



EXTERNAL FUTURES | REVIEW

In addition to our future search exercises, we collected recent reports and forecasting tools to consider future external trends that the Tamarack Institute will need to navigate. This document provides key trends based on our literature review and then provides an overview of the resources that were used to suggest these trends are worthy of consideration. The articles we used came from the Royal Bank of Canada, Conference Board of Canada, Brookfield Institute and Ipsos Canada. We also provided a review of recent publications that investigated the impact of Covid-19 on our sector and communities.

KEY QUESTIONS:

- What trends should Tamarack consider for its planning?
- What implications will Covid-19 have for our sector and communities

Significant External Trends Impacting Tamarack's Future

In thinking about the future for the Tamarack Institute, it is important to consider the outside trends that will impact our organization and our learners. In our review of research reports that investigated trends and forecasts for the next decade, there were a number of highlights that could be important in the Tamarack institute's future. These are broken down below into the following categories: technological change, demographic change, environmental sustainability, urbanization, political shifts, shifts in inequality, reconciliation, and economic uncertainty.

Technological Change

There are a number of technological changes that are having significant impacts for individuals, communities, organizations and the social sector. Some of the technological trends that were highlighted in our review of the literature included the advancement of artificial intelligence and its implications for most industries, a shrinking number of companies dominating multiple markets in the technology space, and individuals feeling uneasy and less connected because of the impact of technology on their lives.

- Digital Economy has grown 40% in seven years (RBC)
- Technology could dislocate 25% of Canadian jobs (RBC)

- By 2030, 42% of Canada labour force at high risk of being impacted by Automation (Conference Board of Canada)
- 58% of respondents agreed technology would lead to unemployment (Ipsos)
- Greater role of automation and artificial intelligence (Brookfield)
- Facebook, Amazon, Google, Apple redefining industry and leaving limited space for others (Brookfield)
- By 2030, the culture of ownership is likely to have changed and business and individuals will likely rent and lease more as the sharing economy grows (Conference Board of Canada)
- Greater levels of technological fear and drive for digital detox (Brookfield)

Demographic Change

Canada is undergoing a major demographic shift as it becomes one of the “super-aged” societies. By 2030, approximately 25% of Canada’s population will be seniors (up from 17% currently). Additionally, foreign-born individuals and Indigenous individuals will make-up a growing part of the younger population.

Implications for these demographic trends will be a greater stress on seniors’ care and housing, changes to government transfers, and a need to improve labour market outcomes for Indigenous individuals and those new to Canada.

- By 2030, 25% of Canadian population will be seniors up from 17% now
- Seniors will make up 6.5% of the labour force, up from only 2.8% in 2010 (RBC)
- After declining from 1980-1995, the percentage of working seniors grew to 20% in 2015 (Brookfield)
- Government spending on elderly benefits will climb from \$35B (2010) to \$99B (2030) (RBC)
- Greater number of seniors will drastically change leisure activities and housing needs in Canada (RBC)
- Canada continues to increase immigration levels 350,000 in 2020 and relies on immigration for population growth and skilled labour (Brookfield)
- By 2036, 80% of Canada’s population increase will be due to immigration (Conference Board)
- Generation Z will be coming into adulthood as the a generation that has always had the internet, has a short attention span (8 seconds), and wants continued social progress (Conference Board of Canada)

Environmental Sustainability

Environmental sustainability will be an important part of the next decade. Canadians will be grappling with climate change and its impacts, while also being impacted by greater resource scarcity. Regarding climate change, RBC noted that we will be faced with the impacts of climate change, while we will also need to work to mitigate greater climate change. At the same time, the Brookfield Institute and the Conference Board of Canada note that we will face natural resource constraints for things like sand, air, and water which will force major changes for communities and the economy.

- 4 of 5 costliest insurance events occurred in the last 6 years costing \$7.3B (RBC)
- US \$2.4 Trillion committed to Carbon-Neutral investing by 2050 (RBC)
- By 2025, 2/3rd of the world’s population will face water shortages (Brookfield)

- Large portion of central Canada will be at high risk of water stress by 2030 (Conference Board of Canada)
- Electric vehicles will make up ½ of global auto market by 2030 (Conference Board of Canada)
- Between 200 million to one billion people will be displaced due to disaster, conflict, and climate by the year 2050 (Brookfield)

Urbanization

While we often think of Canada as vast and spread out country, 81% of the population lives in urban settings with increasing levels of densification. Additionally, as the Brookfield Institute points out, much of our population continues to move to the suburbs, placing pressures on infrastructure and mental health.

- In last decade suburban growth was 20% faster than other population growth in Canada (Brookfield)
- Environics study showed time getting to work as important as job itself for many Canadians (Brookfield)
- Reduced services for rural areas in Canada, such as reduced Greyhound transit (Conference Board)
- \$180M being invested in infrastructure over 12 years in Canada
- Major investments are being made into smart city technologies (Conference Board)

Political Shifts

Canada is also facing political shifts both internally and internationally, which will have impacts on the next 10 years. As pointed out in the Brookfield research, we continue to see polarization around social services and climate change. We are also seeing a rise of conflict internationally. However, on a positive note, we are seeing international support for the sustainable development goals.

- Trade tariffs and deteriorating US-China relationship (Brookfield)
- Global Peace Index decline 0.27% last year for a fourth year of successive decline (Brookfield)
- In 2015, Canada was one of 193 Countries that committed to Agenda 2030 and the SDGs (Conference Board of Canada)
- Public debt nearly doubles between 2007-2017 from \$833B to \$1.4T and is predicted to grow (Conference Board)
- 70% of Canadians think the world is changing too quickly (Ipsos)
- Mental illness will cost the Canadian economy \$29.1 billion in lost labour force participation (Conference Board of Canada)

Shifts in Inequality

Canada has made impressive progress in its poverty reduction. However, we continue to face increasing income and wealth inequality. Growing inequality is a concern, as it can drive populism, nationalism and fragmentation in society. The positive note for Canada is that the gender wage gaps is closing (though slowly) according to the Conference Board of Canada.

- Women make \$0.87 for every dollar earned by a male (Conference Board)
- 38% of Canadian companies have no female directors or executives (Conference Board)

- Federal and provincial governments introducing pay equity legislation, which could close pay gap by 2035 (Conference Board)
- In 2016 Top CEOs in Canada earned 209 times more than the average worker (Conference Board)
- Increasing calls for living wages as inequality increases
- In 2017 fewer than 50% of Canadians saw themselves as part of the middle class (Brookfield)
- Millennials are poorer than previous generations (Brookfield)
- Women of colour earn \$0.67 of that of white men and Indigenous women earn 65 cents to the dollar (Brookfield)

Reconciliation

As Canada looks to its future, it faces a legacy of policies, legislation and injustices that have a lasting impact. As the impact of previous and continued policies, gaps exist between the Canadian population and Indigenous populations in almost every socio-economic indicator. Over the next decade, work must be done to close these gaps between Indigenous and non-Indigenous communities. The 94 calls to action from the Truth and Reconciliation Commission will have profound impacts on Canada, communities and businesses.

- Indigenous share of overall population is increasing
- Indigenous population's share of labour market will increase from 3.2% to 4% by 2030 (RBC)
- Gaps remain in indicators including mental health, employment, income, educational attainment, and mortality (Conference Board)

Economic Uncertainty

Finally, Canada's face a high level of economic uncertainty. This will include slower rates of economic growth and increasing debt over the next decade. Additionally, as the Ipsos CanadaNext survey demonstrated, many Canadians are not sure that Canada and their communities will be better off over the next decade. Fortunately, there are opportunities for Canada to work internally for better economic outcomes.

- 50% of Canadians think they their quality of life will be better in 10 years (Ipsos)
- 49% of Canadians think that the prospect for the world will be worse in 10 years and only 26% believe it will be better (Ipsos)
- Canada will likely see 1.5 to 2% a year economic growth during the 2020s (RBC)
- Entrepreneurialism important for Canada with 13% of population entrepreneurs (Brookfield)
- Canada can look to open cross provincial trade (Conference Board of Canada)
- Trend towards the rise of purpose-driven business and transparency (Conference Board of Canada)

Article Review – Major Trends Impacting Canada, Communities and Our Work

The above trends came from a review of reports that looked at research into the indicators of change for the next decade in Canada and a presentation from Ipsos based on their surveying and focus groups. Brief summaries of these documents are below with links to the full reports. Additionally, we reviewed *Possible Canadas; Opportunity for All, Canada's first poverty reduction strategy; and TOWARDS Canada's 2030 Agenda National Strategy* which have been included as inspiration.

[Navigating the 2020s](#) – How Canada can Thrive in a Decade of Change

RBC Thought Leadership (2020)

At the beginning of this year, RBC put out *Navigating the 2020s*. This report explores four major trends in Canada that will provide both opportunities and challenges over the next decade of profound change. The first trend is that of getting **greener**. Climate change is and will continue to impact Canada. We will invest in green technology, our domestic energy use is likely to decline, but also climate change will heavily impact the insurance industries (4 of the 5 costliest Canadian insurance this century occurred in the last 6 years). Second, Canadians will soon be one of the “**super-aged societies**.” The median age in Canada will shift to 42.3 and seniors will make up 6.5% of the labour force and 25% of the total population. This will increase demands on health, housing, and boost demand for senior-friendly activities. Government spending on elder benefits will nearly double to \$99B by 2030. Third, Canada's economy is being reshaped by **new technologies**. This will create new jobs and opportunities, but also displacement requiring new training and skills development. New Canadians, Indigenous people and women are three cohorts where improvements in labour market measures are needed. Finally, Canada is likely to see **slower** growth in its economy due to reduce productivity and an aging population. Economic growth is likely to be between 1 and 2% for the next decade.

[Canada 2030: The Defining Forces Disrupting Business](#)

The Conference Board of Canada (2018)

This report from the Conference Board of Canada was written for businesses and investors to consider the political, social, environmental and technological changes that will have implications for operating in Canada. The report reviews Ten major trends: demographics, urbanization, reconciliation, climate change, natural capital constraints, technological advances, economic uncertainty, public policy, changing values and expectations, and health and diet. For each trend, the author provides a review of key information and questions for businesses and investors to consider.

Some of the key implications that could impact the work of the Tamarack Institute and the communities we support are highlighted below. In terms of Canada's **demographics**, the population will grow to 42 million; it will become increasingly older reaching 25% senior by 2036; and it will continue to rely on immigration to fuel population growth. Canada's population will also be more **urban**. By 2030, 84% of Canadians will live in increasingly dense urban areas, which will place strain on infrastructure and could impact service provisions for rural areas. There are also opportunities for smarter, greener cities through this urbanization. Third, there is a growing recognition for the importance of **Reconciliation**, which will be an important part of the

next decade. Additionally, Over the next decade Canada will face the impacts of climate change (wildfires, mortality, floods) while also needing to reduce its GHG emissions and address constraints on its natural capital usage. Further, Canada will face major **technological** disruptions and **economic uncertainty** including worsening inequality and greater financial vulnerability. Canada will also face increasing public debt as it addresses all of the above issues. Finally, Canada is shifting its values and expectations, while also addressing the impacts of mental illness. By 2030, Generation Z (those born after 1997) will represent 30% of the global population. This demographic has never known a world without the internet, has a short attention span (8 seconds), and wants continued social progress. They will continue a trend towards the rise of purpose-driven business and transparency. At the same time, Canada is witnessing a growth in lifestyle diseases, and mental illness. By 2030, mental illness will cost the Canadian economy \$29.1 billion in lost labour force participation.

Turn and Face the Strange - Changes Impacting the Future of Employment in Canada

The Brookfield Institute (2019)

The Brookfield Institute investigated broad trends in Canada that could impact Canada's labour market over the next 10-15 years. These trends are significant to Tamarack's planning, because they go beyond just labour market trends to consider societal, technological, economic, environmental, political and shifts in values trends. The report used Horizon Scanning to identify and explore 31 broad trends and signals of change. The 31 broad trends are broken into technological change, globalization, demographic change, environmental sustainability, urbanization, increasing inequality, political uncertainty, and other. Technological change was the biggest category in this report. The trends under technological change included greater influx of **Artificial Intelligence** in every industry; Facebook, Amazon, Google, Apple **redefining industry** and leaving limited space for others (combined market-cap of \$3.5 trillion); and increasing **technological fear** and **digital detox** as people unplug to achieve healthier life balance. Demographic changes impacting Canada included seniors **working during their retirement** (20% of seniors are working); **mental illness** becoming a widespread concern alongside technological connections; **lifelong learning**; **integrating leisure and work** hours; and **inclusive design** creating new opportunities. Regarding the environment, Canadians will contend with **resource scarcity**, as things like clean air and water become scarce and more valuable; increased **natural disasters**; an influx of **climate refugees** (200million to 1billion) from natural disasters; and new technology making **sustainable energy** more reliable and affordable. The Brookfield Institute also noted that **suburban** areas continue to boom and grow faster than the overall population (currently 2/3rds of Canadians) causing lost productivity from commuting and demand for infrastructure and housing. Canada will also face increasing inequality from a **disappearing middle class** overstretched by debt and polarization; shifts in **gender equality**; concerns over who owns **personal data**; and millennials **questioning capitalism** (54% of 18-37-year-old believe we would be better off with a "more socialist system"). Politically, Canada will contend **international uncertainty** and tension. Finally, the Brookfield Institute identified trends outside of the above mega trends. The "other" trends included the growth of the **entrepreneurial spirit** (13% of Canadians identified as entrepreneurs); increasing need for **creativity** to support business results; **a re-imagining of education**; and the growth of the **cannabis economy**.

Ipsos CanadaNext – Perspectives of Canadians on the Next 10 Years

Ipsos and Canada Towards 2030 (2018)

The Canada Next project was brought on by the recognition that Canadians are likely to see major shifts in demographics, technology, the economy, communities, governments, business and individual lives. In 2017, Ipsos conducted a national survey to explore 50 scenarios for change and then conducted focus groups to supplement their findings. The Ipsos research highlighted quite a bit about how Canadians view the future and what it means for them, their communities and the country. In terms of **financial uncertainty**, half of respondents thought they would be better off in 10 years, while more than half thought their community would be the same or worse. Further, 49% thought the world would be worse off in 10 years. Regarding the pace of **technological change**, only 41% of respondents thought technology brought more good than harm, 70% thought the world was changing too fast and 52% of respondents often felt overwhelmed by the choices they need to make in their lives. Respondents also thought that online would bring significant reductions in brick and mortar locations for businesses and government services and that the sharing economy would grow. Finally, a digitized world and changing demographic make-ups were seen as likely to cause **greater disconnects** between people. Respondents were split over the impact that growing diversity will have on our connectedness, but 47% said our digitized society will lead to growing disconnect and 46% said an aging population would lead to more disconnect.

The Impact of COVID-19 on Canada and the Social Sector

The COVID-19 outbreak has had significant impacts globally that will be felt for a long time. As Alan Broadbent and Elizabeth McIsaac from the Maytree Foundation point out, the pandemic has highlighted areas that need to be strengthened in our health and social systems that will need to be improved. The pandemic has also changed how individuals view the economy, their governments and their community. In these unprecedented times, it is important to consider what impact the pandemic will have on our communities and our work, and the opportunities and challenges it has created. The following provides an overview of some recent publications that have discussed the impacts and responses to our current pandemic. In addition, we have provided a folder of articles that could act as inspiration for planning around during this pandemic.

4 Major Changes and How We Can Respond in the Age of COVID-19

Early in April, Berret-Koehler released an article suggesting four major changes that have come from the current crisis. First, individuals are facing increased **feelings of overwhelm, anxiety** and trauma. This is leading to greater self-reflection and searching for meaning. Second, people are searching for **ways to stay connected** – especially as individuals move to more remote work. Third, we are learning new forms of **communication and collaboration**. And, finally, this crisis is being seen as an **opportunity for change**. The current crisis is being seen as reflection on the impacts of inequality and injustices around workers' rights. There is opportunity for communities to reflect on this crisis and come out stronger and more caring.

Three Ways the Coronavirus is Shaping Sustainable Development

The International Institute for Sustainable Development considered what the pandemic and the coming global recovery will mean for sustainable development. They offer 3 implications from the pandemic for consideration. First, this crisis has demonstrated a lack of planning and preparation leading to global shortages of critical equipment. We must learn the **importance of resilience** – the ability for systems to anticipate, cope and adapt so that we can deal with future crisis and address climate change. Second, stimulus package from pandemic must promote **sustainability**. Finally, this crisis has impacted the poor the most. It **magnifies the realities of inequality** within our systems.

Five Good Ideas About How Your Non-Profit Organization Can Respond to the COVID-19 Pandemic

Thomas Appleyard, a management consultant with expertise in emergency management, offers 5 things that non-profits should be engaging in throughout the pandemic. First, **comply with legislation** and make sure that staff, the board and volunteers understand processes before you have to utilize them. Second, have leadership **overcommunicate** vital messages and make sure people understand. **Listen** to what is happening, what the organization is saying, and listen for weak signals. Conduct **scenario planning** and share with your board and funders. And, look for ways to lead in surprising ways by **creating opportunities**.

Coronavirus will change the World. It might also lead to a better Future (Homer-Dixon)

At the beginning of the pandemic, Homer-Dixon prepared a thought piece for the Globe and Mail. Homer-Dixon noted that we should be paying attention to the ways that this pandemic reveals **vulnerabilities in our “planet-spanning economic, social and technological systems.”** He argues that this is a global tipping event which will lead to social systems reaching distinctly new states. This is because our globalized systems have become more interconnect and uniform (banking, energy, food, information, economic systems), which makes them susceptible to **cascading change**. While this pandemic could have negative impacts for the systems mentioned above, Homer-Dixon also notes that this could have positive implications for “humanity’s collective **moral values, priorities and sense of self and community**. It could remind us of our common fate on a small, crowded planet with dwindling resources and fraying natural systems.” These normative changes could be what we need to address this crisis and the crisis of climate change.