

# NEWS RELEASE

## Shrinking ratio of Canadian workers to seniors will strain government finances in coming years; only 3 working age individuals for every senior by 2027

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**VANCOUVER**—As Canada’s population ages, the number of working-aged Canadians relative to the number of seniors has declined from 5.4 in 2000 to 3.4 in 2022, which means government spending related to demographics is increasing at the same time that the growth in tax revenues is declining, finds a new study by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Workers pay the bulk of taxes, which governments need to fund important services, including health care and income transfers to seniors. As the relative number of seniors grows, and the relative number of workers declines, government finances across Canada will be put under increasing strain,” said Ben Eisen, senior fellow at the Fraser Institute and co-author of *Understanding the Changing Ratio of Working-Age Canadians to Seniors and Its Consequences*.

The study finds that the share of Canada’s population that is 65 or older increased from 14.1 per cent in 2010 to 19.0 per cent in 2022. Statistics Canada projects this number will increase to 25.0 per cent by 2059.

At the same time, the share of the population that is working-age (aged 15 to 64) is declining, such that the ratio of workers to seniors is also shrinking. For example, in 1970, the ratio of workers to seniors was 7.8, meaning there were almost 8 workers for every senior. This year, that ratio has dropped to just 3.4 workers to every one senior. By 2050, the ratio is expected to decline further to just 2.5 workers for every senior in Canada.

Crucially, as the number of seniors rise, there will be more people collecting income transfers such as the Old Age Security and the Guaranteed Income Supplement. Likewise, average annual per person health-care costs for people aged 65-74 is \$7,751, compared to just \$2,811 for people aged 35-44. This means that government expenses will increase substantially as the number of seniors rises.

And conversely, there will be fewer workers relative to the number of seniors, while workers pay the bulk of government taxes.

“This shrinking ratio of workers to seniors in Canada—which is already underway—is a significant headwind to policymakers in their efforts to improve the sustainability of government finances in Canada,” Eisen said.

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