



Population Forum 2010

February 9th | Wolfville, NS

Discussion Guide

Introduction

People are at the heart of strong, vibrant economies and communities. So what do you do when you don't have enough of them?

Driven by a fast-ageing population, a declining birth rate and a comparatively low immigration rate, Nova Scotia's dwindling population is already creating major challenges for employers, governments and communities.

Labour shortages could affect Nova Scotia's ability to compete nationally and internationally. Governments' ability to provide programs and services could be curtailed in the face of a flagging tax base. The costs of health and social services, as well as the "dependency burden" – the ratio of the non-working population to the working population, will rise as the population ages. Lower population growth and ageing will affect Nova Scotia's ability not only to generate output, but also our patterns of saving, household consumption and investment.

It's a bleak picture. But the good news is we can head off a crisis – if we are informed and act now. The Nova Scotia Association of Regional Development Authorities, the Union of Nova Scotia Municipalities and the Nova Scotia Chambers of Commerce are committed to facing Nova Scotia's population crisis head-on.

Your attendance and participation at Population Forum 2010 is a crucial step – and we thank you in advance for your time, energy and input.

Nova Scotia's Population Crisis in Context: Facts, Figures and the Historical Context

Nova Scotia's share of the Canadian population is shrinking.

In 2006, Nova Scotia's population accounted for 2.8% of the national total, down from 4.5% in 1951. During the same time period, Canada's population grew by 128%, compared to a 44% growth in Nova Scotia. Experts suggest that declining birth rates, outmigration and a lack of immigration have all contributed to the province's slower growth.

Nova Scotia's population is ageing.

In keeping with a trend affecting most of the world's developed countries, Nova Scotia's population is ageing. Currently, 36% of Nova Scotia's population is over the age of 50. By 2021, that figure will have leapt to nearly half – 45%. Furthermore, Nova Scotia has the highest

proportion of seniors in the country at 15.4%. As such, the province is Canada's first to have more seniors than youth.

In the last four decades, Nova Scotia's natural replacement rate (births minus deaths) has dropped by a staggering 92%.

Between 1971-1976, there were 66,400 births and 34,400 deaths in Nova Scotia, representing a natural increase of 32,000. Between 2001-2006, there were 43,100 births in Nova Scotia and 40,500 deaths, representing a natural population increase of 2,600.

Nova Scotia's share of national immigration inflows has dropped by half since the 1970s.

Between 1971-76, Nova Scotia attracted 1.3% of new immigrants to Canada. Between 2001-2006, the figure dropped to 0.7%. What has this low share of immigrants cost us? Researchers have calculated that if, beginning in the 1970s, Atlantic Canada had been able to attract a proportional share of immigrants, our population would have grown by an additional two-thirds – from an actual increase of almost 700,000 over the 35 years to more than 1.1 million.

Canada's workforce: By Generation

8%	Silents – Born before 1946
41%	Baby Boomers – Born 1946-1964
30%	Generation X – Born 1965-1977
21%	Generation Y – Born 1978-1989

So many jobs – too few people.

With baby boomers accounting for approximately 36% of the population, the impact on the provincial labour force is significant. Nova Scotia Labour and Workforce Development estimates 56,000 jobs will open up in the province by 2014, with 47,000 of these job openings coming through retirements.

Meanwhile, labour force growth is slowing dramatically. Between 1998-2008, Nova Scotia's labour force grew by roughly 1.1% per year. That growth rate is forecast to slow to 0.1% per year for the next 3 years.

Sometime toward the middle of the next decade, and for the first time in at least a century, the number of people willing and available to work in Canada will be smaller than the number of jobs potentially available to them. After that point in time, a general labour shortage – not just in specific geographic areas or for particular skilled trades, but throughout the economy and in all provinces – will become a normal fact of Canadian economic life that will continue for as far ahead as demographers are able to forecast.

- Dr. JD McNiven

An outdated labour market.

The late 1960s ushered in a new paradigm for the labour force in Canada, and throughout the developed world. The labour force was completely restructured to reflect an increasingly fresh-faced society; the entry-level job market was expanded and job gains trumped productivity gains. In order to make room for the flood of baby boomers entering the workforce, older workers were encouraged to retire or were fired. Post secondary educational institutions were expanded to keep young people out of the workforce longer. The impact on the composition of the labour force has been stark; in the 1920s nearly 60% of men over 65 worked. By 2004, that figure had dropped to barely 12%.

The Crystal Ball: A Snapshot of Nova Scotia in 2026

(Assuming no major changes in public policy, the rate of economic growth, or major demographic indicators such as the birth and death rate.)

- 895,000 The number of people living in Nova Scotia, representing a 4.6% decline from 2004
- 70.8% The percentage increase in Nova Scotia's seniors (65+)
- 31.5% The decline in Nova Scotia's primary and secondary school children
- 29.8% The decline in Nova Scotia's university-aged population
- 3:1 The ratio between the decline in Nova Scotia's traditional labour force (15-65) compared to the decline in the population as a whole.

The Way Forward

Participation trumps demography

The participation rate is the percentage of the population that is in the labour force in a given age group. Increasing the participation rate has been identified as one way to help address labour force challenges. For instance, one of the most dramatic social changes of our times has been the economic empowerment of women. Between 1976 and 2006, the participation rate for women ages 25-54 in Nova Scotia almost doubled, from a rate of 46.6% to 80%.

Historical data shows the impact of greater participation. For instance, between 1980 and 1993, the number of full time bachelors students aged 18-21 grew strongly, despite population declines in that age cohort. While this trend manifested throughout Canada, it was particularly strong in Nova Scotia, where growth in bachelor's enrollment hit roughly 50%, compared with a population growth decline of 20%.

Between 2000 and 2005, growing participation rates for post-secondary education drove enrollment increases, even in provinces with declining population.

Harnessing the power of the untapped labour force

Mi'kmaq/Aboriginal People, African-Canadians and people with disabilities have all experienced participation rates that are historically lower than the rest of the population. In addition, Aboriginal People and African-Canadians have a slightly higher fertility rate than the rest of the population – increasing the participating rates of these groups is an important way to address the labour force challenge.

Reaching out to older workers

Finding ways to encourage people to work longer has been identified as one solution to the labour challenge. Economists have forecast that extending a person's working life by two years could increase the annual hours worked per capita by 3%.

Increase productivity

With fewer workers, one solution is to boost productivity and do more with less. Training tax credits that encourage employers to invest in professional development could help. Enhancing business processes, and focusing on higher-paying industries could also contribute to enhanced productivity.

Boost immigration

Finding new ways to attract and retain more immigrants is crucial, experts say. Nova Scotia currently attracts just 0.7% of Canada's total immigrant inflow. What's more, a significant portion of these newcomers moves to another province shortly after they arrive.

Youth Retention and Repatriation

Reaching out to young people and encouraging them to pursue their lives and careers in Nova Scotia has been identified as one important way to stave off the population challenge.

Economic Impact

A smaller, older population and shrinking tax base will have a significant economic impact on Nova Scotia. By 2013-14, Nova Scotia could face a \$1.4 billion structural deficit.

Your turn

Nova Scotia's population crisis is complex and deep-seated. But the good news is, we can address the challenge – if we meet it head-on. Here are some questions to consider.

What steps can you take to head off this crisis?

How can we engage ALL Nova Scotians to help address this problem?

How might your workplace deal with the coming labour shortage?

What can we do to make Nova Scotia more attractive to newcomers?

What roles should government, NGOs, business and the community play in dealing with population challenges?

We encourage you to bring your ideas, input and insight to **Population Forum 2010**.

Sources

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