

The Demographics of the Saskatchewan Labour Market

a presentation to

The Assiniboia Club

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Outline

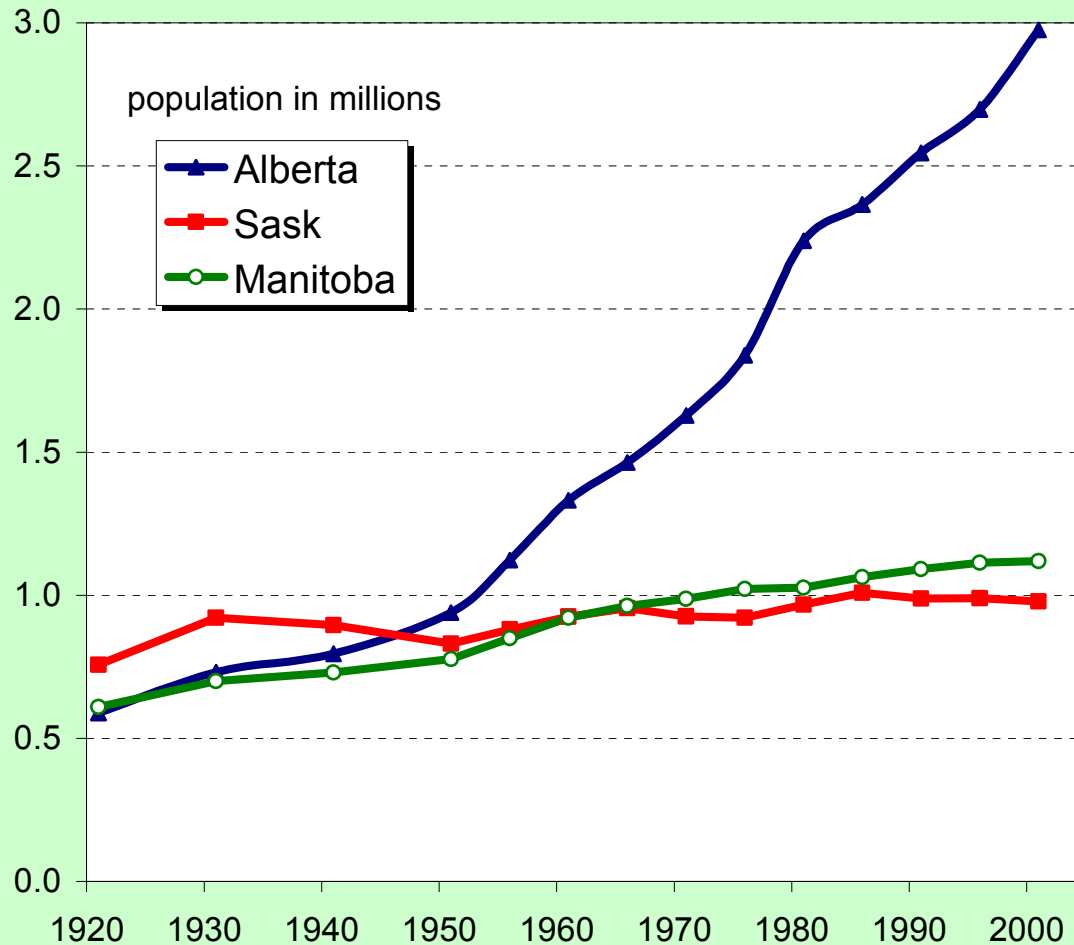
- **Background and Context**
 - Total population
 - Fertility rates and the natural growth rate
 - International and interprovincial migration
 - Age structure of the Saskatchewan population
- **Projected Population and Labour Force**
- **Some Implications**

Population and Labour Force Projection

- The material in this presentation is based on a population and labour market projection developed for **Saskatchewan Learning**. The detailed information is in a report titled ***Labour Market Trends***.
- The assumptions underlying the population and labour force projection are:
 - “present trends continue” for the population;
 - slightly improvements in inter-provincial migration;
 - declining fertility rates among Aboriginal women, constant rates for non-Aboriginal women;
 - no dramatic improvement in mortality rates;
 - increasing labour force participation rates for women and the Aboriginal population.

Provincial Population - The Long View

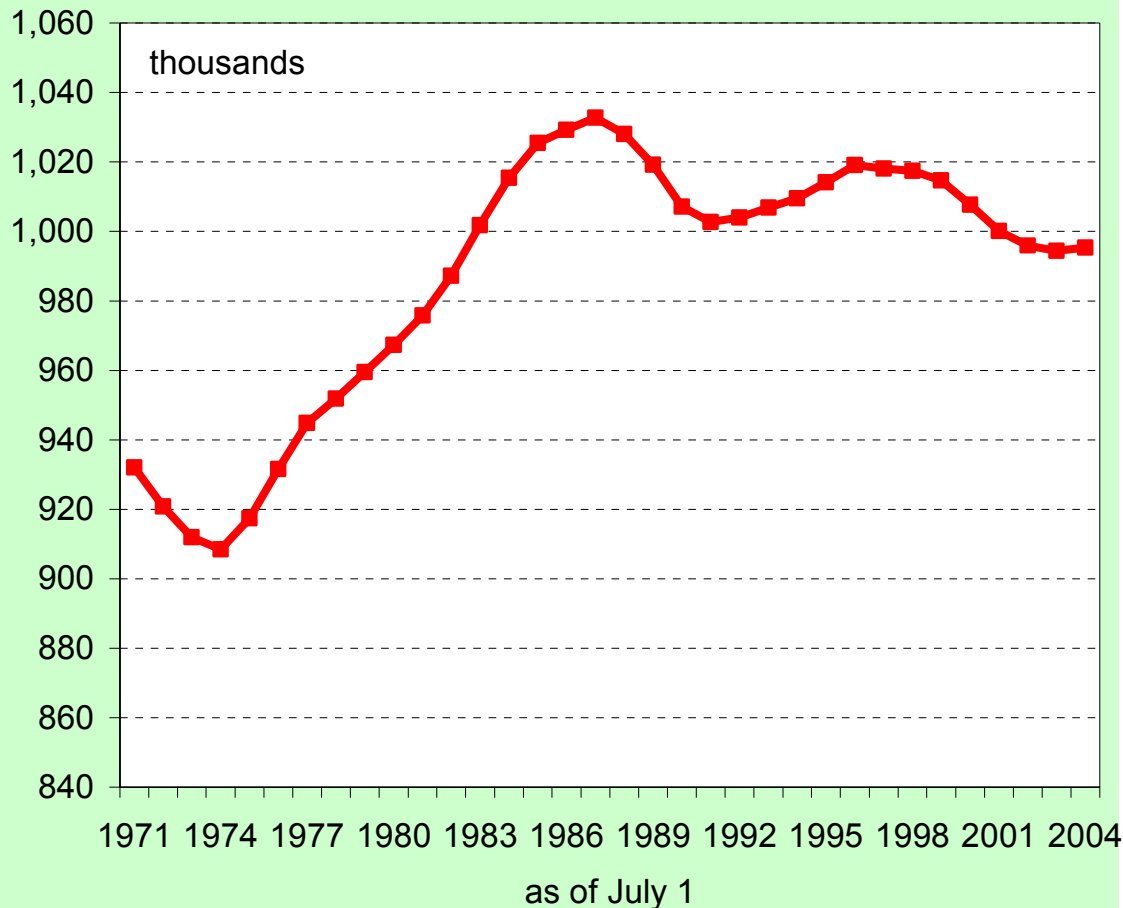
Population in the Prairie Provinces



- From a long term perspective, the Saskatchewan population has been at approximately one million persons for the past eighty years.
- The periods with the strongest growth rates have been
 - 1951 to 1971 during the baby boom (average **7,000** growth per year); and
 - 1974 to 1987 when interprovincial in-migration was high (average **9,600** growth per year).

Provincial Population - The Short Term View

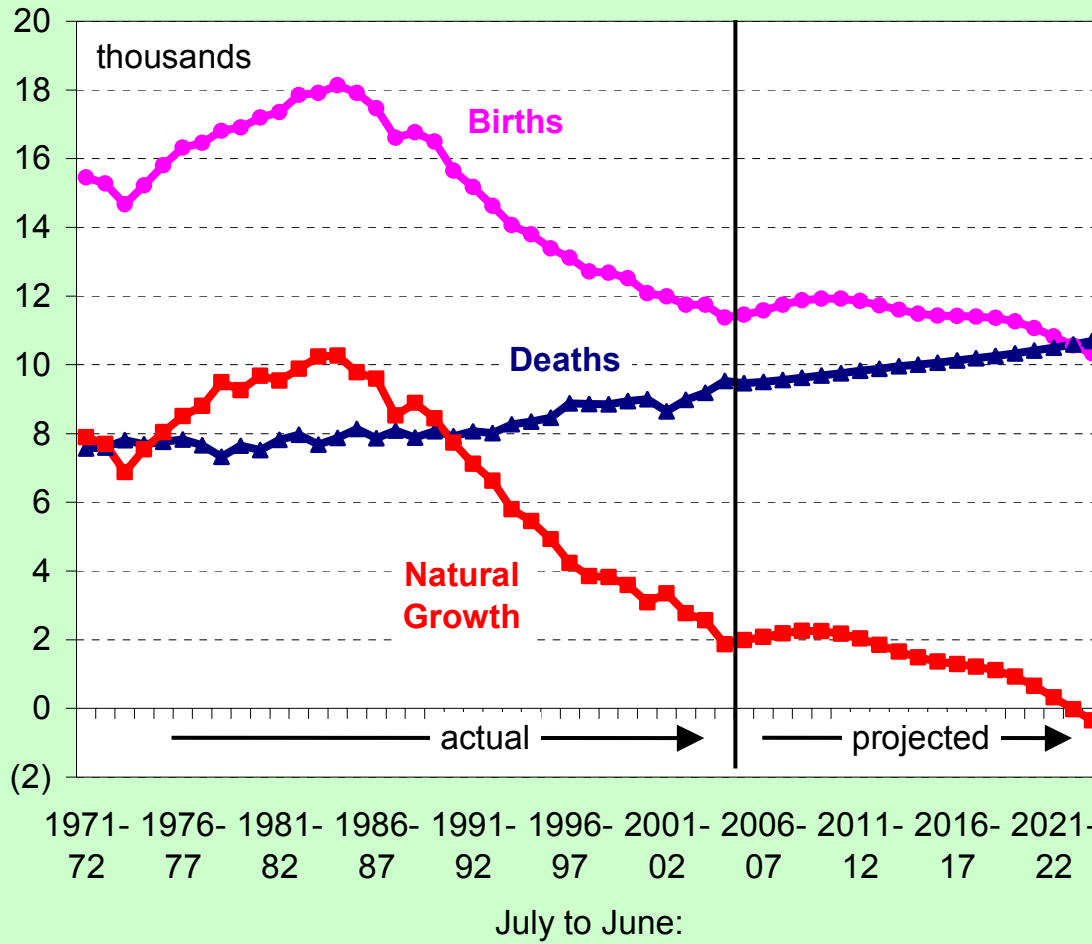
Saskatchewan Population



- Recent changes in migration patterns and a slowing birth rate have led to a stagnant population since the mid 1980s.
- From 1991 to 1999, the population in the province increased by 23,000. Since then it has lost half that increase.
- The population stopped declining in 2003 and has been growing slowly in 2004.

Natural Growth Rate (births less deaths)

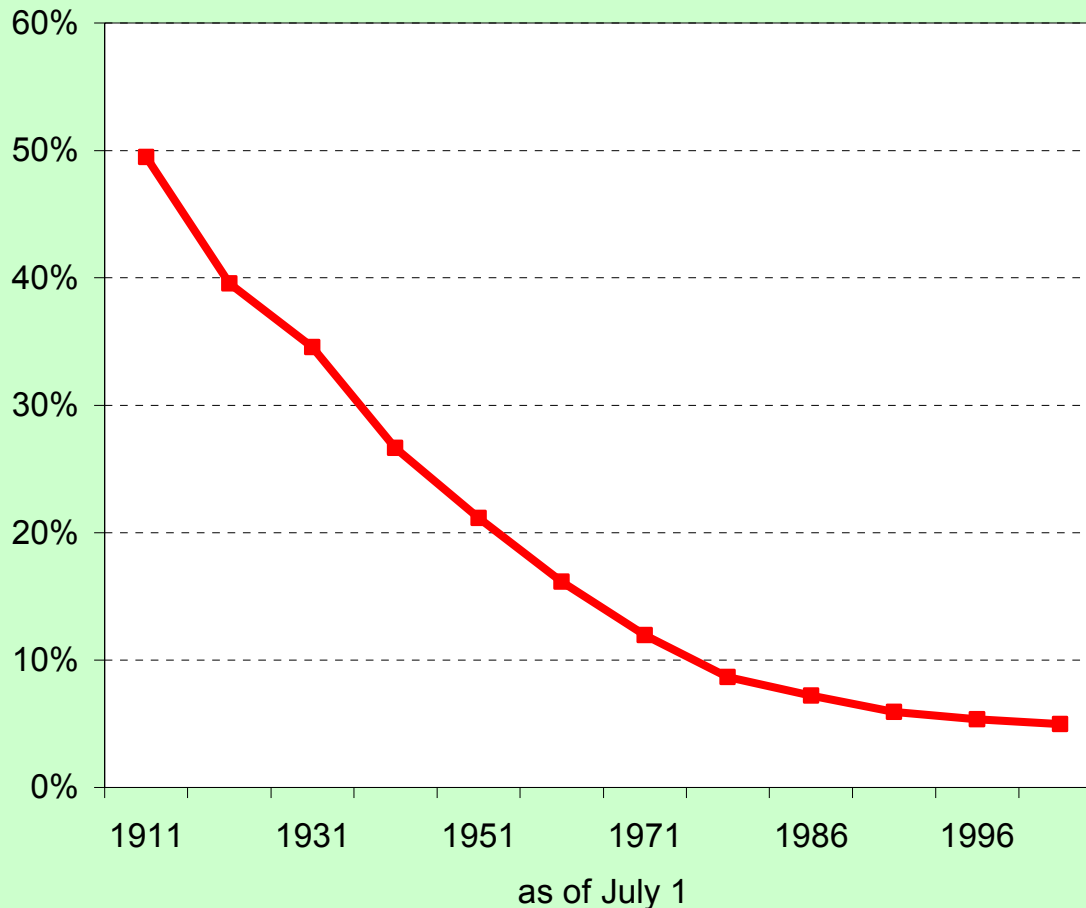
Natural Population Growth in Saskatchewan



- The “natural growth rate” has fallen to 2,000 persons per year from over 10,000 in the early 1980s. It will continue to be low.
- That means the size of the provincial population will be determined by migration to an even greater extent than it is now.

International Immigration

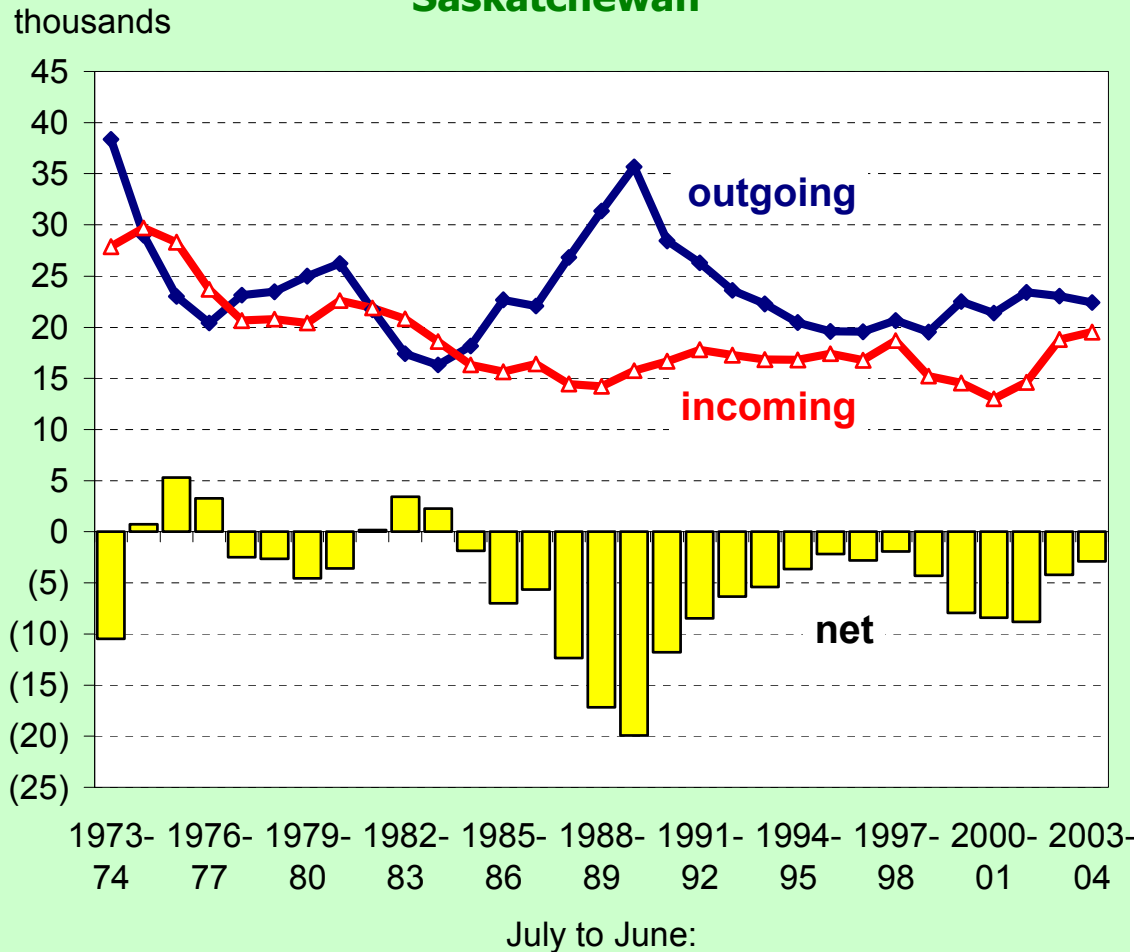
Saskatchewan Population Born Outside Canada: Percentage of Total



- International immigration to Saskatchewan is very low and those who do come tend to leave quickly.
- International immigration to Saskatchewan in the 1990s averaged about 2,000 persons per year. The census tells us that relatively few were still here in 2001.

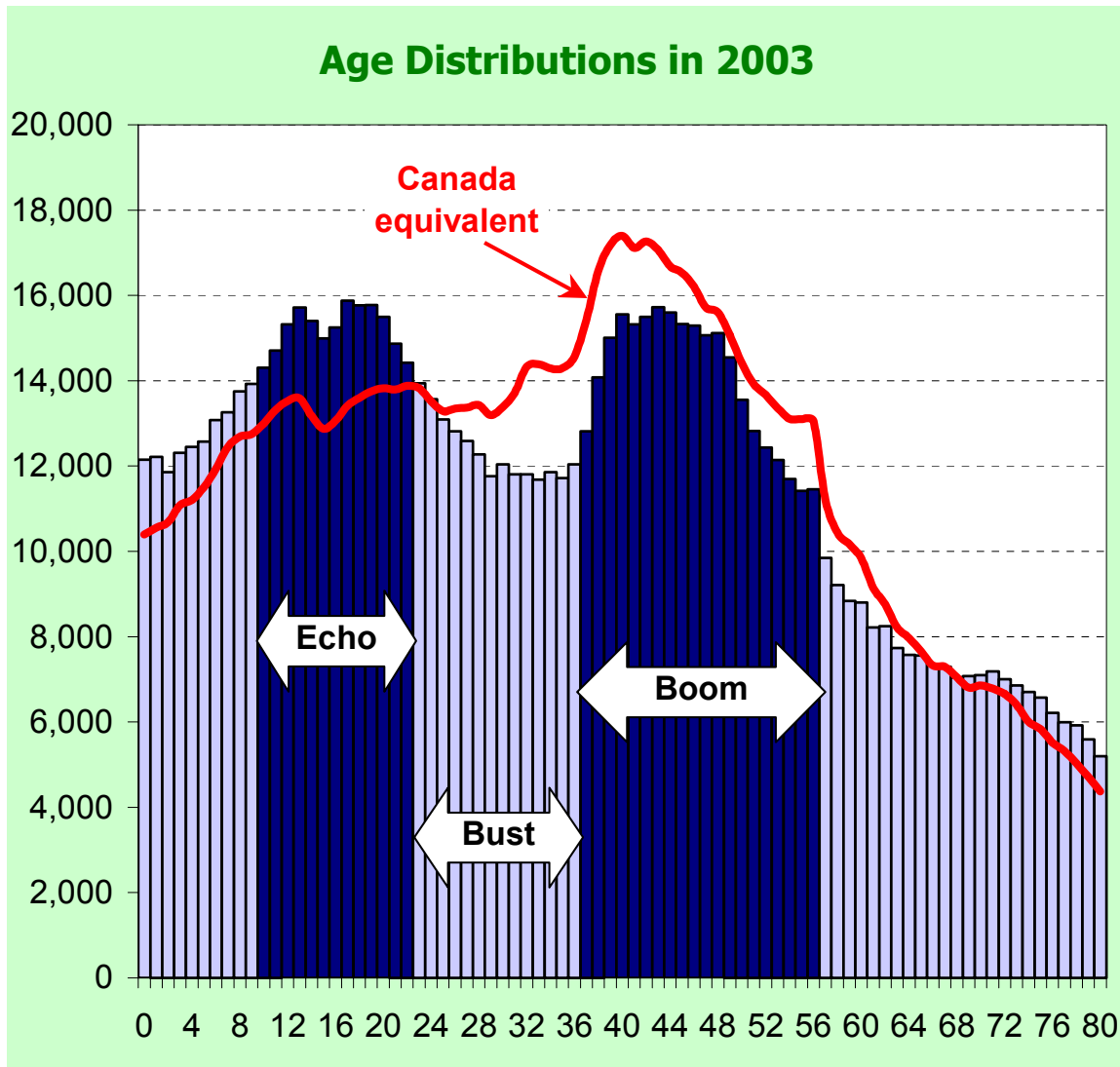
Interprovincial Migration

Interprovincial Migration To/From Saskatchewan



- Interprovincial migration generally and out-migration specifically has been and will increasingly be the most important element of population change.
- Inter-provincial migration (both in and out) is dominated by well-educated young people:
 - 30% of out migrants are 15 to 24 years of age;
 - 58% of out-migrants are moving to Alberta;
 - 50% of out-migrants have a post-secondary education.

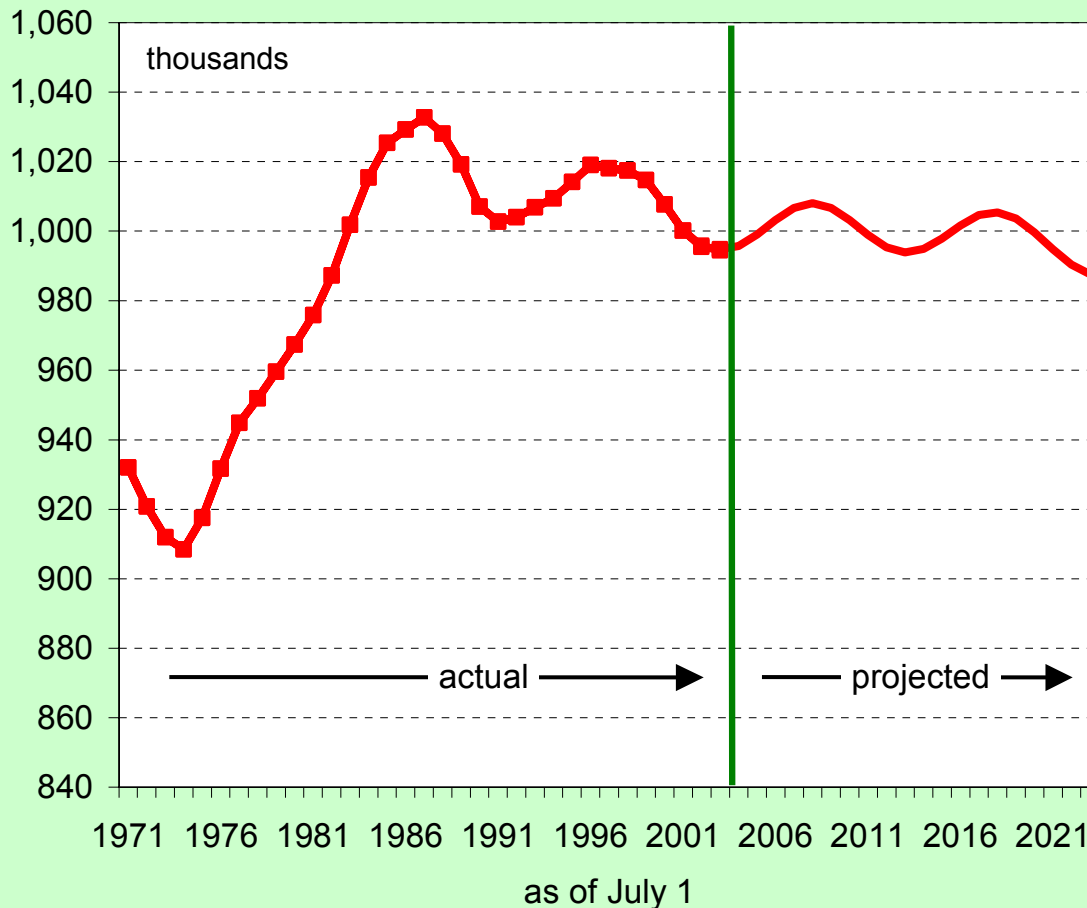
Age Distribution of the Saskatchewan Population



- Compared with other provinces, Saskatchewan has the largest proportion of seniors and the largest proportion of children.
- Saskatchewan's "boom" and "bust" populations are relatively small because of out-migration.
- Our "echo" is larger because the bulk of the Aboriginal population coincides with non-Aboriginal echo.

Population Projection

**Saskatchewan Population
Actual and Projected**

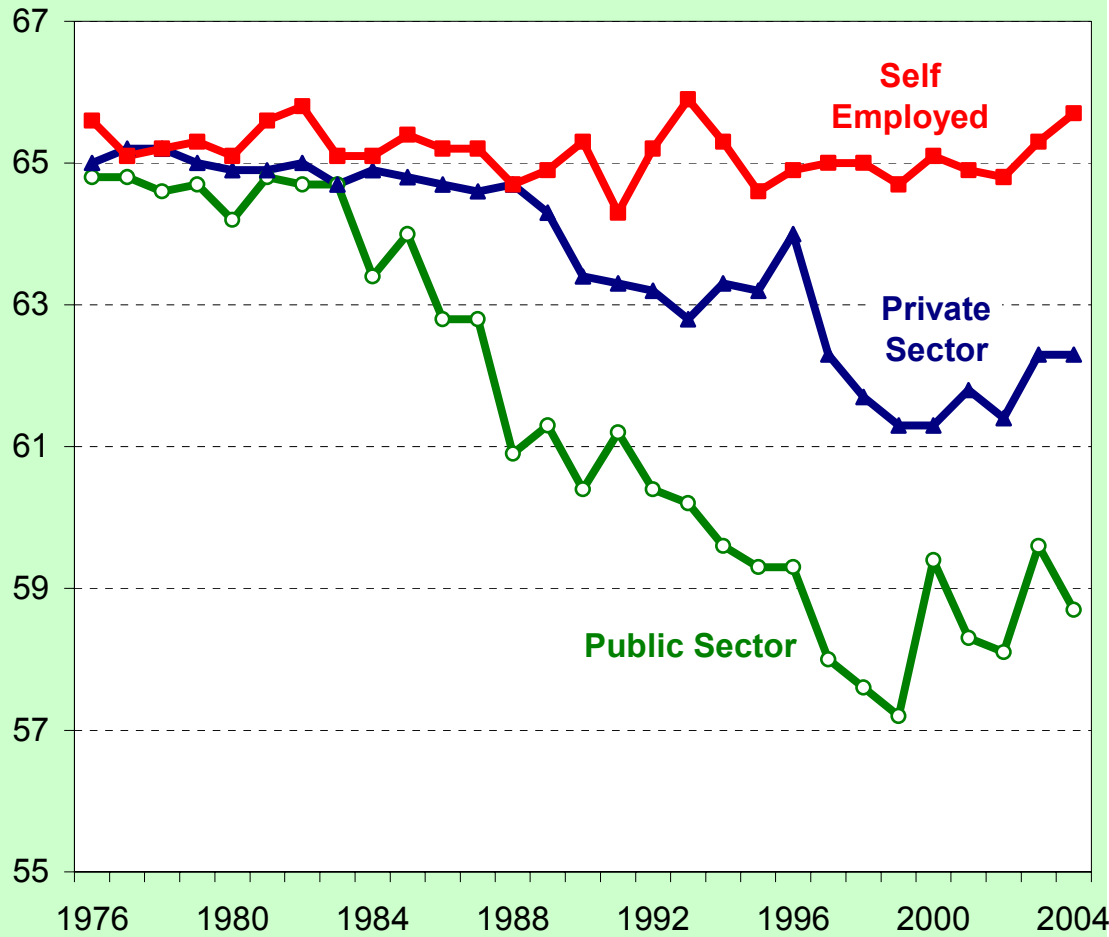


- The population is projected to continue to fluctuate near one million.
- Within the one million residents, a number of important changes will take place. The most important of these is the age distribution.
- The change in population age has implications for health, education, housing, and the economy. We are concentrating here on the labour market implications.

Labour Market Projection

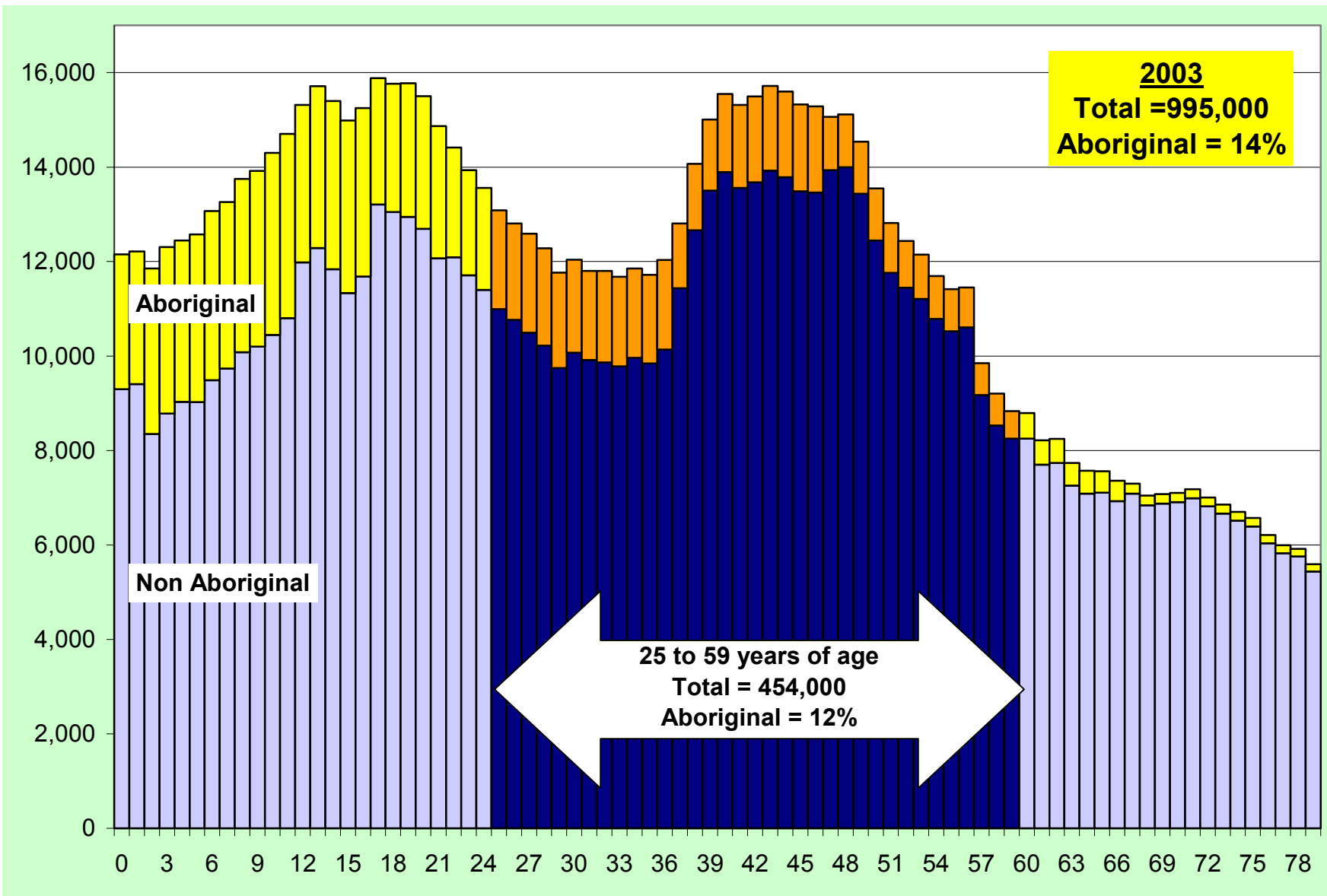
Retirement Ages

Median Retirement Ages in Canada

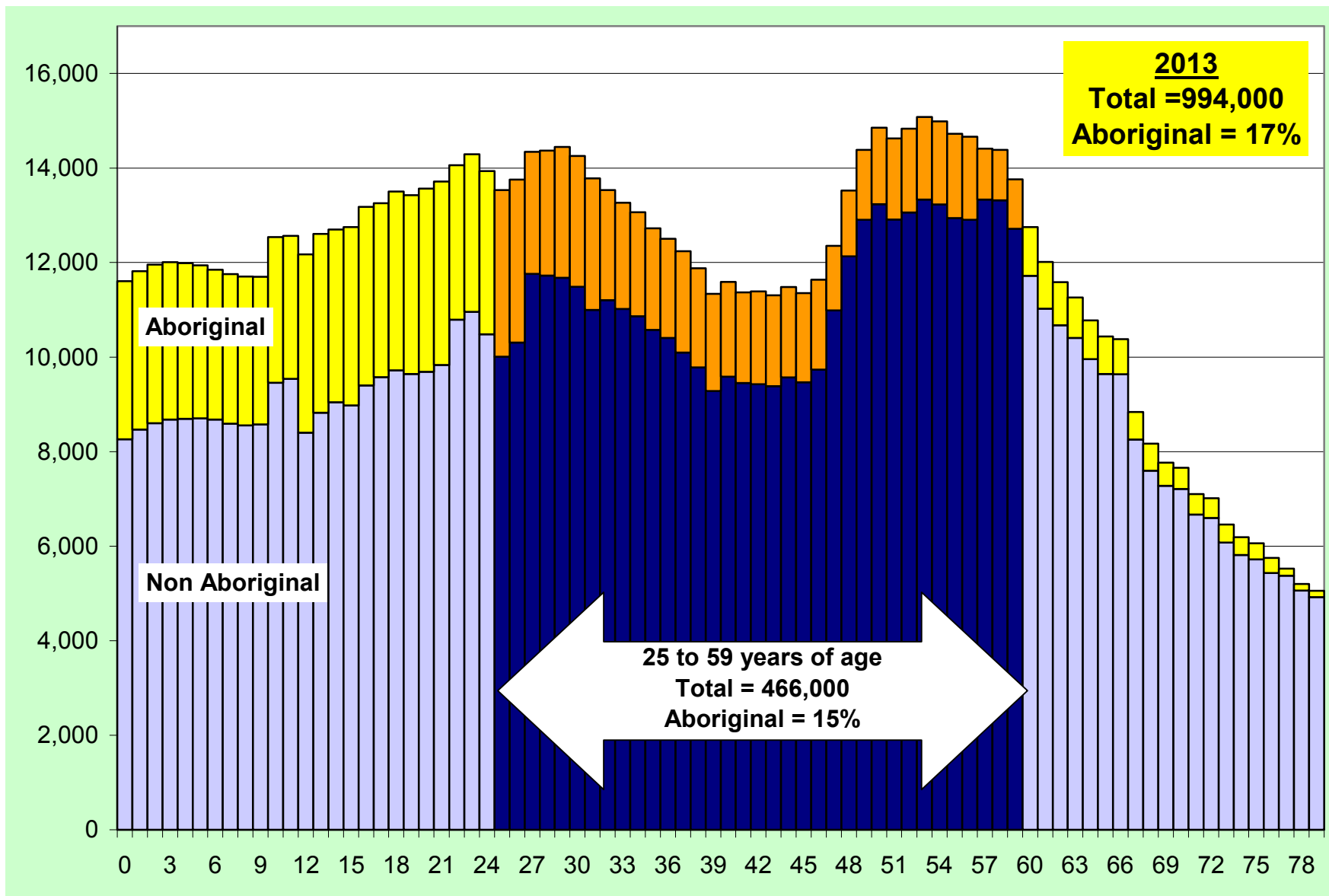


- The average self-employed person still retires at 65.
- One half of those in the private sector have retired by age 62. The equivalent figure in the public sector is 59 years, up from 57 years in 1999.
- We need to start planning on age 60 as the “normal” retirement age.

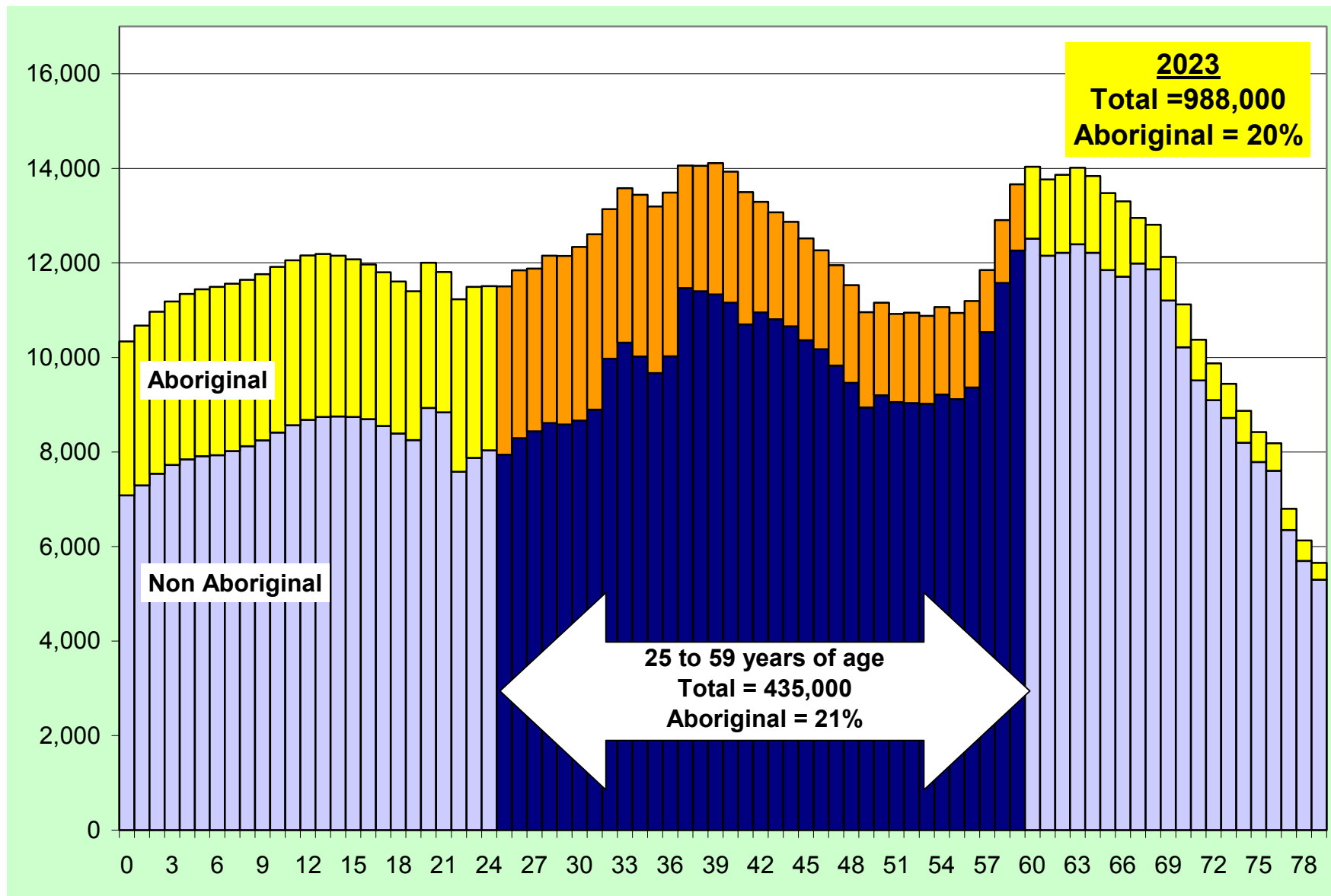
Age Distribution in 2003



Projected Age Distribution in 2013

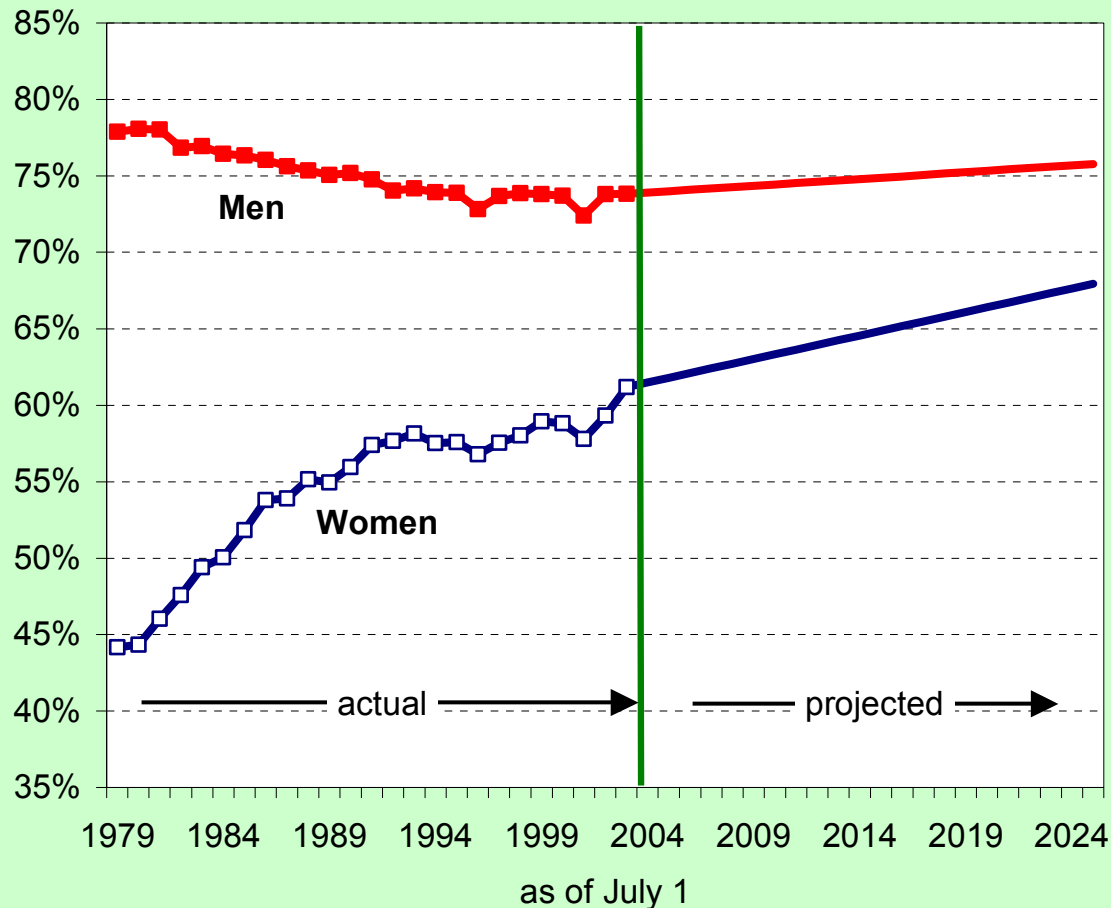


Projected Age Distribution in 2023



Labour Force Participation Rates

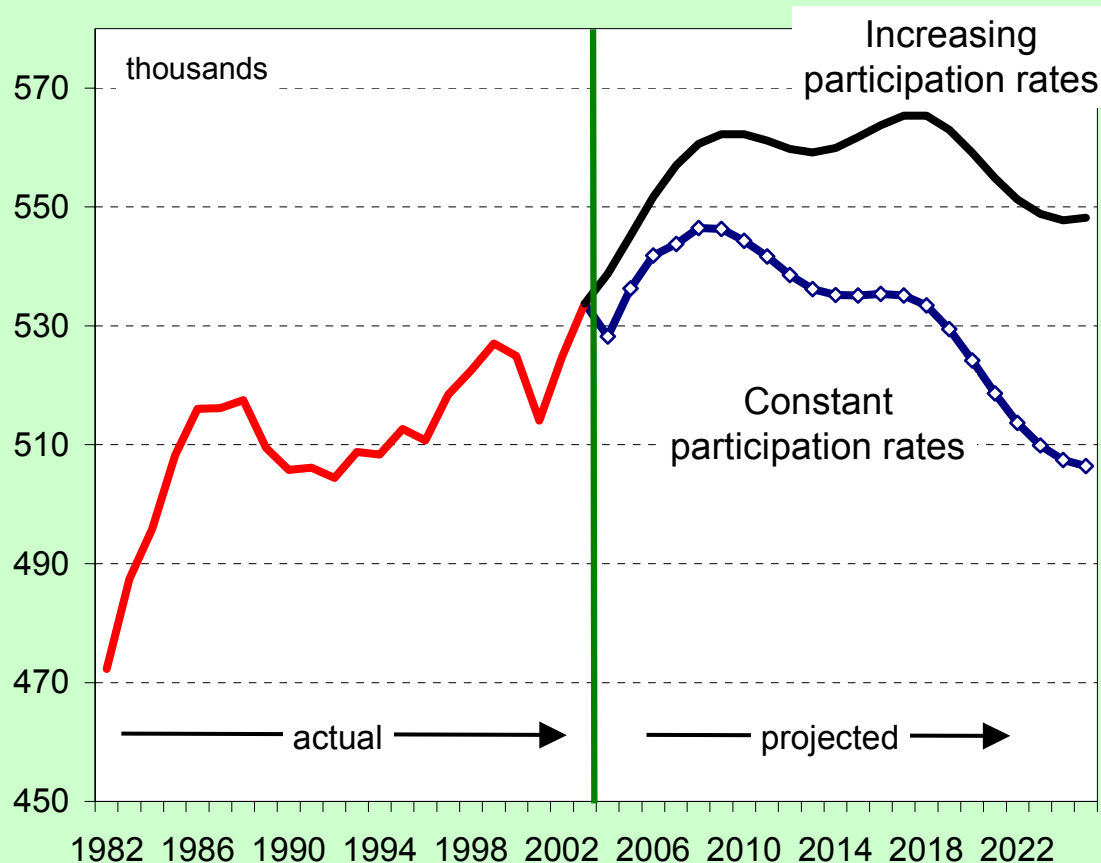
**Saskatchewan Participation Rates
Actual and Projected (age adjusted)**



- To estimate the proportion of the population in the labour force age group that is working, we apply the projected **labour force participation rates** to the population.
- The projection assumes that participation rates will rise for women and for younger Aboriginal people.

The Size of the Labour Force

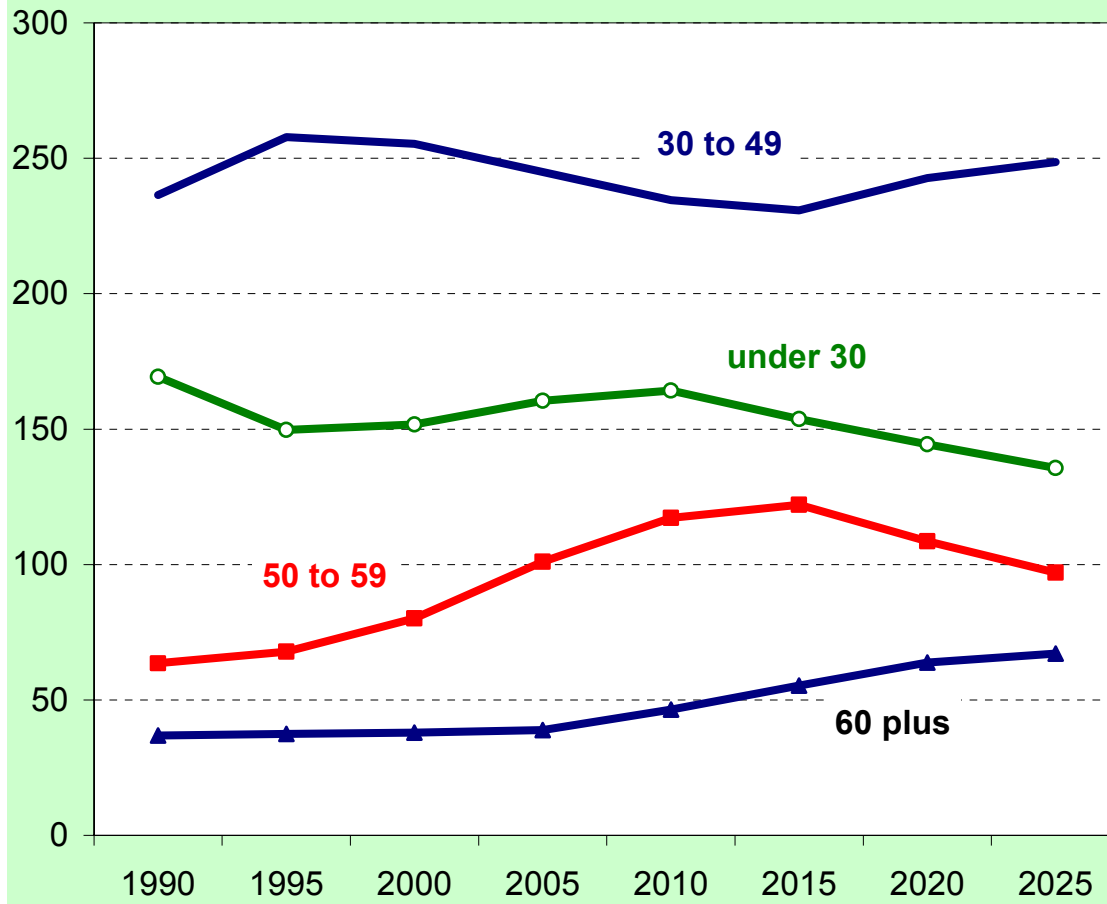
Effect of Participation Rate Scenarios on the Size of the Labour Force



- An increase in participation rates will be necessary to keep the labour force from declining.
- Without that increase, the size of the labour force begins to decline after 2010, falling below its current level by 2020.

The Age of the Labour Force

Labour Force by Age Group (increasing participation rates)



- In the next ten years, there will be an increase in the number of employees in their fifties.
- Later on, the number of seniors in the labour force will start to increase.
- An increasing proportion in all age groups will be women and an increasing proportion will be Aboriginal.

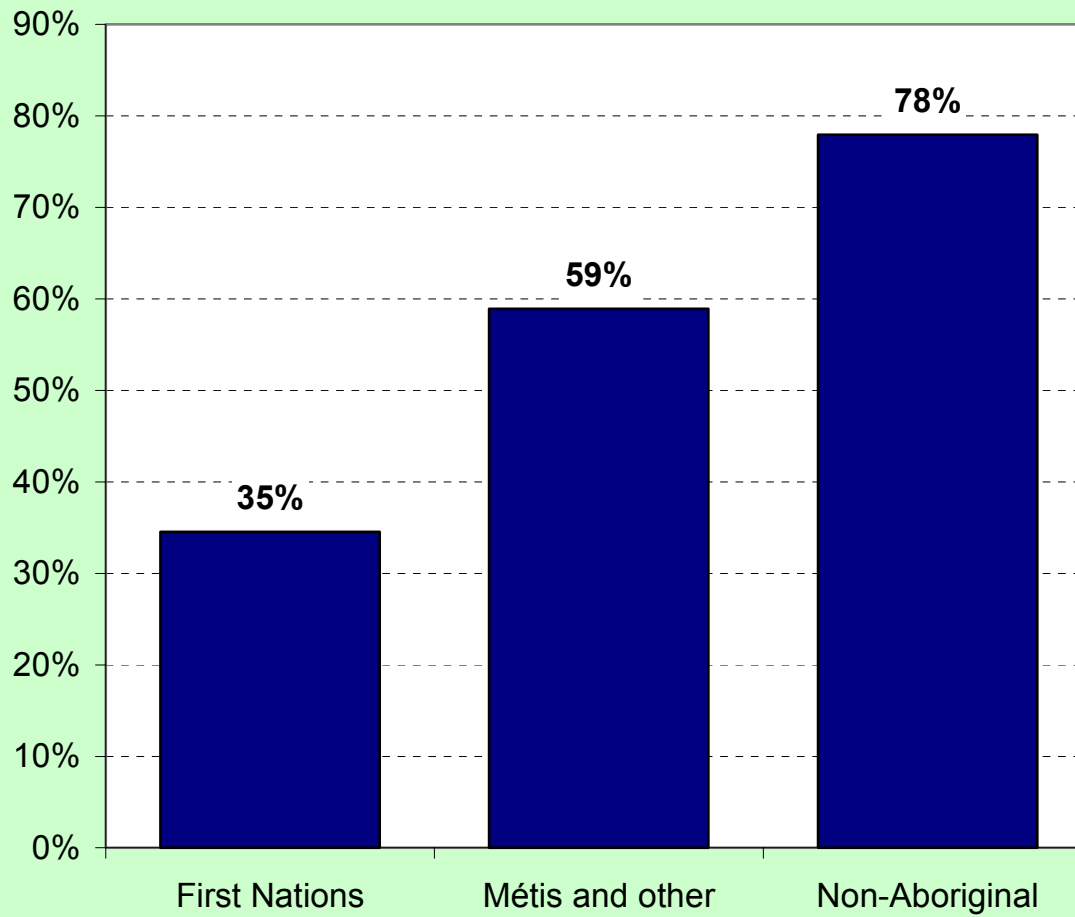
Summary and Implications

Economic Impacts

- With no increase in participation rates, the size of the labour force will soon start to decline.
- This kind of situation is unprecedented in the North American labour market but experts expect one or more of the following could happen.
 - The demand for labour will generate an increase in wage rates, attracting workers from other provinces or countries.
 - The same increase in wage rates will attract those not employed (particularly seniors) to enter or re-enter the labour market.
 - The economy will shift from labour-intensive activities to capital intensive ones.
 - There will be a general economic slowdown.
- To avoid the economic slowdown, the province needs two-pronged approach to i) increase migration and ii) raise education levels in the population generally and the Aboriginal population specifically to enable an increase in participation rates.

Aboriginal Employment Rates Need to Increase

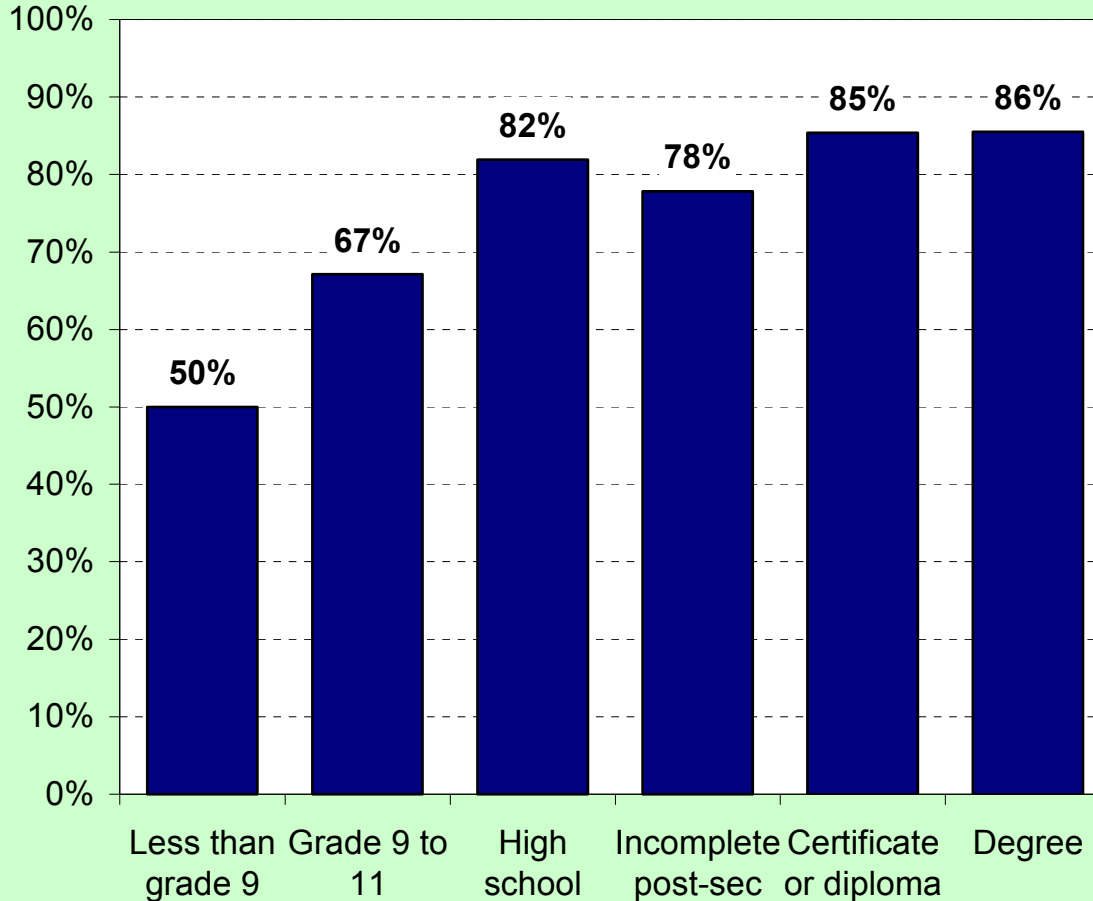
**Employment Rates in 2001, Saskatchewan,
15 to 64 Years of Age**



- In 2001, only a third of First Nation residents in Saskatchewan were employed. This compares with 59% of Métis and 78% of the non-Aboriginal population.
- Lower levels of completed education in the Aboriginal population explain most of the difference.

Education is the Key

**Employment Rates by Education,
Saskatchewan, 2003, 25 to 64 years**



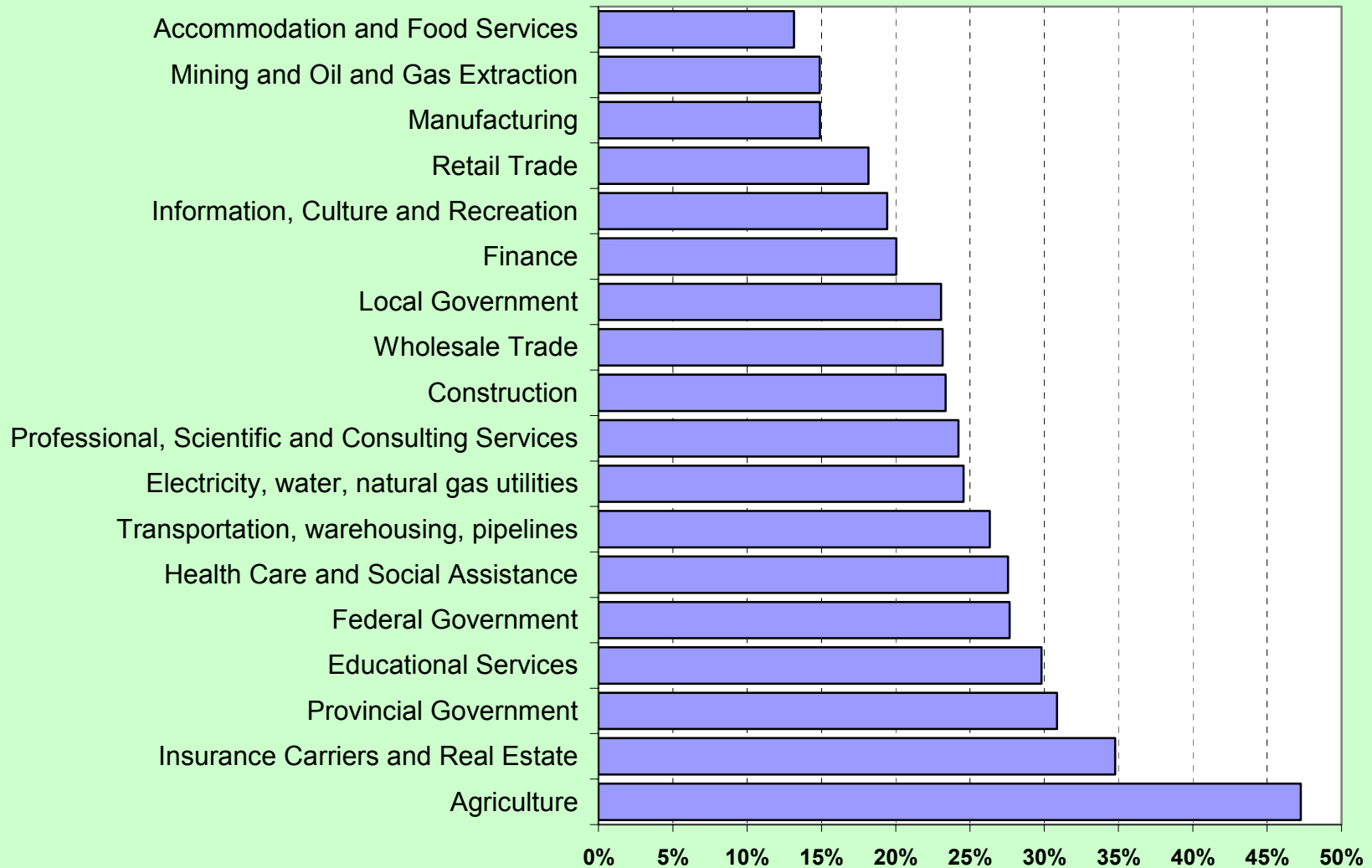
- Employment rates are above 80% among those who have completed high school and above 85% if they have a post-secondary degree, certificate, or diploma.
- Increasing the education levels of the Saskatchewan population in general and the Aboriginal population specifically is the key to avoiding an economic slowdown because of labour shortages.

How Fast?

- The leading edge of the baby boomers will hit age 60 in 2007; the peak will hit in 2015.
- A replacement for a retiring boomer in 2015 with:
 - 2 years of experience;
 - 4 years of post-secondary education;
 - one year off after high school; and
 - who graduated from high school at age 18.is now 15 years old and in Grade 9. A high proportion of First Nations students leave after grade 10.
- There is good reason to start dealing with this “long term” problem quickly.

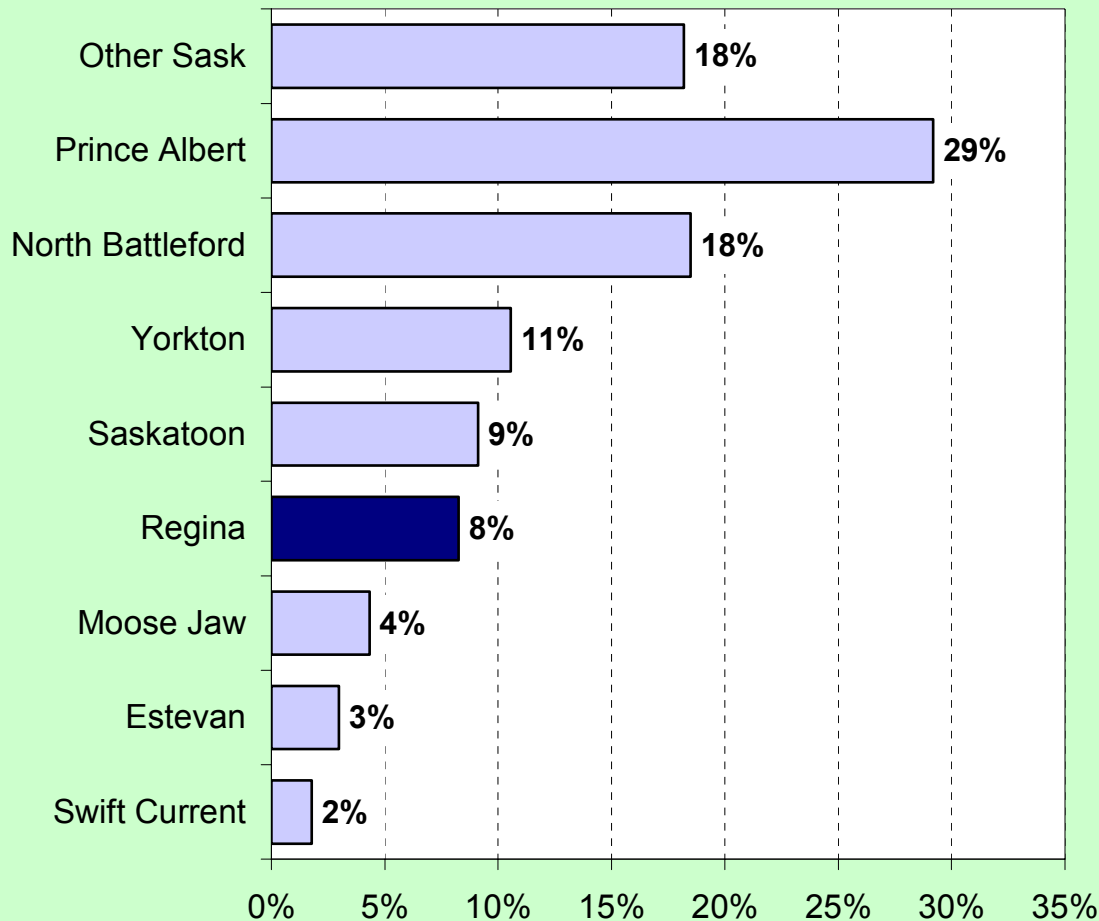
Which Sectors will be First?

Percentage of Employees 50 Years of Age & Older, Saskatchewan, 2003



What About Regina?

Percent Aboriginal, Saskatchewan, 2001



- Cities in the North - Saskatoon and Prince Albert, for example - are in a better position to take advantage of the growing Aboriginal population.
- Regina, on the other hand, has the First Nations University and a solid source of employment in the provincial government and the crowns.

Questions?

copies of this presentation and the ***Labour Market Trends Report*** are available on:

www.sasktrends.ca

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