



Ontario Confederation of University Faculty Associations
Union des associations des professeurs des universités de l'Ontario

OCUFA RESEARCH NOTE

Snapshot analysis: The Massive Financial Impact and Funding Struggles of Ontario's Universities

October 12, 2023
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Analysis: The economic impact of universities

[COU](#) did an economic analysis in 2017 and found that the estimated impact from just university spending led to 241,302 FTE jobs in Ontario and another 229,950 from the combined impact of alumni spending (owing to their improved incomes from achieving a university degree, which is often referred to as “the alumni premium”). COU included some details about capital spending and visitor spending **to get a total of 478,000 FTE jobs in Ontario related to universities’ activities. This had an impact of \$42.4 billion in GDP.**

Economic impact analyses are quite basic and are directly related to university expenditures. Simply put, more expenditures equal more economic impact. Ontario had [39.9 per cent](#) of Canada’s university expenditures that year. Were COU running the figures for the full country, they would have reported that university spending that year led to 604,766 jobs nationally (including the 241,302 in Ontario). The alumni spending calculations would be a little more complex, however, owing to the different financial benefits from a university education in each province.

However, assuming the same relationship holds, **the spending related to improved alumni earnings, capital spending, and student and visitor spending nationally would be 1,197,995 FTE jobs and \$106.27 billion in GDP in the year analyzed.** This jobs total includes both direct and indirect impacts.

University expenditures have only risen in the years that have followed, which would have raised universities’ economic impact by a directly proportionate amount.

Analysis: The coming increase in domestic student population

Ontario's current funding formula doesn't provide additional funding for domestic student growth. **Total provincial funding per domestic student** (with part-time students converted to full-time students by dividing their number by 3.5 and adding that to the full-time total) **was \$9,839.81 in 2020-21** (the most recent year for which we have data).

While it's likely that universities would not accept more domestic students than they currently do owing to the pressures of the funding formula (which does not provide additional funds for enrolment growth), a 20 per cent increase in domestic students without a negotiated increase in funding would mean that Ontario's per-student funding would drop to \$7,871.85 per student.

Some additional statistics underline just how low this funding is comparatively. **At just \$9,839.81 per domestic student in 2020-21, Ontario's per-student funding would have to increase 171.75 per cent to reach the comparable 2020-21 per-student level in Alberta; 196.19 per cent to match BC; and 221.33 per cent to match Quebec.**