CENTRE FOR FUTURE WORK

The Economic Benefits of Public Health Care

Jim Stanford, Economist & Director, Centre for Future Work
CFNU Breakfast Seminar, Council of the Federation
Charlottetown, July 2026

“Health Care is a Cost”

Health Care is Also an Investment

FULL REPORT

MARCH 2026

The Economic Benefits of Canada's Public Health Care System

Dr. Jim Stanford

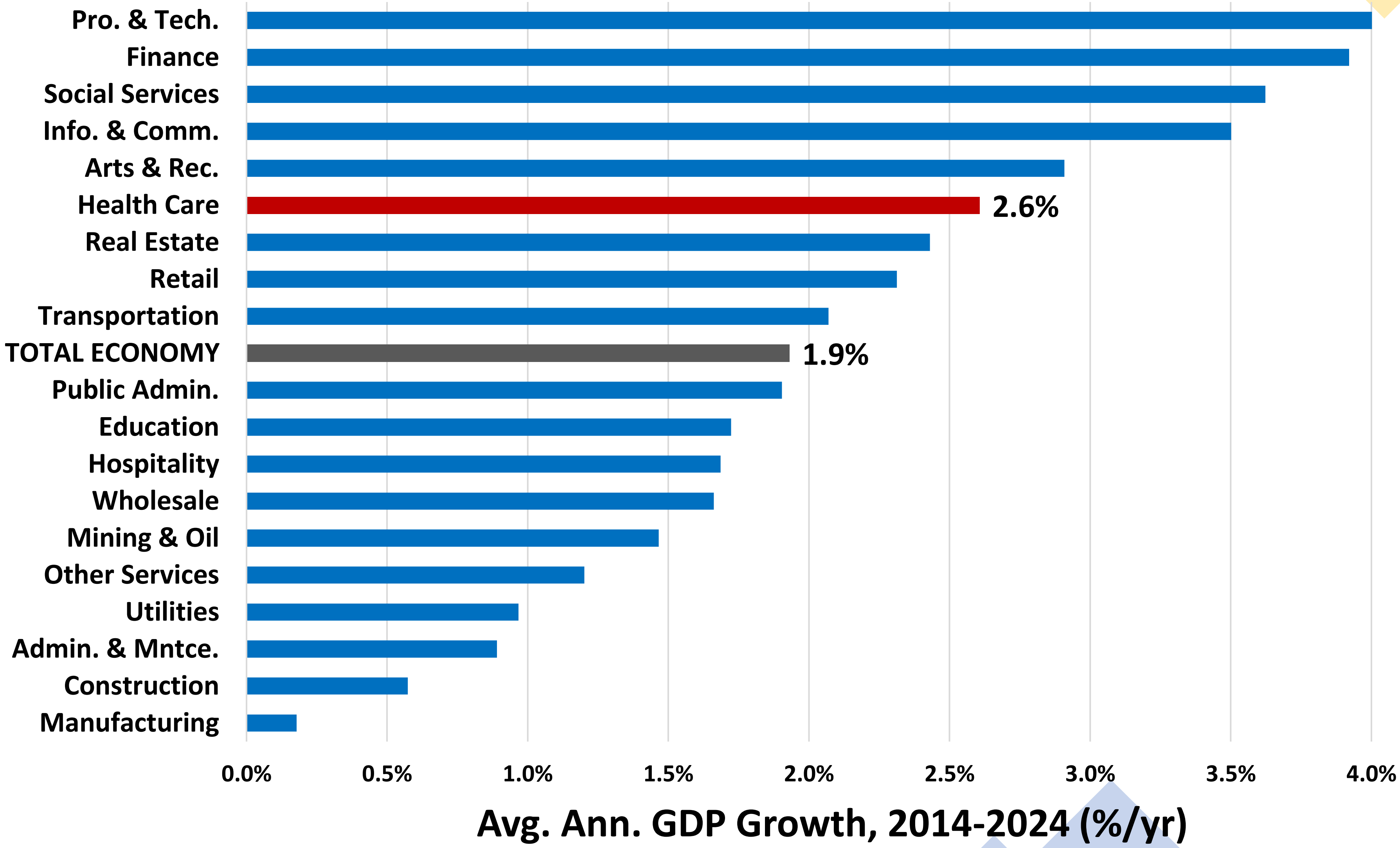
Economist and Director
Centre for Future Work

Broad Economic Benefits

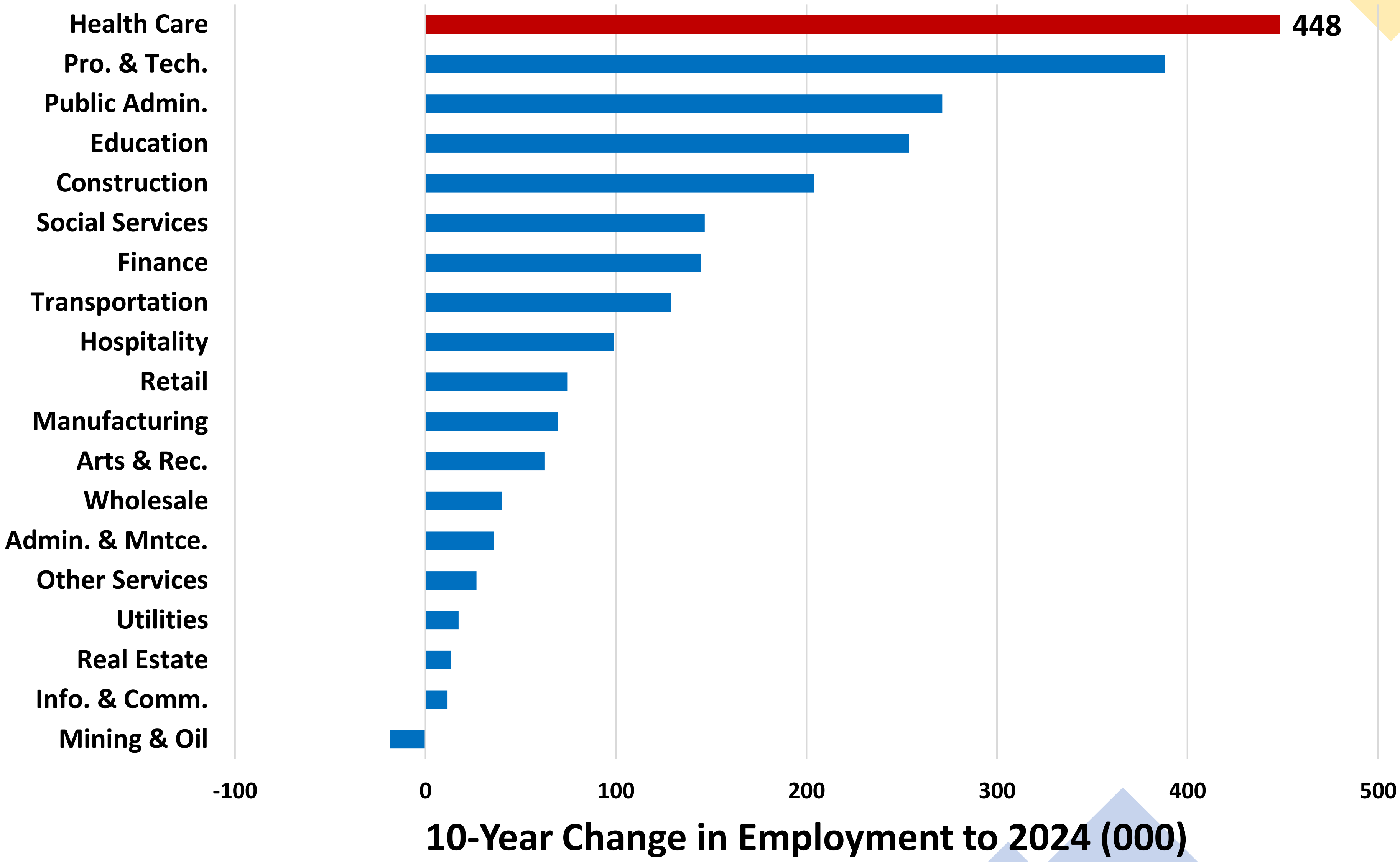
1. Direct economic footprint (employment, GDP, regional development).
2. Indirect and spin-off jobs.
3. Research and innovation.
4. Health outcomes.
5. Labour market efficiencies.
6. Insulation from global shocks.
7. Inclusion and equality.

1. Direct Economic Footprint

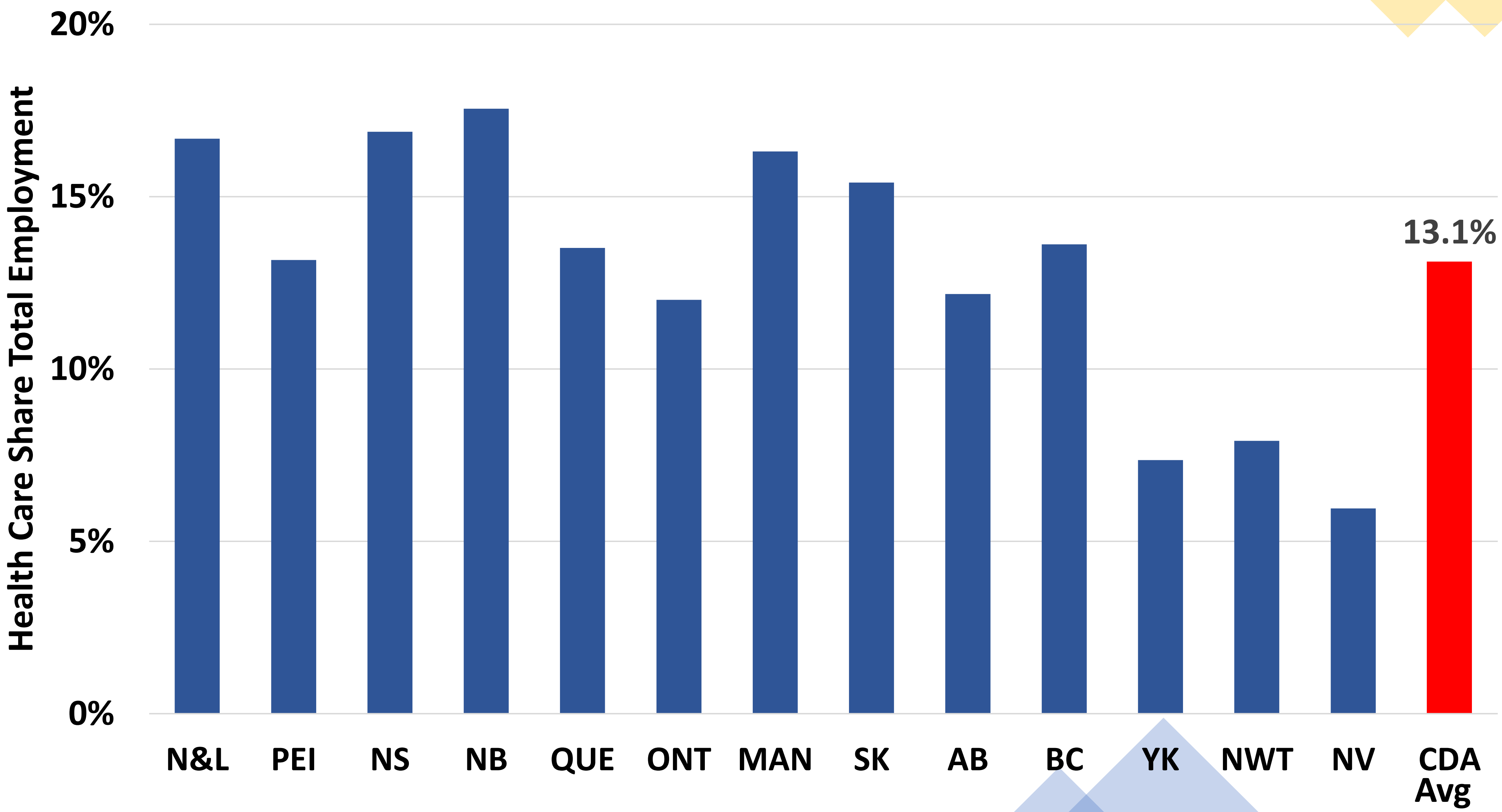
GDP Growth by Sector



Job-Creation by Sector



National Scope



2. Indirect and Induced Effects

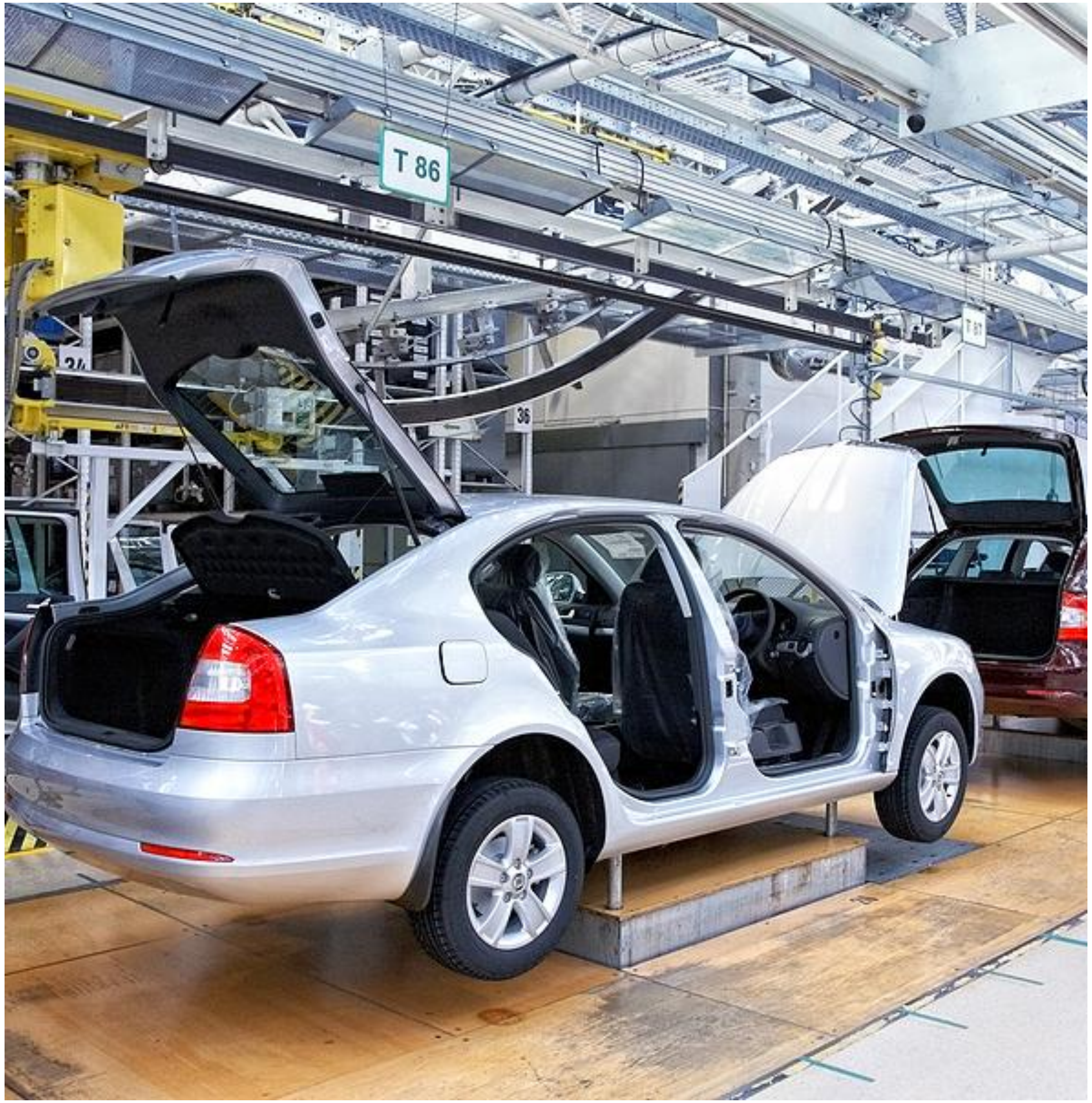
SUPPLY CHAIN:
Upstream (Indirect) Benefits

CONSUMER INDUSTRIES:
Downstream (Induced) Benefits

Table 6
Major input purchases by health care producers, 2022 (billion $)

Goods		Services	
Food	1.2	Wholesale and retail services	6.5
Energy and utilities	3.1	Transportation services	1.0
Construction and repair	1.3	Postage and courier	0.7
Paper and printed products	0.6	Communications	1.7
Chemicals	7.7	Finance and insurance	1.3
Medical equipment and supplies	3.1	Rental and leasing	4.9
Electronic and electrical equipment	2.0	Building and property services	2.7
Metal products	0.7	Other business services	3.1
Machinery	0.7	Other services	7.4
Other products	1.4	**Total goods and services**	**51.1**

Comparing Economic Anchors:

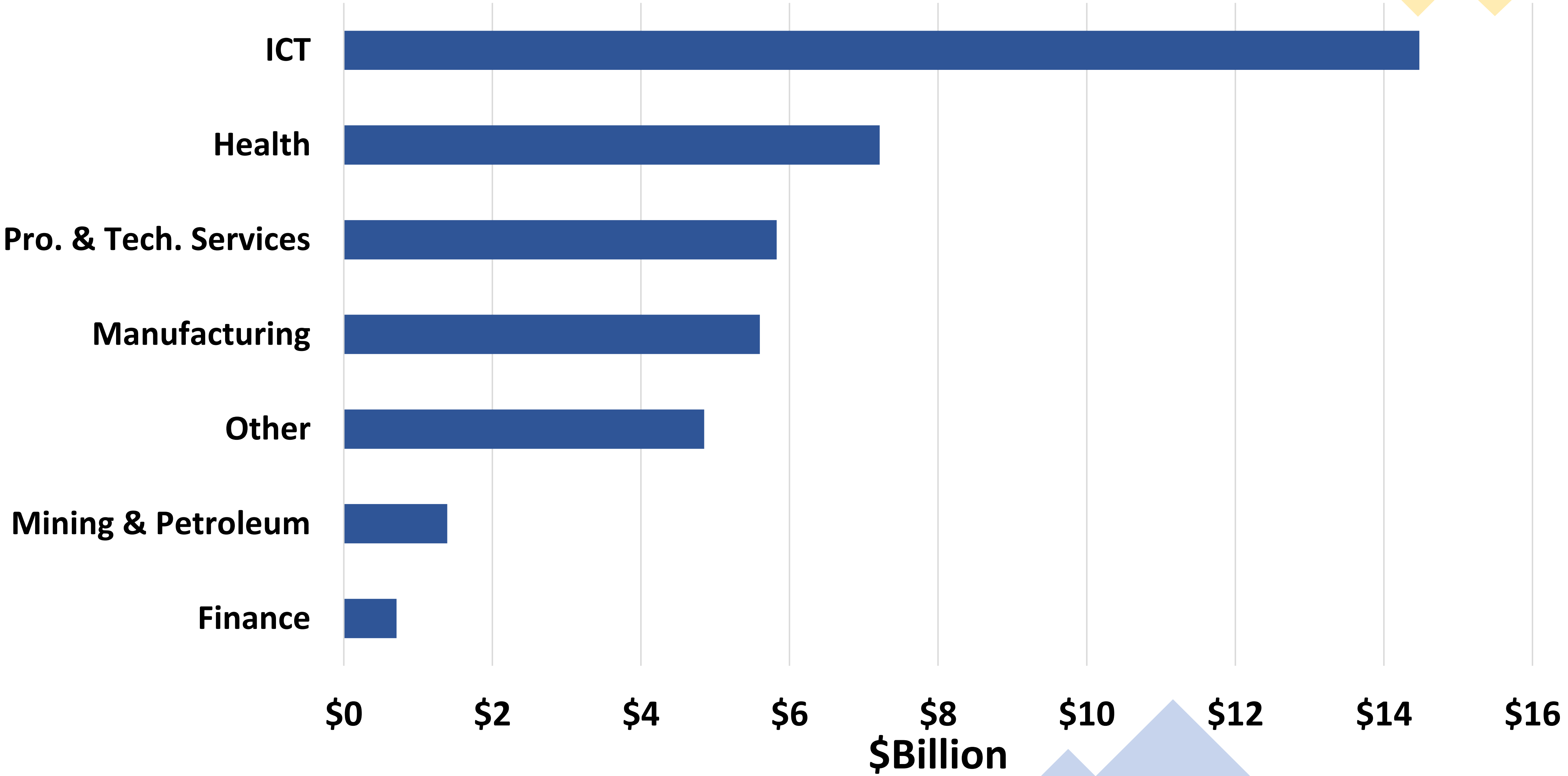


Comparing Economic Anchors:

	Auto Assembly Plant	Modern Hospital
Direct Employment	2,000 - 3,000	Up to 10,000
Supply Chain	Parts, sub-assemblies, supplies	Equipment, medicines, services
Average Income	Much above average ($95,000)	Somewhat above average ($75,000)
Downstream Benefits	Full range of consumer industries	Full range of consumer industries
Global Vulnerability	Intense	Moderate

3. Research and Innovation

R&D Spending (2024)



4. Health Outcomes

Table 7
Indicators of health outcomes, 2023[1]

Indicator	Canada	U.S.	OECD average
Life expectancy at birth (years)	81.7	78.4	81.1
Infant mortality (deaths per 1,000)	4.6	5.6	4.2
Maternal mortality (deaths per 100,000)[2]	8.5	22.3	9.0
General practitioners (per 1,000 residents)	1.4	0.6	1.4
Perceived health status (% reporting 'good' or 'very good')	85.6	84.9	68.1
Potential years of life lost (to premature mortality, years/100,000)[2]	4,730	7,384	4,763

5. Labour Market Efficiencies

More Flexible & Competitive Labour Markets

- Employers save $6/hour ($US) on labour costs vs. U.S.
- Improved ability for workers to move to new jobs and new regions.
- Improved match between jobs and skills / interests of workers.
- Improved productivity.
- Timeliness and quality of care reduces absenteeism / presenteeism.

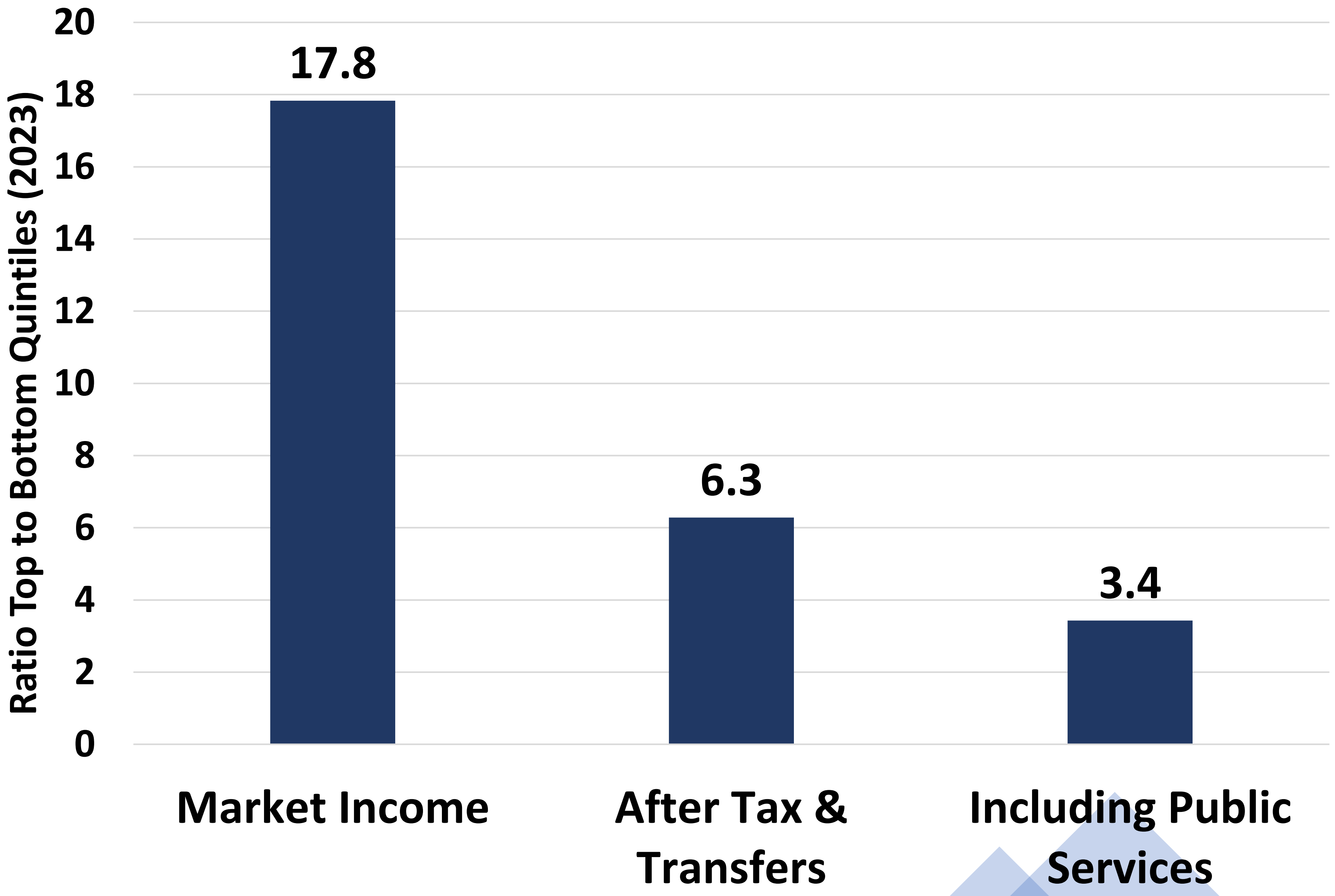
6. Insulation from Global Shocks

Table 8
Trade exposure of Canadian industries

	Shares of sector GDP (%)		
	Exports	**Imports**	**Imports of inputs**
Mining and petroleum	94.8%	23.6%	13.1%
Utilities	8.1%	3.3%	4.7%
Construction	0.2%	0.1%	28.4%
Manufacturing	150.1%	264.5%	89.1%
Wholesale and retail	16.4%	1.0%	8.4%
Transportation	47.4%	13.8%	21.1%
Information and culture	25.7%	26.8%	24.2%
Finance	9.0%	11.7%	5.8%
Professional and technical	29.8%	21.6%	10.1%
Education	13.5%	1.8%	3.3%
Health care	0.8%	0.4%	10.1%
Hospitality	43.5%	57.9%	29.6%
Other services	1.1%	4.0%	16.2%
Public administration	1.9%	0.1%	12.8%
Total economy	32.9%	35.7%	19.8%

7. Inclusion and Equality

Public Services and Equality



Quantitative Simulations

FULL REPORT

APRIL 2026

The economic impact of increased public sector health spending in Canada

Robin Somerville
President, Quantitative Economic Decisions, Inc.

Quantitative Simulations

- Quantitative simulations of the economic and fiscal impact of a 1% increase in health care spending.
  - Using general equilibrium & input-output models maintained by QEDinc.
- Two scenarios:
  - No additional taxes; deficit increases.
  - Additional spending offset by higher federal personal income taxes.
- GDP multiplier of 1.3 to 1.5 in first year.
- 69,000 to 83,000 person years of work added over first 5 years.
- Fed/prov government sector recoups and average of 42% of spending over first 5 years even with no new taxes.

Enhancing the Economic Benefits of Health Care

1. Protecting the universal public model.
2. Broadening coverage.
3. Accountability for quality of care.
4. Addressing staffing challenges.

Conclusion: A Genuine Nation-Building Project

- Canadians place top priority on access to quality health care.
- It is the most commonly-cited dimension of “being Canadian.”
- Investing in health care strengthens the economy, builds national resilience, strengthens national unity.
- Pipelines, mines, and ports are important.
- But health care is at least as important for nation-building.
- Federal government should invest accordingly – starting with a First Ministers Meeting to repair CHT escalation.

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Thank You!