

## Stakeholder Summary

### Demographic shifts will pose enrollment challenges for Ontario college sector

Demographic shifts over the next two decades pose enrollment challenges for Ontario's public postsecondary sector, but the province's colleges are particularly susceptible, according to a new report from the Higher Education Quality Council of Ontario (HEQCO).

In *College Sustainability: Signal Data*, HEQCO notes that the majority of Ontario first-year college students live in the same provincial region as their college campus, with nearly half from the same municipality as the campus they are attending, making colleges particularly vulnerable to regional demographic decline. Like Ontario's universities, its 24 public colleges have long depended on increased enrolment as a major revenue source. The report also says that colleges in geographic regions experiencing the largest decline in 18-to-25 year-olds will be forced to compete with their university colleagues for a diminishing pool of potential students.

#### Project description

Following on HEQCO's [framework](#) for examining postsecondary sustainability and its [report](#) on the sustainability outlook of Ontario's 20 public universities, the college study examines three sets of *signal indicators* that reveal potential areas of vulnerability or strength for individual institutions. "We believe that these indicators require further investigation and engagement by government and the college sector to develop a comprehensive view of the sustainability issues facing the system," say the report's authors.

Indicators include enrolment trends over the last 10 years, the regional demographic outlook for 18-25 year-olds over the next 25 years and its impact on student demand, as well as financial health, with metrics drawn from a set of common indicators assembled by the college sector and Ministry of Advanced Education and Skills Development (MAESD).

#### Findings

Ontarians represent 81% of full-time students in the college sector, the vast majority of whom live in the same region as their college campus. A champion of postsecondary access, the college system is particularly committed to making postsecondary education and training available to those who have traditionally been underrepresented in higher education, including Aboriginal students (especially those from remote communities), first-generation students and newcomers to Canada.

Enrollment data indicate wide variations in percent of change from 2012 to 2015 – with a high of 24% at Cambrian College (which also leads the sector in the percentage of international students enrolled) to a low of -6% at Collège Boréal. The report notes that regional demographic trends figure prominently in shaping enrollment patterns and that not all of Ontario's colleges have equal opportunities to increase enrollment. As was noted in HEQCO's university analysis, the Greater Toronto Area will experience a

small decline in the postsecondary-aged population in the short term before growing at a modest pace, while the student pool in northern Ontario will decline sharply and will not recover.

MAESD collaborated with the Colleges Financial Management Working Group in 2009 to develop a set of seven financial metrics for college financial health analysis. The metrics include short-term and longer-term liquidity, debt burden and annual surplus or deficit, as well as consensus benchmarks based on historical trend analysis. Overall, the college system is performing above these benchmarks as it enters the upcoming period of restricted growth.

The report acknowledges that the financial health component of sustainability analysis is far easier than measuring non-financial indicators of academic quality and access, as well as student experience and community impact — indicators that merit equal attention in a comprehensive sustainability examination. “For now, we will measure what we have,” the authors note.

They stress that the report is neither a ranking nor an institutional accountability report card. “Our goal in pulling together these signal indicators on sustainability is to kick-off and inform a conversation with colleges and government about the pressures institutions face, the strategies they are using to meet them and the tools they need from government to do so.”

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