

NEWS RELEASE

This year the Ontario government will spend more on debt interest costs than on post-secondary education

Feb. 19, 2020
For Immediate Release

TORONTO—In fiscal year 2019-20, the Ontario provincial government will spend almost \$13 billion on debt interest payments, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Since the recession of 2008-09, Ontario’s provincial debt has more than doubled, increasing the interest costs paid by Ontario’s taxpayers,” said Jake Fuss, Fraser Institute economist and coauthor of *Interest Costs and their Growing Burden on Canadians*.

For example, this year the Ontario government will spend a projected \$12.9 billion on interest payments on the provincial debt—considerably more than it expects to spend on post-secondary education (\$11.4 billion).

Consequently, interest payments on the provincial debt will consume 8.3 per cent of provincial revenues in 2019-20, despite historically low interest rates.

And Ontarians shoulder not only provincial debt but their proportional share of federal debt. The interest costs on this combined debt equal \$1,550 per Ontarian.

“Government interest payments divert resources away from health care, education and social services, and limit the ability of governments to provide tax relief,” Fuss said.

“In its upcoming budget, the Ontario government can address interest costs by moving purposefully towards a balanced budget by better controlling provincial spending.”

(30)

MEDIA CONTACTS:

Jake Fuss, Economist, Fraser Institute
Jason Clemens, Executive Vice-President, Fraser Institute

To arrange media interviews or for more information, please contact:
Mark Hasiuk, 604-688-0221 ext. 517, mark.hasiuk@fraserinstitute.org

[Follow the Fraser Institute on Twitter](#) | [Like us on Facebook](#)

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