

# Appendix 11

## Demographic Projections: Then and Now

### Population Projections by Statistics Canada and the Conference Board of Canada

An Appendix to  
LONG TERM POPULATION PROJECTIONS FOR  
NEWFOUNDLAND AND LABRADOR:  
A Consultative Approach  
DRAFT #2 — Final Report

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A Joint Project Between  
Economics and Statistics Branch, Department of Finance  
and  
Planning and Coordination Division, Atlantic Canada Opportunities Agency  
(November 2001)

## **Other Agency's Population Projections**

Several agencies produce population projections for Newfoundland and Labrador. Among them are Statistics Canada, the Atlantic Institute for Market Studies, and the Conference Board of Canada. In the past, many of the projections by these agencies were produced by simply extrapolating past fertility, mortality and migration trends. Some predicted dramatic declines in Newfoundland and Labrador's population and as a result often garnered significant negative media attention. The major problem with doing population projections in this manner is the failure to take into account future economic conditions and the resulting labour demand/supply dynamics. Simply extrapolations of past trends, particularly migration trends, can produce unrealistic results because past trends were the result of very different labour demand/supply conditions than can be expected for Newfoundland and Labrador in the coming years.

Throughout the past 30 years, Newfoundland and Labrador has lost a significant number of people to out-migration, but its labour force has continued to grow, mainly because the younger population cohorts entering the labour force were much larger than the older cohorts retiring. In the coming years, however, the opposite will be true. The large cohorts of baby boomers reaching retirement age over the next 16 years will soon outnumber the number of new entrants creating huge gap between replacement demand for labour and new supply.

Even if Newfoundland and Labrador's employment remained at 2000 levels and the unemployment rate declined to ten percent by 2016 we will still require a labour force of roughly 228,000. Some of the gap between the number of retirees and the number of new entrants can be made up by higher participation rates. However, allowing Newfoundland's age specific labour force participation rates to increase by half the current gap with Canadian rates will still require a population of roughly 515,000 in 2016 to supply a labour force of 228,000. If employment grows over the next 16 years the extra labour demand would have to be made up through one or some combination of the following: a lower unemployment rate, higher participation rates for higher population levels. Contrast this with Statistics Canada's September 1999 low projection which projected a total population of 454,000 in 2016. For such a scenario to fit future labour market conditions would require much higher participation rates, a lower unemployment rate and declines in employment over the next 16 years.

In recent years the Department of Finance has been in consultation with these agencies pointing out the inconsistencies between very low population projections and future labour requirements. More recent projections from Statistics Canada and the Conference Board of Canada have been revised upward and are much closer to the Department of Finance projections. The following tables show population projections published by Statistics Canada, the Atlantic Institute for Market Studies (AIMS) and the Conference Board of Canada and, where available, how the projections have changed in recent years.

# Statistics Canada's Population Projections

## Newfoundland

### 1999 - 2026

As of July 1	Actual	Projection No. 1		Projection No. 2		Projection No. 3		Projection No. 4	
		Low Growth Medium Migration		Medium Growth Medium Migration		High Growth West Migration		High Growth Central Migration	
		Sep-99	Mar-01	Sep-99	Mar-01	Sep-99	Mar-01	Sep-99	Mar-01
1996	560,584								
1997	554,076								
1998	545,362								
1999	540,775	541,398		541,398		541,398		541,398	
2000	538,823	536,243	538,800	537,144	538,800	538,192	538,800	536,606	538,800
2001		531,111	536,600	533,171	536,800	535,587	538,700	532,018	535,500
2002		525,831	534,500	529,364	534,900	533,560	538,700	527,395	532,300
2003		520,743	532,600	526,036	533,200	532,258	539,200	523,083	529,400
2004		515,986	531,000	523,284	531,900	531,769	540,300	519,211	526,700
2005		511,344	529,500	520,894	530,800	531,855	541,900	515,575	523,900
2006		506,433	527,900	518,554	529,600	532,364	543,600	511,800	521,000
2007		501,366	526,200	516,101	528,300	532,898	545,400	507,956	518,200
2008		496,200	524,400	513,606	527,000	533,470	547,200	504,090	515,400
2009		491,016	522,600	511,122	525,700	534,091	549,000	500,272	512,600
2010		485,779	520,700	508,581	524,400	534,713	550,900	496,473	510,000
2011		480,595	518,700	506,031	523,000	535,325	552,700	492,781	507,300
2012		475,386	516,700	503,426	521,600	535,930	554,600	489,140	504,700
2013		470,200	514,600	500,826	520,200	536,524	556,400	485,614	502,000
2014		464,969	512,400	498,188	518,700	537,105	558,300	482,081	499,400
2015		459,675	510,000	495,474	517,100	537,648	560,100	478,520	496,700
2016		454,352	507,600	492,718	515,400	538,162	561,800	474,984	494,100

#### Assumptions:

Projection 1 - Fertility (low); Mortality (low); Internal Migration (central and medium<sup>1</sup>); Immigration (low)

Projection 2 - Fertility (medium); Mortality (medium); Internal Migration (medium); Immigration (medium)

Projection 3 - Fertility (high); Mortality (high); Internal Migration (west); Immigration (high)

Projection 4 - Fertility (high); Mortality (high); Internal Migration (central); Immigration (high)

1. Central in September 1999, Medium in March 2001.

**West Scenario:** Westward migration, mainly to British Columbia, Alberta, Yukon, Northwest Territories and Nunavut. Also, favourable to the Atlantic provinces.

**Central Scenario:** Most favourable scenario for Quebec, Ontario, Manitoba and Saskatchewan.

**Medium Scenario:** Average of Central and West Scenarios.

Source: Population Projections Section, Demography Division, Statistics Canada, September 1999 and March 2001.

**Conference Board of Canada**  
**Labour Force Population <sup>1</sup> Projections**  
**1998 to 2020**

<u>Year</u>	<u>Actual</u>	<u>December-98</u>	<u>December-00</u>
1996	444.6	452.0	444.6
1997	442.6	450.0	442.6
1998	439.4	446.0	439.4
1999	438.4	442.0	438.4
2000	439.9	442.0	440.1
2001		442.0	441.5
2002		442.0	441.9
2003		443.0	441.6
2004		443.0	441.1
2005		443.0	441.8
2006		443.0	442.2
2007		442.0	441.6
2008		438.0	440.2
2009		436.0	438.9
2010		434.0	437.8
2011		431.0	436.5
2012		427.0	434.7
2013		423.0	432.4
2014		419.0	430.1
2015		416.0	428.0
2016		412.0	425.9

1. Labour Force Population is population 15 plus as estimated by Statistics Canada's Labour Force Survey.  
Source: Conference Board of Canada's December 1998 and December 2000 Long-term Economic Forecast of Newfoundland.