



## Every Budget is a Choice 4.0

April 2026

**Western University has made financial restraint a defining feature of its budgeting approach in recent years. As UWOFA enters a new round of faculty collective bargaining, the relevant question is the extent of this financial restraint. After all, achieving the university's academic mission is predicated on the Western administration's willingness to invest in student learning conditions, and in turn faculty.**

Within the broader context of long-standing provincial funding challenges and more recent volatility in international student enrolment, this report identifies the following trends which call into question the administration's austerity agenda:

- Western has accumulated substantial surpluses over the last decade
- Tuition revenue has exceeded the university's own projections since 2020
- Internally restricted net assets and reserves have continued to grow
- Faculty compensation lags behind peer institutions despite Western's claims of academic investment
- Student enrolment has grown faster than investment in full-time faculty, increasing the student-to-faculty ratio by 6.3 percent

### **Provincial Underfunding is Real, But Does Not Explain Western's Internal Allocation Choices**

Ontario's universities continue to operate in a structurally underfunded environment. Although the province recently announced a \$6.4-billion investment over four years, this does not resolve the broader funding gap. Furthermore, the province's new funding of \$1.6 billion per year will be shared amongst universities and colleges. Ontario remains last among Canadian provinces in total per-student university funding, and the Ontario Confederation of University Faculty Associations (OCUFA) has estimated that universities alone need an additional **\$3 billion annually** to reach the national per student average<sup>1</sup>.

Context matters. While Western is not insulated from the financial pressures affecting the sector, including underfunding, inflationary costs, and volatility in international student enrolment, those pressures do not eliminate institutional discretion. Even in a constrained environment, universities continue to make choices about what they protect, what they defer, and what they prioritize. The question for bargaining is therefore not whether Western faces external pressures, but whether those pressures justify the administration's choice to limit investment in faculty working conditions, which are ultimately the learning conditions of students. The evidence suggests they do not.

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<sup>1</sup> <https://ocufa.on.ca/press-releases/ontario-budget-continues-to-leave-students-faculty-and-campus-workers-behind/>

## Recurring Surpluses Point to Sustained Financial Capacity

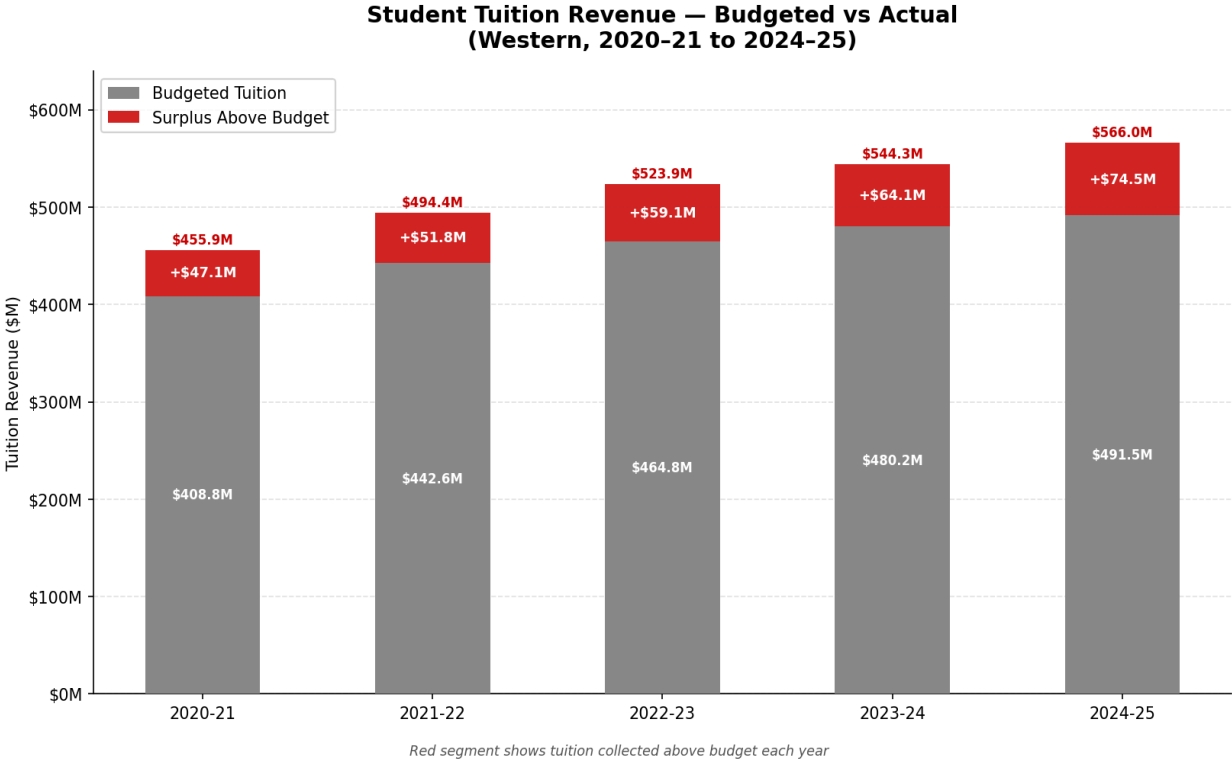
Over the past decade, the university's audited financial statements consistently reported substantial annual surpluses. From 2015 to 2025, Western generated more than **\$1.5 billion in surpluses**, including in years when the administration described the fiscal environment as constrained. These were not isolated results tied to a small number of unusually strong years. They recurred across the decade, and in several years **exceeded 10% of total revenue**. The chart below shows the year-over-year pattern of these surpluses from 2015 to 2025.

Year	Surplus (\$ millions)	% of Revenue
2015	\$76.2	6.6%
2016	\$45.9	4.0%
2017	\$139.9	10.9%
2018	\$131.6	10.5%
2019	\$148.2	11.2%
2020	\$65.3	5.2%
2021	\$231.4	16.9%
2022	\$128.7	9.6%
2023	\$116.5	8.10%
2024	\$219.5	13.6%
2025	\$197.8	11.87%

In a publicly funded university, recurring surpluses are not simply an accounting result. A one-time surplus may reflect temporary conditions, but repeated surpluses over many years indicate something more durable: sustained financial capacity and room to make operating choices. At Western, these surpluses have accumulated even as faculty-student ratios increase, class sizes increase, and workloads increase. That disconnect suggests that the university's current conditions are not simply the product of financial constraint, but a consequence of the administration's choice to withhold resources from core academic needs.

**Tuition Revenue Has Continued to Exceed Projections**

Student tuition revenue, a core and relatively stable source of operating income, has grown steadily since 2021.



Actual tuition revenue reached **\$566.0 million in 2025<sup>2</sup>** and has exceeded the university's projections in every year since 2020. This consistent gap between projected and actual tuition revenue indicates that Western administration has budgeted conservatively while realizing stronger than expected revenue performance.

These additional tuition dollars matter because they reflect more students contributing to the university's budget than anticipated. Yet the benefits of that growth have not been matched by proportional investment in the academic mission. If tuition revenue has repeatedly exceeded projection while enrolment-driven pressures on faculty continue to intensify, then continued restraint cannot be explained simply as a response to revenue shortfalls.

**Growth in Internally Restricted Assets Reflects Deliberate Allocation Choices**

Western's audited financial statements show a steady increase in internally restricted net assets, resources the university holds and that the administration has designated for internally determined purposes. These balances do not represent current-year expenditures.

<sup>2</sup> [https://www.uwo.ca/finance/forms/docs/corporate\\_accounting/2025.pdf](https://www.uwo.ca/finance/forms/docs/corporate_accounting/2025.pdf)

Rather, they reflect resources the university has accumulated and the administration has chosen to set aside across a range of categories. Their total value increased from **\$373 million in 2009**, to **\$1.277 billion in 2018**, **\$1.726 billion in 2021**, and **\$2.350 billion in 2025**.

Western Internally Restricted Net Assets<sup>3</sup>

**THE UNIVERSITY OF WESTERN ONTARIO**  
Notes to the Combined Financial Statements

Year Ended April 30, 2025

(thousands of dollars)

**13. INTERNALLY RESTRICTED NET ASSETS**

Details of the internally restricted net assets are as follows:

	2025	2024
Investment in capital assets	\$ 972,620	\$ 830,550
Departmental carry forwards	252,966	219,725
Capital reserves	283,669	272,825
Operating deficit - ancillary and support units	(3,983)	(9,406)
Faculty and research trust funds	96,848	129,028
Equipment reserves	82,571	79,947
Self-insurance funds	1,039	1,288
Undistributed investment returns	180,006	120,852
Major strategic opportunities fund	431,936	432,875
Sinking funds	52,350	47,846
	<u>\$ 2,350,022</u>	<u>\$ 2,125,530</u>

Two categories are especially notable as their combined balances amounted to more than **\$611 million**. **Undistributed Investment Returns**, which represent funds internally restricted for uses as determined by the university, totalled **\$180 million in 2025**. The administration has not explained why such substantial sums should remain set aside for internally determined purposes. **The Major Strategic Opportunities Fund** held **\$431.9 million**. Under MAPP 2.31, this fund is reserved for “transformational opportunities” and for the long-term benefit of the institution, but not for general operations of the university<sup>4</sup>.

This is difficult to reconcile with the administration’s public commitment to students. In response to the government’s decision to permit a 2 percent tuition increase, President Alan Shepard has said that students and families should “ask us to provide for them the most robust environment we can in terms of their educations, their experiences, their opportunities to partner with industry, to get the experience of studying abroad, or other things that enrich their education.”<sup>5</sup> Faculty are central to creating that environment. Yet, while many class sizes grow and workloads intensify, the administration has chosen to allocate substantial amounts from budget surpluses to internally restricted funds rather than direct more resources to immediate academic needs. That is not simply financial caution. It is a choice to defer investment in the work of the institution.

<sup>3</sup> [https://www.uwo.ca/finance/forms/docs/corporate\\_accounting/2025.pdf](https://www.uwo.ca/finance/forms/docs/corporate_accounting/2025.pdf)

<sup>4</sup> [https://www.uwo.ca/univsec/pdf/policies\\_procedures/section2/mapp231.pdf](https://www.uwo.ca/univsec/pdf/policies_procedures/section2/mapp231.pdf)

<sup>5</sup> <https://www.cbc.ca/news/canada/london/g-a-post-secondary-schools-in-london-react-to-province-s-funding-changes-9.7087678>

## Faculty Compensation Lags Peer Institutions Despite Western's Budget Claims

The administration has argued in Senate presentations in December 2025 and February 2026 that academic salaries represent the highest share of any U6 university's operating budget at **34.2%**<sup>6</sup>. But this is a selective and potentially misleading benchmark. The administration does not use comparator groups consistently, relying on the U6 when that frame is advantageous, and shifting to the U15 in other contexts when a different comparison better supports its position. More importantly, a high budget share does not necessarily mean faculty are paid well.

According to the Council of Ontario Finance Officers (COFO) 2024/25 data, Western does devote the largest proportion of its operating budget in the U6 to academic salaries. However, according to the University and College Academic Staff System (UCASS) salary survey data for 2024/25 (excluding medicine), **Western ranks 4th of 5 in average salary for Full Professor, Associate Professor, and Assistant Professor**<sup>7</sup>. Western is selectively citing statistics to support a preferred narrative, emphasizing a budgeting ratio that suggests strong academic investment, while actual **faculty salaries remain near the bottom of the peer group**.

Operating Fund Comparison		
Measure	Western	What it Means
Academic salary share of operating budget (COFO 2024/25)	34.2% → #1 of 6	Highest proportion of budget spent on academic salaries in U6
Average salary - Full Professor (UCASS 2024/25, excluding medicine/dentistry)	\$204,675 → #4 of 5	Below McMaster (\$219,675), Waterloo (\$219,100), and Queen's (\$206,150)
Average salary - Associate Professor (UCASS 2024/25, excluding medicine/dentistry)	\$172,758 → #4 of 5	Below Queen's (\$182,850), McMaster (\$180,167), and Waterloo (\$174,733)
Average salary - Assistant Professor (UCASS 2024/25, excluding medicine/dentistry)	\$152,368 → #4 of 5	16.1% below leader (Queen's \$176,843) – largest gap at any rank

The fact that a large proportion of the budget is devoted to academic salaries does not in itself mean that Western pays its faculty well. The 34.2% reflects the share of Western's operating budget allocated to academic salaries, not the level of compensation faculty actually receive. If Western's total operating expenditures are smaller than those of its peers, or if spending is structured differently across budget categories, that ratio can appear high even when actual salaries lag behind. For example, Western's 2024/25 operating expenditures were \$816 million, compared with \$848 million at McMaster and \$919.6 million at Waterloo<sup>8</sup>.

<sup>6</sup> <https://uwo.ca/univsec/pdf/senate/minutes/2026/m26feb13sen.pdf>

<sup>7</sup> Statistics Canada FT-UCASS 2024/25 Final Release, Specification A (excludes medicine/dentistry faculty).

<sup>8</sup> <http://coupod.tqtsolutions.com:94/customized-reports.aspx>

The Western administration also reallocates nearly 35 percent of its administration budget to other expenditure lines, substantially more than its peers, which further inflates the academic salary share. In this sense, the 34.2 percent figure says more about how the administration classifies and allocates spending than about whether faculty compensation is competitive. This raises broader questions about whether academic work is being adequately supported across the institution, particularly as faculty continue to report a growing burden of administrative tasks. This matters for recruitment, retention, morale, and the university's ability to sustain academic excellence.

### Enrolment Growth Has Outpaced Investment in Full-Time Faculty

Full-time student enrolment at Western has grown steadily in recent years, increasing by more than **6,500 students** since 2019–20, a rise of **21.5%**.

Western Full Time Enrollment Growth<sup>9</sup>

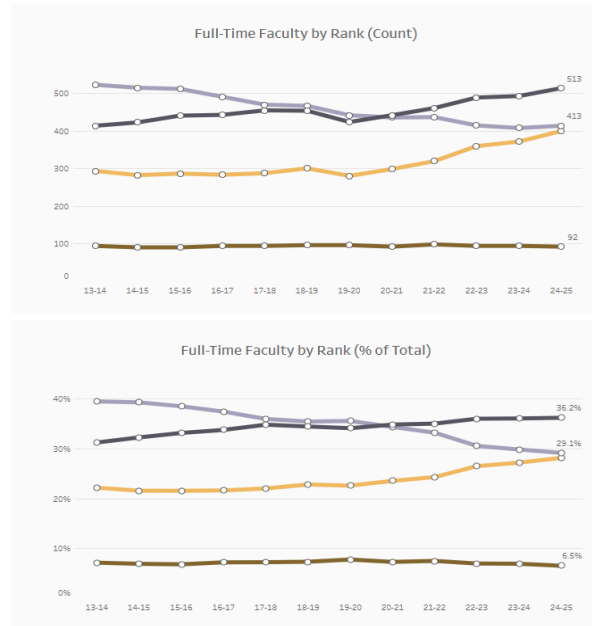
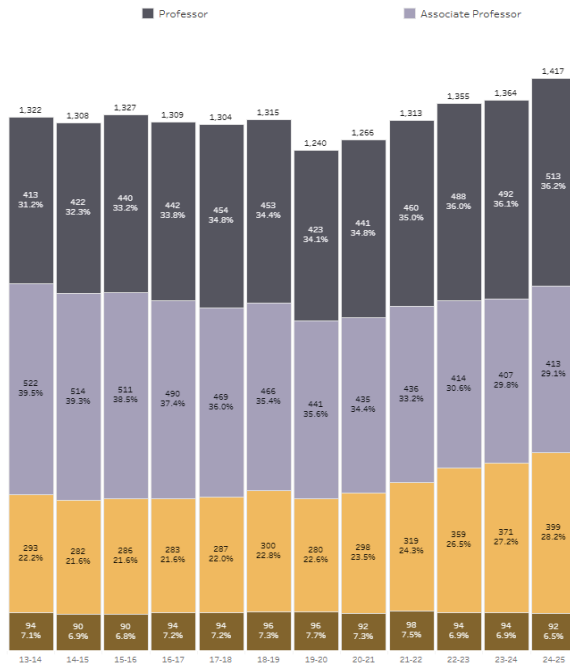
Year	Total FT Enrollment	Change
2019-20	31,171	—
2020-21	32,091	+2.9%
2021-22	33,879	+5.6%
2022-23	34,917	+3.1%
2023-24	36,205	+3.7%
2024-25	37,875	+3.9%
2025-26	37,716	-0.4%

Over the same period, the number of full-time faculty grew from **1240 to 1417**<sup>10</sup>, an increase of just **14.3%**. Western has therefore increased student enrolment much faster than it has expanded its full-time faculty complement. The gap between enrollment growth and faculty hiring is not a planning anomaly; it is the consequence of deliberate decisions about where to allocate resources.

<sup>9</sup> <https://www.ipb.uwo.ca/db/student-enrolment/senate.php>

<sup>10</sup> <https://www.ipb.uwo.ca/db/faculty-and-staff/>

Full-Time Faculty by Rank (excluding physicians)



This gap has consequences. When enrolment grows faster than faculty hiring, the administration is choosing to stretch the university's academic workforce rather than invest proportionally in it. The result is larger classes, heavier workloads, and greater pressure on those of us who do the teaching, supervision, and service. Whether this strain is absorbed by existing faculty, shifted onto faculty on part-time contracts, or both, the pattern is the same: Western has expanded student numbers without making a comparable commitment to the people who deliver the education students are paying for.

### Key Financial Indicators

When we carefully analyze the state of Western's finances, we find that the administration's narrative of unavoidable austerity is not supported. While the university faces genuine sector pressures, these pressures must be considered alongside the institution's substantial assets, liquidity, and overall balance-sheet strength. Standard & Poor's Global Rating 2026 assessment is useful as independent confirmation that the Western remains financially strong, with very strong enterprise and financial profiles, exceptional cash and investments, and moderate debt burden<sup>11</sup>. In other words, **Western is not an institution without resources; it is a wealthy institution whose administration makes choices in the budget planning process about how those resources are used.**

- Total Net Assets: approximately 3.34 billion as of April 30, 2025<sup>12</sup>

<sup>11</sup> [https://www.uwo.ca/finance/forms/docs/corporate\\_accounting/2026%20-%20Standard%20-%20Pooors%20Credit%20Rating%20Report.pdf](https://www.uwo.ca/finance/forms/docs/corporate_accounting/2026%20-%20Standard%20-%20Pooors%20Credit%20Rating%20Report.pdf)

<sup>12</sup> [https://www.uwo.ca/finance/forms/docs/corporate\\_accounting/2025.pdf](https://www.uwo.ca/finance/forms/docs/corporate_accounting/2025.pdf)

- Investment returns: 236.2 million (2025), 237.3 million (2024)<sup>13</sup>
- Operating Reserve: \$43,980,000<sup>14</sup>
- Capital Reserves: 2025-26 Budgeted \$163,164,000<sup>15</sup>
- Debt Burden: assessed by S&P as moderate, with maximum annual debt services expected to continue decreasing
- Cash and Investments/Financial Resources: described by S&P as exceptional with financial resources expected to remain well above 6x debt outstanding
- Operating Position: S&P expects Western to maintain operating margins of more than 5% of operating expenditure over the next two years, indicating the university is expected to continue generating operating surpluses rather than facing immediate financial instability.

These indicators suggest that Western has meaningful financial capacity. Investment returns should be treated cautiously, since they fluctuate and cannot be assumed year to year, but they still reflect the size of the university's asset base. Net assets, reserves, strong liquidity, and manageable debt all point in the same direction: **Western has money**. When the administration fails to adequately fund the core academic mission, it is a matter of institutional choice, not financial necessity.

### **What this Means for Faculty Negotiations This Year**

The evidence reviewed in this report points in a consistent direction. Western has recorded recurring surpluses, benefited from stronger than expected tuition revenue, accumulated substantial internally restricted net assets, and maintained a strong overall financial position. At the same time, student enrolment has grown faster than investment in full-time faculty, and faculty compensation continues to lag behind peer institutions. These patterns are difficult to justify as the result of unavoidable restraint.

The consequences are visible across the campus. Class sizes have increased, workloads continue to grow, and academic units have been subjected to growing demands without the personnel and resources needed to sustain a high-quality learning environment. This is not simply the result of external pressures. Rather, it stems from budgetary choices that clearly show the administration's insufficient commitment to funding the core academic mission.

President Shepard has publicly stated that "you do need funding to pursue excellence."<sup>16</sup> The financial record outlined in this report suggests that Western has that capacity. If the university is serious about excellence, it will invest in the people who carry out its academic mission. High-quality programs, meaningful student experiences, and strong academic outcomes depend on competitive compensation and adequate faculty complement.

Western's latest public relations slogan is "All In," a catchy phrase that expresses a strong commitment. **This round of bargaining will show whether that commitment extends to the core academic mission, or whether it remains a matter of branding rather than institutional practice. Is Western "All In" for supporting its faculty?**

<sup>13</sup> [https://www.uwo.ca/finance/forms/docs/corporate\\_accounting/2025.pdf](https://www.uwo.ca/finance/forms/docs/corporate_accounting/2025.pdf)

<sup>14</sup> [https://www.job.uwo.ca/documents/2025\\_budget.pdf](https://www.job.uwo.ca/documents/2025_budget.pdf)

<sup>15</sup> [https://www.job.uwo.ca/documents/2025\\_budget.pdf](https://www.job.uwo.ca/documents/2025_budget.pdf)

<sup>16</sup> <https://www.cbc.ca/news/canada/london/q-a-post-secondary-schools-in-london-react-to-province-s-funding-changes-9.7087678>.