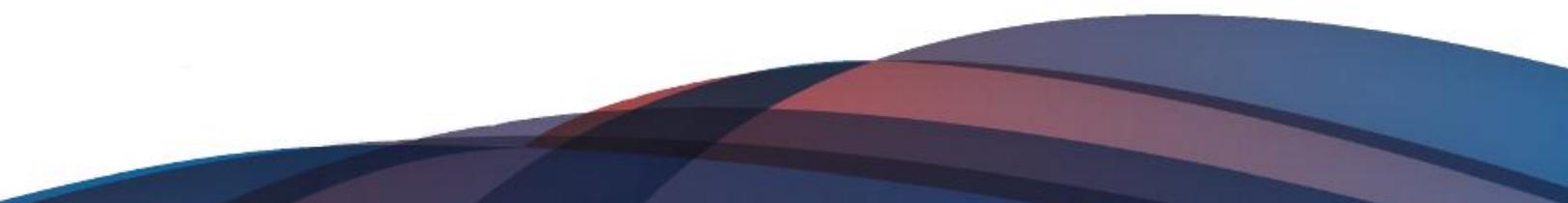


The Impact of Ontario Career Colleges

Final Report

June 1, 2012

Higher Education Strategy Associates
400-460 Richmond Street West
Toronto, Canada
M5V 1Y1



Executive Summary

This paper was commissioned by the Ontario Association of Career Colleges in January 2012. It is designed to shed light on the question of the value of career colleges to the Ontario economy by looking not only at its own economic footprint, but also the economic impact of its graduates, and its overall efficiency at getting people through programs and established in the world of work.

The key points of this survey are as follows:

- * 62,500 students were enrolled in career colleges in August 2011
- * Career colleges boast graduation rates of slightly over 80%, which is comparable to or better than public community colleges
- * The Post-graduation employment rate (excluding those who return to studies) is 83.4%;
- * Of particular note is the high rate of employment among those who were previously unemployed or out of the labour market and transitioning them to jobs; there is a difference of 30 percentage point in the pre- and post-study employment rates of career college graduates.
- * Career College Graduates' income six months after graduation was equal to \$26,045.
- * Total revenues for institutions were \$788 Million in 2010, of which less than a third came from students who have benefitted from government loans or subsidies of their training costs; if "other" (i.e. non-instructional) revenue is excluded, total the figure is \$538 Million, of which 51% comes from government loans and subsidies to students.
- * Taking into account other subsidies such as tax credits, but also accounting for the fact that most loans are eventually paid back, the total net cost of government subsidies to students attending career colleges - excluding the Ontario Student Opportunity Grant (for which data was not available) – are just over \$248 Million, of which 73% comes from the Government of Ontario.
- * Career Colleges employ around 12,000 people and collectively pay \$94 million in business and payroll taxes. Their employees and graduates pay hundreds of millions in taxes and reduce welfare and EI costs by helping to bring people into the labour market.
- * Adjusted for the different lengths of program, Career College graduates receive only 18% of the subsidy that Community College Students do.

Introduction

This paper was commissioned by the Ontario Association of Career Colleges in January 2012. It is designed to shed light on the question of the value of career colleges to the Ontario economy by looking not only at its own economic footprint, but also the economic impact of its graduates, and its overall efficiency at getting people through programs and established in the world of work.

This work is somewhat challenging in the sense that good quality data about the sector is scarce. However, by cobbling together data from a number of sources, it is possible to develop a relatively complete picture of the sector.

In section 1 we outline briefly the main data sources used to compile the data in this document. In section 2, we look at students and their outcomes – specifically their rate of graduation and their economic outcomes in terms of employment and income. Section 3 examines the economic impact of the sector itself, in terms of its size, its revenues, and taxes paid. Section 4 looks at the cost of government subsidies to students who choose to study at career colleges. Section 5 examined data from provincial and federal job projections in order to look at areas of high potential demand and hence opportunity for career college providers. This is followed by a brief conclusion.

1. Data Sources

The main challenge in this project lay in obtaining high-quality data. Career colleges are an understudied phenomenon, and consisting as it does of many small training providers (as well as a few major ones), it is a difficult sector in which to collect data.

For this project, the data came from 4 main sources.

- 1) The **Registration Information for Career Colleges (RICC)** System. Each year, career colleges operating in the province of Ontario are required to submit data about student enrolments and finances to the Ministry of Training, Colleges and Universities' Private Career Colleges Branch. The Branch agreed to release aggregate enrolment and income to this project on an aggregate basis, meaning that we were able to look at certain figures at the provincial level.
- 2) **Ontario Student Assistance Program (OSAP)** administrative files. OSAP kindly agreed to release data on student aid use and expenditures on a sectoral basis for this project. Unfortunately, OSAP was not able to provide us with a breakdown of funds for the Ontario Student Opportunity Grant, which is the main source of non-repayable aid for students in Career Colleges.
- 3) The **Survey of Canadian Career College Students**. This survey, funded by Human Resources and Skills Development Canada and the Canada Millennium Scholarship Foundation and conducted by R.A. Malatest Associates. This was a two-phase survey. In the first phase, just over 13,000 students in career colleges across Canada answered questions regarding their program of study, their finances, and their activities in the pre-study period. In the second phase, just under a third (4,065) of the respondents of the original survey agreed to a second interview six months after graduating from their career college program. In this second survey, they answered questions about their educational experience and labour market activities. In this survey, we use only the data for the roughly 1300 students who attended an Ontario Career College and answered both waves of the survey
- 4) A **Survey of Ontario Career Colleges** conducted specially for this project. In February 2011, Higher Education Strategy Associates sent a survey (attached to this document as Appendix A) to most of the provinces 400-plus career colleges. The survey was designed specifically to obtain data requested by the client which was not available through the other three data sources. As a result, it focuses specifically on issues related to program completion, numbers of staff employed, and taxes paid. Regular follow-up emails and calls were placed over the following 8 weeks in order to raise the response rate. In the end, completed responses for 59 career college locations were received. Though this was a very small response rate, it is still possible to make estimates for the full population by norming results against certain data points (number of institutions, student population and total income) for which independently-confirmed data (for instance, data collected by RICC) are available.

On occasion, other sources were consulted, though these are fairly rare. In these cases, sources are referenced directly in the text.

2. Educational Outcomes

a. Graduation rates

Perhaps the most important educational outcome measure is completion: what percentage of an incoming class finishes the courses it began? Table 1 shows the graduation rates as reported by institutions participating in the Survey of Career Colleges.

Table 1 - Graduation and Withdrawal Rates

	2008	2009	2010
% graduated	79.5%	84.1%	80.3%
% withdrew	15.5%	13.2%	13.8%
% remaining	5.0%	2.7%	5.8%

Source: Survey of Ontario Career Colleges

According to the survey of Ontario Career Colleges, graduation rates over the past three years have averaged between 79 and 84%. How does this compare to other types of education? According to Colleges Ontario's summary of KPI data, the province-wide graduation rate from colleges is 65%.¹

While it would therefore be true to say that graduation rates in the career college sector are higher than those in the public sector, a skeptic would likely raise the incompatibility of the two standards because of the different lengths of programs. However, we know from previous studies of the college sector that slightly more than half of those who drop out of a college program do so in year 1 (see Finnie and Qiu, 2008). As a result, it would be true to say that the *pace* of drop-outs is very similar in the two sectors, with roughly one in five leaving after one year.

¹ The 2011-12 KPI Graduation Rate is based on students who started one year programs in 2009-2010, two year programs in 2007-08, three-year programs in 2005-2006, and four-year programs in 2004-2005, and who had graduated by 2011-12).

b. Graduate Employment

There is unequivocal evidence that PCCs in Ontario improve employment outcomes. Using the Survey of Canadian Career College Students, we were able to look at the pre- and post-schooling activities of 1376 Ontario students. Table 2, below, shows the results.

Table 2: Pre- and post-PCC activity status

Status	Pre-Study	Post-Study
Employed	39.69%	73.45%
self-employed	3.09%	2.33%
In school or training	7.26%	2.04%
Unemployed (looking for work)	25.02%	14.88%
Unemployed (Not looking for work)	2.47%	3.06%
Full time stay at home parent	7.50%	1.75%
Employed and in school or training	4.94%	1.82%
Self-employed and in school or training	0.54%	0.07%
Other	9.50%	0.58%

Adding the various forms of employment together, only about 48% of PCC students reported working in the three months prior to the start of their program. However, when interviewed six months after their program, that figure rose to over 77%. Part of this came from a reduction on the number of people who were formally unemployed (i.e. actively looking for work), but much also was the result of transitioning people who had not previously been in the labour force back into work.²

The resulting *employment rate* of PCC graduates – that is, the number employed as a percentage of all those employed and or looking for work of 83.4%

How does this compare to results in other sectors? This data was collected on students who were enrolled during the 2007 calendar year. The equivalent group of graduates from Ontario Community Colleges, measured after a similar period (6 months) had an employment rate of 90.5%. This suggests that the absolute employment outcomes of college students are better; however, since community college graduates tend to be younger and more employable, such a direct comparison may not be the most useful in looking at outcomes.

² It should be acknowledged, however, that this survey had a significant response bias towards people who *graduated* from PCC. 98% of survey respondents were graduates, compare to an 80-85% system average, as calculated in Table 1. Thus, while we can make strong claims about how *graduates* fare in the labour market, it is less clear what the outcomes are for the 20% who enter but do not finish.

c. Graduate Income

Data from the Survey of Canadian Career College Students indicated that the average salary for all graduates, 6 months after graduation, was **\$26,045**. The manner in which the survey was constructed did not permit a direct observation of students' income prior to their entering a career college. However, given their age and education and what we know about their labour force status, it is possible to provide a relatively crude estimate of their incomes using 2006 Census data.

For people who were employed in both the pre-study and post-study periods, the increase in income 6 months after the end of studies was a relatively modest **\$765/year**. However, as we saw in the previous section, the real gains of a PCC education come from taking people who were outside the labour market and putting them into work. For these people, a much larger increase was in store: more on the order of **\$11,376/year**. For those who were employed prior to attending a PCC and subsequently were not in work (7% of the total), there was a negative effect of roughly the same size. For those who were not in work in either period, there does not appear to have been any benefit.

Weighted across these three groups, the net increase in salary from immediately prior to immediate post-schooling is therefore approximately **\$3655**.

Longer-term benefits of career-college education is harder to quantify. We effectively have no data on the income path of these graduates beyond six months. One would expect, based on post-graduation data in other types of institutions that with age and experience, these returns continue to increase over time; however, there is no way to be sure at what rate this occurs. We therefore do not provide any estimates of longer-term benefits of career college training to graduate earnings, though clearly such benefits must exist.

3. Economic impacts

a. Institutional Income

When looking at the benefit of Career Colleges to the economy, the first place to look is at their income statements: how much economic activity flows through their books? Data on this subject was obtained from the RICC database for both 2009 and 2010. In their first fiscal year of operations, PCCs submit pro-forma financial statements to the ministry; full financial statements are not available until the second year of a college's operations. Data in a given year therefore excludes any institutions that began operations in that year. Not quite all institutions are present in the data - the 2009 data represents 384 active PCCs out of a total of 485, while the 2010 data represents 388 PCCs out of a total of 498. The figures therefore understate the size of the sector somewhat.

Table 3 – PCC sector revenue by source – 2009 and 2010

	2009			2010		
	Government Sources	Non-government Sources	Total	Government Sources	Non-government Sources	Total
Vocational Revenue	\$223,508,768	\$127,948,658	\$351,457,425	\$244,176,818	\$183,494,360	\$427,671,178
Non-Vocational Revenue	\$20,886,760	\$52,748,441	\$73,635,200	\$30,971,305	\$78,485,043	\$109,456,347
Other Revenue	--	\$107,894,704	\$107,894,704	--	\$250,761,920	250,761,920
Total	\$244,395,528	\$288,591,803	\$532,987,329	\$275,148,123	\$512,741,323	\$787,889,445

Source: Ministry of Training, Colleges and Universities, Private Career College Branch

The terms “vocational” and “non-vocational” refer to the types of programs offered by the college. Revenue from “other revenue” is not received from government sources and is usually not related to the educational business operations of the PCCs (e.g. interest income).

Clearly, there was an enormous increase in Career College income in 2010. Vocational revenue was up 22%, non-vocational revenue up 49% and “other revenue” up 132%, meaning an overall increase of 48% in a single year. Nearly all of this increase was due to increases in non-government revenue sources; these jumped 78% from \$288.6 Million to \$512.7 Million. In contrast, the increase in revenue from government was much more modest – a jump of 13%, from \$244.4 Million to \$275.1 Million. There are two things to note about these government funds. First, they do not come in the form of base funding; rather, it is money that follows student choice either via student loans, WSIB or Second Career. Second, these figures count loan dollars as full subsidy dollars when in fact students end up paying most of this back – as a result the true net cost to government is substantially lower than what is portrayed here.

Colleges Ontario reports that total income for Community Colleges was just over \$3.2 billion in 2010-11. That means that the Career College sector is roughly one quarter the size of the public college sector.

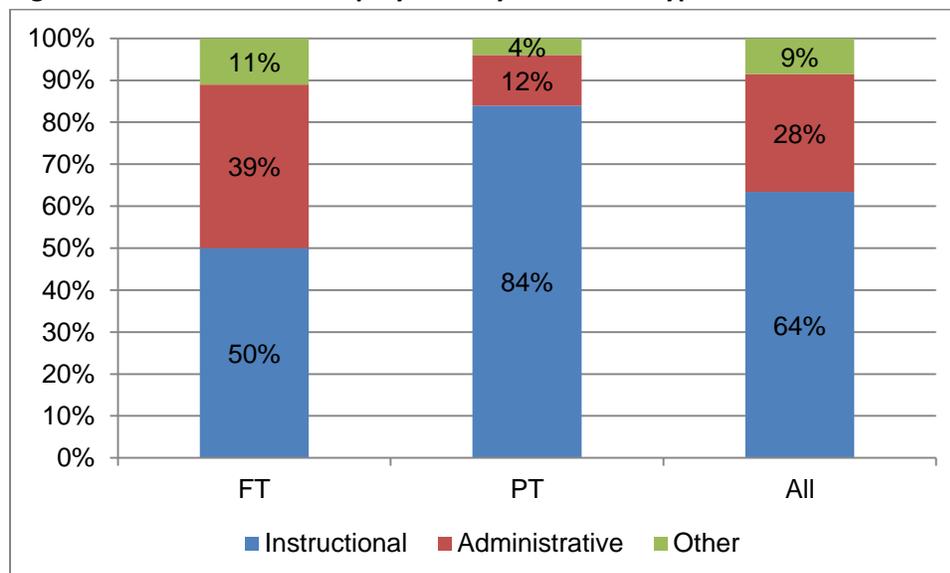
b. Employment

Our source for data for this subject is the Survey of Career Colleges which was undertaken for OACC specifically for the purpose of this paper. Because of the low response rate and the generally low level of data available about the sector, generalizing sector-wide data from the responses received is difficult because it is hard to know how representative our sample was.

There are data points collected in this sample against which it is possible to compare our sample with the full system, based on data gathered by the PCCC. These points are: total institutional locations, finances and students. In all cases, we know what percentage of an actual system-wide total was obtained through the survey. The difficulty is that scaling the data upwards to match each of these three points results in substantially different values.

For instance, if we scale up based on the proportion of institutional locations responding, we obtain an estimate of 14,583 employees in the sector as a whole. If we scale up based on reported revenue, we get an estimate of 12,022, and if we scale up on based on reported enrolments, we get 9527. There is no way to tell which of these estimates is correct. However, it seems prudent to expect that the figure lies somewhere near the middle of these three estimates. The average of these three estimates is just over 12,000, which would seem to be a reasonable figure upon which to settle as a global estimate of employment, albeit with a significant margin of uncertainty.

Figure 1 – Distribution of Employment by Status and Type



Of the staff members reported by the survey, roughly 63% were instructional staff, 28% were administrative staff and 9% were listed as “other”. However, this hides some significant differences by full-time and part-time status (full-time here being defined as being more than 25 hours per week). Overall, the data implies a very low student-staff ratio. Given that most programs in the sector of short duration, the RICC figure of 62,500 on 1 August 2011 is almost certainly an underestimate in terms of total students. But if we take the RICC figure as a denominator, the ratio of students to instructors is about 8 to 1, which implies relatively individualized instruction.

c. Taxes Paid

Another area covered by the survey of Ontario Career Colleges was taxes paid. Individual institutions were asked a variety of questions about the taxes they either paid or withheld – property taxes, corporate taxes, HST, and employer payroll. For exactly the same reasons described in the section on staff numbers, there are a number of ways to estimate total taxes paid. Table 4, below, shows the various possible estimates as well as the “blended” estimate which we believe to be the most reasonable single estimate of taxes paid by the sector.

Table 4 – Survey-based estimates of taxes paid by Ontario PCC sector (in \$ Millions)

	Location-scaled Estimates	Revenue-scaled estimate	Enrolment-scaled estimate	Blended Estimate
Property Taxes	27.8	22.9	18.2	23.0
Corporate / Business taxes	15.7	13	10.3	13
Net HST	23.2	19.1	15.1	19.1
Employer Payroll Taxes	51.8	42.7	33.8	42.8
Aggregate Taxes Contributed	113.1	93.3	73.9	93.4

4. Total Cost to Taxpayers of Career Colleges

According to the RICC data cited above in section 2, total funding from government sources (excluding OSAP) were \$150,485,372 in 2010, mostly through Employment Ontario programs and WSIB programs. In addition to this are funds related to various forms of student assistance, which are detailed below.

Loans

In 2010, OSAP provided loans to 9,679 students in career colleges. Collectively, these students borrowed just over \$67 Million, meaning that the average amount borrowed was \$7,054. Since this is substantially above the provincial limit for borrowing for single students (\$4760 for a 34-week program), it follows that a substantial proportion of student borrowers from this sector are either married or have children. In addition to this provincial borrowing would be borrowing from the Canada Student Loans Program. Data is unavailable on this program, but it would be reasonable to assume a roughly similar loan volume.

The costs of lending this come from three sources. The first is defaults. The most recent figures suggest that borrowers from the Career College sector default at a rate of about 13%. The government of Ontario does not release the value of defaults by sector, but assuming that defaulted loans are no different from average, that implies that the default cost of these loans will be 8.71 Million (though in fact some of these loans may already have been forgiven via OSOG). In addition, there are the carrying costs of the loan while the student is in school. Because PCC programs are so short, these are very small. Assuming i) a one-year loan period and ii) carrying costs equal to the latest provincial bond issue (3.34%), the costs for the 2012 loan cohort would be roughly \$2.23 Million. At the federal level, assuming similar repayment rates, the default cost would be roughly the same, but the loan carrying costs would be about half of the provincial ones due to the much lower borrowing costs.

Grants

There was no data available on the most important source of grants, OSOG. With respect to other grants, the total amount delivered was \$670,000.

Tax Credits

Part of government expenditure on public colleges comes in the form of tax breaks to students. Students are entitled to two significant types of tax credits: *tuition tax credits* that provide relief based on the amount of tuition paid, and *education and textbook amounts* that provide credits based on the number of months of study and whether these months were full-time or part-time. While the amount of tax expenditures that go to college students specifically as a result of these programs is not available

from government sources, it is possible to obtain a good estimate of this amount using publicly available information.

21% of the value of tuition (15% federal and 6% provincial) is returned to students via the tuition tax credit, as is 15% of \$465/month of full-time study (via the federal education amount and textbook tax credits) and 6% of \$484/month of study (via the provincial education amount credit). Unfortunately, we do not know how much of the \$185 million in non-government vocational revenues collected sector-wide were actually tuition fees paid by individuals (as opposed to by employers). Assuming they all were, it would imply a provincial tax expenditure for the tuition tax credit of about \$9.25 million, and a federal one of about \$29 million. The costs of the education amount credits would likely be somewhat less than this, in the region of \$10 million at the provincial level and \$26 million federally.

Table 5 combines all of the preceding data into a single global estimate of costs. Note that this is likely a significant underreporting due to the absence of data on the Ontario Student Opportunity Grant.

Table 5 – Costs of Various Government Subsidies

Item	Cost
Direct expenditures	\$150.5 Million
OSAP Loans and Grants (ex-OSOG)	\$11.7 Million
Provincial Tax Credit Costs (maximum)	\$19.25 Million
Sub-total Provincial	\$181.45 Million
Federal Loan Costs	\$10 Million
Federal Tax Credit Costs	\$57 Million
Sub-total Federal	\$67 Million
Total Government Costs	\$248.45 Million

5. Career Colleges vs. Community Colleges – Comparing Costs to Taxpayers

Having calculated public subsidies to the Career College sector, it is instructive to calculate the subsidies given to community college and compare the two. For the sake of comparability, we have excluded some data from the Community College totals, where comparable data for the Career College Sector does not exist.

Direct Expenditures

In 2009-2010, the most recent year for which data is available, total direct grants to public colleges in Ontario from all provincial and municipal sources amounted to \$1,702,726,000. Table 6 presents the breakdown of funding of Ontario colleges by level of government.

Table 6 – Funding by level of government

Level of Government	Amount
Provincial	\$1,664,013,000
Municipal	\$5,558,000
Total	\$1,669,571,000

Source: Statistics Canada, Financial Information of Community Colleges and Vocational Schools (FINCOL)

Student Loans and Grants

Data from OSAP indicates that Ontario Public College Students were responsible for approximately \$3.6 million in Class A interest subsidy in 2010. Likely default costs, assuming the 2010 rate of 10.6% remains constant, and using the same imputation method as for public colleges, will be \$28.9 million. In addition, college students benefitted from \$33.6 million in Ontario Access Grants, \$1.2 Million in Ontario Distance Grants and just over \$10 million for the Textbook and Technology Grants. The total cost for Ontario Student Assistance is thus \$77,300,000. As with Career Colleges, these figures exclude costs related to the Ontario Student Opportunity Grant.

In addition to provincial expenditures, the federal government spends substantial amount of student financial aid. The amount of Canada Student Grants going to public college students annually can be estimated from the total value of Canada student grants disbursed and public post-secondary enrolment numbers, by assuming that the proportion of grants disbursed to college students is similar to the proportion of college students in the public post-secondary population. In 2008 32.6% of the Ontario public post-secondary population was enrolled at colleges, and \$370,745,021 was disbursed by the Canada Student Grant Program. The estimated amount spent on college students in this program is therefore \$120,722,228.

An additional cost of funding is the cost associated with providing federal loans. As with provincial loan amounts, this cost is due to interest subsidies, and loan defaults. Though we have no direct data from the Government of Canada on this, it is possible to construct a rough estimation of default costs simply by multiplying the provincial figures by 150% (federal and provincial aid is distributed on a 60-40 basis). This procedure results in an estimate of \$43.4 million. Loan carrying costs at the federal level are lower than those at the provincial level (roughly \$1.9 million) because of lower interest costs.

Total student aid expenditures on Ontario Community College Students is thus \$243,332,000.

Tax credits

Statistics Canada's Financial Information of Community Colleges and Vocational Schools survey tells us that that in 2009-2010, \$962,989,000 was collected by Ontario colleges as tuition revenue. The federal tuition tax credit rebates 15% of this amount, while the provincial credit rebates 5.05%. Assuming that all of this income is eligible for both Ontario and Federal tax credits, this results in \$193,079,000 of tuition tax credit relief, of which \$144.5 million is federal and the rest provincial.

From Statistics Canada, we also know that there were 161,631 full-time students and 54,909 part-time students enrolled in public colleges in Ontario in 2008, the most recent year for which data is available. Full time students are eligible for a federal tax credit equal to 15% of \$400 and a provincial tax credit equal to 5.05% of \$490, per month of study, while part-time students receive monthly tax credits of 15% of \$120 and 5.05% of \$147 from the federal and provincial governments, respectively. Assuming that these students were enrolled on average for eight months in the year, the total money spent by both levels of government on this education tax credit is \$120,747,000.

The total cost of tuition and education tax credit amounts for Community College students is therefore estimated at \$313,826,000.

Comparing Costs By Sector

Adding all of the above costs – the cost of providing student aid, the cost of grants to public colleges, and the cost of tax subsidies - produces a total annual cost to the public of \$2,226,719,900. In comparison, as we saw in the previous chapter, costs of Career Colleges to taxpayers was \$207,450,000 million, or about one-eleventh of those in the public sector.

Assuming subsidies per student are relatively static from year to year, a very rough “public subsidy per graduate” estimate can be made simply by dividing total annual subsidies by the number of graduates produced. Doing this calculation provides a figure of \$35,443 for graduates of public colleges and \$3,702 for Career Colleges (again, minus the Ontario Student Opportunity Grant, which would increase the figure slightly), a ratio of a little over 9.5-to-1.

However, this is obviously a skewed comparison because of the difference in program lengths across the two sectors. The best way to correct for this and directly compare rates of subsidy is to compare the subsidy per month of study, which requires dividing these two figures by the length of the various programs graduates attend.

Among Career Colleges, we can determine this length simply by looking at the results of the Survey of Canadian Career College Students. Although data for program length was captured as an interval variable, imputing the mid-point of each interval (e.g. for 0-3 months, 1.5 months is imputed) allows a rough estimate of program-length to be made. In this case, the length is 9.2 months. For Community Colleges, length of program can be derived by taking the number of graduates of certificates, diplomas, advanced diplomas and degrees, multiplying each by the normal length of programs and dividing by the total number of credentials awarded. This method provides an average program length of 15.4 months.³

Plugging this data into the equation, we arrive at an adjusted “monthly subsidy per graduate” figure of \$410 per Career College graduate and \$2,301 per Community College graduate. This implies that the adjusted subsidy per graduate in the Career College Sector is about 18% of the subsidy in the Community College sector.

Note that these comparisons are for operating expenses only. Capital expenses are somewhat tricky to include because they can fluctuate significantly over time. In Ontario, over the six fiscal years from 2006-07 and 2011-12, the average amount given to colleges in capital grants was just under \$94 million; however, this disguises an enormous amount of variation as the figure ranged in this period from \$13 Million to \$206 Million.

³ We believe it likely that this method understates the difference in true program length between the two sectors, as it does not account for students in Community Colleges taking longer than expected to graduate. As a result, the estimate of subsidy per month of study for Community Colleges is slightly on the high side.

6. Growth Areas / Occupation Needs

There are a number of new and emerging occupations and industries expected to experience growth within the next few years in Ontario and across Canada, and these offer some insight into the kinds of programs that Career Colleges may in future wish to deliver.

Ontario Job Futures have highlighted the background education and training necessary to contribute to Ontario's future employment growth between 2008 and 2013. The most promising job opportunities are occupations in management, which can account for 9% of new work, especially for managers in healthcare and computer and information system sectors. 26% of projected increased employment can be attributed to occupations requiring university degrees, especially in the health care (general and specialist physicians, physiotherapists, occupational therapists, pharmacists and nurses) and engineering sector (software and civil engineers), as well as social workers and information systems analysts and consultants. College or apprenticeship requirements will contribute to 35% of new work, including training and expertise from paralegals, user support technicians, dental hygienists and therapists, early childhood educators, electricians (except industrial and power system), chefs, plumbers, and mechanics in refrigeration and air conditioning. Occupations requiring a high school and/or occupational specific training are expected to account for 22% of new jobs, many of which include informational customer service clerks, food and beverage servers, truck drivers, and heavy equipment operators. Finally, only 8% of new jobs can be ascribed to high school or short-term job related training.

Developed by Human Resources and Skills Development Canada (HRSDC) is **The Canadian Occupational Projection System (COPS)** which aims to identify and highlight 140 occupational trends in future labour supply and demand across a ten-year period from 2011 to 2020. It provides summary accounts on the occupations and jobs that may face potential shortage or surplus by assessing the expansion of job opportunities and demand for prospect workers.

Occupations with the lowest growth and expansion demand are Machine Operators and Related Workers in Fabric, Fur And Leather (-781%) and Textile Processing (-227%), followed by Other Assembly And Related Occupations who work with Fabric, Furniture, Plastics and Wood materials and products (-55%). In contrast, occupations with a significant 62% and 61% growth are occupations in personal service (image and personal consulting, pet groomers and animal care workers, estheticians, and electrologists) and occupations in food and beverage service (including bartenders and wait-staff), respectively. These are areas in which Career Colleges are already providing many training programs. The other major areas of expected growth are Mine Service Workers and Operators in Oil And Gas Drilling (60%) and Underground Miners, Oil And Gas Drillers And Related Workers (59%). These kinds of programs might be more difficult for Career Colleges to deliver given the fact that they are significantly more capital intensive than most existing programs, but the need may be great enough that more providers in this area could appear.

In absolute terms, the highest number of expected job opportunities has been projected for administrative and regulatory occupations; Motor Vehicle And Transit Drivers; Cleaners; Paralegals;

Social Service workers; Auditors, Accountants And Investment Professionals; and healthcare paraprofessionals. Again, these are areas where many Career Colleges are well-established and can thus expect an increase in demand for their product.

A large number of job seekers will be Computer and Information Systems Professionals, Motor Vehicle and Transit Drivers and health care paraprofessionals. Conversely, an excess supply of workers will come from operators and supervisors from the logging and forestry industry, managers in protective service, and machine operators and workers in textile processing. All of these areas are therefore unlikely to see much new demand in the coming years.

7. Conclusions

Considering the data accumulated in this survey, five key points stand out as being worth emphasizing in terms of the benefits career colleges bring to Ontario.

- 1) Career Colleges have a solid system-wide graduation rate of slightly over 80%, comparable to or better than public community colleges.
- 2) The post-graduation employment rate is a solid 83.4%. What is particularly important, though, is the success career colleges have in moving people back into the labour force. Prior to starting at a college, 48% of students had jobs; afterwards, the figure is 78%. That means enormous savings to government in terms of reduced EI and social insurance payments.
- 3) Career Colleges employ roughly 12,000 staff. Figures are difficult to come by because of the constant circulation of students, but it would appear that the ratio of students to staff is approximately 8:1. This means career colleges are able to give their students very individualized attention.
- 4) Career Colleges are less dependent on the state than public ones. Less than half of total revenues come from government programs (all of which follow student demand), and the monthly public subsidy per graduate is less than 18% of what it is in Community Colleges.
- 5) The net annual cost to government of career colleges – excluding certain types of student aid for which figures were not available - would appear to be \$248 Million, 73% of which comes from the Government of Ontario. However, career colleges pay over \$90 million annually in business and payroll taxes, and their employees and graduates pay hundreds of millions in taxes and reduce welfare and EI costs by helping to bring people into the labour market.

Appendix A – Survey Instrument

Higher Education Strategy Associates: PCC Survey Instrument

Name of College	
Institution Website	

Name of Chief Contact	
Phone	
Email	

Section 1: Staff Characteristics 2011

For the following question, please provide details on staff employed at your institution at the end of 2011.

Table 1: Distribution of Staff by Type and Hours Worked

	Working less than 25 hours per week	Working 25 hours per week or more	Total
Instructional Staff			
Administrative Staff			
Other Staff			
All Staff			

Section 2: Student Completion Rates

Please provide details on the number of students attending your institution in the last three years.

Table 2: Enrolment, Graduation and Withdrawal Rates

	2008	2009	2010**
Students who <u>started</u> programs which began at any time in the calendar year			
Students who <u>graduated</u> from programs which began at any time in the calendar year			
Student who <u>withdrew</u> without graduating from programs that began at any time in the calendar year			
Average number of student contact hours per program			

*note = in all columns, row 2 + row 3 should = row 1

** Please exclude programs that started in 2010 and have not yet reached their completion date.

Section 3: Selected Financial Information

In order to demonstrate the contribution made by Private Career Colleges to the provincial economy, we are asking institutions for data regarding certain aspects of their income and expenditures.

For the following questions, please provide details on aggregate staff expenses for the calendar year 2011, or – if your financial year is not the calendar year – the financial period which ended in 2011.

Table 3: Aggregate Remuneration by Staff Type

	Total
Instructional Staff	\$
Administrative Staff (excluding ownership bonuses)	\$
Other Staff	\$
All Staff	\$

Table 4: Other Expenditures

Item	Amount
Marketing Expenses	\$
Total Operating Expenditures (excluding salaries)	\$
Total Capital Investments (include construction, acquisitions of major equipment and furniture, major renovations and alterations, space rental and buildings, land and land improvements).	\$

Table 5: Income

Item	Amount
Self-funded students	\$
OSAP	\$
Employment Ontario	\$
Government of Canada	\$
WSIB	\$
Exclusively Employers (contract training)	\$
Exclusively Aboriginal Band Councils	\$
Other	\$

Section 4: Taxes

In order to demonstrate the economic contribution of Private Career Colleges to federal and provincial treasuries, we are asking institutions to provide estimates of their annual taxes paid for the most recent year available.

Table 6: Taxes Paid

Item	Amount
Property Taxes	\$
Corporate / Business taxes	\$
Net HST (i.e. HST paid minus credits)	\$
Employer Payroll Taxes (CPP contribution, EI contribution, EHT)	\$

If possible, we would also like to be able to report information on the income and payroll taxes paid by staff employed by your institution.

Table 7: Aggregate Employee Income and Payroll Taxes Withheld

	Amount
All Staff	\$