

Marketing Builds Canada

Federal 2027 Budget Recommendations to Enhance Productivity, Innovation, and Business Competitiveness

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Marketing is a core pillar of Canada's economy, contributing [\\$131 billion to GDP](#) and driving growth across industries. With nearly one million Canadians employed in marketing roles, the sector is central to productivity, innovation, and business competitiveness. As AI (artificial intelligence) and data transform the economy, targeted policy action is needed to ensure Canada remains competitive and continues to capture this value domestically.

Recommendation #1: A National AI workforce readiness program

That the Government of Canada expand its investments in AI by establishing a national AI workforce readiness program, delivered in partnership with industry, to equip Canadians with the practical skills needed to succeed in AI-integrated workplaces. This initiative should focus on AI literacy, responsible use, and human-AI collaboration, while supporting reskilling across sectors and strengthening the future talent pipeline through alignment with post-secondary education.

Recommendation #2: Accelerating AI adoption across Canadian businesses

That the Government of Canada establish targeted adoption supports to accelerate AI integration across Canadian businesses through advisory services, implementation incentives and vendor-neutral guidance to drive productivity and competitiveness.

Recommendation #3: Build Canada's AI ecosystem through strategic investment incentives

That the Government of Canada strengthen Canada's domestic AI ecosystem by supporting the growth and retention of companies and talent operating in Canada, including through improved procurement practices and the introduction of a Canadian AI Growth and Innovation Tax Credit to stimulate private investment in AI development and commercialization.

Recommendation #4: Modernize Canada's privacy law

That the Government of Canada modernize the *Personal Information Protection and Electronic Documents Act* (PIPEDA) to enable responsible data use, support innovation, and maintain strong consumer privacy protections, ensuring Canada remains competitive in a global, data-driven economy.

Recommendation #1: A national AI workforce readiness program

Canada's economy is undergoing a rapid transformation as artificial intelligence becomes embedded across sectors. Nowhere is this more evident than in marketing, where adoption of generative AI has outpaced most industries. Recent research shows that while only 12% of Canadian businesses reported using AI in 2024, [75% of marketing professionals were using generative AI tools on a weekly basis](#).

This gap highlights both a challenge and an opportunity: Canada has early adopters driving productivity gains but lacks a coordinated national strategy to scale AI readiness across the broader workforce.

A national AI workforce readiness program would address this gap by equipping Canadians with practical, job-ready skills to operate effectively in AI-integrated environments. This is not solely a technical challenge, it is about ensuring workers across disciplines understand how to collaborate with AI tools, apply them responsibly, and adapt to evolving workplace expectations.

The urgency is underscored by the scale of the marketing workforce itself. [Marketing now accounts for more than 861,000 jobs in Canada](#), approximately one in every 25 roles, and delivers a significant talent premium, with wages 30% above the national average. As AI becomes foundational to these roles, ensuring workforce readiness is critical not only for individual employability but for national productivity.

Marketing represents one of the earliest real-world environments for practical generative AI adoption at scale, making it an ideal testing ground for responsible AI integration across the broader Canadian economy. With weekly AI usage, marketers are already navigating the complex intersection of AI. The frameworks, governance structures and practical lessons emerging from marketing's early adoption can inform Canada's approach to AI workforce readiness economy-wide, ensuring businesses across sectors can adopt AI responsibly and productively rather than learning through costly trial and error.

A national program should focus on three core pillars:

- AI literacy and responsible use, grounded in the CMA's established principles from the [Canadian Marketing Code of Ethics and Standards](#), ensuring workers understand both the capabilities and limitations of AI systems
- Human-AI collaboration skills, enabling employees to augment their productivity rather than be displaced by automation
- Reskilling and upskilling pathways, particularly for mid-career workers and those in transition

This framework ensures that workforce readiness addresses technical competencies along with ethical practices that are needed to maintain public trust, a cornerstone and prerequisite for realizing AI's full economic potential.

Crucially, this initiative must be delivered in partnership with industry to ensure training reflects real-world applications.



Alignment with post-secondary institutions will also be key to strengthening the long-term talent pipeline, ensuring graduates enter the workforce with relevant, future-ready skills identified by industry.

This proposal represents an industry-led, government-enabled model for rapid AI workforce development. Federal investment would scale proven training infrastructure that is already delivering results.

Without targeted investment in workforce readiness, Canada risks falling behind in AI adoption and productivity. With strategic federal support, this initiative can enable workers across sectors to upskill rapidly, positioning the country as a leader in applied, responsible AI, unlocking efficiency gains, driving innovation, and supporting high-value employment across sectors.

Recommendation #2: Accelerating AI adoption across Canadian businesses

Canada's productivity challenge requires widespread AI adoption across businesses of all sizes. While AI has the potential to drive significant efficiency gains and competitive advantages, adoption remains uneven across the economy. Many businesses face barriers in accessing the expertise, capital and guidance needed to integrate AI effectively into their operations. Addressing these barriers through targeted support is critical to ensuring Canada captures the productivity benefits of AI technology.

Marketing provides a clear example of how AI can drive productivity and growth when effectively integrated. Organizations that leverage advanced tools, including AI-driven personalization, are seeing productivity gains of up to 42% and significant time efficiencies, alongside revenue increases driven by more targeted customer engagement. These gains demonstrate what's possible when Canadian businesses can access and adopt cutting-edge AI, but they also reveal a challenge: these productivity improvements are not evenly distributed, they are concentrated among larger organizations and those with access to global AI platforms. Democratizing this capability across the Canadian business landscape, particularly among mid-sized enterprises that often lack the resources or expertise to adopt AI at scale, will yield measurable impact.

Marketing itself has become a major economic driver. In 2024, the [sector contributed \\$131 billion to Canada's GDP, approximately 4.6% of the total economy](#), comparable in scale to traditional industries such as retail and natural resources. Ensuring that Canadian firms can leverage AI within this ecosystem is therefore not just a sectoral issue, but a national economic priority.

Targeted supports, such as tax incentives, advisory services, and innovation funding, can help organizations integrate AI into their operations. This is especially important for SMEs, which represent a critical segment of the economy but often lack access to the capital and expertise required for digital transformation. To maximize productivity gains, adoption support should be technology-neutral, enabling Canadian businesses to leverage best-in-class AI tools.

This approach directly complements the National AI Workforce Readiness Program (Recommendation #1) by ensuring that as workers gain AI capabilities, their employers have the support and resources to deploy AI effectively.

Recommendation #3: Build Canada's AI ecosystem through strategic investment incentives

Canada has established itself as a global leader in artificial intelligence research, yet it continues to struggle with commercialization, adoption and the retention of talent and firms. Canadian-developed AI innovations and companies must not be scaled and monetized outside Canada. The talent we train must not migrate to jurisdictions offering stronger incentives for commercial growth. Targeted action to strengthen the domestic AI ecosystem at home will ensure the economic benefits of Canadian innovation are realized within Canada.

To fully realize this potential, the Government of Canada should focus on two key areas:

1. Improving procurement and awareness of Canadian AI solutions

Federal procurement can serve as a powerful lever to support domestic firms. The government can strengthen Canada's AI sector by creating clear pathways for firms to compete for contracts, including in emerging technologies. Shorter procurement cycles for AI pilots and innovation-focused procurement streams would accelerate adoption. Prioritizing Canadian solutions and promoting awareness of homegrown technologies would help scale companies, retain intellectual property, and build globally competitive champions.

2. Introducing a Canadian AI Growth and Innovation Tax Credit

The Government of Canada should introduce a **Canadian AI Growth and Innovation Tax Credit** to stimulate private sector investment in domestic AI development and commercialization. Modelled on successful programs such as Canada's Flow-Through Share regime and international examples like the United Kingdom's Enterprise Investment Scheme, this tax credit would provide investors with targeted incentives to support early-stage and scaling AI companies.

Such a measure would help:

- Incentivize private capital to support AI companies operating in Canada,
- Address Canada's persistent commercialization gap by making it financially attractive to scale IP domestically rather than sell to foreign entities,
- Retain talent by creating viable Canadian companies that can compete with global compensation packages; and
- Anchor intellectual property developed with Canadian public research funding within Canada.

Strengthening Canada's AI ecosystem requires both supply-side innovation support (through the tax credit and procurement) and demand-side capability building (through the National AI Workforce Readiness Program outlined in Recommendation #1).

These initiatives are mutually reinforcing. Workforce readiness creates the talent pool and adoption capacity that makes Canadian AI companies viable, while a thriving domestic AI sector provides the career pathways and economic opportunities that justify workforce investment.

Together, they address Canada's commercialization challenge comprehensively, ensuring that Canadian innovation is not only developed domestically but also commercialized, scaled and deployed at home, driving productivity, retaining talent and securing long-term economic growth. This strategy supports both the supply of Canadian AI innovation and the demand created by widespread business adoption, recognizing that a thriving ecosystem requires both homegrown solutions and the flexibility for Canadian businesses to access global best-in-class tools where appropriate.

Recommendation #4: Modernize Canada's privacy law to enable responsible data use and innovation

As Canada's economy becomes increasingly data-driven, modernizing its privacy framework is essential to ensuring innovation alongside consumer trust. The current legislative environment, anchored in the *Personal Information Protection and Electronic Documents Act* (PIPEDA), no longer reflects the realities of a digital economy where data is central to value creation, particularly in sectors such as marketing.

Marketing's role in the economy has evolved significantly, with its contribution reaching \$131 billion in GDP and underpinning growth across industries. This growth is increasingly driven by data-enabled strategies, including personalization, which allows organizations to better meet consumer needs and improve business outcomes.

In today's climate, Canadians want both strong data protection and valuable digital experiences. While 90% of Canadians express concern about data privacy, 73% prefer personalized digital experiences over generic ones. This underscores the need for a modern regulatory framework that both protects consumers and enables responsible innovation.

Modernizing PIPEDA presents an opportunity to achieve this balance. Key priorities should include:

- **Enabling responsible data use** through clear, flexible rules that encourage organizations to innovate while protecting privacy
- **Strengthening consumer trust** by enhancing transparency, consent mechanisms, and enforcement
- **Ensuring global competitiveness** by aligning Canada's framework with international standards, facilitating cross-border data flows and trade

A modernized framework must recognize that data is not only a privacy issue, but also a driver of economic growth and competitiveness. Privacy reform should enable clear, accountable and competitive data use rather than create regulatory uncertainty for responsible businesses. Clear, principles-based rules that clarify grey areas enable organizations to innovate confidently. Overly restrictive or outdated regulations risk limiting innovation, reducing productivity, and placing Canadian firms at a disadvantage relative to global competitors. This is critical for marketing, where trust, transparency, personalization and data-driven growth must coexist rather than compete.



At the same time, strong privacy protections are essential to maintaining public confidence in the digital economy. Trust is a prerequisite for participation, and without it, the full benefits of data-driven innovation cannot be realized.

By modernizing PIPEDA to reflect current technological and economic realities, the Government of Canada can create a framework that supports both innovation and trust, ensuring that Canada remains competitive in a rapidly evolving global economy.

About the Canadian Marketing Association

The CMA is the voice of marketing in Canada, and our purpose is to champion marketing's powerful impact. We are the catalyst to help Canada's marketers thrive today, while building the marketing mindset and environment of tomorrow.

We provide opportunities for our members from coast to coast to develop professionally, to contribute to marketing thought leadership, to build strong networks, and to strengthen the regulatory climate for business success. Our Chartered Marketer (CM) designation signifies that recipients are highly qualified and up to date with best practices, as reflected in the Canadian Marketing Code of Ethics and Standards. We represent virtually all of Canada's major business sectors, and all marketing disciplines, channels and technologies. We provide Canadian consumers with information to help them better understand their rights and obligations. For more information, visit thecma.ca.