

Canada's Top 50 Research Universities List 2006 Analysis

Research Income Growth Slows

Research income growth at Canada's Top 50 Research Universities slowed dramatically in Fiscal 2005. Total income grew by only 3.2%, to reach \$5.2 billion, compared with \$5.0 billion in Fiscal 2004. At 3.2%, Fiscal 2005 income growth was the slowest in six years; previous annual increases between Fiscal 2004 and Fiscal 2000 were 17.7%, 12.6%, 12.1%, 22.7% and 23.9% respectively.

Almost static funding from both Government (3.0%) and Non-Government (3.5%) income sources accounted for the tepid result last year. Government funders contributed 70% of all university research income (\$3.65 billion), whereas Corporate (\$696 million) and Non-Corporate (\$693 million) sources each provided 13%. These shares were unchanged from the prior year. Income from Endowments/investment declined by -51.8%; however, such sources account for only 1% of total income. (Other miscellaneous sources accounted for the remaining 2% of the total.)

Federal government sources were responsible for 67% of all Government funding (\$2.45 billion) and Provincial government sources accounted for a further 30% (\$1.09 billion) of total receipts. Foreign governments supplied an additional 3% (\$98 million). Municipal governments contributed \$10 million to the total, a decline of -30.6% from the year before.

The \$100 Million Club Expands

In Fiscal 2005, 16 universities claimed membership in RESEARCH Infosource's \$100 Million Club, compared with 15 institutions in 2004. These research-intensive institutions, most with medical or veterinary schools, each attracted more than \$100 million of research funding. New to the club this year is Dalhousie University, which grew its research income by 13.4% from the prior year. In total, however, Club members reported research income growth of 5.0%, compared with a 17.7% rise in Fiscal 2004. Six (6) Club members had negative income growth, compared with 10 where research income expanded.

The \$100 Million Club		
2005 Rank	University	Research Income \$000
1	University of Toronto*	\$708,642
2	Université de Montréal*	\$429,286
3	McGill University*	\$423,051
4	University of Alberta*	\$396,867
5	University of British Columbia*	\$359,544
6	McMaster University*	\$344,979
7	University of Calgary*	\$271,513
8	University of Ottawa*	\$238,370
9	Université Laval*	\$231,097
10	University of Western Ontario*	\$179,883
11	Queen's University*	\$155,512
12	University of Manitoba*	\$146,699
13	University of Guelph	\$125,885
14	University of Waterloo	\$117,298
15	University of Saskatchewan*	\$110,412
16	Dalhousie University*	\$105,332

*Has a medical school

Provincial Results Vary

A disappointing -12.6% drop in income across 13 Quebec universities, and weak increases at 4 British Columbia (2.4%) and 2 Saskatchewan (3.5%) institutions contributed to what would otherwise have been an otherwise much stronger national showing.

Only 1 province – Quebec – experienced an actual decline in its universities’ sponsored research income. Research income dropped by -12.6% across Quebec’s universities. Eight (8) Quebec institutions saw their research income shrink in Fiscal 2005, compared with 5 where income increased.

A number of provinces showed impressive gains in income. Research income jumped by 22.2% in Newfoundland (Memorial University) and by 15.9% in Manitoba (University of Manitoba and University of Winnipeg). Ontario’s 17 institutions posted a strong overall 12.3% growth in income, followed by 5 institutions in Nova Scotia (11.9%) and 2 universities in New Brunswick (10.7%).

Top 50 –Leading Provinces	
Province	% of Total
Ontario (17)	41
Quebec (13)	26
Alberta (3)	13
British Columbia (4)	10

Gainers and Losers

Even though the overall Top 50 gain was only 3.2%, a number of universities strongly increased their research income in Fiscal 2005. At the head of the pack was Lakehead University, where income grew by 87.0%. Impressive growth was also recorded by Wilfrid Laurier University (46.0%) and McMaster University (40.1%). Laurentian, Lethbridge, Ottawa, Windsor, Northern British Columbia, Memorial and Victoria all turned in strong results.

Top 10 Universities Ranked by Growth			
2005 Rank		University	% Change 2004-2005
Income Growth	Overall		
1	29	Lakehead University	87.0
2	38	Wilfrid Laurier University	46.0
3	6	McMaster University*	40.1
4	31	Laurentian University	30.2
5	35	University of Lethbridge	29.0
6	8	University of Ottawa*	25.2
7	28	University of Windsor	23.9
8	43	University of Northern British Columbia	23.3
9	21	Memorial University of Newfoundland*	22.2
10	19	University of Victoria	21.0

*Has a medical school

A number of institutions did not fare as well. McGill University had the largest apparent income decline (-22.2%), but this was due largely to a one-time income gain recorded the year before.

Bottom 10 Universities Ranked by Growth			
2005 Rank		University	% Change 2004-2005
Income Growth	Overall		
1	3	McGill University*	-22.2
2	24	Institut national de la recherche scientifique+	-20.7
3	9	Université Laval*	-17.4
4	36	École de technologie supérieure+	-15.2
5	11	Queen's University*	-11.0
6	47	Nova Scotia Agricultural College+	-8.5
7	37	Ryerson University	-7.1
8	26	Concordia University	-7.1
9	10	University of Western Ontario*	-5.9
10	41	Trent University	-5.8

*Has a medical school

+Not a full-service university

Apparent ties due to rounding

Research Intensity Lags

Due to a combination of flat income growth and faculty employment, the Top 50 universities increased their overall research intensity (research income per faculty) by only 0.1%, compared with a 14.6% gain the year before. On average, each university attracted \$150,000 of research income per full-time faculty position, virtually unchanged from the year before, but still an all-time high.

Three institutions turned in outstanding intensity performance, led by McMaster University, which attracted \$308,300 per faculty position. University of Toronto (\$298,300) and McGill University (\$286,600) were not far behind. All three have medical schools.

Top 10 Universities Ranked by Research Intensity**			
2005 Rank		University	Research Intensity (\$ per full-time faculty) \$000
Research Intensity	Overall		
1	6	McMaster University*	\$308.3
2	1	University of Toronto*	\$298.3
3	3	McGill University*	\$286.6
4	4	University of Alberta*	\$260.4
5	8	University of Ottawa*	\$237.9
6	2	Université de Montréal*	\$231.9
7	11	Queen's University*	\$197.9
8	5	University of British Columbia*	\$191.8
9	7	University of Calgary*	\$178.5
10	9	Université Laval*	\$167.5

*Has a medical school

**Includes full-service institutions only

Medical/Doctoral Universities Lead the Pack

Sixteen (16) Medical/doctoral universities (full-service universities with medical schools) captured their traditional share (82%) of all university research income in Fiscal 2005 – unchanged from the year before. Together, these powerful institutions attracted over \$4.2 billion of research income, compared to a total of \$952.6 million at 34 universities without a medical school.

3 Institutions Stand Out

This year RESEARCH Infosource is pleased to showcase the success of 3 *Research Universities of the Year* (see our website www.researchinfosource.com for additional information). These institutions stand out on a balanced set of financial input and research output indicators. Top-ranked is University of Toronto, which garnered 99.5 out of a possible 100 points to lead the Medical/Doctoral category and the Top 50 overall. University of Waterloo headed the Comprehensive university category and Lakehead University was the leader among Undergraduate institutions.

This Year and Next

Although many institutions improved their research income performance in Fiscal 2005, overall income growth was disappointing compared with previous years. University research income is highly dependent on government largesse, especially federal spending. After 5 years of financing extraordinary research gains, federal and provincial governments are taking a breather from double-digit increases.

However, this does not explain the tepid growth in Non-Government income, which includes Corporate and Non-Corporate sources of support. R&D at Canada's Top 100 R&D Companies increased by 9.7% last year (without Nortel Networks), but apparently little of this increase found its way to the universities.

One positive note is that sponsored research income from Foreign sources expanded by 19.1%, reversing last year's decline. However, Foreign sources account for only a small part of the total.

The new federal government is currently evaluating its future funding options and has commissioned a number of university-specific reviews. Its principal choices are to hold funding levels steady or to increase them further. (Nobody wants to contemplate a third option – cutbacks.) The university community is holding its breath until Ottawa signals its future intentions, either in a fall economic update or a spring budget.