

NEWS RELEASE

Albertans kept 2017 federal deficit from doubling to \$39 billion

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For immediate release

CALGARY—The federal government’s deficit in 2017 would have reached a staggering \$39 billion—instead of the \$19 billion actually recorded—if not for the disproportionate net revenue contributions from Alberta, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Canadians are aware of Ottawa’s recent large deficits, but it’s less well known that the financial contributions of Albertans every year keep those deficits from being much larger,” said Ben Eisen, Fraser Institute senior fellow and co-author of *How Albertans Continue to keep Federal Finances Afloat*.

The study finds that between 2014 and 2017, even at the depths of Alberta’s recession, the province sent Ottawa \$92 billion more than it received in federal transfer payments and services.

During the same three-year period, Ontario—the next highest contributing province—had a net contribution of \$38.6 billion, well less than half of Alberta’s. Quebec, by contrast, received \$71.9 billion more in federal transfers than it contributed to Ottawa.

Crucially, without Alberta’s large net contribution to the federal government’s bottom line, the recent federal deficits would have been much larger. For example, in 2017, the deficit would have been approximately \$20 billion larger (more than doubling in size from \$19 billion to \$39 billion) without Alberta’s contribution.

“Even in recession, Albertans stabilized federal finances and kept Ottawa’s deficits from soaring to much higher levels, which would have negatively impacted all Canadians and future generations,” Eisen said.

“Canadians everywhere should understand that Canada’s fiscal health continues to rely heavily on Alberta’s economic success, so policymakers in all provinces should do what they can to help Alberta succeed—this includes helping ensure the completion of pipelines and other resource projects,” said Steve Lafleur, Fraser Institute senior policy analyst and study co-author.

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MEDIA CONTACTS:


Ben Eisen, Senior Fellow
Fraser Institute

Steve Lafleur, Senior Policy Analyst
Fraser Institute

To arrange media interviews or for more information, please contact:

Bryn Weese, Senior Media Relations Specialist, Fraser Institute
(604) 688-0221 ext. 589

bryn.weese@fraserinstitute.org



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