



# NEWS RELEASE

## If Canadian families spent and borrowed like the federal government, they would be \$427,759 in debt

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For immediate release

**VANCOUVER**— If the median Canadian family spent and borrowed like the federal government, they would already be \$427,759 in debt and continuing to borrow, finds a new study published today by the Fraser Institute.

“If the median family in Canada spent and borrowed like the federal government, they would be in serious financial trouble,” said Grady Munro, a Fraser Institute policy analyst and co-author of *Understanding the Scale of Canada’s Federal Deficit*.

The \$39.8 billion deficit expected by Ottawa in 2024/25 represents the 17th consecutive annual federal deficit, with continued deficits expected into the foreseeable future, eventually resulting in higher taxes for Canadians.

Continuous annual borrowing by Ottawa to finance increased spending has driven federal total debt from 53.0 per cent of the economy (\$1.1 trillion) in 2014/15 up to an expected 69.8 per cent (\$2.1 trillion) in 2024/25.

To put this into perspective, the study’s analysis offers an example of what a median family’s household finances would look like if they were to spend and borrow like the federal government in 2024.

The study found that the median Canadian family in 2024 would spend \$109,982 while only earning \$101,821, meaning that it would borrow \$8,161 just to pay for its normal spending. This \$8,000-plus in additional debt is on top of the \$427,759 in existing debt the family would already hold based on previous borrowing.

Illustrative of the burden of debt, \$11,066 of the family’s income, representing almost 11 per cent, would be spent on just the interest costs of existing debt.

“Unlike most households, where debt is often offset by assets such as a home or investments, the federal government has little in the way of assets to offset its enormous debt,” said Jake Fuss, director of fiscal policy at the Fraser Institute and co-author.

“And it’s important to note that this government debt burden on Canadian families does not include the burden of provincial and municipal government debt, which depending on one’s location, can be significant.”

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