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The State of Postsecondary Education in Canada **2023**

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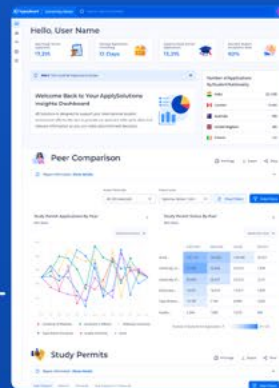
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About This Series

Despite having one of the world's more advanced and high-quality systems of higher education, Canada has never been blessed with easily available, up-to-date and easily digestible data on its postsecondary sector. The purpose of Higher Education Strategy Associates' annual *State of Postsecondary Education in Canada* series is to change that — permanently.

Canada's national higher education data challenges partially stem from the decentralized nature of our federal system. But the bigger reason is that Canadian governments and statistical agencies simply do not care about producing high-quality data on education the way some other countries do. Our data on community colleges is weak. Though our data on institutional finances is as good as any in the world, data on employees (in particular non-academic ones) is scant, comprehensive data on student assistance is essentially non-existent, and data on students and graduates take an inordinately long time to appear (data on international students, for instance, routinely take three to four times as long to appear in Canada as they do in the US, the UK, or Australia).

This series is not the first attempt to present this kind of data on a national basis. Others have, over the years, done notably and salutary work trying to fill the myriad gaps. For instance, until 2016, the Canadian Association of University Teachers (CAUT), published an invaluable annual "almanac.". However, after a brief attempt to keep the almanac updated in a set of online tables, it has essentially ceased to exist. Universities Canada put together some good publications on the state of the system,

but has largely ceased to do so, and in any event never included the colleges and polytechnics. The Council of Ministers of Education, Canada (CMEC) has an irregularly-published system of "Education Indicators" but not many of these indicators relate to postsecondary education and in any event are largely tabular and provide very little in the way of information to interpret the data. Statistics Canada produces a great deal of data, but does very little to help people interpret it.

And so it was that Higher Education Strategy Associates decided in 2018 to produce an annual publication called "The State of Postsecondary Education in Canada", modelled on a set of publications produced by Andrew Norton and his colleagues at the Grattan Institute in Melbourne entitled "Mapping Australian Higher Education". This 2023 edition updates data from the previous editions, including detailing trends in student and staff numbers, how the system is financed, and graduate outcomes. This year sees the inclusion for the first time of additional data on students with respect to gender, as well as more detail on international students.

We hope by putting all this information in a handy and convenient format, and by providing some accompanying narrative, we can help improve the quality of public dialogue on postsecondary education policy issues. As always, comments or suggestions about how to improve the publication for future years will be gratefully received. Email us at info@higheredstrategy.com.

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Introduction

As we start the 2023-24 school year, the Canadian postsecondary sector seems to be on the precipice, particularly in Ontario. Despite near-record revenues, many institutions find their finances more precarious than ever. The question is why.

Looking back over a span of about 70 years, long-term patterns emerge. Between 1955 and 1970, postsecondary institutions quintupled in size as a percentage of the entire economy, from about 0.5% of GDP to 2.5%. That was the “golden” period of Canadian higher education: whatever universities and the few colleges asked for, they got. Public expenditures on postsecondary education – again, almost entirely universities – reached 1.9% of GDP. Since then, the history of postsecondary education funding breaks into two periods. From around 1970 until the late 1990s, public funding and total funding fell in lockstep. Then, as the 1990s went on, institutions began exploiting private sources of funding, not just to offset declining funding but to increase funding overall.

The long-term picture in Canada is thus a story of firmly pan-partisan public neglect – but also a story of institutional resilience and entrepreneurship. But at what cost? And how long can this last? To answer this question, it is worth looking at Ontario, which has long been at the forefront of defunding higher education.

Over the past few years, two governments in Canada have gone beyond all others in reducing funding to postsecondary education. The more-notable effort was that of the Government of Alberta, which reduced budgeted funding to postsecondary education by 31% in real terms between 2019-20 and 2023-24. This was indeed a brutal cut,

Figure 1: Total Institutional Income as a Percentage of GDP, by Source, Canadian Universities and Colleges, 1955-56 to 2019-20, in constant \$2022

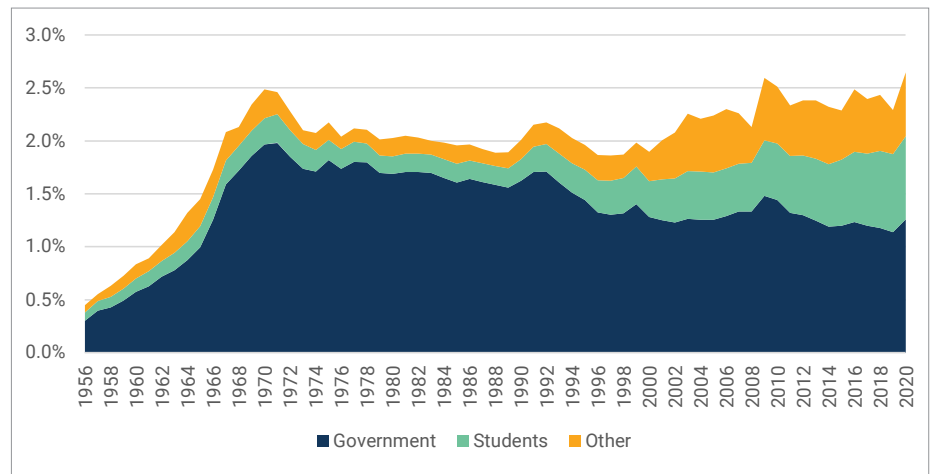
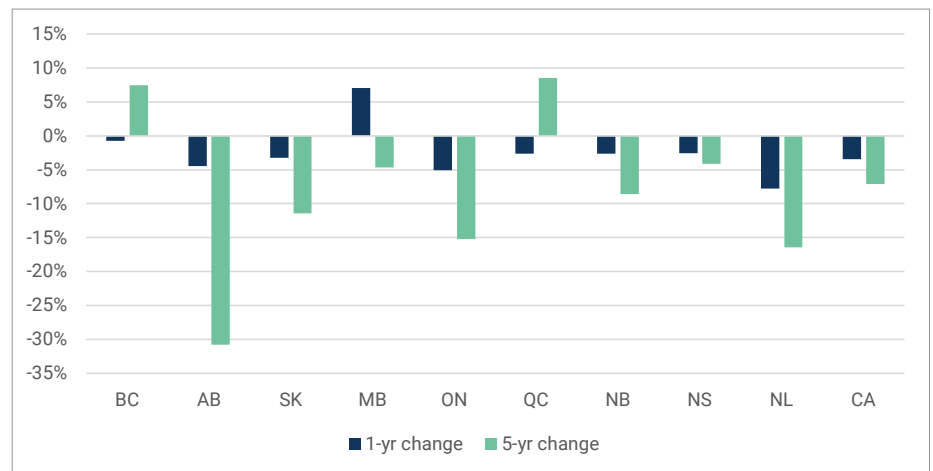


Figure 2: 1- and 5-Year Change in Budgeted Transfers to PSE Institutions, by Province, 2023



and an unequally distributed one at that, with rural community colleges receiving a lesser cut and the University of Alberta a larger one. But at the same time, Alberta began the process at a level of funding that was well-above the Canadian

average: even after the cuts, Alberta per-student institutional funding levels were still close to the national average (slightly above for colleges, slightly lower for the universities).

It is a different story in Ontario, which has been dead last in institutional funding for higher education for something like 38 out of the last 40 years (it briefly rose to 9th place for a couple of years during the administration of Dalton McGuinty). It is, without a doubt, a province where underfunding institutions is a pan-partisan affair. In terms of government grants, the present government is continuing to freeze institutional grants in nominal terms and allowing inflation to erode the value of the contribution.

What is novel about the current Ontario government’s approach to higher education funding is the position it has taken on tuition fees. It imposed an across-the-board cut of 10% on institutions in 2019 and has left fees frozen at that level ever since. Ontario is hardly the first province to freeze or reduce tuition: but in no other province that took this route were domestic tuition fees a larger funding source for institutions than government grants. In other words, the erosion of fee income — exacerbated by high inflation and a significant decline in domestic student numbers in the college sector — had a much more significant effect in Ontario both compared to other provinces and compared to the loss of income from the provincial government. As shown in Figure 4, in inflation-adjusted terms, Ontario colleges and universities have lost about 31% of their “government-controlled” income (i.e., provincial grants plus domestic fees) in the five years since the Ford government came to power.

Faithful readers of this almanac will not be shocked to discover how institutions coped. While institutions had already discovered that international students were a handy source of extra income in the early-to-mid 2010s, when the cuts began, they rapidly expanded international enrolments to backfill the missing money from domestic funding. Thus, as shown in figure 5, while income from international students has nearly doubled since 2018, total institutional income (excluding things like ancillary services, donations and investment income) is down slightly over the past few years.

Figure 3: Institutional Income from Provincial Government Sources, Ontario, 2010-11 to 2023-24, Billions, in real \$ 2023

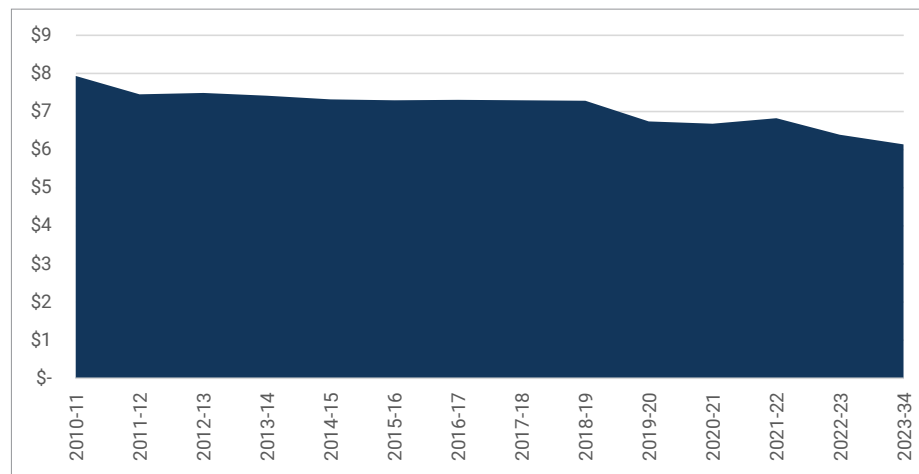


Figure 4: Institutional Income from Provincially-Controlled Sources, by type, Ontario, 2010-11 to 2023-24, Billions, in real \$ 2023

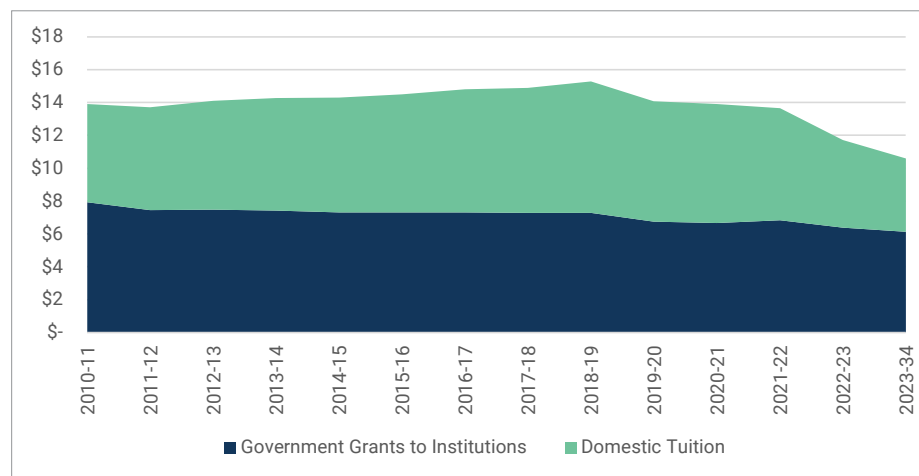
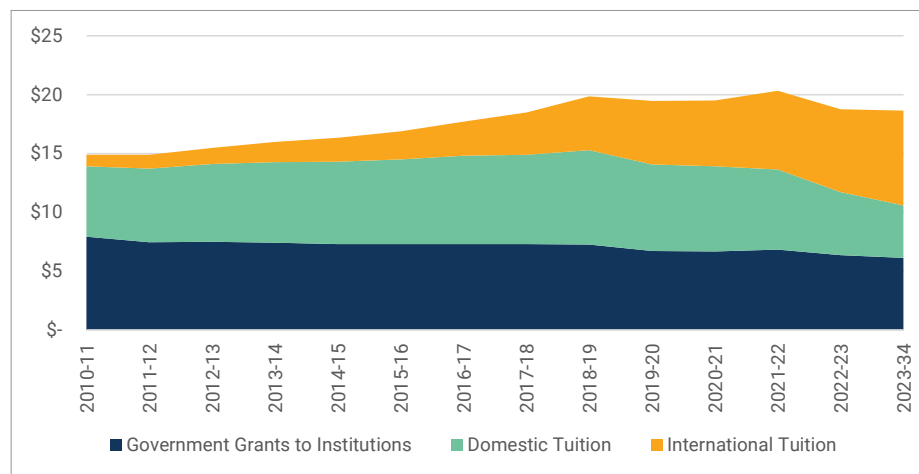
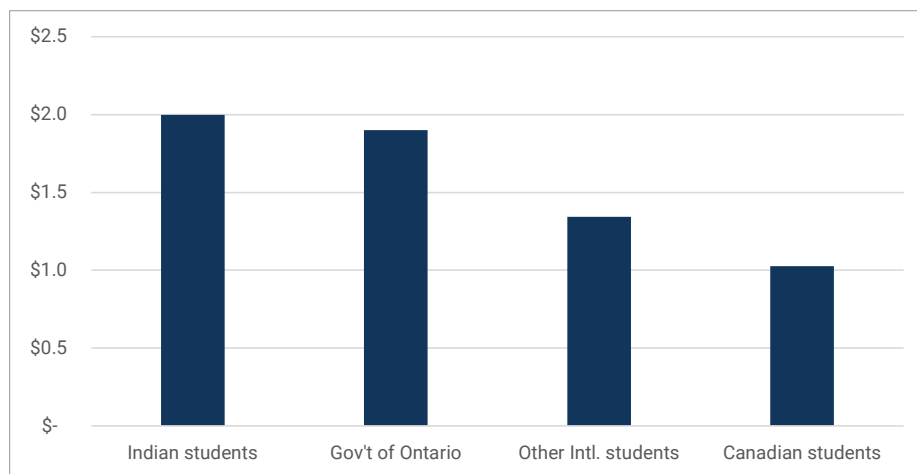


Figure 5: Institutional Income from Provincial Government Sources & Tuition, Ontario, 2010-11 to 2023-24, Billions, in real \$ 2023



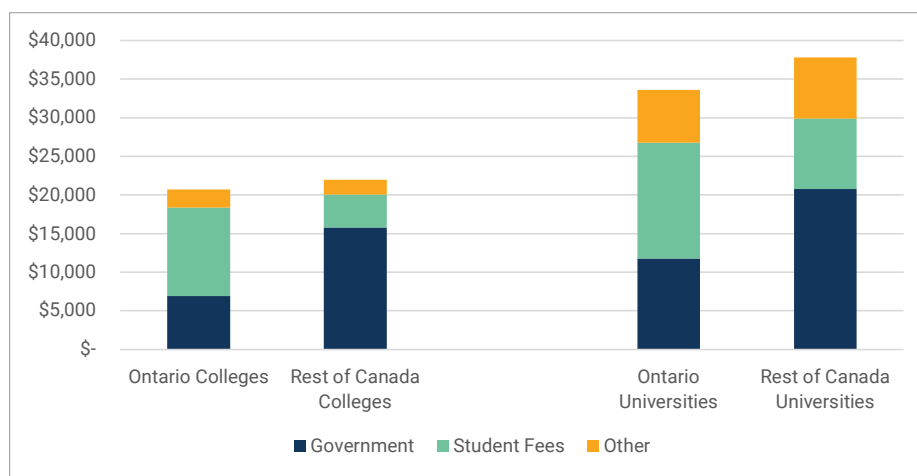
Nowhere are the effects of this transformation more obvious than in the Ontario college sector, where international students are expected to make up over half of the student body in 2023-24. Given that tuition for international students is something like three times what it is for domestic students (exact data is difficult to pin down because Statistics Canada chooses not to track tuition fees at the college level), that means that something like 76% of all tuition fees in the sector come from international students. And as figure 6 shows, since a majority of these international students come from India, it turns out that Indian students not only contribute twice the amount of money to the college system, on aggregate, that Canadian students do, they also contribute slightly more than does the Government of Ontario.

Figure 6: Institutional Operating Income by Source, Ontario Colleges, 2023-24, Billions, in real \$ 2023



Numbers like these tend to induce shock. How can it possibly be that Indian students are paying more into the system that Queen's Park? The answer is simply this: Ontario institutions, faced with deep cuts in income, have acted precisely the way the government asked them to – that is, by acting entrepreneurially and securing new forms of revenue. This isn't a mistake: this is exactly what the Ontario government requires.

Figure 7: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. Ontario, 2021-22



Now Ontario is an outlier. No province has underfunded postsecondary education more, and no province's institutions have found so many ways to raise money from private sources. On a per-student basis, the province funds universities at 57% of the average of the other nine provinces; on the college side it is a mere 44%. It is tenth out of ten in every inter-provincial comparison of financing. Merely to get the province to reach ninth place among provinces for funding of colleges and universities requires an additional investment of \$3.6 billion per year. To raise spending to the average of the other nine provinces requires \$7.1 billion per year in additional funding. Ontario's funding situation is, in a word, abysmal.

itself seems healthy, and many individual institutions are prospering like never before, some institutions are also more precarious. Laurentian University, which famously filed insolvency proceedings in early 2021 and only emerged from it in late 2022, may be the first of many institutions to go to the wall.

postsecondary education is not a worthwhile investment. Similarly, the obsession with tuition fee freezes is an outgrowth of the belief that consumer convenience (or, more broadly "affordability issues") is more important than the health of important social institutions such as colleges and universities. This, again, is a long-held preference of all political parties, presumably based on polling which says it is popular.

That said, with the possible exception of Québec, every province is heading in the same direction as Ontario. Revenues are increasing or staying stable, but they rely on increasingly variable and costly sources of funding. While the system

Canada is not Ontario, but many parts of the country might replicate these patterns, soon. Avoiding this fate requires a reversal of 45 years of disinvestment by governments. This will not be easy. This policy of gradual disinvestment is not an artefact of a particular government or ideological fad, it is the product of a profound consensus among Canadian governments, both federal and provincial, that

Nothing the sector has done in the past four decades to demonstrate relevance has worked to deflect governments from their determination to disinvest. Some radically new strategies are required if the entire country is not to end up like Ontario.

1.

CHAPTER ONE

Learners

KEY POINTS

- ▶ COVID led to a slowing of university enrolment growth and a slight decline in college enrolment growth. For 2021-22 Total enrolment in public universities and colleges is estimated at 2.19 million. Apprenticeship enrolments add another 400,000 to the total.
- ▶ There have been ongoing increases in engineering and the sciences at universities, particularly since 2008-09. The rates of growth in business and health have declined significantly in the past five years. The humanities remain in significant decline.
- ▶ Nearly half of students are part of a visible minority, and the percentage of first-year students reporting they were a “visible minority” was unchanged between 2019 and 2022.
- ▶ Women make up a significant majority of students in both universities and colleges, but remain hugely underrepresented in fields of Engineering and Technology.
- ▶ International students accounted for 17.6% of students at the university level and 21.6% of college enrolments. In Ontario, the international share in colleges has now risen above one-third of the total.



CHAPTER ONE

Learners



Mount Allison
Ladies' College class,
New Brunswick, 1895

As of 2021, roughly 2.6 million individuals are enrolled in Canada's universities, colleges and registered apprenticeships. This represents roughly 7% of the entire population, a figure that is larger than the population of the four Atlantic provinces put together, or the combined workforces of the construction and manufacturing industries. This chapter provides a high-level overview of where these students are and what they study.

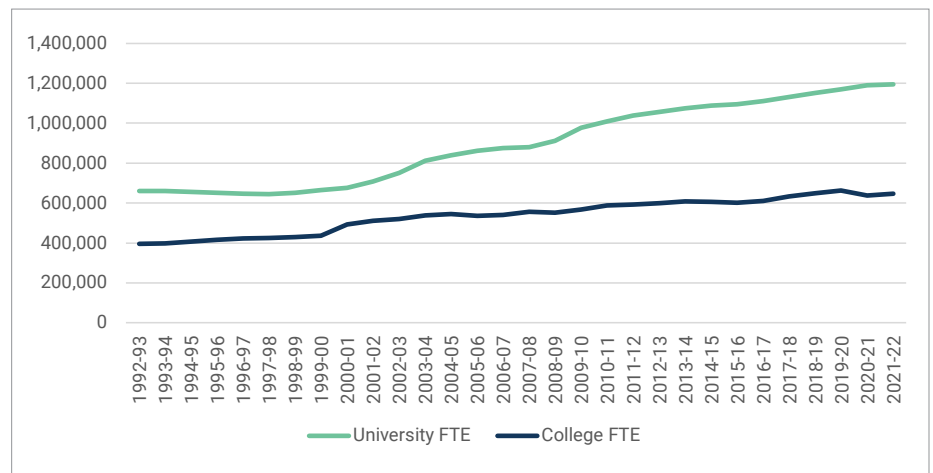
1.1 ENROLMENT TRENDS IN POSTSECONDARY EDUCATION

Enrolments in universities and colleges have been rising steadily in Canada since the turn of the century. Throughout the 1990s, total enrolment (full-time and part-time) was relatively flat, hovering between 1.3 and 1.4 million students. After 1999, numbers began to increase until they reached 2 million in 2011-2012, at which point growth slowed until around 2016 when a surge of international student enrolment began pushing numbers up. In 2020-21, the last year for which Statistics Canada provides complete enrolment data, the reported total headcount enrolment was nearing 2.17 million. Based on institutional and provincial data, which was available for over 90% of the country, that total increased slightly to just under 2.19 million in the COVID year of 2021-22, with university enrolment rising slightly but college enrolment dropping.

Figure 1.1 shows changes in full-time equivalent (FTE) enrolment in Canada's universities and colleges.¹ As of 2021-22, there were over 1.8 million FTE students in Canadian PSE institutions, with a little over one-third enrolled in colleges and just under two-thirds in

universities. Since the turn of the century, enrolments have been growing more quickly in universities than in colleges, though this is partly due to the conversion of several institutions in Alberta and British Columbia from college to university status.

Figure 1.1: Full-time Equivalent Enrolments by Sector, 1992-93 to 2021-22



¹ The term "full-time equivalent" (FTE) in Canada is a mathematical approximation equal to full-time students plus [part-time students/3.5]; it does not mean actual full-load equivalents based on credits taken.

Canadian provinces differ vastly in population size, and so too do their provincial systems of higher education. However, the relationship between the size of the population of a province and the number of students enrolled in its higher education institutions is not as proportional as one might expect. For example, New Brunswick's population is 52% larger than Newfoundland's, but its postsecondary sector is only 10% larger; similarly, Nova Scotia's population is 25% larger than New Brunswick's, but its postsecondary population is over twice as large. Ontario has the country's most outsized university system, making up roughly 43% of total seats (compared to just 38% of the country's population). Québec, with just 22% of the population, has over 30% of the college students, due mainly to the Cégep system's status as a pre-requisite to university study (see **Appendix A** for more on this system).

Table 1.1: Full-time Equivalent Enrolments by Sector and Province, 2021-22

	Universities	Colleges	Total
Newfoundland & Labrador	16,094	5,926	22,020
Prince Edward Island	4,900	3,179	8,079
Nova Scotia	42,046	8,645	50,691
New Brunswick	17,009	7,919	24,928
Quebec	242,718	199,724	442,442
Ontario	517,139	278,331	795,470
Manitoba	42,178	12,993	55,171
Saskatchewan	35,307	9,506	44,813
Alberta	130,028	54,677	184,705
British Columbia	147,225	64,684	211,909
Territories	674	1,389	2,063
Canada	1,195,318	646,973	1,842,291

1.2 ENROLMENT TRENDS IN UNIVERSITIES

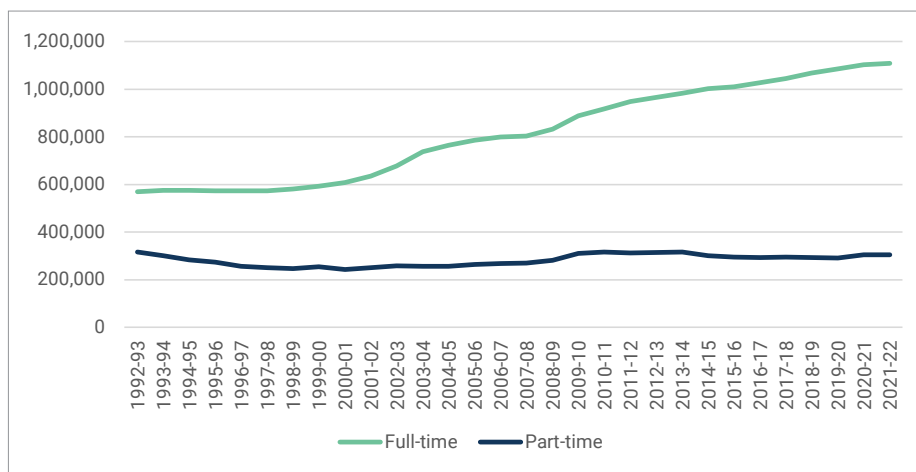
Turning specifically to university students, the first decades of the 21st century look very different than the last decade of the 20th. In the late 1990s, full-time enrolment was essentially flat. Part-time enrolment declined somewhat during the same period, following a period of expansion in the 1980s when professions such as nursing and teaching began retroactively requiring practitioners to hold bachelor's degrees, which they mainly attained through part-time study. Stagnant full-time enrolments during the 1990s were partly a product of demographics, but they were also the result of repeated provincial cuts to university grants, which led to capacity issues and a reluctance on the part of institutions to admit more students.

From about 2000 onward, growth resumed so that by 2021-22, full-time enrolments were 82% higher than they were in 2000-01. In part, this increase was due to shifts in the population profile: by the late 1990s, the children of

the baby boomers (the so-called "baby boom echo") started to flood into postsecondary education. In addition, demand for higher education increased due to technological change. Accommodating those twin pressures – higher demand and a growing youth cohort – required some extraordinary measures. Two events stand out: the first was the Ontario government's decision to end the system of Ontario Academic Credit

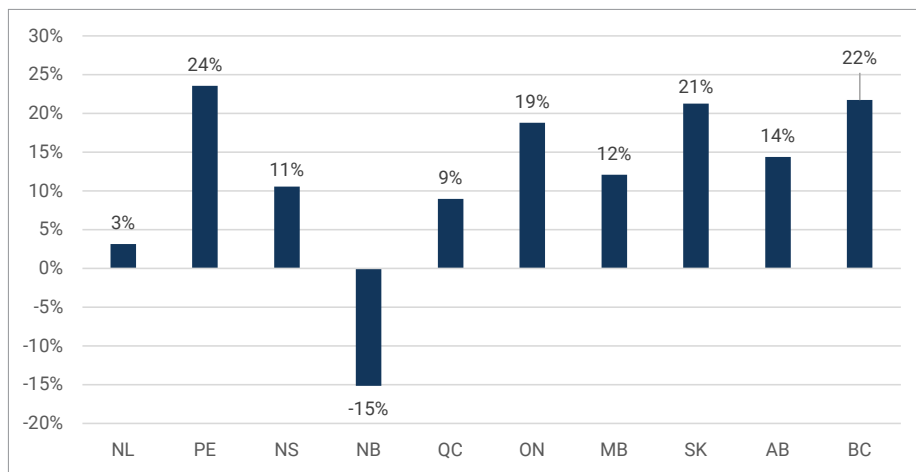
(which, in practice, was a 13th grade of high school) in 2002, creating a "double-cohort." Funding was granted to enlarge its universities, not only to accommodate the one-time system growth, but to permanently expand capacity as well. The second was the decision of the provinces of Alberta and British Columbia to expand their post-secondary systems by transforming some community colleges into universities.

Figure 1.2: Full- and Part-Time Students in Canadian Universities, 1992-93 to 2021-22



However, growth in university enrolments this decade has not been universal. In the Atlantic provinces, enrolment growth has been much slower than in the rest of the country because of a drop in the youth population. Growth would be slower still were it not for significant increases in international student enrolments, particularly in Prince Edward Island. New Brunswick has experienced a significant drop in overall enrolments over the past decade while Newfoundland and Labrador's enrolment levels have remained unchanged. Further west, British Columbia and Saskatchewan saw increases of over 20%. Growth has been slower in Québec (9%) where enrolments have been essentially flat since 2014-15.

Figure 1.3: Change in FTE University Enrolments by Province, 2011-12 to 2021-22



1.2.1 Fields of study

Figure 1.4 looks at changes in university enrolments by field of study. In the 1990s, when total enrolment was declining due to reductions in the number of part-time students, business, science, humanities, and social sciences all experienced an enrolment decline. Starting at the end of the 1990s, nearly all fields of study began to grow at roughly similar rates. The exception was education. Fewer teachers were needed because of the falling birth rates during the late 80s and early 90s. Universities adapted by limiting enrolments to teacher training programs. This trend of growing enrolment in most fields of study continued until 2010 or so, when humanities numbers began falling while most other fields grew. Between 2010-11 and 2020-21, enrolment in humanities was down by 27%, while social sciences increased by 17%, business by 16%, health by 26%, engineering by 42% and science by 47%.

Figure 1.4: University Enrolments by Major Field of Study, 1992-93 to 2020-21

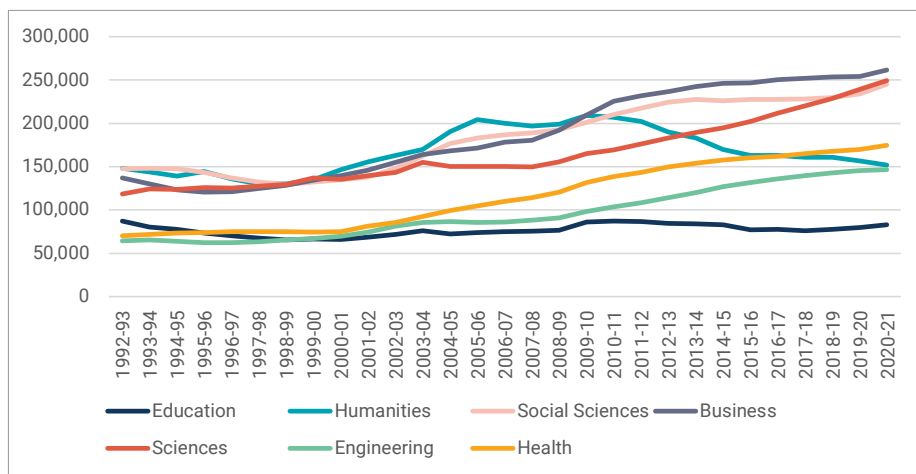


Figure 1.5: Full-Time University Enrolment, by Gender, 1992-93 to 2020-21



1.2.2 Student demographics

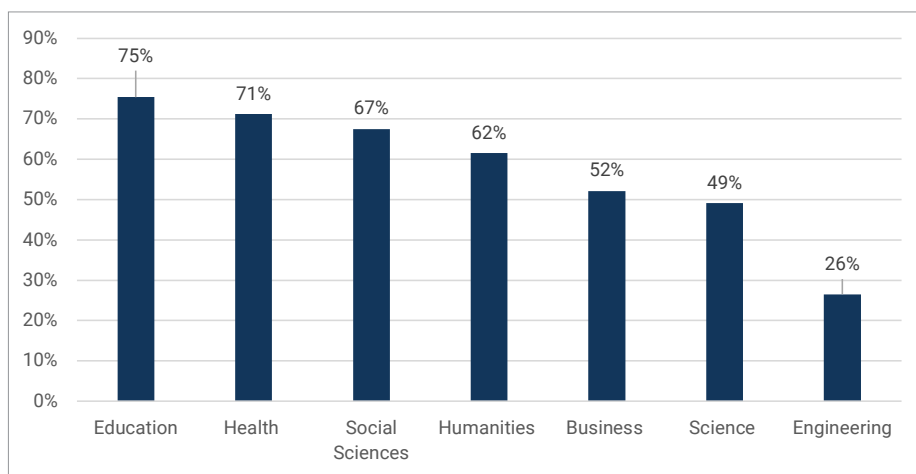
Figure 1.5 shows the evolution of enrolments by gender since 1992. As in most countries around the world, university enrolments in Canada tilts towards women and has done so for decades. In 1992- 1993, women made up 53% of the student body. By 2000, they



made up 57% of the student body, a level that has been maintained ever since. The internationalization of the student body is one of the things contributing to the plateauing of women’s participation rates, as foreign students tend to be disproportionately men.

The distribution of women across fields is uneven. In health and education, women make up between 70-75% of all full-time university enrolments. In what are usually called “arts” disciplines – that is, social sciences and humanities – women make up just under two-thirds of all enrolment. Business and sciences are more evenly split between men and women, while in engineering, men are close to three-quarters of all enrolment, a figure that has changed remarkably little over the past three decades. Figure 1.6 shows women’s share of full-time university enrolments in 2020-21. Other gender categories have not yet appeared in adequate numbers to plot in this enrolment data, but we will monitor these figures for future editions.

Figure 1.6: Full-Time Women’s University Enrolment, by Field of Study, 2020-21



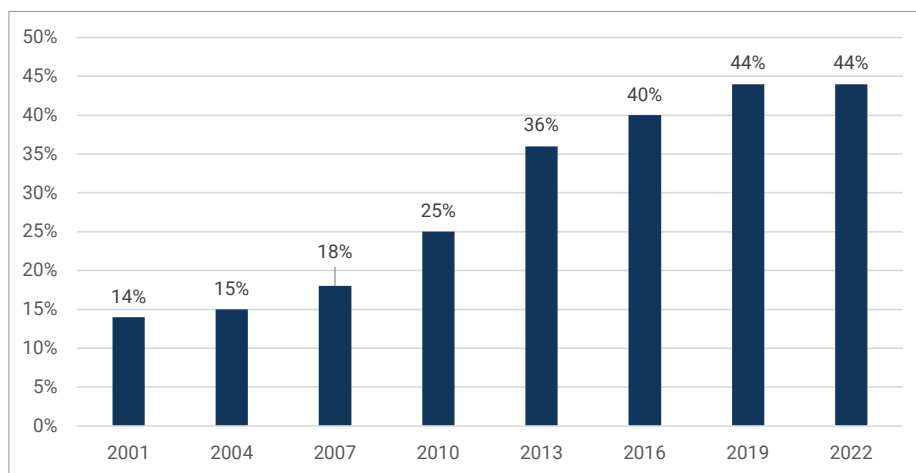
With the exception of a brief interlude in the 2000s, Statistics Canada has rarely tried to measure anything about the social composition of the Canadian student population. As a result, the country has neither administrative data nor any kind of fully comprehensive survey data providing information on the student body with respect to ethnicity, disability, or socio-economic background. However, the Canadian Undergraduate Survey Consortium carries out an annual survey across many Canadian campuses, alternating on a three-year schedule between first-year, middle-year and final-year students. While the sample is sub-optimal in various ways (institutional participation varies from one year to another, participation is skewed towards smaller institutions and Québec institutions are under-represented), it is nevertheless the best available national source of data on student characteristics.

In both the 2019 and 2022 surveys of first-year students, 44% described themselves as being a “visible minority”, which is more than triple the number of those who did in 2001. Even if we

exclude all those who say they are international students – not all of whom are visible minorities – the 2022 figure is still 30% (the 2019 figure was an even higher 35%). Partly, this change reflects the country’s changing ethnic composition, but it also reflects the fact that visible minorities are more likely to go to school than other Canadians. According to the 2021 census, 33% of Canadians

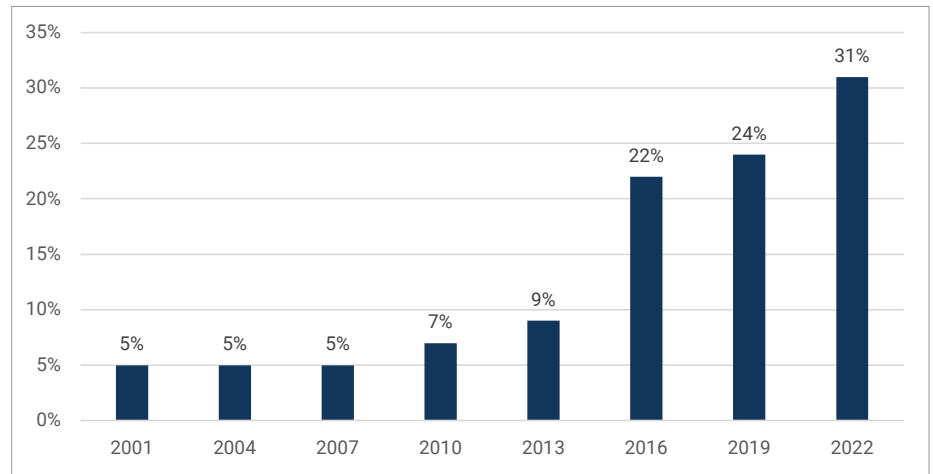
aged 15-24 identified as a visible minority; with somewhere between 30-44% of domestic students claiming the same. That suggests that visible minority students are slightly overrepresented in Canadian universities. Very few other countries can say anything similar; normally, minority populations are less likely to attend university.

Figure 1.7: First-Year University Students by Visible-Minority Status, 2001-2022



Another significant shift over time is in the proportion of students who report having a disability/impairment. Between 2001 and 2013 this figure increased from 5 to 9% – whether because more students with disabilities were accessing education or because of a reduced stigma in disclosing disabilities (or both) is impossible to determine. In 2016, the wording of this question changed to explicitly include mental health issues and the proportion of self-reporting students shot up to 22%. By 2022 figure had reached 31%. Two-thirds these students in 2022 indicated that they had a mental health issue (up from about half in 2019).

Figure 1.8: First-Year University Students Reporting Disability, 2001-2022



Pg 9: New St. John's College, Winnipeg, 1885
Left: St. Marys University, study hall, 1920

1.2.3 Inter-provincial student mobility

The proportion of Canadian university students who move provinces to study is relatively low – roughly 8.5%, a rise of about two percentage points since the early 1990s. Generally speaking, movement into and out of provinces is inversely correlated with size. In the three Maritime provinces, over one in four Canadian students is from another province (in Nova Scotia, much of this inflow is from Ontario; in New Brunswick and Prince Edward Island it tends to come from the other Maritime provinces). Conversely, in Ontario and Québec, the proportion of out-of-province students is closer to one in twenty.

provinces. In relative terms, Nova Scotia is by far the largest importer. Conversely, Alberta is the largest net loser in terms of student numbers, sending nearly 14,000 students to other provinces (mainly British Columbia and Ontario)

while only attracting a little over 8,000. In relative terms, Prince Edward Island is the largest net exporter of domestic students, losing a net 650 students to other provinces (mainly Nova Scotia).

Figure 1.9: Net Inflows of Undergraduate Students from other Canadian provinces, by Province, 2020-21

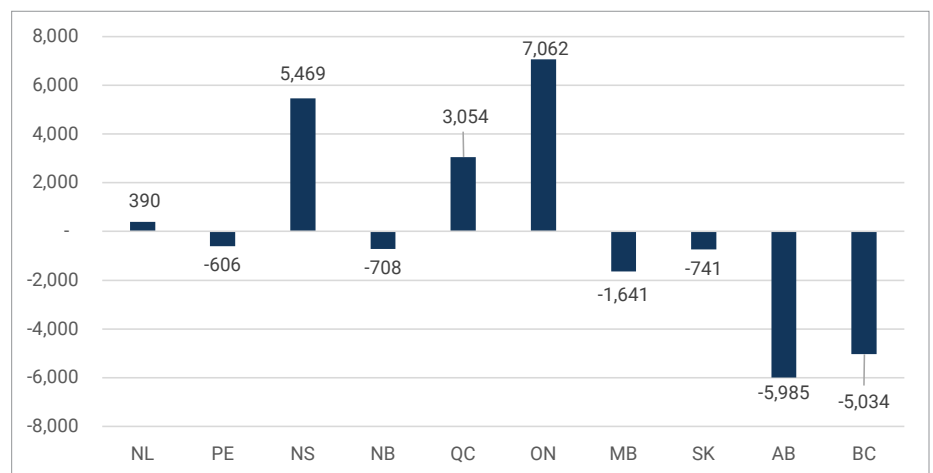


Figure 1.9 shows the net inflow of domestic students (i.e., excluding international students) across all ten provinces. In absolute terms, the largest net recipient of students is Ontario, with 5775 more students arriving than departing to other

1.3 ENROLMENT TRENDS IN COLLEGES

College enrolment increased substantially over the past two decades, at rates roughly similar to those seen at universities. However, data collection on the college side is less reliable and Statistics Canada has changed the way it counts vocational education students, so some of the increases – particularly in the mid-late 2000s – may represent statistical artifacts rather than real change.

Nevertheless, the increase on the college side is even more significant considering that many tens of thousands of college students were removed from the college count in Alberta and British Columbia when several institutions changed status from college to university.

Figure 1.11 shows changes in college enrolments by province over the past ten years. The most stunning change has been in Prince Edward Island which, admittedly, is working from a fairly low base (a 58% increase in student numbers is equal to about 1500 students, half of which are international students). Ontario, which represents over 40% of the national student body, also saw a significant rise in enrolments. Elsewhere, rates of growth and decline have been more modest. In Saskatchewan and Nova Scotia, enrolments actually fell, but nowhere near as much as in Newfoundland and Labrador where the 21.5% fall in enrolments was largely (but not solely) due to demographic factors, particularly outside the Avalon peninsula. The drop in enrolments in the Territories is due to many Yukon students being reclassified as university-level.

Figure 1.12 shows enrolments in colleges by field of study. As in universities, “business” studies are the largest single category, and some of the most important long-term growth has come in engineering and health. One element of this figure, which may surprise people who are used to thinking of colleges as technically-oriented, is the large (albeit declining) proportion of enrolments in the humanities. That is due in no small part to the unique nature of Québec colleges: a very large proportion of those students headed to university in that province (via the Cégep system) are enrolled in programs labelled as “humanities”.

Figure 1.10: Full- and Part-Time College Enrolment, from 1992-93 to 2021-22

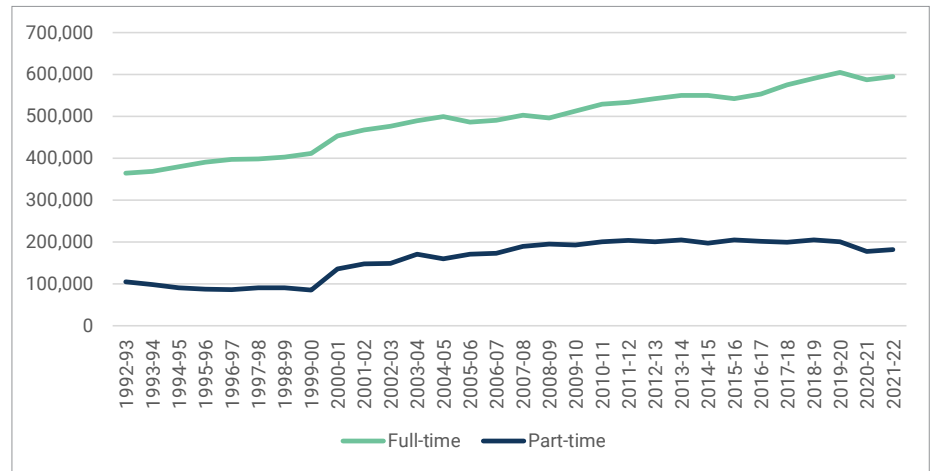


Figure 1.11: Change in College Enrolments by Province and Territories, 2011-12 to 2021-22

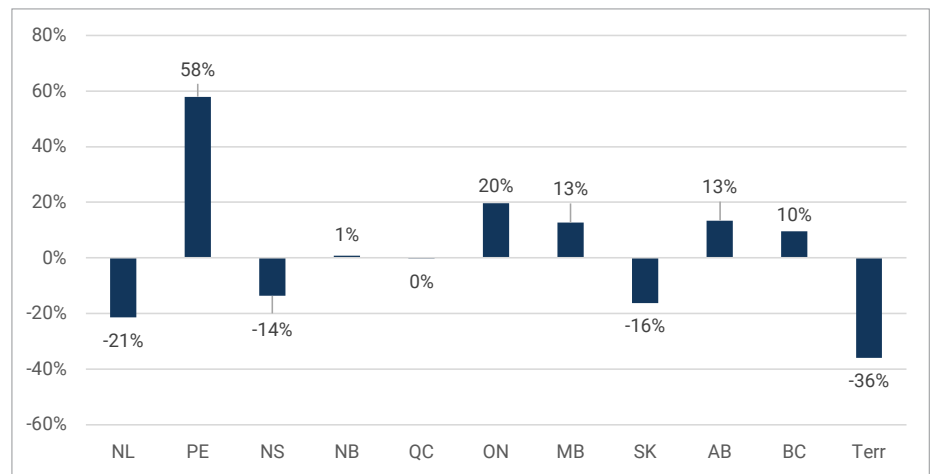


Figure 1.12: College Enrolments by Major Field of Study, 1992-93 to 2020-21

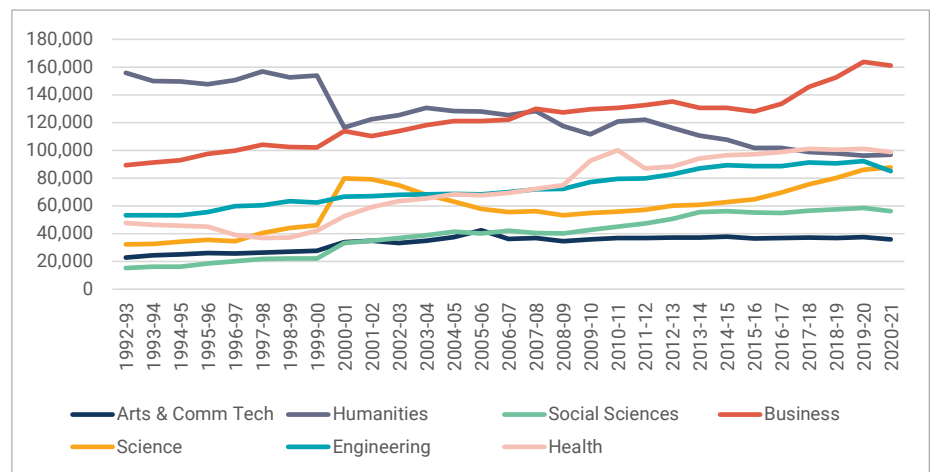


Figure 1.13 shows college enrolments by gender. As in the university sector (see figure 1.5, above), women make up the majority of enrolments in the Canadian college sector. However, the pattern of change over time is somewhat different. Unlike the university sector, from 1992-93 to the present day, the proportion of college enrolments made up by women has stayed in a very narrow band from 53-55%.

As figure 1.14 shows, enrolments by field of study are more polarized in terms of gender in the college sector than they are in universities (see above, figure 1.6). Fully 80% of students in the fields of health and social sciences are women, while in the fields of engineering and technology only 17% are women. However, science, humanities, arts & communications technology, and business are all much closer to gender parity.

Because Polytechnics (see *What is a Polytechnic*, **Appendix A**) are not an official category of institution, we have no official count of students at these institutions as an independent category. However, based on their submissions to Statistics Canada, these 13 institutions reported a headcount enrolment of 227,511 postsecondary students (full-time equivalent enrolment of 217,758) plus another roughly 33,000 students who are not studying at a postsecondary level (classified as “upper-secondary” or “not applicable” by Statistics Canada). Polytechnics educate students at a variety of levels. In addition to “postsecondary non-tertiary” – what the United Nations Education, Scientific and Cultural Organization (UNESCO) and calls the International Standard Classification of Education (ISCED) Level 4 and “short-cycle tertiary” (ISCED Level 5) – they also teach about 33,000 students, or 12.5% of postsecondary students enrolled in Polytechnics, at the bachelor’s level or above. Something like 95% of these enrolments would be considered college enrolments by Statistics Canada, while only 5% (mainly from Kwantlen Polytechnic University in British Columbia) would be counted as university students.

As noted in Appendix A (below), Canada broadly has three kinds of college-level institutions. The first kind are the Collège d’enseignement général et professionnel

Figure 1.13: Full-Time College Enrolment, by Gender, 1992-93 to 2020-21

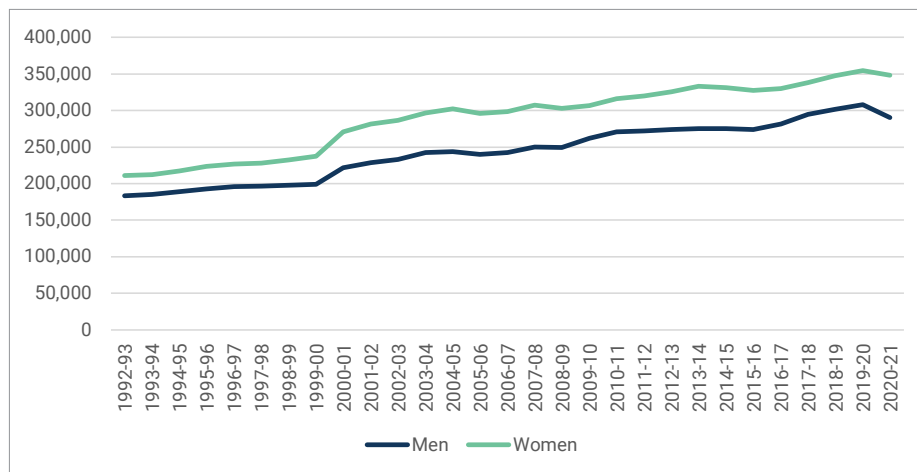


Figure 1.14: Full-Time Women’s College Enrolment, by Field of Study, 2020-21

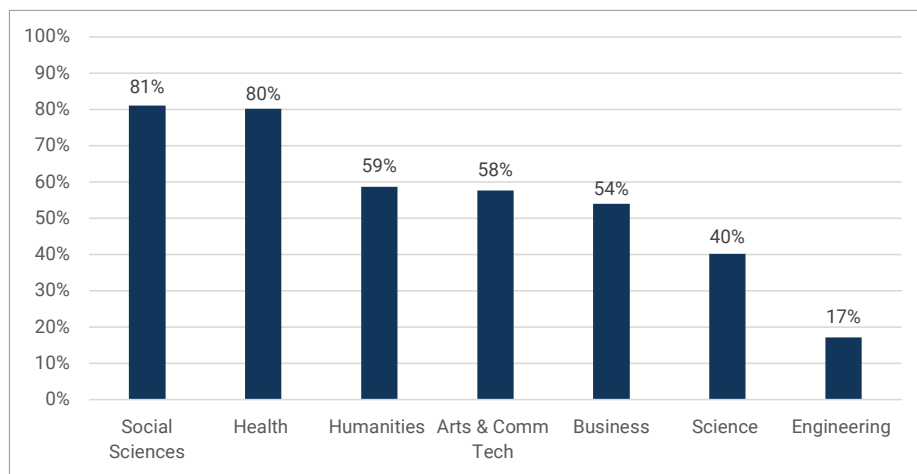
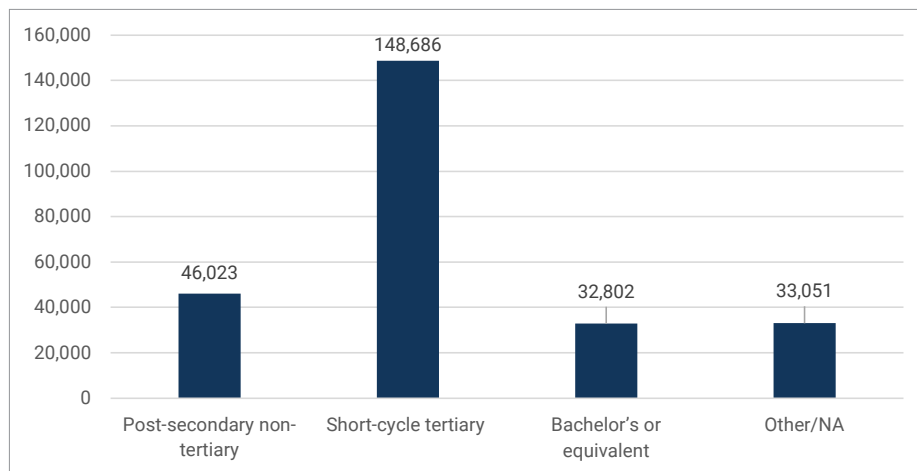
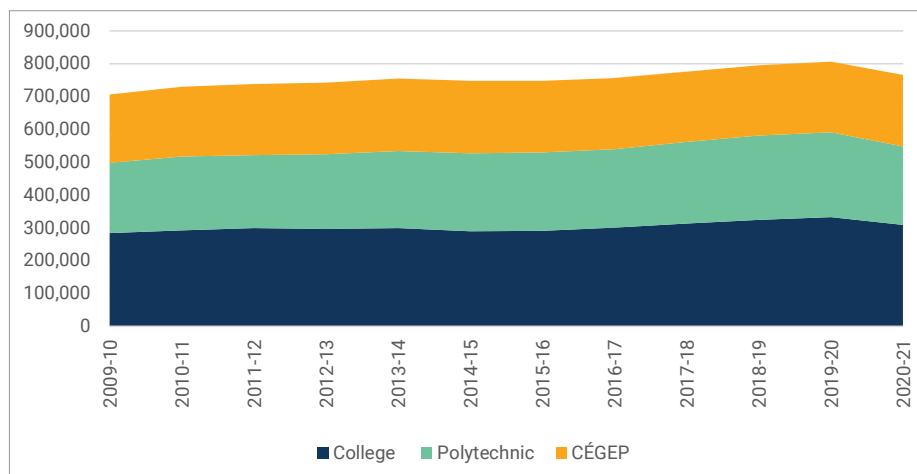


Figure 1.15: Polytechnic Enrolments by Level of Education, 2020-21



(Cégeps), which exist only in Québec, and provide both direct training for the labour market and a 2-year bridge between secondary school and university. Second are the polytechnics described above, and third are the more traditional community colleges, which offer a variety of vocationally-oriented non-degree programming, and which remains the dominant form of college in the Atlantic as well as much of rural and small-town Canada from Ontario to the Pacific.

Figure 1.16: Polytechnics, CÉGEPs & Colleges, Student Enrolment, 2009-10 to 2020-21



L'Université de Montréal, mid-construction, Québec, 1945

1.4 PRIVATE POSTSECONDARY EDUCATION

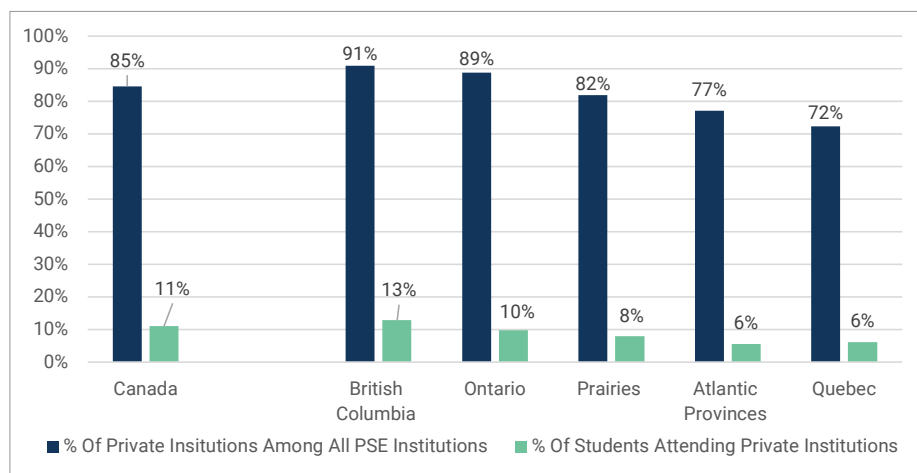
While higher education in Canada is mostly provided through publicly-funded institutions, particularly at the bachelor's level, the country has a very large private sector as well (see **Appendix A Non-Standard Universities and Private Vocational Colleges**). Most of this sector consists of what are called Private Vocational Colleges, which mostly provide programs at the certificate level (that is, of a year's length or less).

Statistics on these institutions and their students are hard to come by because they are not required to report information to Statistics Canada and to the extent they provide data to provincial governments, the data tends not to be public. However, in spring 2023 Statistics Canada published some data on the sector using both the agency's own Business Register and tax filing data.

According to this new research, there are thousands of such institutions across the country; as figure 1.17 shows, roughly 85% of all postsecondary institutions in the country are private.

However, these institutions are typically very small, such that these thousands of institutions have a collective enrolment which only makes up about 11% of the national student body.

Figure 1.17: Percentage of Private PSE Institutions & Students Attending Private Institutions in Canada, by Province, 2020



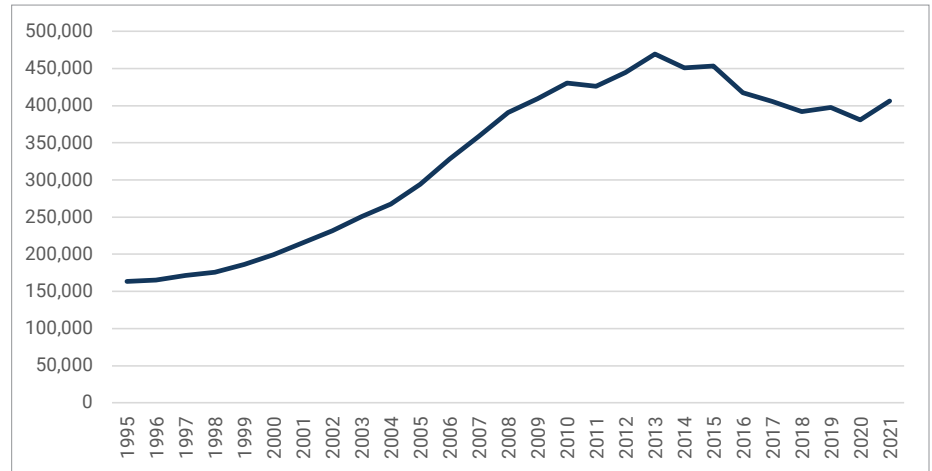
1.5 APPRENTICESHIP ENROLMENTS

Apprentices are considered postsecondary learners, but they are not necessarily enrolled in postsecondary institutions. Their enrolment as apprentices merely means that they have a contract with an employer in which both sides agree the apprentice will follow a particular course of learning and will periodically attend in-class training (see *Apprenticeships, Appendix A*). Apprentice numbers were very low in the mid-1990s, reflecting a roughly 15-year trough in commodity prices and a generally weak Canadian economy. However, from the late-90s onward, the national economy grew more rapidly, inducing an expansion of employment in construction and necessitating the creation of many new apprentice positions. The decade-long

run-up in commodity prices also created new demand for apprentices, particularly in Western Canada, in trades related to construction and resource extraction.

The result was a rise in the number of apprentices, from 175,000 in 1997 to a peak of approximately 470,000 in 2013.

Figure 1.18: Apprenticeship Enrolments, 1995-2021



Despite recent challenges in natural resource sectors of the economy, the decline in apprentice numbers has been relatively muted, falling by 19% to 381,000 in 2020, though almost a quarter of this was due to Ontario eliminating a tax loophole which made it profitable to classify phone-centre workers as “user-support technician” apprentices. In 2021, apprentice numbers made a bit of a comeback, rising by over 6%, thanks mainly to jumps in construction trades in Québec (and to a lesser extent, Ontario and Alberta). National numbers conceal big changes provincially: numbers have increased significantly in Québec, but this has been more than offset by drops in Ontario (mainly in “caring” trades like early childhood education), and Alberta/Saskatchewan (mainly in oil-gas related trades). Table 1.2 shows how the top ten apprenticeship trades have changed in Canada over the past decade. The top four trades, which now make up almost 50% of all apprenticeship registrations, have stayed constant over the past decade: below that, the popularity of various trades seems to fluctuate.

Table 1.2: Top Ten Major Trade Groups in Canada, 2011 vs 2021

2011		2021	
Electricians	64,842	Electricians	68,931
Carpenters	50,829	Carpenters	49,608
Plumbers/Pipefitters/Steamfitters	44,319	Plumbers/Pipefitters/Steamfitters	45,594
Automotive Service	41,763	Automotive Service	38,706
User Support Technicians	22,779	Food Service	19,512
Food Service	19,269	Interior Finishing	17,583
Hairstylists & Estheticians	18,855	Heavy Equipment & Crane Operators	13,464
Interior Finishing	17,871	Heavy Duty Equipment Mechanics	13,275
Welder	17,061	Millwrights	12,735
Exterior Finishing	13,818	Metal Workers	12,681

*Cégep de Chicoutimi,
Québec, founded in
1967*



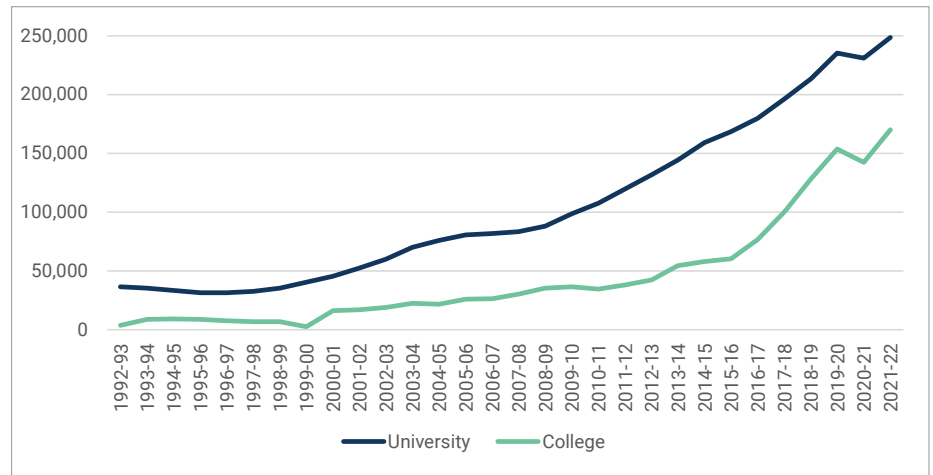
1.6 INTERNATIONAL STUDENTS

Since about 2000, the number of international students at the postsecondary level in Canada has risen dramatically, from just under 40,000 in the late 1990s to almost 420,000 in 2020-21. This rise was gradual at first, then very rapid from 2009 onwards. There are several reasons for this growth: international students bring diversity to classrooms across the country and (marginally) because their presence burnishes institutions' standings in world rankings, which regard the presence of international students as an indicator of quality. However, the main reason is that international students pay much higher tuition fees than domestic students and are thus seen as a way to offset stagnant government funding. In 2021-22, international students made up 17.6% of all

university enrolments and 22% of all college enrolments. Growth has been most rapid in Ontario's college sector,

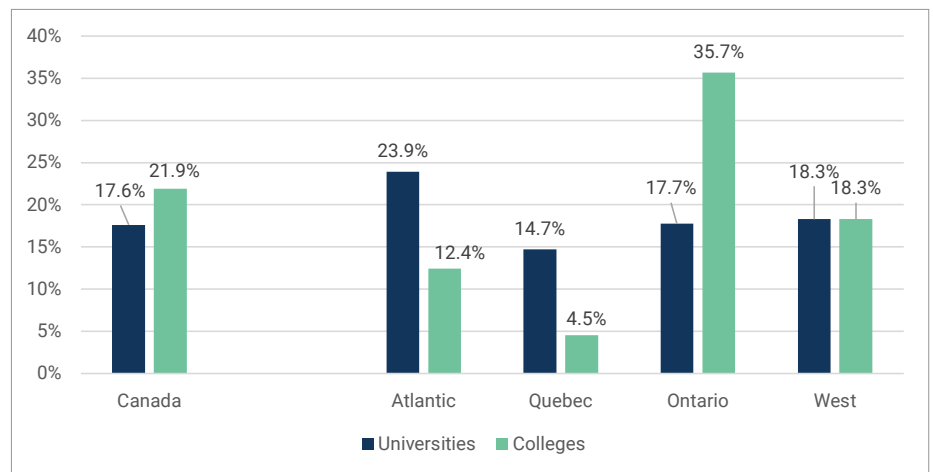
where international student numbers roughly doubled between 2016-17 and 2019-20.

Figure 1.19: International Enrolments by Sector, Canada, 1992-93 to 2021-22



As with the general student population, international students are not distributed equally across the country. At the university level, international students are a bigger part of the student body in the Atlantic provinces than they are elsewhere; at the college level, it is the reverse, with international enrolments lower in the five eastern provinces but hugely important west of there, especially in Ontario, which accounts for about 70% of all international college students in Canada. Figure 1.20 shows international students as a percentage of the student body by sector, both regionally and nationally.

Figure 1.20: International Students as a Percentage of Total Student Body, by Region and Sector, 2021-22



Durham College, Ontario, 1974

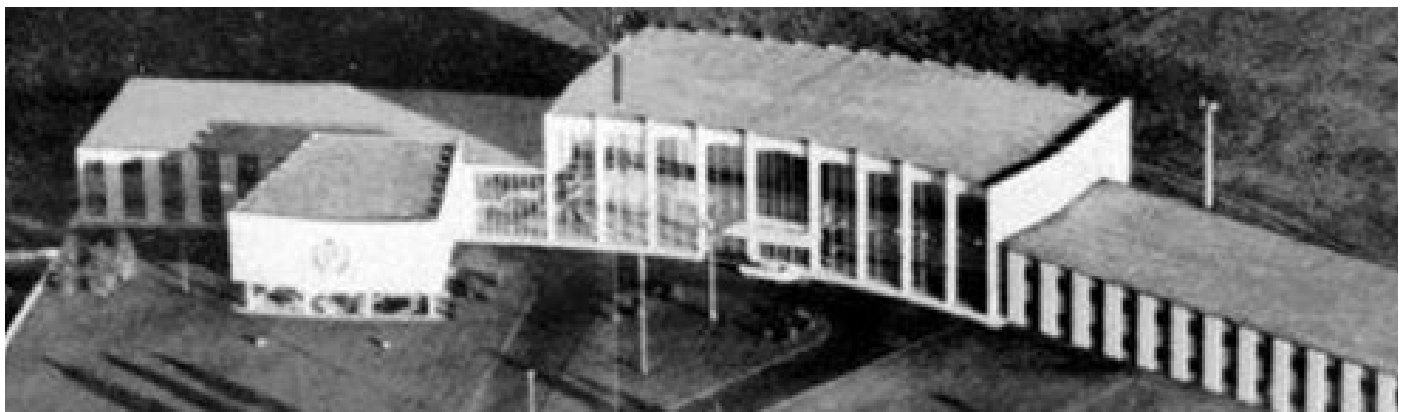
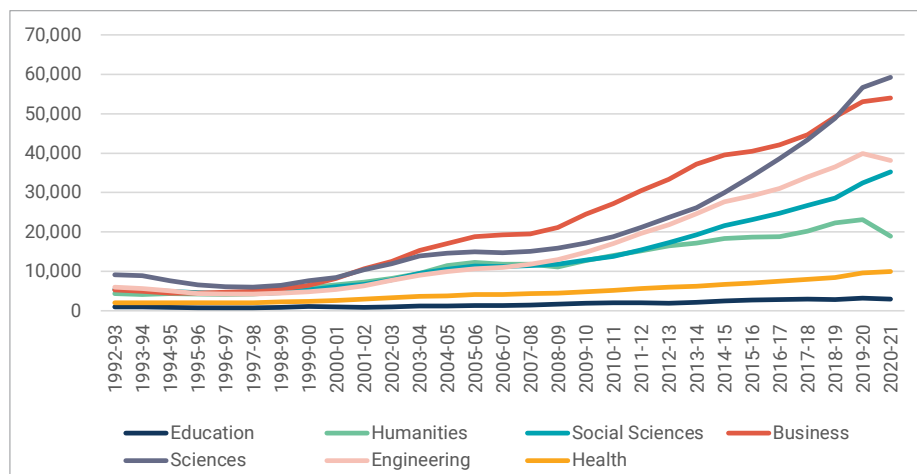


Figure 1.21 shows the distribution of international students by field of study. As with domestic students, science and business are the two most popular fields among international students. Engineering is a substantially more popular field among international students than it is among domestic ones (17% of all enrolments), while social sciences, humanities, health care and education are less popular. That said, in absolute terms, humanities enrolments among international students were increasing in the decade leading up to COVID and the decline in enrolments in this sector would have fallen even further had it not been for students from abroad.

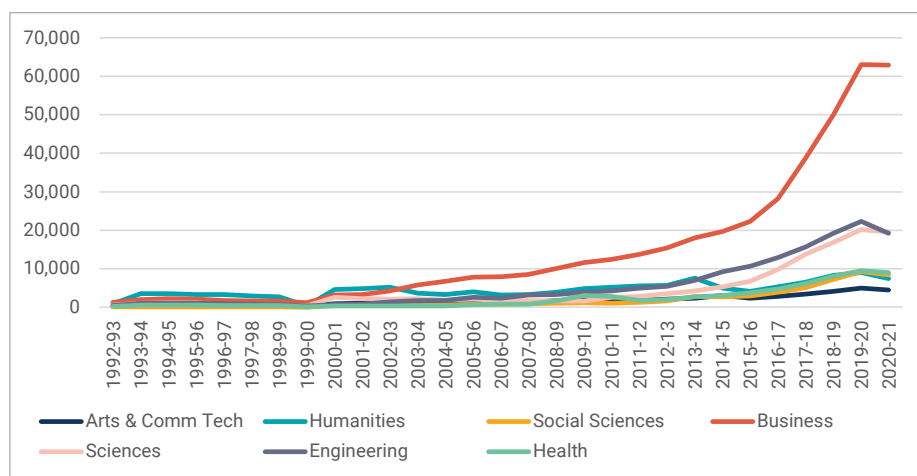
Figure 1.21: International Students, by Major Field of Study, Canadian Universities 1992-93 to 2020-21



University of British Columbia, 1971



Figure 1.22: International Students, by Major Field of Study, Canadian Colleges, 1992-93 to 2020-21



1.7 CANADA IN INTERNATIONAL PERSPECTIVE

A perennial question about the postsecondary education system in Canada is how it fares in comparison to systems in other countries. This question is far harder to answer than one might think since national systems contain different types of institutions and offer degrees of various length. Most comparative questions can only be answered

imperfectly; nevertheless, some basic comparisons are possible.

The first question considers the size of the overall system and the number of students it contains. Ideally, one would do this by looking at “net enrolment ratios”, which is a way of dividing the number of students in “typical” attendance in a tertiary education program² (e.g., domestic students enrolled in such programs between the ages of 18-21)

and divide it by the total number of the country’s inhabitants in the same age range. This is difficult to do internationally because most countries do not make available sufficiently detailed data on the age distribution of their student body to allow for a net enrolment count. So, most international comparisons rely on the “Gross Enrolment Ratio”, which is total tertiary enrolment (which in Canada includes all university programs and roughly half of programs offered by

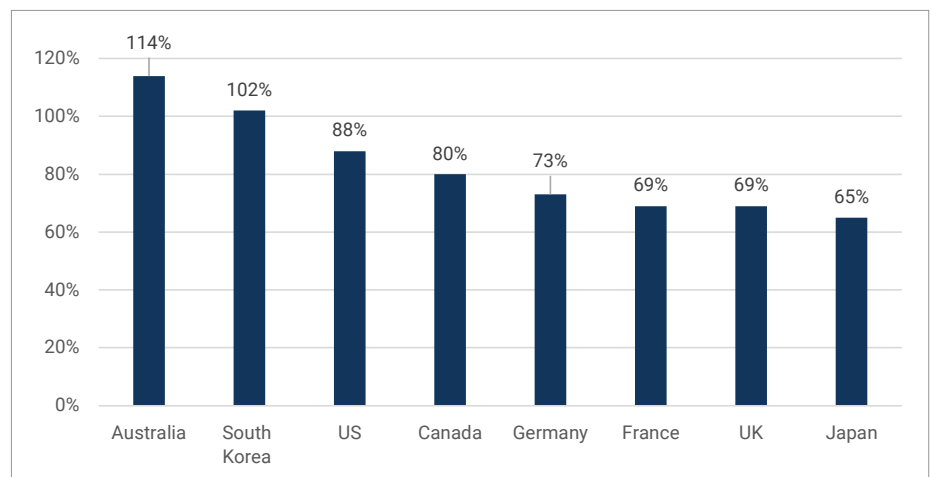
² Tertiary education means ISCED level 5 and above, according to the United Nations Educational, Scientific and Cultural Organization’s (UNESCO) classification system. Roughly half of all postsecondary students at Canadian colleges are considered to be in tertiary programs, while the remainder are considered “postsecondary non-tertiary”.



Ontario Agricultural College (now University of Guelph), gymnasium, Ontario, 1925.

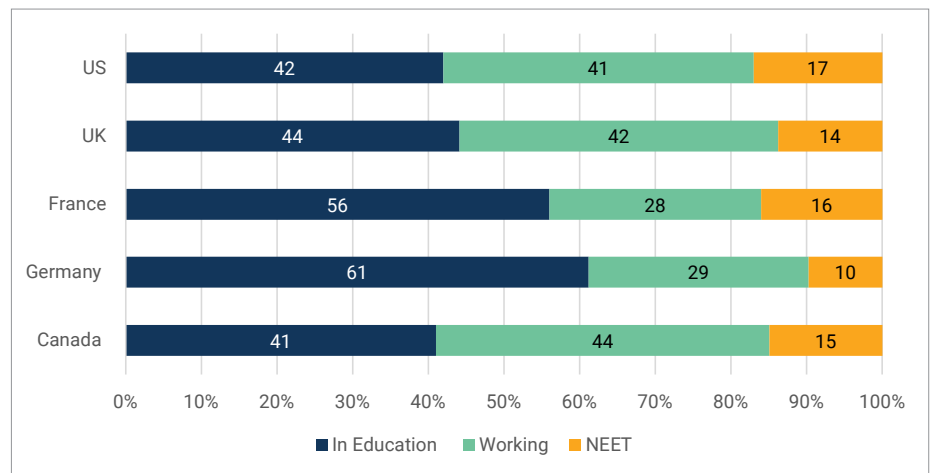
colleges), divided by the number of people in a relevant four-year age bracket. Figure 1.23 shows this data for Canada and seven comparator countries: Australia, France, Germany, Japan, South Korea, the United Kingdom, and the United States. Canada's figure is 80%, which is close to the median among these countries. Note that of the four countries below Canada in the rankings, three offer undergraduate degrees of only three years in length (this is also true of Australia, but its figures are boosted both by the very large number of international students enrolled there and by the fact that unlike Canada, nearly all its college-level courses are defined as "tertiary" rather than "postsecondary non-tertiary").

Figure 1.23: Gross Enrolment Ratios in Tertiary Education, Select OECD Countries, 2020



Another way to look at participation in tertiary education is to look at the shares of population who are i) engaged in education ii) employed, or iii) Not Employed, in Education or in Training (NEET), a set of figures tracked by many but not all OECD countries. Figure 1.24 shows the percentages of youth aged 18-24 in education, employment or in NEET for Canada and four other G7 countries. Because the denominator of 18-24 covers seven age-years rather than just the four in figure 1.23, the percentages in education are significantly smaller in this portrayal. Figure 1.24 shows a variety of patterns of education/employment/NEET across these countries, and there does not appear to be a stable pattern across these three categories. The fact that Canadian youth are the likeliest to say their primary activity was employment in the labour market is of most interest here.

Figure 1.24: Proportions of Youth Aged 18-24 in School, in Employment or NEET, Select OECD Countries, 2020

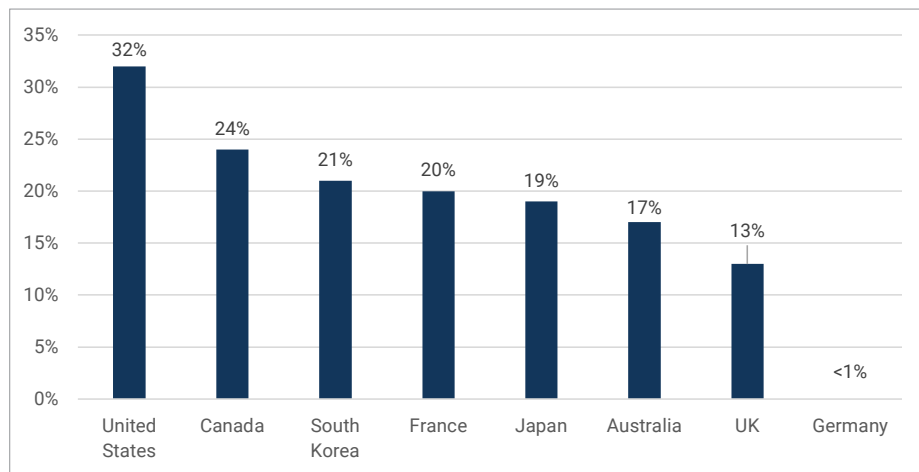


One of the remarkable features of the Canadian system is the high proportion of students enrolled in non-university institutions. This is partly a function of Québec's unique Cégep system, and partially because of the strong tradition

of professional and vocational education carried out in institutions right across the country (see **Appendix A, What is a College**). As figure 1.25 shows, over 24% of Canadian tertiary-level students are enrolled in "non-universities", the

second-highest rate among the selected countries. The US, Korea, and Japan, all of which have somewhat similar "junior" or "community" college systems, also have relatively high enrolment rates (over 20%) in these types of institutions. The number is much lower in Europe where these types of institutions are relatively unknown: Germany has very few students in institutions of these types, which may seem strange given their vaunted technical education system. This is partly because its apprenticeship arrangements are considered a part of the secondary education system rather than postsecondary, and partly because their *Fachhochschule* – institutions that are sometimes compared to community colleges on the grounds that they are not universities (and which educate roughly a third of all German tertiary students) – are closer to universities since all of the credentials they distribute are bachelor's degrees.

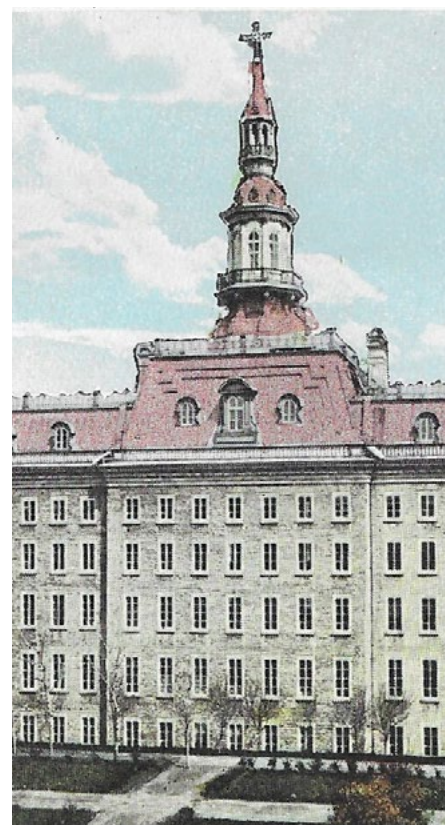
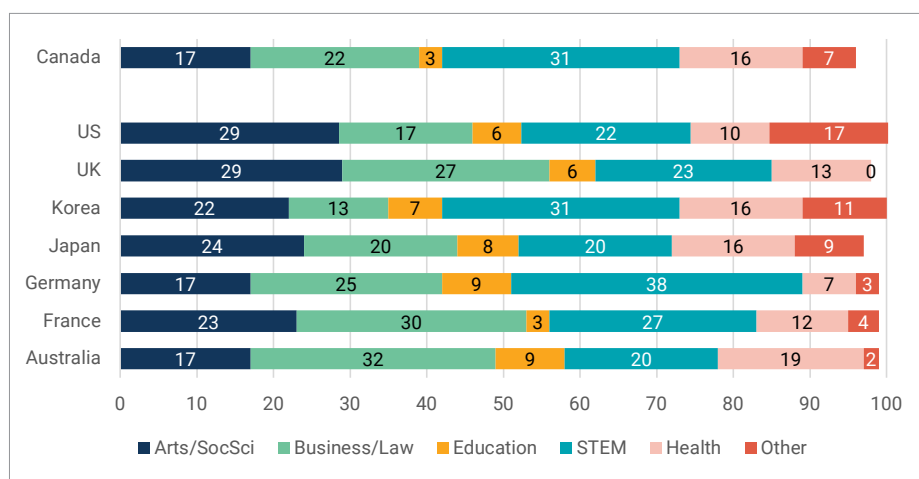
Figure 1.25: Proportion of Postsecondary Students Studying in Institutions Predominantly Offering Programs Below Bachelor-level, Selected OECD Countries, 2020



Another useful international comparison considers the distribution of students by subject area, trackable via data collected by the OECD on new entrants to tertiary education. As figure 1.26 shows, in 2020, science students – that is, enrolments in STEM and health disciplines combined – ranged from 32% of the total in the US

to 47% in Korea and Canada. Meanwhile, the disciplines which can be grouped together as "non-laboratory" – arts, social science, business, law and education – made up a majority of total enrolments in every country except Canada and South Korea.

Figure 1.26: Distribution of New Entrants by Field of Study, Selected OECD Countries, 2020³



Université Laval, Québec, established 1663

³ US data is for 2019.



Nova Scotia Community College, cafeteria

The final international comparison concerns apprenticeships. These are extraordinarily difficult to compare multilaterally because of the vast differences in how these programs are defined and delivered. Nevertheless, a comparison between Canada and Germany is instructive, mainly because of the way that Germany’s “dual system” of education is so often credited with German success in manufacturing.

Yet, a closer look at the patterns of apprenticeship registrations in the two countries suggests this credit may be misplaced. One of the distinguishing features of Canadian apprenticeships is the way they are focussed on very traditional trades, particularly the construction trades. As table 1.3 shows, eight out of the top ten trades in Canada – accounting for roughly 60% of all apprentices – are related to the construction or automotive industries (or

what in Canada tend to be called the “skilled trades”). In contrast, over half of the top trades in Germany are in

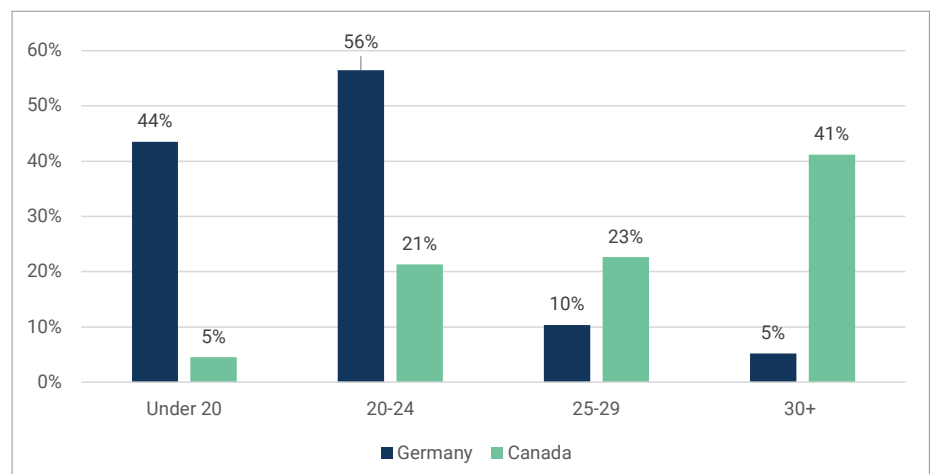
white-collar occupations, such as retail sales, industrial sales, office clerks, and medical assistant.

Table 1.3: Share of Apprentices by Occupational Grouping, Canada vs. Germany 2021

2011		2021	
Electricians	64,872	Automotive Mechanics	63,195
Carpenters	44,691	Office Clerks	57,282
Plumbers, Pipefitters & Steamfitters	42,204	Retail Clerks	46,935
Automotive Service	35,825	IT Specialists	44,448
Food Service	19,137	Medical Assistants	44,115
Interior Finishing	16,719	Electricians	42,203
Heavy Equipment & Crane Operators	12,831	Industrial Sales	40,527
Heavy Duty Equipment & Mechanics	12,252	HVAC Mechanics	39,390
Hairstylists & Estheticians	11,904	Retail Sales	36,207
Metal Workers	11,802	Industrial Mechanics	35,988

Canada has approximately 50% more apprentice electricians than Germany, despite Germany’s considerably larger population. That said, apprenticeships in Germany last only half as long, so the number of people qualifying from their apprenticeships may be more or less the same. And, as figure 1.27 shows, apprenticeships in Germany are targeted at young people starting their careers, which is hardly the case in Canada. So, the German apprenticeship system is much different from our own in that its success may be due as much to i) its ability to transcend the skilled trades as much as it is to excel in them, ii) the fact that for the most part it considers apprenticeships as part of secondary education rather than postsecondary.

Figure 1.27: Age Distribution of Apprentices in Canada and Germany, 2021



2.

CHAPTER TWO

Staff

KEY POINTS

- ▶ Academic staff numbers at Canadian universities have been increasing slowly since 2015, more or less keeping pace with the increase in student numbers for the first time since the 1990s.
- ▶ Approximately 42% of tenured or tenure-track academic staff are women, and approximately 22% are racialized.
- ▶ On the university side, there is little indication either that the proportion of academics in senior administrative positions is rising, or that full-time academic staff are declining as a proportion of the total teaching staff.
- ▶ The average age of full-time academic staff has risen significantly over the past twenty years. In 2020, over a quarter of all full-time academic staff were over 60 years of age while only 15% were under 40.
- ▶ On the college side, there is some evidence that part-time academic staff are gaining on full-time ones in Ontario, but since college education is meant to expose students to practitioners it is not clear that this is a negative development.



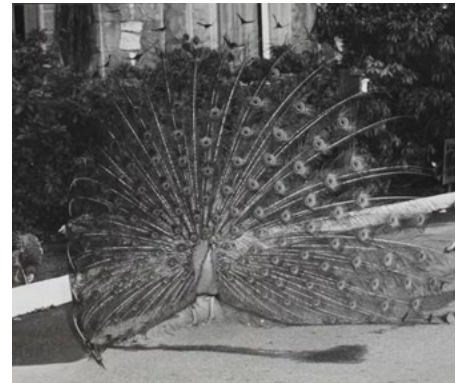
CHAPTER TWO

Staff

*Resident peacocks
at Royal Roads
Military College (now
Royal Roads
University), British
Columbia, 1965*



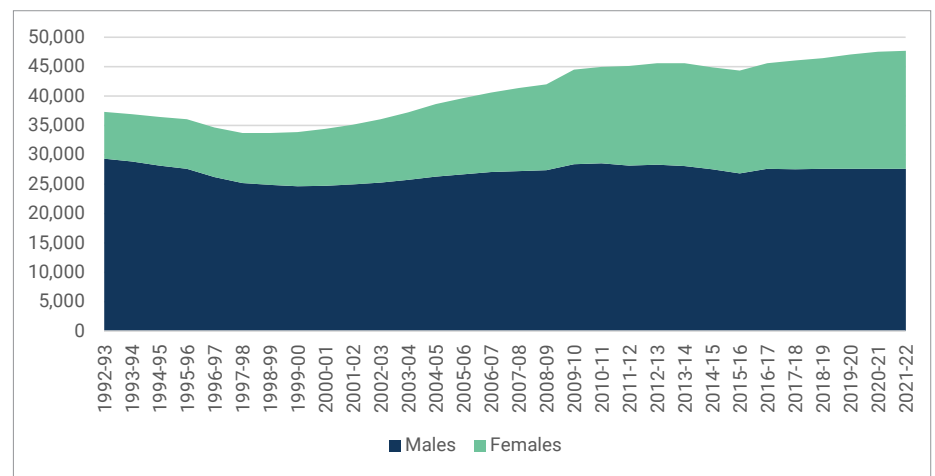
Canadian postsecondary education staff information is mostly comprised of data from universities. Statistics Canada does not survey colleges on their academic staff numbers, and it asks no questions at all in either sector about non-academic staff. Peak bodies, such as Universities Canada or Colleges and Institutes Canada, also do not collect this data, although Universities Canada has recently conducted interesting work on staff numbers with respect to equity, diversity, and inclusion. For the most part, individual institutions do not provide this information on their own. The main reason for this is that Canadian governments are uninterested in these issues and have therefore not made institutional reporting on these topics a part of their accountability frameworks. Data has remained scarce throughout the years we have produced *The State of Postsecondary Education in Canada*. This lack of data means our examination of staff numbers is less comprehensive than our student analysis.



2.1 STAFF AT UNIVERSITIES

Figure 2.1 shows the number of “ranked” academic staff in Canada, meaning those who are tenured or on the tenure-track¹, by gender for the period 1992-93 to 2021-22. The number of such individuals reached an all-time high of 47,691 in 2021-22, an increase of 42% from the nadir-point of 1997-98, when universities were in the midst of multi-year hiring freezes due to budget cuts. Of interest here is the breakdown by gender: though Canada is nowhere near parity in its professoriate (the ratio is roughly 58-42 male-to-female), the growth in the number of female professors over the past two decades has been much stronger than for males. Since 2001-02, the number of female professors has doubled, while for males it has increased by just ten percent.

Figure 2.1: Total Tenured and Tenure-Track Academic Staff Numbers by Gender, Canada, 1992-93 to 2021-22.



¹ These academic staff, with only a few exceptions, hold the rank of assistant, associate, or full professor.

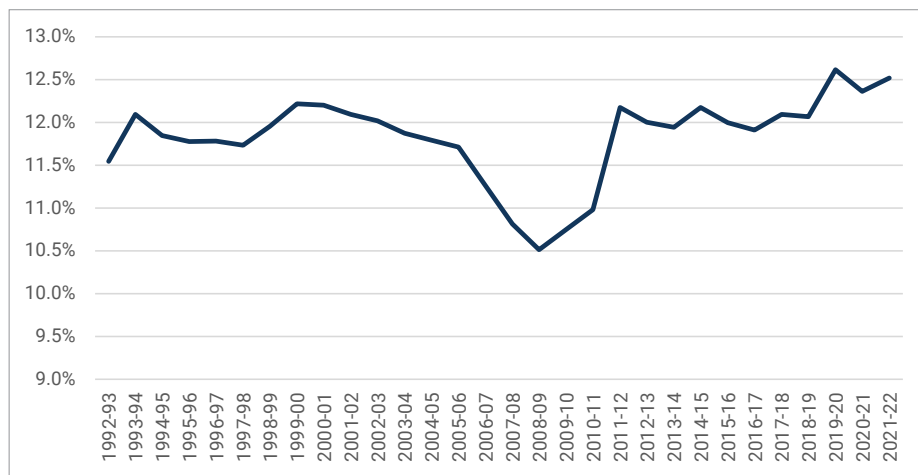
While time series data from Statistics Canada on faculty is available by gender, it is not available for other major equity categories. However, a recent Universities Canada report drew on census data to reveal that 20.9% of full-time academic staff belonged to a racially marginalized group (compared to 22.3% of the general population) and 1.3% 'identified as Indigenous (compared to 4.9% of the population).

The data in Figure 2.1 counts both teaching faculty and tenured faculty who do not teach because they are in "Senior Administrative Roles", a category which according to Statistics Canada includes both individuals and administration and those in charge of laboratories. A common concern is that "senior administration" numbers are constantly growing, and as a result the increase in faculty numbers portrayed above might just be masking a growth in administration. Figure 2.2

indicates that this does not appear to be the case: the percentage of total staff in such positions has remained more or less constant over the past three decades at 12% (the exception being a few years around 2008, which roughly

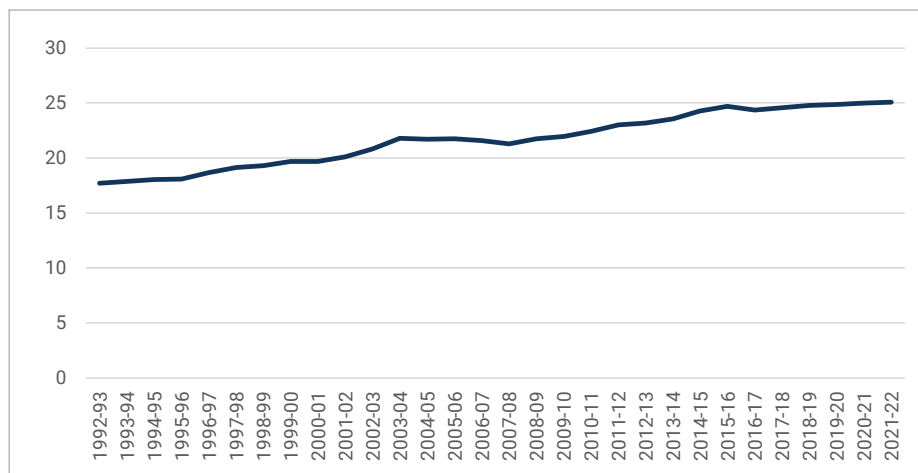
coincides with the period when six different former colleges in Alberta and British Columbia changed institutional status and became included in university statistics).

Figure 2.2: Proportion of Faculty in Senior Administrative Roles, 1992-93 to 2021-22



While the last two decades have seen a significant increase in faculty numbers, they have not kept pace with the large increase in student numbers shown in the previous chapter. The ratio of FTE university students to faculty has risen by nearly 50% over the past 25 years from 17.7:1 to 25:1. This does not necessarily mean that class sizes have increased by 50%, as there are a number of confounding factors involved. Notably, the use of sessional staff, which tends to reduce class size averages, seems to have become more frequent (though high-quality data on the issue is scarce) over the past two decades. Conversely, at many institutions faculty teaching loads, as measured in classes taught per semester, are lower than they were 20 years ago because research and publication expectations have increased, which *ceteris paribus* raises the average class size.

Figure 2.3: Ratio of FTE Students to Full-Time Tenured and Tenure-Track Academic Staff, 1992-93 to 2021-22

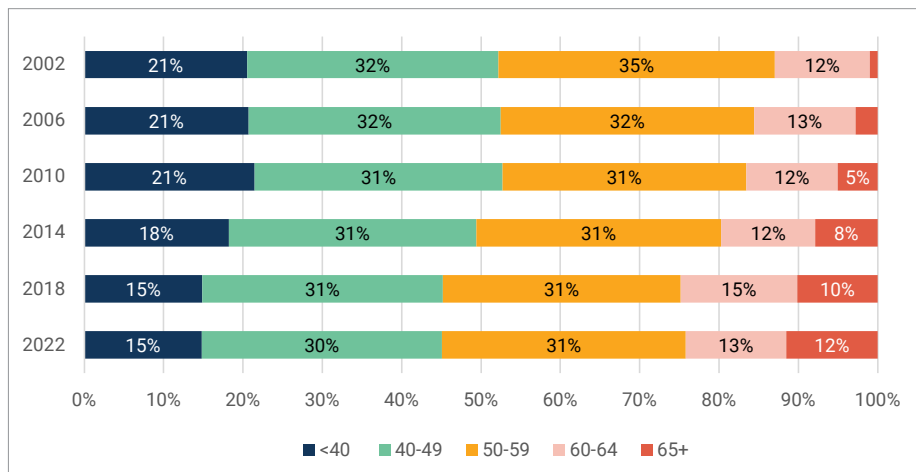


Geese at the University of Waterloo, Ontario, 1985



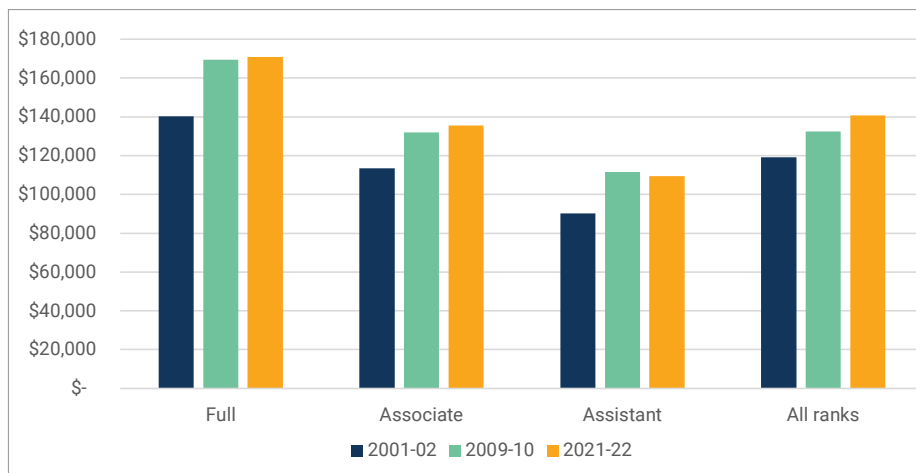
The abolition of mandatory retirement at the age of 65 in the early 2000s led to a significant increase in the average age of the professoriate over the past decade and a half. Whereas just 30 professors (less than 1%) of all academic staff were over 65 in 2000, by 2021 that figure had risen to over 5,000 (12%). Over a quarter of Canadian academic staff are over the age of 60, while only 15% are under the age of 40. Figure 2.4 shows the change in the age composition of full-time academic staff since 2002.

Figure 2.4: Age Composition of Tenured and Tenure-Track Staff, Canada, 2001-02 to 2021-22



The effects of an aging professoriate can be seen in the changes in average pay levels. Because pay in academia is seniority-driven, a disproportionate amount of salary is paid to older staff, significantly reducing the amount of funds available for faculty renewal. Figure 2.5 compares salaries from 2021-22 with those of 2009-10 and 2001-02. Over that eighteen-year period, average professorial salaries have increased 22% overall, from \$119,904 to \$144,974 (in constant 2022 dollars). However, nearly all of that growth occurred prior to 2009: since then, average salary growth has largely been in line with inflation.

Figure 2.5: Average Professorial Salary by Rank 2001-02 to 2021-22, in \$2022



Bunnies on campus at University of Victoria, British Columbia, 2009



Sheep at Olds College, Alberta, 1928-29

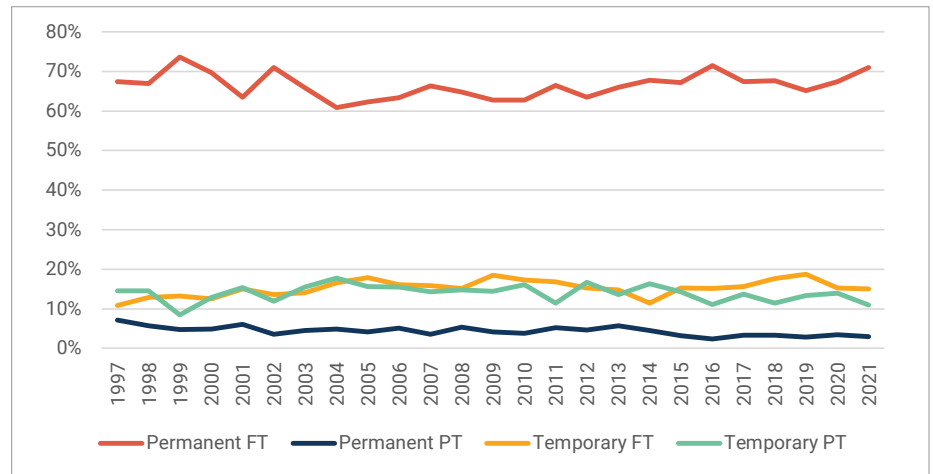


One persistent view in Canadian higher education is that full-time professors are increasingly being replaced by part-time, “casualized” staff. Statistics Canada does not track the number of casualized staff and universities themselves do not report staff figures in a fashion to facilitate easy comparison. However, late in 2018, the Canadian Centre for Policy Alternatives released a study called *Contract U: Contract Faculty Appointments at Canadian Universities*. The report assessed the results of a survey on university hiring, which suggested that between 2006-07 and 2016-17, contract faculty numbers nationally increased by about 1,800 (including major increases in health sciences and business but significant decreases in education and humanities), while full-time numbers increased by about 1,300. There is reason to be skeptical about the exact figures in this study, but the pattern of hiring that it describes – increasing numbers of part-timers in professional programs where they are likely to be practitioners with existing full-time jobs, and decreasing numbers in Arts, where part-timers tend to be graduate students or recent PhDs wanting to get a foothold in academia – seems broadly correct.

Data from the Labour Force Survey, shown below in figure 2.6, reinforces this view. The data shows job intensity and security among those who report their primary job is teaching at a university: it excludes all those whose teaching jobs are “on the side”. The data is somewhat choppy because the number of university teachers in the Labour Force Survey is relatively small, but the broad pattern seems to show that the ratio of full-time

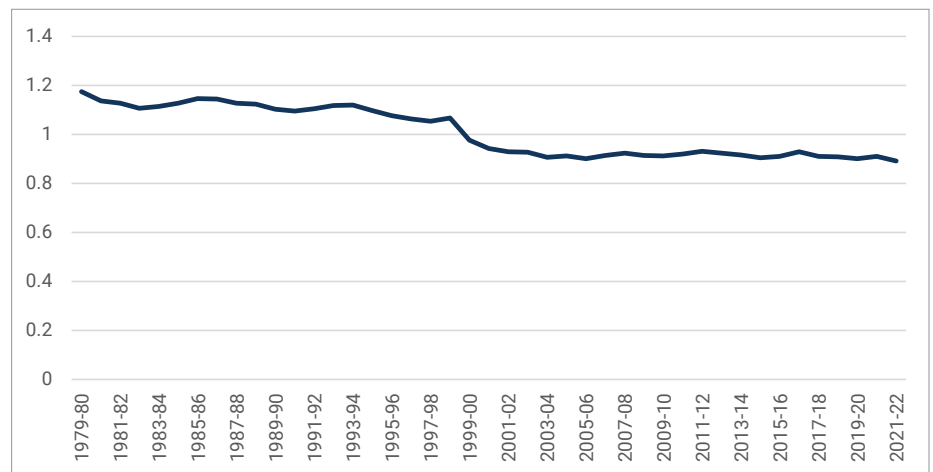
permanent teaching staff to temporary teaching staff has, if anything, increased over the past decade. This is consistent with the observation that most sessional instructors in universities are professionals who consider teaching as a side job. It is, however, inconsistent with the oft-touted view that heartless neo-liberal universities are becoming increasingly dependent on casual, precarious labour.

Figure 2.6: Distribution of Jobs Among Labour Force Survey Respondents Indicating their Primary Occupation is Teaching in a University, by Intensity and Security, Canada, 1997 to 2021



There are no national or provincial counts available for non-academic support staff at Canadian universities, though some institutions do produce their own annual (non-standardized) reports. Through financial data provided through Statistics Canada’s Financial Information of Universities and Colleges (FIUC) survey, it is possible to track changes in the ratio of aggregate salary expenditures on full-time academics to those for non-academics. These data, shown here in figure 2.7, demonstrate that in the 1980s and 1990s, spending gradually shifted towards non-academic staff (the major drop around 1999 is due to a methodological change). Since the early 2000s, however, there has been very little change in the balance of spending on academic and non-academic salaries.

Figure 2.7: Ratio of Full-time Academic Salaries to Non-Academic Salaries, All Canadian Universities, 1979-80 to 2021-22.



2.2 STAFF AT COLLEGES

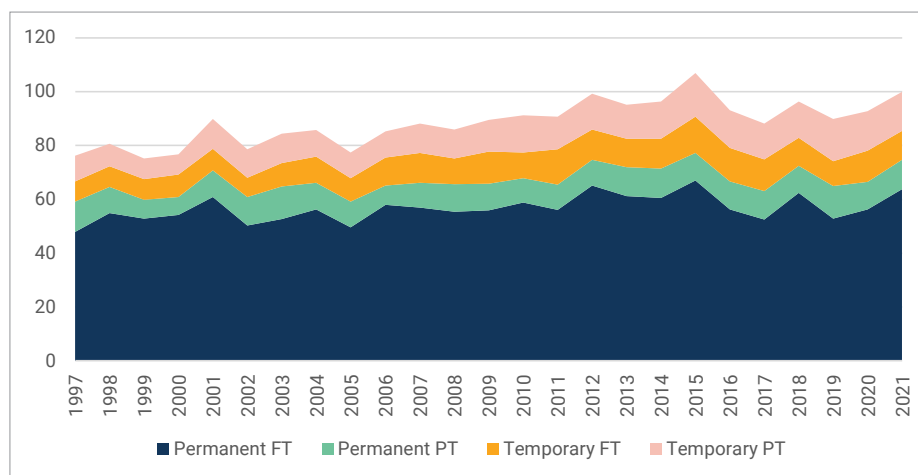
There is very little administrative data about staff at community colleges in Canada. Nationally, the main source is survey data from the Labour Force Survey. Due to small sample sizes (colleges employ less than 0.5% of the Canadian labour force), the data is choppy and subject to significant error margins on a year-to-year basis. However, if a multi-year perspective is adopted, this data can be useful.

Figure 2.8, like figure 2.6 above, shows the results of survey data asking individuals to indicate their occupation (college teacher) and their job intensity and security. Unlike figure 2.6, this data is presented in thousands rather than in percentages, to provide a sense of the sector size. The data suggest that there are about 90,000 individuals who consider college teaching to be their main occupational identity, and that of these,

somewhere between 50 and 65 thousand individuals are full-time permanent instructors, with the remainder having contracts which are part-time, temporary, or both. Note that given the wording of

the question in the Labour Force Survey, this data likely includes individuals teaching at private vocational colleges as well as public community colleges.

Figure 2.8: Number of Labour Force Survey Respondents Indicating their Primary Occupation is Teaching in a College, by Intensity and Security, Canada, in Thousands, 1997 to 2021



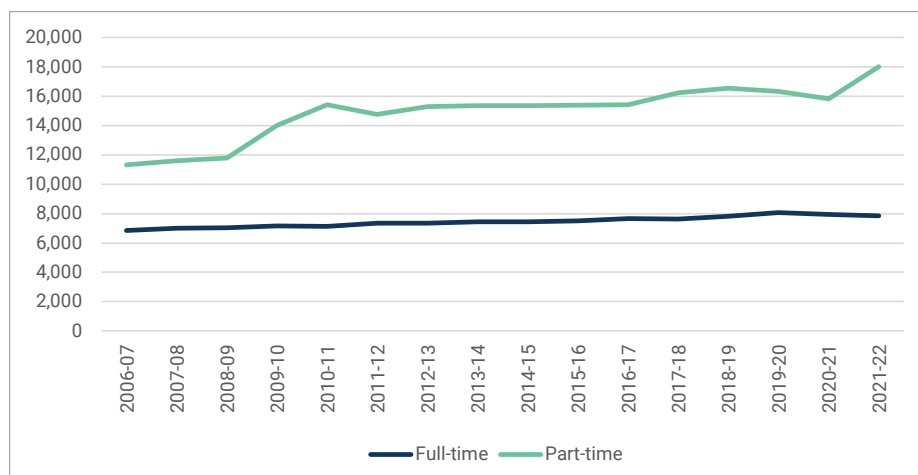
The only real exception to the lack of administrative data on college employment is Ontario, where Colleges Ontario produces an excellent annual environment scan with a wealth of data on colleges, including staff numbers. It is uncertain whether the trends in Ontario are replicated in other provinces; however, since the province represents close to 40% of national college enrolments, it is unlikely that national averages will diverge substantially. Therefore, the Ontario figures reproduced here are likely broadly indicative of national trends.²

Figure 2.9 shows that there have been increases in the numbers of both full- and part-time instructors at Ontario colleges over the past decade. Growth has been more pronounced among part-timers than full-timers, though since 2010-11 the proportions have been relatively consistent at around 32% full-time and 68% part-time. Unions tend to view this full-time part-time split as a deliberate casualization and “precaritization” of the workforce; employers tend to

defend it partly on budgetary grounds but mostly based on quality, since college programs are meant to provide students with exposure to real-world practitioners (who, being practitioners, cannot teach full-time). At first glance, the data in figure 2.9 appears to contradict the data in figure 2.8, with part-timers

outnumbering full-timers; however, a substantial portion of part-time instructors — being practitioners — have other jobs in industry and likely do not identify college teaching to be their main occupation when reporting to the Labour Force Survey.

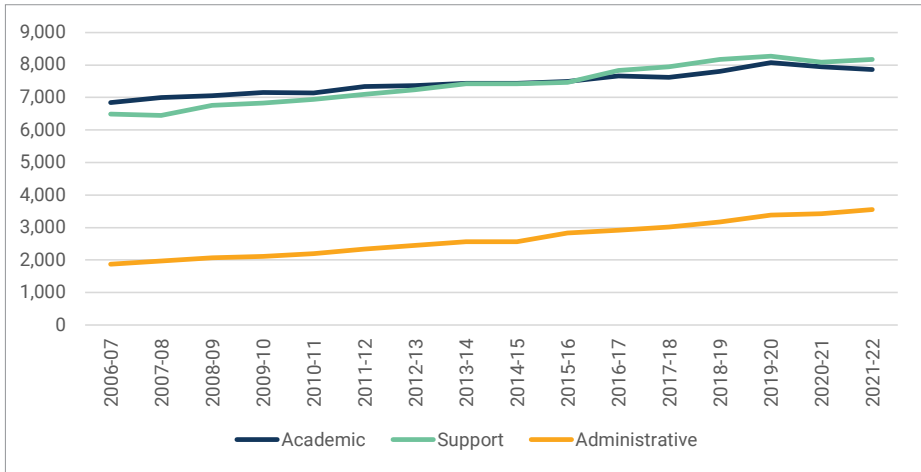
Figure 2.9: Full- and Part-time Academic Staff, Ontario Colleges, 2006-07 to 2021-22



² Given the particularities of the Cégep system in Québec, these national trends may not wholly reflect the reality in that province.

The Colleges Ontario Environment Scan also provides data on administrative staff and support staff (which is a useful distinction between white-collar administrators and managers and other employees). Figure 2.10 shows that the numbers of both full-time support staff and administrative staff have grown a bit more quickly than the number of full-time academic staff over the past ten years. In particular, administrative positions have grown from 12% to 18% of the total full-time workforce while academic staff have fallen from 45% to 40%.

Figure 2.10: Full-time Academic, Support and Administrative Staff, Ontario Colleges, 2006-07 to 2021-22



Mount Allison University Swans, New Brunswick, approx. 1970-84



3.

CHAPTER THREE

Institutional Income & Expenditures

KEY POINTS

- ▶ Total income for postsecondary education institutions in Canada in 2021-22 was \$56.9 billion, a rise of over 75% in real terms since 2001-02.
- ▶ A combination of weak investment yields and high inflation meant that total institutional income in 2021-22 was \$6 billion less than the previous year, the biggest single-year drop in Canadian history.
- ▶ Increases in real income from public sources has been almost non-existent since the Great Recession; most of the growth has come from fee income, which has doubled since 2007-08.
- ▶ 100% of all new operating income in Canadian higher education since 2008 has come from international tuition fees.
- ▶ Funding for tertiary education in Canada is somewhat above the norm for OECD countries.
- ▶ Expenditure patterns at both universities and colleges show little variation over time.



CHAPTER THREE

Institutional Income & Expenditures

Elmira dial system at the University of Waterloo, Ontario, 1939



Public postsecondary education in Canada is a nearly \$60 billion per year industry. In terms of Gross Domestic Product, higher education makes up approximately 2.3% of the national economy. It is therefore of interest how this significant sector of the national economy generates and spends its money, and it is to this task that this chapter is devoted.

3.1 INCOME TRENDS FOR PSE INSTITUTIONS

From 2001-02 to 2020-21, overall institutional income rose by 77% in real terms, from \$35.3 billion to \$62.4 billion (all figures in constant \$2021). Until the financial crisis of 2008-09, revenues from the three main sources – governments, students, and other self-generated income – increased at similar rates of about 5% per year after inflation. This changed after the 2008 financial crisis: income from government sources stagnated, while income from students has steadily increased, mainly due to increases in international student numbers.

The self-generated income is more volatile than the other two sources because endowment returns are part of this category; there was a jump in 2016-17 because it was a particularly good year for equities, which form a small but significant part of these “other” revenues. The fall in total income in 2019-20 was due entirely to the pandemic-related collapse in the equity market just before the end of the fiscal year in March 2020. Similarly, 2021 saw a contraction of nearly \$4 billion in institutional income from these sources, part of a \$6 billion year-on-year decline

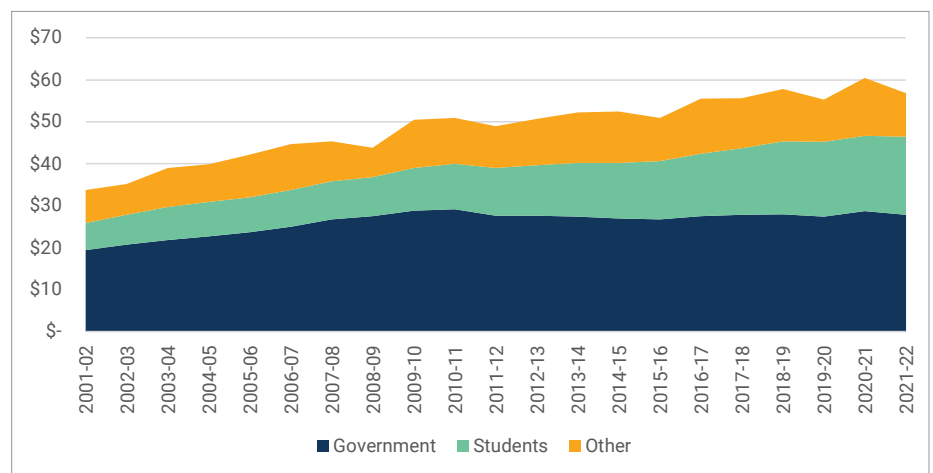
in total real income that was also driven by higher levels of inflation. This contraction represented the biggest single-year drop in Canadian history for institutional income.

The year 2016 was the first year since modern statistics began in which income from non-government sources was larger than income from government ones. By 2020-21, 47.3% of total institutional income came from the federal and provincial governments, a figure which rose slightly in 2021-22 not

because government revenue increased but because self-generated revenue – mainly investments – fell.

The main change in institutional income since 2008 has been the gradually increasing reliance on tuition fees. Since 2007-08 tuition fee income has roughly doubled at Canadian universities and colleges from \$9.4 billion to \$18.7 billion. However, as figure 3.2 shows, this is not primarily due to increases in domestic fees; rather it has to do with the vast inflow of international students. Since

Figure 3.1: Total Income by Source, Public PSE Institutions, Canada, in Billions (\$2021), 2001-02 to 2021-22



2007-2008, aggregate institutional revenue from domestic tuition fees has increased by 23%, whereas revenue from international fees has increased by 471%. The inflation-adjusted \$7.1 billion increase in international student tuition fees since 2008-09 is slightly higher than the inflation-adjusted \$6.94 billion increase in operating expenditures over the same period. Thus, 100% of all increased operating spending over the past thirteen years has come from international student fees.

Canada's higher education system is among the world's best funded. In 2016, public and private expenditures on tertiary institutions amounted to 2.2% of Gross Domestic Product, which was not quite as high as the United States' 2.5% but nearly twice as high as Germany and roughly 50% higher than the OECD average. But as figure 3.3 shows, Canada is moving further from a Western European model of a largely publicly funded system towards the model of other anglophone countries where postsecondary education may be mostly publicly owned, but it is "publicly-aided" rather than "publicly-financed."

Within Canada, data on university expenditures (see figure 3.4) are available back to the late 1970s. The pattern of revenue growth is somewhat cyclical. There was an expansion of income from all sources during the 1980s, followed by nearly a decade of stagnation in the 1990s during which total income fell, mainly because of large real cuts to government expenditures. Then, from about 1998 to 2009, there were robust increases in revenue from all different sources, followed by another bout of stagnation in government expenditures following the 2008 recession. The difference between the 1990s and the 2010s, however, is that universities have been able to keep their overall income rising, even as revenues from government declined slightly. This is partly due to better income generation and stock-market returns, but it is also due to significant new tuition revenues, mainly from international students.

Figure 3.2: Total Fee Income by Source, Public PSE Institutions, Canada, in Billions (\$2021), 2007-08 to 2021-22

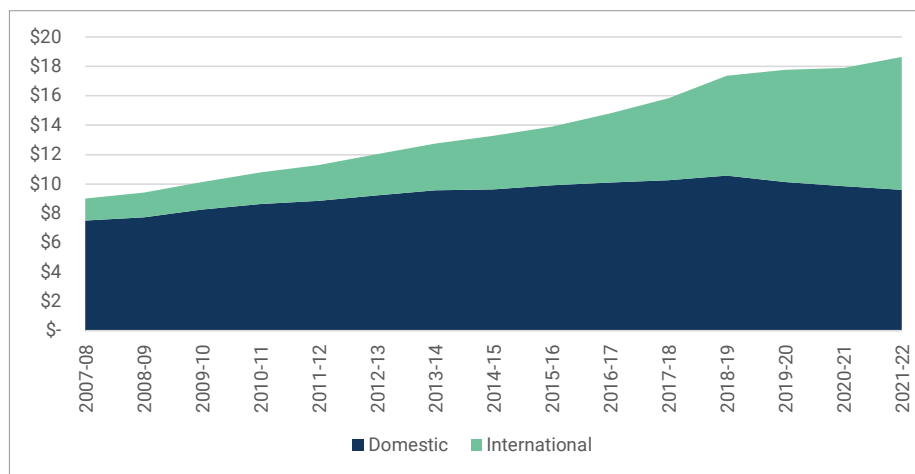


Figure 3.3: Tertiary Institutions' Income by Source, as a Percentage of Gross Domestic Product, Canada and Selected OECD Countries, 2020

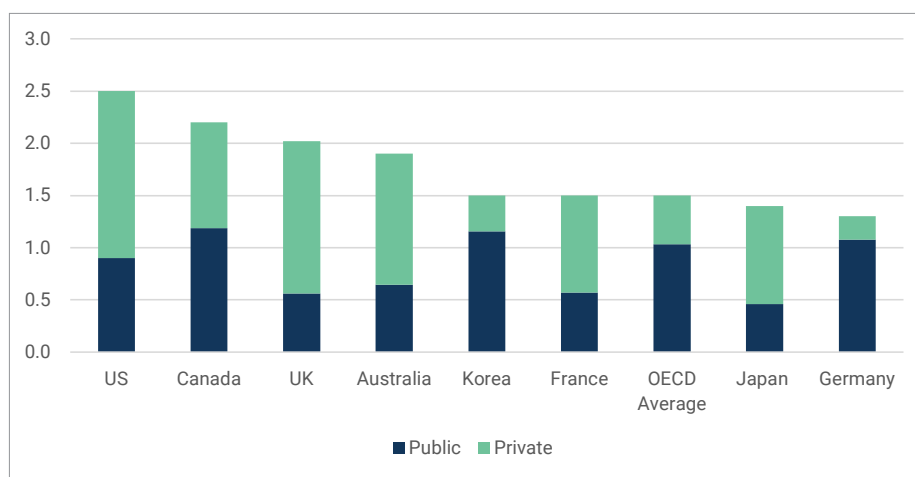


Figure 3.4: Total Income by Source for Universities, Canada, in Billions (\$2021), 1979-80 to 2021-22

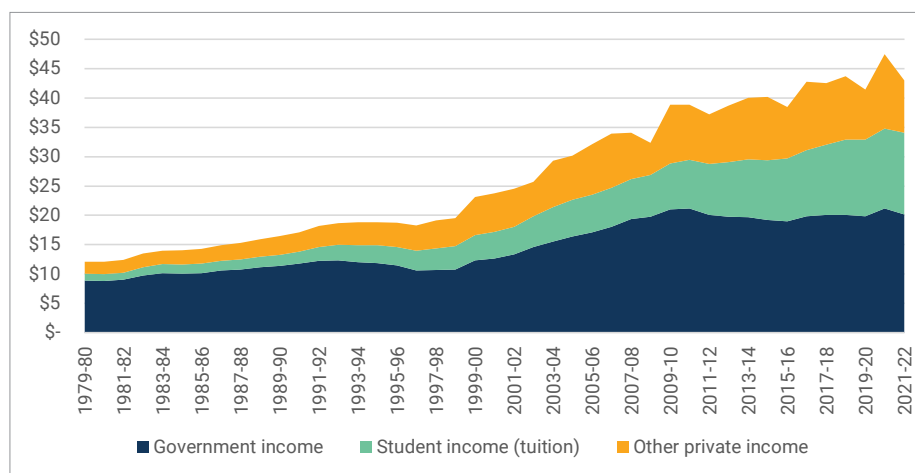


Figure 3.5 puts the major trends of the last decade and a half into starker relief. In real terms, income from public sources was rising sharply prior to the recession — roughly 6% per year after inflation, in line with the growth of income from student fees. After 2009-10, however, government revenue went into a long, gentle decline in real terms before recovering slightly after 2015-16 and then receiving a one-time lift during the COVID year of 2020-21. Meanwhile, revenue from student fees has grown at about 6% per year continuously through to 2021-2022, resulting in a cumulative 101% increase in real fee revenue over fourteen years.

Figure 3.5: Real Change in Government and Student Fee University Income, Canada, 2006-07 to 2021-22 (2006-07 = 100)

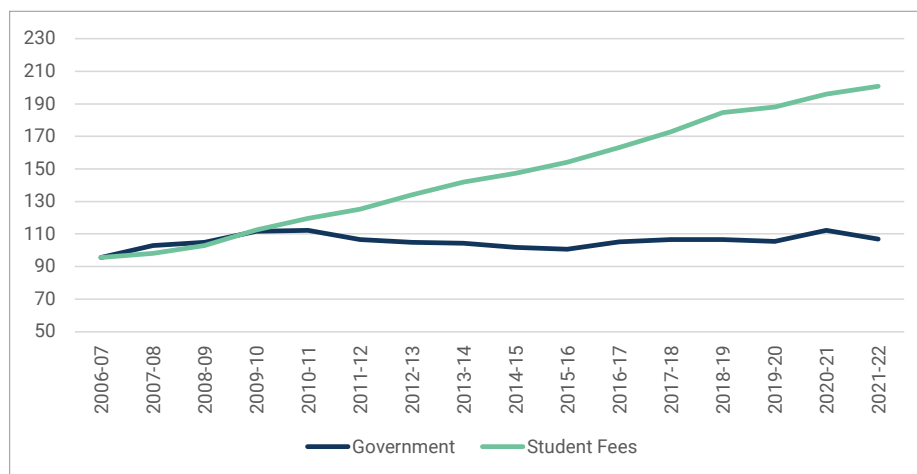
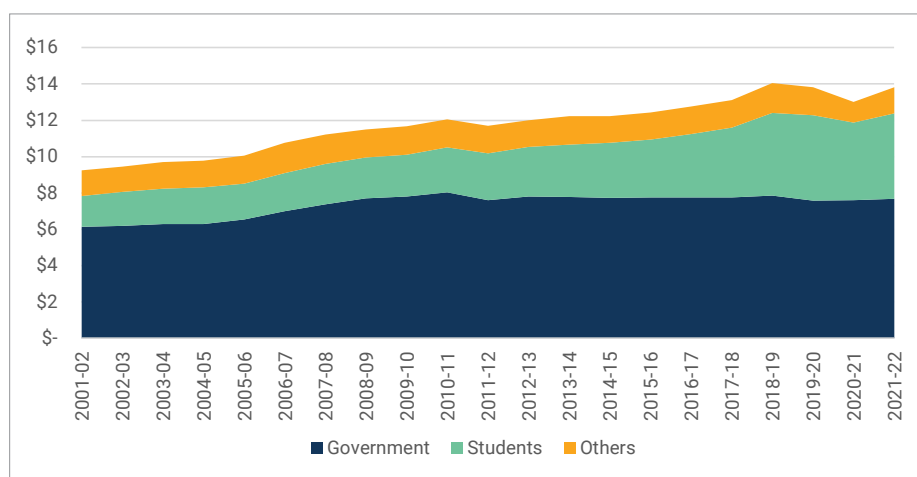
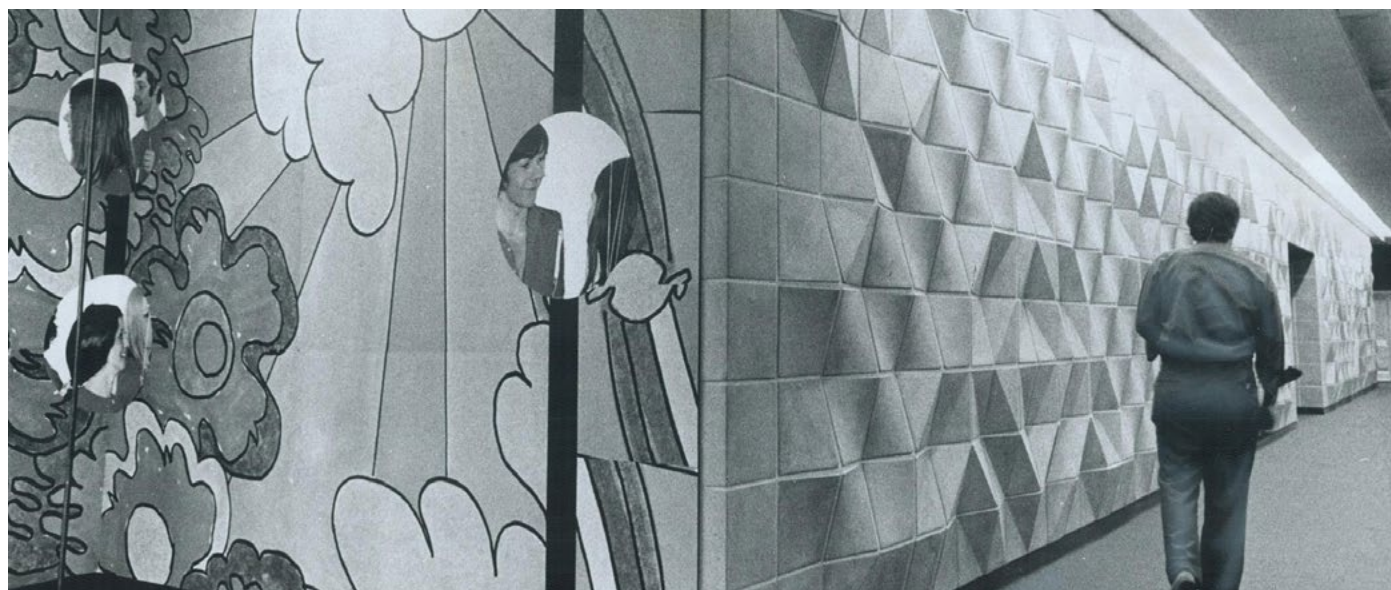


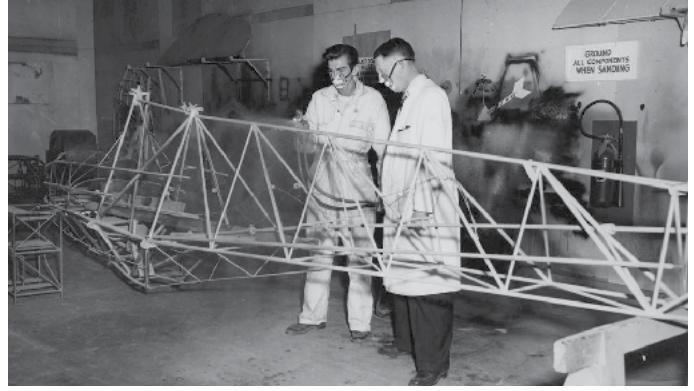
Figure 3.6 shows total college income by source since 2001-02. Trends in the college sector appear somewhat similar to those of universities, in that total institutional income has continued rising over the past decade even as income from governments has stagnated. However, the composition of the income is somewhat different. Revenues from government make up around 55% of total revenue compared to 47% for universities, and revenues from self-generated income make up just 11% of the total compared to around 21% in universities. In both sectors, income from student fees makes up roughly 30% of total revenues.

Figure 3.6: Total Income by Source for Colleges, Canada, in Billions (\$2021), 2001-02 to 2021-22



Interior of the Health Sciences Centre at McMaster University, Ontario, 1973





Southern Alberta Institute of Technology, Aeronautics Department classwork, 1947-1956

3.2 EXPENDITURE PATTERNS FOR PSE INSTITUTIONS

Because institutions tend to spend all the money that they can raise, overall total expenditure trends closely follow total income trends. It is not especially interesting to track expenditure trends over time since they show more or less identical patterns as revenues. However, examining changes in specific areas of expenditures can reveal useful patterns. Table 3.1 looks at total expenditures of universities and colleges by “fund.” By certain methods of aggregation, the two systems look extremely similar. Using the categories developed by Statistics Canada, we find the following trends: Research and teaching collectively make up 61% of the budget in universities in 2020-21 and 53% in colleges. Physical plant is 7% and 9% of total expenditures, respectively, while student services are 6% and 9%. In 2020-21, capital represented 7% of expenditures in both universi-

ties and colleges¹. What this kind of aggregation hides is the single major difference between the two sectors: research. Within the research/teaching aggregation, the research side only accounts for under 2% of total expenditures for colleges, but over 30% for universities.

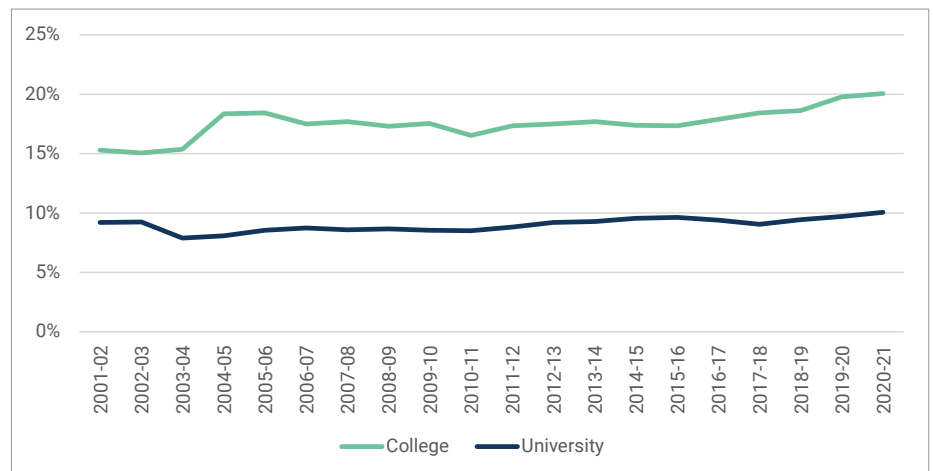
One perennial topic of conversation in higher education is the alleged tendency toward ever-increasing expenditures on administration. Statistics Canada data on college and university finances allows us to chart this trend over time in both the college and university sectors. Figure 3.7 shows that spending on administration, (which includes spending on information and communications technologies²) is higher for colleges than universities. This seems to be mostly a function of institutional size: colleges

are on average smaller than universities, and therefore are not able to benefit from economies of scale, particularly on the administrative side. The figure also shows that administration spending has remained reasonably steady as a percentage of total expenditures over a period of 20 years. This does not mean that absolute administration costs are not increasing; in both sectors they have more than doubled, in nominal terms, since the turn of the century. Rather, their rate of growth is substantially proportionate to the growth of overall institutional spending. However, for the last two years for which data was available, 2019-20 and 2020-21 in that Admin/ICT expenditures rose notably as a proportion of total expenditures, particularly on the college side. Perhaps this is due to COVID: time will tell.

Table 3.1: Distribution of Total Expenditures by Fund, Colleges and Universities, 2020-21

	Colleges	Universities
Instruction & Research	53%	61%
Admin + ICT	20%	12%
Physical Plant	9%	7%
Student Services	9%	6%
Capital	7%	7%
Other	2%	9%

Figure 3.7: Expenditures on Administration & ICT as a Percentage of Total Spending, Universities vs Colleges, 2001-02 to 2020-21



¹ University totals in this comparison are lower overall because about 10% of their total expenditures are not categorizable using the definitions employed by colleges.

² For colleges, the term “administration” includes all Information technology costs as well as the costs of central administration, and seems to include a number of other miscellaneous items. In order to keep the figures for the two sectors as consistent as possible, Figure 3.7 includes on the university side spending both for “administration and academic support” and “computing and communications”. Spending on “administration” alone is approximately 25% of what is shown here.

Examining institutional expenditures by type, rather than by fund (Table 3.2), reveals that the two sectors look similar on metrics like wages, benefits, and utilities. Even the limited differences often come down to categorization decisions as much as anything: “supplies” are higher in colleges, “furniture and equipment” in universities, but if we combine them as “non-wage expenditures on physical goods not classified as capital” then the two come out looking

more or less the same. Perhaps the most significant differences are in library acquisitions and in expenditures on financial aid, both of which are much larger expenses at universities than at colleges. However, given that approximately 75% of university expenditures on scholarships are spent on graduate students, there is arguably not much difference between aid spending at colleges and spending on undergraduates at universities.

Table 3.2: Distribution of Spending by Type, Universities and Colleges, 2020-21

	Colleges	Universities
Academic Wages	32.6%	28.8%
Other Wages	23.2%	23.7%
Benefits	10.6%	10.6%
Library Acquisitions	0.2%	1.1%
Supplies	6.4%	8.1%
Utilities	1.4%	1.5%
Financial Aid	1.2%	6.8%
Fees & Services	8.5%	5.1%
Equipment	2.9%	4.4%
Buildings & Land	4.5%	7.0%
Debt Service	1.1%	1.4%
Other	7.3%	1.4%

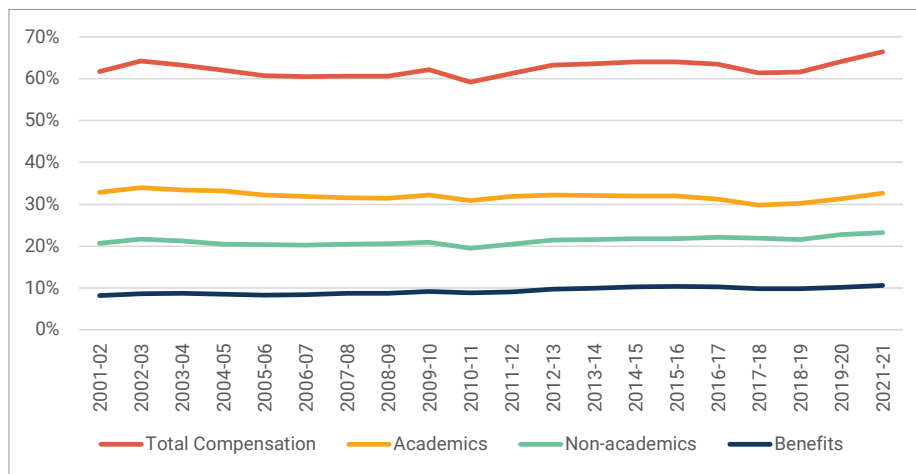


William Brydone Jack Observatory (first astronomical observatory built in British North America), University of New Brunswick, built 1851



Wages have nearly doubled in nominal terms at both universities and colleges over the past fifteen years. However, as a proportion of total institutional expenditures they are remarkably stable, as figures 3.8 and 3.9 show. Thus, while wages are the main driver of expenditure growth, they are not *disproportionate* drivers of such growth. And it is not just that wages are stable overall, but the components of the wages budget (i.e. spending on academics vs. spending on non-academics) are also stable. To the very limited extent there is any upward pressure on compensation as a percentage of total expenditure, it seems to be coming from benefits (and specifically, the cost of pensions) rather than wages.

Figure 3.8: Wages as a Percentage of Total Budget, Colleges, 2001-02 to 2020-21



While figures 3.8 and 3.9 distinguish between spending on academic and non-academic staff, they do not shed light on the persistent debate within higher education, referred to in the previous chapter, of “academic casualization”; that is, the alleged tendency of universities and colleges to hire fewer full-time staff and more part-time staff. This debate was considered in CHAPTER 2; however, we can shed more light on this phenomenon (in the university sector) by disaggregating the proportion of academic wages going to staff who are tenure-track (technically, “possessing academic rank”) and those who are not. A similar analysis cannot be done with respect to colleges because the structure of the college finance survey does not permit such a disaggregation.

Figure 3.9: Wages as a Percentage of Total Budget, Universities, 2001-02 to 2020-21

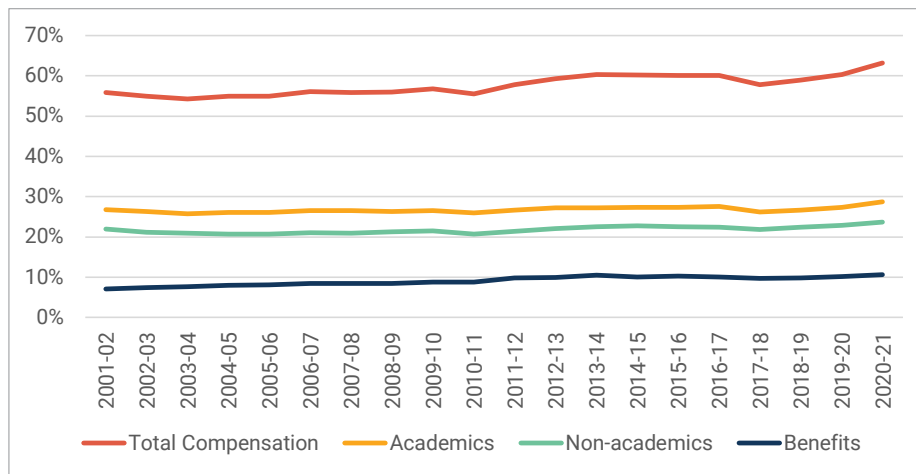
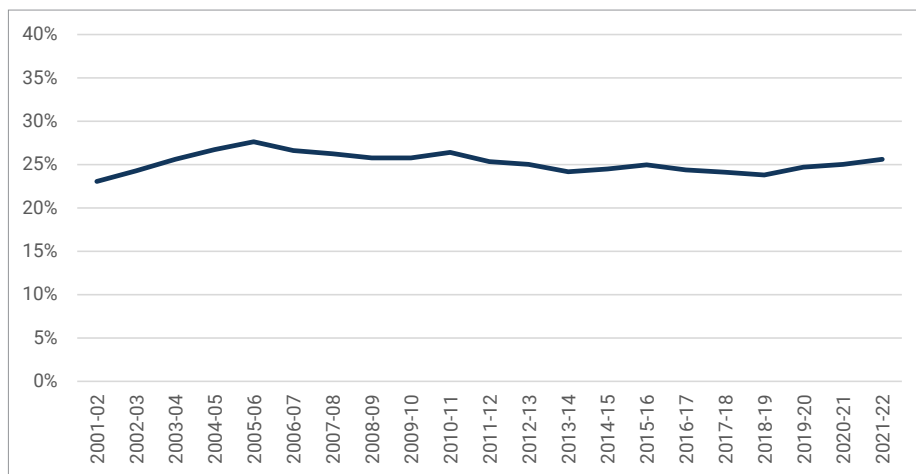


Figure 3.10 shows the proportion of total academic wages going to faculty who are without academic rank (which is roughly equivalent to wages going to “sessional” or “adjunct” professors) from 2000-01 to 2021-22. As the data shows, this percentage has in fact been falling very slightly for most of the last fifteen years or so from around 27% to approximately 25%. This does not mean that total expenditure on non-tenure track staffing is shrinking; it simply means it is growing less quickly than expenditures on tenure-track staff.

Figure 3.10: Percentage of Aggregate Academic Wages Going to Non-tenure Track Staff, 2000-01 to 2021-22



4.

CHAPTER FOUR

Government Expenditures

KEY POINTS

- ▶ Nationally, provincial government transfers to institutions have stayed nearly constant in real dollars since 2010.
- ▶ There are large swings in provincial transfer averages. Over the past 5 years, increases of 10% or more (in real dollars) have taken place in Prince Edward Island, Québec, and British Columbia; declines of a similar magnitude have taken place in Newfoundland and Labrador, Ontario, and Alberta.
- ▶ Provincial transfers per student are on average down 21% since 2008-09; 13% per student if international students are excluded.
- ▶ Federal transfers to institutions have risen noticeably in the past two years, due both to the COVID response and to the rise in granting council expenditures following the Fundamental Science Review.
- ▶ Federal allocations to provinces for postsecondary education are increasing over time; the federal contribution now equals 21% of provincial spending on higher education, up from 14% fifteen years ago.



CHAPTER FOUR

Institutional Income & Expenditures

Right: University of Manitoba, 1959
Below: University of King's College, Nova Scotia, approx. 1969



As previous chapters have demonstrated, institutional reliance on governments as a source of income is decreasing. Still, grants from government — particularly operating grants from the provinces — remain the largest single source of funding in the postsecondary sector. This chapter details these expenditures at both the provincial and federal levels. The main story is simple: during the first decade of the century, government expenditures increased at a substantial rate, both at the federal and provincial levels. In the aftermath of the global financial crisis of 2008-09, expenditures began to fall in real terms for over a decade, with the exception of a one-time increase in funding from the Strategic Infrastructure Fund (SIF), a program created by the Liberal government to counteract the brief 2015-16 economic slowdown. The arrival of COVID saw a major, if temporary, rise in federal funding, but no significant change in provincial transfers; the arrival of a period of significant inflation has reduced the real value of transfers from both sources.

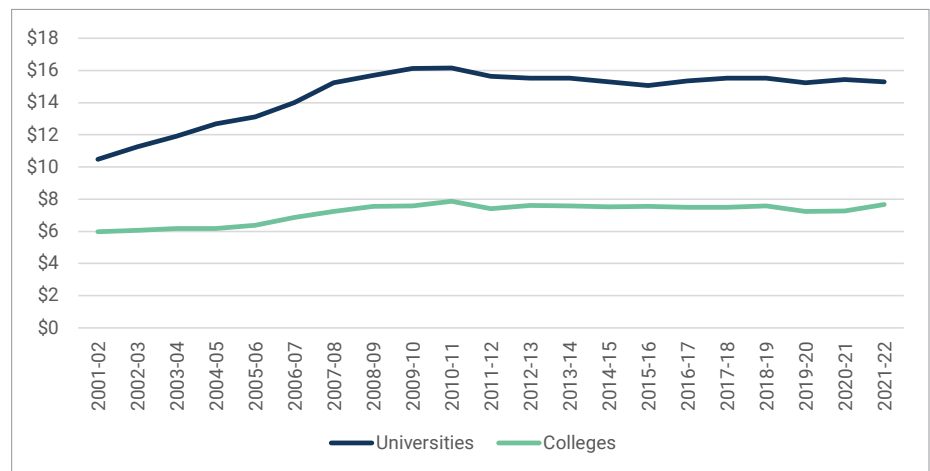
4.1 PROVINCIAL EXPENDITURES ON POSTSECONDARY EDUCATION

Two Statistics Canada surveys — the Financial Information of Universities and Colleges (FIUC) and the Financial Information of Community Colleges and Vocational Schools (FINCOL) — provide information on PSE institutions' sources of funding up to 2021-22 and 2020-21, respectively. Individual colleges' financial statements for 2021-22 were used to bring the two sectors' finances up to the same level of recency for this chapter (see Appendix B for details). Figure 4.1 shows a massive increase — over 50% — in funding for universities between 2001-02 and 2009-10, fuelled partly by the rise in enrolments in the sector. Since 2009-10, there has been effectively no change in government transfers to institutions. This is not entirely an apples-to-apples comparison: in 2007 and 2008, several institutions in Alberta

and British Columbia converted from college status to university status and so moved from one category to another; without this shift, the two sectors' patterns would appear more similar.

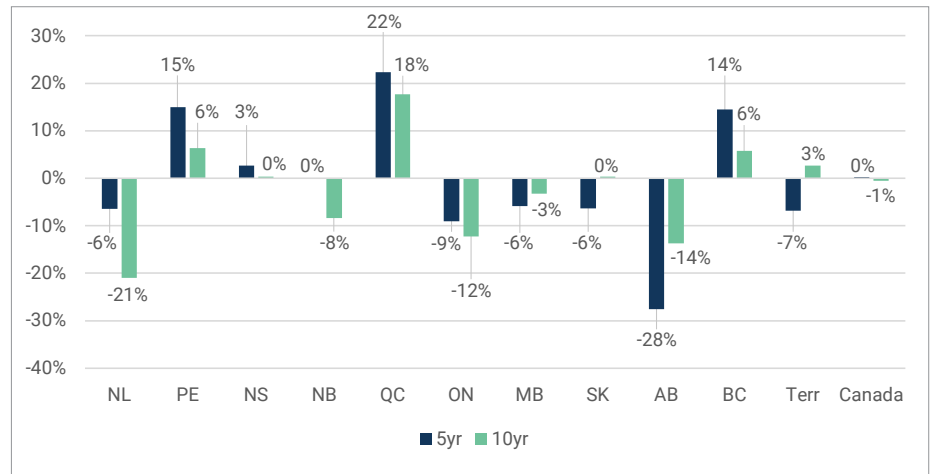
As is usually the case in Canada, the expenditures vary significantly across time and jurisdiction. Nationally, provincial transfers to institutions in 2020-21 were 2% above the previous five years (in

Figure 4.1: Provincial Government Transfers to Institutions by Type of Institution, in Billions (\$2021), 2001-02 to 2021-22



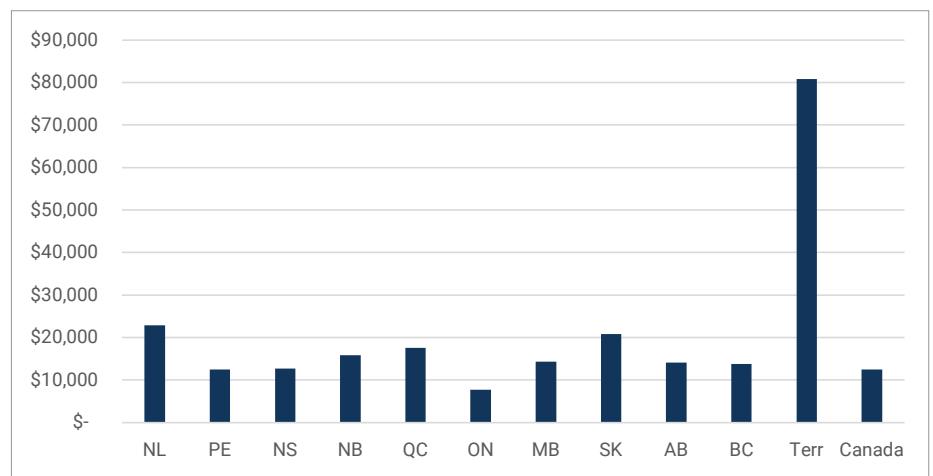
constant 2021 dollars), but about 4% lower than ten years previously (see figure 4.2). However, this consistency at the national level belies major provincial swings. In 2021-22, total transfers across the country were about 1% lower in real terms than they were a decade earlier. But this national number obscures large swings at the provincial level. Newfoundland and Labrador, Alberta, and Ontario have all seen double-digit percentage point declines in transfers to institutions, but these have been mostly offset by a 18% increase in transfers in the province of Québec, most of which has occurred since 2016. This vividly illustrates that understanding Canadian higher education requires looking beyond national figures, because national trends rarely play out in a synchronous way across the country.

Figure 4.2: Changes in Provincial Transfers to Institutions by Province over Five and Ten Years, 2011-12 to 2021-22, in \$2021



One of the most important things to understand about Canadian higher education finance is the variation across provinces and the extent to which spending patterns in Ontario, the largest province, are out of line with those in the rest of the country. In fact, as figure 4.3 shows, Ontario’s per-FTE student expenditure drags down the national average so far that every other jurisdiction in the country is technically “above average” when it comes to per-student expenditures. Costs in the territories are exceptionally high because of the expense of offering a relatively comprehensive suite of programs across thinly-populated territories; costs in Newfoundland and Labrador are elevated in part because the province chooses to run some health sector expenditures through Memorial University of Newfoundland’s medical faculty.

Figure 4.3: Provincial Expenditures per FTE Student, 2021-2022



McGill University, Québec, approx. 1915



As might be expected, spending varies between the college and university sectors. As figure 4.4 shows, provincial government expenditures on universities are somewhat higher nationally than they are in colleges (\$12,762 per student for universities and \$11,870 for colleges). This is not universal: in four provinces – Nova Scotia, Manitoba, Saskatchewan, and Alberta – colleges receive more money than universities. The very high figure for per-student expenditures in Newfoundland and Labrador can be explained partly by the medical expenses noted above and its expensive technical institute (the Marine Institute): absent these two factors, per-student costs at Memorial University (the province’s only university) are similar to institutions elsewhere in the country. Saskatchewan’s outlier position on college expenditures is due to a combination of rising income from both government and students and reduced student enrolments (based on Statistics Canada counts).

Another way to look at expenditure data is to track provincial expenditures per student over time. Figure 4.5 shows this calculation both per FTE student and per domestic FTE student, to account for the effects of the growth in international student numbers, since in many parts of the country international students are excluded from provincial funding formulas. Per-student funding hit a high of \$15,867 (\$16,960 per domestic student) in 2008-09 (both figures are in constant 2021 dollars). In the decade since then, spending per FTE student has fallen by 21% (13% per domestic student). However, recall that figure 4.1 showed relatively constant total transfers over time. This decline in per-student funding is therefore not primarily a result of a significant decline in total funding; rather, it is a result of expenditures remaining more or less constant while enrolments increased.

New Brunswick College of Craft and Design, 1950s

Figure 4.4: Provincial Expenditures per FTE Student by Sector, 2021-2022

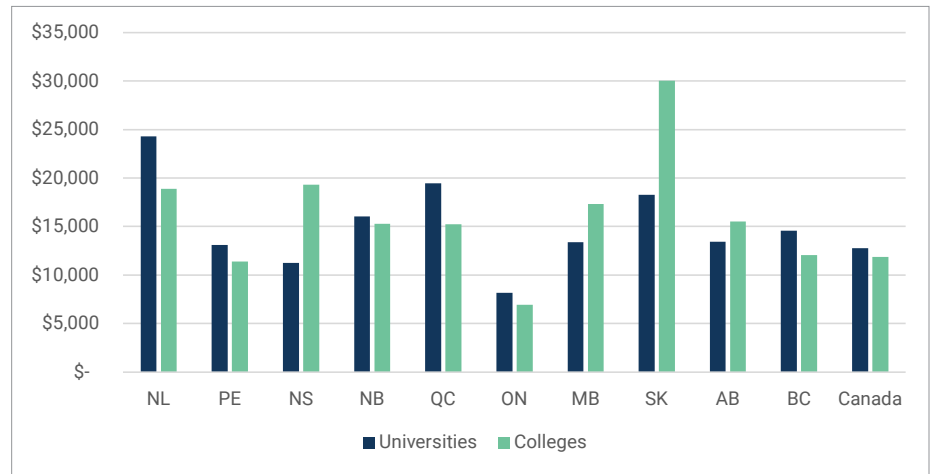
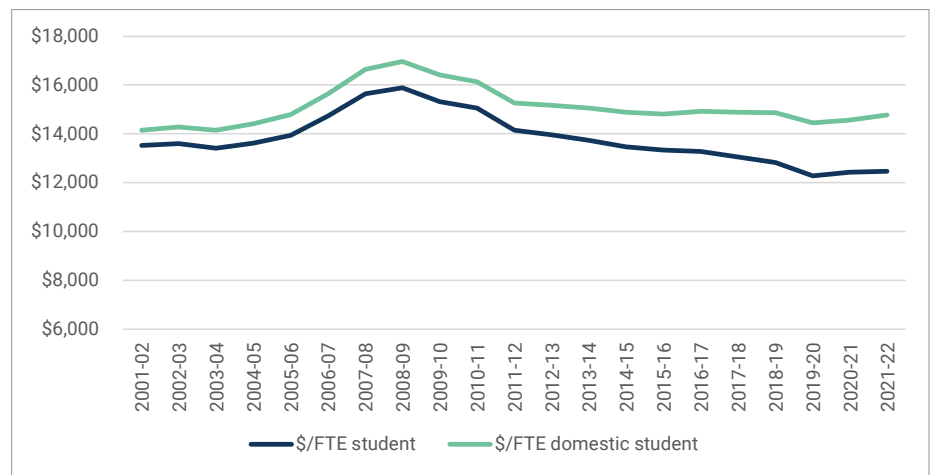


Figure 4.5: Total Provincial Funding per FTE Student, in \$2021, 2001-02 to 2021-22





How Funding is Distributed to Institutions

In all provinces, the government of the day decides the overall amount of funding that will go to the sector. How that money is divided among institutions is a more complicated matter.

In three provinces — Québec, Ontario, and Saskatchewan — core funding is primarily distributed by an enrolment-weighted funding formula. That is to say, the amount of funding an institution receives is mostly based on the number of students it has in different types of programs. The three provinces use different weights for different subjects and levels, but generally the algorithms privilege clinical programs over laboratory programs and laboratory programs over lecture-based programs.

In the other seven provinces, funding is largely historically-driven: that is to say that what a school receives in any given year for core funding is largely a function of what it received the previous year, with some adjustments for new programs or new government initiatives. These changes are spread equally across institutions in the province, so that unlike in an enrolment-weighted system there is less room for institutional shares of government funding to change over time.

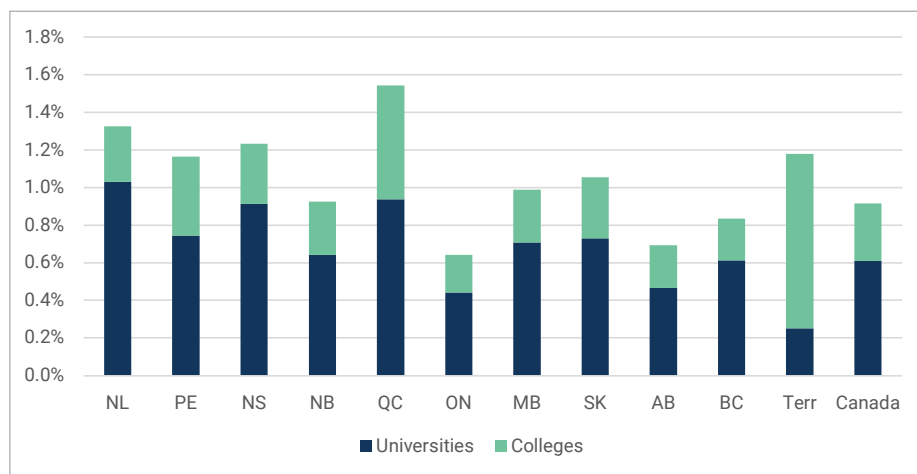
Not all governments with historically-weighted formulas describe themselves this way. On occasion, New Brunswick and Nova Scotia will refer to their “funding formulas,” even though neither has based funding on enrolment for over a decade (at

one point in the past, some or all of their funding was enrolment-weighted, and those calculations constitute the historic base for determining annual increases or decreases). British Columbia has a system in which institutions are notionally paid for a pre-determined allocation of seats, but there is no mathematical link between the number and type of seats and an institution’s financial allocation. One partial exception is Alberta, which has used a historically-driven model for about two decades. However, in 2019 and 2020, two large sets of cuts were imposed on the postsecondary education system. The first, a mid-year cut, was based on financial reserves (i.e., which institutions were best able to survive a sudden decline in revenues). The second, a multi-year reduction, was based on the degree to which costs at that institution were considered to be above those at peer institutions elsewhere in the country.

Only two provinces — Ontario and Alberta — now use performance funding (that is, funding based on outputs rather than inputs). In 2019 both Ontario and Alberta announced plans for vastly expanded performance-based funding schemes that would eventually put up to 60% and 40% (respectively) of core funding “at risk”, and which could be reclaimed by achieving a set of targets around graduate employment, research output and other such measures; however an analysis of the program guidelines in Ontario suggests that the amount of funding actually at risk will be less than 1%.

Per-student expenditures have limitations as a method of comparing provincial commitment to a sector. They are based on attendance patterns, not a province's ability to pay. A complementary way to compare provincial expenditures is to calculate higher education spending as a function of the provincial economy's size. Figure 4.6 shows provincial PSE expenditures as a percentage of provincial gross domestic product. Nationally, this figure comes to a little under 1%, but it again varies substantially by province: in Québec it is 1.5% of GDP, while in Ontario it is just 0.6%. The proportion going to colleges and universities is relatively close: in most provinces, the college share is between 25% and 33% of expenditures. The four exceptions are Newfoundland and Labrador (22%), Québec with its very large Cégep system (39%), Prince Edward Island (36%) and the three territories, where the college figure is 80%.

Figure 4.6: Provincial PSE Expenditures, by Sector, as a Percentage of Provincial GDP, 2021-22



4.2 FEDERAL EXPENDITURES ON POSTSECONDARY EDUCATION

The Government of Canada essentially has four mechanisms for transferring money to postsecondary institutions. The first transfer mechanism is through the research granting councils: the Canadian Institutes for Health Research (CIHR), the Natural Science and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC), which together are the largest source of federal dollars to most institutions. These three disciplinary-based councils are known collectively as “the Tri-Council” agencies. However, as of 2018, the Government of Canada now considers the Canada Foundation for Innovation (CFI), which disburses money for scientific infrastructure, to be a fourth granting council.

The second transfer mechanism is through a variety of other scientific agencies and government departments (e.g., Health Canada), which transfer at least some of their money to postsecondary institutions. The third mechanism is occasional large investments in capital spent on postsecondary institutions, such as the Knowledge Infrastruc-

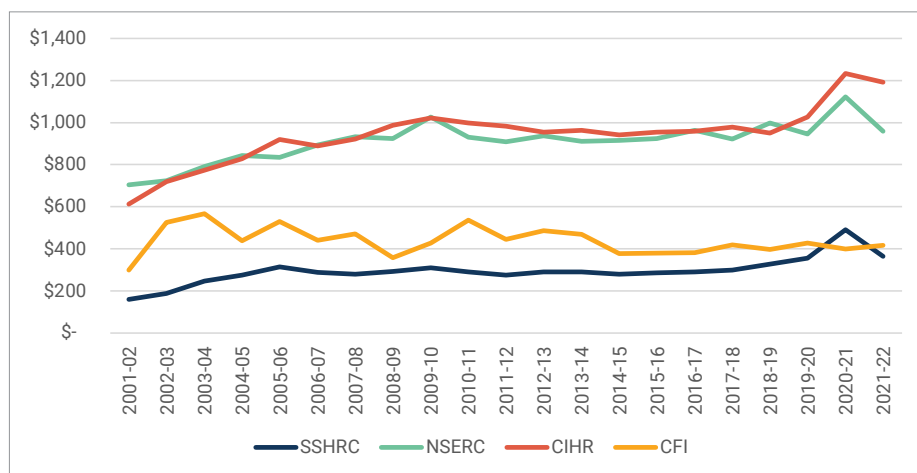
ture Program (KIP) of 2009-10 and the Strategic Infrastructure Fund (SIF) of 2016-17. The fourth is an indirect method of transfers via funds included in the Canada Social Transfer that are, at least notionally, earmarked for funding postsecondary education.

The four granting councils provide a little under \$3 billion in funding to Canadian institutions every year (more in the COVID year of 2020-21, but levels quickly returned to normal). Close to 99% of this

funding goes to universities. This total expenditure figure rose very quickly in the first half of the 2000s, but then stalled for over a decade.

Recently, funding for the three disciplinary granting councils has ticked up and in 2021-22 stood at about \$2.5 billion. This is partly due to the increases in funding announced in the 2018 federal budget as a response to the Fundamental Science Review of 2017, though it also depended on some significant one-time transfers

Figure 4.7: Research Granting Council Expenditures by Council, in Millions of \$2021, 2001-02 to 2021-22



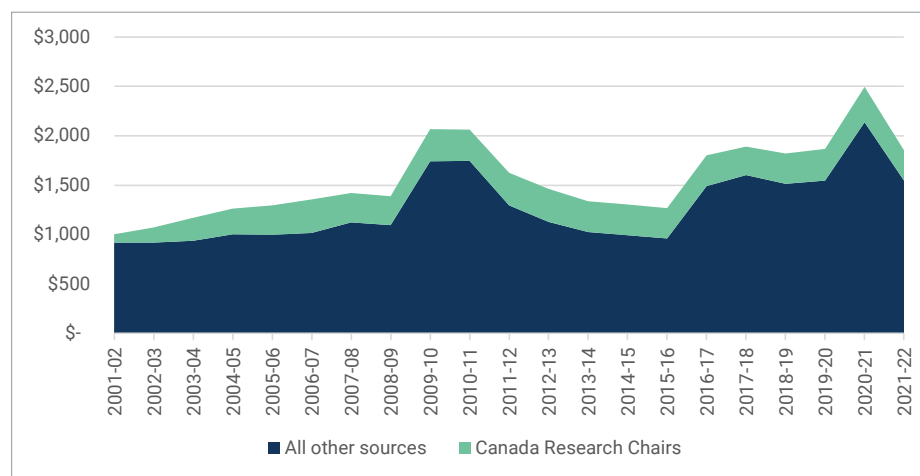
during COVID. In real terms SSHRC and CIHR expenditures in 2021-22 stand about 15-20% above their long-term averages (at \$365 million and \$1.2 billion, respectively) while NSERC's funding remains relatively unchanged at just under \$1 billion). Funding from CFI is more erratic, reflecting the fact that in much of the period covered in this graph, CFI did not yet receive annual funding allocations but instead received occasional endowment funding.

There are a variety of other federal sources of postsecondary funding. The largest single on-going source is the Canada Research Chairs program, which provides a little over \$300 million annually to Canadian universities to support talented researchers. Other federal funds arrive through departmental budgets and allocations. For instance, Health Canada provides universities with roughly \$25 million per year for various services; Employment and Social Development Canada provides similar levels of funding to colleges for various training programs. Research funds flow through various specialized science agencies such as Brain Canada and Genome Canada. Some money comes to PSE institutions through regional development agencies, mainly for infrastructure. Finally, the Government of

Canada periodically spends large amounts of money on university and college infrastructure through one-time programs such as KIP (2009) and SIF (2016), which tend to appear during periods of economic downturn. These infrastructure programs are as much about Keynesian counter-cyclical support for the construction industry during economic downturns as they are about higher education. Nevertheless, programs like KIP and SIF have permitted significant renewal and expansion of facilities on Canadian campuses over

the past decade. Though detailed breakdowns are not readily available, total amounts are captured through Statistics Canada surveys and amount to about \$1 billion per year for most years, though this increases to \$1.5 - \$1.76 billion per year when major infrastructure drives are being undertaken, as seen below. In 2020-21, uncategorized federal spending rose by \$600 million, presumably thanks to various COVID-related measures, before falling back in 2021-22.

Figure 4.8: Direct Federal Funding to Postsecondary Institutions, Excluding Tri-Council Funding, in Millions of \$2021, 2001-02 to 2021-22



York University, image of Murray Ross at a desk in a field taken for a Toronto Telegram story entitled "I'm here... now where is my university." 1962

A Short History of Federal Transfer Payments

While higher education is unquestionably a matter for provincial governments under the Canadian constitution, a variety of attempts have been made to try to rope the federal government and its taxation powers into supporting it.

Starting in 1957, the Government of Canada attempted a modest form of direct support to institutions. This was achieved through transferring a lump sum to a shell organization owned and managed by what is now Universities Canada, which then transferred the sums to individual institutions under its own formula. In 1967, this direct support was replaced by the Federal-Provincial Fiscal Arrangements Act, under which the Government of Canada agreed to split the costs of PSE 50/50 with the provinces, though in 1972 this support was amended by setting an overall growth cap of 15% per year on federal spending in this program. This program was not entirely run through cash transfers; a substantial portion of the federal contribution came through what are known as “tax points” (that is, a cession of tax room so that when federal tax rates decrease, provincial ones could equivalently increase).

In 1977, this arrangement was replaced with something called Established Programs Financing (EPF), which combined federal contributions for health and postsecondary education into a single transfer made up of a combination of cash and tax points. The cash transfer under EPF was initially tied to the rate of nominal GDP growth; later, total EPF was linked to GDP growth and the cash was calculated as a residual after tax points, meaning the cash portion as a proportion of the overall transfer began to shrink. Subsequently, the growth rate was reduced to GDP minus 2%, then to GDP minus 3% before being frozen altogether in 1990, all in the name of deficit reduction. Since tax points continued to increase in value, and the cash transfer was a residual, the cash portion of EPF began to dwindle rapidly. It was expected that it would fall to zero in the early 2000s.

In 1995, the Government of Canada merged the EPF with another provincial transfer payment known as the Canada Assistance Plan (CAP) into a new program called the Canada Health and Social Transfer (CHST). This new, larger transfer was essentially one enormous block-grant of cash and tax points to the provinces, the only conditional element of which was that the provinces respect the Canada Health Act. The cash portion of the new CHST was set at just \$12.5 billion, which was \$6.5 billion less than what had been available under the combined CAP/EPF. But the 1995 budget also placed a floor under cash transfers, which put to rest the fears that cash payments would eventually dwindle to zero. As the economy recovered after 1996, the CHST cash payments grew. Over the next few years as the economy improved, billions of new dollars were poured into the transfer, mostly for the purposes of shoring up the health system; though accountability arrangements were not formally changed, provinces agreed to publicly announce what they would do with any new monies received through the transfer. By 2004, the value of the cash transfer had risen to \$22.3 billion.

In 2004, the CHST was split into a dedicated Canada Health Transfer (CHT) and a Canada Social Transfer (CST), with the latter designed to include spending for postsecondary education, social assistance and childcare. The initial value was set at \$8.3 billion. In 2007, the Government of Canada announced an \$800 million increase to CST specifically for postsecondary education, though there was no way to directly tie this investment to specific actions by the provinces. Still, for the first time since the demise of EPF, it was possible to see the actual amount of cash transfer “designated” for PSE. Since then, 30.7% of the CST – which is now valued at over \$14 billion – is deemed related to postsecondary education, meaning that federal transfers “in respect of” postsecondary education are currently just over \$4.75 billion per year. This is equal to about 21% of provincial expenditures on postsecondary institutions, up from just 14% in 2007.

Finally, there is the matter of federal transfer payments to provinces for postsecondary education. Figure 4.9 shows the relative importance of the CST compared to other forms of federal expenditures. Because CST rises automatically every year while other forms of funding have dropped off somewhat, the transfer is now a much more important part of the overall federal effort than it was even a decade ago. In normal years, over 50% of federal funds for PSE now go through the CST; the COVID year of 2020-21 is an obvious but presumably short-lived exception.

Thanks to the clarification with respect to the division of CST funds from 2007-08 onwards, it is possible to look at the distribution of postsecondary funding in Canada between federal and provincial governments without fear of double-counting the federal transfer. This is done here in figure 4.10. If we look at federal expenditures on research, infrastructure and unconditional transfers versus provincial own-source expenditures (i.e., their expenditures net of CST), a nearly perfect 2:1 ratio of provincial to federal expenditure emerges. This is significantly changed from what was effectively a 3:1 ratio in 2007-08 prior to the introduction of the CST.

Figure 4.9: Federal Assistance to Postsecondary Institutions by Type, in Millions of \$2021, 2007-08 to 2021-22

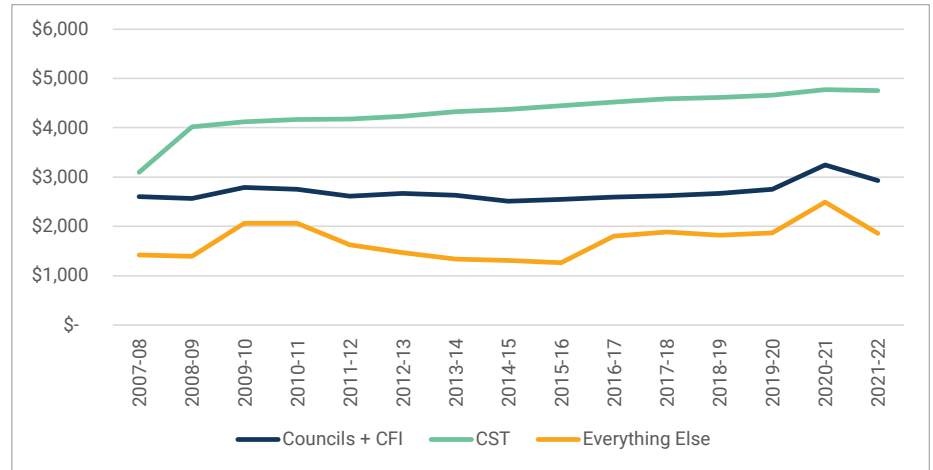
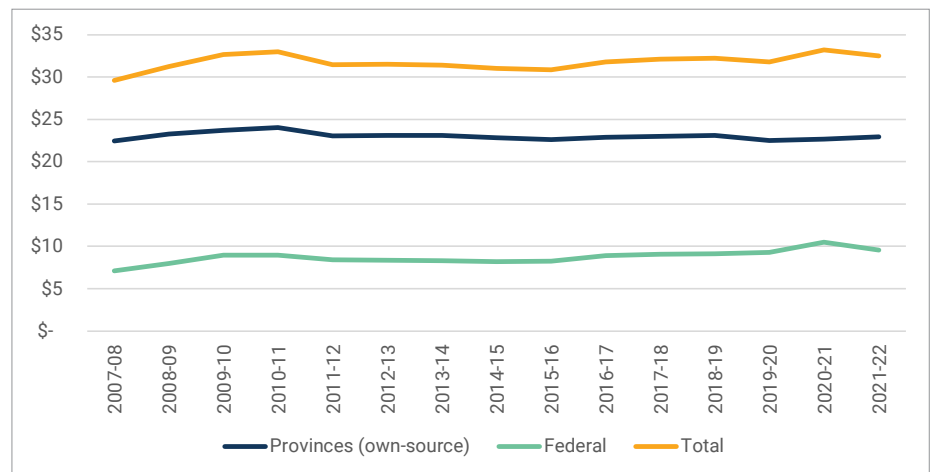


Figure 4.10: Federal and Provincial Own-Source Expenditures in Respect of PSE Institutions, Canada, in Billions of \$2021, 2007-08 to 2021-22



Sheridan College,
Ontario, 1970



5.

CHAPTER FIVE

Tuition & Student Aid

KEY POINTS

- ▶ National average tuition has been falling in real terms for the last few years, partly due to inflation and partly due to a major shift in Ontario government policy.
- ▶ The gap between domestic and international student tuition fees continues to widen.
- ▶ Total need-based government aid (loans and grants) in Canada was \$9.7 billion in 2021-22, with 51% of this coming in the form of grants.
- ▶ Total aid from all sources was at least \$17 billion in 2021-22, roughly three times what it was in the early 1990s, after adjusting for inflation.
- ▶ Total non-repayable aid was approximately \$12-13 billion. Given that total domestic fees are under \$10 billion, this suggests that Canada has net-negative tuition fees on average.



CHAPTER FIVE

Tuition & Student Aid

University of New Brunswick, women's basketball team, 1903



One of the most watched elements of higher education policy relates to affordability. For the most part, the affordability debate focuses on the sticker price of tuition. However, this is only one part of the equation, because for all the billions of dollars institutions collect from tuition, Canadian governments and institutions also provide billions of dollars in subsidies and scholarships to offset that tuition. Examining these issues in a pan-Canadian context is challenging, because tuition and student aid policies vary across provinces. This chapter will encapsulate the issues around affordability as concisely as possible.

5.1 TUITION

Tuition fees are subject to a great deal of tug-of-war between institutions and provincial governments. Generally, the institutions seek greater freedom to set fees in order to raise revenues; provinces seek greater control over institutional policy to limit negative headlines about the cost of education (though provinces often lack the concomitant desire to provide institutions with greater funding to compensate for lower tuition). This tug-of-war plays out differently across provinces and across time. Sometimes provinces impose tuition fee freezes, and in some narrowly defined cases they permit fees to be de-regulated. Genuinely pan-Canadian trends in fee policies are few and far between. What unites Canadian provinces is the willingness to allow institutions to make up for falling government funding through international student tuition dollars.

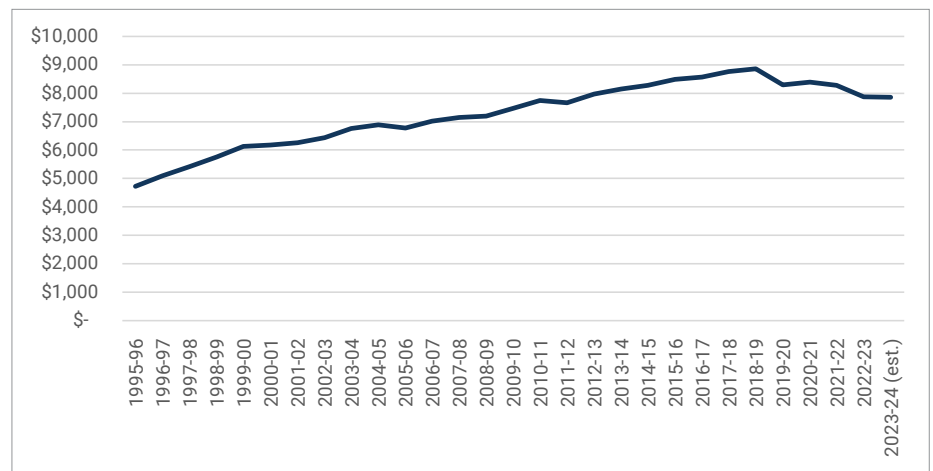
Figure 5.1 shows domestic student tuition plus mandatory fees at Canadian universities, in real dollars, from 1995 to 2023 (the current year's data is an estimate based on various provincial/institutional fee announcements). In the

1990s, annual average rises in tuition were to the order of 5-7% per year, after inflation. After 2000 or so, once the era of significant austerity was over, rises in tuition began to moderate, and since that time annual average increases in university fees have been very close to 2% per year after inflation. 2019-20 was an exceptional year due to the Ontario government's decision to cut all tuition by 10%, which led to a substantial

decline in the national average; this was followed by three years in which fees were frozen because of the higher-than-usual inflation. After inflation, average undergraduate fees today are roughly where they were in 2011-12, although this "national average" relies largely on events in Ontario.

There is no equivalent data for tuition fees at the college level, as Statistics

Figure 5.1: Average Domestic Undergraduate Tuition and Fees, Canada, 1995-96 to 2023-24 (est.), in \$2023

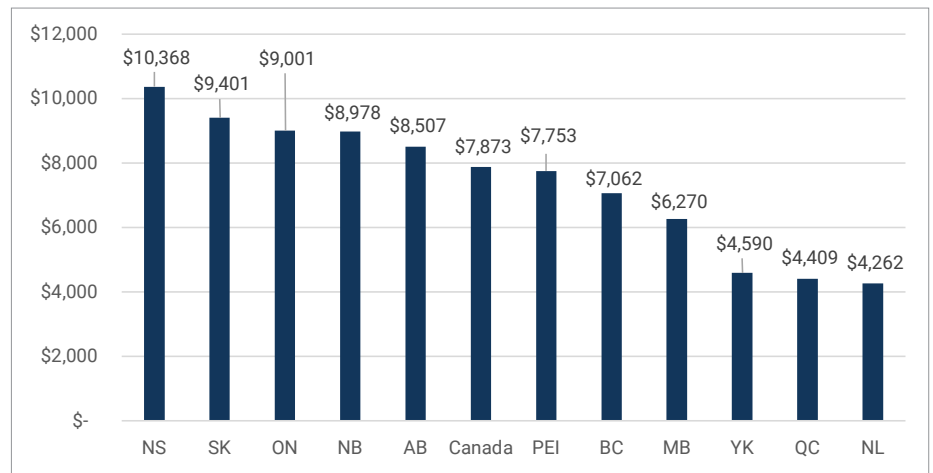


Canada chooses not to survey institutions on this and institutions prefer not to be overly transparent on this matter. The closest we can come to obtaining national college tuition figures is to look at revenue per full-time equivalent (FTE) student, which is available by combining data from FINCOL and PSIS. This is not ideal because it is impossible to accurately disaggregate revenue from different sources (international vs. domestic, credential- vs. non-credential courses), but nonetheless this measure does suggest that the two types of institutions are similarly reliant on fee income: at universities, the figure was \$11,675 per FTE student per year in 2021-22, while at colleges, excluding Cégeps (which is tuition-free for most students), the figure is around \$10,738 per FTE student per year. What one should take from that is not that average college tuition is \$10,738 per year (because this figure is driven substantially by international student enrolment and fees) but rather that the gap between university and college tuition in Canada outside Québec likely averages somewhere between \$1,000 and \$2,000.

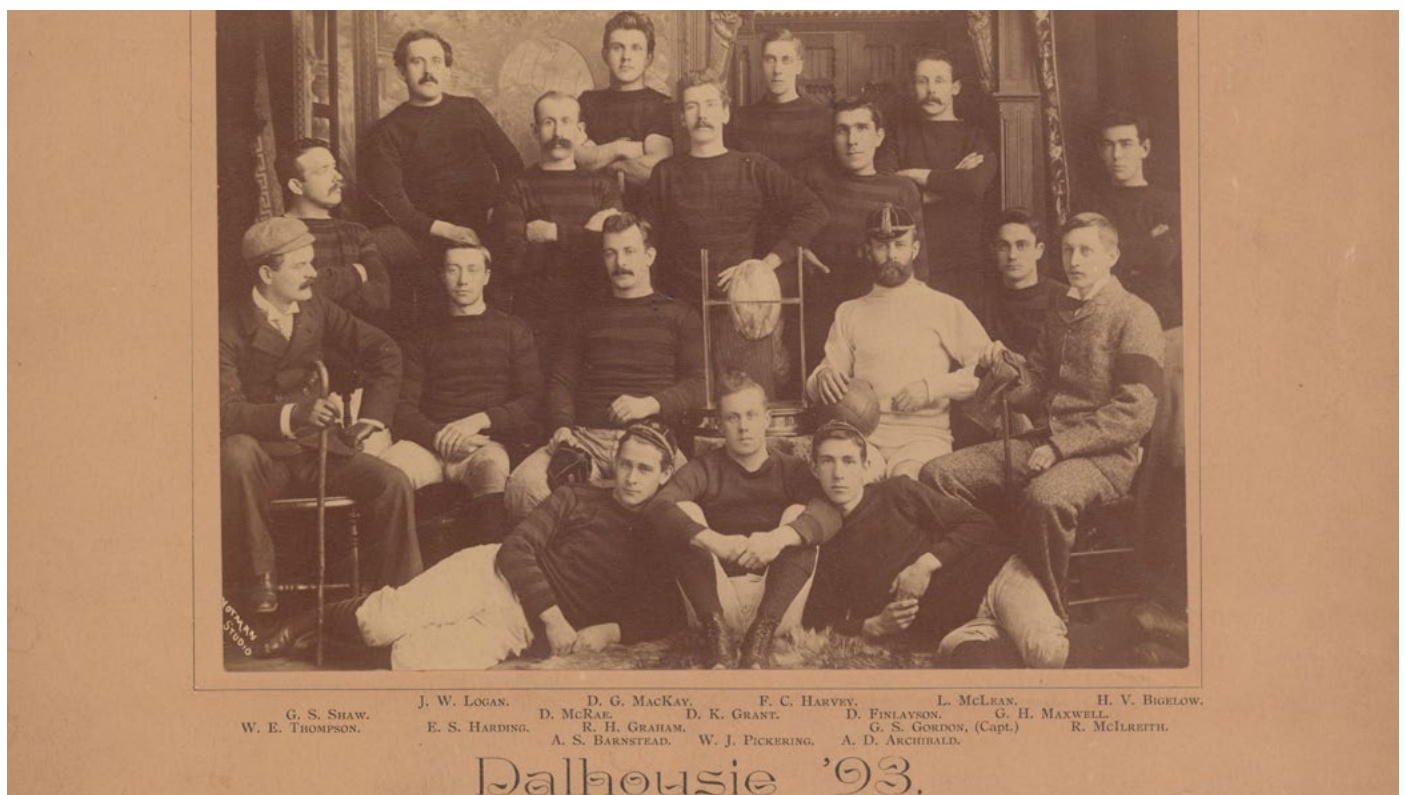
Undergraduate tuition and fees vary significantly by province. Québec and Newfoundland and Labrador have very low tuition fees, both resulting from lengthy periods of tuition fee freezes over the last 40 years (although Newfoundland and Labrador departed from this model in 2022). Nova Scotia has the country's highest fees, though Ontario, New Brunswick, and Saskatchewan are

not far behind. Notably, participation rates in Canadian universities do not appear to be driven by fee levels. Ontario has the highest participation rate in the country, and Nova Scotia is still able to attract proportionately the largest number of out-of-province students of any province. Meanwhile, the lowest participation and attainment rates are found in the Western provinces.

Figure 5.2: Average Undergraduate Tuition and Mandatory Fees, by Province, 2022-23



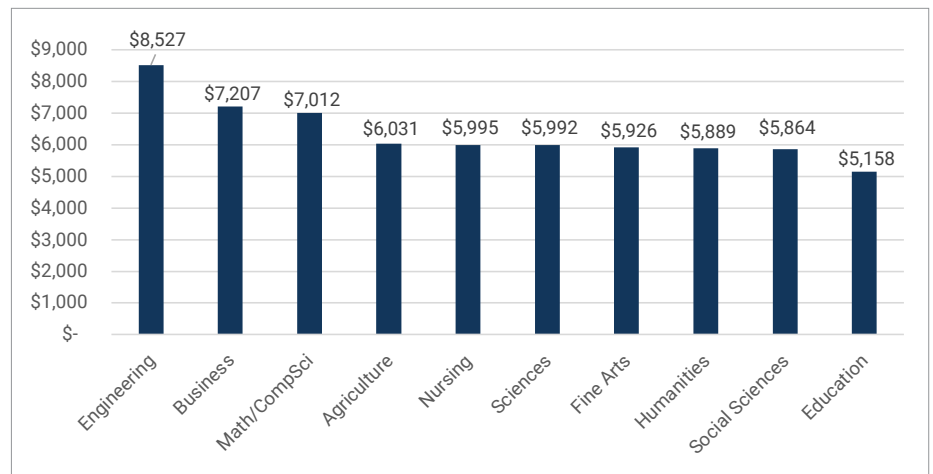
Dalhousie Football Team, Nova Scotia, 1893





Queen's University,
Ontario, women's
hockey team, 1917

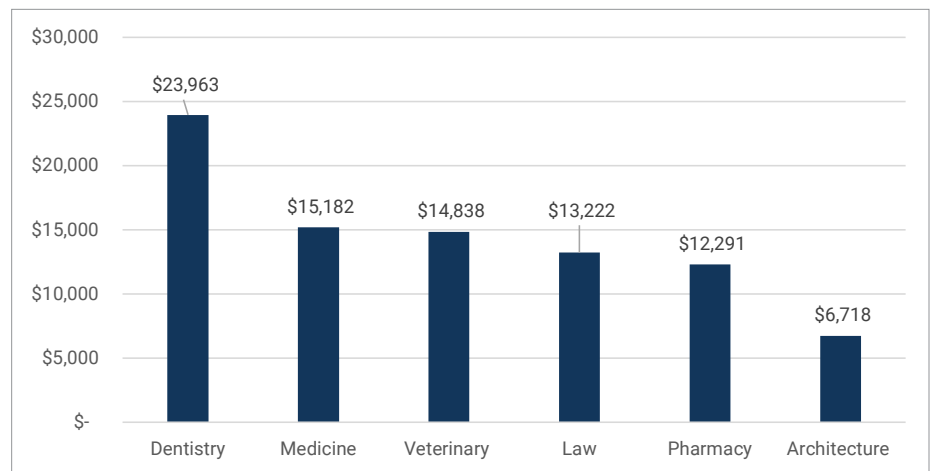
Figure 5.3: Average Tuition Fees, by Field of Study, First-Entry Undergraduate Programs, 2022-23



Fees also vary considerably by field of study. Figure 5.3 shows the variation for first-entry university undergraduate programs, while figure 5.4 shows tuition for programs that are primarily second-entry university professional programs. Note that these figures include only tuition and not mandatory fees; this is because Statistics Canada produces data on average mandatory fees (which run to about \$800 per year) but does not break them down by field of study. Figure 5.3 demonstrates that the median program price across three main fields of study in Canada (science, social science, and humanities) is in the low \$6,000s, with business just over \$7,000. Even adding on the \$900 or so from ancillary fees would only bring the median tuition fee to somewhere around \$7,000, or about 10% lower than the national averages noted in figures 5.1 and 5.2.

The reason for this gap is simple: a small number of professional programs charge fees dramatically over the median: over \$24,000 per year in dentistry, over \$15,000 in medicine and nearly \$13,000 in law. Even with relatively small numbers of students, these fee levels push the overall average up significantly.

Figure 5.4: Average Tuition Fees, by Field of Study, Second-Entry Professional Undergraduate Programs, 2022-23

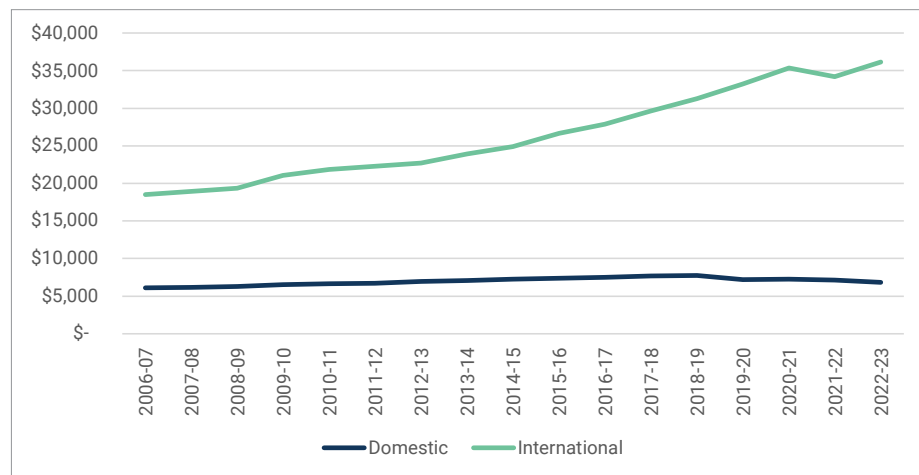


Domestic tuition fees are only part of the story. As we saw in chapter 1, international student numbers have been increasing, and chapter 4 demonstrated that international student tuition dollars have become a vital source of funding for universities and colleges. As figure 5.5 shows, the increasing funds are coming not just from larger numbers of students, but also from increased fees. Domestic undergraduate student tuition increased at roughly inflation plus 2% until quite recently before falling (due mainly to policy changes in Ontario) international undergraduate student tuition fees, on the other hand, have been rising at inflation plus 5%. The effect of compounding is that those two numbers separate at an accelerated pace. In 2022-23, international student tuition averaged \$36,123 per year, up from \$18,540 (in inflation-adjusted dollars) in 2006-07. International fees are now approximately five times domestic fees while fifteen years ago they were just

three times domestic fees. Notably, this rise in fees has gone in tandem with regular double-digit increases in international student numbers: there is no sign yet that Canadian institutions are

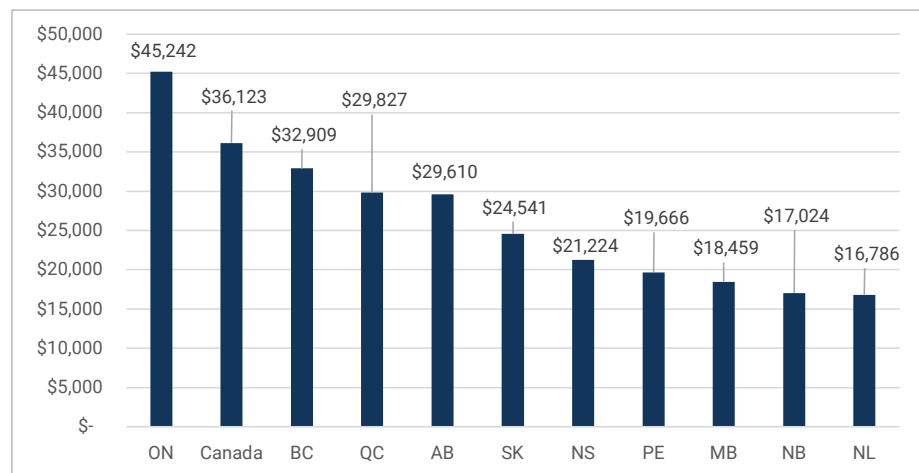
pricing themselves out of the market, although there are increasing pressures from communities around the number of international students being recruited in the wake of various housing crises.

Figure 5.5: Domestic vs. International Student Tuition, Canadian Universities, 2006-07 to 2022-23, in \$2022



As is usually the case in Canada, the picture for international undergraduate student fees varies by province. In the two provinces attracting the greatest number of international students, tuition fees are quite high: over \$45,000 in Ontario and over \$30,000 in British Columbia. In the rest of the country, international student fees are more modest. In four provinces, fees are under \$20,000 and in Newfoundland and Labrador they are a comparatively trifling \$16,786. The reason for these gaps is unclear, but presumably provinces without a major metropolis feel they may have more difficulty attracting international students and price themselves accordingly. Intriguingly, universities mostly seem to set their prices below the average operating cost per student. This is presumably why so many of them claim not to be making money from international students despite the higher fees. The actual relevant metric here is not average student costs but marginal student costs, which can be quite low, meaning that even when charging low fees an institution is better off accepting more international students.

Figure 5.6: International Undergraduate Student Tuition by Province, Canadian Universities, 2022-23



5.2 STUDENT ASSISTANCE

Student aid in Canada comes in many different forms. The most prominent of these forms is need-based student assistance, or student loans and grants. However, there are several other very significant sources, including tax credits, education savings grants, institutional scholarships, and sundry other funds like federal graduate scholarships and

support for Indigenous students. In this section, we look at each of these areas in turn.

5.2.1 Need-Based Student Assistance

Student aid in Canada is difficult to summarize concisely. Student assistance, however, is an area of joint responsibility with the federal government. Not only is

there a national program – the Canada Student Financial Assistance Program (CSFAP), formerly the Canada Student Loans Program – but every province has its own student aid program. In nine provinces and one territory, these programs run alongside the federal program. Québec, Nunavut, and the Northwest Territories have opted out of the CSFAP and receive compensation for this, which they use to fund their own standalone programs. In provinces where federal and provincial loan programs run side-by-side, the provincial government is the one that manages both programs, permitting them to integrate the federal and provincial assistance in a relatively seamless fashion. As such, students only make a single application to the two programs (though the needs assessment processes for each program may be quite different). To a large extent, provinces treat the federal program as a base, and use their own resources to build a program around it. Therefore, student programs can look very different from one province to another, given different provincial priorities and desires to invest in student aid.

Student loans are based on “assessed need”. An applicant’s costs of education (tuition, materials, books) and living (housing, food) are assessed, the latter according to a standardized allowance, to arrive at a total annual cost figure. Then the applicant’s income and (in some cases) assets are assessed; if a student is considered a dependent then their parents’ income is also assessed, and if a student is married then the spouse is assessed. This assessment leads to a determination of “resources” the student has available. Costs minus resources equals need, subject to a total assistance maximum. This maximum varies somewhat by province and student status, but in 2022-2023 it was at least equal to \$350/week of study (\$11,560 per academic year) for most students in most provinces, and an increase is planned for 2023-24.

In contrast to loans, grants are usually based on income (both personal and family for applicants who are considered dependents) rather than need. This is the case for nearly all the federal grants, as well as those in Ontario, which is the source of over half of all provincial grants. Most other provincial grants are

based either directly or indirectly on need, though a non-negligible portion of both provincial and assistance is also based on the presence of a disability.

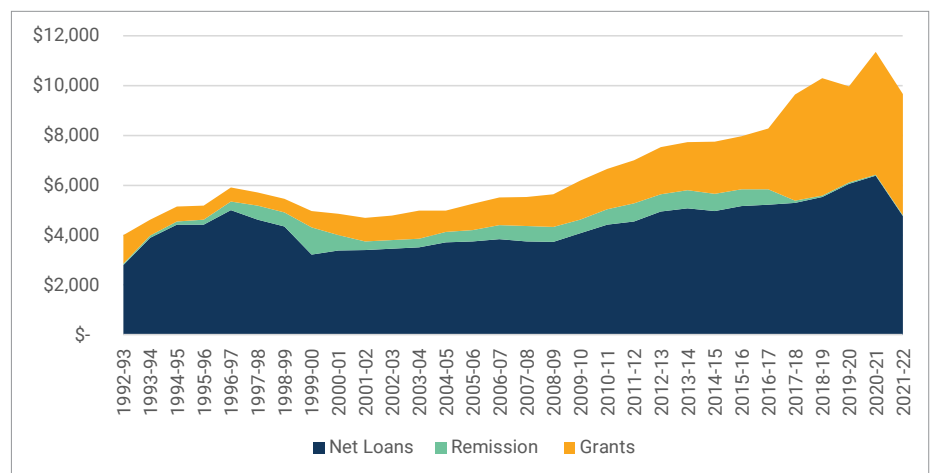
One peculiarity of the Canadian student aid system has been the tendency of provinces to deliver at least a portion of their non-repayable assistance (i.e. grants) in the form of forgivable loans. For example, prior to 2017 in Ontario, single students enrolled for two standard-length terms per academic year could borrow up to \$11,400, of which \$4,300 (that is, the entire provincial portion of the loan) could be forgiven if the student successfully completed the year. For the most part, these programs have been on the wane, though they remain significant in Nova Scotia.

Actual figures on loans and grants in Canada are difficult to gather. Federal data is, at best, three years out of date by the time an annual report is released. Apart from Alberta, Québec, and Saskatchewan, most provinces do not publicly release data on the amounts of loans and grants they deliver. Through to about 2010, provincial governments did publicly release some loan/grant statistics via an annual survey run by the Canada Millennium Scholarship Foundation, so reasonably good data is available until the start of this decade. Since then, it has been more difficult to obtain data. For the past several years Higher Education Strategy Associates used freedom of information requests to update pre-2010 data to the year 2021-22.

Figure 5.7 shows the total need-based assistance issued by type in Canada over the past 29 years, in constant 2021 dollars. Net loans – that is total loans minus loan remission – are shown to avoid double-counting. Student loans reached a peak during the recession in the mid-1990s when tuition fees were rising quickly, before fading away due to a combination of lower need (as students began to earn more income in the post-96 recovery) and a tightening of student loan criteria to exclude more students at private vocational colleges. From about 2000 onwards, the total amount of student aid provided by Canadian governments, both federal and provincial, increased by about 4% per year on average after inflation. It then increased very substantially in 2017-18 due to changes both in the federal program and in the province of Ontario, which in both cases involved eliminating tax credits and converting them to grants. In the final year for which data is available, 2020-21 (a year in which the federal government spent a great deal of COVID relief money on students), total government need-based aid was roughly \$9.7 billion, of which 49% came in the form of loans. Of the remaining half, roughly 99% was delivered in grants and the rest through various forms of provincial loan forgiveness.

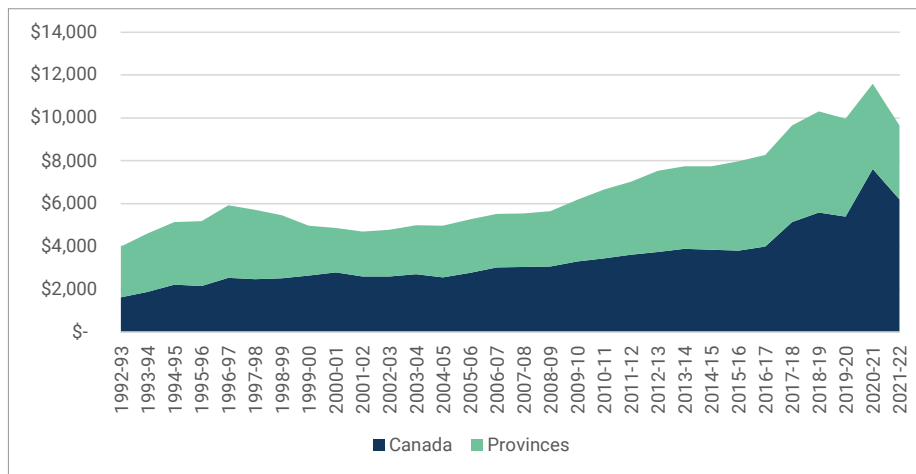
There have been shifts over time in the sources of student aid, shown below in figure 5.8. In the mid-1990s, most of the aid provided came from provincial governments. After 2000, and the creation

Figure 5.7: Total Annual Loans and Grants Issued, Canada, 1992-93 to 2021-22 in Millions of \$2021



of the Canada Millennium Scholarship Foundation, the balance shifted and an increasing proportion of funds began to be provided either directly or indirectly by the federal government. In the early 2010s, provincial funding grew substantially – thanks mainly to Ontario – and it was provinces that again provided over 50% of support to students between 2012 and 2016. However, since the election of the Trudeau government, the pendulum has swung back again, and by 2021-22 the federal government provided almost two-thirds of all student aid in Canada.

Figure 5.8: Total Annual Need-Based Student Aid by Source, Canada, 1992-93 to 2020-22 in Millions of \$2021



Education Tax Credits in Canada: A Short Explainer

Tax-based assistance for postsecondary education in Canada pre-dates the student loan system. The Diefenbaker government introduced the first tax deductions for education in the late 1950s as an alternative to student aid. The tax deductions were for tuition plus a set monthly allowance and could be used either by a student or passed to another family member. From then until 1996 there were only minimal changes: the value of the allowance went up somewhat, and the deductions were turned into credits (thus mostly eliminating the regressive aspect of the associated tax expenditure) as part of a major reform of taxation carried out by the Mulroney Government in 1987.

In 1996, the Government of Canada increased the value of the education credit from \$60 per month to \$80 per month. In 1997, it increased it again to \$120 and then to \$200 per month for 1998; it also allowed part-time students to enjoy partial access to the credit and incorporated mandatory ancillary fees within the ambit of the tuition tax credit. Another change allowed students to carry-forward any unused amounts of tax credits to future years, which was

very beneficial for students who did not have enough income to be liable for tax. In 2000, the monthly amount doubled to \$400 per month, with a concomitant increase for part-time students. In 2006, the Government of Canada created a new Textbook Tax Credit worth \$65 per month, which worked precisely the same way the education credit did.

Until 2000, provincial taxes were calculated as a function of federal taxes. Therefore, whenever a federal tax credit was implemented, implicitly the credit reduced one’s provincial tax payable as well. In 2000, the country moved from a TONT (tax-on-tax) system to a TONI (tax-on-income) one, under which provinces were given a great deal more freedom over the way taxes were calculated (e.g. they could have different rates at different income bands) and how tax concessions could be created (e.g. they could design their own tax credits), provided they all agreed to let Ottawa both collect the taxes and define “income”. A majority of provinces froze tuition tax credits at the level they were at prior to the 2000 budget (i.e. \$200 per month), and some chose to mirror the federal government’s \$400 rate. Alberta

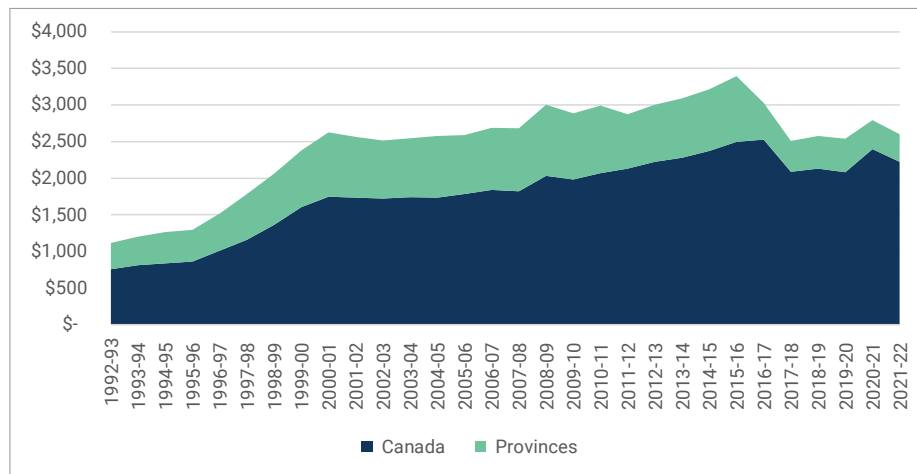
and Ontario decided to do the federal government one better by matching the \$400 credit rate and then indexing the rate to inflation.

In 2015, the federal Liberals came in with a plan to move away from tax credits as a funding mechanism. In the 2016 budget, the government eliminated the education amount and textbook tax credits, leaving only the tuition tax deduction. The money was used to pay for an increase in student grants. Ontario and New Brunswick followed suit by getting rid of their education and tuition tax credits later in 2017 and similarly re-investing the proceeds in student grants and effectively creating what were “targeted free tuition” programs. In 2019, after changes of government in both provinces, these new programs were eliminated; in New Brunswick, this resulted in a re-instatement of the tuition tax credit, whereas in Ontario it did not. Other provinces that have eliminated tuition and education tax credits include Alberta (2020) and Saskatchewan (2017). Québec eliminated its education credit, but not its tuition credit, in 2012.

5.2.2 Non-need-based student assistance

While need-based assistance provides targeted aid to students with low-income and/or high-need, there are billions of dollars in other forms of aid sent to students and their families without means testing. The most important of these forms of aid are tax credits. As figure 5.9 shows, the value of these credits rose from around \$1.1 billion in 1992-93, to nearly \$3.3 billion in 2015-16 in constant 2021 dollars. Major policy changes in the federal and Ontario programs reduced total tax credits by almost \$500 million in 2017-18, with most of this being turned into grants: currently, the total annual value of tax credits is estimated to be \$2.6 billion, with 85% of this coming from the federal government.

Figure 5.9: Total Value of Education and Tuition Tax Credits by Source, Canada, 1992-93 to 2021-22, in Millions of \$2021



The other important government transfer program for postsecondary education is Education Savings Grants. Since 1971, Canada has had the Registered Education Savings Plan – that is, a savings account in which growth was permitted to escape tax. In 1998, the Government of Canada introduced a savings matching scheme, where it would contribute 20 cents for every dollar contributed to a RESP, up to an annual maximum of \$400 (later increased to \$500). This program, called the Canada Education Saving Grant, was very popular and take-up rose rapidly (see figure 5.10, below). The one major change to the program came in 2004, when the government decided to address the complaint that CESGs were mostly a regressive give-away to wealthier families. First, the matching rate was increased for lower-income parents, up to 40% (this was known as the A-CESG). Second, a new program called the Canada Learning Bond was introduced. This program adds money to children’s RESPs automatically if their parents’ income is less than \$49,020 per year (the threshold amount adjusts upward if the family has more than three children). The first year this occurs, the child’s account receives \$500; in every subsequent year this occurs until the child turns 18 another \$100 is added. The barrier is that the parents need to open an account for the transfer to

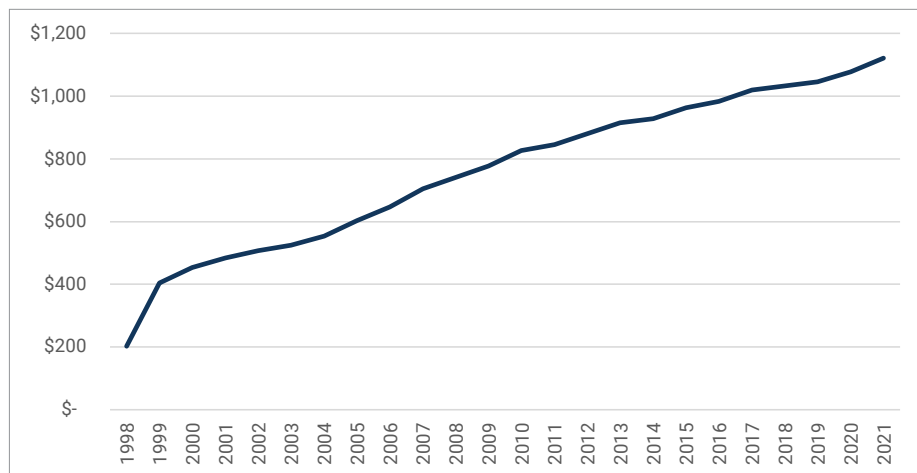
occur. Many do not, leaving the program with an only mediocre take-up rate.

The CESG has been successful beyond the wildest dreams of its creators. In its first few years of operation, it was expected to cost \$300 million per year or so; today, thanks to high participation rates in the program, the amount is over \$1 billion. In 2021, 3.1 million RESP accounts received CESG and/or A-CESG payments. That is to say that 55.9% of all Canadians under 18 received some kind of CESG payment in 2021, while another million or so have an RESP in their name which did not receive a contribution that

year. In the same year, 481,225 current students used money from their RESPs to pay for their education, in an amount totalling \$4.9 billion.

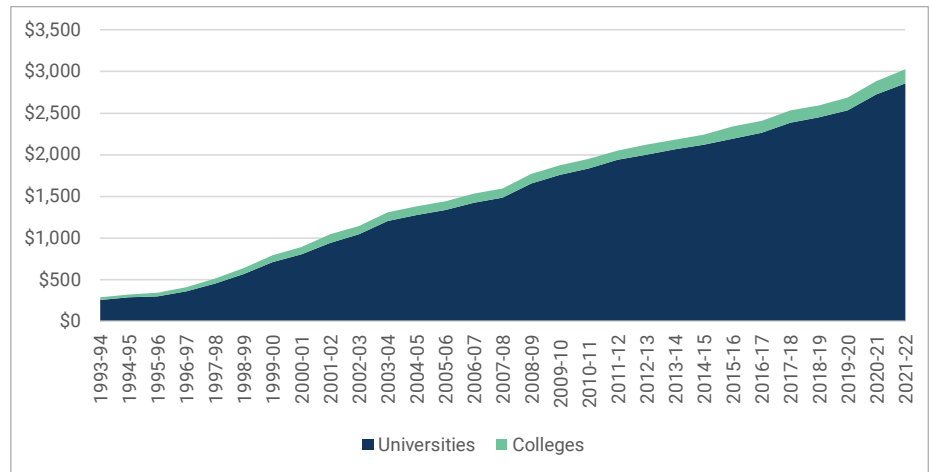
The final major source of funding for students is institutions themselves, which provide roughly \$3 billion per year in scholarship and bursary funding to students. The overwhelming majority of this money (95%) comes from universities rather than colleges, in part because they have greater fundraising resources and in part because financial aid is a more important part of the enrolment management process at universities.

Figure 5.10: Total Canada Education Savings Grants Payments, 1998 to 2021, in Millions of \$2021



Scholarships are perhaps the fastest-growing element of university expenditures in Canada, having increased more than ten-fold since 1992-93. Total university expenditure on scholarships is now over \$2,500 per FTE student. Institutions provide very little in the way of breakdown with respect to how this money is spent, specifically whether the money is awarded based on need or merit, and whether funds are supporting undergraduates or graduate students. Surveys conducted in the 2000s suggested that only about 25% of funds were going to undergraduates, and those funds were split on roughly a 50/50 basis between merit and need-based aid. This implies that the bulk of the funding – 75% of it – is supporting graduate students, and that therefore institutional aid spending is probably something like \$650 per student annually at the undergraduate level and \$7,250 per student annually at the graduate level.

Figure 5.11: Total Institutional Scholarships by Institutional Type, Canada, 1993-94 to 2021-22, in Millions of \$2021



McGill University, Québec, first hockey team, 1881



5.3 TOTAL STUDENT AID

The preceding sections have looked at the four major sources of assistance: need-based student aid, tax credits, education savings grants, and institutional scholarships. These are not the only sources of student aid expenditures in Canada. Among the other sources of aid are the Government of Canada payments to First Nations and Inuit students through the Postsecondary Student Support Program (PSSSP), roughly amounting to \$350 million per year, and scholarships for graduate students through the three traditional granting councils, which are roughly \$200-\$250 million per year. There are also sundry provincial merit programs, which once accounted for nearly \$137 million per year but have declined

significantly over the past few years. Provincial graduate tax credits – which provided tax rebates to PSE graduates who stayed in a particular province – were quite popular about a decade ago and accounted for nearly \$100 million per year at their height, but as of 2021-22 only Saskatchewan and Nova Scotia maintain such programs (although the recently re-elected UCP government in Alberta has promised to introduce something similar in its next mandate). Québec and Saskatchewan also have small programs that top-up contributions to Canada Education Savings Grants. Certain federal tax credits have also been excluded from the calculations above such as tax credits for interest payments on student loans. In total, these various sources of aid add up to over \$1 billion/year. Additionally,

for in the summer of 2020, the federal government created the one-time Canada Emergency Student Benefit to provide financial support to students who were having difficulty finding employment, a subsidy that in the end worked out to be slightly under \$3 billion.

Figure 5.12 aggregates the four major sources of aid (excluding the programs noted in the preceding paragraph above) to provide a near-complete picture of how student assistance has increased over the past two decades. It contains a number of important data points. First, the total amount of money given to individual Canadians has roughly tripled over the past twenty-seven years, even after accounting for inflation. What was a \$6 billion/year student aid system in 1993-94 is now a \$17 billion/year one.

Second, the system is less loan-based than it used to be. In the mid-1990s, loans made up two-thirds of all student aid; by 2021-22 that figure had fallen to just 27.9%. Since the mid-90s, government grants have increased more by than six-fold after inflation, while institutional grants have increased nine-fold. Meanwhile, tax credits have more than doubled after inflation, and education savings grants have gone from zero to over \$1.1 billion per year. All of this represents a sea change in the way postsecondary education is financed.

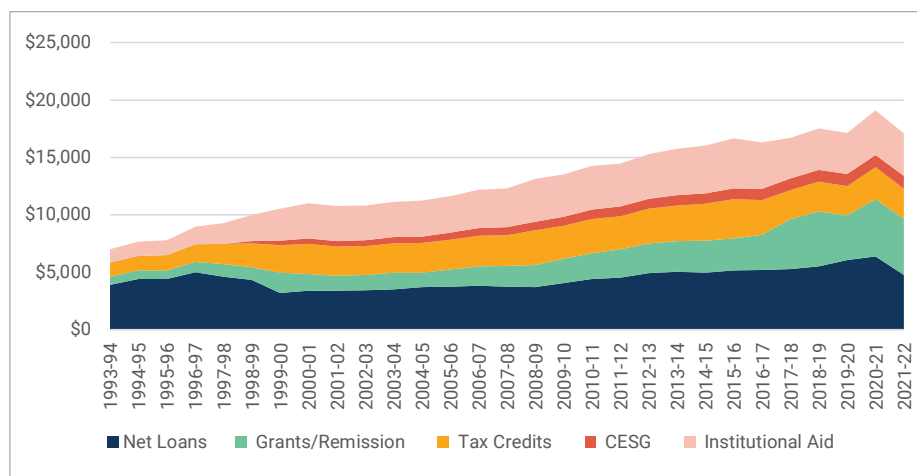
The total amount of non-repayable assistance (that is, total assistance minus loans) was over \$12.3 billion in 2021-22: if recurring money from the additional sources not covered by figure 5.12 is included, it increases to over \$13 billion. We know from chapter 3 that the total amount of tuition paid by domestic students was about \$9 billion in 21-22. Since very little student assistance is available to international students, it is possible to say that the total amount of non-repayable assistance given to Canadians each year is higher than the total amount of tuition fees paid by Canadian students. Or, put another way, Canada likely has net-negative tuition for domestic students once various forms

of student assistance are taken into consideration. This does not mean that every student receives more in assistance than they pay in tuition, but it does mean that on average, per-student subsidies exceed per-student fees.

All of this said, student borrowing has been in flux in recent years. Between 2017-18 and 2020-21, total borrowing rose in real terms by 24%, the same pace that it did during the major run-up in student debt in the 1990s. The difference is that this time, increased lending did not

replace grants and other non-repayable assistance but rather supplemented it. Mainly, what has happened is that governments have made it easier to borrow by reducing clawbacks for labour income. This has contributed to a national increase in the number of borrowers of something on the order of 15%. However, in 2021-22, total student borrowing shrank by nearly 25%, back to its 2017-18 levels despite the number of borrowers only shrinking by 4%. It is unclear what caused the major drop in lending.

Figure 5.12: Total Student Financial Assistance by Type, 1993-94 to 2021-2022, in Millions of \$2021



5.4 STUDENT DEBT AT GRADUATION

The effect of all this extra financial aid is most easily seen in student debt statistics. In the late 1990s, prior to all these major increases, there was considerable concern that Canadian students would soon be carrying debt loads resembling students from US four-year private institutions (which, at the time, were in the neighbourhood of \$37,000 CAD in today's dollars). Average student debt loads in Canada did increase sharply in the 1990s, but since that time have remained very constant and by some measures have decreased.

We have two data sources for looking at student debt over time. The first is the National Graduates Survey (NGS), which surveys every fifth (formerly fourth) graduating class three (formerly two)

years after graduation. Despite the capricious survey timetable, it remains the country's most thorough examination of graduate debt because of the large sample, which is drawn from the entire graduate cohort of both universities and colleges. The drawback is that data can be outdated by the time it is published. This is an ongoing issue: at the time of writing in the summer of 2023, the most recent observation is from 2015.

The second is the Canadian University Survey Consortium's (CUSC) triennial survey of graduating students. These have the benefit of being published almost immediately but the drawbacks of a somewhat inconsistent sample (consortium members are not entirely standardized from iteration to iteration), excluding colleges, and low participation from Québec. The lack of Québec figures tends to raise national estimates of debt

because of lower average debt levels in that province. Both the NGS and CUSC sources are included in figure 5.13. (CUSC data is indicated with an asterisk.)



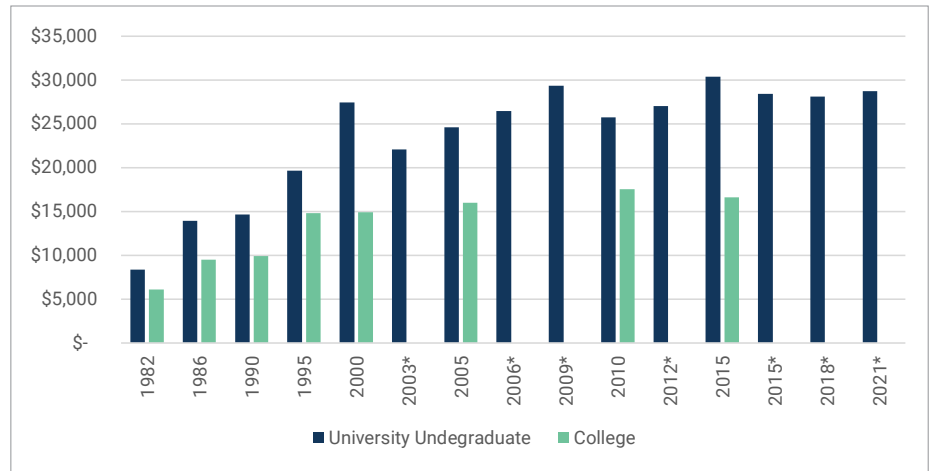


Pg 56: University of Saskatchewan, Women's badminton team, 1949

Above: Fanshaw College, soccer team, 1983

Figure 5.13 shows average student debt among those students who incurred debt. Evidence from various surveys suggests that the majority of Canadian college and undergraduate students do not incur any debt at all during their studies. The percentage of students with government debt seems to range between 30-35% for college students and 40-45% for university students; the percentage of students reporting any debt is about ten percentage points higher.

Figure 5.13: Average Student Debt at Graduation for Those with Debt, University Undergraduates and Colleges, Selected Years, 1982-2021, in \$2021



*indicates result from the Canadian Undergraduate Survey Consortium

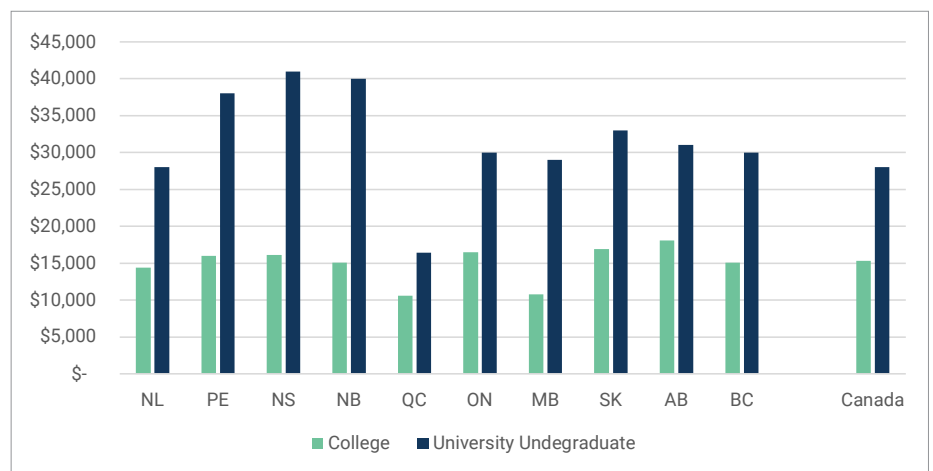
In terms of debt trends, we see a significant run-up in student debt levels in the 1990s, but a flattening out in real terms since 2000. Of the seven national surveys that have been undertaken since 2006, the value of undergraduate debt has moved around in a relatively narrow band between \$25,000 and \$30,000, with a mean value of just over \$27,000. Thus, despite all the frequent platitudes about “ever-increasing student debt”, the massive increase in student aid shown in figure 5.13 has in fact brought the student debt problem relatively under control, and since 2010, we have not seen any substantial increase in average student debt.

The last instance for which we have complete data on debt at graduation for both universities and colleges is the most recent National Graduates Survey, which covered the graduating class of 2015. Figure 5.14 takes the data from this survey to look at the variation of average debt levels (among students who borrow) across the ten provinces. At the college level, debt is actually fairly

consistent across the country, with students in most provinces having debt levels close to the national average of \$15,000 (the exceptions are Manitoba and Québec on the low side, and Alberta on the high side). Among undergraduates, the picture is quite different.

Graduates who borrow from the three Maritime provinces all have average debts in the \$40,000 range, in Ontario and the West they are all around \$30,000. Québec brings down the national average somewhat by having average debt levels in the \$16,000-range.

Figure 5.14: Average Student Debt at Graduation, by Province, Universities and Colleges, 2015



6.

CHAPTER SIX

Graduation, Attainment, & Graduate Outcomes

KEY POINTS

- ▶ Canada has one of the highest postsecondary attainment rates in the world.
- ▶ Postsecondary attainment rates are rising over time, thanks to rising university completion rates.
- ▶ Completion rates at university are close to 75% on a six-year window; college completion rates are closer to 60%.
- ▶ Data from Ontario suggests that the overall employment picture for graduates has been improving for several years, but that the transition to “good” jobs is taking longer than it used to.



CHAPTER SIX

Graduation, Attainment, & Graduate Outcomes



*University of Alberta,
convocation, 1948*

For most individuals, higher education is primarily a means for getting a degree and a better job. From the perspective of the state, it is a means for increasing people’s participation in the economy. These are not the only rationales for higher education – there are certainly less utilitarian ones – but they are the primary ones for state and student alike. This section examines postsecondary education in terms of graduation rates, attainment rates, and labour market outcomes with respect to employability and incomes.

6.1 GRADUATION RATES

Graduation rates are among the hardest things to calculate in any country at a system level. In theory, the calculation is relatively simple: what percentage of students who start a program receive a credential? But in practice, this is a difficult question to answer. If a student switches from one program to another, does the completion still count? If they switch from one institution to another, does it count? Can the system track students across institutions, so a student is not erroneously counted as a drop-out for moving from one institution to another? And then there is the function of time: how many years does one wait before ceasing to follow a student through the system? Five years? Seven? A host of definitional problems and technical challenges are involved in tracking graduation rates.

Of late, Canadian data on graduation has improved significantly due to various enhancements in the Postsecondary Student Information System (PSIS). The best and most current data available on graduation rates, below in figure 6.1, comes from a series of analyses done by Statistics Canada that look at cohorts that entered postsecondary education in

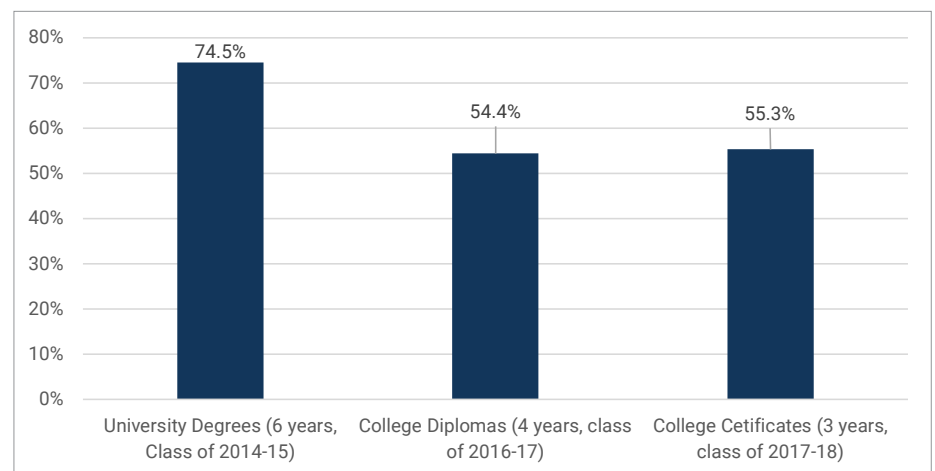
the early- to mid- 2010s. For the most recent cohorts of students under 20 who have begun postsecondary education, 6-year graduation rates from four-year programs (i.e. undergraduate programs) were 74.5%, the four-year rate for college diplomas was 54.4%, and the three-year graduation rate for shorter postsecondary certificates was 55.3%. These might be an undercount, as they only include people who graduated with a qualification at the same level as the program in which they started (e.g. someone who

started in an undergraduate program but switched to a diploma would be counted as a non-completer; similarly, it excludes anyone who switched provinces to study after starting a program).

6.2 ATTAINMENT RATES

While graduation rates measure the percentage of students who complete their programs, attainment rates measure the percentage of citizens who have

Figure 6.1: Completion Rates by Credential Type, Canada, Most Recent Cohorts

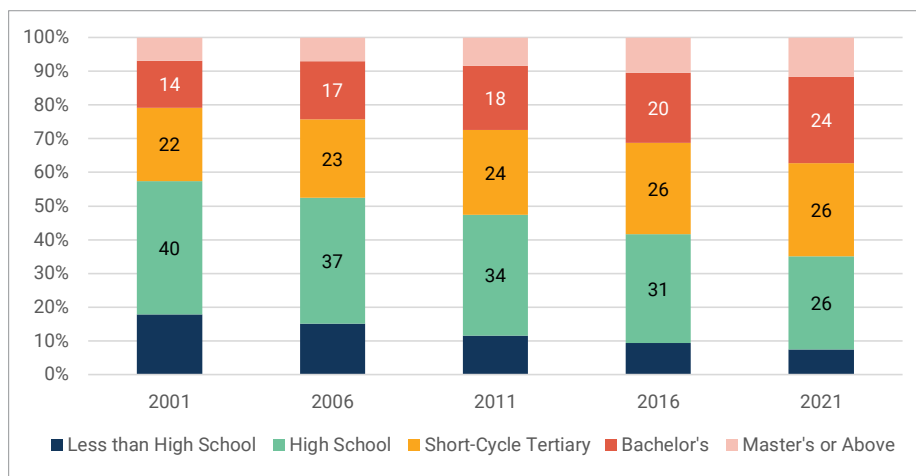


achieved a given level of education. A high level in one does not mean a high level in the other. Even jurisdictions that have low levels of access and completion might have quite high levels of attainment, due to immigration either from abroad or from other parts of the country.

Figure 6.2 shows the highest level of educational attainment of Canadians aged 25-64.¹ It shows a clear upward trend over time. In 2001, only 41% of working-aged Canadians had a postsecondary credential of some kind. By 2021, that figure had risen to 61%. Attainment at all postsecondary levels increased: working-aged Canadians with college credentials increased from 22 to 26%, those with bachelor's degrees from 14 to 24%, and those with graduate degrees from 7 to 11%. This degree of change is

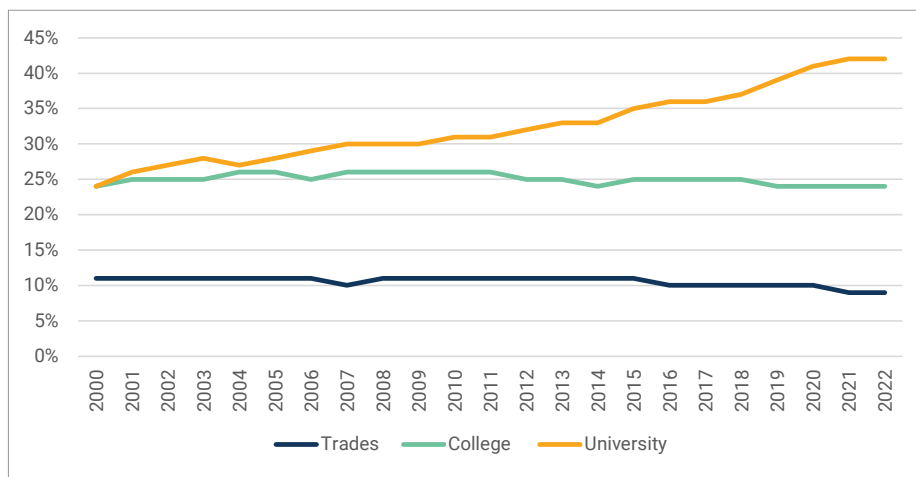
roughly what one would expect, as older workers with less education age out of the sample, they are replaced by younger, more educated ones.

Figure 6.2: Educational Attainment Rates of Canadians Aged 25-64, Selected Years, 2001-2021



However, specifically examining the attainment levels of younger Canadians, done below in figure 6.3, demonstrates the accentuation of increasing university attendance. This figure looks specifically at credentials above the level of high-school: "Trades" (what Statistics Canada calls "postsecondary non-tertiary", which is not quite equivalent but close enough), "College" (which is equivalent to "short-cycle tertiary" in the previous graph), and "university" (combines the "bachelor's and "master's and above" categories in figure 6.2). Among Canadians aged 25-34, the proportion of Canadians with trades and college credentials either stayed constant or fell slightly between 2000 and 2021. However, the percentage of people with bachelor's degrees or higher rose from 24% to 42%. A small amount of this increase is due to immigration; most of it has to do with increasing rates of university enrolment over the past three decades, as demonstrated back in Chapter 1.

Figure 6.3: Educational Attainment Rates of Canadians Aged 25-34, 2000-2022



University of Calgary, convocation, 1958

¹ Statistics Canada assigns a hierarchy to credentials which places college certificates and diplomas "below" those of university credentials. Thus, even if an individual received a bachelor's degree and subsequently studied for and received a college diploma or certificate, their "highest" degree would still be a bachelor's. Many in the college sector understandably disagree with this stance; nevertheless, due to the data source, it is the only definition available to us and it is therefore the one we use in this report.

Figure 6.4 shows data on educational attainment of 25 to 34-year-olds by province. When it comes to some form of postsecondary attainment, most provinces cluster in a range of around 70-75%, though Québec (80%), Manitoba (66%) and Saskatchewan (65%) are outliers. The specific combination of trades, college and university credentials varies from one province to another. Trades are particularly predominant in the mix of graduates in Québec, Newfoundland and Labrador, and Saskatchewan, colleges in the four Atlantic provinces, and university degrees in British Columbia and Ontario. Note that this does not necessarily say very much about the relative importance of each sector in each province; Alberta and British Columbia have traditionally had relatively small university systems but high university attainment rates due mainly to an influx of immigrants, either from other provinces or other countries.

According to the Organization for Economic Co-operation and Development (OECD), Canada is the world leader in postsecondary education attainment, with over 70% of 25-34 year-olds holding some kind of postsecondary credential, compared to an OECD average of 50% (note that this is slightly higher than the proportion reported by Statistics Canada itself, which is puzzling). Canada achieves this mainly by having the largest proportion of its population with some kind of sub-baccalaureate education. These are split between what are known as “postsecondary non-tertiary” and “short-cycle tertiary”, which very roughly can be thought of as the split within community college programs between those training for blue-collar and white-collar occupations. At the level of bachelor’s programs and above, Canada is much closer to the OECD average, with 41% of 25 to 34-year-olds with a bachelor’s degree or higher. Across the OECD, the figure is 38%, and in most of Canada’s major comparators, the figure is somewhere in mid-40s. This is represented in figure 6.5.

6.3 LABOUR MARKET OUTCOMES

One of the key outcomes of higher education is graduate performance in

Figure 6.4: Educational Attainment Rates of Persons Aged 25-34, by Province, 2022

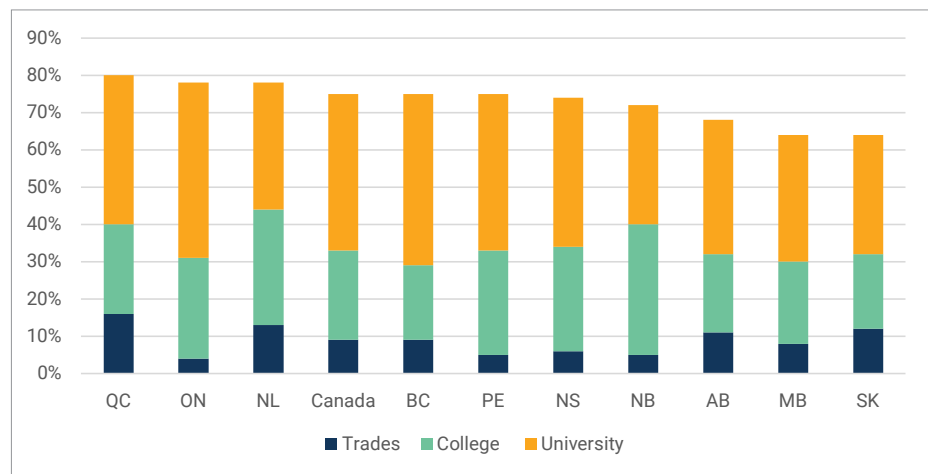
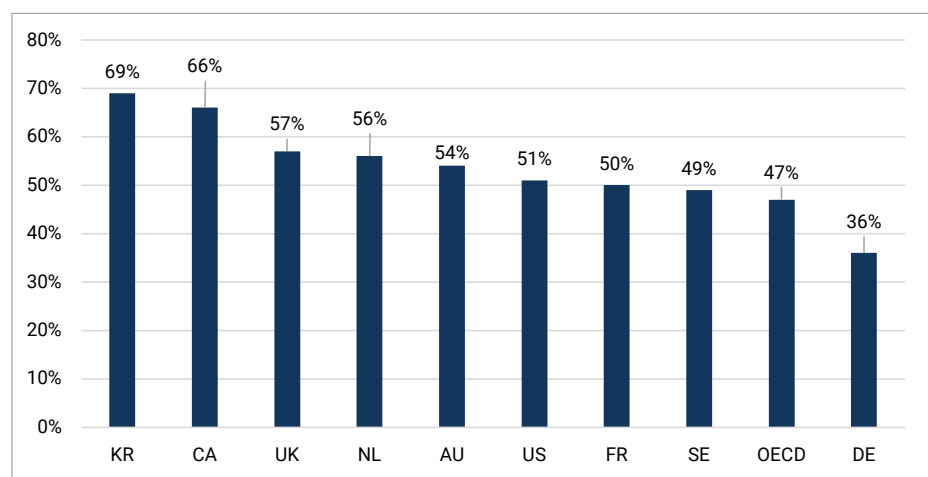


Figure 6.5: Educational Attainment Rates of Persons Aged 25-34, Selected OECD Countries, 2021



the labour market. Of course, this is not the only purpose of higher education, but it is the primary one both for governments and students. Canada was one of the first countries to produce a high-quality national survey of graduates back in 1978, and continued with a similar survey format every four or five years until 2005. Unfortunately, the reporting format changed for the class of 2010 – students were interviewed three years after graduation instead of two – meaning that we cannot accurately compare data from the last two surveys to the previous seven, which makes constructing a useful time-series difficult. The 2015 survey can partially examine outcomes at the 2-year level because of data matching with other Statistics Canada databases through the

Employment and Labour Market Longitudinal Platform, but the time series is still broken. Meanwhile, annual or biennial surveys exist in British Columbia, Alberta, Ontario, and Québec, and there is a similar joint effort in the Maritime provinces, but they all ask slightly different questions at different times and issue slightly different public reports. Thus, while we know a great deal about graduate employment in Canada, it is not always easy to summarize nationally because of difficulties in compilation and comparison.

Figure 6.6 shows employment rates among all Canadian graduates from the class of 2015, three years after graduation. The rates do not vary a great deal across sectors: at that distance from

graduation, the employment rates for universities and colleges are almost identical at about 90%, with the overwhelming majority in full-time employment. They also do not change very much over time: these results are virtually the same as the ones from 2010.

Provincial surveys usually report employment rates at shorter intervals than the 3 years used in the National Graduates Survey. Instead, they measure results at 6, 18, and/or 24 months, depending on the jurisdiction and level of education. These data cannot be aggregated to show a single natural picture, though they indicate similar general trends. Figure 6.7 uses data from Ontario, which contains about 40% of all university graduates, and presents reported employment rates 6 and 24 months after graduation. Transitions to the labour market seem to be taking longer now than they did twenty years ago. The rate of employment after six months dropped quite significantly for those classes that graduated into the recession of 2008-9 and took about seven years to recover. For employment rates after two years, however, the drop was not quite as precipitous and bounced back somewhat after that recession, though it never quite regained its earlier heights (the substantial drop for the 2018 cohort reflects the impact of the 2020 pandemic on new graduates). Similar patterns can be seen in most of the rest of the country, with the exception of Alberta where the oil boom that lasted for most of the period from 2006-14 produced quite a different set of outcomes, particularly for students graduating with college/polytechnic credentials that allowed them to work in the oil/gas and construction industries.

Figure 6.6: Employment Status by Level of Education Completed, Canada, Class of 2015, Three Years After Graduation

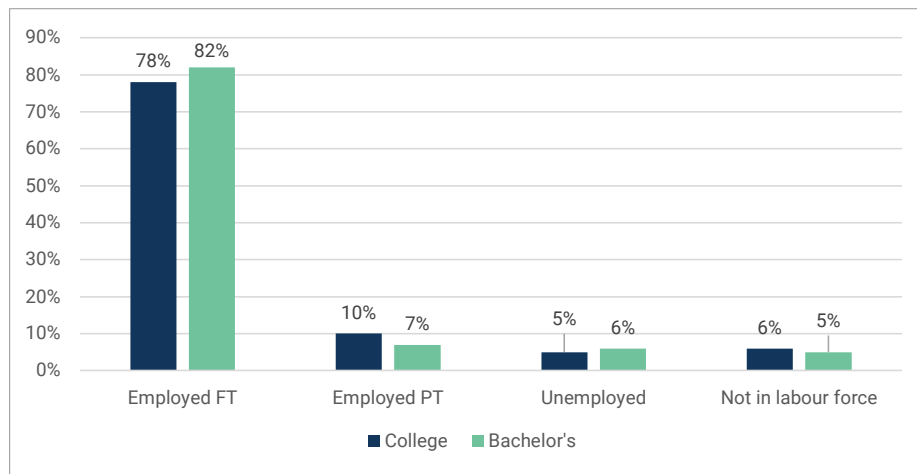


Figure 6.7: Employment Rates at Six Months and Two Years, Ontario Undergraduates, Graduating Classes of 1996 to 2019



University of Western Ontario, nursing graduates, 1923



When it comes to graduate incomes, the National Graduates Survey shows that two and five years after graduation, the median bachelor's graduate has an annual income of \$47,900 and \$59,800, respectively, while for college diploma graduates the equivalent figures are \$38,200 and \$43,300 (see figures 6.8 and 6.9). However, there are significant variations between provinces. Among bachelor's degree holders, graduates from the three "oil" provinces of Saskatchewan, Alberta and Newfoundland and Labrador made significantly more than graduates from other provinces; at the college level, Saskatchewan had far and away the best results, with the other two oil provinces and British Columbia not far behind. This is not a reflection on the quality of institutions in various provinces: rather, it reflects the opportunities that were available to young graduates in different parts of the country in the mid-2010s. These can change over time: in the 1990s, Newfoundland and Labrador and Saskatchewan were below the national average and Ontario was well above it. Given the long-term decline in oil prices since 2015, it would not be a surprise if graduate salaries at the provincial level were again in flux.

Figure 6.10 uses Ontario's comprehensive annual data to track real graduate salaries. Notably, this decline began prior to the 2008 recession, around 2006. That was the year most of Ontario's "double-cohort" graduated (the result of a change in secondary curriculum that effectively meant that two cohorts of students graduated at the same time in 2002), which resulted in a somewhat flooded job market. In inflation-adjusted terms, graduate salaries in Ontario fell by about 15% from peak to trough; over the last couple of years, however, the trend seems to have reversed and salaries are heading upwards again. This is especially the case at the level of 2 years after graduation, where the cohort of 2018 enjoyed the highest average salaries of any cohort since records began in the mid-90s. (Then class of 2019 seems to have been less fortunate, likely due to COVID.) There are some intra-provincial differences around graduate incomes – more than there are with respect to employment rates – but on the whole, this trend seems to hold in most provinces.

Figure 6.8: Median Graduate Incomes Two and Five Years After Graduation, Bachelor's Graduates, Class of 2016, in \$2021.

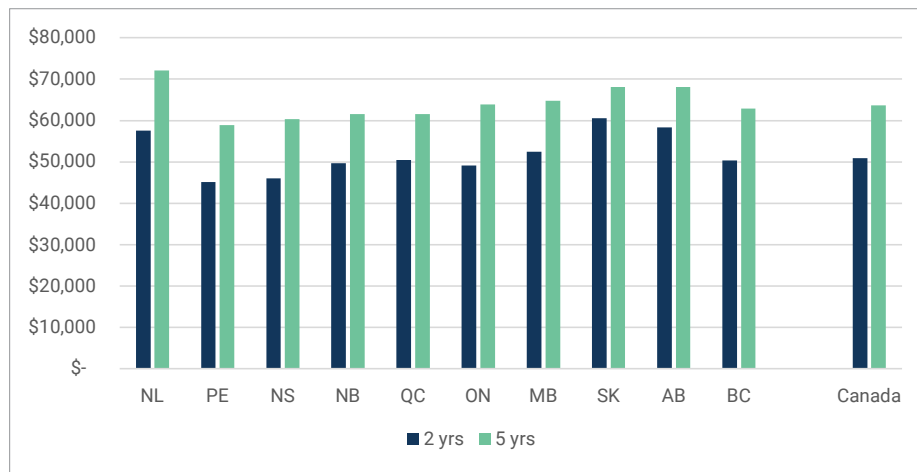


Figure 6.9: Median Graduate Incomes Two and Five Years After Graduation, College Diploma Graduates, Class of 2016, in \$2021

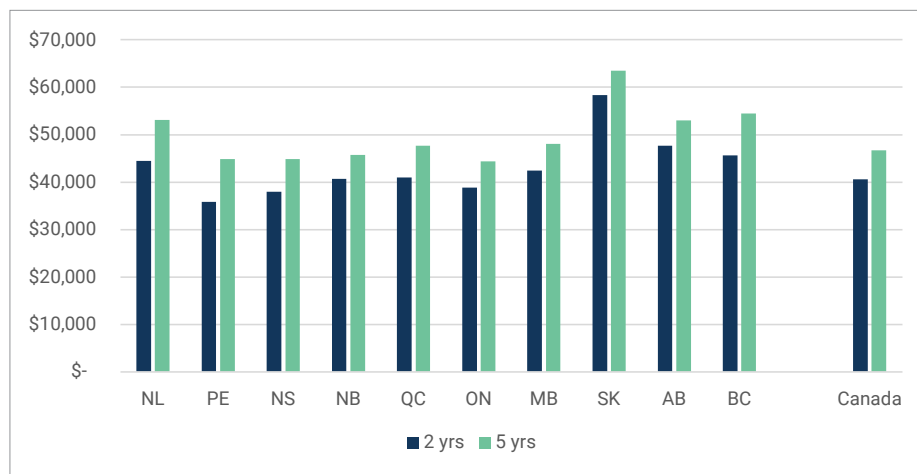
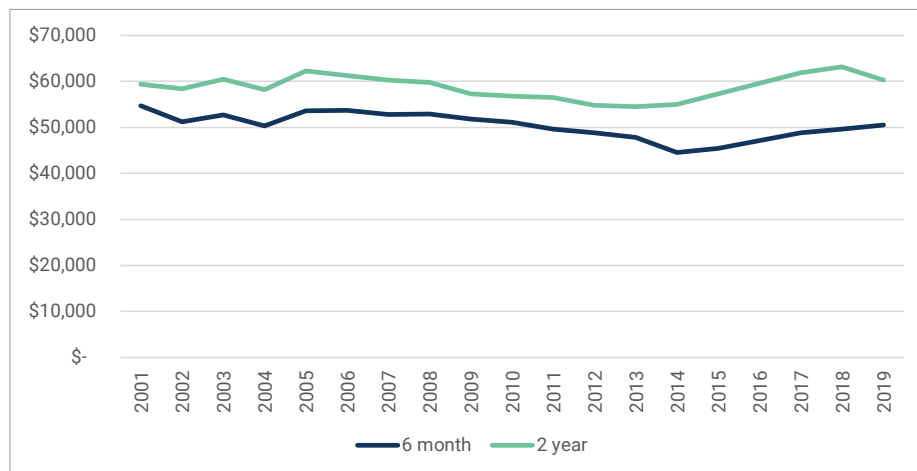
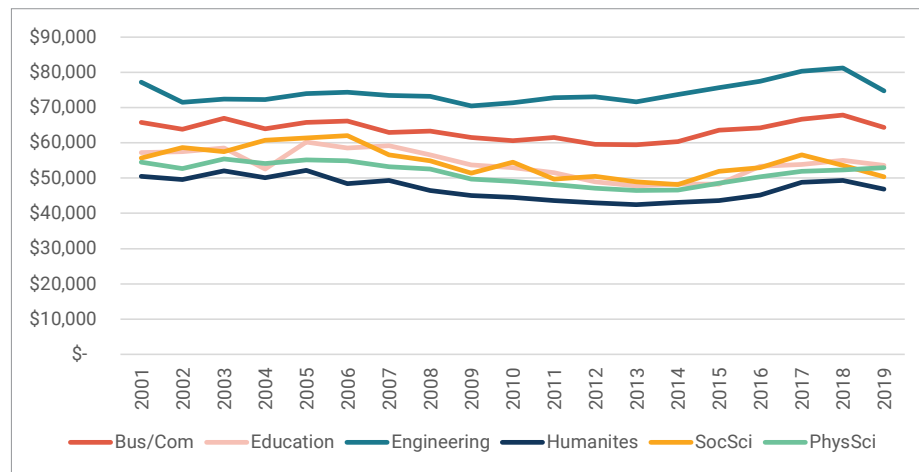


Figure 6.10: Graduate Salaries at Six Months and Two Years, Ontario Undergraduates, Graduating Classes of 2001 to 2019, in \$2021



Ontario's data also allows a more detailed look at graduates' incomes by field of study. Figure 6.11 shows that most fields of study saw some decline in real salaries for graduates between the classes of 2004 and 2014, with engineering and to a lesser extent business being the only exceptions. All the other major fields – education, humanities, physical sciences and social sciences – saw declines in graduate incomes of between 15 and 20% over that decade. The physical sciences is particularly interesting: although some commentators claim that jobs in “STEM” (Science, Technology, Engineering and Mathematics) are the ones that most obviously lead to high-paying jobs, this does not seem to be entirely true in Canada, at least with respect to science. The recovery in salaries in the latter half of the 2010s was enjoyed by all graduates, regardless of their field of study.

Figure 6.11: Graduate Salaries Two Years After Graduation, Ontario Undergraduates, Selected Fields of Study, Graduating Classes of 2001 to 2019, in \$2021



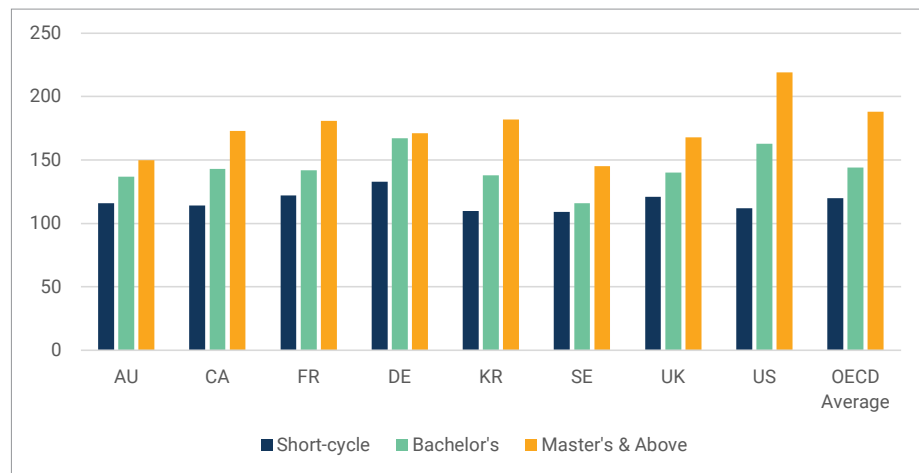
With respect to international comparisons of higher education outcomes, good apples-to-apples comparisons with respect to graduate outcomes across countries are challenging to find, because the labour market structure and the actual opportunities available to graduates differ across countries. As a result, the OECD has a different way of showing comparative graduate outcomes, which is by tracking the “premiums” that university or college graduates have over upper secondary school graduates of the same age in terms of earned income.

Figure 6.12 shows the wage premiums for “short-cycle tertiary”, “bachelor’s,” and “master’s and above” among recent entrants to the labour market for selected OECD countries. Apart from France and Germany, short-cycle tertiary graduates have very low wage premiums across the OECD, to the point of actually having earnings below those of upper secondary graduates in Sweden and Australia (Sweden appears to have negative returns to bachelor’s degrees). Returns to bachelor’s degrees are highest in Germany and

the United States, while the returns to graduate degrees are highest in the US and the UK. This provides some rationale to the US practice of high tuition fees (a way of capturing some of these private returns) and to the Swedish practice of low tuition fees (how can tuition be charged when there is no financial benefit?). However, German fee policy – high private benefits combined with no fees – looks

less convincing on these grounds. Canada, as usual, is in the middle of the OECD pack: our young graduates earn more than their non-graduate counterparts, but the wage premium to degree – particularly advanced degrees – is significantly smaller than it is in the United States. This may help account for the persistent “brain drain” from Canada to US over the years.

Figure 6.12: Salaries of Graduates aged 25-64, by Type of Credential, Selected OECD countries (Salaries of Upper Secondary Graduates aged 25-64 = 100), 2020



7.

CHAPTER SEVEN

Research

KEY POINTS

- ▶ Canada has among the lowest levels of research and development spending in the OECD, and contrary to recent global trends, spending is continuing to decline.
- ▶ The proportion of research done in the higher education sector is among the highest in the OECD, which is primarily attributable to the weakness of Canada's business sector.
- ▶ Among Canadian universities, there is a clear institutional hierarchy of research-intensity, with the University of Toronto at the top and the University of British Columbia and McGill University not far behind. Beyond that, several institutions can claim to be near the top depending on field of study and metrics.
- ▶ Canadian colleges are also increasingly engaged in applied research, albeit on a much smaller scale than universities. Though polytechnics tend to be seen as the biggest players in this field, only half of the top ten colleges by research income are members of Polytechnics Canada.



CHAPTER SEVEN

Research

7.1 NATIONAL-LEVEL INDICATORS OF RESEARCH PERFORMANCE

Canada has never been a global leader in research and development (R&D): throughout its history, it has under-invested in R&D in comparison to its global peers. A variety of explanations have been posited for this phenomenon. One theory — perhaps more persuasive in the 20th century heyday of manufacturing than in the 21st— is that because Canada is a “branch plant economy” where mainly US-headquartered companies are likely to choose to locate manufacturing and assembly operations rather than product development. Another theory, stretching back to staples history, locates the deficiency in Canada’s resource-driven economy, which tends to have lower levels of R&D spending than does manufacturing. Still another reason suggested is that Canadian companies simply do not have ambition; since business investment in R&D is to some degree correlated with firm size and industry position, the lack of companies that are truly global or that even have pretensions to be so is a key factor here. None of these theories seem to comprehensively explain Canada’s lackluster performance, but undoubtedly all play at least some role.

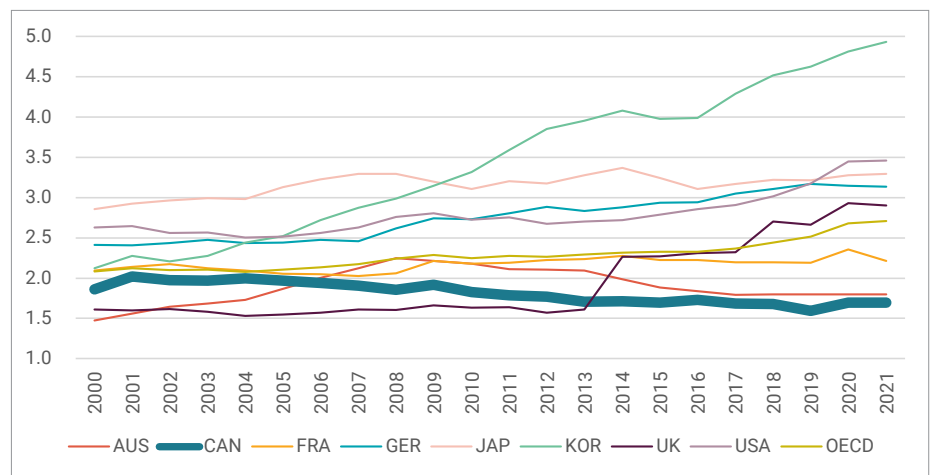
Not only is Canada a country that has historically been among the lowest spenders in the OECD when it comes to R&D, in recent years it has gone against the OECD-wide trend of rising R&D expenditures. Figure 7.1 shows R&D

expenditures as a percentage of GDP in Canada and select OECD countries. It demonstrates vividly both how the country’s R&D performance is below the OECD average and how it has eroded over time. In fact, Canada is one of only two countries in the OECD with over one million people that had lower R&D spending in 2021 than in 2000 (the other was Sweden, which spends roughly twice what Canada does on R&D as a percentage of GDP).

*Red River College,
Manitoba*



Figure 7.1: Research and Development Spending as a Percentage of Gross Domestic Product, Select OECD countries, 2000-2021



Research and development come in many forms. In developed countries, most expenditure comes from the business sector (known in the jargon as Business Expenditure on Research and Development, or BERD). But substantial portions of research and development occur in the higher education sector

(HERD), as well as in the government sector (GovERD). Figure 7.2 contrasts the overall size and composition of R&D spending in Canada to those of select OECD comparators. While it is clearly the case that Canada lags most of the rest of the OECD both in overall spending and especially in BERD, it compares quite

favorably to other countries with respect to HERD spending. Whether this is a good thing depends on one's point of view: it could indicate that Canada has a supportive ecosystem for funding research in the public sector, or it could indicate that the country is forced to spend more public money on R&D because BERD is so anemic.

Turning to research output via total publications, a measure that mostly tracks research activity in the higher education sector, Canada appears to be well positioned. While not part of the scientific elite of the USA, China, UK and Germany, it is reasonably competitive with Australia and France, the latter of which is a significantly larger country with much higher levels of absolute research expenditure. One of the reasons that Canada punches above its weight in scientific publications is the degree to which its scientists collaborate with colleagues in other countries. In 2020, just over 58% of scientific publications with a Canadian author had an international co-author.

Figure 7.2: Research and Development Spending by Performing Sector, as a Percentage of Gross Domestic Product, Select OECD Countries, 2021

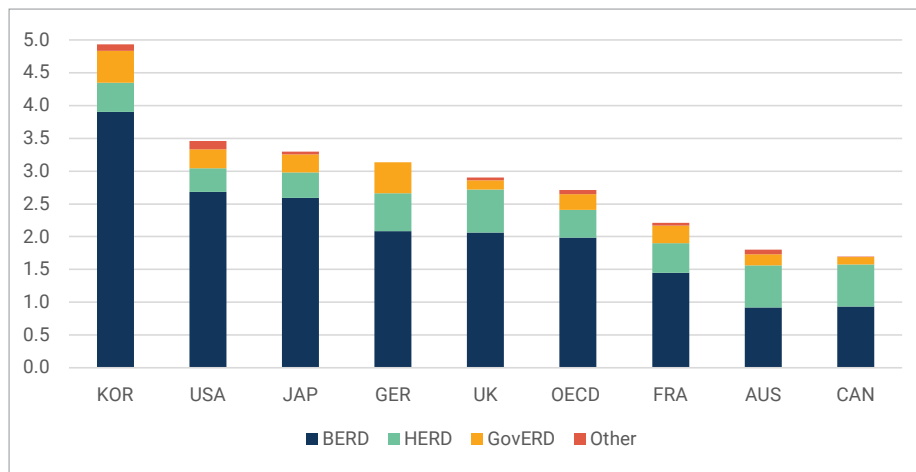
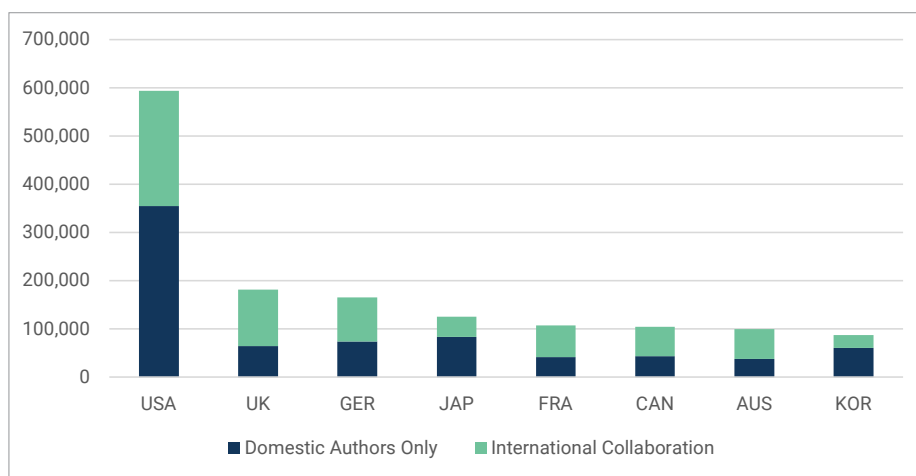


Figure 7.3: Total Scientific Publications, by Geography of Collaboration, Select OECD countries, 2020



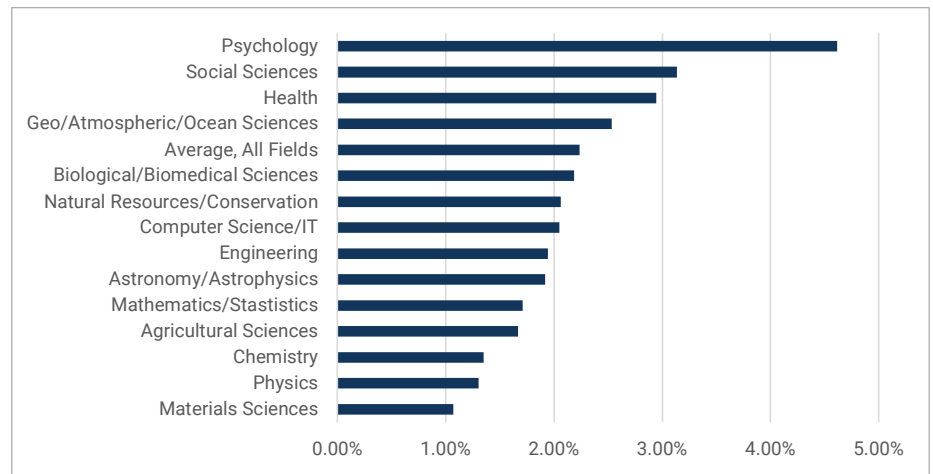
University of Ottawa, laboratory, 1900





Overall, Canadian authors are responsible for approximately 2.2% of global scientific output as measured by fractional counting of publications. For a country that contains less than 0.5% of global population and makes up only 1.39% of global gross domestic product, this can be seen as performing above average, at least insofar as academic research is concerned. But this overperformance does not occur equally across all areas of study. In fact, Canada's average is mostly pulled up by overperformance in just four fields: psychology, geo-, atmospheric- and ocean sciences, health sciences and social sciences (the last two being the two largest subfields in global science).

Figure 7.4: Canada's Share of Total Global Scientific Publications, by Field, 2020



7.2 ACADEMIC RESEARCH AT CANADIAN UNIVERSITIES

Around the world, national higher education systems tend to stratify sharply on research intensity. Every country has at least one or two “flagship institutions” or, in the case of more developed nations, larger groups of universities that de facto dominate the national research enterprise. In Canada, this group is known as the “U15”, a group of fifteen mostly quite large institutions that together account for 76% of the sector’s research expenditures. However, the U15 does not have objective membership criteria, and several inclusions and exclusions from this group appear to be based more on regional politics than anything else. Certainly, there are significant disparities in research performance within this group and in practice the bottom three or four performers are a long way from the top of the group.

There are multiple ways to measure research performance and intensity, but nearly all of them converge on the same insights: that Canada has an undisputed “top” university (the University of Toronto), a pair of very high-performing institutions that are not far behind (the University of British Columbia and McGill University) and then three more institutions that can

be included in that group of “world-class” institutions (Alberta, Montreal, and McMaster). Table 7.1 shows how these six institutions were ranked for 2023 by the three major global ranking systems: the Academic (Shanghai) Ranking of World Universities, the Times Higher Education (THE) World Rankings and the QS World University Rankings.

Table 7.1: Top Canadian Universities According to Major Rankings Agencies, 2023

	SHANGHAI		TIMES HIGHER		QS	
	Canadian Rank	Global Rank	Canadian Rank	Global Rank	Canadian Rank	Global Rank
Toronto	1	24	1	18	1	21
UBC	2	44	2	40	3	34
McGill	3	70	3	46	2	30
Alberta	4	91	6	118	4	111
McMaster	5	98	4	85	5	112
Montreal	6	151-200	5	111	7	141

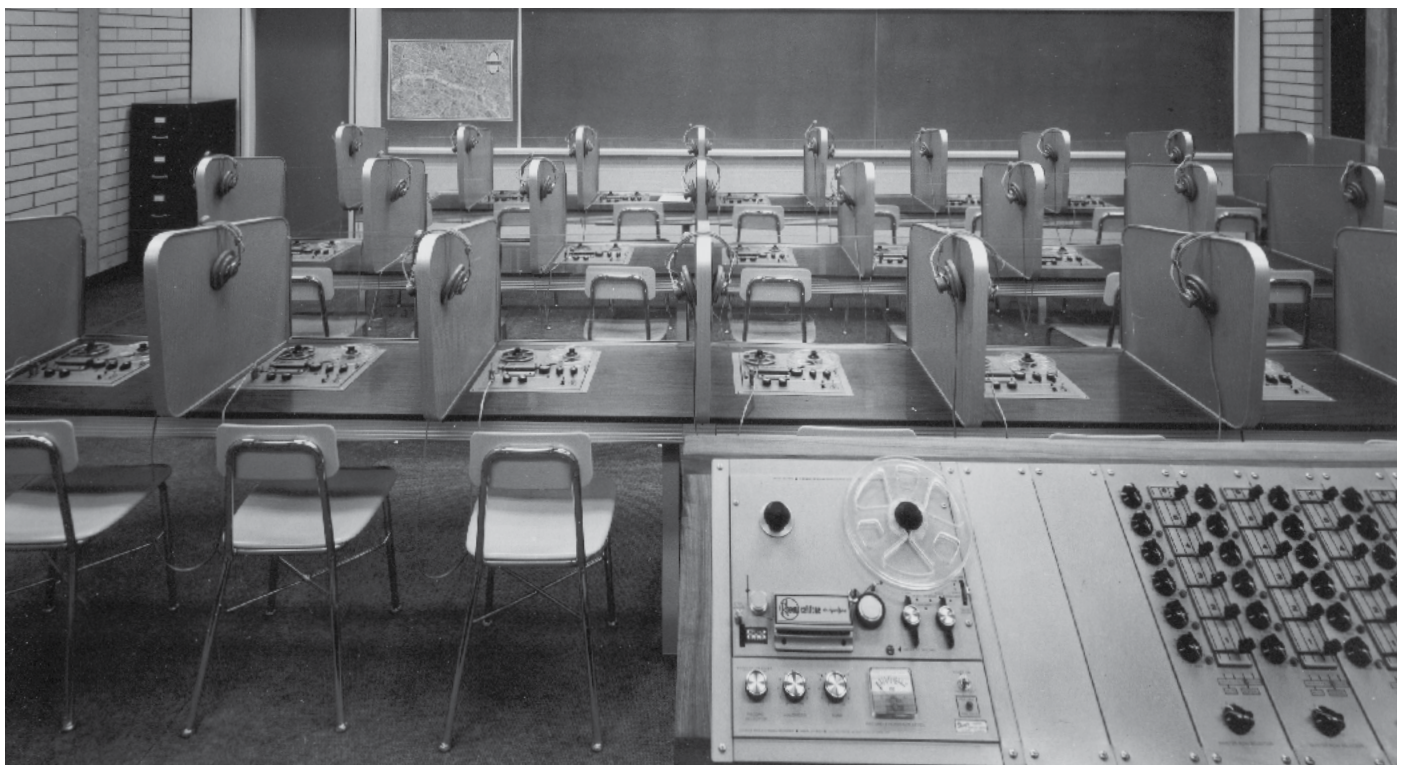
The Centre for Science and Technology Studies (in Dutch, CWTS) at Leiden University in the Netherlands publishes an annual world ranking of institutions that does valuable work in approaching an objective measure of research excellence. Its rankings are based solely on publication data and are an invaluable way of monitoring changes in publication patterns across different disciplines. Overall, Canadian universities do well on the measurements regarding quantities of scientific papers produced, in part because the major Canadian universities are somewhat larger on average than their counterparts in many other countries. The University of Toronto, for instance, is #5 in the world for the production of scientific papers, lagging only Harvard, Zhejiang University, Shanghai Jiao Tong University and Sichuan University; however, this is at least as much a product of its own large size (nearly 100,000 students) and that of its associated hospital partner network (nearly all medical articles published by scholars at hospitals in the Greater Toronto Area end up credited to the University of Toronto).

However, Leiden also permits us to look at the quality of articles in the sense of whether they are highly cited, relative to other papers in the same academic field. One useful measure is knowing what percentage of papers published by authors at a particular institution make it into the top 10% of papers by total citations. Table 7.2 shows the percentage of papers making the top 10% of most-cited papers in the author’s field amongst Canada’s top fifteen cited institutions. The top three institutions here are the same as they are in Table 7.1, but after that the order becomes less familiar: l’Université de Montréal is missing, for instance (language of publication is likely a factor here), while five non-U15 members – Victoria, Memorial, Concordia, Guelph and York – make the list.

Table 7.2: Top Fifteen Canadian Universities for Proportion of Papers Attaining top-10% Field-adjusted Citations, 2018-21 (minimum 250 papers in top 10%)

University	Papers in top 10% by field
Toronto	13.6%
McGill	12.8%
UBC	12.7%
McMaster	12.4%
Calgary	11.6%
Victoria	11.5%
Memorial	11.1%
Waterloo	11.0%
Dalhousie	10.7%
Alberta	10.5%
Ottawa	10.5%
Western	10.5%
Concordia	10.5%
Guelph	10.1%
York	10.1%

*Page 70: School of Medicine at Université Laval, 1900
Below: Language laboratory, Selkirk College, British Columbia, 1967*



The Leiden data, also make it possible to break down institutional performance by broad scientific field. Table 7.3 shows this for Biomedical/Health Sciences, Life/Earth Sciences, Mathematics and Computer Science, Physical Sciences & Engineering and Social Sciences & Humanities. The University of Toronto makes the top 5 in all five areas, while

McGill and UBC make it for three of the areas, which suggests that getting to be a “top” university to some extent means having breadth of quality. Outside of these three however, the list of top institutions becomes anything but consistent: two institutions (Calgary, and Memorial) make the top 5 twice and another eight make it once, including the very small

Institut National de Recherche Scientifique, which produces just enough papers to qualify in Physical Sciences and Engineering. Some care should be taken in overinterpreting these results because particularly at smaller institutions, measures of publication-based excellence can be skewed by the output of a very small number of researchers.

Table 7.3: Top Five Canadian Universities for Proportion of Papers Attaining Top-10% Field-adjusted Citations, by Broad Scientific Field 2018-21 (minimum 50 papers in top 10% in specific field)

Biomedical / Health		Life / Earth Sciences		Mathematics / Computer Science		Physical Sciences / Engineering		Social Sciences & Humanities	
University	Top 10% papers	University	Top 10% papers	University	Top 10% papers	University	Top 10% papers	University	Top 10% papers
McMaster	13.7%	UBC	15.1%	Regina	16.0%	Toronto	15.4%	UBC	13.3%
Toronto	13.5%	McGill	14.4%	Guelph	15.4%	Memorial	13.7%	Western	12.5%
McGill	13.3%	Toronto	13.1%	Memorial	14.8%	INRS	13.0%	Toronto	12.4%
Calgary	12.4%	Calgary	12.7%	Windsor	14.0%	Waterloo	13.0%	York	11.8%
UBC	11.9%	Dalhousie	12.4%	Toronto	14.0%	Victoria	12.4%	McGill	11.5%

Table 7.4 presents the top institutions receiving grants from each of the three traditional granting councils. Here, a somewhat different pattern emerges because research funding is granted on a competitive basis to individuals or groups of researchers, and these researchers tend to cluster at larger and wealthier institutions; it is distributed on a more concentrated basis than operations funding. Indeed, the country’s top three institutions (Toronto, UBC and McGill) receive roughly 25% of all council funding. The percentage of the total indicates how many of the total grants and awards indicated each institution received—the value of the grants is not considered in these calculations.

In sum, when it comes to academic research, Canada has a definite hierarchy, with The University of Toronto at the top, followed closely by the University of British Columbia and McGill. However, beyond that, research excellence is dispersed widely, and pockets of very high-class research can be found across many different institutions, even some which do not meet traditional definitions of being “research intensive”.

Table 7.4: Top Fifteen Institutional Recipients of Federal Research Grants, by Council 2021-22

SSHRC*		NSERC**		CIHR***	
Institution	% of total	Institution	% of total	Institution	% of total
Toronto	10.2	Toronto	8.3	Toronto	14.2
UBC	6.9	UBC	7.0	UBC	13.9
York	5.1	Alberta	5.7	McGill	12.8
Ottawa	4.6	McGill	5.5	Calgary	9.0
UQAM	4.5	Waterloo	5.4	Laval	6.8
McGill	4.4	Calgary	3.6	McMaster	6.5
Montreal	4.4	Laval	3.4	Alberta	5.8
Alberta	4.2	Western	3.3	Western	3.5
Calgary	3.5	McMaster	2.9	Manitoba	3.3
Laval	3.5	Ottawa	2.9	Ottawa	3.0
McMaster	3.0	Montreal	2.6	Montreal	2.9
Carleton	2.9	Queen's	2.5	Queen's	2.2
Queen's	2.8	Dalhousie	2.4	Dalhousie	1.8
SFU	2.6	Guelph	2.4	SFU	1.7
Concordia	2.6	Manitoba	2.3	Saskatchewan	1.7

*Includes Insight Grants and Insight Development Grants, for 2021-22.

**Includes Discover Grants Program-Individual, Research Tools and Instruments Grants, and the Subatomic Physics Grants.

***Includes both CIHR awards and grants. University of Toronto, includes University Health Network (UNH). McGill University, includes Research Institute of McGill.

Colleges, Polytechnics and Applied Research

Over the last few decades there has been increasing attention paid worldwide to the production of “applied research” at non-university higher education institutions (HEIs). This has, in part, entailed a re-definition of what the term “applied research” implies. Prior to the early 2000s, the term was usually used as a counterpoint to “pure” or “basic” research, with the latter implying research largely divorced from considerations of end-use. By this definition, there were large differences between academic disciplines: medicine and engineering by their very nature were more use-oriented and hence more “applied” than, say, astrophysics. However, as non-university HEIs began to use the term, it also changed meaning to simply mean research conducted outside universities and in collaboration with the private sector. In some instances, the term “applied research” has come to encompass certain types of innovative training methods as well.

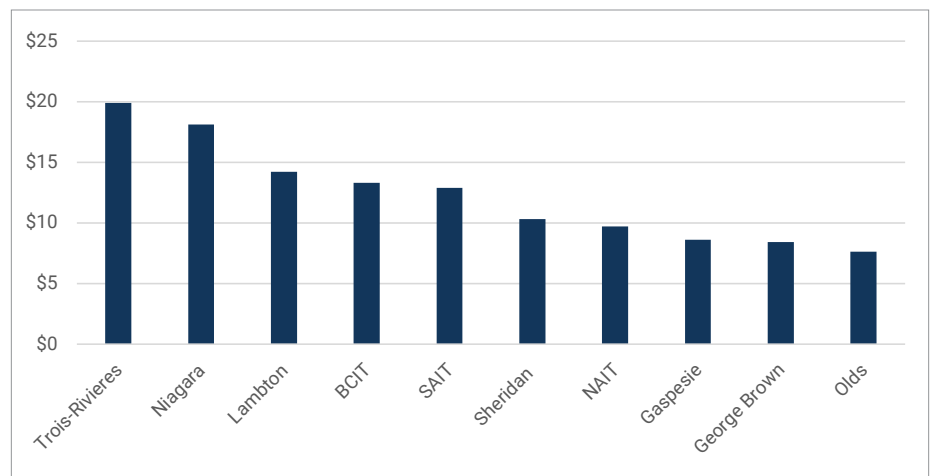
In any event, many college institutions receive money for doing various kinds of applied research. This funding tends not to come from firms themselves but from governments that wish to support firms

by giving them access to services available at college institutions. Much of this funding comes from the Government of Canada, but in Québec the provincial government is also a major source of funds, providing more support than any other provincial government.

Figure 7.5 shows the top 10 colleges across Canada for research funding. The sums here are significantly smaller than the figures for research at the top 10 universities: the ratio of sponsored research income between Cégep Trois-Rivieres (the college with the

highest level of sponsored income) and its university equivalent, the University of Toronto, is about 1:80. But perhaps more interestingly, only five of the ten institutions with the highest levels of sponsored research income are members of Polytechnics Canada, which identifies itself in part as a group of “research-intensive” colleges. This suggests that Polytechnics’ unique value proposition may be less in the field of applied research than in developing new bachelor’s degrees for areas not covered by traditional university programs.

Figure 7.5: Top 10 Colleges for Sponsored Research, 2020-21, in Millions.



University of Toronto, FERUT computer, 1952



Appendices



APPENDIX A

Describing the Canadian Postsecondary Education System

Defining the Postsecondary Sectors

Traditionally, postsecondary education is thought of as consisting of organizations called “universities” and “community colleges”, the former offering degrees and the latter offering diplomas and certificates. However, such a definition is too simplistic. New hybrid organizations, usually referred to as polytechnics, have evolved out of the college system to become a distinct part of the institutional landscape. The term “postsecondary” also includes a system of apprenticeships, which is quite unlike its European counterparts in both its structure and its target population. Additionally, a reasonably large private vocational schools sector provides certifications, mostly for short training programs of less than 12 months’ duration. This appendix provides a detailed overview of the sector’s main components.

What is a University?

Most of the earliest universities in Canada were denominational institutions, designed to provide either religious education for future clerics or religiously-informed education for future primary/secondary school teachers. State funding for universities began in the nineteenth century, but that funding did not become a regular recurring annual public expenditure in most provinces until the Second World War. Formula funding in most provinces – that is, stable and predictable amounts given to universities based on objective charac-

teristics like student numbers – dates only from the late 1960s or early 1970s.

Universities in Canada follow the global standard bachelor’s – master’s – doctorate procession. The typical length of a bachelor’s degree program is four years except in Québec, where it is three. Most professional programs (medicine, dentistry, law) are technically undergraduate programs but are usually considered “second-entry” bachelor’s programs, to be started only after one’s first bachelor program has finished. Québec is a partial exception in that some spots in these programs are reserved for students entering directly from Cégep (see below, *What is a College?*).

There is no standard definition of what constitutes a university in Canada. Each province has legislation defining the use of the term, but these vary considerably in their stringency. Membership in Universities Canada, the country’s peak representative body for universities, is often seen as an “unofficial” form of national accreditation, though the organization itself distances itself from such claims.

Because of this definitional vagueness, it is difficult to come to a standard count of universities in Canada. Universities Canada has 96 members, but it excludes both a number of institutions that call themselves universities such as Tyndale University, International Business University, or Yukon University (see below, *nonstandard universities*), and an increasing number of foreign universities with operations in Canada such as

Northeastern University or the City University of Seattle. It also does, however, also include a number of bodies that are federated with other institutions and that may not themselves actually offer degrees (e.g. Brescia College/Western University, Trinity College/University of Toronto). There is also the Université du Québec system, which consists of ten separate postsecondary institutions, as well as a number of institutions, such as the University of New Brunswick, the University of British Columbia and the University of Toronto, which have multiple campuses but are not usually described as “systems”, which complicates things. The most restrictive definition – provincially-funded institutions reporting to a single President and not in a federated arrangement with a larger institution – would produce a count of 64 institutions, but other definitions could produce counts of up to 120 or more.

Until the late 1980s, universities had a monopoly on the delivery of bachelor’s degrees in Canada, and they still do in Québec and the four Atlantic provinces. Over the past 30 years, the Governments of British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario have begun to allow some colleges to deliver degrees as well, sometimes to widen access to the four-year degree, and sometimes simply to promote more competition in the postsecondary sector. Some of these institutions have since become universities in their own right (e.g. Vancouver Island University, Mount Royal University); of the remain-



University of Toronto, 1923

der, a good number have begun to style themselves as “polytechnics” (see below). Universities do, however, maintain control over graduate education and basic research, though many colleges and polytechnics have over the past two decades carved out their own niches in applied research.

Canada has no official university typology. However, while Canadian universities come in a variety of shapes and sizes, they do tend to converge on a number of “types”. Firstly, there are the large research universities with medical schools. There are fourteen of these, and they make up nearly all of what is known as the “U-15” group of universities (the fifteenth member, Waterloo, has neither a business school nor a medical school, but is included in the group because of its excellence in specific areas of technology). There are also a large number of small, non-research-intensive institutions, including a number of denominational universities (e.g. Redeemer), art schools (e.g. Nova Scotia College of Art and Design), the “Maple League” of Liberal Arts Colleges (Bishop’s, Mount Allison, St. Francis Xavier and Acadia), or institutions that serve small cities and associated rural areas (e.g. University of Northern British Columbia, University of Prince Edward Island, Brandon University). In between, there are many institutions ranging in

enrolment from about 5,000 to 50,000, which are usually given the label of “comprehensive” universities. The smaller ones (e.g., Trent University) resemble liberal arts colleges in their focus on undergraduate instruction while the larger ones (e.g., Guelph, Simon Fraser) are, on some measures, more research-intensive than some members of the U-15.

By international standards, Canadian universities are relatively autonomous from governments. Though some of the country’s older institutions such as McGill and Queen’s, have governing boards which are entirely independent of provincial governments, most Canadian universities do have some government appointees on their boards, though they do not always constitute a majority. As a general rule, these governors tend not to “take direction” from government and it is rare that a government tries to get its appointees to follow a particular line on a specific issue. For a variety of historical reasons, governments’ inclination to try to control institutional actions through Board selection tends to grow as one goes further west across the country. However, provincial governments are typically more inclined to steer institutions through the power of the purse than by controlling actions directly through Board votes. At the same time however, over the past couple

of decades governments have become increasingly likely to try to alter institutional policy through direct confrontation.

Boards are mainly responsible for universities’ financial affairs, as well as selecting Presidents and monitoring and evaluating their performance. Laval and Sherbrooke are the main exceptions in that their Presidents are elected through an electoral college of internal stakeholders rather than selected by a Board of Governors. In academic matters, universities are governed by bodies which are usually known as Senates (though sometimes by other names, such as Faculty Councils). Elected academics usually make up a majority on these bodies, though elected students and various administrators sitting ex-officio can take up a large proportion of seats. A very few universities have a “tricameral” system which also includes a third body made up of elected alumni (e.g. Saskatchewan, Queen’s) or a second academic chamber (Université de Montréal); the University of Toronto is unique in having a unicameral system consisting of a singular Governing Council which acts as both Board and Senate, though in practice its committee system largely separates the academic and business functions in a way not dissimilar to bicameral institutions.



Non-Standard Universities

When the term “university” is used in Canada, it generally refers to stand-alone public institutions. But many institutions in Canada do not fit that definition and yet either use the term “university” themselves or are classified as such by others. Broadly, these exceptions fit into one of five categories:

Affiliated Colleges:

There are a large number of small, usually denominational, colleges which have federation agreements with larger, public institutions. The majority of these are in Ontario; in many cases, the colleges are older than the public institution with which they are affiliated. When Ontario finally agreed to publicly finance higher education on a large scale in the 1950s, it did so on the understanding it would not finance religious institutions, which at the time far outnumbered the non-denominational schools. For example, Laurentian University until very recently had federation agreements with Thornloe (Anglican), Huntingdon (United) and Sudbury (Catholic) Universities, and Assumption University is a federated body of the University of Windsor. Outside Ontario, we see similar arrangements at places like the University of Manitoba, which has St. Paul’s (Catholic) and St. John’s (Anglican) Colleges, and the University of Regina, which has two religious federated colleges (Campion and Luther) as well as an affiliation with the First Nations University of Canada. Occasionally, universities have minority-language associated colleges, such as St. Boniface at the University of Manitoba or Glendon at York University.

Stand-alone religious institutions:

While many religious institutions sought arrangements with public universities, others did not. Some of these have membership in Universities Canada, such as Trinity Western University in British Columbia, King’s University in Alberta, and Canadian Mennonite University in Winnipeg. A few have degree-granting powers but stay outside Universities Canada, such as the St. Stephen’s University in New Brunswick, Tyndale University in Toronto and Burman University in Alberta.

Private non-denominational universities:

There are very few of these. Quest University in British Columbia was perhaps the best known of this type, due to its rather unique “block” programming orientated around a single degree, but it has recently been liquidated. This group also includes the business-orientated University Canada West in Vancouver, the International Business University in Toronto, and Yorkville University.

Indigenous institutions:

Across Canada there are roughly 50 institutions, mostly in Western Canada, which provide postsecondary education specifically for Indigenous peoples. The funding arrangements for these institutions vary by province. With only one or two exceptions, they are not degree-granting institutions and to a considerable extent they serve as delivery platforms for programs established by mainstream institutions rather than providing programs of their own design.

Offshore institutions:

Canada has had a few foreign universities set up shop in Canada, but they often do not last very long. Charles Sturt University of Australia, for instance, offered teacher education programs at a campus in Brampton for about a decade before closing in 2016. Currently, the New York Institute of Technology and Farleigh Dickinson University both have campuses in Vancouver, while Northeastern University recently opened a campus in Toronto and Seattle City University has a campus in Edmonton.

What is a College?

Vocational education in Canada has a long history, but most publicly-funded postsecondary vocational education dates from the 1960s. Colleges are the most heterogeneous part of the Canadian educational system: The institutions that go by this name vary significantly in nature from one end of the country to the other.

The “classic” form of community college delivers mostly vocational/trades programs to primarily mature (i.e. not direct-from high school) students in 2-year programs. At one point, this was the dominant form of community college in Saskatchewan, Manitoba, Ontario and the four Atlantic provinces. Over time, as the economy has become more service-driven, the offerings of colleges have become white-collar orientated. They remain focused on professional education leading directly to careers, but increasingly, these careers are in health care, technology and business. With a more professional orientation has come an increase in program length (Ontario college programs are now mostly three years) and, outside the Atlantic provinces, an increase in the provision of actual degrees as well. Over time, Ontario has drifted the most from the “classic”

model of colleges, and the Atlantic colleges the least.

Alberta and British Columbia always had a slightly different model for community colleges, one much closer to the American model of “junior colleges”. In these two provinces, community colleges were professionally-oriented like those in the other seven majority-anglophone provinces. However, in addition, they also had a university-transfer function. Both provinces initially were very cautious about expanding universities and so until the 1990s kept them concentrated to the major urban areas with students from outside the urban centres doing the first two years at regional colleges before transferring to the universities.¹ Since the turn of the century, both provinces have been expanding their university systems by transforming colleges into universities, and as a result the university-transfer aspect of colleges has eroded somewhat. Yet because of the transfer mission, both Alberta and British Columbia have extensive inter-institutional credit-transfer arrangements not replicated elsewhere in the country.

Québec’s college system is quite different from those in the rest of the country. Québec has only five years of

secondary school compared to six in the rest of the country (with the result that the normal leaving age is 16 or 17 rather than 17 or 18). Students may then attend a *Collège d’enseignement général et professionnel (Cégep)* for two years. As in Alberta and British Columbia, there are two streams — a vocational/professional one which leads to the labour market, and a general one which ends with the awarding of a *diplôme d’études collégiales (DEC)*, which is a necessary prerequisite to attend university. All university-bound students in Québec must therefore attend college. This model made a great deal of sense 60 years ago when the province’s small postsecondary system was mostly composed of Catholic “*Collèges classique*” offering education that was more rigorous than secondary education but less so than a full degree. During Québec’s Quiet Revolution of the 1960s, these religious colleges chose the college route, except for Bishop’s, which converted to university status. It is unlikely that anyone would adopt such a model today, because it is no longer clear that there is any demand for an intermediate non-vocational credential between secondary school and university. Nevertheless, Québec’s current system is so entrenched that it will almost certainly survive through inertia alone.

Nursing graduates at Algonquin College, Ontario, 1970



¹ The University of Athabasca is an exception to this rule.

Who Controls Degree-Granting Authority?

Universities, by definition, have authority to grant degrees. But in many parts of the country, so too do other organizations, including private institutions and community colleges. How did these bodies become degree-granting?

The power to authorize the granting of degrees rests with the various provincial ministers of advanced education. In nearly all provinces, there is enshrined in legislation a process by which institutions — be they community colleges or private institutions — can apply to offer degrees. Interested institutions must apply separately for each degree they wish to offer. Different processes exist for dedicated arms-length organizations to evaluate whether the institution has the financial and human resources to offer the degree. If this institution is making a program request for the first time, there is

usually a separate inquiry made into the suitability of the institution itself and its promoters, known as an “institutional review”. Review is usually carried out by a body which is at least marginally arms-length from government. Ontario, British Columbia and Alberta have the Postsecondary Education Quality Assessment Board, Degree Quality Assessment Board and Campus Alberta, respectively, while the Maritime provinces jointly employ the services of the Maritime Provinces Higher Education Council for the same purpose.

While these dedicated organizations evaluate proposals, their role is only advisory: provincial Ministers of Advanced Education retain the final power to decide the merits of any given proposal. In practice, the recommendations of the arms-length organizations are accepted in the majority of cases.

All told, there are over 200 community colleges across Canada. Colleges tend to be open-access, and they are more likely to be located in rural and remote parts of the country than are universities. Indigenous students are more likely to be found at colleges than at universities. Colleges also tend to be smaller than universities; there are only a dozen or so community colleges with more than 10,000 students.

From a governance perspective, colleges are under tighter government control than universities; in some provinces, colleges existed as departments within their provincial government until the early 1990s. Their Boards tend to contain more members directly appointed from government and they tend to have less freedom to independently innovate in their programming. In three provinces — Newfoundland and Labrador, Nova

Scotia, and Saskatchewan — there are single institutions with multiple sites province wide. New Brunswick has one multi-site English-language college and one multi-site French-language college: Prince Edward Island has single-site English and French institutions. On the labour side, college employees tend to be unionized at the provincial rather than the institutional level, meaning there is sector-wide bargaining in colleges (unlike universities where bargaining occurs exclusively at the institutional level).

What is a polytechnic?

The term “polytechnic” has a number of uses around the world. In France, it refers to one specific elite Engineering school. In the United Kingdom (up until 1992), it referred to a kind of junior college, offering university-style programming,

but not permitted to issue degrees. It meant something similar in New Zealand for a long time, though recently those polytechnics have come to have much more professional and technical foci as well. In Finland, polytechnics (technically “ammattikorkeakoulu”) are also known as “Universities of Applied Sciences”, and while they focus on practical and professionally-oriented education, they also engage in applied research and issue both bachelor’s and master’s degrees.

Except in Alberta, the term “polytechnic” does not have a specific legal meaning in Canada. Rather, as some Canadian community colleges — mainly the large ones from Ontario westward — have become more professionally-oriented and technologically sophisticated, increased their involvement in applied research and begun teaching bachelor’s level programs, there has been a move

on the part of some of these institutions to rebrand themselves with the term “polytechnic” and band together to lobby at the federal level under the banner “Polytechnics Canada”. However, most Polytechnics Canada members also remain members of Colleges and Institutes Canada, the peak representative body for community colleges.

Prior to the widespread adoption of the term “Polytechnic” in the mid-00s, the last major institution to carry this label was Ryerson Polytechnic, which transformed into a university (Ryerson University, now Toronto Metropolitan University) in the early 1990s. For this reason, the move by some institutions to adopt the polytechnics moniker is seen in some quarters as evidence that these institutions are simply colleges that want to become universities. In one or two cases that is clearly true: Sheridan College, a Toronto-area member of Polytechnics Canada, was quite open in seeking university status in the early 2010s and Kwantlen Polytechnic University has already achieved it. Others, however, have turned down university status when it was offered to them (for example, the British Columbia Institute of Technology) and many major colleges, like Humber and Seneca, seem focused on forging an independent identity as Polytechnics in the liminal space between colleges and university.

Apprenticeships

Apprenticeships in Canada are a form of postsecondary education where learners combine periods in the workforce under the supervision of experienced tradespeople with periods of in-class study which occurs mainly, but not exclusively, in community colleges.

Technically, apprentices are not “students” and do not show up as such in college enrolment statistics. Rather, they are employees who have signed specific apprenticeship contracts with employers and who periodically attend technical classes held at colleges, or less often private vocational colleges or union training facilities. Apprenticeships are organized by trade, and most trades are of the traditional vocational variety,

particularly those related to housing, construction, automobile, and food industries. In the last decade, there have been various attempts to bring apprenticeships to other, more service-oriented occupations (mainly: aestheticians, early childhood educators and IT service professionals), with mixed results. Though efforts have been made to increase apprenticeship options in secondary schools, apprentices in Canada tend to be in their mid-20s to mid-30s.

Apprentices pass through various “levels” before achieving certification as journeypersons. The number of levels, as well as the number of work hours and weeks of in-class training, may vary by level, trade, and province. Broadly speaking, most of the major trades have four levels that require one year each to complete. Within each level, apprentices are normally spending roughly 80% of their time in a workplace under the auspices of an experienced journeyperson and 20% in some kind of formal instructional space. Community colleges are the usual spot for such instruction, though increasingly unions are creating their own training spaces and being awarded and compensated for training spaces by governments keen to curry favour with organized labour. Finishing the final level and passing the relevant exams entitles the individual to a provincial trades certificate; to work outside the province, individuals must complete a second set of tests known as “Red Seal Exams”.

The Canadian apprenticeship system is an international outlier for a variety of reasons. The first is that it is considered part of the postsecondary system rather than a part of secondary education (hence the relatively advanced age of its apprentices). The second is the length of the programs, which are typically four years compared to two in most of Europe. The third is the release system for theoretical in-class training. Most national apprenticeship systems employ a day-release system which sees apprentices spend 3-4 days a week at work and 1-2 in class. This is not unknown in Canada, but more common is the “block release” system which sees apprentices work for 35-40 weeks at a time and then go to class for blocks of

8-12 weeks. The final difference is the relatively limited number of occupations for which apprenticeships are available: Canadian apprenticeships are mostly for blue-collar occupations and have seen relatively little expansion into areas such as banking, IT and office-work as has been the case in Europe.

Private Vocational Colleges

The final element of Canada’s postsecondary education system is that comprised of private, mainly for-profit, vocational colleges. These resemble the private for-profit sector in the United States except that they focus almost exclusively on programs of one year or less rather than degree-level programming. They are quite common in certain fields which are not covered at community colleges, such as music production, aesthetician training, and dental assisting, but they also offer some relatively advanced IT training as well. Language schools are another large sector, though they mainly focus on students from outside Canada. Because they operate without subsidy, their programs tend to be significantly more expensive than those of community colleges; on the other hand, because they operate on a continuous-intake basis, they offer students more convenience than institutions whose only intakes are in September and January. There are several hundred of these institutions registered across Canada. Most are small, independent businesses, but a substantial portion of students are enrolled at large, multi-campus institutions such as triOS College or CDI College, which tend to have a business or IT focus.

In recent years, particularly in Ontario, the line between public and private colleges has been blurred substantially through the use of so-called Public-Private Partnership arrangements. These began in the 2010s when a few public colleges outside of the Greater Toronto Area signed deals with private colleges under which the former recruited international students, collected their tuition and then paid a low amount to a private provider to teach them in accordance with the public institutions’ curriculum. This is the arrangement which su-

per-charged the recruitment of international students to Ontario colleges: suddenly an option existed in which colleges, regardless of geography, could gain from the desire of students, particularly from India, to get on a path to permanent residency while working and living in the GTA. These PPP arrangements were briefly banned by the Wynne government, but brought back and greatly encouraged by the Ford government. Now, virtually all the non-Toronto-area colleges have these kinds of PPP arrangements.

Federalism and Postsecondary Education: Who Funds What?

A basic tension in the Canadian Confederation debates of the 1860s was how to create a system of representation by population, which also guaranteed to Catholic, francophone Québec the ability to maintain control over cultural institutions — in particular educational ones. The eventual solution was a federal system with a national government elected through a rough representation by population, but with responsibility for education (among other things) vested firmly at the provincial level. This compromise is enshrined very specifically in s. 93 of the Canadian Constitution, which allocates responsibility for postsecondary institutions and their funding to the provinces. This is why Canada effectively has ten provincial systems of postsecondary education rather than a single national one.

Though operating funds — which includes both provincial government funding and tuition fees — are in effect exclusively the responsibility of provincial governments, the federal government contributes to the higher education sector in three ways: through transfer payments to provinces, support for scientific research, and various forms of student assistance.

The federal government transfers funds to provincial governments through equalization payments designed to allow poorer provinces to provide services at levels similar to richer ones and through per-capita payments via the Canada Health Transfer and the Canada Social Transfer. These transfer programs originated in the 1940s, when the federal government “borrowed” tax room from provinces to pay for the war effort, and they continued in the 1950s/60s when the government began to use these tax revenues to pay provinces for the development of what we now know as our social safety net. Roughly 30% of the Canada Social Transfer is theoretically allocated to postsecondary education; however, since there is no way to track federal funds once they are in provincial coffers, this allocation is purely notional. In total the \$4 billion or so from this source would account for only about 7% of total institutional revenue in Canadian PSE. Further details about these arrangements may be found in Chapter 4.

Funding for scientific research at universities began during World War I,

but it only became a major source of institutional funding during the 1970s. For many years, this funding was directed not to institutions, but to individual researchers (or groups thereof) through the granting councils. From the early 1990s onwards, however, there has been a gradual move towards funding research at an institutional level, first through the Network Centres of Excellence, then through the Canada Foundation for Innovation (which funds research infrastructure) and most recently through the Canada First Research Excellence Fund. Some provinces, most notably Québec, also fund research separately but the main sources of funding lie in Ottawa. More details on the system of research may be found in Chapter 7.

Student assistance in Canada takes various forms (see Chapter 5), but both provinces and the federal government contribute to students’ education through loans, grants, and tax credits. In addition, the federal government spends over \$1 billion per year in educational savings incentives. More detail on this may be found in Chapter 5.

In addition to the above, there is also funding for capital, which tends to be erratic and comes in bursts, often in the form of “stimulus” programs in times of economic downturn. Increasingly, outside Québec at least, provincial governments are relying on occasional federal government spending sprees to take care of capital funding, though institutional fund-raising is also rising in importance as a source of capital funds.



APPENDIX B

Note on Sources

Most of the data used in this report is drawn from various Statistics Canada surveys, though some are developed from the author's calculations, using figures from the databases noted below. In many cases, descriptions of how the data was acquired and calculated is provided in the chapter text.

CHAPTER 1

Student numbers up to 2020-21 are drawn from Statistics Canada's Postsecondary Student Information System (PSIS). Supplemental data is drawn from sources such as Colleges Ontario, Polytechnics Canada, and other organizations as noted in the text. For universities, enrolment data has been supplemented for the 2021-22 years with data provided by institutions themselves, either on their own websites, or websites of regional agencies (such as the Atlantic Association of Universities) or provincial governments, or through the annual Universities Canada survey of enrolment. Where multiple sources of data exist, the preference is institutional > regional > Universities Canada. To avoid large swings in data, the final two years are calculated using the reported percentage change in institutional enrolments, applied to the institution's 2018-19 Statistics Canada base. Enrolment data for colleges beyond 2020-21 are projections based on provincial-level data available from Québec, Ontario, Alberta, and British Columbia, along with institutional data from the New Brunswick Community College and the College Communautaire de Nouveau-Brunswick, which together cover over 90% of national college enrolments. Other sources of student

data include the Canadian Undergraduate Survey Consortium (CUSC)'s 2022 Survey of First-Year Students. Data on Canadian apprentices are from Statistics Canada's Registered Apprentice Information System; comparative data for Germany is from the Statistische Bundesamt. Data from other OECD countries are from the OECD's *Education at a Glance 2022*.

CHAPTER 2

Data on academic staff is mostly drawn from the University and College Academic Staff System (UCASS) survey for universities or from the Labour Force Survey. No national data exists with respect to non-academic staff at the college level but some sample data from Colleges Ontario's annual Environmental Scan is used; our thanks to this organization for providing an advance look at the data for this year.

CHAPTER 3

Data on postsecondary finances are drawn mainly from Statistics Canada's Financial Information of Universities and Colleges (FIUC) survey and the Financial Information of Community Colleges and Vocational Schools (FINCOL) survey.

Data is currently available up to 2021-212 for FIUC and 2020-21 for FINCOL. College financial data for 2021-22 is obtained by examining institutional-level financial statements and applying the difference between these years to the 2020-21 data. International comparative data is from the OECD's *Education at a Glance 2022*.

CHAPTER 4

Data in Chapter 4 comes from the most recent editions of FIUC and FINCOL, with per-student data calculated by using the sources listed for Chapter 1.

CHAPTER 5

Data on fees comes from Statistics Canada's Tuition and Living Accommodation Cost (TLAC) Survey. Data on loans and grants comes from a series of surveys and data requests conducted by Higher Education Strategy Associates and its predecessor organization Educational Policy Institute (Canada), as well as freedom of information requests conducted annually by HESA since 2020. Data for 2021-22 are based mostly on data received from provinces as part of the freedom of information requests, but to some extent is based on estimates

based on known public expenditure changes. Federal data on tax expenditures comes from the annual federal review of tax expenditures. Provincial data is based mainly on a series of estimates based on provincial tax rates and Canada Revenue Agency data on tax filers and their use of credits. Data on the Canada Education Savings Grant (CESG) is from the CESG Annual Report. Data on institutional scholarship expenditures are drawn from FIUC and FINCOL. Data on student loan debt is taken either from Statistics Canada's National Graduate Survey, from CUSC's triennial survey of graduating students or from freedom of information requests submitted to provincial governments in the summer of 2022.

CHAPTER 6

Data on completion rates comes from Statistics Canada's Postsecondary Student Information System (PSIS). Data on educational attainment over time and

across provinces comes from Statistics Canada's Labour Force Survey. National data on graduate employment rates and graduate income for Canada comes from Statistics Canada's National Graduate Survey for the class of 2015. Data from Ontario comes from the Ontario University Graduate Survey and specifically from the annual publication produced by the Council on Ontario Universities (our thanks to COU for assistance in getting advance access to the class of 2019 data). International Comparative data is from the OECD's *Education at a Glance 2022*.

CHAPTER 7

Data on national performance in expenditures on research and development expenditures is from the OECD's Main Science and Technology Indicators database and in most cases are up to date as of 2020. National-level data on scientific publications from the US National Science Foundation's *Science*

and Engineering Indicators. Data on institutional performance with respect to publications comes from the Centre for Science and Technology Studies at Leiden University. Information on granting council funding is drawn from the reports on applications and grants issued by each the granting agencies (CIHR, NSERC, and SSRHC) and calculations drawing on the number of grants issued to researchers at universities. Data on applied research at Canadian colleges comes from Research Infosource's 2022 edition of "Top 50 research colleges".

PROVINCIAL PROFILES

These have the same sources as in the rest of the document. With respect to students, institutional finances and tuition fees, the data is from Statistics Canada; with respect to student financial aid data comes from annual surveys of provincial student aid offices conducted by HESA.

APPENDIX C

Provincial Profiles

- ▶ NEWFOUNDLAND & LABRADOR
- ▶ PRINCE EDWARD ISLAND
- ▶ NOVA SCOTIA
- ▶ NEW BRUNSWICK
- ▶ QUÉBEC
- ▶ ONTARIO
- ▶ MANITOBA
- ▶ SASKATCHEWAN
- ▶ ALBERTA
- ▶ BRITISH COLUMBIA



PROVINCIAL PROFILE

Newfoundland & Labrador



STUDENTS

Enrolments in Newfoundland and Labrador have lagged those in the rest of the country, due mainly to adverse demographics. Enrolments have fallen in absolute terms in the college sector.

International students form a significant part of total enrolments in the university sector but not the college sector.

Figure NL1: Total Postsecondary Enrolments by Sector, Newfoundland and Labrador, 2000-01 to 2021-22

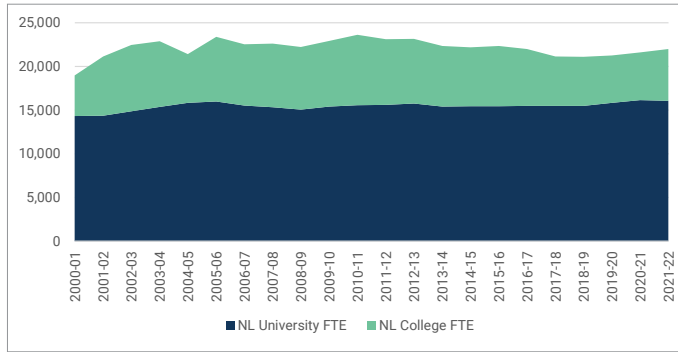


Figure NL2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

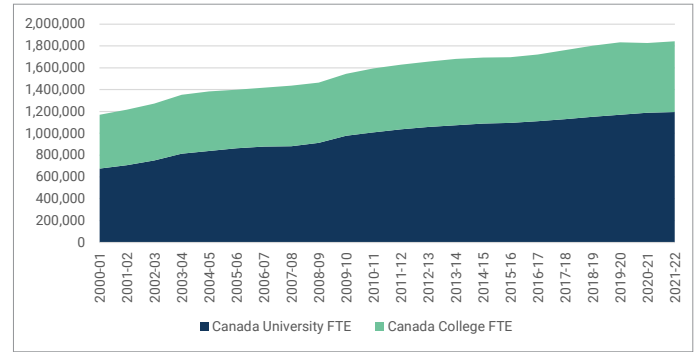


Figure NL3: International Students as a Percentage of Total College Enrolments, Canada vs. Newfoundland and Labrador, 2000-01 to 2020-21

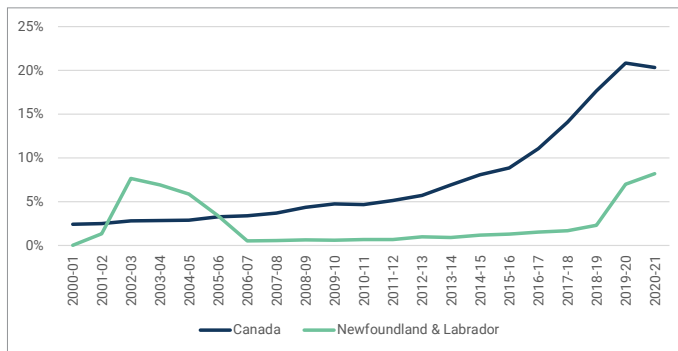
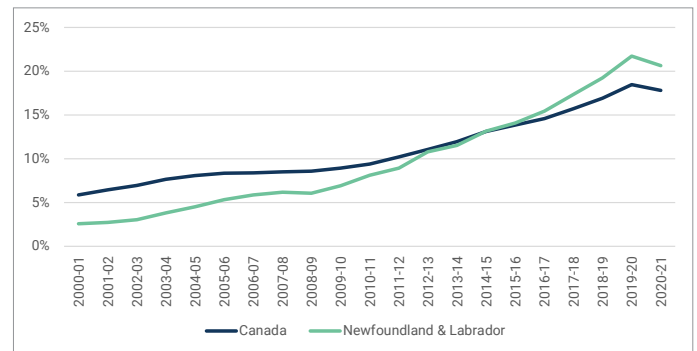


Figure NL4: International Students as a Percentage of Total University Enrolments, Canada vs. Newfoundland and Labrador, 2000-01 to 2020-21



INSTITUTIONAL INCOME

Powered by quickly rising oil revenues, government expenditures on postsecondary education more than doubled in real terms between 2001 and 2011, before tailing off thereafter.

This permitted the province to freeze tuition fees and significantly increase total resources available to institutions.

Figure NL5: Total University and College Income by Source, Newfoundland and Labrador, 2001-02 to 2021-22, Millions, in real \$2021

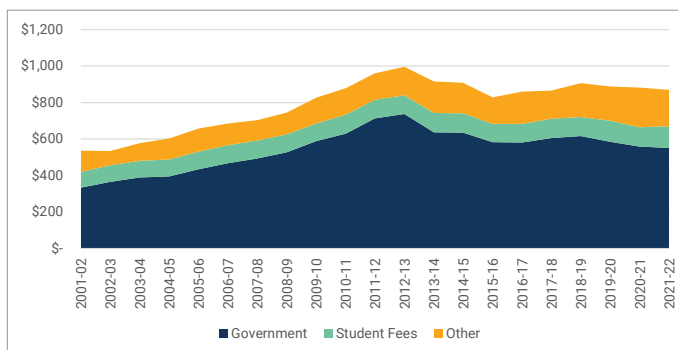
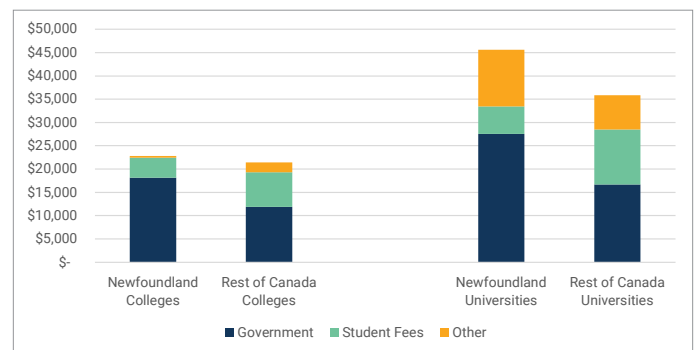


Figure NL6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. Newfoundland and Labrador, 2021-22



TUITION AND STUDENT AID

Government policy has kept tuition fees well below those in the rest of Canada for over two decades. As in most of Canada, provincial student assistance is meeting a declining share of overall aid provided to students. Total student aid as a percent-

age of Gross Domestic Product has remained roughly constant over time, albeit at a lower level than the Canadian average (mainly due to lower tuition fees).

Figure NL7: University Undergraduate Tuition and Additional Fees, Canada vs. Newfoundland and Labrador, 2006-07 to 2022-23, Millions, in real \$2022

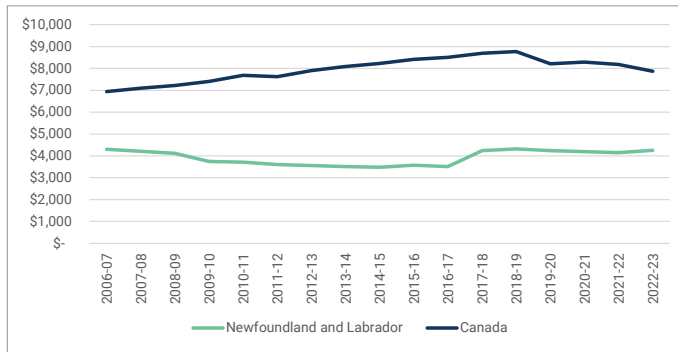


Figure NL8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2021-22

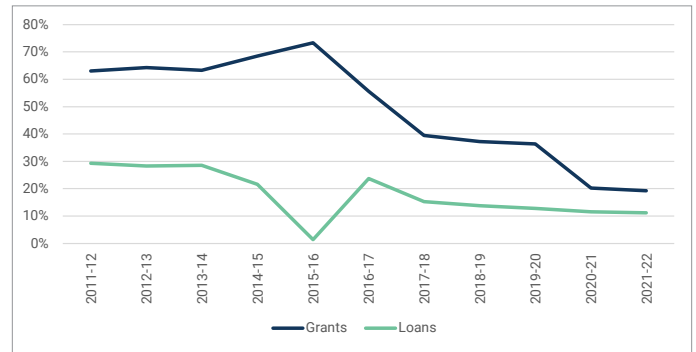


Figure NL9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Newfoundland and Labrador, 2011-12 to 2021-22

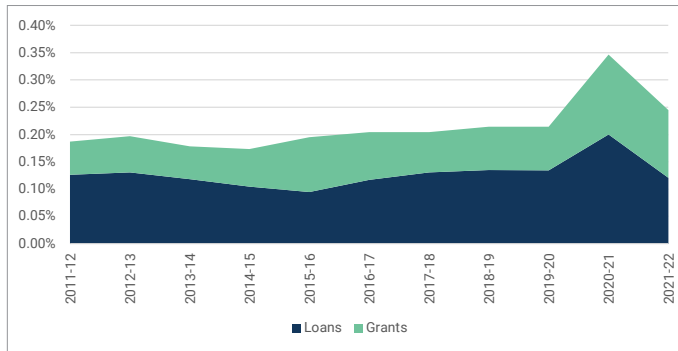
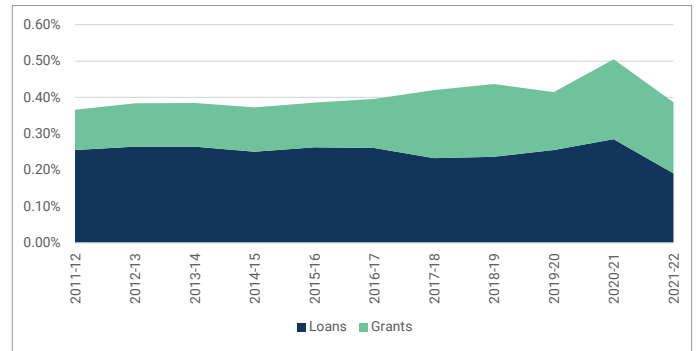


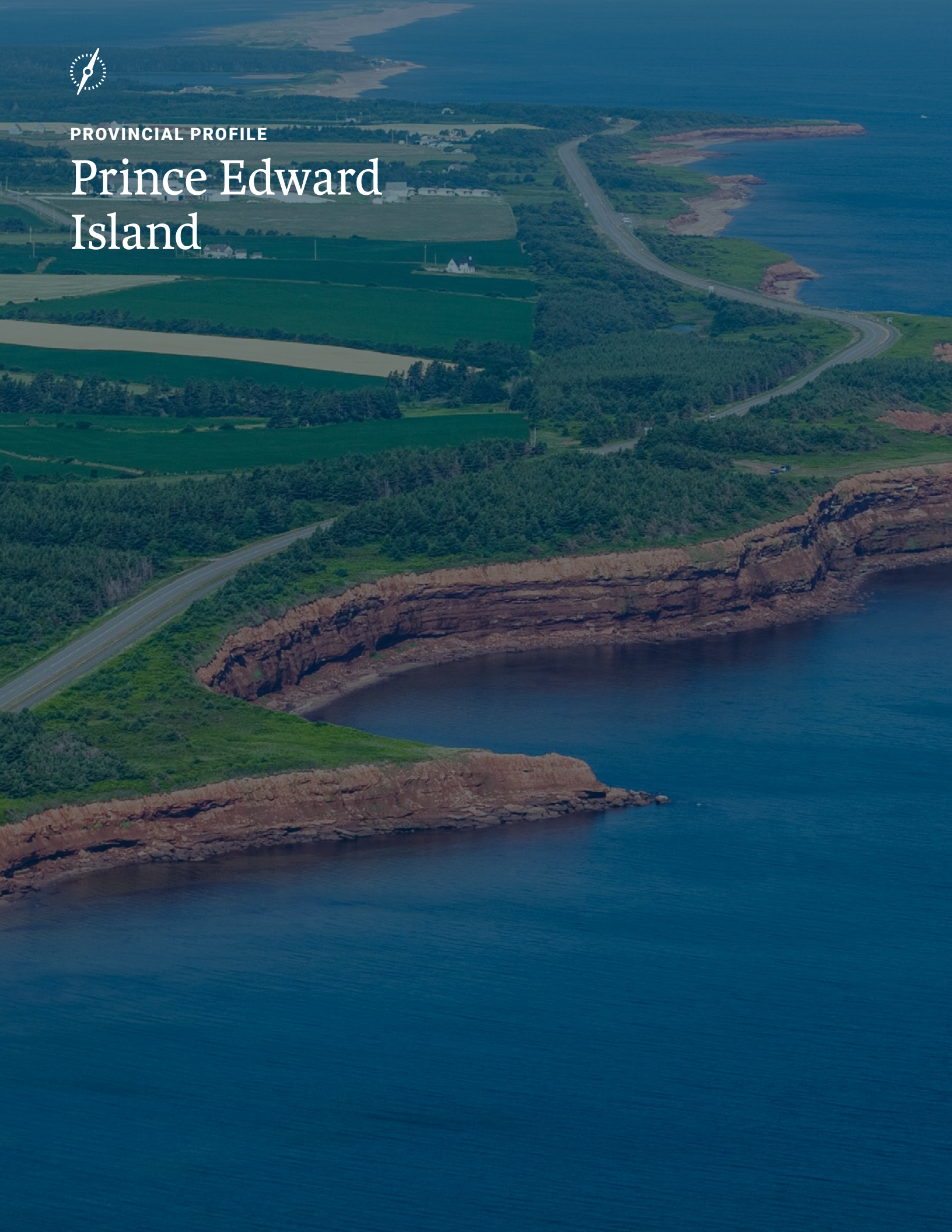
Figure NL10: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





PROVINCIAL PROFILE

Prince Edward Island



STUDENTS

Enrolments in Prince Edward Island have lagged those in the rest of the country for most of the past two decades; however, in recent years a rush of international students has allowed the

province to catch up to the rest of the country in terms of enrolment growth, the only Atlantic province to have done so.

Figure PE1: Total Postsecondary Enrolments by Sector, Prince Edward Island, 2000-01 to 2021-22

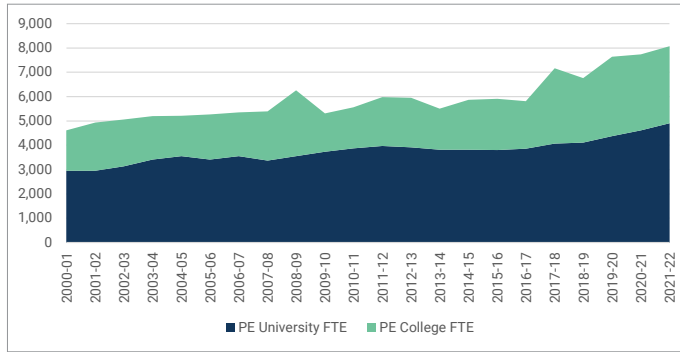


Figure PE2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

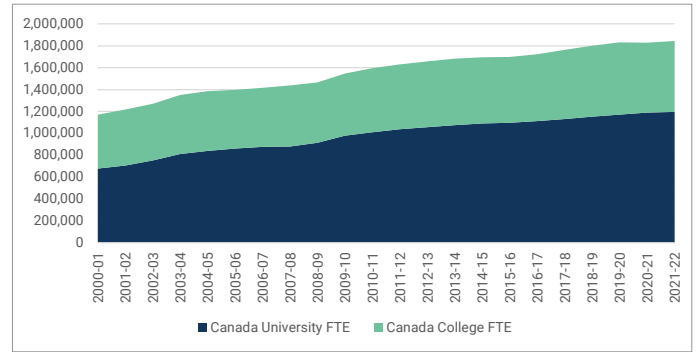


Figure PE3: International Student as a Percentage of Total College Enrolments, Canada vs. Prince Edward Island, 2000-01 to 2020-21

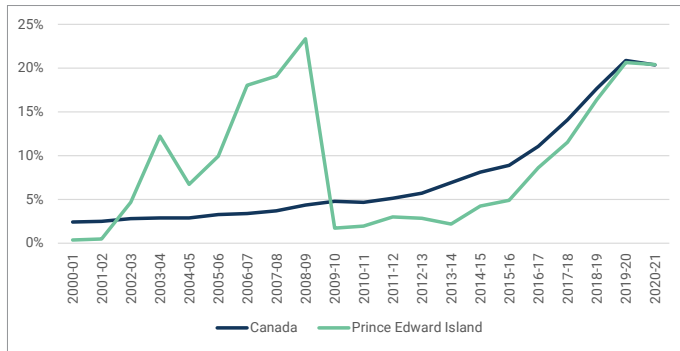
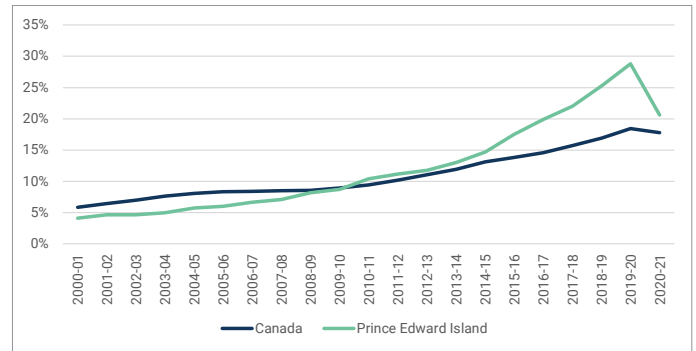


Figure PE4: International Student as a Percentage of Total University Enrolments, Canada vs. Prince Edward Island, 2000-01 to 2020-21



INSTITUTIONAL INCOME

PEI does not deviate much from the national pattern in terms of institutional funding. Per-student income patterns reflect the national average: slightly better in the college sector and

slightly worse for universities. Government support rose in the 2000s but then stagnated in the 2010s, those funds were partially replaced with rising fee revenues from international students.

Figure PE5: Total University and College Income by Source, Prince Edward Island, 2001-02 to 2021-22, Millions, in real \$2021

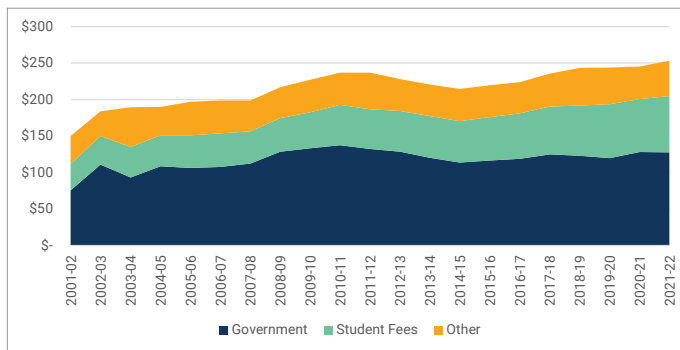
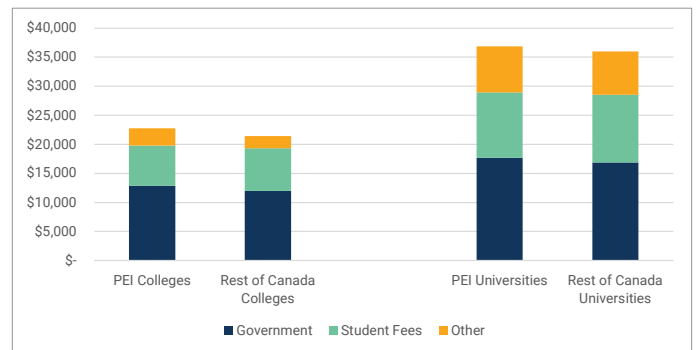


Figure PE6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. Prince Edward Island, 2021-22



TUITION AND STUDENT AID

Tuition fees in PEI have hugged the national average very closely for the past 20 years. Student aid has become less generous over the past 20 years in GDP terms, mainly as a result of a decrease in loans, but as of 2021 was still above the

national average. PEI is one of the few provinces to have strongly increased grant spending in the past few years with its introduction of the Island Grant in 2018.

Figure PE7: University Undergraduate Tuition and Additional Fees, Canada vs. Prince Edward Island, 2006-07 to 2022-23, Millions, in real \$2022

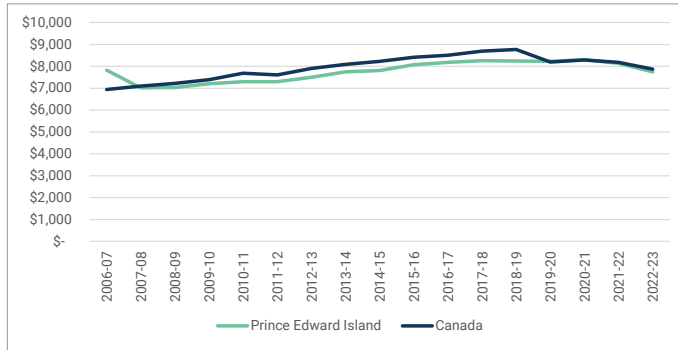


Figure PE8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2021-22

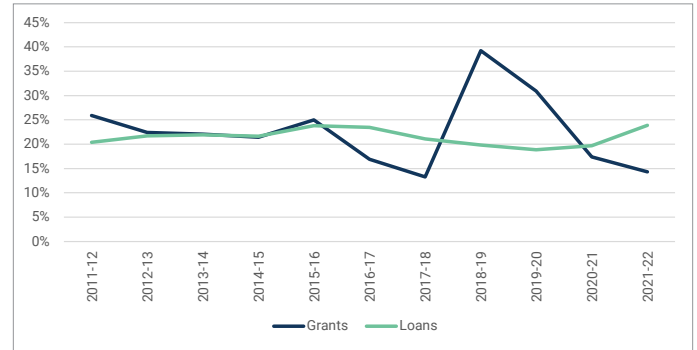


Figure PE9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Prince Edward Island, 2011-12 to 2021-22

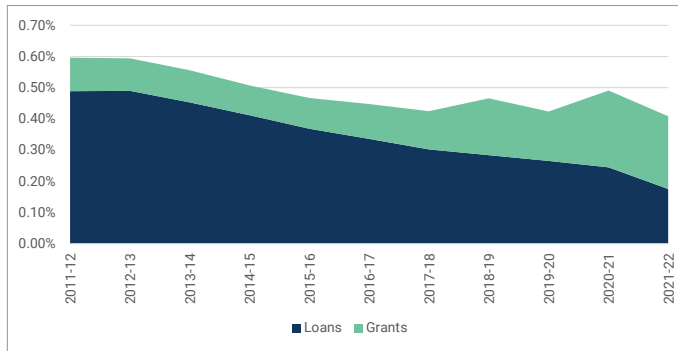
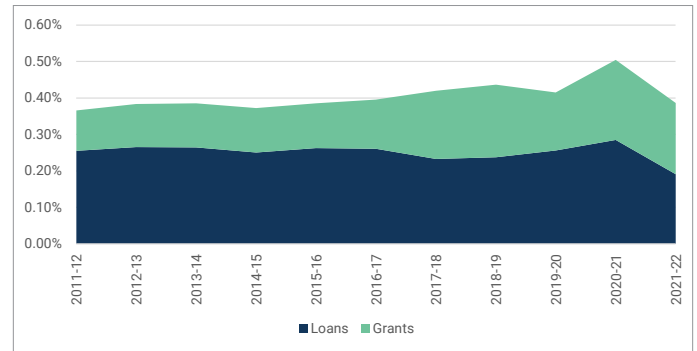


Figure PE10: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





PROVINCIAL PROFILE

Nova Scotia



STUDENTS

While enrolments in Nova Scotia have inched up slowly at both the university and college levels over the past two decades, the pace of growth has lagged national trends. The province's

university sector has long led the country in enrolling international students; in the college sector the opposite is true.

Figure NS1: Total Postsecondary Enrolments by Sector, Nova Scotia, 2000-01 to 2021-22

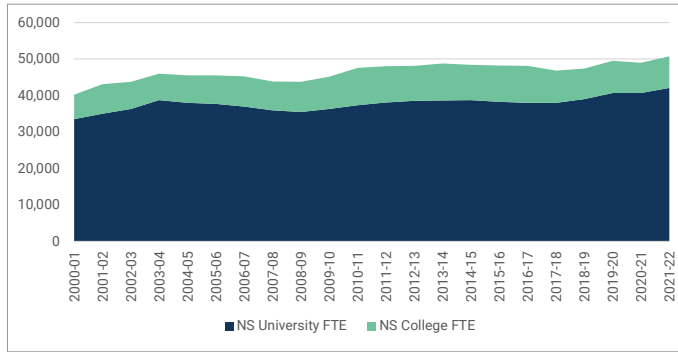


Figure NS2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

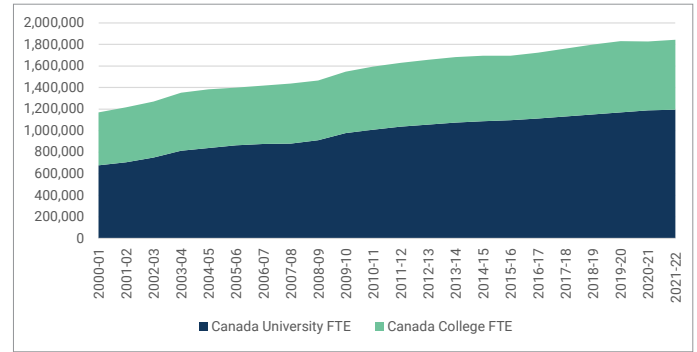


Figure NS3: International Students as a Percentage of Total College Enrolments, Canada vs. Nova Scotia, 2000-01 to 2020-21

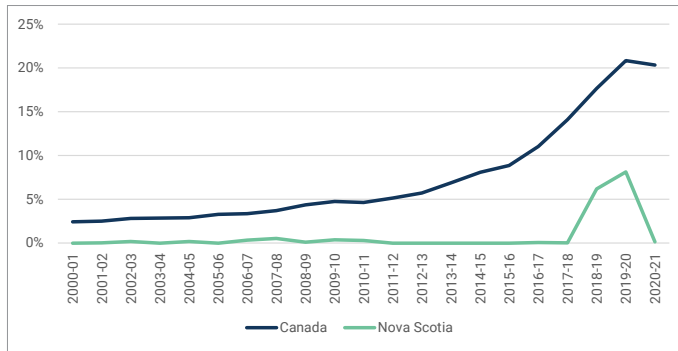
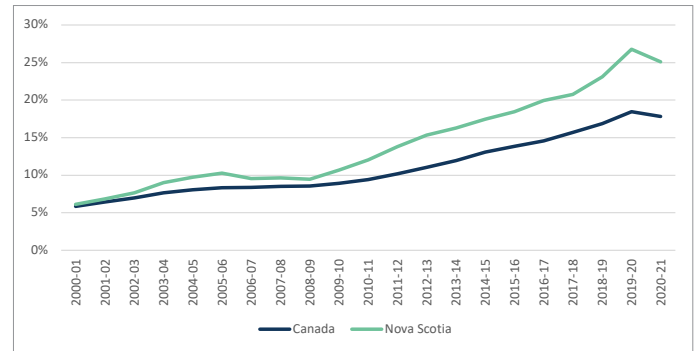


Figure NS4: International Students as a Percentage of Total University Enrolments, Canada vs. Nova Scotia, 2000-01 to 2020-21



INSTITUTIONAL INCOME

Nova Scotia universities have per-student income patterns almost identical to the rest of Canada, while Nova Scotia colleges are substantially better-funded than the national average. As in most provinces, total government funding has stagnated since

2008, but Nova Scotian institutions have kept income growing through other means. Of total institutional funding in Nova Scotia, less than 45% now comes from governments.

Figure NS5: Total University and College Income by Source, Nova Scotia, 2001-02 to 2021-22, Millions, in real \$2021

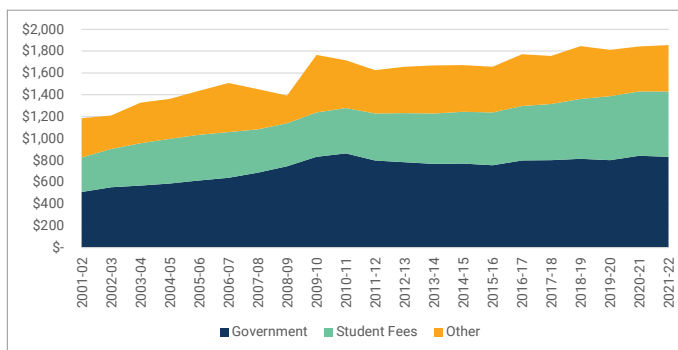
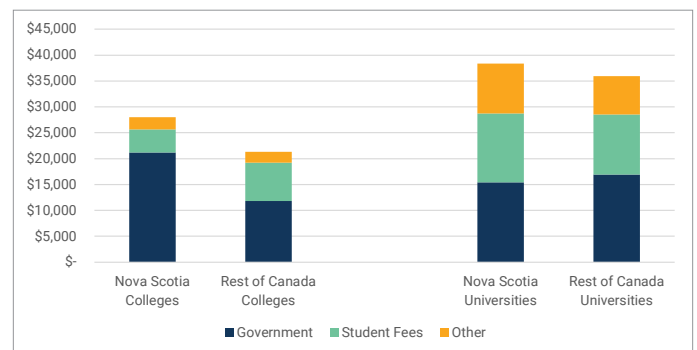


Figure NS6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. Nova Scotia, 2021-22



TUITION AND STUDENT AID

Undergraduate tuition fees in Nova Scotia are the highest in the country. Student aid in Nova Scotia is more loan-dependent than the national average, and more dependent on the federal government to deliver those loans.

Figure NS7: University Undergraduate Tuition and Additional Fees, Canada vs. Nova Scotia, 2006-07 to 2022-23, Millions, in real \$2022

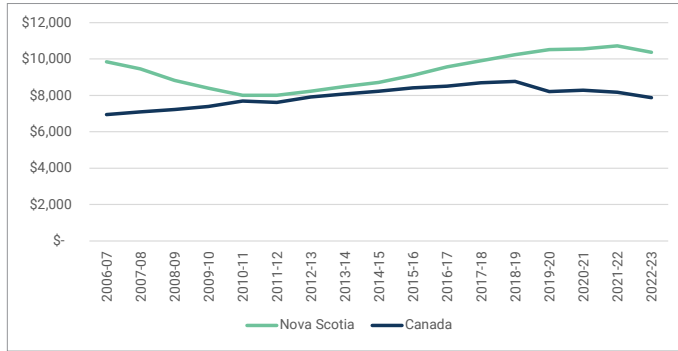


Figure NS8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2021-22

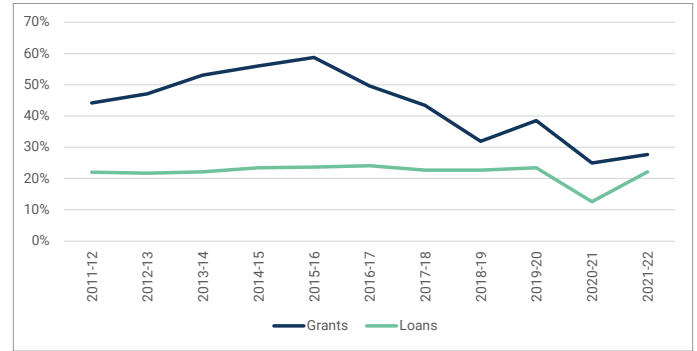


Figure NS9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Nova Scotia, 2011-12 to 2021-22

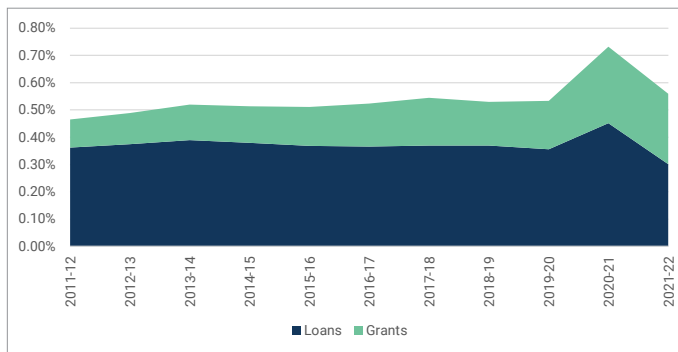
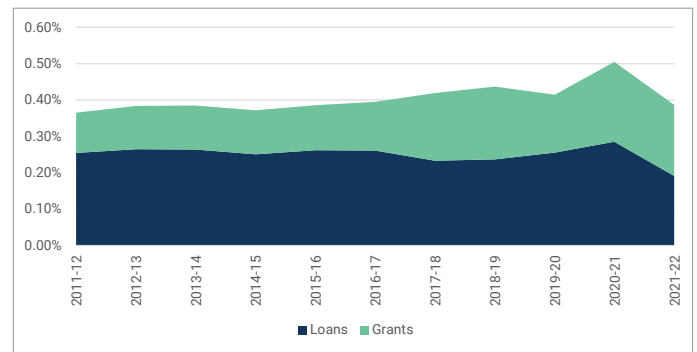


Figure NS10: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





PROVINCIAL PROFILE

New Brunswick



STUDENTS

New Brunswick is the only province in Canada which has seen outright large-scale enrolment declines over the past 20 years. For many years, the province's universities were leaders in recruiting international students, but these numbers have

stagnated since the early 10s. The college sector, on the other hand, has sought determinedly to recruit international students in recent years.

Figure NB1: Total Postsecondary Enrolments by Sector, New Brunswick, 2000-01 to 2021-22

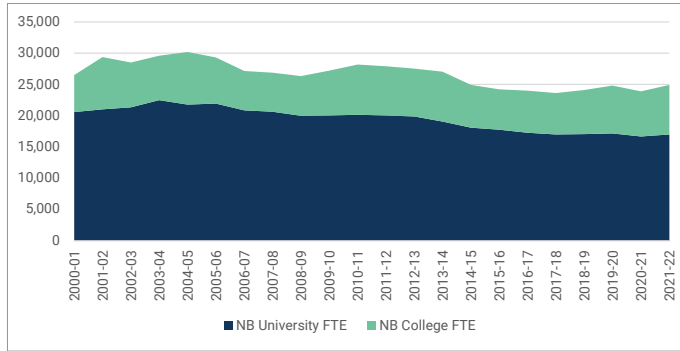


Figure NB2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

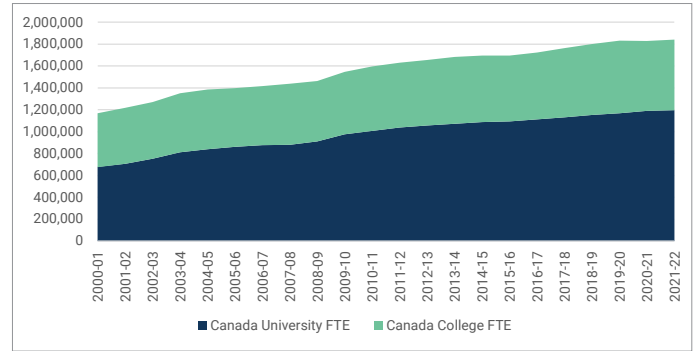


Figure NB3: International Students as a Percentage of Total College Enrolments, Canada vs. New Brunswick, 2000-01 to 2020-21

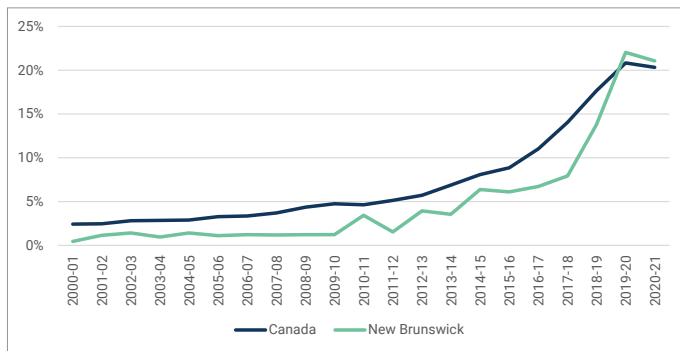
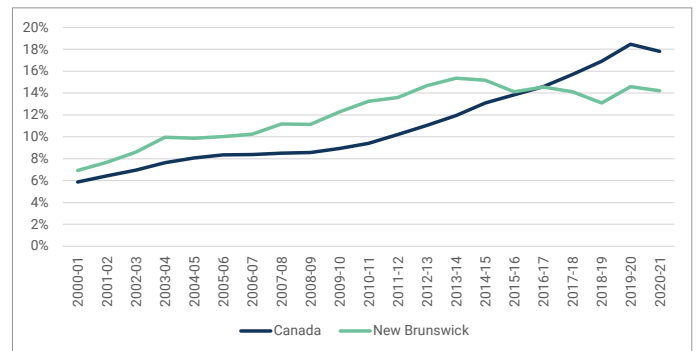


Figure NB4: International Students as a Percentage of Total University Enrolments, Canada vs. New Brunswick, 2000-01 to 2020-21



INSTITUTIONAL INCOME

Real total funding for New Brunswick universities is roughly where it was in the mid-2000s, both in composition and total amounts. However, because of enrolment declines, New

Brunswick institutions are much better funded, on a per-student basis, than they were in the recent past.

Figure NB5: Total University and College Income by Source, New Brunswick, 2001-02 to 2021-22, Millions, in real \$2021

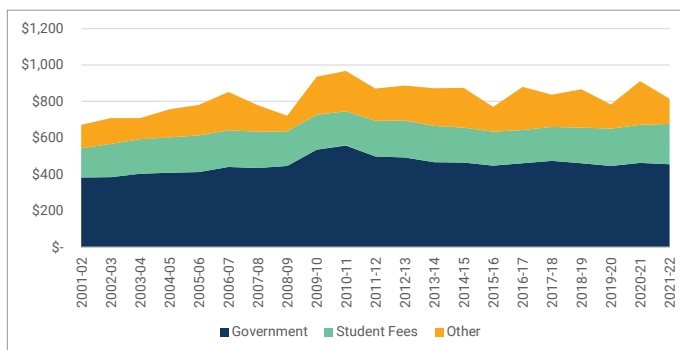
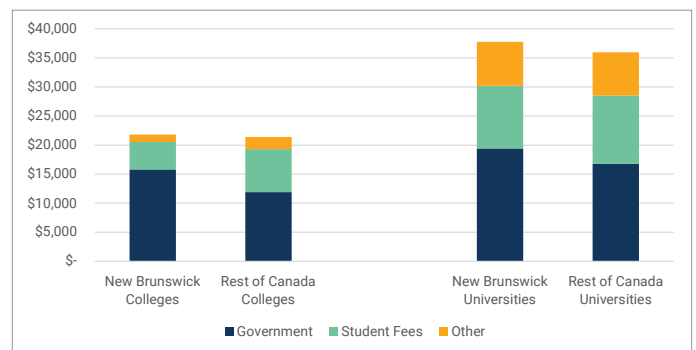


Figure NB6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. New Brunswick, 2021-22



TUITION AND STUDENT AID

New Brunswick's tuition fees and total student aid disbursements (in GDP terms) tend to hew closely to the national average. However, it is one of the few places in Canada where provincial student loans are increasing in importance relative to federal ones.

Figure NB7: University Undergraduate Tuition and Additional Fees, Canada vs. New Brunswick, 2006-07 to 2022-23, Millions, in real \$2022

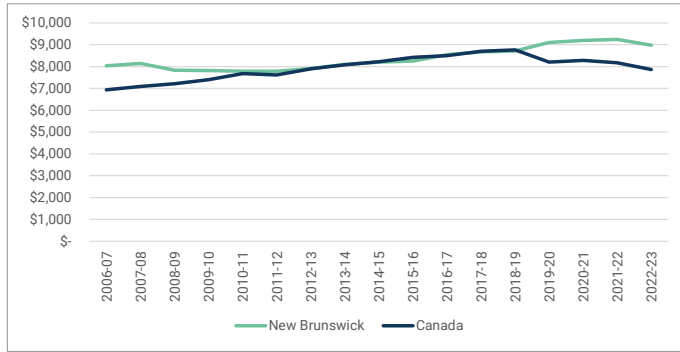


Figure NB8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2021-22

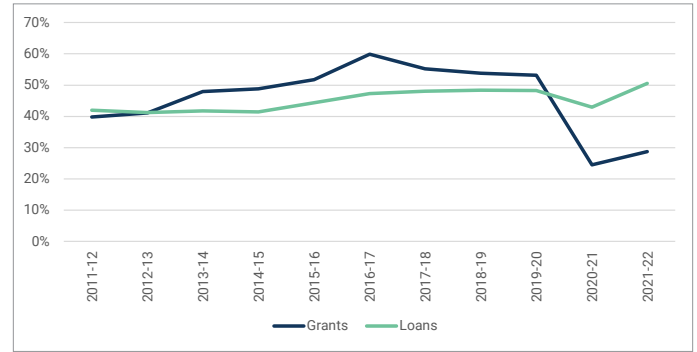


Figure NB9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, New Brunswick, 2011-12 to 2021-22

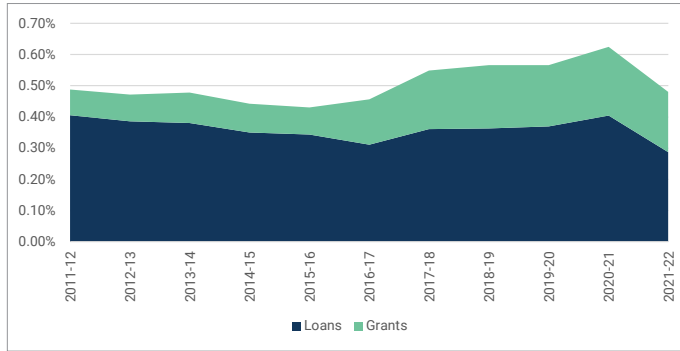
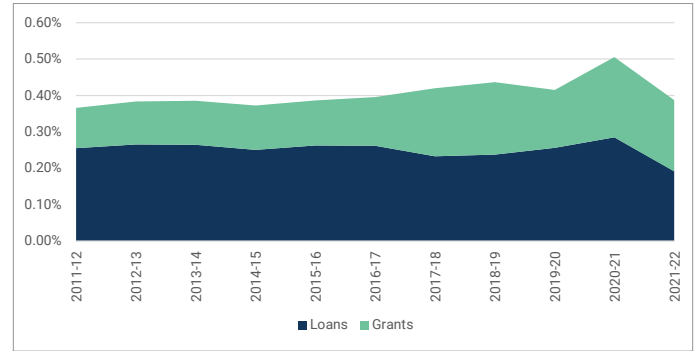


Figure NB10: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





PROVINCIAL PROFILE

Québec



STUDENTS

Due to its unique college system, total enrolments in Québec tilt more heavily to the college side than in other provinces. Growth in total enrolments has been steady but behind the

national trend. International students enroll in large numbers in the university system, but not in the college system.

Figure QC1: Total Postsecondary Enrolments by Sector, Québec, 2000-01 to 2021-22

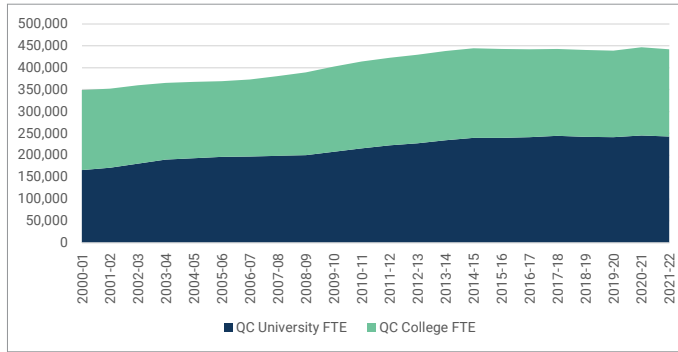


Figure QC2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

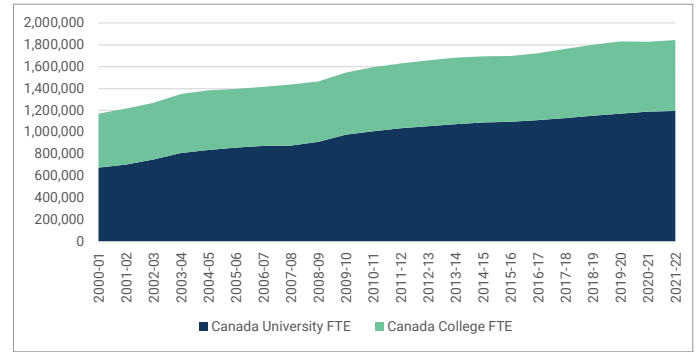


Figure QC3: International Students as a Percentage of Total College Enrolments, Canada vs. Québec, 2000-01 to 2020-21

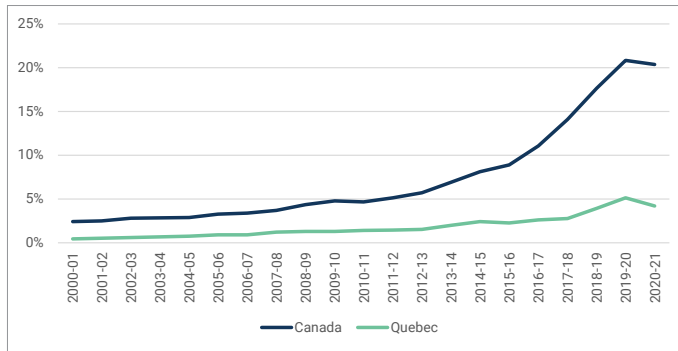
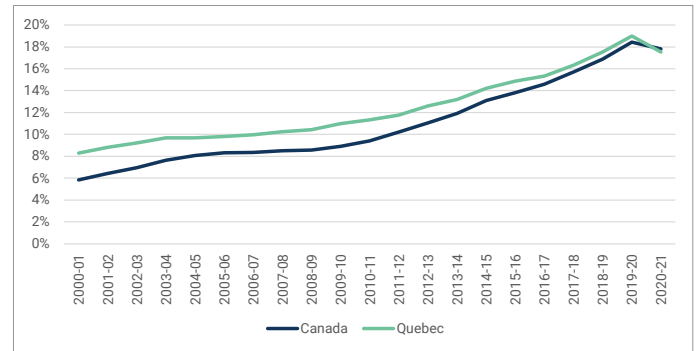


Figure QC4: International Students as a Percentage of Total University Enrolments, Canada vs. Québec, 2000-01 to 2020-21



INSTITUTIONAL INCOME

Québec universities and colleges are much more reliant on governments for revenue (70% of total) than institutions in the rest of the country. In part because of a reluctance to tap other revenue sources, both Québec colleges and universities have

lower total revenues per student than the rest of the country, despite very generous public support. However, unlike most of Canada, the Québec system's total income has grown in recent years.

Figure QC5: Total University and College Income by Source, Québec, 2001-02 to 2021-22, Millions, in real \$2021

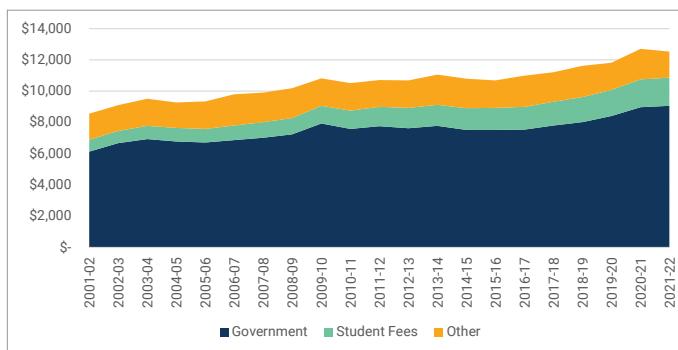
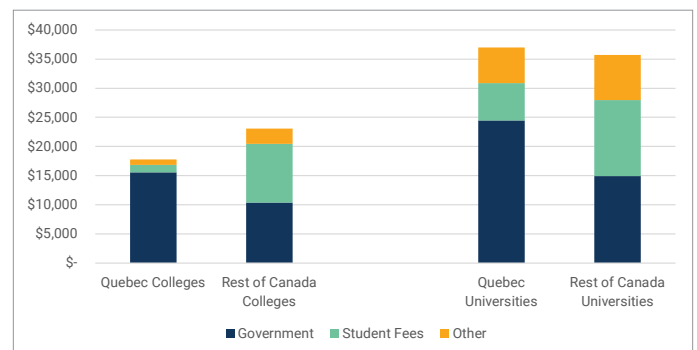


Figure QC6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. Québec, 2021-22



TUITION AND STUDENT AID

Undergraduate tuition fees in Québec are typically about half what they are elsewhere in the country. Lower fees mean there is less demand for student aid, which is consequentially smaller as a percentage of GDP than in other provinces. The student aid system is also less reliant on student loans than those in other parts of the country.

Figure QC7: University Undergraduate Tuition and Additional Fees, Canada vs. Québec, 2006-07 to 2022-23, Millions, in real \$2022

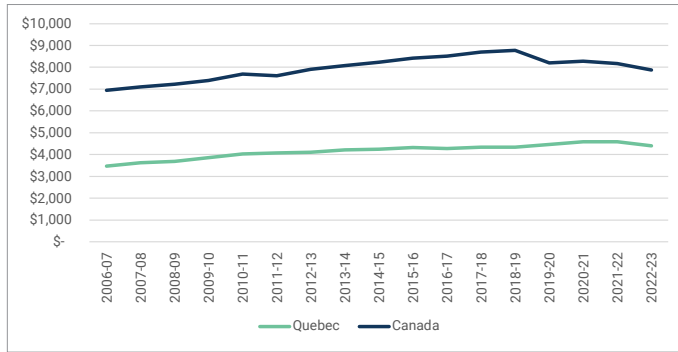


Figure QC8: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Québec, 2011-12 to 2021-22

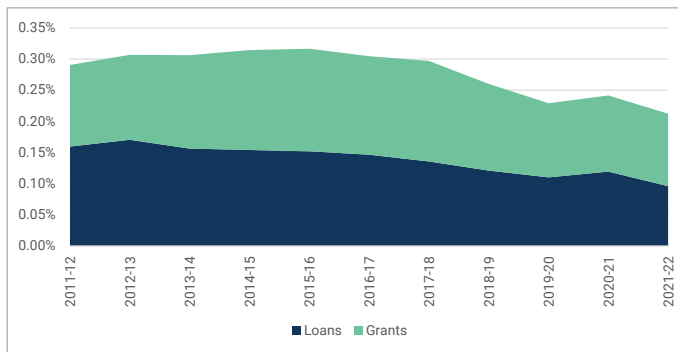
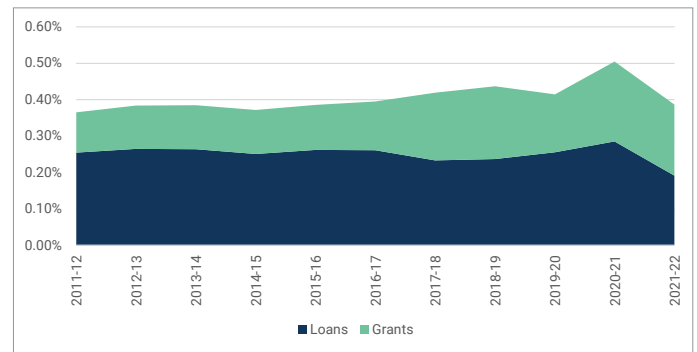


Figure QC9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





PROVINCIAL PROFILE

Ontario



STUDENTS

Enrolments in Ontario colleges and universities have roughly doubled in the last 20 years, a pace much faster than the national average. International student numbers in Ontario universities tend to modestly lag national trends; however, in

the college sector international student numbers are well above national trends, with over a third of all students in the system being from outside Canada in 2020.

Figure ON1: Total Postsecondary Enrolments by Sector, Ontario, 2000-01 to 2021-22

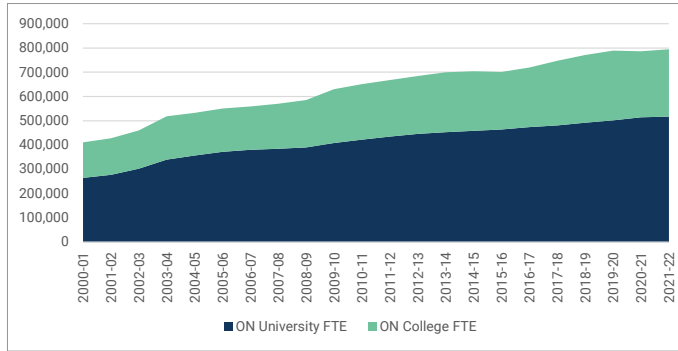


Figure ON2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

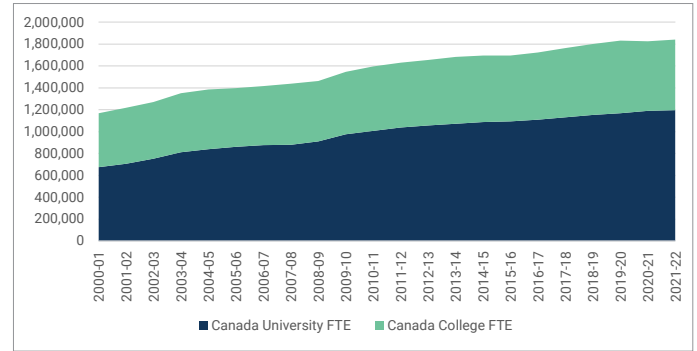


Figure ON3: International Students as a Percentage of Total College Enrolments, Canada vs. Ontario, 2000-01 to 2020-21

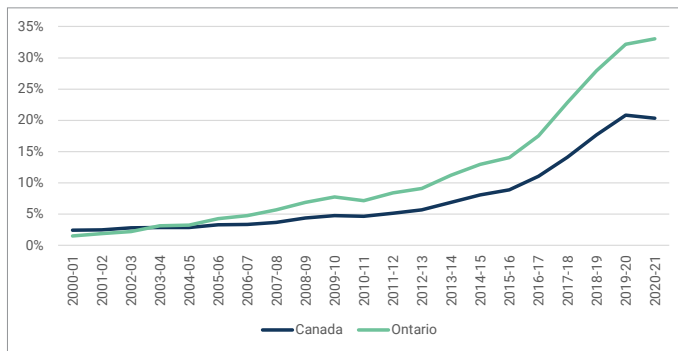
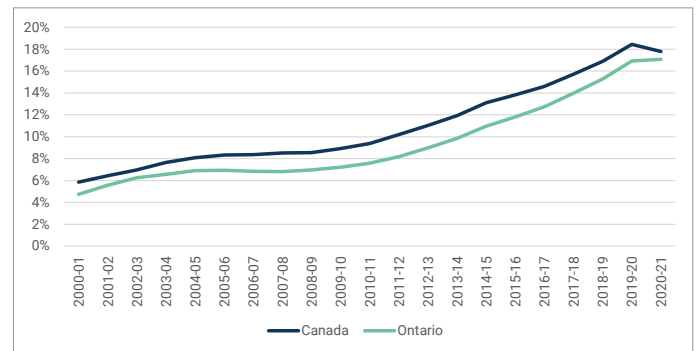


Figure ON4: International Students as a Percentage of Total University Enrolments, Canada vs. Ontario, 2000-01 to 2020-21



INSTITUTIONAL INCOME

Ontario institutions have posted strong total income growth since 2000, even as income from government steadily declined for over a decade. Two thirds of total income now come from non-government sources, the highest in the country. This

permits institutions in Ontario to have per-student incomes close to the national average even though public funding is the weakest in the country by a considerable distance.

Figure ON5: Total University and College Income by Source, Ontario, 2001-02 to 2021-22, Millions, in real \$2021

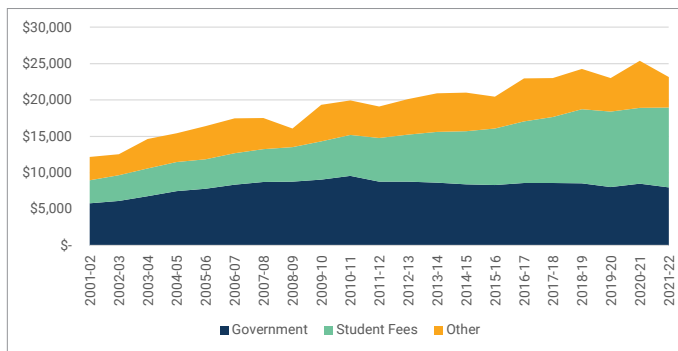
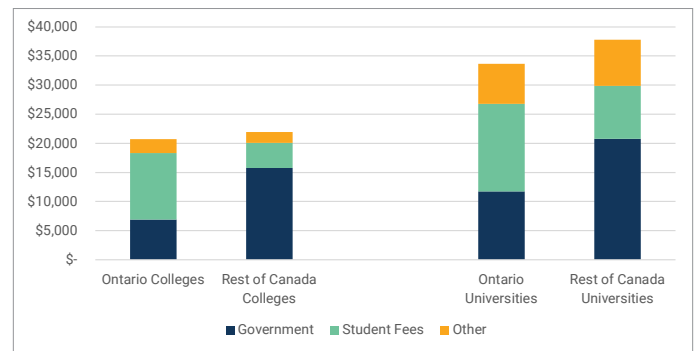


Figure ON6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. Ontario, 2021-22



TUITION AND STUDENT AID

Undergraduate tuition fees in Ontario used to be the highest in the country but have fallen substantially in real terms. The student aid system is larger as a percentage of GDP than it is in most other provinces, precisely because it needs to cover higher tuition fees. The province has had a few major system

changes in the last decade, becoming significantly more generous with grants under Premier Wynne (almost eliminating provincial loans at one point) and then less generous under Premier Ford.

Figure ON7: University Undergraduate Tuition and Additional Fees, Canada vs. Ontario, 2006-07 to 2022-23, in Millions, in \$2022

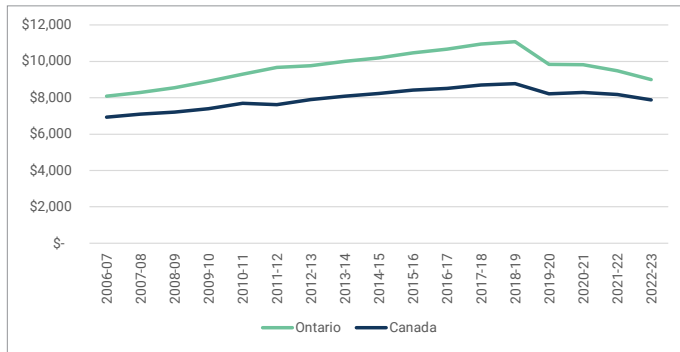


Figure ON8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2021-22

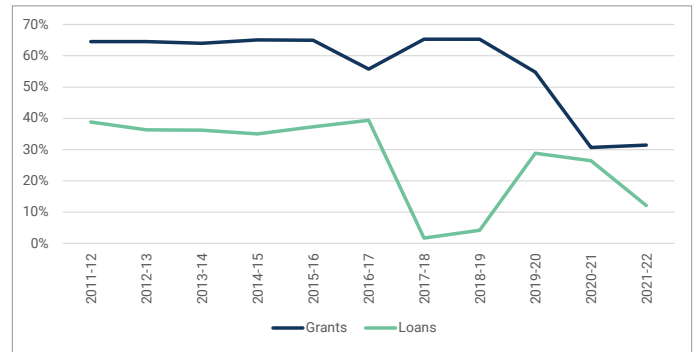


Figure ON9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Ontario, 2011-12 to 2021-22

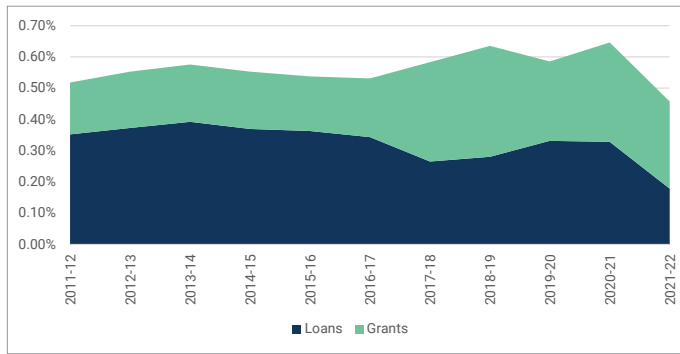
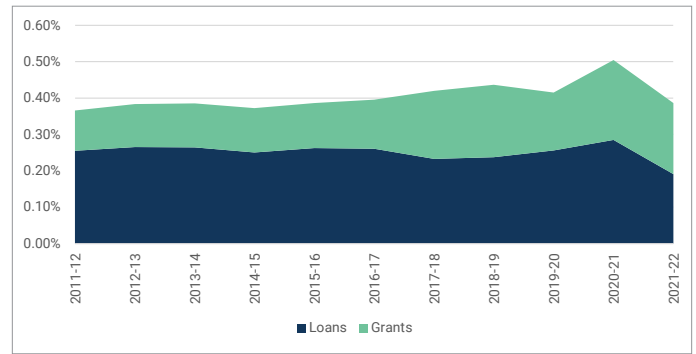


Figure ON10: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





PROVINCIAL PROFILE

Manitoba



STUDENTS

Enrolments in Manitoba postsecondary institutions have risen by over 50% over the past two decades. This growth even excludes a major increase in recorded college enrolment that

is mainly due to a change in methodology from Statistics Canada. International enrolment has also risen in recent years, in line with national trends.

Figure MB1: Total Postsecondary Enrolments by Sector, Manitoba, 2000-01 to 2021-22

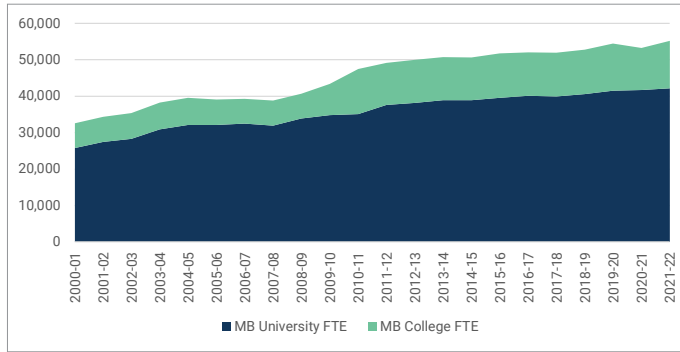


Figure MB2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

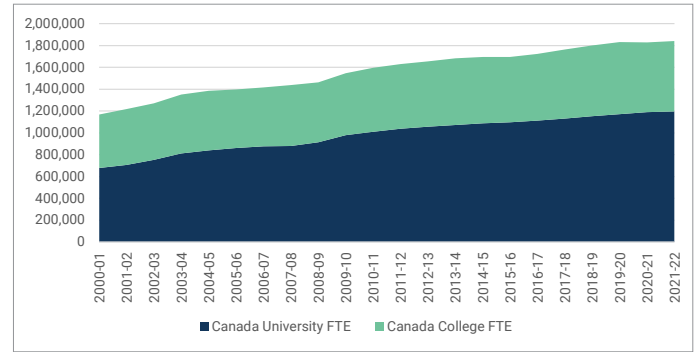


Figure MB3: International Students as a Percentage of Total College Enrolments, Canada vs. Manitoba, 2000-01 to 2020-21

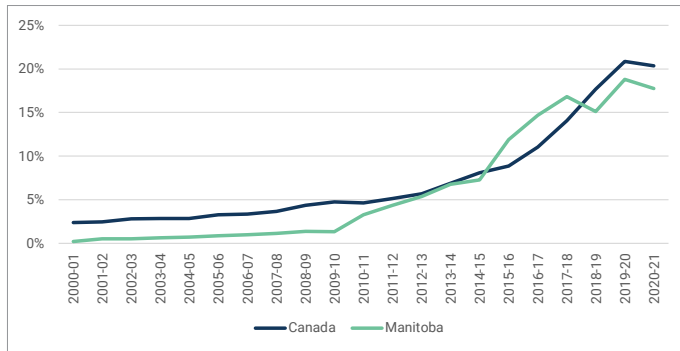
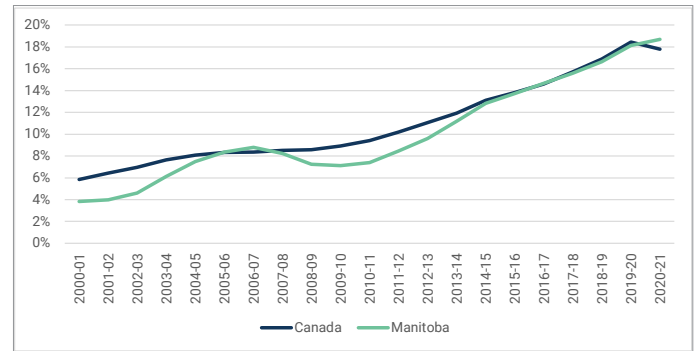


Figure MB4: International Students as a Percentage of Total University Enrolments, Canada vs. Manitoba, 2000-01 to 2020-21



INSTITUTIONAL INCOME

Following national trends, Manitoba postsecondary institutions saw stronger income growth in the 00s than in the 10s, mainly because provincial government expenditures ceased growing in real terms around 2011. Manitoba colleges have per-student income well above the national average, while

university per-student income is somewhat below the average. At the college level the gap is due to better per-student funding from government; at the university level it is because of lower than national average per-student fee revenue.

Figure MB5: Total University and College Income by Source, Manitoba, 2001-02 to 2021-22, Millions, in real \$2021

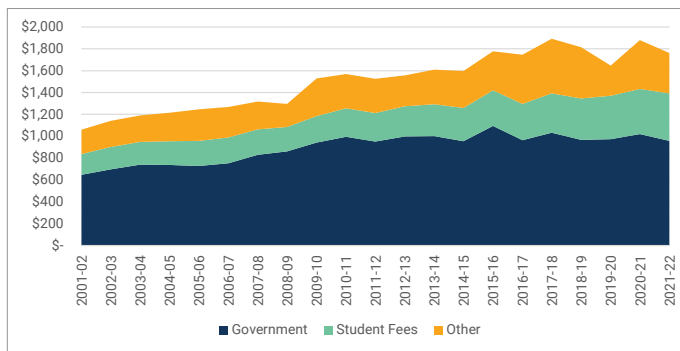
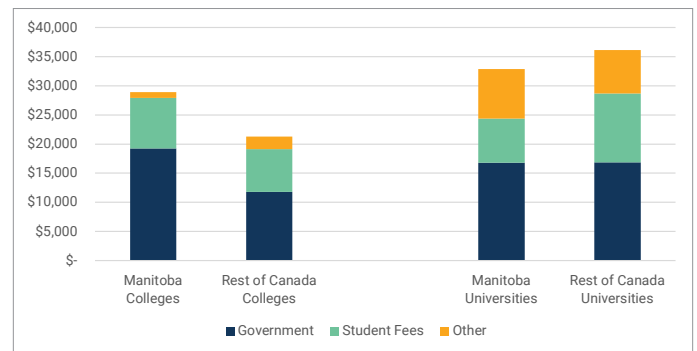


Figure MB6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. Manitoba, 2021-22



TUITION AND STUDENT AID

Manitoban undergraduate tuition fees are among the lowest in the country. Manitoba student aid has a similar loan-grant mix to the rest of the country but has lower levels of expenditures

both because tuition is moderate, and because most students live and study in Winnipeg, which reduces overall student costs and thus the amount aid required.

Figure MB7: University Undergraduate Tuition and Additional Fees, Canada vs. Manitoba, 2006-07 to 2022-23, Millions, in real \$2022

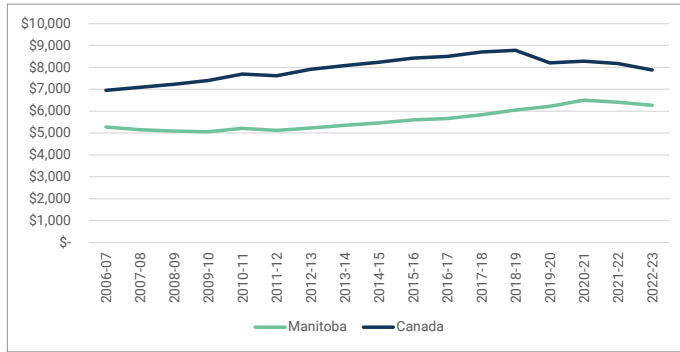


Figure MB8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2021-22

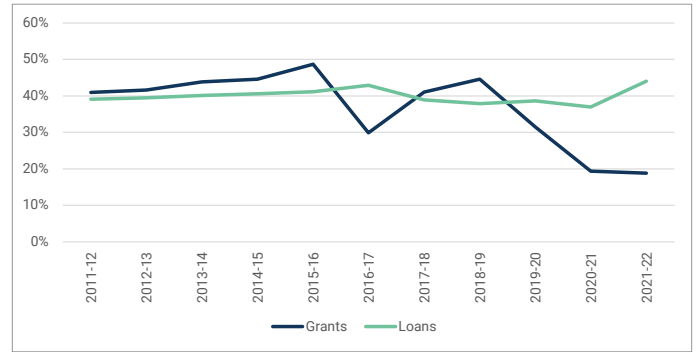


Figure MB9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Manitoba, 2011-12 to 2021-22

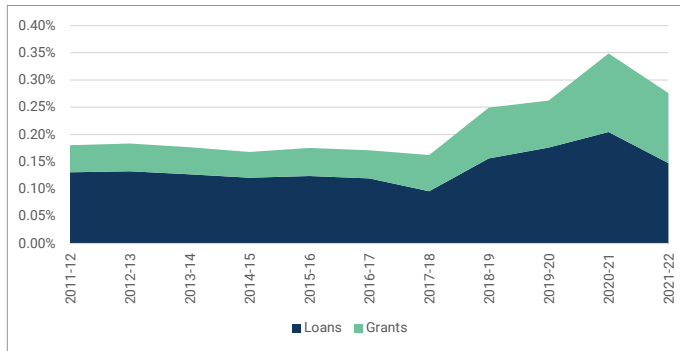
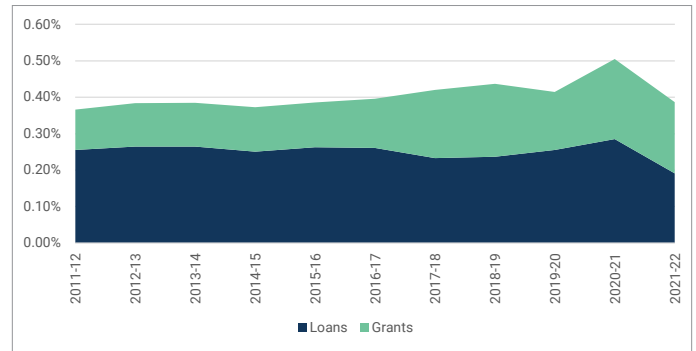


Figure MB10: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





PROVINCIAL PROFILE

Saskatchewan



STUDENTS

Enrolments in Saskatchewan have risen only slowly over the past two decades, excluding the large jump in college enrolments in 2006 which are primarily the product of a method-

ological change at Statistics Canada. International enrolments are close to the national average in the university sector but well behind average in the college sector.

Figure SK1: Total Postsecondary Enrolments by Sector, Saskatchewan, 2000-01 to 2021-22

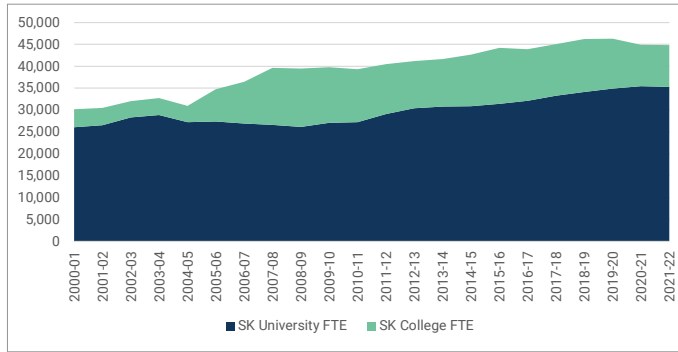


Figure SK2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

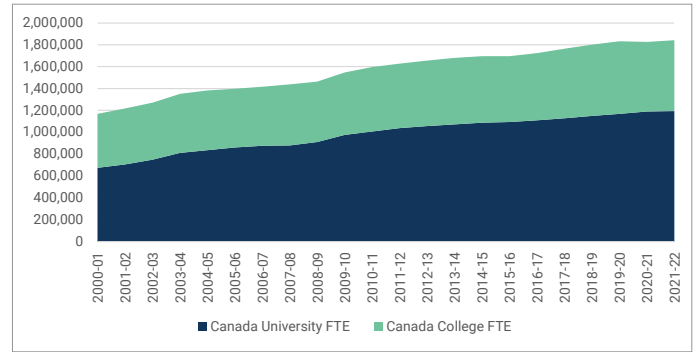


Figure SK3: International Students as a Percentage of Total College Enrolments, Canada vs. Saskatchewan, 2000-01 to 2020-21

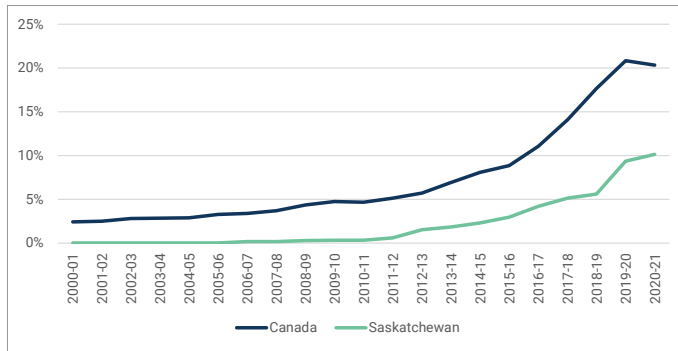
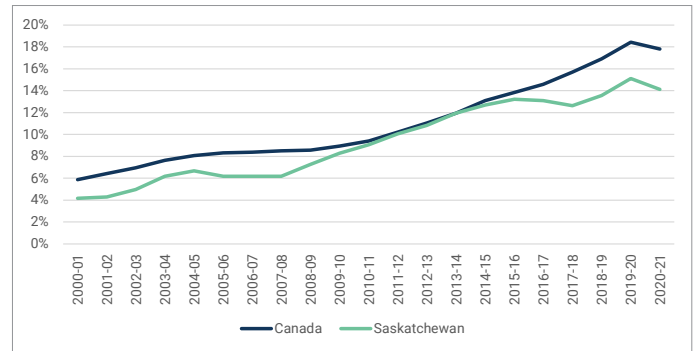


Figure SK4: International Students as a Percentage of Total University Enrolments, Canada vs. Saskatchewan, 2000-01 to 2020-21



INSTITUTIONAL INCOME

As in much of the country, Saskatchewan postsecondary institutions saw stronger income growth in the 00s than in the 10s, mainly because provincial government expenditures ceased growing in real terms around 2008. Both universities and

colleges in Saskatchewan have above-average per-student revenues, due almost entirely to its above-average revenues from government.

Figure SK5: Total University and College Income by Source, Saskatchewan, 2001-02 to 2021-22, Millions, in real \$2021

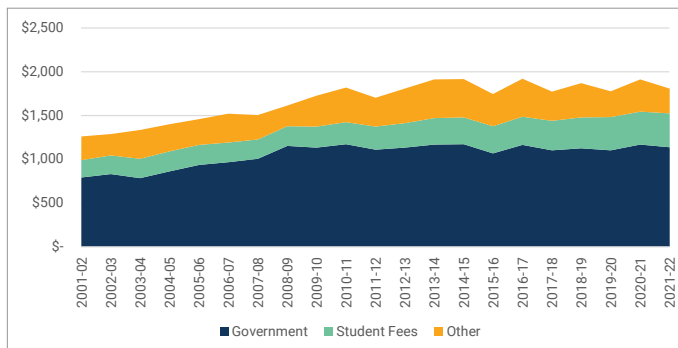
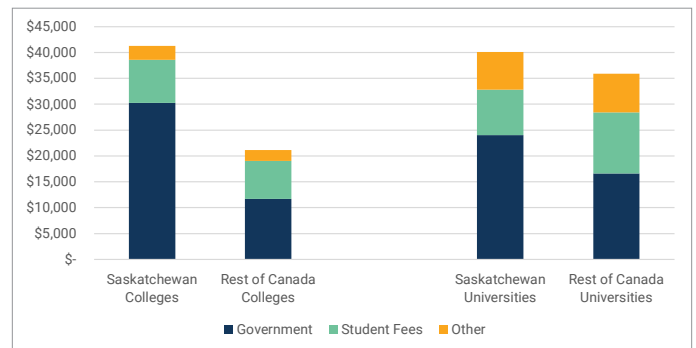


Figure SK6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. Saskatchewan, 2021-22



TUITION AND STUDENT AID

Undergraduate tuition fees in Saskatchewan are close to the national average. Student aid as a percentage of the economy has been rising in recent years, but this is more due to federal efforts than provincial ones, as provincial grant aid has eroded over time.

Figure SK7: University Undergraduate Tuition and Additional Fees, Canada vs. Saskatchewan, 2006-07 to 2022-23, Millions, in real \$2022

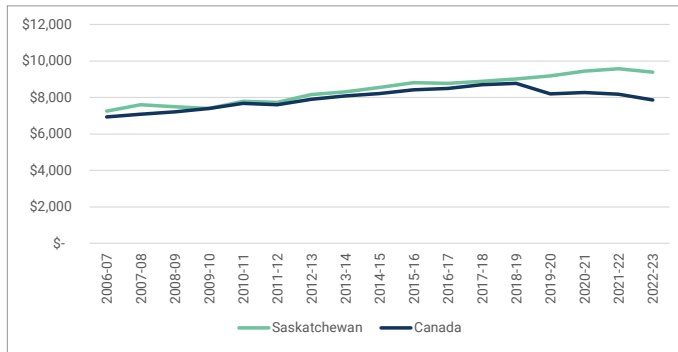


Figure SK8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2021-22

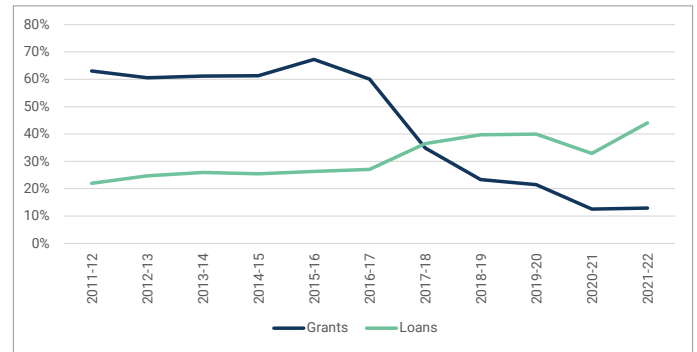


Figure SK9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Saskatchewan, 2011-12 to 2021-22

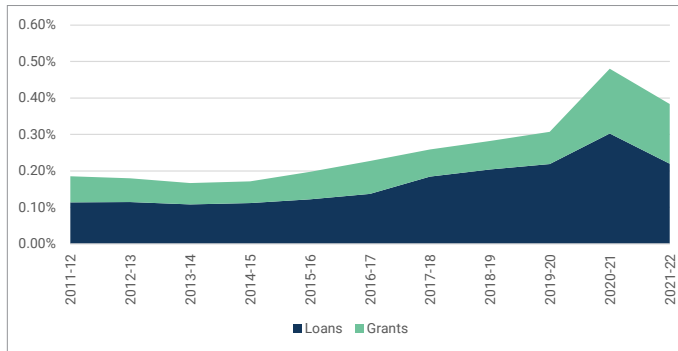
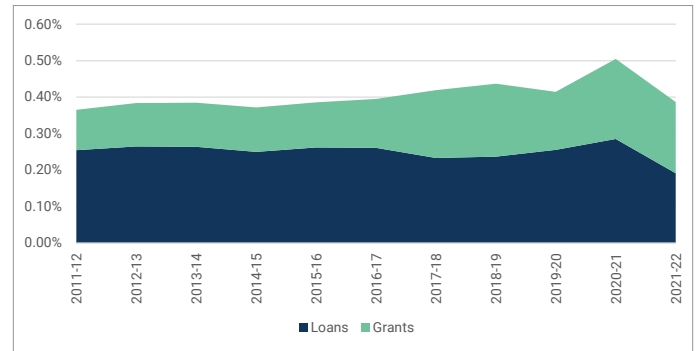


Figure SK10: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





PROVINCIAL PROFILE

Alberta



STUDENTS

Enrolment growth in Alberta outpaced the national growth over the past two decades, more so at the university than the college level because two institutions – Mount Royal and Grant MacEwan – changed status from college to university in 2008.

International students are a smaller proportion of the student body at both the college and university levels in Alberta than in the rest of the country.

Figure AB1: Total Postsecondary Enrolments by Sector, Alberta, 2000-01 to 2021-22

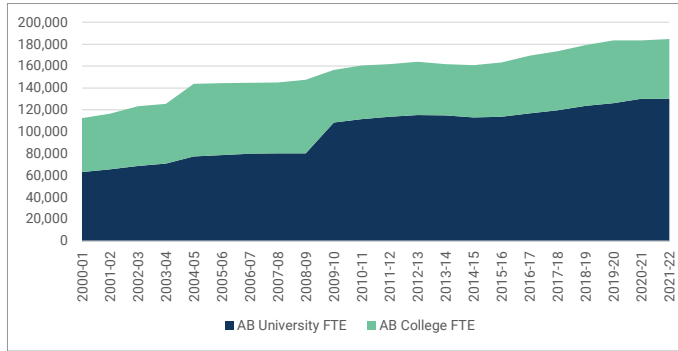


Figure AB2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

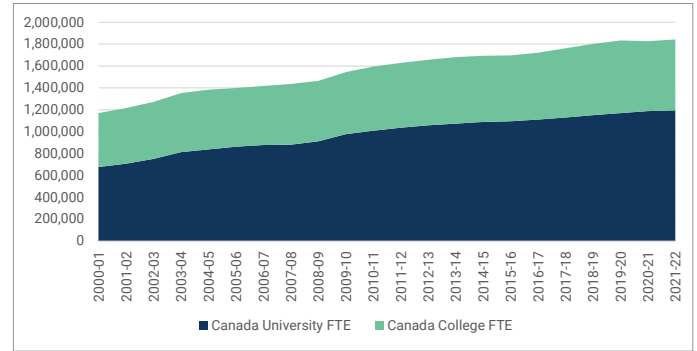


Figure AB3: International Students as a Percentage of Total College Enrolments, Canada vs. Alberta, 2000-01 to 2020-21

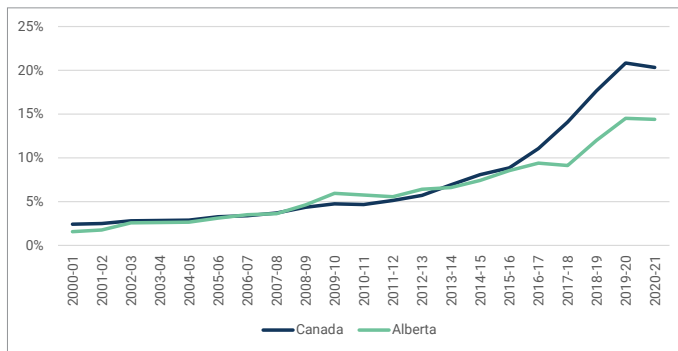
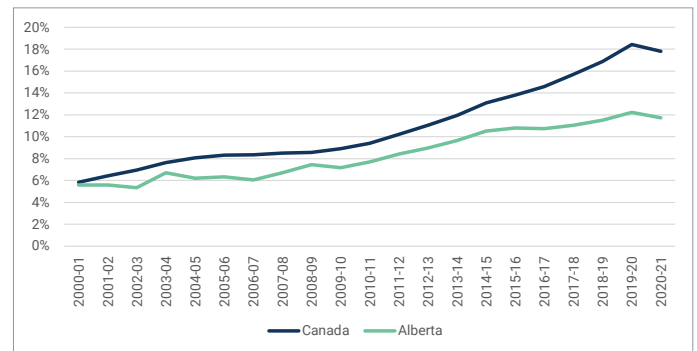


Figure AB4: International Students as a Percentage of Total University Enrolments, Canada vs. Alberta, 2000-01 to 2020-21



INSTITUTIONAL INCOME

Alberta universities per-student income patterns are like the rest of Canada, while Alberta colleges are substantially better-funded than the national average, mainly due to higher

public funding. Government funding hit a peak in 2008 and has mostly declined ever since.

Figure AB5: Total University and College Income by Source, Alberta, 2001-02 to 2021-22, Millions, in real \$2021

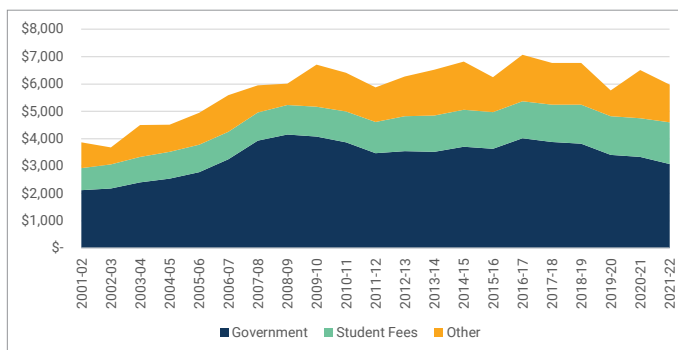
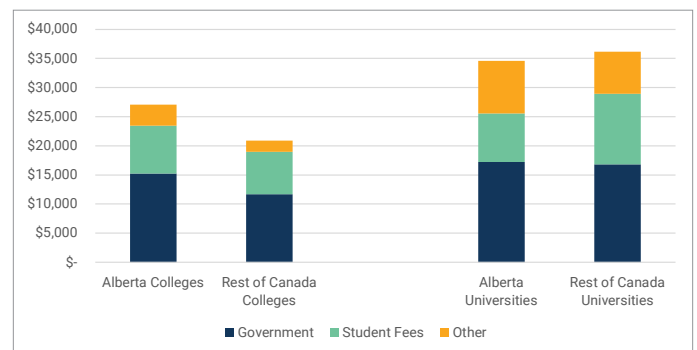


Figure AB6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. Alberta, 2021-22



TUITION AND STUDENT AID

Undergraduate tuition fees in Alberta tend to stick relatively closely to the national average. Alberta student aid is more loan-reliant than most other provinces, mainly due to policies which permit dependent students to borrow without reference to parental income.

Figure AB7: University Undergraduate Tuition and Additional Fees, Canada vs. Alberta, 2006-07 to 2022-23, Millions, in real \$2022

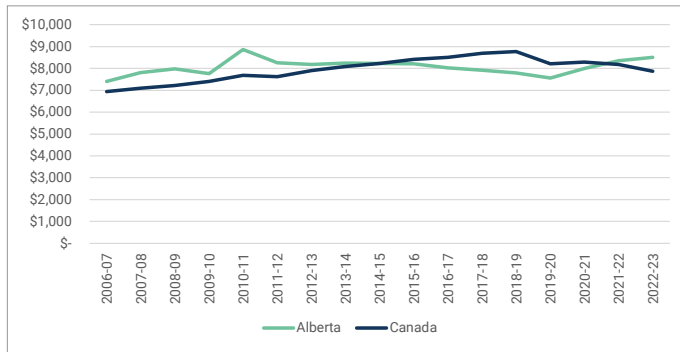


Figure AB8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2021-22

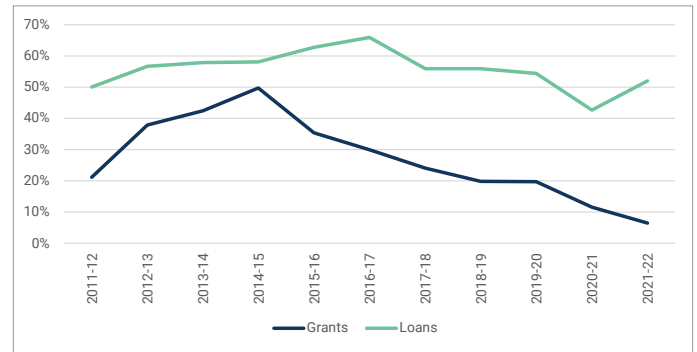


Figure AB9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Alberta, 2011-12 to 2021-22

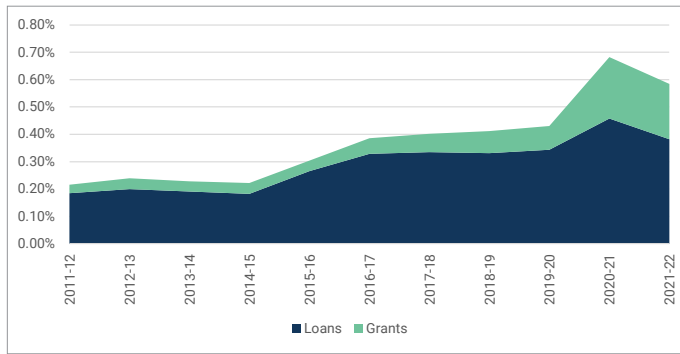
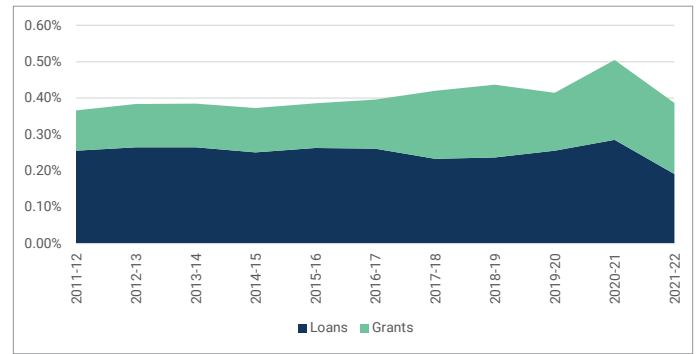


Figure AB10: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





PROVINCIAL PROFILE

British Columbia



STUDENTS

Enrolment growth in British Columbia matched the rest of the country over the past two decades. The university numbers have grown more than the college ones, mainly due to the transition of several institutions from one status to the other in the

mid-2000s. The province's college and university sectors are more reliant on international students than the national average.

Figure BC1: Total Postsecondary Enrolments by Sector, British Columbia, 2000-01 to 2021-22

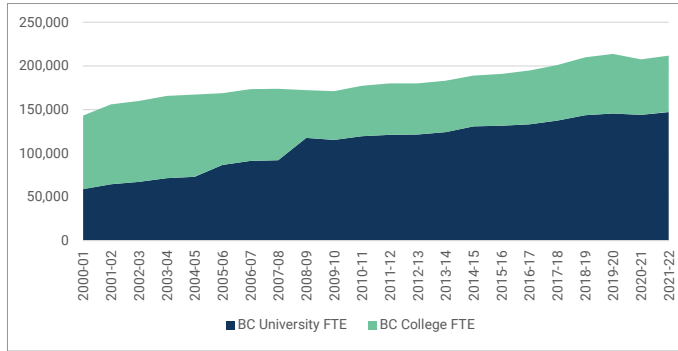


Figure BC2: Total Postsecondary Enrolments by Sector, Canada, 2000-01 to 2021-22

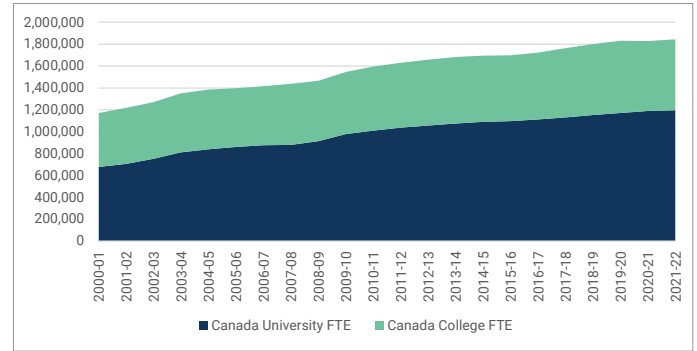


Figure BC3: International Students as a Percentage of Total College Enrolments, Canada vs. British Columbia, 2000-01 to 2020-21

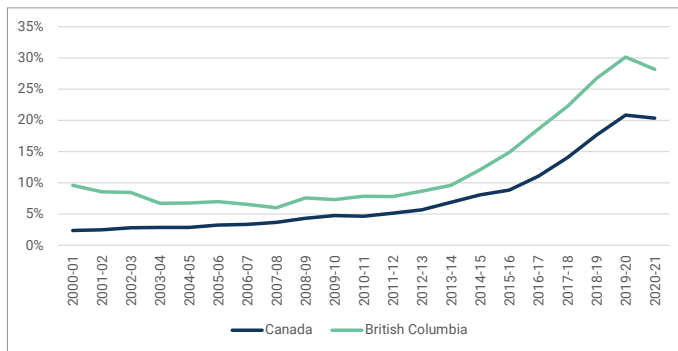
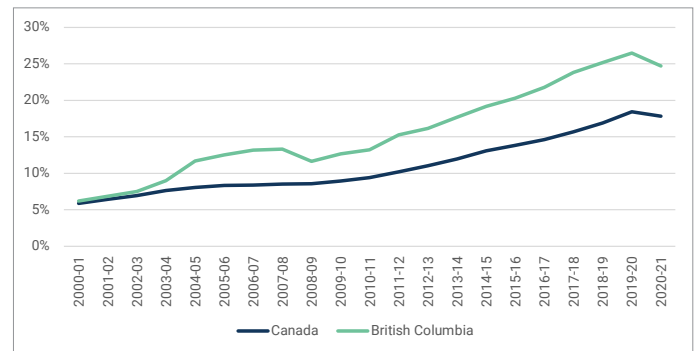


Figure BC4: International Students as a Percentage of Total University Enrolments, Canada vs. British Columbia, 2000-01 to 2020-21



INSTITUTIONAL INCOME

Unlike most provinces, funding for British Columbia postsecondary institutions has increased relatively steadily over the past two decades. This is due to multiple factors, as the

provincial colleges and universities have above-average per-student revenues from governments, student fees, and other self-generated revenues.

Figure BC5: Total University and College Income by Source, British Columbia, 2001-02 to 2021-22, Millions, in real \$2021

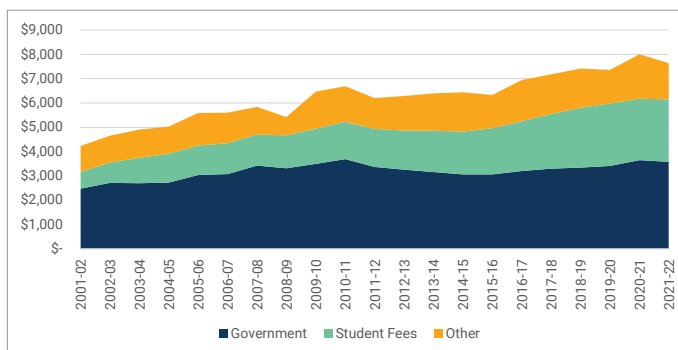
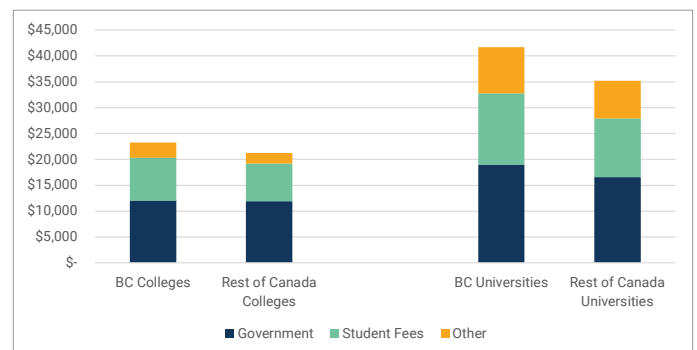


Figure BC6: Total Income Per FTE Student, by Source and Type of Institution, Canada vs. British Columbia, 2021-22



TUITION AND STUDENT AID

Undergraduate tuition fees in British Columbia are below the national average. Overall, student aid – in particular loans – was declining as a percentage of gross domestic product until the COVID bump of 2020.

Figure BC7: University Undergraduate Tuition and Additional Fees, Canada vs. British Columbia, 2006-07 to 2022-23, Millions, in real \$2022

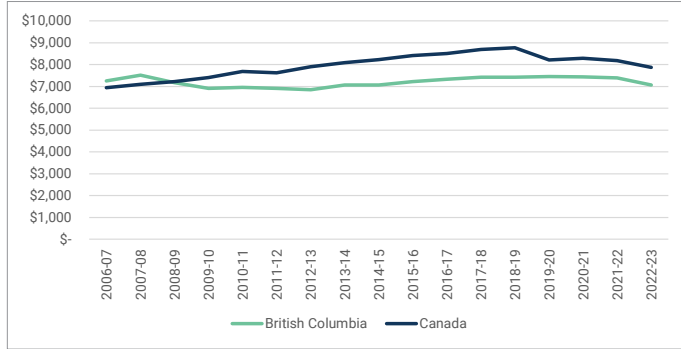


Figure BC8: Percentage of Total Financial Aid Supplied by the Province, by Type of Aid, 2011-12 to 2021-22

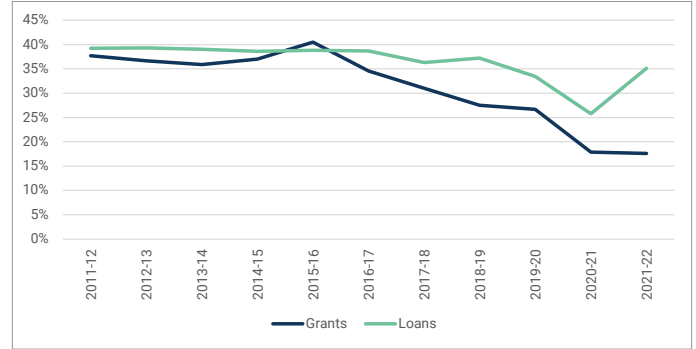


Figure BC9: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, British Columbia, 2011-12 to 2021-22

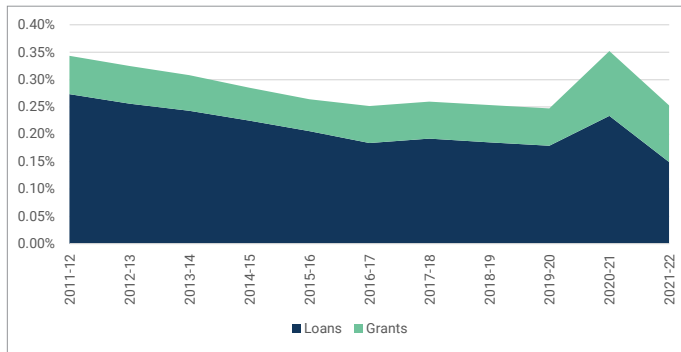
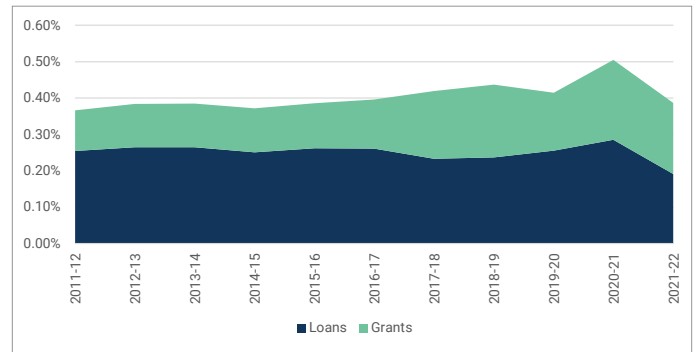


Figure BC10: Total Government Student Aid, by Type of Aid, as a Percentage of Gross Domestic Product, Canada, 2011-12 to 2021-22





**Higher
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