

# ALBERTA PSE

To invest in post-secondary education is to invest in the future of our province.

## Proposed Funding Model

Alberta's PSE funding model ought to provide predictable, stable, and sufficient funding, supporting access to affordable, high-quality education. This includes that:

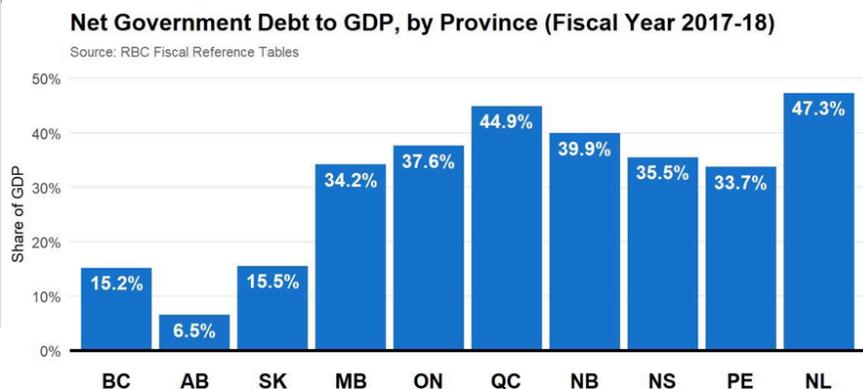
1. At least two thirds of PSE funding should be accomplished through operating grants;
2. Increases in operating grants are never less than the rate of inflation, with supplementation when tuition is frozen, and with "lights on" adjustments accompanying capital projects;
3. Tuition and fee increases are never greater than the rate of inflation, and that market modifiers are not used to circumvent tuition regulation;
4. PSE funding must be decoupled from unstable revenue sources such as royalties;
5. A multi-year funding cycle must be implemented.

In the 1980s, the Alberta government covered approximately 80 per cent of the cost of a university education. Today, the Alberta government contributes, depending on the institution, less than 50 per cent.

**Now is the time for Alberta to increase its investment in post-secondary education, to take advantage of the many social and economic benefits that come with an educated workforce.**

According to recent data from Statistics Canada, Alberta contributes only 1.77 per cent of GDP to post-secondary education, the lowest proportion of any province. Students are expected to shoulder a heavier burden in the form of tuition fees. This shift has decreased affordable access to higher education and resulted in enormous debt loads for those who do attend; Alberta students graduate with an average student loan debt of \$23,000 and up to \$25,000 in consumer debt.

In the present difficult economic times, with government budgets awash in red ink, an affordable higher education for Albertans may seem to some like a luxury we cannot afford, but that is simply not the case. First, Alberta currently leads the country in average wages and wage growth (CBC News, April 26, 2018). Second, Alberta's debt is by far the lowest in Canada:



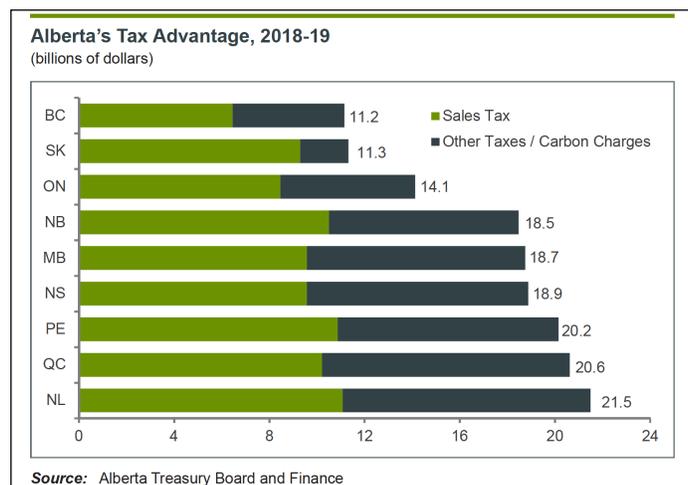
## To ensure a better future for our province, we cannot afford to reduce support for PSE

Those Albertans who are able to make the considerable financial investment in a university education reap significant benefits, both economically and socially. Making PSE more accessible and affordable will amplify and distribute these benefits more broadly.

### Economic benefits

People with a university degree tend to have higher lifetime earnings than those without, to the tune of about \$1 million. They pay more taxes and have more money to spend as consumers. Universities Canada has estimated that 60 per cent of Canada's GDP growth is attributable to the income of those with post-secondary education. The World Bank cites a direct connection between an investment in education and subsequent economic growth. By producing a highly-skilled and adaptable workforce, and encouraging innovation and entrepreneurship, PSE leads to the diversification of the economy.

In April 2016, the Federation of Canadian Municipalities and Universities Canada gathered under the banner of *Universities and Cities: Partners for Prosperity*, which "brought together dozens of university presidents and prominent city mayors to discuss a shared agenda on issues of national importance." They concluded that universities and municipalities should continue to explore mutually beneficial relations based on the social and economic benefits universities bring to city regions.



### Social benefits

Education has been shown to increase health and reduce crime. An investment in higher education shifts public money from expensive programs like health care and the criminal justice system to one with many additional benefits. Spending money today on education saves money in health and justice later.

**An educated population leads to stronger civil organizations, higher voter turnout, and a greater respect for democracy.** Individuals with a university degree are also statistically more likely to volunteer and donate to charitable organizations. Moreover, post-secondary institutions contribute to the cultural and economic lives of their surrounding communities, offering many intellectual and artistic events and providing employment to a large number of individuals. University graduates have been trained in **critical thinking** and have learned to analyze and solve social problems. Given the enormity of the economic, political, and social challenges we face, these skills are tremendously important. The future of the province relies on the ability of individuals to develop innovative responses to today's challenges.