



A SMARTER PATH: REIMAGINING POST-SECONDARY EDUCATION IN CANADA

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This article distills key insights from our full-length report published in collaboration with RBC Thought Leadership, originally published on March 31, 2025.



INTRODUCTION

Opportunities exist to better leverage the skills, talent, and research capacity of our world-class post-secondary institutions to sharpen Canada's competitive edge and grow our economy. In [A Smarter Path: The Case for Post-Secondary Education Reform](#), BHER in collaboration with RBC Thought Leadership identified systemic challenges and proposed actionable strategies to help align Canada's post-secondary education systems with the evolving needs of our economy and society.

CHALLENGES

Disconnect between higher education and labour market needs

Canada's post-secondary systems aren't fully aligned with the evolving skills required by employers. Gaps persist in interpersonal and technical capabilities—especially in fast-growing fields like AI and data science—leaving graduates underprepared for the jobs of the future.

Unsustainable post-secondary business models

Colleges, polytechnics, and universities face mounting financial pressures from frozen tuition, reduced public funding, and falling international enrolments. High-cost programs in STEM are expanding, yet institutions lack the autonomy to adapt or diversify revenue streams, threatening long-term viability.

Lack of robust, comparable post-secondary data

Canada does not collect timely, consistent post-secondary outcomes data at a national level. This limits the ability to link educational pathways to labour market success and stalls informed policymaking. Countries like the U.S. and Australia offer better models for data-driven reform.

Mismatch between graduate degrees and labour market demand

More Canadians are earning graduate degrees, but many can't find work that matches their qualifications. School-to-work transitions are taking longer, wage premiums are shrinking, and graduate students have few opportunities to apply their skills in real-world settings through applied work experience.

Misalignment of program and campus expansion

Post-secondary expansion hasn't been clearly matched to economic or regional workforce needs. With demographic shifts and reduced international enrolments, Canada must rethink whether its vast array of programs and campuses are positioned strategically for long-term success and sustainability.

Underprepared international graduates

International students are vital to Canada's workforce future but often end up in programs disconnected from high-value, high-demand sectors. Changes to international study policy and unclear career pathways have left both students and institutions scrambling. Better supports and alignment with labour demand are critical.

Inadequate cross-disciplinary skill development

Graduates increasingly need both technical and human skills, but most programs remain rigidly siloed. While some institutions are experimenting with hybrid models, broader integration of STEM and humanities is needed to prepare students for a tech-driven, interdisciplinary economy.

Weak research commercialization and industry adoption

Canada produces world-class research but struggles to turn it into commercial impact. Poor uptake by industry, weak commercialization incentives, and limited investment in R&D keep discoveries from reaching the market. Stronger academic-industry linkages are essential to closing this gap.

OPPORTUNITIES

Eliminate barriers to institutional innovation

Canada's post-secondary institutions are too often constrained by outdated regulatory frameworks that stifle innovation. Provincial rules on tuition, procurement, and partnerships, along with inflexible internal structures, limit institutions' ability to respond to changing labour market demands. Deregulation—paired with incentives for internal change—could give institutions the flexibility to adopt new models and become more entrepreneurial, responsive, and community-focused.

Enhance the awareness and articulation of skills developed in PSE programs

Students and employers need greater clarity about the skills being developed through post-secondary programs. While some colleges already articulate learning outcomes well, most post-secondary programs generally lack transparency, especially at the graduate level. Embedding skill articulation into program design and linking it to national labour market data would help students evaluate options more effectively and improve job readiness in both academic and non-academic career paths.

Get work-integrated learning to where it's needed most

Work-integrated learning (WIL) boosts student readiness and business productivity, but access remains uneven across disciplines and student demographics. PhD and humanities students in particular are underrepresented, and many small and medium-sized enterprises (SMEs) face barriers to participation. Expanding flexible, low-barrier WIL models, such as online projects, short-term placements, and course-based employer challenges, can help ensure broader, more equitable access to WIL opportunities.

Develop upskilling and reskilling opportunities

Canada's economic transition demands new approaches to upskilling and reskilling. Post-secondary institutions—especially continuing education departments—are well positioned to offer short, targeted programs that align with employer needs and adult learners' realities. Governments can help by supporting program development and promoting uptake through tax incentives, while institutions explore innovative formats like microcredentials and competency-based education for faster, more tailored learning.

Intensify the drive towards institutional differentiation

Canada's higher education sector cannot afford duplication of effort across its 300+ institutions. Strategic differentiation, where institutions lean into their unique strengths, whether research, undergraduate teaching, or local industry alignment, can ensure better alignment with national goals and economic needs. Governments can support this shift through mandate agreements, targeted research funding, and policies that reward institutional focus over sameness.

Make it easier for Canadian businesses to adopt and invest in research

Canada produces world-class research, but too little of it makes its way into the marketplace. Regulatory complexity and an outdated tax system discourage businesses from investing in post-secondary discoveries. Streamlining approvals and modernizing tax incentives would help bridge the gap between research and commercialization, unlocking greater economic value from Canada's innovation pipeline.

CONCLUSION

Canada stands at a crossroads. To harness the full potential of our institutions and drive economic prosperity, we must undertake comprehensive reforms across our post-secondary education systems. By addressing existing challenges and seizing opportunities, we can pave a smarter path forward—one that aligns education with the evolving needs of our economy and society.

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