

Canadian Federation of Students - Manitoba

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?

To achieve a sustained economic recovery and reach future economic growth requires strong public support for Canada's post-secondary education system, which trains and educates Canadians to participate in an increasingly knowledge-based global economy. With two thirds of new jobs in Canada requiring some form of post-secondary education, it is now necessary for young people to attend university or college to find stable, full time employment. However, the up-front costs of post-secondary education are a significant barrier for many eligible students who may otherwise complete a university or college program. This forces many students to take on significant debt just to cover tuition costs. In Manitoba, undergraduate students pay an average of \$3,645 per year in tuition. While these levels are below the national average, upon graduation, students are still left with an average student loan debt of \$19,000. This does not include debt accumulated through lines of credit, bank loans, personal borrowing, or credit cards used to pay for school. Not only are students who accumulate debt during their studies less likely to complete their program, but research also shows that loan payment obligations reduce the ability of new graduates to work in public service careers, start a family, invest in homes and other assets, build career-related volunteer experience or take on entrepreneurial endeavours. Recommendations: 1. The federal government should implement a federal Post-Secondary Education Act, which reflects the structure and principles of the Canada Health Act, accompanied by a dedicated cash transfer to the provinces with funding allocated to: • Restoring per capita funding for post-secondary education to 1992 levels • Reducing tuition fees to 1992 levels • Investing in Canada's university and college infrastructure by eliminating deferred maintenance 2. Increase the value and number of Canada Student Grants by redirecting funding currently allocated to ineffective post-secondary education tax credits and savings schemes to the Canada Student Grants Program.

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?

Like many countries, Canada is experiencing the effects of the global economic recession: a move towards more low-wage, precarious jobs, rising debt, and an increasingly privatized post-secondary education system. Students are disproportionately experiencing these effects, which in turn threaten Canada's ability to boost job creation, employment, GDP and remain economic leaders. The youth unemployment rate is the highest it has been in several decades. The federal student debt crisis is a major barrier to Canada's economic recovery and its ability to strengthen the economy by supporting long-term, secure jobs. Students currently owe \$15 billion to the federal government, in addition to debt accumulated through provincial student loan programs and private sources. Not only does the debt crisis prevent individual students from fully participating in the economy but it also prevents youth from

accessing post-secondary education, thereby reducing the number of Canadians with the proper education and training to qualify for participation in the knowledge-based workforce. With an unqualified workforce, Canada will not be able to meet economic demands. In 2011, the unemployment rate for youth in Manitoba was 12%. Those youth that were employed usually held temporary positions that require little skill and can be created and terminated without significant cost to the employer. At the same time, the workforce in Manitoba, like the rest of the country, is aging. Youth in Manitoba and across the country need an accessible system of post-secondary education so they can learn the skills to replace aging workers and boost Canada's economy. Recommendations: 1. The federal government should reduce the federal student loan debt by 50 percent – about \$7.5 billion – over the next three years. 2. The federal government should redirect money spent on tax credits and education-based savings schemes to the Canada Students Grants program. Providing this upfront financial support to students when they need it most will increase the accessibility of post-secondary education and lead to a more qualified and innovated workforce.

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?

To counter the problems associated with an aging Canadian population, direct investment must be made in Canada's youth, especially First Nations, Inuit and Métis communities – Canada's fastest growing population. According to the 2006 census, over one million people, roughly 4 percent of Canada's population, identify as Aboriginal. Of those who identify, 48 percent are under the age of 24. In Manitoba, over half of the Aboriginal population is under 24. It is estimated that over 300,000 Aboriginal youth could enter the Canadian labour force in the next 15 years alone. Changes to the Post-Secondary Student Support Program (PSSSP) in the mid-nineties have denied thousands of eligible Aboriginal learners a university or college education. Unless funding to the PSSSP reflects the growing First Nations and Inuit population in Canada, the education gap between Aboriginal and non-Aboriginal peoples will continue to widen and Canada will miss an essential opportunity to educate a new workforce to replace our aging population. The international student population in Canada is already a significant part of the Canadian workforce and more support from the government can help tackle our workforce challenges. As the Canadian government already recognises the contribution of international students to the national economy – in 2010, they contributed \$8 billion to the Canadian economy, worked 86,000 jobs, and contributed \$445 million in tax revenue – the next step is to abolish the differential fees paid by international students. These fees effectively penalize international students for studying in Canada since they already pay taxes and participate in the local economy. Recommendation: 1. Remove the 2 percent funding cap on the Post-Secondary Student Support Program to ensure that First Nations and Inuit learners are provided adequate funding to pursue and complete post-secondary education. 2. Recognize the economic contribution made by international students by abolishing the differential tuition fees they pay at Canadian universities and colleges.

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 respond to changing economic demands of a knowledge-based economy and remain competitive in the global market depends on its support of national research and innovation. As our workforce continues to age, Canada should make significant investments in graduate programs across the country, where young people living in Canada are encouraged to conduct creative research and

taught the skills to be leaders on the international stage. The Tri-Council Funding Agencies – comprised of the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council and the Canadian Institutes for Health Research – currently provide funding to graduate students and their research. Unfortunately, funding increases have not kept pace with the significant increases in graduate enrolment, which from 1998 to 2008 increased by 41.5 percent. This inadequate level of funding deters students, many of whom have already accumulated debt from previous degrees, from entering programs that teach specialized skills and train students to be innovative, creative, and competitive researchers. Moreover, recent federal budgets have pushed Tri-Council funding further away from the majority of graduate students by aligning priority areas with the short-term interests of the private sector. By limiting academic freedom and creativity, the drive to commercialise research threatens Canada’s ability to be truly competitive and innovative in the global knowledge economy by training future leaders. Funding for graduate students and their research needs to be evenly dispersed across the disciplines – from curiosity-driven research in applied sciences to the humanities and social sciences – or Canada risks falling further behind the research and innovation capacity of other countries. Recommendations: 1. Increase the number of Canada Graduate Scholarships to be consistent with average program growth and to be distributed proportionally among the research councils according to enrolment figures. 2. Remove targeted research funding that seeks approval of the private sector and resume awarding funds for research based on academic merit and which passes through a rigorous peer review process.

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?

Youth living in Canada are entering a national and global economy much different than any previous generation of Canadians. Temporary, low-wage jobs are rapidly increasing, while permanent, middle-income jobs continually disappear. Earning a liveable wage requires some form of post-secondary education, if not advanced or specialized training. Post-secondary education is less accessible today than thirty years ago when government grants covered up to 80 percent of an institution’s operating budget. Now, government grants cover only 50 percent of operating costs, while tuition fees makes up the difference. With over two thirds of new jobs requiring some form of post-secondary education, a university or college degree is no longer an option for gaining secure employment and earning a decent wage. As a result, students are now graduating with more education-related debt than previous generations. They currently owe \$15 billion to the federal government alone – this does include debt owed to provincial governments and private sources. On average, students graduate with \$37,000 of debt for an undergraduate degree. Youth are also entering a world where the social programs that benefited previous generations of Canadians are disappearing. This trend needs to be reversed in order for Canada to respond to an aging workforce and to train young Canadians to participate in a knowledge-based economy. Aside from growing Canada’s economy, an educated and employed generation of young people will substantially improve the economy and increase the tax base, which can be used to adequately fund essential social services, such as post-secondary education, health care and public safety. Recommendations: 1. Reopen the Service Canada Centres for Youth in order to ensure youth have access to the services and tools required to face a changing and challenging labour market. 2. Boost funding for the Canada Summer Jobs program, which provides work opportunities for students while supporting important community organisations and services. 3. Increase investment in youth employment strategies and work in collaboration with education and youth employment stakeholders to respond to the needs of young Canadians looking for work.