



POLICY 9.18

Position

Government Funding Student Financial Aid System

POLICY RESPONSIBILITY

Council

POLICY

WHEREAS Statistics Canada has also shown that a higher level of post-secondary education correlates with:

- a) a higher level of volunteerism and charitable donationsⁱ,
- b) a better self-perception of their health and a better level of health in general^{ii, iii},
- c) a lesser likelihood of being chronically unemployed^{iv}, and
- d) a greater likelihood of being self-employed^v and thus creating jobs for other Canadians, and

WHEREAS Statistics Canada has shown that the most likely predictor of whether a person undertakes a post-secondary education is whether their parents have done so^{vi}, and other research has shown that people whose parents have no post-secondary education are likely to over-estimate the costs and underestimate the returns of a post-secondary education and are likely to be particularly debt averse^{vii}, and

WHEREAS Statistics Canada has shown that a university graduate will make, on average, one million dollars more over the course of their working life^{viii}, and

WHEREAS the average tuition of a four year university program including living expenses is approximately \$64,000^{ix}, and

WHEREAS the marginal rate of taxation on one million dollars in any province in Canada is greater than the average cost of a four year university program, with higher rates of taxation providing proportionally more, and

WHEREAS those least likely to undertake a post-secondary education are not well served by a system of student loan that will impose large levels of financial debt, and

WHEREAS non-repayable grants for the full tuition and living expenses of a student in need are a sound financial decision that will be repaid by an increase in taxation, a lower use of social services, and the increased likelihood of successive generations requiring less public aid, THEREFORE

BIRT AUSU will lobby toward the student loan system being entirely replaced by a system of non-repayable student bursaries to those students in need.

Policy History:

Original Approval Date: March 3, 2008

Updated Date:

Review by Date: March 3, 2010

ⁱ [Statistics Canada., \(1998\) National Survey of Giving, Volunteering and Participating 1997. The Daily, August 24, 1998. Ottawa](#)

ⁱⁱ [Statistics Canada., \(2002\) Regional Socio-economic Context and Health. The Daily, August 1, 2002. Ottawa](#)

ⁱⁱⁱ [Public Health Agency of Canada \(1999\) Toward a healthy future: Second Report on the Health of Canadians and Investing in the Health of Canadians. Ottawa.](#)

^{iv} [Brooks, Bradley \(2005\)., Chronic Unemployment: A Statistical Profile., Statistics Canada, Ottawa](#)

^v [Canadian Economic Observer \(1997\)., A Profile of the Self Employed., Statistics Canada, Ottawa](#)

^{vi} [Finnie, R., Lascelles E., & Sweetman, A., \(2005\) Who Goes? The Direct and Indirect Effects of Family Background on Access to Post-secondary Education. Statistics Canada: Analytical Studies Branch. Research Paper No. 237. Catalogue no. 11F0019MIE2005237. Ottawa](#)

^{vii} Lohfink, M. M. & Paulsen, M. B. (2005). Comparing the Determinants of Persistence for First-Generation and Continuing-Generation Students. *Journal of College Student Development*, 46(4), 409-428.

^{viii} Morissette R., Ostrovsky Y., & Picot G. (2004). Relative Wage Patterns among the Highly Educated in a Knowledge-based Economy. *Statistics Canada: Analytical Studies Branch. Research Paper No. 232. Catalogue no. 11F0019MIE. Ottawa.*

^{ix} [Berger, J., Motte, A., Parkin, A., \(2007\) The Price of Knowledge: Access and Student Finance in Canada – Third Edition. Canada Millennium Scholarship Foundation. Montreal](#)

P. Davies et al (2008). *Knowing Where to Study? Fees, Bursaries and Fair Access*. Staffordshire University, UK." Hyperlinked to <http://www.suttontrust.com/reports/StaffordshireReportFinal.pdf>

M. Robison, K. Christophersen (2007). *Economic Contribution of Alberta's Colleges and Technical Institutes - Analysis of Investment Effectiveness and Economic Growth*. CCBenefits Inc, Alberta Association of Colleges and Technical Institutes. Edmonton." hyperlinked to "<http://www.aacti.ca/assets/pdf/SeimReportExecSummary.pdf>