

The Contribution of Indigenous People to Future Labour Force Growth in Canada: **AN UPDATE**

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Prepared by:



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Abstract

The Canadian population is ageing quickly, putting downward pressure on labour force participation and ultimately on economic growth. However, the Indigenous population in Canada is relatively youthful and fast-growing, and could help offset some of the impacts of population ageing, especially if participation rates were to rise to levels in the rest of the population. This report attempts to quantify this potential contribution of Indigenous people to labour force growth in Canada over the period 2021–2041. We use a variety of population growth scenarios from Statistics Canada for the Indigenous population, and labour force participation rate estimates from the 2021 Census, to model scenarios where participation rates by age remain constant, and scenarios where participation rates for Indigenous people move to the levels of non-Indigenous people. We find that Indigenous people will contribute 10 per cent of future labour force growth nationally in a Medium-growth Scenario for the Indigenous population, and much more in provinces and regions where non-Indigenous labour force growth is slow, or where the Indigenous population is a greater share of the population. This contribution would be significantly larger—15 per cent—if the gap between Indigenous and non-Indigenous participation rates were to be closed. Therefore, there is a clear public policy case for investing in additional education and training for Indigenous people so that they can realize their potential to make a significant contribution to Canada’s future prosperity.

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Executive Summary

The youthful and fast-growing Indigenous population in Canada presents both an important opportunity and significant challenge to the country: an opportunity, as this growing population represents a way to offset part of the impacts of population ageing on the economy; and a challenge, because Canada's overall economic health becomes increasingly tied to the economic health of Indigenous communities as the share of Indigenous people in the labour force increases. This is particularly true for those parts of the country which already have large Indigenous populations.

In this report, we try to quantify the likely contribution of Indigenous people to future labour force growth in Canada and the provinces over the next 25 years, using Census data and Statistics Canada demographic projections that are based on those data. We build on earlier work by Drummond *et al.* (2017) that was based on the 2011 National Household Survey.

We make projections for two scenarios. In Scenario 1, we assume participation rates by age group remain at 2021 levels. In Scenario 2, we assume that Indigenous participation rates rise to the same level as that of non-Indigenous people by 2041. Despite a recent suggestion (Iverson, 2023) that the participation rate gap between Indigenous and non-Indigenous people has closed (this conclusion is based on data that does not cover reserves), our analysis shows that the participation rate gap remains very real, especially when controlling for the relative youth of the Indigenous population.

Even if participation rate gaps remain where they are, Indigenous people, who were 4.6 per cent of the labour force in 2021, will be responsible for 10 per cent of total labour force growth. In many provinces and regions, the proportion is much higher: 17 and 27 per cent in Manitoba and Saskatchewan; 22 per cent in Quebec; 20 per cent in the Atlantic; and in the North, Indigenous people will account for *all* of the labour force growth, more than offsetting the decline in the non-Indigenous labour force.

If the participation rate gap were to close, these proportions would rise significantly. Indigenous people would account for 15 per cent of total labour force growth in Canada as a whole; 41 and 29 per cent in Manitoba and Saskatchewan; 28 per cent in Quebec; and 30 per cent in the Atlantic. Nationally, closing the gap would offset 0.5 percentage points—or around a tenth—of the projected decline in labour force participation rates by 2041.

Our results indicate that raising participation rates among Indigenous people, something which has intrinsic benefits that go broader than just employment and income, would have a significant economic return. Coupled with policies to improve education and health outcomes, increasing participation by Indigenous people in the labour force and the economy is sound public policy that would benefit both Indigenous people and all Canadians.

The Contribution of Indigenous People to Future Labour Force Growth in Canada: An Update¹

Canada's population is ageing quickly, a result of higher fertility immediately following World War II (the "baby boom"), and declining fertility since then. This ageing of the population, and particularly the retirement of the baby boom cohort, will put significant downward pressure on total hours worked, and therefore, real output and incomes. According to Arif (2022), annual growth in total hours in Canada will decline from 1.1 per cent in the 2000–2019 period to only 0.8 per cent over the 2019–2038 period.

To address this challenge, governments have looked to increased immigration. However, there is another group that can provide the additional prime-aged workers required to boost the labour force: the Indigenous people in Canada. Historically, participation rates have been lower for Indigenous people than non-Indigenous people – although, as the Indigenous population is younger and fast-growing, Indigenous people are making a disproportionate contribution to labour force growth. Furthermore, if age-specific participation rates were to move to the level of the non-Indigenous population, labour force growth would be boosted further.

In this paper, we attempted to quantify the contribution of Indigenous people to future labour force growth, building on earlier work by Drummond *et al.* (2017). We developed projections of the Indigenous contribution to Canada's labour force growth between 2016 and 2041. The first section details the assumptions and data sources that underlie the projections. The second section presents descriptive analysis of the data. The third section presents the labour force projections and the projected contributions of Indigenous people to labour force growth for Canada, and for the Provinces and Territories of the country. The fourth section summarizes our conclusions.

1 This report was written by Tim Sargent, Deputy Executive Director of the Centre for the Study of Living Standards for Indspire: a national Indigenous registered charity that invests in the education of First Nations, Inuit and Métis people for the long-term benefit of these individuals, their families and communities, and Canada. We would like to thank Abrar Arif for able research assistance and Don Drummond and Andrew Sharpe for helpful comments and suggestions. We would also like to thank Samuel Vézina from Statistics Canada for guidance and clarification on the data and the DemoSim model. Comments are welcome and can be sent to tim.sargent@csls.ca.

Data and Method

Data

Our first step was to obtain population counts for the total population for 2021 from Statistics Canada’s annual estimates of the population on July 1 (Table 17-10-0005-01), for six different age categories, and for Canada, the six provinces and the two regions. Due to their relatively small populations, we combined the data to create two regions: the four Atlantic provinces (“the Atlantic”), and the three territories (the “North”). These estimates were based on 2016 Census counts, adjusted for census net undercoverage and incompletely enumerated reserves. We then obtained projections of the total population by age category, and for Canada, the six provinces and the two regions for 2041 from Statistics Canada’s Population Projection Program (Table 17-10-0057-01). This program provides a range of scenarios for population growth, depending on assumptions about fertility rates, interprovincial migration, net immigration and life expectancy. We used the Medium-growth Scenario M3. It differs from the other Medium-growth Scenarios only by its assumptions about interprovincial migration.

These data do not provide separate estimates for the Indigenous population. For these estimates, we turned to data from DemoSim, a microsimulation model maintained by the Demography Division at Statistics Canada (Table 17-10-0144-01). This model is based on a 25 per cent sample microdata file from the 2016 Census, again adjusted for census net undercoverage and incompletely enumerated reserves. It accounts for a large number of variables that affect population changes (e.g., fertility, mortality, migration, education, marriage patterns, etc.) and provides projections from 2016 to 2041. It also presents data by Indigenous identity—whether someone self identifies on the Census form—and by status—Registered or Treaty First Nations, Métis or Inuit. For this study, a person is counted as Indigenous if they self identify or report having status.

It is important to note that the DemoSim data provide estimates for 2021 based on the 2016 Census, not actual data based on the 2021 Census. This is due to it taking time for the 2021 Census data to be adjusted for net undercoverage and incompletely enumerated reserves, then taking additional time for the model proprietors to update what is a very sophisticated model. As a result, projections based on the 2021 Census would not normally be available until 2026. An alternative would be to use available estimates from 2021 Census of Population (Table 98-10-0423-01). The problem with this approach is that these data sets only cover the population in private households. As a result, estimates of both the Indigenous and the non-Indigenous population are smaller and not consistent with the DemoSim data. Furthermore, they are not adjusted for census net undercoverage and incompletely enumerated reserves; the latter was a much more salient issue in 2021 than in 2016—63 reserves were incompletely enumerated in 2021, compared to only 14 in 2016—and so the estimates of the Indigenous population would be correspondingly lower (See Statistics Canada, 2022). The other approach, which we have adopted, is to use the DemoSim estimates for 2021, which preserves comparability of the data with the overall estimates of the Canadian population.

The authors of the DemoSim model present three different projections of the Indigenous populations and households: Low-, Medium- and High-growth Scenarios (See Statistics Canada, 2021). The scenarios differ according to four different dimensions: fertility; intragenerational ethnic mobility; change in life expectancy at birth; and registrations on the Indian Register owing to Bill S-3. The Medium-growth Scenario is meant to be “the one that most accurately reproduces recently observed population trends while taking the most recent developments into account,” whereas the High-growth and Low-growth scenarios “generate the lowest and highest population growth for the Indigenous populations” (Statistics Canada, 2021). Thus, the three scenarios provide a plausible range for likely outcomes, with the Medium-growth Scenario effectively being the base case. Table 1 below shows the scenarios associated with each scenario.

Table 1: Assumptions associated with Different Population Growth Scenarios for the Indigenous Population

	Low-growth	Medium-growth	High-growth
Fertility (Children per Woman)	Declines to 1.7 by 2041	Slight increase to 1.9 by 2041	Rises to 2.2 by 2041
Intragenerational ethnic mobility rate	Starts at 0.15% (Métis) and 0.14% (FN), increases to 0.32% and 0.27%	Starts at 0.47% (Métis) and 0.34% (FN), increases to 0.32% and 0.27%	Starts at 0.47% (Métis) and 0.41% (FN), increases to 0.32% and 0.27%
Life Expectancy (2041)	men = 78.8 years / women = 83.0 years	men = 80.2 years / women = 85.1 years	men = 81.3 years / women = 85.6 years
Registrations to the Indian Act as a result owing to Bill S-3	34,355	66,439	250,740

Taking each dimension in turn, the assumptions about fertility rates range from a slow decline to 1.7 children per woman in 2041 in the Low-growth Scenario, a slight increase to 1.9 children per woman in 2041 in the Medium-growth Scenario, and a slow increase to 2.2 children per woman in 2041 in the High-growth Scenario. In all cases, Indigenous fertility remains above non-Indigenous fertility, assumed to reach 1.56 children per woman by 2041. We should note that these differences have only limited impacts on the projections as it takes 15 years for an increase in fertility to affect the working age (fifteen years and older) population.

The next assumption, intragenerational ethnic mobility, refers to changes in the Indigenous identity category reported by a person over his or her lifetime. In recent decades, ethnic mobility has accounted for a substantial share of Indigenous population growth in Canada. Between 1996 and 2016, it accounted for 58 per cent of First Nations population growth

and 74 per cent of Métis population growth. Ethnic mobility rates can vary considerably from census to census. The average rates for conversion to Métis tripled from the 2006–2011 period to the 2011–2016 period. All three of the scenarios assume that the rate of intragenerational ethnic mobility converges to the 1996–2016 average level. Where they differ is in their starting levels. The Medium-growth Scenario assumes the recently observed level (which is well above the long-term average) at the start, whereas the Low-growth Scenario assumes a lower starting point and High-growth Scenario assumes a higher starting point. While intragenerational ethnic mobility is not absent from First Nations communities on reserves and from Inuit, the net flow is close to zero.

The third set of assumptions pertains to life expectancy at birth. In each scenario, life expectancy rises between 2016 and 2041: the increase is slow, moderate and fast for the Low-growth, Medium-growth and High-growth Scenarios respectively.

The final set of assumptions is related to registrations to the *Indian Act* resulting from Bill S-3, which received Royal Assent in 2017. S-3 is the latest in a series of amendments made to the Act over the years that effect the population entitled to be on the Indian Register. It follows Bill C-31 (1985) and Bill C-3 (2011), both of which had a significant impact on the Indian register population. For example, Bill C-31, while dealing with some sex-based inequities, also introduced the "second-generation cut-off" which has important implications for registered status members and their ability to pass status to their children. For example, as more status "Indians" have children with non-status persons, the number of status persons will gradually diminish². Bill C-31 allowed more than 174,500 people to become eligible for registration³. C-3, which came into effect in 2011, dealt with some further sex-based inequities, allowing an additional 37,000 people to be registered. Most recently, in 2019, Bill S-3 amended the *Indian Act* in response to a 2015 Superior Court of Quebec decision on differences in Indigenous registration between men and women. As a result of these changes, a significant number of people will now be able to claim Indigenous status based on descent from women who lost status or who were removed from band lists because of marriage to non-Indigenous men. However, there is significant uncertainty about the number of people eligible to register, and whether they will in fact do so. Under the Low-growth Scenario, the authors assume 34,355 new registrations between 2017 and 2041; under the Medium-growth Scenario 66,439; and under the High-growth Scenario 250,740. However, most of these registrations are assumed to come from people who already identify as Indigenous, and so the impact on the overall Indigenous population is quite small.

Finally, we needed information on labour force participation rates. Because Statistics Canada's Labour Force Survey does not survey on reserves or other Indigenous settlements, we took labour force participation data by age and region from the 2021 Census 25 per cent sample microdata file for both Indigenous and non-Indigenous people (Table 98-10-0423-01). As noted above, these data are for a slightly smaller population than the population data for the DemoSim model, but in the absence of more complete data, they are the best we have for 2021.

2 See Remaining inequities related to registration and membership (rcaanc-cirnac.gc.ca).

3 See 16-19-02-06-AFN-Fact-Sheet-Bill-C-31-Bill-C-3-final-revised.pdf.

Method

In order to produce our labour force projections for the Indigenous and non-Indigenous populations in 2041, we began by using the population and labour force participation rate estimates from 2021 to calculate the labour force by age range for Indigenous and non-Indigenous people for Canada, the six provinces and the two regions.

We then multiplied the projected total population in 2041 by the projected share of the population aged 15 and over to obtain a projected working-age population for Indigenous and non-Indigenous people, and for Canada, the six provinces and the two regions. We did this for each of the three growth scenarios outlined previously.

Finally, we calculated projected Indigenous and non-Indigenous labour forces under two alternative scenarios for the groups' respective participation rates. For Scenario 1, we assumed that Indigenous and non-Indigenous labour force participation by age group remains unchanged at their 2021 levels. We then calculated labour force projections using these 2021 estimates for both populations. For Scenario 2, we assumed that the Indigenous participation rate by age group converges with the non-Indigenous participation rate by 2041, so that the age-specific gaps between Indigenous and non-Indigenous labour force participation close. In this case, we calculated labour force projections by using the 2021 participation rates for non-Indigenous people for both populations.

It is important to note that, although we assumed that labour participation rates remain at their 2021 levels for each age group, the *overall* participation rate changed as the share of the working population in each age group changed.

With the Indigenous and non-Indigenous labour force projections from the final calculation, it was straightforward to compute the change in each group's labour force between 2021 and 2041. The ratio of the change in the Indigenous labour force to the change in the total labour force is our measure of the Indigenous population's contribution to Canada's labour force growth over the 2021–2041 period.

Descriptive Analysis

Population

We begin this section with an overview of the population data that will underpin our analysis. Table 2 below presents population statistics for Indigenous and non-Indigenous people aged 15 and over, and for Canada, the six provinces and the two regions. Panel A shows the population levels in 2021 and the projections for 2041 under the three different scenarios described on page 8. Panel B shows the implied annual growth rates between 2021 and 2041.

Table 2: Population Statistics for Indigenous and non-Indigenous people aged 15 and over

Panel A: Population Levels (thousands of persons)

	2021			2041 Projections								
	Non-Indigenous	Indigenous	Total	Non-Indigenous	Indigenous							
					A. Low-growth	B. Medium-growth	C. High-growth	Difference (A-C)	Per cent of population 2021	Per cent of population (Medium-growth 2041)	Per cent of population (High-growth 2041)	Per cent of population (Low-growth 2041)
Canada	30,640	1,565	32,205	37,858	2,051	2,330	2,596	545	4.9	5.8	6.4	5.1
Atlantic	1,999	126	2,125	2,043	140	175	202	62	5.9	7.9	9.0	6.4
Quebec	7,068	183	7,251	7,773	217	270	316	99	2.5	3.4	3.9	2.7
Ontario	12,174	366	12,540	15,210	479	555	636	157	2.9	3.5	4.0	3.1
Manitoba	936	195	1,131	1,127	258	280	298	40	17.2	19.9	20.9	18.6
Saskatchewan	803	149	952	1,057	204	217	232	28	15.7	17.0	18.0	16.2
Alberta	3,384	241	3,625	5,168	351	390	425	74	6.6	7.0	7.6	6.4
British Columbia	4,225	256	4,481	5,428	340	380	421	81	5.7	6.5	7.2	5.9
North	52	48	100	52	61	63	65	4	48.0	54.8	55.6	54.0

Panel B: Implied Population Growth Rates, 2021–2041 (per cent per year)

			Non-Indigenous	Indigenous				
				A. Low-growth	B. Medium-growth	C. High-growth	Difference (4)–(2)	Difference (3)–(1)
				(1)	(2)	(3)		
Canada	–	–	1.1	1.4	2.0	2.6	-1.2	0.9
Atlantic	–	–	0.1	0.5	1.7	2.4	-1.9	1.5
Quebec	–	–	0.5	0.9	2.0	2.8	-1.9	1.5
Ontario	–	–	1.1	1.4	2.1	2.8	-1.4	1.0
Manitoba	–	–	0.9	1.4	1.8	2.1	-0.7	0.9
Saskatchewan	–	–	1.4	1.6	1.9	2.2	-0.7	0.5
Alberta	–	–	2.1	1.9	2.4	2.9	-1.0	0.3
British Columbia	–	–	1.3	1.4	2.0	2.5	-1.1	0.7
North	–	–	0.0	1.2	1.4	1.5	-0.3	1.4

In 2021, the Indigenous working-age population (defined as the population aged 15+) of Canada was 1.6 million, and the non-Indigenous working-age population was 32.2 million. Therefore, Indigenous people accounted for 4.9 per cent of the total working-age population in Canada, ranging from 48 per cent in the North to 2.5 per cent in Quebec.

The non-Indigenous working-age population is projected to rise by 1.1 per cent per year over the 2021–2041 period and to reach 37.9 million in 2041. The Medium-growth Scenario for the Indigenous population is 2.3 million in 2041—5.8 per cent of the working-age population. The implied growth rate is 2.0 per cent per year; with Alberta growing a little above the national average; Quebec, Ontario and British Columbia around the national average; and the Atlantic, Manitoba and Saskatchewan a little below. The North is lowest with only 1.4 per cent growth; however, this contrasts with almost no growth in the non-Indigenous workforce.

The result of this faster growth in the Indigenous population of working age is an increase in the share of Indigenous people in the overall workforce from 4.9 per cent in 2021 to 5.8 per cent in 2041 in the Medium-growth Scenario. The share ranges from approximately 3.5 per cent in Quebec and Ontario; to between 6 and 8 per cent in the Atlantic, British Columbia and Alberta; to 17 per cent in Saskatchewan, 20 per cent in Manitoba, and 55 per cent in the North.

The projections vary significantly under the Low-growth Scenario and High-growth Scenario. Growth in the Indigenous working-age population varies from 1.4 per cent to 2.6 per cent for Canada as a whole, with variation as large as 1.9 percentage points for the Atlantic and Quebec, and as little as 0.3 percentage points for the North. For the overall share of Indigenous people in the workforce in 2041, projections range from 5.1 per cent in the Low-growth Scenario to 6.4 per cent in the High-growth Scenario. Across the six provinces and two regions, the differences in scenarios are of a similar magnitude to the national differences. Even in the Low-growth Scenario, the Indigenous share of the workforce rises in every province/region except Alberta.

Age Breakdown

Table 3 below shows the age breakdown of the Indigenous and non-Indigenous populations for Canada in 2021 and in 2041 under the three scenarios. The Indigenous population in 2021 was substantially younger than the non-Indigenous population. Among Indigenous people, 24 per cent were below age 15. The corresponding share among non-Indigenous people was 16 per cent, 8 percentage points lower. At the other end of the age spectrum, 9 per cent of Indigenous people were aged 65 and older, compared to 19 per cent among non-Indigenous people (a gap of 9 percentage points). The share of the population that was aged 15–64 was slightly lower among non-Indigenous than among Indigenous people (66 per cent and 67 per cent, respectively). Overall, 84 per cent of the non-Indigenous population was of working age, compared to 76 per cent of the Indigenous population.

Table 3: Age Composition of the Indigenous and Non-Indigenous Populations 2021 and Projection for 2041 (per cent)

	2021		2041 Projection			
	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous		
				A. Low-growth	B. Medium-growth	C. High-growth
0–14	15.8	24.0	14.4	17.8	18.2	18.4
15–64	65.7	66.8	62.1	65.6	64.6	64.0
65+	18.5	9.2	23.5	16.6	17.2	17.6
Working-age (15+)	84.2	76.0	85.6	82.2	81.8	81.6

Source: Statistics Canada Tables 17-10-0005-01, 17-10-0144-01, and 17-10-0057-01

The Indigenous population is projected to remain relatively young in 2041. However, the age distribution will move considerably closer to that of the non-Indigenous population. Under the Medium-growth Scenario, the share of Indigenous people below age 15 declines from 24 per cent to 18 per cent. As a result, the working-age population share rises from 76 per cent to 82 per cent. Thus, a substantial part of Indigenous labour force growth over the projection horizon is expected to come from the ageing of the population, with the current large cohort of people aged 0–14 moving into working age. Among non-Indigenous people, the working-age population share is projected to rise only slightly, from 84 to 86 per cent.

Focusing on the 65+ age group, we see some very significant shifts over time for both Indigenous and non-Indigenous populations. The share of the non-Indigenous population over 65 rises by 5 percentage points from 19 per cent to 24 per cent. Under the Medium-growth Scenario, the share of the Indigenous population over 65 rises even more, by 8 percentage points, from 9 per cent to 17 per cent.

Table 4 below provides more detail on the age structure for 2021 by displaying the absolute size and distribution of the non-Indigenous and Indigenous working-age populations in ten-year age groups from 15 to 64, and for the 65 and older age group. The Indigenous working-age population is much younger, with 58 per cent in the three youngest age groups (15–24, 25–34 and 35–44), compared to 46 per cent for the non-Indigenous population.

Table 4: Working-age Population by Age Category, Indigenous and Non-Indigenous Populations, 2021 (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Non-Indigenous	4,174	5,009	4,911	4,574	5,079	6,893	30,640
Indigenous	333	321	259	237	226	189	1,565
Share of Non-Indigenous Population (%)	13.6	16.3	16.0	14.9	16.6	22.5	100.0
Share of Indigenous Population (%)	21.3	20.5	16.5	15.1	14.4	12.1	100.0

Source: Statistics Canada Table 17-10-0144-01 and 17-10-0005-01

Table 5 below shows the absolute size and distribution of the working-age population in 2041 for the non-Indigenous and Indigenous populations in ten-year age groups from 15 to 64, and for the 65 and older age group. By 2041, ageing of both the Indigenous and non-Indigenous population has reduced the share of the working-age population in the 15–44 age groups to 50 per cent and 43 per cent respectively, with the gap between shares now 7 percentage points, down from 12 per cent in 2021.

Table 5: Working-age Population by Age Category, Indigenous and Non-Indigenous Populations, Projection for 2041, Medium-growth Scenario (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Non-Indigenous	4,967	5,628	5,798	5,981	5,104	10,380	37,857
Indigenous	363	417	385	376	301	489	2,331
Share of Non-Indigenous Population (%)	13.1	14.9	15.3	15.8	13.5	27.4	100.0
Share of Indigenous Population (%)	15.6	17.9	16.5	16.1	12.9	21.0	100.0

Source: Statistics Canada Table 17-10-0144-01 and 17-10-0057-01

Thus we can see that the pyramid-shaped age structure of the 2021 Indigenous population, skewed to younger cohorts, evolves by 2041 to a much more evenly distributed age structure that is very similar to that of non-Indigenous people twenty years earlier in 2021. Although, by 2041, the age structure of non-Indigenous people will have skewed much more to the oldest cohort, which is expected to be roughly twice as large as any other age cohort.

Labour Force Participation Rates

Table 6 below presents the labour force participation rates in 2021 for the Indigenous and non-Indigenous working-age populations for Canada, the six provinces and the two regions. At the national level, the participation rates were 60 per cent and 64 per cent for Indigenous and non-Indigenous people respectively, leading to a gap of 4 percentage points. The participation gap is much larger for the below-65 age groups—ranging from 8 to 14 per cent—but is actually negative for the 65+ age group, where the participation rate for Indigenous people is 1.9 percentage points above that of non-Indigenous people. The overall participation rate gap of 4 percentage points would be much larger if the Indigenous population were as old as the non-Indigenous population; however, because there are so many Indigenous people in the younger age groups, the lower participation rates for those under 65 are partly offset by the lower average age of the Indigenous population.

Table 6: Labour Force Participation Rates of the Indigenous and Non-Indigenous Populations by Age Category, 2021

Panel A: Indigenous and Non-Indigenous National Participation Rates (per cent)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Non-Indigenous	61.0	85.9	86.9	85.8	66.4	15.7	63.9
Indigenous	50.1	72.4	75.9	74.4	58.4	17.6	59.9

Panel B: Gap between Non-Indigenous and Indigenous Rates (per cent)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	10.9	13.5	11.0	11.4	8.0	-1.9	4.0
Atlantic	13.0	7.6	7.7	6.7	4.4	-2.2	2.5
Quebec	9.5	10.3	7.2	8.3	5.3	-1.3	2.6
Ontario	4.4	10.5	8.6	9.4	10.1	0.3	2.5
Manitoba	13.3	21.2	17.2	17.2	11.6	-1.4	7.1
Saskatchewan	10.3	23.9	21.0	20.6	13.9	2.7	8.3
Alberta	6.4	12.0	10.0	12.7	8.4	-1.1	4.7
British Columbia	17.8	9.7	9.5	9.8	6.4	-4.1	3.0
North	30.1	26.0	23.0	21.7	14.9	7.8	25.3

Source: Statistics Canada Tables 98-10-0423-01, 17-10-0144-01, 17-10-0005-01

The 4 percentage point gap in aggregate participation rates is a little lower than the 4.9 percentage point gap Drummond *et al.* (2017) found in 2011. But it is still significant. A recent report by the Coalition for a Better Future asserts that the participation rate gap between Indigenous and non-Indigenous people has closed (See Ivison, 2023). However, this conclusion is drawn from Labour Force Survey Data, and as noted previously, these data do not cover Indigenous people on reserve, where participation rates are lower. As a result, they are an imperfect guide compared to our data, which do cover Indigenous people on reserve. The other point to be made is that the aggregate participation rate gap masks the scale of participation rate gaps by age group, which, as shown on page 17, are significantly greater than the aggregate participation rate gap, with the exception of people aged 65+. This is a result of the Indigenous population being much younger than the non-Indigenous population, and so there are fewer people in the older age groups where participation rates are lower.

Panel B of Table 6 (on page 17) provides a breakdown by province/region of labour force participation in 2021. The gap between Indigenous and non-Indigenous participation rates varies greatly by geography, with gaps lower in the Atlantic, Quebec, Ontario and British Columbia; around the national average in Alberta; and much higher than the national average in Manitoba, Saskatchewan and the North.

We now turn to the implications of these age-specific participation rate gaps for the overall size of the labour force in Canada. Table 7 (on pages 19) provides an estimate of what the labour force would have been in Canada in 2021 if the Indigenous participation rate for each age group had been the same as that of the non-Indigenous population. In this scenario, participation rates for Indigenous people would rise significantly for all ages below 65, but decline slightly for Indigenous people aged 65 and older. This counterfactual assumption increases the Indigenous labour force by 150,000 from 937,000 to 1,087,000 in 2021, a 15 per cent increase. As a result the overall labour force would rise 0.7 per cent.

Table 7: Effect of Participation Rate Gap on the Labour Force in 2021, Canada

Panel A: Participation Rate and Population Data by Age Group and Indigenous Identity (2021)

	Participation Rate (per cent)		Population (thousands of persons)	
	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
15–24	50.1	61.0	333	4,174
25–34	72.4	85.9	321	5,009
35–44	75.9	86.9	259	4,911
45–54	74.4	85.8	237	4,574
55–64	58.4	66.4	226	5,079
65+	17.6	15.7	189	6,893

Panel B: Effect of the Participation Gap in 2021 (thousands of persons)

	Indigenous	Non-Indigenous	Total
Actual Labour Force (2021)	937	19,496	20,433
Counterfactual Labour Force (2021)	1,087	19,496	20,583
Per cent change	16.0	0.0	0.7

Source: Author's calculations

Labour Force Projections

We used the population projections and the 2021 data on participation rates to construct labour force projections to 2041 for the Indigenous and non-Indigenous populations for Canada, the six provinces and the two regions, based on the three different projections for growth in the Indigenous population. For the non-Indigenous population, we assumed that participation rates by age group remain at 2021 levels. (Note that the overall participation rate for the non-Indigenous population will change as the age structure of the population changes). We then constructed two scenarios for the growth of the Indigenous labour force:

Scenario 1

The participation rate for the Indigenous population remains at 2021 levels, so that the participation rate gap by age group and by province/region between Indigenous and non-Indigenous people remains unchanged over the 2021–2041 period.

Scenario 2

The participation rate for the Indigenous population by age group and by province/region in 2041 is that of the non-Indigenous population in 2021, so that the participation rate gap by age group disappears for each province/region.

The implications of the two scenarios are shown in Table 8 (on page 21 and 22).

Table 8: Labour Force Projections for 2041, Indigenous and Non-Indigenous Populations, Medium-growth Scenario

Scenario 1: Participation Rate Gap Remains Unchanged (thousands of persons)

	Labour force, 2021			Labour force, 2041			Change in labour force, 2021–2041			Indigenous share of labour force growth, 2021–2041 (per cent)
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	
Canada	937	19,572	20,509	1,326	23,063	24,390	389	3,491	3,880	10.0
Atlantic	74	1,229	1,303	95	1,129	1,224	21	-100	-79	-26.1
Quebec	112	4,491	4,602	155	4,642	4,797	43	151	194	22.3
Ontario	221	7,643	7,863	312	9,110	9,422	91	1,467	1,559	5.8
Manitoba	115	616	731	155	727	882	41	110	151	26.9
Saskatchewan	88	540	628	120	701	821	32	161	193	16.8
Alberta	153	2,308	2,461	236	3,440	3,677	83	1,132	1,215	6.9
British Columbia	154	2,674	2,828	218	3,277	3,495	64	603	667	9.6
North	27	42	69	35	37	72	8	-5	3	262.3

Scenario 2: Participation Rate Gap Closes by 2041 (thousands of persons)

	Labour force, 2021			Labour force, 2041			Change in labour force, 2021–2041			Indigenous share of labour force growth, 2016–2041 (per cent)
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	
Canada	937	19,572	20,509	1,533	23,063	24,596	596	3,491	4,087	14.6
Atlantic	74	1,229	1,303	104	1,129	1,233	30	-100	-70	-42.2
Quebec	112	4,491	4,602	171	4,642	4,813	59	151	210	28.1
Ontario	221	7,643	7,863	350	9,110	9,460	129	1,467	1,596	8.1
Manitoba	115	616	731	192	727	918	77	110	187	41.2
Saskatchewan	88	540	628	154	701	855	66	161	227	29.2
Alberta	153	2,308	2,461	268	3,440	3,708	115	1,132	1,247	9.2
British Columbia	154	2,674	2,828	246	3,277	3,524	92	603	695	13.2
North	27	42	69	48	37	85	21	-5	16	129.8

Source: Statistics Canada Tables 98-10-0423-01, 17-10-0144-01, 17-10-0005-01

In both scenarios, the Indigenous labour force grows significantly, from 937,000 in 2021 to 1,326,000 if participation rates remain unchanged (Scenario 1); to 1,533,000 if participation rates equalize (Scenario 2). This is a difference of 207,000 people. Meanwhile, the non-Indigenous labour force grows by 3,481,000 to 23,063,000. Thus, the Indigenous population share of total labour force growth is 10 per cent in Scenario 1 and 15 per cent in Scenario 2. This is significantly higher than the Indigenous share of the 2021 working-age population (4.9 per cent) and of the 2021 labour force (4.6 per cent). As a result, the Indigenous share of the labour force rises to 5.4 per cent in Scenario 1, and to 6.2 per cent in Scenario 2.

As Table 9 below illustrates, closing the participation rate gap—or more precisely, by moving Indigenous participation rates to non-Indigenous levels—increases the overall participation rate for Canada by 0.5 percentage points, so that the overall participation rate would drop from 63.7 per cent in 2021 to 61.2 per cent in 2041 if the gap were closed, rather than to 60.7 per cent if the gap remained constant. As result, closing the gap would offset 0.5 percentage points—or approximately one sixth—of the projected decline in labour force participation rates by 2041.

Table 9: Participation Rate Projections for 2041, Indigenous and Non-Indigenous Populations, Medium-growth Scenario (per cent)

	2021			2041					
	Indigenous	Non-Indigenous	Total	Participation Gap Remains Unchanged			Participation Rate Gap Closes		
				Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total
Canada	59.9	63.9	63.7	56.9	60.9	60.7	65.8	60.9	61.2
Atlantic	59.0	61.5	61.3	54.3	55.3	55.2	59.4	55.3	55.6
Quebec	61.0	63.5	63.5	57.4	59.7	59.6	63.2	59.7	59.8
Ontario	60.3	62.8	62.7	56.2	59.9	59.8	63.0	59.9	60.0
Manitoba	58.8	65.9	64.7	55.4	64.5	62.7	68.5	64.5	65.3
Saskatchewan	59.0	67.3	66.0	55.5	66.3	64.4	71.1	66.3	67.1
Alberta	63.5	68.2	67.9	60.6	66.6	66.2	68.7	66.6	66.7
British Columbia	60.3	63.3	63.1	57.4	60.4	60.2	64.8	60.4	60.7
North	55.8	81.1	69.0	55.0	72.0	62.7	76.2	72.0	74.3

Source: Statistics Canada Tables 98-10-0423-01, 17-10-0144-01, 17-10-0005-01

Projections by Province and Region

The contributions to national growth are dwarfed by the contributions in some provinces or regions. As Table 8 shows, even with a constant participation rate, in the Medium-growth Scenario, Indigenous people account for 22 per cent of labour force growth in Quebec, 17 per cent in Saskatchewan and 27 per cent in Manitoba. In Ontario, Alberta and British Columbia the contribution of Indigenous people to labour force growth is slightly below the national average, largely because the non-Indigenous population is growing relatively quickly, although not as quickly as the Indigenous population.

The situation in the Atlantic and the North is more complicated. For the Atlantic, the overall labour force is set to decline rather than to grow, due to a decline in the non-Indigenous labour force. Thus, the growing Indigenous labour force contributes negatively to the decline (hence the -26 per cent contribution in Table 8 on page 21). However, a better way of thinking of this is to note that growth in the Indigenous labour force in the Atlantic offsets 20 per cent of the decline in the labour force, so that it shrinks by only 6 per cent instead of 8 per cent.

In the North, there is a similar situation, with the non-Indigenous labour force expected to decline. However, this is more than offset by a rise in the Indigenous labour force. Rather than looking at the 262 per cent contribution in Table 8 on page 21, a better way to think of this situation is to note that Indigenous labour force growth offsets all of the decline in the labour force, so that it grows by 4 per cent, rather than declining by 7 per cent in a scenario where there was no Indigenous labour force growth.

Closing the participation rate gap makes these contributions even larger: Indigenous people would then account for 28 per cent of labour force growth in Quebec (up 6 percentage points compared to the scenario with unchanged participation rates), 29 per cent in Saskatchewan (up 12 percentage points) and 41 per cent in Manitoba (up 14 percentage points). In the Atlantic, Indigenous labour force growth would offset 30 per cent of the decline in the non-Indigenous labour force, and in the North the total labour force would grow by 24 per cent instead of declining by 7 per cent.

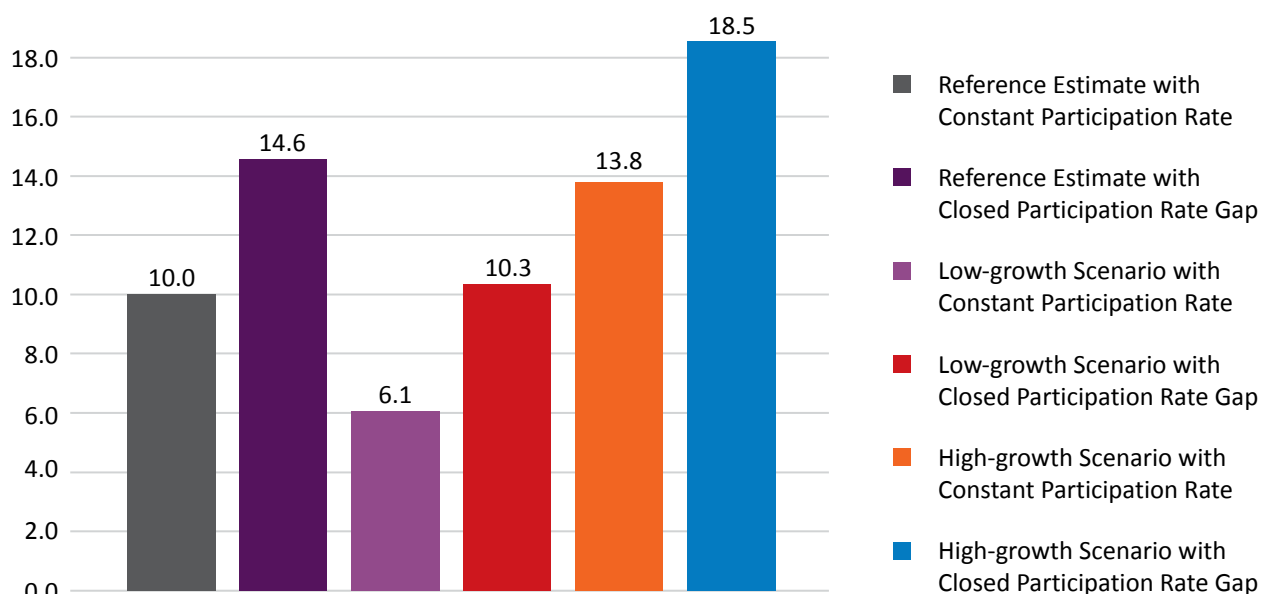
Projections under different growth scenarios

As discussed earlier, the population projections provided by Statistics Canada depend on a series of assumptions regarding the future, particularly assumptions pertaining to fertility, intragenerational ethnic mobility, change in life expectancy at birth, and registrations on the Indian Register owing to Bill S-3. Therefore, Statistics Canada produces High-, Medium- and Low-growth Scenarios that reflect different projections along the four assumptions.

Chart 1 below shows how the Indigenous share of labour force growth varies under the three different growth scenarios for each of the participation rate assumptions.

Chart 1: Indigenous Share of Labour Force Growth in Different Growth Scenarios

Indigenous Share of Labour Force Growth, 2021–2041 (per cent) Canada



Source: Author's calculations.

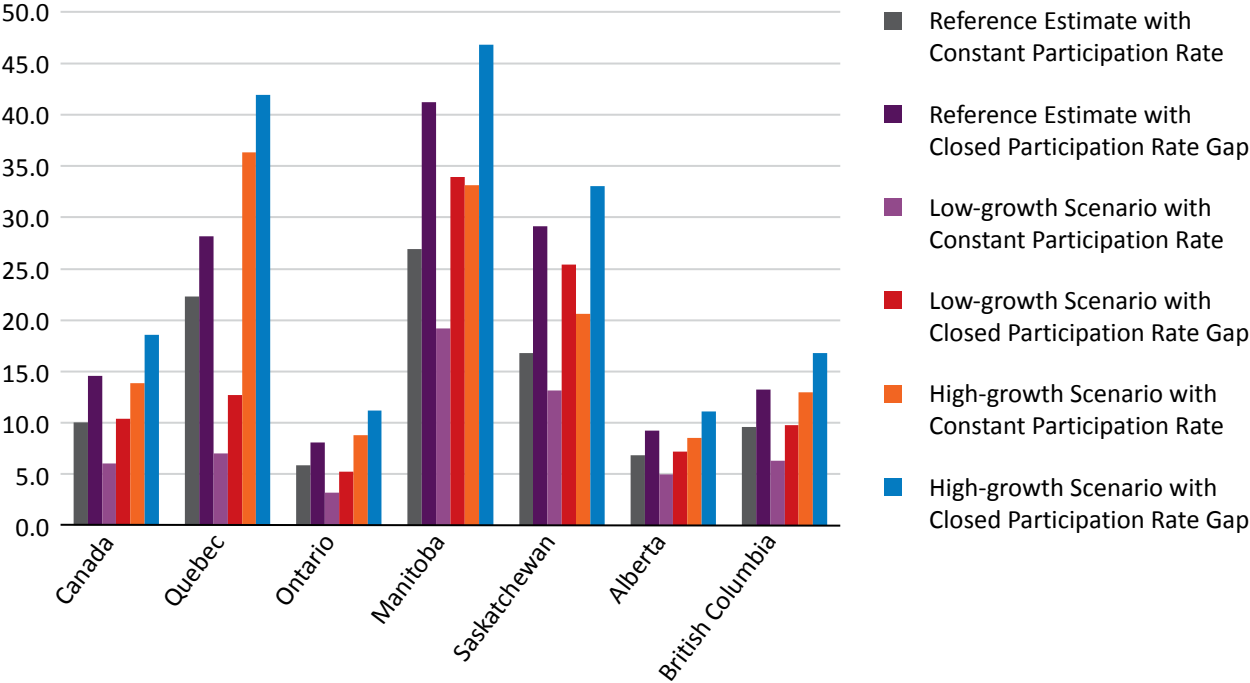
The Indigenous share of labour force growth ranges from 6 per cent to 15 per cent, with a constant participation rate gap; and from 10 to 19 per cent, with a closed participation rate gap. Closing the gap would therefore increase the contribution of Indigenous people by about 4–5 percentage points in each scenario.

In all three scenarios, Indigenous people are a significant contributor to labour force growth and closing the gap would have a significant additional impact. The impact on the overall participation rate ranges from 0.4 to 0.5 percentage points, again offsetting about a sixth of the decline in the overall participation rate.

Chart 2 below illustrates the Indigenous share of labour force growth for Canada and the provinces for the closed and constant participation rate gaps across the three growth scenarios. Due to the difficulty of interpreting the numbers for the Atlantic and the North, we do not show these regions.

Chart 2: Indigenous Share of Labour Force Growth in Different Growth Scenarios by Province

Indigenous Share of Labour Force Growth by Region, 2021–2041 (per cent)



Source: Author’s calculations.

Note: The North and the Atlantic are not shown in the chart because the non-Indigenous labour force declines.

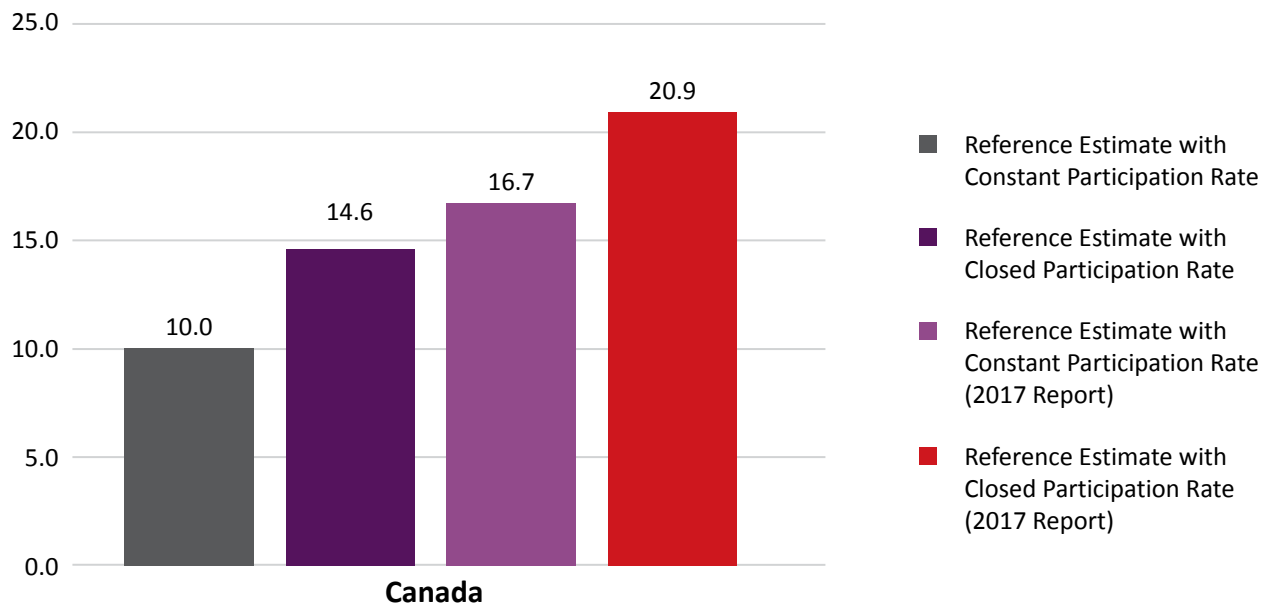
Using the High-growth Scenarios and Low-growth Scenarios changes the picture quite a bit for Quebec: the share of Indigenous people in labour force growth varies from 8 per cent to 37 per cent depending on growth scenario and participation rate assumption. This large variation reflects low growth in the non-Indigenous labour force, so that small changes in the Indigenous labour force have a big impact on the growth of the overall labour force. The results in other provinces are more robust for different Indigenous population growth scenarios. As non-Indigenous population growth is higher, Indigenous shares in labour force growth range from 3 to 11 per cent in Ontario; 5 to 11 per cent in Alberta; 6 to 16 per cent in British Columbia; 14 to 32 per cent in Saskatchewan; and 21 to 44 per cent in Manitoba.

Comparisons with Drummond *et al.* (2017)

Now, we investigate how our projections over the period 2021 to 2041 differ from those made by Drummond *et al.* (2017) for the 2011 to 2036 period. Chart 3 below shows the difference between our Medium-growth Scenario and their reference scenario for both constant and closed participation rates.

Chart 3: Comparison of Contribution of Indigenous Share of the Labour Force in Current Study and in Drummond *et al.* (2017)

Indigenous Share of Labour Force Growth in Canada, Old Projections vs New Projections (per cent)



Source: Author's calculations, Drummond *et al.* (2017).

The Indigenous share of labour force growth is higher in the 2017 study: 17 to 21 per cent, compared to 10 to 15 per cent in our study. However, the implications of closing the participation rate gap are similar: between 4 and 5 percentage points.

The underlying explanation for the lower Indigenous share of labour force growth in this study is the differences in the evolution of the working-age population in the two studies. In our study, the growth of the Indigenous population is only 2.0 per cent per annum in the Medium-growth Scenario on (See Table 2), compared to 3.0 per cent in Drummond *et al.* (2017) in their Reference scenario (See their Table 1 on pages 11 and 12). However, the growth of the non-Indigenous population is very similar in both studies (around 1.1 per cent). In our study, the Indigenous population grows less quickly relative to the non-Indigenous population and the Indigenous labour force grows less quickly, accounting for less of the total growth of the labour force.

The slower growth of the Indigenous population in our study is attributable to a number of different causes. One key factor is that the Indigenous population has changed significantly since 2011. Drummond *et al.* (2017) have the Indigenous share of the population at 3.6 per cent. In our study, we have a share of 4.9 per cent. A significant part of that increase is attributable to intragenerational ethnic mobility that took place over the 2011–2021 period. As those who are now declaring Indigenous identity tend to have fertility rates closer to the non-Indigenous population, this brings down projected fertility rates for Indigenous people over the 2021–2041 period. There are also differences in the data used for the starting point of the projections. As a result, we use the working population from the DemoSim model for 2021 that uses as a base Census estimates from 2016 that are adjusted for undercounts, particularly on reserves, whereas Drummond *et al.* (2017) use data from the 2011 National Household Survey that does not make those post-Census adjustments.

Conclusion

We used official Statistics Canada population scenarios, taken from their DemoSim model (Statistics Canada, 2021), to estimate the contribution of Indigenous people to projected labour force growth between 2021 and 2041 for Canada, the six provinces and the two regions.

Our results show that Indigenous people will contribute a disproportionate share of Canada's labour force growth. Even though Indigenous people account for 4.6 per cent of the labour force in 2021, their share of total labour force growth ranges from 6 per cent in the Low-growth Scenario, to 10 per cent in the Medium-growth Scenario, to 13 per cent in the High-growth Scenario.

This contribution is even more significant in many provinces or regions. In the Medium-growth Scenario, Indigenous people will contribute 27 per cent of the labour force growth in Manitoba, and 17 per cent of labour force growth in Saskatchewan. In Quebec, as there is very little growth in the non-Indigenous labour force, Indigenous people account for 22 per cent of labour force growth. In the Atlantic, the non-Indigenous labour force is projected to decline. Nonetheless, the growth of the Indigenous labour force is able to offset a fifth of this decline. In the North, where the non-Indigenous labour force is set to decline significantly, the growth of the Indigenous labour force will more than offset this decline.

Significant though these contributions are, they could be higher. If the labour force participation rate gap between Indigenous and non-Indigenous people were to be closed, the Indigenous labour force would increase by an additional 206,000 in the Medium-growth Scenario, implying an Indigenous contribution to Canada's labour force growth of 15 per cent, rather than 10 per cent. In the High-growth Scenario this would climb to 19 per cent.

In some provinces the impact would be even larger: in Manitoba the Indigenous contribution would rise to 41 per cent, in Saskatchewan to 29 per cent, and in Quebec to 28 per cent. Ontario, Alberta and British Columbia would also see Indigenous contributions of 8 to 13 per cent or more.

These numbers are not small. They show that Indigenous people will make a very significant contribution to one of Canada's most salient economic challenges—the downward drag on the labour force from the retirement of the baby boom generation—and, given the right policies, they could make an even greater contribution.

One of the benefits of higher labour force participation is increased Gross Domestic Product (GDP). Calculating this impact is beyond the scope of this study. However, a study by the Centre of the Study of Living Standards (2023), building on work by Calver (2015), found that closing the educational attainment gap, the employment gap, and the employment income gap between Indigenous and non-Indigenous people would lead to cumulative GDP gains of \$457 billion by 2041. In addition to these monetary benefits, for prime-aged workers, being in the labour force can provide meaning and purpose and help stave off a variety of social ills from substance use issues to homelessness that are both destructive to the individuals concerned and costly to society.

Of course, raising participation rates to non-Indigenous levels will likely require policy action, particularly increasing funding for education and job training. However, the investment will likely be worth it, if it can raise participation rates closer to non-Indigenous levels.

To conclude, Indigenous people will play an increasing role in Canada's labour market over the next 25 years, helping to offset the challenge of population ageing. With the right policies, this contribution could be significantly larger and the benefits would be consequential – for Indigenous people themselves, for their communities, and for Canada as a whole.

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Appendix Tables

Appendix Table 1A: Working-age Population by Age Category, Indigenous and Non-Indigenous Populations, Projection for 2041, Medium-growth Scenario

Panel A: Indigenous Population (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	363	417	385	376	300	489	2,330
Atlantic	25	27	26	27	22	48	175
Quebec	40	45	40	41	36	68	270
Ontario	82	95	91	92	72	123	555
Manitoba	47	54	48	44	34	53	280
Saskatchewan	39	42	38	35	26	37	217
Alberta	64	77	69	64	49	67	390
British Columbia	56	65	64	64	49	82	380
North	11	13	11	10	8	10	63

Panel B: Non-Indigenous Population (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	4,967	5,628	5,798	5,981	5,105	10,380	37,858
Atlantic	241	242	271	314	292	682	2,043
Quebec	974	1,118	1,073	1,149	1,105	2,355	7,773
Ontario	2,038	2,238	2,376	2,446	1,979	4,134	15,210
Manitoba	166	169	177	181	153	281	1,127
Saskatchewan	153	153	166	173	152	261	1,057
Alberta	703	915	916	848	679	1,107	5,168
British Columbia	684	785	808	861	743	1,549	5,428
North	8	8	8	9	7	12	52

Source: Statistics Canada Tables 17-10-0005-01, 17-10-0144-01, and 17-10-0057-01.

Appendix Table 1B: Working-age Population by Age Category, Indigenous and Non-Indigenous Populations, Projection for 2041, Low-growth Scenario

Panel A: Indigenous Population (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	323	369	346	336	263	414	2,051
Atlantic	20	22	22	22	17	37	140
Quebec	33	36	33	33	29	53	217
Ontario	72	81	80	80	63	103	479
Manitoba	43	50	45	42	31	47	258
Saskatchewan	36	40	36	33	25	34	204
Alberta	58	69	63	58	44	59	351
British Columbia	50	58	58	58	45	71	340
North	11	12	11	10	7	10	61

Panel B: Non-Indigenous Population (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	4,966	5,627	5,795	5,979	5,109	10,381	37,857
Atlantic	241	242	271	314	292	682	2,043
Quebec	974	1,118	1,073	1,149	1,105	2,355	7,773
Ontario	2,038	2,238	2,376	2,446	1,979	4,134	15,210
Manitoba	166	169	177	181	153	281	1,127
Saskatchewan	153	153	166	173	152	261	1,057
Alberta	703	915	916	848	679	1,107	5,168
British Columbia	684	785	808	861	743	1,549	5,428
North	8	8	8	9	7	12	52

Source: Statistics Canada Tables 17-10-0005-01, 17-10-0144-01, and 17-10-0057-01.

Appendix Table 1C: Working-age Population by Age Category, Indigenous and Non-Indigenous Populations, Projection for 2041, High-growth Scenario

Panel A: Indigenous Population (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	396	461	425	417	337	560	2,596
Atlantic	27	30	29	31	29	56	202
Quebec	45	53	47	48	43	80	316
Ontario	92	109	104	105	83	143	636
Manitoba	50	56	50	47	36	59	298
Saskatchewan	42	44	39	36	29	42	232
Alberta	68	84	74	69	55	75	425
British Columbia	60	72	70	70	55	94	421
North	11	13	12	10	8	11	65

Panel B: Non-Indigenous Population (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	4,966	5,627	5,795	5,979	5,109	10,381	37,857
Atlantic	241	242	271	314	292	682	2,043
Quebec	974	1,118	1,073	1,149	1,105	2,355	7,773
Ontario	2,038	2,238	2,376	2,446	1,979	4,134	15,210
Manitoba	166	169	177	181	153	281	1,127
Saskatchewan	153	153	166	173	152	261	1,057
Alberta	703	915	916	848	679	1,107	5,168
British Columbia	684	785	808	861	743	1,549	5,428
North	8	8	8	9	7	12	52

Source: Statistics Canada Tables 17-10-0005-01, 17-10-0144-01, and 17-10-0057-01.

Appendix Table 2A: Labour Force Projections for 2041, Indigenous and Non-Indigenous Populations, Low-growth Scenario

Scenario 1: Participation Rate Gap Remains Unchanged (thousands of persons)

	Labour force, 2021			Labour force, 2041			Change in labour force, 2021–2041			Indigenous share of labour force growth, 2021–2041 (per cent)
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	
Canada	937	19,572	20,509	1,174	23,063	24,237	236.3	3,491.4	3,727.6	6.3
Atlantic	74	1,229	1,303	77	1,129	1,206	2.7	-100.0	-97.3	-2.8
Quebec	112	4,491	4,602	125	4,642	4,767	13.8	151.1	164.9	8.4
Ontario	221	7,643	7,863	271	9,110	9,381	49.9	1,467.5	1,517.4	3.3
Manitoba	115	616	731	144	727	871	29.4	110.1	139.5	21.1
Saskatchewan	88	540	628	114	701	814	25.6	160.9	186.5	13.7
Alberta	153	2,308	2,461	213	3,440	3,654	60.3	1,131.9	1,192.2	5.1
British Columbia	154	2,674	2,828	196	3,277	3,474	41.9	603.3	645.2	6.5
North	27	42	69	33	37	71	6.6	-4.9	1.7	379.9

Scenario 2: Participation Rate Gap Closes by 2041 (thousands of persons)

	Labour force, 2021			Labour force, 2041			Change in labour force, 2021–2041			Indigenous share of labour force growth, 2021–2041 (per cent)
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	
Canada	937	19,572	20,509	1,360	23,063	24,423	422.7	3,491.4	3,914.1	10.8
Atlantic	74	1,229	1,303	84	1,129	1,213	10.0	-100.0	-90.0	-11.1
Quebec	112	4,491	4,602	138	4,642	4,780	26.7	151.1	177.7	15.0
Ontario	221	7,643	7,863	303	9,110	9,414	82.7	1,467.5	1,550.2	5.3
Manitoba	115	616	731	178	727	905	63.6	110.1	173.7	36.6
Saskatchewan	88	540	628	146	701	847	57.6	160.9	218.6	26.4
Alberta	153	2,308	2,461	242	3,440	3,682	89.0	1,131.9	1,220.9	7.3
British Columbia	154	2,674	2,828	222	3,277	3,499	67.6	603.3	670.9	10.1
North	27	42	69	46	37	84	19.6	-4.9	14.7	133.2

Source: Statistics Canada Tables 98-10-0423-01, 17-10-0144-01, 17-10-0005-01

Appendix Table 2B: Labour Force Projections for 2041, Indigenous and Non-Indigenous Populations, High-growth Scenario

Scenario 1: Participation Rate Gap Remains Unchanged (thousands of persons)

	Labour force, 2021			Labour force, 2041			Change in labour force, 2021–2041			Indigenous share of labour force growth, 2021–2041 (per cent)
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	
Canada	937	19,572	20,509	1,471	23,063	24,534	533.3	3,491.4	4,024.7	13.3
Atlantic	74	1,229	1,303	109	1,129	1,238	34.7	-100.0	-65.2	-53.3
Quebec	112	4,491	4,602	181	4,642	4,823	69.8	151.1	220.8	31.6
Ontario	221	7,643	7,863	357	9,110	9,467	135.8	1,467.5	1,603.3	8.5
Manitoba	115	616	731	164	727	890	49.3	110.1	159.4	30.9
Saskatchewan	88	540	628	127	701	828	39.4	160.9	200.3	19.7
Alberta	153	2,308	2,461	257	3,440	3,697	103.6	1,131.9	1,235.5	8.4
British Columbia	154	2,674	2,828	240	3,277	3,518	86.0	603.3	689.3	12.5
North	27	42	69	36	37	73	8.8	-4.9	3.9	224.0

Scenario 2: Participation Rate Gap Closes by 2041 (thousands of persons)

	Labour force, 2021			Labour force, 2041			Change in labour force, 2021–2041			Indigenous share of labour force growth, 2021-2041 (per cent)
	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	Indigenous	Non-Indigenous	Total	
Canada	937	19,572	20,509	1,695	23,063	24,758	757.9	3,491.4	4,249.3	17.8
Atlantic	74	1,229	1,303	119	1,129	1,248	44.8	-100.0	-55.2	-81.3
Quebec	112	4,491	4,602	200	4,642	4,841	88.1	151.1	239.2	36.8
Ontario	221	7,643	7,863	400	9,110	9,510	178.9	1,467.5	1,646.4	10.9
Manitoba	115	616	731	202	727	929	87.8	110.1	197.9	44.4
Saskatchewan	88	540	628	163	701	864	75.0	160.9	235.9	31.8
Alberta	153	2,308	2,461	291	3,440	3,731	138.0	1,131.9	1,269.9	10.9
British Columbia	154	2,674	2,828	271	3,277	3,549	116.9	603.3	720.2	16.2
North	27	42	69	49	37	87	22.5	-4.9	17.6	127.7

Source: Statistics Canada Tables 98-10-0423-01, 17-10-0144-01, 17-10-0005-01

**Appendix Table 3: Working-age Population by Age Category,
Indigenous and Non-Indigenous Populations, 2021**

Panel A: Indigenous Population (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	333	321	259	237	226	189	1,565
Atlantic	24	21	18	22	20	21	126
Quebec	32	32	29	27	31	31	183
Ontario	73	74	59	57	57	47	366
Manitoba	47	42	33	28	26	20	195
Saskatchewan	38	34	26	21	18	13	149
Alberta	56	55	43	35	30	22	241
British Columbia	54	52	42	39	38	31	256
North	11	11	8	7	6	5	48

Panel B: Non-Indigenous Population (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	4,469	5,296	5,144	4,790	5,287	7,069	32,055
Atlantic	248	255	275	338	358	439	1,913
Quebec	878	1,079	1,132	1,041	1,220	1,718	7,069
Ontario	1,771	2,069	1,885	1,822	1,989	2,638	12,173
Manitoba	138	154	152	135	147	208	935
Saskatchewan	109	125	140	112	131	184	802
Alberta	475	601	648	526	517	618	3,384
British Columbia	544	695	667	628	698	993	4,225
North	6	9	9	10	8	4	45

Source: Statistics Canada Tables 17-10-0005-01, 17-10-0144-01, and 17-10-0057-01.

**Appendix Table 4: Labour Force: Indigenous and Non-Indigenous Populations
by Age Category, 2021**

Panel A: Indigenous (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	167	232	197	176	132	33	937
Atlantic	25	27	26	27	22	48	175
Quebec	40	45	40	41	36	68	270
Ontario	82	95	91	92	72	123	555
Manitoba	47	54	48	44	34	53	280
Saskatchewan	39	42	38	35	26	37	217
Alberta	64	77	69	64	49	67	390
British Columbia	56	65	64	64	49	82	380
North	11	13	11	10	8	10	63

Panel B: Non-Indigenous (thousands of persons)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	2,726	4,549	4,470	4,110	3,510	1,110	20,476
Atlantic	157	218	239	283	221	58	1,176
Quebec	577	948	1,012	916	802	237	4,491
Ontario	1,018	1,750	1,604	1,537	1,321	412	7,642
Manitoba	93	133	135	119	99	36	616
Saskatchewan	73	110	126	100	92	39	539
Alberta	287	515	564	458	361	124	2,308
British Columbia	333	600	579	533	465	164	2,674
North	4	8	8	9	6	1	36

Source: Statistics Canada Tables 17-10-0005-01, 17-10-0144-01, and 17-10-0057-01.

Appendix Table 5: Labour Force Participation Rates of the Indigenous and Non-Indigenous Populations by Age Category, 2021

Panel A: Indigenous (per cent)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	50.1	72.4	75.9	74.4	58.4	17.6	59.9
Atlantic	50.2	77.8	79.0	77.2	57.5	15.5	59.0
Quebec	56.2	77.5	82.2	79.7	60.4	15.1	61.0
Ontario	53.1	74.1	76.5	75.0	56.3	15.3	60.3
Manitoba	54.2	65.2	71.3	71.2	56.1	18.6	58.8
Saskatchewan	56.5	63.8	68.6	68.3	56.3	18.7	59.0
Alberta	54.0	73.7	77.0	74.3	61.5	21.2	63.5
British Columbia	43.5	76.6	77.2	75.1	60.2	20.6	60.3
North	39.4	65.0	69.5	69.9	61.2	23.5	55.8

Panel B: Non-Indigenous (per cent)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	61.0	85.9	86.9	85.8	66.4	15.7	63.9
Atlantic	63.2	85.4	86.7	83.9	61.9	13.3	61.5
Quebec	65.7	87.8	89.4	88.0	65.7	13.8	63.5
Ontario	57.5	84.6	85.1	84.4	66.4	15.6	62.8
Manitoba	67.5	86.4	88.5	88.4	67.7	17.2	65.9
Saskatchewan	66.8	87.7	89.6	88.9	70.2	21.4	67.3
Alberta	60.4	85.7	87.0	87.0	69.9	20.1	68.2
British Columbia	61.3	86.3	86.7	84.9	66.6	16.5	63.3
North	69.5	91.0	92.5	91.6	76.2	31.4	81.1

Panel C: Gap between Indigenous and Non-Indigenous Rates (per cent)

	15–24	25–34	35–44	45–54	55–64	65+	Working-age (15+)
Canada	10.9	13.5	11.0	11.4	8.0	-1.9	4.0
Atlantic	13.0	7.6	7.7	6.7	4.4	-2.2	2.5
Quebec	9.5	10.3	7.2	8.3	5.3	-1.3	2.6
Ontario	4.4	10.5	8.6	9.4	10.1	0.3	2.5
Manitoba	13.3	21.2	17.2	17.2	11.6	-1.4	7.1
Saskatchewan	10.3	23.9	21.0	20.6	13.9	2.7	8.3
Alberta	6.4	12.0	10.0	12.7	8.4	-1.1	4.7
British Columbia	17.8	9.7	9.5	9.8	6.4	-4.1	3.0
North	30.1	26.0	23.0	21.7	14.9	7.8	25.3

Source: Statistics Canada Tables 17-10-0005-01, 17-10-0144-01, and 17-10-0057-01.

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