The Centre for Civic Engagement

THE HUNTER PRIZE FOR PUBLIC POLICY

The Samara Fund: Securing Canada's Future

Steve Allard

This study was commissioned by the Centre for Civic Engagement. The CCE is a non-partisan Canadian charity dedicated to conducting original research on public policy issues related to Canadian prosperity, productivity, and national flourishing. The CCE's research informs an active program of policy seminars, events, conferences, and lectures all aimed at providing the policy making community with actionable insights that encourage informed decision making on issues that matter to Canadians.

The Centre for Civic Engagement

Executive Summary

> “The earth is not an inheritance from our parents, but a loan from our children.” - African Proverb

Canada is confronting an increasingly unsustainable structural challenge to living standards. From 2015 to 2025, our population grew by more than five million, the fastest pace in the G7. Economic output did not keep up: real GDP per capita fell in five of the last six quarters, including a 1.6 per cent annualized contraction in Q2 2025. This reflects a more troublesome trend: from 1981-2013 GDP per capita grew 1.1 per cent annually, but from 2014-2024 the total gain was only 1.1 per cent. With population growth now outpacing productivity, prosperity is eroding and public confidence is under strain. Canada risks sliding further behind in competitiveness and quality of life, and no small policy adjustments will fix this.

Canadian families are under visible strain. In the past year, households 90+ days behind on their mortgages rose from 13,000 to nearly 23,000. Car-loan delinquencies jumped from 14,000 to more than 75,000, and missed credit-card payments increased by about 300,000 people to 1.4 million in early 2025. At the same time, workplace absenteeism climbed from 8.5 per cent to 10.2 per cent, costing the economy an additional 85 million lost workdays. This is not only about finances; it is about morale, confidence, and productivity, and it helps explain why Canadians feel discouraged, why productivity is flat, and why bold reform is essential.

What is being proposed here is that Canada create the Samara Fund: a fiscally disciplined citizen investment model that lifts GDP by having the federal government invest **$60,000** in a Canadian index fund for every Canadian citizen at birth, whether born in Canada or abroad to Canadian parents. Crucially, this upfront investment policy can be introduced in a manner that it requires no higher taxes or new debt; it simply reallocates about five per cent of the existing federal budget into compounding assets instead of annual outlays.

The name comes from the maple samara seed, symbolizing how a single disciplined investment can grow into a lasting national asset. Managed publicly and inaccessible to individuals, each account compounds for decades to pre-fund healthcare, pensions, and social costs, reaching about $4.88 million per person after 65 years at a conservative 7 per cent return.

Within 10 years, the Samara Fund would accumulate a reserve of roughly $310 billion, including about $100 billion in investment gains. This would create one of the largest fiscal reserves in Canadian history, achieved without raising taxes or adding debt. Also, the policy could be implemented relatively easily using existing infrastructure. Canada already has efficient systems for birth registration, SIN issuance, and large-scale fund management. The Samara Fund would simply coordinate these processes so that accounts are created automatically at registration, with assets managed by the existing Canada Pension Plan Investment Board.

By pre-funding obligations rather than shifting them onto future taxpayers, Canada can build citizen-backed reserves worth trillions within a generation. The Samara Fund enhances fiscal sustainability, restores confidence in government and social programs, and re-establishes hope across generations. This is not charity; it is strategy, a forward-looking policy that positions Canada as a global leader in long-term financial foresight.

Background & Context

In 2010, Canada's population was about 34 million. By 2015 it had grown modestly to 35.7 million, but by 2024 it surged to 41.3 million, an increase of more than 7 million people in just 14 years, unmatched in the G7. This rapid expansion, fueled largely by immigration, has strained housing, transportation, healthcare, and education faster than infrastructure can respond. Yet living standards have not improved.

The challenge is not simply stagnant GDP per capita but the convergence of multiple pressures: rapid population expansion, weak productivity, an aging society, and rising debt servicing costs. Each would be a serious policy concern on its own; together, they have created a structural imbalance that incremental adjustments cannot resolve. Population growth without a corresponding increase in productivity has pushed demand beyond capacity.

Canadian businesses invest less per worker in technology and capital than peers in Europe, Asia, or the United States. Entrepreneurship rates have fallen, and innovation lags behind other advanced economies. This leaves Canada dependent on population growth to drive GDP rather than productivity gains that lift output per person. Without improvements, a larger population only magnifies strain on existing systems.

Demographics intensify the challenge. The share of Canadians over 65 is rising quickly, creating higher demand for healthcare and pensions. Healthcare already consumes the largest share of provincial budgets, while federal transfers have not kept pace. Aging combined with record immigration further strains hospitals, long-term care, and the social safety net. These obligations are growing faster than revenues, deepening structural imbalances.

The fiscal picture makes the problem worse. In 2023-24, Ottawa spent $46.5 billion on debt servicing, nearly equal to the Canada Health Transfer, and in 2024-25 this figure is projected to hit $53.8 billion. Across all levels of government, debt servicing now totals $92.5 billion annually, rising more than 20 per cent a year and crowding out resources for infrastructure, innovation, or tax relief. In 2024, expenses grew nearly twice as fast as revenues, producing a deficit of more than $42 billion. Ottawa financed this by issuing $228 billion in new bonds, locking in high debt costs for years to come.

As recent deficits of $58 billion and a projected $70 billion illustrate, Canada's fiscal path is unsustainable. Without structural reform, public confidence will continue to weaken.

Taken together, these trends reveal more than stagnant GDP per capita. Canada is grappling with structural pressures that are eroding prosperity: rapid population growth without productivity gains, aging demographics driving up healthcare and pension costs, infrastructure stretched beyond capacity, and debt servicing consuming an ever larger share of the budget. Without bold reform, Canada faces a prolonged period of declining living standards, weaker fiscal flexibility, and diminished competitiveness.

The Samara Fund: Citizen Investment Model

About 350,000 Canadians are born each year. Today, the federal share of their lifetime obligations is financed year by year through taxes and borrowing. The Samara Fund proposes a disciplined alternative: at birth, the federal government invests $60,000 in a low-fee Canadian index fund for every Canadian citizen at birth. Accounts are publicly owned, not accessible to individuals, and dedicated to long-term public costs such as healthcare, pensions, education, infrastructure, and social services.

The power is the time horizon. With dividends reinvested, a single birth-year investment compounds for six and a half decades or more, creating reserves that secure federal obligations rather than deferring them to future taxpayers. One disciplined investment at birth becomes lifetime fiscal security for citizens and the nation.

The policy requires no new taxes or borrowing. It reallocates about five per cent of the federal budget, roughly $21 billion per year at today's scale, into long-term assets rather than short-term outlays. Treating the $60,000 as a one-time strategic investment demonstrates fiscal discipline: an upfront commitment that prevents larger liabilities later.

Guiding principles:

- **Equity:** the same $60,000 investment is made for every new Canadian born, regardless of income or geography.
- **Accountability:** management by CPPIB (formerly CPP) or a new Crown entity, with clear reporting, oversight, and independent audits.
- **Purpose-built reserves:** no individual access; funds are used only to offset public costs.
- **Long-term discipline:** reserves are shielded from short political cycles and immediate spending pressures.

How it operates: each annual birth-year investment forms a reserve that compounds in parallel with prior birth-year investments. Over time, these Samara investments build a national fund measured in trillions, offsetting rising program costs and allowing obligations to be largely covered in advance, relieving future taxpayers.

Why it matters: pre-funding restores confidence in the social contract, strengthens resilience to demographic change and economic shocks, and anchors fiscal planning in disciplined investment. This is pragmatic nation-building that ensures every newborn arrives with opportunity and with their share of public costs responsibly secured.

Scale and timing: within a single generation, accumulated reserves can absorb a significant portion of national expenditures. Within ten years, the Fund reaches more than $310 billion, including over $100 billion in gains, demonstrating immediate impact as well as long-term transformation. Because reserves are invested in Canadian index funds, capital flows directly into Canadian enterprises today, supporting Canadian businesses, Canadian jobs and Canadian families. The Fund strengthens GDP through both channels: direct investment now, and renewed productivity as households and businesses regain confidence that effort and growth are worth it.

Economic Modeling and Math

Inputs and Baselines

The Samara Fund rests on four straightforward assumptions, each grounded in Canadian data and conservative financial reasoning.

1. **Newborn Canadians per year (350,000):** Over the past decade, births in Canada have consistently ranged between about 340,000 and 370,000 annually. Using 350,000 as the working figure reflects a realistic long-term average and provides a stable foundation for modeling each year's investment cycle.

2. **Federal investment per newborn ($60,000):** The figure of $60,000 was selected because it balances affordability with effectiveness. At this level, one Annual Samara Investment requires an upfront commitment of about $21 billion, equal to roughly five per cent of the federal budget. That scale is significant enough to generate reserves that surpass lifetime costs, while still modest enough to be reallocated from existing expenditures without requiring higher taxes or increased borrowing.

3. **Annual return (7 per cent):** Over the past three decades, the S&P/TSX Composite Index (Canadian companies only), including dividends, has averaged close to 8 per cent annually. Using 7 per cent builds in a buffer below observed Canadian averages, ensuring the projections are credible while still capturing the long-term compounding power of equity-based investment.

4. **Annual cost growth (4 per cent):** Federal program costs are modeled to increase by 4 per cent per year. While Canada's official inflation target is 2 per cent, health care, pensions, and other social programs historically grow faster than CPI. Using 4 per cent therefore provides a cautious buffer, ensuring lifetime cost estimates remain realistic and stress tested against sectoral cost pressures.

Together, these baselines form a disciplined framework rooted in Canadian realities and conservative assumptions, ensuring the model is both transparent and defensible.

One Annual Samara Investment: Cost and Growth

Compounded at 7 per cent for 65 years, each newborn's fund grows to roughly $4.88 million, producing about $1.7 trillion at maturity for one Annual Samara Investment of 350,000 births. To demonstrate prudence, we also model lower return scenarios:

- **7 per cent** yields **$1.7 trillion** in reserves, covering about **25 per cent** of the projected federal budget 65 years from now (based on 4 per cent annual expense growth)
- **6 per cent** yields **$927 billion** in reserves, covering about **13.5 per cent** of the projected budget
- **5 per cent** yields **$501 billion** in reserves, covering about **7.3 per cent** of the projected budget

Because the Samara Fund is anchored in Canadian index investments, these reserves not only support fiscal security but also strengthen Canadian businesses, sustain Canadian jobs, and provide long-term stability for Canadian families. Even under conservative return assumptions, the reserves remain large enough to cover a meaningful share of future costs and reduce the fiscal burden on taxpayers.

Ten-Year Reserve Build (conservative scenarios)

- **7 per cent: ~310B** reserve (**~$100B** in gains)
- **6 per cent: ~250B** reserve (**$80B** in gains)
- **5 per cent: ~210B** reserve (**$67B** in gains)

Even **within 10 years**, the Fund produces r**eserves of $210–$310 billion**, including **$67–$100 billion in gains**, delivering measurable positive impact to GDP without new taxes or debt.

The First Payout

If the federal budget of $535 billion grows at 4 per cent annually, it reaches about $6.84 trillion in 65 years. The first Samara Investment reserve of $1.7 trillion offsets roughly 25 per cent of that year's expenditures. Each year afterward, the next Samara Investment matures, creating a rolling stream of large annual offsets without requiring new taxation.

Per Citizen Lifetime Comparison

Today's federal share per citizen is about $12,900. If that cost rises by 4 per cent annually and is summed across 65 years, the cumulative nominal lifetime cost is about $3.54 million. To show prudence, we model three return scenarios:

- **7 per cent grows to $4.88 million** per citizen, more than fully covering the projected lifetime cost
- **6 per cent grows to $2.65 million** per citizen, covering most of the lifetime cost with the balance offset through taxes
- **5 per cent grows to $1.43 million** per citizen, still providing a significant contribution toward long-term obligations.

In every case, the Samara Fund reduces the fiscal burden on future taxpayers while building a disciplined, asset-backed reserve for each Canadian.

Totals and Payback

For one Annual Samara Investment:

- Cost at birth: ~$21 billion
- Value at maturity: ~$1.7 trillion
- Return multiple: ~80 times

Once steady state is reached, each year adds another $1.7 trillion reserve into play. While the federal budget is not fully replaced, a large fraction is prepaid, with taxes covering the rest. Provinces could mirror this model for their own programs, compounding the effect at both levels of government.

Comparative Analysis

Canada is not the first nation to design long-term reserves that secure prosperity across generations.

Norway's Sovereign Wealth Fund: built from oil revenues in 1990, now exceeds US $1.6 trillion; only a small share of returns enters the budget, ensuring the principal continues to grow and insulating the nation from volatility.

Singapore's Central Provident Fund: funded by mandatory worker contributions, pools savings under professional management to provide one of the world's strongest retirement and healthcare systems.

Sweden's AP Funds: managing over US $250 billion, operate at arm's length from politics to sustain pensions in an aging society.

The Samara Fund draws inspiration from these models but applies the principle differently: not through oil, compulsory savings, or resource rents, but through investment in people themselves. The lesson is clear: reserves succeed when contributions are automatic, funds are professionally managed, and assets are protected from short-term politics. Where Norway relies on oil, Singapore on savings, and Sweden on pensions, Canada can lead by investing from birth in its most renewable resource: its people.

Fiscal Discipline & Feasibility

The Samara Fund is fiscally feasible because it relies on disciplined reallocation, not new borrowing. It is not a new expense, but a prudent and trusted investment of existing public expenditures into compounding national assets through systems Canada already relies on. Every dollar remains invested, earning returns and pre-funding future obligations, rather than being consumed in annual outlays. Canada can phase in the allocation gradually: one per cent of expenditures in year one, two per cent in year two, rising to five per cent by year five. This smooth adjustment avoids tax increases or program cuts.

If Ottawa committed the full five per cent immediately, the first generation of investments would mature in 65 years with maximum impact; even in the short term it would produce roughly $310 billion in reserves within a decade, including $100 billion in gains.

The scale is manageable. At five per cent of the budget, the cost is still below Canada's annual debt servicing charges of $49 billion in 2023-24. Unlike interest payments that sustain liabilities, the Samara Fund turns recurring outflows into compounding assets. Once matured, even partial payouts covering 15-20 per cent of federal spending would ease the tax burden and create room to pay down principal rather than just service interest.

Governance is essential to credibility. Canada already has a trusted vehicle in the Canada Pension Plan Investment Board, with a proven record of professional, independent management. By expanding CPPIB to include the Samara Fund, Canada can leverage existing infrastructure and expertise. Reserves must remain fully locked until maturity and flow directly into the federal budget at that point. No government should access them early, ensuring long-term integrity and public trust.

Implementation Path & Political Considerations

The Samara Fund can be implemented quickly because the infrastructure already exists. Provinces register every birth and transmit that information to Ottawa for issuing Social Insurance Numbers and enrolling families in federal programs such as the Canada Child Benefit. Adding a Samara Fund account at SIN issuance requires no new bureaucracy, only a federal policy directive. We already run a multi-hundred-billion-dollar CPP for retirement. The Samara Fund is the same structure, applied to citizenship at birth. Each newborn's investment would therefore be established automatically, silently in the background, from the moment of registration.

The Fund is a federal solution designed to secure national obligations such as healthcare, pensions, and social programs. There is nothing, however, preventing provinces from creating their own Provincial Samara Funds to pre-fund future provincial responsibilities like education, housing, or infrastructure.

Public communication should frame the initiative as "future-proofing citizenship." The message is simple: Canada already has the tools, the systems, and the fiscal capacity to make this work today. By stressing universality, foresight, and discipline, Ottawa can show that the Samara Fund is not a complex experiment but an immediately achievable step toward long-term stability.

Broader Impacts

Rising delinquencies, debt, and defaults reveal more than short-term hardship; they signal the erosion of public confidence that underpins a healthy economy. The Samara Fund helps reverse this trend by turning uncertainty into security. With long-term costs pre-funded, households, investors, and governments can plan with confidence, knowing that core programs are sustainable without new taxes or debt. By investing in Canadian index funds, the Fund channels capital directly into domestic enterprises, supporting jobs, productivity, and innovation. In short, it transforms fiscal discipline into economic renewal.

Beyond economics, the Samara Fund strengthens social stability. When healthcare, pensions, and essential services are sustainably financed, governments face less pressure to cut programs or raise taxes, and citizens can rely on consistent support across generations. Retirees gain certainty, younger Canadians gain trust, and the burden of obligation is shared fairly through time rather than shifted forward.

Internationally, the policy positions Canada as a leader in responsible innovation—combining social foresight with market discipline. Just as Norway leveraged oil wealth and Singapore institutionalized savings, Canada can distinguish itself by investing in its people from birth. By reframing liabilities as assets, the Samara Fund ensures prosperity is not only maintained but renewed for generations to come.

Conclusion

The challenge of Canada's stagnating GDP can no longer be ignored. Rarely does a national policy emerge that is this clean, simple, fiscally responsible, and easy to implement. The Samara Fund directly addresses the problem with clarity: the math is compelling and the path forward is practical. It requires no new borrowing and no new taxes, only disciplined reallocation and the leadership to act, making it both pragmatic and unifying. It secures hope, prosperity, and a future Canadians can trust and once again believe in, with measurable gains to GDP within a decade. Importantly, Canada already has a proven track record of managing multi-hundred-billion-dollar funds responsibly through the CPP, showing that this kind of disciplined investment is well within our institutional capacity.

Reference List

Executive Summary

Population growth, 2015 to 2025, and "fastest in G7"

- Statistics Canada. "Canada's population estimates: Fourth quarter 2024." The Daily, March 19, 2025. On Jan 1, 2025, population 41,528,680.
- Statistics Canada. "Canada's population estimates, first quarter 2015." The Daily, June 17, 2015. 35,749,600 as of April 1, 2015.
- Statistics Canada. "Canada's population estimates: Age and gender, July 1, 2024." The Daily, Sept 25, 2024. 41,288,599 as of July 1, 2024.
- Reuters. "Canada clocks fastest population growth in 66 years in 2023." March 27, 2024.

Real GDP per capita trend: fell in five of the last six quarters; Q2 2025 annualized contraction 1.6 percent

- Statistics Canada. "Gross domestic product, income and expenditure, third quarter 2024" and subsequent GDP updates. The Daily, Nov 29, 2024, and quarterly releases. Table: quarterly real GDP and revisions. (Confirms "five of past six quarters" decline in real GDP per capita through early 2024.)
- Statistics Canada. "Monthly real GDP by industry, June 2025." The Daily, Aug 30, 2025. Notes annualized contraction in Q2 2025.

1981–2013 GDP per capita grew about 1.1 percent annually; 2014–2024 total gain about 1.1 percent

- Visual Capitalist summarizing OECD/IMF data. "Real GDP Per Capita Growth by Country (2014–2024)." April 7, 2025. Canada: 1.1 percent growth over 2014–2024.
- Statistics Canada. "Canada's gross domestic product per capita." April 24, 2024. Context on post-2014 stagnation.

Household financial stress: mortgage delinquencies, auto loan delinquencies, missed credit card payments

- Canadian Bankers Association. "Number of Residential Mortgages in Arrears." Dataset (Excel), May 2025. National arrears rate around 0.23 percent in mid-2025 and counts by province.
- Equifax Canada. "Consumer Credit Trends Report, Q1 2025." PDF. Details rising 90+ day delinquency rates by product, including auto and cards.
- Investment Executive (summarizing Equifax Q2 2025). "1.4M consumers missed a credit payment in second quarter: Equifax report." Aug 18, 2025.

Workplace absenteeism rose from 8.5 percent to 10.2 percent; "millions of lost workdays"

- Statistics Canada. Table 14-10-0390-01 (formerly 279-0029). "Work absence of full-time employees by reason, sex and age group." Shows incidence rate (%) and days lost per worker.

Background & Context

Population levels 2010, 2015, 2024

- Statistics Canada. “Canada’s population… First quarter 2010.” The Daily, June 28, 2010. 34,019,000 as of April 1, 2010.
- Statistics Canada. “Age and sex, July 1, 2015.” The Daily, Sept 29, 2015. 35,851,800 as of July 1, 2015.
- Statistics Canada. “Canada’s population estimates, first quarter 2024.” The Daily, June 19, 2024. 41,012,563 as of April 1, 2024.

Fiscal context: debt charges, deficit, bond issuance

- Department of Finance Canada. “Annual Financial Report of the Government of Canada 2023–24.” Shows the 2023–24 deficit ($61.9B) and rising public debt charges.
- Budget 2024. Annex 2: “Debt Management Strategy 2024–25.” Details planned gross bond issuance for 2024–25.
- Bank of Canada. “Debt Management Strategy Consultations 2024–25.” PDF. Notes planned gross bond issuance increase to $228B from $204B.
- Department of Finance. “Debt Management Strategy 2025–26.” July 16, 2025. Updates issuance plans.
- Reuters. “Canada budget deficit… first nine months of 2023/24 jumps to C$23.61 bln.” Feb 23, 2024. Illustrates expenses rising faster than revenues through the year.

The Samara Fund: Citizen Investment Model

Annual births around 350,000

- Statistics Canada. “Births, 2022 and 2023 (preliminary).” Table 13-10-0415-01 and related releases showing annual births typically in the 340k–370k range.

“No new taxes or borrowing” claim is a policy design choice, not a statistic. This relies on a 5 percent reallocation of current expenditures. Easy enough to calculate

Economic Modeling and Math

Federal budget baseline of about $535 billion (2023–24 scale)

- Department of Finance Canada. “Annual Financial Report of the Government of Canada 2023–24.” Total expenses and program spending for context.

Long-run TSX total returns near 8 percent

- CPP Investments, Annual Report F2025. 10-year annualized net return 8.3–8.5 percent at the Fund level for context on long-run Canadian institutional returns.
- CIBC Asset Management. “Inflation vs. TSX” note (historical TSX total return context).

  Note: precise “TSX 30-year total return” varies by window. I used a conservative 7 percent assumption against historical figures that are often closer to 8 percent over long horizons.

Federal program cost growth assumption of 4 percent

- This is my modeling assumption.
  - Department of Finance. Budget 2024 Economic and Fiscal Overview, showing program spending and transfers growth trends.

Ten-Year Reserve Build and Per-Citizen Calculations

These are my projections based on inputs noted above. “calculations using 350,000 births per year, $60,000 per birth, 5-7 percent nominal return scenarios, and 4 percent program cost growth.”

Comparative Analysis

Norway Sovereign Wealth Fund size

- Norges Bank Investment Management (NBIM). “The fund’s value.” Value 19,586 billion NOK as of June 30, 2025, roughly USD 1.6–1.8 trillion depending on FX.
- Reuters. “Norway wealth fund posts record $222 billion annual profit.” Jan 29, 2025. Notes the fund at about $1.6–1.8 trillion.

Singapore Central Provident Fund: compulsory savings system

- CPF Board (official). “CPF overview.” Updated Aug 4, 2025.
- Singapore Ministry of Manpower. “Central Provident Fund.” System description.

Sweden AP Funds assets and arm’s-length governance

- AP Funds. “The AP Funds strengthen the income pension system by SEK 182 billion.” Shows AP1–AP4 assets totaling SEK 2,053 billion at year end 2024.

Steve Allard is a Nova Scotia-based entrepreneur working to improve economic resilience for Canadian families and for the country as a whole. His current focus is asset building as a foundation for future prosperity.

The Hunter Prize for Public Policy aims to shake up Canadian policymaking by marshalling fresh ideas, energy, and voices to take on a clearly-defined "wicked problem" and improve the economic and social well-being of Canadians.

The Centre for Civic Engagement

centrecivicengagement.ca