



POPULATION PROJECTIONS

ST. JOHN'S CENSUS METROPOLITAN AREA

Summer 2023

ECONOMICS DIVISION

DEPARTMENT OF FINANCE

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About the Economics Division

The Economics Division is one of two divisions in the Economics and Statistics Branch of the Department of Finance. The other division is the Newfoundland and Labrador Statistics Agency. The Economics Division provides comprehensive information and advice on the provincial economy, including research, analysis and monitoring of macroeconomic trends, industry development opportunities, economic performance, government policies and development initiatives. The Division is responsible for economic forecasting, economic impact analysis, demographic analysis, population projections, occupational projections and providing a range of economic inputs into the overall Budget preparation process. In addition to research reports on a broad range of topics and issues relevant to the provincial economy, the Division is also responsible for the publication of the budget document, *The Economy* and the midyear *Economic Update*. Economic data and reports can be found on the Division's website: www.gov.nl.ca/fin/economics.

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Introduction

This report outlines historical population and household trends for the St. John's Census Metropolitan Area (CMA) and 20-year projections for these indicators.¹ The projections were prepared by the Economics Division of the Department of Finance, as part of its regular update of the regional population projections.²

Projections in this report are based on historical population data for the St. John's CMA that are produced by Statistics Canada. This is the most reliable information available on the population of the St. John's CMA and provides the benchmark for the projections. Population estimates for the St. John's CMA, combined with assumptions for future fertility rates, life expectancy and migration, were used to project the region's population to 2042. Three population scenarios were developed (high, medium and low) by varying the projection assumptions.

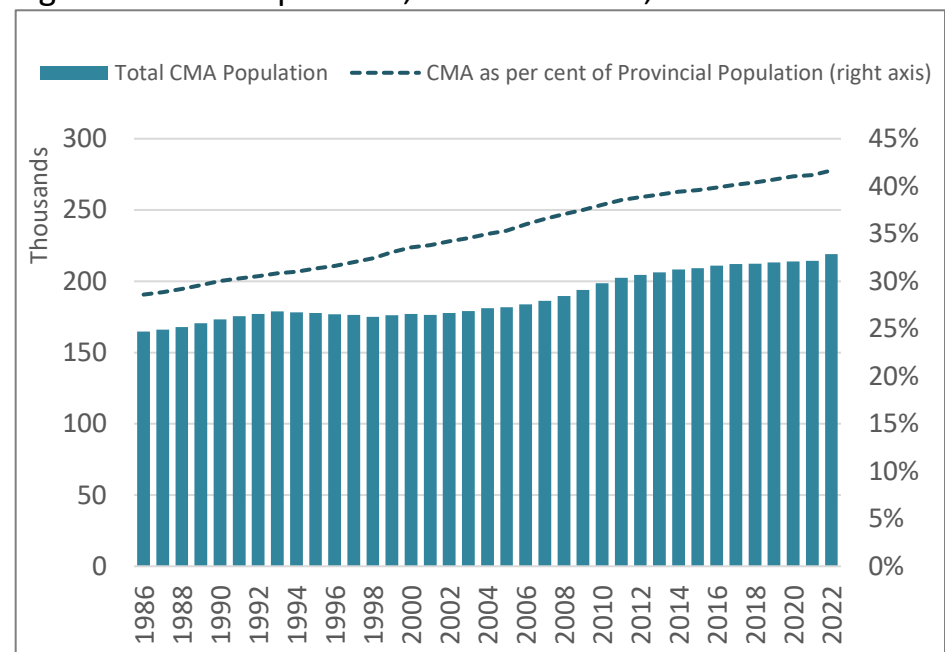
Recent Trends

Population Levels

From 1986 to 2022, the St. John's CMA made slow, consistent gains in its population, rising almost 33.0 per cent from 164,806 to 219,119, an increase of 54,313 over the 36-year period (see Figure 1). The only period of decline, attributed to the collapse of the groundfish fishery, saw levels drop by 2.1 per cent from 178,767 in 1993 to 175,009 in 1998.

The strongest period of growth for the St. John's

Figure 1: Total Population, St. John's CMA, 1986 to 2022



Source: Statistics Canada; Department of Finance

¹ The St. John's CMA in this document is based on 2016 Census boundaries and not the revised 2021 boundaries, which include Holyrood. The 2016 Census boundaries include the municipalities of Bauline, Bay Bulls, Conception Bay South, Flatrock, Logy Bay-Middle Cove-Outer Cove, Mount Pearl, Paradise, Petty Harbour-Maddox Cove, Portugal Cove-St. Phillip's, Pouch Cove, St. John's, Torbay and Witless Bay.

² Historical data for the entire province (1986-2022) and the St. John's CMA (2001-2021) are the official population estimates from Statistics Canada that were available at the time of publishing. Historical data for all other years and geographical areas were derived by the Economics Division.

CMA was recorded between 2006 and 2012, and is attributed mainly to net in-migration. During this period, population increased by over 2,000 persons each year, with the largest annual increase recorded from 2009 to 2010 (+4,686).

Since 1986, the portion of the province's total population in the St. John's CMA has steadily increased, up from 28.6 per cent in 1986 to 41.7 per cent in 2022. More population growth is expected in the St. John's CMA in 2023 and beyond.

Natural Change

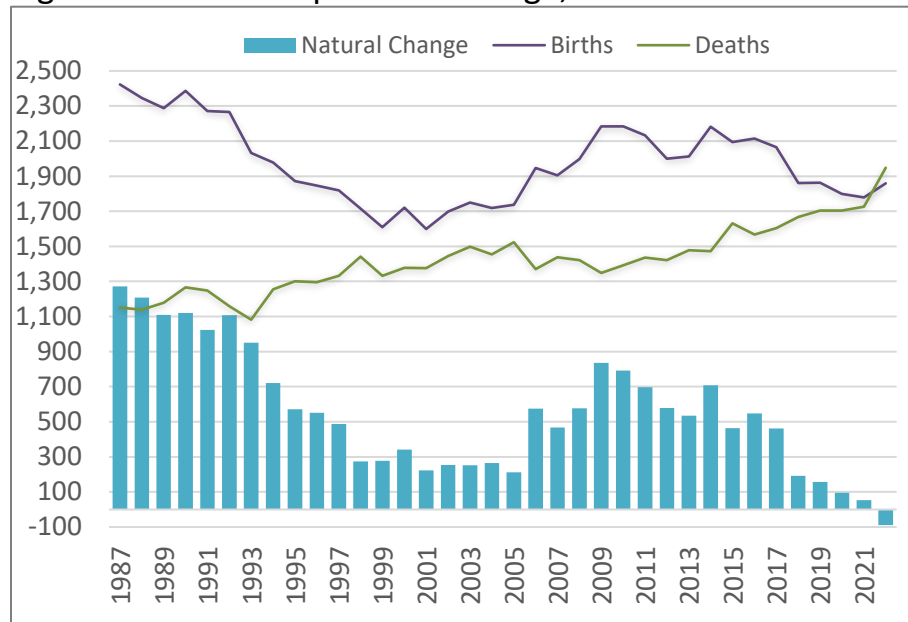
Between 1987 and 2022, there were four distinct trends in natural population change (number of births minus number of deaths) for the St. John's CMA (see Figure 2). The first phase, characterized by a rapid natural population decline between 1987 and 1999, saw fertility rates drop and the number of births fall by 33.6 per cent, from 2,423 in 1987 to 1,609 in 1999.

The second phase, a period of relative stability in births between 2000 and 2005, saw the natural change in population remain low at an annual average of about 260.

In the third phase, which lasted only four years, natural population levels nearly quadrupled, rebounding from a low of 212 in 2005 to reach a high of 836 in 2009. The onset of this phase, from 2005 to 2006, was largely boosted by a 12.1 per cent increase in births and 10.0 per cent decrease in deaths.

The fourth phase, spanned 13 years, and represented a second period of significant decline in which natural change decreased steadily between 2009 and 2022, dropping from over 800 to below zero. The negative level at the tail end of this phase, -89 in 2022, marked the St. John's CMA's first occurrence of natural population loss, whereby the number of deaths (1,948) exceed the corresponding number of births (1,859) in 2022.

Figure 2: Natural Population Change, St. John's CMA



Source: Statistics Canada; Department of Finance

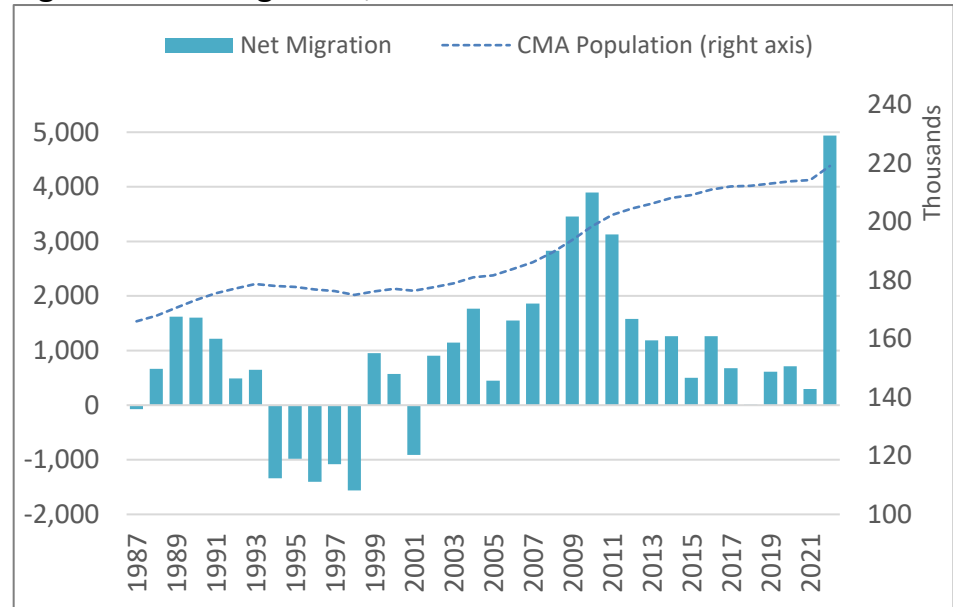
Over the last 35 years, as the population aged and increased in size, the number of deaths in the St. John’s CMA trended upwards while the number of births trended downward. Natural population loss is projected to continue into 2023 and onward to 2042.

Migration

The St. John’s CMA has experienced net in-migration in most years since 1987 (see Figure 3). Out-migration between 1993 and 2002 is linked to the negative economic impacts of the groundfish moratoria introduced in the early 1990s. Between 1994 and 1998, a five-year period of consecutive net out-migration, the St. John’s CMA recorded an average net loss of almost 1,300 per year. From 2002 onward, net migration remained positive, driven

by robust economic conditions, stemming mainly from the ramping up of the oil industry in the province. This period of net in-migration experienced a high of 3,895 in 2010, before dropping to a low of 8 in 2018. In 2022, the CMA experienced a spike in net in-migration (+4,941) due to the high number of refugees and visa application backlogs stemming from the COVID-19 pandemic, which also served to create an uptick in population growth in the St. John’s CMA.

Figure 3: Net Migration, St. John’s CMA



Source: Statistics Canada; Department of Finance

Projections

Population projections for the St. John’s CMA were produced using the Economics Division’s population projection system, which is designed to project the population by age and gender for Newfoundland and Labrador and various sub-provincial regions, including economic zones.

The system uses information/assumptions about fertility, life expectancy and migration to produce three different population projection scenarios for the St. John’s CMA. Low, medium and high population scenarios were developed for consideration; the medium scenario is considered to be the “most likely”. The assumptions for each scenario are explained below.

Assumptions

Fertility³

For the low scenario, it was assumed that the total fertility rate for the St. John's CMA will slowly trend down from an estimated rate of 1.28 in 2022, to 1.16 by 2042. This results in annual births trending down from about 1,859 in 2022, to around 1,654 in 2042.

For the medium scenario, it was assumed that the total fertility rate remains stable at approximately 1.28 over the remainder of the projection period. This results in annual births increasing slightly from around 1,859 in 2022, to about 1,966 in 2026, but then trending down to around 1,855 by 2042.

For the high scenario, it was assumed that the region's total fertility rate gradually trends up from an estimated rate of 1.28 in 2022, to 1.43 in 2042, as economic conditions continue to improve. This results in annual births trending up from around 1,859 in 2022, to about 2,141 in 2042.

Life Expectancy⁴

For the low scenario, life expectancies are assumed to continue to increase at rates below recent historical trends. Male life expectancy increases by 1.6 years between 2022 and 2042. Female life expectancy increases by 1.2 years over the same period.

For the medium scenario, life expectancies are assumed to continue to increase in line with recent trends in age-specific mortality rates. Male life expectancy increases by 2.4 years between 2022 and 2042. Female life expectancy increases by 1.6 years over the same period.

For the high scenario, life expectancies are assumed to continue to increase at rates slightly above recent historical trends. Male life expectancy increases by 2.8 years between 2022 and 2042. Female life expectancy increases by 2.2 years over the same period.

Migration

For the low scenario, net in-migration is assumed over the forecast period. After rising to around 4,950 in 2022, in-migration for the St. John's CMA is assumed to decrease to approximately 3,500 in 2023, and then fall back to roughly 1,500 in 2024. In the longer term, labour shortages due to population aging are expected to result in higher levels of in-migration. Net in-migration averages about 2,030 per year over the entire projection period from 2022 to 2042, and is just over 2,000 by 2042.

³ Since 96 per cent of Economic Zone 19 is in the St. John's CMA, CMA total fertility rates are estimated to be the same as projected for Economic Zone 19.

⁴ Life expectancy assumptions are based on the Statistics Canada 2021 population estimate for the St. John's CMA; the latest available at the time of publishing.

For the medium scenario, net in-migration is assumed over the forecast period. After rising to nearly 4,950 in 2022, in-migration falls to about 3,650 in 2023 and 1,750 in 2024. It then rises to almost 2,200 by 2029 in response to improved labour market conditions. In the longer term, labour shortages due to population aging are expected to result in higher levels of in-migration. Net in-migration averages about 2,200 per year over the entire projection period from 2022 to 2042.

For the high scenario, net in-migration is assumed over the forecast period. After rising to around 4,950 in 2022 and to 4,900 in 2023, in-migration then falls back to nearly 2,400 in 2024. It drops to 1,900 in 2027, then rises to approximate 2,500 by 2033 in response to improved labour market conditions. In the longer term, labour shortages due to population aging are expected to result in higher levels of in-migration. Net in-migration averages about 2,400 per year over the entire projection period from 2022 to 2042.

Results

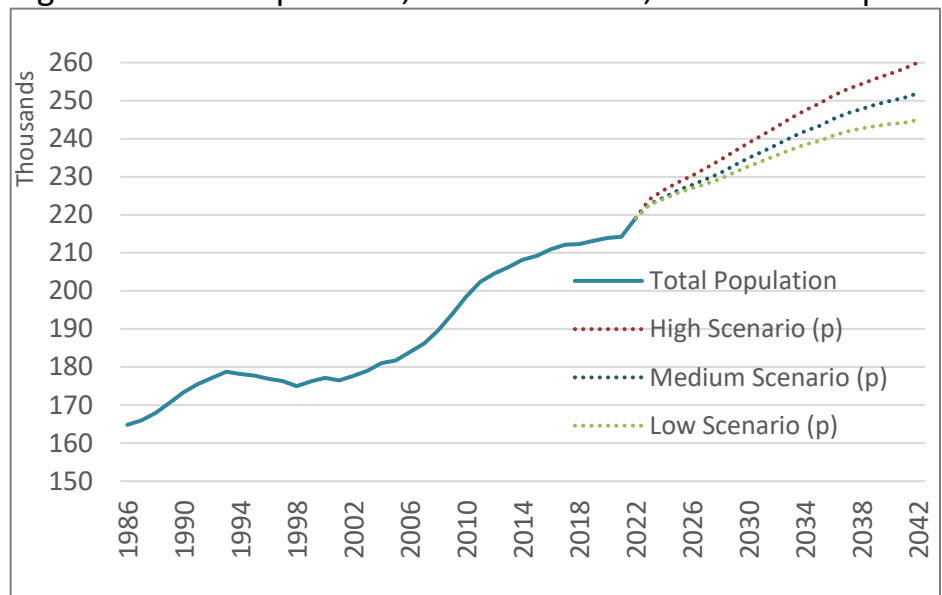
Total Population

The results from the three population projection scenarios are illustrated in Figure 4. In the low scenario, population increases by 11.8 per cent from 219,119 people in 2022, to 244,976 in 2042. The medium and high scenarios predict population will increase to 251,947 (+15 per cent) and 260,026 (+18.7 per cent), respectively, by 2042.

In all three scenarios the population continues to age, with the proportion of the

population 65 years of age and over in the medium scenario increasing from 17.3 per cent in 2022, to 22.4 per cent in 2042 (detailed population projections by age for the St. John’s CMA can be found in Appendix A).

Figure 4: Total Population, St. John’s CMA, 1986 to 2042p



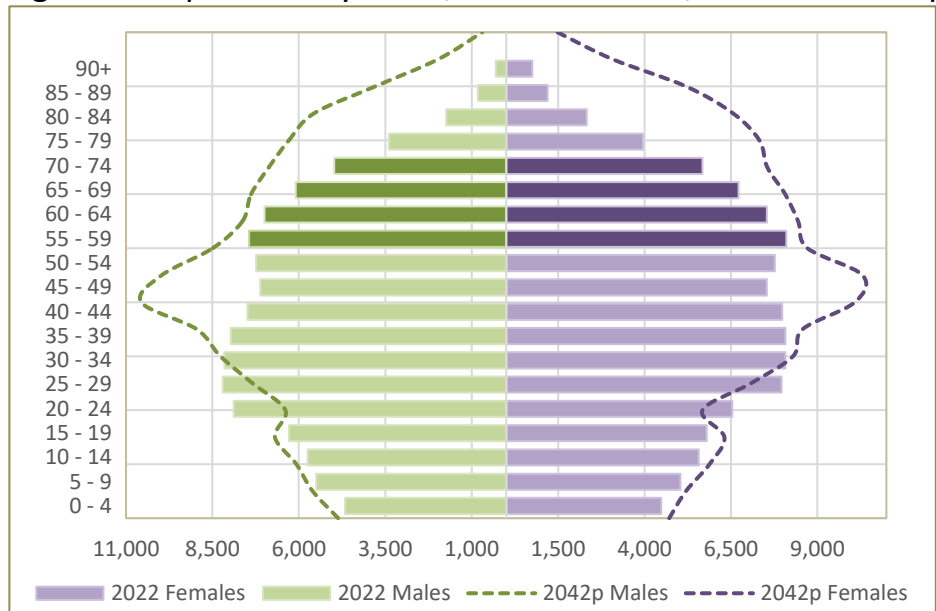
p: Projection

Source: Statistics Canada; Department of Finance

Age Distribution of Population Gains

Figure 5 shows the male and female population pyramids for the St. John’s CMA for 2022 (solid bars) and 2042 in medium scenario (dashed lines). Population pyramids show the make-up of the population in terms of the number of males and females grouped by age. Pyramids that are wide at the bottom and small at the top reflect a younger population, while those smaller at the bottom and large at the top reflect an older population. Figure 5, which is wider in the middle section and tapering toward the bottom, reflects a population with high numbers of middle-aged individuals who will comprise a much larger older population moving beyond 2022. The darker bars in Figure 5 represent the “baby boomers” (i.e., those born between 1947 and 1966).

Figure 5: Population Pyramid, St. John's CMA, 2022 and 2042p



p: Projection (medium scenario)
 Source: Statistics Canada; Department of Finance

The dashed lines in Figure 5 reflect the anticipated change in the pyramid shape by 2042, as the entire population ages by 20 years. The lines suggest that by 2042, baby boomers will have shifted upward, replacing and expanding the top portion of the pyramid to represent those who are 75 years or older. The size of the 75 plus population is expected to nearly double from 14,492 in 2022, to over 28,300 in 2042, under the medium scenario. Similarly, those who were between 20 and 39 in 2022 will shift upward to comprise most of the middle-aged population between 40 and 59 in 2042. Figure 5 also displays the assumed in-migration for the projected middle aged population. This is reflected by the dashed lines that bulge out for 40 to 59 year olds in 2042 (36,653 males; 37,559 females), and comprise more individuals than we had between 20 and 39 in 2022 (32,200 males; 30,668 females) who will replace that distribution over the next 20 years. Conversely, the number of young people between 20 and 29 years in 2042 (13,731 males; 12,763 females) is not expected to be as large as it was in 2022 (16,080 males; 14,512 females). Factors such as a smaller replacement population, dramatically fewer youth in rural areas who traditionally migrate to the CMA, and some normal out-migration amongst the younger population all contribute to the projected lower young adult population in 2042.

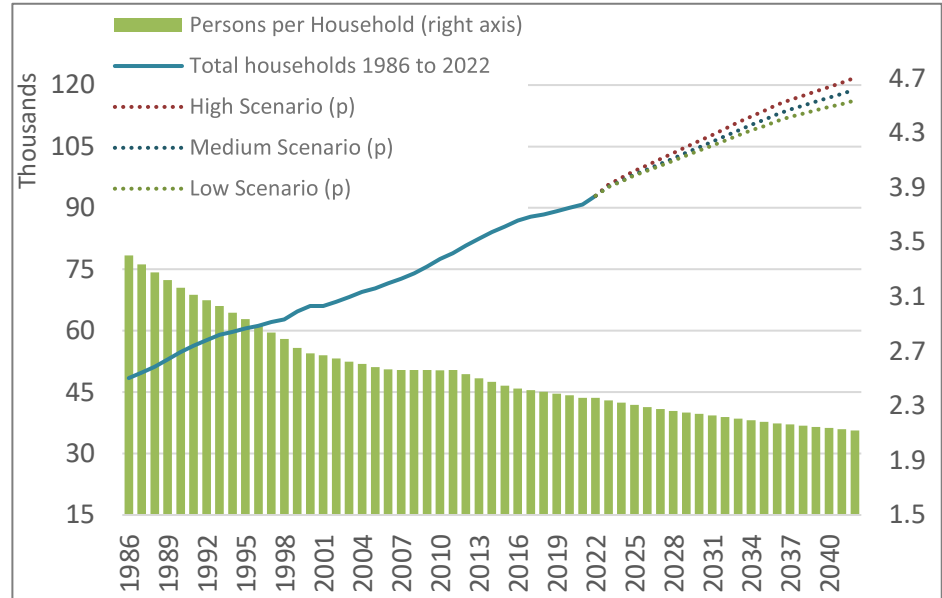
With respect to gender differences (the ratio of males to females), current trends are expected to persist for all age groups over the 2022 to 2042 period. Specifically, the ratios for all age groups under 75 years of age will continue to hover near 50 per cent males to 50 per cent females. For individuals

aged 75 to 79 the ratio is about 46 percent males to 54 percent females, with the ratio for each consecutive age group progressively deviating until it reaches about 30 per cent male to 70 per cent female for those 90 years and older.

Households

The total number of households in the St. John's CMA has risen steadily since 1986 (see Figure 6). This can partially be attributed to total population growth, but also to the fact that the portion of the population heading households (known as the headship rate) is progressively higher in older age groups. Particularly strong growth in the population aged 45 and over during the last 35 years also contributed to the increase in the number

Figure 6: Total Households, St. John's CMA, 1986 to 2042p



Source: Statistics Canada; Department of Finance

of households. Meanwhile, a decline in young population, which has very low household headship rates, only exerted a small drag on household formation. Over the last 36 years, from 1986 to 2022, the number of households in the St. John's CMA increased from 48,439 to 92,941 (or 91.9 per cent), even as the overall population in the region only increased from 164,806 to 219,119 (or 33 per cent).

Household projections are produced by applying assumed future headship rates by age and gender to the population projections. Age-specific headship rates are assumed to increase slightly over the projection period in all three scenarios, in-line with historical trends. In all three scenarios, the rate of increase in households continues to exceed the rate of population growth due to further aging of the population. In the low population scenario, the total number of households increases by 25.1 per cent from 92,941 in 2022, to 116,239 in 2042, as population increases 11.8 per cent over the same period. In the medium scenario, the number of households increases by 27.9 per cent from 92,941 in 2022, to 118,901 in 2042, as population increases by 15 per cent over the same period. In the high scenario, population growth, together with an aging population, produces further increases in the number of households. The number of households increases by 31 per cent from 92,941 in 2022, to 121,776 in 2042, as population rises by 18.7 per cent over the same period.

As household formation outpaces population growth, there is a natural decline in average household size (see Figure 6). This occurs as the incidence of one-person and two-person households, particularly older couples and widowers, increase in the community. As the baby boomers continue to age and their children have matured and left home, two-person households become more

common. In addition, the death of a spouse in older households will result in more one-person households as the population ages. Over the last 35 years, the St. John's CMA has seen the number of persons per household drop from 3.4 in 1986, to about 2.4 in 2022. This downward trend is projected to continue for the next 20 years to about 2.1 persons per household in 2042.

Appendix: Population and Household Projections for the St. John's CMA,

Historical (1986-2022) and Projected (2023-2042)
Low, Medium, and High Scenario

**HOUSEHOLD PROJECTIONS
ST. JOHN'S CMA**

	Scenario		
	Low	Medium	High
1986	48,439	48,439	48,439
1987	49,758	49,758	49,758
1988	51,224	51,224	51,224
1989	52,979	52,979	52,979
1990	54,783	54,783	54,783
1991	56,378	56,378	56,378
1992	57,646	57,646	57,646
1993	58,976	58,976	58,976
1994	59,737	59,737	59,737
1995	60,546	60,546	60,546
1996	61,211	61,211	61,211
1997	62,150	62,150	62,150
1998	62,745	62,745	62,745
1999	64,699	64,699	64,699
2000	66,007	66,007	66,007
2001	66,070	66,070	66,070
2002	67,080	67,080	67,080
2003	68,216	68,216	68,216
2004	69,465	69,465	69,465
2005	70,318	70,318	70,318
2006	71,601	71,601	71,601
2007	72,676	72,676	72,676
2008	73,985	73,985	73,985
2009	75,676	75,676	75,676
2010	77,525	77,525	77,525
2011	78,954	78,954	78,954
2012	80,818	80,818	80,818
2013	82,437	82,437	82,437
2014	84,114	84,114	84,114
2015	85,450	85,450	85,450
2016	86,938	86,938	86,938
2017	87,823	87,823	87,823
2018	88,406	88,406	88,406
2019	89,171	89,171	89,171
2020	90,007	90,007	90,007
2021	90,820	90,820	90,820
2022	92,941	92,941	92,941
2023	95,118	95,186	95,669
2024	96,479	96,634	97,393
2025	97,908	98,160	98,984
2026	99,091	99,451	100,436
2027	100,291	100,764	101,925
2028	101,500	102,080	103,410
2029	102,769	103,470	104,905
2030	103,996	104,809	106,371
2031	105,193	106,131	107,798
2032	106,427	107,503	109,302
2033	107,697	108,908	110,865
2034	108,918	110,281	112,342
2035	109,999	111,505	113,730
2036	111,223	112,886	115,191
2037	112,193	114,008	116,358
2038	113,017	114,996	117,402
2039	113,867	116,011	118,487
2040	114,627	116,928	119,506
2041	115,337	117,819	120,570
2042	116,239	118,901	121,776

Note: Figures may not add due to rounding
Source: Statistics Canada; Department of Finance