



NEWS RELEASE

Just 5 spending categories out of 34 account for more than 60% of total increase in federal spending since 2015

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For Immediate Release

VANCOUVER—Of 34 federal government departments, programs and agencies, just five—covering Indigenous affairs, child benefits, seniors’ benefits, Canada Health Transfer and defence—account for nearly two-thirds of the total increase in spending since 2015, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Understanding where the federal government has increased spending is an important step in developing a plan back to sustainable finances,” said Jason Clemens, executive vice-president of the Fraser Institute and co-author of *Explaining the Growth in Federal Program Spending since 2015*.

The study finds that from 2015 to 2019, federal government program spending increased by \$69.1 billion—or 27.2 per cent—to \$322.9 billion. After adjusting for inflation, the increase is still sizable at \$50.2 billion, or 18.4 per cent.

The five spending areas that accounted for 60.1 per cent of all federal spending increases are: Children’s Benefits including the Canada Child Benefit or CCB (13.9 per cent), Seniors Benefits including Old Age Security (13.4 per cent), National Defence (11.8 per cent), Indigenous and Northern Affairs, now Crown-Indigenous Relations and Northern Affairs Canada, and Indigenous Services Canada (11.7 per cent), and the Canada Health Transfer (9.3 per cent).

Crucially, the two areas of federal spending that comprise the bulk of the increase (The Canada Child Benefit—a monthly payment to eligible families, and Indigenous affairs) are discretionary, meaning the government chose to increase spending in those areas. Conversely, benefits for seniors are increasing automatically as Canada’s population ages, and health transfers to the provinces also increase automatically.

“For Canadians to assess the performance of government and the value of their tax dollars, it’s important for us to understand exactly where the money is being spent,” said study co-author Tegan Hill, a Fraser Institute economist.

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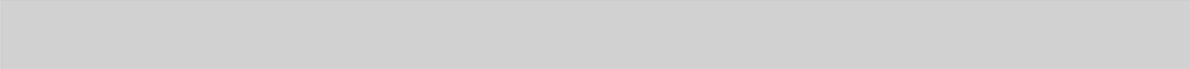
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