

Educational Attainment, Migration, and Provincial Spending on Universities in Canada

by Alex Whalen and Nathaniel Li

Across the country, private and public universities educate over 1,000,000 full time and 250,000 part time students annually, at a cost of more than \$46-billion (from both government and private sources) in the latest year of available data (2020/21). While this funding comes from a variety of sources, the single largest source is provincial governments. Which provinces spend more or less on public universities over time (as measured by provincial subsidies). Do the provinces, in fact, benefit from more educated populations? Are there other factors at play, such as migration, that may affect the extent to which university graduates have a positive economic impact on the provinces where they studied?

Using a measure of real spending per domestic student, relative to their peers the high spending provinces are, in order from highest, Newfoundland & Labrador, Saskatchewan, Alberta, New Brunswick, and Prince Edward Island. The lower spending group includes, in order from lowest, Ontario, Nova Scotia, British Columbia, Quebec, and Manitoba.

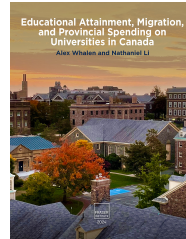
In general, high-spending provinces do not consistently have the highest levels of educational attainment. Consider that Newfoundland & Labrador, Saskatchewan, and Alberta ranked first, second, and third in spending per domestic student in the 20 years from 2000/01 to 2020/21, while these same three provinces' rankings are markedly different in the area of educational attainment. Conversely, the three lowest-spending provinces over this time period, Ontario, Nova Scotia, and New Brunswick, experienced the largest, fourth-largest, and ninth-largest increases in educational attainment. In other words, there appears to be no consistent relationship between more per-student spending and

higher educational attainment, or lower per-student spending and lower educational attainment, over the long term.

A final consideration in our analysis is interprovincial migration. For any given province, substantial (net) migration to another province could represent a financial loss for the province as a sizable share of young, recent university graduates leave after completing their studies. Using a cohort of those aged 20 to 29, in the full time period studied, only two provinces recorded cumulative net inflows of people, two provinces showed very little change, and the remaining six had net migration to other provinces. The provinces with the highest incoming interprovincial migration as a share of their populations were Alberta, British Columbia, and Ontario, while those with the lowest were New Brunswick, Prince Edward Island, and Newfoundland & Labrador. This data shows that some provinces are spending above-average amounts on provincial university subsidies but not seeing increases in

the level of education in the population, while also experiencing net migration out of province in the age group most likely to have completed an undergraduate degree.

In general, this study finds that higher spending per domestic student does not necessarily enable relatively high spending provinces to reap the rewards of a more educated workforce. Rather, interprovincial migration seems to be a more important factor, allowing university students educated and paid for in one province to move to another province after graduation, effectively transferring the provincial investment in human capital with them.



Educational Attainment, Migration, and Provincial Spending on Universities in Canada

by Alex Whalen and Nathaniel Li

[Click here to read the full report](#)

