

STUDENT DEBT IS ON THE RISE

Rising tuition fees have led to a significant increase in debt that all students carry as they enter or re-enter the workforce. Statistics show that the debt burden has continued to increase:

- On average, it takes graduates from post-secondary education just over seven years to repay student loans.
- The average student debt at graduation has increased from \$17,000 in 2005, to just under \$27,000 in 2011.

CONCLUSION

The Ontario Tuition Grant program will have a limited impact in making post-secondary education accessible to more students. Continued increases in unregulated tuition rates will act as a significant barrier to getting a post-secondary education for many people in Ontario.

OSSTF/FEESO RECOMMENDATION

OSSTF/FEESO recommends that tuition fees be lowered to make post-secondary education financially accessible to all potential students. A blanket lowering of tuition rates can be achieved through the over \$400 million already designated, and through savings achieved by simplifying a complex administrative process for acquiring student loans and grants. Increased accessibility to a post-secondary education will serve to improve our performance in the economy of the 21st century.

For more information please call
416-751-8300 or 1-800-267-7867
or visit www.osstf.on.ca/contact



TUITION FEES



EDUCATION
WATCH

01 | MAR 2012

BACKGROUND

Post-Secondary tuition rates in Ontario have increased significantly since 1998, which is when tuition fees for professional programs were deregulated. This has resulted in a steady increase in the financial burden that students and families must carry, including student debt levels as graduates attempt to enter the labour market.

OSSTF/FEESO will continue to work with the Ministry of Training, Colleges and Universities to make post-secondary education both accessible and affordable for all potential students. It is because of our strong belief in equity that we have concerns about rising tuition fees and the recently implemented tuition grant program.

The Ontario Tuition Grant (OTG) Program was introduced in January 2012 and provided a grant of 30% of the cost of tuition to a limited number of college and university students. However, there were a number of restrictions on who is eligible for this grant. This will result in a further disparity in accessibility to post-secondary education for many Ontarians.

- OSSTF/FEESO believes that lower tuition fees will result in greater accessibility to a post-secondary education for all Ontario students, which will result in a better educated workforce, lower student debt and a higher standard of living for all citizens in our province.

TUITION RATES HAVE INCREASED FASTER THAN INFLATION

Statistics clearly show that tuition rates in all Ontario post-secondary programs have increased significantly in recent years and those increases have been far above the rate of inflation.

- Since the 2007/2008 school year, the average tuition rate in Ontario has increased by 19%; inflation has only increased by 5%.
- Since 1990, Ontario has seen an increase of over 240% in tuition and compulsory fees for post-secondary education.

The rapid increase in tuition rates and the relative stagnation of average household incomes has resulted in higher student debt and greater financial pressures on families.

ONTARIO TUITION GRANT (OTG) PROGRAM IS TOO RESTRICTIVE

The OTG Program appears well intentioned, but has restrictions that will exclude those students who are most in need. With these restrictions, and other limits under the program, the following people do NOT qualify for the OTG:

- Part-time students.
- Students taking a second degree, such as a professional degree program.
- Students living on their own who are not dependents.
- Mature students who have been out of high school for over five years.

These restrictions alone make it difficult for many Ontarians to be able to access post-secondary education for financial reasons.

ACCESSIBILITY FOR ALL

High tuition rates make it difficult for those with low incomes to access post-secondary education opportunities. People who wish to improve their level of education to become more marketable in the workforce have to make many sacrifices to go to college or university. Mature students and those young people who must live on their own are significantly disadvantaged when it comes to being able to financially access post-secondary institutions.

- The OTG Program will not improve overall accessibility to a post-secondary education.
- Most single parents cannot qualify for the grant.
- Statistics show that Aboriginal peoples tend to enter post-secondary education as mature students at a higher rate than the national average.

Therefore, those groups of people who tend to have the most difficulty in accessing a post-secondary education will continue to be disadvantaged, despite the implementation of the Ontario Student Grant program.

THE FINANCIAL ASSISTANCE PROCESS IS TOO COMPLEX AND LIMITING

The current system of applying for financial assistance for post-secondary education is complex and cumbersome for many people. In addition, there are many restrictions on who qualifies for the Ontario Student Assistance Program (OSAP). Many of the same restrictions have been applied to the OTG program.

- These act as barriers for people to get financial help for post-secondary education, especially for those who need it the most.
- Recent reductions and additional restrictions to other grant programs for students will continue to put financial pressures on people seeking higher education.

