COLLEGES ONTARIO | COLLÈGES ONTARIO

2006 Environmental Scan

Complete Document

655 Bay Street, Suite 1010, Toronto ON, M5G 2K4
t: 416.596.0744 f: 416.596.2364
www.collegesontario.org

2006
ENVIRONMENTAL SCAN

ASSOCIATION OF COLLEGES OF APPLIED ARTS
AND TECHNOLOGY OF ONTARIO

2006
ENVIRONMENTAL SCAN

Association of Colleges of Applied Arts and Technology of Ontario
Association des collèges d'arts appliqués et de technologie de l'Ontario

Suite 1010, 655 Bay Street, Toronto, Ontario, M5G 2K4
Tel: (416) 596-0744 • Fax: (416) 596-2364
www.acaato.on.ca

May 2006

ENVIRONMENTAL SCAN 2006

CONTENTS

INTRODUCTION

The Association of Colleges of Applied Arts and Technology of Ontario (ACAATO) is pleased to present the *2006 Environmental Scan.*

The 2006 Environmental Scan provides an aggregate synopsis of the key trends which will impact on Ontario's Colleges of Applied Arts and Technology in the future and will assist colleges in their advocacy and strategic planning processes. References to detailed studies and useful websites have been provided where possible to enable users to find further, more detailed information on those areas of interest.

The 2006 Environmental Scan, along with prior years' versions of the Scan, is also available on the ACAATO website at:

http://www.acaato.on.ca

ACAATO has prepared the 2006 Environmental Scan on your behalf and we welcome your feedback on the usefulness of this document in your advocacy and planning activities. A Feedback Form is also provided at the end of the Scan for your convenience.

Bill Summers
Senior Director

Caroline Donkin
Director, Member Services

STUDENT AND GRADUATE PROFILES

Section One

1.0 HIGHLIGHTS

FLOW-THROUGH FROM SECONDARY TO POSTSECONDARY EDUCATION

- 19 per cent of the grade 9 cohort in 1999-2000 went to college after four or five years of high school and one third went to university.
- In 2001, 79 per cent of surveyed Ontarian 22 year olds had participated in PSE.

NUMBER OF ONTARIO COLLEGE APPLICANTS, STUDENTS, AND GRADUATES

- For the 2004-05 academic year, there were 158, 418 distinct applicants, a drop of 4.5 per cent from the previous year
- The total funded full time equivalent enrolment in Ontario's CAATs in 2004-05 was 182,682 (including part time and tuition short). Between 1989 and 2004, full-time college enrolment increased by 67 per cent with full-time equivalent (FTE) enrolment (including part-time activity) increasing by 51 per cent.
- From 1999-2000 to 2004-05, the total number of apprentices enrolled in CAATs increased by 21.9 per cent, from 19,788 to 24,124, comprising 87.7 per cent of total apprentices.
- In 2003-04, the number of graduates in Ontario continued to steadily climb, reaching 56,761.[1] The number of graduates has increased by 74 per cent since 1993-1994 and increased by 8.6 per cent over last year.

LEARNER DEMOGRAPHICS

- The average age of applicants has held fairly steady since 1995 at 22.7 years; the average age of non-secondary applicants is 24.8 and secondary applicants is 19.5.
- About two thirds of graduates are 25 years of age or under, with almost 19 per cent over 30 years of age.
- Twenty-five percent of surveyed applicants in 2005 had a household income of less than $29,999 (15 per cent under 20,000) and 53 per cent had incomes below $60,000. In contrast, the Ontario population (in 2001) had only 16 per cent of households earning less than $30,000.
- When compared to a comparative age group in Ontario, parents of those who applied to or who are attending college are more likely to have graduated high school and less likely to have attained a postsecondary credential.
- 36 per cent of college students have had previous postsecondary education, 16 per cent of whom previously attained a college or university credential (9 per cent college, 7 per cent university).
- Applicants to Ontario's colleges traditionally come from smaller communities than the Ontario population as a whole, with 42 per cent coming from communities of under 50,000 in 2005. This compares with only 28 per cent for the Ontario population, based on the 2001 census.

[1] Data released by MTCU in April 2006 showed that there were 59,510 graduates in 2004-05, an increase of 4.8% over 2003-04.

- The first language for 80 per cent of college students was English; five per cent was French, and 15 per cent was other.
- Eighteen per cent of surveyed college applicants in 2005 were not born in Canada, and a further 11 per cent were first generation Canadians.
- In the 2005 Ontario College Applicant Survey, 6.3 per cent of surveyed applicants indicated they had a disability.
- For the 2003-2004 graduates, 67 per cent were working either full or part time and 21 per cent had returned to school full time six months after graduation.
- The highest employment rate was in the health sector (92.7 per cent) and the lowest were in the business and technology sectors, which were similar at 85 per cent.
- 93 per cent of Ontario college graduates (class of 2000) who had entered the labour force were employed two years after graduation, similar to the university (bachelors) graduates' rate of 94 per cent.
- On average between 2000 and 2004, 95 per cent of diploma or certificate holders in the Ontario labour force were employed.

FURTHER EDUCATION OF ONTARIO COLLEGE GRADUATES

- For the 2003-04 graduates, 21 per cent had resumed full-time studies within six months after graduation; a further 4 per cent resumed part-time studies.
- The highest proportion resuming studies were graduates from the applied arts (29.7 per cent) sector and the lowest in the health sector (7.2 per cent).
- In 2004, Ontario had the country's third highest PSE attainment rate (including apprenticeship/ trades) in the population aged 25-44, at 62.4 per cent, behind Nova Scotia and Quebec.

LIFELONG LEARNERS IN ONTARIO'S COLLEGES

- The proportion of students whose first language is other than English or French has continued to grow. It has increased from 16 per cent in 1996 to 26 per cent in 2005.
- Female CE students continue to outnumber male CE students 65 per cent to 35 per cent. This has changed little since 1996, when 64 per cent were female.
- 59 per cent of CE students are between 25 to 44 years old, with 25 per cent are 45 years and older.
- Sixty-seven per cent of students stated they were taking CE courses for career- related reasons, slightly higher than in 2002, which stood at 64 per cent.

2.0 LEARNERS AND LEARNER PROFILES

This section includes data on applicants, students (including apprentices, and continuing education students) in and graduates of Ontario's Colleges of Applied Arts and Technology. Where applicable, data from the general population, the rest of Canada, or universities is included as a reference group.

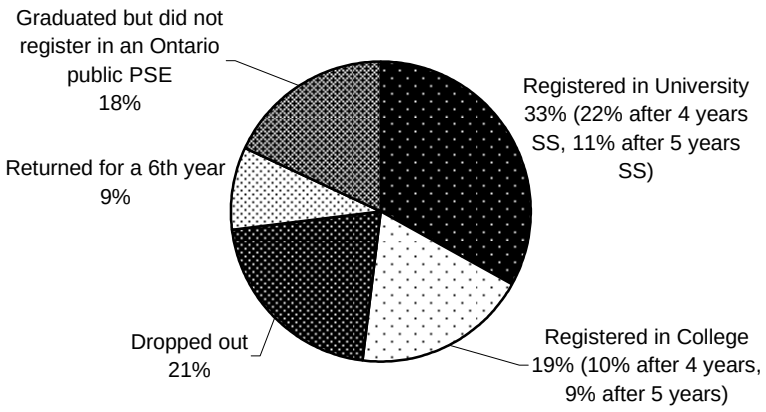
2.1 Flow-through from Secondary School to Postsecondary

2.1.1 Double Cohort Study, Phase 4[1]

Phase four of the Double Cohort Study (King, 2005) provides information on the first cohort to go through Ontario's reorganized high school program. Using the students who were in grade 9 in 1999-2000 as a base, graduation rates and postsecondary pathways to college and university were tracked. Only 57 per cent of the first cohort completed high school within four years, far lower that of other provinces. After five years, 70 per cent of the cohort had graduated. One third of the cohort went to university, either after four or five years of high school, and 19 per cent went to college. Those going to college were evenly split between four-and five-year graduates. A significant proportion (nine per cent) of the cohort returned for a sixth year, a proportion of whom may go directly on to college after graduation.

Figure 1

First New Cohort in Reorganized Program
(Five year outcome of the 1999-2000 cohort of grade 9 students)

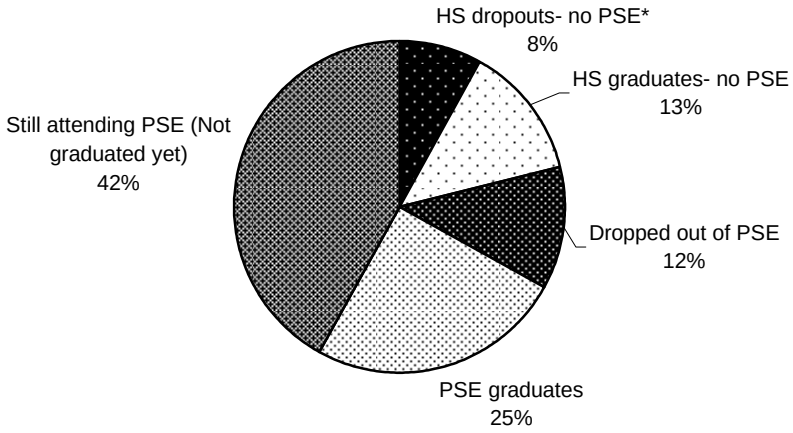


Data adapted from the Double Cohort Study, Report 4, 2005

2.1.2 Youth in Transition Survey

The Double Cohort Study provides important information on the proportions of high school students who directly enter postsecondary education (PSE). However, particularly for college, the majority of students do not come directly from high school. Only 43 per cent of registrants in fall 2004 (including adult day schools) came directly from high school (OCAS data). In contrast to the 52 per cent of high school students shown in the Double Cohort Study to have gone directly to an Ontario public college or university, data on the postsecondary experiences of 22 year olds in Ontario showed that 79 per cent in 2001 had participated in PSE.

Figure 2: Postsecondary Status of Ontarians Aged 22 (who were no longer in High School), December 2001



* A significant proportion of HS dropouts go on to PSE without a diploma (18% at a national level)

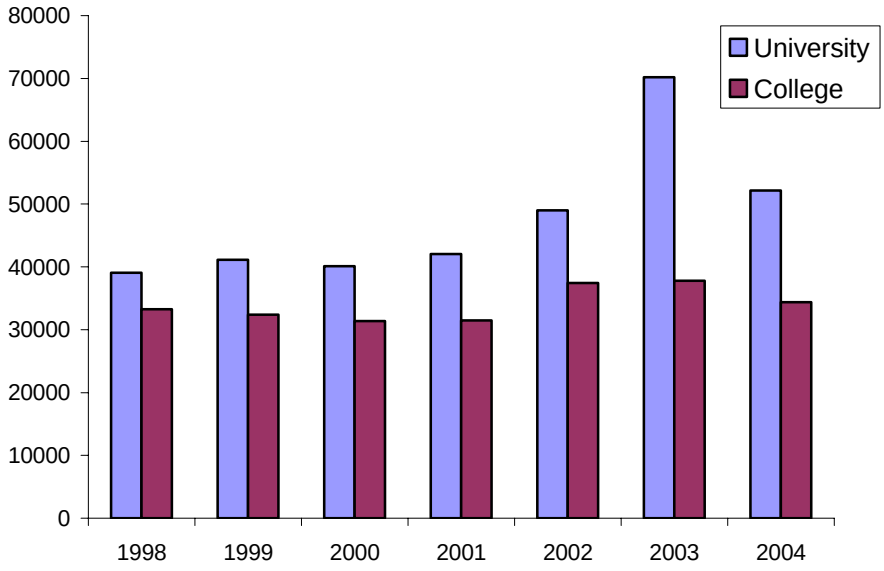
Source: Youth in Transition Survey, Statistics Canada, 2004

2.1.3 College and University Registrant data

First-year registrant data for Ontario's colleges and universities demonstrates that since 1998, the numbers of students coming directly from high school and entering first year university (fall semester) has increased by 33 per cent while, the number of college registrants has increased only three per cent.

- In the fall of 1998, of high school students going directly on to PSE, 54 per cent went directly to university, versus 46 per cent to college.
- By the double cohort year (2003-04), the share going to university increased to 65 per cent, and subsequently dropped to 59 per cent in 2004-2005.
- Preliminary data for Fall 2005 from Ontario Universities' Application Centre (OUAC) and Ontario Colleges Application Services (OCAS) confirmation statistics shows the relative share for secondary students going directly to university to be similar to 2004 at 59 per cent.

Figure 3: Numbers of First-Year Fall Registrants Coming Directly from High School into Ontario's Colleges and Universities, 1998-2004



Source: Ontario College Application Services and the Council of Ontario Universities "Facts and Figures, 2005"

2.2 Number of Ontario College Applicants, Students, and Graduates

2.2.1 Number of Applicants

For the 2004-05 academic year, there were 158,418 distinct applicants, a drop of 4.5 per cent from the previous year. The double cohort in 2003-04 was primarily attributable as shown by the high number of applicants applying directly from secondary school that year.

Table 1: Full-Time Secondary/Non-Secondary CAAT Applicants*

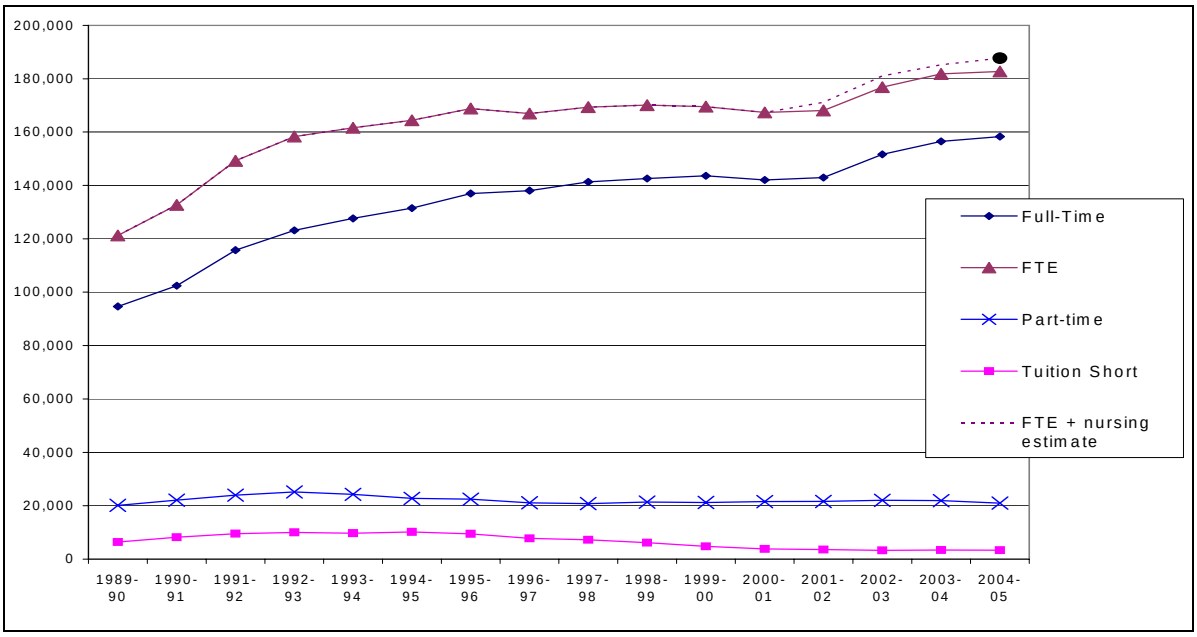
Year	Non-Secondary Applicants		Secondary Applicants		Total Applicants
	Number	% of total	Number	% of total	
1995-96	100,282	63.9%	56,589	36.1%	156,871
1996-97	92,974	60.8%	60,036	39.2%	153,010
1997-98	95,683	61.9%	58,983	38.1%	154,666
1998-99	95,013	62.0%	58,256	38.0%	153,269
1999-00	90,420	62.0%	55,336	38.0%	145,756
2000-01	91,199	62.7%	54,357	37.3%	145,556
2001-02	93,725	63.35%	54,248	36.7%	147,973
2002-03	94,643	59.4%	64,673	40.6%	159,316
2003-04	97,159	58.65%	68,579	41.4%	165,738
2004-05	97,120	61.3%	61,298	38.7%	158,418

* Fall/Winter/Spring intake
Source: Ontario College Application Services
Non-secondary: applicants not applying directly from high school
Secondary: applicants applying directly from high school (includes School board-run adult day schools)

2.2.2 Ontario College Student Enrolments

Between 1989 and 2004, full-time college enrolment increased by 67 per cent with full-time equivalent (FTE) enrolment (including part-time activity) increasing by 51 per cent. (With the inclusion of separately funded collaborative nursing enrolment, the FTE enrolment increased 55 per cent between 1989 and 2004.)

Figure 4: Full-Time, Part-time, Tuition-Short and Total FTE College Enrolment 1989-90 to 2004-05



Source: Ontario Ministry of Training, Colleges and Universities, February 2006

Note:

1. Full Time Equivalent (FTE) is the total funded activity (General Purpose Operating Grant, GPOG). It excludes separately funded nursing enrolment for the years 2001-02 to 2004-05.
2. FTE + nursing is the FTE plus estimated collaborative nursing FTE for the years 2001-02 to 2004-05. In 2004-05, the college share of collaborative nursing programs was estimated to be, 5000 FTE, based on individual reporting from colleges.
3. Tuition Short Programs are programs that are generally less than 52 weeks in duration.

2.2.2.1 Enrolment by College

Table 2: Total FTE Enrolment by College

	2002-03		2003-04		2004-05	
Institution	**Total FTE**	**% of Total**	**Total FTE**	**% of Total**	**Total FTE**	**% of Total**
Algonquin	13,564	7.7%	14,449	7.9%	14,827	8.1%
Boréal	1,289	0.7%	1,491	0.8%	1,660	0.9%
Cambrian	4,395	2.5%	4,503	2.5%	4,417	2.4%
Canadore	2,814	1.6%	2,811	1.5%	3,027	1.7%
Centennial	11,858	6.7%	11,468	6.3%	10,540	5.8%
Conestoga	6,610	3.7%	6,737	3.7%	6,909	3.8%
Confederation	3,143	1.8%	3,251	1.8%	3,180	1.7%
Durham	6,596	3.7%	6,905	3.8%	6,848	3.7%
Fanshawe	12,187	6.9%	12,674	7.0%	12,390	6.8%
George Brown	12,427	7.0%	14,019	7.7%	14,841	8.1%
Georgian	6,796	3.8%	6,785	3.7%	6,799	3.7%
Humber	14,494	8.2%	15,175	8.3%	15,779	8.6%
La Cité	3,416	1.9%	3,461	1.9%	3,367	1.8%
Lambton	2,425	1.4%	2,393	1.3%	2,349	1.3%
Loyalist	3,315	1.9%	3,343	1.8%	3,090	1.7%
Mohawk	10,627	6.0%	10,783	5.9%	10,464	5.7%
Niagara	6,588	3.7%	6,780	3.7%	6,866	3.8%
Northern	1,611	0.9%	1,554	0.9%	1,492	0.8%
St.Clair	7,105	4.0%	7,179	3.9%	7,158	3.9%
St.Lawrence	5,121	2.9%	5,286	2.9%	5,384	2.9%
Sault	2,259	1.3%	2,274	1.3%	2,341	1.3%
Seneca	18,405	10.4%	18,722	10.3%	19,062	10.4%
Sheridan	13,610	7.7%	13,393	7.4%	13,571	7.4%
Fleming	6,207	3.5%	6,348	3.5%	6,320	3.5%
Total	**176,861**	**100.0%**	**181,783**	**100.0%**	**182,682**	**100.0%**

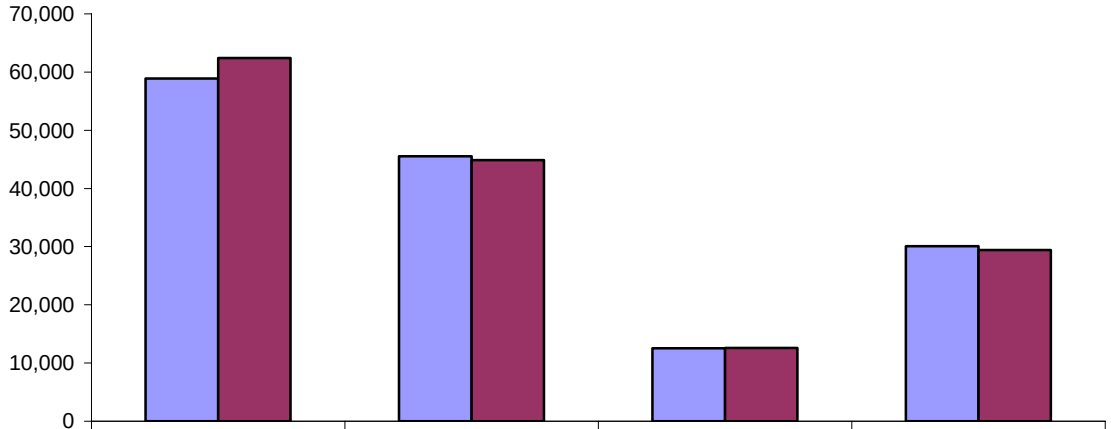
Source: MTCU Audited Actuals, February, 2006
Data excludes enrolment in the Final Diploma Nursing Program and the Collaborative Nursing Baccalaureate Program.

Further FTE enrolment data in relation to funding is available in Appendix 1, Section Four, College Resources.

2.2.2.2 Enrolment by Study Area

Although overall, full-time, fall head count enrolment was stable over last year, increases were seen only in the arts area (+5.7 per cent), with declines in business (-1.5 per cent), health (-0.3 per cent) and the technology area (-2.3 per cent), which had the largest decline. As a proportion of the total full-time head count, arts programs made up 42 per cent, followed by business (30 per cent) technology (20 per cent) and health (8.4 per cent).

Figure 5. Fall, Full time College Head Count by Study Area



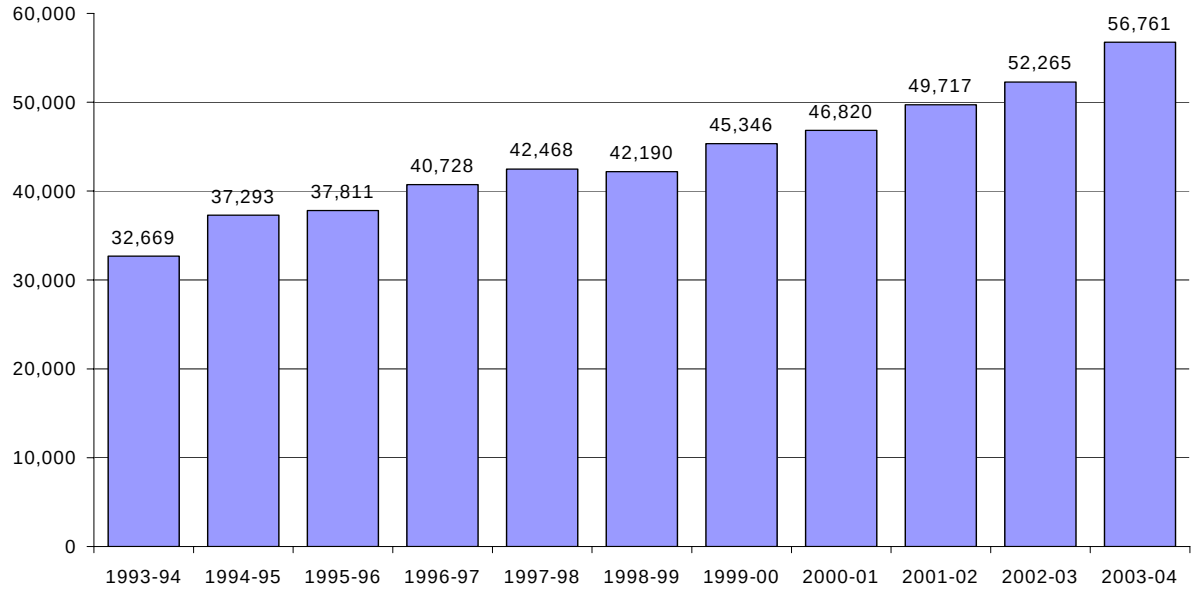
	Arts	Business	Health	Technology
2003-04	58,898	45,525	12,541	30,093
2004-05	62,425	44,873	12,581	29,432

Source: Ontario Ministry of Training, Colleges and Universities, February, 2006

2.2.3 Number of Ontario College Graduates

In 2003-04, the number of graduates in Ontario continued to steadily climb, reaching 56,761. The number of graduates has increased by 74 per cent since 1993-1994 and increased by 8.6 per cent over last year. Two-year programs produced the most graduates (47 per cent), followed by three-year programs (27 per cent). One-year certificate programs produced 18 per cent of the graduates, followed by eight per cent from post-graduate programs.

Figure 6: Total Number of Ontario College Graduates 1994-2004



Source: Ontario Ministry of Training, Colleges and Universities, Colleges Branch

Table 3. Number of Graduates by College and Semester of Graduation, 2003-04

College	Summer 2003	Fall 2003	Winter 2004	Total
Algonquin	741	405	2,994	4,140
Boréal	110	114	327	551
Cambrian	288	120	1,307	1,715
Canadore	259	53	725	1,037
Centennial	482	793	2,238	3,513
Confederation	132	27	994	1,153
Conestoga	342	320	1,118	1,780
Durham	224	118	1,623	1,965
Fanshawe	937	503	2,484	3,924
Fleming	260	265	1,722	2,247
Georgian	981	215	949	2,145
George Brown	1,086	460	2,867	4,413
Humber	808	662	3,048	4,518
La Cité	226	71	724	1,021
Lambton	177	73	667	917
Loyalist	46	91	1,055	1,192
Mohawk	878	763	1,782	3,423
Niagara	301	167	1,651	2,119
Northern	67	98	609	774
Sault	87	25	563	675
Seneca	1,077	885	2,925	4,887
Sheridan	540	636	3,159	4,335
St. Lawrence	464	168	1,257	1,889
St. Clair	374	301	1,753	2,428
Total	**10,887**	**7,333**	**38,541**	**56,761**
	(19%)	(13%)	(68%)	

Source: Ministry of Training, Colleges and Universities, Colleges Branch, 2005

For a complete list of the number of graduates by occupational cluster, please see Appendix 1.

2.2.4 Learner Demographics

2.2.4.1 Gender

In general, females outnumber males in Ontario's colleges, but not to the extent currently seen in Ontario's universities (57 per cent female to 43 per cent male). In the 2004-05 academic year, the proportions were:

Applicants: 54 per cent female; 46 per cent male (OCAS)
Registrants: 53 per cent female; 47 per cent male (OCAS) (First year)
Students: (all years) 54 per cent female; 46 per cent male (Student Satisfaction Survey)

Graduates: The gender ratio for graduates has differed from that of applicants and students for the past three years (2001-2004), with 60 per cent of the graduates being female and 40 per cent male.

2.2.4.2 Age

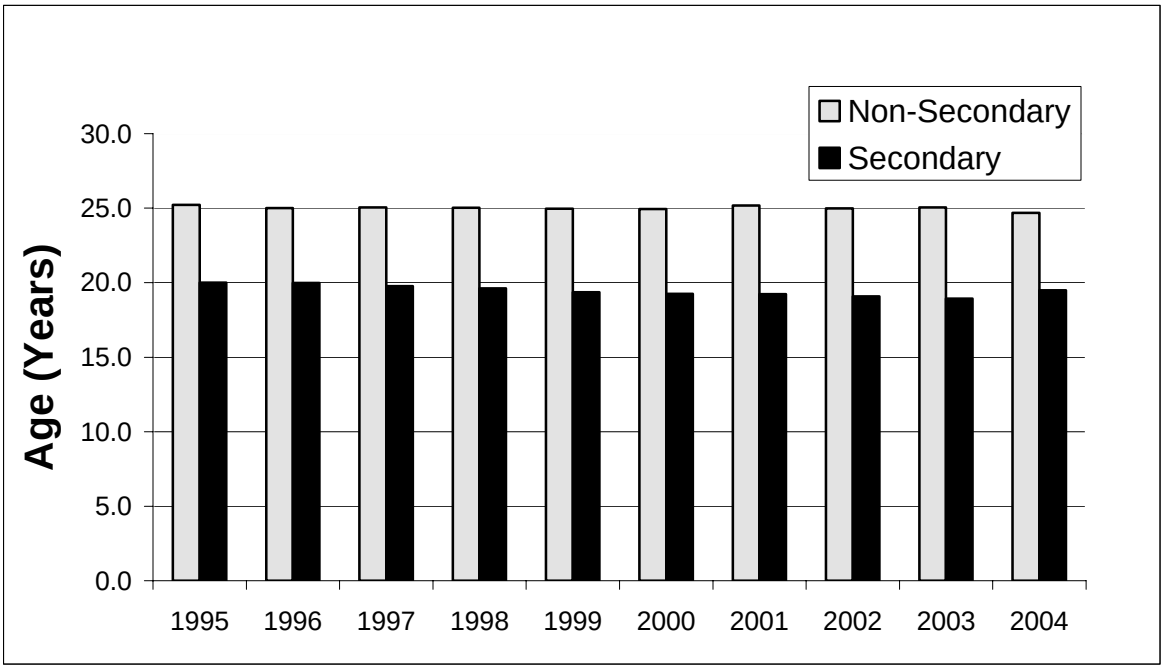
Applicants: As seen in Table 4, for applicants not applying directly from high school, half of the applicant population is in the 20- to-24-year-old age group, with a slightly increased proportion of applicants under 19 compared with previous years. For secondary applicants, as expected, the greatest number of full-time applicants is in the under 19 age group. However, its proportion of the total has dropped, returning to 1999 levels. Applicants coming directly from adult day schools are included in the definition of "secondary" applicants, which can explain the vast age range of secondary applicants.

Table 4: Applicants by Age Group

Year	Non-Secondary					Secondary				
	19 and under	20-24	25-30	31-40	> 40	19 and under	20-24	25-30	31-40	> 40
1995-96	11.7%	52.5%	17.5%	13.0%	5.3%	71.2%	21.7%	3.1%	3.1%	1.0%
1996-97	11.7%	54.1%	17.0%	12.0%	5.1%	71.7%	21.2%	3.0%	2.9%	1.1%
1997-98	12.2%	53.0%	17.2%	12.5%	5.1%	74.1%	20.0%	2.6%	2.5%	0.9%
1998-99	13.0%	52.4%	17.1%	12.3%	5.2%	77.2%	17.4%	2.3%	2.2%	0.8%
1999-00	14.0%	52.0%	16.6%	12.1%	5.3%	80.6%	15.2%	2.0%	1.6%	0.6%
2000-01	14.6%	51.3%	16.7%	12.2%	5.2%	82.6%	13.7%	1.7%	1.4%	0.5%
2001-02	14.75%	50.1%	16.2%	13.0%	5.9%	83.7%	12.5%	1.7%	1.6%	0.6%
2002-03	15.25%	50.8%	16.1%	12.4%	5.6%	85.4%	11.4%	1.5%	1.3%	0.5%
2003-04	15.7%	50.1%	16.1%	12.4%	5.7%	87.3%	9.5%	1.5%	1.3%	0.6%
2004-05	17.8%	49.7%	15.3%	11.6%	5.6%	79.7%	13.5%	3.1%	2.7%	1.0%

Source: Ontario College Application Services data; Percentages calculated only for applicants with known age; Includes distinct applicants for full year (Fall/winter/spring)

Figure 7: Average Age of Secondary and Non-Secondary Applicants

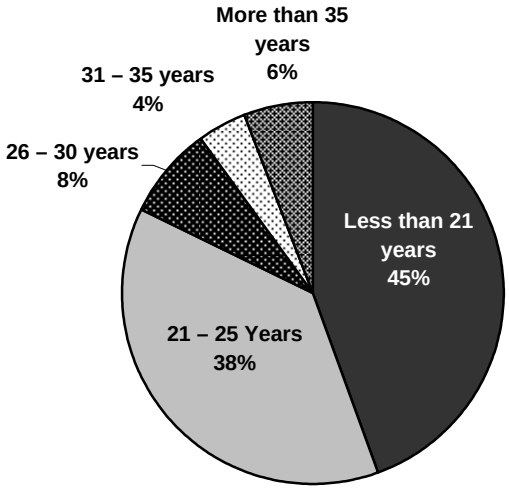


Source: Ontario College Application Services data

The average age of applicants has held fairly steady since 1995 at 22.7 years; the average age of non-secondary applicants is 24.8 and secondary applicants is 19.5. Of interest is that although the re-organized high school program allows students to graduate in four years, only 54 per cent of secondary applicants are 18 and under (as of August that year).

Students: In 2004-05, 45 per cent of the student body was under 21 years of age, and 10 per cent was over 30.

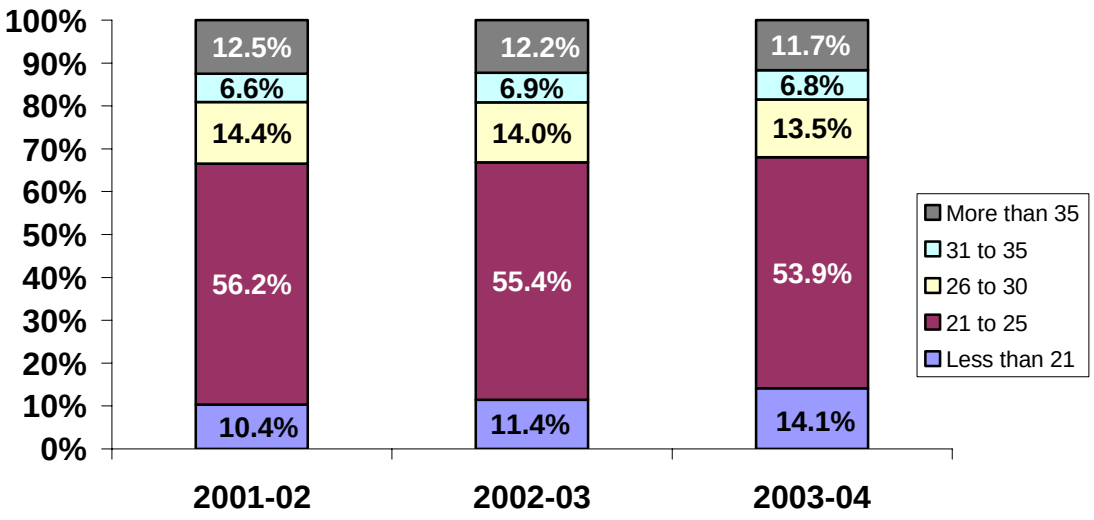
Figure 8. Age of Ontario College Students



Source: Student Satisfaction Survey, 2005, MTCU

Graduates: About two thirds of graduates are 25 years of age or under, with almost 19 per cent over 30 years of age. In 2003-04, there was an increase in the proportion of the under 21 age group, from 11 per cent to 14 per cent.

Figure 9. Age of Ontario College Graduates, 2003-04



Source: Graduate Satisfaction Survey, 2005 (2003-04 graduates), MTCU

2.2.4.3 Dependents

Applicants: Nine per cent of surveyed college applicants reported having a dependent child in 2005, and five per cent support a dependent adult (College Applicant Survey, 2005)

Students: First-year student survey respondents indicated that 11 per cent had at least one person less than 18 financially dependent on them (Preliminary Ontario data, Pan-Canadian Survey on Student Engagement)

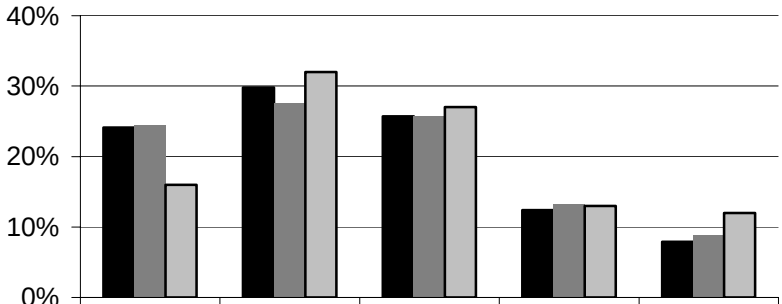
Graduates: The National Graduate Survey reported that 26per cent of Ontario college graduates (class of 2000) had children as of two years after graduation, twice as many as university (bachelor's) graduates (13 per cent).

2.2.4.4 Total Household Income of Ontario College Applicants

The disproportionately large numbers of participants from higher- versus lower-socioeconomic backgrounds has been a longstanding issue in postsecondary education. Although some evidence suggests this is true for university students, it does not appear to be the case for those who go to college.

Twenty-five per cent of surveyed applicants in 2005 had a household income of less than $29,999 (15 per cent under 20,000) and 53 per cent had incomes below $60,000.[2] In contrast, the Ontario population (in 2001) had only 16 per cent of households earning less than $30,000.

Figure 10: Household Incomes of Ontario College Applicants Compared with the Ontario Population



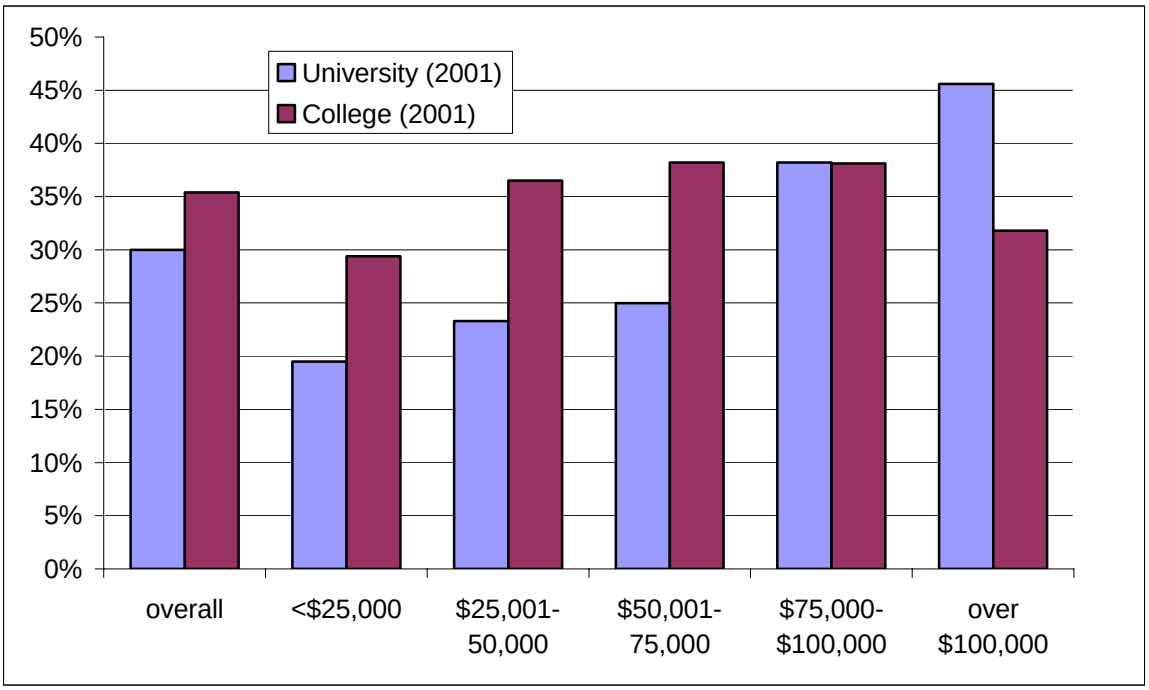
	Under $29,999	$30,000 - $59,999	$60,000 - $89,999	$90,000 - $119,999	$120,000 and above
2004 College Applicants	24%	30%	26%	12%	8%
2005 College Applicants	25%	28%	26%	13%	9%
Ontario Population	16%	32%	27%	13%	12%

Source: *College Applicant Survey 2004, 2005.* Acumen Research Group Inc. – Canada Millennium Scholarship Foundation and the 2001 Census (note that about one fifth of respondents did not know their household income)

The College Applicant Survey data includes those who may or may not be living at home, thus affecting household income. Using the Survey of Labour and Income Dynamics (SLID) data, the household income of respondents aged 18 to 24 who were living with at least one parent during the reference year were analyzed in terms of postsecondary attendance. The data showed that:

- In 2001, about 46 per cent of 18 to 24 year olds from high-income families had completed or were enrolled in university studies, compared with 20 per cent of youths from low-income families.
- For college, there is little difference in participation rates for high- and low-income groups. Thirty-two per cent of 18 to 24 year olds from high-income families had completed or were enrolled in college studies, compared with 29 per cent of youths from low-income families.

Figure 11: Participation Rates in Postsecondary Education by Parental Income



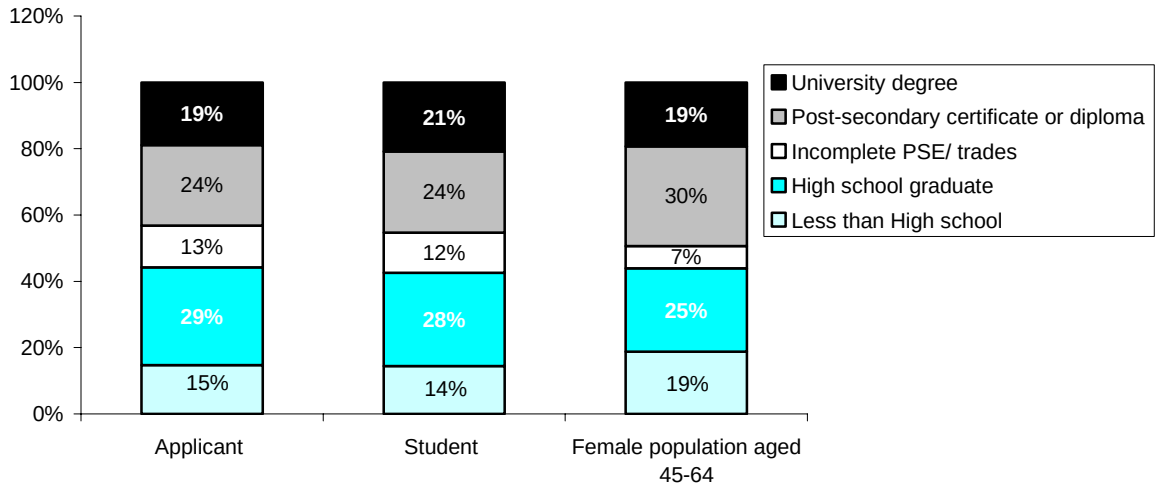
Source: Participation in Post-secondary Education in Canada: Has the role of Parental Income and Education Changed over the 1990s? Statistics Canada, February, 2005

2.2.4.5 Parental Education

Parental education has long been considered a key indicator of socioeconomic status. Additionally, the term "first-generation students" has been developed to indicate those whose parents have not attended PSE. Young people who have had neither parent attend a postsecondary institution have been shown to be at higher risk for not attending PSE compared with non-first-generation students. Data from both the 2005 College Applicant Survey and the 2005 Pan Canadian survey on college students (preliminary data) show that when compared with a comparative age group in Ontario, parents of those who applied to or who are attending college are:

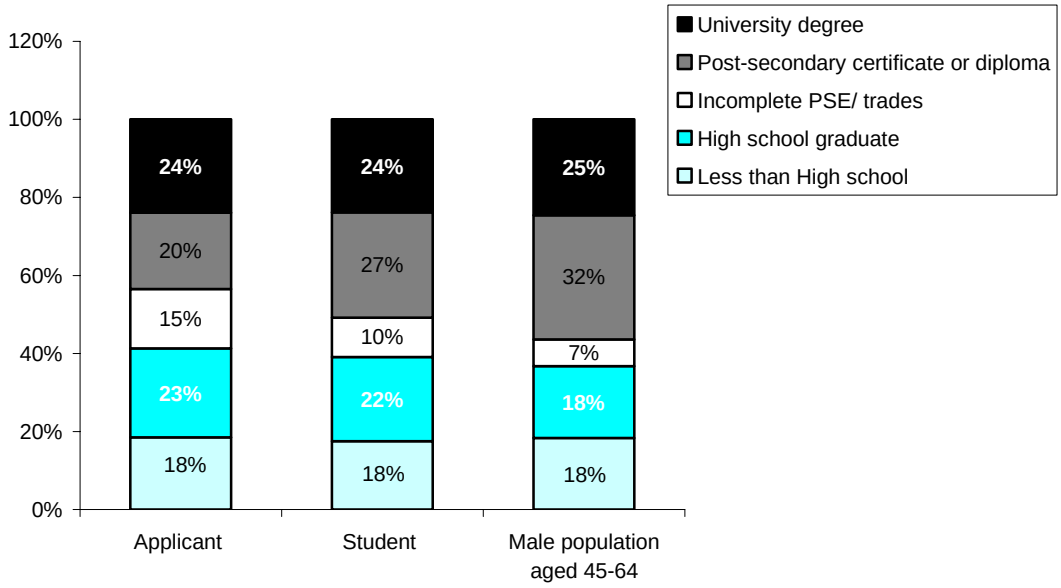
- More likely to have graduated high school
- Less likely to have attained a postsecondary credential

Figure 12: Maternal Education of Ontario College Applicants and Students Relative to the Ontario Population



Sources: 2005 College Applicant Survey, 2005 Pan Canadian survey of College students (Ontario preliminary data), 2001 Census

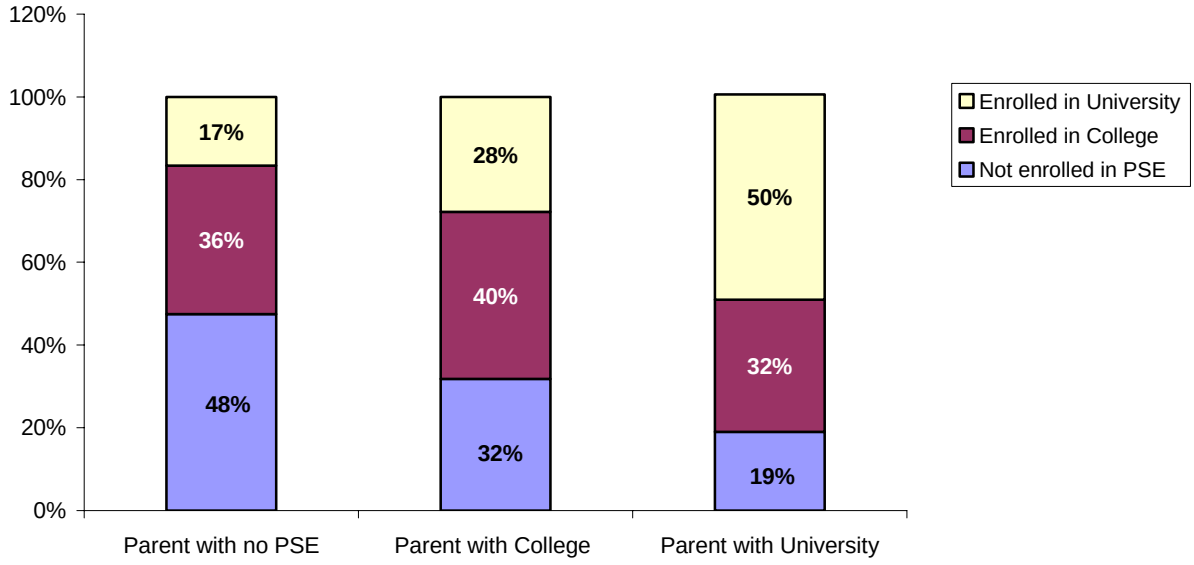
Figure 13: Paternal Education of Ontario College Applicants and Students Relative to the Ontario Population



Sources: 2005 College Applicant Survey, 2005 Pan Canadian survey of College students (Ontario preliminary data), 2001Census

Data comparing Ontario college student or applicants with university applicants/students is not available; however nationally the effect of parental education on PSE choices of their offspring has been shown. Children of parents with no PSE only have a 52 per cent chance of attending PSE, and are twice as likely to attend college than to attend university. They have a slightly higher rate of college attendance than children of university educated parents. Children of parents with college credentials are most likely to attend college.

Figure 14: Parental Education of Those Enrolled in College, University or Not Attending PSE

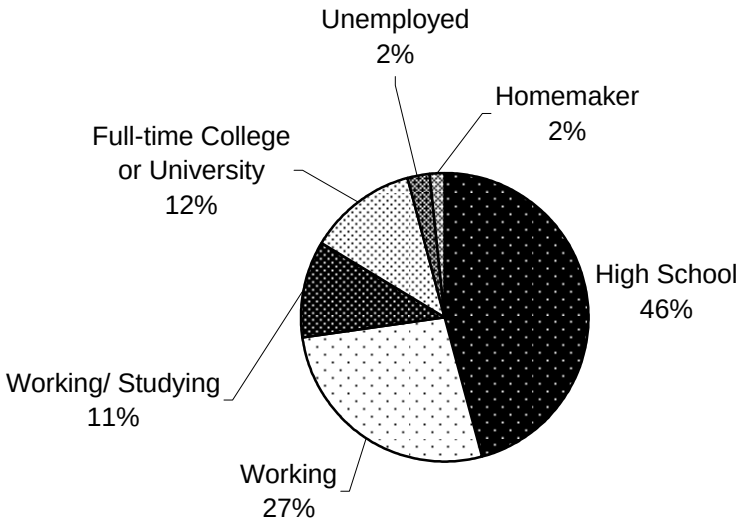


Source: Participation in Post-secondary Education in Canada: Has the role of Parental Income and Education Changed over the 1990s? Statistics Canada, February, 2005

2.2.4.6 Applicants' Previous 12-Month Activity

Applicants to college have a diverse background; over half of surveyed applicants did not come directly from high school, but have come from the labour force, college or university, or have been balancing work and education.

Figure 15: Previous 12-month Activity of Ontario College Applicants



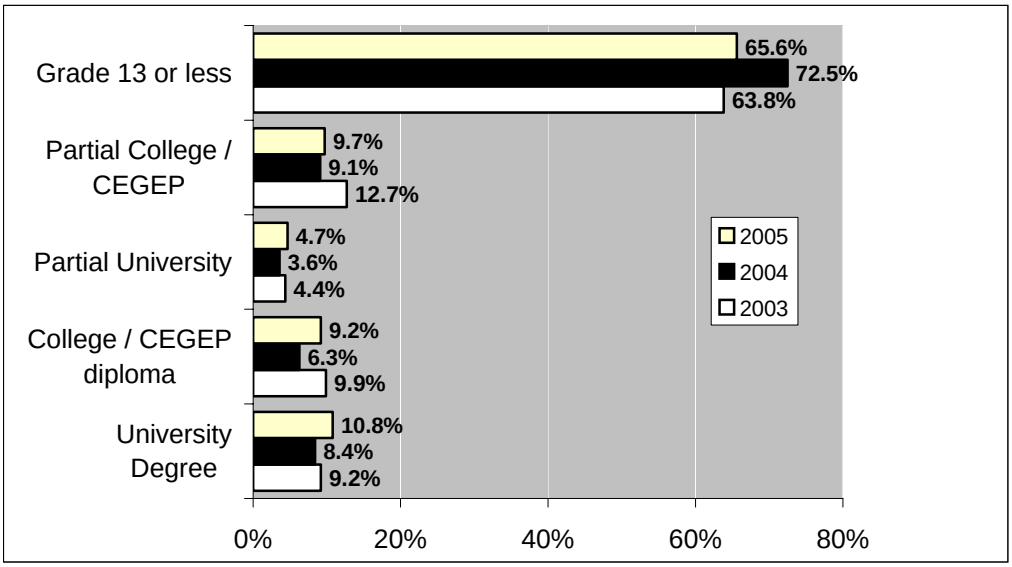
Source: College Applicant Survey 2005, Acumen Research Group Inc. – Canada Millennium Scholarship Foundation

2.2.4.7 Level of Education

Multiple pathways throughout the postsecondary education system are evident. Data collected from college applicants, students and graduates demonstrate that over one-third of learners have previous PSE experience before they go to college, which may include a combination of some college or university credits, a complete diploma, or a complete degree.

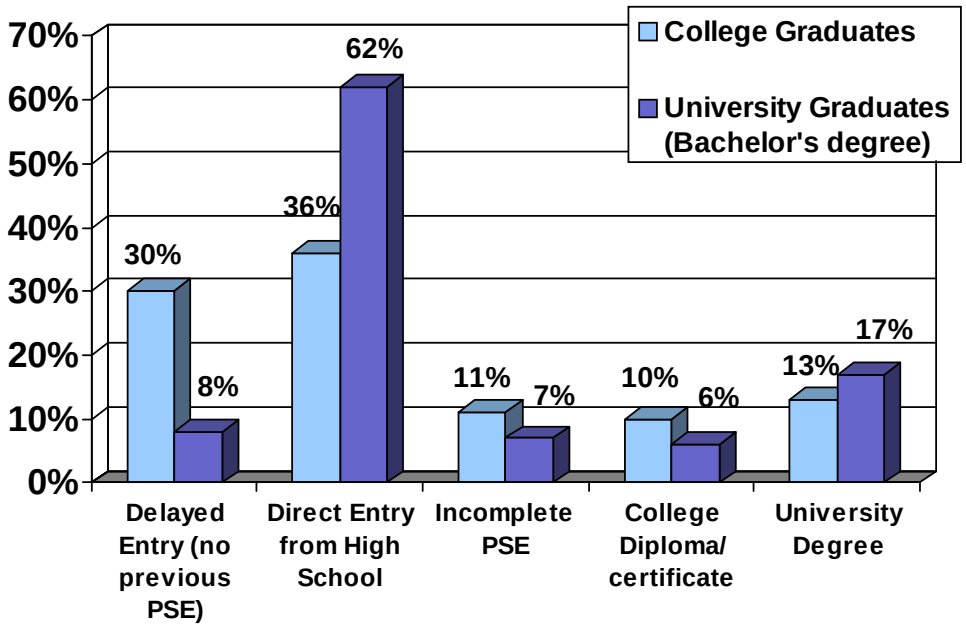
- In the 2005 College Applicant Survey, 34 per cent had previous postsecondary education, nine per cent had a diploma and 11 per cent had a degree.
- Similarly, data from the Student Satisfaction Survey students indicates that 36 per cent of college students (beyond their first semester of college) have had previous postsecondary education, 16 per cent of whom previously attained a college or university credential (nine per cent college, seven per cent university).
- Data for Ontario from the National Graduate Survey (Figure 16) also shows a similar proportion with previous PSE, however, the proportion who had attained a credential previously was higher than for the applicants or students (10 per cent diploma/certificate, 13 per cent a degree), which may indicate a better graduation rate for this population.

Figure 16: Level of Education of Ontario College Applicants



Source: College Applicant Survey 2003, 2004, 2005 Acumen Research Group Inc. – Canada Millennium Scholarship Foundation

Figure 17: Previous education of Ontario College and University graduates, Class of 2000.

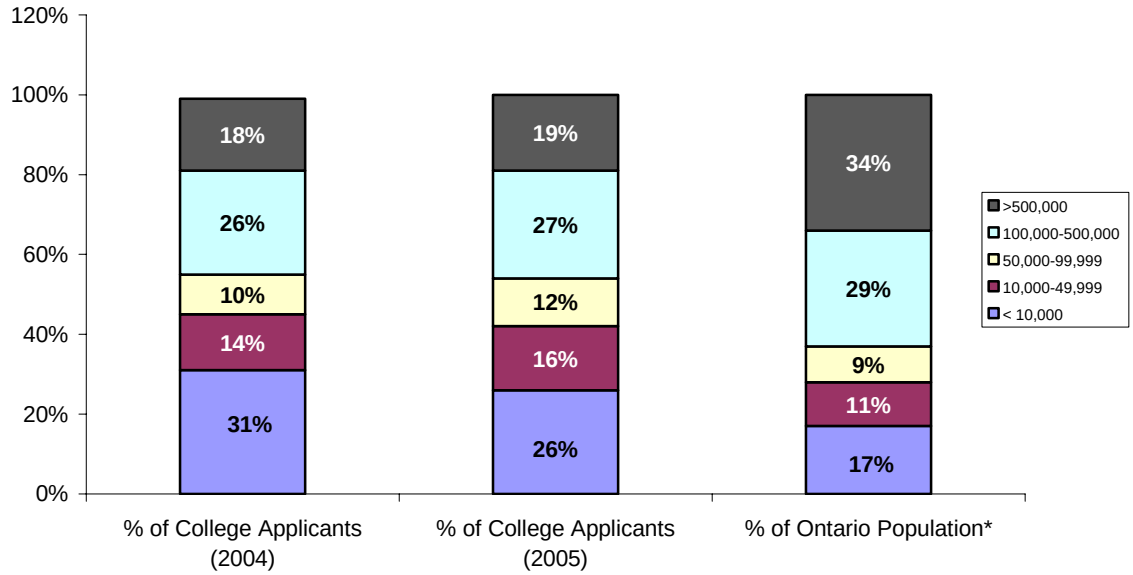


Source: National Graduate Survey, Statistics Canada.

2.2.4.8 Population of Applicant Community

Applicants to Ontario's colleges traditionally come from smaller communities than the Ontario population as a whole, with 42 per cent coming from communities of under 50,000 in 2005. This compares with only 28 per cent for the Ontario population, based on the 2001 census.

Figure 18: Population of Applicant Community Compared with the Ontario Population



Sources: College Applicant Survey 2004, 2005 Acumen Research Group Inc. – Canada Millennium Scholarship Foundation; *Census Canada 2001

2.2.4.9 First Language

In the 2005 College Applicant Survey, it was asked what language was most often spoken at home, and the survey found that 85 per cent spoke English, 3.6 per cent spoke French, 2.3 percent spoke Chinese, and 9.2 per cent spoke a variety of other languages. Only 46 per cent of those who were not born in Canada spoke mostly English at home. Another source of data, the Student Satisfaction Survey, asked students whether their first language was English, French or "other". It showed that the first language for 80 per cent was English; five per cent was French, and 15 per cent was other.

2.2.4.10 Immigrant status

Eighteen per cent of surveyed college applicants in 2005 were not born in Canada, and a further 11 per cent were first-generation Canadians. This mirrors the 2001 census in which 18 per cent of 15 to 24 year-old Ontarians were not born in Canada (30 per cent for the population aged 25-44).

- Thirty-seven per cent came to Canada in the past five years (almost seven per cent of total applicant pool)
- Immigrant applicants were more likely than Canadian-born applicants to have a university degree (16 per cent vs. 9.6 per cent), have dependent children (16 per cent vs. five per cent for non-immigrants), be older (28 per cent are over 25 years of age vs. 9.6 per cent), and report lower family incomes (65 per cent report incomes under $50,000 vs. 39 per cent for non-immigrants).

2.2.4.11 Students with Disabilities

Data on students with disabilities is limited because it is derived from individuals who choose to identify themselves as such and therefore may not accurately represent the population.

- In the 2005 Ontario College Applicant Survey, 6.3 per cent of surveyed applicants indicated they had a disability. Half of those have a learning disability, 17 per cent have a medical disability, 13 per cent have a psychiatric disability and seven per cent have a mobility disability. This group was also older, 21 per cent were over 25 years of age vs. 12 per cent of the survey pool without disabilities.
- In the 2005 Student Satisfaction Survey**,** 10 per cent of Ontario college students indicated use of "Special Needs/Disability Services," half of whom reported high usage.
- In 2001, Statistics Canada's Participation and Activity Limitation Survey (PALS) found that 4.3 per cent of the Canadian population between the ages of 20 to 24 reports a disability.[3]
- Two surveys, one on university students[4] and one on college students,[5] reported that 5.4 per cent of university students and seven per cent of college students reported having a disability. The number of students reporting a learning disability tripled over the course of the 1990s.[6]
- As a measure of on-campus assistance required, a survey of 156 professionals from 146 institutions reported that 3.8 per cent of college students registered to receive disability-related services, compared with 1.8 per cent of university students.[7]

3.0 Apprentices in Ontario

3.1 Actual and Planned Apprenticeship Enrolment

As seen in table five, in 2004-05, there were 27,946 apprentices enrolled (including OYAP) in Ontario, with a planned enrolment of 29,786 in 2005-06.

3.2 Active Apprentices in Ontario

- From 1999-2000 to 2004-05, the total number of apprentices enrolled in CAATs in all sectors increased by 21.9 per cent, from 19,788 to 24,124.
- Since 1993-94, the total number of active apprentices in Ontario has increased by 56 per cent, from 46,271 to 72,200. The greatest number of apprentices is in the construction sector, but the greatest increase since 1993 has been in the service sector (234 per cent), followed by the industrial sector (162 per cent).
- In 2004-05, the largest proportion of apprentices in Ontario colleges was enrolled in the construction sector, accounting for 38 per cent of the total. The remaining three sectors are almost equally distributed: service sector (21 per cent), motive power (22 per cent) and industrial (18 per cent).
- There was a five per cent increase planned for college apprenticeship seats for 2005-06.
- In 2004-05, Ontario Youth Apprenticeship Program (OYAP) apprentices accounted for 2.9 per cent of the total in CAATs.
- In 2004-05, CAATs were allocated 87.7 per cent of total seat purchases, continuing the slight but steady decline in allocation from 94.9 per cent in 1993-04.

Table 5: Apprenticeship Training by Sector - Actual and Planned Enrolment (Including OYAP*)

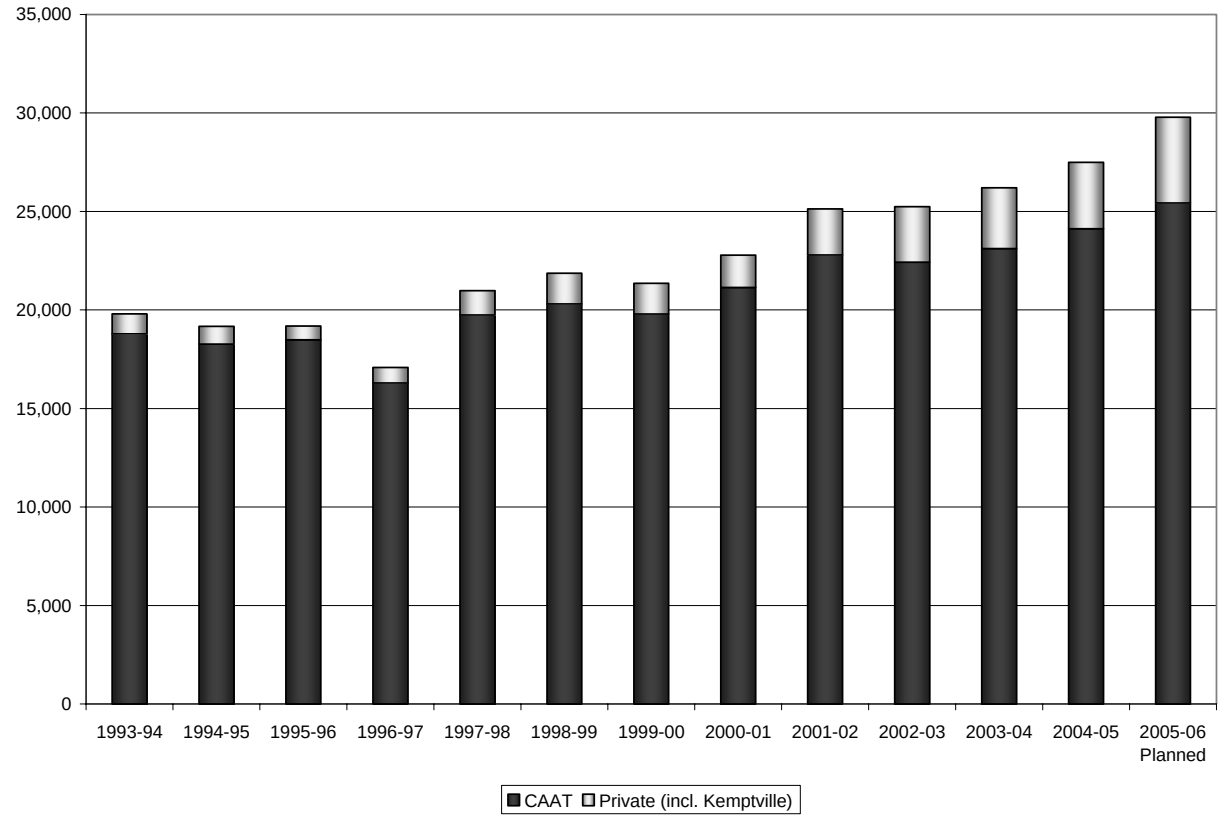
	Total Actual Enrolment (Including OYAP)				Planned Total	Actual Enrolment - OYAP Only				Planned Enrolment (OYAP Only)
Program - Sector Name	**2001/2002**	**2002/2003**	**2003/2004**	**2004/2005**	**2005/ 2006**	**2001/2002**	**2002/2003**	**2003/2004**	**2004/2005**	**2005/ 2006**
Total Construction Sector - CAAT	7,495	7,622	8,165	8,600	8,265	30	13	49	40	32
Total Construction Sector - Private	2,122	2,390	2,533	2,726	3,628	43	45	78	31	60
Grand Total - Construction Sector	**9,617**	**10,012**	**10,698**	**11,326**	**11,893**	**73**	**58**	**127**	**71**	**92**
Total Industrial Sector - CAAT	5,889	4,702	4,179	3,934	3,841	134	74	61	107	76
Total Industrial Sector - Private	12	0	10	53	104	0	0	0	0	0
Grand Total Industrial Sector	**5,901**	**4,702**	**4,189**	**3,987**	**3,945**	**134**	**74**	**61**	**107**	**76**
Total Motive Power Sector - CAAT	5,077	4,925	5,387	5,615	5,238	183	235	159	219	133
Total Motive Power Sector - Private	84	163	112	104	230	25	0	0	0	0
Grand Total Motive Power Sector	**5,161**	**5,088**	**5,499**	**5,719**	**5,468**	**208**	**235**	**159**	**219**	**133**
Total Service Sector - CAAT	4,338	5,068	5,382	5,975	8,081	232	312	384	325	642
Total Service Sector - Private	112	371	442	489	399	0	0	0	0	0
Grand Total Service Sector	**4,450**	**5,439**	**5,824**	**6,464**	**8,480**	**232**	**312**	**384**	**325**	**642**
Total - All Sectors - CAAT	22,799	22,317	23,113	24,124	25,425	579	634	653	691	883
Total - All Sectors - Private	2,330	2,924	3,097	3,372	4,361	68	45	78	31	60
Total - All Sectors	**25,129**	**25,241**	**26,210**	**27,496**	**29,786**	**647**	**679**	**731**	**722**	**943**

CAAT = Colleges of Applied Arts and Technology
Private - includes Kemptville College as of October 2003
Source: Ministry of Training, Colleges and Universities

3.3 New Apprenticeship Starts In Ontario 1993/94 – 2005/06

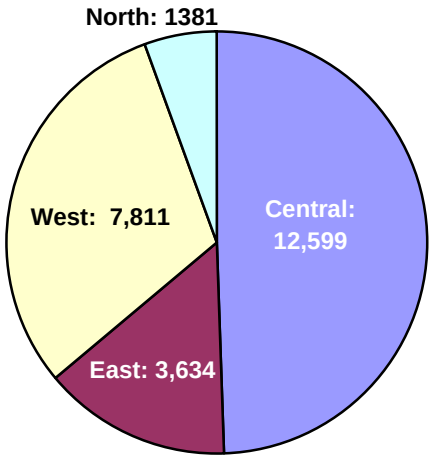
Since 1993-94, new apprenticeship starts have increased by 33 per cent, from 18,789 to 24,924.

Figure 19: New Apprenticeship Starts, 1993-94 – 2005-06



Source: Ontario Ministry of Training, Colleges and Universities data

Figure 20: CAAT Planned Apprenticeship Enrolment by Region 2005-06



Source: Ontario Ministry of Training Colleges and Universities data

4.0 International Students in Ontario Colleges

International student enrolment is similar to 2004 level, totalling 6,173 students.

- Sixty-nine per cent are enrolled in colleges in the central region; 19 per cent in western, 11 per cent from eastern; and less than two per cent at northern colleges.
- The majority are enrolled in business programs (54 per cent); followed by arts (24 per cent), technology (19 per cent) and a very small number in health programs (two per cent).

Table 6: International Students in Ontario Colleges

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
International Full-time Enrolment	1175	1411	1606	1823	2088	2777	3707	4685	5855	6193	6172

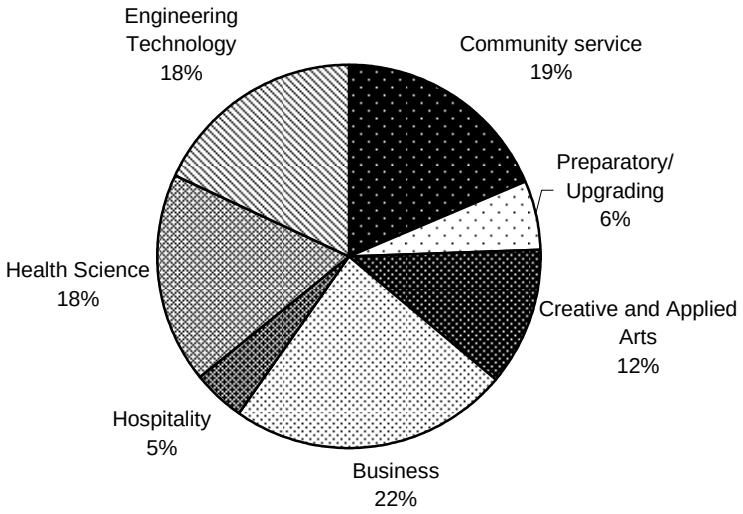
Source: November enrolment count, Ontario College Application Services, enrolment cubes; Note that not all international student enrolments are reported to OCAS.

A recent survey of 1,700 international students in Canada revealed that for 60 per cent of respondents, Canada was their number 1 choice, primarily for the quality of education followed closely by safety. Most reported being satisfied with their studies (90 per cent) and 83 per cent would recommend it to their friends. Challenges include rising tuition and restrictions on working off-campus. Half of the students reported experiencing difficulty in covering their costs. As well, racism was cited as an issue; 25 per cent reported being affected by it.[8]

5.0 GRADUATE OUTCOMES

5.1 Ontario College Graduates by Sector

Figure 21: College Graduates by Employment Sector, 2004

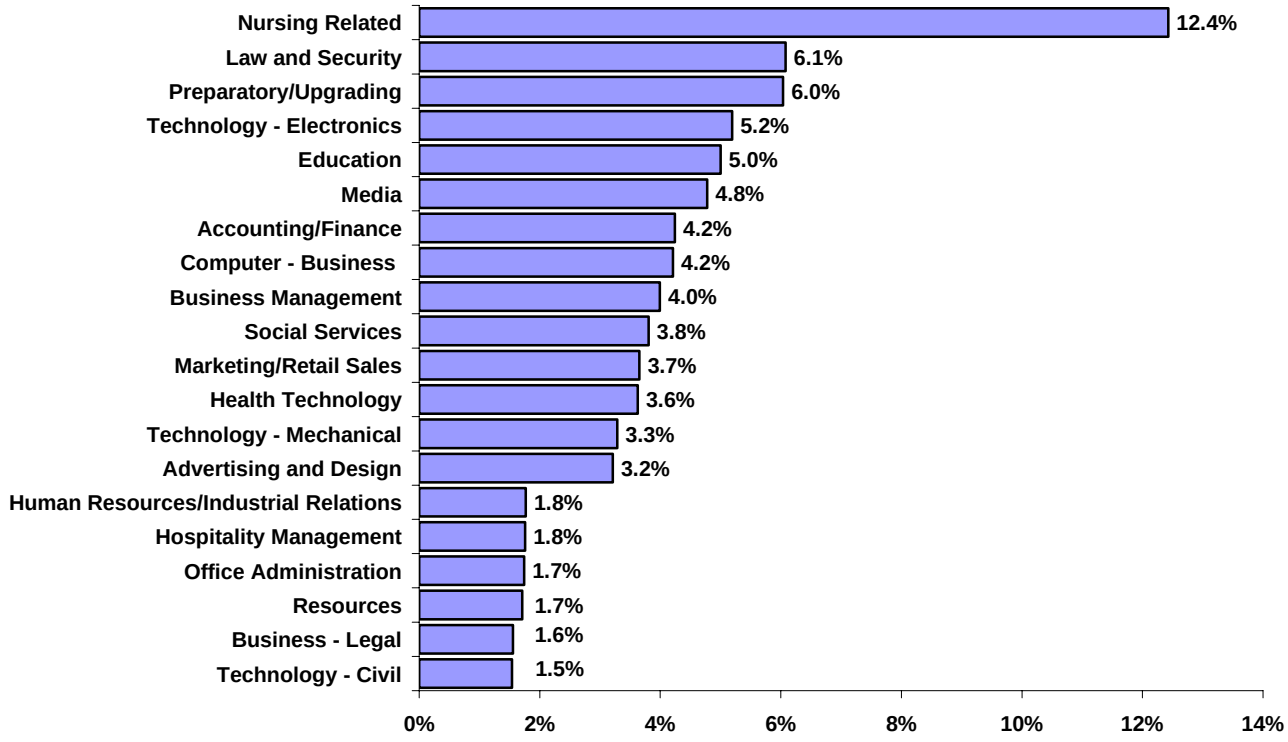


Source: Ontario Ministry of Training, Colleges, and Universities

5.2 Graduates by Occupational Cluster

Figure 22 shows the breakdown of graduates by the top 20 occupational clusters. By far the highest proportion was in the nursing-related cluster, at 12.4 per cent. For the total breakdown of all clusters, please see Appendix 1. (For historical data on numbers of graduates, see section 2.2.3).

Figure 22. Graduates by Occupational Cluster, 2003-04 (top 20 clusters)

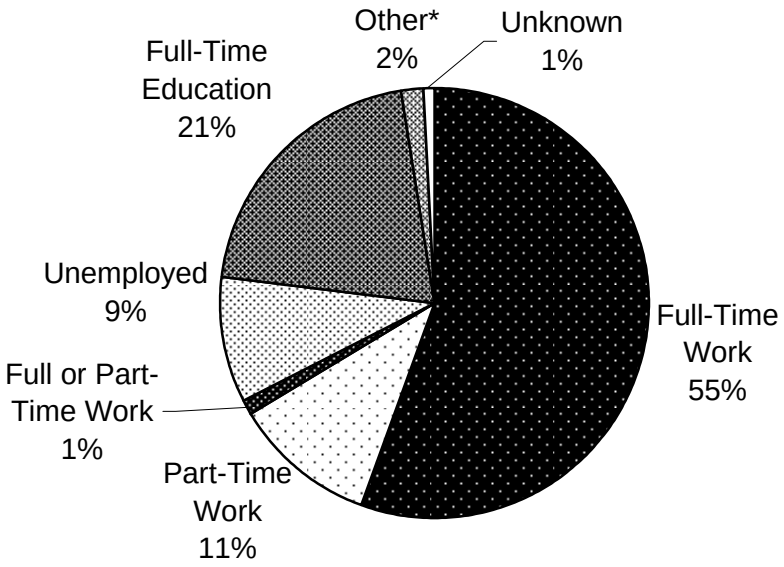


Source: Ministry of Training Colleges and Universities

5.3 Activity Six Months After Graduation

For the 2003-2004 graduates, 67 per cent were working either full or part time and 21 per cent had returned to school full time six months after graduation. Of those looking for work, 88 per cent had found jobs at this point.

Figure 23: Ontario College Graduates' Activity, Six Months After Graduation (2003-04 Graduates)



***** Other graduates' status includes travel, health and family responsibilities
Source: 2005 Graduate Satisfaction Survey, Ontario Ministry of Training, Colleges and Universities data

5.4 Employment of Ontario College Graduates

Six months after graduation (class of 2003-04):

- The overall employment rate for the 2003-04 graduates who had entered the labour force was 87.7 per cent.
- The highest employment rate was in the health sector (92.7 per cent) and the lowest rates were in the business and technology sectors, which were similar at 85 per cent.
- Overall, females are slightly more likely to be employed than males (89 per cent females employed vs. 85.8 per cent of males). The technology sector is an exception, in which males are more likely to be employed than females.

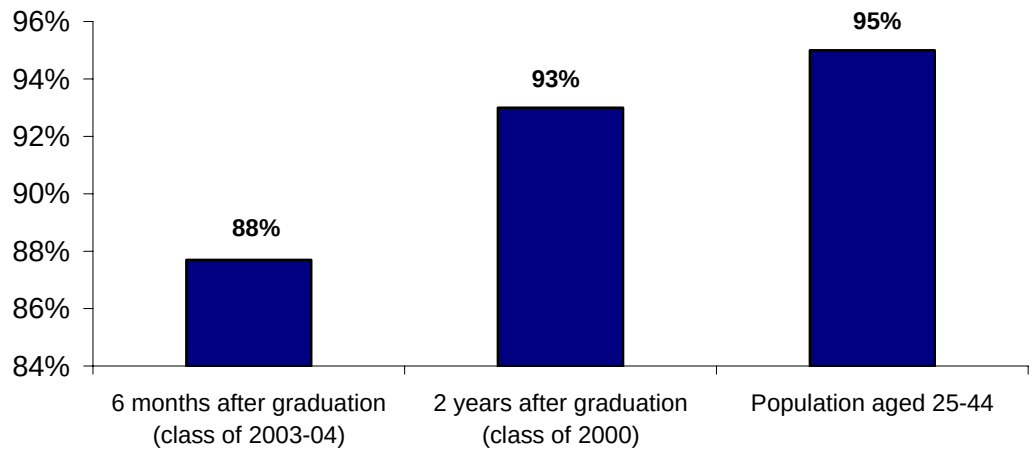
Please see Table 7 for more detailed information.

Two years after graduation (National Graduate Survey, Class of 2000):

- 93 per cent of Ontario college graduates (Class of 2000) who had entered the labour force were employed two years after graduation (excluding those in school and not looking for work), similar to the university (Bachelor's) graduates' rate of 94 per cent.

College graduates relative to the Ontario population:
On average, between the years 2000 to 2004, 87 per cent of the Ontario population aged 25-44 with a diploma or certificate were employed, compared with 85 per cent of bachelor graduates, and 77 per cent of those without postsecondary credential (including those without a high school diploma). When those not in the labour force are excluded (i.e. those not looking for work), 95 per cent of diploma or certificate holders are employed.

Figure 24: Employment Rate of Ontario College Graduates*



* Rate is a proportion of those who are not in school and are actively looking for work

Sources: Ontario Graduate Satisfaction Survey, National Graduate Survey, and Labour Force Survey

5.5 Earnings of Ontario College Graduates

Six months after graduation:
- The average earnings for those employed full time in a job related or partially related to program of study was $31,812 for women and $33,261 for men.
- The highest average and median annual earnings were for males employed in the health sector ($43,657 and $44,713).
- The lowest average and median annual earnings were for females in business ($27,476 and $26,546).
- In both business and health sectors, females earned only 87 and 89 per cent respectively of what males earned, (employed in full-time jobs related to area of study).
  Please see Table 8 for more detailed information.

Two years after graduation:
- The median salary in 2002 of a college graduate two years after graduation was $33,300 ($34,800 average), compared with the national average of $31,200. University graduates earned a median salary of $40,000, slightly above the national average of $39,000 (see Figure 26).

Table 7: Employment of Ontario College Graduates by Discipline (2003-2004 Graduates)

	Applied Arts			Business			Health			Technology			Total		
Graduate Status	**Female**	**Male**	**Total[a]**	**Female**	**Male**	**Total[a]**	**Female**	**Male**	**Total[a]**	**Female**	**Male**	**Total[a]**	**Female**	**Male**	**Total[b]**
Total Graduates	13,777	6,995	20,883	9,518	5,936	15,528	8,978	1,096	10,126	1,677	8,489	10,224	33,950	22,516	56,761
Total in the Survey	10,248	5,174	15,513	7,006	4,252	11,312	6,868	810	7,714	1,254	6,500	7,794	25,376	16,736	42,333
Response rate	74.4%	74.0%	74.3%	73.6%	71.6%	72.8%	76.5%	73.9%	76.2%	74.8%	76.6%	76.2%	74.7%	74.3%	74.6%
Total in Labour Force	6,888	3,606	10,544	5,629	3,335	9,013	6,172	759	6,962	966	5,092	6,085	19,655	12,792	32,604
Employment rate	89.4%	87.6%	88.8%	85.3%	83.6%	84.6%	92.8%	91.7%	92.7%	82.5%	85.2%	84.8%	89.0%	85.8%	87.7%
Full-Time	4,754	2,661	7,447	4,099	2,456	6,584	4,101	559	4,680	706	4,042	4,770	13,660	9,718	23,481
Part-Time	1,308	447	1,765	652	290	949	1,457	116	1,582	81	264	347	3,498	1,117	4,643
Unknown	95	51	147	52	42	94	171	21	192	10	32	42	328	146	475
Unemployed	731	447	1,185	826	547	1,386	443	63	508	169	754	926	2,169	1,811	4,005
Unemployment Rate	10.6%	12.4%	11.2%	14.7%	16.4%	15.4%	7.2%	8.3%	7.3%	17.5%	14.8%	15.2%	11.0%	14.2%	12.3%
Not in the Labour Force	3,360	1,568	4,969	1,377	917	2,299	696	51	752	288	1,408	1,709	5,721	3,944	9,729
Full-Time Education	3,083	1,487	4,609	1,156	823	1,982	511	45	559	248	1,306	1,566	4,998	3,661	8,716
Other[c]	185	48	234	151	55	207	127	3	132	26	52	79	489	158	652
Unknown	92	33	126	70	39	110	58	3	61	14	50	64	234	125	361
Self-Employed Full-Time	138	173	311	70	129	200	49	6	55	5	106	112	262	414	678
Self-Employed rate	2.9%	6.5%	4.2%	1.7%	5.3%	3.0%	1.2%	1.1%	1.2%	0.7%	2.6%	2.3%	1.9%	4.3%	2.9%

Source: Graduate Employment Profile 2005, MTCU

a. Each division total includes records with missing gender information
b. All divisions total includes records with missing gender information
c. Other graduates' status includes travel, health and family responsibilities

Table 8: Annual Earnings of 2003-04 Graduates Employed Full-time in Jobs Related or Partially Related to Program of Study

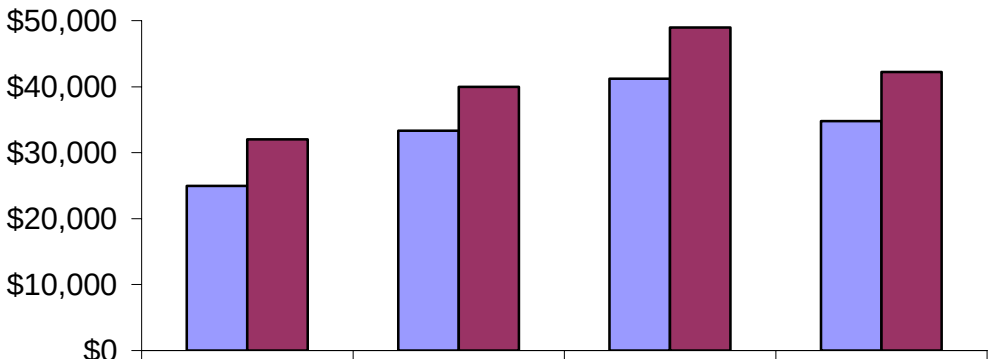
Average Annual Salary Range	Applied Arts			Business			Health			Technology			Total		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Less than $10,000	0.4%	0.4%	0.4%	0.6%	0.6%	0.6%	0.1%	--	0.1%	--	0.2%	0.2%	0.3%	0.3%	0.3%
$10,000 - $19,999	16.7%	13.9%	15.8%	17.2%	12.5%	15.6%	5.4%	2.8%	5.1%	5.7%	6.6%	6.5%	12.2%	9.4%	11.1%
$20,000 - $29,999	47.2%	39.0%	44.7%	44.7%	32.3%	40.3%	21.8%	13.7%	20.9%	31.2%	29.5%	29.8%	36.5%	31.1%	34.4%
$30,000 - $39,999	27.5%	30.4%	28.4%	29.2%	34.3%	31.1%	24.1%	18.8%	23.5%	41.3%	36.2%	37.0%	27.5%	33.1%	29.6%
$40,000 - $49,999	6.0%	10.9%	7.5%	6.3%	13.3%	8.8%	30.2%	30.6%	30.2%	16.0%	19.0%	18.6%	15.4%	16.7%	15.9%
$50,000 and over	2.2%	5.4%	3.2%	1.9%	6.9%	3.7%	18.4%	34.1%	20.2%	5.7%	8.5%	8.1%	8.1%	9.4%	8.6%
Total Number	2,769	1,232	4,001	2,520	1,396	3,916	3,260	431	3,691	455	2,550	3,005	9,004	5,609	14,613
Average	$27,476	$30,130	$28,293	$27,366	$31,360	$28,790	$38,730	$43,657	$39,305	$33,261	$34,058	$33,937	$31,812	$33,261	$32,368
Median	$26,400	$28,679	$27,010	$26,546	$30,000	$28,000	$39,107	$44,713	$40,000	$32,000	$32,329	$32,120	$30,000	$31,286	$30,000

Source: Graduate Employment Profile 2005, MTCU

Of graduates working in related fields, 253 had unknown full/part time status, 2698 had unknown salary

Of all graduates, 295 had unknown gender, 8413 had unknown job related status

Figure 25: Estimated Gross Annual Salaries of Ontario College and University (Bachelor's) Graduates Two Years After Graduation



	25th percentile	Median	75th percentile	Average
College	$24,960	$33,300	$41,184	$34,800
University	$32,000	$40,000	$49,000	$42,200

Source: National Graduate Survey, Class of 2000, Statistics Canada

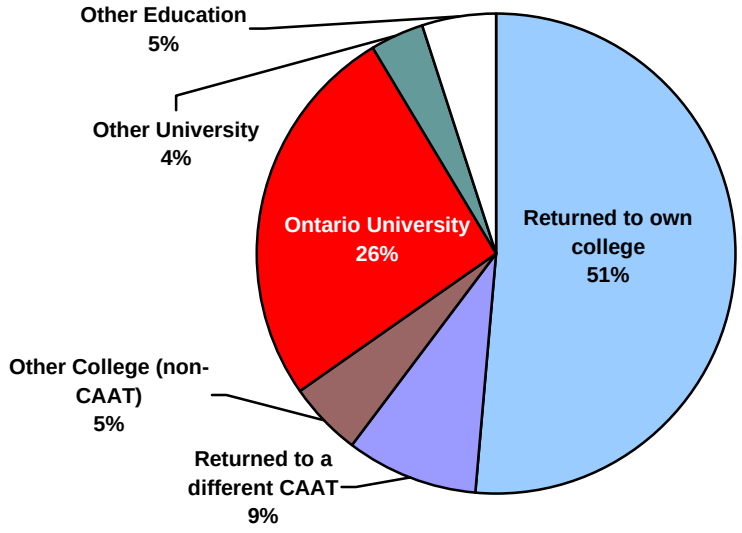
5.6 Further Education of Ontario College Graduates

The following data is from an analysis of the Graduate Satisfaction Survey (MTCU) (2003-04 graduates), conducted six months after graduation:

- For the 2003-04 graduates, 21 per cent had resumed full-time studies within six months after graduation; a further four per cent resumed part-time studies.
- The highest proportion resuming studies were graduates from the applied arts (29.7 per cent) sector and the lowest in the health sector (7.2 per cent).
- Thirteen per cent of all 2004 graduates returned to college within six months; of those, 85 per cent returned to their college of graduation. Sixty-five per cent of those who returned full or part time went to a CAAT and five per cent went to a non-CAAT college.
- Twenty-six per cent of those who returned to school went to an university in Ontario, and four per cent went to a university outside Ontario.
- Of those attending university, 85 per cent were in a degree program.
- Females are slightly more likely to attend university after graduation and slightly less likely to attend college.
- Graduates 25 and under are more likely to further their education as compared to older graduates. Those under 21 are far more likely to return to college after graduation than the other age groups, with 34 per cent of graduates returning to college within six months.
- Graduates of two-and three-year programs are more likely to attend university after graduation (8.2 per cent) than graduates of post-diploma (3.1 per cent) and 1 yr. programs (5.6 per cent)

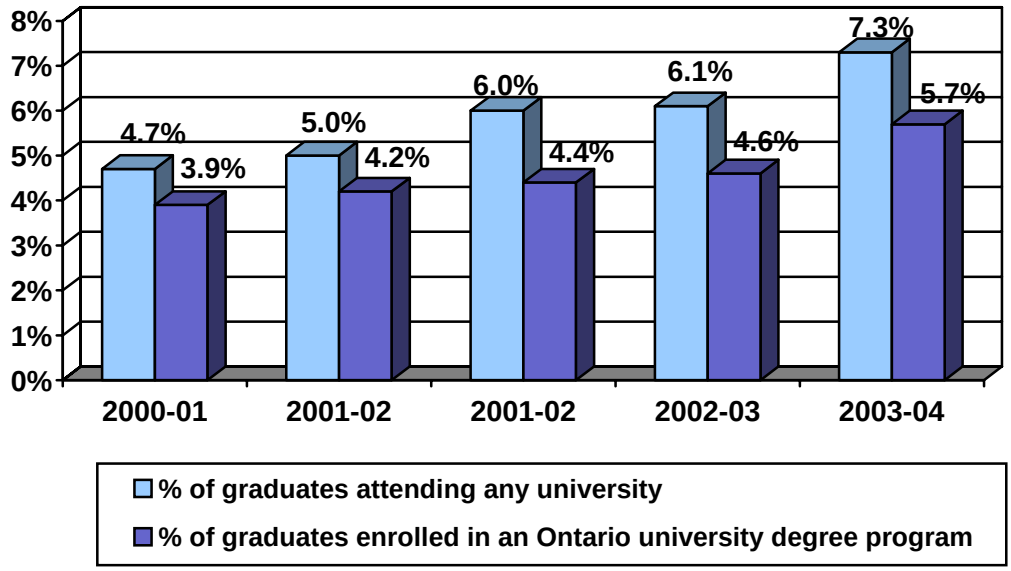
The National Graduate Survey (Statistics Canada) showed that 26 per cent of college graduates (class of 2000), had returned to education at some point within two years. Forty per cent of university (Bachelor's) graduates had returned to education within two years.

Figure 26: Education Pathways for Ontario College Graduates Six Months after Graduation (2003-04 Graduates)



Source: 2004 Graduate Satisfaction Survey, MTCU.

Figure 27: Proportion of College Graduates Attending University (2000-04)



Source: MTCU Graduate Satisfaction Surveys, 2001-2005.

Table 9. Further Education* of College Graduates by Age

	College	University	Total in Further Education
Less than 21	34.3%	9.3%	**43.5%**
21 to 25	15.7%	9.2%	**25.0%**
26 to 30	13.0%	3.8%	**16.8%**
31 to 35	14.4%	3.%	**17.7%**
More than 35	14.2%	2.3%t	**16.5%**
Overall	**18.0%**	**7.3%**	**25.3%**

*Further education includes degree, diploma, third year options to diplomas, and continuing education courses

Although on a system level the percentage attending university was only just over seven7 per cent, many individual program clusters exceed this average considerably. For example, the preparatory/upgrading cluster, which includes some university transfer programs, has 20 per cent of its graduates enrolling in university within six months.

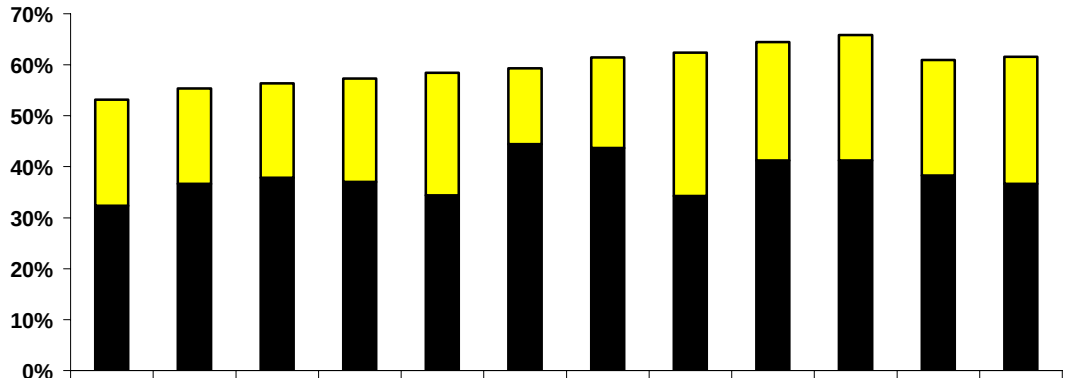
Table 10. Occupational Clusters With the Highest Proportion of Graduates Attending University, 6 Months After Graduation (Top 10 clusters)

	Percent of surveyed graduates attending university	Total Graduates
Preparatory/Upgrading	20.2%	3427
Native Community Worker	19.6%	70
Education	15.3%	2838
Social Services	13.4%	2162
Business - Management	12.8%	2267
Child/Youth Worker	12.6%	674
Business-Legal	12.2%	883
Law and Security	11.6%	3449
Recreation/Fitness	11.0%	774
Technology-Chemical/ Biological	10.5%	543

5.7 Ontario's Postsecondary Attainment Rate

In 2004, Ontario had the country's third-highest PSE attainment rate (including apprenticeship/ trades) in the population aged 25 to 44, at 62.4 per cent, behind Nova Scotia and Quebec. It has the country's highest proportion of degree holders (28 per cent) and the second lowest proportion of diploma or certificate holders (including trades) (34 per cent). The high proportion of degree holders in Ontario is in part attributable to the Ontario's high proportion of skilled immigrants who have degrees.

Figure 28: Population Aged 25 to 44 with College or University Qualifications in 2004



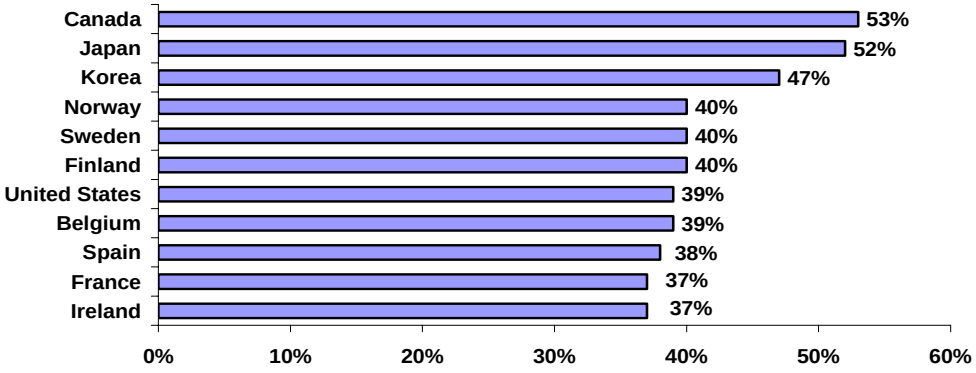
	MB	SK	NB	AB	BC	NL	PE	ON	NS	QC	Outside ON	CAN
University	20.8%	18.8%	18.5%	20.3%	24.0%	14.9%	17.8%	28.2%	23.3%	24.6%	22.7%	24.9%
College/ trades	32.4%	36.6%	37.8%	37.0%	34.4%	44.4%	43.7%	34.2%	41.2%	41.2%	38.3%	36.7%

College: Completed a certificate (including a trade certificate) or diploma from an educational institution beyond the secondary level. This includes certificates from vocational schools, apprenticeship training, community college, CEGEP, and school of nursing. Also included are certificates below a Bachelor's degree obtained at a university.
University: Attained at least a university bachelor's degree.
Source: Labour Force Survey, Table 282-0004, Statistics Canada

5.8 Comparisons of Postsecondary Graduates in Canada to Other OECD Countries

Canada and Japan are substantially ahead in the proportion of their 25- to 34-year-old population who are postsecondary graduates, compared with other OECD countries. Korea has made huge strides in this age group, increasing from 41 per cent in the 2002 survey.

Figure 29: Population Aged 25 to 34 with College or University Qualifications, Top OECD Countries, 2003



Source: Education at a Glance 2005, Table A1.3a, OECD; Includes only tertiary programs; excludes non-tertiary postsecondary programs (eg. trade certificates).

6.0 LIFELONG LEARNERS

6.1 Lifelong Learners in Ontario

Statistics Canada's 2003 Adult Education and Training survey provided a province-by-province breakdown of job-related training for the total population aged 25 to 64 in 2002.
Key results for Ontario include:

- Participation rate increased to 30.3 per cent from 27.2 per cent in 1997.
- The average number of job-related training hours per participant was 184 hours, an increase of 14 per cent over 1997.
- The proportion of employer-supported, job-related training dropped slightly since 1997, from 20.6 per cent to 20 per cent. However, the number of hours provided increased from 80 to 125, slightly above the national average of 120 hours.

6.2 Lifelong Learners in Ontario's Colleges[9]

Data in this section is from the latest CAAT Continuing Education Survey (Compustat Consultants Inc.), a survey administered in Fall 2005 to students currently registered in CAAT continuing education courses.

Continuing Education is abbreviated as CE throughout this sub-section.

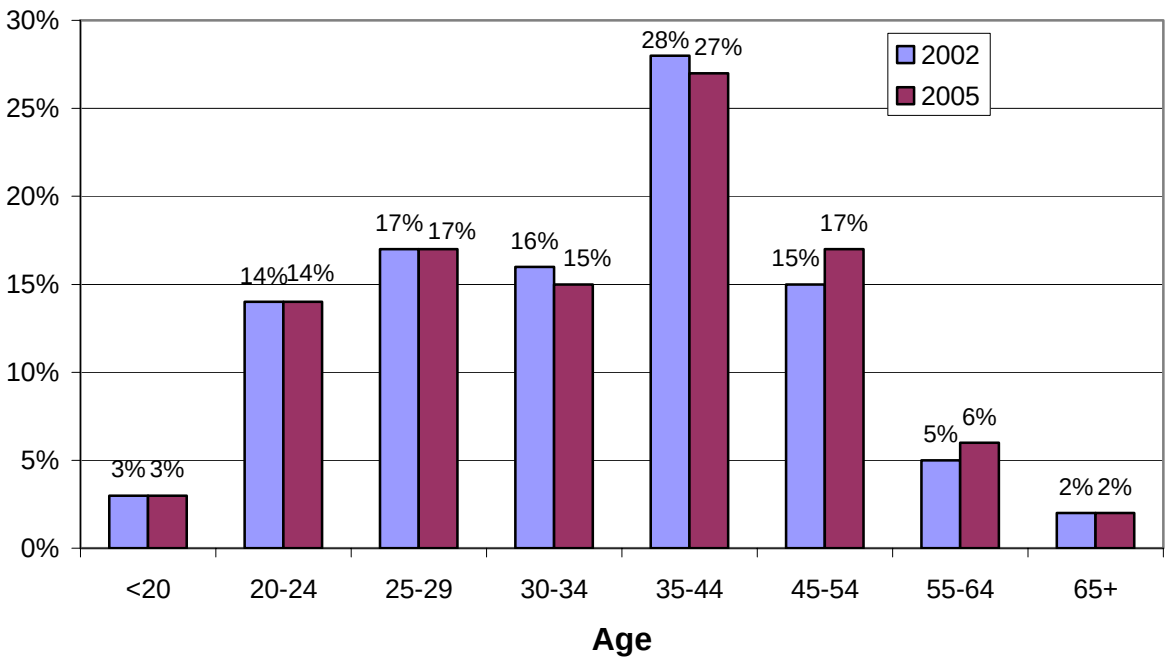
6.2.1 First Language and country of highest education

The proportion of students whose first language is other than English or French has continued to grow. It has increased from 16 per cent in 1996 to 26 per cent in 2005. Similarly, an increasing number indicate that they completed their previous education in another country, rising from 15 per cent in 1996 to 24 per cent in 2005.

6.2.2 Demographics of Ontario CE Students

- **Sex**: Female CE students continue to outnumber male CE students 65 per cent to 35 per cent. This has changed little since 1996, when 64 per cent were female.
- **Age**: fifty-nine per cent of CE students are between 25 to 44 years old, with 25 per cent at 45 years and older. The proportion over 45 years of age has changed the most since 2002, an increase from 22 to 25 per cent

Figure 30: Age of CE Students in Ontario

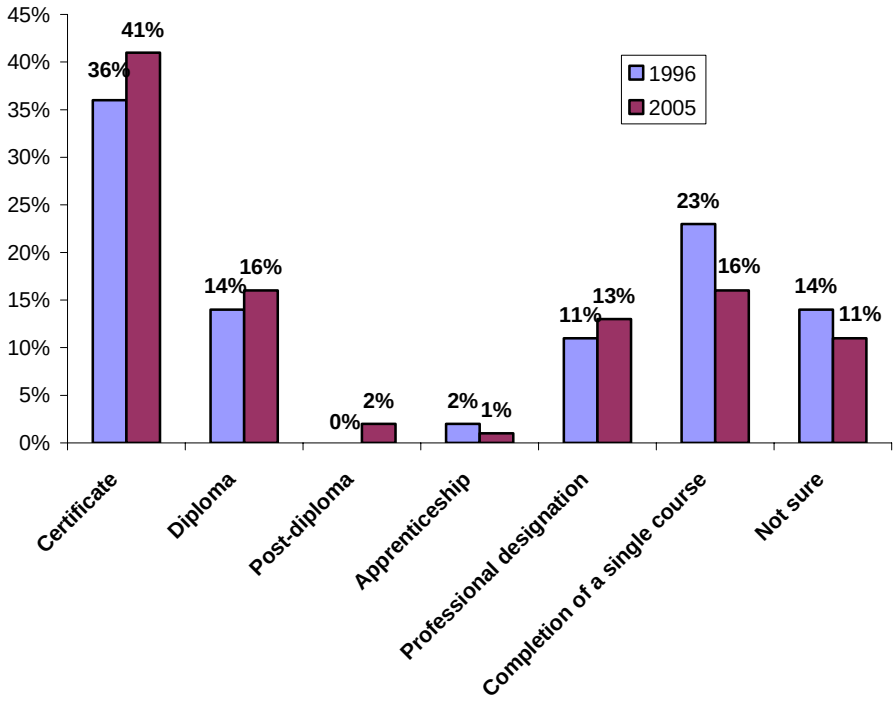


Source: Provincial Highlights: CAAT Continuing Education Survey – Fall 2005, Compustat Consultants Inc

6.2.3 Goals of CE Students in Ontario

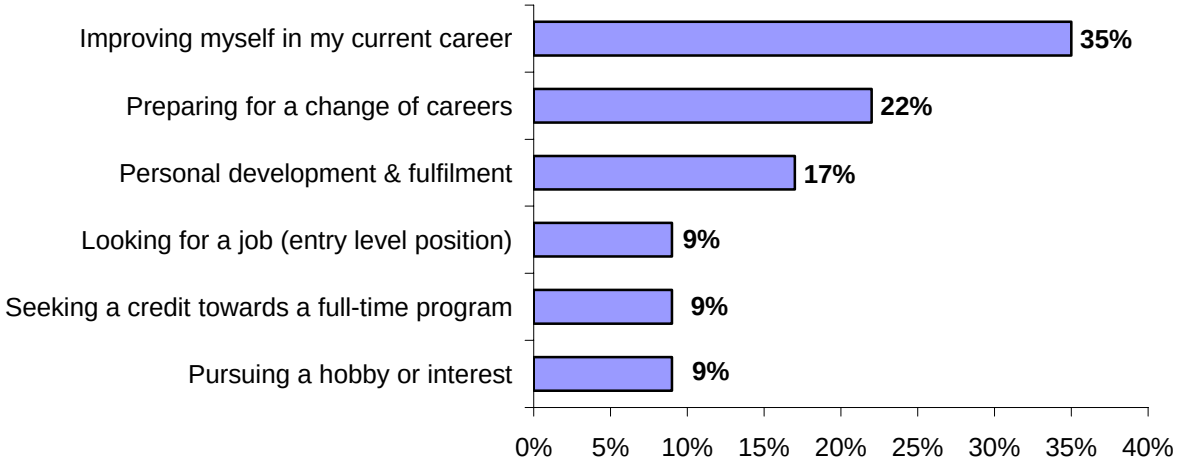
The vast majority of CE students surveyed reported working towards some type of credential (73 per cent), with only a small proportion indicating they were working towards completion of a single course (16 per cent).

Figure 31: Goals of CE Students



Sixty-seven per cent of students stated they were taking CE courses for career- related reasons, slightly higher than in 2002, which stood at 64 per cent. Personal development and fulfillment, or pursuing a hobby or interest, made up just one-quarter of the responses.

Figure 32: Main Reasons for Enrolling in CE at Ontario Colleges (Fall 2005)

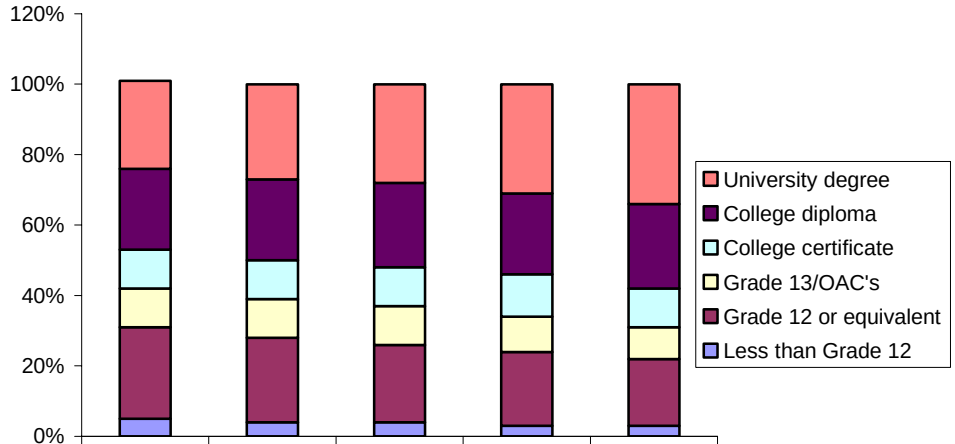


Source: Provincial Highlights: CAAT Continuing Education Survey – Fall 2005, Compustat Consultants Inc

6.2.4 Level of Prior Education of Ontario College CE Students

In 2005, 69 per cent of continuing education students had a certificate, diploma or degree, an increase from 59 per cent in 1996. The proportion of degree holders in particular has increased, from 25 per cent in 1996 to 34 per cent in 2005, and those with grade 12 or equivalent and less is decreasing.

Figure 33: Highest Level of Education of CE Students (Fall 2005)

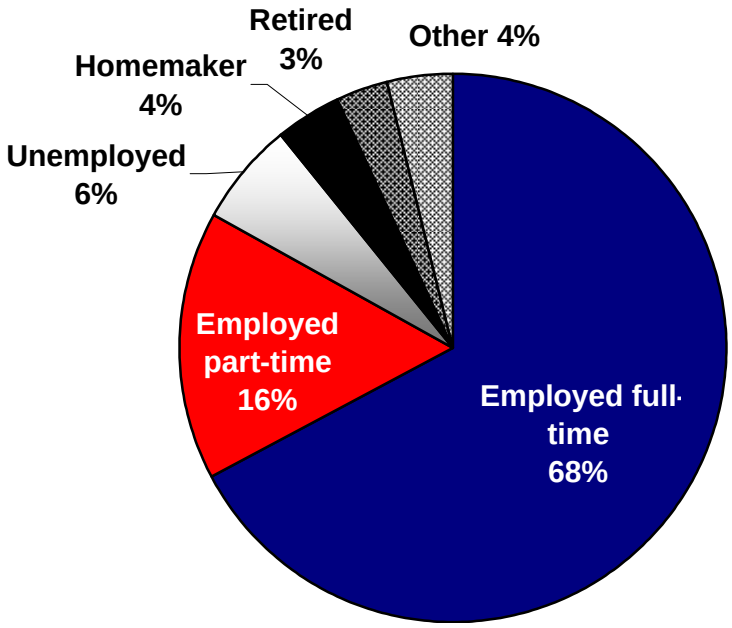


	1996	1998	2000	2002	2005
University degree	25%	27%	28%	31%	34%
College diploma	23%	23%	24%	23%	24%
College certificate	11%	11%	11%	12%	11%
Grade 13/OAC's	11%	11%	11%	10%	9%
Grade 12 or equivalent	26%	24%	22%	21%	19%
Less than Grade 12	5%	4%	4%	3%	3%

Source: CAAT Continuing Education Survey – Fall 2005, Compustat Consultants Inc.

6.2.5 Employment Status of CE Students

Figure 34: Employment Status of Continuing Education Students (Fall 2005)



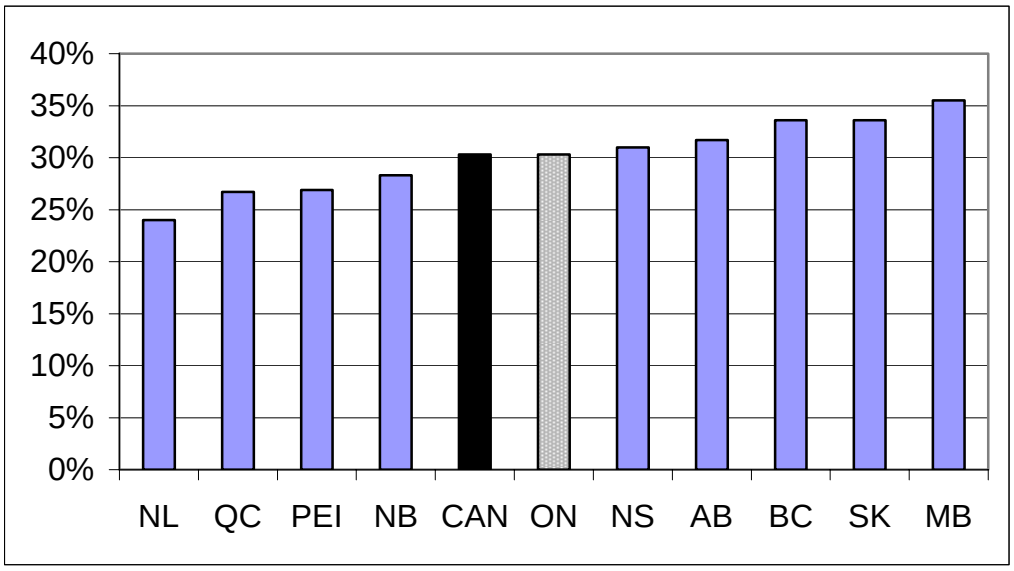
Source: Provincial Highlights: CAAT Continuing Education Survey – Fall 2005, Compustat Consultants Inc

6.3 Lifelong Learners in Canada

While Canada has the highest level of postsecondary completion in the OECD, it ranks only 7th in its participation rate in job-related continuing education and training.[10]

- In 2002, 30.1 per cent of Canadians aged 25 to 64 took part in job-related training, compared with 24.3 per cent in 1997.
- 35 per cent of the employed population participated, compared with 22 per cent of those unemployed.
- Ontario had the fifth-highest participation rate of the provinces, at 30.3 per cent. The prairies and British Columbia lead the country in participation rates.

Figure 35: Participation In Job-Related Training In 2002 By Province



Source: 2003 Adult education and Training Survey, Statistics Canada

Appendix 1. Graduates by Occupation Cluster, 2003-04

Area	Cluster Name	Total Graduates	Percent of Graduates
Health	Nursing Related	7055	12.4%
Arts	Law and Security	3449	6.1%
Arts	Preparatory/Upgrading	3427	6.0%
Technology	Technology - Electronics	2946	5.2%
Arts	Education	2838	5.0%
Arts	Media	2711	4.8%
Business	Accounting/Finance	2409	4.2%
Business	Computer - Business	2389	4.2%
Business	Business Management	2267	4.0%
Arts	Social Services	2162	3.8%
Business	Marketing/Retail Sales	2073	3.7%
Health	Health Technology	2057	3.6%
Technology	Technology - Mechanical	1866	3.3%
Arts	Advertising and Design	1823	3.2%
Business	Human Resources/Industrial Relations	1003	1.8%
Business	Hospitality Management	996	1.8%
Business	Office Administration	988	1.7%
Technology	Resources	970	1.7%
Business	Business - Legal	883	1.6%
Technology	Technology - Civil	874	1.5%
Arts	Art	851	1.5%
Business	Culinary Arts	842	1.5%
Arts	Recreation/Fitness	774	1.4%
Business	Travel/Tourism	745	1.3%
Health	Health - Miscellaneous	684	1.2%
Arts	Child/Youth Worker	674	1.2%
Technology	Automotive	635	1.1%
Technology	Chemical/Biological	543	1.0%
Arts	Fashion	493	0.9%
Technology	Technology - Machining	483	0.9%
Business	Office Administration - Health	467	0.8%
Arts	Developmental Services Worker	461	0.8%
Technology	Technology Miscellaneous	449	0.8%
Technology	Technology - Architectural	425	0.7%
Arts	Public Relations	380	0.7%
Health	Animal Care	330	0.6%
Arts	Performing Arts	294	0.5%
Technology	Aviation (Maintenance)	245	0.4%
Arts	Horticulture	224	0.4%
Technology	Furniture/Wood Products	182	0.3%
Business	Materials Management	153	0.3%
Business	Office Administration - Legal	151	0.3%
Technology	Instrumentation	110	0.2%
Technology	Power	106	0.2%
Business	Small Business	104	0.2%
Arts	Crafts	100	0.2%
Technology	Geology/Mining	94	0.2%
Arts	Library	82	0.1%
Technology	Aviation (Flight)	80	0.1%

Area	Cluster Name	Total Graduates	Percent of Graduates
Technology	Welding	77	0.1%
Arts	Native Community Worker	70	0.1%
Arts	Graphic Arts/Printing	60	0.1%
Technology	Marine	53	0.1%
Technology	Drafting	49	0.1%
Business	Aviation Management	38	0.1%
Technology	Industrial	37	0.1%
Business	Government/Real Estate	20	0.0%
Arts	Community Planning	10	0.0%
	Total Graduates	**56761**	

7 WEBSITES OF INTEREST

ORGANIZATION / SUBJECT	WEBSITE
Conference Board of Canada	http://www.conferenceboard.ca/
Education, Skills and Learning Research Papers	http://www.statcan.ca/cgi-bin/downpub/listpub.cgi?catno=81-595-MIE
Canadian Education Statistics	http://www.statcan.ca/english/Pgdb/educat.htm
Education Studies	http://www.statcan.ca/cgi-bin/downpub/freepub.cgi?subject=1821#1821
Millennium Scholarships	http://www.millenniumscholarships.ca/factbook/en/
OECD	http://www.oecd.org
Statistics Canada	http://www.statcan.ca

8 ENDNOTES

[1] Double Cohort Study. Phase 4 Report for the Ontario Ministry of Education. King AJC, Warren WK, Boyer JC, Chin P. Social Program Evaluation Group, Queen's University.

[2] *2004 College Applicant Survey,* Acumen Research Group Inc., and the Canada Millennium Scholarship Foundation.

[3] *Participation and Activity Limitation Survey,* Statistics Canada, 2001

[4] *Survey of Undergraduate Students 2002,* Canadian Undergraduate Survey Consortium, 2002.

[5] *Institutional Report: 2004 Canadian College Student Survey. Kwantlen University College,* Prairie Research Associates Inc., the Canadian College Student Consortium, The Canadian Millennium Scholarship Foundation, June, 2004.

[6] *At a Crossroads: First Results for the 18 to 20-year-old Cohort of the Youth in Transition Survey, 2002,* Human Resources Development Canada, Statistics Canada, p.18.

[7] *Canadian Postsecondary Students with disabilities: Where are They?* Fichten, CS, Asuncion, JV et al, The Canadian Journal of Higher Education. Volume 33. No. 3, pgs. 71-114, 2003.

[8] *2004 Survey of International Students, 2004,* Canadian Bureau of International Education.

[9] *CAAT Continuing Education Survey – Fall 2005,* Compustat Consultants Inc.

[10] *OECD Education at a Glance 2005.*

DEMOGRAPHICS

Section Two

SECTION TWO: DEMOGRAPHICS

This chapter examines demographic data and population projections for Ontario and Canada from 2004 to 2031.

1.0 HIGHLIGHTS

Ontario

- Ontario's population was 12.5 million in 2005, and is projected to reach 16.4 million by 2031.
- Between 2005 and 2031, the annual rate of population growth is expected to drop from 1.1 per cent to 0.8 per cent.
- Diminishing natural increase is the main factor in the slower growth rate.
- The province's 20- to-24-year-old cohort will continue to grow until the middle of the next decade. It will decline in size in the following 10 years.
- In 2004-05, Ontario received 53 per cent of all of Canada's immigrants, 130,000 in total. Immigrants are well educated and their education upon arrival has been increasing. Sixty-six per cent of those who arrived from 1996 to 2001 had postsecondary qualifications.
- Ontario's population growth will vary by region, with the Greater Toronto Area being the fastest-growing region, largely due to immigration. The Northern regions are expecting a modest decline throughout the next 25 years.

Canada

- In 2005, Canada's population was estimated at 32.3 million, 0.9 per cent higher than the previous year.
- The population is projected to reach 39 million by 2031, and reach 42.5 million by 2056.
- In 2001-02, the average annual growth rate was 1.1 per cent, by 2031 it is expected to drop to 0.6 per cent, and by 2055-56 it is expected to drop further to 0.2 per cent.
- By 2030, the number of deaths in Canada is projected to outnumber births, and immigration will therefore account for all population growth.
- Canada's working-age population is now almost evenly distributed between the younger age range of 25 to 44 and 45 to 64.
- Immigration is, and will continue to be, a significant contributor to Canada's population growth, with China, India, Pakistan and the Philippines as the main source countries.
- Recent immigrants (arriving between 1996 and 2001) are well-educated, 68 per cent of the 25 to 64 age group report a postsecondary credential.

2.0 ONTARIO'S POPULATION

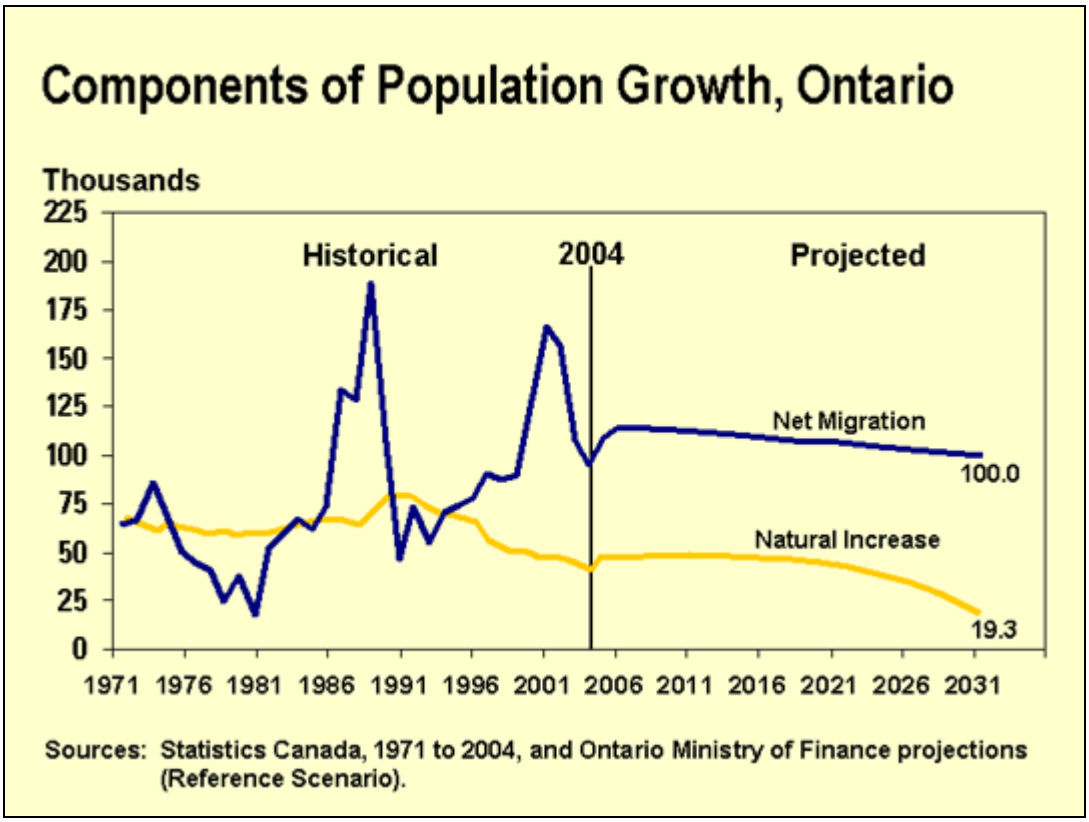
2.1 Population Projections – Ontario[1]

Over the 12-month period ending July 1, 2005, Ontario's population grew by about 134,000 or 1.1 per cent, down slightly from 1.2 per cent over the previous 12-month period. Ontario's population growth rate was third in the country, behind Alberta (1.6 per cent) and British Columbia (1.3 per cent). The overall Canadian average for the period was 0.9 per cent.

From 1996 to 2005, Ontario's population increased by 13.2 per cent, compared with a national increase of nine per cent. Proportionately, Ontario increased its share of the Canadian population from 37.4 per cent in 1996 to 38.9 per cent in 2005. By 2031, it is projected that Ontario will make up 41.3 per cent of the Canadian population.

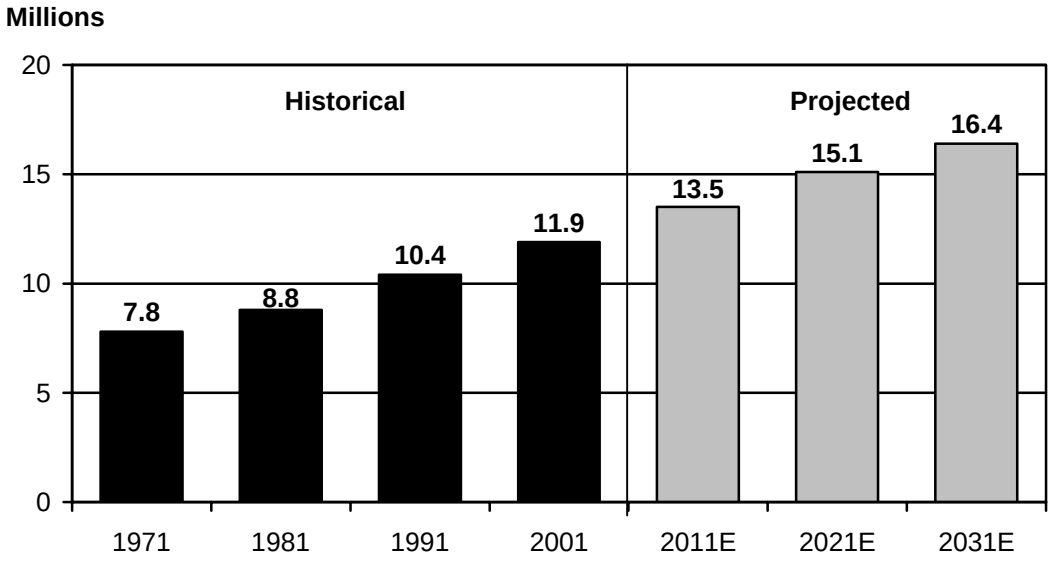
Overall, Ontario's population is projected to increase 33 per cent over the next 25 years, rising from an estimated 12.5 million in 2005, to 16.4 million in 2031. However, the annual rate of growth is expected to drop from 1.1 per cent to 0.8 per cent.

Figure 1: Population Growth by Natural Increase and Migration, 1971-2031



The following chart presents the most likely scenario for Ontario's population growth to 2031.

Figure 2: Ontario's Projected Population: Reference (i.e. most likely) Scenario, 1971 – 2031



Source: Statistics Canada, and Ontario Ministry of Finance projections in: Ontario Population Projections 2004-31 Ontario Ministry of Finance, Fall, 2004, pg. 8
E= Estimated

2.2 General Age Structure Trends - Ontario

During the projected period, the age distribution of Ontario's population will shift to fewer youth and more seniors. While the proportion of children under the age of 15 years will fall from 18.5 per cent to 15.4 per cent, the proportion of adults age 65 and over will increase from 12.8 per cent to 22.3 per cent in 2031. The province's working-age population, ages 15 to 64, will rise from 68.8 per cent in 2004 to peak at 69.6 per cent in 2010, after which it will fall slowly to 62.3 per cent by 2031.

Ontario's working-age population will increase by 20 per cent by the year 2031, from 8.5 million in 2004 to 10.2 million in 2031. The most rapid increase will be among workers over age 45.

The median age of women will climb from 39 in 2004 to 44 years in 2031. The median age for men will increase from 37 to 42 years by 2031.

The most relevant age groups to Ontario's colleges, the 15 to 29 age range, will be roughly 20 per cent of the total population until 2011, with actual numbers increasing. However, the projection for the subsequent 20 years shows the proportion of the 15 to 29 age group declining and a plateau in the total numbers. The following table presents Ontario's population distribution by age groupings most relevant to colleges.

Table 1: Projected Ontario Population (POP) by Selected Age Groupings, 2001 to 2031

Age Group	15 -19		20 - 24		25 - 29	
Year	POP (thousands)	% of POP	POP (thousands)	% of POP	POP (thousands)	% of POP
2001	805.1	6.8%	784.8	6.6%	806.9	6.8%
2004	829	6.7%	845.4	6.8%	831.7	6.7%
2006	849.4	6.7%	872.6	6.9%	856.5	6.7%
2011	885	6.5%	914.8	6.8%	935.3	6.9%
2016	848.6	5.9%	951.3	6.6%	975	6.8%
2021	808.2	5.4%	914.9	6.1%	1008.6	6.7%
2026	848.8	5.4%	873.9	5.5%	969.5	6.1%
2031	891.9	5.4%	913.6	5.6%	926	5.6%

Source: *Ontario Population Projections*, 2004-2031, Ministry of Finance (2005) Table 4 Reference Scenario.

2.3 Migration and Immigration

Net migration: From 2004 to 2014, net migration (i.e. to Ontario from other countries, provinces and territories) will add more than 1.1 million to Ontario's population, accounting for 70 per cent of total population growth. By 2031, net migration will add 2.9 million people to the province's population.[2]

Immigration levels: Immigration has played a significant role in the population growth of the province. In 2004-05, the province received 130,000 new Canadians, 53 per cent of the total that came to Canada. Overall, net international migration was 99,903, in 2004-05, down from 109,964 in the previous year. There is considerable uncertainty involved in projecting immigration levels but, taking into account the fluctuations that occurred in the past decade, and the targets set by the federal government, Ontario immigration projections by the Ministry of Finance range from 90,000 to 150,000 persons annually.[3] The most likely projection has been set at 125,000 annually, beginning in 2004-05 and remaining constant at that figure for the projection period to 2031. Figure 1 shows the contribution of migration and natural increase to Canada's growth from 1971 to 2031. It illustrates the degree to which the rate of natural increase in Ontario's population is dropping and the relative importance of migration. In 2002, Ontario Total Fertility Rate (TFR) reached the lowest level ever recorded for the province: 1.48 children per woman. This is less than half the level at the peak of the Baby Boom (in 1960) when Ontario's total fertility rate reached 3.8 children per woman. In 1972, fertility crossed the replacement level of 2.1 children per woman.

Education levels of immigrants: From 1996 to 2001, Ontario received almost 424,000 international immigrants 15 years of age and older. In recent years, the education levels of international immigrants coming to Ontario have increased and are now higher than the non-immigrant Ontario population ages 25 to 44. In 2001, only 59 per cent of the Ontario population ages 25 to 44 possessed a postsecondary credential, compared with 72 per cent of immigrants who came to Ontario from 1996 to 2001. Another notable shift has been in the relative proportion of college/trades credentials versus university credentials. There has been a large jump in the proportion of immigrants with university degrees and a decline in college credentials. The following table presents the education levels, based on census figures from 1996 and 2001.

Table 2: Highest Education Level Achieved by Ontario Immigrants versus the Non-Immigrant Population, Aged 25-44

Education Level	Ontario non-immigrant population, 2001	Arrived between 1991-1995	Arrived between 1996-2001
Less than high school graduation certificate	14.7%	18.6%	11.3%
High school graduation certificate	14.9%	14.1%	9.5%
Some postsecondary education	11.8%	11.7%	7.5%
Trade certificate or diploma	11.3%	8.4%	5.5%
College certificate or diploma	23.4%	16.2%	10.5%
University certificate or diploma below Bachelor's	1.4%	4.2%	5.5%
University degree, of which:	22.4%	26.9%	50.2%
Bachelor's	16.1%	17.7%	29.0%
University certificate above bachelor's degree	2.8%	2.5%	4.9%
Master's	3.2%	5.5%	13.8%
Doctorate	0.3%	1.1%	2.4%
Total Number Aged 25-44	2,438,250	225,230	251,580

Source: Statistics Canada - Cat. No. 97F0009XCB01041
www12.statcan.ca/english/census01/products/standard/themes/RetrieveProductTable

2.4 Ontario's Regional Population Distribution[4]

Between 1996 and 2004 population growth varied widely throughout the province. Regions experiencing increases include:

- The GTA, +18.6 per cent
- Central region (excluding the GTA), +10.9 per cent
- Southwestern, +5.7 per cent
- Eastern, +7.7 per cent

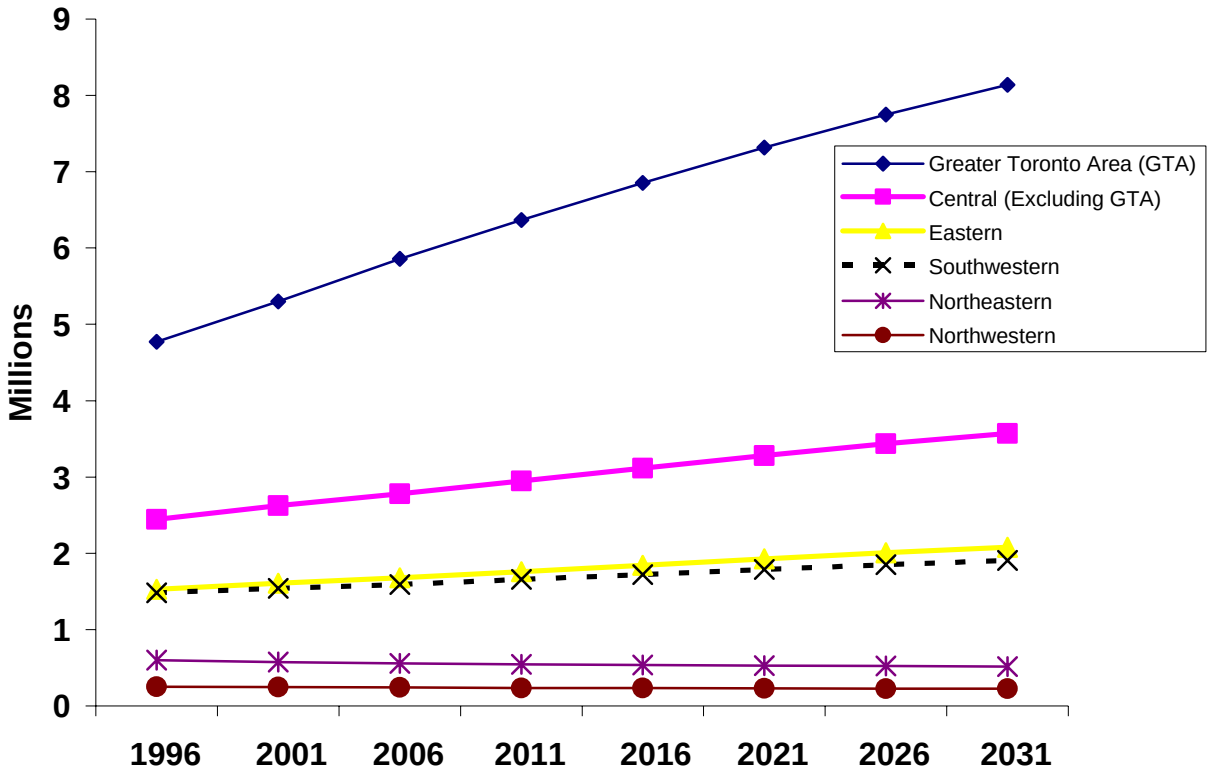
Regions experiencing population declines:

- Northeastern, -5.9 per cent
- Northwestern, -3.9 per cent

These regional population trends are expected to continue through to 2031. Most regions will experience growth with the exception of the North, with the Greater Toronto Area being the fastest growing region, largely due to immigration. The GTA's population will increase from 5.7 million in 2004 to 8.1 million by 2031. The GTA's share of total Ontario population will rise from 46 per cent in 2004 to almost 50 per cent in 2031, one-half of Ontario's population. Growth in the York Region of the Greater Toronto Area will be the fastest.

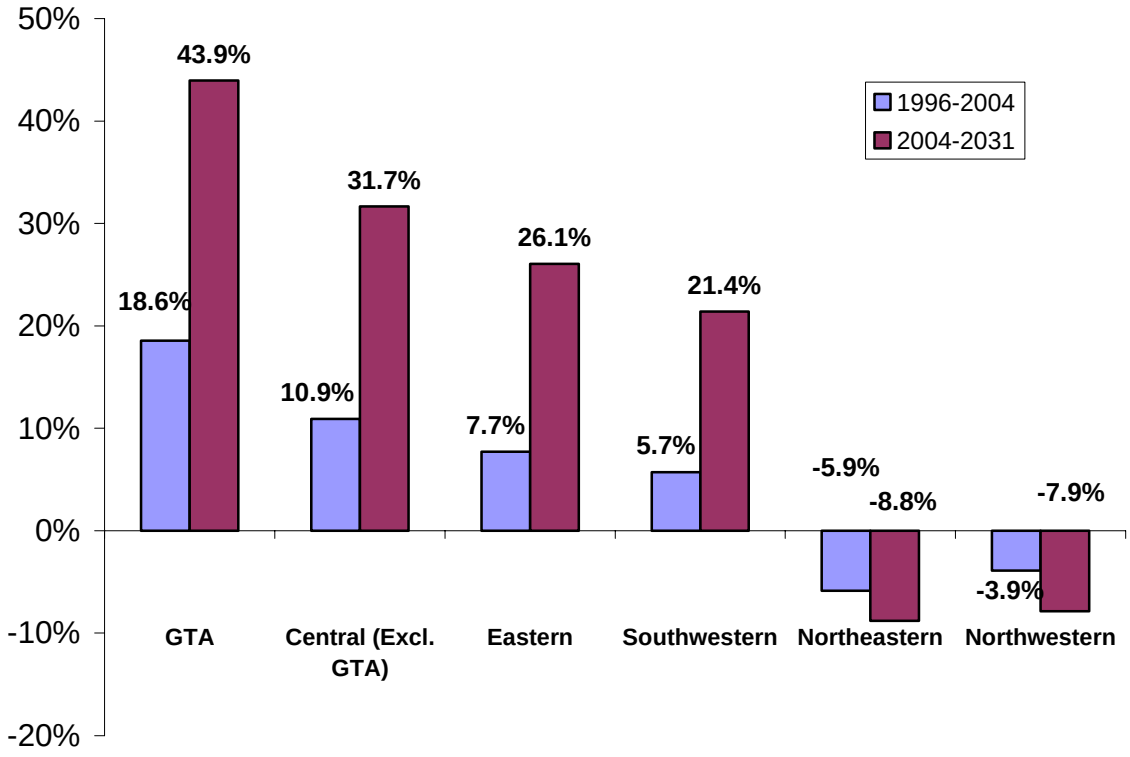
The population of Central Ontario will grow by about 858,700, with its share of Ontario's total population remaining unchanged at 22 per cent at the end of the projection period. Eastern Ontario's population will rise by 429,400. The population of Southwestern Ontario will grow by 335,600 but growth rates within the region will vary. Northern Ontario is projected to continue its trend since 1996, and will experience an overall decrease of 19,200 people between 2004 and 2031 at varying rates across the region.

Figure 3. Historical and Projected Population Growth for Ontario by Region.



Source: Ontario Population Projections 2004 – 2031. Ontario and Its 49 Census Divisions, Ontario Ministry of Finance, February 2005

Figure 4: Historical and Projected Regional Population Change for Ontario



Source: Ontario Population Projections 2004 – 2031. Ontario and Its 49 Census Divisions, Ontario Ministry of Finance, February 2005

Table 3. Current and Projected Population Share for Ontario, by Region

	2004	2016	2031
Greater Toronto Area (GTA)	45.6%	47.9%	49.5%
Central (Excluding GTA)	21.9%	21.8%	21.7%
Eastern	13.3%	12.9%	12.6%
Southwestern	12.7%	12.0%	11.6%
Northeastern	4.6%	3.8%	3.1%
Northwestern	2.0%	1.6%	1.4%

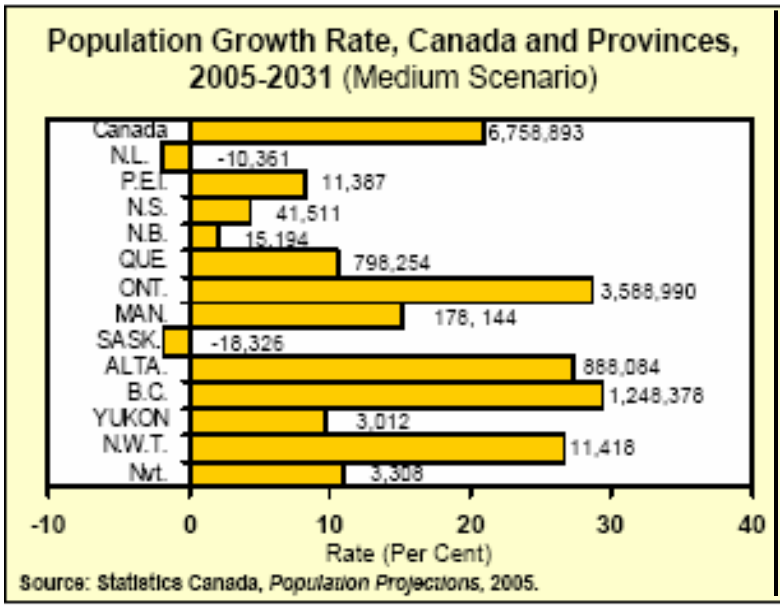
Source: Ontario Population Projections 2004 – 2031. Ontario and Its 49 Census Divisions, Ontario Ministry of Finance, February 2005

3.0 CANADA'S POPULATION

3.1 Canada's Population Projections

Three main factors contribute to the country's short- and long-term population profiles: natural increase, age structure and migration. The interplay of these three factors has resulted in an increase in Canada's population but at an increasingly slower rate over the past several years. In 2005, Canada's population was estimated at 32.3 million, 0.9 per cent higher than the previous year. In the medium growth scenario, the population is projected to reach 39 million by 2031, and reach 42.5 million in 2056. In 2001-02, the average annual growth rate was 1.1 per cent, by 2031 it is expected to drop to 0.6 per cent, and by 2055-56 it is expected to drop further to 0.2 per cent. Figure 5 shows the projected provincial breakdown. British Columbia, Ontario, Alberta, and the Northwest Territories are expected to lead the country in population growth.

Figure 5. Interprovincial Population Growth and Growth rate.



Source: http://www.fin.gov.on.ca/english/demographics/dhi053.html

Canada's natural growth rate (births minus deaths) has been decelerating and is now at 0.3 per cent per year. Since 1996, natural increases declined by one-third due to a drop in fertility rates and the smaller size of the "baby bust" generation. At the same time, deaths increased primarily due to our aging population. It is projected that by 2030, Canada will have more deaths than births, and between now and 2031, immigration will account for 77 per cent of Canada's growth, and all of the growth between 2031 and 2056.

Table 4 presents Canada's census population and total growth rates over the last 50 years and those projected to 2031.

For a detailed interprovincial breakdown of the components of population growth in the past year (2004 to 2005), please see Appendix 1.

Table 4: Canada's Historical and Projected Census Population and Growth Rates, 1951 – 2031

Year	Population (000s)	5 year Growth Rate (%)
1951	14,009	
1956	16,081	14.8%
1961	18,238	13.4%
1966	20,015	9.7%
1971	21,568	7.8%
1976	22,993	6.6%
1981	24,343	5.9%
1986	25,309	4.0%
1991	27,297	7.9%
1996	28,847	5.7%
2001	31,100	7.8%
2006	32,547	4.7%
2011	33,910	4.2%
2016	35,267	4.0%
2021	36,609	3.8%
2026	37,883	3.5%
2031	39,029	3.0%

Sources: 2001 Census Analysis Series – A profile of the Canadian population: where we live; 2006 -2026; and "Canadian Statistics", http://www40.statcan.ca/l01/cst01/demo23c.htm

3.2 General Age Structure Trends - Canada

Median age increasing: A country's demographic structure changes continually as its birth cohorts move through the life cycle. Census data on age and gender show that in 2001, the median age of Canada's population reached an all-time high of 37.6 years, an increase of 2.3 years, from 35.3, in 1996. This was the biggest census-to-census increase in a century. Currently the median age in Canada is 39. The increase is one of many indicators that the nation's population is aging.

Low Fertility: The 2005 Statistics Canada's population estimates showed that 24.2 per cent of Canada's population was aged 19 or younger, down from 28 per cent in 1991. The current birth rate per 1,000 Canadians is 10.5.

Decrease in number of 25 to 34 year olds: The population of the younger working-age groups, aged 25 to 34, declined between 1991 and 2005 from 4.9 to 4.4 million, as the tail end of the baby boomers was replaced by the much smaller baby bust generation. Projections show that by 2011, this group could increase somewhat with the arrival of the first generations of the baby boomers' children. This generation, the "echo," can be seen in the five- to 24-year-old cohorts.

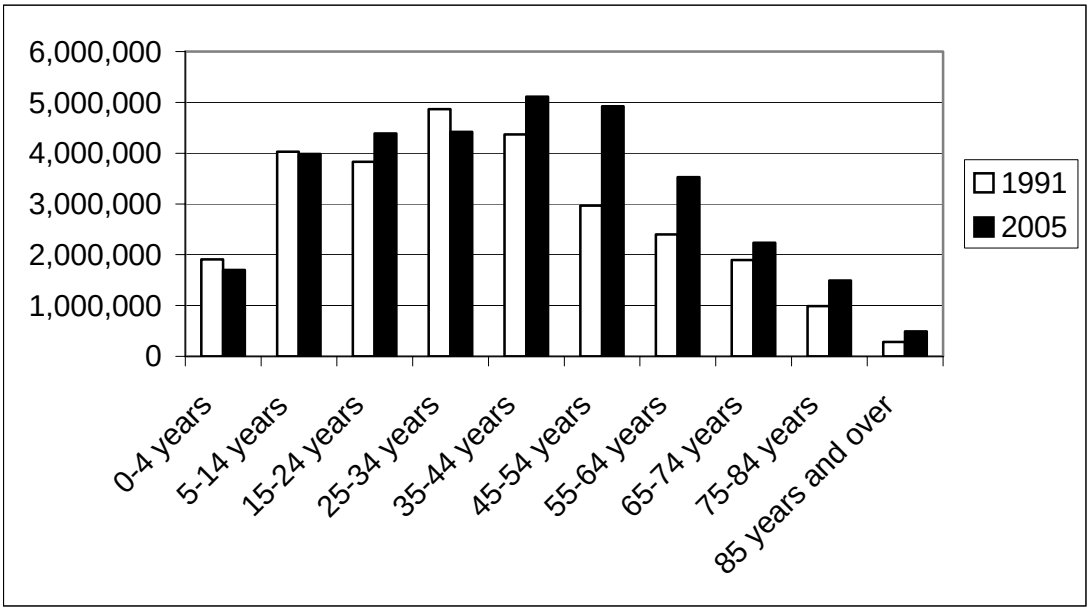
Increase in number of 35 to 44 year olds: Since 1991, the mid-career population, aged 35 to 44, increased 18 per cent to 5.2 million, as the larger generations of the end of the baby boom replaced the smaller ones of the beginning of the boom. However, this population is projected to decline 11 per cent from 2004 to 2011, as these large generations will themselves be replaced by the small cohorts of the baby bust.

Baby boomers: The most well-known birth group in Canada is the baby boom group, that is, people born from 1946 to 1965. Baby boomers are currently aged between 40 and 59. Since 1986, this age group has gone from 20 per cent of the population to almost 30 per cent.

Increase in number of 45 to 64 year olds: Canada's older working-age population, aged 45 to 64, has now almost matched the younger working age population of 25 to 44 year olds. While the population of 25 to 44 year olds has increased marginally from 9.2 to 9.5 million since 1991, the 45 to 64 year old age group has increased by 57 per cent, from 5.4 to 8.5 million.

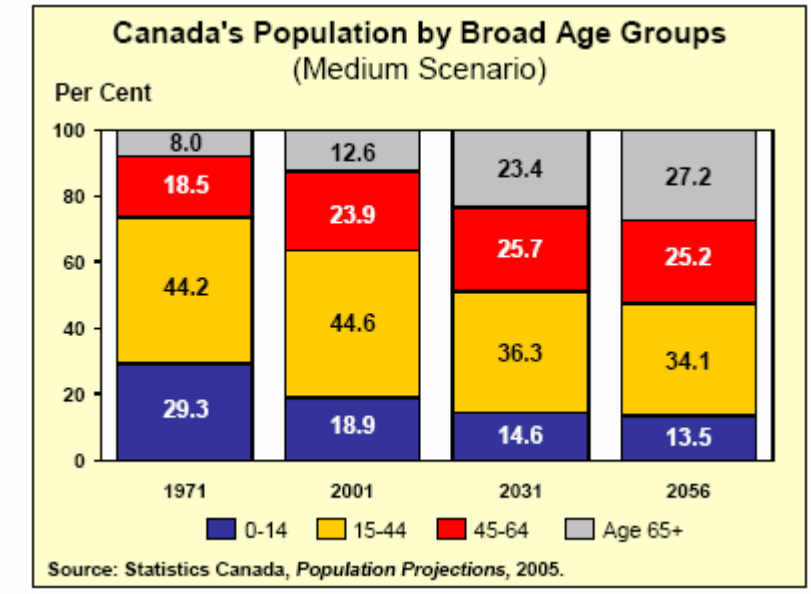
Increases in the retirement–age population. The population over 65 has increased by over one million since 1991, and it is projected to nearly double to 9.1 million by 2031. In 2005, this age group made up only 13.1 per cent of the population; it is expected to comprise 27 per cent of the population by 2031.

Figure 6: The Canadian Population by Age, 1991 and 2005



Source: Statistics Canada, CANSIM II, table 051-0001. http://www.statcan.ca/english/Pgdb/demo10a.htm

Figure 7: Canada's Historical and Projected Population by Age Groups



Source: http://www.fin.gov.on.ca/english/demographics/dhi052.html

For more information with respect to the impact of the aging population on the labour force, please see Chapter on "Ontario Economic, Labour and Fiscal Outlook."

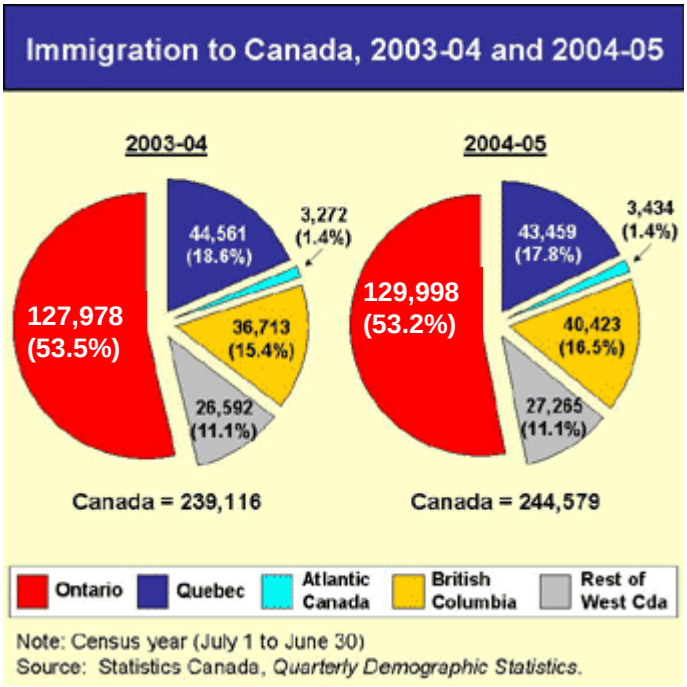
3.3 Immigration - Canada

Immigration is, and will continue to be, a significant contributor to Canada's population growth.

For the last half of 2004 and the first half of 2005, 244,579 immigrants came to Canada. This was an increase of 2.3 per cent over 2003-04. China (16 per cent) was the leading source country of immigration, followed by India (12 per cent), the Philippines (6 per cent), Pakistan (five per cent), and the United States (2.3 per cent).[5]

Ontario, with 39 per cent of the population, takes in 53 per cent of all immigrants to Canada, followed by Quebec (17.8 per cent), and British Columbia (16.5 per cent).

Figure 8. Immigration to Canada by Destination.



Source: http://www.fin.gov.on.ca/english/demographics/dhi052.html

According to the 2001 Census, 68 per cent of immigrants were born in Asia, including the Middle East. Another 15 per cent were from Europe, nine per cent from Africa and six per cent from Central and South America and the Caribbean. [6]

Among recent immigrants, both genders tend to be highly educated. For the 25 to 64 year age group, over 44 per cent of immigrants who came to Canada from 1996 to 2001 reported having a university degree. In contrast, less than 18 per cent of Canada's non-immigrant population had degrees in 2001. The proportion of immigrants with trade qualifications dropped from 14 per cent of immigrants who arrived in the 1960s to 11 per cent in the 1980s and down to six per cent in the late 1990s. The proportion of immigrants with a college diploma demonstrated a similar decline. Only 52.4 per cent of the non-immigrant population has a postsecondary credential (including trades), compared with 67.5 per cent of the immigrants who arrived from1996 to 2001. Similarly, the proportion with secondary school or less declined from 35 per cent of immigrants who arrived in the 1980s to 25 per cent who arrived in the late 1990s. [7]

For further information on the impacts of immigration on the labour force, please see Chapter Five of the Scan, Labour, "Immigrants."

Appendix 1: Components of population growth, by province (2004-05)*

	Canada	NF	PEI	NS	NB	PQ	ON	MN	SK	AB	BC
Births	337,856	4,511	1,409	8,580	7,023	75,303	131,454	14,111	12,144	41,015	40,465
Deaths	234,645	4,429	1,259	8,413	6,446	55,429	88,919	10,264	9,195	19,817	30,001
Immigration	244,579	547	312	1,705	870	43,459	129,998	7,676	2,089	17,353	40,423
Emigration	35,866	78	30	793	300	5,601	15,991	1,327	599	4,043	7,063
Net temporary emigration	25,563	105	34	374	223	4,073	10,625	562	515	2,934	6,069
Returning emigrants	15,786	72	23	339	272	2,785	6,546	987	181	1,981	2,585
Net non-permanent residents	-6,003	34	53	-191	382	-3,694	-10,025	538	304	1,866	4,859
Net interprovincial migration	...	-1,875	-222	-473	-1,650	-2,332	-8,375	-3,832	-4,583	16,615	7,456
Population July 1 2005**	**32,270,500**	**516,000**	**138,100**	**937,900**	**752,000**	**7,598,100**	**12,541,400**	**1,177,600**	**994,100**	**3,256,800**	**4,254,500**
Annual Growth rate, 2004-05	**0.9%**	**-0.3%**	**0.1%**	**0.0%**	**0.0%**	**0.7%**	**1.1%**	**0.6%**	**0.0%**	**1.6%**	**1.3%**

Source: “Canadian Statistics”, http://www40.statcan.ca/l01/cst01/demo23c.htm
*Comparison between July 1, 2004 to June 30, 2005
**Rounded to nearest 100

4.0 WEBSITES OF INTEREST

Organization	Website
Citizenship and Immigration Canada	http://www.cic.gc.ca
Statistics Canada	http://www.statcan.ca
Statistics Canada 2001 Census Analysis Series: A Profile of the Canadian Population: Where We Live	http://geodepot.statcan.ca/Diss/Highlights/Highlights_e.cfm?lang=E
Ontario Ministry of Finance	http://www.fin.gov.on.ca/english/demographics

5.0 REFERENCES

Canada Population Projections, 2005, Statistics Canada.

Census Analysis Series, 2001, Statistics Canada.

Integrating Internationally Trained Professionals and Tradespeople into Ontario's Economy, 2003, Ontario Ministry of Training, Colleges and Universities.

MEDS Projection System, McMaster University.

Ontario Demographic Quarterly, September 28, 2005; December 21, 2005, Ontario Ministry of Finance.

Ontario Population Projections 2004 – 2031. Ontario and Its 49 Census Divisions, Ontario Ministry of Finance, February 2005.

Performance and Potential, Conference Board of Canada, 2003.

Social and Economic Dimensions of an Aging Population, Papers 15 & 16, 2001.

Statistics Canada *"The Daily"*, December 15, 2005.

Update to Ontario Population Projections, 2004- 2031, Ontario Ministry of Finance.

6.0 ENDNOTES

[1] Ontario Population Projections 2004-31, Ontario Ministry of Finance, February, 2005.

[2] Ontario Population Projections 2004-31, Ontario Ministry of Finance, February, 2005.

[3] Ontario Population Projections, 2004-2031. Ontario Ministry of Finance, February, 2005.

[4] Ontario Population Projections, 2004-2031. Ontario Ministry of Finance, February, 2005.

[5] *The Monitor, Fall 2005*. Citizenship and Immigration Canada.

[6] *2001 Census, Statistics Canada.* http://www.statcan.ca/english/Pgdb/demo34a.htm

[7] *2001 Census, Statistics Canada* - Cat. No. 97F0009XCB01041
www12.statcan.ca/english/census01/products/standard/themes/RetrieveProductTable

PERFORMANCE AND PERCEPTIONS

Section Three

1.0 KEY PERFORMANCE INDICATORS (KPI)

1.1 KPI Overview

Ontario college data collection on graduate outcomes, graduate satisfaction and employer satisfaction began in the fall of 1998. The indicators were factored into the mechanism for distributing government transfer payments among colleges, starting in 2000-01. The amount of performance funding has remained constant for the last four years at $16.4 million and is distributed to colleges on a formula that reflects the size of the college and its KPI scores. Student satisfaction data has also been collected since 1998-99, but is not tied to funding distribution. All students are surveyed beyond their first semester, and graduates and employers are surveyed six months after student graduation.

1.2 Trends in CAAT Key Performance Indicators

The student and graduate satisfaction rates increased slightly over last year, with the employer satisfaction rates decreasing slightly:

Graduate Satisfaction rate: This is determined from the percentage of graduates who are very satisfied/satisfied with the usefulness of their college education in achieving their goals after graduation. For the 2005-06 graduates, 81.6 per cent were satisfied or very satisfied, up from 80.5 per cent in the previous year.

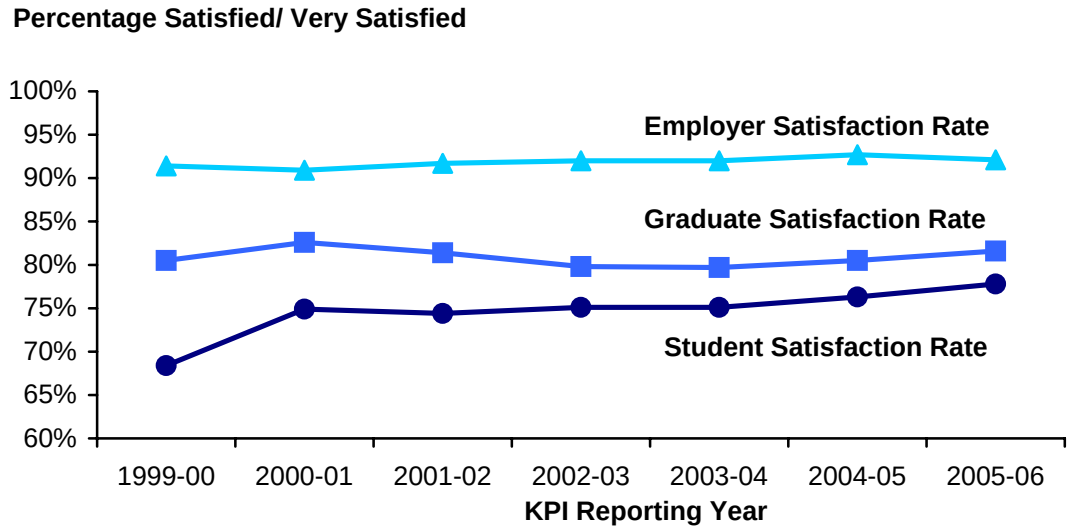
Student Satisfaction rate: This rate is calculated from four key indicators: the knowledge and skills that will be useful in their future career, overall quality of the learning experience, overall quality of facilities/resources, and overall quality of services. The average satisfaction rate for students in the 2004-2005 academic year was 77.8 per cent, an increase from 76.3 per cent in the previous year. All four indicators registered increases over the previous year.

Employer Satisfaction Rate: This is determined from the employers' overall satisfaction with their employees "college preparation for the type of work he/she is doing". It dropped slightly from the previous year, going from 92.7 per cent to 92.1 per cent.

Graduate Rate: The KPI Graduation Rate is based on the proportion of students who completed one-year programs within two years, two-year programs within three years, and three -year programs within five years. For example, the 2005-06 KPI graduation rate is based on students who started one-year programs in 2003-04, two-year programs in 2001-02, and three - year programs in 1999-2000, and who had graduated by 2004-05. It increased substantially from 58.5 per cent last year to 60.1 per cent this year.

Employment Rate: The KPI Employment rate is the percentage of graduates who are working full or part time within 6 months of graduation. It excludes those who are in school full time, or are not actively looking for work. It increased from 88 per cent to 89.3 per cent over last year.

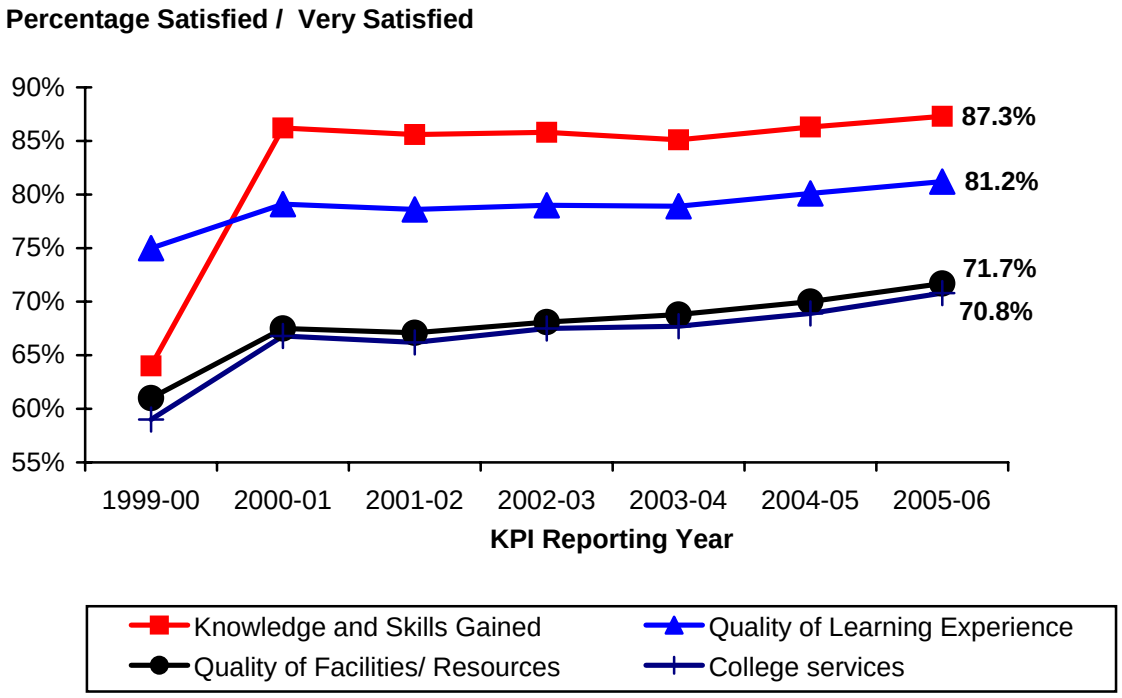
Figure 1: Trends in Graduate, Employer and Student Satisfaction Rates



Source: http://www.edu.gov.on.ca/eng/general/postsec/colindicator.html

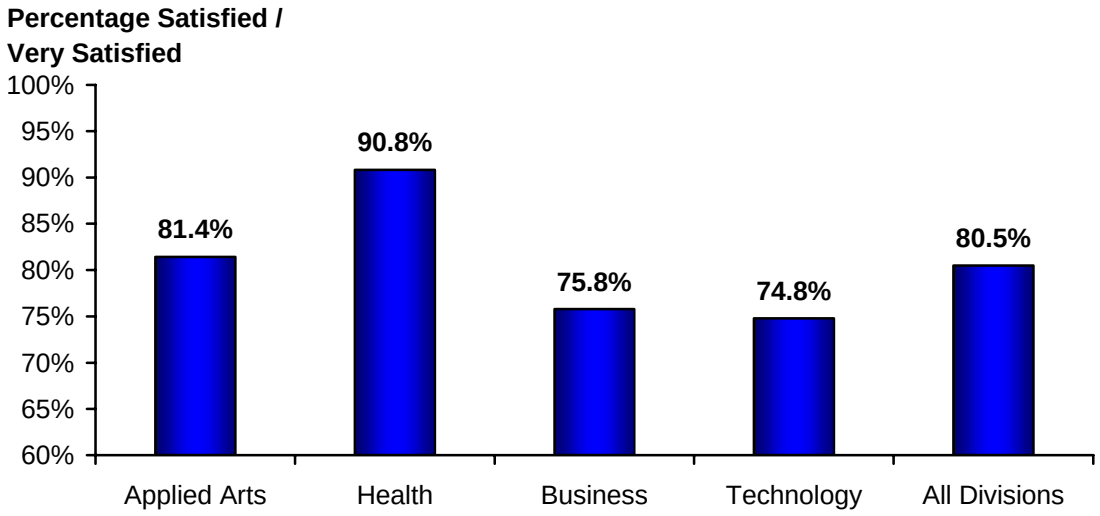
Figure 2: Summary of Student KPI Results

This graph shows the percentage of students satisfied or very satisfied with four aspects of their college experience.



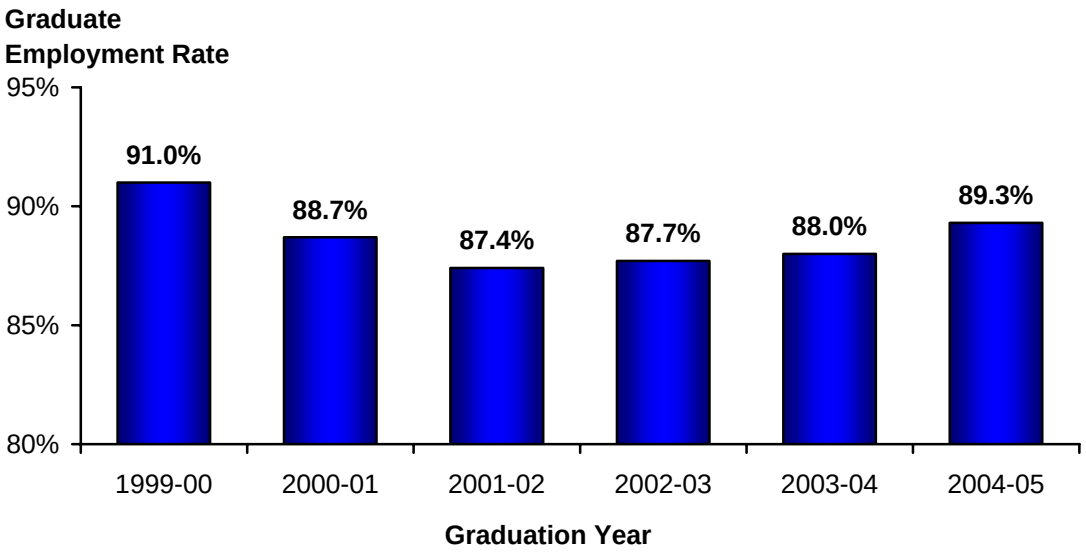
Source: http://www.acaato.on.ca/home/research/performance/survey.html

Figure 3: Graduate Satisfaction, by Division (2003-04 Graduates, six months after graduation)



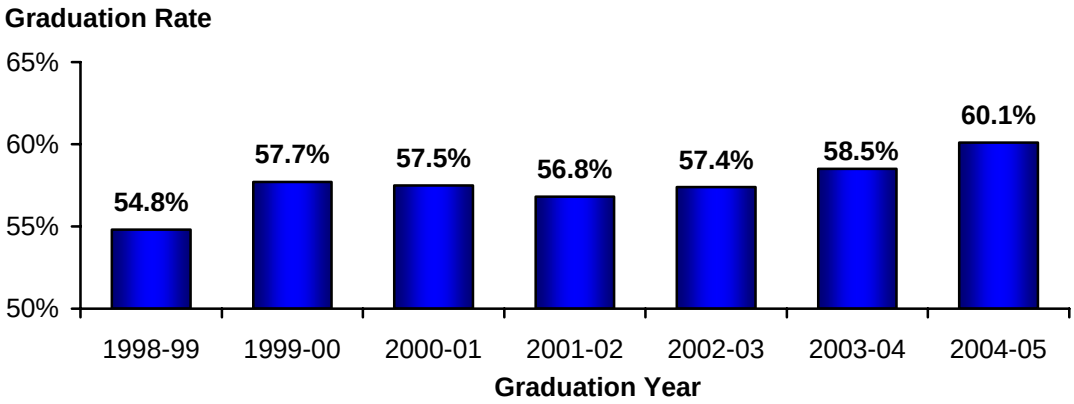
Source: MTCU Graduate Employment Profile 2005 (Data by Division not yet available for 2004-05 graduates)

Figure 4: Trends in Graduate Employment Rates (Percentage employed six months after graduation)



Source: http://www.edu.gov.on.ca/eng/general/postsec/colindicator.html

Figure 5: Trends in Graduation Rates



Source: http://www.edu.gov.on.ca/eng/general/postsec/colindicator.html
* The 2005-06 KPI Graduation Rate is based on students who started one-year programs in 2003-04, two-year programs in 2001-02, and three -year programs in 1999-2000, and who had graduated by 2004-05.

1.3 Employer Satisfaction Survey

Telephone interviews were performed with almost 7,500 employers of the 2003-04 college graduates six months after graduation. Some highlights include:

- 92.7 per cent were satisfied or very satisfied with their employee's overall college preparation for the type of work they were doing
- 94 per cent of employers were satisfied or very satisfied with the highly valued skills of teamwork and adaptability and
- 91 per cent were satisfied or very satisfied with their new employee's productivity.

2.0 RETURN ON INVESTMENT OF AN EDUCATION AT ONTARIO'S CAATS

The most current study demonstrating the return on investment of Ontario's colleges (CAATS) is the 2003, "The Socioeconomic Benefits Generated By 24 Colleges of Applied Arts and Technology In Ontario." The study was conducted by CC benefits Inc. using a model that had been field tested on more than 350 different colleges throughout the United States and Canada.

Key Findings

Four types of benefits were tracked; taxpayer, student, provincial and social. The key findings are summarized in Table 1 on the next page.

Table 1: Key Findings on the Benefits Generated by CAATs in Ontario

	Key Finding	Detail Regarding the Finding
Taxpayer	**12.1% real money "book" return** is seen by taxpayers on their annual investments in the colleges.	This benefit stream is based on increased tax collections and expenditure savings. The results indicate a rate of return of 12.1%, a benefit/cost ratio of 2.3 (every dollar of provincial or local tax money invested today returns a cumulative $2.31 over the next 30 years), and a short payback period of only 10.7 years.
Student	**A 9% annual return** on their investment of time and money is experienced by students.	For every $1 the student invests in a college education, he or she will receive a cumulative $2.16 in higher discounted future earnings over the next 37 years. For every instructional contact hour completed, students will, on average, earn $70 more per year, each year they are in the workforce. The payback period (the time needed to recover all costs) is 14.4 years.
Provincial	**$11.4 billion** of all annual earnings in the provincial economy are explained by the 24 CAATs. These earnings are equal to that of roughly 281,600 jobs.	Operations and capital spending: $1.5 billion Direct faculty and staff wages, salaries, benefits and other operating and capital expenditures and the impact of spending these wages and revenues by recipients. Higher earnings due to past instruction: $9.9 billion Each year, students leave the 24 colleges and join or rejoin the local workforce. Their added skills translate to higher earnings and a more robust economy. The accumulated contribution of past instruction adds some $9.9 billion in annual earnings to the economy of Ontario.
Social	**$159.6 million per year** is saved by the Government of Ontario through benefits from improved health and reduced welfare, unemployment and crime.	Annual Savings: Improved Health: $100.3 million Reduced Crime: $1.6 million Reduced Welfare/Unemployment: $57.7 million

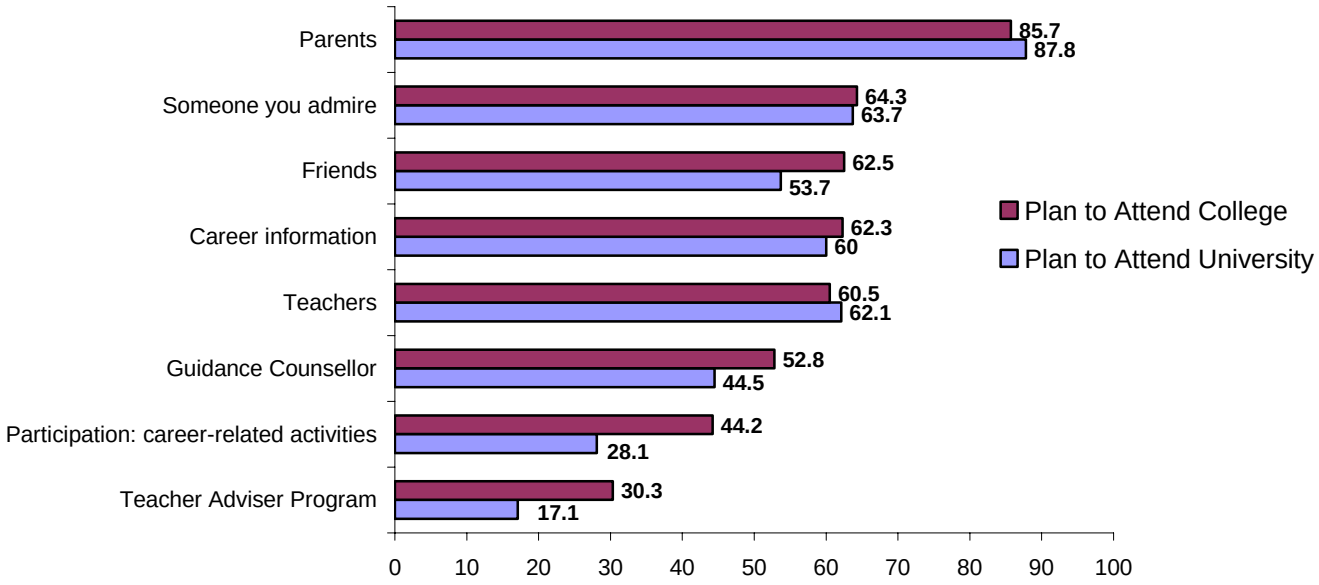
3.0 PERCEPTIONS OF ONTARIO HIGH SCHOOL STUDENTS

The Phase 4 Report of the Double Cohort Study, which Alan King and colleagues in the Social Policy Evaluation group at Queen's conducted for the Ministry of Education, was released by the government October 2005. This report is the final in a series of four.

The Phase 4 Report examines the effect of the reorganized secondary school program on future college and university enrolments and the factors affecting student progress and graduation rates of the 1st five cohorts in the "new" secondary school program.

- The decision to attend college evolves over time. Of the Grade 12 students who planned to attend college, only 51 per cent had planned to go to college in Grade 10, 33 per cent had planned to go to university, and 16 per cent had other plans or were uncertain. In sharp contrast, 89 per cent of Grade 12 students who planned to attend university had planned to attend university in Grade 10. It is easier to provide destination-based programming for the group of students whose aspirations remain relatively consistent over time.
- Only 30 per cent of the students participating in OYAP in Grade 12 or 5th Year plan on entering an Apprenticeship program upon graduation.
- Responses to the student survey indicate that parents have the most influence on students' educational and career plans, followed by "someone you admire", friends, career information, and teachers.
- When the influences on grade 12 students planning to go to college versus university are compared, friends, guidance counselors, participation in career related activities, and the teacher advisor program were of greater influence than for students planning to go to university.

Figure 6. Influences on Grade 12 Ontario students planning to go to University and College (% very important and % important)



Source: Double Cohort Study. Phase 4 Report, 2005.

4.0 COLLEGE APPLICANT SURVEY 2005

The third annual College Applicant Survey was conducted in Spring 2005. It provides an overview of applicants' perceptions of, and interest in, various postsecondary education institutions and examines factors that influence college selection. This year the survey was administered online, therefore a much higher number of applicants could be surveyed. Completed surveys were received from 22 per cent of the 50,000 applicants surveyed.

4.1 Findings

- While 73 per cent of applicants had applied only to an Ontario public college, a further 18 per cent had applied to university as well (17 per cent to Ontario universities). Of those who applied to both, 61 per cent would prefer university.
- Those who applied to both college and university were more likely to be younger, to be applying to college in order to prepare for university, and were more likely to aspire to completing an applied or collaborative degree.
- Seventy-two per cent chose their college based on the college offering a program of interest (up from 69 per cent in 2004). Of the 21 per cent who were interested in widely available programs, their decision was based on college appeal.

4.1.1 Reasons for Selecting a Particular College

Applicants were asked to rate the impact of various influences on their choice of college. They were then asked to choose the single most important factor in each of the following categories: college characteristics, marketing/recruitment influences, and influence of individuals.

- **College characteristics**: The one characteristic that had the most influence on college selection was that the college offered the desired program (34.5 per cent), followed by being close to home (15.2 per cent) and program reputation (12.0 per cent). Compared with last year, the influence of college and program reputation is up, while the influence of program offered is down. The proportion of applicants citing university transfer agreements is almost double this year; 6.2 per cent cited these agreements as the college characteristic that had the most influence.
- **Marketing/recruitment influences**: When asked specifically about marketing and recruiting influences, the college website (27.9 per cent), interactions with past or current students (24.5 per cent) and on-campus visits (18.4 per cent) had the most influence.
- **Influence of individuals**: Parents (42.4 per cent) and friends (15.5 per cent) had the most influence on college selection. The influence of parents increased significantly from last year, from 33 to 44 per cent. The guidance counsellor, college representative and other members of their families had significant and equivalent influence (six to nine per cent).
- **Overall influences:** College characteristics are by far the most influential on college selection. The top ones in order of importance were: offered desired program, reputation of program, reputation of college, and parents.

4.1.2 Concerns about College

- The most important concern that applicants had about college were finding employment upon graduation (64 per cent were very concerned). Other concerns included knowing what future careers will be (57 per cent), an ability to do well in college (54 per cent), finances (51 per cent), and completing their programs (51 per cent). Females, applicants with lower family income, members of visible minorities, and immigrants had higher degrees of concern than others for most factors.

For more information on college applicants, please see Section One, Learners and Learner Profiles.

5.0 PUBLIC ATTITUDES TOWARDS EDUCATION IN ONTARIO

The Ontario Institute for Studies in Education of the University of Toronto performs a bi-annual survey on "Public Attitudes Towards Education in Ontario." It surveyed 1,002 Ontarians in the fall of 2004 to examine public perceptions of educational policy issues.
A complete copy of this survey is available at http://www.oise.utoronto.ca/OISE-Survey. Historical versions of the survey are also available on the OISE website.

The following are the key findings from the report regarding Postsecondary Education, Adult Education and Secondary Education in Ontario.

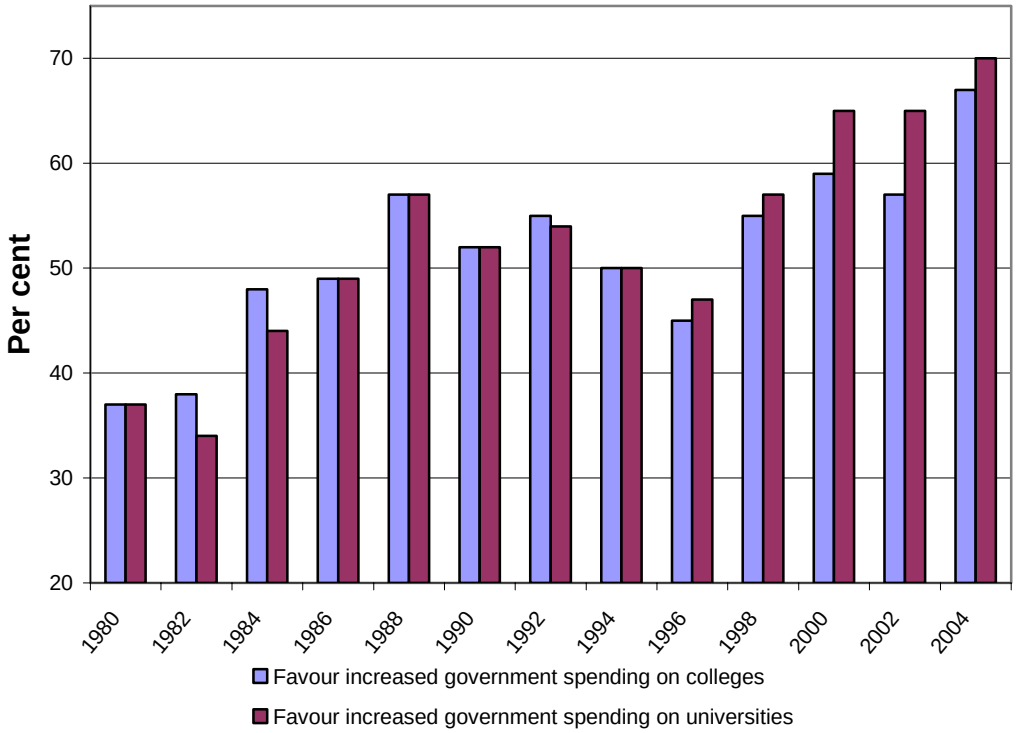
5.1 Ontarians' Perceptions of Postsecondary Education

Accessibility:
- The majority (66 per cent) recognized that students from low-income families have less of a chance of obtaining a postsecondary education.
- However, only a minority of the public believe that black (21 per cent) or Aboriginal students (40 per cent) or students with a physical disability (37 per cent) have less chance of getting a higher education. This perception contradicts well-documented research that shows there is educational discrimination on the basis of race and disability.

Funding:
- Support for increased government spending on colleges and universities is at an all-time high, with two thirds of the public in favour. In the past two surveys, a gap had appeared in which more people favoured increased spending on universities than colleges. However, this trend has apparently been reversed as results for this survey showed similar percentages favour increased spending on colleges and universities (see Figure 7).
- The support for increased government spending on apprenticeship training in skilled trades was higher than in any other area of education (78 per cent). This was attributed to the chronic shortages in these areas.

- There was almost no public support for reliance mainly on tuition fees rather than government grants to meet increasing costs (four per cent); 43 per cent would increase government grants and 51 per cent would increase both tuition and grants equally.

Figure 7: Spending Preferences for Colleges and Universities



5.2 Ontarians' Perceptions of Adult Education

- Results showed a strong majority of Ontarians support funding for adult literacy and job retraining. Although support for adult literacy has remained fairly stable, support for increased government spending on job retraining has increased to 74 per cent, becoming similar to previous surveys conducted in recession eras.

5.3 Ontarians' Perceptions of Secondary Schools

- Twenty-eight per cent think high schools have improved in the last 10 years, but 30 per cent think they are getting worse.
- More than two-thirds of the respondents support legislation to keep young people in school (including enrolment in job related training) until age 18.
- Forty-eight per cent support academic streaming by destination at or before Grade 10.
- Sixty-nine per cent support the Grade 10 literacy and numeracy test, a drop from 78 per cent in 2002.

6.0 PATHWAY TO PROSPERITY CONSULTATIONS

The first report from the *Pathway to Prosperity* consultations was publicly released at the 2006 ACAATO conference. It is a summary of the consultations held throughout Ontario in fall 2005 and an assessment of the challenges ahead as Ontario and Canada try to address the workforce challenges of the 21st century.

More than 2,000 individuals and more than 600 organizations were represented. Information was provided through open forums, breakfast meetings, written submissions and in responses provided on the *Pathway to Prosperity* website. The consultations involved a wide range of participants representing employers, students, educators, labour and government. The participants throughout the province were concerned about Canada's ability to address the challenges of globalization, rapidly changing technology and an aging workforce.

Five key themes emerged from the consultations:

1. **Relevant skills** – the new economy demands both a higher level of skills (both hard and soft) and a greater number of people with skills;
2. **Flexible system** – a more versatile postsecondary education and training system is needed that can accommodate diverse needs of learners and employers;
3. **Improved labour force participation** – potential of the workforce needs to be increased by better including traditionally underrepresented groups;
4. **Better planning** – long-term labour market planning where employer needs are identified early; and
5. **Investments** –the capacity to train people for the skills the economy demands.

The report outlined the next steps needed in Ontario and Canada to strengthen the country's competitive advantage:

Leadership. We need leaders to provide the vision, the direction and the incentive to make change happen. The Prime Minister and the First Ministers must assume a leadership role in setting the agenda for a National Skills Strategy.

Benchmarks. For a vision to be meaningful, we must be able to set specific goals so we are confident that we are getting the results we want. We must establish measurable targets and assessment standards.

Planning. There needs to be greater co-ordination and co-operation among the players in our system. Federal and provincial governments must put a comprehensive plan in place so that we can meet our future education and training needs.

7.0 PERCEPTIONS OF THE SKILLED TRADES

The *Skilled Trades and Apprenticeship Awareness and Perception Study* was conducted in two phases in 2004 and 2005 by Ipsos-Reid for the Canadian Apprenticeship Forum (CAF-FCA) and Skills Canada (S/CC). It was part of their joint campaign called, "Skilled Trades: A Career You Can Build On," launched in September 2004. Their results showed that youth aged 13 to17 have much poorer perceptions of the skilled trades than parents.

- Only 32 per cent of youth surveyed in 2005 said they would be likely to consider a career in skilled trades, and only 22 per cent have actually considered this option in the past year.
- 69 per cent of target parents with children aged 13 to 24 say they would be likely to recommend careers in skilled trades to their children, yet only 28 per cent of youth say their parents have encouraged them to pursue this option.
- Only 14 per cent of youth indicated that their guidance counselors have recommended this career option.

Table 2. Youth and Parents' Perceptions of the Skilled Trades

	Youth (13-17 yrs) (% who agree)	**Parents (at least one child 13-24 yrs) (% who agree)**
Comparing Skilled Trades to University/Professional Positions		
University is their first choice over college or apprenticeships in skilled trades.	58%	53%
Agree that university is a much better option than going into skilled trades	34%	20%
Awareness and Information		
Aware of all the career options available in skilled trades	25%	36%
Understand the apprenticeship process and earning potential involved with careers in skilled trades	30%	56%
Aware of how much money individuals can make in skilled trades	32%	58%
Attitudes Towards Skilled Trades		
Careers in skilled trades will always be in demand	68%	87%
Skilled trades are valued careers	58%	77%
You can easily achieve an above average lifestyle working in skilled trades	47%	66%
Skilled trades are typically low-paying positions	16%	11%
Perceptions of Skilled Tradespersons		
People in skilled trades contribute a great deal to the quality of life in our communities	69%	88%
Skilled tradespersons are respected in society	47%	57%
Skilled tradespersons are creative thinkers	46%	67%
Positions in skilled trades involve a lot of hard physical labour	58%	46%

While 63 per cent of youth agree skilled trades require formal studies and training, fewer agree that skilled trades offer valued careers, that they are careers and not just jobs, or that they are challenging and fun. This contrasts to target parents who consistently viewed skilled trades as a valuable career that would be challenging, interesting and fun to pursue.

The study also examined the effectiveness of an advertising campaign promoting the skilled trades. It demonstrated that the advertisements were successful in making viewers more interested in skilled trades and teaching youth something new about skilled trades. Sixty-one per cent of youth agreed the ads have made them more interested in skilled trades, versus only 39 per cent who disagree with this statement.

8.0 WEBSITES OF INTEREST

ORGANIZATION / SUBJECT	WEBSITE
Ministry of Training, Colleges and Universities	http://www.edu.gov.on.ca
Canada Millennium Scholarship Foundation	http://www.millenniumscholarships.ca/en/main.html
Human Resources and Skills Development	http://www.hrsdc.gc.ca/
Ontario Institute for Studies in Education at University of Toronto (OISE/UT)	http://www.oise.utoronto.ca
KPI Section of MTCU Site	http://www.edu.gov.on.ca/eng/general/postsec/colindicator.html

APPENDIX 1. Key Performance Indicators 1999-00 to 2005-06

Ontario Colleges of Applied Arts and Technology

Reporting Year	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Graduation Rate (for the KPI reporting year) (%)**	- -	57.7	57.5	56.7	57.4	58.5	60.1
Graduate Employment Rate (%)	89.7	91.0	88.7	87.4	87.7	88.0	89.3
Graduate Satisfaction Rate (%)							
Very Satisfied / Satisfied	80.5	82.6	81.4	79.8	79.7	80.5	81.6
Neither	11.0	9.3	9.7	11.0	10.5	10.3	9.9
Very Dissatisfied / Dissatisfied	9.0	8.0	8.9	9.1	9.8	9.2	8.5
Employer Satisfaction Rate (%)							
Very Satisfied / Satisfied	91.4	90.9	91.7	92.0	92.0	92.7	92.1
Neither	6.0	6.3	6.0	6.0	5.4	4.6	5.1
Very Dissatisfied / Dissatisfied	3.0	2.9	2.4	2.0	2.6	2.7	2.9
Student Satisfaction Rate (%)							
Very Satisfied / Satisfied	68.4	74.9	74.4	75.1	75.1	76.3	77.8
Neither	23.0	17.6	18.6	17.9	17.8	17.1	16.2
Very Dissatisfied / Dissatisfied	9.0	7.5	7.0	7.0	7.0	6.6	6.1
Knowledge and Skills Gained (Question 14*)(%)							
Very Satisfied / Satisfied	64.0	86.2	85.6	85.8	85.1	86.3	87.3
Neither	28.0	9.2	10.3	9.8	10.4	9.7	8.8
Very Dissatisfied / Dissatisfied	7.0	4.6	4.1	4.3	4.5	4.0	3.9
Quality of Learning Experience (%) (Question 26*)							
Very Satisfied / Satisfied	75.0	79.1	78.6	79.0	78.9	80.1	81.2
Neither	18.0	14.7	15.7	15.2	15.3	14.5	13.7
Very Dissatisfied / Dissatisfied	7.0	6.2	5.8	5.8	5.9	5.4	5.1
Quality of Facilities/Resources (%) (Question 44*)							
Very Satisfied / Satisfied	61.0	67.5	67.1	68.1	68.8	70.0	71.7
Neither	27.0	22.6	23.5	22.5	22.2	21.4	20.5
Very Dissatisfied / Dissatisfied	12.0	9.9	9.4	9.3	9.0	8.6	7.8
College Services (%) (Question 45*)							
Very Satisfied / Satisfied	59.0	66.8	66.2	67.5	67.7	68.9	70.8
Neither	29.0	24.0	25.0	23.9	23.5	22.9	21.7
Very Dissatisfied / Dissatisfied	11.0	9.3	8.8	8.6	8.7	8.2	7.5

***Actual Survey Questions:**

Capstone Question 14: Overall, your program is giving you the knowledge and skills that will be useful in your future career

Capstone Question 26: The overall quality of the learning experience in this program

Capstone Question 44: The overall quality of facilities/resources in the college

Capstone Question 45: The overall quality of services in the college

** Graduate data for the KPI reporting year listed are graduates of the previous academic year.

Source: www.acaato.on.ca/home/research/performance.htm

COLLEGE RESOURCES

Section Four

CONTENTS OF SECTION FOUR: FINANCE

1.0 HIGHLIGHTS

Finance

Revenues

- Compared with 15 years ago, Ontario colleges are educating students for approximately 70 cents on the dollar (Operating grants and tuition per student have dropped 20 per cent since 1990-91, adjusted for inflation).
- Ontario's colleges serve 35 per cent more students than 15 years ago, but receive 40 per cent less funding per student in constant dollars. On the surface, college operating grants per student dropped by four per cent, but they have actually decreased by 29 per cent when adjusted for inflation.
- In order to compensate for reduced operating grants, colleges have had to increase tuition. Since 1988-89, regulated college tuition fees have almost tripled, from $650 per student to $1,820 per student in 2003-04.
- In 2003-04, Ontario colleges received about 70 per cent of the national average revenue per student, the lowest (or second lowest) in Canada. Even adding in the increased levels of funding in 2005-06 and assuming no funding increases from 2003-04 levels in all other provinces, Ontario colleges still remain in last place (or second last place) at 80 per cent of the national average.

Expenditures

- Overall, colleges are spending over 20 per cent less on each student they educate (after accounting for inflation) versus 15 years ago.
- From 1987-88 to 2001-02, Ontario's colleges saw one of the greatest percentage decreases in their budgets compared with four other public sectors (public schools, health, universities and adult offenders).

Deferred Maintenance

- In the 2005/06, deferred maintenance in Ontario's colleges will top $600 million. Without new funding, deferred maintenance will continue to increase by over $100 million per year.

Human Resources

- Over the past 15 years, total full-time staff decreased by more than 13 per cent while Full-time equivalent (FTE) enrolment has increased by 52 per cent. In 2005-06 new, additional government funding allowed the colleges to slightly reverse this trend by hiring approximately 400 net additional full-time faculty and support staff.

Student Financial Aid

- Thirty-six per cent of college students in Ontario had OSAP loans in 2004-05.
- The 2004 OSAP loan default rate for college students increased to 18.0 per cent, from 16.4 per cent in 2003.

COLLEGE RESOURCES

The following chapter will discuss various aspects of college and student resources, including revenues, expenditures, human resources and student financial aid.

2.0 COLLEGE REVENUE

2.1 College Revenue by Source

College revenue sources currently include the provincial, federal and municipal governments, students and other individual clients, and the private sector.[1]

The pie charts below show changes in the revenue source for the college system over a 15- year period.

Figure 1: 2003-04 College System Revenue: $2.256 Billion

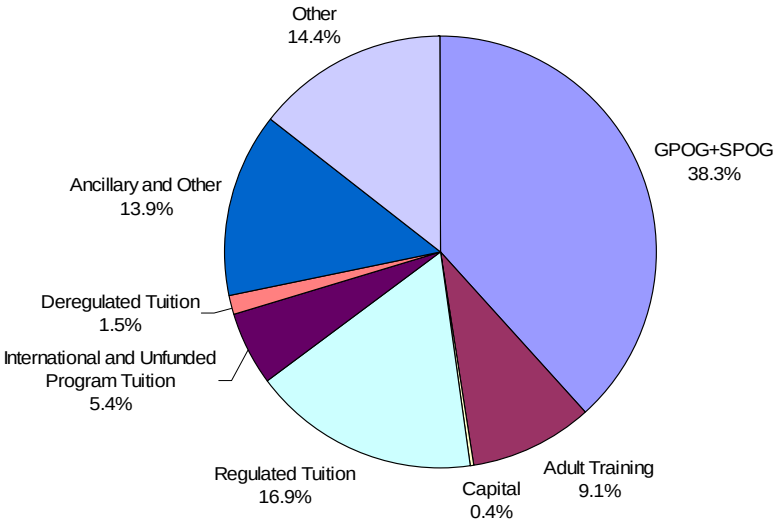
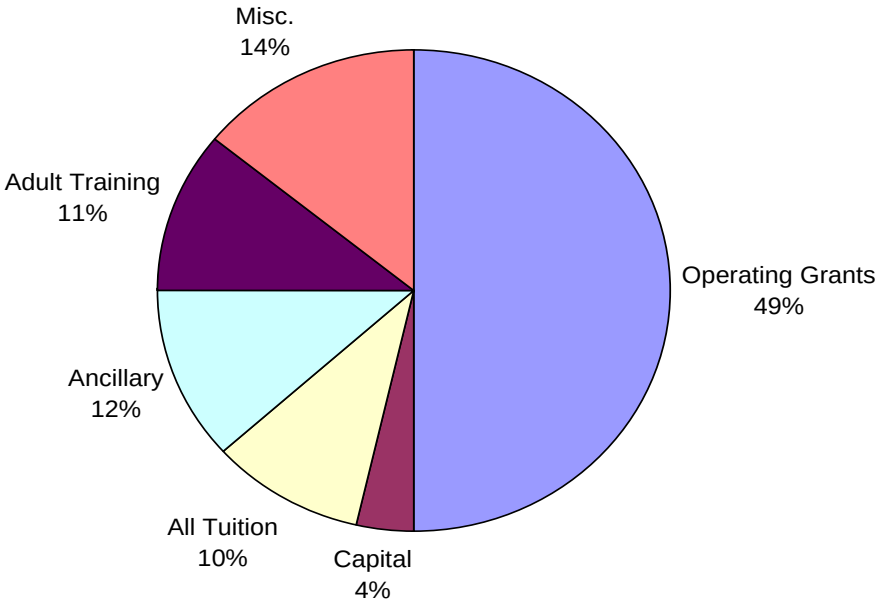


Figure 2: 1988-89 College System Revenue: $1.311 Billion



Source: College Financial Information System (CFIS), 1988-89

- In 2003-04 (the most recent CFIS data available), about 38 per cent of the college system's revenue was funded directly by provincial operating grants, down from 49 per cent in 1988-89.
- Tuition made up 24 per cent of college system revenue in 2003-04, up from 10 per cent of revenue in 1988-89.

Operating Grants Include:

General Purpose Operating Grant, or GPOG, is an allocation of provincial funds distributed through the Ministry of Training, Colleges and Universities (MTCU). The GPOG is designed to flow funds to the colleges in accordance with the funding formula to support all aspects of "funded" college program development and delivery. The GPOG is the single largest revenue source for the colleges.

Specific Purpose Operating Grants. Examples of specific purpose grants include:

- the French-language service grant, which supports specific French-language initiatives and projects; and
- the Northern grant, which is distributed only to the northern colleges to assist them in maintaining or expanding program offerings.

Adult training, in this particular breakdown, includes Job Connect, literacy and basic skills training, and apprenticeship funding. These funds are provided by all three levels of government (municipal, provincial and federal), with the majority being provincial.

The Capital funding category in the chart above includes only monies provided through the Facilities Renewal Program Capital Allocation from MTCU. These funds are intended primarily for correction of health and safety related problems, building maintenance and retrofits for special needs access.

Regulated tuition fees are those fees paid by regular students. The overall level of the tuition fees (approximately $1,820 in 2005-06) has been frozen at this level by MTCU.

International tuition fees and deregulated tuition fees are not capped and colleges are free to set tuition at levels they deem appropriate.[2] These categories also include additional cost recovery program fees, which are not regulated.

Ancillary and Other revenue includes various college activities designed to provide additional services for students. These revenue producing activities include services such as operation of a campus book store, cafeterias, student residences and parking facilities.

Appendix 1 at the end of this section provides a historical accounting of college revenues broken down by the above areas taken from the College Financial Information System (CFIS)

Appendix 2 at the end of this section provides a detailed breakout of Operating Grant and Fee Income over a 15-year period.

2.2 Revenues: Recent Transfer Payment Budget Announcements

On October 5, 2005, the Minister of Training, Colleges and Universities presented the college system transfer payment budget as follows:

Transfer Payment	$1,075.8 million
Quality Improvement Fund (QIF)	$ 87.3 million (new fund)

The QIF consists of three parts: an Advancing Quality Fund, a Supporting Excellence Fund and a Change Fund.

At the end of the 2004-05 year, MTCU announced a $250 million one-time, "unconditional" investment in capital funding of postsecondary education; $116.7 million of this flowed to colleges.

Data from the last four annual transfer payment memos can be found in the table below. Analysis prior to 2004-05 will be based upon the more detailed available CFIS data.

Table 1: Transfer Payment Budget Announcements (2002-03 through 2004-05) ($ Millions)

Line	Funding Source	2002-03	2003-04	2004-05	2005-06	Change: 2005-06 over 2004-05
A	SPOG	55.1	67.4	73.9	91.6	24%
B	GPOG	662.6	696.4	701.0	715.8	11%
C	Performance Funding	16.4	16.4	16.4	16.4	0%
D	Tuition Freeze Compensation	n/a	n/a	6.4	15.5	142%
E	Sustainability Fund	n/a	n/a	25.0	0	New
F	**Subtotal Operating (A+B+C+D+E)**	**734.1**	**780.2**	**822.8**	**839.3**	**9%**
G	ATOP	18.6	18.6	16.2	16.2	0%
H	**Subtotal Operating + ATOP (F+G)**	**752.7**	**798.8**	**839.0**	**898.9**	**9%**
I	Quality Assurance Fund[1]	n/a	60.0	59.6	59.6	0%
J	Quality Improvement Fund				87.3	New
K	Nursing Diploma Final Intake	14.9	9.8	0	0	Not meaningful
L	Collaborative Nursing	10.8	19.3	45.1	72.3	60%
M	Nursing Pilot				1.1	New
N	**Subtotal Nursing (K+L+M)**	**25.7**	**29.1**	**45.1**	**73.4**	**63%**
O	College Equipment and Renewal Fund	10.0	10.0	10.0	10.0	0%
P	**Total Provincial Transfer Payment Budget (H+I+J+N+O)**	**788.4**	**897.9**	**953.7**	**1085.8**	**14%**

[1.] Received as Quality Assurance Transition funding in 2005-06.

Significant changes in transfer payments over the last few years include:

- tuition freeze compensation funding of $6.4 million for 2004-05 and $15.5 million for 2005-06, to compensate colleges for lost revenue due to the tuition freeze implemented part way through 2004-05.
- the phase out of the Nursing Diploma Final Intake and the transfer of all nursing funding to the Collaborative Nursing envelope (programs that are jointly delivered in a college and a university);

2.3 Revenues: College Operating Funding per Student

This section will examine college operating revenue for activities that are funded through the provincial operating grants by examining the two major funding resources for these programs: provincial operating grants and tuition. The goal of this section is to distill the true trends in real per-student funding levels after accounting for the effects of often overlooked factors such as the tuition set aside and, in particular, the erosive effect of inflation.

2.3.1 General Funding Trends

Provincial operating grants: Over the past 15 years, total provincial operating grants per student climbed as high as $5,814 per FTE (full-time equivalent) student in 1990-91, and as low as $4,077 per FTE in 1997-98 (see Appendix 1).

Tuition Fees: Since 1990-91, regulated college tuition fees have increased 150 per cent, from $740 per student to $1,820 per student in 2003-04. The combination of continual erosion of public funding and rising tuition fees has transferred more of the financial burden of a college education to the student.

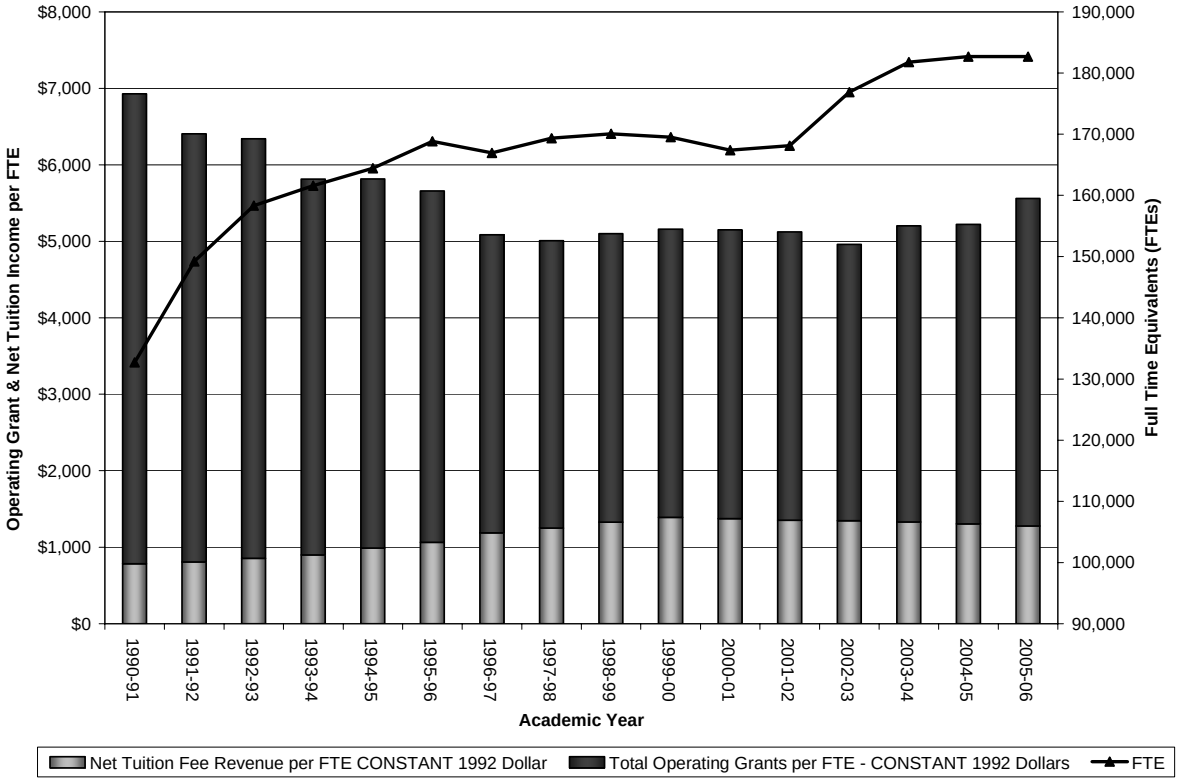
Tuition Set-Aside: In 1996-97, the provincial government created the tuition set aside, which was designed to return some of the funds generated by tuition increases back to the students in the form of financial aid. Under this program, 10 per cent of the tuition increase over the year prior would be set aside for financial aid. In 1997-98, the set-aside level increased to 30 per cent of any tuition increase, where it remains today. These levels are cumulative year over year and are estimated to represent more than $30 million in 2005-06.

2.3.2 Impact of Inflation on Revenues

The final and most significant factor that affects college operating funding per student is inflation. Inflation represents the increasing costs of goods and services consumed by the colleges in meeting their mandate to educate and train Ontario's workforce. The annual level of inflation represents the real year-over-year cost increases of employees, equipment, services, supplies, information technology, buildings, etc. **Figure 3** shows operating grants plus tuition in constant 1992 dollars. The constant dollar analysis reveals the true trends in college operating funding.

Based on this constant dollar analysis, in 1990-91, tuition was 10 per cent of the college system's operating budget (operating grants plus net tuition fees). In 2003-04, tuition was 24 per cent of the system's operating budget.

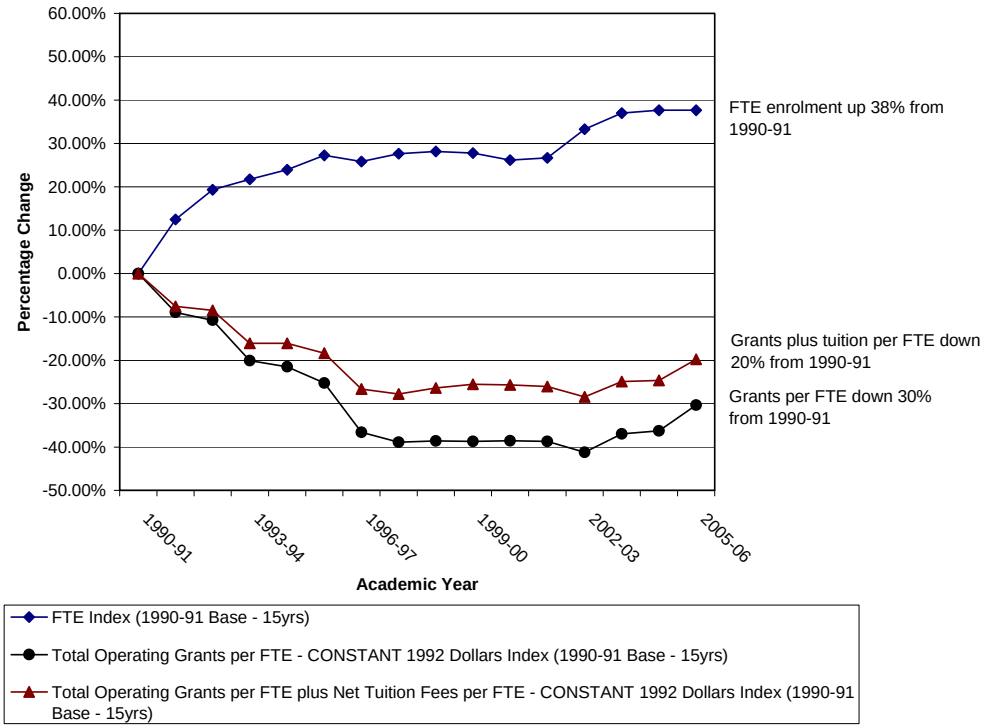
Figure 3: Adjusted for Inflation - Operating Grant and Net Regulated Tuition per FTE vs College Enrolment, 1990-91 Through 2005-06



Appendix 2 at the end of this section shows the source data for this graphic.

Figure 4: Relative Changes Since 1990-91 in Enrolment and Revenue (both grants alone and grants plus tuition)

[Note: The enrolment numbers and grant amounts below exclude all activity associated with collaborative nursing. ACAATO estimated 2005-06 FTE enrolment to remain unchanged from 2004-05.]



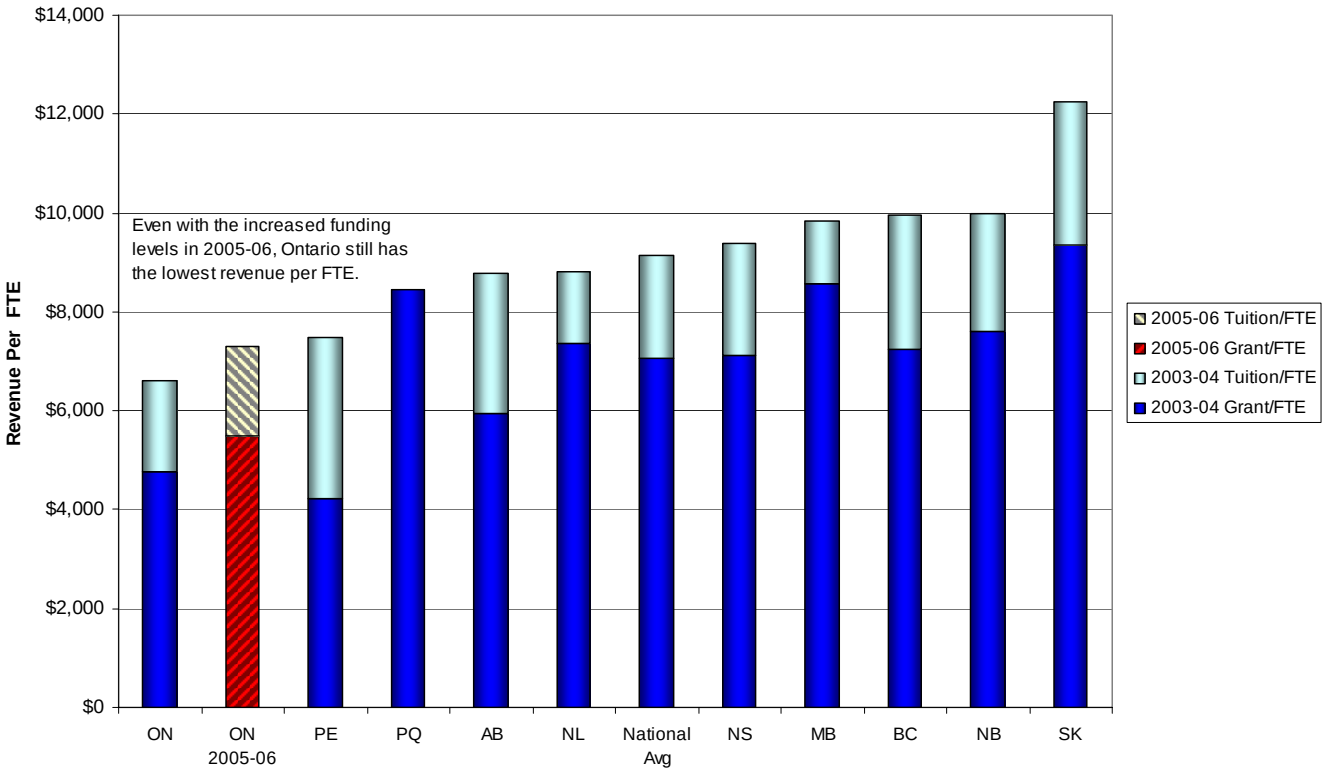
Key trends in college funding revealed by the constant dollar analysis in Figure 4 include:

- Compared with 15 years ago, Ontario colleges are educating students for approximately 80 cents on the dollar (Operating grants plus regulated tuition per student have dropped 20 per cent since 1990-91, adjusted for inflation).
- Ontario's colleges serve 38 per cent more students than 15 years ago, but receive 30 per cent less operating funding per student in constant dollars. College operating grants per student are estimated to have dropped by six per cent, but have actually decreased by 30 per cent when adjusted for inflation.

2.3.3 Provincial Comparisons of Operating Funding per Student

Ontario colleges rank last in a provincial comparison of revenue per student. In 2003-04, Ontario colleges received about 70 per cent of the national average revenue per student, the lowest (or second lowest) in Canada. Even adding in the increased levels of funding in 2005-06 and assuming no funding increases from 2003-04 levels in all other provinces, Ontario colleges still remain in last place (or second last place) at 80 per cent of the national average.

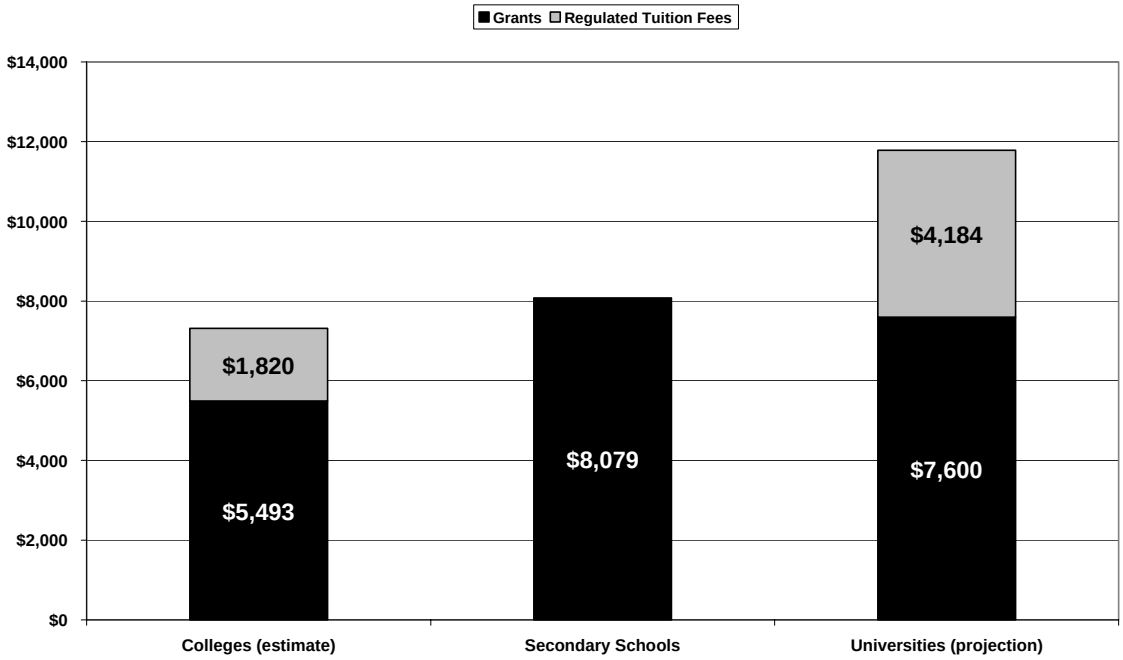
Figure 5: 2003-04 Interprovincial Comparison of Grant and Tuition Fee Income Per FTE Student - Comparison to 2005-06 Estimated Ontario Grant + Tuition Levels Also Shown



Source:
Grant data – 2005-06 ACAATO telephone survey of provincial postsecondary education ministries;
Tuition data - Council on Postsecondary Education, Manitoba, 2005

2.3.4 Comparisons of Funding in Various Ontario Educational Sectors

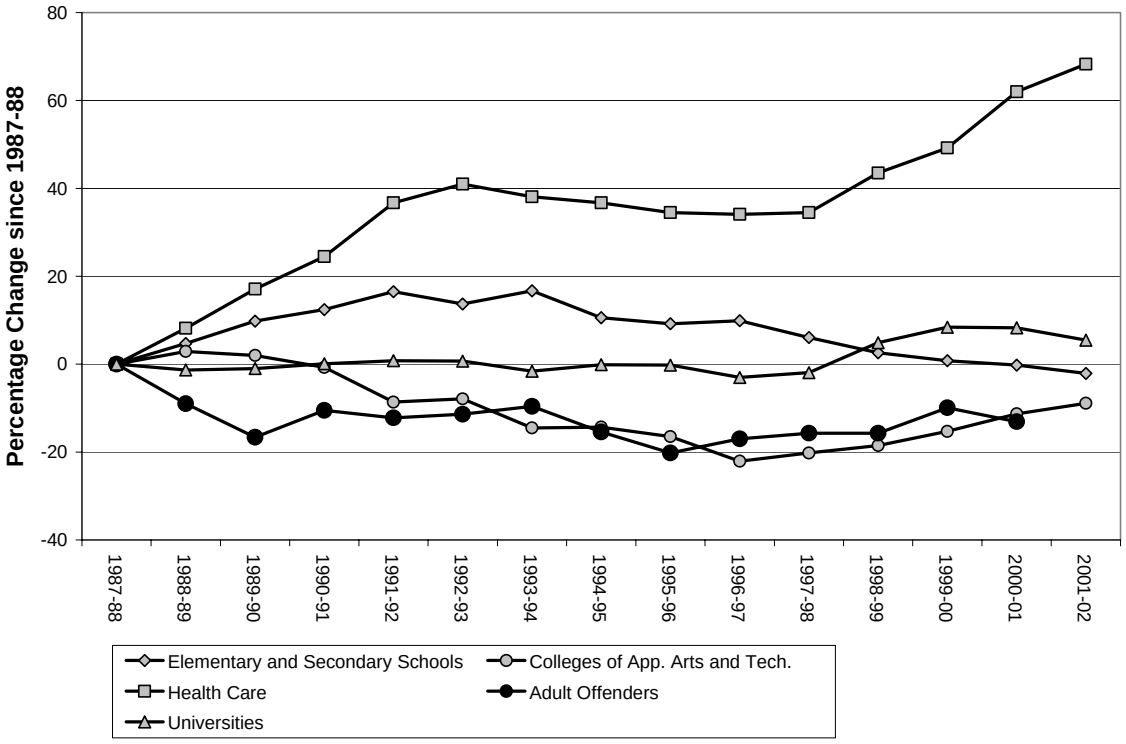
Figure 6: Operating Funding and Tuition Fees per Student in Ontario Educational Sectors, 2005-06



Sources: University data -MTCU;
Secondary School Board Data - Ontario Public School Boards' Association
College Data – MTCU and an ACAATO estimate of FTE enrolment in 2005-06 which assumed no change from 2004-05 levels

- Ontario's colleges receive less government funding per student than public secondary schools or universities.

Figure 7: Indexed Operating Expenditures per Client for Colleges and Four Other Public Sectors Indexed to 1987-88



Source: Council of Ontario Universities 2004 Resource Document.
Original sources used by COU include: Ministry of Education; Canadian Institute for Health Information; COFU-UO, Financial Report of the Ontario Universities; Ministry of Training, Colleges & Universities; Ministry of Correctional Services; Statistics Canada: Access to Health Statistics Canada, Table A-2

Please see **Appendix 3** for source data and notes.

The figure shows relative percentage change to the per-client budgets of five public sectors (constant 2001-02 dollars) since 1987-88. The overall changes since then are as follows:

- the health budget per client has increased more than 68 per cent in constant dollars.
- the elementary and secondary school budgets per client has decreased about two per cent in constant dollars.
- the universities budget per client has increased about 5.5 per cent in constant dollars.
- the colleges of applied arts and technology budget and the adult offenders budget each experienced a per-client decrease of about nine per cent.
- Ontario colleges have seen greater erosion of their public funding base per client (student, in the college case) than other publicly funded sectors. From 1987-88 to 2000-01, colleges suffered a more severe erosion of their resource base than health care institutions, universities or secondary schools, based on an analysis of changes in operating expenditure per client.

2.3.5 Apprenticeship Funding

In 2004-05, there were more than 24,000 apprentices being trained in Ontario by colleges. The in-school portion of apprenticeship programs is funded through a per diem. Effective Aug. 1, 2002, the Ontario government introduced a fee for all apprentices (including Ontario Youth Apprenticeship Program) of $10 per diem. This fee amounts to approximately $400 for an apprentice (based on an eight-week in-school block).

Table 2: Summary of Per Diem Funding History

	Per Diem Fee	Student Fee	Total Apprenticeship Budget per Student	Ontario CPI[6] (Constant 1992 Dollars)	Per Diem In Constant 1992 Dollars	Total Per Student Apprenticeship Budget In Constant 1992 Dollars
1992-93				100		
1993-94	$54.87	n/a	$54.87	101.8	$53.90	$53.90
1994-95	$57.63	n/a	$57.63	101.8	$56.61	$56.61
1995-96	$58.64	n/a	$58.64	104.3	$56.22	$56.22
1996-97	$58.64	n/a	$58.64	105.9	$55.37	$55.37
1997-98	$58.64	n/a	$58.64	107.9	$54.35	$54.35
1998-99	$58.64	n/a	$58.64	108.9	$53.85	$53.85
1999-00	$58.64	n/a	$58.64	111	$52.83	$52.83
2000-01	$58.64	n/a	$58.64	114.2	$51.35	$51.35
2001-02	$59.81	n/a	$59.81	117.7	$50.82	$50.82
2002-03	$51.01	$10	$61.01	120.1	$42.47	$50.80
2003-04	$52.23	$10	$62.23	123.3	$42.36	$50.47
2004-05	$53.47	$10	$63.47	125.6	$42.57	$50.53
2005-06	$54.74	$10	$64.74	128.4	$42.63	$50.42
10 year Change	**-6.7%**	**n/a**	**10.4%**	**23.1%**	**-24.2%**	**-10.3%**

- Over the past 10 years, the apprenticeship per diem has dropped by seven per cent in actual dollars. After inflation, the per diem has decreased more than 24 per cent. The student in-school per diem has offset some of this reduction
- The absolute dollars, the per student apprenticeship budget (per diem + student fee) has increased 10 per cent in the past 10 years; however, adjusting for inflation, it has decreased 10 per cent.

3.0 COLLEGE EXPENDITURES

Although expenditures vary from college to college, operations at each college can be attributed to one of the categories, deemed operational functions in CFIS, in the following pie charts (Figures 8 and 9). Over the past 15 years, the operational functions have evolved, but key areas such as Academic, Administration, Student Services, Plant and Property and Ancillary remain.

3.1 Distribution of Expenditures:

3.1.1 Distribution of Operational Expenditures

For definitions of expenditures please see Appendix 6.

Figure 8: 1988-89 College System Expenditures by Operational Function
$1.314 Billion

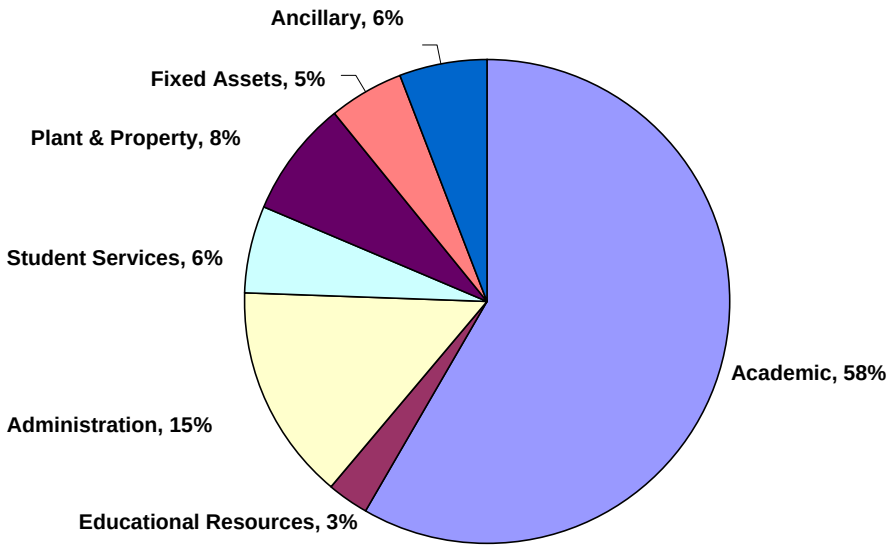
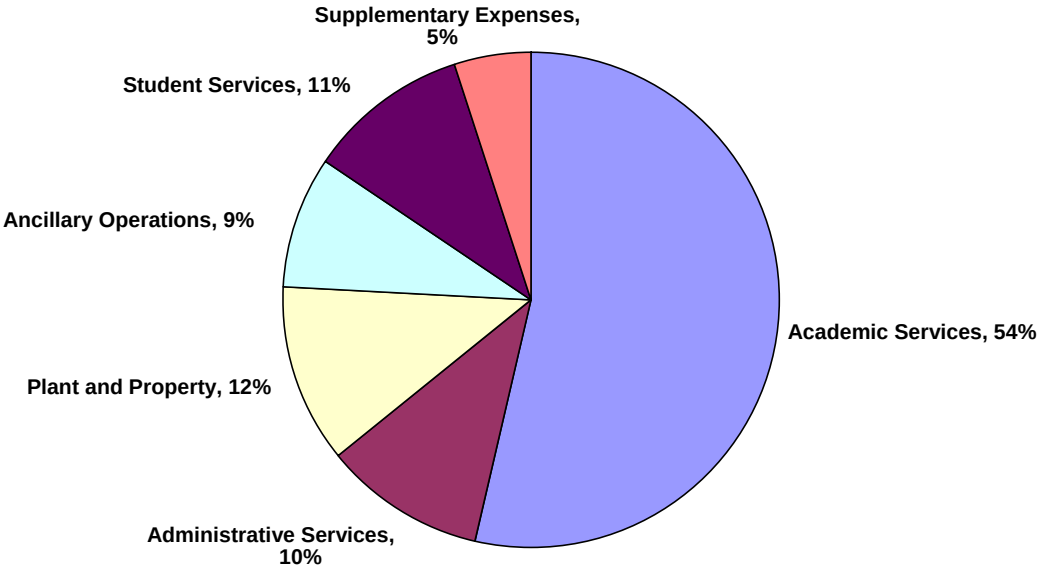


Figure 9: 2003-04 College System Expenditures by Operational Function $2.219 Billion



Figures 8 and 9 above compare the distribution of expenditures in 1987/88 vs 2002/03. Caution should be exercised in comparing changes in expenditure pattern because of changes in CFIS reporting categories.

Appendices at the end of this section provide more detail on expenditures as follows:

Appendix #	Table Description
3	Indexed (to 1987-88) Operating Expenditures for Colleges and Four other Public Sectors (Constant 2001-02 dollars)
4	College System Gross Expenditures by Operational Function, 1986/87 Through 2002/03
5	Expenditures per FTE in Constant 1992 Dollars
6	Definitions of Expenditures

3.2 Deferred Maintenance

Keeping capital assets in good condition involves facilities renewal, and facilities maintenance and repair:

- **Facilities renewal** covers the renewal and replacement of items that have reached the end of their life cycle. Investment in facilities renewal ensures facilities meet current codes and regulations and are in reasonable condition. These activities are capital projects that are generally funded through the MTCU Facilities Renewal Program. The industry standard for renewal and replacement is 1.5 per cent to 2.5 per cent of the building replacement value per year.
- **Facilities maintenance and repair** refer to activities associated with preventative maintenance to maximize the lifespan of buildings and facilities, and activities involving repairs to capital items. These are generally funded by institutional operating budgets. The industry standard for annual facilities maintenance and repair is two per cent to four per cent of replacement value.

In the 2005/06, deferred maintenance in Ontario's colleges was over $600 million. Without new funding, it is estimated that deferred maintenance will continue to increase by more than $100 million per year.

3.3 College Expenditures per Student

Colleges have had to adjust their spending in a climate of fiscal restraint and contraction over the past 15 years. Major changes affecting colleges during that period include:

- Decreasing government grants per FTE student
- Balanced budget legislation
- Increasing operating costs such as compensation and benefits in addition to non-salary expenditures
- Tuition freeze in 2004-05, previous increases capped at 1.4 per cent of 1999-2000 tuition after set aside

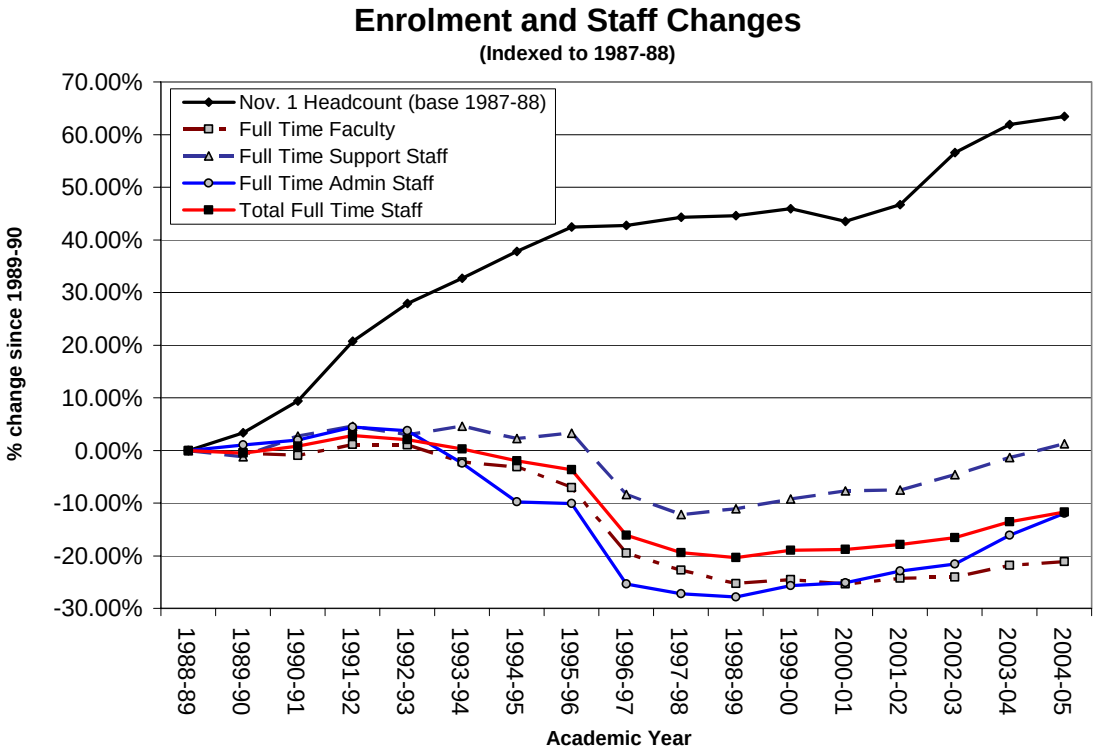
Overall, spending per FTE student has increased by 11 per cent over the last 15 years (see Appendix 4). To put this figure in context, Ontario's CPI index (a measure of inflation) has increased by 38 per cent during the same period. Spending per student has not kept pace with inflation. In constant dollars, this spending has actually decreased 23 per cent over the same 15-year period (see Appendix 5).

4.0 HUMAN RESOURCE TRENDS

Figure 12 shows the percentage change of various employee types over the past 15 years.

Over the last 15 years, the total number of academic full-time staff has decreased by 21 per cent, while FTE enrolment has increased by 49 per cent.

Figure 10



Note: *2003-04 data unavailable for one college, so 2002-03 data substituted for that college only.
Source: College Compensation and Appointments Council, OCAS

Distribution of Full-Time and Part-Time Staff

Ontario colleges currently employ close to 34,000 people in Academic, Support and Administrative roles on a full- and part-time basis.

Table 3: 2004-05 College Staffing Level

	Full-Time*	Part-Time*	Total
Academic Staff	6,634	10,416	17,050
Support Staff	6,213	8,784	14,997
Administrative Staff	1,790	n/a	1,790
Total	**14,547**	**19,200**	**33,747**

*2003-04 data unavailable for one college, 2002-03 data substituted for that college only
Part-time data includes Partial-loads, Sessionals and Part-time Support; excludes those hired for Projects of a Non-Recurring Kind and Students
Source: College Compensation and Appointments Council

Over the past 15 years, funding reductions have in turn caused overall reductions in staffing levels. In 2005-06, new government funding has allowed colleges to slightly reverse this trend with the net hiring of approximately 400 full-time faculty and support staff.

5.0 STUDENT FINANCIAL AID

There is a strong reliance on financial aid by college students. The main sources for college student financial aid in Ontario are:

- Millennium Scholarships (www.millenniumscholarships.ca)
- Ontario Student Assistance Program (OSAP)/Canada-Ontario Integrated Student Loans (http://osap.gov.on.ca - Many grants and bursaries, in addition to loans, are administered through the Ontario Student Assistance Program)

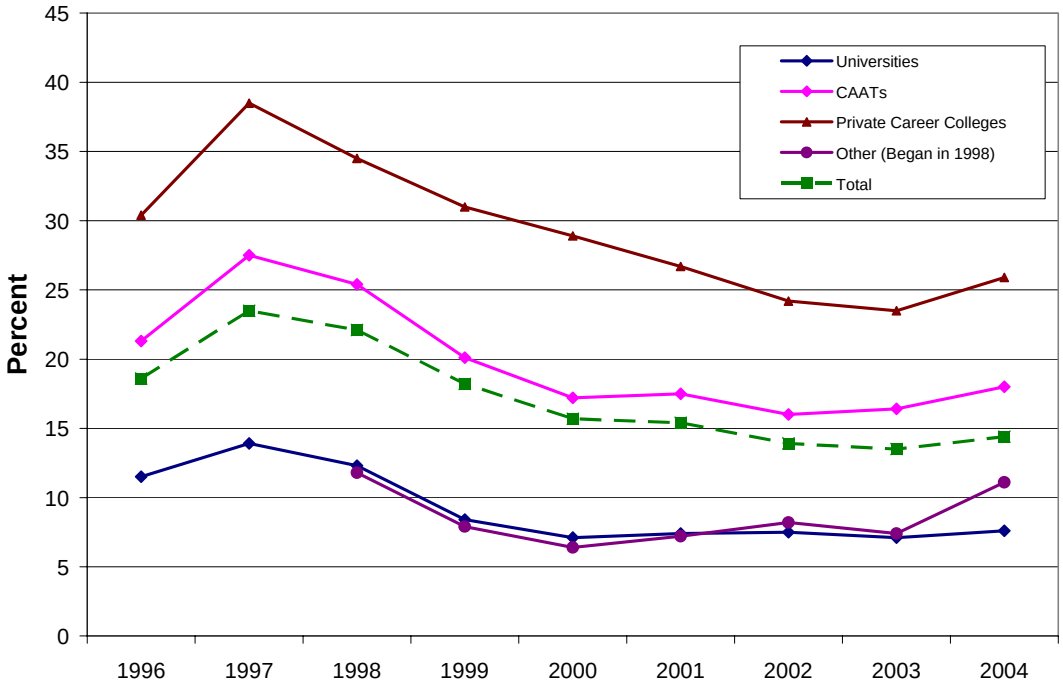
Canada-Ontario Integrated Student Loan: is funded by both the Government of Canada and the Government of Ontario. There is also a loan for part-time students, funded solely by the Government of Canada. In addition, each level of government has other student financial assistance programs in the form of grants, scholarships, and/or bursaries. The college system specifically sets aside 30 per cent of all tuition increases for financial aid each year.

Ontario Student Assistance Program (OSAP): administers student financial assistance programs on behalf of the Government of Canada and the Government of Ontario. OSAP works in partnership with the financial aid offices at Ontario colleges.

OSAP Facts:

- College default rate for 2004 was 18 per cent, an increase of 160 basis points over 2003
- University default rate for 2004 was 7.6 per cent, an increase of 40 basis points over 2003
- Private college default rate for 2003 was 25.9 per cent, an increase of 240 basis points over 2003
- Other private and public institutions default rate for 2003 was 11.1 percent, an increase of 370 basis points over 2003
- Maximum student loan amount: $545 per week of academic program
  (This is a maximum. The actual amount depends on many factors, including parental support, living expenses, etc).

Figure 11: OSAP Loan Default Rates



Source: OSAP website, http://osap.gov.on.ca

The total default rate (for all universities, colleges, and private institutions) had been declining in recent years, but it rose in 2004 across all postsecondary sectors and therefore moved further from the Ministry of Training, Colleges and Universities target total default rate of less than 10 per cent.[3]

Government Announcements Regarding Student Aid

In its 2005 budget, the Ontario government announced that $1.5 billion of the $6.2 additional monies it would invest in postsecondary education between 2004-05 and 2009-10 would be for student aid.

On August 16, 2005, the Provincial Government announced that it would provide about 16,000 first-year college and university students from low-income Ontario families with Millennium-Ontario Access Grants, of up to $3,000 toward their education. It will provide eligible students up to half the cost of their tuition to a maximum of $3,000. When combined with the Canada Access Grant - the federal government's new low-income grant - these students should be able to receive up to $6,000, or the full cost of their first year of tuition.

Table 4: Levels of Student Assistance and Number of Recipients

Year	Canada Student Loan (Current $)	Ontario Student Loan (Current $)	No. Of College OSAP Recipients	Total Full-Time Postsecondary Enrolment*	Per cent of Total
1995-96	215,629,393	185,478,505	73,096	134,127	54%
1996-97	260,511,404	241,772,883	72,329	134,409	54%
1997-98	267,928,680	246,830,445	71,885	135,831	53%
1998-99	253,665,820	210,114,562	68,539	136,170	50%
1999-00**	236,765,028	195,673,536	63,767	137,342	46%
2000-01**	208,400,244	175,446,527	55,648	135,136	41%
2001-02**	191,759,052	161,653,012	51,042	138,103	37%
2002-03**	195,144,941	162,868,898	52,055	147,391	35%
2003-04**	209,840,409	165,630,631	54,133	152,446	36%
2004-05	211,635,640	178,704,456	55,384	153,881	36%

Source: MTCU – Student Support Branch

Notes:

* Excludes other, sponsored and international students.
** As of July 8, 2000, for 1999-00 data
As of July 7, 2001, for 2000-01 data
As of July 7, 2002, for 2001-02 data
As of July 5, 2003, for 2002-03 data
As of July 4, 2004, for 2003/04 data
As of July 10, 2005, for 2004/05 data

Table 5: Number of Awards by Student Group

Loans Program and dependent students under the Ontario Student Loans Program.

Student Group	1997-98	1998-99	1999-00*	2000-01*	2001-02*	2002-03*	2003-04*	2004-05*
Dependent at Home	13,505	13,133	12,981	11,283	10,400	11,443	12,362	12,577
Dependent Away	18,123	18,479	17,884	15,541	14,249	14,773	15,364	15,076
Independent**	24,677	21,147	18,131	15,668	14,442	14,045	14,821	16,508
Married	6,916	6,993	6,646	5,998	5,566	5,777	5,883	5,757
Sole Support	8,573	8,690	8,036	7,087	6,375	6,011	5,703	5,466
Other	91	97	89	71	10	6	0	0
Total	71,885	68,539	63,767	55,648	51,042	52,055	54,133	55,384

Source: MTCU – Student Support Branch

Notes:

* As of July 8, 2000 for 1999/00 data
As of July 7, 2001 for 2000/01 data
As of July 7, 2002 for 2001/02 data
As of July 5, 2003 for 2002/03 data
As at July 4, 2004 for 2003/04 data
As at July 10, 2005 for 2004/05 data

**Prior to 2004-05, includes students who qualify as independent students under the Canada Student

Table 6: Average Loan Entitlement by Student Group***

3. Average Loan Entitlement by Student Group*

Student Group	1997-98	1998-99	1999-00**	2000-01**	2001-02**	2002-3**	2003-04**	2004-05**
Dependent at Home	3,124	3,051	3,167	3,146	3,336	3,467	3,676	3,825
Dependent Away	6,072	5,802	5,896	6,089	6,016	6,160	6,360	6,416
Independent* **	6,485	6,218	6,222	6,384	6,381	6,363	6,512	6,903
Married	10,489	9,740	9,833	9,719	9,732	9,938	10,117	10,147
Sole Support	15,083	13,371	13,335	13,400	13,575	13,395	13,375	13,378
Other	6,949	7,084	6,410	6,358	12,647	6,988	0	0
Total	7,161	6,767	6,782	6,898	6,924	6,878	6,936	7,048

Source: MTCU – Student Support Branch

Notes:

* Canada Student Loan and Ontario Student Loan entitlement divided by number of awards. Entitlement includes Canada Millennium Bursary.

Students may receive an Ontario Student Opportunity Grant (OSOG) for the portion of the loan that exceeds $7,000.

Commencing in 1999-00, Millennium Bursary recipents may receive enhanced OSOG for the portion of the loan that exceeds $6,500.

** As of July 8, 2000 for 1999/00 data
As of July 7, 2001 for 2000/01 data
As of July 7, 2002 for 2001/02 data
As of July 5, 2003 for 2002/03 data
As of July 4, 2004 for 2003/04 data
As of July 10, 2005 for 2004/05 data

*** Prior to 2004-05, includes students who qualify as independent students under the Canada Student Loans Program and dependent students under the Ontario Student Loans Program.

*** Includes students who qualify as independent students under the Canada Student Loans Program and dependent students under the Ontario Student Loans Program.

Table 7: Distribution of Loan Recipients by Student Group and Sector*

	Married/Sole Support		Independent		Dependent	
	#	%	#	%	#	%
Colleges of Applied Art and Technology	11,223	20.3%	16,508	29.8%	27,653	49.9%
Universities	8,143	8.5%	26,737	28.1%	60,434	63.4%
Private Career Colleges (Formerly PVSs)	4,247	44.7%	3,332	35.0%	1,928	20.3%

Source: MTCU – Student Support Branch

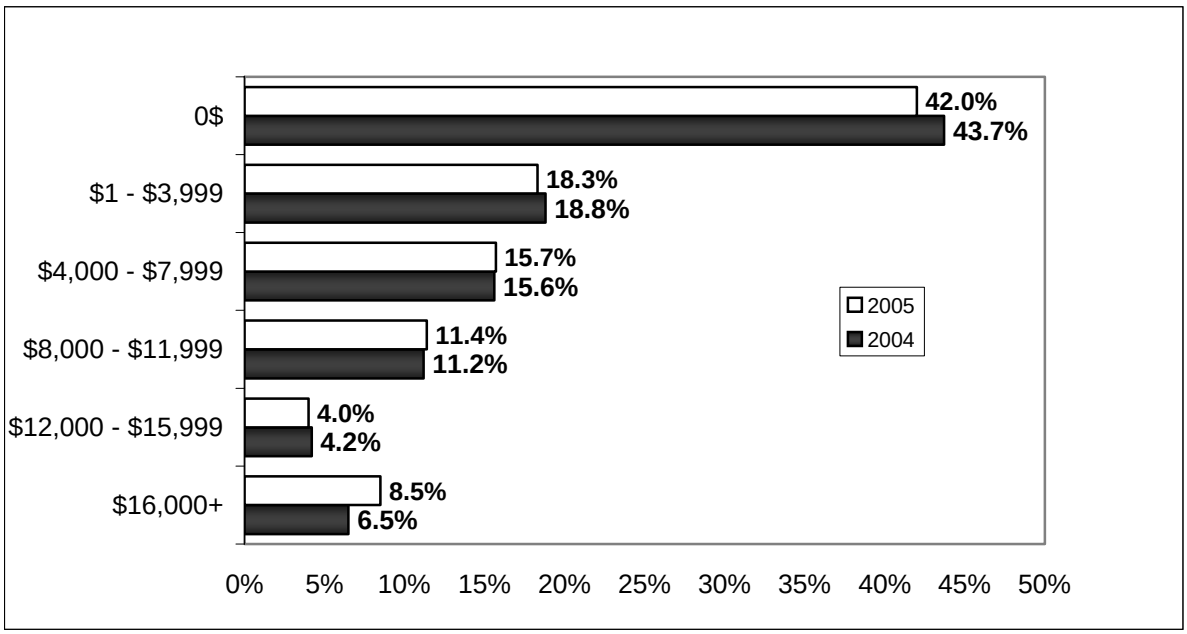
Notes:

* As of July 10, 2005. Ontario institutions only.

2.1.6 Total Amount Saved for College by Ontario College Applicants

A striking 42 per cent of surveyed applicants have no money set aside for college, only down marginally from last year. Aboriginals, visible minority applicants and females, and older applicants are less likely to have any money saved for college. The average total amount of saving in the whole group was $4,922 (including those who have no money saved), an increase of 11 per cent over last year. The median amount saved was just $2,000. Students planning to live away from home (54 per cent of all surveyed applicants) anticipate that first year of college would total $10,647, an average underestimate of eight per cent of what the actual costs are ($11,635).

Figure 12: Total Amount Saved by Ontario College Applicants



Source: *College Applicant Survey 2004, 2005* Acumen Research Group Inc. – Canada Millennium Scholarship Foundation; those who did not specify the amount saved were excluded form the total

Other interesting highlights include:

- In the under-$30,000 household income group, only 36 per cent of applicants had money set aside, compared with 77 per cent in the over-$120,000 category.
- Of those who had saved, 59 per cent had less than $8,000 saved.
- The younger the applicant, the more likely that money has been set aside. Over two-thirds of those 17 or 18 had money saved, compared with 31 per cent of those over 30 years of age.
- The parents of 37 per cent of respondents had money set aside for them. Parental savings increased with income. Only one quarter of applicants in households earning under $30,000 had money saved for them by their parents, compared with over 70 per cent for those coming from households with over $120,000 in household income.

- Fifty-four per cent of respondents personally saved for college, 43 per cent of whom had been saving for less than a year.
- Ninety-four per cent expect to draw on private sources of funding, compared with 44 per cent to draw on loans and 18 per cent to draw on scholastic sources.
- Of the 43 per cent who will draw on loans, the average debt load is expected to be $6,179 after the first year of college.
- Fifty-four per cent of those from the highest-income bracket expect to graduate with no debt, compared with 13 per cent in the lowest-income bracket.
- Fifty per cent are very concerned about not having enough funds to finish their education
- The level of concern about debt increased compared to previous years of the survey.

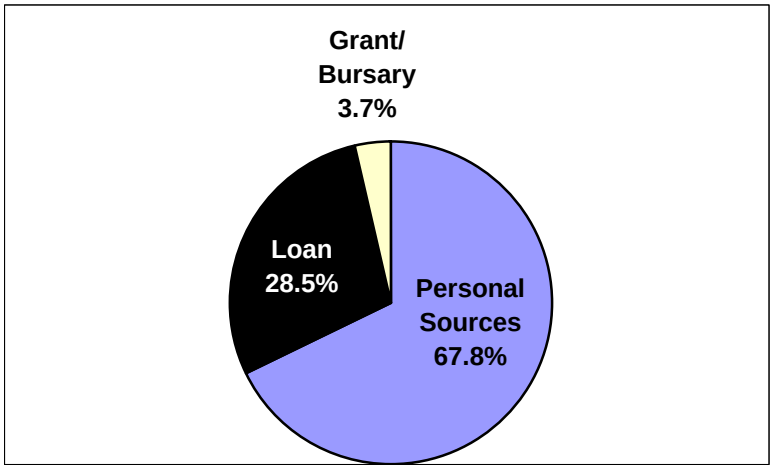
Table 8: Major Expected Sources of Financial Support for Ontario College Applicants

	Depending on Selected Sources	**Average Amount expected (excluding $0 amounts)**
Private	**93.5%**	**$6,687**
Money from Parents/ family	63.4%	$4,127
RESP	13.5%	$3,864
Trust Fund	5.5%	$3,307
Personal Savings (pre-college)	50.0%	$2,466
Employment earnings	67.5.1%	$2,524
Loans	**42.6%**	**$6,179**
Loan from parents/ family (private)	7.0%	$3,073
Government student loan	29.1%	$5,609
Bank Loan	15.1%	$5,210
Scholastic Grants/ Bursaries	**19.0%**	**$1,810**
Scholarship/ Bursary	17.3%	$1,374
Aboriginal Scholarship/ Bursary	1.3%	$4,154
Other Government Grant	2.5%	$2,123
All Sources		**$9,437**

Source: *College Applicant Survey 2005,* Acumen Research Group Inc. – Canada Millennium Scholarship Foundation.

- College applicants, on average, expect to draw an average of $9,437 from all sources for the first year of studies.
- Overall, on average, money from parents/family accounts for the largest individual source of funding, followed by student loans, and employment earnings.
- Private/personal sources account for over two thirds of expected funding for the first year of college, and have increased slightly over last year, with the proportion coming from loans decreasing slightly.

Figure 13: Average Expected Financial Contributions for First Year of College



Source: *College Applicant Survey 2005*, Acumen Research Group Inc. – Canada Millennium Scholarship Foundation

For more information on student knowledge of finances, please see the discussion of College Applicant perceptions in Section Three, Performance and Perceptions.

6.0 APPENDICES

Appendices at the end of this section provide more detail on Revenues and Expenditures as follows:

Appendix #	Table Description
1	Total College Revenue by Source ($ Millions), 1995/96 through 2001/02 from the College Financial Information System
2	Operating Grant and Fee revenue per FTE for 1986/87 through 2003/04
3	Indexed (to 1987/88) Operating Expenditures for Colleges and Four other Public Sectors (Constant 2001/02 dollars)
4	College System Gross Expenditures by Operational Function 1985/86 Through 2002/03
5	Expenditures per FTE in Constant 1992 Dollars
6	Definitions of Operational Expenditures

Appendix 1: Total College Revenue by Source ($ Millions)

REVENUE SOURCE	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
GPOG	691.7	597.6	591.7	616.6	630	646.5	664.1	683.6	721.4
SPOG	110.5	87.1	81	82.2	81.8	84	96.6	114.5	142.9
Adult Training	362.6	262.3	229.3	177.4	177.2	168	178	182.5	205.2
Capital Grants	84.1	29	46.2	6.2	14.3	13.4	20.6	15.5	9.9
Total Transfer Payments[1.]	1248.9	976	948.2	882.4	903.3	911.9	959.3	996.1	1079.4
Tuition Fees	275.2	309.3	347.6	387.4	444.6	424	460	505.2	538.5
Ancillary Income	132.6	124.1	133.4	145.6	168.2	229.4	256	282.9	313.5
Other Income	76.5	80	105.9	212.7	213.1	237.4	248.5	292.6	324.3
Total College System Revenue*	**1,733.20**	**1,489.40**	**1,535.10**	**1,628.00**	**1,729.00**	**1,801.00**	**1,924.00**	**2,076.80**	**2,255.80**

1. Total transfer payments differ from Transfer Payment Budget Announcements (see Table 1) due to additional non-budget funding announcements during these periods.

*Total may not equal sum of revenue sources due to rounding. Source: CFIS

APPENDIX 2: Operating Grant and Fee Revenue per FTE for 1990-91 Through 2005-06

Academic Year	Total Operating Grants[1] ($Millions)	FTE[4,6]	FTE Index (1990-91 Base - 15yrs)	Total Operating Grants per FTE	Ontario CPI[5] (Constant 1992 Dollars)	Total Operating Grants[1] per FTE – Constant 1992 Dollars	Total Operating Grants per FTE - CONSTANT 1992 Dollars Index (1990-91 Base - 15yrs)	Tuition Fee Revenue per FTE[2]	Tuition Fee Revenue per FTE - CONSTANT 1992 Dollars	Tuition Set-Aside[3] per FTE	Net Tuition Fee[2] Revenue per FTE	Net Tuition Fee Revenue per FTE Constant 1992 Dollar	Net Tuition Fee Revenue per FTE Constant 1992 Dollars Index (1990-91 Base - 15yrs)	Total Operating Grants per FTE plus Net Tuition Fees per FTE	Total Operating Grants per FTE plus Net Tuition Fees per FTE - CONSTANT 1992 Dollars	Total Operating Grants per FTE plus Net Tuition Fees per FTE - CONSTANT 1992 Dollars Index (1990-91 Base - 15yrs)
1990-91	$771.5	132,689	0.00%	$5,814	94.6	$6,146.2	0.00%	$740	$782	$0	$740	$782	0.00%	$6,554	$6,928	0.00%
1991-92	$826.9	149,227	12.46%	$5,541	99.0	$5,597.2	-8.93%	$800	$808	$0	$800	$808	3.30%	$6,341	$6,405	-7.55%
1992-93	$868.4	158,332	19.33%	$5,485	100.0	$5,484.7	-10.76%	$856	$856	$0	$856	$856	9.43%	$6,341	$6,341	-8.48%
1993-94	$808.2	161,576	21.77%	$5,002	101.8	$4,913.5	-20.06%	$916	$900	$0	$916	$900	15.03%	$5,918	$5,813	-16.10%
1994-95	$807.9	164,443	23.93%	$4,913	101.8	$4,826.1	-21.48%	$1,008	$990	$0	$1,008	$990	26.58%	$5,921	$5,816	-16.05%
1995-96	$809.2	168,842	27.25%	$4,793	104.3	$4,595.1	-25.24%	$1,109	$1,063	$0	$1,109	$1,063	35.93%	$5,902	$5,658	-18.33%
1996-97	$688.8	166,943	25.82%	$4,126	105.9	$3,896.1	-36.61%	$1,275	$1,204	$17	$1,258	$1,188	51.91%	$5,384	$5,084	-26.62%
1997-98	$686.5	169,368	27.64%	$4,053	107.9	$3,756.5	-38.88%	$1,403	$1,300	$55	$1,348	$1,249	59.71%	$5,401	$5,006	-27.75%
1998-99	$698.9	170,077	28.18%	$4,109	108.9	$3,773.5	-38.61%	$1,543	$1,417	$97	$1,446	$1,328	69.75%	$5,555	$5,101	-26.37%
1999-00	$709.1	169,536	27.77%	$4,183	111.0	$3,768.1	-38.69%	$1,684	$1,517	$139	$1,545	$1,392	77.90%	$5,727	$5,160	-25.53%
2000-01	$722.2	167,407	26.16%	$4,314	114.2	$3,777.7	-38.54%	$1,718	$1,504	$150	$1,569	$1,373	75.58%	$5,883	$5,151	-25.65%
2001-02	$745.8	168,110	26.69%	$4,436	117.7	$3,769.2	-38.67%	$1,752	$1,489	$160	$1,592	$1,353	72.94%	$6,029	$5,122	-26.07%
2002-03	$767.6	176,861	33.29%	$4,340	120.1	$3,613.6	-41.21%	$1,786	$1,487	$170	$1,616	$1,346	72.02%	$5,956	$4,959	-28.42%
2003-04	$868.6	181,783	37.00%	$4,778	123.3	$3,873.9	-36.97%	$1,820	$1,476	$180	$1,640	$1,330	69.97%	$6,418	$5,203	-24.90%
2004-05	$898.6	182,682	37.68%	$4,919	125.6	$3,916.3	-36.28%	$1,820	$1,449	$180	$1,640	$1,306	66.91%	$6,559	$5,222	-24.63%
2005-06	$1,003.4	182,682	37.68%	$5,493	128.3	$4,281.1	-30.35%	$1,820	$1,419	$180	$1,640	$1,278	63.40%	$7,133	$5,559	-19.76%
Change over the 10 years from 1995-06 to 2005-06	24.00%	6.33%		16.61%		-5.20%		64.11%	33.41%		47.87%	20.21%		22.47%	-0.44%	
Change over the 15 years from 1990-91- 2005-06	30.06%	34.92%		-3.60%		-28.92%		145.95%	81.34%		121.61%	63.40%		10.53%	-18.50%	

Sources: MTCU, CFIS, Statistics Canada
Please see notes on next page.

Assumptions and Notes:

1. **Total Operating Grants (SPOG, GPOG & Perf. Funding) plus ATOP Funding, and Nursing Diploma Final Intake (excludes CERP). In 2003-04 and 2005-06, Quality Assurance Fund monies also included. Quality Improvement Fund monies included in 2005-06.**
2. **Tuition includes actual regulated tuition level for the given year. Regulated Tuition = $1,820 in 2003-04, 2004-05 and 2005-06.**
3. **Tuition Set Aside was introduced in 1996-97. Ten per cent of the tuition increase was required to be set aside for financial aid. In 1997-98, that 10 per cent was still required along with 30per cent of the increase over 1996-97 levels. This cumulative process continues today at 30 per cent, effectively reducing college operating dollars by the amount shown in this category.**
4. **Includes full-time postsecondary, tuition short, and part-time fully funded. Includes Nursing Diploma Final Intake. Excludes collaborative nursing.**
5. **Annual Average CPI data from Statistics Canada**
6. **ACAATO assumed that FTE enrolment in 2005-06 remained unchanged from 2004-05.**

APPENDIX 3: Indexed (to 1987-88) Operating Expenditures for Colleges and Four Other Public Sectors (Constant 1999 dollars)

	Elementary and Secondary Schools			Colleges of App. Arts and Tech.			Health Care			Adult Offenders			Universities		
Year Ending	Actual $[1]	Constant 2001-02 $	Index	Actual $[2]	Constant 2001-02 $	Index	Actual $[3]	Constant 2001-02 $	Index	Actual $[4]	Constant 2001-02 $	Index	Actual $[5]	Constant 2001-02 $	Index
1987-88	5111	7246	100	6493	9204	100	1311	1858	100	115.1	163.2	100	8467	12004	100
1988-89	5570	7584	104.7	6958	9474	102.9	1419	1932	108.2	109.1	148.6	91.0	8699	11845	98.7
1989-90	6156	7957	109.8	7265	9390	102.0	1535	1984	117.1	105.3	136.0	83.4	9192	11881	99.0
1990-91	6618	8141	112.4	7430	9139	99.3	1632	2007	124.5	118.7	146.0	89.5	9772	12020	100.1
1991-92	7136	8441	116.5	7110	8410	91.4	1792	2120	136.7	121.1	143.2	87.8	10228	12098	100.8
1992-93	7087	8242	113.7	7290	8477	92.1	1849	2150	141	124.3	144.5	88.6	10400	12094	100.7
1993-94	7363	8453	116.7	6858	7873	85.5	1811	2079	138.1	128.4	147.4	90.4	10294	11818	98.4
1994-95	7019	8011	110.6	6910	7886	85.7	1792	2045	136.7	121	138.1	84.6	10505	11990	99.9
1995-96	7077	7915	109.2	6872	7686	83.5	1763	1972	134.5	116.5	130.3	79.8	10707	11975	99.8
1996-97	7249	7963	109.9	6531	7174	77.9	1757	1930	134.1	123.3	135.4	83.0	10606	11650	97.0
1997-98	7082	7686	106.1	6771	7348	79.8	1763	1913	134.5	126.8	137.6	84.3	10854	11779	98.1
1998-99	6921	7436	102.6	6980	7498	81.5	1881	2021	143.5	128	137.6	84.3	11726	12598	104.9
1999-00	6947	7303	100.8	7419	7799	84.7	1956	2056	149.2	139.9	147.0	90.1	12380	13013	108.4
2000-01	7078	7232	99.8	7992	8166	88.7	2124	2170	162.0	138.8	141.8	86.9	12719	12997	108.3
2001-02	7095	7095	97.9	8387	8387	91.1	2206	2206	168.3				12665	12665	105.5

Notes

[1]Elem/Sec Schools — Total school costs per pupil. Excludes debt financing charges from 1997-98 on.

[2]Colleges — Operating revenue per provincially funded FTE student.

[3]Healthcare — Total public sector health expenditures (less capital) per capita.
[Per capita was used because Statistics Canada estimates that 97.4 per cent of Ontarians accessed health care at least once in 2001].

[4]Adult Offenders — Expenditures per inmate-day.

5Universities — Operating expenses per FTE student. Some of the increase from 1998-99 on is due to an accounting change.

Indices are based on constant 2001-02 constant dollars

Sources

Elem/Sec. Schools — Ministry of Education

Healthcare — Canadian Institute for Health Information; Statistics Canada: Access to Health Services in Canada, 2001 Table A2 (http://www.statcan.ca/english/freepub/82-575-XIE/82-575-XIE2002001.pdf)

CAATs — Ministry of Training, Colleges and Universities

Adult Offenders — Ministry of Correctional Services

Universities — COFU-UO, Financial Report of Ontario Universities

APPENDIX 4: College System Gross Expenditures by Operational Function

Academic Year	Academic	Administration	Plant and Property	Fixed Assets[1]	Ancillary	Student Services	Education Resources[5]	Sub-Total	Supplementary Exp.[4]	Total Expenses	FTE[2]
1985-86	583,618,726	103,244,298	85,882,493	31,526,362	52,627,999	62,250,387	32,678,277	951,828,542	n/a	951,828,542	
1986-87	650,115,780	145,000,759	94,925,144	35,728,438	58,431,000	67,732,818	35,396,018	1,087,329,957	n/a	1,087,329,957	118,251
1987-88	712,573,353	95,902,654	98,335,908	51,642,728	72,238,548	70,966,711	37,910,609	1,139,570,511	74,337,533	1,213,908,044	119,363
1988-89	765,898,902	98,275,502	102,250,391	63,903,124	77,062,849	77,497,133	36,675,611	1,221,563,512	92,494,087	1,314,057,599	119,634
1989-90	768,082,668	104,296,527	109,947,229	56,830,581	81,232,138	79,825,407	37,544,953	1,237,759,503	72,559,535	1,310,319,038	121,230
1990-91	880,349,434	117,117,223	124,147,637	84,084,596	92,707,233	122,565,942	n/a	1,420,972,065	89,639,596	1,510,611,661	132,689
1991-92	974,822,801	119,342,213	135,349,666	95,309,255	102,072,694	131,068,011	n/a	1,557,964,640	92,374,714	1,650,339,354	149,227
1992-93	1,010,104,443	127,786,123	136,652,662	94,389,814	109,849,845	132,099,633	n/a	1,610,882,520	88,933,567	1,699,816,087	158,332
1993-94	998,472,014	128,498,911	132,007,256	89,799,549	111,452,402	133,288,184	n/a	1,593,518,316	97,462,398	1,690,980,714	161,576
1994-95	998,193,279	129,324,639	132,073,749	75,545,898	115,186,503	134,846,474	n/a	1,585,170,542	105,817,076	1,690,987,618	163,807
1995-96	998,593,138	131,513,725	136,647,446	120,574,673	117,744,993	142,432,107	n/a	1,647,506,082	104,473,765	1,751,979,847	168,364
1996-97	887,559,822	121,894,361	122,137,182	85,851,499	106,321,167	125,407,243	n/a	1,449,171,274	63,352,134	1,512,523,408	166,080
1997-98	885,513,701	132,715,940	128,296,200	70,639,863	110,930,833	142,062,417	n/a	1,470,158,954	37,241,571	1,507,400,525	168,396
1998-99	888,090,605	148,093,709	127,152,130	69,124,917	125,804,361	152,441,987	n/a	1,510,707,709	49,323,133	1,560,030,842	169,352
1999-00	959,482,799	170,768,678	134,125,842	74,638,197	142,139,664	167,324,926	n/a	1,648,480,106	46,319,450	1,694,799,556	169,001
2000-01*	994,248,226	188,085,671	209,775,267	n/a	146,214,340	179,228,580	n/a	1,717,552,084	48,487,710	1,766,039,794	167,035
2001-02	1,064,725,331	199,690,794	221,281,739	n/a	157,486,648	193,572,354	n/a	1,836,756,866	43,164,609	1,879,921,475	168,784
2002-03	1,158,870,103	213,701,280	237,383,508	n/a	172,694,441	212,256,652	n/a	1,994,905,984	39,256,686	2,034,162,670	177,659
2003-04	1,191,038,625	232,799,723	256,124,313	n/a	193,478,098	236,459,579	na	2,109,900,338	108,674,061	2,218,574,399	181,835
Change over the 10 years from 1993-94 to 2003-04	**19.29%**	**81.17%**	**94.02%**	**n/a**	**73.60%**	**77.40%**	**n/a**	**32.41%**	**11.50%**	**31.20%**	**12.54%**
Change over the 15 years from 1988-89 to 2003-04	**55.51%**	**136.88%**	**150.49%**	**n/a**	**151.07%**	**205.12%**	**n/a**	**72.72%**	**17.49%**	**68.83%**	**51.99%**

Please see notes after appendix 5.

APPENDIX 5: Expenditures per Full Time Equivalent Enrolment in Constant 1992 Dollars

Academic Year	Ontario CPI3 (Constant 1992 Dollars)	Academic Expenses per FTE (Constant 1992 Dollars)	Administration Expenses per FTE (Constant 1992 Dollars)	Plant and Property Expenses per FTE (Constant 1992 Dollars)	Fixed Assets[1] Expenses per FTE (Constant 1992 Dollars)	Ancillary Expenses per FTE (Constant 1992 Dollars)	Student Services Expenses per FTE (Constant 1992 Dollars)	Education Resources[5] Expenses per FTE (Constant 1992 Dollars)	Sub-Total Expenses per FTE (Constant 1992 Dollars)	Supplementary Exp.[4] Expenses per FTE (Constant 1992 Dollars)	Total Expenses per FTE (Constant 1992 Dollars)	FTE[2]
1986-87	78	7,048	1,572	1,029	387	633	734	384	11,789	n/a	11,789	118,251
1987-88	81	7,370	992	1,017	534	747	734	392	11,787	769	12,555	119,363
1988-89	85	7,532	966	1,006	628	758	762	361	12,013	910	12,922	119,634
1989-90	90	7,040	956	1,008	521	745	732	344	11,344	665	12,009	121,230
1990-91	94.6	7,013	933	989	670	739	976	na	11,320	714	12,034	132,689
1991-92	99	6,598	808	916	645	691	887	na	10,546	625	11,171	149,227
1992-93	100	6,380	807	863	596	694	834	na	10,174	562	10,736	158,332
1993-94	101.8	6,070	781	803	546	678	810	na	9,688	593	10,280	161,576
1994-95	101.8	5,986	776	792	453	691	809	na	9,506	635	10,141	163,807
1995-96	104.3	5,687	749	778	687	671	811	na	9,382	595	9,977	168,364
1996-97	105.9	5,046	693	694	488	605	713	na	8,240	360	8,600	166,080
1997-98	107.9	4,874	730	706	389	611	782	na	8,091	205	8,296	168,396
1998-99	108.9	4,815	803	689	375	682	827	na	8,191	267	8,459	169,352
1999-00	111.0	5,115	910	715	398	758	892	na	8,788	247	9,035	169,001
2000-01*	114.2	5,212	986	1,100	na	767	940	na	9,004	254	9,258	167,035
2001-02	117.7	5,360	1,005	1,114	na	793	974	na	9,246	217	9,463	168,784
2002-03	120.1	5,431	1,002	1,113	na	809	995	na	9,350	184	9,534	177,659
2003-04	123.3	5,312	1,038	1,142	na	863	1,055	na	9,411	485	9,895	181,835
Change over the 10 years from 1993-94 to 2003-04		**-12.49%**	**32.91%**	**42.34%**	**n/a**	**27.36%**	**30.15%**	**n/a**	**-2.86%**	**-18.20%**	**-3.75%**	**12.54%**
Change over the 15 years from 1988-89 to 2003-04		**-29.47%**	**7.44%**	**13.61%**	**n/a**	**13.87%**	**38.39%**	**n/a**	**-21.66%**	**-46.71%**	**-23.42%**	**51.99%**

Please see notes on the following page.

Assumptions and Notes:

***Fixed Assets category removed from CFIS reports in this year, most fixed assets now reported under Plant and Property**
1 Fixed Assets: discontinued in 2000-01. Some colleges report expenditures on fixed assets under each operational function proportionally to the assets use, others report the asset under plant and property. In general expenditures that were formerly included in Fixed Assets now fall under Plant and Property. Colleges now capitalize Fixed asset purchases and amortize them according to CICA Section 4400, effective April 1, 1997.
2 FTE = Full Time Equivalent as reported by MTCU

3 CPI data from Statistics Canada

4 Supplementary Expenditures: started in 1987-88, this includes expenditures that are made by the college on behalf of another organization and for which the college is reimbursed

5 Educational Resources: discontinued in 1990-91, this includes expenditures for all activities undertaken to provide services that directly support primary academic thrust of the college, excluding development of future programs (ie. Retraining, preserving and displaying education materials, media and technology, including computer support for academic functions, computer labs, etc.).

Sources: MTCU, CFIS, OCAS, Bank of Canada

Appendix 6: Definitions of Operational Expenditures

Expenditure Category	Definition of Expenditure
Academic Services	Departments whose primary purpose is to develop, deliver and review educational/training related services provided to students/clients in an instructional setting (i.e. a lab, classroom, self-directed, alternative delivery, etc.).
Administrative Services	Departments whose primary purpose is to provide administrative support services required to support the educational and training related functions of the college.
Plant and Property	Departments whose primary purpose is to provide and maintain the physical facilities required for the educational and training related functions of the colleges. This operational function includes depreciation/amortization expenses.
Ancillary Operations	Departments whose primary purpose is to provide services that are subordinate to or subsidiary to the educational and training related functions of the college. Examples include: bookstores, parking, athletic centres, conference centres, food services, computer related activities and residences.
Student Services	Departments whose primary purpose is to assist in the provision of educational training related services to students/clients outside an instructional setting. Examples include: library, financial aid office, registrar's office.
Supplementary Expenses	Expenditures that are made by the college on behalf of another organization and for which the college is fully reimbursed. An example is stipends and allowances paid to students by MTCU.

7.0 ENDNOTES

[1] College Financial Information System User Manual, 2003-04

[2] www.edu.gov.on.ca/eng/general/postsec/costs.html

[3] http://osap.gov.on.ca/eng/not_secure/default.htm

ONTARIO ECONOMIC, LABOUR MARKET AND FISCAL OUTLOOK

Section Five

1.0 HIGHLIGHTS

- *Economic output* (real gross domestic product) is expected to grow solidly for the next few years after a somewhat disappointing 2.2 per cent annual increase in 2005. However, it is trending down for the following fifteen years, chiefly because Ontario's workforce growth is slowing.

- *Business investment*, particularly machinery and equipment, and *exports and imports*, is expected to grow faster than the economy for most of the next two decades.

- In contrast, *personal consumption* is expected to grow slightly slower than the economy, and *residential construction* will grow quite slowly as the number of new housing units flatline due to slowing growth in the number of households.

- The *labour force participation rate* is expected to fall slowly as the baby boom generation starts to retire. *Unemployment* is expected to trend down from an average of 6.6 per cent over next 5 years to 4.1per cent from 2020-2025. *Wage increases* are likely to trend up above 3 per cent annually (nominal).

- *Productivity growth* is also expected to double from a current 0.7 per cent annual rate. This reflects tighter labour markets and higher business investment.

- *Provincial funding for education and training*, according to the Ministry of Finance, will grow more slowly in 2006-07 and 2007-08 than the large increase in 2005-06, and fall to 2.3 per cent in 2008-09. During the following 15 years, education and training investments are forecast to grow more slowly than health care, spending on children and social programs, and the composite of all other programs.

- *Sector employment trends*: The Ministry of Finance identifies three sectors as likely to experience rapid employment growth: information and communications technology, business and financial services and the entertainment and creative sector.

- *Regional employment trends*: Over the past few years, employment growth has been fastest for the Greater Toronto Area and Central Ontario. Job growth has been slowest in the North and in Southwestern Ontario. These trends are generally expected to continue for the next two decades.

- *Demand for workers with PSE certificates or diplomas* is forecast by the federal government to grow at the same rate as total jobs in the economy.

2.0 ONTARIO'S ECONOMIC OUTLOOK

This section provides an overall economic outlook for the short term as well as for the next two decades.

Table 1: Ontario Economy: Ten year history; short and long term outlook

Key Statistics	History		Short Term				Long Term Outlook			
	(Average Annual %)		Outlook (%)				(Average Annual %)			
	95-99	00-04	05	06	07	08	05-09	10-14	15-19	20-25
Real Gross Domestic Product (GDP)	**4.3**	**3.0**	**2.2**	**2.6**	**3.2**	**3.3**	**2.9**	**3.0**	**2.6**	**2.3**
Personal consumption	3.4	3.5	3.2	2.5	2.9	3.2	3.0	2.7	2.5	2.3
Residential construction	3.4	6.8	0.8	-1.3	2.2	2.5	1.8	1.6	1.9	1.6
Non-residential Construction	7.9	-2.9	1.6	3.1	3.5	3.5	5.2	3.9	1.8	2.6
Machinery & equipment	11.1	2.2	5.2	6.8	6.3	6.1	7.7	4.3	2.5	2.8
Exports	7.9	2.2	1.1	2.0	3.3	3.6	3.4	3.8	3.4	2.8
Imports	7.4	3.0	2.8	2.9	3.4	3.7	4.0	3.7	3.2	3.0
Nominal Gross Domestic Product (GDP)	**5.6**	**4.8**	**4.1**	**4.5**	**4.8**	**5.0**	**4.9**	**4.8**	**4.8**	**4.7**
Housing starts (000s)	50.8	79.7	78.6	73.5	74.9	76.6	75.0	78.3	77.7	76.1
Consumer price index	1.7	2.5	2.3	2.2	1.8	1.9	1.9	1.8	2.0	2.1

Sources: Ontario Ministry of Finance. 2005 Ontario Economic Outlook and Fiscal Review and Toward 2025: Assessing Ontario's Long-Term Outlook. (2005) (base case scenario).

Key points:

- ***Economic output*** (real gross domestic product) is expected to grow solidly for the next few years over a somewhat disappointing 2.2 per cent annual increase in 2005. However, it is trending down for the following fifteen years, chiefly because Ontario's workforce growth is slowing. There will be many baby boomers retiring, and relatively few young adults will be entering the workforce. As well, while immigration is expected to remain high, its share of the growing total workforce will gradually fall.
- ***Business investment***, particularly machinery and equipment, is forecast to grow faster than the economy throughout most of the next two decades. This suggests that returns on capital, such as corporate profits, are likely to outpace wages and salaries. Investment is an important source of job and productivity growth, hence this is a key element of the outlook. High investment levels also generally require a workforce with more skills and flexibility.

- ***International trade.*** Ontario will continue integrating into the US and international economies. Both exports and imports are forecast to grow more rapidly than the economy as a whole. Increasing international specialization tends to support higher incomes as Ontarians tend to focus on what they do best. It also demands a workforce more oriented to different countries, languages and cultures.
- ***Personal consumption*** is expected to continue to grow at a healthy pace, but slightly slower than the economy as a whole. *Residential construction*, in particular, will grow quite slowly – essentially all the growth will be renovation, as the number of new housing units is flatlined for two decades.

Assumptions Behind the Economic Outlook

Any forecast is subject to a wide range of *positive and negative risks*: there are many unknowns about the economic factors which will influence the actual course of Ontario's economy over the next two decades.

Key assumptions include:

- *A growing US market*. The outlook assumes continued healthy growth in the US over the next two decades. The huge US budget and international trade deficits have led to spirited debate about whether the US is likely to experience a serious recession and/or a long period of very slow economic growth. Either event would have a substantial negative impact on Ontario's prospects.
- *Continued growth in China and India*. The outlook implicitly assumes stable Asian growth, but there is potential for both explosive growth spreading to other developing countries and for a partial melt-down.

In general, changes in Asian economies have indirect impacts on Ontario. Rapid Asian growth, for example, likely means higher energy and resource prices and loss of more manufacturing and service jobs in southern Ontario. However, these same impacts are positive for Northern Ontario, Western Canada and the US (which exports more to a wealthier Asia). Ontario's higher sales (e.g. financial and professional services) to these jurisdictions would tend to offset the direct losses.

- A *positive economic policy climate*: The outlook anticipates that the Bank of Canada will continue to be successful in maintaining inflation at about 2 per cent annually. It implicitly anticipates that Canadian governments will continue to balance their budgets and that Canadian businesses will have growing access to US and international markets.
- *Strong job and productivity growth*. The outlook anticipates that unemployment will fall due to a strong demand for Ontario workers. It also anticipates that productivity growth will be high. However, this scenario implicitly assumes that the income and productivity gap between Canada and the US will not be significantly lessened – business investment per worker in the US is already much higher than in Ontario, and is expected by many observers to continue growing.

- As well, this scenario rests on assumptions about a favourable climate for productivity growth. These include more workers with more sophisticated skills, an

improved record on innovation, strategic additions to infrastructure, and an evolving regulatory structure.

The relationship between skills and economic growth

"I would…emphasize that our most pressing task is fostering basic skills, reducing the high-school dropout rate, and raising the profile of our community colleges and CEGEPs. Our foremost objective should be to raise average labour productivity not as much by encouraging our already productive workforce to become even more productive as by bringing the low-productivity segment closer to the median.

Pierre Fortin. "From productivity to well-being: Keep the focus on basic skills." International Productivity Monitor. No. 11. Fall 2005. p. 3.

"Almost 50 per cent of businesses surveyed in 2003 said a shortage of qualified labour was one of the most important issues facing them. Moreover, 56 per cent of firms said they were forced to hire people even though they were not suitable and almost 30 per cent said they had foregone business opportunities."

Skilled Trades: A Career You Can Build On. Backgrounder The Canadian Apprenticeship Forum – Forum canadien sur l'apprentissage (CAF-FCA) August 2004

3.0 ONTARIO'S LABOUR FORCE AND PRODUCTIVITY GROWTH

"Investment in education and training helps form the human capital – the skills and abilities – that is a vital element in assuring economic growth and individual advancement and reducing inequality. It is an important element in combating unemployment and social exclusion. Some of the returns to this investment can be measured: others cannot, though they are no less important."

Tom Healy. "Counting Human Capital." The OECD Observer. No. 212. June/July 1998. p.31.

3.1 Success of College-credentialed workers in the workforce

College-credentialed workers have grown from 24 per cent of the workforce in 1991 to 32 per cent in 2004 and now represent the largest portion of the workforce. University-credentialed workers have also grown from 16 per cent to 24 per cent. In contrast, those with less than a high school diploma fell from 27 per cent to 13 per cent.

Figure 1:

Educational Attainment of Ontario's Workforce, 1991

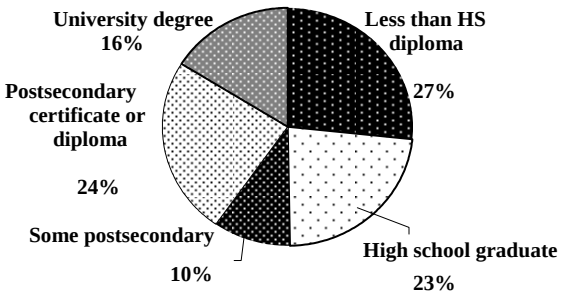
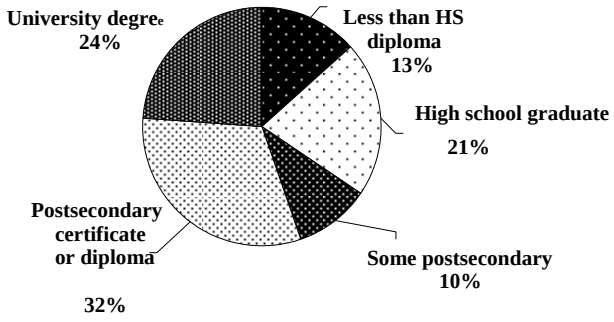


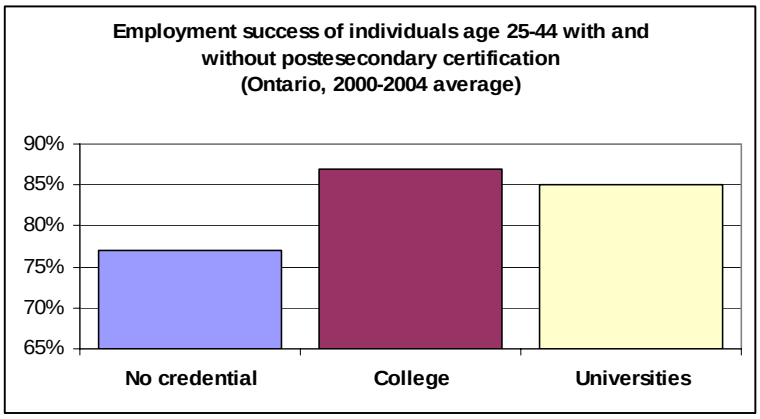
Figure 2:

Educational Attainment of Ontario's Workforce, 2004



College success in anticipating market demands and educating students for a good job and a solid career is borne out by student success. Over the past five years, 87 per cent of those aged 25-44 with college credentials had jobs, compared to 85 per cent with university credentials and 77 per cent without pse credentials. College students enjoy the same high rates of return as university students, but with lower average incomes, reflecting fewer years in school.

Figure 3:



3.2 Ontario Labour Force Outlook

As the baby boom slowly retires, the participation rate is expected to fall slowly. Labour force growth is also slowing because, while immigration is expected to remain high, it will gradually decline as a share of the growing population and labour force.

At the same time, the Ministry of Finance anticipates that continued strong demand for labour will result in gradually tightening labour markets. Unemployment is expected to trend down from an average of 6.4 per cent over the next 5 years to 4.1 per cent from 2020-25.

The Ministry of Finance does not forecast wages directly. But based on their forecasts of personal income and employment, it can be concluded that wages are likely to trend up above 3 per cent annually between 2005-2009.

Table 2: Ontario Labour and Productivity: Ten Year History; Short and Long Term Outlook

Per Cent Change	Actual (Average)			Projection (Average)			
	90-94	95-99	00-04	05-09	10-14	15-19	20-25
Participation rate* (%)	67.6	65.8	67.8	68.3	68.0	67.5	67.0
Labour force	0.3	1.6	2.4	1.5	1.2	1.0	0.9
Employment	-0.7	2.4	2.3	1.7	1.4	1.3	0.9
Unemployment rate* (%)	9.5	8	6.6	6.4	5.6	4.8	4.1
Wage increases**	7.3	3.3	1.9	3.0	2.7	3.1	3.7
Productivity							
Real GDP per capita	-1.0	3.0	1.6	1.6	1.8	1.5	1.3
Real GDP per employee	1.1	1.9	0.7	1.2	1.5	1.3	1.4

* The 2020-25 column shows only end-of-period for the participation and unemployment rate.
** Approximated by Personal Income less Employment for each time period.
Source: Ontario Ministry of Finance. Toward 2025: Assessing Ontario's Long-Term Outlook. (2005).

The following table provides more detailed historical data. For example, female and older worker employment has been rising at above average rates, while male and youth employment growth has been slower.

Table 3: Ontario Labour Force: Key Statistics, 2000-2004

Ontario Labour Force: Key Statistics, 2000-2004						
	2000	**2001**	**2002**	**2003**	**2004**	**% change 00-04**
Labour Force (000s)	6,170	6,327	6,499	6,672	6,775	9.8%
Annual Labour Force Growth (%)	2.6	2.5	2.7	2.7	1.5	
Participation Rate (%)						
- Male	73.3	73.4	73.7	74.3	74.1	
- Female	61	61.4	62.1	62.9	63	
Share of Labour Force (%)						
- Youth (15-24)	16.4	16.3	16.4	16.3	16.2	
- Older Workers (45+)	32	32.6	33.4	34.7	35.4	
Total Employment (000s)	5,814	5,926	6,035	6,208	6,316	8.6%
- Male	3,123	3,168	3,212	3,298	3,350	7.3%
- Female	2,691	2,758	2,824	2,910	2,966	10.2%
Annual Employment Growth (%)	3.2	1.9	1.8	2.9	1.7	
Net Job Creation (000s)	181	112	110	173	108	
- Private-sector employment (000s)	3,929	4,051	4,115	4,240	4,276	8.8%
- Public-sector employment (000s)	982	996	1,036	1,047	1,106	12.6%
- Self-employment (000s)	903	878	884	922	935	3.5%
- Manufacturing employment (% of total)	18.6	18	18.2	17.8	17.6	
- Services Employment (% of total)	72.8	73.5	73.4	73.6	73.9	
Part-time (% of total)	18	17.9	18.3	18.5	18.1	
Average Hours Worked Per Week	38.1	37.5	37.3	36.6	37.1	-2.6%
Total Unemployment (000s)	356	401	463	464	459	28.9%
Unemployment Rate (%)	5.8	6.3	7.1	7	6.8	
- Male	5.6	6.5	7.4	7.1	6.9	
- Female	6	6.2	6.8	6.8	6.6	
- Toronto CMA	5.5	6.3	7.4	7.7	7.5	
- Northern Ontario	8.3	8	8.1	7.4	7.8	
- Youth (15-24)	11.8	12.5	13.9	14.4	14.2	
- Older Workers (45+)	4	4.4	4.7	4.7	4.5	
Share of Total Unemployment (%)						
- Long-term Unemployment (%) (27 weeks+)	15.4	12.8	15.2	16.2	15.2	
- Youth (15-24)	33.7	32.2	31.9	33.9	34	
- Older Workers (45+)	22.4	22.8	22.1	23.5	23.4	
Average Duration (weeks)	17.8	15.3	16.4	17	16.1	
- Youth (15-24)	9.8	8.6	9.4	9.4	8.8	
- Older Workers (45+)	28.4	25.7	24.5	27.3	24.2	
EI Regular Beneficiaries (000s)	101	122	136	142	136	34.7%
EI Maximum Weekly Entitlement ($)	413	413	413	413	413	0.0%
EI Total Benefits Paid($ millions)	2,787	3,524	4,328	4,342	4,429	58.9%
Social Assistance Caseload (000s)	436	408	411	413	418	-4.1%

Source: Ontario Ministry of Finance. 2005 Ontario Economic Outlook and fiscal review

3.3 Outlook for Productivity Growth

> "The recent aggregate labour productivity performance of the United States has been unprecedented in its robustness. In contrast, labour productivity growth has been much weaker in Canada."
>
> Andrew Sharpe, Centre for the Study of Living Standards. "Recent productivity developments in Canada and the United States: Productivity growth deceleration vs. acceleration." *International Productivity Monitor. No. 8. Spring 2004.* p. 16.
>
> The challenge for business and governments in Canada, then is that "Over the past two decades, the productivity levels of Canadian industries have been slipping relative to those of American industries."
>
> Conference Board of Canada, *Annual Innovation Report, 2004*.

The Ontario Ministry of Finance has identified productivity, based on business investment, human capital and innovation, as critical for prosperity.

It forecasts that productivity growth will double from an average of 0.7per cent for the last 5 years to an average of 1.2 per cent over 2005-09. In part this reflects anticipated tighter labour markets – skill shortages and higher wages encourage businesses to make labour-saving investments which raise average labour productivity. See Table 2. for more information.

While, the assumption that productivity will rise quickly is one of the most important in the outlook, many of the mechanisms which will achieve this result are not well understood. Indeed, many commentators are concerned that Canada is losing ground to the U.S., and that it is unclear how to achieve the productivity growth needed for higher incomes.

Moreover, productivity growth occurs as a result of many individual actions taken by individual firms and industries.

Productivity varies dramatically by industry, and it can be difficult to develop common prescriptions for growth. Table 4 shows that labour productivity per worker, measured as real GDP per worker, varies widely by industry: miners have well over twice the labour productivity as those working in arts, entertainment & recreation.

One of the most important factors in labour productivity differences is business investment per worker: industries like mining, with high capital investments, typically have high measures of GDP per worker.

Table 4: Labour productivity for major industries
Ontario, 2003, Index (1987=100)

Industry	Labour Productivity (Real GDP per Worker)
All Industries	122.5
Agriculture, forestry, fishing & hunting	174.5
Mining	174.9
Utilities	91.1
Construction	89.9
Manufacturing	147.9
Wholesale Trade	167.9
Retail Trade	125.1
Transportation & Warehousing	NA
Information & Cultural Industries	NA
Finance & Insurance	NA
Real estate & rental leasing	NA
Professional, Scientific & technical services	114.9
Management of companies & enterprises	NA
Administrative & support, Waste management & remediation services	92
Educational Services	79.8
Health care & social assistance	89.6
Arts, entertainment & recreation	79.1
Accommodation & food services	85.8
Other services (except public administration)	121.9
Public administration	117.3

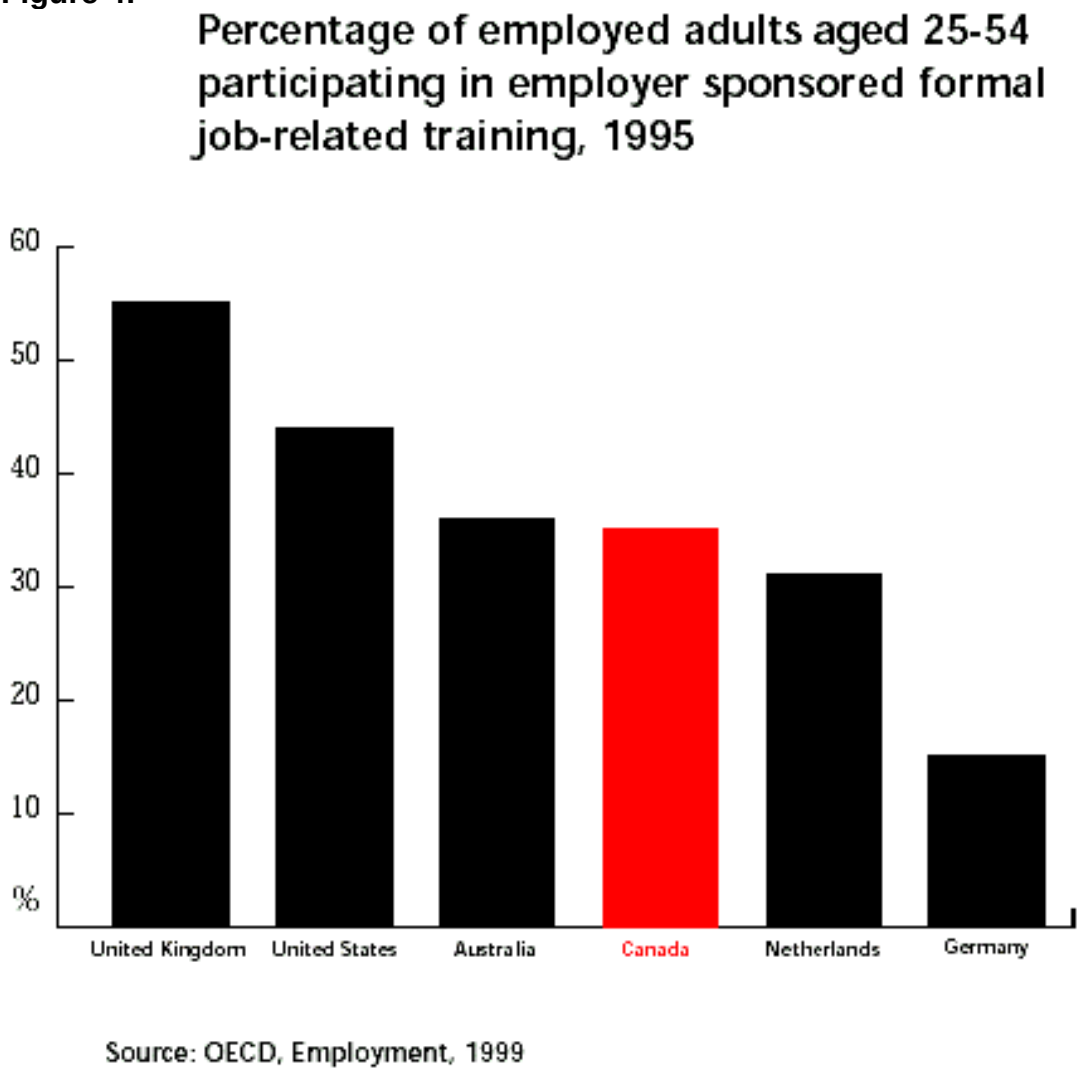
Source: The Centre for the Study of Living Standards and Prism Economics and Analysis; Industry breakout based on Statistics Canada's North American Industrial Classification System

3.4 Skills and Productivity Growth

Business investment in computers, telecommunications equipment and software has grown by 1,500 per cent in the past two decades. It is this high-technology equipment that is transforming the workplace and making continuous productivity improvement possible.

In a few years' time, three quarters of all new-job openings in Canada will require postsecondary education. This creates a challenge in Ontario. Currently, only 53 per cent of the 25 to 34 year olds in Ontario have attained a postsecondary diploma or degree. In addition, Canadian employers spend less on workforce training than do their competitors.

Figure 4:



Source: OECD, Employment, 1999

4.0 ONTARIO'S FISCAL OUTLOOK AND EDUCATION SPENDING

Government plays a major role in the economy on at least three counts:

- Its taxing and redistribution powers introduce major changes in the way the economy operates – strongly influencing private sector spending, saving and investment.
- Government regulation of private sector activity influences the sectors in which investments are made, and in which economic activity takes place, and
- The broader public sector employs about 23 per cent of the workforce in Ontario. Changes in government spending can have an immediate impact on employment growth in the public sector as well as on spending throughout the economy by public sector workers.

The Ministry of Finance outlook calls for the Ontario government's share of the economy to gradually decline over the next twenty years. In part this is because it anticipates that revenues will rise more slowly than the economy. For example, federal transfers to Ontario are forecast to grow slower than the economy, even though much of the federal contribution is for fast-growing health costs.

Table 5:

Ontario's key FISCAL indicators: Ten year history; short and long term outlook										
	History Annual Average		Short Term Outlook (%)				Long term Outlook Annual Average (%)			
NOMINAL	95-96 to 99-00	00-01 to 04-05	05/04	06/05	07/06	08/07	05-06 to 09-10	10-11 to 14-15	15-16 to 19-20	20-21 to 24-25
Revenue	7.2	3.5	5.5	3.3	4.4	4.2	4.6	4.1	4.3	4.3
-Gov't of Canada	-5	15.4	10.9	-2.3	5.4	2.9	3.8	4.2	3.1	3.1
Expense	2.8	4.5	5.2	2.6	3.3	2.5	3.5	4.2	4.5	5
- Health Care	4.3	7.5	6.5	4.8	4.0	3.9	5.1	5.8	6	6.2
- Education & Training	4.9	5.3	8.1	4.4	4.8	2.3	4.0	3.0	3.5	3.8
- Children & Social	-4.4	4.2	6.5	2.0	2.0	1.0	3.4	4.1	4.3	4.5
- Other Programs	0.4	3.5	3.3	-4.0	3.3	0.0	-0.9	4.1	4.3	4.3
- Interest on Debt	7.1	-2.7	2.1	3.1	4.0	3.9	3.4	-0.1	-0.5	1.8
NOTE 1: Wage increase*	3.3	1.9	2.9	2.9	3.0	3.0	3.0	2.7	3.1	3.7
- ed less avg. wages	1.6	3.4	5.2	1.5	1.8	-0.7	1.0	0.3	0.4	0.1
- health less avg. wages	1.0	5.6	3.6	1.9	1.0	0.9	2.1	3.1	2.9	2.5
NOTE 2: Nominal GDP	5.6	4.8	4.1	4.5	4.8	5.0	4.9	4.8	4.8	4.7
- ed & training less GDP	-0.7	0.5	4.0	-0.1	0.0	-2.7	-0.9	-1.8	-1.3	-0.9
- health less GDP	-1.3	2.7	2.4	0.3	-0.8	-1.1	0.2	1.0	1.2	1.5
- business investment less GDP	6.8	-0.8	3.0	4.2	3.1	2.8	4.8	1.3	-0.1	0.5

Sources: Ontario Ministry of Finance. 2005 Ontario Economic Outlook and Fiscal and Toward 2025: Assessing Ontario's Long-Term Outlook. (2005) (base case scenario)

* Short term outlook uses 'wages and salaries', while other data uses personal income

As well, the report anticipates balanced budgets for most of the two decades, which means that interest on debt will trend down as a share of the annual budgets.

Ontario's fiscal position is important to colleges because it provides an early indication about future increases to college budgets.

During the decade from 1992 to 2002, Ontario was in a difficult fiscal position, and made cuts, or avoided increases, to many public services. The table shows the years from 1994 to 2004, which include some of the recovery in funding. Over this latter period, overall funding for schools, colleges and universities was almost at the level of nominal GDP growth. In comparison, health spending grew faster, and spending on children and social services grew more slowly.

4.1 Outlook for Education and Training Funding

Recent initiatives (*Reaching Higher Plan*) addressed some of the funding issues which became acute during the 1990s. As Table 5 shows, there was an 8.1 per cent increase in funding to schools, colleges and universities in 2005-06. As nominal GDP grew by 4.0%, this meant that education and training budgets rose 4.1 per cent faster than GDP.

The Ministry of Finance forecasts education and training funding growth will be slower in 2006-07 and 2007-08. In 2008-09 it will fall to 2.3 per cent.

During the next 15 years, the Ministry of Finance anticipates that education and training investments will grow more slowly than health care, spending on children and social programs, and the composite of all other programs.

Another way to consider education and training budgets is to compare how fast they are rising relative to the average wage rate. The first row in "Note 1" indicates how quickly the Ministry of Finance expects average wages across the economy to increase.

- The education and training budget rose 5.2 per cent more quickly than average wages in 2005, allowing for discretion to address challenges that had arisen as a result of previous budget cuts.
- After 2005, education and training funding is not expected to grow much more rapidly than wages. Not all of college spending is related to wage costs, however, so educators will have less opportunity to address deficiencies, meet growth opportunities or expand to help more students-at-risk.
- In comparison, the outlook anticipates more funds will be made available to the health sector to deal with growth.

4.2 Trends in Investment in Education

> "A major cost or risk to adopting new technology is shortages of workplace skills to implement the technology…. An innovative culture that supports ongoing restructuring for success puts new demands on the full workforce, not just on a small cadre of managers and researchers.... Colleges play a crucial role in this process through programs that train the workers who will design, install, maintain, repair, troubleshoot and manage the new processes."
>
> Prism Economics and Analysis and Arthur Donner. *Role of Colleges of Applied Arts and Technology (CAATs) in raising Ontario's labour productivity and contributing to its prosperity*. (Forthcoming).
>
> "The pace of technological change and the rapid response that will be demanded…mean that all employees will not only have to be flexible enough to adapt to changes in their job, but also be willing and able to continuously upgrade their knowledge and skills."
>
> Canadian Manufacturers and Exporters, Manufacturing 20/20: Building Our Vision for the Future, 2005.

Business investment is typically measured as a share of the economy (GDP). More business investment results in higher capital stock per worker. Workers, on average, can produce more. Higher output tends to result in higher returns to capital (to repay the cost of the investment) and may mean higher incomes for workers who are producing more.

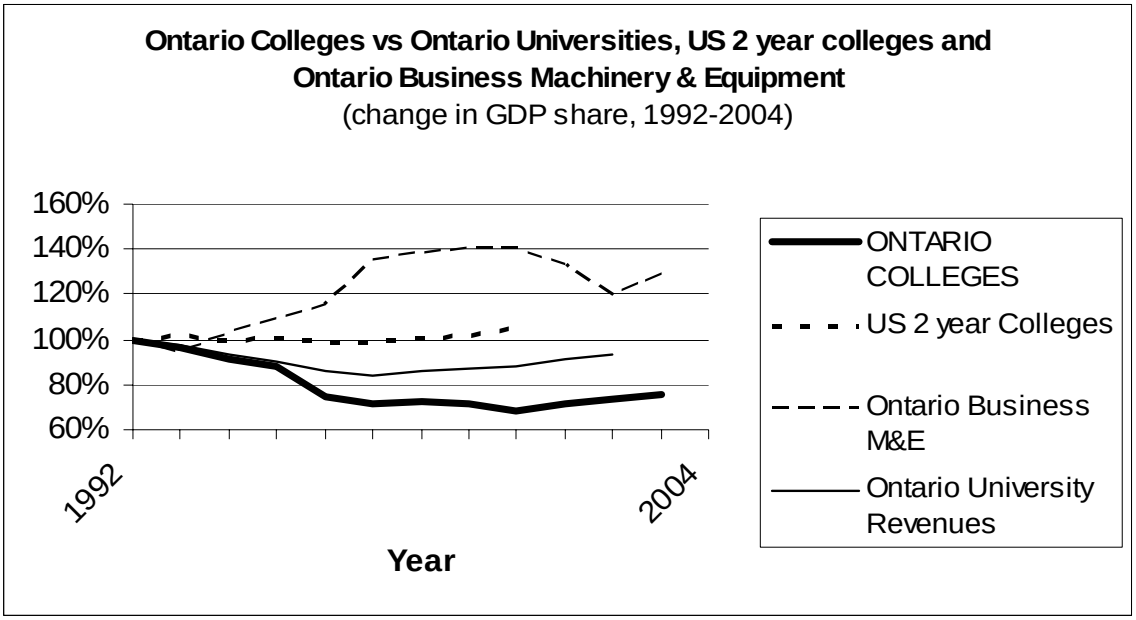
As can be seen from Figure 5:

- Between 1992 and 2004, business investment as a share of the economy (GDP) rose by close to 30 per cent, laying the groundwork for higher incomes in the years ahead. A large share of this increase was in information and communications technology (ICT) which allows companies to develop and improve products, but also, through business process engineering, to reduce costs.

- In comparison, in Ontario, investment in college education decreased by over 20 per cent as a share of the economy (GDP) between 1992 and 2004.

- In comparison to the 20 per cent drop for Ontario colleges, total expenditures by Ontario universities dropped by about 5% as a share of the economy, while US 2-year college expenditures actually rose as a share of the U.S. economy.

Figure 5:



The Ministry of Finance anticipates that business investment in machinery and equipment will increase by a further 37 per cent over the next two decades compared to the growth in the overall economy. And during the next two decades it expects capital stock per employee to rise by 40 per cent.

While workplaces with much more complex equipment would call for an increasingly sophisticated workforce, beginning in 2006-07, Ontario investment in education and training is forecast to begin to fall as a share of the economy.

5.0 SECTOR EMPLOYMENT TRENDS

Table 6 highlights several recent sectoral employment trends. For example, primary industries and agriculture are still losing jobs, and manufacturing employment has peaked. In contrast service sector industries are generally growing particularly noteworthy are business and financial services and health and social services. After 2001, employment in education also grew faster than average.

However, it is difficult to anticipate which industries will experience rapid employment growth over the long term because they are affected by so many technological and competitive issues.

The Ministry of Finance identifies three sectors as likely to experience rapid employment growth. These are: information and communications technology, business and financial services and the entertainment and creative sector.

In addition, several slow employment-growth industries are expected to continue to have rapid productivity growth. In these cases, there is a strong likelihood that existing workers will require new skills to keep pace with the changes they experience in the workplace. These industries would include primary industries, agriculture, manufacturing, and service sector industries with high investment per worker, such as telecommunications and financial services.

5.1 Distribution of College-Credential Workers in Industry Sectors

Table 6:

Ontario Employment by Industry, 2000-04									
	Thousands					% change over year earlier			
	00	01	02	03	04	01	02	03	04
Goods Producing Industries	**1,579**	**1,572**	**1,608**	**1,641**	**1,649**	**-0.4**	**2.3**	**2.1**	**0.5**
Primary Industries	134	119	112	113	113	-10.9	-5.8	0.8	0.1
Agriculture	99	83	77	82	79	-15.7	-7.2	5.7	-3.7
Manufacturing	1,080	1,066	1,097	1,102	1,109	-1.3	2.9	0.5	0.6
Construction	321	337	346	371	369	5	2.6	7.4	-0.8
Utilities	45	50	52	54	58	12.1	4.6	2.9	8.2
Services Producing Industries	**4,235**	**4,354**	**4,428**	**4,568**	**4,667**	**2.8**	**1.7**	**3.2**	**2.2**
Trade	877	928	920	937	963	5.8	-0.9	1.8	2.8
Transportation and Warehousing	274	278	279	289	300	1.4	0.2	3.8	3.8
Finance, Insurance, Real Estate and Leasing	381	390	389	409	430	2.3	-0.2	5	5.1
Professional, Scientific and Technical Services	417	437	437	448	436	4.7	0	2.6	-2.8
Business, Building and Other Support	240	242	247	264	277	0.8	2.3	6.7	5
Educational Services	365	357	368	375	390	-2.3	3.1	1.9	4
Health Care and Social Assistance	537	563	584	613	636	4.8	3.8	4.9	3.7
Information, Culture and Recreation	283	302	297	293	304	6.7	-1.6	-1.5	3.7
Accommodation and Food Services	336	330	363	369	365	-1.9	10	1.6	-1.1
Public Administration	279	281	297	309	311	0.8	5.8	4	0.4
Other Services	245	246	246	262	257	0.3	0.2	6.5	-1.9
Total Employment	**5,814**	**5,926**	**6,035**	**6,208**	**6,316**	**1.9**	**1.8**	**2.9**	**1.7**

Source: Ontario Ministry of Finance. 2005 Ontario Economic Outlook and Fiscal Review.

As shown in Figure 6, those with college qualifications are widely distributed across the economy with strong representation in virtually all industries – they constitute a fifth to a half the workers in 18 of 20 industries.

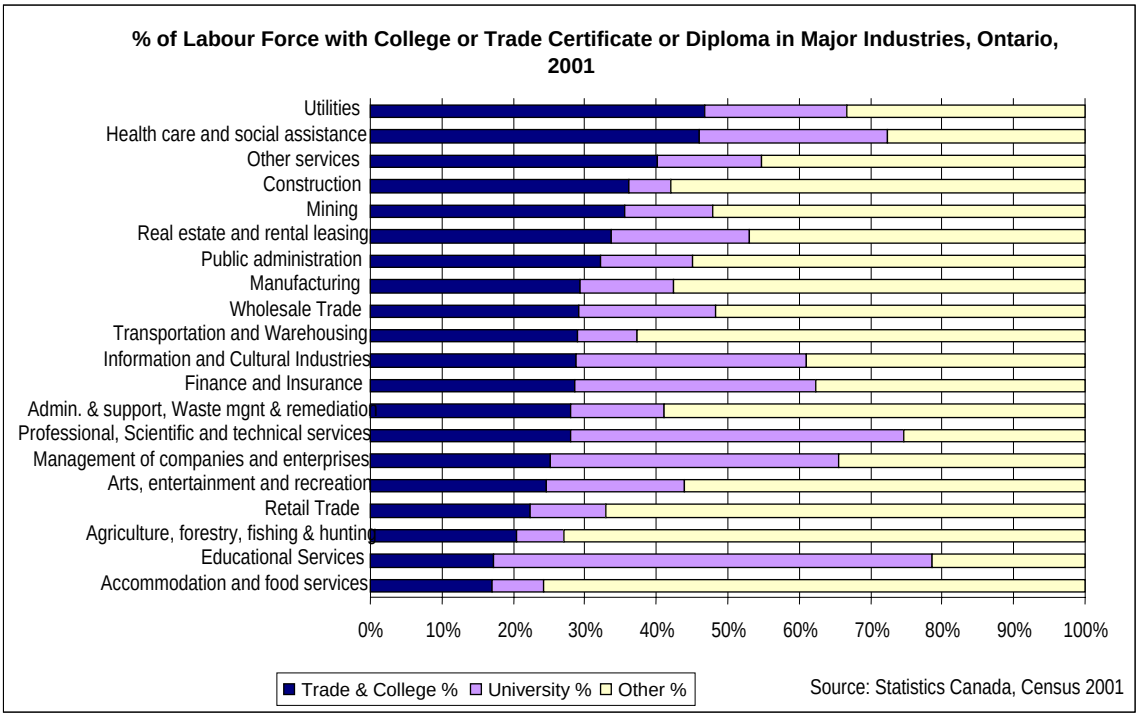
- In six of these 20 industries, over a third of workers have college qualifications. And in the top two industries, Utilities and Health Care and Social Assistance, 46 per cent of the workforce has college qualifications.

In comparison, the university-qualified workforce is more narrowly distributed. They exceed 20 per cent of the workforce in only four of 17 private-sector industries.

Close to half of all university graduates are employed in the broader public sector, which has about a quarter of the workforce. They are strongly represented in education services (61 per cent), public administration (32 per cent), and health care and social assistance (26 per cent).

The number of workers with college credentials exceeds the number with a university degree in 17 of the 20 industries. Throughout most of the private sector, those with college credentials are more numerous, often by a factor of two, and sometimes by a factor of three than those with a university degree.

Figure 6:



6.0 REGIONAL EMPLOYMENT TRENDS

Regional employment trends depend on a range of factors, such as the relative importance of specific industries and the level of immigration or out-migration. In some communities, the prospects of a few very large employers may have a disproportionate impact on community employment and on college prospects.

Over the past few years, employment growth has been fastest for the Greater Toronto Area and Central Ontario. Job growth has been slowest in the North and Southwestern Ontario.

To some degree, these trends are expected to continue for the next two decades. While the Ministry of Finance does not forecast job growth by region, its population forecasts provide a reasonable indication of the likely course of job growth.

Greater Toronto Area: Most of the immigrants to Ontario are expected to continue to head for the Toronto area, where job growth prospects are reasonably bright. The GTA is very diversified, with many very specialized business and financial services that serve the country and increasingly, international clients. It is also home to a strong information and communications technology sector and is the national (English-speaking) capital for the entertainment and creative cluster.

Kitchener-Waterloo-Cambridge-Guelph. This diversified area is one of the most rapidly growing in Canada. It is attracting both employers and new employees from the GTA area. It has a very strong information and communications technology sector as well as a large manufacturing sector. Undoubtedly this area, now an exurb of Toronto, will see increasing immigration.

Central Ontario. This area comprises a group of mid-size and smaller cities (e.g. Hamilton, Ste. Catharines, Oshawa, Peterborough, Barrie) often based on manufacturing. In many cases, manufacturing jobs are declining, and the communities are transforming to new sources of competitive advantage. In some cases, they could benefit from migrants from Toronto looking for a stronger sense of community, lower house prices, etc., a trend which could become stronger as retiring baby-boomers consider relocating.

Southern Ontario. Other cities in southern Ontario typically have strongly-defined sectoral strengths which play a significant role in community prospects. Ottawa has a large public sector and information and communications technology sector. London has both manufacturing and financial services. Windsor, Sarnia, Belleville and Cornwall each specialize in different manufacturing industries. Kingston combines manufacturing with tourism and some high technology. For many of these communities, it will be a challenge to find high employment growth opportunities to offset the weak employment prospects in manufacturing.

Northern Ontario. Northern communities have typically been very dependent on the resource sector, which is shedding jobs while rapidly increasing productivity. In recent years, several northern communities have benefited from public sector jobs, and more recently from large call centres. Some, such as North Bay, are quite diversified.

Table 7:

Ontario Regions: Employment change 2000-04 (000s)						
	2000	**2001**	**2002**	**2003**	**2004**	**% change 00-04**
Ontario	**5,814**	**5,926**	**6,035**	**6,208**	**6,316**	**8.6%**
Ottawa	571	592	596	617	614	7.5%
Kingston-Pembroke	186	192	199	199	205	10.2%
Greater Toronto Area	2,580	2,665	2,722	2,798	2,853	10.6%
Muskoka-Kawarthas	160	152	155	175	179	11.9%
Kitchener-Waterloo-Barrie	550	559	579	596	611	11.1%
Hamilton-Niagara Peninsula	648	651	654	679	686	5.9%
London	307	305	308	317	331	7.8%
Windsor-Sarnia	301	302	307	308	308	7.8%
Stratfor-Bruce Peninsula	152	148	151	150	164	7.9%
Northeast	248	251	251	253	254	2.4%
Northwest	111	108	113	116	111	0.0%
Notes: All figures average annual employment levels. Definitions of regions are provided in 2005 Ontario Economic Outlook and Fiscal review, Table 34.						

Source: Ontario Ministry of Finance. 2005 Ontario Economic Outlook and Fiscal Review.

7.0 OCCUPATIONAL OVERVIEW

Table 8 provides an overview of the distribution of occupations by industry in Ontario. The manufacturing sector, for example, has a high proportion of its workforce in processing activities, while the large majority of construction workers are equipment operators. And in service industries, there are many sales staff.

Table 9 provides an occupational forecast for Canada. The demand for college-credentialed workers is expected to grow at the same rate as total jobs in the economy. Jobs for university graduates are expected to grow faster, while jobs for those without PSE credentials will grow slower.

- Natural and applied sciences and health-related jobs will grow fastest.
- Other areas of fast growth include professional occupations in business and finance, and paraprofessional occupations.

Table 8: Occupation Employment by Industry, Ontario 2004

Occupational Employment by Industry*
Ontario, 2004

Occupational Grouping	Manufacturing Industry %	Service-producing Industry %	Construction Industry %	Primary Industry %
All Occupations	100	100	100	100
Management	8	10	14	2
Business, Finance and Administration	13	22	9	5
Natural and Applied Sciences	8	7	2	3
Health	--	7	--	--
Social Science, Education, Government Service and Religion	--	10	--	--
Art, Culture, Recreation and Sport	1	4	--	--
Sales and Service	4	30	1	--
Trades, Transport and Equipment Operators	18	9	73	9
Primary Industry**	--	1	--	79
Processing, Manufacturing and Utilities	49	1	--	--

Note: May not add to 100% due to rounding. -- indicates employment less than 1,500.

* Grouped according to North American Industry Classification System (NAICS) and excluded Utilities

** Primary Industry includes Agriculture, Forestry, Fishing, Mining, Oil and Gas.

Source: Ontario Job Futures. Overview of Ontario's Employment Patterns. (Statisitcs Canada, Labour Force Survey)

Table 9: Employment Growth by Occupation, 1999-2013

Total	Employment		Employment share		Annual average growth		
	2003	2013	2003	2013	1999-2003	2004-2008	2009-2013
	15,745,952	17,800,870			2.2%	1.5%	0.9%
Skill level							
Management	1,382,553	1,600,926	8.8%	9.0%	0.2%	1.8%	1.1%
Occupations usually requiring							
University education	2,595,966	3,120,615	16.5%	17.5%	2.7%	2.3%	1.4%
College education or apprenticeship training	4,808,503	5,392,422	30.5%	30.3%	1.8%	1.4%	0.9%
High school education	5,097,138	5,700,725	32.4%	32.0%	3.1%	1.4%	0.8%
Only on-the-job training	1,861,793	1,986,181	11.8%	11.2%	1.5%	0.9%	0.4%
Skill type							
Business, finance and administration	3,107,217	3,482,843	19.7%	19.6%	1.5%	1.4%	0.9%
Natural and applied sciences	1,090,153	1,349,948	6.9%	7.6%	3.8%	2.3%	2.0%
Health	965,207	1,248,359	6.1%	7.0%	3.4%	3.5%	1.7%
Social science, education, government service	1,132,274	1,318,624	7.2%	7.4%	3.5%	2.0%	1.0%
Art, culture, recreation and sport	472,085	519,889	3.0%	2.9%	3.3%	1.3%	0.7%
Sales and service	4,656,960	5,156,560	29.6%	29.0%	2.3%	1.4%	0.6%
Trades, transport and equipment operators	2,406,230	2,643,766	15.3%	14.9%	1.8%	1.1%	0.8%
Primary industry	567,127	594,886	3.6%	3.3%	-1.7%	0.6%	0.4%
Processing, manufacturing and utilities	1,348,699	1,485,996	8.6%	8.3%	2.2%	1.2%	0.8%
Occupation (two-digit level)							
01 All management occupations	1,382,553	1,600,926	8.8%	9.0%	0.2%	1.8%	1.1%
11 Professional occupations in business and finance	450,486	540,579	2.9%	3.0%	2.0%	2.2%	1.5%
12 Skilled administrative and business occupations	895,125	979,304	5.7%	5.5%	-0.8%	1.2%	0.6%
14 Clerical occupations	1,459,841	1,612,187	9.3%	9.1%	3.6%	1.2%	0.8%
21 Professional occupations in natural and applied sciences	592,385	741,622	3.8%	4.2%	2.8%	2.4%	2.1%
22 Technical occupations related to natural and applied sciences	440,099	536,657	2.8%	3.0%	6.0%	2.1%	1.9%
31 Professional occupations in health	432,646	562,886	2.7%	3.2%	2.3%	3.6%	1.7%
32 Technical and skilled occupations in health	197,245	253,946	1.3%	1.4%	1.9%	3.1%	2.0%
34 Assisting occupations in support of health services	249,893	326,146	1.6%	1.8%	8.0%	3.6%	1.8%
41 Professional occupations in social science, education and government service	919,344	1,057,768	5.8%	5.9%	3.4%	1.8%	1.0%

Table 9: Employment Growth by Occupation, 1999-2013(cont…)

42 Paraprofessional occupations in law, social service and education	179,464	220,126	1.1%	1.2%	2.7%	2.7%	1.5%
51 Professional occupations in art and culture	201,105	217,760	1.3%	1.2%	2.6%	1.2%	0.4%
52 Technical and skilled occupations in art, culture, recreation and sport	256,113	284,204	1.6%	1.6%	4.5%	1.3%	0.8%
62 Skilled sales and service occupations	1,017,587	1,151,385	6.5%	6.5%	3.9%	1.7%	0.8%
64 Intermediate sales and service occupations	1,562,156	1,725,104	9.9%	9.7%	2.7%	1.5%	0.5%
66 Elemental sales and service occupations	1,448,409	1,559,054	9.2%	8.8%	2.5%	1.1%	0.4%
72-73 Trades, skilled transport and equipment operators	1,300,824	1,409,620	8.3%	7.9%	1.2%	0.9%	0.7%
74 Intermediate occupations in transport, equipment operation, installation and maintenance	809,215	913,539	5.1%	5.1%	2.1%	1.4%	1.0%
76 Trades helpers, construction labourers and related occupations	136,081	134,739	0.9%	0.8%	1.6%	-0.2%	0.0%
82 Skilled occupations in primary industry	348,416	363,250	2.2%	2.0%	-1.7%	0.5%	0.3%
84 Intermediate occupations in primary industry	138,160	144,217	0.9%	0.8%	-1.6%	0.5%	0.4%
86 Primary industry labourers	72,740	78,719	0.5%	0.4%	-2.5%	1.2%	0.4%
92 Processing, manufacturing, utilities supervisors and skilled operators	173,629	193,930	1.1%	1.1%	5.0%	1.3%	0.9%
94-95 Processing and manufacturing machine operators and assemblers	877,873	979,533	5.6%	5.5%	3.3%	1.3%	0.9%
96 Labourers in processing, manufacturing and utilities	204,563	213,669	1.3%	1.2%	-3.2%	0.5%	0.4%

Source: Statistics Canada, National Occupational Classification; Statistics Canada, Labour Force Survey; HRSDC-PRCD, Labour Market and Skills Forecasting and Analysis Unit, Reference 2004 Scenario.

7.1 Enabling Occupations

This section summarizes a detailed report on "enabling occupations" with college credentials by Prism Economics and Analysis and Arthur Donner, *Role of Colleges of Applied Arts and Technology (CAATs) in raising Ontario's labour productivity and contributing to its prosperity, (forthcoming.)*

To appreciate the role of colleges in Ontario's prosperity, it is important to identify workers in "enabling occupations" who are educated in colleges. According to Prism Economics and Analysis and Arthur Donner, these occupations are catalysts that activate the potential of new technology in organizations. There is a tight link between new technologies driving productivity and the skills of enabling occupations.

Colleges teach practical skills that are essential in organizations investing in new technology or implementing new processes. College graduates often enter occupations that have been linked by research to the implementation of new technologies in specific circumstances (e.g. team work environments, software intensive applications, practical hands-on experience) that foster productivity.

Without skilled technicians and savvy operators, new technology is not contributing its full potential. Managers, engineers and scientists may have a vision of more productive potential, but it is the people installing, monitoring and problem solving the new processes who make things work.

These workers – often practicing new trades and occupations – are enabling the introduction of new technology and the associated productivity. "Enabling occupations" play a key role in allowing companies to build a culture of innovation in the workplace which they need if they are to continually restructure for success.

Workers with up-to-date qualifications in enabling occupations are commonly in short supply because the new approaches require training in new software and machinery. Many types of industrial changes are evolving around these enabling occupations, including redefining trades and occupations and outsourcing. This structural change is often painful and controversial. In fact, the process may well displace trades, skills and jobs that are now identified with college training.

Examples of enabling occupations

Engineering and Science Technicians and Technologists are a good example of enabling occupations. A report from the Canadian Technology Human Resources Board (CTHRB) in 2000 clarified this role through a survey of the workforce. The key findings include:

- Technology-driven change in industry has reallocated work from professional engineers and trades to engineering technicians and technologists, specifically:

  As production equipment becomes more computer and control-system intensive, set up, troubleshooting and maintenance functions are shifting from skilled trades to engineering technicians and technologists

  Engineering software has enabled calculation, design and process control tasks, previously undertaken by junior, Professional Engineers to be shifted to engineering technicians and technologists

  90 per cent of the technicians and technologists are trained in colleges

  Technicians and technologists are highly mobile across industries, specializations and regions

  30 per cent of the sample attended, but did not complete, university training

  90 per cent of the sample work on teams, usually headed by engineers

  Over 70 per cent of respondents identified increased use of engineering software with rising productivity

  Engineering technicians and technologists are distributed across the entire economy and are concentrated in manufacturing, consulting engineering, government, primary industry (mining, forestry, oil and gas), and construction.

These technicians and technologists are distributed across many industries. Their skills now displace the work of junior professional engineers. This feature of leveraging the work of professional groups is a key attribute of all enabling occupations. All of these occupational groups grew more rapidly than the total workforce and this is a general measure of the growing technological intensity of the economy.

Prism Economics and Analysis and Arthur Donner. *Role of Colleges of Applied Arts and Technology (CAATs) in Raising Ontario's Labour Productivity and Contributing to Its Prosperity*. (Forthcoming).

PUBLIC POLICY

Section Six

CONTENTS OF SECTION SIX: PUBLIC POLICY

SECTION TEN: PUBLIC POLICY

1.0 HIGHLIGHTS

Ontario's Priorities

- The Ontario Government will continue to spotlight education policy in 2006 as one of its leading priorities for strengthening Ontario's economy by developing a skilled workforce. The postsecondary investment, totaling a cumulative $6.2 billion over five years, is reported as the largest multi-year investment in postsecondary education and training in 40 years. The priority areas and strategies are outlined in *Reaching Higher: the McGuinty Plan for Postsecondary Education*, released following the Rae Review report on the province's postsecondary education system.

- Apprenticeship and training programs remain a key area of investment, and there will be a focus on improving the education assessment process for integrating new immigrants into the workforce.

- The government has already introduced legislation to keep students in school until age 18, and is expected to introduce a new secondary school diploma for those who plan to pursue skills and training programs. This may present opportunities for collaboration between the secondary and postsecondary sectors.

- The Labor Market Development Agreement (LMDA) with the federal government, signed in December 2005, will give the province responsibility for the development and administration of programs for EI-eligible individuals. At the same time, Ontario a signed a Labour Market Partnership Agreement (LMPA), giving the province access to more than $1.36 billion over six years to develop and implement programs to increase labour force participation of EI-ineligible individuals who are currently employed, underemployed and unemployed. Both of these agreements will increase Ontario's investments in skills development.

- The government is expected to establish the Higher Education Quality Council in 2006. The publicly appointed agency will oversee the government's postsecondary sector quality agenda by developing and recommending targets, methods, timeframes, and performance measures; conducting research; encouraging collaboration between institutions, and issuing reports. The amount of importance placed on the council's work will determine the scope of the impact it will have on the future direction of postsecondary education.

- The creation of a new Ministry of Research and Innovation and the premier's decision to assume the position of minister highlights an aggressive strategy to bolster Ontario's science and technology contributions as well as its research, innovation and commercialization capacity. The new ministry has already consolidated existing programs and established further initiatives, such as the

Ontario Commercialization Program, to build and coordinate capacity. The 2005 Budget provided for the establishment of a provincial research council in follow up to a recommendation that a body be created to advise government on research priorities, coordinate initiatives and liaise with federal funding agencies. It is expected that details on the membership and the role of the council will be announced in 2006.

National Priorities

The 2006 elections have resulted in a federal minority Conservative Government. The Party's election platform includes strategies to support postsecondary education, apprenticeships for the trades, and research and development, and immigration. In these key areas the Conservatives have promised to:

- Invest $100 million per year to improve financial support for students, including enhancing the Canada Student Loans program and work with the provinces to increase the family income threshold for access to student loans;
- Establish a federal tax credit of up to $500 per year for textbooks and provide a tax exemption for the first $10,000 of scholarship or bursary income;
- Work with the provinces to remove postsecondary funding from the Canada Social Transfer and create a separate process that will establish dedicated funding for postsecondary education and training;
- Offer grants of $1000 to help new apprentices with costs of tools, boots and other work accessories; and introduce an Apprenticeship Job Creation Tax Credit for businesses that establish apprenticeship positions;
- Provide an additional $500 million over the next five years to national grants councils to support university-based research, including indirect research costs;
- Work with research stakeholders in all fields and sectors to explore expanding on the success of the existing research and development tax credit; and
- Create a national agency for assessment and recognition of international credentials and experience; and work with provinces and professional associations to establish effective processes for properly trained individuals to quickly qualify for work[1].

[1] Conservative Party of Canada (2006). Platform.

2.0 THE ONTARIO SCENE

2.1 Year Three of a Liberal Provincial Government

2.1.1 Provincial Budget for 2005[2]

The Reaching Higher Plan for Post-Secondary Education

The significant investments in postsecondary education represent a major government strategy to strengthen the economy by developing a skilled workforce. The May 2005 Budget included a commitment of a cumulative $6.2 billion over five years, the largest multi-year investment in postsecondary education and training in 40 years. The publication, *Reaching Higher: the McGuinty Plan for Postsecondary Education*, provides details of the plan and is based on many of the recommendations in the Rae Review report on the province's postsecondary education system, *Ontario: A Leader in Learning.*[3]

Details of the postsecondary investments are included in the chart following the bulleted list. Announcements include the following:

- Significant enhancements to student financial assistance programs, including increases in the availability and/or dollar value of scholarships, grants and loans;
- An increase in the operating grants to colleges and universities to $447 million in 2005/06;
- A new tuition framework for implantation in September 2006, when the tuition freeze ends.
- Increase in the number of new apprenticeship students and provide New Canadians with better access to labour market services;
- Support for pilot programs to help New Canadians access college education and jobs.
- Introduction of academic upgrading and training options for those who quit high school;
- Provision of scholarships and employer bonuses for early leavers who enter apprenticeship;
- Tax credits for employers offering apprenticeship positions;
- Bridge training program expansions to help internationally educated Canadians integrate more rapidly into Ontario's workforce;

[2] Ontario Ministry of Finance. (2005). 2005 Budget.
[3] Ontario Ministry of Training Colleges & Universities (2005.) Postsecondary Review. Final Report.

- Public infrastructure funding of more than $30 billion over a five-year period, including funding for colleges, universities, primary and secondary schools, hospitals, roads, public transit and water and sewage treatment;

- Creation of the Research Council of Ontario and regional commercialization networks, or incubators, to support research partnerships, promote projects and seek commercialization opportunities

- A consolidated Ontario Research Fund to increase incentives for scientific research and development projects, especially in key sectors such as automotive, agriculture, manufacturing, biotechnology, information and communications, environmental technology and nanotechnology, and cancer research

- Support for new power supply projects to increase Ontario's energy supply and promote energy conservation

- Investments in highway expansion, public transportation and improve border infrastructure to facilitate Canada-US trade and travel

- Low-cost infrastructure loans for municipalities

- Investments in early learning initiatives such as the Best Start program to achieve smaller class sizes and establish 25,000 new child care and early learning opportunities for lower- to middle-income families

- $250 million investment in 2005/06 for specific literacy and numeracy programs and to improve high school graduation rates;

- Investment in health-care reforms focused on improving access to community-based services and to physicians; decreasing wait times; and implementing comprehensive needs-based approach to service provision. Announcements include increasing the number of Family Health teams to provide around-the-clock service; increased funding for hospitals, and the creation of Local Health Integration Networks (LHINs).

- Creation of more than 15,000 affordable housing units available for people with mental illness and those who are victims of violence.

Reaching Higher Plan

Initiative	Details
Increase access to financial assistance Provide tuition grants in cooperation with federal Millennium Scholarship Program	$192M in 2005/06 for student financial assistance; $358M by 2009/10 • 135,000 students to receive new low-income tuition grants and enhanced assistance • provincial low income tuition grants for 16,000 first- year students • Scholarships for high school leavers entering apprenticeship programs
7,000 new apprenticeship spaces by 2007/08	An additional $11.7 million by 2006/07 to increase in the number of new apprenticeship students to reach target of 26,0000 in 2007/08 $17.5 million to improve access to labour market for New Canadians and prospective apprentices, as part of One-stop Training and Employment System;
Improved access by underrepresented groups	$10M in 05/06, rising to $55M by 2009/10, to improve access & success rates for underrepresented groups, e.g. francophones, aboriginals, people with disabilities, first in family to attend college or university
Increase operating grants to enable enrolment growth, increased faculty-student contact, increase graduate education, invest in research	Raise college and university operating grants to $447 Million 2005/06, rising to $1.2 B in 2009/10, including: • Up to $20 M for northern and rural colleges and universities by 2007/08 • Increase enrolment to 50,000 postsecondary students; • $4 million over the next two years to pilot new programs to help new Canadians access college education and jobs; • $220M annually by 2009/10 to reach graduate enrolment target of 14,000; • $25M for university faculty research & graduate education; • $95 M by 2008 to expand first year medical education by 15%
Improve pathways and increase collaboration between colleges and universities	Legislation for establishment of Quality Council on Higher Education passed third reading in Fall 2005.
Establish multi-year agreements with institutions to set enrolment & performance targets	Bilateral multi-year agreements to be established in 2006.

2.1.2 Other Policy Announcements

- In the Speech from the Throne in October 2005[4], the provincial government highlighted two major education initiatives: the plan to make school attendance mandatory until age 18 and the plan to introduce an alternative secondary school diploma with emphasis on skills for trades. The Learning to Age Eighteen legislation was introduced in December 2005.

- In December, the government released its second progress report[5] restating its priorities for investments and targets for each priority area: education, health care and communities. The relevant targets for the postsecondary sector are to increase participation rates for education and skills training to increase the percentage of internationally educated individuals becoming qualified to work in Ontario. The report identifies some of the *Reaching Higher* investments as strategies. The education target is to reduce the number of students who leave high school without a diploma.

- Health reforms include the implementation of Local Health Integration Networks, which will have responsibility for health human resources planning and funding decisions when fully operational. College health sciences and human services programs play a key role in the supply of health human resources and it is expected that the changes will have an impact on enrolment planning and the availability of clinical education spaces

2.2 Ontario Government Policy Directions

The Government's policy directions reflect several themes that may affect colleges over the next year, including:

- Further reforms and modifications to postsecondary education and skills training systems in Ontario, including the establishment of the Higher Education Quality Council;
- Ontario's newly signed The Labour Market Development and Labour Market Partnership agreements resulting in significant investments in workplace skills and career development programs over the next few years;
- Expansion of primary care reform in health care as well as the implementation of the LHIN model; and
- The new research, innovation and commercialization strategy to stimulate the province's Science and Technology and Research contributions.

Some key directions are discussed below in further detail.

[4]Barlteman, Hon. J.K. (2005). Speech from the Throne. Premier of Ontario website.
[5] Ontario Government (2005). Progress Report 2005.

Higher Education Quality Council

The responsibilities of the Higher Education Quality Council as outlined in legislation are to:

- develop and recommend quality targets, methods, and timeframes;
- recommend performance measures for evaluation of the postsecondary education sector and issue public reports;
- conduct research on the postsecondary sector, including the design and development of other postsecondary education models; and
- encourage collaboration between post secondary education institutions.

The quality framework and performance indicators that the Council establishes will have a long-term impact on colleges and other postsecondary institutions.

Canada-Ontario Labour Market Agreements

The federal-provincial Labour Market Development Agreement (LMDA) gives Ontario access to $525M annually as of Jan 1, 2007, to develop and administer employment insurance (EI) programs that help Ontarians gain the skills, work experience and support to find and retain jobs. As well, the federal and provincial governments committed to establishing by March 2006 provisions for the transfer of the relevant federal employees to the Ministry of Training Colleges and Universities. The agreement:

- establishes a joint commitment to create an "integrated labour market system" and reduce unnecessary duplication of services;
- establishes a joint Canada-Ontario LMDA management committee;
- includes provisions for service continuity during the implementation period;
- sets out requirements for annual plans and reports;
- provides for the development of a joint evaluation framework

While Ontario was the last province to sign an LMDA with the federal government, it was one of the first provinces to sign a Labour Market Partnership Agreement (LMPA) to develop programs and services for non EI-eligible individuals. The LMPA gives the province access to more than $1.36 billion over the next six years to develop programs in six priority areas:

- Expansion and enhancement of apprenticeships
- Labour market integration of recent immigrants
- Literacy and essential skills
- Workplace skills development
- Assistance for Aboriginal Canadians
- Assistance for those facing labour market barriers, such as older workers, displaced workers, and persons with disabilities.

The LMDA and LMPA will enable further provincial investments in skills development programs and will likely result in opportunities for colleges to provide services and programs for the target groups.

Research and Innovation

The establishment of a new Ministry of Innovation and Research, with the premier assuming the role of minister, emphasizes a strategic priority of building capacity in Science and Technology, research, innovation and commercialization. The consolidation of several research funds under a new Ontario Research Fund will allow the ministry to allocate funding to priority sectors including: automotive, agriculture, advanced manufacturing technologies, biotechnology, information and communications, alternative energy/ fuel cells, environmental technologies, and nanotechnology. The fund supports efforts to connect youth to researchers and recruit and develop world-renown talent.

The proposed Research Council of Ontario is intended to align and coordinate research and focus on strategic priorities to increase productivity. The details of the council's role and responsibilities are expected in 2006. The government is also establishing a commercialization framework that will include 11 regional networks and support a multi-stakeholder approach. The networks are focused on life sciences but are expected to develop into other areas of interest based on local strengths and opportunities.

2.3 Ontario Expenditure Patterns

Operating Expenditure Projections

Ontario's projected expenditure on education and training for the 2005-06 fiscal year is $16.5 billion, representing 20 per cent of total expenses. Education and training expenses comprise the second largest category of government expenses, exceeded only by health, which has estimated expenses of $33.3 billion, representing 40 per cent of the total. Institutions are the largest expenditure category under Health and Long-Term Care. Within the education and training category, Training, Colleges and Universities are expected to spend $4.9 billion, while Education accounts for $11.6 billion of the $16.5 billion total expenses. Reaching Higher postsecondary investments are expected to total $683 million in 2005/06 and more than $1 billion in 2006/07.

Table 1

Reaching Higher: New Ongoing Operating Investments*
($ Millions)

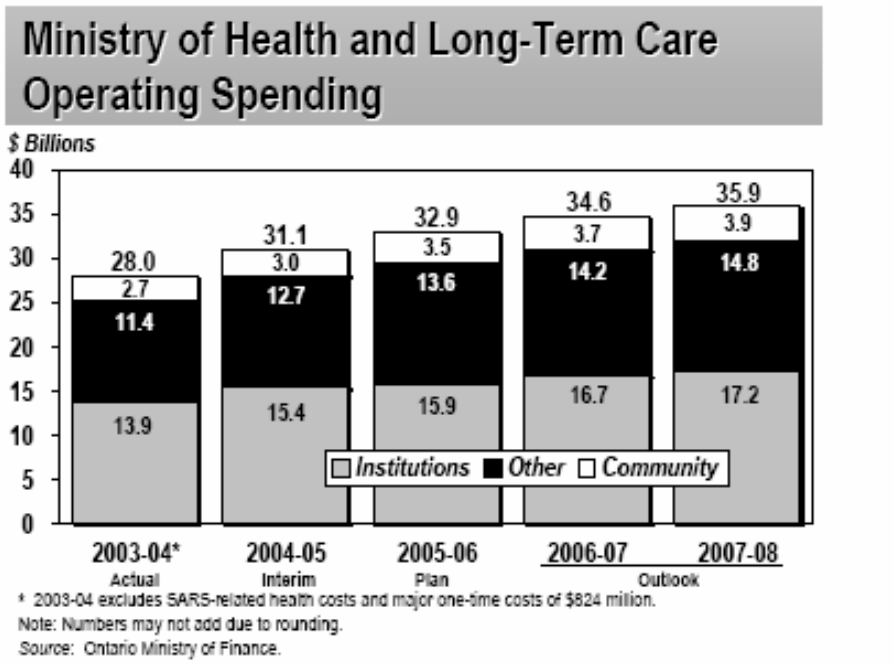
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Cumulative Total
Student Financial Assistance	150	192	241	282	314	358	1,537
Operating Grants to Colleges and Universities	50	447	732	932	958	1,156	4,275
Training and Apprenticeship and Other Initiatives	-	44	62	86	87	87	366
Total New Investment	**200**	**683**	**1,035**	**1,300**	**1,359**	**1,601**	**6,178**

* Increase over 2004-05 base funding, which is the 2004-05 Interim excluding $200 million in expenditures provided for the Ontario Student Opportunities Trust Fund, endowments for graduate fellowships and faculty research chairs, and college stabilization.

Source: Ontario Ministry of Finance.

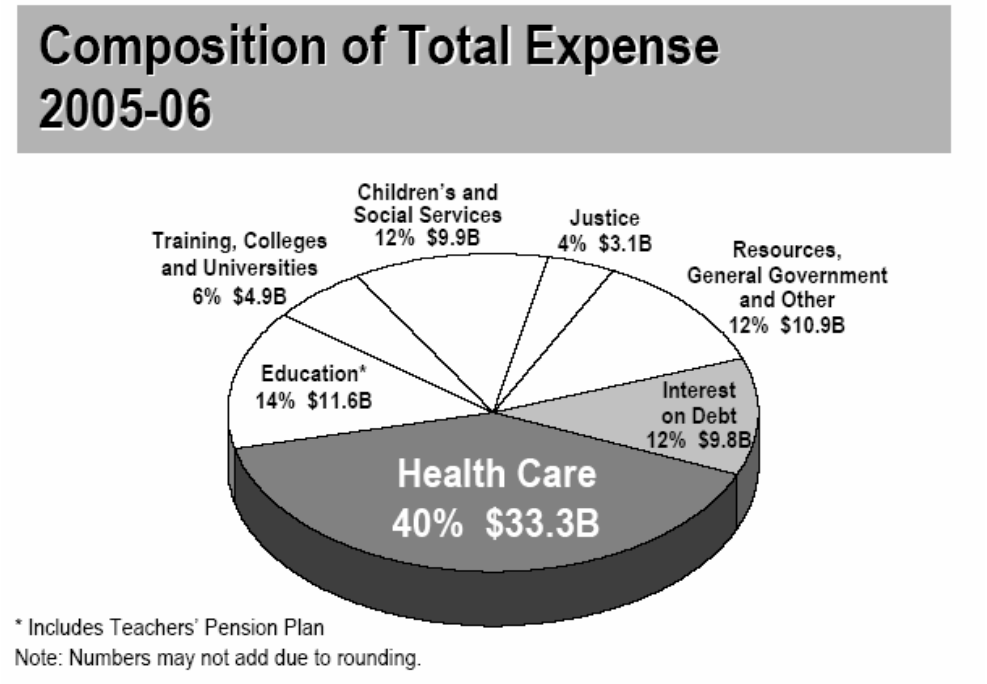
Source: 2005 Ontario Budget. Paper A, p. 15. http://www.fin.gov.on.ca/english/budget/bud05/pdf/papera.pdf

Figure 1



2005 Ontario Budget. Paper A. p. 18. http://www.fin.gov.on.ca/english/budget/bud05/pdf/papera.pdf

Figure 2



Source: 2005 Ontario Budget: paper A: Appendix 1, p.82. http://www.fin.gov.on.ca/english/budget/bud05/pdf/aappe1.pdf

3.0 WEBSITES OF INTEREST

Organization/Item	Web Address
Ontario Government's October 2005 Throne Speech	http://www.premier.gov.on.ca/english/Library/ThroneSpeech112003_ts.asp
Ontario Ministry of Finance	http://www.gov.on.ca/fin/
Canada's Innovation Strategy	http://www.innovationstrategy.gc.ca/
Conference Board of Canada	http://www.conferenceboard.ca
Conservative Party of Canada	http://www.conservative.ca/
Rae Postsecondary Review	http://www.acaato.on.ca/home/postsecondary.html
Ontario Colleges of Applied Arts and Technology Act, 2002	http://www.e-laws.gov.on.ca/DBLaws/Source/Statutes/English/2002/S02008_e-SchedF.htm

ACAATO 2006 ENVIRONMENTAL SCAN

FEEDBACK FORM

The 2006 Environmental Scan has been revised to incorporate a number of suggestions that were received last year. We continue to need your feedback to ensure that the document meets the needs of the college system. Please forward your thoughts and comments to Bill Summers, Senior Director at:

The Association of Colleges of Applied Arts and Technology of Ontario
655 Bay Street, Suite 1010
Toronto, Ontario
M5G 2K4
summers@acaato.on.ca • Tel: (416) 596-0744, ext. 230 • Fax: (416) 596-2364

1. How have you used the scan in your own work?

2. What did you find to be the most useful components of the scan?

3. What additional information or format change would have been helpful to you?

4. Other Comments:

Name: _____

College/Organization: _____

Department: Telephone: _____