

Changing Course

A Discussion Paper on Population Growth
in Newfoundland and Labrador





Executive Summary

Change is a constant in Newfoundland and Labrador. We are experiencing unprecedented economic growth at a time when many Canadian and international jurisdictions have been struggling – more people are now employed in this province than ever before, our labour productivity has grown faster than the rest of Canada, and the average weekly earnings of our workers are now amongst the highest in the country. There will be over 70,000 job openings in the province by 2020, pushing our economic growth forward into the next decade.

At the same time, the population of Newfoundland and Labrador is also changing, echoing trends across the industrialized world. These changes will have serious implications upon our social and economic growth in the years to come. As the provincial population ages and baby boomers retire from the workforce, Newfoundland and Labrador will experience labour shortages. As fewer children are born to offset the number of deaths, our population will also experience a natural decline. Such population decline will unfortunately be detrimental to the vibrant nature of our communities as established programs and services, such as our volunteer fire departments and municipal councils will likely struggle to be maintained without the people to sustain them.

Having recognized the importance of these issues, the Government of Newfoundland and Labrador has taken the first steps towards creating a Provincial Population Growth Strategy. This strategy will draw heavily from existing research and knowledge but over the coming months will be striving to gather and hear public input. The Provincial Population Growth Strategy will engage with the people of Newfoundland and Labrador. This discussion paper has been crafted to summarize key issues for consideration as we move forward together as Newfoundlanders and Labradorians striving to support and foster the growth of our population.

Why have a Population Growth Strategy

Over the last decade, Newfoundland and Labrador has witnessed historic economic growth that is expected to carry forward into the foreseeable future. Reaching our full potential begins with a focus on changes to our demographic situation in various areas:

- Our workforce, and more generally, our population is aging at a dramatic pace;
- The number of people moving away is higher than the number of people entering the province;
- Our immigrant retention rate is among the lowest in Canada¹;
- While the population of the province has been increasing, statistics show that fewer families in the province are having children; and,
- When families are choosing to have children, they are having fewer children.

This demographic shift is not unique to Newfoundland and Labrador, similar trends are being witnessed across the rest of Canada and other countries, but the effects of these changes are being felt uniquely here, due to our recent history and geography, and our small yet broadly dispersed population.

Understanding the urgent need to take action to mitigate the negative effects of demographic decline, and in an effort to introduce measures supportive of population growth, most Canadian provinces and territories have created agencies or initiatives targeting increased immigration, family-friendly policies, and initiatives to encourage resident and immigrant retention. The challenge to improve demographic standings in provinces has led to stiff competition for labour and immigrants: Canadian provinces and territories regularly attend international immigration recruitment fairs seeking to attract highly skilled workers for their communities. Manitoba has almost quadrupled its immigrant intake since 1999; and Prince Edward Island attracted more than double (1379) the number of immigrants that came to Newfoundland and Labrador in 2011 (682), despite having one-third of the population of our province.

The Government of Newfoundland and Labrador's Provincial Population Growth Strategy is taking the initiative to engage in a discussion with the people of Newfoundland and Labrador on how best to grow our population to meet our future social and economic aspirations.

It is important to recognize the value of past work on different demographic groups in the province as we engage in discussions around the future of population growth. Initiatives such as the Youth Retention and Attraction Strategy, Childcare Strategy, Poverty Reduction Strategy, Healthy Aging Strategy Framework, Immigration Strategy, the Northern Strategic Plan for Labrador and the Strategy for the Inclusion of Persons with Disabilities have laid the groundwork for a more comprehensive, inclusive discussion on population growth.

Newfoundland and Labrador is facing multiple, complex demographic challenges that have no simple solutions. Tackling these serious demographic challenges will require a concerted, co-ordinated effort. The Provincial Population Growth Strategy aims to focus on seeking measures in the short, medium, and long-term.

The Provincial Population Growth Strategy will link Provincial Government efforts for population growth in the province. Through a review of past policy initiatives, research and analysis of best practices from Canada and countries around the world, and engagement with the people of Newfoundland and Labrador, the strategy will strive to be an inclusive and forward-thinking initiative for navigating the demographic challenges ahead.

The vision of the Provincial Population Growth Strategy is for a Newfoundland and Labrador with a population that is both healthy and inclusive, growing with the potential to be stronger than ever as we tackle the challenges and opportunities of the 21st century. Our economy, culture, communities, and most importantly, our families hold the promise of being stronger and more diverse than ever before for the benefit of all Newfoundlanders and Labradorians. With an economy that is already more vibrant than at any other time in our recent history and a strong sense of community, we can move forward with the foundations in place to support the growth of our population.



Despite these challenges, there are opportunities ahead to foster population growth in Newfoundland and Labrador. Some of the ideas the Provincial Population Growth Strategy will examine include:

- Supporting women and parents in having and raising children through family-friendly policies;
- Retaining current residents;
- Encouraging ex-patriates to return to the province;
- Improving our record on immigrant attraction and retention;
- Fostering international student and graduate retention; and,
- Seeking ways to support the well-being of all residents in the province.

Newfoundland and Labrador is experiencing historic growth – more people in the province are working than ever before, and an anticipated 70,000 job openings by 2020 will pave the way for even more employment in the years to come. This growth comes on the heels of serious demographic change, which risks negatively affecting the province’s economic growth. Labour force growth is a key component in economic growth.

This discussion paper summarizes the key issues for consideration in encouraging a public discussion on how best to support and foster population growth in Newfoundland and Labrador.

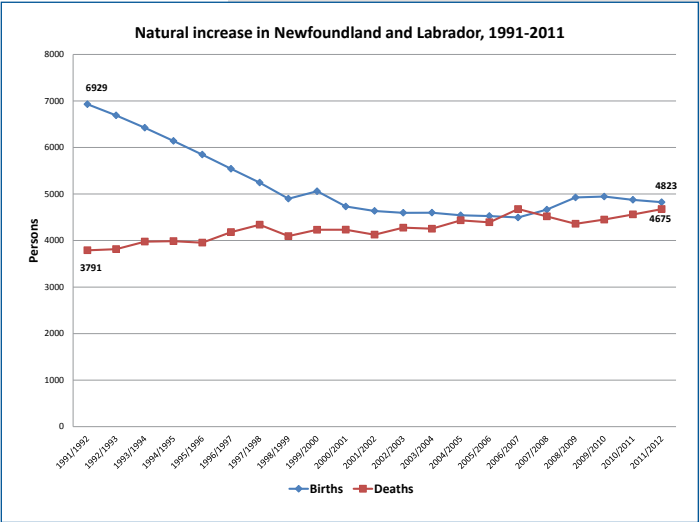
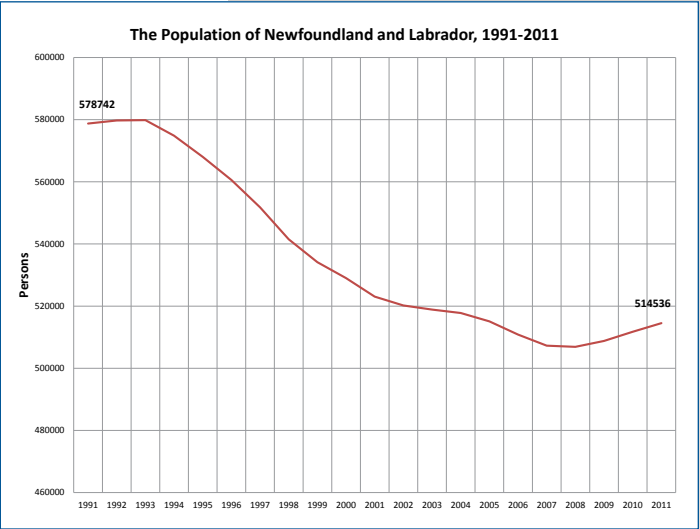
The paper is divided in three sections: First, the paper will consider some demographic realities facing our province, and will examine associated implications of these trends; second, the paper will lay out the challenges and opportunities in the road to supporting and fostering population growth; and third, the paper will conclude with a section encouraging public feedback, discussion, and ideas.

Demographic Change Natural population increase, immigration, retention, and repatriation are the main ways through which a population can stabilize or grow. Natural increase refers to the difference between births and deaths, and positive natural increase means higher births than deaths. Conversely, negative natural increase in a population refers to a higher number of deaths than births. Immigration refers to newcomer arrivals from other countries, whereas repatriation refers to former residents’ return to the home province or territory.

Natural increase – Difference between births and deaths

Natural population increase in Newfoundland and Labrador has been low. In fact, in 2006, we experienced negative natural increase as deaths outnumbered the number of births in the province. We had more births than deaths in the last six years, but the difference has been minimal. This is not unlike the changes to the Canadian figures over the last ten years. It is estimated that at the current rate of decline, the Canadian population will have a negative natural increase by 2030, as deaths outpace births.

A natural outcome of negative natural increase is a higher median age, or the age at which the two halves of the population are either older or younger. While the median age in our province was 30.8 in 1991, it went as high as 44 in 2011, a significant increase in twenty years. This is a serious change: The median age in the province has gone from being 2.7 years younger than the Canadian median in 1991, to being 4.1 years older in 2011. By 2024, the median age in Newfoundland and Labrador is expected to increase to 48 years. In contrast to our provincial statistic, currently, the median age of the Aboriginal population in our province is 35 years.



Fertility Rate – The number of children born

Natural increase is one of the primary methods for measuring population growth. Another measure of population growth is the fertility rate, or the average number of children a woman would be expected to have in her lifetime. It is estimated that a woman would need to have an average of 2.1 children in order for a population to reach stable replacement levels, or the number of children required to outnumber deaths. A lower fertility rate is a strong indicator of fewer women choosing to have children.

No Canadian province currently has fertility rates at or above 2.1. This is also the case with most developed and a growing number of developing countries around the world, with few exceptions: 33 of the 40 OECD states now have below replacement fertility rates.

Currently, Newfoundland and Labrador has the second lowest fertility rate in Canada, at 1.45 children per woman. While this fertility rate is low, it is higher than the record low to which it fell in 2000. Current information on the birth rate in Aboriginal communities is not available, but population data suggests that Aboriginal children under 5 represent 7 per cent of the Aboriginal population, compared to 5 per cent of the non-Aboriginal population being under 5.

In order to better understand the current demographic context with respect to births and children, it is helpful to review the shift in the mean age of mothers. Currently, Newfoundland and Labrador women are delaying childbearing. Between 1991 and 2011, the number of mothers giving birth over the age of 30 almost doubled. Nearly 45 per cent of all children born in the province today are born to mothers over the age of 30. This is another national trend – while the mean age of childbearing mothers has grown in the province (from 26.1 in 1991 to 28.7 in 2011), it is lower than the mean age for most other provinces. For example in British Columbia, the province with the lowest fertility rate (1.42) in Canada, the mean age for childbearing mothers is 30.4. The

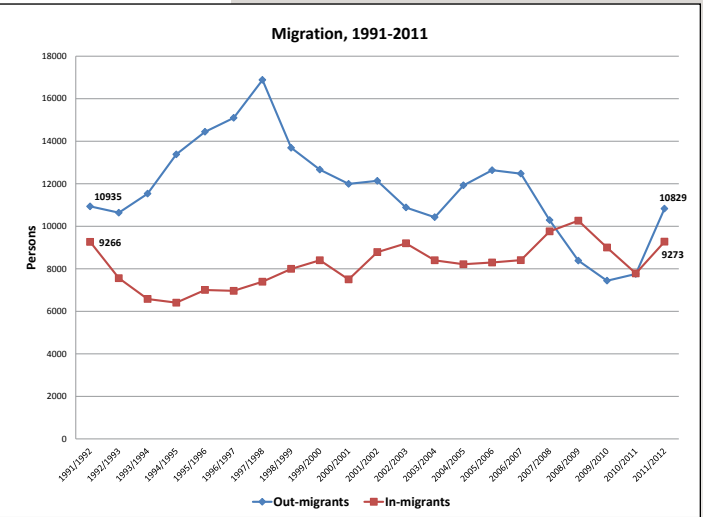
British Columbia experience may be a foreshadowing of the type of fertility rate change we can expect in our own province, as women continue to postpone childbirth to a later stage in life.

Retention of current residents and attraction of ex-patriates

Traveling, experiencing everyday life outside of our familiar surroundings, and living in another part of the country or the world are all life stages that help us grow and mature. In a globalized world, in and out-migration are part of a stable population trend: As some residents leave the province to study or work elsewhere, others move to the province to live and work, thereby reducing the negative effects of out-migration. Negative net migration occurs when more residents move away from the province than the number of people who move into the province.

Repatriating residents who have migrated away is a significant challenge. Attracting former residents back to the province is particularly difficult because these individuals are less likely to return if they have established a sense of belonging, deep roots, networks, and connections in places in which they have settled.² Findings indicate that less than 25 per cent of all youth who leave their home communities return ten years later.³ As one Atlantic Canadian study points out, “one cannot count on return migration as a means of preserving the population size of a given cohort.”⁴ Indeed, most youth who leave do not tend to return until late in life.

Newfoundland and Labrador has been experiencing high out-migration since the early 1990s. In 2011, 10,829 persons, primarily of working age moved away from the province; at the same time, 9,273 persons moved to the province, leading to negative net migration of 1,510 persons. More than two-thirds of those who moved away were under 35 years old. A smaller percentage, around 60 per cent of all people who settled in the province in 2011 were also under 35. The number points to the changing age of the out-migrants. In 2000, nearly 80 per cent of all persons leaving the province were under 35 years old. 73 per cent of all persons moving to the province at that time were under 35. Newfoundlanders and Labradorians of ages 25





to 34 who do live in the province currently comprise 11.4 per cent of the population. Unless things change, Conference Board of Canada estimates suggest that this group will represent only 8.6 per cent of our population by 2035.⁵

In addition to out-migration to other provinces, regional population shifts are also changing the sustainability and vibrancy of our communities. Between 1991 and 2011, the St. John's CMA (Central Metropolitan Area) has grown by 25,000, while the population of the rest of the province declined by 79,000. This dramatic shift of population from rural communities to regional centres presents challenges related to program and service delivery in smaller communities with a declining population.

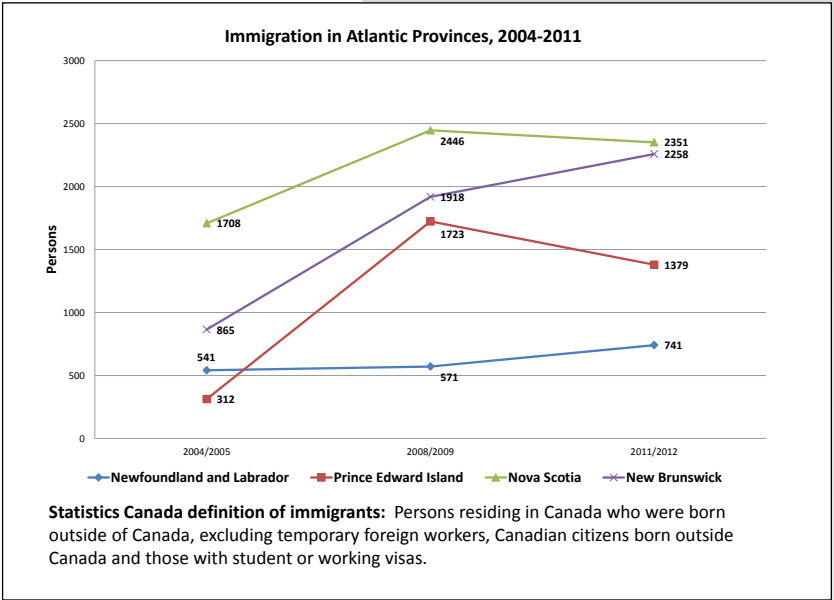
Labour demand was once seen as an incentive for attraction of ex-patriates and newcomers. As competition for labour stiffens between provinces and countries, decisions are increasingly made based on place and the attractiveness of the community: it is no longer enough to offer employment – in a globalized economy, where workers become highly mobile and flexible, employment is but one factor determining where people choose to live.

Newcomer Attraction and Retention

Together with births, immigration is a key component of population growth. Since 2001, immigration has accounted for 67 per cent of Canada's population growth – in other words, only one-third of our national population growth is due to natural increase (births). It is estimated that by 2030, all population growth in Canada will be through immigration due to negative natural increases (deaths outnumbering births). Currently, one-fifth of all Canadians are foreign-born. While most immigrants settle in Montreal, Toronto, or Vancouver, increasingly, immigrants are settling in other centres across the country. Manitoba, for example, has increased its immigrant intake five-fold since 1999. Alberta, Saskatchewan, and Manitoba are becoming centres of choice for immigration, primarily due to economic opportunities and a high number of immigrant intakes through the Provincial Nominee Program (see below for more on the program)

Atlantic Canada receives a modest number of immigrants every year. Immigrants who settled in Atlantic Canada comprised only 2.5 per cent of total immigration intake in Canada in 2012, or 6,434 persons. Newfoundland and Labrador has a comparatively low immigration intake – the province attracted 751 immigrants, or 0.3 per cent of all immigrants to Canada in 2012. Prince Edward Island significantly increased the number of immigrants it received in the last nine years, despite having a population one-third the size of Newfoundland and Labrador – in 2012, the province received 1,089 immigrants, nearly 50 per cent more than Newfoundland and Labrador.⁶ Evidently, there is room to grow in our immigration, especially in the face of looming negative natural increase.

Retention and attraction are key components of successful immigration, and are complementary in nature – personal preferences for the place, possibilities for employment, good education for children, perceived inclusiveness of the local community, including the workplace, familiar cuisine, availability of culture-specific products, entertainment, and culture all play a role in determining whether immigrants stay in a place. In a federal government report on immigrant retention through

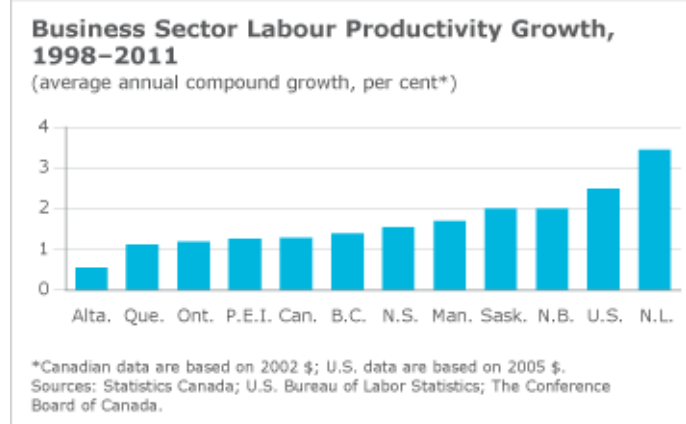




the Provincial Nominee Program (PNP) between the years 2000 and 2008, Newfoundland and Labrador fared lowest of all provinces – only 23 per cent of PNP immigrants who came to Newfoundland and Labrador had stayed in the province eight years later, compared to 36.6 per cent in Prince Edward Island, 68.1 per cent in New Brunswick, and 68.4 per cent in Nova Scotia. Alberta and British Columbia had the highest immigrant retention rates in Canada, at 95.3 per cent and 96.4 per cent, respectively. Preliminary findings of the Provincial Nominee Program retention rates for the 2008-2010 period suggest an increase in an immigrant retention rate of 40 per cent. This is also the period when the Provincial Immigration Strategy was launched, suggesting some effectiveness in retaining immigrants.

Temporary Foreign Workers (TFWs) represent a potential pool of new permanent residents, since they are accustomed to the local climate, culture, and communities. Most of these individuals work in highly skilled occupations in the marine, technical, engineering, construction, medical and business fields. Over the last five years, the number of temporary foreign workers (TFWs) has been on the rise – in 2011, 2,550 TFWs were working in Newfoundland and Labrador. In the recent years, there has been an increasing trend in the number of TFWs moving to the province to fill low-skilled jobs for which employers have difficulty finding local labour. The number of TFWs in low-skilled occupations has ranged from 135 in 2009 to 227 in 2011.

International students comprise a significant group of newcomers to the province every year, although their arrivals are not included in the immigration statistics due to the temporary nature of their presence. Between 2001 and 2009, there has been a 14.5 per cent increase in the number of international students coming to study in the province, which is almost double the average growth in Canada – over 1,800 international students are currently studying in post-secondary institutions in Newfoundland and Labrador.⁷ This is in part due to improved conditions and services for international students, including MCP (Medical Care Plan) coverage, as well as the affordability of post-secondary education – while tuition fees for international students often amount to three times the fees local students pay, they are nevertheless more affordable than tuition fees in other post-secondary institutions across Canada. This translates into real economic benefits for the province – In 2008 alone, international students spent over \$38 million in Newfoundland and Labrador, and services associated with international students employed 440 people.⁸ International students represent another potential pool of immigrants: they possess both Canadian education and experience of local culture and community, and belong to a younger age cohort.



Labour

Availability of employment and of workplace supports is fundamental to population attraction and retention. In addition, a balanced labour demand and supply is crucial to socio-economic growth. Demand for skilled labour in Newfoundland and Labrador will lead to 70,000 job openings by 2020, of which 7,200 will be new jobs.



In order to better understand the current employment context in the province, it is important to explore details of some labour market indicators.

The unemployment rate in Newfoundland and Labrador is the highest in Canada, although the province has experienced the highest decrease (21 per cent) in the number of unemployed persons across Canada since 2003.

The province saw the highest business sector labour productivity growth in North America between 1998 and 2011 – it went up by nearly 3.5 per cent, which is seven times the growth Alberta, the runner-up, saw in that period. That productivity, however, is at risk of being lost due to a labour and skills shortage – unavailable labour can place significant strains on production. Employers have resorted to federal government programs

facilitating the placement of temporary foreign workers where local labour cannot be found – it is important to remember that TFWs are brought to work on short-term contracts, and the fact that significant challenges remain in the medium to long-term in alleviating some of the pressure on the labour market. Recent changes to the TFW program have updated the guidelines to ensure that TFWs are paid wages similar to the local workers.¹⁰

Another important consideration for the province's labour market is the question of age: The province's labour force is gradually aging. More seniors are being encouraged to continue working past the age of 65 to ensure the sustainability of programs and services.

Women appear to have almost caught up with men in full-time employment – in 2012, 48 per cent of all full-time workers in the province over the age of 25 were women. However, more women appear to be working part-time than men (See Appendix on Fertility Rates).

Implications of declining demographic growth and the role of the Population Growth Strategy

There are a number of possible implications of slow and declining demographic growth for the future of Newfoundland and Labrador:

- A dramatic increase in our median age may mean our labour force will be older, which has an impact on our labour productivity and our economic competitiveness;
- fewer children born in the province will have significant impacts on community renewal and sustainability;
- high out-migration, both due to local residents' decisions to move away, or due to low immigration retention, will have fundamental consequences on our province's tax and population base.

Currently, the Newfoundland and Labrador Statistics Agency medium projections up to 2026 suggest that our fertility rate will increase up to 1.58 and remain stable over the whole period. The high demographic growth scenario suggests a higher increase (1.68), but neither is sufficient for ensuring we have more births than deaths. At the same time, more Newfoundlanders and Labradorians will live longer, as life expectancy increases during this period. Nonetheless, increasing natural deaths and fewer births by 2026 will shrink the size of the population – the population of the province will stabilize by 2020 primarily due to in-migration.

In-migration will modestly increase as natural resource projects attract labour for construction and other employment in the short and medium-term. Here too, it is important to add a note of caution: without long-term planning to attract and retain new residents and ex-patriates, those who move to the province may return to the provinces and countries they left. It is important to point out that in a globalized world, competition for labour is becoming increasingly acute, especially as provinces compete internationally for immigrants.⁹ Settlement and integration services

are particularly important in ensuring that newcomers feel welcome and included as part of the local community.

The Provincial Population Strategy represents government efforts to engage in a discussion with the people of Newfoundland and Labrador on how best to grow our population. The strategy will seek innovative policies and programs to encourage demographic growth in Newfoundland and Labrador.

Newfoundland and Labrador is facing multiple demographic challenges on different fronts, e.g. immigration, births, aging population. There will be no single solution to resolve them. Tackling these serious demographic challenges will require concerted, co-ordinated effort. The Provincial Population Growth Strategy aims to focus on seeking measures in the short and long-term.

At the same time, the Provincial Population Growth Strategy will integrate the work of government initiatives that have focused on supporting specific demographic and social groups, such as youth (Youth Retention and Attraction Strategy), children and parents (Childcare Strategy), low income households (Poverty Reduction Strategy), seniors (Healthy Aging Strategy Framework), newcomers (Immigration Strategy), and persons with disabilities (Inclusion Strategy). These initiatives provide an invaluable foundation for the discussion on population growth in Newfoundland and Labrador.

The Provincial Population Growth Strategy will link government efforts on population growth in the province, by reviewing past policy efforts, researching and analyzing best practices in Canada and around the world, seeking advice from jurisdictions in which policy changes have produced results, and consulting with the people of Newfoundland and Labrador on measures government could pursue.

Other provinces, territories, and countries have engaged in population growth initiatives:

- New Brunswick has established a Population Growth Secretariat to foster demographic growth through immigration and family-friendly policies;
- Prince Edward Island has created a Settlement Strategy to support immigrant inclusion and retention;
- Quebec has implemented a one-of-a-kind program in Canada to support parents with children;
- Ontario has established the Places to Grow initiative in

an effort to support economic and demographic growth, as well as the wellbeing of residents throughout Northern Ontario;

- Manitoba has quadrupled its immigrant intake in the last ten years, and has increased immigrant retention to 84 per cent;
- Saskatchewan's Plan for Growth proposes population growth via immigration, increasing the number of provincial nominees to 6,000 by 2020;
- British Columbia's Regional Sustainability Strategy aims to support cooperation among communities in the regions in an effort to ensure long-term community sustainability;
- Australia recently created the Population Growth Strategy to ensure immigration and births support economic growth in the long-term; and,
- France, which has had a sub-replacement fertility rate for over twenty years, now has the third highest fertility rate in Europe, after Ireland and Iceland, due to long-term measures to support families in having and raising children.



These examples provide some guidance on best practices with regards to supporting population growth in our province. The unique nature of Newfoundland and Labrador's geography, history, and culture will inform the direction of the Provincial Population Growth Strategy. However, the wealth of experiences of other provinces, territories, and countries will also inform the efforts to grow our population.

Challenges define our present, but opportunities can define our future. The high number of job openings in the foreseeable future sets the foundation for attracting more people to the province, as well as retaining people who would otherwise move away. We must look at additional ways in which we could support our current residents and attract others to make Newfoundland and Labrador their home. Some of the ideas the Provincial Population Growth Strategy will examine include:

- Supporting women and parents in having and raising children through family-friendly policies¹¹;
- Encouraging ex-patriates to return to the province;
- Improving our record on immigrant attraction and retention;
- Fostering international student and graduate retention;
- Seeking ways to support the well-being of all residents in the province; and,
- Seeking ideas on fostering immigration to rural areas.

The Provincial Population Growth Strategy is committed to encouraging public input and engaging with Newfoundlanders and Labradorians in the province and beyond on how best to support and foster population growth in our province.

Guiding Questions

In creating the Provincial Population Growth Strategy, the Government of Newfoundland and Labrador seeks to engage stakeholders and members of the public to explore ideas and measures in the short, medium and long term to support and foster population growth in the province.

All submissions and input will be considered, and there will be a number of ways to provide input to the exercise, either in person, via live satellite feed during our consultation sessions, or via e-mail contact. Your ideas on how we could grow our population are most welcome.

Here are some guiding questions:

Apart from employment, what are some of the amenities that are important to you in choosing a place to live?

What are some family-friendly initiatives/policies Newfoundland and Labrador could pursue?
How can we strengthen immigration to Newfoundland and Labrador?

Do you have suggestions on how we can promote Newfoundland and Labrador as a place to live and raise a family?

We welcome your views, questions, and ideas by e-mail at populationgrowth@gov.nl.ca

Appendices

Fertility Rates, Births, and Population Growth

Immigrants and Newfoundland and Labrador

Demographic Data on Newfoundland and Labrador



Appendix

Fertility Rates, Births,
and Population Growth

Fertility rates measure the number of children an average woman has throughout the childbearing years – in order to offset the loss of population due to deaths, a woman would need to have 2.1 children. Birth rates refer to the actual number of children born.

Declining birth and fertility rates are a global phenomenon – half of the world’s countries are currently experiencing below-replacement rates, or fewer births than deaths. By 2050, more than three-quarters of the world’s countries will have fertility rates below replacement levels.¹²

Governments in Canada and beyond have taken numerous measures to enhance the retention of residents and counteract declining fertility rates in the form of public policies that have become popularly known as “family-friendly policies.” Family-

friendly policies represent those public policies that improve the lives of residents and their families. These policies may include:

- Assistance to families through employment supports;
- Efforts to foster welcoming, vibrant, and innovative communities;
- Actions to promote child development;
- Measures to encourage gender equity and diversity in the workplace; and,
- Supports to the family unit throughout the life course.

Efforts to increase fertility rates through various family-friendly policies have demonstrated some mixed results. For example, two neighbouring states in Europe with comparable spending in social programs have differing outcomes in increasing fertility rates: Social programs to help raise fertility rates in Germany have achieved little over the last two decades, while the French fertility rate has been increasing steadily, and will soon reach replacement rates. Granted, the nature of the social programs in the two countries differs, as will be explained below. In the middle of the spectrum are Nordic states (Denmark, Finland, Iceland, Norway, and Sweden), which have not raised their fertility rates, but neither have they seen their fertility rates decline, despite the dramatic downward trend in the rest of Europe – Researchers cite generous and consistent maternal and parental leave provisions, publicly funded child care, and child allowances as responsible for supporting the stable fertility rate. It is also important to note that the Nordic policies have been in place for a long time – for example, Sweden has had a version of its family-friendly policies in place since 1934. While the fertility rate in Sweden has fluctuated, especially during high unemployment periods, it has nevertheless stabilized.

Germany and France:

A case study

It has been suggested that the German experience has been negative due to the system encouraging mothers to stay at home over being in the labour market – the tax-splitting policy, which states that couples pay tax on half of their combined income, essentially encourages one of the two parents to stay at home.

As one analysis of the policy suggests, “the bigger the income difference between [the parents], the bigger the tax advantage.”¹³ A recent report by the Federal Institute for Population Research, a German government body, concluded that traditional attitudes about women are prevalent in German society and are affecting women’s ability to have children – women who work while raising children are frowned upon in society, which may incite more women to delay having children and having fewer children when they actually do have them.¹⁴

Beginning in August, 2013, the German government will be providing a new program to encourage women to stay at home, a “childcare allowance”, which, along with other benefits, will pay stay-at-home mothers \$330 per month for choosing to forego childcare and for raising their child at home. In a change of policy, to encourage parents to rejoin the workforce, and to support families with young children, the German government will be implementing a policy guaranteeing all parents with very young children (under 3) a childcare space, starting in August 2013.

France has a fertility rate of 2.0, one of the highest in Europe.¹⁵ The fertility rate in the country was in decline for over 30 years until 2000, when it reached 1.89, and has been climbing up since. Research conducted on the French example demonstrates that a number of factors could be responsible for the continued upswing in the French fertility rate:

- An allowance system for all children up to the age of 16 in families with two or more children – children in low income families receive additional financial support as well as childcare;
- Single parents and families with large numbers of children are entitled to significant tax breaks; and,
- The national Labour Code provides access to maternity leave, paternity leave, and additional parental leave, in addition to the option to work part time – parents with a sick child are entitled to additional parental leave.

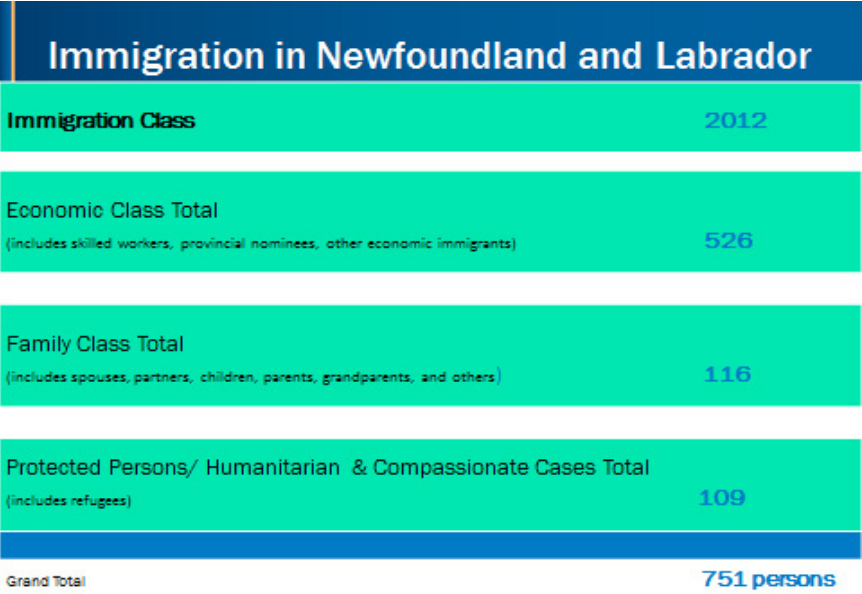
The tax rate in France is consistent with that of other Western European states, at 44 per cent.

Newfoundland and Labrador	Nordic countries	Quebec
35 consecutive weeks of parental leave, comprised of 55 per cent of the average insurable weekly earnings, up to a maximum, beginning immediately after the end of the 17-week maternity leave that includes a 2-week unpaid leave period.	Combined parental leaves (maternal leave and leave shared by both parents), ranging from 43 weeks to 16 months. Compensation generally comprises of 80 per cent of earnings (with a maximum) for the first 40-50 weeks of leave	50 weeks of leave with 70 per cent insurable income.
Child care fees are based on family income – they are fully subsidized for parents earning under \$27,480 (net income), and partly subsidized for parents earning above that amount, dependent on the number of children in child care and resultant parent portion required.	Child care fees in Nordic states depend on family income, e.g. Sweden, where parents can be charged up to 3 per cent of family income for the first child, 2 per cent for the second child, and 1 per cent for the third.	Parents are charged a flat rate of \$7 per day.
Families who give birth to a baby or have a child placed with them for adoption on or after January 1, 2008 receive the Newfoundland and Labrador Progressive Family Growth Benefit (one-time, tax-free \$1000 benefit) and the Newfoundland and Labrador Parental Support Benefit (\$100/month for 12 months) for a total of \$2200. Mothers in low income households with children under the age of one receive the Mother Baby Nutrition Supplement of \$810 spread out over the year. Low income households can receive over \$5200 per year in combined provincial and federal child tax benefits and supplements for the first child. Amounts for second and subsequent children vary for certain benefits. Some benefits are income tested and are reduced when income is over a specified threshold. Total annual benefits broken down: \$364 Newfoundland and Labrador Child Benefit, \$1,433 Canada Child Tax Benefit, \$2,221 National Child Benefit Supplement, \$1,200 Universal Child Care Benefit.	Children under the age of 18 receive \$1,500 to \$2,800 per year; children in low-income families receive additional benefits.	Combined federal and provincial benefits for children under the age of 6 provide a minimum of \$1,200 per year.
Currently, parents take family leave in workplaces where employers have such provisions.	A portion of parental leave may be extended to parents with children who are two years old	Parents can take 10 days off per year, without pay – while some employers offer a more generous leave, others may not have the provisions in place.

Investments for the (Uncertain) Long-term

The French example demonstrates that government policies can have a significant role in raising fertility rates, but that the results of those measures may take a long time, often decades, to come into effect. Research on fertility rates supports this view.¹⁶ Research also suggests that communities with fertility rates below 1.5 are at a critical level – it will be more costly and difficult to reverse fertility rates below 1.6 than will be maintaining them at that level.¹⁷ Women who have grown up in smaller families are likely to have small families themselves.¹⁸ This is why the Nordic model is often cited in literature on family-friendly policies – by maintaining the fertility rate, Nordic states are resisting what could be a dangerous decline. Quebec’s parental support policies mirror the Nordic model to some extent:

While the family-friendly policies Quebec has implemented are generous compared to the rest of Canada, their effectiveness can take up to a generation to be noticeable in demographic trends – many of the changes that Quebec’s family-friendly policies seek to address are associated with instilling confidence in women and families to have children while knowing that there are supports in place to ensure they can raise their children without facing significant barriers to their personal and professional development.





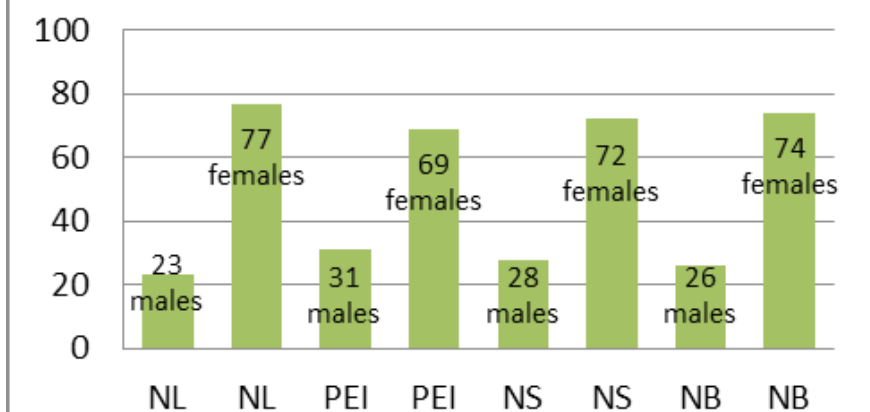
Age and Professional Ambitions

It is possible that the age at which women have their first child is indicative of the changing employment landscape. Findings from a longitudinal study based on the Survey of Labour and Income Dynamics (SLID) information showed that Canadian women who delayed having their first child earned six per cent more on average than women who had their first child earlier.¹⁹ In addition, research suggests that co-habitation and marriage at a younger age “imply a lower level of education and fewer opportunities in the labour market. For women and children not in two-income families, this is often associated with economic hardship and poverty.”²⁰

The perception, therefore, may be that having a child is a professional disadvantage, particularly in the absence of family or community support.

Working parents who may be placed in situations of significant drains of personal income for choosing to establish a family may be reluctant to have a second child – one such example includes EI restrictions for parental leave, which limit benefits to 55 per cent of pre-leave working income, up to a maximum of \$40,000. Some employers choose to top-up the amount up to 80 per cent of the pre-leave equivalent, but such practices are inconsistent. Academic and policy research on birth and fertility rates in North America points to women’s ambitions to pursue professional development, the perception that having children is a costly venture, and perception of an absence

Part-time Employment in Atlantic Canada, by percentage, 2012



of social supports in the workplace and the community. These different factors influence women's willingness to have a child.

Newfoundland and Labrador supports to parents with newborns comprise of Newfoundland and Labrador Progressive Family Growth Benefit (one-time, tax-free \$1000 benefit) and the Newfoundland and Labrador Parental Support Benefit (\$100/month EI top-up for 12 months). There are additional supports for mothers in low-income households, such as the Mother Baby Nutrition Supplement.

Part-time work is normally associated with either difficulty in finding full-time work, or in the limited amount of time available to work due to other responsibilities. While Newfoundland and Labrador has a higher female employment rate than the Canadian average, a higher percentage of women than men in this province are working part-time.

There are a number of explanations to the data on the high percentage of women working part-time: Women continue to be primary caregivers to newborn children - anecdotal evidence suggests that women are the primary parents to take parental leave. In provincial data, women appear to be the primary single parents (22 per cent of all families with children are female single parents versus 5 per cent of male single parents), and overall, there are almost three times as many women as men who spend 60+ hours per week looking after children without pay in Newfoundland and Labrador. Women are also more likely to look after children for 15 to 29 hours per week – 1.5 times more women took care of children than men in 2006.²¹

As research suggests, parents-to-be often consider so-called direct and indirect costs associated with having a child:

- Direct costs are direct expenses associated with having and raising a child; and,
- Indirect costs represent income lost due to having a child, i.e. having to care for the child at the expense of working or developing a career.

Couples wishing to have children must reconcile that choice with the career and personal trade-offs they need to make. Indirect costs can discourage couples from having their first child, especially if it means that having a child will lead to fewer professional opportunities. Couples thinking about having a second child are more seriously weighing the direct costs and expenses associated with a possible addition to the family.

Sweden's and Australia's fertility rates appear to have increased as indirect costs decreased due to government interventions.²² Another way of seeing a couple's decision to have a child is related to the perceived risks families take in having a child – pursuit of career and professional ambitions instills security, whereas having a child can instill insecurity due to significant changes a child may bring to the couple's income and future career plans. Due to the transient nature of the current labour market, pursuing job stability and security may require mobility, which also makes couples reluctant to have a child.²³



As we focus on population growth in Newfoundland and Labrador, it is worth noting that supporting fertility and birth rate increases will require significant investments in the medium- and long-term. Making fertility and birth rate investments also means increasing the number of public programs and services for parents and children, adding further pressures to a limited taxpayer budget strained by increasing health spending on seniors' health and well-being. It is also important to note that returns on investments in fertility rate growth are made for the long-term period. Thinking around fertility and birth rate supports will require innovation to balance the changing pressures on the health care system while increasing programs and services to support parents.

Appendix

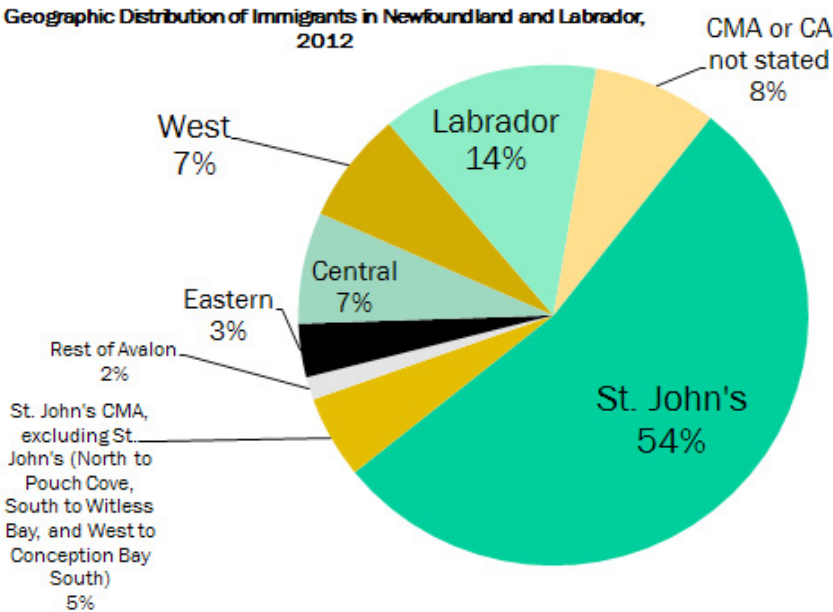
Immigrants and Newfoundland and Labrador



Immigration has been a key part of Newfoundland and Labrador identity throughout history. Immigration in the province today comprises of permanent residents, immigrants who usually come to the province through three main categories: Family, Economic, and Humanitarian class immigrants.

Family class immigrants usually move to the province to join a partner, spouse, or other family who may already be living and working here, whereas Economic class immigrants come to the province for employment purposes.

The Economic class program is comprised of the federal skilled workers, business immigrants, the Canadian Experience class, Live in- Caregivers, as well as the Provincial Nominee Program. The majority of immigrants that arrive in the province come through the Provincial Nominee Program, the Federal Skilled Workers Program, or they come through the Canadian Experience Class.



The Newfoundland and Labrador Provincial Nominee Program (NLPNP) allows the province to nominate individuals for permanent residency. The NLPNP contributes to the economic growth of the province. The NLPNP provides a fast-tracked immigration process and individual counseling with a Provincial Nominee Specialist. Nominees may be issued a work permit to allow them to come to Newfoundland and Labrador while their immigration application is in process. An immigrant with a permanent resident status enjoys most of the rights and responsibilities of Canadian citizens, with the exception of the right to vote, the right to hold a public office or to have a Canadian passport. Immigrants make similar contributions to the tax system as citizens.

Humanitarian arrivals comprise of two groups of newcomers: These are refugees who are resettled to Canada as part of a federal government agreement and are resettled from refugee camps around the world, and individuals who were recognized as refugees after seeking protection from within Canada.

Temporary Foreign Workers: Skilled Labour

The Temporary Foreign Worker Program (TFWP) enables employers to hire foreign workers on a temporary basis to fill immediate skills and labour shortages, when Canadian citizens and permanent residents are not available to do the job. In order for a temporary foreign worker to come to work in the province, an employer must first apply for a Labour Market Opinion (LMO), in which it must express and demonstrate that it has unsuccessfully attempted to hire local staff. At the outset of the program, Temporary Foreign Workers (TFWs) initially came from the higher skilled, technical backgrounds that fall in the National Occupational Classification (NOC) O, A and B, such as engineers, medical doctors, and other technical and specialized occupations. In the recent years, there has been increasing demand on other TFWs' programs, which are NOC-C and NOC-D classifications and include cooks, cleaners, food counter attendants, live-in caregivers, and other occupations which require relatively brief skills training.

Relevance of Immigration to Population Growth

Immigration is important for a number of reasons: Firstly, immigrants bring valuable and important skills and experience, as well as innovation to the communities in which they settle. In a 2005 study conducted by Memorial University, 97 per cent of over 400 employers across Newfoundland and Labrador who hired newcomers reported a positive experience.²⁴ Testaments to innovative ideas are the numerous immigrant-established businesses. For example, the Rodrigues Winery, established by an immigrant to the province, has been in operation since 1993 as the only certified winery in Canada that makes kosher and sulphite-free wine. Bluedrop Performance Learning is another local start-up by an entrepreneur who immigrated to Newfoundland and Labrador with his family. The business is based in St. John's and employs 40 staff in the city, with offices across Canada. Bluedrop has secured e-learning contracts with the US, UK, and Australian governments, as well as numerous other employers around the world.

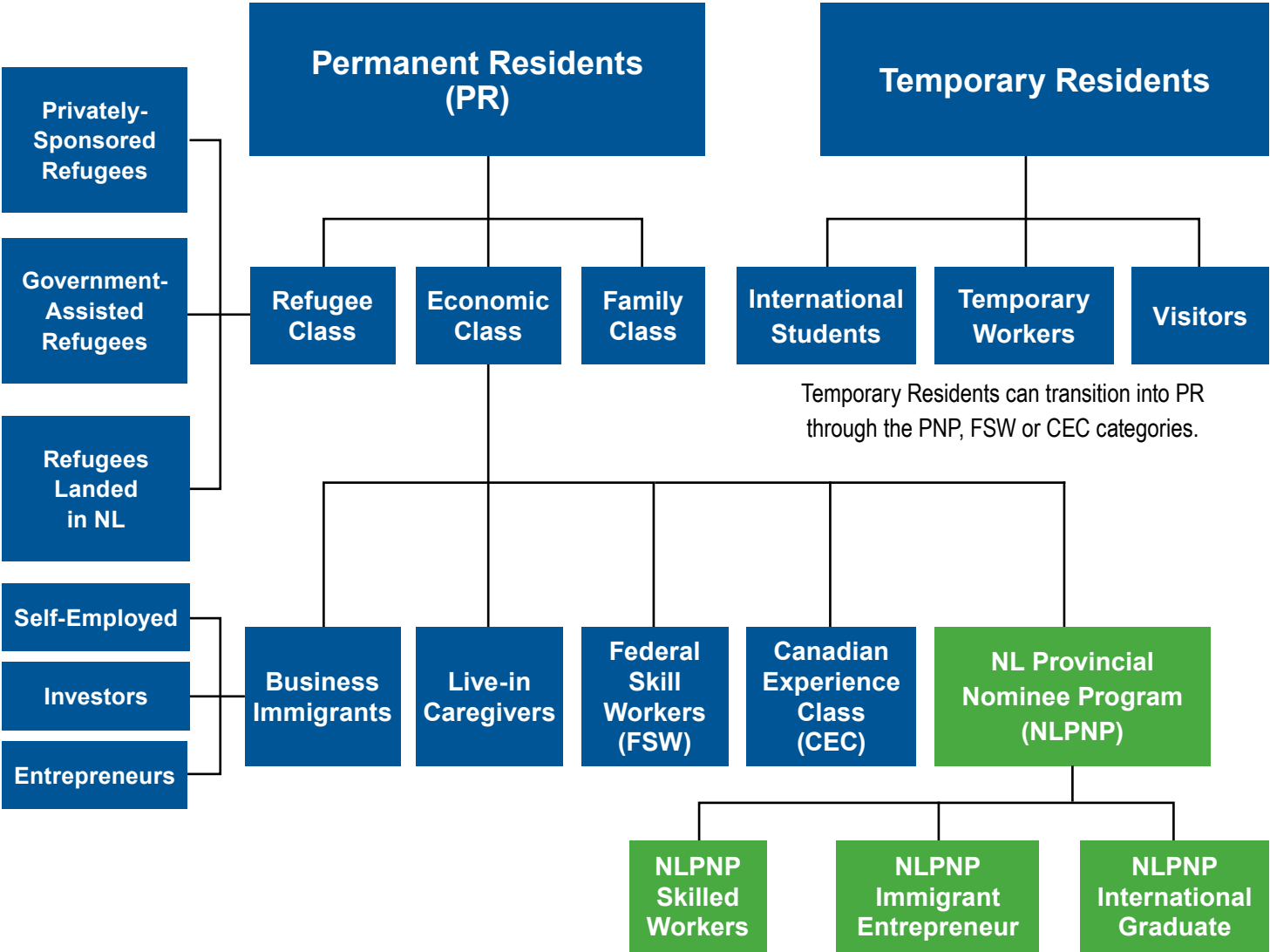
Among immigrant economic contributions are also the significant expenses associated with initial establishment and settlement in a community, all of which are important for local economic growth, i.e. renting or buying a home, car, furniture, etc. In addition, indirect services associated with immigrant settlement are also important to note, particularly as they relate to local economic development: For example, local businesses established in urban centres in Newfoundland and Labrador cater to the needs of local residents and immigrants, adding to the available goods and services, e.g. restaurants with various cuisines, deli stores selling international foods and spices, cosmetics stores with particular products, etc.

Considering the median age in the province is 44, immigrants also have the potential of moderating that increase. 87 per cent of permanent residents who moved to Newfoundland and Labrador in 2012 were under 45 years old (25-44).²⁵

One of the most important contributions of immigration is that of cultural enrichment. In a globalized world, employers are increasingly dependent on the knowledge and awareness of cultural differences, of local laws and customs that would facilitate export trade and investment. Youth today travel more than previous generations, learning about cultures, immersing themselves in different languages, experiencing different cuisines, music, and the arts. Having more culturally diverse communities in Newfoundland and Labrador will ensure that our children become aware of the richness of thought, ideas, customs, and traditions in the world around them.

Immigration in Newfoundland and Labrador spans hundreds of years. It has enriched the cultural fabric of our province, and has brought significant positive differences to our economy and society. The contributions immigrants make to our communities are substantial and key to growth in our province.

How Immigrants come to Newfoundland and Labrador



Appendix

Demographic Data on Newfoundland and Labrador

Natural increase in Newfoundland and Labrador, 2003 to 2011

	'03/'04	'04/'05	'05/'06	'06/'07	'07/'08	'08/'09	'09/'10	'10/'11	'11/'12
Births	4598	4543	4526	4495	4664	4925	4945	4875	4823
Deaths	4254	4434	4392	4677	4519	4360	4450	4561	4675
Natural increase	344	109	134	-182	145	565	495	314	148

Source: Statistics Canada, CANSIM Table 051-0004

Total Fertility Rate in Canada, 2000 to 2011

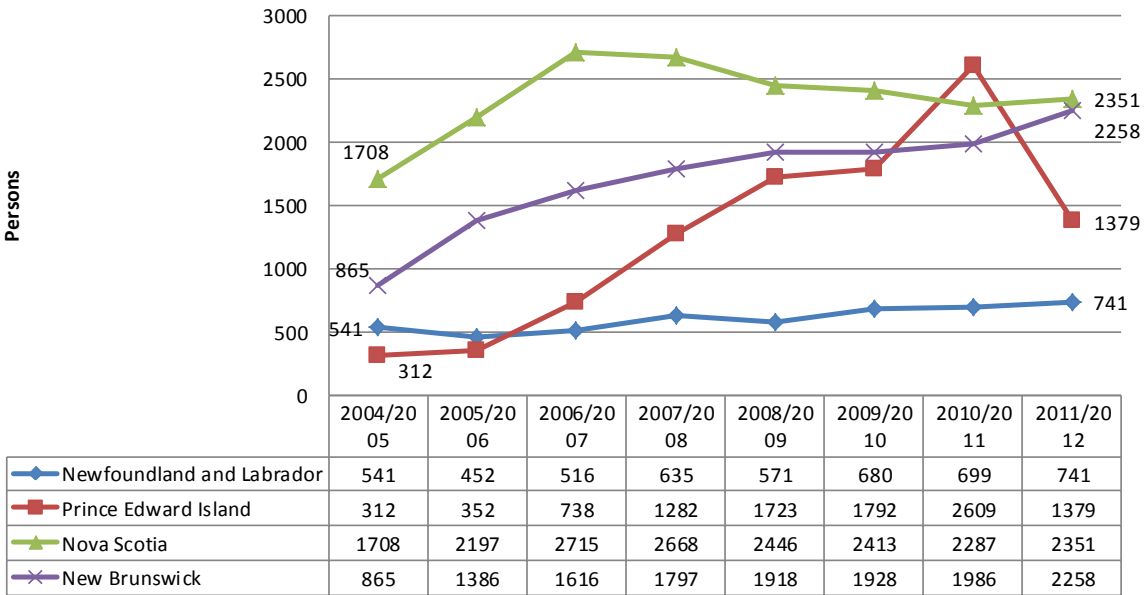
	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11
Canada	1.49	1.51	1.50	1.53	1.53	1.54	1.59	1.66	1.68	1.67	1.63	1.61
Newfoundland and Labrador	1.25	1.24	1.30	1.32	1.30	1.34	1.38	1.46	1.58	1.59	1.58	1.45
Prince Edward Island	1.52	1.47	1.47	1.58	1.53	1.48	1.56	1.63	1.73	1.69	1.62	1.62
Nova Scotia	1.37	1.36	1.37	1.38	1.40	1.40	1.40	1.48	1.54	1.50	1.47	1.47
New Brunswick	1.39	1.38	1.39	1.41	1.40	1.41	1.46	1.52	1.59	1.59	1.58	1.54
Quebec	1.43	1.47	1.46	1.48	1.48	1.52	1.62	1.69	1.74	1.74	1.71	1.69
Ontario	1.48	1.51	1.47	1.49	1.50	1.51	1.52	1.57	1.58	1.56	1.53	1.52
Manitoba	1.80	1.80	1.80	1.80	1.77	1.82	1.87	1.96	1.95	1.98	1.92	1.86
Saskatchewan	1.76	1.80	1.82	1.86	1.86	1.87	1.92	2.03	2.05	2.06	2.03	1.99
Alberta	1.64	1.65	1.69	1.74	1.74	1.75	1.82	1.90	1.92	1.89	1.83	1.81
British Columbia	1.38	1.38	1.38	1.40	1.39	1.39	1.41	1.52	1.51	1.50	1.43	1.42
Yukon	1.60	1.56	1.56	1.52	1.67	1.48	1.69	1.58	1.64	1.66	1.60	1.73
Northwest Territories	2.00	1.82	1.88	2.04	2.03	2.11	2.07	2.11	2.08	2.06	1.98	1.97
Nunavut	3.16	3.03	3.04	3.10	3.00	2.74	2.84	2.97	2.98	3.24	3.00	2.97

Source: Statistics Canada, CANSIM Table 102-4505

Outmigration and In-migration in Newfoundland and Labrador by age, 2008 to 2011

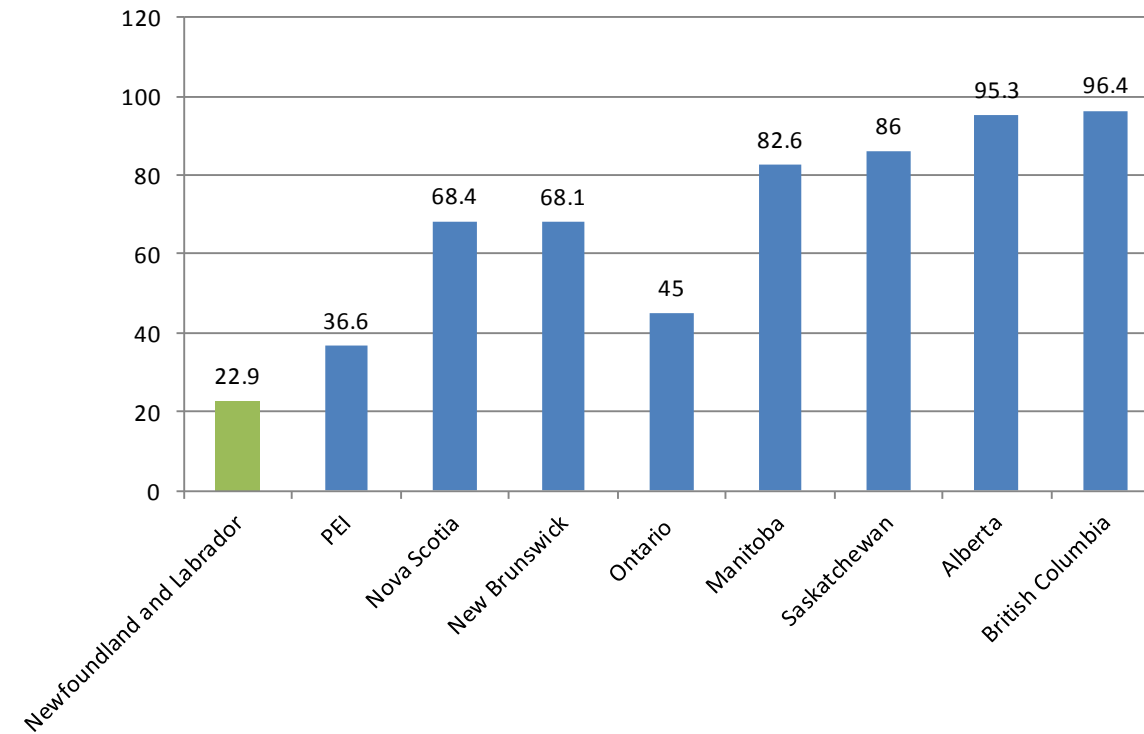
Age	2008/2009	2009/2010	2010/2011	2011/2012
-1				
Out	31	30	30	46
In	88	70	62	74
0 to 14				
Out	965	976	954	1332
In	2025	1618	1449	1729
15 to 24				
Out	2339	1914	2041	2927
In	1486	1280	1120	1359
25 to 34				
Out	1970	1736	1832	2566
In	2524	2172	1878	2250
35 to 44				
Out	1293	1154	1200	1670
In	1509	1303	1129	1365
45 to 54				
Out	1041	933	960	1329
In	1405	1341	1101	1297
55 to 64				
Out	460	396	425	589
In	906	858	720	840
65+				
Out	286	301	313	370
In	319	356	326	359
Total in-migration	10262	8998	7785	9273
Total out-migration	8354	7410	7725	10783
Net migration	1908	1588	60	-1510

Immigration in Atlantic Canada, 2004-2011



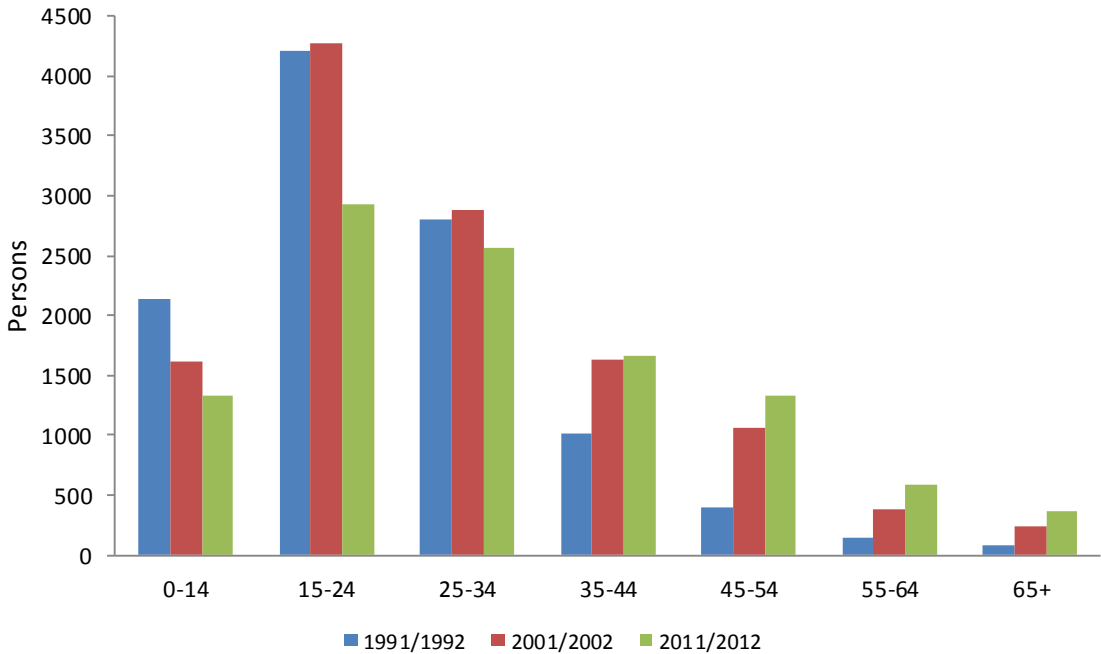
Source: Statistics Canada, CANSIM Table 051-0004, Components of Population Growth (immigration)

Provincial Nominee Program Retention Rates by Percentage, 2000 to 2008



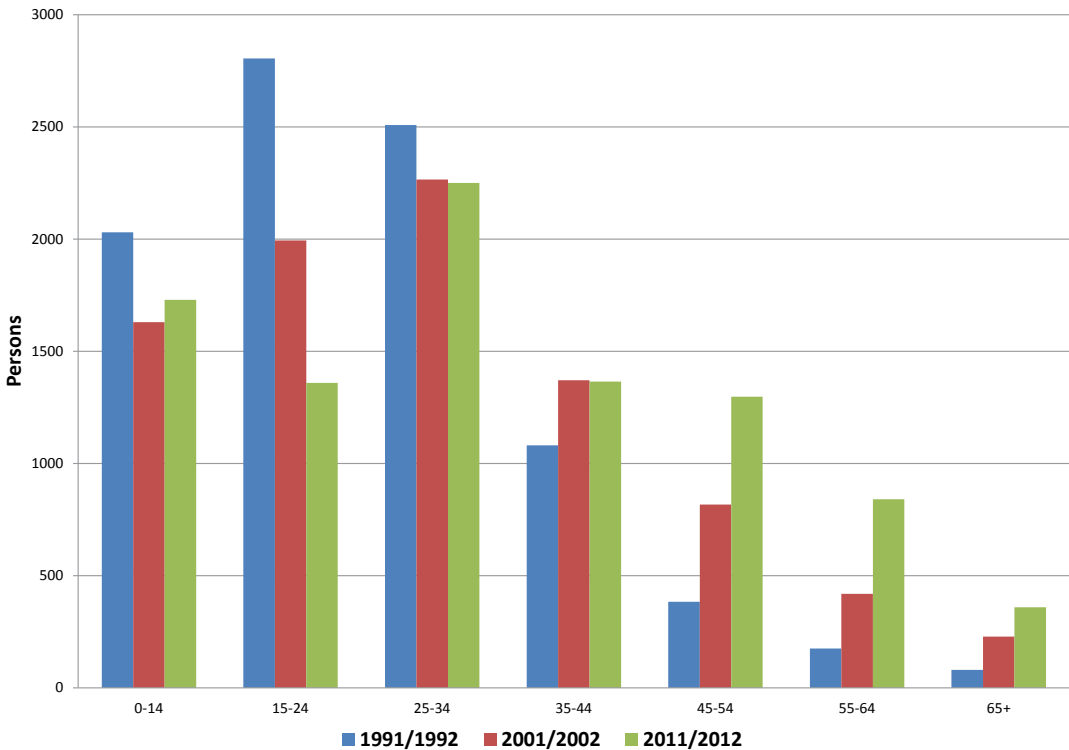
Source: Citizenship and Immigration Canada, Evaluation of the Provincial Nominee Program, September 2011.

Inter-provincial Out-migrants (persons who have settled in another province) by Age, Newfoundland and Labrador: 1991, 2001, and 2011



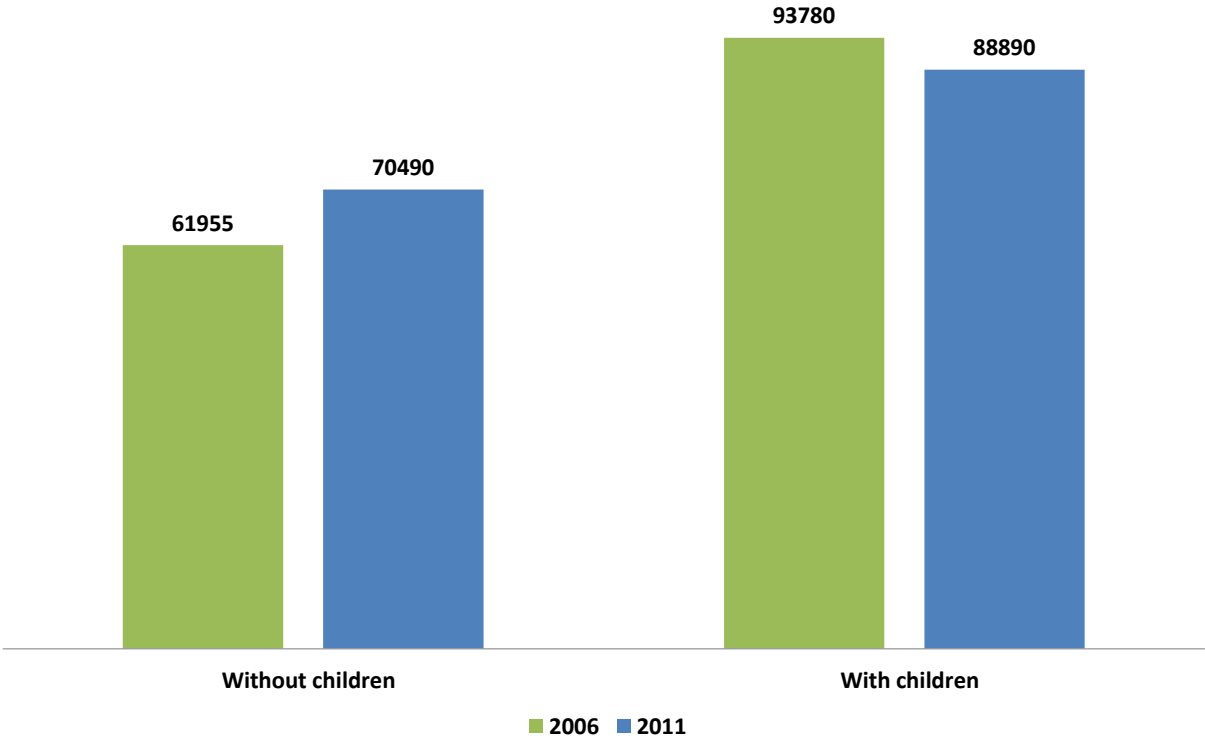
Source: Statistics Canada, CANSIM Table 051-0012, Inter-provincial migrants, by age group

In-migrants (persons who have settled in Newfoundland and Labrador) by Age: 1991, 2001, and 2011



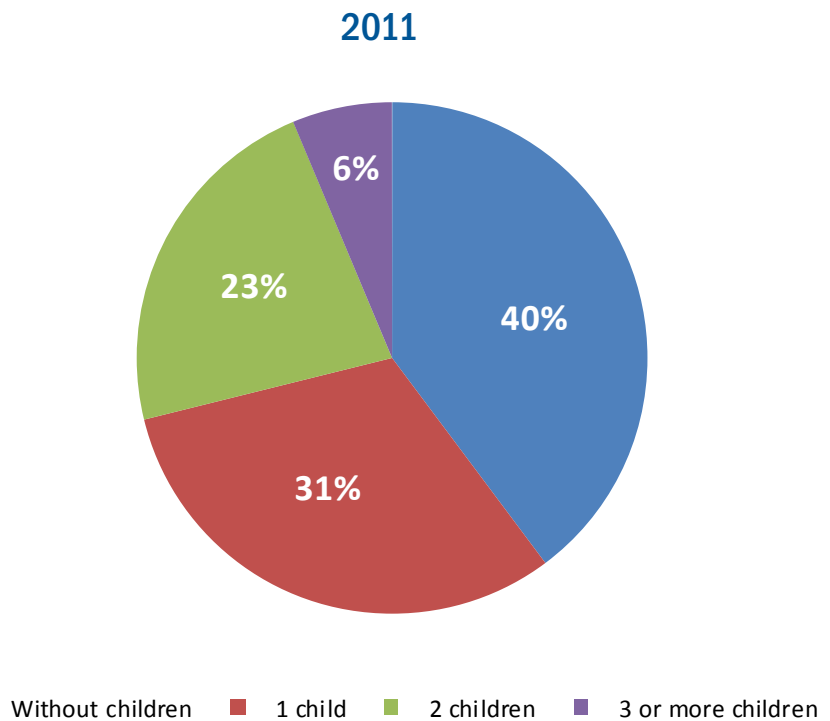
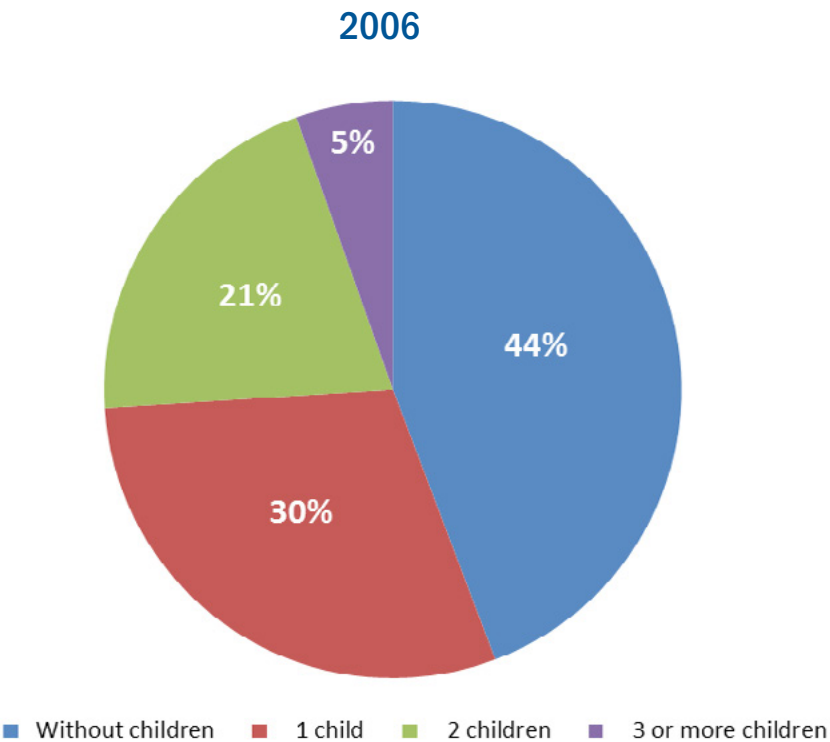
Source: Statistics Canada, CANSIM Table 051-0012, Interprovincial migrants, by age

Total Census Families by the Presence of Children in Newfoundland and Labrador, 2006 and 2011



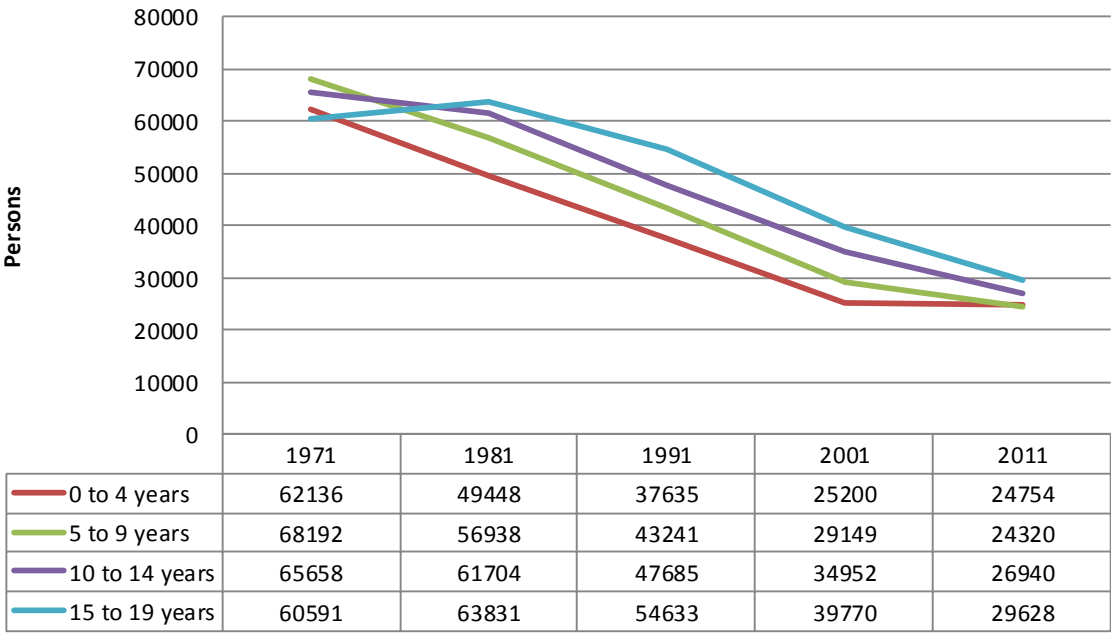
Source: Statistics Canada - 2011 Census. Catalogue Number 98-312-XCB2011019.

Total Census families by the Number of Children in Newfoundland and Labrador



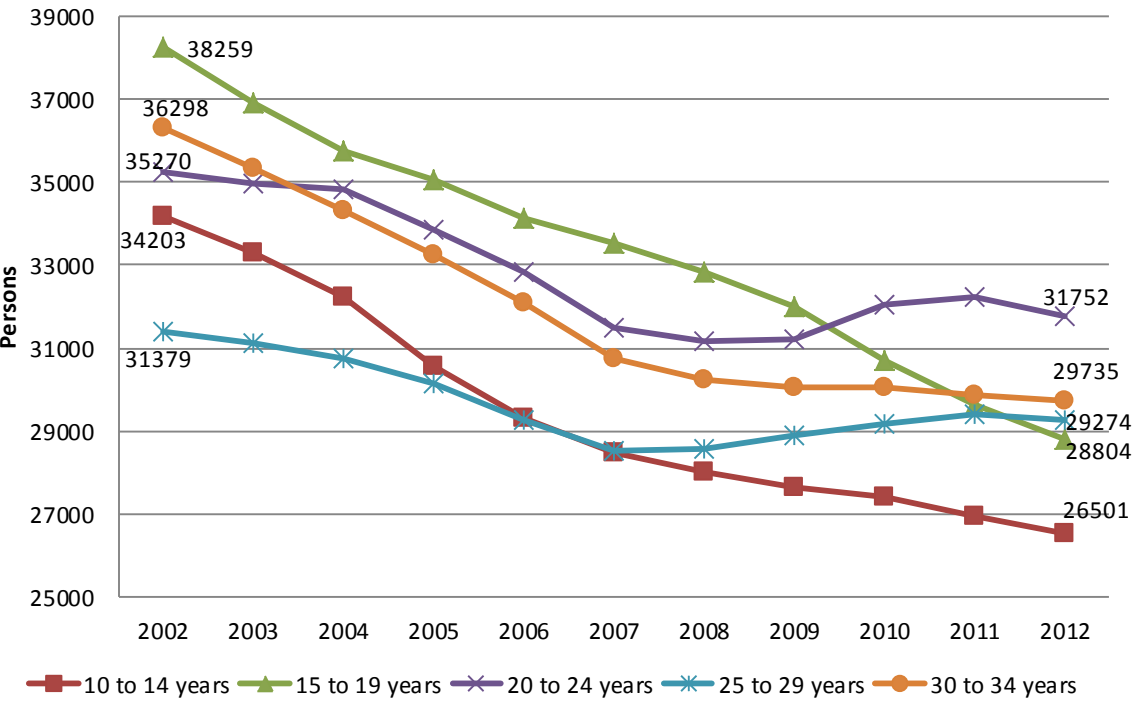
Source: Statistics Canada - 2011 Census. Catalogue Number 98-312-XCB2011019. Children and Teenage Youth in Newfoundland and Labrador, 1971 to 2011

Children and Teenage Youth in Newfoundland and Labrador, 1971 to 2011



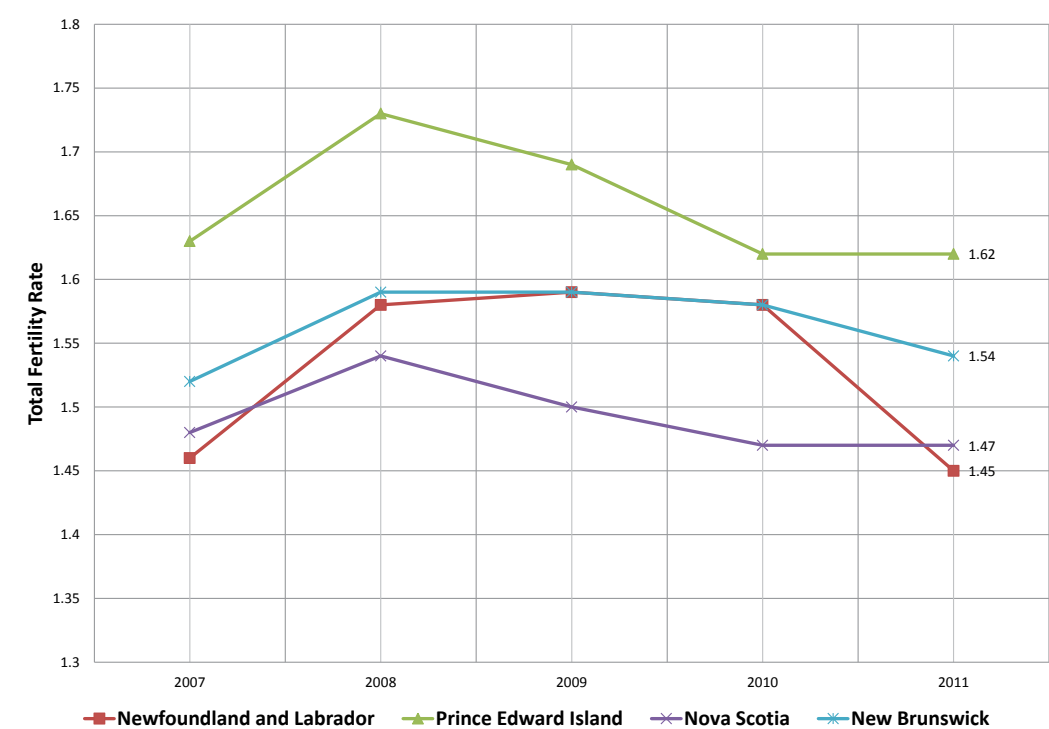
Source: Statistics Canada - 2011 Census. Catalogue Number 98-312-XCB2011019.

Youth in Newfoundland and Labrador, 2002 to 2012



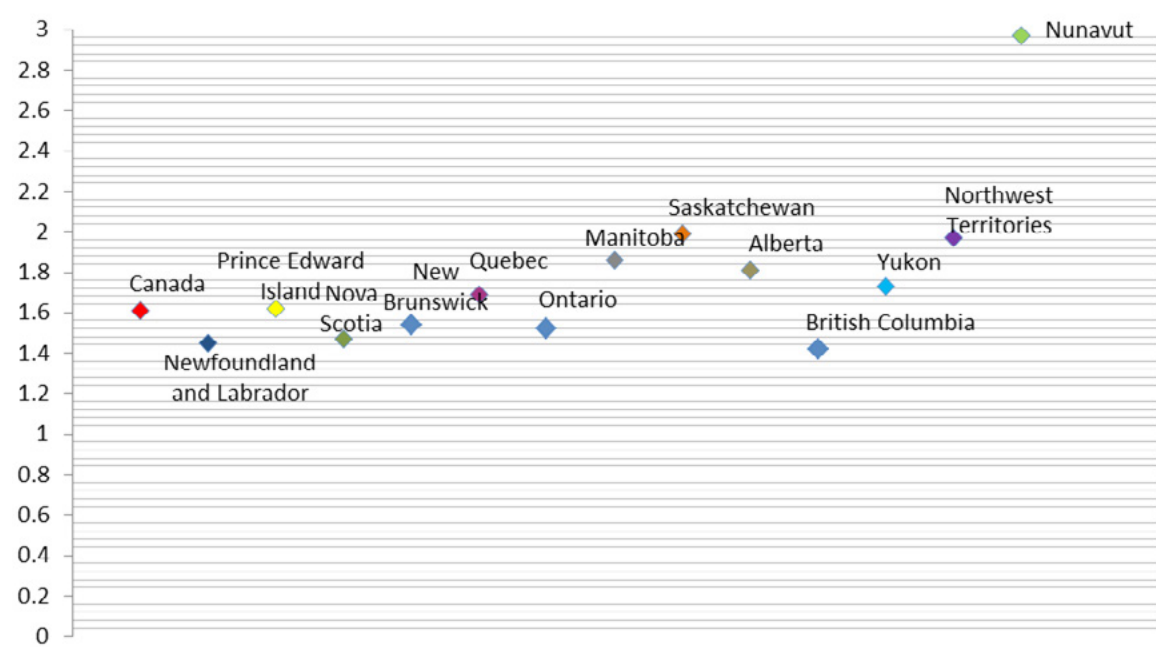
Source: Statistics Canada, CANSIM Table 051-0001, Estimates of Population by Age Group

Total Fertility Rate, Atlantic Provinces, 2007 to 2011



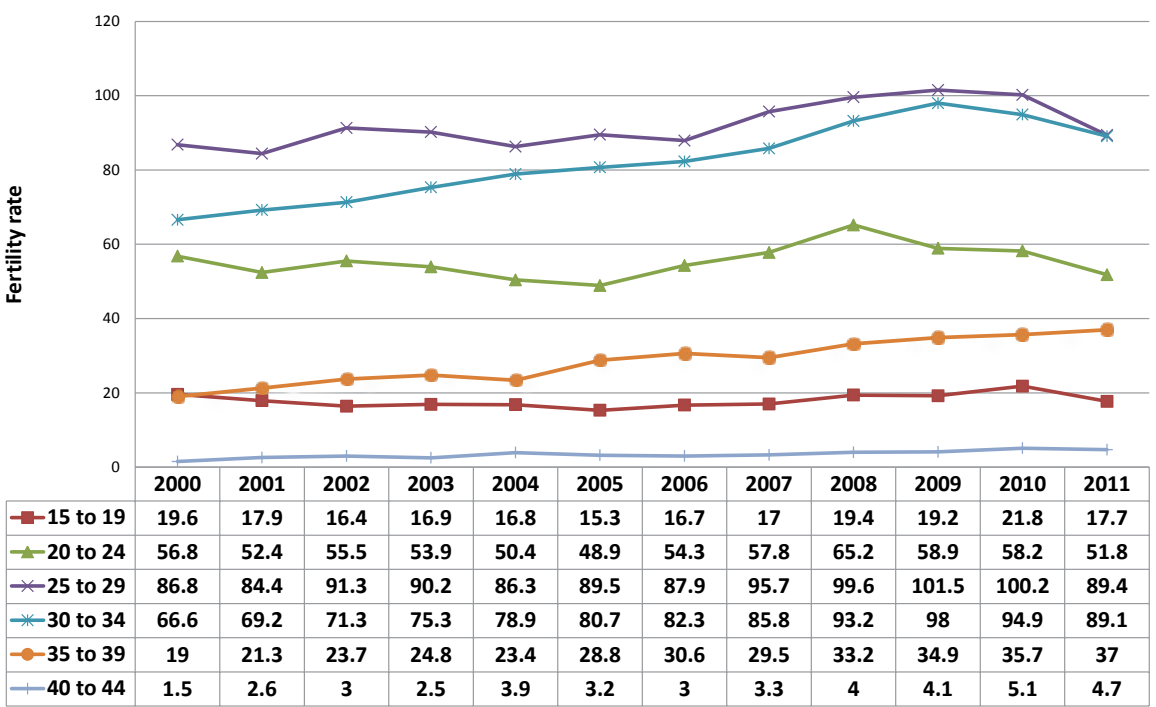
Source: Statistics Canada, CANSIM Table 102-4505, Total Fertility Rates

Fertility Rates in Canada, 2011



Source: Statistics Canada, Table 102-4505, Total Fertility Rates

Age-specific Fertility Rate in Newfoundland and Labrador, 2000-2011



Source: Statistics Canada. Table 102-4505, Total Fertility Rates

Definitions

Birth rate

The number of children born per 1,000 inhabitants.

Ex-patriate

A person who has moved away from their province.

Family-friendly policies

Public policies that improve the lives of residents and their families. These policies may include: assistance to families through employment supports; efforts to foster welcoming, vibrant, and innovative communities; actions to promote child development; measures to encourage gender equity and diversity in the workplace; supports to the family unit throughout the life course.

Fertility rate

The average number of children a woman is expected to have during the childbearing years, generally accepted as the 15-49 years. A fertility rate of 2.1 ensures that the number of children born will be higher than the number of deaths.

Immigrant

A person who resides in Canada, but was born outside of Canada; excludes temporary foreign workers, Canadian citizens born outside Canada and those with student or working visas.

Labour productivity

The amount of goods produced by a single worker in a given amount of time.

Mean age

The sum of ages of all persons, divided by the total number of persons. Also known as average age

Median age

The age at which the two halves of the population are either older or younger.

Natural increase

The balance between the number of births and deaths. If there are more births than deaths, there is positive natural increase, whereas if a population has more deaths than births, then there is negative natural increase.

Temporary Foreign Worker

A foreign worker who is contracted to work for a given employer, in a given position, for a temporary, set period of time.

Acronyms

PPGS

Provincial Population Growth Strategy

SLID

Survey of Labour and Income Dynamics

TFWs

Temporary Foreign Workers

LMO

Labour Market Opinion

NLPNP/PNP

Newfoundland and Labrador Provincial Nominee Program

MCP

Medical Care Plan

CMA

Census Metropolitan Area

1. These findings are based on a Provincial Nominee Program retention rate evaluation conducted by Citizenship and Immigration Canada for 2000-2008.
2. Atlantic Canada Opportunities Agency. Rural Youth Study, Phase II: Rural Youth Migration – Exploring the Reality Behind the Myths, Malatest, R & Associates, 2002. Retrieved at: www.publications.gc.ca/collections/Collection/A22-272-2002E.pdf
3. Statistics Canada. Rural Youth: Stayers, Leavers, and Return Migrants. Richard Dupuy, Francine Mayer, and Rene Morissette. 2000. Retrieved at: www.statcan.gc.ca/pub/11f0019m/00152/4193592-eng.pdf
4. Ibid.
5. Conference Board of Canada. Provincial Outlook 2013 – Long-term Economic Forecast: Economic Performance and Trends, 2013.
6. The Statistics Canada definition of immigrant is as follows: “Persons residing in Canada who were born outside of Canada, excluding temporary foreign workers, Canadian citizens born outside Canada and those with student or working visas.”
7. Statistics Canada. Education Indicators in Canada: An International Perspective, p. 68, 2012.
8. Department of Foreign Affairs and International Trade. Economic Impact of International Education in Canada: Final Report, Roslyn Kunin and Associates, July 2009.
9. Prior to this change, TFWs could receive up to 15 per cent less in wages than the local workers.
10. Chamie, Joseph. The Choice: More Immigrants or Fewer Citizens, Yale Global Online, 4 March, 2013. Retrieved at: www.yaleglobal.yale.edu/content/choice-more-immigrants-or-fewer-citizens
11. Family-friendly policies represent those public policies that improve the lives of residents and their families. These policies may include: assistance to families through employment supports; efforts to foster welcoming, vibrant, and innovative communities; actions to promote child development; measures to encourage gender equity and diversity in the workplace; and, supports to the family unit throughout the life course.
12. United Nations Population Division. World Population Prospects, 2010. Retrieved at: www.esa.un.org/unpd/wpp/Analytical-Figures/html/fig_8.htm
13. Der Spiegel. Study Shows Germany Wasting Billions on Failed Family Policy, March 2013. Retrieved at www.spiegel.de/international/germany/study-shows-germany-wasting-billions-on-failed-family-policy-a-881637.html
14. Bundesinstitut für Bevölkerungsforschung. (Keine) Lust auf Kinder? Geburtenentwicklung in Deutschland, December, 2012. Retrieved at www.bib-demografie.de/SharedDocs/Publikationen/DE/Download/Broschueren/keine_Lust_auf_kinder_2012.pdf;jsessionid=72F51897DC-260DC551C950604C1836CA.2_cid284?__blob=publicationFile&v=15
15. Iceland and Ireland lead with marginally higher rates.
16. Lutz, Wolfgang and Vegard Skirbekk. Policies Affecting the Tempo Effect in Low-Fertility Countries. Population and Development Review 31.4 (Dec. 2005), pp. 703–723.
17. McDonald P. Sustaining Fertility through Public Policy: The Range of Options. Population, 57.3 (2002), pp. 417-446. Retrieved at www.persee.fr/web/revues/home/prescript/article/pop_1634-2941_2002_num_57_3_18402
18. Lutz and Skirbekk, 2005.
19. Drolet, 2002.
20. Beaujot Roderic and Don Kerr. Emerging Youth Transition Patterns in Canada, Investing in Youth: Evidence from Policy, Practice and Research. Policy Research Initiative, Ottawa.
21. Statistics Canada. “Population 15 years and over by hours spent looking after children, without pay, by sex, by province and territory (2006 Census).”
22. McDonald, P. Sustaining Fertility through Public Policy: The Range of Options, pp. 424-425.
23. Ibid.
25. Locke, Wade and Scott Lynch. “A Survey of the Attitudes of Employers in Newfoundland and Labrador toward the Recruitment and Employment of New Canadians and International Workers,” Harris Centre, Memorial University, 2005. Retrieved at: www.mun.ca/harriscentre/reports/research/2006/immigration_final_report.pdf
25. Office of Immigration and Multiculturalism.
26. Includes Newfoundlanders and Labradorians who have returned to the province.

Please e-mail populationgrowth@gov.nl.ca if
you need this document in an alternative format.

Government of Newfoundland and Labrador
Provincial Population Growth Strategy,
Executive Council
PO Box 8700, St. John's, NL A1B 4J6

www.gov.nl.ca/populationgrowth

