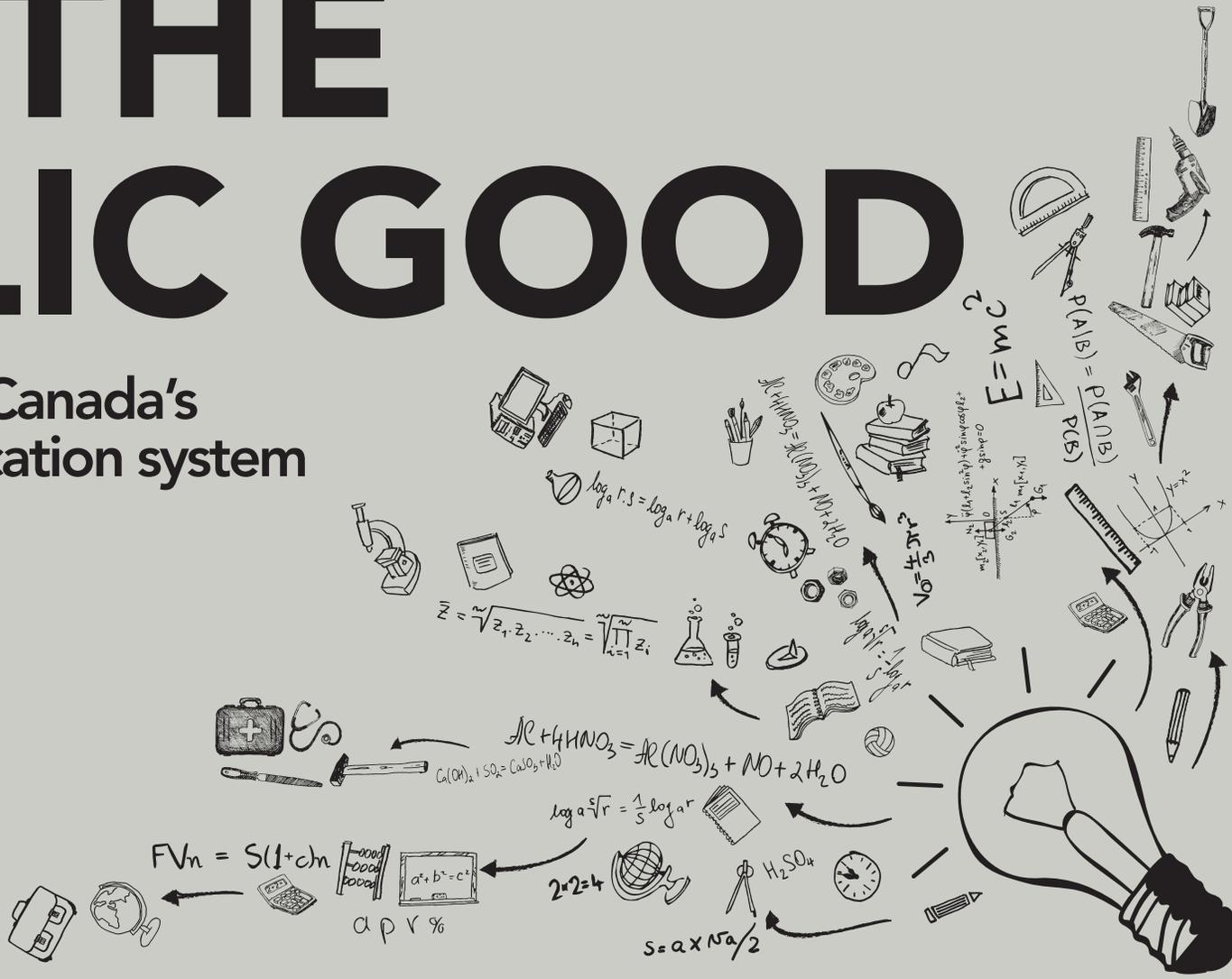


PUBLIC EDUCATION FOR THE PUBLIC GOOD

a national vision for Canada's post-secondary education system



THE CANADIAN FEDERATION OF STUDENTS

With over 600,000 members, represented by more than 80 students' unions in all ten provinces, the Canadian Federation of Students is the voice of post-secondary students in Canada. The Federation and its predecessor organisations have represented students in Canada since 1927. The Federation represents full- and part-time students at the college, undergraduate, and graduate levels.

BRITISH COLUMBIA

University of British Columbia Students' Union Okanagan
Camosun College Student Society
Capilano Students' Union
Douglas Students' Union
Emily Carr Students' Union
Kwantlen Student Association
College of New Caledonia Students' Union
North Island Students' Union
Northwest Community College Students' Union
Okanagan College Students' Union
College of the Rockies Students' Union
Selkirk College Students' Union
Students' Union of Vancouver Community College
Thompson Rivers University Students' Union
Vancouver Island University Students' Union

PRAIRIES

Alberta College of Art and Design Students' Association
Brandon University Students' Union
Graduate Students' Association of the University of Calgary
First Nations University of Canada Students' Association
University of Manitoba Students' Union
University of Manitoba Graduate Students' Association
University of Regina Students' Union
Association étudiante de l'Université de Saint-Boniface
University of Saskatchewan Students' Union
University of Saskatchewan Graduate Students' Association
University of Winnipeg Students' Association

ONTARIO

Algoma University Students' Union
Association général des étudiantes et étudiants du Collège Boréal
Brock University Graduate Students' Association
Carleton University Students' Association
Carleton University Graduate Students' Association
Association étudiante de la Cité collégiale
Student Association of George Brown College
Glendon College Student Union
University of Guelph Central Student Association
University of Guelph Graduate Students' Association
Lakehead University Student Union
Laurentian Association of Mature and Part-Time Students
Laurentian University Graduate Students' Association
Laurentian University Students' General Association
Association des étudiantes et étudiants francophones de l'Université Laurentienne
Laurentian Students' Union

ONTARIO (CONT'D)

McMaster University Graduate Students' Association
Nipissing University Student Union
Ontario College of Art and Design Student Union
Student Federation of the University of Ottawa
Graduate Students' Association des étudiant(e)s diplômé(e)s de l'Université d'Ottawa
Queen's University Society of Graduate and Professional Students
Ryerson Students' Union
Continuing Education Students' Association of Ryerson
Saint Paul University Students' Association
University of Toronto Scarborough Campus Students' Union
University of Toronto Graduate Students' Union
University of Toronto Students' Union
University of Toronto Mississauga Students' Union
Association of Part-Time Undergraduate Students at the University of Toronto

ONTARIO (CONT'D)

Trent Central Student Association
Society of Graduate Students of the University of Western Ontario
Wilfrid Laurier University Graduate Students' Association
University of Windsor Students' Alliance
University of Windsor Graduate Students' Society
University of Windsor Organization of Part-time University Students
York Federation of Students
York University Graduate Students' Association

QUÉBEC

Concordia Student Union
Concordia University Graduate Students Association
Dawson Student Union
Post-Graduate Students' Society of McGill University

MARITIMES

Cape Breton University Students' Union
Holland College Student Union
King's Students' Union
Mount Saint Vincent University Students' Union
University of New Brunswick Graduate Students' Association
Student Union of NSCAD
University of Prince Edward Island Student Union
University of Prince Edward Island Graduate Student Association
Association générale des étudiants de l'Université Sainte-Anne

NEWFOUNDLAND AND LABRADOR

Grenfell Campus Student Union
Marine Institute Students' Union
Memorial University of Newfoundland Students' Union
Graduate Students' Union of the Memorial University of Newfoundland
College of the North Atlantic Students' Union

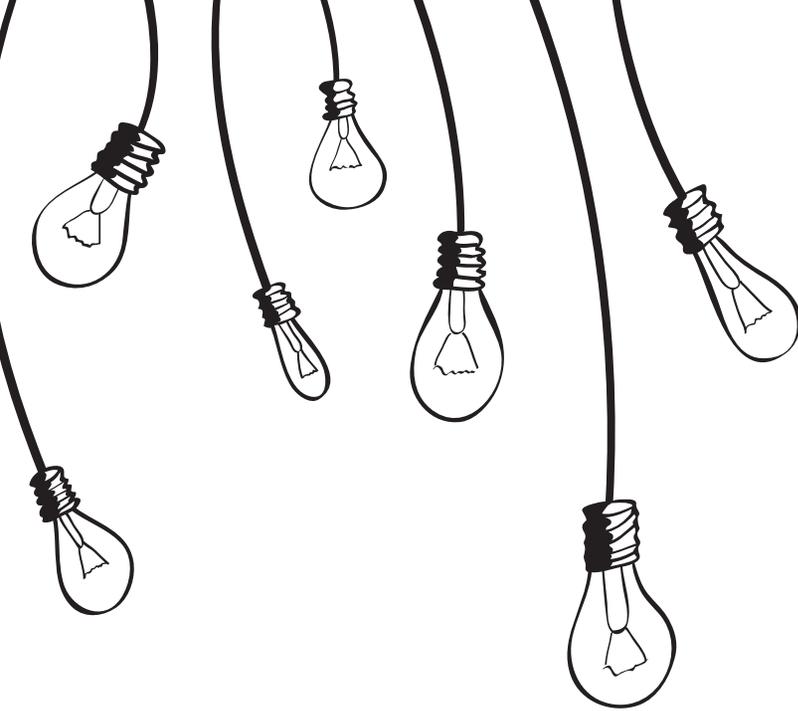


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PUBLIC EDUCATION FOR THE PUBLIC GOOD

SUSTAINABLE INVESTMENT IN EDUCATION REQUIRES NATIONAL LEADERSHIP

Attainment of a post-secondary education has become a prerequisite to participate in the Canadian workforce. This shift was precipitated by a recession that resulted in the near-collapse of Canada's manufacturing sector, but it reflects a broader shift that has been happening for the past two decades in Canada and around the world.

Canada's youth are facing challenges unseen by previous generations: record-high levels of student debt and a post-secondary education system with tuition fees that have tripled since the 1990's; youth unemployment levels that are twice as high as the unemployment levels faced by the general population; and the baby boomer generation is working longer or re-entering the workforce after retirement, making it difficult for new graduates to find jobs. All this coupled with current federal student debt at over \$15 billion, not including provincial or private debt, means Canadian youth are now the most indebted generation in the country's history. This debt will have far-reaching implications for Canada's economy and socio-economic equality.

Without federal direction, provinces' post-secondary education systems are taking divergent paths. Provinces have the ability to set tuition fees at whatever level they see fit, resulting in students facing significantly different challenges in accessing higher education depending on the province in

which they study. In addition, Aboriginal peoples—the fastest growing population in Canada—are still largely shut out of post-secondary education, and are thereby prevented from contributing to the knowledge economy.

Three decades of public funding that has failed to keep up with enrolment growth has had a notable impact on students' education experience. Class sizes have increased, while required infrastructure repairs have gone largely unaddressed. Average tuition fees have increased at three times the rate of inflation in the last year alone. As the primary lenders of student loans, the federal government plays a pivotal role in determining the impact of student debt. While the current funding model is unsustainable, there are realistic options within reach.

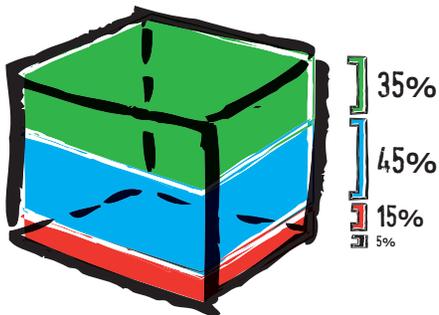
Investments in students, colleges, and universities are investments in Canada's future. It is time for bold leadership. Maintaining Canada's strong economic position requires leadership at the federal level, and a substantial reinvestment in students, colleges and universities, and post-secondary research. This document outlines students' recommendations for the federal government to build and maintain a strong post-secondary education system that ensures a prosperous, equitable future for generations to come.

CANADIANS SUPPORT ACCESSIBLE PUBLIC EDUCATION

A MAJORITY OF CANADIANS AGREE THAT:

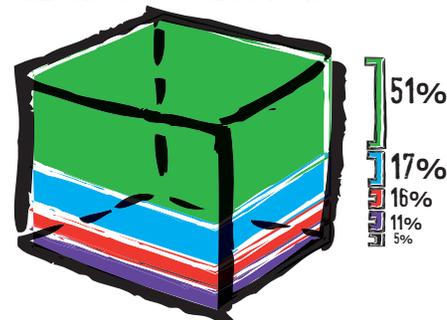
- a university or college education is more important than ever to succeed in today's society;
- the federal government should attach conditions to dedicated transfer payments to the provinces;
- the government should invest more in post-secondary education, even if it means they have to pay slightly more in taxes;
- the government should invest in making college and university more affordable, even if it means a small increase in taxes; and
- education is a common good and should be paid for by the government.

SHOULD TUITION FEES BE INCREASED, FROZEN, OR REDUCED?



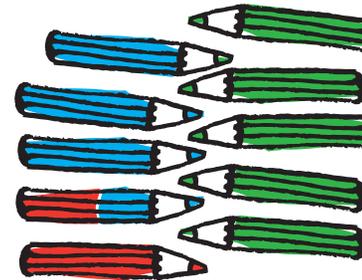
■ REDUCED
■ FROZEN
■ INCREASED
■ NOT SURE/NO OPINION

WHAT IS THE MOST IMPORTANT THING FOR GOVERNMENT TO DO FOR COLLEGE AND UNIVERSITY EDUCATION?



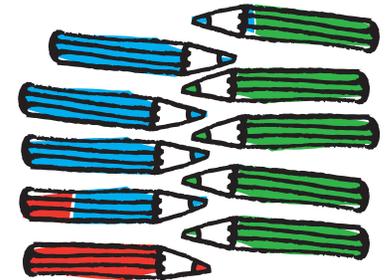
■ LOWER TUITION FEES AND STUDENT DEBT
■ INVEST MORE IN RESEARCH
■ CREATE MORE SPACES FOR QUALIFIED STUDENTS
■ REDUCE CLASS SIZES BY HIRING MORE PROFESSORS
■ NOT SURE/NO OPINION

IT IS MORE DIFFICULT TO GET A UNIVERSITY OR COLLEGE EDUCATION THAN IT WAS TEN YEARS AGO.

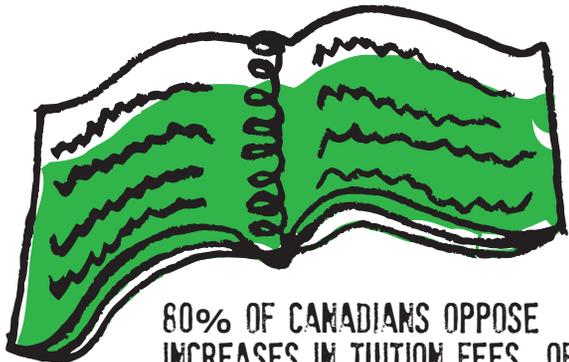


■ AGREE - 51%
■ DISAGREE - 33%
■ NO OPINION - 16%

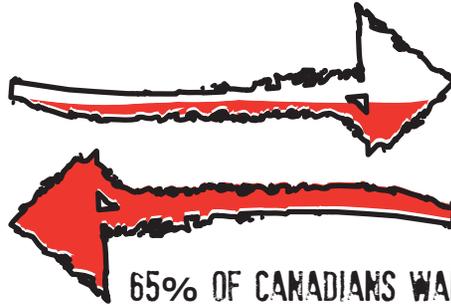
THE QUALITY OF EDUCATION HAS SUFFERED BECAUSE OF INADEQUATE GOVERNMENT FUNDING.



■ AGREE - 47%
■ DISAGREE - 39%
■ NO OPINION - 14%



80% OF CANADIANS OPPOSE INCREASES IN TUITION FEES. OF THOSE, 35% SUPPORT A REDUCTION FROM CURRENT LEVELS.



65% OF CANADIANS WANT THE FEDERAL GOVERNMENT TO SET CONDITIONS ON TRANSFER PAYMENTS TO ENSURE PROVINCES USE THE MONEY AS INTENDED.

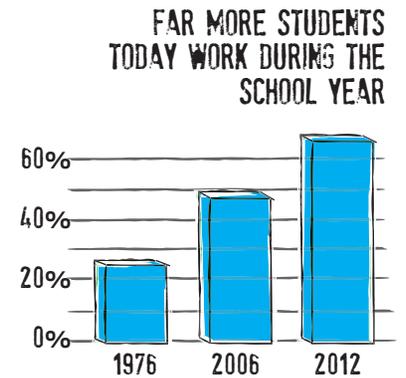
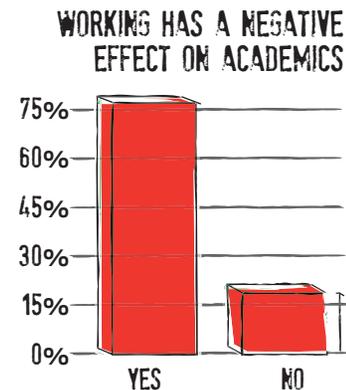
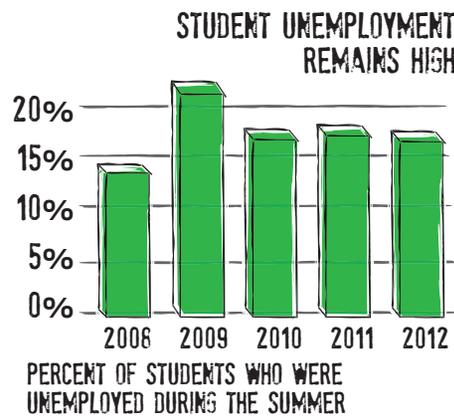


70% OF CANADIANS THINK YOUNG PEOPLE HAVE TO TAKE ON TOO MUCH DEBT TODAY TO GET A UNIVERSITY OR COLLEGE EDUCATION.

HIGH FEES PUSH STUDENTS TO WORK MORE, STUDY LESS

Students are struggling to pay for their post-secondary education more than any previous generation. Record-high tuition fees combined with the recession means that those in vulnerable groups, including Aboriginal and other racialised students and those with disabilities, are facing increasing barriers to post-secondary education. Higher costs and fewer summer employment opportunities have contributed to an increasing number of students working during the academic year.

Students have reported that working in low-wage, low-skilled jobs while studying often has a negative impact on their academic performance and the quality of their educational experience, particularly when one is working more than 20 hours per week.



TAKING ADVANTAGE OF CANADA'S
CURRENT RELATIVE ECONOMIC
STRENGTH, COMPARED TO OTHER
INDUSTRIALISED COUNTRIES, REQUIRES
LEADERSHIP AT THE FEDERAL LEVEL AND
AN INVESTMENT IN STUDENTS, AS WELL
AS IN COLLEGES AND UNIVERSITIES.

THIS DOCUMENT OUTLINES SEVEN
RECOMMENDATIONS FOR THE FEDERAL
GOVERNMENT TO BUILD AND MAINTAIN
A STRONG POST-SECONDARY SYSTEM
THAT TRAINS A WORKFORCE CAPABLE OF
COMPETING IN TODAY'S ECONOMY.

RECOMMENDATIONS

FOR A PROSPEROUS AND PRODUCTIVE FUTURE FOR ALL CANADIANS

- 1** Make a direct investment of \$7.5 billion to reduce existing student debt by half in the next three years. The total outstanding student debt owed to the federal government must be substantially reduced, and steps must be taken to prevent current and future students from accumulating education-related debt.
- 2** Increase the value and number of non-repayable grants available to students by redirecting funds allocated to education-related tax credits and savings schemes to the Canada Student Grants Program, and allow graduate students to qualify for grants under the program.
- 3** Implement a federal Post-Secondary Education Act in cooperation with the provinces, modeled after the Canada Health Act, accompanied by a dedicated cash transfer with funding allocated to:
 - address shortfalls in funding since 1992;
 - reduce tuition fees to 1992 levels; and
 - address deferred maintenance costs at Canada's colleges and universities.
- 4** Remove the funding cap on increases to the Post-Secondary Student Support Program and ensure that every eligible First Nations, Inuit, and Métis learner is provided funding.
- 5** Remove targeted research funding earmarks within the granting councils and award research funding based on academic merit determined through a peer review process. Increase the number of Canada Graduate Scholarships to be consistent with average program growth and distribute them proportionally among the research councils according to enrolment figures.
- 6** Increase funding by \$10 million to Statistics Canada's education branch for the collection and analysis of statistics to properly track the impact of student debt on post-secondary education completion rates and the fulfillment of labour-market demands.
- 7** Develop a national strategy to address youth unemployment, underemployment, and unpaid internships that includes as a first step, collecting relevant employment data on recent graduates and restoring funding for the Canada Summer Jobs Program.

CANADA'S POST-SECONDARY EDUCATION SYSTEM

For over half a century, the federal government recognised the crucial role post-secondary education plays in increasing social and economic equality and driving economic growth and innovation. The substantial public investments that led to the expansion of universities and the creation of colleges in the 1960s were based on the belief that access to post-secondary education should be dictated by a student's ability and desire to learn, not by a student's financial means.

Over the past three decades, Canada's public post-secondary education system has become markedly less public. Beginning in the 1980s, the federal government limited the increases in funding transfers to the provinces for post-secondary education, resulting in a decrease in per-student funding. In 1995, the federal government made one of the deepest funding cuts to social programs in history by slashing transfers to the provinces by \$7 billion. In every province, with the exception of Québec, this funding cut was passed on directly to students in the form of massive tuition fee increases. Despite the federal government posting multi-billion dollar surpluses in the late 1990s and early 2000s, funding for post-secondary education was never restored.

Federal funding cuts led most provinces to reduce funding for higher education and paved the way for a significant shift in how Canada funds universities and colleges. Today, nearly half of the operational funding for universities comes from students themselves. Canada's public funding covers just 57 percent of the cost of university and college education (Figure 1.2), compared with the Organisation for Economic Co-operation and Development (OECD) average of 68 percent. Canada's university tuition fees are also among the highest in the OECD. If Canada is to maintain its educational edge at the post-secondary level, it is going to have to address these public-funding shortfalls.

Prior to these cuts, access to post-secondary education was similar from province to province. Now, the province that a student lives in is a key factor in determining the individual cost of post-secondary education because tuition fees vary so widely. For example, an undergraduate students in Ontario pay about three times as much as their peers in Newfoundland.

In order to reduce inequalities across socioeconomic groups and regional differences—and to increase the country's global economic competitiveness—the

federal government must re-prioritise affordable, accessible, high quality post-secondary education.

Canadians overwhelmingly agree that the federal government must provide more support for post-secondary education.

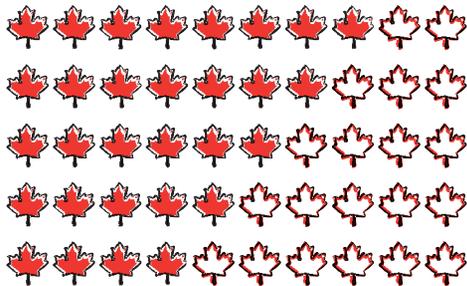
Investments in social programs, such as health care and post-secondary education, regularly rank as top priorities for Canadians. In a recent poll conducted by Harris/Decima, only 8 percent of Canadians identified tax cuts, and only 12 percent identified deficit reduction, as the most important priority for the federal government. By comparison, over 60 percent identified investments in social programs, reducing unemployment, or reducing poverty as their top priority.

**\$13.7
billion**

ANNUAL COST OF CORPORATE TAX CUTS TO THE GOVERNMENT.

Despite public opinion, the federal government has prioritised tax cuts and deficit reduction over essential investments in Canada's social programs. Reducing the government's fiscal capacity by multi-billion dollar tax cuts over the past decade undermines the federal government's ability to adequately fund training both for the country's future workforce and for out-of-work Canadians.

If the government were to shift its priorities, it could provide the necessary funding to make education affordable for all Canadians while also improving the quality and facilities of Canadian colleges and universities.



60% OF CANADIANS AGREE THAT INVESTING IN SOCIAL PROGRAMS, AND REDUCING POVERTY AND UNEMPLOYMENT ARE HIGHER PRIORITIES THAN TAX CUTS AND DEFICIT REDUCTION.

IS CANADA'S HIGHER EDUCATION SYSTEM ECONOMICALLY COMPETITIVE?

According to the World Economic Forum's annual report on economic competitiveness, Canada's higher education system is failing to keep pace with other countries in equipping citizens with the skills needed to advance the domestic economy and remain globally competitive.

CANADA WAS RANKED:



“ the data suggest a slight downward trend of [Canada's] performance in higher education... driven by lower university enrollment rates and a decline in the extent to which staff is being trained at the workplace.”

-World Economic Forum Report on Economic Competitiveness

FIGURE 1.1: 2012-13 WORLD ECONOMIC FORUM: GLOBAL COMPETITIVENESS INDEX, HIGHER EDUCATION RANKINGS (EFFECTIVENESS OF THE HIGHER EDUCATION SECTOR IN DEVELOPING AN ECONOMICALLY COMPETITIVE SOCIETY).



FIGURE 1.2: UNIVERSITY OPERATING REVENUE DIVIDED BETWEEN PRIVATE FUNDING AND GOVERNMENT FUNDING.

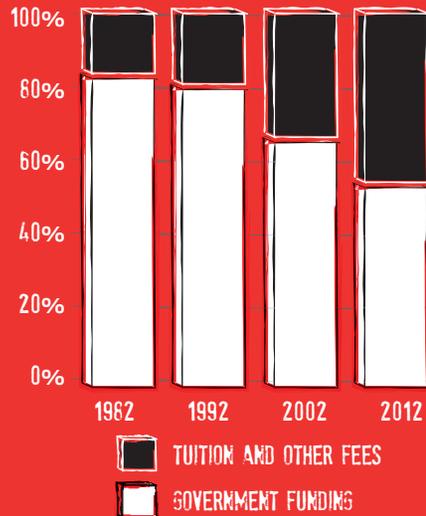
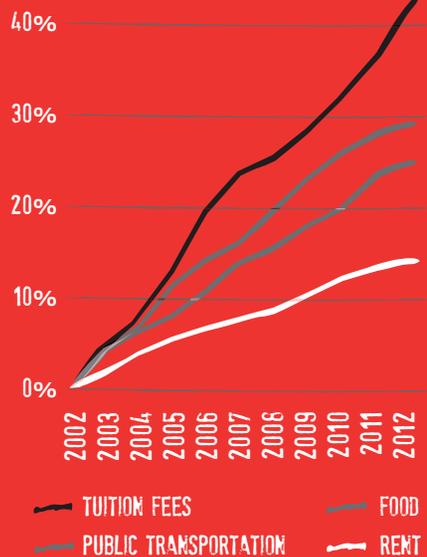


FIGURE 1.3: TUITION FEES HAVE INCREASED FASTER THAN ALL OTHER STUDENT COSTS.



FEES ARE A BARRIER: LET THE INCOME TAX SYSTEM WORK

The federal funding cuts of the 1990s passed an increasing proportion of the cost of post-secondary education onto students. Although government funding used to cover up to 80 percent of an institution's operating budget three decades ago, it now only covers roughly 50 percent, with tuition fees making up the difference (Figure 1.2).

In the last fifteen years, tuition fees have become the largest expense for university and college students increasing, on average, over five times the rate of inflation (Figure 1.4). High tuition fees limit access to post-secondary education for students from low- and middle-income households. At their current rate of increase, tuition fees are estimated to exceed all other student expenses combined in five years.

Statistics Canada has determined that students from low-income families are less than half as likely as those from high-income households to pursue a university education. They have also found that finances were the most frequently-reported reason high school students did not pursue post-secondary education.

Tuition fees act as a flat tax—a cost applied to all students at the same rate, regardless of their financial resources. While some think tanks and governments have exaggerated the personal benefits of a college or university credential to justify high tuition fees, the reality is much more modest. The OECD reports that male graduates earn only an additional \$100,000 over their lifetime. The return is substantially

lower for female graduates who, on average, earn only an additional \$48,000.

Given that at least 70 percent of new jobs require some form of post-secondary education, higher education is increasingly a prerequisite to participate in the labour market and to earn an average income. It is not a guarantee of future wealth.

Education not only benefits the individual, but all of society as well. Populations with higher levels of education statistically have better health outcomes, lower poverty rates, and lower crime rates.

The current funding model forces individuals to shoulder significant costs for a college or university education, neglecting the substantial public benefit of post-secondary education.

The most efficient and effective method of financing post-secondary education is through a progressive income tax system.

Such a system ensures that the wealthy and poor are taxed in a fair manner by reflecting their respective ability to contribute, and the subsequent personal economic benefit obtained as a result of their education.

Canadians have made it clear that they are comfortable with increased government spending to improve access to post-secondary education. According to a recent Harris/Decima public opinion poll, Canadians rank tuition fee reductions as the top priority for government investment in education.

The same poll also found that 67 percent of Canadians want the federal government to exercise more control over transfers to the provinces for post-secondary education.

The benefits of investing in higher education go well beyond the individual. A highly educated workforce increases the tax base and reduces the cost of a number of other publicly-funded social programs, including health care, public safety, and employment insurance.

A recent report by the OECD found that the direct public benefit of investing in post-secondary education was in excess of \$100,000 per individual, a 160 percent return on each dollar invested.

Since the cuts to federal transfer payments in the 1990s, the quality of post-secondary education has declined. Class sizes have increased substantially, while institutions have pushed to casualise the academic workforce by replacing full-time tenured faculty members with overworked and inadequately compensated contract academic staff. In addition, between 1990 and 2006, the ratio of students to full-time faculty members increased by almost 40 percent.

Cash transfer payments for post-secondary education are roughly \$1.3 billion short of 1992 levels when accounting for inflation and population growth.

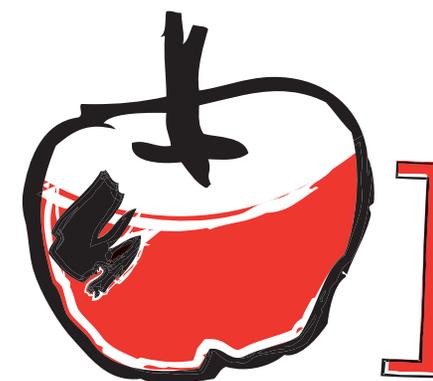
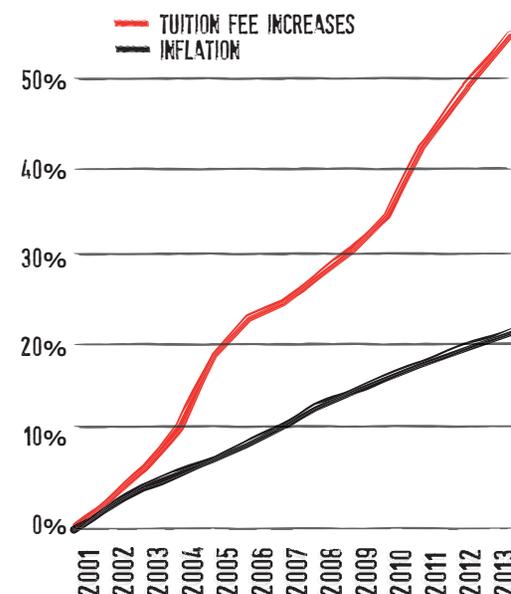
The 2009 federal budget allocated \$2 billion to college and university infrastructure, focused entirely on new building projects.

While new infrastructure is welcome, it only increases the funds needed to maintain and renovate infrastructure on campuses, a cost that is already over \$1 billion per year, and does little to address existing renovation and maintenance needs.

University and college budgets are strained to such an extent that deferred maintenance poses serious health and safety risks at many schools across the country. In 2009, the Canadian Association of University Business Officers estimated that the total value of deferred maintenance on Canadian campuses was more than \$5 billion, half of which is considered urgent, a 35 percent increase in less than a decade.

Despite the moderate reinvestment in post-secondary education in recent years, the federal government has done little to ensure that these investments will have their desired impact.

FIGURE 1.4: TUITION FEES GROW DRAMATICALLY FASTER THAN INFLATION.

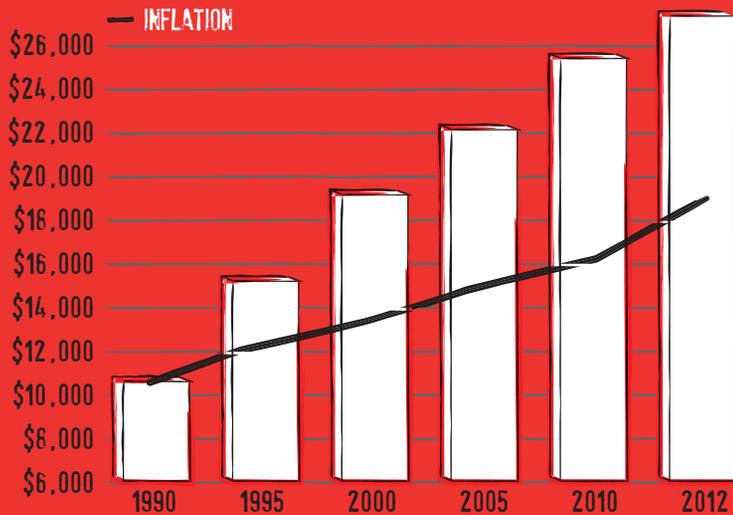


64% OF CANADIANS BELIEVE THAT THE COST OF A POST-SECONDARY EDUCATION IS TOO HIGH.

STUDENT DEBT LOADS HAVE NEVER BEEN HIGHER... PEOPLE ARE GRADUATING WITH \$30,000 IN STUDENT LOANS ON TOP OF \$5,000 IN CREDIT CARD DEBT... THE RESULT IS THAT MANY STUDENTS FALL INTO A HOLE THEY CAN'T EASILY CLIMB OUT OF."

- Laurie Campbell, Executive Director, Credit Canada

FIGURE 1.5: INCIDENCE AND AVERAGE AMOUNT OF STUDENT LOAN DEBT UPON GRADUATION.



166,500

NUMBER OF CANADIANS UNABLE TO MAKE ANY PAYMENTS ON THEIR CANADA STUDENT LOAN AS OF SEPTEMBER 2013

A GENERATION IN DEBT

Canadians are making sacrifices to prepare themselves for an evolving workforce. Past federal and provincial government decisions are forcing students to take on more education-related debt than any previous generation, while middle class earnings have largely stagnated in the past twenty years.

Skyrocketing tuition fees and the prevalence of loan-based financial assistance have pushed student debt to historic levels. This past year, almost 455,000 students were forced to borrow in order to finance their education. The amount owed to the Canada Student Loans Program is increasing by nearly \$1 million per day.

In September 2010, the total amount of student loans owed to the government reached \$15 billion, the legislated ceiling set by the Canada Student Financial Assistance Act. This figure only accounts for a portion of total student debt; it does not include provincial and personal loans, lines of credit, and education-related credit card debt. In response, the government altered the definition of "student loan" to exclude over \$1.5 billion in federal student loan debt. Even with this new definition, the federal student loan debt surpassed the \$15 billion limit. In response, the federal government again amended the Canada Student Financial Assistance Act in order to increase the limit to \$19 billion while, at the same time, dramatically reducing parliamentary oversight of the program.

RECOMMENDATION I

Make a direct investment of \$7.5 billion to reduce existing student debt by half in the next three years. The total outstanding student debt owed to the federal government must be substantially reduced, and steps must be taken to prevent current and future students from accumulating education-related debt.

THE IMPACT OF DEBT ON STUDENTS AND SOCIETY

High tuition fees force students to take on large amounts of debt in order to cover the high up-front costs of pursuing post-secondary education. Many potential students are rightfully reluctant to take on this debt and associated risk. Of the 70 percent of high school graduates who cite financial reasons as the main factor for not pursuing post-secondary education, one in four cited accumulation of debt as the main deterrent. Those from marginalised communities, low-income backgrounds, and single parents are more likely to be strongly averse to accumulating student debt.

Funding post-secondary education through student debt is an unfair model. Requiring low- and middle-income students to finance education through debt results in these students paying more for education than students who have the resources to pay the full cost of their education up-front. Students who can afford to pay their fees up-front only pay the sticker price, while students who take on debt to pay their fees must pay both the fees and the accumulated interest on their student loans. Such a system unfairly burdens low- and middle-income families.

Research finds that debt levels have a direct impact on success and retention. Students with higher debt levels are far less likely to complete their degree or diploma.

After graduation, student debt distorts career choice, especially among professionals. Studies of medical and law students found that debt levels prompt these students to seek higher paying jobs in fields or regions that are not necessarily their first choice or where demand is greatest. For example, student debt appears to be driving committed young doctors away from family practice and young lawyers away from public and community service work.

High levels of debt also discourage individuals from starting a family, purchasing a home, or starting a business. It also discourages graduates from pursuing low paying or volunteer experience in a career-related field that may offer necessary experience to get a middle-income job.

ACCORDING TO THE CANADA STUDENT LOANS PROGRAM:
 AVERAGE TUITION FEES PER YEAR FOR THE 2013
 KINDERGARTEN CLASS WHEN THEY
 REACH UNIVERSITY IN 2026:



Tuition fee estimates based on provincial government policy announcements, and current legislation, indexed to 2.5% above inflation.

“HIGH LEVELS OF STUDENT DEBT ARE ONE OF THE PRIMARY EFFECTS OF THE MOVE TOWARDS POLICY THAT DOWNLOADS THE COSTS OF PUBLIC EDUCATION ONTO STUDENTS AND THEIR FAMILIES.”

**- ALTERNATIVE FEDERAL BUDGET
 Canadian Centre for Policy Alternatives**

EFFECTIVE MEASURES: GRANTS NOT LOANS

2.46
billion



AMOUNT THAT THE CANADA STUDENT LOANS
PROGRAM EXPECTS TO LEND FOR
THE 2013-14 YEAR.

2.58
billion



APPROXIMATE COST OF EDUCATION TAX
CREDITS AND SAVINGS SCHEMES
FOR 2012-13.

Creating the Canada Student Grants Program was an important first step to meaningfully reduce student debt, however a larger investment in up-front grants is required. The total cost of tax credit and education savings schemes currently operated by the federal government are anticipated to exceed \$2.58 billion this year, making these programs the government's most expensive direct spending measure on student financial assistance, by far.

Despite their substantial price tag, the education tax credit and savings programs are poor instruments to improve access to post-secondary education and relieve student debt. All students qualify for tax credits, regardless of financial need, which ultimately benefits those with the lowest amount of debt and those from high-income backgrounds. Furthermore, saving schemes have largely benefitted those from higher-income brackets, as individuals from low-income families often do not have the funds necessary to invest in the first place.

If this \$2.58 billion were used for up-front grants instead, it would turn every dollar loaned by the Canada Student Loans Program (CSLP) into a non-repayable grant. The CSLP expects to lend approximately \$2.46 billion during the 2013-14 academic year. By shifting money spent on education-related saving schemes and tax credits to

the Canada Student Grants Program, the government could significantly reduce student debt.

RECOMMENDATION 2

Increase the value and number of non-repayable grants available to students by redirecting funds allocated to education-related tax credits and savings schemes to the Canada Student Grants Program, and allow graduate students to qualify for grants under the program.

“ (CANADA EDUCATION SAVINGS GRANTS) GIVE SCARCE PUBLIC FUNDS TO THE WRONG HOUSEHOLDS... THE CESG PROGRAM SHOULD BE DISCONTINUED.”

- KEVIN MILLIGAN
UBC Economist

INTERNATIONAL STUDENTS IN CANADA

While all students in Canada have faced dramatic fee increases over the last decade, tuition fee regulation has rarely applied to international students. By fall 2013, average tuition fees for international undergraduate students were \$19,514, more than three times the already high fees paid by Canadian residents (Figure 1.6). At some universities, international students pay over \$23,000 per year in tuition fees, and this figure rises to over \$25,000 for some graduate programs, and a staggering \$57,000 per year for some professional programs, such as dentistry and law.

High differential fees are an unfair burden and a barrier to post-secondary education for international students. Ultimately, such fees could threaten Canada's ability to attract and retain foreign scholars from diverse backgrounds. According to the federal government's own research, immigrants who have previously worked or studied in Canada have the easiest time integrating into the Canadian workforce and prospering in Canadian society.

International students already contribute over \$8 billion annually to the Canadian economy. Their potential contribution as residents and citizens, if naturalised, would present a boon to the Canadian economy

and decrease shortfalls in the aging labour market.

The federal government anticipates significant shortages in the labour market over the next 15 years. Specifically, it is estimated that there will be more than two million job openings over the next decade.

By increasing the number of international students who make Canada their permanent home, the expected shortage of skilled workers could be significantly eased. A greater number of international students making the transition to the domestic workforce, particularly in key sectors and regions, will help meet upcoming skills shortages and help ensure that the Canadian economy continues to grow.

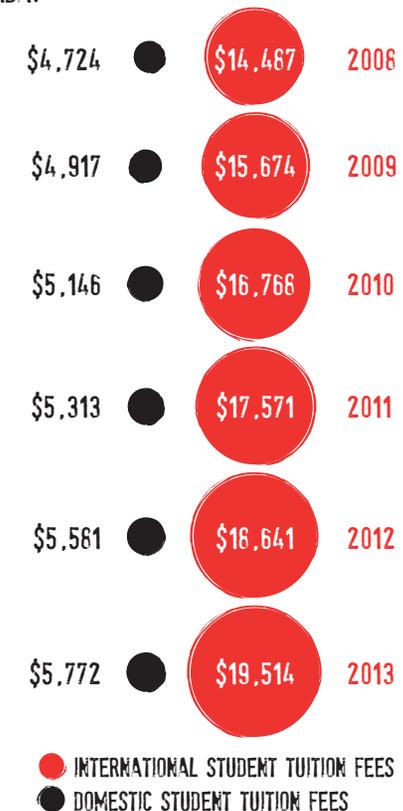
There will be strong competition for future international students among Canada's peer countries, as other leading jurisdictions are equally aware of the benefits of international education and are pursuing their own strategies to attract larger shares of students, including reducing and eliminating tuition fees altogether.

Eliminating differential fees for international students would greatly increase Canada's ability to attract international students.

GDP CONTRIBUTION OF INTERNATIONAL STUDENTS TO THE CANADIAN ECONOMY IN 2011:



FIGURE 1.6: AVERAGE UNDERGRADUATE TUITION FEES FOR DOMESTIC AND INTERNATIONAL FULL-TIME STUDENTS IN CANADA.



A POST-SECONDARY EDUCATION ACT

CREATING ACCOUNTABILITY FOR FEDERAL FUNDING

Although the federal government is one of the single largest sources of funding for post-secondary education, there is no regulatory system to ensure that the monies transferred to provincial governments actually make it into the post-secondary education system. Without accountability measures for federal funding transfers, provincial governments are free to misallocate transfers intended for post-secondary education to other provincial priorities.

Under previous federal-provincial cost-sharing models, the provinces had to invest their own funds in order to receive federal transfers. If a provincial government chose to cut funding, federal transfers would be reduced by a proportionate amount. The current block-funding model—the Canada Social Transfer—has no requirement that provincial governments maintain their funding in order to receive federal money. Indeed, there have been numerous examples of provincial governments receiving additional federal funds and then reducing their provincial contribution. For example, in 2008, the Government of British Columbia cut funding to universities in the same year that it received new post-secondary education funding from the federal government. This approach has led to significant variations in provincial funding and policies. Tuition fees now differ greatly from province to province, creating unequal access to education depending on a student's province of study (Figure 1.7).

FEDERAL CASH TRANSFERS FOR POST-SECONDARY EDUCATION

To return to a level of federal funding equivalent to the level before the cuts of the mid-1990s would mean a dedicated post-secondary education transfer to the provinces of approximately \$5.08 billion.

The federal government currently allocates just over \$3.75 billion to post-secondary education as part of the Canada Social Transfer; however, there is no requirement for the provinces to spend this money on increasing access to post-secondary education. Pairing a funding increase with a new post-secondary education act is essential to ensuring additional funding reaches post-secondary institutions to address increased costs and deteriorating infrastructure.

Since the funding cuts in the early 1990s, full-time enrolment has increased 55.1 percent, resulting in an increase of \$1.33 billion in costs to the system that are yet to be addressed by the federal government. Additionally, similar to the health care system, university and college-related costs increase at a much higher rate than the standard Consumer Price Index. Over the previous eighteen years there has been, on average, an annual post-secondary education-related inflation of three percent, per year, or about \$1.87 billion over that period.

A FEDERAL POST-SECONDARY EDUCATION ACT

The adoption of a federal post-secondary education act would establish conditions on the provinces for receiving post-secondary education transfer payments. Such legislation would require provinces to uphold principles similar to those found in the Canada Health Act: public administration, comprehensiveness, universality, portability, and accessibility. In return for upholding these principles, provincial governments would receive adequate and predictable funding from the federal government.

RECOMMENDATION 3

Implement a federal Post-Secondary Education Act in cooperation with the provinces, modeled after the Canada Health Act, accompanied by a dedicated cash transfer with funding allocated to:

- address shortfalls in funding since 1992;
- reduce tuition fees to 1992 levels; and
- eliminate deferred maintenance at Canada's colleges and universities.

FIGURE 1.7: MAP OF TUITION FEES ACROSS CANADA.
AVERAGE DOMESTIC UNDERGRADUATE ARTS AND SCIENCES TUITION FEES IN 2013-2014.

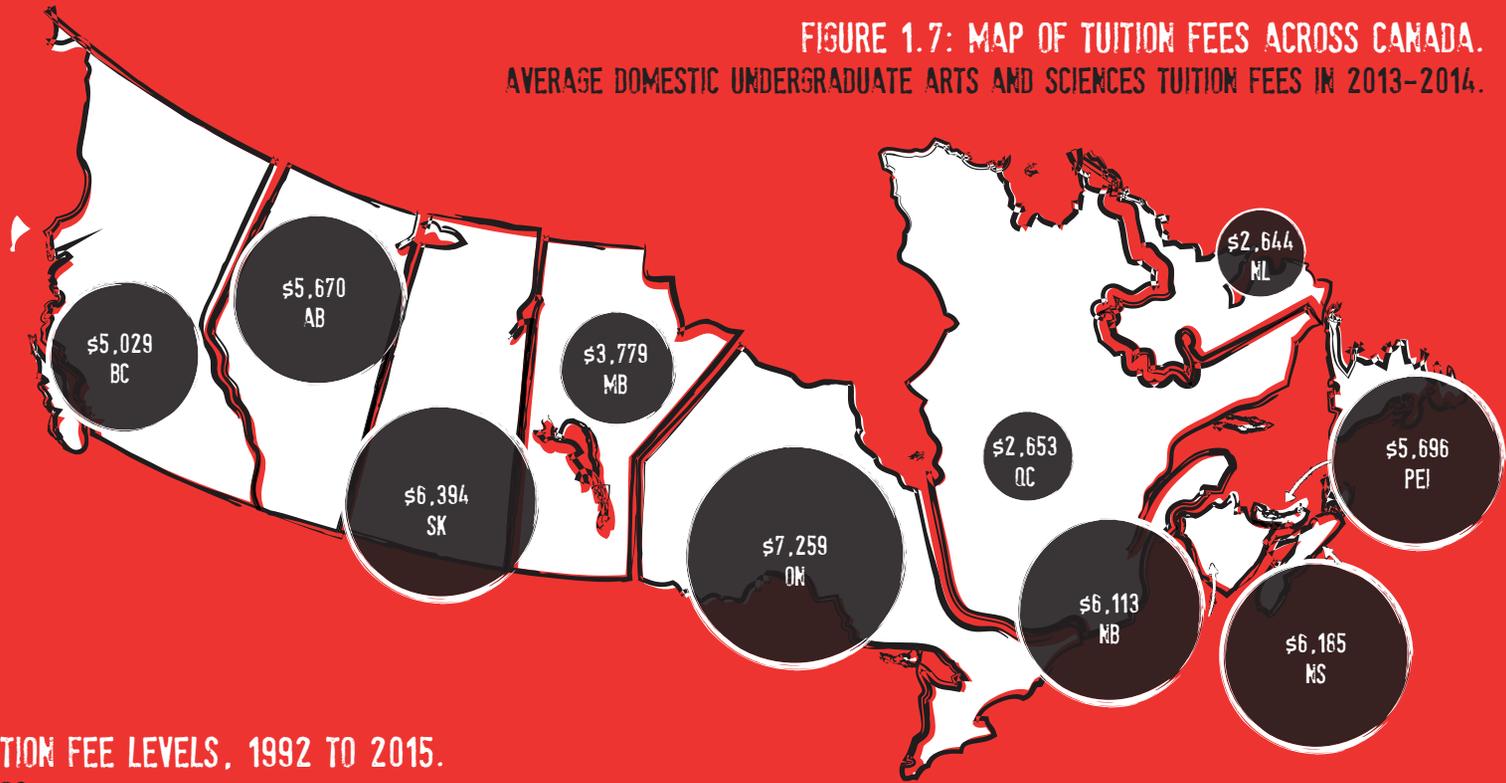
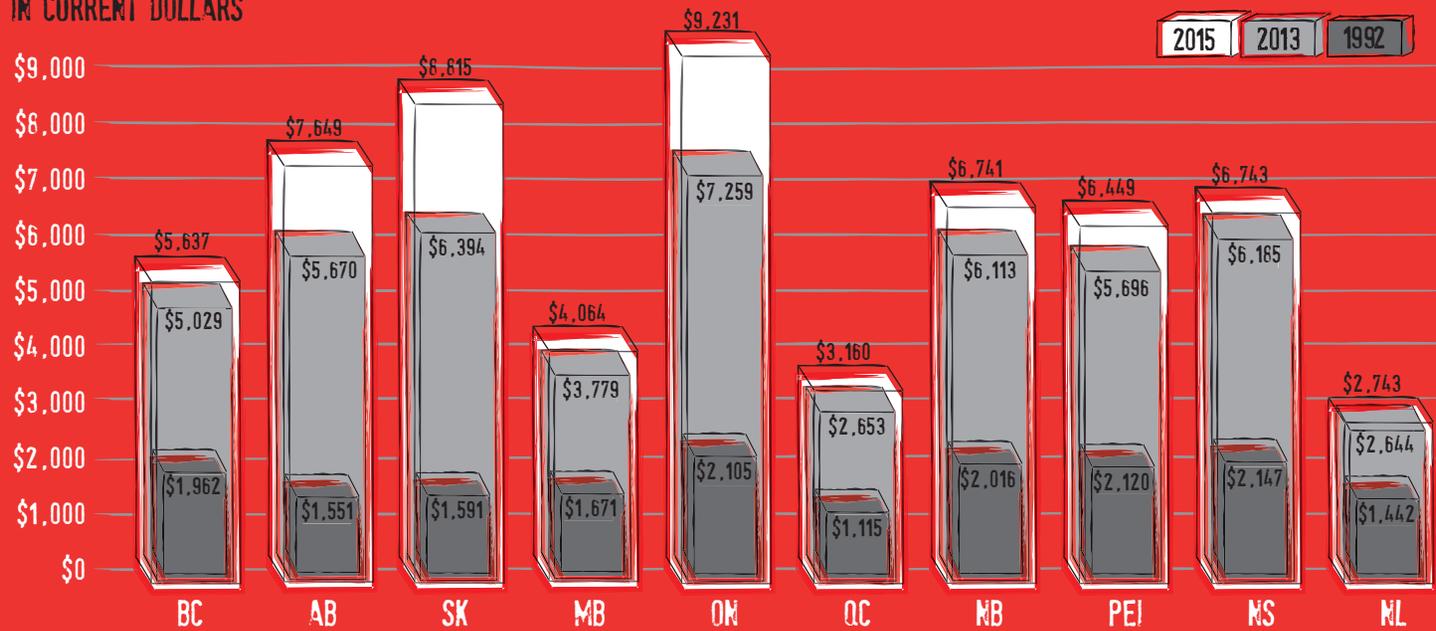


FIGURE 1.8: TUITION FEE LEVELS, 1992 TO 2015.
IN CURRENT DOLLARS



KEEPING THE PROMISE OF ABORIGINAL EDUCATION AND PROSPERITY

Access to post-secondary education plays a pivotal role in the creation of a more equitable, financially stable and sustainable society. Yet, there is great disparity in access across the country, not only affecting students, but Canada as a whole.

As with most OECD members, Canada's economic future depends on its ability to meet the challenge of an aging workforce and relatively low domestic birth rates. Unlike peer countries, however, Canada has an advantage with its rapidly growing Aboriginal population.

Canada's Aboriginal population is growing at six times the rate of the non-Aboriginal population (Figure 2.1). According to the 2011 National Household Survey, 1.4 million people, 4.3 percent of Canada's population, identified as Aboriginal. Of these, 46 percent were under the age of 24.

It is estimated that over 300,000 Aboriginal youth could enter the labour force in the next 15 years alone. In May 2009, the Centre for the Study of Living Standards concluded that closing the education gap between Aboriginal and non-Aboriginal students would lead to an additional \$179 billion in direct GDP growth, and over \$400 billion in total growth over the next 20 years.

Educational attainment levels among Aboriginal peoples remain significantly lower than the non-Aboriginal population. In 2006, 34 percent of Aboriginal persons over the age of 25 did not have a high school diploma compared to 15 percent of the non-Aboriginal population. Only 8 percent of Aboriginal persons hold a university

degree compared to 23 percent of the total population.

This low-level of educational attainment is in stark contrast with the right to education for Aboriginal peoples laid out in a series of treaties signed over the course of several decades and recognised in Canada's Constitution.

In spite of the economic and legal necessity to ensure access to education for Aboriginal peoples, funding for their education has remained stagnant for over a decade. The participation rates in post-secondary education can be attributed to the significant and complex barriers to access that Aboriginal students face.

Research has found that Aboriginal learners are much more likely to be reluctant to use loan-based programs if they are in financial need. Aboriginal students are also more likely to have dependents which results in high costs due to childcare and relocation, as well as a higher likelihood of entering post-secondary education at a later age than non-Aboriginal Canadians.

Additionally, approximately 20 percent of the First Nations population is unemployed, including a staggering 41 percent of those in the 15-24 year age group. Unemployment limits financial resources for families to pay for the rising costs of college or university education.

Currently, the federal government provides financial assistance to status First Nations and Inuit students through the Post-Secondary Student Support Program (PSSSP), which was created to facilitate access to post-secondary education by alleviating the financial barriers faced by Aboriginal students by covering the

costs of tuition fees, books, supplies, travel, and living expenses.

In 1968, Aboriginal Affairs and Northern Development Canada (AANDC), formerly the Department of Indian and Northern Affairs Canada, began providing direct funding for First Nations and Inuit students to pursue post-secondary education. In 1977-78, only 3,600 students received funding; by 1999-2000, over 27,000 students were federal funding recipients. Nevertheless, educational attainment levels of Aboriginal peoples remained significantly lower than the overall population (Figure 2.2).

Before 1992, funding was determined by the number of eligible students and their expenses. Between 1992 and 1997, the model shifted from per-student funding to block funding, which was to be administered by local Band Councils. In 1996, increases in funding to the PSSSP were capped at two percent annually. As a result of this limit on increases, funding has been unable to keep pace with annual increases in the cost of living and tuition fees—which increased on average by three percent this year. While approximately 27,000 Aboriginal students received financial assistance prior to the implementation of the funding cap, the number of students fell to just over 22,000 by 2006.

The lack of funding has meant that communities administering the funds must make difficult decisions about who receives funding each year. Between 2006 and 2011, over 18,500 people were denied funding—roughly half of those who qualified. Because of the shortfall in funding, priority is often given to shorter college

programs—to the detriment of those interested in pursuing more expensive professional or graduate programs of study.

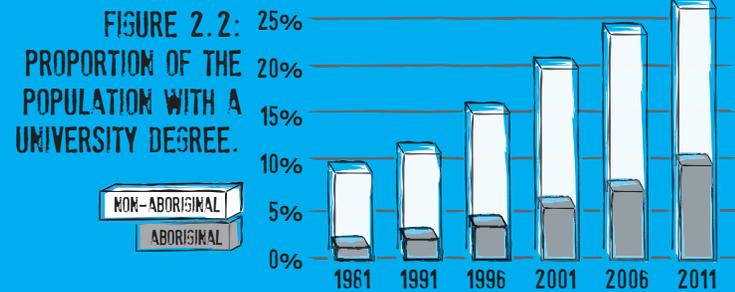
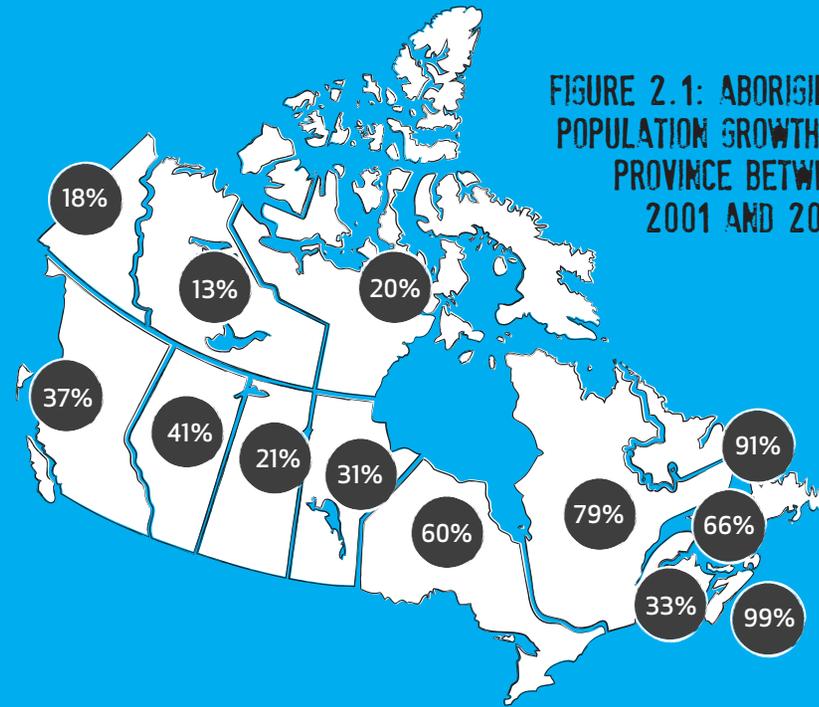
According to the Assembly of First Nations, a total of \$724 million is required to ensure that no Aboriginal student is denied access to post-secondary education due to financial barriers, and that those students who are funded receive an adequate level of support. As AANDC currently provides \$306 million, an additional \$418 million would be required. This funding would support a total of approximately 40,000 students across Canada.

The funding disbursed through the PSSSP has a proven track record for those who can access it. Most Aboriginal students who are able to receive funding through the PSSSP succeed in completing their studies and go on to find meaningful work. Regardless of their place of residence, the majority of Aboriginal graduates return to work in their communities and are employed in their field of study, achieving economic self-reliance and helping to develop healthy and stable communities while improving the Canadian economy.

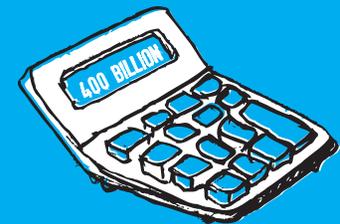
It is important to note that although the economic return for those who are able to access education is high, there is no federal funding support provided for non-status First Nations and Métis students, in addition to funding restrictions currently impacting Aboriginal learners. As the situation currently stands, this limits the potential for this population as well as Canada's well being as a whole.

RECOMMENDATION 4

Remove the funding cap on increases to the Post-Secondary Student Support Program and ensure that every eligible First Nations, Inuit, and Métis learner is provided funding.



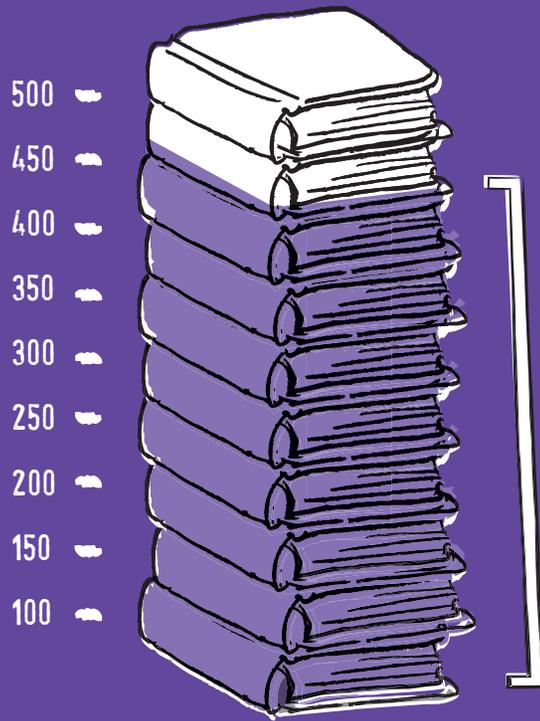
THE POTENTIAL GDP CONTRIBUTION OF ABORIGINAL CANADIANS OVER THE NEXT TWENTY YEARS IF ABORIGINAL EDUCATION LEVELS ROSE TO MATCH THOSE OF THE GENERAL POPULATION:



THE COST PER YEAR TO RAISE ABORIGINAL EDUCATION LEVELS TO MATCH THOSE OF THE GENERAL POPULATION:



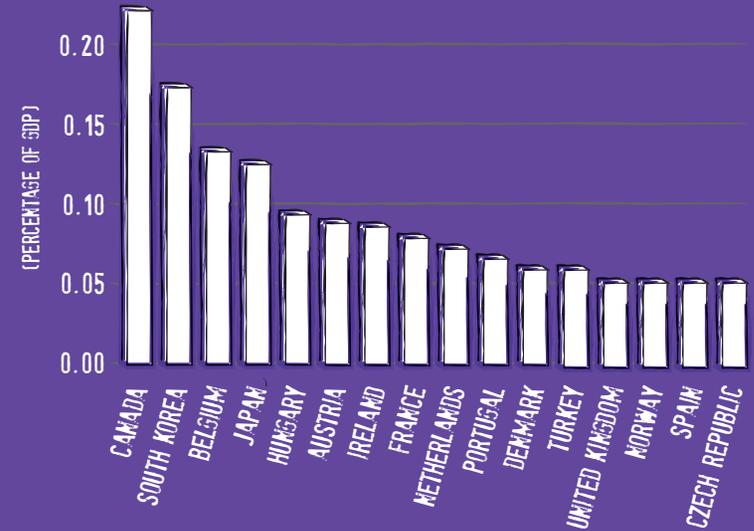
IS CANADA'S DRIVE TO COMMERCIALISE UNIVERSITY RESEARCH PAYING OFF?



THE CENTRES OF EXCELLENCE FOR COMMERCIALIZATION RESEARCH (CECR)—THE NETWORK ESTABLISHED BY THE FEDERAL GOVERNMENT TO BRING TOGETHER INDUSTRY AND ACADEMIA— HAS REVIEWED 500 PUBLICLY FUNDED PROJECTS OVER THE LAST TEN YEARS. OF THESE, ONLY 80 WERE IDENTIFIED FOR COMMERCIAL VIABILITY AND, OF THOSE, ONLY 40 MOVED FORWARD.

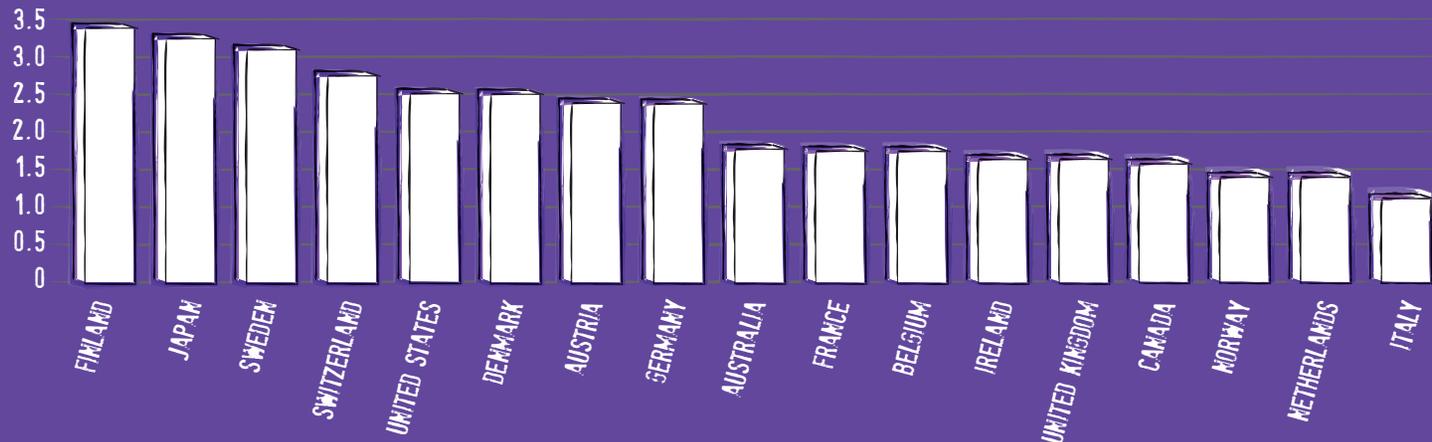
THIS MEANS THAT **460** COMMERCIALY-DRIVEN RESEARCH PROGRAMS, FUNDED BY THE PUBLIC, FAILED TO PRODUCE COMMERCIALY VIABLE RESULTS.

FIGURE 3.1: INDIRECT GOVERNMENT SUPPORT FOR RESEARCH AND DEVELOPMENT THROUGH TAX INCENTIVES.



NOTE: FINLAND, SWEDEN, SWITZERLAND, DENMARK, GERMANY, AND ITALY PROVIDE NO TAX INCENTIVES FOR RESEARCH AND DEVELOPMENT TO BUSINESSES

FIGURE 3.2: BUSINESS EXPENDITURES ON RESEARCH AND DEVELOPMENT (AS A SHARE OF GDP).



SUPPORTING RESEARCH AND INNOVATION, AND INVESTING IN CANADIANS

In order for Canada to remain economically competitive at a global level, it must secure its status as a centre for research and innovation. Investment in graduate studies provides the foundation for long-term innovation and trains the highly skilled workers and researchers needed to respond to the economic and social challenges that Canada faces now and will face in the future.

Enrolment in graduate studies increased by 41.5 percent between 1998 and 2008. Despite this, there have only been modest funding increases to the federal research granting councils and scholarships. The stagnation in federal funding for research and graduate education limits the number of masters and doctoral students that receive grants, thus limiting the pool of highly skilled researchers to those who are able to afford it personally or who are able to secure limited institutional or industry funding.

In spite of the relatively high number of university graduates, Canada ranks second-to-last among peer countries for PhD graduation rates, notwithstanding a dramatic expansion of graduate studies over the last ten years.

COMMERCIALISATION OF RESEARCH

Recent federal budgets have directed research funding to meet the short-term priorities of the private sector, undermining basic research and long-term innovation. The drive to commercialise university research has far-reaching consequences—from limiting academic freedom and public ownership

of research, to discouraging private market innovation.

Since the late 1990s, a number of initiatives have been undertaken to bend public university infrastructure to meet the government's commercialisation objectives, such as requiring publicly-funded research to secure direct, private sector investment.

University research geared towards commercialisation is focused on generating products that may yield short-term results, with little consideration of long-term research and innovation goals. As research funding is increasingly directed in this way, basic research and academic pursuits are undermined.

Recent increases in funding for the federal research granting councils, especially those resources dedicated to graduate students, have disproportionately benefited applied research programs that are designed to pursue a commercialised research agenda over basic, curiosity-driven research.

Shifting the motivation for university research away from the public interest and towards commercial interests has resulted in the private sector increasingly relying on public infrastructure at universities for research and development, rather than investing in their own infrastructure. This dependence contributes to lower private sector investment in research and development in Canada than in comparable countries.

Discouraging private sector investment in its own research and development facilities

leads to fewer employment opportunities for graduates in an already difficult job market. The result of this restructuring is that many highly skilled workers are often unable to contribute their full potential, thus undermining Canada's global economic competitiveness.

Canada has consistently ranked low on measurements of innovation. The World Economic Forum's annual competitiveness report highlighted the need for Canada to increase the sophisticated and innovative nature of private sector research and development. This year, Canada slipped from eleventh to sixteenth place for the quality of scientific research institutions – a sharply declining trend over the past five years from Canada's 2008-2009 ranking of fourth.

As this trend continues, private sector research and development infrastructure is being replaced with a publicly-backed university system that is forced to advance private sector research, a collaboration that does not have a consistent track-record of successfully bringing innovations to the marketplace.

The private sector's encroachment on universities undermines the independence of the academy, as money for research is increasingly tied to entities outside the academic system. These corporations often influence decisions that are normally left to the research community, such as investment in maintenance, research facilities, and new infrastructure. The research community can also come under pressure from private

FIGURE 3.3: GRADUATE TUITION FEES COMPARED TO INFLATION.

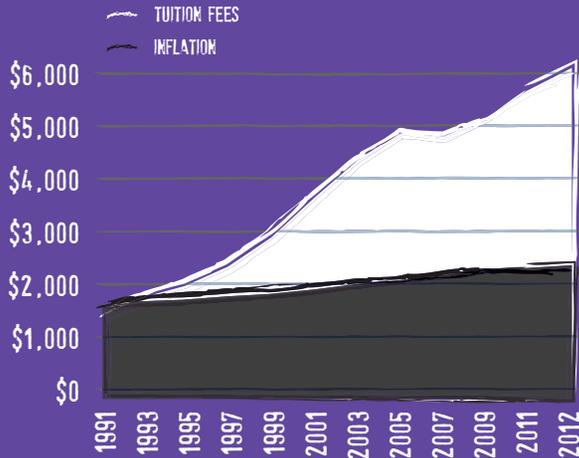
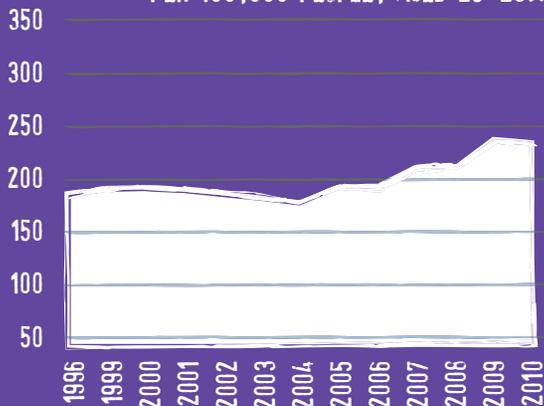


FIGURE 3.4: PHD GRADUATES (NUMBER OF PHD GRADUATES PER 100,000 PEOPLE, AGED 25-29).



funders of research when outcomes are not commercially favourable for those funders. Despite the threat to the independence of university research resulting from an increased reliance upon industry sponsorship, there is currently no whistleblower protection for graduate students who wish to report research misconduct.

BARRIERS TO ACCESS

Graduate students often face a variety of challenges in pursuing their studies, including limited funding options, an increasingly commercialised and restrictive research environment, rising tuition fees, little access to need-based grants, and high levels of student debt from previous degrees. Last year, average tuition fees for graduate students increased by 2.3 percent, to over \$6,000 (Figure 3.3).

The financial burden of high fees for graduate students is exacerbated by the foregone earnings from not being employed full-time, along with substantial debts accumulated from earlier degrees. Despite their significant investment of time and money, a recent study indicated that doctoral graduates earn little more—and in some instances, less—than those with only a master’s degree.

GRADUATE STUDENT FUNDING

Funding for curiosity-driven grants in the social sciences and humanities lags far behind the applied sciences. Without proper levels of funding and support for graduate students, Canada’s research and innovation capacity will continue to fall behind global competitors.

An investment in graduate students will help to produce the highly skilled workers that Canada needs to compete in the global economy.

Students often enter graduate programs with substantial debt from their previous degree.

However, there are currently no need-based grants available to graduate students from the federal government. Students from low-income families have a harder time affording graduate studies due to high tuition fees and the lack of financial assistance. In the absence of a grants program, completion rates for graduate degrees remain low.

Canada Graduate Scholarships (CGS) provide merit-based funding directly to graduate students. These scholarships are administered through the granting councils and are one of the main mechanisms for the federal government to fund graduate studies. The limited number of scholarships available has meant that many of the best and brightest researchers are unable to maximise their potential. Increasing the number of CGS would help promote graduate research and ensure that graduate students have the resources to focus on their research, which will pay long-term dividends to Canada’s research capacity and innovation.

RECOMMENDATION 5

Remove targeted research funding earmarks within the granting councils and award research funding based on academic merit determined through a peer review process. Increase the number of Canada Graduate Scholarships to be consistent with average program growth and distribute them proportionally among the research councils according to enrolment figures.

TRACKING SUCCESS: EDUCATION STATISTICS

Collectively, the federal and provincial governments spend billions of dollars each year on post-secondary education, but adequate data to fully analyse the effectiveness of that spending are not collected. A recent OECD report noted that Canada does not provide sufficient post-secondary education indicators used to compare countries. Although the Council of Ministers of Education has started to fund the collection of some of the missing data, it is not a sustainable solution to the federal government's underfunding of the education branch of Canada's national statistical agency, nor does it make up for the entire shortfall.

Canada does not currently collect information about the age of students when they enter or leave the post-secondary education system, nor are data collected on completion rates for higher education or the average length that a student spends in the post-secondary system. In a more general sense, Canada lacks much of the data regarding both the inputs and outcomes of the post-secondary education system.

In May 2010, the Department of Employment and Social Development (formerly Human Resources and Skills Development Canada) announced that it would cease funding the Youth in Transition Survey (YITS) and the National Longitudinal Survey on Children and Youth. These studies are primary sources of information about who pursues post-secondary education and who does not. Among other things, they provide vital information

on students, their first post-graduation interaction with the labour market, and the relationship between education and employment. The YITS results are necessary for fulfilling Canada's international commitment to provide the OECD with comparable data on post-secondary education.

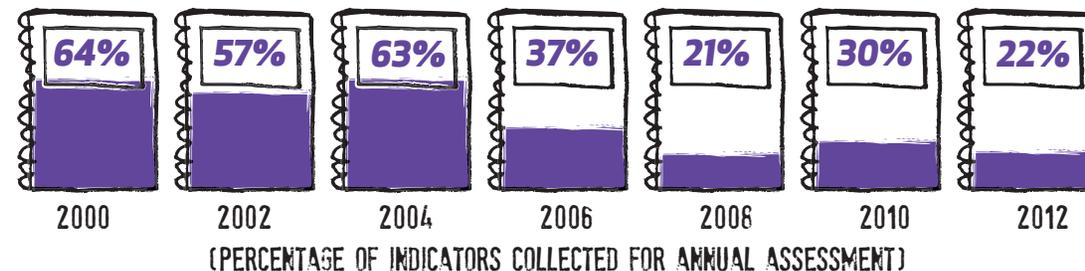
Without sufficient data, it is impossible for governments to make informed decisions about post-secondary education policies and priorities. The absence of this information makes it extremely difficult to conduct further research regarding Canada's post-secondary education system.

While the impact of discontinuing this research is significant, the amount of funding necessary to properly conduct research on students and the post-secondary system is relatively small. An increase of \$10 million, less than 0.3 percent of what the federal government spends on post-secondary education, would establish the resources needed to undertake this research.

RECOMMENDATION 6

Increase funding by \$10 million to Statistics Canada's education branch for the collection and analysis of statistics to properly track the impact of student debt on post-secondary education completion rates and the fulfillment of labour-market demands.

FIGURE 3.5: THE NUMBER OF EDUCATION-RELATED INDICATORS CANADA COLLECTS FOR ASSESSMENT BY THE OECD HAS DECLINED SIGNIFICANTLY.



TRAINING AND EMPLOYMENT FOR YOUTH AND GRADUATES

Over the last five years, high youth unemployment has been a constant challenge in the Canadian labour market. Investing in post-secondary education should be the primary vehicle for reducing youth unemployment. Across all OECD countries, individuals with a post-secondary education degree had an unemployment rate of 4.8 percent in 2011 compared to 12.6 per cent for those who hadn't completed post-secondary education.

Between 2008 and 2011 the gap in the unemployment rate between these two groups widened; the unemployment rate for post-secondary degree holders rose just 1.5 percent compared to 3.8 percent for individuals whose highest level of education was at the secondary level (Figure 4.1).

YOUTH UN/UNDER-EMPLOYMENT

Demand for highly educated workers in Canada is being stunted by ongoing cuts to public services, the continuing impact of the manufacturing crisis, and an overreliance on resource extraction for employment growth.

Youth often face the most hardship during economic upheaval. According to Statistics Canada, Canadians between the ages of 15 and 24 have long been struggling under more challenging economic conditions than their older counterparts.

“THE LABOUR MARKET ADVANTAGE OF OBTAINING A HIGHER LEVEL UNIVERSITY EDUCATION MAY BE FADING AWAY FOR YOUTH”

- STATISTICS CANADA

Labour Force Survey, September 2013

Young job-seekers face a quagmire, as they are forced to compete for ever-decreasing job opportunities, in part due to the delayed retirement of baby boomers forced to push off leaving the work force as a result of an unstable economic period. They are, therefore, frequently unable to acquire the necessary experience required to secure jobs in a market flooded with experienced individuals who were let go due to cuts.

Furthermore, finding a position that could help alleviate that financial burden is made more difficult by the dearth of summer jobs and other roles that could help build a young person's resume.

The number of youth who can find only part-time work and the population who have stopped looking for a job because they believed that suitable employment is unavailable has increased substantially.

In addition, workers who are underemployed often suffer an erosion or loss of skills, knowledge, and abilities, diminished current and life-long income, job dissatisfaction and emotional distress. Beyond the individual hardship there are also consequences for the country's economy, as underemployment diminishes the potential level of the country's overall well-being.

UNPAID INTERNSHIPS

As a result of high youth unemployment, young people are being forced into taking unpaid, and sometimes illegal, internships in order to gain relevant work experience. Increasing tuition fees, compounded with the prevalence of unpaid internships, mean it is even more difficult for students to afford post-secondary education. For many college and university students, working without an income is not an option.

For those who can afford to pursue unpaid internships, many are disappointed to find that their work consists largely of menial or entry-level tasks that would otherwise be done by a paid employee. Often, unpaid interns find it difficult to know and protect their rights in the workplace or to file a formal complaint against workplace misconduct. Although Canada does not track the number of unpaid internships, it is estimated that there are as many as 300,000 per year. Furthermore, there is very little infrastructure available to enforce the legal restrictions

on unpaid internships, and employers who break the law almost never face the consequences.

More broadly, the prevalence of unpaid internships is harmful to Canada's economy. The reliance on unpaid work reduces the availability of entry-level jobs and provides employers with a disincentive for investing in on-the-job training. This increased dependence on precarious and temporary work places more financial risk onto workers while closing opportunities for career growth.

RECOMMENDATION 7

Develop a national strategy to address youth unemployment, underemployment, and unpaid internships that includes as a first step, collecting relevant employment data on recent graduates and restoring funding for the Canada Summer Jobs Program.

“THE EARNINGS LOSS DUE TO THE RISE IN YOUTH UNEMPLOYMENT IS EQUIVALENT TO \$10.7 BILLION”

- MARTIN SCHWERTFEGER
Senior Economist, TD Economics

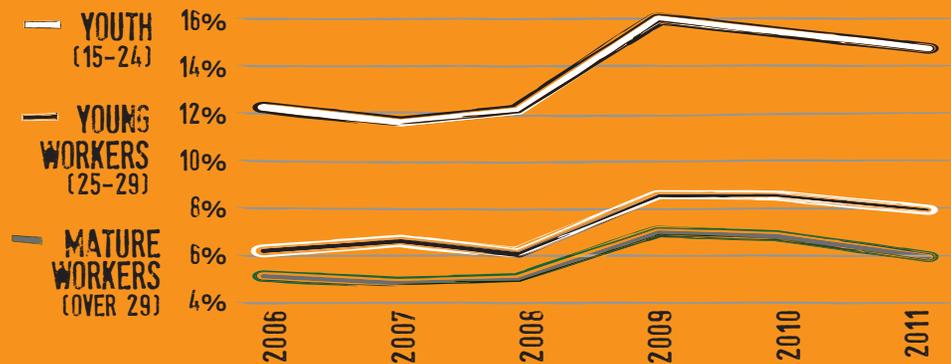
FIGURE 4.1: THE UNEMPLOYMENT RATE ADVANTAGE OF HIGHER EDUCATION IN CANADA.

GAP IN UNEMPLOYMENT RATES OF THOSE WITH POST-SECONDARY CERTIFICATE OR DIPLOMA AND THOSE WITH UNIVERSITY DEGREE.



NOTE: THE GAP IN UNEMPLOYMENT RATES IS MEASURED THROUGH A RATIO OF THE UNEMPLOYMENT RATE OF THOSE WITH POST-SECONDARY CERTIFICATE OR DIPLOMA TO THE UNEMPLOYMENT RATE OF THOSE WITH UNIVERSITY DEGREE.

UNEMPLOYMENT RATE FOR YOUTH, YOUNG WORKERS, AND MATURE WORKERS.



INVESTING IN POST-SECONDARY
EDUCATION IS NOT AN OPTION,
BUT A NECESSITY. IT WILL PAY
SUBSTANTIAL DIVIDENDS IN
ECONOMIC GROWTH AND ENSURE
THAT EVERYONE IN CANADA
CAN BENEFIT FROM HIGHER
EDUCATION, WHILE ENSURING
THAT CANADA'S ECONOMY REMAINS
GLOBALLY COMPETITIVE.

POST-SECONDARY EDUCATION: A NECESSARY INVESTMENT

With an annual investment of \$2.52 billion, and the adoption of a post-secondary education act, the federal government could ensure that the Canadian public post-secondary education system remains accessible and of high quality. An investment of \$3.63 billion per year for three years would address outstanding deferred maintenance and safety issues at institutions, halve student loan debt in Canada, and ensure that previously denied Aboriginal learners receive requisite funding.

COST OF PROPOSALS

(amounts in millions \$)

| | | |
|--|--------------|--------|
| CREATION OF NEW POST-SECONDARY EDUCATION ACT | 0 | |
| ADDRESSING TUITION FEE INCREASES | 1,370 | NOTE 1 |
| ADDRESSING COSTS OF ENROLMENT INCREASES | 719 | |
| SHIFT FUNDING FROM TAX CREDITS AND SAVING SCHEMES TO UPFRONT GRANTS | 0 | |
| INCREASE FUNDING FOR ABORIGINAL EDUCATION | 403 | |
| INCREASE THE NUMBER OF CANADA GRADUATE SCHOLARSHIPS | 25 | |
| INCREASE FUNDING TO STATISTICS CANADA CENTRE FOR EDUCATION STATISTICS | 10 | |
| DEVELOP A NATIONAL STRATEGY TO ADDRESS YOUTH UN/UNDER-EMPLOYMENT AND INTERNSHIPS | 0 | |
| TOTAL ANNUAL INVESTMENT | 2,527 | |
| ADDRESSING DEFERRED MAINTENANCE | 1,000 | |
| CUT STUDENT LOAN DEBT IN HALF BY 2016 | 2,500 | |
| CLEAR BACKLOG OF FUNDING FOR ABORIGINAL EDUCATION | 139 | |
| TOTAL SHORT TERM INVESTMENT | 3,639 | NOTE 2 |

NOTE 1 FUNDING TO REDUCE TUITION FEES ACROSS CANADA TO 1992 LEVELS.

NOTE 2 FUNDING PER YEAR FOR THREE YEARS.

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