Canada Brain Economy Declaration

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Prepared in the context of the Canadian G7 Presidency

Brain capital is an urgent economic constraint and opportunity. We are undervaluing human brain health instead of treating it as a fundamental driver of economic growth

About the Canada Brain Economy Declaration

The Canada Brain Economy Declaration represents the culmination of a months-long effort that brought together more than 100 senior global leaders from government, business, research, and civil society through a series of roundtables, consultations, and convenings aligned with the 2025 G7 Leaders' Summit.

The effort was convened by the Alzheimer's Society of Montreal, Canadian Brain Research Strategy, Centre for Aging + Brain Health Innovation, Davos Alzheimer's Collaborative, European Brain Council, Hotchkiss Brain Institute, Ontario Brain Institute, Rice University, and the University of Calgary.

Table of Contents

Executive Summary

We have an urgent global brain health crisis. According to the Brain Health Atlas of the Institute for Health Metrics and Evaluation (IHME), brain health disorders, encompassing mental health, substance use, and neurological conditions, cost the global economy USD $3.5 trillion per year, and the cost is rising at 3% per year. No country has a handle on this escalating challenge, and it comes at a time when productivity growth is declining and the Group of 7 (G7) populations are aging. Coordinated change is clearly needed.

The G7 has a unique opportunity to solve this crisis by taking concrete steps in 2025 to prioritize the creation of a global brain economy that will power a more resilient, productive future — one fueled by healthy brains to meet the rising global demand for brain capital.

We are entering a new era where brain capital — encompassing brain health and brain skills — is becoming essential to sustainable growth and human development. Brain health involves promoting healthy brain function and addressing conditions such as mental, neurological, and substance use disorders. Brain skills include cognitive, emotional, and social capabilities such as creativity and adaptability.

The payoff for those countries and businesses that can leverage their brain capital is impressive. According to the McKinsey Health Institute (MHI), prioritizing and fostering brain capital has the potential to unlock

$26 trillion in global economic opportunities by enhancing workforce performance, igniting innovation, and reclaiming millions of years of quality life.

Coordination among policymakers and key sectors of the economy is essential to delivering on the promise of an equitable, sustainable economic surge fueled by efficient brain capital investments.

The G7 is the ideal political body to serve as the catalyst for this movement. Following a series of meetings that have brought together senior leaders from government, business, research, and civil society over the past year, culminating in the G7 Canada Brain Economy Summit on June 14 in Calgary, we would like to present G7 leaders with the following recommendations:

1. **Establish a G7+ Brain Economy Working Group co-led by Finance and Health Ministries**
2. **Convene a formal G7 Brain Economy Conference**
3. **Integrate the brain economy into France's 2026 G7 Agenda**
4. **Incorporate brain economy language into the G7 Leaders' Communiqué**

This is more than a health initiative. It's an evidence-based strategy for resilience, competitive advantage and sustainable economic growth.

The Demographic and Economic Consequences of Brain Health Across the Lifespan

Brain health has become a leading issue across the G7. According to the Brain Health Atlas, in 2019, G7 nations spent USD $1.2 trillion in direct health care on brain health disorders and USD $894 billion in lost income.

Current demographic changes are creating a health crisis of historic proportions: aging populations are contributing to rapidly increasing health costs that have placed unsustainable fiscal pressures across all G7 countries.

Below in Figure 1, we outline the population age structure in Canada in the year 2000 (left) and forecast for 2100 (right).

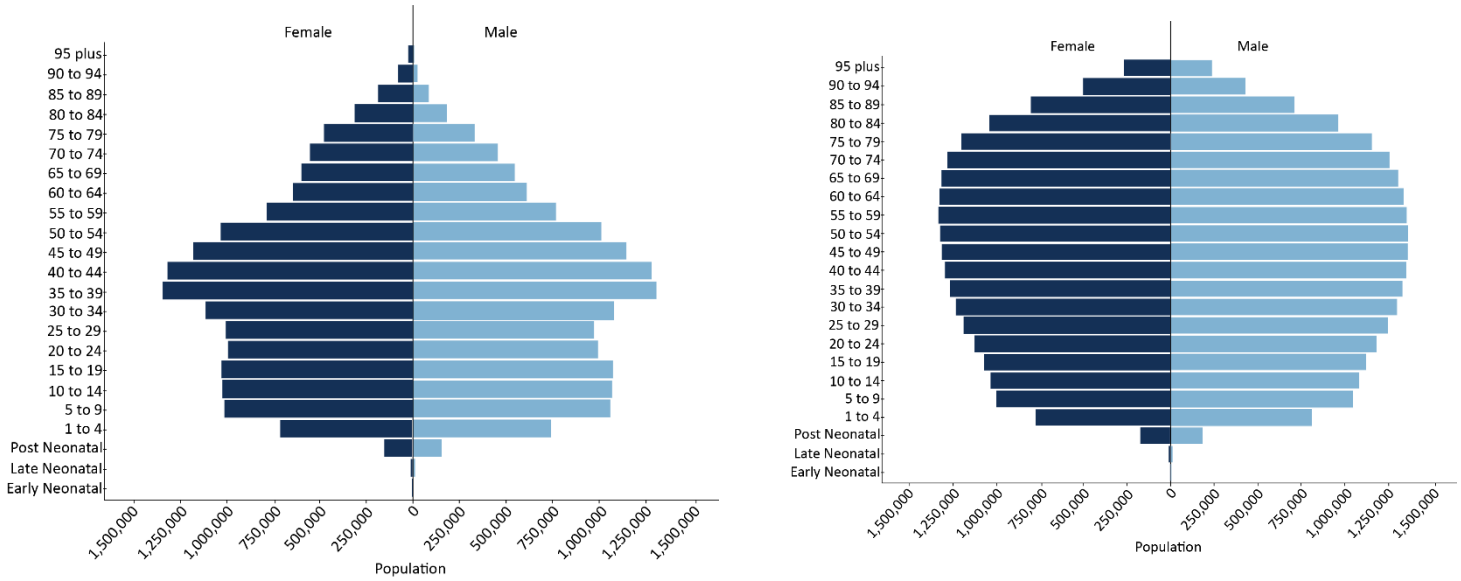

Figure 1

At the opposite end of the age spectrum, brain disorders and technological change are pressuring youth and working-age populations in ways we have never encountered before, shrinking the number of workers needed to support economic growth and depleting workers of the very skills required to adapt to turbulent and rapidly evolving work environments.

Why This Matters Now: The True Impact of Brain and Mental Health Conditions is Not Just in the Future Elderly—They Are Today's Working-Age Adults

This is not just a healthcare issue. It is a looming national and global economic crisis that is playing out today, not in the distant future. It is a business issue that threatens the very brain capital we need to maximize the kinds of 21st century jobs that boost technological diffusion, productivity, and economic growth. Consider:

- Brain conditions in otherwise healthy individuals lower participation in the socioeconomic area, increase absenteeism, and reduce on-the-job performance — both for those living with brain disorders and their caregivers — directly undermining total factor productivity and contributing to social instability and inequity.
- At the same time, today's and tomorrow's workforce is expected to adapt to AI and digital technologies, manage stress, and learn new skills — but few systems support the development of the cognitive and emotional capacities those adaptations require to sustain productivity and well-being.
- Together, these challenges reflect a broader erosion of *brain capital*. They are just as essential to economic performance as physical or digital infrastructure, and are becoming increasingly critical with recent and upcoming technological and societal changes.

As a result, G7 countries are failing to capitalize on their most valuable economic asset: the brainpower of the labour force. Canada is a case in point. While often seen as facing a future demographic crunch, Canada today has the largest proportion of working-age people in the G7 — a potential productivity dividend. Yet its GDP per capita is now declining, for the third year in a row. The mismatch is clear: Canada has the people, but not the conditions for them to thrive.

All G7 economies are navigating the same paradox: We have a workforce, but we're not getting the productivity we need. Imagine what we would be able to achieve if we tapped the full potential of the brain economy through better brain health and brain skills development.

Brain capital is the missing link across the challenges G7 Finance Ministers identified in May: slowing productivity, labour market tightness, fiscal strain from high public debt, and risks to macroeconomic resilience.

If we invest now, before decline becomes entrenched — we can reinforce growth fundamentals and fiscal stability. Countries that treat brain capital as essential infrastructure — not a health add-on — will lead the next era of inclusive, resilient growth. Those that don't will fall further behind.

Where We Are: The Brain Economy is Emerging Without Policy Alignment

Businesses are moving ahead with brain health investments that deliver competitive advantage and governments risk being sidelined. Unless there is effective policy backing private sector momentum, we risk eroding the very gains that brain health initiatives would deliver.

Investing in our collective brain health and skills is now an economic imperative that we must undertake in a collaborative, coordinated manner. The movement has already begun.

Across sectors:

- Major employers are innovating work environments and job structures to reduce cognitive overload, prevent burnout, and retain skilled workers. They are also beginning to invest in upskilling initiatives and brain skill development — like focus and adaptability — especially in the context of AI and digital transformation.
- Youth are building new models for mental health access — because they know well-being is a precondition for learning and employment.
- Insurers and platforms are looking to embed brain health metrics into performance and risk models, linking cognitive and emotional resilience to lower claims and higher returns.
- Multinational firms — from energy to tech — are piloting brain performance tools in safety-critical and innovation-driven roles, seeing gains in efficiency and decision-making.
- Think tanks are advancing methodology, new data, and insights, such as the World Economic Forum Brain Economy Action Forum. MHI analyses note that by 2050, scaling known mental health interventions to 90% of individuals in need could avert about 36% of the total mental health burden and add about 1.2 years of healthy life per person in Canada. Scaling mental health interventions could contribute $87.9 billion to the economy in Canada and increase work years by 0.6 million in 2050; investing $1 in scaling mental health interventions could have an economic return of $5-6 in GDP globally

The market is not pricing in the value of brain capital. Without clear policy prioritization and public-sector alignment, we're leaving value on the table. Unless G7 countries provide essential leadership now, that value may be permanently lost.

What It Will Take: A Coordinated Strategy to Unlock Brain Capital

The evidence is clear: brain capital — our collective brain health and cognitive-emotional skills — is already beginning to influence productivity, retention, learning, innovation, and investment decisions. But the policy environment remains decades behind, slowing the speed of innovation. And diminishing the efficiency, scale, and impact of any efforts.

Analyses from Korn Ferry notes, human talent and intelligence is at least 2.33 times more valuable than physical capital, and for every USD $1 invested in human capital, USD $11.39 is added to GDP.

We are treating a foundational economic input — human cognitive capacity — as a side issue.

We note that other G7 Canada Engagement Groups have positions aligned with the brain economy such as:

- Civil 7: "Adopt a holistic approach to health, addressing the needs of all age groups. This means investing in equitable access to mental health care, early childhood development, and adolescent health programs while expanding research and innovation in dementia and noncommunicable diseases. This also requires strengthening long-term and palliative care systems, ensuring sustainable, age-inclusive care models that support aging populations in G7 countries and beyond."
- Business 7: Notes 1) the importance of realizing the promise of responsible AI and digital by building a skilled workforce in the AI economy, and 2) strengthening systemic global health security by advancing global health innovation to keep pace with emerging health threats and bolstering capacity to prevent and respond to emerging health threats.
- Think 7: Notes "scenarios related to accelerated AI research and development (R&D) automation could bring exponential gains in AI cognitive capabilities and profound impacts. While these changes could yield significant scientific and economic benefits, they could also undermine social cohesion and raise new global-scale risks."

To unlock the full potential of the brain economy, we must augment existing policies:

1. Reclassify brain capital as essential economic infrastructure

- Like physical and digital capital/infrastructure, brain capital is foundational to growth — yet easy to underfund until performance collapses
- Governments must shift investment from reactive health spending toward proactive workforce readiness, cognitive skill development, and scalable prevention, early detection, intervention, support, and care.

2. Align across portfolios: finance, labour, innovation, education, climate, health

- Just as cyber risks, AI, and climate change require whole-of-government strategies, so does brain capital to ensure people are equipped with the health, skills, and adaptability needed in a changing economy.
- Fiscal policy, skills strategy, productivity targets, and research investments must reinforce and create synergies across this agenda, rather than fragment it.

3. Scale what works through public-private coordination

- Promising innovations — from digital prevention tools to brain-based performance metrics and early intervention models — are emerging from industry, education, research, and health organizations as well as philanthropy and non-governmental organizations (NGOs).
- G7 governments can catalyze scale through co-financing mechanisms, procurement, data standards, and regulatory support.

- G7 governments should share best practices and facilitate international expansion of effective approaches, maximizing the efficiency of innovation development, validation, spread, and scale.

The G7 has a track record of coordinating responses to systemic risk — from financial stability to pandemics. The erosion of brain capital is another such risk — but this one is preventable. Industry, citizens, and systems are already moving. What's missing is aligned policy.

What Success Looks Like: A High-Functioning Brain Economy

We're used to thinking of issues like depression, burnout, dementia, and education gaps as concerns that *need support*. But it's time to move brain capital to the other side of the ledger — from expense to asset.

In a high-functioning economy, brain capital is what enables growth, inclusion, fiscal sustainability, and national resilience.

When brain capital is strong, everything else works better:

- Workplaces run more productively. People bring the brain skills needed for complex tasks, perform better, miss fewer days, and stay longer in their jobs.
- Public services become more efficient. Education, employment, and healthcare systems face fewer crises and less churn, making long-term investments more sustainable.
- Inclusive growth becomes achievable. By reducing barriers linked to mental illness, neurodivergence, trauma, or limited access to skill development, more people participate in and benefit from the economy.
- Societies become more adaptive. Strong brain capital helps populations navigate technological disruptions such as expected with AI, climate change, demographic transition, and misinformation — reducing social volatility and increasing institutional trust.

Brain capital is the substrate of productivity, stability, and innovation. Embedding brain health and skills into how we design, operate, and finance our systems — across education, employment, health, research, and innovation — offers a whole-economy return on investment.

This is more than a health initiative. It's an evidence-based strategy for resilience, competitive advantage, and sustainable economic growth.

Our Recommendations: Policy Actions for G7 Leadership

To realize the full economic potential of brain capital — and mitigate the growing fiscal, productivity, and societal risks of inaction — we propose four coordinated, finance-relevant actions for the G7:

1. **Establish a G7+ Brain Economy Working Group**
    - Co-led by Finance and Health Ministries, modeled on G7 coordination tracks for pandemic preparedness and antimicrobial resistance (AMR), to align investment, data, and strategy.
    - *Why it matters:* Like pandemics and AMR, brain capital erosion is a systemic risk with macroeconomic consequences — but one we can prevent and reverse. Like past G7 tracks, this group would use joint surveillance, aligned investment, and international coordination

to mitigate that risk and protect growth fundamentals.

2. **Convene a G7 Brain Economy Conference**
    - A formal policy forum to align metrics, scale proven models, and coordinate public-private strategy.
    - *Why it matters:* Provides coherence to a fast-moving field. Aligns momentum across G7 engagement groups with policy leadership to strengthen investment in brain health, workforce productivity, and cognitive resilience.
3. **Integrate Brain Economy into France's 2026 G7 Agenda**
    - To ensure continuity and long-term impact, establish brain capital as a cross-cutting strategic priority for the next G7 cycle.
    - *Why it matters:* The decline in brain capital is a multi-year, system-wide challenge. Like financial crime or AI governance, it requires G7-level stewardship across presidencies.
4. **Incorporate Brain Economy Language into the G7 Leaders' Communiqué**
    - A clear statement that positions brain capital as essential to sustaining labour market performance, strengthening national resilience, and securing long-term economic and fiscal stability.
    - *Why it matters:* This is the high-leverage moment to mainstream brain capital as a macroeconomic priority. A clear reference would send a strong signal to global institutions, markets, and domestic policymakers that brain health and brain skills are economic infrastructure — not just social goods.

Conclusion: A Defining Opportunity for G7 Leadership

The brain economy is already emerging — driven by shifts in how people work, learn, and stay well.

Economies that support brain health, skills, and inclusion will be the most innovative, resilient, and prosperous. That's what brain capital is about.

Now is the time for the G7 to recognize brain capital as core societal, global, human interests, including in the lens of a critical economic infrastructure — and shape the systems, investments, and standards that will define this next era of growth. It is an opportunity too big to lose.