



NEWS RELEASE

State and provincial populations influence the size of government: populations above 9.6 million in Canada mean larger government

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VANCOUVER—Once a province or state exceeds a certain population size, the government’s role in the economy begins to grow, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“If the population grows past certain thresholds, the size of government compared to the economy also begins to grow, which can limit the economic opportunities for residents,” said Russell Sobel, professor of economics and entrepreneurship at the Citadel, senior fellow at the Fraser Institute and author of *Population and the Fiscal Outcomes of Subnational Jurisdictions*.

In Canada, when a province’s population exceeds approximately 9.6 million, government spending as a share of the economy begins to increase, meaning more resources are controlled by the government compared to individuals, families and businesses than in provinces with smaller populations.

A similar effect was found using data for the US states, although the threshold was much higher: 21 million. In other words, in the US, as the population of a state approaches and then exceeds 21 million, government spending as a share of the economy will start to increase.

“This has real-world consequences as it means provinces like Ontario and US states like California have larger government sectors in part because they have large populations,” explained Sobel.

“There is increasing evidence that the size of cities, provinces and states, and indeed nations has economic consequences and policymakers should be aware of these effects,” stated Sobel.

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