



Needs-Based Grants

- Advancing Equity and Access to Education -

BACKGROUNDER

Ask

The Alliance of BC Students recommends that the Province of British Columbia match the Canada Student Grants program in funding for students. This ask is projected to cost the government \$90 million per year to cover undergraduate students, and \$4 million per year to cover graduate students.

Needs-Based Grants: A Uniquely British Columbian Funding Gap

British Columbia is still the only province without a system of grants to help students from low- and middle-incomes access post-secondary education. Under the current Canada Student Grants program, students from low- and middle-income backgrounds have a portion of their federal loan replaced with a grant up to \$3,000, depending on their financial need. For every province except British Columbia, a further component of a student's loan is then displaced through a similar provincial grant.

Needs-based grants programs in other provinces vary in their design, eligibility requirements and funding available. The Atlantic provinces, Manitoba, and the territories place restrictions on where a student can live or study in order to be eligible for grants, but Alberta, Saskatchewan, Ontario, and Quebec do not. Most provinces follow the same funding model that the federal grant program uses, which determines the amount of the grant by the demonstrated need of the student, and which directly displaces part of the loan with a grant amount instead.

However, some provinces use a model more focussed on reducing debt-load by using grants to limit the amount of debt a student takes on by a certain percentage of their total financial aid, or by a dollar limit on how much debt they are allowed to accrue per academic year.

How other provinces operate their programs:

- *Alberta*: Students are eligible to receive \$250 per week in funding.¹
- *Saskatchewan*: Students are eligible for up to \$87 per week in funding, up to \$3,000 per 8-month school year.²
- *Manitoba*: If studying in MB, students are eligible to have some of their student loan displaced by a grant. The amount students will receive in grants changes every year, because the total amount available to students from the MB government is entirely dependent on private donations, which fluctuate year to year.³
- *Ontario*: Students from low income families are eligible to receive some of their student loans in grants, but it is not specified how much that could be.⁴
- *Quebec*: If the amount of a student's financial need is greater than the amount of loans the student received for the year, the student will receive a grant for the difference between their financial needs and the amount of their loan for the given year.⁵
- *Newfoundland and Labrador*: If studying within NL, a student can receive up to \$100 in funding per week.⁶
- *Nova Scotia*: If studying in NS, a student will receive 40% of any Nova Scotia Student Loan in the form of a non-repayable upfront grant.⁷
- *New Brunswick*: If studying in NB, a student is eligible to receive up to \$3,000 per year.⁸
- *Prince Edward Island*: If studying in PEI, a student is eligible to receive a dollar-for-dollar funding match for their Canada Student Grant.⁹

¹ "Student Loans and Grants Funding Guide 2019-20." 2019. Alberta Student Aid. Accessed online:

<https://studentaid.alberta.ca/media/165832/fundingguide2019-20.pdf>

² Student Services and Program Development Branch. "Canada and Saskatchewan Student Grants." 2019. Saskatchewan Government. Accessed online:

<https://www.saskatchewan.ca/residents/education-and-learning/scholarships-bursaries-grants/grants-and-bursaries/canada-and-saskatchewan-student-grants#full-time-students-from-middle-income-families>

³ Education and Training. "The Manitoba Scholarship and Bursary Initiative." 2019. Province of Manitoba. Accessed online:

<https://www.edu.gov.mb.ca/msa/msbi/index.html>

⁴ Education and Training. "Maximum Amounts of Aid." Ontario Government. 2019. Accessed online:

<https://www.ontario.ca/page/maximum-amounts-aid#section-1>

⁵ "Amount of Financial Assistance." 2019. Gouvernement du Québec. Accessed online:

<http://www.afe.gouv.qc.ca/en/loans-and-bursaries/full-time-studies/assessment/amount-of-financial-assistance/>

⁶ Advanced Education, Skills and Labour. "Assistance Available." 2019. Government of Newfoundland and Labrador. Accessed online: <https://www.gov.nl.ca/aesl/studentaid/fulltime/assistance/>

⁷ Labour and Advanced Education. "Loans and Grants for Full-Time Studies." 2019. Government of Nova Scotia. Accessed online:

<https://novascotia.ca/studentassistance/Apply/New/FundingAvailable.asp>

⁸ Post-Secondary Education, Training, and Labour. "Information Guide: Student Financial Assistance for Full-Time Post-Secondary Students in New Brunswick." 2019. Government of New Brunswick. Accessed online:

<https://www2.gnb.ca/content/dam/gnb/Departments/petl-epft/PDF/SFS/Guide-e.pdf>

⁹ Finance. "Investments in Student Financial Assistance." 2019. Government of Prince Edward Island. Accessed online:

https://www.princeedwardisland.ca/sites/default/files/publications/2018-budget-student_financial_assistance.pdf

- *Yukon*: Students are eligible to receive \$141 in funding per week. Students must return to the Yukon at least once a year in order to remain eligible.¹⁰
- *Northwest Territories*: Students can receive up to \$2,400 for tuition and fees per semester. Students must return to live in the NWT at least once per year to remain eligible for this funding.¹¹
- *Nunavut*: Students can receive up to a maximum of \$3,428 per semester.¹²

Increasing Access for Indigenous Students

Currently, the most widely accessed source of funding for Indigenous post-secondary students is the Post-Secondary Student Support Program.¹³ As more and more Indigenous students began to try and access post-secondary education, the 2% annual increase of the program's funding was simply not enough to keep up with rising demand. In 2018 when the funding gap was highest, it was estimated that upwards of 10,000 indigenous post-secondary students were unable to access the program.¹⁴

In addition to this, PSSSP funding is distributed to band councils, who then distribute it to any students from the band who apply. Band councils set their own requirements for accessing PSSSP funding, and these requirements vary from band to band. For some students, their band requires that they prove they applied for other sources of funding before they are considered eligible for PSSSP funding. This puts additional pressure on Indigenous students to take on debt to finance their educations, as explained by one post-secondary advisor interviewed by the Urban Aboriginal Knowledge Network,

I had one student who applied for funding from her band and she was told she needed to apply to other places before they would help. That means student loans, and how many times do you hear student loans rejecting anyone?¹⁵

¹⁰ Education and Schools. "Apply for the Yukon Grant." 2019. Government of Yukon. Accessed online:

<https://yukon.ca/en/yukon-grant#learn-about-the-yukon-grant>

¹¹ Education, Culture and Employment. "Northwest Territories Student Financial Assistance Student Handbook 2019-20." 2019. Government of Northwest Territories. Accessed online:

https://www.ece.gov.nt.ca/sites/ece/files/resources/ece_7470_sfa_handbook_2019_20.pdf

¹² Family Services. "Financial Assistance for Nunavut Students (FANS)." 2019. Government of Nunavut. Accessed online:

<https://gov.nu.ca/family-services/programs-services/financial-assistance-nunavut-students-fans#TAA>

¹³ "Post-Secondary Education Factsheet." 2019. Native Women's Association of Canada. Accessed online:

<https://www.nwac.ca/wp-content/uploads/2019/02/FS-NWAC-PSE-Education-2018-JB-Final.pdf>

¹⁴ Thompson, Karihwakeron Tim, and Hill-MacDonald, Gayado:wehs LuAnn. "First Nations Post-Secondary Review: 2018 Interim Report." 2018. Assembly of First Nations. Accessed online:

https://www.afn.ca/wp-content/uploads/2018/07/PSE_Interim_Report_ENG.pdf

¹⁵ Battiste, Marie, Findlay, Isobel M., Garcea, Joe, Chilima, Jania, Jimmy, Ryann, rCommunity-University Institute for Social Research, and University of Saskatchewan. "Maximizing the Potential of Urban Aboriginal Students: A Study of Facilitators and Inhibitors within Postsecondary Learning Environments." 2018. UAKN Prairie Regional Research Centre. Accessed online:

<https://uakn.org/wp-content/uploads/2016/10/UAKN-PSE-Report-Battiste-et-al-Final.pdf>

It should also be noted that the overall cost of post-secondary education can be higher than average for Indigenous students for a variety of reasons, including childcare and northern travel costs.¹⁶

In 2019, the federal government committed to infusing \$327 million into the program to try and address this need, but advocacy groups have been quick to note that while the funding was appreciated, it didn't go far enough.¹⁷ While the BC government is not able to increase funding to the PSSSP, it can provide additional resources for Indigenous students to draw upon; needs-based grants in BC would give more Indigenous students the ability to diversify their funding options, thereby reducing the load currently borne by the PSSSP, and allowing more Indigenous students to have full funding for their education.

There are also many non-status Indigenous or Métis students who are not currently eligible for the PSSSP and who therefore do not have access to Indigenous-dedicated funding options.¹⁸ These students are just as deserving of structures to help them succeed as Indigenous students with status, and needs-based grants is a way to ensure they can still access non-merit based funding.

Ensuring Equity for Women

Female-identified students were more likely to access financial aid than men, - while female-identified students made up 55.6% of the total post-secondary enrolment in BC in 2016/2017, they accounted for 60% of the total number of BC students who accessed federal loans and grants.¹⁹

Canadian female-identified students who accessed financial aid in 2016/2017 graduated with a higher debt load than their male-identified counterparts - \$13,756 was the average debt for female-identified students, and \$12,954 was the average for male-identified students.²⁰ This is especially concerning because female-identified students were more likely to be working while they were in school²¹, and still graduated with higher debt.

On average, Canadian women with degrees still earn 12% less than their male counterparts with similar levels of education,²² which means that women will struggle more with

¹⁶ Thompson, Karihwakeron Tim, and Hill-MacDonald, Gayado:wehs LuAnn. "First Nations Post-Secondary Review: 2018 Interim Report." 2018. Assembly of First Nations. Accessed online:

https://www.afn.ca/wp-content/uploads/2018/07/PSE_Interim_Report_ENG.pdf.

¹⁷ Cameron, Bobby "AFN Update on First Nations Post-Secondary Education." 2019. Assembly of First Nations. Accessed online: <https://www.afn.ca/2019/07/11/afn-update-on-first-nations-post-secondary-education-july-2019-afn-bulletin/>.

¹⁸ Battiste, Marie, Findlay, Isobel M., Garcea, Joe, Chilima, Jania, Jimmy, Ryann, rCommunity-University Institute for Social Research, and University of Saskatchewan. "Maximizing the Potential of Urban Aboriginal Students: A Study of Facilitators and Inhibitors within Postsecondary Learning Environments." 2018. UAKN Prairie Regional Research Centre. Accessed online: <https://uakn.org/wp-content/uploads/2016/10/UAKN-PSE-Report-Battiste-et-al-Final.pdf>

¹⁹ "Canada Student Loans Program – Statistical Review 2016–2017." 2019. Statistics Canada. Accessed online: <https://www.canada.ca/en/employment-social-development/programs/canada-student-loans-grants/reports/cslp-statistical-2016-2017.html#h2.4-3.3>

²⁰ Ibid.

²¹ Saunders, Dylan and Hazel, Myriam. "Students in the labour market: Beyond the recession." 2018. Statistics Canada. Accessed online: <https://www150.statcan.gc.ca/n1/pub/75-004-m/75-004-m2018002-eng.htm>

²² Moyser, Melissa. "Women and Paid Work." 2017. Statistics Canada. Accessed online: <https://www150.statcan.gc.ca/n1/pub/89-503-x/2015001/article/14694-eng.htm>

repaying student loans. In 2016/2017, 66% of those enrolled in the Canada Student Loan Repayment Assistance Plan from BC were female.²³

Unsurprisingly, women who complete post-secondary education have higher earning potentials. Women who earn graduate and doctoral degrees are in even better positions. However, because women on average require higher levels of financial aid than men, completing their post-secondary education in order to maximize their earning potential comes with additional barriers. With 41% of graduating students in 2018 reporting that debt has a significant impact on their decision to pursue further studies after their first degree²⁴, needs-based grants are an excellent way to provide additional support to women who may otherwise choose not to pursue further education.

Needs-Based Support for Graduate Students

Graduate students are not eligible for needs-based Canada Student Grants, and only have merit-based awards available to them from the government if they cannot pay for their education out-of-pocket. Approximately 10% of BC's graduate students accessed federal student loans in 2016/17^{25 26}, suggesting that there is a demonstrated need for needs-based funding in the graduate student population.

We fully recognize and applaud the efforts of the government when it comes to providing for graduate students: their announcement of the \$12 million Graduate Scholarship²⁷ program was something we had advocated for in the past and were very excited to see implemented. However, we want to ensure that graduate students have equitable access to non-repayable aid, and don't have to rely on merit-based funding. Needs-based funding should be available to students from all levels of study, in order to ensure that BC's educational opportunities are fully accessible to all students.

Where Our Numbers Came From

²³ "Canada Student Loans Program – Statistical Review 2016–2017." 2019. Statistics Canada. Accessed online: <https://www.canada.ca/en/employment-social-development/programs/canada-student-loans-grants/reports/cslp-statistical-2016-2017.html#h2.4-3.3>

²⁴ "2018 CUSC Graduating Student Survey." 2018. Canadian University Survey Consortium. Accessed online: https://cusc-ccreu.ca/?page_id=32&lang=en

²⁵ "Canada Student Loans Program – Statistical Review 2016–2017." 2019. Statistics Canada. Accessed online: <https://www.canada.ca/en/employment-social-development/programs/canada-student-loans-grants/reports/cslp-statistical-2016-2017.html#h2.4-3.3>

²⁶ "Postsecondary enrolments, by field of study, International Standard Classification of Education, age groups and sex." 2019. Statistics Canada. Accessed online: <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=3710011201>

²⁷ Ministry of Advanced Education, Skills and Training. "Graduate scholarship fund allows students to focus more on studies." 2018. Government of British Columbia Accessed online: <https://news.gov.bc.ca/releases/2018AEST0103-001478>

The ABCS is recommending that the BC government match the amounts given in grants by the Canada Student Grant program. In order to estimate how much that would cost, we looked at data supplied by the government of Canada²⁸ on how much is awarded in financial assistance. This was straightforward when it came to estimating how much would be needed for non-grad students to be supplied with grants, as the direct amount that the government gives in needs-based grants is listed, and we know that all of that amount went to non-grad students. However, as we are recommending that in BC the grants program should include grad students as well, we extrapolated from existing data on graduate students who accessed other needs-based financial assistance to estimate how much that might cost. We adjusted for student headcount projections²⁹, as well as inflation to ensure our numbers were as up-to-date as possible, and arrived at a figure of \$93,976,368.65 for the estimated cost of the entire program.

²⁸ "Canada Student Loans Program – Statistical Review 2015–2016." 2018. Statistics Canada. Accessed online: <https://www.canada.ca/en/employment-social-development/programs/canada-student-loans-grants/reports/cslp-statistical-2015-2016.html#h2.2>

²⁹ Ministry of Advanced Education, Skills and Training. "Domestic and International Student Headcount by Economic Development Region and Institution." 2019. Government of British Columbia. Accessed online: <https://catalogue.data.gov.bc.ca/dataset/domestic-and-international-student-headcount-by-economic-development-region-and-institution>