

# Bonding Builds Confidence: Protecting Projects, People, Public Funds

**Surety bonds unite financial assurance with project accountability,** ensuring work is finished, workers are paid, and taxpayer dollars deliver full value—no matter the economic climate.

## → EVIDENCE AT A GLANCE

PROTECTION ASPECT	LOW-RISK ECONOMY (STATUS QUO) Per \$1 M premium	HIGH-RISK ECONOMY (1990S-STYLE) Per \$1 M premium
GDP SAFEGUARDED	\$3.01 M	\$21.43 M
JOB PRESERVED	24.4 jobs	173.6 jobs
TAX REVENUE RECOVERED	\$0.34 M	\$2.44 M
SOCIAL VALUE CREATED	\$0.92 M	\$6.57 M

All figures are for public infrastructure projects using both **performance + payment** bonds. Over 150,000 surety project records (performance and payment bonds) since 2015 used to explore the value proposition and drive the analysis.

## → WHY IT MATTERS

### 10X INSOLVENCY PROTECTION

Bonded construction firms are **ten times less likely** to fail than non-bonded firms.

### 3:1 BASELINE PAYBACK

Even in calm markets, every premium dollar returns **3X** its cost in protected GDP.

### ECONOMIC SHOCK ABSORBER

During downturns, the payback soars to **21X**, keeping projects on-track when Atlantic Canada needs them most.

### WELL-BEING SHIELD

By safeguarding wages and subcontractor payments, bonding preserves household stability and community vitality.

### FISCAL PRUDENCE

Treasuries gain: **\$2.44** in tax revenue is secured for every premium dollar in high-risk periods.

➔ *POLICY INSIGHT*

**PERFORMANCE + PAYMENT BONDS DELIVER SUPERIOR, SYSTEM-WIDE BENEFITS BY:**

**1** **Ensuring completion** of critical infrastructure (water, transit, health-care facilities).

**2** **Paying subcontractors and suppliers on time**, preventing cascading failures through supply chains.

**3** **Reducing contingency costs** and lender risk-premiums embedded in project pricing.

**For more information:**



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➔ *CALL TO ACTION*

**Ensure that all government-funded capital projects are protected by mandated performance + payment surety bonds.**

**View the reports at [suretycanada.com](http://suretycanada.com)**

