



Canada's Network of Women's Health Innovators

**Written Submission for the Pre-Budget
Consultations in advance of the 2025 Budget**

List of Recommendations

Recommendation #1 – That the government double the National Women’s Health Research Initiative (NWHRI) investment with an additional \$20M in basic and applied research related to issues affecting women’s health.

Recommendation #2 – That the government strengthen the tri-agency’s (the Canadian Institutes of Health Research (CIHR), the Natural Sciences and Engineering Research Council of Canada (NSERC) and the Social Sciences and Humanities Research Council (SSHRC)) research and data standards on women’s health in federal research funding.

Recommendation #3 – That the government allocate \$30M through the regional development agencies to extend current healthcare innovation programming with an applied women’s health lens through regional accelerators, better connecting Canadian femtech companies with customers and expertise.

Recommendation #4 – That the government invest \$50M through the Venture Capital Catalyst Initiative program to leverage private sector capital investment into specifically early-stage Canadian Femtech companies.

Recommendation #5 – That the government direct the Business Development Bank of Canada to create a true early-stage venture fund for women tech entrepreneurs.

Introduction

I am writing to you on behalf of Femtech Canada, an organization dedicated to fostering innovation and research into women's health. We appreciate the opportunity to provide input into the 2024 Federal Budget on the urgent need for targeted investment in the Femtech sector to drive significant social and economic benefits for Canada.

Femtech Canada is a national organization of 145 innovative SMEs focused on advancing innovation, research and equity in women's health. We are a network of entrepreneurs, researchers, and industry leaders committed to addressing the unique health challenges faced by women. Our mission is to inspire and support the development of cutting-edge technologies and services that cater specifically to women's health needs, including diagnostics, therapeutics, digital health tools, and medical devices. Founded in 2021, Femtech Canada has rapidly grown to become a leading advocate for women's health innovation, supporting over 145 companies across Canada. We facilitate collaboration among stakeholders, provide resources and mentorship to startups, and advocate for policies that promote equity and innovation in healthcare.

The Issue & Context - An Opportunity to Invest in Women's Health Innovation, Improve Women's Healthcare and Boost Productivity

The Femtech sector, which encompasses products and services that address health conditions uniquely, differently, and disproportionately affecting women, presents a substantial opportunity for Canada. Women's health remains a critically underserved area, with significant gaps in research, diagnosis, care delivery and support. The current landscape is characterized by several concerning statistics:

1. **Under-Researched:** Women are disproportionately underrepresented in medical research. We are 30 years behind in women's medical research and data. Women have only been required to participate in clinical trials in Canada since 1997. To this day, 64% of phase 1 clinical trials predominantly involve male participants¹, and female participation is vastly underrepresented. In Canada, only 6.8% of research grant funding is allocated to female-specific health outcomes². All these factors contribute to a significant gap in data relevant to women's health.

¹ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4800017/>

² <https://www.albertawomenshealthfoundation.org/our-impact/finding-the-fractures>

2. **Under-Supported:** Despite comprising 50.4% of the population, women face numerous barriers in accessing healthcare in Canada and globally. Women are twice as likely to suffer from conditions like migraines, allergies, and autoimmune diseases, yet research and support for these conditions are inadequate. Additionally, mental health issues are prevalent, with women experiencing depression at twice the rate of men, yet they are three times more likely to encounter barriers in accessing care.

The private sector has also not stepped up to fill the gap in women's healthcare. Globally, only 1% of pharma R&D is put towards women's health. Only 3% of total investor funding in digital health goes to Femtech companies³. Female founders spot the market opportunity and have responded by developing and commercializing femtech; yet female founders are often overlooked and only receive 4% of VC funding in Canada⁴. Clearly, an intervention is required to address this gap.

3. **Underdiagnosed:** Critical conditions affecting women, such as endometriosis and cardiovascular diseases, are often underdiagnosed. Due to a lower participation enrollment of women in clinical testing, women are more likely to experience adverse drug reactions, yet they are significantly underrepresented in clinical trials. For example, only 35% of cardiovascular research studies focus on women, despite heart disease being the leading cause of death among women⁵.

The economic burden of untreated or poorly managed women's health conditions is substantial. The health gap equates to approximately 75 million years of life lost annually due to poor health or premature death, significantly impacting productivity and economic growth⁶. **Furthermore, more than half of the women's health gap affects women during their working years, reducing women workers' productivity and ability to stay or advance in the workforce.** For example, reports show that menopause costs employers \$237M annually in lost productivity in Canada, and costs women \$3.3B in lost income due to a reduction in hours and/or pay or leaving the workforce altogether.⁷ Equally, over 1M Canadians have been diagnosed with Endometriosis, and over 50% have reported that the condition impaired their work ability and productivity due to fatigue and symptoms⁸. Overall, up to 17% of the female population in Canada report living in

³ <https://www.mckinsey.com/industries/healthcare/our-insights/the-dawn-of-the-femtech-revolution>

⁴ <https://www.canada.ca/en/innovation-science-economic-development/news/2022/04/minister-ng-launches-call-for-applications-to-deliver-the-inclusive-women-venture-capital-initiative.html>

⁵ https://www.heartandstroke.ca/-/media/pdf-files/canada/2018-heart-month/hs_2018-heart-report_en.ashx

⁶ <https://www.mckinsey.com/mhi/our-insights/closing-the-womens-health-gap-a-1-trillion-dollar-opportunity-to-improve-lives-and-economies>

⁷ <https://menopausefoundationcanada.ca/menopause-and-work-in-canada-report/#:~:text=The%20economic%20impact%20analysis%20outlined,or%20leaving%20the%20workforce%20altogether>

⁸ <https://pubmed.ncbi.nlm.nih.gov/32978082/#:~:text=Women%20with%20a%20DxE%20reported,of%20fatigue%20and%20productivity%20impairments>.

poor health, with factors such as poverty, accessibility, and rural and remote locations playing a large factor in delivering appropriate care.⁹ Therefore, an investment in women's health is not only a moral imperative but also an economic necessity. Research by McKinsey & Company suggests that closing the women's health gap could generate over \$27 billion in annual GDP for Canada by 2040. Additionally, for every dollar invested in women's health, there is a potential return of three dollars in economic growth¹⁰.

Our Budget Recommendations: The \$100M Femtech Challenge

To catalyze transformational change, we propose the establishment of the \$100M Femtech Challenge, a three-year initiative aimed at advancing women's health innovation and economic prosperity. The challenge comprises three pillars:

1. ***Reduce inequities in women's health research by doubling the envelope of dedicated women's health research to \$20M and strengthen research and data standards on women's health in federal research funding:*** The Research pillar aims to double the existing tri-agency funding for research into women's health. By focusing on generating new intellectual property (IP) and data, this funding will support fundamental and applied research projects. The goal is to close existing gaps in knowledge and develop innovative solutions that specifically address women's health issues. This initiative will support projects that explore conditions such as autoimmune diseases, reproductive health, mental health, and chronic pain—areas where women are often underrepresented in clinical studies.

Furthermore, we recommend the Canadian government mirror the United States Biden-Harris Administration's recent executive action on March 18, 2024 on strengthening research and data standards on women's health across all relevant research and funding opportunities, will ensure that every dollar of federal funding for health research has been maximized to improve women's health. In particular, we ask the government to ensure that tri-agency funding considers women's health in the development of study design, in data collection and analysis, in the ability to mobilize new innovations that need research support for adoption and regulatory approvals, and in advancing research in actionable innovations and outcomes that can be deployed within the healthcare system. There is an opportunity to build on the current tri-agency's Equity, Diversity & Inclusion Action Plan¹¹ that will ensure women's health is considered at every step in the research process, from research design, methods, analysis, and interpretation/dissemination of findings, in the creation of research teams and the work

⁹ <https://www150.statcan.gc.ca/n1/pub/45-20-0002/452000022022002-eng.htm>

¹⁰ <https://www.mckinsey.com/mhi/our-insights/closing-the-womens-health-gap-a-1-trillion-dollar-opportunity-to-improve-lives-and-economies>

¹¹ https://www.nserc-crsng.gc.ca/InterAgency-Interorganismes/EDI-EDI/Action-Plan_Plan-dAction_eng.asp

environment and to allow for innovation to grow and be adopted outside of the walls of Canadian research facilities

- 2. *Scale the Canadian Femtech Sector through Targeted Funding to Existing Accelerators Across Canada:*** The Scale pillar asks that the Canadian government invest \$30M through its regional development agencies in a national FemTech accelerator program leveraging existing regional accelerators. This program will leverage existing healthcare innovation support and programming for early-stage companies to scale innovative products and services in women's health. Current resources will be efficiently extended to the femtech sector, including mentorship, business development support, regulatory guidance, manufacturing, IP and product development and access to networks of healthcare professionals and researchers. Many accelerators already have healthcare streams within their offering; due to existing inequities in the understanding of issues and market opportunities in women's health, the current programs are unable to provide the desired support for Canadian femtech innovators.

This pillar aims to create a model for accelerators to apply a women's health lens to their healthcare programming appropriately. This will enable a pipeline of scalable Femtech companies, enhancing their ability to bring products to market more efficiently. It will also foster collaboration between startups and established healthcare providers, ensuring that new technologies and services are integrated into the Canadian healthcare system.

- 3. *Deploy \$50M Public Funds to Crowd-In Private Capital into the Femtech Sector in addition to creating a BDC women-specific early-stage tech fund:*** The Deploy pillar focuses on catalyzing private sector dollars to invest in early-stage Canadian Femtech companies. By providing \$50M in capital that requires matching funds from private investors through the Venture Capital Catalyst Initiative program, this initiative aims to unlock three times the initial investment in private capital. The fund will target high-growth, early-stage (pre-seed or seed) Femtech companies, supporting their expansion and commercialization efforts. With over 87% of Canadian femtech companies founded and led by females, this pillar will also address the significant funding gap faced by female founders, who receive only 4% of venture capital funding in Canada¹². By prioritizing investments in women-led companies, the fund will help level the playing field and drive economic growth in this sector and in return, support the growth of women's health innovation.

We also ask that the BDC create a true, early-stage seed fund that invests in women-led tech startups. This fund will fill a gap left by BDC's Seed Fund, Thrive Fund and Women-in-Tech Fund, which currently only targets post-seed and Series A/B startups. Women-led startups, especially in Femtech, are typically pre-revenue and in early-stages of their development, and they do not

¹² <https://wekh.ca/research/the-state-of-womens-entrepreneurship-in-canada-2024/#:-:text=Access%20to%20financing%20remains%20a,venture%20capital%20funding%20in%20Canada>

qualify for any BDC's investments. By changing the investment criteria, being laser-focused on women-led startups, and improving internal processes, the Canadian government has the opportunity to lead by example as a true feminist government for its women entrepreneurs.

Expected Outcomes

Based on the statistics gathered by Femtech Canada's community, the proposed investment will directly result in the creation of 1,000 new jobs and 150 new companies, along with 250 new pieces of intellectual property and 100 new innovations. The adoption of femtech innovation will also lead to improved societal and health outcomes, including lower morbidity and mortality rates among women and children, improved affordability and accessibility of care, and a healthier, more engaged female workforce. Economically, improved women's health management can reduce healthcare costs by up to \$75 billion over the next decade by preventing disability and premature death, reducing the burden on the healthcare system, and increasing productivity.

Investing in the Femtech sector aligns with key government priorities, including improving the cost of living, job creation, and increasing equality of access to healthcare and economic opportunities. This initiative also supports the Sustainable Development Goals, particularly Goal 3 (Good Health and Well-being) and Goal 5 (Gender Equality), by addressing the specific health needs of women, including marginalized groups.

We urge the government to commit \$100M in the 2025 budget to support the Femtech Challenge, reinforcing Canada's position as a global leader in women's health innovation. This investment will not only drive significant health and economic benefits but also demonstrate a strong commitment to gender equality and the well-being of all Canadians.

Thank you for considering this important initiative. We look forward to the opportunity to discuss this proposal further and to work together to make Canada a global leader in women's health innovation.

Sincerely,

A handwritten signature in black ink, appearing to read "Rachel Bartholomew", with a stylized flourish at the end.

Rachel Bartholomew
Founder, Femtech Canada | CEO, Hylvy Health Inc
info@femtech.ca