

Boomers blow up census

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By David K. Foot

Isn't it amazing? Demographic data on the front page of newspapers, often the headline story. Census data have never been so prominent, or so it seems. Statistics Canada's first release of the 2001 census results last week provided a number of interesting news stories.

Most commentaries, including Statistics Canada's, concentrated on three main themes. Canada's population growth is slowing; immigration is now responsible for the majority of that growth; we are becoming more urban.

Not surprisingly, these trends are closely related. Aging boomers are responsible once again. Unfortunately, Statistics Canada will not be releasing data on age until July, so this explanation did not feature in most recent analyses.

The inevitable implication of a "trend" is that it will be perceived as an indication of the future. Reactive decision-making on the basis of history is not adequate preparation for the future if the future unfolds differently. Understanding the recent census stories, their interconnections and their likely future course is important if Canada, its governments, businesses and organizations are to make the right policy decisions.

Will Canada's population growth keep slowing? Will immigration continue to dominate population growth? Will we continue to move to cities? The census data provide a good starting point, but answers to each of these questions are necessary if appropriate policies regarding, for example, labour markets, immigration, land use and transportation are to be implemented.

Over the past five years, Statistics Canada reported that population growth was 4 per cent, or 0.8 per cent per year. This is down from annual rates of 1.1 per cent over the previous five-year period, 1.15 per cent over the 1980s and 1.2 per cent over the 1970s. Over the 1950s and 1960s, when most of the boomers were born, annual rates of population growth were much higher. Since people are customers, taxpayers and workers, slower population growth suggests slower growth in consumer spending, tax revenues, and the work force -- hence, the recent "concerns" raised by many census commentators.

Slower population growth is not a new, or a surprising trend. It reflects a maturing population. The massive boomer generation born between 1947 and 1966 has been getting older. Over the 1980s, they moved through their prime child-bearing years, spawning an "echo" generation of boomer children that mitigated slower growth. By 1991, the mid-boomer born in 1957 was aged 34 and entering her lower fertility years. Births in Canada peaked in 1990 and have been declining ever since.

With the boomers now finished having children, births will continue to fall. In addition, members of the relatively large "roaring 20s" generation are now in their 70s, so deaths are increasing. As the difference between the numbers of births and deaths gets smaller, population growth slows. When the difference becomes negative, populations decline, unless supplemented by immigration.

Many countries in the world have already reached this point. The populations of Germany and Russia are now declining. The populations of Japan and many European nations will start decreasing within a decade. Stacked up against these countries, Canada's population growth looks high.

As the gap between births and deaths narrows, domestic sources become a smaller component of population growth and net immigration (immigrants minus emigrants) becomes relatively more important. Over the past five years, international sources surpassed domestic sources of population growth for the first time in Canada's postwar history.

Will these trends continue? The aging of the massive boomer generation will ensure the continuation of slower population growth. This also means that even if Canada does not increase immigration levels, net immigration is likely to continue to be the major determinant of that slower population growth.

Business and government will have to incorporate slower future growth of spending and associated tax revenues into strategic plans and decisions. But does this also mean a slower-growing work force? Not necessarily.

It takes approximately 20 years for a newborn to enter the work force. Forecasts of rapidly increasing college and university enrolments in Ontario over this coming decade indicate ever more young people entering their work-force ages. These are the echo children of the boomers. Finding jobs for them will become a priority and a challenge in many Canadian regions.

In addition, most immigrants are of work-force age, so immigrants contribute immediately to work-force growth. Slower population growth, therefore, may not mean slower work-force growth and labour market shortages over the coming decade, as some pundits have predicted.

Increased urbanization was, perhaps, the most surprising and most controversial of the census trends. But the data clearly show that it was not urbanization; it was suburbanization. While Ontario's population growth since 1996 was 6.1 per cent, for example, the City of Toronto grew by only 4 per cent. Meanwhile, Metropolitan Toronto grew by 9.8 per cent and the surrounding regions by even more. Population growth in the Montreal, Calgary-Edmonton and Vancouver urban clusters show similar patterns.

Why? Once again, the boomers provide the answer. Over the 1980s and 1990s, the boomers left the downtowns and the rural areas and moved to the suburbs to raise their echo children.

Will this trend continue? Migration to these urban clusters from the rest of the country will, undoubtedly, continue to contribute to this suburban growth. And most aging boomers will not immediately sell their suburban homes because they are hoping that their future grandchildren will come to visit.

However, hints of a new trend are hidden in the census data. Some early boomers now in their 50s are looking for more peace and quiet in their lives and lower living costs, while still being in striking distance of good hospital facilities. Smaller communities beyond the suburbs, such as Caledon, northwest of Toronto, currently offer such opportunities. These are likely to be the rapid-growth communities of the next decade as more boomers enter the next phase of their lives. Meanwhile, their echo children are likely to be seeking noise and action in the downtown city cores, thereby revitalizing the city centres.

Urbanization will, once again, take on a new character as city cores are revitalized and urban boundaries get further pushed into the periphery. In interpreting census data on urbanization, it is important to distinguish between the city core, the suburbs and the suburban periphery of smaller communities if important challenges associated with education, housing, land use, congestion and transportation are to be correctly diagnosed and addressed. Creating ever-larger urban boundaries, as Statistics Canada did when commenting on the recent census data, can provide obfuscation as well as enlightenment.

The recently released census data do provide a first glimpse of Canada's emerging demographic profile. The aging of the dominant boomer generation suggests that population growth (but not necessarily work-force growth) will continue to slow, that immigration will continue to be responsible for the majority of that growth, but that new trends are on the horizon regarding urbanization patterns.

Many commentators discussed the population growth and immigration trends correctly, but failed to draw sufficient attention to these new urbanization trends. However, as one popular boomer song once noted, "two out of three ain't bad."

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