Looking Forward …

Planning for the Future with the Alberta Heritage Savings Trust Fund

Survey Results
Prepared for Honourable Greg Melchin
Minister of Revenue

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Heritage Fund

Alberta
GOVERNMENT OF ALBERTA

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Prepared by:
Alberta Finance, Statistics

1.0 SAMPLE QUALITY

1.1 RESPONSE RATE AND CONFIDENCE OF RESULTS

A total of approximately 1.172 million surveys were distributed to Alberta households. As opposed to a sample survey, a census was conducted to allow every household an opportunity to respond, which provided the ability to obtain a high level of confidence in the data. A total of 77,245 responses were received, representing an overall response rate of 6.6%. The results are statistically valid at the Alberta level with a confidence interval of 99.7%, plus or minus 1% level of precision. Approximately 22,500 responses were required to obtain this high level of confidence.

Figures 1 and 2 provide a geographical breakdown of the response rates, and Figure 1 also provides the geographies' respective confidence intervals.

Figure 1. Response Rate & Confidence Interval, by Geography

Geography	Number of Households in Alberta	Number of Respondents	Response Rate	Level of Precision at 99.7% Confidence Level
Edmonton (Metro)	371,460	25,256	6.8%	99.7% +/- 1%
Calgary (Metro)	368,532	22,307	6.1%	99.7% +/- 1%
Lethbridge	29,278	1,960	6.7%	99.7% +/- 3%
Red Deer	26,243	1,879	7.2%	99.7% +/- 3%
Fort McMurray (Area)	13,831	568	4.1%	99.7% +/- 5%
Medicine Hat	21,504	1,690	7.9%	99.7% +/- 3%
Grande Prairie	13,904	1,073	7.7%	99.7% +/- 4%
Northern Alberta Rural	99,377	5,817	5.9%	99.7% +/- 2%
Central Alberta Rural	179,435	13,439	7.5%	99.7% +/- 1%
South Alberta Rural	48,277	2,928	6.1%	99.7% +/- 2%
Unknown Geography	--	328	--	--
All Alberta	1,171,841	77,245	6.6%	99.7% +/- 1%

### Figure 2. Response Rate, by Geography
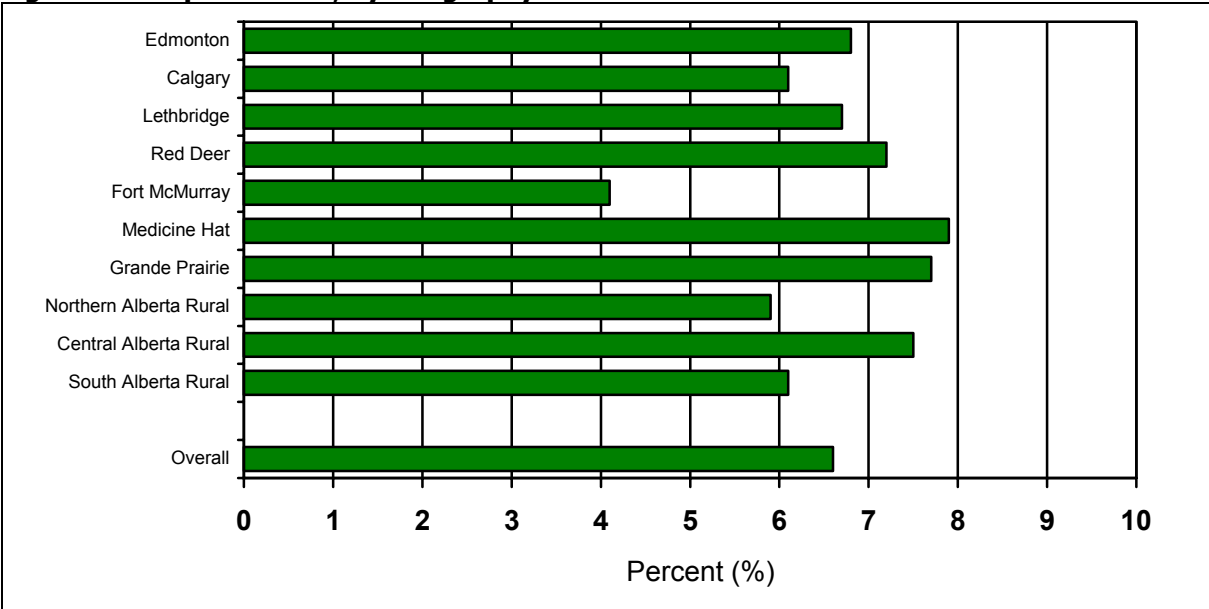
1.2 REPRESENTATION

The survey was coded by ten standard geographies in Alberta, which represented major urban centers, as well as North, Central and South rural regions.

The following bar chart compares the respondent distribution by geography, to the known household distribution by geography. The percent of respondents by geography closely matches the percent of surveys distributed to households by geography. This indicates limited bias and enhances the validity of the survey results through an accurate representation of the Alberta population.

Figure 3. Respondent Distribution vs. Sample Distribution
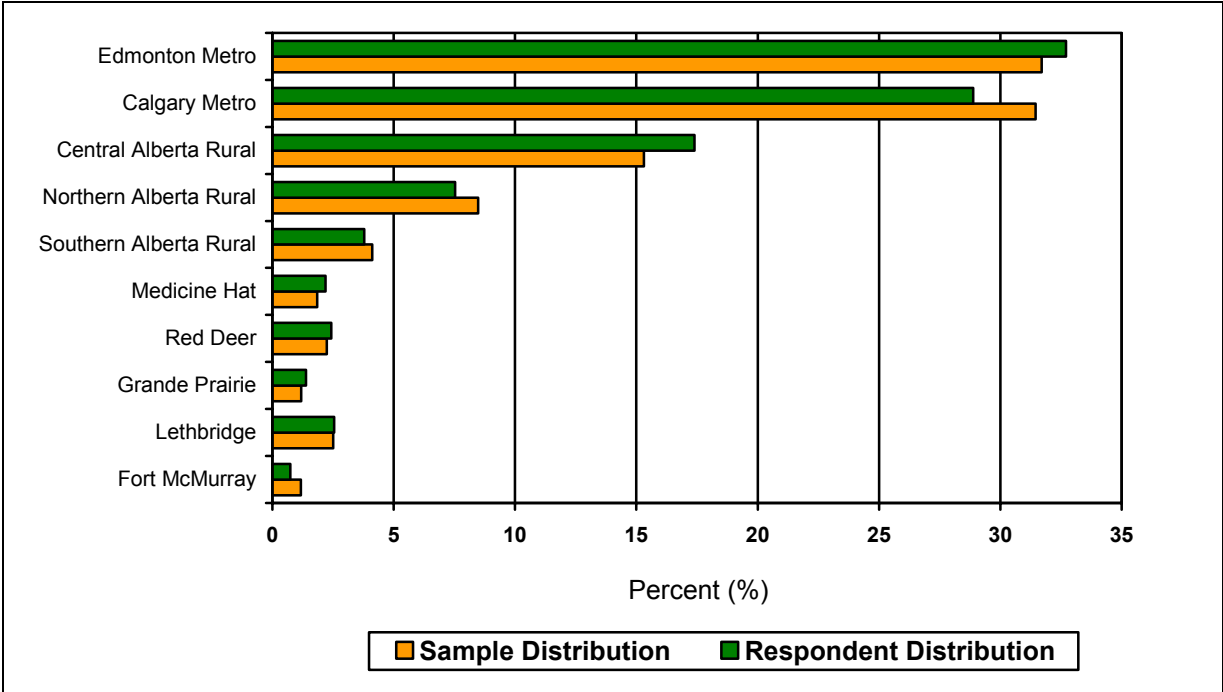
Note: Total may not add to 100% due to a small number of respondents not identified by geography, as well as rounding.

1.3 METHOD OF REPLY

Albertans were offered two methods in which to reply to the survey – through pre-paid postage mail-in or on the Internet. The responses consisted of 84.4% (or 65,211) mail-in replies, and 15.6% (12,034) from the Internet. Tests demonstrated that there was a statistically significant difference between the responses of these two methods of return. Mean scores from the Internet were slightly higher for the endowment fund, capital projects and debt payment options, and slightly lower for a sustainability reserve.

2.0   AVERAGE INDEX RATINGS

2.1   SCALE AND GEOGRAPHY

Survey respondents were asked to rate their level of agreement with four statements using a 5-point scale. For ease of interpretation, the data from this scale was converted into an index, which spanned from 0 (indicating strongly disagree) to 100 (indicating strongly agree), utilizing progressive ratios. This allowed the ratings to be expressed using a simple 100-point index, which aids in understandability and interpretation.

Figures 4 and 5 display average index scores for all respondents, as well as major geographies (Edmonton, Calgary, other major cities in Alberta (Other Urban), and rural Alberta). Figures 6 and 7, on the following page, provide average index ratings for all detailed geographies.

Figure 4. Average Index Ratings, by Major Geography Groups

Questions	ALL Respondents	Edmonton Metro	Calgary Metro	Other Urban	Rural
Heritage Fund's Future					
1. The Heritage Fund should operate primarily as an endowment fund.	66.8	66.0	67.2	67.3	67.2
2. A portion of the Heritage Fund's assets should be held as a reserve for sustainability.	51.1	50.1	51.0	51.0	52.5
3. A portion of the Heritage Fund's assets should be used for capital projects.	44.1	44.5	46.4	42.7	41.7
4. A portion of the Heritage Fund should be used to pay the remaining debt as it comes due.	55.1	53.4	55.9	55.0	56.3

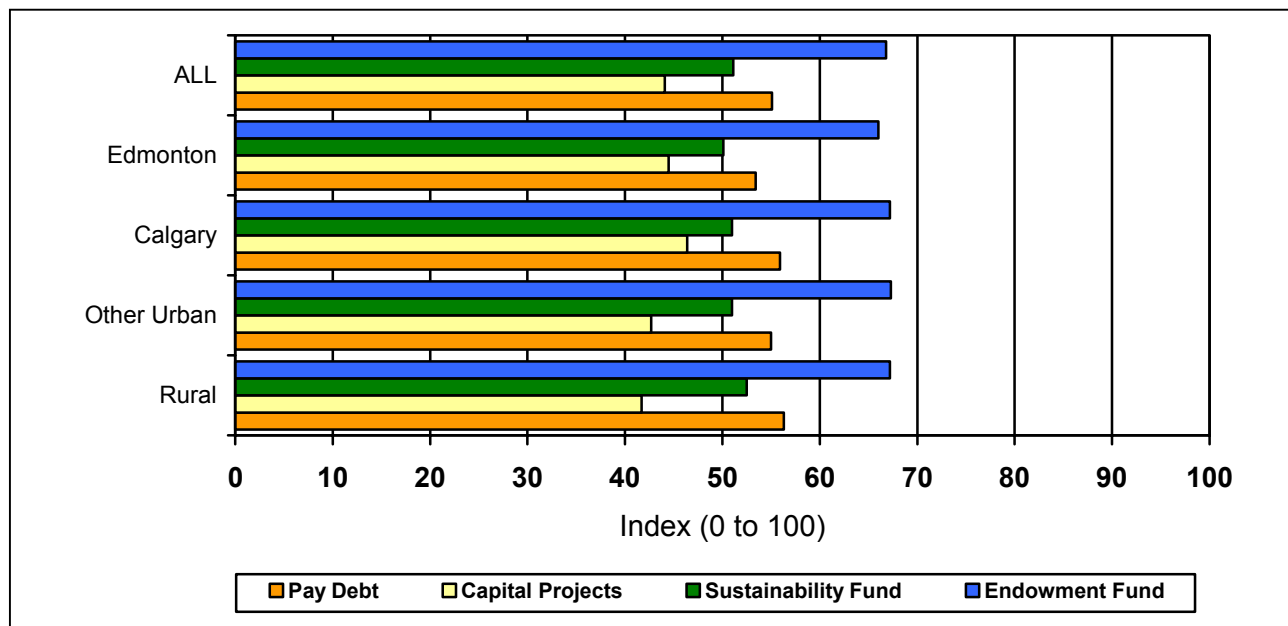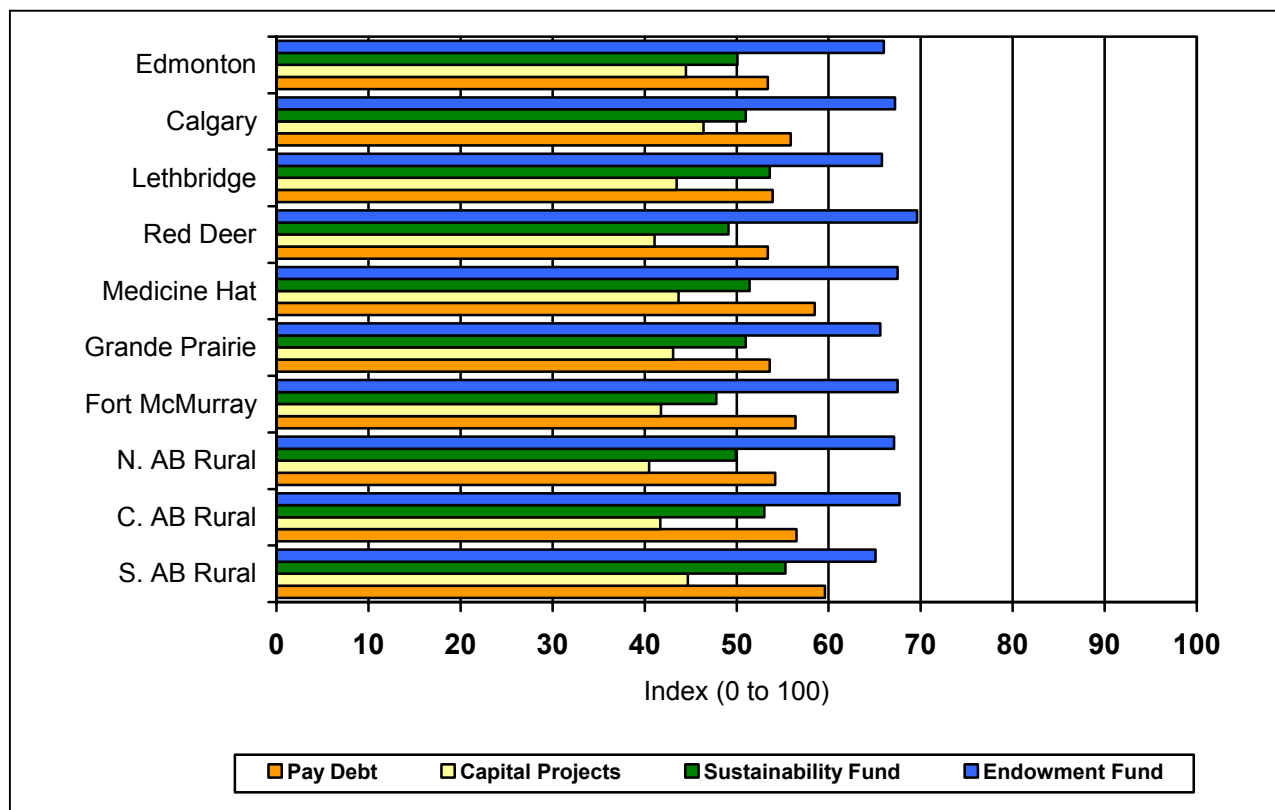**Figure 5. Average Index Ratings, by Major Geography Groups**

2.3 STATISTICALLY SIGNIFICANT DIFFERENCES BETWEEN GEOGRAPHIES

A significant difference means that, according to statistical tests, it has been proven that an actual difference in opinion exists between two groups, and, if the survey were to be repeated, the higher score would remain that to the lower score. If no significant difference is found between the mean scores of two groups, then it cannot be assumed, statistically, that one group has rated an item higher than another group, as this relationship has not been verified.

The following are significant differences found between the major geography groups in Alberta:

Question 1: Regarding the endowment fund, Edmonton held less agreement with this option than did Calgary and rural Alberta.

Question 2: Rural Alberta rated the sustainability fund option higher as compared to the cities of Edmonton and Calgary.

Question 3: Calgary supported capital projects funding more than the rest of Alberta. Edmonton also preferred this option compared to other urban cities and rural Alberta.

Question 4: Edmonton disagreed more with paying off the remaining debt than did the rest of the province.

3.0   RESPONSE DISTRIBUTION

Figures 8 and 9 display the overall distribution of responses for each interval in the scale. Figure 10 summarizes the percent of respondents into three groupings of agreement levels.

As can be seen, there appears to be strong opinions on either side of the scale for most of the statements. Over 50% of respondents agreed (levels 4 or 5 on the scale) with the endowment fund and debt payment options. Oppositely, the majority (46.5%) of Albertans disagreed (levels 1 or 2 on the scale) with capital project funding.

Figure 8. Distribution of All Responses, by Agreement Level

Question	Strongly Disagree 1		2		3		4		Strongly Agree 5	
	No.	%	No.	%	No.	%	No.	%	No.	%
Heritage Fund's Future										
1. Endowment Fund	9,869	13.4%	8,112	11.0%	10,863	14.8%	12,091	16.4%	32,691	44.4%
2. Sustainability Fund	20,673	28.5%	7,269	10.0%	11,324	15.6%	14,628	20.2%	18,630	25.7%
3. Capital Projects	24,209	33.2%	9,674	13.3%	12,255	16.8%	12,666	17.4%	14,071	19.3%
4. Pay Debt	21,394	28.9%	6,504	8.8%	8,515	11.5%	10,738	14.5%	26,828	36.3%

Note: Totals may not add to 100% due to rounding.

Figure 9. Percent Distribution of All Responses, by Agreement Level
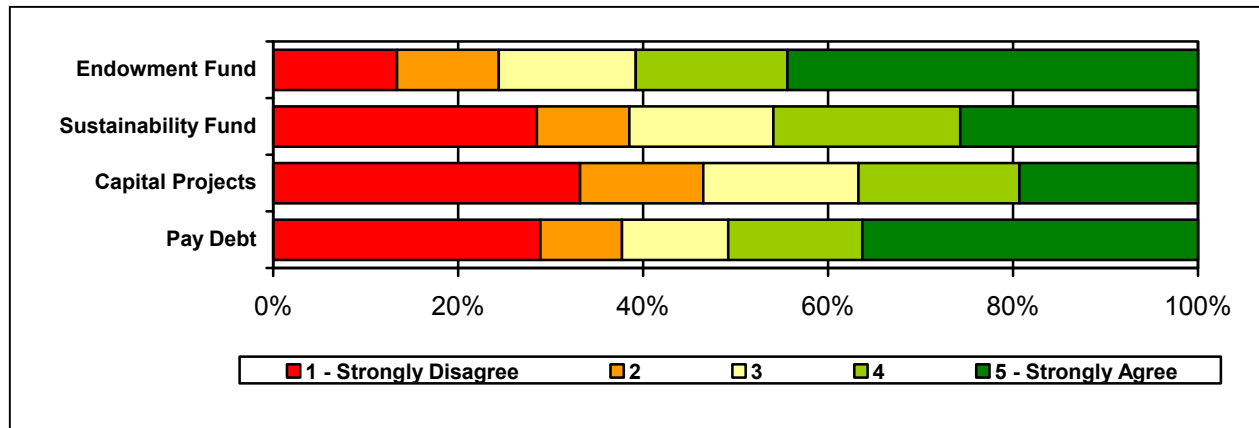
Note: Totals may not add to 100% due to rounding.

Figure 10. Distribution of All Responses, by Agreement Level

Question	Disagree 1 & 2	3	Agree 4 & 5
	% of Respondents		
Heritage Fund's Future			
1. Endowment Fund	24.4%	14.8%	60.8%
2. Sustainability Fund	38.5%	15.6%	45.9%
3. Capital Projects	46.5%	16.8%	36.7%
4. Pay Debt	37.7%	11.5%	50.8%

Note: Totals may not add to 100% due to rounding.

4.0 ANALYSIS OF HERITAGE FUND (ENDOWMENT) TO OTHER OPTIONS

When looking specifically at how respondents answered Question 1, it is possible to analyze how Albertans felt about the other options.

Those who strongly agreed with the endowment fund option tended to rate the other options very low, on average (ranged from 20's to 30's in index scores) – especially for capital projects. People who were more inclined to disagree with the endowment fund as an option, rated paying off the debt higher, on average.

Figure 11. Average Index Ratings – Based on Response for Question 1

All respondents who chose the following scale level for Question 1:	Strongly Disagree 1	2	3	4	Strongly Agree 5
Heritage Fund's Future					
2. A portion of the Heritage Fund's assets should be held as a reserve for sustainability.	51.4	66.6	67.2	59.5	37.7
3. A portion of the Heritage Fund's assets should be used for capital projects.	57.0	64.2	58.4	48.3	27.5
4. A portion of the Heritage Fund should be used to pay the remaining debt as it comes due.	66.6	71.0	69.1	61.1	38.3

5.0 METHODOLOGY SUMMARY

5.1 INTRODUCTION

To obtain feedback from Albertans regarding options for the future of the Alberta Heritage Savings Trust Fund, Alberta Revenue undertook a full census of households in the province. Albertans were asked to provide their level of agreement for the following four statements:

1) The Heritage Fund should operate primarily as an endowment fund.
2) A portion of the Heritage Fund's assets should be held as a reserve for sustainability.
3) A portion of the Heritage Fund's assets should be used for capital projects.
4) A portion of the Heritage Fund should be used to pay the remaining debt as it comes due.

The analyses of the results contained in this report are based on 77,245 responses received in total. Between October 28, 2002 and November 22, 2002, 70,362 responses were collected by mail or Internet. Mail-in responses received between November 22, 2002 and January 10, 2003 were also included (6,883 responses) to allow for any hold-ups in the mail system through the Christmas season.

5.2 VERIFICATION PROCEDURES

Mail-in surveys were hand-checked for batch submissions. More than two survey responses with similar markings and identical response patterns were removed.

For the Internet, multiple submissions with the same ID were checked for variability (day/time, location, similar/identical response & comment patterns). Where response patterns were identical for a single ID, within a sequential timeframe, two replies were allowed. Whereas submissions that had the same ID, but had non-sequential submission times with randomness in response patterns (i.e. possibly from libraries, Internet cafés, worksites, etc.), were permitted.

Out of the total responses received, 1294 deemed multiple submissions were removed.

5.3 ANALYSIS

Data analysis was performed using SAS statistical software. A variety of statistical tests (including, but not limited to, ANOVA, T-Test, Chi-Square) were employed to identify significant differences.

The survey was coded according to ten pre-assigned geographies in order to identify differences of opinion from different parts of the province. Household counts, for the purpose of the mail-out, were estimated according to the 2001 Census of Canada.

Geography breakdowns are as follows:

- Edmonton (Metro)[1]
- Calgary (Metro)[2]
- Lethbridge
- Red Deer
- Fort McMurray[3]
- Medicine Hat
- Grande Prairie
- Northern Alberta Rural
- Central Alberta Rural
- South Alberta Rural

A five-point equidistant scale was utilized for the survey in order to denote subtle differences in levels of agreement.

5.4 SURVEY CAVEATS

A conservative approach, utilizing accepted statistical tests, was taken to verify differences in opinion between Albertans. In addition, scale scores in the survey are relative measures and should be considered as such when interpreting the results.

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[1] Metro indicates Edmonton plus the surrounding areas.

[2] Metro indicates Calgary plus the surrounding areas.

[3] Fort McMurray is no longer considered a city, but is part of the area of the Specialized Municipality of Wood Buffalo. For the purpose of this survey, only the area of what used to be Fort McMurray is considered.