

Tuition Freeze Now!

SFU Tuition Report

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Summary

This March 2019 Tuition Freeze Now! SFU Tuition Report looks at historical trends in tuition and fees for domestic and international, undergraduate and graduate students attending Simon Fraser University (SFU). It shows how different student groups have seen their costs rise over time as well as how the cost ratio between groups has evolved. The affordability and sustainability of these tuition hikes is addressed in detail. In addition, there is a discussion of the broader British Columbia government policy regime with respect to university funding as well as recent trends in the value of operating grants provided to universities in the province, relative to the size of the economy and the number of university-aged youth. The report concludes with suggestions for both the SFU administration and BC government on how to address the serious affordability issues facing students today.

Key takeaways include the following:

- **Tuition increases since the 2001-02 academic year have greatly outpaced inflation**, to the point where domestic undergraduate as well as graduate tuition and fees have more than doubled, and international undergraduates have seen their costs almost triple.
- **Unlike domestic and graduate students, international undergraduate students have seen no cap on fee increases**, with the predictable result of skyrocketing tuition that has set them apart from the other student groups.
- **Graduate students have seen their tuition and fees outpace their costs of living** while a primary income source, teaching assistant wages, has failed to keep pace in recent years. This has made it more difficult for these students to continue on in their programs, with negative long term consequences for the province.
- **The number of hours of work at minimum wage required to pay tuition and fees has generally risen** over the years and is now about 50% higher for domestic undergraduate students than it was in the 1990s and early 2000s. For international students it is completely infeasible.
- **While in the long term, SFU needs higher operating grants from the BC government** to stop tuition hikes, **in the short term SFU can change its budget priorities with student input and freeze tuition** instead of raising money for various capital projects and operating commitments.
- **After its peak in 2009-10, BC government funding of universities (including SFU) has generally decreased** as a share of GDP, per university-aged person, and in inflation-adjusted terms. This gap has been filled via reliance on international students, private student debt, and philanthropy. The new NDP government's reversal of the trend has been promising, but serious action is still needed to meaningfully give relief to university students.

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I. Introduction

Simon Fraser University (SFU) recently announced yet another round of proposed tuition hikes to take effect in the 2019-20 academic year, ranging from 2% for most graduate students and domestic undergraduate students all the way to 20% for new international students in certain degree programs. The exact numbers are as follows:

- All domestic undergraduate students: 2% general increase
- Continuing international undergraduate students: 4% general increase
- Incoming international undergraduate students: 12% general increase, except for those in computing science, engineering science, and mechatronic systems engineering courses who face a 16% increase, and business courses with a 20% increase
- Graduate students: 2% increase, except those in programs with an international differential, where the increase is 4%

Outrage quickly followed and Tuition Freeze Now! was formed, gaining endorsements from SFU's student societies and clubs while organizing events, rallies, canvassing and protests. As the organization grew, the need for historical data on tuition hikes at SFU and elsewhere in BC became stronger. This data can not only provide context for the current fight but help us as post-secondary students see where the current path of rising education costs is heading, and assist us in discovering how we might avert some of the challenges and crises of affordability that we are currently facing.

This report is the culmination of that process of data collection, organization and visualization. Hopefully it will provide much of the information students need to take action against tuition hikes at SFU or even other universities. It's well past time to stem the tide of seemingly-endless tuition and fee increases – as students we're already up to our necks in debt!

One note about the graphs in this report: while typically academic years are discussed (e.g. Sept. 2004 – Aug. 2005) because they are periods for which tuition is held constant throughout, the graphs are generally labeled with single years. These refer to the calendar year in which the academic year begins, for example '04 standing in for the 2004-05 academic year. Inflation and other calculations use index values from these calendar years.

II. Tuition History at Simon Fraser University

Many SFU students are used to watching their tuition go up year after year. But how long has this been happening, how big have the cumulative increases been over time, and to what extent has it affected the various groups of students on campus? With a look at the data we can conclusively answer these questions and more.

The following discussion is based primarily on historical data contained in the SFU Calendar Archive as well as price indexes available at Statistics Canada, with links to the relevant sources in the endnotes of the report. It is important to note that these facts and figures assume the base costs of attending SFU. For undergraduate students, this means full-time attendance which represents enrollment of 15 units (or credit hours as they were previously known) per semester while paying the full cost of the Student Services and Recreation-Athletics Fees, Student Activity Fee, Universal Transit Pass as well as health and dental benefits. The latter two programs were introduced and made mandatory at different years and are included in the data at those times. Full-time graduate students pay a fixed amount per semester in addition to the listed fees and programs. However, many students pay much higher rates per credit hour or per semester for a wide variety of programs in departments such as business, computing science, and others. Thus, these figures should be seen as a lower bar for costs with many students paying somewhat or significantly more. In addition, other student expenses such as textbooks, laptops, supplies, meal plans, housing, etc. are not included in the calculations but represent a large portion of the costs of a post-secondary education. Many of these expenses, like the price of Vancouver rent and housing, have also tended to increase in price faster than the rate of general inflation.

SFU Tuition Costs & Inflation from 2001-18

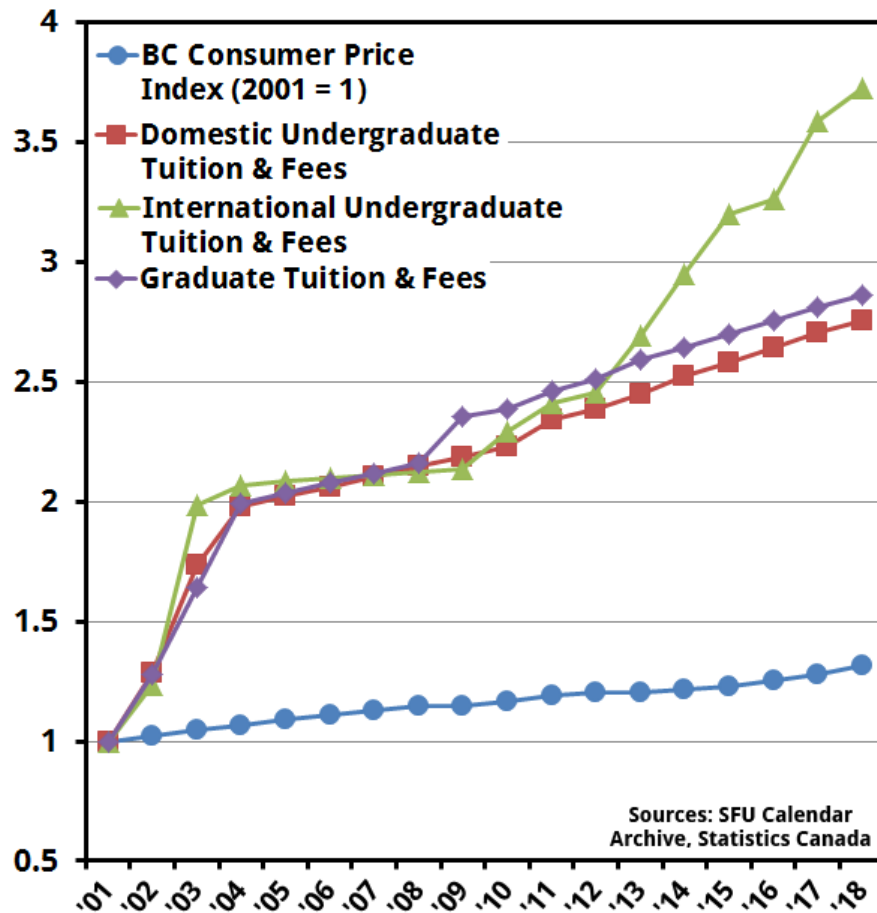


Fig. 1. The trends in tuition costs for both SFU domestic and international undergraduate students as well as graduate students over time [1], compared with inflation as measured by the BC Consumer Price Index [2].

As Fig. 1 shows, both undergraduate and graduate tuition and fees have been increasing far faster than the rate of general inflation for almost twenty years. The graph describes the trend in costs for each student group (which differ substantially in dollar terms between groups) with the 2001-02 cost for each as the starting point. While the most serious hikes for all students occurred between the 2001-02 and 2004-05 academic years, the two percent annual increases and extra fees that have been imposed upon domestic undergraduate and most graduate students since then (a number capped by BC law for domestic students) have actually significantly outpaced inflation over time, and international undergraduate students have seen more-or-less constant large hikes for the past decade.

SFU Teaching Assistant Wages, Graduate Tuition Costs, & Student Costs of Living, 2004-18

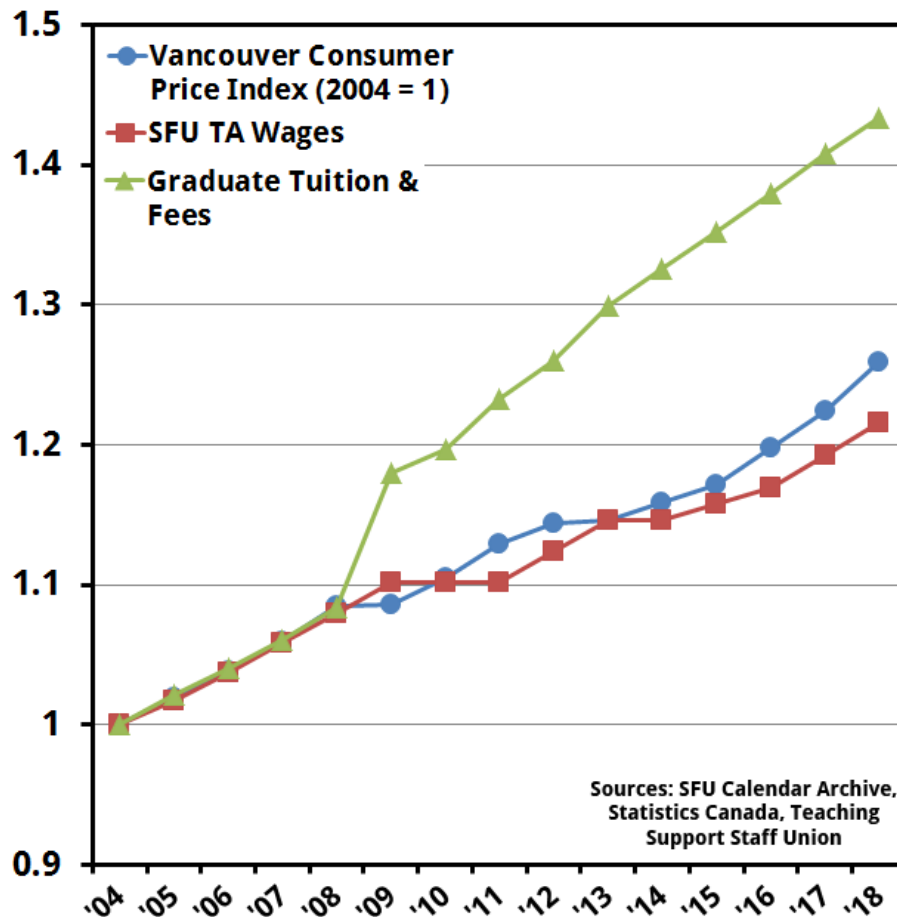


Fig. 2. The trends in tuition costs for SFU graduate students and teaching assistants over time [3], compared with student cost of living as measured by the Vancouver Consumer Price Index [4].

The end result is staggering: from 2001-02 to today, domestic undergraduate costs have increased by 176%, graduate costs have risen by 186%, and international undergraduate costs have jumped by 272%, all while inflation represented by the BC Consumer Price index has only measured 31%. This means that tuition costs for everyone at SFU have become vastly more expensive in real (i.e., inflation-adjusted) terms and continue to do so. The raw numbers in Table 1 of the Appendix, giving inflation-adjusted SFU tuition costs, shows this explicitly. Why does this matter? Years upon years of above-inflation tuition increases have resulted in the cost of an education skyrocketing ahead of where it was in the 1990s or even 2000s relative to wages and the cost of other goods and services. Students are told that they have no future unless they go to

university, but going to university now requires ever-growing levels of personal debt, with the momentous and far-reaching decision to sign on the bottom line being made at the inexperienced age of 17 or 18.

Focusing on SFU graduate students, their situation is concerning since most rely solely or primarily upon their income as teaching assistants (TAs). Fig. 2 gives the trends of costs of living, TA wages as a proxy for incomes, and graduate tuition costs with 2004-05 as the starting point. It is clear from the graph that initially these costs and incomes were in balance, but since 2008-09, while graduate tuition costs have risen far faster than the cost of living, and rent and housing prices have nonetheless pushed up inflation in recent years, teaching assistant wages have simply not kept pace.

This has serious implications for the ability of graduate students to finish their programs as they are often juggling school, financial, and family commitments while already dealing with previously-existing student debts from earlier degrees. This dynamic in turn threatens to exacerbate long-term challenges for the British Columbian economy: if we are making it harder for qualified domestic and international students to finish advanced degrees and gain highly productive employment in the province, that will have future repercussions with regards to our competitive status and we will also lose out on the tax revenue those more productive jobs will generate.

While graduate students often depend on TA positions to support their education, undergraduate students typically work part-time, on- or off-campus jobs to blunt the financial impact of tuition costs and reduce their debt loads after graduation. After all, if a student is forced to abandon their studies for a family, personal or mental health emergency, they are not absolved of their debts, which introduces a large risk to taking on substantial student loans. Fig. 3 gives the number of hours needed while working at each year's BC minimum wage to pay for one semester of SFU's tuition and fees, showing the trends for both international and domestic undergraduate students separately.

To reiterate the previous note of caution, other major student expenses including textbooks and course materials, computers, school supplies, meals, and housing, are not included here but represent a large portion of the costs of a post-secondary education. Therefore, this hourly

measure is best taken as a trend in the amount of part-time work that could reasonably restrain the amount of debt a student takes on as opposed to the number of working hours needed to escape student debt entirely.

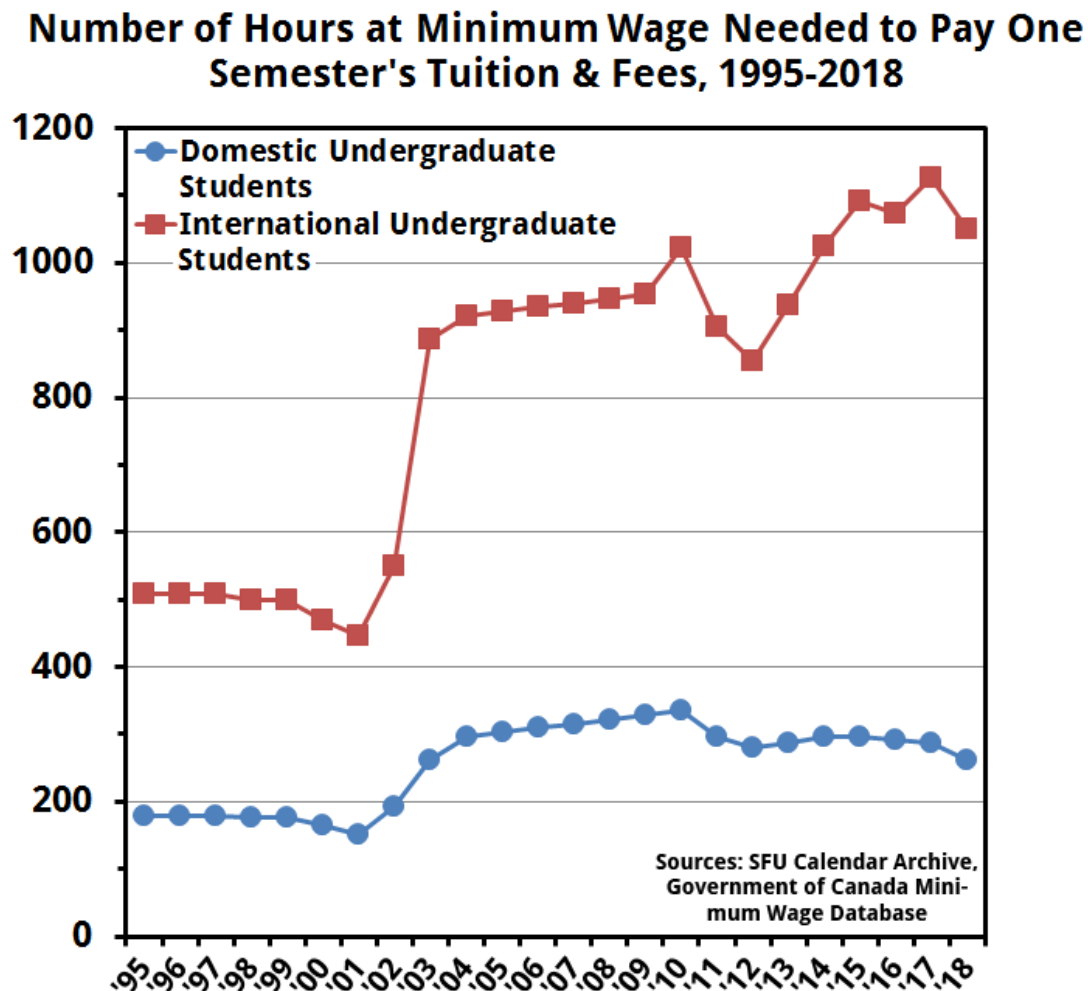


Fig. 3. The long-term trends in the number of hours worked at the BC minimum wage in force at the time [5] needed to pay for one semester's tuition and fees [1], for both domestic and international undergraduate students at SFU.

The numbers are not encouraging. Every three hours at a part-time job each week represents about fifty hours a semester, which means that in the mid to late 1990s and early 2000s, domestic undergraduate students could work off their tuition and fees with a little over ten hours a week (or about 180 hours per semester) at a part-time job. International undergraduate students never had it easy, but it was at least in the realm of possibility that they could put in the twenty-five to thirty hours a week (450 to 500 hours a semester) of outside employment while performing well

in their studies over this time period. It should be noted here that according to Immigration, Refugees and Citizenship Canada [6], the latest rules about international students on study permits stipulate they can only work up to twenty hours a week off-campus, which wouldn't have paid off tuition and fees even in 2001-02, their easiest year of doing so.

The general trend in this necessary hours worked measure has been upward, especially for international students. Working even the maximum twenty hours a week will do very little for them, as to pay off tuition and fees they would need to work over sixty hours a week at minimum wage (despite substantial recent increases to that wage). Domestic undergraduate students are in a better position, but even then they need to consistently work fifteen hours a week, 50% higher than their fellow students required in the 1990s and early 2000s. While further scheduled BC minimum wage increases will no doubt be welcomed and will go some distance in lowering this number in the next few years, the underlying problem driving the trend is one of overly-high tuition increases rather than overly-low minimum wages.

Comparing costs in a different way, Fig.4 shows not only how inflation-adjusted tuition costs for each student group have evolved over time, but how large the differences between groups are. Some features of the graph are consistent, like the little-changing ratio between graduate and domestic undergraduate costs (despite the fact that those costs continue to grow). However, it is immediately clear that since 2001-02, while all student groups have seen substantial real increases in their costs over time (at least doubling), international undergraduate students have paid the highest amounts of tuition and have absorbed some of the biggest sustained hikes. They are now paying over eight times the price of education that a domestic undergraduate student paid in the 2001-02 academic year.

This is largely due to the fact that the BC government does not provide direct grants for international students and has not capped the allowable rate of cost hikes. Together with the recent use of international differentials for many graduate programs (not included in this data), the proceeds of these large hikes on what international domestic students pay are being used by SFU to fund expansion of the university and investment in tangible capital assets, to subsidize domestic students, and to make up for drops in SFU operating grants. But as costs increase, the background of international domestic students must change as well. Over time, SFU has changed from inviting and “engaging” (as per its motto) the global middle class to inviting

and engaging the wallets of the global rich. Whether or not this is a sustainable trend is not something that will be answered in this report, but it is worth keeping in mind that a diversity of student backgrounds creates a productive diversity of experiences, viewpoints and academic contributions to a university.

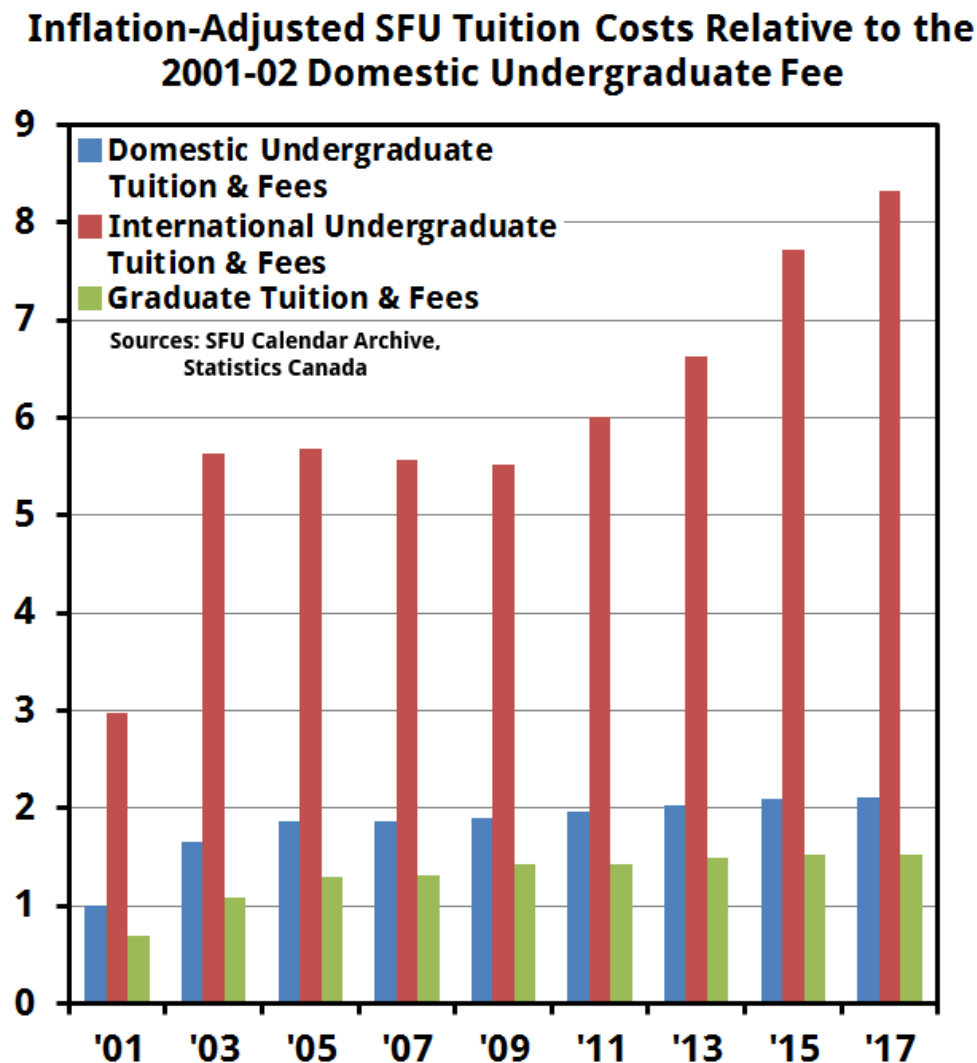


Fig. 4. Relative inflation-adjusted cost of SFU tuition & fees for different student groups over time [1], with the 2001-02 cost for domestic undergraduate students representing the base unit.

Finally, Fig. 5 displays the substantial annual operating surpluses that SFU has run for the last few years as well as their broadly-defined uses (investment in capital assets and added operating commitments) and the proposed new revenue that will come from tuition and fee hikes for the

2019-20 academic year. Surplus stemming from SFU's endowment fund, the sixteenth largest in the country [8], is excluded from this analysis due to the heavy restrictions on its use.

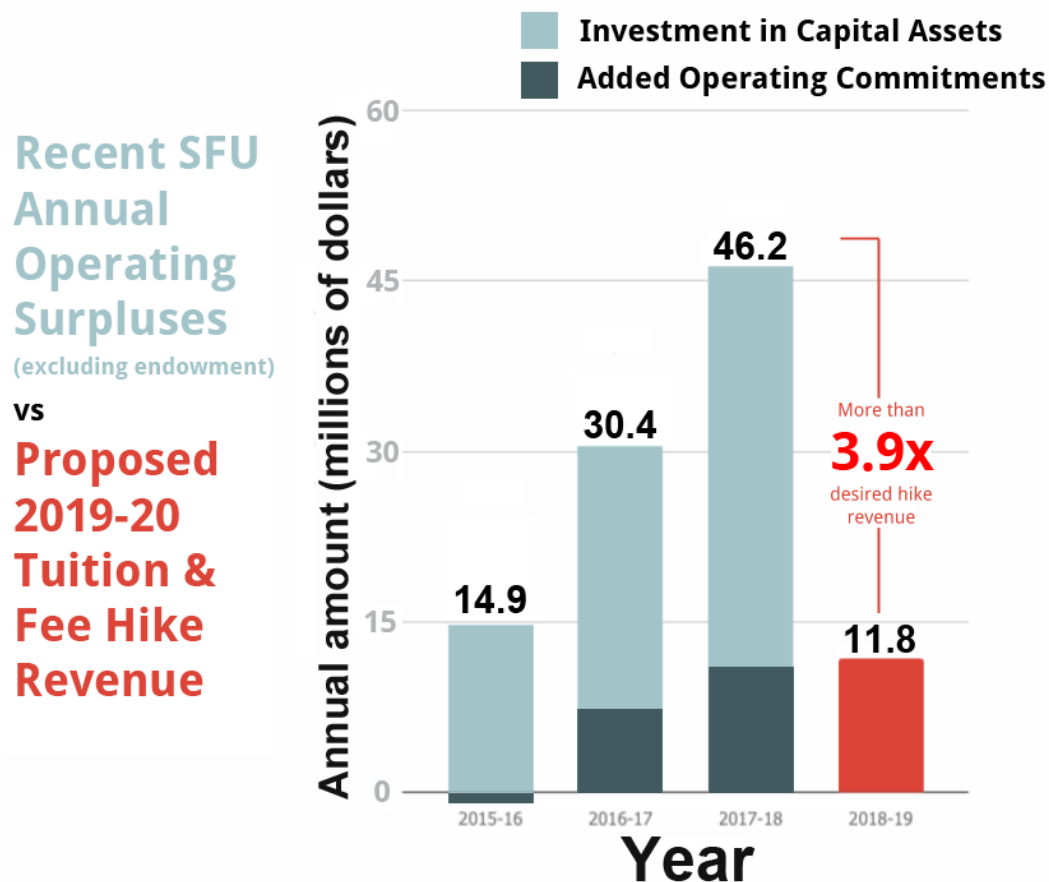


Fig. 5. Recent SFU annual operating surpluses (excluding the endowment), their uses, and proposed tuition and fee hike revenue for the 2019-20 academic year [7].

As seen in the graph, these large budget surpluses have exceeded the amount SFU is seeking to raise from students. While both the revenues and costs of an institutional budget can change from year to year, and these surpluses are not available after having been allocated to specific projects and commitments, it seems clear that there is room to dispute the immediate necessity of tuition hikes: perhaps different allocation decisions can be made in the future in a way that slows or stops the rise of tuition costs. In addition, there is often a lack of transparency about where this money goes, and students have not been able to exercise any kind of power over what the SFU administration prioritizes. Perhaps students would less desire VIP stadium seats [9] if cutting them meant smaller tuition hikes, for example. As students have been arguing, at least in the short term tuition increases are about budget choices, not dire necessity.

III. Post-Secondary Funding in British Columbia

Tuition and fees at SFU are affected not just by decisions made by the SFU administration and Board of Governors, but by policy regimes and operating grants set by the Government of British Columbia. Government decisions impact every post-secondary institution in the province, and provincial budget funding pressures being passed down to institutions has contributed to recent tuition protests in big cities like Vancouver and Victoria as well as in smaller towns like Nelson [10]. What has changed in the last decade? Has post-secondary education been a more or less important priority of the government? Will the recent change in governing party from the BC Liberals to the BC NDP make a difference? In this section, data is presented that will shed some light on these issues.

Since BC bestowed university status on five additional institutions in 2008, making eleven universities in total [13], the data used in this section is considered from the 2008-09 academic year onward. Fig. 6 gives the sum of the eleven government-funded operating grants going to BC universities each year as a percentage of BC's Gross Domestic Product (GDP). It hits a peak of about 0.66% of GDP in the 2009-10 academic year, likely because of the response to the global economic crisis of 2008-09, but from there steadily declines to about 0.49% of GDP in 2017-18. This is a drop in funding that is more than a quarter of the peak in terms of GDP, and illustrates that university funding has steadily become less of a priority for public funding, forcing higher education to be funded by philanthropy, private student debt and savings instead. Given the long-term importance of higher education to the economy as well as government tax revenue, the debilitating effects of high debt loads on young people, and the well-known difficulties of aligning the incentives of wealthy private donors with public needs, this seems like a dangerous public policy choice to have been made.

University Funding as a Percentage of BC GDP

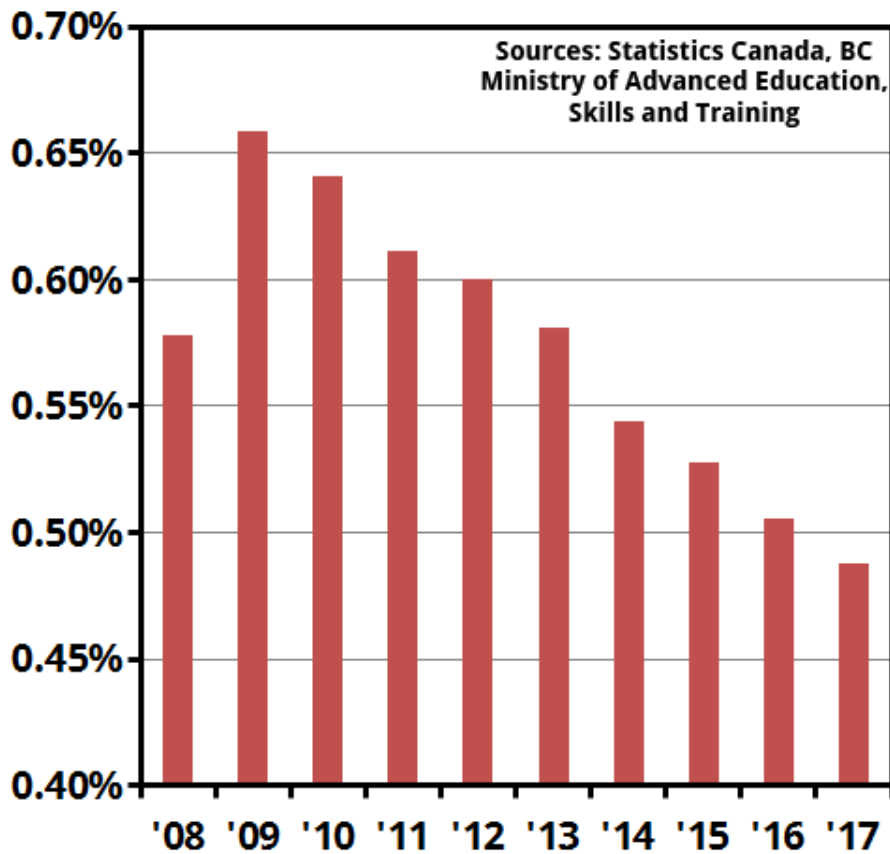


Fig. 6. The sum of BC government operating grants going to the eleven BC universities [11] as a percentage of BC’s Gross Domestic Product each year [12].

Fig. 7 provides another look at BC government operating grants to universities, taking into account changes in the 18-24 or “university-aged” population of BC. Here, again, the pattern is similar. A peak of about \$3550 per person in 2009-10 quickly and consistently falls to a low of about \$3150 per person in 2017-18. Changes in youth populations and post-secondary enrollment rates (the latter varying only a tiny 0.7% from 2009-10 to 2017-18, with both university and college groups not showing much difference [15]) are not significant enough to explain the large drop in government funding as a share of GDP and per university-aged person in BC.

Inflation-Adjusted University Funding per Person Aged 18-24 in BC

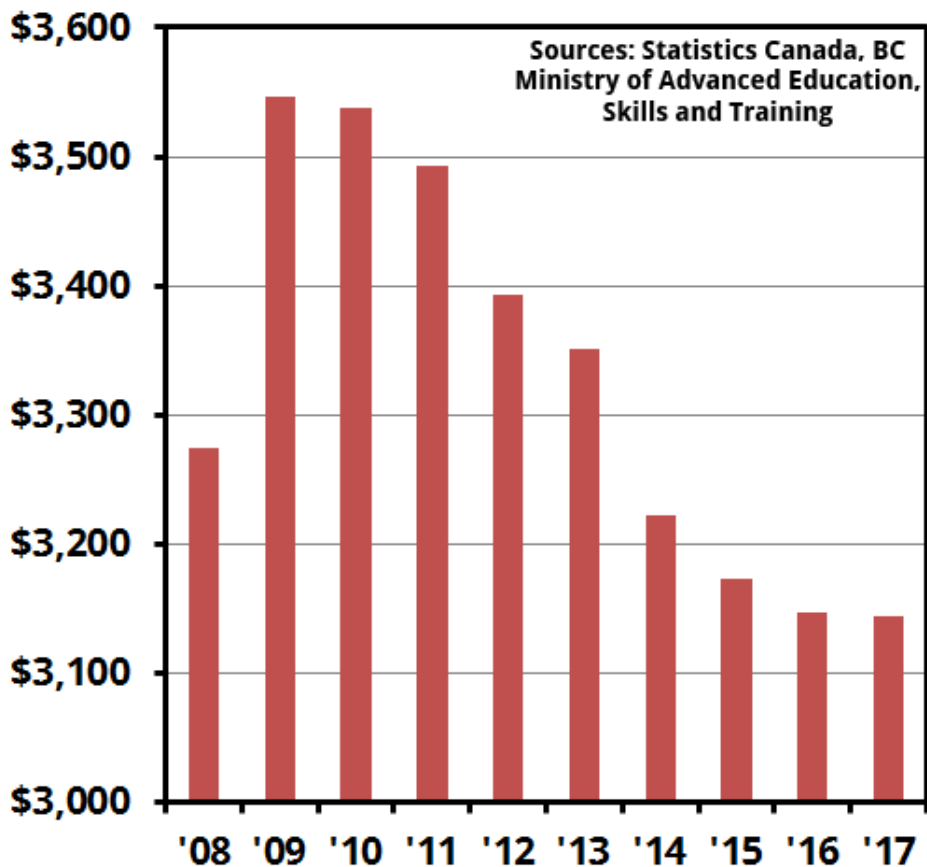


Fig. 7. The sum of inflation-adjusted BC government operating grants [11] going to the eleven BC universities, divided by each year’s “university-aged” (18-24) BC population [14].

In addition, Table 2 in the Appendix gives the sum of inflation-adjusted total operating grants going to the eleven BC universities by year, showing that real funding dropped from \$1.48 billion in 2010-11 to \$1.40 billion in 2016-17 (an \$80 million reduction despite a growing economy), only slightly recovering to \$1.425 billion in 2018-19. The change in governing party from Liberal to NDP may have turned this negative trend around somewhat, but there is a long way to go before universities will have the budgetary space to enact a long-term tuition freeze, much less be able to stop relying on huge tuition costs for international students and price a post-secondary education that can allow many non-wealthy international students to attend BC institutions.

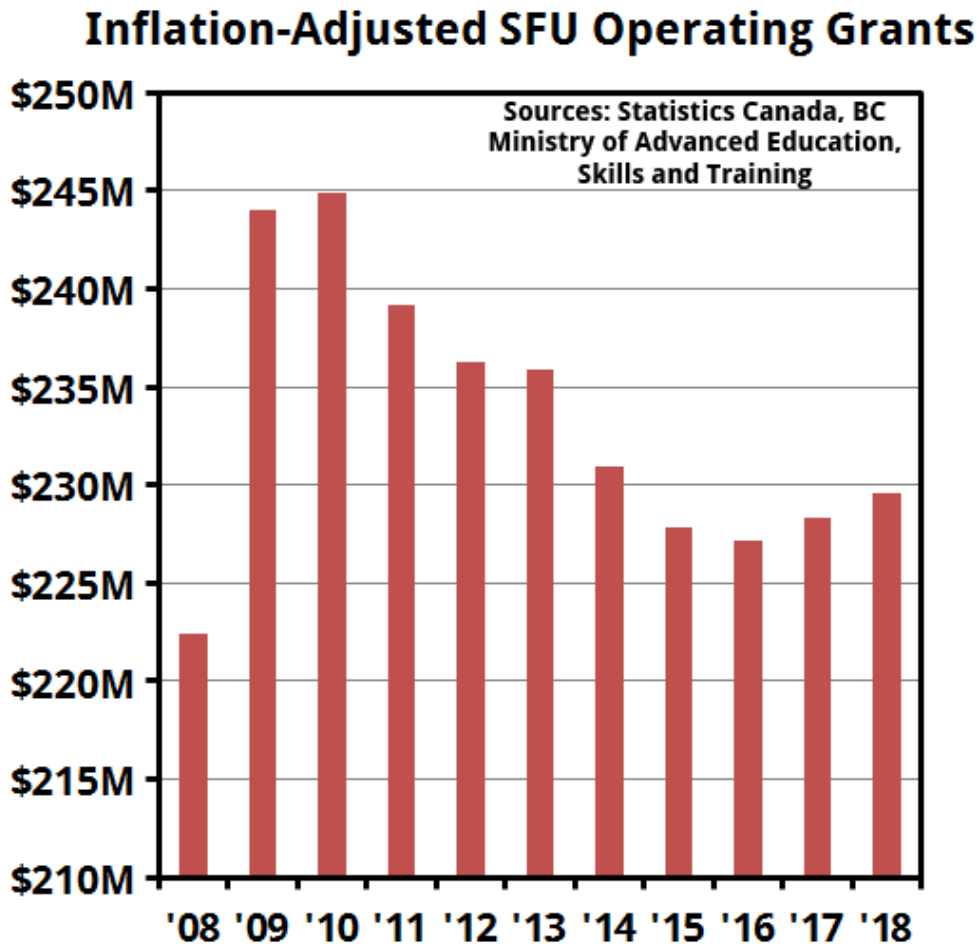


Fig. 8. Inflation-adjusted BC government operating grants going to SFU over time [11].

Tying BC government policy and post-secondary funding back to the tuition situation at SFU, Fig. 8 gives the trend in real operating grants provided by the BC government over time. Like Figs. 6 and 7, the trend is that of a peak around 2009-10 and 2010-11, followed by a slow decline to a nadir in 2016-17 that was almost \$18 million lower. However, with the addition of 2018-19 data, one can see that real funding may be turning a corner, if slowly. Whether or not funding continues to increase will show how serious the NDP government is about prioritizing SFU (and other) student concerns around tuition and affordability.

IV. Conclusion

So what can be done about tuition increases and affordability challenges? The scope for action is in two arenas: in the short term, everything possible needs to be done at the institutional (SFU) level to minimize tuition hikes, while in the medium and long term, the action is at the provincial government level, pushing for higher operating grants for the post-secondary sector.

At a bare minimum, the SFU administration needs to be transparent with students not only about the tuition consultation process, which has often felt more like a midterm-week lecture than a consultation, but about their various projects and commitments, their timelines, their costs, and how necessary they are. Budgets are never completely inflexible, and to the extent that various investments and added operating commitments are relative luxuries or are not needed as soon as possible, students should be able to press for their own priorities first – and foremost among them, as we’ve heard during the Tuition Freeze Now! campaign, is tuition relief. This is about choices and letting students have input into the choices made, not just administrators.

The BC government should be ensuring that university funding is increased at least a tenth of a percent (or more) of BC GDP as soon as possible and then held steady in the long run, which means increasing real spending as the economy grows. BC’s students are worth the investment of tax revenue: not only is quality public education a basic right of Canadians and an educated populace hugely beneficial in all sorts of tangible and intangible ways, but studies have found that university funding is more than returned in the future due to higher economic productivity and ensuing higher incomes [16]. While action on housing prices, transportation challenges and other concerns is desperately needed and when taken, much appreciated by students, tuition is incredibly important too. Ultimately, as students we should be demanding that the BC government be funding universities at a level that allows them to freeze tuition indefinitely.

No Student a Cash Cow - Freeze Tuition Now!

Notes

[1] Historical tuition and fee data are available at the SFU Calendar Archive, found at <http://www.sfu.ca/students/academic-calendar-archive.html>.

[2] The BC Consumer Price Index (CPI) is available on the BC Government website, located at <https://www2.gov.bc.ca/gov/content/data/statistics/economy/consumer-price-index>. Other CPIs (for example, the Vancouver CPI) are available on Statistics Canada's website (Table 18-10-0004-01).

[3] Historical SFU Teaching Assistant wages from 2004 available via the Teaching Support Staff Union website: <http://www.tssu.ca/collective-agreement/>.

[4] The Vancouver Consumer Price Index (which differs from the broader BC Consumer Price Index in its measurement of housing costs) is used here as a measure of student costs of living, since almost all students live in the Greater Vancouver area. Other graphs and inflation adjustments use the BC Consumer Price Index because by contrast, SFU's institutional costs are much less directly tied to the Vancouver housing market.

[5] Minimum wage data comes from the Government of Canada Minimum Wage Database, available at <http://srv116.services.gc.ca/dimt-wid/sm-mw/rpt2.aspx?lang=eng&dec=1>.

[6] Weekly working hours limitation from Immigration, Refugees and Citizenship Canada FAQ, "Work off campus as an international student", available at <https://www.canada.ca/en/immigration-refugees-citizenship/services/study-canada/work/work-off-campus.html#hours>.

[7] Surplus information detailed in SFU Statements of Financial Information, available at <https://www.sfu.ca/finance/publications.html>. Expected tuition and fee hike revenue from the Oct. 30, 2018 Student Budget Consultation slides, available at <https://www.sfu.ca/student-budget-consultations.html>.

[8] Ranking of Canadian universities by endowment available on Wikipedia (with links to the relevant institutional financial reports) at https://en.wikipedia.org/wiki/List_of_Canadian_universities_by_endowment.

[9] SFU stadium's planned VIP section reported in Varsity Letters article "SFU Stadium Project: Finally, a green light! Shovels set to break Burnaby Mountain soil in January for 18-month project", available at <https://varsityletters.ca/sfu-stadium-project-finally-a-green-light-shovels-set-to-break-burnaby-mountain-soil-in-january-for-18-month-project/>.

- [10] Articles about student protests at SFU, University of Victoria, and Selkirk College available at <https://www.cbc.ca/news/canada/british-columbia/sfu-students-grill-administrators-over-proposed-tuition-increases-executive-salaries-1.4884365>, <https://www.timescolonist.com/news/local/uvic-s-international-students-cry-foul-as-fee-increases-approved-1.13262376>, and <https://www.nelsonstar.com/news/selkirk-college-students-protest-proposed-tuition-increases/>.
- [11] Historical operating grants at BC public post-secondary institutions available at <https://catalogue.data.gov.bc.ca/dataset/operating-grants-at-b-c-public-post-secondary-institutions>.
- [12] BC Gross Domestic Product (GDP) data available on the BC Government website, located at <https://www2.gov.bc.ca/gov/content/data/statistics/economy/bc-economic-accounts-gdp>.
- [13] Newly defined universities as of September 1, 2008 include Capilano University, Emily Carr University of Art and Design, Kwantlen Polytechnic University, the University of the Fraser Valley, and Vancouver Island University. Previously-defined universities included Royal Roads University, Simon Fraser University, Thompson Rivers University, the University of British Columbia, the University of Northern British Columbia, and the University of Victoria, making eleven total.
- [14] Population data available on Statistics Canada's website (Table 17-10-0005-01).
- [15] Enrolment data available on the BC Government website, located at <https://catalogue.data.gov.bc.ca/dataset/full-time-equivalent-enrolments-at-b-c-public-post-secondary-institutions>
- [16] See Iglia Ivanova, "Paid in Full Update: Who Pays for University Education in BC?", available at https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2012/01/CCPA_Paid_in_Full_2012_web.pdf.

Appendix

Type of Cost					Student Type	2001-02	2002-03
Full-time Undergraduate Costs (Per Semester), 2018 BC dollars					Domestic Students	1579	1984
Full-time Undergraduate Costs (Per Semester), 2018 BC dollars					International Students	4691	5648
Full-time Graduate Costs (Per Semester), 2018 BC dollars					All Students	1095	1369
2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
2622	2931	2936	2943	2947	2950	3006	3025
8905	9093	8977	8883	8783	8668	8724	9231
1721	2048	2051	2055	2058	2060	2242	2245
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
3103	3127	3209	3273	3312	3326	3338	3313
9482	9556	10475	11355	12186	12212	13146	13295
2258	2283	2355	2379	2401	2405	2404	2382

Table 1. Tuition costs for domestic and international undergraduate students as well as graduate students, from 2001-02 to the 2018-19 academic year. Costs include full-time tuition and fees and are adjusted for inflation using the BC Consumer Price Index.

Year					2008-09	2009-10	2010-11
Total University Funding, millions of 2018 BC dollars					1352	1477	1484
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1461	1448	1451	1422	1405	1401	1415	1426

Table 2. Sum of BC government operating grants going to the eleven BC universities from the 2008-09 to 2018-19 academic year, adjusted for inflation using the BC Consumer Price Index.



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