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## **Alberta's Fiscal Problems Not the Result of 'Overspending'**

EDMONTON - A week before the Prentice government introduces its 2015/16 provincial budget, a new fact sheet released today by the Parkland Institute challenges the often-repeated claim that Alberta's current fiscal woes are due to overspending by the provincial government.

"Looking in the Mirror: Provincial Comparisons of Public Spending," written by public finance economist Greg Flanagan, illustrates that in contrast to public statements by the premier that Alberta is "spending \$1,300 more per capita than the national average," the province is at best in the middle of the pack when public expenditures are compared across the provinces.

"Political rhetoric aside, the data makes it quite clear that the current situation Alberta finds itself in is not the result of an expenditure problem," says Flanagan. "It's a revenue problem."

The fact sheet compares provincial spending using three measures: total provincial expenditure per capita, total provincial expenditure per capita adjusted for provincial inflation, and total government expenditure as a percentage of provincial gross domestic product (GDP). By these measures Alberta's public expenditures are fourth lowest, third lowest, and dead last in Canada, respectively.

"The premier has said repeatedly that next week's budget will be 'the most significant budget in modern times,'" says Parkland Executive Director Ricardo Acuña. "But to truly be an historic budget, it will need to solve the financial problem that actually exists in Alberta, not the problem that is politically expedient."

The Parkland Institute is a non-partisan public policy research institute in the Faculty of Arts at the University of Alberta. "**Looking in the Mirror: Provincial Comparisons of Public Spending**" is available for download on Parkland's website at <http://parklandinstitute.ca>.

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For more information, or to arrange interviews:

Scott Harris, Communications Coordinator  
Tel. 780-492-3952 | Cell: 780-710-2025  
[sgharris@ualberta.ca](mailto:sgharris@ualberta.ca)

Greg Flanagan, fact sheet author  
Tel. 250-665-7245  
[greg.flanagan@shaw.ca](mailto:greg.flanagan@shaw.ca)