for every $1,000 increase in tuition fees, enrolment rates dropped by 15 percent. The study demonstrated that the decrease in enrolment was composed "almost exclusively from minority and low-income students".[6]

The Canadian Association of University Teachers recently analysed the long-term trend of tuition fees as a proportion of after-tax family income in Canada. They found that the burden of rising tuition fees has weighed far more heavily on the budgets of the poorest Canadians.[7]

TUITION FEES: THE INTERNATIONAL EVIDENCE

New Zealand

In 1992, New Zealand stopped regulating tuition fees and implemented income-contingent repayment for student loans.[8] By 1999, tuition fees had nearly tripled. Today, total student debt is over $6 billion NZD (approximately $4.3 billion CAD).

The New Zealand Educational Institute has calculated that it takes women in New Zealand an average of 28 years to pay for three years of tertiary study, twice as long as it takes men.[9] It also estimates that a teacher with a $30,000 student loan would take 16 years to repay it, and would have to pay over $23,538 in interest. The Institute also notes that a non-supervisory Early Childhood Teacher with the same debt ($30,000) will likely never pay off her loan, but she will pay $69,000 in interest over 40 years.

United States of America

According to the National Center for Education Statistics, between 1988 and 1998, cuts in state funding were the primary factor in tuition fee increases at public four-year institutions. Moreover, despite record tuition fee increases since the 1999-2000 year, the U.S. post-secondary education system is still suffering a quality crisis. Even in the face of a 14 percent tuition-fee hike in 2003—the highest tuition fee increase in more than a decade—U.S. public institutions have reported program cuts, faculty reductions, and staff layoffs. Tuition fees at U.S. public institutions have now reached approximately 70 percent of the annual income of poor families.

United Kingdom

Under the auspices of increasing revenue and quality at British universities, the government imposed post-secondary tuition fees for the first time in British history in 1998. Yet, in 2001, the Guardian newspaper released a study demonstrating that the operating budgets of universities did not increase after tuition fees were imposed. This occurred because once the costs were downloaded onto students and their families, the government proceeded to cut post-secondary education funding. In fact, public funding for universities fell each consecutive year after tuition fees were introduced. Total per student funding, both public funding from the government and tuition fees, was lower in 2002-2003 than in 1996-1997, the year before tuition fees were introduced. After only five short years cumulative student loan debt in Britain now stands at £33.4 billion with no improvement in quality or access on the horizon. In addition, the governing coalition of Conservatives and Liberal Democrats are currently looking to triple tuition fees over the next few years and massively cut public funding to universities.

CONCLUSION

Post-secondary education is necessity for individuals and society at large. An educated population is correlated with a reduced crime rate, decreased health care expenditures and greater civic engagement. A university or college education is virtually a pre- requisite for meaningful participation in today's economy. By increasing the financial barriers to post-secondary education, policy-makers are taking great risks with the future prosperity of Canadians.

The proponents of higher tuition fees in the countries described above have campaigned on the notion that the overall level of funding resulting from higher tuition fees will lead to better quality education. The lesson from the UK, U.S. and New Zealand has been that higher tuition fees are consistently offset by cuts in public funding, reduced access to higher education, massive student debt burdens, and no quality improvements. There is a lesson to be learned from these experiences for Canadian policy-makers.

End Notes

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2. Statistics Canada. University Tuition Fees – 2009. The Daily. October 20, 2009.
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9. New Zealand Educational Institute. "Submission on Student Support in New Zealand". Wellington: New Zealand Educational Institute, 2003:4.

TUITION FEES IN CANADA

fall 2011

CANADIAN FEDERATION OF STUDENTS

INTRODUCTION

In the past fifteen years, tuition fees in Canada have grown to become the single largest expense for most university and college students. The dramatic tuition fee increases during this period were the direct result of cuts to public funding for post-secondary education by the federal government and, to a somewhat lesser extent, provincial governments. Public funding currently accounts for an average of approximately 57% of university and college operating funding, down from 84% just two decades ago. During the same period tuition fees have grown from 14% of operating funding to over 34%.[1] This constitutes a rapid re-orientation of Canada's post-secondary education system away from a publicly funded model and towards a privatised user fee system. Rapidly increasing tuition fees have caused post-secondary education to become unaffordable for many low- and middle-income Canadians.

HISTORICAL OVERVIEW: TUITION FEES IN CANADA

Pre-WWII (1867 to 1938)

Prior to the Second World War, very little public funding was provided to Canada's universities (community colleges had not yet been established). University funding relied almost exclusively on private donations and substantial tuition fees. Many academic programs were tied to denominational churches of the Christian faith, and relied heavily on church funding. Only a small portion of the Canadian population attended university, and the vast majority of students were from Canada's wealthiest families.

Post-War (1946 to 1980)

Following the war, the federal government made grants to attend university widely available to returning soldiers as part of a veterans re-integration program. The federal government also began directly funding universities during this time, and continued to do so after most of the veterans had graduated. As well, most provincial governments began providing funding for post-secondary education institutions.

By the mid-1960s, nearly all funds for Canada's universities were provided by the federal and provincial governments. This allowed for tuition fees to be reduced to a token amount. Not surprisingly, post-secondary education enrollment exploded, with Canadians from all backgrounds gaining access to higher education for the first time.

Starting in the mid- to late-1960s, provincial college systems were established in most provinces. Because of public investment, tuition fees at most colleges were either token or nil. This era represented a time when Canadian governments not only recognised the social and economic value of mass post-secondary education, they also invested public funds to reflect that commitment. For a period at the end of the 1960s, Newfoundland & Labrador abolished tuition fees altogether.

By the early 1970s, most of the discussions about post-secondary education began to focus on the elimination of tuition fees. In 1976, the Canadian government signed on to the United Nations' Covenant on Economic, Social, and Cultural Rights promising to gradually introduce free education at all levels.

1980s

In the early 1980s, a value shift began to take root in governments in Canada and most other western countries, as most jurisdictions began cutting funding for public programs. Post-secondary education was an easy target for these funding cuts. Because universities and colleges are funded through a combination of both federal and provincial grants plus user fees, governments were able to cut funding by forcing students and their families to subsidise the difference. For various reasons, this option was not available for governments looking to cut public investment in health-care or primary and secondary education. Between the early 1980s and the early 1990s, average tuition fees at Canadian universities more than doubled. Average tuition fees at colleges, excluding those in Québec, more than tripled.

1994 to 2000

In 1995, the federal Liberal Government announced a further cut of $7 billion in public funding to provincial programs, including post-secondary education, health-care, housing, and social assistance. These post-secondary education cuts were directly passed on to students, resulting in the largest tuition fee increases in Canadian history.

2000 to the present

As access to university and college became increasingly restricted and students were forced to suffer greater debt loads in order to afford higher education, the Canadian Federation of Students was able to successfully turn the tide in several provinces. Since 2000, every province in Canada has responded to pressure from students by introducing tuition fee freezes and increasing provincial funding for post-secondary education. Tuition fees were actually reduced in British Columbia (2001), Manitoba (2000), Newfoundland and Labrador (2002, 2003, and 2004), Prince Edward Island (2007) and Nova Scotia (2008 and 2009).

Québec was unique among the provinces because it resisted passing the cost of federal funding cuts on to students. Before the government increased tuition fees in 2007, they had been frozen for 35 of the last 40 years. While currently they are increasing by $100 per year, the government has made clear its intention to allow for massive tuition fee increases in the near future. Despite indications from the governing political party that they may introduce fees, college remains free in Québec.

At the beginning of the 1990s, average undergraduate tuition fees in Canada were $1,464. Today, these fees have risen more than three-fold to $5,138. While inflation was only 1.9 percent this past year, tuition fees increased 3.4 percent.[2] Other compulsory fees, commonly referred to as "ancillary fees", have also increased rapidly. In fall 2010, average ancillary fees in Canada reached $702, up 7 percent from a year ago.

GRADUATE, PROFESSIONAL, AND INTERNATIONAL STUDENTS

Master's, PhD, international students, and students in professional programs have faced the steepest increases in tuition fees. Unlike most undergraduate students, graduate students are enrolled year-round, and therefore have to pay tuition fees during the summer months. Thus, not only do graduate students pay higher fees, they also pay them for four months more than undergraduate students on the typical fall and winter academic schedule.

The higher fees for graduate and professional students are often justified by arguing that those with advanced degrees earn more during their lifetimes in the workforce. However, the increased earnings of professionals have been notoriously exaggerated by university and college presidents in their campaign for higher fees. Recent research has found that a PhD graduate only nets an average of $4,000 more per year over a master's graduate, despite requiring several additional years of school. In addition, advocates for higher fees also ignore the fact that those who earn higher incomes as a result of post-secondary education also pay higher income taxes that pay for the cost of their post-secondary education. Finally, the earnings-potential argument for higher fees does not address the up-front impact of sky-high tuition fees on entry to these programs.

Students studying in Canada from other countries probably fare the worst of all, since tuition fee regulation has rarely applied to international students. Tuition fees for these students are typically triple those of Canadian students, averaging $16,768 for international undergraduates in fall 2010. International students are also currently facing higher increases than those from Canada. Tuition fees for international undergraduates increased by 5.2 percent in fall 2010.

WHAT IS THE IMPACT OF HIGH FEES?

Recent studies reveal the effects of high tuition fees on access to post-secondary education for students from low- and middle-income backgrounds. Statistics Canada reports that students from low-income families are less than half as likely to participate in university than those from high-income families.[3]

Statistics Canada's Youth in Transition Survey tallied the reasons cited by high school graduates who did not participate in post-secondary education. By an overwhelming margin, the most frequently reported barrier to university and college for these students was "financial reasons".[4]

University of British Columbia researcher Lori McElroy found that students with little or no debt were more than twice as likely to finish their degree than students with high levels of debt. The completion rate for students with under $1000 of debt was 71 percent, while the completion rate for those with over $10,000 was 34 percent.[5]

Similar results were found in the United States. Researchers at the University of California, Los Angeles (UCLA) found that