

Population Aging and Immigration in Atlantic Canada

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Some population demographics

Table 1: Age distribution of population, Canada and Atlantic Canada, 2007 and 2017 (%).

Age group	2017			2007		
	0 - 14	15 - 64	65 +	0 - 14	15 - 64	65 +
Canada	16.01	67.11	16.88	17.11	69.47	13.42
Newfoundland & Labrador	14.16	66.04	19.80	15.12	70.92	13.96
Prince Edward Island	15.99	65.00	19.01	16.94	68.15	14.91
Nova Scotia	13.94	66.30	19.76	15.54	69.54	14.92
New Brunswick	14.56	65.34	20.09	15.72	69.52	14.76
Atlantic Canada	14.32	65.85	19.83	15.59	69.75	14.66

Source: Statistics Canada.

Population in Atlantic Canada is aging more rapidly than nationally. Between 2007 and 2017, the percentage of seniors (those who are aged 65 and above) in total population rose from 13.4 percent to about 17 percent nationally while in Atlantic Canada it rose from about 15 percent to 20 percent (Table 1).

Table 2: Population Growth in Canada and Atlantic Canada, 2011-2016 (%).

Canada	5.0
Newfoundland & Labrador	1.0
Prince Edward Island	1.9
Nova Scotia	0.2
New Brunswick	-0.5
Atlantic Canada - total	1.0

Source: Statistics Canada.

Fertility decline and outmigration of population has resulted in a rapidly aging population (Table 1) and slow population growth in Atlantic Canada. Between the past two censuses (2011 and 2016) while national population grew by 5 percent, the Atlantic Canadian population grew only by 1 percent. The province of New Brunswick had a population decline during this period by 0.5 percent (Table 2).

Some consequences of population decline and aging:

1. Economic growth effects:
 - a. An aging population can result in fewer labour force participants, thereby causing shortages of different types of labour demanded by employers in the region.

Shortages of physicians, school teachers, truck drivers, brick layers are now common.

- b. Population decline can result in shrinking markets for goods and services, thereby creating an adverse impact on incentives for business investments.
 - c. Population decline can lead to the creation of policies for restructuring the economy to provide the goods and services demanded by a growing elderly population. However, such restructuring cannot have a long-lasting effect if the death rate continues to either exceed or remain close to the birth rate, as is the case in the region.
2. An aging population can also create increased pressure on younger labour force participants to provide for the social programs for the elderly (for example, higher contributions to the Canada Pension Plan and higher taxes).
 3. Population decline also means a corresponding decline of some federal funds determined by population size, such as social and health care transfers.
 4. Rural Atlantic Canada has been affected the most by regional population decline. This phenomenon is of concern because:
 - a. Of the effect on natural resource-based industries (agriculture, meat packing, fishing, etc) which are largely located in rural areas.
 - b. When populations decline, the cost of public as well as private services, does not adjust immediately, and there is a point below which base costs cannot go regardless of population size. As a result, the economic feasibility of providing such services becomes questionable. Hospital closures, loss of mail and banking services, as well as consolidation of schools in rural Atlantic Canada, have become increasingly common. Closure of public and private services further accelerates rural population decline as people move closer to metropolitan areas in search of those services.
 5. Regional population decline can also result in the weakening of political representation in the Canadian House of Commons.

According to the *Constitution Act* of 1985, each province's representation is based on its population size. A "grandfather" clause, however, protects each province from losing seats in the House below its 1976 level. This method of determining a province's number of seats in the House implies that as the population of a province grows, not only would the number of seats allocated to that province but also its total number of seats in the House above its 1976 level. In turn, proportionate representation of other provinces, whose population either remains stable or falls, would decline. This weakening of the provincial representation of smaller provinces in the House of Commons has already started. On October 27, 2011, the federal Conservative government introduced Bill C-20, which entitled the Fair Representation Act to add a total of 30 new seats to the House of Commons for Alberta (6), British Columbia (6) Ontario (15) and Quebec (3), while all other provinces were to maintain their existing numbers. The bill passed on December 16, 2011. Changes in the number of seats were based on the changes in each province's population size. As a result of these additions, the percentage representation of the Atlantic provinces in the House has declined, with Newfoundland and Labrador down from 2.09 to 1.41 percent, Prince Edward Island down from 1.41 to 0.42 percent, Nova Scotia down from 3.61 to 3.28 percent, and New Brunswick down from 3.28 to 2.99 percent.

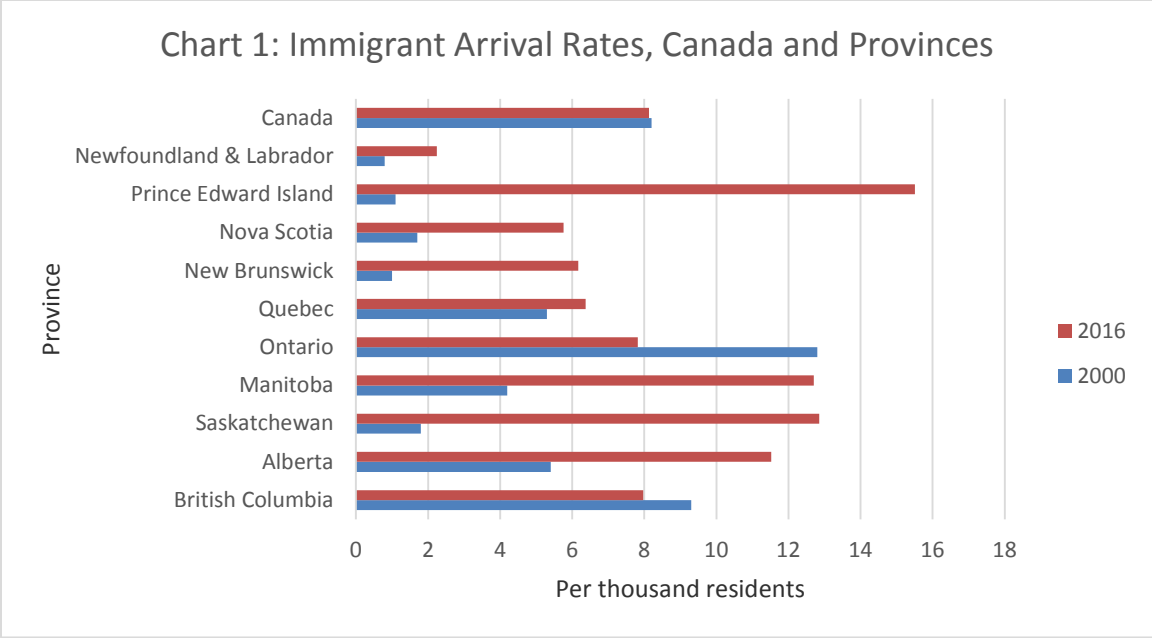
Nova Scotia in 2026 if current conditions prevail

- Population: 895,000, down 4.6 per cent from 2004
- Seniors (65+): up by 70.8 per cent
- Primary and secondary students: down 31.5 per cent
- University-aged population: down 29.8 per cent
- Traditional workforce: three times more rapid drop than population as a whole.

(Source: <http://www.cbc.ca/news/canada/nova-scotia/story/2010/02/10/ns-aging-population>).

Immigration as a solution to the issue of population decline

- Because of low childbearing levels, immigration has become important source of local population growth.
- Without immigration, population decline is expected to result.
- Several economic and noneconomic factors play their role in retention.
- Does immigration cause economic growth or is it the reverse? This issue is debated in literature. A recent study by the present author (to be published soon) shows immigration has accelerated economic growth in Canada and in its smaller provinces.
- Smaller provinces are actively engaged in attraction and retention policies which has resulted in larger inflows on per capita basis in smaller provinces (Chart 1 for 2000 and 2016). There is a distribution away from Ontario towards smaller provinces (although Ontario still receives larger numbers).



Immigrant retention in Atlantic Canada:

- Regional retention of Immigrants remains the lowest in the country but has increased since early 2000s (from about 40% to close to 70 %).
- Some studies suggest recent arrivals are more likely to stay.

How immigrants are doing in Atlantic Canada?

In 2016, immigrants comprised 24.4 percent of Canadian labour force, up from 20.4 percent in 2006 (Table 3). Their largest contribution to labour force is in management and professional jobs that require university degrees.


Table 3: Immigrants in employed labour force by skill levels, Canada 2006 and 2016 (%)

Skill level	2006	2016
Overall	20.4	24.4
Management	20.6	23.8
Professional	23.0	27.4
Technical/ Paraprofessional	18.1	21.3
Intermediate	20.9	25.6
Labouring	21.1	26.1

Source: Statistics Canada Labour Force Surveys.

In Atlantic Canada, immigrants comprised only 4.7 percent of labour force, up from 3.4 percent. They are more likely to be found in management and professional occupations (Table 4).


Table 4: Immigrants in employed labour force by skill levels, Atlantic Canada 2006 and 2016 (%)

	Skill level	2006	2016
	Overall	3.4	4.7
	Management	6.6	6.9
	Professional	6.8	8.2
	Technical/ Paraprofessional	2.6	3.3
	Intermediate	2.4	3.9
	Labouring	1.9	4.0

Source: Statistics Canada Labour Force Surveys.

Nationally, immigrants earned lower wages than Canadian-born in 2016 in all occupations. In 2006, they had earned higher than Canadian born in management and professional occupations (Table 5).

Table 5: Immigrants' hourly wage differential with Canadian born, by skill levels, Canada 2006 and 2016 (%)

	Skill level	2006	2016
	Overall	-1.0	-4.7
	Management	3.1	-3.1
	Professional	2.0	-1.5
	Technical/ Paraprofessional	-3.4	-9.0
	Intermediate	-4.6	-5.2
	Labouring	2.5	-0.8

Source: Statistics Canada, Labour Force Surveys.

In Atlantic Canada, immigrants earn higher wages than Canadian born, although this wage advantage has shrunk over the ten-year period. On average, an immigrant had earned 21 percent more than Canadian-born in 2006, but in 2016 their wage advantage was only 5.6 percent. They earned lower than Canadian-born in medium to lower skilled jobs that require below university degree education (Table 6).

Table 6: Immigrants' hourly wage differential with Canadian born, by skill levels, Atlantic Canada 2006 and 2016 (%)

Skill level	2006	2016
Overall	21.0	5.6
Management	10.0	3.9
Professional	5.8	0.3
Technical/ Paraprofessional	9.7	-10.0
Intermediate	-5.3	-1.6
Labouring	-2.7	-7.3

Source: Statistics Canada Labour Force Surveys.

Recent immigrants comprised 1 percent of labour force in Atlantic Canada in 2006. By 2016, this percentage doubled. Higher percentage contribution to labour force is noted in management and professional level jobs than in 2006 (Table 7).

Table 7: Recent immigrants in employed labour force by skill levels, Atlantic Canada 2006 and 2016 (%)

Skill level	2006	2016
Overall	1.0	2.0
Management	1.6	2.5
Professional	2.3	3.2
Technical/ Paraprofessional	0.6	1.4
Intermediate	0.7	1.7
Labouring	7.6	2.5

Source: Statistics Canada, Labour Force Surveys.

In 2006, recent immigrants earned 13.3 percent more than Canadian-born. In 2016, they earned 8.8 percent lower (Table 8).

Table 8: Recent immigrants hourly wage differential with Canadian born, by skill levels, Atlantic Canada 2006 and 2016 (%)

Skill level	2006	2016
Overall	13.3	-8.8
Management	X	X

	Professional	2.9	-11.7
	Technical/ Paraprofessional	-2.2	-18.9
	Intermediate	-9.8	-7.9
	Labouring	X	-9.5

Source: Statistics Canada, Labour Force Surveys. (X= Data suppressed due to confidentiality reasons).

The fall in wage advantage of immigrants in Atlantic Canada as noted in Tables 6 and 8 may be attributed to slowing down of economic activity resulting from completion of major construction projects, slowing of activity in oil industry and also some fiscal cutbacks. One US study, Zhang (2012), has shown that during economic downturns immigrants are hurt more than native-born.¹ This possibility for Canada and its provinces needs further investigation.

¹ Zhang, Y. 2012. "Are immigrants hurt more disproportionately than natives during economic downturn?" Thesis written at Tilburg University.