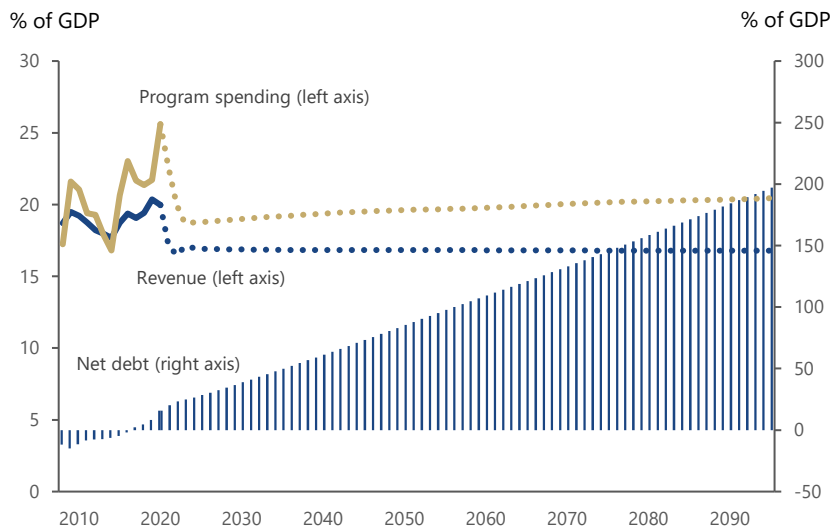


Alberta

- Alberta is projected to have the highest population growth rate in Canada, and a younger population than most other provinces over the long term.
- Favourable demographic trends combined with higher-than-average labour productivity growth contribute to the highest projected provincial real GDP growth rate in Canada. Our assumptions for provincial labour productivity are based on historical trends from 1982 to 2019.
- Except for British Columbia, Alberta holds less debt than all other provinces (as a share of the economy). Furthermore, PBO projects that Alberta will maintain the most favourable differential between long-run effective interest rates and economic growth of any province. These factors both positively contribute to Alberta's sustainability prospects.
- Alberta's long-run fiscal outlook begins unsustainably – current spending far exceeds current revenues. Thus, despite relatively modest demographic pressures and provincial plans to improve the medium-term fiscal position, Alberta's program spending exceeds revenues throughout our entire projection, leading to rising debt (as a share of the economy).



- Alberta's program spending and own-source revenues (as a share of the economy) are lowest of any province.
- **Current fiscal policy is not sustainable over the long term.** Permanent tax increases or spending reductions amounting to 3.1 per cent of GDP (\$9.5 billion in current dollars, growing in line with GDP thereafter) would be required to stabilize government net debt (as a share of the economy) in the long term.

		Alberta			vs. national average		
	2025	2050	2075	2025	2050	2075	
Demographics (%)							
Population growth	1.8	1.4	1.2	0.8	0.8	0.5	
Senior dependency ratio	24.1	32.0	37.8	-7.5	-7.4	-6.1	
Economics (%)							
Real GDP growth	2.5	2.4	2.3	1.1	0.7	0.5	
Employment growth	1.9	1.2	1.1	1.1	0.7	0.5	
Labour productivity growth	0.8	1.2	1.1	0.1	0.0	0.0	
Nominal GDP growth	4.7	4.4	4.3	1.1	0.7	0.6	
Effective interest rate	2.8	3.7	3.7	-0.2	0.0	0.0	
Fiscal (% of GDP)							
Revenue	16.9	16.8	16.8	-7.8	-7.4	-7.0	
Program spending	18.8	19.6	20.2	-5.3	-5.1	-4.7	
Primary balance	-1.9	-2.8	-3.4	-2.5	-2.2	-2.3	
Debt interest charges	1.2	3.2	5.1	-0.3	1.3	2.7	
Net debt	28.4	85.5	145.6	-2.2	42.1	79.6	