# **Environmental Scan: Key Findings and Implications**

## **About the Scan**

The Environmental Scan and corresponding data and analysis provides an overview of external factors affecting the postsecondary education sector. The information presented on this page is a summary of that information. The full Environmental Scan is available on the We Are Humber website.

## **Economy & Labour Market Trends**

Over the coming decade, most developed countries will face labour market challenges that include increased competition, an aging population, increased focus on global warming and technological transformation. The proposed Trans Pacific Partnership (TPP) deal will open up trade in nearly all goods and service sectors. Open markets and trade deals will increase global competition and require expanded per-worker productive capacity through innovation and technology. To meet these demands, employers will require a highly educated and technologically-savvy workforce.

Canada ranks among the lowest in labour productivity and innovation across the developed world and efforts to stimulate productivity by the federal and provincial governments are currently underway. To be competitive in the global economy, Canada will require a workforce that is highly educated as well as entrepreneurial and innovative, with the ability to transform ideas into products. The shift from a manufacturing and goods-producing economy towards a service-based economy, particularly in North American metropolitan areas, has been driven by entrepreneurship and growth in digital apps and services, cloud computing, mobile technology and data analytics. Globally, over the next decades, the economy will be driven by technology, energy, e-commerce, the “sharing economy” and health. The role of the postsecondary sector will be critical in developing and delivering programs and credentials to meet industry needs and create a workforce that is adaptable, creative, analytical and thinks globally.

Canada has one of the most highly educated populations among the OECD making it well positioned to face many of these emergent labour market challenges. However, due to the aging population and small family sizes, a declining natural population will place strain on many regions across the country. The census divisions of Durham, Halton, Peel, and York will experience the most significant growth, faster than Ontario as a whole, but a declining college-age demographic (18-24 years) between 2016 and 2021 in Ontario and the greater Toronto area (GTA) will result in a smaller pool of domestic students and workforce from which to draw.

Implications for the postsecondary sector as a result of these demographic changes include:

* Increasing competition among colleges and universities for students;
* The essential role of effective and targeted marketing; and
* The necessity of comprehensive planning of future programs and credentials to meet prospective students’ needs.

## **Demographic Shifts – Domestic & International**

At the same time that we will experience a declining domestic population, international migration will account for most of the growth in Canada, Ontario and the GTA. In fact, the foreign-born population is expected to increase approximately four times faster than the rest of the population by 2031. More than half of all immigrants to Canada choose to come to Ontario, the majority (76.2%) calling the Toronto census metropolitan area their home. The area surrounding Humber’s North Campus - North-Etobicoke - is particularly diverse and home to a large proportion of recent immigrants (17.9%). It will be essential for Canada to take full advantage of the new skills and experiences that an increasingly diverse immigrant population will bring.

Postsecondary institutions will be challenged to address the needs of this population in their hiring practices, processes for assessing foreign educational qualifications, provision of English language training, and by offering programs that provide opportunities for Canadian work experience.

A significant portion of Canada’s international migration has been from international student enrolment. Changes in policy affecting international students’ ability to work in Canada have been appealing to prospective students, and Canada’s goal of reaching 450,000 international students by 2022 will benefit the economy as well as colleges and universities. Befittingly, the fastest growing study area for international students in Canada is technology.

To meet the needs of both international and domestic students, the postsecondary sector will need to:

* Establish effective means of integrating international students into their communities;
* Build cross-cultural awareness and skills in the classroom; and
* Give consideration to the optimal balance of international and domestic student enrolment.

## **Technology & Innovation in Higher Education**

Innovation is at the centre of discussions about the present and future of higher education and refers to a wide range of developments but primarily those related to

1. The use of technology to deliver education;
2. Transforming the way in which higher education institutions work; and
3. Developing products for business (e.g., entrepreneurship).

Technology, such as online education, adaptive learning, mobile technologies, gamification and simulation, provide opportunities for higher education institutions to address issues associated with affordability, access, flexibility and responsiveness of education. Micro-credentialing, stackable and modular offerings are the new ways of building up skills for students of all ages and these approaches are enhanced and make possible with new technologies. Finally, PSEs are being challenged to play a greater role in stimulating the economy and enterprise creation by teaching entrepreneurial skills, interacting with the industry sector and establishing effective knowledge transfer processes with community partners.

## **Government Policy Directions**

Policies and directions related to higher education by the Ontario Government[[1]](#footnote-1) and particularly, the Ministry of Advanced Education and Skills Development’s (MAESD) new College Funding Formula[[2]](#footnote-2) (CFF) reflect broad environmental factors including:

1. Changing demographics and subsequent declining college enrolments;
2. Slow national economic productivity and unmet labour market demands; and
3. Issues of equity in post-secondary education (e.g., access to PSE by under-represented groups including low income families, persons with disabilities and Indigenous peoples).

Key components of the CPP include:

* Predictable core funding based on a corridor model;
* A differentiation envelope which allocates funding based on performance metrics in governmental and institutional priority areas; and
* Special purpose grants to address government and system priorities such as improving access to PSE for under-represented groups.

Other governmental priorities are highlighted in Building the Workforce of Tomorrow: A Shared Responsibility[[3]](#footnote-3) which recommends a focus on skills development and the provision of at least one experiential learning opportunity for all PSE students before graduation as measures to increase linkages to employment and entrepreneurship. It also calls for the development of high quality labour market data.

Finally, the MAESD has announced two initiatives affecting student tuition that are expected to improve access to PSE by low income families:

1. The net tuition program where students do not pay the “sticker price” of tuition by rather the net amount or amount remaining after aid from the Ontario Student Assistance Program (OSAP) and college’s non-repayable financial assistance are taken into account.
2. Make average tuition free for students whose families make less than $50,000 a year and reduce expected parental contributions so that more students from middle-income families will be eligible for support.

1. 2016 Ontario Budget: Chapter I: Building Prosperity and Creating Jobs. <http://www.fin.gov.on.ca/en/budget/ontariobudgets/2016/ch1c.html> [↑](#footnote-ref-1)
2. College Funding Formula Technical Design (Draft), MAESD, January 26, 2017. [↑](#footnote-ref-2)
3. Building the Workforce of Tomorrow: A Shared Responsibility. The Premier’s Highly Skilled Workforce Expert Panel, Report submitted to the Honourable Kathleen Wynne, Premier of Ontario, June 2016 [↑](#footnote-ref-3)