

# TRENDS IN HIGHER EDUCATION

## The Decline of Quality at Ontario Universities: **Shortchanging a Generation**

March 31, 2010

# OCUFA

Ontario Confederation of University Faculty Associations  
Union des Associations des Professeurs des Universités de l'Ontario

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**W**hen a person enrolled in university in 1967, he or she entered a world barely recognizable to most students today. Today's students can only gaze back at it with envy.

Tuition was \$2,750 a year (in current dollars), less than half today's. Unlike many students today, few students then had to work during the school year to pay for their education, so they could devote as much time as they wanted to their studies.

And even with no financial support from parents, that era's lower tuition and more generous student aid meant that students could graduate with less than half the debt carried by the average student today.

Students then saw their professors frequently, including outside class hours at university social events, such as spontaneous common-room discussions. Their professors were either tenured or tenure-track, who worked full-time.

Even in first year, classes could be as small as six students. As a result, students had to show up prepared, and they received the close attention that a solid education demands.

Writing five lengthy term papers for each course was standard, and professors – not graduate students – marked them. Most students never once wrote a multiple-choice exam.

A person who enrolled in university in the 1990s – 30 years later – encountered a far different university system.

The classes were larger than her or his 1960s counterpart. Students had far less individual contact with professors. And while the 1960s students worked with professors who were full-time, tenured faculty, many university instructors 30 years later were not. In fact, many instructors were students themselves. There were fewer term papers and more multiple choice exams.

The quality of education was simply not as high as in the 1960s. But nonetheless tuition had risen 45 per cent, and the average student debt burden had, correspond-

ingly, almost doubled. The students of the 1990s, indeed, paid more for less.

The situation has worsened since then. Students today are confronted with an ever-widening generation gap.

They pay 50 per cent more tuition than the students 10 years ago and more than twice as much as 40 years ago. Accordingly, the debt levels at graduation for those students who have to take out student loans average \$22,000. They are spending more hours at paid work to cover their costs (thus taking time away from their studies) while navigating a system characterized by larger classes, less contact with professors, more instruction and marking by graduate students, fewer and less challenging assignments. They are paying more, for less.

## WHAT HAPPENED TO QUALITY?

Enrolments have risen far beyond what government forecasters predicted. Universities predicted that 46,000 more undergraduate students would enroll in 2009 than the government forecast in 2005 when it unveiled its five-year, \$6.2-billion boost to post-secondary funding, *Reaching Higher*. This surge in enrolment means the province's per-student funding actually *declined* by two per cent since 2004, a far cry from the 20 per cent *increase* originally forecast in *Reaching Higher*. Ontario government support for universities, therefore, is failing even to keep pace with enrolment increases, in spite of the government's efforts in *Reaching Higher*.

Consequently, the quality of education we are offering our students is suffering.

Students pay ever-higher tuition fees, but class size has dramatically escalated. Meantime, many students have little or no contact with faculty. Other aspects of education suffer, too. Universities are being forced to offer students outdated labs, under-resourced libraries, and multiple-choice exams.

## QUALITY DEFICIT #1: HIGH TUITION HURTS PERFORMANCE, LEAVES TOO MANY OUT

Tuition has risen too high for many families to keep up.

Every year since 1990, tuition increases have outpaced inflation.<sup>1</sup> In 1989, tuition cost families in the lowest income quintile 17 per cent of their after-tax income. By 2004, tuition cost those families 46 per cent of their income.<sup>2</sup> In 1976, for minimum wage earners, which students tend to be, six weeks' work covered their undergraduate tuition. By 2007, it rose to 16 weeks.<sup>3</sup>

While it is true that student assistance can help low-income students, there is evidence that high tuition can produce a kind of "sticker shock" that can have a chilling effect on applicants from low-income backgrounds. There is also evidence that low-income students are averse to amassing the debt the current government emphasis on student loans (as opposed to grants) creates.<sup>4</sup> Moreover, other studies show that steep hikes in tuition for professional programmes such as medicine and law are changing the socio-economic mix of their students towards those who are more affluent.

As a result of steep tuition hikes, there is a danger that our vision of a democratic education system – one that is accessible to all qualified applicants – is dimming.

The Canadian Millennium Scholarship Foundation reports that almost half of post-secondary students hold down a job during the school year and that working even a few hours a week increases the likelihood that a student will drop out. Working more than 20 hours a week doubles the risk, and a study by Wilfrid Laurier University economist Christine Neill found that more than one in five full-time university students work more than 20 hours a week.<sup>5</sup> Half the first-year students surveyed by Ryerson University in 2007 were employed, with a further 28 per cent looking for work. Sixty-two per cent reported that paid employment was having a negative impact on their academic performance.<sup>6</sup>

Family income stagnates, but students pay more (2005 dollars)

	1977	1987	1997	2007	INCREASE
Tuition (Arts)	\$2,357	\$2,242	\$4,068	\$4,741	101%
Median family income (after tax)	\$49,583	\$49,070	\$44,450	\$53,381	8%

Source: Statistics Canada; Council of Ontario Universities.

## QUALITY DEFICIT #2: UNIVERSITY FACILITIES ARE FALLING BEHIND

Aging infrastructure means out-of-date laboratories, under-resourced libraries, and shabby facilities in need of repair. *Not enough* infrastructure means overcrowded labs, classrooms and lecture halls, inadequate study areas, and a lack of student housing.

Ontario's universities are confronting both these infrastructure deficits.

While recent government investment in university facilities, to accommodate the "double cohort" of 2003-04, has lowered the average age of a university facility in Ontario, today's student are still using facilities far older than previous generations.

These aging facilities provide only three-quarters of the space needed to accommodate today's larger student enrolments. Faculty and graduate students have only 80 per cent of the facilities they need to pursue their research.<sup>7</sup>

**The generational quality gap: paying more, for poorer facilities**

	1969	2008
<b>Tuition per student (2009 dollars)</b>	\$3,103	\$7,249
<b>Age of infrastructure, in years</b>	11.0	20.

Sources: Statistics Canada; Ministry of University Affairs; Council of Ontario Finance Officers; Statistics Canada. *Analysis in Brief*, September 3, 2009.

**QUALITY DEFICIT #3: STUDENTS DON'T HAVE ENOUGH TIME WITH FACULTY**

Student engagement is the willingness of students to attend class, do the required work, and generally participate in university life. Engaged students opt for challenging assignments, initiate action when given the chance, and exert intense effort and concentration while showing such positive emotions as enthusiasm, optimism, curiosity, and interest.<sup>8</sup> Generally speaking, the lower its student-faculty ratio the higher a university scores

in student engagement. Schools that have lower-student faculty ratios, more full-time faculty and more classes with fewer than 20 students generally score higher on National Survey of Student Engagement (NSSE) surveys.<sup>9</sup>

Since 2000, the annual NSSE has gathered data on student engagement across 1,300 Canadian and American campuses.

NSSE surveys show that Ontario's high student-faculty ratio—27 students for every professor—leads to limited student-faculty interaction. When asked about their interaction with faculty, Ontario students consistently report 28 per cent lower levels than students at peer institutions in the United States, where student-faculty ratios are 16 to 1.<sup>10</sup>

Ontario students' lower levels of interaction with faculty point to fewer professors teaching larger and larger classes at Ontario universities. More than one-fifth of the classes at the province's larger universities have more than 100 students; the record for the smaller universities is little better, with 18 per cent of all classes having more than 100 students.<sup>11</sup>

**Ontario's student-faculty ratio worsens, even though students pay far more**

	1967	1977	1987	1997	2007	TOTAL % INCREASE
<b>Student-faculty ratio</b>	14 to 1	14 to 1	16 to 1	21 to 1	27 to 1	87%
<b>Arts tuition</b>	\$3,288	\$2,357	\$2,242	\$4,068	\$4,741	44%
<b>Engineering tuition</b>	\$3,659	\$2,598	\$2,473	\$7,374	\$7,168	96%
<b>Student fees, per student</b>	\$3,331	\$2,832	\$2,771	\$5,149	\$7,088	113%

Sources: Council of Ontario Universities; University Common University Data Ontario sites; Statistics Canada. Figures are in 2009 dollars.

## HOW PUBLIC EDUCATION BENEFITS ONTARIO

When Ontario expanded its mass education system in the 1800s, at the elementary and then high school level, the public – through taxes paid to their government – supported this enterprise financially. We wanted a *public* education system so that all our citizens could be schooled. So we paid for ambitious building programs, absorbed the cost of training and employing legions of teachers, and bought supplies, equipment, and text books. Ontario became a world leader in providing low-cost, public education for all.

Similarly, when the province expanded its post-secondary system in the 1960s, further ambitious public investments were made in education. Ontario led the way as university enrolment in Canada grew 170 per cent – up from 128,000 full-time students in 1960 to 325,000 in 1970. Ontario’s investment in post-secondary education became its largest public expenditure, increasing by 15-20 per cent a year.

These investments were prudent, for the economic benefit of education to a society is considerable. OECD studies show that for every additional year of full-time education a nation’s population earns, there is a six per cent increase in national output. A study by the Canadian Millennium Scholarship Foundation found that university graduates make up 22 per cent of the population, but they pay 41 per cent of the nation’s income taxes, while receiving 14 per cent of government income-transfer payments.<sup>12</sup>

Further, public investments are wise, for there are considerable social benefits to education. The more educated people are, the healthier they feel, the more likely they are to be involved in civil society, and the more likely they believe that other people try to be fair, surely important ingredients for a peaceable and cohesive society.<sup>13</sup>

This was the vision that animated our investment in education for decades. By the 1980s, public investment in postsecondary institutions provided the lion’s share of university revenues. Students’ tuition covered a relatively small fraction.

Today’s university students, in contrast, pay 43 per cent, almost triple the burden. Since students now pay so much, Ontario’s university system is no longer truly public.

**Percentage of university operating revenues paid by students, Ontario government**

	1967	1977	1987	1997	2007
<b>Students</b>	19%	16%	19%	37%	43%
<b>Ontario government</b>	76%	8%	78%	58%	52%

Sources: Statistics Canada, *Canada Yearbook*, 1988; Canadian Association of University Business Officers, *Financial Information of Universities and Colleges*; Statistics Canada student enrolment data.

Public education has stood the test of time, producing in this province not just a harmonious and robust civil society, but economic prosperity and stability as well. Government under-funding of universities and attendant tuition increases means we are privatizing our higher education system by stealth. Ontario’s original vision was that education should be a democratizing institution, one whose universality and quality would strengthen democracy. By abandoning public financial support for education, we risk creating an elite system – a path that leads not to a more democratic society but to a society more and more divided by income.

Moreover, chronic under-funding means that we are lowering the quality of education our students receive. While Ontario’s elementary and high school systems remain world class, we are falling further and further behind at the postsecondary level, just as the tsunami of a globalizing economy threatens our standard of living and just as new communications technologies change the very nature of human communication and political organizing. We need more than ever to give students

a superb education at the postsecondary level. This is no time to abandon our tradition of world-class public education; rather, it is time to embrace it at the post-secondary level in addition to the elementary and secondary schools.

## ONTARIO NEEDS TO INVEST MORE IN HIGHER EDUCATION

More and more students are enrolling in post-secondary education, but the government has not increased its investment in higher education to keep up. Something has had to give –and has. Since government spending per student has fallen by half, the quality of education has declined even though tuition has risen.

Ontario has the fiscal capacity to do better. Between 1971 and 2009, Ontario's real GDP grew by 194 per cent, far exceeding the province's 67 per cent growth in population.

When economic growth outstrips population growth, there is more wealth. That means Ontario over the decades has become a far richer society. With more wealth, we can afford a high-quality post-secondary education system. While recessions, such as the one the province is now just emerging from, slow the growth of wealth, it has always rebounded.

Consequently, it is important to note that in the same period – 1971 to today – Ontario government spending increased *by only 16 per cent*, in inflation-adjusted dollars. In other words, far from government spending

being out of control, as conservatives often allege, in relation to GDP and population growth, it has actually *shrunk*. The reason is tax cuts. The tax cuts of the Harris Government will cost the Ontario treasury \$15 billion a year in fiscal 2009-2010 and will deplete revenues by \$18 billion annually when the economy fully recovers.<sup>14</sup>

Some will accuse health care of squeezing out government support for other programs such a higher education, but health care spending in

### The generation gap: We can afford quality higher education...

	ONTARIO GDP GROWTH	ONTARIO POPULATION GROWTH	ONTARIO BUDGET GROWTH	PUBLIC SPENDING PER STUDENT	TUITION
<b>1971-2009</b>	Up 194%	Up 67%	Up 16%	Down 50%	Up 113%

Sources: Statistics Canada; Council of Finance Officers – Universities of Ontario; Council of Ontario Universities; Minister of University Affairs (pre-1971 data); Minister of Finance (2008 and 2009 Budget data)

### ...but we invest less of our provincial wealth in higher education

	ONTARIO POST-SECONDARY TRANSFERS (MILLIONS OF \$)	POST-SECONDARY REVENUE	POST-SECONDARY TRANSFERS AS % OF REVENUE	PROVINCIAL SPENDING	% OF PROVINCIAL SPENDING ON POST-SECONDARY	ONTARIO GDP	% OF ONTARIO GDP FOR POST SECONDARY
<b>1988</b>	2,888	4,665	61.9	45,748	6.3	256,441	1.1
<b>2008</b>	5,514	14,783	37.3	118,059	4.7	587,827	0.9

Source: Presentation by Erin Weir, Research Department, United Steelworkers, to the OCUFA Conference, Financing Higher Education, Toronto, January 22, 2009.

Ontario increased by only one per cent of GDP from the peak of the economic cycle in the 1980s to the peak of the economic cycle in mid-2000s. Fears about an aging population crushing all spending aside from health care are exaggerated: the population's aging will increase health care spending by another one per cent of GDP *over the next 20 years*. Tax cuts, not health care, is the chief culprit in Ontario's failure to fund higher education adequately.<sup>15</sup>

Moreover, Ontario also invests a smaller proportion of its wealth in post-secondary education than other Canadian jurisdictions, devoting 4.7 per cent of its spending to post-secondary education, or 0.9 per cent of the province's GDP. The other provinces, most fiscally poorer than Ontario, on average spend 5.1 per cent of their budget on higher education, or about 1.2 per cent of their GDP. Ontario can well afford to increase its funding.

Until the Ontario government faces up to the implications of the Harris tax cuts and reverses at least some of them, Ontario's capacity to provide high-quality public services – including higher education – will be impaired.

## CLOSING THE GENERATION GAP

In some ways it is the best of times for higher education in Ontario. More than 40 per cent of those aged 18-24 are attending college or university today compared to 35 per cent in 2002-2003, which has translated into about 140,000 additional university students. University applicants have risen 46 per cent since 2000.<sup>16</sup> More students are completing their studies successfully, with graduation rates for university students rising to 78 per cent, up from 74 per cent, in the last five years.<sup>17</sup> In 2007, 48 per cent of Canadians between ages 25 and 64 had post-secondary education, the highest percentage in the OECD countries.<sup>18</sup>

But it is also the worst of times for Ontario higher education, with today's students receiving a lower-quality education than the generations before them.

What will the class of 2018 face, if we don't reverse these trends?

A 2009 study projects that by 2027, the year today's newborns enter university, the price tag on an undergraduate degree will be \$137,013 for students living away from home, a substantial increase over the \$77,132 needed for the same student today.

## CONCLUSION

Education has significant public benefit. For every additional year of education a country's population attains, the economy reaps a three-to-six per cent increase in national per capita output.<sup>20</sup> Cash-strapped California, a jurisdiction which reaped the benefits (via the emergence of the Silicon Valley as a globally dominant innovator) of substantial public investment in higher education still funded students by \$12,886 each in 2008, compared to Ontario's \$7,956.

There is significant private benefit as well. OECD studies show adults with higher levels of education report enjoying "good" health are at least fairly interested in politics, and believe most people try to be fair"; that is, a healthier, more cohesive society.<sup>21</sup> University graduates contribute more to the tax base than those without degrees, and they draw less on public income transfers, such as social assistance.<sup>22</sup> Ontarians understand this, with more than 90 per cent agreeing with the statement, "College and university is an important opportunity to grow as a person."<sup>23</sup>

The challenge is to convince Ontario's social and political leaders to invest in postsecondary education at levels that reflect the province's tradition of offering its people accessible, affordable, quality learning opportunities.

We can have both high enrolment and high quality. Ontario's higher education system has been challenged before by intense pressures. Previous generations responded to those challenges with vision, wisdom, and generosity. In so doing, they left our post-secondary education system more accessible and of a higher quality than they found it.

## RECOMMENDATIONS:

1. Ontario needs to invest \$400 million more over five years so that universities can hire more full-time faculty, a measure which would begin to restore Ontario's traditional student-faculty ratios.

2. Ontario also needs to invest \$365 million more in operating funds over five years to allow infrastructure renewal, expansion of computing resources, and needed library enhancements.

Together, these investments represent an annual increase of \$153 million in each of five years.

This investment, so vital to restoring the quality and affordability –and intergenerational equity – of our university system, would still leave provincial investment in higher education below historic levels.

For example, it would raise the percentage of the Ontario Budget devoted to post-secondary education only very modestly, to 4.8 per cent, up from the current 4.7 per cent. Similarly, the percentage of Ontario GDP devoted to higher education would increase only fractionally, to 1.0 per cent up from the current 0.9 per cent of GDP.

3. To restore intergenerational equity, tuition fees in Ontario need to be frozen (with compensatory funding provided to universities) until students are no longer responsible for such a huge portion of university revenue.

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<sup>2</sup> Canadian Association of University Teachers, "The Economics of Access: The Fiscal Reality of PSE Costs for Low-Income Families," *CAUT Education Review*, June 2006.

<sup>3</sup> Canadian Federation of Students, "Wages Better and Tuition Lower When McGuinty Studied," February 1, 2007.

<sup>4</sup> Canadian Federation of Students, **Lower Tuition Fees for Lower Student Debt**, Fall 2004; Fred Hemmingway Consulting and Kathryn McMullen, Canadian Policy Research Networks. *A Family Affair: The Impact of Paying for College or University*; Canadian Millennium Scholarship Foundation, June 2004; Lori McElroy, *Student Aid and University Persistence: Does Debt Matter?* Canadian Millennium Scholarship Foundation, December 2005;

Hugh Mackenzie, *The Tuition Trap*, Ontario Confederation of University Faculty Associations, 2006; Canadian Association of University Teachers, *Submission to the Review of the Student Aid Program*, 2007.

<sup>5</sup> Anne Mott and Saul Schwartz, *Are Student Employment and Academic Success Linked*, Canadian Millennium Scholarship Foundation, Millennium Research Note #9, April 2009; Anne Kershaw, "U of T switches to controversial flat-fee tuition," *University Affairs*, June 15, 2009.

<sup>6</sup> Ryerson University Planning Office, *First-Year Student Survey*, 2007.

<sup>7</sup> Council of Ontario Universities, *Biennial Report 2006-2008*.

<sup>8</sup> E.A. Skinner and M.J. Belmont, "Motivation in the Classroom: Reciprocal Effects of Teacher Behavior and Student Engagement Across the School Year," *Journal of Educational Psychology*, 1993.

<sup>9</sup> National Survey of Student Engagement, *Annual Report*, 2005.

<sup>10</sup> US National Center for Education Statistics.

<sup>11</sup> Common University Data Ontario, university sites.

<sup>12</sup> Joseph Berger, Anne Motte, Andrew Parkin, eds., *The Price of Knowledge: Access and Student Finance in Canada*, Canadian Millennium Scholarship Foundation, November 2009.

<sup>13</sup> Organization for Economic Cooperation and Development, *Education at a Glance*, September, 2008.

<sup>14</sup> Hugh Mackenzie, *Deficit Mania in Perspective*, Canadian Centre for Policy Alternatives, February 2010

<sup>15</sup> Hugh Mackenzie, *Deficit Mania in Perspective*, Canadian Centre for Policy Alternatives, February 2010.

<sup>16</sup> Council of Ontario Universities, "Another jump in demand for Ontario universities," Media Release, January 18, 2010.

<sup>17</sup> Government of Ontario, "McGuinty Government Building tomorrow's Highly Skilled Workforce," Media Release, May 14, 2009.

<sup>18</sup> Joseph Berger, "Participation in Post-Secondary Education: Recent Trends," Canadian Millennium Scholarship Foundation, *The Price of Knowledge: Access and Student Finance in Canada*, November 2009.

<sup>19</sup> Norma Greenaway, *The Future Cost of a University Degree*, TD Bank Financial Group Special Report, October 15, 2009.

<sup>20</sup> Organization for Economic Cooperation and Development, "Education Levels Rise in OECD Countries but Low Attainments Still Hamper Some," Media Release, September 14, 2004.

<sup>21</sup> Organization for Economic Cooperation and Development, *Understanding the Social Outcomes of Learning*, 2007.

<sup>22</sup> Dhananjai Kholi, "Tuition Fees: The Debate Wages On," *The Medium Online: The Voice of the University of Toronto at Mississauga*, November 18, 2008.

<sup>23</sup> "Universities Not Only a Road to Jobs but Great Place to Grow as a Person," *Ontario This Month*, June 2008.