



NEWS RELEASE

Ottawa's wasteful COVID spending will cost taxpayers more than \$110 billion by 2032/33

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For Immediate Release

CALGARY—The total cost of the federal government's wasteful COVID spending—money that was poorly targeted or sent to ineligible recipients—will eclipse \$110 billion by 2032/33, partly as a result of higher debt interest costs, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Taxpayers will bear the costs of Ottawa's wasteful COVID spending for years to come in the form of higher debt and interest costs,” said Jake Fuss, associate director of fiscal policy studies at the Fraser Institute and co-author of *Fiscal Waste During the Pandemic in Canada and the United States*.

The study finds that Canada's federal COVID spending—which totaled \$359.7 billion—has added \$8.3 billion to present-day interest costs on the country's national debt.

Crucially, an estimated 25 per cent of Canada's COVID spending (\$89.9 billion) was wasted in the form of overpayments, money being sent to ineligible recipients, and/or those that weren't in genuine need.

Of the \$8.3 billion in annual debt interest costs arising from COVID spending, \$2.1 billion of that can be attributed to the wasteful spending. Over the next ten years, the total cost of the federal government's wasteful COVID spending will be \$111.0 billion, including both the \$89.9 billion in wasteful spending and \$21.1 billion in ongoing debt interest costs to service the debt from such wasteful spending.

The study also calculates the cost of wasteful COVID spending in the United States. Including higher debt interest costs, the total wasted spending in the US will total an estimated \$1.56 trillion by 2032/33.

“Deficit-financed programs during COVID will impose significant costs on taxpayers for years to come, making it all the more important that programs are properly targeted and taxpayers dollars aren't wasted in the future,” said Tegan Hill, a senior economist with the Fraser Institute and study co-author.

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