

NEWS RELEASE

Canadians in every province will pay more than \$1,300 per person in 2022-23 on government interest costs amounting to \$68.6 billion

Feb. 2, 2023
For Immediate Release

VANCOUVER—Canadians in every province will pay more than \$1,300 per person in 2022/23 on government interest costs, finds a new study published by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Interest must be paid on government debt, and the more money governments spend on interest payments the less money is available for the programs and services that matter to Canadians,” said Jake Fuss, associate director of fiscal studies at the Fraser Institute and author of *Federal and Provincial Debt Interest Costs for Canadians, 2023 edition*.

The study finds that taxpayers across Canada will pay a total of \$68.6 billion on interest payments for the federal and provincial debts in 2022.

The federal government will spend \$34.7 billion on debt servicing charges in 2022/23, which is more than the government expects to spend on childcare benefits (\$29.4 billion) and employment insurance benefits (\$24.8 billion).

Nationally, Newfoundland and Labrador’s combined federal and provincial interest costs is the highest in the country at \$2,727 per person. Quebec, Canada’s second most populous province, is the next highest at \$2,110 per person.

Meanwhile, total expenditures on interest costs for Albertans (\$6.7 billion) is more than what the province will spend on physicians this year, and combined federal-provincial interest costs for British Columbians (\$7.4 billion) are nearly equivalent to what the province expects to spend on its social services this year.

“Even before the COVID-19 pandemic and recession, governments across Canada and in Ottawa were racking up large debts, and this debt imposes real costs on Canadian taxpayers in the form of interest payments,” said Fuss.

“Interest payments across the country are substantial, and that takes money away from other important priorities.”

(30)

MEDIA CONTACT:

Jake Fuss, Associate Director, Fiscal Studies
Fraser Institute

To arrange media interviews or for more information, please contact:
Drue MacPherson, Fraser Institute
(604) 688-0221 Ext. 721
drue.macpherson@fraserinstitute.org

The picture can't be displayed.

The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit www.fraserinstitute.org