

Student Debt

Arlana Bennett

Mount Royal University

Abstract

According to the Canadian Federation of Students (CFS), Canada student loan debt is well over \$15 billion (CFS, 2013). A student using financial aid to supplement or pay for University can expect to graduate with a debt load between \$31,000 in Nova Scotia; to \$13,000 in Quebec (CFS, 2008; CFS NS, 2009). There are several variables which result in students having to take on debt to complete a post-secondary education. These include: cuts to federal funding for post-secondary education, increase in user fees to compensate for lost funding, and lack of financial support to cover the increasing cost of attending University (CFS, 2008; CFS BC, 2008; CFS MA, 2012; CFS NL, 2011; CFS NS, 2009; CFS ON, 2010; CFS QC, 2008). This paper intends to explore how students and student groups across Canada have dealt with, and continue to deal with increasing student debt. This exploration looks specifically at the campaigns employed by organizations such as the CFS, and The Coalition large de l'Association pour une Solidarité Syndicale Étudiante, (CLASSÉ).

There are three key areas this paper will address. These are: (1) a brief background on student debt, including relevant issues such as: debt aversion, persistence, mental health issues, and career choices; (2) issues which cause students to take action against debt, such as: debt load, increased tuition, and accessibility; and (3) a chronological look at historic and contemporary action taken by students, these include: lobbying, awareness campaigns, direct student action, and the Quèbec student strike. Moreover, This literature review attempts to illuminate the successes or “victories,” won by each student organization.

According to the CFS, a national organization created to address student issues, there are four main barriers to post-secondary education. First, debt aversion, which accounts for a lack of potential post-secondary students enrolling in college or university. Debt aversion occurs most often when a personal calculation is made that determines the “sacrifice of debt accumulation and repayment are not worth the return from post-secondary education” (CFS, 2008). To this point, a poll conducted by Opinion Search in 2010, found that in the past year, 32 percent of Nova Scotians did not attend college or University or knew someone in their family who did not attend because of debt associated with post-secondary education (CFS NS, 2009). Second, when students face the difficulty of balancing work and academic commitments, to keep from incurring further debt, some students leave before completing a program (CFS, 2013). Third, the pressure of a full-time course load, mounting debt and employment can result in a less than positive experience at university (CFS, 2013). Finally, debt accumulation can have an impact on recent graduate’s career choice. Upon completing studies, graduates can find themselves having to choose jobs that will pay for debt. This reduces their ability to start a family, work in public service careers, invest in other assets, build career related volunteer experience, or choose

employment in their field if the position does not pay well enough (CFS, 2008). These issues are critical to look at because they show a trend towards lack of enrollment in post-secondary institutions. This lack of enrollment is predominantly due to high debt and stress.

The Canadian Federation of Students has identified three main issues which have polarized students, and student organizations into action against government spending on post-secondary education. These issues are as follows: debt load, increased tuition and fees, and accessibility to lower socio-economic groups such as women and ethnic minorities. In addition to this, and more recently, the issue of bankruptcy and lack of employment has become an issue of contention for students.

First, debt load is the primary issue affecting post-secondary students. The Canadian Federation of Students Ontario has determined, because of the *Reaching Higher Framework*, a program that regulated tuition increases to 5 percent in September for three years (CFS ON, 2010). As a result of this program, “Students are increasingly forced to consider financial assistance and the deferral of education costs through student debt as a means to access higher learning” (CFS ON, 2010). As a result, CFS ON finds that in the past 15 years, average student debt has increased by 288 percent, a debt load of \$8,000 to \$23,000 (CFS ON, 2010).

Additionally, those who do not qualify for, or who don’t receive enough assistance from the Ontario Student Assistance Program (OSAP), turn to credit cards, lines of credit or private loans to meet financial need (CFS ON, 2010). Moreover, the Maritime Provinces Higher Education Commission (MPHEC) reported that, “The average debt-payment-to-income ratio for those surveyed making payments on their loan was eleven percent; three percent over the recognized threshold above which it is difficult to make payments” (CFS NS, 2009).

Second, increased tuition fees have been, and continue to be a central issue which mobilize students to action. CFS NS has identified chronic government under-funding at both the federal and provincial level as a cause of increased financial pressure on students and their families (CFS NS, 2009). A three-year Memorandum of Understanding (MOU), gives the government of Nova Scotia the ability to increase tuition fees by three percent over a three year period (CFS NS, 2009). Broken down, the MOU also includes the deregulation of tuition increases for students in medicine, dentistry, and law; removes the three percent freeze on tuition for international students, and may include lifting the cap on domestic students from out of province (CFS NS, 2009).

Third, issues of accessibility are increasingly gaining attention as lower socio-economic demographics and marginalized communities are essentially pushed out from attending post-secondary institutions. In Ontario, Quèbec, and Nova Scotia, CFS finds that a disproportionate amount of students from lower-income, middle-income and marginalized communities are unable to afford the increasing cost of post-secondary tuition (CFS ON, 2010; CFS QC, 2008; CFS NS, 2009). In 2006, CFS NS surveyed youth aged 18-24 and found, “[Those] whose parents earn more than \$100,000 were almost twice as likely [49 percent] to attend university than those whose parents earned \$25,000 [28 percent]” (CFS NS, 2009). In addition to this, “A 2007 survey of undergraduate students revealed that only 3 percent self-identified as Aboriginal, 19 percent self-identified as a member of a visible minority group and 8 percent of students self-identified as disabled” (CFS NS, 2009).

CFS Ontario found that the reason there are such discrepancies in access to post-secondary attendance from lower-income, middle-income and marginalized communities was

due to the hidden cost associated with education (CFS ON, 2010). According to CFS Ontario, “The high up front cost of education, compounded with lower average incomes, higher rates of poverty and other systemic factors, racialized students stand to pay more, incur more debt and get less out of their education” (CFS ON, 2010). Additionally, CFS Ontario finds that these barriers have been used to legitimize, “The creation of a costly and ineffective bureaucracy to administer a loans system that has transferred the cost of post-secondary education from government to students themselves” (CFS ON, 2010).

In Quèbec, improvements to student financial aid have come as tuition increases, of which 35 percent is allocated to be reinvested into financial aid (CLASSÉ, 2012). With an estimated increase of \$116 million into Aide financière aux études (AFE), the poorest students will not be affected by the proposed tuition increases. The students who will be affected are those who are excluded from AFE (CLASSÉ, 2012). Ultimately, this tuition increase means post-secondary education is increasingly out of reach for Quèbec students from less fortunate families, and those who do not qualify to financial assistance.

While some youth are being unfairly excluded from obtaining a post-secondary education, those that do struggle to pay for their education on their own are faced with the increasing cost of tuition compounded with other associated costs. The Fédération étudiante universitaire du Québec (FEUQ) conducted a study in 2009, demonstrating the costs attributed to students who pay out of pocket. This study revealed that, “The median income for university students is \$12,200 per year. After having paid tuition fees [average of \$2,600 per year in 2009], only \$9,600 are left. An increase of \$1,625 in tuition fees then represents a compression of 17

[percent] in available income... To make it, students will have to work the equivalent of 162 extra hours at a salary of \$10/hrs” (CLASSÉ, 2012).

Finally, for those students who do manage to complete their post-secondary education, there remains the issue of paying back debt incurred from studies. The government of Canada has reportedly written off another \$231 million in unpaid student debt this year from approximately 44,000 cases (Fekete, 2013). While the department of Human Resources and Skills Development states that approximately 87 percent of all Canada Student Loans are repaid. Although, taxpayers are responsible for paying the 98 percent of loans written off by the Canadian government (Fekete, 2013). This trend of defaulting on debt can be attributed to an increase in student debt and a lack of employment (Jaswal, 2013). Currently, youth (ages 15 to 24) are experiencing unemployment rates of approximately 13.6 percent, nearly double the national average of 7 percent (Jaswal, 2013).

The remainder of this paper is dedicated to examining the actions taken by students and student organizations to deal with mounting student debt and the increasing cost associated with post-secondary education. As such, lobbying efforts, awareness campaigns, direct student action and especially the Québec student strike will all be referenced here.

The CFS is a national student organization that works on behalf of students to influence government policy. The CFS states that to be successful in their endeavors, they have focused on three main areas of support. These include: thorough, accurate and in-depth research to justify proposals, lobbying efforts which represent students’ issues and concerns, and membership mobilization (CFS, 2008; CFS BC, 2008; CFS MA, 2012; CFS NL, 2011; CFS NS, 2009; CFS ON, 2010; CFS QC, 2008). Successful lobbying efforts to date include:

Year	Successful lobbying efforts across Canada
1989	CFS defeats the federal government proposal to apply GST to tuition fees, campus residences, and meal plans.
1991	the CFS lobbied for the successful removal of a three percent tax on Canada Student Loans
1997	CFS members forced the government to address the student debt crisis. This resulted in several modest measures intended to help students who have difficulty repaying loans.
1999	CFS Newfoundland and Labrador successfully lobby successive governments to freeze and reduce tuition.
2003	The CFS lobbied for and secured changes to the Canada Student Loans Program enabling convention refugees and new Canadians to access Canada Student Loans.
2012	The CFS lobbied successfully for a National Student Grants Program to provide non-repayable financial assistance to students across the country (\$500M) (CFS BC, 2008).

Across Canada, provincial governments have been taking steps to completely deregulate tuition fees, increase accessibility to student loans (thus increasing student debt), while proposing policy changes which would see a greater involvement from the commercial and private sector (CFS, 2008; CFS BC, 2008; CFS MA, 2012; CFS NL, 2011; CFS NS, 2009; CFS ON, 2010; CFS QC, 2008). Nationally, CFS has been campaigning and striving to eliminate proposals that would further increase the debt load, and render post-secondary education unattainable to students from low-income, middle-income and marginalized communities. Some of the successful campaigning efforts include:

Year	Successful campaigning efforts across Canada
1992	CFS BC wins a tuition freeze.
1993	CFS Ontario defeats a plan by the government of Ontario and the Council of Ontario Universities to increase tuition fees by 50 percent.

Year	Successful campaigning efforts across Canada
1995	CFS BC wins another tuition freeze which remains in place for xis years.
1998	As a response to pressure from the CFS, the federal government implemented interest and tax-relief on student loans, and announced the creation of the Millennium Scholarship Fund.
2000	<p>CFS BC wins grants for students in up to four years of study, and a fifth year for students with dependents.</p> <p>Tuition fees stay frozen.</p> <p>The Federation exposed the deficiencies with the Millennium Scholarship Fund that allowed provincial governments to pert the scholarship funds to pay for pre-existing programs. The federal government responded by increasing the tax-exempt amount for scholarships from \$500 to \$3,000 (CFS BC, 2008).</p>
2001	<p>CFS BC wins a tuition fee reduction of 5 percent.</p> <p>CFS NL win a 10 percent reduction in tuition fees.</p>
2002	CFS launches a successful campaign aimed at blocking a proposal by Queen's University that would have resulted in deregulated tuition fee increases in all programs.
2004	<p>CFS BC collect 38,000 petition signatures demanding a reduction in tuition fees, an increase in government funding and reinstitution of the BC Grants program. This secures a replacement for the BC Grants program which forgives student debt up to \$50 million in loan remission each year.</p> <p>CFS Ontario wins a fully funded tuition freeze.</p> <p>Tuition fees are frozen or reduced in five out of ten provinces (CFS BC, 2008).</p> <p>CFS NL convinces the Conservative government to implement a three-year tuition freeze.</p>

Year	Successful campaigning efforts across Canada
2005	<p>CFS BC wins a tuition cap, halting three years of tuition increases.</p> <p>Rock the Vote BC makes affordable post-secondary education a provincial election issue, and increases youth votes by 30 percent.</p> <p>CFS BC successfully campaigns for \$51.8 million in increased funding for accessibility to BC's post-secondary institutions.</p> <p>CFS successfully campaigns for an up-front grants program in Ontario (CFS BC, 2008).</p>
2007	<p>The government of Newfoundland and Labrador implements an up-front need-based grant program resulting in the overall decline of student debt.</p>
2011	<p>CFS BC wins a cap on tuition fees.</p> <p>CFS Manitoba force the government to commit to a 5 percent multi-year funding increase in operational grants for up to three years. The government also announce significant increases to the Manitoba Graduate Scholarship, Manitoba Bursaries and ACCESS programs (CFS MA, 2012).</p>

As a result of these tuition increases and proposed policy changes, CFS across Canada has implemented several campaigns to raise awareness on these issues. Awareness campaigns to date include: *Education Shouldn't be a Debt Sentence* (www.debtsentence.ca). The goals of this campaign are: (1) the establishment of a student grants program; (2) a tuition fee reduction; (3) an increase to core funding; and (4) the elimination of interest on BC student loans (CFS BC, 2009). In 2012-2013, the Education Shouldn't be a Debt Sentence campaign reemerged as the *Rock the Vote, BC* campaign, aimed at increasing voter turn out among university and college students during the May 14, 2013, BC general election (CFS BC, 2009).

In addition to these campaigns CLASSÉ, which emerged from ASSÉ, Association pour une solidarité syndicale étudiante, and other independent student unions as a temporary and independent student organization (Messer, 2012; CLASSÉ, 2012). The CLASSÉ embodies the

continuation of the student movement that emerged as a response to increasing tuition fees, mounting debt, and lack of access to post-secondary education (CLASSÉ, 2012). Their most notable contribution to student led campaigns, awareness and mobility was the 2012 Québec student strike.

In winter 2010, students demonstrated against the lack of consultation regarding the decision by the provincial government to raise tuition fees beginning in 2012 (CLASSÉ, 2012). Students and student organizations took to the streets in an open-ended general strike. This strike intended to go on until demands were met, or students decided to stop (CLASSÉ, 2012). The purpose of the open-ended general strike was to create leverage and draw media attention to the student opposition of tuition increase (CLASSÉ, 2012). As a result, student demands were heard by the provincial government and nationally.

By April 1, 40,000 students were on strike. On September 24, students had occupied the offices of Education Minister Line Beauchamp (CLASSÉ, 2012). By October 21, hundreds of students met to denounce the lack of consultation and false legitimization of tuition fee increases (CLASSÉ, 2012). On December 6, 60,000 students were on strike to protest the meeting in Québec City (CLASSÉ, 2012). March 12, was marked by a mass demonstration of 50,000 people, composed of trade unions and student associations who came together to oppose the “anti-social measures of the 2011 budget” (CLASSÉ, 2012). On March 31, 50,000 students continued the strike in response to rising tuition fees (CLASSÉ, 2012). In addition to this, another one hundred students occupied the offices of the Conference of Rectors and Principals of Québec (CRÉPUQ), which favored the tuition increase (CLASSÉ, 2012). By May 8, 2011, a national meeting of student associations representing over 200,000 students voted against rising

tuition fees (CLASSÉ, 2012). On November 10, student associations across Québec held demonstrations across Québec as part of the continued general strike (CLASSÉ, 2012). At its peak, approximately 300,000 students were on strike against the imposed tuition increases (Soltz, 2012).

In 2005, the Québec student mobilization resulted in the Liberal government, led by Jean Charest, to reverse \$103 million in cuts to a bursary program for students in need (CFS QC, 2008). The success of the 2010-2012 Québec open-ended general strike was less obvious. While students were increasingly mobilized, the Charest government was not willing to negotiate (Serebrin, 2012). Additionally, although the open-ended general strike garnered support from respective unions and organizations, it did not succeed in achieving its ultimate demands; a permanent tuition freeze (Soltz, 2012). What did result from the open-ended general strike was increased awareness, mobility and engagement of students, and the resignation of the minister of education, Line Beauchamp (Soltz, 2012).

In closing, I would like to pose future areas of research. These include: the absence of unified student union representation on behalf of mitigating student debt and increased tuition fees in Alberta, and recommendations made by CFS nationally for better policy alternatives in dealing with student debt. While conducting research I found a distinct absence of debt reduction strategies, campaigns, and actions in Alberta. While both the University of Calgary and University of Alberta are affiliated with the Canadian Association of Student Unions (CASA), there is a distinct lack of effort in terms of eliminating and managing student debt in Alberta. Seeing as how we are currently being presented with provincial budget cuts, I believe this issue warrants some attention.

Furthermore, while CFS ON proposed a two prong approach to improving access to post-secondary education by (1) reducing tuition fees; and (2) providing student financial aid that is based on upfront needs-based grants; CFS NS suggests that legislated policy on tuition fee reductions would provide stability and predictability to students (CFS ON, 2010; CFS NS, 2009). In Quèbec, where student mobility appears to be the most salient solution to addressing student debt, CLASSÉ has suggested that government funded tuition, or “free education,” would be the most ideal way of reducing student debt loads. This approach would see the financial investment by students reduced to zero, and the full cost of education covered by the provincial government (CLASSÉ, 2012).

In conclusion, it is clear to see that mounting debt is having a negative impact on access to post-secondary education in Canada. Not only are students forced to debate the legitimacy of a post-secondary education, but in order to attend many students are having to graduate with increasing debt. The intention of this paper was to examine how student unions and advocacy groups have been successful in addressing, and perhaps solving the issue of student debt. As is clear from the research presented here, the most effective strategies to date appear to be the well researched campaigning efforts of student groups such as CFS nationally. Additionally, I would like to point out that, while student mobilization has been incredibly expedient and effective in garnering support for the cause of student debt and raising awareness regarding the mounting cost of a post-secondary education, it has not resulted in concrete solutions.

References

- Canadian Federation of Students, The Facts About Post-Secondary Education. (2013). *Canada Student Loan Debt*. Retrieved from <http://www.cfs-fcee.ca/studentdebt/index.html>
- Canadian Federation of Students, The Facts About Post-Secondary Education. (2008). *Student Debt in Canada: Education Shouldn't be a Debt Sentence*. Retrieved from <http://www.cfs-fcee.ca/studentdebt/index.html>
- Canadian Federation of Students British Columbia, Student-Led Victories. (2008). *Recent Victories*. Retrieved from <http://www.cfs.bc.ca/section/10>
- Canadian Federation of Students British Columbia, Approach. (2008). *The Federation's Approach*. Retrieved from <http://www.cfs.bc.ca/section/9>
- Canadian Federation of Students British Columbia, Decision-Making. (2008). *How are Decisions Made?* Retrieved from <http://www.cfs.bc.ca/section/69>
- Canadian Federation of Students British Columbia, Campaigns and Lobbying. (2008). *Education Shouldn't be a Debt Sentence*. Retrieved from <http://www.cfs.bc.ca/section/89>
- Canadian Federation of Students British Columbia, Education Shouldn't be a Debt Sentence. (2009). *Student Debt in Canada*. Retrieved from <http://www.debtsentence.ca/section/3>
- Canadian Federation of Students British Columbia, Education Shouldn't be a Debt Sentence. (2009). *Campaign Demands*. Retrieved from <http://www.debtsentence.ca/section/10>
- Canadian Federation of Students British Columbia, Rock the Vote BC. (2011). *About*. Retrieved from <http://www.rockthevotebc.ca/about.html>
- Canadian Federation of Students Manitoba, Campaigns and Lobbying. (2012). *Campaigns and Lobbying*. Retrieved from <http://www.cfsmb.ca/en/section/5>

Canadian Federation of Students Newfoundland and Labrador, The Plan. (2011). *The Plan*.

Retrieved from <http://www.cfs-nl.ca/the-plan/>

Canadian Federation of Students Nova Scotia, Campaigns and Lobbying. (2009). *Memorandum of Understanding*. Retrieved from http://www.cfs-ns.ca/index/php?section_id=56

Canadian Federation of Students Nova Scotia, Campaigns and Lobbying. (2009). *Tuition fees and Student Debt*. Retrieved from http://www.cfs-ns.ca/index/php?section_id=11

Canadian Federation of Students Ontario, Campaigns. (2010). *Tuition Fees*. Retrieved from <http://www.cfsontario.ca/en/section/207>

Canadian Federation of Students Ontario, Campaigns. (2010). *Student Financial Assistance*. Retrieved from <http://www.cfsontario.ca/en/section/22>

Canadian Federation of Students Ontario, Lobbying. (2010). *Our Bright Future - Submissions to the Ontario Post-Secondary Education Secretariat*. Retrieved from <http://www.cfsontario.ca/en/section/76>

Canadian Federation of Students Québec, Campaigns and Lobbying. (2008). *Funding for Post-Secondary Education*. Retrieved from http://www.cfsquebec.ca/index_main/php?section_id=9

The Coalition large de l'Association pour une Solidarité Syndicale Étudiante, Towards a General Strike. (2012). *Tuition Hikes 101*. Retrieved from <http://www.stopthehike.ca/tout-sur-la-hausse-des-frais/la-hausse-des-frais-expliquee/>

The Coalition large de l'Association pour une Solidarité Syndicale Étudiante, About the Hike. (2012). *What does it Mean?* Retrieved from <http://www.stopthehike.ca/tout-sur-la-hausse-des-frais/impacts-generaux-de-cette-hausse/>

The Coalition large de l'Association pour une Solidarité Syndicale Étudiante, About the Hike.

(2012). *What about Loans and Bursaries?* Retrieved from <http://www.stopthehike.ca/tout-sur-la-hausse-des-frais/laide-financiere-compensera-t-elle/>

The Coalition large de l'Association pour une Solidarité Syndicale Étudiante, About the Hike.

(2012). *Free Education?* Retrieved from <http://www.stopthehike.ca/tout-sur-la-hausse-des-frais/la-gratuite-scolaire-est-ce-possible/>

The Coalition large de l'Association pour une Solidarité Syndicale Étudiante, Under Pressure.

(2012). *History of Recent Actions Against the Hike.* Retrieved from <http://www.stopthehike.ca/comment-sorganiser/>

The Coalition large de l'Association pour une Solidarité Syndicale Étudiante, Towards a General

Strike. (2012). *General Strike 101.* Retrieved from <http://www.stopthehike.ca/vers-la-greve-generale/quest-ce-quune-greve-generale-illimitee/>

Jaswal, Y. (2013, February 14). Canada's grad students: overeducated, underemployed. *Yahoo!*

Canada Finance. Retrieved from <http://ca.finance.yahoo.com/blogs/insight/canada-grad-students-overeducated-underemployed-214613448.html>

Messer, O. (2012, March 31). Squarely in the red. *The McGill Daily.* Retrieved from <http://www.mcgilldaily.com/2012/03/squarely-in-the-red/>

Serebrin, J. (2012, March 26). What's next for Québec students? Tuition hike protest is about

more than just money. Retrieved from <http://oncampus.macleans.ca/education/2012/03/26/whats-next-for-quebec-students/>

Solty, I. (2012) Canada's "Maple Spring": From the Québec student strike to the movement

against Neoliberalism. *Global Research.* Retrieved from <http://www.globalresearch.ca/>

canadas-maple-spring-from-the-quebec-student-strike-to-the-movement-against-
neoliberalism/5317452