

# Study argues post-secondary education pays for itself

By ALEX BUSTOS

OTTAWA (CUP) -- British Columbia university graduates offset the cost of their education subsidies by paying higher taxes, a research institute says.

In fact, some graduates end up paying more than double the cost of their degree, a paper by the non-profit Canadian Centre for Policy Alternatives argues.

Conducted by economics professor Robert Allen, of the University of British Columbia, the study -- the first of its kind in Canada -- found students pay for their diplomas through post-university employment as well as tuition fees.

Using UBC figures, Allen concluded tuition fees for a four-year bachelor's program at the university costs on average of \$11,480.

Relying on government numbers, Allen also points out that university graduates earn substantially more than those without a post-secondary education do.

The result is that B.C. graduates pay more than \$50,000 in net taxes over their working lifetime, Allen argues in the paper released last week.

That tax figure -- which includes income tax, Canadian Pension Plan contributions and unemployment insurance payments -- balloons to \$120,000 for men with an engineering degree.

If you add tuition fees and taxes, women pay an average of \$61,066 and men \$74,376.

In contrast, providing four years of undergraduate study to women costs the B.C. government \$28,469 and \$30,099 for men.

In the long run, the study concludes, education pays for itself.

"If what I'm saying is true, then students are already paying their education in full, and to increase fees would be

overcharging them and limiting access," Allen said.

"My hunch is that this overall conclusion . . . also applies to the other provinces," he added.

But Mark Milke, Alberta director of the Canadian Taxpayers Federation, says Allen overlooks the fact that low

tuition levels subsidize the rich at the expense of the poor.

"It's an interesting (study), except that it's still absurd to think that a son and daughter of a millionaire should be given the same tuition break as someone who earns \$20,000," Milke said.

"It makes far more sense

to charge students the full cost of education, but provide generous assistance for those who can't pay."

Some student leaders, however, say there should be no tuition fees at all.

Maura Parte, B.C. chairwoman for the Canadian Federation of Students, says

Allen's study provides a strong case for zero tuition.

"The presumption in (Milke's) argument is that only the individual benefits from education," said Parte. "But what's important about Mr. Allen's study . . . is that it says society as a whole benefits from education."

## Youth hit hard as gap between rich and poor grows, report says

By JESSE CLARK

TORONTO (CUP) -- Canadian youth are affected drastically by the growing gap between this country's rich and poor, and rising tuition fees only make the problem worse, a left-wing think tank says.

In a report released last week, the Centre for Social Justice says the gap between the richest and poorest families in Canada is growing at an alarming rate, with workers ages 15 to 24 making an average \$8,199, or 20 per cent, less than they did in 1990.

And changes in education funding are making it harder for youth from low-income families to attend post-secondary institutions, the Toronto-based group says. "Tuition increases are part of the growing gap," said John Anderson, co-chair of the centre.

The 107-page report, funded by the Atkinson Foundation and prepared by labour economist Armine Yalnizyan also points out the growing necessity of a university or college education in today's job market.

Referring to Statistics Canada figures, the report says in 1996 the average high-income Canadian family earned 314 times as much as the average low-income family -- up from about 14 times as much in

1973.

"We are a society that super-values the people at the top and treats the rest of the population as disposable," said Yalnizyan.

The National Anti-Poverty Organization says the information confirms the findings of other preliminary studies conducted by students and anti-poverty groups.

"Corporate profits are going up, and at the same time, layoffs are occurring, and younger workers are the ones getting laid off," said Laurie Rektor, spokeswoman for the Ottawa-based lobby group.

"As well, the labour force is now viewed as temporary, expendable, replaceable, especially young workers," she added.

Rektor says that while Ottawa has implemented some youth-employment programs, they aren't enough to tackle the problem as a whole.

But a spokesman for federal Finance Minister Paul Martin says new initiatives like the Millennium Scholarship Fund and the grant for students with dependants compensate for the \$2.3-billion that's been cut in transfer payments to the provinces since 1994.

"With something this complex, you don't skin the cat just one way," said spokesman Scott Reid.

The Centre for Social Justice, however, disagrees.

"Working class kids have less chance to get an education in order to get out of the working class," said Anderson, pointing to tuition increases at the University of Toronto as one example.

Last spring the U of T raised tuition for students by an average of 10 per cent for the next two years. Tuition for the medical school increased by 64 per cent.

But the university says it's hands are tied since the

provincial government cut \$54-million from its operating budget in 1996. To compensate for the fee hikes, it says it's participating in the new Ontario Student Opportunity Trust Fund, a three-way matching program where 30 per cent of all money raised must go towards student funding.

The university's new financial aid package, outlined last winter, pledged that no student admitted to U of T should be barred for completing their education due to fiscal restraints.

**No paper  
next week,  
next deadline  
November 13th**  
**the CADRE**  
Main 06  
<newspaper@upei.ca>