The Economics of Education - Quality vs. Quantity

Here’s something most students don’t know - Ontario spending on post-secondary education has increased substantially over the previous decade. In 2005, the McGuinty government implemented ‘Raising Higher’ – a policy that injected billions of dollars into universities and dramatically increased student access to post-secondary education. But students are generally surprised by this fact because we’re hard-pressed to point out quality increases in our universities we would expect to see with increased funding.

Now for a fact that’s probably less surprising – the cost of running a university has skyrocketed with inflationary pressures and more students. A 2011 study by the Ontario Undergraduate Student Alliance (OUSA) found that approximately 72% of new government dollars went spent on continuously growing faculty expenditures. Despite the massive investments, faculty hiring has only increased slightly over the past few years and many schools, including McMaster, haven’t kept pace with student enrolment. Data from the Common Universities Database Ontario (CUDO) indicates that class sizes in Ontario are on the rise, with 100+ student classes now eclipsing under-30 student classes for first year students.

So where is the money going? A few places. Faculty salaries have increased at approximately double the rate of inflation since 2004. Defined benefit pension plans for faculty members force universities to take on the risk of a pension’s market performance, and here have almost become impossible to afford since the recession in 2008. Here at McMaster, there are significant incentives to support research activity, considering we have the highest average research grants in Ontario at $71,367 per faculty member. However, the indirect costs of research, such as administrative support and maintaining world-class research facilities are also significant cost-drivers, not to mention the faculty time that’s diverted away from instruction.

To make matters worse, tuition is at a record high. With the amount of money flowing into universities, we should expect universities to focus on the quality of our education. In order to drop class sizes and boost student-to-faculty interaction, the MSU is recommending that McMaster increase the University’s cap on the number of teaching-stream faculty members. Teaching-stream professors are those who almost exclusively devote their time and energy to teaching instead of research. The position that teaching-stream professors have for teaching pay off as students consistently rate them as highly engaging and in-sync with student learning needs. Since teaching-stream professors are able to teach more courses per term, hiring more of them is highly beneficial to students in terms of course availability and class sizes.

Teaching-stream faculty members are one of the only options that universities have when it comes to delivering a high-quality education while maintaining internal cost-efficiency. Increasing access to experiential education courses is another high-quality and cost-effective strategy. As the Ministry of Training, Colleges and Universities has indicated that growth in government funding is nearing its endpoint, our universities will have to start making some difficult cost-cutting decisions. Let’s make some easy ones first.

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... but while enrolment grew 26% since 2005, full-time faculty employment only grew by 17%...

and class sizes have continued to increase.

Teaching-stream faculty members can teach twice the number of classes while delivering a high-quality educational experience to students.