

NEWS RELEASE

Newfoundland & Labrador have the highest per-person government debt burden in the country, while Nova Scotia has the highest government debt burden as a share of the economy

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For Immediate Release

HALIFAX— Newfoundland & Labrador has the highest combined federal-provincial debt burden in the country on a per-person basis, while Nova Scotia has the highest combined government debt burden as a share of the economy, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Even before COVID, provincial governments across Atlantic Canada were facing significant fiscal challenges as a result of their large government debt burdens, a problem that has been exacerbated by the recession,” said Jake Fuss, associate director of fiscal studies at the Fraser Institute and co-author of *The Growing Debt Burden for Canadians: 2023 Edition*.

The study specifically measures net debt, which is a measure of the total debt of the federal and provincial government minus financial assets held by the government. It is a common measure of indebtedness.

The study finds Nova Scotia now has Canada’s highest combined federal-provincial debt burden as a share of the economy at 92.6 per cent. The other Atlantic provinces of Prince Edward Island (86.0 per cent), New Brunswick (85.2 per cent), and Newfoundland and Labrador (80.0) were among the most indebted provinces as well.

These numbers mean that it would take nearly every dollar in the respective provincial economies in one year to pay off their combined federal and provincial debt.

Crucially, combined federal and provincial debt has grown across the region in recent years, with Nova Scotia and Newfoundland and Labrador on the rise even before the COVID-19 pandemic.

Now, Newfoundlanders and Labradorians have the highest combined government debt per person in Canada at \$64,579, followed closely by Ontarians at \$59,773.

“It’s important for taxpayers to understand the magnitude of the burden of government debt across Atlantic Canada, because deficits and debt today result in higher taxes in the future to pay for it,” said Alex Whalen, a senior economist with the Fraser Institute’s Atlantic Canada Prosperity Initiative.

(30)

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