

# NEWS RELEASE

## Aging population in Alberta leads to persistent deficits and increased health-care spending

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For immediate release

**CALGARY**—Alberta’s senior population will reach 19 per cent of the total population by 2043, leading to persistent budget deficits and increased health-care spending, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Alberta’s aging population will only put more pressure on provincial finances in the coming years,” said Jake Fuss, senior economist at the Fraser Institute and co-author of *The Implications of an Aging Population for Government Finances in Alberta*.

For example, the study finds that health-care expenditures will increase by an approximate 5.6 per cent annually (on average) from now until 2040/41. Consequently, Alberta’s health-care spending is projected to increase from 6.3 per cent of GDP in 2019 to 7.0 per cent of GDP by 2040.

Alberta is projected to run a budget deficit of \$7.8 billion in 2021/22, with deficits expected to persist until at least 2023/24. The study finds the aging population will cause further challenges and the province may not balance its budget before 2040 unless it makes changes to its spending.

The risk of future recessions, rising interest rates, and other unexpected events will only compound problems further.

“If the government wants to avoid even more red ink in the future, it will have to make policy changes and better control spending,” Fuss said.

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