



NEWS RELEASE

Albertans no longer paying the lowest interest costs on government debt

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For immediate release

CALGARY— Interest costs have been rising rapidly in Alberta in recent years and the province no longer enjoys the lowest interest costs in Canada, finds a new study released today by the Fraser Institute, an independent, non-partisan, Canadian public policy think-tank.

“One of Alberta’s traditional strengths was that they had the lowest interest costs in the country, but after years of deficits and mounting debt, the province has lost that advantage,” said Jake Fuss, a senior economist at the Fraser Institute and co-author of *Federal and Provincial Debt Interest Costs for Canadians*.

The study finds that taxpayers across Canada will pay \$49.6 billion on interest payments on the federal and provincial debts this year alone. In Alberta, debt interest costs for both the federal and provincial debt will reach \$4.8 billion.

In fact, Albertans are paying nearly as much in interest on the combined federal and provincial debt as the province will spend on post-secondary education (\$5.2 billion).

Crucially, Albertans will pay \$1,076 per person in combined federal and provincial debt this year, which is more than British Columbians, who will pay \$1,059 per person.

Like households, governments are required to pay interest on their debt. These interest payments consume resources that would otherwise be used for public priorities that would help families or improve Canada’s economic competitiveness. As a result, less resources may be available in the future for tax relief or to support health care, education, and social services.

“Interest must be paid on government debt, and the more money governments spend on interest payments the less money is available for the programs and services that matter to Albertans,” said Steve Lafleur, senior policy analyst at the Fraser Institute and co-author of the study.

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