

GROWING NIAGARA: A closer look at Niagara's aging population

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By Carol Phillips and Adam Durrant

The attraction of a younger skilled workforce has become a goal of municipalities across Canada. The presence of young people and young families is seen as a sign of a healthy, growing community. A younger labour force supports a stable tax base. As older workers enter retirement and exit the workforce, they are replaced by younger workers, continuing the flow of tax revenues needed to fund desirable services for both younger and older citizens. And so, communities across Ontario, across Canada and even around the world develop strategies to attract and retain its younger citizens.

The ideas of population attraction and retention have become even more of a challenge globally as the baby boomer generation enters retirement and the numbers of younger workers are not there to replace them in the workforce. Like many of the world's major economies, Canada has an aging population which could ultimately put a strain on its economy, its pension and health-care systems. By 2035, the Conference Board of Canada estimates 24.4 per cent of Canada's population will be over the age of 65 – that will be a greater proportion than the U.S. or Australia (both around 20 per cent), comparable to the U.K. and France, but less than Japan (32.2 per cent), Germany (31 per cent) and Italy (29.4 per cent) (Conference Board of Canada 2015, p13).

This study takes a closer look at the Niagara numbers to see how they stand up to the ongoing narrative that the region has trouble attracting younger workers. It is an update to our 2009 policy brief, *The Young Are the Restless*, which found that Niagara could retain its younger workers, but struggled in efforts to attract new people. Seven years later, this current study has found the 20-29 age cohort, based on recent population estimates, has grown over the past 15 years, perhaps due to the existence of both a university and a college in this region. However, growth is not keeping pace with the Ontario average.

Regional Council set its Strategic Priorities Implementation Plan in 2015 to increase Niagara's "global attractiveness" and improve economic prosperity in the region. Two main pillars of this strategy are to attract immigrants and to attract and retain a younger skilled labour force in an effort to grow the population. The Niagara Region youth retention strategy targets the age range of 20-34 years old.

Our subsequent examination of the age of Niagara residents identified another trend. Niagara's population in the 0-15 and 30-44 age cohorts is falling. This suggests that efforts to reverse Niagara's aging population and slow growth by singularly attracting "youth" would likely benefit from a wider focus.

WHY IS THIS A PROBLEM?

An aging population has become of great policy concern as more people leave the workforce due to retirement than those entering the workforce to replace them. Economists fear that not only would this stunt economic growth, but would put pressure on the tax system as insufficient revenue would be generated to support the growing need for services.

The Canadian population is aging, much like Niagara, due to a low birth rate coupled with a low mortality rate (i.e. fewer babies are being born while more people are living longer). In this scenario, Canada's natural rate of population growth is expected to decline steadily over approximately the next 20 years (Fields 2014). Immigration is now considered a key component to population growth. On a local level, this is expressed as a desire for positive net-migration – that is, more people moving into the area from other cities and provinces, as well as other countries, than are leaving.

¹A Conference Board of Canada 2006 report on Canada's aging population and its economic impact suggests three ways to combat the workforce challenges: increase immigration, increase number of births, encourage later retirement. It proposes later retirement as its preferred strategy.

The largest generational cohort in Canada is the baby boomers (b. 1947-1966) which made up 27.7 per cent of the population in 2014 and are now entering the stage at which they leave the workforce (Fields 2014). The foremost consequence of this population shift, in terms of national policy significance, is the strain it will put on the pension and health-care systems. The Conference Board of Canada estimates the “significant” strain will occur leading up to 2035, when the youngest of the boomers will have left the workforce. Finance Canada also reported on this looming policy challenge in 2012. It warned an aging population could lead to slower economic growth, possible labour shortages, tax increases and service reductions.²

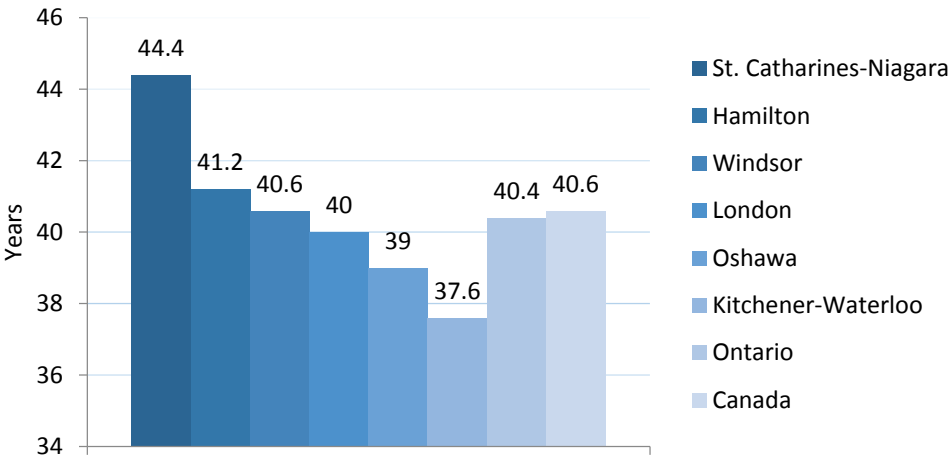
Ministry of Finance identifies St. Catharines-Niagara as having the lowest share of working-age population in the country at 65.7 per cent.

The Regional Municipality of Niagara is measured as a Census Division by Statistics Canada and includes all 12 municipalities. The inclusion of Grimsby and West Lincoln alters the age numbers slightly. Niagara CD has a median age of 44.1 years. Some 18.8 per cent of its population is over the age of 65 and 15.5 per cent is 14 and under, with the proportion of working-age people still at approximately 65.7 per cent. We have used St. Catharines-Niagara CMA numbers in this brief

NIAGARA'S DEMOGRAPHIC PORTRAIT

St. Catharines-Niagara CMA, which does not include Grimsby or West Lincoln, has one of the highest median ages (44.4 years) in Ontario when compared to comparable census metropolitan areas, as seen in Figure 1. Ontario's median age is 40.4 years and Canada's is 40.6 years.

Figure 1: Median Age 2011
(Census Metropolitan Areas)



Niagara suffers from relatively low population growth and has one of the oldest populations in Canada, already with more elderly citizens than youth. St. Catharines-Niagara CMA has a natural increase rate in population growth of -1.86 per thousand (the lowest in Canada) as per the 2011 Census. That means there were more deaths than births and if people had not moved to this area from other communities, the population would have fallen.³

only where comparative population research at Statistics Canada focuses on the CMA.

Niagara's 2011 population of 431,346 was a 0.9 per cent increase over 2006 (compared to national population growth of 5.9 per cent). Grimsby had the highest growth rate during that five-year period of 5.8 per cent. The rural community of Wainfleet saw its population decrease by 3.7 per cent (Statistics Canada 2012).

St. Catharines-Niagara has a greater proportion of senior citizens than children, as per the 2011 Census. Some 19.2 per cent of the population is 65 years and older while 15.2 per cent is 14 and under. That means St. Catharines-Niagara has the second-largest share of seniors in its population, just behind Peterborough with 19.5 per cent (Ontario 2012). Ontario's

In comparison, the City of Hamilton saw its population grow 3.1 per cent over that period, and the Regional Municipality of Waterloo grew 6.1 per cent.

²Economist Mark Pisano (2014) summarizes: “There is an even more significant correspondence between aging and taxes – the amount of taxes we pay follows a correlative pattern of change, rising at first and then falling, though the increases and decreases are even steeper. These natural shifts in the demographic cycle send ripples through the economy that can have far-reaching consequences.”

³All population figures come from Statistics Canada unless otherwise noted. See References for details.

⁴NWPB identifies Kitchener-Waterloo-Cambridge, London, Oshawa, and Windsor as comparable CMAs in terms of population size. Hamilton is included as it is the neighbouring centre to Niagara.

⁵Statistics Canada identifies “working-age population” as being between the ages of 15 and 64

**Figure 2: Population by Age Groups
2011 Census**

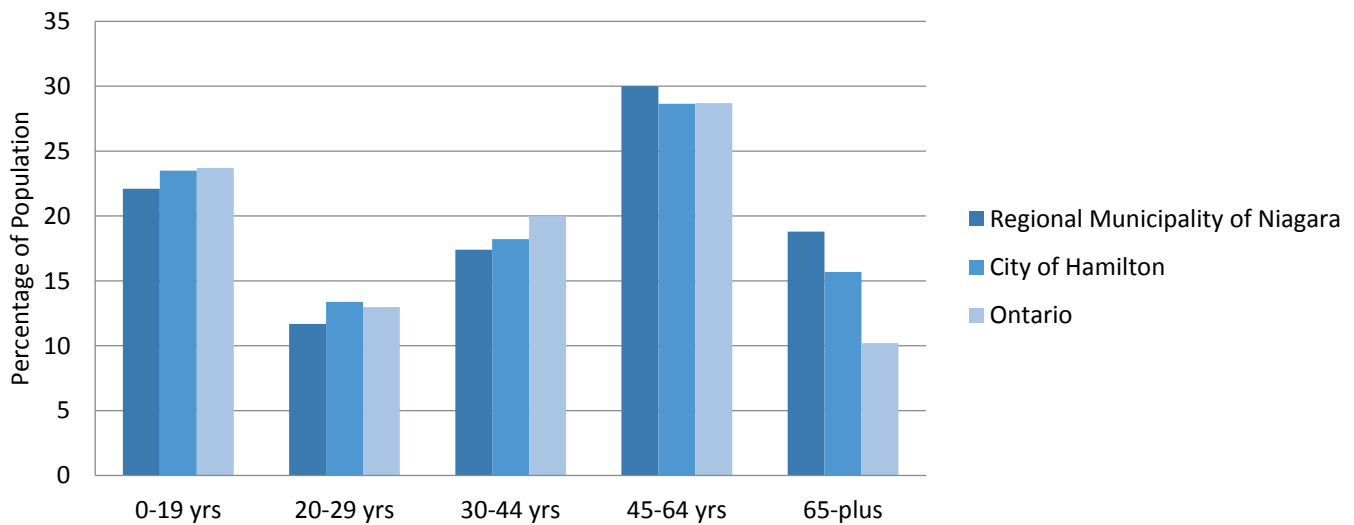


Figure 2 illustrates that as of the 2011 Census, the proportion of Niagara's population in the 20-29 and 30-44 age cohorts is noticeably less than what is observed in neighbouring Hamilton and the province, and its proportion of those over 45 is greater.

NIAGARA'S POPULATION CHANGES - BY AGE GROUP

One common perception over the years has been that Niagara has struggled to grow its youth population. As Table 1 shows, the 18-24 age cohort is the only category where Niagara has suffered from migration losses over a five-year period. Historically, Niagara has been much stronger at attracting an older migrant, which is particularly seen in the 45-64 cohort.

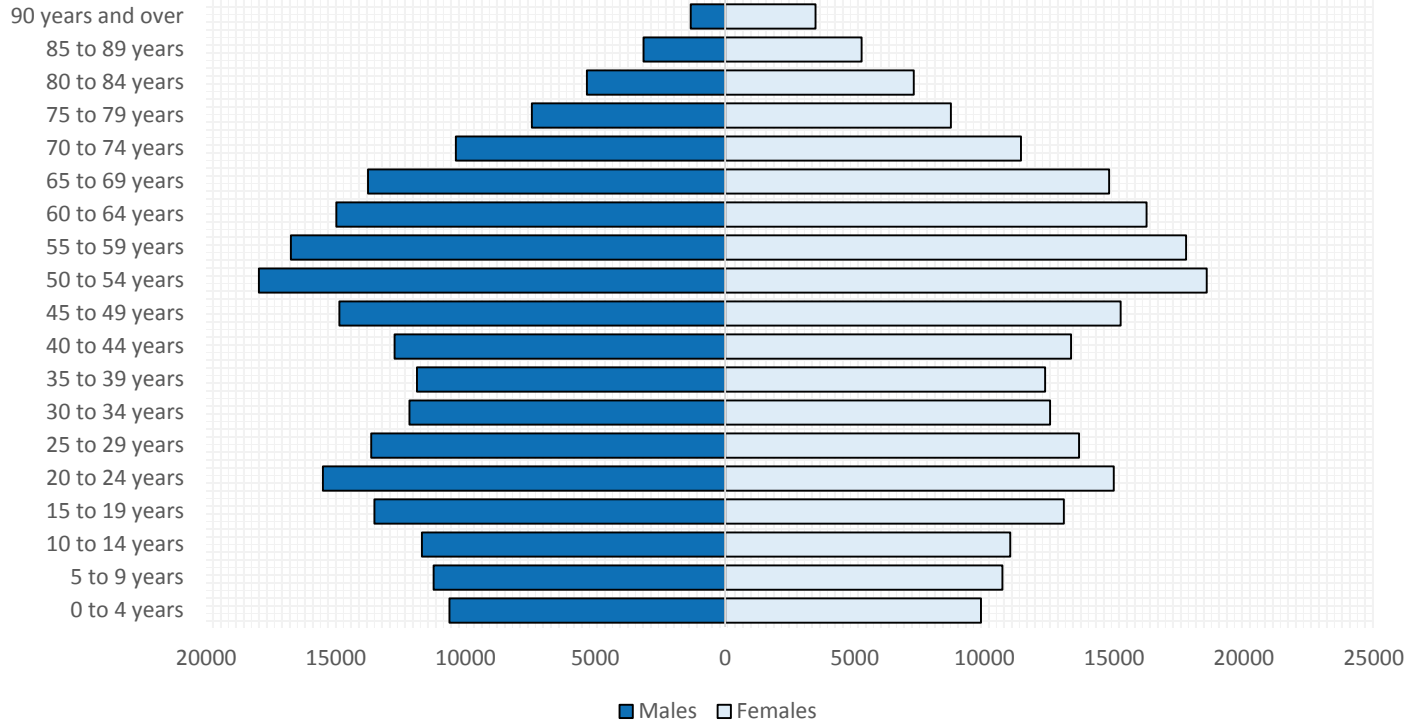
Table 1: In and Out Migration, Niagara Region, 2009-2014			
Age Group	In-migrants	Out-migrants	Net-migrants
0-17	10,909	8,086	2,823
18-24	8,382	8,791	-409
25-44	20,556	19,407	1,149
45-64	13,290	8,471	4,819
65+	6,139	4,498	1,641
Total	59,276	49,253	10,023

Taken in isolation, the migration data in Table 1 supports the perception that young people are leaving Niagara. These figures are not wrong, but they only reveal part of the picture – that of people moving into and out of the region. It is also important to note that the 18-24 demographic represents the primary age group attending post-secondary education. This age group is highly mobile which likely affects migration figures. A deeper understanding of Niagara's population patterns requires going beyond mere migration flows.

⁶Population growth 2006-11 for the 12 Niagara municipalities: Grimsby 5.8 per cent, Niagara-on-the-Lake 5.6 per cent, West Lincoln 5.1 per cent, Lincoln 3.5 per cent, Pelham 2.7 per cent, Niagara Falls 1.0 per cent, Welland 0.6 per cent, Fort Erie 0.1 per cent, St. Catharines -0.4 per cent, Port Colborne -0.9 per cent, Thorold -1.6 per cent, Wainfleet -3.7 per cent.

⁷Population data in this section is representative of the entire Niagara region and not the St. Catharines-Niagara CMA, which excludes Grimsby and West Lincoln. Population numbers post-2011 are Census estimates.

Figure 3: Niagara Region, 2015 Population (Intercensal estimates)



The population pyramid in Figure 3 gives us a better snapshot of Niagara's demographic breakdown in 2015. Here, the 20-24 cohort looks reasonably robust compared to other age groups, which may be due to the presence of post-secondary institutions. Despite migration losses, the 20-24 cohort, typically defined as part of the youth cohort, is very comparable to the 45-49 cohort, which represents the oldest segment of "Generation X".

The pyramid also illustrates why Niagara's population challenge should go beyond youth-focused initiatives and extend into "young families". Specifically, Figure 3 reflects considerably smaller-sized population cohorts between the ages of 30-44 and, likewise, between the ages of 0-14. Assuming the latter are typically the children of the former, this illustrates the extent to which Niagara is not replacing its aging population. Figures 4 and 5 explore how the age cohorts identified in the Niagara population pyramid have changed over time, compared to Ontario.



Figure 4: 2001 to 2015 Population Change, Age 0-19

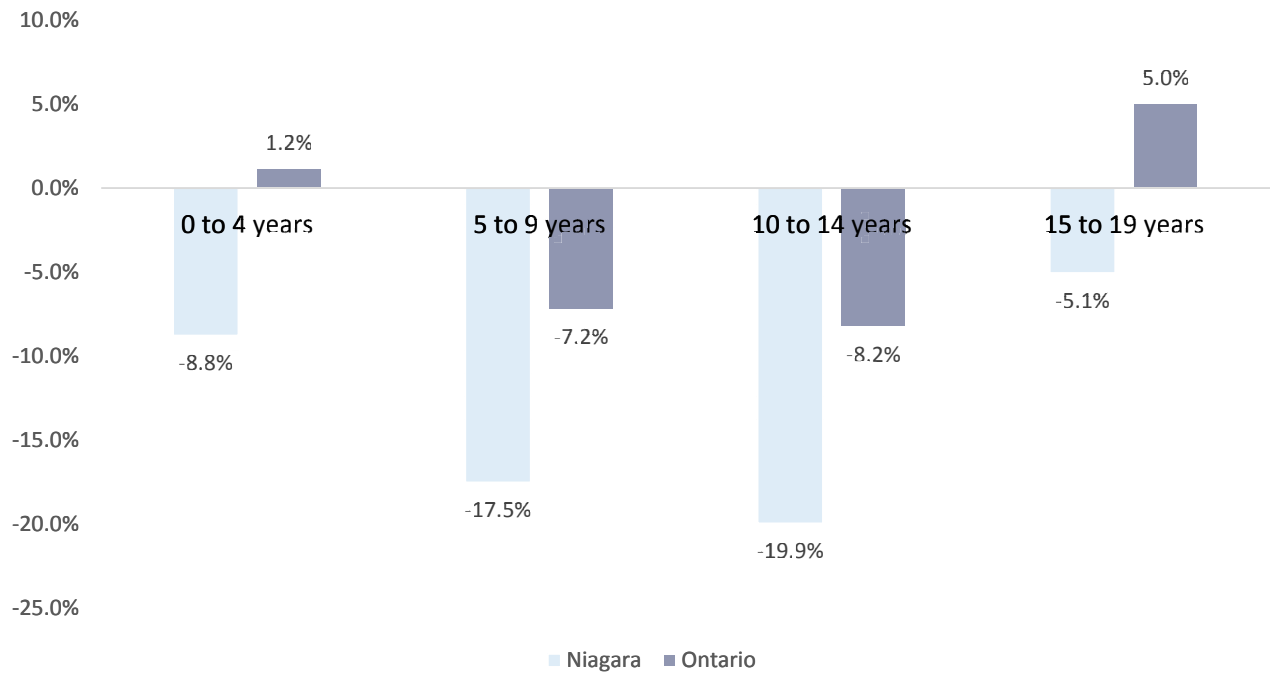
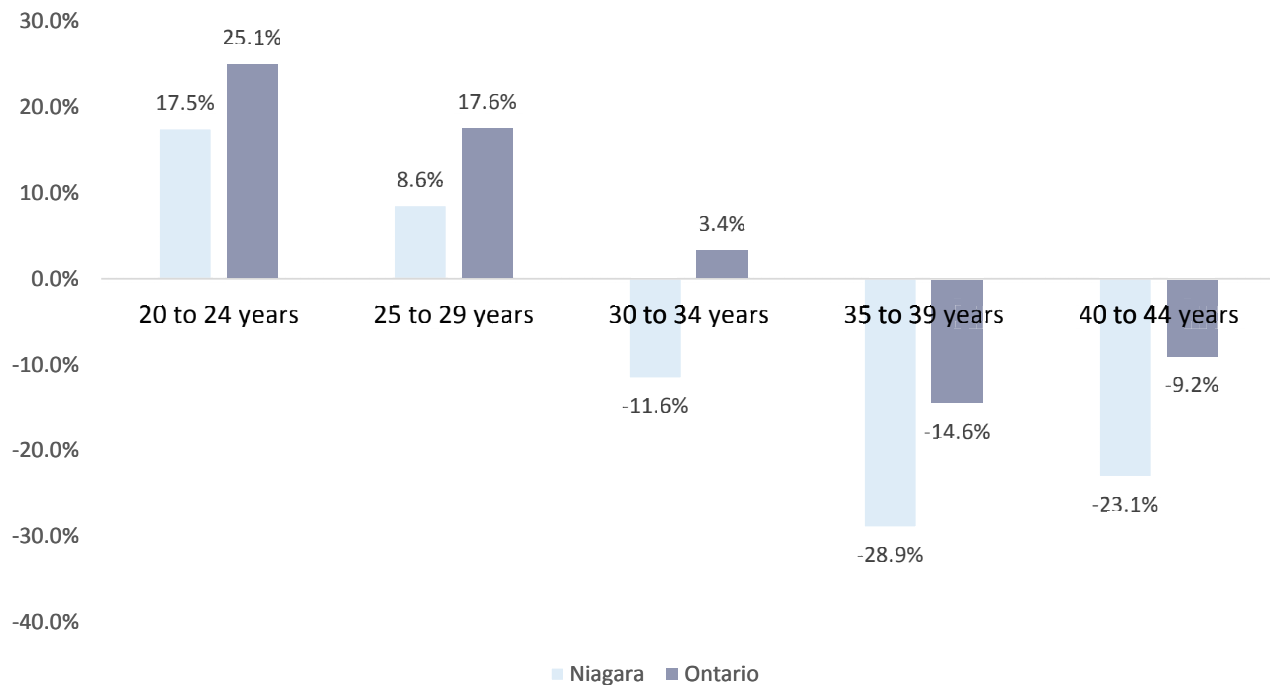
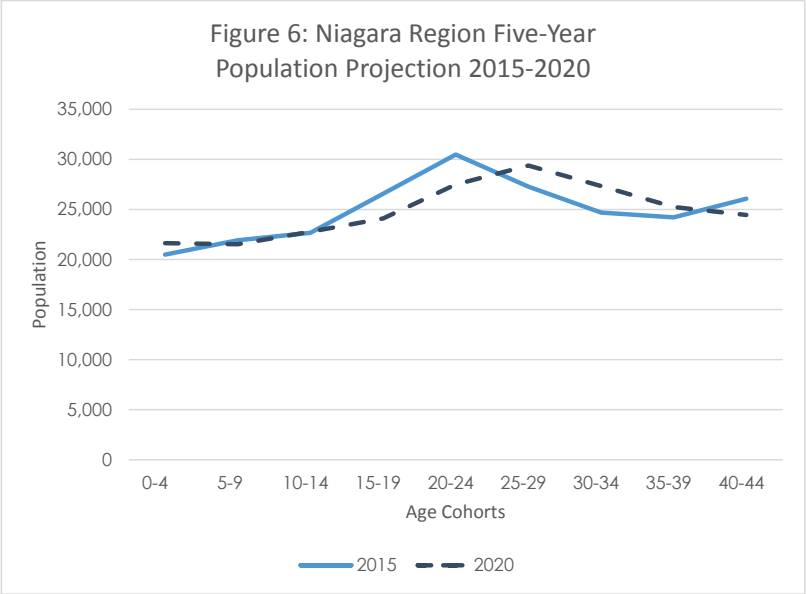


Figure 5: 2001 to 2015 Population Change, Age 20-44



Our graphs of Niagara's population-change as compared to Ontario illustrate where population losses are occurring. While Niagara is part of Ontario's broader demographic shift toward an aging population, the extent of that shift is pronounced at a local level. In many age cohorts, our rate of population loss is double that observed at the provincial level. And contrary to popular theory, Niagara's population has grown in the 20-29 age cohort. Though our growth is less than what was seen at the provincial level, this is the only area where we don't have population losses, perhaps due to our post-secondary institutions. Ontario's Ministry of Finance estimates Niagara's current population trend in the age 15-29 cohorts will remain consistent as they age into the 20-34 year cohorts (Figure 6).

The size of this group in 2020 will be steady, suggesting we should not anticipate any significant shifts with in- or out-migration, absent a plan for growth.⁸



WHAT CAN BE DONE

Attracting and retaining younger citizens is usually part of an overall strategy to grow a community’s population. Attracting immigrants and implementing policies that encourage higher birth rates are other pieces of the puzzle. This brief has focused on the age component of population growth.

An aging population is a trend across Canada (and many of the world’s major economies) and strategies to turn the tide have been discussed from coast to coast. Job-creation has been at the core of these initiatives, as people tend to go where there is employment.

That was one of the high-level findings of a 2015 Niagara Region

survey of young professionals and post-secondary students under the age of 35 who had left the community.⁹ Job opportunities and cost of living ranked highest in the factors that influence where they live. While this survey group generally rated Niagara as a beautiful and safe place to raise a family with a favourable cost of living, they also felt job opportunities were poor.

Anecdotal evidence of what attracts young families specifically (our 30-44 years old cohort) can be found in the various magazine surveys that measure and rank the attractiveness of cities to this group. As an example, St. Catharines ranked No. 139 out of 219 cities in MoneySense magazine’s 2016 survey of

⁸ Ontario’s Ministry of Finance has projected the Niagara region’s population out to the year 2020. These are high-quality projections that factor for base population, as of the 2011 census, as well as fertility rates, mortality rates, inter- and intra-provincial net-migration, immigration, and emigration.

⁹ The Niagara’s Region’s U35 online engagement survey obtained almost 900 responses (647 young professionals and 241 post-secondary students) from former Niagara residents under 35 years old, reached through social media, email alerts and a YouTube video between Friday, Oct. 23, 2015 and Monday, Nov. 9, 2015. The goal was to establish their perception of Niagara as a place to live and work, including questions on cost of living, transit, job opportunities, culture and entertainment, diversity and community assets and services.

the “Best Places to Live” measuring quality of life. Niagara Falls ranked No. 152 and Welland ranked No. 177. The magazine used such indicators as high incomes, unemployment rate, affordable housing, access to health care, population growth, low taxes, low crime rates, transit, walkable or bike-friendly neighbourhoods, weather, existence and vibrancy of the sports and arts community (Brown 2016).¹⁰

With that in mind, we present briefly some strategies that have been either suggested or implemented in Canada. On a provincial level, Newfoundland launched an initiative in 2009 that included a youth jobs strategy with apprenticeships, wage subsidies and a best-practices manual on creating family friendly workplaces. The strategy also included a marketing campaign, an international graduate retention incentive, and training programs for Aborigines. A 2015 study by the Canadian Centre for Policy Alternatives has since recommended the original report be revisited and updated. In 2014, a report by StudentsNS (an alliance of Nova Scotia post-secondary student associations) recommended the province reach out to employers with assistance programs such as wage subsidies and tax incentives for hiring young people, establish training and skills programs for vulnerable youth, and invest in immigrant settlement assistance.

On a local level, the Vancouver Island community of Qualicum Beach, B.C., with a population of 8,687 and a median age of 63.9 years, set out in 2012 to attract more young workers and young families to its community through better marketing on its website – highlighting amenities such as schools, events and extra-curricular activities with live links – an inventory of housing to identify needs, expanding its pool complex to a multi-use facility including youth-friendly indoor spaces, and opening a dialogue between generations to discuss what they wanted in a community. Hamilton is also investigating ways to attract and keep its younger citizens, identifying issues such as the perception of a lack of jobs and a lack of diversity in the industries that are hiring. Strategies suggested have been a marketing campaign, improved mentoring, internship and networking programs to connect skilled youth with jobs, and an overall better outreach to post-secondary students during their years in university and college.

CONCLUSION

The Niagara region’s population grew less than one per cent between the Census years of 2006 and 2011, well below the national average of 5.9 per cent, and estimates show this has not changed over the past few years. One component of population growth strategy is attracting and retaining young people – considered vital to a growing economy – and this has been both the focus of our brief and a strategic priority of Niagara Region.

We caution, however, that talking about demographics is like talking about time travel. Because people are aging through historical comparisons, it adds a dimension to the conversation that tends to be confusing. Not to mention that one generally has to look at the existing age data and ask questions in terms of causality from 25 years ago. The data on its own is important, but the more interesting questions always emerge from identifying what happened in the past to cause this, and if left unchecked, what would these trends mean for the future? The purpose of this brief has been to provide the numbers available at this point in time, to inform the current conversation.

Niagara has proportionally fewer young people and young families than the Ontario average. We know Niagara has proportionally the fewest working-age people in the country and is home to more seniors than youth. This has implications for economic growth as well as program funding particularly as baby boomers enter retirement and there are fewer in the workforce to financially support the growing demands. The numbers show us that Niagara’s population since 2001 has grown in the 20-29 age cohort, and it is actually the 0-14 and 30-44 age cohorts that have declined, suggesting that the focus of “youth” retention and attraction be broadened. The Ontario government’s population estimates also show that the numbers currently in the 15-29 age cohorts will remain steady as they shift into the 20-34 cohorts in 2020. Population growth has become a competitive arena as communities across Canada face similar challenges and vie for young skilled workers from across the country. Niagara is in a unique position – with a university, a college and in a world-renowned location with such proximity to the border – to leverage its strengths and take the lead in establishing itself as a desirable destination for people of all ages.

¹⁰ The top three cities in the survey were Ottawa, Burlington and Oakville. Nearby Hamilton ranked No. 62.

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This paper was prepared by:

Carol Phillips, PhD | Research Coordinator | Niagara Community Observatory, | Brock University

Adam Durrant, MA | Research Manager | Niagara Workforce Planning Board

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