

# The Economic Benefits of Canada's Public Health Care System

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CANADIAN  
FEDERATION  
OF NURSES  
UNIONS



# Canadian Federation of Nurses Unions

## ABOUT THE CFNU

The Canadian Federation of Nurses Unions (CFNU) is Canada’s largest nurses’ organization representing frontline unionized nurses and nursing students in every sector of health care – from home care and LTC to community and acute care – and advocating on key priorities to strengthen public health care across the country. We are relentless advocates for the health and safety of our members and the patients that we care for from coast to coast. Join us as we speak up for a stronger health care system and a better workplace for all nurses.

## LAND ACKNOWLEDGEMENT

From coast to coast to coast, we acknowledge the ancestral and unceded territory of all the Inuit, Métis and First Nations Peoples that call this land home. The Canadian Federation of Nurses Unions is located on the traditional unceded territory of the Algonquin Anishnaabeg people. As settlers and visitors, we feel it’s important to acknowledge the importance of these lands, which we each call home. We do this to reaffirm our commitment and responsibility to improve relationships between nations, to work towards healing the wounds of colonialism, and to improve our own understanding of local Indigenous Peoples and their cultures.

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# Message from the President



Linda Silas

President of the Canadian Federation of Nurses Unions

As a nurse and health care leader, I have a deep understanding and appreciation of the value that nursing provides in our communities across the country. Our nurses work tirelessly to help prevent and heal ailments to optimize each of our potential to contribute to society in myriad ways. Nursing is a central pillar of our cherished public health care system, which Canadians take overwhelming pride in.

However, the value of this work is rarely understood and appreciated in terms of its many benefits to our economy. We are lucky to have Canada's Chief Nursing Officer, Dr. Leigh Chapman, expand on this in the foreword to this report.

In the face of worsening trade and economic threats from our neighbours to the south, our political leadership has focused on nation-building projects to insulate us as best we can from deepening harms. Lost in these discussions has been the outsized role that our public health care system in Canada plays as an economic engine from coast to coast to coast. Absent from the discourse is that health care is one of the few sectors of our economy that is largely protected from trade disruptions.

I reached out to my old friend Jim Stanford and asked if he would work with us to bolster the arguments needed to secure health care's rightful place in the public discourse on this timely and critical issue. Jim was more than eager to jump at the opportunity, as someone who has worked for decades as a leading economic thinker in this country, and as someone who also understands and appreciates the economic value of quality public services.

So we got to work, starting with a joint op-ed<sup>1</sup> in the *National Post* published weeks following Mark Carney's victory as leader of the Liberal Party of Canada, wherein he became prime minister. After the Liberals won a plurality of seats on April 28, 2025, to form government, the CFNU worked with Jim and the Centre for Future Work to launch an open letter<sup>2</sup> entitled "The Economic Benefits of Canada's Public Health Care System", which was signed by 275 economists, health policy experts and experts in related disciplines from across Canada.

The report before you now is designed to expand on the arguments contained in the open letter, building on the solid foundation of evidence that demonstrates the clear and forceful economic value of public health care for Canada. From direct and indirect job creation to contributing a substantial proportion to our GDP, Canada's public health care system deserves recognition for the significant role it plays in anchoring and building our economy. A follow-up report has been commissioned by the CFNU, that will provide further evidence of the economic benefits of increased public spending on health care in Canada, using economic modeling.

Canada's public health care system deserves recognition for the significant role it plays in anchoring and building our economy.

We know that our health care workforce has long been overstretched, and due to decades of being under-resourced and subjected to threats from for-profit interests, our system is not functioning nearly as well as it should. Despite this, of all issues to express pride in, Canadians express the most pride in our public health care system.

It is long past time for governments at all levels to view health care through the lens of its true economic contribution and potential. Now is not the time to reduce spending on public services, but rather to enhance spending to improve the health and productivity of Canadians, create decent-paying jobs in all our communities, and strengthen the social fabric of our country.

I cannot think of a more necessary and valuable nation-building project for our economy and our country than that.

Thank you to Jim Stanford and the Centre for Future Work for the superb work they put into this report. I am also grateful for the work of my team led by Tyler Levitan, CFNU Policy and Research Specialist.

In solidarity always,



Linda Silas

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<sup>1</sup> Stanford, J. & Silas, L. (2025, April 10). Now's the time to maximize the economic potential of public health care. *National Post*. <https://nationalpost.com/sponsored/nows-the-time-to-maximize-the-economic-potential-of-public-health-care>

<sup>2</sup> Centre for Future Work. (2025, June). The Economic benefits of Canada's public health care system. Open letter from economists, health policy experts, and experts in related disciplines. <https://centreforfuturework.ca/open-letter-calling-attention-to-the-importance-of-public-health-care-to-canadas-economy/>

# Foreword by the Chief Nursing Officer of Canada



Dr. Leigh Chapman

Chief Nursing Officer of Canada

Accessible health care is a defining part of Canadian identity. In recent years that pride has been tested as many people across the country are experiencing challenges accessing health care due to shortages of health workers, an aging population and the lack of an interconnected health system. Nurses feel this burden acutely since they are the largest group of regulated health care providers in Canada and the closest to the point of care. As Canada's Chief Nursing Officer, I commend the Canadian Federation of Nurses Unions (CFNU) for commissioning Dr. Stanford's report *The Economic Benefits of Canada's Public Health Care System*. This report underscores an essential truth: a high-quality accessible public health care system is not only vital to Canadians' well-being — it is also foundational to our economy.

Too often discussions about strengthening the health workforce focus narrowly on cost. Dr. Stanford's analysis reminds us that health care spending is also an investment — one that drives economic activity, supports job creation and contributes to national prosperity. Health care is not only a shared Canadian value; it is a pillar of nation-building and long-term economic growth. When we broaden our understanding of value, we move beyond cost containment and refocus on meeting medical need — in alignment with Canada's health policy priorities. A prosperous Canada is a healthy Canada, and our publicly funded universal health care system reflects that conviction.

Just as the *Canada Health Act* helps to ensure coverage for health care in Canada from coast to coast to coast, nurses provide care in every region, every sector and every specialty area. Canadian nurses are recognized around the world for their advanced education and expertise. This is why it is essential that we continue to work on retaining Canada's highly skilled nurses and ensuring we are improving their working lives, by implementing the recommendations in the *Nursing Retention Toolkit*.<sup>3</sup> Implementing robust retention strategies helps to ensure nurses can provide the best care to those who need it when they need it.

As we work collectively to improve access to care, we must articulate the alignment between Canada's economic prosperity and universal health care.

The *Canada Health Act* stands as a powerful example of collective federal, provincial and territorial government collaboration to ensure that medically necessary care is available regardless of one's ability to pay. Recent efforts to modernize the CHA reflect an ongoing commitment to ensure the principles of Canadian health care are upheld while adapting to evolving scopes of practice and new models of care — changes that nurses across Canada are keen to see implemented.

While investment is an important part of improving the health care system, increased funding alone will not fix the challenges facing the system. We must come together as a country to improve care, leverage innovation, deliver new models of care and support our health workforce. As we work collectively to improve access to care, we must articulate the alignment between Canada's economic prosperity and universal health care. Our nation's economic prosperity and the health of Canadians depend on it.

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<sup>3</sup> Health Canada. (March 2024). *Nursing retention toolkit: Improving the working lives of nurses in Canada*. <https://www.canada.ca/en/health-canada/services/health-care-system/health-human-resources/nursing-retention-toolkit-improving-working-lives-nurses.html>



# Highlights

Health care is one of Canada's largest and most dynamic industries.



It employs 1.9 million waged or salaried employees, and hundreds of thousands more self-employed practitioners, specialists and contractors.



Health care production accounts for about 8% of Canada's total value added (GDP) and over 10% of total employment.



Health care workers earn \$120 billion per year in wages and salaries.



The health care system purchases \$51 billion worth of supplies and inputs from a complex and far-reaching supply chain (composed mostly of private businesses).



Health care accounts for over \$7 billion in annual research spending, the second highest of any Canadian industry.



Because health care is not highly integrated in international trade, it is relatively protected from global disruptions and shocks (like the effects of U.S. trade policies).



Universal access to quality health care unlocks many other economic benefits, including:

- More flexible labour markets (workers are able to change jobs without fear of losing health coverage)
- Enhanced longevity and well-being (supporting more labour force participation and higher productivity)
- Improved “social capital” (safe and inclusive communities where interactions can occur more securely and efficiently)



In sum, health care cannot be understood solely as a “cost.” It is also a powerful economic engine: a source of growth, jobs, incomes, tax revenues and well-being.



Understanding and appreciating the economic benefits of the universal public health care system can reinforce public and fiscal support for its maintenance and improvement.

# Introduction and summary

Health care is expensive. Families know this as they juggle the expenses of prescription drugs, dental and other specialist care, and health supplies within household budgets already stretched by the high cost of living. Provincial finance ministers certainly know this: without exception, health care is the largest single item on provincial government budgets.

Health care is a crucial federal priority as well – in terms of fiscal support (through federal-provincial transfers, as well as direct federal funding for specific programs like Indigenous health and the new pharmacare and dental care programs), as well as other policy and program initiatives (including health research, Canada-wide data collection and immunization). In short, health care is an overarching priority for all sectors of society: governments at all levels, employers, health care providers and families.

However, it would be a mistake to view health care in Canada only as a major ‘cost’ item. Health care is an important and dynamic sector of Canada’s economy. It drives growth, creates jobs, leads innovation, and contributes to longer and better lives. When households and governments spend on health care, they are simultaneously fueling one of the most important drivers of the whole national economy. Considering the economic benefits of health care, as well as its costs, is essential for informing a comprehensive and balanced understanding of this industry and its policy context.

Over 70% of total health care spending in Canada is financed through public channels, reflecting a national commitment to provide universal primary and emergency care to all Canadians without charge. This strong public interest orientation contributes to a common but mistaken tendency to overlook the economic benefits of health care. An old stereotype in economic discourse claims that public sector activities are somehow not as valuable as private sector investment, work, and production. It is often claimed that the private sector ‘creates wealth’, while the public sector spends it. This stereotype is fundamentally wrong: public sector industries contribute to GDP, growth, employment, incomes, and living standards as surely as private sector activity. And the contributions of health care to these metrics are especially significant.



Consider just one indicator of the economic dynamism of health care. The broader health care sector created almost 450,000 jobs over the last decade — far more than any other sector. Imagine the headlines in the business pages of newspapers if a private sector industry created even one-tenth as many new jobs in the same period. Yet because of the underlying prejudice in much economic and business commentary against public sector activity, the growth of health care is more commonly interpreted as a problem to be solved (through austerity or privatization) rather than a success to be celebrated.

This report explores and documents the multi-faceted contributions that public health care makes to Canada's economy — including growth, jobs, investment, innovation and equality. Of course, the most important benefit of a high-quality and accessible health care system is the service

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it provides. Good health is frequently considered the most important ingredient of good living standards. So the fact that Canadians can access good health care regardless of their incomes is a fundamental source of well-being and social cohesion. To be sure, this access is not perfect, marred by understaffing, wait times and inadequate capacity, and this report also explores how addressing those challenges will further amplify the economic benefits of this crucial sector.

The first section of the report provides an overall description of the economic footprint of health care in Canada, showing that it is one of the largest and fastest-growing sectors in the national economy. The second section describes several qualitative advantages of the sector, that further enhance its overall economic value: its role in anchoring supply chains, fostering innovation, enhancing labour market efficiency, and strengthening equality and participation in broader economic and social life. The third section addresses some of the challenges facing health care, and argues that by broadening the scope of public health care coverage, improving accountability for quality and access to care, and investing in the sector's workforce, Canada's economy could reap even larger benefits from this central pillar of our prosperity.

## Opinion research suggests that Canadians identify public health care as perhaps the single most defining aspect of “being Canadian”.<sup>4</sup>

At present, Canada’s economy is grappling with unique challenges arising from the turmoil caused by U.S. President Donald Trump’s tariffs and other aggressive policies. Canadians are renewing their determination to build an economy that is sovereign, sustainable and inclusive. Culturally and morally, our shared commitment to providing health care as a right, accessible to all regardless of income, is one of the most important features of our national identity; indeed, opinion research suggests that Canadians identify public health care as perhaps the single most defining aspect of “being Canadian”.<sup>4</sup>

But it is not just national identity and culture which is strengthened by our national commitment to universal health care. In economic terms, as well, recommitting to public health care can play an important role in strengthening Canada’s economy in the face of the threats and uncertainty emanating from south of our border. Health care is largely insulated from the direct impacts of tariffs or other trade actions, so this vital source of work, production and investment need not be undermined by Trump’s actions. And its continued growth can help to stabilize the national economy at a moment when export industries are disrupted by international chaos.

Some commentators argue that the uncertainty caused by Trump’s attacks necessitates fiscal austerity by governments in Canada

to reduce spending on all public services (including health care). However, austerity would be exactly the wrong response to the threat posed by Trump’s policies. By viewing health care only as a cost, not an economic engine, this approach ignores the economic strength and resilience the health care sector provides. And austerity advocates deny the painful consequences (from job loss to labour market inefficiencies) that would result from the degradation of our public health care system. Canada needs the investment, jobs and innovation that public health care provides more than ever as we pivot away from dependence on the U.S. market and recommit to building an economy that is more self-reliant and consistent with national values.

In sum, it’s time to invert the traditional narrative. We can celebrate the many ways in which a commitment to universal, accessible and high-quality health care is a core strength of Canada’s economy. The economic dividends from our health care system are felt through all sectors and communities, and contribute to a stronger, more efficient and more dynamic economy — and a fairer and more cohesive society. These benefits are especially important today, as Canada navigates the chaotic economic times that lie ahead.

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<sup>4</sup> For example, according to data collected by Statistics Canada (2023), 74% of Canadians take great pride in our public health care system, more than in any other single national attribute.



# Conclusion

Canadians are rightly proud of their national public health care system. It has a long history and reflects uniquely Canadian approaches to federalism, social equality and shared well-being.

Compared to alternative systems which rely on private financing and which ration health care on the basis of ability to pay, Canada's system generates superior health outcomes. Canadians live longer, and better, in large part thanks to this long-term national commitment to a health care system that is accessible to everyone.

This commitment to quality, universal and comprehensive public health care also plays an important role in Canada's economy. The health care sector is one of Canada's biggest industries. It has created more new jobs over the past decade than any other sector. While fiscal hawks and business commentators decry the cost of maintaining the system (and the taxes that must be collected to pay for it), they ignore the equally impressive economic benefits that are generated in turn: growth,

investment, jobs, incomes, innovation, a healthier and more productive workforce, and enhanced efficiency.

It is important for policymakers and the public at large to appreciate this other side of the health care coin. In Canada's current economic context, marked by uncertainty arising from Donald Trump's erratic actions and other challenges, it is enormously important to sustain an industry that steadily employs over 2 million staff, adds consistently to GDP and investment, and underpins health outcomes that are essential to economic and social progress. Knowing and appreciating the many economic benefits generated by Canada's public health care system can be useful in solidifying public support for maintaining and improving that system.

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