

NEWS RELEASE

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

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For immediate release

VANCOUVER—British Columbia’s senior population will reach 26 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.

“BC’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 British Columbia*.

For example, the study finds that health-care expenditures will increase by an estimated 4.2 per cent annually (on average) from now until 2040/41. Consequently, BC’s health-care spending is projected to increase from 7.6 percent of GDP in 2019 to 8.6 percent of GDP by 2040.

While the BC government currently expects to run budget deficits for at least another two years, the study finds the aging population will cause further challenges and the province may not balance its budget until at least 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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