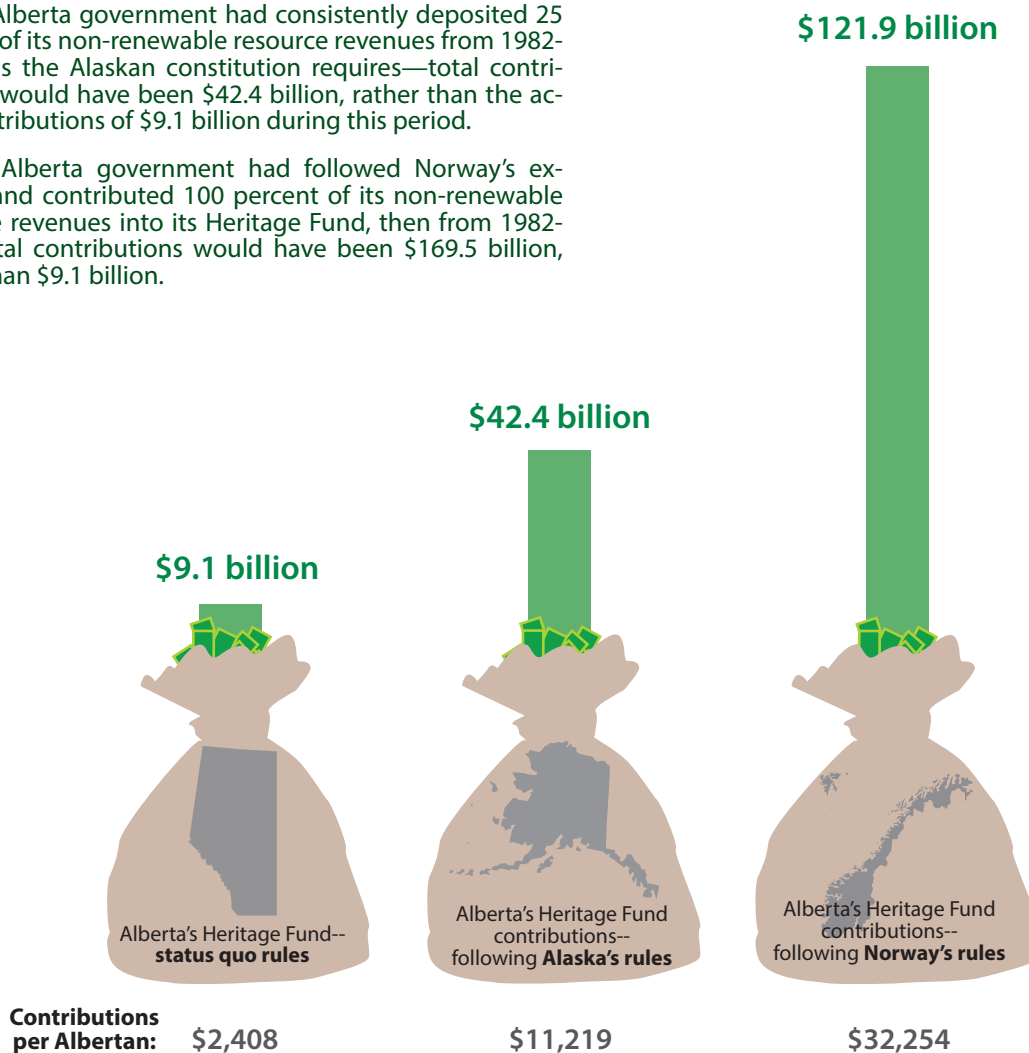


How much would Alberta's Heritage Fund be had it followed Alaska's or Norway's rules?

The governments of Alberta, Alaska, and Norway have all created funds in which to deposit some of the revenues they receive from non-renewable natural resource activities. Despite Alberta's rich natural resource endowments, the Alberta Heritage Savings Trust Fund is smaller than others because of its relative underfunding and chronic withdrawals of most income from the fund. Alaska and Norway offer clear lessons for the future management of the Alberta Heritage Fund.

The advantages to future generations of Albertans from a higher contribution rate are plain:

- If the Alberta government had consistently deposited 25 percent of its non-renewable resource revenues from 1982-2011—as the Alaskan constitution requires—total contributions would have been \$42.4 billion, rather than the actual contributions of \$9.1 billion during this period.
- If the Alberta government had followed Norway's example, and contributed 100 percent of its non-renewable resource revenues into its Heritage Fund, then from 1982-2011 total contributions would have been \$121.9 billion, rather than \$9.1 billion.



As the above figures indicate, the present value of the Alberta Heritage Fund would be vastly higher had the legislature made larger contributions during the fund's history. In order to fulfill its mission of preserving Alberta's rich resource wealth for future generations, the government should seriously study the lessons from Alaska and Norway laid out in *Reforming Alberta's Heritage Fund: Lessons from Alaska and Norway*, found at fraserinstitute.org. ■