

CFUW Policy: Student Debt

CFUW, 2008 CFUW Burlington (Ontario)

RESOLVED, That the Canadian Federation of University Women urge the federal, **provincial** and territorial governments of Canada to create effective debt relief programs for post-secondary students.

Background

Today's students are the most indebted generation in Canadian history. The average student graduates with over \$27,000 of debt according to the 2015 Graduating Student Survey. Repayment that may take up to 10 years, has a generation having to put off adult milestones, including marriage and children.

Given that at least 70% of new jobs require some form of post-secondary education, higher education is clearly a prerequisite for participation in the labour market and for earning an average income. At the same time, tuition fees are increasing at a rate that puts higher education out of reach for most people. In 2015, according to Statistics Canada, the average cost of attending a Canadian university rose more than three per cent to \$6,191.

Before the BC Government announced in its *Budget 2017* the reduction of the variable interest rate on BC student loans from prime plus 2.5% to just the prime rate effective August 1, 2017, BC had the highest student loan interest rates in Canada.

While this is a step forward, post-secondary students in Newfoundland and Labrador don't get student loans at any interest rate: they get grants instead. The province began replacing loans with needs-based grants to students in 2007. Furthermore, in NL, tuition fees have been frozen since 2003-04 while in the rest of Canada, tuition increases have been exceeding the inflation rate for years.

All Candidates Meeting Question

I am a member of the Canadian Federation of University Women, which in the Victoria area has more than 250 members. We were founded almost 100 years ago, to advance the cause of education for women and to render financial aid to undergraduate and post-graduate students. While we applaud the current Government's move to reduce interest rates on student loans, we recognize that today's students are the most indebted generation in Canada's history. With repayment taking as long as a decade, we have a generation often having to put off adult milestones such as marriage and children. We note that Newfoundland and Labrador moved to a system of needs-based grants in 2007 and has frozen tuition rates since 2003. Will your party make a commitment to reduce student debt by implementing strategies beyond simply reducing the interest rate to just prime?