



# NEWS RELEASE

## “New Normal” federal spending at unprecedented levels; per person federal spending in 2021 to exceed \$13,000— 34.8 per cent higher than 2019

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**VANCOUVER**— Per-person federal program (inflation adjusted) spending is expected to reach a minimum of \$13,032 in 2021-22, 34.8 per cent higher than in 2019, pre-COVID, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

Prior to the election, the federal government’s spending plan would result in per person spending of \$12,695. However, the Liberals proposed additional spending that would bring per-person spending to \$13,032 in 2021-22 and the NDP, the Liberals’ likely governing partner, proposed even higher spending that would result in per person spending reaching \$13,735.

“These levels of per person spending are unprecedented in Canadian history even when compared to recessions and wartime, excluding the recent COVID crisis,” commented Jake Fuss, senior economist at the Fraser Institute and co-author of *Prime Ministers and Government Spending, Updated 2021 Edition*.

Consider that the minimum level of per person spending expected in 2021-22 is 42.4 per cent higher than the level of spending recorded during 2009, a pronounced global recession: \$9,155 versus \$13,032.

Critically, per-person spending in 2021/22 (between \$13,032 to \$13,735) is also projected to be 64.8 per cent to 73.7 per cent higher than it was at the peak of World War II.

And even though per-person spending is expected to decrease slightly in 2022/23, to between \$10,846 and \$11,446, it is still projected to be 12.2 per cent to 18.4 per cent higher than per-person spending levels in 2019/20, the highest level of per-person spending pre-COVID.


“By all indications, the new normal level of federal program spending is substantially higher than even the record-high levels of spending we saw pre-COVID,” Fuss said.

“This high level of deficit-financed spending will have to be repaid eventually, and that will have implications for future taxpayers who will face tax hikes to pay for today’s spending.”

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