

Intelligence MEMOS



From: Parisa Mahboubi and Daniel Hiebert
To: Concerned Canadians
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Re: **THE DEMOGRAPHIC SLOWDOWN HAS ARRIVED**

Canada's population growth has nearly halted – even as the illusion persists that immigration alone can resolve our demographic challenges.

New data from [Statistics Canada](#) show that from January to April 2025, the population grew by just 20,107 people – the smallest quarterly gain since 1946, except for the 2020 Covid freeze. The increase came entirely from international migration. Deaths have now outpaced births in every first quarter since 2022 – a structural shift tied to population ageing.

What's more alarming is where these shifts are happening. Ontario and British Columbia, long magnets for newcomers, both saw quarterly population declines for the first time ever. Quebec's population also fell. These aren't remote [regions](#) losing residents – they're Canada's engines of growth.

This demographic slowdown isn't accidental. In 2024, the federal government began [scaling back](#) both temporary and permanent migration after years of rapid growth driven by international students, temporary workers, and record levels of permanent resident admissions. That pullback – motivated by housing pressures and strained public services – is now clearly visible. Non-permanent resident numbers fell by more than 60,000 people in early 2025, led by a steep drop in study permit holders. Permanent immigration also fell to a four-year low.

Some may see this as overdue relief for Canada's overburdened cities. But the broader perspective is being overlooked: Immigration has become the main driver of population growth, and without it, growth stalls.

[Statistics Canada](#) foresees negative natural increase starting in 2031 and continuing in every year to 2074. Yet [immigration alone](#) cannot protect us from an aging population. Between 2021 and 2024 – the highest migration years – the median age [fell](#) slightly, but even so, the share of seniors compared to the 15 to 64 working-age population – the old-age dependency ratio – still rose.

Our recent C.D. Howe Institute [study](#) reinforces this point: Immigration increases population size far more than it shifts age structure. Even doubling the immigration rate would only slow the increase in Canada's old-age dependency ratio, at the cost of massive infrastructural investment required to support tens of millions more residents. Immigration can delay the effects of aging, but it cannot reverse them.

The study also highlights some more sobering arithmetic: For every 10 new permanent residents, only about six join the workforce in the near term. The rest are too young, too old, or not immediately active. And because those newcomers also [create demand](#) for housing, healthcare, and other services, four additional workers are needed just to meet their consumption needs. Net labour force gains are small without broader planning and investment.

Canada is undergoing a demographic transition without a clear long-term strategy. Immigration targets remain relatively [high](#) by historical standards, but there is little effort to stabilize fertility, [encourage](#) delayed retirement, or boost productivity and investment. Meanwhile, key services like healthcare, housing, and education remain reactive, overstretched, and uncoordinated.

We need a reset. Immigration – both temporary and permanent – must be part of a national population strategy that aligns with long-term economic goals. That means investing in infrastructure, easing [credential recognition](#), improving [childcare](#), and planning for [both young families and aging seniors](#). If population growth is to continue without [capital investment](#), we risk a population trap where growth exceeds capacity and lowers prosperity.

[Productivity](#) must also take centre stage. Sustained gains in output per worker – [not just a growing headcount](#) – will determine whether GDP per capita and Canadian living standards rise or stagnate. As our working-age population share shrinks, boosting productivity is the only sustainable path to long-term prosperity – and may even prevent further declines in fertility.

This isn't just Ottawa's problem. [Provinces](#), responsible for education, healthcare, and housing, must align their efforts. The recent population declines in Ontario, British Columbia, and Quebec should be a wake-up call: Tweaking immigration numbers isn't enough. We need intergovernmental coordination and a clear vision of where we are [headed](#).

Ultimately, we must stop treating immigration, infrastructure, aging, and [labour force development](#) as separate conversations. They are deeply intertwined. The future will be both larger and older. Whether that leads to resilience or strain depends on how we manage growth – and who benefits from it.

Immigration remains essential. But to truly support a sustainable and inclusive Canada, it must be embedded in something larger: A long-term demographic and economic plan that treats aging not as a crisis, but as a fact of life to be managed wisely.

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