

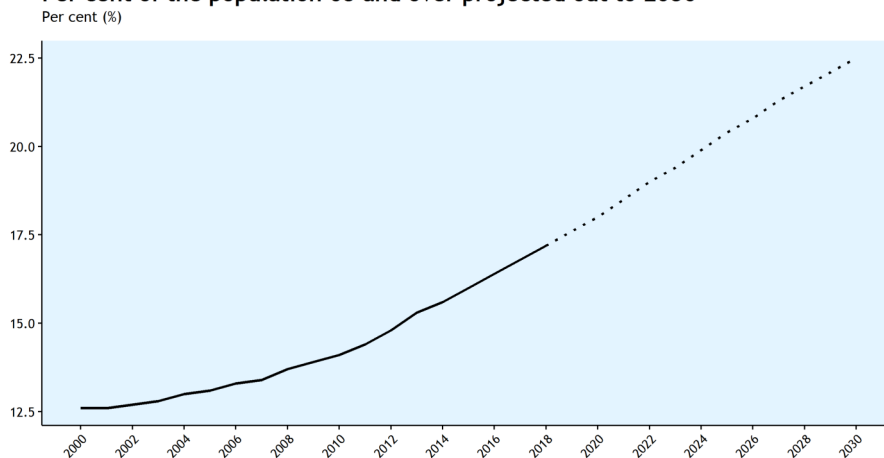
## Keeping Canada Younger

### Immigration helps to hold back the demographic time bomb

#### Canada is getting older

Canada is aging at a rapid pace. By 2030, the fraction of the population aged 65 and over will rise to 22.5% from 17.5% now. With the retirement of the baby boom in full swing, Canada faces a big challenge: healthcare and elderly support costs are set to increase just as the growth of the working-age population slows. The impact will be uneven, with some regions, notably Atlantic Canada, hit particularly hard. Close to 30% of its population will be 65 or older by the end of the 2020s.

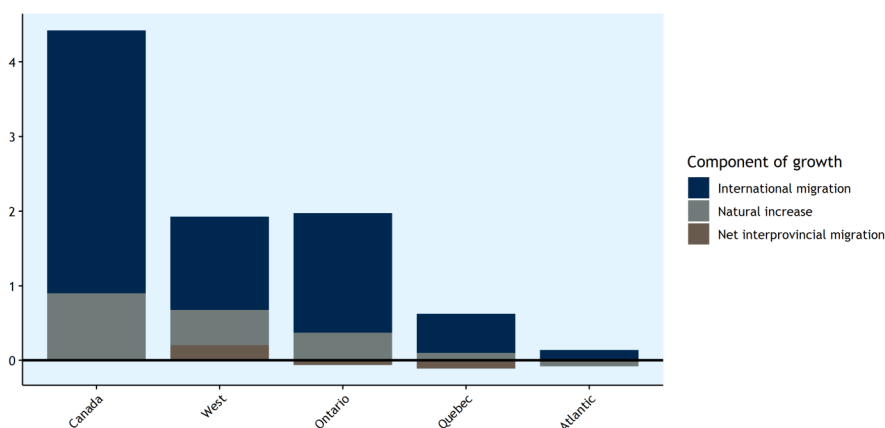
Per cent of the population 65 and over projected out to 2030



Source: Statistics Canada, RBC Economics

Immigration will help Canada tap the brakes on that aging process. By 2030, 85% of our population growth will come from international migration, adding 3.5 million new people over that span. By 2046, it'll be 100%. Based on current patterns, immigration's benefit as an antidote to the country's aging will also be uneven. Immigrants tend to settle in Ontario and the western provinces. In the Atlantic provinces, per-capita growth coming from international migration is half the rate that it is in the rest of the country.

Immigration will add 3.5 million new people over the next decade  
millions of people, 2020 to 2030 cumulative

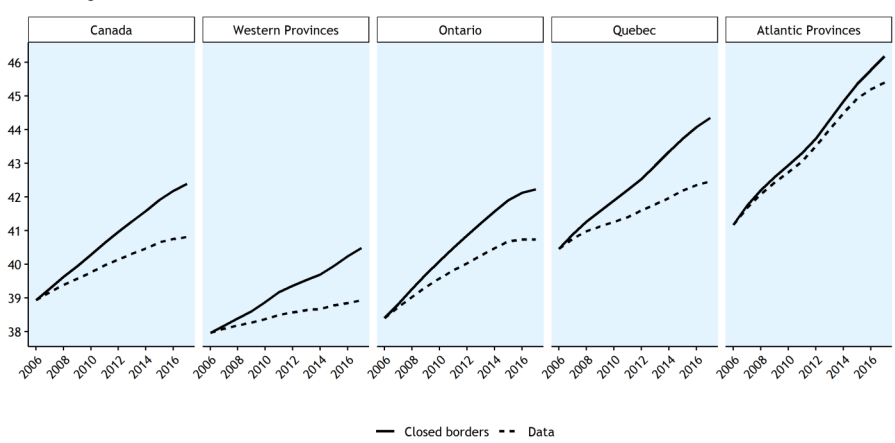


Source: Statistics Canada, RBC Economics

#### Immigrants keep Canada younger

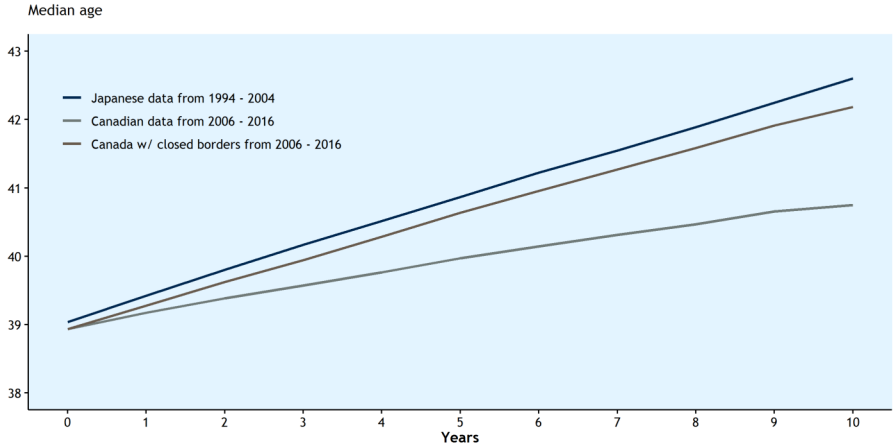
Immigrants' median age is much lower than that of those already here in Canada. The median age of a new immigrant to Canada between 2017 and 2018 was 28.6 years—compared with 40.8 years for Canadians as a whole. The effect has been to keep Canada significantly younger over the past decade. If Canada had closed its borders to new immigrants in 2006, the median age of the country would be 1.9 years

### Without permanent migration, Canada would be significantly older



Source: Statistics Canada, RBC Economics

### Without permanent migration, Canada's median age would have evolved much like Japan's



Source: UN Population Division, RBC Economics

higher than it is today.

Again, there's been a regional variation. In Quebec and the western provinces, immigration has kept populations younger by 1.9 years. In the Atlantic provinces, where population aging has been the steepest, immigration has only slowed the rise in the median age by 0.9 years since 2006.

Looking at Japan illustrates what Canada might have looked like if we hadn't had immigration. Japan's ultra-low immigration levels are well known. Median age-wise, Japan looked in the early 1990s much as Canada did in 2006. Over the next 10 years, Japan aged 3.6 years, close to the 3.2 year-increase Canada would have seen if it halted international immigration. Immigration, however, isn't the whole story, since Japan also has a lower fertility rate and higher life expectancy. Nonetheless, its experience does serve as an illustration of what could happen here without strong levels of immigration.