

**Canadian Alliance
of Student
Associations**



Access & Opportunity



NOVEMBER 2011

CASA-ACAE.COM



The Canadian Alliance of Student Associations (CASA) is an alliance of 26 student associations from coast-to-coast. CASA represents over 320,000 college and university students at the national level. CASA's members believe that Canada's post-secondary education system should be affordable, accessible, and of the highest quality. We believe that the federal government has an important role to play in higher learning and research. CASA is committed to working with decision makers at the federal and inter-provincial levels to promote the innovative policy solutions developed by our members.

Members

Acadia Students' Union

Alma Mater Society of the University of British

Columbia

Brock University Students' Union

Dalhousie Student Union

University of the Fraser Valley Students Union
Society

University of Prince Edward Island Student Union

Red River College Student Association

Saint Mary's University Student Association

Southern Alberta Institute of Technology Student
Association

St. Francis Xavier University Students' Union

St. Thomas University Students' Union

McMaster Student Union

Student Association of Mount Royal University

UNB Fredericton Students' Union

UNB Saint John Students' Representative Council

University of Alberta Students' Union

University of Calgary Students' Union

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La Fédération des étudiants et étudiantes du
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University of Waterloo Federation of Students

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CASA Recommends

the federal government implement the following balanced, affordable solutions to make college and university education better for students and Canada:

Prioritizing Access

- Amend the Canada Student Loans Program's (CSLP) assessment of borrower assets to exempt ownership of one vehicle per-student, which will promote participation for rural and suburban students.
- Give graduate students access to needs based grants within the Canada Student Grants Program, to make Canada more competitive with other international jurisdictions.
- Further amend the assessment of borrower assets to eliminate the expected parental income contribution through an annual 25% reduction of expected contributions over the next four fiscal years to ease the burden on Canadian families and acknowledge diverse family backgrounds.

Access for Aboriginal Canadians

- Lift the 2% funding cap on the Post-Secondary Student Support Program (PSSSP), allocate funding to support the backlog of students, and provide additional funds to Aboriginal Affairs and Northern Development Canada (AANDC) for program administration to help thousands more Aboriginal peoples succeed in post-secondary education.

Copyright that Supports Innovation

- Create a free market for academic materials by ending the private tax on books paid by students and other consumers, saving \$30 million each year for students at no cost to the government.
- Amend Canada's Copyright Act to allow for the practical use of digital materials shared between libraries, reflecting the modern needs of students and researchers.
- Allow for the circumvention of Technological Protection Measures for non-infringing purposes in Canada's Copyright Act to encourage innovation and quality in educational institutions.
- Eliminate the 30-day destruction clause on classroom lessons in Bill C-11 to make it more efficient for institutions to offer high-quality instruction, encouraging lifelong learning and discovery.

Building Global Connections

- Make Canada a welcoming destination for international students by eliminating the \$150 fee international students must pay to work off campus.
- Examine the feasibility of providing multiple-entry visas to all international students studying in Canada

The Canada Student Loans Program

Students with financial need depend on the Canada Student Loans Program for the opportunity to attend college or university. Without access to financial assistance more than 405,000 students annually would be deterred or prevented from pursuing higher education.

For those who are eligible, CSLP helps fund the increasing costs of education. Unfortunately, CSLP doesn't keep pace with changing needs or adequately assist those from non-traditional families. Tuition, books, and basic costs of living have been increasing unsustainably, and unmet need is growing as a result. Private loans, unpredictable or overwhelming employment, and even dropping out are just some of the solutions forced on affected students.

CASA's recommendations will give those with real need access to loans while helping the many more who are struggling with current loans.



- **84,600 students claimed a vehicle in 2009/2010 in their CSLP assessment.²**
- **42% of those who claimed a vehicle above the \$5000 loan limit did not receive a loan.³**
- **The median cost of a used car in Canada is \$11,400.⁴**
- **Parental income assessment is based on province, family size, number of students, and family income. It does not depend on whether parents actually contribute to their education.**
- **21.3% of students receive no family contributions at middle-income quartiles.⁵**
- **Unlike undergraduate students, graduate students have no access to need-based financial assistance.**
- **Educational costs have been growing significantly faster than housing, healthcare, transportation, and food. This year, tuition for graduate students increased 3.7% to \$5,599.⁶**
- **Those planning on pursuing graduate degrees have less debt, approximately \$3,200, than those who do not.⁷**

CASA Recommends the Federal Government:

- Amend the Canada Student Loans Program's assessment of borrower assets to exempt ownership of one vehicle per student, which will promote participation from rural and suburban students.
- Give graduate students access to needs based grants.
- Amend the assessment of borrower assets to eliminate the expected parental income contribution through an annual 25% reduction of expected contributions over the next four fiscal years.

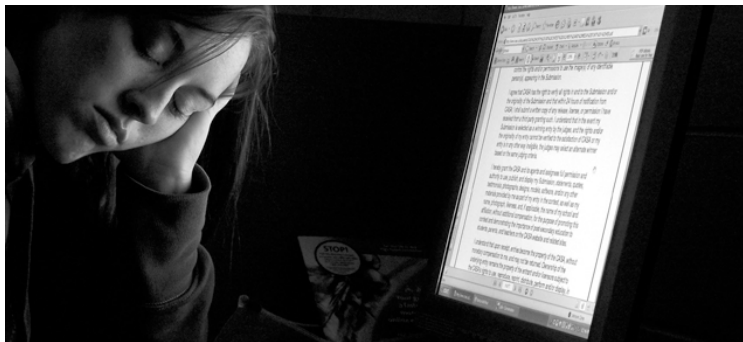
The Problem of Relying on Debt

Improving access to post-secondary education is essential to maintaining Canada's fiscal advantage. The proportion of Canadians reaching retirement age is increasing and Canada's birthrate is in decline.⁸ This will cause a labour shortage that will only increase as more "baby boomers" retire.⁹ Decisions must be made now to ensure Canada has the capacity to adapt to an increasing dependency ratio. Canadian organizations and businesses need skilled employees to be successful and productive, and this need is becoming more imperative.

Individuals with financial need seeking to enhance their skills and prepare for the job market depend on the CSLP. Over 3.8 million students have received assistance in covering the expense of tuition, books, and basic costs of living with loans since the founding of CSLP.¹⁰ In 2009/2010 over 33% of students, 405,000 people, received a student loan from the federal government.¹¹

The increasing dependence on CSLP has been caused by a number of issues. At one time, students could expect to save enough from their summer earnings to pay for tuition and books. Those days are gone. Summer unemployment among those aged 15-24 increased to 17.2% in 2011. Among those who were able to secure employment, the average number of hours worked per week was only 24.¹² Assuming a minimum wage of \$10 per hour, the average employed student can only cover 72% of their tuition if they don't spend a single cent on anything else.¹³

High levels of debt are a formidable challenge for prospective students with financial need. However, not receiving this assistance and being kept out of post-secondary education is far worse than taking on debt to do so. Significant challenges persist in the process a person has to go through just to apply for financial assistance. The assessment of borrower assets in the CSLP needs revision to achieve its goal of access based on merit.



Fairness for Vehicle Reliant Students

Eliminate the \$5000 vehicle exemption in the CSLP assessment of borrower assets

For many attending college and university, the choice to live off campus and commute is the only choice. For these students, often in rural and suburban areas, public transit is an insufficient option and a car is necessary. Students from across Canada, as many as half in some provinces, depend on their vehicles to get between home, class, and jobs on a daily basis.¹⁴

The CSLP assessment of borrower assets contains a provision that punishes students with a vehicle over \$5,000, by counting it against their eligible loan amount. Through this, the government expects students to sell their only reliable means of getting to class and work. The median used car price in Canada is now \$11,410 and the \$5,000 limit, which has not changed in ten years, has not kept pace with actual costs.

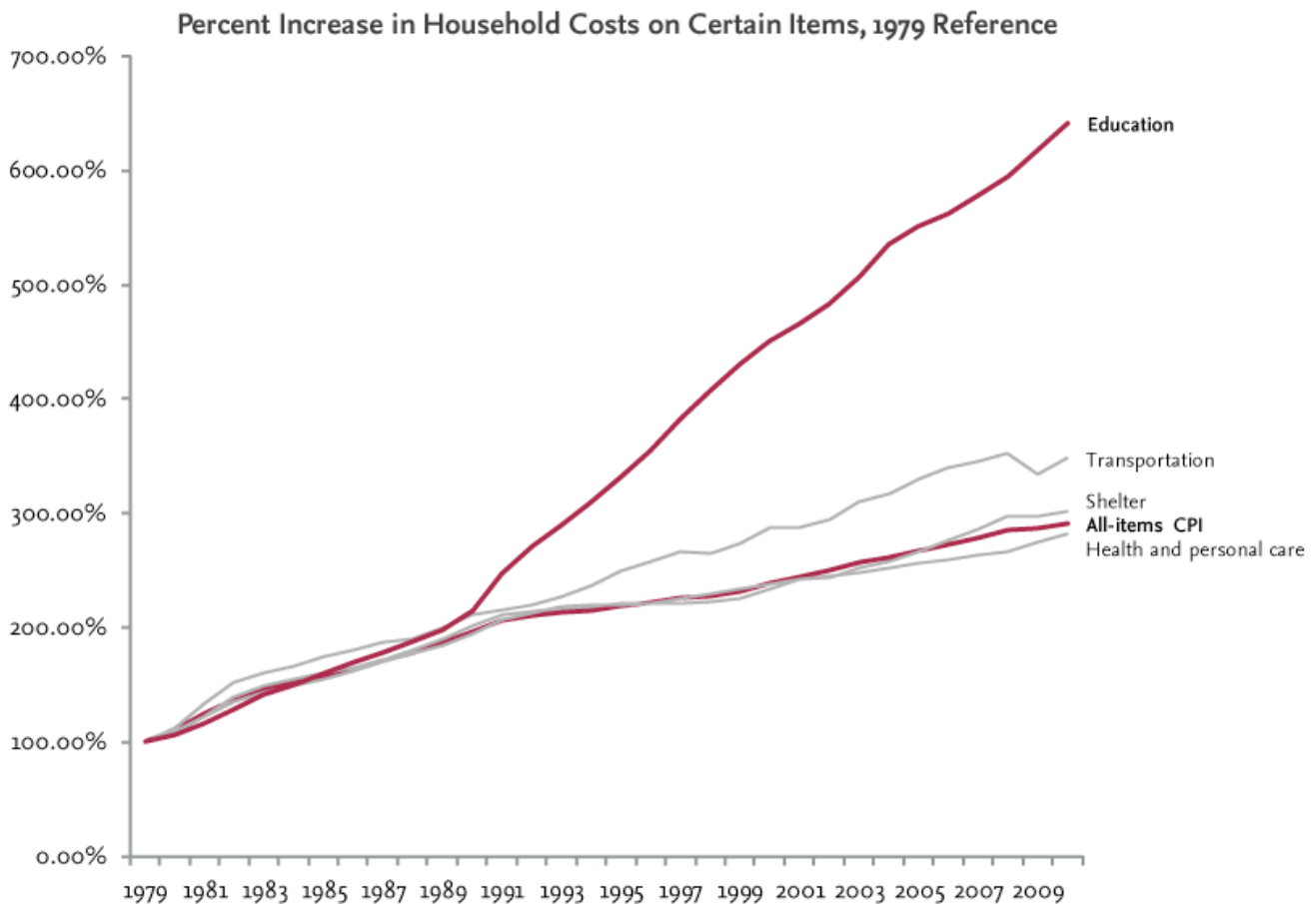
Students who need safe and reliable vehicles are paying more for them and for the costs of insurance, gas, parking, licensing, and maintenance. If eliminated, the 38.3% of students who rely on their cars would be given more access to the cash they need to attend post-secondary institutions.¹⁵

A Growing Challenge for Families

Eliminate the expected parental income contribution in the CSLP assessment of borrower assets

It is not only students who feel the stress of not being able to afford a post-secondary degree or certificate; families are being hurt as well. The income of a student's parents or guardians can reduce the amount of cash a student can receive. Regrettably, this assessment does not take into account whether or not the parents actually assist their child. The government presently assumes all families face the same reality, despite Canada's vast diversity.

- **At middle-income quartiles, 21.3% of students receive no family contributions.¹⁶**
- **The ratio of credit market debt to personal disposable income in households grew to 150.84% in second quarter 2011; the highest amount since numbers have been collected.¹⁷**
- **Parental income claw-backs occur only if the student is less than four years out of secondary school, and has not been in the full-time labour force for two years.**
- **The proportion of household spending on education is increasing dramatically. Education is the fastest growing segment of household expenditure, and has been since 1978.**



Source: Statistics Canada, Industry Canada. CANSIM (database) Table 326-0020. Accessed November 1st, 2011.

Grants for Graduate Students with High-Financial Need

Give graduate students access to needs based grants within the Canada Student Grants Program

Like undergraduate students, graduate students are faced with burdensome fees for tuition and materials. Often these students have additional financial demands, such as children and mortgages. Unlike undergraduate students, graduate students do not have access to government grants provided through the Canada Student Grants Program. As a result, students with higher debt loads are far less likely to pursue a graduate degree.¹⁸ Master's graduates owed an average of \$19,500 upon graduation in 2007.¹⁹

As a result, Canada performs weakly on graduation rates and private debt. Canada ranks near the bottom, 24th among OECD nations for number of doctoral graduates.²⁰ With such high levels of financial need, and a need to produce more high-quality graduates, Canada should establish a grant for graduate students with need through the Canada Student Grants Program.

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