

ABSTRACT

This thesis is a response to a gap in our economic knowledge. The Canadian population is expected to age dramatically over the next several decades and the impact of this phenomenon on our overall level of economic activity has not been previously examined.

We develop an empirical relationship between economic welfare and demographic structure using standard econometric techniques. We then couple this estimated relationship with a variety of population forecasts and calculate possible time paths of per capita output in Canada to the year 2031. We conclude that a higher level of economic welfare could be attained if the current aging trend were to be slowed or arrested.