



# Stronger, More Resilient Children, Youth, and Families: A Healthier, More Equitable Canada in Budget 2025

---

## Introduction

Children in Canada are facing a polycrisis that threatens their health, well-being, and future prosperity. The rising cost of living, a weakening Canadian dollar, and emergent U.S. tariffs are putting immense pressure on families across the country. These economic shocks are not just straining household budgets but are also destabilizing the healthcare system that children and youth rely on. Much like the pandemic only a few years ago, these pressures will have an outsized impact on children and youth, who depend on health and mental health services that are, in turn, facing their own economic constraints, compounding on top of decades of underinvestment.

The Government of Canada has already taken important steps to support children, youth, and families through investments such as the Canada Child Benefit (CCB), the Youth Mental Health Fund, and Jordan's Principle. However, these are not enough. Today's unprecedented economic challenges demand further decisive action. We call on the government to make targeted, strategic investments in Budget 2025 to mitigate the impacts of economic strain on children and families and to strengthen healthcare systems serving young people.

## Recommendations

To uphold its commitment to generational fairness, a strong healthcare system, and equitable opportunities for all children, we urge the federal government to adopt the following three key investments in Budget 2025:

- 1. Support Children, Youth, and Families in the Face of Economic Pressures:** Expand economic protections for families with a 10% increase in the Canada Child Benefit and expand the Youth Mental Health Fund to include Children with a minimum \$5 billion investment over ten years.
- 2. Ensure Sustainable Child Health Delivery:** Implement a federal Child Health Transfer (a dedicated, ring-fenced funding stream) with a minimum investment of \$10 billion over ten years alongside economic safeguards in response to tariff threats and impacts to protect children's healthcare delivery from supply chain disruptions and resource scarcity.
- 3. Sustain and Expand Jordan's Principle and the Inuit Child First Initiative:** Commit to renewed and sustained funding for Jordan's Principle and the Inuit Child First Initiative, including scaling up proven models of care that improve access to healthcare, education, and social support for Indigenous children and families.



## 1. Supporting Children, Youth, and Families Amid Economic Pressures

Families across Canada are struggling to keep up with inflation, rising interest rates, and economic uncertainty. The weakened Canadian dollar and emergent U.S. tariffs will continue to increase the costs of essential goods, including food, medicine, and healthcare supplies. These pressures disproportionately affect lower-income families and those in rural and remote areas, exacerbating health and social inequities for children.

The impact on children's well-being is immediate and severe. In uncertain economic times, the risks are significant. A 10% drop in the Canadian dollar would add \$2,500 in annual expenses for middle-income families (Bank of Canada, 2023). According to Campaign 2000's latest report, over one in five children in Canada—more than 1.8 million—continue to live in poverty, with racialized, Indigenous, and disabled children disproportionately affected, highlighting the urgent need for strengthened economic supports and targeted policy interventions.

Food insecurity is rising particularly fast, directly contributing to poor physical and mental health outcomes. Lower-income families face higher rates of food insecurity, leading to poor health and developmental challenges in children. Parents are also facing heightened financial stress. Combined, stress and malnutrition from inadequate nutrition increase the risk of lifelong health issues (University of Toronto, PROOF Report, 2022).

As a result, we see the demand for youth mental health services continue to surge, while many services remain inaccessible due to funding constraints and long wait times. This is a crisis that requires urgent action. The Canada Child Benefit is a proven way of lifting families out of poverty. A 10% increase across the board would have a significant positive impact on families and their ability to weather this economic storm. Similarly, the recently announced Youth Mental Health Fund will have a positive impact on youth, but it needs to be expanded to include children and virtual delivery.

### Key recommendations

- Increase the Canada Child Benefit (CCB) by 10% for families with children to help offset rising costs and prevent deepening childhood poverty.
- Expand the Youth Mental Health Opportunity Fund by \$5 billion over ten years and to include children, ensuring sustainable, long-term support for early intervention, crisis services, and school-based mental health initiatives.
- Expand access to virtual mental health resources, ensuring that youth in rural and underserved areas receive timely care.



## 2. Ensuring Sustainable Child Health Delivery

Children and youth in Canada face long wait times for essential health services, including surgical care, diagnostics, and mental health support. Children's health systems are structured differently from adult healthcare, requiring specialized, integrated services. However, decades of underinvestment have left them unable to meet demand, and economic pressures are worsening the situation. Our systems are undersized to meet the demand for Children's health in Canada, which continues to grow in both size and complexity.

The Ontario government's 2023 investment of \$330 million in children's healthcare demonstrated how targeted funding can expand services, reduce wait times, and improve outcomes. These improvements directly benefit Canadian families, reducing the stress and burden of navigating an under-resourced healthcare system and ensuring their children receive the necessary care. A similar national approach is needed to ensure children's healthcare remains a priority across all provinces and territories. Without proper ringfencing, the \$2 billion top-up in 2023 intended to focus on the pediatric system quickly disappeared into the general healthcare system of most provinces and territories. Moreover, the rising cost of medical supplies and the increasing frequency of supply chain disruptions threaten the ability of children's hospitals and clinics to provide timely, high-quality care. Budget 2025 must include measures to protect children's healthcare delivery from economic instability and a new Child Health Transfer in the amount of \$10 billion over ten years.

Beyond healthcare services, investment in child health research is critical. The new Capstone research organization should establish a dedicated funding stream for child and youth health research to prevent marginalization within broader funding shifts. Prioritized research areas should include developmental disabilities, social media's impact on mental health, policy-driven health outcomes, and non-communicable diseases affecting children. Without parallel investments in research, sustained healthcare improvements cannot be achieved.

### Key recommendations

- Implement a Child Health Transfer with a minimum \$10 billion investment over ten years to expand children's healthcare capacity and improve access to specialized services, delivered through bilateral agreements with provinces and territories.
- Establish economic safeguards for children's healthcare providers, including funding mechanisms to mitigate supply chain disruptions and medical cost inflation.
- Create a dedicated child and youth health research funding stream within the Capstone organization to ensure continued innovation and evidence-based improvements in care.
- Establish thematic research areas focusing on developmental disabilities, mental health, policy impacts, and chronic diseases affecting children.



### 3. Sustaining Jordan's Principle and the Inuit Child First Initiative

The Government of Canada stands at a pivotal moment in its commitment to health equity and reconciliation. Indigenous children and families rely on Jordan's Principle and the Inuit Child First Initiative to access critical health, education, and social services. These programs are essential for progressing toward health equity and advancing reconciliation. However, without sustained and expanded funding, the progress made in recent years is at risk.

The loss of funding for Jordan's Principle and the Inuit Child First Initiative would have a devastating impact on vulnerable children and families. First Nations and Inuit children, who already face numerous systemic barriers, would be left without access to critical healthcare services, including mental health care, preventive services, and specialized treatments. They would lose out on the support needed for early childhood development, educational assistance, and critical interventions that set them up for success. This funding loss would not only deepen existing health disparities but also risk exacerbating economic burdens and further disenfranchising already marginalized communities.

Scaling up proven models of care under these initiatives can improve efficiency and increase access. For example, the Rehabilitation Centre for Children (RCC) in Manitoba has demonstrated how community-based service delivery reduces costs while improving outcomes for First Nations children. Similar models should be expanded across Canada to streamline service provision and remove administrative barriers. RCC collaborates with First Nations teams to provide assessments, programming, and education through a specialized program that delivers rehabilitation therapies, specialized clinics, and orthopedic services directly to communities. In 2023-2024, RCC provided over 7,000 services to children and families in 63 First Nation communities, cutting costs by approximately 50% compared to fulfilling individual service requests.

By investing in Jordan's Principle and the Inuit Child First Initiative in a way that respects the progress made in recent years, Canada can move beyond acknowledging inequities and take decisive action toward reconciliation and health equity.

#### Key recommendations

- Commit to the long-term renewal and expansion of funding for Jordan's Principle and the Inuit Child First Initiative at 2024 levels plus an increase for inflation to ensure that First Nations and Inuit children have equitable access to timely, culturally safe, and needs-based health, social, and educational services—without delays or administrative barriers.
- Scale up innovative and proven models of care under Jordan's Principle and the Inuit Child First Initiative to streamline service delivery, reduce administrative burdens, and improve access to essential health services for First Nations and Inuit children.



Children's  
Healthcare  
Canada

Santé  
des enfants  
Canada



Pediatric Chairs of Canada  
Directeurs de pédiatrie du Canada

Inspiring  
**Healthy**  
Futures

A Vision for Canada's  
Children, Youth and Families

## Conclusion

Budget 2025 is an opportunity to make strategic investments that will strengthen Canada's healthcare system for children and families, ensure economic stability in times of uncertainty, and advance equity for Indigenous communities. The proposed measures build on existing commitments and proven initiatives, providing targeted support where it is most needed. By prioritizing children's health and well-being now, the federal government can help mitigate the long-term costs of inaction and ensure a more resilient, equitable future for all Canadians.

We urge the Government of Canada to act decisively to ensure all children and youth, regardless of their circumstances, can grow up healthy, resilient, and ready to contribute to Canada's future.

## About us

**Children's Healthcare Canada** is a national association serving healthcare delivery associations that care for children and youth and advocates to accelerate excellence and innovation in health systems serving children, youth, and their families across the continuum of care. Our members deliver health services to millions of children and youth across Canada each year, and include all sixteen children's hospitals, community hospitals, rehabilitation hospitals, home and respite care agencies, children's treatment centres, and regional health authorities.

The **Pediatric Chairs of Canada** is comprised of the department heads of Pediatrics within Canada's seventeen medical schools. PCC provides national leadership to strengthen the future of pediatrics, advancing education, workforce planning and research in support of excellent care for children and youth.

**Inspiring Healthy Futures** is a national network focused on improving the health and well-being of children, youth, and families. IHF supports collaboration among practitioners, researchers, and advocates to drive progress in child health and well-being across Canada.