

# **THE CHANGING FACE OF ONTARIO UNIVERSITIES**

## **ARE UNIVERSITIES BECOMING THE DOMAIN OF THE RICH?**

### **BACKGROUND**

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In recent years, the price of a university education has increased substantially in Ontario. Across this province, tuition fees have increased approximately 155% in the past decade. Institutions have turned to tuition fees to make up for the shortfall in revenue due to cuts in government grants.

In 1995, the Liberal government cut \$4 billion dollars from the Canadian Health and Social Transfer. Many provincial governments, including Ontario's, passed these cuts on to their post-secondary institutions. As a result, Ontario universities suffered a 15% cut in provincial grants in 1995 and were forced to raise tuition.

On Tuesday, March 14<sup>th</sup>, the provincial government announced that tuition fee increases would be capped at 2% each year for the next five years. Unfortunately, many students are not covered in this cap. Those who study engineering, computer science, business, pharmacy, or any other "deregulated" program will likely face huge increases as institutions continue to take in more students without getting the grant money to pay for them.

### **IS OUR UNIVERSITY COMPOSITION CHANGING? IF SO, HOW?**

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As concerned students, we wanted to examine the effect of tuition fee increases on accessibility. We wanted to know whether or not the proportion of students from lower income backgrounds had changed at the University of Waterloo, and at other Ontario universities, as a result of the tuition fee increases that have occurred to date. With this information, it would then be possible to determine how students in deregulated programs will be impacted by further tuition increases.

To analyze this problem, we developed a study to correlate postal code information from incoming students with Statistics Canada income information. Through this study, we have been able to develop a yearly snapshot of the socio-economic background for each incoming class at every Ontario university. With this information, we have been able to examine how these class compositions have changed over time.

The objective of the study was to look for historical trends in university student populations that might have otherwise been missed in year-to-year analyses, and also to examine whether or not these trends were correlated with tuition fee levels. With this information, we could then assess how further tuition increases would impact the many students who will not be protected by the 2% cap.

### **RESULTS**

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According to the 1996 census, average Canadian family income is \$54,583. Based on this figure, we have split our results into two categories: students from households with incomes above \$55,000 (we call these students upper income) and those with income below this threshold (we call these students lower income). The results do not factor in urban/rural differences or regional differences.

## **1. FEWER STUDENTS FROM LOWER INCOME FAMILIES**

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The study shows that as tuition has increased, the percentage of students from lower income areas has dropped at the University of Waterloo. In 1991 71.6% of the students in the Waterloo entering class were from lower income areas. By 1998, only 61.1% of the students in the Waterloo entering class were from lower income areas. This means that for every 100 students from lower income families at UW in 1991, now there are only 85.

During this time, tuition rates steadily increased. Tuition fees in the Faculty of Engineering are representative of deregulated programs at the University of Waterloo. In 1991, students in the engineering program paid \$973 for tuition before incidental fees. This had more than doubled by 1998, to \$1943. This suggests that there is a reason that a rising proportion of students from lower income areas are choosing not to attend the University of Waterloo and that this reason is correlated with tuition fee levels. Without more provincial funding for the extra students being accepted to UW, this trend is likely to continue in engineering, computer science and optometry as UW looks to these programs to generate more revenue.

Across Ontario, the percentage of students from lower income areas in the entering class of universities was 70% in 1991. This had fallen to 64.8% by 1998. For every 100 students from lower income areas that went to an Ontario university in 1991, there were only 93 by 1998.

## **2. UW CHANGES IN DEMOGRAPHICS MORE PRONOUNCED**

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In 1991, Waterloo had more students from lower income areas in its entering class than the average for Ontario universities. The provincial average dropped 5.2% between 1991 and 1998, but Waterloo experienced a drop almost twice as large, 10.5%, and now has fewer students from lower income areas in its entering class than the provincial average. This indicates that students from lower income areas found greater deterrents to attending the University of Waterloo than to other universities in Ontario.

## **3. FAMILY INCOMES OF STUDENTS ON THE INCREASE**

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The average income of students at the University of Waterloo and at Ontario universities, in general, is rising. (Income data is from the 1996 Canadian census, so the increase reported here is not affected by inflation.) At the University of Waterloo, household incomes have increased at a rate above the provincial average. The average income for students at Ontario universities increased \$1,418.26 from 1991 to 1998. The Waterloo average rose almost twice as much, \$2,729.27, during the same period. As a result, Waterloo has gone from an average income of \$397.12 less than other Ontario universities, to an average income of \$913.89 more than the average. In general, more students are coming from richer areas in Ontario, and this trend is even stronger at UW.

## **ACCESSIBILITY CAN BE CORRELATED TO TUITION FEE LEVELS**

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These three trends demonstrate that students from lower income areas are no longer attending the University of Waterloo as frequently as they were in the past. They confirm that universities across Ontario are experiencing a similar trend. The trends also show that the loss of



students from lower income areas is stronger at the University of Waterloo than at Ontario universities in general.

Overall, this report suggests that recent increases in tuition fees have made a university education harder to afford for lower-income students.

## **DATA SOURCES**

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The raw data for the study was obtained from UW's department of Institutional Planning and Analysis, the Ontario Universities Application Centre, tuition data from the UW Registrar's Office and income data from Statistics Canada. This data was then sorted and grouped to determine whether there was any correlation between tuition levels and changes in the socio-economic composition of the students' backgrounds.

The Ontario Universities Application Centre (OUAC) data provided the first three digits of the postal code area (called Forward Sorting Area, or FSA) for practically **every** student accepting an offer of admission to an Ontario university. There was no need to take a sample. Every student attending an Ontario university between 1991 and 1998 was accounted for in this study.

StatsCan census data provided the median income for all private households (with a 20% sample) for each FSA.

## **VERIFICATION**

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To ensure that our results were accurate and that our methodology followed standard research practices, we worked with UW's Statistics Consulting Department and Professor John Goyder from the Sociology Department to monitor our research.

Studies with similar methodologies have been carried out correlating income levels to the likelihood of fatal heart attacks.

## **AUTHORS**

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This is a condensed version of the full report. For the full technical report with numbers for all Ontario universities, please contact:

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