

# 2 Demographics

Ontario’s population, and consequently its labour force, is aging rapidly. The province faces many challenges related to a falling birth rate, an aging population and a large baby boom cohort about to retire. Over the longer term, these trends present both many challenges and opportunities for postsecondary institutions, particularly as the need increases for highly skilled and well-educated college graduates.

For colleges, these trends will affect future enrolment patterns, staff and faculty retirements, programs and services for students and the demand for college-trained workers. As the economy relies more heavily on older workers, skills upgrading and retraining for existing workers will continue to grow in importance as a public policy issue.

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## 1.0 Summary of key trends and implications

This section presents an analysis of current and future demographic trends. Demographic trends that will have the most effect on colleges include:

- The aging of the population and the relatively small increases (and even decreases) in the prime college age population (15 to 29 years) in the future.
- The large contribution of immigration to population growth in Ontario, especially to some areas of the province.
- The increasing concentration of the Ontario population in the Greater Toronto Area (GTA) - with particularly robust growth occurring in the 905 area rather than in Metro Toronto.

Highlights of demographic trends discussed in this chapter are presented below.

### Ontario Highlights

Ontario's population is projected to rise from 12.7 million in 2006 to 16.5 million by 2031, an increase of about 30 per cent.

The main driver of population growth in Ontario is and will continue to be international migration. More than half of the immigrants to Ontario are from Asia and the Pacific and close to 80 per cent of immigrants choose to settle in the Toronto urban area.

Ontario has been losing population to other provinces through net interprovincial migration in recent years. Natural increase (births minus deaths) has been on a long-term decline in Ontario.

Ontario's population is aging – its median age and the proportion of older people in the population are rising. By 2031, the median age in the province is projected to be 43 years, up from about 38 years at present.

The 15 to 29 age cohort will grow over the next few years but then either decline or grow slowly in the years beyond 2011. Within this age range, during the 2006 to 2011 period, the 25 to 29 age group will grow fastest – at more than double the rate of the 15 to 19 age group.

Ontario's population is highly concentrated in the GTA. The region's share of the Ontario population is expected to be even higher in the future.

### Canada Highlights

Canada's population is projected to reach 39 million by 2031 and 42.5 million by 2056 – up from about 33 million today. By 2030, the rate of natural increase is projected to turn negative, with the number of deaths outnumbering the number of births. Immigration will then account for all of Canada's population growth.

The age structure trends for Canada mirror those for Ontario, with increases in the population shares of the older age groups and declines in the shares of younger groups. For Canada as a whole, seniors are projected to outnumber children starting in 2014.

## 2.0 Current demographic trends <sup>1</sup>

### 2.1 Population growth across Canada

On July 1, 2007, Canada's population was estimated to be 32,976,000. The rate of population growth during 2006-07 was one per cent.

Ontario's population was estimated to be 12,803,900 on July 1, 2007. The population increased by 98,500 people during the year. However, the rate of population growth in the province slowed, from 1.1 per cent in 2005-06 to 0.8 per cent in 2006-07. In fact, the rate of growth in 2006-07 was the lowest since 1980-81. The slower rate of population growth in 2006-07 was the result of lower levels of immigration and higher levels of interprovincial out-migration. Ontario's share of Canada's population is 38.8 per cent.

Among the provinces, Alberta (3.1 per cent), British Columbia (1.4 per cent) and Saskatchewan (0.9 per cent) all grew faster than Ontario. Four other provinces also experienced population growth in 2006-07: Prince Edward Island (0.4 per cent), New Brunswick (0.1 per cent), Quebec (0.7 per cent) and Man-

itoba (0.7 per cent). The populations of Newfoundland (-0.7 per cent) and Nova Scotia (-0.1 per cent) declined during the year. The populations and growth rates for all Canadian jurisdictions for 2006-07 are presented in appendix 1 (A1).

## 2.2 Demographic components of population growth in Ontario

Net international migration remains the key driver of Ontario's population growth. However, on a net basis, Ontario received substantially fewer international migrants in 2006-07 (90,300) than in the previous year (110,600). The decline in international migration to Ontario is primarily the result of fewer immigrants coming to Canada in 2006-07 than in 2005-06, and a decline in Ontario's share of those immigrants.

Ontario continued to lose population through interprovincial migration. On a net basis, in 2006-07, Ontario lost 36,200 people to other provinces.

Natural increase (births minus deaths) has been on a long-term decline in Ontario for several years now. In 2006-07, natural increase contributed 44,400 people to Ontario's population. Key demographic indicators for Ontario for 2006-07 are presented in table 1 (T1).

**Table 1** T1

### Key demographic indicators, Ontario 2006-07

Population - July 1, 2007	12,803,861
Rate of population growth 2006-07	0.8%
Births	134,141
Deaths	89,737
Net international migration	90,325
Net interprovincial migration	-36,196
Population change July 1, 2006 - July 1, 2007	98,533

Source: Statistics Canada and Ontario Ministry of Finance.

## 2.3 Age structure of Ontario's population

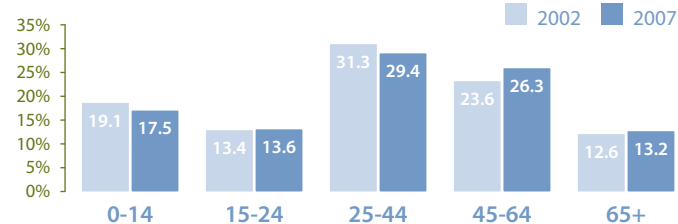
Like many other parts of Canada and many developed nations of the world, Ontario's population is aging - its median age and the population shares of the older age groups are rising. The median age of the Ontario population was estimated to be 38.5 years in 2007, up from 37 years in 2002. Nationally, the median age is 39 years. Several provinces have a median age of more than 40 years, with Newfoundland (42 years) and

Nova Scotia (41.5 years) topping the list. Among the provinces, the median age in Alberta is the lowest (35.4 years).

The population shares of key age groups in Ontario for 2002 and 2007 are shown in figure 1. Together, seniors (aged 65-plus) and older workers (aged 45 to 64) now comprise 39.5 per cent of the Ontario population, up from 36.2 per cent in 2002. In contrast, the share of the population under age 45 has fallen from 63.9 per cent in 2002 to 60.5 per cent in 2007 (F1).

**Figure 1** F1

### Population by age group, Ontario, 2002 and 2007



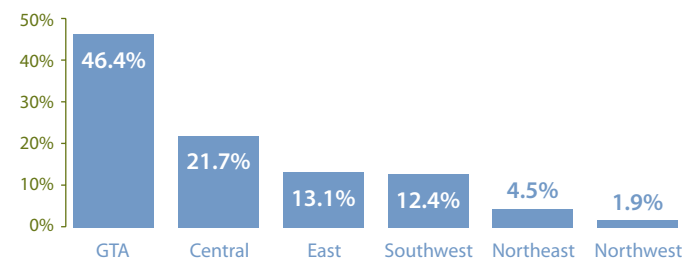
Source: Statistics Canada and Ontario Ministry of Finance.

## 2.4 Regional distribution of Ontario's population

By far, the largest proportion of Ontario's population - 5.9 million people - lives in the GTA (regions of Metro Toronto, Peel, York, Durham and Halton). The GTA's share of Ontario's population in 2006 was 46.4 per cent. A significant portion of Ontario's population also lives in the central region, the region surrounding the GTA. The northern regions of the province continue to be sparsely populated. The population shares for each of the six Ontario regions for 2006 are provided in figure 2 (F2).

**Figure 2** F2

### Shares of Ontario's population by region, 2006



Source: Statistics Canada and Ontario Ministry of Finance.

## 2.5 Immigration to Ontario

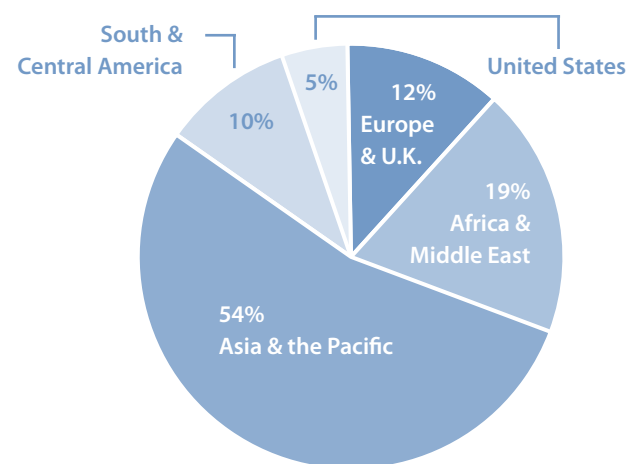
In 2006 (calendar year), Canada received 251,649 new immigrants (permanent residents). Of these, 125,914 chose Ontario as their destination. Ontario's share of Canadian immigration fell from 54 per cent in 2005 to 50 per cent in 2006.

Both Quebec and British Columbia are also significant destinations for immigrants. In 2006, Quebec received 17.8 per cent of immigrants to Canada, while British Columbia's share was 16.7 per cent.

The majority of immigrants to Ontario choose to settle in the Toronto urban area (approximately 80 per cent). Ottawa-Gatineau, the second most popular destination for immigrants to Ontario, received five per cent of immigrants in 2006.

Immigrants to Ontario by source area are shown in figure 3. The largest number of immigrants to Ontario comes from Asia and the Pacific, with Africa and the Middle East being a distant second source of immigration (F3).

**Figure 3** Immigrants to Ontario by source area, 2006 F3



Source: Citizenship and Immigration Canada.

Half of the immigrants (50 per cent) who came to Ontario in 2006 were economic immigrants, down from 57 per cent in 2005. In 2006, an additional 30 per cent came in under the family class category, up from 25 per cent in 2005. Refugees accounted for about 15 per cent of immigrants to Ontario in 2006.

Analysis of immigration data on the language ability of the immigrants who arrived in 2006 indicates that about 62 per cent of immigrants to Ontario had language ability in English, and about four per cent reported knowledge of both official languages. About one-third of the immigrants who came to Ontario in 2006 did not have language ability in either English or French.

Information on the educational attainment of immigrants (15 years of age or older) to Canada in 2006 indicates that five per cent had a trade certificate and about 11 per cent held a non-university diploma. Data on the educational attainment of immigrants (permanent residents) to Canada are provided in table 2 (T2).

**Table 2** Immigrants (permanent residents) aged 15 years and older, by level of education, Canada 2006 T2

Education Attainment	Per cent of Immigrants
0 to 9 years of schooling	15.9
10 to 12 years of schooling	17.2
13 or more years of schooling	8.0
Trade certificate	5.0
Non-university diploma	11.2
Bachelor's degree	28.8
Master's degree	11.8
Doctorate	2.1
<b>Total</b>	<b>100.0</b>

Source: Citizenship and Immigration Canada.

In addition to permanent residents, Ontario receives a significant number of foreign students through the temporary resident stream. In 2006, Ontario received 21,085 foreign students. In total, in 2006, there were about 58,000 foreign students in Ontario.

Data at the national level shed some light as to the composition of the foreign student stream by the level of study. The level of study for 28 per cent of foreign students who arrived in Canada in 2006 was secondary or less, with university level studies being the goal for 37 per cent of foreign students. Trade (13 per cent) and other postsecondary studies (14 per cent) were also identified by a significant number of foreign students.

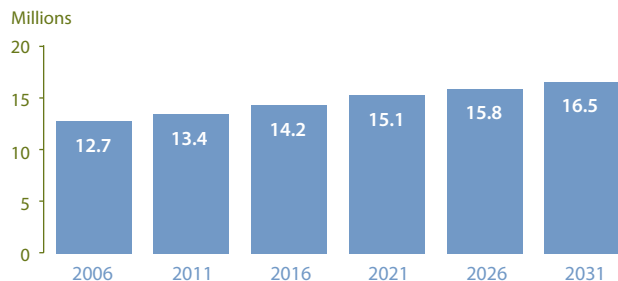
## 3.0 Ontario's population outlook <sup>2</sup>

### 3.1 Projections of the total population

Looking at past demographic trends can help us to understand the size and structure of the current population. However, examining projections of the future population can help us to plan for the future. The analysis in this section relies heavily on the results of the "reference" or "most likely" scenario of the most recent round of population projections produced by the Ontario Ministry of Finance (Spring 2007).

Projections of the total population from the ministry’s “reference” scenario are presented in figure 4. The population of the province is projected to reach 16.5 million by 2031. This represents an increase of 3.8 million people (30 per cent) compared to 2006 (the base year of the projections). The annual rate of growth is expected to slow, from an average of 1.1 per cent during the first five years of the projection period to an average of 0.8 per cent during the last five years (F4).

**Figure 4** Projections of the Ontario population to 2031 (reference scenario) F4



Source: Ontario Ministry of Finance, *Ontario Population Projections Update*, spring 2007.

### 3.2 Demographic components of future population growth

Over the outlook period, net migration remains the key driver of population growth and is expected to account for 74 per cent of the total population growth. Immigration is the largest component of all the migration streams. The projections assume that 134,000 immigrants will come to Ontario during each year of the projection period.

During the initial years of the outlook period, Ontario is expected to lose population through net interprovincial migration. However, starting in 2009-10, the province is projected to gain 5,000 people per year through net interprovincial migration.

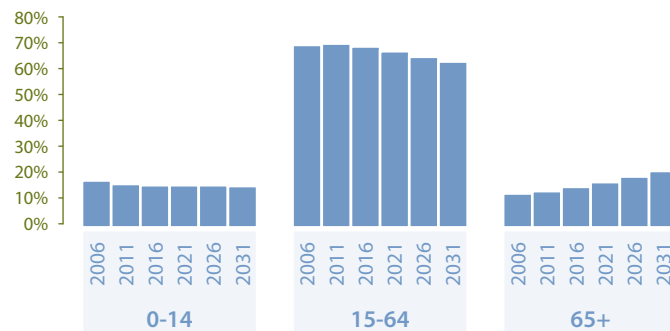
After the first 10 years of the projection period, natural population growth (births minus deaths) declines rapidly as deaths rise faster than births. By 2030-31, natural increase is expected to amount to about 19,000.

### 3.3 Future population age structure

The projections suggest that the age distribution of Ontario’s population will continue its shift towards more seniors and fewer youth. The median age of the population is expected to rise to 43 years by 2031. Trends in the population shares of

the three broad age groups (0 to 14, 15 to 64 and 65-plus) are shown in figure 5 (F5).

**Figure 5** Population shares by broad age groups, Ontario 2006 to 2031 F5



Source: Ontario Ministry of Finance, *Ontario Population Projections Update*, spring 2007.

The proportion of children aged 0 to 14 is projected to fall to 15.7 per cent in 2031, while their numbers are expected to increase slightly from 2.3 million to 2.6 million. In contrast, the proportion of seniors aged 65 and over is projected to increase to 21.4 per cent in 2031, with the growth in the seniors’ population accelerating after 2011, as the baby boom begins to reach age 65 (F6).

The province’s core working-age population (ages 15 to 64), is projected to rise from 8.8 million in 2006 to 10.4 million in 2031. The population share of this age group will shift over time, increasing from 69.2 per cent in 2006 to a peak of 69.7 per cent in 2011, and then decline to 62.9 per cent by 2031.

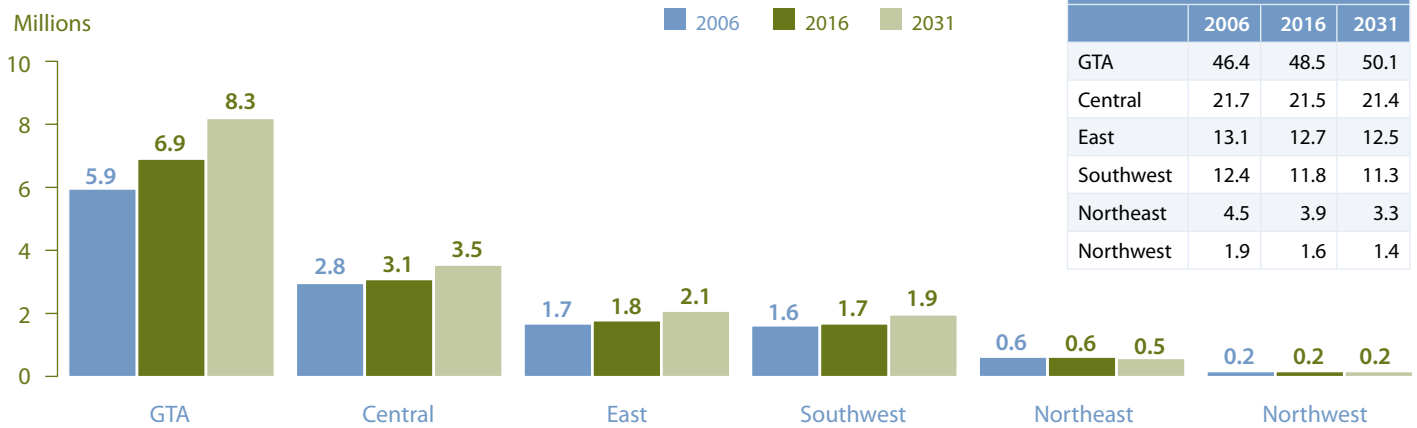
Projections of the 15 to 29 age group are of most relevance for colleges. Provincewide projections for the 15 to 29 population are provided in table 3 and discussed below. Regional projections for this age group are shown in figure 7 and discussed within the context of the regional population outlook (T3) (F7).

Between 2006 and 2011, the total number of people aged 15 to 29 in Ontario is projected to increase by 6.2 per cent. Growth in this age group is expected to slow between 2011 and 2016; the age group then declines in size between 2016 and 2026 but then increases again after 2026. Among the individual age groups in this age range, the strongest growth during the 2006 to 2011 period will be in the 25 to 29 age group (9.4 per cent); this age group is expected to grow at more than twice the rate of the 15 to 19 age group.

Figure 6

F 6

Projected population by region, Ontario 2006, 2016 and 2031



	Population shares (%)		
	2006	2016	2031
GTA	46.4	48.5	50.1
Central	21.7	21.5	21.4
East	13.1	12.7	12.5
Southwest	12.4	11.8	11.3
Northeast	4.5	3.9	3.3
Northwest	1.9	1.6	1.4

Source: Ontario Ministry of Finance, *Ontario Population Projections Update*, spring 2007.

Table 3

T 3

Projections of the population aged 15-29, Ontario 2006 to 2031

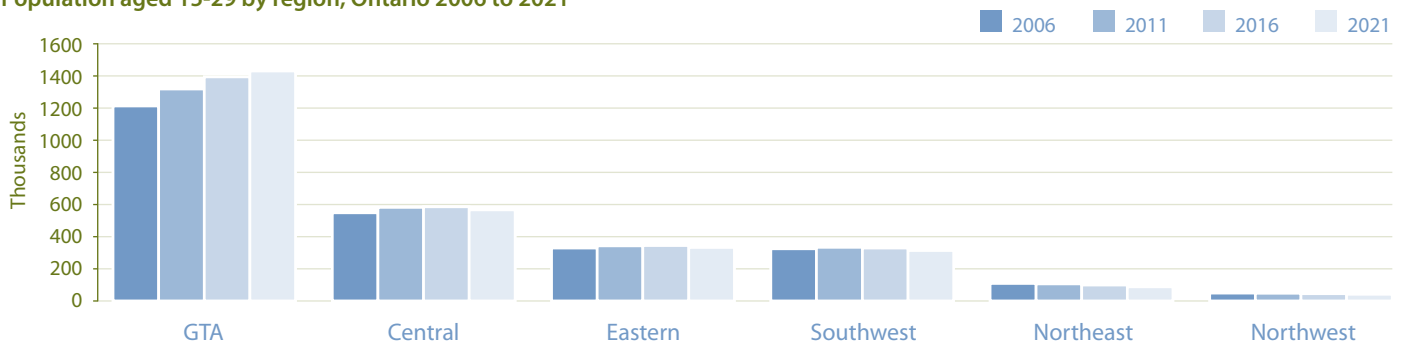
Year	15-19		20-24		25-29		Total	
	Number	Per cent change	Number	Per cent change	Number	Per cent change	Number	Per cent change
2006	850,400		873,600		847,900		2,571,900	
2011	884,200	4.0	919,100	5.2	927,600	9.4	2,730,900	6.2
2016	848,200	(4.1)	962,200	4.7	986,300	6.3	2,796,700	2.4
2021	818,700	(3.5)	926,700	(3.7)	1,027,700	4.2	2,773,100	(0.8)
2026	853,300	4.2	897,100	(3.2)	990,000	(3.7)	2,740,400	(1.2)
2031	902,700	5.8	931,500	3.8	958,600	(3.2)	2,792,800	1.9

Source: Ontario Ministry of Finance: *Ontario Population Projections Update*, spring 2007.

Figure 7

F 7

Population aged 15-29 by region, Ontario 2006 to 2021



Source: Ontario Ministry of Finance data from spring 2007 population projections. Obtained through special request.

### 3.4 Regional distribution of Ontario's future population

During the outlook period, the GTA is expected to be the fastest growing region in Ontario, increasing in population from 5.9 million in 2006 to 8.3 million in 2031. Its share of the provincial population will rise from 46.4 per cent in 2006 to 50.1

per cent in 2031. There is significant variation in the projected growth across the GTA. The population of Toronto is expected to increase by only 16 per cent, whereas the populations of Durham, Halton, Peel and York are projected to experience increases that range from 46 to 73 per cent. Immigration is an important factor behind population growth in the GTA.

Outside the GTA, most regions are expected to experience population growth, with the exception of the North. The population of central Ontario (region surrounding the GTA) will grow from 2.8 million in 2006 to 3.5 million in 2031, but its share of Ontario's population will remain at about 21 per cent.

The population of eastern Ontario is projected to increase from 1.7 million in 2006 to 2.1 million in 2031. In this region, the population of Ottawa is projected to grow the fastest, rising from 840,000 in 2006 to 1.1 million in 2031. The population of southwestern Ontario will also grow, from 1.6 million in 2006 to 1.9 million in 2031.

The population of northern Ontario is expected to fall, from 806,000 in 2006 to 770,000 in 2031. Population projections for each of the regions, along with their shares of the total population, are provided in figure 6 [F6](#).

Projections of the population aged 15 to 29 for each of the regions for the 2006 to 2021 period (15 years out from the base year of the projections) are shown in figure 7. In the GTA, the 15 to 29 population is projected to rise from 1.2 million in 2006 to 1.4 million in 2021. In the central and eastern regions, the 15 to 29 population increases until 2016 and then declines, in the southwest the decline occurs earlier. A more detailed breakdown of the projections for this age group by region is provided in appendix 2 [F7](#) [A2](#).

## 4.0 Canada's population outlook<sup>3</sup>

Statistics Canada's most recent set of population projections for Canada, the provinces and territories were released in December 2005. The projections for Canada extend out to 2056 and for the provinces and territories, to 2031. Under the medium growth scenario, Canada's population is projected to reach 39 million by 2031 and 42.5 million by 2056. The average annual growth rate is expected to drop to 0.6 per cent by 2031 and to 0.2 per cent by 2056.

International migration will be the key factor driving population growth in Canada and will account for 77 per cent of the growth between now and 2031, and all of the growth between 2031 and 2056. Canada's natural growth rate (births

minus deaths) has slowed in recent years. It is projected that in 2030, the rate of natural increase will turn negative as there will be more deaths than births.

As in Ontario, Canada's population is aging. Over the projection period, the median age and the population share of seniors aged 65 and over will continue to rise while the share of children aged 0 to 14 will decline. Starting in 2014, the number of seniors is expected to outnumber the number of children for the first time. The proportion of the population that is of working age is projected to decline and level off at about 60 per cent by 2056.

## 5.0 Endnotes

- <sup>1</sup> Sources for this section include Statistics Canada, the Ontario Ministry of Finance and Citizenship and Immigration Canada. See below.
- <sup>2</sup> The source for this section is the Ontario Ministry of Finance's population projections from spring 2007. See below.
- <sup>3</sup> Sources for this section include the Statistics Canada Daily and the Ontario Ministry of Finance Ontario Demographic Quarterly. See below.

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<http://www.cic.gc.ca/english/resources/statistics/facts2006/index.asp>

Statistics Canada:

<http://www.statcan.ca/>

Ontario Ministry of Finance:

<http://www.fin.gov.on.ca/english/demographics>

## 6.0 Appendices

### Appendix 1

A1

#### Population and Growth Rates, Canada, Provinces and Territories, 2006-07

	1-Jul-06	1-Jul-07	Per cent change 2006-07
<b>Canada</b>	<b>32,649,482</b>	<b>32,976,026</b>	<b>1.0</b>
Newfoundland and Labrador	509,940	506,275	-0.7
Prince Edward Island	138,027	138,627	0.4
Nova Scotia	935,050	934,147	-0.1
New Brunswick	749,225	749,782	0.1
Quebec	7,651,033	7,700,807	0.7
Ontario	12,705,328	12,803,861	0.8
Manitoba	1,178,492	1,186,679	0.7
Saskatchewan	987,520	996,869	0.9
Alberta	3,370,600	3,473,984	3.1
British Columbia	4,320,255	4,380,256	1.4
Yukon	31,211	30,989	-0.7
Northwest Territories	42,401	42,637	0.6
Nunavut	30,400	31,113	2.3

Source: Statistics Canada, *The Daily*, September 27, 2007.

Note: Figures are estimates based on the 2001 census counts adjusted for net undercoverage.

### Appendix 2

A2

#### Projections of the population aged 15-29, by age group and region, 2006 to 2021

Region	2006			2011			2016			2021		
	15-19	20-24	25-29	15-19	20-24	25-29	15-19	20-24	25-29	15-19	20-24	25-29
GTA	380,915	403,749	429,194	418,248	435,921	465,557	418,957	475,236	500,858	421,369	474,252	536,000
Central	191,501	189,222	167,418	193,580	199,489	188,881	181,485	203,523	200,864	169,802	191,763	205,218
Eastern	110,594	111,699	106,935	110,118	117,089	115,525	100,706	118,930	124,513	96,054	109,903	126,792
Southwest	110,462	112,718	101,219	109,644	113,803	110,066	101,448	114,335	113,061	92,908	106,712	114,187
Northeast	39,660	39,154	29,348	36,371	36,808	32,725	31,449	34,593	32,104	26,233	30,305	30,773
Northwest	17,222	17,052	13,801	16,247	16,037	14,810	14,136	15,627	14,915	12,326	13,761	14,689

Source: Ontario Ministry of Finance, spring 2007 population projections. Obtained through special request.