



FORESIGHT BRIEF

Future Lives: Social mobility in question

Social mobility lies at the heart of the Canadian project. Many people in Canada assume that ‘following the rules’ and ‘doing the right things’ will lead to a better life.

However, things are changing. Wealth inequality is rising. It is already common for children to be less upwardly mobile than their parents. Policy Horizons’ reports on [Future Lives](#) (2022) and [Basic needs at risk](#) (2023) explore these changes. More recently, the [Disruptions on the Horizons: 2024 Report](#) suggests that, in the coming years, downward social mobility might become the norm.

This foresight brief paints a picture of Canada in 2040, where upward social mobility is uncommon. Hardly anyone believes that they can build a better life for themselves or their children in this future. However, many worry about sliding down the social order, which has become much more common.

This scenario is neither the desired nor the preferred future. However, Policy Horizons’ research suggests that it is plausible and would create challenges across a range of policy areas.

- The economy may shrink or become more volatile.
- Mental health challenges could grow due to frustrated hopes and expectations.
- Workers and recent immigrants may choose to leave Canada for better opportunities elsewhere.
- People may turn to informal, grassroots, or community-based ways of fulfilling their basic needs.
- The post-secondary education sector may become a stranded asset.
- People may reject the systems they believe have failed them.

Overall, social immobility might lead some people to lose motivation to improve their prospects, or to embrace radical ideas about restructuring society. Some may even lose faith in the Canadian project. Other people might reject consumption and focus on activities that promote human flourishing, providing their basic needs are fulfilled.

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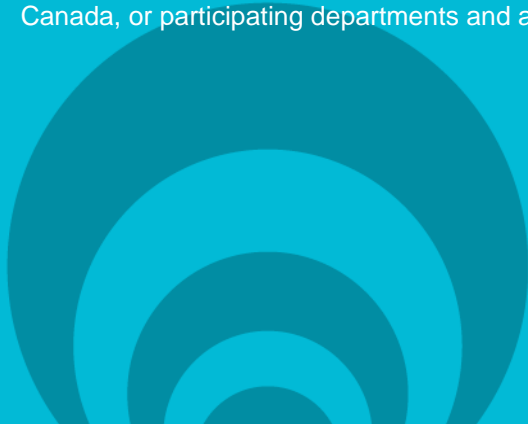
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Introduction

Social mobility lies at the heart of the Canadian project. Many people in Canada assume that ‘following the rules’ and ‘doing the right things’ will lead to a better life. Anyone can get an education, work hard, buy property, and climb the social and economic ladder. This is an informal but powerful promise.

However, things are changing. Wealth inequality is rising. Children are already less upwardly mobile than their parents.¹ Policy Horizons has explored some of these changes in [Future Lives](#) (2022) and [Basic needs at risk](#) (2023). More recently, the [Disruptions on the Horizons: 2024 Report](#), suggests that downward social mobility might become the norm in the future. The scenario below paints a picture of Canada in 2040 in which most Canadians find themselves stuck in the socioeconomic conditions of their birth and many face the very real possibility of downward social mobility.

While this is neither the desired nor the preferred future, Policy Horizons’ strategic foresight suggests it is plausible. Thinking about future scenarios helps decision-makers understand some of the forces already influencing their policy environment. It can also help them test the future readiness of assumptions built into today’s policies and programs. Finally, it helps identify opportunities to take decisions today that may benefit Canada in the future.

2040: More Snakes than Ladders

In 2040, upward social mobility is almost unheard of in Canada. Hardly anyone believes that they can build a better life for themselves, or their children, through their own efforts. However, many worry about sliding down the social order. This scenario identifies six main ways the world has changed since 2024:

Post-secondary education (PSE)

In 2040, **pursuing PSE is no longer considered a reliable path to social mobility.** Tuition and housing costs exclude all but the wealthy. Relatively long program timelines mean significant opportunity costs. Inflexible programs cannot keep up with constantly evolving skills demands in the job market. Fewer young

people choose PSE; those who do, see it less as a path to a successful career than a way to reinforce their membership in the 'elite'.

Housing

In 2040, **owning a home is not a realistic goal for many**. Most new homeowners get help from family members. Some take out intergenerational mortgages and have several generations of family living together.² Others enter alternative household mortgages with friends. A growing percentage of homeowners also own rental properties. They oppose policies to expand the housing supply or freeze rents. Inequality between those who rent and those who own has become a key driver of social, economic, and political conflict.

Intergenerational wealth

In 2040, **people see inheritance as the only reliable way to get ahead**. Society increasingly resembles an aristocracy. Wealth and status pass down the generations. Family background – especially owning property – divides the 'haves' from the 'have-nots'.

Social siloing

In 2040, **people rarely mix with others of different socio-economic status**. Algorithmic dating apps filter by class. Gated metaverses, like real life, offer few opportunities to meet people from different backgrounds. It is hard to move up in the world by making social connections that could lead to long term romantic relationships, job opportunities, or business partnerships. Social relations no longer offer pathways to connections or opportunities that enable upward mobility.

Aspirations and expectations

In 2040, **aspirations for social mobility among youth are at odds with expectations of immobility**. Advertising and marketing discourses continue to drive the desire to climb the social ladder, but economic realities leave most with limited expectations of success. Cognitive dissonance between what youth are programmed to want and what they know they can expect, leads many to frustration and apathy. Only a few maintain a strong drive to innovate and succeed in traditional terms.

Artificial Intelligence (AI)

In 2040, **the value of human labour has shrunk because of AI**.³ AI is widespread and can do many things well. In creative to knowledge fields, less

work is available. Most people rely on gig work and side hustles to meet their basic needs.⁴ It is hard for workers to save enough to start a business. People use AI assistants for many day-to-day tasks. They make it easier to organize work and earn money. However, the best AI assistants are expensive. This reinforces structural inequalities.

Policy implications

The scenario above would create a range of policy-relevant implications.

The list of implications presented here is not exhaustive. Its purpose is to help policymakers broaden their models of the future. To this end, readers should ask themselves the following questions as they consider the implications:

- How might social immobility, or downward mobility, challenge policies, programs, or people?
- How would the assumptions built into today's policies and programs hold up in the face of changes to social mobility?
- What actions could be taken now to maximize opportunities and lessen the challenges related to reduced and/or downward social mobility in the future?

The Canadian economy could shrink or become less predictable.

- Capital for investment in new enterprises may concentrate in the hands of a small number of very wealthy, older people. Their perspectives and preferences may determine which sectors become winners and losers in terms of innovation and job growth.
- Trade unions, including non-traditional freelancer unions, could grow in power as workers become frustrated. Job actions and strikes may disrupt economic development. This could reduce foreign direct investments in labour-intensive sectors such as manufacturing.
- Property ownership - and by extension wealth – may become even more concentrated if younger generations abandon the idea of buying single-family dwellings in favour of renting or forming alternative households. That could leave those with existing capital or equity in a position to snap up more and

more residential property, which could also produce higher rental costs in future.

- Since many people have less in this future and see no way to improve their status through consumption and display, they spend less. This could shrink the consumer economy.

People's mental health may suffer.

- More people may struggle to afford rent, bills, or groceries. The resulting stress could worsen mental health challenges. This would increase demand for social services.
- If people give up on attaining higher standards of living, apathy could spread to other areas of their lives. Frustration could leave many people deeply unhappy, with negative consequences for their family and loved ones. In addition, fewer people may have the psychological resources to volunteer and help others.
- In an effort to protect their mental health, some people might redefine success away from accumulating wealth and toward purposefulness or happiness. More people might be willing to job-hop for better work-life balance or more meaningful work.
- Fewer people may have the drive to build and innovate in this context. Policymakers may no longer be able to take for granted that people will be motivated to better their lot.

Workers may seek greener pastures elsewhere.

- Canada may become a less attractive destination for migrants if it is seen as a country where upward mobility is uncommon.
- More people in Canada, including recent immigrants, may emigrate to jurisdictions where they perceive upward social mobility and/or higher standards of living are easier to attain – even if they are not.
- If young workers leave Canada, it may become harder to pay for the systems that support a growing number of older people.⁵
- There could be labour shortages in sectors where AI-replacement of workers or automation are most difficult, particularly if workers freed up by automation are not able to fill those roles. Examples could include care work, agriculture, and construction.

People might find alternative ways to meet their basic needs.

- Housing, food, childcare, and healthcare co-operatives may become more common. This could ease burdens on social services, but also challenge market-based businesses.
- Forms of person-to-person exchange of goods and services could become even more popular, reducing tax revenues and consumer safety.
- People may start to hunt, fish, and forage on public lands and waterways without reference to regulations. Small-scale agriculture could increase.
- Governments may come to seem irrelevant if they cannot enforce basic regulations or if people increasingly rely on grass-roots solutions to meeting basic needs.

PSE could become a stranded asset.

- As the old belief that PSE is a reliable path to upward mobility breaks and enrollments plummet, the sector may become a stranded asset. The expected social mobility returns from massive public investments in the sector may not happen. If so, popular support for the PSE system might decline, which could damage the sector's contributions to economic growth through research and development.
- People may look for alternative forms of training in new niches that appear to offer upward mobility. Non-traditional providers, including private firms, may outcompete traditional PSE players in attracting consumers.
- People's motivations for enrolling in educational institutions or training programs may change. For instance, the hope of advancing one's career or increasing one's income may become less important than finding personal fulfilment or improving mental health. This could create positive personal outcomes for individuals but might leave PSE increasingly misaligned with the labour market.

People may reject systems they believe have failed them.

- People who work hard but see little reward may look for others to blame.
- Some may blame AI, Big Tech, CEOs, social media, unions, or capitalism. They could demand tighter regulations, tax penalties, or profound revisions of certain systems.

- Some may blame the state. They may attack policies believed to favour older cohorts, who benefited from the era of social mobility. In extreme cases, people could reject the state's legitimacy, leading to higher rates of tax evasion or other forms of civil disobedience.
- Some may choose to blame those with capital, whether it is social, economic, or decision-making capital.
- Others may choose to blame immigrants, or another identifiable group. If such scapegoating becomes widespread, it could generate serious social or political conflicts.

Conclusion

Declining social mobility could create serious challenges for citizens and policymakers. What people believe matters as much as the reality. It is often the basis for decisions and actions. Currently, most Canadians still believe that they have equality of opportunity.⁶ This may change.

People may lose faith in the Canadian project. They may reject policies that promote education, jobs, or home ownership. The usual levers may seem misguided and wasteful to those who have abandoned the idea of 'moving up'. They could lose the drive to better themselves and their communities. Others might embrace radical ideas about restructuring the state, society, and the economy.

But loss of belief in social mobility could also make space for positive ideas. People could rethink what 'prosperity' means, or 'fulfilment'. They may reject conspicuous consumption. They may focus on policies that promote human flourishing. This could include healthcare, housing, the environment, and education for its own sake.

Upward social mobility may never be as difficult or rare as suggested in this scenario. However, social stagnation and downward mobility are plausible elements of the future. Exploring them supports anticipatory governance by helping policymakers think through potential challenges and opportunities.

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Endnotes

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