



Post-Secondary Education A Key Determinant of Economic Success

“Today’s jobs require higher levels of education than ever before, while generating new opportunities requires more investments in research and development to drive innovation.”

BC Progress Board

“The value added by a post-secondary education must increasingly be the ability to think critically, to express those thoughts clearly, and to adapt and apply knowledge to new areas and tasks.”

Don Drummond, Commission on Reform of Ontario’s Public Services

Reports from the BC Progress Board and the recent Commission on Reform of Ontario’s Public Services underscore some important facts about globalization and the acceleration of the knowledge economy: people are our most important economic asset – more important than resources, more important than financial capital.

In an economy where knowledge drives innovation, post-secondary education is fundamental to a successful economic strategy that will foster growth, social mobility, and environmental sustainability. Post-secondary education is a vital link between a strong economy and a healthy society.

Successive British Columbia governments have taken this link seriously, and the Province now has one of the best post-secondary education systems in North America.

However, the world is increasingly competitive, and British Columbia can not rely on the status quo. Today, a post-

secondary education is as necessary as a high school diploma was a few decades ago.

Globalization, technological change, growing inequality, and an aging workforce are creating the conditions in which investments in post-secondary education and research are the best economic and social response. To secure the future, post-secondary education in the Province has to be made even more accessible.

Projections for British Columbia’s labour market show that, over the next decade, there will be approximately 1 million job openings in the Province. Of those, 78 percent will require post-secondary education, 35 percent will call for a university degree, 28 percent will require a two-year college credential, and 15 percent a trades credential.

The view by some that a university degree does not lead to a well-paid job is a myth: it is the best guarantee of stable employment and higher incomes. In 2010, the Ministry of Advanced Education’s Performance Highlights report showed the unemployment rate for those holding an undergraduate degree was considerably lower than for other British Columbians - 6.6 percent compared to 9.6 percent. According to data gathered by the Association of Universities and Colleges of Canada, university graduates make 50 percent more than those with only a high school diploma.

At the same time, the emerging gap between new job openings and the number of qualified employees to fill them poses a major challenge for employers and for our economy. By 2020, the demand for workers in British Columbia will outstrip supply by almost 62,000 people. Of those unfilled jobs, at least 15,000 will require a university degree, and another 17,000 will require a two-year college diploma or trade certificate. This could be a conservative number, as the Province's labour market model assumes one-third of future job openings will be filled by immigration. If immigration levels continue to decline, as they have recently, the skills gap will be even greater.

Bridging the skills gap is an urgent economic priority for British Columbia. To be competitive in the global economy, the Province needs to develop and sustain a highly-educated workforce.

Despite the considerable investment the government of British Columbia has made in universities, colleges and institutes, there is still ground to make up. British Columbia produces far fewer graduates in fields such as engineering, mathematics and computer sciences than other provinces, and we lag behind the Canadian average in overall graduate degrees. Moreover, the Province currently is sixth in Canada in overall productivity: a statistic that is particularly troubling considering that Canada ranks seventeenth among OECD countries in productivity.

Fortunately, in British Columbia the public recognizes these challenges -- a fact that is

reflected in opinion surveys that consistently show that British Columbians see and understand the clear link between post-secondary education and economic well-being. (A recent Ipsos-Reid poll, for example, reported that eight in ten British Columbians view post-secondary education as the path to improving job prospects for our young people.)

British Columbians demonstrate the value they place on post-secondary education every day at many post-secondary admission offices, where the number of applications received from qualified students exceeds the number of funded spaces. Notably, at the graduate student level last year, British Columbia's research universities provided space to 15,000 graduate students with funding for only 10,500.

Post-secondary institutions recognize they have to make the best use of tax and tuition dollars. However, admitting more students than there is space for is not a sustainable strategy, particularly as demand continues to grow. Without more funded spaces at both the graduate and undergraduate level, it will be increasingly difficult for post-secondary institutions to help British Columbians succeed by providing them with the best education possible.

This is why universities, colleges and institutes are working together to ensure that post-secondary education is within reach of every British Columbian. Meeting that objective means expanding opportunity by working with government to provide a funded space at a university,

college or institute to every qualified British Columbia student, including new spaces for graduate students. The evidence shows that graduate students, in particular, are a key factor in improving competitiveness and productivity by transferring new knowledge to industry. Graduate students have higher incomes, employment rates, and make larger contributions to the tax base than the Canadian average.

Meeting that objective also means investing in research to drive innovation and create good jobs in vibrant resource industries such as forestry and mining, and in newer industries such as digital media and life sciences. Since 1998, the BC Knowledge Development Fund has leveraged almost \$1 billion in new funding into the province, supporting critical new research in areas that have strengthened our economy, and improved our health. British Columbia needs to build on this record of success.

Putting a post-secondary education within reach of every British Columbian means helping families and students afford the cost of post-secondary education, particularly at a time when many families are struggling financially. The Province's universities allocate approximately \$135 million a year to student financial aid, including bursaries, scholarships, and emergency assistance. We need to build on that commitment by working with government to offer a guarantee to every family and young person in British Columbia so that no qualified student is turned away for financial reasons.

And because graduate level education is critical to improving productivity and competitiveness, the Province's best graduate students should benefit from a scholarship program that allows them to complete their studies here in British Columbia. Graduate students in Alberta and Ontario already benefit from strong scholarship programs because their research contributes to innovation, jobs, and productivity. In British Columbia, we should move in the same direction.

Acting on these core priorities will help keep the Province moving forward, expanding post-secondary opportunities to every motivated British Columbian who is qualified. In today's economy, where people are our most important asset, that is the best investment we can make in our future.

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