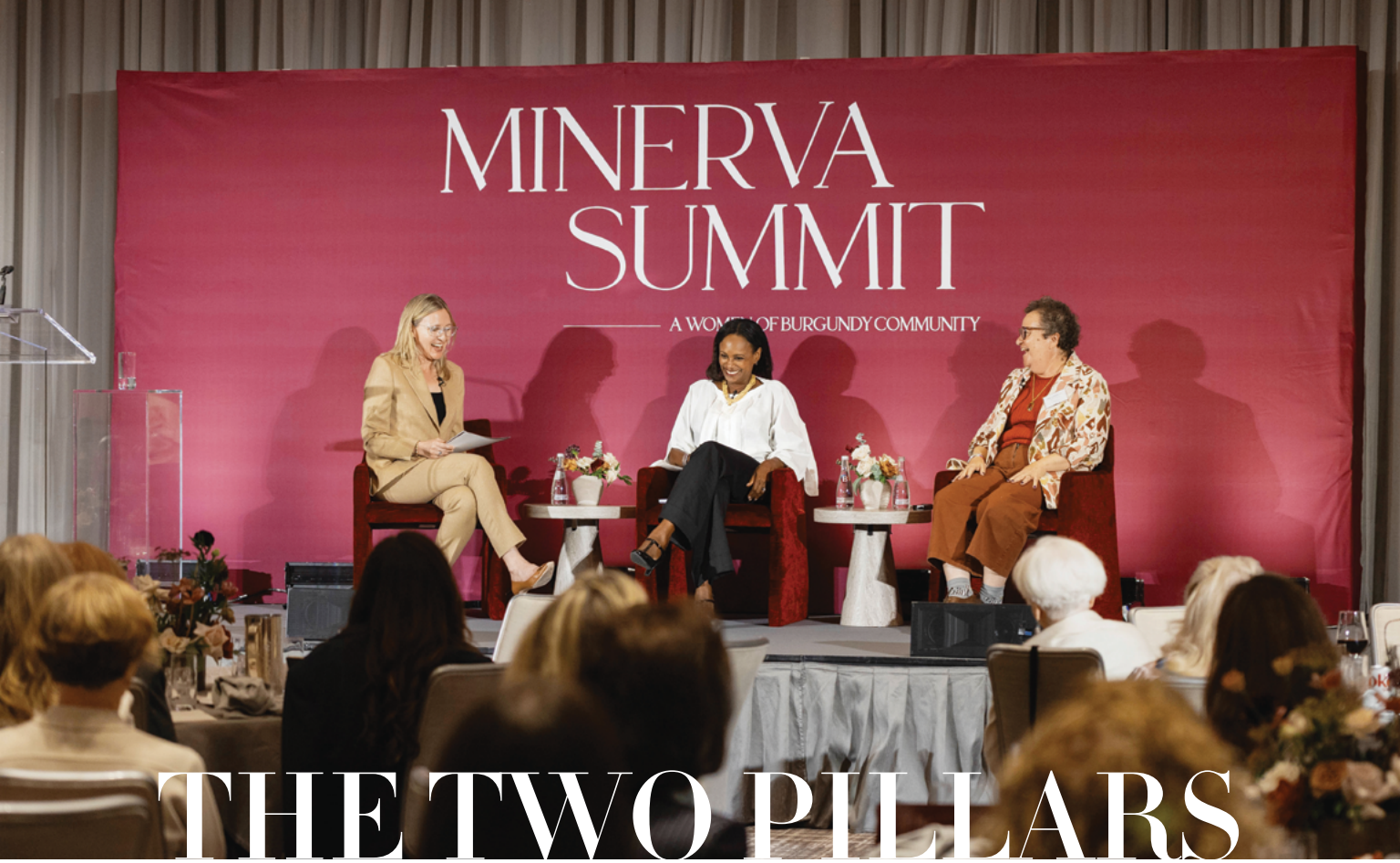


THE TWO PILLARS

Exploring housing and higher education as levers of generational support.

By: Dr. Rhonda McEwen, Dr. Carolyn Whitzman & Anne Maggisano

Higher education and housing have long been two powerful investments for families seeking a brighter future for their children. Today, both levers are under strain. In a conversation hosted by Burgundy Vice President Anne Maggisano during last fall's Minerva Summit, Dr. Rhonda McEwen—President and Vice Chancellor of Victoria University at the University of Toronto, who focuses on how emerging technologies shape communication, learning, and inclusion—and Dr. Carolyn Whitzman—adjunct professor at the School of Cities at the University of Toronto and author of *Home Truths: Fixing Canada's Housing Crisis*—came together to examine the pressures on these systems. Their conversation explored the changing attitudes toward post-secondary education, how the current state of housing in Canada reflects the inheritance economy, and how each lever influences the other.

Anne Maggisano: Housing and higher education are the primary levers many parents have used to support their children's mobility, and yet both are clearly under strain. At a very high level, just to set the context, are these pillars already reflecting the rise of an inheritance economy in Canada? And what risks or responsibilities does that place on families themselves?

Dr. Rhonda McEwen: Globally, Canada ranks first in post-secondary education attainment. By comparison, the U.K. ranks seventh. That matters when you consider population size: Canada has about 40 to 41 million people, while the U.K. has roughly 70 million.

In Canada, about 65 percent of adults have at least one post-secondary education degree—a remarkably high figure compared to the rest of the world. Among 18- to 24-year-olds in Canada, that number rises to nearly three-quarters. I'm emphasizing this because it fundamentally shapes how meritocracy and inheritocracy intersect

in Canada. Our baseline education standard is already very high, which changes what "advantage" looks like.

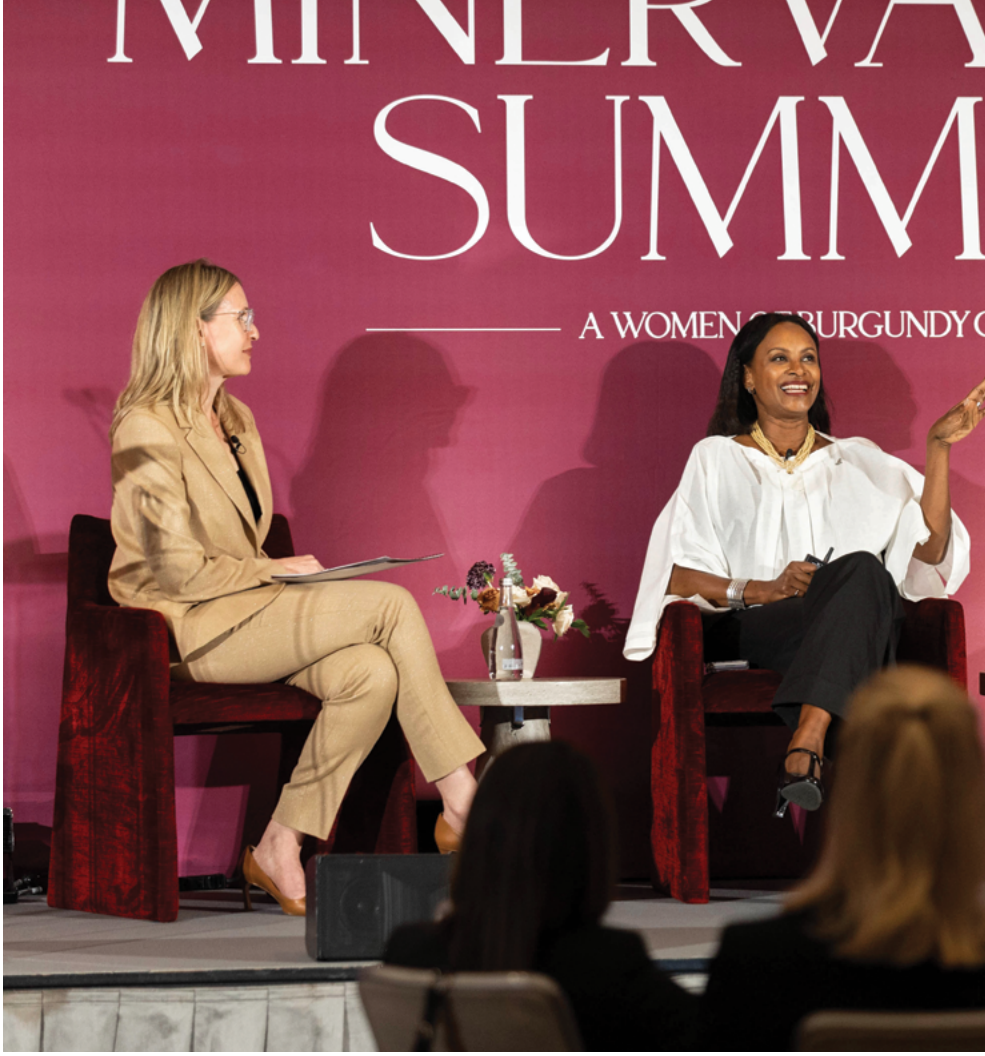
When we look at what's keeping Canadians up at night right now, the top concerns are cost of living, housing accessibility and affordability, inflation, health care, immigration, lack of freedom, too much political correctness, inequality, and poverty. Higher education still matters—it's on the list of top issues, but not high on the list.

When Canadians are polled about the role of universities [*David Coletto, Abacus Data*], 41 percent say universities should drive social mobility and reduce inequality. You would think that it would be much higher than that. If an undergraduate education at minimum or a college certificate is the norm, then higher education is seen as a basic condition of living in Canada versus as a way up the ladder. That shifts how people understand social mobility. When education is universal, it no longer feels like a lever, it feels like table stakes.

AM: Dr. Whitzman, when you look at housing in Canada, is it already reflecting the rise of an inheritance economy?

Dr. Carolyn Whitzman: When we look at housing in Canada, the basic distribution hasn't changed much since the 1970s: about one-third renters, one-third homeowners with mortgages, and one-third homeowners without mortgages.

What has shifted dramatically is the affordability of those choices. The international benchmark for affordable homeownership is that the average home should cost no more than three times the average household income. That held true in Canada throughout the 1970s, the 1980s, and even into the 1990s. Today, the average home costs about three times more than what a middle-income household can afford. In Toronto, the average cost is closer to four times; in Vancouver, it's five times. Canada now ranks among the most unaffordable countries in the world for homeownership.

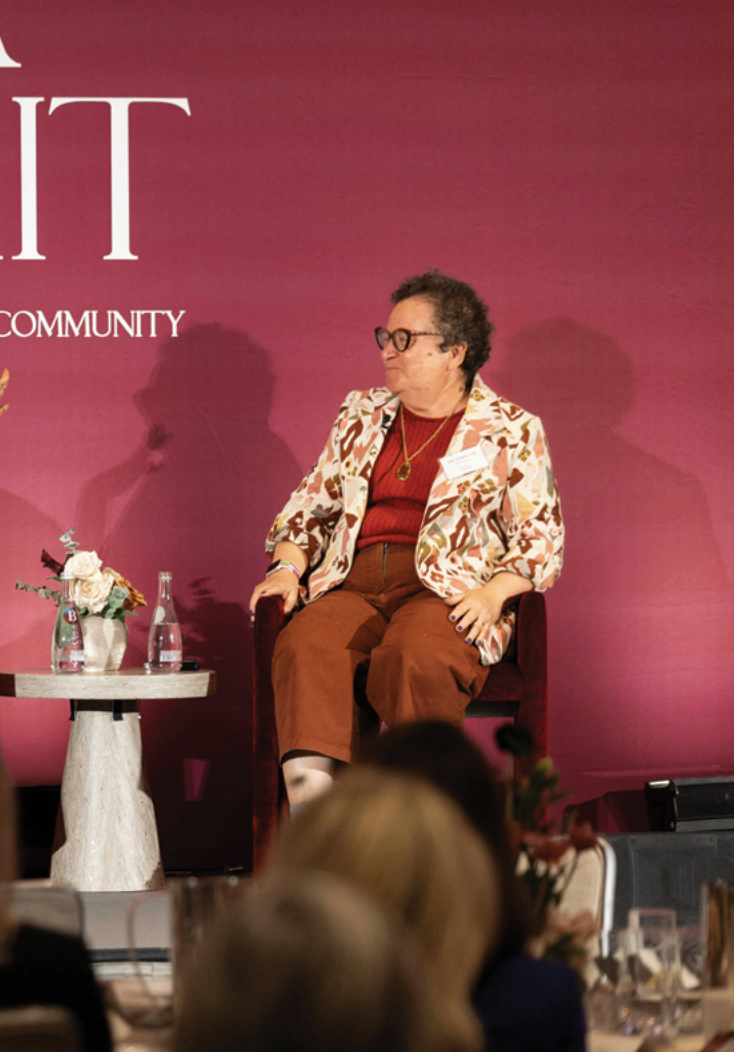


My mother was a single mom. We grew up as renters in Montreal, and we were comfortably middle-class. I found it very easy to move out while studying. Today, the average rent for a two-bedroom apartment is well over twice what two minimum-wage earners can afford. There is no city in Canada where a single mother can afford the average apartment. Homelessness—once quite rare and not very visible—has doubled in the last six years. So, it's a profoundly different world.

AM: Let's do a bit of a deeper dive into higher education. Dr. McEwen, when we look at higher education in Canada through a demographic lens, who is gaining access and who is being left out?

RM: Women now make up about 59 percent of university students in Canada, and that figure keeps rising. At Victoria University, we're closer to 63 percent, including in fields like engineering and computer science that, typically, are predominantly made up of men.

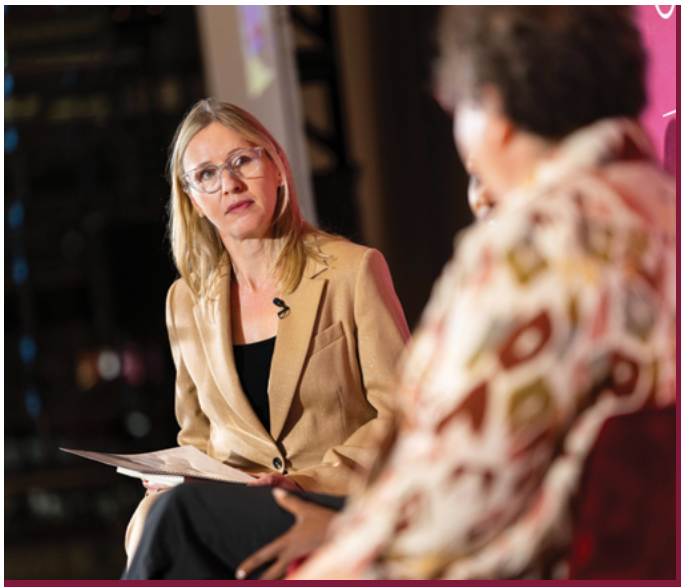
Among childhood immigrants aged 25 to 44, 44 percent hold a bachelor's degree or higher in Canada as of 2016. First-generation immigrant families, in particular, show extremely high educational aspiration. For many years, I taught at the Mississauga campus of the University of Toronto, and most students in my classes were first-generation Canadians—their parents moved here so they could attend university in Canada. That was the goal. This is important because it tells us that although the social mobility number on average is only 41 percent, it's much higher among first-generation Canadians—often above 80 percent. Among second-generation immigrants, you still see



quite a high number.

International students became politically contentious in the last federal election, but some of that was just rhetoric. In Canada, international students represent only about 20 to 21 percent of university students, which is low compared to the U.K. and other parts of the world. International graduate-level students are around 16.4 percent. PhDs represent a very high number of these. This is astonishing, and it's quite unusual globally. Canada has been a net attractor of doctoral students versus many other countries.

One-third of new university entrants are racialized Canadians—that's a really interesting stat too, especially as we start talking about who's being left out. Access for low-income students is still an issue here. The cost of higher education in Canada is accessible compared to the U.S., but, globally, it is not the cheapest. According to Statistics Canada, rural and northern youth participation is still lower than it should be. Among Indigenous adults, the number of degrees are tens of percentage points lower than the rest of the population. And while 96 percent of young Black people aspire to university, only 60 percent get there. That tells



Left: Anne Maggisano, Dr. Rhonda McEwen, Dr. Carolyn Whitzman on stage at the Minerva Summit

Top to bottom: Anne Maggisano; Burgundy's Co-Founder Richard Rooney; Anne Maggisano, Meghan Moore, Lauren Davis Landau, Rachel Davies

us that there's a structural problem somewhere in our system—the aspiration is not met, especially when you compare it to the aspirations of other demographic groups who are getting to university. Finally, men: Young men are now underrepresented across any demographic group, and are at lower percentages getting into university or even attempting to get to university. Those who enter are graduating at the same rates as their cohort. Where are the young men? This is a serious concern. On one hand, we could celebrate that young women are making it, but this is not a great trend for a country.

CW: Let's look at the intersection of education and housing—student housing—for a moment. International students have been scapegoated for a housing crisis that has very little to do with them. When it comes to how we measure housing needs in Canada, students have been excluded since Statistics Canada introduced the measure of "core housing need" in the late 1980s. There are some practical reasons why 2.3 million students, only 10 percent of whom have residence beds, are left out of this data. First, the census is taken in May, which is a really hard time to count students and residents accurately. But officially, the reason is that being a student is considered a temporary and voluntary state of poverty—that is literally what Statistics Canada says. But it isn't voluntary to pursue post-secondary education; it has become just as essential as primary education was when it was made mandatory two centuries ago in Canada.

What we're effectively saying to lower-income students, then, is: "Not only will you need to take on significant debt to get an education, you'll also have to work two or three part-time jobs in order to afford a living situation—often in overcrowded one- or two-bedroom apartments—or you will have to forgo the degree that you want because you can't afford to live in a certain city."

AM: What broader disruptors are you seeing in higher education today?

RM: This is a genuinely shocking trend: Only 50 percent of Canadians currently have a positive impression of Canadian universities. Now, overlay that with what I've already said: Most of us go to university and most of us expect to go, yet only 50 percent have a positive impression. About 14 percent of Canadians have a negative impression. Over five years, we've seen a significant drop in positive impressions and a worrying doubling in negative ones.

> "AI is here to stay, but it doesn't replace the purpose of post-secondary education. In fact, it makes that purpose more important."

If you look at 18- to 29-year-olds, they're still relatively positive, but they also have one of the highest neutral positions—the "meh" response. As you move into older age groups, perceptions improve somewhat, particularly among those aged 45 to 59, but you also see an increase in "very negative" responses.

People speculate about these patterns, and I think that part of it is that when you are in university, it's hard to love it. We tend to look back nostalgically and think, "It was so great then." But while you're there, it's stressful. It's hard work. So, we understand why 18- to 20-year-olds feel the way they do; they're being graded by us, and they're not loving that part.

All of this connects back to a bigger issue, which is the question of value. What is the value of higher education? And that's something that is starting to get lost.

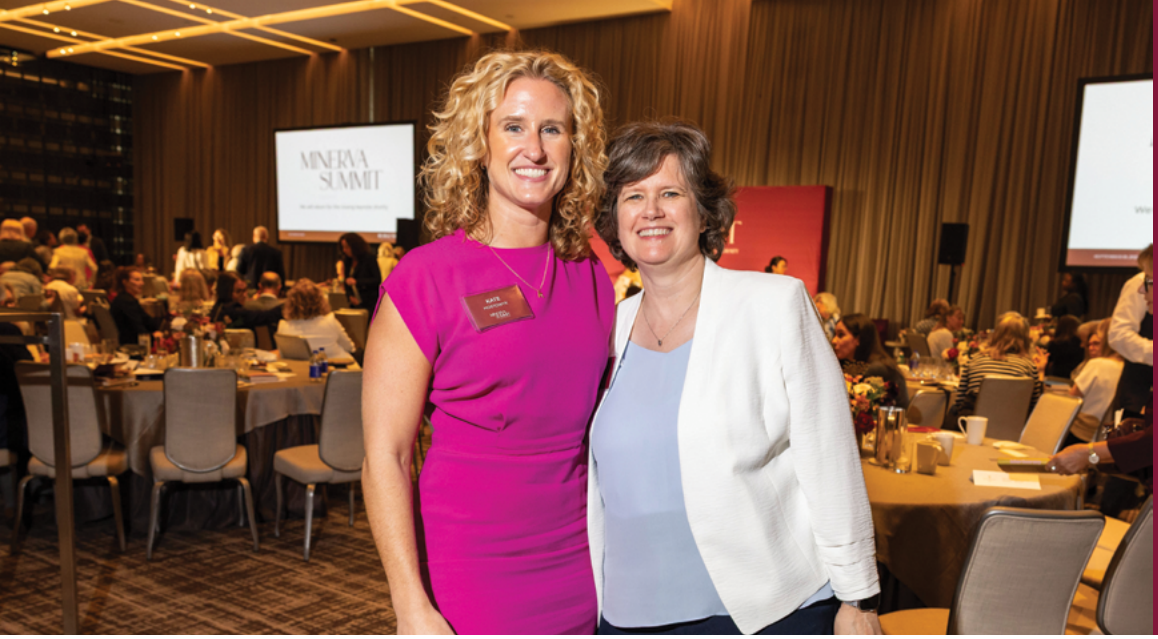
Another disrupter is AI, my research area. AI isn't "coming"—it's here. It's out in the world, it's running wild, and it's having a massive impact on higher education. Any faculty member you speak to right now will tell you it's at the top of mind. We're rethinking assessments, objectives and learning outcomes.

But here's the thing: AI will not fix everything. I lived through the generation that asked, "Will the Internet be here to stay?" I've been through this once before. AI is here to stay, but it doesn't replace the purpose of post-secondary education. In fact, it makes that purpose more important: knowing how to ask good questions, knowing how to check whether the answers you get are grounded in reality, and knowing how to build context into a conversation. These are human skills.

AM: We are going to now turn to housing. Dr. Whitzman, help us understand: How did we get to where we are today?

CW: First, we are building fewer homes than we were 50 years ago. That's remarkable. Back then, Canada's population was half of what it was today. Households were bigger because people got married earlier. And, as I used to joke, they were very polite and they smoked a lot, so they died earlier.

We're building fewer homes than we did in the 1970s, but I want to unpack that aggregate supply. We stopped building rental homes in the 1970s and started building condos instead. In the 1970s, we were building two and three-bedroom apartments. Today, we have a massive deficit of suitable rental apartments as everyone is rushing to rent. Older empty nesters who want to downsize are rushing to rent. Young people are rushing to rent. People who can't afford to own homes are rush-



Burgundy's Kate Mostowyk (left) and Jennifer Dunsdon (right) at the Minerva Summit

ing to rent. We have an aging stock that is relatively affordable, but it is quickly losing that affordability.

Between 1970 and 1972, about 20 percent of the housing we built was non-market: public housing, cooperative housing, and other forms of non-profit housing. That share fluctuated with policy changes, but it fell off a cliff in 1992 when the federal government downloaded responsibility to provinces, and, in Ontario, responsibility was downloaded to municipalities. It went to nearly zero.

There is a small increase later that coincides with the National Housing Strategy—that's short-term private market, inclusionary zoning, or temporarily affordable housing. Across the 1970s and '80s, roughly 14 percent of housing was consistently built for people who needed housing the most and who were not being served by the market. In the last eight years under the National Housing Strategy, it's been closer to 2 to 3 percent. If we had kept building at earlier levels, we would have well over two million more deeply affordable homes today. Instead, we're working with enormous deficits.

AM: Dr. McEwen, you raised the question "What is the value of a university education today?" When you look at the project of the university, what do you think needs to change and what needs to endure?

RM: We need to talk to our grandchildren and our children and our nephews and our nieces and our neighbours' kids about why we went to university. There's a troubling narrative that many students at universities and colleges are living with today, which goes something like: "I go to university to get a job." We know that's part of it, but they also need to hear: "I went because I wanted my mind blown a few times." And that's what happened along with the exams, the angst and distress, and all of the hard parts. But we sat in classrooms where people said things that were completely alien to our worldview. We met people we had nothing in common with on paper. We worked with them, argued with them, and learned from them. And we grew up.

Critical thinking means being willing to have your mind blown a little. Right now, we're in a moment where students say to me, as a president, "You need to protect me. I don't feel safe." And I always ask: "Do you mean physically safe? Because that's something I take very seriously. But if you're saying you don't feel safe because your economics professor gave a lecture on the unhoused and it made you uncomfortable, then the classroom is not meant to be a place of safety in that sense. It's a place to be challenged."

We are in a moment where we have to fight for that, and it's worth fighting for. It's time to tell young people that it's okay to build an argument against the thing that unsettled you—build a good one. We're teaching you how to construct alternatives, not just absorb information. You don't have to agree, but you do need to be able to build a cogent, sensible, data-driven (or even experience-informed) argument. Right now, too often, the response is simply: "I don't like it, I don't want to hear it, and I'm out."

For me, that's the value of the university. AI can come and go. The next technology will come and go. What should endure is the knowledge and experience that teach you how to think, how to reason, and how to problem solve in complex, uncertain situations. I miss the fact that we don't talk about this role of the university anymore. It's not just about getting a job. Of course, that matters, but universities should also be places where it's okay to simply grow and learn. And we'll only get back to that if we start talking about it openly, consistently, and honestly.

The inheritance will still come, but we want people to make good decisions when it does. How do you do that when you haven't learned how to think? That's why we educate—so that when life happens, you can pick yourself up and figure it out.

AM: Dr. Whitzman, I'm thinking about what Dr. McEwen said about university as a place where people who are different come together to talk, debate, and challenge each other. There is, of course, a

connection with housing. I remember my first two years of university, when I lived in residence, I was surrounded by people studying different things and, inevitably, they shaped my direction more than my family ever could have. What would you say about the role of housing and physical infrastructure in developing capable human capital and social capital?

CW: A lot of my learning and many of my most formative university experiences happened through extracurricular activities. It's very hard to have that sense of campus life when you live far away, have long and difficult commutes, or are working 40 hours a week just to afford where you live.

I see the very different university experiences my children are navigating compared to the one I experienced. I was a very lucky boomer. I was involved in the student paper, student politics, and all kinds of campus life. My daughter lived in residence, and it was incredibly helpful for her. We hadn't "ponied out" for much before that, and we said: "This is a big investment. You are going to live in residence—consider this your home down payment." My son, however, wasn't in residence. He lived in overcrowded student housing, didn't receive the support he needed, dropped out in his 20s, and worked as a baker for 10 years.

We live in less forgiving times. Housing is a major part of the increased pressure we're placing on young people. Whenever I talk to journalists, to students, or really to anyone under 40, I hear horrific stories. People are paying more than 100 percent of their income on rent, dipping into savings just to get by, and living one step away from homelessness simply because they're trying to meet day-to-day needs. That's the society we are handing down to young people today. We absolutely need to take care of our own children and aging parents, but we also need to take responsibility for the world we are building around them.

AM: If you had a magic wand and there was something you could do to make higher education and housing better for the next generation, what would that be?

RM: I would reclassify student housing as affordable housing. I have a project at Victoria University that aims to offer residence to any student who wants to live in residence for as long as they want to be there. Of course, that requires affordability. Right now, we only offer first-year guarantees, and most students have either one year or zero years living on campus. I truly believe living on campus is a transformative experience. Commuting is entirely different.

“We absolutely need to take care of our own children and aging parents, but we also need to take responsibility for the world we are building around them.”

And then there's faculty housing. People say, "Look at all these incredible scholars around the world who want to come to Canada." But they can't afford to live in our cities. Faculty compensation is simply too low for academic faculty to live and thrive here.

Housing intersects with childcare, schooling, logistics, and support. Many of us don't have family here. My parents don't live in this country. When we had children, we had to create a family and pay for care. All these pressures come together in ways that deeply affect higher education.

The last thing I'll say is that I think this is a temporal issue. Let's play it forward. What happens if our children inherit wealth, but don't want to go to university? If fewer men are going? If values around education continue to shift? Over the long arc, I suspect we'll see the value of education rise again. But in this moment, how we manage these headwinds is critical.

CW: We used to talk about a housing ladder. I think that whole concept is gone now. There are times in life when we need a helping hand, and housing is part of that help. My best friend's dad became very ill with a brain tumour and was left with permanent brain damage in 1974. The family's circumstances profoundly changed, and her mother needed to become the wage earner. At one point, she lost custody of her children, partly because she didn't have a job or a livelihood. This was an era when women were expected not to go to school—even though my friend's mom wanted to—and to stay home and be a good wife and mother.

Because she and her daughters were able to live in public housing, she was able to go to the University of Toronto, earn a degree in social work, and become a social worker. Later, she became a homeowner and a landlord. And now, bless her, she's in her late 80s and lives in Stratford, Ont., in subsidized seniors' housing.

We all have periods when we are earners, and we all have periods when we are vulnerable and need help. But we don't have a housing system that recognizes that. It still assumes a linear path: You move out as a student, you rent, you buy a house, then you retire on your savings and make room for the next person to climb the same housing ladder. That is not most people's experience anymore. We need a model that recognizes there are times throughout life, not just in childhood or old age, when we need a caring society. **M**

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