

Post-Secondary Education in Crisis: The Decline of Social Mobility and the Future of Learning in Canada

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*Essays advance a new idea, summarize a development, or initiate or engage in discussion. They may be narrower in scope than the above categories, but the subject matter should be of general scholarly interest.

Abstract

By 2040, Canada's post-secondary education (PSE) landscape is expected to have undergone a profound transformation, challenging its long-held status as a reliable pathway to upward social mobility. Historically, earning a college or university degree was viewed as a guaranteed route to stable employment, higher income, and improved social standing. However, predicted escalating tuition fees, soaring housing costs, extended program durations, and curricula misaligned with evolving job market demands will render PSE increasingly inaccessible to all but the wealthiest Canadians in a few short decades. This paper explores the socioeconomic consequences of these trends, including widening class divides, underemployment, skills mismatches, and the erosion of education's role as a public good. Drawing on government reports, labour market data, and emerging educational models, the analysis identifies sustainable alternatives such as modular micro-credentials, vocational and technical education, work-integrated learning, lifelong reskilling ecosystems, and community-based models. Ultimately, the study argues that for Canadian post-secondary institutions to remain relevant, they must embrace comprehensive reforms centred on affordability, flexibility, and more substantial alignment with contemporary workforce demands. Without such transformation, the risk deepens the polarization of opportunity, threatening both individual prospects and societal cohesion.

Introduction

Historically, Canadian students could expect a linear and stable progression: completion of secondary education, transition to post-secondary studies, entry into the workforce, and eventual retirement with financial security. In the contemporary context, however, this once-reliable pathway has become increasingly uncertain and is anticipated to experience further disruption and fragmentation in the coming decades.

The post-secondary education landscape in Canada has undergone a significant transformation. Despite efforts by most colleges and universities to remain forward-looking and responsive to evolving demands, many institutions continue to operate within outdated paradigms. A recent report commissioned by the Canadian government (2025) indicates that post-secondary education is increasingly becoming unattainable, irrespective of an individual's socioeconomic background. In previous decades, obtaining a formal education from a Canadian post-secondary institution, partnered with perseverance, was considered an opportunity for social mobility. However, escalating tuition fees and the rising cost of living have made higher education unattainable for a segment of the population, limiting the use of education as a stepping stone for social mobility. As a result, pursuing a degree or diploma is no longer a viable priority for many Canadians, with access increasingly limited to those from affluent backgrounds.

Increasing financial strain due to inflationary pressures, escalating operational expenditures, and implementing a federal policy capping international student admissions have placed an enormous financial strain on Canadian higher learning institutions. The international student cap has significantly reduced revenue for many institutions, with losses of up to 45% of their tuition-based income (Universities Canada, 2025; ApplyBoard, 2025). For decades, international student tuition has been a critical component of institutional financial models and central to maintaining fiscal stability (Usher & Balfour, 2023). Concurrently, the rising cost of living and inflation have exacerbated the financial challenges students and institutions face (Canadian Federation of Students, 2021). A strong and swift strategic system-wide response is needed to correct the trajectory of institutions in light of these developments.

The recent cap on international students has significantly disrupted international enrollment, with fewer international students applying due to the student visa process becoming more challenging. In response to financial pressures, institutions have been forced to reduce course offerings, suspend or cancel programs and reduce faculty and staff positions (MacDonald, 2024; Ronson, 2024). These adjustments have led to a further decline in domestic student enrollment due to reduced program availability and rising tuition costs (McGregor & Hunter, 2021; Mann, 2025). The

2.7% reduction in Canadian student enrollment is a stark reminder of the broader structural challenge within the post-secondary system, underlining the current financial strain on the Canadian post-secondary system (Statistics Canada, 2024).

According to Statistics Canada (2023), domestic college enrolments in Canada declined by approximately 7% between 2015 and 2022. While university enrolments experienced modest increases, the overall reduction in domestic student participation poses a significant long-term concern for post-secondary institutions. Although the federal cap on international student study permits was introduced in part to alleviate housing pressures in metropolitan regions such as the Greater Toronto Area, the policy has had serious unintended consequences on the post-secondary environment, including reduced program offerings and diminished institutional revenues (Statistics Canada, 2023; Associated Press, 2024).

Over the past decade, the number of international students enrolled in Canadian post-secondary institutions has more than doubled, growing from 199,116 in 2013–2014 to 468,087 in 2022–2023—a 135% increase—and rose by an additional 16% during the 2022–2023 academic year (Statistics Canada, 2024; FWD Editors, 2025). This growth drastically boosted institutional enrollment numbers and revenue streams, leading to a reliance on the higher tuition fees paid by international students (Statistics Canada, 2024; The PIE News, 2024). However, the sudden implementation of a cap on international student study permits—and the lack of robust contingency plans—severely disrupted operations, revealing the fragility of institutional financial models heavily dependent on international enrolment (Statistics Canada, 2024; The PIE News, 2024). This strategy also exposed a vulnerability: many Canadian post-secondary institutions prioritized the international student market to the detriment of diversifying revenue sources and maintaining domestic student access (FWD Editors, 2025).

Institutions have become heavily dependent on international tuition, which has developed over the past several decades. While a reliable source of revenue for several decades, it remains consistent without considering potential policy shifts or global disruptions. Current attempts to mitigate the fallout of recent developments have expedited the need for strategic planning, proactively planning for the future of Canadian post-

secondary education, and raising urgent questions about long-term viability and equitable access.

According to a report by the Government of Canada (2025), the traditional role of post-secondary education as a gateway to upward social mobility, even for international students, is eroding significantly by 2040. The report highlights the soaring domestic and international tuition fees and escalating housing costs that make higher education expensive for all but the wealthiest families. The average undergraduate tuition in Canada has steadily risen over the past two decades. However, these rising tuition fees and the increasing living expenses in urban centres, where most universities are located, have made PSE financially out of reach for many low- and middle-income students (Statistics Canada, 2023).

Higher education through obtaining a college or university degree in Canada has historically achieved upward social mobility and indicated better employment prospects, higher income, and improved social standing. However, the urgency of the predicted shift in this paradigm by 2040 cannot be overstated. Rising tuition and housing costs and extended program durations leading to significant opportunity costs, inflexible curricula misaligned with evolving job market demands, and the perception of post-secondary education as a marker of elite status have collectively eroded its role as a reliable avenue for social advancement.

Post-secondary education in Canada is now experiencing significant affordability challenges. The opportunity costs associated with long program durations have become increasingly burdensome and unattainable for those students who must work to cover basic living expenses and manage the ongoing inflation while also facing rising tuition. In a rapidly evolving job market, the four-year (or longer) commitment required for most degrees delays entry into the workforce, rendering traditional credentials less competitive. The World Economic Forum (2020) notes that 50% of all employees will need retraining by 2025, a trend that continues into the 2040s. However, many higher learning institutions fail to adapt to new market demands, leading to program structure and content inflexibility.

Many institutions prioritize theoretical knowledge over practical, industry-specific skills, leaving graduates ill-equipped for the realities of contemporary work. This disconnect diminishes the relevance of degrees, particularly in tech-driven fields where boot camps and micro-credentials

now offer faster, cheaper, and more targeted skill acquisition (Gallagher, 2016). Some institutions have shifted slightly to offer economical, fast-track educational opportunities but have yet to embrace them fully. Universities, still highly focused on research and research funding, fail to see the value of teaching-based revenue sources, such as micro-credentials and other alternative programs, for several reasons, including a lack of academics willing to move away from research-based tenured positions, embracing alternative modes of instruction and missing target markets like potential students within older labour market heading into a decline.

Fewer young people pursue post-secondary education, and those who do increasingly see it not as a pathway to career success but as a symbol of elite status and cultural capital. Instead of serving as a vehicle for upward mobility, post-secondary education becomes a tool for maintaining class distinctions. Moreover, shifts in the labour market, demands for graduates with degrees, and the high cost of obtaining such credentials diminish the perceived earning potential of a post-secondary degree. Rather, lucrative earning potential has been seen within trades and other applied practice educational programs, leading potential students to turn away from traditional university and college programs. Together, these trends reinforce socioeconomic stratification and undermine the role of education as a public good intended to promote equity and opportunity (Marginson, 2016).

The Financial Toll on Today's Learners

The financial barriers to accessing PSE have intensified over the years. In Canada, tuition fees have seen a consistent upward trajectory. According to Statistics Canada (2023), the average undergraduate tuition fee for full-time Canadian students was \$6,693 for the 2023/2024 academic year, marking a significant increase from previous decades. The cost has become even more prohibitive when combined with ancillary fees, textbooks, and other educational materials. Housing costs further exacerbate the financial strain on students. Urban centres, where most universities are located, have witnessed skyrocketing rental prices. For instance, in Toronto, the average monthly rent for a one-bedroom apartment surpassed \$2,300 in 2024 (Canada Mortgage and Housing Corporation, 2024). Such expenses and tuition render PSE inaccessible to many from low- and middle-income families.

Degrees That Take Too Long and Cost Too Much

Beyond direct costs, the opportunity cost associated with attending PSE is substantial. Students often forego full-time employment opportunities during their years of study, leading to lost income and work experience. Students in Canada face educational costs increasing by 39% over the next several decades to an average of \$104,898 by 2041 (Patrick, 2024). This supports the conclusions made by the Policy Horizons Canada Report from the Government of Canada (2025), noting that higher education has become more attainable, unlike conclusions made by Boothby & Drewes (2006), only two decades earlier, boasting the Canadian higher education system's accessibility for those who wished to earn a post-secondary education. However, just as we look back to Boothby & Drewes' (2006) work, looking forward to 20 years paints a very different picture.

Beyond the extended duration of many programs due to prerequisite courses, co-op placements, and academic delays, which cause students to take much longer than the standard four years to graduate, the overall inaccessibility to education is no longer an issue of diminished return on investment; it potentially may not be an investment that the average Canadian can dream of participating in.

Why the Curriculum Is Losing Relevance

The rapid evolution of the job market, driven by technological advancements and globalization, demands a workforce equipped with adaptable and current skills. However, many PSE institutions have struggled to keep pace. Curricula often have remained static, emphasizing theoretical knowledge over practical, industry-relevant skills, including in the college environment, where, historically, programs were based on practice and applied skills (Dennison & Gallagher, 2011).

The World Economic Forum (2020) reported that 50% of all employees would need reskilling by 2025, a trend that will only intensify until 2040. Furthermore, the rise of alternative education platforms, such as online courses, boot camps, and micro-credentials, has offered more agile and targeted learning opportunities. These alternatives often align with the current industry needs, making traditional PSE less appealing to students and employers.

What's at Stake for Canadian Society

In response to the challenges associated with traditional post-secondary education, alternative education and pathways have gained prominence. Vocational training, apprenticeships, and online certifications offer more affordable and flexible options. These alternatives often provide direct pathways to employment, with curricula tailored to specific industries. For instance, the rise of coding boot camps has addressed the tech industry's demand for skilled programmers without needing a four-year degree.

Employers, too, have adapted, placing greater emphasis on skills and experience over formal education. A study by CompTIA (2024) found that 70% of employers prioritize practical skills and certifications over degrees when hiring for tech roles. This shift further diminishes the traditional value proposition of PSE.

The societal implications of Canada's shifting post-secondary education (PSE) landscape have been profound. As PSE increasingly has become a symbol of elite status rather than a leveler of opportunity, the potential for upward mobility diminishes, undermining the meritocratic ideals that democratic societies claim to uphold (Marginson, 2016). This dynamic risks deepening disenfranchisement, reducing civic engagement, and potentially fueling social unrest. Additionally, a growing mismatch between the education system and labour market demands has contributed to persistent underemployment and talent shortages, particularly in high-growth sectors such as technology, healthcare, and green energy (World Economic Forum, 2020). Employers increasingly prioritize practical, job-ready skills and certifications over formal degrees, but many PSE institutions struggle to keep pace with these evolving demands (CompTIA, 2024; Pew Research Center, 2023). This skills mismatch weakens the connection between education and employment outcomes, leaving graduates underprepared for a contemporary workforce. Beyond economic impacts, the erosion of PSE's broader social functions is also concerning. Education fosters civic knowledge, critical thinking, and social cohesion. However, the devaluation of broad, liberal education favouring short-term, utilitarian skills training risks producing a fragmented, less empathetic, and less engaged society (Giroux, 2014). Without systemic reforms, the Canadian education system may further entrench social divisions, miss critical innovation opportunities, and weaken its foundational role in supporting a democratic society.

Hope on the Horizon: Building a Better Model

Despite the significant challenges facing the post-secondary education (PSE) system, several educational pathways are likely to remain sustainable and even thrive in the years ahead. One promising approach is modular and stackable micro-credentials, which consist of short, targeted learning modules that can be combined toward larger qualifications. These credentials, offered through universities, colleges, and private platforms such as Coursera and edX, allow learners to quickly adapt to evolving job markets without substantial financial or time investments (Gallagher, 2016). Vocational and technical education (TVET) programs focusing on skilled trades, applied sciences, and technical competencies—such as electrician training, healthcare support, or renewable energy technologies—offer direct pathways to employment and have remained closely aligned with labour market demands (Dennison & Gallagher, 2011). Work-integrated learning (WIL), including apprenticeships, cooperative education, and internships, is also valuable by blending formal education with practical experience. Successful models in countries such as Germany and Switzerland demonstrate how vocational routes can lead to respected, well-compensated careers (World Economic Forum, 2020).

Furthermore, with the rapid acceleration of technological change, sustainable learning systems must support continuous, lifelong learning. This requires collaboration among employers, governments, and educational institutions to provide accessible opportunities for adult upskilling and reskilling (CompTIA, 2024). Finally, community-based and alternative learning models—such as peer learning networks, open-source education, and community schools—have been likely to emerge to address the gaps left by formal institutions, especially in underserved and marginalized regions (Pew Research Center, 2023). Collectively, these alternative pathways provide flexible, accessible options that meet the needs of a rapidly changing world.

Conclusion

By 2040, the landscape of post-secondary education will have transformed significantly. Escalating costs, extended program durations, outdated curricula, and shifting societal perceptions have collectively undermined its role as a reliable pathway to social mobility. As alternative education models gain traction and employers adjust their hiring criteria, traditional PSE institutions must adapt or risk obsolescence.

PSE must undergo comprehensive reforms to restore relevance, emphasizing affordability, flexibility, and alignment with contemporary workforce demands.

The erosion of post-secondary education (PSE) as a reliable path to social mobility by 2040 has profound implications for individuals and society. If traditional PSE has become predominantly accessible to the wealthy and increasingly disconnected from workforce realities, the risk is a deepening of existing inequalities and a polarization of opportunity structures. A two-tiered system has emerged—those who can afford to pursue elite credentials benefit from cultural capital and networks. At the same time, the rest have been left to navigate fragmented and often precarious alternatives.

In sum, while the traditional university degree may no longer serve as a universal route to success by 2040, adaptive, affordable, and flexible educational models are not only a means of ensuring educational accessibility and skill acquisition to ensure steady growth in human capital but also may be a viable revenue source for academic institutions. However, the sustainability of these alternatives hinges on policy innovation, equitable funding, and societal recognition of diverse learning pathways.

Note on Contributor

Mira Kapetanovic is a professor at Humber Polytechnic and an award-winning educator, recognized for her innovative teaching and mentorship of students across multiple Canadian institutions. Mira has built a distinguished research profile at the intersection of psychology, law, and artificial intelligence, advancing pioneering work in quantum forensic psychology and AI-driven legal decision-making.

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