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On federal fiscal redistribution

By Warren Lovely

While arriving with relatively little fanfare, Statistics Canada's annual *Provincial Economic Accounts* (out recently) offer some tantalizing nuggets. Beyond high-level real GDP growth tallies for 2025—where Newfoundland & Labrador led the while Quebec was slowest of all the provinces—the *PEA* show how much revenue each level of government collects vs. how much is spent in every jurisdiction. Here then, we see the size of the federal 'surplus' or 'deficit' in each province.

Per StatCan, Ottawa ran a 'surplus' in three provinces in 2025: Alberta, British Columbia and Ontario. In the other seven provinces (and each of the territories), the feds spent more than was collected in revenue.

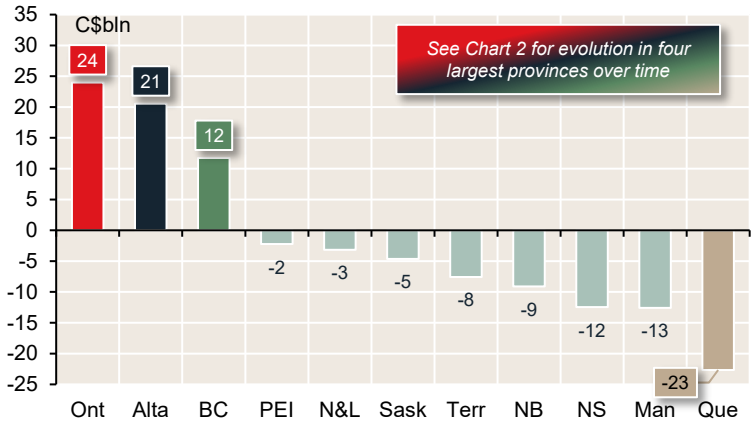
It's not uncommon for the federal government to run a surplus in Alberta. As you might expect, there's a reasonably positive correlation between a region's relative 'wealth' or 'richness' and how much revenue is contributed to the federation. And Alberta tops the charts in nominal GDP per capita (by a good margin). Meanwhile, the feds generally steer more spending to the less well-off. Regions with above-average fiscal capacity, like Alberta, don't qualify for Equalization. As a relatively younger region, Alberta also gets proportionately less old age security.

Expressing federal revenue and spending in per capita terms helps put Alberta's relative contribution in perspective. The feds collected almost $15K for every Albertan in 2025, a larger relative lift than anywhere. Alberta saw the lowest per capita amount returned via federal spending (<$11K last year). It was a case of giving the most and getting the least. The result? The federal government ran a larger relative 'surplus' in Alberta than any other province—a trend likely to have continued in 2026.

Notwithstanding socio-economic (and constitutional) factors influencing how public monies are collected and disbursed, it's clear Alberta makes an outsized contribution to the rest of Canada. Thankfully, Prime Minister Carney seems aware of the fact, having adopted a more pragmatic approach to resource development and energy infrastructure expansion. Call it 'nation building' if you want but this may be a case of taking (better) care of the fiscal 'golden goose' that Alberta unquestionably is.

Chart 1: Ottawa ran a surplus in three province last year

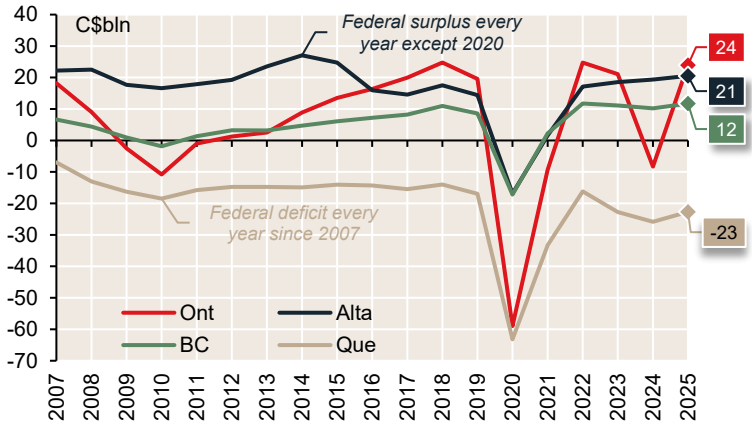
Federal government surplus/(deficit) run in each province & territories: 2025



Source: NBC, StatCan | Note: Total GoC deficit of $28.4bln, incl. deficit run outside Cda

Chart 2: Federal surplus in Alberta a consistent theme

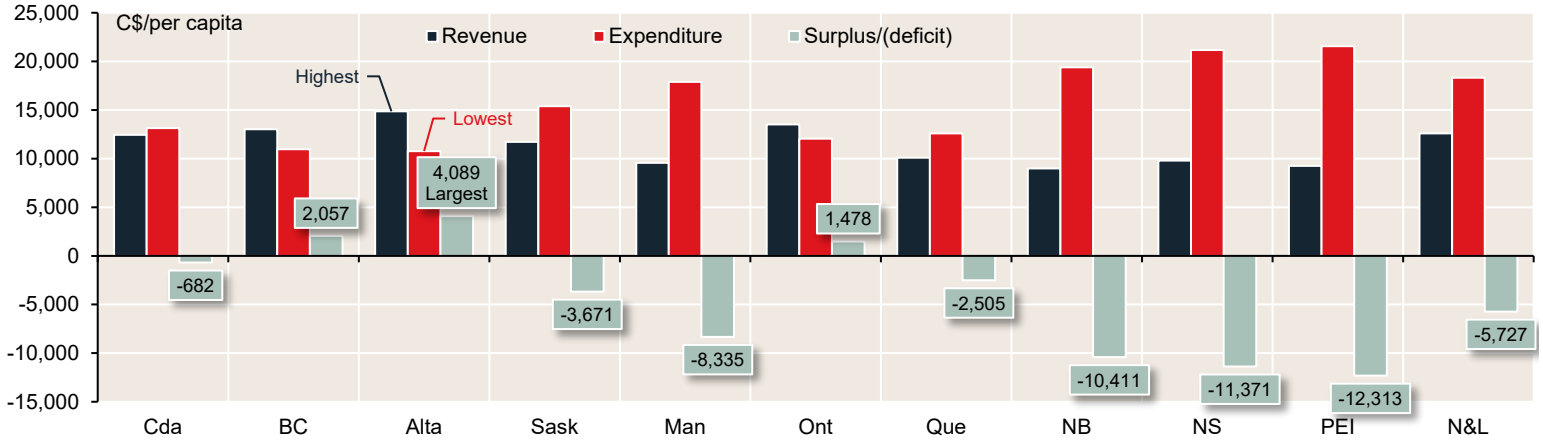
Federal government surplus/(deficit) run in four largest provinces



Source: NBC, StatCan | Note: GoC ran deficit in all 10 provinces in 2020 (i.e., peak COVID)

Chart 3: Fiscal give & take! Putting federal government's regional balance in per capita terms

Federal government per capita revenue, expenditure & resulting surplus/(deficit) by province: 2025



Source: NBC, StatCan | Note: Based on Government Finance Statistics methodology, which differs from Public Accounts; 2025 calendar year finances divided by population as at 1-Jul-2025

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