

COALITION

FOR A BETTER FUTURE



Fragile Growth

An urgent need to get the basics right

Coalition for a Better Future Scorecard Report Update

MARCH 2024

canadacoalition.ca

A hand holding a red maple leaf against a purple background with bokeh circles.

“

Economic growth is not an abstract concept only discussed in boardrooms and political circles.

It's the driving force that ensures we can put food on our tables, go to work, take care of our children and seniors and those most vulnerable, and ensure the air we breathe is clean. It is more urgent now than ever to make economic growth the top policy priority for all.



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A MESSAGE FROM

Our co-chairs

The Coalition for a Better Future represents a diverse and growing community of business leaders, community and civic organizations, social policy advocates, youth, Indigenous groups, environmental NGOs and concerned citizens.

We each bring to the table a unique perspective, but we are united in our belief that economic growth is a necessary precondition for job creation, rising incomes, a cleaner environment and a better quality of life.

At the core of what we do is a belief that the decisions we make today as policymakers, businesses, stakeholders and individuals will determine Canada's level of prosperity for years to come.

This belief is embedded in our specific aspirational targets for the country by the end of this decade – 21 metrics in total – that gauge our competitiveness in some way and give us a

running score on whether Canada is on track to reach its full economic potential.

Some of these metrics aim to gauge the extent to which our companies are achieving global scale through innovation and investment and how well we are doing at creating Canadian-grown global champions – what we call winning globally.

Another set of metrics – growing sustainably – recognizes the importance of keeping our collective attention on longer-term outcomes, whether it be putting the environment at the forefront of policy decision making or preventing vulnerabilities from emerging in our external finances.

A third set of metrics assesses underlying economic fundamentals and whether our growth is inclusive and equitable,

because if prosperity is not shared, then it's fragile. We call this living better.

Different people may choose to measure progress in different ways, but each of these 21 metrics is an internationally accepted indicator of a country's economic or social development, for which data is readily available.

We believe that if Canada commits to achieving these targets, that we can build one of the most competitive, inclusive and sustainable economies in the world.

Finally, a few words about our Advisory Council. We want to say how much we appreciate the thought-provoking conversation we've had over the past year and are grateful for the valuable insights that help keep the Coalition moving forward. You never cease to amaze us. Thank you.



Anne McLellan

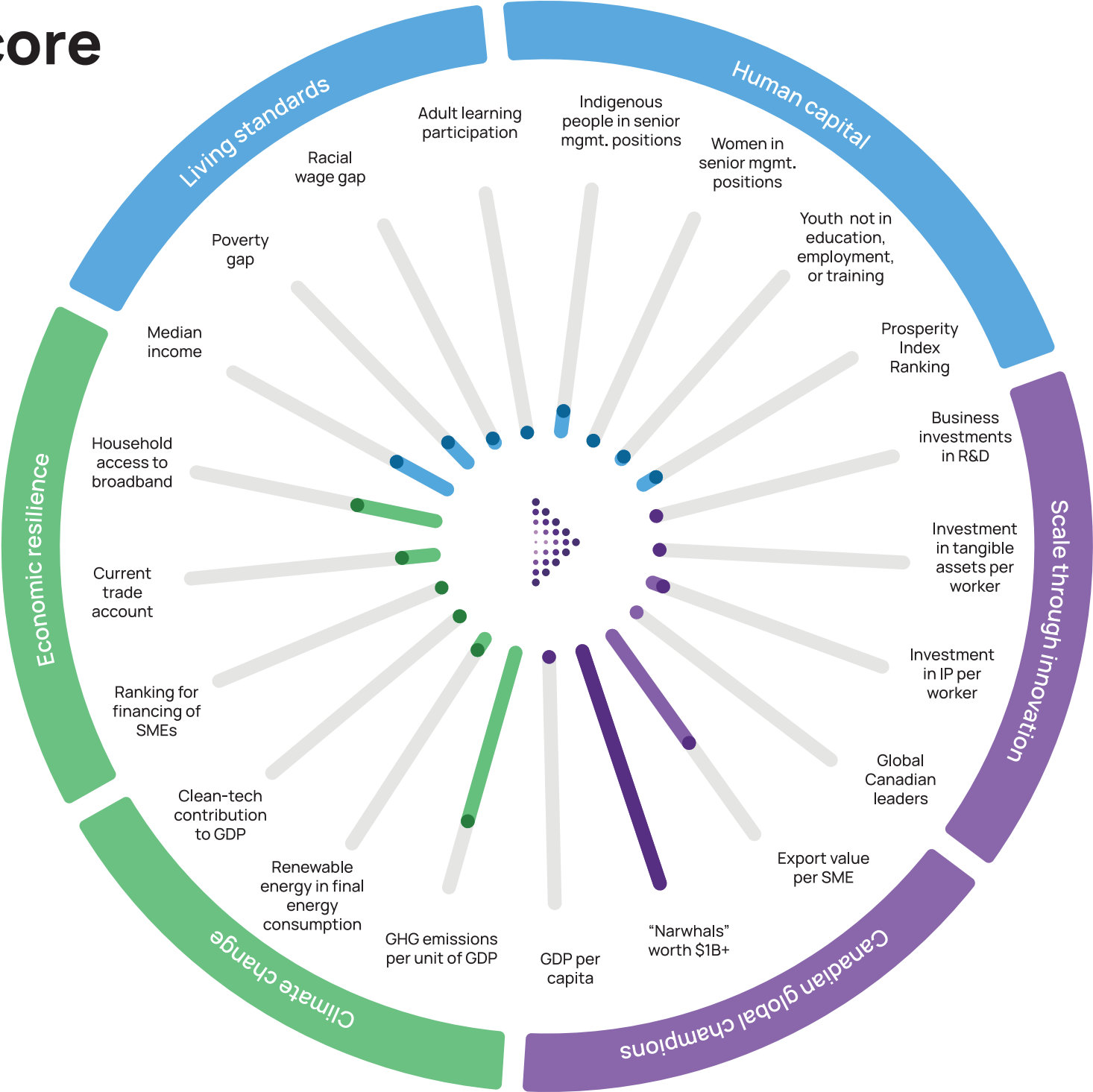
Honourable Anne McLellan



L. Raitt

Honourable Lisa Raitt

Keeping Score



Executive summary

Fragile Growth: An urgent need to get the basics right

When we released our first annual Scorecard report for Canada's economy about a year ago, we expressed concern about persistent economic weakness that was threatening to undermine our future prosperity. We called for urgency from policy makers.

A year on, our worries are only more heightened.

On the critical measures of living standards - output per capita and labour productivity - we're moving in the wrong direction.

There are signs that distributional outcomes may be worsening too. This is happening amid higher interest rates and inflation. It's particularly affecting the young and more marginalized workers, such as immigrants and racialized Canadians.

Our path to a green energy transition is unclear.

That's not to say we haven't been making progress. There's plenty to celebrate.

Incomes and wages have recovered from the pandemic, and Canada's economy has been doing better than just about anyone expected in the face of higher borrowing costs. This is a sign of resilience. The nation's labour market remains historically tight. This is helping to support household incomes.

Let's also not forget that we are fortunate to have relative stability in a world of turmoil. But that's all the more reason not to take anything for granted.

Productivity data can seem obscure, but it's a vitally important metric for gauging a nation's potential economic prosperity. When it's lagging, productivity can act as a speed limit for wages, incomes and the overall economy. Our businesses

will be less competitive if we are less productive. And if our businesses are not competitive, they will have a diminished ability to pay higher wages.

Canada's productivity record has been dismal. We're experiencing the largest decline in productivity outside of recession since at least the 1950s.

The International Monetary Fund released projections late in 2023 that showed Canada's GDP per capita is projected to grow by 1.7 per cent in the six years through 2028. That would be the third lowest among 41 advanced countries. Over that same time, U.S. GDP per capita is projected to grow by 9.2 per cent.

Canada's housing crisis poses additional constraints on economic growth. For example, it limits our ability to take advantage of immigration to drive our economy forward.




This is all coming at a perilous time for all economies around the world.

Globalization is being challenged. Politics are increasingly driving economics, rather than the other way around. Macroeconomic uncertainty is becoming the norm. The economic landscape is changing.

Many fear that we now live in a world of disruptions and crises.

We're not trying to paint a bleak picture. But all these factors underscore the urgent need to get the basics right. We can't underestimate the task at hand.

There is no panacea to these challenges. It's incumbent on all of us to look for remedies. This would allow us to do better, grow more sustainably and increase our resilience.

	DIRECTION 	RISK 	PACE 
Living Better	STUCK	MEDIUM	LAGGING
Winning Globally	STUCK	MEDIUM	LAGGING
Growing Sustainably	STUCK	HIGH	MEDIUM

KEY FINDINGS



On a per-capita basis, our economy has not only stalled but is contracting. Real GDP per capita has fallen over the past year faster than at any time in at least six decades outside of a recession, and we are producing less per person today than we were in 2018.

+3.5%

Canadian median income from wages adjusted for inflation – one of our 21 metrics - rebounded sharply in 2021, rising 3.5 per cent during the year, according to the latest income survey data from Statistics Canada. That’s a solid improvement for real incomes – the highest in at least a decade – that more than makes up for the drop in earnings during the 2020 pandemic year.

2.8m

2.8 million Canadians lived in poverty in 2021. That’s up from 2.4 million in 2020 but down from five million in 2015. Risks to watch going forward are housing insecurity, potential long-term damage of the pandemic on things like educational attainment, as well as the impact of any immediate economic downturn on wages of low-skilled workers.

2.4%

The share of management positions held by First Nations, Inuit and Métis slipped to 2.4 per cent in 2023, down from 2.7 per cent a year earlier. This is less than half the Coalition’s five per cent aspirational target for management positions. Women haven’t seen any discernible increase in their share of management positions in years.

0.6%

As a share of real GDP, business R&D hovered at about 0.6 per cent last year, which has changed little from 2022 but is down slightly from pre-pandemic levels. The Coalition’s target is for R&D business spending to hit 1.8 per cent of GDP by 2030. Business R&D in Canada is well below peers like the U.S., whose businesses spend three times as much as we do as a share of the economy.



Growth in Canada’s clean technology sectors has been stalled for years and its share of the overall economy is shrinking. This is a disturbing development. According to the latest data, GDP generated by the environmental and clean technology products sectors - adjusted for inflation - actually shrank slightly in 2022. We are nowhere near our target of tripling this contribution by 2030.

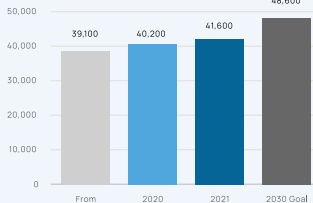


Growth at a glance

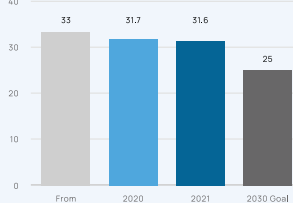
Aspirational targets have been set across the three pillars to attain long term, inclusive and sustainable growth

Living Better

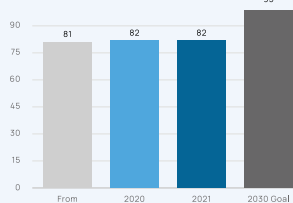
A1 Median income from wages, salaries and commissions (\$)



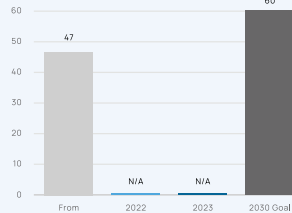
A2 Average poverty gap (%)



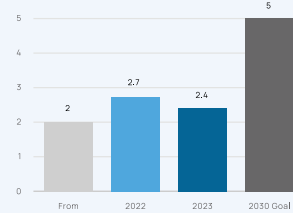
A3 Racial wage gap (%)



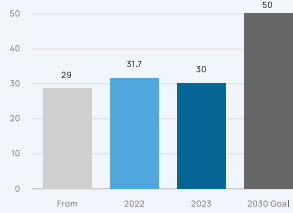
B1 Participation in adult learning (%)



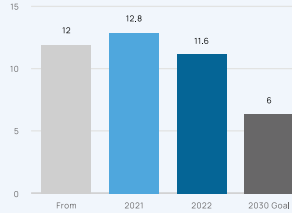
B2 Indigenous population in senior management positions (%)



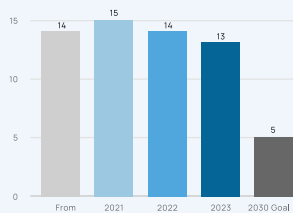
B3 Women in senior management positions (%)



B4 Youth not in education, employment, or training (%)



LB1 Prosperity Index Ranking (#)
(As per the Legatum Prosperity Index)



Winning Globally



Growing Sustainably



Living Better

Building the world's smartest, most-diverse and best-connected workforce

DIRECTION



STUCK

RISK



MEDIUM

PACE



LAGGING

Introduction

Our first pillar is about drivers that boost living standards. The aim is to promote policies and practices that will lead to better lives for all of us. We can do this by building the world's smartest, most-diverse and best-connected workforce.

To gauge progress on this front, we monitor eight indicators – from how quickly incomes are growing to the share of women in senior management positions.

The results show we remain far from our targets, and the pace of progress is slow.

Raising living standards

The good news is that we've seen wages and earnings catch up over the past year and a half.

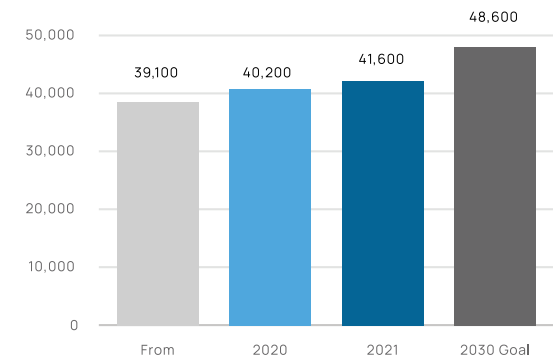
Canadian median income from wages, adjusted for inflation, rebounded sharply in 2021. It rose 3.5% during the year, according to the latest income survey data from Statistics Canada. (The data is lagged and updated only once a year.)

That's a solid improvement for real incomes – the highest in at least a decade. It more than makes up for the drop in earnings during the 2020 pandemic year when large swaths of the economy were shut down. And based on more current data, we continue to see strong gains in wages through 2022 and 2023 that exceed inflation.

The recent gains were driven by strength in the labour market and assertive wage demands by unionized workers seeking to be fully compensated for the rising cost of living.

Our big concern is that Canada's poor productivity record will undermine our ability to grow wages in the future and prevent us from meeting our aspirational target of growing median wages by 25 per cent in the current decade.

A1 Median income from wages, salaries and commissions (\$)



GDP per capita and productivity

On a per-capita basis, our economy has not only stalled but is contracting. Real GDP per capita has fallen over the past year faster than at any time in at least six decades outside of a recession. We are producing less per person today than we were in 2018.

This is not just a distortion in the numbers created by the recent surge in population. Labour productivity –

the amount of output generated per hour worked – looks even worse. As of the writing of this report, that metric had fallen in 11 of the previous 14 quarters. If things don't change fast, we'll soon be talking about a lost decade of productivity.

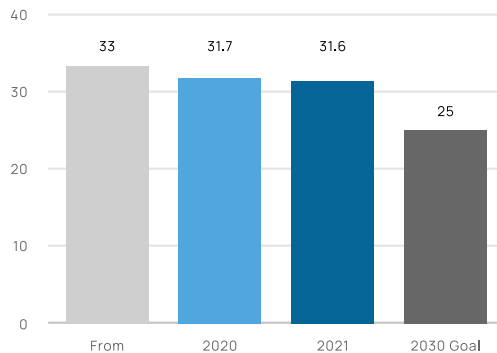
Poverty and inclusivity

Poverty rates in Canada inched higher post-pandemic as the government cut back COVID-19 support programs. Still, they remain at historically low levels.

According to the latest data from Statistics Canada, the share of Canadians living in poverty increased to 7.4 per cent in 2021. This is up from 6.4 per cent in 2020, although below pre-pandemic levels of about 10 per cent.

About 2.8 million Canadians lived in poverty in 2021, which is up from 2.4 million in 2020. That number was 5 million in 2015.

A2 Average poverty gap (%)



Risks to watch going forward are housing insecurity, potential long-term damage of the pandemic on things like educational attainment, as well as the impact of any immediate economic downturn on wages of low-skilled workers. Broadly, the rising cost of living and higher interest rates risk driving poverty levels higher in coming years.

In particular, higher interest rates disproportionately impact lower-income and younger Canadians. There's concern the recent increase in borrowing costs could shift wealth in the wrong direction.

8 – Fragile Growth: An urgent need to get the basics right

There's some evidence that food insecurity may also be on the rise, particularly in families with children. Almost half a million children still live in poverty in Canada, which is up from last year. However, we're still well below the one million children that were living in poverty in 2015.

Inclusivity and opportunity

Canada had been making gains around economic inclusivity in recent years. But those gains have plateaued or reversed in certain instances as the economy slows in the face of higher interest rates.

For example, last year saw a deterioration in labour market outcomes for Indigenous Peoples, who recorded declines in both employment and participation rates. This was a reversal of gains made in recent years.

In 2022, the participation rate for the Indigenous population had even surpassed the non-Indigenous rate for the first time ever. But the gap re-emerged in 2023.

In 2023, the share of management positions held by First Nations, Inuit and Métis slipped to 2.4 per cent, from 2.7 per cent a year earlier. This is less than half the Coalition's five-per-cent aspirational target for management positions.

Women haven't seen any discernible increase in their share of management positions in years. According to Statistics Canada's labour force survey data, the share of women in all management jobs has been essentially stuck at 35 per cent over the past two decades.

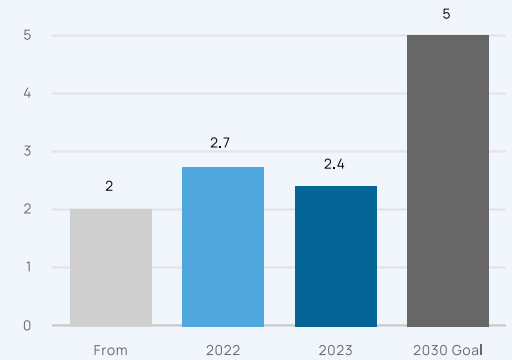
When looking at the most senior management roles, in all sectors including government, women hold about 30 per cent of those positions. This share has changed little over the past three years and is actually down from a record 36 per cent in 2016.

Statistics Canada lacks data on how women are doing at the C-suites of corporate Canada.

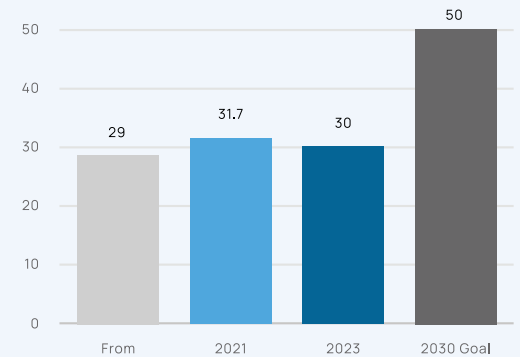
There's still an eight percentage point gap in participation rates between men and women, but that remains a historic low.

There are more worrying labour market trends for racialized Canadians and immigrants, who are being hit harder by the slowdown in the economy. The unemployment rate for landed

B2 Indigenous population in senior management positions (%)



B3 Women in senior management positions (%)

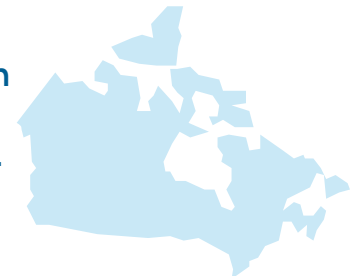


immigrants increased by more than a full percentage point in the 12 months through December, according to Labour Force Survey data – more than double the increase in the jobless rate for workers born in Canada.

Global ranking

The Legatum Institute, a London-based think tank, produces a prosperity index based on 300 indicators for 167 countries to help guide global policy makers.

Canada ranks 13th on the index, up from 14th in 2022.



Winning Globally

Achieving global scale through innovation and sustained investment

DIRECTION



STUCK

RISK



MEDIUM

PACE



LAGGING

Introduction

Another pillar in our Scorecard is the extent to which our companies are achieving global scale through innovation and sustained investment. We also assess how well we are doing in creating Canadian-grown global champions.

Investment

Business spending on research and development continues to stagnate and lag behind our peers. This suggests that Canada's weak private sector contribution to innovation threatens our ability to build a competitive advantage.

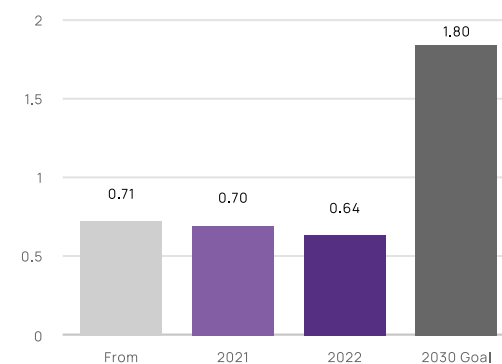
As a share of real GDP, business R&D hovered at about 0.6 per cent last year. That's little changed from 2022 and down slightly from pre-pandemic levels. The Coalition's target is for R&D business spending to hit 1.8 per cent of GDP by 2030. Private-sector R&D expenditures in Canada are well below peers like the U.S., which spends three times as much as we do as a share of the economy.

Canada does have relatively higher R&D contributions from government. But state-financed innovation isn't large enough to fully offset the lagging private sector investment.

It's the same story for spending on intellectual property. It has struggled to break much beyond the two-per-cent-of-GDP threshold over the past two decades. A similar trend is evident when looking at the share of GDP spent on tangible assets like machinery and equipment. This is another indicator that has been stagnant for decades.

The data looks particularly dismal when measuring investment on a per-worker basis, which is still hovering about one-quarter below record levels.

C1 BERD financed by business sector (% GDP)



Scale

Canada suffered a major setback in global corporate leadership rankings last year. The number of our companies that are among the most valued in their industries (top 10 globally) fell to 13 in 2023, from 20 in 2022. That puts us further away from our 2030 target of 40.

There's scope to increase our rankings in the areas of bioscience, advanced manufacturing, cleantech, agri-food and digital. But the numbers for 2023 were discouraging.

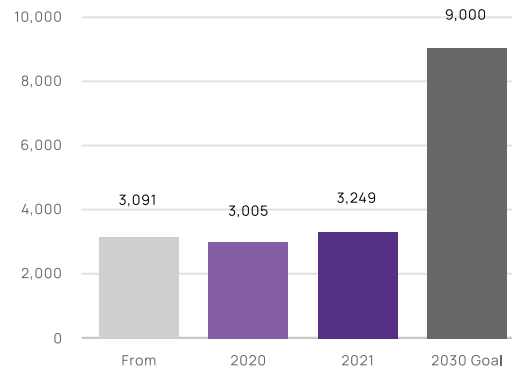
The data does show much better results when it comes to scaling up our tech companies.

The number of private startups with billion-dollar valuations has increased to 23 from 21 a year earlier. We're well past the Coalition's 2030 target of 17.

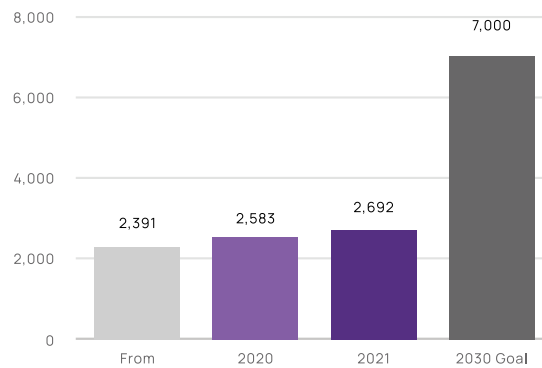
Another robust indicator over the past couple of years has been our export performance. It has finally fully recovered from the pandemic losses and has been growing faster than the rest of the economy, aided by higher commodity prices. Our share of the U.S. market is also inching higher, which is another gauge of success.

Still, there are serious headwinds as the global economy faces the prospect of slowing growth and deglobalization.

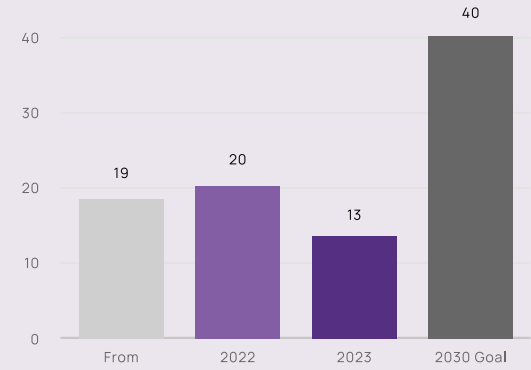
C2 Investment in productive tangible assets per worker (\$ US)



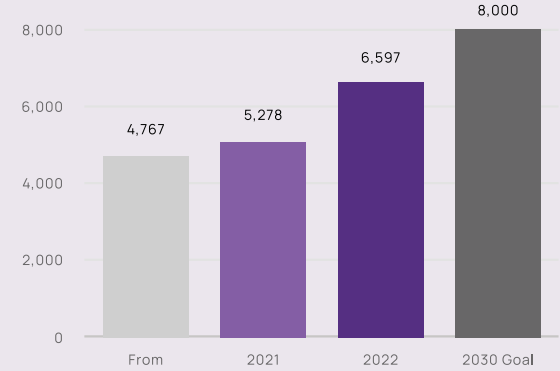
C3 Investment in intellectual property per worker (\$ US)



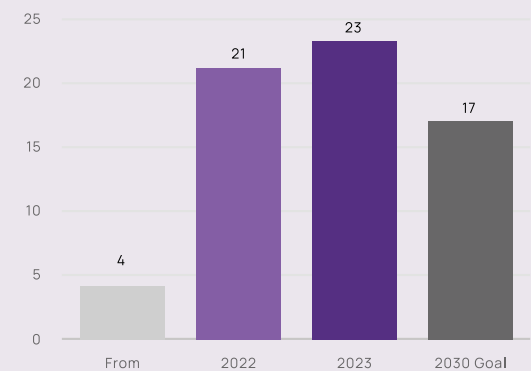
D1 Global Canadian leaders (#)



D2 Average export value per SME (\$)



D3 Number of "narwhals" (#)



Growing Sustainably

A greener economy to enhance our economic competitiveness

DIRECTION



STUCK

RISK



HIGH

PACE



MEDIUM

Introduction

We believe that all segments of society – businesses, governments, and the not-for-profit sector – must take ownership. They must be accountable for the long-term economic well-being of the nation. To do that, we need to ensure our policy path is sustainable and not focused on short-term results that threaten better outcomes in the future.

That starts with putting the environment at the forefront of policy. Businesses and governments must ramp up efforts to reduce the nation's carbon footprint. A greener economy will only enhance our economic competitiveness.

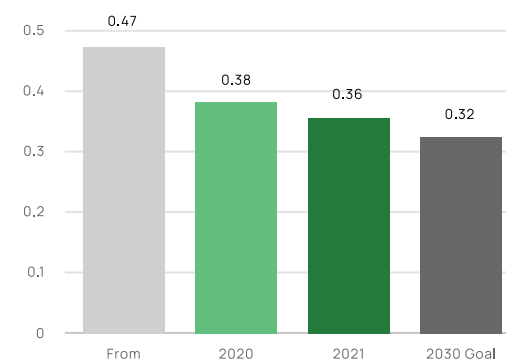
But sustainable growth also means ensuring an investment-first mindset for economic growth that avoids easy and quick fixes to complicated problems.

Environment

The Coalition believes in achieving net zero by 2050 and the data show we've made progress.

According to the latest government data available, Canada's greenhouse gas emissions were 670 megatonnes of carbon dioxide equivalent in 2021, down 53 megatonnes from 2019 levels. Canada also has a higher share of renewables and non-emitting energy sources than most peers in its energy consumption mix thanks to hydro and nuclear. (see Figure 1 in Appendix)

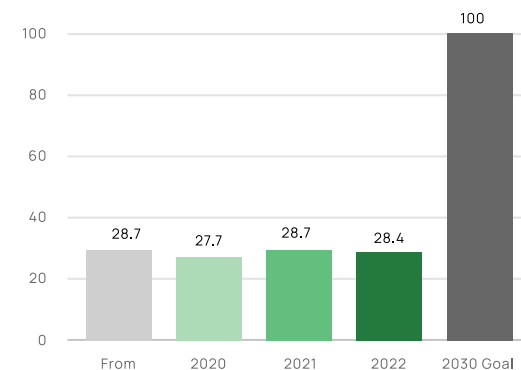
E1 GHG emissions by \$Bn of GDP (Mt CO₂ eq)



But there's a long way to go, and we need to ensure the public remains supportive. Making policy that could eventually be reversed doesn't qualify as sustainable.

So, it's important that we are not casual about how we think about and deal with our resource sector. Without the export

E3 Clean-tech contribution to GDP (\$)



revenue generated by our natural resources, our dollar would be weaker, and inflation and interest rates would be higher. Without oil and gas, we'd all be poorer.

For example, over the past decade, Canada recorded a cumulative trade gap of \$130 billion. Had it not been for energy, our trade gap would have been about \$1 trillion.

This means reconciling a healthy resource sector with our climate transition goals is paramount. It will require accelerating the pace of private sector investment in green technologies and infrastructure.

We welcomed the series of tax measures in last year's budget to incentivize green investment. However, the tough part is still to come. The data shows we're still moving too slowly.

For example, growth in Canada's clean technology sector has actually slowed since the start of the pandemic. Its share of the overall economy is shrinking. This is a disturbing development.

According to the latest data, GDP generated by the environmental and clean technology products sector - adjusted for inflation - actually shrank slightly in 2022.

We are nowhere near our target of tripling this contribution by 2030. In fact, this figure has been stalled since 2018.

Housing

A discussion about sustainable growth in Canada is incomplete without a few words on housing, although it's not included in our Scorecard metrics.

Canada is facing a housing crisis that has become one of the biggest risks to our economic prosperity. Runaway price gains in recent years have crowded young people out of the market. They've also forced others to take on mortgages that will burden many for a lifetime.

The country relies too much on household debt. This will weigh down growth for years. It also poses significant risks to our economic resilience and financial stability in a world of higher-for-longer interest rates.

It's a cautionary tale and a recipe for stagnation. Our country has failed to pay attention to the underlying economic fundamentals.



Closing the rural divide

Introduction

The Coalition for a Better Future undertook a separate analysis that looks more closely at how rural Canada is faring, drawing on some of the same statistical measures we used for the Scorecard.

While rural economies continue to fare relatively well, remote regions remain underserved – from broadband to education to health care – by governments and companies.

It's clear that a great deal more must be done to address real impediments to equal opportunity in remote and non-urban regions of the country.

Canada faces two major economic challenges: housing and productivity. Look close enough, and it's not hard to detect at least one contributing factor to both problems: the limitations of an economic growth model that relies too heavily on the success of its metropolitan economic centres.

Canada has long been more urbanized than other large economies – a trend that has been amplified by the recent surge of international migration mostly to the nation's cities.

Over the past two years, the working age population in our metro areas has increased by well over one million. And as anyone living in Toronto, Vancouver or Ottawa will tell you, the strains are showing; just look at housing affordability concerns, suffocating household debt levels and weak productivity numbers.

At the same time, the share of employment in rural areas, home to our resource sectors, has been lagging.

This underscores some of the concerns around economic sustainability we've been warning about and highlights one of the Coalition's most important tenets. The most durable forms of economic growth are those that are the most balanced. And this includes regional balance.

For this to happen, we need to ensure we have the right conditions in place to foster prosperity in rural Canada. This must include making these regions great places to live.

It's more than just about fairness. Certainly, we believe rural Canadians have a right to critical services like internet connectivity, transportation, education and healthcare. But the development of rural Canada is an economic imperative for all of us. This is especially true today when economic resiliency – from food security to supply chains – is becoming increasingly paramount.

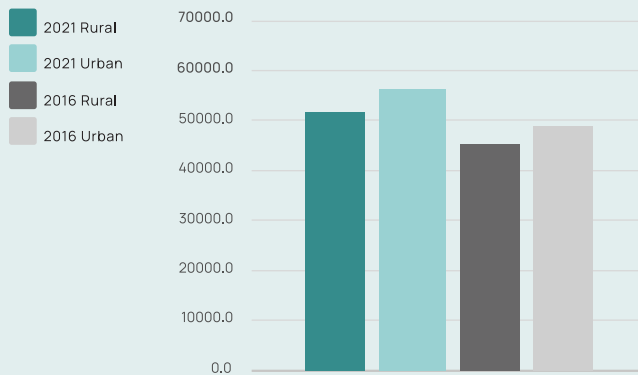
So, what do the numbers show? We're making progress in some instances, while significant divides persist in

others. In most cases, the data suggests the road to closing gaps between rural and urban Canada will be a long one.

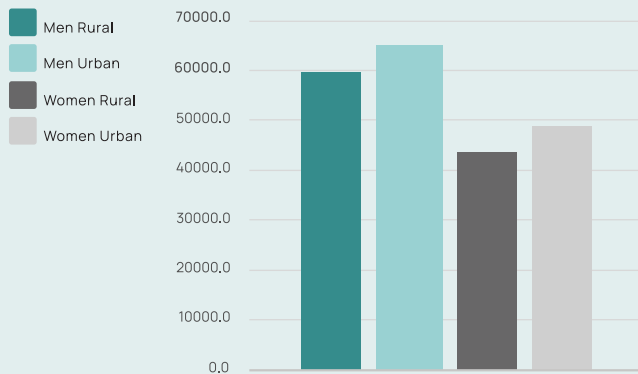
For this Scorecard report, the University of Ottawa's Telfer School of Management took a closer look at 2021 census numbers to better measure the extent of these divides.

They found that average income in rural Canada was 8.3 per cent less than incomes in urban Canada. This is actually a deterioration from the 2016 census, when rural incomes were 7.5 per cent below urban averages.

Average total income, rural vs. urban



Annual average incomes in 2021, rural vs. urban & men vs. women



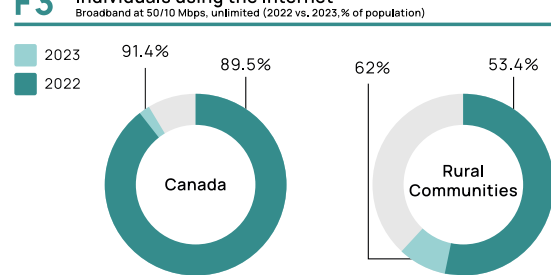
The rural-urban gap between women was even worse – at 10.5 per cent in 2021.

Housing shortages are just as much a problem in rural Canada as they are in big cities, in part because of sluggish new housing development. For example, new home building last year in rural regions was down from 2022 levels and remains below historical averages.

Research has shown that it's tougher to access finance in rural areas, not to mention education and health care services. The technology divide remains too wide, thanks to sub-par internet connectivity in small towns and remote regions.

According to CRTC figures, 38 per cent of rural communities still don't have access to unlimited high-speed internet.

F3 Individuals using the Internet

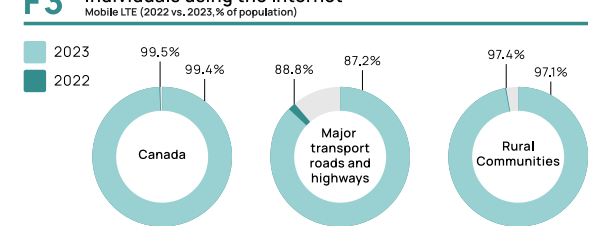


This gap needs to close quickly.

The good news is that – on this front, at least – there's progress. In 2022, the share of communities with no broadband was at 47 per cent. Another bit of good news: access to mobile LTE – a 4G technology – is already relatively balanced and equitable between rural and urban areas.

These gains reflect, in part, smart decisions by government to introduce important funding initiatives for broadband connectivity. This is a model for us going forward because it illustrates the extent to which policy can make a difference in improving the lives of rural Canadians.

F3 Individuals using the Internet



Conclusion

A pivotal moment

We want this report to come to an end by looking forward. Sooner or later, the nation will be at another defining moment, as a federal election looms. Canadians deserve to have a real debate about where growth will come from. It's incumbent on all parties to provide concrete ideas on how to improve the living standards for all Canadians – today and in the future.

At such a pivotal moment, it's also important for us at the Coalition to reflect on our own contribution to the wider debate about growth and prosperity in Canada.

We were established in August 2021, on the eve of the last election, with a mission to spark a national conversation about what needs to be done to secure the quality of life and standard of living that has made Canada the envy of the world.

While that election did not offer the informed policy debate we had hoped for, we believe our mandate remains as important as ever. It will be at the centre of what we plan to do going forward.

Our objective is to foster ambition by government and business. We refuse to accept that slow growth is inevitable.

And we recognize that our biggest advantage as an organization is our ability to build consensus around that goal. We want to be a catalyst to generate and debate growth-enhancing ideas.

We know there are no easy answers. But Canadians have choices. The decisions that policymakers, businesses and individuals make now will determine our country's path for years to come.

And we need to choose to make economic growth the top policy priority.



THANK YOU TO

Our partners

We would like to thank all of the Coalition's **members and sponsors** for their dedication and commitment to building a prosperous future for all.

We express our gratitude to our presenting sponsor, **Power Corporation of Canada**, and our founding sponsor, the **Business Council of Canada**, for their unwavering support towards our Coalition's mission.

We also extend our appreciation to our sustaining sponsors, **Dairy Farmers of Canada**, which funded the rural analysis, **Innovative Medicines Canada** and **CGI**, for their valuable contribution to the Scorecard Report and event.

Additionally, we are thankful to our supporting sponsors whose generous backing helped make the Scorecard Reporting Event possible: **Bruce Power**, the **Canadian Fuels Association**, **Questrade Financial Group**, **Universities Canada**, **Teck Resources**, **Canadian Association of Petroleum Producers**, **Roche Canada** and **Farm Credit Canada**.

We greatly appreciate the Coalition's research partnership with the **University of Ottawa's Telfer School of Management**; its team provides significant and valuable insights for our Scorecard Report.

A special thank you to Coalition member organizations which supported our data analysis: **Canadian Chamber of Commerce** and the **Canadian Black Chamber of Commerce**.

We are grateful to **Anil Arora**, Chief Statistician of Canada and the team at **Statistics Canada** for the additional assistance in tracking data.

We are thankful to **Shell Canada** for supporting our Campus Tour.

We would like to thank **CIBC** and **Pathways Alliance** for making our Podium Series possible.

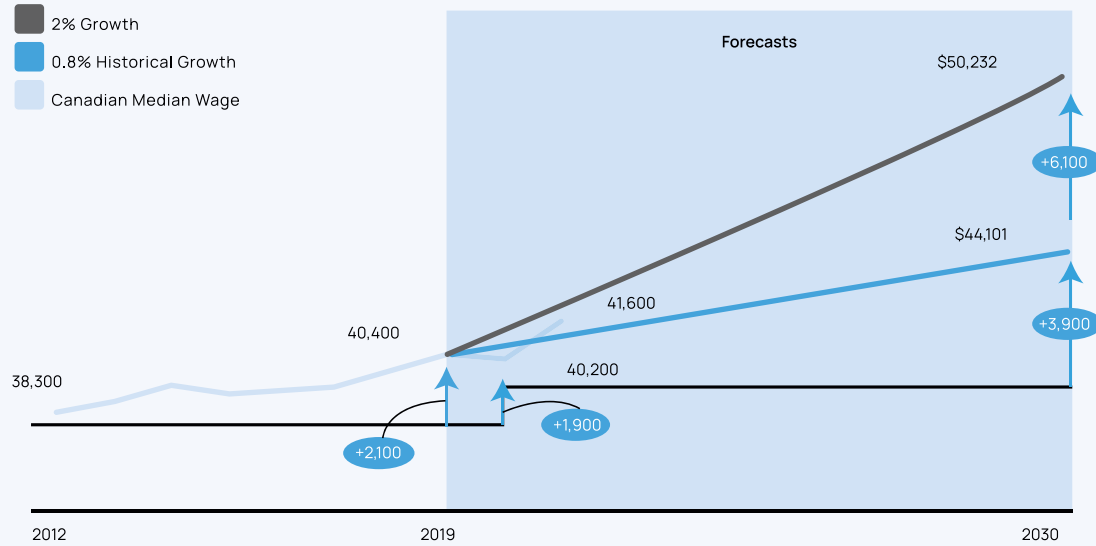
A special thanks to **Compass Rose**, a public affairs firm that believes in finding the common good. Its team has collaborated with the Coalition to support and strengthen it.



Appendix

A1 Median income from wages, salaries and commissions

2021 Constant CAD, 2012-2030



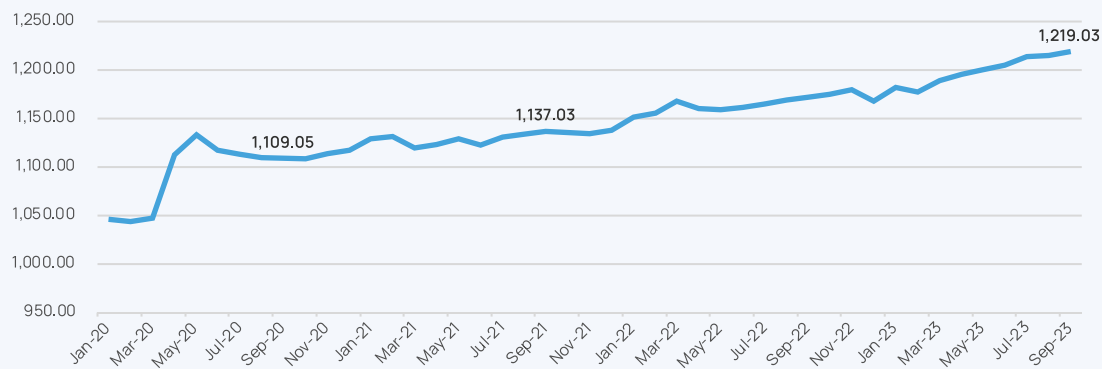
KEY TAKEAWAY

Canadian median wages have increased from 2020

NOTE

The numbers in the chart differ from what you see in the previous year's chart, as we use constant dollars to account for inflation in each year. We use the latest year as a reference for this calculation, so it gives a better idea of how the purchasing power changed over time.

Average weekly earnings including overtime for all employee

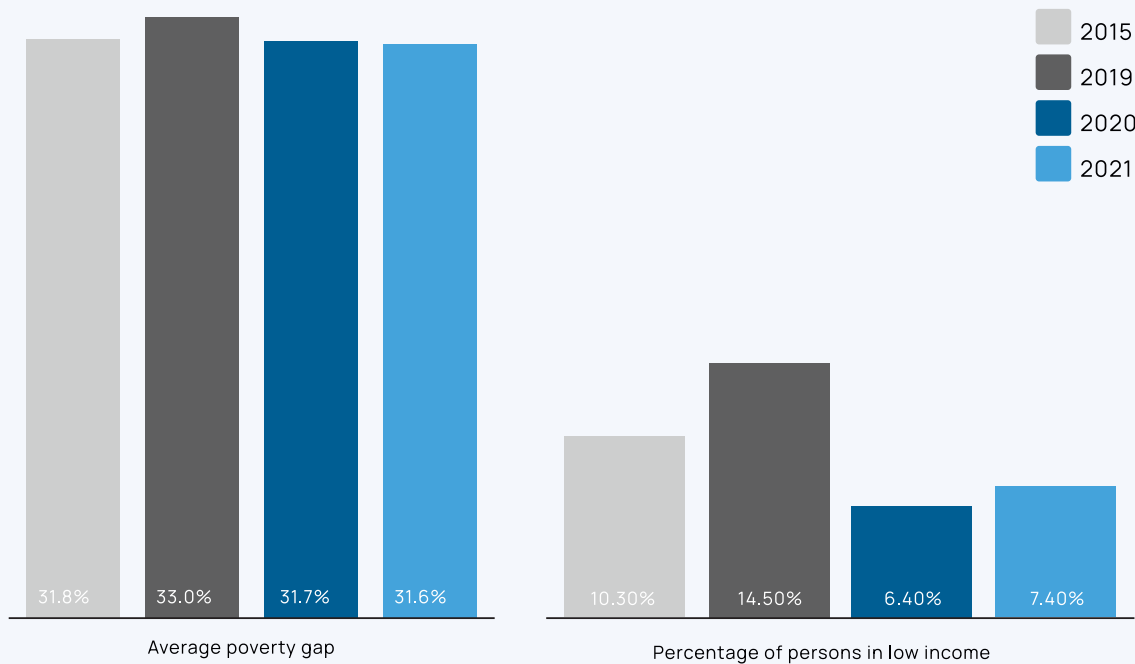


Source: Statistics Canada, Press Search

A2 Average poverty gap (%)

Average poverty gap and share of population in low income in Canada

Based on The Market Basket Measure (MBM) ¹



KEY TAKEAWAY

The average poverty gap has reduced slightly, but the share of the low-income population has been increased since 2020.

NOTE

The average poverty gap is the ratio by which the mean income of those living in poverty falls below the poverty line.

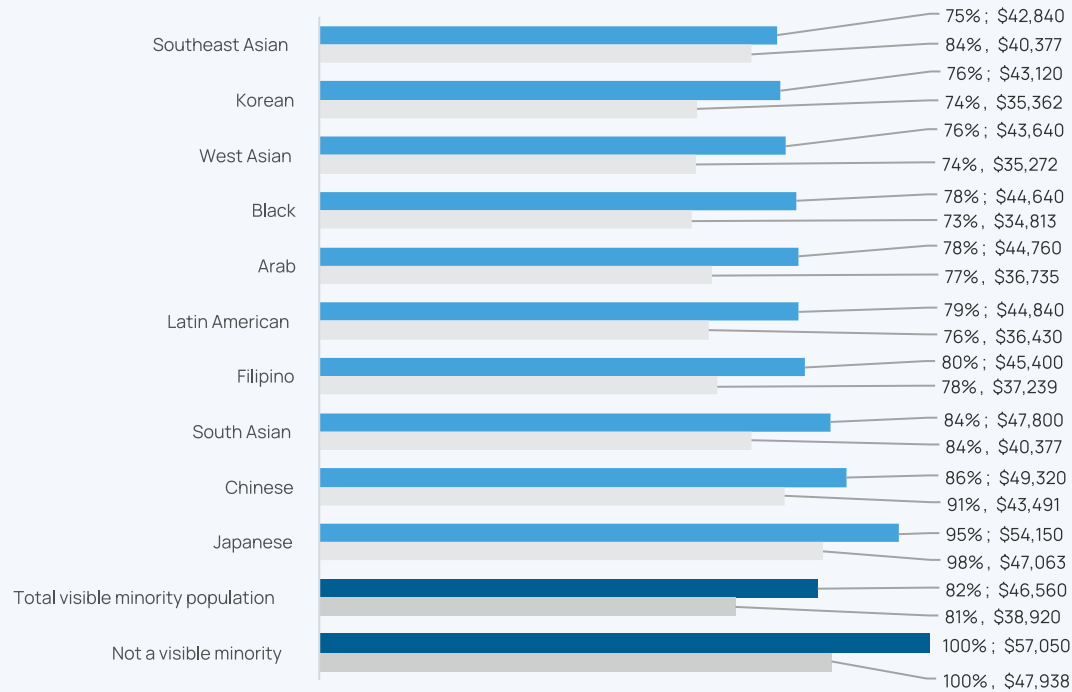
For example, an individual living in a family with disposable income of \$15,000 and a poverty line of \$20,000 would have a poverty gap of \$5,000. In percentage terms, the “gap ratio” would be 25 per cent.

Average poverty gap is one of the four inter-related indicators found in the Resilience and Security pillar of Opportunity for All – Canada’s First Poverty Reduction Strategy.

1. Based on The Market Basket Measure (MBM) representing the cost of a specific basket of goods and services representing a modest, basic standard of living including costs of food, clothing, shelter and other items for a reference family

A3 Racial wage gap (%)

Earning gap vs. non-visible minority, Average employment income (\$)



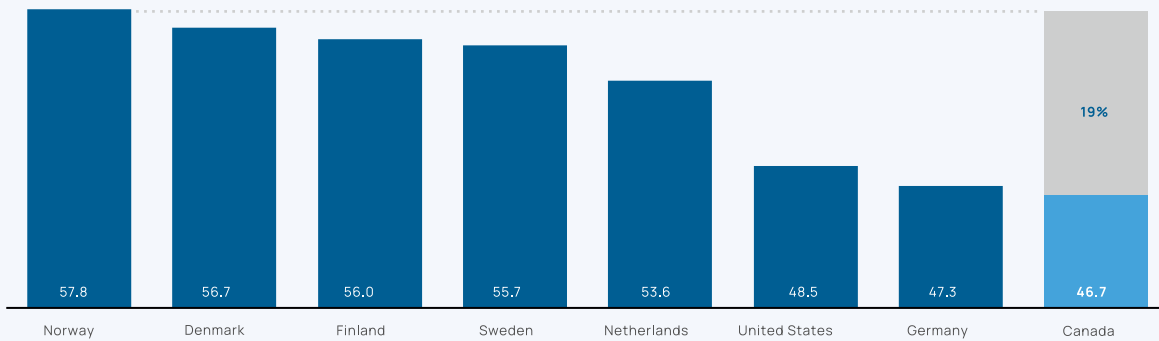
KEY TAKEAWAY

The earnings gap varies by racialized group. Racialized Canadians earn 82 cents for every dollar that non-racialized Canadians earn.

Black Canadians have the highest growth in income average among racialized Canadians and changed their position in ranking from the first lowest to the fourth.

B1 Participation in adult learning (%)

Reported having participated in adult learning for job-related reasons
25-65 years (% , 2019)



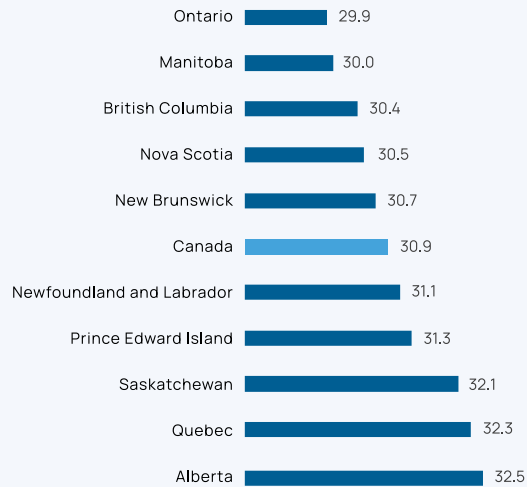
KEY TAKEAWAY

Canada lags behind peer countries in "participation in adult learning" in 2019.

NOTE

Participation in adult learning extracted from "Survey of Adult Skills (PIAAC)" has not been updated since 2019.

Non-formal job-related training participation
25-64 years, both sexes (% , 2022)



NOTE

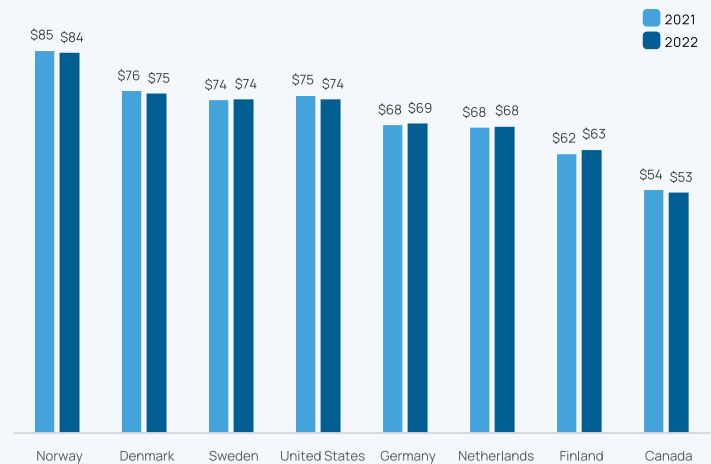
Participation of workers (%) aged 25 to 64 in job-related training by province in Canada, 12 months ending in November 2022.

KEY TAKEAWAY

Canada lags behind in the "GDP per hour worked" in 2022.

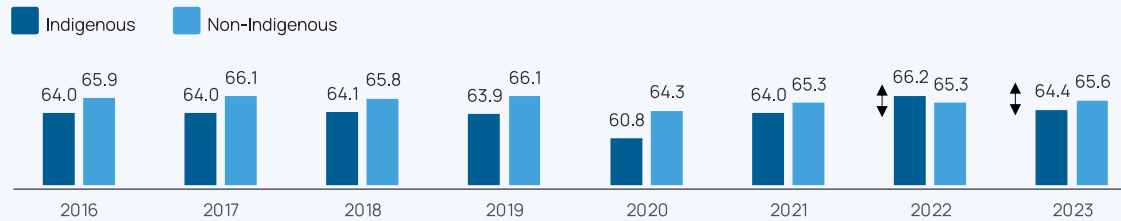
Canada along with some peer countries (Norway, Denmark, United States) experienced a slight decrease in the "GDP per hour worked", while other peer countries witnessed a slight increase (Germany, Finland) or maintained the same value (Sweden, Netherlands) in 2022.

Labour productivity
GDP per hour worked (USD, 2021-2022)



B2 Share of Indigenous population in management positions (%)

Labour participation of Indigenous population
(%, 2016-2023)



KEY TAKEAWAY

Canada showed a fluctuated gap in the labour participation rate between Indigenous and non-Indigenous between 2021-2023.

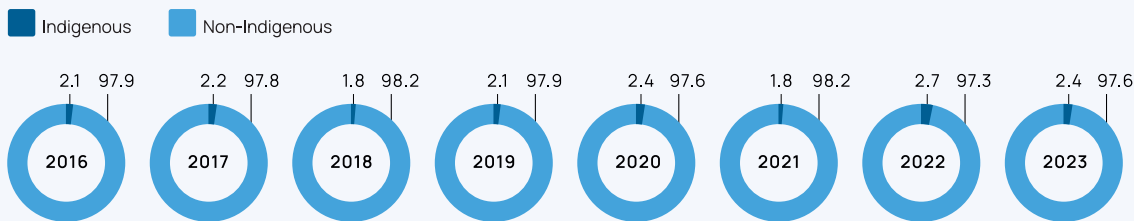
NOTE

Slight differences observed in Canada's labour participation and share of management positions over the years compared to what we reported last year is due to the latest updates from the data source.

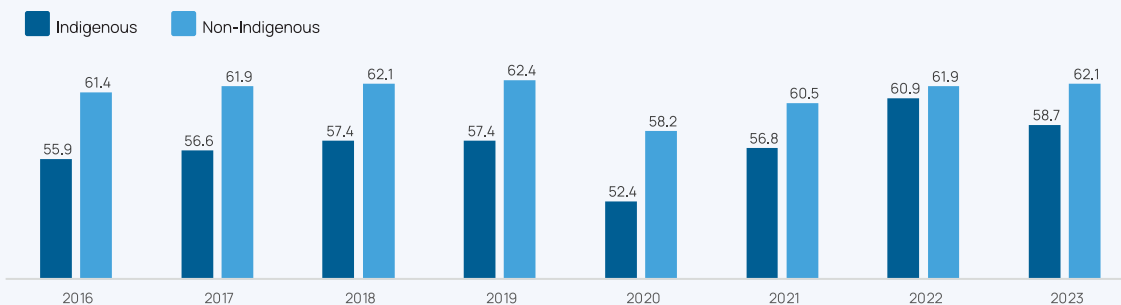
As of January 1, 2020, Bill C-25 requires that distributing corporations governed by the Canada Business Corporations Act (CBCA) provide their shareholders and Corporations Canada with information about the representation of underrepresented population on their boards of directors and among senior management.

Using a "comply or explain" approach, corporations indicate whether or not they have a policy on diversity. If so, they provide a summary of the policy; if not, they explain why not.

Share of Indigenous and non-Indigenous people in management positions
NOC 0 (%, 2016-2023)



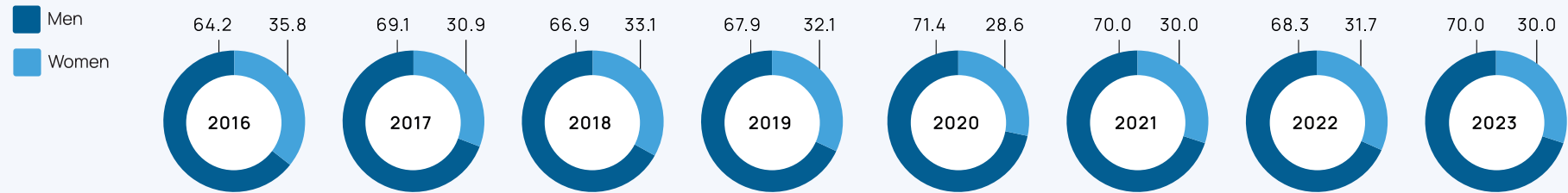
Employment rate of Indigenous and non-Indigenous population
15 years and older, both sexes (%, 2016-2023)



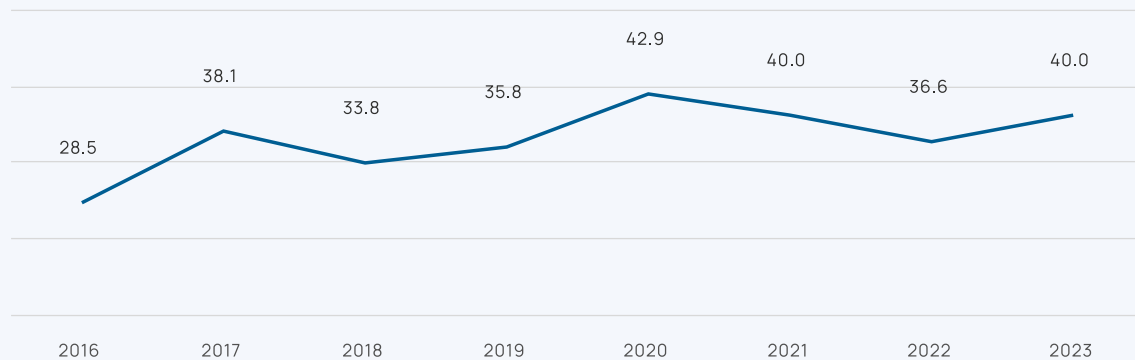
Source: Statistics Canada

B3 Share of women in senior management positions (%)

Gender breakdown of employed senior management¹ and legislative occupations² (% , 2016-2023)



Gender gap of employed senior management and legislative occupations¹ (% , 2016-2023)



KEY TAKEAWAY

The share of women in legislative and senior management occupations roughly remained two times less than women's share since 2016.

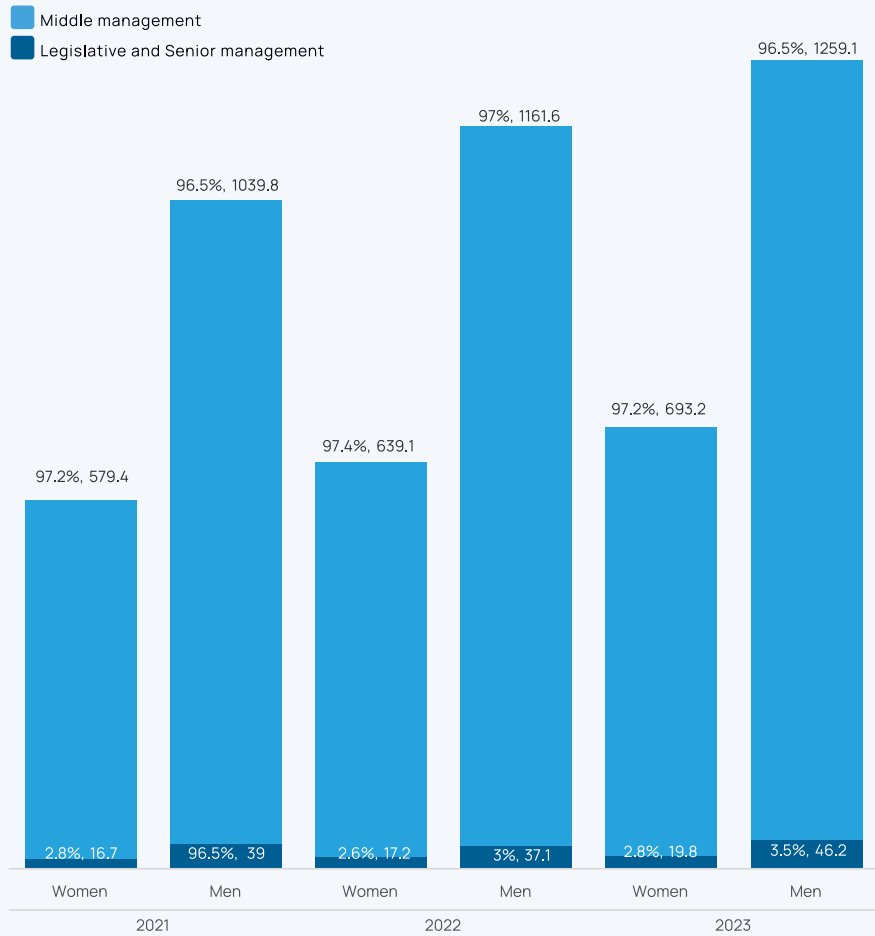
NOTE

Differences observed in gender breakdown of employed senior management occupations over the years compared to what we reported last year is due to including legislative occupations made by the data source.

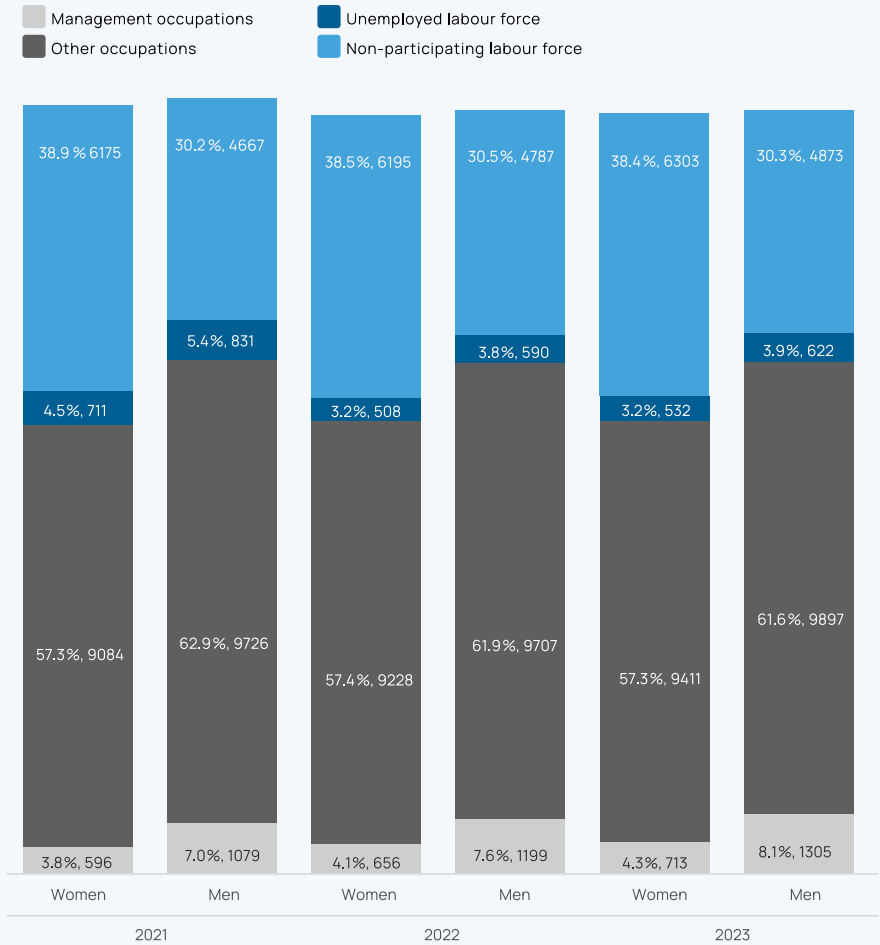
1. Senior management occupations are at the top of a management hierarchy and denoted by terms such as president, chief executive officer, etc.

2. Legislators participate in the activities of a federal, provincial, territorial or local government legislative body or executive council, band council or board as elected or appointed members.

Gender breakdown of employed management occupations¹ (%, x 1000, 2020-2023)



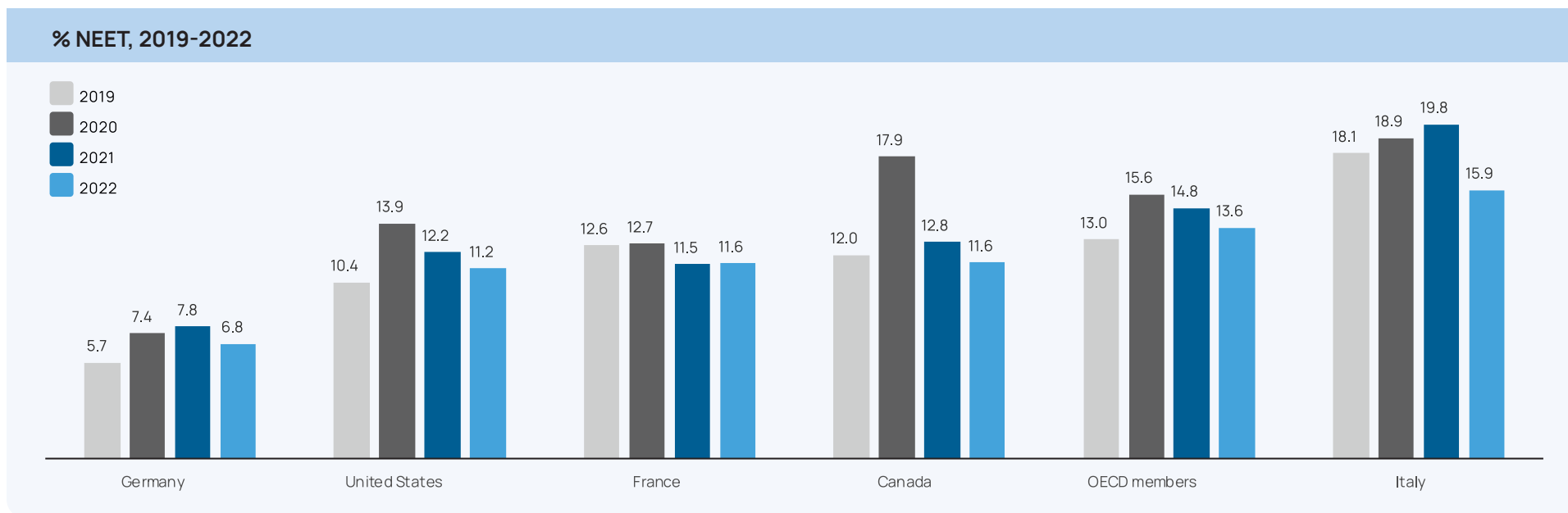
Canadian labour participation and employment by sex and occupation (%, x 1000, 2020-2023)



1. Management occupations are considered to be at the top of the organizational hierarchy of workplaces or businesses where decision-making affects the organization as a whole, or departments within organizations

Source: Statistics Canada

B4 Share of youth not in education, employment, or training (%)



KEY TAKEAWAY

Canada has been successful to decrease %NEET by 1% from 2021 to 2022.

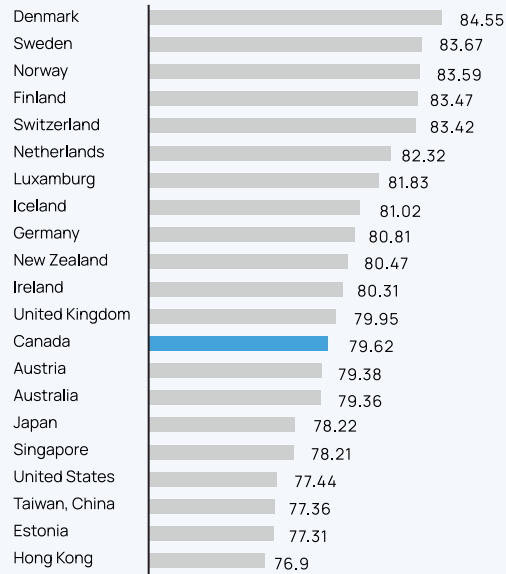
Among G7 countries, only Italy has a higher share of youth NEET.

NOTE

Slight differences observed in countries' %NEET over the years compared to what we reported last year is due to the latest updates from the data source.

LB1 Prosperity Index Ranking (#)

Global comparison (2023)



Comparison of Canada and Denmark across Prosperity Index sub-dimensions (2023)



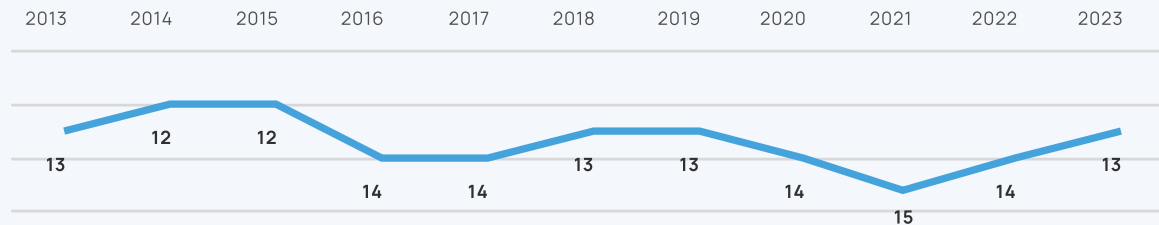
KEY TAKEAWAY

Canada stepped up one place in 2023 and now stands in 13th place in the prosperity index ranking.

NOTE

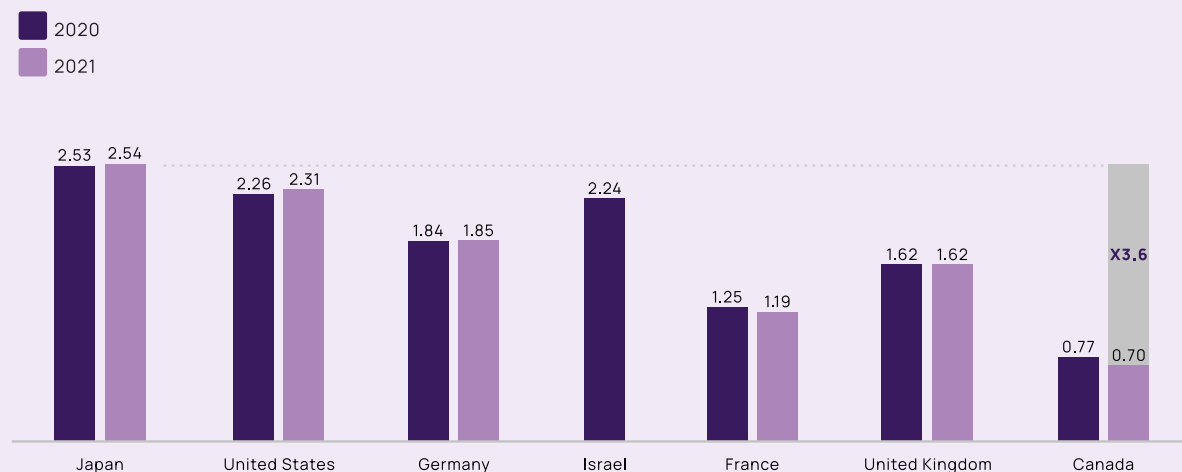
Differences observed in Canada's ranking over the years and what we reported last year is due to latest updates from the data source.

Canada Prosperity Index ranking and score among 167 countries (2013-2023)



C1 BERD financed by business enterprise sector (% GDP)

Global comparison
(% GDP, 2020-2021)



KEY TAKEAWAY

Business R&D lags behind peer countries suggesting an opportunity for the private sector to further invest in supporting Canada's innovation.

Canada's business enterprise sector has invested almost 3.5 times less in R&D in 2021 compared to leading innovative economies like Japan.

As per Council of Canadian Academies, Canada's large resource extraction sector relative to most OECD economies and the low R&D intensities typical of this sector are largely responsible for Canada's relatively low R&D investment.

NOTE

Israel's data is not available for 2021.

Slight differences observed in countries' BERD financed by the business enterprise sector over the years compared to what we reported last year is due to the latest updates from the data source.

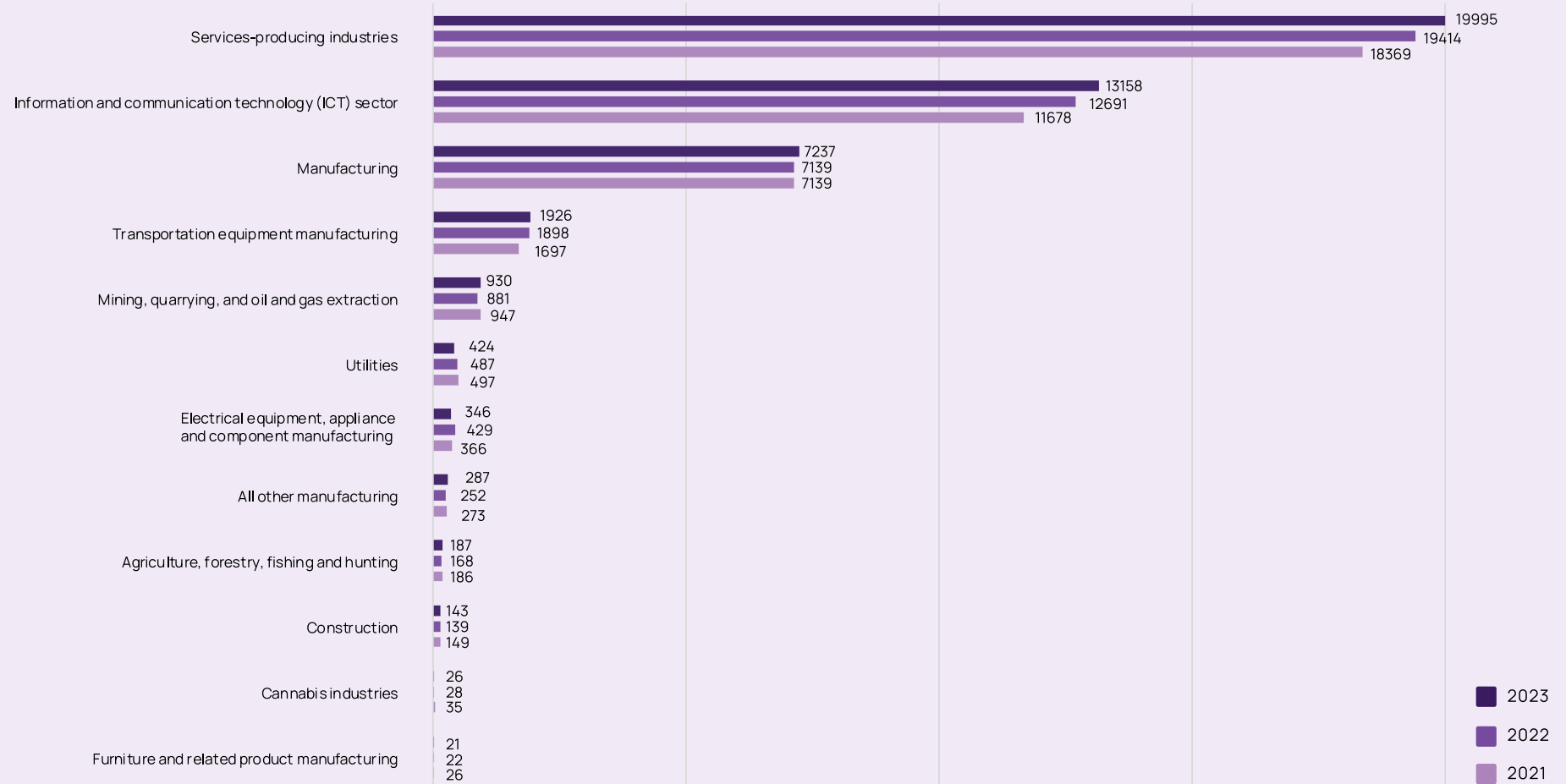
Canada
(% GDP, 2016-2021)



C1 BERD financed by business enterprise sector (% GDP)

Business enterprise in-house R&D expenditures

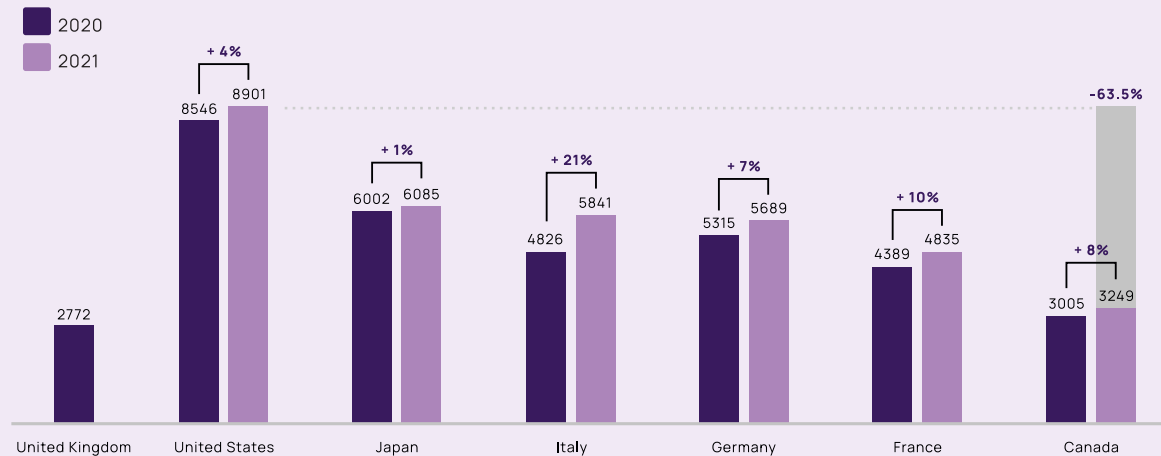
By industry group based on the North American Industry Classification System, (2021-2023, x 1,000,000)



Source: Statistics Canada

C2 Investment in productive tangible assets per worker (\$)

\$ invested in machinery & equipment (M&E) per worker¹
(USD, 2020-2021)



KEY TAKEAWAY

Canada's investment in M&E lags behind most G7 countries.

Canada increased its investment in M&E in 2021 compared to 2020. Also, except for the UK., Canada lags behind other G7 countries in 2021. The overall trend for Canada since 2016 doesn't indicate a promising direction for achieving its goal in 2030.

NOTE

United Kingdom's data is not available for 2021.

Differences observed in countries' investment in M&E over the years compared to what we reported last year is due to the latest updates from the data source.

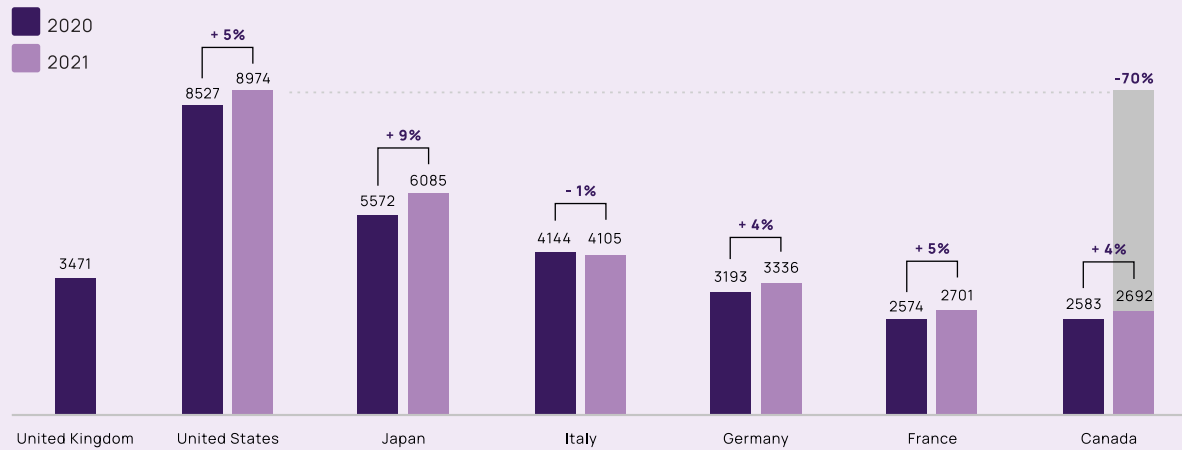
Machinery & Equipment, chained (2017) dollars
Seasonally adjusted at annual rates (\$ x 1,000,000, 2021-2023)



1. Based on capital formation by employed worker in constant national currency converted to USD

C3 Investment in intellectual property per worker (\$)

\$ invested in intellectual property (IP) per worker¹
(USD, 2020-2021)



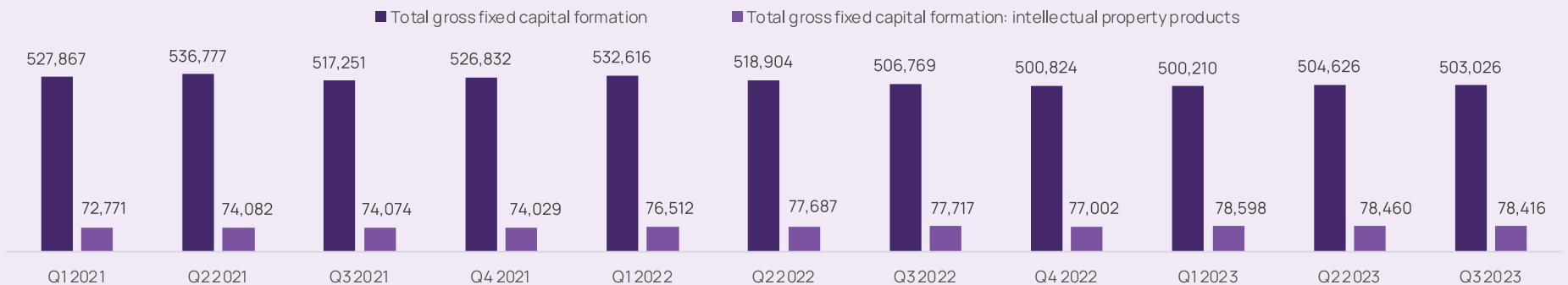
KEY TAKEAWAY

Canada's investment in IP lags behind most G7 countries. The overall trend for Canada since 2016 doesn't indicate a promising direction for achieving its goal in 2030.

NOTE

United Kingdom's data is not available for 2021. Differences observed in countries' investment in IP over the years compared to what we reported last year is due to the latest updates from the data source.

Intellectual property, chained (2017) dollars
Seasonally adjusted at annual rates (\$ x 1,000,000, 2021-2023)

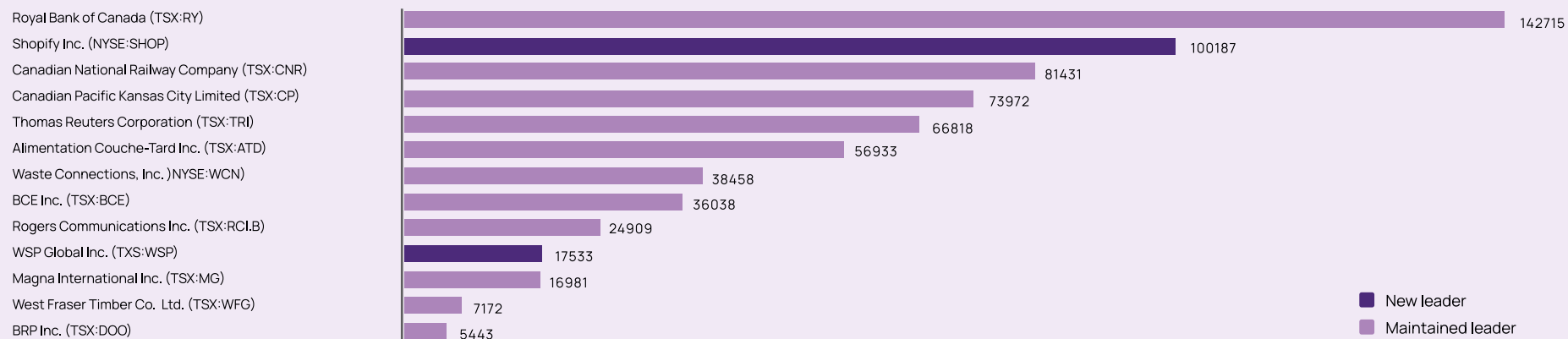


1. Based on capital formation by employed worker in constant national currency converted to USD

Source: Statistic Canada, OECD

D1 Global Canadian leaders

Based on Market Capitalization¹ (31 Dec. 2023, \$Mn)



Former leaders based on 2022 Market Cap.

#	Company	2022 Market Cap (\$M)	2023 Market Cap (\$M)	Rank ¹	Notes
1	The Toronto-Dominion Bank (TSX:TD)	116,737	116,096	12	
2	Nutrien Ltd. (TSX:NTR)	44,341	27,955	20	
3	TELUS Corporation (TSX:T)	30,004	26,124	15	
4	Dollarama Inc. (TSX:DOL)	17,377	20,278	11	
5	GFL Environment Inc. (TSX:GFL)	9,121	12,806	11	
6	CCL Industries Inc. (TSX:CCLB)	8,588	8,021	11	
7	Canadian Tire Corporation, Limited (TSX:CTC.A)	6,916	6,288	25	
8	Spin Master Corp. (TSX:TOY)	3,341	2,736	15	
9	Shaw Communications Inc. (TSX:SJR.A)*	12,483	15,193	-	Merger/Acquisition: Rogers Communications Inc. (TSX:RCLB)

KEY TAKEAWAY

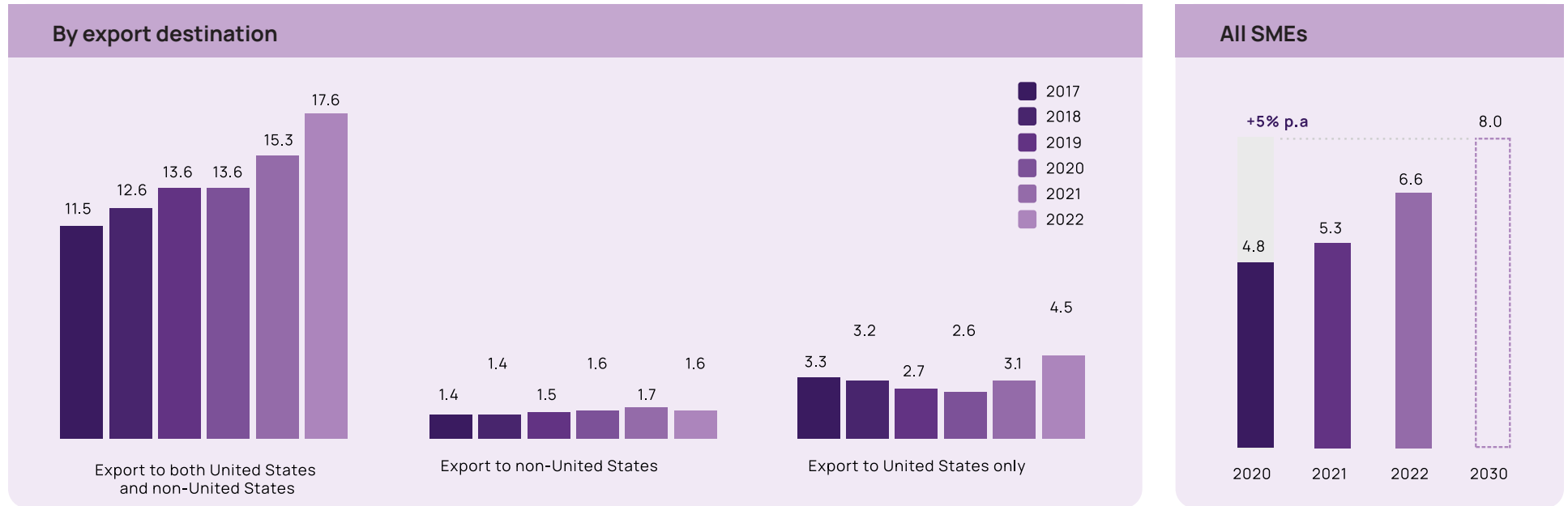
The number of Canadian leaders decreased to 13, as nine were removed and two were added to the list.

NOTE

The merger between Shaw Communications Inc. and Rogers Communications Inc., declared on March 15, 2021, led to the omission of Shaw from the list of Canadian leaders, as its common shares were delisted from the Toronto Stock Exchange (TSX), Toronto Venture Exchange (TSX-V), and the New York Stock Exchange (NYSE) around April 4, 2023, following the completion of the court-approved plan of arrangement on April 3, 2023.

1. Companies ranked in the top 10 of their industry globally based on market capitalization (min. \$1Bn)

D2 Average export value per SME (\$ in thousands)



KEY TAKEAWAY

The average value of SME exports has increased since 2020.

The Canadian government aims to increase overseas exports by 50% from 2018 to 2025 - implying an annual increase of ~5% on average by year.

D3 Number of “narwhals”



KEY TAKEAWAY

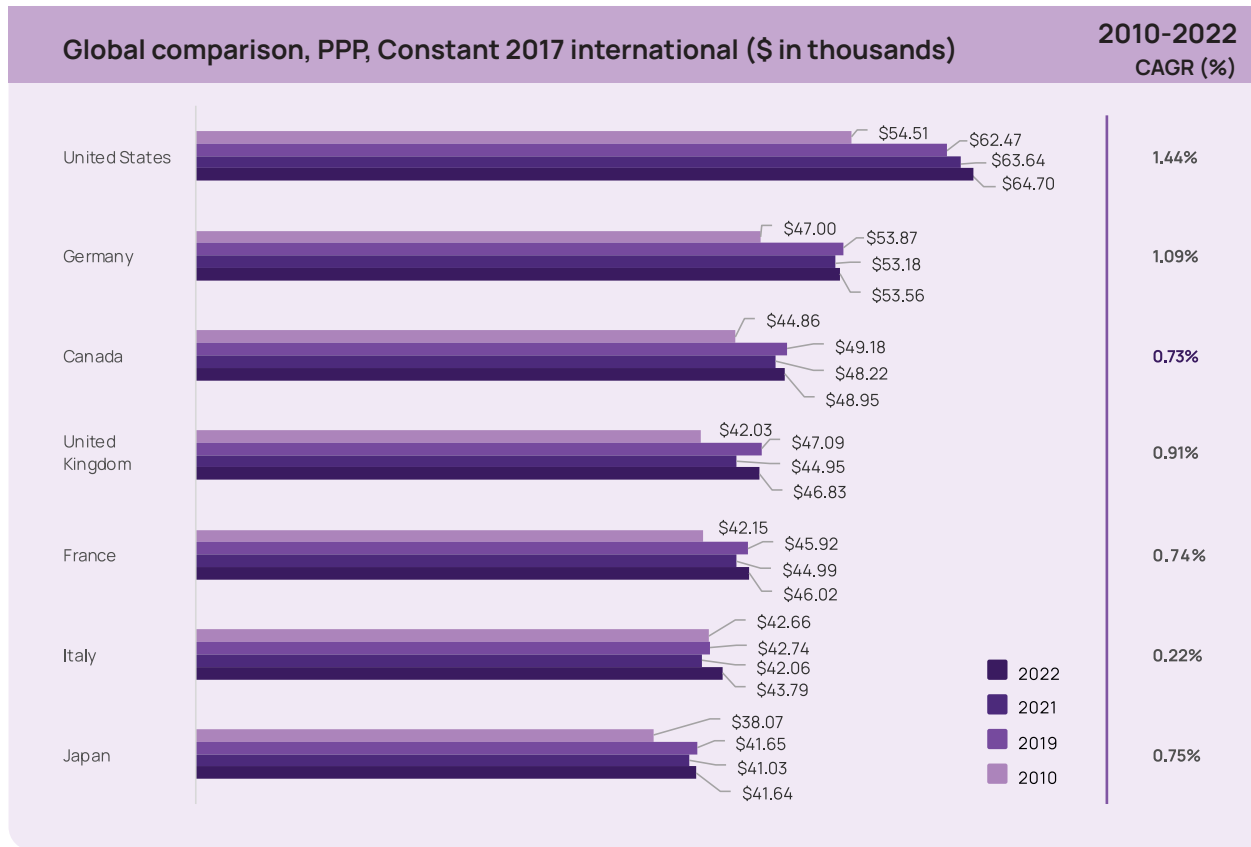
The narwhal list showcases Canada's tech success.

NOTE

The current count of Canadian narwhals in the list stands at 27 as of January 2024.

Source: Huron Unicorn Index

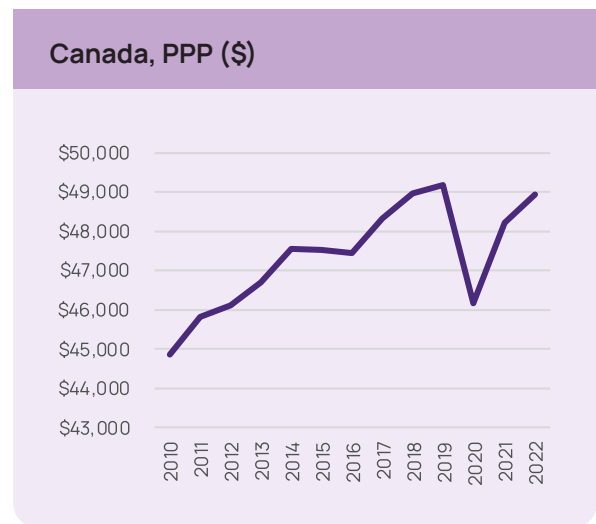
WG1 GDP per capita



KEY TAKEAWAY

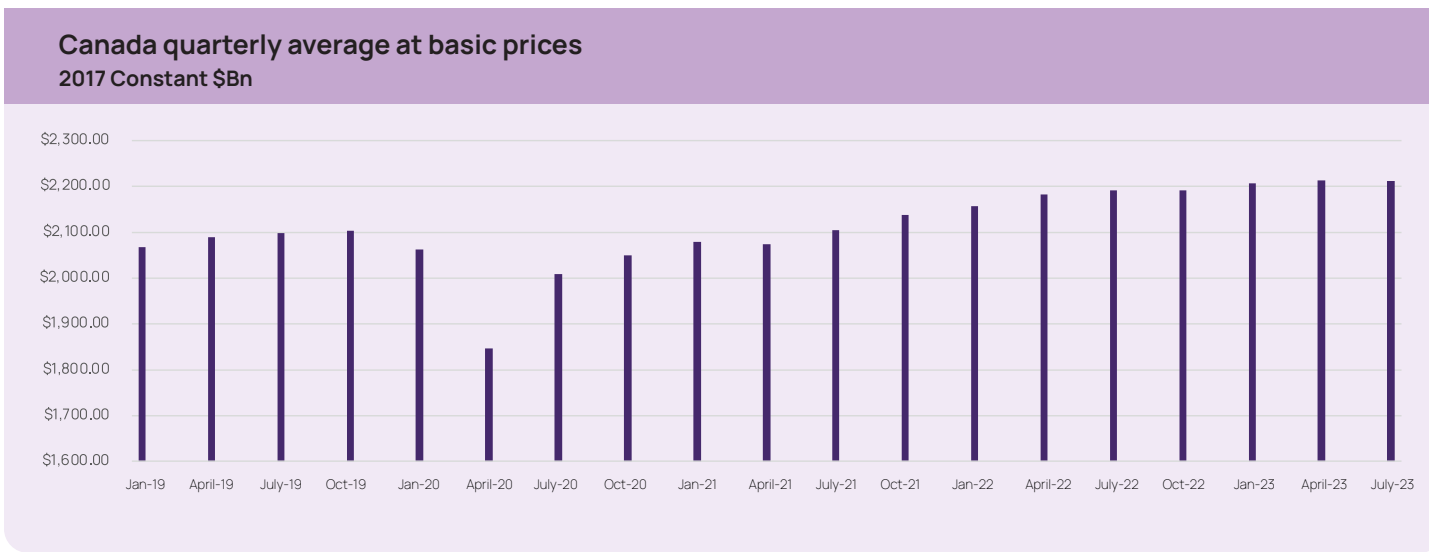
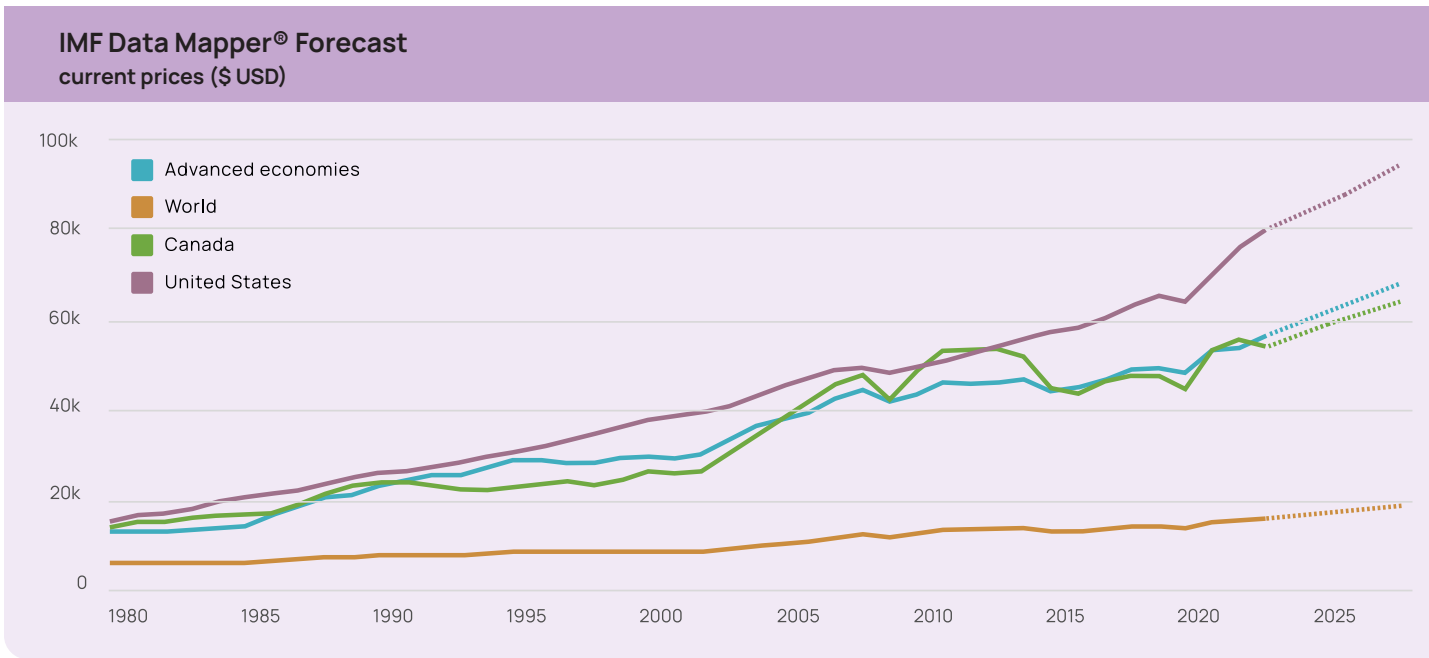
Canada's gap to US GDP per capita has grown from 2019 and represented ~\$15,800 in 2022.

Growth of GDP per capita in Canada underperformed most of its G7 peers since 2010.



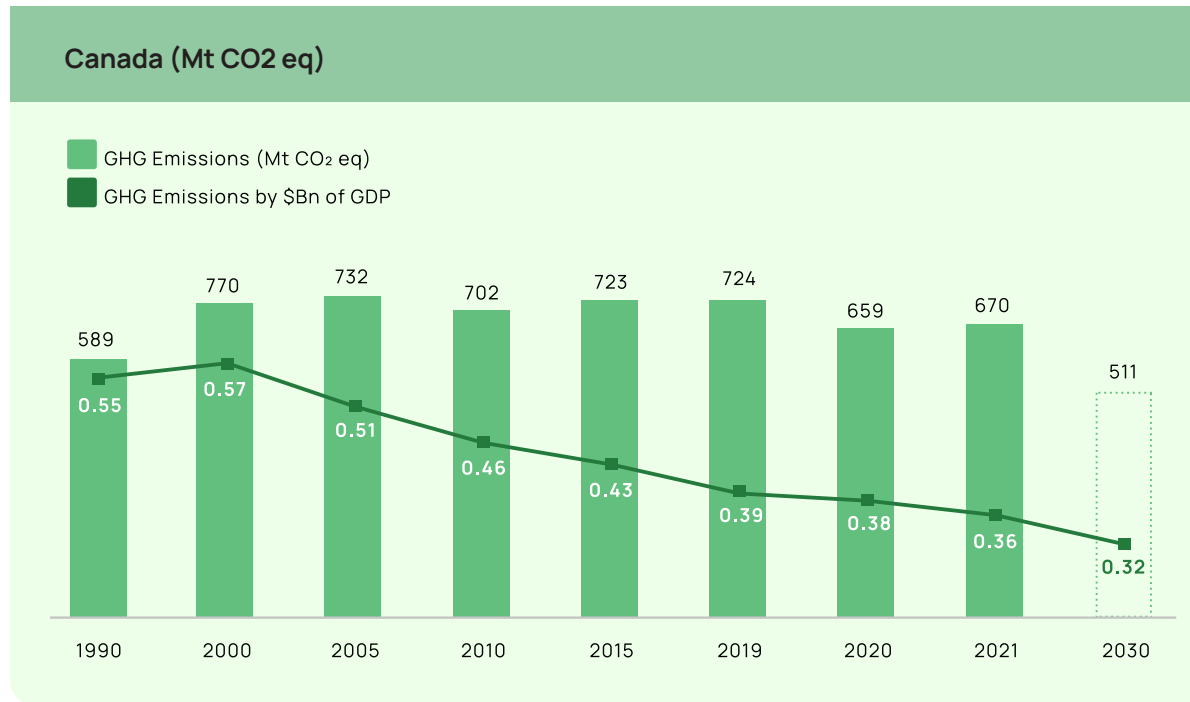
Source: World Bank

WG1 GDP per capita



Source: World Economic Outlook (October 2023), Statistics Canada

E1 GHG emissions by \$Bn of GDP



KEY TAKEAWAY

In 2021, Canada pledged to reduce its 2005 GHG emissions by 40-45% by 2030 under the Paris Agreement.

NOTE

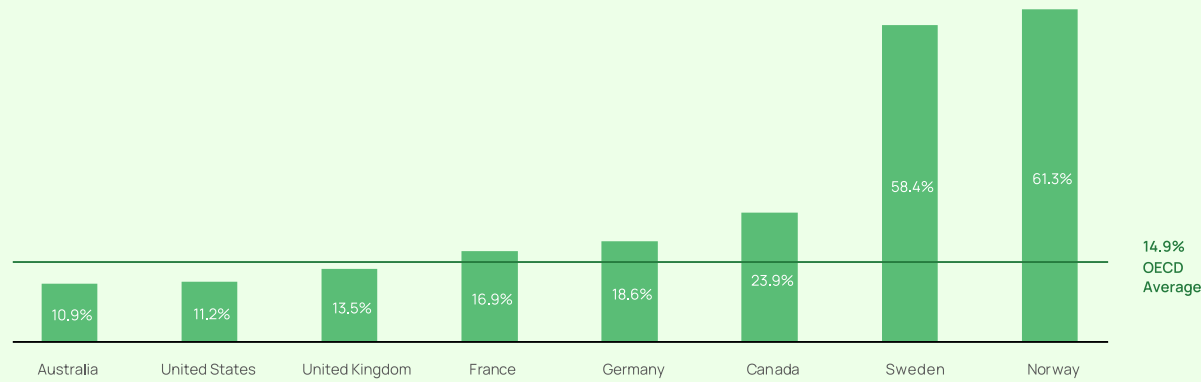
Recalculations are performed annually on Canada's previously reported greenhouse gas emissions estimates to reflect updates to source data and estimation methodology. Recalculations in this latest release of the indicator have resulted in lower emissions for all years (1% to 2% lower).

The latest year reported (2021) coincides with the second year of the COVID-19 pandemic, which affected a wide range of economic sectors, including the energy and transport sectors. The long-term trends presented must be interpreted in the context of the economic slowdown that influenced results from 2019 to 2021.

For more in-depth insights and extended forecasts on climate trends, you can explore additional predictions and reports from the Canadian Climate Institute. Please note that this work is not directly related to our current report.

E2 Share of renewable energy in final energy consumption

Total final energy consumption
(%, 2020)



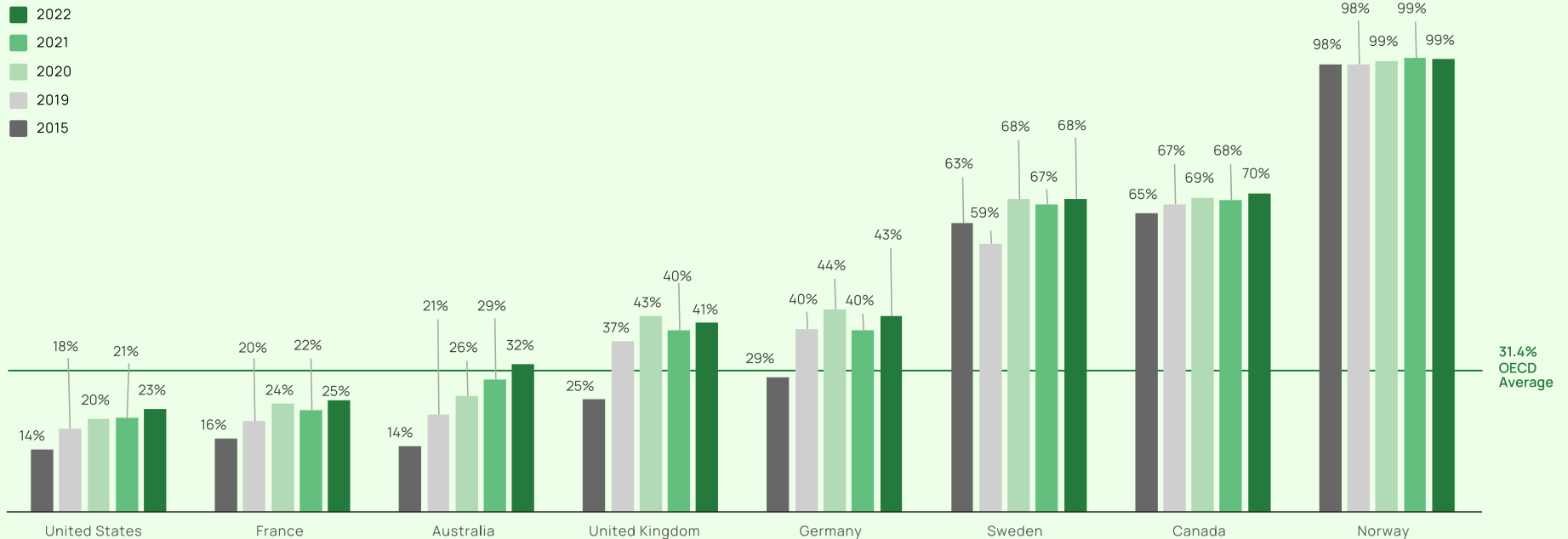
KEY TAKEAWAY

Canada's renewable energy consumption is higher than most peers and OECD members aside from selected Scandinavian countries.

KEY TAKEAWAY

Canada's share of electricity production from renewables is higher than most peers and OECD members aside from selected Scandinavian countries.

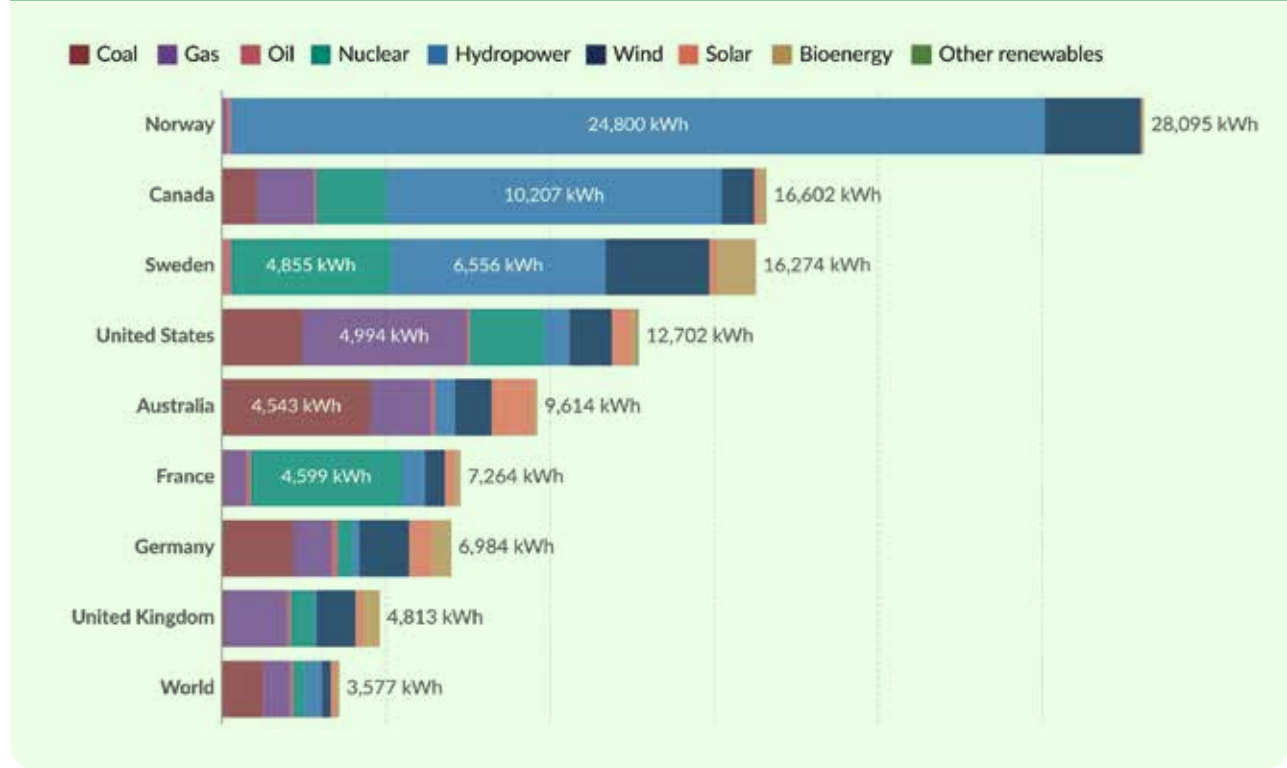
Share of electricity production from renewables (%)



Source: World Bank, Our world in data

FIGURE 1

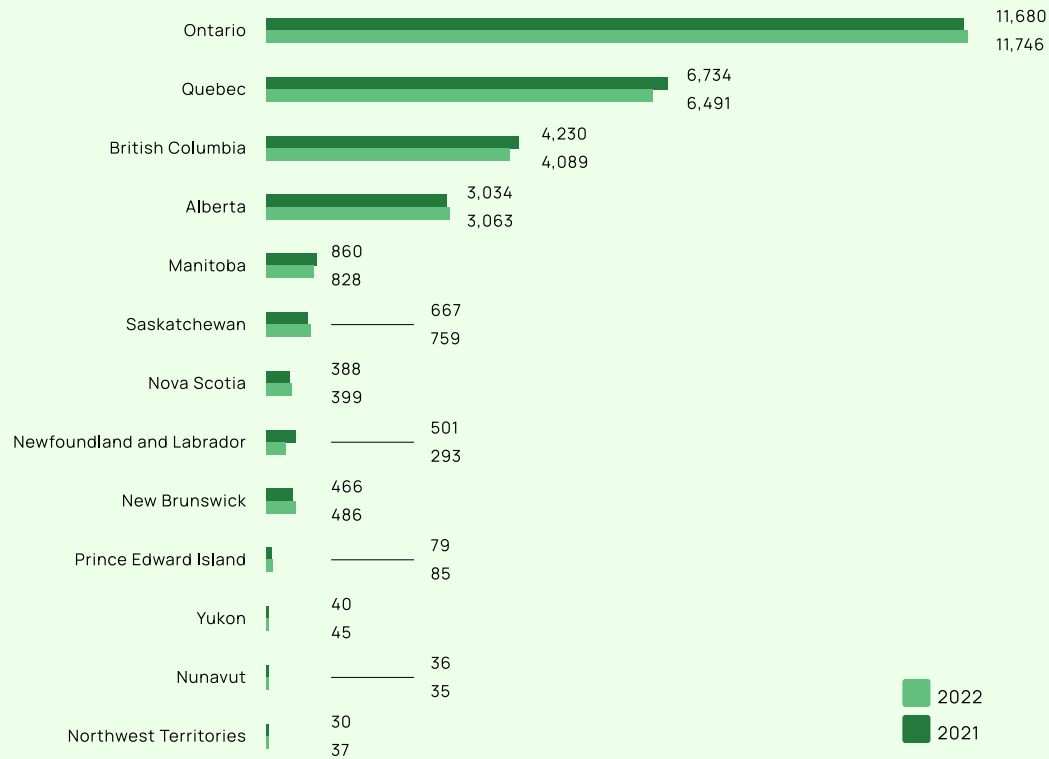
Per capita electricity generation by source
(2022)



Source: Ember (2022); Energy Institute - Statistical Review of World Energy (2023); Population based on various sources (2023) | OurWorldInData.org/electricity-mix | CC BY

E3 Clean-tech contribution to GDP

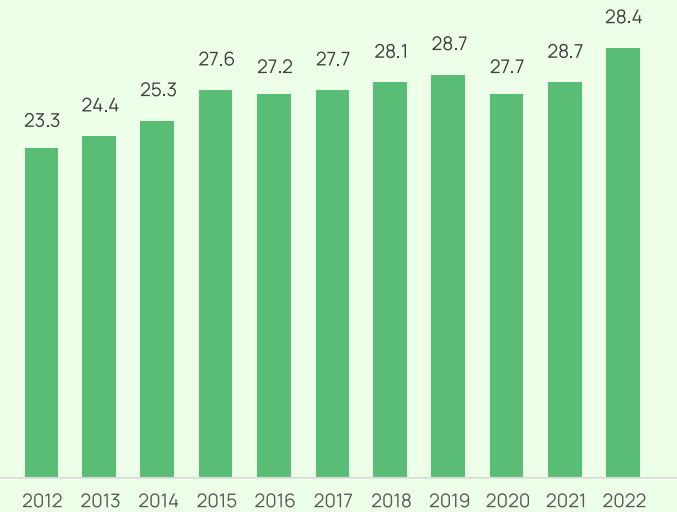
Total, clean technology products based on province (\$M)



KEY TAKEAWAY

Canada's clean-tech contribution to GDP has increased since 2020. However, there is a long way to go to achieve the ambitious targets set by Economic Strategy Tables.

Total, clean technology products (\$Bn)



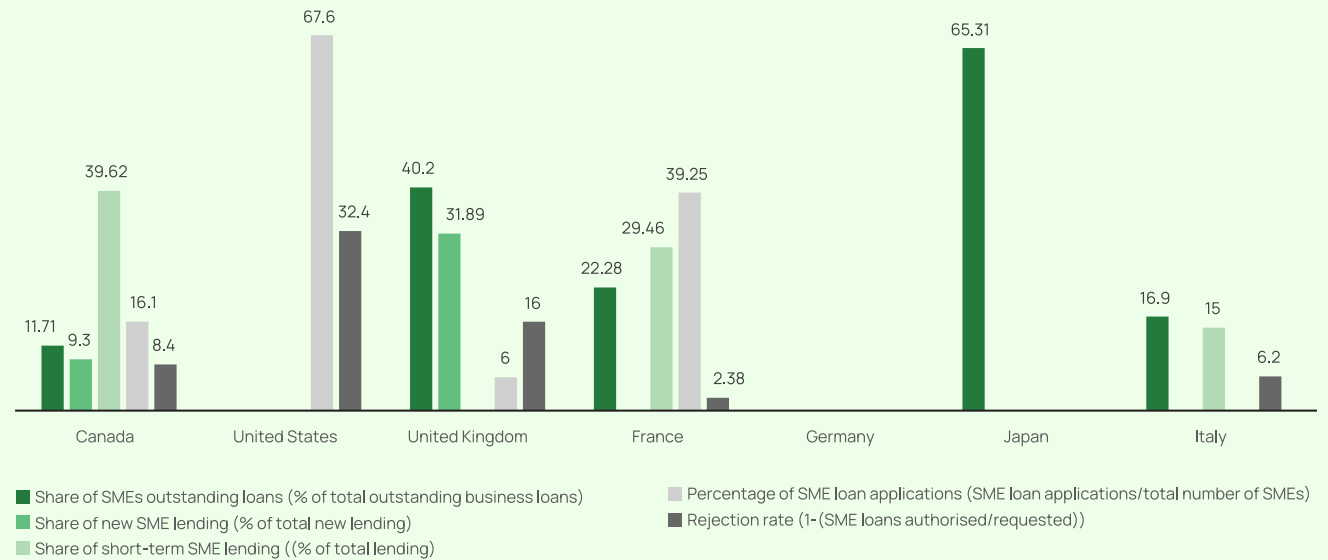
Source: Statistics Canada, Economic Strategy Tables

F1 Ranking for financing of SMEs (#)

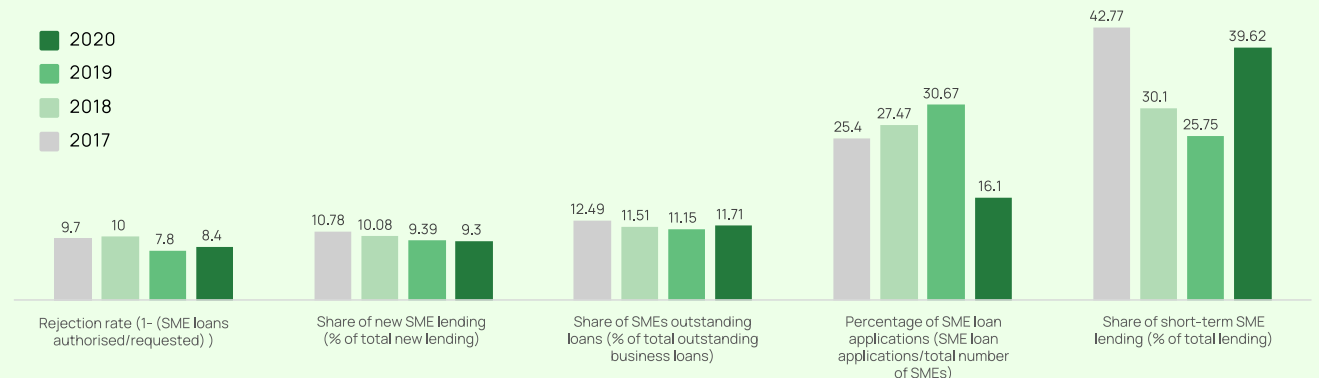
Financing of SMEs (2019) Global Competitiveness Index 4.0

1	Finland
2	United States
3	-
4	Qatar
5	Taiwan, China
6	Singapore
7	Germany
8	Malaysia
9	United Arab Emirates
10	Switzerland
11	New Zealand
12	Norway
13	Japan
14	Netherlands
15	Luxembourg
16	United Kingdom
17	Austria
18	Sweden
19	Saudi Arabia
20	Guinea
21	Israel
22	Jordan
23	India
24	Azerbaijan
25	Denmark
26	Oman
27	Canada
28	Iceland
29	Thailand
30	Belgium

G7 countries (% , 2020)



Canada (% , 2017-2020)

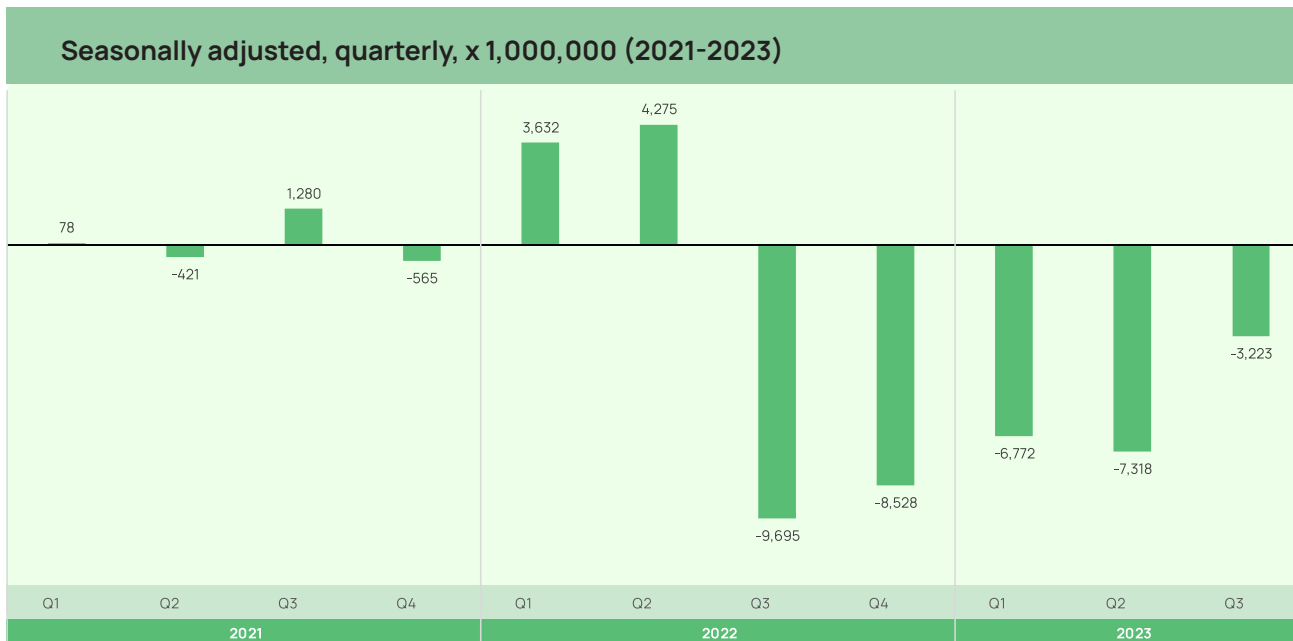
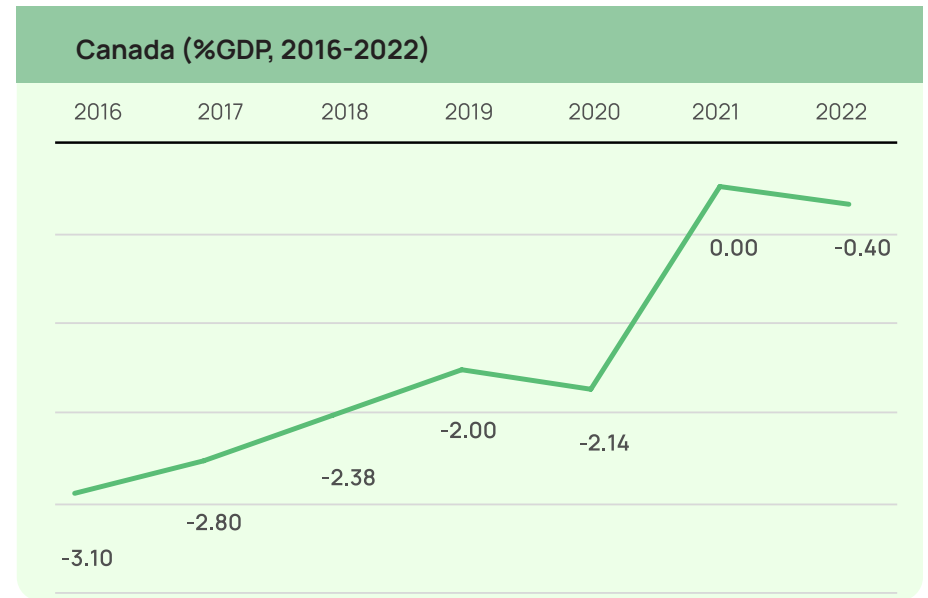
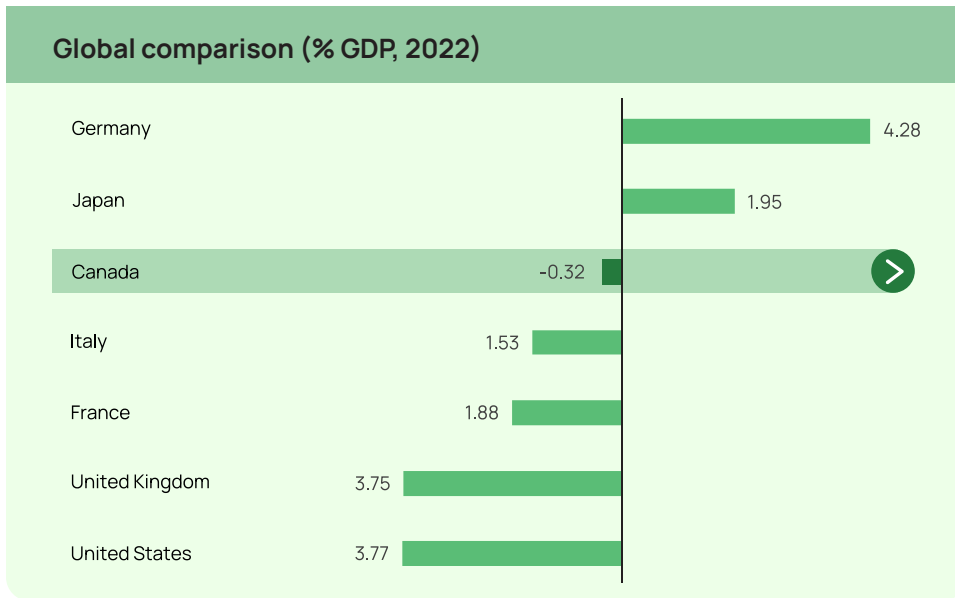


NOTE

The global ranking for this KPI has not been updated after 2019 by the source, World Economic Forum Global Competitiveness Index.

Source: World Economic Forum Global Competitiveness Index, OECD

F2 Current account balance (% GDP)



KEY TAKEAWAY

Canada is getting close to achieving its goal of keeping the current account balance around 0% of GDP.

NOTE

Differences observed in the current account balance of 2021 in the graph and what we reported last year is due to updates from the data source.

Source: Statistic Canada, OECD

Industrial composition and trade deficit

FIGURE 2

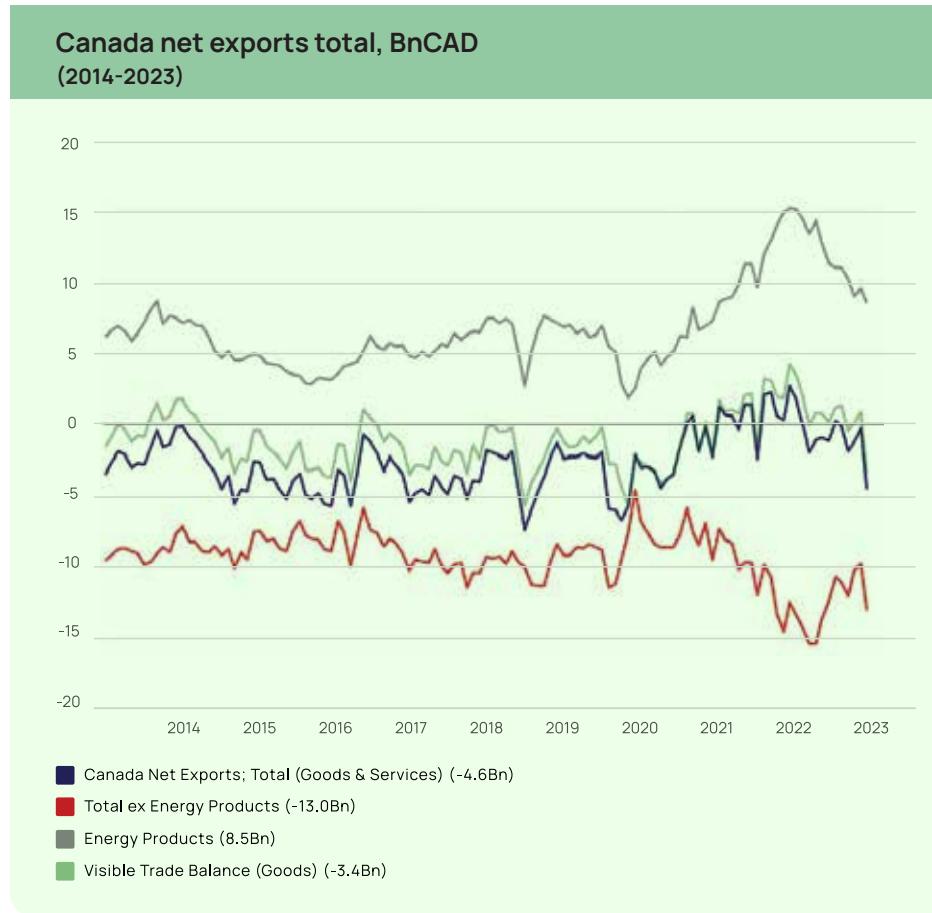
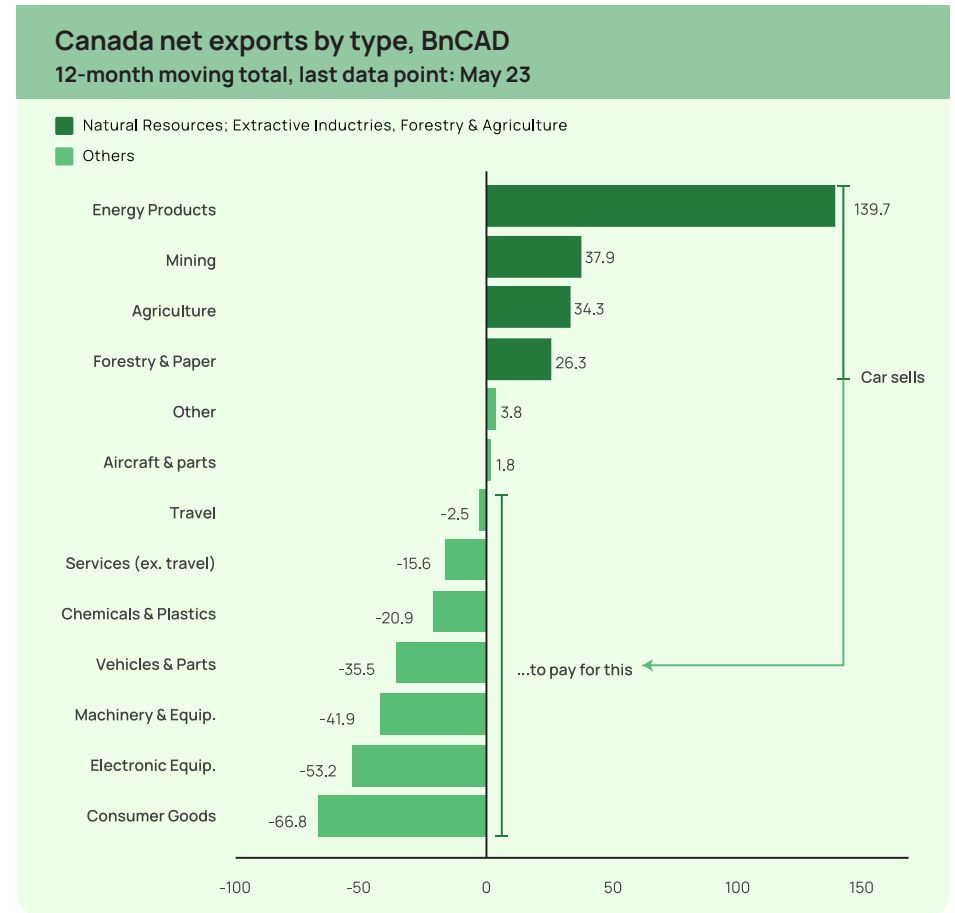


FIGURE 3

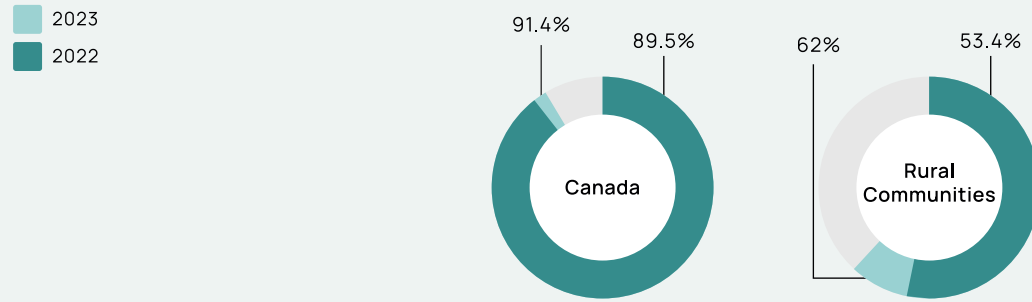


Source: The Business Council, Refinitiv Datastream, Acorn MC Ltd.

F3 Rural access to high speed broadband (%)

Individuals using the Internet

Broadband at 50/10 Mbps, unlimited (2022 vs. 2023, % of population)

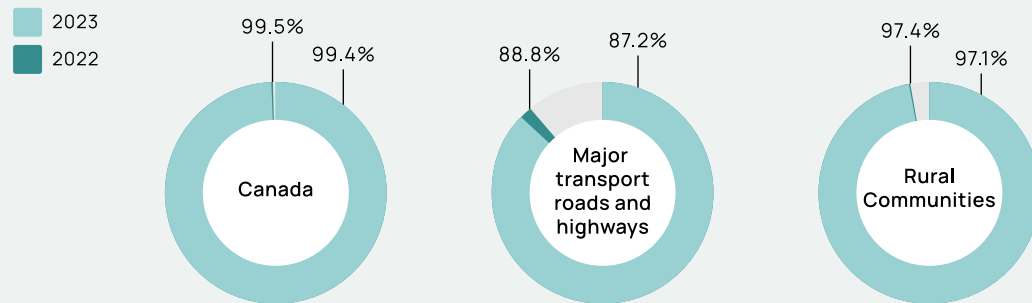


KEY TAKEAWAY

Canada is on the right track to annually improve rural access to high-speed broadband but gaps still remain.

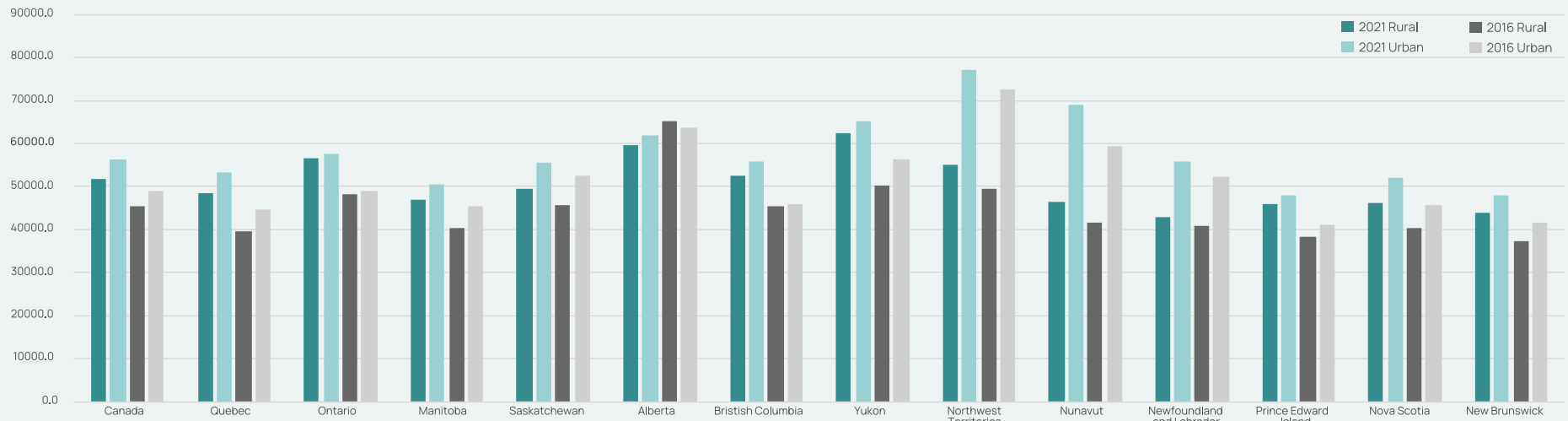
Individuals using the Internet

Mobile LTE (2022 vs. 2023, % of population)

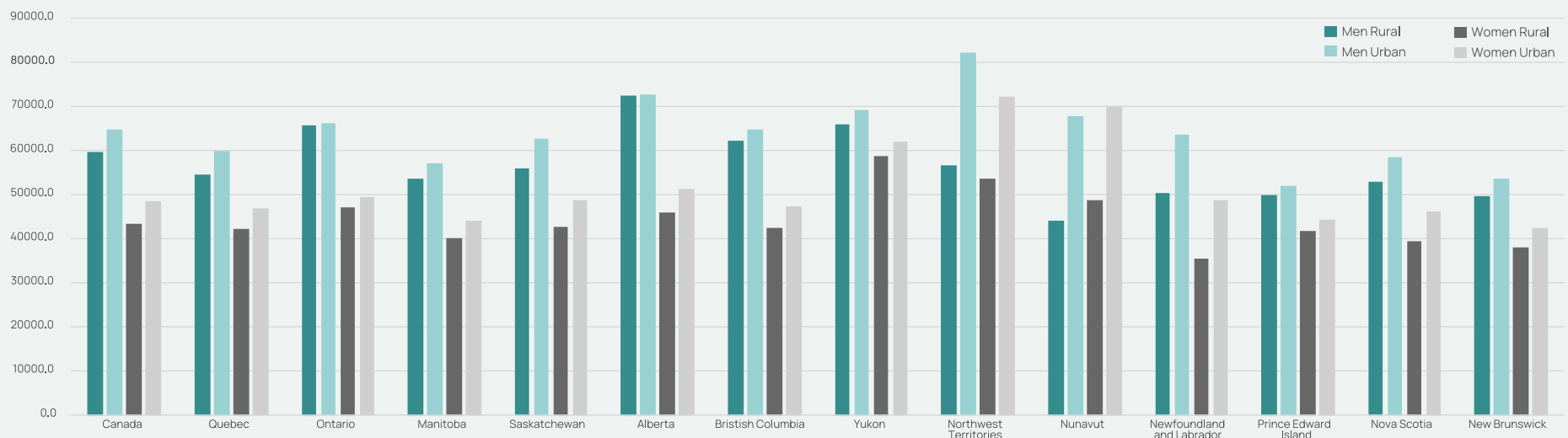


Closing the rural divide

Average total income, rural vs. urban



Annual average incomes in 2021, rural vs. urban and men vs. women



Source: Statistics Canada

COALITION



FOR A BETTER FUTURE

The Coalition for a Better Future is a diverse group of Canadian leaders and organizations – across business, labour and civil society – working together to achieve a long term plan for economic growth that is inclusive and sustainable. Our goal is higher prosperity for all Canadians as we emerge from the pandemic.

canadacoalition.ca