Building resilient universities:

Leading on financial sustainability

DISCUSSION PAPER 1: FINANCIAL LANDSCAPE FOR CANADA'S UNIVERSITIES

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Enabling financial sustainability

Executive summary

Canada is facing a number of real and interconnected challenges, including housing pressures, affordability and the need to sustain economic growth through a highly skilled workforce. At the same time, governments are looking to strengthen productivity, sovereign capacity and competitiveness in strategic sectors. Universities play a central role in addressing these challenges. Their capacity to do so, however, is under increasing strain. Years of underinvestment, rising costs and shifting policy frameworks have created sustained pressure on the financial model that supports them.

This report shows why. Universities are facing a growing structural funding imbalance, with public funding declining by more than 10 percent per student between 2010 and 2023 and falling from 55.2 percent to 41.2 percent of operating revenues. Caps on domestic tuition have constrained revenue growth while institutions have become increasingly reliant on tuition to offset reductions in government support. International students, who contribute new ideas and strengthen campus diversity, have been affected by sudden federal policy changes that have disrupted enrolment patterns and introduced instability into institutional finances. Meanwhile, costs have risen sharply due to inflation — including compensation pressures, surging student service needs and a $17-billion deferred maintenance backlog that threatens safety, energy efficiency and program capacity.

The result is that universities are balancing budgets through cuts, freezes and deferrals that undermine quality and reduce capacity. This comes at a time when Canada faces historic growth in youth enrolment, with as many as 488,403 new university students expected by 2040, and growing labour shortages in health care, education and technology. Without additional funding, universities will be forced to continue budget reduction measures that limit their ability to create enough spaces for this cohort. According to the Council of Ontario Universities (COU), Ontario alone could face a shortfall of 80,000 university spaces due to current funding levels.[1] Communities that rely on universities as major employers, service providers and economic anchors are already experiencing these effects.

These pressures are real. Provincial reviews of higher education, such as Ontario's blue-ribbon panel (2023) and Alberta's Ministry of Advanced Education expert panel (2025) — along with private sector analyses, have identified growing financial pressures across the sector. The Royal Bank of Canada (RBC), in its report A Smarter Path: The case for postsecondary education reform, states that "[universities'] finances are rapidly changing due to stagnating provincial government funding, restrictions or even freezes on student tuition increases and a federal immigration policy shift that has led to steep drops in international students and the significant revenue their higher tuition contributed to the bottom line."

Universities have responded. Across the country, institutions are innovating, improving efficiency and finding new ways to deliver high-quality education and research despite constrained resources. **But they cannot solve this problem alone.** If Canada is to achieve its objective of building the strongest economy in the G7 and advancing workforce development, sovereign technology and strategic capacity, universities must be recognized as essential long-term investments in talent, innovation and community resilience. Federal tools exist, such as a full GST/HST rebate and a coordinated talent, skills and immigration strategy could provide immediate relief and stability. These federal measures are outlined further in section 3.

This discussion paper, developed jointly by Universities Canada and the Canadian Association of University Business Officers (CAUBO), is part of a broader initiative to build understanding, strengthen data to inform advocacy and identify solutions that enhance financial sustainability across the sector.

[1] The Toronto Star, Ontario universities running out of spots for province's students, schools warn, June 2025

While this report contains the latest information from Statistics Canada, it was written as of December 2025 and does not reflect any future provincial budgets or policy changes that may occur.

The choice is stark. Without coordinated action, system capacity will continue to contract, limiting access and affecting Canada's economic performance. **With collaboration and decisive action, universities can continue to deliver the talent, research and skilled workforce Canada needs to thrive.**

Introduction

In the spring of 2025, the newly elected Carney government described the current context as a generational challenge and outlined its plan to create the strongest economy in the G7. To meet this ambitious goal, Canada must rely on its universities to develop new technologies, drive life-changing innovations and train the workforce of the future.

Universities are ready and willing partners. However, years of underfunding, rising costs and inflationary pressures have strained their ability to sustain core functions while responding to new demands.

Since 2010, the sector has faced a structural decline in government funding, increasingly restrictive domestic tuition policies and inconsistent international student policies. These pressures are compounded by growing deferred maintenance backlogs and rising expenses.

Institutions are working hard to adapt, making difficult decisions to balance budgets and protect the core academic mission. But these measures come at a cost: reduced services, deferred investments and constrained innovation. Without sustained public investment and coordinated action, the long-term sustainability of Canada's academic and research mission is at risk. This document was developed by Universities Canada and CAUBO to serve as a primer for senior university leadership (presidents, provosts and vice-presidents, finance and academic). It outlines the external pressures reshaping the financial foundations of the sector and is intended to support candid, evidence-based leadership discussions.

1. Financial landscape: Pressures reshaping university finances

University finances across Canada are under sustained and compounding pressure. These strains are both structural and cyclical. They range from policy and revenue constraints to growing inflation and evolving public expectations. Institutions have adapted with creativity and resolve, but these adaptations have come at a cost: delayed innovation and reduced institutional resilience, along with fewer opportunities for young Canadians, less capacity for research and innovation that drive economic growth and growing uncertainty for the employees, businesses and communities that rely on universities.

A. Structural decline in government funding

Canada's universities are a public good — a view shared by almost two-thirds of Canadians.[2] They provide high-quality education, conduct research and offer local services that benefit their communities and businesses. Universities provide transformative experiences for students that help them reach their full potential. During their studies, almost 50 percent of university students

[2] Abacus Data polling, spring 2025.

participate in work integrated learning experiences — half of which are paid. Of these, 74 percent of bachelor's students say that these experiences helped them secure employment after graduation.[3]

Universities also open doors to employment opportunities. Since 2015, the number of jobs requiring a bachelor's degree has increased by 115 percent.[4] It is projected that by 2030, over 5 million jobs in Canada will require a bachelor's degree. A university education equips students with transferable skills such as AI literacy, leadership, communication and critical thinking that will help them adapt to a rapidly changing economy. This helps graduates earn a stronger salary and build better futures. Graduates with a bachelor's degree earn on average 24 percent more than the national average income[5] and over a million dollars more over their lifetimes. They also experience lower unemployment rates compared to those with a high school education and those with a certificate or a diploma.[6]

Delivering these outcomes requires stable and predictable funding. However, the financial framework supporting universities has been under increasing strain.

Provincial grants have historically made up the core of university revenue, followed by tuition and fees and other sources such as ancillary services and investments.

Federal funding to universities accounts for roughly 9 to 12 percent of total revenues between 2010 and 2023 and is generally directed toward specific purposes, such as supporting the indirect costs of federally funded research or funding infrastructure projects. Because most federal funding is targeted rather than general operating support, **it accounts for a very small percentage of university operating budgets,**[7] **at around 0.25 percent in 2023-24.**

While the exact composition of university finances varies across the country, a concerning trend has prevailed over the last fifteen years: universities are facing a structural decline in government funding.

Despite increased enrolments and expanded responsibilities, provincial base grants have not kept pace with inflation, growing costs or the additional expectations being placed on universities.

When adjusted for inflation, public funding for universities dropped 4.6 percent between 2010 and 2023-24 despite enrolment growing by 21.1 percent during this period. In per student terms, this represents a reduction of 10.5 percent per domestic full-time equivalent student.

[3] Statistics Canada. Table 37-10-0249-01 Work-integrated learning participation during postsecondary studies, by province of study

[4] Statistics Canada. Table 14-10-0328-01 Job vacancies, proportion of job vacancies and average offered hourly wage by selected characteristics, quarterly, unadjusted for seasonality

[5] Statistics Canada Table 98-10-0411-01 Statistics Canada Employment income statistics by highest level of education

[6] Statistics Canada. Table 14-10-0020-01 Unemployment rate, participation rate and employment rate by educational attainment, annual - averaging years 2020-2024

[7] Approximately 31-33 per cent of total university revenues are subject to restrictions imposed by fund providers. These include income from research grants that fund researchers, students, and materials, endowments, capital and special purpose and trust funds. As such this paper focuses on the universities operating budgets.

The following analysis will focus on operating revenues and expenditures only as these are the funds that determine the financial sustainability of Canadian universities. Dollar values have been adjusted to constant dollars using Statistics Canada's gross domestic product at market prices (Table 384-0039).

Given the provincial jurisdiction over education in Canada, this trend manifested differently across provinces.

Between 2010 and 2023-24:

- Universities in Newfoundland and Labrador, Nova Scotia, New Brunswick, Ontario, Saskatchewan and Alberta saw declines in government funding, ranging from 11.6 percent in Saskatchewan to 26.9 percent in Alberta.
- P.E.I., Manitoba and British Columbia saw small increases in overall government funding while Quebec universities saw an increase of 22.7 percent.

Increasingly, public funding no longer covers the core costs of mission delivery at universities. The lack of multi-year agreements with provinces means that there is little predictability for many institutions and limits their ability to make longer-term investments or take strategic risks. As a result, institutions are expected to do more with less — to absorb demographic, academic and research pressures without adequate fiscal tools or flexibility.

On the federal side, the Government of Canada has jurisdiction over a number of key areas that touch the mission and work of universities, including skills development, infrastructure, housing, mental health, immigration and student aid. Despite this, its contributions to universities in these areas has been minimal in comparison to the growing need and cost. Federal transfers that could support universities come through the Canada Social Transfer (CST). The CST has a legislated annual growth rate of 3 percent, but that hasn't kept up with inflation or rising enrolments. In real terms, it is basically flat, leaving provinces and universities to absorb the growing costs.

The figures above reflect the most recent year of available data (2023-24). This period predates the federal cap on international student permits and therefore does not fully capture the additional financial strain many institutions are now experiencing.[8]

B. Restrictive domestic tuition policies

With government funding in long-term decline, universities have had to rely more heavily on tuition revenues to stabilize their budgets. In 2010, provincial grants represented 55.2 percent of operating revenues while tuition and other fees accounted for 36.5 percent. By 2023-24, these proportions had shifted significantly with tuition accounting for 48.2 percent of revenues and government funding accounting for only 41.2 percent.

While many provincial governments were reducing their operating funding to institutions, they were simultaneously limiting the ability of universities to offset these losses through domestic tuition increases. In several provinces, domestic tuition has been frozen or tightly capped for extended periods, often without indexing to inflation or providing mechanisms for program differentiation.

One of the most prominent examples is Ontario, where a mandated 10 percent tuition reduction was introduced in 2019, followed by a multi-year freeze at that reduced level. In February 2026,

[8] Statistics Canada. Table 37-10-0026-01 Revenue of universities by type of revenues and funds (in current Canadian dollars) (x 1,000)

the provincial government announced a $6.4 billion investment over four years for universities and colleges, including $4.4 billion in new operating funding, alongside targeted support for enrolment growth and priority programs. The announcement also introduces an updated tuition framework that allows institutions to raise tuition by up to 2 percent annually for three years, and up to 2 percent or the three-year average rate of inflation, whichever is lower, in subsequent years. While the full impact is not yet reflected in national data, it is expected to improve institutional financial stability over time. Other provinces such as Nova Scotia, British Columbia and Alberta have maintained caps limiting domestic tuition at 2 percent.

In practice, these constraints have resulted in tuition caps functioning as real-dollar reductions, particularly during periods of elevated inflation. For instance, between 2021 and 2024, inflation outpaced tuition cap thresholds in many provinces, effectively reducing the purchasing power of tuition revenue. As a result, the national average for domestic tuition, when adjusted for inflation, is now lower in 2022-23 than it was in 2012-13.

This dynamic has contributed to a widening financial gap between expenditures and revenue. It has also placed disproportionate pressure on universities to pursue alternative, less predictable revenue streams, most notably, international student tuition.

Recent developments across provinces reflect a mix of targeted investments, continued constraints and ongoing structural pressures. In Saskatchewan, a new multi-year agreement increases operating funding while maintaining limits on tuition growth. In contrast, Newfoundland and Labrador has reinstated a tuition freeze, which the government has indicated will remain in place for at least one year while Memorial University works to stabilize its finances. Together, these examples underscore the uneven nature of provincial responses and the absence of a consistent, long-term approach to financial sustainability across Canada.

Provincial reviews on post-secondary funding models

Several provinces have recently undertaken reviews of the state of post-secondary education and post-secondary funding models. Ontario's 2023 blue-ribbon expert panel found that "the province's colleges and universities have faced significant challenges to their financial sustainability in recent years.... As time goes on, this situation is ever more likely to pose a significant threat to the financial sustainability of a major part of the province's postsecondary sector." The panel recommended significant funding increases, including a one-time increase of 10 percent in per-student funding for colleges and universities, with future increases tied to the consumer price index or a minimum of 2 percent per annum, as well as an end to the province's domestic tuition freeze. As outcomes from the recently approved framework (2 percent/year for three years and the lower of 2percent or inflation thereafter) become clearer over time, they may inform policy approaches in other jurisdictions facing similar pressures.

In October 2025, Alberta's Expert Panel on Post-Secondary Institution Funding and Alberta's Competitiveness found that "the current approach to funding post-secondary education is not conducive to achieving excellence." The panel noted that while the province's 2 percent cap on domestic tuition increases had provided stability for students, it had also constrained institutional revenues and, in combination with regulatory requirements, limited institutions' ability to improve performance, reduce costs or raise third-party revenues. The panel recommended a revised funding formula for post-secondary institutions combining enrolment, performance and base funding, as well as targeted investments in priority areas such as attracting top research talent, supporting innovation and technology development, along with new approaches to funding major IT projects and deferred maintenance.

In November 2025, the Government of British Columbia announced the launch of an independent review aimed at strengthening the province's public post-secondary education system and ensuring its long-term sustainability in supporting B.C.'s people and economic growth. A final report and recommendations are expected in March 2026.

C. Instability of international student models

Universities have long welcomed international students for the diversity of perspectives, cultural richness and global ties they bring to campuses and communities. These students become part of the social and economic fabric of the country and help build enduring connections between Canada and their countries of origin. Since their families have not contributed to public post-secondary funding through the Canadian tax system, it has been standard practice for universities to charge higher tuition rates to international students.

International students also contribute to Canada's trade and global economic engagement. As graduates enter the workforce in Canada or abroad, they build bridges between Canadian institutions, industries and international markets, supporting long-term trade relationships and economic and research collaboration.

Beginning in the early 2000s and further accelerated by the federal government's Comprehensive International Education Strategy in 2014, universities responded to public policy encouragement by responsibly increasing international recruitment. That strategy aimed to double the number of international students by 2022 and deepen institutional linkages globally.

The growth in university international enrolment has been measured and moderate relative to other sectors. For example, between 2022-23 and 2023-24, international enrolment at universities increased by 8.1 percent, compared to a 40.1 percent increase at Canadian colleges.[9] Between 2010 and 2023-24, total university operating revenues grew by 27.6 percent, with tuition and fees growing 68.7 percent. This was driven almost entirely by international students as domestic tuition remained tightly regulated.

By 2023-24, international students at Canada's universities made up 18 percent of total university enrolment — well below the 25 percent observed in the college system. In many institutions, international tuition has become an important source of revenue that helps support institutional financial sustainability and the continued delivery of academic programs and student services.

Over an 18-month period in 2023 and 2024, the Government of Canada introduced a series of rapid and significant policy changes that collectively disrupted international student flows and institutional planning:

- A new requirement for Designated Learning Institutions (DLIs) to confirm letters of acceptance with Immigration, Refugees and Citizenship Canada;

[9] Statistics Canada. Table 37-10-0018-01 Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender

- Two increases in the financial threshold required for incoming international students;
- Changes to eligibility for the post-graduate work permit program;
- Changes to study permit requirement for students transferring between DLIs;
- Two caps on the number of international students institutions could admit;
- A new requirement for international students to obtain a provincial attestations letter or a Quebec Acceptance Certificate; and
- New bi-annual mandatory reporting requirements for DLIs.

These rapid and sometimes uncoordinated policy shifts, combined with long visa processing times, high rejection rates, and reputational reputational challenges, have made it difficult for some universities to meet their allocated international student caps. The unpredictability of the immigration landscape not only disrupted enrolment planning but also contributed to financial pressures, given the scale of revenue derived from international tuition.

Nationally, full-time international students declined by 4.6 percent in 2024-25, marking the first year under the federal cap. Some provinces experienced particularly steep declines: Newfoundland and Labrador saw a drop of 16 percent, Nova Scotia 14 percent, Ontario 8 percent and Prince Edward Island and British Columbia each experienced a 7 percent decline. Other provinces saw smaller decreases, such as Manitoba with a 3 percent drop. International student enrolment in Quebec remained stable while Saskatchewan was the only province to record an increase, with a modest 3.4 percent rise.[10] Preliminary data for the 2025-26 academic year suggest further declines: with undergraduate international enrolment dropping by 15 percent and international graduate enrolment falling by 16 percent between fall 2024 and fall 2025.[11]

The drop in international student enrolment will impact the quality of education, especially for current first year students who will experience larger class sizes, fewer course options and layoffs as universities take necessary budget measures. While Statistics Canada's financial data only extends to 2023-24, prior to the introduction of the federal cap, early evidence indicates the impact has been significant.

In Ontario, for example, the COU estimates that the drop in international enrolment has reduced Ontario revenue by more than $300 million for 2023-24 and $700 million for 2025-26. Similarly, a 2024 report by the Association of Atlantic Universities (AAU) estimated a loss of 2,983 international students across the region that will result in an estimated loss of $163 million in spending, $165 million in provincial GDP, $94 million in provincial income and 2,231 full-time equivalents and a decline in $22 million and $17 million in provincial and federal tax revenue.

In November 2025, the Government of Canada released its 2026-28 Immigration Levels Plan, setting a target of 155,000 new student arrivals in 2026. This target will allow the Government to meet its commitment to reduce non-permanent resident volumes to less than 5 percent of the total population by the end of 2027.While this target refers to new student arrivals, it does not represent

[10] Universities Canada's Annual enrolment survey, 2024

[11] Universities Canada's Annual enrolment survey, 2025

the total number of permits to be issued in 2026, including study permit extensions. The Levels plan represents an important step toward greater stability and predictability in the international student system. As it is implemented, continued efforts will be needed to strengthen Canada's global competitiveness and address the ongoing impacts of recent policy changes on universities' budgets.

As the country faces an aging population and pressing labour shortages in sectors like healthcare, engineering and agri-tech, international students represent a critical talent pipeline. Disrupting that pipeline compromises both institutional sustainability and broader economic goals.

D. Climbing costs, structural rigidity and budget balancing pressures

While revenues have become less predictable and increasingly constrained, cost pressures across the university sector continue to rise. Inflation, compensation growth, increasing regulatory requirements and the continuous push to expand student services — especially in areas like mental health and academic support — are all contributing to higher baseline costs. At the same time, university operating budgets remain structurally rigid.

i. Fixed costs and growing compensation pressures

A large proportion of institutional spending is fixed or very difficult to adjust in the short term. In 2023, compensation accounted for 75 percent of university operating budgets. This includes salaries for academic staff, professional, technical and support staff wages and employee benefits. Between 2010 and 2023, academic salaries rose by 19.3 percent, primarily due to salary scale progression, while administrative compensation increased by 36.3 percent due to growth in functions such as student services, compliance, IT and fundraising. This increase in administrative roles reflects expanding institutional responsibilities and rising public expectations, especially in the services universities provide to students. Across all compensation categories, employee benefits grew by 29.1 percent, further contributing to the rising cost burden. [12]

Because a large share of institutional expenditures is committed through multi-year staffing arrangements and essential operational obligations, universities have limited short-term flexibility to adjust spending in response to financial shocks. Many other expenditures — including deferred maintenance, legacy IT systems and growing student service demands — also remain difficult to scale back without consequence.

ii. Growth in student services

In parallel with growing compensation costs, universities are facing growing expectations to offer comprehensive student supports — services that were once supplementary but are now considered essential to student success and well-being.

Institutions have expanded their offerings to include career counselling, off-campus housing support, legal clinics, health services, writing centres and financial aid advising. These services are central to accessibility, equity and student outcomes, and are now a core part of how universities deliver on mission.

Between 2010 and 2023, student services costs increased by 53.5 percent and grew to represent over 10 percent of total university expenditures. In 2023, universities spent 26.8 percent more on student

[12] Statistics Canada. Table 37-10-0027-01 Expenditures of universities by type of expenditures and funds (in current Canadian dollars) (x 1,000)

services per student than in 2010. This growth reflects not only inflationary pressures but also a response to the increasing complexity of student needs.

Example of growth: Mental health

Universities are also playing a growing role in addressing youth mental health. According to a recent Canadian Alliance of Student Associations report, 50 percent of students have accessed mental health supports through their post-secondary institution. These supports include tailored counselling services for marginalized and racialized students, peer support programs and wellness spaces, therapy groups and mental health workshops, 24/7 telehealth platforms, online resources and self-guided tools. This expansion in service offerings reflects universities' deep commitment to student wellbeing — but it also creates additional cost pressures on already stretched operating budgets.

The rapid growth in demand for student services, particularly in areas like mental health, equity and academic success, reflects universities' deep commitment to meeting students where they are and supporting their full potential. These supports are no longer ancillary. They are integral to the student experience, student retention and institutional outcomes.

Yet, without increased investment or greater flexibility in how universities manage their budgets, the ability to sustain and grow these services is at risk. As core revenues tighten and cost pressures mount elsewhere, institutions are increasingly forced to make trade-offs that may limit access to these essential supports, especially for the most vulnerable students.

Over time, this could erode accessibility and equity, diminish student well-being and compromise academic outcomes — undermining universities' ability to fulfill their educational mission and deliver on their public value.

iii. Short-term balancing measures

As a result of declining funding and rising operating costs, many universities are left with limited options to balance their budgets. Many have resorted to short-term, reactive decisions such as deferring maintenance, implementing hiring freezes or cutting services, measures that may help close immediate gaps but risk undermining long-term institutional health and mission delivery.

According to a spring 2025 CAUBO survey:

- 76 percent of universities planned to implement budget reduction measures in the 2025-26 fiscal year
- 37 percent of these reduction measures are in addition to actions implemented over the past one to two years
- 50 percent of respondents expected reductions of up to five percent, while 23 percent anticipated cumulative reductions of six to 10 percent

Specific actions included:

- 56 percent of respondents leaving vacancies unfilled

- 51 percent applying differentiated cuts between faculties and administrative units
- 44 percent enacting budget freezes
- 44 percent pursuing structural changes that may result in layoffs

While these efforts may technically balance budgets, they come at significant cost. Institutions are drawing down reserves, pausing academic hiring, scaling back supports and deferring investment in infrastructure and innovation. These measures are already leading to larger class sizes, fewer program options and reduced support for students, changes that directly affect educational quality and student outcomes.

What does this mean?

Because governments control operating grants, tuition fees and international student policy, universities have little discretion over revenue growth. At the same time, they cannot easily adjust their expenses due to inflation or enrollment-driven cost pressures since most of their budgets are dedicated to compensation and student services. As such, many institutions are effectively locked in structural imbalances.

If these trends continue, the cumulative impact of structural rigidity and reactive decision-making risks undermining Canada's academic capacity, weakening student success and diminishing the social and economic vitality that universities contribute — particularly in smaller and more vulnerable communities.

E. Indirect costs of research: An unfunded burden on operating budgets

Research is a core pillar of the university mission. It drives knowledge creation, fuels innovation, contributes to Canada's global competitiveness and trains the next generation of highly skilled graduates and entrepreneurs.

Federal research grants typically cover only the direct costs of research, such as personnel, equipment and materials. However, they fall short in addressing the substantial indirect costs that institutions incur to sustain research operations. These include research administration and compliance, legal and risk management, IT infrastructure, utilities, animal care facilities, libraries and space maintenance. Studies suggest that these indirect costs can amount to 50 to 65 percent of the direct research costs.

Any expenses that are not covered by federal support for indirect costs of research must be absorbed by universities' general operating budgets, which further exacerbates financial pressures.

Adequate research support is critical to keeping the lights on in university research labs across the country. It lowers the barrier for small institutions and their local communities to participate in research opportunities and allows large institutions to scale up their research activities.

F. Deferred maintenance and infrastructure gaps

Campus infrastructure is more than just bricks and mortar — it is the backbone of Canada's research and teaching capacity and an essential part of the broader civic infrastructure. University campuses house not only students and faculty, but also public-facing facilities such as business incubators, health clinics, theatres, libraries, childcare centres, pools and public transit hubs.

In some cases, the scale of campus infrastructure rivals that of small municipalities. The University of British Columbia, for instance, supports a daytime population of approximately 80,000 people, which rely on campus-based infrastructure like energy grids, transit systems and water treatment. As such, investments in university infrastructure are investments in community resilience, public services and economic development.

Nearly 60 percent of campus infrastructure is now over 40 years old. Deferred maintenance liabilities across the sector reached $17.2 billion in 2019,[13] and the situation has only worsened due to ongoing aging, inflation and rising construction costs. In many institutions, deferred maintenance backlogs exceed multiple years of available capital budgets, leading to escalating risks and rising costs.

Alarmingly, 36 percent of these liabilities are classified as critical or potentially critical, meaning they pose a tangible risk to campus safety, energy performance and building functionality. The aging of core utility systems, like heating, cooling and power, also limit institutions' ability to modernize programs and expand capacity, particularly in areas like STEM that require specialized facilities. IT systems are also an area of concern, with many institutions relying on outdated technology that will prevent them from seizing efficiency opportunities, particularly as digital tools such as AI are increasingly being used in the classroom.

Universities are often unable to meet the recommended standard of 1.5 to 2 percent of asset replacement value annually into asset renewal. The result is a compounding infrastructure deficit that threatens program continuity, research competitiveness and student recruitment. In extreme cases, program disruption, delayed degrees and reduced enrolment capacity become very real risks.

The implications of underinvestment extend beyond university gates. Many communities rely on university-owned infrastructure for athletic centres, public libraries, social services, health facilities, legal clinics, childcare and emergency shelters. When buildings are shuttered due to safety concerns or infrastructure failure, it is not only students and faculty who are affected — entire communities feel the impact.

i. Gaps in infrastructure funding tools

Despite the critical role that university infrastructure plays in supporting Canada's competitiveness, innovation capacity and community well-being, there are currently no dedicated federal infrastructure programs targeting post-secondary institutions. Too often, these institutions are unable to access existing programs due to ownership restrictions (e.g. land or building must be publicly owned), exclusions of core capital cost (e.g. design or IT systems), partnership or matching fund requirements and oversubscription by other sectors such as municipalities and transit authorities.

In addition, many universities face provincial restrictions that limit their ability to invest in infrastructure. In several provinces, universities must obtain government authorization to undertake long-term borrowing, and in some cases, this oversight also extends to major investments in land and buildings. Instead, universities must rely on internal resources, such as reserves or other internal funding sources to invest in maintenance and new infrastructure.

[13] The 2019 CAUBO Deferred maintenance at Canadian Universities report

What does this mean?

The current patchwork of funding and policy limitations prevents universities from modernizing infrastructure or expanding to meet demographic and labour force needs. Institutions are caught between shrinking operating budgets and inaccessible capital funding, which delays or prevents urgently needed renewal projects.

The 2025 federal budget included the creation of the Build Communities Strong Fund which includes $17.2 billion over 10 years for housing-enabling infrastructure, health-related infrastructure and infrastructure at colleges and universities. This represents a significant and welcome shift, marking the first time post-secondary institutions are included as an eligible category within a long-term federal infrastructure program. As bilateral agreements are finalized and implemented, it is critical to ensure that university infrastructure is explicitly included and able to access these investments.

Without sustained and accessible investment, student housing shortages will persist, with downstream impacts on affordability, urban pressures and enrolment capacity. Community-facing infrastructure will continue to deteriorate, affecting access to services such as health clinics, legal clinics, libraries and cultural spaces.

G. Governance and autonomy pressures

The financial and structural pressures outlined above are not occurring in isolation: they are increasingly being accompanied by shifts in how governments engage with and attempt to influence university governance and operations. Even as public investment in universities has declined, governmental oversight and intervention have grown.

Institutional autonomy and the principle of academic freedom are necessary conditions for universities to pursue their institutional missions and create, preserve and disseminate knowledge based on evidence and peer review. These values underpin the credibility and effectiveness of the sector and are enshrined in provincial legislation to safeguard public interest through independent, evidence-based decision-making.

The financial challenges facing universities has resulted in them facing greater scrutiny and becoming more vulnerable to political influence. With mounting expectations for reporting, accountability and performance, some governments have begun to assert greater control over institutional operations. While often well-intentioned, these interventions risk undermining the very autonomy that allows universities to deliver long-term value for society.

Recent examples include:

- Ontario: Bill 33, the Supporting Children and Students Act, allows the Government of Ontario to intervene in student admissions by mandating merit-based consideration and to decide which university ancillary student fees are mandatory.
- Nova Scotia: Bill 12, An Act Respecting Advanced Education and Research, was adopted in 2025 and gives the provincial government more control over university Board of Directors,

provincial research funding priorities and allows the government to require that universities produce a revitalization plan — and to withhold operating funding if the plan is not deemed satisfactory.

- Quebec: Bill 32, An Act Respecting Academic Freedom in the University Sector, passed in June 2022, defines academic freedom for universities and allows for government oversight of related policies. It also expanded the scope of academic freedom beyond faculty to include "every person" contributing to a university mission. Critics have noted that academic freedom is meant as a protection from government interference, not defined by government which risks undermining the very autonomy the law claims to protect.

- Alberta: Since 2007, the province has moved towards a "ministerial-directed entity" model, in which the government has more direct control over post-secondary education. In 2022, the government ordered the primarily online institution Athabasca University to abandon its near-virtual work model and relocate staff to the town, threatening major funding cuts if it did not comply. The Board opposed the mandate, leading to the Board Chair being fired and the entire Board replaced with new government-appointed members, who then removed the President.

- Manitoba: Since 2006, the province has moved towards a department governance model and increasingly centralized government direction of universities.

The trend toward increased oversight is not limited to the provinces. At the federal level, proposed legislative changes have also raised concerns about institutional autonomy in financial crisis situations. Following Laurentian University's use of the Companies' Creditors Arrangement Act (CCAA) in 2021, the federal government introduced Bill C-59, which will eventually exclude public post-secondary institutions from using the CCAA and Bankruptcy and Insolvency Act (BIA).

While intended to preserve the public nature of universities, this measure eliminates a key financial restructuring tool without yet offering a viable alternative, putting more pressure on already constrained provincial safety nets. The bill has passed but will not take effect until June 2026 and only applies to institutions formally prescribed in regulations. Until then, there remains uncertainty about how future institutional financial crises would be managed, raising serious questions about institutional flexibility, provincial roles and risk management under growing fiscal strain.

These governance pressures are not isolated from the sector's broader financial and operational landscape. In fact, they are both a response to and a driver of the other pressures described in this document.

Together, these dynamics create a cycle that weakens institutional autonomy at a time when nimble, evidence-informed decision-making is most needed. Without clear and respectful boundaries around governance, universities risk becoming passive instruments of shifting political priorities rather than proactive, future-focused institutions capable of addressing Canada's long-term social and economic challenges.

2. Forward-looking risks: Access, workforce, demographics

Canada's universities face not only immediate financial pressures but also significant forward-looking risks that could undermine access to education, workforce development and Canada's global competitiveness.

A. Growing youth population and pressures on access

Statistics Canada projects that Canada will experience significant growth in its population of 18 to 24-year-olds. While slightly dampened by reduced immigration targets, this trend is already underway and is expected to continue to the early 2040s, exceeding youth population increases seen in the 1970s and early 1980s.

While this growth will help offset some of the impact of an aging population, it will also place greater pressures on Canadian universities to expand capacity and maintain quality.

If current trends in university enrolment hold,[14] by 2040 Canada is expected to have between 218,673 (low-growth scenario) and 488,043 (high-growth scenario) **additional** university students. Without additional funding, universities will be forced to continue budget reduction measures that limit their ability to create enough spaces for this cohort. According to the COU, due to underfunding, Ontario alone will be short 80,000 spaces to meet growing demand in the province.[15]

Admissions could become more competitive, with fewer program options, larger class sizes and reduced student supports, leaving a large number of Canadian youth behind and reducing their lifetime earnings and opportunities. This would weaken Canada's global economic competitiveness and reduce its ability to train the workforce needed to meet social and health demands as the population ages.

B. An aging population and workforce shortages

Even as youth numbers grow, Canada's population overall is aging. For the first time in Canadian history, there are more Canadians over 65 than under 14. The national birth rate remains below replacement levels, meaning that without immigration, Canada's population will shrink and age further.

An aging population without a strong younger workforce has serious implications for the economy and public services. A 10 percent increase in the share of the population over 65 is associated with a reduction of 0.23 percentage points in real GDP per capita growth.[16] This decline will not be evenly distributed; provinces such as Newfoundland and Labrador, Nova Scotia and New Brunswick, already with significant senior populations, will feel the effects most acutely.

As more Canadians retire, tax revenues will slow while service demand, particularly for health care, will grow. According to the Conference Board of Canada, health care costs for an average senior are almost $12,000 more per year in comparison to the rest of the population. Over the next decade, aging alone is projected to add $93 billion to health care costs.[17]

Labour shortages are also forecast to worsen. Between 2022 and 2031, Canada is forecasted to see nearly 8 million job openings, 63 percent of which are retirement-driven replacements. Two-thirds of these roles will require post-secondary education or management experience.

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[14] Based on annual average growth rate of university participation calculated from Statistics Canada. Table 37-10-0103-01 Participation rate in education, population aged 18 to 34, by age group and type of institution attended

[15] The Toronto Star, Ontario universities running out of spots for province's students, schools warn, June 2025

[16] Fraser Institute, Canada's aging population could lower per person income (broadly measured) by $11,200 over the next 20 years, Ergete Ferede and Bev Dahlby, August 2023

[17] The Conference Board of Canada, Meeting the Care Needs of Canada's Aging Population

Without strong universities to train the next generation of highly skilled workers, the Canadian economy will struggle. Statistics Canada projects significant labour shortages in key occupations by 2033, including: [18]

- General practitioners and family doctors (102,900);
- Nurses (460,900);
- Elementary school teachers (375,600);
- IT specialists (278,000); and
- Software engineers and designers (140,600).

These gaps will be felt more acutely in rural and remote areas where the needs of these communities are higher and the supply is lower. Investing in universities to increase capacity and modernize teaching facilities is essential to mitigate these risks and ensure Canada can meet its future workforce needs.

C. Risks to community economic development and well-being

Universities are pillars of Canada's economy and its communities. They train the skilled workers Canada urgently needs, develop new technologies and innovations that propel the economy forward and anchor and sustain local industries. In 2023 alone, universities performed $17 billion in research and development, accounting for 35 percent of all Canadian research and development.[19]

Universities are also major employers providing quality employment to approximately 410,000 workers across the country, such as faculty, librarians, IT professionals and food service providers. In 2023-24, Canadian universities contributed over $48 billion in expenditures to the Canadian economy via wages, procurement, utilities, land purchases and construction costs for renovations and alterations.[20] In some communities, one in 10 jobs are linked to the local university (see Appendix D for examples).

As universities are increasingly pushed to make difficult budgetary choices, these community benefits are at risk. Job losses, reduced research capacity and shrinking industries built around university expertise and talent could all weaken local economies, especially in smaller towns and rural areas.

Without proactive action to address these pressures, both internally and through supportive policy levers, Canada risks eroding not just the financial health of its universities but their ability to fulfill their mission: delivering accessible, high-quality education, producing the workforce of tomorrow and sustaining the economic and social vibrancy of communities nationwide.

[18] Canadian Occupational Projection System (COPS), Government of Canada

[19] Statistics Canada Table 27-10-0273-01 Gross domestic expenditures on research and development, by science type and by funder and performer sector

[20] Statistics Canada. Table 37-10-0027-01 Expenditures of universities by type of expenditures and funds (in current Canadian dollars) (x 1,000)

3. What we need from government

While many of the challenges outlined in this document are primarily within provincial jurisdiction, particularly those related to operating funding and domestic tuition, the federal government also holds key policy levers that can either relieve or exacerbate financial pressures in the university sector. These levers influence infrastructure investment, revenue stability and institutional viability, all of which are essential for ensuring access, quality and competitiveness over the long term.

The following are potential areas of federal advocacy that could help universities address these growing and increasingly urgent financial challenges.

A. Tax relief

As universities seek to stretch increasingly constrained budgets, tax policy presents an immediate opportunity for relief.

Currently, universities receive a 67 percent rebate on the federal portion of the GST/HST, compared to the 100 percent rebate available to municipalities. Raising the rebate for universities to the municipal level would provide an estimated $240 million across the sector in annual savings, funds that could be reinvested directly in core mission activities such as teaching, research and student support.

Recommendation: The federal government should increase the GST/HST rebate for universities to 100 percent, aligning it with the rate available to other public service bodies.

B. Talent plan

Greater national collaboration on talent development and retention, skills and immigration planning is urgently needed to better align policy with Canada's economic and regional workforce priorities. Bringing governments, industry and post-secondary institutions into closer and more consistent partnerships would help ensure that employers across the economy have access to the talent they need, and that Canada remains competitive on the global stage. The policy changes implemented to our immigration system in the past couple of years underscore the risks of acting in silos and demonstrate the value of early, data-driven collaboration across multiple levels of government.

Stronger collaboration will help ensure that policies keep pace with urgent workforce and economic priorities while supporting the development of domestic skills needed to drive long-term growth.

Recommendation: Government departments should adopt a more coordinated national approach to talent, skills and immigration policy that aligns economic and workforce priorities and removes barriers preventing top talent from coming to Canada.

C. Insolvency measures and sector stability

As described in Section G, Bill C-59 seeks to remove access to the CCAA for public post-secondary institutions. While its intention is to prevent misuse of insolvency legislation, its current form offers no alternative legal mechanism for restructuring in the event of severe financial distress.

Without an appropriate replacement framework or sector-specific safety net, institutions in crisis may be left with only two options: cease operations entirely or require a politically complex and costly provincial bailout.

Recommendation: The sector should advocate for additional federal safeguards to be included in the final implementation of Bill C-59 before June 2026. These could include:

- Clarifying the definition of "prescribed post-secondary institutions" to ensure appropriate coverage;
- Ensuring any removal of CCAA access is matched with a viable, sector-specific alternative that protects students, research and communities; and
- Creating a mechanism for orderly, transparent, court-supervised restructuring that balances public accountability with institutional autonomy.

Conclusion

Canada's universities remain essential to the country's economic and social foundations. They educate and train the next generation of workers, conduct world-class research, anchor local economies and serve as social and cultural hubs for their communities. But their ability to deliver on this broad and evolving mandate is increasingly constrained by compounding financial pressures.

This document has outlined the major structural challenges facing the sector: declining public funding, restricted revenue flexibility, cost escalation, aging infrastructure, policy instability and growing regulatory oversight. These pressures are here now and having tangible impacts on the day-to-day functioning of institutions across the country.

The result is a sector that is stretched thin, forced to make trade-offs between current needs and future investments, and increasingly limited in its ability to adapt to changing labour markets, demographic realities and technological transformation.

If left unaddressed, these issues will erode quality, access, equity and sustainability. But with the right mix of institutional reform, policy clarity and targeted investments, across federal and provincial governments, Canada can chart a more stable and forward-looking path for its universities.

This report, developed jointly by CAUBO and Universities Canada, is intended to inform a shared understanding of the financial context and serve as a foundation for action. It is not a final word, but a starting point for deeper conversations across university leadership, with governments and with the Canadian public about what is needed to sustain and strengthen the university sector for generations to come.

Appendices

Data note: The data in these appendices reflect the most recent nationally comparable Statistics Canada dataset (2023–2024), compiled in collaboration with CAUBO. Recent provincial funding and policy changes, including those in Ontario, Newfoundland and Labrador and Saskatchewan are not captured in these tables but are discussed in the report narrative in section B.

Appendix A: Provincial funding overview

Given the provincial jurisdiction over education in Canada, this trend in structural decline manifests differently across the country. All figures are held for inflation.

National average

	Canada
Change in govt funding since 2010	-4.6%
Govt funding amount (x1000)	$10,876,949
Change in funding per domestic FTE since 2010	-10.5%
Govt funding amount per domestic FTE	$11,179.12
2023-24 avg undergrad tuition	7,152
Change in domestic FTE	6.5%

Eastern Canada*

	NB	NS
Change in govt funding since 2010	-14.3%	-16.1%
Govt funding amount (x1000) (2023)	$204,128	$373,653
Change in funding per domestic FTE since 2010	7.5%	-13.5%
Funding amount per domestic FTE (x1000) (2023)	$14,654	$11,738
Tuition policy		Domestic tuition increases are capped at 2%
2023-24 avg undergrad tuition	$8,701	$9,551
Change in domestic FTE since 2010	-20.3%	-2.9%

*Newfoundland & Labrador and Prince Edward Island are not included due to there being only one institution in those provinces.

Central Canada

	QC	ON
Change in govt funding since 2010	22.7%	-17.6%
Govt funding amount (x1000) (2023)	$3,130,480	$3,233,159
Change in funding per domestic FTE since 2010	22.4%	-25.7 %
Funding amount per domestic FTE	$16,319	$7,468
Tuition policy		Undergrad domestic tuition cut 10% and frozen since 2019
2023-24 avg undergrad tuition	$3,489	$8,271
Change in domestic FTE since 2010	0.2%	10.9%

Western Canada**

	MB	SK	AB	BC
Change in govt funding since 2010	4.6%	-11.6%	-26.95%	8.5%
Govt funding amount (x1000) (2023)	$477,245	$417,233	$1,037,985	$1,594,278
Change in funding per domestic FTE since 2010	4.9%	-25.8%	-35.1%	3.4%
Govt funding amount per domestic FTE	$14,723	$14,145	$8,941	$14,664.77
Tuition policy	For the 2026-27 academic year, universities can increase tuition by as much as 4%.	As of 2026, tuition increases are limited to 0–3%, from a 4% limit	Domestic tuition increases are capped at 2%	Domestic tuition increases are capped at 2%
2023-24 avg undergrad tuition	$5,390	$9,240	$7,561	$6,477
Change in domestic FTE since 2010	-0.3%	-25.8%	-35.1%	5%

**Yukon is not included due to there being only one university in the territory.

Appendix B: Tuition snapshot by province[21]

As noted above, due to restrictions to domestic tuition, growth is overwhelming due to international student tuition and fees.

Newfoundland and Labrador:

- In 2010-11, government funding accounted for 78.3 percent of total operating revenue, while tuition and other fees accounted for 14 percent.
- By 2023-24, government funding accounted for 68.2 percent of total operating revenue, while tuition and other fees accounted for 23.8 percent.
- Revenue from tuition and other fees increased by 63.1 percent since 2010.
- Total full-time enrolment increased by 8.3 percent since 2010.

Prince Edward Island:

- In 2010-11, government funding accounted for 59.5 percent of general operating revenues and tuition and other fees accounted for 29.1 percent.
- By 2023-24, government funding fell to 47.2 percent and tuition and other fees rose to 36.6 percent of total operating revenues.
- Revenue from tuition and other fees increased by 69.1 percent from 2010.
- Total full-time enrolment increased by 43.6 percent since 2010

Nova Scotia:

- In 2010-11, 51.2 percent of the general operating revenues came from government funds while 38.9 percent came from tuition and other fees.
- By 2023-24, this had changed to 36.3 percent government funding and 50.7 percent from tuition and other fees.
- Revenue from tuition and other fees rose by 54.3 percent.
- Domestic tuition increases are capped at 2 percent.
- Total full-time enrolment increased by 27.4 percent since 2010.

New Brunswick:

- In 2010-11, government funding made up 56.7 percent and tuition 36.5 percent of operating revenues.

Statistics Canada. Table 37-10-0026-01 Revenue of universities by type of revenues and funds (in current Canadian dollars) (x 1,000)

- In 2023-24, government funding fell to 48.7 percent of the operating revenues, while tuition increased to 43.5 percent.
- Revenue from tuition and other fees increased by 18.9 percent.
- Total full-time enrolment decreased by 5 percent since 2010.

Quebec:

- In 2010-11, government funding made up 67.8 percent of general operating revenues, while tuition was 24.3 percent.
- In 2023-24, government funding made up 63.5 percent of funding and tuition 28.7 percent.
- Revenue from tuition and other fees increased by 54.3 percent.
- Total full-time enrolment increased by 13.6 percent since 2010.

Ontario

- In 2010-11, general operating revenues were almost evenly split between tuition and government funding with 45.7 percent coming from public funding, while 45.9 percent came from tuition and other fees.
- By 2023-24, this had changed to 28.6 percent from public funding and 61.3 percent from tuition.
- Revenue from tuition and other fees increased 76 percent.
- In 2019, the government of Ontario cut tuition by 10 percent and it has remained frozen ever since.
- Total full-time enrolment increased by 25.6 percent since 2010.

Manitoba:

- In 2010-11, government funding accounted for 64.6 percent of general operating revenues, while tuition and other fees were 26.2 percent.
- By 2023-24, government support had declined to 56.2 percent and tuition and other fees rose to 33.3 percent.
- Revenues from tuition and other fees increased 52.9 percent during this period.
- For 2023-24, certain university programs were limited to a 2.75 percent increase.
- Total full-time enrolment increased by 10.3 percent since 2010.

Saskatchewan:

- In 2010-11, government funding accounted for 64.9 percent of revenues, while tuition and other fees were 24.9 percent.
- By 2023-24, this had changed to 52.0 percent and 38.4 percent respectively.
- Revenues from tuition and other fees have increased by 69.9 percent.
- Total full-time enrolment increased by 31.3 percent since 2010.

Alberta:

- In 2010-11, government funding made up 60.3 percent of general operating revenues and tuition made up 29.1 percent.
- In 2023-24, government funding decreased to 41.7 percent of the operating revenues and tuition increased to 42.3 percent.
- Revenues from tuition and other fees increased by 53.4 percent.
- Domestic tuition increases are capped at 2 percent.
- Total full-time enrolment increased by 11.7 percent since 2010.

British Columbia:

- In 2010-11, government funding made up 55.3 percent of general operating revenues, while tuition made up 39.2 percent.
- In 2023-24, government funding dropped to 40.8 percent as tuition revenues increased to make up 47.6. percent of general operating revenues.
- Domestic tuition increases are capped at 2 percent.
- Revenues from tuition and other fees increased by 78.7 percent.
- Full-time enrolment increased by 31.7 percent.

Appendix C: Snapshot of key expenditures by province

Newfoundland and Labrador:

- General operating function expenditures have fallen 1.1 percent since 2010-11.
- Student services expenditures have fallen 6.7 percent since 2010, and student service costs as a percentage of overall general operating expenses have remained relatively flat, decreasing from 6.6 percent to 6.2 percent between 2010 and 2023, with a peak of 7.5 percent in 2020-21.
- Compensation is the largest general operating expenditure at 75.1 percent.

Prince Edward Island:

- General operating function expenditures have risen 31.4 percent since 2010-11.
- Student services expenditures have risen 132.5 percent since 2010-11, and student service costs as a percentage of overall general operating expenses have grown from 7.4 percent to 13.1 percent.
- Compensation is the largest general operating expenditure at 69.4 percent.

Total full-time enrolment increased by 43.6 percent since 2010

Nova Scotia:

- General operating expenditures have increased 13.6 percent since 2010-11.
- Student services have increased 36.4 percent, and student service costs as a percentage of overall general operating expenses have grown from 10.3 percent to 12.3 percent.
- Compensation is the largest proportion of general operating expenses at 72.0 percent.

New Brunswick:

- Overall general operating expenditures have decreased by 1.5 percent since 2010-11.
- Student services costs increased by 22.4 percent, while student service costs as a percentage of overall general operating expenses have grown from 7.2 percent to 9 percent.
- Compensation is the largest proportion of general operating expenses at 75.8 percent.

Quebec

- Overall general operating expenditures have increased 25.3 percent since 2010-11.

- Student services which increased 76.1 percent while student service costs as a percentage of overall general operating expenses have grown from 5.2 percent to 7.3 percent

- Quebec's compensation costs are the highest in the country with 81.9 percent of expenditure type costs going towards compensation.

Ontario:

- Overall general operating costs have increased 32.3 percent since 2010-11.

- Student services costs have increased 52.0 percent since 2010-11, while student services costs as a percentage of overall general operating expenses have grown from 11.5 percent to 13.3 percent.

- Ontario is comparable to other provinces with compensation accounting for 72.3 percent of expenditures.

Manitoba:

- Overall general operating expenses increased to 15.2 percent from 2010-11.

- Student services costs have increased 41.4 percent since 2010-11 and increased as a percentage of overall general operating expenses from 6.9 percent to 8.5 percent.

- Compensation accounts for 75.9 percent of overall expenditure types.

Saskatchewan:

- General operating expenses increased 14.5 percent overall.

- Student services costs have grown 28.3 percent since 2010 and have increased as a proportion of expenditures up 7.1 percent in 2010 to 8.0 percent in 2023-24.

- Compensation makes up 72.3 percent of expenditures by type in the province.

Alberta:

- Total general operating expenditures are up in the province by 4.4 percent.

- Student services have grown 47.6 percent and have grown as a proportion of overall expenditures from 6.9 percent in 2010 to 9.7 percent in 2023-24.

- Compensation is the largest source of expenditures by type at 71.4 percent.

British Columbia:

- Total general operating expenses have increased 47.6 percent since 2010-11.
- Student services increased by 66.7 percent and have increased as a proportion of overall costs moving from 9.1 percent in 2010 to 10.4 percent in 2023-24.
- Compensation makes up the largest share of expenditures by type in the province at 77.4 percent, with academic salaries making up the largest share of that at 32.8 percent.

Appendix D: Examples of local economic impact

Thompson Rivers University

Thompson Rivers University (TRU), located in Kamloops British Columbia (population: 103,000), added $885.5 million in income to the Thompson Rivers College Region economy in the 2023-24 fiscal year. This represents approximately 7.4 percent of the region's total gross regional product. One out of every 10 jobs in the region is supported by TRU and its students. In addition to its economic impact, TRU has partnered with BC Wildfire Service to provide essential research, education and training to better prevent, prepare for and respond to wildfire, something that will only become more prevalent as fire seasons become more severe and prolonged due to climate change resulting in billions of dollars in infrastructure and environmental damages. TRU is the only university in Canada to have two research chair positions dedicated to wildfire science and three certificate and diploma programs in wildfire science and communication will be offered this coming fall.[22]

Memorial University of Newfoundland

Likewise, Memorial University of Newfoundland (MUN), located in St. John's, Newfoundland, with four satellite campuses in Corner Brook, Happy Valley-Goose Bay and Saint Pierre, supports approximately $627 million in economic activity and almost 10,000 jobs through the province each year.[23] Each of its campuses were chosen to support the socio-economic well-being of the broader province and provide centralized points for rural communities to access top-tier education. More than 40 percent of MUN's research is ocean-related. The university plays part in several key initiatives, including the Ocean Frontier Institute (led by Dalhousie University), a $220 million collaborative research initiative aimed at harnessing the vast potential of the world's oceans, and Canada's Ocean Supercluster, a private-sector-led partnership using innovation and commercialization to drive increased sustainable economic growth from our oceans. The university plays a large role in educating and training students in aquaculture and food industries, marine transportation and ocean mapping, which benefits fisheries, shipping and offshore oil and gas.

The University of Guelph

The University of Guelph is composed of three campuses, 14 research centres spread across Ontario, 30,000 students and 3,900 faculty and staff. The university, through its investments in research, people, teaching and organization, generates $8.6 billion for the Canadian economy and helps sustain over 13,000 jobs in campus regions.[24] One of the biggest areas of impact is the university's work in agriculture and agribusiness. It is part of the Ontario Agri-Food Innovation Alliance, an

[22] Kamloops, Annual Report 2024 and Initiative to advance wildfire studies and research TRU continuing to build wildfire initiative one year after announcement

[23] Memorial University of Newfoundland, Economic Impact Assessment, April 2021

[24] University of Guelph Has $8.6-Billion Impact: Report, March 2022

alliance between the University of Guelph and the Ontario Ministry of Agriculture, Food and Agribusiness to build resilient supply chains and export markets, develop a future skilled workforce and advance innovation and the adoption of new technology. Overall, the Alliance contributes $1.44 billion to Ontario's GDP and helps provide a safe, healthy food supply for Ontario and Canada.

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