

Bridging the Baby Boom and Millennial Mishaps: An Evaluation of Demographic Trends, Challenges, Solutions, and Policies

By: Elsie Chan-Tsiap-Siong

Contact: echan-tsiap-siong@myseneca.ca

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Abstract

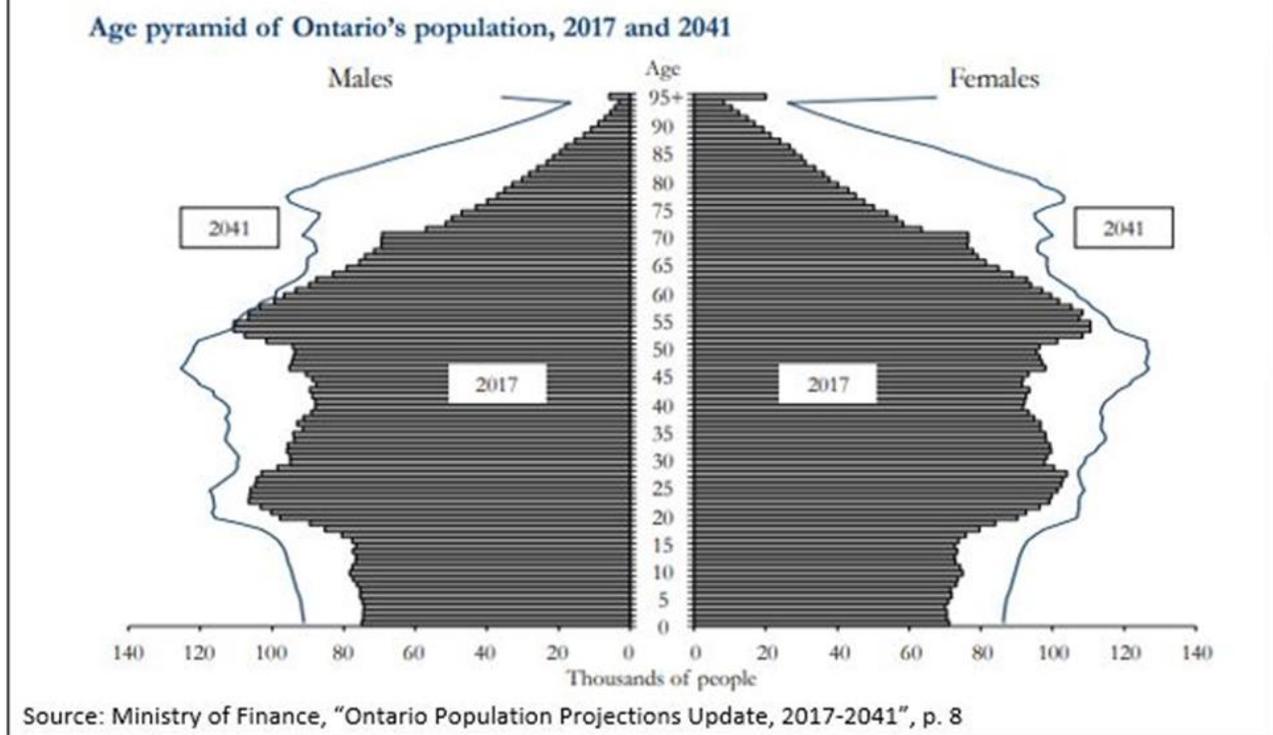
The Future Ready Report (2018) and the roundtable discussions that occurred at the Economic Developers Council of Ontario (EDCO) Conference held on January 31, 2019, highlighted many key themes in economic development. This article will explore the demographics theme, and it will focus on the millennial and baby boomer generations. The purpose of this white paper is to inform individuals of current age-related demographic trends, to discuss the challenges and local interventions raised at the conference, and to provide insight on economic and fiscal implications that may affect local communities in Ontario.

Introduction

Demographics is a term used to describe a particular sector of a population, which may cover a wide array of topics ranging from aging, immigration to ethnicity. The province of Ontario is particularly composed of a large variety of demographic profiles; therefore, it is important for organizations to be aware of population dynamics and to try to influence regional demographics. One of the most significant trends pertains to population growth. Statistics by the World Population Review demonstrate that one-third of the national population currently resides in Ontario and projections claim that this proportion will continue to grow at a moderate pace. The Ministry of Finance also predicts that this growth will be most prominent in the Greater Toronto Area. Another key trend is immigration accounting for two-thirds of population growth and estimates that net migration will account for 76% of the provincial population from 2017 to 2041.

In addition to these changes, one main area of concern that will affect numerous communities in Ontario, are the potential impacts associated with the baby boomers and millennials. Given that the majority of baby boomers are now seniors, they represent a significant portion of the population (see Figure 1), and this will have an impact on other groups, particularly the younger generations. This report will first focus on the baby boomers; it will address demographic trends, healthcare and work-related challenges discussed at the Economic Developers Council of Ontario (EDCO) Conference, as well as policy implications. This paper will then examine the youth perspective by exploring the trends, challenges, and policies geared towards current students and millennials entering the workforce. The aim is to inform professionals of these emerging trends, problems, and to help them form policies that better reflect the needs of these two demographic profiles in Ontario.

Figure 1



Seniors/Baby Boomers

Trends

The baby boomer generation (individuals born from 1946 to 1965) is a significant demographic that requires constant monitoring since they will all soon reach senior status. According to Statistics Canada, the current number of seniors aged 65 and over, represent 16.9% of the Ontarian population (See Figure 2).

The large share of seniors will continue to be prominent until 2030; however, experts predict that this proportion will start to increase at a slower rate 2031 onwards. This trend is mainly due to the rapid aging of this demographic and the likelihood that this will result in a sharp increase in the number of elderly deaths. The Ministry of Finance also estimates that the current number of seniors is approximately 2.4 million and that this age group will represent 25.2% of the province by 2040 (See Figure 3). While older seniors aged 80 and over will represent 10% of the Canadian population by 2045, and individuals over 100 will approximately multiply by nine within the next 50 years.

Figure 2

Population estimates¹, age distribution and median age as of July 1, 2018, Canada, provinces and territories

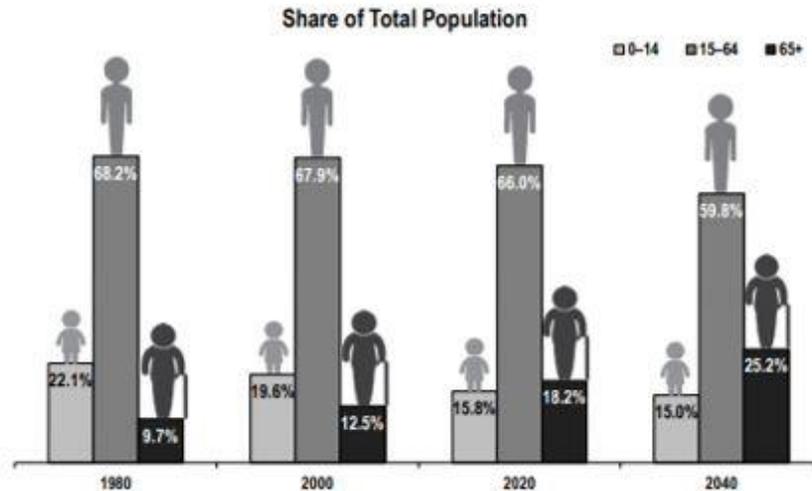
	Population	0 to 14 years	15 to 64 years	65 years and over	Median age
	number	percent			years
Canada	37,058,856	16.1	66.7	17.2	40.8
Newfoundland and Labrador	525,355	13.9	65.6	20.5	46.5
Prince Edward Island	153,244	15.7	64.7	19.6	43.6
Nova Scotia	959,942	14.1	65.5	20.4	45.1
New Brunswick	770,633	14.4	64.8	20.8	45.9
Quebec	8,390,499	15.8	65.4	18.8	42.5
Ontario	14,322,757	15.8	67.2	16.9	40.6
Manitoba	1,352,154	18.9	65.7	15.4	37.3
Saskatchewan	1,162,062	19.6	65.0	15.4	37.3
Alberta	4,307,110	18.9	68.3	12.8	36.9
British Columbia	4,991,687	14.2	67.5	18.3	42.2
Yukon	40,476	16.8	71.4	11.8	38.9
Northwest Territories	44,541	20.4	71.7	7.9	34.8
Nunavut	38,396	31.8	64.3	3.9	26.1

Source: Statistics Canada, "Annual Estimates Demographics Canada, Provinces and Territories, 2018", p. 26

Figure 3

Age Distribution of Ontario's Population, 1980-2040

CHART 1.5



Source: Ministry of Finance, "Ontario's Long-Term Report", p. 15

Insights from the EDCO Conference

Healthcare

Challenges

Health is a primary concern for this demographic since these rapidly aging individuals will progressively require more healthcare and they will significantly increase demand for services.

Although seniors tend to be healthier and more active than previous generations, their longer lifespans will likely lead to additional health issues and more medical costs in the long-term. Healthcare delivery is particularly challenging as many individuals in this age group are retired; this is problematic as seniors do not significantly contribute to the tax base, and they use a significant portion of the government's resources.

Possible Local Interventions

Another related concern is the shortage of health care workers since there is an insufficient number of professionals to meet seniors' service demands. Therefore, administrations should encourage younger generations to consider joining the healthcare sector, in the hopes that they will adequately support the future needs of the aging demographic.

Workforce and Retirement

Challenges

As baby boomers are reaching the age of retirement, predictions state that this may result in a significant number of job openings. Experts estimate that there will be approximately 55 million postings through 2020; 24 million of these jobs are yet to exist, while 31 million will be due to baby boomer retirement. However, many individuals aged 65 and over are active members of society who still wish to participate in the workforce. Whether they have a lack of retirement savings, high medical costs or if they have a simple desire to participate in the workplace; seniors' decision to delay their retirements increases labour force shortages. The main issue is finding a balance between providing youth with opportunities to join the workforce, while still allowing active seniors to contribute to their workplaces in some capacity.

Possible Local Interventions

One way to achieve this balance is by adjusting the responsibilities of the aging demographic approaching retirement. For instance, some seniors may be willing to shift from full-time to seasonal or part-time positions. Another method could involve organizations enlisting baby boomers as mentors for new hires, as they possess vast amounts of experience in their respective fields and their knowledge can be valuable resources for employees. Fostering relationships between the baby boomers and the younger generations entering the labour force could also be beneficial, as it may help train youth in a workplace environment and it may provide them with professional guidance. Additionally, this approach may empower baby boomers to keep contributing to their organizations while also shaping a new generation of workers.

Economic, Fiscal, and Policy Implications

The Government of Ontario has established various programs to support the aging population with their current and future health care challenges. One of which is the Patients First: Action

Plan, which prioritizes the needs of the patients by providing faster access and better-quality long-term care. The Province is also investing in home, and community care, as research demonstrates that it can be just as effective in comparison to hospitals and long-term care homes. Another measure taken was an increase to the Ontario Drug Benefit program, to lower the prescription fees and costs for low-income seniors. It is also important to accommodate this aging demographic in the workplace; finding ways to retain them and yet still providing work opportunities for younger generations. Other policies could focus on reducing barriers by offering these individuals opportunities to build new skills, creating agreements to gradually decrease seniors' working hours, and developing more flexible retirement, pension plans and benefits packages that provide at least 50% coverage.

Children, Youth, and Millennials

Trends

The younger generations in Canada also require attention as these individuals will shape the country's future. Children ages 0-14 in Ontario currently represent 15.8% of the Canadian population (See Figure 2). However, the Ministry of Finance found that this age group's share of the population will likely decrease to 14.8% by 2041. Statistics Canada also predicts that this demographic will gradually increase from 2.2 to 2.7 million by the year 2041. While the share of Ontarian youth, aged 15-24, is estimated to decline from 13% to 11.6%, but to increase from 1.9 million to over 2.1 million individuals. Then millennials, aged 25-44, will also experience a decrease in population share from 26.9% to 24.5%, but a population increase from 3.8 to 4.5 million by the same projected date.

Insights from the EDCO Conference

Retaining Youth and Millennials

Challenges

A current challenge pertaining to older youth and younger millennials involves attracting prospective students to pursue post-secondary education in their regional institutions. However, an associated problem is finding ways to train and retain these individuals as sector workers in these same regions. One participant discussed how this matter is especially difficult for school towns like London, Ontario as students tend to leave after they obtain their degrees or certifications. Many in this demographic are struggling to gain more practical experience in their residing areas; this may be due to high competition or a lack of job opportunities in their local areas. Therefore, many youth and millennials entering the workforce are dissenting their communities in the search for experience; this often results in these individuals establishing their careers and permanently moving to other cities, provinces or countries.

Possible Local Interventions

In attempt to mitigate these issues, local areas should innovate by creating more projects, internship and work-place opportunities for this demographic. For instance, a pilot program with Loyalist College in Belleville, Ontario has a skilled trades and technology program in collaboration with certain manufacturers. Their purpose is to build a talent pipeline in-house, which will help facilitate the job search for youth, provide them with opportunities to acquire new skills, and contribute to higher retention rates in the community. Additionally, organizations should consider implementing more efforts to advertise local opportunities and resources available to this demographic, as this may give them more incentive to stay and contribute to their current residential areas.

Guiding Future Generations

Challenges

Statistics in Pott's Future Ready Report state that 65% of school kids today will have a job in a field that has not been created yet. The potential obstacle associated with this prediction is finding ways to prepare younger generations for future careers in these forthcoming fields. Education plays a significant role in helping these students in the upcoming automation and outsourcing era. Schools should prioritize project-based and practical learning; notably in science, technology, engineering, and math (STEM) programs, as well as other regions with gaps in the economy. Courses should also create opportunities to help students develop researching skills and to relate their knowledge to human, social, and cultural factors; not just computer programming.

Possible Local Interventions

One method to prepare younger generations is through college program collaborations with related organizations. For example, the Bombardier aerospace industry used this approach by working with Centennial College's airframe assembly program. The organization was experiencing difficulty finding and retaining qualified employees. Rather than investing vast amounts of money to train individuals who might quickly leave the organization, they incorporated the training to operate their specific machinery as part of the school's curriculum, and they hired students who completed the airframe assembly program. There is also the Future Skills Centre in partnership with Ryerson University, which "offers deep knowledge of economic and technology trends, public policy, rigorous applied research and evaluation expertise, extensive knowledge mobilization and convening experience, and longstanding commitments to skills training and development". The centre also receives funding through the federal government with the purpose of helping Canadians prepare for workforce opportunities.

Another method discussed at the EDCO conference was another participant's suggestion to implement more youth forums. This community engagement platform could expose elementary,

high school, and university students to various positions in the STEM sectors. Showcasing jobs in these fields could inform them of typical tasks associated with these positions, and it could provide them with research materials to guide them in their desired career path. It is equally important to give this younger demographic more opportunities to consult professionals for career advice. For instance, guidance councillors and careers teachers could take a more hands-on role by helping their students identify their current competencies and the skills they will need in their fields of choice. Even facilitating field trip opportunities to speak with prospective employers might be beneficial to students, as they may learn more about the expectations and responsibilities in their industries of interest.

Economic, Fiscal, and Policy Implications

Given the challenges associated with retaining and guiding younger generations in the workplace, there is a need for more initiatives to facilitate youth employment and to support future labour force growth. For instance, the province created the Ontario Student Grant in 2017 to make higher education more available to qualified individuals and to increase their chances of employment, as many positions require a post-secondary education. However, recent changes to the OSAP policy in 2019 have reduced the family income thresholds for the Ontario Student Grant eligibility to \$140,000 and they also eliminated the non-needs-based portion. Another way to contribute to labour force growth is to help this demographic develop crucial transferrable skills and to provide them with more opportunities to enter the workforce. The Youth Job Connection and the Ontario's Youth Job Link programs enable this demographic to search for jobs, plan their careers, and transition into the labour market. Hence, creating new programs and offering these individuals access to resources will mitigate the high youth unemployment rate and contribute to labour growth.

Conclusion

There are many anticipated changes due to all Ontarian regions experiencing a shift to an older age structure. The associated issues will largely affect the baby boomers in the health care sector; however, these trends will also impact the boomers, the millennials and the younger generations in the labour market. To address these challenges policies should consider initiatives that will prepare current students for their future career paths, support millennials entering the labour force, find creative opportunities for seniors to contribute in the workplace, and provide better healthcare to these individuals. Therefore, organizations in Ontario need to account for these changes in demographics and to create policies that will better reflect their needs, in order to strengthen the Canadian economy.

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