

Canadian Federation of Students - National Graduate Caucus

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

During this period of economic recovery, the best approach to obtain sustained economic growth is to invest in people and education. However, the high upfront cost of post-secondary education, the alarming levels of student debt accumulated by students across the country, and the inadequate public funding for research and innovation in universities threatens Canada's long-term economic prosperity. Eliminating the financial barriers to post-secondary education by reducing tuition fees and increasing post-secondary funding will contribute to economic recovery and growth. A successful post-secondary education sector relies on a body of full-time faculty. A well-trained faculty component requires a strong graduate studies system, with federal support for graduate students. Graduate students who go on to faculty positions play an essential role in educating Canada's teachers. Educating graduate students impacts education in Canada overall. High tuition fees, a high debt load, and inadequate research funding all pose barriers to participation in graduate studies. Graduate students in Canada pay an average of over \$5,600 in tuition fees. The financial burden of high fees for graduate students is exacerbated by the foregone earnings from not being employed full-time, along with substantial debt loads accumulated from earlier degrees. Retention rates have been historically low for graduate students. The failure to complete their degrees amounts to lost investment in the education system and from students, and the loss of skilled innovators for the labour market. The barriers posed to students completing their degrees erode a high-quality post-secondary education sector. Increasing access for Canadians to post-secondary education will contribute to a sustained economic recovery and enhanced economic growth. Recommendation: The federal government should implement a federal Post-Secondary Education Act, modelled after the principles of the Canada Health Act. This Act should be accompanied by dedicated cash transfers to the provinces with funding allocated for: -Progressively increasing per capita funding for post-secondary education to reach back to 1992 levels; -Progressively reducing tuition fees to reach back to 1992 levels.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

Canada has seen the impacts of sovereign debt crises around the world and of massive household debt during an economic recession in countries like the United States. With students owing \$15 billion to the federal government, in addition to debt owed to provincial governments and private sources, Canada faces a domestic debt crisis. This debt creates barriers to pursuing graduate studies. Graduate students take on a disproportionate amount of debt, since most have accumulated debt during their undergraduate degrees. Increasing direct funding for graduate students and committing to cut student debt levels will promote job creation in Canada. Due to underfunding, in combination with an aging

population, universities are replacing retiring full-time professors with contract academic staff. Graduate students are seen as a source of cheap labour for this part-time and contract labour, and they experience decreased ability to complete their degrees. Upon graduation, graduate students face a job market increasingly characterized by part-time or contract employment, which restricts them to lower tax brackets. After graduation, student debt distorts career choice, especially among professionals, which undermines access to health care and legal aid. High debt levels discourage individuals from starting families, working in public service jobs such as teaching or nursing, purchasing homes, starting businesses, or taking risks associated with entrepreneurship, all of which stimulate the economy, promote job growth and ensure a healthy workforce. The Canada Graduate Scholarship program has grown approximately \$25 million per year since 2003, but provides funding to only approximately 4% of graduate students. Since 2006, federal budgets have provided little up-front support for graduate students. The tax-free status of scholarships introduced in the 2006 budget improves the financial situation for only a small number of graduate students. In addition, graduate students are ineligible for needs-based grants through the Canada Student Grant Program. Recommendations: Increase direct funding for graduate students through increasing the number of Canada Graduate Scholarships over 500 – consistent with average growth in the program since 2003 – with an investment of an additional \$75 million over 3 years, to be distributed proportionally among the research councils according to enrolment figures. Expand eligibility for the Canada Student Grants Program to include graduate students.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

The best way to address the challenges associated with Canada's aging population and skills shortage is to invest in educating the new workforce. In addition to ensuring that college and university education is affordable for Canadians generally, the federal government should direct attention to the growing Aboriginal population and the appeal for international students to study in Canada. Canada's Aboriginal population is growing at six times the rate of the non-Aboriginal population. Of those who identify as Aboriginal, almost half are under the age of 25. Estimates note that over 300,000 Aboriginal youth could enter the labour force in the next 15 years. Despite the federal government's responsibility for Aboriginal education, high tuition fees and the lack of adequate funding has increased barriers to graduate studies for First Nations, Inuit and Métis people. As long as the funding for the Post-Secondary Student Support Program remains capped at two percent, the education gap between Aboriginal and non-Aboriginal populations will continue to widen. The domestic population will not fill all labour market shortages and Canada would benefit from a robust International Student Program. International students comprise about 6.5% of all post-secondary education students in Canada; below the average of other OECD countries. While international students already contribute more than \$8 billion annually to the Canadian GDP, their potential contribution as landed residents and citizens if naturalized would benefit the Canadian economy stemming shortfalls in the ageing labour market. Recommendations: Aboriginal students - Remove the funding cap on increases to the Post-Secondary Student Support Program. - Adjust funding to 1990 levels. - Ensure that every eligible First Nations and Inuit learner is provided adequate funding to attend post-secondary education. International students - Eliminate differential tuition fees for international students. - Combine the Off-Campus Work Permit and Post-Graduation Work Permit into the Study Permit (Student Visa).

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Canada's ability to be productive and remain competitive in the knowledge-based economy depends on its capacity to be innovative. Graduate programs are hubs of knowledge and research, where graduate students and faculty within public post-secondary institutions carry out innovative work. Enhancing graduate studies encourages creative research and develops highly skilled people who become leaders in a changing economy. Most graduate students face significant financial barriers to completing their degrees. Those from marginalized communities, low-income backgrounds, and single parents face further barriers to pursuing graduate studies, as do those living with cognitive or physical disabilities. Not only do they face higher health-related costs and day-to-day expenses, but the lack of funding in post-secondary education has led insufficient support services for all graduate students. The exclusion of these populations from graduate education results in decreased innovation in Canadian research. One of the few sources of direct funding to graduate students at the federal level is the Canada Graduate Scholarship, which is administered through the three research granting councils – Social Sciences and Humanities Research Council, Natural Sciences and Engineering Research Council, and Canadian Institutes of Health Research. Despite increased graduate enrolment, there have been only modest funding increases to the granting councils and scholarships that make graduate education both affordable and worthwhile, while government funding for research has shifted toward the priorities of the private sector. The shift toward commercializing university research will not lead to increased productivity, but instead will undermine the university sector's ability to produce new and innovative research. Investing in graduate studies will improve the income potential of individuals, foster long-term innovation, and make Canada more competitive internationally. Recommendations: 1. Increase budgets of the granting councils' basic research by 20 percent to support the long-term capacity of universities and graduate students to conduct innovative research. 2. Increase funding to the Canada Graduate Scholarships and distribute funding proportionately among the granting councils to reflect enrolment. 3. Allow the granting councils the authority to fund research as demanded by the academic community by removing targeted research funding earmarks.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

The challenges presented to Canada's economy by the rapidly aging population are compounded by high rates of youth unemployment and historic levels of student debt. High tuition fees, high debt loads, decreased funding for public research, and dwindling jobs in research and innovation all increase barriers to pursuing graduate education in Canada. The federal government should develop a national education plan which aims to reduce debt, increase funding for post-secondary education, and lower tuition fees. Inadequate government funding impacts graduate students through a scarcity of full-time faculty supervisors, poorly equipped laboratories, and pressure to target research to narrow commercial interests at the expense of fundamental projects. These factors slow students' progress through their studies, delaying their entry into full-time work and full economic participation. This situation undermines Canada's long-term prosperity by stunting entrepreneurship, research, and innovation. Fundamental research forms the cornerstone of a successful national research program and the base on which private sector research and innovation is built. Redirecting research funding to the short-term priorities of the private sector and the drive to commercialize university research through corporate

subsidy contributes to Canada lagging behind other OECD countries in private-sector innovation. Recent federal budgets cut funding to publicly accessible resources, such as Library and Archives Canada, and undermine the quality of public graduate education. An increase in the proportion of research funds going to basic research will correct this imbalance. Recommendations: 1. Reduce the student loan debt accumulated through the Canada Student Loans Program – currently at an estimated \$15 billion – by 50 percent over the next three years. 2. Progressively increase per capita funding for post-secondary education to reach back to 1992 levels. 3. Progressively reduce tuition fees to reach back to 1992 levels.

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