SOCIAL POLICY TRENDS

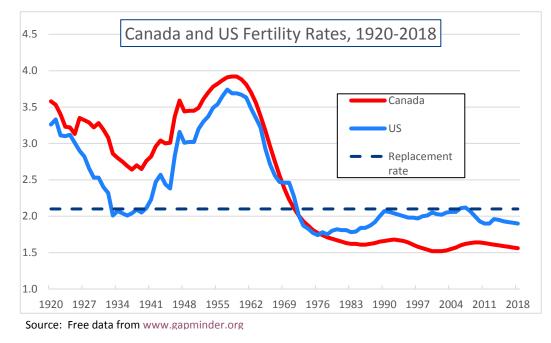
CANADA AND US FERTILITY RATES, 1920-2018

Fertility rates have varied a great deal over time in both Canada and the US reflecting changes in economic conditions and evolving social norms.

The figure shows the fertility rate in Canada and the United States for each year from 1920 to 2018. The fertility rate measures the average number of children that would be born to each woman with prevailing age-specific fertility rates. Also shown, as the horizontal dashed line, is the population replacement rate. The replacement rate is defined as the fertility rate required for the population to replace itself. The replacement rate varies over time and by country due to changes and differences in mortality rates. The replacement rate may have fallen in Canada and the US since 1920 but is currently judged to be roughly 2.1 children per woman.

In Canada the fertility rate has remained well-below the replacement rate since the 1970's, suggesting the need for immigration to maintain and grow our population. This is less true in the US.

The large swings in fertility rates between 1920 and 1960 are suggestive of the impacts of economic conditions on the decision to have children. The onset of the Great Depression in 1930 coincided with a significant drop in the fertility rate in Canada, a drop that started much earlier in the US. The post-war baby boom saw fertility rates in both countries increase by nearly 1.5 children. Peaking in 1960, the fertility rate in both countries plummeted for the next 15 years before leveling off by the mid-1970s in the US and the mid-1980s in Canada. Fertility rates have since increased somewhat in the US to hover near



the replacement rate but have remained well-below the replacement rate in Canada.

The relative movements in the fertility rates in Canada versus the US may be surprising. This is because families in Canada have more access than families in the US, to supports and benefits in the form of parental leave provisions, extended employment insurance benefits, and full health care coverage. The continued low fertility rate in Canada, despite improvements in such provisions, is suggestive of other confounding influences.

The data for Canada highlights the need for high levels of immigration, to maintain and grow the population. Following the dramatic fall in fertility rates since the 1960s, the federal government introduced a number of reforms to immigration policy in the mid to late 1970s. Since the early 1990s, Canada has settled between 200,000 and 300,000 immigrants each year. The government recently announced annual targets over the next 3 years that average 340,000 new immigrants per year. This level of immigration is sufficient to enable Canada's population to grow despite its low fertility rate.

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