

# NEWS RELEASE



## **Newfoundlanders will pay \$2,604 per person this year in interest costs for combined federal and provincial debt; Atlantic Canada has four of the six highest interest costs per person nationwide**

February 25, 2021  
For immediate release

**HALIFAX**— Residents in Newfoundland and Labrador face the highest combined federal-provincial interest payments in the country at \$2,604 per person, and residents in the other Maritime provinces are paying more than \$1,200 per person, finds a new study released today by the Fraser Institute, an independent, non-partisan, Canadian public policy think-tank.

“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 Atlantic Canadians,” said Steve Lafleur, a senior policy analyst at the Fraser Institute and 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, and the Atlantic Canadian provinces have four of the six highest per person interest costs nationwide.

Newfoundland and Labrador’s combined interest costs per person is the highest in the country at \$2,604. In fact, 15.1 per cent of the province’s revenues will be spent on debt interest costs this year. That’s one out of every six dollars in government revenue just going to interest on the debt.

Debt interest costs elsewhere in the region are also high. New Brunswick residents will pay \$1,376 per person in 2020/21 in combined debt interest payments. Nova Scotia and Prince Edward Island each have combined debt interest costs of \$1,293 per person.

“Even before the COVID-19 pandemic and recession, governments across Atlantic Canada and in Ottawa have been racking up large debts, and this debt imposes real costs on taxpayers,” said Jake Fuss, a senior economist at the Fraser Institute and study co-author.

“Interest payments across the Atlantic Canada region are substantial, and that takes money away from other important priorities.”

(30)

### **MEDIA CONTACT:**

Steve Lafleur, Senior Policy Analyst  
Fraser Institute

Jake Fuss, Senior Economist  
Fraser Institute

*To arrange media interviews or for more information, please contact:*  
Drue MacPherson, Fraser Institute  
Tel: (604) 688-0221 Ext. 721  
E-mail: [drue.macpherson@fraserinstitute.org](mailto:drue.macpherson@fraserinstitute.org)



The Fraser Institute is an independent Canadian public policy research and educational organization with offices in Vancouver, Calgary, Toronto, and Montreal and ties to a global network of think-tanks in 87 countries. Its mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. To protect the Institute's independence, it does not accept grants from governments or contracts for research. Visit [www.fraserinstitute.org](http://www.fraserinstitute.org)