

CASA's 2020 Pre-Budget Submission



 **CASA | ACAE**

Canadian Alliance of Student Associations
Alliance canadienne des associations étudiantes

Introduction

The Canadian Alliance of Student Associations (CASA) is a not-for-profit, non-partisan student organization composed of 23 student associations across Canada representing undergraduate, graduate, college, and polytechnic students. Including CASA's partnership with the Quebec Student Union, CASA represents a total of 360,000 students across the country and acts as a national voice for post-secondary students. CASA advocates for a post-secondary system that is accessible, affordable, innovative, and of the highest quality.

As the theme of this year's Pre-Budget highlights, the world is facing immense challenges at the moment, climate change being one of them. In order for Canada to achieve a low-carbon economy and do its part for the planet, the country is going to need to have a workforce that is highly skilled, educated, and innovative that will be equipped to respond to the necessary changes in our world. Such a workforce is critical to establishing creative ways to reduce carbon emissions while maintaining a strong economy, but can only exist if post-secondary education remains a foundation of the country.

While Canadian post-secondary education is strong, more can be done to increase access to the diverse populations that make up Canada. The Organization for Economic Co-operation and Development's report, *Policies for Stronger and More Inclusive Growth in Canada* has noted that while Canada's economy has been growing, not all population groups have equally benefited from this growth. Inequities continue to persist and show that Indigenous peoples, women, mature

students, migrants, and those struggling with their mental health are more likely to be unemployed or underemployed.¹ As a country, we know that education serves as a strong social and economic equalizer. Expanding access to education greatly contributes to the advancement of a country's economy.² If Canada is going to be competitive and a global leader on addressing the climate crisis, it is important that each and every person have access to a high quality and innovative post-secondary education.

Summary of recommendations:

- » **Recommendation #1:** The federal government create an upfront, non-repayable Canada Student Grant for graduate students with high financial need, at an estimated cost of \$58 million.
- » **Recommendation #2:** The federal government remove the requirement for international students to seek an additional work permit to pursue co-op opportunities when it's not a mandatory part of their program, and instead automatically permit this work under their existing study permit.
- » **Recommendation #3:** The federal government create a targeted stream of the Repayment Assistance Plan for those on parental leave.
- » **Recommendation #4:** The federal government reduce financial barriers to apprenticeships by expanding the Apprenticeship Incentive Grant to cover all years of study at an estimated cost of \$72 million.

¹ Policies For Stronger and More Inclusive Growth in Canada (Paris, Organization for Economic Co-Operation and Development, 2017), page 12-14. Accessed online: <http://www.oecd.org/industry/policies-for-stronger-and-more-inclusive-growth-in-canada-9789264277946-en.htm>

² Policies For Stronger and More Inclusive Growth in Canada (Paris, Organization for Economic Co-Operation and Development, 2017), page 12-14. Accessed online: <http://www.oecd.org/industry/policies-for-stronger-and-more-inclusive-growth-in-canada-9789264277946-en.htm>

Encouraging Further Studies Through a Canada Student Grant for Graduate Students



In the pursuit of a more educated and innovative population that is equipped to respond to global climate challenges, more needs to be done to level the playing field when it comes to accessing graduate studies. Graduate level education, whether it be at the Master's or doctoral level, has proven to lead to both immense personal and societal benefits. For example, graduates with Master's and doctoral degrees earn higher overall incomes; in 2010, a National Graduate Survey found that median income for a Bachelor's graduate was \$53,000, while Master's and doctoral graduates earn \$70,000 and \$75,000 respectively.³ The premiums earned by this group also means they pay much higher taxes, which helps to support important social programs, including research. Additionally, graduates with Master's and doctoral degrees participate in the labour market at a higher rate than those with a Bachelor's level education,⁴ and they are key to driving an innovative economy forward.

While the financial benefits of graduate studies are clear later on, financial barriers to entering graduate programs still exist. In 2018, the average

level of debt upon completing a Bachelor's level education was \$27,000 in Canada. As a result, 4 in 10 students report that financial concerns and debt were a factor when choosing whether to continue their education or not. To complicate matters further, graduate students lost an important form of financial aid when the government transitioned from a focus on tax credits to up-front, needs-based grants. While this was a progressive decision that benefited the majority of students and was thus supported by CASA, graduate students are now unfortunately worse off. As such, many bright and talented students are choosing not to pursue graduate studies due to financial barriers and an aversion to further student debt. To ensure graduate studies remains accessible to any academically qualified student with the potential to help Canada sustain a strong, low-carbon economy, needs-based grants must be made available for graduate students.

CASA recommends that the federal government create an upfront, non-repayable Canada Student Grant for Graduate Students with high financial need at an estimated cost of \$58 million.

³ National graduates survey, estimated gross annual earnings of graduates working full-time, by province of study, level of study and sex, CANSIM Table 477-0066 (Statistics Canada). Accessed online: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=4770066&pattern=&csid=>

⁴ People employed, by educational attainment (Statistics Canada). Accessed online: <http://www.statcan.gc.ca/tables-tableaux/sum-som/101/cst01/labor62-eng.htm>

Removing Barriers to Work-Integrated Learning for International Students



Access to work-integrated learning experiences, such as co-ops, internships, apprenticeships, or applied research opportunities, are increasingly considered the mark of a high quality education and integral to producing highly skilled graduates. A survey of hiring managers noted that “co-op programs and other forms of work-integrated learning are among the most important sources of relevant work experience”.⁵ While efforts are being made to increase access to work-integrated learning, a very large student demographic has typically been excluded from these efforts: international students. Canada is increasingly dependent on attracting talented international students, and retaining them is important for addressing skilled labour shortages in today’s knowledge economy. A 2018 report noted that international students now make up 13% of all post-secondary students in Canada.⁶ The Advisory Panel on Canada’s International Education Strategy has also set a goal of reaching 450,000 international students by 2022 (which would bring the percentage of international students in Canada to roughly 23%).⁷ While Canada has been focused on bringing in more international students, we need to ensure they are getting a high quality education, that helps them to successfully transition to the workforce and contribute to Canadian society. . In the year 2017-2018, international students paid on average \$25,180 in tuition, while their domestic peers paid \$6,751.⁸

In order for an international student to study in Canada, they are required to have a study

permit. In addition to granting the individual the right to study here, the permit also allows them to work full-time on-campus or up to 20 hours off-campus. However, for an international student whose program does not require a co-op to access such an experience, they must apply for a separate co-op or intern work permit. While there is no cost associated with this visa, it creates a bureaucratic hurdle for international students, as average processing times are around 6 months.⁹ Plus, international students can only obtain a co-op visa if they acquire a letter from their school stating that the co-op work term is required for all students to complete their degree.¹⁰ This inherently limits international students from participating in a high quality aspect of education that domestic students get to partake in with less barriers. For the high cost they pay and the talent they bring to our country, international students should be able to access an education that is the highest quality, which includes a work-integrated learning component. In order to provide more international students with such opportunities, the federal government should make it easier for all international students to access work-integrated learning opportunities under their study permits.

CASA recommends that the federal government remove the requirement for international students to seek an additional work permit to pursue co-op opportunities, and instead automatically permit this work under their existing study permit.

5 Developing Canada’s future workforce: a survey of large private-sector employers (Business Council of Canada, March 2016). Accessed online: <http://thebusinesscouncil.ca/wp-content/uploads/2016/03/Developing-Canadas-Future-Workforce.pdf>

6 The State of Post-Secondary Education in Canada, 2018. Higher Education Strategy Associates. 2018. Accessed online: <http://higherstrategy.com/publication/the-state-of-post-secondary-education-in-canada-2018/>

7 Canada’s International Education Strategy: Harnessing our Knowledge Advantage to Drive Innovation and Prosperity. 2014. Accessed online: <http://international.gc.ca/global-markets-marches-mondiaux/assets/pdfs/overview-apercu-eng.pdf>

8 Canadian and international tuition fees by level of study, table 477-0077 (Statistics Canada). Accessed online: <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=4770077&&pattern=&stByVal=1&p1=1&p2=31&tabMode=dataTable&csid=>

9 Check application processing times (Immigration, Refugees and Citizenship Canada, My Application). Accessed online: <http://www.cic.gc.ca/english/information/times/index.asp>

10 Work as a co-op student or intern (Immigration, Refugees, and Citizenship Canada). Accessed online: <https://www.canada.ca/en/immigration-refugees-citizenship/services/study-canada/work/intern.html>

Making Repayment Assistance More Equitable for Parents



The Repayment Assistance Plan (RAP) is an impactful program offered by the Government of Canada that ensures student loan repayments can be reasonably repaid without causing undue hardship to the individual in question. Graduates who are struggling financially can apply for the program and be approved for reduced or eliminated payments for a short time while they get back on their feet. Though this is an incredibly important program, unfortunately awareness of it among graduates is low and the application requirements are tedious considering applicants must re-apply every six months. As the OECD report *Policies for Stronger and More Inclusive in Canada* notes, not everyone in Canada has equitably shared in the country's economic growth: women being an identified group that has not benefited to the same extent as others.¹¹ Of all Canada Student Loan borrowers, 60% are women,¹² and that 66% of all RAP users are also women¹³. CASA believes the Repayment Assistance

Program could be more equitable by creating a dedicated stream for those taking parental leave, many of whom are women. The average age for giving birth for the first time in Canada was 28.5 in 2011¹⁴, while the standard graduate is repaying their loan between the ages of 22 and 33.¹⁵ Given that these timelines coincide, it's clear that many borrowers become parents while still in loan repayment. Though parenthood and raising the next generation is an incredibly important job, parental leave often means reduced incomes. It is during this time when parents could greatly benefit from student loan repayment relief. In order to better support those who want to both gain higher education and raise a family, CASA recommends a parental leave stream be created under the Repayment Assistance Plan.

CASA recommends that the federal government create a targeted stream of the Repayment Assistance Plan for those on parental leave.

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12 *Building a Strong Middle Class: Budget 2017* (Tabled in the House of Commons by the Honourable William Francis Morneau, March 22, 2017). Accessed online: <http://www.budget.gc.ca/2017/docs/plan/budget-2017-en.pdf>

13 *Building a Strong Middle Class: Budget 2017* (Tabled in the House of Commons by the Honourable William Francis Morneau, March 22, 2017). Accessed online: <http://www.budget.gc.ca/2017/docs/plan/budget-2017-en.pdf>

14 *Fertility: Fewer children, older moms* (Statistics Canada, November 13, 2014). Accessed online: http://www5.statcan.gc.ca/olc-cel/olc.action?_ObjId=11-630-X&Obj-Type=2&lang=en&limit=1

15 *Building a Strong Middle Class: Budget 2017* (Tabled in the House of Commons by the Honourable William Francis Morneau, March 22, 2017). Accessed online: <http://www.budget.gc.ca/2017/docs/plan/budget-2017-en.pdf>

Expanding the Apprenticeship Incentive Grant



For Canada to ensure its economy remains competitive with a reduced carbon footprint, it needs to ensure that Canadians are skilled in a variety of areas, including the trade fields, many of which will need to make adaptations in their practices to support a more sustainable future. Fortunately, current market demand for those in the trades is strong, with 41% of employers in Ontario reporting that they require someone with a trades credential.¹⁶ Data from Statistics Canada also demonstrates that those who complete their education in the trades benefit from strong employment rates after graduation.¹⁷ Despite their contributions to the economy and the necessary role tradespeople play in creating the sustainable infrastructure that will allow Canada to maintain a low carbon economy, there are a number of financial barriers that make it difficult to get the right education and experience in the trades.. For instance, first year apprentices sometimes need to spend up to \$8,000 to cover the cost of equipment, tuition, and transportation to and from job sites.¹⁸ On top of this, trades students tend to be older and are more likely to have dependents (35% of female

and 40% of male apprentices have dependents), meaning they face different challenges than younger, single students.¹⁹ For instance, some older students or students with dependents must deal with child care costs, technological knowledge gaps, and [something]. Responding to the climate emergency is going to require cooperation amongst people with all different skill sets, including tradespeople and professionals who can help bring theories and ideas to life. In order to reduce financial barriers for those studying trades, the Government of Canada offers a \$1,000 taxable cash grant to apprentices, subject to a lifetime maximum of \$2,000. However, this grant is not available to apprentices in their first year of training.

To increase the accessibility and affordability of education in the trades professions, CASA recommends that the federal government reduce financial barriers to apprenticeships by expanding the Apprenticeship Incentive Grant to cover the first year of apprenticeship training at an estimated cost of \$72 million.

¹⁶ James Stuckey and Daniel Munro, *The Cost of Ontario's Skills Gap: The Need to Make Skills Work* (Ottawa: Conference Board of Canada, 2013), iii. Accessed online: http://www.conferenceboard.ca/press/newsrelease/13-06-21/skills_shortages_cost_ontario_economy_billions_of_dollars_annually.aspx

¹⁷ *Completing an apprenticeship in Canada yields benefits, 2015* (Ottawa: Statistics Canada, 2017). Accessed online: <http://www.statcan.gc.ca/daily-quotidien/170329/dq170329b-eng.pdf>

¹⁸ *Barriers to Attracting Apprentices and Completing Their Apprenticeships*. (Employment Ontario, 2015) Accessed online: https://www.workforcedevelopment.ca/fr/projets/docs/2015_2016/wpdb_apprenticeship_report.pdf

¹⁹ *Apprenticeship in Canada: Apprenticeship Data, Trends and Observations* (Canadian Apprenticeship Forum, 2016), 7. Accessed online: <http://caf-fca.org/wp-content/uploads/2016/06/Apprenticeship-in-Canada.pdf>

Our Members



About CASA

Established in 1995, the Canadian Alliance of Student Associations (CASA) is a non-partisan, not-for-profit, national student organization composed of 23 student associations representing 280,000 post-secondary students from coast to coast. With its partnership with the Quebec Student Union (QSU), CASA represents a total of 360,000 students across Canada and presents a national student voice to the federal government. CASA advocates for a Canadian post-secondary education system that is accessible, affordable, innovative, and of the highest quality.



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