

# Continuing improvement in university finances, 2022/2023

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Revenue at Canadian universities rose by \$2.2 billion from one year earlier to \$47.5 billion in 2022/2023, while expenditures increased \$1.4 billion to \$45.1 billion.

All COVID-19 pandemic-related public health restrictions were lifted by the beginning of the 2022/2023 academic year, allowing for the full resumption of on-campus activities. This contributed to an increase in ancillary revenue, including that from residence halls, food services and parking. However, travel and utility costs increased.

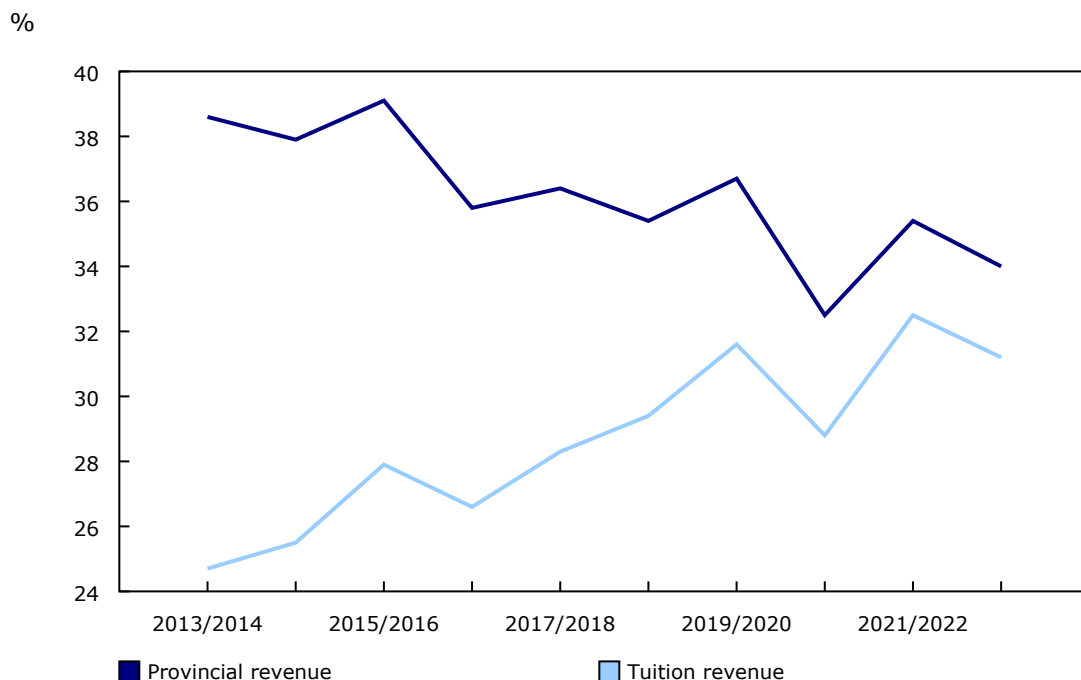
Dollar figures in this release are expressed in 2023 constant dollars to remove the effect of inflation and to enable comparisons over time.

The inflation rate of 4.3% in 2022/2023 resulted in higher operating costs for Canadian universities in terms of materials and supplies, maintenance, travel, furniture and equipment, and it followed a 6.7% increase in 2021/2022.

## Provinces remain the largest contributor to university revenue

The provinces accounted for just over one-third (34.0%) of university revenue in 2022/2023, down 1.4 percentage points from one year earlier and 4.6 percentage points lower than in 2013/2014, when they accounted for 38.6% of university revenue.

**Chart 1**  
Provincial funding and tuition revenue as share of total universities' revenue, 2013/2014 to 2022/2023



Source(s): Financial Information of Universities (FINUNI) (3121).

Nevertheless, provincial funding rose for the first time in three years, edging up 0.4% year over year to \$16.1 billion in 2022/2023. Nova Scotia (+19.6%) reported the largest increase in provincial funding, driven by capital and special projects. Other provinces and territories that saw an increase included Yukon (+9.5%), Quebec (+2.1%), New Brunswick (+1.4%) and British Columbia (+0.5%).

Conversely, provincial funding decreased in seven provinces in 2022/2023, ranging from a 1.1% decline in Ontario to a 7.4% drop in Newfoundland and Labrador.

Federal funding for universities increased 1.4% to \$4.8 billion in 2022/2023, following an 18.8% decrease in 2021/2022 due to the ending of federal research funding to support universities during the pandemic.

Federal funding increased at the fastest pace in Yukon (+172.8%) and Manitoba (+37.2%) in 2022/2023 as a result of new research grants. Federal funding was also up in Ontario (+7.3%) but declined in every other province.

### **The tuition revenue growth rate lags the pre-pandemic five-year average**

Tuition accounted for 31.2% of total university revenue in 2022/2023, down 1.3 percentage points from one year earlier. This decrease is out of step with the historical trend of tuition's increasing share of total revenue.

Tuition revenue rose 0.6% year over year to \$14.8 billion in 2022/2023. Despite [higher tuition fees for both Canadian and international students](#), the growth rate for tuition revenue in 2022/2023 remained well below the pre-pandemic five-year (2014/2015 to 2019/2020) average of 5.1%.

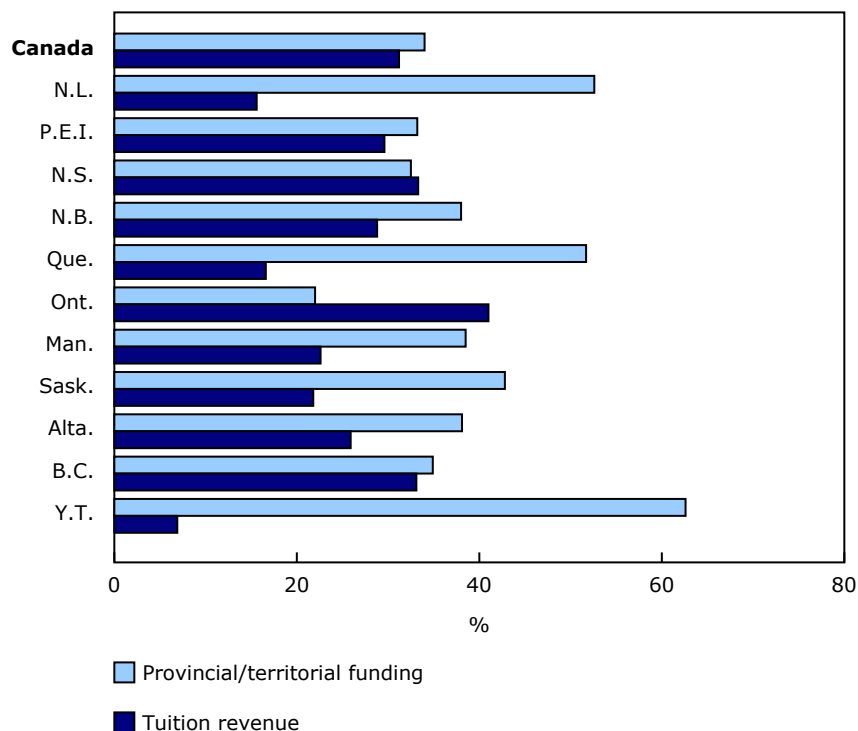
Tuition revenue in 2022/2023 rose at the fastest pace in Newfoundland and Labrador (+12.9%) and Alberta (+6.3%), while Yukon (-11.7%), Manitoba (-1.9%) and Ontario (-0.3%) saw the largest decreases.

### **Tuition is the largest source of revenue in Ontario and Nova Scotia**

In 2022/2023, tuition was the largest source of revenue for universities in Ontario (41.0%) and Nova Scotia (33.3%) and the lowest in Yukon (6.9%) and Newfoundland and Labrador (15.6%).

Conversely, among provinces and territories where tuition accounted for the smallest share of revenue in 2022/2023, provincial/territorial funding as a share of total revenue was highest. This was the case in Yukon (62.6%), Newfoundland and Labrador (52.6%) and Quebec (51.7%).

**Chart 2**  
**Provincial/territorial funding and tuition revenue as a share of total universities' revenue by geography, 2022/2023**



Source(s): Financial Information of Universities (FINUNI) (3121).

### Ontario drives the increase in investment revenue

Interest revenue from investments rose by \$1.2 billion year over year to \$2.1 billion in 2022/2023. Ontario (+\$1.1 billion) accounted for over 90.0% of this increase.

Conversely, Manitoba (-46.9%), Nova Scotia (-30.3%), Alberta (-22.2%), Newfoundland and Labrador (-16.4%) and British Columbia (-11.3%) reported a decrease in interest revenue in 2022/2023.

Investment returns accounted for over half (54.3%) of the increase in total university revenue in 2022/2023.

Investment revenue accounted for 4.4% of university revenue in 2022/2023, down from the record high of 11.7% in 2020/2021.

### More product- and service-based revenue

Ancillary revenue rose from 6.0% of total revenue in 2021/2022 to 6.9% in 2022/2023, reaching \$3.3 billion. Ancillary revenue was up across Canada, with increases ranging from 9.4% in Alberta to 28.6% in Nova Scotia. The complete resumption of on-campus activities undoubtedly contributed to higher ancillary revenue.

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## Campus activity-related expenses, including utilities, grow at fastest pace

The re-opening of campuses and the lifting of all travel restrictions post-pandemic contributed to an increase in ancillary expenditures in 2022/2023. Travel expenses (+193.4% to \$689.6 million) over doubled, while product- and service-based costs increased 16.8% to \$411.1 million.

Utility costs rose 11.8% to \$784.0 million, mostly due to increased activity on campus and higher energy prices. Universities in Newfoundland and Labrador, Saskatchewan, Alberta and Yukon saw the largest increases in utility expenses.

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### Note to readers

*All dollar figures in this release are expressed in 2023 constant dollars to factor in inflation and enable comparisons across time in real terms.*

*Data for this release include degree-granting institutions; i.e., universities and degree-granting colleges in Canada.*

*In 2022/2023, Yukon University ratified a new collective agreement that reclassified staff positions and led to changes in the salary structure.*

*In some cases, university surpluses generated from increases in investment revenue are designated for specific purposes other than funding their operational budgets.*

*Minor discrepancies may be noted in some data points due to rounding.*

*Caution should be taken in comparing provinces directly, as provinces have different funding formulas and mechanisms.*

**Available tables:** [37-10-0026-01](#) and [37-10-0027-01](#).

**Definitions, data sources and methods:** survey number [3121](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).