has a large commuter population — another group of people who contribute to Kirkland Lake's economy without living in the town. In 2021, there were 3,380 individuals working in Kirkland Lake. Of these, 1,410 (over 40 per cent) commuted to Kirkland Lake from other communities (Table 1). Some of these commuters might be transient workers, particularly in the case of workers travelling from faraway communities such as Greater Sudbury and Ottawa. Table 1 shows the number of workers commuting to Kirkland Lake from other communities. The most common places of residence for commuters to Kirkland Lake were Unorganized West Timiskaming District (which includes King Kirkland and Kenogami Lake), Larder Lake, Temiskaming Shores, McGarry, and Timmins.

Table 1: Number of workers commuting to Kirkland Lake, by community of residence, 2021

Place of Residence	Number of commuters
Unorganized West Timiskaming District	485
Larder Lake	140
Temiskaming Shores	110
McGarry	95
Timmins	75
Black River-Matheson	55
Englehart	55
Rouyn-Noranda, Quebec	55
Charlton and Dack	45
Évanturel	35
Greater Sudbury	30
Iroquois Falls	30
North Bay	30
Chamberlain	25
Gauthier	25
Hudson	25
West Nipissing	20
Harley	15
Kearns	15
Unorganized North Cochrane District	15
Cobalt	10
James	10
Ottawa	10
Total	1,410

Source: Statistics Canada (2022d).

In 2021, there were also 310 individuals who commuted from Kirkland Lake to another community (Table 2). Matachewan is by far the most common out-of-town destination for commuters from Kirkland Lake, likely due to the many Kirkland Lake residents who are employed at Alamos Gold's Young-Davidson mine.

Table 2: Number of workers commuting from Kirkland Lake to other communities, 2021

Place of work	Number of commuters
Matachewan	165
Englehart	30
Cochrane	20
Temiskaming Shores	20
Black River-Matheson	15
Ottawa	15
Unorganized West Timiskaming District	15
Greater Sudbury	10
Timmins	10
Toronto	10
Total	310

Source: Statistics Canada (2022d).

Table 3 illustrates the importance of the transient and out-of-town commuter workforce to each industry in Kirkland Lake. By comparing the number of people within a given industry who work in Kirkland Lake (Statistics Canada 2022f) with the number of Kirkland Lake residents who work in said industry and whose place of work is located within the community (Statistics Canada 2022e), it is possible to calculate how many non-residents work in that industry. The percentage of workers who live outside of Kirkland Lake varies substantially by industry. In Information and cultural industries, Transportation and warehousing, Administrative and support, waste management and remediation services, and Mining, quarrying, and oil and gas extraction, over 40 per cent of the people working in Kirkland Lake do not live in the community. By contrast, only 14 per cent of public administration workers, and no workers in Agriculture, forestry, fishing and hunting and Manufacturing live outside Kirkland Lake.

Table 3: Percentage of people working in Kirkland Lake who live outside Kirkland Lake, by industry, 2020

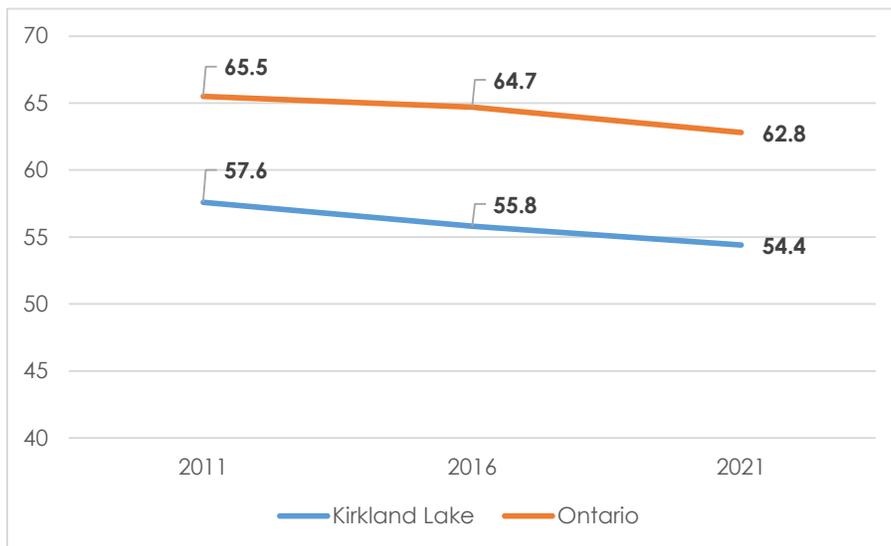
Industry	% of people working in Kirkland Lake who live outside Kirkland Lake
Information and cultural industries	50
Transportation and warehousing	47
Administrative and support, waste management and remediation services	47
Mining, quarrying, and oil and gas extraction	43
Utilities	39
Construction	33
Real estate and rental and leasing	33
Other services (except public administration)	33
Finance and insurance	31
Educational services	30
Health care and social assistance	28
Arts, entertainment and recreation	25
Retail trade	23
Wholesale trade	17
Professional, scientific and technical services	17
Accommodation and food services	15
Public administration	14
Agriculture, forestry, fishing and hunting	0
Manufacturing	0

Source: Author's calculations using data from Statistics Canada (2022e, 2022f).

The Labour Force

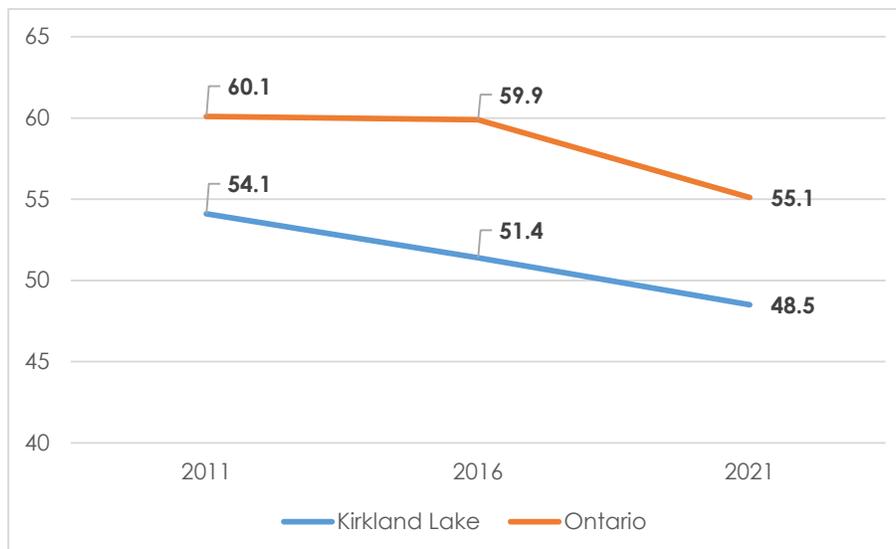
Kirkland Lake's labour force participation rate — the share of 15-to-64-year-olds who are active in the labour force — is lower than the Ontario average, as is Kirkland Lake's employment rate — the share of 15-to 64-year-olds who are employed. As Figures 2 and 3 show, in 2011, 2016, and 2021, both the labour force participation and employment rates in Kirkland Lake were below the provincial average. Moreover, these rates showed a continuous decline between 2011 and 2021, meaning that increasingly fewer Kirkland Lake residents were actively participating in the local economy.

Figure 2: Labour force participation rate, Kirkland Lake and Ontario, 2011–21



Sources: Statistics Canada (2018, 2021, 2022a).

Figure 3: Employment rate, Kirkland Lake and Ontario, 2011–21



Sources: Statistics Canada (2018, 2021, 2022a).

Economic Sectors

This section discusses the major sectors of Kirkland Lake's economy and make comparisons with the province as a whole. The importance of mining to Kirkland Lake's economy is striking: residents of Kirkland Lake are six times more likely to be employed in "Natural resources, agriculture and related production occupations", and more than forty times as likely to be employed in the "Mining, quarrying, and oil and gas extraction" industry.

Occupations

As Table 4 shows, the five occupational categories that employ the most Kirkland Lake residents are: (1) Sales and service occupations; (2) Trades, transport and equipment operators and related occupations; (3) Business, finance and administration occupations; (4) Natural resources, agriculture and related production occupations; and (5) Occupations in education, law and social, community and government services. Two occupational categories cover a larger share of the labour force in Kirkland Lake than in Ontario as a whole: Health occupations, and Natural resources, agriculture and related production occupations.

Table 4: Share of labour force by occupation, Kirkland Lake and Ontario, 2021

Occupation	% of labour force in Kirkland Lake	% of labour force in Ontario
Sales and service occupations	20.8%	23.5%
Trades, transport and equipment operators and related occupations	15.9%	15.9%
Business, finance and administration occupations	12.9%	17.9%
Natural resources, agriculture and related production occupations	12.0%	2.0%
Occupations in education, law and social, community and government services	11.6%	11.8%
Health occupations	10.1%	7.3%
Natural and applied sciences and related occupations	7.7%	9.3%
Occupations in manufacturing and utilities	3.8%	5.0%
Occupations in art, culture, recreation and sport	1.7%	3.1%
Legislative and senior management occupations	0.9%	1.3%

Source: Statistics Canada (2022a).

Industries

The five industries that employ the most people in Kirkland Lake are: (1) Mining, quarrying, and oil and gas extraction; (2) Health care and social assistance; (3) Retail trade; (4) Public administration; and (5) Educational services (Table 5). Compared to the Ontario average, Kirkland Lake has a large number of residents employed in Mining, quarrying, and oil and gas extraction; Health care and social assistance; and Public administration.

Table 5: Share of labour force by industry, Kirkland Lake and Ontario, 2021

Industry	% of labour force in Kirkland Lake	% of labour force in Ontario
Mining, quarrying, and oil and gas extraction	20.7%	0.5%
Health care and social assistance	18.8%	11.6%
Retail trade	10.0%	10.8%
Public administration	8.7%	5.8%
Educational services	6.1%	7.2%
Accommodation and food services	4.8%	5.3%
Manufacturing	4.3%	8.9%
Construction	3.9%	7.3%
Professional, scientific and technical services	3.3%	9.2%
Other services (except public administration)	3.0%	3.8%
Administrative and support, waste management and remediation services	2.7%	4.4%
Transportation and warehousing	2.2%	5.1%
Utilities	2.0%	0.7%
Agriculture, forestry, fishing and hunting	1.3%	1.4%
Finance and insurance	1.3%	5.4%
Arts, entertainment and recreation	1.3%	1.8%
Wholesale trade	0.9%	3.3%
Information and cultural industries	0.9%	2.3%
Real estate and rental and leasing	0.6%	2.1%
Management of companies and enterprises	0.0%	0.4%

Source: Statistics Canada (2022a).

Table 6 shows percentage growth in employment for each industry in Kirkland Lake between 2016 and 2021. Employment grew in seven industries: (1) Utilities; (2) Arts, entertainment and recreation; (3) Wholesale trade; (4) Agriculture, forestry, fishing and hunting; (5) Health care and social assistance; (6) Professional, scientific and technical services; and (7) Public administration. Employment growth across such a diverse range of industries is a positive sign for Kirkland Lake's economic outlook. Over the same period, however, employment declined in ten industries, while remaining similar in the remaining three. Kirkland Lake experienced especially steep employment declines in three industries: (1) Real estate and rental and leasing; (2) Transportation and warehousing; and (3) Accommodation and food services. Although these declines are a troubling sign for Kirkland Lake's economy, some share is likely attributable to temporary consequences of the COVID-19 pandemic. For instance, the accommodation and food services industry, which saw the largest decline in employment between 2016 and 2021, was heavily disrupted by the pandemic.

Table 6: Employment growth by industry, Kirkland Lake, 2016–21

Industry	Employment		% growth
	2016	2021	
Utilities	45	70	56
Arts, entertainment and recreation	35	45	29
Wholesale trade	25	30	20
Agriculture, forestry, fishing and hunting	40	45	13
Health care and social assistance	580	650	12
Professional, scientific and technical services	105	115	10
Public administration	290	300	3
Management of companies and enterprises	0	0	0
Information and cultural industries	30	30	0
Finance and insurance	45	45	0
Other services (except public administration)	110	105	-5
Administrative and support, waste management and remediation services	100	95	-5
Mining, quarrying, and oil and gas extraction	760	715	-6
Manufacturing	165	150	-9
Construction	155	135	-13
Retail trade	415	345	-17
Educational services	255	210	-18
Real estate and rental and leasing	30	20	-33
Transportation and warehousing	115	75	-35
Accommodation and food services	295	165	-44

Sources: Statistics Canada (2021, 2022a).

Where Kirkland Lake's Labour Force Works

Kirkland Lake has strong broadband internet service. Most of the town has access to 50/10 Mbps Internet speed (Innovation, Science and Economic Development Canada 2023), which allows a large share of the local labour force to work from home. Table 7 shows the percentage of Kirkland Lake residents who worked from home in 2020 (Statistics Canada 2022e). As they are from 2020, these numbers reflect work from home trends during the height of the COVID-19 pandemic. The percentage of Kirkland Lake residents working from home today is almost certainly lower than the percentages shown in Table 7. Nevertheless, Table 7 provides a clear picture of how many Kirkland Lake residents primarily worked from home in 2020, and how these numbers varied by industry. Not unexpectedly, the share of Kirkland Lake residents working from home was much higher in the Public administration industry than in industries like Mining, quarrying, and oil and gas extraction, Manufacturing, and Accommodation and food services.

Table 7: Share of Kirkland Lake's residents that worked at home, by industry, 2020

Industry	% of labour force that worked at home
Public administration	41
Arts, entertainment and recreation	38
Wholesale trade	33
Agriculture, forestry, fishing and hunting	29
Educational services	19
Construction	17
Finance and insurance	15
Professional, scientific and technical services	13
Health care and social assistance	9
Other services (except public administration)	8
Retail trade	4
Mining, quarrying, and oil and gas extraction	1
Utilities	0
Manufacturing	0
Transportation and warehousing	0
Information and cultural industries	0
Real estate and rental and leasing	0
Administrative and support, waste management and remediation services	0
Accommodation and food services	0

Source: Statistics Canada (2022e).

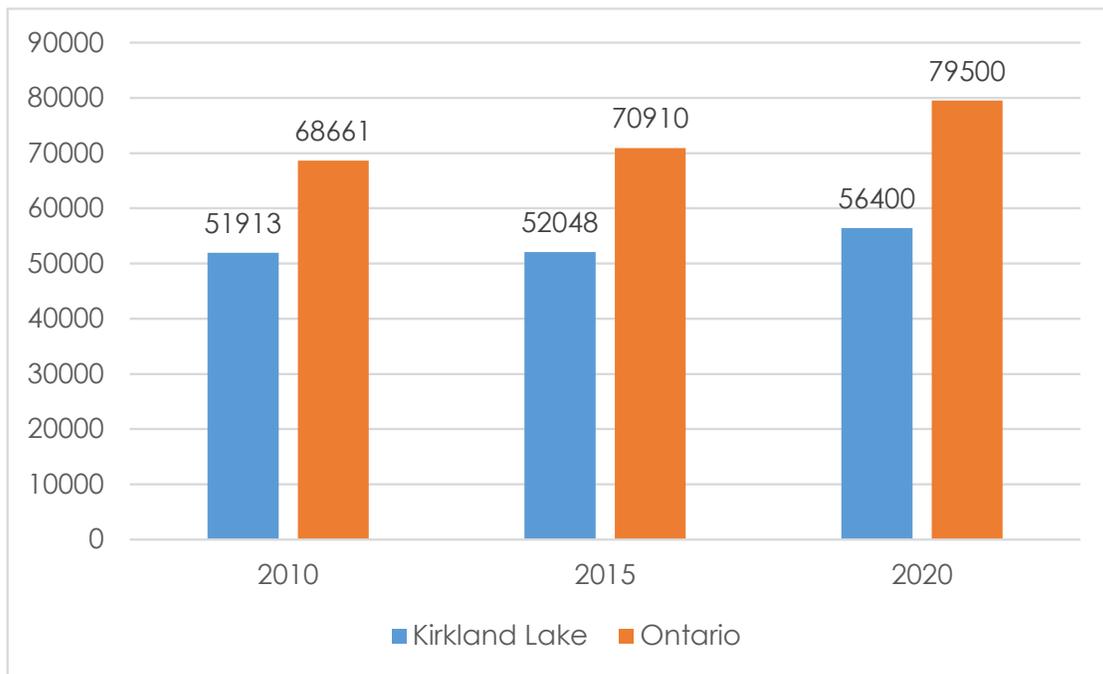
Incomes

Median After-Tax Household Income

To measure incomes in Kirkland Lake, this profile uses the statistic of median after-tax household income. After-tax income reflects the incomes that households have at their disposal, and using median figures instead of averages reduces the influence of extreme outliers. Further, to offer a more meaningful comparison between years, the numbers in figure 4 are adjusted for inflation using the Bank of Canada's (2023) inflation calculator.

As Figure 4 shows, between 2010 and 2020, although median after-tax household income increased in Kirkland Lake from \$51,913 to \$56,400, it remained below that of Ontario as a whole.

Figure 4: Median after-tax household income, Kirkland Lake and Ontario, 2010–20 (2020 dollars)



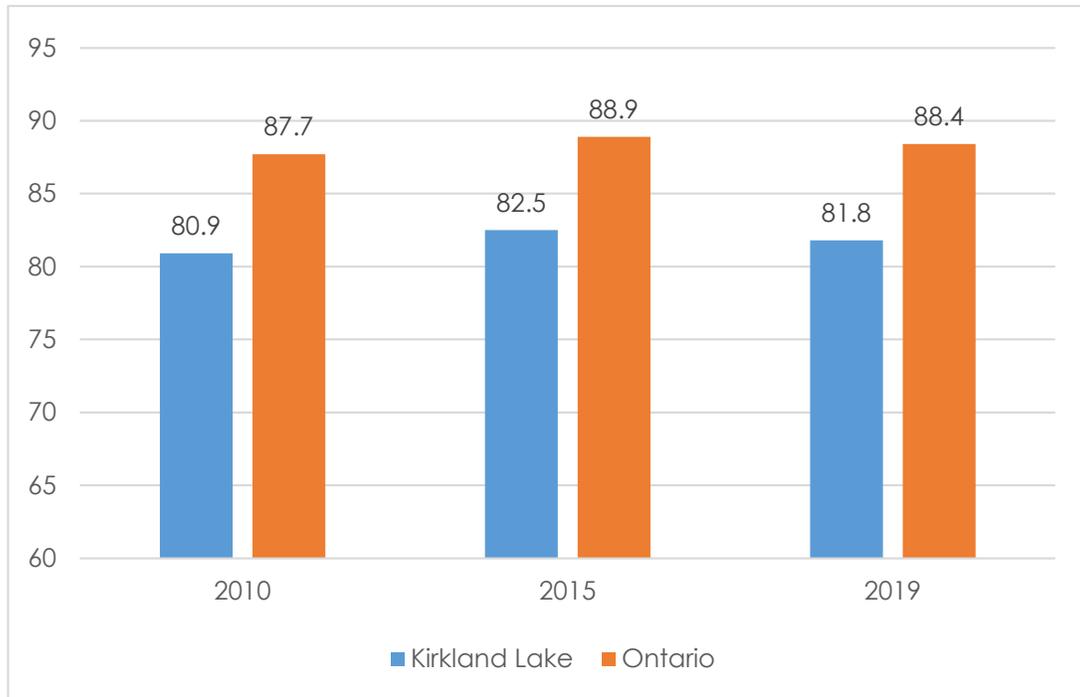
Source: Author's calculations using data from Statistics Canada (2018, 2021, 2022a) and Bank of Canada (2023).

Market Income as a Share of Total Income

Another important income statistic is the share of income that is obtained through market activities, as opposed to government transfers. In Kirkland Lake, this share has been relatively stable over the past decade at slightly above 80 per cent. The share of income obtained through market activities declined across Canada in 2020 due to the recession created by the COVID-19 pandemic and the introduction of temporary government transfers such as the Canada Emergency Response Benefit.

For this reason, in Figure 5, data from 2019 are used in place of those from 2020. The share of income obtained through market activities has been consistently six to seven percentage points lower in Kirkland Lake than in Ontario. This means that, on average, residents of Kirkland Lake are more reliant on government transfers than are residents of the province as a whole. This is not unexpected, given Kirkland Lake's high proportion of seniors.

Figure 5: Market income as a share of total income, Kirkland Lake and Ontario, 2010, 2015, and 2019

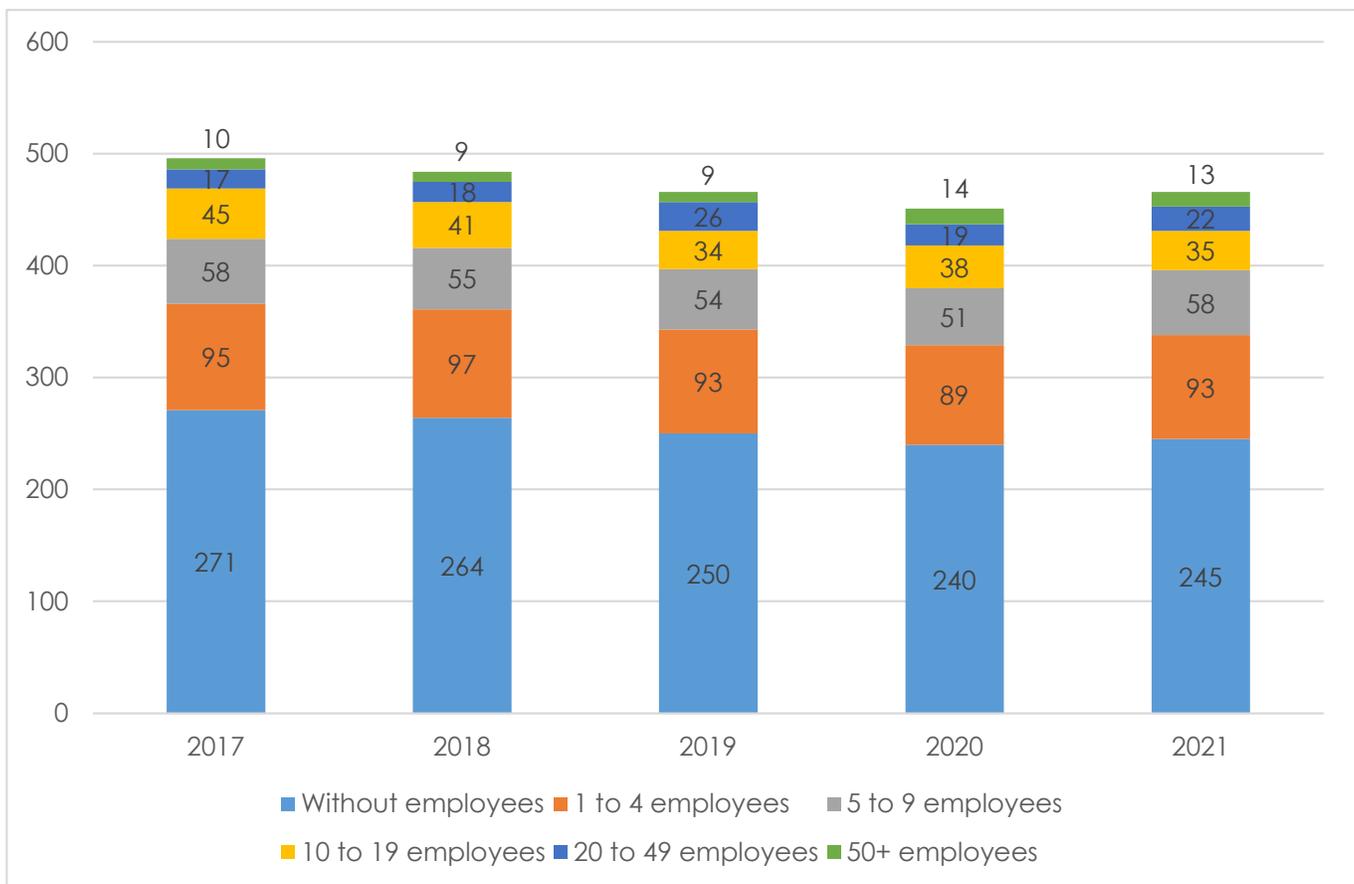


Sources: Statistics Canada (2018, 2021, 2022a).

Business Counts

Comparing business counts over time shows how many businesses enter the market relative to the number of businesses that exit. The number of business locations² in Kirkland Lake declined each year from 2017 to 2020 before rebounding in 2021, albeit not to 2017 levels.³ In 2017, there were 506 businesses in Kirkland Lake; in 2021, there were 479. These numbers show that, in recent years, existing businesses have been closing faster than new ones have opened. That said, as shown in Figure 6, the decline in the total number of businesses in Kirkland Lake is almost entirely attributable (26 out of 27) to a reduction in the number of businesses without employees.⁴ Moreover, one can identify a positive trend in Kirkland Lake's business counts: between 2017 and 2021, the number of businesses with 20 or more employees increased from 27 to 35.

Figure 6: Business location counts by number of employees, Kirkland Lake, 2017–21



Note: Count as of December each year.

Source: Canadian Business Counts (various years).

² As a statistical unit, a business location is defined as a "production unit at a single geographical location at which or from which economic activity is conducted and for which, at a minimum, employment data are available" (Statistics Canada 2019b).

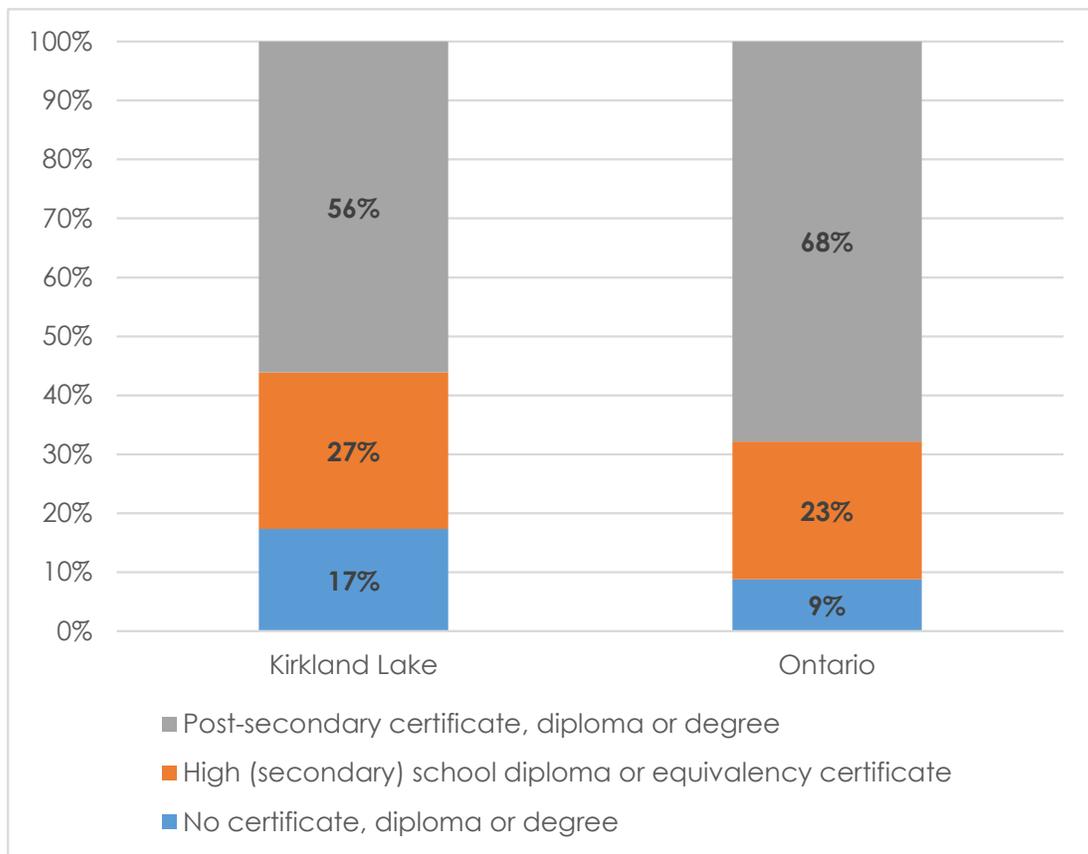
³ The Canadian Business Counts are an administrative dataset. Accordingly, the addition and deletion of firms depends on administrative burden. Therefore, although these business counts can be used to identify general trends, they should not be treated as exact, time-series data.

⁴ "Businesses without employees" includes self-employed people and employers who did not have employees in the last 12 months (Statistics Canada 2022b).

Education

Kirkland Lake has a well-educated workforce, although educational attainment is below the provincial average. To measure education, this profile uses statistics for individuals ages 25 to 64 in order to capture those who are both of working age and old enough to have completed their education. Among such individuals in Kirkland Lake in 2021, 17 per cent had no certificate, diploma or degree, while 27 per cent had a high school diploma or equivalent, and 56 per cent had some form of post-secondary certificate, diploma, or degree. As Figure 7 shows, in 2021 Kirkland Lake had greater shares of people with no certificate, diploma, or degree and a smaller share with a post-secondary credential than was the case for Ontario as a whole.

Figure 7: Highest level of education attained, individuals ages 25–64, Kirkland Lake and Ontario, 2021



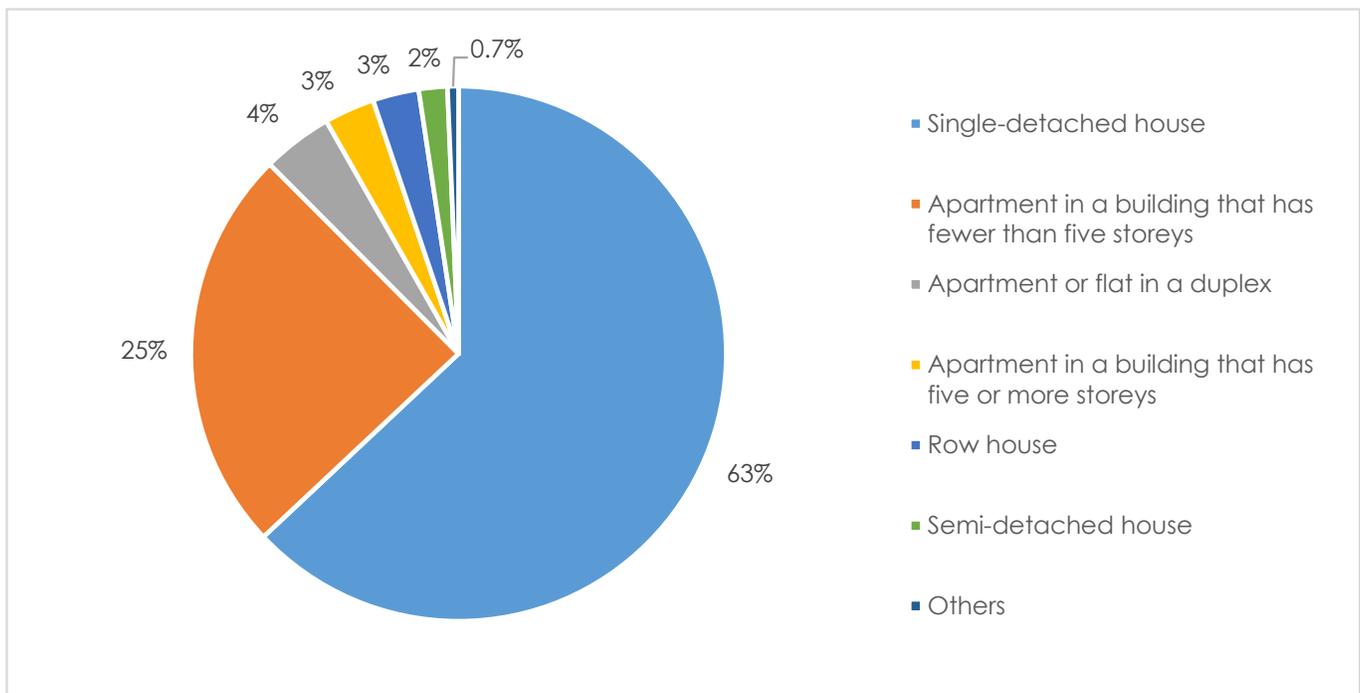
Source: Statistics Canada (2022a).

Dwellings and Households

In 2021, Kirkland Lake had 4,353 private dwellings.⁵ Of these, 87 per cent were occupied by usual residents. The most common type of housing occupied by usual residents was the single-detached house, accounting for 63 per cent of the total, or 2,375 units. The second most common type was apartments, accounting for 32 per cent of the total, or 1,200 units. Figure 8 provides a breakdown of the various dwelling types present in Kirkland Lake.

Three-quarters of the 3,775 households in Kirkland Lake in 2021 were formed by one or two persons (43 and 32 per cent, respectively). Three-person households accounted for 12 per cent, four-person households for 8 per cent, and households formed by five people or more accounted for 4 per cent of the total. The average household size was two people.

Figure 8: Dwelling characteristics, Kirkland Lake, 2021



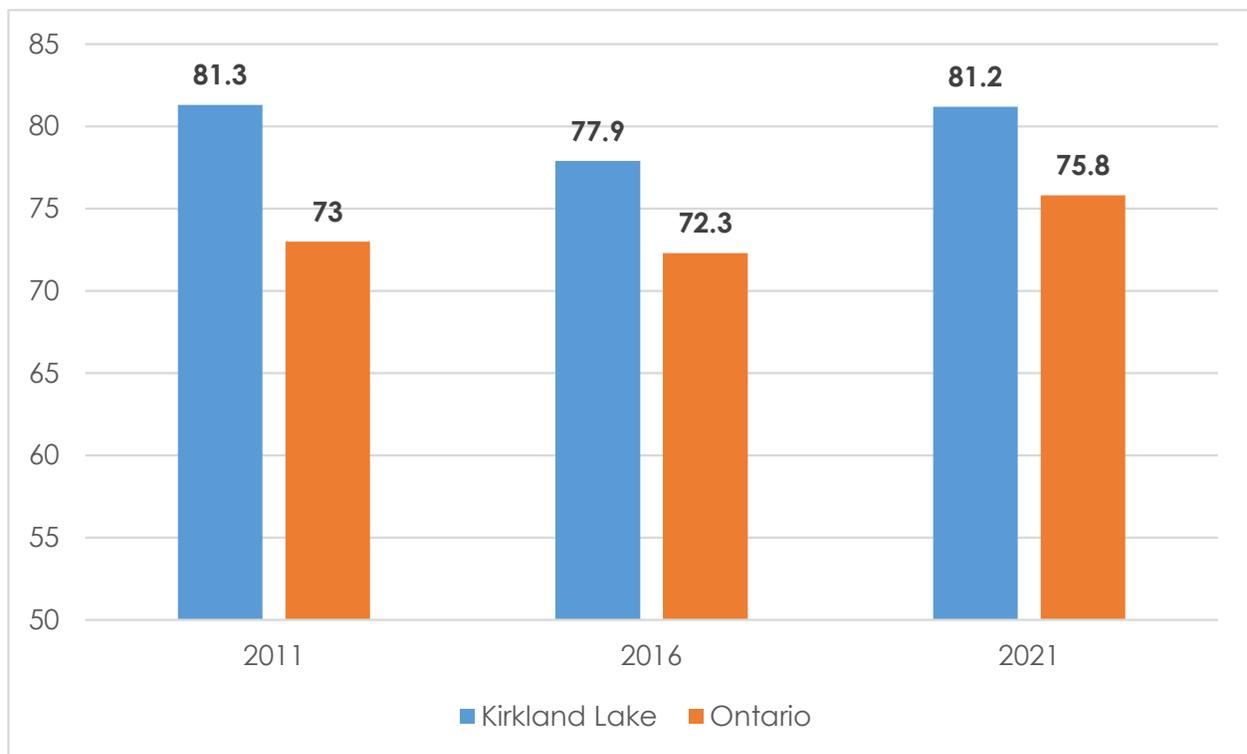
Source: Statistics Canada (2022a).

⁵ "Private dwelling refers to a separate set of living quarters with a private entrance either from outside the building or from a common hall, lobby, vestibule or stairway inside the building. The entrance to the dwelling must be one that can be used without passing through the living quarters of some other person or group of persons....A private dwelling occupied by usual residents refers to a private dwelling in which a person or a group of persons is permanently residing. Also included are private dwellings whose usual residents are temporarily absent on June 11, 2021" (Statistics Canada 2022c).

Housing Affordability

One area where Kirkland Lake has outperformed the provincial average is housing affordability. Figure 9 shows the percentage of individuals in Kirkland Lake and Ontario who spend less than 30 per cent of their income on shelter costs — a common benchmark for housing affordability.⁶ Relatively few Kirkland Lake residents need to exceed this benchmark, although the share spending more than 30 per cent of their income on shelter increased between 2011 and 2016, before returning to 2011 levels in 2021. It should be emphasized that this statistic reflects shelter costs as a percentage of income, meaning that individuals in Kirkland Lake have, on average, an easier time affording housing despite having lower median incomes.

Figure 9: Share of individuals spending less than 30 per cent of their income on shelter costs, Kirkland Lake and Ontario, 2011–21



Sources: Statistics Canada (2021, 2022a).

⁶ "Shelter costs for owner households include, where applicable, mortgage payments, property taxes and condominium fees, along with the costs of electricity, heat, water and other municipal services. For renter households, shelter costs include, where applicable, the rent and the costs of electricity, heat, water and other municipal services" (Statistics Canada 2022c).

Conclusion

Overall, Kirkland Lake has strong prospects for economic growth, although the town faces economic challenges as well. Kirkland Lake's economy benefits from a strong mining industry, and residents of the town have enjoyed rising incomes over the past decade. Between 2016 and 2021, employment grew in many industries, most notably in utilities, arts, entertainment and recreation, and wholesale trade. With an increasingly educated workforce that includes many individuals who are proficient in both official languages, Kirkland Lake is well positioned to provide the labour that businesses need.

An aging and shrinking population, however, is hampering Kirkland Lake's economy. Unless these demographic trends are reversed, local businesses will find it increasingly difficult to find labour and customers. Further, among the working-age population in Kirkland Lake, labour force participation and employment rates, as well as education levels, are below the provincial average. Incomes also remain below the provincial average; however, the effect of lower incomes is partially offset by lower living costs, as demonstrated by Kirkland Lake's strong performance on housing affordability. For the town to achieve its economic potential, Kirkland Lake will need to attract and retain more residents and improve the economic participation of its existing population.



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