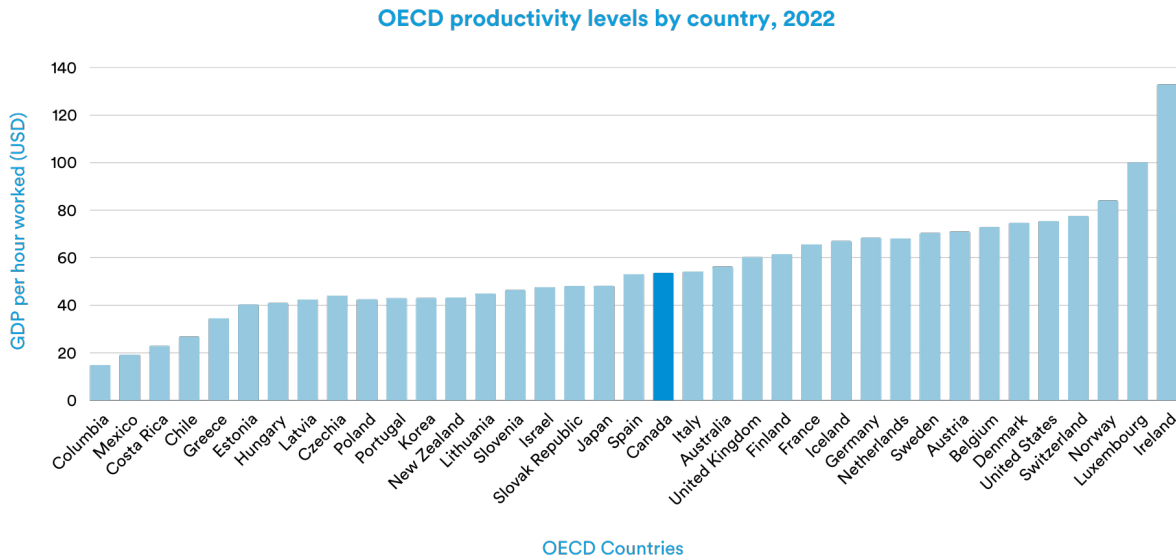


# Universities are key to boosting Canada's productivity

Canada has a productivity problem. Since the early 2000s we have lagged behind other Western economies. In March 2024, the Deputy Governor of the Bank of Canada called the country's slow productivity a "break glass" emergency.

## CANADA RANKED 6<sup>TH</sup> IN PRODUCTIVITY AMONG OECD COUNTRIES IN 1970. BY 2022, IT HAD SLIPPED TO 18<sup>TH</sup>.<sup>1</sup>



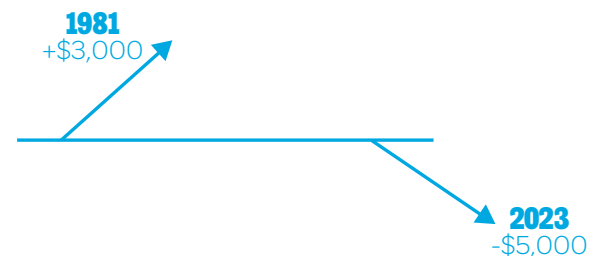
Data sourced from: Productivity Levels, OECD Data Explorer, <https://tinyurl.com/OECD-Productivity>

The economic output produced per hour worked measures productivity. When it's low, it means working longer hours for less pay.

In 1981 Canada's living standards were \$3,000 higher per capita compared to other major Western economies. By 2023 they were \$5,000 lower.<sup>2</sup>

To increase the living standards and raise wages, Canada needs an efficient and innovative economy. The key partners in this effort are universities.

### CANADA'S LIVING STANDARDS IN COMPARISON TO OTHER MAJOR WESTERN ECONOMIES



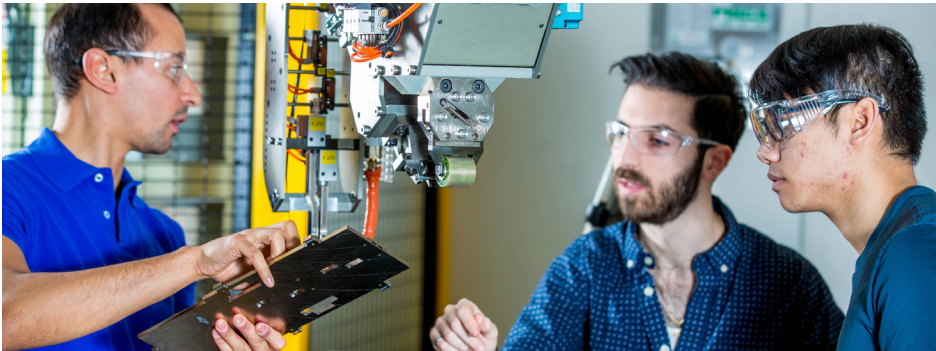
<sup>1</sup>RBC Thought Leadership (2024) Canada's Growth Challenge: Why the Economy is Stuck in Neutral.

<sup>2</sup>Deslauriers, J. and Gagné, R. (April 17, 2023). The low productivity of Canadian companies threatens our living standards. Policy Options and Centre for Productivity and Prosperity – Walter J. Somers Foundation, HEC Montréal

# Two essential ingredients for boosting productivity

## 1 Enhancing research & development

Research and development increase productivity. Think of shovelling snow versus using a snow blower; technology makes the job faster and easier. Similarly, university research drives technological advancements that make industries more efficient.



[UBC researcher Tony Yang](#) has developed robotic technology to automate heavy construction vehicles like cranes and forklifts. This innovation could make construction, a key industry, safer and more productive.

## 2 Developing a skilled workforce

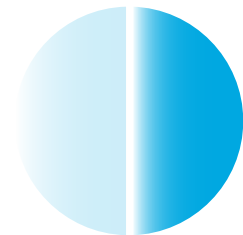
To use new technologies and add value to products, we need a skilled workforce. Canada has one of the highest rates of bachelor's graduates in the OECD.



of Canadians hold a Bachelor's degree.<sup>3</sup>

91%

of students who participate in these programs land jobs related to their studies.<sup>4</sup>



**NEARLY HALF**

of these graduates gain work experience through work-integrated learning, giving Canadian businesses a competitive edge.

## WE RECOMMEND:

The government include investments in commercialization and knowledge mobilization programs including lab-to-market and idea-to-innovation in Budget 2025, along with work-integrated learning opportunities.

<sup>3</sup> Statistics Canada. Table 37-10-0130-01 Educational attainment of the population aged 25 to 64, by age group and sex, Organisation for Economic Co-operation and Development (OECD), Canada, provinces and territories

<sup>4</sup> Statistics Canada. Table 37-10-0251-01 Labour market outcomes three years after postsecondary education, by province of study