

Subject: Needs-Based Grants	Policy No: Ext-2	Last Reviewed:
Approved by:	Managed By:	Next Review:

## SUMMARY

### Policy Statement

The up-front costs of post-secondary education has been a barrier for many students. Issues with affordability affect students who are not only beginning their studies, but recent graduates as well. Since 2005, the average domestic undergraduate tuition fees have increased 28%, representing a greater upfront cost for an education.<sup>i</sup>

The effect of tuition increases also disproportionately affect students from low-income households. These students are more likely to take loans and end up paying more for their education due to the interest incurred on their loans. This means that students are more likely to rely on student loans, grants, and lines of credit to fund their education. An increase in debt-load is correlated with a decrease in completion rates, as students choose to enter the workforce rather than go into further debt.

Recent graduates face similar challenges. Not only are increased costs and the need to dip into savings a concern, but also the anticipated increase in debt. In 2015 54% of graduates carried an average debt of \$28,000.<sup>ii</sup> A high debt load coupled with low employment rates among young people and a struggling economy present a pressing need to provide financial relief for new graduates.

While there are programs and supports for students who struggle to repay their loan, these programs do not reduce the barriers caused by upfront costs. In 2020 the BC government launched the BC Access grant, the first of its kind in over 16 years.<sup>iii</sup> To ensure that barriers continue to be addressed further advocacy is needed for further expansions of the program.

### Policy

- i. The Association Supports:
  - a. The expansion of the British Columbia Access Grant by:
    - i. Increasing the grant maximum awarded to students
    - ii. Expanding the number of students eligible for the program
  - b. The expansion of the Canada Student Grant by:
    - i. Increasing the grant maximum awarded to students
    - ii. Expanding the number of students eligible for the program
- ii. Grants eligibility does not negatively discriminate on the basis of program, course load, or length of study.
- iii. The Association Opposes:
  - a. The use of inefficient tax credits and savings schemes as a form of student financial aid

<sup>i</sup><https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710004501&cubeTimeFrame.startYear=2006+%2F+2007&cubeTimeFrame.endYear=2019+%2F+2020&referencePeriods=20060101%2C20190101>

<sup>ii</sup> <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710003601>

<sup>iii</sup> <https://studentaidbc.ca/news/grants-scholarships/new-bc-access-grant>