



Trends that count

DAVID BAXTER

Canada's aging workforce lacks boomer replacements

Regions in Canada with growing economies (i.e., Alberta and Ontario) are already facing serious human resources shortages, as are specific industries within all regions (witness the nursing shortage here in B.C.).

Demographic and economic trends, particularly labour force migration, will spread the shortage to all regions and most industries within the next decade. Firms, agencies and institutions will all deal with significant and long-term issues of recruitment, retention and retraining in order to ensure that they can engage the long-term human resources they require.

In light of the fundamental factors that will shape the labour force of the future, it is surprising to find promoters of a "don't worry, be happy, no problem" approach. For example, **David Foot**, promoter of the discredited "real estate market meltdown" and the "demographics explains two-thirds of everything" opinions, recently pronounced that "the first of the baby boom echo children is about to pour into the workforce, which means that the current shortage of entry-level workers will rapidly disappear." Cool, if there is a baby boom echo in our population profile. Alas, there is not.

The accompanying figure shows the age profile of Canada's population in 2000, as taken from **Statistics Canada's** publication *Annual Demographic Statistics 2000*. Clearly visible in the age profile is the upturn in the number of people starting at the 250,000 people aged 62 and continuing to the 360,000 people aged 54. These are the people born at the beginning of the birth boom that started in 1938. Also clearly visible is the jump in the number of people in the country as a result of the post-war acceleration of the birth boom, creating the so-called baby boom bulge that is currently aged 34 to 53. There was an average of 419,000 aged 51 to 53 in Canada in 2000, with the number of people of each age increasing to the 549,000 people aged 37 in 2000. From this peak the number of people of each age drops rapidly to the 458,000 people aged 33 in 2000. The 12,947,500 people aged 33 to 62 represents Canada's demographic wedge, defined by the fact that there are fewer people both before and after it, which will essentially leave the labour force over the next 30 years. The 30-year age group that follows it, those

aged 3 to 32 in 2000, has only 12,449,600 people in it. Not enough people follow the demographic wedge to replace it in the labour force.

Run your finger along the chart back from age 32 to age 3 — this is the workforce of the next decade. See any bulges there, any echo booms, any evidence of there being anyone who can "pour" into the workforce? Me neither! If there was an "echo boom," it would have to show up in the population as a bulge in the number of people in the population 20 to 30 years after the baby boom reached sexual maturity.

There are fewer people of every age under 28 than there are between the ages of 28 to 54. There is an average of 414,000 people in each age group from 8 to 27, below the average of 420,000 found in the 51 to 53 age group. Within the decade, as these first post-war boomers retire, more people will leave the labour force each year than the relative constant level of 414,000 potential labour force entrants. And given the decline in the number of people in the population from 408,000 people aged 7 to 333,000 people under the age of 1, by the end of this decade, the number of labour force entrants will decline rapidly.

The current population of Canada cannot maintain the current size of its labour force in the future. More importantly, it cannot expand its labour force to support the economic growth and labour supply to support its aging population.

Foot also opines that "we don't need to raise immigration to solve the problems." Where does he think we are going to get the human resources we need in the future? There is no "echo boom" to "pour" into the labour force and it is not possible to give birth to adults. Increased immigration and reduced emigration will be required if our labour force is to grow. ♦

■ *David Baxter is executive director of The Urban Futures Institute, whose publications on demographics can be accessed at www.landcentre.ubc.ca. His column appears monthly.*

By the end of this decade, the number of labour force entrants will decline rapidly

