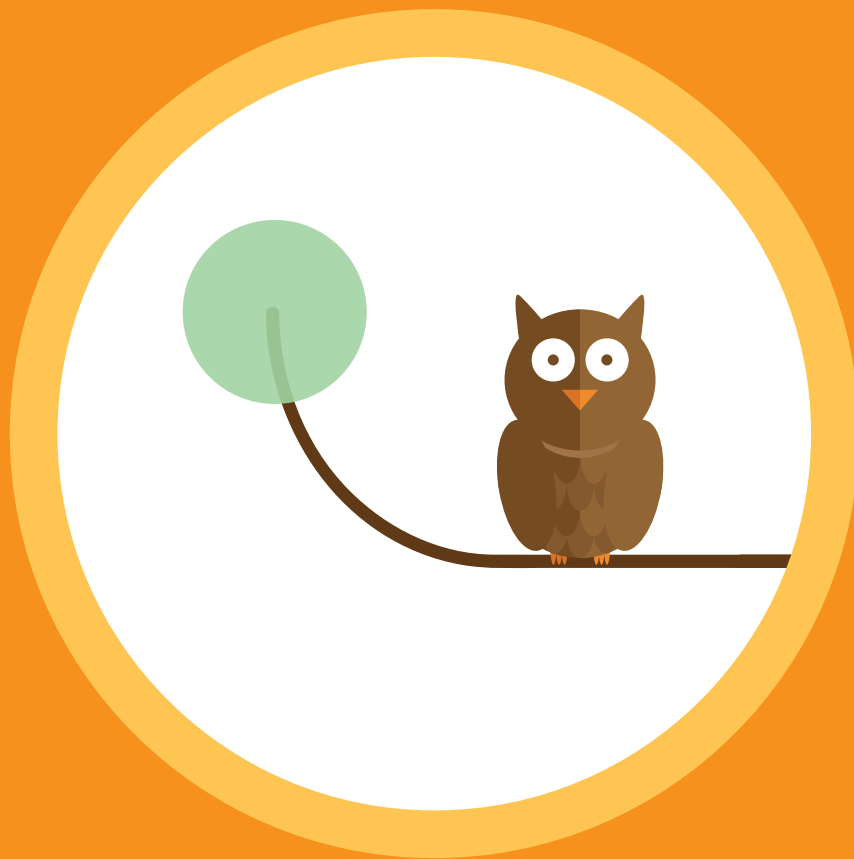


# Perch



## **People power:** Population trends in Alberta

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**ATB** Financial®

# WHY TAKE A CLOSE LOOK AT ALBERTA'S POPULATION?

Rob Roach, ATB Financial

*“Demographics explains two-thirds of everything.”*

*—Dr. David K. Foot*

Population statistics and trends matter for all sorts of reasons. A growing population in a place with an advanced economy like Alberta's is generally a good sign (though not without its challenges). On the other hand, in a place where food and clean water are in short supply, it can make matters worse. Countries such as Germany and Japan are worried about population contraction whereas China has been trying to limit its population growth for decades. Around the world, there are small rural communities that wish fewer of their young residents would leave and large cities that struggle to keep up with the inflow of new urbanites.

Population trends are a bellwether signalling a wide range of implications for individuals, businesses, organizations and governments.

For these reasons, this edition of **Perch** takes a look at Alberta's population, how it has been changing and how it is expected to change. With this information in hand, we will be better equipped to harness the opportunities our evolving population creates while avoiding, or at least reducing, the challenges it generates.

For a more detailed examination of population trends in Alberta, see **People Power** under “ATB's Extended Reports” at [atb.com/economics](http://atb.com/economics)

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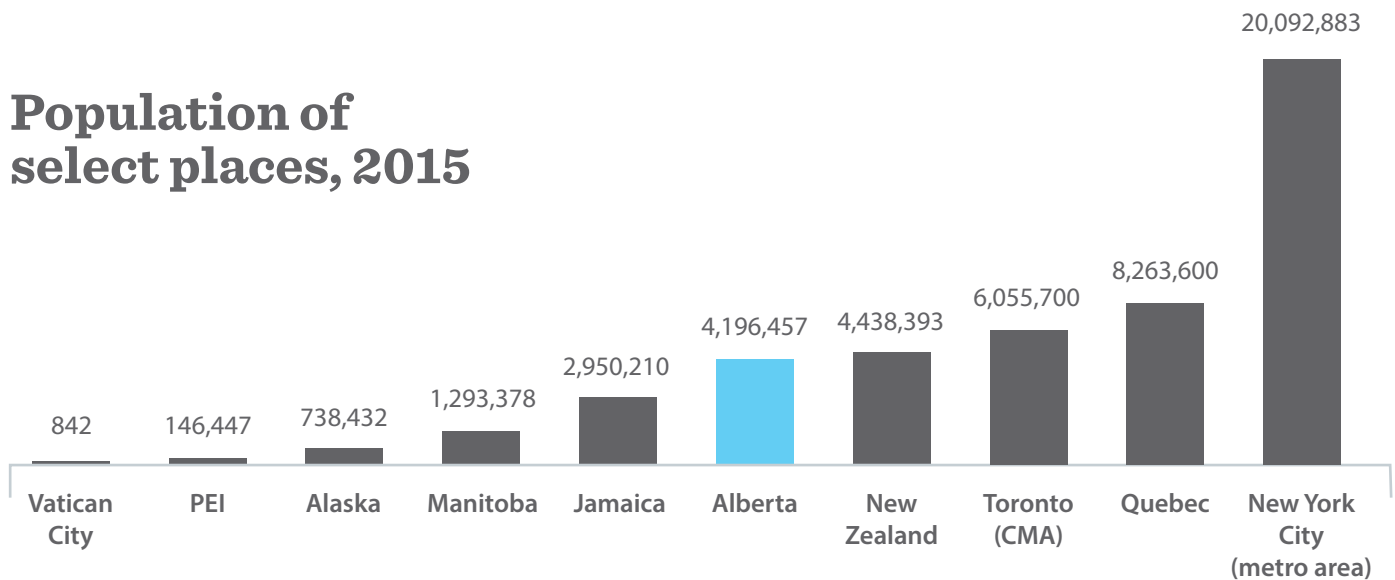
# HOW MANY OF US ARE THERE?

*There are about 1,750 people on earth for every Albertan.*

As of July 1, 2015, Alberta's population was just a shade under 4.2 million, making it the fourth largest province after Ontario (13.8 million), Quebec (8.3 million) and British Columbia (4.7 million) and accounting for almost 12 per cent of Canada's

population. If Alberta was a country, it would be number 128 on the global population list just behind New Zealand and ahead of Liberia.

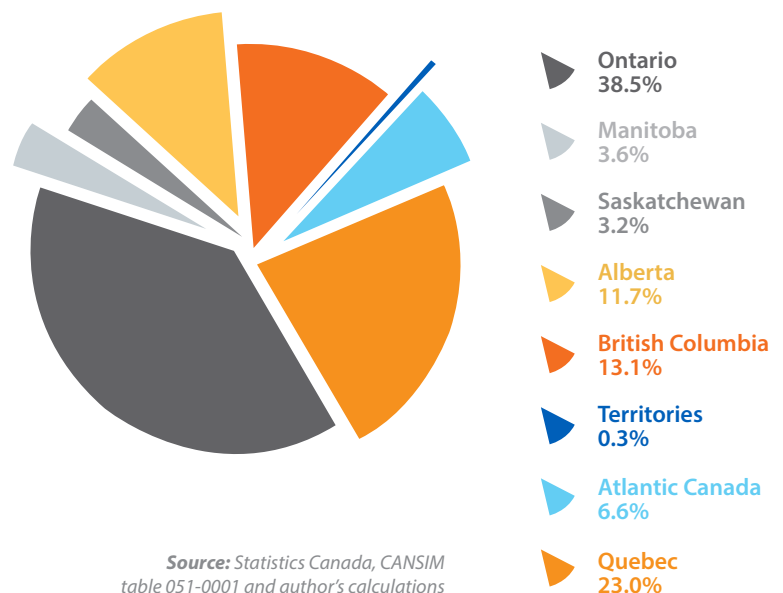
## Population of select places, 2015



Source: Statistics Canada, US Census Bureau and CIA World Factbook

## Share of the national population, 2015

Alberta's share of the national population has increased over time, growing by about four percentage points between 1971 and 2015 (from 7.6 per cent to 11.7 per cent). Alberta has also been gaining ground on its western neighbour in recent years, with the gap between BC and our province falling from over a million people in 2001 to under 500,000 today. According to the latest Statistics Canada projections, Alberta's share of the national population will rise to between 13.2 per cent and 15.6 per cent by 2038.



Source: Statistics Canada, CANSIM table 051-0001 and author's calculations

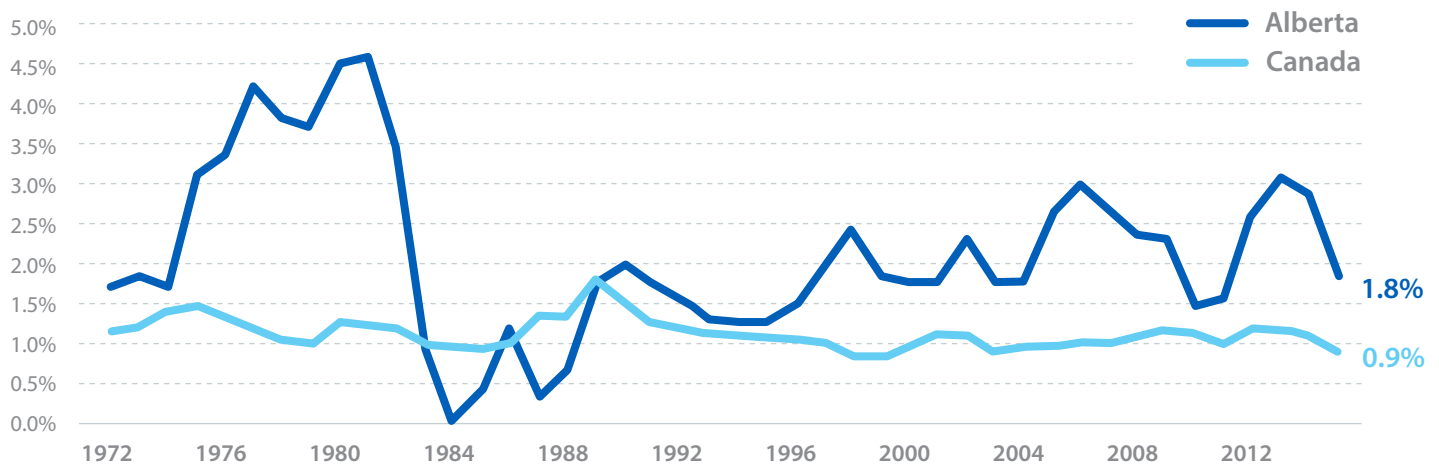
# A GROWING PROVINCE

***Alberta's population has increased by 1.2 million people since 2000—roughly equivalent to adding another Calgary or Edmonton to the province.***

Alberta's population growth has been more volatile and generally stronger than the national average. Growth was particularly strong between 1975 and 1982 when the province's economy was booming, but dropped below the

national average in the mid-1980s in the wake of low oil prices and the National Energy Program. Despite subsequent economic downturns in the province, Alberta's population growth has not been below the national average since 1989.

## Annual per cent change in population, 1972-2015












Source: Statistics Canada, CANSIM table 051-0001 and author's calculations

In the 94 years between 1921 and 2015, Alberta has only posted a population loss in two years (1942 and 1946). For comparison, Saskatchewan's population shrank 30 times during the same period (most recently in 2006). Despite its boom and bust economy—and the population spikes that accompany it—the norm in Alberta is relatively strong population growth. Even during the economic contraction of

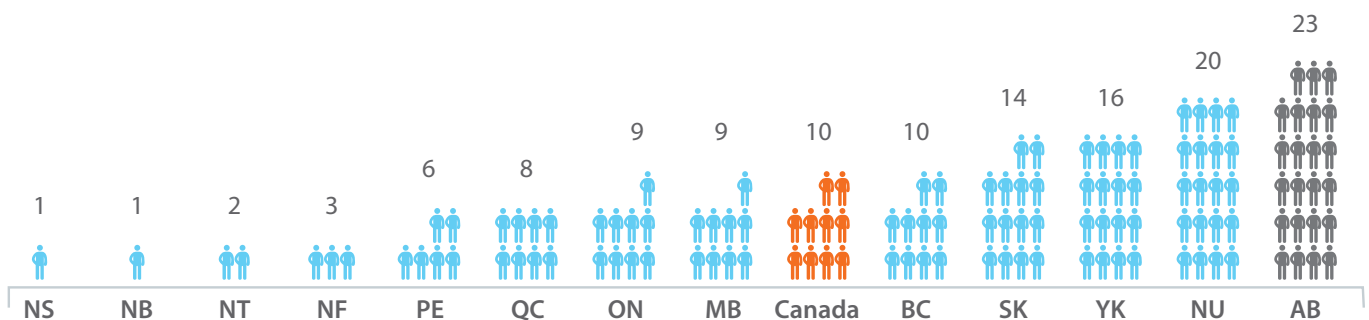
2015, Alberta's population growth was the strongest among the provinces at 1.8 per cent. With that said, growth fell by a full percentage point between 2014 and 2015, highlighting the importance of economic performance to Alberta's population growth.

# ALBERTA'S POPULATION GROWTH

(Average annual rate per 100,000 population between 2006 and 2015)

BIRTHS		DEATHS		NATURAL INCREASE		
	1,355	—	564	=	791	
	1,097		712		385	
IMMIGRANTS*		EMIGRANTS**		NET GAIN FROM IMMIGRATION		
	1,093	—	248	=	845	
	951		227		724	
* Immigrants + returning emigrants + net non-permanent residents		** Emigrants + net temporary emigrants				
INTERPROVINCIAL MIGRANTS IN		INTERPROVINCIAL MIGRANTS OUT		NET GAIN FROM INTERPROVINCIAL MIGRATION		
	2,129	—	1,485	=	644	
 Canada less Alberta	579		651		-72	

## CHANGE IN POPULATION | 2006-2015 (%)

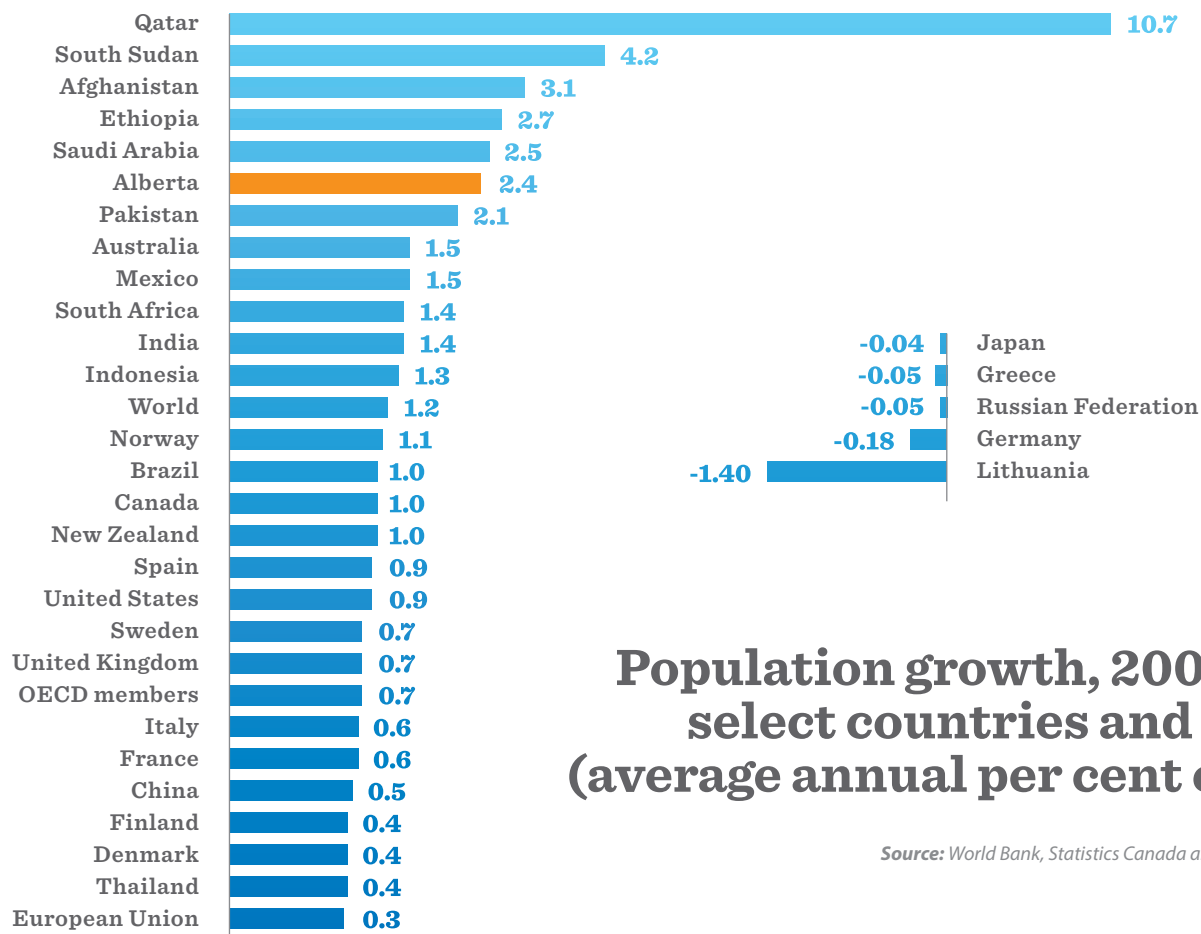


# ALBERTA'S GROWTH IN INTERNATIONAL CONTEXT

*Alberta's strong population growth sets it apart from most other advanced economies. Alberta's rate of growth between 2004 and 2014 was more than double that of the US and eight times that of the European Union.*

Looking beyond Canada's borders, Alberta's population growth between 2004 and 2014 was double the global average and puts it in the company of rapidly growing countries such as Saudi Arabia, Somalia and Pakistan. Alberta's population has been growing much faster than the populations of Europe,

the OECD countries and the BRIC countries (Brazil, Russia, India and China). Because Alberta is starting from a smaller base, even though China's growth was just 5.3 per cent over the 10 years in question, it added a whopping 68.2 million people—77 times more than Alberta's 882,510 new residents.



**Population growth, 2004-2014, select countries and regions (average annual per cent change)**

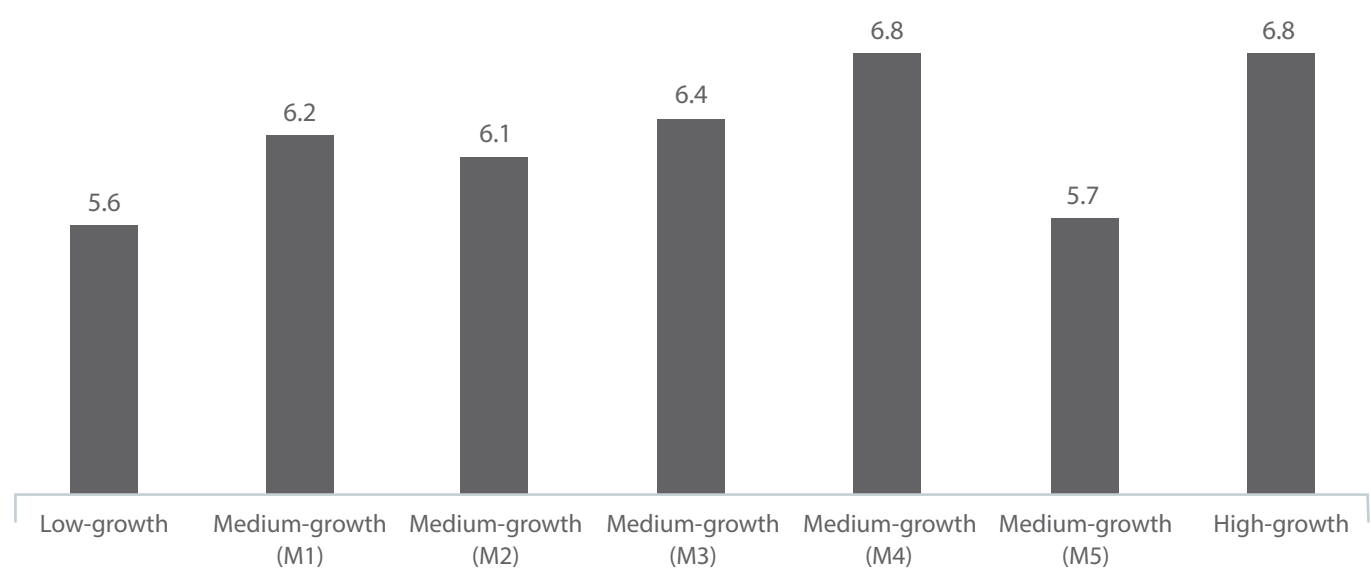
Source: World Bank, Statistics Canada and author's calculations

# FUTURE POPULATION GROWTH

Alberta's population increases in all seven scenarios considered by Statistics Canada in its latest round of population projections. The province is projected to reach between 5.6 million (low-growth scenario) and 6.8 million (high-growth) by 2038. This translates into annual average growth of between 1.6 and 2.8 per cent—the highest among the provinces under all scenarios.

*If there is one thing we are used to in Alberta, it's that there are lots more of us around each year.*

**Projected population of Alberta in 2038, various scenarios (millions)**



Source: Statistics Canada, "Population Projections for Canada (2013 to 2063), Provinces and Territories (2013 to 2038)," Catalogue no. 91-520-X

# WHAT'S DRIVING OUR POPULATION GROWTH?

*Alberta has had the highest rate of natural increase in the country every year since 1981.*

There are three ways Alberta's population can grow or shrink:

- natural increase/decrease (births minus deaths);
- net interprovincial migration; and,
- net international migration.

Looking at the last 10 years, net international migration accounted for the largest portion (37 per cent) of residents added to Alberta's population since 2005.

As of 2015, Alberta's rate of natural increase was more than double the national average (800 per 100,000 compared to 337 per 100,000). Three of the four Atlantic provinces experienced natural **decrease** in 2015 because deaths outnumbered births.

Between 1972 and 2015, Alberta's net immigration rate ranged from 203 per 100,000 in 1998 to 1,220 in 2013. Over the last 10 years, Alberta's annual net immigration rate averaged 845 per 100,000 – the third highest among the provinces.

When it comes to the movement of Canadians within Canada, Alberta stands out as the province with by far the highest average annual rate of net interprovincial migration over the last 10 years (644 per 100,000 compared to a loss of 72 per 100,000 for the rest of the country).

## Contribution to population increase in Alberta, 2006-2015



**28%** Interprovincial migration

**37%** International migration

**35%** Natural increase

Source: Source: Statistics Canada, CANSIM table 051-0004 and author's calculations



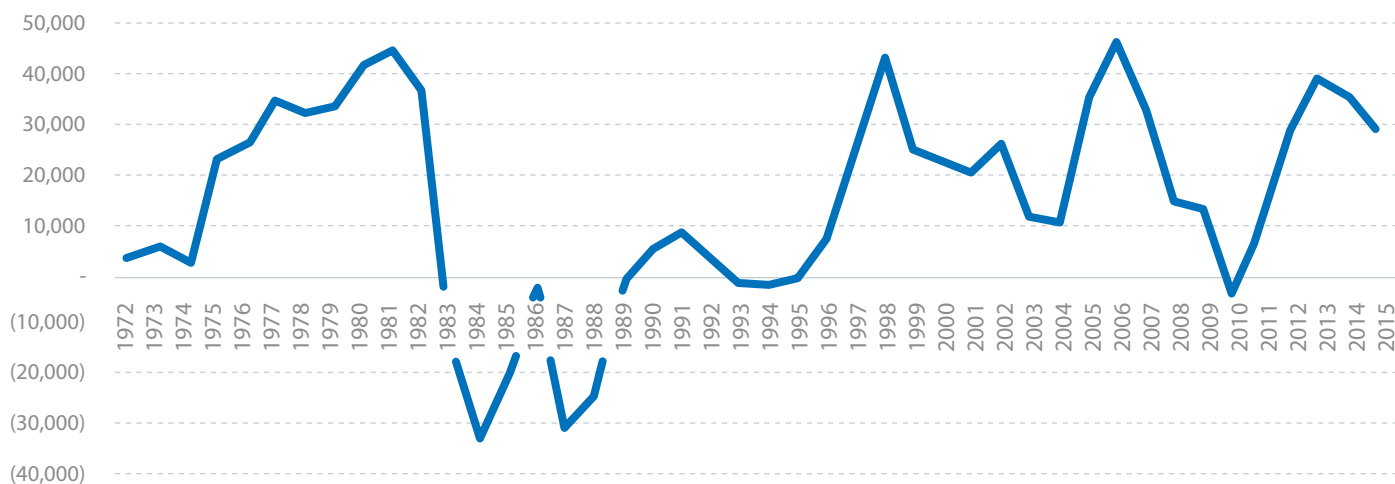
# INTERPROVINCIAL MIGRATION AND THE ECONOMY

*BC and Ontario are the two largest destinations of people leaving Alberta.*

Many people who move to Alberta from other parts of the country do so for jobs so it is not a surprise to see net interprovincial migration dip when the provincial economy falters. The 1980s were a particularly rough patch with Alberta losing 122,987 people to other provinces between 1983 and 1989 (Alberta's real GDP shrank in 1982, 1983 and

1986). The slump of the early 1990s (Alberta's GDP growth was below one per cent in 1991 and 1992) was followed by net outmigration from Alberta as was the recession of 2009. The net inflow from other parts of Canada was down in 2015 and the current economic downturn will likely see it dip further in 2016.

## Net interprovincial migration, Alberta, 1972-2015



Source: Statistics Canada, CANSIM table 051-0004

Note: the net interprovincial migration estimate is preliminary for 2015

# URBAN & RURAL ALBERTA

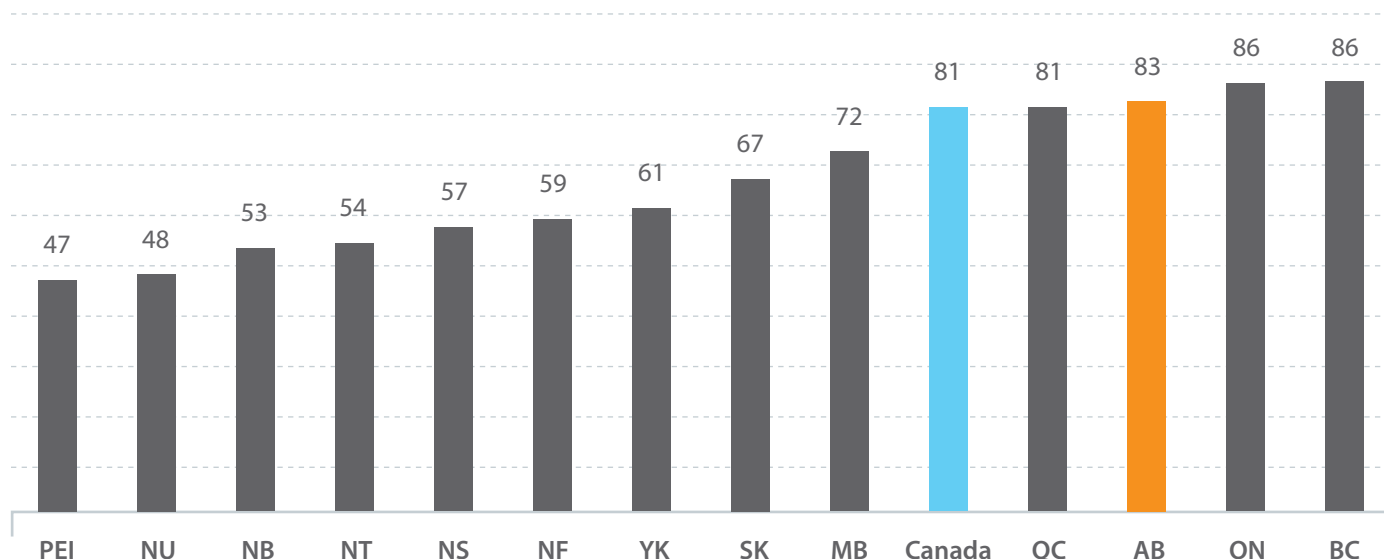
***Over 600,000 Albertans live in rural areas—almost double the rural population of Saskatchewan.***

Alberta's rural areas are great places to live and play and they are where most of our agricultural and natural resource activities take place. Nonetheless, over eight in 10 Albertans live in an urban area. Globally, 53 per cent of people live in urban areas.

Both urban and rural Alberta have been growing. Alberta's rural population increased by eight per cent (45,000 people) between the 2001 and 2011 census while urban areas

grew by 26 per cent (625,000). While modest compared to urban growth, rural population increase in Alberta was higher than the national average of four per cent (the rural population in Saskatchewan, New Brunswick, Nova Scotia and Newfoundland and Labrador actually shrank between 2001 and 2011).

## Urban population by province/territory, 2011 (% of total)



**Source:** Statistics Canada, Census data  
**Note:** An urban area has a population of at least 1,000 and a density of 400 or more people per square kilometre (the definitions differ slightly prior to 1981).

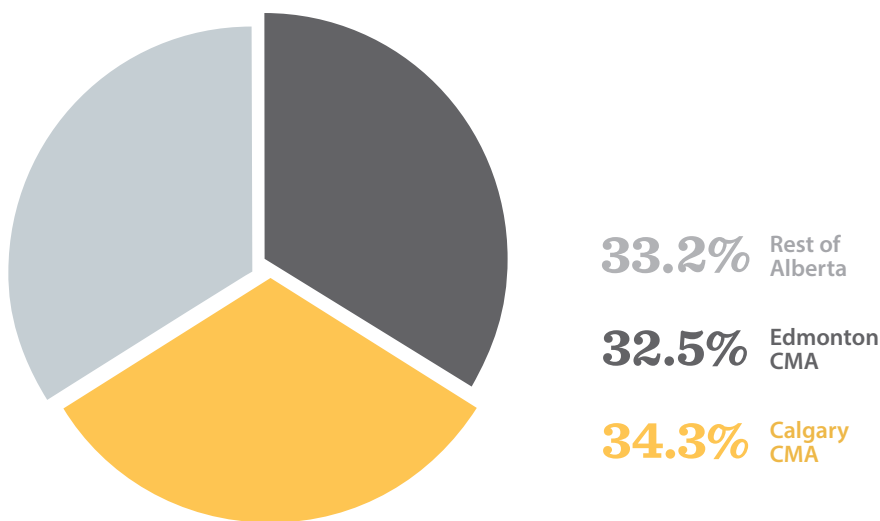
# ALBERTA'S LARGE METROS

*Almost seven in 10 Albertans live in one of the provinces two large metro areas (Calgary and Edmonton).*

Calgary and Edmonton are Canada's fourth and fifth largest metro areas, with Ottawa-Gatineau nipping at Edmonton's heels for that fourth spot. Together, Calgary and Edmonton are larger than the combined population of the metro areas of Regina, Saskatoon, Winnipeg, Halifax, Moncton, Saint John

and Saint John's. Conversely, the population of the Toronto metro area is over twice the size of Calgary and Edmonton combined. While 70 per cent of Canadians live in a metro area, only 47 per cent live in one larger than a million people compared to 67 per cent of Albertans.

## Proportion of Alberta's population, 2014



**Source:** Statistics Canada, CANSIM tables 051-0056 and 051-0001 and author's calculations

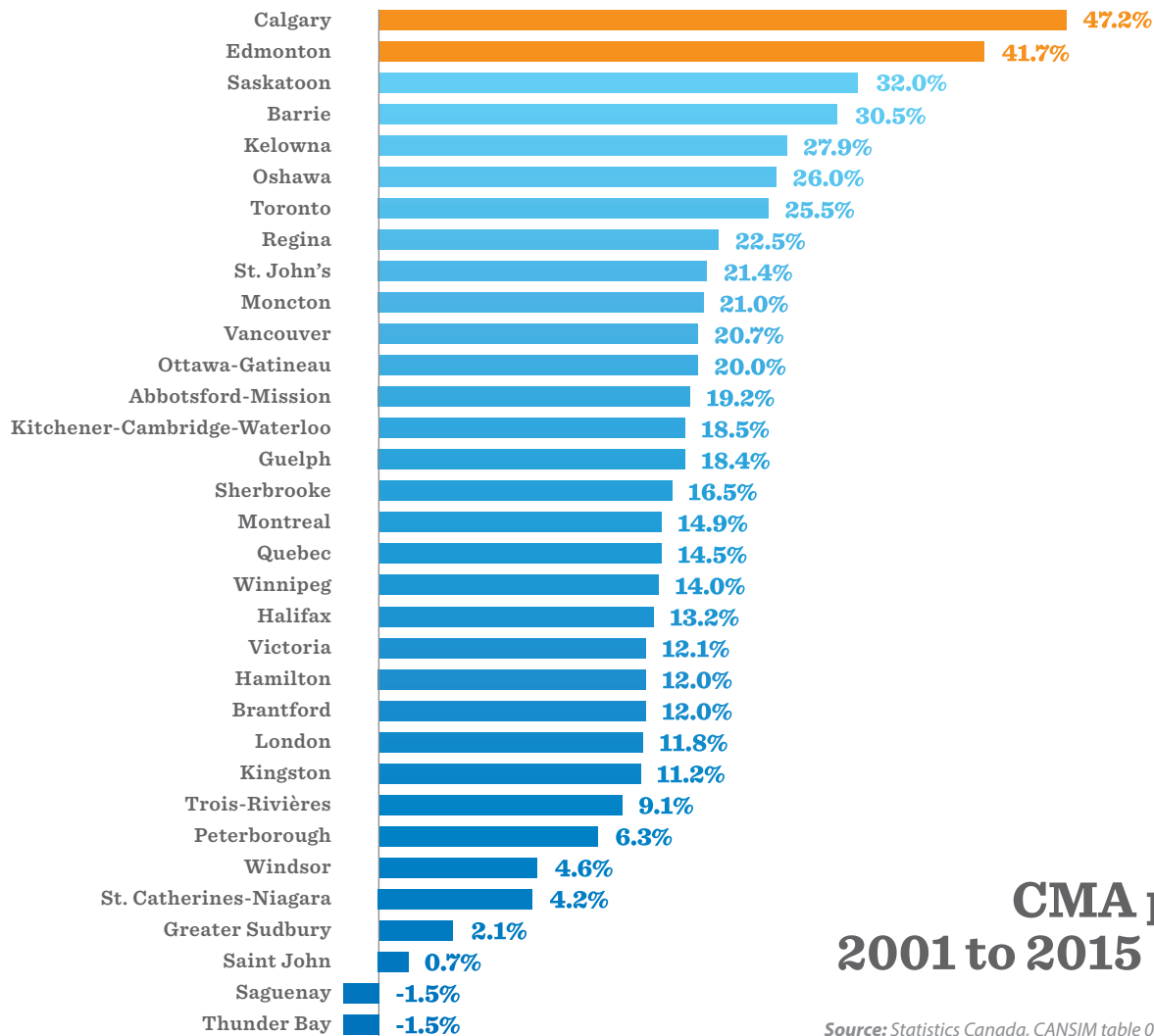
**Note:** A census metropolitan area (CMA) is formed by one or more adjacent municipalities centred on a population centre (known as the core). A CMA must have a total population of at least 100,000 of which 50,000 or more must live in the core. To be included in the CMA, other adjacent municipalities must have a high degree of integration with the core, as measured by commuting flows derived from previous census place of work data.

# URBAN GROWTH

*In terms of population size, Calgary and Edmonton are in the same cohort as Dublin, Zurich, Auckland and Prague.*

Calgary and Edmonton were Canada's fastest growing metros between 2001 and 2015, with Calgary leading the way at 47 per cent growth and Edmonton not far behind with a 42 per cent increase since 2001. Average growth

across all metros between 2001 and 2015 was 21 per cent. Alberta's metro population grew faster than the rest of the province at 45 per cent between 2001 and 2015 compared to 25 per cent for areas outside the two metros.



**CMA population  
2001 to 2015 (% change)**

Source: Statistics Canada, CANSIM table 051-0056 and author's calculations

# A DYNAMIC PLACE

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*It is no surprise that Alberta's population growth drops when its economy slows. However, the provincial population has not actually contracted since 1946 despite numerous economic busts since that time.*



*Photo: Edmonton Folk Festival/'That Just Happened'*

The factors driving population growth in Alberta reveal a very dynamic state of affairs. Relative to its population, a lot of people move to and from Alberta, with more coming than going. At the same time, a relatively large number of babies are born in Alberta, with the provincial birth rate well above the national average and higher than in countries such as the United States, China, Germany and Japan. Among the provinces, Alberta has the highest rate of natural increase, the highest rate of net interprovincial migration and the third highest rate of net international immigration. As a result, Alberta is—and feels like—a place that is constantly growing.

The “feels like” element is important because it adds to the province’s sense of itself as a place full of opportunity. Of course, when the economy suffers, we are fearful that the flow into Alberta from other parts of the country will reverse

as it has in the past. We are used to welcoming more people to Alberta from other provinces than seeing them leave. This is why, even though our total population has not contracted in seven decades, the image of a modern-day wagon train leaving the province in the wake of low oil prices worries us.

Alberta’s population growth brings both pros and cons. On the pro side, more people means more economic activity, a larger labour force, economies of scale, additional taxpayers, greater democratic clout in the federation, a bigger market and a sense of dynamism in the province. On the con side, absorbing annual growth averaging 2.4 per cent puts stress on infrastructure, public services, ecosystems and communities, especially in years when growth tops three per cent as is did in 2006 and 2013.

## *Come for the jobs, stay for the quality of life.*

Nearly 20 years ago, I started work with a company that had just moved to Calgary from Montreal. A lot of my new coworkers had moved with their jobs and were a bit sceptical at first of what Calgary had to offer.

But after I showed them the great restaurants, cultural amenities and urban events in the city, they got it! They realized that Calgary is a modern, cosmopolitan place to live. We may not be Paris or New York—but we do offer a fantastic quality of life. Even the displaced Montrealers agreed.

Hundreds of thousands of people have moved to Alberta over the years and one thing is certain—they love it here. Of course there are exceptions, but they stand out because they are just that—exceptions.

Contrary to what you might hear in a Toronto bar, it's been a long time since Alberta was a frontier outpost you pass through to make a buck on your way somewhere else. We are decidedly more 21st century than the images of tumbleweed and swinging saloon doors.

People need to work and it's natural that employment has been the primary magnet drawing people to our province. Admittedly, some people move to Alberta only for the jobs and leave when they dry up. And today, as the provincial economy struggles in the wake of low oil prices, some are wondering if

it's time to pull up stakes and try their luck somewhere else.

Nonetheless, Alberta's population is likely to continue growing. Despite the numerous booms and busts we've been through, Alberta has not seen an actual decrease in population on an annual basis in almost 70 years. The reason for this is simple: there are plenty of great reasons to call Alberta home.

Beyond the (usually) abundant jobs, our province offers a quality of life that is hard to match. From its mountains and prairie sky to its cultural amenities and good schools, Alberta is a safe, clean, friendly, interesting, beautiful and dynamic place. Whether it's in our cities or rural areas, it is a province that many have enthusiastically embraced.

Economic opportunity is a fundamental factor we absolutely must get right. But future growth also requires that we pay attention to all the other things that make life worth living. A frontier has to become a home—a place to put down roots—or it will become a ghost town when the next economic gold rush winds down.

Alberta is home to over four million Canadians not just because of jobs, but also because of its quality of life. Regardless of oil price shocks and shifting economic landscapes, Alberta continues to offer great cities, towns and communities that newcomers gladly call home.

Economic opportunity and quality of life. Getting both of them right is what will ensure Alberta's growth—both in 2016 and well into the future.

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