

**Written Submission for the Pre-Budget Consultations in
Advance of the Upcoming Federal Budget**

By: Century Initiative

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List of Recommendations

Recommendation 1: That the government create a national population strategy for long-term prosperity.

Recommendation 2: That the government course-correct immigration policy to win the global competition for talent.

Recommendation 3: That the government modernize Canada's information systems to counter disinformation and strengthen democratic resilience.

Recommendation 1: Create a national population strategy for long-term prosperity.

Canada's future depends on recognizing that our economic, demographic, social, and national security challenges are interconnected. Century Initiative's [National Scorecard on Canada's Growth and Prosperity](#) shows that productivity, housing, immigration, innovation, and security are not isolated issues but parts of the same foundation.

Our ability to shore up the economy, build shared prosperity, and protect independence rests on five pillars:

1. a resilient tax base that sustains long-term investments;
2. a productive workforce that drives prosperity and competitiveness;
3. an informed society where evidence guides decisions rather than ideology or disinformation;
4. social cohesion and trust that ensure growth is fair and widely shared; and
5. adequate infrastructure and housing as the backbone of population growth.

Progress in one strengthens the others, while neglect in any undermines the whole. Attempts to address them in isolation will fall short.

The lack of a coordinated approach is already visible. Pressures on housing markets are mounting, while [Ontario](#) and [British Columbia](#), Canada's most pressured regions, have seen a collapse in new housing starts just as immigration levels were pulled back. Despite a decade of record admissions for both permanent and temporary residents, Canada [continues to face vacancies](#) in areas of national priority such as health care, child care, and [cybersecurity](#). These gaps demonstrate the cost of fragmented, short-term policymaking.

Canada is now at a critical juncture. With an aging population, low fertility rates, and instability in immigration planning, a comprehensive approach is urgently needed to build resilience across our economy and communities. Century Initiative's [Growing Smarter: The Case for a National Smart Growth Framework](#) calls on the federal government to lead the development of a coordinated long-term strategy that aligns population growth, including immigration and supports for children and families, with strategic investments in housing, infrastructure, public services, and national security.

Global examples reinforce the need for stronger coordination and regionally tailored strategies. In 2024, South Korea created a [Ministry of Population Strategy and Planning](#) as a nerve centre for demographic policy, coordinating supportive family policy, aging, workforce, and immigration across government. [Japan](#) and [Australia](#), meanwhile, have framed their long-term strategies around regional growth and empowerment, recognizing that prosperity must be more evenly distributed and that regions experience demographic change differently. Together, these examples highlight the opportunity to bring both

centralized leadership and regional empowerment in building effective population strategies.

Century Initiative recommends that the federal government:

- **Adopt a model of regional empowerment for Canada's growth.** National goals should be achieved by tailoring approaches to the unique needs of regions, provinces, and communities. This means aligning immigration plans with economic development strategies, the work of regional development agencies, federal housing programs such as [Build Canada Homes](#), and labour market and training initiatives. Policymakers must also resist reducing the housing challenge to a narrow numbers game of admissions against housing starts. Housing demand is shaped by regional differences, immigrant housing needs and choices, transitions after arrival, labour market participation, economic contributions, and the role of international students. Because Canada is structurally underbuilt and homes take years to plan and build, governments must take a long-term view, adopting 10–25 year horizons and developing regionally tailored solutions that address affordability crises in big cities, labour shortages that slow construction in rural areas, and unique access challenges in Northern and Indigenous communities. By coordinating these efforts with provincial and local planning, Canada can avoid a one-size-fits-all approach and ensure strategies reflect regional realities.
- **Strengthen governance and accountability for population strategy.** Canada lacks a central coordination mechanism to bring economic, demographic, social, and security planning together. To address this gap, the federal government should establish a secretariat within the Privy Council Office, led at the deputy minister level, to coordinate the strategy across departments. This should be supported by an independent advisory body to provide expert advice, annual reporting to Parliament and the public on progress, and an arms-length forum for evidence-based input similar to the former [National Roundtable on the Environment and the Economy](#).

Recommendation 2: Course-correct immigration policy to win the global competition for talent.

In October 2024, the Government of Canada [announced significant reductions in immigration levels](#) in the 2025–2027 Immigration Levels Plan. These included a 20 percent cut to permanent resident targets, from 500,000 in 2024 to 395,000 in 2025, with further declines in 2026 and 2027, as well as a reduction in the number of non-permanent residents from 7.3 percent of Canada's population to 5 percent, a net reduction of nearly 900,000 people by 2026.

Since these changes were announced, policymakers have faced new pressures to address short-term concerns about housing affordability, cost of living, and border integrity while also planning for long-term goals such as economic growth, trade diversification, and national sovereignty. Both are needed to ensure Canadians enjoy a high quality of life, but current immigration policy choices risk undermining Canada's long-term prosperity.

Constraining the immigration system has left Canada poorly positioned to respond to the emerging global war for talent. Key sectors including healthcare, construction, and manufacturing [face job vacancies as retirements outpace new entrants](#). Reductions in immigration levels will only worsen these shortages. At the same time, [political and economic volatility](#) in the United States is changing mobility patterns for high-skilled workers. The European Union, [France](#), and others are actively targeting American researchers and scientists with new programs. If Canada can capitalize on these shifts, it could strengthen research and development and innovation, areas where [Canada currently underperforms relative to peer economies](#).

These challenges are even more acute in rural and northern regions. While major cities continue to attract newcomers, many rural and remote areas face sustained population decline driven by aging demographics, low birth rates, and outmigration. Reduced immigration levels are intensifying these pressures. The [Provincial Nominee Program has been cut in half](#), from 120,000 spaces in the previous Levels Plan to just 55,000 today. This change is already disrupting local businesses and community stability. In Prince Edward Island, the [Summerside and Charlottetown chambers of commerce](#) reported that policy changes led to the immediate loss of 400 workers, with concerns about an additional 600 departures leaving employers struggling to maintain operations. Looking ahead, provinces such as Newfoundland and Labrador [are projected to lose up to 10 percent of their population by 2043](#), further widening regional disparities in opportunity, services, and infrastructure, and threatening the viability of local economies, schools, and healthcare delivery.

[The Parliamentary Budget Officer](#) projected \$37 billion in lost GDP over the next three years from immigration reductions roughly equivalent to the cost of [implementing a universal pharmacare program in Canada](#) over the same period.

To seize this moment, Canada must course-correct and anchor immigration planning in long-term labour market and demographic realities. The 2026–2028 Levels Plan should send a clear signal of ambition and alignment by advancing a broader, integrated national strategy for talent attraction.

Specifically, the government should:

- **[Set permanent resident admissions targets at 1.15 to 1.25 percent of the population annually](#)**. This will maintain Canada's economic momentum while providing provinces, municipalities, and employers the predictability they need to plan for growth.
- **Prioritize category-based selection through Express Entry**. Targeting candidates in health care, skilled trades, construction, agri-food, and cybersecurity will ensure immigration directly addresses critical shortages as the population ages. Employers and postsecondary institutions must be engaged as partners to identify gaps and ensure training capacity is in place.

- **Expand regional immigration pathways such as the Provincial Nominee Program and the Atlantic Immigration Program.** These programs are proven tools for attracting and retaining newcomers in smaller communities and regions with acute demographic and labour market challenges. Expanding their capacity would provide provinces and municipalities with greater predictability, help address shortages in sectors like health care and construction, and strengthen regional resilience in the face of population decline.
- **Align immigration selection to strengthen the French language in Canada.** In 2024, [30,550 French-speaking permanent residents were admitted outside Québec](#), representing 7.2 percent of admissions and surpassing the federal target of 6 percent. While progress is being made, French speakers remain a small share of overall admissions, putting the vitality of Francophone communities outside Québec at risk. Canada should scale up recruitment in Francophone source countries, streamline application processes, and increase visibility of available pathways. Long-term retention will require investments in tailored settlement and labour market supports, delivered in coordination with provinces and Francophone organizations. Canada should continue working with Quebec under the Canada-Quebec Accord, which gives the province control over immigrant selection tied to economic priorities and French language protection.
- **Reduce reliance on temporary foreign labour:** While temporary foreign labour addresses immediate gaps, overreliance on temporary streams risks undermining integration, rights protection, and long-term workforce stability. Canada's prosperity has historically depended on permanent immigration, which supports demographic renewal and economic inclusion. Policymakers should prioritize permanent pathways in sectors with persistent shortages while ensuring temporary streams remain short-term, with clear timelines and strong worker protections.

Recommendation #3: Modernize Canada's information systems to counter disinformation and strengthen democratic resilience.

Canada's information systems have not kept pace with today's policy challenges. Critical gaps in real-time data on housing, immigration, and labour markets leave policymakers without reliable insights to guide decisions. Census data remains the most useful tool for tracking demographic change, but its long collection cycles mean updated insights will not be available until at least 2027. Non-census housing data such as the [Canadian Housing Survey](#) help, but still leave major blind spots. These gaps make it difficult to know how many Canadians need housing, what kind of housing they can afford, and whether supply is keeping pace. Undercounting of immigrants, temporary residents, and undocumented populations further distorts the picture, particularly for those in non-traditional housing arrangements.

These gaps have consequences. Public debates are increasingly shaped by speculation rather than facts. Narratives around Canada's housing crisis, for example, have increasingly blamed immigration. More than half of Canadians now believe [too many immigrants are coming](#), with housing cited as the main reason. Yet joint research by [Statistics Canada and Immigration, Refugees and Citizenship Canada](#) shows immigration accounted for only about 11 percent of the rise in housing costs over the past five years, with the remaining 89 percent driven by factors such as low interest rates, speculative buying, shifting buyer preferences, and temporary supply constraints.

In the absence of better information, misinformation and disinformation—often amplified online or by foreign actors—are filling the void. This [fuels polarization, weakens public trust in institutions](#). As trust erodes, evidence-informed policymaking becomes harder, Canadians become more vulnerable to populist rhetoric, and democratic resilience is undermined.

To address these challenges, the federal government should:

- **Modernize data systems.** Strengthen the timeliness and accuracy of housing, immigration, and labour market data by leveraging Statistics Canada, Immigration, Refugees and Citizenship Canada, and provincial partners to close critical gaps, particularly for newcomers and temporary residents.
- **Ground policy in evidence.** Ensure that public policy debates are guided by reliable insights rather than ideology by producing more accessible, real-time information on population trends and social outcomes.
- **Invest in civic infrastructure.** Partner with and, where appropriate, direct grants to philanthropy and civil society to expand media literacy, support independent journalism, advance civic education, and reinforce organizations that foster trust and civic engagement.

About Century Initiative

Century Initiative (CI) is a national, non-partisan charity shaping a bigger, bolder Canada. Through leading research and convening, we champion data-driven solutions for responsible population growth, advocate for long-term planning, and drive bold policies that secure Canada's future.