

# Expenses of government classified by function, 2020

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For the first time, spending by all levels of government in Canada surpassed the \$1 trillion mark. Spending increased by \$267.4 billion from 2019, for a total of \$1,069.0 billion in 2020. This was a 33.4% increase from the previous year and the largest recorded increase in Canadian government spending. This was largely a result of the government's response to the COVID-19 pandemic.

Social protection, economic affairs and health care were the largest contributors to spending increases in 2020. Governments in Canada spent \$18,574 per person in 2020 in these categories, compared with \$12,042 in 2019.

## Canada Emergency Response Benefit drives increase in social protection spending

The consolidated Canadian general government—that is, the federal, provincial, territorial, local and other government entities combined—increased spending on social protection by 69.9% in 2020, to \$325.3 billion. Social protection remained the largest expense of the Canadian general government, at almost one-third (30.4%) of total spending. Of the \$267.4 billion increase in total spending, social protection accounted for half (50.1%).

Social protection includes programs such as Old Age Security, family benefits, disability payments and unemployment benefits. This increase in social protection spending in 2020 (+\$133.9 billion) was primarily driven by higher spending on unemployment (+\$106.5 billion), which was largely driven by the Canada Emergency Response Benefit and the subsequent Canada Recovery Benefit. Family and children benefits (+\$9.3 billion) and protection of vulnerable persons (+\$8.4 billion) also contributed to the increase.

## Canada Emergency Wage Subsidy doubles economic affairs spending

Spending on economic affairs—which refers to economic activities such as agriculture, energy, mining or transport—rose 109.1% from 2019 to \$162.5 billion. It was the second-largest contributor to increased government spending in 2020. The bulk of the increase in 2020 was attributable to spending on general economic, commercial and labour affairs, which rose 444.7% from \$17.9 billion in 2019 to \$97.2 billion in 2020. The Canada Emergency Wage Subsidy was primarily responsible for the majority of this increase.

As a share of total government spending, economic affairs took the place of education as the third-largest expense in 2020. Economic affairs accounted for 15.2% of total government spending, compared with 9.7% in 2019. 2020 was the first year in which governments in Canada spent more on economic affairs than on education.

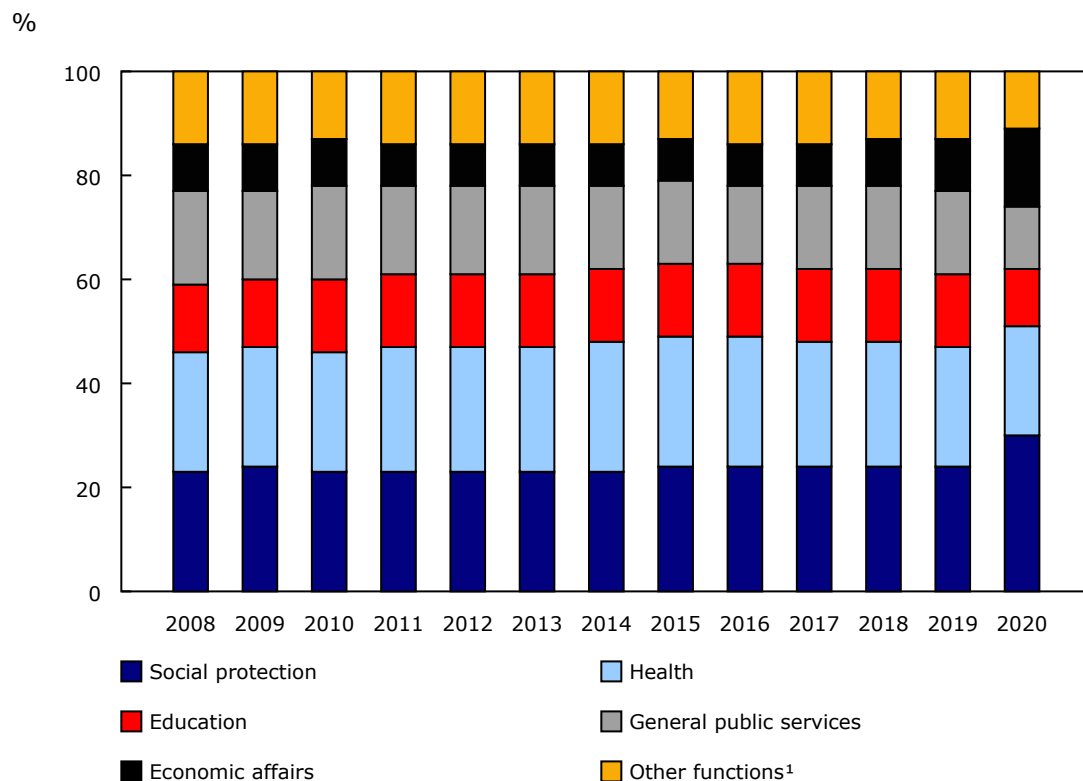
## Health care's share of spending decreases

Spending on health care rose 17.2% to \$220.8 billion, accounting for 20.7% of total government expenses. Despite an overall increase, health care's share of total government spending was down in 2020 from the previous year, as it did not increase at the same rate as the shares of spending on social protection and economic affairs.

The \$32.4 billion increase in health care spending was primarily attributable to increased spending in hospital services (+\$19.6 billion), public health services (+\$6.0 billion) and outpatient services (+\$4.3 billion).



**Chart 1**  
**Share of consolidated Canadian general government expenses, by function, 2008 to 2020**



1. The category "other functions" includes defence, public order and safety, environmental protection, housing and community amenities, as well as recreation, culture, and religion.  
 Source(s): Table 10-10-0005-01.

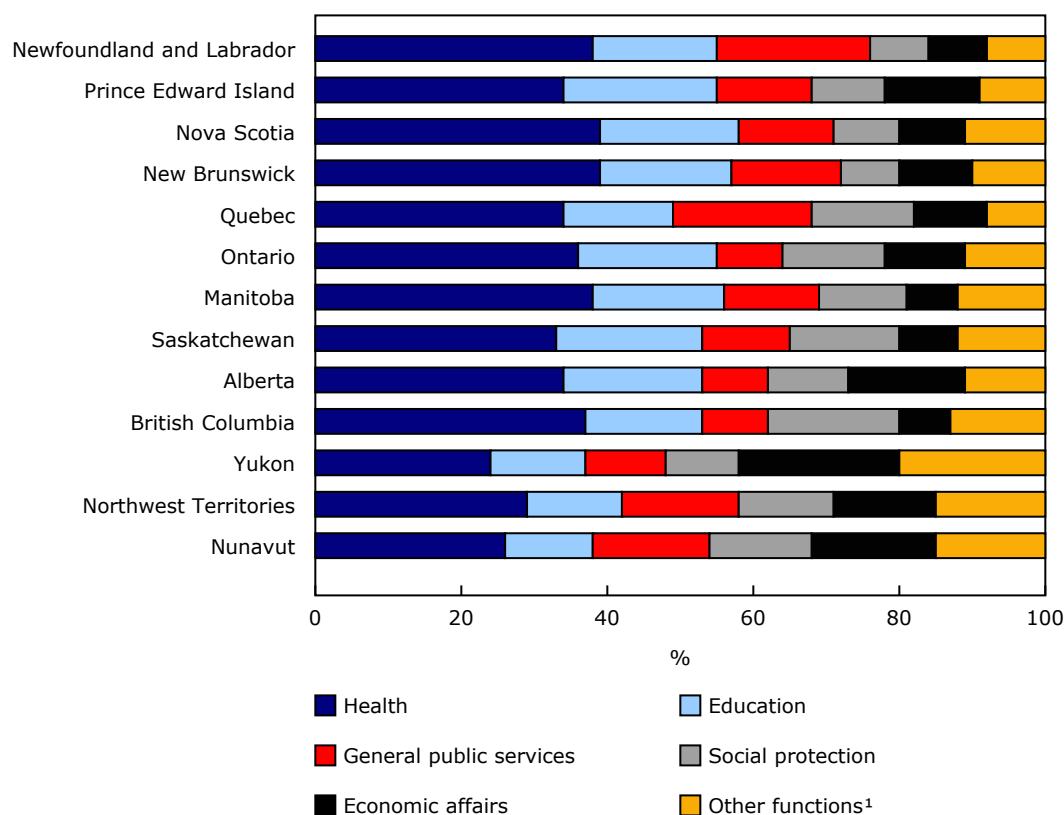
### Spending at the provincial, territorial and local levels of government driven by health care

Spending on health care by provincial, territorial and local governments combined grew 15.9% in 2020, maintaining its position as their largest expense, at over one-third (35.2%) of their total spending.

Per capita spending on health care was the highest provincially in Newfoundland and Labrador (\$6,589), New Brunswick (\$5,982) and Nova Scotia (\$5,835). The lowest health expenses per capita were in Prince Edward Island (\$4,877), British Columbia (\$5,372) and Ontario (\$5,400).

Based on an average of the provinces, hospital services accounted for the largest proportion of health care expenses, at two-thirds (66.8%), followed by outpatient services (15.6%) and medical products, appliances and equipment (6.8%).

**Chart 2**  
**Share of consolidated provincial, territorial and local government expenses, by function, 2020**



1. The category "other functions" includes public order and safety, environmental protection, housing and community amenities, as well as recreation, culture, and religion.

Source(s): Table 10-10-0005-01.

### British Columbia increases social protection spending in response to the COVID-19 pandemic

British Columbia reported unmatched growth in social protection spending in 2020, up 48.7% to \$13.4 billion (\$2,576 per capita in 2020 compared with \$1,745 per capita in 2019). This increase in social protection spending was a result of the province's response to the COVID-19 pandemic, namely the BC Recovery Benefit and the BC Emergency Benefit for Workers.

Among provincial and local governments, spending on social protection on a per capita basis was highest in Saskatchewan (\$2,632) and British Columbia (\$2,576), and lowest on a per capita basis in New Brunswick (\$1,267) and Nova Scotia (\$1,314).

### Ontario and Quebec increase support for businesses impacted by the COVID-19 pandemic

Total provincial, territorial and local government spending on economic affairs rose 10.2% to \$64.6 billion in 2020. This increase was largely attributable to higher spending on general economic, commercial and labour affairs (+\$3.2 billion), transport (+\$1.5 billion) and energy (+\$1.1 billion).

The increase in spending on general economic, commercial and labour affairs was led by Ontario (+\$2.1 billion) and Quebec (+\$0.6 billion). The growth in Ontario was mainly attributable to its Small Business Support Grant. Similarly, Quebec's increase was mainly the result of its COVID-19 relief programs for businesses.

On a per capita basis, provincial spending on economic affairs was highest in Alberta (\$2,558), Prince Edward Island (\$1,851) and Quebec (\$1,761), and lowest in Manitoba (\$953), British Columbia (\$1,129) and Nova Scotia (\$1,268).

## Federal government boosts defence and education spending

The federal government increased spending on defence by 28.7% compared with 2019 to \$23.9 billion in 2020. This growth is largely the result of an agreement reached with the Canadian Armed Forces for a retroactive, lump-sum pay increase dating back to April 1, 2018.

The federal government of Canada spent \$10.0 billion on education in 2020, a 25.0% increase from the previous year. The major contributor to this increase was the doubling of Canada Student Grant amounts, aimed at providing assistance to students during the pandemic.

**Table 1**  
**Consolidated per capita spending by selected Canadian Classification of Functions of Government, 2020**

	Canadian general government	Federal government <sup>1</sup>	Provincial- territorial and local governments	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
	\$							
General public services	3,496	2,904	1,939	3,623	1,913	1,906	2,354	3,326
Executive and legislative organs, financial and fiscal affairs and external affairs	633	353	284	768	240	323	288	482
Foreign economic aid	189	189	0	0	0	0	0	0
General services	899	392	537	1,399	824	552	1,047	956
Basic research	3	84	1	0	0	15	0	3
Public debt transactions	1,599	558	1,045	1,441	836	931	1,019	1,736
General public services n.e.c. <sup>2</sup>	173	1,328	72	17	18	84	0	148
Defence	614	625	0	0	0	0	0	0
Military defense	562	573	0	0	0	0	0	0
Civil defense	16	16	0	0	0	0	0	0
Foreign military aid	31	31	0	0	0	0	0	0
Defence n.e.c. <sup>2</sup>	5	5	0	0	0	0	0	0
Public order and safety	1,072	383	758	654	529	734	802	571
Police services	493	194	346	273	191	345	405	258
Fire protection services	139	0	140	85	62	121	89	89
Law courts	149	29	121	123	98	158	27	139
Prisons	145	77	71	85	111	56	74	42
Public order and safety n.e.c. <sup>2</sup>	146	83	81	89	68	55	207	43
Economic affairs	4,260	2,778	1,692	1,407	1,851	1,268	1,449	1,761
General economic, commercial and labour affairs	2,549	2,429	280	446	554	525	314	306
Agriculture, forestry, fishing and hunting	302	151	184	162	492	135	164	205
Fuel and energy	339	10	335	58	18	81	10	15
Mining, manufacturing and construction	10	0	10	17	12	0	0	27
Transport	818	82	740	683	572	472	808	879
Economic affairs n.e.c. <sup>2</sup>	241	105	144	42	203	56	153	330
Environmental protection	431	149	303	190	437	267	195	256
Waste management	121	18	104	125	160	140	76	82
Waste water management	96	0	97	21	25	17	73	75
Pollution abatement	66	43	30	6	228	42	10	53
Protection of biodiversity and landscape	51	19	34	13	12	31	20	19
Environmental protection n.e.c. <sup>2</sup>	97	69	38	25	12	38	15	28
Housing and community amenities	300	90	237	216	111	275	201	149
Housing and community development	117	34	84	42	31	58	65	49
Water supply	150	25	126	133	55	123	102	78
Street lighting	15	0	15	27	12	41	33	12
Housing and community amenities n.e.c. <sup>2</sup>	19	31	12	12	12	55	1	9
Health	5,787	1,836	5,562	6,589	4,877	5,835	5,982	5,758

**Table 1 - continued**  
**Consolidated per capita spending by selected Canadian Classification of Functions of Government, 2020**

	Canadian general government	Federal government <sup>1</sup>	Provincial- territorial and local governments	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
Medical products, appliances and equipment	380	0	379	333	246	273	325	493
Outpatient services	890	51	874	670	652	594	646	831
Hospital services	3,719	4	3,717	4,691	3,161	4,266	4,566	3,908
Public health services	402	137	268	187	123	448	103	129
Health n.e.c. <sup>2</sup>	397	1,644	324	710	695	254	341	396
Recreation, culture and religion	543	170	393	225	178	280	247	452
Recreational and sporting services	198	20	180	110	92	115	141	163
Cultural services	195	87	125	73	86	61	87	200
Broadcasting and publishing services	96	61	35	0	0	0	0	7
Recreation, culture, and religion n.e.c. <sup>2</sup>	54	2	52	42	6	104	19	83
Education	2,989	262	2,746	2,969	2,989	2,894	2,683	2,496
Primary and secondary education	1,791	16	1,776	1,868	1,765	1,731	1,634	1,645
College education	380	53	328	248	406	235	235	424
University education	642	53	591	777	756	903	624	307
Education n.e.c. <sup>2</sup>	175	140	52	75	62	25	190	119
Social protection	8,527	6,483	2,156	1,387	1,341	1,314	1,267	2,452
Sickness and disability	874	193	685	398	886	501	564	501
Old age	1,711	1,644	67	2	0	3	48	4
Family and children	1,682	1,076	627	339	154	223	210	1,040
Unemployment	3,131	3,107	24	0	0	0	0	29
Housing	215	89	204	196	209	156	140	144
Social exclusion n.e.c. <sup>2</sup>	772	375	408	441	68	430	215	705
Social protection n.e.c. <sup>2</sup>	142	0	140	13	18	0	92	29
	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut
	\$							
General public services	1,345	1,993	1,958	1,483	1,351	4,203	8,876	9,304
Executive and legislative organs, financial and fiscal affairs and external affairs	113	113	245	317	364	1,245	3,419	2,313
Foreign economic aid	0	0	0	0	0	0	0	0
General services	276	430	790	539	302	2,747	4,602	4,017
Basic research	0	0	0	2	0	0	0	0
Public debt transactions	922	1,440	875	544	619	211	679	381
General public services n.e.c. <sup>2</sup>	33	10	47	81	66	23	175	2,593
Defence	0	0	0	0	0	0	0	0
Military defense	0	0	0	0	0	0	0	0
Civil defense	0	0	0	0	0	0	0	0
Foreign military aid	0	0	0	0	0	0	0	0
Defence n.e.c. <sup>2</sup>	0	0	0	0	0	0	0	0
Public order and safety	799	948	981	796	780	2,066	3,024	3,635
Police services	382	371	411	371	338	728	789	1,297
Fire protection services	154	166	126	189	153	258	219	76
Law courts	106	94	140	103	144	376	723	814
Prisons	70	237	165	62	44	376	789	1,068
Public order and safety n.e.c. <sup>2</sup>	87	80	139	71	100	352	504	407
Economic affairs	1,670	953	1,428	2,558	1,129	7,843	7,890	10,347
General economic, commercial and labour affairs	296	329	158	168	201	587	1,096	2,186
Agriculture, forestry, fishing and hunting	37	202	613	454	224	1,198	964	381
Fuel and energy	460	8	161	1,172	4	751	1,140	5,389
Mining, manufacturing and construction	3	7	14	0	9	587	153	0
Transport	785	325	303	684	622	3,757	4,208	2,135
Economic affairs n.e.c. <sup>2</sup>	90	82	180	80	68	986	329	229
Environmental protection	319	358	298	326	308	1,409	1,731	483
Waste management	110	38	76	137	114	94	241	51
Waste water management	128	69	120	43	120	141	263	25
Pollution abatement	7	0	6	71	30	0	88	0
Protection of biodiversity and landscape	55	44	19	15	11	704	373	178
Environmental protection n.e.c. <sup>2</sup>	18	207	76	59	32	470	745	229
Housing and community amenities	225	276	398	288	269	2,865	2,060	3,356
Housing and community development	86	82	89	94	96	2,207	1,118	2,034
Water supply	120	155	253	146	157	611	855	1,271
Street lighting	13	17	11	19	15	23	66	51
Housing and community amenities n.e.c. <sup>2</sup>	6	22	45	28	1	0	22	0

	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Territories	Nunavut
Health	5,400	5,676	5,547	5,557	5,372	8,829	15,779	15,762
Medical products, appliances and equipment	415	230	389	224	303	117	351	178
Outpatient services	859	1,623	638	695	1,055	1,057	2,718	6,635
Hospital services	3,451	3,077	3,477	4,157	3,618	5,800	8,065	7,932
Public health services	394	357	422	194	141	211	329	610
Health n.e.c. <sup>2</sup>	281	390	622	287	255	1,644	4,339	432
Recreation, culture and religion	307	236	401	459	563	892	1,600	1,830
Recreational and sporting services	174	59	208	269	191	493	811	686
Cultural services	107	157	138	119	67	352	394	636
Broadcasting and publishing services	17	14	0	2	193	0	44	0
Recreation, culture, and religion n.e.c. <sup>2</sup>	10	6	54	69	112	47	351	508
Education	2,869	2,643	3,366	3,061	2,287	4,696	6,904	7,474
Primary and secondary education	1,877	1,873	2,187	2,053	1,311	2,583	4,975	4,449
College education	315	222	297	318	257	1,362	1,315	1,957
University education	653	536	842	665	702	47	131	178
Education n.e.c. <sup>2</sup>	24	12	41	26	17	704	482	890
Social protection	2,052	1,814	2,632	1,766	2,576	3,499	7,254	8,084
Sickness and disability	710	618	1,848	942	514	963	2,323	280
Old age	128	0	3	81	42	258	131	51
Family and children	557	906	375	435	465	798	1,140	1,373
Unemployment	16	10	24	82	3	0	175	76
Housing	194	140	149	110	409	798	2,038	4,779
Social exclusion n.e.c. <sup>2</sup>	302	129	135	57	678	611	504	1,474
Social protection n.e.c. <sup>2</sup>	146	10	98	59	464	70	920	51

1. Federal government data are not consolidated.

2. n.e.c. = not elsewhere classified.

Source(s): Tables 17-10-0009-01, 10-10-0024-01 and 10-10-0005-01.

### Note to readers

The COVID-19 outbreak, declared a pandemic on March 11, 2020, has led to economic disruptions across the globe. The Canadian federal, provincial, territorial and local governments took unprecedented economic measures to help limit the spread of the virus. The most recent Canadian Classification of the Functions of Government (CCOFOG) data for the current fiscal year, ending March 31, 2021 (2020 reference year) includes the COVID-19 fiscal impacts.

The CCOFOG organizes government expenses into their main socioeconomic functions. This information provides an important picture of how governments spend money and the role governments play in delivering services.

The CCOFOG is a variant of the international functional expenditure classification that was developed by the Organisation for Economic Co-operation and Development. The CCOFOG replaced the Financial Management System that was used by Statistics Canada until 2008.

Currently, CCOFOG data exclude the acquisitions of non-financial assets and the consumption of fixed capital expenses. Future data improvements may include the functionalization of capital expenditures and the consumption of fixed capital.

The consolidated provincial, territorial and local government (PTLG) estimates are often used for provincial and territorial comparisons since there can be different delineations of responsibilities between levels of government in various jurisdictions. These estimates combine provincial and territorial governments, health and social service institutions, universities and colleges, municipalities and other local public administrations, and school boards, while removing interparty transactions. The consolidated Canadian general government estimates combine the federal government data with PTLG data. They exclude data for the Canada Pension Plan and the Quebec Pension Plan, and for federal and provincial government business enterprises.

The constitutional framework of PTLGs in the territories differs from the framework in the provinces. This leads to differences in the roles and financial authorities of government. These differences, as well as other geographic, demographic and socioeconomic dissimilarities between the North and the rest of Canada, give rise to significant differences in government finance statistics.

Since the size of PTLG estimates varies significantly across jurisdictions because of different population sizes, per capita data are used for expense comparisons. Per capita data are based on population estimates for Canada, the provinces and the territories, available in table 17-10-0009-01.

Annual data correspond to the end of the fiscal year closest to December 31. For example, data for the federal government fiscal year ending on March 31, 2021 (fiscal year 2020/2021) are reported as the 2020 reference year.

**Available tables:** [10-10-0005-01](#) and [10-10-0024-01](#).

**Definitions, data sources and methods:** survey number [5218](#).

The infographic "[Government spending by function, 2020/2021](#)," which is part of *Statistics Canada — Infographics* ([11-627-M](#)), is now available.

The [Canadian Classification of Functions of Government](#) classification structure and descriptions are now available under the related information module of the Statistics Canada website.

Additional information can be found in the *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)). The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is also available. This publication has been updated with [Chapter 9. Government sector accounts in the Canadian System of Macroeconomic Accounts](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).