



Century
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Canada's growth engine is stalling

National Scorecard on Canada's
Growth and Prosperity

Key Insights
5th Edition
2025

The 2025 National Scorecard shows clear warning signs: productivity is lagging, affordability is eroding, and our population growth strategy is uncertain. But these challenges are not destiny. With bold, coordinated action, Canada can turn today's pressures into tomorrow's strengths building a resilient economy, an informed and cohesive society, and the foundations for long-term prosperity.

Now in its fifth edition, the Scorecard offers a sharper approach: practical, timely, and responsive to today's policy environment, while keeping a clear focus on Canada's long-term future. It tracks the conditions needed for growth, resilience, and shared prosperity and highlights where progress is strong, where attention is needed, and where urgent course correction is required.

This year's Scorecard introduces new indicators to reflect the increased importance of international trade and national security in Canada's future, including total export market concentration, defence spending as a percentage of GDP, and cyber security preparedness.

For a full overview of how the Scorecard has evolved and the specific updates introduced in 2025 see our companion ["Evolution of the Scorecard"](#).

The table to the right illustrates which indicators are leading, on track, need attention or are falling behind.

Leading (5)

- | Early stage entrepreneurship
- | Post secondary attainment
- | Investment in infrastructure
- | Global freedom
- | Cyber security preparedness

On Track (6)

- | Youth not in employment, education or training (NEET)
- | Parental leave uptake
- | Employment rate for mothers
- | Early learning and child care
- | Immigrant income gap
- | Resilience

Needs Attention (16)

- | Business growth
- | Innovation
- | GDP per capita
- | Employment rate
- | Total export market concentration
- | Indigenous economy strength
- | Population growth
- | Life expectancy
- | Rural broadband coverage
- | Diversity in leadership
- | Youth well-being
- | Global reputation
- | Citizenship rate
- | Temporary foreign workers
- | Francophone immigration
- | Defence spending as a % of GDP

Falling Behind (13)

- | Business spending on R&D
- | Productivity
- | Household debt
- | Income inequality
- | Low-wage work
- | Fertility rate
- | Housing affordability
- | Child and youth poverty
- | Public support for immigration levels
- | Permanent resident admissions
- | Provincial retention
- | International students to permanent residents
- | Climate change performance

FROM CHALLENGE TO CHOICE:

Canada's path forward

1. Canada needs a smart, long-term population strategy — and to build broad public support for it — in order to secure prosperity.

Canada's population growth slowed to near zero in 2025, driven by the sharpest outflow of non-permanent residents since the 1970s.¹ At the same time, the country's median age rose from 40.3 to 40.6 in just one year, underscoring demographic headwinds as fewer young newcomers arrive.² Federal measures to cap temporary residents at 5% of the population by 2026, while intended to ease housing pressures and protect public services, are already reshaping Canada's growth trajectory.³

Canada's future depends on a strategy that can manage immediate strains on housing, affordability, and public services without losing sight of long-term imperatives: a growing and skilled workforce, a resilient tax base, and sustained economic competitiveness.

A [smart growth approach](#) to population planning requires meaningful, sustained collaboration between federal, provincial/territorial, municipal, and Indigenous partners; a systems approach to policy design, development, and evaluation; and a long-term view beyond a single election cycle. It also requires better data-sharing across jurisdictions and policy areas, enabling real-time insights that complement traditional sources like the Census.

2. Canada has yet to turn strengths into results

Canada boasts one of the most educated populations in the world and has climbed to 4th place globally in early-stage entrepreneurship. Yet these strengths are not translating into growth. Over the past five years, Canada has consistently lagged behind other OECD countries in business R&D spending, productivity, and innovation performance. Further, Canada places 14th globally in GDP per capita and innovation, demonstrating that the country's growth engine remains stalled.

This disconnect has long-term consequences. Without stronger innovation, investment, and firm growth, Canada risks continued declines in real GDP per capita and an eroding tax base to fund health care, infrastructure, and retirement income as the population ages. Closing the gap requires structural change: more incentives for R&D and competition, greater support for scaling firms, and policies that better connect Canada's education and training systems to high-value employment opportunities. Canada has the people and the ideas. The next five years must be about building the systems that finally convert those strengths into results.

3. Canada must course-correct on immigration policy to win the global war for talent

Since the COVID-19 pandemic, Canada's immigration policy has shifted significantly, creating uncertainty for applicants, newcomers, employers, municipalities, post-secondary institutions, and settlement agencies. The effects are now visible: fewer permanent resident admissions, declining transitions from international students to PR status, weakening public support for immigration levels, and reputational risks abroad.

At the same time, global shifts are creating new opportunities. The U.S. has introduced a US\$100,000 fee for H-1B visas, making it harder and costlier for American firms to attract skilled workers. This opens a window for Canada: with programs like the Global Talent Stream, we could offer a faster, more affordable pathway for top global talent — but only if our system remains stable, predictable, and competitive.

The stakes are high. With Canada's median age rising and fertility at just 1.26 children per woman, immigration is essential to sustaining workforce growth, innovation, and a resilient tax base. Constraining or mismanaging the system risks eroding Canada's reputation and losing talent to competitors at the very moment when we should be leading.

4. Affordability is critical for economic security

Rising affordability challenges are now one of the most significant threats to Canada's long-term prosperity. Housing costs continue to outpace incomes, leaving many Canadians struggling to secure stable housing despite high demand and ongoing construction. At the same time, household debt remains among the highest in the OECD, leaving families vulnerable to interest rate fluctuations and economic shocks. With 18% of the workforce in low-wage jobs and persistent income inequality, financial precarity is becoming widespread. These pressures erode household resilience, weaken consumer spending, and fuel growing political and social volatility.

Affordability is more than a pocketbook issue; it is a core driver of economic stability and competitiveness. If Canadians cannot afford housing, education, or basic necessities, the country risks lower productivity, declining social cohesion, and reduced trust in institutions.

Addressing this crisis requires a comprehensive approach:

- | A broader housing strategy that goes beyond boosting supply to include non-market housing options, stronger tenant protections, and regional approaches tailored to fast-growing communities;
- | Household debt reduction measures, including financial literacy, targeted savings incentives, and regulatory safeguards;
- | Labour market reforms to reduce wage precarity and ensure Canadians can access stable, well-paying work; and
- | Income supports and tax policies that reduce inequality and build financial security at the household level.

Canada's long-term prosperity depends not just on growth, but on ensuring that prosperity is shared and that households are resilient enough to withstand shocks.

5. Canada's global position is vulnerable

Canada remains heavily reliant on the U.S. for trade and security guarantees. In 2025, Canada committed to increasing defence spending to align with NATO's new target of 5% of GDP, a significant undertaking that underscores the scale of global instability and the urgency of building national resilience. The 2025 Scorecard introduces defence spending as a new indicator to assess Canada's financial commitment to national security relative to its economic output.

But Canada's vulnerabilities extend beyond traditional defence. Weaknesses in information systems, especially around immigration and population planning, leave Canada exposed to misinformation, disinformation, and authoritarian influence. While Canada ranks 2nd globally in cybersecurity capacity, looming talent shortages in this field threaten to erode this advantage and heighten our risk.

To safeguard Canada's global position, policymakers must:

- | Sustain defence investments in line with NATO commitments, while ensuring long-term fiscal capacity to support them;
- | Invest in talent pipelines for cybersecurity, defence, and national security roles;
- | Modernize information systems across immigration, population planning, and governance to reduce vulnerability to disinformation; and
- | Diversify trade and strengthen alliances to reduce reliance on the U.S. and bolster Canada's resilience in a rapidly shifting global order.

Canada's security—economic, demographic, and military—is interconnected. Without a strong workforce and resilient economy, commitments to global defence and security cannot be met.

Summary of findings by key focus area

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.

Economic Resilience

Indicator	Target	Latest Data	Assessment
Early-stage entrepreneurship	Maintain a position among the top 10 countries globally in the Global Entrepreneurship Monitor's assessment of total entrepreneurial activity.	Canada ranked 4th (2023/2024)	Leading
Business spending on R&D	Meet a federal government target to keep pace with the OECD average on business spending on research and development.	Business spending on R&D 1.07% of GDP (2024)	Falling Behind
Innovation	Achieve a top 10 global ranking in the Global Innovation Index.	Canada ranked 14th (2024)	Needs Attention
Business growth	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.	17,930 high-growth firms (2022)	Needs Attention
Productivity	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.	Canada ranked 12th out of 17 OECD countries (2024) GDP per hour worked was \$74.91 USD (2024)	Falling Behind
GDP per capita	Top 10 OECD countries on GDP per capita. Threshold: 10th in the OECD was GDP per capita of \$70,487 USD in 2023.	Canada ranked 14th out of 38 OECD countries (2023) GDP per capita of \$64,463 USD (2023)	Needs Attention
Household debt	Reduce household debt as a share of disposable income to levels closer to the OECD average of approximately 125%, supporting greater financial resilience and long-term economic stability.	Household debt was 185.2% of net household disposable income (2023)	Falling Behind
Income inequality	Reach a position among the top 10 most equal OECD countries.	Canada ranked 5th out of 8 OECD countries with a Gini coefficient of 0.31 (2023)	Falling Behind

Economic Resilience

Indicator	Target	Latest Data	Assessment
Post secondary attainment	Maintain a position among the top 5 OECD countries for post-secondary education attainment.	Canada ranked 2nd out of 38 OECD countries (2022) 67% of Canadians have post-secondary education (2022)	Leading
Youth not in employment, education or training (NEET)	Reach a position among the top 10 OECD countries with the lowest youth NEET rates, aiming for a rate below 11%.	Canada ranked 23rd out of 34 OECD countries (2023) NEET rate of 11.91% (2023)	On Track
Employment rate	Achieve a position among the top 10 OECD countries for employment rate, aiming for a rate above 76.8%.	Canada ranked 15th out of 39 OECD countries (2024) Employment rate of 74.7% (2024)	Needs Attention
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.	Canada's export market concentration ratio was 0.58 in 2024	Needs Attention
Low-wage work	Reduce the share of Canadian workers in low-wage employment to closer to the OECD average of 12.7% (2023).	Canada ranked 9th out of 12 OECD countries (2024) Incidence of low-wage work 18% (2024)	Falling Behind
Indigenous economy strength	Grow the Indigenous economy to at least \$100 billion annually.	GDP attributable to Indigenous peoples \$60.2 billion (2022)	Needs Attention

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 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.

Communities that work for everyone

Indicator	Target	Latest Data	Assessment
Population growth	Population growth between 1.25% and 1.30% of population per year over the next decade.	Canada's population grew by 1.8% in 2024. Canada has seen population growth of 1.34% over the last 10 years and 1.59% over the last five years	Needs Attention
Fertility rate	Fertility rate increasing toward the current OECD average of 1.58 children per woman (2021) over the next decade.	1.26 children per woman (2023)	Falling Behind
Life expectancy	Top 10 of OECD countries for life expectancy. Threshold: 10th in the OECD in 2023 had a life expectancy of 82 years.	81.7 years (2023)	Needs Attention
Investment in infrastructure	Increase the rate of infrastructure investment to 5% of GDP in order to close the infrastructure gap.	6% of GDP (2024)	Leading
Housing affordability	Meet Canadian Mortgage and Housing Corporation target of affordable housing for everyone by 2030.	11.2% in core housing need across Canada; 12% in large urban centres (2023)	Falling Behind
Rural broadband coverage	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.	Coverage of 50/10 unlimited broadband was 78.2% in rural areas (2023)	Needs Attention
Diversity in leadership	Meet the federal government's "50-30 challenge" objective of representation of 50% of women and 30% of other under-represented groups on boards.	Board seats were 22% women, 5% racialized individuals, 0.5% individuals with disabilities, 0.7% Indigenous individuals (2023)	Needs Attention

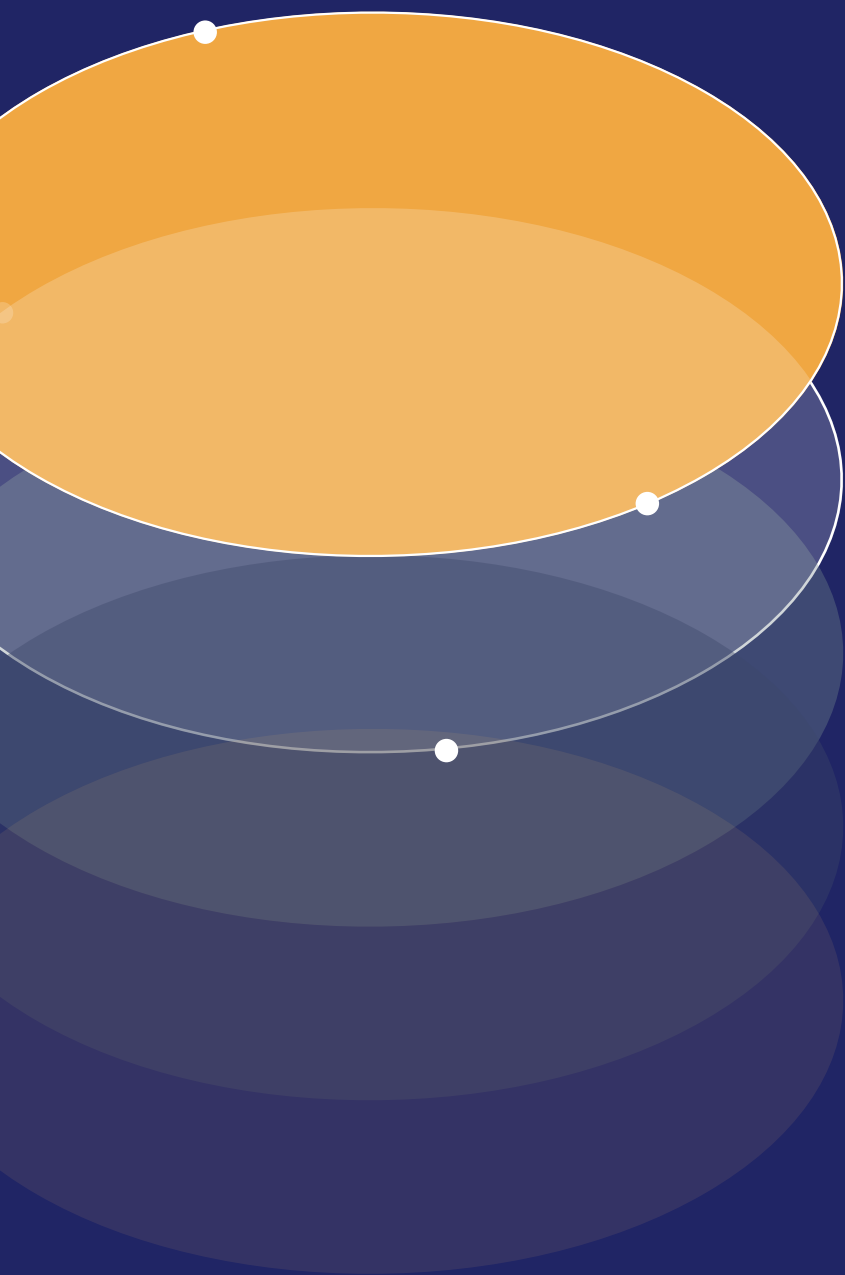
Communities that work for everyone

Indicator	Target	Latest Data	Assessment
Early learning and child care	Increased regulated spaces for children aged 0 to 5.	Spaces for 31% of children aged 0-5 (2023) 56.1% of children aged 0-5 in some form of child care outside of immediate family (2023)	On Track
Parental leave uptake	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.	91.3% of new parents with insurable employment received maternity/parental benefits (2023)	On Track
Employment rate for mothers	Top 10 OECD countries on maternal employment rate. Threshold: 10th in the OECD had a maternal employment rate of 77.1%.	Maternal employment rate of 79.8% (2023)	On Track
Child and youth poverty	Continued decrease in child poverty in Canada, toward the federal government goal to eliminate it.	10.7% of children were low-income (2023)	Falling Behind
Youth well-being	Top 10 OECD countries on the PISA Sense of Belonging Index.	Canada ranked 25th out of 36 OECD countries (2022)	Needs Attention

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 level 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, signaling a misalignment between education, immigration and retention strategies.

Strategic immigration

Indicator	Target	Latest Data	Assessment
Permanent resident admissions	Immigrant admissions that represent 1.15% to 1.25% of the population annually over the next decade.	2025 target of 395,000 permanent residents (158,000 new immigrants from overseas, 237,000 as new arrivals) (2025) New arrivals will represent 0.57% of Canada's 2025 population (2025)	Falling Behind
Global reputation	Top 5 countries in the Anholt-Ipsos Nation Brand Index.	6th in the Anholt-Ipsos Nation Brand Index (2024)	Needs Attention
Public support for immigration levels	Trending toward increased support for immigration levels.	58% of Canadians agreed that there is too much immigration in Canada (2024)	Falling Behind
Provincial retention	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).	47% of immigrants were retained five years after they arrived in the five provinces with the lowest retention rates (2023)	Falling Behind
Citizenship rate	Increasing rate of citizenship acquisition among permanent residents.	45.7% of permanent residents became citizens (2021)	Needs Attention
Immigrant income gap	Narrowing the income gap between immigrants five years after their arrival and all Canadians.	\$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)	On Track

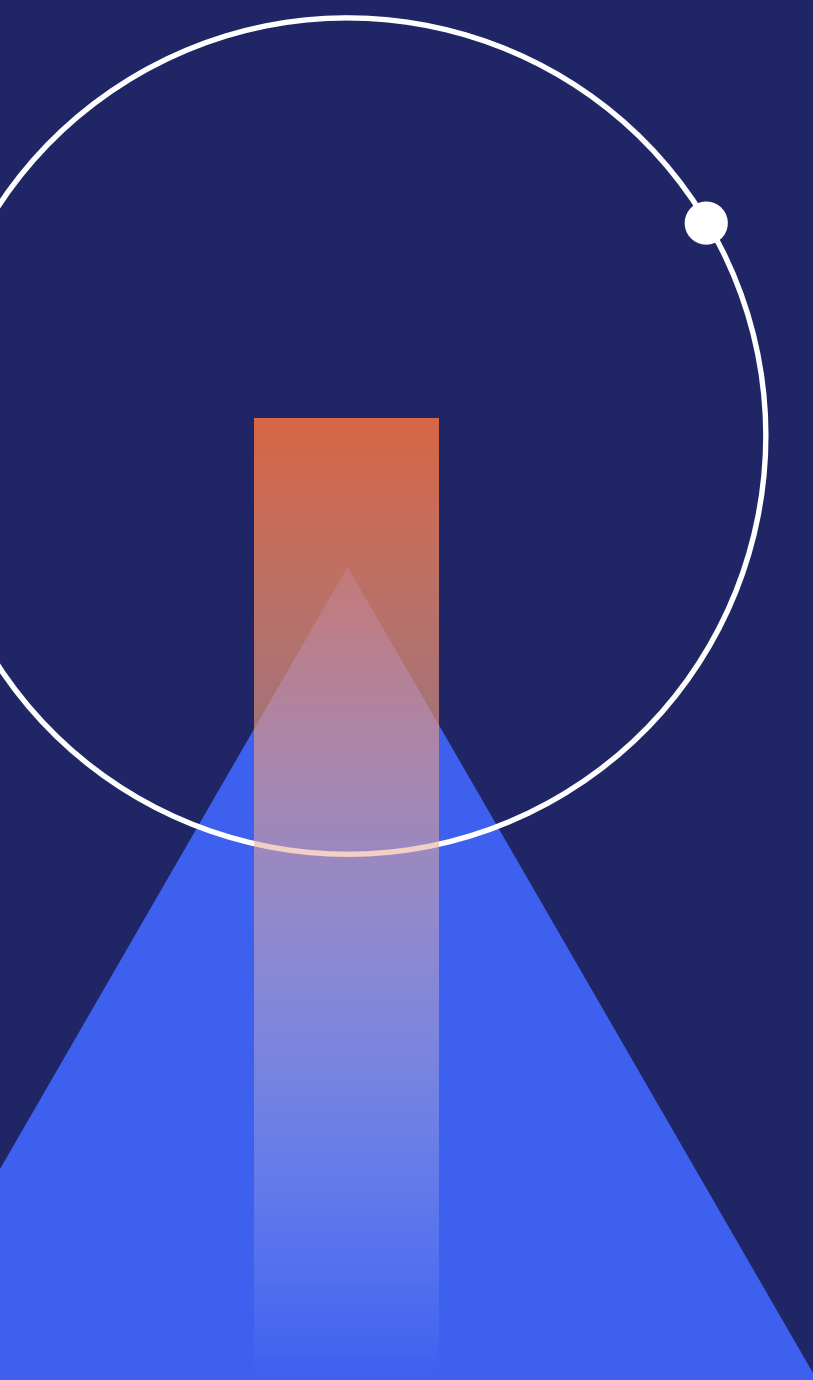
Strategic immigration

Indicator	Target	Latest Data	Assessment
International students to permanent residents	Trending toward increasing admissions of permanent residents who held study permits in the past.	Canada accepted 25,605 permanent residents who had previously held a study permit in 2023 (2023)	Falling Behind
Temporary foreign workers	Trending towards reduced reliance on temporary status for workers coming to Canada.	Temporary foreign workers comprised 4.38% of Canada’s workforce (2024)	Needs Attention
Francophone immigration	Trending toward increased proportion of recent immigrants with French as their first official language spoken.	7.2% of total permanent resident admissions outside of Québec were French-speaking (2024)	Needs Attention

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 continues to underperform regarding defence 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 partnerships and national security

Indicator	Target	Latest Data	Assessment
Global freedom	Top 5 countries in Freedom House's 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	Leading
Climate change performance	Achieve a top 15 global ranking on the Climate Change Performance Index, with a "high" performance rating across all categories.	Canada ranked 62nd out of 67 (2024)	Falling Behind
Resilience	Achieve a top 10 ranking in the Notre Dame Global Adaptation Initiative Index (ND-GAIN) Index of most resilient countries globally.	Canada ranked 11th out of 45 (2023)	On Track
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.	1.37% of GDP (2024)	Needs Attention
Cyber security Preparedness	Maintain a top 5 global ranking on the National Cyber Security Index (NCSI) while continuing to achieve 100% scores in all core areas of national cyber strategy, crisis response, and infrastructure protection.	Ranked 2nd in NCSI (2025)	Leading

Endnotes

- 1 Vanmala Subramaniam (24 September 2025). "Population growth slows to near zero, driven by temporary resident outflow". *The Globe and Mail*. <https://www.theglobeandmail.com/business/article-canada-population-second-quarter-statistics-canada/>
- 2 Statistics Canada (24 September 2025). "Canada's population estimates: age and gender, July 1, 2025". <https://www150.statcan.gc.ca/n1/daily-quotidien/250924/dq250924a-eng.htm>
- 3 Caroline Nicol and Albert Kho (23 January 2025). "Impact assessment of the 2025-2027 Levels Plan". Office of the Parliamentary Budget Officer. <https://www.pbo-dpb.ca/en/publications/RP-2425-028-S-impact-assessment-2025-2027-immigration-level-plan-evaluation-incidence-plan-niveaux-immigration-2025-2027>



About Century Initiative

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

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