Century Initiative | Initiative du Siècle

National Scorecard on Canada's Growth and Prosperity

5th Edition
2025

THE GLOBE AND MAIL

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About the 2025 National Scorecard

This fifth edition of Century Initiative's *National Scorecard on Canada's Growth and Prosperity* comes at a pivotal moment. Canada is at risk of falling behind economically, socially, and strategically without a clear population plan. The Scorecard is our tool for making the case that smart, inclusive, and deliberate population planning is essential to Canada's long-term resilience and prosperity.

The 2025 Scorecard has five key goals:

- **Set a bold vision** for Canada's future—one that ties population growth to national prosperity, opportunity, and wellbeing.
- **Build awareness and urgency** around the need for a national population strategy that links immigration, housing, economic planning, and public service capacity.
- **Track Canada's progress** on the core building blocks of smart growth, from housing and infrastructure to labour market strength, innovation, and inclusion.
- **Equip decision-makers** with actionable insights, helping policymakers, business leaders, and civil society understand where we're leading, where we're stalling, and where urgent course correction is needed.
- **Guide Century Initiative's efforts** to convene, inform, and collaborate on the solutions that will shape Canada's future.

While other scorecards explore economic or social progress, Century Initiative's Scorecard uniquely focuses on whether Canada is growing well—whether we have the infrastructure, planning, and foresight needed to support a growing population and ensure the benefits of that growth are widely shared.

The National Scorecard cuts through the noise. It provides a clear picture of how Canada is doing, and whether we're making the smart, long-term choices needed to build a strong, resilient country for current and future generations.

It is a comprehensive look at the crucial factors that contribute to responsible population planning and compares Canada's performance to similar countries or against goals set nationally. Each of the 40 indicators in the Scorecard are interconnected, spanning across many traditionally siloed sectors and areas of policymaking and practice. **Collectively, they tell a powerful story, assessing the groundwork that we must lay to secure Canada's future.**

Century Initiative encourages everyone to use the Scorecard as a shared tool to drive systems change. This direction has never been more important. As economic growth, international trade and national sovereignty reached the top of the national agenda, there is a deep need for dialogue on the path forward. Rooted in findings of the Scorecard, Century Initiative will support key stakeholders across Canada to engage on the role of creating a plan for growth for the country. Check out our website to learn more about how you can use this Scorecard.

Key Changes to the 2025 National Scorecard

2025 has been shaped by deep economic uncertainty, political volatility, and intensifying global competition. From shifting immigration policy and rising affordability concerns at home to renewed geopolitical tensions and accelerating technological disruption abroad, the stakes for Canada's long-term prosperity have never been clearer or more urgent.

As the fifth edition of our National Scorecard, the 2025 release provided Century Initiative with an opportunity to sharpen our approach. The Scorecard has been updated to remain practical, timely, and responsive to today's fast-changing policy environment while keeping a firm focus on Canada's long-term future. It continues to track the foundational conditions needed to support responsible population growth, national resilience, and shared prosperity over time. This section provides a summary of the most significant changes introduced in the 2025 edition.

Smart Growth Framework Categories

In October 2024, Century Initiative published *Growing Smarter: The case for a national smart growth framework*. The paper made a clear call for Canada to adopt a long-term, coordinated plan for growth—one that connects the dots between immigration, housing, infrastructure, labour, education, and innovation. Without a clear population plan, Canada risks falling behind.

Growing Smarter outlined a set of core principles that define what it means to grow well and responsibly. These principles now shape the structure of the 2025 National Scorecard, guiding how we track Canada's progress toward a stronger, more resilient future.

Principle	Overview
Economic resilience	Smart growth is key to building a strong, stable economy – one that creates good jobs and ensures more Canadians can benefit from long-term prosperity.
Communities that work for everyone	Connected, livable communities with fair access to housing, services, and support are essential parts of smart growth and a healthy democracy.
Strategic immigration	Immigration should be a core part of Canada's smart growth strategy, supporting economic development, renewing our population, and enriching our cultural fabric.
Regional development and partnerships	A smart growth plan must reflect the unique needs of different regions and involve provinces, territories, Indigenous nations and local communities as key partners.
Future-oriented and evidence-informed planning	Smart growth looks beyond short-term pressures, using data and foresight to guide bold investments that support future generations.
Global partnerships and national security	Smart growth also strengthens Canada's ability to meet international commitments and respond to a fast-changing global security landscape.

New Indicators

International trade and national security became increasingly important in Canada's policy environment this year. For 2025, Century Initiative has introduced three new indicators to assess Canada's progress on these critical issues:

- **Cyber Security Preparedness Index:** This indicator measures Canada's capacity to prevent, detect, and respond to cyber threats at a national level. It reflects the country's preparedness through its cybersecurity policies, incident response systems, and protection of critical infrastructure. A high score indicates strong institutional capability and resilience against cyber-based national security threats.
- **Defence Spending as % of GDP:** This indicator assesses Canada's financial commitment to national defence relative to its economic output. It reflects the country's alignment with NATO's defence investment guidelines and its capacity to support military readiness and international obligations.
- **Total Export Market Concentration:** This indicator measures the proportion of Canada's total exports directed to its various export markets. A higher percentage indicates greater reliance on a single market, which can pose risks if that market faces economic downturns or trade disruptions.

New targets were developed to correspond with each of these indicators, as discussed further in the table below.

New Indicator	Target	Rationale
Total export market concentration	Reduce the concentration ratio to below 0.50 by 2030 to reflect a more diversified and resilient export portfolio. The concentration ratio is measured on a scale from 0 to 1, where higher values indicate greater reliance on a small number of trading partners. A score above 0.5 is considered high and signals increased economic vulnerability in the event of trade disruption or demand shifts.	Total export market concentration is based on the Herfindahl-Hirschman Index (HHI), which is used to measure the degree of concentration of domestic exports among Canada's trading partners. 0.5 indicates a moderate level of concentration, which is neither highly concentrated nor highly diversified.
Defence spending as a % of GDP	Achieve a sustained increase in defence spending as a share of GDP to meet or exceed the NATO benchmark of 5.0%. This target reflects Canada's stated international commitments and its strategic interest in contributing to global and regional security.	In June 2025, NATO announced that the Allies made a commitment to invest 5% of their GDP on defence-related spending by 2035. In 2025, all Allies are expected to meet or exceed the previous target of 2%.[1]
Cyber security preparedness	Maintain a top 5 global ranking on the National Cyber Security Index while continuing to achieve 100% scores in all core areas of national cyber strategy, crisis response, and infrastructure protection.	The National Cyber Security Index measures a country's cyber-resilience relative to its global counterparts. Maintaining a top 5 global ranking would indicate that Canada is a global leader in cybersecurity.

Updated Population Modelling

Century Initiative has updated its demographic modelling this year to reflect recent demographic trends in Canada (particularly downward trends in fertility and immigration levels and upward trends in the death rate) and ensure the modelling remained valid and credible. Century Initiative commissioned custom modelling from Statistics Canada using their microsimulation model *DemoSim*, which relies on census data. DemoSim is frequently used by the federal government to produce population projections that can inform policy planning and evaluation with a high level of granularity regarding identity characteristics of the future Canadian population. Further information regarding DemoSim's methodology can be found in their January 2025 paper entitled *The Demosim microsimulation model at Statistics Canada: A tool for policy planning and evaluation*.

Analysis of Policy Implications

The National Scorecard is designed to provide quick insights for policymakers and decisionmakers on Canada's economic and social prosperity. To further this objective, this year's edition provides a specific section for each indicator on policy implications. This section identifies policy gaps or opportunities based on recent legislation, budget announcements or policy advocacy.

Year-Over-Year Comparisons

As the 5th edition, the 2025 National Scorecard can now generate meaningful insights about patterns or progress over time. This year, each indicator dashboard provides an overview of how progress has changed over time based on indicator assessments from previous Scorecards. While some indicators or data sources have evolved over time, these general trends can help policymakers and decisionmakers identify policy areas where Canada is consistently excelling or underperforming to inform policy agenda setting or resource allocations.

The tables that present data from previous years refer to the year the Scorecard was published, not the year the data was available. For further discussion on why data from previous years is used, see *Data availability*.

How to Read this Scorecard

Indicator assessment

For each indicator, a target is identified based on one of the following criteria: where Canada should be in comparison to similar countries, goals and objectives set nationally, or the direction in which Canada has trended in recent years. Canada's progress on each indicator is assessed against specific indicator targets and categorized as one of the following:

Leading

Canada is a leader on this indicator, either ranking or rating among the best internationally or performing well against national goals.

On Track

Canada has either met the target identified for the indicator or is expected to meet the target in the near-term

Needs Attention

Canada has not met the target identified for the indicator but is within a range where it could meet the target in future years with intervention and support.

Falling Behind

Canada is lagging compared to similar countries or failing to meet the target identified for the indicator and significant work is needed to meet the target in future years.

Indicator selection and target setting

The National Scorecard is designed to serve as a long-term barometer with monitoring value that will deepen over time. All the indicators in the fourth edition of the National Scorecard have been carried forward to this fifth edition except for the following due to concerns with data quality and availability:

- Global competitiveness
- Performance in reading, math and science by 15-year-olds
- Urban population density

New data sources have been used for some indicators to respond to limitations in data, improvements in data or to focus attention on new dimensions.

Data availability

As is consistent with previous Scorecards, some indicators reference data from previous years due to limitations on data availability. For example, some indicators rely on census data or OECD comparison data, which are only updated periodically at multi-year intervals. Each year, data sources are reassessed annually for their rigour, utility and comparability relative to other data sources that may be available. Where older data sources have been retained in the Scorecard, Century Initiative has assessed that the benefits of retaining the data source outweigh its limitations.

Summary of Results

For 2025, the following table illustrates which indicators are leading, on track, need attention or are falling behind:

Leading (5)	On Track (6)	Needs Attention (16)	Falling Behind (13)
Early-stage entrepreneurship	Youth not in employment, education or training (NEET)	Business growth	Business spending on R&D
Post secondary attainment	Parental leave uptake	Innovation	Productivity
Investment in infrastructure	Employment rate for mothers	GDP per capita	Household debt
Global freedom	Early learning and child care	Employment rate	Income inequality
Cyber security preparedness	Immigrant income gap	Total export market concentration	Low-wage work
	Resilience	Indigenous economy strength	Fertility rate
		Population growth	Housing affordability
		Life expectancy	Child and youth poverty
		Rural broadband coverage	Public support for immigration levels
		Diversity in leadership	Permanent resident admissions
		Youth well-being	Provincial retention
		Global reputation	International students to permanent residents
		Citizenship rate	Climate change performance
		Temporary foreign workers	
		Francophone immigration	
		Defence spending as a % of GDP	

Section 1:
Economic Resilience

Overview

- Canada's efforts at catalyzing **early-stage entrepreneurship** have been highly successful**.** In 2025 Canada reached 4th place in the Global Entrepreneurship Monitor, up from 15th place in 2022.

- Despite this success in early-stage entrepreneurship, Canada has **consistently underperformed in innovation**, **business growth and productivity** since 2021. This trend suggests that Canada struggles to scale, grow and retain successful start-ups after they launch. As a result, structural policy changes are needed to incentivize R&D and competition, accelerate the scaling and expansion of Canadian firms and increase the economic output of Canada's labour market.

- Canada continues to struggle with **household debt**, **income inequality**, **low-wage work and unemployment**. Significant policy interventions are needed to ensure that Canadians can afford the necessities and maintain financial stability at the household level.

- Canada's **total export market concentration** remains heavily reliant on the United States. Diversification of trade relationships is essential to ensure that Canada can mitigate the effects of future economic and trade volatility.

Early-stage entrepreneurship

Target

Maintain a position among the top 10 countries globally in the Global Entrepreneurship Monitor's assessment of total early-stage entrepreneurial activity.

2021	2022	2023	2024	2025
	On Track	Leading	On Track	Leading
N/A	Canada ranked 15th (2020/2021)	Canada ranked 8th (2021/2022)	Canada ranked 13th (2022/2023)	Canada ranked 4th (2023/2024)[2]

Why it Matters

Entrepreneurial activity is an important building block for the economic growth and job creation that is needed for Canada's future prosperity.

Where Canada is At

Canada ranked 4th out of 51 in the 2023/2024 Global Entrepreneurship Monitor's assessment of total early-stage entrepreneurial activity.

Direction Canada is Trending

Leading – Canada's ranking on total early-stage entrepreneurial activity (TEA) rose significantly in 2023, moving from 13th out of 47 countries in 2022/23 to 4th out of 51 in the most recent Global Entrepreneurship Monitor. This represents a strong improvement in Canada's global position and signals a positive shift in business creation conditions after several years of stagnation. Higher rates of early-stage entrepreneurship suggest increasing confidence in Canada's startup environment, despite broader macroeconomic pressures

Policy Implications

- Canada's stronger global standing in early-stage entrepreneurship reflects improved conditions for startups, but sustaining this momentum will require better access to capital, entrepreneurial education, and reducing regulatory barriers for business formation.
- Ensuring inclusive growth and long-term scalability will depend on targeted support for underrepresented entrepreneurs and better alignment across innovation programs, procurement and mentorship networks.[3]

Business spending on R&D

Target

Meet a federal government target to keep pace with the OECD average on business spending on research and development.

2021	2022	2023	2024	2025
Falling Behind	Falling Behind	Falling Behind	Falling Behind	Falling Behind
Canada ranked 21st out of 34 OECD countries	Canada ranked 24th out of 34 OECD countries	Canada ranked 20th out of 35 OECD countries	Canada ranked 22nd out of 34 OECD countries	Business spending on R&D 1.07% of GDP (2024)[5]
Business spending on R&D 0.79% of GDP (2019)[4]	Business spending on R&D 0.81% of GDP (2019)	Business spending on R&D 0.95% of GDP (2020)	Business spending on R&D 0.93% of GDP (2021)	*OECD rankings not published since 2021

Why it Matters

Business spending on research and development is critical to creating an attractive environment for international talent. It is an indicator of the private sector's support for innovation and whether firms are investing in developing new ideas, products, processes or services.

Where Canada is At

In 2024, business R&D spending in Canada was 1.07% of GDP based on provisional OECD data. This is well below the OECD average of approximately 1.99% (2023). Canada has consistently ranked in the bottom third of OECD countries on business R&D intensity and has not closed the gap over the past five years. While public and higher education R&D have remained strong, the private sector continues to underinvest relative to peer countries.

Direction Canada is Trending

Falling Behind – Canada's business R&D intensity remains flat and significantly below OECD benchmarks. While there have been marginal increases in recent years, these gains are not keeping pace with other advanced economies. Without stronger support for commercialization, innovation, and scale-up financing, Canada is unlikely to improve its position.

Policy Implications

- Canada should strengthen incentives for private-sector R&D by enhancing support for later-stage commercialization, expanding innovation tax credits, and improving access to growth capital. These tools can help firms overcome risk aversion and scale their research investments more effectively.
- Stronger partnerships between firms, post-secondary institutions, and public research bodies are needed to close the gap between innovation inputs and outputs. Coordinated national programs should focus on accelerating applied research and facilitating technology adoption across industries.

Innovation

Target

Achieve a top 10 global ranking in the Global Innovation Index.

2021	2022	2023	2024	2025
	Needs Attention	Needs Attention	Needs Attention	Needs Attention
N/A	Canada ranked 16th (2021)	Canada ranked 15th (2022)	Canada ranked 15th (2023)	Canada ranked 14th (2024)[6]

Why it Matters

Innovation is directly related to long-term economic growth as a key way to bolster productivity. Canada's ability to innovate drives its competitiveness, standard of living and preparedness for the future.

Where Canada is At

Canada ranked 14th out of 133 countries.

Direction Canada is Trending

Needs Attention - Canada improved slightly in the 2024 Global Innovation Index, rising from 15th to 14th out of 133 countries. This movement reflects modest gains but does not signal a major shift in Canada's overall innovation performance. Canada continues to rank highly on innovation inputs such as institutions, human capital, and infrastructure. However, it underperforms on innovation outputs, particularly in areas like knowledge creation, knowledge diffusion, and intellectual property generation. The gap between input strength and output delivery remains one of the most persistent challenges for Canada's innovation ecosystem.

Policy Implications

- Canada's underperformance in innovation outputs, despite strong inputs, necessitates a shift towards strengthening commercialization pathways and supporting the scale-up of research-intensive firms.
- Addressing this persistent gap will require a more coordinated national strategy that incentivizes private-sector R&D investment and ensures intellectual property is retained and leveraged for economic growth.[7]

Business growth

Target

Meet a federal government target to double the number of high-growth firms in Canada between 2015 and 2025. The target in 2025 is 28,000.

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	Needs Attention	Needs Attention	Needs Attention
11,920 high-growth firms (2018)	12,970 high-growth firms (2019)	10,700 high-growth firms (2020)	14,070 high-growth firms (2021)	17,930 high-growth firms (2022)[8]

Why it Matters

A growing population, with increased international talent and support for local entrepreneurs, can enhance business growth. High-growth firms make up a small proportion of firms in Canada but a more significant proportion of new jobs and GDP growth.

Where Canada is At

17,930 high-growth firms in Canada in 2022.

Direction Canada is Trending

Needs Attention - While Canada's recent progress marks a notable shift in the right direction, progress still needs to be made to attain the 28,000 goal by 2025. Barriers to scaling remain widespread—particularly for early-stage and mid-sized firms operating in competitive markets. Challenges related to rising input costs, access to capital, and limited growth-stage infrastructure continue to constrain firm expansion. Sustained progress will require a deliberate focus on enabling more firms to scale successfully and contribute meaningfully to national growth.

Policy Implications

- While current growth trends are promising, Canada must solidify these gains by enhancing the policy environment for scaling businesses. Expanding growth-stage financing, reducing regulatory complexity, and improving access to public procurement opportunities will help address persistent barriers. In particular, firms led by equity-deserving entrepreneurs and those located in non-metropolitan regions may require more targeted supports to realize their growth potential.
- Strengthening commercialization pathways, facilitating advanced technology adoption, and embedding entrepreneurship supports into sectoral and regional development strategies will be critical to long-term success. Maintaining this trajectory will require coordinated public-private efforts and continued alignment between economic, innovation, and trade policy.

Productivity

Target

Achieve a top 10 ranking out of the OECD countries on productivity.
Threshold: 10th in the OECD was GDP per hour worked of $77.08 USD in 2024.

2021	2022	2023	2024	2025
Falling Behind	Falling Behind	Falling Behind	Falling Behind	Falling Behind
Canada ranked 18th out of 36 OECD countries	Canada ranked 16th out of 38 OECD countries	Canada ranked 18th out of 38 OECD countries	Canada ranked 18th out of 38 OECD countries	Canada ranked 12th out of 17 OECD countries
GDP per hour worked was $52.68 USD (2019)	GDP per hour worked was $56.61 USD (2020)	GDP per hour worked was $53.97 USD (2021)	GDP per hour worked was $53.31 USD (2022)	GDP per hour worked was $74.91 USD (2024)[9]

Why it Matters

As Canada's population ages, enhancing productivity is key to maintaining economic growth. Productivity is an important driver of attractiveness for investment and global competitiveness.

Where Canada is At

In 2024, Canada ranked 12th out of 17 OECD countries for productivity, with $74.91 USD in GDP generated per hour of Canadian labour.

Direction Canada is Trending

Falling Behind – Canada remains a laggard in productivity relative to other OECD countries. While there has been some improvement in this measure over time, Canada has not yet reached a spot in the top 10 OECD countries since the Scorecard started tracking this measure in 2021.

Policy Implications

- Investing in key industries such as agriculture and research and development will help bolster Canadian productivity levels.
- Canada can increase the productivity of small and medium enterprises by supporting their implementation of new technologies that increase efficiency.

GDP per capita

Target

Top 10 OECD countries on GDP per capita.
Threshold: 10th in the OECD was GDP per capita of $70,487 USD in 2023.

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	Needs Attention	Needs Attention	Needs Attention
Canada ranked 15th out of 37 OECD countries (2019)	Canada ranked 17th out of 38 OECD countries (2020)	Canada ranked 15th out of 38 OECD countries (2021)	Canada ranked 15th out of 38 OECD countries (2022)	Canada ranked 14th out of 38 OECD countries (2023)
GDP per capita of $50,666.14 USD (2019)	GDP per capita of $46,051.35 USD (2020)	GDP per capita of $53,074.09 USD (2021)	GDP per capita of $61,380.60 USD (2022)	GDP per capita of $64,463 USD (2023)[10]

Why it Matters

GDP per capita reflects total economic output per person and is an important measure of Canada's overall prosperity, living standards, and economic well-being, though not its income distribution.

Where Canada is At

Canada's GDP per capita was $64,463 USD in 2023.

Direction Canada is Trending

Needs Attention – Canada's GDP per capita increased slightly in 2023 but remains well below the top-performing OECD countries. The country continues to underperform in productivity, business investment, and innovation, all of which are necessary drivers of per capita growth. With strong population increases outpacing gains in output, Canada's economic growth is not translating into improved individual prosperity. Without a shift toward productivity-led growth, GDP per capita is expected to stagnate or decline in relative terms.

Policy Implications

- To improve Canada's lagging GDP per capita, policymakers must prioritize strategies that significantly boost national productivity and incentivize greater business investment.
- Strengthening the innovation ecosystem is also crucial to drive economic output per person. These concerted efforts are essential to ensure economic growth translates into tangible improvements in individual prosperity.

Household debt

Target

Reduce household debt as a share of disposable income to levels **closer to the OECD average of approximately 125 percent**, supporting greater financial resilience and long-term economic stability.

2021	2022	2023	2024	2025
Falling Behind	Falling Behind	Falling Behind	Falling Behind	Falling Behind
Household debt was 185.76% of net household disposable income (2018)	Household debt was 186.2% of net household disposable income (2019)	Household debt was 178.6% of net household disposable income (2020)	Household debt was 185.2% of net household disposable income (2021)	Household debt was 185.2% of net household disposable income (2023)[11]

Why it Matters

Addressing high levels of household debt can improve economic growth and reduce barriers to Canadians' choices on family size. Household debt reflects the economic vulnerability of households and their ability to weather an economic shock. It also represents a risk to the economy.

Where Canada is At

Canadian household debt was 185.2% of net household disposable income in 2023.

Direction Canada is Trending

Falling Behind – Canada's household debt levels remained unchanged at 185.2% in 2023, maintaining one of the highest ratios among OECD countries. While mortgage debt accounts for most of this total, rising interest rates, high housing costs, and increased reliance on credit for everyday expenses have deepened household financial stress. The persistence of high debt levels puts both families and the broader economy at risk, particularly in periods of economic volatility or interest rate adjustments. Without meaningful reductions, household debt will continue to pose a drag on long-term economic security.

Policy Implications

- Given that mortgage debt is by far the largest contributor to Canadian household debt, policies that decrease the amount of debt taken on for mortgages within Canada should be prioritized. Such policies include increasing the housing supply to lower prices and revitalizing the rental market to promote renting as an attractive alternative to home ownership.[12]
- Policies that reduce lending overall and assist Canadians in repaying their debt quickly will help encourage and incentivize households to borrow less.

Income inequality

Target

Reach a position among the top 10 most equal OECD countries.

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	Needs Attention	Needs Attention	Falling Behind
Gini coefficient of 0.39 (2015)	Canada ranked 16th out of 34 OECD countries with a Gini coefficient of 0.303 (2018)	Canada ranked 13th out of 29 OECD countries with a Gini coefficient of 0.300 (2019)	Canada ranked 11th out of 34 OECD countries with a Gini coefficient of 0.28 (2020)	Canada ranked 5th out of 8 OECD countries with a Gini coefficient of 0.31 (2023)[13]

Why it Matters

Reducing inequality as Canada grows is necessary to building shared prosperity. Income inequality poses a social, economic and political risk to OECD countries, including Canada, and is associated with decreased access to opportunity and poor health and social outcomes.

Where Canada is At

In 2023, Canada's Gini coefficient was 0.31, ranking 5th out of 8 OECD countries. The full set of OECD country data for 2023 is not yet available for comparison purposes.

Direction Canada is Trending

Falling Behind – Canada's Gini coefficient increased to 0.31 in 2023, reversing earlier gains made during the pandemic period when income supports temporarily reduced inequality. The most recent data indicates rising disparities in disposable income, particularly as inflation and interest rates disproportionately impact low-income households. Pandemic-era transfers that reduced inequality have since expired, and current market income inequality remains structurally high. Without sustained and targeted action, inequality may continue to worsen.

Policy Implications

- Governments should consider introducing permanent income-tested supports such as enhanced child benefits or targeted tax credits to help low-income households maintain stable disposable income. These measures would fill the gap left by expiring pandemic-era programs and help cushion households from rising living costs.
- Expanding access to higher quality and better paying jobs is essential to reducing structural income inequality. This includes targeted investments in skills training, faster recognition of international credentials, and supports that help low-income workers transition into growth sectors.
- Policies such as sector specific wage floors or improved employment standards in low wage industries can help reduce wage precarity. These approaches can complement income transfers by addressing the root causes of income inequality in the labour market.

Post secondary attainment

Target

Maintain a position among the top 5 OECD countries for post-secondary education attainment.

2021	2022	2023	2024	2025
Leading	Leading	Leading	Leading	Leading
Canada ranked 2nd out of 36 OECD countries	Canada ranked 2nd out of 35 OECD countries	Canada ranked 2nd out of 37 OECD countries	Canada ranked 2nd out of 38 OECD countries	Canada ranked 2nd out of 38 OECD countries
63% of Canadians have post-secondary education (2019)	64.4% of Canadians have post-secondary education (2020)	66.4% of Canadians have post-secondary education (2021)	67% of Canadians have post-secondary education (2022)	67% of Canadians have post-secondary education (2022)[14]

Why it Matters

Post-secondary education is often associated with the highest quality and most resilient jobs. Countries with high post-secondary attainment rates are best positioned to attract investment and highly skilled immigrants, and to drive innovation and economic growth.

Where Canada is At

Canada ranked 2nd out of 38 OECD countries, with 67% of Canadians having post-secondary education (2022).

Direction Canada is Trending

Leading – Post secondary attainment levels for Canadians between the ages of 25 and 34 remained high in 2023, and Canada maintained its position as the 2nd highest OECD country for post-secondary attainment behind South Korea.

Policy Implications

- To maintain a high level of post-secondary attainment, policies that keep tuition costs to a minimum while providing financial aid to students who need it will ensure that post-secondary education remains accessible for young people.
- Ensuring an attractive and secure job market is available for post-secondary graduates is essential to incentivizing enrollment in higher education.

Youth not in employment, education or training (NEET)

Target

Reach a position among the top 10 OECD countries with the lowest youth NEET rates, aiming for a rate below 11%.

2021	2022	2023	2024	2025
On Track	Needs Attention	Needs Attention	Needs Attention	On Track
Canada ranked 13th out of 33 OECD countries	Canada ranked 14th out of 32 OECD countries	Canada ranked 15th out of 33 OECD countries	Canada ranked 17th out of 34 OECD countries	Canada ranked 23rd out of 34 OECD countries
NEET rate of 12.6% (2019)	NEET rate of 14% (2020)	NEET rate of 15.3% (2021)	NEET rate of 12.8% (2022)	NEET rate of 11.91% (2023)[15]

Why it Matters

A growing Canada must fully support and harness the talents and energy of its young people to build shared prosperity. Youth who are not in employment, education or training (NEET) are at risk of being excluded from full participation in Canada's society and economy, and of experiencing negative long-term economic and social outcomes.

Where Canada is At

Canada ranked 23rd out of 34 OECD countries on youth NEET rate in 2023. Canada's youth NEET rate was 11.91% for 20- to 24-year-olds in 2023.

Direction Canada is Trending

On Track – Canada's NEET rate has fluctuated since 2021, reflecting shifts in youth participation in education and employment over the last 5 years. The 2023 rate of 11.91% suggests that national efforts to reconnect young people to post-secondary pathways and job opportunities are having an impact. However, progress remains uneven across regions and demographic groups. Indigenous youth, racialized youth, and newcomers continue to face higher NEET rates, indicating a need for more targeted and inclusive policy responses. Without continued investment in youth employment programs, skills development, and wraparound supports, there is a risk of plateauing or reversal in the coming years.

Policy Implications

- Canada's fluctuating youth NEET rate highlights the need for stronger education-to-employment pathways, including expanded access to work-integrated learning and apprenticeships.
- Targeted supports are essential for marginalized youth, particularly Indigenous youth, newcomers, and those with disabilities.
- Aligning education and training with labour market demand will be critical to reduce youth disconnection and improve long-term economic inclusion.

Employment rate

Target

Achieve a position among the top 10 OECD countries for employment rate, aiming for a rate above 76.8%.

2021	2022	2023	2024	2025
N/A	**Needs Attention** Canada ranked 19th out of 37 OECD countries Employment rate of 70.0% (2019)	**Needs Attention** Canada ranked 14th out of 38 OECD countries Employment rate of 73.2% (2021)	**Needs Attention** Canada ranked 12th out of 38 OECD countries Employment rate of 75.6% (2022)	**Needs Attention** Canada ranked 15th out of 39 OECD countries Employment rate of 74.7% (2024)[16]

Why it Matters

Broad employment is needed to strengthen Canadian businesses, increase household incomes, mitigate the effects of population aging and generate tax revenues needed to support essential services for a growing population.

Where Canada is At

Canada ranked 15th out of 39 OECD countries in 2024 on its employment rate. Canada's employment rate was 74.7% in 2024.

Direction Canada is Trending

Needs Attention – Canada's employment rate decreased slightly in 2024, failing to reach a position among the top 10 OECD countries. While employment growth has kept pace with population growth, challenges remain in ensuring equitable labour market participation. Employment rates are significantly lower among persons with disabilities, Indigenous workers, recent immigrants, and lone parents. These disparities limit Canada's ability to fully leverage its labour force at a time when economic growth increasingly depends on broad participation.

Policy Implications

- Canada's labour market must become more inclusive to sustain employment growth. Governments should invest in targeted, accessible skills training aligned with labour market needs, with a focus on underrepresented groups such as newcomers, Indigenous workers, persons with disabilities, and lone parents.
- Employers and policymakers should scale inclusive hiring and retention incentives. Options include wage subsidies, tax credits, and procurement preferences for companies that hire and retain individuals from underrepresented communities, especially in sectors facing chronic labour shortages such as health care, clean energy, and skilled trades.
- Provincial credential recognition and bridging programs must be enhanced to support internationally educated professionals. Faster, fairer assessment and licensing processes, combined with paid work placements, will help remove barriers and unlock the full potential of recent immigrants in high-demand occupations.

Total export market concentration

Target

Reduce the concentration ratio to below 0.50 by 2030 to reflect a more diversified and resilient export portfolio. The concentration ratio is measured on a scale from 0 to 1, where higher values indicate greater reliance on a small number of trading partners. A score above 0.5 is considered high and signals increased economic vulnerability in the event of trade disruption or demand shifts.

2021	2022	2023	2024	2025
Needs Attention	**Needs Attention**	**Needs Attention**	**Needs Attention**	**Needs Attention**
Canada's export market concentration ratio was 0.53 in 2020	Canada's export market concentration ratio was 0.56 in 2021	Canada's export market concentration ratio was 0.59 in 2022	Canada's export market concentration ratio was 0.59 in 2023	Canada's export market concentration ratio was 0.58 in 2024[17]

Why it Matters

A highly concentrated export market exposes Canada to economic risk if its primary trading partner experiences a downturn or imposes trade restrictions. Diversifying export destinations helps increase economic resilience and global competitiveness.

Where Canada is At

Canada's export market concentration ratio was 0.58 in 2024.

Direction Canada is Trending

Needs Attention – Canada's export market remains heavily concentrated, with only a marginal improvement from 0.59 in 2023. The United States continues to dominate Canada's trade profile. While diversification has not been a sustained policy priority over the past decade, recent global trade disruptions have underscored the importance of expanding market access. Without broader and more resilient trade partnerships, Canada remains vulnerable to external shocks and policy volatility beyond its control.

Policy Implications

- Canada should reduce its overreliance on the U.S. market by expanding trade partnerships in emerging and underrepresented regions such as Southeast Asia, Africa, and Latin America and capitalizing on the growing relationships and willingness for partnerships with European countries.
- Stronger engagement with diaspora networks and immigrant entrepreneurs can open doors to new export opportunities. Trade missions, culturally informed market strategies, and support for cross-border entrepreneurship can help Canadian firms build more diversified global connections.
- Industrial policy and public procurement should be aligned with sectors that have the potential to scale in global markets beyond traditional resource exports. This includes clean technology, agri-food innovation, advanced manufacturing, and service-based industries.

Low-wage work

Target

Reduce the share of Canadian workers in low-wage employment to closer to the OECD average of 12.7% (2023).

2021	2022	2023	2024	2025
	Falling Behind	Falling Behind	Falling Behind	Falling Behind
N/A	Canada ranked 15th out of 16 OECD countries	Canada ranked 19th out of 25 OECD countries	Canada ranked 19th out of 25 OECD countries	Canada ranked 9th out of 12 OECD countries
	Incidence of low-wage work was 20.7% (2019)	Incidence of low-wage work was 18.7% (2020)	Incidence of low-wage work 19.5% (2021)	Incidence of low-wage work 18% (2024)[18]

Why it Matters

Quality of work is an important indicator of quality of life, a core building block for creating shared prosperity. Facets to quality of work include regular work hours, opportunities to move from temporary to permanent employment and access to benefits. A key element associated with poor job quality is low pay.

Where Canada is At

Canada ranked 9th out of 12 OECD countries with an incidence of low-wage work of 18% in 2024.

Direction Canada is Trending

Falling Behind – The proportion of Canadians in low-wage work declined slightly in 2024 but remains significantly above the OECD average. Structural issues, such as the growth of precarious work, rising living costs, and stagnating real wages, continue to affect workers in retail, hospitality, care work, and other service sectors. Groups disproportionately represented in low-wage employment include women, racialized workers, newcomers, and persons with disabilities.

Policy Implications

- Reducing the incidence of low-wage work in Canada will require stronger labour standards, improved minimum wage frameworks, and better access to permanent and full-time employment. Targeted supports for disproportionately affected groups are essential to improving job quality and income security.
- Policies that promote sectoral bargaining, enforce fair scheduling practices and expand access to benefits can help address persistent precarity in Canada's labour market.[19]

Indigenous economy strength

Target

Grow the Indigenous economy to at least $100 billion annually.

2021	2022	2023	2024	2025
	Needs Attention	Needs Attention	Needs Attention	Needs Attention
N/A	Approximate value of Indigenous economy $32 billion (2016)	GDP attributable to Indigenous peoples $49 billion (2020)	GDP attributable to Indigenous peoples $49 billion (2020)	GDP attributable to Indigenous peoples $60.2 billion (2022)[20]

Why it Matters

Growth and development of the Indigenous economy and business sector is essential to fostering reconciliation with Indigenous peoples and is a key driver of the economic future of Canada, as the Indigenous population continues to grow at a faster rate compared to Canada's population overall.

Where Canada is At

Canada's GDP attributable to Indigenous peoples was $60.2 billion in 2022.

Direction Canada is Trending

Needs Attention – GDP attributable to Indigenous peoples increased from $49 billion in 2020 to $60.2 billion in 2022, reflecting progress toward greater economic inclusion. Growth has been supported by a rising number of Indigenous-owned businesses, increased investments in infrastructure, and Indigenous participation in major natural resource and real estate projects. However, significant barriers remain, including access to capital, infrastructure gaps, and systemic obstacles to full economic participation.

Policy Implications

- Sustaining the growth of the Indigenous economy will require strengthened support for Indigenous-led economic development strategies, including through Indigenous-controlled financial institutions and equity-based financing models.[21]
- There is a growing need to partner on community-defined economic priorities such as land stewardship, especially in Northern and remote regions. These areas are at the intersection of economic development, climate adaptation, and Canadian sovereignty.
- Additional opportunities include embedding Indigenous training pathways in college-led "smart farm" initiatives[22], which test and apply innovations in precision agriculture and sustainability. Investments in Indigenous-led research related to climate-adaptive agriculture, traditional knowledge, and land-based food systems will further support local innovation, food security, and community resilience.

Section 2:

Communities that Work for Everyone

Overview

- Canada's long-term growth depends not only on population increases, but on building communities where people can thrive. As the country continues to expand, the ability to plan for and support this growth through inclusive infrastructure, accessible housing, and responsive public services becomes increasingly important.

- Canada's recent population growth has outpaced expectations, but many planning frameworks, infrastructure investments and housing systems have not evolved accordingly. As a result, existing regional disparities are being magnified – particularly in fast-growing mid-sized centres and under-resourced rural and Northern areas, where service and infrastructure gaps remain acute.

- Canada's declining fertility rate shows no sign of course correction and will have significant demographic impacts on Canada's population in the future. Reversing this trend will require sustained investments in early learning and child care, income supports for families and housing affordability. Research shows that direct financial incentives have limited long-term impact on fertility, while structural supports such as affordable child care, paid leave, and secure housing are more effective in enabling family formation.

- Despite declining fertility, Canada is seeing momentum with parental leave uptake and the employment rate for mothers. These indicators suggest there is some positive progress being made to accommodate the needs of parents in the Canadian labour market. Continued investment in flexible work, inclusive employment practices, and accessible child care will be critical to maintaining this trend.

- Canada has recently made significant strides with investment in infrastructure. In 2024, Canada reached its target by investing 6% of GDP in infrastructure, a meaningful improvement from the previous trajectory of 4% or less. Ensuring that future investments are aligned with projected growth regions will be key to building inclusive and resilient communities.

- Housing affordability remains a core challenge. Despite high demand and ongoing construction, affordability continues to decline, particularly in large urban centres. Addressing this requires more than boosting supply. Solutions must include non-market housing options, stronger tenant protections, and regional strategies tailored to local needs and growth pressures.

- Regional planning remains fragmented. Fast-growing mid-sized cities and rural areas often lack the planning capacity or fiscal tools to respond to rapid population change. A coordinated national approach that links population targets with infrastructure, housing, labour, and immigration planning will help ensure all regions are equipped to support and benefit from growth.

Population growth

Target

Population growth between 1.25% and 1.30% of population per year over the next decade.

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	On Track	On Track	Needs Attention
Canada's average annual population growth rate was 1.09% over the last 10 years.	Canada's average annual population growth rate was 1.09% over the last 10 years.	Canada's average annual population growth rate was 1.14% over the last 10 years and 1.27% over the last 5 years.	Population growth of 1.34% over the last 10 years and 1.59% over the last 5 years.	Canada's population grew by 1.8% in 2024.[23]

Why it Matters

Population growth fuels Canada's prosperity. It adds workers to our economy, supports innovation and entrepreneurship, and helps sustain public services as our society ages. Without steady growth, we risk labour shortages, slower economic progress, and greater pressure on future generations.

In past Scorecards, we tracked the 10-year average annual growth rate to highlight long-term trends. Beginning in 2024, we are reporting the annual growth rate to provide a clearer picture of year-to-year changes. This figure will still be assessed against our long-term target of 1.25–1.30% average growth per year over the next decade.

Where Canada is At

In 2024, Canada's population grew by 1.8%. Canada has seen population growth of 1.34% over the last 10 years and 1.59% over the last five years.

Direction Canada is Trending

Needs Attention – Canada's population grew by 1.8% in 2024, a significant decline from the population growth rate of 3.1% in 2023 and 2.5% in 2022. This reflects the impact of the Government of Canada's reductions in the 2025-2027 Immigration Levels Plan, which were introduced in October 2024. While the 1.8% figure exceeds the Scorecard target, Canada's current projections for immigration levels put the country on a path towards net population decline.

Policy Implications

- Canada needs a coordinated and long-term approach to population growth that aligns immigration levels with infrastructure, housing, education, and health system capacity. Sustained investment and planning are essential to ensure growth remains both manageable and publicly supported.
- Reductions in immigration targets, particularly in permanent residency and provincial nominee streams, risk worsening labour shortages and weakening regional economies. These changes also threaten post-secondary revenue and Canada's ability to attract global talent.
- Immigration policy should be tied to broader economic and regional development strategies rather than managed in isolation. Smaller and mid-sized communities need stable allocations, planning tools, and funding support to attract and retain newcomers.

Fertility rate

Target

Fertility rate increasing toward the current OECD average of 1.58 children per woman (2021) over the next decade.

2021	2022	2023	2024	2025
Falling Behind	Falling Behind	Falling Behind	Falling Behind	Falling Behind
1.47 children per woman (2019)	1.41 children per woman (2020)	1.44 children per woman (2021)	1.33 children per woman (2022)	1.26 children per woman (2023)[24]

Why it Matters

Births are a key input into population growth. Robust policies to support children and families could have a moderate impact on the fertility rate by supporting Canadians' choices on family size, while fostering significant social and economic benefits.

Where Canada is At

Canada had a fertility rate of 1.26 children per woman in 2023.

Direction Canada is Trending

Falling Behind – Canada's birth rate continued to decline to 1.26 children per woman in 2023 compared to 1.33 in 2022. This is the lowest birth rate in Canada in over a century of data.

Policy Implications

- Canada should focus on enabling family choice by investing in affordable housing, accessible early learning and child care, flexible parental leave and stable income supports. These tools are more effective than financial incentives in supporting those who want to start or grow families.[25]
- Fertility rates are shaped by a range of social and structural factors including delayed childbearing, urbanization and expanded access to education and career opportunities. A more realistic and informed policy approach recognizes that fertility decline cannot be addressed through affordability measures alone.
- Fertility trends should be addressed within a broader population strategy that includes immigration, education, regional development, and automation. Long-term demographic sustainability will require coordinated planning across multiple systems, not fertility policy in isolation.

Life expectancy

Target

Top 10 of OECD countries for life expectancy.
Threshold: 10th in the OECD in 2023 had a life expectancy of 82 years.

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	Needs Attention	Needs Attention	Needs Attention
81.9 years (2018)	82.3 years (2019)	81.7 years (2020)	81.6 years (2021)	81.7 years (2023)[26]

Why it Matters

Increased life expectancy contributes to a larger population size and is closely tied to higher living standards, quality of life and health outcomes.

Where Canada is At

Canada's life expectancy at birth was 81.7 years in 2023.

Direction Canada is Trending

Needs Attention – Life expectancy increased to 81.7 years in 2023 from 81.3 years in 2022. This represents the first year that life expectancy has increased since the COVID-19 pandemic but remains 0.5 years lower than pre-pandemic life expectancy. In 2023, the 10th ranked country (Netherlands) had a life expectancy of 82 years.

Policy Implications

- Strengthening local public health capacity, improving social determinants of health, and reducing regional gaps in healthcare access must remain central priorities.
- Policies should focus on reducing preventable mortality through expanded access to primary care, mental health supports, and chronic disease prevention.
- Reducing health disparities, particularly among Indigenous, rural, and low-income populations, will be essential to improving national life expectancy. This requires targeted investments in culturally safe care, community-based services, and equitable access to prevention and treatment across regions.

Investment in infrastructure

Target

Increase the rate of infrastructure investment to 5% of GDP in order to close the infrastructure gap.

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	Needs Attention	Needs Attention	Leading
3.9% of GDP (2019)	3.7% of GDP (2020)	3.7% of GDP (2021)	4.0% of GDP (2022)	6% of GDP (2024)[27]

Why it Matters

A bigger, bolder Canada requires investments in infrastructure such as affordable housing, climate adaptation infrastructure, broadband, roads, bridges, water and wastewater, and public transit. Without planned and strategic investments in infrastructure, population growth will put a strain on Canada's economy, quality of life and well-being.

Where Canada is At

Canadian investment in infrastructure represented 6% of GDP in 2024.

Direction Canada is Trending

Leading – In 2024 infrastructure investment represented **6% of Canada's GDP**, which indicates that the target has been reached and represents a significant increase from 4% the previous year.

Policy Implications

- Aligning infrastructure planning with demographic and regional needs, particularly in underserved and fast-growing communities, will be essential to avoid service strain and promote inclusive growth.
- Continued investments must prioritize housing, climate resilience, broadband expansion, and transit to meet the demands of a growing and diversifying population.[28]
- Projected labour shortages may impact Canada's ability to deliver on future planned infrastructure investments.

Housing affordability

Target

Meet Canadian Mortgage and Housing Corporation target of affordable housing for everyone by 2030.

2021	2022	2023	2024	2025
Needs Attention	Falling Behind	Falling Behind	Falling Behind	Falling Behind
12.4% in core housing need in urban areas (2018)	12.9% in core housing need in urban areas (2019)	10.1% in core housing need across Canada; 11.2% in large urban centres (2021)	10.1% in core housing need across Canada; 11.2% in large urban centres (2021)	11.2% in core housing need across Canada; 12% in large urban centres (2023)[29]

Why it Matters

Access to affordable housing that is suitable and adequate is needed to support the health and well-being of a growing Canadian population. Strong housing quality and security are correlated with positive health outcomes and support long-term social cohesion, helping Canada to grow well in the years ahead.

Where Canada is At

The 2023 overall incidence of Canadian households in core housing need was 11.2% while in urban centres it was 12%.

Direction Canada is Trending

Falling Behind – The proportion of Canadian households in core housing need increased from 10.1% in 2021 to 11.2% in 2023. Canadian cities are increasingly unaffordable places for low income households to live.

Policy Implications

- Canada's worsening housing affordability signals the need for urgent and sustained intervention across all levels of government.
- Policy must focus on accelerating housing supply through streamlined approvals, zoning reform, and strategic public land use, while expanding the stock of non-market and affordable rental housing.[30]
- Targeted supports are also required for low-income households most at risk of core housing need, including through strengthened housing benefits, portable subsidies, and supports for Indigenous and vulnerable populations.

Rural broadband coverage

Target

Access to 50/10 unlimited broadband for Canada's rural residents that is comparable to overall access in Canada toward a federal government goal of 100% nationwide access by 2030.

2021	2022	2023	2024	2025
On Track	On Track	Needs Attention	On Track	Needs Attention
85.7% of Canadian households had access to 50/10 Mbps speeds (2018)	41.56 subscriptions per 100 people in Canada (2020)	Coverage of 50/10 unlimited broadband was 54.4% in rural areas (2020)	Coverage of 50/10 unlimited broadband was 67.4% in rural areas (2022)	Coverage of 50/10 unlimited broadband was 78.2% in rural areas (2023)[31]

Why it Matters

Access to broadband across Canada, including in rural and remote parts of the country, is critical for Canada to grow in a way that builds shared prosperity. This will enable both Canadians and newcomers to access education, critical services, and to fully participate in Canada's economy and society from anywhere in the country.

Where Canada is At

The coverage of 50/10 unlimited broadband in rural areas was 78.2% in 2023.

Direction Canada is Trending

Needs Attention – While there have been significant improvements in rural broadband coverage (an increase of 10.8% from 2022 to 2023), more than 1 in 5 rural Canadian households still do not have coverage.

Policy Implications

- Bridging the rural broadband gap will require a combination of targeted investments, affordability measures, and digital literacy initiatives.[32]
- Canada should continue to expand last-mile infrastructure in underserved areas through sustained public-private partnerships while addressing non-infrastructure barriers such as cost and digital skills.
- Ensuring equitable broadband access for rural and remote communities is essential to economic participation, access to services, and long-term regional development.

Diversity in leadership

Target

Meet the federal government's "50-30 challenge" objective of representation of 50% of women and 30% of other under-represented groups on boards.

2021	2022	2023	2024	2025
N/A	Falling Behind	Needs Attention	Needs Attention	Needs Attention
	Board seats were 17% women, 4% racialized individuals, 0.3% individuals with disabilities, 0.3% Indigenous individuals (2020)	Board seats were 20% women, 7% racialized individuals, 0.4% individuals with disabilities, 0.4% Indigenous individuals (2021)	Board seats were 19% women, 6% racialized individuals, 0.4% individuals with disabilities, 0.6% Indigenous individuals (2022)	Board seats were 22% women, 5% racialized individuals, 0.5% individuals with disabilities, 0.7% Indigenous individuals (2023)[33]

Why it Matters

As Canada pursues a path of population growth its population will become more diverse, and this diversity must be mirrored in leadership. Diversity contributes to firms' productivity and innovation, especially at the leadership level.

Where Canada is At

In 2023, among corporate boards of directors required to disclose diversity information:

- Women held 22% of board seats;
- Racialized individuals held 5% of board seats;
- Individuals with disabilities held 0.5% of board seats; and
- Indigenous individuals held 0.7% of board seats.

Direction Canada is Trending

Needs Attention – In 2023, there was an increase of 3% in the number of women on boards, as well as slight increases in the number of individuals with disabilities and Indigenous individuals. Meanwhile, the number of racialized individuals on boards has decreased by 1% since 2022.

Policy Implications

- To improve diversity in leadership, Canada should strengthen disclosure requirements and promote voluntary targets across sectors, while supporting organizations in removing systemic barriers to advancement.
- Expanding access to leadership development programs for underrepresented groups and investing in mentorship, sponsorship, and inclusive recruitment practices will be critical.
- Government and corporate boards should model transparency and accountability by publicly reporting progress and adopting evidence-based practices that promote equitable representation at senior levels.[34]

Early learning and child care

Target

Increased regulated spaces for children aged 0 to 5.

2021	2022	2023	2024	2025
Falling Behind	Needs Attention	Needs Attention	Needs Attention	On Track
59.9% of children aged 0-5 in some form of child care outside of immediate family (2019)	52.2% of children aged 0-5 in some form of child care outside of immediate family (2020)	51.6% of children aged 0-5 in some form of child care outside of immediate family (2022)	Spaces for 28.4% of children aged 0-5 (2021)	Spaces for 31% of children aged 0-5 (2023)[35] 56.1% of children aged 0-5 in some form of child care outside of immediate family (2023)[36]

Why it Matters

Robust systems for quality and accessible early childhood education and care can improve children's well-being and learning. They can help parents, particularly mothers, enter or re-enter the labour force. They can also contribute to supporting Canadians' choices on family size and newcomer families' transition to Canada.

Where Canada is At

In 2023, there were regulated full- or part-time child care centre spaces for 31% of children aged 0 to 5 across Canada and 56.1% of children in that age range received some form of child care outside of immediate family.

Direction Canada is Trending

On Track – There has been a modest, yet encouraging increase in both the number of spaces available in child care centres and the number of children in child care outside of immediate family. While the overall availability of child care remains low, the trend toward increasing child care availability which started in 2021 represents an important reversal after more than a decade of steady decline which began in 2008.

Policy Implications

- In accordance with the government's goal of increasing child care availability, the government should increase the number of public and non-profit child care facilities to ensure that low income families have access.
- By increasing wages for early childhood educators, the government would increase child care availability by incentivizing work in the sector.[37]

Parental leave uptake

Target

Increasing trend in uptake of parental leave for new parents outside of Québec.
In Québec, 95% of new parents with coverage under Québec Parental Insurance Plan (QPIP) received maternity or parental benefits in 2023.

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	Needs Attention	Needs Attention	On Track
Canada ranked 20th out of 35 OECD countries (2018) 26.6 weeks of parental leave available	87.9% of mothers with insurable employment received maternity/ parental benefits (2019)	91% of mothers with insurable employment received parental benefits, and 19.5% of spouses reported receiving benefits (2020)	89.3% of mothers with insurable employment received maternity/parental benefits, and 29.9% of spouses received benefits (2021)	91.3% of new parents with insurable employment received maternity/ parental benefits (2023)[38]

Why it Matters

Paid parental leave can help to support maternal and infant well-being. It supports new parents, particularly mothers, to temporarily exit employment with job security and income support. Robust leave options can contribute to supporting Canadians' choices on family size and labour force attachment.

Where Canada is At

Among new parents with insurable employment in 2023, 91.3% received maternity or parental benefits. In Québec, 95% of new parents with coverage under QPIP received maternity or parental benefits in 2023.

Direction Canada is Trending

On Track – Uptake of parental leave continued to rise in 2023, with 91.3% of new parents with insurable employment reporting benefit receipt. This represents a modest increase from 89.3% in 2021.

Policy Implications

- Expanding eligibility for part-time and precarious workers, enhancing wage replacement rates, and streamlining administrative processes will help ensure that more parents can take leave.
- Promoting greater uptake among fathers and non-birthing parents is also critical to achieving more equitable caregiving and labour market participation.[39]

Employment rate for mothers

Target

Top 10 OECD countries on maternal employment rate.
Threshold: 10th in the OECD had a maternal employment rate of 77.1%.

2021	2022	2023	2024	2025
	Needs Attention	Needs Attention	Needs Attention	On Track
N/A	Ranked 12th out of 36 OECD countries for maternal employment rate (2019)	Ranked 12th out of 36 OECD countries for maternal employment rate (2021)	Ranked 12th out of 36 OECD countries for maternal employment (2021)	Maternal employment rate of 79.8% (2023)[40]
	Maternal employment rate of 76.8% (2019)	Maternal employment rate of 76.5% (2021)	Maternal employment rate of 76.8% (2021)	

Why it Matters

The employment rate of mothers is a key enabler of Canada's social and economic progress, as women's contributions are crucial to the country's long-term success. Women's labour force participation contributes to increased productivity and reduced earnings inequality.

Where Canada is At

In 2023, the employment rate for mothers aged 20 to 49 with children under 18 reached 79.8%. For mothers with children aged five and under, the rate rose to 73.0%.

Direction Canada is Trending

On Track – The maternal employment rate increased from 78.1% in 2022 to 79.8% in 2023, while employment among mothers with children under six rose from 71.0% to 73.0%.

Policy Implications

- Sustaining recent gains in maternal employment will require continued investment in affordable, accessible, and high-quality child care. Uneven access across provinces and territories continues to limit labour force participation for many mothers, particularly those with young children.
- Workplace flexibility and paid parental leave policies should evolve to better support career continuity, especially for mothers returning to the workforce or balancing part-time and contract roles. Strengthening employment protections and enabling flexible work options will improve participation and reduce barriers to re-entry.
- Tailored supports are needed to address systemic inequities faced by racialized, Indigenous, and low-income mothers. Ensuring these groups are not left behind will strengthen gender equity and expand Canada's labour force over the long term.

Child and youth poverty

Target

Continued decrease in child poverty in Canada, toward the federal government goal to eliminate it.

2021	2022	2023	2024	2025
Falling Behind	On Track	On Track	Needs Attention	Falling Behind
10.8% of children were low-income (2018)	9.7% of children were low-income (2019)	4.7% of children were low-income (2020)	9.9% of children were low-income (2022)	10.7% of children were low-income (2023)[41]

Why it Matters

Poverty among children and youth contributes to negative impacts over the long-term. It can be a barrier to children's development and limit access to opportunity in the future. The rate of child and youth poverty in Canada reflects the quality of living standards for families.

Where Canada is At

10.7% of Canadian children under 18 were low-income in 2023.

Direction Canada is Trending

Falling Behind – The number of children considered low-income increased to 10.7% in 2023 compared to 9.9% in 2022. This represents the continuation of an upward trend in childhood poverty since 2020, when pandemic related financial supports contributed to lower poverty levels.

Policy Implications

- To reverse the rise in child and youth poverty, Canada should strengthen income supports for low-income families and index them to inflation.
- Expanding access to affordable housing, child care and employment supports for parents, particularly single and racialized parents, will be key to reducing intergenerational poverty.
- Integrated services such as school nutrition and early learning programs can further mitigate long-term impacts. A National Child and Youth Strategy is needed to align efforts across governments and sectors. Child poverty is not only a social challenge but a structural barrier to long-term economic resilience, health equity, and labour force participation.

Youth well-being

Target

Top 10 OECD countries on the PISA Sense of Belonging Index.

2021	2022	2023	2024	2025
Falling Behind	On Track	On Track	Needs Attention	Needs Attention
Canada ranked 30th out of 38 OECD countries (2020)	Canada ranked 26th out of 32 OECD countries (2018)	Canada ranked 26th out of 32 OECD countries (2018)	Canada ranked 25th out of 36 OECD countries (2022)	Canada ranked 25th out of 36 OECD countries (2022)[42]

Why it Matters

Well-being among children and youth is key to their future development, health, success, and quality of life. It is critical to Canada's ability to prepare young people for full participation in society and the economy and contributes to Canada's attractiveness to those seeking to raise families in a safe and supportive environment.

Where Canada is At

Canada ranked 25th out of 36 countries in youth well-being in 2022.

Direction Canada is Trending

Falling Behind – Canada ranked 25th out of 36 countries in the most recent comparative assessment of youth well-being, placing it near the bottom of the list despite its high-income status. This poor performance reflects concerning trends in mental health, emotional distress, and self-reported life satisfaction among Canadian youth. Without coordinated action to improve access to mental health supports, reduce social isolation, and address underlying stressors, Canada risks a deepening youth well-being crisis.

Policy Implications

- Policies should reduce youth social isolation and economic stress while ensuring access to safe, inclusive environments at school, online, and in communities. A strong sense of belonging and supportive relationships are foundational to well-being and positive development.
- Youth programs should build resiliency, critical thinking, and coping skills to help young people navigate complex social and economic challenges. These skills are essential for long-term participation in society and the labour market.[43]
- Efforts should centre youth voice and lived experience in decision-making, particularly for equity-deserving groups. Inclusive programming and community-based supports can strengthen engagement and improve long-term outcomes.

Section 3:

Strategic Immigration

Overview

- Canada's significantly reduced permanent resident admissions target for 2025 will have a lasting impact on Canada's population, economy and future growth, with potential long-term impacts on labour supply and regional development.
- Public support for immigration levels is on a significant downward trajectory, reaching its lowest levels in decades. Policymakers should explore strategies to renew public confidence in Canada's immigration system to sustain public support.
- Some progress has been made on the immigrant income gap since 2021. Increased focus on foreign credential recognition, access to language and job readiness programs and sector-specific employment pathways are needed.
- Fewer international students are transitioning to permanent residents, due in part to caps and constraints on both temporary and permanent immigration streams, signalling a misalignment between education, immigration, and retention strategies.

Permanent resident admissions

Target

Immigrant admissions that represent 1.15% to 1.25% of the population annually over the next decade.

2021	2022	2023	2024	2025
On Track	On Track	Leading	Leading	Falling Behind
313,601 immigrants admitted, representing 0.8% of Canada's population	226,203 immigrants admitted, representing 0.76% of Canada's population	492,984 immigrants admitted, representing 0.86% of Canada's population	468,817 permanent residents admitted, representing 0.94% of Canada's population[44]	2025 target of 395,000 permanent residents (158,000 new immigrants from overseas, 237,000 as new arrivals)[45] New arrivals will represent 0.57% of Canada's 2025 population

Why it Matters

Immigration is a key pathway for Canada's population to grow and is necessary for Canada's long-term economic prosperity, diversity, resilience and global influence.

Where Canada is At

In 2025, Canada is projected to admit 395,000 permanent residents. 158,000 of these spots are reserved for temporary residents currently in Canada, so only 237,000 will be new arrivals (representing 0.57% of Canada's population in 2025).

Direction Canada is Trending

Falling Behind – In October 2024, Canada significantly reduced its federal immigration targets. Accordingly, in 2025 only 237,000 new arrivals are expected to arrive in Canada on the path to permanent residency – a 49% decrease from the 468,817 permanent residents who were admitted in 2022/2023. This represents a significant reversal of Canada's immigration policy trajectory and a major departure from the 1.15 – 1.25% target.

Policy Implications

- To meet long-term population and labour force goals, Canada should maintain or gradually increase immigration levels in line with projected demographic needs. Policies should focus on ensuring adequate settlement supports, housing, and credential recognition to enable successful integration and retention.
- Sustained admissions near or above 1% of the population annually are essential to counterbalance low fertility and population aging.

Global reputation

Target

Top 5 countries in the Anholt-Ipsos Nation Brand Index.

2021	2022	2023	2024	2025
On Track	Leading	Leading	Leading	Needs Attention
6th in the Anholt-Ipsos Nation Brand Index (2019)	2nd in the Anholt-Ipsos Nation Brand Index (2021)	3rd in the Anholt-Ipsos Nation Brand Index (2022)	3rd in the Anholt-Ipsos Nation Brand Index (2023)	6th in the Anholt-Ipsos Nation Brand Index (2024)[46]

Why it Matters

A strong global reputation can help attract talented immigrants to Canada, support investment and bolster global influence.

Where Canada is At

Canada ranked 6th in the Anholt-Ipsos Nation Brand Index in 2024.

Direction Canada is Trending

Needs Attention – In 2024, Canada dropped 3 positions in the Anholt-Ipsos Nation Brand Index. With this decline, Canada's national brand dropped out of the targeted position among the top 5 countries and into 6th place. This represents the second year in a row that Canada's ranking has lowered, indicating that Canada's reputation is gradually shifting.

Policy Implications

- To strengthen Canada's global reputation, policy should focus on upholding international commitments, promoting inclusive democratic values, and leading on global challenges such as climate action and human rights. Investments in public diplomacy, cultural exchange, and foreign aid can also reinforce Canada's image as a principled and engaged global actor.
- Strengthening export appeal through innovation diplomacy can reinforce Canada's economic brand. Proactively showcasing leadership in sectors such as clean technology, artificial intelligence, and sustainable industries can help position Canada as a competitive and future-facing partner in global markets.
- Canada should also amplify its soft-power strengths. As a country known for openness and inclusion, investments in cultural diplomacy, international education, and people-to-people initiatives can reinforce the "people" dimension of Canada's global brand. Expanding scholarships, academic exchanges, and cultural platforms can help deepen trust and global connection.

Public support for immigration levels

Target

Trending toward increased support for immigration levels.

2021	2022	2023	2024	2025
	On Track	On Track	Needs Attention	Falling Behind
N/A	27% of Canadians agreed that there is too much immigration in Canada (2021)	44% of Canadians agreed that there is too much immigration in Canada (2022)	51% of Canadians agreed that there is too much immigration in Canada (2023)	58% of Canadians agreed that there is too much immigration in Canada (2024)[47]

Why it Matters

Public support for immigration is an essential condition for Canada to effectively attract and retain immigrants and strategically grow its immigration levels over time.

Where Canada is At

In 2024, 6 in 10 (58%) of Canadians agreed that there is too much immigration to Canada, including 32% who strongly agreed. This represents a 31-point increase in agreement since 2021.

Direction Canada is Trending

Falling Behind – For the first time in nearly a quarter of a century, a clear majority of Canadians say there is too much immigration. This is the most rapid change over a two-year period since Focus Canada began asking this question in 1977 and reflects the largest proportion of Canadians who say there is too much immigration since 1998.

Policy Implications

- While public skepticism toward immigration is rising, 68% of Canadians still believe it benefits the economy. This suggests that concerns may be less about immigration itself, and more about Canada's ability to plan, coordinate, and invest in the systems that support population growth. Rebuilding public confidence requires transparent, evidence-based planning that shows how immigration contributes to shared prosperity.
- At the same time, policymakers should be cautious not to frame challenges like housing, unemployment, or cost of living as immigration-driven. Doing so risks legitimizing xenophobic attitudes and overlooks the structural drivers behind these issues including policy gaps, underinvestment, and poor coordination.
- Public confidence depends on clarity and trust. Sharing regular updates on immigration plans, regional targets, settlement supports, and infrastructure investments can build understanding of how immigration contributes to Canada's future and how the system is being managed responsibly.

Provincial retention

Target

More even retention across Canada for immigrants five years after they arrive, with lowest retention rate provinces increasing rates to better align to the most recent average for all provinces of 64.75% (2023).

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	Needs Attention	Needs Attention	Falling Behind
52.4% (2016)	49% (2019)	48.4% (2020)	51.2% (2021)	47% (2023)[48]

Why it Matters

For future prosperity to be shared across the country, all provinces need to be able to retain immigrants, particularly where the need for workforce growth is higher due to population aging.

Where Canada is At

The average retention rate for immigrants who arrived five years earlier was 47% in 2023 in the five provinces with the lowest retention rates (Newfoundland & Labrador, Prince Edward Island, Nova Scotia, New Brunswick, and Saskatchewan).

Direction Canada is Trending

Falling Behind – The gap between the average retention rate across all provinces and the retention rate of the provinces with the lowest retention rate was 17.75% in 2023. This is a significant decline from 2024, when the average retention rate among the five provinces with the lowest retention rates was 4.2% higher.

Policy Implications

- Maintain stable federal–provincial alignment to support regional retention. Governments should protect and strengthen regional immigration pathways, including the Provincial Nominee Program and Rural Community Immigration Pilot, to ensure provinces can continue to attract and retain newcomers aligned with local labour and demographic needs.
- Reduced federal settlement funding risks undercutting retention outcomes, particularly in smaller provinces and rural communities. Sustained investment in locally delivered services is essential to support integration and community connection beyond initial arrival.
- Transparent provincial/territorial allocation plans and predictable program access will help provinces adapt and maintain progress on long-term retention goals.

Citizenship rate

Target

Increasing rate of citizenship acquisition among permanent residents.

2021	2022	2023	2024	2025
N/A	N/A	N/A	**Needs Attention** 45.7% of permanent residents became citizens (2021)	**Needs Attention** 45.7% of permanent residents became citizens (2021)[49]

Why it Matters

Transitions to citizenship reflect Canada's ability to integrate immigrants, maintain a strong reputation, and grow well.

Where Canada is At

45.7% of permanent residents who arrived within the previous 10 years became citizens in 2021.

Direction Canada is Trending

Needs Attention – Canada's citizenship acquisition rate remains at 45.7% as of 2021, with no updated figures reported in 2024 or 2025. This marks a sharp decline from historical norms where acquisition rates routinely exceeded 70%. As immigration continues to drive population growth over the coming decades, sustained low citizenship uptake could pose challenges to long-term integration, democratic participation, and population cohesion.

Policy Implications

- Reducing financial and administrative barriers is critical to increasing citizenship uptake, particularly for low-income immigrants and families. Application fees should be lowered and processes simplified to ensure all permanent residents can access full civic participation.
- Canada should embed pathways to citizenship within its broader population strategy by setting clear acquisition targets and timelines. Investments in settlement services, including language training, civic education, and legal supports, are essential to supporting long-term integration.
- Citizenship should be recognized as a national asset tied to democratic legitimacy, social cohesion, and economic resilience. Regular reporting on acquisition rates by class, origin, age, and gender can help identify disparities and guide more inclusive policy design.

Immigrant income gap

Target

Narrowing the income gap between immigrants five years after their arrival and all Canadians.

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	Needs Attention	Needs Attention	On Track
$14,409 difference between the median employment income of immigrants and non-immigrants (2016)	$7,300 difference between the median employment income of immigrants and non-immigrants five years after their arrival (2018)	$2,730 difference between the median employment income of immigrants and non-immigrants five years after their arrival (2020)	$4,150 difference between the median employment income of immigrants and non-immigrants five years after their arrival (2021)	$2,880 difference between the median total income between immigrants five years after arrival and for all Canadians ($44,500 compared to $45,380 for all Canadians) (2022).[50]

Why it Matters

The gap in income between newcomers and all Canadians is an indicator of integration for recent immigrants. It reflects whether newcomers are experiencing economic success in Canada and whether the economy is leveraging their talent and skills effectively.

Where Canada is At

In 2022 there was a difference of $2,880 in 2022 in the median total income between immigrants five years after arriving in 2017 ($44,500) and for all Canadians ($45,380).

Direction Canada is Trending

On Track – The income gap between immigrants and the Canadian-born population is narrowing. In 2022, immigrants five years after arrival earned a median total income of $44,500 compared to $45,380 for the overall population. This indicates that 5 years after arrival immigrants are earning 98% of the income of the Canadian-born population.

Policy Implications

- Further reducing the immigrant income gap will require faster recognition of foreign credentials, greater access to language and job readiness programs, and sector-specific employment pathways that match newcomers' skills with labour market demand.
- Continuing to tackle employment discrimination and promoting equitable hiring practices are also necessary to ensure that immigrants can fully contribute to and benefit from Canada's economic growth.
- These efforts are critical to the long-term success of a population strategy that relies on high levels of immigration.

International students to permanent residents

Target

Trending toward increasing admissions of permanent residents who held study permits in the past.

2021	2022	2023	2024	2025
On Track	On Track	On Track	On Track	Falling Behind
Canada admitted 58,515 permanent residents who had previously held a study permit in 2019.	Canada admitted 40,920 permanent residents who had previously held a study permit in 2020.	Canada accepted 157,290 permanent residents who had previously held a study permit in 2021.	Canada accepted 94,555 permanent residents who had previously held a study permit in 2022.	Canada accepted 25,605 permanent residents who had previously held a study permit in 2023.[51]

Why it Matters

International students are a vital source of skilled talent for Canada's long-term economic and demographic growth. Strengthening the transition from study permits to permanent residency helps align education, labour, and immigration systems, ensuring that Canada retains globally trained individuals who are already contributing to Canadian society.

Where Canada is At

Canada accepted 25,605 permanent residents who had previously been international students in 2023.

Direction Canada is Trending

Falling Behind – The number of international students transitioning to permanent residency declined sharply in 2023, falling to 25,605 from 94,555 in 2022 and 157,290 in 2021. Given the strategic role international students play in supporting Canada's labour force and demographic goals, this trend highlights a misalignment between education, immigration, and retention strategies that requires urgent attention.

Policy Implications

- To reverse the decline in transitions from international student to permanent residents, Canada should expand clear and accessible immigration pathways linked to labour market needs and regional priorities.
- Improving post-graduation work supports, housing access, and legal protections will help ensure international students can successfully integrate and remain in Canada.
- A coordinated approach across education, immigration, and employment systems is essential to retain this key source of skilled talent and address ongoing labour shortages.

Temporary foreign workers

Target

Trending towards reduced reliance on temporary status for workers coming to Canada.

2021	2022	2023	2024	2025
		Needs Attention	Needs Attention	Needs Attention
N/A	N/A	Temporary foreign workers comprised 4.1% of Canada's workforce (2021)	Temporary foreign workers comprised 4% of Canada's workforce (2022)	Temporary foreign workers comprised 4.38% of Canada's workforce (2024)[52]

Why it Matters

While temporary foreign workers help meet immediate labour market needs, long-term reliance on temporary status can undermine population growth, economic inclusion, and workforce stability. Canada's long-term prosperity has historically depended on permanent immigration, which supports integration, rights protection, and demographic renewal. A balanced approach that prioritizes permanent pathways while addressing short-term gaps is essential for sustainable labour planning and equitable population growth.

Where Canada is At

There were 191,630 Temporary Foreign Worker permit holders and 717,405 International Mobility Program permit holders in Canada in 2024, making up 4.38% of Canada's employed workforce (20,738,000 total workers).

Direction Canada is Trending

Needs Attention – In 2024 IRCC calculated that there were 191,630 Temporary Foreign Worker permit holders and 717,405 International Mobility Program permit holders in Canada (4.38% of Canada's workforce). This high volume of temporary admissions suggests continued reliance on non-permanent labour to meet workforce demands. Without a sustained shift toward permanent immigration pathways, Canada risks deepening structural dependence on temporary workers, weakening long-term integration outcomes and population stability.

Policy Implications

- To reduce reliance on temporary foreign labour, Canada should prioritize permanent immigration pathways for workers in sectors facing long-term shortages.
- Policies must ensure that temporary streams remain truly short-term, with clear timelines and protections against exploitation.

Francophone immigration

Target

Trending toward increased proportion of recent immigrants with French as their first official language spoken.

2021	2022	2023	2024	2025
			Needs Attention	Needs Attention
N/A	N/A	N/A	10.1% of recent immigrants (within the previous five years) had French as their first official language (2021)	7.2% of total permanent resident admissions outside of Québec were French-speaking (2024)[53]

Why it Matters

An important part of responsible population growth is welcoming greater numbers of French-speaking immigrants who can help support the growth of vibrant cultural Francophone communities across Canada.

Where Canada is At

In 2024, 30,550 French-speaking permanent residents were admitted outside Québec, representing 7.2% of total admissions. This exceeded the Government of Canada's admission target of 6%.

Direction Canada is Trending

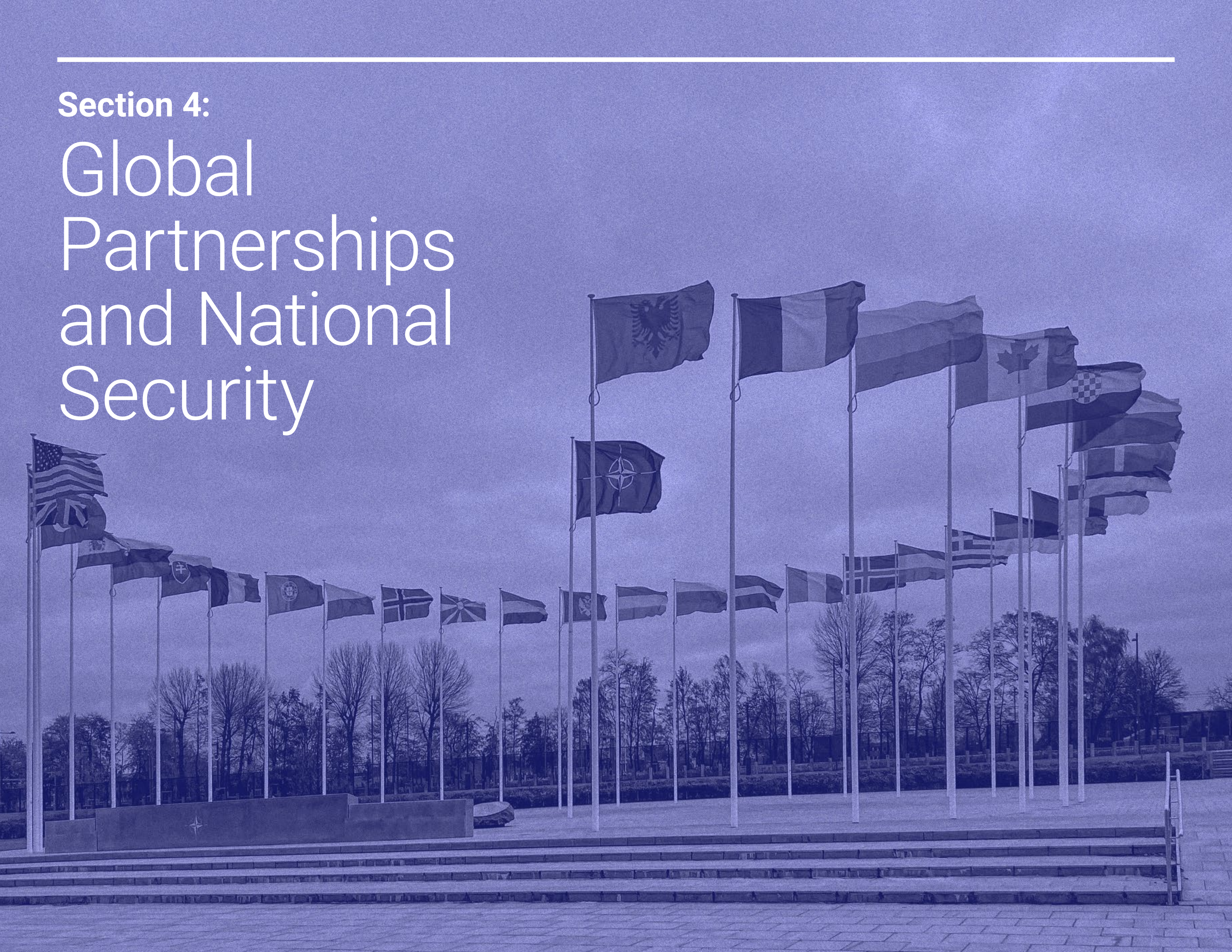
Needs Attention – In 2024, 7.2% of permanent residents admitted outside Québec were French-speaking. While not directly comparable with 2021 Census figures (due to the inclusion of Québec), the general trend suggests that permanent residents with French language skills remains a small proportion of Canada's overall share of permanent resident admissions. Without more focused and sustained efforts, Canada risks undermining the vitality of Francophone communities outside Québec and falling short of its broader linguistic and demographic commitments.

Policy Implications

- To meet federal Francophone immigration targets, Canada must scale up recruitment in Francophone source countries, streamline application processes, and increase visibility of available pathways.
- Supporting long-term retention will require investments in settlement services and labour market integration tailored to French-speaking immigrants outside Québec.
- A coordinated approach with provinces and Francophone organizations is essential to ensure demographic growth aligns with Canada's linguistic duality goals.

Section 4:

Global Partnerships and National Security



Overview

- National security isn't just a military issue, it's an economic one. Canadian policymakers have increasingly recognized that **significant investments in national defence are required to secure our Arctic presence, modernize our borders and strengthen alliances**. However, none of these investments are possible without a strong and growing economic foundation. A resilient tax base, supported by a productive, well-supplied workforce, is what underwrites national defence.

- Canada's **climate change performance remains troubling**. In 2025, Canada ranked 62nd out of 67 countries – well below the target of the top 15 countries globally and assessed as "falling behind" for the fourth consecutive year in a row.

- Canada has **shown some improvement in climate resilience**, reflecting modest gains in readiness and adaptive capacity. However, Canada still faces significant exposure to climate-related shocks, such as wildfires, floods and extreme weather events.

- Canada's **continues to underperform regarding spending as a percentage of GDP**. At 1.37% of GDP, Canada still sits well below the new 5.0% NATO target.

- While cybersecurity threats remain significant, Canada ranks 2nd globally on the National Cyber Security Index, reflecting **growing capacity to respond to digital risks**. To maintain this leadership, continued investment is needed in infrastructure, training, and innovation. Public Safety Canada has identified cybersecurity labour shortages as a key national vulnerability, underscoring the importance of expanding domestic talent pipelines and attracting global expertise to meet evolving security demands.

Global freedom

Target

Top 5 countries in Freedom House's Freedom in the World Index.

2021	2022	2023	2024	2025
Leading	Leading	Leading	Leading	Leading
Canada ranked 5th with a score of 98 out of 100 in global freedom in the 2021 Freedom in the World Index[54]	Canada ranked 5th with a score of 98 out of 100 in global freedom in the 2022 Freedom in the World Index[55]	Canada ranked 5th with a score of 98 out of 100 in global freedom in the 2022 Freedom in the World Index[56]	Canada ranked 5th with a score of 98 out of 100 in global freedom in the 2023 Freedom in the World Index	Canada ranked 5th with a score of 97 out of 100 in global freedom in the 2024 Freedom in the World Index[57]

Why it Matters

High levels of freedom, including a strong democratic system that upholds the rule of law and protects individual rights, are foundational to Canada's long-term prosperity. Democratic institutions enhance global reputation, support social cohesion, and contribute to Canada's attractiveness as a place to live, work, and invest.

Where Canada is At

Canada ranked 5th in the 2024 Freedom in the World Index with a score of 97 out of 100.

Direction Canada is Trending

Leading – Canada maintained its 5th place global ranking in the 2024 Freedom in the World Index, with a score of 97 out of 100—slightly down from 98 in 2023. This reflects continued strength in civil liberties, political rights, and institutional accountability, even as global democratic conditions deteriorate. However, gaps persist in equitable access to justice, and rising digital threats—including misinformation, disinformation, and online hate—pose longer-term risks to democratic resilience if not addressed.

Policy Implications

- Maintaining Canada's global standing on freedom and democratic governance will require sustained attention to equitable access to justice, institutional transparency, and protections for civil liberties.
- As digital threats grow, targeted investments are needed to counter online hate, disinformation, and risks to democratic participation.
- Canada should also continue to strengthen domestic human rights mechanisms and uphold international commitments to reinforce its position as a trusted global partner.

Climate change performance

Target

Achieve a top 15 global ranking on the Climate Change Performance Index, with a "high" performance rating across all categories.

2021	2022	2023	2024	2025
	Falling Behind	Falling Behind	Falling Behind	Falling Behind
N/A	Canada ranked 61st out of 64 (2022)	Canada ranked 58th out of 63 (2023)	Canada ranked 62nd out of 67 (2024)	Canada ranked 62nd out of 67 (2024)[58]

Why it Matters

Climate change presents a fundamental threat to Canada's long-term economic prosperity, public health, and ecological sustainability. For example, in 2023 severe weather in Canada caused over $3.1B in insured damage, as climate change continues to exacerbate severe weather conditions such as wildfires and floods.[59]

Effective action on emissions reduction, clean energy transition, and climate governance is essential to mitigate climate risks, protect vulnerable populations, and uphold Canada's international commitments.

Where Canada is At

Canada ranked 62nd out of 67 countries in the 2024 Climate Change Performance Index, maintaining a "very low" performance rating.

Direction Canada is Trending

Falling Behind – Canada remained among the bottom five countries in the 2024 Climate Change Performance Index, with no material improvement in ranking or performance category. The index continues to classify Canada as a "very low performer" across key dimensions, including GHG emissions, energy use, and national climate policy. Despite public commitments to net-zero goals, Canada's emissions trajectory and implementation record remain misaligned with its international obligations and long-term targets.

Policy Implications

- Policy should prioritize clear timelines, accountability mechanisms, and integrated strategies that align infrastructure, housing, transportation, and industry planning with climate objectives.
- Strengthening intergovernmental coordination and improving access to climate adaptation and mitigation tools across regions will be essential to ensuring meaningful and sustained progress.
- Climate change is connected to extreme weather events, which have been increasing in frequency and costs for Canadians. As a result, the future affordability of home insurance and availability of emergency supports for extreme weather evacuations should be on the radar of Canadian policymakers.

Resilience

Target

Achieve a top 10 ranking in the Notre Dame Global Adaptation Initiative Index (ND-GAIN) Index of most resilient countries globally.

2021	2022	2023	2024	2025
	Needs Attention	Needs Attention	Needs Attention	On Track
N/A	Canada ranked 14th out of 45 (2019)	Canada ranked 14th out of 47 (2020)	Canada ranked 14th out of 46 (2021)	Canada ranked 11th out of 45 (2023)[60]

Why it Matters

This Index defines resilience as a country's ability to withstand and recover from climate-related and systemic shocks. As the frequency and intensity of natural disasters increase, strengthening institutional, social, and infrastructure resilience is essential to protecting public safety, reducing economic disruption, and ensuring long-term well-being across communities.

Where Canada is At

Canada ranked 11th out of 45 upper-income countries in the 2023 Notre Dame Global Adaptation Initiative (ND-GAIN) Index, with a score of 68.5 out of 100.

Direction Canada is Trending

On Track – Canada improved from 14th to 11th place in the 2023 ND-GAIN Index, reflecting modest gains in readiness and adaptive capacity. While this upward movement is encouraging, Canada continues to face increasing vulnerability due to climate-related risks such as wildfires, floods, and extreme weather events. Gaps remain in infrastructure readiness, regional coordination, and long-term planning for high-risk communities.

Policy Implications

- Canada should increase investment in climate adaptation, infrastructure upgrades, and emergency preparedness, with a focus on regions most vulnerable to climate-related risks.
- Coordinated planning across all levels of government is essential to ensure communities have the tools, funding, and support needed to strengthen long-term resilience.

Defence spending as a % of GDP

Target

Achieve a sustained increase in defence spending as a share of GDP to meet or exceed the NATO benchmark of 5.0%. This target reflects Canada's stated international commitments and its strategic interest in contributing to global and regional security.

2021	2022	2023	2024	2025
Needs Attention	Needs Attention	Needs Attention	Needs Attention	Needs Attention
1.41% of GDP (2020)[61]	1.27% of GDP (2021)[62]	1.2% of GDP (2022)[63]	1.31% of GDP (2023)[64]	1.37% of GDP (2024)[65]

Why it Matters

Defence spending signals Canada's commitment to national security, sovereignty, and its international obligations, including NATO. It reflects Canada's readiness to respond to evolving global threats, protect strategic regions like the Arctic, and contribute fairly to collective defence. Meeting the spending target also strengthens Canada's influence with allies and supports domestic innovation, jobs, and industrial capacity.

Where Canada is At

Canada's defence spending was 1.37% of GDP in 2024.

Direction Canada is Trending

Needs Attention – Canada's defence spending remained at 1.37% of GDP in 2024, significantly below the NATO target of 5.0%. While recent federal commitments suggest future increases, progress to date has been limited. Without sustained and transparent investment increases, Canada risks diminished influence in multilateral defence forums and reduced operational readiness at home.

Policy Implications

- Canada should adopt a transparent, time-bound investment roadmap to meet NATO's 5.0% of GDP target. Priorities should include Arctic security, cyber defence, and equipment modernization to strengthen operational readiness and alliance credibility.
- Defence spending should be aligned with a broader industrial strategy that builds domestic supply chains and supports innovation, job creation, and economic resilience across regions.
- Stronger coordination across federal departments is needed to ensure defence investments advance foreign policy, economic development, and national security objectives in a coherent and integrated way.

Cyber security preparedness

Target

Maintain a top 5 global ranking on the National Cyber Security Index while continuing to achieve 100% scores in all core areas of national cyber strategy, crisis response, and infrastructure protection.

2021	2022	2023	2024	2025
Falling Behind	Falling Behind	Falling Behind	On Track	Leading
Ranked 27th in NCSI (2021)[66]	Ranked 38th in NCSI (2022)[67]	Ranked 33rd in NCSI (2023)[68]	Ranked 8th in NCSI (2024)[69]	Ranked 2nd in NCSI (2025)[70]

Why it Matters

Cybersecurity preparedness is essential to national security, economic resilience, and public trust in institutions. As digital systems become increasingly embedded in critical infrastructure, health systems, democratic processes, and everyday life, Canada's ability to prevent, detect, and respond to cyber threats will be a key determinant of long-term stability and global competitiveness.

Where Canada is At

Canada's most recent National Cyber Security Index (NCSI) ranking placed it 2nd globally with high scores across all core dimensions, including national strategy, incident response, and infrastructure protection.

Direction Canada is Trending

Leading – Canada's strong cybersecurity performance reflects sustained investment and effective coordination across government and industry. However, Public Safety Canada has identified labour market shortages in cybersecurity as a key risk to future readiness. Continued leadership will depend on innovation, workforce capacity, and response readiness as global threats evolve.

Policy Implications

- Canada should continue to invest in cybersecurity infrastructure, training, and innovation to maintain its global leadership and respond to evolving digital threats.
- Addressing projected labour force gaps will require targeted recruitment, including attracting and retaining highly skilled immigrants, while maintaining strong safeguards against foreign interference.
- Strengthening coordination between government, industry, and civil society is essential to protect critical systems, safeguard public trust, and ensure national resilience in an increasingly connected world.

Endnotes

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