

A Competitive Analysis of Niagara's Business Opportunities Associated with Adult Lifestyle: A Demographic Perspective



Report Highlights

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November 1999



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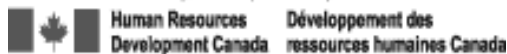
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Prepared for:



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The Madison Avenue Demographics Group has carried out this project, with respect to business development and investment opportunities in Niagara, under contract to the Niagara Economic and Tourism Corporation. The members of the project team are the three partners of the Madison Avenue Demographics Group and an associate, Gerald Bierling:

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Introduction

In recent years, the Niagara Region has become an attractive location for adult retirement and lifestyle activities—new projects, products, and services that target the 45-plus population. New private-sector investment and visionary leadership have positioned Niagara as a competitive investment location.

To document Niagara's competitive advantages as a location for adult lifestyle communities and related business opportunities, the Niagara Economic and Tourism Corporation has commissioned this study by Dr. David Foot and the Madison Avenue Demographics Group.

Niagara occupies a strategic location within Ontario, Canada's most populated province. Ontario will account for about half of Canada's population growth over the next two decades. Most of this growth (80 percent) will be in the "Golden Horseshoe" region of which Niagara is a part.

In this Report Highlights document, Niagara's competitive position pertaining to the 45-plus population is clearly documented. It is from this base analysis that a range of business development opportunities are identified for further consideration.

Population and Households

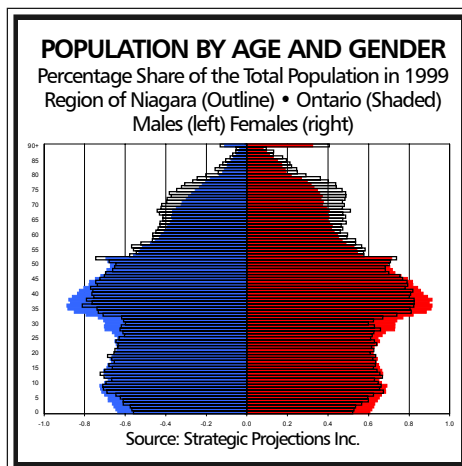
The population and household characteristics for the Niagara Region are described below:

- Across Canada, Niagara is a leading area in terms of its share of the 45-plus group within the population. As a CMA, Niagara ranks fourth in Canada and second in Ontario with respect to the proportion of household heads 45 and older.

Niagara ranks first among all Canadian CMAs with respect to the proportion of households headed by a person 55 years or older.

These rankings reinforce the focus of the study in terms of identifying and investigating related business opportunities associated with this demographic market segment in Niagara.

- Employment growth in Niagara since the recession of the early 1990s has matched that of Ontario and Canada, and the area's population growth has responded in kind.
- Niagara appears headed for an overall population gain of about 23,000 in the 1990s. We project Niagara will significantly pick up the pace over the next two decades, reaching a gain between 2001 and 2011 of more than 25,000 and a gain between 2011 and 2021 of 57,000.



- Between 1991 and 1996 several municipalities in the Niagara Region grew faster than, or at a pace close to, that set by the province, including Lincoln, Pelham, West Lincoln, and Grimsby.

- Between 1999 and 2009 most of Ontario's population growth will occur among those between the ages of 40 and 60 (as the boomers age another decade). The population between the ages of 10 and 25 years will also grow (the

baby boom echo generation). Those over 60 will grow in number, but not significantly. The serious graying of Ontario's population will not occur until beyond 2012 when the first boomers reach the age of 65.

- In a similar vein, the age structure of Niagara's population is changing. Over the next decade we project that most of the growth in Niagara's population will occur among those between the ages of 43 and 67; the population aged 80 and older will also increase as will the population aged 15 to 32, and declines in population will occur among those aged under 15, 33 to 42, and 68 to 79.
- In general, it can be said that the population of most



municipalities in the Region is skewed towards an older population profile, more so than the province at large. The populations of St. Catharines, Niagara Falls, Welland, and Fort Erie closely match the province. The older population profile is most pronounced in Port Colborne and Niagara-on-the-Lake. Grimsby, Thorold, Lincoln, Pelham, West Lincoln, and Wainfleet each are home to populations with the greatest share of younger-age residents.

Labour Force

The labour force characteristics for the Niagara Region are described below:

- Labour force participation rates—the share of persons in a population choosing to participate in labour market activities—tend to rise, then fall, with age among both males and females. Male participation rates tend to be higher than those of females at almost all age levels (save those 15 to 19), but rates of participation fall significantly as both genders reach the ages of 55 to 59, and especially 60 to 64. Falling participation rates by age reflect the increasing inclination with age to retire or work part-time.
- Our labour force projection for Niagara suggests that most of the growth over the next decade will occur among both males and females between the ages of 45 and 59, an age group dominated by baby boomers. Between 2009 and 2019, growth will be concentrated more among those 25 to 44, the latter reflecting the aging of the baby boom echo as well as increased net in-migration.
- The next 20 years will be a period during which the growth in the retiree feeder group (55 to 64) will overshadow the growth of the labour force feeder group (15 to 24), both in Niagara and Ontario. The aging of the labour force will lead to more diverse forms of labour force participation because:

An accelerating pattern of job growth will occur in only a few areas of Canada over the next two decades, namely those where tourism is expected to become an increasingly important factor in the local economy.

- The inclination to work part-time rather than full-time increases as people approach the years of retirement.
 - The older the population in the community, the more they have time to participate in volunteer activities.
 - Self-employment is an option that is more attractive after the age of 35.
 - The likelihood of working at home increases with age, especially after age 55.
- Our analysis suggests tourism will be one of the fastest growing sectors—if not the fastest growing sector—in Canada over the next two decades. An accelerating pattern of job growth will occur in only a few areas of Canada over the next two decades, namely those where tourism is expected to become an increasingly important factor in the local economy.
 - Once the current cyclical upswing in manufacturing activity levels out, we expect manufacturing output will continue to grow, but at a slower pace. Nationally, manufacturing is forecast to diminish as a major new job creator over the next decade. In contrast, tourism-related job gains will strengthen over time.
 - These coincident job trends in manufacturing and tourism are expected to gradually strengthen the overall rate of job growth in the Niagara Region over the longer term. Projections suggest that employment will grow faster in Niagara between 2011 and 2021 than between 2001 and 2011.



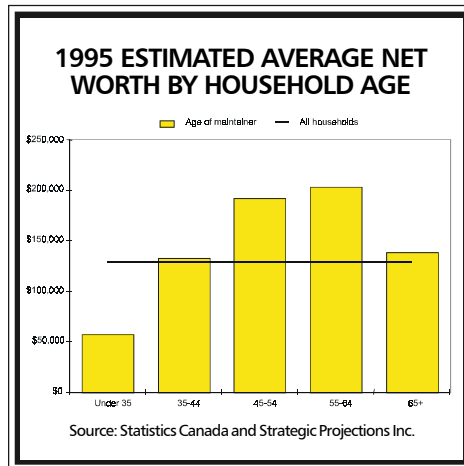
Macro Analysis of Consumer Spending

The study presents our demographic analysis of consumer household spending on non-food and food items at the macro level. It focuses on how the composition of spending changes through the life cycle, particularly for the 45-plus age group. Some of these changes are summarized below:

- At the macro or "big picture" level, the top five non-food growth categories for 1999 to 2009 period are education, health care, "miscellaneous," transportation, and personal taxes, which all grow faster than overall spending. This trend

is not surprising when the boom, bust, and echo cohorts are placed within the period. The largest cohort, the boomers, will age into the 43 to 62 range (those born at the peak in 1960 will be 49). Some of the implications of this movement through the life cycle are:

- Education spending is spurred by the costs of post-secondary education, primarily by households headed by a person 45 to 54, where most of post-secondary students are likely to reside.
- "Miscellaneous" (as defined by Statistics Canada) spending increases as the boomers acquire vacation properties and spend some of their increasing discretionary income on casinos and other "games of chance."
- The oldest boomers begin to experience health problems after the age of 50, and spending on prescription eyeglasses and drugs, to name two items, increases.
- Many boomers remain in their high-automobile-use years, although those at the front of the boom are entering a period of lesser use.



- High "spending" on personal taxes coincides with the maximization of income for households headed by a person between the ages of 45 and 64.

- For the period 1999 to 2009, the five lowest expenditures are in the following categories: personal care, clothing, shelter, recreation, and household operation. These spending categories are characteristic of the oldest households (personal care) and younger households (clothing, shelter, recreation, and household operation). The explanation lies in the boom, bust, and echo template. Pre-boomers, a relatively small group of persons mostly born during the 1930s and the war years, will head the 65-plus households in 2009.

The echo generation will range in age from 14 to 29, and therefore the majority of its members will not have established households and incurred the costs associated with home ownership and family life.

The high- and low-expenditure item categories change during the 2009 to 2019 decade. During this period, the five highest categories are health care, shelter, food, household operation, and miscellaneous.

The lowest five categories are education, security, personal taxes, clothing, and recreation, which are forecast to grow at a slower rate than overall household growth.

Within this period, the three population cohorts experience the following changes:

- At the end of the period, the baby boom cohort ranges in age from 53 to 72; the baby bust, from 40 to 52; and the baby boom echo, from 24 to 39.
- The oldest boomers are well into their high health care spending years while the echo generation is becoming increasingly established in the young family market. Hence, the growth of the health care, shelter, food, and household-operation categories can be expected.



- At the other end of the growth continuum, education spending declines as the echo moves past the post-secondary system, and personal taxes dip as the 65-plus households experience a drop in income.

- Our analysis of spending on major categories of food further confirms the main conclusion of the analysis of non-food categories-older consumers spend differently than younger ones. In the case of food, the older consumer's increasing discretionary income and concern about health is a probable explanation for the spending shifts. Hence, older consumers begin to eat more fruits, vegetables, and seafood. The increasing consumption of fruits and vegetables by 45-plus households suggest a significant opportunity for Niagara's agricultural sector.

Micro Analysis of Consumer Spending

Our study contains a micro analysis of consumer spending that identifies the high-growth items within the various categories of non-food and food spending by households over the 20-year projection period. The analysis culminates with a "Top 20" list of the fastest-growing items. The influence of 45-plus spending can be seen in all of the items found in the list.

- The fast-growing non-food items typically come from the three broad categories: recreation, household operation, and health care. Among the food items there are many products that are or could be produced in Niagara: peaches and nectarines, milk, cream, eggs, cucumbers, tomatoes, and canned fruit and fruit preparations.
- Other items of interest to Niagara that came close to making the top 20 list (and projected to grow at above-average rates) are casino spending (an element of government-run pools and lotteries) and poultry products. Restaurant food and wine have growth rates close to the national average growth rates. The combination of Niagara's tourism sector, wine industry, and adult lifestyle potentially offers enhanced business opportunities relative to the 45-plus market segment.

Top 20 List - Consumer Spending

NON-FOOD ITEMS	FOOD ITEMS
OWNED VACATION HOME	SHELLED NUTS (NOT INCLUDING PEANUTS)
GOLFING MEMBERSHIP FEES	BUTTER
COMPLETE RE-ROOFING (OF PRINCIPAL RESIDENCE)	COFFEE
PRESCRIPTION AND FITTING OF DENTURES	STRAWBERRIES
POST-SECONDARY TEXTBOOKS	BEEF
POST-SECONDARY TUITION	CANNED FISH
PRESCRIPTION DRUGS	MARGARINE
HORTICULTURAL SERVICES & SNOW REMOVAL	POTATOES
LAWN AND GARDEN TRACTORS AND TILLERS	CUCUMBERS
RENTED VACATION HOMES	BROCCOLI
MOTELS	FLUID SKIM MILK
SELF-MADE ALCOHOLIC BEVERAGES	SUGAR
EYE GLASSES	PICKLES (INCLUDING OLIVES)
GOVERNMENT-RUN LOTTERIES	CREAM (EXCLUDING SOUR CREAM)
LEATHER/FUR COATS AND JACKETS (WOMEN)	LETTUCE
LIQUOR (PURCHASED FROM STORES)	PEACHES AND NECTARINES
OUTDOOR PATIOS, FENCES AND DRIVEWAYS	TOMATOES
DOMESTIC AND OTHER CUSTODIAL SERVICES	EGGS
NEWSPAPERS	FLOUR
SPORT JACKETS AND BLAZERS (MEN)	CANNED FRUIT AND FRUIT PREPARATIONS

Source: Statistics Canada



Economic Sectors: Trends and Implications

Housing

Housing is an important component of the overall economic impact of the 45-plus generation.

Niagara's status as a prime retirement location opens a significant window of opportunity.

People are less likely to move as they get older. This poses a challenge to the housing industry in attempting the development of a "retirement community" on a large-scale basis in any region. For Niagara, however, a key opportunity for developers exists to focus on the 55-69 age group who have a high income/net worth and reside in the "Golden Horseshoe."

The following summarizes important considerations with respect to housing:

- In the housing market, the age of 55 is a potential watershed in the life cycle. At this age, there is a good possibility for most households that the mortgage is paid up and the children are living on their own. Confronted with the reality of the "empty nest," a number of options regarding housing are potentially available.
- Housing for the 55-plus group must reflect the changing needs of the older consumer and recognize the specific needs of sub-groups (for example, a widowed 75-year-old female versus a 60-plus couple):
 - **Personal and Household Assistance:** The oldest homeowners (70-plus) require assistance with tasks such as shopping, household chores, and personal care. As well, many relatively younger homeowners purchase various types of home assistance packages including cleaning, yard maintenance, etc. Older people are also more likely

As the Niagara Region is at the leading edge of the growth of the 45-plus (and 55-plus) age groups, housing developments in the Region can be showcased as innovative approaches to addressing the housing needs of the 45-plus consumers.

to require a higher level of health care. As people age they are less inclined to do many of the maintenance chores associated with owning a house (i.e., painting, snow removal, and lawn cutting).

- **Type of Dwelling:** There are a variety of different housing styles from which the 45-plus consumer can choose, ranging from detached houses to large-scale continuing-care facilities. As age increases the choice increasingly reflects the need or desire for assistance with household and personal chores. Preference for detached, single-family dwellings remains strong across the life cycle.
- **Condominium Ownership:** This form of home ownership finds favour with the 55-plus group, but it represents a fairly small share (about five percent in 1996) of the overall housing market.
- Another option in the 55-plus housing market is renovation. This presents a major opportunity for Niagara's construction and renovation industries.

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Tourism

Our analysis regarding tourism supports research previously completed in the report, Niagara Tourism Investment Opportunities, released by the Niagara Economic and Tourism Corporation, and identifies a wide range of business opportunities that are consistent with the preferences of the 45-plus traveler, such as upscale accommodation, golfing, and packaged tours.



Below is a summary of key findings related to Niagara's tourism industry and the corresponding development of a regional adult lifestyle community.

- Niagara's tourism industry is anticipated to "boom" in the future. Our projections suggest tourism will be one of the fastest-growing sectors in Canada over the next two decades.
- The vast majority of Niagara's tourists come from nearby-Ontario, New York, Michigan, Ohio, and Pennsylvania. We project that household travel spending will grow faster than the number of households across these five jurisdictions for at least the next decade.
- Households headed by a person between the ages of 35 to 64 spend more money on tourism than households headed by a person under 35 or a person 65 and older.
- With the aging of the baby boom generation over the next 25 years, the household growth in Ontario and among the four U.S. states will be concentrated among persons over the age of 45.

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number of vehicles per household will rise over the next five to six years and then decline after that point as the boomers age into household age groups where penetration rates for 2 or more vehicles are lower.

- Driving a car is by far the most popular means of personal transportation for all age groups 20 years and older. The driving rate rises rapidly with age, reaching a peak between the ages of 35 to 44 and dropping steadily after that point.
- In 1996, 83 percent of the employed labour force in the St. Catharines-Niagara CMA drove to work (third-highest percentage among Canada's 25 CMAs).

- These commuting trends, in conjunction with the aging of Niagara's population over the next two decades, suggest that automobile usage among Niagara residents will increase significantly over the next 10 to 20 years.
- The key transportation challenges are:
 - Adequacy of Niagara's transportation infrastructure

Transportation

The following summarizes key findings pertaining to transportation:

- Motor vehicle household penetration varies significantly with age. Overall motor vehicle ownership peaks at 90 percent of all households among the 45 and 54 age group, and the share of multiple-vehicle households also peaks at this age. The level of penetration is still high even in the 65-plus group (just below 70 percent), a testament to our fascination with and dependence upon the automobile.
- Between now and 2021 the number of registered vehicles in Niagara will increase by 28 percent to reach 258,000. The

- Transportation system development (public and private)
- Management of the older driver
- Congestion between public, tourism, and commercial (truck) traffic

Agri-food

In the agri-food sector, our research suggests the following:

- Niagara's agri-food sector is well-positioned to capitalize on trends associated with population aging. The spending of 45-plus households fuels the consumption of the staple products of Niagara's farms-tender fruit, vegetables, poultry, and dairy products.



- Another trend is the higher expenditure by the 45-plus age group in non-food products such as flowers and other greenhouse products. Many of these items are also produced within Niagara's greenhouse industry. As well, on a global scale, increased demand by this age group will translate into increased investment, sales, and employment locally.

Business Services

- Niagara's community-based business services will continue to play a vital support role to the Region's major export-oriented industries, especially tourism. It is our expectation that firms in Niagara's business-services sector will continue to identify the opportunities that arise out of demographic trends and enhance the economic performance of the industries that generate export-oriented employment.

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The spending of 45-plus households fuels the consumption of the staple products of Niagara's farms-tender fruit, vegetables, poultry, and dairy products.

Financial Services

With respect to the financial-services sector, our research reveals the following:

- The average net worth of a household in Canada in 1995 was estimated at about \$135,000. Average net worth was greatest among households headed by a person aged 45 to 54 and 55 to 64 (about \$200,000 per household).
- Households headed by a person 65 and older and those by a person 35 to 44 had equivalent average net worth positions. Households headed by a person under 35 had a net worth on average well below that of all other households.
- With age, the composition of household wealth shifts decidedly toward financial wealth. Almost a third of household wealth among those aged 65 and older is financial. Other research we have undertaken suggests that the financial net worth of a household increases with income. Therefore,

the target group for the financial-services sector is people 45 years of age and older (especially those 55-plus) with high incomes.

- The importance of investment income grows through the age spectrum (for example, among those 75 years of age and older it represents 16 percent of total income).
- Persons 55 and older accounted for just 22.0 percent of Canada's population in 1997, yet they received 61.7 percent of the investment income in Canada.
- In 1999, the age of the oldest baby boomers is 52; those born at the peak of the boom are 39. The boomers stand at the edge of the period during which their net worth, particularly their financial investments, will be maximized. The general prospects for the financial-services industry are bright. Furthermore, if Niagara is successful in attracting the 45-plus market that we have identified, the growth of financial-services organizations serving the local community will also be important.

The potential market for retirees to Niagara is likely to be found among persons 55

years of age and older who also can claim higher-than-average incomes, higher-than-average financial portfolios, and higher-than-average valued houses.

Telecommunications

- Overall spending on telephone services will increase from an average to above-average level between the 10-year projection periods. The increase is driven by basic and long-distance telephone charges, not the purchase of equipment or charges for specialized services.



The Internet

Our research investigated the use of the Internet with respect to the 45-plus population. The principal observations are as follows:

- Data from a number of surveys conducted during the 1990s by Statistics Canada show an inverse relationship between computer ability and age. In other words, the younger the person, the higher the ability; the older the person, the lower the ability.
- Although 48 percent of Canadian households have members who are Internet users, only 23 percent have members who use the Internet from home. Home use of the Internet peaks at 30 percent of households in the 35-54 group; 55-plus households are below the average rate of home use.
- The Internet is used mostly for personal reasons. In 70 percent of the households with home users, 50 to 100 percent of the time spent on the Internet is devoted to "personal (non-business) use." The most popular activities are e-mail and general browsing; the least popular, electronic banking and purchasing goods and services. Participation in all of these activities varies by age, i.e., use is below average for the 55-plus group.
- Between 1997 and 1998, the number of households with home users increased 48 percent with households headed by a person 35-plus, growing at a rate above this average. The highest rate was 61 percent in the 55-64 group. Despite these impressive growth rates, the current reality of home Internet use is that about one-quarter of Canada's households are "on-line" (one in twenty of the 65-plus households). "E-commerce" lags substantially behind non-commercial activities such as e-mail and general browsing. Searching for information from the government and participating in education and training programs are also not widespread.

The single largest time consumer, for all age groups, is personal care.

The time devoted to personal care increases, on average, by almost 75 minutes a day for those 55 and older.

Socio-Cultural Sectors: Trends and Implications

Leisure Time

Research indicates that Canadians who are older use their time quite differently than younger Canadians. Distinct patterns in time use begin to emerge as people reach the age of 55. With the exception of the oldest age groups, these patterns become more pronounced the older a person becomes. These include:

- **Personal Care:** The single largest time consumer, for all age groups, is personal care. The time devoted to personal care increases, on average, by almost 75 minutes a day for those 55 and older. Employed work, caregiving to household members, and education all comprise less of a person's time as they enter the 55-plus age group. Other activity areas where increases occur are domestic work, shopping for goods and services, sports and hobbies, and media and communication. Participation in the particular types of activities within each of these areas varies by age.
- **Culture and Entertainment:** The percentage of 55-plus Canadians participating in culture and entertainment activities is lower than that of Canadians younger than 55. However, there is an important shift from entertainment to cultural activities as one moves through the life cycle. For example, "going to the symphony" is not the preferred activity for many teenagers, but it definitely has an attraction for the 50-plus group.
- **Media and Communications:** The time spent on media and communication activities is much higher for the 55-plus age group. The largest time consumer for this activity area is television viewing, followed by reading newspapers, magazines, and books.



■ **Sports and Hobbies:** As people get older they participate less in sports or hobbies that require strenuous physical activity. Golf is the most popular sports activity of older persons. The two most common reasons cited by those aged 55-plus for not participating regularly in any sport are health and age.

The type of activities that show an increased use of time are more leisurely by nature- hiking and walking, crafts, and playing games such as cards. Gardening increases as people age.

■ **Domestic Work:** Except for the 65 to 69 age group, the amount of time spent on housework (such as cleaning and laundry) does not decrease by much as people get older. The rate for house maintenance seems to decrease slightly and continues to decrease in a rather steady pattern for persons 55 and older. One noticeable increase in the area of domestic work is the percentage of people paying others to clean for them. While the rate for those aged 55 to 59 is lower than the population rate, for those aged 75 to 79, the rate is roughly three times the population rate.

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- The aging of the baby boom involves a number of shifts in the way individuals use their time:
 - From physically demanding sports to less physically demanding sports and passive leisure activities.
 - From entertainment to cultural activities.
 - From independence to dependence in carrying out the daily chores of life.

These shifts offer both challenges and opportunities. The shifts impacting sports and hobbies and entertainment and culture activities present many potential business opportunities and

public challenges. The business opportunities include investment in sports facilities such as golf courses or the enhancement of existing cultural jewels such as the Shaw Festival. A key public policy challenge is the issue of re-allocating resources from facilities such as arenas and baseball parks to developments such as the parkways and walking trails.

Volunteering

Participation rates for volunteer activity decline with age, but the average time spent doing volunteer work increases with age. Below are additional trends with respect to volunteering:

- Starting at age 45, people spend increasingly more time volunteering. At age 70, the time spent begins to decrease, but until the 75-79 age group it remains higher than the overall average.
- An aging society will create the conditions for expanding the volunteer sector. The challenges are to increase the participation rate of individuals who are retired or working part-time and to direct the efforts of volunteers to the

sectors exhibiting the greatest need. If this can be achieved, the opportunities associated with volunteerism are endless.

Training and Education

Projections for participation in education and training activities nationally relate directly to the age of an individual:

- Participation in education and training courses decreases with age, especially after the age of 50. Although interest in formal or credit courses decreases with age, the opposite is the case for non-credit courses.
- The primary feeder group for post-secondary institutions is persons aged 15 to 24 and the participation rate is about 15



percent. The participation rate for both full- and part-time study falls dramatically after age 25. Participation on a part-time basis is minimal at any age.

- These trends hold challenges for all post-secondary institutions, including those in Niagara:
 - Although the prime feeder group (15 to 24) will grow during the next ten years, there is a substantial decline in the following 10 years. Alternatively, the 55 to 64 age group, Niagara's strategic retiree market, will increase at a much greater rate during the whole projection period.
 - The challenge to Niagara's post-secondary institutions is to look beyond the "boom" of the next 10 years in the traditional feeder group. Although a participation rate of about 15 percent certainly gives the post-secondary level an incentive to expand its efforts to attract more youth, this is not the boom market for education and training during the next 20 years.
 - The more formidable challenge and potentially rewarding opportunity is to devise creative ways to attract older students who exhibit a clear preference for non-credit courses on a part-time basis and who will expect to receive the same level of customer service that they receive elsewhere in the marketplace.

The unprecedented growth of the 45-plus population means the Niagara Region and other jurisdictions in Ontario must plan on a comprehensive basis to manage the substantial economic pressures that will result from demographic change.

pressure on health care institutions and personnel. The optimistic element in this trend is that the baby boom generation will not be entrenched in the 60-plus age group for several decades. Therefore, the Niagara Region has time to prepare for the impacts of demographics on the utilization of health care resources.

- Historical data for Ontario show that the 45-plus group within the population has accounted for an increasing share of separations and patient-days (two indicators of the demand for hospital services). By 1997 the 45-plus group was responsible for over half of the hospital separations. In 1994 the 45-plus group represented almost four-fifths of total patient-days. Aligning these trends with our general population projections leads to the inevitable conclusion that in the long term the impact of demographics on the hospital sector in Niagara and Ontario will be dramatic.
 - High users of physicians' services are individuals who visited a doctor two or more times during the previous 12 months. Although their visitation rate is close to the life cycle average between the ages of 25 to 54, it rises above the average at age 55 and continues a steady upward path after that point. This trend indicates that an aging population will create pressure not only on the health system's physical infrastructure but also on its human resources.
 - High users of medications are individuals who used three or more medications within the last two days. The age of 45 is a significant threshold-it is at this age that the rate climbs above the life cycle average. After the age of 45 there is a continuous and substantial increase in the rate.
- The unprecedented growth of the 45-plus population means the Niagara Region and other jurisdictions in Ontario must

Health Care

The impacts of an aging population present both challenges and opportunities in the area health care:

- An analysis of the data on major diseases reveals a marked increase after the age of 60. In the absence of dramatic developments in medical technology that reduce the mortality rates for these diseases, population aging will place great



plan on a comprehensive basis to manage the substantial economic pressures that will result from demographic change.

Social and Community Support

The aging of the baby boom generation will present challenges and opportunities with respect to social and community services:

- As people age the likelihood of experiencing health problems increases. With increased health problems in the areas of mobility, vision, and hearing, older people tend to require assistance with many basic tasks such as shopping, banking, and housekeeping. Most older people do receive assistance from family, friends, and neighbours. However, for certain tasks (for example, personal-care tasks), these people increasingly rely on paid and non-paid assistance from government and non-government organizations.
- The aging of the baby boom generation will eventually tax the resources of public- and not-for-profit-sector organizations that currently serve the older segments of Niagara's population. The challenge to these sectors is to maintain effectiveness and efficiency in the delivery of services on a larger scale. The relative affluence of the boomers and the expanding market for these types of services may also present business opportunities for the private sector.

Ontario accounts for the largest share of Canada's population growth. Within Ontario, the CMAs are the fastest-growing areas. In geographic terms, Niagara's business development and investment targets are the 45-plus population of Ontario's CMAs, particularly in the "Golden Horseshoe" area.

Public Safety

The following summarizes key findings pertaining to public safety:

- Niagara, and most jurisdictions in Canada, can expect the crime rate as currently measured to continue its steady decline. This is a result of the differential growth rates for the groups in the population who are 40 plus or under 40, respectively. Those who tend to commit the crimes will constitute a smaller

share of the population than has been the case for the past several decades. Members of the "baby boom echo" cohort will cause a temporary ripple in the rate as they traverse their most crime-prone years but more so in the United States than in Canada, where the echo is almost as large as the boom.

- An aging population, especially a female-dominated seniors cohort, will likely continue to express a fear of victimization from violent crime that is out of proportion to the reported level of victimization. These implications present a number of challenges and opportunities for police officials and private entrepreneurs that are identified in our recommendations.

Recommendations for Business Development and Investment

The last section of the report links the analysis of Niagara's demographic trends and the sectoral research findings to public/private-sector investment and development opportunities with respect

to the 45-plus age group.

Ontario accounts for the largest share of Canada's population growth. Within Ontario, the CMAs are the fastest-growing areas. In geographic terms, Niagara's business development and investment targets are the 45-plus population of Ontario's CMAs, particularly in the "Golden Horseshoe" area.

The particular recommendations highlighted represent a sampling of business development opportunities derived from the demographic analysis and are not intended to be exhaustive. Many other opportunities are anticipated as Niagara's adult population continues to increase and becomes a major focus.



Economic Sectors

- Tourism is currently a major sector of Niagara's economy and one that will grow substantially as a result of population aging. The tourism sector presents major economic development opportunities for Niagara in the emerging "45-plus society."

Evidence of the wisdom of pursuing this approach is clear in our micro analysis of consumer spending, especially the "Top 20" list. Niagara's current strengths in the tourism sector are amply reflected in the many specific household-spending items that will grow at an above- average rate during one or both of the projection periods. Golfing, packaged travel, natural attractions, and fine restaurants and wineries are among the businesses that will work well in the "45-plus society."

- Manufacturing or processing activities should be considered in sectors that will have above- average growth due to population aging. Building on one of Niagara's current strengths, the processing of fruits and vegetables for export markets could be enhanced.

However, we recognize that this strategy is complex and must consider the issues of farm income levels and competing uses for agricultural land in Niagara. Looking to emerging areas for manufacturing, health care products such as home-care devices, drugs and dentures may present viable opportunities.

- Niagara's labour force is aging in lock step with its population. There will be both an increase in part-time employment and volunteering. This trend can be advantageous in a number of sectors including tourism and policing. Employers need to assess and to implement changes in human resource management policies and procedures that will accommodate the needs of older workers who will be increasingly receptive to different forms of labour force participation. In addition,

Niagara's current strengths in the tourism sector are amply reflected in the many specific household-spending items that will grow at an above- average rate during one or both of the projection periods. Golfing, packaged travel, natural attractions, and fine restaurants and wineries are among the businesses that will work well in the "45-plus society."

there must be better bridging between the older and younger generations of workers through mechanisms such as mentorship.

- Any business focused on the 45-plus markets should employ a balanced approach with respect to the deployment of marketing tools. At the household level, television and radio advertisements with the right demographic "spin" (for example, wineries, golfing, etc.) should be the main channels of communication. The Internet can be used as a supplementary tool to target high-income, well-educated individuals who may be willing to migrate.

- At the business level, the Internet will likely be more effective since at this point business-to-business communication is much better established than business-to-consumer communication. As well, investor "tours" such as those conducted by the Niagara Economic and Tourism Corporation and the Niagara Investment Team are good promotional mechanisms for influencing private-sector decisions to invest in Niagara.

- Niagara's current strengths in the agri-food sector is amply reflected in the many specific food-spending items that will grow at an above-average rate during one or both of the projection periods. Additionally, agri-tourism, especially focused on the unique tender fruit industry, presents potential business opportunities.

There are also potential new business opportunities that emerge from the growth in the purchases of fish and marine products. For example, "Aquaculture" is a segment of the agri-food industry that grew substantially between 1991 and 1997. Statistics Canada reports that in this period production increased by over 95 percent. It is an export-oriented activity that is particularly focused on U.S. markets, and it is also a



labour-intensive activity. Currently, aquaculture operations are primarily based in Canada's coastal areas (i.e., British Columbia and New Brunswick). However, the technology of the industry can be located elsewhere, especially if the emphasis is on freshwater fish such as trout.

- There is a substantial local business opportunity in the areas of home renovation, maintenance, and retrofit. Expertise developed in relation to Niagara's 45-plus homeowners will be transferable to export markets in Ontario and beyond. One challenge on the renovation side will be to ensure a sufficient supply of multi-skilled trades persons.

- In the housing market "one size fits all" does not apply to the 45-plus homebuyer. Housing developers not only have to build communities that have the right amenities for an older consumer, but also must be clear about their target group, i.e., high-income-potential migrants in selected geographic areas, the "female market" and its concerns about public safety, or the 75-plus group that requires more personal assistance.

In the housing market "one size fits all" does not apply to the 45-plus homebuyer. Housing developers not only have to build communities that have the right amenities for an older consumer, but also must be clear about their target group...

- The traffic management issues associated with population aging generally, and tourism and commercial traffic particularly, pose a substantial challenge. The traffic "crunch" will reach its zenith during the first decade of the millennium as the baby boomers age into their high- car-use period (i.e., 43 to 62 by 2009).
- Notwithstanding the primacy of automobile travel across all ages (after the age of 16), there may be some room for the pursuit of creative public transit opportunities that target the members of 65-plus households. These initiatives must pay close attention to both the physical and psychological realities of this target group.
- A strong, local financial-service sector will be important in Niagara, especially if the decision is made to attract the type

of retiree identified in this report. Vibrant tourism and agri-food industries will need the support of a strong, local business-services sector to realize their full export potential. Business opportunities exist here for both individuals and companies as well as educational institutions (i.e., training).

Socio-Cultural Sectors

- There are tremendous business investment opportunities for the private sector in the area of personal care and services, particularly as the boomers begin to move into their retirement years during the second decade of the millennium.

- An aging population poses a number of challenges and opportunities for Niagara's post-secondary educational institutions. Enrolment increases during the next ten years that are attributable to the passage of the baby boom echo through that stage of the life cycle will be followed by drop-off in demand during the second decade of the millennium. To compete with larger institutions in southern Ontario and elsewhere in a highly competitive environment, Niagara's institutions will

need to establish an "edge" in both programs and amenities. From a program perspective, institutions should focus on the areas of public- and private-sector activity that are stimulated by population aging and that are already well-established in Niagara.

This thinking is already evident. Both Brock University and Niagara College have recognized the importance of the wine and hospitality and tourism industries through some of the programs now offered or under development:

- The Cool Climate Oenology and Viticulture Institute at Brock combines the study of both of these Niagara industries.



- A new program at Niagara College offers a two-term post-graduate certificate in Tourism Development, in which the emphasis is placed on the development of niche market areas such as eco-tourism, cultural tourism, theatre tourism, and festivals.
- As well, both institutions jointly offer a certificate program in Tourism Management.
- Brock's Department of Recreation and Leisure Studies offers programs in many areas, including the provision of leisure services to diverse communities including the aged.
- Niagara College's School of Horticulture and Agribusiness Studies anticipates offering two-year, co-operative programs in Winery & Viticulture and Greenhouse studies.
- Post-secondary institutions must also confront the challenge of convincing potential older "students" to continue their education. Students drawn from the 45-plus age group represent a potential "boom" market over the next 20 years. The approach that has historically been deployed with the 18 to 24 client group will not work. Post-secondary institutions must analyze the needs of different sub-groups in the 45-plus cohort and deliver part-time programs on a flexible and creative basis.

The results of our research and analysis are robust.

Niagara enjoys many competitive advantages as a location for adult lifestyle communities and related business opportunities.

Summary

Niagara is well-positioned to develop business opportunities relating to the 45-plus population. The Region is strategically located within a burgeoning market, the Golden Horseshoe, where over 80 percent of Ontario's population growth will occur over the next two decades. Niagara's proximity to the United States further benefits the Region's competitive position.

The results of our research and analysis are robust. Niagara enjoys many competitive advantages as a location for adult lifestyle communities and related business opportunities.

Potential developments span several economic sectors, especially tourism. As these developments occur, Niagara will have to plan in a comprehensive and integrated manner for the long-term impacts of demographic change on services such as health care, social support, and transportation. An integral part of this planning includes developing private-sector business investment opportunities in the area of personal care and services.

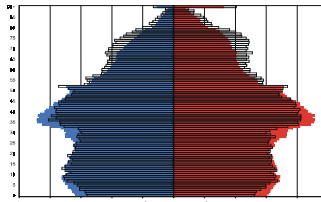
The Niagara Region is at the forefront of the transition of Canada's "45 and over society." New business developments associated with this age group can showcase Niagara's diversity and innovative approaches to investment.



Population Pyramid Charts Niagara Region by Municipality

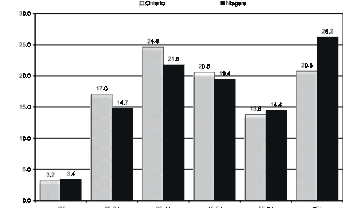
Population by Age and Gender as a
Percent Share of the Total Population
Source: Statistics Canada, 1996

- NIAGARA REGION -
Percentage of Total Population in 1999
Niagara Region (Black Outline)
Province of Ontario (Grey)
Males (Left) Females (Right)



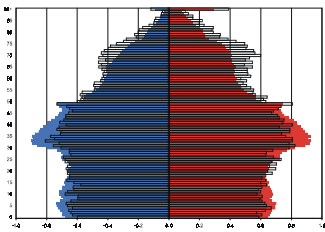
Source: Strategic Projections Inc.

- NIAGARA REGION -
HOUSEHOLDS BY AGE
Percentage of Total Households in 1999
Niagara Region (Black)
Province of Ontario (Grey)

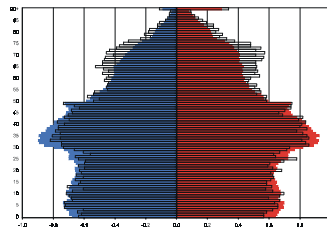


Source: Strategic Projections Inc.

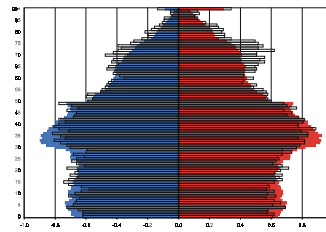
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City of St. Catharines (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



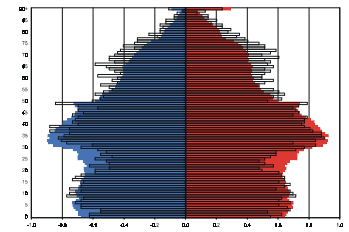
- NIAGARA FALLS -
City of Niagara Falls (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



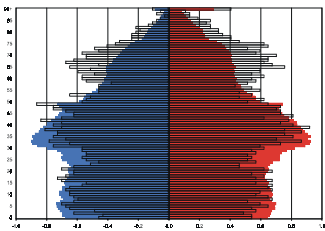
- WELLAND -
City of Welland (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



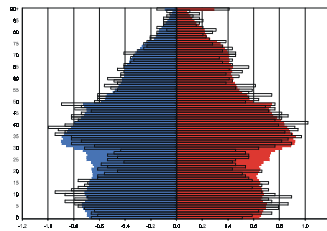
- FORT ERIE -
Town of Fort Erie (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



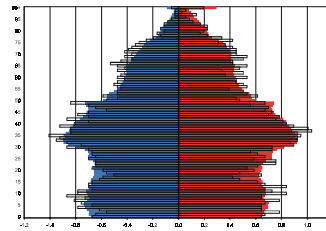
- PORT COLBORNE -
City of Port Colborne (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



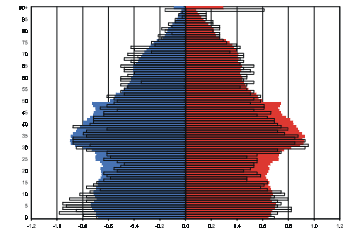
- GRIMSBY -
Town of Grimsby (Black Outline)
and Ontario (Grey)
Males (Left) Females (Right)



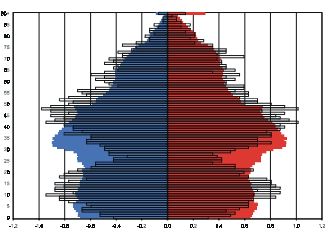
- THOROLD -
City of Thorold (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



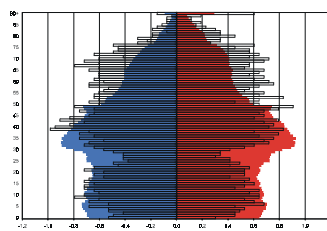
- LINCOLN -
Town of Lincoln (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



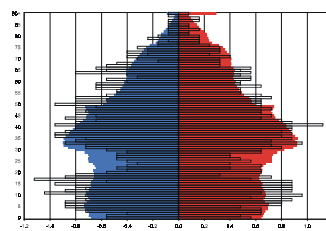
- PELHAM -
Town of Pelham (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



- NIAGARA-ON-THE-LAKE -
Town of Niagara-on-the Lake (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



- WAINFLEET -
Township of Wainfleet (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)



- WEST LINCOLN -
Township of West Lincoln (Black Outline)
Ontario (Grey)
Males (Left) Females (Right)

