



Understanding the Impact of Immigration on Demography

A Canadian Case Study

By Daniel Hiebert

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Migration Policy Institute

February 2025

Contents

Executive Summary	1
1 Introduction	2
2 Canada's Demographic Challenge and Recent Immigration	
Policy Responses	3
What Kind of Immigrants?	7
3 Population Projections	8
A. A Custom Glimpse of the Future	9
B. The Efficiency of Policy Choices	13
C. Geographical Complications	14
4 Conclusion: Planning for Demographic Change	16
Short and Long Policy Horizons	17
About the Author	20
Acknowledgments	21

Executive Summary

Like many other high-income countries, Canada is facing a stark demographic transition as its fertility rate drops and its population ages. This transition points to a challenging future for Canada and its peers as they navigate the prospect of a shrinking workforce and the need to support a growing retired population and accompanying health-care costs with diminishing tax revenues. For now, Canada's labor force continues to grow—in fact, the labor force grew by 2.8 million persons or nearly 15 percent over the last decade—but this has been driven entirely by the admission of temporary and permanent immigrants, illustrating the critical role that migration policy has assumed in the Canadian economy.

Since the 19th century, Canada has looked to immigration as a tool to help address its demographic challenges, whether to settle new regions, develop a large industrial workforce, or since the 1980s, to compensate for falling fertility. On assuming power in 2015, the Liberal government set ambitious new targets for permanent immigration and more expansive policies on temporary migration to support economic growth, culminating in a two-year period from 2022 to 2023 in which Canada's population grew by 5.2 percent. But since then, public opinion has shifted sharply on immigration, with Canadians citing concerns about the impact on housing costs and public services. In 2024, the minister of immigration, refugees, and citizenship announced significant reductions in permanent and temporary immigration to Canada over the next three years.

Canada provides a useful case in exploring what role immigration policy should play in future population planning—and to what extent immigration can alleviate demographic decline. Different scenarios commissioned from Statistics Canada explore the consequences of different recent immigration rates on the Canadian population and old-age dependency ratio,¹ ranging from near-zero net permanent immigration (with annual permanent immigration at 0.3 percent of the national population) to highly ambitious (1.8 percent). These scenarios would produce very different population sizes by 2046 and 2071, but even under the highest of these immigration rates, the old-age dependency ratio would still rise as larger immigrant cohorts age and eventually retire along with their native-born peers. The only way to mitigate this would be to commit to continuously increasing the scale of immigration on an indefinite basis.

These scenarios point to an important lesson: immigration can grow the population and slow the effects of falling fertility, but it is less efficient at changing the age composition of the population. To tackle the rising old-age dependency ratio and the prospect of shrinking workforces, policymakers would need to also consider other interventions, such as raising the retirement age.

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Looking ahead, Canada will need to plan for both a larger and an older society. Policymakers should also be prepared to plan for very different demographic futures within the country: aiding “fast” regions (such

¹ The old-age dependency ratio describes the size of the senior population (typically, adults over age 64) relative to the working-age population (ages 15–64 or 18–64).

as large cities) as they deal with above-average rates of population growth and resulting pressures on housing and infrastructure, while simultaneously helping “slow” regions (such as rural areas) navigate depopulation and spiraling old-age dependency ratios. With immigration policy a major lever shaping Canada’s population growth, it will be critical to calibrate admissions in conjunction with decisions about social spending and investment in housing stock and infrastructure. And because the consequences of shifting immigration targets play out over decades, the government will need to look beyond its three-year population planning to consider how Canada’s population will evolve and what its needs may be over much longer time horizons. The combination of population and immigration planning that this entails would be politically impossible without public support. It is therefore vital that government effectively communicates the issues at stake and its plans to address them.

1 Introduction

The world is experiencing an unprecedented global decline in fertility that is particularly acute in countries with high levels of economic development, including many in Europe and North America. These countries share the common challenge of aging populations, with progressively larger old-age dependency ratios in the foreseeable future and a reduced share of the population made up of adults in the ages associated with labor force participation. The consequences are manifold and include shrinking workforces, ballooning health-care costs, and increased fiscal stress on governments.

Governments are pursuing several policy responses to deal with this emerging reality. Dozens of governments have instituted pro-natal social programs (such as tax credits) to encourage families to have children and thus boost birth rates, for example. Others have made efforts to enhance automation and productivity, as a way to compensate for shrinking workforces, or to slow the rate of workforce contraction by encouraging a larger proportion of the population to enter the formal labor force or by delaying retirement benefits. Canada, alongside several other countries, has also elected to increase the rate of immigration to increase the size of the labor force immediately in the short term and to moderate the impact of population aging in the longer term. But to date, the results of these policy initiatives have varied and some have proven more successful than others. This is a vital issue for policy officials. With scarce resources, which of these policy approaches is most efficient? What are the costs associated with each approach? And which one presents the best balance between risk and reward?

This report explores the efficacy of immigration in alleviating the challenges of low fertility and population aging through a case study of Canada. Canada is a particularly appropriate example, given the relatively wide swings in the rate of permanent immigration that have occurred under the current Liberal government, with even more volatile policy on the scale of temporary migration. How has this affected Canada’s demographic outlook? And perhaps more importantly, which of the several recent policy approaches would best address (or ideally, resolve) Canada’s aging challenge—and at what cost, in terms of population growth and attendant infrastructural needs?

This report unfolds in three parts. The first establishes two key contexts: Canada’s demographic challenge and recent changes in migration and immigration policy. These issues are brought together in the

second part, which is centered around custom population projections that anticipate the demographic consequences, over the next half-century, of six different immigration scenarios. The report's third part turns its focus to policy and advances the argument that Canada's immigration policy should be framed within a long-term population strategy, a position worth considering for any country facing the same issues of fertility and aging.

2 Canada's Demographic Challenge and Recent Immigration Policy Responses

Canada's current demographic situation is defined by two primary factors: low fertility and the aging and retirement of the baby boom generation. Canada's fertility rate declined quickly from the peak of the baby boom (1950s) to the early 1970s, when it first reached a sub-replacement level. Since then, it has fallen more slowly and had several moments of slight recovery, but the direction of change has been virtually relentless. Statistics Canada's most recent calculations reveal that the total fertility rate was 1.26 children per woman in 2023,² a level unprecedented in Canadian history and among the lowest rates globally. The consequences of low fertility are concentrated at this point in history by the "aging out" of a particularly large demographic cohort, the baby boomers. In 2025, boomers ranged from ages 59 to 79. According to the most recent Statistics Canada data, from 2023, the average age of retirement in Canada is 65.1.³ In essence, around two-thirds of boomers have retired, with another one-third to come. The impacts of this demographic shift on the labor market and economy writ large are therefore still unfolding.

Significantly, the demographic challenge in Canada (as in other countries) is characterized by profound geographical variation. This is due to a combination of varied fertility rates and migration. In the Canadian case, as elsewhere, fertility rates tend to be low in large and mid-sized cities, but this is mitigated by a combination of internal and international migration. While fertility rates may be slightly higher in smaller cities and rural areas, they are still well below replacement level. Moreover, these areas are characterized by out-migration of their domestic populations and receive disproportionately low numbers of international migrants, so they typically face steeper population decline.⁴

One simple but effective way to summarize this issue is to examine data on the Canadian labor force. Over the past decade (September 2014 to September 2024), the labor force expanded by 2.8 million persons (14.5 percent). But through these years, the size of the Canadian-born portion of the labor force remained constant (and actually fell by a marginal amount); therefore, *all* of the labor force growth was the result of either temporary or permanent immigration.⁵ This means that the Canadian government, through its migration policy, now effectively controls the scale of the labor force and, by extension, establishes the conditions and limits of economic growth.

² Statistics Canada, "Births and Stillbirths, 2023," updated September 25, 2024.

³ Statistics Canada, "Retirement Age by Class of Worker, Annual," updated January 5, 2024.

⁴ This paragraph summarizes a study by the author that is scheduled to be published by the C.D. Howe Institute in their Commentary series in 2025.

⁵ Statistics Canada, "Labour Force Characteristics by Immigrant Status, Three-Month Moving Average, Unadjusted for Seasonality (x 1,000)," updated October 11, 2024.

This is not an entirely new state of affairs. Through its history, Canada has turned to immigration to resolve demographic challenges.⁶ This was already evident when the country embarked on a concerted effort to increase immigration at the end of the 19th century, in order to provide a larger industrial workforce and settle western Canada. The growth-oriented population strategy was revived in the aftermath of the Second World War, fueling Canada's service economy and accelerating its rate of urbanization. Although the annual rate of immigration from the late 1940s to the mid-1980s varied quite widely, the average number of permanent residents admitted per year was around 150,000. By the end of that period, the demographic challenge of low fertility began to be acknowledged, and the annual rate of immigration was reset at 250,000, a figure that was used consistently for the next 30 years.⁷ By the end of the 20th century, immigration directly accounted for a little more than half of Canada's population growth, and by extension, more than half of the growth of Canada's labor force.

A crucial shift in immigration policy was initiated by the Liberal government shortly after it came to power in late 2015. Through most of its tenure, Canada redoubled its expansionary strategy, with increasing immigration targets and admission levels in every year apart from 2020, due to the onset of the COVID-19 pandemic, culminating in a target of 485,000 in 2024.

Along with increased rates of permanent immigration, the Liberal government adopted a more facilitative approach to temporary migration, and the number of international students, temporary foreign workers, and other non-permanent residents has expanded even more

BOX 1 Planning Canada's immigration levels

For an international audience, it is important to note three aspects of Canadian immigration policy. First, the minister responsible for immigration is required to outline a plan for permanent immigration for the coming year, on or before November 1 each year (such as the 485,000 target for 2024, which was announced in late 2023, and the more recent target of 395,000 for 2025, announced in November 2024). This enables the ministry to plan its capacity and staffing and is, effectively, the hallmark of a "managed" migration system. Recently, the minister has extended this mandate to present three-year plans, with targets for the first year seen as firm and for the second and third years as notional but offering a sense of direction. In 2024, for the first time, the minister also issued a plan for temporary migration for the next three years. Second, the plan for permanent resident admissions is not just a global number, but specifies targets for each major pathway: economic, family reunification, and humanitarian (with subcategories for each). In recent years, approximately 60 percent of Canada's permanent immigrants have been admitted through the economic class, while around 25 percent have been associated with family reunion and the remaining 15 percent have been humanitarian cases. Given the profile of newcomers, Canada's immigration program is presented to the public as a tool for promoting economic growth. Third, all permanent immigrants to Canada are eligible for publicly funded settlement services, including up to 500 hours of free language training and various forms of assistance in seeking employment and other social services.

Sources: The responsibility of the minister for announcing targets was established in the *Immigration Act*, introduced in 1976, and was maintained in the subsequent *Immigration and Refugee Protection Act*, which came into effect in 2002. The annual plans mentioned here can be found at: Immigration, Refugees, and Citizenship Canada (IRCC), "[CIMM – Immigration Levels Plan for 2024-2026 – November 07, 2023](#)," updated March 6, 2024; IRCC, "[2025–2027 Immigration Levels Plan](#)," updated October 24, 2024.

6 Daniel Hiebert, *What's So Special about Canada? Understanding The Resilience of Immigration and Multiculturalism* (Washington, DC: Migration Policy Institute, 2016).

7 Statistics Canada, "[150 Years of Immigration in Canada](#)," updated October 8, 2024.

rapidly than the scale of permanent residence.⁸ Until fairly recently, the number of temporary residents admitted to Canada generated little public attention. A decade ago, in 2012–13, Statistics Canada estimated that the net number of temporary residents added to the population that year was slightly more than 32,000, and the following year, more temporary residents left Canada than entered the country.⁹ But this situation changed dramatically in subsequent years, and in both 2022–23 and 2023–24, more than 1 million temporary visas were granted and the net addition to the Canadian population through temporary migration, for the first time ever, surpassed that of permanent immigration. This has included a growing share of temporary workers for low-wage, low-skilled occupations.

In 2023, the most recent year for which complete data are available, the Canadian population expanded by 1.27 million people (factoring in births and deaths, immigration and emigration). This equates to a population growth rate for that year of 3.2 percent, which is highly unusual among advanced economies. For example, the average population growth rate of the other G7 countries in 2023 was less than 0.5 percent.¹⁰ Adding 2022 and 2023 together, the Canadian population expanded by just under 2 million people, or 5.2 percent.

Given Canada's low fertility, 97.6 percent of this growth was associated with either net temporary migration or permanent immigration.¹¹ This is in stark contrast to the situation at the turn of the millennium, when net international migration accounted for just slightly more than half of Canada's population growth. In fact, Canada is nearing the point where *all* of its population growth, and most of the impetus for population renewal,¹² will come from the admission of people from outside the country.

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The “big migration” trajectory of the 2015–24 period is shifting, however. Public opinion strongly supported Canada's immigration targets for the past generation, providing social license for the increases in temporary and permanent immigration that occurred in recent years. This was particularly true in the immediate recovery from the economic dislocation associated with the pandemic, when employers complained of

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- 8 It is important to note that Canada maintains a clear distinction between temporary and permanent visas. Unlike many European countries, for example, individuals may be directly admitted as permanent residents and are entitled to nearly the same full suite of legal rights as citizens. Individuals on temporary visas have the right to reside in Canada until their visa expires or is renewed. There is no automatic right to permanent residence, regardless of the number of years a temporary visa holder lives in Canada. Temporary residents who fulfill certain conditions may apply for permanent residence, and roughly 30 percent are eventually granted permanent residence. See Garnett Picot, Feng Hou, Eden Crossman, and Yuqian Lu, “[Transition to Permanent Residency by Lower- and Higher-Skilled Temporary Foreign Workers](#),” Statistics Canada, January 26, 2022.
- 9 Statistics Canada, “[Estimates of the Components of Demographic Growth, Annual](#),” updated September 25, 2024.
- 10 Australia and New Zealand also experienced a rapid rate of migration-led growth in 2023, at 2.4 percent and 2.0 percent, respectively. Both have subsequently decided to significantly reduce their scales of international migration. See World Bank Group, “[Population Growth \(Annual %\)](#),” accessed January 24, 2025.
- 11 Statistics Canada, “[Canada's Population Estimates: Strong Population Growth in 2023](#),” The Daily, March 27, 2024. This rate of growth is far higher than any other G7 country. See Derek Holt, “[The Global Week Ahead: Lessons from Canada's Immigration Experiment](#),” Scotiabank, July 28, 2023.
- 12 Patrice Dion, Éric Caron-Malenfant, Chantal Grondin, and Dominic Grenier, “Long-Term Contribution of Immigration to Population Renewal in Canada: A Simulation,” *Population and Development Review* 41, no. 1 (2015): 109–26.

Infrastructural capacity more generally—in public transportation, housing, and health and education systems—could not keep pace with the 5.2 percent population growth during these years.

growth, as was the case in 2022 and 2023. Infrastructural capacity more generally—in public transportation, housing, and health and education systems—could not keep pace with the 5.2 percent population growth during these years. Public attitudes have registered growing concern that immigration-led population growth has contributed to rapid inflation in the cost of housing, and the Canadian media has adopted the terminology of a “broken” immigration system.

In light of this sharp turn in public support, the minister of immigration, refugees, and citizenship in 2024 announced substantial reductions to Canada’s permanent immigration system (20 percent) and even deeper ones to temporary migration programs.¹⁶ This is an extraordinary development, given the consistent focus on population expansion in the first nine years of the Liberal Party’s mandate. Shortly after the 2025–27 levels plan was released, Prime Minister Justin Trudeau issued a statement to Canadians admitting that his government should have curtailed temporary and permanent immigration levels earlier.¹⁷ He announced his resignation less than two months later, given consistent negative political polling about his leadership and prospects in the election scheduled to take place in 2025.¹⁸ The leader of the Conservative Party, which is far ahead in opinion polls, promises to tie immigration policy to the pace of residential construction in Canada, which would likely mean a further reduction in overall (temporary plus permanent) immigration numbers in the near future.¹⁹

labor shortages as they rebuilt capacity.¹³ Since then, though, public opinion has turned sharply and become much less favorable to high levels of temporary and permanent immigration.¹⁴ A new term entered the lexicon of public debate in Canada in early 2024: population trap,¹⁵ describing population growth that outstrips a country’s capital investment capacity. That is, a situation in which the rate of capital expansion falls behind population

13 On labor shortages and the perceived need for immigration during this period, see Hassan Yussuff and Mark Wiseman, “Canada’s Labour Shortage Is the Country’s Greatest Economic Threat,” *The Globe and Mail*, July 19, 2022. On favorable public opinion, see Keith Neuman, *Canadian Public Opinion about Immigration and Refugees – Fall 2022* (Toronto: Environics Institute for Survey Research, 2022).

14 Analysis of the same Environics survey conducted a year later, in 2023, found that “there has been a significant increase in the belief that there is too much immigration to Canada, due in large part to a jump in the proportion citing concerns about how newcomers might be contributing to the current housing crisis. This reflects a dramatic shift since a year ago in terms of how the public views the number of immigrants being accepted...” See Keith Neuman, *Public Opinion about Immigration and Refugees – Fall 2023* (Toronto: Environics Institute for Survey Research, 2023).

15 Sean Previl, “Canada Needs Immigration Reform to Escape ‘Population Trap,’ Economists Say,” *Global News*, February 28, 2024.

16 Immigration, Refugees, and Citizenship Canada (IRCC), “2025–2027 Immigration Levels Plan,” updated October 24, 2024.

17 The Canadian Press, “Trudeau Says He Could Have Acted Faster on Immigration Changes, Blames ‘Bad Actors,’” CTV News, November 17, 2024.

18 Public perceptions of a “broken” immigration system likely contributed to the overall disapproval of Trudeau, though other factors were also involved. See, for example, Celia Hatton, “How Canada’s Immigration Debate Soured – and Helped Seal Trudeau’s Fate,” BBC News, January 7, 2025.

19 Brian Platt, “Pierre Poilievre Pledges to Tie Immigration Levels to Homebuilding,” *Financial Post*, January 12, 2024.

What Kind of Immigrants?

The relationship between immigration and demography depends on more than simply the number of immigrants admitted to a country, but also the impact immigrants and temporary migrants will have on the economy. If immigrants are selected in such a way that they increase the human capital of the Canadian workforce, and if they are able to enter the labor market productively, their admission would raise Canada's per capita gross domestic product (GDP). This would have a positive impact on Canada's ability to cope with a higher old-age dependency ratio (i.e., the ratio between older adults over age 64 versus those in the working age of the life cycle, typically defined as either 15–64 or 18–64). Conversely, if the immigration system largely admits lower-skilled individuals, or if the human capital of high-skilled newcomers is systematically ignored, the opposite will be the case: that would reduce Canada's GDP per capita and thereby compound the challenge of population aging.²⁰

Immigration, therefore, has what can be viewed as primary and secondary impacts. In terms of primary impacts, now that natural population increase is approaching zero, immigration plays a determining role in Canada's population size, labor force, and age structure, as well as population distribution across the country's regions and metropolitan areas. This also has direct consequences for economic growth, housing demand, and the need for social services. But the choices made in selecting immigrants also produce indirect, secondary effects. These can be far-ranging and include reshaping the nature of socioeconomic inequality, income redistribution systems, the productivity of the workforce, and reconfiguring trade relationships between Canada and the rest of the world (plus many others). This report deals specifically with the primary impacts of immigration, but readers should keep these secondary effects in mind as well.

Another relationship is also highly relevant here. Other things being equal, the human capital of immigrants declines as the number of admissions increases. In Canada's Express Entry system (which processes economic-class applications for permanent residence, using a Comprehensive Ranking System that assigns applicants points based on their human capital²¹), the threshold for admission is adjusted for each draw in accordance with the number being admitted. Larger cohorts equate to lower points thresholds. This limitation certainly was apparent during the pandemic,²² but less so in subsequent years; despite the relatively high level of admissions in 2023, for example, points thresholds have been robust.²³ Nevertheless, if immigration targets were to be significantly raised, that would almost certainly erode the ability of Immigration, Refugees, and Citizenship Canada to maintain high admission thresholds.

20 For a potent illustration of this issue, see Philip Smith, "Accounting for the Decline in Canada's Real GDP Per Capita Since Mid-2022," *International Productivity Monitor* 46 (2024): 83–100. Smith argues that the sharp rise in the population of lower-skilled temporary residents in Canada is the key factor underlying stalled productivity during the past two years. Further insight on the relationship between immigrants' skill levels and their contributions to the Canadian economy and fiscal balance can be found in Kemal Erkisi, "Skilled Based Immigration and Economic Growth: A Long-Term Analysis for Canada," *Review of Applied Socio-Economic Research* 26, no. 2 (2023): 35–53 and Gilbert Montcho, Julien Navaux, Marcel Mérette, and Yves Carrière, "Comparing Public Transfers between Immigrants and Natives: A National Transfer Accounts Approach," SSRN, November 21, 2021.

21 For a more in-depth look at this system, see Daniel Hiebert, *The Canadian Express Entry System for Selecting Economic Immigrants: Progress and Persistent Challenges* (Washington, DC: Migration Policy Institute, 2019).

22 IRCC, "Express Entry Year-End Report 2021," updated December 23, 2022.

23 IRCC, "Express Entry Year-End Report 2023," updated August 9, 2024.

3 Population Projections

Greater attention should be paid to the long-term aspects of immigration, especially its impact on population and particularly as policymakers set future admission targets. As noted in the prior section, this must include a recognition that immigrants change Canada's demographic structure upon arrival, but then become part of the population and exercise fertility, find work, and eventually retire. All of these stages and processes need to be incorporated into demographic projections. This is a rare perspective in policy development since short-term needs are so easily apparent and the vision of governments, understandably, tends to be structured around the political cycle. Yet, immigration decisions made for today have consequences for the future. The more this is understood and considered, the better.

To illustrate the power of migration and immigration policy in shaping population, consider two extreme scenarios. The first highlights the consequences of low fertility for population change when immigration is imagined to be zero. In this scenario, Canada's total fertility rate continues its downward trajectory and drops to 1.0—the 2023 fertility rate in

British Columbia, the lowest of all provinces—while net migration (both temporary and permanent) falls to zero. This does not imply that Canada has closed borders, but that the number of people arriving in Canada each year is equivalent to the number leaving the country through emigration.²⁴ The population of Canada, under these conditions, would fall from 40 million in 2023 to 12 million in 2100. In the second scenario, the extraordinary rate of population growth in 2023 (3.2 percent) is sustained in every year through the rest of the century. This implies that temporary and permanent migration both continue to rise along with the size of the population. Under these conditions, the population of Canada would reach a staggering 452 million by 2100.

Immigration decisions made for today have consequences for the future. The more this is understood and considered, the better.

Neither of these scenarios will take place, of course. There are many intersecting factors that would render these simplistic policy interventions impossible. That said, they provide a potent illustration of the decisive influence that migration and immigration policies will have in shaping the scale of the future Canadian population. By the end of this century, that population could be 12 million or 452 million, or any number in between, *depending on the policy choices that are made*. The extreme nature of these scenarios aside, the key point is that because Canadians have elected to exercise low fertility,²⁵ and as long as this continues, the state is entirely responsible for the scale of the Canadian population, and decisions about temporary visas and permanent residence are the primary levers of control.

²⁴ Estimated to be approximately 35,000 per year. See Statistics Canada, "Estimates of the Components of Demographic Growth."

²⁵ Of course, this choice is not made in a vacuum and is shaped by a host of factors. These include the relative cost of raising children, which is, to some degree, a product of public policy. For a discussion of the relationship between public policy, family dynamics, and immigration, see Roderic Beaujot, "Canada: The Case for Stable Population with Moderately Low Fertility and Modest Immigration," *Canadian Studies in Population* 44, nos. 3–4 (2017): 185–90. Also see Benoît Laplante, "The Well-Being of Families in Canada's Future," *Canadian Studies in Population* 45, nos. 1–2 (2018): 24–32.

Beyond sheer numbers, the state also influences the age structure of the future Canadian population. The projected increase in the old-age dependency ratio has been widely discussed in the Canadian media and by think tanks, and increased immigration has been seen as the primary method to mitigate this challenge.²⁶ Note that the age of retirement (65 in many old-age dependency ratio calculations, which also happens to be very close to the average age of retirement in Canada) is, to an important extent, socially determined. A later part of this section (Section 3.B.) will explore the efficiency of changing Canada's retirement age compared with adjusting immigration levels.

Temporary and permanent migration can delay the consequences of low fertility by, for example, maintaining a large workforce. However, there are limits to the impacts of migration. Under current circumstances, immigration can never fully nullify the consequences of low fertility and attendant population aging, only delay them.²⁷ The simplest way to understand this point is to note that the average age of immigrants is typically not that much younger than that of the receiving country's population (approximately 30 versus 40 years old in Canada, for example).²⁸ This means that even doubling the size of the Canadian population through immigration would only reduce the average age of Canadian residents by five years.

A. A Custom Glimpse of the Future

To update understanding of the role immigration could play in Canada's future demography, special projections of the Canadian population were commissioned from Statistics Canada (utilizing their microsimulation projection model, Demosim). In this exercise, all demographic variables except the *permanent immigration rate* were either held constant (e.g., fertility rate at the time the projections were conducted, 1.33, and the temporary resident population assumed to remain constant at approximately 2 million after 2021) or based on assumptions used in recent Statistics Canada projections (e.g., emigration rate, life expectancy).²⁹ The 2021 national population was used as the basis for population projections for the next 50 years. However, this exercise does not take into account other considerations such as different levels of labor market participation (including among immigrant populations) that also have consequences for the size of the labor force.³⁰

26 For example, see Conference Board of Canada, *Aging Population Requires Immigration Backfill: Canada's Demographics Outlook to 2045* (Ottawa: Conference Board of Canada, 2021).

27 See Matthew Doyle, Mikal Skuterud, and Christopher Worswick, "The Economics of Canadian Immigration Levels" (working paper #58, Canadian Labour Economics Forum, 2023). Also see W. Craig Riddell, Christopher Worswick, and David A. Green, "How Does Increasing Immigration Affect the Economy?" Policy Options, November 2, 2016.

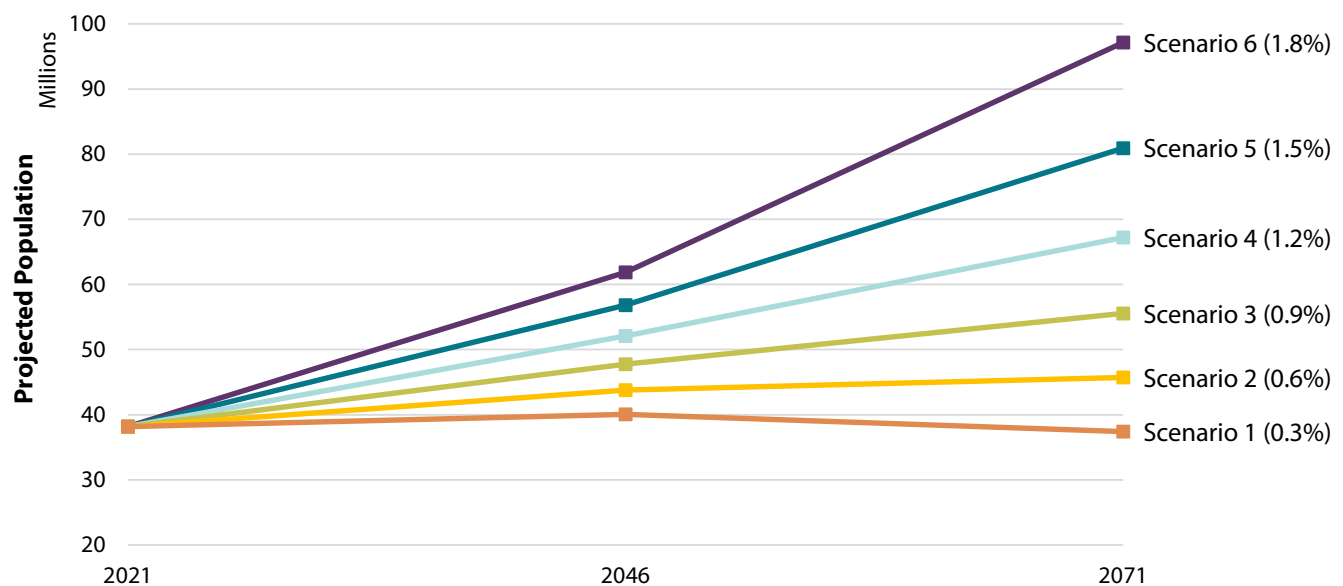
28 For this comparison, weighted population averages were calculated based on the age distributions of the total Canadian population versus the 2016–21 immigrant population. Raw data were accessed from Statistics Canada, "Immigrant Status and Period of Immigration by Gender and Age: Census Metropolitan Areas and Census Agglomerations," updated June 21, 2023.

29 See the comprehensive overview provided by Statistics Canada's Demosim Team, *Population Projections on Immigration and Diversity for Canada and Its Regions, 2016 to 2041: Overview of Projection Assumptions and Scenarios* (Ottawa: Statistics Canada, 2022).

30 For example, Wolfgang Lutz et al.'s 2019 demographic scenarios for the European Union also explore education levels and potential labor force participation rates, arguing that raising labor force participation (for example, by tackling gender gaps and investing in integration policies) is the most effective way to address the impacts of population aging. See Wolfgang Lutz et al., *Demographic Scenarios for the EU* (Brussels: Publications Office of the European Union, 2019).

Six scenarios were created based on different annual permanent immigration rates, expressed in terms of the immigration level as a percent of the national population and ranging from 0.3 to 1.8 percent.³¹ These scenarios would correspond to immigration levels in 2024 of between 121,600 and 729,500 (the actual target for the year was 485,000). In essence, the specified scenarios include recent and current rates of immigration, plus allowance for contraction or expansion. The projections were produced for the national scale as well as the regions of Canada and for larger cities, smaller ones, and non-urban areas. They can be used, therefore, to consider the impact of different rates of immigration on the relationship between “fast” and “slow” areas of the country (i.e., places experiencing above- and below-average population growth relative to the country as a whole).

FIGURE 1
Canadian Population Projections, by Immigration Rate Scenario, 2021–71



Source: Custom population projections developed by Statistics Canada for a report written by the author while Academic in Residence at Immigration, Refugees, and Citizenship Canada (IRCC). Used with IRCC permission.

Population projections for 2046 and 2071 vary enormously across the scenarios, as shown in Figure 1. Given that natural population increase in Canada is rapidly diminishing to zero and is likely to fall into negative territory, and that there is always a modest amount of emigration from Canada, an immigration rate of 0.3 percent of the population (Scenario 1) is essentially equivalent to a zero-net-international-migration situation—conditions under which there would be a minor level of population loss. At the same time, Canada’s old-age dependency ratio would more than double, from 295 individuals who are likely retired (age 65+) for every 1,000 Canadians in the 18–64 age range and likely to be working, to 482 in 2046 and 616 in 2071 (see Figure 2).³² This would correspond to a total dependency ratio of 876/1,000 in 2071 if children

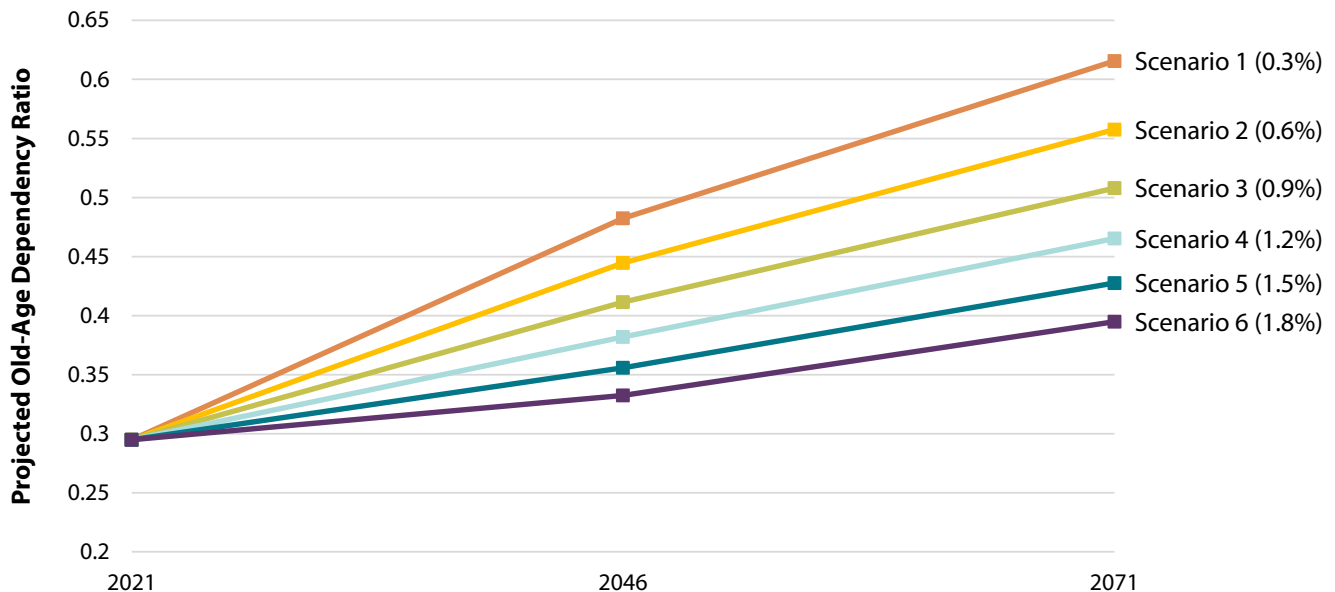
31 Note that the actual rate of permanent immigration in the years from 2000 to 2015 was roughly 0.6 percent per year, and since then, it rose to almost exactly 1.2 percent per year in 2024 and is scheduled to fall to approximately 0.9 percent in 2025.

32 Readers may be accustomed to a different way of depicting these figures. The 295 retirees per 1,000 individuals ages 18–64 equates to approximately 3.4 potential workers per retiree. If the ratio rises to 616/1,000, that means there would only be 1.6 potential workers per retiree (assuming the retirement age remains constant).

under the age of 18 are also included. This demographic structure would be unprecedented and represent an enormous challenge for economic prosperity. To put these figures into comparative context, the country with the highest old-age dependency ratio currently is Japan, at approximately 480/1,000.³³

FIGURE 2

Canada's Projected Old-Age Dependency Ratio (18–64:65+), by Immigration Rate Scenario, 2021–71



Source: Custom population projections developed by Statistics Canada for a report written by the author while Academic in Residence at IRCC. Used with IRCC permission.

The second scenario, which corresponds to Canada's level of immigration both before and after the turn of the millennium (until 2015), would add around 5.6 million people to the Canadian population by 2046 and another 1.9 million by 2071. The old-age dependency ratio would rise to 445 by 2046 and 558 in 2071. The fourth scenario projects the immigration rate of 2024 (1.2 percent) into the future, with the number of immigrants admitted rising incrementally each year in light of the population added the year before.³⁴ In this case, Canada's population would rise to 52.1 million in 2046 and 67.2 million in 2071. This scale of population growth would still be associated with a large increase in the old-age dependency ratio, to 382/1,000 by 2046 and 465/1,000 by 2071 (approaching the level of old-age dependency seen in Japan today). Reflecting on these statistics, this means that in making the decision to double the rate of permanent immigration between 2015 and 2024, the Liberal government set in motion a process that would increase the 2071 Canadian population from 45.7 million (Scenario 2) to 67.2 million (Scenario 4), a difference of 21.5 million people. It is worth pausing for a moment to consider the kinds of infrastructure and social investments that would be needed to accommodate this difference. In British Columbia, there

33 The statistic for Japan uses 15–64 rather than 18–64 as the age range for the working-age population. The comparable figure for Canada (using the 15–64 definition) would be 588/1,000 in 2071 for the first scenario. See World Population Review, "Age Dependency Ratio by Country 2024," accessed November 4, 2024.

34 The annual level of permanent immigration would rise from 485,000 per year in 2024 to around 850,000 in 2071.

is one public K-12 school for every 3,475 residents.³⁵ A population difference of 21.5 million therefore translates to a need to build 6,187 extra public schools.

The sixth scenario is, arguably, overly ambitious but is instructive nevertheless. If Immigration, Refugees, and Citizenship Canada raised its annual target for permanent immigration to 1.8 percent and held to that immigration level for 50 years, Canada's population would increase to 61.9 million by 2046 and more than 97.1 million in 2071. Even so, the old-age dependency ratio would still rise to 395/1,000 by the latter year. It would take an even higher immigration rate of around 2.7 percent per year to hold the dependency ratio constant. In addition to demanding even greater infrastructure and social investments, such a scenario would, as noted at the end of Section 2, make it challenging to sustain Canada's high human-capital selection threshold in its economic immigration stream.³⁶

Note another important tendency: in Figure 1's depiction of population growth, the lines representing the six scenarios diverge after 2046. This demonstrates that the efficiency of higher rates of immigration in changing Canada's population *increases* over time. In contrast, the divergence between the old-age dependency ratios in the different scenarios begins to slow after 2046 (see Figure 2), illustrating the fact that immigration becomes *less efficient* at altering the age structure of the population over time. Why? If a population with low fertility receives a steady stream of immigrants (who are, on average, younger than the receiving population), other things being equal, the average age of the population becomes slightly younger in the short term but older in the long term; as the immigrant population grows and ages, its average age becomes older than that of the receiving population.³⁷ Therefore, over time, a steady rate of immigration has progressively less impact on the population age structure. The only way to prevent this from happening would be to continuously increase the scale of immigration.

Further, it is important to acknowledge that, once there is a sustained period of high immigration (as in the case of Canada now), a dramatic reduction in the rate of immigration will result in a demographic "bulge," with a large cohort followed immediately by a smaller one—akin to the relationship between the baby boomers and Generation X. This would ultimately set in motion the same demographic dynamic Canada faces today, when the larger generation eventually retires and the old-age dependency ratio becomes higher.

Before reflecting further on these findings, consider the impact of varied rates of immigration on the cultural composition of the Canadian population. According to the projection data, in 2021, approximately 44 percent of the Canadian population could be classified, using a popular European definition, as *persons with an immigrant background*—that is, individuals temporarily in Canada, those who have permanently immigrated to Canada, and native-born individuals with at least one parent who immigrated to Canada. Under the fourth scenario, based on the 2024 rate of immigration, this share would rise to 61 percent by 2046 and change even more dramatically by 2071, when nearly three-quarters of all Canadians would be persons with an immigrant background. Even the third scenario, which is roughly aligned with the

35 Government of British Columbia, "Education by the Numbers" (news release, September 1, 2022).

36 Doyle, Skuterud, and Worswick, "The Economics of Canadian Immigration Levels."

37 Ronald Lee et al., "Is Low Fertility Really a Problem? Population Aging, Dependency, and Consumption," *Science* 346, no. 6206 (2014): 229–34. In this article, Lee et al. note: "A summary of the literature concludes 'a steady stream of migrants almost always makes a population younger in the short-term but older in the long-term'."

recent policy announcement lowering Canada's immigration target, would lead to a Canadian population of 55.6 million in 2071, with two-thirds being either non-permanent residents, immigrants, or the children of immigrants.

Such a profound shift in the composition of the population implies that the nature of immigrant integration would evolve considerably, along with the wider public understanding of multiculturalism or interculturalism. It is difficult to know, *a priori*, whether the scale of cultural change envisaged in these projections would be deemed acceptable to Canadian society.

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B. The Efficiency of Policy Choices

Countries experiencing low fertility have adopted various policy approaches in an attempt to address the impact of population aging. It is beyond the scope of this report to compare the full menu of choices, but the population projections presented above make it possible to investigate the comparative efficiency of immigration versus delayed retirement in altering the old-age dependency ratio. As illustrated in Section 3.A., immigration is highly efficient at generating population growth but not particularly efficient in changing the age composition of the population.³⁸ Figure 3 depicts the old-age dependency ratio of the Canadian population if the retirement age were to be extended to 70 (up from age 65).

Clearly, this is a far more efficient policy lever than increasing the rate of immigration. In this case, Scenario 3 is sufficient to maintain a constant old-age dependency ratio between 2021 and 2046 (see Figure 3), a result that is impossible with any of the immigration scenarios and the lower retirement age of 65 (see Figure 2). With the later retirement age, old-age dependency still increases in the second half of the projection timeframe, from 2046 to 2071, but the scale of this change is considerably reduced. However, it is far from clear whether a future government could raise the retirement age without public backlash.³⁹

The results of earlier studies and this custom projection exercise can be summarized succinctly. Canada's current demographic situation is defined by two primary factors: low fertility and the aging (and retirement) of baby boomers. The consequences of low fertility are concentrated at this point in history by the "aging out" of this particularly large demographic cohort. Nevertheless, even when the baby boom generation is no longer part of the Canadian population (e.g., by 2071), the challenges of low fertility will remain—unless

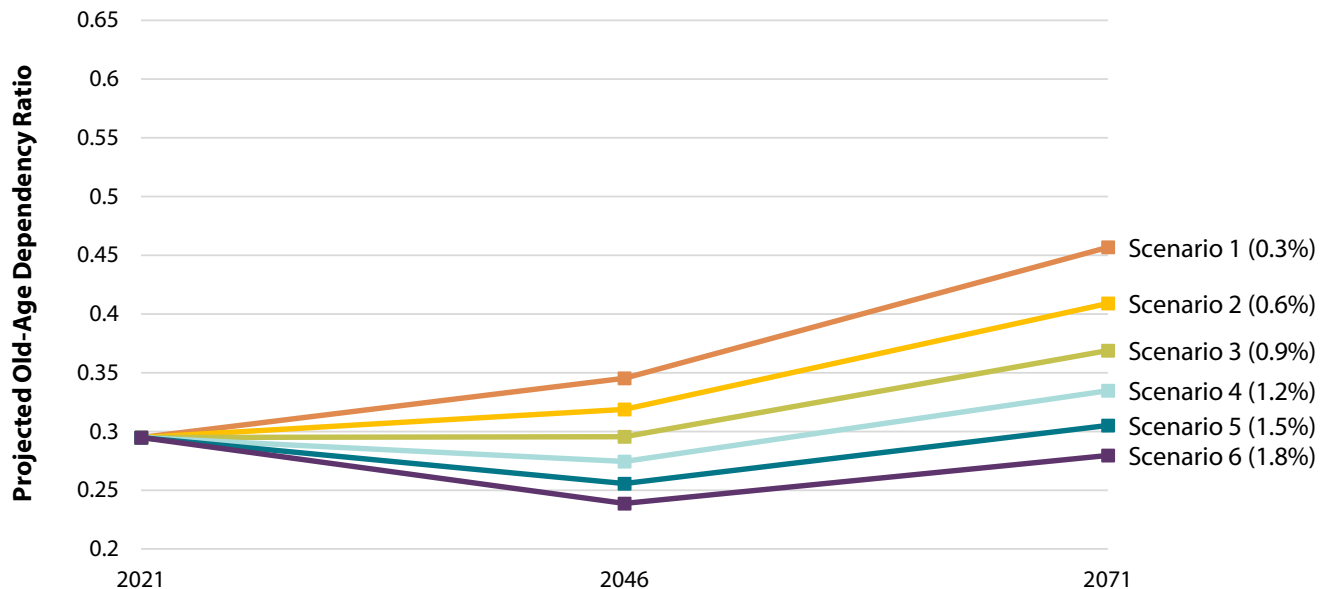
³⁸ See, for example, Roderic Beaujot, "Effect of Immigration on Demographic Structure," *University of Western Ontario, Population Studies Centre Discussion Paper Series* 16, no. 9 (2002); Yvan Guillemette and William B.P. Robson, "No Elixir of Youth: Immigration Cannot Keep Canada Young" (backgrounder no. 96, C.D. Howe Institute, Toronto, September 2006).

³⁹ Significantly, when surveyed on the popularity of a variety of policy options, Canadians reject the idea of delayed retirement—the second least favored option, after legalizing all recreational hard drugs. None of the other proposed 15 measures drew as much of a negative reaction. See David Coletto, "What Policy Ideas Attract and Repel Canadian Voters? A Look at the 'Third Rails' of Canadian Politics," Abacus Data, August 18, 2024. It would be exceedingly difficult, politically, to adopt this policy, despite its potential value.

there is a significant cultural shift toward higher fertility rates.⁴⁰ Immigration can delay the consequences of low fertility and may (depending on circumstances) reduce their severity, but it cannot overcome them unless immigration rates are increased immediately and very substantially. This can only be accomplished through a combination of immigration and other policy measures.

FIGURE 3

Canada's Projected Old-Age Dependency Ratio with Extended Retirement Age (18–69:70+), by Immigration Rate Scenario, 2021–71



Source: Custom population projections developed by Statistics Canada for a report written by the author while Academic in Residence at IRCC. Used with IRCC permission.

C. Geographical Complications

While the demographic scenarios discussed above offer a national snapshot, it is vital to consider their implications at the regional and local levels. Can immigration provide a solution to the needs of slow-growing or declining regions in Canada, by channeling newcomer settlement to these parts of the country? Would increasing the rate of immigration help in efforts to disperse population growth?

Newcomers to Canada—like other destination countries—gravitate to areas they perceive as having greater economic and educational opportunities, places they are aware of, and places where they have family, friends, or co-ethnic communities. These factors favor Canada's largest cities and, to a lesser degree, mid-

⁴⁰ As the immigrant share of the Canadian population increases, one might expect a "fertility bounce," especially if immigrants come from countries with higher fertility. However, evidence suggests that immigrant women actually have lower fertility than their Canadian-born counterparts in the first five years after arriving (the period examined by the authors of the study). See Alícia Adserà and Ana Ferrer, "The Fertility of Recent Immigrants to Canada" (IZA Discussion Paper no. 7289, Institute for the Study of Labor, Bonn, March 2013). In the long run, immigrant fertility rates converge with those of the Canadian born. See Gebremariam Woldemicael and Roderic Beaujot, "Fertility Behavior of Immigrants in Canada: Converging Trends," *University of Western Ontario, Population Studies Centre Discussion Paper Series 24*, no. 5 (2010).

sized ones as well. Other parts of Canada have struggled to attract and retain their share of temporary residents and new Canadians.

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Since the 1990s, Canadian immigration policy has encouraged a greater dispersion of immigrants across the country, most notably through devolving the authority to select immigrants to Québec and, later, a partial devolution of this power to other provinces and territories through programs

such as the Provincial Nominee Program. The Atlantic Immigration Program and the Rural and Northern Immigration Pilot are examples of efforts to boost immigration to specific regions. Canada has also aimed to increase francophone settlement outside Québec. Together, these efforts represent what has become known as “regionalized” immigration policy.

Regionalization policy has gathered momentum. At present, the aforementioned programs account for close to 60 percent of all economic immigrants selected for admission.⁴¹ A comparison of the settlement patterns of newcomers in the early phase of these policies’ development versus the recent past shows a modest amount of change. Most significantly, the attractive power of Canada’s largest cities has diminished somewhat (though it remains strong). Analysis of data from the 2001 and 2021 censuses, which shed light on the settlement patterns of newcomers who arrived between 1996 and 2001 versus between 2016 and 2021, reveals that a higher share of immigrants now settle in mid-sized metropolitan areas with populations ranging from 500,000 to 2 million, than was the case 20 years earlier.⁴² Provincial nominee programs have enabled slower-growing regions to maintain their populations (though this result tends to be concentrated in these regions’ mid-sized cities rather than in their rural areas).

Looking ahead, population projections suggest that the underlying dynamic between “fast” and “slow” Canada will persist. Canada’s large and mid-sized cities are likely to see disproportionate growth over the next quarter century. While nearly all parts of the country will experience both growth and aging, similar to the national trends discussed above, “fast” Canada, first and foremost, will need to accommodate growth, while “slow” Canada will be particularly challenged by its old-age dependency ratio.

Moreover, if national immigration levels in the near future are calibrated to the needs of “fast” Canada, the rate of population decline and aging in “slow” Canada will be profound. For example, the old-age dependency ratio for Newfoundland and Labrador under the 0.6 percent immigration scenario is projected to be 756/1,000 in 2046 (up from 380/1,000 in 2021 and considerably higher than the nationwide ratio of 445/1,000 in 2046). This is an unprecedented number that could well strain the fiscal capacity of the province to a breaking point. Conversely, if policy is set according to the needs of “slow” Canada, the rate of growth in large and certain mid-sized cities is likely to become overwhelming. Under the 1.2 percent

41 In 2022, for example, around 54 percent of economic-class immigrants were selected by Québec directly or through another provincial nominee program. Around 3 percent more were admitted through the Atlantic Immigration Program or via the Rural and Northern Immigration Pilot. In addition, IRCC met its goal of 4.4 percent for francophone immigrants settling outside Québec, which should also be added to the regionalization total, bringing it close to 60 percent of economic-class immigrants. See IRCC, “Annual Report to Parliament on Immigration,” updated November 24, 2023.

42 Analysis by the author, featured in a forthcoming study to be published by the C.D. Howe Institute.

scenario, for example, the population of metropolitan Toronto is projected to jump from 6.5 million in 2021 to 11.3 million in 2046, calling for almost unimaginable increases in infrastructural investment.

A potential resolution to this dilemma would be to adopt an even more aggressive regionalization policy, but there are limits to this approach's potential impact since permanent residents have constitutionally guaranteed mobility rights within Canada. Recent data on secondary migration show that immigrant retention rates (that is, their likelihood to remain in the places where they first settle) are considerably higher in "fast" Canada, where economic opportunities are concentrated.⁴³ It is also worth noting that while higher rates of immigration enhance the demographic and economic viability of "slow" Canada, they have exaggerated impacts in large and mid-sized cities. That is, the higher the rate of immigration to Canada, the greater the gap in the rate of population growth between the faster- and slower-growing parts of the country.

4 Conclusion: Planning for Demographic Change

The policy dilemma implied by these demographic realities is both straightforward and immensely complex: it has become impossible to maintain the age composition of the Canadian population while also maintaining its size, without turning back the clock more than 50 years in terms of fertility rates. At the extremes, there are two stark policy choices: maintain the current size of the Canadian population but adjust expectations in accordance with a vastly higher old-age dependency ratio (approximately that of Scenario 1), or maintain the age structure of the Canadian population and plan for a vastly larger population (larger than any derived from the scenarios in this study).

The real policy choice will lie somewhere between these extremes and will require a combination of accommodations. That is, given current policy choices, Canadian society must be re-imagined as larger and older at the same time. All of the scenarios explored in this analysis, apart from the first one (with very low immigration), yield a projection with a larger population and a higher old-age dependency ratio. This means, for example, planning for increased social benefits to young families and building more schools, while simultaneously building more elder-care homes. Pressure on the housing stock will continue to mount unless the investment climate for housing changes dramatically. This re-imagined future also means investing in infrastructure to maintain an acceptable level of public services (e.g., physicians and hospital beds per capita; added public transportation capacity). Otherwise, the quality of life for Canadians will decline. Crucially, this must occur while public finances are adjusted in light of a rising old-age dependency ratio (or for the retirement age to rise).⁴⁴ It also necessitates a continuing cultural diversification of the population through immigration and temporary migration. Ongoing and growing investments in social inclusion will thus be required.

⁴³ Statistics Canada, "Longitudinal Immigration Database: Immigrants' Mobility during the Initial Years since Admission," *The Daily*, December 10, 2021.

⁴⁴ In Lee et al., "Is Low Fertility Really a Problem?" the authors argue that the deep concern expressed over sub-replacement fertility rates in the Global North is exaggerated, and that economies will be able to thrive in these circumstances. However, as this report has already discussed, the expected econometric response to aging that Lee et al. envisage does not appear to be occurring in Canada. Also, their sanguine view is predicated on a total fertility rate of at least 1.6, which they see as a threshold below which, they bluntly state, "Very low fertility results in lower living standards." At the time the present study's projections were conducted, the rate for Canada was 1.33.

The enormous challenge for government is to decide on the optimum balance between population aging and growth and to explain this choice to the electorate coherently and persuasively enough to build, and maintain, social license for the immigration system.⁴⁵ All of this must occur against the backdrop of other pressing issues, such as global climate change, geopolitical instability, technological change, and political polarization—not to mention the need to be mindful of the relationship between immigration, Indigenous peoples, and other equity-seeking groups. Attention to Canada’s demographic challenge must remain resolute despite these powerful, intersecting concerns.

Consider the parallel case of growth based on compounded rates of interest: financial investment. One of the most common recommendations made by financial advisors is to harness the power of compounded growth by starting to invest early in one’s life. Even small amounts invested in one’s twenties can pay remarkable dividends 40 years later. The same logic applies to population management, given that the same dynamic of compounded growth applies. Choices made today will have far-reaching consequences in subsequent decades. Adding 5 million people to Canada’s

population over the next ten years, say, cannot be undone at the end of that period. Canada will still face the same looming threat of aging then, as it does now, only with a population that is larger and therefore a perceived need for even greater immigration to counteract that aging. As long as fertility remains far below replacement, this issue will persist regardless of the size of the Canadian population; there will *always* be the sense of staring into the abyss of population decline and its consequences.

The enormous challenge for government is to decide on the optimum balance between population aging and growth and to explain this choice to the electorate coherently and persuasively enough to build, and maintain, social license for the immigration system.

The regional dimension of the aging/growth dilemma must also be acknowledged: despite concerted efforts to disperse immigrant settlement, the enduring fact is that “fast” regions will disproportionately face pressures related to population growth, while “slow” areas will face unprecedented pressures associated with high old-age dependency ratios. This, too, should be communicated to the public.

Short and Long Policy Horizons

Given the fact that population growth is both sedimented and cumulative, it is imperative to consider not only the short- but also the long-term implications of migration and immigration. This comprehensive approach demands that temporary and permanent resident admissions be understood as components of the same system. This is especially the case given the many pathways that have been created to

⁴⁵ This is made all the more challenging by the fact that publics tend to respond more favorably to specific rationales for increased immigration—such as sustaining health-care systems—than to abstract arguments (such as those presented in this report) about per capita GDP and the need for population management. See Kate Hooper, *What Role Can Immigration Play in Addressing Current and Future Labor Shortages?* (Washington, DC: Migration Policy Institute, 2023); Demetrios G. Papademetriou, *Maintaining Public Trust in the Governance of Migration* (Washington, DC: Migration Policy Institute, 2016); Natalia Banulescu-Bogdan, Haim Malka, and Shelly Culbertson, *How We Talk about Migration: The Link between Migration Narratives, Policy, and Power* (Washington, DC: Migration Policy Institute, 2021).

encourage and enable temporary residents to apply for the right to remain in Canada permanently, and the increasing reliance on temporary residents for Canada's current permanent immigration system.⁴⁶ In light of this, temporary migration should be seen as a kind of down payment to Canada's permanent immigration system; a large temporary resident population will almost surely mean large permanent immigration levels in the near term, whether this is intended or not.⁴⁷ The 2025–27 immigration levels plan is a promising policy development in that it specifies targets for most temporary migration programs as well as the permanent immigration system. In future, it would be wise to plan even more deliberately for flows between these large programs.

A comprehensive approach also demands that immigration levels plans, which currently establish expectations for a three-year period, be developed with longer time horizons in mind.⁴⁸ That is, levels should be based not only on what Canada needs now, but also the country's needs over the long term, including the potential for population renewal in the future. The perceived needs of "now" should not eclipse a long-term vision of what Canada should become, since the policies of the current moment have such a decisive role in shaping the future.⁴⁹

A common point made in public discussion of Canadian immigration policy is that levels planning should pay more attention to absorptive capacity—that both temporary and permanent resident numbers should be calibrated in conjunction with the pace of growth in social services, notably education and health care, as well as housing and other infrastructure. The concept of absorptive capacity can be interpreted in passive or active terms. Following a passive approach, levels planning would be based on an assessment of existing social services and infrastructure, which would determine the appropriate level of migration and immigration (e.g., based on an acceptable range of physicians, housing completions, and similar per 1,000 persons). Conversely, an active approach would flip the direction of causality and establish the parameters of social spending and infrastructural investment on the basis of population growth—which, in an era of low fertility, is essentially a function of the scale of temporary migration and permanent immigration. In this latter approach, Immigration, Refugees, and Citizenship Canada would assume a leadership role in governance: levels planning would, by default, shape the scale of government spending across a wide range of policy portfolios. This process would be greatly facilitated by a conscious, long-term population strategy at the heart of levels planning. In that case, all sectors of society—government, private business, and

46 Eden Crossman, Feng Hou, and Garnett Picot, "Two-Step Immigrant Selection: A Review of Benefits and Potential Challenges," *Statistics Canada Economic Insights*, July 22, 2020.

47 For example, if a decision were made to substantially reduce permanent immigration levels, the entitlements of individuals holding temporary permits that offer pathways to permanence would somehow have to be accommodated, leaving little room for other admission categories while at the same time producing backlogs. There is an old saying among migration scholars: "There is nothing more permanent than a temporary migrant." This is, precisely, the challenge that IRCC must face in light of the 2025–27 immigration levels plan.

48 The recent Australian embrace of longer-term planning is instructive in this respect. First, note the tone of the 2023 report of the Australian strategic immigration review in Australian Department of Home Affairs, *Review of the Migration System: Final Report, 2023* (Canberra: Australian Department of Home Affairs, 2023). Second, the migration strategy report, released in December 2023, declares: "The government is working with states and territories to ensure population planning is based on the best available data and forecasts. Targeted and well-planned migration will support population planning and help deliver better outcomes for Australia in infrastructure, housing, service delivery, and the environment." See Commonwealth of Australia, *Migration Strategy: Getting Migration Working for the Nation* (Canberra: Commonwealth of Australia, 2023), 79.

49 For example, the Bank of Canada has a long-term inflation target. This logic could be emulated in long-term population planning, with short-term targets shaped around a basic plan for the future. The author thanks one of the reviewers of this report for pointing this out.

nonprofit social services—would be in a position to make informed decisions to guide their investments, with far more assurance of long-term patterns of demand. This would be a potent indirect benefit of a population-based approach to migration and immigration management.

Canada is frequently seen as an exceptional case, globally, with a population that has been willing—enthusiastic, even—to accommodate a relatively high rate of immigration. This consensus has become frail and the Canadian government (like others around the world) has changed its tone on immigration, acknowledging that there are costs to immigration-led population growth. Nevertheless, demographic challenges are resolute and ignoring them will, eventually, also carry economic and political consequences. This message tends to be lost in public communication, in Canada and elsewhere. Immigration is justified either for its short-term effects (in providing essential labor and skills or as an economic stimulus), as a humanitarian obligation, or with rather oblique references to maintaining social programs in the long run. Few governments have clearly and forcefully articulated the unprecedented levels of old-age dependency that are looming in the relatively near future (but beyond the short-term political cycle). This is understandable, given the hostile public reaction that has accompanied efforts to raise the age when people are entitled to access retirement benefits. But there may be a relationship between governments' hesitancy in explaining the painful economic adjustments that lie ahead and the public's growing skepticism about immigration now. Arguably, it is easy to dismiss immigration as a policy choice when the long-term consequences of aging are rarely, if ever, at the center of political discussion. Embarking on a national conversation around demography, engaging with the tough policy trade-offs involved, and building a population strategy could help raise public awareness. Crucially, such steps could facilitate a more rational understanding that immigration policy today shapes the population structure, and economic viability, of society in the future.

Demographic challenges are resolute and ignoring them will, eventually, also carry economic and political consequences.

About the Author



DANIEL HIEBERT

Daniel Hiebert is Emeritus Professor of Geography at the University of British Columbia. He conducts research on migration and immigration policy and the impact of immigration on Canadian cities. This includes an effort to understand Canadian immigration within the wider global context.

Professor Hiebert also plays an active role in the Canadian policy process, including through extensive engagement with municipal, provincial, and federal authorities responsible for immigration. In 2021–24, he was appointed Academic in Residence at Immigration, Refugees, and Citizenship Canada and was affiliated with the Strategic and Program Policy sector. He has also worked closely with the Migration Policy Institute, including participating in meetings of the Transatlantic Council on Migration.

Acknowledgments

This report was commissioned for a plenary meeting of the Transatlantic Council on Migration, an initiative of the Migration Policy Institute (MPI), held in London in November 2024. The meeting's theme was "Planning for the Future: Immigration Policymaking in an Era of Demographic and Economic Transitions," and this report was one of several that informed the Council's discussions.

The Council is a unique deliberative body established by MPI in 2008 that examines vital policy issues and informs migration policymaking processes across Europe, North America, and Australia. The Council's work is generously supported by the following foundations and governments: the Carnegie Corporation of New York, the Open Society Foundations, the Robert Bosch Stiftung, and the governments of Australia, Canada, Germany, Norway, and Sweden.

For more on the Transatlantic Council on Migration, please visit: www.migrationpolicy.org/transatlantic.

An early draft of this report was written while the author was Academic in Residence at Immigration, Refugees, and Citizenship Canada (IRCC). The custom population projections were obtained during that appointment and are used with the permission of IRCC. The author thanks colleagues and friends who have provided extremely insightful comments on earlier drafts of this report: Meghan Benton, Emmanuelle Deault-Bonin, Patrice Dion, Carling Helander, Kate Hooper, Jennifer Hyndman, Chris Jensen, David Ley, Mireille Paquet, Phil Somogyvari, Paul Spoonley, Sébastien Vachon, Fraser Valentine, and Chris Worswick. The author accepts full responsibility for the presentation and interpretation of data in the report and notes, particularly, that none of the work presented here should be interpreted as the official position of IRCC.

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Design: Sara Staedicke, MPI

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Suggested citation: Hiebert, Daniel. 2025. *Understanding the Impact of Immigration on Demography: A Canadian Case Study*. Washington, DC: Migration Policy Institute.

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1275 K St NW, Suite 800, Washington, DC 20005
202-266-1940

