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Canada's Aging Population and Public Policy: 1. Statistical Overview

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Canada's Aging Population and Public Policy:
1. Statistical Overview
(In Brief)

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CANADA'S AGING POPULATION AND PUBLIC POLICY:

1. STATISTICAL OVERVIEW*

1 INTRODUCTION

The make-up of the Canadian population is constantly changing. In 1961, only one person in 13 was 65 years of age or older. The number of children per woman was close to four. Less than 16% of the population had been born outside Canada, and 86% of that segment of the population was from Europe.¹

Fifty years later, about one person in seven is 65 years of age or older. The fertility rate is over two times lower. About 20% of Canadians were born abroad, and 37% of them are from Europe.²

Some of these trends will persist, and others will emerge. This series focuses on one of those trends, the aging of the Canadian population, and public policy connected with this issue. It also looks at how the changing composition of the population may affect policy related to matters of aging.

The proportion of the elderly in Canada should continue to increase rapidly until around 2030. At the same time, some scenarios predict that the number of deaths will exceed the number of births, after which the aging of the population should slow down. The diversity of the population – in terms of immigrants, members of visible minorities and Aboriginal peoples – should increase.

One might wonder about the consequences of these changes. Will the aging of the population result in an exorbitant increase in the costs of the health care system? Will the cost of pensions for seniors become unsustainable? How will the increasing immigrant and the younger Aboriginal populations help to sustain the economy?

These are just some of the questions that will be addressed in this series. This paper offers an overview of the magnitude of current and future demographic changes in the country.

2 DEMOGRAPHIC CHANGES

2.1 POPULATION GROWTH

The Canadian population stood at 34.3 million in 2011. Growth of the population has slowed over the last 50 years (see Table 1), in Canada as in many Western countries.

This trend is explained primarily by a lower fertility rate. The “total fertility rate” refers to the average number of children that a woman will have over the course of her life.³ In Canada, this rate increased after 1945, reaching 3.94 in 1959. Then it fell below the generational replacement rate (2.1) in 1972,⁴ hit a historic low of 1.49 in 2000, and recovered slightly to 1.68 in 2008. Not only are women having fewer children, but on average they are having them later in life.

Table 1 – Canadian Population as of 1 July and the Average Annual Population Growth Rate, 1961-2011

Year	Population (millions)	Period	Average Annual Growth Rate (%)
1961	18.3	1951–1961	2.66
1971	22.0	1961–1971	1.86
1981	24.8	1971–1981	1.23
1991	28.0	1981–1991	1.23
2001	31.0	1991–2001	1.02
2011	34.5	2001–2011	1.08

Sources: Statistics Canada, CANSIM tables 051-0005, "Estimates of population, Canada, provinces and territories, quarterly (persons)" (1951 to 1970), 051-0001, "Estimates of population, by age group and sex for 1 July, Canada, provinces and territories, annual (persons unless otherwise noted)" (1971 to 2010), and 052-0005, "Projected population, by projection scenario, sex and age group as of 1 July, Canada, provinces and territories, annual (persons)" (2011) (projection, medium growth scenario).

Natural increase (births less deaths) is thus increasingly less important in population growth, which will depend primarily on immigration. Although the immigration rate (annual number of immigrants admitted relative to the population) once reached a maximum of 5.3% in 1913, it has remained between 0.6% and 0.9% since 1987; it was 0.7% in 2009.

In 2010 Statistics Canada published different population projection scenarios. The immigration rate repeats the annual targets in the immigration plan for 2009 in the first three years,⁵ and then reaches 0.6%, 0.75% or 0.9%, which are the low, medium and high growth scenarios respectively (total fertility rates of 1.5, 1.7 and 1.9). The emigration rate is 0.15% in all three cases.

Depending on the scenario adopted, the Canadian population could reach 40 million to 48 million in 2036 and 43 million to 64 million in 2061 (see Table 2). Only the high-growth scenario projects a temporary increase in the population growth rate. In all cases, that rate starts to decline early in the projection period, and bottoms out between 2040 and 2055.

Table 2 – Canadian Population as of 1 July and the Average Annual Population Growth Rate According to Three Projection Scenarios, 2011–2061

Year	Population (millions)			Period	Average Annual Growth Rate (%)		
	Low Growth	Medium Growth	High Growth		Low Growth	Medium Growth	High Growth
2011	34.5	34.5	34.6	2001–2011	1.06	1.08	1.10
2021	37.2	38.4	39.6	2011–2021	0.76	1.07	1.37
2031	39.3	42.1	45.0	2021–2031	0.56	0.92	1.27
2041	40.8	45.5	50.5	2031–2041	0.38	0.79	1.17
2051	42.0	49.0	56.7	2041–2051	0.27	0.73	1.17
2061	43.0	52.6	63.8	2051–2061	0.25	0.72	1.17

Source: Statistics Canada, CANSIM Table 051-0005, "Estimates of population, Canada, provinces and territories, quarterly (persons)."

In the low-growth scenario, natural increase would become negative in 2030, when the baby boomers (born between 1946 and 1965) reach the ages of higher mortality. Births would continue to exceed deaths in the medium- and high-growth scenarios. Net immigration's share of population growth should increase in all the scenarios.

2.2 AGING OF THE POPULATION

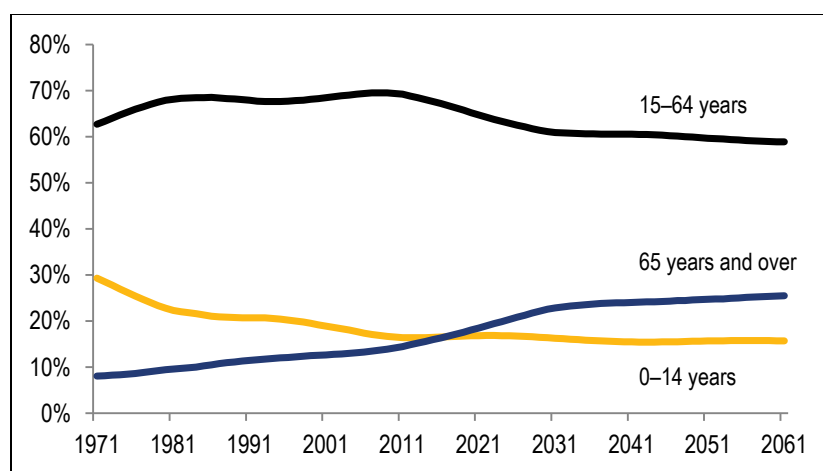
While it is difficult to accurately predict the population growth rate, there is no doubt that the aging of the population is inevitable. It is explained by two things: the declining birth rate and rising life expectancy.

Because of the declining birth rate, the baby boomer generation has been followed by generations that are smaller in numbers. The baby boomers have become or will become seniors (aged 65 and over) in the next 20 years.

What is more, between 1961 and 2006 life expectancy at birth climbed from 68 to 78 years for men and from 74 to 83 years for women. The difference between male and female life expectancy fell from six years to five, and it is expected to continue to fall. It is projected that in 2036, life expectancy will be 82 to 85 years for men and 86 to 88 years for women – a difference of three to four years.

As a result, the number of seniors could double between 2011 and 2033, rising from about 5 million to close to 10 million (medium-growth scenario).⁶ The proportion of seniors (14.4% in 2011) would exceed that of children aged 0 to 14 around 2017, reaching 22.6% in 2030, as shown in Figure 1. Over that period, the proportion of the “working age” population (15 to 64 years old) would diminish rapidly.

Figure 1 – Distribution of Population by Age Group, 1971–2061



Source: Figure prepared by the author based on data in Statistics Canada, [Population Projections for Canada, Provinces and Territories: 2009 to 2036](#), Cat. no. 91-520-X, Ottawa, 2010.

From 2030 to 2061, the proportion of seniors would increase more modestly, reaching 25.5%, while that of those aged 15 to 64 would decrease more slowly. In total, the dependency ratio of seniors (number of seniors per person of working age) would increase from 0.21 to 0.43 between 2011 and 2061.

Among seniors, the proportion of the “very elderly” (80 and over) would increase from 27% to 38% between 2011 and 2061. Since the difference between male and female life expectancy is expected to diminish, the proportion of women among the very elderly would fall from 63% to 56%.

2.3 DIVERSITY OF THE POPULATION

2.3.1 IMMIGRANTS AND MEMBERS OF VISIBLE MINORITIES

Statistics Canada has also produced projections of the diversity of the population until 2031.⁷ In 2006, 19.8% of the Canadian population was born abroad. This proportion could be between 25% and 28% in 2031.

Where immigrants come from has changed a good deal. From 1981 to 2006, the proportion of European-born immigrants dropped from 67% to 37%, while that of Asian-born immigrants increased from 14% to 41%. This has helped to boost the proportion of Canadians who are members of visible minorities.⁸ It is expected that this proportion will continue to grow, from 16.3% in 2006 to 30.6% in 2031.

The diversity of religions and languages is expected to increase too: it is projected that the proportion of Canadians with a Christian religion will decline from 75% to 65% between 2006 and 2031, while the proportion of persons with a Muslim, Sikh or Hindu religion will rise from 5.2% to 11.4%; that of persons with no religion is also expected to rise, increasing from 17.5% to 20.9%. Finally, the proportion of Canadians with a mother tongue other than English or French is expected to increase, from 19.8% to 30.4%.

2.3.2 ABORIGINAL POPULATION

The Aboriginal population is younger and has a higher fertility rate than the rest of the population. Since that rate is expected to decline, so too should the growth rate of the Aboriginal population. However, growth would remain higher than the general population, especially on reserves.

Table 3 – Aboriginal Population, Level and Growth Rate, 2006–2026

	Population (thousands)		Average Annual Growth Rate (%)			
	2006	2026	2006–2011	2011–2016	2016–2021	2021–2026
Aboriginal population	1,166	1,567	1.7	1.6	1.4	1.2
On reserve	352	596	2.4	2.2	1.9	1.6
Rural (off reserve)	510	724	0.8	0.9	0.8	0.8
Urban	203	247	1.6	1.4	1.2	1.0
Canadian population	32,576	40,288	1.2	1.1	1.0	1.0

Sources: Indian and Northern Affairs Canada and Canada Mortgage and Housing Corporation, [Aboriginal Demography: Population, Household and Family Projections, 2001–2026](#); Statistics Canada, CANSIM Table 051-0001, “Estimates of population, by age group and sex for 1 July, Canada, provinces and territories, annual (persons unless otherwise noted)” (1971 to 2010); and Statistics Canada, [Population Projections for Canada, Provinces and Territories: 2009 to 2036](#), Cat. no. 91-520-X, Ottawa, 2010 (medium-growth scenario).

2.4 PROVINCIAL OUTLOOKS

The population will not grow at the same rate in every province; aging and increase in diversity will not be uniform. Table 4 presents the distribution of the Canadian population by province according to four medium-growth scenarios (M1 to M4) based on different hypotheses on interprovincial mobility.⁹ The Atlantic provinces and Quebec should account for lower shares of the population, to the benefit of Ontario, Alberta and British Columbia. It is likely that the Atlantic provinces will be the most affected by aging. Growth of the Aboriginal population is expected to be higher in the Prairies and Nunavut.

Table 4 – Distribution, Median Age and Growth Rate of the Aboriginal Population, by Province

Province	Distribution of Population (%)					Median Age		Growth Rate of Aboriginal Population (2001–2026) (%)
	2011	2036				2009	2036	
		M1	M2	M3	M4			
NL	1.5	1.2	1.1	1.2	1.1	42.9	49.8	37 (Atlantic provinces)
PEI	0.4	0.4	0.4	0.4	0.4	41.7	46.1	
NS	2.8	2.4	2.2	2.5	2.2	42.6	47.3	
NB	2.2	1.9	1.7	1.9	1.7	42.4	48.1	
QC	23.2	21.2	20.8	21.3	21.4	41.1	44.7	41
Ont.	38.7	40.5	39.2	39.3	39.8	39.2	43.2	37
Man.	3.6	3.6	3.5	3.5	3.5	37.7	40.9	53
Sask.	3.1	2.8	3.1	2.6	2.6	37.7	42.6	64
Alberta	10.9	11.3	12.8	10.8	13.0	35.6	41.4	64
BC	13.3	14.5	14.8	16.2	14.0	40.7	44.1	29
Yukon	0.1	0.1	0.1	0.1	0.1	39.0	41.7	37
NWT	0.1	0.1	0.1	0.1	0.1	31.5	38.2	51
Nunavut	0.1	0.1	0.1	0.1	0.1	24.2	25.3	70
Canada	100.0	100.0	100.0	100.0	100.0	39.5	43.6	47

Sources: Indian and Northern Affairs Canada and Canada Mortgage and Housing Corporation, [Aboriginal Demography – Population, Household and Family Projections, 2001–2026](#); and Statistics Canada, [Population Projections for Canada, Provinces and Territories: 2009 to 2036](#), Cat. no. 91-520-X (medium-growth scenario).

3 CONCLUSION

This paper summarizes certain demographic changes under way in Canada, the most well-known being the aging of the population. The changes in the growth and diversity of the population are also significant. The socio-economic impacts of these changes will be addressed in the other papers in this series.

NOTES

* This paper is one of seven in the Library of Parliament series, “Canada’s Aging Population and Public Policy.” The other publications are:

Édison Roy-César, 2. *The Effects on Economic Growth and Government Finances*, Publication no. 2011-121-E, 5 December 2011.

Raphaëlle Deraspe, 3. *The Effects on Health Care*, Publication no. 2011-121-E, 21 October 2011.

André Léonard, 4. *The Effects on Public Pensions*, Publication no. 2011-120-E, 4 August 2011.

Sandra Elgersma et al., 5. *The Effects on Employers and Employees*, Publication no. 2012-07-E, 20 February 2012.

Julie Cool, 6. *The Effects on Home Care*, Publication no. 2012-03-E, 23 January 2012.

Havi Echenberg, 7. *The Effects on Community Planning*, Publication no. 2012-02-E, 23 January 2012.

1. For birth rate, see [OECD Family database](#). For population by age, percentage and origin of immigrants, see Statistics Canada, CANSIM tables 075-0020, "Historical statistics, population, by birthplace and sex, every 10 years (persons)," and 075-0022, "Historical statistics, country of birth of other British-born and foreign-born population, every 10 years (foreign-born persons unless otherwise noted)"; and K. G. Basavarajappa and Bali Ram, [Historical Statistics of Canada – Section A: Population and Migration](#), Cat. no. 11-516-X, Statistics Canada, Ottawa, n.d.
2. The percentage and origin of immigrants are taken from Statistics Canada, "[Immigrant Status and Place of Birth, Sex and Age Groups for the Population of Canada, Provinces, Territories and Forward Sortation Areas, 2006 Census – 20% Sample Data](#)," 2006 Census: Data products.
3. The total fertility rate refers to the number of children that women would have on average if they maintained the current fertility rate. The fertility rate is the number of children per woman of a given age.
4. The generational replacement rate is the total fertility rate that must be maintained to replace the population in the absence of net migration (immigrants less emigrants). This rate is presently around 2.1.
5. Citizenship and Immigration Canada, [Annual Report to Parliament on Immigration, 2008](#), p. 10. The targets were 240,000 to 265,000 new permanent residents.
6. Statistics Canada, [Population Projections for Canada, Provinces and Territories, 2009 to 2036](#), Cat. no. 91-520-X, Ottawa, 2010.
7. Statistics Canada, [Projections of the Diversity of the Canadian Population, 2006 to 2031](#), Cat. no. 91-551-X, Ottawa, 2010.
8. The [Employment Equity Act](#) defines members of visible minorities as "persons, other than aboriginal peoples, who are non-Caucasian in race or non-white in colour."
9. Scenario M1 reproduces the trends in interprovincial migration observed from 1981 to 2008, M2 those from 2006 to 2008, M3 those from 1988 to 1996, and M4 those from 2001 to 2006.