



Issues, Impacts, & Institutional Responses

**HOW CANADIAN POSTSECONDARY
PROFESSIONALS NAVIGATED 2024**

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March 2025

ACKNOWLEDGEMENTS

Academica's office is located on the traditional territory of the Anishinaabeg, Chonnonton/Attawandaron, Haudenosaunee, and Lenape peoples. This land is part of the McKee Treaty of 1790 and the Dish with One Spoon Covenant Wampum. The region continues to be home to many diverse Indigenous Peoples, including the Deshkan Zibiin (Chippewas of the Thames), Oneida Nation of the Thames, and Nalahii Lunaapewaak (Munsee-Delaware Nation)—sovereign nations with longstanding relationships to this land. We are deeply grateful for the opportunity to work on these lands and are committed to actively seeking ways to deepen our understanding and strengthen our relationships with Indigenous communities.

Academica acknowledges and celebrates the diversity of postsecondary communities in Canada and recognizes the contributions of members of diverse communities. We are committed to inclusive research with sensitivity to the needs of equity-deserving groups such as those of racially and culturally diverse backgrounds, the LGBTQ2S+ community, and persons with disabilities. Our research team strives to reduce barriers to research participation and to ensure accessibility for all participants. We believe that genuine inclusivity within our research is foundational to its integrity and impact, enhancing its relevance to each member of the postsecondary community.

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Executive Summary

The Canadian postsecondary sector was forced to respond to significant disruptions throughout 2024. To better understand these issues and the responses being undertaken in response, Academica Group embarked on a national study of university, college and polytechnic leaders and decision makers from across Canada.

Through online surveys and one-on-one interviews, the sector resoundingly indicated the impact of government decisions around international student visas and the resultant impact to institutions' budgets dominated decision makers' responses. Decision makers candidly shared both challenges and opportunities faced by their respective institutions.

The data gathered in the survey and the follow-up interviews are presented in this summary report. National, regional and provincial patterns are presented illustrating the issues impacting the sector, and how the sector is responding. With many approaches following traditional responses of fiscal constraint, other approaches are more significant and consequential as the range of responses must address fiscal changes from a few hundred thousand dollars to nine-figure in-year impacts to budgets. Other institutions are investing heavily in strategies they believe will help provide short-term stability and long-term sustainability to their operations. The institutional responses to the issues affecting the sector are as varied as the institutions themselves.

The following report provides a glimpse into the sector from the perspective on the decision makers within their own institutions as they perceive and respond to the issues before them.

Project Summary

BACKGROUND

The Canadian postsecondary sector witnessed significant disruptions in 2024. Leaders contended with the Immigration, Refugee and Citizenship Canada's (IRCC) policy changes and international student cap; student housing issues; the precarity of postsecondary instruction; and much more. Postsecondary institutions have seen a number of shifts to which it has had to respond, sometimes quickly, to sustain its ability to meet learner and societal expectations.

Each institution has a different risk exposure related to these, and other, issues affecting the higher education sector.

Academica endeavoured to understand what issues were affecting the sector; the impact of these issues on institutions; and the responses that universities, colleges and polytechnics in Canada were taking to address those issues. Through surveys and interviews, we connected with colleagues to discuss these issues and hold an open discussion informed by the sector itself on the issues, impacts and responses at an institutional and departmental/portfolio level. This work uncovered several broad themes and shared experiences, which are presented in this report.

APPROACH & METHOD

This project consisted of an online survey and one-on-one interviews with members of the postsecondary sector.

ONLINE SURVEY

INSTRUMENT DEVELOPMENT

To ensure that outreach was informed with the trends and issues impacting the sector, preliminary topical research drawing on a variety of news sources was conducted to discern issues affecting the sector. The sources included the year's Academica Top Ten news archive, the Academica Forum, University Affairs, the Times Higher Education News, Universities Canada, Colleges and Institutes Canada, and Polytechnics Canada to discern issues affecting the sector. We reviewed over 1,200 individual news stories and reports and identified the most common, recurring issues that affected the sector over 12 months. These identified issues were then clustered for the survey.

In the survey, institutional decision makers were asked to select the top five (5) issues impacting the postsecondary education sector, the top (1) issue affecting their institution, and the five (5) means they are using to address those issues. With the ability to add open text responses to both the issues and the means to address the issues, the survey was both structured and open to ensure respondents had the greatest opportunity to participate in the survey and respond to their unique

circumstances if they did not align to national/global themes. Decision makers were also provided with the option to opt-in to a follow-up interview (See: Interviews).

ADMINISTRATION

Academica connects with over 30,000 members of the postsecondary sector on regular basis through its newsletters, research reports, and other publications. This allows us to connect to decision makers and direction-setters across Canada’s higher education sector.

Using this database of contacts, we identified and reached out to higher education decision makers to elicit their feedback on the issues most impacting their institutions. These contacts were defined as those in decision-making roles (deans/directors and above) at a Canadian postsecondary institution who had opted in to contact for research. The survey was conducted online from October 28 to November 8, 2024. From the 6,102 contacts invited to the survey, 699 respondents completed the survey in full – a participation rate of 11.5%.

INTERVIEWS

Interviews with those decision makers who indicated they were willing to engage in a confidential discussion and provide additional details and insights were conducted from November 8 to 29, 2024. Of the 165 individuals who indicated a willingness to participate in a follow-up conversation, 75 individuals booked a follow-up time and date with Academica (45.4%).

In the interview, respondents could engage in a further conversation with Academica to confidentially discuss how their institution was responding to the issues and provide more detail and context to their survey response(s). The respondents were invited to provide examples of what was being undertaken in their institution and specifically within their unit/department with the intent of identifying and sharing ‘best practices’ from within and across the sector so we may help each other through these challenging times.

As Academica respects the trust-based relationships we have with the country’s academic decision makers and their institutions, our engagement with interview participants was undertaken with the caveat we would not divulge their name nor their institution in this report, but rather roll-up and aggregate responses into patterns or themes observed nationally, regionally, and/or provincially. The confidentiality of the process provided a venue for participants to fully engage and be as open and candid as they wished.¹

¹ As participants were provided a confidential and ‘safe’ environment whereby they could share information openly, and candidly, many of the conversations became cathartic as participants spoke of what was challenging them in

PARTICIPANT DEMOGRAPHICS

The surveys were distributed across the country, to institutions large and small to ensure ample representation reflective of the sector. Also, as institutions could be affected differentially depending on their size, and their size may influence the available resources to address or mitigate the issue(s) impacting their organization, the survey was administered with both geographic and institutional size considerations.

To ensure there was representation from across the country, Academica sent surveys to individuals in every province and territory. The geographic distribution of participants is noted below.

Table 1. Participation by Region

Province/Territory	Count	Percent
n-size	699	
Alberta	104	14.9%
British Columbia	123	17.6%
Manitoba	24	3.4%
New Brunswick	19	2.7%
Newfoundland & Labrador	7	1.0%
Northwest Territories	-	
Nova Scotia	29	4.1%
Nunavut	1	0.1%
Ontario	328	46.9%
Prince Edward Island	7	1.0%
Quebec	14	2.0%
Saskatchewan	38	5.4%
Yukon	1	0.1%
Not Recorded	4	0.6%

addressing the issues. Many spoke highly of their institutions and how they were responding, as best they could, to very fluid circumstances. Some participants humorously called the follow-up interview “an academic therapy session” where they could speak frankly about their challenges without judgement and to an attentive ear. To all participants, for your candour, your honesty, and your openness, from all of us at Academica – thank you for the trust you placed in us by sharing so freely.

To establish if there were any patterns in the issues or in the responses to the issues by institution type, Academica surveyed both university and college/polytechnic decision makers. Approximately two-thirds of respondents came from universities, and one-third came from colleges and polytechnics. The “other” category represented national associations and/or industry sector groups. The “other” category represented 0.7% (5 cases) in the total number of responses. None of these respondents participated in the follow-up conversations.

Table 2. Participation by Institution Type

Institutional Type	Count	Percentage
n-size	699	
University	456	65.2%
College / Polytechnic	238	34.0%
Other	5	0.7%

Similarly, departments or operational units may have a different degree of exposure to the issues impacting their organization or, due to their function, may see the issues differently from one department to the next. For example, Student Services and/or Residence Operations may see the issue of student housing in a manner/perspective similar to that of Facilities Management, whereas the Library may see the same issue differently. Thus, the survey reached out to various decision makers within institutions to gain a more fulsome understanding of what issues were seen as impactful to the sector based on their perspective from within the organization as an operational unit decision maker.

Operational unit affiliation and role/title are outlined in the tables below: Both tables are presented in the first column alphabetically for ease of reading and are re-sorted based on rank order in the fourth column for numerical presentation.

Table 3. Departmental/Operational Unit Affiliation

Organizational Unit, Alphabetical	#	%	Organizational Unit, Ranked	#	%
n-size	699		n-size	699	
Academic Department / Faculty / School	7	1.0%	Director	198	28.3 %
Assistant / Associate Dean	30	4.3%	Manager	120	17.2 %
Assistant / Associate Registrar	16	2.3%	Assistant / Associate VP	55	7.9%
Assistant / Associate VP	55	7.9%	Vice-President / Provost	50	7.2%
Board member	1	0.1%	Dean	47	6.7%
Chair (program/department)	14	2.0%	Professor	41	5.9%
Communications / Marketing	4	0.6%	Registrar	31	4.4%
Continuing Education	2	0.3%	Assistant / Associate Dean	30	4.3%
Dean	47	6.7%	President	20	2.9%
Director	198	28.3%	Assistant / Associate Registrar	16	2.3%
Facilities	3	0.4%	Chair (program/department)	14	2.0%
Health & Wellness	2	0.3%	Academic Department / Faculty / School	7	1.0%
Institutional Research	2	0.3%	Communications / Marketing	4	0.6%
International	1	0.1%	Registrar's Office	4	0.6%
Library / Learning Commons	1	0.1%	Facilities	3	0.4%
Manager	120	17.2%	Continuing Education	2	0.3%
President	20	2.9%	Health & Wellness	2	0.3%
Professor	41	5.9%	Institutional Research	2	0.3%
Registrar	31	4.4%	Student Services	2	0.3%
Registrar's Office	4	0.6%	Board member	1	0.1%
Student Services	2	0.3%	International	1	0.1%
Vice-President/Provost	50	7.2%	Library / Learning Commons	1	0.1%
Other	48	6.9%	Other	48	6.9%

Figure 1. Departmental/Operational Unit Affiliation

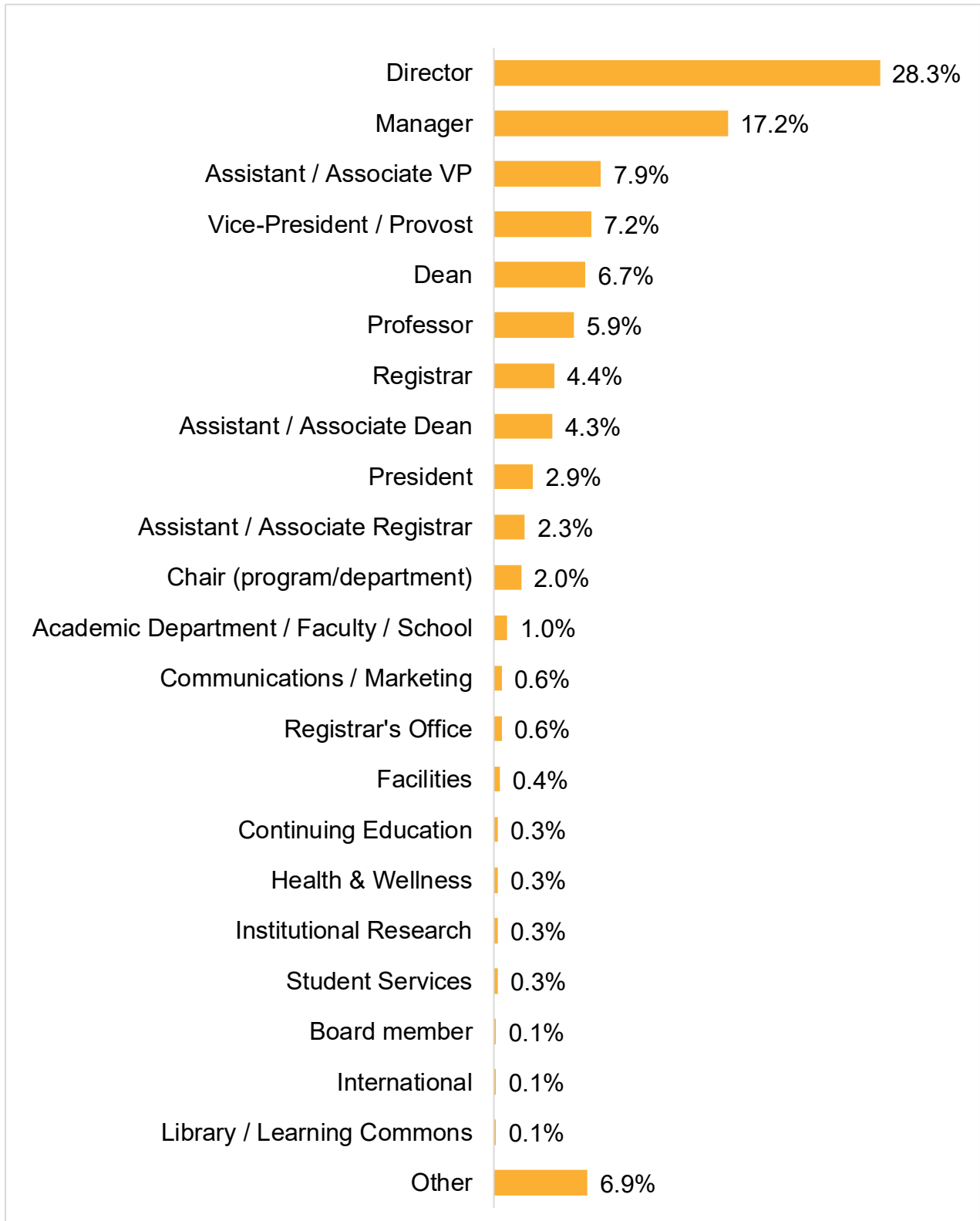
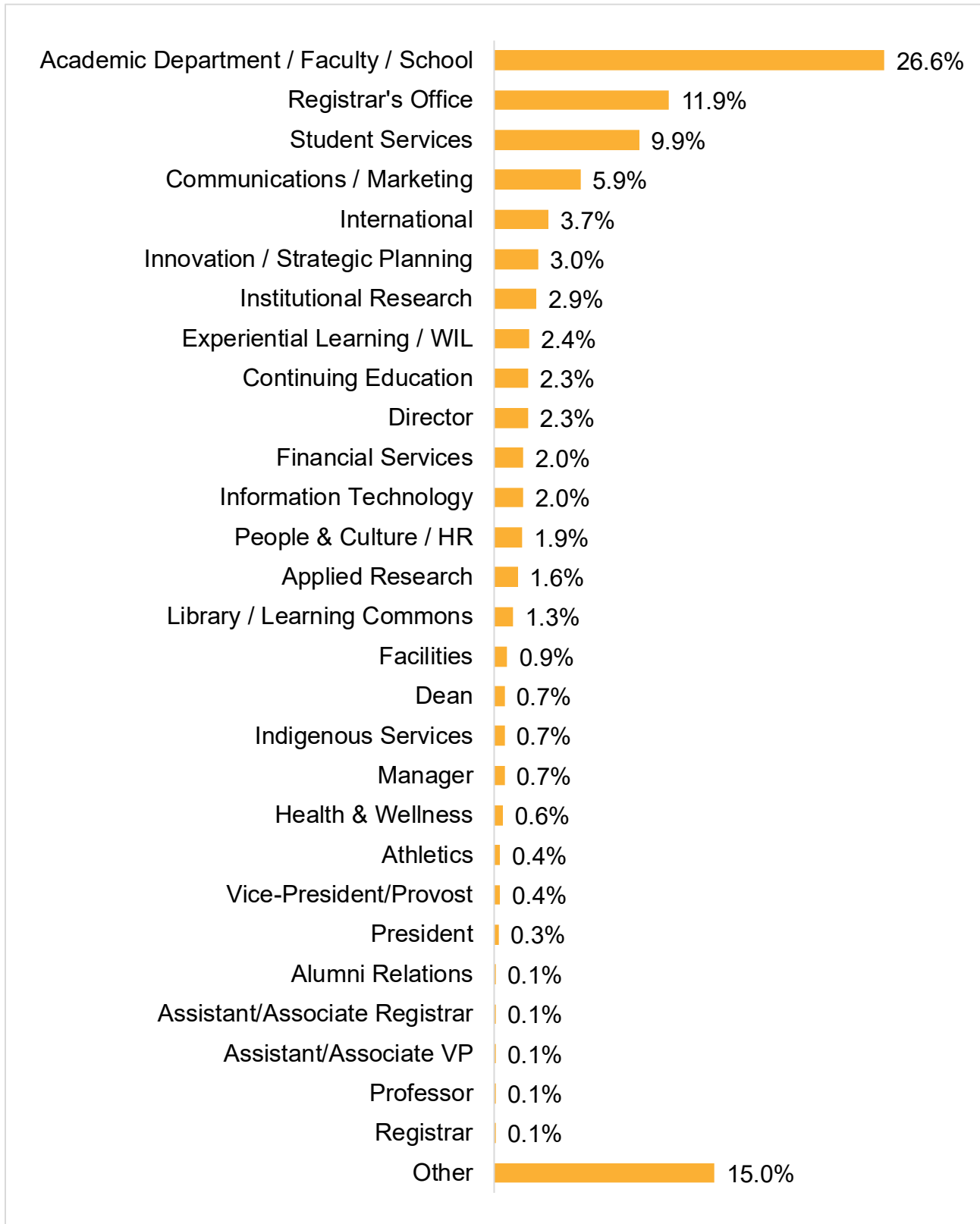


Table 4. Role Participation

Role, Alphabetical	#	%	Role, Ranked	#	%
n-size	699		n-size	699	
Academic Department / Faculty / School	186	26.6%	Academic Department / Faculty / School	186	26.6%
Alumni Relations	1	0.1%	Registrar's Office	83	11.9%
Applied Research	11	1.6%	Student Services	69	9.9%
Assistant / Associate Registrar	1	0.1%	Communications / Marketing	41	5.9%
Assistant / Associate VP	1	0.1%	International	26	3.7%
Athletics	3	0.4%	Innovation / Strategic Planning	21	3.0%
Communications / Marketing	41	5.9%	Institutional Research	20	2.9%
Continuing Education	16	2.3%	Experiential Learning / WIL	17	2.4%
Dean	5	0.7%	Continuing Education	16	2.3%
Director	16	2.3%	Director	16	2.3%
Experiential Learning / WIL	17	2.4%	Financial Services	14	2.0%
Facilities	6	0.9%	Information Technology	14	2.0%
Financial Services	14	2.0%	People & Culture / HR	13	1.9%
Health & Wellness	4	0.6%	Applied Research	11	1.6%
Indigenous Services	5	0.7%	Library / Learning Commons	9	1.3%
Information Technology	14	2.0%	Facilities	6	0.9%
Innovation / Strategic Planning	21	3.0%	Dean	5	0.7%
Institutional Research	20	2.9%	Indigenous Services	5	0.7%
International	26	3.7%	Manager	5	0.7%
Library / Learning Commons	9	1.3%	Health & Wellness	4	0.6%
Manager	5	0.7%	Athletics	3	0.4%
People & Culture / HR	13	1.9%	Vice-President / Provost	3	0.4%
President	2	0.3%	President	2	0.3%
Professor	1	0.1%	Alumni Relations	1	0.1%
Registrar	1	0.1%	Assistant / Associate Registrar	1	0.1%
Registrar's Office	83	11.9%	Assistant / Associate VP	1	0.1%
Student Services	69	9.9%	Professor	1	0.1%
Vice-President / Provost	3	0.4%	Registrar	1	0.1%
Other	105	15.0%	Other	105	15.0%

Figure 2. Role Participation



Research Findings

SURVEY RESULTS

A DEEPER LOOK AT THE ISSUES AFFECTING CANADIAN PSE

The information presented in Table 5 and Figure 3 shows that the greatest perceived impact to the higher education sector is financial pressure as exerted by reduced public funding, changing revenue sources, or general expenditure increases (selected by 86% of the 699 respondents). International student enrolment (81%) was a close second, followed by housing (43%), technological advancements (39%), and, in a tie for fifth place, changing learner expectations/needs and the declining public perception of higher education (38% each).

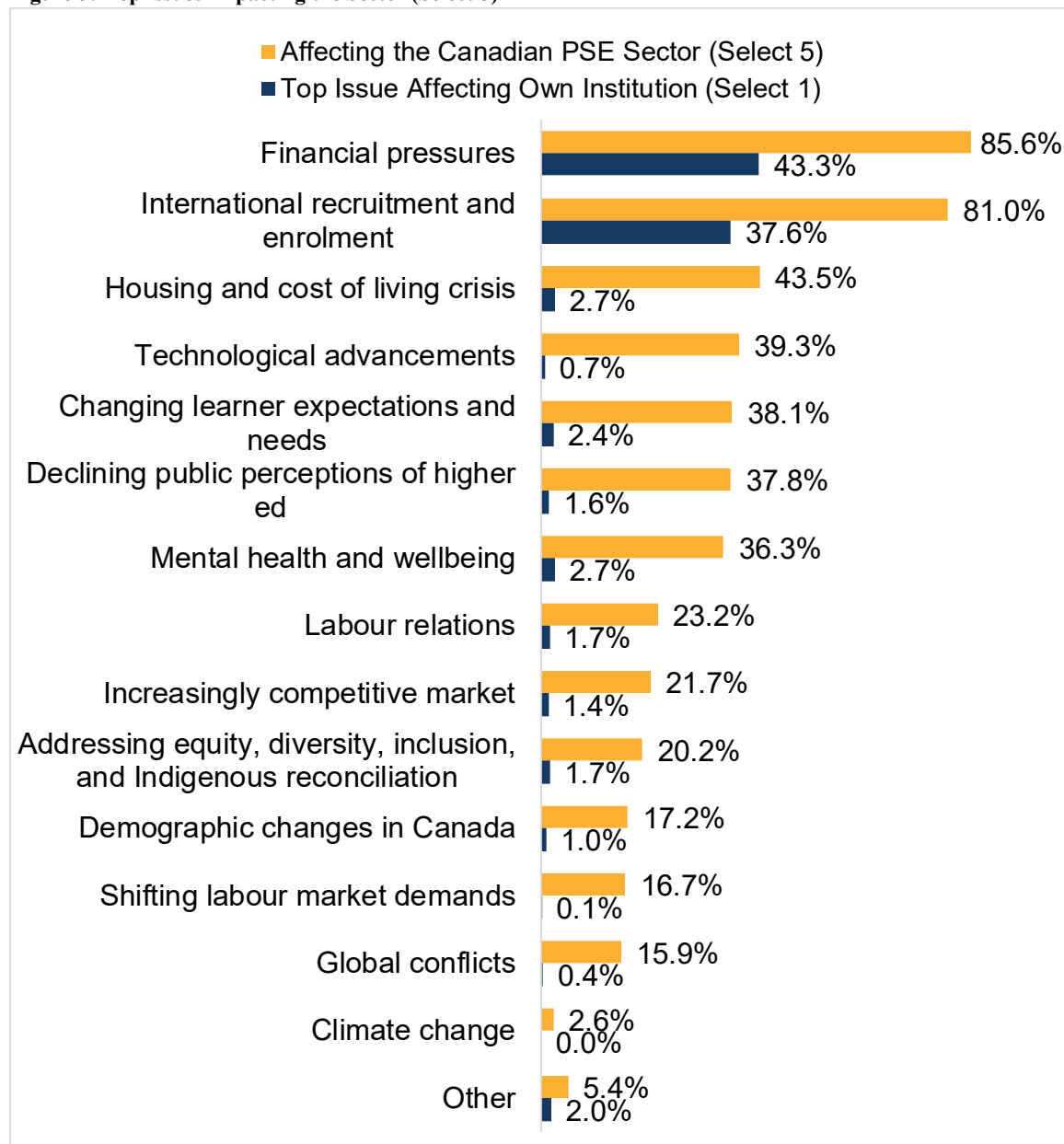
These top issues were perceived to impact the sector differently, depending on whether the respondent represented a university or a college/polytechnic. Universities placed financial pressure 2:1 over international student enrolment and recruitment as a top issue.

Colleges/polytechnics, on the other hand, held the international student issue as far more impactful than financial matters yet recognized within the context of their part of the sector that the two have become intrinsically linked. The loss of international student enrolments is creating financial pressure to a greater extent than within the university side of the sector, given colleges' heightened exposure to international student numbers as a percentage of total enrolment.

Table 5. Perceived Impact of Issues on Canadian Postsecondary Institutions and Sector

Issue	Affecting the Canadian PSE Sector		Top Issue affecting Own Institution		Delta to Overall Rank
	Percent	Rank	Greatest Impact on Institution	Rank	
n-size	699		699		
Financial pressures (e.g., reduced public funding, changing revenue sources)	85.6%	1	43.3%	1	0
International recruitment and enrolment (e.g. IRCC policy changes, market shifts)	81.0%	2	37.6%	2	0
Housing and cost of living crisis	43.5%	3	2.7%	3	0
Technological advancements (e.g., AI, automation)	39.3%	4	0.7%	12	-8
Changing learner expectations and needs	38.1%	5	2.4%	5	0
Declining public perceptions of higher ed	37.8%	6	1.6%	9	-3
Mental health and wellbeing	36.3%	7	2.7%	3	4
Labour relations (e.g. Strikes, worker precarity, recruitment challenges)	23.2%	8	1.7%	7	1
Increasingly competitive market	21.7%	9	1.4%	10	-1
Addressing equity, diversity, inclusion, and Indigenous reconciliation	20.2%	10	1.7%	7	3
Demographic changes in Canada	17.2%	11	1.0%	11	0
Shifting labour market demands	16.7%	12	0.1%	14	-2
Global conflicts	15.9%	13	0.4%	13	0
Climate change	2.6%	15	0.0%	14	1
Other	5.4%	14	2.0%	6	8

Figure 3: Top Issues Impacting the Sector (Select 5)



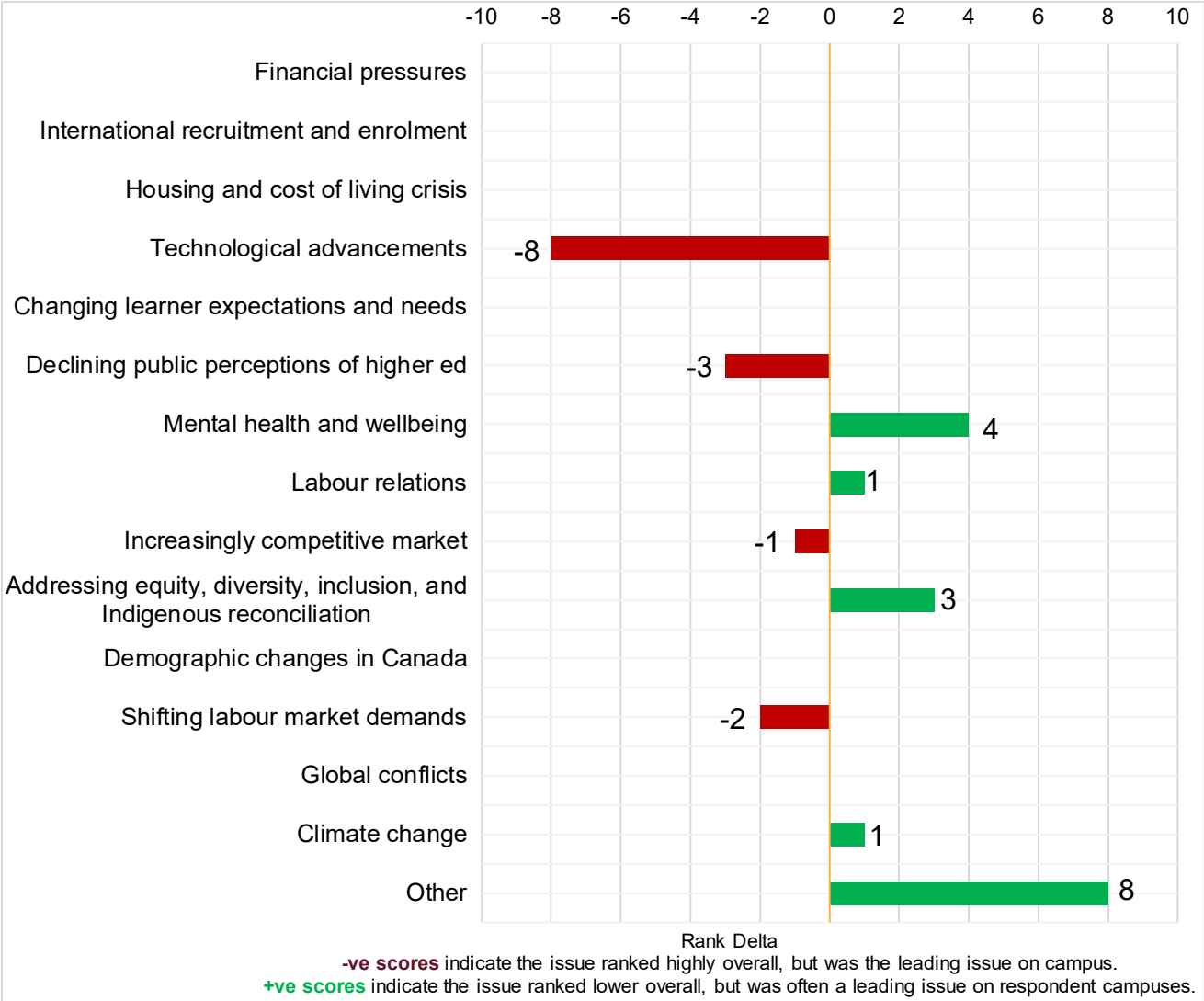
Respondents were then asked to indicate what issue was having the greatest impact on their personal institution (Table 5, “Top Issue Affecting Own Institution”). Again, financial pressures (43%) came to the fore, with international student enrolment following closely in second place (38%). After those two responses, the incidence rate for other issues falls precipitously by more than an order of magnitude: Housing (3%), mental health (3%), and changing learner expectations (2%) follow to round out the top 5 greatest issues.

Of note is the difference in ranking between the top issues affecting the sector as a whole and the greatest issue affecting the respondents’ own institution (Table 5, “Delta to Overall Rank”). In an ideal response scenario, each ranked issue would align with the greatest issue ranking one to

one, or rank to rank – the top issue would also be the issue having the greatest impact on respondents’ campuses, while the lowest ranked issue would have the least impact. This would yield a delta of zero (0). However, in several cases, we see either a negative delta, indicating that the issue ranked highly overall but was not commonly identified as the lead issue affecting campuses, or a positive delta, indicating that an issue viewed as less of an overall impact was having a stronger impact on individual campuses.

For example, technological advancements such as artificial intelligence (AI) and automation were perceived as having a strong impact on the sector but was rarely selected as the largest impactor for an individual campus. Similarly with a positive skewing, issues related to mental health and wellbeing or equity and diversity were perceived as having a disproportionate impact on campus. An example of this highly skewed positive response was the open field text option used by some respondents (typically to air an issue very institutionally or role specific) and should be taken within that context.

Figure 4. Delta between Rank and Greatest Influence



Setting aside the outlier of ‘Other’, notable differences between overall rank and greatest impact are in:

- **Technological advancement**, where much public attention has been brought to bear on the uses of AI in education, the ethical uses of AI in research, and the automation of routine administrative or operational tasks that can be completed with AI. While impacting the sector and having an impact specifically on the teaching, research, and administrative functions of institutions, this issue paled when compared to matters of financial pressure.
- The **declining public perception of higher education** is not a new issue, but it is one that has received much press in the last year, given executive leadership turn-over at institutions, program cancellations, campus closures, public-private partnerships, and especially the media’s darling – the housing crisis as attributed to international students. While the issues may be new this past year and will have impacts for years to come (more on this in the Institutional Responses section below), the continued polarization of political, economic, and social structures is placing even further societal distrust in institutions and their perceived value to the common good. As such, there was a perception among respondents this issue is important, but it is not driving the greatest impact. It is, however, symptomatic of a long-growing public cynicism towards the sector, and most recently fueled by the national housing crisis.
- **Mental health** had a positive showing the deltas, indicating it was having a greater impact than its overall ranking would indicate. Mental health remains a significant issue at all Canadian campuses. With such a positive impact score, institutions continue to recognize both the importance of and need for continued investment in, further supports for employees and students alike. With continued growing awareness of mental health and wellness supports needed in a post-COVID climate, the necessary investment in this area will exert its own financial pressures on institutions as they strive to provide such services.
- **Equity, diversity, inclusion and Indigenization (EDII)** efforts also had a net positive delta scoring. Universities are five (5) times more likely to perceive this subject as an issue impacting the sector than at colleges/polytechnics. For a Board member at one institution, this issue was having the single greatest impact on the sector (even more so than international enrolment or finances). The majority of those who perceived EDII as the greatest issue impacting the sector are Deans/Directors and Managers.

INSTITUTIONAL RESPONSES TO THE LEAD ISSUES

The ranking of the key issues identified in the survey were consistent with the issues impacting the sector at identified in the *Academica 2024 Top Ten Year in Review*² and the *2024 Indigenous Education Year in Review*³. An institution, and especially its leadership, is often defined by how it responds to issues (or crises as some may call their enrolment and/or financial situation). Thus, it was paramount to understand how institutions were responding to the issues before them and what strategies they were deploying to mitigate the risk associated with the issue(s).

The four categories of responses to issues are Fight, Flight, Right, or Sight:

- The **Fight** response is to address the issue head on at the source. As the issue dominating the sector is financial, largely as a result of decisions made by government (funding, visa caps, tuition/wage freezes) fighting government decisions has not proven to be a successful path, especially for Board Chairs and Presidents.
- The **Flight** response is a retreat from the issue. Typically, this means curtailing activity in an area that no longer carries favour in the public/government eye. For example, if public-private partnerships (PPPs) are no longer an acceptable response to funding short-falls, then the institution simply stops engaging in PPPs. Easier said than done, because such a response necessitates an additional response on how to address the financial impact of ceasing a certain operation/activity that was revenue generating.
- The **Right** response is right-sizing operations to re-align with the new financial reality. Most responses under the Right category are attempts to find operational efficiencies within the organization. With the intent to sustain operations at the present level with as few impacts to employees and students alike, organizations try to find better, less expensive, more efficient means of delivering their offerings (courses, student services, operational activities, administration) while maintaining employment and enrolment levels. When an issue is systemic or impacts the entire institution, such as financial pressures, the Right response is typically deployed. We often see the Right response to financial matters when budget holders are asked to find X% to be removed from their budget. With prudent and rigorous fiscal management, most budget managers are capable of finding an “across the board” X% by reducing or eliminating certain activities (reduced travel, fewer conference attendances, shorter meetings not necessitating coffee/meals, delayed hiring for salary fall-in, *etc.*). Given the size of the financial

² Academica Forum. <https://forum.academica.ca/forum/the-2024-higher-ed-year-in-review>

³ Academica Forum. <https://forum.academica.ca/forum/the-2024-indg-ed-year-in-review>

impact from the IRCC decision of January 22, 2024, and the systemic underfunding of the sector, the financial impact is no longer a matter of finding X%, but for some institutions it is about finding 10-12X%.

- Finally, some issues require a **Sight** response where the issue is specific and the response requires a strategic action equally as specific (a new opportunity, for example, matched by a response to seize the opportunity without any negative externalities or spill-over effects to the rest of the organization). The Sight (or Line of Sight) response is often addressed through a specific institutional unit or is handled by a team of contract(ed) employees hired to deliver to the specific issue's requirements, and once the requirements are met, the unit returns to their typical duties, or the contractors are released. In the corporate world, these are often called Tiger Teams or SWAT (Strategic Work AssignmenT) Teams.

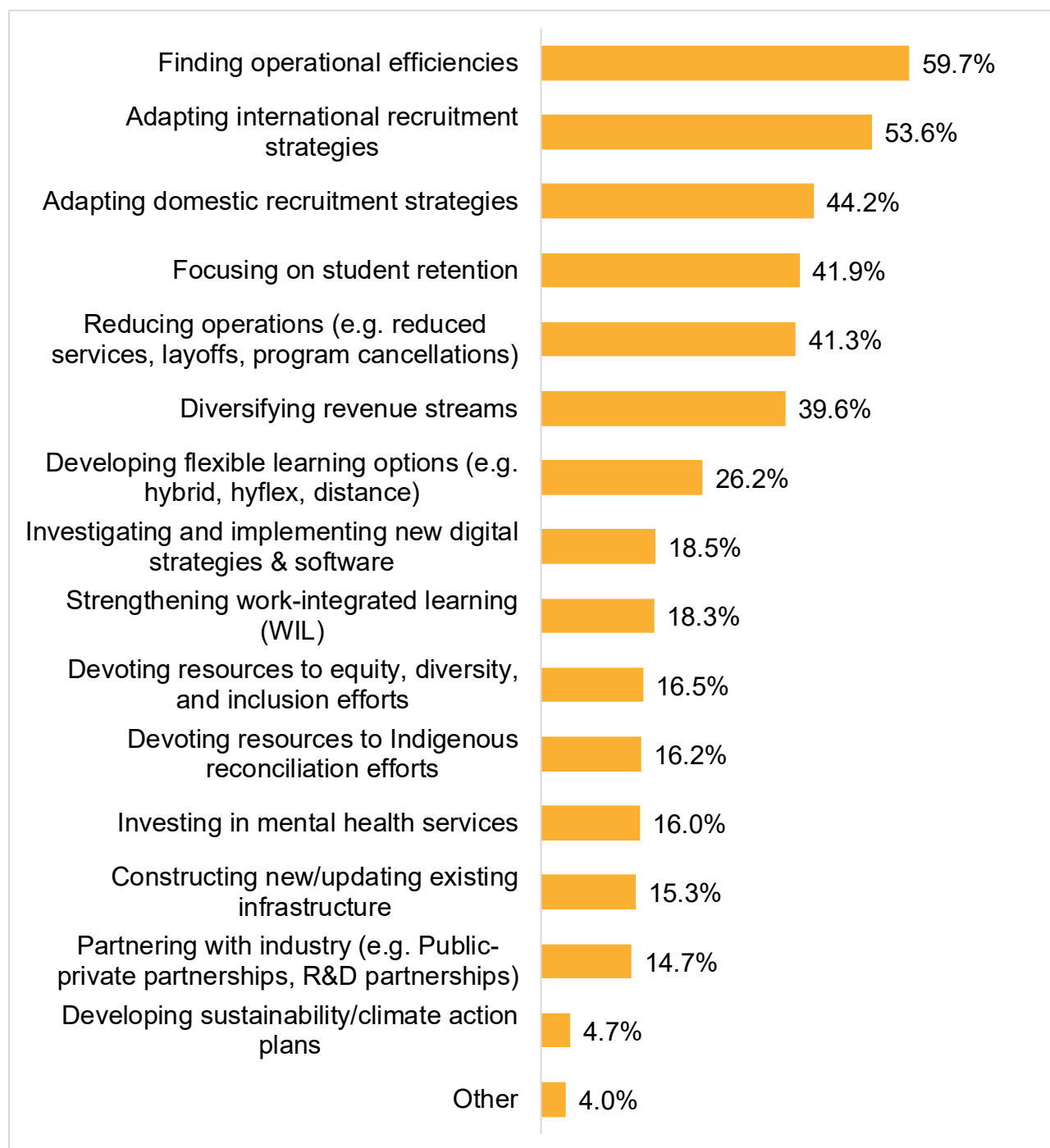
Each respondent was asked to select how *their* institution was addressing the major issues. Drawing from the research noted above to define the list of action responses, survey respondents could select up to five (5) actions their institution deployed to address the issues, including an open field text response if their strategy was unique and did not align to one of the fifteen (15) established response practices.

Below, we can see the responses of institutions to the issue(s) impacting *their* campuses. Most institutional responses fell into the Right and Sight categories in alignment with the issues they identified.

Table 6. Ranking of Institutional Responses to Issues

Issue	Percent	Rank
n-size	699	
Finding operational efficiencies	59.7%	1
Adapting international recruitment strategies	53.6%	2
Adapting domestic recruitment strategies	44.2%	3
Focusing on student retention	41.9%	4
Reducing operations (e.g. reduced services, layoffs, program cancellations)	41.3%	5
Diversifying revenue streams	39.6%	6
Developing flexible learning options (e.g. hybrid, hyflex, distance)	26.2%	7
Investigating and implementing new digital strategies & software	18.5%	8
Strengthening work-integrated learning (WIL)	18.3%	9
Devoting resources to equity, diversity, and inclusion efforts	16.5%	10
Devoting resources to Indigenous reconciliation efforts	16.2%	11
Investing in mental health services	16.0%	12
Constructing new/updating existing infrastructure	15.3%	13
Partnering with industry (e.g. Public-private partnerships, R&D partnerships)	14.7%	14
Developing sustainability/climate action plans	4.7%	15
Other	4.0%	16

Figure 5. Institutional Responses to Issues



Many institutions, in an attempt to retain staff and maintain service levels across the institution, are attempting to find **operational efficiencies** (59.7%). Depending on the magnitude of the issue before them, some institutions are finding efficiencies in the typical ‘across the board’ small budget reductions, while other institutions (typically those more exposed on the international student front like some of the colleges of Ontario and British Columbia) cannot

address the scope of revenue loss with operational efficiencies without impacting staff and service levels.

Recruitment strategies were seen as a means of addressing the loss of international student numbers by adapting their international recruitment strategies (53.6%) and bolstering domestic recruitment (44.2%). Given the revenue differential between domestic and international students, and the limited pool in provincial grant monies, while institutions are focusing heavily on enhancing domestic recruitment strategies, there was an understanding the domestic student market will not, on its own, be able to offset the international student revenue losses.

Thus, many institutions are looking **to retain** as many students as possible (41.9%). As the cost of retention is far lower than the cost of recruitment, many institutions are focusing heavily on student academic performance and the supports students require to ensure retention from term to term and year to year.

Despite the best institutional efforts to find efficiencies, increase domestic recruitment, and enhance retention efforts, those initiatives have not been able to fully offset the financial impact being felt across the sector. As such, 41% of respondents said that their institutions have begun to look at reducing operations. Some have cancelled program offerings or eliminated intakes, some have closed satellite or specialized campuses, some have reduced services such as closing athletic programs, while others have begun to issue layoff notices due to these reductions in operations.

The above responses all fall within the Right category (right-sizing based on the new reality) while the 6th ranked response is a Fight category response: Diversifying revenue streams (39.6%). Some institutions are taking the approach to their budget challenges with a ‘grow revenues’ approach. Many organizations are looking to increase non-traditional postsecondary persona group participation rates (distance and continuing education, corporate training) to grow revenues and develop an alumni affinity pipeline of prospective future students. Others are looking to maximize residence occupancy rates, meal plan utilization, and ancillary services such as event bookings.

Responses ranked 7 through 15 cluster around the Sight category of responses – specific actions taken to address specific issues. These responses are all critically important to the fabric of higher education, and merit further exploration.

Thus, respondents were asked if they would be willing to participate in a follow-up conversation with Academica’s researchers so a deeper understanding of institutional responses could be gathered. The following section provides a summary of those details.

INTERVIEW FINDINGS

Through one-on-one interviews, respondents from across Canadian postsecondary education shared further insights into how their institution specifically is affected by and responding to the

different issues. These issues are organized below according to the approximate nature of their impact. Several issues dominated nearly all of the conversations held during the interviews and were accordingly deemed “national” for their almost-universal applicability. These matters permeated the comments of most interviewees, regardless of their institutional location or type, their departmental affiliation, or their role or rank.

NATIONAL

International Student Program Policy Changes & Financial Pressures: The majority of these responses and commentaries are contextualized within the framework of both the international student program policy changes and the financial pressure placed on institutions by the drop in enrolment. As indicated earlier in this report, there was some nuance to how prominent each of these issues were in respondent comments.

The university sector responses indicated most were not as exposed to the international student enrolment matter as their college/polytechnic counterparts. As such, university responses were less focused, in general, on the international student matter than they were on the financial state of their institution. Financially, universities are feeling as equally pressured as colleges and polytechnics due to reduced funding across the entire sector and are taking measures to address their budget shortfalls. While there are some universities highly exposed to international student enrolment fluctuations, and there are some colleges who did not engage in the international student diaspora, they, too, are feeling budgetary pressures.

Smaller institutions have limited financial resources (due both to their size and their limited international student tuition revenue opportunities) and are facing budget constraints without the backstop of significant surpluses or reserves from which to draw in the short-term. Given their size, these institutions are facing smaller monetary constraints on a dollar basis, but on a percentage of overall budget, they are as pressed as some larger institutions to find cost reductions. The impact to the local community, even with modest reductions in staff or budget, will be felt locally far more directly and with greater magnitude than in larger centres.

The larger institutions—especially larger colleges and polytechnics in British Columbia and Ontario—are much more exposed to the international student enrolment issue than their counterparts. Some institutions are facing nine-figure budget reductions. While some institutions are looking at their surpluses and reserves to stave off some of the reductions they know are to come, given the magnitude of the revenue correction in the coming year, most institutions cannot sustain such a draw-down on their reserves and remain viable in the mid-term (2-4 years). The impacts, as have already been observed, are program cancellations, campus closures, and layoffs in the triple digits at some institutions. The widely held perception by senior leaders in the sector, especially on the college and polytechnic side, is the international student enrolment issue will have a far greater impact to the sector than COVID, and the impact will last for at least the next decade and transform the sector forever.

Cost-cutting: Most postsecondary institutions are engaged in cost-cutting, with a focus on finding efficiencies, reducing non-full-time employees, and in some cases reductions to the full-time staff complement. While many institutions had not announced full-time staff reductions at the time of the interview, many respondents indicated they were having conversations with their unions and senior leaders regarding staff reductions.

Reviewing Satellite Campuses: The institutions with satellite, regional, or international campuses are looking closely at their viability under reduced revenues. Some satellite/regional campus closures have already been announced, and there are likely more to come in the following year after space utilization and program viability reviews. Some institutions are committed to supporting regional access, and as such are looking deeper into the ‘home/main/founding’ campus for greater savings to support the regional access mandate/commitment. International campus initiatives are being reviewed on a longer-term basis given their existing contractual obligations with foreign governments.

Offsetting Losses with Continuing/Distance Education: Many institutions are attempting to increase their revenue potential to offset the loss of international student tuition revenue. Most are leaning heavily on the Continuing/Distance Education units of their institutions for this uplift. While some institutions have invested heavily in this space, many are just now developing new or transitioning existing programs for distance education. Even with some interviewees sharing that their institution has seen over 400% growth in this revenue stream over the last few years, there is recognition that it will not be able to entirely offset the international student tuition revenue loss. To cast as wide a net as possible with the goal of further increasing revenues, many institutions are looking to market their programs nationally (and some, internationally). In the short-term, Canada will see a number of new entrants into this space, creating both heightened competition and possibly market saturation. Leveraging unique programming, designing automated technical supports for students and faculty, and/or integrating advanced digital pedagogy by some institutions will likely define the successful institutions from the rest. Several respondents further noted that they view the use of AI to develop both the supports and the content of continuing education as a path to success.

Centralizing and Automating Functions: Many respondents indicated their institutions are looking at this enrolment and revenue crisis as a means of addressing long-standing systemic operational efficiency issues. Many routine functions that were manually handled are being reviewed for automation so employees can focus more on student contact and support than processing routine paperwork. Student services, registrars’ offices, campus housing and financial aid were regularly mentioned. There are also some institutions where each faculty/school has historically operated an independent suite of services—their own marketing, alumni, finance, government relations, and even recruitment departments—which presents an opportunity to reduce costs and improve efficiencies by centralizing such functions. The development of such independent systems stems from perceived structural need (“our school is unique and therefore we must have our own system”) and established cultural norms within the institution around

autonomy (the extent to which faculties/schools operate “as” the institutions vs “in” the institution). The conversations around centralizing functions as a response to fiscal constraint are being met with a degree of pushback according to most respondents, as the affected areas perceive the restructuring as job losses and out of alignment with institutional culture.

Growing Career and Student Services: From student success advisors to drop-in hours hosted by senior administrators, to early academic alert systems, to peer mentoring, to mental health check-ins, and increases in the number of councillors, many institutions are investing significantly in student supports and services. With the focus on retaining existing students and supporting them to the successful completion of their program, major investments have been made in personnel and systems infrastructure in this area. At some institutions, there has been an increased focus on work-integrated-learning (WIL). The focus on WIL is also being seen as a differentiator based on the calibre of employers being brought to the WIL environment. Student services and industry liaison/development offices are working in greater concert than they have in the past, which for some institutions is enhancing donor and alumni relations.

Issues with Communication: Respondents indicated that communications about the issues were asymmetric. Much was being asked of lower ranks in institutions, specifically for data and process information, but often without a clear and complete reason or purpose for the informational request. As a result, some respondents indicated internal groups (mostly faculty and staff union members) felt they were being left out of the conversations and thus not able to contribute to any solution(s). Interestingly, a hierarchical communication issue was shared by numerous respondents – that they felt they could not express their concerns about issues with their supervisors or senior leaders. Deans felt they couldn’t speak to their VP as openly as they wished; VPs felt they could not fully express their nuanced understanding of responses to their President; Presidents felt their Boards were not as engaged in the issue at the outset as they wanted/needed them to be; and Board members reported they could not get meetings with government to address the issues, and if they did make contact felt when they aired concerns to government those concerns were not heard. Many respondents admitted the situation was fluid with constantly changing directives and announcements coming from government, and with such a constantly shifting landscape it is difficult to make plans and decisions as they may be overturned or required re-thinking within days of implementation, and as such the perception within the institutions is that leadership is floundering and without direction.

Broken Trust: This theme emerged in multiple ways from respondents and was mentioned in various ways with differing levels of impact to the sector and to individual institutions:

- On the international scale, respondents felt that Brand Canada was significantly damaged by the IRCC announcements of 2024. Many respondents believed it will take a decade or longer to rebuild the international relationships and trust lost last year. Some agents now perceive Canada as too difficult to work with and have withdrawn services to focus on other countries.

- Within institutions, the rapid change and issues with contradictory or broken communications have created the perception that senior leaders are floundering and without direction, which in turn is marring their internal reputations. The shifting sands of government directives is creating additional pressure on communications teams, forcing them to put more time into crisis communications than in the past. These crisis communications are being perceived as reactionary within institutions, and thus further entrenching the perceptions that leadership is acting in a reactive, and not proactive, manner in addressing any issue. These communications offices are also being faced with much more negative public press and with reports not grounded in fact. Communications offices are spending more time correcting misinformation and fact-righting than in the past, and with their focus on correcting misinformation (often coming from within the institution itself), they are less focused on internal communications, contributing even further to the perception of a lack of communication about the issue(s) and the institution's response. Some institutions are attempting to address the issue of an internal loss of trust with People and Culture initiatives, but, given the erosion of trust, such initiatives are being met with skepticism or very low participation rates.

Hiring Freezes: Most institutions have responded to the financial reality by implementing hiring freezes and pauses or requiring significant justification for any new position. While there are still strategic investments being made, as in student services as noted above, administrative positions are facing greater financial scrutiny. Many respondents noted there is now a greater desire to hire from within the organization as wage freezes have limited organizations' ability to recruit externally given salary differences between the public and private sectors.

Impact to Domestic Students: For those institutions that were highly leveraged in the international student market, the revenues recognized from those students were used to back-fill the financial shortfall for programs where domestic tuition and grant could not cover program expenses. Now with international student tuition revenues limited, many programs that support a domestic or local need may no longer be viable and are under review for suspension or cancellation. This unintended consequence of government decisions around both international student enrolment and persistent underfunding is placing at risk the core mandate of some institutions (specifically colleges). There is the perception held by many respondents that local economies will be affected if there are 'domestic' program closures, further limiting the access to skilled labour in certain jurisdictions to address housing, healthcare, digital infrastructure, public safety, and food security.

REGIONAL

Changing Perceptions of EDII: Equity, diversity, inclusion and Indigenization remain important within institutions, yet regionally across Canada there are differing perspectives of the importance of such initiatives, and whether they should be supported with public funding. Some institutions are re-branding their EDI offices, others are curtailing further investment, and still

others are investing heavily. The regional variability to the institutional response to EDII initiatives is heavily influenced by the regional/provincial ideology of the sitting government, and as such responses follow government leanings.

Wage Freezes: In certain provinces, wage freezes have hurt the recruitment of faculty and staff. Referenced specifically by respondents in Alberta, British Columbia, and Ontario, the wage freezes have resulted in not only a challenge with recruiting new staff, but also an issue for staff retention as wages in other sectors have risen (especially in the public sector).

Capital Projects: Some respondents indicated hard capital (construction) projects have been placed on hold as the project was funded on soft revenue dollars (international tuition revenues). Other institutions indicated that the projects already underway will continue as they were committed to in the budget, but given their budget shortfalls, they will use reserves and surpluses of the past to complete the existing project(s). It is acknowledged by the respondents that this approach will be costly in the long-term as the institution's flexibility to respond to strategic opportunities will become more restricted.

X Marks the Spot: Directly related to the issue of mistrust in institutions and their leadership as noted above, there is a bias within more conservative regions of the country to believe administrations have literally buried within or on campus a hidden pot of money. Passed down from one administration to the next, the 'secret book' that records the value and location of where the hidden cache of cash is stored is a surprisingly widely held perception on many campuses. It is reported that it is this hidden money administrations have been cited to "find" at year end to fund new initiatives or 'quick turn-around projects' when the institutions were/have reported a forecast budget deficit. While somewhat amusing that such a perception exists, that this matter was aired repeatedly speaks to the need for institutions to develop greater financial awareness amongst budget managers of how and where dollars are used and allocated, enhance the transparency of financial communications across the institution, and in the process (re)build trust in leadership.

PROVINCIAL/TERRITORIAL

Space Utilization: With the significant drop in international student revenue in Ontario, campus closures are already occurring, and older building closures are being considered. The use of space utilization studies is on the rise as institutions are trying to maximize classroom and lab use, and close spaces that are being used marginally. Deferred maintenance is being postponed even further given fiscal constraints and with further deferral, some buildings are being reviewed whether to continue to defer maintenance or renovation or to simply shutter the building given reduced enrolment numbers.

Brand "Province": As noted above, respondents noted Brand Canada has been tarnished. While there are still significant international student recruitment efforts underway, many institutions have been asked by their agents to reference their province, and not Canada, when speaking of

their institution. This information has made its way into some recruitment materials in some jurisdictions where the references to “Canada” have been replaced with the name of the province.

Differentiation: In Ontario, the provincial government expects institutions to demonstrate differentiation. A number of respondents commented that many of the 24 colleges and polytechnics offer an identical suite of programming, and as such believe that differentiation has been replaced with duplication. The perceived duplication, or “redundancy” as stated by some, may force institutions under the new fiscal reality of reduced international tuition revenue without offsetting increased provincial funding to re-assess their program offerings. Many Ontario institutions are presently reviewing program ROI and viability figures, in concert with space utilization, to differentiate their position in the higher education market, while some are using this review as an opportunity to identify strategic programmatic investments to create centres of excellence around a cluster of programs.

Students at Risk: Institutions in a number of jurisdictions are focusing on students at risk or re-integrating students who were in poor academic standing. Between the belief retaining students is less expensive than recruiting students and a (renewed) focus on student success, a few institutions are investing in additional student success advisors, while others are building Early Academic Alert systems for implementation as early as the spring 2025 term.

Graduate Programs: Universities are seeing an increase in demand for course-based master’s programs. With the reported perception that there are more potential students at the graduate level who are working and cannot leave their employment to pursue graduate studies, programs are being designed for distance and remote delivery for master’s programs that are non-thesis based. These course-based master’s programs are believed to be less expensive in their delivery and do not draw as heavily on campus physical infrastructure or faculty resources.

Increasing Indigenous Faculty: There is a strong commitment in numerous provinces to continue to increase the number of Indigenous faculty teaching Indigenous courses and taking on leadership roles in institutions. Some jurisdictions in the East and West are much further advanced in this regard, while institutions in jurisdictions like Ontario continue to struggle to hire Indigenous faculty and staff. It was noted by respondents this is an opportunity to work more closely with Indigenous communities to develop pathways and professional development/educational opportunities to address this representation issue.

Using AI: A number of institutions responded they are integrating AI into routine administrative functions to provide staff with more time to support students than to address routine paperwork. One Ontario institution is advancing Intelligent Tutoring driven by interactive AI to support student success and is integrating immersive reality into programming to attract the next generation of students.

CONCLUDING NOTES

The last year has seen remarkable changes to the higher education sector, and the sector is responding to those changes. With financial constraints top of mind at most institutions, institutions are finding creative ways to address budget shortfalls. Some changes at some institutions will be significant and will come with campus closures, program cancellations, and impacts to employment. Other institutions are seeking operational efficiencies, process improvements, and strategic investments to respond to budget challenges and position their institution for long-term sustainability.

It was noted the international student revenue decline and its associated impact to budgets will have a greater influence on the sector than anything in its past. The changes occurring within the sector will be transformative and consequential. Institutions are finding both traditional cost cutting and new creative ways to ensure the sustainability of their university or college.

As the sector has proven in the past, it is stronger when it acts together. Sharing ideas, best practices, and its collective wisdom will help the sector weather these storms and be more resilient so it can continue to serve the interests of their students, their institutions, and their communities.



This Report was developed by Academica Group,
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