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OPINION

Canada still faces a massive brain-drain problem

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Mark Carney rode to victory on a wave of anti-Trump sentiment, promising Canadians greater independence from the United States. Tapping into Canadians' deep frustration with Mr. Trump's tariffs and threats to national sovereignty, he told voters that the era of depending on the U.S. for trade and national security was over.

Canadians aren't just frustrated – they're actively distancing themselves from Mr. Trump's America. Roughly six in ten Canadians say they are less likely to travel to the U.S. And, true to their word, border crossings are sharply down. Nearly 800,000 fewer cross-border trips were recorded in March than a year earlier.

Yet a troubling paradox remains: Canada is likely to continue to lose too much of its top entrepreneurial talent to America.

Canadians have long looked to America for economic opportunity. Hollywood is rife with Canadian movie stars. Canadians in finance and real estate have long pursued careers in New York. The story in high tech is much the same. Ironically, even Elon Musk – reviled by so many in Canada for his Trumpian sycophancy and relentless axe-wielding at DOGE – is a Canadian citizen who attended Queen's University before transferring to the University of Pennsylvania.

Even as anti-Trump sentiment grows – and despite headlines celebrating a handful of American academics' moves to the University of Toronto, where I teach, there are clear signs that the flow of affluent, talented Canadians heading south is accelerating, not slowing down.

I see it firsthand. While much has been made of successful New Yorkers migrating to Miami for lower taxes and sunnier weather, Torontonians are close behind. I know of more than half a dozen highly successful Toronto entrepreneurs who have moved to Miami over the past few years. As I write this, three others are actively looking to do the same.

These aren't typical snowbirds; they are highly successful 40- and 50-somethings at the peak of their careers in finance, real estate, hospitality and tech. And unlike previous generations who went south seeking career opportunities unavailable in Canada, these are people who made their fortunes at home. They're leaving Toronto and Canada

behind because they believe life will be better elsewhere – or because they're disillusioned with the nation's current trajectory.

When I began teaching at the University of Toronto a decade and a half ago, I started asking my MBA students where they wanted to live and work after graduation. At the time, upwards of 95 per cent said they intended to stay in Toronto. When I ask that question today, fewer than half say the same. Alongside traditional American cities, London, Singapore, Hong Kong and Dubai top their lists.

A look at the data shows it's unlikely Canada will see our brain drain to the United States halt any time soon. In a survey taken during the recent federal election campaign, nearly three in 10 Canadian millionaires said they were more likely to relocate abroad than they had been four years ago, citing dissatisfaction with the country's quality of life and concerns over its economic outlook as their primary reasons. More than 50,000 people who were born in Canada moved from Canada to the U.S. in 2022, a rise of 50 per cent from the pre-COVID period. And overall, more than 820,000 people born in Canada currently live in America, enough to fill up a city the size of Winnipeg.

Mr. Trump's deep cuts to university research funding offer Canada an unprecedented chance to attract disillusioned scientists – both American and international researchers currently working in the U.S. To his credit, Mr. Carney has pledged significant investments in university research in fields like artificial intelligence, biotech, clean energy and advanced manufacturing.

But great universities alone don't build great innovation economies. Silicon Valley's economic clout lies in its world-class startup ecosystem and venture capital. Canada's three major startup cities – Toronto, Vancouver and Montreal – lag far behind the world's leaders, pulling in less than 5 per cent of the venture-capital investment that flows to America's three leading hubs: San Francisco, New York and Boston. With their business acumen and extensive financial and professional networks, Canada's expat entrepreneurs have the skills and resources needed to build stronger startup hubs here at home.

The Prime Minister's own global experience gives him a firsthand understanding of how to tackle this continuing brain drain. Having lived and worked in New York and London, he has unique insight into why ambitious Canadians leave, and the credibility needed to bring them back or convince them to stay. Only by stopping this relentless outflow of talent can the new administration unleash Canada's innovation economy and put the nation firmly on the path to lasting prosperity.