Key findings:

- Despite the aging of Hamilton’s population, Millennials have now surpassed Baby Boomers as the largest generation group in Hamilton.
- The strong growth of young adults is an important driver of Hamilton’s overall population growth and economic development.
- Policies to strengthen Hamilton’s economy for workers including youth are needed to sustain Hamilton’s renaissance in the long term.

Introduction

The previous bulletin in this Demographic Shifts series (issue 8) shed light on the aging of the population, and this bulletin focuses on other generational changes including the growing Millennial generation in Hamilton and the links between the growth of young adults in Hamilton and overall population and economic growth.

Generation cohorts

At 28% of the population, Millennials now outnumber Baby-boomers in Hamilton, despite the aging of the population. Millennials is the common term for the generation who became adults in the year 2000 or later (years of birth 1981-2000, currently aged 16-35). Millennials are often the children of adults in the Baby-Boom generation (born from 1946-1965, now aged 52-70).

Issue 8 in this series showed that there is a higher proportion of Millennials in Hamilton’s population compared to Ontario. In some cases, this is due to more Millennials who grew up in Hamilton staying here instead of moving away because they may feel that Hamilton now offers more economic opportunity for young people than it did in previous decades. The growth of Hamilton’s Millennial population is also bolstered by young people from other communities moving to Hamilton, often due to Hamilton having more affordable housing compared to places closer to Toronto. But as noted in the 2015 Hamilton’s Vital Signs report, as Hamilton’s housing market trends towards higher and higher prices, Hamilton’s magnet of housing affordability will be lost and young people may no longer be able to move to Hamilton in the same numbers due to a lack of affordable housing.

Chart 1. Change in generation groups, City of Hamilton, 2001-2015 (Statistics Canada, Estimates of population)

Hamilton’s population and economic growth tied to young people

Chart 2 shows how in particular the increase of young adults in Hamilton in the Millennial generation is tied to overall population growth in Hamilton. In the 2008-2009 period, just when the growth of Hamilton’s residents aged 18-35 began returning to positive as the larger Millennial generation reached this age, Hamilton’s growth started outpacing Ontario’s increase in the size of this age group. The columns in the chart represent overall population growth in Hamilton and Ontario and show that only when the growth in the 18-35 age group is close to or higher than the province (the lines), does Hamilton’s overall population growth start reaching closer to the provincial average (the columns).
The higher than average growth of young adults is also an important contributor to Hamilton’s economic growth. For example, chart 3 shows the City of Hamilton’s building permits growth has been strongest in the last few years, corresponding to when the 18-35 age group growth has also been strongest.


Policy prescriptions to strengthen Hamilton’s economy for all workers including youth in the Millennial generation

Hamilton’s 2015 Vital Signs report, Hamilton’s Economic Renaissance: A prosperity unevenly shared, suggested that “Hamilton’s quality of life, historical character, growing culture and entertainment sector, access to nature, lower housing prices than Toronto and growing emphasis on sustainable transportation like cycling and LRT is clearly attracting many Millennials to stay here or move from other communities.” The report also found that over the last decade the growth rate in young adults aged 20-29 in the Region of Waterloo and the City of Toronto has declined. In contrast in Hamilton, the growth in this age group has been very strong and has more recently become twice the growth rate in Toronto, and more than five times the growth in Waterloo.

Vital signs report also cautioned that “Hamilton’s renaissance may be short-lived if important foundations of the city’s economic growth such as young people and affordable housing are ignored”. Vital Signs offered a review of policy prescriptions from reports across Canada to strengthen Hamilton’s economy so that more workers including youth can benefit from Hamilton’s on-going “renaissance”. Specifically, recommendations centered around three important areas:

1) Increase access to experiences and opportunities, especially for children and younger adults that help provide ladders into the middle-class.

2) Modernize Canada’s social safety net and employment support programs, including child care and affordable housing, to reflect a changing labour market

3) Improve in employment conditions and access to labour market information

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