
Thinking About Tomorrow -- Today: The Implications of Demographic Trends for Ontario's Educational Sector

A Presentation to the

Teachers' Life

Board of Directors' Strategic Retreat

By

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Demographic Analysis

Overview

- Study of human populations
- Key factors of analysis:
 - » Sex
 - » Ethnicity/race
 - » Marital status and family structure
 - » Births and deaths
 - » Migration
 - » **AGE**

Demographic Analysis

Cohorts

- **Boom:** 1947-1966
 - » 42-61 in 2008
 - » 30 percent of Ontario's population
- **Bust:** 1967-1979
 - » 29-41 in 2008
 - » 19 percent of Ontario's population
- **Echo:** 1980-1995
 - » 13-28 in 2008
 - » 22 percent of Ontario's population

Today's Presentation

- Major demographic trends in Canada and Ontario:
 - Historical
 - Projected
- What the trends mean for your industry:
 - Projected “demographic pressure” on product demand
 - Labour market (industry customers)
 - Marketing approaches

Demographic Trends - Ontario

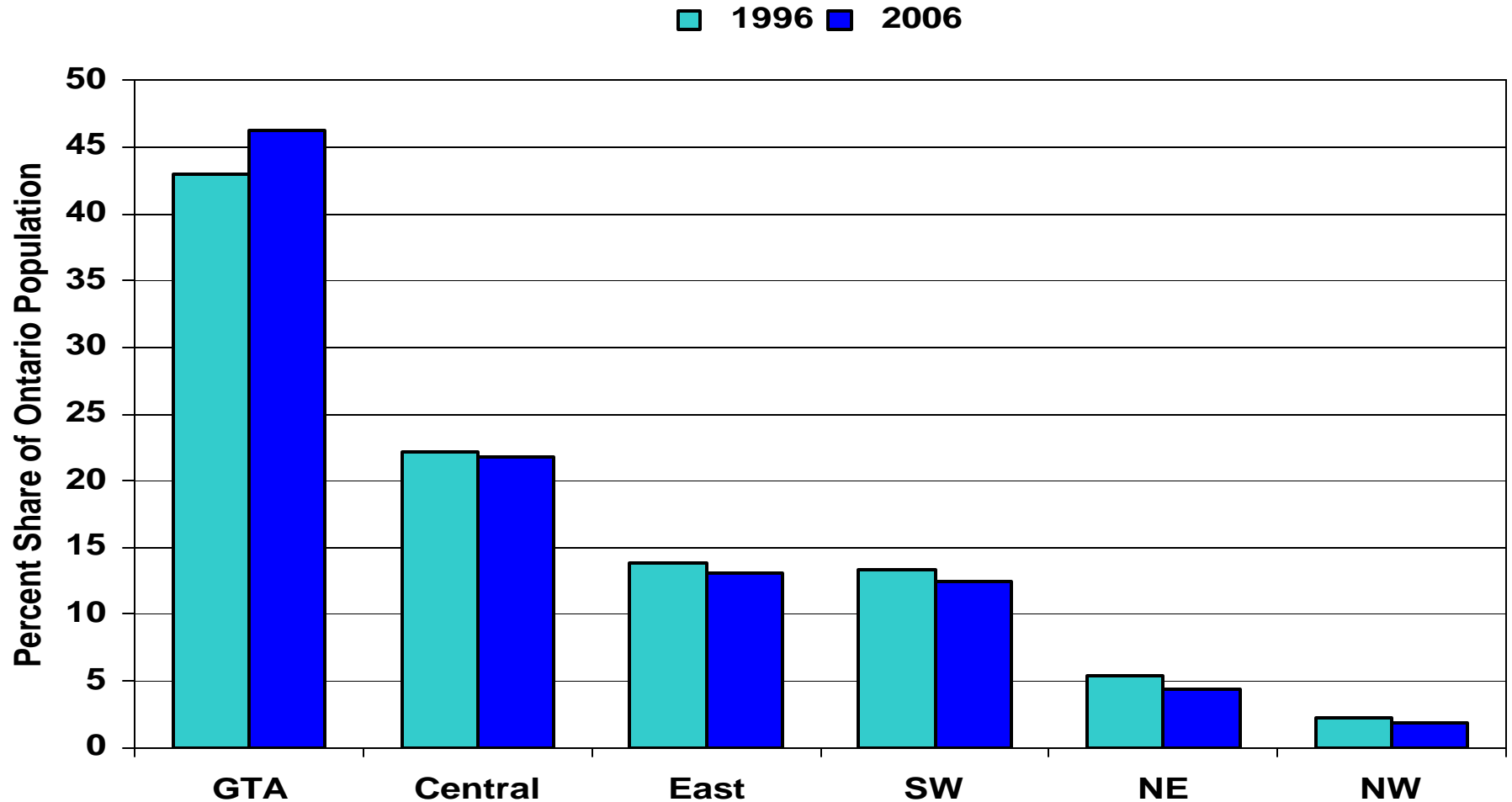
Between 2001 and 2006, only the populations of Ontario (6.6 percent) and Alberta (10.6 percent), respectively, grew faster than the population of Canada (5.6 percent).

Demographic Trends - Ontario

Ontario's population is skewed regionally. Roughly one-half of the population lives in the GTA; two-thirds, in the GTA and Central Ontario. Only the GTA increased its share between 1996 and 2006.

Ontario

Population Distribution by Region, 1996 versus 2006

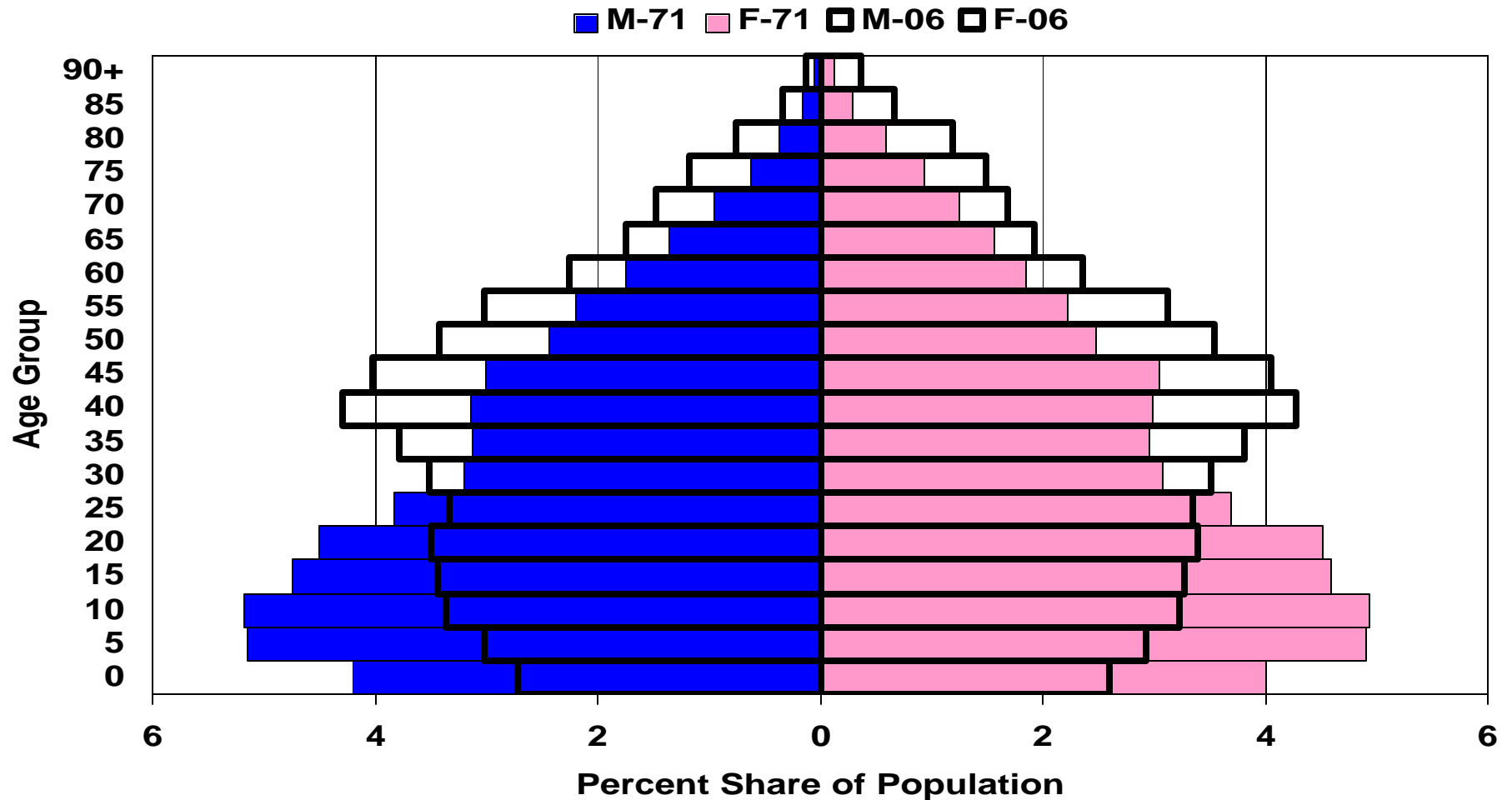


Demographic Trends - Ontario

Since 1971, Ontario's population has increased by over 60 percent. It has also been aging. In 1971, 28 percent of Ontario's residents were 45-plus; by 2006, 40 percent.

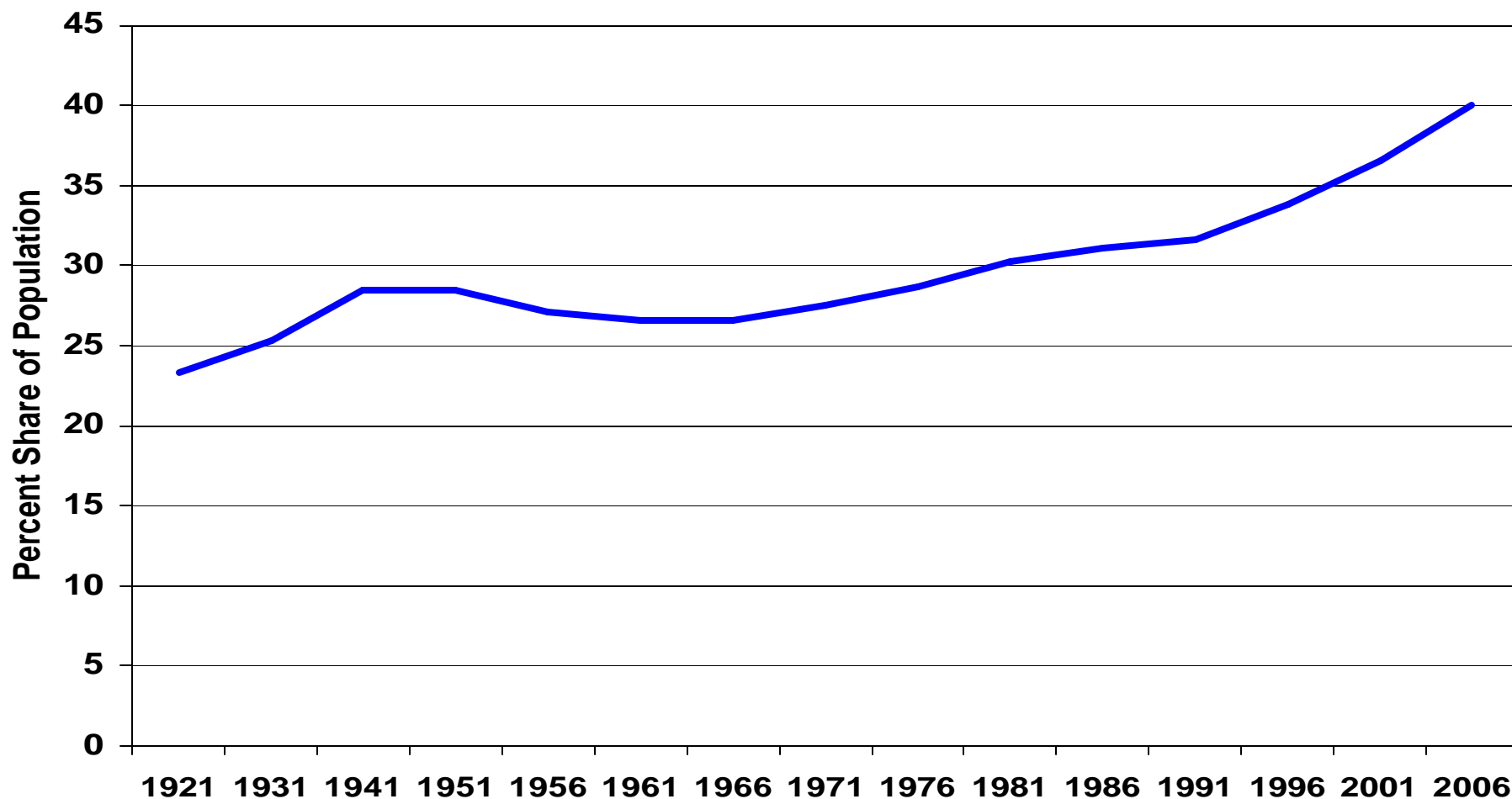
Population Pyramid

Ontario, 1971 (colour) versus 2006 (outline)



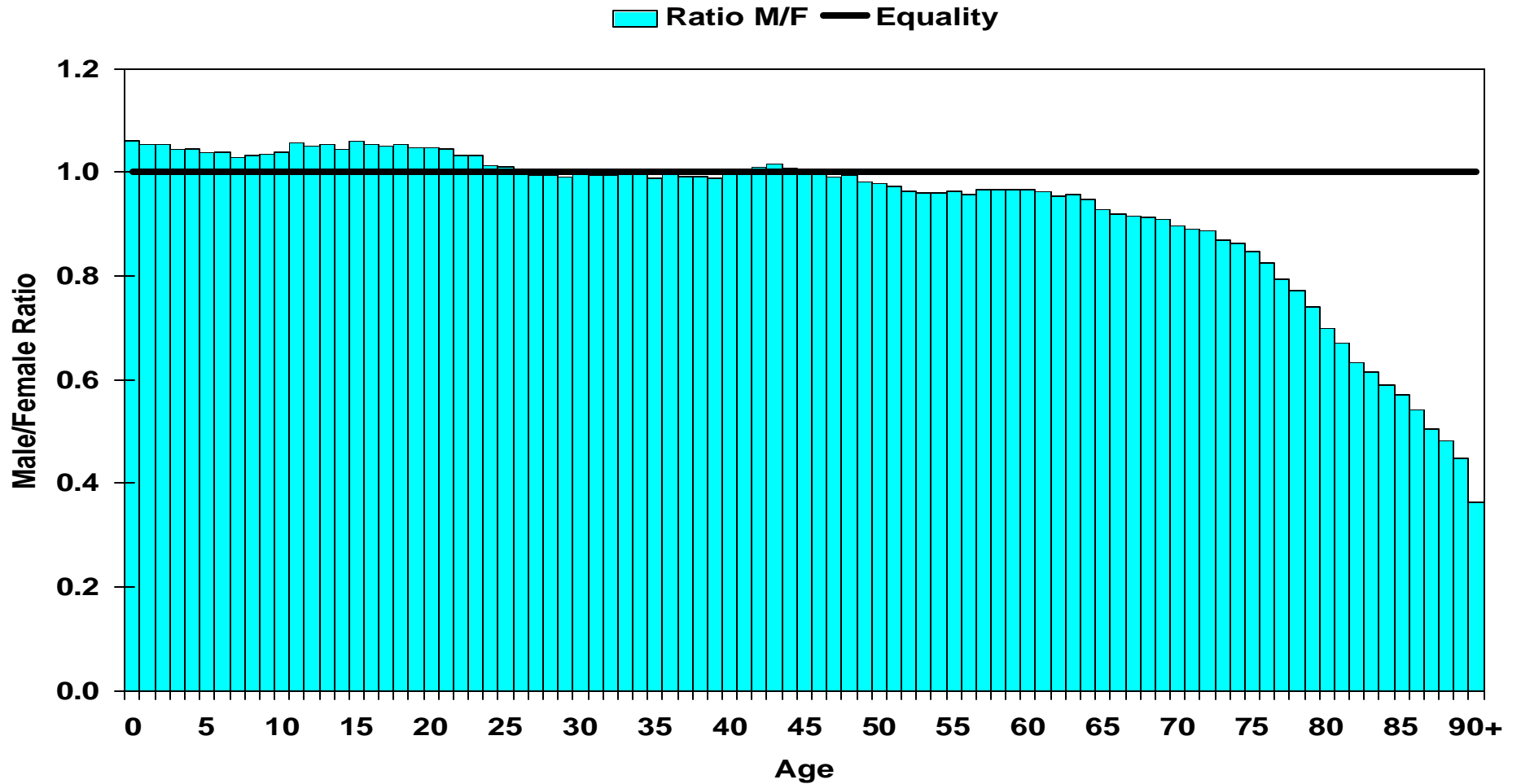
Ontario

45+ Share of Population, 1921-2006 (percent)



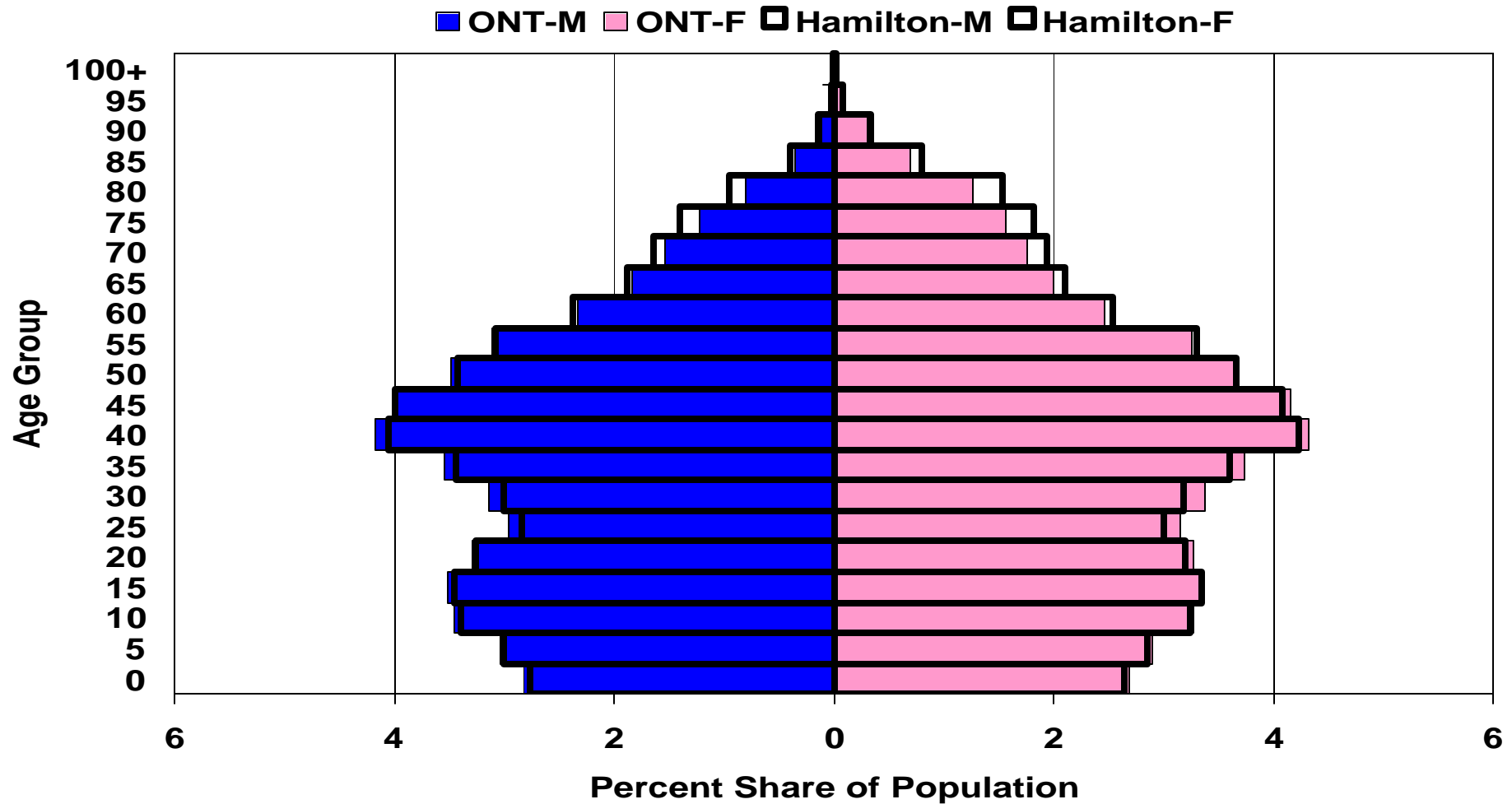
Ontario

Male/Female Ratio by Age, 2006



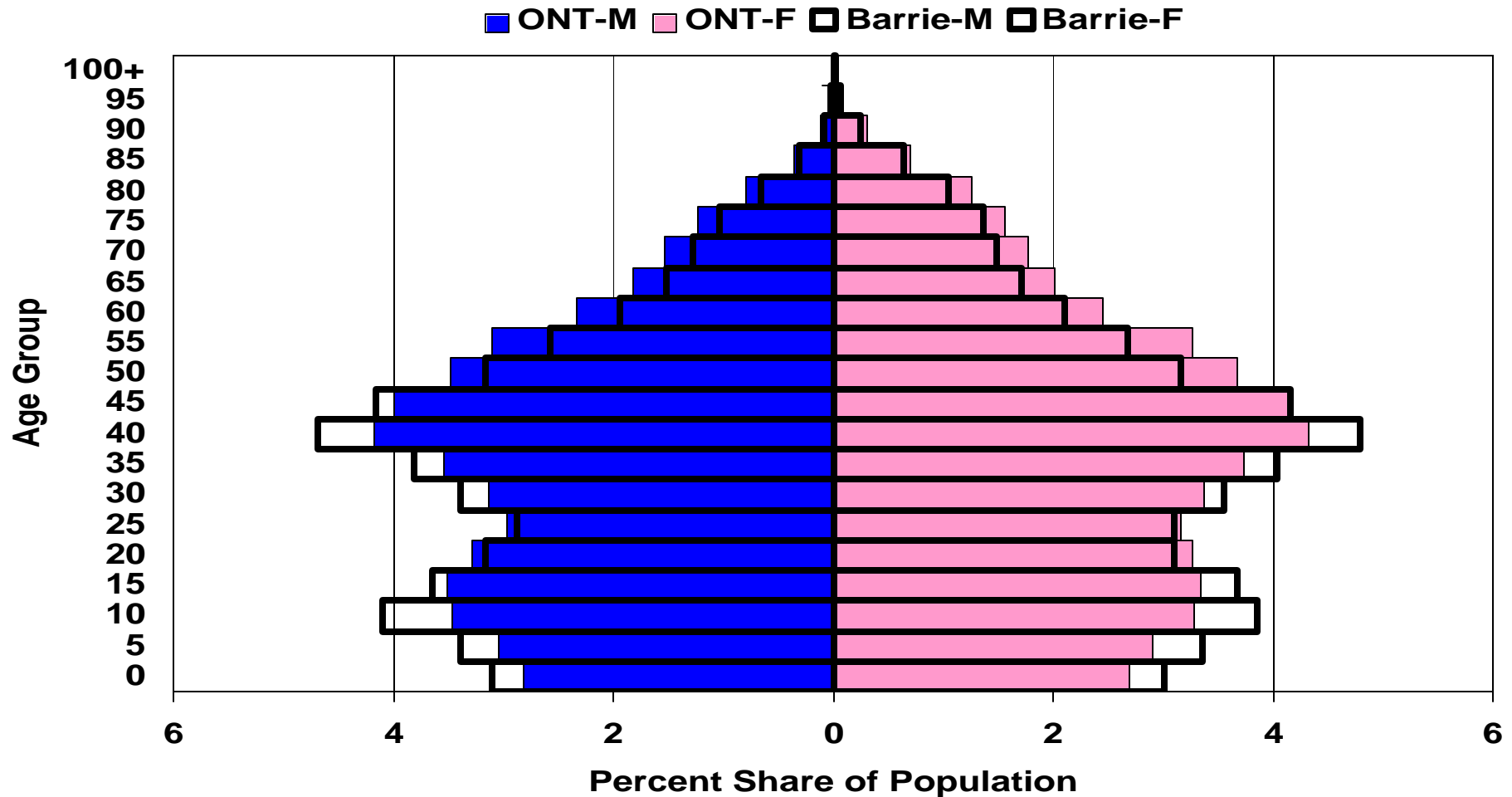
Population Pyramid

Hamilton (outline) versus Ontario (colour), 2006 (percent)



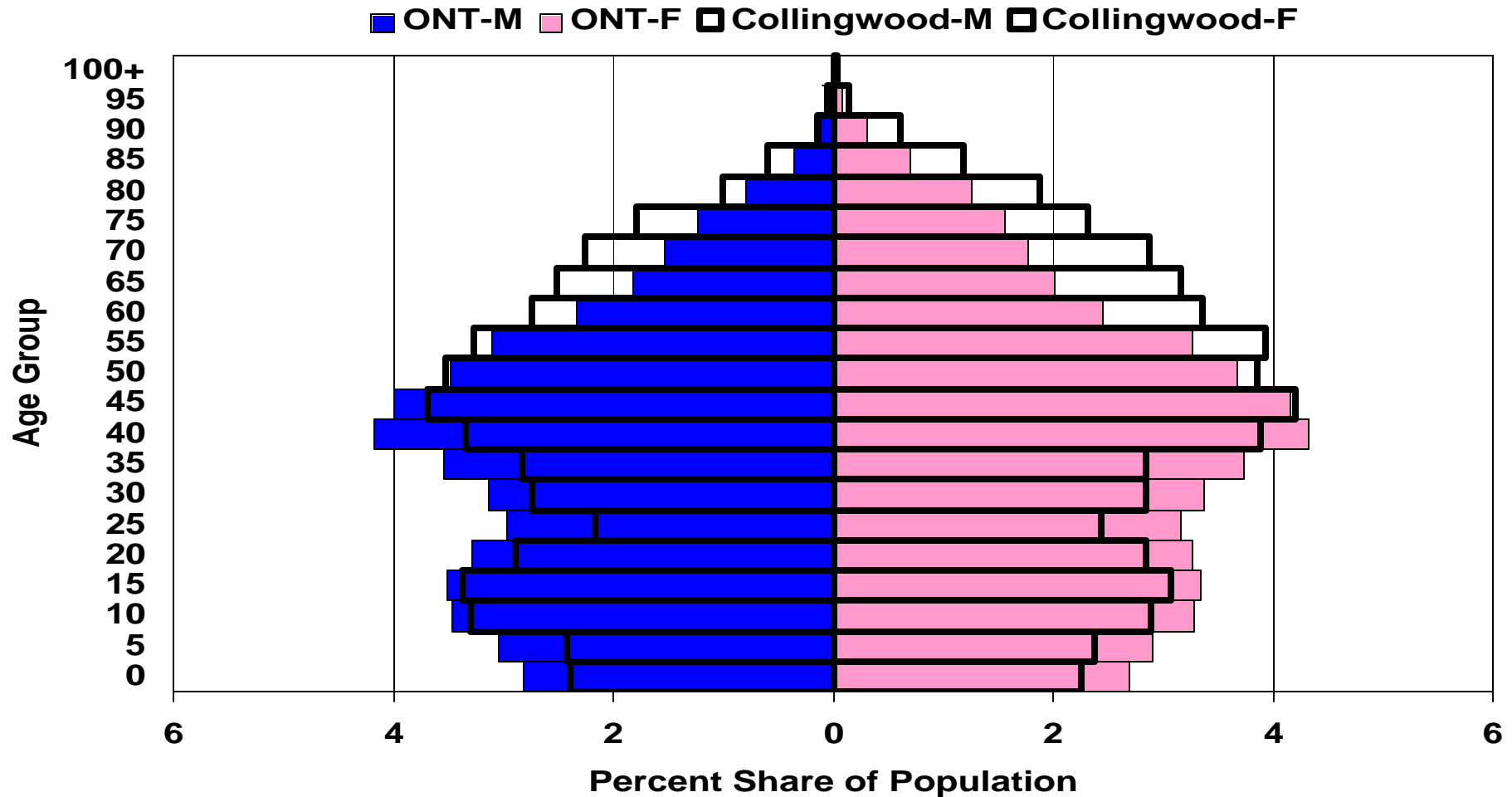
Population Pyramid

Barrie (outline) versus Ontario (colour), 2006 (percent)



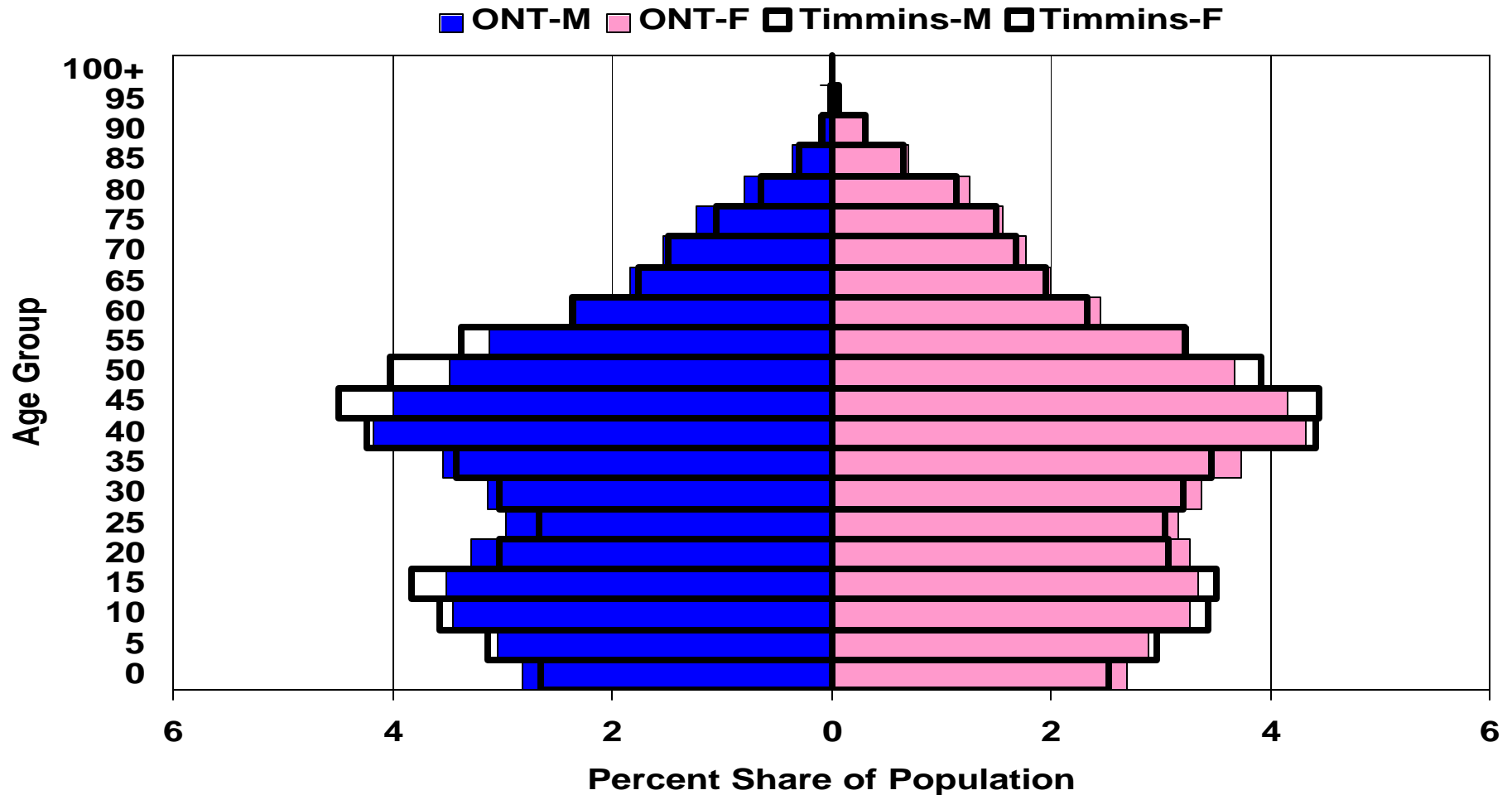
Population Pyramid

Collingwood (outline) versus Ontario (colour), 2006 (percent)



Population Pyramid

Timmins (outline) versus Ontario (colour), 2006 (percent)

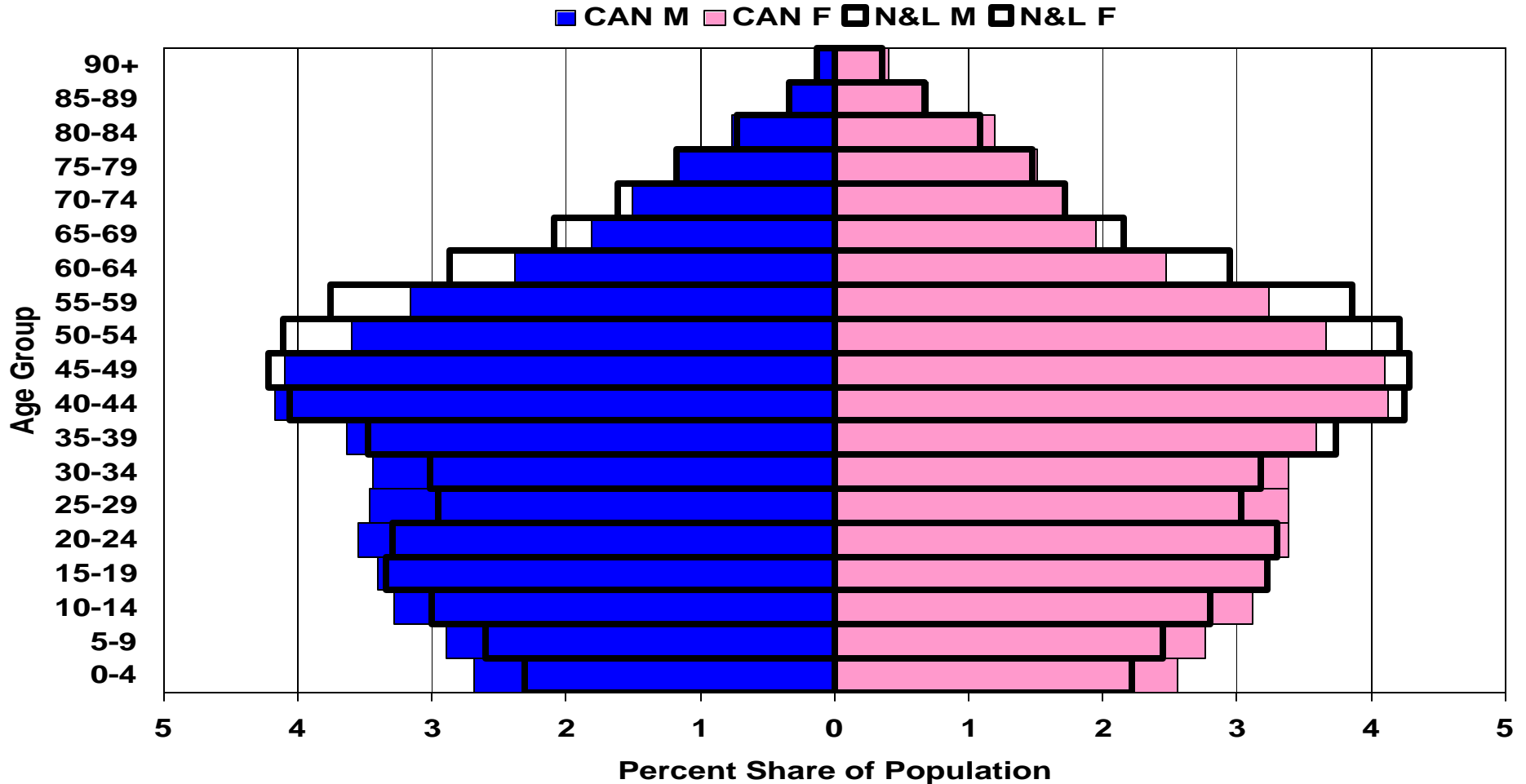


Demographic Trends - Canada

How does Ontario compare to the rest of the provinces?

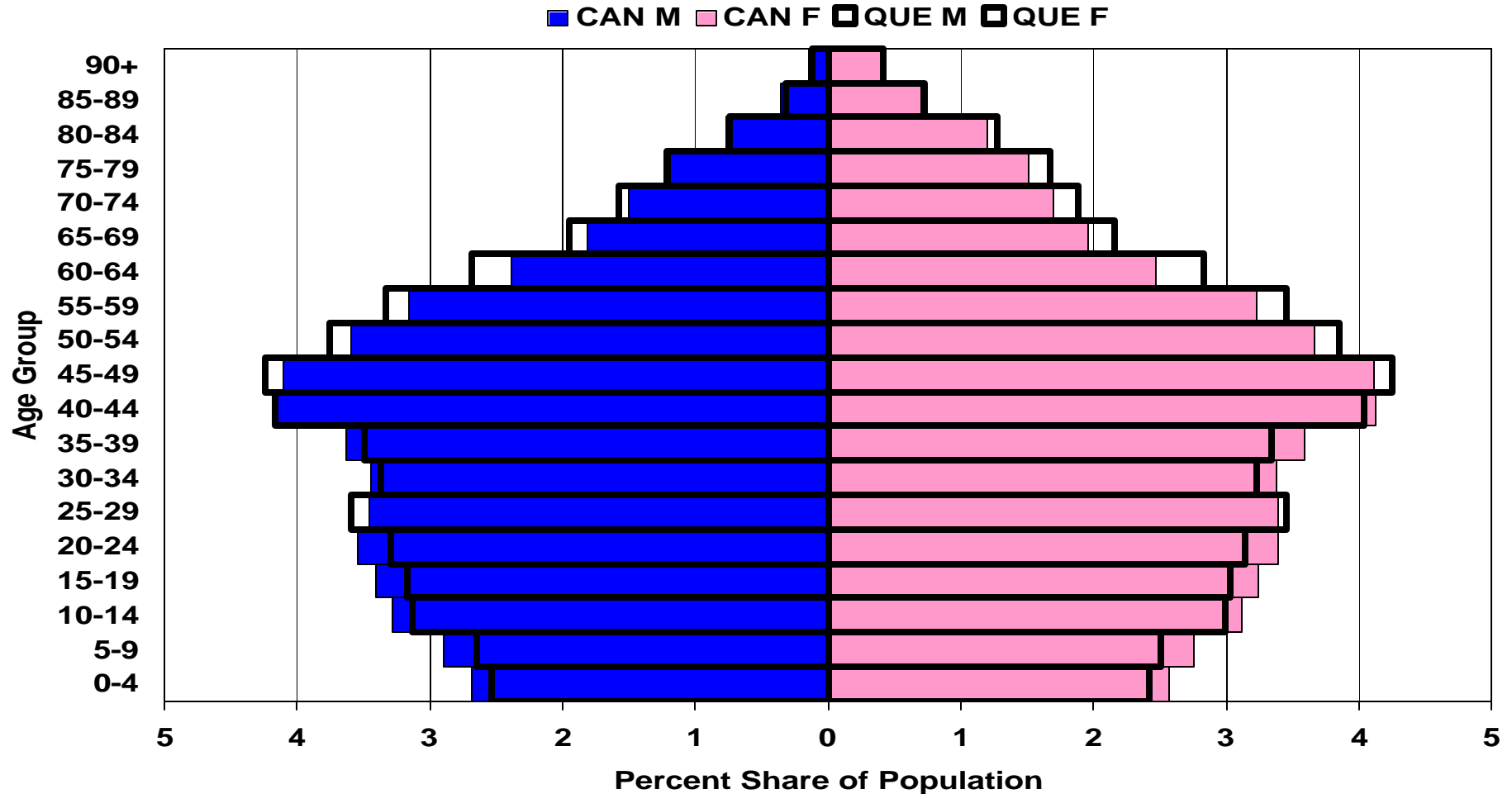
Population Pyramid

Newfoundland & Labrador (outline) versus Canada (colour), 2006 (percent)



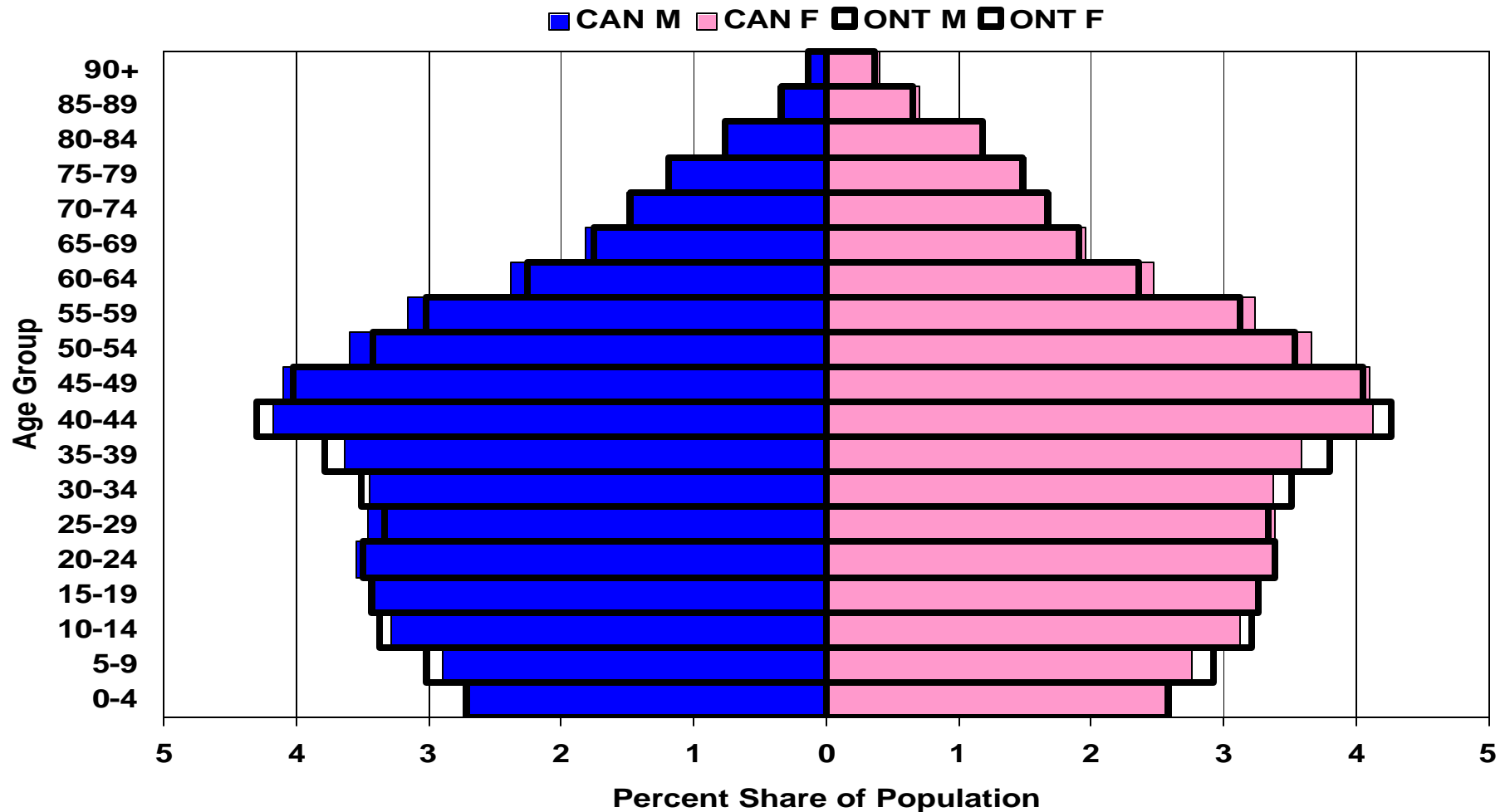
Population Pyramid

Québec (outline) versus Canada (colour), 2006 (percent)



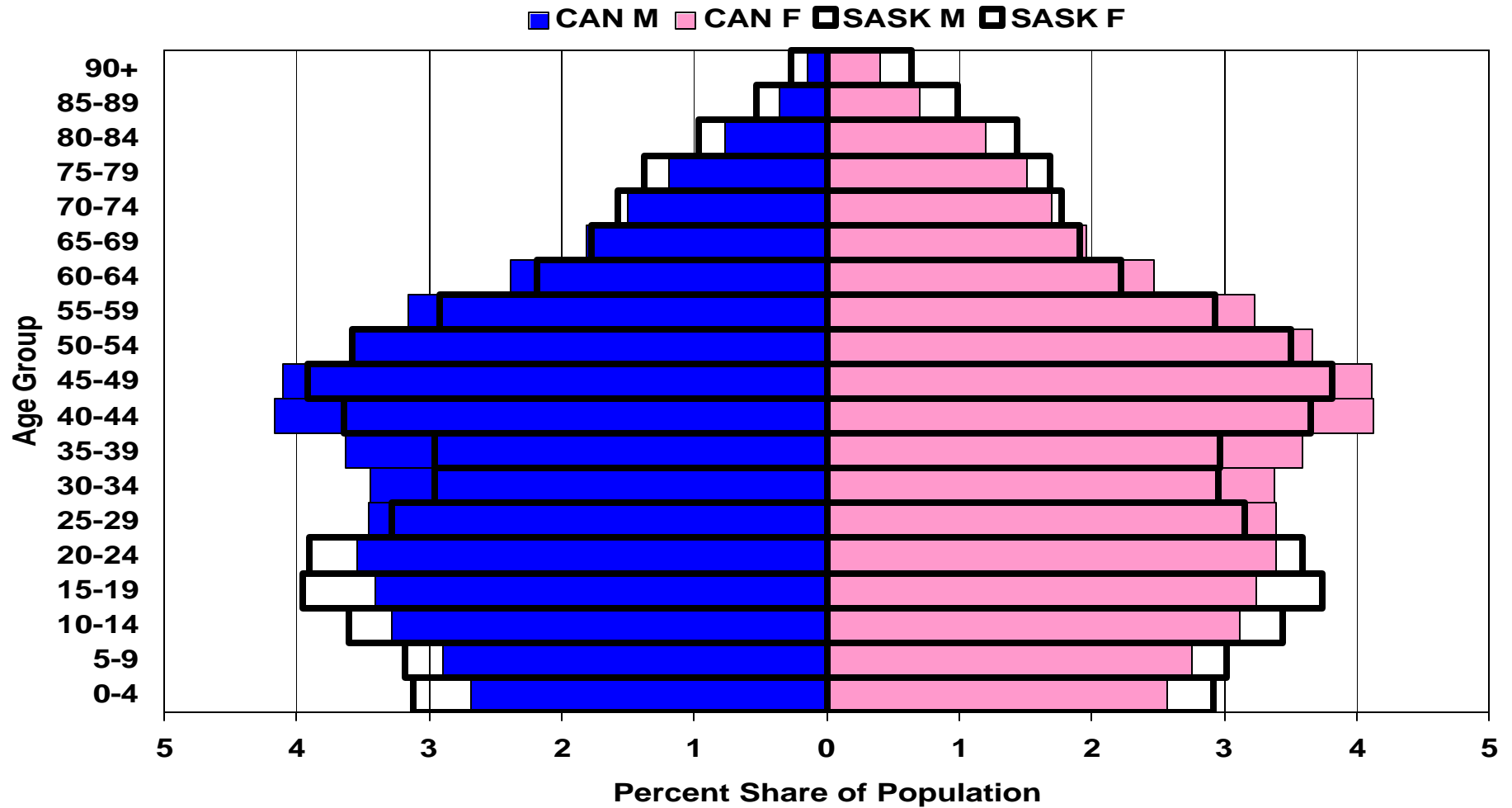
Population Pyramid

Ontario (outline) versus Canada (colour), 2006 (percent)



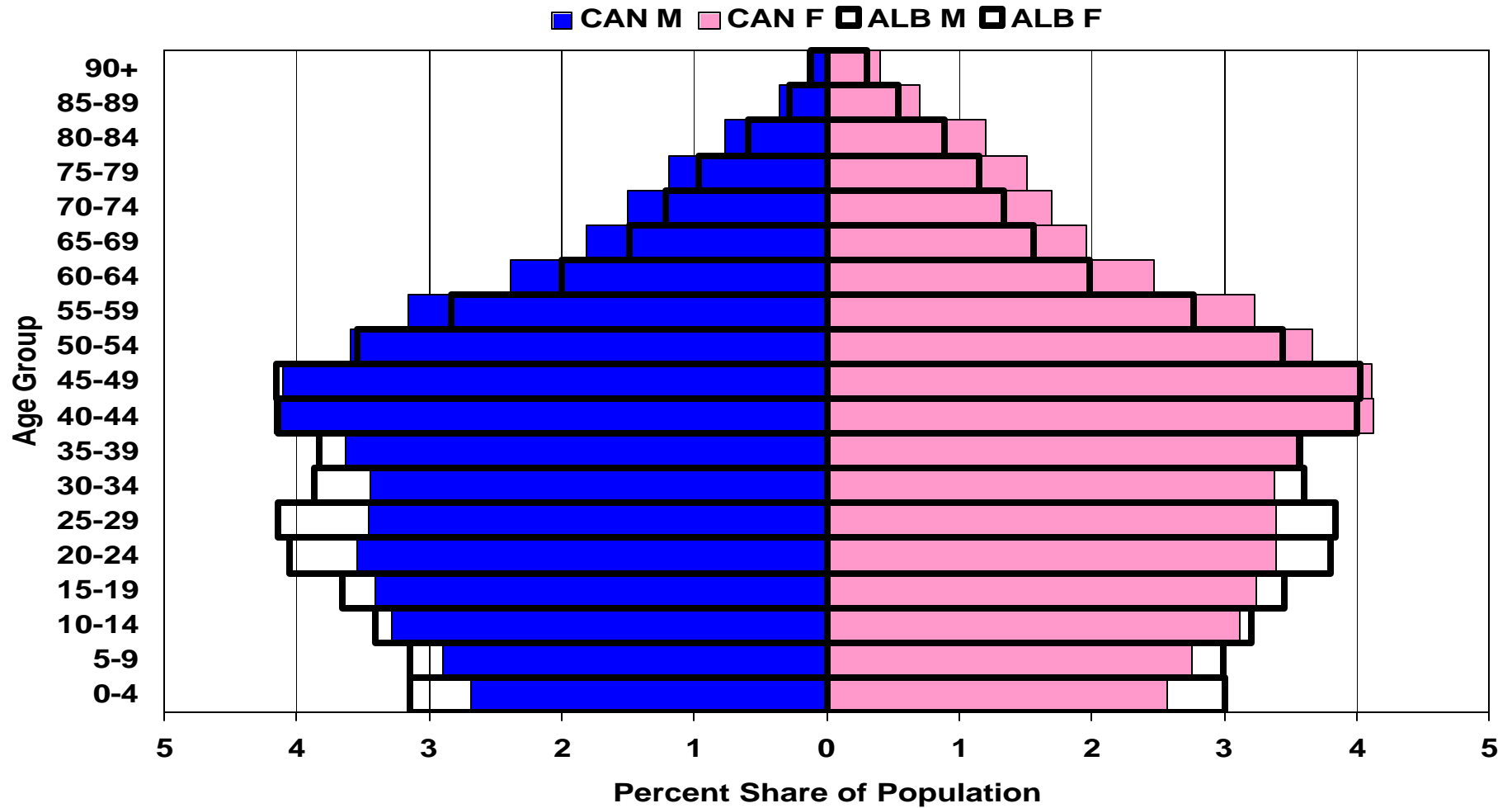
Population Pyramid

Saskatchewan (outline) versus Canada (colour), 2006 (percent)



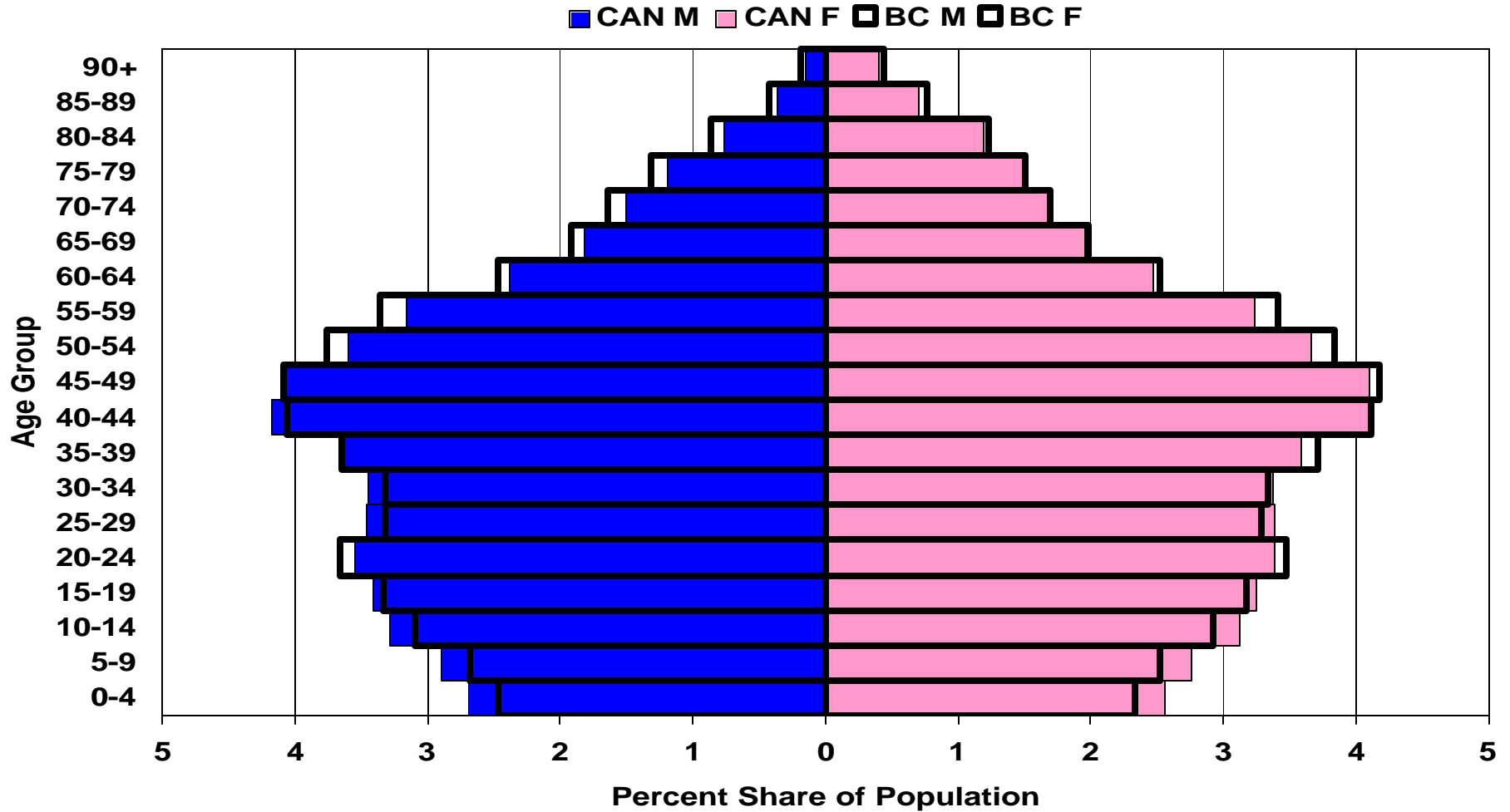
Population Pyramid

Alberta (outline) versus Canada (colour), 2006 (percent)



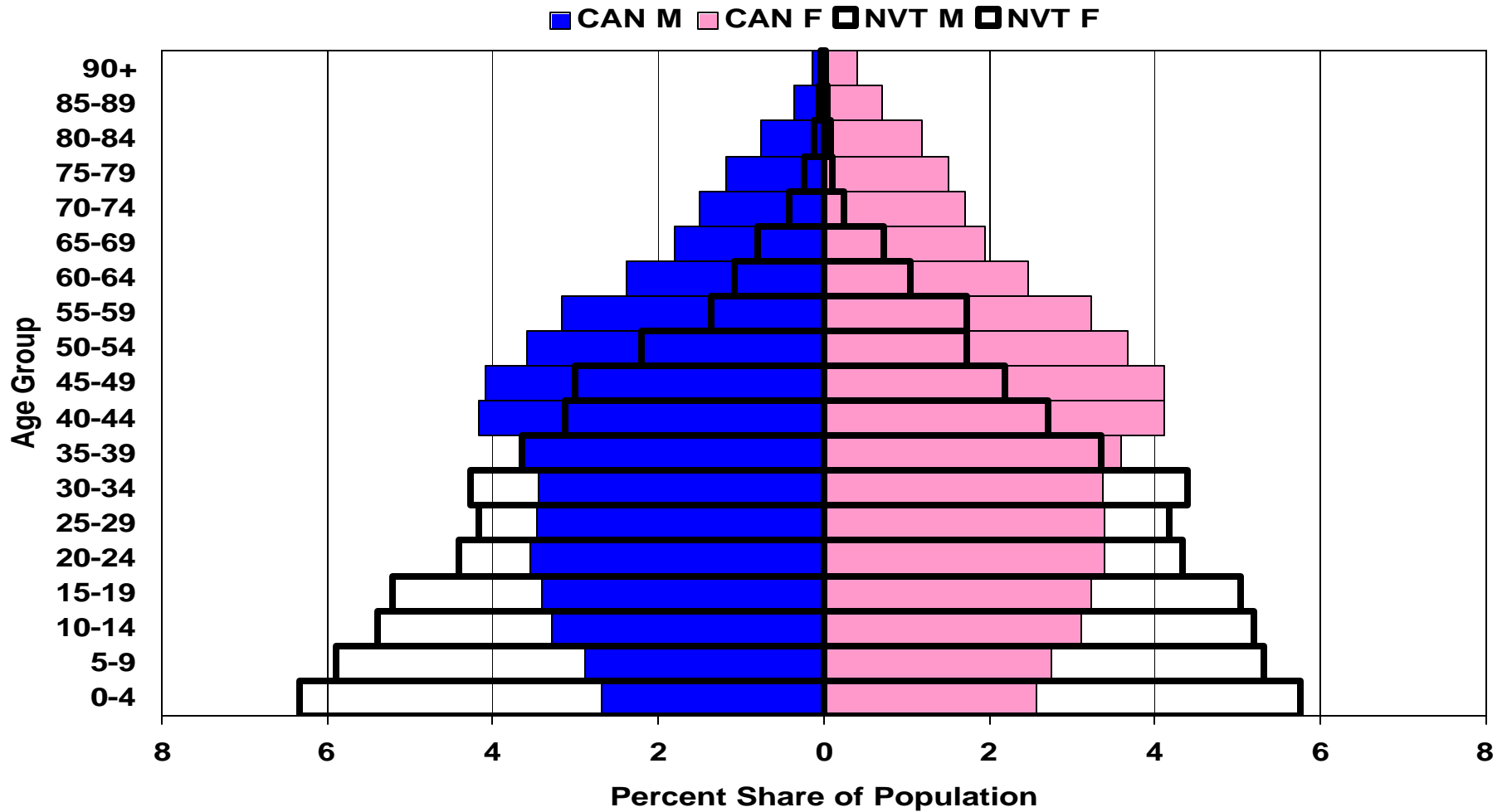
Population Pyramid

British Columbia (outline) versus Canada (colour), 2006 (percent)



Population Pyramid

Nunavut (outline) versus Canada (colour), 2006 (percent)

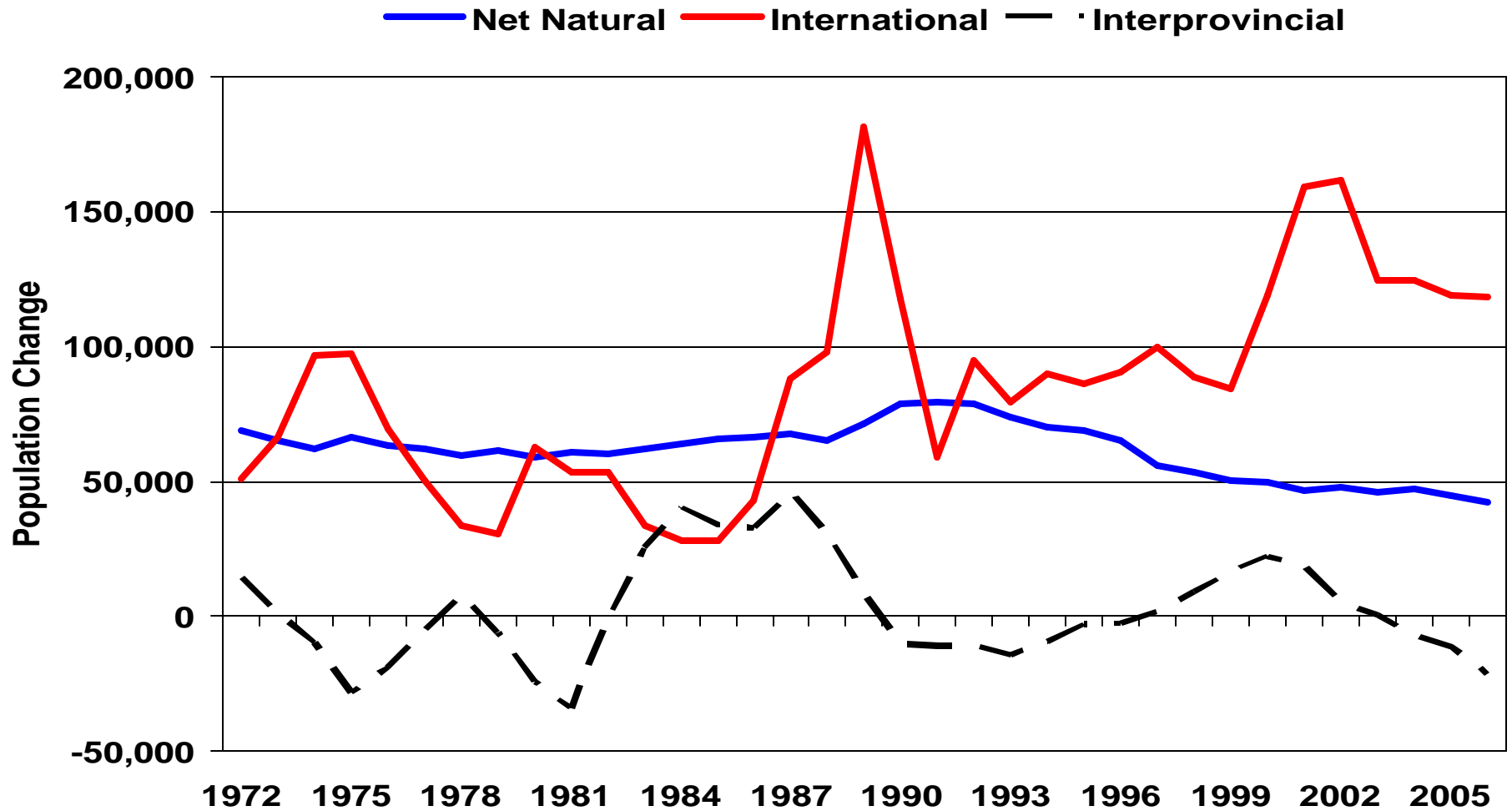


Demographic Trends - Ontario

**What is driving Ontario's
population growth?**

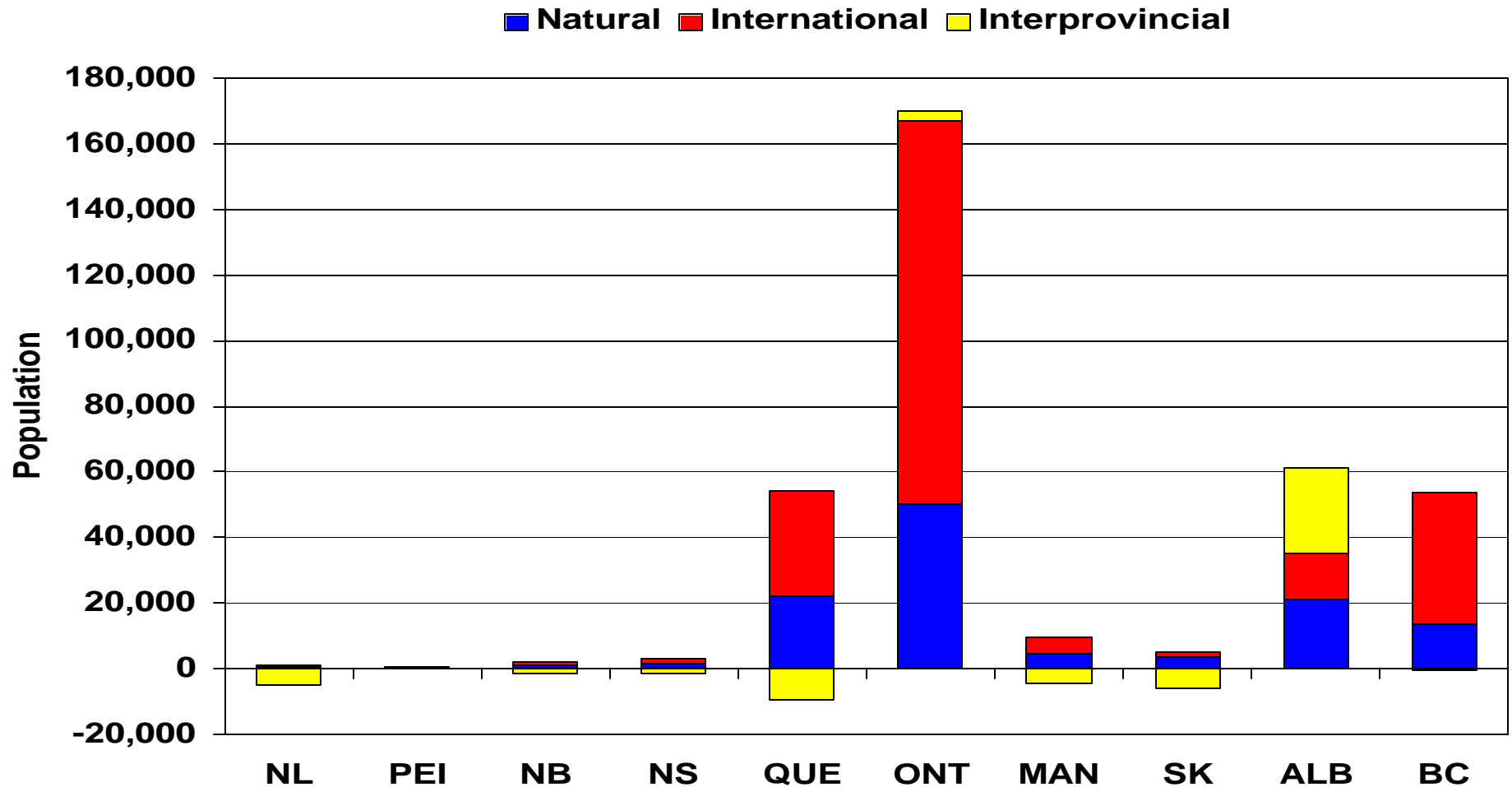
Ontario

Population Change by Source, 1971/72-2005/06



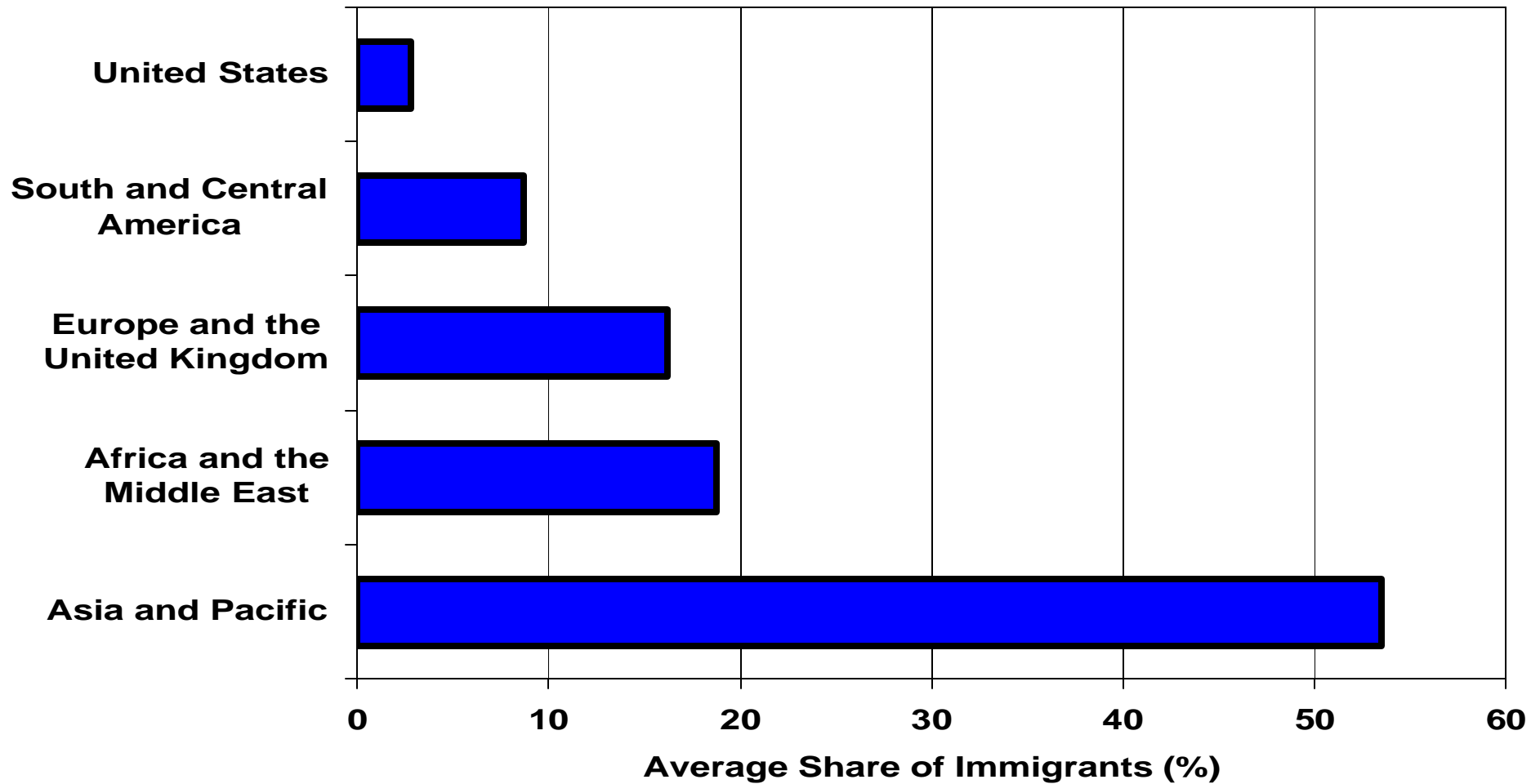
Canada's Provinces

Population Change by Source, 1996-2006 (annual average)



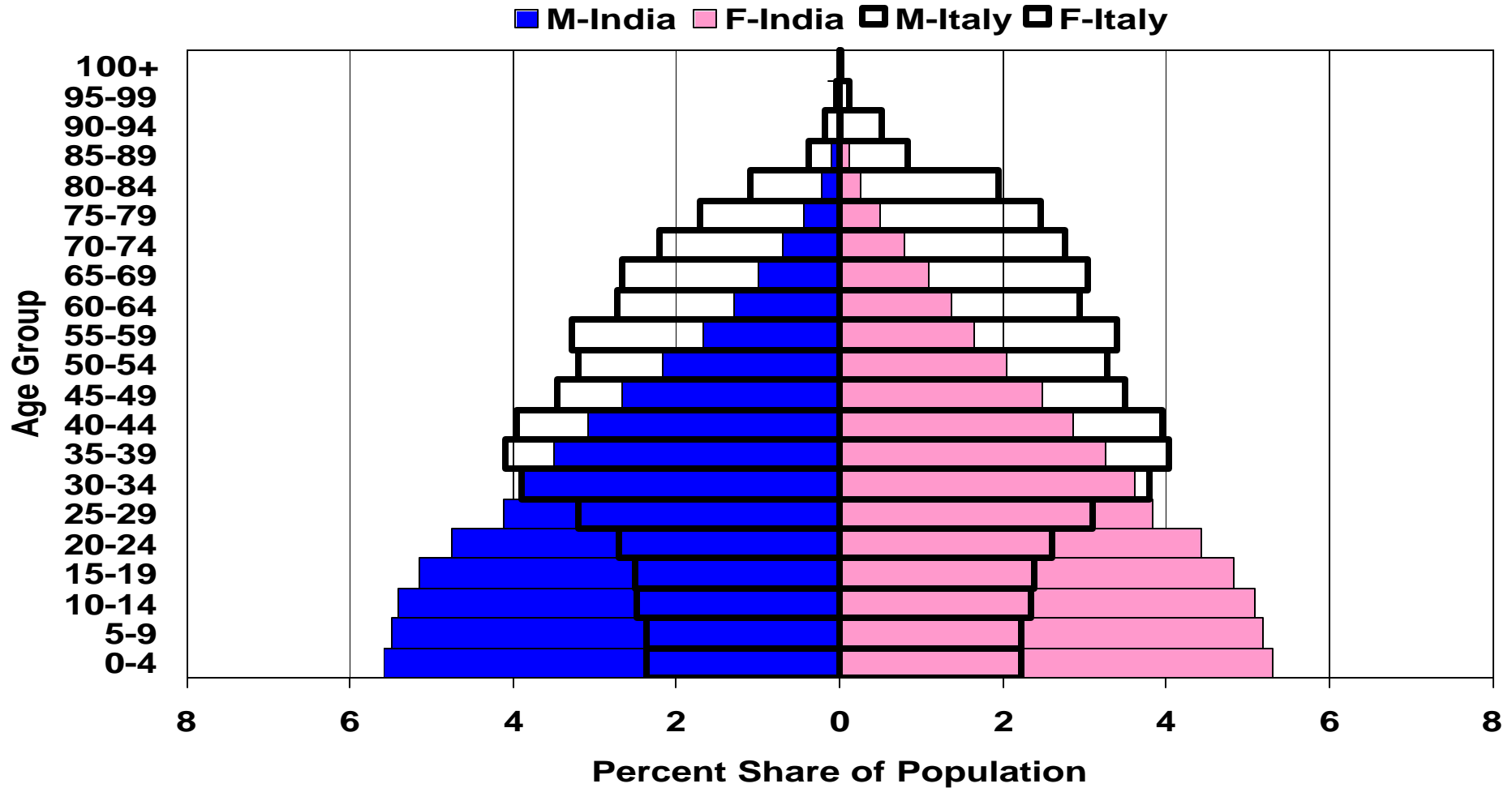
Ontario

Average Share of Immigrants by Source Region, 1997-2006



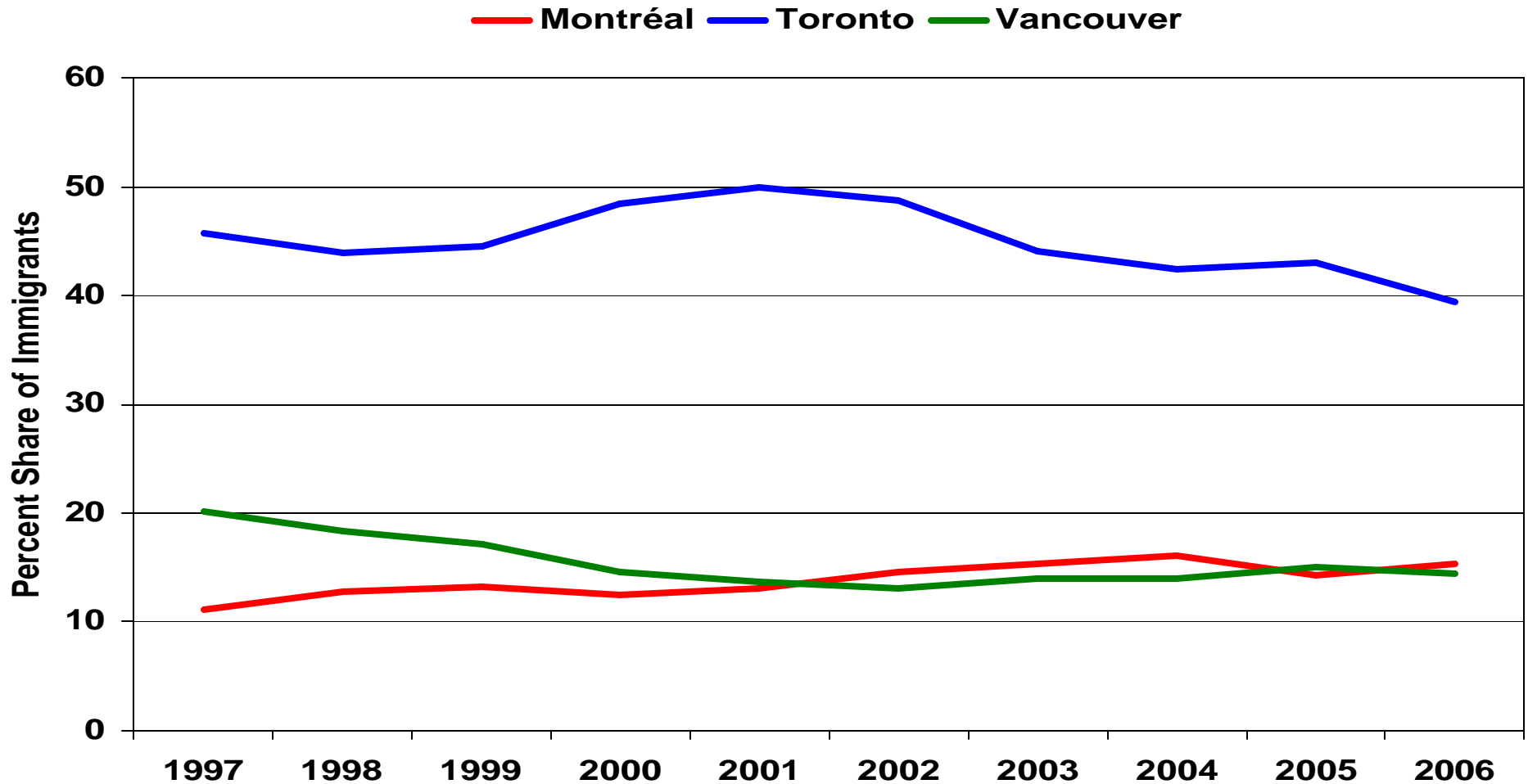
Population Pyramid

Italy versus India, 2005 (percent)



Canada

Share of Immigrants by Census Metropolitan Area, 1997-2006 (percent)



Demographic Projections - Ontario

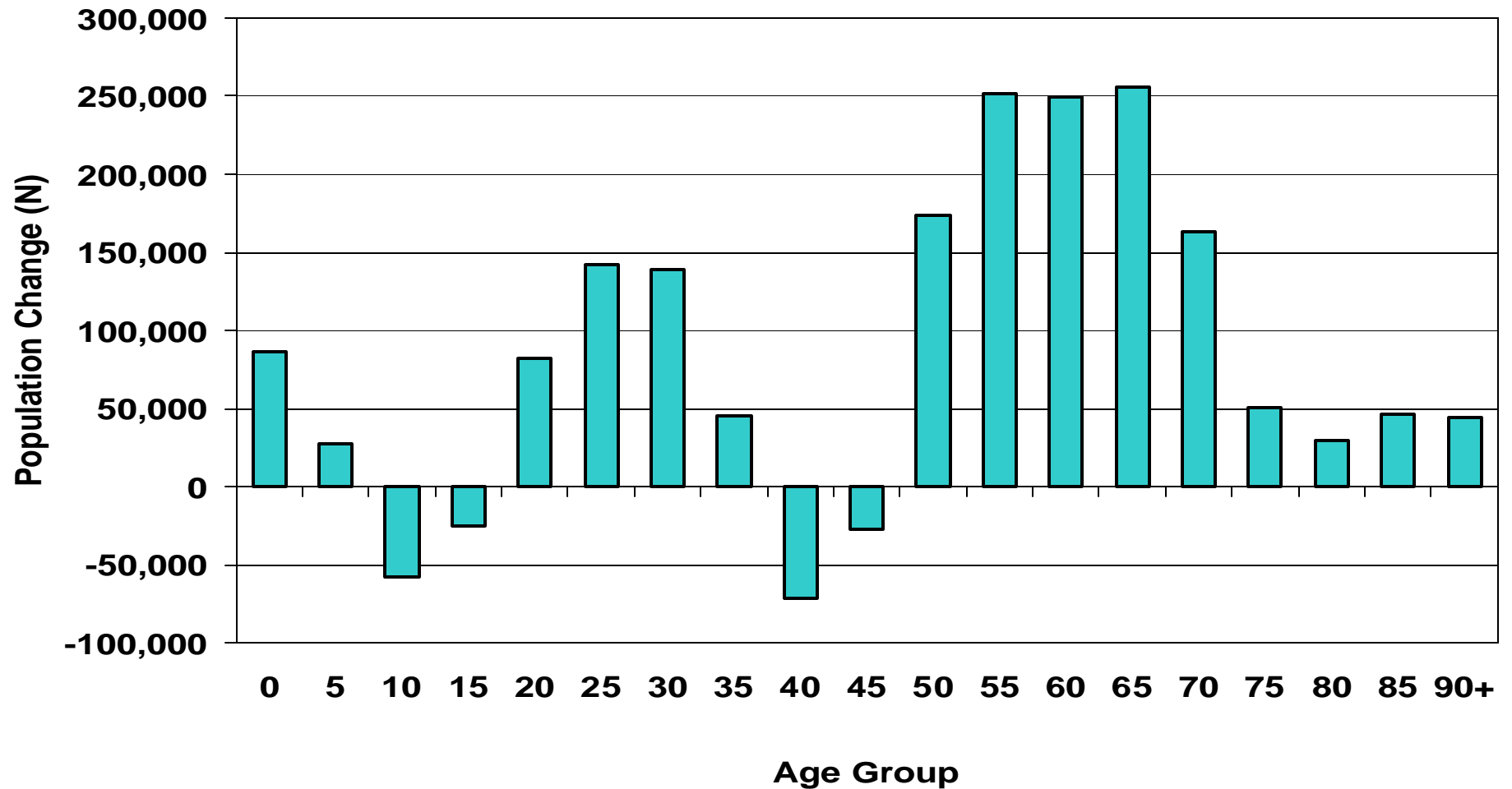
2007-2017

Demographic Projections - Ontario

Ontario's 45+ population will account for over three-quarters of the population growth between 2007 and 2017. Although the 45+ share for Ontario will increase to 44 percent, the share will vary locally.

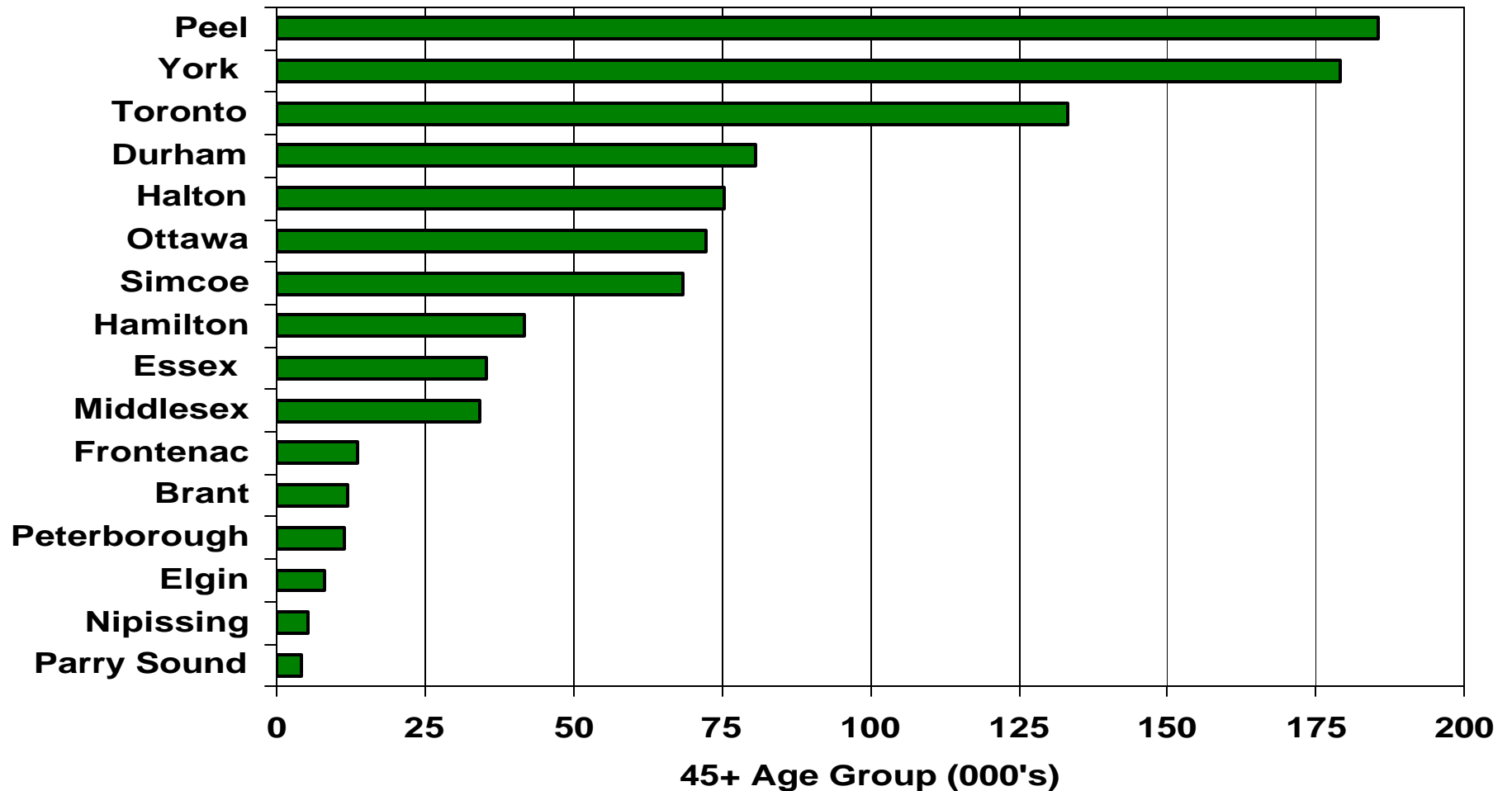
Ontario Population

Projected Change by Age Group, 2007-17 (N)



Ontario

Projected Change, 45+ Age Group, Selected Counties, 2007-17 (000's)

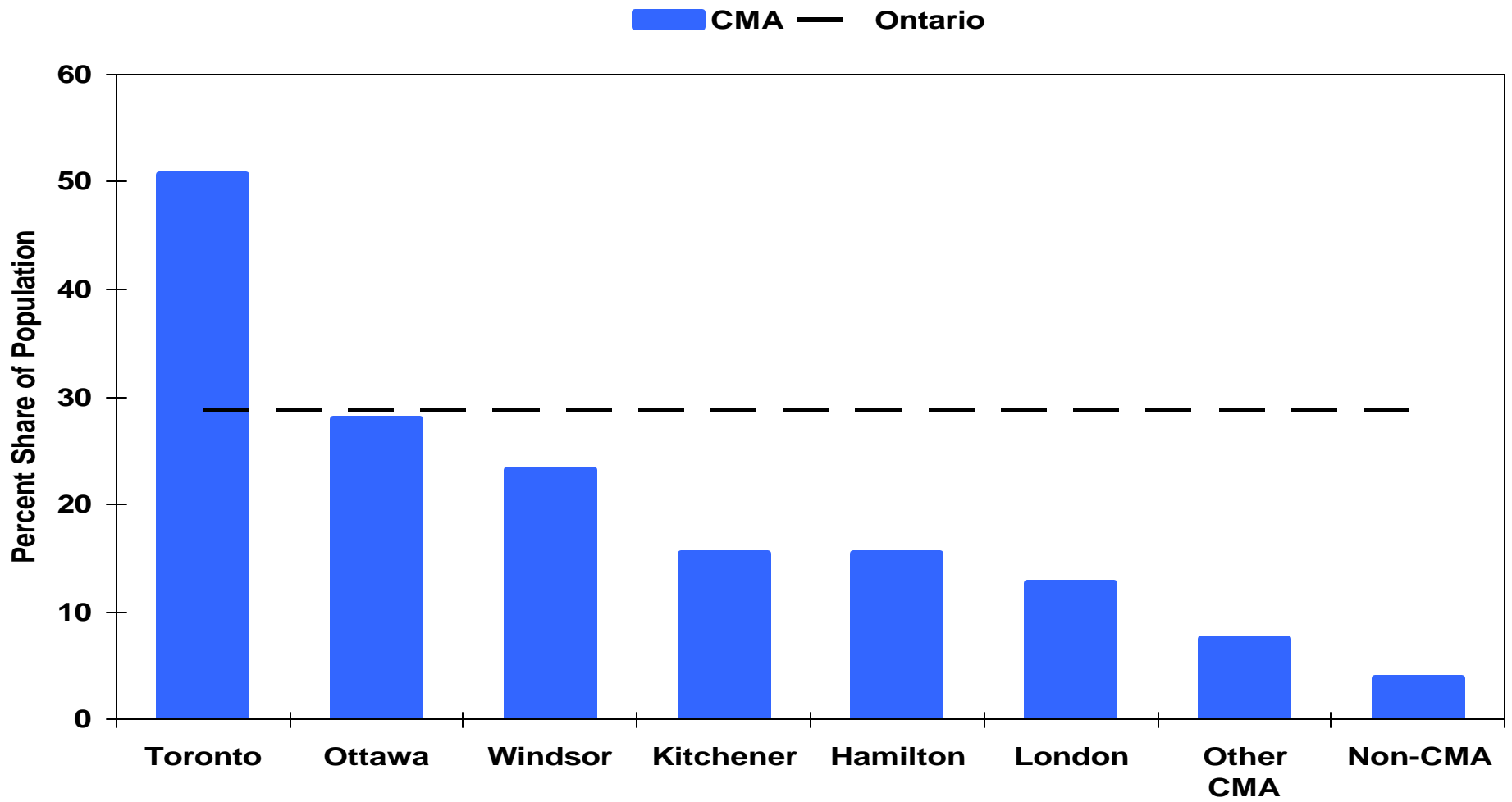


Demographic Projections - Ontario

Currently, two in ten Ontario residents are a visible minority. By 2017, Statistics Canada projects that three in ten will be visible minorities. The diversity of the province's population will continue to be skewed regionally.

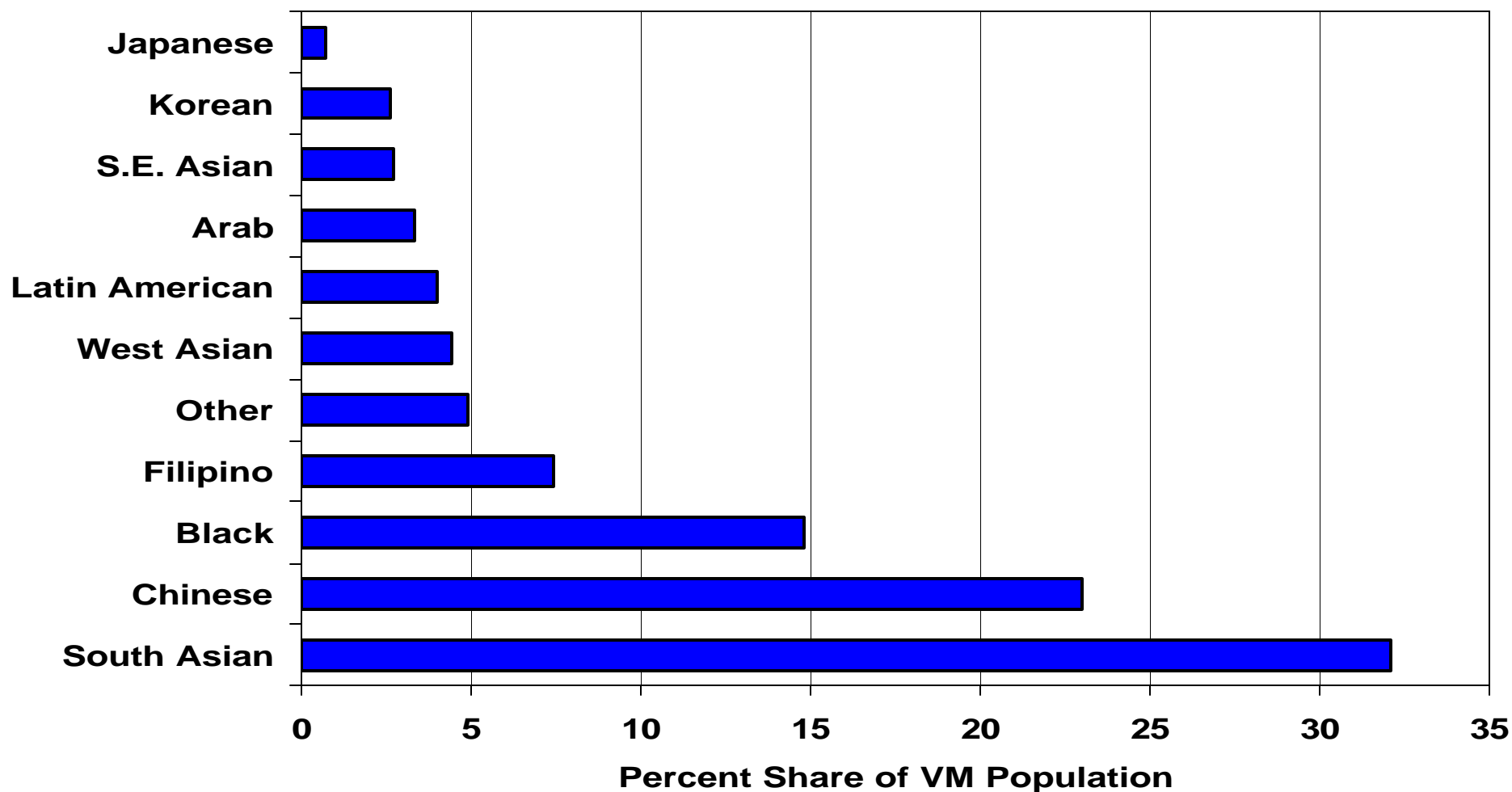
Ontario Population

Projected Visible Minority Population Share by CMA, 2017 (percent)



Toronto Census Metropolitan Area

Projected Visible Minority Population by Ethnic Group, 2017 (percent)



Demographic Forecasting

To construct a demographic forecast, you need to know the size of your market, both in total and by strategic age groups.

Demographic Trends - Ontario

Between 2007 and 2017, 1.6 million people will be added to the population of Ontario, an increase of 12.5 percent.

Demographic Trends - Ontario

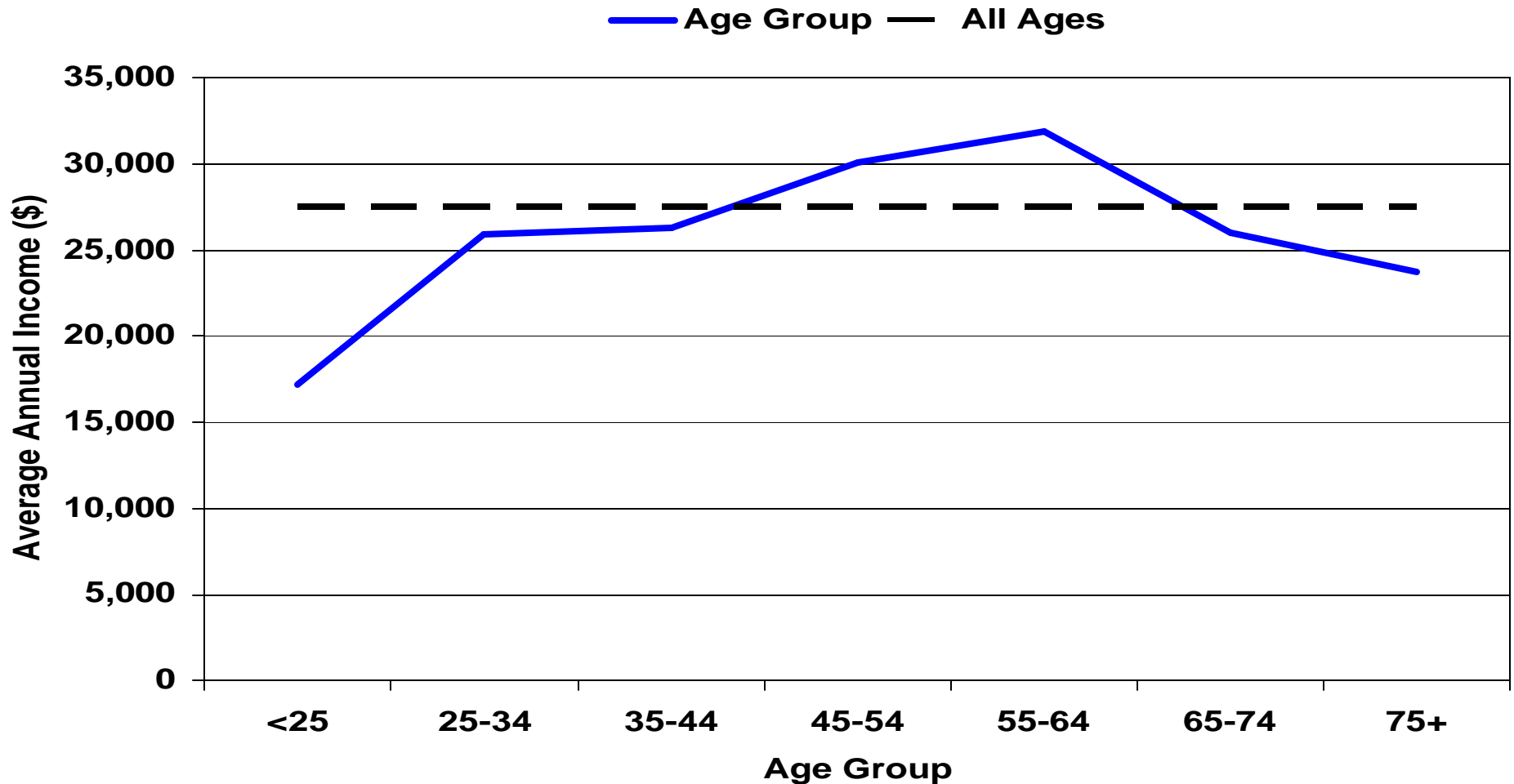
Between 2007 and 2017, about 1.24 million people 45 and older will be added to Ontario's population. The under 45 age group will increase by 369,000. The 35-44 age group will decrease by 26,000.

Demographic Forecasting

To construct a demographic forecast, you also need to know how consumers spend their money (or time) differently over the life cycle.

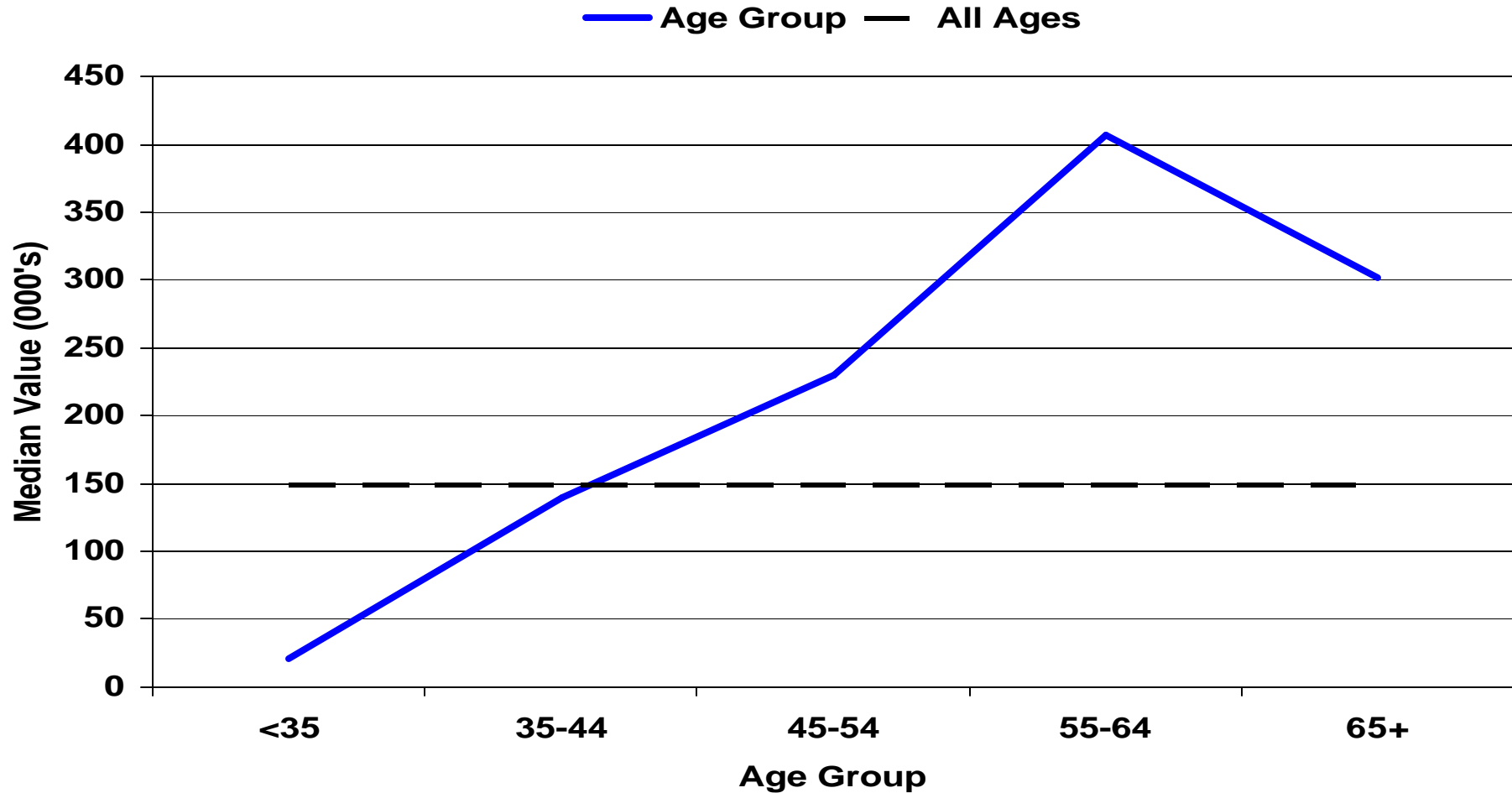
Household Income Before Taxes

Canada, 2006 (income per person)



Net Worth (median) by Age Group

Canada, 2005 (\$000's)

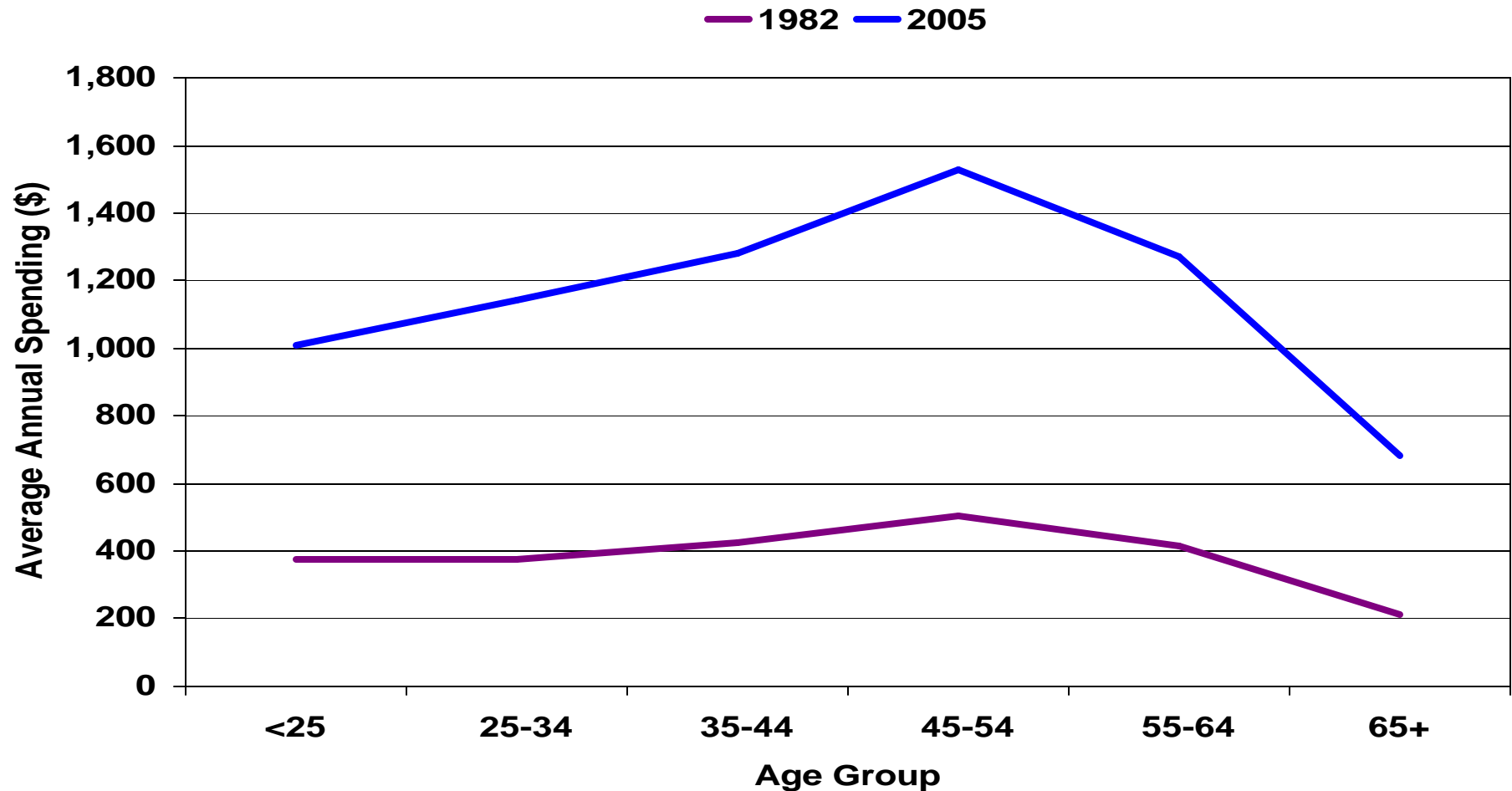


Demographic Forecasting

Finally, a demographic forecast assumes that life cycle spending patterns are fairly durable.

Vehicle Insurance

Canada, 1982 versus 2005 (current \$ per household)

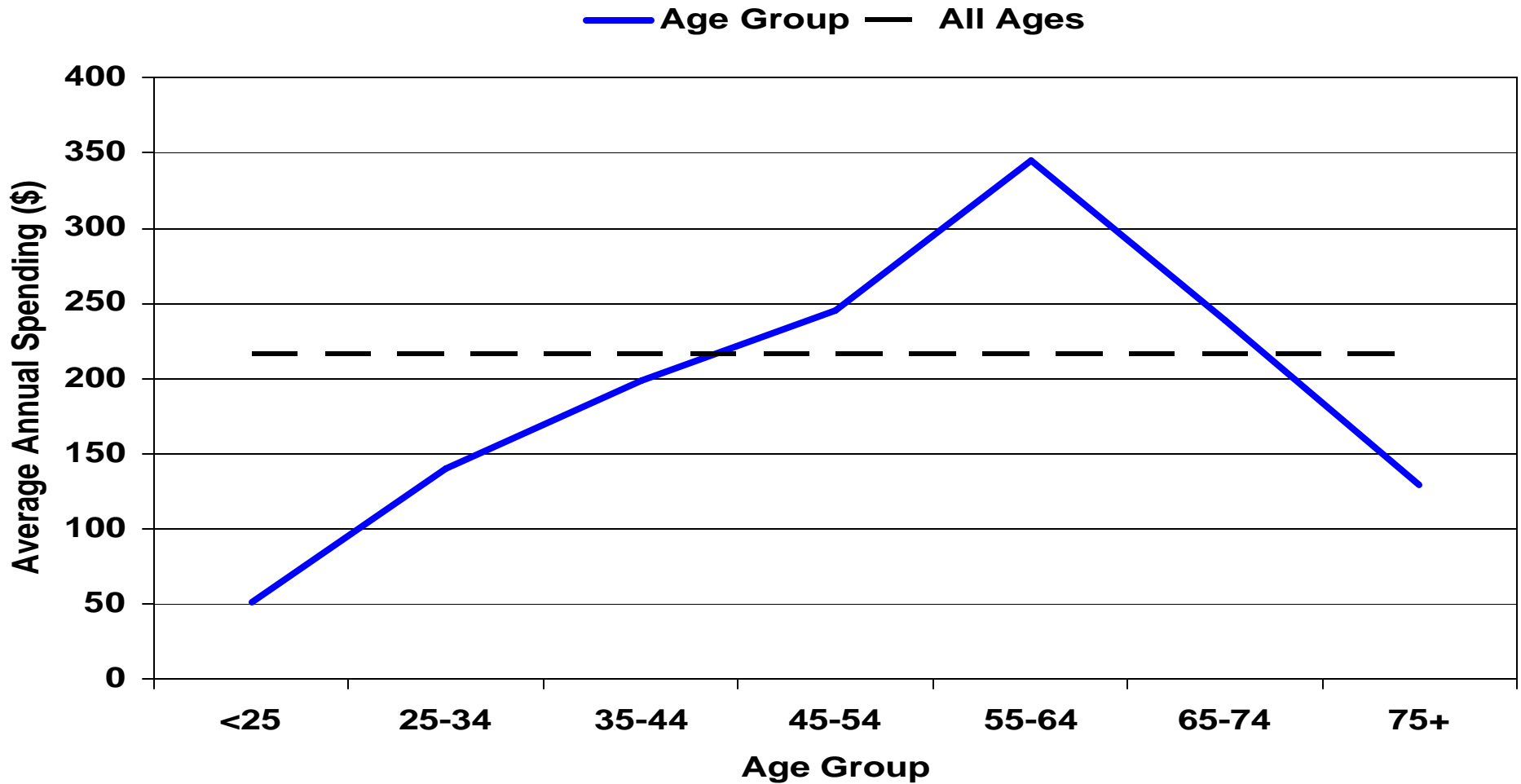


Demographic Forecasting

A demographic forecast marries data on the projected population with data on consumer spending by age. Let's take a look at a few consumer spending items that are important to your industry.

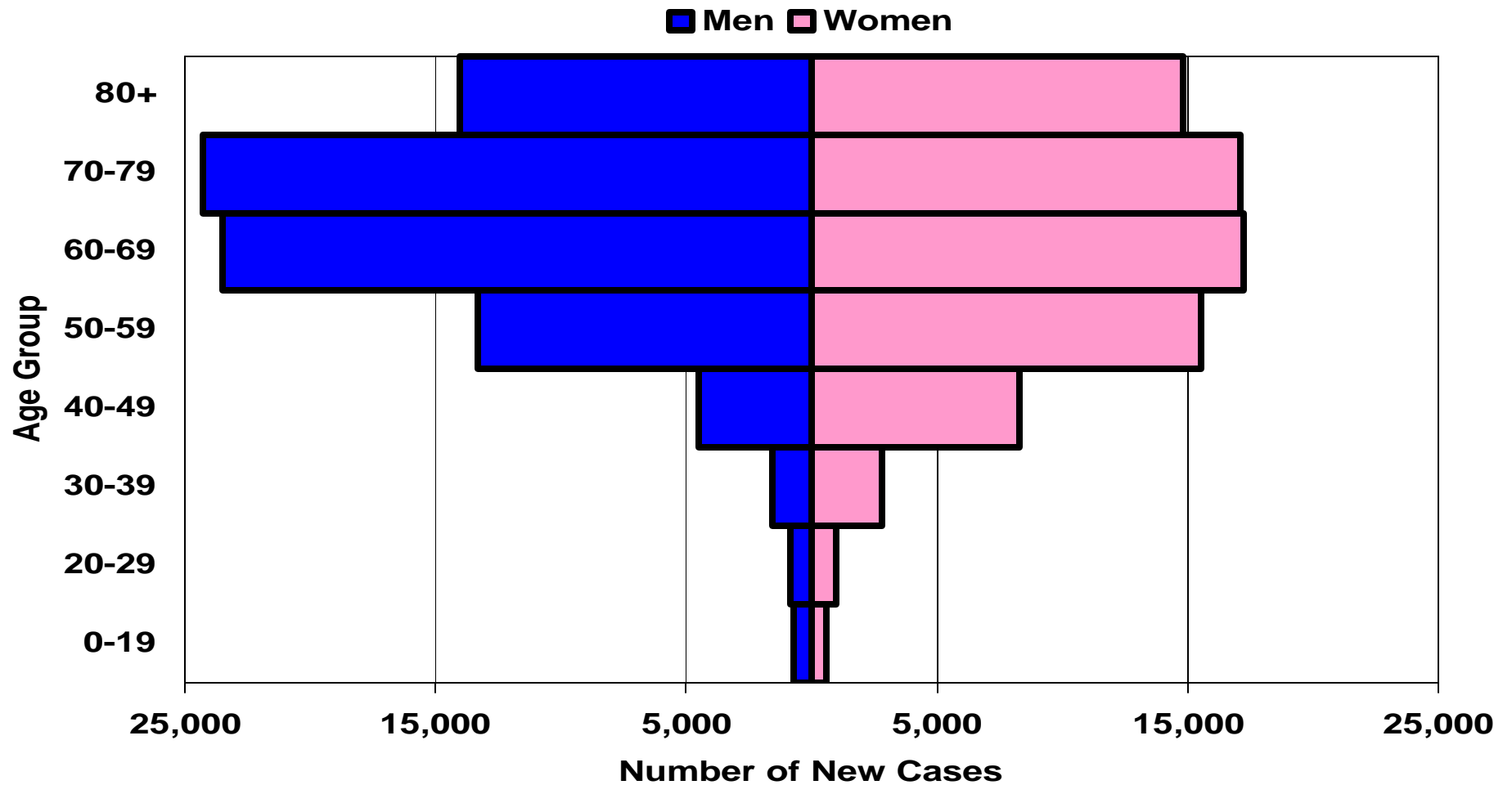
Life Insurance

Canada, 2006 (current \$ per person)



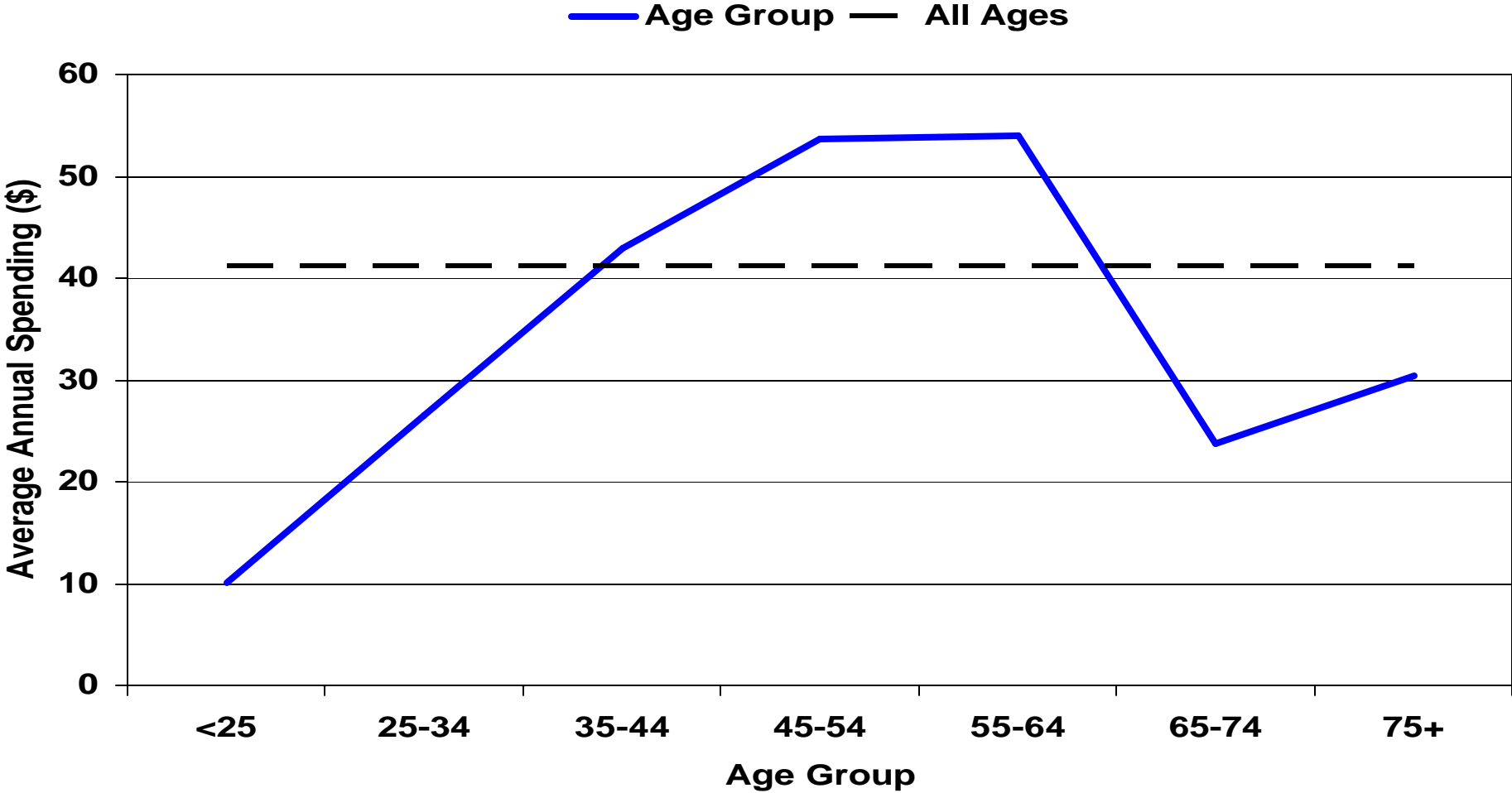
New Cancer Cases

Canada, 2007



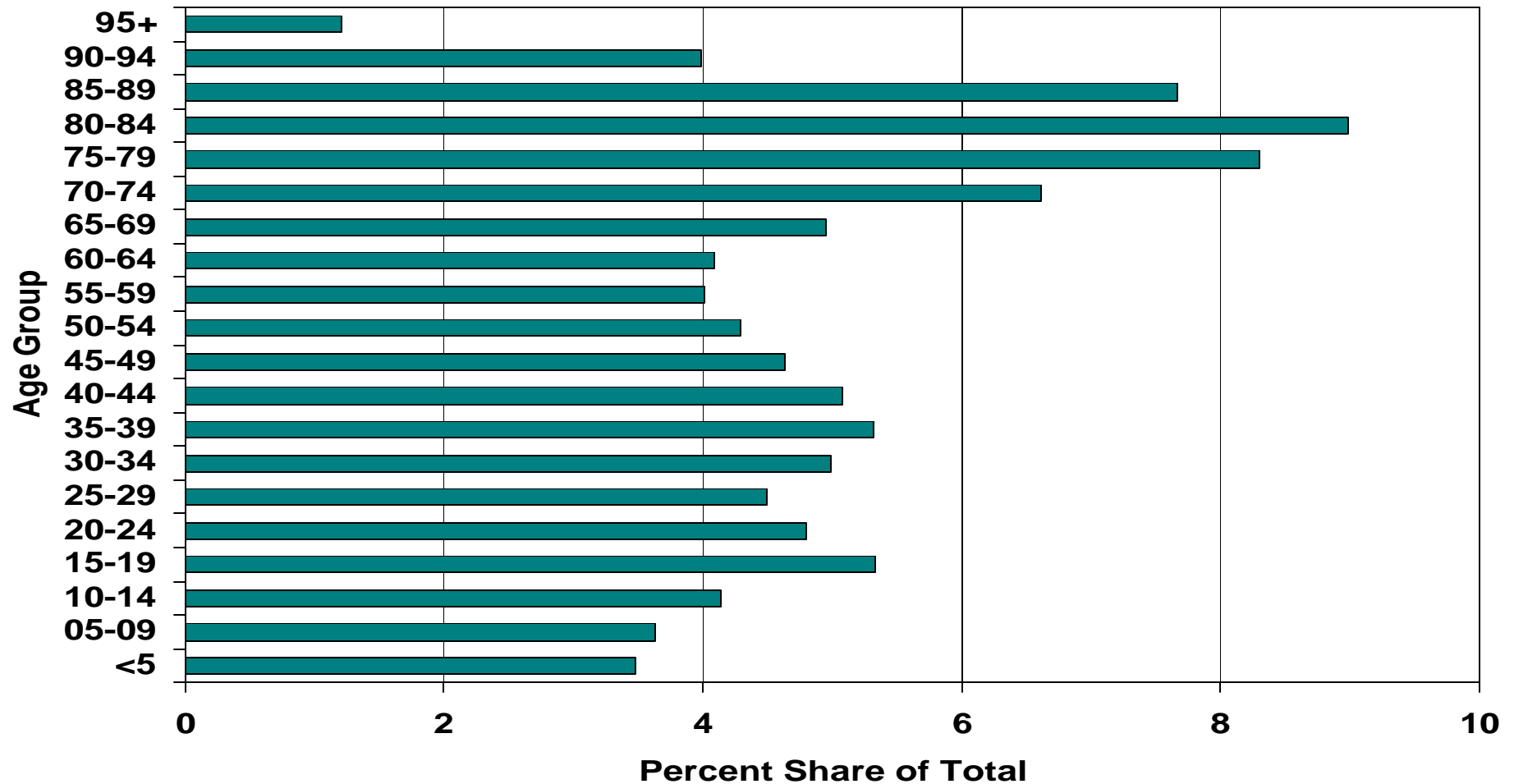
Accident and Disability Insurance

Canada, 2006 (current \$ per person)



Hospitalization Due to Injury

Ontario, 1994-95 to 2003-04 (percent share of cumulative total)

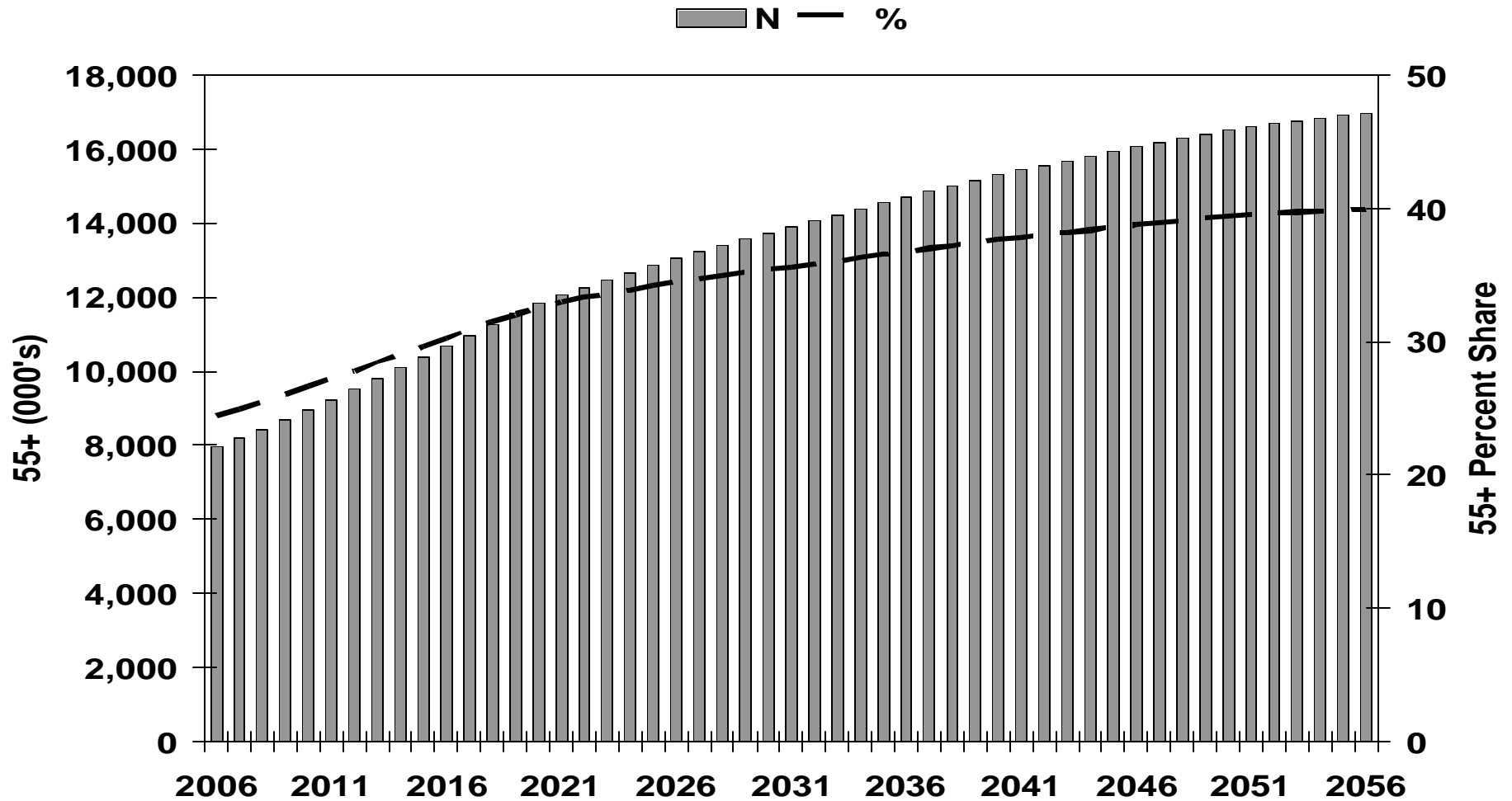


Relative Growth Index (RGI): Spending

Household Spending Item	2008-2013	2013-2018	2008
	RGI	RGI	45+ %
Accident and disability insurance	99	100	62
Private & public vehicle insurance	104	101	53
Dental plans	108	101	54
Tenants' insurance	109	121	48
Insurance (recreational vehicles)	125	132	66
Life insurance premiums	129	136	66
Homeowners' insurance	135	154	66
Private health care plans	139	152	64
Insurance (owned vacation home)	166	173	81

55-plus Population

Canada, 2006-2056 (N and percent share of population)

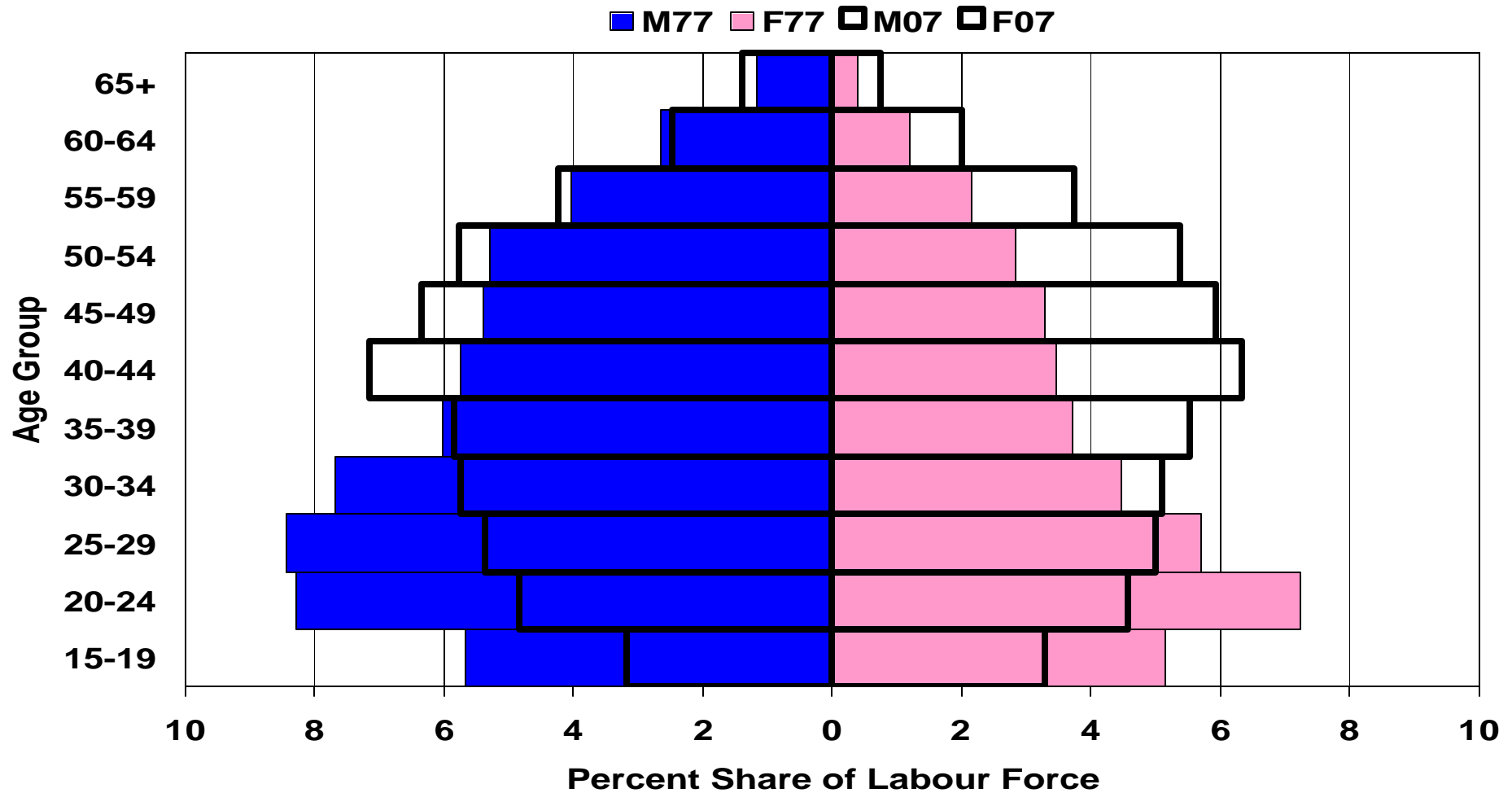


Demographics and the Labour Market

The educational services sector has been challenged by the issue of an aging work force for the last 30 years. The issue is now affecting other industries in Ontario.

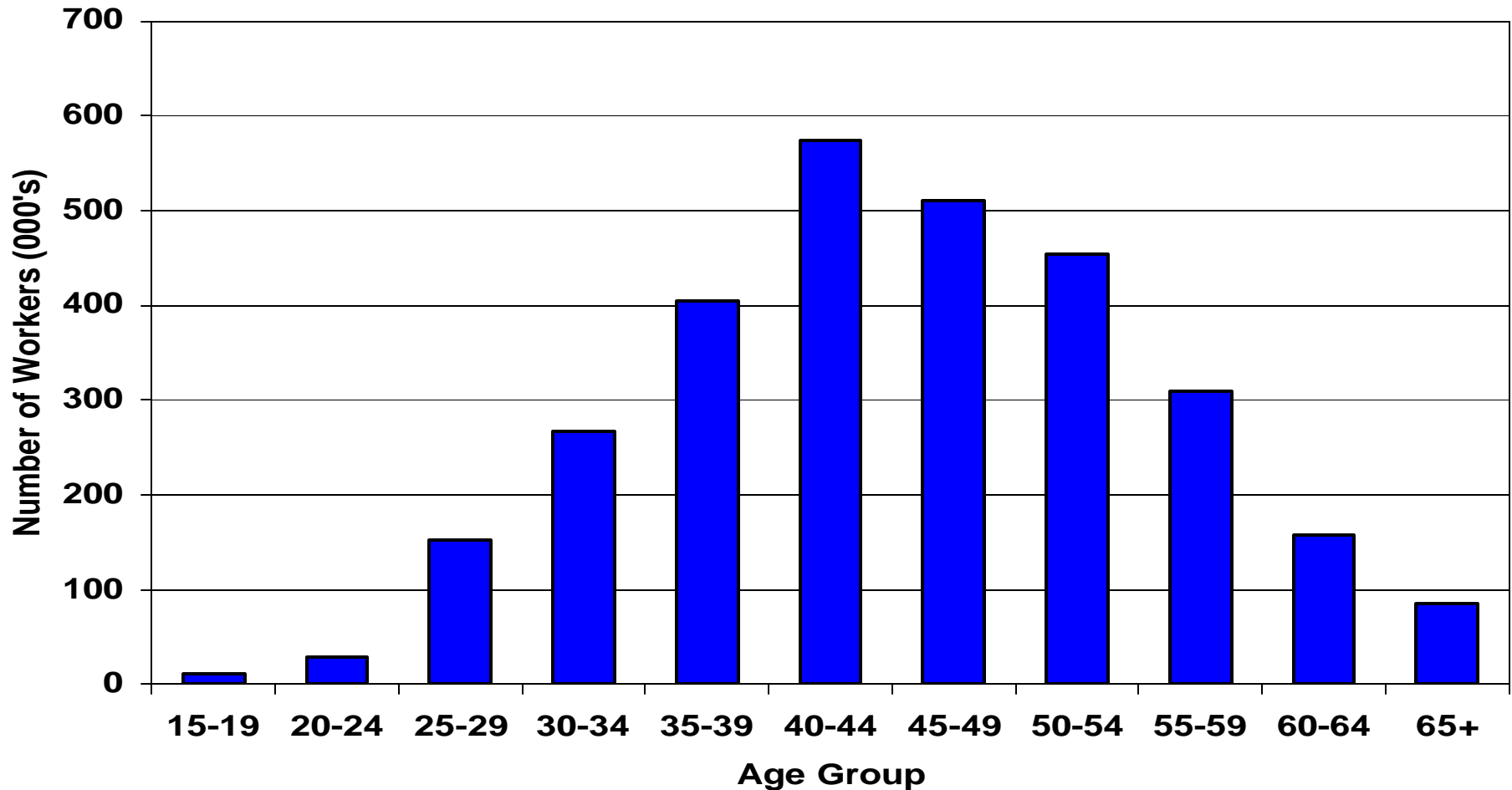
Labour Force Pyramid

Ontario, 1977-2007 (percent share)



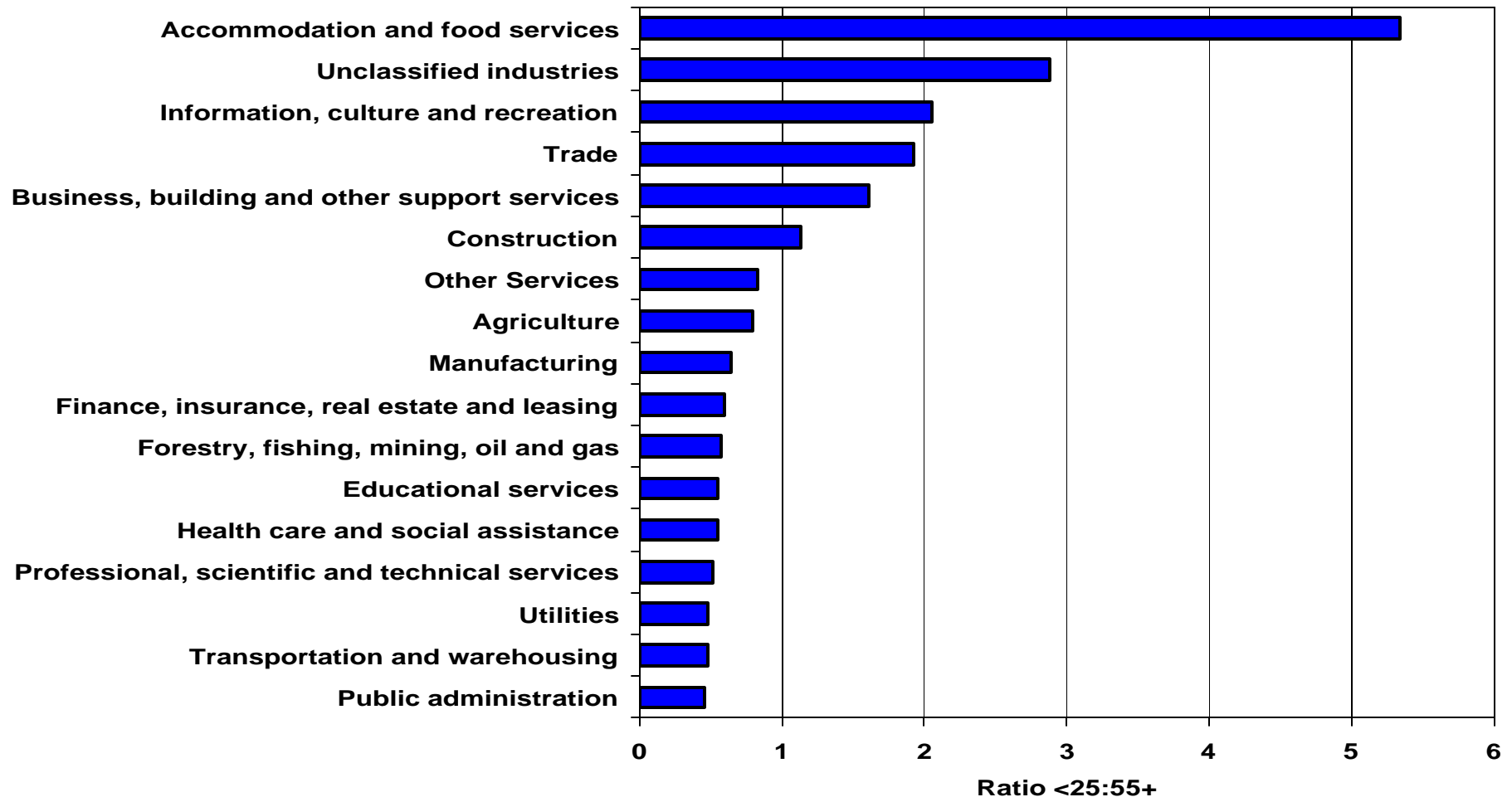
Labour Force Change

Ontario, 1977-2007 (thousands)



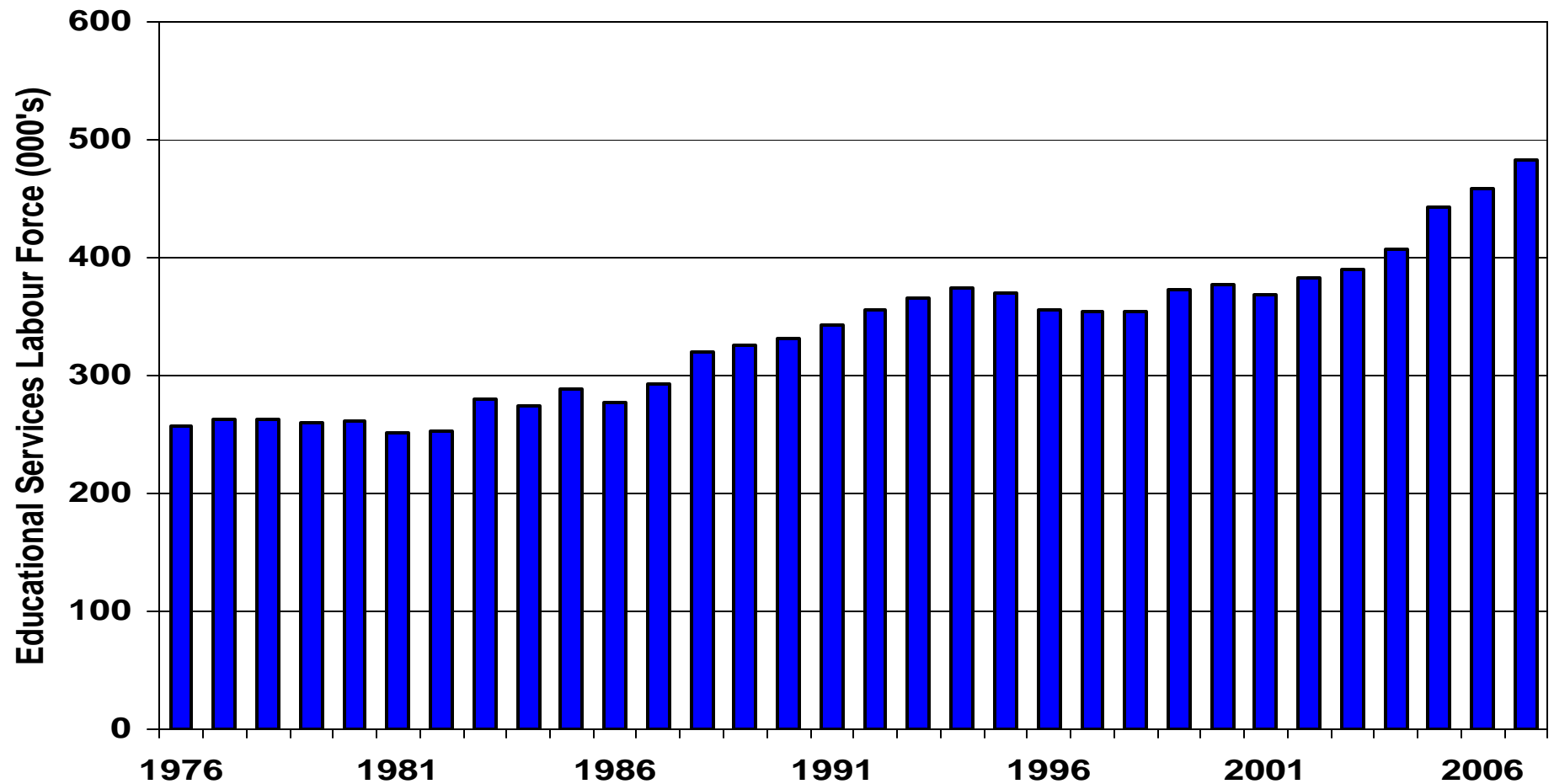
Entry/Exit Ratio by Industry (<25:55+)

Ontario, 2007



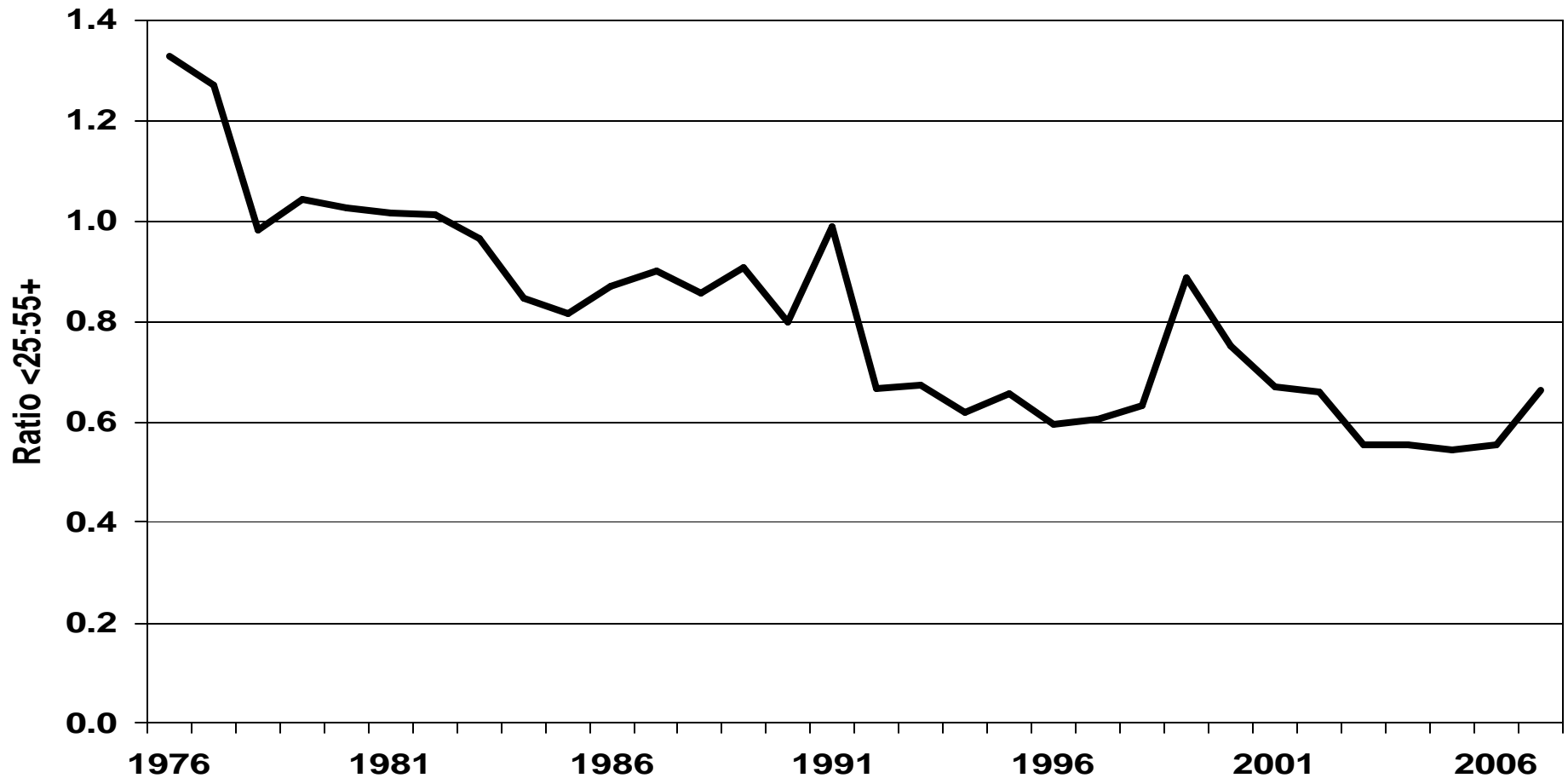
Labour Force, Educational Services

Ontario, 1976-2007 (000's)



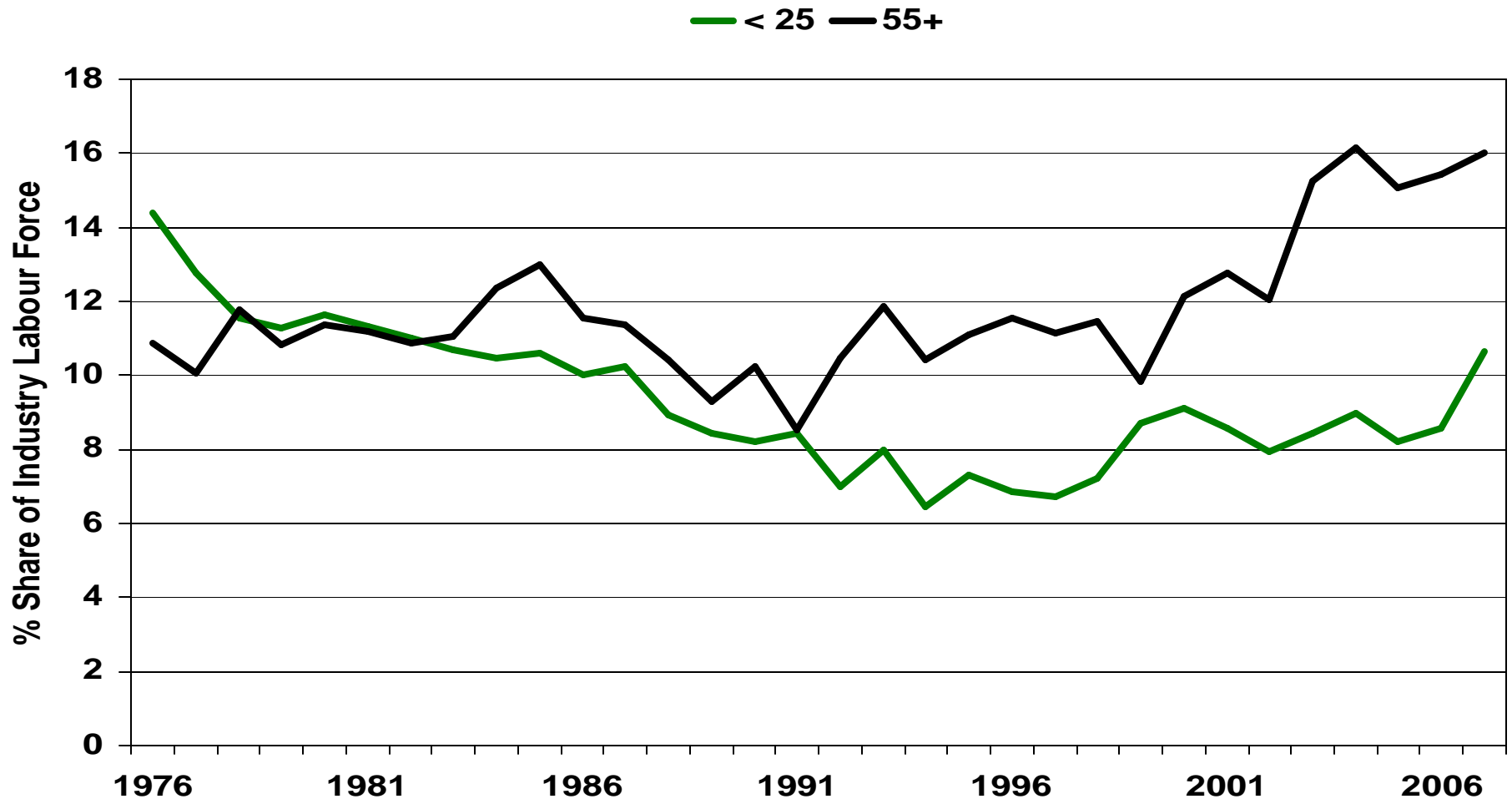
Entry/Exit Ratio, Educational Services

Ontario, 1976-2007



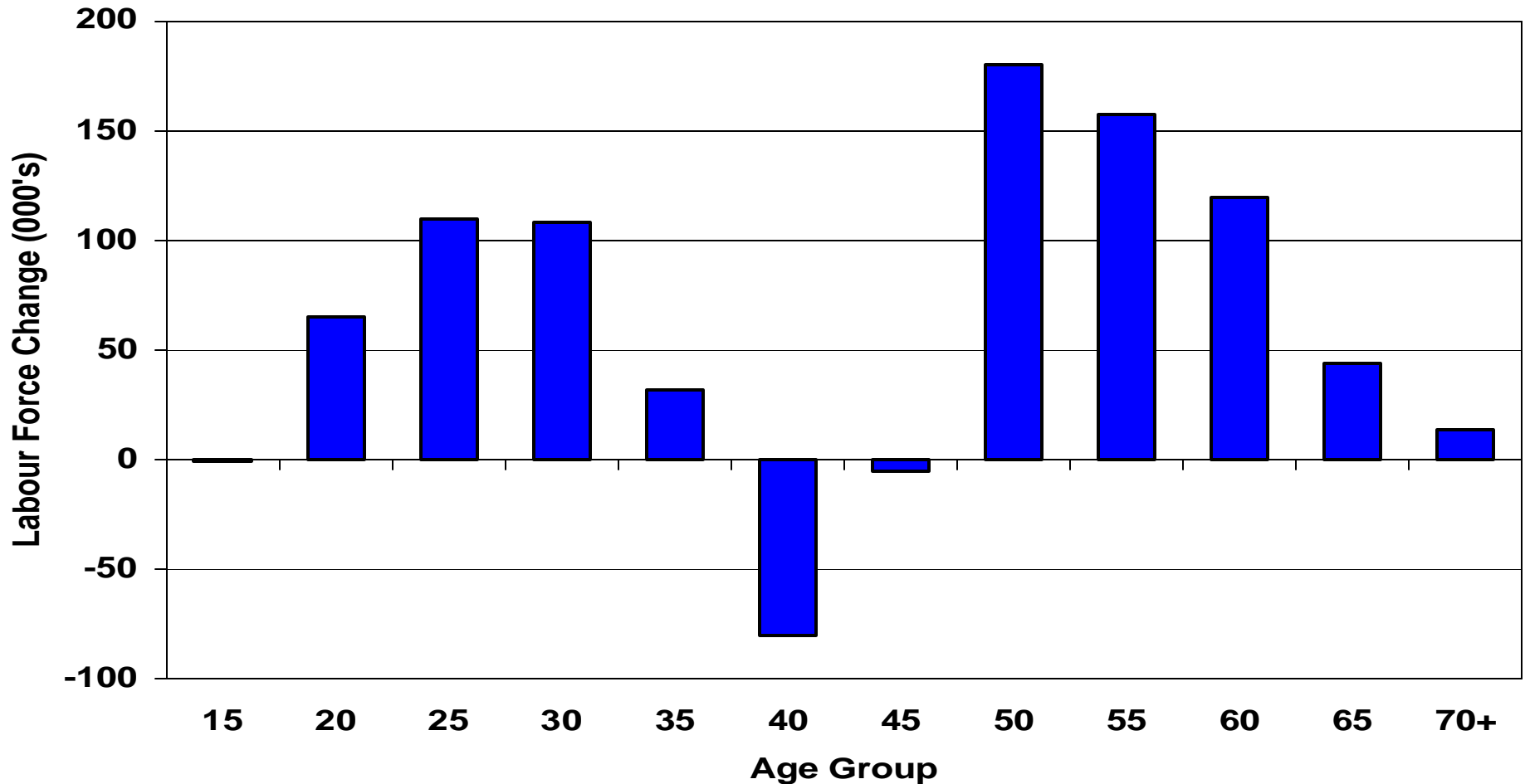
Entry/Exit Shares, Educational Services

Ontario, 1976-2007 (percent)



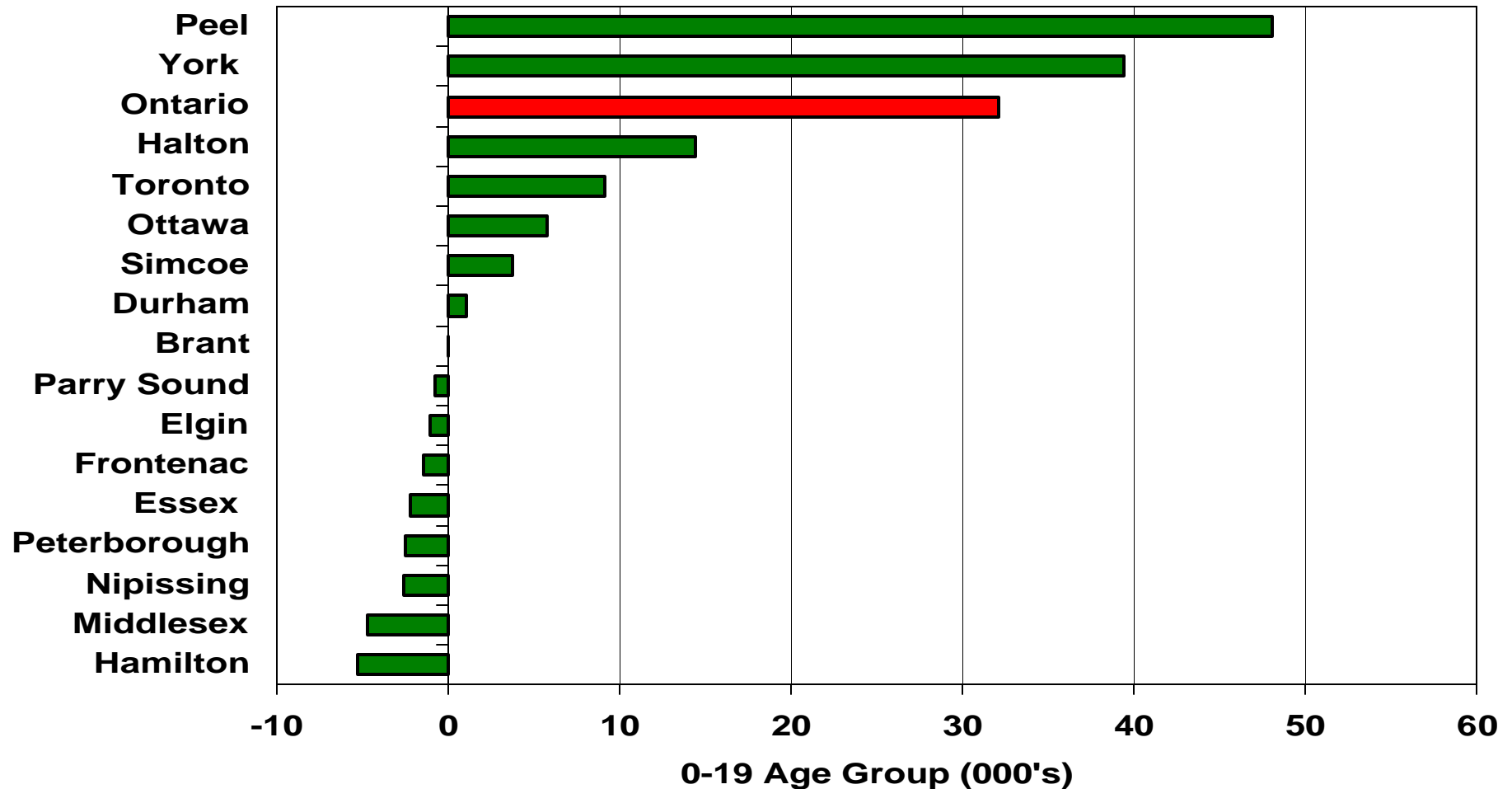
Labour Force Change by Age Group

Ontario, 2006 to 2016 (thousands)



Projected Change, 0-19 Age Group

Ontario, Selected Census Divisions, 2007-2017 (000's)



Demographics and Marketing

“Everybody is not on the Net”. In 2005, two-thirds of Ontario residents 18+ used the Internet from home. One-third of 18+ Canadians use the Internet for banking or paying bills.

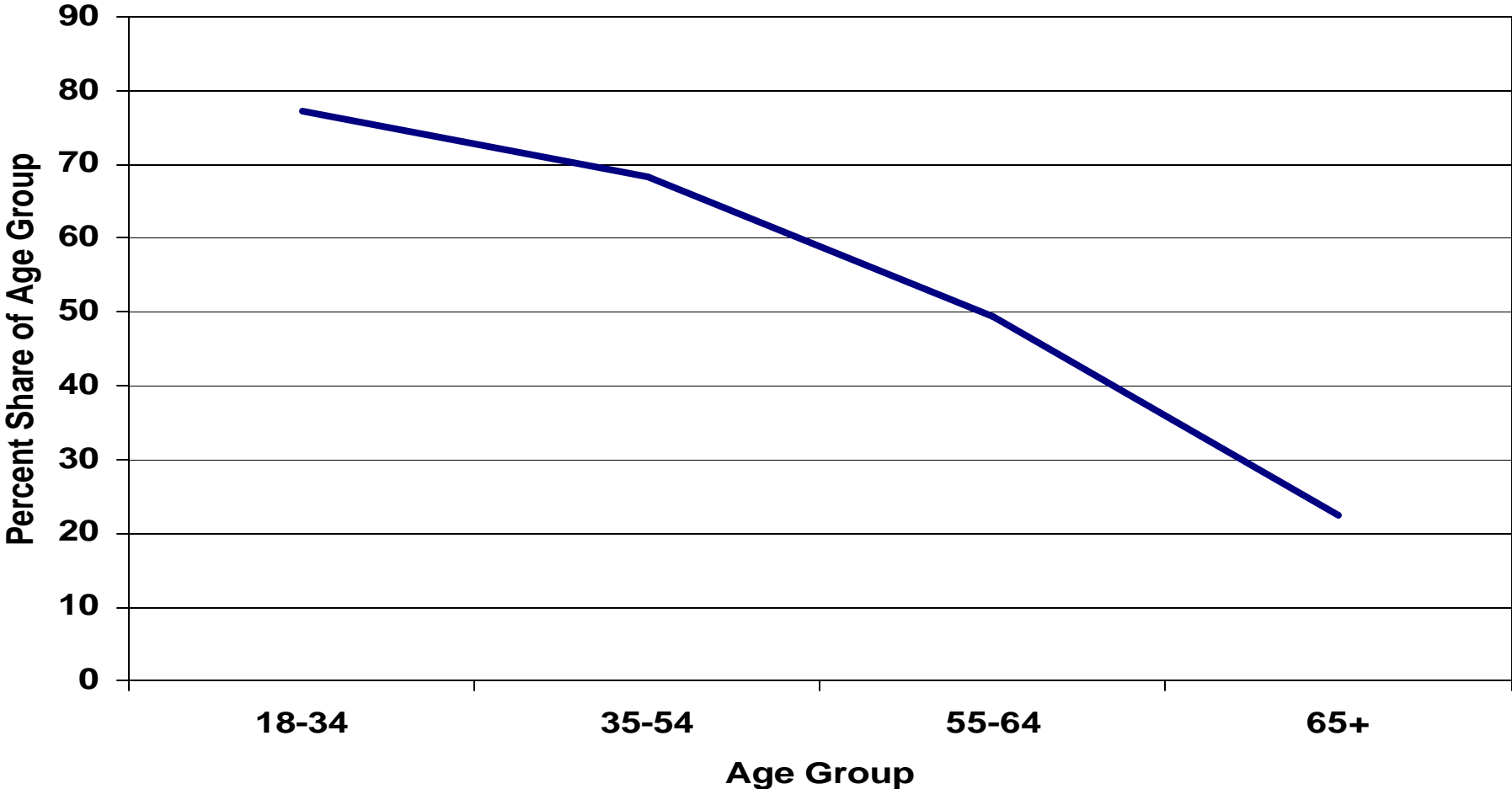
Internet Use

Canada, 2005 (percent share of population)

Use	18+ Canadians
E-mail	55.6
General browsing (surfing)	51.2
Obtaining weather reports or road conditions	40.5
Travel information or making travel arrangements	38.5
Viewing the news or sports	37.6
Searching for medical or health related information	35.3
Electronic banking	35.2
Paying bills	33.5
Searching for information on Canadian municipal, provincial or federal government	31.7
Education, training or school work	26.1
Researching community events	25.8
Playing games	23.5
Participating in chat groups or using a messenger	23.1
Obtaining or saving music	22.3
Obtaining or saving software	19.4
Researching investments	16.0
Listening to the radio over the Internet	15.9
Communicating with Canadian municipal, provincial or federal government	13.8
Other Internet activity	6.7
Downloading or watching television	5.2
Downloading or watching a movie	5.0

Home Internet Users

Canada, 2005 (percent)

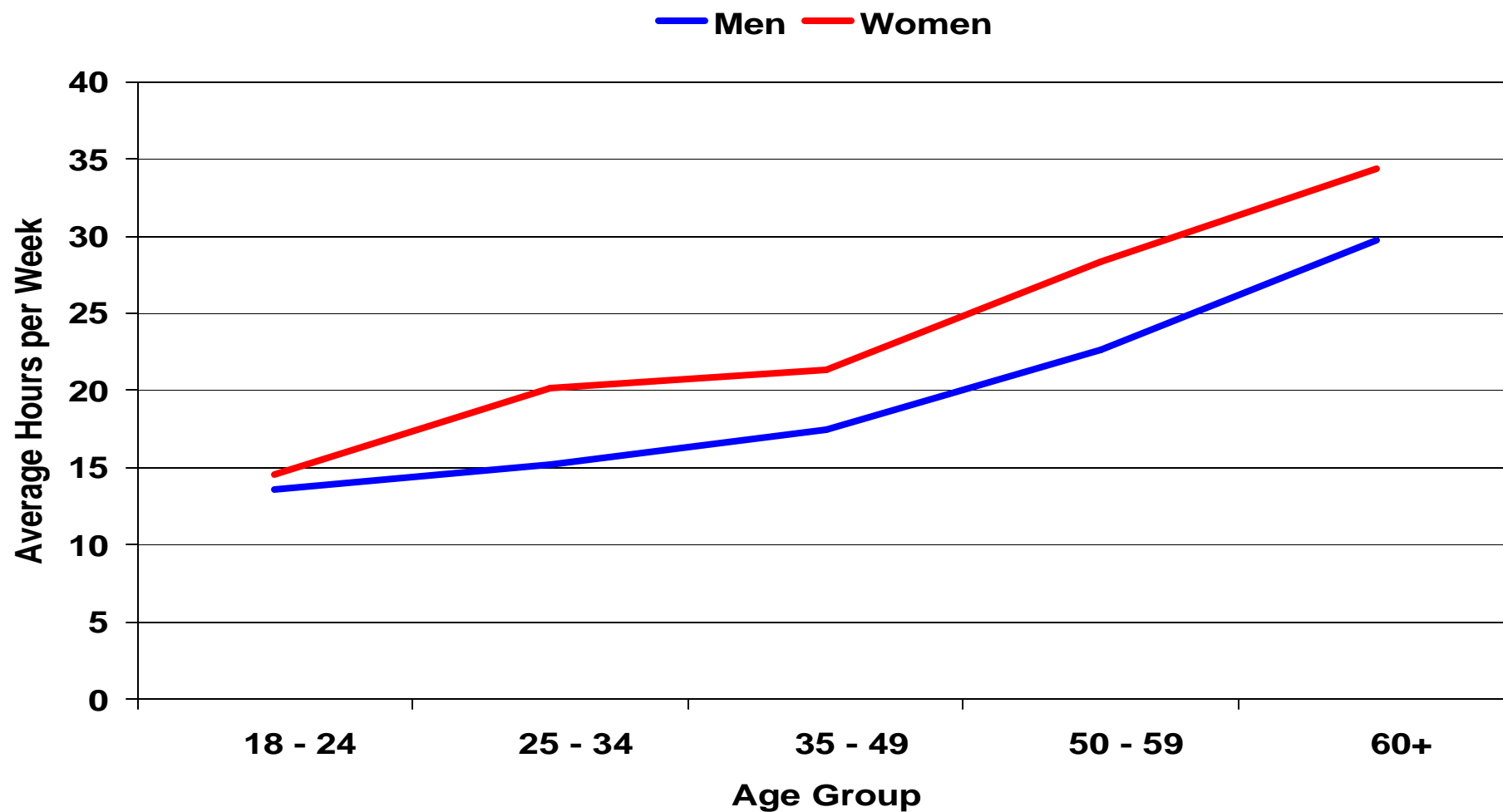


Demographics and Marketing

Traditional marketing tools remain effective options for reaching the 45-plus consumer

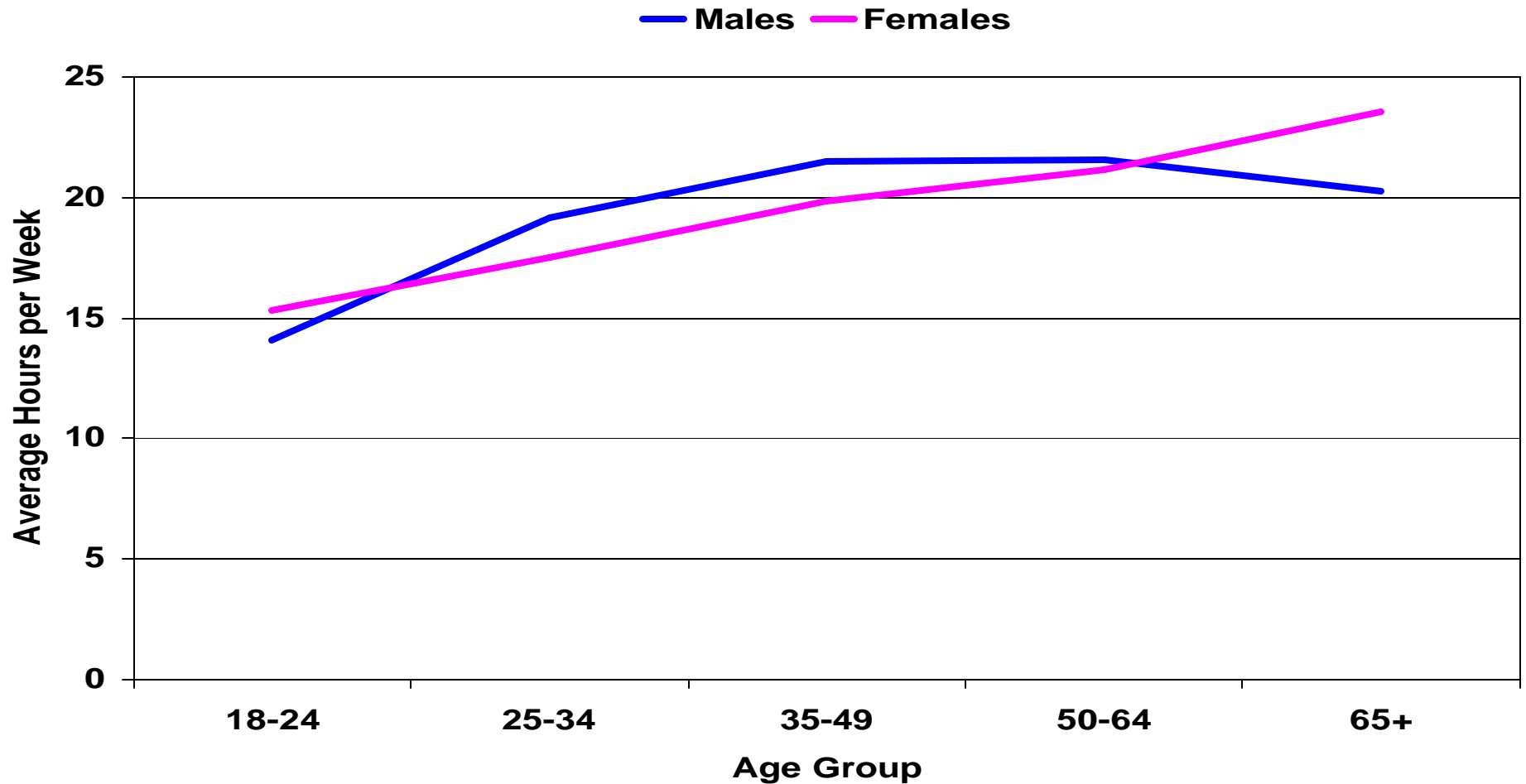
Television Viewing

Ontario, 2004 (hours per week)



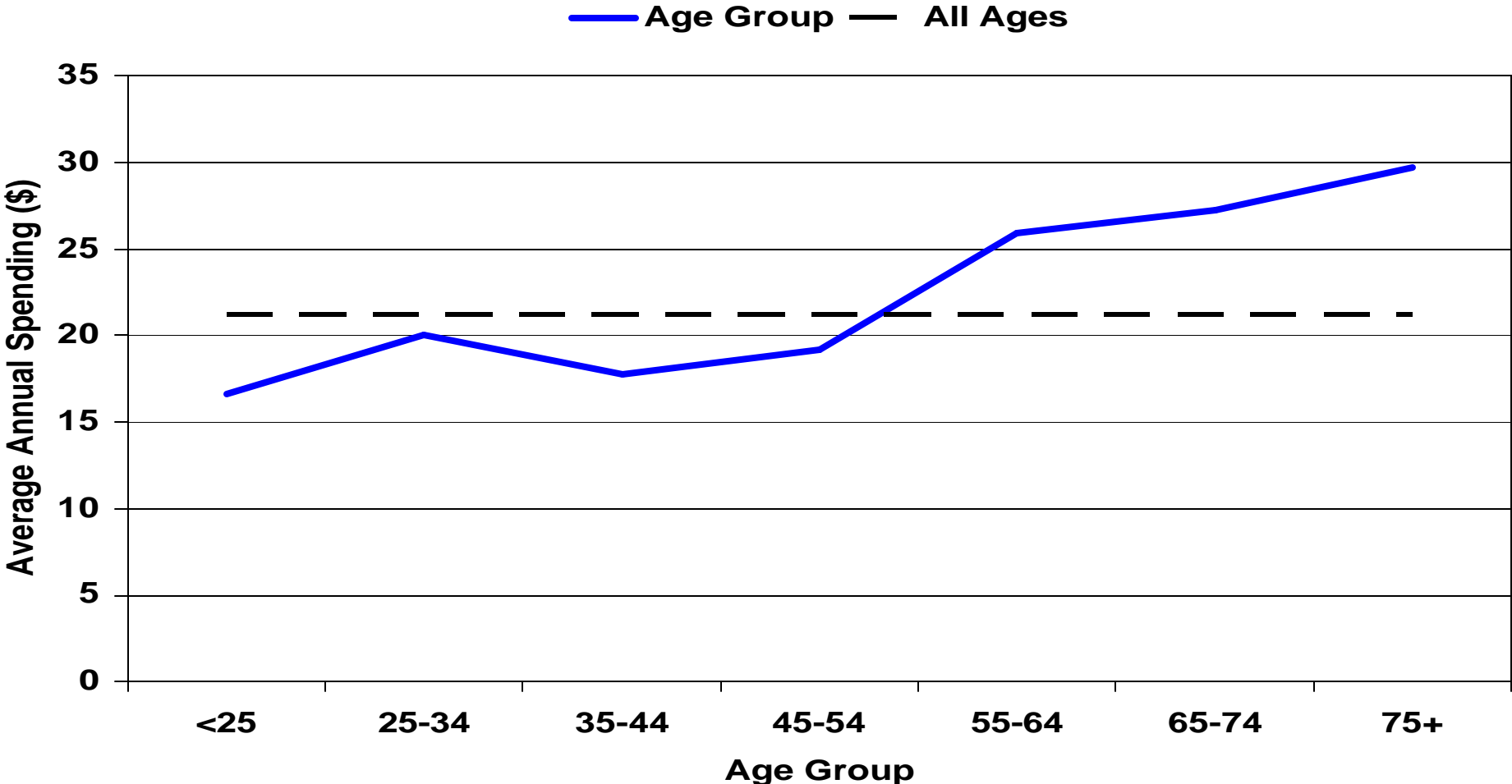
Radio Listening

Ontario, 2006 (hours per week)



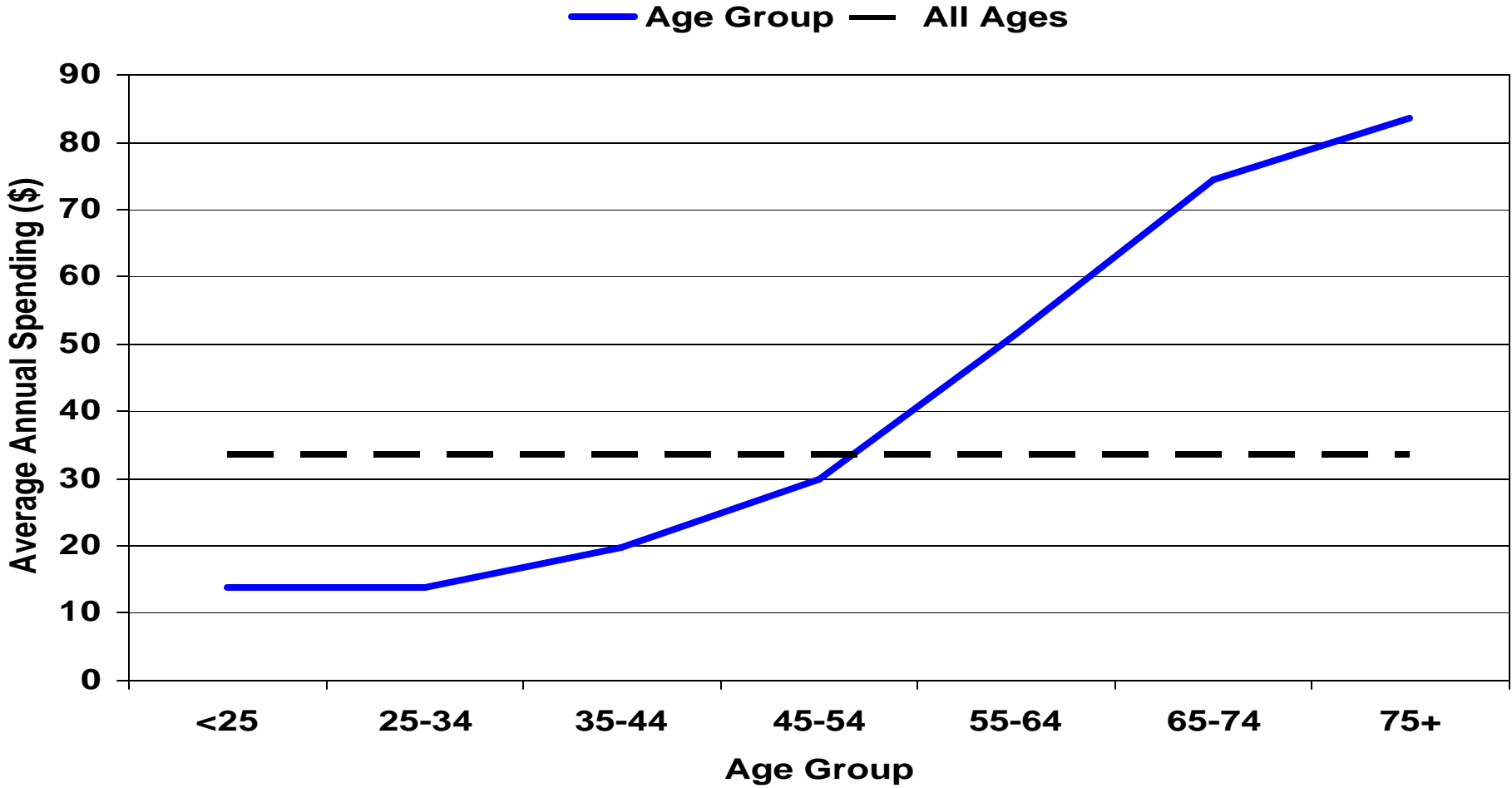
Household Spending - Canada

Magazines, 2006 (\$ per person)



Household Spending - Canada

Newspapers, 2006 (\$ per person)



Applying Demographics to Business Strategy

What should you remember about this presentation?

1. Demographics as the foundation of strategy:
 - Life cycle analysis - “Acting your age”
 - Durability of consumer behaviour by age
2. Methodology:
 - In-depth comparative and historical analysis
 - Segmentation by age, ethnicity, and geography
3. Be challenged not intimidated by the implications of demographic trends:
 - Magnitude and direction of demographic pressure
 - Creativity

Applying Demographics to Business Strategy

What should you remember about this presentation?

4. Increasing importance of the 45-plus consumer:
 - Favoured products
 - Income
 - Quality and service
5. Marketing:
 - Multi-media, targeted approach

Applying Demographics to Business Strategy

QUESTION?

- Thinking about your geographic markets and customers, what impacts will demographic trends have on:
 - Current products and services
 - New products and services
 - Marketing approaches

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