



Canada's Network of Women's Health Innovators
**Written Submission for the 2025 Pre-Budget
Consultations**

Proposed Budget Recommendations

Recommendation #1

Fully renew the Government of Canada's \$20M investment in the National Women's Health Research Initiative, a partnership between the Canadian Institutes of Health Research (CIHR) and Women and Gender Equality Canada (WAGE). This investment would sustain the investment of the NWHRI, enabling transformative investments to basic and applied research related to issues affecting women's health. .

Recommendation #2

Invest \$30M through Canada's Regional Development Agencies to extend current healthcare innovation programming with a focus on supporting startup and scaling femtech companies, leveraging regional accelerators to better connect them with customers, infrastructure and expertise required to accelerate their commercialization journey.



March 3, 2025

**Minister Dominic Leblanc
Department of Finance Canada
90 Elgin Street Ottawa
Ontario, ON, K1A 0G5**

Subject: Written Submission for the 2025 Pre-Budget Consultations

Dear Minister Leblanc,

On behalf of Femtech Canada, an organization dedicated to fostering innovation and research into women's health, we would like to submit the following brief in response to the call for 2025 pre-budget consultations. To drive groundbreaking change, we propose launching the \$50M Femtech Challenge—a bold, four-year initiative designed to accelerate women's health innovation and fuel economic growth.

Femtech Canada is a national organization of 170+ 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 areas that directly (e.g. menopause, pregnancy, reproductive health) and disproportionately or differently (e.g. sexual health, mental health, autoimmune conditions, cardiovascular diseases) affect women and those who identify as women. This development is focused on innovating in areas such as health care delivery, 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 170+ 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. With 54% year-over-year growth over the past 2 years in net new companies established, Femtech Canada has established a community of innovators specializing in digital health, consumer packaged goods and deep medical technologies focused on transforming critical healthcare pathways affecting women. Canada is home to the world's 3rd largest women's health ecosystem. Femtech Canada is collaborating with 50+ national corporate partners, 30 private sector investment funds as well as leading accelerators and incubators in seven provinces.

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 a lack of research and underinvestment for innovation that could serve to transform women's health:

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 date, 64% of phase 1 clinical trials predominantly involve male participants¹, with female participation vastly underrepresented. In Canada, only 6.8% of research grant funding is allocated to exploring female-specific health conditions.² This contributes to a significant gap in robust data on women's health.
2. **Under-Supported:** Despite comprising 50.4% of the population, women face numerous barriers in accessing healthcare in Canada. 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.

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 companies.³ Female founders have responded by developing and commercializing femtech; yet are often overlooked and only receive 4% of VC funding in Canada.⁴

Additionally, only 6.8% of research dollars in Canada are allocated to women's health research, 3% of private investment dollars are going to Canadian women's health innovators, and there is currently no innovation programming specifically targeting support for women's health companies like there is in other life sciences sectors, such as brain health and aging.

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 women.⁵

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 growth.⁶ This problem is most acute when women are in the workforce, reducing productivity and their ability to stay or advance in their careers. For example, reports show that menopause costs

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

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

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>

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 1 million Canadians have been diagnosed with Endometriosis, and over 50% have reported that the condition impaired their work ability and productivity due to fatigue and symptoms.⁸

Overall, up to 17% of the female population in Canada report living in poor health, with factors such as poverty, accessibility, and rural and remote locations playing a large factor in delivering appropriate care.⁹

Proposed Budget Recommendations: A \$50M Femtech Challenge

An investment in women's health represents 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 growth.¹⁰ Addressing the existing disparity in women's health could reduce healthcare costs up to \$75B in the next decade for Canada.

To catalyze transformational change, we propose the establishment of the \$50M Femtech Challenge, a four-year initiative aimed at advancing women's health innovation and economic prosperity, built on two core recommendations:

Recommendation 1: Fully renew the Government of Canada's \$20M investment in the National Women's Health Research Initiative, a partnership between the Canadian Institutes of Health Research (CIHR) and Women and Gender Equality Canada (WAGE). This investment would sustain the investment of the NWHRI, enabling transformative investments to basic and applied research related to issues affecting women's health:

Build on the success of the 2021 National Women's Health Research Initiative, which has invested in 37 women's health research projects to date, allocating \$15.7M into fundamental science and research needed to advance women's health in key areas of need (e.g. endometriosis, women's heart health). A renewal of this funding will allow for new innovations and research that can be used in our healthcare system and commercialized, making Canada a global leader in foundational science and medical research. A \$20M investment over four years will allow for four national calls, supporting a further 35 new research projects.

Our recommendation 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.

⁷ <https://menopausefoundationcanada.ca/menopause-and-work-in-canada-report/>

⁸ <https://pubmed.ncbi.nlm.nih.gov/32978082/>

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>

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 model the United States Biden-Harris Administration’s executive action of March 18, 2024, which served to strengthen research and data standards on women’s health across all relevant research and funding opportunities, ensuring that every dollar of federal funding for health research be maximized to improve women’s health. In particular, we recommend the government 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 of Canadian research facilities.

Recommendation 2: Invest \$30M through Canada’s Regional Development Agencies to extend current healthcare innovation programming with a focus on supporting startup and scaling femtech companies, leveraging regional accelerators to better connect them with customers, infrastructure and expertise required to accelerate their commercialization journey:

Leveraging Femtech Canada’s existing national network of accelerators and supporting institutions across seven provinces to deploy operational and programmatic infrastructure focused on key areas of need for high-growth, early-stage Femtech innovators, including:

- a. Establish annual Femtech cohort to spur company creation and growth
- b. Catalyze commercialization projects with academic and clinical facilities
- c. Build Femtech teams through hiring of Canadian talent
- d. Enable sales and manufacturing growth through inventory support
- e. Building and reinforcing ecosystem capacity

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 recommendation 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

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



collaboration between startups and established healthcare providers, ensuring that new technologies and services are integrated into the Canadian healthcare system.

This funding will support 200 companies, including both current ecosystem companies, and those emerging from innovative research occurring in our world-class academic and clinical institutions. This will also create a pipeline of companies that can better leverage the Government's other funding program supporting life science companies, such as the CANHealth Network. We anticipate substantial economic and social outcomes from this investment of \$30M, which will unlock at least \$40M in matching contributions from participating Femtech companies.

This will also support the potential to double femtech investments through Femtech Canada's investor base, including organizations such as: BDC Thrive, Amplify Capital, Antler, Box One, iGan Partners, iNovia Capital Panache Ventures, Pender Ventures, Round 13, Sandpiper Ventures, Two Small Fish Ventures, University of Calgary Startup Investment Funds, Velocity Fund, and Wittington.

This funding will be net-neutral to the fiscal framework. 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 recommendation will serve to address the significant funding shortfall faced by female founders, who receive only 4% of venture capital funding in Canada.¹² 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.

Expected Outcomes

Economic Impact:

To date, Femtech Canada has supported 170+ companies in the last two years, who have together commercialized 110 years of Canadian research, creating 1260+ active jobs nationally and generating \$250M+ in private sector investment (including four major company acquisitions). Femtech companies have undertaken 70+ new clinical research projects generated at Canadian universities and hospitals, 70+ new products and services being manufactured and sold to Canadians and the generation of 75+ patents being filed out of Canada in women's health.

Through the \$50M Femtech Challenge, Canada will support in the growth of existing Femtech products and services while having the following economic impact:

- *500 high-paying jobs created and maintained nationally*
- *\$25M generated in domestic sales*
- *\$25M generated in foreign sales*
- *\$150M in private sector direct investment into our Canadian Femtech*

¹² <https://wekh.ca/research/the-state-of-womens-entrepreneurship-in-canada-2024/>

companies

- *200 Femtech companies supported*
- *100 new pieces of IP created, leveraging Canadian research capacity*
- *100 funded R&D and collaborative research projects to identify and advance new product development*
- *Generate 50 new products and services that can be commercialized*

Social and Health Outcomes

An investment in Canadian women's health is an investment in the health of Canada as a nation. With advancements in research, innovation, new products and services and improvements in care delivery, greater availability of femtech products and services have been proven to reduce household costs, improve productivity and health outcomes while shaping the foundation of entire communities.

1. Affordability & Choice

Fully investing in women's health would mean reducing healthcare costs up to \$75B in the next decade for Canada. The availability of new, alternative, and innovative products and services by investing in innovative tools and treatments for areas of health such as reproductive health, cancers, and menopause lowers the costs and improves choices for individual Canadian women. Lower costs not only lessens the strain on our healthcare system and affordability of healthcare, but it also allows women to spend their money, time and energy in other parts of the economy.

2. Productivity & Competitiveness

Over half of the health burden on the female population is during their prime working years. In Canada, PMS and menopause are key contributors to over nine days lost per woman per year representing 2.2% in lost GDP output and over \$3.3B in depressed wages for women dealing with these symptoms. With an investment in women's options for PMS and menopause among other conditions causing loss of work and disability, Canada could allow 685,000 women to re-enter the workforce in full time positions.

By investing in domestic innovation, Canada can reduce its reliance on foreign markets for critical healthcare solutions, including women's health products and medical technologies. A self-sufficient femtech sector ensures that Canadian patients and healthcare providers have access to essential innovations without being subject to trade restrictions. It can also attract foreign investment and partnerships, strengthening Canada's economy despite the increased threat of trade barriers.

3. Health Outcomes and Quality of Life

With new innovative treatments, diagnostics, management tools, solutions and research entering the Canadian market, we can save lives and improve the quality of life of millions of women living in poor health in Canada. Women in Canada spend 25% more time in poor health than men, leading to 75M years of lost life and early death. Investing in their health care means direct output in the care we deliver,

meaning fewer earlier deaths, fewer health conditions and fewer unhealthy women entering our healthcare system.

4. Shaping Communities

Women are the staples of every household, representing 50% of the workforce, 40% as the primary source of income for their family, and 80% of the decision-making and spending regarding healthcare decisions in their family. Additionally, unhealthy women struggle to keep others healthy when 66% of women in Canada make up the primary family caregivers. This means that investment into women's health directly impacts the elderly, children and partners in an intergenerational household who rely on their support, income and decision-making of women.

Summary

Femtech Canada, a pillar in the Canadian women's health innovation community, is recommending the Canadian government establish the Femtech Challenge, a transformational investment of \$50M to catalyze Canada's growing Femtech cluster.

These funds would be used to (1) renew the CIHR National Women's Health Research Initiative, (2) advancing the creation and deployment of innovation through Femtech Canada programming, to drive direct investment into high-growth, femtech companies.

Unlocking an anticipated \$40M in private sector matching capital, the Government's investment will support over 200 companies, create over 500 new jobs, mobilize \$50M in exports and domestic sales, and support the creation of 100 pieces of new R&D.

This investment is key in supporting the economic development in Canada, directly impacting our bottom-line GDP with a capacity for \$27B in growth while also supporting an evolution in the way we provide healthcare to improve women's overall health outcomes, stimulate productivity, lower overall costs to women and enable the foundations of our communities.

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 UN 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 \$50M 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. We believe an investment in the social and economic opportunities in women's health will improve health outcomes for women across Canada, allow us to become a world leader in innovation and research, and to drive company creation, investment and global exports of a next generation of innovative products and services.

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".

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