

NEWS RELEASE



Atlantic Canada will have highest share of aging population in the country by 2043; Newfoundland and Labrador could see 50 % increase

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For immediate release

ST. JOHN'S—Under fast-aging population projections, Atlantic Canada is set to have the highest share of aging population in the country by 2043, with Newfoundland and Labrador experiencing the highest among the Atlantic provinces, finds a new study by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Overall, the seniors’ portion of the population in Atlantic Canada has steadily increased over the past few decades and that number is widely expected to continue to rise, which has serious implications for Canadians and the economy,” said Jake Fuss, director of fiscal studies at the Fraser Institute.

The Effect of Population Aging on Economic Growth in Canada finds that an increase in share of the population aged 65 years or older results in a reduction in the growth rate of per person GDP, a broad measure of income. Specifically, the study finds that a ten per cent increase in the share of the population aged 65 years and older is associated with a reduction in the per-person GDP (inflation-adjusted) growth rate of 0.23 percentage points. Over time, this small difference in per person GDP growth rates can have large effects.

Canadians aged 65 years and older accounted for 18.8 per cent of the population in 2022. By 2043, the population share of seniors is projected to reach between 21.1 per cent and 25.5 per cent based on data from Statistics Canada; the difference relates to how fast the senior population is expected to grow under different scenarios.

Newfoundland and Labrador had one of the youngest populations Canada-wide in 1981; today, it has Canada’s highest population share of seniors. A similar dramatic demographic change occurred in all the Atlantic provinces as well as Quebec.

Critically, under the fast-aging scenario, Atlantic Canada will have the highest population share of seniors, with an average in the region of about 31 per cent by 2043. Newfoundland and Labrador faces the largest increase in the 65+ population share, with a 50 per cent increase, followed by Prince Edward Island, New Brunswick, then Nova Scotia.

“As the population continues to age, it will only compound Atlantic Canada’s ongoing economic and fiscal challenges,” said Fuss.

“Canadian policymakers need to embrace a wide range of policies aimed at improving economic growth to offset the adverse economic and budgetary effects of population aging.”

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