

February 26, 2026



Demographic Implications of the 2026-2028 Immigration Levels Plan



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

The Parliamentary Budget Officer (PBO) supports Parliament by providing economic and financial analysis for the purposes of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

This report analyzes the Government's 2026-2028 Immigration Levels Plan in light of recent trends in Canada's demographics. It also provides an update to PBO's baseline demographic projection.

Lead analyst:

Matthew McGoey, Analyst

Contributor:

Caroline Nicol, Advisor-Analyst

Prepared under the direction of:

Diarra Sourang, Director

Nathalie Desmarais, Carol Faucher, Martine Perreault and Rémy Vanherweghem assisted with the preparation of the report for publication.

For further information, please [contact the Office of the Parliamentary Budget Officer](#).

Jason Jacques

Interim Parliamentary Budget Officer

Table of Contents

- Highlights..... 1
- Summary 2
- Recent developments 3
 - Permanent immigration..... 4
 - Non-permanent immigration 4
- 2026-2028 Immigration Levels Plan..... 6
 - Permanent resident admissions..... 6
 - Non-permanent resident admissions 7
- Demographic outlook 8
- Notes 11

Highlights

The 2026-2028 Immigration Levels Plan sets permanent resident (PR) admission targets at 380,000 per year and reiterates the Government's commitment to reduce the non-permanent resident (NPR) population to less than 5 per cent of Canada's total population by the end of 2027.

PBO projects that the share of NPRs in the total population will fall from its 2024 peak of 7.6 per cent to just under 5 per cent by the end of 2027, aligning with the Government's target. PBO assesses that one-time initiatives introduced in the plan will contribute to achieving this outcome.

As the NPR population continues to decline, PBO projects that total population growth will remain flat in 2026 and pick up only modestly to 0.3 per cent in 2027. Over the medium term, PBO projects population growth to stabilize around 0.8 per cent annually, which is below its historical average of 1.1 per cent per year.

Summary

On November 4, 2025, the Government of Canada released its 2026-2028 Immigration Levels Plan (ILP) as part of Budget 2025, with additional details provided in the 2025 Annual Report to Parliament on Immigration.

The ILP projects that permanent resident (PR) admissions will stabilize at 380,000 per year from 2026 through 2028. It also introduces two one-time initiatives that would accelerate the transition of 148,000 current non-permanent residents (NPRs) to PR status over 2026 and 2027. Supplementary information indicates these admissions would be incremental to the stated PR admission targets.

The ILP reiterates the Government's commitment to reduce the NPR¹ population to less than 5 per cent of Canada's total population by the end of 2027, one year later than originally planned. It lowers arrival targets significantly, particularly for international students. At the same time, the Government anticipates high volumes of permit extensions for individuals already in Canada, which are not counted toward the ILP's arrival targets.

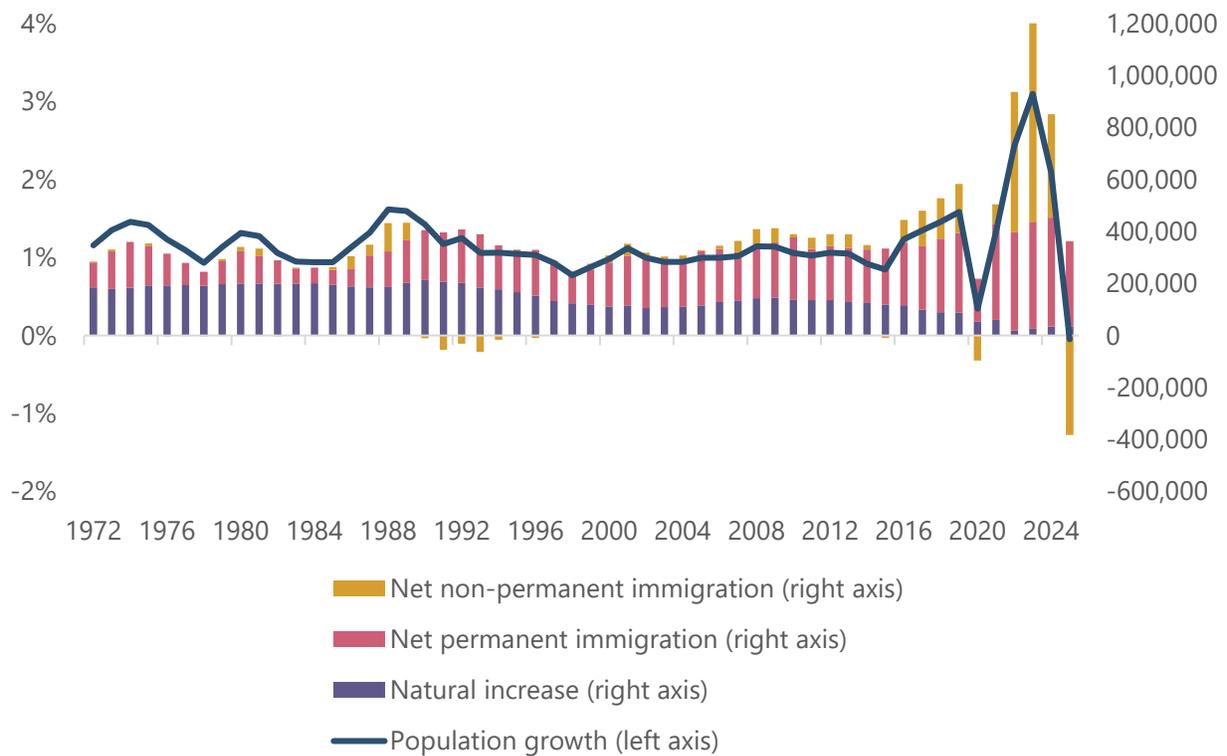
PBO's updated demographic projection anticipates that the number of NPRs in Canada—which has been declining since late 2024—will continue to fall sharply. Their share of the total population is projected to decline from a peak of 7.6 per cent in 2024 to just under 5 per cent by the end of 2027, meeting the Government's target. PBO assesses that the one-time initiatives (changes of residency status that do not directly affect actual population flows) will contribute to achieving this outcome.

With the decline in the NPR population, PBO projects that Canada's total population will remain flat in 2026. Population growth is expected to pick up only modestly to 0.3 per cent in 2027, stabilizing around 0.8 per cent annually over the medium term, which is below its pre-2015 average of 1.1 per cent per year.

Recent developments

Between 1972 and 2015, Canada’s population grew at a steady rate, averaging 1.1 per cent per year (Figure 1). Over time, however, the sources of this growth have shifted. In recent years, population growth has been driven almost entirely by net immigration, while natural increase (births minus deaths) has made only a small—and shrinking—contribution due to low fertility rates and an aging population.

Figure 1
Contributions to population growth



Source:
Statistics Canada and Office of the Parliamentary Budget Officer.

Note:
Migration flows are presented on a net basis (inflows minus outflows). 2025 is projected based on partial-year data through October 1.

Permanent immigration

After a long period of relative stability, annual PR admissions increased by nearly 80 per cent between 2015 and 2024 (from 272,000 to 484,000) as successive ILPs raised admission targets.² This expansion led net permanent immigration to play a larger role in population growth, more than offsetting the declining contribution from natural increase.

However, it is important to note that a significant proportion of PR admissions represent individuals already in Canada as NPRs being granted permanent resident status. According to IRCC data, nearly half (48 per cent) of new permanent residents admitted in 2025 were previously international students or temporary workers.³

Non-permanent immigration

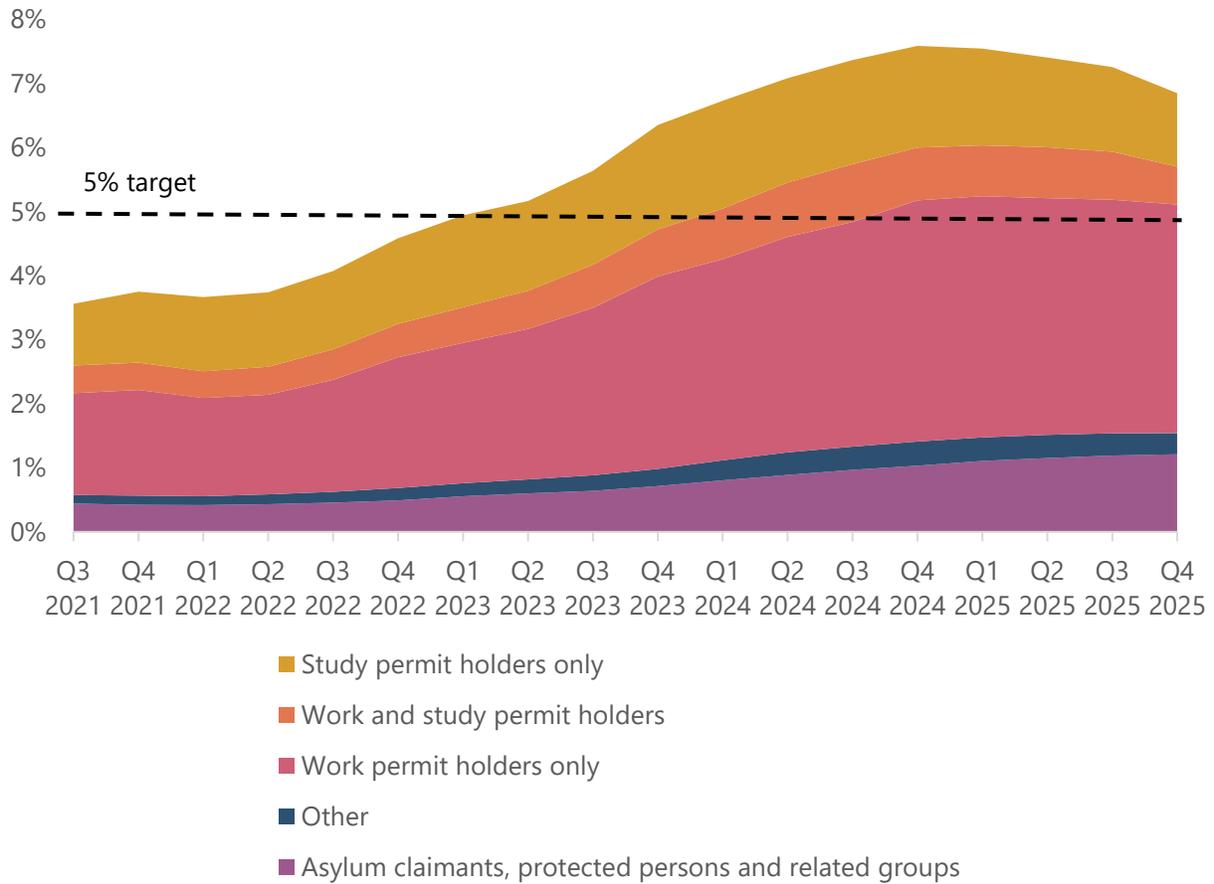
Despite the significant increase in PR admissions, changes in non-permanent migration have been the primary driver of recent population dynamics. Net inflows of NPRs beginning in 2016 pushed annual population growth above 1 per cent. Following a pandemic-related dip in 2020, net inflows surged to nearly 800,000 in 2023, driving total population growth in that year to a record-high 1.2 million, or 3.1 per cent.

Beginning in 2024, net inflows of NPRs moderated as the Government introduced measures to limit study and work permits, such as a cap on study permits and stricter rules affecting Temporary Foreign Workers (TFWs). By early 2025, the NPR population was declining. Combined with lower PR admissions (consistent with the 2025-2027 ILP), these developments resulted in approximately zero population growth in 2025, marking a sharp reversal of the previous trend.

NPRs historically represented a small share of Canada's population—less than 3 per cent as recently as 2017. That share rose quickly starting in 2022, before peaking at 7.6 per cent on October 1, 2024 (Figure 2). By October 1, 2025, it had fallen to 6.8 per cent, with about 2.8 million NPRs estimated to remain in Canada (down from a peak of 3.1 million).

Net outflows of NPRs since 2024 have been driven by study permit holders and, to a lesser extent, work permit holders. In contrast, the number of asylum claimants, protected persons and related groups⁴ has continued to rise, reaching a record high of just over 500,000, as of October 1, 2025. However, this group still represents only 18 per cent of all NPRs in Canada and its growth rate has eased from 2024.⁵

Figure 2
 Non-permanent residents as a share of total population



Source:
 Statistics Canada.

Note:
 Figures represent population estimates at the beginning of each quarter (for example, Q4 2025 represents October 1, 2025). "Other" includes family members of permit holders and holders of other types of temporary resident permits.

2026-2028 Immigration Levels Plan

Relative to the 2025-2027 ILP, the 2026-2028 ILP makes small revisions to PR admission targets alongside larger revisions to NPR arrival targets. These revisions reflect recent shifts in NPR dynamics and the Government's stated objective to reduce NPRs as a share of the population.

Permanent resident admissions

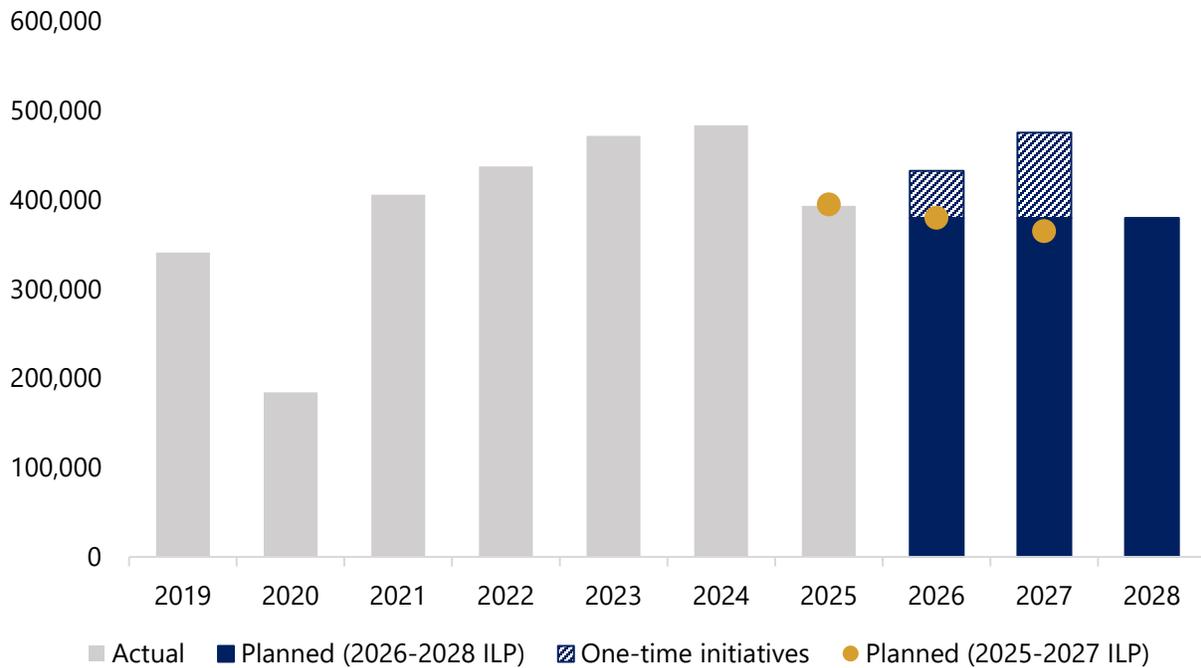
The ILP 2026-2028 maintains annual PR admissions at 380,000 per year, a modest increase from the previous plan.⁶ This level would represent a roughly 20 per cent reduction relative to the record-high 484,000 admissions in 2024.

The plan also introduces two one-time initiatives in 2026 and 2027 that would transition an additional 148,000 people already in Canada—protected persons, their dependents, and certain temporary workers—to permanent status:

- 115,000 persons with recognized protected person status and their in-Canada dependents;⁷
- 33,000 temporary workers “who have established strong roots in their communities”.

While these transitions temporarily raise total PR admissions above the stated annual targets, they reflect changes of residency status rather than new inflows and thus would have no direct impact on overall population growth.

Figure 3
Permanent resident admissions



Source:
Statistics Canada and Immigration, Refugees, and Citizenship Canada.

Non-permanent resident admissions

In the 2026-2028 ILP, the Government reiterated its commitment to reduce the NPR population to less than 5 per cent of Canada’s total population by the end of 2027. This target date is one year later than the target date (end of 2026) stated in the 2025-2027 ILP.

NPR arrival targets are significantly lower than in the previous ILP, primarily due to a reduction of approximately 50 per cent in expected arrivals of international students in 2026 and 2027. These revisions bring the targets more in line with actual new arrivals of international students in 2025, which fell far short of the targets set in the 2025-2027 ILP.⁸ In contrast, total arrival targets for temporary workers in 2026 and 2027 are not significantly changed.⁹

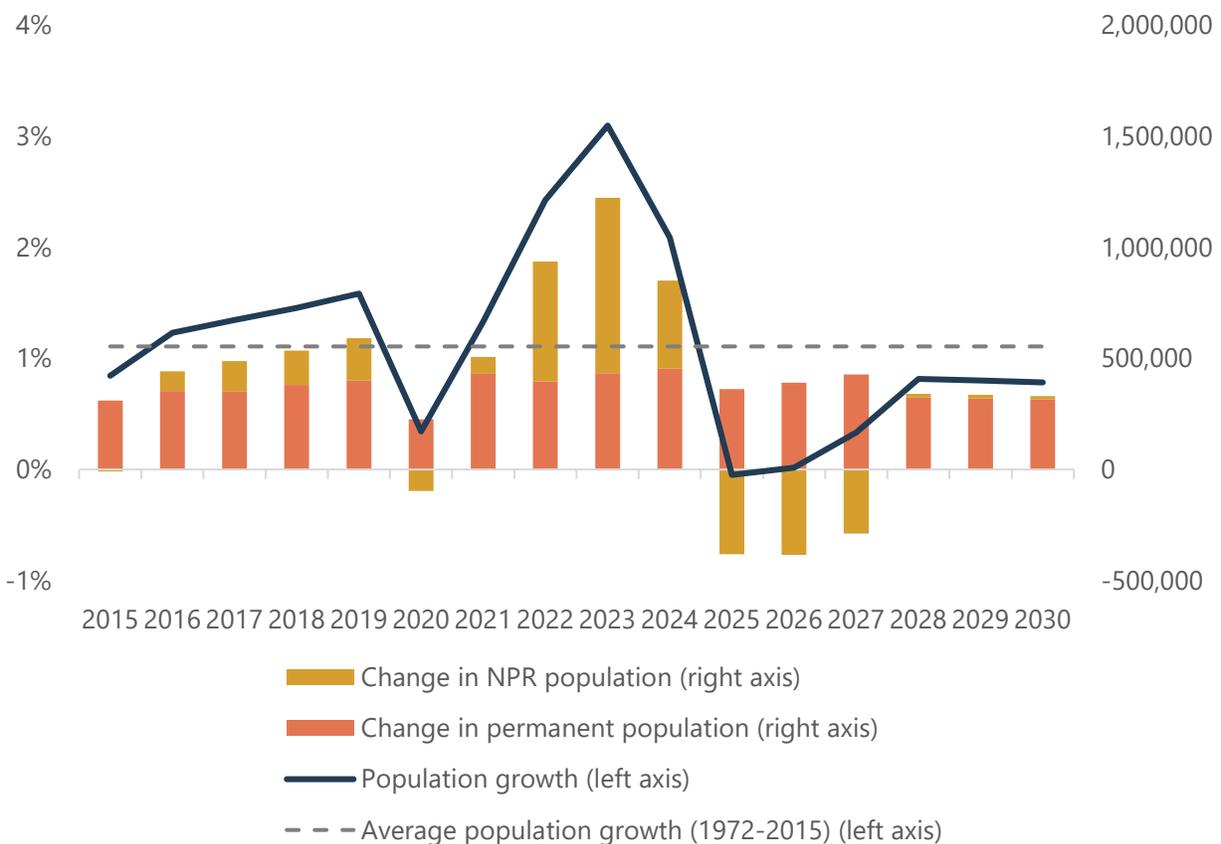
For both students and workers, the ILP targets only reflect new arrivals to Canada. They do not include permits issued to individuals already in Canada, including permit extensions.¹⁰

Demographic outlook

PBO has updated its baseline demographic projection based on the 2026-2028 ILP and additional information from IRCC.¹¹ With continued net outflows of NPRs offsetting growth in the permanent population, Canada’s total population in 2026 is projected to see flat growth for the second consecutive year and pick up only modestly to 0.3 per cent in 2027 (Figure 4).

As the NPR population stabilizes, overall population growth is expected to average 0.8 per cent per annually over the medium term. This rate is below the pre-2015 average of 1.1 per cent per year, reflecting lower fertility rates and population aging.

Figure 4
Demographic projection



Source:
Statistics Canada and Office of the Parliamentary Budget Officer.

Note:

Values from 2015 to 2024 are historical data. 2025 to 2030 represent PBO projections.

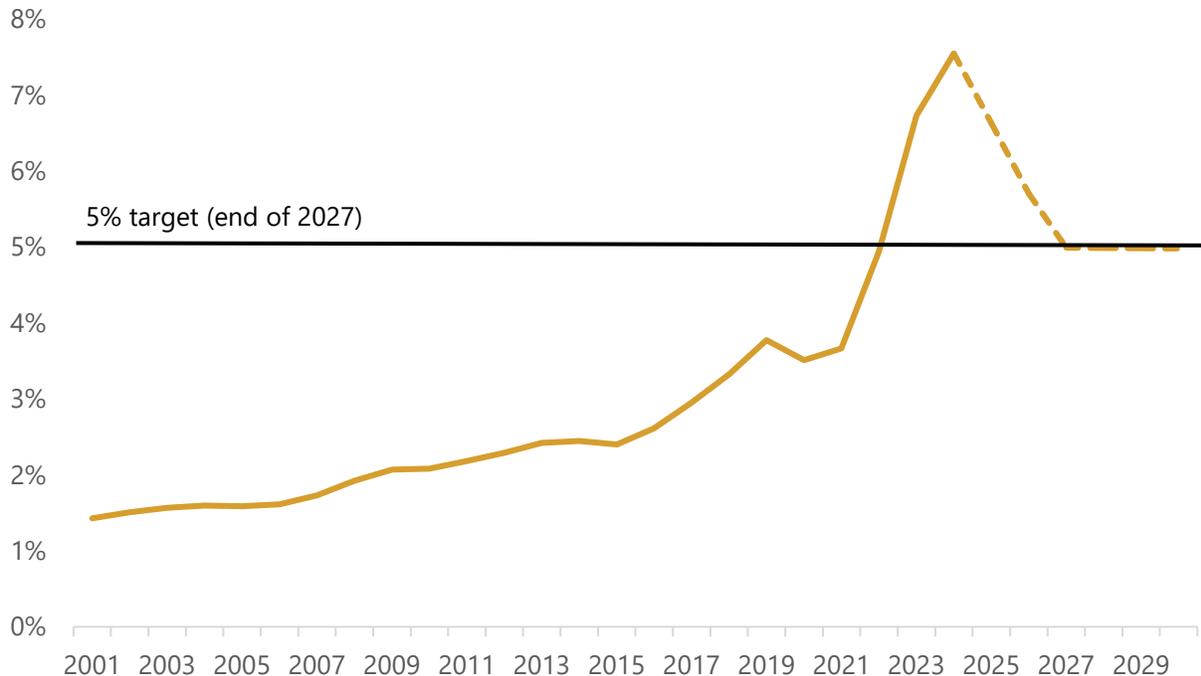
Net outflows of NPRs in 2026 and 2027 are expected to be driven mainly by work permit holders (accounting for approximately 80 per cent of net outflows), with outflows of international students making up a smaller share (roughly 10 per cent).¹² NPR outflows include transitions to permanent residency in addition to departures from Canada.

As the NPR population declines, its share of the total population is projected to fall to just under 5 per cent by the end of 2027, meeting the Government’s target (Figure 5). We estimate that without the 148,000 additional PR admissions planned under the one-time initiatives—which reduce the NPR population without affecting the number of people present in Canada—NPRs would account for 5.3 per cent of the population at the end of 2027, exceeding the Government’s target.

Thereafter, we assume the share of NPRs will stabilize at just under 5 per cent, a level still well above its historical norm.

Figure 5

Non-permanent residents as a share of total population



Source:

Statistics Canada and Office of the Parliamentary Budget Officer.

Demographic Implications of the 2026-2028 Immigration Levels Plan

Note:

The dotted line represents PBO projections. Values from 2001 to 2024 are historical data.

PBO's projections reflect current policies and program rules and assume that the admission targets set out in the ILP for both permanent and non-permanent residents will be met. Achieving the Government's 5 per cent target within the intended timeline will depend on the pace of NPR outflows and on future inflows of asylum claimants.¹³

Notes

¹ While the 2026-2028 ILP refers to “temporary residents,” Statistics Canada’s demographic estimates are based on the slightly different concept of “non-permanent residents” (NPRs). For consistency with the demographic estimates, this report uses NPR terminology.

² The [2015 ILP](#) released in November 2014 anticipated between 260,000 and 285,000 permanent resident admissions in 2015. The [2024-2026 ILP](#) released in November 2023 set a target for 485,000 admissions in 2024 and 500,000 in each of 2025 and 2026.

³ IRCC – [Understanding student and temporary worker numbers in Canada](#)

⁴ Protected persons are persons whose asylum claims have been accepted by the Immigration and Refugee Board of Canada (IRB). According to [Statistics Canada](#), “related groups” include former asylum claimants “who received a negative decision or withdrew or abandoned their claim and have not yet regularized their status or departed Canada.”

⁵ [IRCC data](#) show the number of new asylum claimants was down by about one-third in 2025 compared to 2024 (from approximately 172,000 to 113,000).

⁶ In the 2025-2027 ILP, PR admissions were expected to decline to 365,000 in 2027. Targets for 2027 and 2028 are notional and subject to revision in subsequent ILPs.

⁷ Protected persons are considered “non-permanent residents” in official statistics but have the right to remain in Canada indefinitely as long as they maintain their recognized protected person status, unlike permit holders whose right to stay in Canada is time-limited.

⁸ The steep decline in new international students has been driven by a significant drop in application volumes: [IRCC data](#) show a 51 per cent decline in applications for new study permits in 2025 relative to 2024.

⁹ Temporary workers include holders of work permits under both the Temporary Foreign Worker Program (TFWP), excluding seasonal workers, and the International Mobility Program (IMP). In the 2026-2028 ILP, the IMP is expected to account for 76 per cent of temporary worker arrivals over 2026-2027, up from 63 per cent in the previous ILP. The

[IMP](#) encompasses various work permit streams that do not require Labour Market Impact Assessments (LMIAs).

¹⁰ Because IRCC continues to anticipate a significant volume of permit extensions, the total number of study and work permits issued will be significantly greater than the number of new arrivals. In the case of students, the [international student cap for 2026](#) forecasts 253,000 study permit extensions in addition to the 155,000 new arrivals.

¹¹ Our demographic outlook is also based on projections produced by the Centre for Demography of Statistics Canada for the Office of the Parliamentary Budget Officer.

¹² The remaining net outflows consist of family members of permit holders, as well as asylum seekers, protected persons, and members of related groups. Statistics Canada's demographic estimates [assume that permit-holders "leave the country when their permit expires if no extension has been granted."](#) To ensure consistency with official estimates, PBO's projected outflows of non-permanent residents are also based on permit expiry.

¹³ The ILP does not set arrival targets for asylum claimants, inflows of which are largely outside of the Government's control.

