

## EXECUTIVE SUMMARY

The high-quality research of graduate students is instrumental to both sustaining and improving Canada's standing amongst OECD countries, and contributes to the country's economic growth. However, graduate students across the country are increasingly underfunded. The majority of graduate students who do not secure external funding, such as a Canada Graduate Scholarship, live well below the poverty line. Graduate students from low-income families or marginalized communities, who are Indigenous, who have young children, and international graduate students are particularly vulnerable to financial hardships. Financial hardships often impact the mental health of graduate students, as well as their ability to complete their programs within their funded periods. A graduate student's living conditions are their working conditions and, therefore, have a direct impact on the quality of their research.

The federal government has a key role to play in fostering basic research as a key stimulus for the country's economy. This can be achieved by providing increased funding for graduate students, as well as reallocating tax incentives for private industry to better support basic, curiosity-driven research being conducted in Canada's post-secondary institutions.

For these reasons, the National Graduate Caucus of the Canadian Federation of Students, representing over 70,000 graduate students across the country, submits the following recommendations for Budget 2017:

**Recommendation 1:**

Invest an additional **\$25 million** per year to expand the Canada Graduate Scholarships.

**Recommendation 2:**

Increase, in an equitable manner, the base budgets for SSHRC, NSERC and CIHR by 5 percent each year for the next three years. Total cost: **\$150 million** per year.

**Recommendation 3:**

Expand the eligibility of the Canada Student Grants Program to include graduate students.

These recommendations will help to ensure that students are able to pursue graduate studies and maximize, in a manner of their choosing, their contributions to the country's economy.

### **Recommendation 1: Canada Graduate Scholarships**

Between 2002 and 2012, graduate enrolment increased by 56.5 percent. At the same time, graduate tuition fees have risen to a national average of \$6,432. Despite this substantial growth in enrollment, coupled with rising tuition fees, federal funding for graduate students has only seen modest increases.

Furthermore, 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 commercialized research agenda over basic, curiosity-driven research. In 2014, of the 4,535 doctoral students that applied for SSHRC, only 580 applicants were successful.

Supporting graduate-level research is critical to increase Canada's highly skilled and trained workers who are instrumental in driving innovation and building a foundation for economic and social development.

To better support graduate-level research, the National Graduate Caucus recommends the following:

Increase the Canada Graduate Scholarships by **\$25 million**, which will fund an additional 1,250 students (\$20,000 scholarship value).

Costing: Transfer 0.8 percent of the tax incentives allocated through the Scientific Research and Experimental Development tax credit to the Canada Graduate Scholarships.

## **Recommendation 2: Tri-Council Funding**

Budget 2016 committed \$95 million in new funding to the research councils. Though the National Graduate Caucus welcomed this reinvestment in research, based on the framing of research excellence in the federal government's Innovation Agenda, it is evident that these investments will continue to be informed by the short-term interests of the private sector and, as a result, prioritize commercializable research over research that benefits all Canadians.

This prioritization of commercializable research is evident in the inequitable funding between the tri-council agencies. In 2013-14, the Social Sciences and Humanities Research Council received \$252 million in federal funding in comparison to the \$775 million allocated to the Natural Sciences and Engineering Research Council and the \$836 million invested in the Canadian Institutes of Health Research. This inequitable funding has resulted in declining success rates for research grants, particularly for researchers in the social sciences and humanities. In 2014, less than one in four SSHRC researchers received funding despite another 40 percent of researchers being deemed eligible by peer-review. While increased public research spending is welcomed, funding should be equitably distributed among the councils to match enrollment and support curiosity-driven, untargeted 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. According to the 2014 World Economic Forum annual competitiveness report, Canada has fallen from 22 to 27 in the world for private sector spending on research in the last 5 years.

Discouraging private sector investment in its own research and development facilities leads to fewer employment opportunities for graduates in an already difficult job market, and encourages precarious work that puts a strain on both graduates and social services. 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.

Increased base funding for basic research for all three granting councils will better support high quality, competitive and innovative work at Canada's public universities and research institutes. Faculty, students and post-doctoral fellows will be able to continue cutting edge research, the results of which will be used by industry to develop new products and services for the market.

Investing in independent peer-reviewed research will serve the public interest by advancing knowledge and innovation, which bolsters the current economic recovery already underway, and assures Canada's long-term prosperity. Basic research fuels all innovation in Canada but is rarely pursued by the for-profit sector. Public investments into basic research at public institutions will build the bedrock of innovation in Canada.

By not allowing the private sector to encroach on universities for research, this sector will have to begin to reinvest in its own research and development facilities. This restructuring will result in more jobs opportunities for recent graduates of masters and doctoral programs.

The National Graduate Caucus recommends:

Investing an additional **\$150 million** in base funding for basic research through SSHRC, NSERC, and CIHR for each of the next three years. This funding should be non-designated and be allocated based on a peer-review process.

Costing: Funding for this should be reallocated from the overly generous Scientific Research and Experimental Development tax credit, as recommended by the Jenkins Report and the Canadian Council of the Academies.

### **Recommendation 3: Canada Student Grants Program**

Rising tuition fees and a limited number of available scholarships has resulted in many of the best and brightest students either being forced to accumulate large amounts of debt and not give their full attention to their research or being unable to pursue graduate-level education at all.

The high upfront costs of a graduate degree affect completion rates with Canada ranking second-to-last amongst 16 peer countries in PhD graduation rates. These low completion rates limit the pool of highly skilled researchers, which has far-reaching implications for Canada's economy and socio-economic equality.

Students welcomed the investments made in Budget 2016 to the Canada Student Grants Program, which will increase grants available to low-and middle-income students by 50 percent. This investment of \$216 million in 2016-2017 will result in nearly 247,000 students from low-income families, 100,000 students from middle-income families and 16,000 part-time students receiving increased support; however, graduate students remain ineligible for this financial support.

Improved financial support for graduate students will help to offset the impacts of rising tuition fees and the higher levels of debt students currently incur to pursue a graduate degree. By expanding the Canada Graduate Scholarships program and increasing access to need-based grants, underrepresented students can pursue graduate studies and all graduate students can focus on completing their research. In turn, a more highly educated Canadian workforce will fuel research and innovation in both the public and private sectors.

This additional support will reduce Canada's lagging PhD completion rates, making the country more competitive globally for research and innovation and will ensure that valuable investment is not wasted when students prematurely end their studies for financial reasons.

The National Graduate Caucus recommends the following:

Expand the eligibility of the Canada Student Grants Program to include graduate students.

Costing: Funding for this should be balanced against existing tax incentives to employers for research and development.