

Pop goes Atlantic Canada!

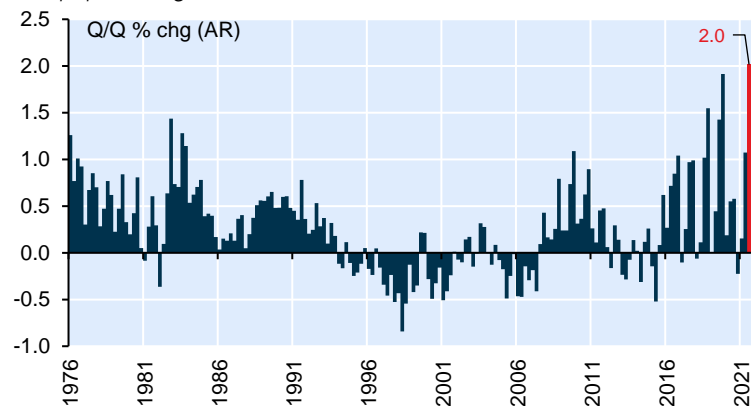
By Warren Lovely

Pop! That's not the sound of a bubble bursting but refers instead to a nifty pick-up in *population* growth that's recently been evident across much of Atlantic Canada. At a time when national population growth has been held back by reduced international immigration, a more populous Atlantic Canada is to be celebrated. Moreover, as a relatively 'older' part of the country, the new faces being attracted could help sustain the region fiscally. Here's a pictorial tour of recent demographic trends in Atlantic Canada, with some related colour commentary:

- **Charts 1-2** – Based on the latest quarterly population estimates, 12.3K more people were living in Atlantic Canada in 2021:Q3 than in the prior quarter. That's an annualized gain of 2%, which itself is more than double the quarter-over-quarter gain registered for Canada as a whole. The last time Atlantic Canada notched a stronger quarterly increase? That was way back in 1975... or some 45 years ago. Population growth has been particularly impressive in the three Maritime provinces. Nonetheless, Newfoundland and Labrador registered its first back-to-back quarterly population gains since 2016.
- **Chart 3** – COVID's impact on population growth is readily apparent across Canada, international immigration having been so heavily disrupted by border closures. But year-over-year population growth has tended to recover quicker out East. As one local expert reflected: "Atlantic Canada's early success in managing the pandemic, combined with the move to remote work, superior affordability and available space have no doubt contributed to some of what we have seen."
- **Chart 4** – Whether you're in New Brunswick, Nova Scotia, Prince Edward Island or out on The Rock, population growth is closer to the pre-virus run rate than in other parts of the country. Fun fact: Year-over-year population growth in Atlantic Canada is now faster than the rest of the country for the first time since 1983. Remember what you were doing back then? Me neither.
- **Chart 5** – With international immigration flows having been thrown for a loop, credit interprovincial movements for today's expanding population base across Atlantic Canada. Over the past year, the four Atlantic provinces attracted a net 15.6K migrants from the rest of Canada, the largest 4-quarter tally on record. This is combination of elevated in-migration from other provinces *and* extraordinarily subdued out-migration to Central and Western Canada, plugging (at least temporarily) a long-standing population drain. Younger individuals and families have in some cases made up a larger portion of the new entrants, another clear positive.
- **Chart 6** – All four Atlantic provinces have attracted net interprovincial in-migration during the past year. When scaled to population, Nova Scotia's net tally is particularly impressive. Indeed, Nova Scotia is the only area to draw in people from every other province during the past four quarters. Notwithstanding our Atlantic Canada focus, we'd note that British Columbia has also registered solid population growth of late, itself supported by positive net interprovincial in-migration. In case you were wondering, interprovincial migration figures *have not* been distorted as much as international immigration, with the level of in-country movement hovering above the pre-COVID trend. As for international immigration, fair to say that all provinces are eying Canada's enlarged quotas as a means of driving long-term labour force growth. It's a growth model that's worked reasonably for Canada, and the focus in Atlantic Canada will rightly be on immigrant retention.
- **Chart 7** – It should be noted that it takes more than a quarter or two to materially impact underlying demographics. The median age in Atlantic Canada remains older than the country as a whole, with populations having aged relatively quicker here. In Newfoundland and Labrador, for instance, the median age has increased almost 10 years since the early 2000s, the median age gap across all provinces having widened appreciably. Moreover, it remains to be seen if Atlantic Canada can sustain its recent population perk-up as conditions return to a more 'normal' state and today's at-home workers gradually re-converge on the large economic centres. Mind you, from a housing affordability and cost of living perspective there's presumably still going to be a lot to like out East.
- **Chart 8** – Consistent with a higher median age, there's a more top-heavy population pyramid to support in the East. Related fiscal pressures (namely health care expenditures) have long been on the radar screen for credit rating agencies, more so than for other/younger parts of Canada. Population pressures won't ease overnight. Still, the recent pop in parts of Atlantic Canada is welcome news at the margin, adding to the number of households driving growth and available to finance public services. It's a trend regional governments will be intent on maintaining in a post-COVID world, the evolving demographic backdrop certain to be scrutinized by rating agencies and bondholders alike.

Chart 1: Strongest quarterly showing in nearly half a century

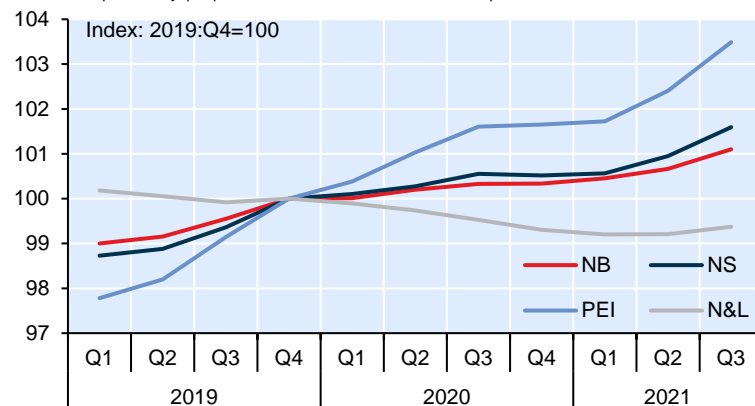
Q/Q population growth in Atlantic Canada



Source: NBF, StatCan

Chart 2: Maritime provinces, in particular, more populous

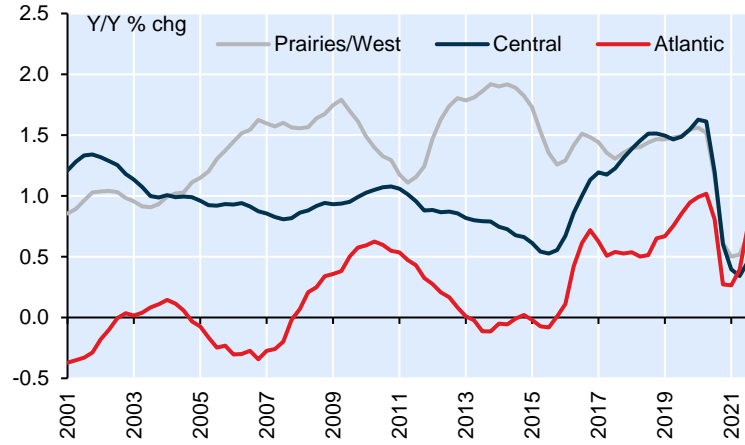
Index of quarterly population in Atlantic Canada provinces



Source: NBF, StatCan

Chart 3: A recent pick-up in Atlantic Canada population...

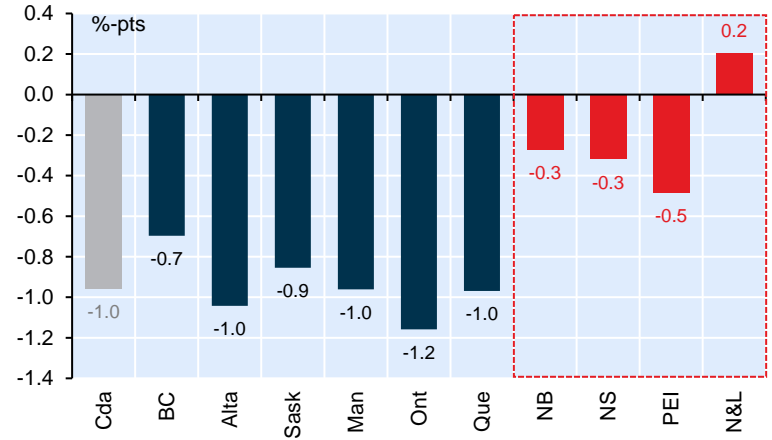
Y/Y population growth: Atlantic Canada vs. other regions of Canada



Source: NBF, StatCan

Chart 4: ...leaves region closer to pre-COVID pace

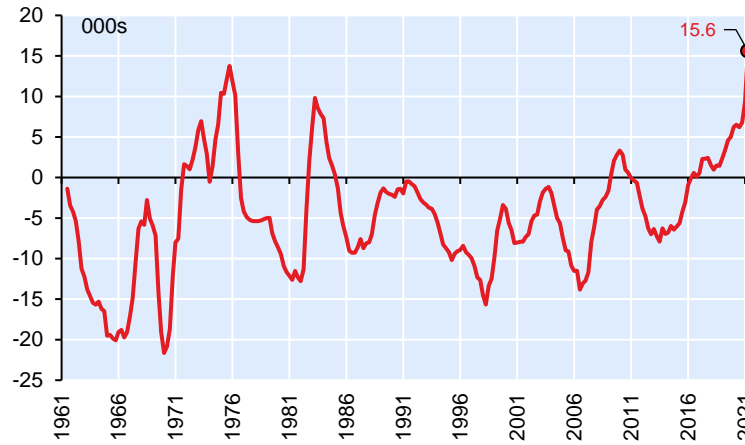
Difference in Y/Y population growth rate vs. pre-COVID pace: As of 2021:Q3



Source: NBF, StatCan | Note: Pre-COVID pace defined as 2019:Q4

Chart 5: Record interprovincial in-migration in Atlantic Cda

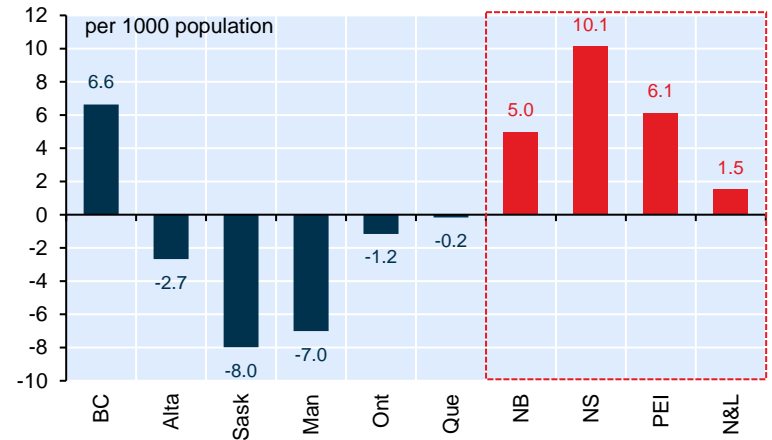
Net interprovincial migration in Atlantic Canada: Four-province sum



Source: NBF, StatCan | Note: +ve values denote net in-migration from other regions

Chart 6: More Canadians moving (and remaining) out East

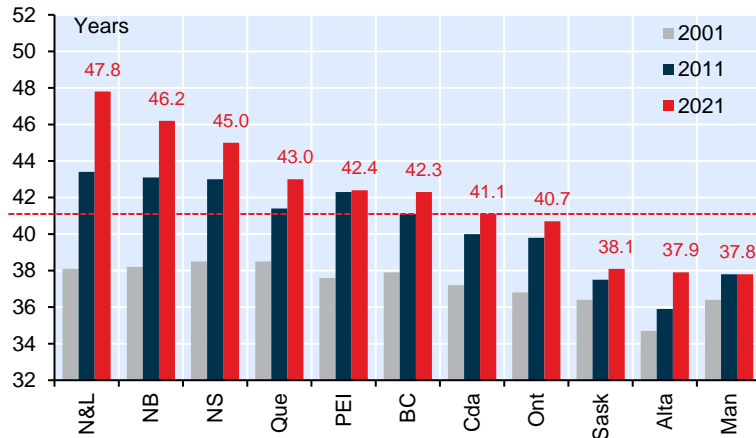
Net interprovincial migration relative to population: Latest four quarters



Source: NBF, StatCan | Note: +ve values denote net in-migration from other provinces

Chart 7: Atlantic Canada still relatively 'older' region

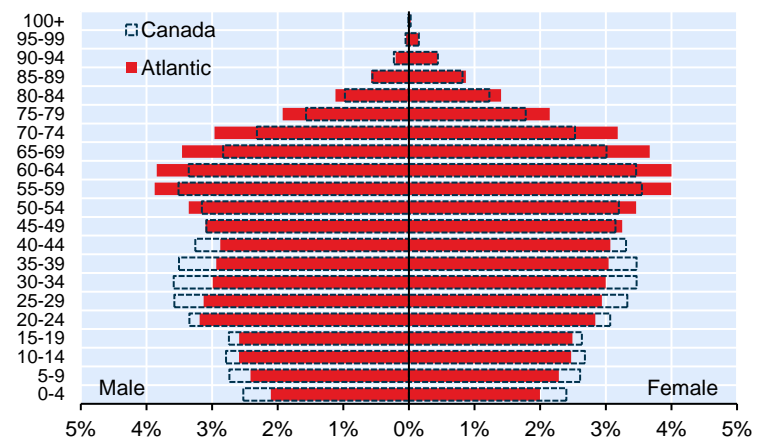
Median age by province: Latest reading vs. 10/20 years ago



Source: NBF, StatCan | Note: Red dotted line refers to national average in 2021

Chart 8: A top-heavy population pyramid to support

Share of population by age cohort: Atlantic Canada vs. national average



Source: NBF, StatCan

Table: Canada's net interprovincial migration picture... Where are you going to? Where are coming from?

Net interprovincial migration by province of origin (presented in rows) & province of destination (presented in columns): Four-quarter sum to 2021:Q2

		Destination (+ve = net inflow into province)										
4Q sum		N&L	PEI	NS	NB	Que	Ont	Man	Sask	Alta	BC	Terr
Origin (+ve = net inflow from prov)	N&L	-	-25	281	70	-10	-1,000	45	-75	-111	113	-73
	PEI	25	-	6	249	-74	-1,108	29	-57	-196	79	57
	NS	-281	-6	-	-364	-200	-6,354	-240	-112	-1,599	-644	-149
	NB	-70	-249	364	-	379	-3,388	-210	-77	-524	-8	-104
	Que	10	74	200	-379	-	-99	-330	-128	-300	2,375	27
	Ont	1,000	1,108	6,354	3,388	99	-	-2,297	-2,619	534	9,231	287
	Man	-45	-29	240	210	330	2,297	-	231	2,903	3,623	-75
	Sask	75	57	112	77	128	2,619	-231	-	3,289	3,332	-48
	Alta	111	196	1,599	524	300	-534	-2,903	-3,289	-	15,856	-29
	BC	-113	-79	644	8	-2,375	-9,231	-3,623	-3,332	-15,856	-	-320
	Terr	73	-57	149	104	-27	-287	75	48	29	320	-
	Total	785	990	9,949	3,887	-1,450	-17,085	-9,685	-9,410	-11,831	34,277	-427
vs. pop	0.15%	0.61%	1.01%	0.50%	-0.02%	-0.12%	-0.70%	-0.80%	-0.27%	0.66%	-0.34%	
+ve prov	5	4	9	7	5	2	2	1	3	7	3	

Source: NBF, StatCan | Note: Net interprovincial migration totals based on sum of four quarters to 2021:Q2; net figures are scaled to average population over same four-quarter period; '+ve prov' refers to number of jurisdictions (out of 9) that a given province recorded a +ve net migration flow with (e.g., NS=9, which means Nova Scotia attracted net in-migration from all nine of the other provinces); net interprovincial migration flows sum to zero



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