



# NEWS RELEASE

## Combined federal-provincial debt burden now exceeds 100% of the economy (GDP) in all four Atlantic provinces

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For Immediate Release

**HALIFAX**—Of the six provinces nationwide with combined federal-provincial debt burdens that exceed 100 per cent of provincial GDP, four are in Atlantic Canada, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Even before COVID, provincial governments across Atlantic Canada were facing significant fiscal challenges as a result of their large debt burdens, a problem that has been exacerbated by the recession,” said Jake Fuss, a senior economist with the Fraser Institute and co-author of *The Growing Debt Burden for Canadians: 2021 Edition*.

The study finds Nova Scotia now has Canada’s largest combined federal-provincial debt burden as a share of the economy at 106.0 per cent, followed closely by New Brunswick (105.0) and Newfoundland and Labrador (104.7). Prince Edward Island’s combined debt burden equals 101.6 per cent of its economy.

That means that it would take more than every dollar in the respective provincial economies for one year to pay off their combined federal and provincial debt.

Crucially, combined federal and provincial debt has grown across the region in recent years, with Nova Scotia and Newfoundland and Labrador on the rise even before the COVID-19 pandemic.

Now, Newfoundlanders and Labradorians have the highest combined debt per person in Canada at \$64,224.

“It’s important for taxpayers to understand the magnitude of the burden of government debt across Atlantic Canada, because deficits and debt today will result in higher taxes in the future to pay for it,” said Alex Whalen, a policy analyst with the Fraser Institute’s Atlantic Canada Prosperity Initiative.

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