

CASFAA/ACRAFE 2011



**THE HOUSE OF COMMONS
STANDING
COMMITTEE ON FINANCE:
PRE-BUDGET CONSULTATIONS 2011**

**Submitted by:
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Executive Summary

The Canadian Association of Student Financial Aid Administrators (CASFAA) thanks the House Standing Committee on Finance for this opportunity to contribute to the pre-budget consultation process. CASFAA is the national professional association representing financial aid administrators at Canada's colleges and universities.

Our members administer a large spectrum of student financial aid programs at all levels. This includes government sponsored student aid programs such as the Canada Student Loan Program, various provincial student assistance programs, institutional scholarships and bursaries, and work study programs. Students, governments, student loan service agencies, and our respective institutions count on our members' expertise to deliver these complex programs efficiently, effectively ensuring the academic success of our students. We also provide budgeting and financial counseling assistance to students. A primary objective of the Association is to advocate on behalf of Canadian students. Because of our roles within our educational institutions, we are uniquely positioned to directly witness not only the success of the Canada Student Loan Program (CSLP), but also the gaps that seriously compromise the academic potential of a great number of students.

In this particular consultation process, CASFAA's presentation will centre on **how to create quality sustainable jobs through a Federal Work-Study Program.**

FEDERAL WORK-STUDY PROGRAM

Students increasingly worried about finances: survey
Last Updated: Tuesday, August 18, 2009 | 10:09 AM ET
CBC News

"One-third of students expect their spending money will be gone by Christmas, a survey has found. Half of Canadian post-secondary students expect their money will run out before the end of the coming school year, according to a new survey on student finances.

An Ipsos Reid poll commissioned by RBC also found that about one-third of respondents were worried that their spending money would be gone by Christmas. Almost four in five respondents were planning to work part-time while attending college or university. Almost half said they needed to work to pay the bills.

"Working to make ends meet is an additional challenge for students, with at least three-quarters concerned that working will affect their grades and two-thirds believing that worrying about money will have a negative impact on their studies," said Kavita Joshi, director of student banking at RBC.

The survey is the latest sign that students will likely face a tight year for finances. The July unemployment figures revealed that the jobless rate for students climbed to 20.9 per cent last month — a record high.

Student leaders have called on governments to boost financial aid and reduce tuition fees, which now average almost \$5,000 a year for university undergraduates and are poised to rise further in at least six provinces come September.

The Ipsos Reid survey of 1,200 students was carried out online between June 9 and June 17. The results are considered accurate to within 2.8 percentage points, 19 times out of 20.”

Recommendation#1

The Federal Government has developed many successful programs to improve conditions for students in Canada. The implementation of the Canada Student Grant Program, the Federal Repayment Assistance Plan, and set aside billion dollars for grants to improve the accessibility of post secondary education and underrepresented students—just a few. CASFAA applauds these achievements and urges the government to build upon this momentum. Although the initiatives in last year’s budget will help many students, there are still many students in Canada that are disadvantaged in the current system and urgently require the government’s assistance.

Canada’s continued prosperity in an increasingly competitive and integrated global economy rests on its ability to maintain an advantage in terms of the skills, flexibility and innovativeness of its labour force. Since 1980, the earnings of those with a post-secondary education have grown, while the wages of those with a high school diploma or less have not. New research from Statistics Canada (*Youth in Transition*) and Canada Millennium Scholarship Foundation (*The Price of Knowledge*) confirm that participation rates from students with relatively advantaged backgrounds are strong.

We need to make gains in the average participation rates of students from under-represented groups (students from low-income families, students with no history of post-secondary education in their families, Aboriginal students and students with disabilities). However, Canadians need adequate training and education to meet current and future innovative workforce requirements.

As such, CASFAA is recommending a Federal Work-Study Program. Through program participation, students will gain the skills, knowledge and confidence to effectively utilize their own potential and capabilities to transition from post-secondary education to full-time employment.

Federal Work-Study Programs objectives are to:

- Compensate for students' lack of resources not available through parental/family contributions, bank/student loans, line-of-credits, etc.
- Provide financial incentives to "needy" students to continue their academic career, despite lack of resources.
- provide work opportunities to students who may not have prior work experience and, therefore, may find it harder to gain career-related employment

In the book, Student Success in College: Creating Conditions That Matter, By George D. Kuh, Jillian Kinzie, John H. Schuh, Elizabeth J. Whitt, the authors stated that....

The Work-Study Pilot will enhance career development, employability skills and opportunities for university students from underrepresented groups. This will be achieved through:

- Work-based learning opportunities;
- Mentoring and;
- Evaluation.

Continuous Monitoring and Evaluation

There will be on-going monitoring of the Federal Work-Study Program participants by the institutional Financial Aid Offices. In the attached appendix please see proposed budget regarding costs of the proposed Pilot. The Work-Study Coordinator will provide on-going evaluation and mentorship support in order to swiftly deal with issues that may impede successful employment performance.

Upon conclusion of the Federal Work-Study Pilot Proposal, the Work-Study Coordinator will complete interviews, focus groups and surveys to gage the effectiveness of the program in developing employment skills, assisting with career selection, increasing a sense of belonging to the university/college and local community. A financial template (APPENDIX) has been prepared for review of proposed costs.

Recommendation #2

Government has spent increasingly on student assistance through fiscal measures introduced to the tax system, such as scholarship and bursary exemptions, credits for tuition fees, and an allowance for each month of full-time enrolment, as well as contributions to Registered Education Savings Plans (RESPs). These tax credits are distributed almost entirely without regard to financial need, disproportionately benefiting families with higher incomes. They do little to assist high-need students and underrepresented groups (e.g., students from low income families, students with disabilities, aboriginal students, adult learners) to enter our post-secondary education system.

CASFAA believes that means-tested student financial assistance that is accessible through a simplified application process and that delivers funds at a time that expenses are incurred represents the most effective use of taxpayers dollars. Therefore, CASFAA recommends that the federal government give serious consideration to a review of these tax measures.

CONCLUSION

CASFAA is grateful for the opportunity to share our insights with the Standing Committee on Finance. Investing in post-secondary education through measures such as those we have recommended will strengthen our country, and will help ensure that all citizens, as individuals, and Canada, as a nation, can compete effectively in the global economy.

Respectfully Submitted,

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