
College education a great investment for students, society

Grads gain 14 per cent on investment

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Alberta's college graduates receive an average 14-per-cent return on the money they spend on their diploma.

They're also less likely to end up in jail or on welfare than those without post-secondary education, says a new provincewide study.

Along with earning more money, college graduates produce a positive return on investment for taxpayers and save the province money on social services, health care and policing costs, says the study, commissioned by the Alberta Association of Colleges and Technical Institutes.

"Intuitively, we know that there is a payback on the costs of education," said Doug MacRae, executive director of the association. "But we've never been able to say how long it takes to make that money back or what kind of return on investment we're looking at. What we've been able to do is get some numbers to back up our intuition."

The study, released Monday, examined the socio-economic benefits of Alberta's 16 colleges, community colleges and technical institutes.

"The more education you have, the more money your earning potential is going to be generally," said Alan Vladick, executive director of strategic planning for Grant MacEwan College.

The AACTI study found that a college graduate's extra earning power averages a 14-per-cent return on investment factoring in money spent on tuition, room and board and lost earnings while going to school.

At that rate, the money spent on higher education is recouped in 10 years.

The study also determined that taxpayers get a 16-per-cent rate of return on the money they invest in education due to the extra taxes and other economic spin-offs that come from a trained workforce.

College grads save the province about \$57 million a year in reduced health costs, welfare payments and policing because educated people are more likely to have healthier lifestyles and are more likely to have jobs and stay out of trouble, the study found.

Edmonton's NorQuest College had the highest rate of return in the province — for both students and taxpayers. The study found that students there can expect a rate of return of 18 per cent on the money they invest in education and that the provincial government gets a 24-per-cent return on its investment in the college.

College spokesman David Beharry attributed the high return to the type of education the college provides.

"Many of our students came from minimum-wage jobs to receive upgrading or are immigrants with no incomes and are taking English as a second language," he said. "As a result, they can get some pretty impressive pay increases when they graduate."

Grant MacEwan graduates averaged a 15-per-cent return on investment and graduates from the Northern Alberta Institute of Technology received a 12-per-cent return.

The three institutions contributed \$815 million annually to the Edmonton economy and directly or indirectly employed more than 27,500 people, the study found.

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