

Canadian Education: Demographic Change and

Introduction

Demographic change has had major impacts on Canadian society in the postwar period. From maternity wards through all levels of the education system, into housing markets, auto sales and the stock market, the aging of the massive 10 million-strong Boomer generation (born from 1947 to 1966) has left indelible marks. After the Boom came the Bust. Maternity wards and schools emptied, house prices crashed, and auto sales sagged as the Boom generation was replaced by the smaller Bust generation (born from 1967 to 1979) moving through these stages of their lives.

Even the return on education is affected by these demographic trends. Today twentysomethings are in short supply and increasingly command higher salaries and signing bonuses in the new economy. Consequently the return on their education will be higher than it has been for the Generation Xers from the later part of the Boom, who were in abundant supply over the 1980s and early 1990s and are now in their mid to late thirties.

Over the past twenty years, the cycle reversed as the Echo generation — the children of the Boomers (born from 1980 to 1995) — made their entry through the maternity wards and into elementary and secondary schools. Now tweens and teenagers, their impact can be seen in many sectors, from rising movie attendance to rising transit ridership. This growing teenage market is increasingly capturing the attention of marketing experts throughout North America.

By the 1990s the Boomers were becoming too old to start families and, once again, births declined. Not surprisingly, maternity wards emptied and by



the late 1990s school closings were commonplace in many districts.

Whereas the Boom and Bust profile was widespread over the entire country, the Echo has been more selective in its geographical boundaries, located primarily in Canada's urban (including suburban) areas and western provinces (plus Ontario). This has resulted in a diversity of educational trends in the provinces over the past two decades, trends that portend new challenges for education in the new millennium.

In summary, demographic change encompasses both the movement of generations through their life course and the movement of people across geographic boundaries. Over the postwar period, these demographic movements have presented all governments with major funding and planning challenges, resulting in a myriad of responses. What lies ahead? Are there clues to the future challenges posed by demographic change in our history? What might be some appropriate responses?

David K. Foot

Future Challenges

Demographics and Elementary/Secondary Education

Elementary and secondary enrolments are dominated by demographic trends since, by law, all minors between ages 6 and 16 must attend school. As the massive Boomer generation had their children over the 1980s, births increased until 1990 in Canada and thereafter declined, as the Boomers gradually became too old to have children. Consequently, for Canada as a whole, the preschool age group started to decline in numbers, while the prime school age group increased. However, these trends were not universal throughout the country. The westward drift of the Canadian population over the postwar period means that the Boomers are a somewhat bigger share of the population in Ontario and western Canada than in other regions. Moreover, fertility is also slightly higher in Ontario and western Canada than in Quebec and the East. These two forces together result in a bigger Echo in Ontario and the West, and almost no Echo in Quebec and the East, except perhaps in the largest urban areas.

The first Echo children, born in 1980, reached age 6 in 1986 and age 13 in 1993. As a result, elementary enrolments started to rise in the mid-1980s and secondary enrolments rose over the 1990s. The peak of the Canadian Echo, born in 1990, reached age 6 in 1996 and will reach age 13 in 2003. Thereafter smaller age cohorts enter the schools. So it is not surprising that some school boards in regions where the Echo is important, such as Toronto and Calgary, found themselves starting to face school closings in the late 1990s. And this is only the beginning. By the mid-2000s these jurisdictions will likely be facing both

declining elementary and declining secondary enrolments much as they did in the mid-1970s when the Boomer parents of the current Echo students completed their elementary and secondary education.

Since many of the Boomers moved to the suburbs to raise their Echo children, these population trends are likely to be especially apparent in Canada's suburbs. In those jurisdictions where the Echo is less important or nonexistent (which also includes many smaller communities), noticeable increases in enrolments did not materialize in the 1980s and 1990s. In fact, many of these jurisdictions (e.g. New Brunswick) have faced declining enrolments since the Boomers completed their education by the late-1970s.

The aging of the Echo generation over the next decade will produce considerable challenges to education planning and funding, just as the aging of their Boomer parents did over the 1970s. Nonetheless, the current age distribution provides an excellent road map for future planning and funding of Canadian education as long as local authorities use local demographic information for their planning purposes.

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Le vieillissement et la distribution inégale de la Echo Generation (les enfants des baby-boomers) susciteront des problèmes considérables au niveau de la planification et du financement de l'éducation au cours des vingt prochaines années. D'ici 2005, les provinces qui comptent une forte proportion de personnes de cette catégorie d'âge feront face à une baisse des inscriptions dans les écoles primaires et secondaires comparable à celle du milieu des années 1970. Au niveau postsecondaire, les provinces qui projettent une hausse de leur effectif postsecondaire devront-elles construire de nouvelles installations alors que celles qui projettent un déclin fermeront certaines des leurs ? Ou, au contraire, les provinces trouveront-elles une façon de collaborer et de partager leurs installations postsecondaires afin de faire une meilleure utilisation des ressources existantes jusqu'à ce que les petits-enfants du baby-boom aient terminé leurs études ?

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Demographics and Postsecondary Education

Just as elementary enrolments are a leading indicator for secondary enrolments, so secondary enrolments provide a leading indicator for postsecondary enrolments. Since not everyone enrolls in postsecondary education, the enrolment rate is an additional intervening variable. Nonetheless, demographic developments provide a solid foundation upon which to assess the impacts of alternative enrolment rates.

The first Echo children, born in 1980, reached age 20 in 2000. For the next decade, postsecondary enrolments will increase, especially in those jurisdictions with a sizable Echo generation. Rising secondary enrolments over the past decade are a leading indicator of this trend. Those provinces where secondary enrolments did not increase over the 1990s are unlikely to experi-

ence increasing postsecondary enrolments over the 2000s.

Herein lies a potential funding challenge. Will those provinces with projected growing enrolments expand to accommodate their increasing numbers, while at the same time those with projected declining enrolments retrench and close buildings? From a national perspective this is an inefficient outcome, which will likely result in higher overall taxes.

Currently, the federal fiscal transfers to the provinces for postsecondary education are locked into a predetermined formula. Moreover, since postsecondary education is a provincial responsibility under the Constitution, the federal government has no flexibility in this regard. Without a proactive approach the inefficient outcome seems assured.

Postsecondary Education in the Future

There must be a better solution to the 2000s problem than simultaneously expanding postsecondary bricks and mortar in some provinces while potentially closing it down in other provinces. Under the present system, individual postsecondary education institutions have no incentive to consider the national interest in their decisions because each is responsible only for its own well being. This also means that a collective solution from the postsecondary system is unlikely to emerge, although partnerships between postsecondary institutions in different provinces could result from these demographic pressures.

The national interest in postsecondary education expansion could also be established by the federal government acting as a "broker" with the provinces. However, images of a federal-provincial conference on postsecondary education would almost certainly be greeted by the provinces with claims of jurisdictional invasion. Even if such a

conference did get "off the ground", the federal government's moral suasion would be severely weakened if it threatened to impose fiscal restraint on the national postsecondary system.

One solution that both reflects the national interest and respects current jurisdictional boundaries is the negotiation of bilateral agreements between individual provinces. Currently there is voluntary student mobility between some provinces (Ontario students studying at McGill University is one example). Building on existing arrangements, it would make sense for provincial governments facing substantial increases in postsecondary enrolments and system expansion to sign agreements with those provinces or institutions projecting excess postsecondary enrolment capacity, agreeing on a percentage of new students to be transferred at an appropriate rate per student. In this way, the nation could ameliorate the boom to bust scenario that will inevitably characterize the postsec-



ondary system as the Echo generation moves through the system in 2000s and departs in the 2010s.

Of course this solution means that some students would have to move from, say Ontario or Alberta to New Brunswick or Nova Scotia. Some of the savings realized from abandoning the bricks and mortar approach could be used to support these students. Additional personal and economic benefits could accrue as a result, from an increased understanding of the country to greater workforce mobility.

Even where provincial and local mechanisms and incentives for fiscal

transfers between education levels exist in elementary and secondary education, the boom and bust cycle associated with predictable demographic trends continues to wreak havoc on the system. This havoc will likely increase where jurisdictional boundaries preclude appropriate national responses to potentially uncommunicative provincial postsecondary "silos" making their own decisions and ignoring the national fiscal incentive.

Sharing is a good idea, especially when it saves tax dollars. But more important is a vision for the Canadian postsecondary system. Simultaneous expansion and contraction in different jurisdictions is an inefficient response to predictable demographic change. Moreover, rapid bricks and mortar expansion in provinces with a large Echo generation is likely to result in considerable excess capacity in the 2010s when the Echo generation graduates into the workforce. Canadians would be wise to contemplate sharing

postsecondary education tax dollars among provinces to maximize their effectiveness and to ameliorate the boom and bust cycle that demographic change will inevitably impose on the Canadian postsecondary system in the new millennium. 

David K. Foot, Professor of Economics at the University of Toronto, is co-author of the best-selling books *Boom, Bust & Echo: How to Profit from the Coming Demographic Shift* and *Boom, Bust and Echo 2000: Profiting from the Demographic Shift in the New Millennium*. Professor Foot's work in the area of public policy has included research and submissions to many provincial and federal government commissions and numerous consulting and conference assignments for both private and public organizations. He is a recipient of a national 3M Award for Teaching Excellence and is a two-time winner of the University of Toronto undergraduate teaching award.

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