

Investing in talent to drive a prosperous, inclusive and innovative Canadian economy

Universities Canada's Budget 2019 submission to the
House of Commons Standing Committee on Finance



Recommendation 1

Invest in hands-on learning by:

- expanding federal work-integrated learning programs across sectors and disciplines with particular attention to underrepresented groups;
- increasing WIL funding to support employers offering meaningful WIL placements, with a focus on SMEs and companies new to WIL;
- leveraging existing federal programs and initiatives to reward companies participating in WIL;
- increasing public sector WIL placements; and
- renewing and enhancing the Canada Incubator and Accelerator Program to support applied student learning and entrepreneurship.

Recommendation 2

Invest in Indigenous postsecondary education access and success by:

- increasing direct financial support for First Nations, Inuit and Métis learners;
- supporting universities to enhance institutional programs and enabling partnerships that promote Indigenous student success throughout the postsecondary continuum; and
- expanding funding to Inspire to scale support for Indigenous learners across Canada through scholarships, bursaries and education programs.

Recommendation 3

Building on the Fundamental Science Review, invest in highly skilled research talent by:

- providing more individual scholarships and fellowships to at least match the rise in graduate student enrolment over the last decade;
- adjusting the value of all awards and harmonizing award value across the granting councils;
- eliminating restrictions on international portability of awards to Canadians; and
- growing the pipeline of graduate students by expanding the Undergraduate Student Research Awards to other councils.

Recommendation 4

Invest in a new national initiative, *Go Global Canada*, to support 15,000 Canadian postsecondary students per year going abroad within five years, rising to 30,000 per year within 10 years.

Recommendation 5

Support state-of-the-art research and training by providing significant, multi-year increases to the Research Support Fund, building on FSR recommendations.



Building a prosperous, competitive and inclusive future means mobilizing the talent and skills of all Canadians. Canada's universities are well-positioned to help make this happen.

Technological advances and automation will drastically alter the labour market for today's students. The good news is, a university experience equips students to succeed in a rapidly changing global economy.

As countries increasingly turn inward, Canada needs to maximize our trade agreements, sign new ones and help Canadian businesses – large and small – and young entrepreneurs succeed. Doing so is about investing in talent: equipping students with global competencies – the kind gained through international study experiences – and hands-on learning. Today's students will solve global challenges and grow our businesses in international markets, mobilizing our best export: Canadian ideas.

Canada's universities look forward to working with all Parliamentarians to enhance the country's productivity and competitiveness, and welcome the Standing Committee on Finance's consultation on this theme.

Strategic investments in all students are needed to ensure Canadians are equipped to achieve their potential in our shifting global economy.

As David McKay, CEO of RBC said in Montreal this spring, "We need to give (youth) new assets like lifelong learning, digital infrastructure and world markets...It's critical to get this right, because to be blunt – we're at risk of losing our competitive edge."

Universities Canada's Budget 2019 Finance Committee submission recommends investment in two areas pivotal to Canada's competitiveness:

- Student-oriented and future skills supports; and
- State-of-the-art research and training environments.

Investing in future skills gives Canada a competitive edge

The Advisory Council on Economic Growth's report *Learning Nation: Equipping Canada's workforce with skills for the future* emphatically argued that investments in skills training will build a Canadian economy that thrives in the face of automation and digitization. The rise of automation and new global trade opportunities mean Canada must put a premium on developing people-to-people connections and 'human skills' – like critical thinking, problem solving, and social and emotional intelligence. These are precisely the skills acquired at Canada's universities.

Today, 1.7 million students are enrolled in Canadian universities, including an estimated 400,000 in continuing education programs. University graduates are at lower risk of career displacement because of automation than those with other levels of education and have more opportunities to adapt to automation when it arises. As the nature of work changes, universities are pursuing innovative approaches to career preparation, including upskilling or reskilling for students at later career stages.



Investing in hands-on opportunities for career-ready graduates

Education, private sector and student stakeholders agree: investment in work-integrated learning provides students with the skills needed to build Canada's economy. The Canadian Alliance of Student Association's recent Abacus student survey found paid work placements related to a student's field of study are the best form of experience to get a good job upon graduation.

Today, more than 56% of Canada's undergraduate university students participate in hands-on learning experiences through paid co-ops and internships, research projects and service learning. Incubators and accelerators also support applied student learning.

But we need to do more. Universities Canada supports the call by the Business Higher Education Roundtable that 100% of postsecondary students have access to WIL.

The federal government has an important role in supporting this goal. While investments in MITACs and the Student Work Integrated Learning Program (SWILP) are important steps, SWILP is currently limited to students studying science, technology, engineering, math and business. Fifty percent of undergraduate students are in social sciences and humanities. Canada cannot afford to leave half of its talent behind. Although SWILP provides extra incentives for employers to recruit underrepresented groups, they remain less likely to enroll in STEM programs at a significant rate. Expanding SWILP to include all disciplines – and the non-profit sector – will mean more students from underrepresented groups, independent of area of study, have an opportunity to benefit from the program.

Further, Canadian business is falling behind international competitors in higher education partnerships. Budget 2019 should incentivize business – particularly small- and medium-sized businesses – to partner with PSE institutions to provide WIL placements, and leverage federal programs to create WIL opportunities, including within the public sector. These partnerships can also serve to help boost SME capacity and networks to export overseas.

Investing in Indigenous student access and success

A vital part of Canada's inclusion imperative for sustained global competitiveness is a new relationship with Indigenous peoples. As our fastest-growing demographic, partnering with Indigenous peoples to achieve meaningful participation within the Canadian economy is critical, and investments in Indigenous learners' education have the potential to benefit entire communities and the country for generations.

Indigenous learners increasingly seek postsecondary opportunities – 49% of those aged 25-64 now have postsecondary education. Compared with the non-Indigenous population, however, a significant gap remains, particularly in university education: only 10.9% of Indigenous peoples versus 29.3% of the non-Indigenous population aged 25-64 have a university degree.

Universities Canada contributed to the Department of Indigenous Services' Comprehensive Review of Supports for Indigenous Postsecondary Education, mandated in Budget 2018. Following the review's outcomes, Budget 2019 investments in Indigenous PSE through direct student financial support, enhanced institutional programs and expanded funding to Indspire will be critical.



Developing highly skilled talent

Increased investments in research awards for students are vital as Canada seeks to grow the pipeline of diverse, highly qualified personnel available in Canada's research and innovation enterprise, strengthening Canada's global competitiveness.

Through graduate scholarships and fellowships, next-generation research trainees connect with researchers around the world; develop leadership, teamwork and project management skills; and refine the ability to effectively communicate their research. Investments in graduate research also build excellent entrepreneurial skills: according to a recent Start-up Canada survey, 24% of Canadian entrepreneurs have a graduate degree. With one-third of Canadian PhD holders bound for academia and two-thirds moving into the broader economy, Canada needs to ramp up investment in awards to develop this highly qualified talent pool.

Budget 2018's significant, multi-year investments in fundamental research were roundly welcomed by Canada's universities. A priority for Budget 2019 is following through on the Budget 2018-mandated awards program review and the FSR recommendations by investing in graduate scholarships and fellowships. Currently, the number of awards has not kept pace with rising graduate student enrolment, the value of many has not increased in recent years, and restrictions on international portability dissuade international research collaboration.

Investing in the *Go Global Canada* initiative

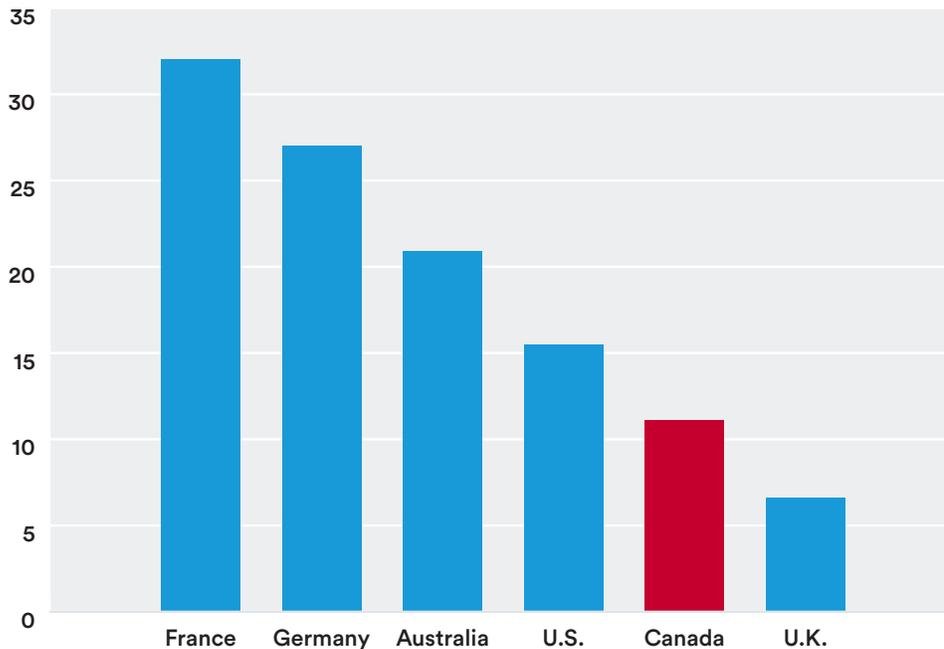
At a time of closing borders and closing minds, international opportunities for Canadian students are not optional, but essential. In addition to greater cultural awareness, international mobility equips students with essential skills employers seek in an increasingly global marketplace: problem-solving, communication, resilience and adaptability. This is the urgent message of the landmark report, *Global Education for Canadians*, endorsed by the Advisory Panel for Economic Growth, which argues: "If Canada is to compete in an increasingly interconnected and fast-changing world, our next generation of leaders will need the experience and connections to operate internationally." Developing globally skilled talent will support greater global engagement by Canadian SMEs, as young entrepreneurs and new hires leverage their international networks and relationships for business growth.

Equally important is the role of international student mobility as a social and economic equalizer, creating significant economic opportunities for students from less-advantaged groups. Not only does global education improve academic outcomes, it leads to higher employment rates after graduation – and those benefits are most significant for students from less-advantaged backgrounds. Given these impacts, tailoring investments in international mobility to respond to unique needs of students from underrepresented groups is critical.

The European Union, Australia and the United States have invested in international mobility, setting aggressive targets within their international mobility strategies. Canada has no action plan for student mobility and our success lags key competitors. **Only 11%** of Canadian students – primarily those who can afford it – have an international learning experience during their undergraduate degree. Further, although the balance of global economic growth – and related trade opportunities – is shifting, Canadian students largely continue to choose traditional destinations such as the United Kingdom and Europe for international study. To support diversifying our trade links, Canada should encourage more students to study abroad, and more to go to the world's fastest growing economies.



PERCENTAGE OF UNDERGRADUATE STUDENTS WHO STUDY ABROAD DURING THEIR DEGREE



Source: Study Group on Global Education (2017)

To equip young Canadians to compete with global peers and build valuable international networks, Canada should, as called for in *Global Education for Canadians*, set a goal of ensuring 25% of all postsecondary students go abroad, and invest in a new national initiative, *Go Global Canada*.

Investing in state-of-the-art research and training environments

Canada's universities appreciated Budget 2018's investments in fundamental research and research talent, including investments in the Research Support Fund (RSF). Building on these investments, additional support for the institutional costs of research in Budget 2019 will maximize existing and new funding for research talent, and strengthen the learning and discovery environment for students and early-career researchers across Canada. Today, 50% of students work alongside leading-edge researchers during their undergraduate degree. RSF investments go to hiring talented lab directors and technicians, and allowing students and researchers to work in state-of-the-art, modern research and training facilities. These investments also help mobilize discoveries from the lab to the marketplace.



The Fundamental Science Review laid out a clear and compelling case for increased investment in the RSF: if research and innovation are the heart of Canada's ability to differentiate itself in a competitive global economy, investments covering the full costs of research will allow Canada's universities to compete internationally.

Conclusion

At a time of unprecedented global change, Canada needs strategic investments in future skills and global competencies for young people. As RBC's *Humans Wanted* report explains, the skills economy of the future is "a mobile, skilled workforce, constantly learning, training and upgrading to meet the demands of a changing world."

A deliberate emphasis on investments in inclusive and global experiential learning, Indigenous student success, as well as next generation research talent, and a state-of-the-art research and training environment will equip Canada to compete on the world stage.

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