

Submission for the  
**Standing Committee on Finance**  
consultations concerning the  
**Forthcoming Federal Budget**

Submitted by:  
**The Canadian Alliance of Student Associations (CASA)**  
**& L'Union étudiante du Québec (UEQ)**

August 2025

## **Recommendation Summaries:**

- 1. Increase the number of Student Work Placement Program positions**
- 2. Mandate a minimum proportion of worksite hours on federally funded projects be worked by apprentices**
- 3. Dedicate grants and loans towards student residences and non-profit student housing**
- 4. Inflation-adjust Tri-Council Agency graduate student funding**
- 5. Permanently increase the maximum Canada Student Financial Aid Program levels**
- 6. Remove student co-op work permit requirement**



**CASA**  
Canadian Alliance of  
Student Associations

**ACAE**  
Alliance canadienne des  
associations étudiantes



## 1. Address youth unemployment by increasing the annual number of Student Work Placement Program positions to 60,000.

Canada is facing a youth employment crisis. In May 2025, youth unemployment reached 14.2%, more than double the national average. Among returning students aged 15 to 24, the rate climbed to 20.4%, the highest level since the mid-1990s outside of the pandemic.<sup>1</sup>

Simultaneously, access to skilled labour remains a top challenge across many sectors. According to the Canadian Federation of Independent Business (CFIB)'s June 2025 survey, skilled labour is the second highest constraint on sales and production growth.<sup>2</sup>

The Student Work Placement Program (SWPP) wage subsidy helps employers hire students and develop a labour force conducive to long-term economic growth. While Canada Summer Jobs provides important entry-level experiences for youth, SWPP compliments this by offering longer-term, high-quality roles that focus on sectoral skill development and post-graduate employability.<sup>3</sup> Since 2017, it has supported over 249,000 work-integrated learning (WIL) placements in sectors such as biotechnology, energy, and manufacturing.<sup>4</sup>

SWPP delivers strong returns on taxpayer investment through increased tax revenue, productivity, and spending.<sup>5</sup> It improves educational quality, graduate employability, and employer training capacity. Employers gain a net value of \$401 per student per month, with nearly half hiring SWPP students full-time after graduation, among other benefits.<sup>6,7</sup> To grow these benefits, **the federal government should permanently invest \$300 million annually in SWPP to expand access from 40,000 to 60,000 placements**, with permanence giving businesses the predictability needed to integrate student training into workforce planning.

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<sup>1</sup> [Statistics Canada IFS.](#)

<sup>2</sup> [CFIB July Survey.](#)

<sup>3</sup> [SWPP Website.](#)

<sup>4</sup> [ESDC SWPP Press Release.](#)

<sup>5</sup> [SWPP Evaluation.](#)

<sup>6</sup> [Magnet SWPP Report.](#)

<sup>7</sup> [Ibid.](#)

## 2. Address the skilled labour shortage by ensuring that federal infrastructure and housing project contribution agreements mandate that a minimum of 10% of worksite hours be worked by apprentices.

To meet Canada's goals for housing construction, our country needs a sufficient, skilled workforce.<sup>8</sup> 700,000 skilled trades workers are expected to retire between 2019 and 2028, and the construction industry alone is predicted to face a shortage of more than 60,000 workers by 2032 due to high retirement rates and rising home-building demands.<sup>9,10</sup>

However, from 2012 to 2022, apprenticeship enrollment in Canada declined by 4.8%, compared to a 64% increase in the U.S..<sup>11,12,13</sup> For those who do enrol, many do not successfully complete their apprenticeships,<sup>14</sup> with one major challenge being the limited availability and instability of paid employer training spots.<sup>15,16</sup>

The government is proposing increasing financial aid for apprentices,<sup>17</sup> however, aid alone will not address the training spot shortage.

Though apprentices who find training spots are often successful in obtaining their qualification, employers have historically underinvested in apprenticeships and training, with less than one in five skilled trades employers training apprentices in 2018.<sup>18,19,20</sup>

Federal infrastructure contracts and home-building programs offer an opportunity to leverage public dollars to address the shortfall in private training. The federal government should ensure that these programs yield maximum benefit by building a robust skilled labour force that extends beyond the lifespan of project construction.

We recommend an approach inspired by provincial<sup>21</sup> and international<sup>22</sup> programs to better leverage public dollars. **The government should require that 10% or more of hours worked on certain federal projects be worked by apprentices.** Though there may need to be

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<sup>8</sup> [Infrastructure Canada Housing Plan](#)

<sup>9</sup> [RBC Skilled Trades Report](#)

<sup>10</sup> [Budget 2024](#).

<sup>11</sup> [Statistics Canada. Apprenticeship Registrations.](#)

<sup>12</sup> [Statistics Canada. Apprenticeship Composition.](#)

<sup>13</sup> [U.S. Department of Labour. Apprenticeship Statistics.](#)

<sup>14</sup> [Peel-Halton Skilled Trade Report.](#)

<sup>15</sup> [Statistics Canada. Apprenticeship Completion Factors.](#)

<sup>16</sup> [CBC. Employer Support of Apprentices.](#)

<sup>17</sup> [Government Apprenticeship Platform.](#)

<sup>18</sup> [Apprenticeship Grant Evaluation Report.](#)

<sup>19</sup> [Centre for the Study of Living Standards Research Report.](#)

<sup>20</sup> [CESifo Working Paper.](#)

<sup>21</sup> [Nova Scotia Apprenticeship Agency.](#)

<sup>22</sup> [California Apprenticeship Council](#)

exemptions for very small, rural, and remote projects, this requirement would include contractors for federal infrastructure construction and maintenance projects, as well as recipients of federal support through the Affordable Housing Fund, Federal Lands Initiative, and Apartment Construction Loan Programs.

### 3. Deliver a Canada Student Housing Strategy through Build Canada Homes, comprising \$1 billion in grants and loans for residences and non-profit student housing

Students are at the frontline of increases in rent, rarely getting rental protections due to their short tenure leases in urban centres with low vacancy rates. It is therefore unsurprising that a quarter of students struggle to pay rent.<sup>23</sup>

The Housing Accelerator Fund is projected to unlock hundreds of thousands of primarily market units,<sup>24</sup> but there is a limit to private investment when profit margins fall.<sup>25</sup> Non-profit and post-secondary residences offer non-market measures to add supply resistant to future market forces.

The government has committed to investing \$2 billion dollars in senior and student housing.<sup>26</sup> **We propose they launch a Canada Student Housing Strategy, directing \$700 million in grants to university and college housing construction, and \$300 million in grants or zero-interest loans specifically to those developing non-profit and co-operative student housing.**

Post-secondary institutions are able to support the government's goal of co-investment in infrastructure, while relieving local housing market pressures. Recently built residences have provided housing at as little as \$170,000 a bed,<sup>27</sup> and provincial grants in British Columbia have been successful in inducing post-secondary co-investment.<sup>28,29</sup> Indigenous student leaders at CASA have also emphasized that residences can be ideal for delivering housing for Indigenous students while promoting community and centralizing wraparound supports.

As public bodies, educational institutions are limited in their indebtedness by their provinces, as the public expects zero institutional failures.<sup>30</sup> As the sector readjusts to international admissions shrinking fiscal capacity, we recommend dedicated grants for new post-secondary residence construction, provided they declare an intent to run that new capacity at-cost.

The non-profit sector continues to facilitate student investments in student housing.<sup>31</sup> This sector faces two major financial issues. Real estate companies with CMHC Frequent Builder

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<sup>23</sup> [CASA. Student Poverty Indicators](#)

<sup>24</sup> [PBO. Update on CHIF.](#)

<sup>25</sup> [Urbanation on Slowing Condo Market.](#)

<sup>26</sup> [Liberal Party of Canada Housing Platform.](#)

<sup>27</sup> [CBC. UPEI Residence Expansion.](#)

<sup>28</sup> [CBC. UBC Residence Expansion.](#)

<sup>29</sup> [VIU Residence Expansion.](#)

<sup>30</sup> [Ontario Auditor General Report on Laurentian University.](#)

<sup>31</sup> [Student Housing Nova Scotia DASH Fund.](#)

status may have deeper capital reserves allowing them to commit to the Apartment Construction Loan Program's ten-year affordability requirements without a longer-term affordability commitment. Dedicated loan funding available to non-profit developers can ensure longer-term affordability, while helping build non-profit development capacity.

Non-profit housing providers can also find themselves running up against lending ratios, despite having secure long-term funding streams and healthy operating margins.<sup>32</sup> For successful non-profit developers like UTILE, this means that loans have limited scaling capacity, and a grant program could expand their ability to scale their proven model for student housing.

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<sup>32</sup> [UTILE Annual Report](#).

#### 4. Adjust Tri-Council Agency graduate student funding levels in line with the Consumer Price Index to ensure Canada remains competitive in attracting and retaining top research talent.

Budget 2024 saw a major change to funding of top graduate students in Canada, by raising amounts that had not changed in 20 years.<sup>33</sup> These investments, along with general investments in the Tri-Council granting agencies, incentivize graduate students to do research in Canada instead of taking their knowledge and effort to higher-paying roles in other countries.

However, in the coming years, inflation will continue to erode these awards' value, which could lead to brain drain, poverty, and decreased productivity for student researchers. Based on data collected prior to the 2024 increases, this will likely have the most adverse impact on those with dependants, those with disabilities, and many racialized students.<sup>34</sup>

With 80% of PhDs not taking on traditional academic roles,<sup>35</sup> it is advanced degree holders who file patents and found companies.<sup>36</sup> And while Canada's graduate education creates large earnings increases across arts and sciences,<sup>37</sup> Canada underproduces advanced degrees compared to other OECD countries.<sup>38</sup>

It is important to future-proof Canada's global competitiveness in a changing global research landscape. The U.S. has long been the primary destination for graduate talent, but U.S. policy changes are making it a less attractive option for many. Canada has an opportunity to step into this gap by maintaining a stable and competitive student research environment.

This begins with **sustaining recent investments to ensure graduate scholarships keep pace with inflation**, costing approximately \$300 million cumulatively over the first five years. Doing so would signal that Canada is serious about research leadership by retaining homegrown talent, and building a strong, equitable talent pipeline from the ground up.

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<sup>33</sup> [ISED Funding Announcement](#).

<sup>34</sup> [Ottawa Science Policy Network. Report on Graduate Finances](#).

<sup>35</sup> [CBC story on PhD Outcomes](#).

<sup>36</sup> [U15 Developing Talent Report](#)

<sup>37</sup> [Statistics Canada Graduate Earnings Table](#).

<sup>38</sup> [Ibid.](#)



## 5. Maintain the value of the Canada Student Grant Program by increasing the maximum grant levels to \$5000, and increasing maximum loan levels to \$360 per week.

For the average Canadian student, yearly expenses typically include: housing (\$11,704), groceries and other living expenses (\$9,210), tuition (\$7,360), books and other educational supplies (\$3,746), and transportation (\$2,198).<sup>39,40</sup> This \$34,218 expected average burden presents significant barriers to accessing and completing post-secondary education.

The needs-based formula for the Canada Student Financial Assistance (CSFA) program plays a crucial role in making education accessible to low- and middle-income Canadians. As part of this, Canada Student Grants (CSGs) provide support for many groups facing barriers, with 16% of recipients having dependants, 7% being Indigenous, and 13% having a disability.<sup>41</sup> The program improves Canadian productivity through training, and the program represents a return-on-investment of \$1.64 in present-value dollars for every dollar invested, not including extra earnings for graduates after their first ten years of employment.<sup>42</sup>

Since 2019,<sup>43</sup> the pledged CSFA levels have not been inflation-adjusted, meaning that its real value has eroded, along with its impact on access and affordability. We therefore recommend **permanently fixing CSFA reference levels at \$5,000 and weekly loan maximums at \$360, in real 2025 dollars**, at an estimated cost of \$1.72 billion in grants and \$858 million in repayable loans per year relative to the current permanent reference levels.

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<sup>39</sup> [Statistics Canada. Undergraduate Tuition.](#)

<sup>40</sup> [CASA Survey.](#)

<sup>41</sup> [CSFA 2022 Annual Report.](#)

<sup>42</sup> [Canada Gazette. CFSA Renewal.](#)

<sup>43</sup> [2019 Government Platform.](#)

## 6. Improve visa processing times and remove red-tape on Canadian businesses by removing the additional approval process for student co-op work permits.

Co-op and internship programs are an integral part of post-secondary education, helping students gain practical skills, apply classroom knowledge, and improve their employability. In 2024, 55% of graduating students reported participating in Work-Integrated Learning (WIL).<sup>44</sup>

Currently, international students must obtain a work permit to participate in WIL, even when it is integrated in a program's curriculum. This creates administrative burden to both students and government, causing processing delays that can prevent students from getting hired as well as graduating on time. **International students with study permits should be allowed to engage in WIL without needing an additional permit.** This is already the case for employment undertaken during the summer term or on-campus, so this would reduce red tape that is already deemed unnecessary at other times or locations.

WIL is essential to the international student experience, supporting academic success and enabling students to contribute their skills to Canadian employers. This change is especially urgent amid visa processing delays that have already caused some students to postpone the start of their studies. With 77% of small and medium-sized enterprises reporting difficulty finding qualified workers,<sup>45</sup> streamlining access to existing student talent would also benefit Canada's labour market as it develops and retains global talent.

## About

[CASA](#) and [UEQ](#) represent over 400,000 Canadian post-secondary students.

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<sup>44</sup> [2024 CUSC Survey.](#)

<sup>45</sup> [Manpower Group Report on Talent Shortage.](#)