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Update February 2004



# Fiscal Prospects for the Federal and Provincial/Territorial Governments

ECONOMIC PERFORMANCE AND TRENDS



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## Preface

The study was made possible through funding by the Canadian provinces and territories. In keeping with Conference Board guidelines for financed research, the design and method of research, as well as the content of this study, were determined solely by The Conference Board of Canada.

The research was conducted by Yves St-Maurice, Principal Research Associate, Economic Services, and Matthew Stewart, Economist, Economic Forecasting Services, under the direction of Luc Bussière, Director, Economic Services.





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Fiscal Prospects for the Federal and Provincial/Territorial Governments  
Economic performance and trends

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## EXECUTIVE SUMMARY

In December 2003, the provinces and territories asked The Conference Board of Canada to update the July 2002 study, *Fiscal Prospects for the Federal and Provincial/Territorial Governments*. The purpose of this study is to project the federal Public Accounts and the aggregate provincial/territorial government Public Accounts over the long term, with a particular emphasis on determining the impact of demographic changes on the cost of public health care and education spending to 2019/20. The results are presented in the tables included in this updated study.

The long-term projections in these tables are based on maintaining the status quo with respect to fiscal and budgetary policy. The status quo assumption is aimed at evaluating the degree of fiscal latitude available to governments to implement new initiatives, or to assess the budgetary actions needed to balance the books. As a result, all federal and provincial/territorial tax rates reflect current levels, unless changes were announced in previous budget documents. This also means that no new government spending initiatives are included in our projections, apart from those announced in previous federal and provincial/territorial budgets. And, all budgetary surpluses in a given fiscal year are earmarked exclusively for debt reduction.

The Conference Board of Canada's *Canadian Outlook Long-Term Forecast 2004* serves as a backdrop for projecting the federal and total provincial/territorial governments' Public Accounts. However, this study's baseline forecast was altered to remove any changes to current budgetary and fiscal policy. It was also updated to incorporate, as a starting point, the medium-term outlook based on actual data for the third quarter of 2003, as shown in the latest release of Statistics Canada's National Income Accounts (NIA). Furthermore, two satellite models were used to project the effect of demographic changes on health care and education, the provinces' and territories' two main areas of spending.

The health expenditure analysis is based on historical movement in real (inflation-adjusted) public per capita health care spending for each of 18 age and gender cohorts. Public health expenditures are projected from fiscal year 2003/04 to 2019/20, based on projections of real per capita expenditures and the changing age and sex distribution of the population. As Canada's population continues to grow and age, total provincial and territorial public health expenditures will reach \$170.3 billion in 2019/20, up from \$72.5 billion in 2002/03. This translates into an average annual compound growth rate of 5.2 per cent in public health expenditures over the forecast period. As a share of total provincial/territorial budgetary revenues, public health expenditures are projected to increase from 36.6 per cent in 2002/03 to 44 per cent in 2019/20, an increase of 7.4 percentage points over the next seventeen years.

The education model also uses regression results to forecast changes in spending for three levels of education: elementary/secondary schools, colleges and universities. Overall education spending by the provinces and territories will increase by an average of 2.9 per cent per year until 2019/20, which is a much slower rate of growth than that of health care expenditures. This relatively modest increase in education spending is due to a projected decline in student population. The proportion of budgetary revenues earmarked for education will ease to 17.8 per cent in 2019/20 from 21.5 per cent in 2002/03.

Our analysis shows that federal government surpluses will rise steadily over the next seventeen years, reaching \$78 billion by 2019/20. In comparison, our July 2002 study indicated an \$85.5 billion surplus. The major differences between the figures shown in our current report and the previous one, relate to the increased transfers to the provinces and territories, as a result of the 2003 Health Accord and the federal budget that followed.

In sharp contrast, the provinces and territories will be in a deficit position throughout the forecast period. The aggregate provincial/territorial deficit is expected to reach \$11 billion by 2019/20, up from \$1.8 billion in 2002/03. Our previous report showed a \$12.3 billion deficit by 2019/20.

Under current revenue and spending structures, the federal government is forecast to achieve multi-billion-dollar surpluses that would reduce its interest-bearing debt to \$128.8 billion by 2019/20. On the other hand, the aggregate provincial/territorial net debt will increase by 54 per cent to \$431.7 billion. Note that the provincial/territorial net debt represents the total liabilities less financial assets.

With current fiscal regimes in place, this discrepancy will widen in future. Only the federal government will have the financial capacity to implement new initiatives, such as tax cuts and new discretionary program spending. This is because, as the federal government is able to achieve a budgetary surplus each year, it can pay down the debt and enter the “virtuous circle” of fiscal performance. In contrast, the provinces and territories will have no leeway to implement new policy initiatives over the next two decades; as a collective group, they will neither be able to increase spending, nor cut taxes, without falling deeper into debt.

Our projection includes increases in health care and other social program transfers tabled in the most recent federal budget. The 2003 federal budget extended the September 2000 Canada Health and Social Transfer (CHST) for an extra two years, to include the 2006/07 and 2007/08 fiscal years. Furthermore, the budget indicates planned levels for total cash transfers to provinces and territories until fiscal year 2010/11, which is also included in our projection. After fiscal year 2010/11, growth in the CHST has been adjusted in order to maintain a constant level of real per capita transfers, defined by population growth plus



inflation. The assumption of a fixed real per capita transfer most closely resembles the status quo with respect to current budgetary policy.

This study examines the aggregate position of all provinces and territories, but the fiscal capacity of individual provinces may be quite varied. Population growth, demographic composition, economic prospects and the initial state of Public Accounts differ among Canada's regions. Thus, beyond the scope of this study, there is a need for research to examine the issue of fiscal capacity for each individual province and territory, in comparison with the federal government.

The Canadian economy is expected to close the output gap over the next few years and expand at the same pace as its potential output thereafter. It is important to note that the effect of inevitable business cycles will not significantly change the conclusions of this analysis, nor alter the average growth in output projected over the forecast horizon. This is due to the acceleration of economic growth during recovery phases that typically follow periods of economic downturn.

Great care was exercised in choosing all of the underlying assumptions required for this research. We believe that the long-term forecast presented in this study is the most probable under the status quo scenario, with respect to budgetary and fiscal policy, and in light of the information available at the time the study was prepared.

## 1 STUDY PURPOSE

The main objective of this study is to project the Public Accounts of the federal and provincial/territorial governments to the fiscal year 2019/20, with a particular emphasis on determining the impact of demographic changes on the cost of public health care and education spending. Revenues and expenditures for the two orders of government have been broken out and projected according to the line items commonly found in budget documents.

These projections are based on maintaining the status quo, with respect to fiscal and budgetary policy. As a result, all federal and provincial/territorial tax rates remain at their current levels, unless the changes have already been announced in budget documents. No new government spending initiatives are included in our projections. The ultimate goal of this study is to measure the room-to-manoeuvre of each order of government, in terms of budgetary policy. It gives some indication of the means available to the federal and collective provincial/territorial governments to implement new initiatives or, conversely, the budgetary actions needed to balance the books.

This report is divided into seven chapters. Chapter 2 presents the overall research methodology and assumptions adopted for this forecasting exercise. The third chapter presents an overview of the long-term economic outlook for Canada and the underlying demographic projections. Chapter 4 describes the methodology used to determine the public health care expenditure forecast, as well as data sources, a description of the satellite model developed to forecast public health care expenditures and spending projections. Similarly, the results for public education spending are presented in Chapter 5. Fiscal prospects for the federal and provincial/territorial governments are presented in Chapter 6. A summary of forecast results and the study's conclusions are contained in the seventh and final chapter.

A series of tables containing the detailed results of the study is presented as Appendix A. These tables display the relevant data used for the analysis, including data on key economic indicators, public finance, demographics, and health expenditures by age cohort, as well as public education spending per student.

## 2 METHODOLOGY AND ASSUMPTIONS

The main objective of this study is to project the federal and provincial/territorial governments' Public Accounts, while maintaining the status quo, with respect to budgetary and fiscal policy for the next two decades. This forecasting exercise makes it possible to better understand prospective changes in the financial situation of both orders of government, by examining their respective program responsibilities, in light of anticipated economic growth and tax revenues.

The status quo assumption is aimed at evaluating governments' fiscal room-to-manoevre and thus, to indicate the degree of latitude available to them to implement new initiatives. With respect to budgetary and fiscal policy, the status quo means that there are no new spending initiatives or tax changes included in our projections, aside from those already announced in past federal and provincial/territorial budgets. All budgetary surpluses in a given fiscal year will be earmarked exclusively for debt reduction.

Budgetary revenues for the federal and provincial/territorial governments are a function of key determinants, as presented in the Board's *Canadian Outlook Long-Term Forecast 2004*. For instance, direct taxes are a function of personal income and corporate profits. Revenues generated by indirect taxes are based on consumer spending or, on economic activity in general. Between them, the two orders of government have access to all the major tax bases: personal and corporate income taxes, sales taxes and payroll taxes. All these tax rates and tax bases are explicitly taken into account in the Board's macroeconomic model.

The provinces and territories are constitutionally responsible for health, education and other significant social programs. Satellite models have been developed for this study, in order to determine a detailed long-term profile of public health care and education expenditures. Using equations from the Board's macroeconomic model, we also forecast all the other components of government program spending. The model's fiscal block determines debt levels and corresponding debt-servicing costs for both orders of government.

It is important to note that all data and simulation results have been converted from a calendar year basis to a fiscal year basis in order to make the federal and provincial/territorial governments' Public Accounts data compatible with other data from the Board's macroeconomic model.

Great care was taken in choosing the underlying assumptions required for this research. We believe that the simulation results presented in this study are the most probable under the status quo scenario, with respect to budgetary and fiscal policy, and in light of the information available at the time the study was prepared. Thus, results allow for a balanced analysis of the fiscal prospects for both federal and provincial/territorial governments.

### 3 CANADIAN OUTLOOK

The long-term economic outlook for Canada was generated using the Board's National Forecasting Model. Important inputs into this model include a population forecast from Statistics Canada. This updated long-term economic outlook is based on the National Income Accounts (NIA) for the third quarter of 2003 and on maintaining the status quo for fiscal policy. In this respect, this forecast differs from the Board's base case long-term outlook, which was released in December 2003.

The Board's most recent forecast calls for the Canadian economy to grow beyond potential output over the short-term. After closing the output gap, the Canadian economy will grow in line with its potential growth. Potential output is defined as a measure of economic activity that can be sustained in an economy, without accelerating inflation, over a long period when all factors of production are fully and efficiently employed. It is assumed that Canada will be able to stay at its potential for the remainder of the forecast horizon (from 2005/06 to 2019/20). There are no more business cycles, once the Canadian economy reaches its potential output, a common assumption for long-term economic forecasts. However, it is crucial to note that the introduction of business cycles into the forecasting scenario would not significantly alter the average growth in output over the forecast horizon. This is due to the acceleration of economic growth during recovery phases that typically follow periods of economic downturn.

#### 3.1 DEMOGRAPHIC ASSUMPTIONS

The evolving demographic structure of the population is a critical factor which determines the long-term outlook for Canada, as well as estimates for public health care and education expenditures over the next seventeen years.

Canada's overall population is expected to rise, albeit slowly, over the long term. From a recorded increase of 1 per cent in 2002/03, population growth will slow to an average annual compound rate of 0.8 per cent between 2003/04 and 2019/20. This will result in an increase of 4.4 million people, from 31.4 million in 2002/03 to 35.8 in 2019/20.

The Board obtains its projections of population by age and gender cohort from Statistics Canada. In order for Statistics Canada to develop these projections, however, assumptions were required for fertility rates, mortality rates and net international migration flows, which were provided by the Board.

The population projections in the current outlook assume a constant fertility rate of 1.52 births per woman. This is well below the standard replacement rate of

2.1, but consistent with recent trends. Low fertility, together with an aging population, will lower the birth rate over the long term.

Mortality rates are also held constant over the forecast period, but the number of people entering higher risk age cohorts will expand. This implies that the death rate will rise in Canada over the next seventeen years. As a result, the natural increase in the population (births minus deaths) is projected to fall from about 96,000 in 2002/03 to only 38,000 in 2019/20.

These projections indicate the importance of immigration for future population growth. International immigration is expected to rise from its recent levels of 229,000 in 2002/03 to 261,000 in fiscal year 2019/20. Allowing for a slight rise in emigration, net immigration is forecast to rise from its current level of 157,000 to 185,000 by 2019/20, thus becoming, by far, the dominant source of population growth.

### **3.2 SHORT-TERM ECONOMIC OUTLOOK: 2003/04 TO 2005/06**

Although the Canadian economy has been marked by slow growth in general economic activity in 2003, momentum is expected to build as the economy moves into 2004. This will be driven largely by a sharp increase in activity in the U.S. economy. Normally, the strong pace of U.S. Gross Domestic Product (GDP) growth in 2004 would ensure similar strength in Canada. However, the strong Canadian dollar will continue to take its toll on export growth. Therefore, although export growth will return, it will remain relatively modest in 2004. Sustained strength in domestic spending will tide the economy over, as business investment ramps up and consumer spending remains strong through the year. Overall growth in 2004/05 is forecast to reach 3.6 per cent, just slightly above Canada's estimated potential growth rate.

Slow growth over the summer months of 2003 opened up an output gap estimated at 2 per cent, which will take two or more years of solid economic growth to erase. As a result, there is little current need for monetary tightening. In fact, worries that the rising soaring dollar might derail growth have prompted the Bank of Canada to recently cut interest rates.

The Canadian economy is expected to remain weak in the fourth quarter of 2003, the result of slow growth in consumer spending and weak export performance. In addition, prices are under control, thanks, in part, to the strength of the Canadian dollar. The most recent rate cut has narrowed the Canada-U.S. interest rate spread. Although market fundamentals strongly suggest that our dollar remains undervalued, a good portion of its current strength is due to significant interest rate premiums on short-term paper. As such, narrowing of the Canada-U.S. short-term rate spread will cause the Canadian dollar to lose some of its recent

shine. After averaging \$0.739 US in 2003/04, the dollar is forecast to average \$0.735 US in 2004/05 and \$0.719 US in 2005/06.

Following the recent rate cut, no further policy action is expected until October. At that point, the economy will have seen three back-to-back quarters of above-potential growth, and the Bank will, once again, be concerned about the closure of the output gap and the need to engineer a soft landing. Rates are expected to rise steadily in increments of 25 basis points through mid-2005, and increases will become more intermittent from then on. The yield on Canadian 3-month treasury bills, which will average 2.80 per cent in 2003/04, will rise to 4.38 per cent in 2005/06.

The impact of the strong forecast for U.S. GDP growth is being offset by the current strength of the Canadian dollar. To maintain their share of U.S. markets, Canadian exporters will either have to cut prices and face leaner margins, or be forced to streamline operations. Although we expect the Canadian dollar to weaken gradually between now and the end of 2005, the worst may well be over for exporters. Following the slow performance of exports in 2003, they should recover this year in line with the weakening Canadian dollar and strong U.S. growth. Export growth for 2004/05 will reach 4.4 per cent, a vast improvement over the 2.5 per cent decline seen in 2003/04. Growth will continue in 2005/06, with a much weaker currency contributing to 4.4 per cent growth.

Although the stronger currency will boost import growth this year, the weak handoff from the latter half of 2003 will keep annual average growth to a moderate 3.8 per cent in 2004/05. Imports will fare much the same in 2005, held in check by slower growth in domestic demand and a weaker dollar.

Strong consumer spending will continue into 2004. Employment will continue to grow, and real disposable income will be aided by what amounts to a personal income tax cut in 2004. An adjustment to income tax brackets will compensate for the years during which the brackets were effectively not indexed. This will help lift real disposable income by 1.3 per cent in the first quarter. Consumers will spend most of this increase, but will put aside enough to bring the savings rate up to 2.3 per cent. The pace of spending growth will ease slightly as the year moves on, but overall consumption will grow by a strong 3.3 per cent in 2004/05. Incomes generated by the strong economy in 2005/06 will lead to growth in consumption of 3.3 per cent.

Producers are once again investing in machinery and equipment. Since the last significant increase in investment came before the Y2K phenomenon in 2000, the equipment bought at that time is getting older and needs replacement. Businesses will also need to increase investment, in order to satisfy a strong U.S. demand. As a result, growth in machinery and equipment investment will lead all other broad categories of spending with growth of 9.6 per cent in 2004/05, and will remain strong in 2005/06, growing by 6.8 per cent.

On the other hand, growth in non-residential investment will not be as strong. While high oil prices and large projects will keep energy sector investment growing, the opposite is true in non-energy investment. Most major centres across Canada are faced with excess office and industrial space. Builders are, therefore, expected to keep new investment to a minimum in 2004. However, as the economy picks up in 2004 and 2005, non-residential, non-energy investment is forecast to increase by 5.2 per cent in 2004/05 and by 5 per cent in 2005/06.

### **3.3 LONG-TERM ECONOMIC OUTLOOK: 2005/06 TO 2019/20**

Canadian economic activity is expected to ease over the long term and converge with its potential output growth rate. Canada's real GDP is forecast to post average annual growth of 2.6 per cent between 2005/06 and 2019/20. The principal factors behind this deceleration are the aging population and its effect on income and spending patterns. At the same time, the pace of business investment in plant and equipment is expected to slow down, a direct consequence of the slowing rate of technological change.

Consumption patterns will change shape considerably over the long term, a direct result of the demographic shift that is underway. Towards the end of the decade, baby boomers will be heavily concentrated in the 42-51 age cohort. Consumer spending will weaken during this period, as stagnant population growth combines with early retirement within the baby-boom generation to produce a softening of labour force and employment growth. The slower growth in employment is expected to result in a decline in the growth of real disposable income, which, in turn, will hamper household spending. Another factor weighing down consumption growth towards the end of the decade is that this will be a pre-retirement period for baby boomers. As the oldest baby boomers retire around 2011, this generation will tend to be saving for retirement, rather than spending, thus slowing the overall pace of consumer spending even further.

Real consumer spending growth will continue to slow between 2011 and 2015. The composition of spending will also begin to change, as baby boomers began to retire. By 2015, the 55-64 age cohort will account for close to 14 per cent of the total population, compared to 10 per cent in 2003. As retired people are likely to have purchased expensive durable items, such as home furnishings and automobiles, a shift can be expected toward service-related products, such as personal care and leisure.

In the last five years of the forecast period, the per cent of the population over 65 will increase faster than in the younger age groups. Our projections indicate that the over 65 cohort will represent 17 per cent of Canada's total population in the year 2020, up from 12.2 per cent in 2003. Consequently spending on services (excluding rent) will continue to expand as a proportion of total spending, while spending on durable goods will diminish in importance. Overall, total growth in consumer spending will fall from 3.7 per cent in fiscal 2003/04 to an average

compound rate of 2.5 per cent between fiscal year 2010/11 and 2015/16, and to 2.2 per cent over the final four years of the forecast.

Over the longer term, housing starts are projected to fall modestly to levels closer to the underlying demographic demand and will track potential housing demand. After peaking at 215,000 units in 2003, housing starts are expected experience a long-term downward trend, ending at 143,000 units in 2020.

Stimulated by the need to replace ever more expensive labour, investment in machinery and equipment is projected to be the spending growth leader over the entire forecast horizon, with an average annual compound growth of 5.3 per cent from fiscal year 2006/07 to 2019/20. Annual growth of business non-residential construction investment is forecast to average 2.5 per cent from fiscal year 2006/07 to 2019/20.

Over the 2006/07 to 2019/20 period, real export growth will further subside to a compound annual growth rate of 3.3 per cent, as the exchange rate once again appreciates and U.S. growth slows in line with the long-term potential output growth rate.

See Table 1 and 1A in Appendix A for more detail concerning the long-term economic outlook for Canada.



**TABLE 1**  
**Key Economic Indicators – Canada**

	2002/03	2003/04	2004/05	2005/06 to 2019/20
<b>GDP at market prices</b> (billions, 1997 \$)	<b>1,081.3</b>	<b>1,094.6</b>	<b>1,133.7</b>	<b>1,669.6</b>
		1.2	3.6	2.6
<b>GDP at market prices</b> (\$ billions)	<b>1,177.1</b>	<b>1,223.0</b>	<b>1,293.0</b>	<b>2,449.7</b>
		3.9	5.7	4.4
<b>CPI inflation rate</b>	<b>3.0</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>
<b>Unemployment rate</b>	<b>7.5</b>	<b>7.6</b>	<b>7.0</b>	<b>6.0</b>
<b>Prime rate</b>	<b>4.42</b>	<b>4.65</b>	<b>4.50</b>	<b>6.39</b>
<b>Population</b> (000s)	<b>31,386</b>	<b>31,664</b>	<b>31,932</b>	<b>35,817</b>

Sources: The Conference Board of Canada; Statistics Canada.

Note: For each indicator, the first line represents the level at the end of the period and the second, the annual percentage change. The percentage changes in the final column are calculated as average annual compound growth rates over the period 2005/06 to 2019/20.

## 4 PUBLIC HEALTH CARE

This chapter presents the satellite model developed to project public health care spending into 2019/20. The first section discusses the various data that were required, along with the development of the model. The second section presents public health care spending projections.

### 4.1 HEALTH EXPENDITURES MODEL

The historical data on public health care spending, on a Public Accounts basis, come from the provinces and territories, as shown in their respective budget documents.

The projection of future provincial and territorial public health expenditures comes from a recent analysis by The Conference Board of Canada, *Canada's Public Health Care System Through to 2020: Challenging Provincial and Territorial Financial Capacity*, November 2003. Different models were used to calculate historical trends and future projections for demographic changes, the long-term economic outlook, and health expenditures.

The health expenditure model was used to project provincial and territorial health expenditures for eighteen age and gender cohorts, and for seven components of health spending. The seven components are: hospitals, other institutions, physicians, other professionals, home care, drugs and other expenditures. This model extrapolates the data, based on historical movement in each of these seven components of provincial and territorial health care.

Growth in each of the seven spending components is influenced by various factors, such as increases in wages and the price of good and services. One of the challenges in developing the spending projections was to find ways to reflect these influences, especially given the lack of commonly used price deflators that accurately reflect the characteristics of each component. To overcome this difficulty, three price deflators, which are specific to each spending component, were constructed as part of the methodology of this study. The three deflators relate to wages, government spending on goods and services, and drug costs. Their development marks an important addition to the analysis done in 2002.

All of the per capita health care spending equations were estimated in real terms, as a function of a time trend, to capture increases in per capita spending over and above inflation. The estimated trends capture both the change in the overall volume of health care services (level of access or use) and the introduction of new technologies that lead to the provision of additional services. Using the regression results, real per capita spending is extrapolated over the forecast period. Trend estimates of real expenditures are converted back to current dollars, simply by multiplying by the deflators.

Total provincial/territorial public health care spending in current dollars is obtained by multiplying the average cost per capita (by age and gender cohort) for every component with the projected number of people in that age/cohort grouping for each year. The total overall figure is then obtained by adding up the nominal dollar amount spent for each of the 18 age/gender cohorts and the seven components.

Following the results of the November 2003 study, the average annual growth rate of the total provincial and territorial public health spending in current dollars is 5.3 per cent between 2001 and 2020. Of this growth, 2.7 percentage points per year can be attributed to inflation, 0.9 percentage points for increases in consumption or volumes per capita, and 1.7 percentage points for demographics. Of the demographic influences, 0.8 percentage-points can be attributed to aging of the population, whereas 0.9 percentage-points are directly related to population growth.

## **4.2 SPENDING PROJECTIONS**

The model results suggest that the aging population and rising costs combine to increase total provincial and territorial nominal public health spending from \$72.5

billion in 2002/03 to \$170.3 billion in 2019/20. This represents an average annual compound growth of 5.2 per cent over the forecast period.

Two critical factors will contribute to the rise in overall provincial and territorial health care expenditures: the rise in the number of seniors, and the fact that more than 50 per cent of a person's lifetime health care expenditures occur after the age of 65. As people age their health care consumption patterns become more expensive. In 2002/03, nominal per capita health expenditures stood at \$2,400; it is expected that this figure will more than double, to reach \$4,849 by 2019/20. For people aged 65 and over, the per capita cost will increase from \$9,728 in 2002/03 to \$15,485 in 2019/20 (see Table 4 in Appendix A for more detail).

Not unexpectedly, the most important group to focus on is baby boomers, since they constitute a large proportion of the overall population. Over the next seventeen years, aging baby boomers will boost the share of older age cohorts in the total population. By the end of the forecast period, baby boomers will fall between the ages of 55 and 74. Individuals over the age of 65 will make up 16.9 per cent of the Canadian population by 2019/20, compared to only 12.2 per cent in 2002/03 (see Table 6 in Appendix A for more detail).

Another interesting point to keep in mind is that this study covers only the period to 2019/20. But, the pressure on health care costs may be even greater after the year 2020. Indeed, in 2020, baby boomers will still not be at the top of the age pyramid, as they will be less than 74 years old (most will not even have reached the age of 65). They will then gradually become part of more costly age groups, in terms of health care. Perhaps the most dramatic increases in health care costs will occur after the current forecast period.

## 5 PUBLIC EDUCATION

The basic structure of the education spending model is based on the same principles as those used for the health care model. The satellite model is used to project the cost of public education by age cohort over time. This allows the effect of demographic changes on education spending to be taken into account.

### 5.1 EDUCATION EXPENDITURES MODEL

Historical data on public education spending, on a Public Accounts basis, were drawn from provincial/territorial government budget documents. Data on education spending and enrolment for different levels of education were provided by Statistics Canada.

The first step involves calculating historical education spending levels, on a per-student basis. The CPI was used to generate spending data in real terms. Trend equations were developed for real expenditures per student for three levels of education administration: elementary and high school boards, colleges, and universities. Once the education spending forecasts per student have been acquired, they are multiplied by the corresponding forecast enrolment levels taken from the Conference Board's demographic projections. It is important to note that enrolment rates were assumed to remain constant over the forecast period.

### 5.2 SPENDING PROJECTIONS

Our projections for education are markedly different from those for health care. That is because of a projected steady decline of 0.3 per cent per year, on average, in enrolment levels over the forecast period (in this case 2000/01 to 2019/20).

From \$42.5 billion recorded in 2002/03, public education expenditures are forecast to reach \$68.9 billion in 2019/20, which translates into an average annual compound increase of 2.9 per cent, since the steady decline in the student population partly offsets this trend (see Table 5 in Appendix A for more detail).

On a per student basis, current dollar public education expenditures are forecast to increase, on average, by 3.3 per cent per year until 2019/20. With this pace of growth, the average cost per student of \$6,354 in 2002/03 will rise to \$11,028 in 2019/20. The fastest increase in the cost per student over the forecast period will come from universities (up 3.6 per cent per year), followed by school boards (3.3 per cent) and colleges (3 per cent).

## 6 FISCAL PROSPECTS

This first section of this chapter presents the fiscal prospects facing the federal government over the next seventeen years, while the second section examines the projected fiscal situation facing provinces and territories.

The assumptions used to generate federal government revenue components are summarized in Exhibit 1, while those underlying the expenditure scenario are presented in Exhibit 2. Similarly, the aggregate provincial/territorial revenue and expenditure components (other than public health care and education) are reviewed in Exhibits 3 and 4, respectively.

### 6.1 FEDERAL GOVERNMENT

Simulation results show that the federal government's overall financial position will improve considerably over the next seventeen years. Indeed, federal surpluses are forecast to grow rapidly, reaching \$78 billion by 2019/20 (see Chart 1). Assuming that budgetary surpluses in any given fiscal year must be used exclusively for debt reduction, the 2002/03 level of \$620.8 billion of interest-bearing debt will fall to \$128.8 billion by 2019/20 (see Chart 2). The decline in public debt charges, which are expected to fall from \$37.3 billion to \$15.1 billion between 2002/03 and 2019/20, is largely responsible for the growing budgetary surplus, as well as the decrease of interest-bearing debt at the federal level. This is known as the "virtuous circle" of debt reduction, in which surpluses increase over time, as debt is reduced, thus reducing interest costs.

The reduction in debt-servicing charges stems from federal government budgetary surpluses, which are used to reduce federal debt each year. As shown in Table 2, budgetary expenditures are expected to increase, on average, by 2.7 per cent per year over the forecast period, while budgetary revenues will post an average annual compound growth rate of 4 per cent. Excluding debt-servicing charges, federal program spending is expected to increase by 3.9 per cent per year, on average.

Looking at the long-term forecast period of 2008/09 to 2019/20, Table 2 shows that federal program spending growth is expected to decelerate to 3.7 per cent, compared with an average annual growth of 4.3 per cent over the medium term (from 2003/04 to 2007/08). In fact, with the exception of benefits for the elderly and employment insurance benefits, all federal program spending components are forecast to increase at a slower pace over the longer term. With budgetary revenues anticipated at a growth rate of 4.1 per cent per year over the same period, the federal operating surplus will increase by more than 74 per cent, moving from \$53.5 billion in 2008/09 to \$93.2 billion in 2019/20. The growing operating surplus is the main reason for debt reimbursement and corresponding interest cost reductions (see Tables 2, 2A and 2B in Appendix A for more detail on fiscal prospects for the federal government).

## Exhibit 1

### ***Assumptions used to generate federal government revenues***

#### **1. Personal income taxes**

These revenues are derived from the Conference Board's forecasting model. The forecast incorporates the measures cited in the Government of Canada's Budget Plan 2003 and in the November 2003 *Economic and Fiscal Update*. Tax tables have been indexed over the forecast period.

#### **2. Corporate income taxes**

The measures included in the latest budgets and the *Economic and Fiscal Update* have been incorporated into the medium-term scenario, and rates have been kept constant for the remainder of the period.

#### **3. Employment insurance contributions**

The contribution rate decreases from \$1.98 per \$100 of insurable earnings in 2004 to \$1.375 in 2019 to maintain the surplus in line with the expected operating cost of the program. The ceiling on eligible revenues has been raised in line with growth in average wages once the latter have reached \$39,000.

#### **4. Excise taxes and duties**

No change in indirect ad valorem taxes has been introduced; the GST collections thus increase at the same pace as nominal taxable consumption. Note that the GST relief for cities announced in the February 2004 Throne Speech is not included in this study. Import duties decrease slightly in real terms. The value of taxes on fuel, tobacco and alcoholic beverages has been maintained in real terms. Fuel tax revenue increases at the same pace as inflation plus population growth, starting in 2009/10. For previous years, the Board's medium-term forecasts were used. As for other taxes and excise taxes, they reflect the combined rate of increase of the population 15 years of age and over with inflation.

#### **5. Non-fiscal revenues**

Investment revenues are based on an implicit rate of investment revenues, in relation to the Government of Canada's financial assets. This implicit rate moves in line with the implicit interest rate on the debt. Starting in 2003/04, other government revenues grow at the same pace as inflation and thus remain stable in real terms.

## Exhibit 2

### ***Assumptions used to generate federal government expenditures***

#### **1. Elderly benefits**

These comprise two components generated from the Board's macroeconomic model. First, Old Age Security benefits are aligned with demographic movements and inflation. Second, total Guaranteed Income Supplement benefits increase in line with inflation throughout the forecast period.

#### **2. Employment Insurance benefits**

The general rules of the Employment Insurance plan have been maintained, including recent increases in plan benefits. Starting in 2005/06, growth in benefits reflects the increase in the ceiling on pensionable earnings.

#### **3. Other transfers to individuals**

These are made up solely of the 2000/01 heating cost allowance. They have been reduced to zero for the entire forecast period, as they are deemed to be exceptional and non-recurring.

#### **4. Canada Health and Social Transfer**

Federal transfers to the provinces and territories under the Canada Health and Social Transfer (CHST) program are those stated in the last federal budget for the period 2003/04 to 2010/11. The Early Learning and Child Care funds are also included in the CHST transfers. These transfers represent \$350 million in 2007/08 and stay at that level until 2010/11. For the subsequent period, growth in the CHST (including the Early Learning and Child Care) has been adjusted in order to maintain a constant level of real per capita transfers, defined by population growth plus inflation. It should be noted that current legislation makes no provision for any increase in 2011/12 and later years. The assumption of a fixed real per capita transfer most closely resembles the status quo, with respect to current budgetary policy.

#### **5. Equalization and Territorial Formula Financing**

Starting in 2003/04, growth in payments is tied to growth in nominal GDP, according to the relationship observed between these two variables over time. It is important to note that the Formula Financing transfers made to the three territories are included in the definition of Equalization payments used for this study.

#### **6. Alternative Payments for Standing Programs**

Payments are aligned with increases in federal personal income tax collections in Quebec.

#### **7. Other transfers and subsidies to other governments**

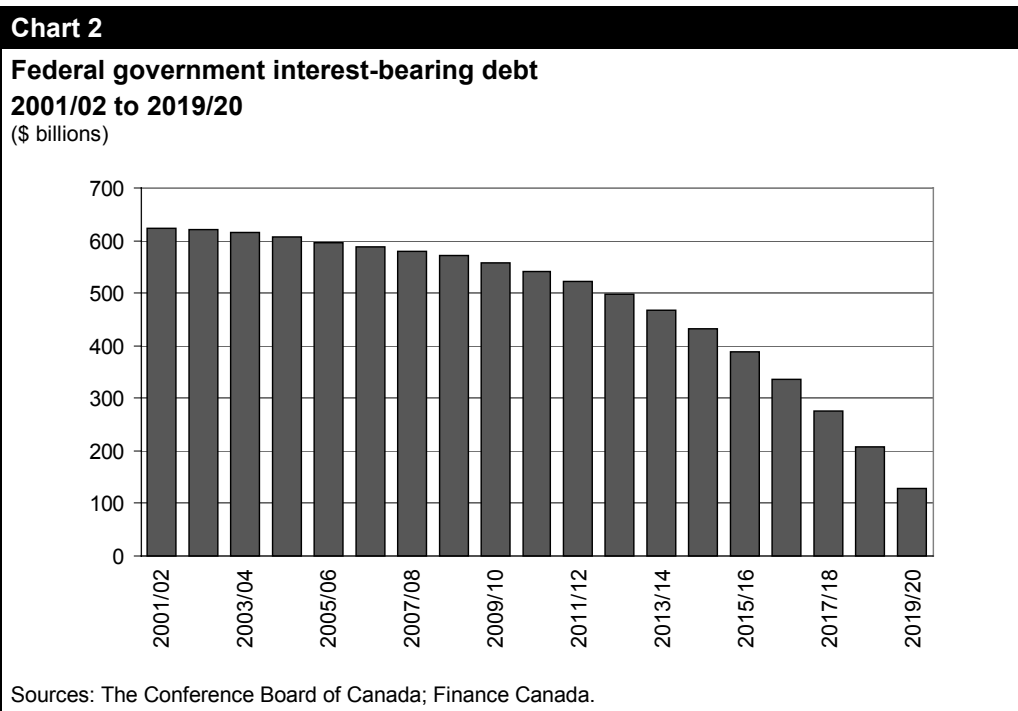
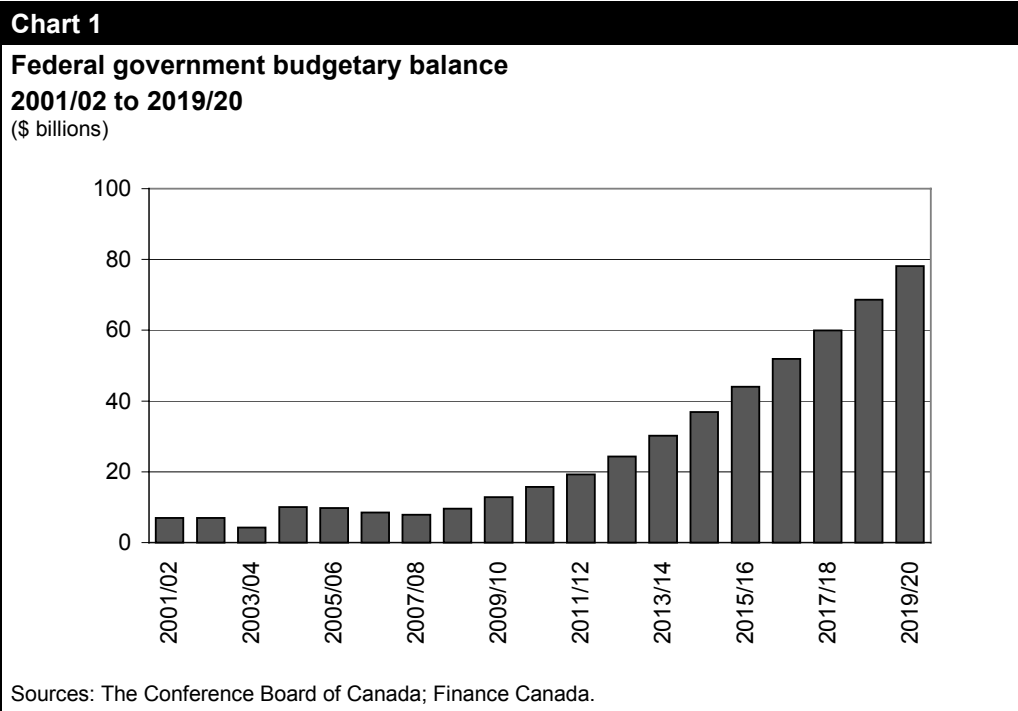
This item has been reduced to zero for the entire forecast period. These amounts have been deemed to be exceptional and non-recurring (Medical Equipment Trusts). The \$2 billion in 2003-04 represents additional health care funds recently announced by the federal government.

#### **8. Direct program spending**

This includes expenditures related to Crown corporations, Defence, Indian and Northern Affairs Canada, and all other program spending. Growth in such spending is determined by two factors: growth in nominal GDP and the growth of population and inflation combined. The growth rate used to project direct program spending is the mean of these two rates. The most recent budget estimates have been used for 2003/04.

#### **9. Public debt charges**

These are based on the federal government's interest-bearing debt, which includes Canada Savings Bonds, Treasury bills, marketable bonds and pension and retirement plan liabilities. The implicit interest rate calculated for 2002/03 changes are in line with the relationship observed historically with Treasury Bills and tied to the interest rates determined by the Conference Board's long-term forecasts.



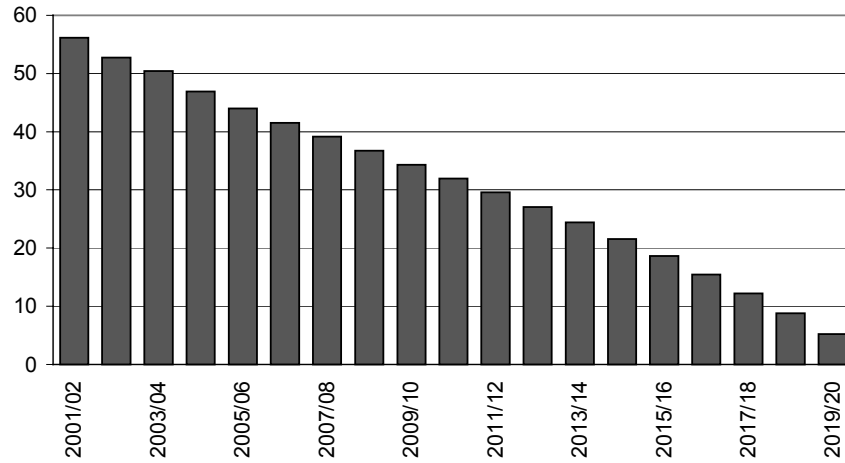


**Chart 3**

**Federal government interest-bearing debt as share of GDP**

**2001/02 to 2019/20**

(per cent)



Sources: The Conference Board of Canada; Finance Canada.

**TABLE 2**  
**Federal government fiscal prospects**  
(\$ millions)

	2002/03	2003/04 to 2007/08	2008/09 to 2019/20	2003/04 to 2019/20
<b>Budgetary revenues</b>	<b>177,562</b>	<b>214,533</b>	<b>347,046</b>	
		3.9	4.1	4.0
<b>Budgetary expenditures</b>	<b>170,591</b>	<b>206,623</b>	<b>269,012</b>	
		3.9	2.2	2.7
<b>Program spending</b>	<b>133,321</b>	<b>164,704</b>	<b>253,883</b>	
		4.3	3.7	3.9
<b>Elderly benefits</b>	<b>25,692</b>	<b>30,911</b>	<b>52,623</b>	
		3.8	4.5	4.3
<b>Employment insurance benefits</b>	<b>14,494</b>	<b>14,501</b>	<b>21,199</b>	
		0.0	3.2	2.3
<b>Transfers to provinces/territories</b>	<b>30,645</b>	<b>38,410</b>	<b>57,465</b>	
		4.6	3.4	3.8
<b>Other program spending</b>	<b>62,490</b>	<b>80,882</b>	<b>122,596</b>	
		5.3	3.5	4.0
<b>Public debt charges</b>	<b>37,270</b>	<b>41,919</b>	<b>15,129</b>	
		2.4	-8.1	-5.2
<b>Budgetary balance</b>	<b>6,971</b>	<b>7,910</b>	<b>78,034</b>	
<b>Interest bearing debt</b>	<b>620,756</b>	<b>580,182</b>	<b>128,753</b>	

Sources: The Conference Board of Canada; Finance Canada.

Note: Unless otherwise indicated, for each indicator, the first line represents the level at the end of the period, and the second line, the percentage change, calculated as the average annual compound growth rates over the period in consideration.

## 6.2 TOTAL PROVINCIAL/TERRITORIAL GOVERNMENT

The fiscal prospects at the provincial/territorial level look grim compared to those of the federal government . From the \$1.8 billion deficit recorded in 2002/03, the total provincial/territorial government balance is projected to remain negative throughout the forecast period. In fact, the deficit will steadily increase to reach \$11 billion in 2019/20 (see Chart 4).

Because of this projected seventeen years of continuing deficit, net debt at the provincial/territorial level will increase from \$280.3 billion in 2002/03 to \$431.7 billion in 2019/20 (see Chart 5). In 2002/03, the total provincial/territorial net debt represented 23.8 per cent of Canada's GDP. Since nominal GDP is expected to grow even faster, this debt-to-GDP ratio will be reduced to 17.6 per cent (see Chart 6). Total provincial/territorial net debt will increase on a per capita basis, from \$8,932 in 2002/03 to \$12,054 in 2019/20.

Provincial and territorial government revenues are comprised mainly of direct and indirect taxes, and transfer payments from the federal government. The taxes collected include personal and corporate income taxes, as well as indirect taxes, such as provincial sales taxes. For the purpose of this study, it is assumed that only those tax changes that have already been announced in budget documents will be included in the outlook.

The federal government provides cash transfers to the provinces and territories for several reasons. One of the key reasons for these transfers is to assist them in financing health care services. Funds are provided through the Canada Health and Social Transfer (CHST), which supports provincial/territorial programs in the areas of health, post-secondary education and social services. The amounts of CHST presented in the last federal budget (for the period 2003/04 to 2010/11) have been incorporated into this study's forecast. Using these federal budget estimates, growth in CHST payments will amount to, on average, 6.4 per cent per year.

Current legislation does not contain any mechanism for increasing CHST transfers from 2011/12 onwards. For the purposes of this study, it was assumed that the levels of CHST transfers for the year 2010/11 will increase by the population growth rate plus inflation over the remainder of the forecast period.

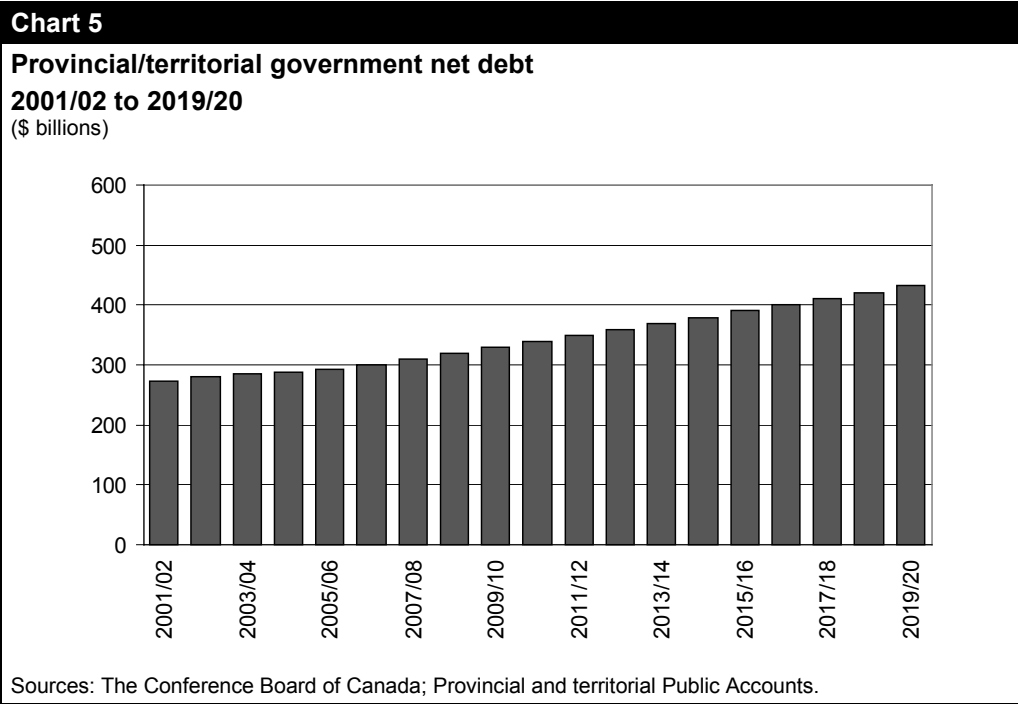
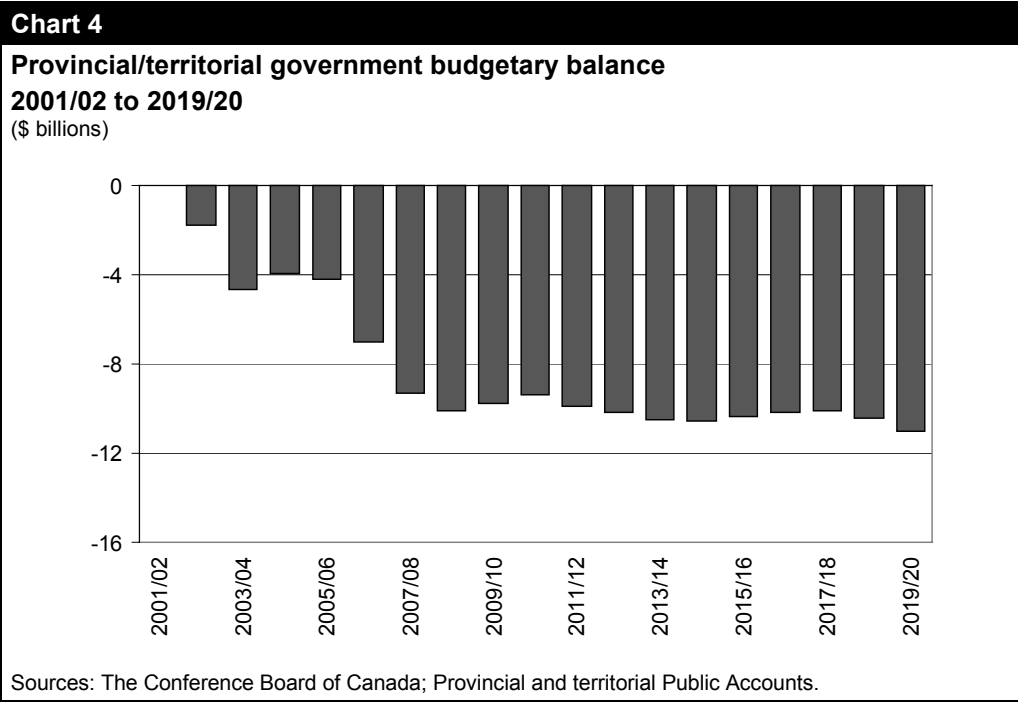
As shown in Table 3, total provincial/territorial budgetary revenues are expected to grow, on average, by 4 per cent per year, between 2003/04 and 2019/20. These revenues include transfers from the federal government, such as the CHST and equalization payments. It is important to compare public health care expenditures to budgetary revenues over time (both are measured in current dollar terms). Indeed, this relationship gives a good indication of both the financial affordability and the long-term sustainability of provincial and territorial health care systems. As a share of total budgetary revenues, health expenditures are projected to increase from 36.6 per cent in 2002/03 to 44 per cent in 2019/20

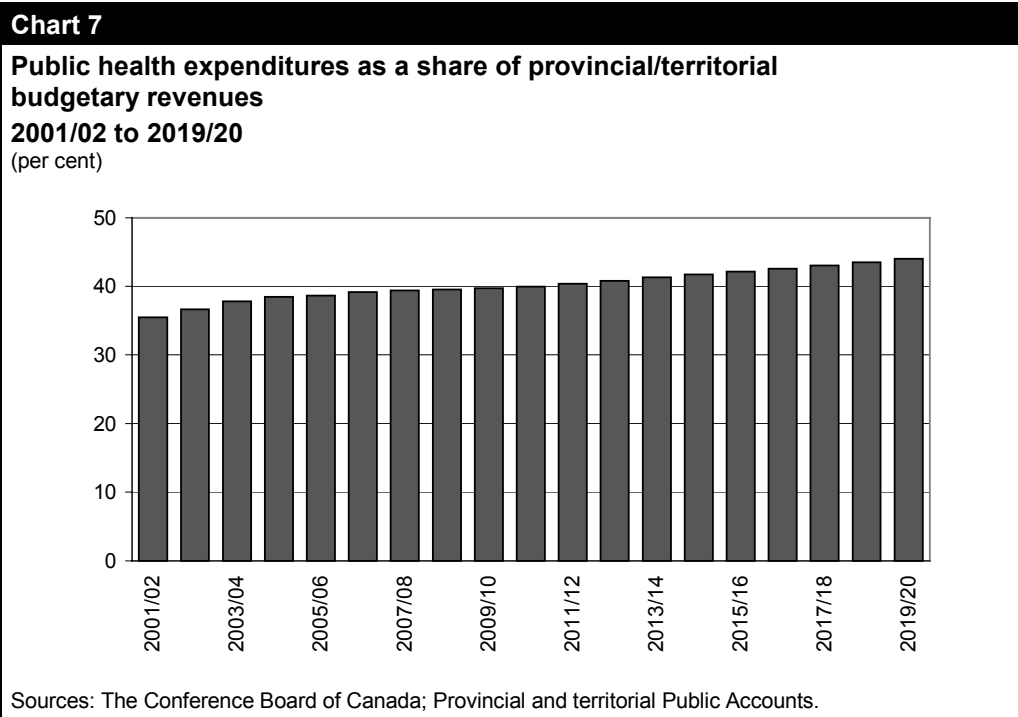
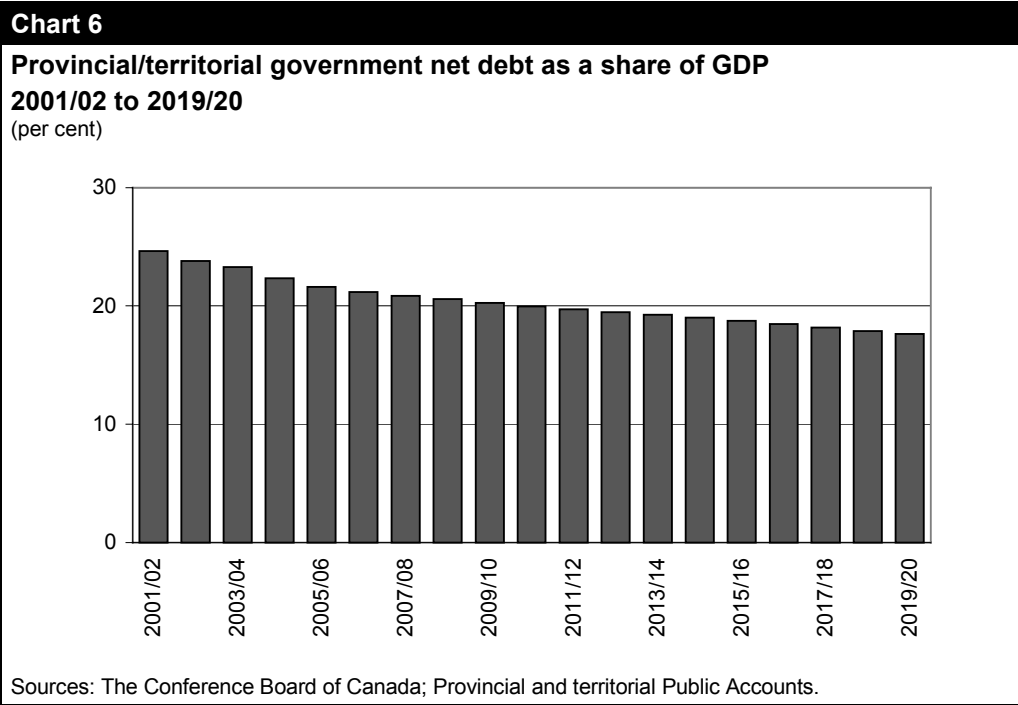
(see Chart 7). This represents an increase of 7.4 percentage points. It also means that close to 44 cents of every tax and federal transfer dollar obtained by provincial and territorial governments will be allocated to public health care in 2019/20.

The proportion is much smaller for education spending. Indeed, the provinces and territories, which spent 21.5 per cent of their budgetary revenues on education in 2002/03, will see this share decline to 17.8 per cent in 2019/20 (see Chart 8).

Overall, total provincial/territorial budgetary expenditures are expected to increase by 4.1 per cent per year, on average, between 2003/04 and 2019/20, which is slightly more than the average annual growth rate of 4.0 per cent projected for total budgetary revenues. Growth in total program spending (excluding debt-servicing charges) is also expected to average 4.1 per cent per year between 2003/04 and 2019/20.

Public debt charges are expected to rise from \$22.1 billion in 2002/03 to \$43.2 billion by 2019/20, in line with the projected increase in the collective net debt of the provincial/territorial government (see Table 3 and 3A in Appendix A for more detail concerning fiscal prospects for provincial/territorial governments).



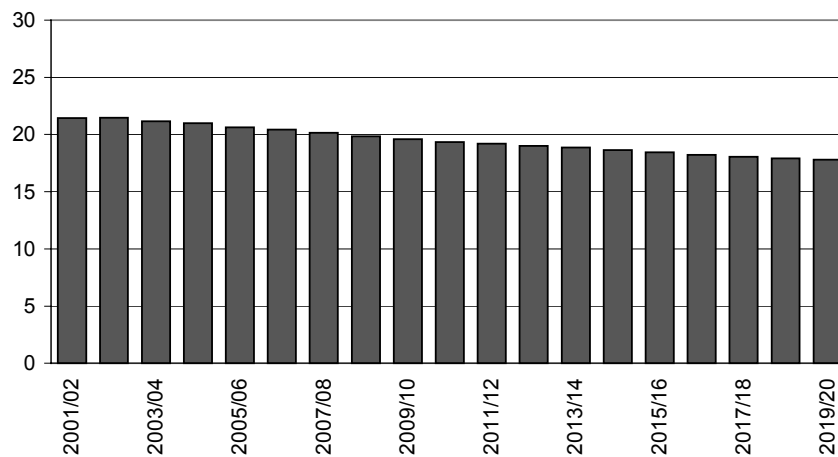


**Chart 8**

**Public education expenditures as a share of provincial/territorial  
budgetary revenues**

**2001/02 to 2019/20**

(per cent)



Sources: The Conference Board of Canada; Provincial and territorial Public Accounts.

## Exhibit 3

### ***Assumptions used to generate provincial/territorial government revenues***

#### **1. Personal income taxes**

Personal income tax data are taken from the Board's economic forecasts. They essentially reflect growth in personal income and take into account tax cuts announced in recent provincial/territorial budgets.

#### **2. Corporate taxes**

Corporate tax collections grow at the same rate as corporate profits, which are taken from the Board's long-term economic forecasts. Changes in some provinces announced in recent budgets have also been taken into account (Ontario, Alberta, Manitoba etc.).

#### **3. Retail sales tax**

Retail sales tax revenues grow in line with consumption and take into account tax changes announced in recent budgets.

#### **4. Other own-source revenues**

These include a wide range of other levies and charges, such as fuel taxes, natural resource revenues, revenues from sales of goods and services, investment income, etc. Growth in such revenues is determined by two factors: growth in nominal GDP and the growth of population and inflation combined. The growth rate used to project other own-source revenues is the mean of these two rates.

#### **5. Equalization, CHST, Alternative Payments for Standing Programs and other transfers to other governments**

See Exhibit 2 on federal government expenditures.

#### **6. Other transfers from the federal government**

These represent transfers that are not recorded as direct transfers to other orders of government by the federal government, but which are recorded as transfers in the Public Accounts of the provincial and territorial governments. The growth rate for other federal transfers was determined by the growth rate of federal government direct program spending. This also takes into account any timing differences over the medium term between the transfer of certain revenues by the federal government and their receipt by the provincial and territorial governments. Corrections were made in 2004/05 to take into account non-recurrent transfers to provinces (SARS, mad cow, forest fires, etc.) received in 2003/04.



## **Exhibit 4**

### ***Assumptions used to generate provincial/territorial government expenditures***

#### **1. Health care spending**

Projections for health care spending are determined by the health expenditures model described in Section 4. The most recent budget estimates have been used for 2003/04.

#### **2. Education spending**

Projections for education spending are determined by the education expenditures model described in Section 5. Our projections start in 2003/04.

#### **3. Social services**

This includes all provincial and territorial government spending on social services, excluding health and education. Starting in 2003/04, spending is in line with population growth and inflation, in order to maintain a constant level of real per capita services.

#### **4. Other program spending**

This category covers all other program spending made by the provincial and territorial governments and includes spending on transportation, industrial development, public security and housing. Growth in such spending is determined by two factors: growth in nominal GDP and the growth of population and inflation combined. The growth rate used to project direct program spending is the mean of these two rates.

#### **5. Debt service charges**

Debt service charges are calculated according to the implicit interest rate on the combined net debt of the provincial and territorial governments for 2002/03. This rate is then adjusted, so that changes in it are tied to changes in the implicit rate on the federal government's debt.

**TABLE 3**  
**Total provincial/territorial fiscal prospects**  
(\$ millions)

	2002/03	2003/04 to 2007/08	2008/09 to 2019/20	2003/04 to 2019/20
<b>Total budgetary revenues</b>	<b>197,937</b>	<b>244,927</b>	<b>387,084</b>	
		4.4	3.9	4.0
<b>Own-source revenues</b>	<b>164,368</b>	<b>200,789</b>	<b>320,936</b>	
		4.1	4.0	4.0
<b>Federal transfers</b>	<b>33,568</b>	<b>44,138</b>	<b>66,148</b>	
		5.6	3.4	4.1
<b>Total budgetary expenditures</b>	<b>201,497</b>	<b>254,236</b>	<b>398,116</b>	
		4.8	3.8	4.1
<b>Total program spending</b>	<b>179,385</b>	<b>224,235</b>	<b>354,946</b>	
		4.6	3.9	4.1
<b>Health</b>	<b>72,480</b>	<b>96,528</b>	<b>170,304</b>	
		5.9	4.8	5.2
<b>Education</b>	<b>42,473</b>	<b>49,318</b>	<b>68,901</b>	
		3.0	2.8	2.9
<b>Social Services and Other program spending</b>	<b>64,432</b>	<b>78,390</b>	<b>115,742</b>	
		4.0	3.3	3.5
<b>Public debt charges</b>	<b>22,113</b>	<b>30,001</b>	<b>43,169</b>	
		6.3	3.1	4.0
<b>Budgetary balance</b>	<b>-1,762</b>	<b>-9,309</b>	<b>-11,032</b>	
<b>Net debt</b>	<b>280,332</b>	<b>309,409</b>	<b>431,748</b>	

Sources: The Conference Board of Canada; provincial/territorial governments' Public Accounts.

Note: Unless otherwise indicated, for each indicator, the first line represents the level at the end of the period and the second line, the percentage change calculated as average annual compound growth rates over the period in consideration.

## 7 CONCLUSION

Clearly, in light of the study results shown in Table 4, the balance between revenue and spending is much more uneven for the provinces and territories than it is for the federal government under the current fiscal regimes. While the federal government is set to eliminate its interest-bearing debt through ever-greater surpluses, reaching \$78 billion by 2019/20, the provinces and territories will remain in a deficit position throughout the forecast period (see Chart 9). The aggregate provincial/territorial net debt will rise to \$431.8 billion, an increase of 54 per cent, compared with the \$280.3 billion net debt level in 2002/03. The debt-servicing charges that the provinces and territories will have to bear are projected to be close to 2.9 times those borne by the federal government by 2019/20.

Collectively, the provinces and territories will see their budgetary expenditures growing faster than their budgetary revenues over the forecast period. They will face growing spending pressures in the health care area, where spending is expected to grow at an average annual rate of 5.2 per cent, which is higher than the 4.0 per cent average rate in budgetary revenues. This forecast calls for slower growth in education spending, due to the decline in student population. But, this will not offset the projected increase in health care costs.

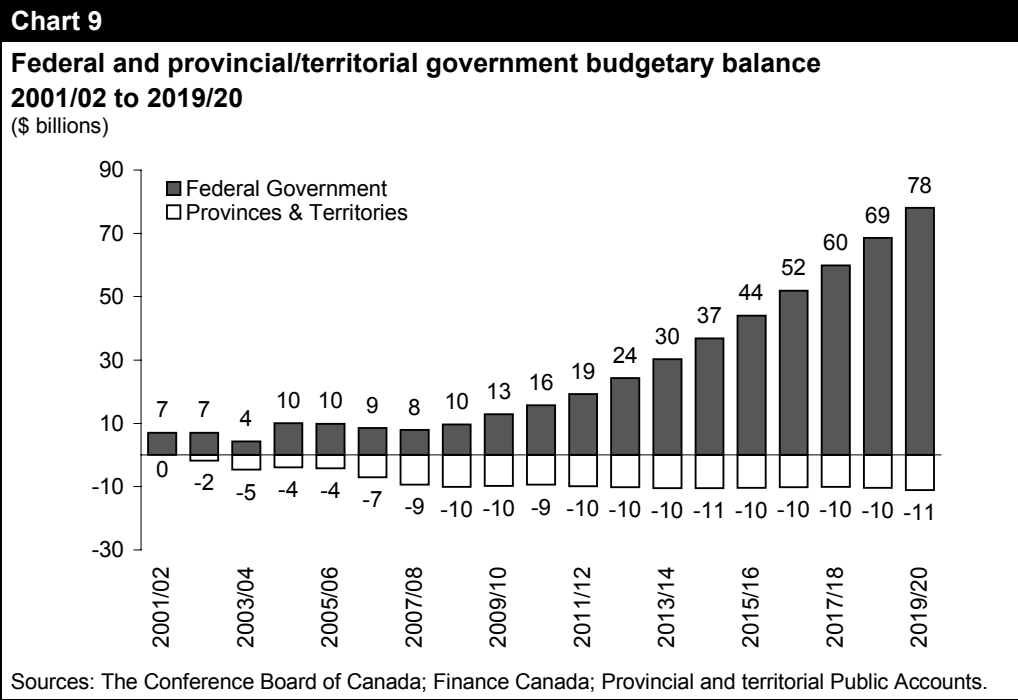
With current fiscal regimes in place, the different fiscal prospects will widen in the future, as only the federal government will have the financial capacity to pay down its debt or implement new initiatives, such as tax cuts and new discretionary program spending. In contrast, without changing current fiscal policies, the provinces and territories will not have the capacity to implement new policy initiatives over the next seventeen years.

**TABLE 4**  
**Comparison of Financial Prospects**  
(Average annual compound growth between 2003/04 and 2019/20)

	Federal	Provincial/Territorial
<b>Revenues</b>		
Own-source revenues	4.0	4.0
Federal transfers	N/A	4.1
Total	<b>4.0</b>	<b>4.0</b>
<b>Expenditures</b>		
Program spending	3.9	4.1
Debt charges	-5.2	4.0
Total	<b>2.7</b>	<b>4.1</b>
<b>Budgetary balance (\$ millions)</b>		
2002/03	6,971	-1,762
2019/20	78,034	-11,032
<b>Public Debt (\$ millions)<sup>1</sup></b>		
2002/03	620,756	280,332
2019/20	128,753	431,748
<b>Public Debt (as a share of GDP)<sup>1</sup></b>		
2002/03	52.7	23.8
2019/20	5.3	17.6

Sources: The Conference Board of Canada; federal and provincial/territorial governments' Public Accounts.

<sup>1</sup> Interest-bearing debt, in the case of the federal government, and net debt for the provinces and territories.





## APPENDIX A

**TABLE 1**  
**Key Economic Indicators - Canada**

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b>GDP at market prices</b> (\$ millions 1997)	892 948 4,5	929 481 4,1	983 427 5,8	1 028 624 4,6	1 046 820 1,8	1 081 260 3,3	1 094 558 1,2	1 133 679 3,6	1 170 928 3,3	1 202 450 2,7	1 236 258 2,8	1 272 090 2,9
<b>GDP</b>	892 502 5,1	925 531 3,7	1 005 598 8,7	1 093 657 8,8	1 109 479 1,4	1 177 145 6,1	1 223 045 3,9	1 292 916 5,7	1 355 576 4,8	1 417 060 4,5	1 482 752 4,6	1 552 748 4,7
<b>Implicit price deflator</b>	0,999 0,6	0,996 -0,4	1,022 2,7	1,063 4,0	1,060 -0,3	1,089 2,7	1,117 2,6	1,140 2,1	1,158 1,5	1,178 1,8	1,199 1,8	1,221 1,8
<b>Consumer price index</b> (1997 = 1.000)	1,078 1,4	1,089 0,9	1,112 2,2	1,143 2,8	1,169 2,2	1,203 3,0	1,226 1,9	1,251 2,0	1,277 2,1	1,302 1,9	1,327 1,9	1,352 1,9
<b>Real per capita GDP (\$)</b>	29 826 0,0	30 794 3,2	32 311 4,9	33 478 3,6	33 703 0,7	34 451 2,2	34 568 0,3	35 503 2,7	36 384 2,5	37 078 1,9	37 833 2,0	38 639 2,1
<b>US - GDP at market prices</b> (billions of 1997 dollars)	8 254 4,5	8 593 4,1	8 950 4,2	9 225 3,1	9 248 0,3	9 487 2,6	9 821 3,5	10 207 3,9	10 509 3,0	10 877 3,5	11 206 3,0	11 528 2,9
<b>Personal income (\$ millions)</b>	724 219 4,5	755 671 4,3	796 706 5,4	852 235 7,0	879 758 3,2	910 292 3,5	939 749 3,2	984 665 4,8	1 038 494 5,5	1 089 384 4,9	1 144 609 5,1	1 196 286 4,5
<b>Personal disposable income</b> (\$ millions)	551 791 3,8	574 216 4,1	606 709 5,7	648 790 6,9	673 481 3,8	704 804 4,7	728 065 3,3	765 009 5,1	808 501 5,7	849 506 5,1	893 241 5,1	933 570 4,5
<b>Population (000s)</b>	29 938 1,0	30 184 0,8	30 436 0,8	30 725 1,0	31 060 1,1	31 386 1,0	31 664 0,9	31 932 0,8	32 182 0,8	32 430 0,8	32 676 0,8	32 922 0,8
<b>Total employment (000s)</b>	13 867 2,6	14 240 2,7	14 641 2,8	14 970 2,2	15 115 1,0	15 530 2,7	15 805 1,8	16 139 2,1	16 457 2,0	16 712 1,5	16 980 1,6	17 182 1,2
<b>Unemployment rate (per cent)</b>	8,9	8,1	7,3	6,9	7,4	7,5	7,6	7,0	6,7	6,8	6,6	6,5
<b>Prime rate</b>	5,35	6,71	6,44	7,35	4,98	4,42	4,65	4,50	6,00	6,65	6,71	6,76
<b>Exchange rate US/Canada</b>	0,713	0,665	0,680	0,665	0,639	0,646	0,739	0,735	0,719	0,714	0,722	0,731

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Statistics Canada.



**TABLE 1**  
**Key Economic Indicators - Canada**

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b>GDP at market prices</b> (\$ millions 1997)	1 308 029 2,8	1 342 364 2,6	1 375 883 2,5	1 411 759 2,6	1 447 865 2,6	1 484 580 2,5	1 521 027 2,5	1 558 300 2,5	1 595 239 2,4	1 631 518 2,3	1 669 604 2,3
<b>GDP</b>	1 625 022 4,7	1 696 116 4,4	1 767 131 4,2	1 841 751 4,2	1 918 532 4,2	1 997 769 4,1	2 080 236 4,1	2 168 397 4,2	2 259 804 4,2	2 352 320 4,1	2 449 657 4,1
<b>Implicit price deflator</b>	1,242 1,8	1,263 1,7	1,284 1,6	1,305 1,6	1,325 1,6	1,346 1,6	1,368 1,6	1,391 1,7	1,417 1,8	1,442 1,8	1,467 1,8
<b>Consumer price index</b> (1997 = 1.000)	1,379 2,0	1,406 2,0	1,435 2,1	1,464 2,0	1,493 2,0	1,523 2,0	1,553 2,0	1,584 2,0	1,616 2,0	1,650 2,1	1,685 2,1
<b>Real per capita GDP (\$)</b>	39 412 2,0	40 121 1,8	40 795 1,7	41 529 1,8	42 261 1,8	43 000 1,8	43 723 1,7	44 461 1,7	45 181 1,6	45 876 1,5	46 615 1,6
<b>US - GDP at market prices</b> (billions of 1997 dollars)	11 846 2,8	12 173 2,8	12 506 2,7	12 833 2,6	13 150 2,5	13 468 2,4	13 789 2,4	14 113 2,3	14 431 2,3	14 742 2,2	15 051 2,1
<b>Personal income (\$ millions)</b>	1 246 844 4,2	1 298 903 4,2	1 353 730 4,2	1 412 506 4,3	1 475 020 4,4	1 540 008 4,4	1 604 829 4,2	1 671 709 4,2	1 744 045 4,3	1 820 159 4,4	1 900 460 4,4
<b>Personal disposable income</b> (\$ millions)	972 407 4,2	1 011 851 4,1	1 053 242 4,1	1 097 267 4,2	1 144 059 4,3	1 192 597 4,2	1 240 839 4,0	1 290 771 4,0	1 344 658 4,2	1 401 293 4,2	1 460 898 4,3
<b>Population (000s)</b>	33 188 0,8	33 458 0,8	33 727 0,8	33 994 0,8	34 260 0,8	34 525 0,8	34 788 0,8	35 049 0,8	35 307 0,7	35 564 0,7	35 817 0,7
<b>Total employment (000s)</b>	17 378 1,1	17 530 0,9	17 671 0,8	17 839 1,0	18 010 1,0	18 180 0,9	18 318 0,8	18 448 0,7	18 593 0,8	18 723 0,7	18 854 0,7
<b>Unemployment rate (per cent)</b>	6,5	6,6	6,8	6,7	6,5	6,3	6,2	6,0	6,0	6,0	6,0
<b>Prime rate</b>	6,81	6,81	6,77	6,70	6,63	6,57	6,51	6,47	6,43	6,41	6,39
<b>Exchange rate US/Canada</b>	0,743	0,753	0,765	0,780	0,796	0,801	0,804	0,808	0,811	0,814	0,819

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Statistics Canada.

**TABLE 1A**  
**Gross Domestic Product, Expenditure Based - Canada**  
(\$ millions 1997)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b>GDP at market prices</b>	892 948 4,5	929 481 4,1	983 427 5,8	1 028 624 4,6	1 046 820 1,8	1 081 260 3,3	1 094 558 1,2	1 133 679 3,6	1 170 928 3,3	1 202 450 2,7	1 236 258 2,8	1 272 090 2,9
<b>Consumer expenditures</b>	514 453 4,4	529 385 2,9	550 278 3,9	571 608 3,9	585 349 2,4	606 423 3,6	628 991 3,7	650 032 3,3	671 734 3,3	693 211 3,2	714 332 3,0	735 597 3,0
<b>Net government spending (goods and services)</b>	172 877 -0,1	177 834 2,9	181 998 2,3	187 101 2,8	194 129 3,8	199 826 2,9	206 900 3,5	211 590 2,3	216 416 2,3	220 403 1,8	224 506 1,9	228 669 1,9
<b>Gross fixed capital formation</b>	177 613 13,2	180 728 1,8	196 243 8,6	204 379 4,1	212 334 3,9	214 718 1,1	226 163 5,3	236 701 4,7	243 181 2,7	248 364 2,1	259 325 4,4	271 883 4,8
<b>Government</b>	19 967 -2,4	20 538 2,9	23 567 14,8	24 197 2,7	27 251 12,6	29 846 9,5	31 421 5,3	31 286 -0,4	31 427 0,4	32 391 3,1	33 796 4,3	35 576 5,3
<b>Business</b>	157 647 15,6	160 191 1,6	172 676 7,8	180 182 4,3	185 083 2,7	184 872 -0,1	194 742 5,3	205 415 5,5	211 754 3,1	215 973 2,0	225 529 4,4	236 308 4,8
<b>Residential construction</b>	43 505 4,4	41 769 -4,0	44 178 5,8	46 751 5,8	52 380 12,0	58 438 11,6	63 183 8,1	63 101 -0,1	61 311 -2,8	60 541 -1,3	60 280 -0,4	60 629 0,6
<b>Non-residential construction</b>	44 535 14,6	43 861 -1,5	45 965 4,8	47 205 2,7	47 080 -0,3	42 558 -9,6	43 154 1,4	45 681 5,9	47 492 4,0	47 748 0,5	49 662 4,0	51 511 3,7
<b>Machinery and equipment</b>	69 608 24,5	74 585 7,2	82 610 10,8	86 357 4,5	85 733 -0,7	84 264 -1,7	89 050 5,7	97 594 9,6	104 202 6,8	109 399 5,0	117 803 7,7	127 027 7,8
<b>Final domestic demand</b>	864 945 5,2	887 946 2,7	928 406 4,6	962 991 3,7	991 894 3,0	1 021 556 3,0	1 062 671 4,0	1 098 143 3,3	1 130 430 2,9	1 160 635 2,7	1 195 829 3,0	1 232 725 3,1
<b>Exports</b>	356 191 8,3	390 519 9,6	431 639 10,5	458 306 6,2	440 708 -3,8	441 828 0,3	430 653 -2,5	449 483 4,4	469 133 4,4	487 882 4,0	505 469 3,6	524 015 3,7
<b>Imports</b>	338 645 13,5	351 569 3,8	385 785 9,7	403 031 4,5	379 309 -5,9	393 411 3,7	403 568 2,6	418 981 3,8	433 878 3,6	451 509 4,1	470 791 4,3	490 759 4,2
<b>Net exports</b>	17 546 -42,1	38 950 122,0	45 853 17,7	55 275 20,5	61 399 11,1	48 417 -21,1	27 086 -44,1	30 502 12,6	35 254 15,6	36 373 3,2	34 678 -4,7	33 256 -4,1
<b>Final demand</b>	881 814 3,2	918 058 4,1	962 585 4,9	1 006 525 4,6	1 039 348 3,3	1 057 502 1,7	1 072 014 1,4	1 110 974 3,6	1 148 410 3,4	1 179 280 2,7	1 211 901 2,8	1 246 358 2,8
<b>Value of physical change in inventories</b>	10 567	2 941	9 551	10 233	-4 519	12 062	3 409	4 531	5 261	5 392	5 541	5 741
<b>Residual error</b>	-93	-110	227	881	-1 254	-92	953	295	0	0	0	0

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Statistics Canada.

**TABLE 1A**  
**Gross Domestic Product, Expenditure Based - Canada**  
(\$ millions 1997)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b>GDP at market prices</b>	1 308 029 2,8	1 342 364 2,6	1 375 883 2,5	1 411 759 2,6	1 447 865 2,6	1 484 580 2,5	1 521 027 2,5	1 558 300 2,5	1 595 239 2,4	1 631 518 2,3	1 669 604 2,3
<b>Consumer expenditures</b>	757 782 3,0	778 468 2,7	798 587 2,6	819 519 2,6	840 034 2,5	860 636 2,5	880 302 2,3	900 472 2,3	921 200 2,3	941 351 2,2	961 658 2,2
<b>Net government spending (goods and services)</b>	232 863 1,8	237 116 1,8	241 574 1,9	246 125 1,9	250 666 1,8	255 152 1,8	259 696 1,8	264 306 1,8	268 881 1,7	273 519 1,7	278 352 1,8
<b>Gross fixed capital formation</b>	283 170 4,2	291 695 3,0	299 348 2,6	308 022 2,9	316 502 2,8	326 053 3,0	336 510 3,2	348 355 3,5	359 723 3,3	370 333 2,9	382 834 3,4
<b>Government</b>	37 474 5,3	39 142 4,5	40 366 3,1	41 671 3,2	42 890 2,9	43 977 2,5	45 100 2,6	46 191 2,4	47 321 2,4	48 523 2,5	49 826 2,7
<b>Business</b>	245 696 4,0	252 553 2,8	258 982 2,5	266 352 2,8	273 612 2,7	282 076 3,1	291 410 3,3	302 165 3,7	312 402 3,4	321 810 3,0	333 008 3,5
<b>Residential construction</b>	60 702 0,1	60 762 0,1	60 639 -0,2	60 594 -0,1	60 959 0,6	61 855 1,5	62 835 1,6	63 199 0,6	63 364 0,3	63 463 0,2	63 671 0,3
<b>Non-residential construction</b>	53 210 3,3	53 510 0,6	54 263 1,4	55 498 2,3	56 812 2,4	58 112 2,3	59 532 2,4	61 847 3,9	63 896 3,3	65 189 2,0	67 083 2,9
<b>Machinery and equipment</b>	135 250 6,5	142 658 5,5	149 159 4,6	155 968 4,6	162 066 3,9	169 022 4,3	176 750 4,6	185 454 4,9	194 252 4,7	203 470 4,7	213 728 5,0
<b>Final domestic demand</b>	1 269 351 3,0	1 302 085 2,6	1 333 626 2,4	1 366 951 2,5	1 399 750 2,4	1 433 589 2,4	1 467 296 2,4	1 502 531 2,4	1 537 808 2,3	1 571 902 2,2	1 607 903 2,3
<b>Exports</b>	542 428 3,5	561 284 3,5	580 284 3,4	600 394 3,5	620 779 3,4	640 341 3,2	659 186 2,9	677 917 2,8	696 749 2,8	716 117 2,8	735 815 2,8
<b>Imports</b>	510 258 4,0	527 689 3,4	544 957 3,3	562 762 3,3	580 055 3,1	596 926 2,9	613 243 2,7	630 138 2,8	647 487 2,8	664 889 2,7	682 718 2,7
<b>Net exports</b>	32 170 -3,3	33 595 4,4	35 327 5,2	37 632 6,5	40 724 8,2	43 415 6,6	45 943 5,8	47 779 4,0	49 262 3,1	51 229 4,0	53 096 3,6
<b>Final demand</b>	1 280 877 2,8	1 314 648 2,6	1 347 610 2,5	1 382 930 2,6	1 418 543 2,6	1 454 629 2,5	1 490 329 2,5	1 526 815 2,4	1 562 988 2,4	1 598 413 2,3	1 635 604 2,3
<b>Value of physical change in inventories</b>	5 969	6 049	6 196	6 372	6 529	6 660	6 816	6 964	7 090	7 251	7 423
<b>Residual error</b>	0	0	0	0	0	0	0	0	0	0	0

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Statistics Canada.

**TABLE 2**  
**Federal Government Revenues**  
(\$ millions)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b><u>Budgetary revenues</u></b>	152 116 7,9	156 146 2,6	166 112 6,4	182 748 10,0	171 688 -6,1	177 562 3,4	182 856 3,0	188 123 2,9	196 332 4,4	204 774 4,3	214 533 4,8	224 506 4,6
<b><u>Income tax</u></b>	92 775 13,9	95 600 3,0	103 831 8,6	117 154 12,8	106 668 -9,0	107 220 0,5	110 515 3,1	114 728 3,8	120 761 5,3	126 274 4,6	132 232 4,7	138 876 5,0
<b>Personal income taxes</b>	69 597 11,3	72 179 3,7	79 070 9,5	85 879 8,6	79 501 -7,4	81 707 2,8	85 276 4,4	88 412 3,7	93 717 6,0	98 247 4,8	103 191 5,0	108 187 4,8
<b>Corporate income taxes</b>	21 179 30,5	21 213 0,2	22 115 4,3	28 293 27,9	24 242 -14,3	22 222 -8,3	22 296 0,3	23 235 4,2	23 879 2,8	24 798 3,8	25 749 3,8	27 324 6,1
<b>Other</b>	1 999 -25,2	2 208 10,5	2 646 19,8	2 982 12,7	2 925 -1,9	3 291 12,5	2 943 -10,6	3 081 4,7	3 165 2,7	3 229 2,0	3 293 2,0	3 365 2,2
<b><u>Employment insurance revenues</u></b>	19 242 -3,5	19 064 -0,9	18 628 -2,3	18 655 0,1	17 637 -5,5	17 870 1,3	17 390 -2,7	16 692 -4,0	15 761 -5,6	15 448 -2,0	15 941 3,2	16 366 2,7
<b><u>Excise taxes and duties</u></b>	31 146 6,6	31 717 1,8	33 298 5,0	35 769 7,4	37 133 3,8	41 357 11,4	43 287 4,7	45 669 5,5	48 046 5,2	50 236 4,6	52 279 4,1	54 354 4,0
<b>Goods and services tax</b>	19 717 8,6	20 936 6,2	23 121 10,4	24 759 7,1	25 292 2,2	28 248 11,7	29 864 5,7	31 442 5,3	32 924 4,7	34 469 4,7	36 028 4,5	37 667 4,5
<b>Custom import duties</b>	2 766 3,4	2 359 -14,7	2 105 -10,8	2 784 32,3	3 040 9,2	3 221 6,0	3 138 -2,6	3 312 5,6	3 628 9,5	3 787 4,4	3 902 3,0	3 983 2,1
<b>Other excise taxes and duties</b>	8 663 3,5	8 422 -2,8	8 072 -4,2	8 226 1,9	8 801 7,0	9 888 12,4	10 286 4,0	10 915 6,1	11 494 5,3	11 980 4,2	12 349 3,1	12 704 2,9
<b><u>Non-fiscal revenues</u></b>	8 953 -14,0	9 765 9,1	10 355 6,0	11 170 7,9	10 250 -8,2	11 115 8,4	11 664 4,9	11 034 -5,4	11 764 6,6	12 816 8,9	14 080 9,9	14 909 5,9
<b>Investment revenues</b>	4 444 5,6	5 021 13,0	5 422 8,0	6 401 18,1	6 135 -4,2	6 491 5,8	6 951 7,1	6 226 -10,4	6 856 10,1	7 815 14,0	8 982 14,9	9 713 8,1
<b>Other non-fiscal revenues</b>	4 509 -27	4 744 5,2	4 933 4,0	4 769 -3,3	4 115 -13,7	4 624 12,4	4 713 1,9	4 808 2,0	4 907 2,1	5 001 1,9	5 098 1,9	5 197 1,9

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Department of Finance Canada.

**TABLE 2**  
**Federal Government Revenues**  
(\$ millions)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b><u>Budgetary revenues</u></b>	234 198 4,3	243 589 4,0	253 210 3,9	263 542 4,1	274 166 4,0	285 062 4,0	296 457 4,0	308 338 4,0	320 558 4,0	333 420 4,0	347 046 4,1
<b><u>Income tax</u></b>	145 679 4,9	152 264 4,5	159 000 4,4	166 305 4,6	173 920 4,6	181 727 4,5	190 013 4,6	198 725 4,6	207 661 4,5	217 115 4,6	227 080 4,6
<b>Personal income taxes</b>	113 394 4,8	118 961 4,9	124 970 5,1	131 580 5,3	138 632 5,4	145 969 5,3	153 362 5,1	160 922 4,9	169 150 5,1	177 845 5,1	187 025 5,2
<b>Corporate income taxes</b>	28 823 5,5	29 765 3,3	30 427 2,2	31 047 2,0	31 522 1,5	31 898 1,2	32 696 2,5	33 752 3,2	34 361 1,8	35 019 1,9	35 707 2,0
<b>Other</b>	3 463 2,9	3 539 2,2	3 604 1,8	3 678 2,1	3 765 2,4	3 860 2,5	3 955 2,5	4 050 2,4	4 150 2,5	4 251 2,4	4 349 2,3
<b><u>Employment insurance revenues</u></b>	16 794 2,6	17 206 2,4	17 650 2,6	18 153 2,8	18 668 2,8	19 205 2,9	19 732 2,7	20 245 2,6	20 779 2,6	21 327 2,6	21 975 3,0
<b><u>Excise taxes and duties</u></b>	56 389 3,7	58 427 3,6	60 527 3,6	62 757 3,7	65 000 3,6	67 315 3,6	69 655 3,5	72 054 3,4	74 526 3,4	77 078 3,4	79 745 3,5
<b>Goods and services tax</b>	39 354 4,5	41 038 4,3	42 729 4,1	44 509 4,2	46 326 4,1	48 210 4,1	50 121 4,0	52 107 4,0	54 182 4,0	56 282 3,9	58 466 3,9
<b>Custom import duties</b>	3 959 -0,6	3 927 -0,8	3 933 0,2	3 981 1,2	4 001 0,5	4 019 0,5	4 027 0,2	4 011 -0,4	3 964 -1,2	3 951 -0,3	3 947 -0,1
<b>Other excise taxes and duties</b>	13 076 2,9	13 462 3,0	13 865 3,0	14 267 2,9	14 673 2,8	15 086 2,8	15 507 2,8	15 936 2,8	16 380 2,8	16 846 2,8	17 332 2,9
<b><u>Non-fiscal revenues</u></b>	15 335 2,9	15 692 2,3	16 033 2,2	16 327 1,8	16 578 1,5	16 815 1,4	17 057 1,4	17 314 1,5	17 591 1,6	17 901 1,8	18 245 1,9
<b>Investment revenues</b>	10 037 3,3	10 288 2,5	10 519 2,2	10 701 1,7	10 840 1,3	10 963 1,1	11 088 1,1	11 226 1,3	11 381 1,4	11 562 1,6	11 770 1,8
<b>Other non-fiscal revenues</b>	5 298 2,0	5 404 2,0	5 515 2,1	5 626 2,0	5 739 2,0	5 853 2,0	5 969 2,0	6 087 2,0	6 210 2,0	6 339 2,1	6 475 2,1

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Department of Finance Canada.

**TABLE 2A**  
**Federal Government Expenditures**  
(\$ millions)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b><u>Budgetary expenditures</u></b>	149 984 0,3	153 298 2,2	152 967 -0,2	162 586 6,3	164 669 1,3	170 591 3,6	178 623 4,7	178 058 -0,3	186 541 4,8	196 200 5,2	206 623 5,3	214 887 4,0
<b><u>Program spending</u></b>	106 864 4,5	109 995 2,9	109 583 -0,4	118 694 8,3	125 018 5,3	133 321 6,6	143 367 7,5	145 648 1,6	152 196 4,5	158 459 4,1	164 704 3,9	171 045 3,9
<b><u>Transfers to individuals</u></b>	33 600 0,0	34 169 1,7	34 157 0,0	36 571 7,1	38 409 5,0	40 186 4,6	41 854 4,2	41 818 -0,1	42 656 2,0	44 132 3,5	45 412 2,9	47 064 3,6
<b>Elderly benefits</b>	21 758	22 285 2,4	22 856 2,6	23 668 3,6	24 641 4,1	25 692 4,3	26 946 4,9	27 785 3,1	28 791 3,6	29 818 3,6	30 911 3,7	32 116 3,9
<b>Employment insurance benefits</b>	11 842 -4,3	11 884 0,4	11 301 -4,9	11 444 1,3	13 726 26,5	14 494 5,6	14 908 2,9	14 034 -5,9	13 866 -1,2	14 314 3,2	14 501 1,3	14 949 3,1
<b>Other transfers to individuals</b>	0	0	0	1 459	42	0	0	0	0	0	0	0
<b><u>Transfers to other governments</u></b>	20 504 -7,5	25 523 24,5	23 243 -8,9	24 724 6,4	26 616 7,7	30 645 15,1	30 813 0,5	30 990 0,6	34 110 10,1	36 301 6,4	38 410 5,8	40 101 4,4
<b>CHST</b>	12 421 -16,7	16 018 29,0	14 891 -7,0	13 500 -9,3	17 300 28,1	21 100 22,0	20 325 -3,7	21 975 8,1	24 650 12,2	26 400 7,1	28 050 6,3	29 250 4,3
<b>Fiscal arrangements</b>	10 000 6,2	11 645 16,4	10 721 -7,9	12 684 18,3	11 978 -5,6	10 366 -13,5	10 867 4,8	11 465 5,5	12 013 4,8	12 544 4,4	13 103 4,5	13 695 4,5
<b>Alternative payments for standing programs</b>	-2 108 4,7	-2 150 2,0	-2 425 12,8	-2 460 1,4	-2 662 8,2	-2 321 -12,8	-2 380 2,5	-2 450 2,9	-2 552 4,2	-2 644 3,6	-2 744 3,8	-2 844 3,6
<b>Other transfers to other governments</b>	191	10	56	1 000	0	1 500	2 000	0	0	0	0	0
<b><u>Direct program spending</u></b>	52 760 13,4	50 303 -4,7	52 183 3,7	57 399 10,0	59 993 4,5	62 490 4,2	70 700 13,1	72 840 3,0	75 429 3,6	78 026 3,4	80 882 3,7	83 879 3,7
<b>Public debt charges</b>	43 120 -8,8	43 303 0,4	43 384 0,2	43 892 1,2	39 651 -9,7	37 270 -6,0	35 256 -5,4	32 410 -8,1	34 345 6,0	37 741 9,9	41 919 11,1	43 842 4,6

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Department of Finance Canada.

**TABLE 2A**  
**Federal Government Expenditures**  
(\$ millions)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b><u>Budgetary expenditures</u></b>	221 344 3,0	227 877 3,0	233 924 2,7	239 190 2,3	243 905 2,0	248 169 1,7	252 415 1,7	256 471 1,6	260 614 1,6	264 855 1,6	269 012 1,6
<b><u>Program spending</u></b>	177 645 3,9	184 938 4,1	192 111 3,9	198 997 3,6	205 870 3,5	212 771 3,4	220 103 3,4	227 695 3,4	235 861 3,6	244 632 3,7	253 883 3,8
<b><u>Transfers to individuals</u></b>	48 743 3,6	51 115 4,9	53 752 5,2	55 966 4,1	58 065 3,7	60 068 3,4	62 334 3,8	64 618 3,7	67 305 4,2	70 449 4,7	73 822 4,8
<b>Elderly benefits</b>	33 371 3,9	34 701 4,0	36 262 4,5	38 107 5,1	39 946 4,8	41 810 4,7	43 741 4,6	45 748 4,6	47 853 4,6	50 135 4,8	52 623 5,0
<b>Employment insurance benefits</b>	15 372 2,8	16 414 6,8	17 489 6,5	17 859 2,1	18 118 1,5	18 258 0,8	18 593 1,8	18 870 1,5	19 452 3,1	20 314 4,4	21 199 4,4
<b>Other transfers to individuals</b>	0	0	0	0	0	0	0	0	0	0	0
<b><u>Transfers to other governments</u></b>	41 911 4,5	43 710 4,3	45 074 3,1	46 464 3,1	47 882 3,1	49 337 3,0	50 850 3,1	52 429 3,1	54 054 3,1	55 729 3,1	57 465 3,1
<b>CHST</b>	30 550 4,4	31 850 4,3	32 719 2,7	33 594 2,7	34 489 2,7	35 407 2,7	36 358 2,7	37 330 2,7	38 336 2,7	39 394 2,8	40 481 2,8
<b>Fiscal arrangements</b>	14 309 4,5	14 921 4,3	15 536 4,1	16 183 4,2	16 848 4,1	17 531 4,1	18 240 4,0	18 997 4,1	19 779 4,1	20 570 4,0	21 400 4,0
<b>Alternative payments for standing programs</b>	-2 948 3,7	-3 061 3,8	-3 181 3,9	-3 313 4,2	-3 454 4,3	-3 601 4,2	-3 747 4,1	-3 898 4,0	-4 062 4,2	-4 235 4,3	-4 417 4,3
<b>Other transfers to other governments</b>	0	0	0	0	0	0	0	0	0	0	0
<b><u>Direct program spending</u></b>	86 991 3,7	90 113 3,6	93 285 3,5	96 567 3,5	99 924 3,5	103 366 3,4	106 919 3,4	110 648 3,5	114 501 3,5	118 454 3,5	122 596 3,5
<b>Public debt charges</b>	43 699 -0,3	42 939 -1,7	41 813 -2,6	40 194 -3,9	38 034 -5,4	35 398 -6,9	32 311 -8,7	28 776 -10,9	24 753 -14,0	20 223 -18,3	15 129 -25,2

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Department of Finance Canada.

**TABLE 2B**  
**Budgetary Balance and Debt of the Federal Government**  
(\$ millions)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b>Budgetary revenues</b>	152 116 7,9	156 146 2,6	166 112 6,4	182 748 10,0	171 688 -6,1	177 562 3,4	182 856 3,0	188 123 2,9	196 332 4,4	204 774 4,3	214 533 4,8	224 506 4,6
<b>Program spending</b>	106 864 4,5	109 995 2,9	109 583 -0,4	118 694 8,3	125 018 5,3	133 321 6,6	143 367 7,5	145 648 1,6	152 196 4,5	158 459 4,1	164 704 3,9	171 045 3,9
<b>Operating balance</b>	45 252 16,7	46 151 2,0	56 529 22,5	64 054 13,3	46 670 -27,1	44 241 -5,2	39 489 -10,7	42 475 7,6	44 136 3,9	46 315 4,9	49 829 7,6	53 461 7,3
<b>Public debt charges</b>	43 120 -8,8	43 303 0,4	43 384 0,2	43 892 1,2	39 651 -9,7	37 270 -6,0	35 256 -5,4	32 410 -8,1	34 345 6,0	37 741 9,9	41 919 11,1	43 842 4,6
<b>Budgetary balance</b>	2 132	2 848	13 145	20 162	7 019	6 971	4 233	10 065	9 791	8 574	7 910	9 620
<b>Budgetary balance as a percentage of GDP</b>	0,2	0,3	1,3	1,8	0,6	0,6	0,3	0,8	0,7	0,6	0,5	0,6
<b>Net public debt</b>	560 718 -0,4	557 871 -0,5	543 726 -2,5	524 564 -3,5	517 545 -1,3	510 576 -1,3	505 301 -1,0	494 115 -2,2	483 166 -2,2	473 485 -2,0	464 444 -1,9	453 666 -2,3
<b>Interest-bearing debt</b>	631 226 -0,9	631 941 0,1	635 104 0,5	628 012 -1,1	622 889 -0,8	620 756 -0,3	616 523 -0,7	606 458 -1,6	596 667 -1,6	588 093 -1,4	580 182 -1,3	570 563 -1,7
<b>Other liabilities</b>	82 187 9,3	85 771 4,4	81 160 -5,4	86 950 7,1	81 453 -6,3	79 384 -2,5	74 866 -5,7	77 788 3,9	80 520 3,5	83 245 3,4	86 032 3,3	88 811 3,2
<b>Total assets</b>	152 695 2,4	159 841 4,7	172 538 7,9	190 398 10,4	186 797 -1,9	189 564 1,5	186 087 -1,8	190 131 2,2	194 021 2,0	197 852 2,0	201 770 2,0	205 708 2,0
<b>Per capita net debt (\$)</b>	18 729 -1,3	18 482 -1,3	17 864 -3,3	17 073 -4,4	16 663 -2,4	16 268 -2,4	15 958 -1,9	15 474 -3,0	15 013 -3,0	14 600 -2,8	14 213 -2,6	13 780 -3,0
<b>Net debt as a percentage of GDP</b>	62,8	60,3	54,1	48,0	46,6	43,4	41,3	38,2	35,6	33,4	31,3	29,2

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Department of Finance Canada.



**TABLE 2B**  
**Budgetary Balance and Debt of the Federal Government**  
(\$ millions)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b>Budgetary revenues</b>	234 198	243 589	253 210	263 542	274 166	285 062	296 457	308 338	320 558	333 420	347 046
	4,3	4,0	3,9	4,1	4,0	4,0	4,0	4,0	4,0	4,0	4,1
<b>Program spending</b>	177 645	184 938	192 111	198 997	205 870	212 771	220 103	227 695	235 861	244 632	253 883
	3,9	4,1	3,9	3,6	3,5	3,4	3,4	3,4	3,6	3,7	3,8
<b>Operating balance</b>	56 553	58 652	61 099	64 545	68 295	72 291	76 353	80 643	84 697	88 788	93 163
	5,8	3,7	4,2	5,6	5,8	5,9	5,6	5,6	5,0	4,8	4,9
<b>Public debt charges</b>	43 699	42 939	41 813	40 194	38 034	35 398	32 311	28 776	24 753	20 223	15 129
	-0,3	-1,7	-2,6	-3,9	-5,4	-6,9	-8,7	-10,9	-14,0	-18,3	-25,2
<b>Budgetary balance</b>	12 854	15 713	19 286	24 352	30 261	36 893	44 042	51 866	59 944	68 565	78 034
<b>Budgetary balance as a percentage of GDP</b>	0,8	0,9	1,1	1,3	1,6	1,8	2,1	2,4	2,7	2,9	3,2
<b>Net public debt</b>	439 618	422 670	402 084	376 426	344 844	306 613	261 207	207 951	146 570	76 487	-3 141
	-3,1	-3,9	-4,9	-6,4	-8,4	-11,1	-14,8	-20,4	-29,5	-47,8	-104,1
<b>Interest-bearing debt</b>	557 709	541 996	522 710	498 358	468 097	431 204	387 163	335 296	275 352	206 787	128 753
	-2,3	-2,8	-3,6	-4,7	-6,1	-7,9	-10,2	-13,4	-17,9	-24,9	-37,7
<b>Other liabilities</b>	91 659	94 659	97 777	100 942	104 180	107 496	110 892	114 344	117 946	121 756	125 681
	3,2	3,3	3,3	3,2	3,2	3,2	3,2	3,1	3,2	3,2	3,2
<b>Total assets</b>	209 749	213 985	218 403	222 875	227 434	232 088	236 847	241 689	246 728	252 056	257 575
	2,0	2,0	2,1	2,0	2,0	2,0	2,1	2,0	2,1	2,2	2,2
<b>Per capita net debt (\$)</b>	13 246	12 633	11 922	11 073	10 065	8 881	7 509	5 933	4 151	2 151	-88
	-3,9	-4,6	-5,6	-7,1	-9,1	-11,8	-15,5	-21,0	-30,0	-48,2	-104,1
<b>Net debt as a percentage of GDP</b>	27,1	24,9	22,8	20,4	18,0	15,3	12,6	9,6	6,5	3,3	-0,1

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Department of Finance Canada.

**TABLE 3**  
**Provincial/Territorial Government Revenues**  
(\$ millions)

	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b><u>Budgetary revenues</u></b>	158 678	166 614	183 516	198 600	193 056	197 937	207 055	215 377	225 807	234 601	244 927	255 574
		5,0	10,1	8,2	-2,8	2,5	4,6	4,0	4,8	3,9	4,4	4,3
<b><u>Own-source revenues</u></b>	134 967	140 404	156 737	169 561	160 349	164 368	168 507	177 728	185 355	192 774	200 789	209 531
	7,4	4,0	11,6	8,2	-5,4	2,5	2,5	5,5	4,3	4,0	4,2	4,4
<b>Personal income taxes</b>	45 585	48 534	50 637	51 481	50 684	50 053	50 225	52 909	55 639	58 068	60 745	63 446
	4,0	6,5	4,3	1,7	-1,5	-1,2	0,3	5,3	5,2	4,4	4,6	4,4
<b>Corporate taxes</b>	18 503	18 341	19 067	22 028	19 872	18 864	19 649	21 597	22 228	23 153	24 109	25 491
	15,0	-0,9	4,0	15,5	-9,8	-5,1	4,2	9,9	2,9	4,2	4,1	5,7
<b>Retail sales taxes</b>	23 003	24 808	26 521	28 515	28 857	30 536	31 542	33 251	34 827	36 267	37 892	39 660
	4,4	7,8	6,9	7,5	1,2	5,8	3,3	5,4	4,7	4,1	4,5	4,7
<b>Other revenues</b>	47 876	48 721	60 513	67 537	60 936	64 915	67 091	69 972	72 660	75 286	78 043	80 934
	9,4	1,8	24,2	11,6	-9,8	6,5	3,4	4,3	3,8	3,6	3,7	3,7
<b><u>Principal transfers from Government of Canada</u></b>	23 711	26 210	26 779	29 038	32 707	33 568	38 548	37 649	40 453	41 827	44 138	46 042
		10,5	2,2	8,4	12,6	2,6	14,8	-2,3	7,4	3,4	5,5	4,3
<b>CHST</b>	12 351	12 429	14 381	15 733	18 888	19 463	24 325	23 475	25 650	26 400	28 050	29 250
		0,6	15,7	9,4	20,1	3,0	25,0	-3,5	9,3	2,9	6,3	4,3
<b>Fiscal arrangements</b>	10 209	12 048	10 859	12 108	12 117	11 368	10 867	11 465	12 013	12 544	13 103	13 695
		18,0	-9,9	11,5	0,1	-6,2	-4,4	5,5	4,8	4,4	4,5	4,5
<b>Alternative payments for standing programs</b>	-2 108	-2 150	-2 425	-2 460	-2 662	-2 332	-2 380	-2 450	-2 552	-2 644	-2 744	-2 844
		2,0	12,8	1,4	8,2	-12,4	2,0	2,9	4,2	3,6	3,8	3,6
<b>Other transfers from Government of Canada*</b>	3 259	3 883	3 964	3 657	4 364	5 069	5 736	5 159	5 343	5 526	5 729	5 941
		19,1	2,1	-7,7	19,3	16,2	13,1	-10,0	3,6	3,4	3,7	3,7

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

\*Transfers not recorded as direct transfers to other levels of government by the Government of Canada, but which are recorded as transfers in the Public Accounts of the provincial/territorial governments.

Sources: The Conference Board of Canada; Provincial/Territorial Departments of Finance.

**TABLE 3**  
**Provincial/Territorial Government Revenues**  
(\$ millions)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b><u>Budgetary revenues</u></b>	266 337 4,2	277 179 4,1	287 574 3,8	298 402 3,8	309 491 3,7	320 976 3,7	333 017 3,8	345 771 3,8	359 075 3,8	372 724 3,8	387 084 3,9
<b><u>Own-source revenues</u></b>	218 264 4,2	227 086 4,0	235 893 3,9	245 098 3,9	254 531 3,8	264 318 3,8	274 594 3,9	285 505 4,0	296 911 4,0	308 605 3,9	320 936 4,0
<b>Personal income taxes</b>	66 120 4,2	69 173 4,6	72 352 4,6	75 867 4,9	79 644 5,0	83 601 5,0	87 619 4,8	91 763 4,7	96 339 5,0	101 215 5,1	106 369 5,1
<b>Corporate taxes</b>	26 694 4,7	27 608 3,4	28 356 2,7	29 022 2,3	29 544 1,8	30 096 1,9	30 888 2,6	31 896 3,3	32 729 2,6	33 405 2,1	34 160 2,3
<b>Retail sales taxes</b>	41 513 4,7	43 357 4,4	45 174 4,2	47 032 4,1	48 928 4,0	50 884 4,0	52 921 4,0	55 083 4,1	57 362 4,1	59 690 4,1	62 115 4,1
<b>Other revenues</b>	83 937 3,7	86 949 3,6	90 010 3,5	93 177 3,5	96 416 3,5	99 737 3,4	103 166 3,4	106 763 3,5	110 482 3,5	114 295 3,5	118 292 3,5
<b><u>Principal transfers from Government of Canada</u></b>	48 072 4,4	50 092 4,2	51 681 3,2	53 304 3,1	54 959 3,1	56 658 3,1	58 423 3,1	60 266 3,2	62 164 3,1	64 119 3,1	66 148 3,2
<b>CHST</b>	30 550 4,4	31 850 4,3	32 719 2,7	33 594 2,7	34 489 2,7	35 407 2,7	36 358 2,7	37 330 2,7	38 336 2,7	39 394 2,8	40 481 2,8
<b>Fiscal arrangements</b>	14 309 4,5	14 921 4,3	15 536 4,1	16 183 4,2	16 848 4,1	17 531 4,1	18 240 4,0	18 997 4,1	19 779 4,1	20 570 4,0	21 400 4,0
<b>Alternative payments for standing programs</b>	-2 948 3,7	-3 061 3,8	-3 181 3,9	-3 313 4,2	-3 454 4,3	-3 601 4,2	-3 747 4,1	-3 898 4,0	-4 062 4,2	-4 235 4,3	-4 417 4,3
<b>Other transfers from Government of Canada*</b>	6 161 3,7	6 383 3,6	6 607 3,5	6 840 3,5	7 077 3,5	7 321 3,4	7 573 3,4	7 837 3,5	8 110 3,5	8 390 3,5	8 683 3,5

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

\*Transfers not recorded as direct transfers to other levels of government by the Government of Canada, but which are recorded as transfers in the Public Accounts of the provincial/territorial governments.

Sources: The Conference Board of Canada; Provincial/Territorial Departments of Finance.

**TABLE 3A**  
**Provincial/Territorial Government Expenditures, Budgetary Balance and Net Debt**  
(\$ millions)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b>Budgetary expenditures</b>	162 058 2,9	168 414 3,9	181 930 8,0	188 130 3,4	196 858 4,6	201 497 2,4	211 700 5,1	219 284 3,6	229 991 4,9	241 634 5,1	254 236 5,2	265 650 4,5
<b>Program spending</b>	140 431 2,2	146 425 4,3	157 285 7,4	163 150 3,7	173 283 6,2	179 385 3,5	189 668 5,7	198 274 4,5	207 046 4,4	215 636 4,1	224 235 4,0	232 859 3,8
<b>Health</b>	51 347	54 883 6,9	59 350 8,1	63 717 7,4	68 539 7,6	72 480 5,7	78 318 8,1	82 798 5,7	87 320 5,5	91 873 5,2	96 528 5,1	101 087 4,7
<b>Share of total revenues</b>		32,9	32,3	32,1	35,5	36,6	37,8	38,4	38,7	39,2	39,4	39,6
<b>Education</b>	34 210	36 520 6,8	38 298 4,9	38 465 0,4	41 388 7,6	42 473 2,6	43 802 3,1	45 181 3,1	46 578 3,1	47 918 2,9	49 318 2,9	50 726 2,9
<b>Share of total revenues</b>		21,9	20,9	19,4	21,4	21,5	21,2	21,0	20,6	20,4	20,1	19,8
<b>Social services</b>	20 064 1,0	19 812 -1,3	19 776 -0,2	20 176 2,0	21 046 4,3	21 292 1,2	21 889 2,8	22 519 2,9	23 158 2,8	23 781 2,7	24 420 2,7	25 077 2,7
<b>Other program spending</b>	34 810 3,6	35 210 1,1	39 861 13,2	40 793 2,3	42 310 3,7	43 140 2,0	45 660 5,8	47 777 4,6	49 991 4,6	52 064 4,1	53 970 3,7	55 969 3,7
<b>Debt service</b>	21 627 7,2	21 989 1,7	24 645 12,1	24 980 1,4	23 575 -5,6	22 113 -6,2	22 031 -0,4	21 010 -4,6	22 944 9,2	25 998 13,3	30 001 15,4	32 791 9,3
<b>Other adjustments</b>	-481	-451	1 165	77	3 810	1 799	0	0	0	0	0	0
<b>Operating balance</b>	18 247	20 189 10,6	26 231 29,9	35 449 35,1	19 773 -44,2	18 552 -6,2	17 387 -6,3	17 103 -1,6	18 761 9,7	18 965 1,1	20 692 9,1	22 715 9,8
<b>Budgetary balance</b>	-3 860	-2 251 -41,7	2 751 -222,3	10 546 283,3	7 -99,9	-1 762 -24082,5	-4 645 163,7	-3 907 -15,9	-4 183 7,1	-7 033 68,1	-9 309 32,4	-10 076 8,2
<b>Budgetary balance as a percentage of GDP</b>	-0,4	-0,2	0,3	1,0	0,0	-0,1	-0,4	-0,3	-0,3	-0,5	-0,6	-0,6
<b>Net debt</b>	247 696	250 316 1,1	279 281 11,6	270 387 -3,2	273 375 1,1	280 332 2,5	284 976 1,7	288 883 1,4	293 067 1,4	300 100 2,4	309 409 3,1	319 485 3,3
<b>Per capita net debt (\$)</b>	8 274	8 293	9 176	8 800	8 802	8 932	9 000	9 047	9 106	9 254	9 469	9 704
<b>Net debt as a percentage of GDP</b>	27,8	27,0	27,8	24,7	24,6	23,8	23,3	22,3	21,6	21,2	20,9	20,6

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Provincial/Territorial Departments of Finance.

**TABLE 3A**  
**Provincial/Territorial Government Expenditures, Budgetary Balance and Net Debt**  
(\$ millions)

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b>Budgetary expenditures</b>	276 122	286 564	297 450	308 567	319 978	331 503	343 398	355 917	369 148	383 129	398 116
	3,9	3,8	3,8	3,7	3,7	3,6	3,6	3,6	3,7	3,8	3,9
<b>Program spending</b>	241 805	251 010	260 808	270 981	281 584	292 348	303 494	315 254	327 708	340 866	354 946
	3,8	3,8	3,9	3,9	3,9	3,8	3,8	3,9	4,0	4,0	4,1
<b>Health</b>	105 833	110 782	116 176	121 837	127 822	133 929	140 356	147 191	154 429	162 068	170 304
	4,7	4,7	4,9	4,9	4,9	4,8	4,8	4,9	4,9	4,9	5,1
<b>Share of total revenues</b>	39,7	40,0	40,4	40,8	41,3	41,7	42,1	42,6	43,0	43,5	44,0
<b>Education</b>	52 156	53 607	55 137	56 692	58 291	59 857	61 391	62 998	64 783	66 763	68 901
	2,8	2,8	2,9	2,8	2,8	2,7	2,6	2,6	2,8	3,1	3,2
<b>Share of total revenues</b>	19,6	19,3	19,2	19,0	18,8	18,6	18,4	18,2	18,0	17,9	17,8
<b>Social services</b>	25 771	26 493	27 249	28 015	28 795	29 590	30 403	31 235	32 094	32 995	33 938
	2,8	2,8	2,9	2,8	2,8	2,8	2,7	2,7	2,8	2,8	2,9
<b>Other program spending</b>	58 046	60 129	62 246	64 435	66 675	68 972	71 343	73 831	76 403	79 040	81 804
	3,7	3,6	3,5	3,5	3,5	3,4	3,4	3,5	3,5	3,5	3,5
<b>Debt service</b>	34 317	35 554	36 641	37 587	38 393	39 155	39 905	40 663	41 439	42 263	43 169
	4,7	3,6	3,1	2,6	2,1	2,0	1,9	1,9	1,9	2,0	2,1
<b>Other adjustments</b>	0	0	0	0	0	0	0	0	0	0	0
<b>Operating balance</b>	24 531	26 169	26 765	27 421	27 907	28 628	29 524	30 517	31 367	31 858	32 138
	8,0	6,7	2,3	2,4	1,8	2,6	3,1	3,4	2,8	1,6	0,9
<b>Budgetary balance</b>	-9 786	-9 386	-9 876	-10 166	-10 487	-10 527	-10 381	-10 146	-10 073	-10 405	-11 032
	-2,9	-4,1	5,2	2,9	3,2	0,4	-1,4	-2,3	-0,7	3,3	6,0
<b>Budgetary balance as a percentage of GDP</b>	-0,6	-0,6	-0,6	-0,6	-0,5	-0,5	-0,5	-0,5	-0,4	-0,4	-0,5
<b>Net debt</b>	329 270	338 656	348 532	358 698	369 185	379 712	390 093	400 239	410 311	420 716	431 748
	3,1	2,9	2,9	2,9	2,9	2,9	2,7	2,6	2,5	2,5	2,6
<b>Per capita net debt (\$)</b>	9 921	10 122	10 334	10 552	10 776	10 998	11 214	11 420	11 621	11 830	12 054
<b>Net debt as a percentage of GDP</b>	20,3	20,0	19,7	19,5	19,2	19,0	18,8	18,5	18,2	17,9	17,6

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Provincial/Territorial Departments of Finance.

**TABLE 4**  
**Provincial/Territorial Government Per Capita Health Expenditures by Age Cohort**

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b>Per capita health expenditures (\$)</b>	1 700	1 794	1 907	2 064	2 218	2 400	2 529	2 652	2 774	2 894	3 019	3 135
	2,6	5,5	6,3	8,2	7,4	8,2	5,4	4,8	4,6	4,3	4,3	3,9
<b>Aged 0 to 14</b>	637	662	694	742	786	813	845	873	899	923	947	969
	2,9	4,0	4,8	7,0	5,9	3,4	3,9	3,4	3,0	2,6	2,6	2,3
<b>Aged 15 to 24</b>	859	901	959	1 047	1 123	1 185	1 246	1 305	1 364	1 423	1 484	1 546
	2,4	4,9	6,5	9,1	7,2	5,6	5,1	4,7	4,5	4,3	4,3	4,2
<b>Aged 25 to 34</b>	974	1 018	1 078	1 165	1 235	1 295	1 355	1 412	1 465	1 516	1 569	1 620
	0,8	4,5	5,9	8,0	6,0	4,9	4,7	4,1	3,8	3,5	3,5	3,3
<b>Aged 35 to 44</b>	910	947	997	1 071	1 138	1 188	1 242	1 291	1 336	1 379	1 423	1 465
	1,5	4,1	5,2	7,5	6,3	4,4	4,5	3,9	3,5	3,2	3,2	3,0
<b>Aged 45 to 54</b>	1 177	1 234	1 296	1 388	1 474	1 542	1 613	1 677	1 736	1 791	1 848	1 900
	2,7	4,8	5,0	7,1	6,3	4,6	4,6	4,0	3,5	3,2	3,2	2,8
<b>Aged 55 to 64</b>	1 947	2 033	2 127	2 270	2 402	2 538	2 662	2 776	2 882	2 981	3 085	3 183
	2,7	4,4	4,6	6,7	5,8	5,7	4,9	4,3	3,8	3,5	3,5	3,2
<b>Aged 65 to 74</b>	4 051	4 242	4 466	4 792	5 110	5 395	5 639	5 863	6 072	6 268	6 470	6 658
	0,7	4,7	5,3	7,3	6,6	5,6	4,5	4,0	3,6	3,2	3,2	2,9
<b>Aged 75 to 84</b>	8 202	8 558	8 979	9 579	10 163	10 895	11 323	11 712	12 071	12 406	12 755	13 063
	0,6	4,3	4,9	6,7	6,1	7,2	3,9	3,4	3,1	2,8	2,8	2,4
<b>Aged 85 and Over</b>	18 216	19 065	20 107	21 338	23 032	26 970	27 932	28 772	29 466	30 107	30 793	31 328
	3,1	4,7	5,5	6,1	7,9	17,1	3,6	3,0	2,4	2,2	2,3	1,7
<b>Aged 65 and Over</b>	6 788	7 151	7 593	8 186	8 808	9 728	10 189	10 618	11 054	11 461	11 866	12 185
	1,9	5,3	6,2	7,8	7,6	10,4	4,7	4,2	4,1	3,7	3,5	2,7

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Health Canada; Canadian Institute for Health Information.

**TABLE 4**  
**Provincial/Territorial Government Per Capita Health Expenditures by Age Cohort**

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b>Per capita health expenditures (\$)</b>	3 256	3 379	3 515	3 656	3 808	3 959	4 117	4 284	4 462	4 647	4 849
	3,9	3,8	4,0	4,0	4,1	4,0	4,0	4,1	4,2	4,1	4,4
<b>Aged 0 to 14</b>	992	1 015	1 042	1 069	1 099	1 129	1 160	1 193	1 229	1 266	1 307
	2,4	2,4	2,6	2,6	2,8	2,7	2,8	2,9	3,0	3,0	3,3
<b>Aged 15 to 24</b>	1 613	1 683	1 760	1 840	1 928	2 021	2 119	2 223	2 337	2 455	2 585
	4,3	4,3	4,6	4,6	4,8	4,8	4,9	4,9	5,1	5,1	5,3
<b>Aged 25 to 34</b>	1 675	1 731	1 793	1 858	1 928	2 001	2 078	2 159	2 248	2 342	2 445
	3,4	3,3	3,6	3,6	3,8	3,8	3,8	3,9	4,1	4,1	4,4
<b>Aged 35 to 44</b>	1 510	1 556	1 607	1 660	1 718	1 778	1 842	1 910	1 984	2 063	2 151
	3,0	3,0	3,3	3,3	3,5	3,5	3,6	3,7	3,9	3,9	4,3
<b>Aged 45 to 54</b>	1 953	2 008	2 070	2 134	2 203	2 273	2 345	2 422	2 505	2 590	2 686
	2,8	2,8	3,1	3,1	3,3	3,2	3,2	3,3	3,4	3,4	3,7
<b>Aged 55 to 64</b>	3 286	3 391	3 509	3 632	3 765	3 900	4 041	4 192	4 355	4 524	4 712
	3,2	3,2	3,5	3,5	3,7	3,6	3,6	3,7	3,9	3,9	4,2
<b>Aged 65 to 74</b>	6 855	7 054	7 273	7 491	7 726	7 962	8 205	8 458	8 726	8 997	9 292
	3,0	2,9	3,1	3,0	3,1	3,1	3,0	3,1	3,2	3,1	3,3
<b>Aged 75 to 84</b>	13 392	13 715	14 081	14 444	14 834	15 212	15 594	15 987	16 400	16 803	17 246
	2,5	2,4	2,7	2,6	2,7	2,5	2,5	2,5	2,6	2,5	2,6
<b>Aged 85 and Over</b>	31 915	32 470	33 168	33 843	34 602	35 301	35 988	36 704	37 475	38 208	39 076
	1,9	1,7	2,1	2,0	2,2	2,0	1,9	2,0	2,1	2,0	2,3
<b>Aged 65 and Over</b>	12 502	12 806	13 126	13 366	13 645	13 917	14 201	14 506	14 830	15 146	15 485
	2,6	2,4	2,5	1,8	2,1	2,0	2,0	2,2	2,2	2,1	2,2

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Health Canada; Canadian Institute for Health Information.

**TABLE 5**

**Provincial/Territorial Education Spending by Sector and Per Student and Enrolments by Sector**

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b><u>Total education spending</u></b>	31 941	36 431	39 498	39 898	41 323	43 211	44 563	45 966	47 388	48 751	50 175	51 608
<b><u>(\$ millions)</u></b>	1,7	14,1	8,4	1,0	3,6	4,6	3,1	3,1	3,1	2,9	2,9	2,9
<b>School boards</b>	20 386	23 810	24 435	24 902	26 083	27 205	28 000	28 804	29 599	30 344	31 138	31 945
	0,9	16,8	2,6	1,9	4,7	4,3	2,9	2,9	2,8	2,5	2,6	2,6
<b>Colleges</b>	3 456	3 526	3 924	3 753	3 673	3 830	3 949	4 098	4 272	4 448	4 634	4 806
	3,4	2,0	11,3	-4,3	-2,1	4,3	3,1	3,8	4,2	4,1	4,2	3,7
<b>Universities</b>	6 694	6 931	7 814	7 811	8 058	8 563	8 932	9 309	9 684	10 051	10 420	10 798
	6,3	3,5	12,7	0,0	3,2	6,3	4,3	4,2	4,0	3,8	3,7	3,6
<b>Other expenditures</b>	1 406	2 164	3 326	3 432	3 509	3 613	3 683	3 757	3 834	3 908	3 983	4 059
	-10,0	54,0	53,7	3,2	2,2	3,0	1,9	2,0	2,0	1,9	1,9	1,9
<b><u>Enrolments (000s)</u></b>	6 630	6 620	6 707	6 749	6 783	6 800	6 794	6 781	6 760	6 733	6 711	6 685
	-0,5	-0,2	1,3	0,6	0,5	0,2	-0,1	-0,2	-0,3	-0,4	-0,3	-0,4
<b>School boards</b>	5 317	5 299	5 369	5 388	5 406	5 407	5 392	5 369	5 339	5 303	5 273	5 241
	-0,6	-0,3	1,3	0,4	0,3	0,0	-0,3	-0,4	-0,6	-0,7	-0,6	-0,6
<b>Colleges</b>	490	495	494	499	504	505	506	510	516	523	529	533
	1,2	1,0	-0,2	1,0	0,9	0,3	0,2	0,8	1,2	1,2	1,3	0,8
<b>Universities</b>	823	826	844	862	874	888	896	901	905	908	909	911
	-0,8	0,4	2,1	2,1	1,5	1,6	0,8	0,6	0,4	0,3	0,2	0,2
<b><u>Education spending per student (\$)</u></b>	4 818	5 503	5 889	5 912	6 092	6 354	6 560	6 779	7 010	7 240	7 477	7 719
	2,2	14,2	7,0	0,4	3,0	4,3	3,2	3,3	3,4	3,3	3,3	3,2
<b>School boards</b>	3 834	4 494	4 551	4 622	4 825	5 032	5 193	5 365	5 544	5 722	5 906	6 095
	1,5	17,2	1,3	1,5	4,4	4,3	3,2	3,3	3,3	3,2	3,2	3,2
<b>Colleges</b>	7 049	7 123	7 940	7 520	7 295	7 583	7 801	8 033	8 274	8 513	8 758	9 009
	2,2	1,0	11,5	-5,3	-3,0	3,9	2,9	3,0	3,0	2,9	2,9	2,9
<b>Universities</b>	8 136	8 387	9 260	9 065	9 218	9 638	9 973	10 329	10 702	11 075	11 460	11 858
	7,2	3,1	10,4	-2,1	1,7	4,6	3,5	3,6	3,6	3,5	3,5	3,5

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Statistics Canada.



**TABLE 5**  
**Provincial/Territorial Education Spending by Sector and Per Student and Enrolments by Sector**

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b><u>Total education spending</u></b> <b>(\$ millions)</b>	53 063 2,8	54 539 2,8	56 096 2,9	57 678 2,8	59 305 2,8	60 898 2,7	62 459 2,6	64 093 2,6	65 909 2,8	67 924 3,1	70 099 3,2
<b>School boards</b>	32 724 2,4	33 467 2,3	34 261 2,4	35 094 2,4	36 003 2,6	36 972 2,7	37 981 2,7	39 082 2,9	40 401 3,4	41 874 3,6	43 472 3,8
<b>Colleges</b>	4 942 2,8	5 054 2,3	5 158 2,0	5 216 1,1	5 271 1,0	5 324 1,0	5 365 0,8	5 412 0,9	5 533 2,2	5 686 2,8	5 861 3,1
<b>Universities</b>	11 261 4,3	11 800 4,8	12 375 4,9	12 980 4,9	13 555 4,4	14 037 3,6	14 456 3,0	14 848 2,7	15 129 1,9	15 414 1,9	15 708 1,9
<b>Other expenditures</b>	4 137 1,9	4 217 1,9	4 302 2,0	4 389 2,0	4 476 2,0	4 566 2,0	4 657 2,0	4 751 2,0	4 848 2,0	4 950 2,1	5 058 2,2
<b><u>Enrolments (000s)</u></b>	6 653 -0,5	6 613 -0,6	6 573 -0,6	6 533 -0,6	6 497 -0,5	6 459 -0,6	6 416 -0,7	6 379 -0,6	6 361 -0,3	6 356 -0,1	6 356 0,0
<b>School boards</b>	5 202 -0,7	5 154 -0,9	5 107 -0,9	5 064 -0,8	5 030 -0,7	5 001 -0,6	4 974 -0,5	4 955 -0,4	4 957 0,0	4 969 0,2	4 986 0,3
<b>Colleges</b>	533 0,0	530 -0,6	525 -0,9	516 -1,8	506 -1,9	497 -1,9	486 -2,1	476 -2,0	473 -0,7	471 -0,3	471 0,0
<b>Universities</b>	918 0,8	929 1,2	941 1,2	953 1,3	961 0,8	961 0,0	955 -0,6	947 -0,8	932 -1,7	916 -1,7	900 -1,8
<b><u>Education spending per student (\$)</u></b>	7 976 3,3	8 248 3,4	8 535 3,5	8 829 3,4	9 127 3,4	9 429 3,3	9 736 3,3	10 048 3,2	10 361 3,1	10 687 3,1	11 028 3,2
<b>School boards</b>	6 290 3,2	6 494 3,2	6 709 3,3	6 929 3,3	7 157 3,3	7 392 3,3	7 636 3,3	7 888 3,3	8 150 3,3	8 428 3,4	8 720 3,5
<b>Colleges</b>	9 268 2,9	9 537 2,9	9 821 3,0	10 111 3,0	10 410 3,0	10 718 3,0	11 035 3,0	11 362 3,0	11 703 3,0	12 062 3,1	12 440 3,1
<b>Universities</b>	12 271 3,5	12 701 3,5	13 156 3,6	13 624 3,6	14 109 3,6	14 610 3,6	15 131 3,6	15 672 3,6	16 236 3,6	16 832 3,7	17 461 3,7

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Statistics Canada.

**TABLE 6**  
**Population by Age and Gender Cohort (Percentage of Total Population) - Canada**

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
<b>Males</b>	49,52	49,52	49,52	49,52	49,52	49,45	49,44	49,42	49,41	49,41	49,40	49,39
<b>Females</b>	50,48	50,48	50,48	50,48	50,48	50,55	50,56	50,58	50,59	50,59	50,60	50,61
<b>Aged 0 to 14</b>	19,96	19,70	19,40	19,10	18,78	18,33	18,08	17,79	17,47	17,15	16,85	16,58
<b>Males</b>	10,24	10,10	9,95	9,79	9,63	9,39	9,27	9,12	8,95	8,79	8,64	8,50
<b>Females</b>	9,72	9,60	9,45	9,31	9,16	8,93	8,81	8,67	8,51	8,36	8,21	8,08
<b>Aged 15 to 24</b>	13,52	13,50	13,53	13,52	13,51	13,42	13,37	13,35	13,35	13,35	13,35	13,32
<b>Males</b>	6,92	6,91	6,92	6,92	6,92	6,87	6,84	6,83	6,83	6,83	6,83	6,81
<b>Females</b>	6,60	6,59	6,60	6,60	6,60	6,55	6,53	6,52	6,52	6,52	6,52	6,51
<b>Aged 25 to 34</b>	15,55	15,05	14,62	14,31	14,14	14,02	13,93	13,87	13,81	13,75	13,73	13,74
<b>Males</b>	7,86	7,61	7,39	7,23	7,15	7,09	7,05	7,01	6,98	6,95	6,94	6,93
<b>Females</b>	7,69	7,44	7,23	7,07	6,99	6,93	6,89	6,86	6,83	6,81	6,80	6,80
<b>Aged 35 to 44</b>	17,05	17,21	17,28	17,23	17,08	16,77	16,48	16,20	15,90	15,60	15,28	14,92
<b>Males</b>	8,53	8,63	8,67	8,66	8,59	8,44	8,29	8,15	8,01	7,86	7,70	7,51
<b>Females</b>	8,51	8,58	8,61	8,58	8,50	8,34	8,19	8,05	7,89	7,74	7,58	7,40
<b>Aged 45 to 54</b>	13,11	13,44	13,80	14,17	14,47	14,58	14,77	14,99	15,21	15,43	15,62	15,79
<b>Males</b>	6,54	6,71	6,88	7,06	7,21	7,27	7,36	7,47	7,58	7,70	7,79	7,89
<b>Females</b>	6,57	6,74	6,92	7,11	7,26	7,31	7,41	7,52	7,63	7,74	7,83	7,90
<b>Aged 55 to 64</b>	8,62	8,76	8,95	9,14	9,38	9,83	10,21	10,56	10,90	11,21	11,51	11,80
<b>Males</b>	4,25	4,32	4,41	4,50	4,62	4,84	5,02	5,19	5,36	5,51	5,66	5,80
<b>Females</b>	4,37	4,44	4,54	4,64	4,77	4,99	5,19	5,37	5,54	5,70	5,85	6,00
<b>Aged 65 to 74</b>	7,04	7,03	7,00	6,96	6,93	6,95	6,93	6,94	6,94	6,98	7,05	7,18
<b>Males</b>	3,25	3,27	3,27	3,26	3,26	3,28	3,28	3,28	3,29	3,31	3,34	3,40
<b>Females</b>	3,79	3,77	3,73	3,70	3,67	3,67	3,65	3,65	3,66	3,67	3,71	3,78
<b>Aged 75 to 84</b>	3,97	4,06	4,15	4,23	4,32	4,50	4,58	4,62	4,65	4,67	4,67	4,68
<b>Males</b>	1,57	1,61	1,65	1,69	1,73	1,81	1,85	1,88	1,90	1,93	1,95	1,96
<b>Females</b>	2,40	2,45	2,50	2,55	2,59	2,69	2,73	2,74	2,75	2,74	2,73	2,71
<b>Aged 85 and Over</b>	1,19	1,24	1,29	1,34	1,38	1,60	1,64	1,69	1,77	1,85	1,93	1,99
<b>Males</b>	0,36	0,37	0,39	0,41	0,42	0,48	0,48	0,49	0,51	0,54	0,56	0,58
<b>Females</b>	0,84	0,86	0,90	0,93	0,96	1,12	1,15	1,20	1,25	1,31	1,37	1,41
<b>Aged 65 and Over</b>	11,37	11,49	11,58	11,67	11,76	12,16	12,26	12,38	12,52	12,68	12,87	13,10
<b>Males</b>	5,18	5,25	5,30	5,36	5,41	5,56	5,61	5,65	5,71	5,77	5,85	5,95
<b>Females</b>	6,19	6,24	6,27	6,32	6,36	6,60	6,66	6,73	6,81	6,91	7,02	7,15

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Statistics Canada.

**TABLE 6**  
**Population by Age and Gender Cohort (Percentage of Total Population) - Canada**

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<b>Males</b>	49,39	49,39	49,39	49,39	49,39	49,39	49,39	49,39	49,40	49,40	49,40
<b>Females</b>	50,61	50,61	50,61	50,61	50,61	50,61	50,61	50,61	50,60	50,60	50,60
<b>Aged 0 to 14</b>	16,35	16,12	15,91	15,77	15,68	15,61	15,56	15,53	15,49	15,45	15,42
<b>Males</b>	8,38	8,26	8,16	8,09	8,04	8,01	7,98	7,97	7,95	7,93	7,92
<b>Females</b>	7,97	7,86	7,75	7,69	7,64	7,60	7,57	7,56	7,54	7,52	7,51
<b>Aged 15 to 24</b>	13,27	13,20	13,13	13,01	12,87	12,67	12,42	12,16	11,92	11,71	11,52
<b>Males</b>	6,79	6,75	6,71	6,65	6,58	6,47	6,35	6,21	6,09	5,98	5,88
<b>Females</b>	6,48	6,45	6,42	6,36	6,29	6,20	6,08	5,95	5,83	5,73	5,64
<b>Aged 25 to 34</b>	13,75	13,74	13,72	13,69	13,65	13,64	13,66	13,66	13,68	13,66	13,62
<b>Males</b>	6,94	6,94	6,93	6,91	6,89	6,88	6,89	6,89	6,90	6,89	6,88
<b>Females</b>	6,81	6,80	6,79	6,78	6,76	6,76	6,77	6,77	6,78	6,77	6,75
<b>Aged 35 to 44</b>	14,57	14,33	14,18	14,11	14,05	14,00	13,96	13,93	13,92	13,94	13,96
<b>Males</b>	7,34	7,21	7,14	7,10	7,07	7,05	7,03	7,01	7,00	7,01	7,02
<b>Females</b>	7,24	7,11	7,04	7,01	6,98	6,95	6,94	6,92	6,92	6,93	6,94
<b>Aged 45 to 54</b>	15,89	15,90	15,80	15,60	15,37	15,13	14,89	14,64	14,37	14,06	13,78
<b>Males</b>	7,95	7,96	7,92	7,82	7,71	7,59	7,48	7,36	7,22	7,07	6,92
<b>Females</b>	7,94	7,94	7,89	7,78	7,66	7,54	7,41	7,28	7,15	6,99	6,85
<b>Aged 55 to 64</b>	12,12	12,45	12,73	12,90	13,09	13,29	13,51	13,73	13,91	14,08	14,19
<b>Males</b>	5,95	6,12	6,25	6,34	6,44	6,54	6,65	6,76	6,86	6,95	7,02
<b>Females</b>	6,17	6,34	6,48	6,56	6,65	6,75	6,86	6,97	7,05	7,13	7,17
<b>Aged 65 to 74</b>	7,34	7,51	7,72	8,08	8,41	8,71	9,00	9,27	9,53	9,78	10,06
<b>Males</b>	3,48	3,56	3,66	3,84	4,00	4,14	4,28	4,41	4,54	4,66	4,79
<b>Females</b>	3,86	3,95	4,06	4,24	4,42	4,57	4,72	4,86	4,99	5,12	5,27
<b>Aged 75 to 84</b>	4,66	4,64	4,64	4,63	4,64	4,66	4,69	4,74	4,81	4,92	5,05
<b>Males</b>	1,97	1,97	1,98	1,99	2,00	2,02	2,03	2,06	2,09	2,15	2,21
<b>Females</b>	2,69	2,67	2,65	2,64	2,64	2,65	2,65	2,68	2,71	2,77	2,84
<b>Aged 85 and Over</b>	2,06	2,11	2,17	2,21	2,25	2,28	2,31	2,34	2,37	2,39	2,40
<b>Males</b>	0,60	0,62	0,64	0,65	0,67	0,69	0,70	0,72	0,74	0,75	0,76
<b>Females</b>	1,46	1,50	1,53	1,55	1,58	1,59	1,61	1,62	1,63	1,64	1,64
<b>Aged 65 and Over</b>	13,34	13,57	13,85	14,27	14,66	15,02	15,37	15,73	16,09	16,47	16,88
<b>Males</b>	6,05	6,15	6,28	6,48	6,67	6,84	7,02	7,19	7,37	7,56	7,76
<b>Females</b>	7,29	7,42	7,57	7,79	7,99	8,18	8,36	8,54	8,72	8,91	9,11

Unless indicated otherwise, for each indicator the first line represents the level and the second, the annual percentage change.

Shaded areas represent forecast data.

Sources: The Conference Board of Canada; Statistics Canada.

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