

NEWS RELEASE

Interest costs reach \$12.5 billion in Ontario, \$1.8 billion more than the government will spend on post-secondary education

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For immediate release

TORONTO— The Ontario government will spend more on interest costs in 2020-21 than post-secondary education, finds a new study released today 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 Ontarians,” said Steve Lafleur, a senior policy analyst at the Fraser Institute and author of *Federal and Provincial Debt Interest Costs for Canadians*.

The study finds that taxpayers across Canada will pay a total of \$49.6 billion—or about \$4 billion a month—in interest payments for the federal and provincial debts this year alone.

In Ontario, taxpayers will pay \$12.5 billion in provincial interest costs alone, which is more than the provincial government will spend on post-secondary education (\$10.7 billion).

On a per person basis, each Ontarian will pay \$1,375 in interest this year to service the federal and provincial debt. That’s more than \$5,000 for a family of four.

“Even before the COVID-19 pandemic and recession, governments at Queen’s Park and in Ottawa have been racking up large debts, and this debt imposes real costs on Ontario taxpayers,” said Jake Fuss, a senior economist at the Fraser Institute and study co-author.

“Interest payments for Ontario taxpayers are substantial, and that takes money away from other important priorities.”

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