

## **Submission to the Minister of Finance – Budget 2017**

**By: Dr. Annette Trimbee**

### **Introduction – The importance of post-secondary education**

My name is Annette Trimbee. I am the President and Vice Chancellor of The University of Winnipeg and the Chair of COPUM (the postsecondary presidents group). Before this, I was a Deputy Minister in Alberta of several departments, including Treasury Board & Finance and Advanced Education. I was born and raised in Transcona and I am very happy to be back in Winnipeg.

Post-secondary institutions are key drivers of economic growth and prosperity. Not only do we train and prepare the next generation of leaders, we perform cutting edge research aimed at solving real-world problems in innovative ways. Funding for post-secondary is an investment with a significant return.

Government policy on post-secondary has been focused on tuition levels and incremental funding. The focus on tuition does not take into account that there are multiple barriers for prospective students, primarily from Indigenous, first-generation and rural backgrounds. For some people, the fact that tuition has three zeros is enough to put it out of reach, especially for those who do not have post-secondary graduates in the family. The current approach to incremental funding – marginal increases that roughly match inflation - does not take into account the role of post-secondary institutions in generating world-class research, driving innovation, or in creating pathways for non-traditional students.

In order to protect front line services in Manitoba, the Province needs to grow the economy and reduce costs. Post-secondary institutions are well-positioned to support the province in doing both of these things by not only educating Manitobans, but also by helping to grow the economy and reducing demand for social services.

### **Research, Innovation and Impact**

Manitoba's post-secondary institutions are actively engaged in research that sews the seeds of innovation and improves the quality of life of Manitobans. Post-secondary research drives innovation and strengthens the economy.

This includes research, which develops ideas that provides opportunities for new businesses, one example of which is the Enterprise Machine Intelligence and Learning Initiative (EMILI). University of Winnipeg researchers are working closely with private sector partners to improve the speed and effectiveness of the computers that support machine learning. They are at the forefront of researching what is possible and are working with the private sector in developing commercial applications across a number of sectors, including agriculture, health diagnosis and manufacturing. This venture has the potential to make Manitoba a world-wide leader in this new and growing industry with all of the jobs, taxes and economic growth that will result. Research is often the spark that fires the economic engine – the stronger the spark, the more likely it is that your engine will be firing on all cylinders.

Our professors are also teaching and mentoring today's students who will be tomorrow's leaders in their fields. The research performed at post-secondary schools also contributes to improved social outcomes and reduced costs of social services. For example, Manitoba researchers have proven the success of the Housing First approach in reducing the negative societal effects of addiction and avoiding the expenses associated with an emergency-room first approach, which has resulted in significant savings for the healthcare system.

Recommendations:

- Invest in research and focus on the role of post-secondary institutions in the province's innovation strategy.
- Promote linkages between post-secondary, government and the private sector and make efforts to convene forums to exchange information and leverage the research capacity of post-secondaries.

### **Building tomorrow's leaders and Manitoba's workforce**

Experiential, hands-on learning, paid co-ops and internships are proven methods to enhance the learning of students while in post-secondary and accelerate the transition to employment after graduation. Manitoba post-secondary institutions support the call by the Canadian Business Higher Education Roundtable for access to work-integrated learning for 100 per cent of Manitoba post-secondary students. Work-integrated learning also improves economic access for non-traditional and Indigenous students, which acts as a social level and gives all students valuable job experience that complements in-class learning.

80 per cent of small and medium-sized employers in a recent survey conducted by Leger Marketing say that co-ops and internships are a valuable source of new talent and potential future employees. Students also provide a bridge between post-secondary and the other sectors of the economy and often act as conduits of innovation.

Manitoba's workforce experiences a constant turn-over of employees, however, the rate of anticipated retirements is accelerating. Employers looking to get a handle on succession planning and business continuity should be encouraged to engage with post-secondary institutions, particularly as it relates to the development of new programs and in creating projections for needed skill sets. In 2012, Canadians who had a university or college degree had an unemployment rate of approximately 6 per cent, for high school graduates it was about 9 per cent. According to a 2016 study released by the Education Policy Research Initiative at the University of Ottawa, higher education is linked to higher salaries regardless of the subject. While graduates of STEM subjects — Science, Technology, Engineering and Math — in general had higher salaries, even grads of the humanities and social sciences degrees saw higher incomes than those who don't have degrees. 94 per cent of Manitoba post-secondary students come from Manitoba and a similarly high number of graduates remain in Manitoba. A higher degree of partnership between employers and post-secondary would benefit Manitoba.

Recommendation:

- Invest in new measures, such as vouchers and tax credits, to incent employers to create more co-op and internship placements for post-secondary students.
- Sustainable, predictable funding for postsecondary institutions provides a foundation for workforce development.

**Expanding educational opportunities and reducing government’s costs**

A majority of the Provincial budget is spent in areas helping people facing personal and family crises, health, justice or poverty. It is worth pointing out that these departments also account almost entirely for the unbudgeted growth in provincial expenditures. Investing in education reduces the instances of these crises and costs for other social services. People with post-secondary diplomas and degrees are far less likely to interact with the Justice system, use less healthcare supports and rely less upon the supports provided by the Families department of the government, which has the potential over time to reduce the cost of these services. From a return-on-investment perspective, there is no better government investment than the education of its people.

A post-secondary education is both a private and a public good. It is private in the sense that post-secondary grads earn substantially more throughout their lifetime (and pay substantially more in taxes<sup>1</sup>) than those with a high school diploma<sup>23</sup>. 80% of Canada’s top 25 jobs of 2016 require a University Degree<sup>i</sup>. Between 2008 and 2016, 1,416,000 net new jobs were created for University grads in Canada compared with 526,600 net new jobs for college and trades graduates combined<sup>ii</sup>. It is public in the sense that education levels are directly related to long-term health and contribution to society. Not only are post-secondary institutions training the workforce and taxpayers of tomorrow, we are training the leaders who will be creating, managing and leading our future businesses, public sector and communities.

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<sup>1</sup> Canadians who complete college can expect to earn 44 per cent more than Canadians without a high school diploma; and Canadian university graduates can expect to earn even more—85 per cent more—than individuals without a high school diploma.

<sup>2</sup> According to the Conference Board of Canada, the net present value of investing in University / College education in Canada is positive. The total return (net present value), both private and public, for a Canadian man who completes tertiary education is \$220,365 (\$153,520 in benefits to the individual and \$66,845 to society). And for a Canadian women, the total return is \$158,036 (\$111,487 to the individual and \$46,539 to society).

<sup>3</sup> A 2013 study published by the Department for Business, Innovation & Skills in the UK found that people who attend university are more likely to vote, volunteer, exhibit higher levels of tolerance, engage in preventative health care, report greater life satisfaction, better mental and physical health, and less likely to smoke, drink heavily or commit crime.

Manitoba has one of the youngest populations in the country, which puts us in a very enviable position. We have also been very successful at attracting new Manitobans which is helping to grow our population. These young people are motivated, creative and ambitious. If we are able to engage them and provide them with the skills and opportunities to succeed, the future looks very bright for Manitoba indeed. Manitoba's post-secondary institutions are focused at engaging with Indigenous and newcomer communities to ensure they are able to obtain the benefits of the higher education. Only eleven per cent of Indigenous Canadians hold a university degree, compared with 33 per cent of the non-Indigenous population.

At The University of Winnipeg, we have been working with families and communities to bring inner-city and Indigenous children to campus, so that they may develop a sense of belonging and a "university-bound identity. Over 3,000 children come to campus each week to participate in sports, after-school learning and cultural activities. To help in clearing pathways to education and eliminating barriers, UWinnipeg also sets aside funding into an account where children earn tuition credits by participating in these programs.

Recommendations:

- Invest in supports for Indigenous, non-traditional and low-income students to enable access to education and ease their transition into post-secondary.
- Work with families and communities to expand savings programs for non-traditional and Indigenous students, coupled with investments in supporting post-secondary institutions to scale up the engagement of children in developing a post-secondary-bound identity.

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<sup>i</sup> Source: Canadian Business "Canada's Best Jobs 2016"

<sup>ii</sup> Source: Statistics Canada, Labour Force Survey, 2008-2016