



# NEWS RELEASE

## Albertans will pay \$442 each in interest this year due to growing provincial government debt

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For immediate release

**CALGARY**—Every Albertan will pay, on average, more than \$400 this year in interest costs on the province’s growing debt, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Interest paid on government debt is taxpayer money not spent on programs or services that people value, including health care and education, and it leaves less fiscal room for tax relief,” said Ben Eisen, director of the Fraser Institute’s Alberta Prosperity Initiative and co-author of *The Decline of the Other Alberta Advantage: Debt Service Costs in Alberta Are Rising*.

The study finds that in 2018/19, the average Albertan will pay \$442 in debt-servicing costs—interest on the government’s debt—compared to \$58 (nominal) in 2008/09.

In fact, starting last year, per person debt-servicing costs in Alberta are increasing by approximately \$100 a year, and are expected to reach \$655 in 2020/21, when British Columbia—not Alberta—will have the lowest per person debt-servicing costs nationwide.

And if Alberta’s debt trend continues, debt-servicing costs may exceed \$1,000 per person within the next 10 years, giving Alberta one of the highest per person costs in the country. (Currently, only Quebec and Newfoundland and Labrador have per capita debt-servicing costs above \$1,000.)

Crucially, Alberta was essentially debt-free until 2016/17.

“Before Alberta’s recent run up in debt, the cost of servicing the province’s debt was trivial, meaning almost all tax revenue was spent on programs and services for Albertans, not interest,” said Steve Lafleur, Fraser Institute senior policy analyst and study co-author.

“The fiscal advantage that Alberta enjoyed over all the other provinces vis-à-vis debt interest payments is rapidly disappearing and will soon be gone altogether.”

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