

# NEWS RELEASE

## Excessive spending to blame for Alberta's deficit; Alberta spends 18.5% more per person than B.C.

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For immediate release

**CALGARY**—The Alberta government spends 18.5 per cent more (per person) than the British Columbia government, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Spending is the root cause of Alberta’s deficit, and despite reasonably strong government revenue since 2016, the province has made no progress reducing the deficit over the past five years,” said Steve Lafleur, senior policy analyst at the Fraser Institute and co-author of [\*Spending Beyond Our Means: Addressing the Root Cause of Alberta’s Deficit\*](#).

The study finds that had the Alberta government held the line on spending over the past four years, it would have balanced the budget in 2018/19 instead of having a \$6.7 billion deficit.

“As the Alberta government prepares to release a blue-ribbon panel report on the state of the province’s finances, Albertans should understand why there’s so much red ink in Edmonton,” said Ben Eisen, senior fellow at the Fraser Institute.

For example, 15 years ago, B.C. and Alberta spent the exact same amount on a per-person basis. Today, however, Alberta spends \$12,622 per person compared to \$10,647 in B.C.

In other words, Alberta is spending 18.5 per cent more per person than B.C.—and more than every large province in Canada including Quebec (\$11,200 per person) and Ontario (\$10,472 per person), with no evidence that Albertans enjoy better public services than residents of the other provinces.

So what can be done?

If the Alberta government reduced program spending by 10.9 per cent over three years, it could eliminate the deficit and create fiscal room to restore the now-defunct “Alberta Advantage” by providing tax relief for Albertans.

“Successive governments in Edmonton have dug a deep hole for Alberta’s finances, so if the current government wants to return Alberta to fiscal stability, it must reduce and reform spending,” Lafleur said.

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