



# STUDENTS' INVESTMENT

The Economic Value of Vancouver Island University | February 2018

Education has the power to raise students' earning potential and increase their employability. In return for their investment in education, Vancouver Island University's (VIU) FY 2016-17 students will receive higher wages throughout their working lives.

## EDUCATION RETURNS VALUE FOR MONEY SPENT

- To meet the costs of going to the university, students rely on their own earnings, the earnings of their families, or student financial loans. At VIU, students paid a total of **\$65.7 million** in FY 2016-17 to cover the cost of tuition, fees, books, and supplies.
- While at VIU, students spend time focusing on their studies, time they would have otherwise spent working or with their families and friends. For VIU students, the value of time and earnings forgone was estimated to be **\$95.8 million** (less offsetting monies received from residual aid).
- In return for the costs of going to the university, students will receive a stream of higher lifetime earnings. These wage gains will fully recover the money that students invested and will continue to grow throughout the students' working lives.

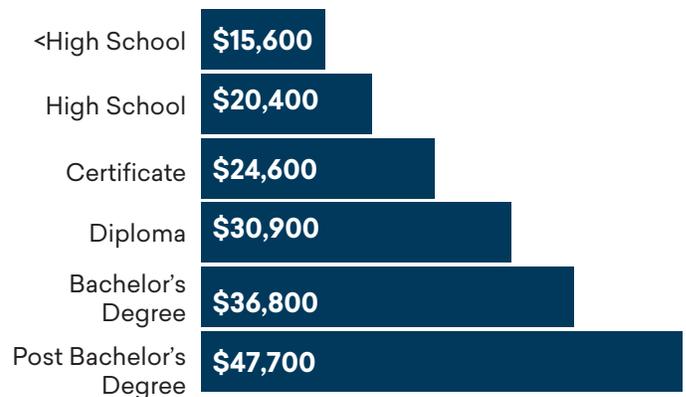
## EDUCATION INCREASES EARNING POTENTIAL

- Average annual earnings increase as students attain higher levels of education. On average, a bachelor's degree completer in British Columbia will earn \$36,800 at the midpoint of their career, **\$16,400** more than someone with a high school diploma. Over their working lives, this amounts to an increase of \$574,000 compared to someone with a high school diploma.

## EDUCATION IS A KEY INVESTMENT FOR STUDENTS AND THEIR FAMILIES

- VIU's FY 2016-17 students will receive an average annual internal rate of return of **10.2%** on their investment in the university. This internal rate of return continues throughout their working lives.
- Had students and their families taken the money they spent on education and invested it instead in a standard bank savings account, they would have received a rate of return of less than 1%.
- On average, VIU's FY 2016-17 students will receive a cumulative **\$2.20** in higher future earnings for every \$1 they invested in their education.

FIGURE 1: Annual income by education level at career midpoint on Vancouver Island



Derived from data supplied by Statistics Canada.