

# RISING EDUCATIONAL EXPECTATIONS: TRENDS AND LIMITS IN TIMES OF ECONOMIC DOWNTURN



**EN BREF** Des défenseurs de l'éducation se servent du ralentissement économique pour avancer leur cause. Les établissements d'enseignement sous-financés ne sont-ils pas les bénéficiaires tout indiqués d'un plan de relance économique? Mais bien que le public soit en faveur d'augmenter les dépenses en éducation, le consensus n'existe pas quant à sa priorité par rapport à d'autres responsabilités gouvernementales. Et bien que le soutien des dépenses sociales l'emporte sur celui des réductions d'impôt et des compressions budgétaires, la marge est fort mince. L'opinion publique en matière d'éducation et de main-d'œuvre concerne davantage les possibilités individuelles que les résultats sociétaux. Les gens croient que des études plus poussées – en particulier de niveau postsecondaire – rehaussent les chances individuelles de succès professionnel, mais ne considèrent pas que l'augmentation du degré d'instruction de la main-d'œuvre garantira de bons emplois (ou même tout simplement des emplois) pour tous.

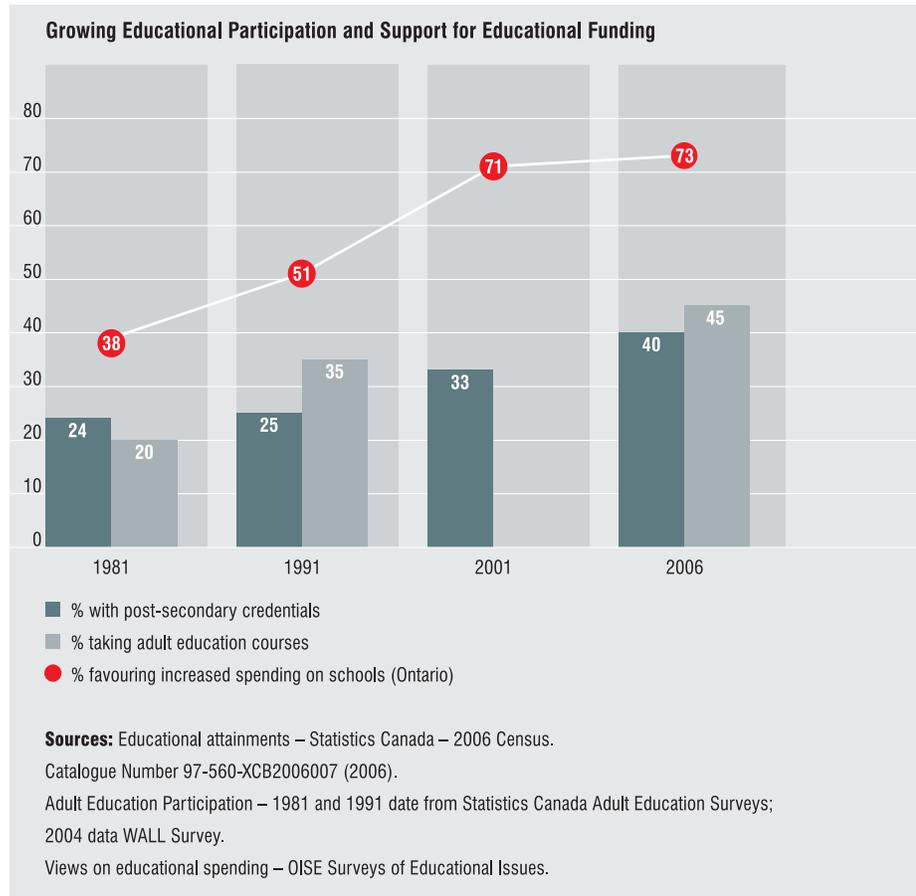
**ADVOCATES FOR EDUCATION** have seized upon the current economic downturn as an opportunity to advance their cause. If governments are poised for an attempt to spend their way out of a deep recession, what better target than underfunded educational institutions, from daycare to universities? Public support for increased spending on education is well-documented. Canadians have made very substantial investments in education in recent decades, both through their governments and individually. Finally, the importance of a highly educated workforce for sustained growth is widely acknowledged.

However, while the public favours increased educational spending, there is no consensus on its priority over other government responsibilities. And while support for spending on social services outweighs that for tax cuts and fiscal restraint, the margin is uncomfortably narrow. Public beliefs about education and the workforce centre on individual opportunities rather than societal outcomes. People believe that more – and particularly post-secondary – education substantially improves a person's chances for a good career. They do not see rising educational levels across the labour force as guaranteeing good (or even any) jobs for all. We argue that this public perception is correct.

### THE ALLURE OF LIFELONG LEARNING

Canada is a learning society. Canadians have made very substantial investments in formal education. The figure at the right summarizes the rapid increases over the past generation in both post-secondary completion and participation in adult education. The latest issue of the Organisation for Economic Co-operation and Development's (OECD) *Education at a Glance*<sup>1</sup> indicates that the proportion of 25-64-year-olds with a college or university education is higher in Canada than in any other developed economy. The OECD report also shows that Canada has one of the narrowest generation gaps in terms of educational attainment. Recent studies have also documented the immense amount of informal learning Canadians do in relation to their paid and unpaid work and general interests.<sup>2</sup>

Over this period, public support for increased funding of education has increased by similar proportions. As the figure also shows for Ontario (the only available time series of public opinion), support doubled from 1981 to 2006. Similarly, while only around a third of respondents to polls around 1980 indicated that they thought a post-secondary education was very important to get along in society, by the early 1990s, over two-thirds held this view, and in 2006 three-quarters of Canadians did so.<sup>3</sup> While numerous educational inequities may persist, there is a growing consensus among Canadians of all backgrounds that investment in education up to the most advanced levels is an inherently valuable social good.



### EDUCATIONAL INVESTMENT AND ECONOMIC REDEMPTION

There is a long-standing tendency for economists and policy experts to advocate greater investment in education as a cure for economic ills. In the current economic downturn, claims for the redemptive power of yet more education are being loudly expressed. Economic growth will be restored by populating the knowledge-based economy with increasingly well-educated workers. Disparities of income and wealth will be contained and ameliorated in the same process as better educated workers garner higher incomes based on greater value-added in employment. The Florida-Martin Report for the Ontario government is a typical example.<sup>4</sup>

Given the growing consensus among Canadians on the inherent value of advanced education, it is very likely that the general public will support bids for making educational investment a major part of emergent economic stimulus strategies. For example, a national Nanos poll conducted for the National Union of Public and Government Employees (NUPGE) in January 2009 found over two-thirds of respondents in all regions of the country thought it was important for the government to increase investment in public services such as health care, social services, the justice system, and education during an economic downturn.<sup>5</sup>

There are, however, two major obstacles to moving forward with this strategy. First, public support for educational investment is largely ineffective in the absence of consensus on priorities. Second, the major problems in our economy are not educational deficiencies.

### Consensus More Apparent than Real

Lack of consensus on priorities has at least three dimensions: failure to clearly prioritize within the educational sphere itself, failure to prioritize among public services, and failure to decisively prioritize public over private investment.

The general public puts a high value on investment in education at all levels but has no clear priorities among different levels. Since the 1980s, the Ontario Institution for Studies in Education/University of Toronto (OISE/UT) Ontario Survey of Educational Issues has tracked increasing support for funding of K-12 schooling, post-secondary education, and job retraining and adult basic skills. By 2004, two-thirds or more supported higher spending in *all* of these areas. National Gallup polls from the mid-1980s and 1990s confirmed broad public support for spending on K-12 and post-secondary education.<sup>6</sup> A January 2009 Nanos poll by the British Columbia Coalition for Education found that 85 percent of the public favoured more of just about everything educational – more early childhood education, more post-secondary education, more job retraining, etc.<sup>7</sup>

**TO FOCUS ON THE ISSUE OF HEALTH CARE VERSUS EDUCATION IS, HOWEVER, TO MISS THE MAIN POINT. NEITHER COMMANDS ANYTHING LIKE AN OVERWHELMING PRESENCE IN THE PUBLIC MIND.**

The second point about priorities among public services is often misinterpreted as conflict between health care and educational claims, with the former winning out. This is overdrawn and overlooks the real problem – a much broader diffusion of public priorities. Polls that ask about priorities for the federal government, which has a small footprint in education, typically show education as an also-ran. A CBC-Environics pre-election poll, for example, conducted in late August, 2008 (before the economic roof fell in) shows 19 percent citing health care as the most important issue facing the country followed by environmental issues at 13 percent and the economy at 12 percent. Education is well down the list at 3 percent. In contrast, an Environics pre-election poll in Ontario, conducted in September, 2007 has health care at 14 percent and education at 11 percent. Health care tops both lists, but at the provincial level has a narrow margin over education.<sup>8</sup> The ranking, moreover, is in part an artefact of the question format, itself. In 1998, the OISE survey asked respondents directly whether they favoured giving priority to health care spending, spending on education, or both equally; the overwhelming majority chose both.<sup>9</sup> To focus on the issue of health care versus education is, however, to miss the main point. Neither commands anything like an overwhelming presence in the public mind; in the recent Ontario Environics poll, together they account for barely a quarter of responses. This diffuse character of public priorities serves to undermine the political effectiveness of what is a very tentative consensus on investment in public services in general.

The third point is a deep ambiguity over public versus private investment in education and other services. The spectre of a taxpayers' revolt has haunted policy debates for decades. It has not disappeared, with a consistent flow of poll results (including the two Environics surveys cited above)

revealing a consistently low public priority for tax cuts over public services. Politicians need assurances not simply that the 'tax cut card' cannot be used decisively against them, but that necessary tax increases (rolling back cuts made by neo-conservative regimes) will not be political suicide. And here public opinion has been less reassuring.

The OISE Survey of Educational Issues has tracked public views on taxing for education as well as spending since the early 1980s. In the late 1980s and early 1990s, a rough balance existed between preferences for higher spending and willingness to accept higher taxes to do so, with similar minorities supporting both. In the late 1990s, however, a 'spending gap' opened up as support for higher spending grew from 53 percent (1994) to 71 percent (2000) while willingness to pay higher taxes stuck at just over 50 percent. The gap has narrowed in recent years. In 2007, 76 percent favoured higher spending; 62 percent were willing to pay higher taxes to support it. Canadian Education Association (CEA) surveys for 1984 and 2007 show this general pattern to hold nationally. Similarly, the 2009 Nanos poll for NUPGE asked whether cutting government services would help the economy or make the economic downturn worse. While a narrow majority (56 percent) supported the latter position, 30 percent felt government cuts would help, and the rest were unsure or unwilling to say. While public opinion may be less swayed by fiscal conservatism than it was a decade ago, no decisive victory has been won in this hearts and minds campaign. The fragility of public support for financing public investment in general, in combination with the lack of consensus on clear priorities (and expected outcomes), severely limits the political impact of changing public views.

### The Education-Jobs Gap and Returns to Education in the Public Mind

This brings us to our second point, that public support for educational investment has almost nothing to do with the major problems in our economy.

The Canadian public came to a new valuation of the importance of post-secondary education in the midst of the previously worst recession of the postwar period, the early 1980s. That recession, officially defined, lasted 18 months. High unemployment persisted even longer. The annual unemployment rate consistently exceeded 10 percent from 1982 to 1985 and still stood at 9.7 percent in 1986.<sup>10</sup> In 1986, the OISE/UT Survey of Educational issues paid particular attention to public views of education and the labour market. The results are instructive. Over 80 percent thought there were surplus university graduates in terms of the jobs available; the surplus was seen as higher at this level than for jobs requiring lesser credentials. A quarter of respondents thought the surplus of post-secondary graduates was the biggest problem facing the Ontario labour market; few cited shortages of college or university graduates.<sup>11</sup> In other words, the public saw clearly what Livingstone termed 'the education-jobs gap' even as they revised their views of the importance of post-secondary education for financial success.<sup>12</sup>

The education-jobs gap has become an enduring element in popular views of education and the labour market, although often misperceived. In 2002, the OISE/UT survey again asked about the supply and demand for university



graduates, and again found that the overwhelming majority – just under 70 percent – saw a surplus of job seekers. In four surveys – 1982, 1994, 1996 and 2002 – respondents were asked whether a university graduate faced the same risk of unemployment as a high school graduate. In all years, a majority said yes, although the proportion fell from 63 to 51 percent over the period. While these perceptions represent a confusion of *underemployment* with unemployment (unemployment among university graduates is considerably lower than for high school graduates, even in bad times), they clearly indicate scepticism regarding the ability of the economy to generate sufficient good jobs. In 1996, over half (55 percent) agreed that “over the next five years there won’t be enough jobs to go around, no matter how much training and education people get.” In 1998, before the dot.com meltdown, the public was divided over whether universities were graduating too many or too few graduates to fill jobs in high tech industries. Forty-one percent thought too few; 26 percent, too many.

What the public is agreed on is that investment in post-secondary education can have substantial payoffs for *individuals*. There is consensus on high returns for education for those who achieve the appropriate job match. A majority of respondents to the 1996 OISE/UT survey both believed that a university graduate had the same risk of unemployment as a high school graduate and that a university graduate was more likely to gain a better job with a higher income. In 2002, almost three-quarters thought a university education made a great deal or quite a lot of difference in terms of career opportunities and lifetime earnings. In summary, the public believes in individual returns to education without mistaking these for a route to universal economic prosperity through educational upgrading.

#### **PUBLIC SUPPORT FOR EDUCATIONAL INVESTMENT: WHAT IT MEANS AND DOES NOT MEAN**

If governments choose to spend a substantial portion of economic stimulus monies on educational investment, such action will almost certainly enjoy popular support. This does not mean, however, that governments will escape public disapproval for not spending in other areas. Educational investment is supported by most but is the unequivocal priority of only a few. Similarly, the public will support educational investment for reasons that predate the economic downturn and will continue to do so afterward. The downturn itself will not instil any special sense of urgency because no connection will be evident between such investment and recovery. Popular support for increased educational investment is at root about expanding economic and social opportunities for individuals, not about improving societal economic outcomes.

Finally, a brief editorial. To regard educational investment as a significant route to economic growth and reduced inequalities is to remain trapped within the mainstream thinking of the past generation, particularly in light of the increasing unemployment and underemployment of highly formally educated people.<sup>13</sup> The concept of the knowledge-based economy is largely irrelevant to the debates about the sources of economic instability and, hence, irrelevant to the institutional changes needed to produce a more sustainable economy. Economic problems need economic reforms, most notably the imperative of utilizing

existing human knowledge in more effectively designed and sustainable workplaces.<sup>14</sup> Similarly, decades of investment in human capital have been accompanied by sharpening inequalities of income and wealth, seen particularly in the worsening situation of highly educated immigrants.<sup>15</sup> Real returns from education have played but a small part in this; the mainsprings of the growing income and wealth gap lie in policies deregulating financial and labour markets as well as taxation shifts that have increased profits and decreased wages.<sup>16</sup>

We should support educational investment for the things that it can do, but recognize clearly what it cannot do. Education is always inherently valuable. But the best popular medicine for coping with these times of economic disruption may be appreciation of the limits of formal education per se to resolve economic problems and meet rising public expectations about the need to address economic and ecological problems directly. **I**

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#### Notes

- 1 OECD *Education at a Glance 2008*, available at <http://www.oecd.org/dataoecd/23/46/41284038.pdf>; *Education at a Glance 2008 Briefing Note – Canada*. Accessed 8 March 2009 from [http://www.oecd.org/LongAbstract/0,3425,en\\_33873108\\_33873277\\_41277818\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/LongAbstract/0,3425,en_33873108_33873277_41277818_1_1_1_1,00.html)
- 2 D.W. Livingstone, “Re-exploring the Icebergs of Adult Learning: Comparative Findings of the 1998 and 2004 Canadian Surveys of Formal and Informal Learning Practices,” *Canadian Journal for the Study of Adult Education* 20, no. 2 (December, 2007): 1-24.
- 3 Jodene Dunleavy. *Public Attitudes Toward Education in Canada The 2007 CEA Survey* (Toronto: CEA, 2007). Available at [http://www.cea-ace.ca/media/en/CEA-ACE\\_PubEdSumWEB.pdf](http://www.cea-ace.ca/media/en/CEA-ACE_PubEdSumWEB.pdf); D.W. Livingstone and Doug Hart (with L. E. Davie 1996-2002), *Public Attitudes Toward Education in Canada 1996, 1998, 2000, 2002, 2004, 2007 OISE Surveys of Educational Issues* (variously published by OISE Press and University of Toronto Press). Accessed 8 March 2009 from <http://www.oise.utoronto.ca/OISE-Survey/> Latest results of views on educational spending in Ontario are found in the 2007 report; latest results on the importance of post-secondary education, in the 1996 report.
- 4 Roger L. Martin and Richard Florida, *Ontario in the Creative Age*. (Toronto: Martin Prosperity Institute, February, 2009). Accessed 8 March 2009 from <http://martinprosperity.org/research-and-publications/publication/ontario-in-the-creative-age-project> (accessed March 8, 2009).
- 5 Accessed 8 March 2009 from [http://www.nupge.ca/files/images/pdf/200901\\_NATOMNI\\_NUPGE\\_Tabulations.pdf](http://www.nupge.ca/files/images/pdf/200901_NATOMNI_NUPGE_Tabulations.pdf)
- 6 *The Gallup Report* (Toronto: Gallup Canada, February 27, 1998).
- 7 Accessed 8 March 2009 from [http://www.bccpe.ca/news/BCCPE\\_poll\\_results.pdf](http://www.bccpe.ca/news/BCCPE_poll_results.pdf)
- 8 CBC-Environics results are available at <http://erg.environics.net/imageLibrary/2008CBCPre-ElectionSurvey.pdf>; results for the Ontario Environics pre-election poll are available at [http://erg.environics.net/media\\_room/default.asp?aid=647](http://erg.environics.net/media_room/default.asp?aid=647)
- 9 D.W. Livingstone, Doug Hart, and L.E. Davie. *Public Attitudes Towards Education in Ontario*. (Toronto: OISE Press, 1996): 23.
- 10 Human Resources and Social Development Canada, *Indicators of Well-being in Canada: Unemployment Rate*. Available at [www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=16](http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=16)
- 11 D.W. Livingstone, Doug Hart, and L.E. Davie, “Public Attitudes Towards Education in Ontario 1986,” *Orbit* 18, no. 10, 3-13.
- 12 D.W. Livingstone. *The Education-Jobs Gap: Underemployment or Economic Democracy*. (Toronto: Garamond Press, 2004). A wealth of information on learning and work relations is available at the website for the Research Network for The Changing Nature of Work and Lifelong Learning in the New Economy at <http://www.wallnetwork.ca/>
- 13 See D.W. Livingstone (ed.), *Education and Jobs: Exploring the Gaps*. (Toronto: University of Toronto Press, 2009).
- 14 See D. W. Livingstone. *The Education-Jobs Gap* (Toronto: Garamond Press, 2004).
- 15 See recent Statistics Canada analyses on this issue at [www.statcan.gc.ca/daily-quotidien/070130/dq070130b-eng.htm](http://www.statcan.gc.ca/daily-quotidien/070130/dq070130b-eng.htm) (Accessed March 8, 2009).
- 16 Ellen Russell and Mathieu Dufour. *Rising Profit Shares, Falling Wage Shares*. (Ottawa: Canadian Centre for Policy Alternatives, June 2007). Accessed 8 March 2009 from [www.policyalternatives.ca/documents/National\\_Office\\_Pubs/2007/Rising\\_Profit\\_Shares\\_Falling\\_Wage\\_Shares.pdf](http://www.policyalternatives.ca/documents/National_Office_Pubs/2007/Rising_Profit_Shares_Falling_Wage_Shares.pdf)