

FRAGILE GROWTH

An urgent need to get the basics right

In last year's report, 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.

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

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.

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.

But it's not all bleak. 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.

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.

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.

All these factors underscore the urgent need to get the basics right. We can't underestimate the task at hand.

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 than ever to make economic growth the top policy priority.

A long-term plan for a prosperous future

Our mission is to ensure everyone is at the table to determine a prosperous future for Canada.

To support this vision, we created a scorecard to track and monitor Canada's performance toward long-term targets, incorporating 21 key metrics. For each metric in the scorecard, an aspirational target has been set for 2030.

If Canada commits to achieving these targets, we can build the most competitive, inclusive and sustainable economy in the world.

How are we doing?

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

KEY FINDINGS



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.

+3.5%

Canadian median income from wages adjusted for inflation – one of our 21 metrics – rebounded sharply in 2021.

2.8m

Number of Canadians who lived in poverty in 2021. That's up from 2.4 million in 2020 but down from five million in 2015.

2.4%

The share of management positions held by First Nations, Inuit and Métis slipped in 2023, down from 2.7 per cent a year earlier.

0.6%

As a share of real GDP, business R&D hovered at about 0.6% last year, which has changed little from 2022. Business R&D in Canada is well below peers like the U.S.



Growth in cleantech sectors has been stalled for years and its share of the overall economy is shrinking. We're nowhere near our target of tripling this by 2030.

Read the full report at canadacoalition.ca to see how we measure up.

Keeping Score

Tracking Canada's progress towards sustainable, inclusive economic growth

