

Canada's Wake Up Call

National Scorecard on Canada's
Growth and Prosperity

KEY INSIGHTS

4th Edition

2024



Century
Initiative | Initiative
du Siècle

LETTER FROM THE CEO

Canada's Wake-Up Call

A deepening affordability and housing crisis from coast to coast to coast.

A national debate around immigration of unprecedented intensity and depth.

A productivity gap with far-reaching consequences, but an absence of political will to solve.

A shifting geopolitical landscape that is testing Canada's security, resilience and democratic ideals.

Engagement on these complex and changing events represent an unqualified democratic good. It's how we understand and grasp hold of them. It's how we chart a stable and prosperous path forward for Canada. It's how we fortify ourselves for even greater change.

Right now, we need more debate. Not less.

Because, at this stage, no debate is minor. The conversations that will ignite change and shape our country for generations to come either are — *or should be* — unfolding right now.

And yet, it would be foolish and simply unhistorical not to recognize what these debates, centering on immigration and our national identity, are capable of. That they can be harbingers of anxiety and fear, that they can foment hatred, that they can lead to debates as harmful as they are unproductive.

In short, that the noise can increase while the signal gets lost.

No matter your view on these topics, one thing is perfectly clear. We need more data, more knowledge, more perspective, not less. And, bar none, the most effective tool we provide to help achieve these goals is our annual National Scorecard on Canada's Growth and Prosperity.

The Scorecard provides a holistic look at Canada's progress across 40 indicators, comparing our performance to similar countries or against goals set nationally using reliable data, including from the OECD and Statistics Canada.

The Scorecard's indicators are not simply about looking at where we've been, but where we are going. Accordingly, this report has been crafted to reflect

Century Initiative's priorities, which are critical towards ensuring Canada's future prosperity. They include:

- I Long-term planning and growth:** The report examines Canada's potential for progress, not over weeks or months, but decades — to ensure we are making the policy decisions and investments that not only will allow Canada to grow but prosper for generations.
- I Interconnections:** Systemic change can only happen when we identify the connections between all the factors that contribute to our nation's prosperity. This report not only underlines the interplay between economic sectors, demographic trends, and policy impacts but also emphasizes the need to plan for sustainable growth.
- I Collective efforts:** The report aims to facilitate vital dialogue among stakeholders across the public, private, and non-profit sectors, serving as a nexus for these diverse actors to identify gaps and opportunities for collaboration.

This Scorecard confirms that Canada is underperforming in certain areas that require immediate attention, including housing affordability, productivity, fertility rate and spending on R&D.

Canadians no longer need to imagine the repercussions of our nation continuing to fall behind in these areas. They are living with the consequences every day.

At the same time, our internationally leading position in global reputation, post-secondary attainment and freedom reminds us that we have foundational strengths and rich resources to solve our greatest challenges and to build a more prosperous and influential Canada.

Looking at Canada's most recent history, the easy remark would be: the conversation around immigration has fundamentally changed. But it's clear to anyone paying close attention that sentiments, from the

cynically negative and overly-optimistic, have been part of our national discourse for many years. The truth, instead, is this: the conversation has not changed, but it has grown exponentially louder.

Louder because Canadians know that decisive action cannot wait.

At Century Initiative, we embrace that fact because it means our work is more significant than ever. Consequently, we are more determined than ever to lead and shape it. To advocate for a big and bold vision for Canada. To bring forward novel and concrete policies and priorities.

To empower, drive and inform the debate.

There is a famous saying, "If you want something you have never had, you must be willing to do something you have never done." Embracing this wisdom, it is paramount for Canada to initiate bold measures — measures that are innovative, targeted, and even unconventional. Without question, this Scorecard lays bare the pressing need for these transformative policies and the war-time-like effort needed to execute them.

The time for incremental change has passed; the moment for holistic, courageous action has arrived, propelling Canada towards a future where prosperity is not a privilege but a common standard.



Lisa Lalande
Chief Executive Officer

Tracking progress toward a bolder Canadian future

Scoring approach:

Direction Canada is trending



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.

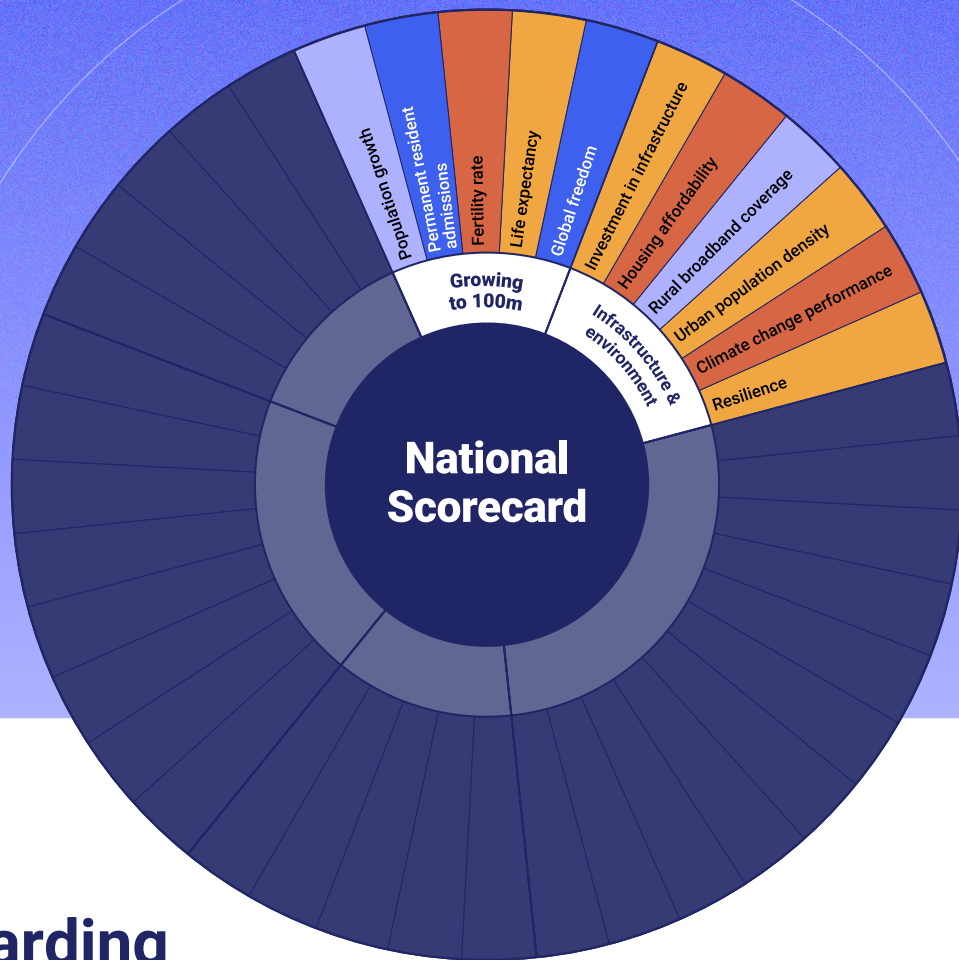
Needs attention

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.





KEY INSIGHT #1

Safeguarding our Future:

Requires a focus and a plan to grow well

Population growth, immigration and prosperity are at a pivotal stage in this country and around the world. Canada is on track to reach 100 million people by 2100 and remains a stable, democratic society. However, reaching this target will require a war-time-like effort to support both natural population growth and growth through immigration.

Efforts to safeguard Canada's future through responsible population growth could be undermined by poor performances on critical indicators like housing affordability, investment in infrastructure and climate change.

Canada's fertility rate recently fell to a record low and life expectancy fell for the second year in a row. A continued decline in fertility rates would bring far-reaching social and economic consequences in the years ahead, including on labour markets and social services. And while the decision whether or not to have children is highly personal in nature, more robust supports like

affordable day care and stronger public education are key inputs to these decisions. The government's enshrinement of a Canada-wide early learning and child-care system into legislation is an important, arguably transformational, step. But more work is needed to increase spaces and recruit and retain the workers necessary for this ambitious program.

Investments in housing, infrastructure, and climate-resilient communities will benefit all Canadians, whether they were born here or not. Building a stronger future means more than just growing our population – it's about growing well – through immigration, infrastructure investments, economic management, support for children and families, and education.

It's about preserving Canada's position on the global stage as a beacon of freedom and opportunity.

It's about planning for a bigger, bolder, more resilient Canada and working together to get there.



KEY INSIGHT #2

Prosperity in Peril:

The urgent need for Canada's economic recharge

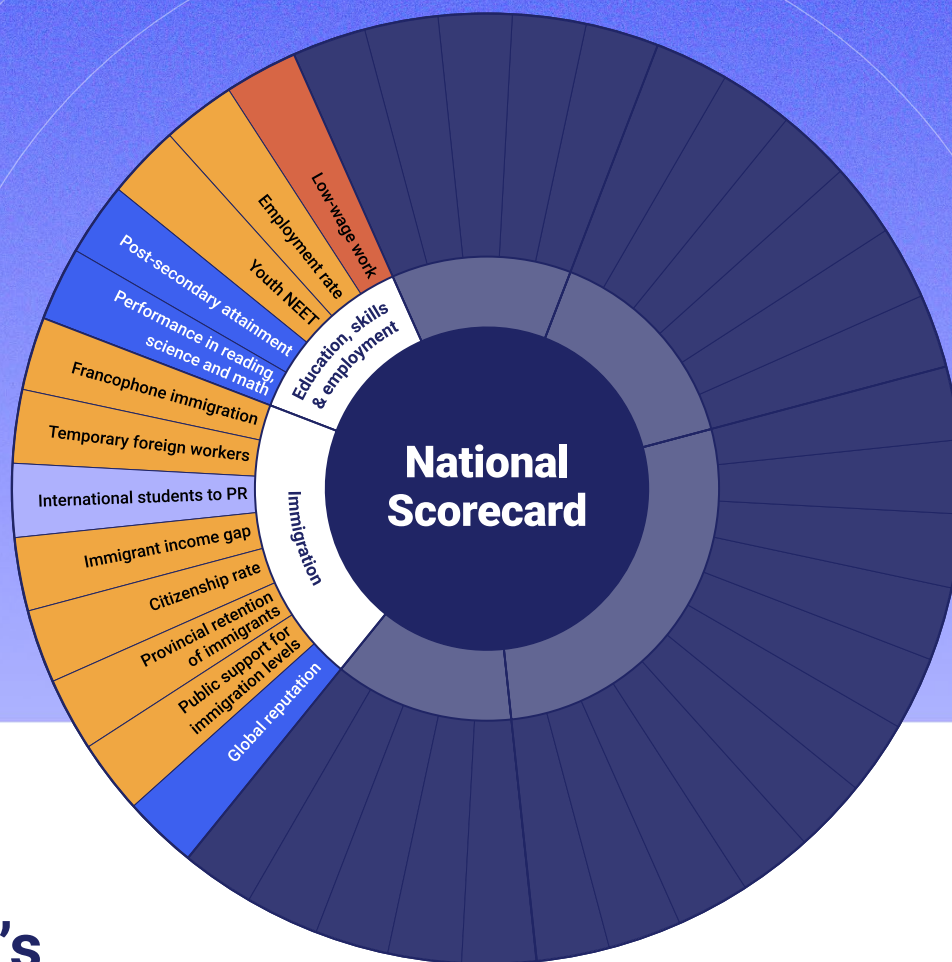
Canada continues to struggle with major economic challenges including productivity, business spending on research and development, and leveraging home-grown intellectual property. For the first time in several years, the United States is outpacing Canada on early-stage entrepreneurship. Households have also been experiencing economic challenges with cost-of-living pressures, inflation and interest rates on the rise. In order to build a sustainable, resilient 21st-century economy, Canada must focus on innovation-driven business growth and expanding the Indigenous economy.

Canada's prosperity depends on major public and private sector collaboration now more than ever. That means investments in critical infrastructure that can improve productivity, meaningful reform to our tax

incentives, which have failed to attract significant business spending on R&D, and reducing barriers to foreign investment.

The moment when the band-aids are falling off is no time to stick more on – this should be a clarion call for durable, transformative solutions. Canada needs to match its enviable natural resources and world-class talent with advanced strategies to accelerate the commercialization of Canadian ideas while attracting more R&D, innovative technology, and investment opportunities, including for the Indigenous economy, which has been a welcome source of strength.

The time for transformative action has arrived. Canada's leaders must meet it.



KEY INSIGHT #3

Canada's Immigration Reality Check:

Creating a world-class future-ready labour and talent pool

Worrying signs on the status and function of Canada's immigration system stole national headlines in 2023.

Public support for Canada's immigration levels significantly declined. New research from Statistics Canada revealed that the citizenship rate among recent immigrants has decreased significantly, dropping from 75.4% in 1996 to 45.7% in 2021, a decline of 29.7 percentage points. And the failures to ensure newcomers to Canada and visiting students had access to safe and affordable housing became painfully clear, with the federal government announcing a two-year cap on international student enrolments.

Fortunately, significant as they are, the headlines are not the full story. Canada continues to enjoy a strong global reputation. The world's best and brightest want to call this nation home. The important work ahead lies in

ensuring newcomers have access to affordable housing, stronger programs in place to ensure they choose to stay and become full citizens, and that the benefits of immigration are shared by the entire country – not just its largest cities.

The government has recently announced plans to reduce the number of temporary residents entering into Canada. It will be critical to bring these categories into the planning process so that international students, temporary workers, post-graduate work permit holders, and everyone who comes to Canada can meaningfully contribute. This work, which is essential to restoring public confidence in our immigration system, will require improved settlement services and recognition of foreign credentials in key sectors, as well as sustainable funding for our post-secondary institutions.



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ABOUT CENTURY INITIATIVE

Century Initiative is a national, non-partisan charity with a mission to enhance Canada's long-term prosperity, resiliency and global influence by responsibly growing the population of Canada to 100 million by 2100. Century Initiative delivers its mission by leading, enabling and partnering on initiatives that support long-term thinking and planning in immigration; infrastructure and environment; economy, entrepreneurship and innovation; support for children and families; and education, skills and employment. Century Initiative takes a network approach, prioritizing inclusion of diverse perspectives to inform and advance its work.

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