

Strategic planning: Review of external data/information

Briefing theme: Demographic trends

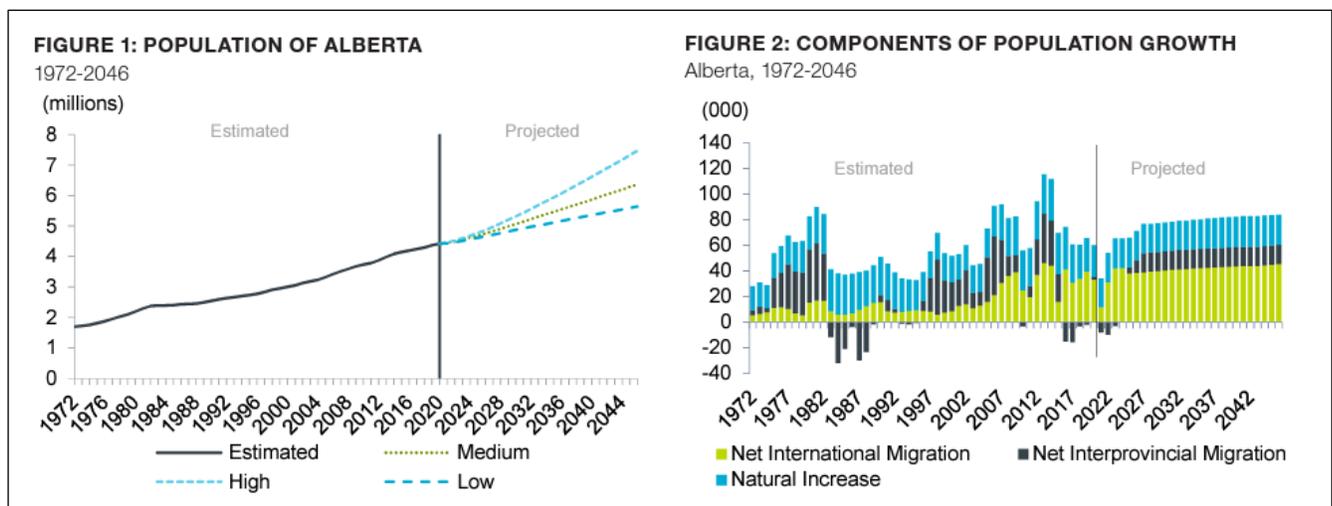
Background:

- Canada’s, Alberta’s, and Calgary’s shifting demographics will undoubtedly have an impact on all domains of the post-secondary sector (e.g. teaching and learning, research, community engagement, operations, etc.). This briefing provides a short synthesis of these shifting demographic trends. This is pertinent for the University of Calgary to consider as we embark on the development of our next strategic plan.

Key Trends Identified:

- **Canada’s population is aging.** The aging of the baby-boom cohort will have many repercussions as this cohort reaches the ages that generally separate working life from retirement. Alberta has and is expected to continue to have a younger population than the national average. Today, Alberta’s median age is 38.4 years, compared to Canada’s median age of 41.6 years.ⁱ By 2046, Alberta’s median age is expected to be 41.7 years.
- **Canada’s population is growing. The source of almost all of our future labour force growth is expected to come from immigration.** According to all of Statistics Canada population projection scenarios, the populations of Alberta, Saskatchewan and Manitoba will grow at a faster rate than the national average. In contrast, Newfoundland and Labrador, Nova Scotia, New Brunswick, and Quebec are all expected to experience a decrease in their demographic weight from 2021 to 2043.ⁱⁱ

Alberta’s population is expected to grow from 4.4M in 2021 to somewhere in the range of 5.8M (low growth scenario), 6.5M (medium growth scenario), or 7.2M (high growth scenario) by 2046 (Figure 1).ⁱⁱⁱ The vast majority of the growth is expected to come from international migration (55%) and interprovincial migration (16%), while only 29% is expected to come from natural increase (Figure 2).^{iv,v}



- **Canada’s population is becoming more diverse.** Sustained immigration paired with constant low fertility is leading to rapid diversification of the Canadian population. The number of non-permanent residents is growing, and access to permanent immigration is being made easier.^{vi} Calgary’s population is even more diverse than the national average:
 - **Immigrant Population:** Statistics Canada defines immigrants as persons who are, or who have ever been, landed immigrants or permanent residents. In Canada in 2021, 23% of the population

were immigrants. Immigrants account for a larger share of the population in Canada than in any other G7 country.^{vii} In Calgary in 2021, 33.3% of the population were immigrants (up from 31% in 2016). Together, first- and second-generation immigrants represent 6 out of 10 residents in Calgary in 2021.^{viii}

- **Indigenous Identity:** Between 2016 and 2021, the Indigenous identity population grew at a faster rate than the population of Calgary overall. In 2021, 41,350 people in Calgary had an Indigenous identity (up 17% from 35,195 in 2016). For comparison, during that same five-year period, the population of Calgary overall grew by 5.5%.^{ix}
- **Visible Minority:** Statistics Canada defines visible minorities as persons, other than Indigenous peoples, who are non-Caucasian in race or non-white in colour. In Canada in 2021, 27% of the population identified as a visible minority. In Calgary in 2021, 41% of the population identified as a visible minority (up 5% since 2016, when 36% of Calgary’s population identified as a visible minority).^x
- **Canadians have a longer life expectancy, and are working later in life than ever before.** Today, the average age of retirement in Canada is 65 years (up from 61 years in 2000).^{xi} Several factors may have contributed to an increase in labour market participation among older people. These include higher life expectancy and more years of good health, less physically demanding jobs, delayed early life transitions having an impact later in life, and changes in older people’s financial situation. In particular, the 2008/2009 recession and the related global financial crisis combined with the decline in pension coverage and the shift from defined-benefit to defined-contribution pension plans in the 1990s and 2000s may have made it harder for a portion of this population to accumulate sufficient savings and wealth for retirement.^{xii}

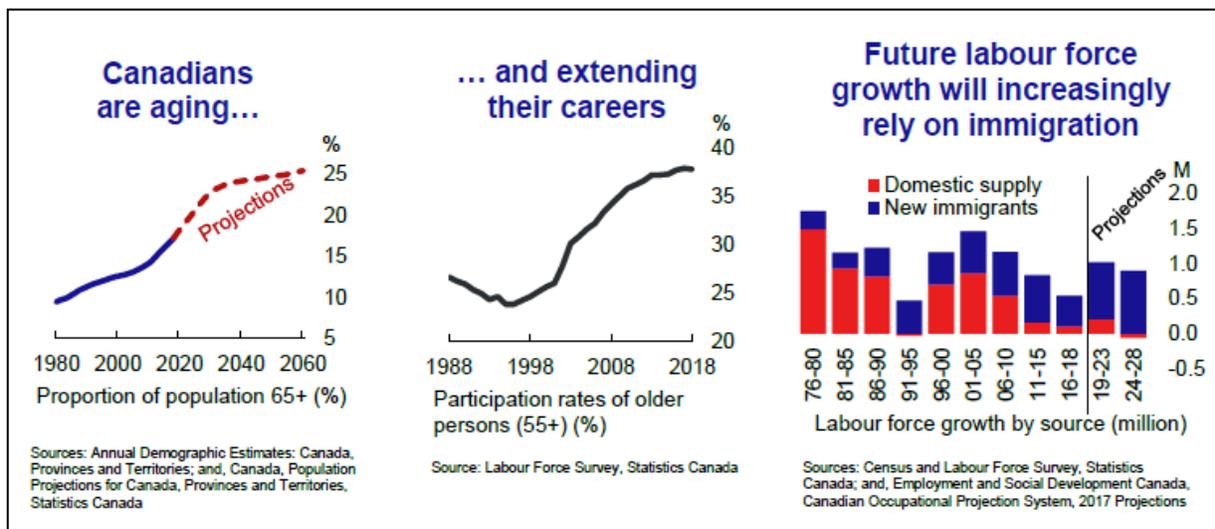


Figure 3. Demographic shifts in Canada.^{xiii}

- **Younger generations of Canadians (i.e. Generation X, Generation Y) more frequently change jobs and change career paths than their parents (i.e. Baby Boomers).** There is no consensus on the ‘average numbers of careers’ an individual will have in Canada today, but there is agreement that the number is trending upwards.^{xiv} It is becoming exceedingly rare to start and finish a career with a single employer. Instead, younger workers today can expect to start off in limited-term contracts or in internships (sometimes unpaid), or self-employment, and can expect to change careers often working for different employers. For example, the Association of American Colleges & Universities estimates that new grads today will change jobs 15 times before they retire.^{xv}
- **Canadians have been increasingly moving to large urban centres.** Today, 74% of Canadians live in a large urban centre (i.e. a city with a population of 100,000 or more).^{xvi} Further, the geographic distribution of the population is being transformed by the mobility of Canadians, as some provinces are attracting relatively large numbers of people from the other provinces. These changes

are altering the country's demographic composition and its distribution, and are therefore likely to have economic, political and social repercussions.^{xvii}

Today, about 71% of Albertans live in one of the province's 16 cities, but these communities together accounted for 91% of the population growth between 2016 and 2022. There were 194 municipalities in Alberta that saw their populations decrease between 2016 and 2022, and almost all of these were small centres or rural areas. According to the Alberta Office of Statistics and Information, Alberta's population will become more concentrated in urban centres over time with 80% of Albertans living in the Calgary-Edmonton Corridor by 2046.^{xviii}

- Growing cost of housing in Canada.** This is quickly becoming one of the most significant policy issues of our time. It has the potential to have a significant impact on the university in many different ways. On the one hand, Canadians may have less disposable income to spend on higher education, it may be harder to retain top talent in the lower-paying public sector with a rising cost of living, and it could be harder to recruit students, staff and faculty to Canada if we continue to garner an international reputation as having an expensive cost of living. On the other hand, housing in Calgary continues to be more affordable than many other large Canadian cities (where younger generations that don't have access to intergenerational wealth are already priced out of the market), thus we may have a competitive advantage, for now.

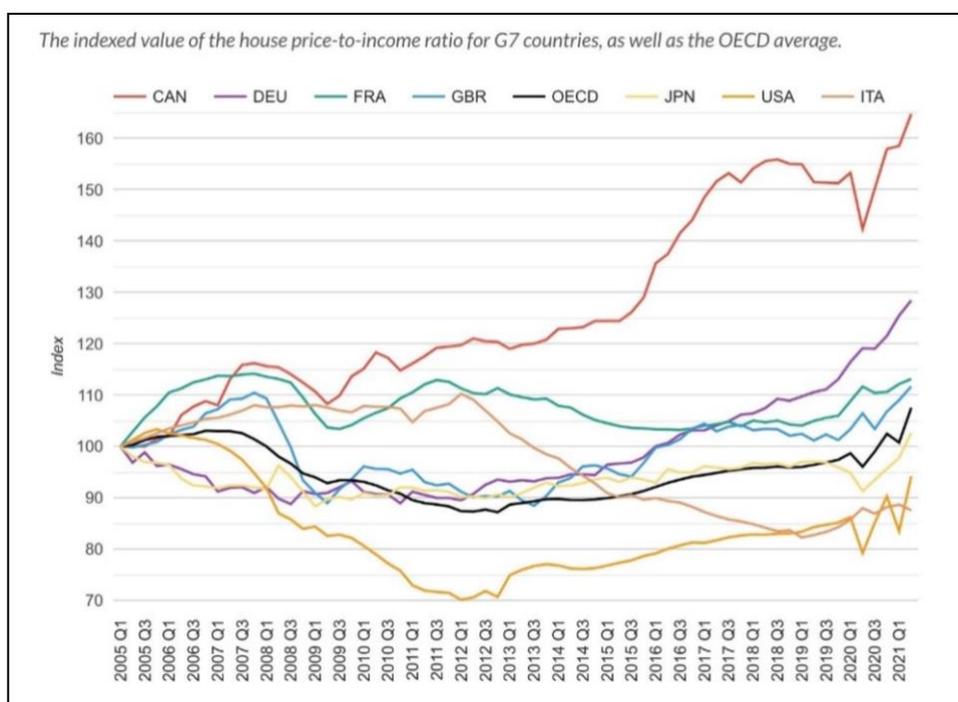


Figure 4. G7 House Price-to-Income Ratio^{xix}

- Canada's shrinking working population is giving rise to a lower tax base and creating financial pressures on public services.** Canada's demographic dependency ratio (the number of persons aged 14 and under or aged 65 and over per 100 persons aged 15 to 64) is forecasted to increase from 50 in 2018 to between 63-73 in 2068.^{xx} In Alberta, the trend line is similar, but the effect will be less pronounced given its somewhat younger population base.

The effect of this demographic change will be to create permanent labour shortages across Canada, and to push up wages, especially for lower-skilled workers. This will influence post-secondary enrolment, as high-wages for low-skilled workers increases the opportunity-cost of attending post-secondary education. The effect will be to put steady downward pressure on enrolments unless universities find better ways to help students mix work and study. It will also probably exert downward pressure on the length of degree and non-degree programs, including greater uptake of micro-credentialling. A final consideration here is that tight labour markets will undoubtedly make it more challenging for universities themselves to hire and retain staff.^{xxi}

Note, for additional information on this topic, the City of Calgary has compiled a summary of Calgary's demographic profile using the 2021 Census of Canada, available [here](#).

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- ⁱⁱ Statistics Canada (2022). Population Projections for Canada (2021 to 2068), Provinces and Territories (2021 to 2043). Retrieved from <https://www150.statcan.gc.ca/n1/pub/91-520-x/91-520-x2022001-eng.htm>.
- ⁱⁱⁱ Statistics Canada (2022). Population Estimates and Projections. Retrieved from <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2022015-eng.htm>.
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- ^x Statistics Canada (2021). Census Profile. Retrieved from <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&GENDERlist=1,2,3&STATISTIClist=1&HEADERlist=0&DGUIDlist=2021A00054806016&SearchText=calgary>.
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