



NEWS RELEASE

GDP growth rates—when not adjusted for population—provide misleading picture of Canadian economy

April 11, 2024
For Immediate Release

VANCOUVER—If journalists and politicians want to more accurately assess Canada’s economic performance relative to other countries, they should stop using GDP growth figures that don’t account for population changes, finds a new study published today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Canadian governments of all stripes have for many years touted Canada’s economic growth using the overall GDP growth rate. But because of Canada’s massive spike in population in recent years, not adjusting GDP growth for population changes provides a misleading picture of the country’s economic performance,” said Ben Eisen, senior fellow at the Fraser Institute and co-author of *GDP Growth Unadjusted for Population Change—a Misleading Measure of Canada’s Economic Progress*.

Politicians often use growth of GDP (the value of all goods and services produced during a specific time period) to compare Canada’s economic performance with other countries. But due to large differences in population growth among developed countries, and Canada’s recent immigration-fuelled population surge, it’s now more useful to use per-person GDP (a common indicator of living standards) to measure economic performance.

For example, between 2020 and 2023, Canada had the second-highest rate of overall GDP growth in the G7. However, after adjusting for population growth, Canada’s per-person GDP growth rate over the same period is near the bottom of the group and well below the G7 average.

And since 2015, per-person GDP growth has been almost stagnant at an average of 0.3 per cent per year.

“When judging Canada’s economy, it’s crucial to accurately measure economic performance and living standards so Canadians are not misled,” Eisen said.

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MEDIA CONTACT:

Ben Eisen, Senior Fellow, Fraser Institute

To arrange media interviews or for more information, please contact:
Mark Hasiuk, Senior Media Relations Specialist, 604-688-0221 ext. 517,
mark.hasiuk@fraserinstitute.org

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