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Fact Sheet

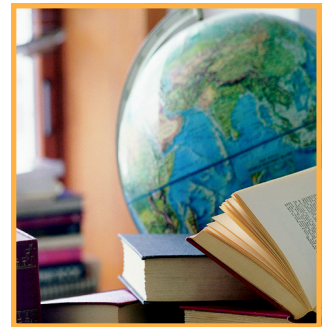
Education Indicators in Canada

Spending on Postsecondary Education

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Note of appreciation

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Spending on Postsecondary Education

In Canada, a public education is available free to all residents until the end of secondary school (up to a certain age depending on the province or territory). Funding from governments covers most costs for a public elementary and secondary education, but families usually have out-of-pocket expenses for their children's school supplies and school-related activities. As students move on to postsecondary education, costs can rise considerably. Although postsecondary institutions receive substantial government funding, student tuition fees are one of their most important sources of private funding. At the same time, the students who pay those tuition fees can also face many additional costs for other items related to their postsecondary education. Rising expenses on both sides have inspired much debate over the appropriate balance for this shared public-private responsibility at the postsecondary level.

This fact sheet offers brief outlines of spending on postsecondary education,¹ based on data from three different Statistics Canada surveys (see Table 1). Information is presented for Canada and the provinces.

1. The first fact sheet in the Pan-Canadian Education Indicators Program (PCEIP) series, *Household Spending on Education*, highlighted Canadian household expenses for educational expenses such as supplies, textbooks, and tuition costs at the pre-elementary and elementary-secondary, and postsecondary levels in 2007.

Table 1
A brief outline of three surveys that provide data for
Indicator B2: Public and private expenditures on education

The information presented in this fact sheet is from the following Statistics Canada surveys, which provide some of the data for **Indicator B2: Public and private expenditures on education**, part of the Pan-Canadian Education Indicators Program (PCEIP).

Indicator B2: Public and private expenditures on education	Average expenditures per household	Average university tuition fees	University revenues
PCEIP table(s)	Table B.2.7	Table B.2.9 and Table B.2.11	Table B.2.12
Data source and description	<p>Survey of Household Spending (SHS)</p> <p>The main purpose of the SHS is to obtain detailed information about household spending on consumer goods and services.</p>	<p>Tuition and Living Accommodation Costs for Full-time Students at Canadian Degree-granting Institutions (TLAC)</p> <p>TLAC was developed to provide student financial information on all universities and degree-granting colleges in Canada.</p>	<p>Financial Information of Universities and Colleges Survey (FIUC)</p> <p>The FIUC survey collects information on income and expenditures for all universities and degree-granting colleges in Canada.</p>
Tuition/Student fees	<p>Respondents are asked to report total household expenses for tuition fees. For postsecondary education, they are asked to report how much was spent on tuition fees for “university, trade and professional courses” (including colleges/CEGEP).</p>	<p>Cost of tuition for full-time Canadian undergraduate or graduate students (foreign students are not included). Compulsory fees (e.g., for athletics, health services and student associations) are not included.</p>	<p>Payments obtained from students directly in the form of tuition (credit and non-credit courses) and other fees.</p>
Target population	<p>Private households in Canada (all household members). Individuals temporarily living away from their families (e.g., students at university) are counted as members of their household in their originating province.</p>	<p>All publicly funded degree-granting institutions in Canada. (Privately funded institutions with degree-granting authority are excluded.)</p>	<p>All publicly funded degree-granting institutions (universities and colleges) in Canada.</p>
Reference period	Calendar year	Academic year	Academic year
Data collection	Data are collected directly from survey respondents during personal interviews.	Data are collected annually via questionnaire completed by the registrar or business office at the institution.	Data are collected annually, directly from survey respondents and via extractions from administrative files.
For more information	<p>Handbook for the Pan-Canadian Education Indicators Program, Average expenditures per household</p> <p>Survey number 3508 http://www.statcan.gc.ca/survey-enquete/household-menages/3508-eng.htm</p>	<p>Handbook for the Pan-Canadian Education Indicators Program, Average university tuition fees</p> <p>Survey number 3123 http://www.statcan.gc.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&SDDS=3123&lang=en&db=imdb&adm=8&dis=2</p>	<p>Handbook for the Pan-Canadian Education Indicators Program, University revenues</p> <p>Survey number 3121 http://www.statcan.gc.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&SDDS=3121&lang=en&db=imdb&adm=8&dis=2</p>

Expenditures per household

According to data from the Survey of Household Spending (SHS), total average household spending in Canada was \$71,117 in 2009 (Table 2).² This estimate is based on reported expenses for all household members, including costs for the major spending categories of food, shelter, clothing, transportation, and personal taxes.

Although the SHS was not designed to collect information specifically on education expenses (see Table 1), it does ask respondents to report household expenditures on education. In 2009, about one-third of households (33%) reported such expenditures, and 17% said they had incurred costs for postsecondary tuition (Table B.2.7). At the Canada level, the average expenditure on postsecondary tuition for these households was \$4,674 (Table 2). This average for total household—not individual—spending on postsecondary tuition (fees for university, trade and professional courses), represented close to 5% of total average household expenditures among those Canadian households that reported such expenses.³ The total average household spending for those households that reported postsecondary tuition expenditures in 2009 was about \$30,000 higher, on average, than the total average household spending for all households in Canada.

2. For more information, see “Survey of Household Spending” in the December 17, 2010 edition of *The Daily*.

3. Although some provinces may have higher average postsecondary tuition fees than others, the SHS averages per household reporting such expenditures represent total household—not individual—spending on tuition. They also do not necessarily represent fees paid to attend a postsecondary institution in the particular province. For example, higher averages for household spending could reflect higher tuition fees for a household member pursuing a Master’s degree in another province or perhaps a program at a higher-cost university outside of Canada. In other cases, total household expenditures may contain expenses for two or more household members in full-time postsecondary education, or for household members who are foreign students paying higher foreign tuition fees.

Table 2
Household expenditures, all households and those reporting expenditures for postsecondary tuition¹, Canada and provinces, 2009

	Households reporting postsecondary tuition				
	All households	Total average household expenditures ²	Household expenditure on postsecondary tuition		
			Average	As proportion of total	Median
	dollars	dollars	dollars	percent	dollars
Canada	71,117	100,547	4,674	4.6	2,500
Newfoundland and Labrador	57,605	84,711	3,018	3.6	2,000
Prince Edward Island	56,896	76,494	4,399	5.8	3,000
Nova Scotia	60,867	93,417	4,927	5.3	3,000
New Brunswick	61,212	85,774	5,170	6.0	4,500
Quebec	60,125	84,764	2,013	2.4	900
Ontario	76,577	110,243	5,676	5.1	4,000
Manitoba	66,608	86,136	3,466	4.0	2,500
Saskatchewan	69,377	93,657	4,606	4.9	4,000
Alberta	84,976	120,858	4,750	3.9	3,000
British Columbia	73,571	92,364	6,346	6.9	3,500

1. Reflects total household (not individual) spending on postsecondary tuition fees as defined in the Survey of Household Spending (SHS): university, trade and professional courses (including colleges and CEGEPs).

2. Among households that reported incurring expenditures for postsecondary tuition.

Notes: "Total average household expenditures" are based on reported household spending for all household members, including costs for the major categories of food, shelter, clothing, transportation, and personal taxes. These figures would include any reported expenditures for education, including postsecondary tuition as defined in the Survey of Household Spending. Since 1999, the Survey of Household Spending (SHS) has included households in the territories in every odd-numbered year. The Canada-level averages presented for 2009 represent data for the 10 provinces and the territories (see PCEIP Table B.2.7).

Source: Statistics Canada, Survey of Household Spending.

The SHS estimates for average household spending on postsecondary tuition varied across the provinces in 2009, with the figures for most in the \$3,000-to-\$5,000 range (Table 2). The lowest average, seen in Quebec, reflects a postsecondary education system that includes CEGEPs, the majority of which are public programs with very low tuition fees, as well as relatively low university tuition fees. Average expenditures on the opposite, or higher end, reflect higher total tuition costs in a household.

Examining the median expenditures per household offers a different perspective. When households are ranked from lowest to highest tuition expenditures, the median is the value of tuition expenditures that separates the households in two groups of equal numbers (50% of households have tuition expenditures lower than this amount and 50% have higher amounts). When comparing the provinces according to the differences between the average and the median, higher tuition expenditures experienced by some households in a province may result in a larger difference between the two measures in that province compared with another where the tuition fees incurred are more homogenous. The differences between the average and median expenditures for this 2009 snapshot of total household spending on postsecondary tuition are most noticeable in British Columbia, and much less pronounced in Saskatchewan and New Brunswick (Table 2).

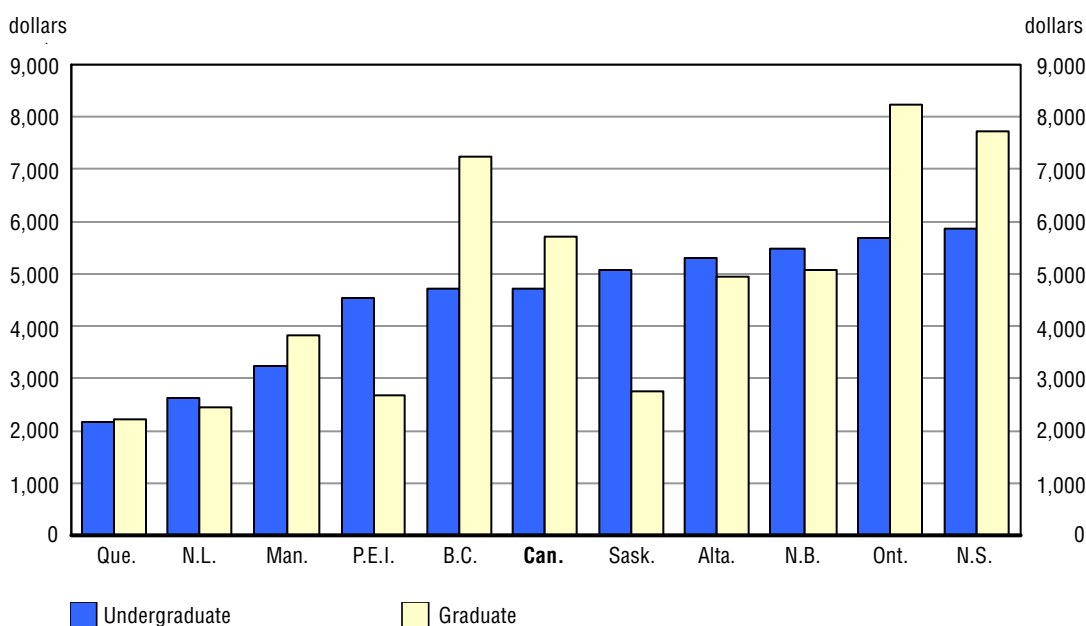
Average university tuition fees

According to the Tuition and Living Accommodation Costs for Full-time Students at Canadian Degree-granting Institutions (TLAC) survey (see Table 1), average undergraduate tuition fees⁴ in Canada were \$4,747 for the 2008/2009 academic year (Chart 1; Table B.2.9).⁵ Although this figure is similar to the SHS figure for average household spending on postsecondary tuition in 2009, the two averages are not directly comparable. TLAC fees reflect the cost of tuition only and do not include additional compulsory fees.

TLAC also presents average tuition fees for graduate students, which were \$5,737 in 2008/2009.⁶ Quebec, along with Newfoundland and Labrador, had the lowest average tuition fees overall—for both undergraduates and graduates—in 2008/2009. Graduate tuition fees were higher than the national average in Ontario, Nova Scotia and British Columbia. Graduate tuition fees were typically higher, sometimes considerably more so, than undergraduate fees in half of the provinces.

Chart 1

Average undergraduate and graduate university tuition fees,¹ full-time Canadian students, Canada and provinces, 2008/2009



1. Tuition data do not include additional compulsory fees such as those for athletics, health services or student associations. Fees for foreign students are not included.

Source: Statistics Canada, Tuition and Living Accommodation Costs for Full-time Students at Canadian Degree-granting Institutions Survey (TLAC).

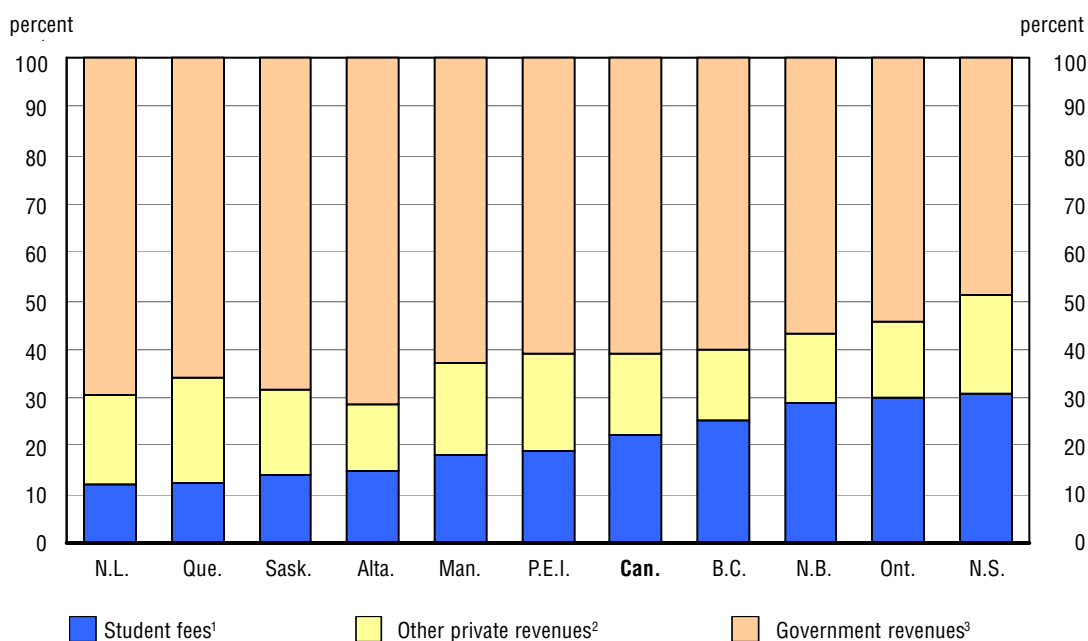
4. Tuition fee amounts in this section reflect tuition paid by one student for one year of studies.
 5. Data for 2008/2009 are used to provide similar timelines for the survey results reported in this fact sheet; however, TLAC data for the 2006/2007 through 2010/2011 academic years are presented in PCEIP Table B.2.9, which was published on December 13, 2010. TLAC data for the 2011/2012 academic year are scheduled for release in mid-September 2011.
 6. Since the tuition for some MBA programs (Executive Masters of Business Administration and Regular Masters of Business Administration) can be substantial and can therefore inflate average tuition costs, those fees are not included in the TLAC averages.

University revenues

The majority of revenues at Canadian publicly funded postsecondary institutions⁷ are from public sources, reflecting government funding from all levels. According to the Financial Information of Universities and Colleges (FIUC) survey (see Table 1), university revenues from public sources comprised about 61% of total university revenues for the 2008/2009 academic year (Chart 2; Table B.2.12). The remaining 39% was from private sources and more than half of this portion (22%) was from student fees (tuition and other fees).

Chart 2

University revenues from private sources (including student fees) and government sources, as proportions of total university revenues, Canada and provinces, 2008/2009



1. Student fees, which comprise part of private revenues, are payments obtained from students directly in the form of tuition (credit and non-credit courses) and other fees.
2. Private revenues are those obtained from any source other than government: student fees; non-government grants and contracts, donations and bequests; sales; investment; and miscellaneous.
3. Government revenues refers to grants and contracts from government departments and agencies at the federal, provincial, municipal and foreign levels.

Source: Statistics Canada, Financial Information of Universities and Colleges Survey.

7. Includes government-sponsored research revenues and may differ from figures released by provinces.

In 2008/2009, the proportions of government, or public, funding for postsecondary education revenues ranged from 49% in Nova Scotia to 72% in Alberta. These proportions were also relatively high in Saskatchewan (68%) and Newfoundland and Labrador (69%). Although the proportions from student fees were relatively low in Saskatchewan and Alberta (between 14% and 15%), the lowest figures (around 12%) were in Newfoundland and Labrador and Quebec⁸. As noted earlier, undergraduate and graduate tuition fees in 2008/2009 were lowest in these two provinces. In Manitoba, Prince Edward Island and British Columbia, around 60% of university revenues were from government sources, but the proportions of private funds from student fees varied, from approximately half in Manitoba and Prince Edward Island to two-thirds in New Brunswick. Nova Scotia, Ontario and New Brunswick, which had relatively lower funding from government sources (all below 60%), received the highest proportions of private funding from student fees, around 30% in all three cases.

Postsecondary education financing

The three short snapshots of spending on postsecondary education in this fact sheet merely hint at some of the complexities that must be taken into account when exploring any cost issue related to education, particularly at the postsecondary level. The surveys used for this fact sheet have related, yet different objectives, and thus yield related results that provide information from different perspectives. Such differences, along with the implications of the actions of several levels of government and other aspects of individual spending, should be considered in any examination of spending on postsecondary education.

Acknowledgements

We would like to acknowledge the work of the Pan-Canadian Education Indicators Program (PCEIP) team at Statistics Canada and the Council of Ministers of Education, Canada (CMEC) Secretariat, as well as the assistance of the provincial-territorial members of the Strategic Management Committee of the Canadian Education Statistics Council in reviewing all the material.

8. It is relevant to note that 2008/2009 was rather an atypical year. Due to the financial crisis that substantially reduced the value of endowment funds, several Canadian universities declared significant losses in the category of investment revenues, thereby altering the relative contribution of the different sources of financial revenues at universities.