

January 20, 2019

The Honourable Todd Smith  
Minister of Children, Community and Social Services  
Ministry of Children, Community and Social Services  
7th Floor  
438 University Avenue  
Toronto, ON M5G 2K8

**Re: OUSA Submission to the New Poverty Reduction Strategy**

Dear Minister Smith:

Representing the interests of approximately 150,000 professional and undergraduate, full-time and part-time university students at eight institutions across Ontario, the Ontario Undergraduate Student Alliance (OUSA) is pleased to submit the following recommendations to the development of the province's Poverty Reduction Strategy. It is our hope that this submission will provide guidance on how the provincial government can encourage job creation and connect people to employment; provide people with the right supports and services; and lower the cost of living and make life more affordable – particularly for students across the province who experience poverty.

Why we care

Post-secondary students are often left out of discussions and responses to poverty, yet poverty affects students at all stages of post-secondary education: it is a barrier to access; it can be a factor in a student's (in)ability to complete or excel in their degree or program; and it can be exacerbated post-graduation as a result of debilitating student debt.

*Barriers to Access*

The high cost of post-secondary education coupled with insufficient student financial aid means that many willing and qualified students cannot access an important pathway to employment, and low-income students are continually underrepresented at Ontario universities.<sup>1</sup>

Of particular concern to students is the insufficient support for low-income students to access post-secondary education through the province's current student financial aid system. The adverse effects of the 2019 changes to OSAP<sup>2</sup> are being felt by students across the province who rely on financial assistance to access post-secondary education and enter the workforce. For example, students have told us that they have been forced to postpone or withdraw from university because they no longer have the financial assistance required to pay for their education. Students who are able to continue their studies are taking on more debt than planned and many experience financial insecurity which can have negative impacts on their mental health and ability to be successful in their programs. Students are already working full-time during the summer and part-time during the school year, taking out loans, and applying for scholarships and grants. The government's recent announcement to reduce tuition by 10 percent does not make up for the reduction in OSAP funding. In fact, students experiencing poverty are disproportionately affected by these changes and continue to struggle to afford post-secondary education.

<sup>1</sup> According to a survey of students at OUSA's member institutions, only 16 percent of students said they came from low-income families with a combined income of \$50,000 or less and fewer students reported that their combined parental/guardian income was less than \$25,000 (6 percent): De Costa, Britney and Martyna Siekanowicz. *Accessibility: Results from the 2017 Ontario Post-Secondary Student Survey*. Research Report. Toronto: Ontario Undergraduate Student Alliance, 2019.

<sup>2</sup> Particularly the reduction in grants, the elimination of the interest-free grace period on the provincial portion of loans, and the change to the definition of "mature student," which now refers to students who have been out of high school for six years or more (up from four years).

### *Barriers to Persistence*

Students who are able to access post-secondary despite experiencing poverty are often concerned about having enough money to complete their education.<sup>3</sup> Many of these students are forced to supplement funding sources by working, either during the summer or while enrolled in courses. In most cases, however, these jobs are not related to a student's academic field.<sup>4</sup> This presents two issues: first, though these students gain transferable skills, they are not gaining connections or learning skills that will help them establish themselves in their chosen career path; second, these students are devoting time and energy to tasks unrelated to studying or their career goals.

At the same time, many students experiencing poverty are also struggling with food insecurity. The 2016 Hungry for Knowledge study found that food insecurity was a major issue for university students in Canada, with nearly two in five students (39 percent) experiencing some degree of food insecurity.<sup>5</sup> Since 2016, the need for access to food banks on campus has been increasing.<sup>6</sup> However, the ability for food banks to respond to student needs has been threatened by recent government policies like the Student Choice Initiative that increased the precarity of their funding.<sup>7</sup>

### *Post-Graduation Financial Barriers*

While the successful completion of a university program should prepare students for the workforce and set them up to contribute to the economy, the issue of post-graduation debt can leave many students in precarious financial positions that can exacerbate cycles of poverty, particularly where students' parents/guardians also experience poverty.<sup>8</sup> This is problematic: burdensome debt can prevent graduates from achieving major life milestones, including starting a family, purchasing a house, or making other major purchases that can help stimulate the economy. As of 2019, OSAP's interest rate is six percent (Prime Rate plus 2.5 percent for federal loans and 1.0 percent for provincial loans). Students at OUSA member schools had an average total government loan amount of \$16,898 in 2017. To pay off that loan, a student would pay \$8,182 in interest alone (assuming a 9 1/2-year payback period). The reality is worse for students who experience poverty and are more likely to have above-average loans. For these students, the size of their loan increases the time required to complete payments and can leave them trapped in a poverty cycle.<sup>9</sup>

### What we want to see

The provincial government should play an important role in addressing poverty, both in our communities and at post-secondary institutions – poverty in our communities cannot be fully addressed without looking at its impact on post-secondary students as well. The following are recommendations written by undergraduate students across Ontario that should be adopted in order to help lift Ontarians out of poverty.

<sup>3</sup> While this is a concern for over 70 percent of OUSA students, students with low family income and those experiencing poverty were the most likely to be concerned: sixty percent of students with family incomes of \$25,000 or less said they were very concerned: Tishcoff, Ryan. *Affordability: Results from the 2017 Ontario Post-Secondary Student Survey*. Research Report. Toronto: Ontario Undergraduate Student Alliance, 2019 [Tishcoff, *Affordability*].

<sup>4</sup> Almost half of respondents to OUSA's OPSSS said they worked while studying because they needed to, rather than to earn skills or advance their career: Tishcoff, *Affordability*.

<sup>5</sup> Beckett, Hannah, Stephanie Bertolo, Katherine MacCabe, and Landon Tulk. Policy Paper: Student Health & Wellness. Toronto: Ontario Undergraduate Student Alliance, 2018.

<sup>6</sup> For example, according to Bardia Jalayer, president of the University of Western Ontario's University Student's Council, the university's food bank has had about 1,000 requests for service since 2016 – a number that continues to rise: Alanna Rizza, "Ontario post-secondary school food banks could lose money after tuition fee changes," Global news, September 6, 2019, <https://globalnews.ca/news/5867616/food-banks-ontario-colleges-universities/>.

<sup>7</sup> The Canadian press, "Ontario students hope court ruling quickly restores funding for campus organizations," CBC, November 22, 2019, <https://www.cbc.ca/news/canada/toronto/ontario-student-group-campus-funding-1.5369985>.

<sup>8</sup> Half of respondents to OUSA's OPSSS said they anticipated their debt being very burdensome, with only two percent saying they did not anticipate any burden at all. Two demographics stood out as anticipating more debt burden than others: students whose parent(s)/guardian(s) earned \$25,000 or less (66% said very burdensome) and students with disabilities (58% said very burdensome): Tishcoff, *Affordability*.

<sup>9</sup> Tishcoff, *Affordability*.

*Lower the cost of living and make life more affordable*

The provincial government should reverse the 2019 changes to OSAP, specifically by restoring the “targeted free tuition” program, implemented in 2016, that offered free tuition in the form of grants to all students from families in the first six income deciles.

The provincial government should reverse the 2019 changes to OSAP, specifically by implementing a two-year, interest-free grace period after graduation to ensure students are able to cover interest payments.

The provincial government should reverse the 2019 changes to OSAP, specifically by defining financially independent students as those who have been out of secondary school for four years, similar to most other Canadian provinces.

*Encourage job creation and connect people to employment*

The provincial government should help prepare students for the workforce by investing in the Career Ready Fund to incentivize employers to create more job opportunities for students and recent graduates.

The Ministry of Colleges and Universities should create a best practice model, in partnership with post-secondary institutions, that ensures students are able to market the academic, oral, practical, and writing skills they acquire through post-secondary education and extracurriculars.

*Provide people with the right supports and services*

The provincial government should invest in grant funding, specific to outreach programming, that encompasses underrepresented groups and prioritizes the inclusion of strategies targeted to marginalized and low-income communities.

The Ministry of Colleges and Universities should partner with the Council of Ontario Universities and Meal Exchange to complete a systemic analysis of food insecurity and systems on university campuses.

The provincial government should fund the creation and maintenance of student-led food banks to support low-income students.

The provincial government should establish a grant to be utilized as needed by student-run food banks to maintain the necessary infrastructure to provide nutritious options, like fridges and freezers.

Empowering students who experience poverty is an essential element in any comprehensive poverty reduction strategy, and we look forward to working with you to see students succeed and contribute to their communities. By working together, we can realize a society where everyone is able to reach their full potential.

Sincerely,

The Ontario Undergraduate Student Alliance