

WHITE PAPER



ADAPTING TO CHANGE – HOW CANADIAN HIGHER EDUCATION CAN NAVIGATE ENROLLMENT AND FINANCIAL CHALLENGES

GREYMATTER STUDENT LIFECYCLE CRM

Market report and strategic recommendations for higher education institutions in Canada facing current challenges in international enrollment and change in revenue streams.

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INTRODUCTION

Canadian colleges and universities have an opportunity to succeed in 2025 and beyond despite current challenges. With new caps on international student permits, resulting in changes in enrollment trends and financial constraints, colleges and universities must be agile to sustain growth and stability in the coming years. This white paper explores the key challenges facing Canadian higher education and highlights how technology-driven solutions, like greymatter, can empower institutions to navigate these complexities.

THE STATE OF HIGHER EDUCATION IN CANADA

**\$10
MILLION**

SHORTFALL IN INTERNATIONAL STUDENT TUITION

The University of Windsor announced layoffs and will cut some academic programs to offset the \$10 million shortfall in international student tuition (Universities Canada, 2024).

DECLINING INTERNATIONAL ENROLLMENT & CHANGE IN REVENUE MODEL

The recent cap on international student permits in Canada has had an impact on the revenue model of Canadian colleges and universities. The planned 35% decrease in approved study permits from 2023 to 2024 (Immigration, Refugees and Citizenship Canada, 2024), has resulted in declining international student interest in studying in Canada.

International students have historically contributed over \$22 billion annually to the Canadian economy (Statistics Canada, 2023) and have been a key source of revenue (Universities Canada, 2024). Some schools have become reliant on the high tuition fees of their international student body, thus the drop in international student enrollment has created financial constraints. This has forced institutions to make difficult financial adjustments, including layoffs, reduced program offerings and a diminished student experience.

- Thompson Rivers University has **cut contract teaching positions**.
- The University of Winnipeg has implemented a **hiring freeze**, consequently eliminating new teaching assistant roles.

30%

Colleges' & Universities reporting budget reductions

Institutions facing financial shortfalls from decline in international student enrollment have begun cutting programs, with 30% of colleges and universities reporting budget reductions (Universities Canada, 2024).

1.

INVEST IN DATA-DRIVEN ENROLLMENT STRATEGIES AND CONTINUED ED

To offset the revenue of international student tuition, institutions must begin to focus on domestic student recruitment strategies and broaden new revenue streams such as continuing education.

- greymatter Recruit is designed to improve student recruitment efforts. Integrated AI-powered tools can be used to identify prospects with a high likelihood of enrolling, to help focus recruiting efforts and improve efficiency.
- Continuing education as a revenue stream, such as mini-courses, micro-credentials, and certificates can be marketed and expanded. greymatter Promote helps institutions manage payments and course catalogs for continuing education.

2.

ENHANCE STUDENT SUPPORT SERVICES

It's better to keep a customer than to find a new one – same goes for students. Improving student retention can reduce schools' costs. Students today demand a personalized, digital-first experience, and institutions that fail to meet these expectations risk declining retention rates.

- Only 40% of students feel their institution provides adequate digital support (Canadian Student Experience Survey, 2024).
- Retention rates among domestic students have decreased by 5% in the past three years (Universities Canada, 2023), partly due to lack of engagement and academic advising support.

greymatter enhances student engagement through personalized communication, proactive advising, and AI-driven early alerts, ensuring students receive the support they need to persist and graduate. By identifying students at risk, institutions can take a proactive approach and notify advisors when their student is not meeting their degree requirements, or they have a drop in GPA. Having personalized communication that can be automated by program type, program year, hometown, or other demographics makes creating a personalized experience easy on staff.

3.

USE TECHNOLOGY TO IMPROVE EFFICIENCY OF ADMINISTRATIVE PROCESSES

Many schools use outdated or fragmented administrative systems. With staff layoffs and hiring freezes, improving administrative technology can help offset the burden on staff. 70% of Canadian higher education leaders cite digital transformation as a priority, yet over 60% of institutions still use manual or disconnected systems (Higher Education Digital Trends Report, 2024).

- Inefficiencies in administrative processes cost institutions an average of \$5 million annually in lost productivity (McKinsey & Company, 2023).

Institutions can offset budget constraints by improving operational efficiency with the help of integrated technology. greymatter's automated workflows and AI-powered insights reduce administrative burdens.

4.

ADOPT CANADIAN TECHNOLOGY IN WAKE OF IMPENDING U.S. TARIFFS

The recent political and economic environment between the U.S. and Canada has created tensions that could impact post-secondary institutions. The instability of the relationship between the U.S. and Canada may decrease interest from American students to study at a Canadian institution. This may have a compound effect with the reduction in international study permits. Additionally tariffs on American goods could disrupt supply chains Canadian institutions rely on such as increasing costs of imported technology, educational tools, and equipment.

Computers and lab equipment could become more expensive or difficult to obtain, adding more financial stress to already reduced budgets (CDI College, 2025).

- The federal government is encouraging institutions to support Canadian-based solutions to mitigate economic dependencies.

As a Canadian-founded company, greymatter provides institutions with a homegrown alternative to U.S.-based solutions, ensuring greater alignment with Canadian regulations and institutional needs.

CASE STUDY

ENHANCING ENROLLEMENT AND ENGAGEMENT AT A LARGE COMMUNITY COLLEGE

CHALLENGE

A community college that serves over 30,000 students needed to improve student enrollment and engagement

SOLUTION

Implemented greymatter's AI-powered student outreach tools, targeting high-potential students with personalized campaigns. Implemented automated personalized communication for student retention and success.

RESULTS

400% UPTICK IN STUDENT ENGAGEMENT

Measured through automated communication channels.

41% INCREASE IN APPLICATIONS

After two academic cycles of implementing greymatter.

5% BOOST IN ENROLLMENT

Over two academic terms.

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- Drop in international student enrollment has forced institutions dependent on international student tuition to have layoffs, cut program offerings, and ultimately diminish the student experience (Universities Canada, 2024).
- Institutions facing financial shortfalls have begun cutting programs, with **30% of colleges and universities reporting budget reductions** (Universities Canada, 2024).
- The University of Windsor announced layoffs and will cut some academic programs to offset the \$10 million shortfall in international student tuition (Universities Canada, 2024).
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STRATEGIC RECOMMENDATIONS FOR CANADIAN INSTITUTIONS

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CASE STUDY: ENHANCING ENROLLMENT AT A COMMUNITY COLLEGE

Challenge: A community college that serves over 30,000 students needed to improve student enrollment and engagement.

Solution: Implemented greymatter's **AI-powered student outreach tools**, targeting high-potential students with personalized campaigns. Implemented automated personalized communication for student retention and success.

Results:

- **41% increase** in applications after two academic cycles of implementing greymatter.
- **400% improvement** in student engagement through automated communication.
- **5% boost** in enrollment over last two terms.
- Reported **increase** in visibility of student history improving academic advising.

SUMMARY OF RECOMMENDATIONS FOR CANADIAN INSTITUTIONS

1. **Invest in Data-Driven Enrollment Strategies** – Use predictive analytics to identify and engage domestic students.
2. **Streamline Administrative Processes** – Leverage AI-driven automation to reduce inefficiencies and costs.
3. **Enhance Student Support Services** – Implement personalized digital tools to improve retention and satisfaction.

4. **Support Canadian-Based Solutions** – Reduce dependency on U.S. vendors and strengthen local innovation.

CONCLUSION

The future of Canadian higher education requires **adaptability, strategic investment, and digital transformation**. Institutions that embrace AI-driven solutions like greymatter can **mitigate financial risks, optimize student engagement, and strengthen operational efficiency**. As a proudly **Canadian-founded** company, greymatter offers institutions a **trusted partner** to navigate these challenges while supporting the domestic economy.

Learn More Download our full industry report or schedule a consultation to see how greymatter can help your institution adapt and thrive in today's changing landscape.

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