

# FINANCIAL POST

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## Recession refugees go back to school

Eric Lam, Financial Post

Presented by



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Maria had been with her employer, a major Canadian bank, for 24 years when she was laid off at the height of the recession in February. The 42-year-old former investment counsellor suspected changes were afoot, but did not think the bank would let her go, along with 1,200 other people.

"They should've called me when I was in Mexico, so I could've stayed," she said with a wry chuckle. "I had just got back from vacation."

Instead, Maria (who didn't want to reveal her real name or location because of the conditions of her severance package) was suddenly unemployed, joining 35,000 other Ontarians who had lost their jobs in that month.

She knew opportunities in financial services were scarce, so after talking to a friend who had switched careers mid-life, Maria decided to return to school to become a social worker.

"In a way I felt relieved. I thought about what I loved and it wasn't finance, it was the people," she said.

Maria got a severance package worth 18 months salary, and used it to attend the University of Western Ontario in London, where she had taken a few classes in the early 1990s.

"I started with the bank out of high school.... this is my first university education," she said. "It's probably better at the age I am now - I know who I am, what I want, and I know myself much better than 20 years ago."

Recessionary refugees like Maria will dramatically boost campus populations this fall as the national unemployment rate balloons to 8.6%. Some 414,000 Canadians have been jobless since October 2008.

And for those who have spent decades honing a skill that is no longer marketable or desirable, returning to school for a second chance at a career has become almost a necessity.

Jim Knight, president of the Association of Canadian Community Colleges, said there have been spikes in applications in all sectors of post-secondary education this summer, but colleges and institutes are far outpacing universities.

"If there's no employment available, you want to use your time in a positive way," he said. "You wouldn't go to

college just for learning without being confident in an employment opportunity afterwards."

Overall, applications to colleges have exploded between 15% and 20% this summer - far above historical averages, Mr. Knight said.

College diplomas and certificates are attractive for the newly unemployed because they tend to be cheaper than universities and require only a one- or two-year commitment, Mr. Knight said. The academic demands for acceptance and completion are also less rigorous. Some of the most popular areas for courses are health services, construction technology and culinary arts.

Former lift-truck driver Janice Rennick worked at a GM feeder plant in Oshawa, Ont., for 15 years before being forced out in November 2007. She is now studying at Seneca College to become a law clerk.

"The first couple of months after leaving it felt like a mistake, but now it seems right," she said. She got assistance from the Ontario Second Career program, which help adults in the province get re-trained. The \$355-million program gives as much as \$28,000 to each participant to help pay for tuition, textbooks and other costs.

Universities and grad schools are also seeing swelling ranks in this recession. Brian Corman, dean of the school of graduate studies at the University of Toronto, the largest grad school in Canada, said his school has seen an 8% increase in applications to almost 24,000 students so far this year.

"Universities in the [Greater Toronto Area] are in higher demand than usual because students can't afford to leave home when they're in school," he said. "We're being pushed to go beyond capacity."

The greatest application increases for grad programs have been in the "professional" degrees, primarily in the social sciences and life sciences, as well as planning degrees in geography.

"These are programs designed to prepare people for work out in the professions," he said.

Cost concerns are also changing the way university students have organized their post-secondary careers, with many students looking for different ways to deal with rising tuition while debating whether they should make the leap into a shallow job market.

"We're increasingly seeing students taking a 12-month approach to education," Chris McGrath, assistant dean of student affairs at U of T, said in an interview. "They're thinking, 'Do three or four classes in the fall and winter, then one or two courses in the summer.' It lets them keep a part-time job throughout that they would otherwise have had to give up."

As well, reducing course loads allows a student to stay in school longer while also lowering tuition fees. The tradeoff is losing full-time student status, which can present problems when it comes to getting residence or certain student services. However, if a student is biding his time until the job market opens up again, it can be a viable option.

"If that's what they want to do, then staying on is a good thing. But I'd challenge them how good staying in school really is," Mr. McGrath said.

He warns that students must make the decision to stay in the cocoon of university life for the right reasons.

"It's a risk, it takes courage. It's not about thinking who you're competing with in two years. The competition is always going to be there," he said.

It is becoming apparent, however, that post-secondary institutions may not be prepared to meet the surging demand.

Bow Valley College in Calgary, for instance, has received a staggering 48% increase in applications since 2008. In the past five years, the college has had annual increases of only 2% to 3%.

"As little as nine months ago you could be a high school student and walk into any job without difficulty at all," said Eric Fechter, vice-president of college services at Bow Valley College. He expects demand to continue at present levels for at least a year, maybe longer.

The college, which has a population of about 9,000 students, will have to turn away students as it awaits completion of a new campus in three years. "Right now we're constrained by physical capacity. Even additional operating dollars [from the government] wouldn't help a whole bunch," he said.

Marjorie McColm, associate vice-president academic at George Brown College in Toronto, said her school has fielded more than 46,000 applications in the past year, about 3,750 more than in 2008. The college, second-largest in the country, has a student population of 15,000, and is also building a new campus.

"Of that 3,750, only about 1,000 came from the high-school sector," she said. "We have enough qualified applications for another 300 to 400 students, but we have no room for them."

The capacity problem is a continuing one that all post-secondary institutions will have to deal with, and Ms. McColm is concerned there is no quick and easy solution.

"Demand from people for post-secondary education will continue, combined with influx of immigrants, and my sense is this won't be a fast turnaround," she said.

As for Ms. Rennick, if all goes as planned she will be graduating from Seneca next spring - hopefully, at the same time as her 22-year-old daughter, who is studying political law at York University in Toronto.

"I like going to school. I might not be the smartest cookie out there, but I enjoy it," she said. "I wish I'd known this 30 years ago. I would've stayed in school."