

Educational Attainment



Noteworthy:

- In 2003, just 5.1% of Alberta's adult population had less than Grade 9 education, compared to 37.1% in 1961.
- University graduates represented 15.5% of the adult population in 2003, compared to 3.0% in 1961.
- Despite rising levels of educational attainment, returns on intellectual capital investments in the form of real weekly wages have remained relatively stagnant since 1980.
- In 2000-2001, the Alberta government invested \$4,140 million or \$1,311 per Albertan (1998\$) on basic and post-secondary education; this was down from the peak of \$1,608 in 1993 but higher than 1983 (\$1,206 per Albertan).
- According to Statistics Canada, Alberta university students have seen their tuition fees increase 212% from 1989 to 2003, compared with the Canadian average increase of 164%.
- Students are graduating with dramatically higher levels of debt than ever before.

Educational Attainment in Alberta: How Much?

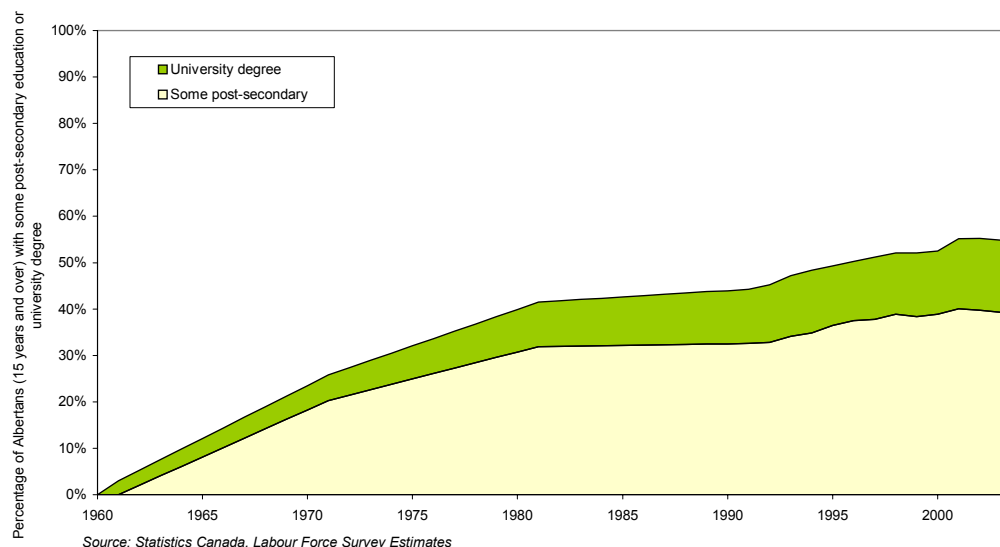
Albertans have the highest level of educational attainment in Canada. Intellectual capital is a critical cornerstone of a strong and resilient knowledge-based economy. Investing in knowledge and education contributes to genuine well-being and progress of society. Educational attainment, literacy and numeracy rates, and skill sets are common measures of intellectual capital. We have opted to report on

changes in the level of post-secondary education attained by Albertans. In 2003, over 54% of Alberta's adult population had some form of post-secondary education (including college or university), compared with only 3.0% in 1961. This is a significant increase in intellectual capital. In 1961, 37.1% of the adult population had less than Grade 9 education; in

2003, this had declined to 5.1%. University graduates had increased to 15.5% of the adult population by 2003 compared to 3.0% in 1961.

The economic value of increasing levels of knowledge capital is difficult to measure and has been the subject of inquiry by researchers.

Alberta's Population (15 years and over) with Some Post-Secondary Education or a University Degree, 1961 to 2003

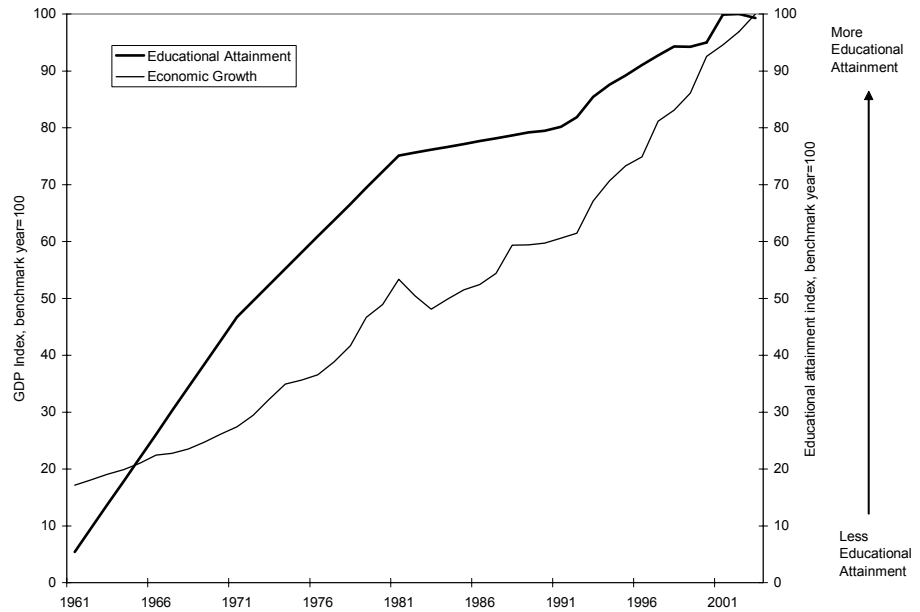


So What?

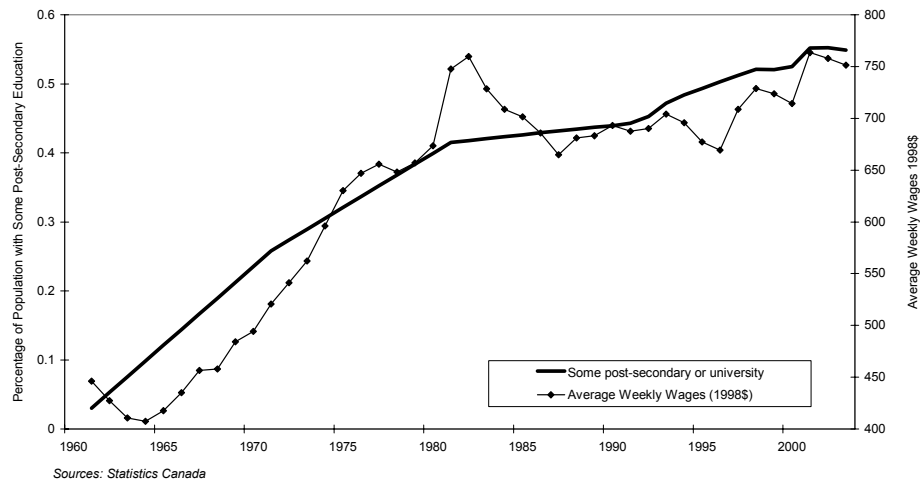
Albertans are definitely more educated than ever before. Intellectual capital as measured by educational attainment is rising along with economic growth in Alberta (see figure at upper right). We should celebrate increasing levels of intellectual capital but we must also balance these trends with the associated financial returns (real wages) and debt burden (see figure at lower right). Much of the value of our intellectual capital is already captured in the Gross Domestic Product (GDP) figures though it is difficult to determine how much of the GDP is associated with increased intellectual capital. A rising GDP would suggest that we are reaping the benefits of a more educated and skilled population. However, the evidence of stagnant real wages and disposable income suggests not everyone is sharing equally in the returns of knowledge investments (see lower figure).

Measuring intellectual capital in firms or for society remains a new area of measurement pioneering. While increasing levels of knowledge are desirable objectives, knowledge in and of itself is not a perfect substitute for forms of natural capital. Do increasing levels of intellectual capital provide genuine improved economic and social well-being? Rising levels of student debt, stagnant wages and rising living costs might suggest that as Albertans have become more educated, financial returns have been lackluster. Should society be content with graduating students who are faced with significant levels of financial debt and associated stresses? In so-called knowledge-based economies are these acceptable conditions of genuine progress?

Educational Attainment Index: Where are we today?



Returns on Intellectual Capital in Terms of Real (1998\$) Weekly Wages, 1961 to 2003



Sources: Statistics Canada



As an index, educational attainment scored 100 points in 2003 on a scale where 100 is set equal to the highest level of education attainment between 1961 and 2003 (see upper figure).

There is no price tag on intellectual capital, though much of it is already captured in GDP values.

