



Ontario Economic Outlook and the Role of Colleges in Sparking Innovation

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Ontario Colleges' Impact on Innovation: Our Study

- The Conference Board of Canada was engaged by Colleges Ontario to examine applied research (AR) collaborations between colleges and businesses
- We undertook a detailed survey of AR, drew conclusions and offer policy advice



Our Findings

- Ontario colleges' AR activities are a **catalyst and accelerator of innovation** in the province
 - help to improve firm performance -- improved products and services, increased sales
 - stimulate increased business R&D spending
 - contribute to local economic and social development
 - provide students with industry-relevant education and training opportunities



Findings: Benefits for Firms

- Nearly every AR collaboration has led to a ***new good, service, or process improvement***
- 80 per cent have resulted in ***increased sales and revenues*** for the firm
- Half have ***reduced firms' time-to-market*** for products.
- Many firms report improvements in their ***capacity and motivation to pursue further innovation and R&D***
- Yet we are just scratching the surface: funding has been modest, the scale is limited, and many colleges are new to applied research



Recommendations for Governments

- **Strengthen and build** on applied research funding programs at Ontario colleges -- including new resources for infrastructure, capacity, and research projects with business
- **Make it easier for SMEs** to access the program
- **Make more faculty available** for applied research
- Include significant **opportunities for college students** in NSERC's *Technology Access Centres Program*



Recommendations for Colleges

- **Improve and expand applied research capacity and activities**
- **Further improve relations with business clients by:**
 - expanding and enhancing networks with industry and community;
 - rethinking the marketing strategy for AR services; and
 - recruiting an industry liaison officer
- **Increase college-to-college mentoring**
- **Ensure that AR programs produce highly skilled, innovation-ready graduates**



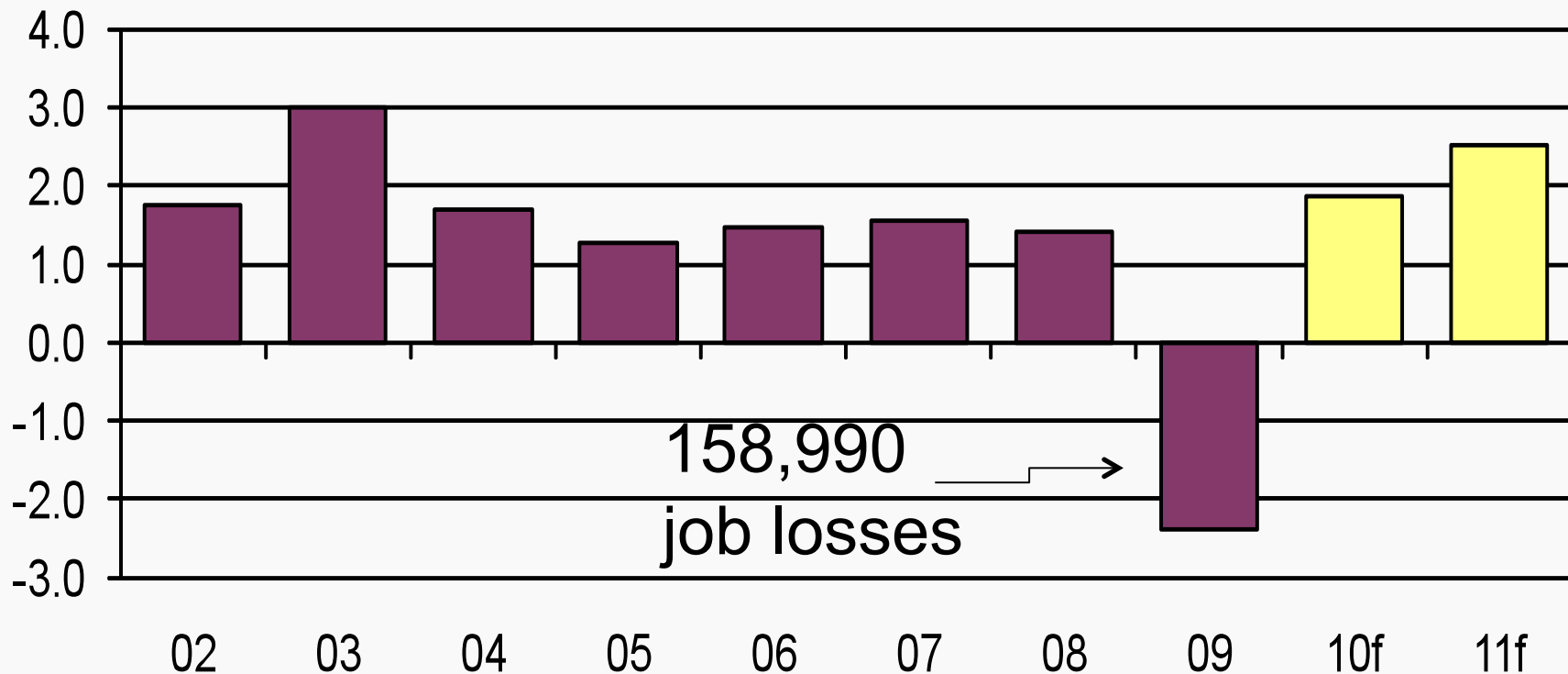
Ontario Outlook 2010–11

- Ontario was deeply affected by the global recession, but recovery is well under way
- Public investment is soaring, but private investment remains sluggish
- The domestic economy in Ontario will grow at a more modest pace as fiscal stimulus is withdrawn
- Important tax reform has been undertaken
- But: Ontario is facing major fiscal deficits without significant action



Employment: Ontario

(percentage change)

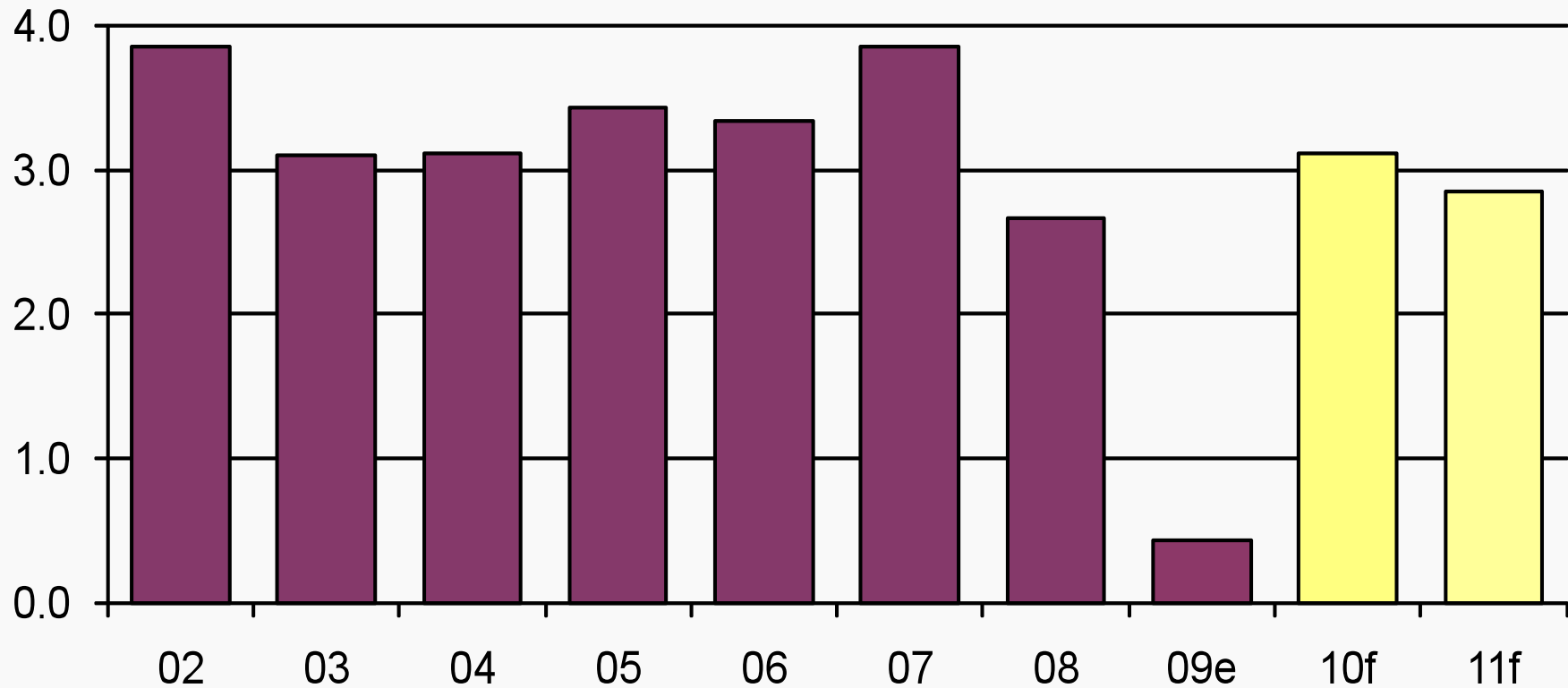


Sources: The Conference Board of Canada; Statistics Canada.



Real Consumer Spending: Ontario

(\$2002, percentage change)

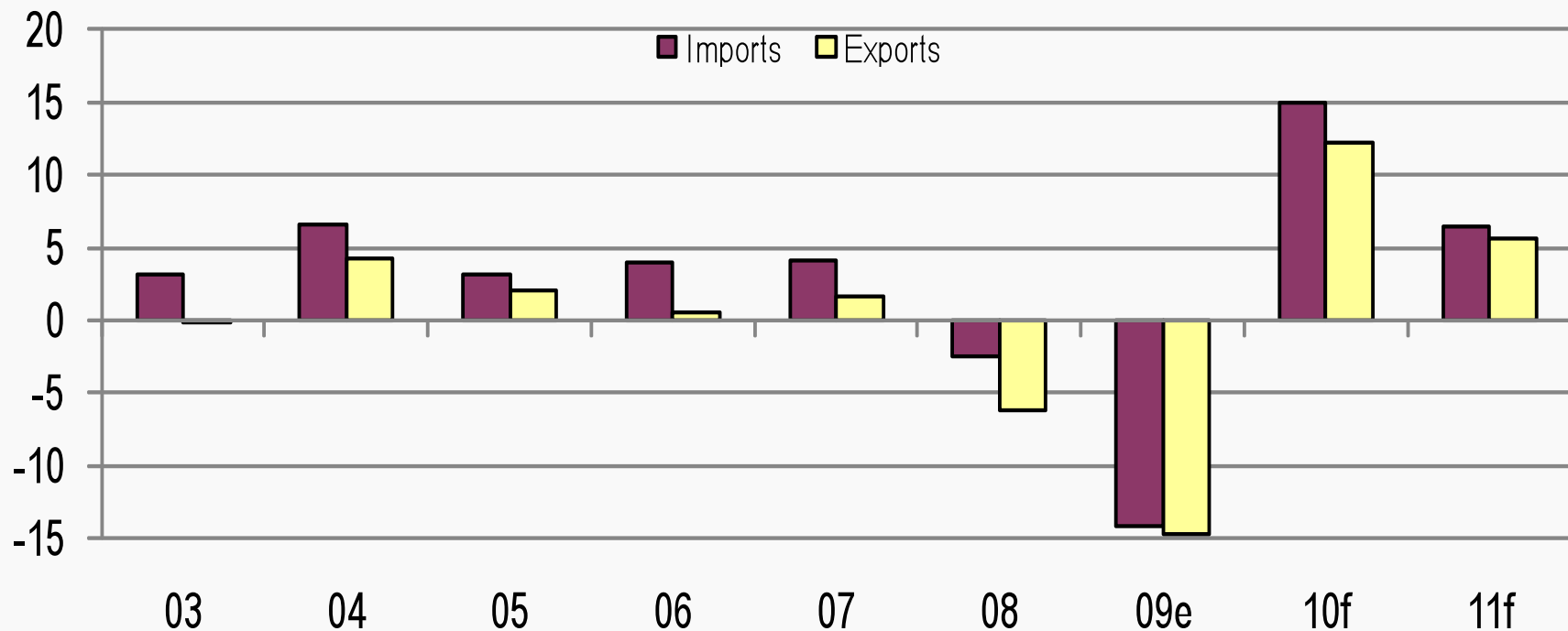


Sources: The Conference Board of Canada; Statistics Canada.



Total Exports and Imports: Ontario

(\$2002, percentage change)



Sources: The Conference Board of Canada; Statistics Canada.



Auto and Parts Exports: Ontario

(\$2002, percentage change)

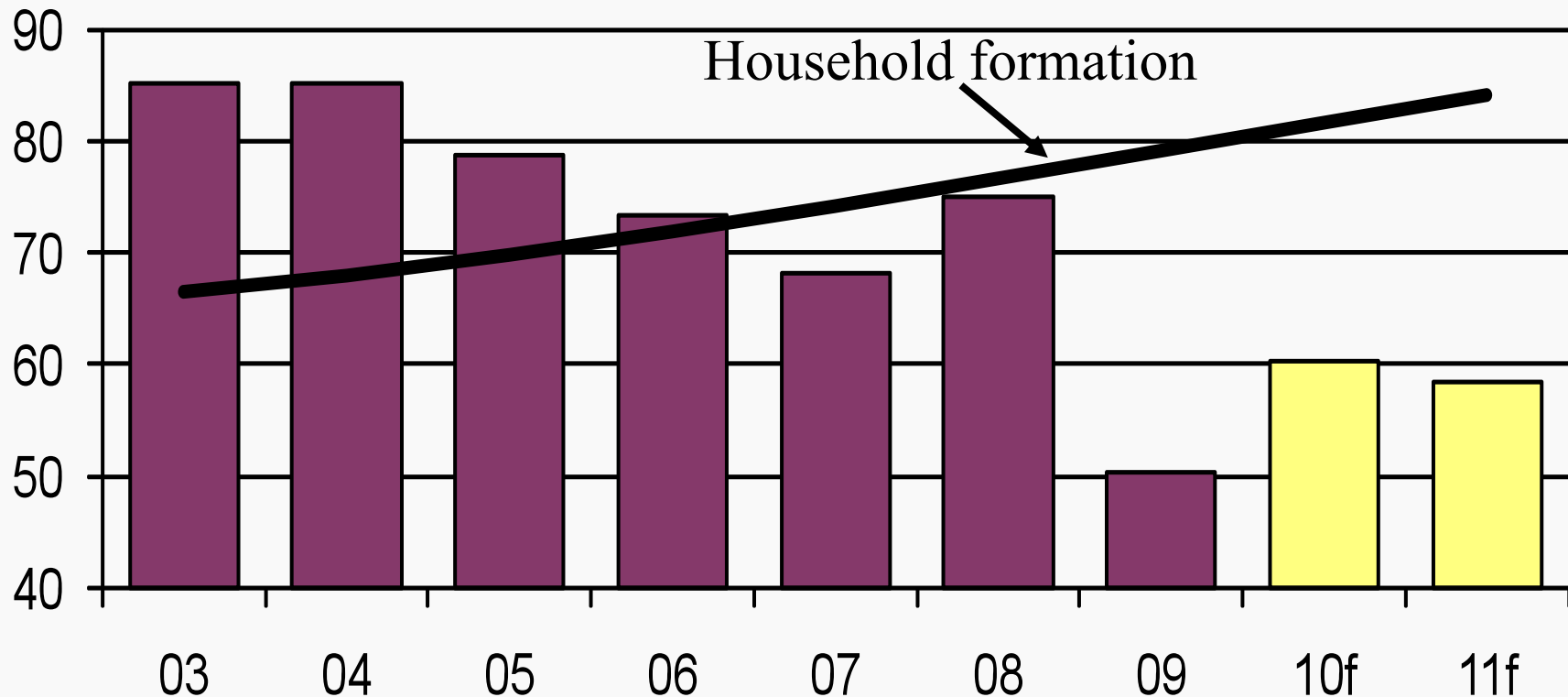


Sources: The Conference Board of Canada.; Statistics Canada





Housing Starts vs. Demographic Requirements Ontario 2003–11 (000s)

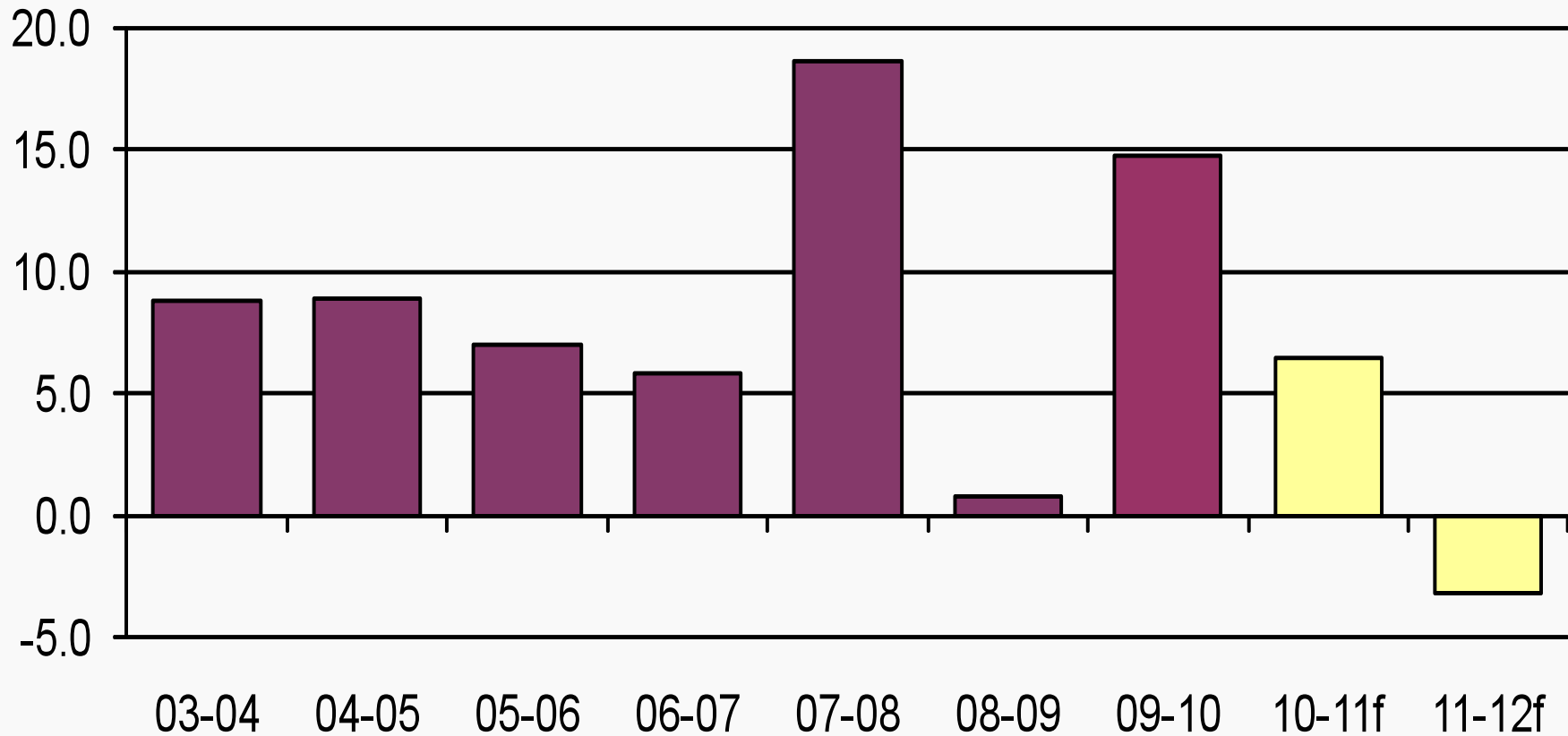


Sources: The Conference Board of Canada; Canada Mortgage and Housing Corporation.



Government Program Spending: Ontario

(percentage change)



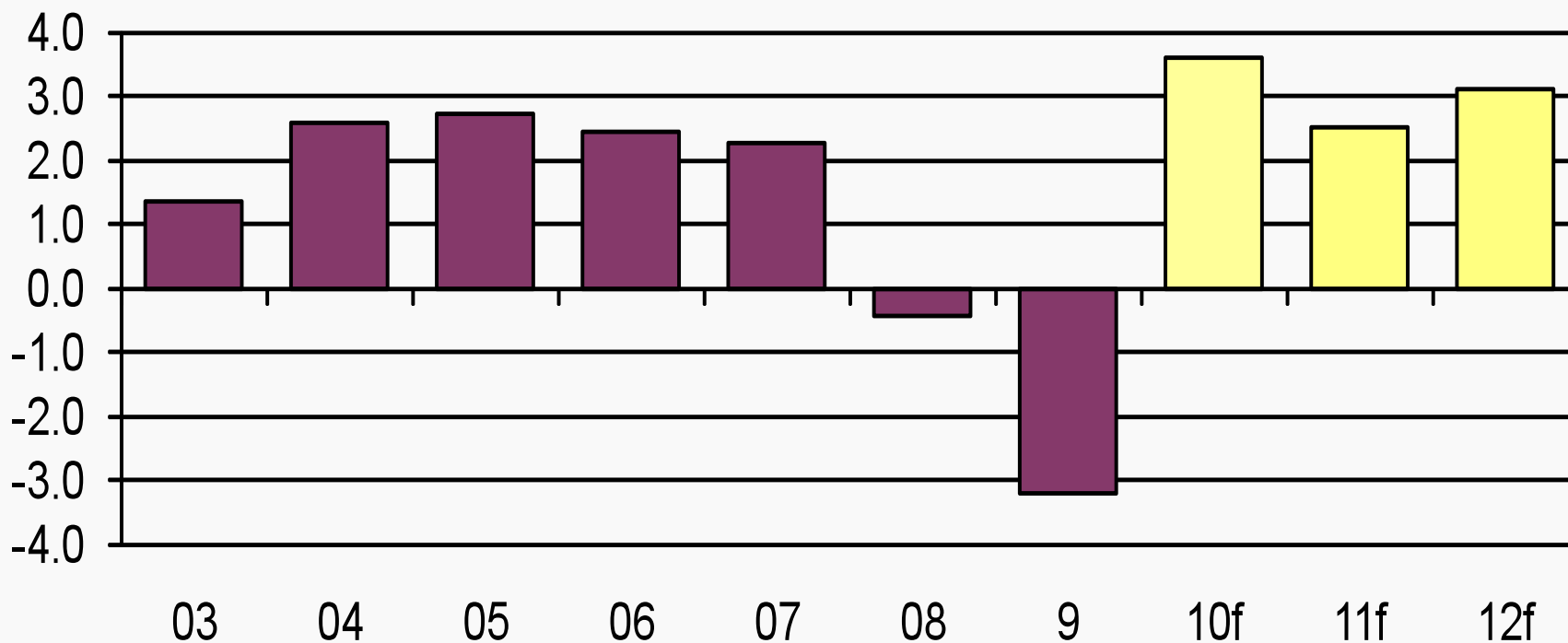
Source: Ontario Budget documents.





GDP at Market Prices: Ontario

(\$2002, percentage change)



Sources: The Conference Board of Canada.; Statistics Canada.

