



Economic Impact of Saskatchewan School Boards on the Provincial Economy

September 22, 2022



Land Acknowledgement

We want to acknowledge that Praxis is located on traditional land, referred to as Treaty 4 Territory, the traditional territory of the Cree, Saulteaux, Dakota, Lakota, Nakota, and the homeland of the Métis Nation.

We are the beneficiaries of this peace and friendship treaty. It is important that we recognize that we all have benefits and responsibilities under these agreements. We acknowledge the harms and injustices of the past and present. We dedicate our efforts to working together in a spirit of collaboration and reconciliation.

We are all treaty people.

AGENDA

01.

Introduction &
Background

02.

Executive
Summary

03.

Methodology &
Data

04.

Key Findings

05.

Closing
Comments

The background features a blue overlay with a grid of multiplication problems. A pencil is visible in the bottom left corner. The text "Introduction & Background" is written in white, and the number "01" is written in a large white font to the right of the text.

Introduction & Background 01

PRAxis

RESEARCH | STRATEGY | RESULTS

Meet the Team



Jason Barnhart BA MA
Management Consultant



Stephen Johnson BComm MA
Chief Economist

About Praxis Consulting

- Established in 1999 by Val Sluth
- Saskatchewan's largest, locally owned management consulting and research firm

We work collaboratively with our clients to facilitate growth and excellence. Our services are grouped into three primary service lines:

Research: Stakeholder engagement and analysis, information gathering, and data analytics

Strategy: Thought-leadership, rigorous planning, and pragmatic strategies

Results: Cascading strategy and culture within the organization

Head Office – Innovation Place, University of Regina campus, Regina

Secondary Offices – Saskatoon & London (Ontario)

The logo for TrendLine Saskatchewan. The word "TrendLine" is in a large, bold, sans-serif font, with "Trend" in blue and "Line" in green. Below it, the word "SASKATCHEWAN" is in a smaller, all-caps, green sans-serif font.

PRA>XIS

RESEARCH | STRATEGY | RESULTS

In the News

Chinook School Division says it will cut 20 teaching positions due to shortfall in Sask. budget



Letter from officials says budget did not account for inflation



Alexander Quon · CBC News · Posted: Mar 3

Sask. school division cutting blames inadequate gov't funding



Sask. school divisions not sitting on cash

Premier Scott Moe said schools "in general" had racked up savings in the last three to four years. Financial documents show otherwise.

Zak Vescera

Education Minister Jun 22, 2022 · 6 minute read · [Join the conversation](#)

cash reserves, but local divisions lack solution.

Zak Vescera

Jun 09, 2022 · June 9, 2022 · 5 minute read · [Join the conversation](#)

Saskatoon Catholic schools to cut 19 teaching positions, introduce lunchroom fee



By Andrew Benson · Global News

Posted June 14, 2022 1:42 pm

Board of Education 2022-23 budget 'incredibly disappointing,' says Saskatchewan Teachers' Federation



By Emily-May Simmonds · Global News

Sask. school divisions slashing nearly 100 jobs due to budget shortfalls, with more expected



Some divisions will also start charging parents for lunchtime supervision

Yasmine Ghania · CBC News · Posted: Jun 14, 2022 1:38 PM CT | Last Updated: June 14

also eliminating 11 support staff

22 2:00 PM CT | Last Updated: May 25

education budget



education, demand boost to

ounce potential staffing cuts

08, 2022 6:55 AM CT | Last Updated: April 8

In the News

Chinook School Division says it will cut 20 teaching positions due to shortfall in Sask. budget



Sask. school division cutting

Board of Education 2022-23 budget 'incredibly disappointing,' says Saskatchewan Teachers' Federation



By [Emily-May Simmonds](#) • Global News

Sask. school divisions slashing nearly 100 jobs due to budget shortfalls, with more expected



What is the economic value of K-12 in SK?

**What they c
underfundi**

*Education Minister
cash reserves, but local divisions
solution.*

Zak Vescera
Jun 09, 2022 • June 9, 2022 • 5 minute read • [Join the conversation](#)

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Saskatoon Catholic schools to cut 19 teaching positions, introduce lunchroom fee



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The background of the slide is a close-up photograph of a notebook page. It is filled with handwritten multiplication problems in blue ink, such as 63 x 36, 9 x 4, 3 x 4, 12 x 8, 8 x 4, 55 x 3, 99 x 4, 1 x 7, 29 x 4, 42 x 4, and 45 x 4. A sharp pencil with a blue eraser and a wooden body is positioned diagonally across the bottom left corner. The page is partially covered by a semi-transparent blue overlay on the left and a solid green vertical bar on the right.

Executive Summary 02

School Division Operations & Graduate Productivity

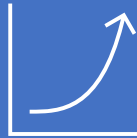
\$8.3 B

**Gross Economic
Activity**



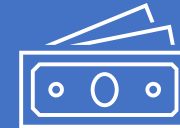
\$5.5 B

**Gross Domestic
Product**



7%

**Total Provincial
GDP**



51,754 Jobs Created

1 in 11 jobs in SK depend directly or indirectly on school divisions

Each **\$1**

Invested in K-12 education

\$4.20

**Gross Economic
Activity**

\$2.80

**Gross Domestic
Product**

\$1.60

**Labour Income
(included in GDP)**

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Methodology & Data 03

Economic Model

- **Provincial Input-Output Model**
 - Common macroeconomic analysis
 - Interdependencies between different economic sectors or industries
 - Estimates positive and negative economic shocks & analyzes the ripple effects
- **Saskatchewan Core Model**
 - Rectangular model with 35 industries & 66 commodities
(aggregated to 25 industries in detailed impacts – Tables 8 and 9 in report)
- **Praxis Satellite Modules**
 - Fiscal, Population & Regional
 - Fiscal used in this analysis

Data Sources

1. School Division Financial Statements

- 2020-2021 fiscal year

2. Statistics Canada

- 2016 Census (latest available)
- # of high school graduates
- Destination of graduates after high school (eg. labour market, post-secondary)

3. SaskJobs Ads

- Estimated employment of high school graduates by industry
- 326 of 11,978 postings for those without training beyond grade 12 (on July 26th)

27 School Divisions in Saskatchewan

8

Separate

18

Public

1

Francophone

Affiliate Members (not included in the analysis):

Briercrest College
Briercrest High School
Cornerstone Christian School
Saskatoon Society for Christian Education

Flex ED
Luther College of Regina
Lutheran Collegiate Bible Institute



School Division Spending & Employment

2020-2021 Fiscal Year

\$2,308.4 million – Total school division spending
(includes utilities, transportation, waste management, insurance, finance, etc.)

\$1,737.6 million – Wages, salaries and benefits

22,150.5 – Full-time equivalent positions

Provincial Government Funding

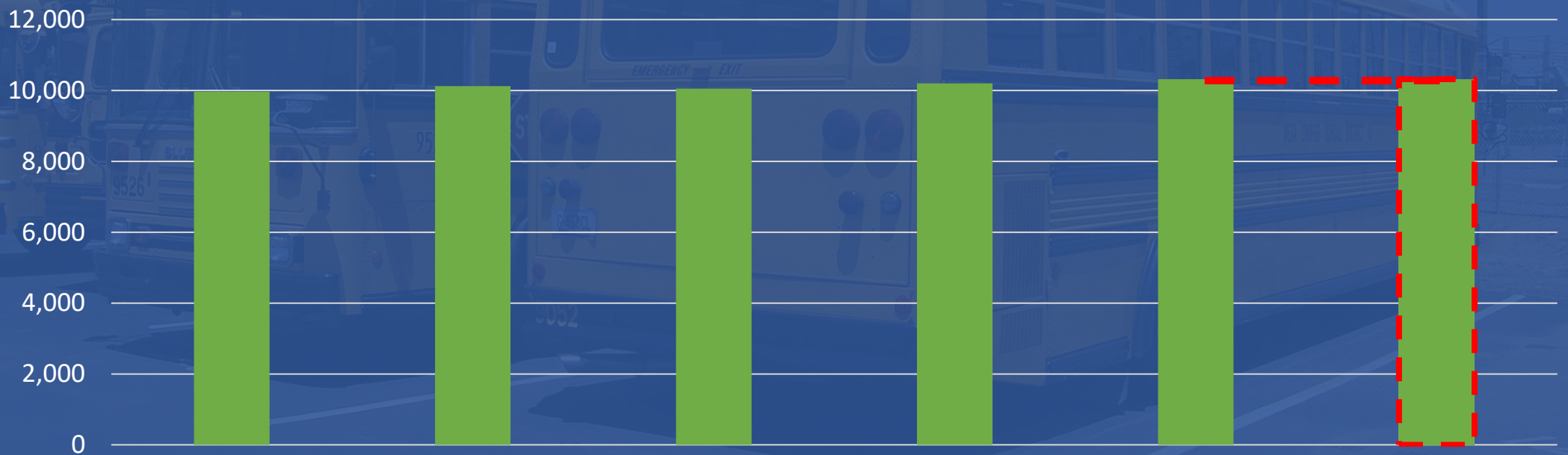
In 2020-2021 Saskatchewan's 27 school divisions received:

\$1,940.0 million – School operating funding

\$37.3 million – Capital funding

\$1,977.3 million – Total Funding

High School Graduates



| | 2015 / 2016 | 2016 / 2017 | 2017 / 2018 | 2018 / 2019 | 2019 / 2020 | 2020 / 2021* |
|--------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Saskatchewan | 9,966 | 10,125 | 10,053 | 10,203 | 10,320 | 10,320 |

*estimate (carried over from 2019/2020)

Benefits of K-12 Education

High School Graduates vs. Non-Graduates

- Graduates earn +\$150,000 to \$415,000 (\$CAD) lifetime over high school non-graduates
- Lower incarceration rates from 3.4% to 10% compared with high school non-graduates
- In the USA, graduates aged 20-64 received \$23,400 in gov't medical assistance compared to \$60,800 for non-grads

High School Graduates

71.2% participation rate

66.4% employment rate

Vs.

Bachelor's Degree

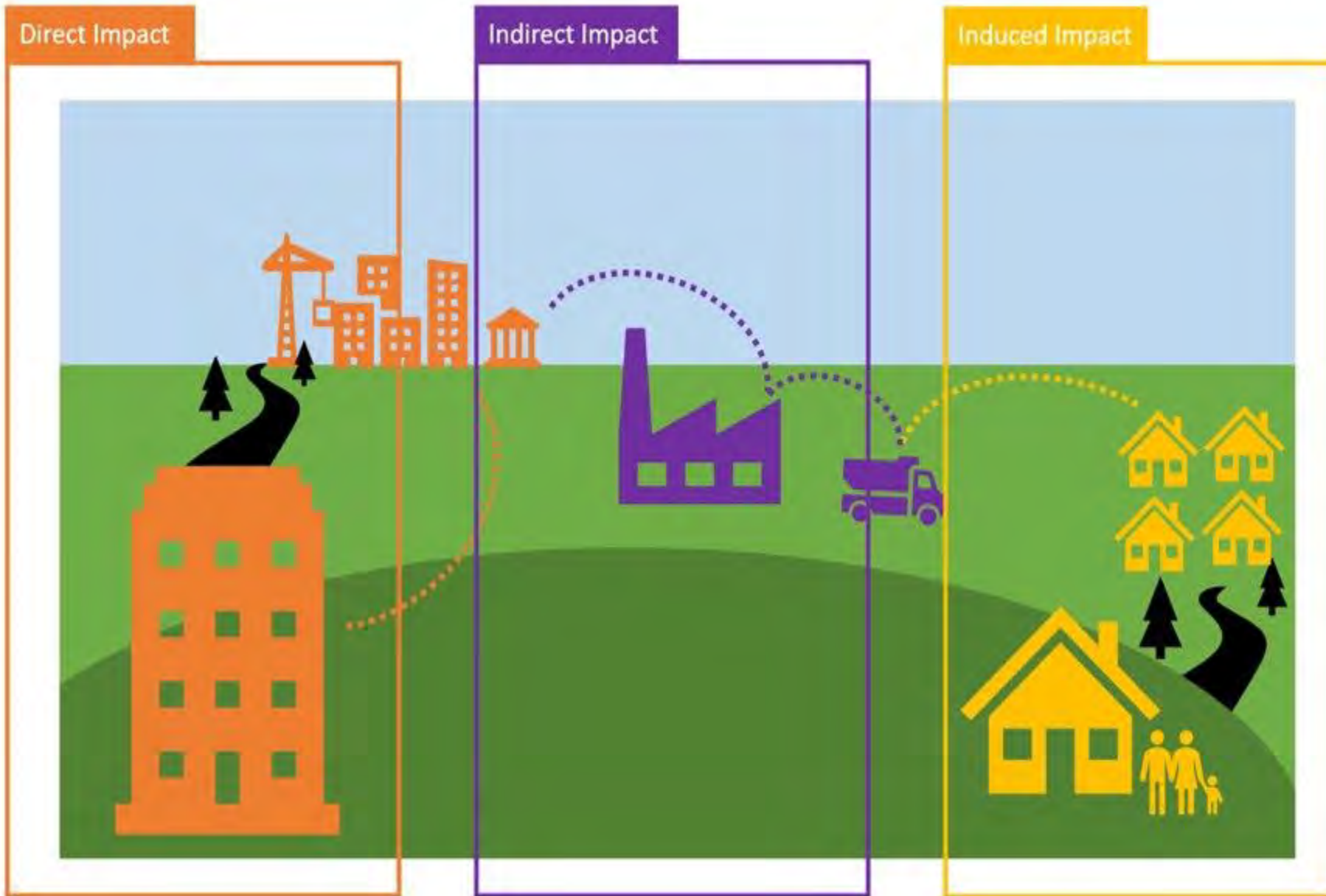
77.9% participation rate

77.3% employment rate

The background is a close-up of a notebook page filled with handwritten multiplication problems. A pencil is visible in the bottom left corner. The page is partially covered by a blue overlay on the left and a green overlay on the right.

Key Findings 04

Definition of Economic Impacts



Direct Impact:

Total initial expenditure of school divisions operations.

For example: Teachers' salaries

Indirect Impact:

Secondary impacts include inter-industry transactions such as purchases of inputs from supporting industries.

For example: A local business restocking after a large order of stationery from school divisions.

Induced Impact:

These are the additional impacts from changes in household spending as additional labor is hired or reduced, caused by ripples in the economy.

For example: Purchases of stationery from a local business cause the business to increase staff.

Definitions - Continued

Gross Output – measures total expenditures on local goods and services as well as business profits and payments to labour

Gross Domestic Product – measures net economic activity within a prescribed geographic area (ie. Saskatchewan). Excludes intermediate goods and services used in production.

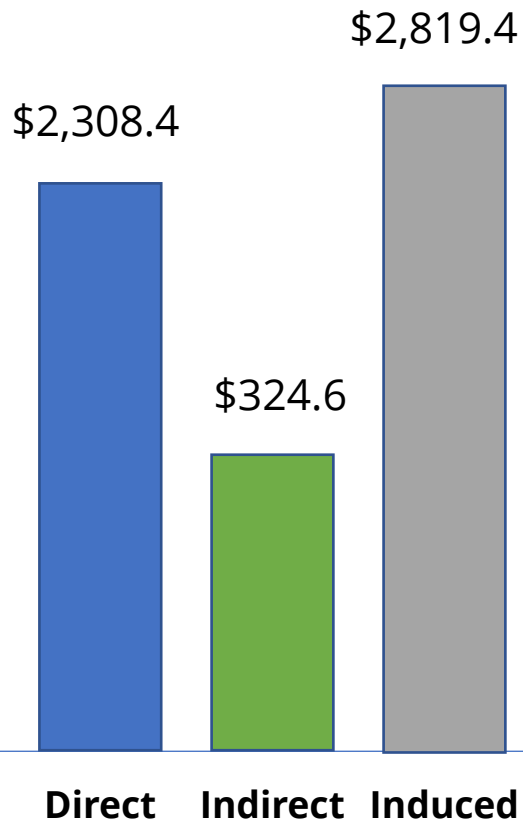
Employment – measured in FTEs (for direct school division operations) and positions (for graduate productivity)

Labour Income – includes wages, salaries, and employer contributions to pensions and benefits

School Division Operations Impact - Provincial

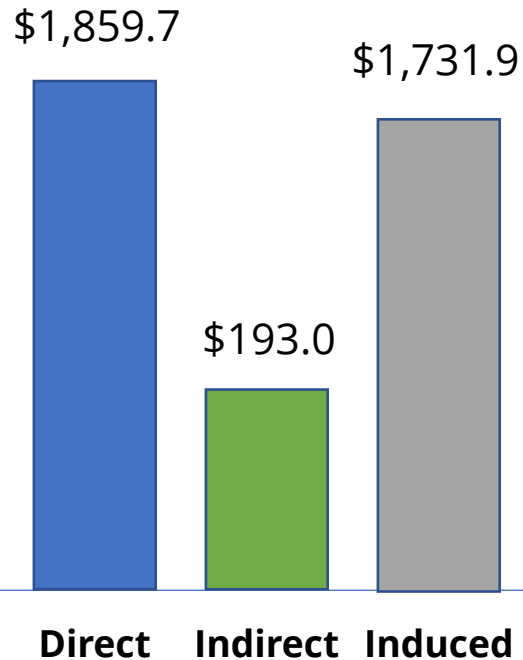
Gross Output

\$5,452.4 Million



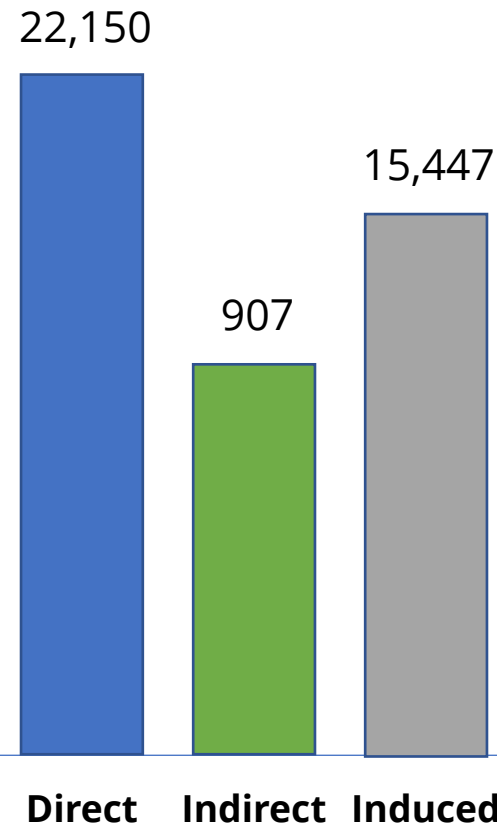
Gross Domestic Product

\$3,784.6 Million



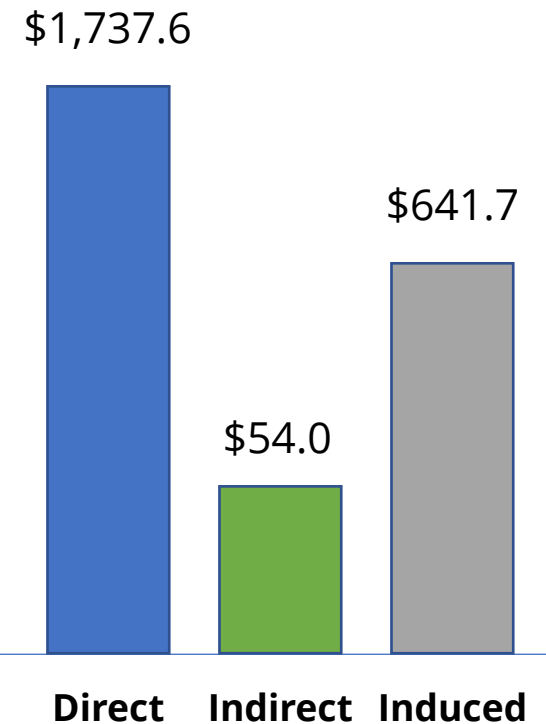
Employment

38,506 Positions



Labour Income

\$2,433.4 Million

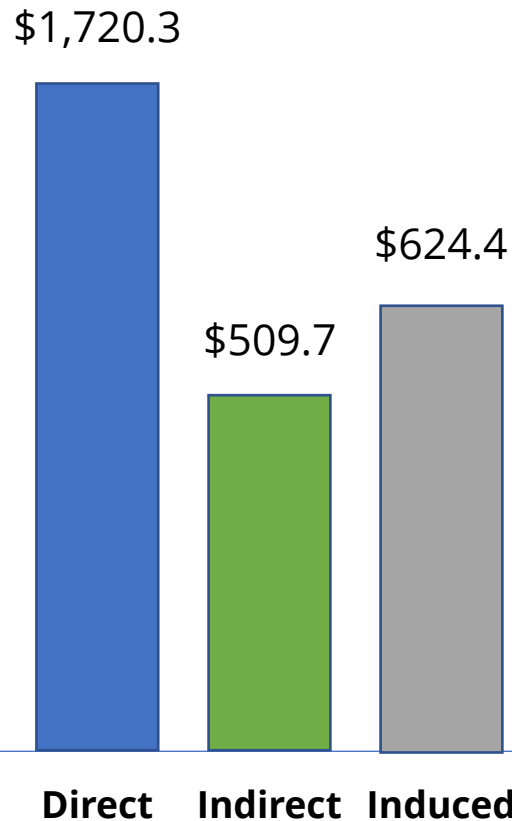


Notes: Not to scale; dollars expressed in millions; operational direct employment is measured in FTEs

Graduate Productivity Impact - Provincial

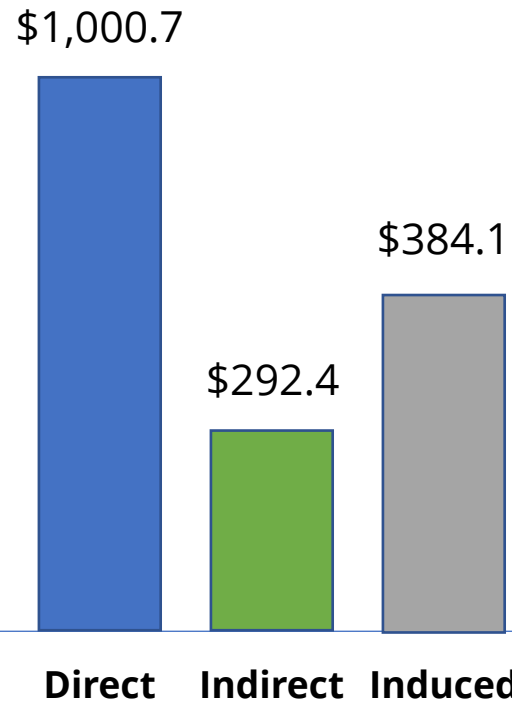
Gross Output

\$2,854.4 Million



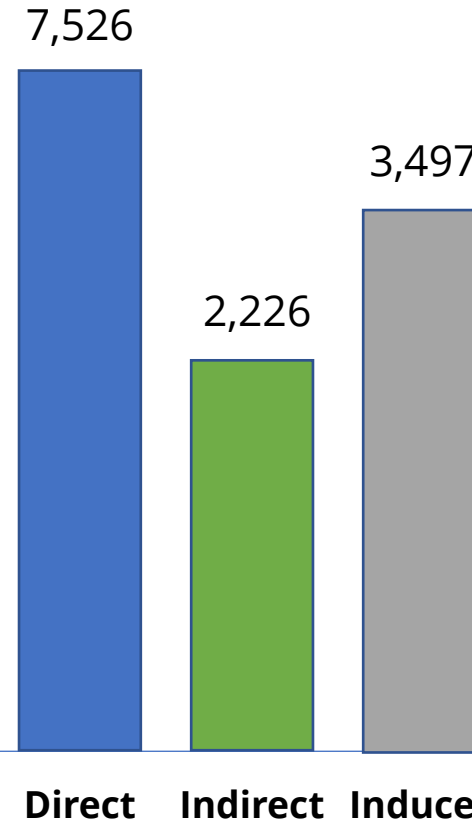
Gross Domestic Product

\$1,677.2 Million



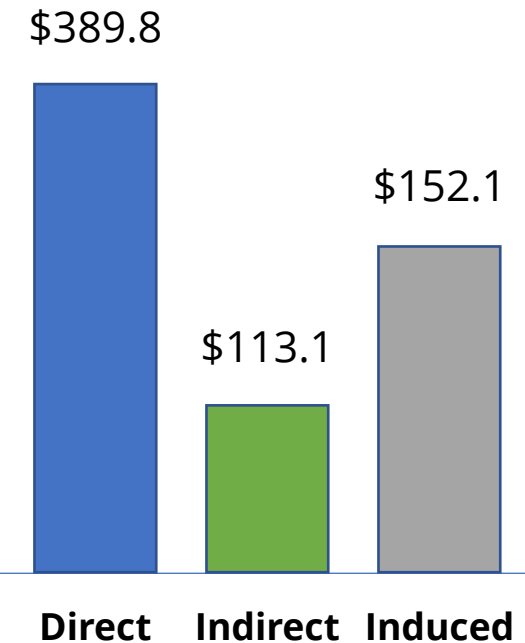
Employment

13,248 Positions



Labour Income

\$655.0 Million



Notes: Not to scale; dollars expressed in millions

Government Revenue Impacts

| School Division Operations Government Revenue Impacts 2020-21 | Personal Income Tax | Corporate Income Tax | Unincorporated Business Income Tax | Sales and Excise Taxes | Total Revenue |
|--|------------------------------------|-------------------------------------|---|-----------------------------------|--------------------------|
| Federal (\$M) | 457.8 | 37.6 | 69.7 | 20.4 | 585.5 |
| Provincial (\$M) | 271.3 | 30.1 | 50.2 | 60.5 | 412.1 |
| Total (\$M) | 729.1 | 67.6 | 119.9 | 80.9 | 997.5 |

| Graduate Productivity Government Revenue Impacts 2020-21 | Personal Income Tax | Corporate Income Tax | Unincorporated Business Income Tax | Sales and Excise Taxes | Total Revenue |
|---|--------------------------------|---------------------------------|---|-----------------------------------|--------------------------|
| Federal (\$M) | 131.9 | 31.6 | 46.5 | 8.3 | 218.3 |
| Provincial (\$M) | 73.0 | 25.3 | 33.6 | 12.4 | 144.3 |
| Total (\$M) | 204.9 | 57.0 | 80.1 | 20.7 | 362.6 |

The background is a close-up of a notebook page filled with handwritten multiplication problems. A pencil is visible in the bottom left corner. The page is divided into two color-coded sections: a blue section on the left and a green section on the right.

Closing Comments

04

Summary

The impact of school division operations and graduate productivity (2020-2021) is:

\$8.3 billion in gross economic activity

\$5.5 billion in gross domestic product

\$3.1 billion in labour income (included in GDP)

\$556 million in provincial government revenues

51,754 jobs created

1 in 11 jobs in Saskatchewan depend directly or indirectly on school divisions

Thank you!



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