

## COLLEGE EDUCATION A BLUE-CHIP INVESTMENT, STUDY FINDS

**Ottawa, May 20, 2008**--How does a sure-fire 15 per cent return on investment sound? Too good to be true? Not according to a new study on the economic impact of colleges, institutes and polytechnics released today by the Association of Canadian Community Colleges (ACCC).

The study, by U.S. based economic forecasting firm EMSI, found that college, institute and polytechnic students earn a 15.1 per cent annual return on their investment of time and money.

But the study also makes it plain that investing in college education makes good economic sense for governments, and by extension taxpayers, thanks to a rate of return of 15.9 percent on every taxpayer dollar spent.

Although the current study did not compare the earning of students who graduate from community colleges with those who graduate from universities, studies in the United States have found that the return on investment for students attending four-year universities is between seven and 10 per cent.

“This report clearly demonstrates that Canada's colleges, institutes, and polytechnics play a vital role in keeping Canada prosperous and competitive, as well as benefiting students and their communities,” said James Knight, President of the Association of Canadian Community Colleges. “They more than repay the investment taxpayers and their governments have made.”

The study, “Economic Contribution of Canada's Colleges and Institutes,” extrapolated data from 61 colleges, institutes and polytechnics in nine different provinces to generate economic impact projections for the 150 colleges, institutes, and polytechnics in Canada.

Some key findings include:

The average annual earnings of a student with a one to two-year certificate are \$36,582, or 35 per cent more than someone without a high school diploma or GED, and 12 per cent more than a student with a high school diploma. The average earnings of someone with a two to three-year diploma are \$41,937, or 54 per cent more than someone without a high school diploma or GED, and 29 per cent more than a student with a high school diploma or GED.

Colleges, institutes, and polytechnics contribute nearly \$123.2 billion a year to income in Canada's economy, roughly eight per cent of a typical year's economic growth.

Canada's current workforce is enhanced by approximately 512.6 million hours of past and present college, institute, and polytechnic training.

Taxpayers see a real-money return of 15.9 per cent on their annual investments in the colleges, institutes, and polytechnics and recover all investments in 8.7 years.

Canada also benefits from improved health and reduced welfare, unemployment, and crime, saving the public some \$215.1 million per year.

However, Knight cautioned that this essential economic contribution is jeopardized by governments' current under-investment in colleges, institutes, and polytechnics.

“For these institutions to continue making their substantial contributions to Canada, governments must invest in their recapitalization. This includes much needed investments in facilities, modern equipment as well as faculty development, recruitment and retention,” said Knight. “Only then can they take the lead in ending Canada’s skills shortage and help build the sustainable knowledge economy Canada needs.”

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The full report, executive summary and background fact sheets are available online at [www.accc.ca/economic-contribution](http://www.accc.ca/economic-contribution).

For more info:

Lorna Malcolmson 613-746-2222 ext. 3123 [lmalcolmson@accc.ca](mailto:lmalcolmson@accc.ca)  
Massimo Bergamini 613-290-5317 [mbergamini@interchangepea.com](mailto:mbergamini@interchangepea.com)