

PRIORITIZING PHYSICAL ACTIVITY FOR AN ACTIVE, HEALTHY AND STRONG CANADA



**2025 Budget Submission to
The Department of Finance**

PRIORITIZING PHYSICAL ACTIVITY FOR AN ACTIVE, HEALTHY AND STRONG CANADA

Physical inactivity is the fourth leading risk factor for premature death and mortality

globally and one of the most pressing public health issues in Canada.ⁱ It's driving up health care costs, reducing workplace productivity, deepening social inequities, and weakening community connection. It even contributes to environmental harm by reinforcing car-dependence and sedentary urban design.

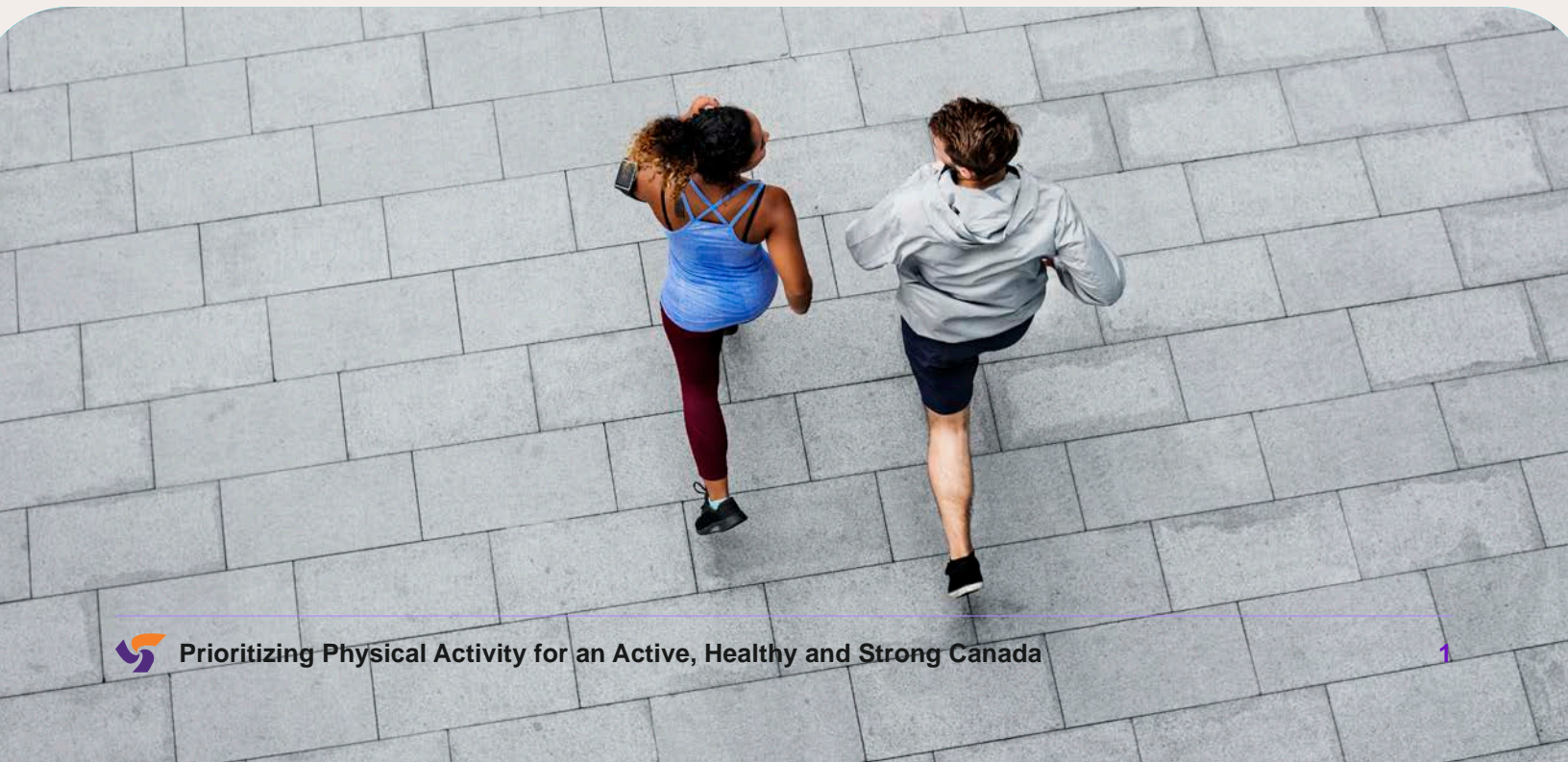
The economic burden is substantial and growing. Each year, low levels of physical activity and the resulting medical conditions account for **\$3.9 billion of annual health care expenditures**.ⁱⁱ The mental health impact is equally alarming. By the time Canadians reach 40 years of age, one in two have or have had a mental illness, and treating or managing depression alone is **costing Canada \$409 million annually**.ⁱⁱⁱ Canada is the only G7 country, other than the United States, that spends more than the OECD per capita average on health care due to weight-related illnesses.

To address these wide-ranging consequences, we must prioritize physical activity as a foundational

solution — one that strengthens individual well-being while building healthier, more equitable, and more resilient communities. It's a smart economic strategy, with the potential to reduce costs, increase productivity and ease the growing pressure on our health care system.

Yet despite the clear evidence, Canada's progress has been slow and stagnant for decades. **Only 49% of adultsⁱⁱⁱ and 39% of children and youth^{iv} in Canada meet the recommended physical activity guidelines** — and rates are even lower among equity-denied groups. We can no longer afford to move at this pace.

Accelerating progress will take bold leadership, coordinated action, and sustained investment. A collective, systems-based approach is essential to drive meaningful change and to fully unlock the benefits that increased physical activity can bring to Canada, now and for generations to come. It's a nation-building move that supports a stronger economy and a more sustainable future for all Canadians.



THE PREVENTATIVE POWER OF MOVEMENT

Regular physical activity is one of the most effective and accessible forms of prevention. It plays a critical role in reducing the risk and severity of noncommunicable diseases such as heart disease, hypertension, stroke, diabetes, and several types of cancer. Physically active children and youth are significantly less likely to develop risk factors for cardiovascular disease later in life. Childhood is a critical period for establishing healthy habits like physical activity, which support long-term health.

Physical activity is also a powerful support for mental health and cognitive function. Meeting Canada's physical activity guidelines is associated with lower levels of anxiety and depression, a reduced risk of dementia, and better overall quality of life. Adults who engage in daily physical activity have an approximately 30% lower risk of developing depression or dementia.^v Evidence suggests that physical activity in childhood and adolescence is associated with better cognition, brain function, and mental health. Active individuals also report greater life satisfaction and happiness. An active population is a healthier population — and the benefits extend far beyond individual well-being.

The benefits of physical activity also extend to the workplace and the classroom. Physically active employees take 27% fewer sick days and are 12% more productive^{vi}, reducing pressure on both the health care system and employers. For children and youth, regular physical activity supports academic success, boosting performance in subjects like math, reading, science, and social studies.





CANADA'S LEADING PHYSICAL ACTIVITY ORGANIZATION

ParticipACTION is a Canadian non-profit charitable organization and an enduring part of Canada's history. Through our award-winning public education campaigns, best-in-class thought leadership and innovative engagement initiatives, we're working to build a culture of movement by removing barriers and creating opportunities for everyone in Canada to make room to move in their daily lives.

ParticipACTION delivers meaningful, measurable change in the lives of Canadians.

We work to maximize the impact of every dollar invested — reaching more people, strengthening communities, and improving health outcomes through physical activity. Our work is grounded in evidence, driven by evaluation, and guided by continuous improvement.

ParticipACTION builds the capacity of local organizations to promote and facilitate physical activity, with a focus on equity-denied populations and low-income families. By removing systemic and practical barriers, we help more people experience the physical, mental, and social benefits of an active lifestyle.

Our national campaigns raise awareness, shift attitudes, and inspire action. We pair compelling, inclusive messaging with practical, no-cost tools — such as digital challenges and community-based resources — to make physical activity more accessible for all ages and abilities.

ParticipACTION plays a vital leadership role in advancing physical activity in Canada,

championing policies, sustained investment, and coordinated action at the national level. As the convener of a Physical Activity Collective — a network of national sport, physical activity, and recreation organizations — ParticipACTION is leading efforts to establish a unified, strategic approach to increasing physical activity across the country. The Physical Activity Collective has a bold vision to increase physical activity levels among people in Canada by a relative 15% by 2030. Achieving this goal could significantly improve the health and well-being of approximately **16.6 million adults and 2.4 million children and youth** across the country.^{vii}

However, Canada's current pan-Canadian physical activity, sport, and recreation policy frameworks fall short. They lack the dedicated action, long-term leadership, and sustained investment needed to create lasting change. Past strategies have been slow to implement, and existing funding is often short-term, program-specific, and insufficient to shift population-level outcomes.

A whole-of-society approach is essential, involving collaboration across public, private, and non-profit sectors. While the decision to move rests with individuals, it's our collective responsibility to make that choice easier. Focusing solely on personal responsibility ignores the many barriers Canadians face — limited time, health challenges, financial pressures, limited access to safe public spaces and active transportation, screen saturation, and cultural norms that discourage movement. Even those who want to be active often struggle. The demands and conveniences of modern life have systematically engineered physical activity out of our daily routines. It's time to reverse that trend, together.



RECOMMENDATION FOR BUDGET 2025

Recommendation:

That the Government of Canada provide a renewed investment of \$30 million over three years to ParticipACTION to sustain its national leadership in promoting physical activity as a preventative health measure, supporting mental health, reducing chronic disease risk, and improving the overall well-being and social connectedness of Canadians.

ParticipACTION has a proven track record of helping Canadians get more physically active. **In 2024–25, ParticipACTION delivered measurable impact** by engaging Canadians, strengthening community capacity, advancing equity, and championing physical activity across the country:

Engaging Canadians in Movement

- Over 15 million people engaged in ParticipACTION initiatives.
- More than 30,000 people took part in ParticipACTION's digital physical activity challenges, with an average of 39% increasing their weekly physical activity by 30 minutes following the challenge.

Strengthening Community Capacity

- Over \$1 million was distributed by ParticipACTION to municipalities and local organizations to deliver high-quality physical activity opportunities.
- 97% of participating organizations reported positive outcomes, including increased program interest and participation.

Advancing Equity Through Physical Activity

- 79% of organizations representing equity-denied groups reported increased engagement with physical activity as a result of ParticipACTION's support.

Leading the Movement

- 88% of sport, physical activity and recreation organizations agreed ParticipACTION plays an integral role promoting physical activity in Canada.

ParticipACTION remains dedicated to its leadership role in promoting a more active, healthier and stronger Canada. With renewed funding from the Government of Canada, we can build on this momentum and scale our efforts to engage even more people nationwide. To continue delivering national impact, stable federal funding is essential. Without renewed support in Budget 2025, ParticipACTION will be forced to make difficult decisions that will limit our ability to operate beyond April 2026.





A HEALTHY INVESTMENT

Achieving our collective vision of a 15% relative increase in physical activity over the next five years could:

- **Reduce the economic burden of certain non-communicable diseases by 12%**, taking costs from an estimated \$3.5 billion to \$3.1 billion.^{vii}
- **Reduce the economic burden of treating and managing depression by 13%**, taking costs from \$409 million to \$356 million annually.^{vii}
- **Reduce productivity lost in additional absenteeism associated with inactive workers by almost 1 million working days** (a reduction from approximately 6.2 million to 5.2 million absenteeism days), taking costs from \$3.5 billion to roughly \$3 billion annually.^{vii}

This results in **total annual costs savings of almost \$1 billion** from increased physical activity of adults alone!

Although limited data prevents a full economic return calculation for increased physical activity in children and youth, the benefits are clear. Physical activity supports their physical, mental, cognitive, and social well-being, and evidence shows that active habits formed early often carry into adulthood.

Investing in ParticipACTION delivers strong value for government. Between 2018 and 2025, funding provided by the federal government enabled ParticipACTION to deliver inclusive, engaging, and evidence-informed initiatives at scale — at an average annual cost of just **\$0.22 per Canadian**.

In that same time period, ParticipACTION successfully leveraged federal investment to attract an additional **\$68.2 million** in private sector contributions, amplifying the government's impact through public-private collaboration.

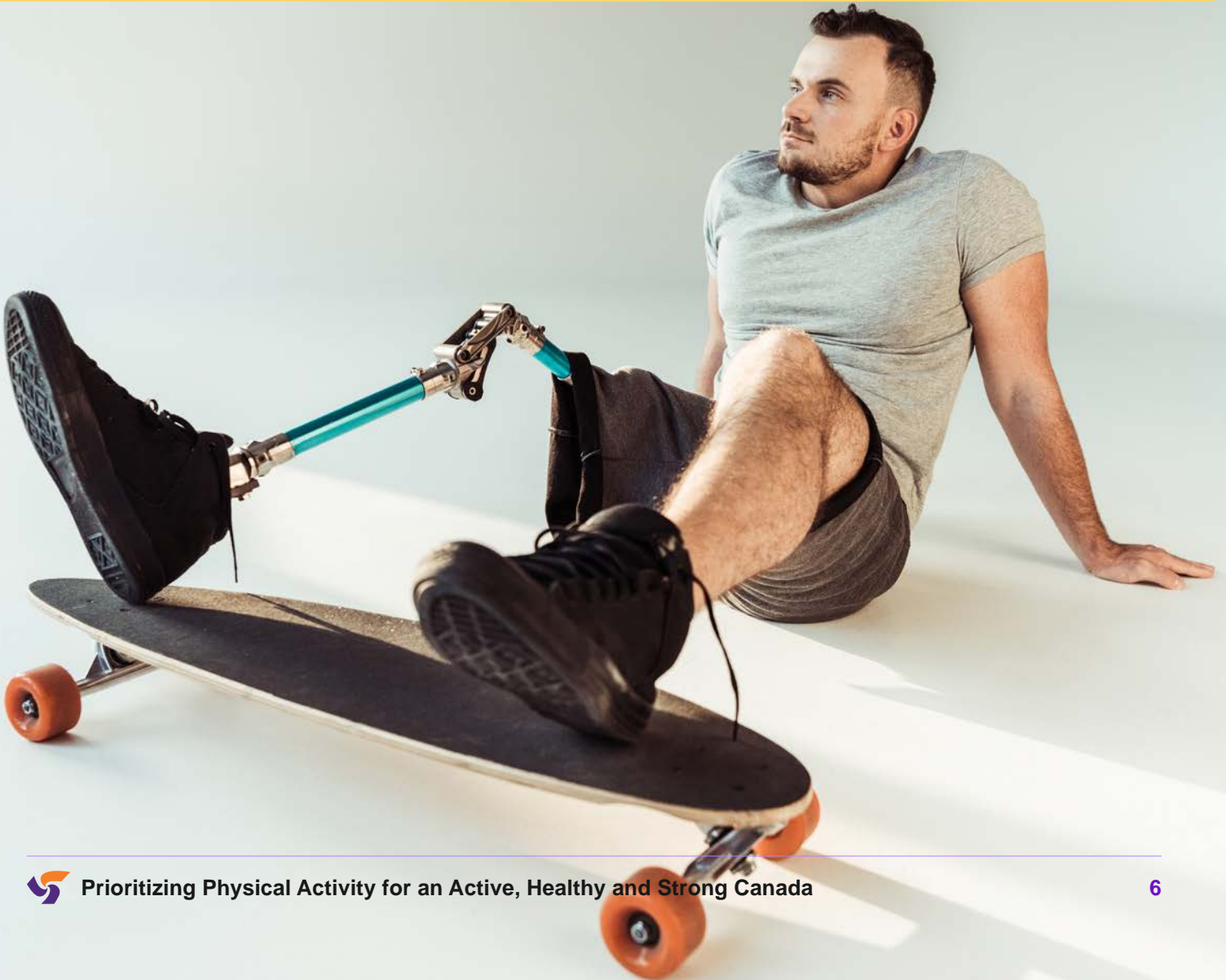
In addition, ParticipACTION **reinvested over \$9.3 million** — or 15% of its federal funding — directly into communities through grants to organizations and incentives that rewarded Canadians for achieving active behaviours. This approach not only drives measurable outcomes but also builds capacity and momentum at the grassroots level.

MAKING PHYSICAL ACTIVITY A NATIONAL PRIORITY

Physical inactivity is a growing public health crisis that demands urgent national attention. Canadians recognize the seriousness of the issue — **91% of 5,000 recently surveyed agree the Government of Canada should invest in funding, policies, and programs that support increased physical activity.** This is not only essential for improving health and well-being, but also a smart economic decision that reduces health care costs and boosts productivity.

Movement also brings people together. In fact, **76% of adults in Canada say they feel more connected to their communities through sport and recreation.** Active communities are more resilient and foster a stronger sense of national pride — especially during times of political and economic uncertainty.

ParticipACTION urges the Government of Canada to commit to act on the physical inactivity crisis by investing in ParticipACTION's proven national leadership. **Together, we can ignite a movement that builds a more active, healthier, and stronger Canada.**



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SUPPLEMENTARY INFORMATION:

Advancing Government Priorities through Physical Activity

ParticipACTION's Leadership Role

ParticipACTION Financial Analysis

ADVANCING GOVERNMENT PRIORITIES THROUGH PHYSICAL ACTIVITY

In May 2025, Prime Minister Mark Carney issued a mandate letter outlining seven government priorities and challenged Cabinet to define how they would contribute to each mission. Below, we highlight how physical activity supports four of these priorities and how ParticipACTION plays an important role in advancing them.

Government of Canada Priority #2: Building one Canadian economy by removing barriers to interprovincial trade and identifying and expediting nation-building projects that will connect and transform our country.

The Physical Activity Connection

Working together on a Pan-Canadian physical activity strategy is a nation-building opportunity — one that aligns efforts across all levels of government and sectors to connect communities, strengthen the economy, and improve the health and well-being of people in Canada.

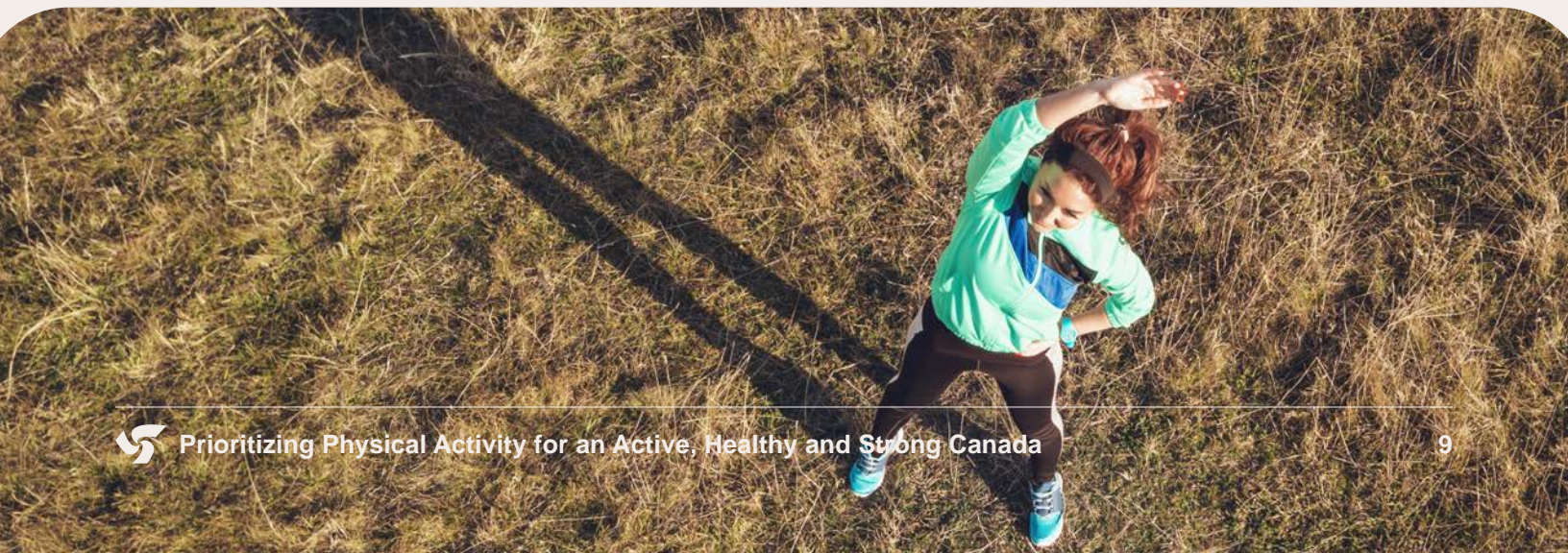
- Sports, recreation, and physical activity contribute \$37.2 billion annually to Canada's economy.ⁱ

Collaborative investment in active transportation, recreation, and green spaces supports government priorities by connecting communities, improving population health, and creating jobs.

- Traffic congestion and a lack of transit and active transportation alternatives costs Canada \$15 billion in lost productivity annually and contribute to greenhouse gas emissions.ⁱ
- Expanding active transportation networks reduces congestion and emissions while boosting physical activity and encouraging social interaction.ⁱⁱ

Investing in physical activity infrastructure, across urban, rural, and Indigenous communities, is a smart, forward-looking approach to building a stronger, more connected, and more resilient Canada.

- Much of Canada's public infrastructure supporting active living is aging — an estimated \$33.5 billion is needed to replace or upgrade facilities in fair or poor condition (not including active transportation infrastructure).ⁱⁱⁱ





Government of Canada Priority #3: Bringing down costs for Canadians and helping them to get ahead.

The Physical Activity Connection

Many forms of physical activity such as walking, community programs, or using public trails, are affordable or free. Supporting access gives Canadians meaningful ways to improve their quality of life without the financial burden.

Physical activity helps prevent and manage chronic conditions like heart disease, diabetes, and depression, reducing the need for costly treatments and hospital visits. This eases pressure on the health care system and lowers public spending, which benefits all Canadians.^{iv}

- A 15% relative increase in physical activity among adults in Canada could reduce the economic burden of certain non-communicable diseases by 12%, taking costs from an estimated \$3.5 billion to \$3.1 billion.^v
- There is approximately a 30% lower risk of depression and dementia for adults participating in daily physical activity.
- A 15% relative increase in physical activity among adults in Canada could reduce the economic burden of treating and managing depression by 13%, taking costs from \$409 million to \$356 million annually.^v

Active individuals are healthier, take fewer sick days, and are more productive. This boosts job performance, supports career growth, and contributes to income stability for families.

- Physically active employees in Canada take 27% fewer sick days, reducing strain on businesses and health care.ⁱ
- Physically active workers are 12% more productive, driving stronger businesses and economies.ⁱ
- Regular participation in physical activity has also been attributed to a 6% to 10% increase in earnings.^{vi}

Government of Canada Priority #6: Attracting the best talent in the world to help build our economy, while returning our overall immigration rates to sustainable levels.

The Physical Activity Connection

Physical activity helps attract top talent to Canada by contributing to a high quality of life. Access to parks, trails, recreation facilities, and active transportation makes communities healthier, more vibrant, and appealing places to live and work for workers and their families.

Encouraging physical activity supports employee health and well-being, which could lead to overall happiness and improved employee retention.

- Research shows that physically active people are more satisfied with their lives and that exercise itself is strongly linked to happiness.^{vii}

For newcomers, physical activity provides a way to connect with others and integrate socially, strengthening community ties and fostering a sense of belonging.

- 76% of people living in Canada feel welcomed and included through physical activity, sport, and recreation activities.ⁱ
- Physical activity can be a connector among members of similar cultural or ethnic groups and is a great way for newcomers to integrate into their new communities.^{vii}

Government of Canada Priority #7: Spending less on government operations so that Canadians can invest more in the people and businesses that will build the strongest economy in the G7.

The Physical Activity Connection

Physical activity is a proven, cost-effective way to prevent and manage conditions like heart disease, diabetes, and depression — reducing health care costs and easing pressure on publicly funded systems as well as mental health services, social supports, and emergency response systems, freeing up government resources for other priorities.

Currently, Canada is one of only two G7 countries, alongside the United States, that spends more than the OECD per capita average on health care due to weight-related illnesses.

- Each year, low levels of physical activity and the resulting medical conditions account for \$3.9 billion of annual health care expenditures.ⁱ

Physical activity can boost employee productivity and reduce absenteeism, contributing to more efficient government operations.

- A 15% relative increase in physical activity among adults in Canada could reduce productivity lost in additional absenteeism associated with workers not achieving physical activity guidelines by almost 1 million working days (a reduction from approximately 6.2 million to 5.2 million absenteeism days), taking costs from \$3.5 billion to roughly \$3 billion annually.^v

PARTICIPACTION'S LEADERSHIP ROLE

ParticipACTION plays a national leadership role in advancing physical activity across Canada. It champions supportive policies, sustained investment, and coordinated action that help make physical activity a foundational part of daily life. By doing so, ParticipACTION demonstrates how promoting physical activity is a smart investment, one that improves individual well-being and helps build healthier, more resilient communities. This, in turn, strengthens Canada's social fabric and reinforces its position as a reliable, forward-looking partner on the global stage.

Efficient and Scalable Operating Model

ParticipACTION delivers impact through a lean, efficient model that reduces the need for expanded government operations. Rather than building costly new systems, it works in partnership with governments, not-for-profits, and the private sector to advance physical activity across the country. This collaborative approach enables ParticipACTION to reach millions of Canadians without the complexity associated with large bureaucratic systems.

Investing in ParticipACTION offers strong value for money. From 2018 to 2025, federal funding enabled it to deliver inclusive, evidence-informed initiatives at scale, at an average annual cost of just **\$0.22 per Canadian**. That investment was further amplified by an **additional \$68.2 million in private sector contributions**, secured through public-private collaboration.

ParticipACTION is a proven, high-impact, low-cost organization that generates measurable public benefits. It strengthens outcomes across health, labour, and the economy, while improving the efficiency of federal investments. The most significant savings are realized in the health care sector, where physical inactivity contributes heavily to chronic disease reduction.

Driving Greater Impact

As a charitable non-profit, ParticipACTION exists to deliver meaningful, measurable change. We are focused on maximizing impact — ensuring that every dollar invested reaches more people, strengthens more communities, and delivers stronger outcomes. Central to this approach is our commitment to evidence, evaluation, and continuous improvement.

We drive impact through two key strategies:

- Influencing movement behaviours through innovative, inclusive initiatives
- Creating supportive environments by engaging communities and strengthening local capacity

In 2024–25 alone, we engaged 15.8 million people across Canada through initiatives including:

- The ParticipACTION Community Challenge
- A national public education campaign
- Two digital physical activity challenges, and
- ParticipACTION's owned digital platforms, which offer personalized, evidence-informed tools and resources

Supporting Communities: Creating Opportunities to Move

ParticipACTION builds the capacity of local organizations to promote and facilitate physical activity, especially for equity-denied populations and low-income families. By reducing barriers and increasing access, we help more Canadians experience the benefits of an active lifestyle.

Support is provided through national programming platforms and participation grants. In 2024–25, over \$1 million was distributed to municipalities and community organizations across the country to deliver accessible, high-quality physical activity opportunities. 97% of participating organizations reported positive outcomes, including increased participation and community engagement.





Championing Physical Activity in Canada

ParticipACTION has long been recognized as the national voice for physical activity. Positioned at the intersection of sport, recreation, health, and community engagement, we play a critical leadership role in building a more active and healthier Canada.

Shifting Attitudes and Behaviours Through Public Education

- ParticipACTION develops compelling, inclusive campaigns that raise awareness, change perceptions, and inspire daily movement. These campaigns combine motivational messaging with free, practical tools, like digital challenges and community resources, to support people of all ages and abilities.

Convening and Aligning the Sector for Greater Impact

- As convener of the Physical Activity Collective — a national network of sport, recreation, and physical activity organizations — ParticipACTION is leading the development of a unified, strategic approach to increasing physical activity across Canada. This leadership is widely recognized, with 88% of sector organizations affirming that ParticipACTION plays an integral role in advancing physical activity nationally. In 2024, the Government of Canada formally endorsed the Collective's work to develop the Active Canada Action Plan and committed to ongoing collaboration through a new cross-sector leadership group, co-chaired with ParticipACTION.

By championing physical activity across sectors and jurisdictions, ParticipACTION is helping shift culture and strengthen communities, ultimately delivering long-term health and economic benefits for the country.

ParticipACTION remains dedicated to its leadership role in promoting a more active, healthier and stronger Canada. With renewed funding from the Government of Canada, we can build on this momentum and scale our efforts to engage even more people nationwide. To continue delivering national impact, stable federal funding is essential. Without renewed support in Budget 2025, ParticipACTION will be forced to make difficult decisions that will limit our ability to operate beyond April 2026.

PARTICIPACTION FINANCIAL ANALYSIS

ParticipACTION values its partnership with the Government of Canada in building an active, healthy and strong Canada.

As outlined in Table 1 below, over a seven-year period between 2018 and 2025, ParticipACTION has received a total of \$60.6 million in federal government funding from a variety of sources. With this investment, ParticipACTION delivered inclusive, engaging, and impactful initiatives at an average annual cost of **\$0.22 per Canadian**.

Leveraging the federal government's investment, ParticipACTION secured an **additional \$68.2 million** over that same seven-year period in private sector cash and value in-kind (i.e., media, services and merchandise).

ParticipACTION also directly provided **over \$9.3M** (15% of its federal funding) in grants to community-based organizations, and incentives and rewards to program participants for achieving healthy behaviours.

Table 1. ParticipACTION financial analysis, 2018-2025

Revenue	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total 2018-2025	%
Federal Government ^{Note 1}	\$8,078,449 46%	\$9,090,555 54%	\$8,796,206 37%	\$7,111,250 35%	\$11,633,417 47%	\$7,841,031 56%	\$8,059,000 45%	\$60,609,907	45%
Provincial Governments	\$2,619,811	\$1,839,532	\$654,000	\$526,000	\$330,000	\$165,955	\$299,045	\$6,434,343	5%
Subtotal Government	\$10,698,260	\$10,930,087	\$9,450,206	\$7,637,250	\$11,963,417	\$8,006,986	\$8,358,045	\$67,044,250	50%
Private sector and other (cash)	\$241,509	\$322,487	\$151,518	\$620,647	\$965,721	\$846,062	\$1,655,129	\$4,803,072	3%
Private sector (value in-kind ^{Note 2})	\$6,747,345	\$5,452,318	\$14,163,589	\$12,197,738	\$12,000,000	\$5,097,399	\$7,793,984	\$63,452,373	47%
Subtotal Private Sector	\$6,988,854	\$5,774,805	\$14,315,107	\$12,818,385	\$12,965,721	\$5,943,461	\$9,449,113	\$68,255,445	50%
Total Revenue	\$17,687,114	\$16,704,892	\$23,765,312	\$20,455,635	\$24,929,138	\$13,950,447	\$17,807,158	\$135,299,696	100%
Funding distributed to communities/ participants as % of federal funding ^{Note 3}	\$617,957 8%	\$487,995 5%	\$797,817 9%	\$966,179 14%	\$4,460,004 38%	\$1,009,029 13%	\$1,048,500 13%	\$9,387,480	15%

Note 1 Includes revenue received from all federal government sources (PHAC, Sport Canada - core and project based)

Note 2 Includes value of media, merchandise and services received as reflected in annual Audited Financial Statements

Note 3 Includes grants, prizes and rewards to community organizations and individual participants



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Let's make room to move

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