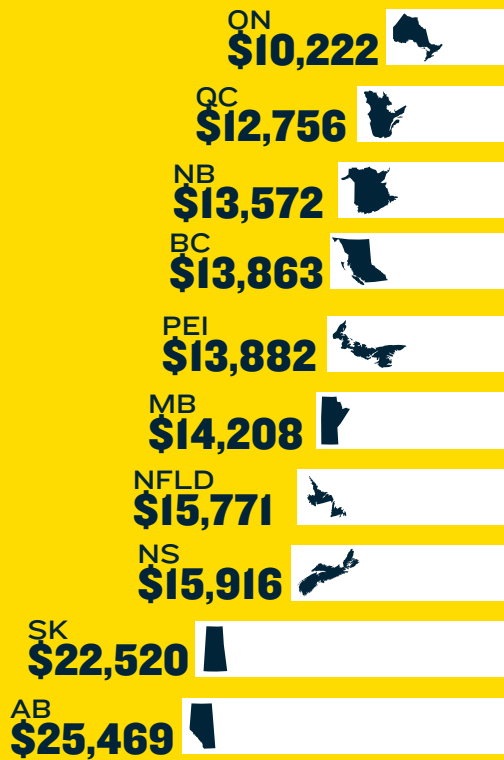
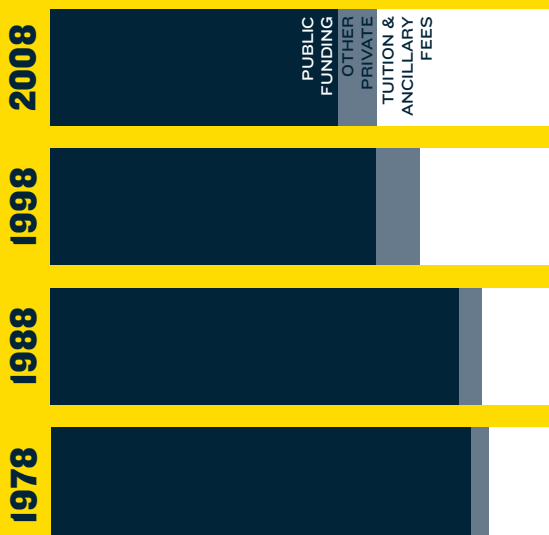


HOW MUCH DOES YOUR PROVINCE SPEND PER FULL-TIME POST-SECONDARY STUDENT?

Canadian Association of University Teachers, 2010



IN 30 YEARS, PUBLIC FUNDING WENT FROM **83.8%** OF UNIVERSITY OPERATING REVENUE TO ONLY **57.5%**



THE IMPACT OF GOVERNMENT UNDERFUNDING ON STUDENTS

GOVERNMENT FUNDING

The substantial public investments that led to the expansion of universities and the creation of colleges in the 1960s were based on the belief that access to post-secondary education should be dictated by ability and desire, not financial means. Canada's public post-secondary education system, however, has become remarkably less public over the last three decades.

In the 1980s, the federal government limited increases in transfer payments to the provinces for post-secondary education. As a result of funding not keeping pace with increased enrolment, per student funding was diminished. As enrolment increased between 1978 and 2008, government transfers plummeted from 83.8 per cent to less than 57.5 per cent of university operating revenue.¹

In 1995, the federal government slashed transfers to the provinces by \$7 billion for social programs, including health and education, and this funding has not yet been restored. The 2007 federal budget increased core transfer payments for post-secondary education by the largest amount in fifteen years, but cash transfers for post-secondary education remain roughly \$1 billion short of 1992 levels.²

While the federal government transfers money to the provinces for post-secondary education, there is no mechanism to ensure that the funds are actually spent on post-secondary education. As a result, tuition fees and quality of education vary greatly from

province to province, depending on the spending priorities of provincial governments.

In Ontario, funding for colleges and universities declined at the same time as federal funding in the mid-1980's. Ontario has consistently had the lowest per-student funding during the last two decades, with funding currently at 24 per cent below the national average. For example, the Government of Ontario transfers just over \$10,000 per student to institutions while the Government of Alberta transfers more than \$25,000 per student.³

Underfunding has led post-secondary institutions to make risky investments, such as using public money to gamble in the stock market for additional funds. This unsustainable practice has led to greater financial uncertainty in the sector. In 2008, the University of Toronto reported that it lost \$1.3 billion, a reduction of 30 per cent in the school's pension and endowment funds, while York University lost 19 per cent of its \$300 million endowment fund.⁴ The losses from the two institutions' pension and endowment funds in one year is enough to cover the entire operating budgets for Algoma University, Brock University, Lakehead University, Nipissing University, OCAD, UOIT, Trent University, Wilfrid Laurier University, Cambrian College, Canadore College, Confederation College, Durham College, Lambton College, Loyalist College, Northern College and Sault College – combined.

1 Canadian Association of University Teachers, 2010.

2 Government of Canada, 2007.

3 Canadian Association of University Teachers, 2010.

4 University of Toronto, 2009; York University, 2009.

IN THE LAST 25 YEARS, TUITION FEES HAVE FAR OUTPACED INFLATION

COLLEGE TUITION FEES OUTPACED INFLATION BY **378%**

UNIVERSITY UNDERGRADUATE TUITION FEES OUTPACED INFLATION BY **509%**

UNIVERSITY GRADUATE TUITION FEES OUTPACED INFLATION BY **724%**

TUITION FEES

Students in Ontario pay the highest tuition fees compared to the other provinces in Canada – 23 per cent higher than the national average and almost triple the amount that students pay in Quebec.⁵ In the last 25 years, undergraduate tuition fees in Ontario outpaced inflation by 509 per cent and graduate tuition fees outpaced inflation by 724 per cent.⁶ In the last 15 years, college tuition fees in Ontario outpaced inflation by 378 per cent.⁷ These increases in tuition fees have been proportional to the decrease in government funding for post-secondary education.

The only time in recent history where tuition fee increases in Ontario did not outpace inflation was from 2004 to 2006, when students won a fully funded tuition fee freeze. The provincial government lifted the tuition fee freeze after two years and implemented the *Reaching Higher* framework, allowing undergraduate tuition fees to increase by five per cent annually on average, from 2006 to 2011.

This is a cumulative average increase of 28 per cent to 40 per cent for some programs. At the same time, student debt for a four-year degree has risen to \$37,000 for combined government and private student loans – a 460 per cent increase over the past 15 years.⁸

THE IMPACT ON MARGINALIZED STUDENTS

The underfunding of post-secondary education has had a disproportionate impact on marginalized students and communities. The participation of students from families with incomes over \$100,000 is 81 per cent, while participation drops to 58 per cent for those from families with incomes below \$25,000. Between 1980 and 2000, while the poverty rate for the non-racialized population fell by 28 per cent, for racialized families it rose by 361 percent.⁹

According to Census data, Canadian or foreign-born racialized people earn a median after-tax income that is 13 per

cent less than the comparable income for non-racialized people.¹⁰ In Ontario, the disparity is even larger at 22 per cent.¹¹

Students from marginalized backgrounds who attend college or university are more likely to need loans and work longer hours while employed to finance the cost of their education. Upon graduation, people from marginalized backgrounds will take longer to pay back their loans, on average, since they have lower average incomes – regardless of their educational attainment. When students take longer to repay their loans, they must also pay more in interest, thus paying more for their education. By forcing students to pay high tuition fees and assume debt-based financial assistance, Ontario's underfunded post-secondary education system perpetuates existing inequalities and leaves marginalized and low-income students without fair access to a college or university education.

5 Statistics Canada, 2010.

6 Statistics Canada, 2010; Bank of Canada, 2010.

7 Statistics Canada, 2010; Bank of Canada, 2010.

8 Statistics Canada, 2009.

9 Colour of Poverty Campaign, 2006.

10 Statistics Canada, 2006.

11 Statistics Canada, 2006.