

## Stakeholder Summary

### **In economically troubled times, university still produces employability and earnings advantage**

Unlike college, university education often seems to end up under the spotlight during economically troubled times – either as salve or Satan depending on who's doing the talking. As the debate continues, a new report from the Higher Education Quality Council (HEQCO) examines postsecondary data from before, during and after the 2008-2009 economic downturn and finds that a university education is still worth the investment of time and money.

“University skills and credentials do not isolate one from the challenges of a poor labour market but they significantly improve the odds of short-term and – more importantly – long-term success,” say HEQCO authors Martin Hicks and Linda Jonker.

### **Project description**

Sources for the report – *Still Worth It After All These Years* – include data analysis from Statistics Canada's Labour Force Survey, as well as data from the Council of Ontario Universities' Ontario University Graduate Employment Survey; the Ontario Ministry of Training, Colleges and Universities; and Employment and Social Development Canada. The report focuses solely on universities, the authors noting that colleges have fared better of late in promoting their value to the public.

### **Findings**

Students graduating from university after the 2008-2009 economic downturn were better protected from unemployment than high school-only graduates, according to the report. “While things got harder for everyone [during the downturn], the relative advantage for those with a degree actually improved as times got tougher.”

Historically, the average return on investment in university education outweighs the costs (including tuition, borrowing and delayed earnings) of going to school. The authors say that early indicators of earnings and employability among today's graduates also show a positive return on investment.

More students are participating on the Ontario student loan program (OSAP) and are carrying debt. The authors view the increased numbers as a sign that OSAP is effectively delivering access to lower-income students who might otherwise not be able to attend and benefit from university. Further, the data indicate that the default rate trend for both federal and Ontario loans programs is downward.

According to the data, over the past 30 years, university graduates from science, technology, engineering and math (STEM) disciplines have consistently, on average, done better than those from the humanities, although not all STEM fields (biology and agricultural sciences, for example) outperform the humanities in average income.

“There is no evidence to suggest that any of the trends described thus far are changing or are about to change for more recent graduates, but nor are there any guarantees of this. Individual outcomes vary from the average,” say the authors. “As more and more Ontarians earn a degree, they become a larger and larger share of the labour market and they inescapably begin to outnumber the very best-paying jobs in the economy. Their sheer number pushes them into also taking on lower-paying job layers in the bell curve of provincial income distribution. If participation expansion continues unabated, they may yet become the average Ontarian and wage earner. But we are not there yet. Today and, yes, tomorrow, there is a marked job advantage in employability and earnings for university graduates over the population as a whole.”

Authors of *Still Worth It After All These Years* are Martin Hicks, HEQCO’s executive director of data and statistics; and Linda Jonker, HEQCO researcher.