

# Should Daily Headlines Guide Your Action Plans?

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The “big trends”, what they mean  
and what we do in response.

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President  
Environics Analytics

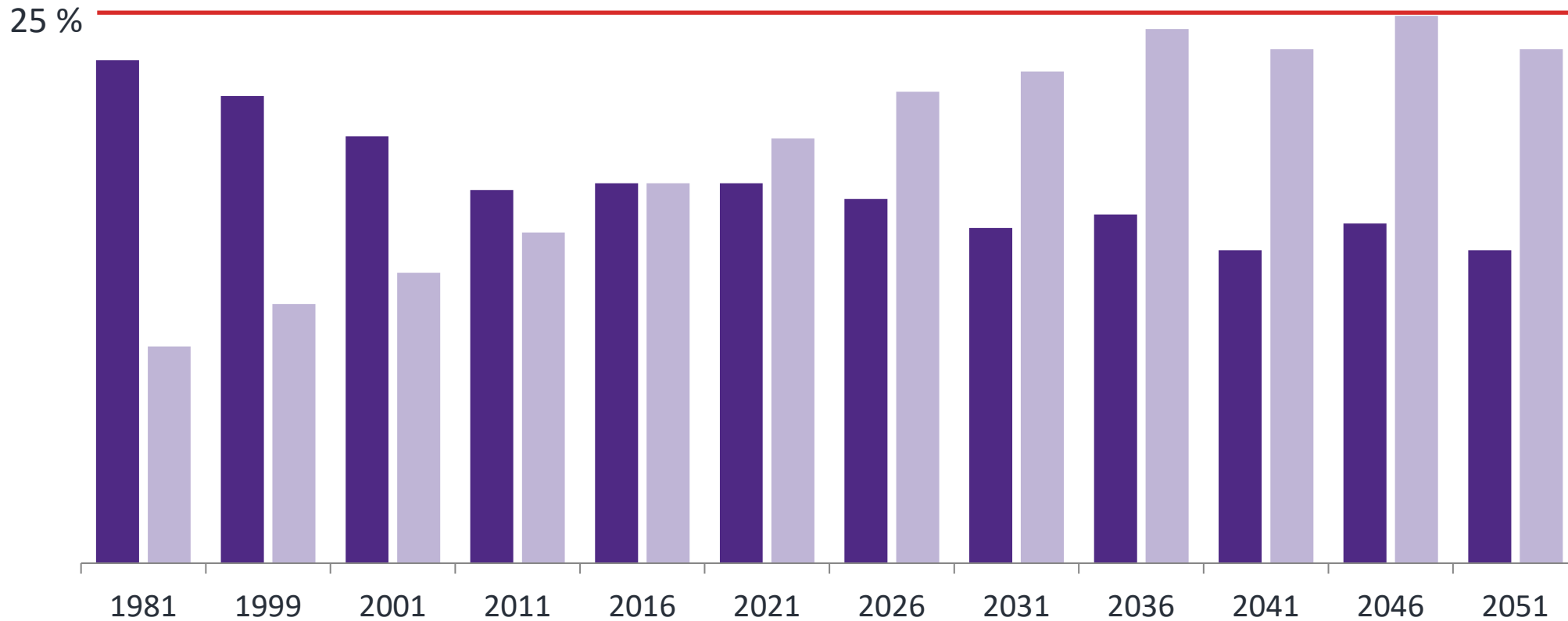
# Trends Challenging Us Today

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- The big changes in demographics are here
  - And changing more rapidly
  - Big shift for Boomers and for brands
- Canada's growth entirely dependent on immigration
  - Diversity a constant but who and where are changing
  - Changes in immigration policy have big impact
- Economic headwinds (inflation and other factors) making things more and more difficult
  - Everyone feeling it
- Social cohesion appears to be eroding globally
  - But surely not in Canada....
- Businesses are leveraging data and technology to address these challenges
  - To what extent and, if not, why not?

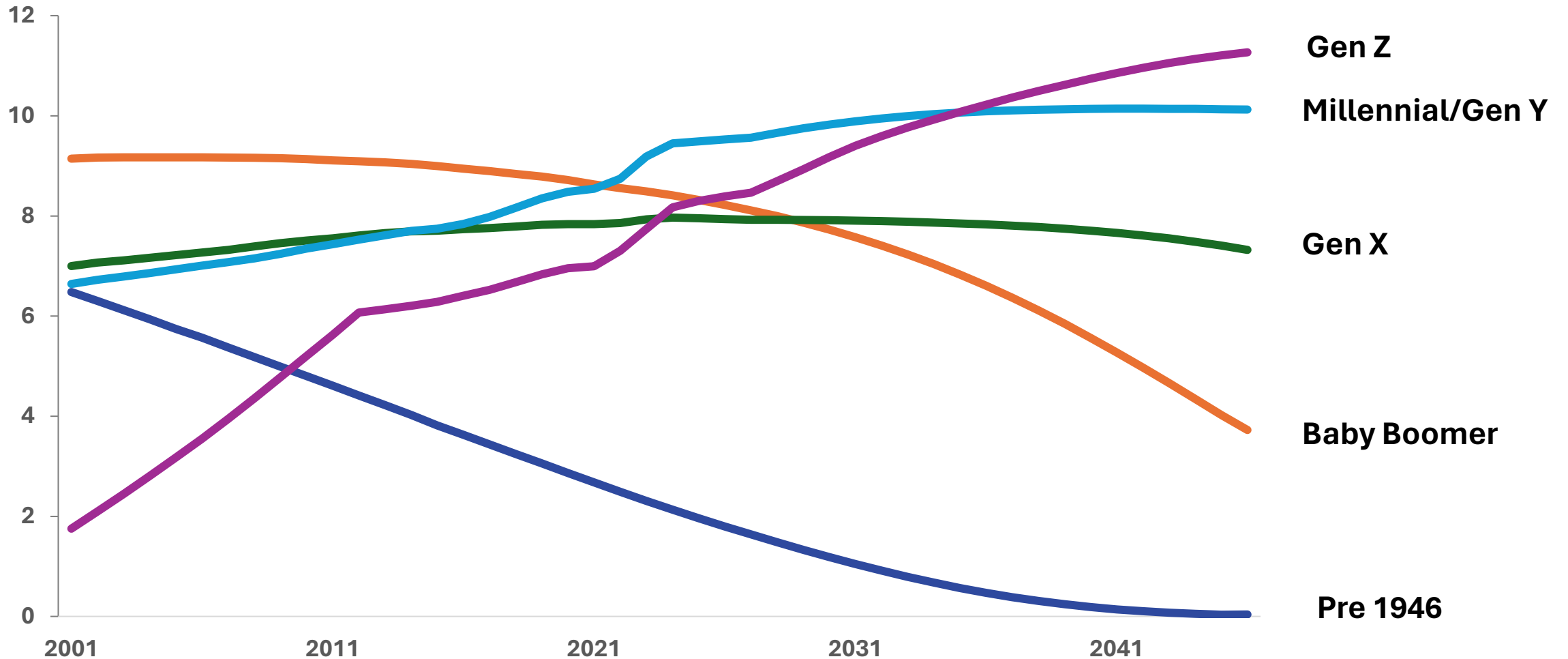
# From a Society Driven by the Needs of the Young to the Needs of the Elderly

% population young (0 to 14) versus old (65+), actual and projected



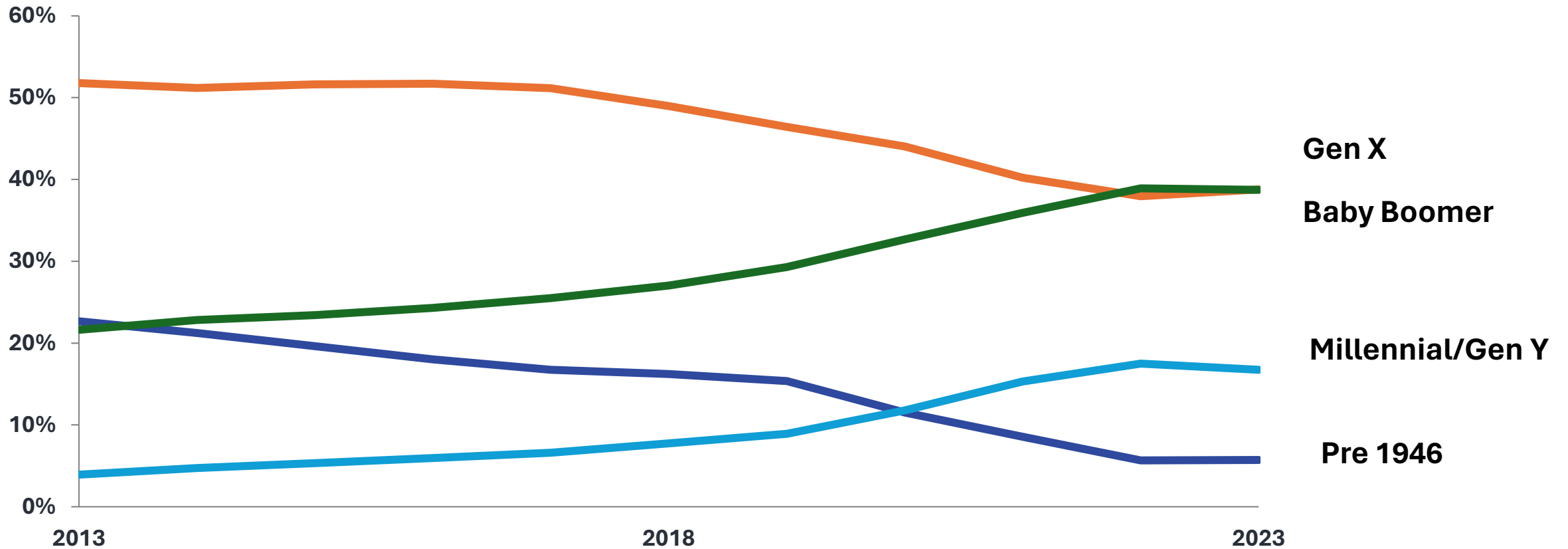
# Long Term Domination by Boomers is Over

Generations by population size, millions, actual to 2021, then projected



# Wealth Is Currently Shifting to the Younger Generations

## Proportion of wealth by generation

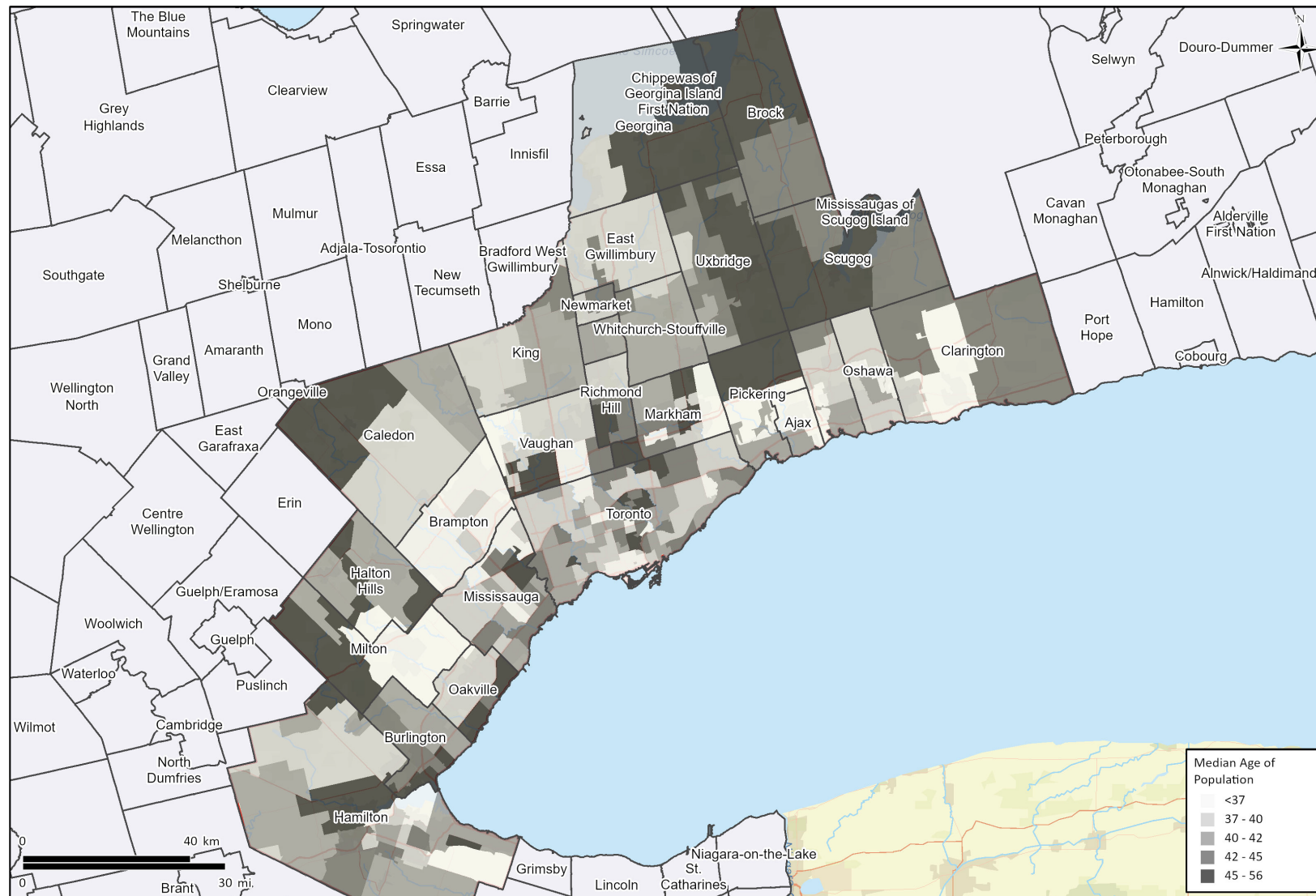


# Big Demographic Shifts

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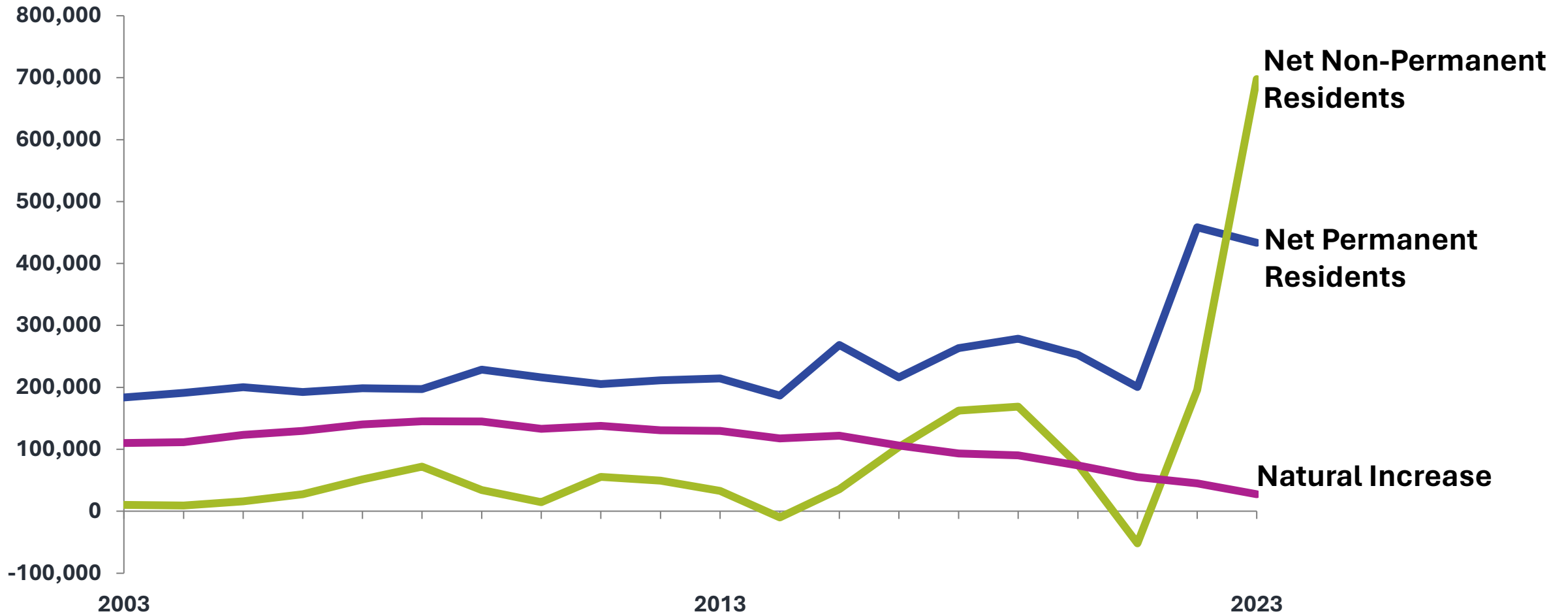
- As we move to society dominated by elderly there are big costs, but also big opportunities
- Different products, different retail/residential mix
- “Retail” health care services
- Four generations are about equal in size but very different – age matters but so do the differences within generations
- No upcoming generation will dominate like Baby Boomers did
- Immigration policy will affect size of the generations
- Wealth is trickling down – but not uniformly
- Gen Z for example has more income at a younger age than previous generations and this impacts their spending
- Income isn’t the whole story with the older generation

# Median Age of Population by FSA in Greater Golden Horseshoe, 2023



# Immigration Fueling Almost All of the Population Growth – And Changing

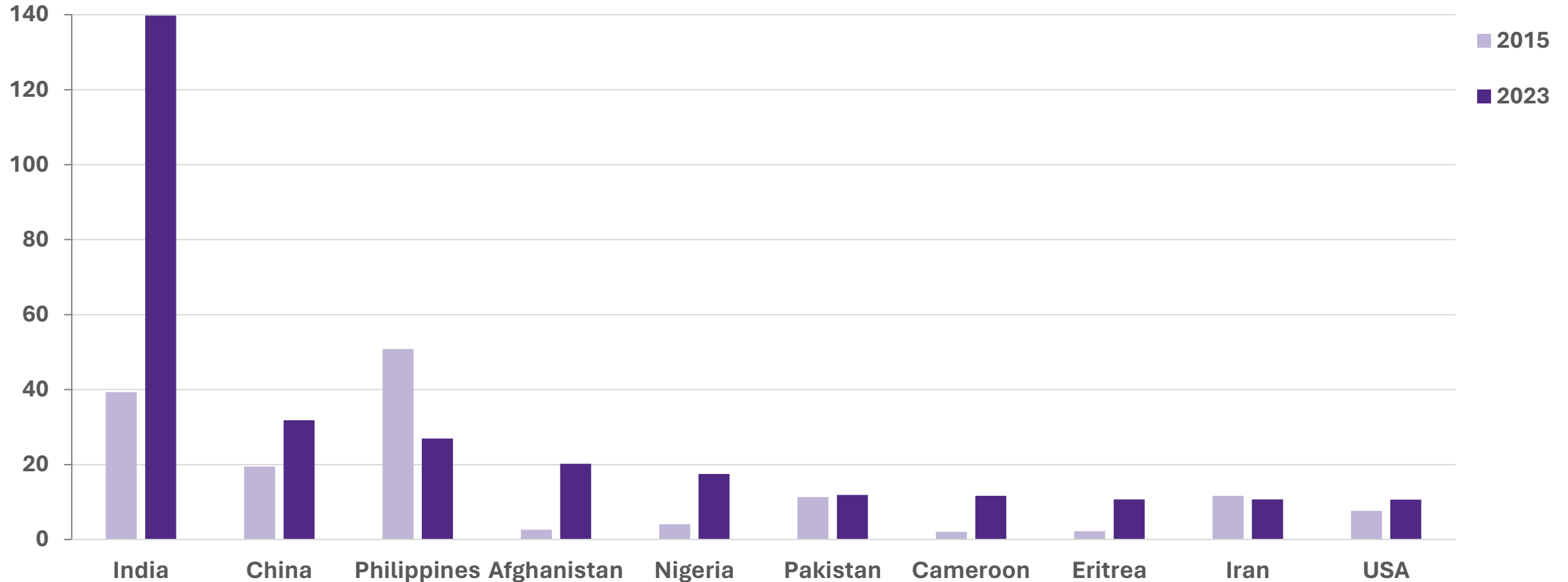
Sources of net population increase each year, hundred thousands





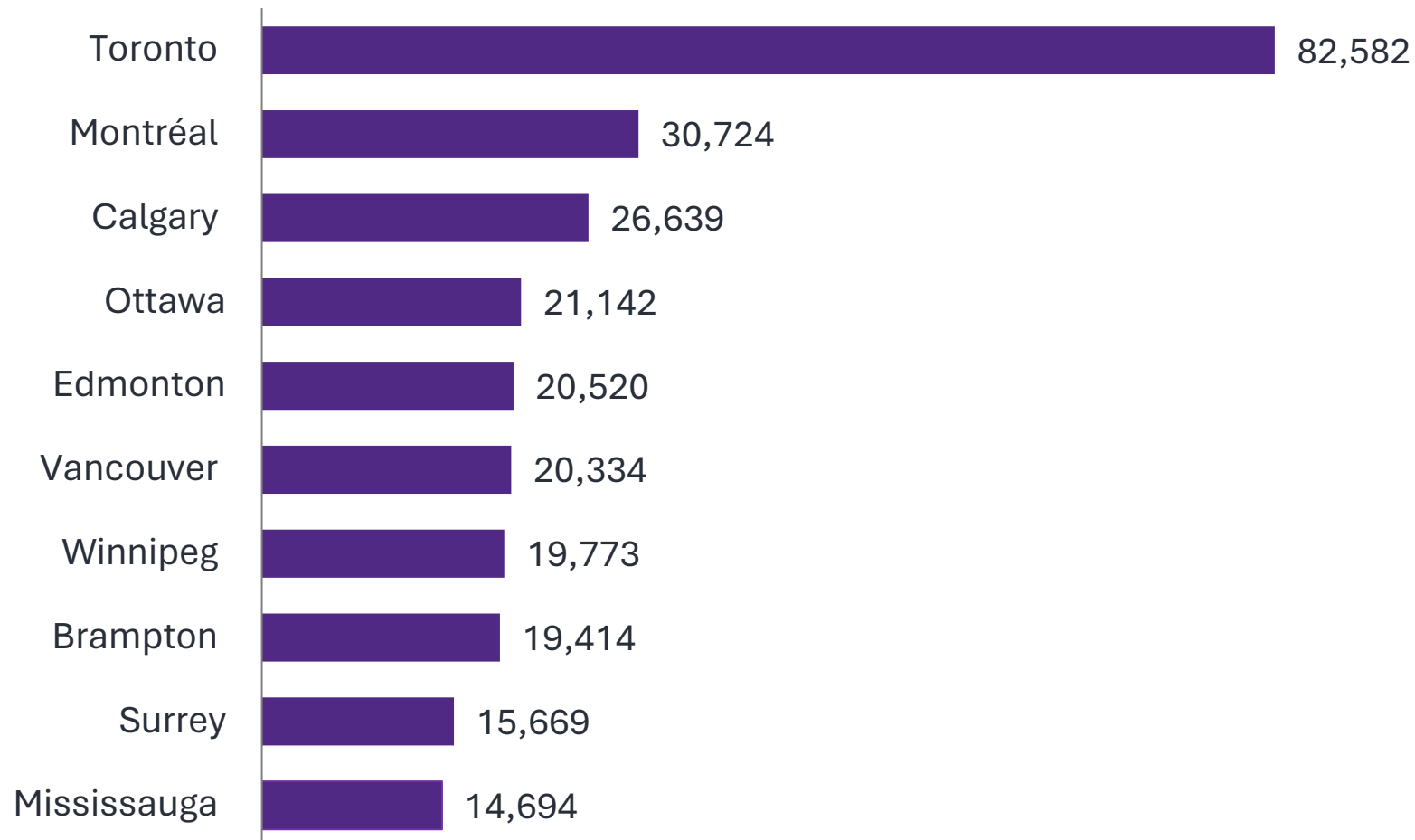
# India Is Dominant Source Country - Some Shifts in Top 10 Towards Africa

Permanent residents 'arriving' by 2023 top 10 source countries, thousands



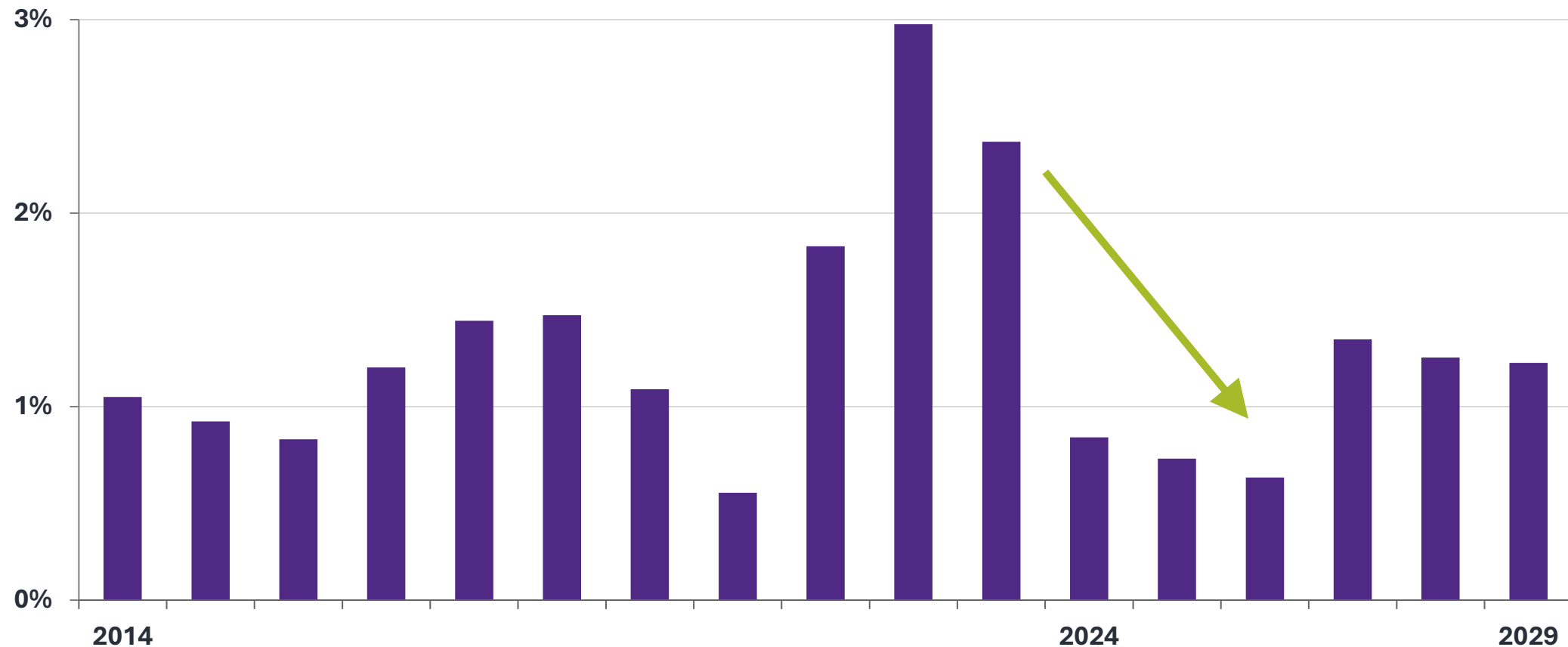
# Immigration Fueling Almost All of the Population Growth – And Changing

Permanent residents are coming to central cities and with a significant portion in urban centers.



# Reducing Non-Permanent Resident Inflow Will Drive Down Population Growth

Annual % population growth, actual to 2023, projected thereafter under new constrained non-permanent resident rules

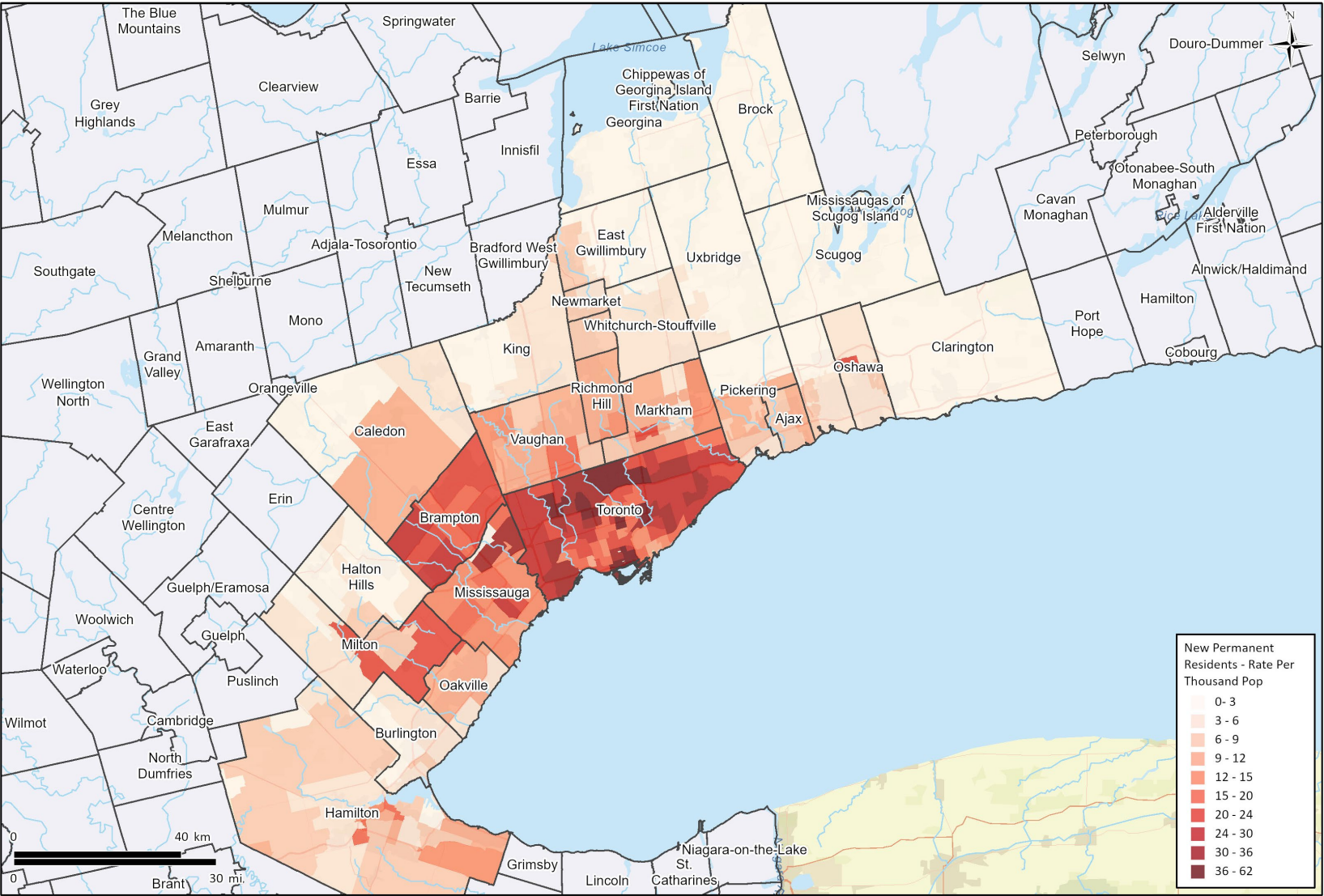


# Immigration Continues to Change the Face and Culture of Canada

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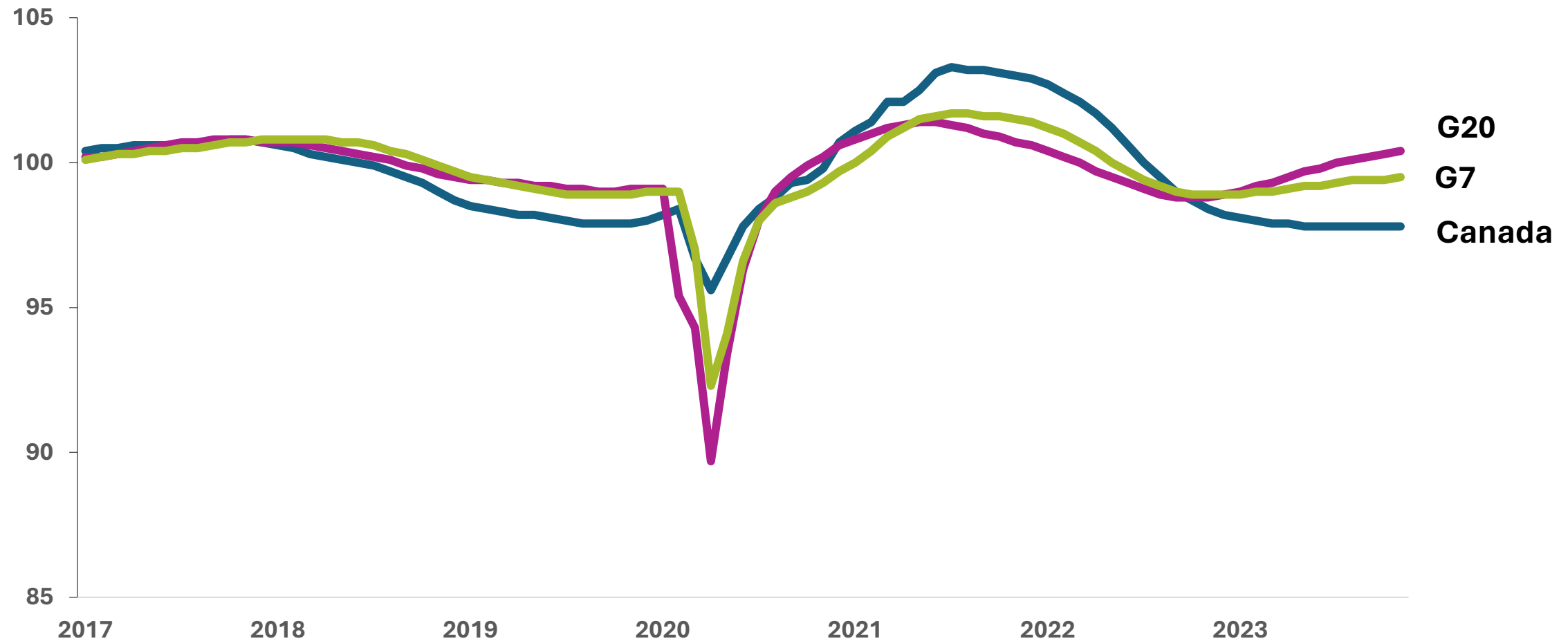
- Immigration continues to provide opportunities for new brands and products
- Diversity marketing programs now required to engage newcomers as well as existing populations, not always language based
- New origins and destinations – shift to African nations?
- Intersection of generation, values and culture matter
- 1<sup>st</sup> and 2<sup>nd</sup> gen from India are a major market, fastest growing and diverse within
- Restrictions on immigration will lead to labour shortages – hurting service sector

# New Permanent Residents by FSA, Greater Golden Horseshoe, 2023



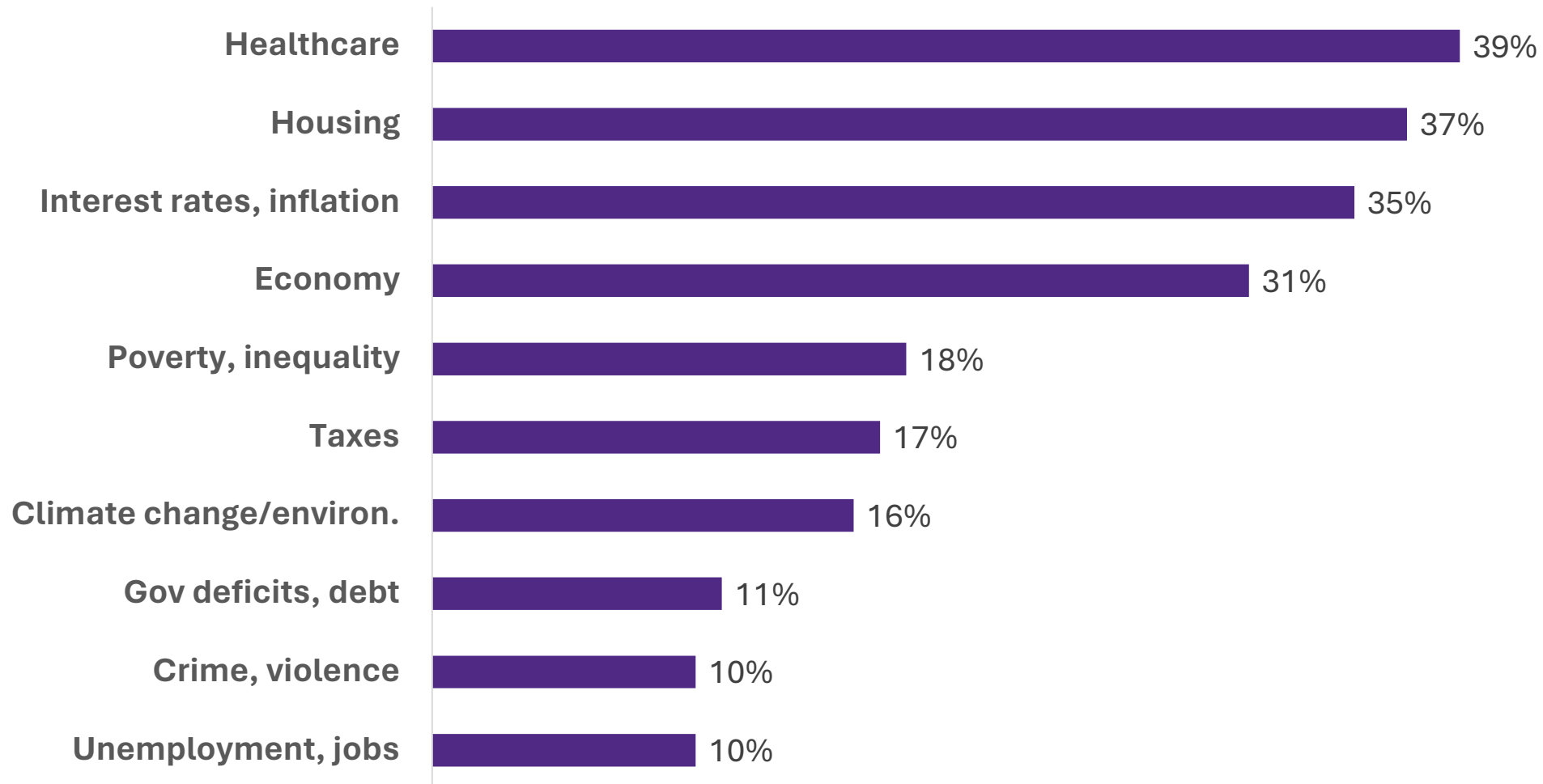
# Economic Outlook Poor for Canada at Start of 2024 Compared to Others

OECD Composite leading indicator, 100 is long term average



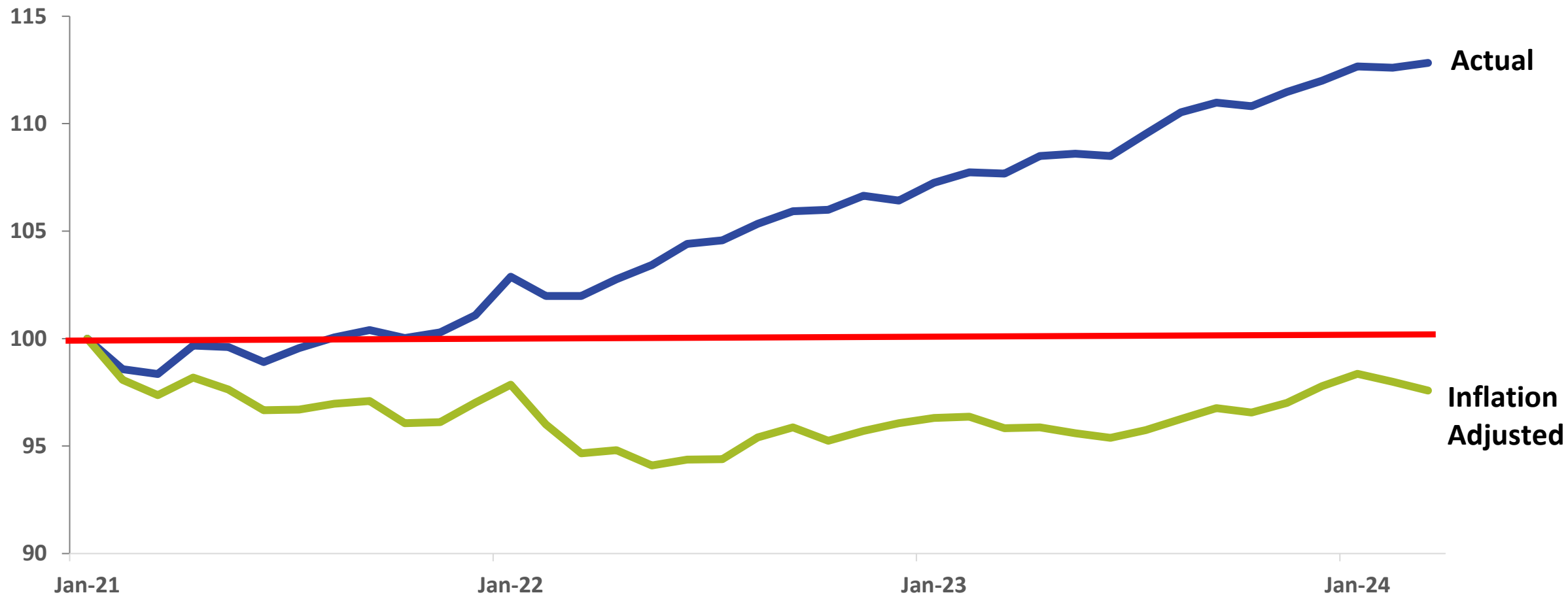
# Six of the Top Ten Issues Facing Canadians, as Seen by the Public, Are Economic

## Top Issues Facing Canadians Today, % respondents mentioning the issue



# Wages Have Not Kept Pace with Inflation Since Middle of the Pandemic

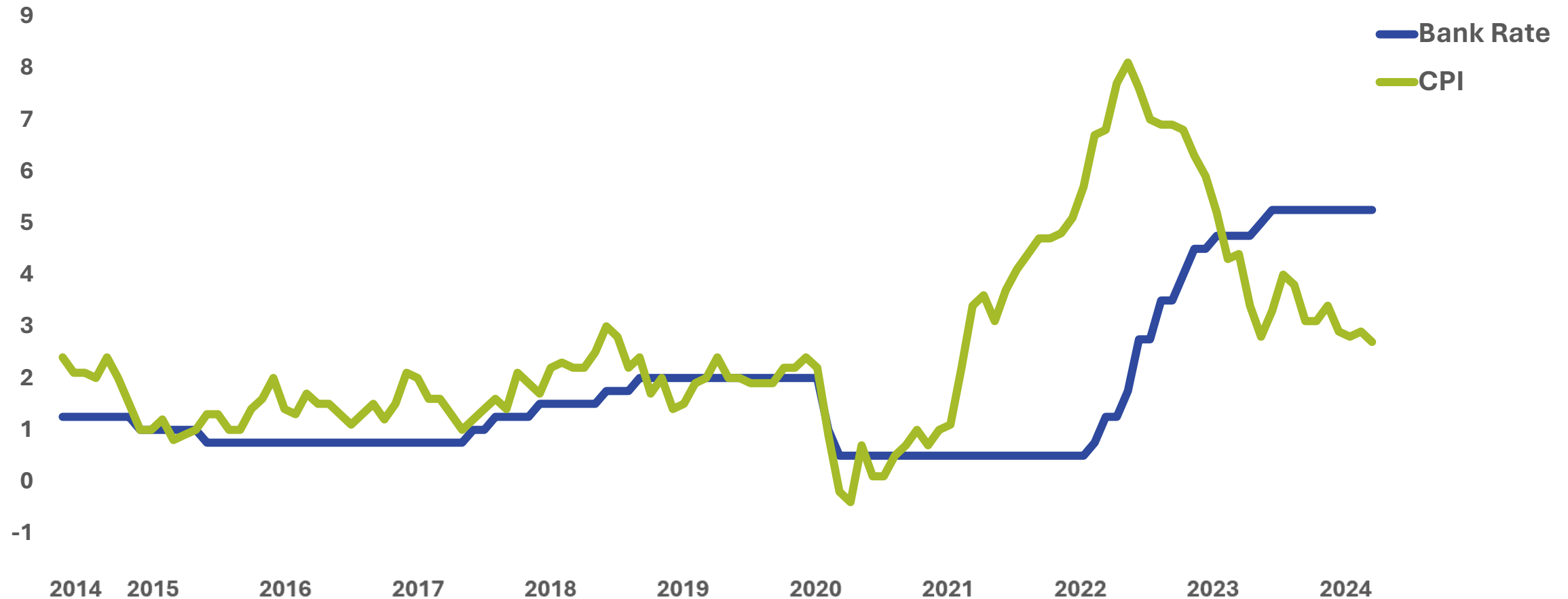
Actual wages and inflation adjusted wages, indexed to 100 in January 2021, red line means keeping even with 2021





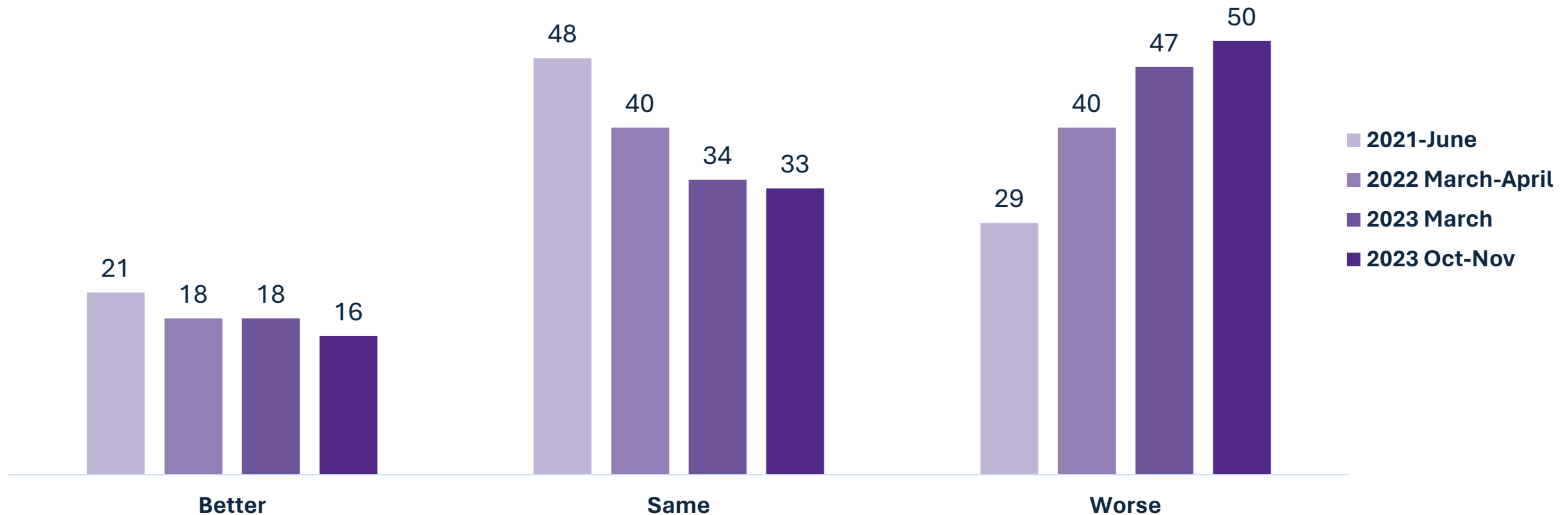
# Inflation Has Not Receded Enough to Bring Down Interest Rates

Bank Rate, % change, and Consumer Price Index, monthly averages, % change from previous year



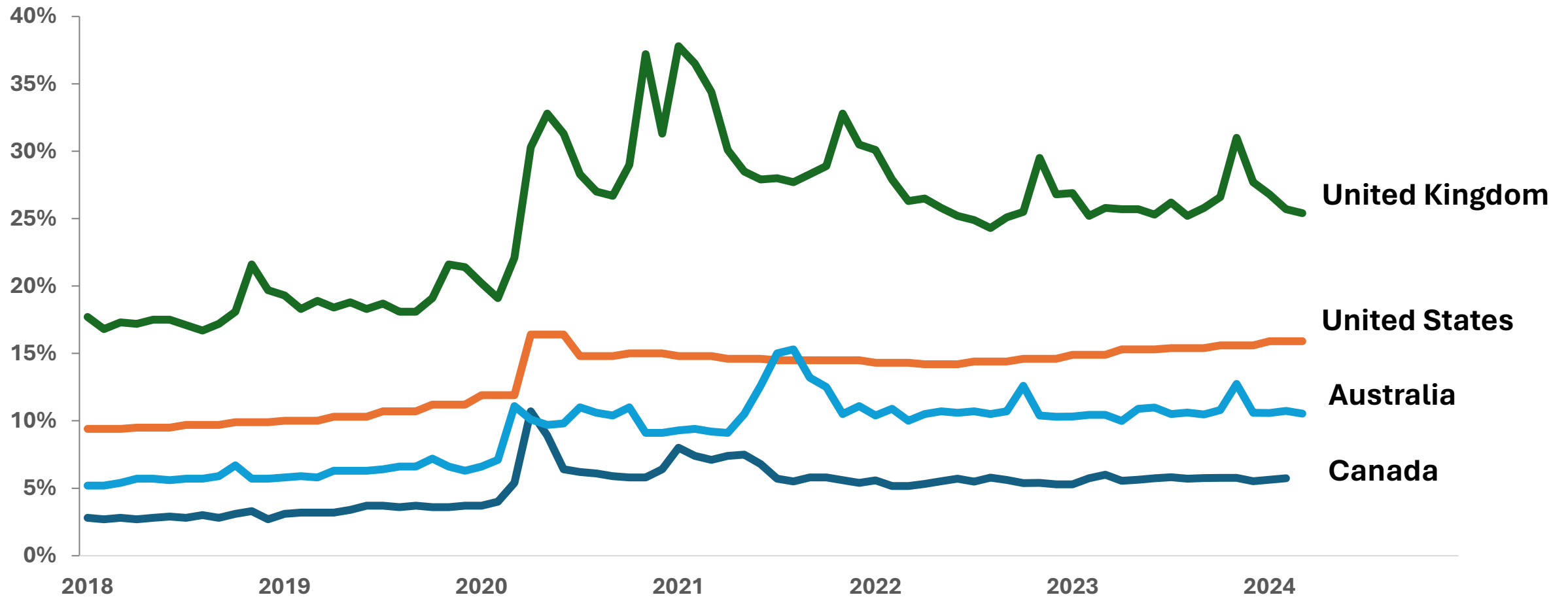
# Perception of Own Financial Situation is Worsening

Personal financial situation: better or worse today than six months ago? % of respondents



# Online Shopping in Canada Low Compared To Other Countries

Online shopping as % of total retail, monthly (except US which is quarterly)

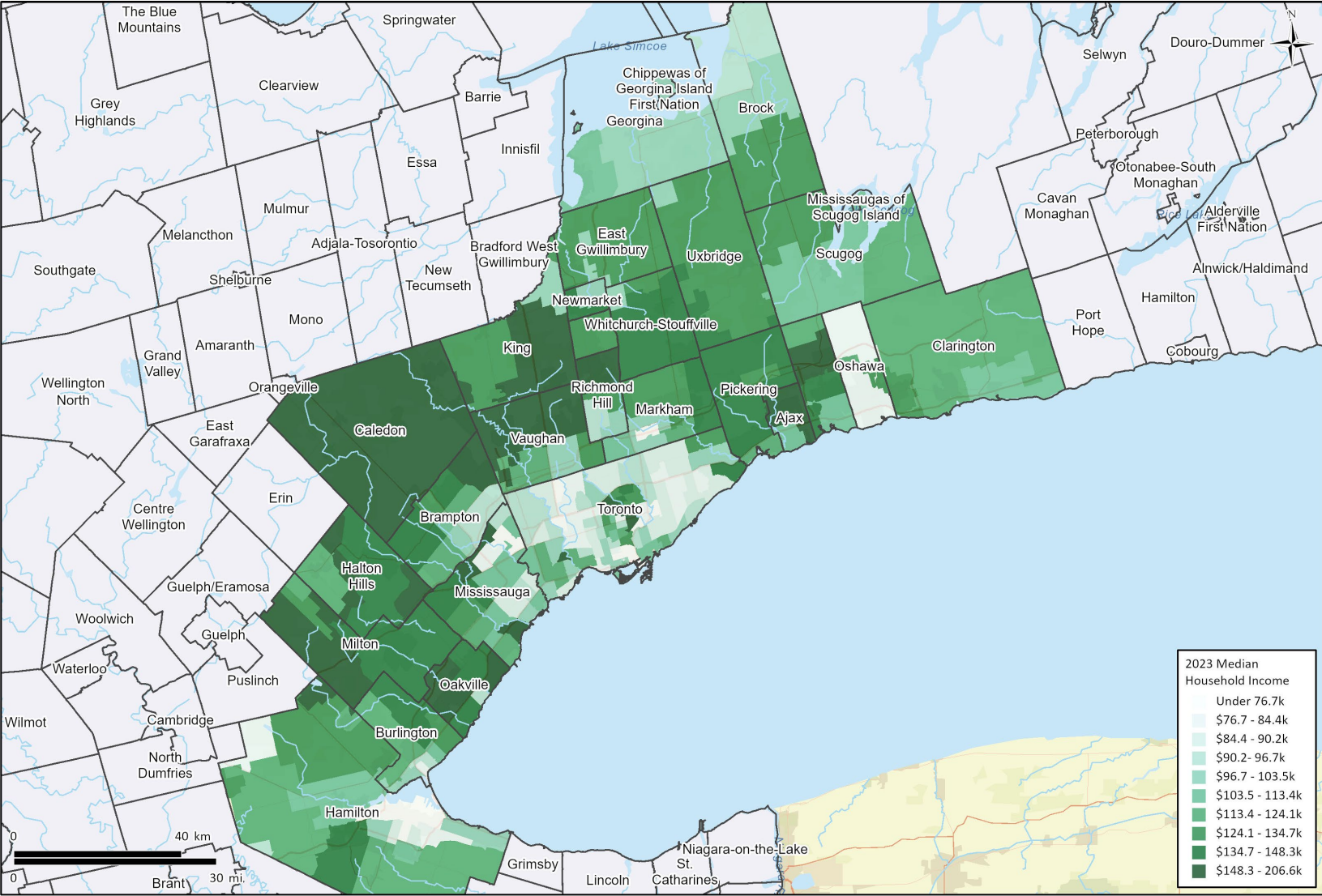


# Not So Optimistic a Picture – In Both Reality and Perception

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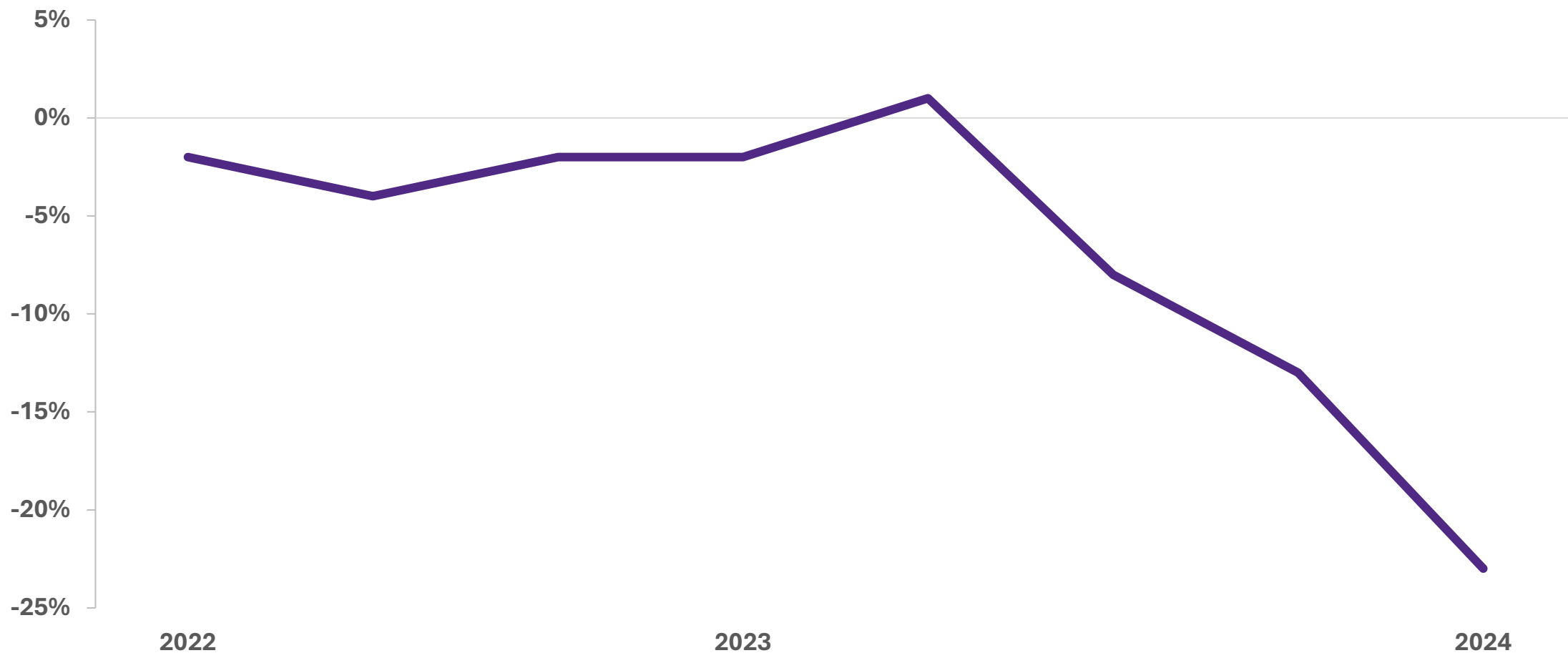
- Canada lags other OECD countries
- Canadians identify economy and related issues (inflation, interest rates and housing) as most concerning
- Consumer have less money in their pockets
- Drop in inflation slower than expected – upcoming 5-year mortgage renewals will be a challenge
- Can cause purchase postponement
- Renovations, furniture sales, etc. delayed
- Greater scrutiny on retailers by regulators as a result of consumer pressure
- Public perception is that things will get worse for them
- Online shopping not “filling” the gap

# Median Income by FSA, Greater Golden Horseshoe, 2023



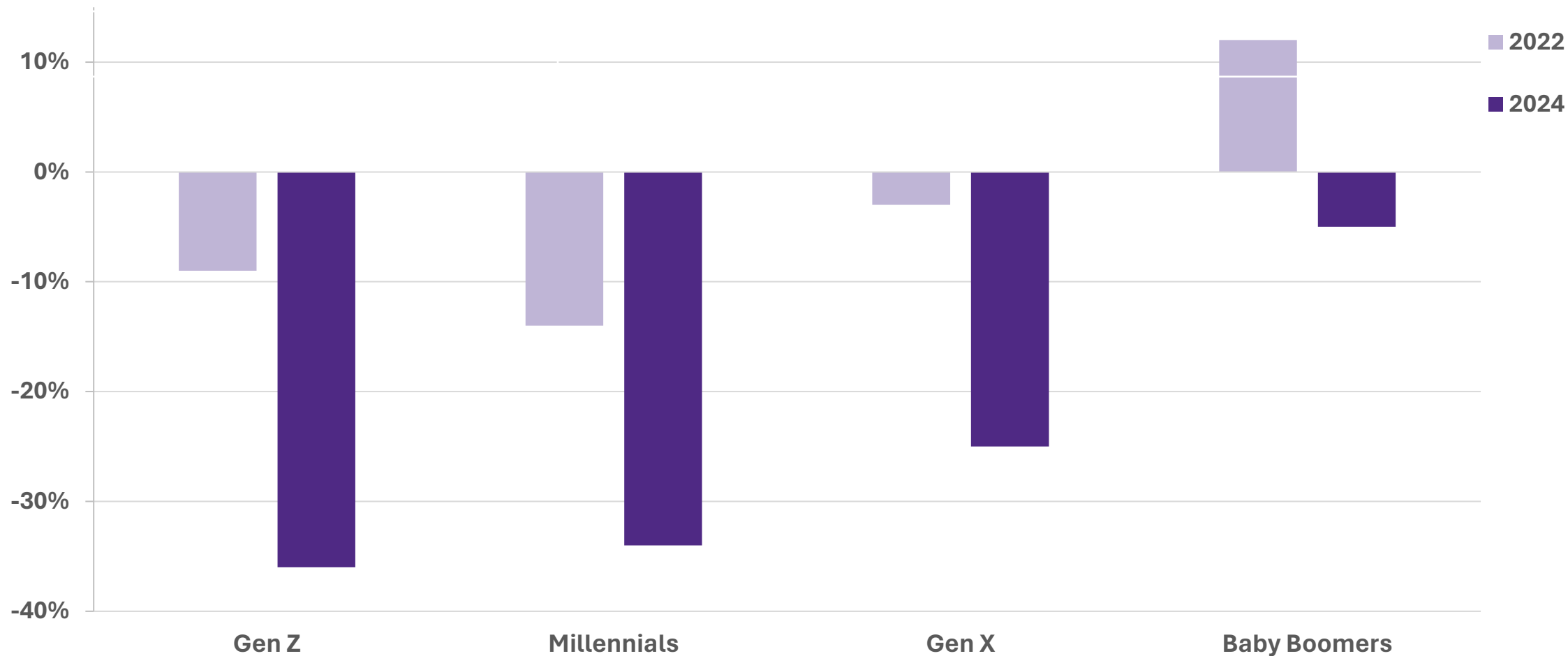
# Canadians No Longer Appear to Be “In This Together”

Index of Social Cohesion combines survey responses on Connectedness, Common Good and Social Relations.



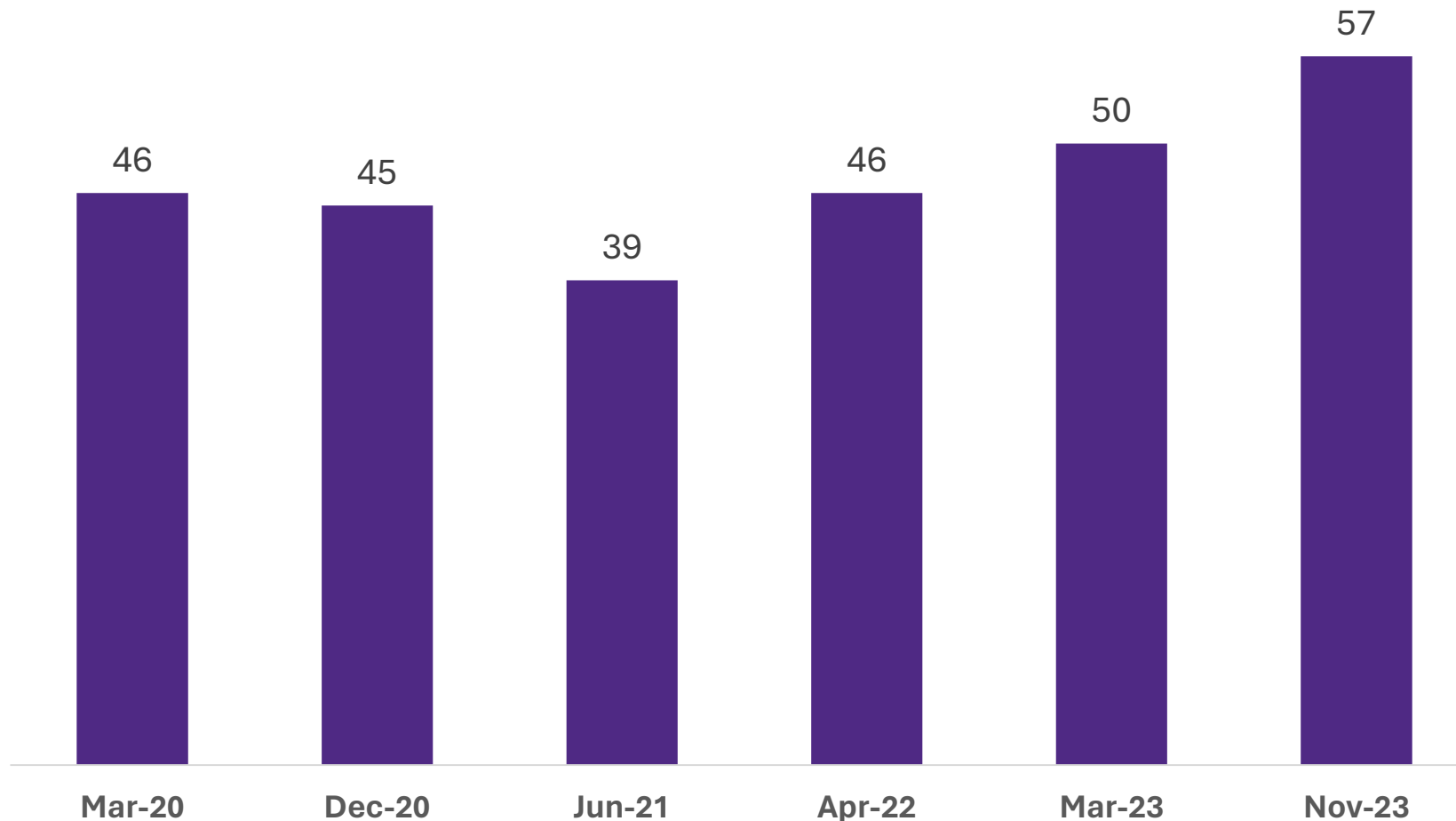
# Cohesion Down for All Generations

Index of Social Cohesion combines survey responses on Connectedness, Common Good and Social Relations.



# Not Just the Financial Situation, but Overall, Dissatisfaction Is Growing

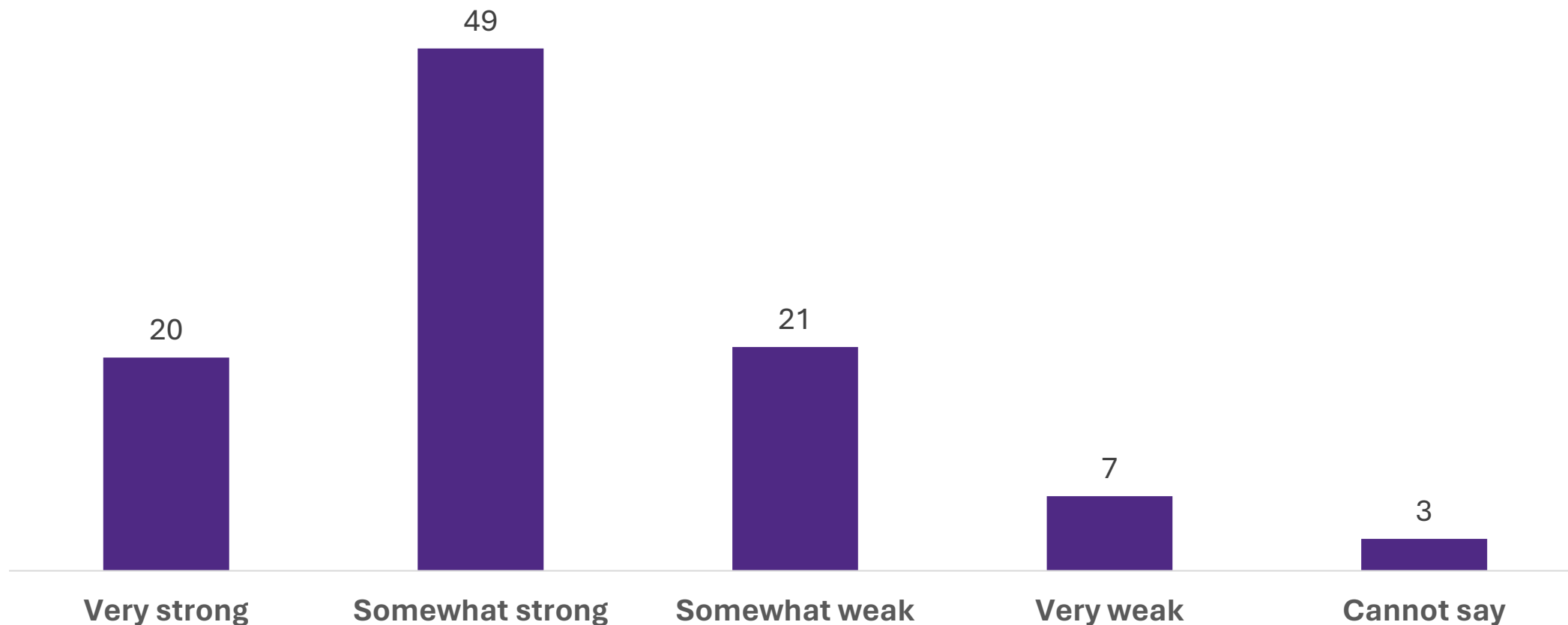
Per cent of respondents saying they are feeling dissatisfied about how things are going in Canada today





# Despite the Negativity, Still Positive Feelings About Their Sense of Community

Sense of belonging to a community (2024), per cent of responses

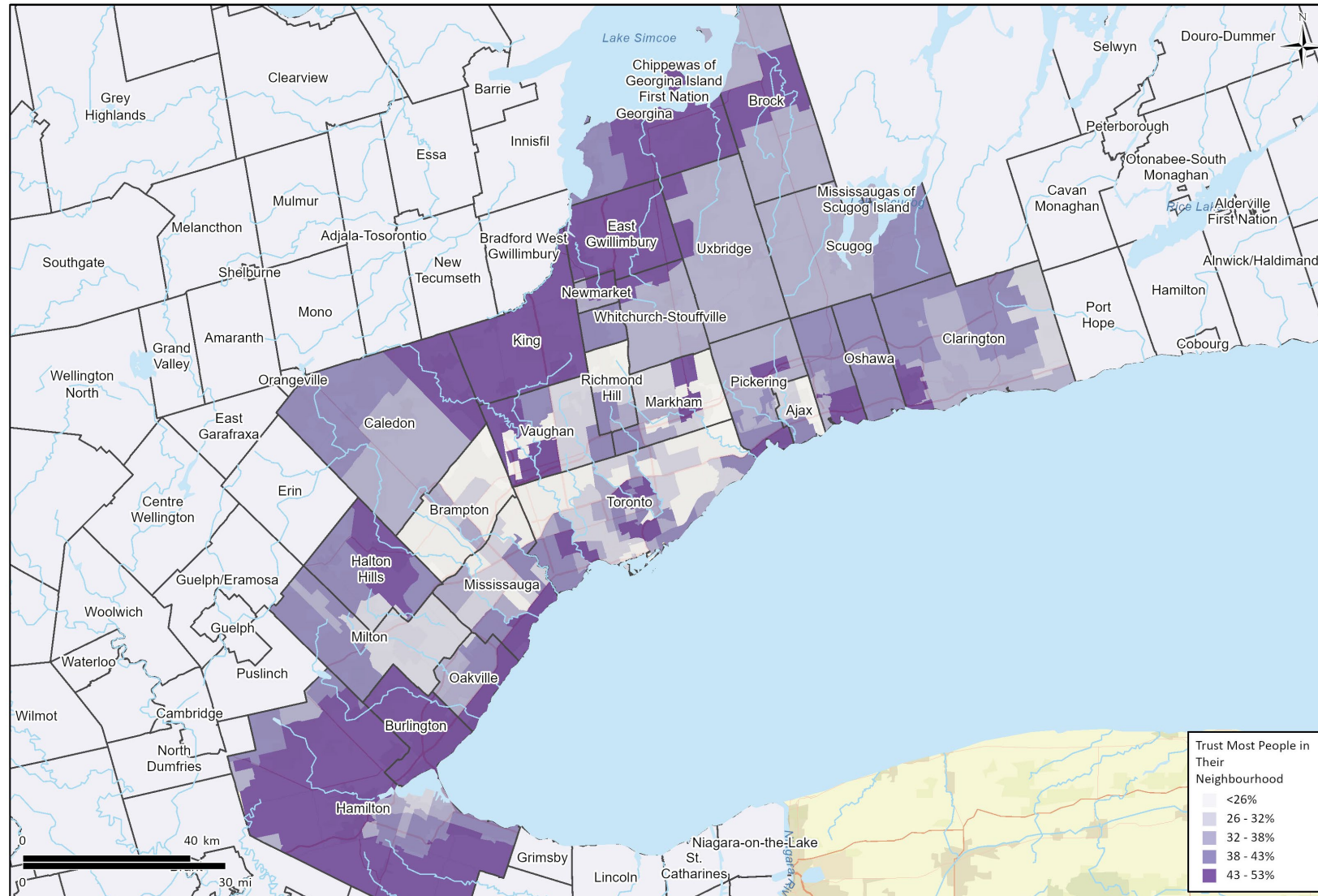


# Social Cohesion Eroding – To Some Extent

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- Not “all in this together”
- In part due to the fragmentation caused by demographics, immigration and economic pressures
- For all, even the idealistic Boomers
- Overall dissatisfaction is increasing, especially lately
- But over 70% have some sense of community
- Are there eating and shopping local implications?
- How can ESG goals and programs help?

# Trust Most People in their Hood by FSA, Greater Golden Horseshoe, 2022



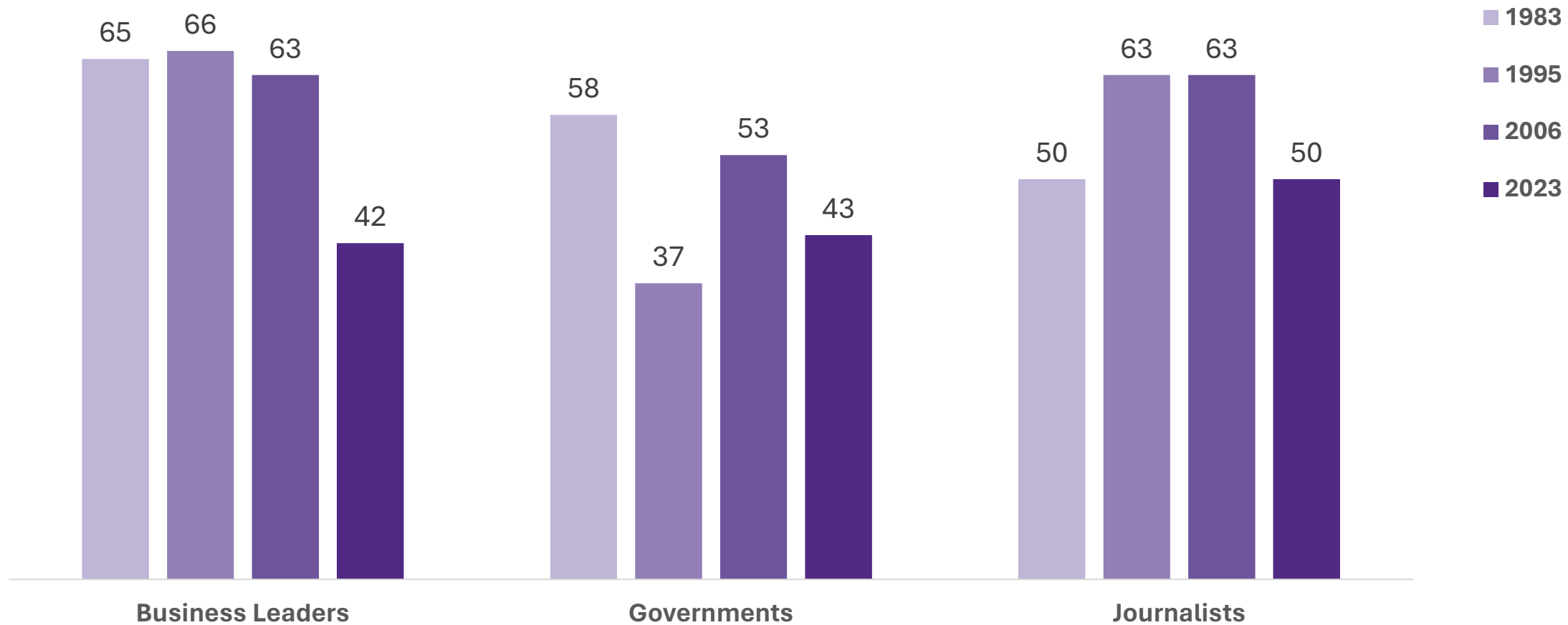
# What can help?

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DATA

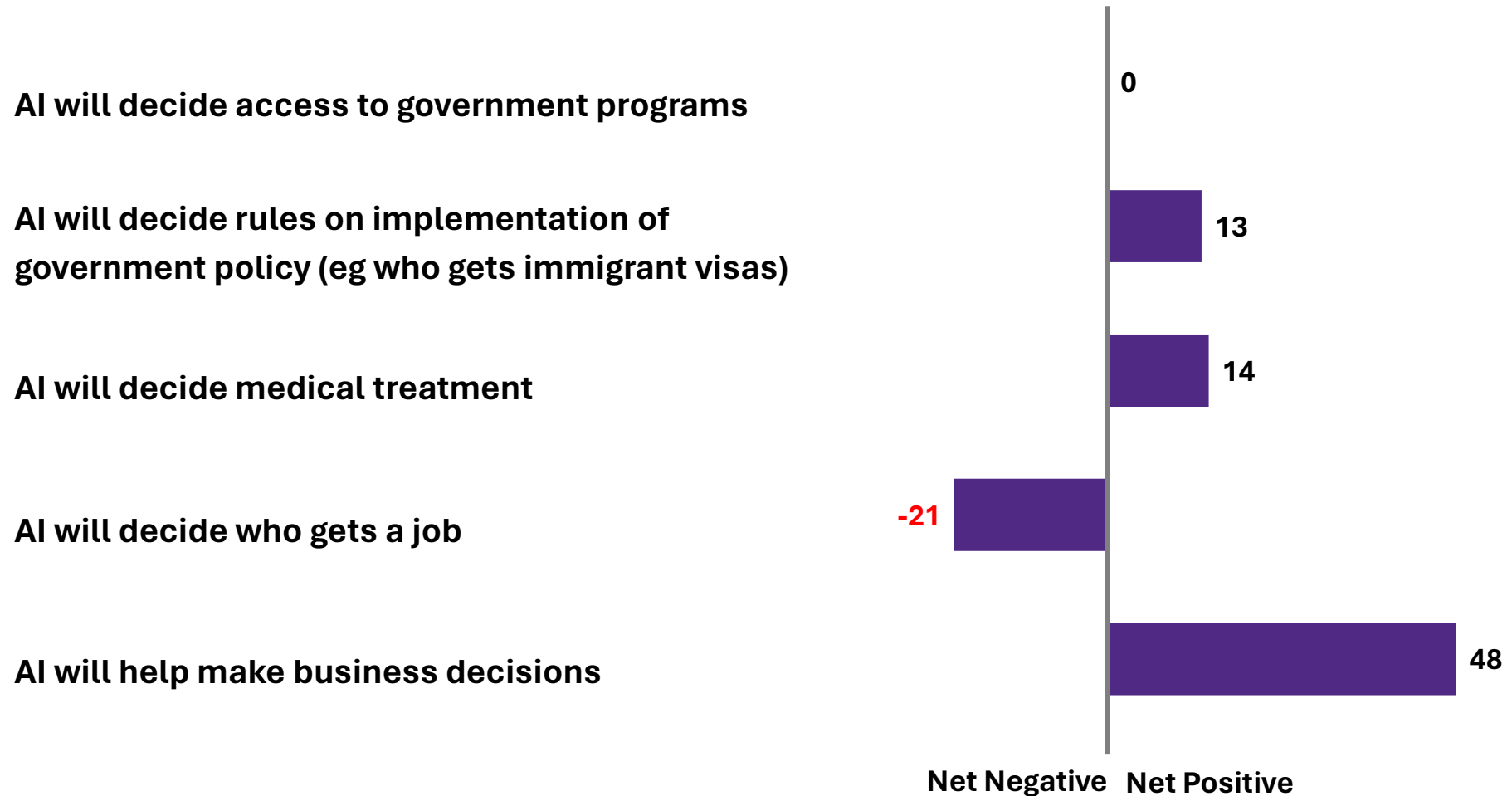
# Confidence in Business Leaders Has Diminished Significantly

% respondents saying they have confidence in leaders in three professions



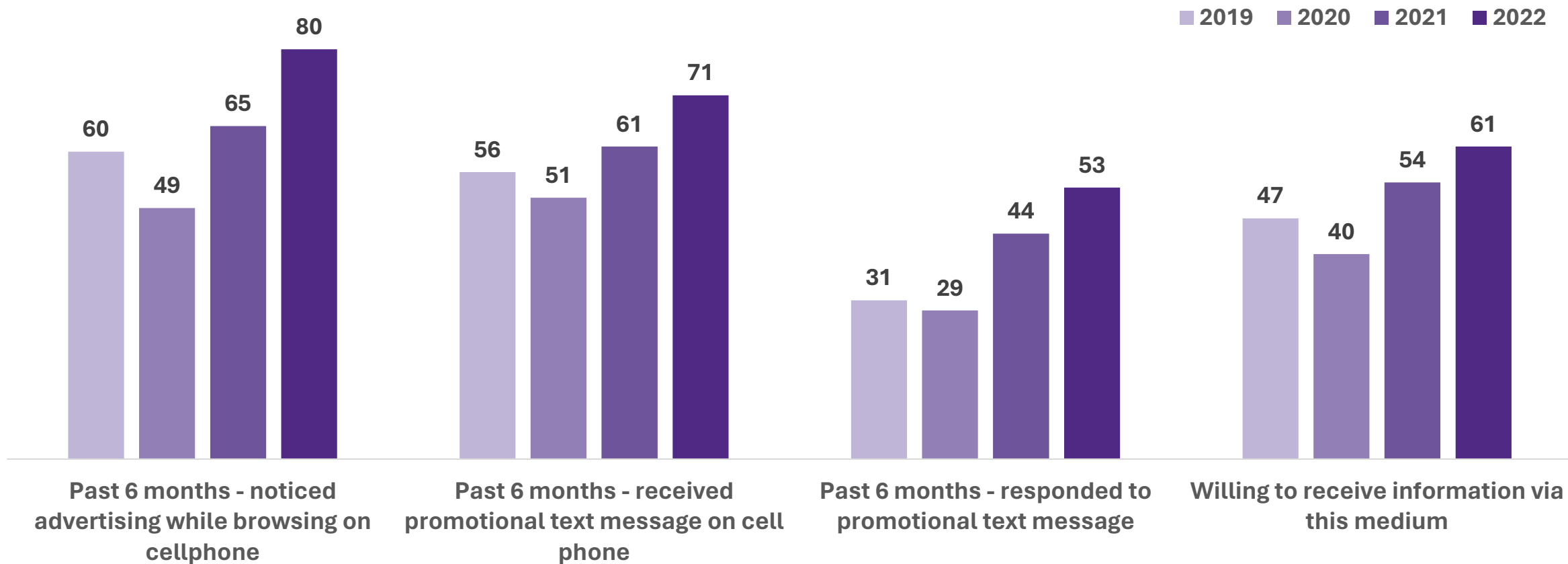
# Views Are Positive on the Impacts Of Artificial Intelligence (AI)

Opinion on impact of Artificial intelligence (AI) in 10 years – net score of persons with positive and negative views



# Mobile Marketing

% of respondents



## Thanks for the data to:

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- Statistics Canada
- OECD
- Bank of Canada
- Canadian Marketing Association
- IPSOS
- Environics Institute
- Environics Analytics