



Canadian Association of University Teachers
Association canadienne des professeures et professeurs d'université

Memorandum 20:54

Date: October 9, 2020

To: Presidents and Administrative Officers
Local, Federated and Provincial Associations

From: David Robinson, Executive Director

Re: **2018-2019 Financial Information of Universities and Projected Impact of COVID-19 for 2020-21**

On October 8th, Statistics Canada released the [2018-19 financial information for universities](#). New with this release are financial projection scenarios for 2020-2021 that consider the impacts of COVID-19.

Potential Impact of the Pandemic on University Revenues in 2020/2021

Statistics Canada estimates that Canadian universities could be facing potential losses ranging from \$377 million (-0.8%) to \$3.4 billion (-7.5%) during the current year based on five projection scenarios that take into account possible changes in international and domestic student enrolments.

Statistics Canada will be releasing later this fall a more detailed methodological report on the projected financial impacts of COVID-19 with updated and most likely revised assumptions, as more projection input data becomes available. This report will also provide a provincial perspective of the financial projection.

University Revenues

Revenues from Canada's 147 public universities increased 3.1% to \$30.7 billion during the 2018/2019 fiscal year. International students accounted for over one-third of the tuition fees received by Canadian universities in 2018/2019.

Funding from provincial governments rose by \$48.1 million from a year earlier to \$10.9 billion in 2018/2019. However, as a share of total funding provincial grants have declined from 38.6% in 2013/2014 to 35.4% in 2018/2019. Meanwhile, the share of revenues from tuition fees has grown from 24.7% in 2013/2014 to 29.4% in 2018/2019. Total revenue from tuition increased by almost one-third over the same period, from \$6.9 billion to \$9.0 billion.

University Expenditures

Universities spent \$28.9 billion during the 2018/2019 fiscal year, unchanged from 2017/2018. The report notes that the largest share of university expenditures was on staff compensation (salaries,

wages and benefits), accounting for \$17 billion in 2018/2019, up \$319 million from 2017/2018 - nearly 6 out of every 10 dollars is being spent on university staff and teaching salaries and benefits. Nevertheless, total compensation has edged down as a share of total expenditures, falling from 60.3% in 2013/2014 to 59.0% in 2018/2019.

The report also includes several examples of universities which have announced plans to reduce operating costs in anticipation of revenue losses.

Note that yesterday's release from Statistics Canada does not include detailed revenues and expenditures information by individual institutions. This detailed institutional financial data will be uploaded to our [members' area](#) as soon as it becomes available.