

MINISTRY OF ADVANCED EDUCATION
Project Proposal

SUBJECT: System Planning at the Ministry of Advanced Education
Estimating Future Demand for Post Secondary Education In BC
Is there a model that would predict demand for student spaces more accurately than the current approach?

BACKGROUND:

The Ministry of Advanced Education (AVED) establishes system-wide policies and provides funding to public post secondary institutions.

The prime post secondary population (18–29 year olds) is expected to grow, albeit at a slower rate, until 2012 due to steady growth in the 25–29 year age group. In view of the projected growth in the prime post-secondary student population and the trend toward lifelong learning amongst the working age population, 25,000 new student spaces are being added to the system under the Strategic Investment Plan (from 2004/05 to 2009/10). Demand for post-secondary education and training spaces is expected to increase to the middle of the next decade in British Columbia. However, pressure on the post secondary system will vary across institutions. Recently, a number of colleges throughout British Columbia have experienced softening demand and are now operating at less than full capacity, while universities and institutes have generally experienced strong growth.

CURRENT APPROACH

In developing the initial Strategic Investment Plan in 2003, the ministry assumed that supply for post secondary education should expand at roughly the rate of demand. Post secondary supply was measured by the number of Full Time Equivalent (FTE) student spaces available at public provincial institutions. The Ministry assumed two main factors influence demand: demographic demand and labour market demand. The number of BC residents in the 18 to 29 age group was used as a proxy for the main client group. Growth in labour market demand was estimated as roughly “double the rate of growth of the 18-29 cohort”.

The most recent population projection available when the Strategic Investment Plan was developed anticipated a 7.6 percent increase in the 18-29 age cohort over the initial six years of the Plan. Accordingly, the ministry set a goal to increase post secondary access to 15 funded post secondary seats per 100 people in the 18 to 29 age group by the end of the initial Plan. This translates to 6.6 potential students competing for each post secondary space system wide. Regional growth allocations under the Plan were based on achieving equitable access throughout the province and targeting investment for key economic and social priorities. Specifically, the objectives were to:

- ✚ Ensure no region had more than 6.6 potential students (persons aged 18- 29) competing for each regional post secondary space by 2009/10.
- ✚ Narrow the gap across regions.
- ✚ Focus seat growth in regions that were both relatively underserved and where population of 18 to 29 year olds was growing the fastest.

CURRENT DATA SOURCES

- BC Stats prepares provincial population projections by age group, “Population Extrapolation for Organization Planning with Less Error” (PEOPLE). This data is provided to AVED under a license agreement and can be shared with the workshop.
- Student FTE spaces and enrolment by institution from AVED administrative records

REVISED DATA

Demographic data that formed the basis of the Plan is updated annually. While the rate of population growth has increased, the fundamental pattern of demographic growth has not. Based on the new data, the Ministry will not be able to achieve the policy objective of growing spaces by roughly double the rate of growth in the potential student population (18 to 29 year olds) without substantial increased investment. To continue to increase capacity based on near term population growth would likely result in unsustainable overcapacity in the longer term as growth rates begin to slow, level off, and then decline. The following graph compares the increase in post secondary capacity under the Plan to the increase that would be required were the system to expand at double the rate of population growth of the 18 to 29 age group.

