

4. Do we know how “smart” our university and college graduates are?

Not really; at the same time, there is no convincing empirical evidence to call the quality of Canadian graduates into question.

The main measure of Canada’s performance in postsecondary education is educational attainment – the percentage of the population with a college or university degree. This, however, is often dismissed as a measure of “output” and not “outcome.” There is no postsecondary equivalent to PISA that measures what college or university students or graduates actually know or can do.

Responding to growing pressures to measure quality and demonstrate more convincingly the return on the both students’ and taxpayers’ investment in postsecondary education, a number of countries have begun to explore possible ways to measure postsecondary learning outcomes. Institutions in the United States are further ahead in this exercise than those elsewhere, with many employing instruments such as the Collegiate Learning Assessment to measure the value of the education they provide.

Picking up on this trend, the OECD over the past decade spent considerable effort trying to develop a viable international study of postsecondary learning outcomes. This took the form of the Assessment of Higher Education Learning Outcomes (AHELO), which materialized as a feasibility study involving 17 countries or regions, including Ontario.¹⁴ Most participants and observers concluded from the feasibility study that the

project was not viable, for a combination of reasons relating to: the challenge of developing an assessment instrument that can be used to obtain meaningful comparative data across countries, institutions and disciplines; sampling difficulties; and excessive costs. It is not clear, however, whether the OECD has abandoned the AHELO project completely.

In the meantime, the main measures of the quality of postsecondary graduates remains indirect. In Canada, as countless studies have made clear^{15, 16}, postsecondary graduates continue to have very positive labour market outcomes in terms of employment and earnings.¹⁷ Of particular importance in the context of recent economic recession is the fact that workers with a postsecondary education are less vulnerable in times of rising unemployment than are those who did not continue their formal education past high school.¹⁸

Canadians between the ages for 25 and 54 with a university degree experienced more stable employment rates and a far less significant increase in unemployment rates during the recent recession than did workers with lower levels of education attainment (see Chart 3). Moreover, the absolute number of jobs fell significantly for those with no education beyond high school, but rose for those with a university degree. In fact, the economy added jobs for university graduates in this age group in every year during and after the recession period, including the years when the overall unemployment rate increased.

¹⁴ The report on the feasibility study is available here: <http://www.oecd.org/site/ahelo/backgrounddocumentsfortheahelofeasibilitystudyconference.htm>

¹⁵ For a review of evidence, see Joseph Berger and Andrew Parkin, “The Value of a Degree,” in Joseph Berger, Anne Motte and Andrew Parkin, eds., *The Price of Knowledge: Access and Student Finance in Canada*, fourth edition (Montreal: Canada Millennium Scholarship Foundation, 2009); available at: <http://www.yorku.ca/pathways/literature/Access/The%20Price%20of%20Knowledge%202009.pdf>.

¹⁶ For a more recent and in-depth study, see: Marc Frenette, “An Investment of a Lifetime? The Long-term Labour Market Premiums Associated with a Postsecondary Education,” (Ottawa: Statistics Canada, February 2014), p. 26; see: <http://www.statcan.gc.ca/pub/11f0019m/11f0019m2014359-eng.pdf>. Frenette tracks outcomes for a cohort of Canadian workers over a 20 year period up to 2010, finding that: “individuals who have a bachelor’s degree or a college certificate have more favourable labour market outcomes over their working lives than individuals who have only a high school diploma. More specifically, the earnings premium associated with a bachelor’s degree over the 20-year period ranges, on average, from \$728,000 for men to \$442,000 for women. For a college certificate, the premium is \$248,000 for men and \$180,000 for women, on average.”

¹⁷ It is sometimes reported that the earnings premium associated with postsecondary education in Canada – that is, the relative gap between earnings of those with and without PSE – is lower in Canada than elsewhere. However, this is because the earnings of some workers with less education in Canada are unusually high, largely because of the effect of regional resource economies. It is not an indication that earnings of Canadian postsecondary graduates are unusually low.

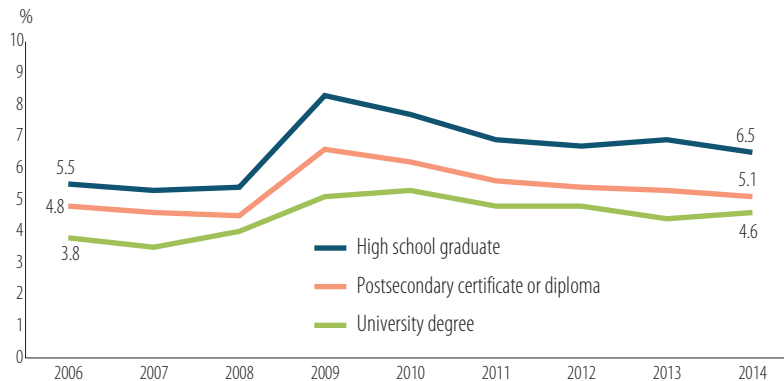
¹⁸ Similarly, Frenette’s tracking of workers over the 20 years between 1991 and 2010 shows that workers with college or universities credentials are less likely to experience either temporary or permanent layoffs. See Frenette, “An Investment of a Lifetime?”

In view of these trends, and in the absence of any evidence to the contrary, there is no compelling reason to call the quality of Canadian graduates, relative to those elsewhere, into

question. (Other measures of the skills of Canada's graduates once they have left the education system are discussed in the following section.)

Chart 3
Unemployment Rate for Canadians aged 25-54

By Education Attainment (2006-2014)



Source: CANSIM Table 282-0004