

ONTARIO DEMOGRAPHIC QUARTERLY

Ministry of Finance



Highlights of Second Quarter 2005

September 28, 2005

Population Growth

Ontario's population reached 12,541,410 on July 1, 2005, with an increase of 47,182 people in the second quarter. This compares to an increase of 49,926 in the same quarter of the previous year.

Population Growth, Ontario, 2nd Quarter, 2005	
(Thousands)	
Population, April 1, 2005	12,494.2
Plus Births	33.2
Minus Deaths	21.6
Plus Immigrants	40.7
Minus Net Emigrants	3.8
Plus Net Change in Non-Permanent Residents	0.0
Plus Interprovincial Arrivals	20.3
Minus Interprovincial Departures	21.7
Population, July 1, 2005	12,541.4
Source: Statistics Canada	

Births and Deaths

Births and deaths increased by 0.2 per cent and 3.0 per cent, respectively, from the same quarter of 2004.

Natural increase (births minus deaths) was 11,636 in the quarter, down from 12,197 in the same quarter of 2004. On an annual basis (July 1, 2004 to June 30, 2005), natural increase was 42,535, down 4.9 per cent from 44,750 in the previous year.

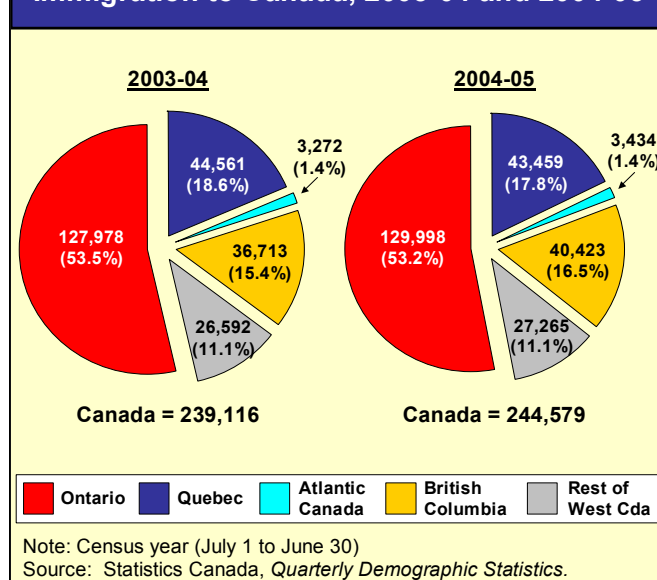
International Migration

Immigration to Ontario was 40,694 in the quarter, an increase of 12 per cent from the level of 36,346 in the same quarter of the previous year. Ontario received 54.6 per cent of all immigrants to Canada in the quarter, up from 54.1 per cent in the same quarter of 2004. On an annual basis, Ontario received 129,998 immigrants, up from 127,978 in 2003-04.

There were 3,752 emigrants from Ontario in the quarter, a level of emigration virtually unchanged from the same quarter of the previous year. Ontario accounted for 44.1 per cent of all emigration from Canada in the quarter.

The number of non-permanent residents in Ontario (NPRs - i.e. foreign students, visa workers, refugee claimants) remained virtually unchanged in the second quarter. Overall, net international migration was 36,905 in the second quarter, down from 38,403 in the same quarter of the previous year. On an annual basis (July 1, 2004 to June 30, 2005), net international migration was 99,903, down from 109,964 in the previous year.

Immigration to Canada, 2003-04 and 2004-05



Inter-provincial Migration

In the second quarter of 2005, Ontario had a net loss of 1,359 people to other provinces, compared to a net loss of 674 people in the same quarter of 2004. Ontario experienced net losses in its exchanges with 6 of the 13 provinces and territories (NL, NS, NB, Alberta, BC and the Yukon). On an annual basis (July 1, 2004 to June 30, 2005), net interprovincial migration loss was 8,375, compared to a 6,935 loss in the previous year.

Year-Over-Year Growth

Over the 12-month period ending June 30, 2005, Ontario's population grew by 134,063 or 1.1 per cent, down from 1.2 per cent over the previous period. Ontario's population growth rate in this period was higher than all other provinces except Alberta (1.6 per cent) and BC (1.3 per cent). Canada's population growth rate for the period was 0.9 per cent.

Contact Maria Papoutsis (325-0821) / Victor Caballero (325-0825).

DEMOGRAPHIC TRENDS

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Labour Market Environment and Fertility Rates in the OECD

In a 2004 article in the *Journal of Population Economics*, Alcía Adserà studied how the wide range of labour market arrangements across OECD countries influences childbearing and labour force participation decisions of women. The main findings of the study are summarized below. Note: The study does not include other impacts on fertility such as changing social norms.

Fertility Rates Positively Correlated with Female Labour Force Participation Rates

The author highlights two main developments that took place during the last two decades in OECD countries: 1) the sharp decrease in fertility rates in most countries; and 2) the reversal of the negative correlation between fertility rates and female labour force participation and employment rates. That is, since the 1980s, these have become positively correlated across OECD countries.

The decline in fertility has not been the same across age-groups and across countries. Age-specific fertility rates for older women are now fairly similar across the OECD. It is the diverging fertility behaviour among young women that explains most of the difference in Total Fertility Rates.

To explain the difference in fertility patterns across countries, the author studied how different labour market arrangements in 23 OECD countries shaped fertility trends by affecting the opportunity cost of childbearing and therefore women's earnings potential.

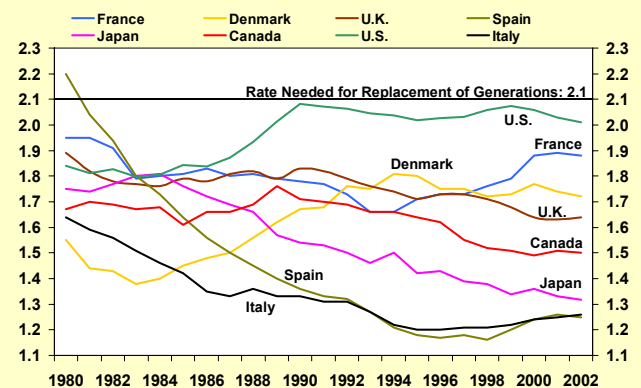
High Unemployment and Self-Employment Depress Fertility

The study suggests that unemployment has a strong negative effect on fertility, most importantly when combined with a large share of self-employment in the economy.

According to the study, the high rates of unemployment and self-employment observed in Italy and Spain partly explain the very low fertility rates in these countries. At the other extreme, the United States, with relatively low unemployment, and Denmark, with a very small share of self-employed, are closer to replacement-level fertility.

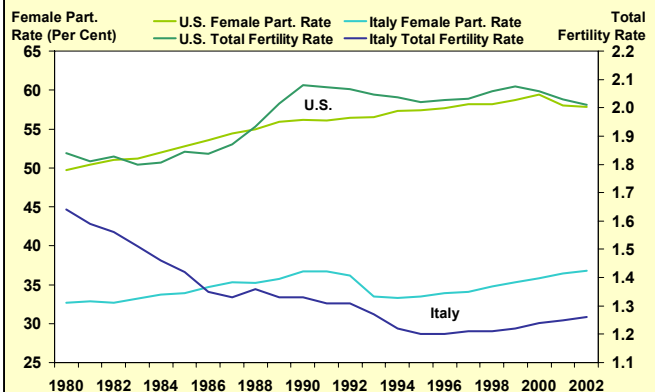
A high proportion of employees on fixed-term contracts, a common fixture of Southern European labour markets, was also shown to be related to lower fertility.

Total Fertility Rates in Selected Countries, 1980-2002



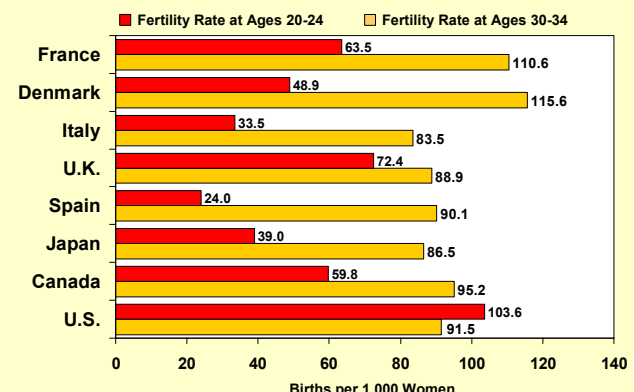
Sources: INED, Statistics Canada, UNSD, U.S. Census Bureau.

Fertility and Participation Increasingly Correlated



Sources: OECD, INED, U.S. Census Bureau.

Age-Specific Fertility: Wider Differences Across Countries at Young Ages



Source: UN Statistics Division's Demographic Yearbook 2002.

Contact: Alex Munger (416-325-0102)

DEMOGRAPHIC TRENDS

Impact of Family-Friendly Policies

The author's model indicates that longer periods of maternity leave, higher public expenditures on family services such as day-care centres, and particularly cash allowances, boost fertility.

Generous maternity benefits were also found to depress fertility for younger women, but to increase that of older women.

Impact of Government Employment on Fertility

By providing more stable opportunities for women's employment during economic downturns as well as more liberal leave programs, government employment was shown to have a positive effect on fertility when the government sector is large enough (Nordic countries). However, in countries with relatively low shares of government employment but highly flexible labour markets (like the U.S. and the U.K.), fertility remains close to replacement-level, in part because women leave the labour force knowing that they are likely to regain employment at re-entry.

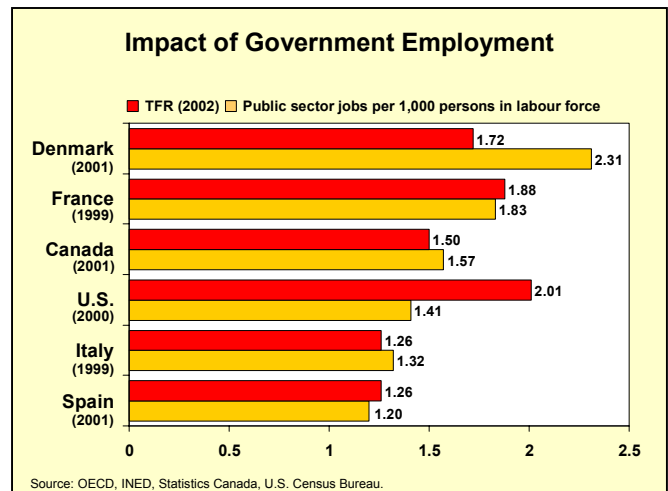
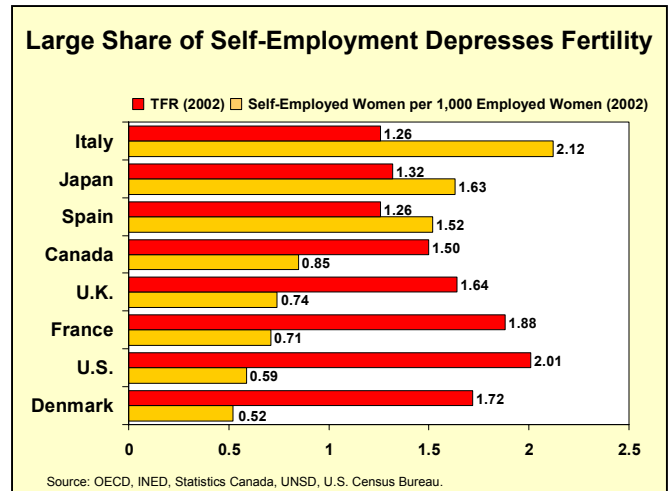
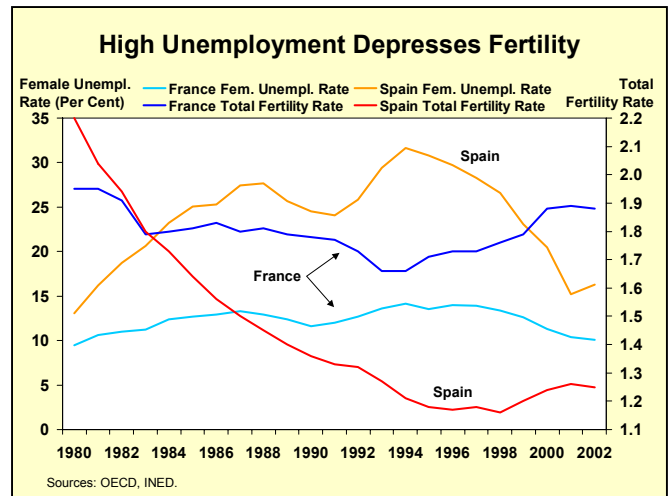
The study also suggests that a large government sector encourages fertility of women older than 25, but reduces fertility of younger women, who opt for participating first in the labour market to qualify for both employment after childbirth and generous maternity benefits.

Three Fertility Behaviour Models across OECD

The study identifies three basic fertility patterns within the OECD. First, in Northern Europe, where there are large public sectors with a large share of female workers and generous maternity benefits, fertility rates are at almost the replacement level. Second, in highly flexible markets such as the U.S. and the U.K., women leave the labour force knowing that they will be very likely to regain employment when they return. This may in part explain why these countries have the highest fertility in the OECD. Finally, in Southern Europe, where unemployment is high and young workers often work on short-term contracts, fertility is lowest.

Source: Alicia Adserà, *Changing fertility rates in developed countries. The impact of labour market institutions*, Journal of Population Economics, 2004.

Charts were created independently by MOF to illustrate the findings.



Contact: Alex Munger (416-325-0102)

ONTARIO DEMOGRAPHIC FACTSHEET¹

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	Intercensal Estimates			Postcensal Estimates*					MOF Projections ²				
	1986	1991	1996	2001	2002	2003	2004	2005	2011	2016	2021	2026	2031
POPULATION (000s)													
Canada ²	26,101	28,031	29,611	31,021	31,373	31,669	31,974	32,271	n.a.	n.a.	n.a.	n.a.	n.a.
Ontario ²	9,438	10,428	11,083	11,898	12,102	12,260	12,407	12,541	13,519	14,311	15,076	15,795	16,432
Ontario as % of Canada	36.2	37.2	37.4	38.4	38.6	38.7	38.8	38.9	n.a.	n.a.	n.a.	n.a.	n.a.
Ontario Ave. Annual Growth Rate (Over previous year shown)	1.4	2.0	1.2	1.4	1.7	1.3	1.2	1.1	1.2	1.1	1.0	0.9	0.8
AGE DISTRIBUTION (%)													
0-4	6.8	7.0	6.8	6.0	5.8	5.6	5.4	n.a.	5.3	5.3	5.2	5.1	4.9
5-14	13.4	13.1	13.5	13.5	13.4	13.2	13.0	n.a.	11.2	10.6	10.7	10.7	10.6
15-24	17.1	14.5	13.2	13.4	13.4	13.5	13.5	n.a.	13.3	12.6	11.4	10.9	11.0
25-44	32.1	34.2	32.9	31.5	31.3	30.9	30.6	n.a.	28.4	27.9	27.8	27.1	25.9
45-64	19.8	19.6	21.3	23.2	23.6	24.2	24.7	n.a.	27.9	27.9	27.3	26.3	25.4
65-74	6.5	7.0	7.3	7.0	6.9	6.9	6.9	n.a.	7.5	9.0	10.3	11.2	12.0
75+	4.2	4.6	5.0	5.6	5.7	5.8	5.9	n.a.	6.4	6.7	7.3	8.7	10.1
SELECTED AGE GROUPS (%)													
0-14	20.3	20.1	20.3	19.4	19.1	18.8	18.5	n.a.	16.5	15.9	15.9	15.8	15.5
15-64	69.1	68.3	67.4	68.1	68.3	68.5	68.8	n.a.	69.6	68.4	66.5	64.3	62.4
65+	10.7	11.6	12.2	12.5	12.6	12.6	12.8	n.a.	13.9	15.7	17.6	19.9	22.2
OTHER CHARACTERISTICS													
Total Dependency Ratio (%) ³	44.8	46.4	48.3	46.9	46.4	45.9	45.4	n.a.	43.7	46.2	50.4	55.5	60.4
Median Age (yrs.)	31.9	33.3	35.0	36.7	37.0	37.4	37.7	n.a.	39.4	40.4	41.3	42.3	43.3
Age Span of Baby Boom (yrs.)	21-40	26-45	31-50	36-55	37-56	38-57	39-58	40-59	46-65	51-70	56-75	61-80	66-85
Total Fertility Rate ⁴	1.6	1.7	1.6	1.5	1.5	1.5	n.a.	n.a.	1.5	1.5	1.5	1.5	1.5
Female Life Expectancy at Birth (yrs.) ⁴	80.0	80.8	81.3	82.2	82.2	n.a.	n.a.	n.a.	83.4	83.8	84.3	84.6	85.0
Male Life Expectancy at Birth (yrs.) ⁴	73.8	75.0	75.9	77.5	77.7	n.a.	n.a.	n.a.	79.8	80.5	81.3	81.9	82.6
Families (000s) ⁵	2,445	2,727	2,933	3,191	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Households (000s) ⁵	3,222	3,638	3,925	4,219	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
REGIONAL DISTRIBUTION (%)													
GTA	41.4	42.0	43.0	44.6	45.0	45.3	45.6	n.a.	47.1	47.9	48.5	49.1	49.5
Central (excl. GTA)	21.9	22.3	22.1	22.1	22.0	21.9	21.9	n.a.	21.8	21.8	21.8	21.8	21.7
Eastern	13.9	13.8	13.8	13.5	13.4	13.4	13.3	n.a.	13.0	12.9	12.8	12.7	12.6
Southwestern	14.1	13.7	13.4	13.0	12.8	12.8	12.7	n.a.	12.3	12.0	11.9	11.7	11.6
Northeastern	6.2	5.8	5.4	4.8	4.7	4.6	4.6	n.a.	4.0	3.8	3.5	3.3	3.1
Northwestern	2.6	2.4	2.3	2.1	2.0	2.0	2.0	n.a.	1.8	1.6	1.5	1.4	1.4

COMPONENTS OF CHANGE (000s) ⁶ – Year Beginning July 1st

Period	Population, Beginning of Period	Total Change	Births	Deaths	Natural Increase	International Migration				Interprovincial Migration		
						Immig.	Net Emig.	Net NPRs	Net	In	Out	Net
Five-Year												
1986-91	9,438	990	712	350	362	478	62	129	544	451	387	64
1991-96	10,428	655	738	381	357	632	123	-115	394	338	378	-40
1996-2001	11,083	815	659	403	256	585	124	38	498	371	303	69
Annual												
2001-02	11,898	204	129	81	48	153	19	17	151	70	65	5
2002-03	12,102	158	129	84	46	110	20	21	111	64	64	1
2003-04	12,260	148	131	86	45	128	20	2	110	57	64	-7
2004-05	12,407	134	131	89	43	130	20	-10	100	62	71	-8

1. Population figures are for July 1st. Statistics Canada's population estimates and components of change are 2001 Census-based adjusted for net undercoverage.

2. Population projections for Ontario are Ontario Ministry of Finance: 2001 Census-based projections. Statistics Canada's 2001 Census-based projections for Canada and the provinces are not available to date.

3. Total dependency ratio is the ratio of the population aged 0-14 (children) and 65+ (elderly) to the population aged 15-64 (working age population).

4. Total Fertility Rates and life expectancy estimates are for calendar year, and projections are for census year.

5. Families and households are Census data.

6. In the "Components of Change" section, flows are for the 12-month period July 1 to June 30. Net international migration is calculated as the net balance of immigrants, net emigrants and net non-permanent residents (NPRs).

*Following the 2001 Census.

Sources: Ontario Ministry of Finance and Statistics Canada.

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Office of Economic Policy
Labour and Demographic Analysis Branch