



MEASURING WHAT MATTERS

ANNUAL REPORT 2014



CANADA'S #1 RANKED THINK TANK

The Fraser Institute is an internationally-recognized, independent, non-partisan research and education organization—a think tank—headquartered in Vancouver, Canada. The Institute also has offices in Calgary, Toronto, and Montreal, and leads a global network of independent think tanks in 90 countries and territories through its Economic Freedom Network.

In 2014, the Fraser Institute was ranked as the top think tank in Canada and among the top 20 think tanks in the world (19th out of 6,618) in the *Global Go To Think Tank Index Report* published by the University of Pennsylvania. The Institute also ranked:

1ST

AMONG NEARLY
100 THINK TANKS
IN CANADA

5TH

IN THE WORLD FOR
HEALTH POLICY
RESEARCH

5TH

IN THE WORLD FOR
BEST POLICY STUDY
PRODUCED IN 2014
FOR ECONOMIC
FREEDOM OF
THE WORLD

14TH

IN THE WORLD FOR
MOST INNOVATIVE
POLICY IDEAS

19TH

AMONG OVER
6,600 THINK TANKS
WORLDWIDE

MISSION STATEMENT

Our mission is to improve the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being.

About the Fraser Institute

Since its founding in 1974, the Institute has analyzed and measured government policies and programs to determine whether they will improve the lives of average Canadians or leave them worse off. Government actions in areas such as taxation, health care, income inequality, education, trade, energy, mining, and the environment can deeply affect Canadians' quality of life. We share our research findings with the Canadian public to help them understand the impact of government actions on their lives and the lives of their children.

Our research is carried out by Institute staff and associated scholars, academics, economists, and policy analysts from around the world. The Institute's list of researchers has grown to include more than 350 authors (including six Nobel laureates) from 22 countries. Donors are not involved in determining the research agenda or any associated activities.

All Institute research is subject to an extensive peer review process. All new research projects are reviewed by a minimum of one internal expert and two external experts, in a blind process whenever possible.

Sharing our ideas

Communication is central to the Fraser Institute's mission. Our research studies are distributed in a number of different formats to reach the public, the media, students, academics,

Institute supporters, and policy-makers across the country and abroad. This process is facilitated by our on-site staff in our offices in Vancouver, Calgary, and Toronto.

In 2014, the number of news stories mentioning the Fraser Institute increased for the ninth consecutive year. Owing in part to our increased research output, we achieved an all-time high of 26,222 news stories from around the world mentioning the Institute and our work—a 12 percent increase over 2013. This is the equivalent of nearly 72 items mentioning the Fraser Institute appearing in print, broadcast, or online every day.

CHAIRMAN'S MESSAGE

Congratulations to everyone at the Fraser Institute, from our talented staff and internationally-renowned senior fellows, to our dedicated directors, for a tremendous 2014. I am immensely proud of the work and impact of the Fraser Institute.

It is quite remarkable that a small think tank in British Columbia started by pioneers Michael Walker and Pat Boyle 40 years ago is now among the most influential think tanks in the world. As we reflect on our 40th year, I particularly want to thank Michael Walker, who remains an active senior fellow and honorary director, for dedicating his life to building this incredible Institute. An Institute which again ranked first among 100 think tanks in Canada by the University of Pennsylvania's 2014 *Global Go To Think Tank Index Report* and this year broke into the top 20 worldwide (19th out of 6,618 think tanks from 182 countries worldwide).

I am often asked why I believe the Fraser Institute is one of the most important institutions in Canada. The answer is short and simple: it is the guardian of the freedoms and high quality of living that Canadians enjoy.

Through its research and outreach, the Institute educates Canadians about the trade-offs we continuously make between allowing competitive markets to function properly and increasing government intervention, which quells the entrepreneurial spirit.



Peter M. Brown
Chairman, Fraser Institute

The following passage from Liberty Fund, a unique U.S. organization that promotes discussions about liberty around the world and long-time Fraser Institute partner, summarizes the problem with government intervention well:

Human beings are far from perfect and have only a partial understanding of their own nature and their own places in the world. Political institutions, as creations of imperfect humans, are necessarily fraught with imperfections as well.

I believe that a good way to think about the Fraser Institute is to see it as the best protector against the unintended consequences that develop from interventions of well-meaning but ultimately imperfect policy-makers.

At its core, the Fraser Institute's mission is to improve the quality of life for Canadians, their families, and future generations. We achieve that mission by studying and then broadly communicating the effects of government policies, entrepreneurship, and choice on their well-being. Put simply, we want Canadians to understand how government policy affects their lives and that of their families.

At the heart of the Institute is its timely and high quality research based on objective measurement. As the cover of this Annual Report highlights, we are passionate about measuring what matters. We measure the performance of our schools,



our health care system, our stewardship of the environment and our resources, the fiscal performance of our governments, and the level of economic freedom in Canada and around the world. In 2014, the Institute published a total of 76 studies on the issues that matter most to Canadians.

When it comes to educating Canadians about this great research, no organization does it better than the Fraser Institute. Our media reach is unparalleled. The Institute generates an average of more than 70 news stories per day.

The Fraser Institute also actively educates young people. In fact, the Fraser Institute fills a significant gap in our education system by teaching kids about the power of free enterprise and the often negative impact of government intervention.

We also educate business journalists. In 2014, we hosted 50 journalists from across the country and spent two days teaching them basic economics. The Institute has now educated over 200 journalists; with better educated journalists who understand how the economy works, we'll get better reporting and ensure that the information that reaches Canadians is also better and more accurate.

Despite all of this success, the Institute continued to hone its communication strategy in 2014. As people change the way they access and process information, so too, we must change. That's why we have aggressively started presenting our work in graphical formats including videos and infographics so that interested Canadians can quickly and easily pick up the key message from our work. These infographics have the capability to go viral and reach millions of Canadians.

As you read through this Annual Report, I am certain you will agree that 2014 was a tremendous year for the Institute.



President Niels Veldhuis, Chairman Peter Brown, and Executive Vice President Jason Clemens, at the Fraser Institute Vancouver gala honouring Chip Wilson.

The 2015 year began with a collapse in oil prices and much economic uncertainty. In the face of that, you can count on the Fraser Institute to be diligent in continuing to demonstrate and explain which government policies work to promote economic prosperity and a business environment conducive to Canadians pursuing their entrepreneurial ambitions to build prosperity and opportunities for Canadians, their families, and future generations.

On behalf of everyone at the Fraser Institute, I would like to thank all of you who have supported us. I ask all of you not only to continue your support, but to look at ways to do even more.

Peter M. Brown
Chairman

PRESIDENT'S MESSAGE

While it is often easy to get discouraged about the state of policy in Canada and elsewhere around the world, one has to remember that our country is much different today than it was in the mid-1970s when the Fraser Institute was founded. The widely held consensus then was that the marketplace was not a reliable way of organizing the economy and would increasingly have to be replaced by government.

For 40 years, the Fraser Institute has been educating Canadians about the comparative effectiveness of market-based and government approaches to public policy issues. Today the general level of understanding about the positive impact of free enterprise has increased significantly, and Canadians are much more skeptical about governments' ability to effectively deliver goods and services.

That is not to say that our work is done; rather, we have an opportunity to learn from and build on these successes. In that respect, 2014 was another tremendous year at the Fraser Institute.

The Institute published a total of 76 studies in 2014. They cut across the most important issues facing Canada: improving health care and education, balancing government budgets, reducing taxes, improving aboriginal well-being, harnessing our natural resources responsibly, and increasing freedom for Canadians, to name a few.

Of course, while the quantity of research we produce is important, our primary focus remains on producing timely, high-impact, superior-quality research. That is why the Institute was once again able to increase its media coverage in 2014. We garnered over 26,000 media mentions last year meaning



Niels Veidhuis
President, Fraser Institute

our work generated an average of almost 72 new stories per day!

Since our aim is to reach the greatest audience possible, ensuring our work gets widespread coverage in the media remains one of our most important goals. Our total media coverage has now increased by 45 percent since 2012. Perhaps most importantly, we continued to show growth across all media platforms in 2014. Print media was up 16 percent, TV and radio was up 5 percent, and conventional media on the internet was up 11 percent.

We also made a real effort to ensure our communications are more visually appealing. We produced 48 infographics that were viewed and shared by more than 300,000 people in 2014 (and that's only on Facebook, the only social media platform that tracks this kind of data). Our most popular infographic last year was one that depicted a tax receipt for a typical Canadian family.

I am also pleased to report that we expanded our efforts to reach students, teachers, and journalists through our education programs. In 2014, the Institute ran over 40 education programs including day-long seminars for high school students, seminars for university students, teacher training workshops, and a weekend program for journalists. All told, our programs had a direct impact on more than 33,000 high school and university students.

In addition, the Institute's work is more important than ever around the globe. Working with independent institutes in 90 countries, the Fraser Institute continues to demonstrate the vital importance of economic freedom in encouraging prosperity and general well-being. *Our Economic Freedom of the World Annual Report* receives tremendous worldwide

attention and is used widely by scholars employed in academia, government, and non-governmental agencies investigating the links between economic freedom and a wide variety of economic and social outcomes.

Our cutting-edge research and ability to connect with regular people is the reason why, on January 22, 2015, the Fraser Institute was again ranked as the top think tank in Canada by the University of Pennsylvania's *Global Go To Think Tank Index Report*. And for a small Canadian organization, we are particularly delighted to be ranked among the top 20 think tanks worldwide!

As an independent think tank that relies entirely on voluntary donations, none of this is possible without the generosity of our supporters.

Of course, 2015 is a new year and I believe the Fraser Institute is more important than ever. It is during troubled economic times such as we are seeing now that bad policy tends to rear its head. But you can count on the Fraser Institute to:

- keep federal and provincial governments accountable by educating Canadians about governments' taxing and spending plans;
- address critical energy issues ranging from energy affordability to transportation bottlenecks, BC's LNG opportunity, and hydraulic fracturing;
- provide solutions to Canada's poorly-performing health care system and educate Canadians about the true cost of health care for families;
- provide solutions to increase prosperity and living standards for Aboriginals without further burdening non-Aboriginal taxpayers; and
- identify and propose practical changes to improve Canada's provincial education systems.

In September 2015 we'll be continuing to enhance our communications and outreach program with the launch of our newly redesigned website, www.fraserinstitute.org. It will contain a significantly expanded visual presentation of our findings including videos and infographics, will be easily viewable on mobile devices, and will be completely integrated with social media. At that time, you'll also be able to visit our new Fraser Institute blog, www.fraserforum.org, a great place for Institute supporters, friends, interested Canadians, and the media to immediately receive the opinions of Institute analysts and senior fellows on the most pressing policy issues of the day.

On behalf of the entire Fraser Institute team, allow me to express my sincere gratitude to all our continued loyal and generous supporters. I hope our efforts warrant your continued support in 2015. And if you haven't already done so, please consider joining our important efforts.

Best,



Niels Veldhuis
President

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President



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Executive Vice-President



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Director, Administration and Human Resources



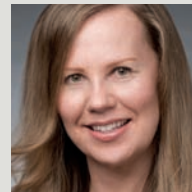
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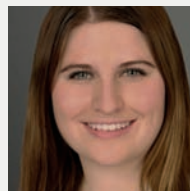
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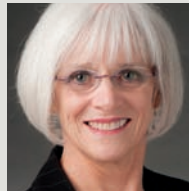
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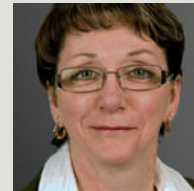
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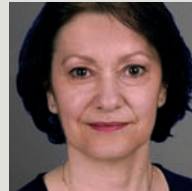
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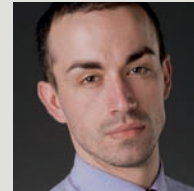
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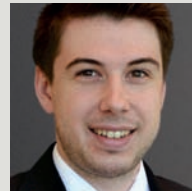
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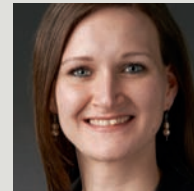
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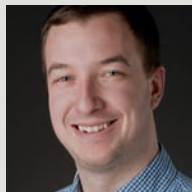
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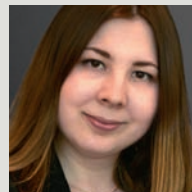
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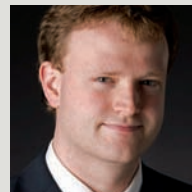
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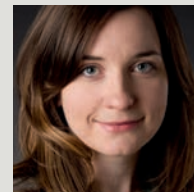
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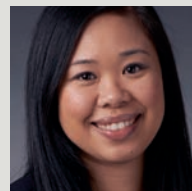
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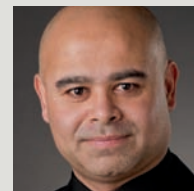
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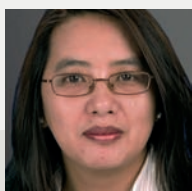
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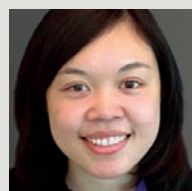
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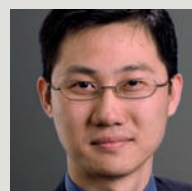
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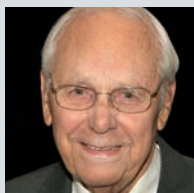


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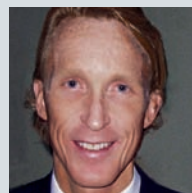
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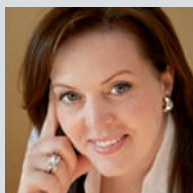
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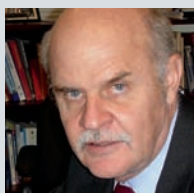
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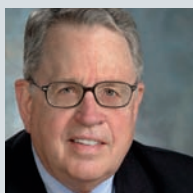
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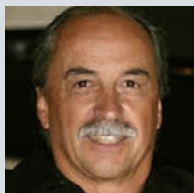
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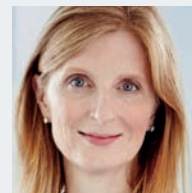
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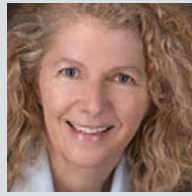
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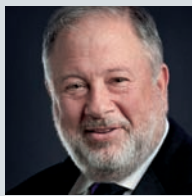
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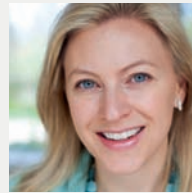
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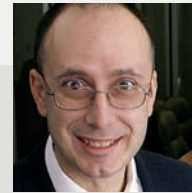
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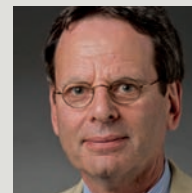
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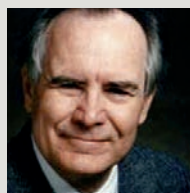
Mr. Wilf Gobert
former Principal,
Peters & Co. Limited



Mr. John R. Graham
Independent Institute



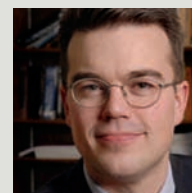
**Prof. (Emeritus)
Herbert Grubel**
Simon Fraser University



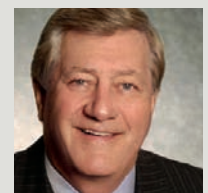
**Prof. James
Gwartzney**
Florida State University



Mr. Csaba Hajdú
Principal, Paprika
Consulting Inc., &
Co-founder, Fraser Institute



Prof. Joshua Hall
West Virginia University



**The Hon.
Michael Harris**
former Premier
of Ontario

SENIOR FELLOWS CONTINUED



Prof. David R. Henderson
U.S. Naval Postgraduate School & Hoover Institution



Prof. Steven Horwitz
St. Lawrence University



Mr. Jerry Jordan, PhD
President, Pacific Academy for Advanced Studies



Prof. Lynne Kiesling
Northwestern University



Mr. Erik Kimbrough
Simon Fraser University



Mr. Stephen Kirchner, PhD
Centre for Independent Studies, Australia



Prof. Rainer Knopff
University of Calgary



Robert A. Lawson
Professor of Economics, Capital University



Prof. Marc Law
University of Vermont



Prof. Danny LeRoy
University of Lethbridge



Prof. Kristina Lybecker
Colorado College



Mr. Preston Manning
President & CEO, Manning Centre for Building Democracy



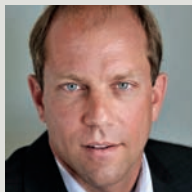
Prof. Ross McKittrick
University of Guelph



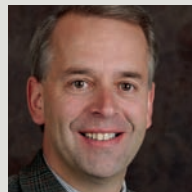
Prof. (Emeritus) Jean-Luc Migué
École nationale d'administration publique



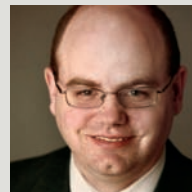
Prof. Lydia Miljan
University of Windsor



Mr. Mark Milke, PhD
Independent Researcher



Prof. Alexander Moens
Simon Fraser University



Mr. Robert P. Murphy, PhD
President, Consulting By RPM



Dr. Robert Ouellet, MD
former President, Canadian Medical Association



Prof. Filip Palda
École nationale d'administration publique



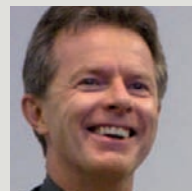
Prof. Sandra Peart
Dean, Jepson School of Leadership Studies, University of Richmond



Dr. Nigel Rawson
President, Eastlake Research Group



Prof. Christopher A. Sarlo
Nipissing University



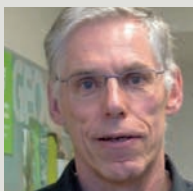
Prof. David Schmitz
University of Arizona



Prof. Pierre Simard
École nationale d'administration publique



Prof. Aeon J. Skoble
Bridgewater State University



Prof. Cornelius "Kees" van Kooten
University of Victoria



Mr. Michael A. Walker, PhD
Chairman, Fraser Institute Foundation & Founding Executive Director of the Fraser Institute



William Watson
Professor of Economics, McGill University



Prof. Joel Wood
Thompson Rivers University



Prof. Moin Yahya
University of Alberta



Prof. Paul Zak
Claremont Graduate University & Loma Linda University Medical Center



Fraser Institute Founders' Award in Recognition of T. Patrick Boyle and Michael A. Walker

The Fraser Institute Founders' Award, named after founders T. Patrick Boyle and Michael A. Walker, is the Institute's highest honour. The award is presented annually to individuals in recognition of their exceptional entrepreneurial achievements, generous philanthropic endeavors, and dedication to competitive markets. These individuals are role models for the next generation of entrepreneurs and leaders.

T. Patrick Boyle served in the Air Force Signals Corps during the Second World War and then went on to complete his business administration studies before embarking on a highly successful business career that spanned more than 25 years in the U.S. and Canada. He served as MacMillan Bloedel's first worldwide corporate controller before retiring in 1977 to devote his energy to the Fraser Institute. As founding chairman and long-time vice-chairman of the Institute's Board of Directors, Mr. Boyle played a pivotal role in ensuring that the Institute's founding principles continue to guide it to this day. He now holds the title of Founder & Honorary Chairman for Life.

Michael A. Walker, PhD, was the Executive Director of the Fraser Institute from its inception in 1974 until September 2005. As an economist, he has authored or edited 45 books on economic topics. His articles on technical economic subjects have appeared in professional journals in Canada, the United States, and Europe, including the *Canadian Journal of Economics*, the *American Economic Review*, the *Journal*

of Finance, the *Canadian Tax Journal*, *Health Management Quarterly*, *Weltwirtschaftliches Archiv*, and *Health Affairs*. His primary concern as the Institute's founding Executive Director was to promote the examination and use of competitive markets as a method for enhancing the lives of Canadians. He is the co-founder, with Milton and Rose D. Friedman, of the Economic Freedom of the World project, which is now a collaboration of institutes in 90 countries and territories producing the annual *Economic Freedom of the World Index*. The Index is one of the most widely cited such measures in current academic literature.

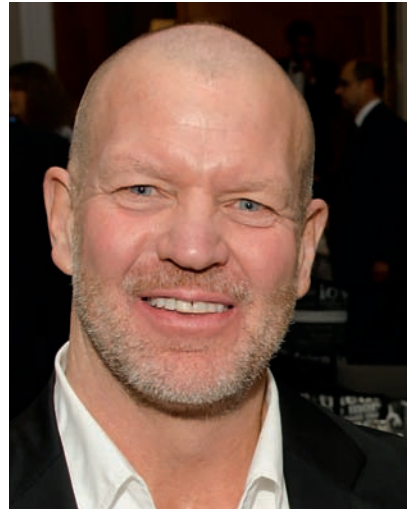
The Fraser Institute Founders' Award in Recognition of T. Patrick Boyle and Michael A. Walker (formerly known as the T. Patrick Boyle Founder's Award) has been sponsored since its inception by a grant from the Donner Canadian Foundation and by generous corporate sponsorships. Revenue generated by the tribute dinners, held to honour the selected individuals, funds Fraser Institute research activities.

2014 Honourees



Peter Gilgan

*Founder and CEO, Mattamy Homes
(Toronto)*



Dennis "Chip" Wilson

*Founder of lululemon athletica
and Co-Founder of whil (Vancouver)*



Clive Beddoe

*Chairman, WestJet Airlines
(Calgary)*



Alain Bouchard

*Founder and Executive Chairman
of the Board, Alimentation
Couche-Tard Inc. (Montréal)*

PRIOR HONOUREES

- 2002 **The Honourable Ralph Klein†**
former Premier of Alberta
- 2003 **Nobel laureate Milton Friedman†**
Rose D. Friedman†
- 2004 **Dr. Fan Gang** – *President, National Economic Research Institute, China Reform Foundation*
Mr. Václav Klaus
Second President and former Prime Minister, Czech Republic
- 2005 **Mr. Gwyn Morgan**
former President and CEO, Encana Corporation
- 2007 **The Honourable Anson Chan**
former Chief Secretary for Administration, Hong Kong
The Right Honourable Brian Mulroney
former Prime Minister of Canada
- 2009 **Mr. Anthony S. Fell** – *former Chairman, RBC Capital Markets*
Mr. Peter Brown – *Chairman, Canaccord Financial*
Mr. Harley Hotchkiss†
- 2010 **Mr. Peter Munk** – *Founder and Chairman, Barrick Gold*
Mr. Allan Markin – *Chairman, Canadian Natural Resources*
Dr. Norman Keevil – *Chairman, Teck Resources*
- 2011 **Mr. Frank Stronach**
Founder and Honorary Chairman, Magna International Inc.
Mr. Darren Entwistle
President and CEO, TELUS Communications Inc.
Mr. Hal Kvisle
former President and CEO, TransCanada Corp.
- 2012 **Mr. Ned Goodman**
President and CEO, Dundee Corporation
Mr. Jonathan Wener
Chairman and CEO, Canderel Management Inc.
Mr. George Melville
Co-Chairman and Owner, Boston Pizza International and the T&M Group of Companies
Mr. Jim Treliving
Co-Chairman and Owner, Boston Pizza International and the T&M Group of Companies
Mr. Clay Riddell
President and CEO, Paramount Resources
- 2013 **Mr. Eric Sprott**
CEO and Chief Investment Officer, Sprott Asset Management
Mr. Brandt C. Louie
Chairman and CEO, H.Y. Louie Company and Chairman of the Board, London Drugs
Ms. Nancy C. Southern
Chair, President and CEO, ATCO Ltd. and Canadian Utilities Ltd.

† Deceased



RECOGNIZING EXCELLENCE

Donner Canadian Foundation Awards

The Donner Canadian Foundation Awards were established in 1998 to recognize and encourage best practices in non-profit social service agency management and increase public confidence and support for Canada's non-profit sector. Through the generous support of the Donner Canadian Foundation, \$60,000 in prize money has been provided annually to be shared among the recognized non-profit social service agencies.

In 2014, non-profit organizations from across Canada submitted 265 applications for evaluation through the program website. The award recipients were selected based on a ranking of their performance in 10 key areas, including management and governance, the use of staff and volunteers, innovation, program cost, and outcome monitoring.

The \$20,000 William H. Donner Award for Excellence in the Delivery of Social Services, for the highest performing agency overall, was awarded to **Fresh Start Recovery Centre in Calgary, Alberta**. They also received the \$5,000 Peter F. Drucker Award for Non-Profit Management, given to a non-

profit organization with a consistent record of excellence and innovation.

After 18 incredibly successful years, during which every major goal initially established by the Donner Canadian Foundation Awards has been achieved, it was decided that 2014 would be the last year of the awards program. We began the Donner Awards with the twin goals of acknowledging and celebrating the achievements of the non-profit sector in Canada and promoting measurement-oriented management of non-profit organizations, a revolutionary concept at the time. The Donner Awards have clearly been a success on both fronts. Over the last 18 years some 7,600 agencies have been celebrated and rewarded with over \$1,000,000 and widespread recognition of their achievements. In addition, it is now the standard that non-profits employ measurement-based approaches when managing their organizations. We are grateful to all of the individuals and organizations that have participated over the years and we extend to them our sincerest thanks and best wishes.

The Addington Prize in Measurement

The Addington Prize in Measurement is named after Raymond J. Addington, O.B.E., former Chairman of the Fraser Institute Board of Directors. The prize recognizes a person or team who has researched a new, interesting, and important concept in public policy, exemplifying the Institute's motto: If it matters, measure it. Winning papers are selected by a panel of academics. Entries are judged on several criteria, including originality and significance of the ideas presented, persuasiveness of the argument, and integrity of the data.

The 2014 winners were **Erwin Diewert** and **Emily Yu** for their work on measuring productivity, as explained in their paper *New Estimates of Real Income and Multifactor Productivity*

Growth for the Canadian Business Sector, 1961-2011, published by the Centre for the Study of Living Standards.

The 2013 winners were Richard Burkhauser, Jeff Larrimore, and Kosali Simon for their paper A "Second Opinion" on the *Economic Health of the American Middle Class*, which was published in the prestigious *National Tax Journal*.

The 2012 winners were Nicholas A. Bloom, Steven J. Davis, and Scott R. Baker for their study, *Measuring Economic Policy Uncertainty*.

Nominations will be open shortly for the 2015 prize. ◉

Tax and Fiscal Policy

Government spending and taxes form the basis for almost all government decisions. Public understanding of the costs and benefits of government decisions starts with a government's tax and spending plans.

The Centre for Tax and Fiscal Policy, led by Director of Fiscal Studies Charles Lammam, is one of Canada's premier sources for rigorous, thoughtful analyses of government budgets, public finances, and economic policy. Mr. Lammam leads a team consisting of Senior Research Economist Milagros Palacios, Senior Fellow Joel Emes, and Policy Analyst Hugh MacIntyre, supported by a group of distinguished scholars and contracted researchers. In 2014, we were fortunate to have Philip Cross, formerly the Chief Economic Analyst at Statistics Canada, join the team and contribute a number of studies and commentaries.

The centre enjoyed a highly productive year generating nearly 6,500 media mentions, the equivalent of nearly 18 media spots per day. In addition, the centre's team of economists made numerous public presentations including to the House of Commons Finance Committee.

Measuring the reality of taxation and government spending

At its core, the centre operates to ensure Canadians understand the full cost of government. Our prime vehicle for reaching average Canadians is our annual Tax Freedom Day calculations—a widely reported reminder of the full extent of tax burden. The "tax receipt" infographic that helped promote

the study's findings reached over 78,000 people on our Facebook page while a satirical video on Tax Freedom Day was viewed over 11,000 times on YouTube. Furthermore, in 2014 our *Canadian Consumer Tax Index* study enjoyed nearly 1,200 mentions. The study found that, in 2013, the average Canadian family spent 41.8 percent of its income on all taxes, compared to 36.1 percent for food, shelter, and clothing combined. By comparison, in 1961 the average family spent 56.5 percent of its income on these basic necessities and only 33.5 percent on taxes. A column summarizing the study was published in more than 30 newspapers across the country and an animated video was viewed over 5,300 times. The study's popularity was clearly evident as the Royal Bank of Canada prominently featured the findings in its fall investment update newsletter.

In 2014, the Institute published *Measuring Government in the 21st Century: An International Overview of the Size and Efficiency of Public Spending*, a book that examined international data measuring the size of government and how it affects economic growth and social outcomes such as crime rates, health, and education levels. The findings pointed to a positive return to economic growth and social progress when governments focus spending on basic services like the protection of property. But there is a tipping point after which more government spending hinders economic growth and

fails to contribute to social progress. Government spending becomes unproductive when it goes to corporate subsidies, boondoggles, and overly generous wages and benefits for government employees. The study concluded that essentially the same social outcomes could be achieved at much lower levels of government spending while simultaneously spurring economic growth.

Government spending in Canada was also highlighted in *Post-Stimulus Spending Trends in Canada*, which revealed that stimulus spending programs, created as “temporary” responses to the 2008/09 recession, have remained in place after their planned expiration date, producing unnecessary deficits and public debt. Had the federal government kept its promise and lowered spending growth beginning in 2011/12 to pre-recession levels, it would have balanced the budget a year earlier and taken on much less debt. The study also revealed similar problems in several provinces.

The most burdensome form of government spending is spending to service public debt. In *Canadian Government Debt in 2014* we detailed the full extent of the problem (including the liabilities of programs that are currently unfunded), and in *The Cost of Government Debt in Canada*, we documented how interest payments on public debt crowd out government spending on such services as health care and education. Together, these two reports generated 900 media mentions. A number of other publications made the case for more fiscally responsible government at the provincial level including a ground breaking study, *Capital Budgeting and Fiscal Sustainability in British Columbia*, which warned about the risk of increased debt to fund infrastructure spending.

The centre also branched out in 2014 with a new research agenda aimed at the municipal government level, including *The State of Municipal Finances in Metro Vancouver*, *Government Debt and Other Liabilities in the City of Vancouver*, and *Comparing Municipal Government Finances in Metro Vancouver*. Together these studies generated nearly 500

media mentions and responses from many Vancouver area city halls and mayors, many of whom were held to account for dramatic spending increases that far outpaced spending growth by more senior governments. We hope to expand this new initiative to include other major cities across the country.

Analyzing specific aspects of government spending

In 2014, the centre broke more new ground with its study *Police and Crime Rates in Canada*, which analyzed policing levels, local crime rates, and other socio-economic factors to calculate the optimal number of police officers in Canada’s

metropolitan areas. It found that staffing levels varied considerably in many cities, prompting a deluge of public interest and over 1,300 media mentions.

The centre led the debate on pension reform in Canada with three important studies. *The Reality of Retirement Income in Canada* took a broad view of the data and concluded that, contrary to claims made by analysts, activists, and politicians who advocate for an expanded Canada Pension Plan (CPP) or new provincial pension plan, there is no retirement income crisis in Canada. In *Accounting for the True Cost of the Canada Pension Plan*, we found that the cost of running the CPP more than tripled between 2006/07 and 2012/13, and that when all relevant costs are included, the CPP Investment Board

actually costs four times more than its official operating budget. The study, which received front page coverage in the *National Post*, recommended full transparency in future reporting by the board, so that more Canadians will know the true costs of the CPP. Finally, *Evaluating the Proposed Ontario Pension Plan* concluded that the plan would be very costly and instead recommended that the best way to promote retirement savings by individuals is to foster strong income growth.

The deleterious effects of the nation’s system of government transfer payments were again analyzed by the centre in *Equalization, Ontario, and the Politics of Division* and *Nova Scotia, New Brunswick, and the Equalization Policy Crutch*.

TAXES PER \$100 EARNED	
SERVED BY: CANADA'S GOVERNMENTS	
GUEST: AVERAGE FAMILY	
..... JUNE 9 2014	
INCOME TAXES	\$14
PAYROLL TAXES	\$10
SALES TAXES	\$7
PROPERTY TAXES	\$4
PROFIT TAXES	\$4
"SIN" TAXES	\$2
VEHICLE/FUEL TAXES	\$1
OTHER TAXES	\$2
TOTAL	\$44
GOVERNMENTS TAKE \$44 FROM EVERY \$100 CANADIAN FAMILIES EARN	
www.fraserinstitute.org	

Other studies included *Government Subsidies in Canada: A \$684 Billion Price Tag* and *The Economic Consequences of a Lower Canadian Dollar*.

Focusing on tax relief and reform

As the federal and several provincial governments move towards balanced budgets, the centre is starting to shift focus from deficits and debt to an emphasis on the need to reduce and reform Canada’s personal income taxes. In *The Cost to Canadians of Complying with Personal Income Taxes*, we found that Canadians spent up to \$6.96 billion complying with our antiquated and overly complex personal income tax system in 2012, with the burden being the heaviest for lowest-income Canadians.

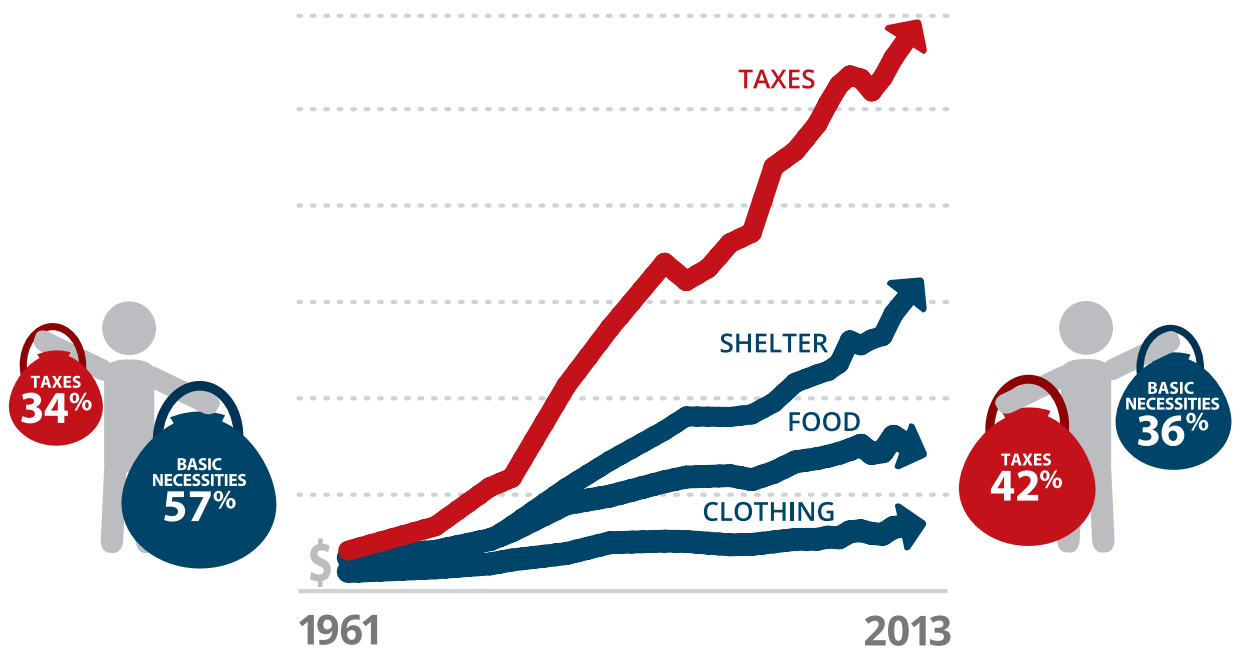
As the debate about how to prioritize the federal budget surplus continues, evidence from around the world clearly shows that capital gains tax reform in Canada could provide considerable economic returns. The Institute-published book *Capital Gains Tax Reform in Canada: Lessons from Abroad* featured a series of essays from internationally-recognized scholars, detailing the experiences of Hong Kong, New

Zealand, Switzerland, and the United States. It also provided reform options for Canada that included implementing a roll-over provision as was done in the United States, lowering the tax rate as the federal Liberals did in the late 1990s, or more dramatically, following the lead of 11 other industrialized countries by eliminating the tax altogether.

Evaluating government budgets

Centre researchers don’t just write reports—they are actively engaged in the ongoing public discussion on these issues. During budget season when Canadian governments release their tax and spending plans, the team is at the forefront of national and provincial debates, cutting through the political rhetoric and holding governments accountable by providing empirical, factual analyses of budgets. In 2014, the centre’s team was actively engaged responding to budgets delivered by the federal, Ontario, Quebec, British Columbia, and Alberta governments. Its analysis and commentaries were widely covered on television and radio, and received prominent placement in all major national and regional newspapers across the country. ◦

EXPENSES FOR THE AVERAGE CANADIAN FAMILY



Alberta Prosperity Initiative

Alberta's prosperity is important for more than just the province. Alberta has a long history of motivating and leading reform within Canada; when Alberta is on the right track and prosperous, the rest of Canada tends to follow suit. It is therefore doubly important that Alberta gets its policies right.

The Institute's Alberta Prosperity Initiative, housed in our Calgary office, continues to focus on policies that will improve Alberta's investment climate, including the need for greater fiscal prudence. In addition, the Alberta Prosperity Initiative pushes back against the poor policy decisions that are regularly suggested, including the notion that Alberta has a revenue problem and needs to expand its tax base.

The province's historically strong economic performance was highlighted in the Institute's 2014 study, *Go West, Young Adults: The 10-Year Western Boom in Investment, Jobs and Incomes*. This study compares all 10 provinces on several economic indicators to determine the levels of opportunity for young adults. The study found that Alberta and Saskatchewan have offered the most opportunity for young Canadians while there has been a steady exodus of young people from central and eastern Canada to the western provinces, mostly in search of employment and opportunity. The study received widespread media attention from outlets across Canada including CTV, CBC radio, the *National Post*, and the *Globe and Mail*.

Unfortunately, one of the primary reasons for this economic boom, the Alberta Advantage—an advantage based largely on the combination of fiscal prudence, Canada's smallest government, and the country's lowest tax rates—is in decline.

This point was highlighted in *Post-boom spending in Alberta: A \$41 billion splurge and lost opportunities*, which found that Alberta substantially increased program spending beyond

inflation plus population growth after 2004/05. The result was that in the subsequent eight years, the province spent \$41 billion more on programs than what was necessary to keep up with population growth and inflation. This lack of fiscal prudence meant other important opportunities, such as capital spending, tax relief, and deposits into the Alberta Heritage Savings Trust Fund went untaken and adversely affected Alberta's investment climate.

In *An Economic and Fiscal Comparison of Alberta and Other North American Energy Producing Provinces and States*, Institute analysts found that of the 10 jurisdictions assessed in the study, Alberta was only one of three to incur a deficit in 2011/12, and that deficit ballooned in 2012-13. Continued deficits in the province (created by excessive spending rather than lack of revenue) have reduced its net assets from \$31.5 billion to \$12.1 billion in just five years. Finally, the study noted that Alberta's taxes are generally higher than those in the U.S. states included in the study, and that the province ranked dead last in the group for its productivity growth over the last decade.

Public interest in the work of the Alberta Prosperity Initiative has been very strong, with over 1,962 media mentions in 2014. The Institute's impact on the public debate seems to have been reflected in the public discourse in Alberta, particularly in the fall of 2014, when the province's new premier talked publicly about the need to reduce government spending. [o](#)



Ontario Prosperity Initiative

The Ontario Prosperity Initiative is a multi-year project. It is located in our Toronto office and its aim is to educate Ontarians about problems with current government policies. It is also intended to provide a policy road map for the province to help restore it to its traditional position as the economic engine of the country.

Unfortunately, instead of adjusting its policies to make the province more competitive and thereby mitigate the effects of restructuring, Ontario has done the opposite and become less competitive and less attractive for investors and entrepreneurs. That said, the Ontario Prosperity Initiative has already been very influential in helping transform the public debate in the province about the province's ongoing deficits, growing government debt, and energy policies. In total, studies and commentaries published by the Institute's Ontario Prosperity Initiative generated more than 1,825 media stories in 2014, the equivalent of approximately \$6.47 million in advertising.

In his study, *Can Canada Prosper without a Prosperous Ontario?* Livio Di Matteo, Fraser Institute Senior Fellow and Professor of Economics at Lakehead University in Thunder Bay, examines the impact of Ontario's shift from the economic engine of Canada to a "have not" province. Di Matteo comes to the conclusion that the province's poor economic performance is dragging down the whole Canadian economy.

Another key publication in the Ontario Prosperity Initiative was *Comparing the Debt Burdens of Ontario and California*. It details how Ontario, with a fraction of California's population and a significantly smaller economy, carries a debt load almost twice as large in absolute terms. Though California is widely recognized as the poster child for fiscal irresponsibility, Ontario's debt is more than five times larger than California's when measured relative to the size of its economy, and per capita debt for Ontarians stands at CA\$20,166 compared to US\$3,844 for every California resident.

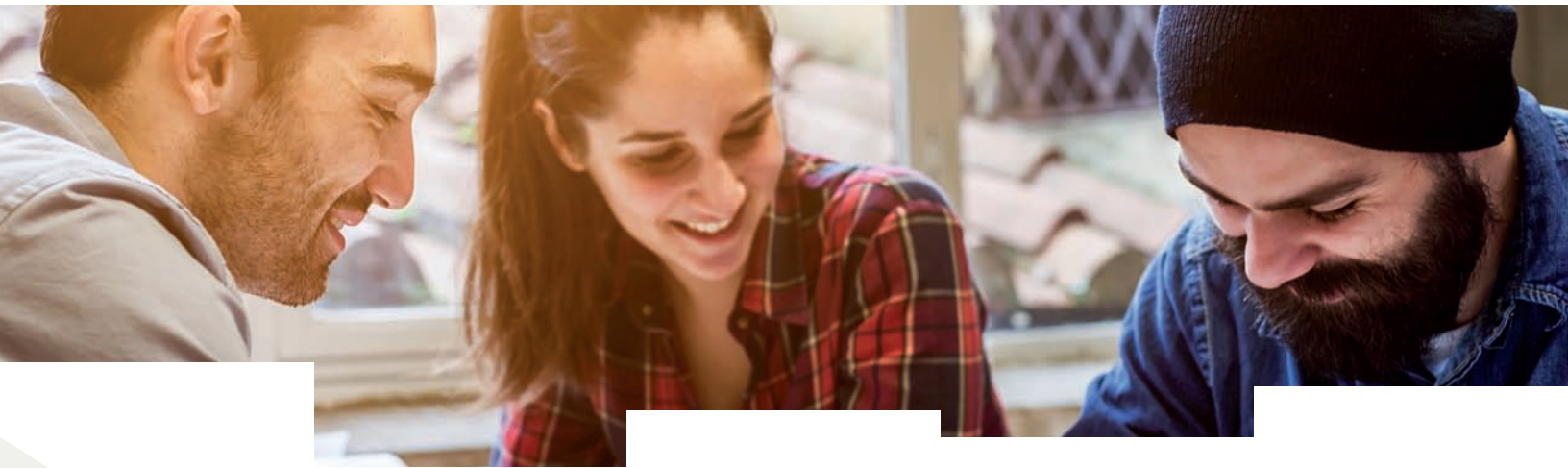
A central issue for Ontario is the government's proposed provincial pension plan. In *Evaluating the Proposed Ontario*

Pension Plan, author Philip Cross, former Chief Economic Analyst at Statistics Canada, concluded that the plan could cost individual Ontarians up to \$3,420 a year, or nearly \$7,000 for a working couple. The study also pointed out that, to pay for their half of the mandatory contribution, employers will cut future wages or other benefits. The study recommends that the best way to promote retirement savings by individuals is to foster strong income growth, which allows both spending and saving to increase.

In *What Goes Up...Ontario's Soaring Electricity Prices and How to Get Them Down*, Ross McKittrick, Professor of Economics at the University of Guelph and Fraser Institute Senior Fellow, and co-author Tom Adams, found that wind and solar power systems provide less than 4 percent of Ontario's power but account for 20 percent of the cost paid by Ontarians. The study notes that electricity prices in other jurisdictions are falling, and that many European countries are now backing away from similarly expensive renewable energy projects.

In a follow-on study titled *Cancelling Contracts: The Power of Governments to Unilaterally Alter Agreements*, author Bruce Pardy, Professor of Law at Queen's University, points out that provincial governments have the power to change or cancel legally binding agreements by enacting legislation—and that a statute explicitly denying the right to compensation would nullify claims for compensation by all except foreign firms (who could seek compensation under NAFTA or other foreign investment protection regimes). ◦





Quebec Outreach

The Fraser Institute's Montreal office continued its steady efforts in 2014, building the Institute's profile in *la belle province* and working to promote and distribute our research findings through the francophone media.

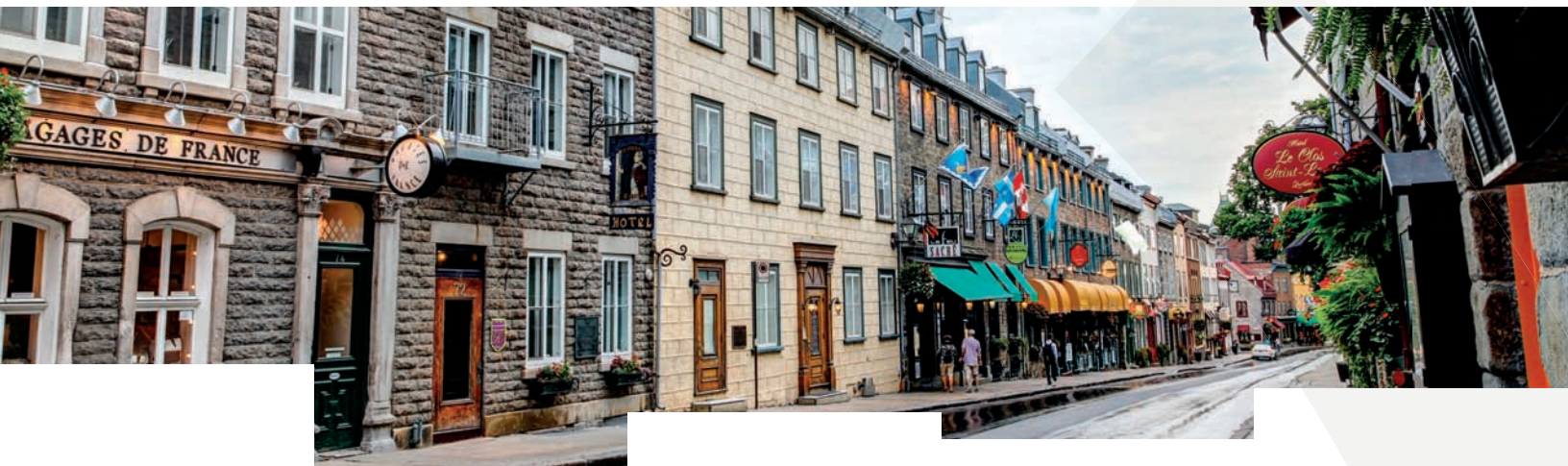
In total, the Institute generated 642 news stories in Quebec media with a significant number of them appearing in Quebec's leading francophone newspapers: *La Presse*, *Le Journal de Montréal*, and *Le Journal de Québec*.

Major research projects focusing on Quebec in 2014 included a trio of studies examining Quebec's dire fiscal situation. In March, the Institute released a series of essays entitled *Quebec's Government Indebtedness: Unnoticed, Uncontrolled*, which highlighted the fact that Quebec is Canada's most indebted province. That set the stage for publication in August of *The Cost of Government Debt in Canada*, a study calculating provincial government interest payments. The study found that Quebec was spending \$10.6 billion on debt interest payments—more than it received in equalization. In September the Institute published *Quebec's Tax Competitiveness: A Barrier to Prosperity*, a study which found Quebecers face some of the highest tax rates in North America.

The year was also notable for the return of the *Report Card on Quebec's Secondary Schools* following a four-year absence. With its ranking of 461 public, private, francophone, and Anglophone schools based largely on results from province-wide tests in French, English, science, mathematics, and history, the report card generated almost 200 media stories.

In February, the Institute's popular student seminar program returned to Montreal, hosting 111 post-secondary students for a day of discussion and presentations on public policy and economic issues.

The year was capped off in November when the Institute held the T. Patrick Boyle Founder's Award gala dinner in Montreal, honouring Alain Bouchard, Founder and Executive Chairman of the Board of Alimentation Couche-Tard, for his dedication to entrepreneurship and support for private philanthropy. ◉



Activités de sensibilisation au Québec

Le bureau de l'Institut Fraser à Montréal a poursuivi ses efforts en 2014, s'employant à mieux faire connaître l'organisme dans la Belle Province ainsi qu'à promouvoir et à diffuser les résultats de ses recherches dans les médias francophones.

Au total, cela a donné lieu à 642 reportages dans les médias au Québec, dont un grand nombre d'articles parus dans les grands journaux francophones, soit *La Presse*, *Le Journal de Montréal* et *Le Journal de Québec*.

Parmi les projets de recherche importants de l'Institut axés sur le Québec figurent trois études sur la situation financière précaire de la province. En mars, l'Institut a publié la première, intitulée *L'endettement public du Québec : ni remarqué, ni contrôlé* et composée de trois articles signalant que le Québec est la province canadienne la plus endettée. Cette publication a préparé la voie à celle d'une deuxième étude en août, *The Cost of Government Debt in Canada*. Cette étude, qui calcule la charge de la dette du gouvernement provincial, constate que le Québec a consacré 10,6 milliards de dollars à la charge de la dette, soit plus que le montant reçu au titre de la péréquation. En septembre, l'Institut a publié une troisième étude, *Compétitivité fiscale du Québec : une barrière à la prospérité*, qui conclut que les taux d'imposition des Québécois sont parmi les plus élevés au Canada et aux États-Unis.

L'année a aussi été marquée par la publication du *Bulletin des écoles secondaires du Québec* après un arrêt de quatre ans. La publication de ce classement de 461 écoles secondaires publiques et privées, francophones et anglophones – fondé largement sur les résultats aux épreuves provinciales de français, anglais, science, mathématiques et histoire – s'est traduite par près de 200 reportages.

En février, le programme de séminaires de l'Institut a repris ses activités à Montréal. Il a connu un franc succès auprès des 111 étudiants de niveau postsecondaire qui ont participé à une journée de discussions et de présentations sur des questions de politiques publiques et des enjeux économiques.

Le point culminant, en novembre, a été la tenue de la soirée de gala pour la remise du prix du fondateur T. Patrick Boyle à Montréal. L'Institut a alors rendu hommage à Alain Bouchard, fondateur et président exécutif du conseil d'Alimentation Couche-Tard, soulignant son soutien à l'entrepreneuriat et ses activités philanthropiques. ◦

**First Nations
Schools**

**Provincial
Schools**

\$13,524

Per student

\$11,646

Per student

- | | | |
|---|----------------------------------|---|
| ✘ | Core Curriculum | ✓ |
| ✘ | Attendance Requirements | ✓ |
| ✘ | Teacher Certification | ✓ |
| ✘ | Provincially Recognized Diplomas | ✓ |

<40% Graduation Rates **>75%**

Aboriginal Studies

Launched in 2013, the Centre for Aboriginal Policy Studies enables the Fraser Institute to better focus on the increasingly urgent policy debate on Aboriginal-related issues. Ms. Ravina Bains joined the Fraser Institute in 2013 to lead the centre. Ms. Bains previously served as the Director of Policy for the federal Minister of Aboriginal Affairs and Northern Development Canada and is also currently completing her PhD in Public Policy. In 2014 the centre continued its work of evaluating and discussing current policies with the dual aims of creating self-sufficient Aboriginal communities and contributing to a productive, forward-looking discourse on Aboriginal issues in Canada.

The centre's work is supported by a number of senior fellows with recognized expertise in Aboriginal policy, including Gordon Gibson, University of Calgary professor Tom Flanagan, author of *A New Look at Canadian Indian Policy*, and property rights, corporate welfare, taxation, and Aboriginal policy scholar Mark Milke. In addition, a number of Aboriginal leaders are also promoting the centre's efforts, including J.P. Gladu, President and CEO of the Canadian Council for Aboriginal Business.

As well as publishing important research papers, the centre had commentaries published on 25 occasions in 2014, which generated over 750 media appearances in, among others, the *Globe and Mail*, *National Post*, *CBC*, *Ottawa Citizen*, *Calgary Herald*, *Winnipeg Free Press*, and the *Cape Breton Post*.

Ravina Bains's study, *A Real Game Changer: An Analysis of the Supreme Court of Canada Tsilhqot'in v. British Columbia Decision*, analyzed the economic impact of the historic Supreme Court of Canada decision regarding the Tsilhqot'in Nation land claim. The judgment is the first time Aboriginal title (outside an Indian reserve) has been recognized for a First Nation in Canada. Ms. Bains's report demonstrates that if development is to occur on Aboriginal title land, consent of the First Nation will be required. Where there is no consent, proposed projects may be set aside by the court. This is also true for existing development projects. The report shows that this decision puts current and potential development at risk and results in increased uncertainty for economic development in British Columbia.

This critical study was mentioned in more than 420 news stories including high-profile media such as CBC News, CTV News, BNN, the Canadian Press, Global TV, the *Globe and Mail*, *Montreal Gazette*, and the *National Post*.

This study was followed by an analysis of spending on education in First Nations communities. *Myths and Realities of First Nations Education* demonstrated that many schools in First Nations communities don't meet provincial educational standards, resulting in students "graduating" from First Nations schools without a recognized high school diploma. The study also empirically demonstrated that contrary to claims, national per-student funding for First Nations on-reserve students is not inferior to funding for all other Canadian students. However, average graduation rates on reserve are below 40 percent compared to rates of over 75 percent in provincial schools. The study showed that simply transferring more money to First Nations communities, without structural reforms, will not help increase graduation rates on reserve. *Myths and Realities of First Nations Education* highlighted First Nations communities in Nova Scotia that have been able to raise graduation rates among Mi'kmaq students above 87 percent by reforming their on-reserve schools to function more like provincial public schools.

As hoped, the study initiated debate on the state of education in First Nations communities. *Myths and Realities of First Nations Education* was highlighted in numerous media stories including in the *National Post*, *Global News* and *CBC Radio*. ◦

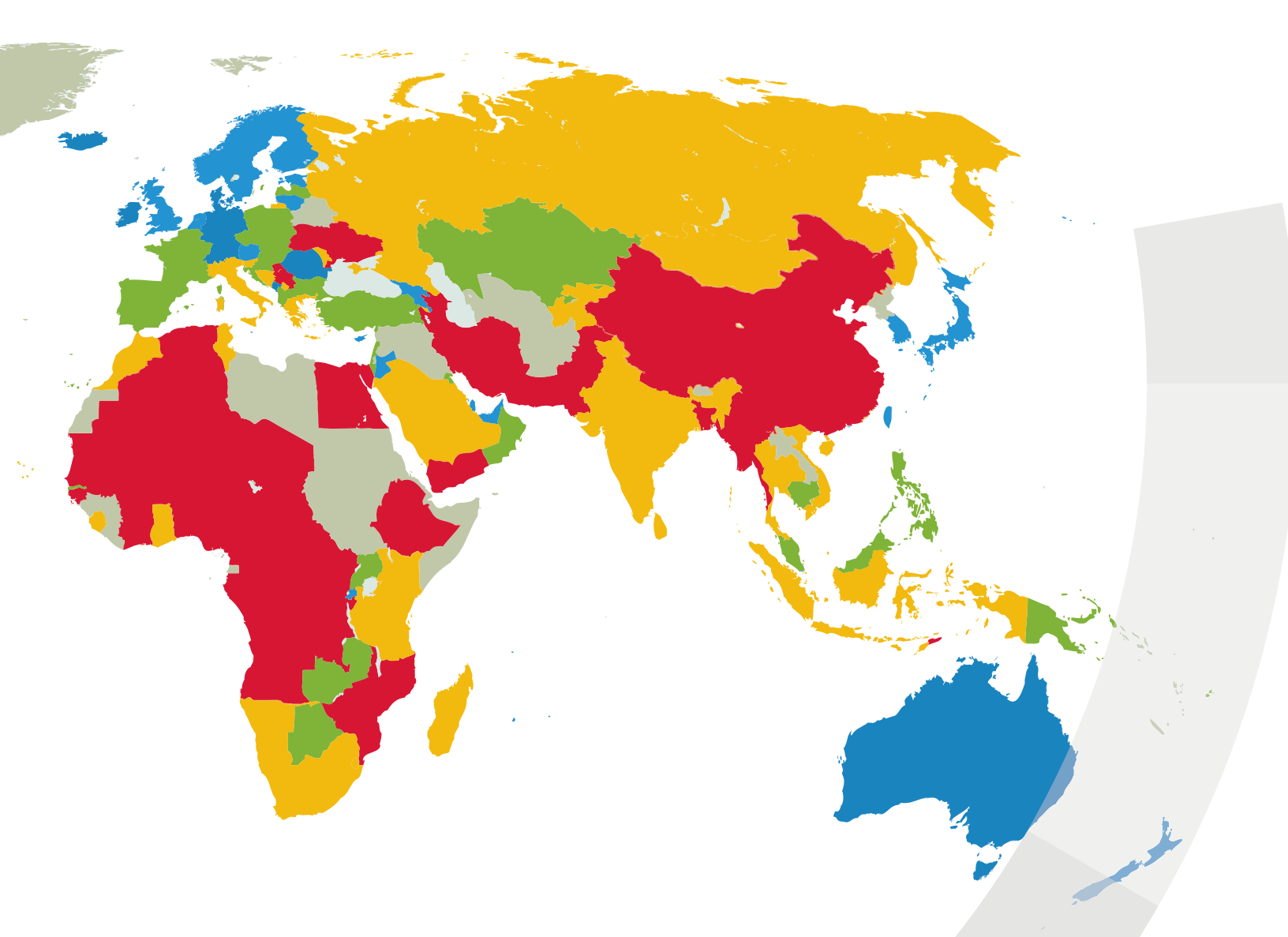


Economic Freedom

The cornerstone of the Institute’s international work continues to be the Economic Freedom initiative, led by Fred McMahon, who holds the Michael A. Walker Research Chair in Economic Freedom. The initiative includes publication and education activities around the world, supported by our International Economic Freedom Network of 99 independent organizations from 90 countries and territories. Many of our partners are leading think tanks in their own right—14 of them were ranked in the top 150 think tanks in the world in 2014, and a dozen more ranked in the top 50 in their respective regions.

Our *Economic Freedom of the World Annual Report* is the favoured source for academic researchers in the growing field of research linking economic freedom and institutions with economic performance. Over the years, research has consistently shown that high levels of economic freedom promote economic growth (leading over time to much higher incomes for everyone), political rights, civil liberties, and improvements in a broad range of social indicators, including life expectancy.

All of the data used in this and other Institute economic freedom research are made available for free public access on our dedicated website, www.freetheworld.com. In 2014, there were over 100,000 downloads of reports and 37,000 downloads of datasets from the site. Interestingly, over 20 percent of the bandwidth traffic on the site comes from the People’s Republic of China. Traffic also spiked in areas where freedom is under threat, such as the Ukraine. In 2015, the Institute will be starting to rebuild this site to make it more



accessible to users of mobile devices and to provide more information on the power of economic freedom.

The Institute also publishes annual reports on economic freedom in the Arab World and in North America. Thanks to painstaking data collection and analysis by Mexican economist José Torra, Mexican states were fully integrated into the North American index for the first time in 2014, enabling direct comparisons between them, Canadian provinces, and U.S. states. This study also enjoyed a breakout year in media coverage, thanks to the efforts of Senior Fellow Alan Dowd, who was instrumental in pulling together a nascent network of 14 independent groups from across the United States to help publicize the report's findings.

The Institute also published papers on *Economic Freedom and Air Quality*, *Free Markets and Civil Peace*, and *Institutions and Economic, Political, and Civil Liberty in the Arab World*.

Overall in 2014, the Institute's work on economic freedom generated 1,669 media mentions from around the world. Not surprisingly, Fred McMahon is regularly called upon to make presentations explaining economic freedom and its benefits. In 2014, Mr. McMahon travelled to countries in Asia, the Middle East, South America, and Eastern Europe to present the findings from the *Economic Freedom of the World* report.

In addition, he oversaw economic freedom audits in Panama, Côte d'Ivoire, and Tunisia. These audits, which Mr. McMahon pioneered, bring together senior government officials and business leaders for discussions on how to improve the level of economic freedom in their respective countries, using the Institute's economic freedom index as a template. ◦

Health Policy Studies

Health care continues to be one of the Institute's highest research priorities. As a share of the economy, no other government program is larger; health spending represents the largest single program spending area for every provincial government. The Centre for Health Policy Studies continued to produce studies quantifying the many problems in Canada's health care system. The centre also published a series of papers showing how Canada could reform its health care system based on existing, high-performing models in Europe and other industrialized countries.

In 2014, the Centre for Health Policy Studies generated more than 2,300 media mentions. Media outlets covering the research included CTV, Global TV, the *Globe and Mail*, the *National Post*, *Ottawa Citizen*, *Le Journal de Montréal*, and the *Canadian Medical Association Journal*. In addition, a number of high-profile commentaries spanning a number of key health care issues, such as the myth of free health care in Canada, the expiration of the Canada Health Accord, and the benefits of improving intellectual property protection for pharmaceutical products, were published in such papers as *Forbes.com*, the *National Post*, and the *Vancouver Province*.

Understanding the problems in health care

A number of studies were published and promoted in 2014 that aimed to inform Canadians about the many problems plaguing our health care system. The premise of such studies is that we cannot begin to discuss reform until Canadians understand the need for reform. The principal study documenting deficiencies in our health care system, which has been published annually since 1994, is the centre's *Waiting Your Turn: Wait Times for Health Care in Canada*. In 2014, the study received more than 500 news stories, showing the ongoing interest in this critical health care issue.

In 2014, the centre also published a watershed study entitled *The Effect of Wait Times on Mortality in Canada*. The

study by Bacchus Barua, Nadeem Esmail, and Taylor Jackson found that as wait times between referral from a general practitioner and treatment increased, so did the female mortality rate. Specifically, the study estimated that Canada's growing wait times for health care may have contributed to the deaths of over 44,000 Canadian women between 1993 and 2009. Such research is yet another addition to the Fraser Institute's pioneering work examining the detrimental impact of long wait times on Canadian patients.

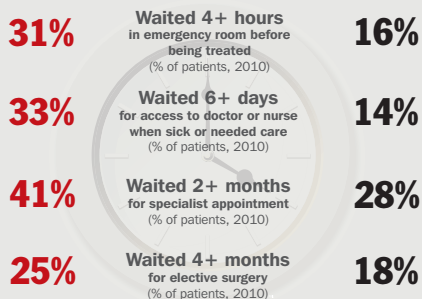
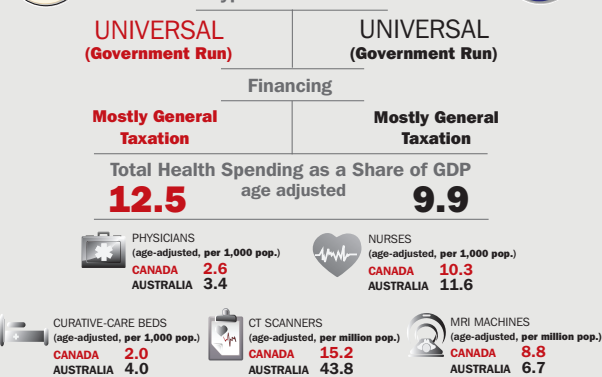
Finally, two other studies documenting the problems in Canada's health care system were completed: *The Private Cost of Public Queues for Medically Necessary Care* and *The Price of Public Health Care Insurance: 2014 Edition*. Both studies explained to Canadians that reform of health care is not an option but a necessity.

Learning from other countries

For over a decade, the centre has published a number of studies comparing Canada to all of the other OECD countries with universal health care in order to quantify our comparative health care performance. In 2013 the Centre launched a new series of papers that focus on individual countries that both outperform Canada on health performance indicators and spend a comparable amount or less of their national income on health care. In 2013, the series examined the universal

HEALTH SYSTEM COMPARISON BETWEEN

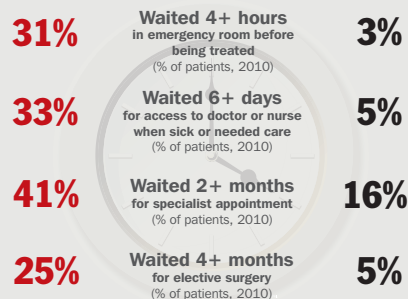
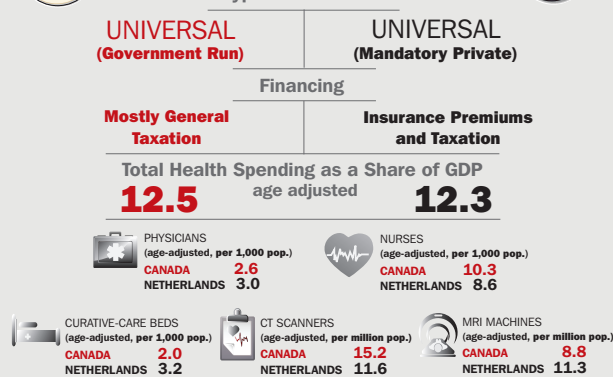
Canada and Australia



Source: OECD Health at a Glance: OECD Indicators, 2011, calculations by author; and Commonwealth Fund, 2010.

HEALTH SYSTEM COMPARISON BETWEEN

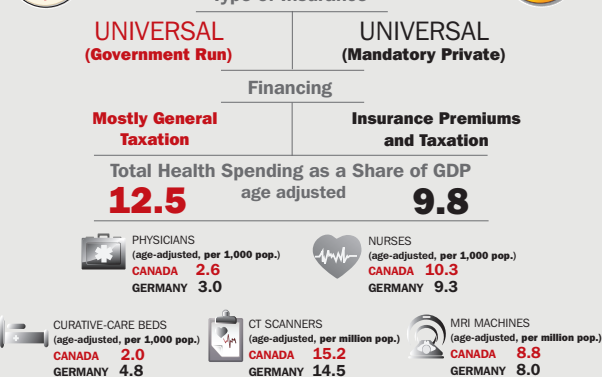
Canada and Netherlands



Source: OECD Health at a Glance: OECD Indicators, 2011, calculations by author; and Commonwealth Fund, 2010.

HEALTH SYSTEM COMPARISON BETWEEN

Canada and Germany



Source: OECD Health at a Glance: OECD Indicators, 2011, calculations by author; and Commonwealth Fund, 2010.



Lessons from Abroad

A Series on Health Care Reform

FRASER
INSTITUTE



Health Care Lessons from Japan

by Nadeem Esmail

health care systems in Australia and Japan. In 2014, the series continued with new papers on Germany and the Netherlands. Together, these studies identify real-world universal health care systems that provide tangible policy reform lessons for Canada.

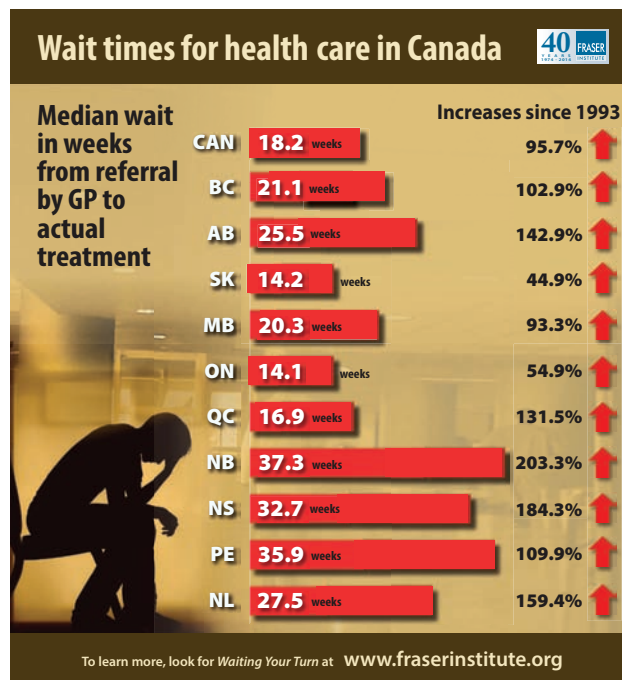
Additional senior fellows

The Center for Health Policy Studies was pleased to welcome Dr. Brett Belchetz as a new senior fellow. Dr. Belchetz is a practising emergency room physician from Toronto with a degree in statistical sciences from the University of Western Ontario and an M.D. from the University of Toronto. He's a regular guest on CTV's *The Marilyn Denis Show* and a frequent commentator and writer on health policy issues. Nadeem Esmail, the former director of health policy studies also stayed on with the Institute as a senior fellow.

Pharmaceutical policy

In addition to its influential work on health care, the centre also published two innovative research papers on pharmaceutical policy issues. Pharmaceuticals are an increasingly important part of the larger health care sector and getting policies right in this burgeoning field is critical to the overall success of Canada's health care system.

While the potential positive impacts of dramatic breakthrough innovations in this area are well recognized, government regulators have been increasingly reluctant to sanction the sale of drugs that are not new, but rather are modifications of already existing drugs. *The Benefits of Incremental Innovation* by Senior Fellows Steven Gliberman, Kaiser Professor of International Business at Western Washington University and Economics Professor at Simon Fraser University, and Kristina M. Lybecker, Associate Professor of Economics at Colorado College, found that incremental innovation helps spawn new medicines and cutting-edge therapies that enhance and extend life. In fact, they concluded that the health benefits of incremental innovation, for ordinary people and the economy overall, may be just as great, if not greater, than the benefits of breakthrough innovation.



The centre also published another report documenting the economic and human costs of unnecessary regulatory delays in the drug approval process. Senior Fellow and medical doctor Nigel Rawson published a comprehensive review of the recently established pan-Canadian Oncology Drug Review (pCODR), which recommends new oncology drugs to the provinces and territories. Dr. Rawson concluded that rather than improve access to new oncology drugs for cancer patients, the pCODR has simply added another layer of bureaucracy to the cancer drug-approval process in Canada. o

Natural Resource Studies

Despite falling commodity prices, natural resources and their extraction continue to be a critical driver of economic prosperity in Canada. However, simple possession of large reserves of oil and gas, minerals, and metals is no guarantee of prosperity. Sound public policy is also required to create an environment in which natural resources can be developed competitively while the environment is protected and the economy is safeguarded against the inevitable volatility of commodity prices. Improving that public policy is where the Fraser Institute excels.

Under the leadership of Senior Director Kenneth Green, PhD, the Centre for Natural Resource Studies prominently engaged in a range of pressing issues facing the sector in 2014, including energy transport constraints, global barriers to mining investment, the risks of hydraulic fracturing, Ontario's power prices, and much more.

The centre's work generated over 4,000 media mentions in 2014, a testament to the centre's quality work and timeliness. In addition to responding to media interest in our work, Mr. Green was also kept busy with Fraser Institute student seminars, presentations in Canada and the United States to the Prospectors and Developers Association of Canada (PDAC), the 2014 CoalTrans Conference, a Manning Centre conference on power prices, the 13th Annual Oil Sands Symposium, and over 60 appearances on radio and television in Canada and the U.S.

Most exciting, at the end of 2014, Mr. Green was offered a repeating appearance on CBC's biggest business program, *The Exchange with Amanda Lang*. Every other Monday during the show's "E-squared" segment, he squares off in a debate with other guests over energy and environmental issues of the day.

Energy

Having established a powerful presence in debates over how to transport oil across Canada in 2013, Mr. Green established a research base in the electricity domain in 2014 with the release of several key studies by Fraser Institute Senior Fellow Ross McKittrick. The first study examined the relationship between energy abundance in society and economic growth. Prof. McKittrick showed that abundant energy is not only required for economic growth, it's a necessary condition and stimulant of such growth. This cutting edge economics is already being cited by people like Philip Cross, former Chief Economic Analyst at Statistics Canada. The second study, co-authored by Prof. McKittrick with energy scholar Tom Adams, showed the exact causes for Ontario's soaring power prices and offered suggestions about how Ontario can get itself out of the painful place it put itself in with the Green Energy Act. Ken Green also entered the debate over hydraulic fracturing in 2014 with the publication of the study, *Managing the Risks of Hydraulic Fracturing*. Finally, the study *Energy Transport and the Safety of Tankers* was written in 2014, and published in January 2015, expanding the centre's coverage of oil transport from the land to the sea.

The centre also produced its annual Global Petroleum Survey of senior executives in the upstream oil and gas industry, which assesses how the policies in 156 national and sub-national jurisdictions affect investment in oil and gas exploration and extraction. The survey results are widely cited in the media and by industry, and provide important public feedback to governments on the measures needed to make their jurisdictions more attractive to investment in oil and gas exploration and development.

Mining

The centre's activities extend well beyond energy and include a broad range of natural resource-related issues, particularly mining. The centre's signature publication in this area of research is the *Annual Survey of Mining Companies*, which has become a global go-to guide for governments and potential investors trying to assess hospitality to mining investment in jurisdictions around the world. The 2013 survey assessed the state of mining opportunities and policies in 112 national and sub-national jurisdictions around the world. The results were communicated internationally throughout the year in industry and media outlets, and often provoked public comment from senior government officials. In 2014, the 2013 *Mining Survey* was cited in 2,162 media stories in newspapers, radio, TV, and websites from around the globe.

The centre also leveraged the results from the mining survey to produce a steady stream of blog posts to our website. In 2014, www.miningfacts.org had 138,000 visitors who made 160,000 visits and registered 217,000 page views. That is more than double the website's traffic in 2013, and more than 10 times the traffic in 2012.

Fraser Institute Economist Taylor Jackson took over administration of the *Mining Survey* in 2014.

Environment

Ken Green also wrote a number of columns on environmental issues, most prominently in response to politically motivated attacks on Canada's environmental record. These widely-distributed pieces demonstrated how environmental quality in Canada has been improving for decades in almost every meaningful category, and argued that ill-informed hysteria only impedes the formulation of reasoned policies that balance environmental concerns with other factors.



Senior Director Kenneth Green, the Centre for Natural Resource Studies on CBC's *The Exchange* with Amanda Lang

In addition, the Institute published a study by Ross McKittrick examining the recent pause in atmospheric warming attributed to climate change, and the meaning of that pause for public policy development. *Climate Policy Implications of the Hiatus in Global Warming* shows that the length of the pause has cast doubt upon predictive climate models, the outputs of which feed into the economic models used for policy development.

Finally, the Institute published *Economic Freedom and Air Quality* by Senior Fellow Joel Wood and Economist Ian Herzog, who examined the relationship between economic freedom (using Fraser's own Economic Freedom of the World Index) and air quality in jurisdictions around the world. The study found that the 20 jurisdictions with the highest levels of economic freedom could also boast of cleaner air than the 20 jurisdictions with the least economic freedom. ◦





Barbara Mitchell Centre for Improvement in Education

The Barbara Mitchell Centre for Improvement in Education, established thanks to a major grant from The W. Garfield Weston Foundation, works to improve elementary and high school education in Canada. Its three priorities are to improve teacher effectiveness, improve curricula, and increase the amount of choice parents have in educating their children. The centre collaborates with the Institute's education programs to conduct teacher workshops and develop and distribute new learning resources to teachers. The centre also conducts empirical research, the findings of which are disseminated broadly through traditional and social media to promote a fact-based national public dialogue on the future of education policy.

On July 1st, 2014, Deani Van Pelt, PhD, joined the Institute as director of the centre. Prior to that, Ms. Van Pelt was the Director of Teacher Education and an Associate Professor of Education at Redeemer University. Two new Senior Fellows were also added to contribute to the Institute's research: Vicki Alger, PhD, Director of the Women for School Choice Project at the Independent Women's Forum in Washington, D.C.; and Prof. Derek J. Allison of the University of Western Ontario.

The centre released three research papers during the year. The first, *Measuring Choice and Competition in Canadian Education*, laid the groundwork for future analysis by revealing the extent to which provincial autonomy over education has resulted in differing degrees of school choice and competition across Canada, both within and outside the public education system.

This study was complemented by a second, *Financial Savings: Restructuring Education in Ontario via the British Columbia Model*, which showed how Ontario could reverse its skyrocketing education costs by adopting British Columbia's K-12 education model of publicly funded Anglophone and Francophone school systems and partial public funding for independent schools. The study estimated that Ontario could save up to \$1.9 billion per year by doing so.



The Institute was pleased to welcome Deani Van Pelt to lead the new Barbara Mitchell Centre for Improvement in Education.

The centre also published *Teacher Incentive Pay That Works*, which examined several teacher incentive pay programs based on student performance in school systems around the world, and concluded that incentive pay for teachers improves student performance (even among the most disadvantaged student populations) and is more cost-effective in doing so than across-the-board pay raises and class-size reductions. The study also noted that the majority of teachers who participate in incentive pay programs support the idea of linking pay to student achievement.

The centre also funded three Institute-run teacher training workshops in Alberta and Ontario. These workshops enable small groups of roughly 20 teachers to work through lesson presentations, exercises for students, and general curriculum plans with noted economics instructors. The fall workshop in Toronto received our highest number of attendees of the year, with 35 teachers present.

During 2014, the centre's work generated 816 media mentions, the great majority of them after Ms. Van Pelt joined the Institute. Research and writing on a number of papers has also begun, and the Centre is planning for a productive 2015. The Centre continues to generate interest in its work, both among the Canadian public and in the policy circles in Canada and abroad. ◻



School Performance Rankings

The Fraser Institute was the first organization in Canada to produce empirically-based report cards on the performance of individual schools. Since 1998, the Centre for School Performance Studies under the direction of Peter Cowley has published 100 report cards for schools in British Columbia, Alberta, Ontario, Quebec, New Brunswick, and Washington State.

Our report cards rank and compare schools by using objective, publicly available data, such as average scores on provincial tests administered by provincial education ministries. The report cards offer detailed tables showing how well schools have performed in academics over a number of years, along with other pertinent information.

By combining a variety of relevant, objective indicators of school performance into one easily accessible public document, the report cards allow teachers, parents, school administrators, and students to analyze and compare the academic performance of individual schools.

In 2014, report cards were published rating elementary and secondary schools in Ontario and British Columbia, and elementary schools in Alberta. Also in 2014, the Institute re-introduced the *Report Card on Quebec's Secondary Schools*. It had been on a hiatus since 2010 while Quebec's ministry of education redesigned its assessment system.

All of our report cards are available at our dedicated, highly interactive website, www.compareschoolrankings.org. The site welcomed 1.9 million unique visitors in 2014 and enjoyed 14.8 million page views.

compareschoolrankings.org

**The site welcomed
1.9 million unique visitors
in 2014 and enjoyed
14.8 million page views.**

As always, these report cards garnered extensive media interest with over 2,300 mentions in print and electronic media in 2014.

The report cards continue to provoke resistance from those who oppose measurement of academic achievement in principle, or simply resent the level of accountability that measurement brings. But most parents—and many dedicated education professionals as well—recognize that the report cards play an important role in encouraging improvement in educational methods and the quality of education being provided to Canadian children. **o**



Labour Studies

The Centre for Labour Market Studies continued to influence the public debate with three major studies and commentaries appearing in prominent newspapers across the country, including multiple opinion pieces in the *Financial Post*.

Research produced by the centre in 2014 covered a range of key topics including minimum wage and “living” wage laws. Living wage laws require private employers who undertake contract work for a city to pay their workers a wage that meets a pre-set standard endorsed by labour activists. The City of New Westminster in British Columbia is currently the only Canadian municipality with such legislation. A landmark study from the centre examined the evidence from the United States, which has more widespread experience with living wage laws, and found that while some workers may benefit from a higher wage, their gain comes at the expense of others who lose as a result of fewer employment opportunities. Vulnerable workers with low skills are often the ones most adversely affected. And despite proponents’ claims, living wage laws often don’t help the poorest families, in part because the overwhelming share of beneficiaries are not poor. The centre was also active in criticizing the Ontario government for raising the minimum wage and countering calls for the BC government to do the same, with prominent newspaper columns appearing in the *Financial Post* and *Vancouver Sun*. Like living wage laws, the minimum wage does nothing to help impoverished Canadians because most minimum wage earners do not live in low income households.

The centre also produced a major study on the importance of labour relations laws that balance the interests of employers, employees, and unions. Balanced laws create a more flexible labour market, leading to higher job-creation rates, lower unemployment, and higher investment. This occurs because balanced labour relations laws provide workers with more choice, allowing them to more easily change jobs in search of higher pay or better working conditions, and allows

employers to better respond to market changes. The study, *Labour Relations Laws in Canada and the United States*, provides an empirical analysis of labour relations laws in the private sector for the 10 Canadian provinces, the Canadian federal government, and the 50 U.S. states. It found that Canada’s biased labour relations laws are generally failing workers, restricting their choices, and potentially stunting investment and job growth. Canadian jurisdictions especially lag behind U.S. states with so-called Right-to-Work legislation in terms of providing balanced, neutral labour laws that offer choices and opportunities to workers. The study also pointed out several specific problems facing individual provinces. Chief among them is the recent change in Michigan and Indiana’s status from non-Right-to-Work to Right-to-Work states; Ontario is now bordered almost entirely by Right-to-Work states, which offer their workers significantly more choice with respect to union membership and dues payment.

Finally, an influential study, *Do Labour Shortages Exist in Canada? Reconciling the Views of Employers and Economists*, found that employers across Canada are using innovative methods to combat labour shortages such as encouraging employees to delay retirement and work longer hours with more overtime. This strategy is ultimately unsustainable due to Canada’s rapidly aging population. The study also found that many university graduates lack the skills necessary for available jobs in construction or the trades, which is a worrying trend for employers. ◦



Cutting-Edge Research from our Senior Fellows

Building on the Institute’s success in 2012 and 2013, the Institute’s network of senior fellows and contracted researchers was further expanded in 2014. The Institute maintains a staff presence in most key policy areas but by adding senior fellows in areas such as fiscal policy, health care, and education, we have been able to deepen our research and communications capacity. The addition of senior fellows in areas where the Institute does not maintain staff is a cost effective way for us to cover a broader range of issues. At the end of 2014, the Institute was proud to have 60 research senior fellows, all of whom are active with the Institute in one way or another.

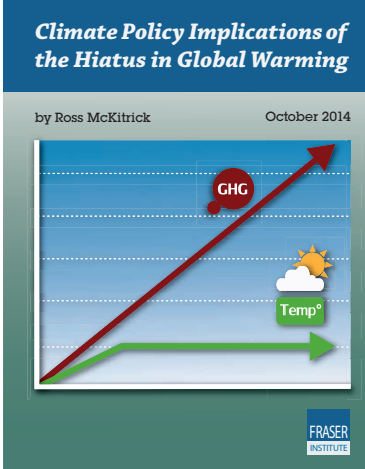
INNOVATIVE AND TIMELY RESEARCH BY THE INSTITUTE’S SENIOR FELLOWS

Our senior fellow network enables us to cover issues where we cannot afford to have full-time staff. Below is a small sample of some of the innovative and timely studies our senior fellows completed in 2014.

Climate Policy Implications of the Hiatus in Global Warming

Ross McKittrick

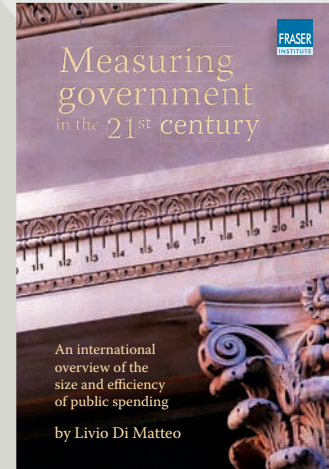
In the best tradition of the Institute, University of Guelph economics professor and Senior Fellow Ross McKittrick undertook a measurement study to examine the accuracy of climate models compared to actual global temperatures. As Prof. McKittrick pointed out, there has been no statistically significant temperature change over the past 15 to 20 years (the exact length of the hiatus depends on the data source) despite an 11 percent increase in atmospheric greenhouse gas levels since 1995. The increase is driven primarily by carbon dioxide (CO₂) emissions from cars, power plants and other manmade sources. This “hiatus” in temperature rises was not predicted by climate models, and its policy implications have not been taken into account by economists or policy-makers.



Measuring Government in the 21st Century

Livio Di Matteo

One of the books released in 2014 was an analysis of the relationship between the size of government (based on spending) and economic growth. Senior Fellow Livio Di Matteo concluded that economic growth is maximized when government spending accounts for approximately 26 percent of GDP. He noted that Canadian government expenditures currently account for over 40 percent of GDP. In addition, Professor Di Matteo examined social progress. Like economic growth, the study confirmed that there was an optimal rate of spending for social progress, after which almost no additional gains were achieved. The study gained international attention, particularly in the United States, where it renewed a debate about the costs and benefits of expansionary government.



Accounting for the True Costs of the CPP

Philip Cross and Joel Emes

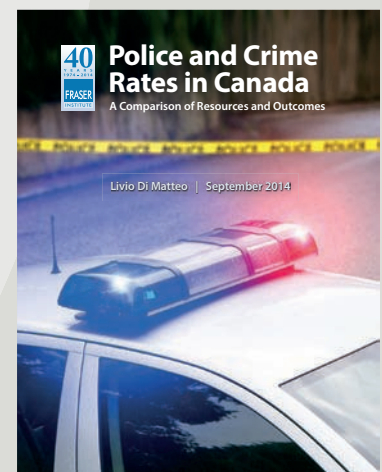
One of the under-reported issues in 2014 was the increasing push for an expanded Canada Pension Plan (CPP) and Ontario's decision to impose a new parallel, provincial program. The Institute launched a series of papers to better explain the folly of this policy reform. Philip Cross, a regular researcher for the Institute, and Senior Fellow Joel Emes completed an analysis of the costs of the Canada Pension Plan. The study demonstrated that contrary to popular opinion, when all costs were included, the costs of the CPP were 1.15 percent of assets, or roughly \$2.0 billion, significantly above the normally quoted number of 0.28 percent. The study findings appeared in newspapers, on radio and television, and throughout social media networks.



Police and Crime Rates in Canada

Livio Di Matteo

Another innovative study completed by Professor Di Matteo examined policing levels, local crime rates, and their relation to other socio-economic factors (i.e., median family income, unemployment rates, youth populations) using Statistics Canada data over a 10-year period. The data were analyzed to calculate target policing levels in Canada's metropolitan areas (CMAs). The study found a number of CMAs had much higher policing levels than would have been expected given their crime rate and other characteristics, and vice versa. The study sparked debate about effective policing and spending on policing across the country in almost every CMA. Indeed, the study generated over 1,300 media stories, the second most for any study published by the Institute in 2014.



Education Programs

The Fraser Institute began running seminars for university students in 1988. Over the years we have added a number of new programs providing opportunities for students, teachers, and journalists to learn about economics and the importance of choice and competition.

The Institute's wide-ranging education efforts are overseen by the Director of Education Programs, Lisa-Diane Fortier. Currently, the Fraser Institute is the only organization in Canada offering students aged 13-24, teachers, and journalists, the resources, networks, and a forum to learn about and discuss economics and public policy from a market perspective. Generous support from individuals, businesses, and foundations, in particular the Lotte & John Hecht Memorial Foundation, provides the funding for these programs.

Many past participants in our programs have gone on to important roles in politics, public service, the media, academia, business, and in think tanks.

Post-secondary seminars

In 2014, more than 33,000 high school and university students reaped the benefits of the Institute's student programs. For post-secondary seminars we saw record-breaking attendance at the start of the year in Calgary, Montreal, and Vancouver. The fall saw successful seminars

in Victoria, Toronto, Saskatoon, and again in Vancouver—the latter marking the start of our initiative to host two programs in Vancouver each year. With the addition of the second Vancouver program we were also able to double the number of bursaries in our travel bursary program, which enabled 100 students from outside the Lower Mainland to attend. In

Saskatoon, participant numbers continue to grow, with the help of the University of Regina's Dean of Business Administration making attendance at the seminar mandatory for his graduate students.

Students listened to policy experts present on topical issues, engaged in the question and answer period following each presentation, and then explored

these ideas in small discussion groups with their peers. Speakers included the American Enterprise Institute's Dr. Nicholas Eberstadt discussing China's population trends, Ben Perrin, former legal advisor to the prime minister, talking about the recent Supreme Court decision on prostitution, and author and associate founder of Singularity University, Sonia Arrison, explaining changes resulting from the coming age of longevity.

This program not only benefits me but it will also benefit our viewers. I would take this program again and again.

Journalist, Toronto 2014



► Students seize the opportunity to listen and engage with Dr. Brian Day on Canada's health care crisis at our largest seminar in Vancouver.

March 2nd 2015

High school seminars

In 2014, students from grades seven to twelve participated in one of nine programs held throughout BC, where they were taught the fundamental principles of economics and learned how to think critically about the decisions they make today, the consequences of their actions in the future, and how their behaviour influences the world around them.

The combination of our award-winning economic educators and the interactive learning environment, where we use short lectures, games, videos, and activities to relate basic economic principles to real-life examples, continue to make this program popular at the junior and senior high school levels. This year we had wait lists of 620 students for our high school programs, the highest number yet.

Student internships

Our internship program is a unique opportunity for exceptional university students to be paired with Fraser Institute researchers or program directors and make a tangible contribution to the work of the Institute. In 2014, we hired 11 interns through a competitive hiring process that garnered 617 applications from students around the world.

Student essay contest

There were 243 students who entered the essay contest this year, responding to the topic: "The Rise of Crony Capitalism: How Government and Business Gain at Taxpayers' Expense." This annual contest encourages students to develop their research and academic writing skills and propose free-market solutions to real-world problems. Authors of winning essays experience the peer review process and the rigorous steps involved in publishing a paper—an invaluable tool for those interested in a future in research.

Canadian Student Review

Canadian Student Review is our online quarterly magazine distributed to over 12,000 students annually. Written specifically for students, this unique publication includes a wide range of thought-provoking issues from a free-market perspective, new research from the Institute, topical book reviews, and information on event and job opportunities for students. Recent topics include urban planning laws, First Nations democracy, and the weaker Canadian dollar.

▶ *Travel bursary students from rural areas across BC gather together to pose for a quick photo before the day's activities begin.*



Ask the Expert

Ask the Expert is an online discussion series, which in 2014 included four one-hour, live video broadcasts featuring some of our resident experts. These experts discussed an array of public policy issues from a thorough analysis of the recent Supreme Court of Canada *Tsilhqot'n Nation v. British Columbia* decision to the effects of school choice and competition in Canadian students' education. Participants were able to engage speakers and direct the conversation by submitting comments or questions to which speakers responded in real time. These webinars were open to anyone interested in the various topics, and were free to join.

Teacher workshops

Our workshops appeal to a variety of teachers: some of whom are new to teaching economics, and others who are looking for new activities and resources to enhance their existing lesson plans. We provide them with the tools to

I have been to many workshops, this was by far the BEST!

Teacher Workshop, Vancouver Fall 2014

Thank you for helping us understand and expand on our economic thinking and helping us improve our futures.

High School Student, Fall 2014

help make economics fun and relatable to their students. Through interactive lessons that use real-life examples, teachers can incorporate the economic concepts into a variety of curricula. At each workshop, teachers are guided through the presentations by economics experts, actively participate in classroom activities, and take home a wealth of resources, including detailed lesson plans, activities, and readings. In 2014 we held 7 workshops in BC, Toronto, and Edmonton, which 147 high school teachers attended. The workshops covered topics such as issues in international trade and myths of the Canadian economy. These workshops have an impressive impact when you consider that, conservatively, these teachers teach over 13,000 students annually.



▶ Journalists work together in our supply and demand simulation game examining how buyers and sellers react to market changes.

Economics for Journalists

In 2014, due to high demand and excellent feedback from previous years, we ran an additional Economics for Journalists program in Toronto as well as our usual program in Vancouver. Through a mix of presentations, videos, group activities, and real-life examples, journalists were provided with the knowledge they need to understand basic economic principles and how they relate to journalism, explain financial terms, demonstrate why people behave the way they do, and analyze policies with confidence. There were animated discussions on issues such as the minimum wage and the unemployment rate amongst the 50 participants who came from all over Canada and represented national, regional, and local media outlets, and included delegates from TV, radio, print, and online news media. Feedback from the two programs indicated there was unanimous agreement from attendees that the conference was invaluable to their careers

The varying opinions and points of views really allowed me to challenge my way of thinking.

Travel Bursary, Oct 2014

I had an interest in economics prior to the seminar, but after hearing the different speakers, I want to learn more about economics and how it relates to public policy.

Travel Bursary, Oct 2014

and that they would highly recommend it to their colleagues.

Economic Freedom in Action film

As part of the Institute's 40th anniversary celebrations, 126 people attended the Canadian film premiere in Vancouver of *Economic Freedom in Action: Changing Lives*. The documentary, based on our *Economic Freedom of the World 2012 Annual Report*, profiles five entrepreneurs across the globe who have improved conditions for themselves and their communities thanks to increased economic freedom. After the film guests enjoyed a Q&A session with Institute president Niels Veldhuis, project co-founder Michael Walker, and Economic Freedom of the

World project and network manager Fred McMahon. DVDs and teaching units were also distributed to 500 schools across Canada to help teachers introduce the concept of economic freedom in their classrooms. ◦




Communications

Although the emphasis at the Fraser Institute is on research and education, our philosophy has always been that there's no point in producing a research study if it just sits on a shelf gathering dust. That's why communication is such an important part of everything we do. In order to educate people about the effects of policy change, or the consequences of bad policy, we need to ensure our research is broadly disseminated and shared.

The mainstream news media remains our primary vehicle for publicizing our research, so much of our communication efforts are put into media relations and finding ways for reporters to use our research findings as the basis of their news stories. Led by Dean Pelkey, Director of Communications, in 2014 the Institute's communications team wrote and distributed 198 news releases and media advisories for 76 research studies and books—the equivalent of sending one item to the news media every 1.8 days.

Technology is changing how people get information and the Institute's communications team continues to refine and change its tactics for promoting the Institute's work.

Our electronic newsletter, *Fraser Update*, is now distributed to an extensive list of subscribers every two weeks. We continue to be the leading Canadian think tank on Twitter with more than 16,000 followers at the end of 2014. We've also expanded our use of video, producing nine new videos in 2014 (including a 40th anniversary video featuring many Institute staff). Combined, these videos generated more than 27,600 views in 2014 alone. These are some of the reasons the Fraser Institute was ranked 16th globally for best use of the internet in the University of Pennsylvania's 2014 *Global Go To Think Tank Index Report*. [◦](#)



NO OTHER THINK TANK GENERATES
AS MUCH UNPARALLELED MEDIA ATTENTION.

NUMBERS

MEDIA MENTIONS

26,222

(72 PER DAY)



COMMENTARIES

1,308

OCCASIONS PUBLISHED
(3.6 PER DAY)



UNIQUE
WEBSITE VISITORS

**3.1
MILLION**

(8,456 PER DAY)



SOCIAL MEDIA



16,400
FOLLOWERS



6,700
LIKES



44,695
TOTAL VIEWS 2014

293,967
ALL-TIME VIEWS

2014 Fundraising Program

FINANCIAL HIGHLIGHTS 2014

- The Fraser Institute's net assets position as at December 31, 2014 was **\$1,330,642**.
- Gross revenues for 2014 amounted to **\$9,554,874** representing an increase of 7.8% over 2013. *(See note, below)*
- Gross expenses for 2014 amounted to **\$9,516,166** representing an increase of 7.5% over 2013.
- The increase in net assets from operations was **\$154,828** for the year.

The Fraser Institute's financial position and operating results for the 2014 are as follows:

Statement of Financial Position – summary as at December 31, 2014

Current assets	\$ 5,102,024
Investments	673,183
Property and equipment	267,932
	\$ 6,043,139
Liabilities – current and long term	\$ 4,712,497
Net assets	1,330,642
	\$ 6,043,139

Statement of Operating Results – summary for the year ended December 31, 2014

Revenues

Donations, sales of publications, interest and other income	\$ 9,554,874
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Expenses

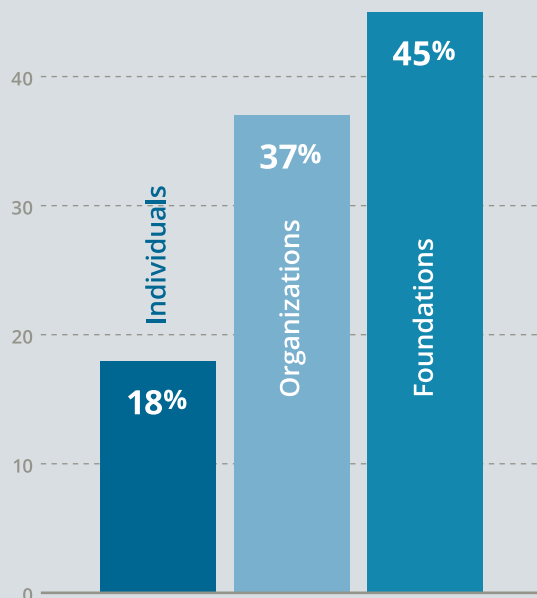
Salaries, office costs, projects, publications, contributions, and other expenses	9,516,166
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Foreign exchange gain and increase in fair value of investments	116,120
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Increase in unrestricted net assets from Operations	\$ 154,828
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Note: In addition to revenues reported in the Statement of Operating Results, a further amount of \$2,271,416 was received in 2014 as a one-time gift made through the estate of a long-time Fraser Institute supporter. As is typically the case, legacy gifts are transferred to the Fraser Institute Foundation and in each subsequent year, the Fraser Institute receives a minimum disbursement amount from the Fraser Institute Foundation of 3.5% of assets as is required by the Canada Revenue Agency. Please note that as a result of this legacy gift, the figures reported above will differ from those to be reported in the audited financial statements of the Fraser Institute.

FRASER INSTITUTE DOLLAR CONTRIBUTIONS



SUPPORT THE FRASER INSTITUTE

The Fraser Institute enjoys registered charitable status in Canada and the United States. To maintain our independence, we accept no government funding and we do not engage in contract research. Instead, we rely entirely on donations from concerned individuals, family foundations, and other organizations.

By supporting the Fraser Institute, you help us fulfill our mission of improving the quality of life for Canadians, their families and future generations by studying, measuring and broadly communicating the effects of government policies, entrepreneurship and choice on their well-being. We do this by producing fact-based research, infographics, short videos, opinion editorials, and blog posts. We also interact directly with the public through our education programs for students, teachers, and journalists and by holding public events and conferences.

Every dollar that is donated to the Fraser Institute helps us educate Canadians on what policies are required to ensure that all Canadians have the opportunity for the best quality of life possible.

WAYS TO PROVIDE SUPPORT:

- Make a donation online at our website
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- Make a monthly donation using your credit card or through direct deposit
- Make a donation of shares or securities
- Make a donation through a bequest or planned gift

All donors receive copies of *The Quarterly* digest (released four times per annum), and quarterly updates from Fraser Institute President Niels Veldhuis. All non-foundation, non-sponsorship gifts over \$10 receive a tax receipt in accordance with CRA guidelines.

To learn how best to support the Fraser Institute please call our toll free number **1.800.665.3558 ext. 574** or email us at **development@fraserinstitute.org**

FRASER INSTITUTE BY THE NUMBERS

\$16 MILLION

estimated ad value of Canadian and US newspaper, radio and TV coverage



3.1 MILLION

unique visitors to Fraser Institute websites



33,600

students from 1,804 schools around the world reached by Education programs



26,222

mentions in newspapers, TV, radio and online from around the world



23,124

Facebook and Twitter followers



1,308

commentaries published in newspapers across North America



747

citations of Institute research in academic and professional publications



90

full members in the Economic Freedom network, plus 9 associate members



19th

Fraser Institute rank among 6,618 think tanks in the world



CANADA'S #1 RANKED THINK TANK