
Regional Population Trends in B.C.

1. Introduction

If only a single piece of information regarding the economic future were available, the first choice of most planners would likely be accurate population forecasts. Nothing is as fundamental to economic activity in the long-term than the size of the population base. Demand for goods and services may vary somewhat over time on a per capita basis, but the large and long-term movements depend on the number of customers, and the characteristics of those customers. In British Columbia there are a number of important long-term demographic changes that will affect the future demand for goods and services. These trends include:

- changes in the size of the population,
- changes in the age structure of the population, and
- changes in the ethnic make-up of the population.

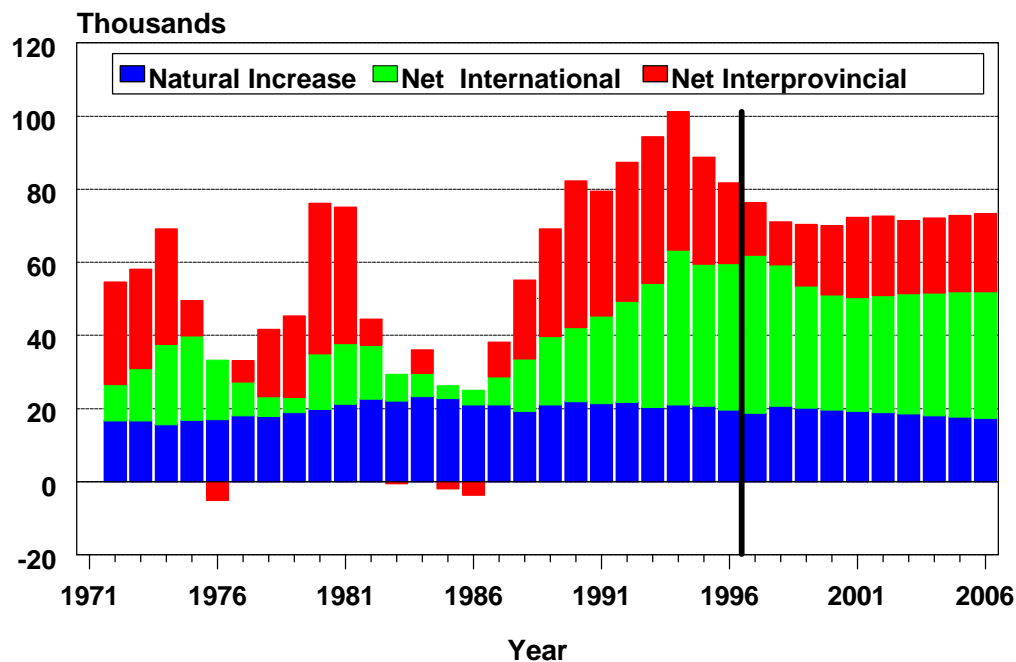
2. Provincial Overview

Understanding these demographic trends at the provincial level, or in effect, the average over all regions, helps to shed some light on the regional trends and implications. However, a word of warning, nothing looks like the average. This is particularly important when examining demographic and statistical patterns, because although they are useful tools for gaining a broad-based understanding of the possible population trends for the future, they may not provide a very accurate picture of the small scale. It is unlikely that any community or region will accurately reflect the provincial demographic model.

1.) Provincial Population Growth

With the exception of a few brief periods, British Columbia has always experienced healthy population growth. The major factor driving population growth in this province has been migration. Over the past thirty years, migration accounted for about 60 per cent of the overall population growth (35% interprovincial migration and 25% international migration), with natural increase contributing the other 40 per cent.

British Columbia's population will continue to grow



BC STATS

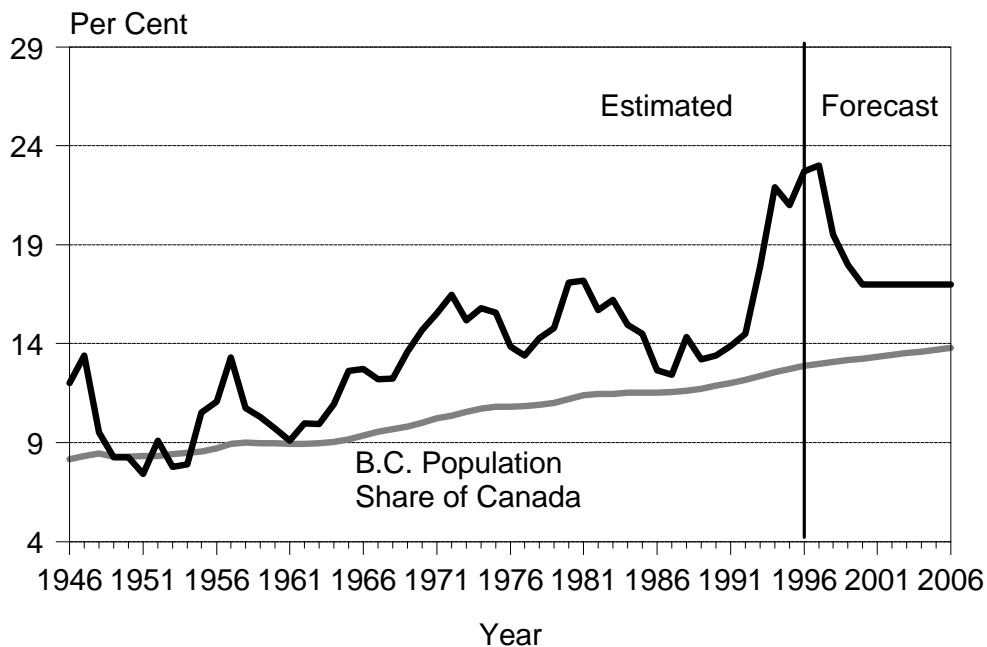
Over the next decade, migration to this province is expected to account for an even larger share (75%). This is due in part to a steady decline in the level of natural increase as a result of the ageing of the population, as well as a continuation of the relatively high levels of immigration to the province. Interprovincial migration is expected to account for about 25 per cent of overall population growth, with international migration representing almost 50 per cent. As will be discussed later, this shift in the source of population growth has significant implications for regional growth patterns.

The long-term increase in the importance of international migration as a driver of population growth is based on the assumption that federal government policy will continue to follow the relatively high immigration intake initiated in the late 1980s, and that British Columbia will continue to attract a significant share of the national total. Net international migration to British Columbia is largely driven by federal government policy with respect to immigration. In 1990, the federal government set out immigration planning levels for a 5 year period that resulted in a significant increase in Canadian immigration to a peak of 255 thousand persons by 1993. Since that time, the national immigration intake has been reduced slightly (220,000), however, it is still well above levels of the previous three decades. The stated long-term goal of the federal government is to set immigration levels at approximately one per cent of Canada's population.¹ The caveat associated with this goal is that it is dependent on the ability to absorb and settle immigrants. It is this caveat that has restricted intake rates to less

¹ Immigration Plan 1995-2000, Annual Report to Parliament, Citizenship and Immigration Canada.

than one per cent (0.7%) of the Canadian population in recent years. Given that the stated policy of the federal government is pro-immigration, it is likely that national intake levels will remain relatively high over the next decade, ranging between 220,000 to 250,000 persons per year.

B.C. Share of Immigrants to Canada



BC STATS

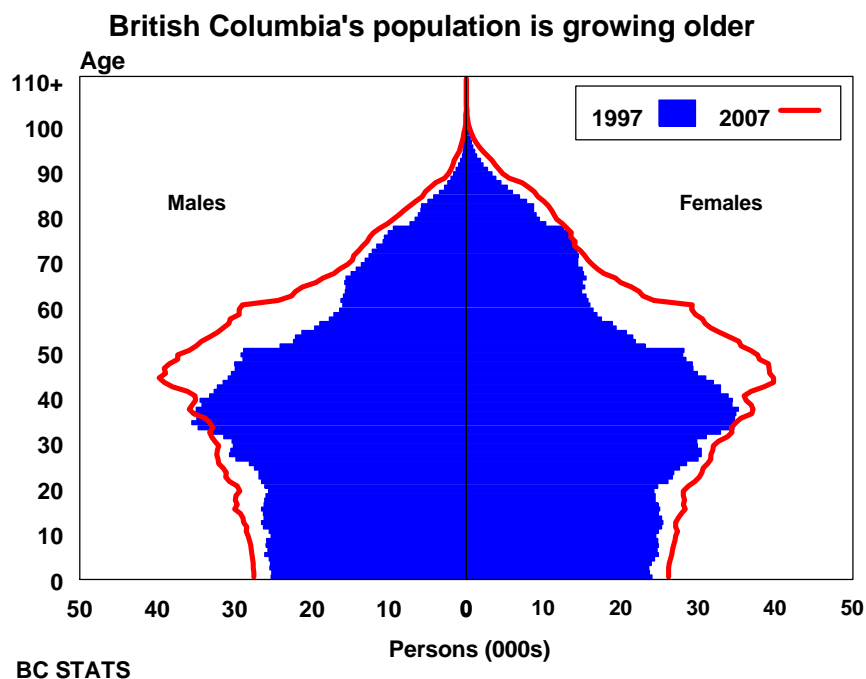
Beginning in 1993, there was a significant increase in the British Columbia share of immigrants coming to Canada. In 1996, British Columbia, with 13 per cent of Canada's population, received almost 23 per cent of the national immigration intake. This dramatic increase in the proportion of immigrants choosing British Columbia as a destination may be due to a number of factors, such as the increasing dominance of Asian immigrants and B.C.'s location on the Pacific Rim, a well-established Asian community that could aid the settlement process, and our relatively mild climate and natural beauty. Another factor that may be driving the recent higher share of immigration to British Columbia is the current low immigration share going to Quebec. Quebec, which is the only province in Canada to have responsibility for the selection of some classes of immigrants, has dropped its share of immigration from 17 per cent in 1993 to around 13 per cent over the last three years. Over the next few years the British Columbia immigration share is expected to decline slightly as the level of immigration from Hong Kong eases, but is still expected to remain high relative to historical levels.

Despite the expectation of continued strong international migration to British Columbia, the total net intake due to migration over the next decade is expected to be slightly lower than has been experienced over the past few years. This is due largely to

reduced levels of interprovincial migration. From 1990 to 1994 net interprovincial migration to B.C. averaged 37,000 persons per year. In 1995, net interprovincial migration dropped to 23,000 with a further drop to 21,000 in 1996. It is expected that in 1997, migration from the rest of Canada to British Columbia will be less than 9,000 persons. The major cause for this reduction is an improvement in economic conditions in Alberta relative to British Columbia, which has resulted in a net out-flow of population to Alberta. On the other hand, British Columbia continues to receive population from Ontario, although at lower levels than in the recent past. Over the next decade, we expect net interprovincial migration to remain positive, averaging around 19,000 per year, but well below the peak years of the early 1990's.

ii.) Population Ageing

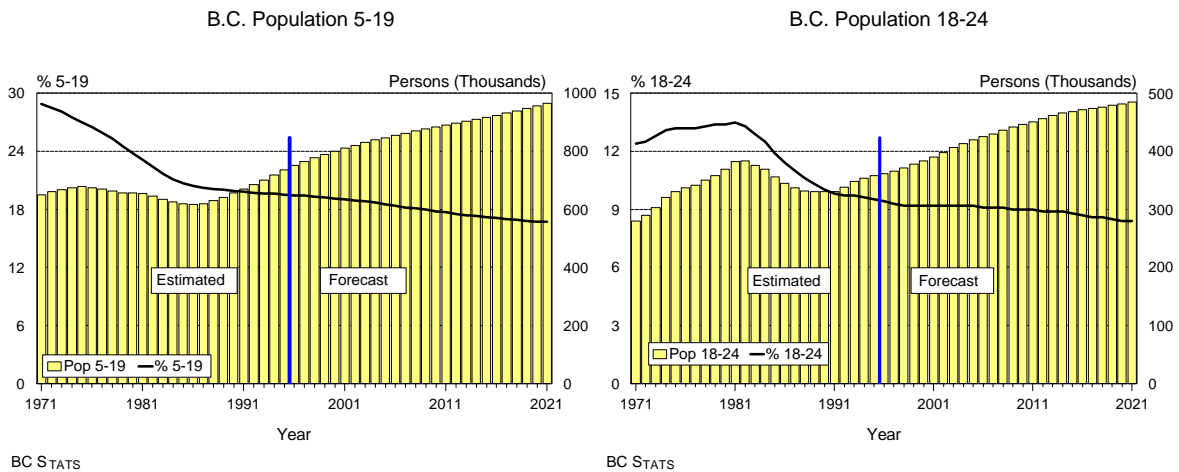
Over the next ten years the population of British Columbia will grow larger, but it will also grow older. By 2007, the population will have increased by 19 per cent, or 755 thousand people, and the median age will have risen from 36.0 years to 38.9 years of age.



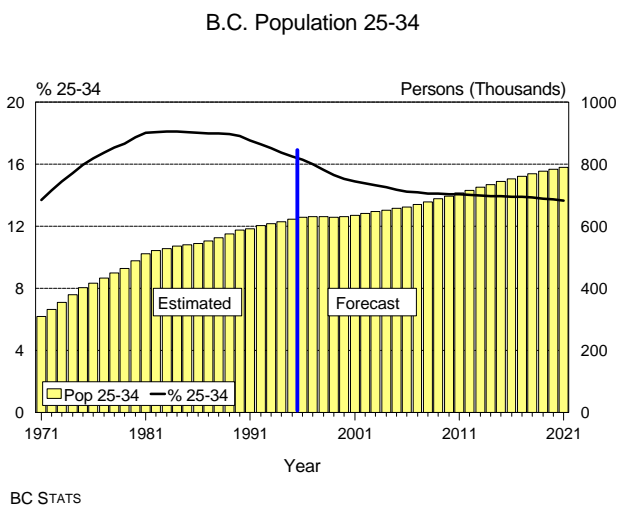
The ageing of the population is caused by a long-term historical decline in the fertility of the population. The most significant Canadian demographic event of the 20th century, and the greatest explosion of fertility of any developed country, was the baby-making binge that occurred between the years 1947 and 1966. Widely known as the baby-boom, this helped delay the onset of the full effect of the ageing of the population. As the leading edge of the bulge of the baby-boom generation begins to reach age 65 by 2011, the ageing process will accelerate, showing a higher proportion of the population

over 65. Following that date, the number and proportion of seniors will increase dramatically.

It is because the baby-boomers are getting older that the future will be different from the past. Housing, health, and employment, as well as how we spend our leisure time, will change.



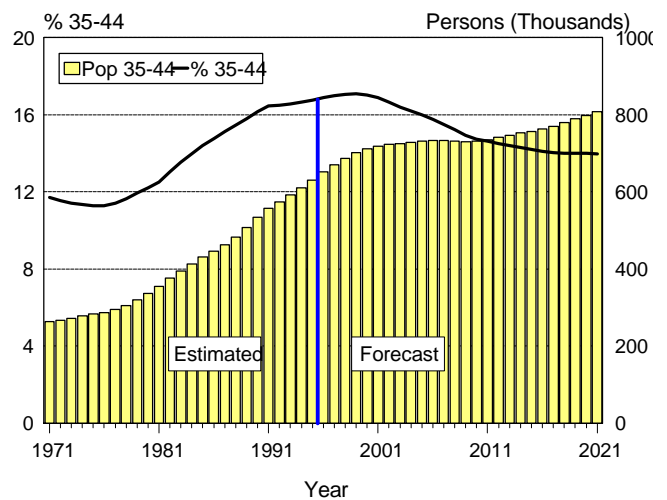
The population of school age (5-19 years) will continue to grow, although its share of total provincial population will decline. The same will be true for the population of post-secondary school age (18-24 years).



The population aged 25-34, which is generally associated with first time household formation, will remain relatively constant over the next five years, increasing thereafter. This age group has a very high proportion of renters, almost 55 per cent, and a smaller household size of 2.7 persons when compared to households headed by older persons.

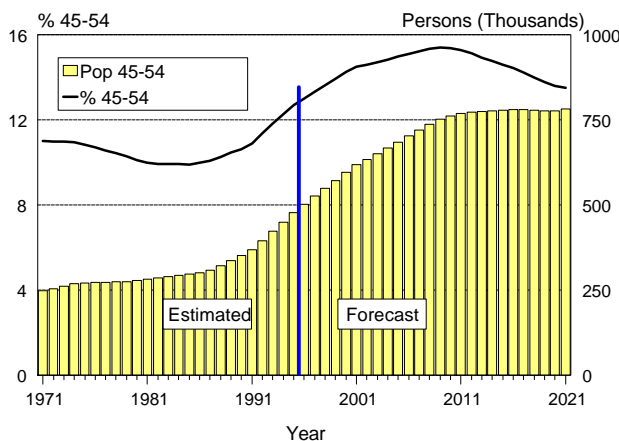
B.C. Population 35-44

The population aged 35 to 44, has increased significantly over the past 15 years, and will continue to grow over the next five years before pausing. This cohort has been termed Yuppies - the bulk of the baby-boomers. Households headed by persons in this age group have the largest average household size of 3.3 persons per household, and a much lower proportion of renters (33 per cent) when compared to the 25-34 year olds.



BC STATS

B.C. Population 45-54



BC STATS

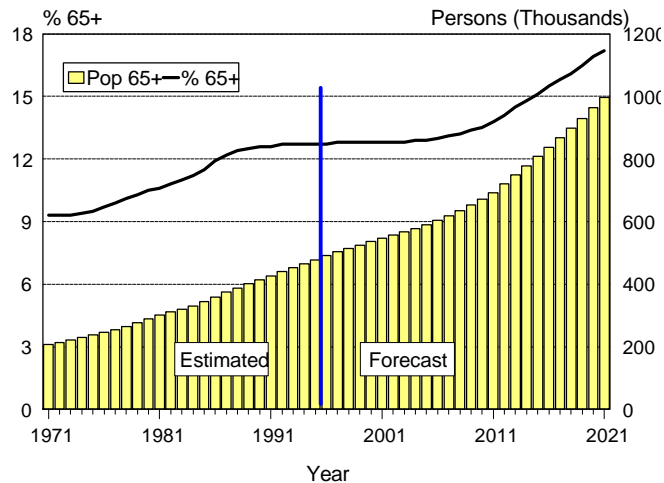
The next age group is one of the more important ones from a growth prospective. The population aged 45-54 has gone through a period of slow growth for a couple of decades, but in the last five years this trend has started to change. Baby-boomers are beginning to enter this age group, and as a result, the population will increase significantly. This will have repercussions on the labour force, especially in terms of career goals and whether or not they can be met with so many people competing for a limited number of higher level jobs.

Households headed by persons in this age group have an average size of 2.9 persons, which is slightly lower than the 35-44 year olds, and have the highest average family income. Over 75 per cent of the dwellings headed by persons in this age group are owned, with the preferred type of dwelling being the single detached house (almost 70 per cent). We sometimes refer to the upper end of this age group as the "Empty Nesters" - a relatively well-off group of people who have recently had their children move out.

Both the share and overall population of retirement age (65+) will continue to increase significantly from 12.8 per cent in 1997 to 17.3 per cent in 2021. The same will be true for the very senior population (80+), which will grow from 3.0 per cent of the population

to 3.9 per cent. This increase will have a significant effect on health care expenditures given the high per capita health costs associated with seniors.

B.C. Population 65+



BC STATS

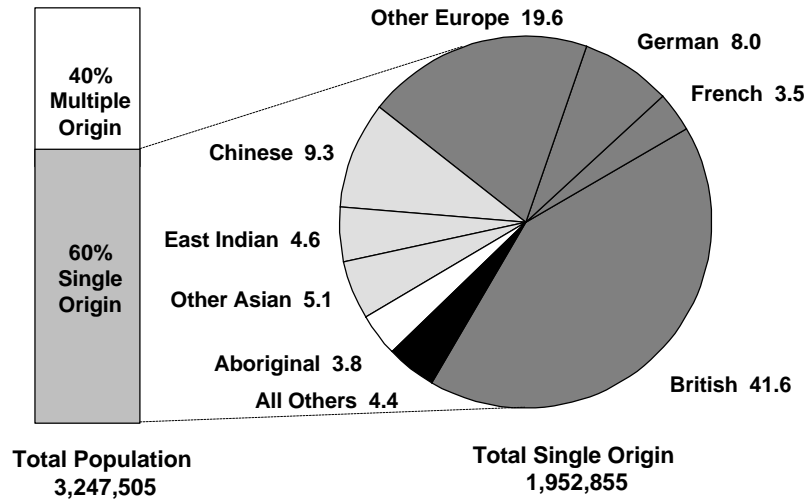
This age group is characterized by a relatively small average household size of only 1.7 persons, and a somewhat lower proportion of home ownership at 72 per cent (this proportion drops significantly in the older age groups). In addition, the proportion living in apartments (9%) as well as condominiums (14%) are the largest of any age group.

To summarize, these shifts in the age structure of the population are telling us that the types of services and housing that will be demanded over the next decade will be that geared to an older, more mature market. We are moving away from a market characterized by first time home owners, to one that is dominated by those looking to trade up, as in the case of the Yuppie age group (35-44), or looking to reduce their square footage, as in the case of the 55 and over age groups.

iii.) Ethnic Diversity

British Columbia possesses a diverse ethnic mosaic. Traditionally, British has been the most common ethnic origin, followed distantly by other European groups. With the shift in immigration patterns for the province, there has been a corresponding gradual shift in the province's ethnic make-up. While British is still by far the most common ethnic origin, some Asian groups have surpassed other European groups. At present, the most recent data available on the ethnic make-up of the province is from the 1991 Census. Results from the 1991 Census indicate that Chinese replaced German as the second largest ethnic group in the province. When data from the 1996 Census becomes available, it is expected that the ethnic diversity within the province will have increased further.

British Columbia Population By Ethnicity - 1991

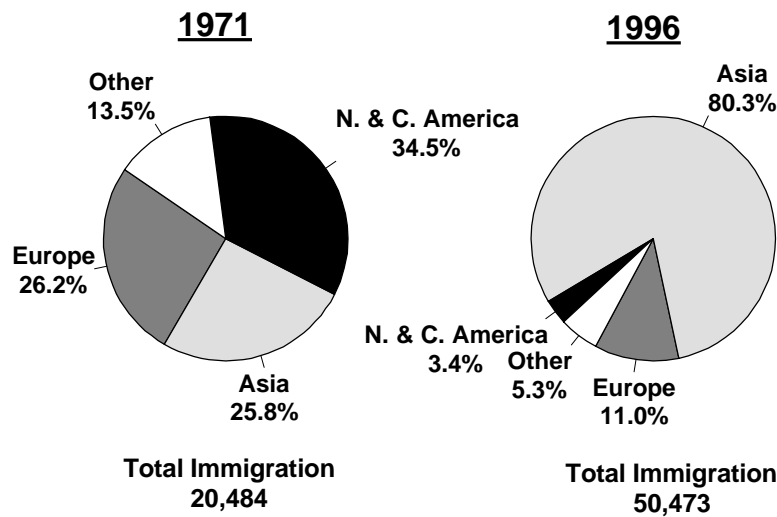


BC STATS

Source: Statistics Canada

The shift in the ethnic mosaic of British Columbians is primarily due to recent changes in the source countries of immigrants to British Columbia. Currently, most immigrants arriving in British Columbia originate from Asia; in particular, Hong Kong, Taiwan, India, China and the Philippines. This was not the case twenty years ago when most immigrants came from Europe and the United States. Hence, not only are there more immigrants arriving in British Columbia today, but the ethnic make-up of these immigrants has changed significantly.

British Columbia Immigration By Source



BC STATS

The linguistic make-up of British Columbia is also changing as a result of shifting sources of immigration. English represents by far the largest proportion of languages spoken, with over 81 per cent of British Columbians having English as their mother tongue in 1991. In addition, over 91 per cent of British Columbians said that English was the language used at home. After English, those British Columbians reporting one mother tongue spoke Chinese most frequently (4.4 per cent), followed by German (2.5 per cent), Punjabi (1.8 per cent), and French (1.4 per cent).

With the influx of immigrants from Asian sources it is likely that British Columbia will continue to see a shift in its ethnic mosaic. People of Asian ethnicity will likely continue to grow as a proportion of the population, although there is a possibility that there will be a change in the source of immigrants in the future. It is difficult to predict what will happen twenty years from now. Just as in the past, the source of immigrants changed as world events unfolded (e.g. with the Vietnam war there was a large increase in immigrants from the United States; with the situation in Hong Kong there have been a greater proportion of immigrants arriving from that colony; etc.), so too may the source change in the future. There is the possibility that Canada may see more immigrants from the former communist countries of Eastern Europe, for example, in which case, the proportion of European ethnic groups in the population may increase. For the short term, at least, it is likely that we will continue to see a growing proportion of people of Asian ethnicity in British Columbia given current immigration patterns.

3. Regional Population Trends

What has just been said about the changing population age structure, growth and ethnic make-up patterns applies to the province as a whole, but does not necessarily apply to all regions within the province. There will be some areas that may not grow at all and some that will increase significantly. Similarly, some areas of the province will grow older quite rapidly while others will age more slowly.

Currently, the greatest concentration of population is in the Lower Mainland (54%), south-east coast of Vancouver Island (17%) and the Okanagan (8%). This unequal population distribution reflects the cumulative effects of unequal population growth rates over the past 150 years.

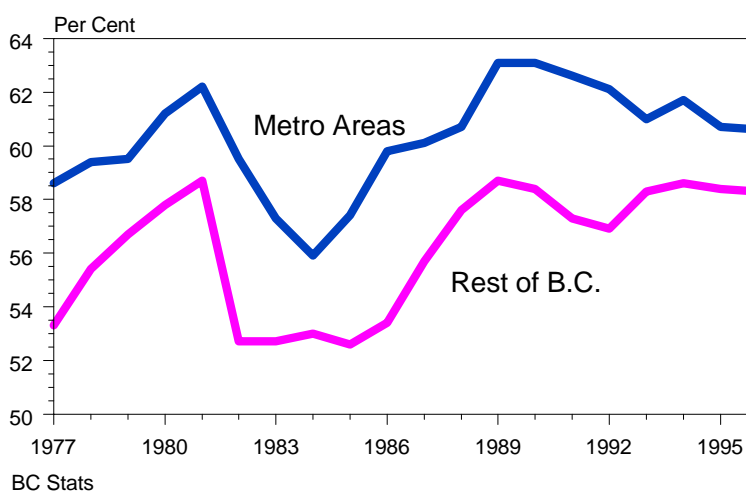
The differential rates of population change have resulted from a number of factors such as the existence of transportation networks and the relative economic strengths of the various regions of the province. As has been the case in the past, regions that have a well-diversified economic base will likely experience more consistent and higher population growth in the future.

I.) Regional Population Change

There have been wide variations in regional growth patterns over the past fifteen years. During the late seventies and up to 1982, population growth in British Columbia was distributed relatively evenly throughout the province. However, during the 1980's, a dramatic change in regional population growth patterns emerged. During the mid-eighties, only the major metropolitan areas of Vancouver and Victoria experienced healthy population growth in the two per cent range, while other traditional growth areas such as the Okanagan and eastern Vancouver Island recorded annual growth rates of less than one per cent. The remainder of the province, representing approximately one quarter of the population, experienced population losses.

Much of the regional population loss can be attributed to a restructuring in many of the resource-based industries throughout the province (i.e., the economic driver for many of the smaller communities in British Columbia). The recession of 1982 resulted in a significant decline in direct employment in a number of resource based industries including forestry and mining, which resulted in an erosion in the employment base in much of rural British Columbia. The effects of the 1982 recession were much more pronounced and lingered longer in regions outside the two major metropolitan areas of Vancouver and Victoria. The result was a general migration of population away from regions with a shrinking employment base in favour of regions where employment prospects were more favourable. This, coupled with the increasing importance of the service sector, resulted in declining populations in outlying areas in favour of the province's larger metropolitan areas.

Employment to Population Ratio

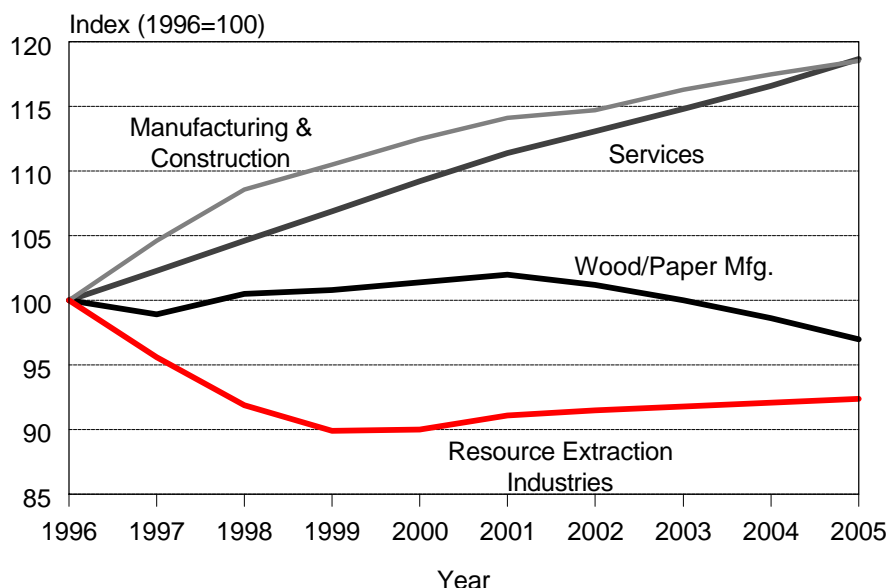


Since the beginning of this decade we have had relatively stable population growth in both the metropolitan and other regions of the province, which is a reflection of the

relative stability in the employment base in many of the non-metropolitan areas of the province. How long this situation will last is the question. Past history has shown that when the provincial economy slows or goes into recession, it is the resource dependent regions that suffer the greatest population impacts. Hence, in order to shed some light on the population growth prospects for regions within the province, one must first predict the employment prospects for those regions.

Some indication of future employment prospects by industry and occupation at the provincial level are given by the 1997 Canadian Occupational Projection System (COPS) forecast prepared by Human Resources Development Canada². Under this simulation, both the service and manufacturing (excluding wood/paper manufacturing) sectors are expected to experience strong growth, but the primary resource and wood/paper manufacturing sectors are expected to see some decline in employment. In terms of unemployment rates, this means that in the more service-oriented population centres like the Greater Vancouver region will likely remain low and fall even further, while in the less populous regions, unemployment rates will continue to climb as the employment base of the primary and forest-related manufacturing sectors dwindles.

Employment by Sector - British Columbia



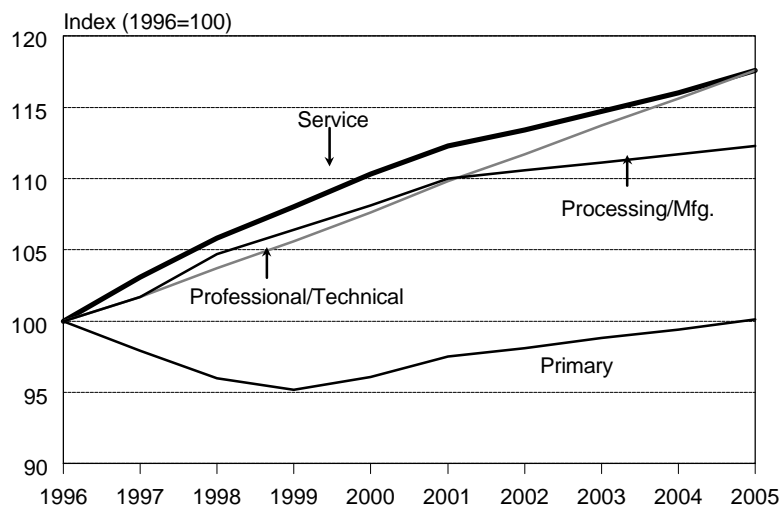
The forecast of employment by occupation also shows this trend.³ This is not surprising, since many occupations tend to be tied to specific industries. As with the

² The COPS forecast was finalised early in 1997; therefore, any regional or industry-specific economic initiatives proposed since these dates would not be reflected in the simulation.

³ Groupings of National Occupation Classifications are as follows: Professional/Technical includes Senior Management, Business, Finance and Administration, Natural and Applied Sciences and Related, Health, Social Science, Education, Government Service and Religion, and Art, Culture, Recreation and Sport occupations (i.e., NOC classes 1 through 5, plus Major Group 00—Senior Management); Service

industry sector breakdown, the occupational split shows an expected decline in the occupations related to primary industries, while service-type occupations and manufacturing/processing occupations are expected to experience growth. Again, since the primary industries are more likely to be located in communities that are more sparsely populated, compared to major centres like Vancouver and Victoria, falling employment in this occupation class will mean rising unemployment rates and possible out-migration of population from the more rural areas.

Employment Growth by Occupational Group

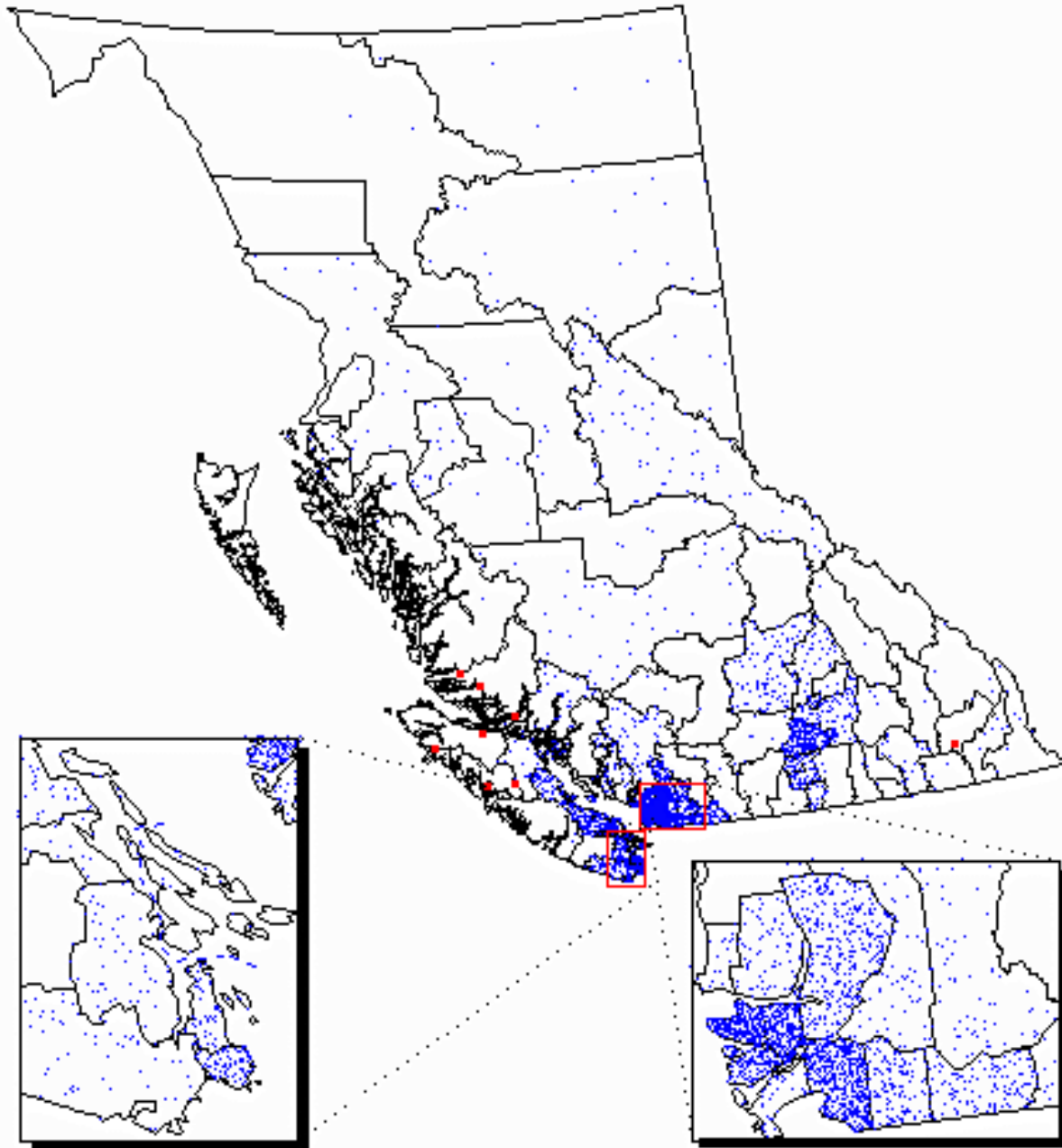


In general, regions of the province with a diversified economic base encompassing both services and goods producing industries have experienced the strongest, and most consistent, population growth over much of the past 10 years. In general, this same recipe for success is expected to be characteristic of the growth areas for the next decade.

includes Sales and Service, and Trades, Transport and Equipment Operators and Related occupations (i.e., classes 6 and 7); Primary is class 8, and Processing/Manufacturing is class 9 (Note that no attempt was made to separate wood and paper manufacturing occupations, since there is significant overlap with other industries).

British Columbia Population Change - 1996 - 2001

1 Blue Dot = 100 Population Increase
1 Red Dot = 100 Population Decline



Source: BC STATS

Source: BC STATS

Over the next 5 years, almost all regions within the province will experience some population gains, although generally at lower levels than the last 5 years. At the provincial level, growth is expected to ease to an average annual rate of 1.8 per cent compared to the 2.6 per cent experienced since 1991, due largely to an easing in interprovincial migration. The bulk of the growth will occur in the already heavily populated areas of the Lower Mainland, east coast of Vancouver Island and the Okanagan/Thompson regions. Within the Lower Mainland, the highest growth in absolute terms will be in the Vancouver and Surrey areas, although in percentage terms, the fastest growing areas will be Surrey and the other municipalities to the east of Vancouver. This projection of future growth within the Lower Mainland was adopted from the Greater Vancouver Regional District's *Liveable Region Strategic Plan*.

On Vancouver Island, the upper-Island communities on the east coast such as North Cowichan-Duncan, Nanaimo, Parksville-Qualicum and Courtenay-Comox, along with the Sooke area, will generally experience the highest percentage growth, although the lower Island communities will still receive significant numbers of new people. This pattern of growth is largely driven by the greater availability of reasonably priced housing relative to southern Vancouver Island, and the assumption that the upper Island communities continue to shift their economic dependence away from natural resource extraction to a service sector base.

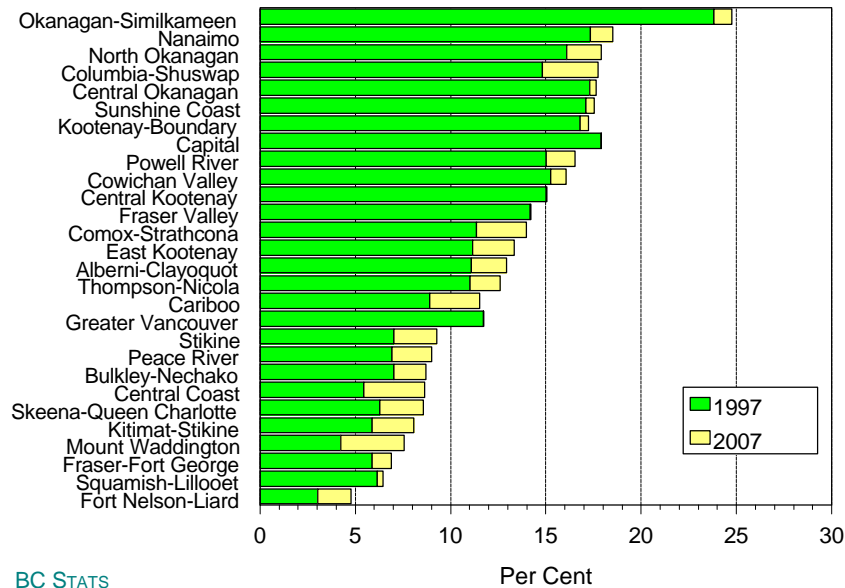
Growth in the Thompson/Okanagan region will continue to benefit from a well diversified economy. The strong service sector base resulting from healthy tourism and retirement industries, coupled with a solid agricultural base, and to a lesser extent forestry and mineral resource extraction, will ensure strong population growth into the future. Kelowna will continue to act as the commercial and administrative hub for the region, and as a result, will likely experience the strongest growth.

ii.) Age Structure

Just as different regions within the province will grow at different rates, some areas of the province will grow older quite rapidly while others will age more slowly; however, one thing is certain, all areas will experience a general ageing in the population.

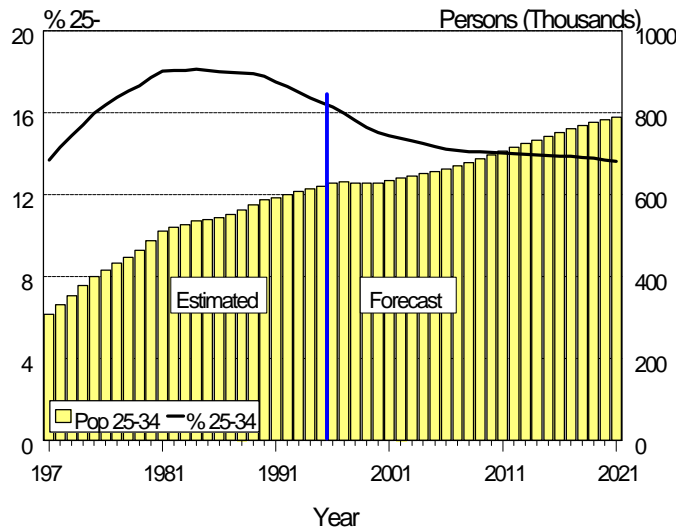
Currently, the proportion of persons at the provincial level who are over the age of 65 stands at 12.8 per cent. By the year 2006 the share will be only slightly higher at 13.0 per cent. However, this provincial average masks some of the regional variations in ageing expected to take place over the next decade. Currently, the regions of the province with the oldest populations are in the south: - the Kootenays, Okanagan and Similkameen Valleys and Southern Vancouver Island. In 10 years these areas will still contain an older population; however, other areas in the province will begin to catch-up.

Population 65 and Over as a Per Cent of Total Population



This differential rate of ageing, in many cases, is the result of differential rates of migration to or from an area. Migrants tend to be younger than the population at large. Hence, in regions of high net inflows of population, the ageing process is slowed. Alternatively, where there is a net outflow, population ageing accelerates.

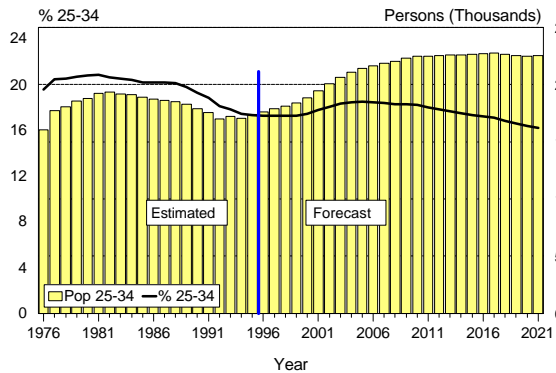
B.C. Population 25-34



Other age groups will also show some regional variation in the rate of growth over the next decade. As was mentioned earlier, at the provincial level, the population aged 25-34, which is generally associated with first time household formation, will remain relatively constant over the next five years, with slight increases thereafter. This pattern of growth is indicative of the 25-34 year old population in the Capital and Greater Vancouver regions, but not for other areas in the province. For example, the 25-34 year old population in the Fraser-Fort George region is expected to continue to experience growth, as is that in the Central Okanagan.

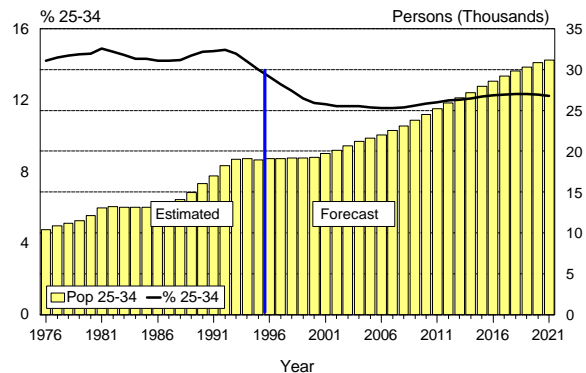
BC STATS

Fraser-Fort George Regional District Population 25-34



BC STATS

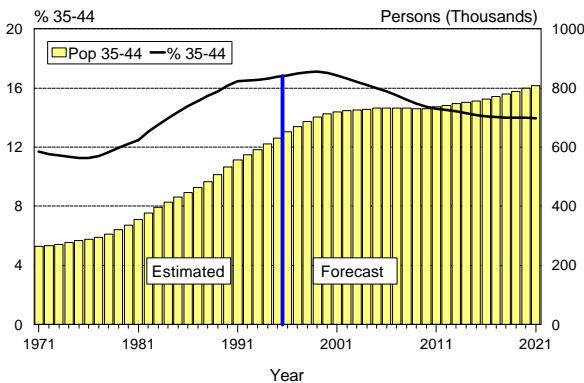
Central Okanagan Regional District Population 25-34



BC STATS

Another example of the regional variability in the rate of change in the age structure is with the 35-44 year olds. The provincial population aged 35 to 44 has increased significantly over the past 15 years, and will continue to grow over the next five years before pausing.

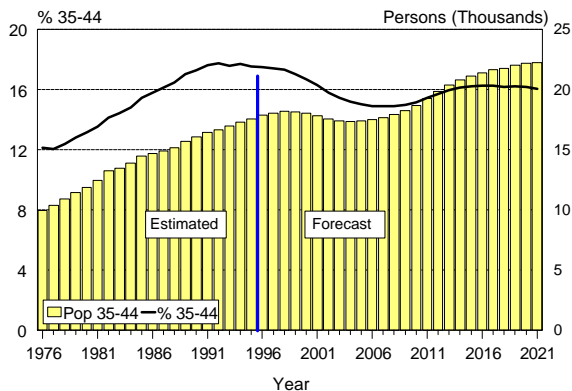
B.C. Population 35-44



BC STATS

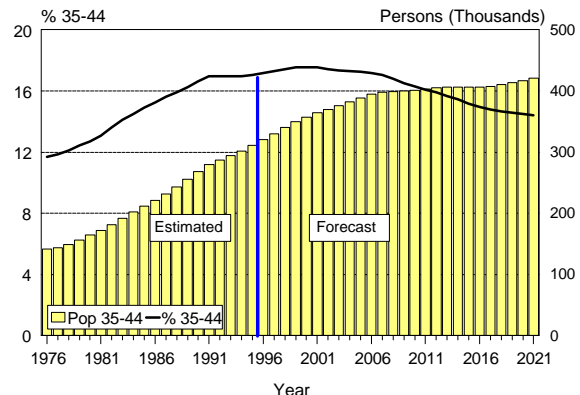
This pattern of growth is indicative of that expected for the Capital and Central Okanagan regions, but not for the Greater Vancouver and Fraser-Fort George areas. The 35-44 year old age group is expected to continue to show strong growth within the Greater Vancouver region over the next 10 years, while the Fraser-Fort George region is expected to experience a slight reduction in population aged 35-44 around the year 2000.

Fraser-Fort George Regional District Population 35-44



BC STATS

Greater Vancouver Regional District Population 35-44

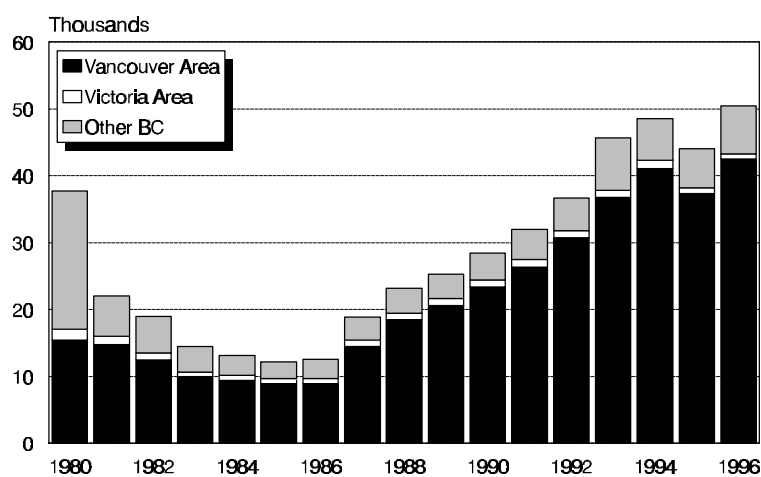


BC STATS

iii.) Ethnic Diversity

As noted earlier, British Columbia possesses a diverse ethnic mosaic with British being the most common ethnic origin, followed distantly by other European groups. With the shift in immigration patterns for the province, there has been a corresponding gradual shift in the province's ethnic make-up. The fact that immigration is the primary reason behind the changing ethnic make-up of the province, and that most immigrants settle in the Lower Mainland (85%), has resulted in a very different ethnic make-up for the rest of the province compared to the Lower Mainland.

B.C. Immigration By Destination

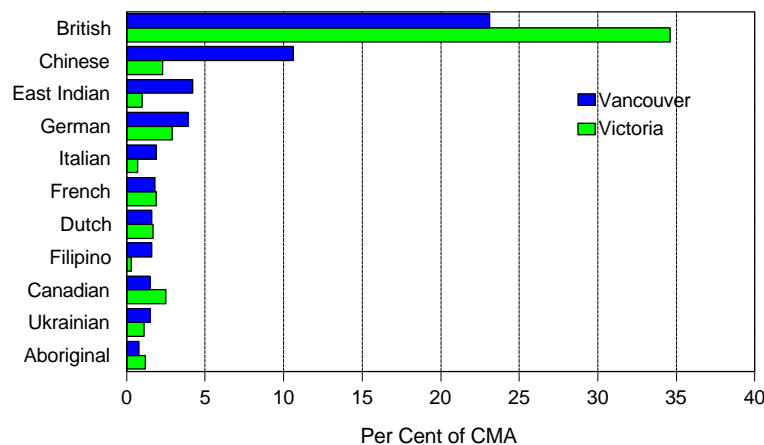


BC STATS

Despite being the second largest ethnic group after British, the ethnic Chinese are concentrated mostly in one area. Over 92 per cent of ethnic Chinese in British Columbia live in the Vancouver Census Metropolitan Area (CMA). Close to 4 per cent live in the Victoria CMA, which means these two areas account for about 96 per cent of all ethnic Chinese in British Columbia.

The top ten ethnic origins in the Vancouver CMA are almost the same as those of the province as a whole, except there is a greater concentration of people from Asian origins, particularly Chinese and East Indian. After British, Chinese and East Indian are the second and third most common ethnic origins respectively in Vancouver. Victoria is still predominantly British, with almost 35 per cent of Victorians claiming British as their ethnic origin, compared to only 25 per cent for British Columbia as a whole.

Major Ethnic Origins, Single Origin Only, 1991 Vancouver and Victoria



BC STATS

Source: Statistics Canada

Aboriginal ethnic groups are more likely to reside in rural areas in British Columbia. Vancouver, which represents about one half the population of British Columbia, has only 17 per cent of the Aboriginal population. Victoria is similarly under represented with respect to Aboriginal groups.

4. Summary

Demographic shifts taking place within this province over the next decade will result in a population that is larger, older and more ethnically diverse. The important point to note is that these changes will not occur uniformly across all regions of the province. In general, regions with a well diversified economic base will experience the healthiest growth. These areas include, but are not limited to, the Okanagan and Kamloops areas, the Lower Mainland, and the east coast of Vancouver Island.

Some other points to note include:

- Largely as a result of a slowing in interprovincial migration, the rapid population growth experienced over the past five years in these and other regions within the province is expected to ease slightly.
- International migration over the next five to ten years, largely from Asian countries, is expected to continue to fuel growth in the Lower Mainland and continue to change the ethnic diversity of that region.
- In percentage terms, the fastest growth will occur in the areas east of Vancouver as well as the Sunshine Coast/Squamish areas.

- Similarly, the upper island communities from Duncan to Courtenay along with the Western Communities will likely be the fastest growing areas on the Island.
- Concerns with respect to resource depletion and the labour market restructuring that will likely take place will hinder growth prospects over the next decade in some regions of the province. The extent to which these and other resource extraction dependent regions will experience population declines is a matter of debate. However, if these areas are to maintain their existing population base there will be a need to create jobs in new and different industries to replace the “traditional” jobs that are disappearing.