

Study cites huge impact of college graduates

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A new study finds that Canada's colleges and institutes are responsible for generating eight per cent of the total income in our national economy, equivalent to almost 1,350,000 jobs.

"It demonstrates that the colleges and institutes make significant contributions to our economy," Okanagan College president Jim Hamilton said.

The peer-reviewed study: Economic Contribution of Canada's Colleges and Institutes, was conducted by the U.S. economic analysis firm EMSI on behalf of the Association of Canadian Community Colleges.

It finds that colleges and institutes contribute nearly \$123.2 billion a year to Canada's economy and that money

spent on a college education is a good investment.

According to the study, students enjoy a 15.1 per cent rate of return on the money they put into their education. For every dollar spent, they receive \$4.33 in higher earnings over about a 30 year period.

Every full-time year spent at a college or institute earns a student an additional \$3,800 in annual income.

The study added that the average period of time for a student to recover their education costs is 9.4 years.

The return on investment for governments is even greater.

The study finds governments enjoy a rate of return of 15.9 per cent on money invested in colleges and institutes and their pay back period is only 8.7 years.

"People shouldn't look at us as a being drain on the taxpayer but really as an economic development investment because it more than repays the cost to government," Hamilton said.

The return on investments for governments comes largely in the form of increased tax receipts on higher incomes.

But the study also finds that people who get a college education are less likely to smoke or abuse alcohol and generally have better health, which translates into savings for the health care system.

As well, they are less likely to commit crimes and draw fewer welfare or unemployment benefits than people who do not get post-secondary educations.

The study calculates the total gov-

ernment savings from these factors to be \$215.1 million per year.

Hamilton said if students were made to pay a higher portion of their college education, their return on investment would decrease and fewer people would choose higher education.

"There's nothing like starting out your working life with a very hefty student loan to act as a deterrent (to attending college)," he said.

"The groups that we most need to have in post-secondary education are those who are least able to pay."

The study's findings suggest that if fewer people attended college, the Canadian economy would suffer and the cost to governments in other areas would increase.

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