

# Fact Sheet #5

## Access to education is at risk because of rising costs

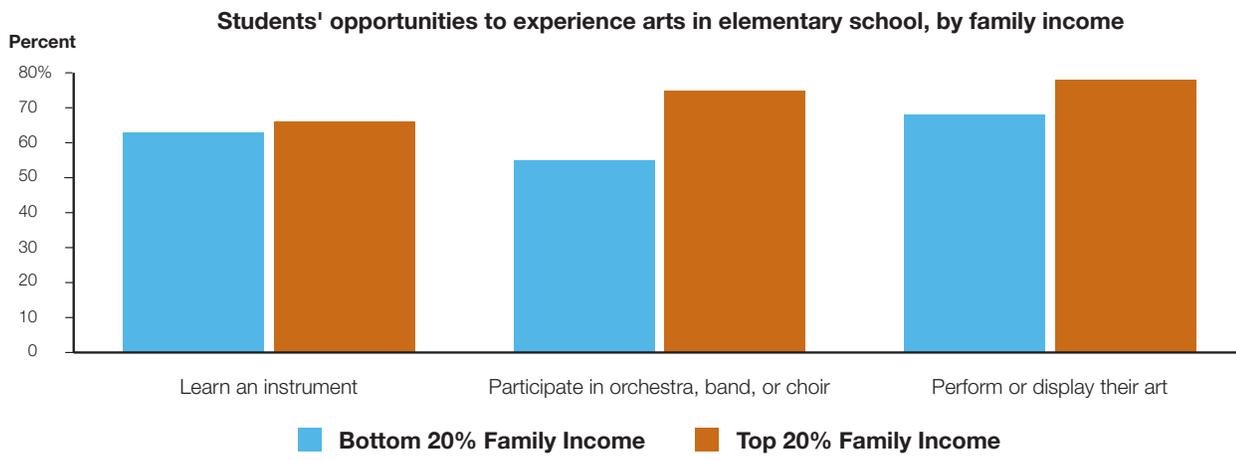
Education has the potential to overcome intergenerational cycles of poverty. The importance of education cannot be overstated given the significance placed on skills and training in today's job market. Two out of three jobs now require more than a high school education,<sup>41</sup> and while there are exceptions,<sup>42</sup> higher education generally leads to higher income and greater employment security.

As Canadian neighbourhoods have been increasingly polarized along income lines, the promise of education becomes harder to fulfill. The combined impact of low family income, rising educational costs, and limited access to extracurricular activities and recreation create barriers to educational success for children and youth living in low-income families, the harmful impact of which lasts a lifetime.

## Economic disparities exist in the public education system

- Fees for education and educational supplies have been trending upward for over a decade as educational budgets across the country have been cut. Canada's patchwork of educational policies and programs has resulted in an emerging disparity of services and supports available to students depending on where they live.
- Average family incomes make a difference both for individual students and at the community level. For example, a recent Ontario study found that schools with higher family incomes fundraise at five times the rate of the schools with lower family incomes. "These private funds pay for enrichment for students who often have access to a range of out-of-school enrichment as well."<sup>43</sup>
- Schools with higher family incomes are also much more likely to offer activities such as choirs, orchestras, or bands. At the secondary level, high-income schools have more extensive sport offerings.<sup>44</sup>
- When schools charge fees, they are likely to create barriers to low-income students' participation in the full life of the school. Some Ontario elementary schools, for example, charge fees for extracurricular activities (52%), field trips (91%), and lunchtime programs (47%).<sup>45</sup>

## In public schools, family income makes a difference



Source: People for Education (2013), Mind the Gap: Inequality in Ontario's Schools

## High cost of post-education education deters many students

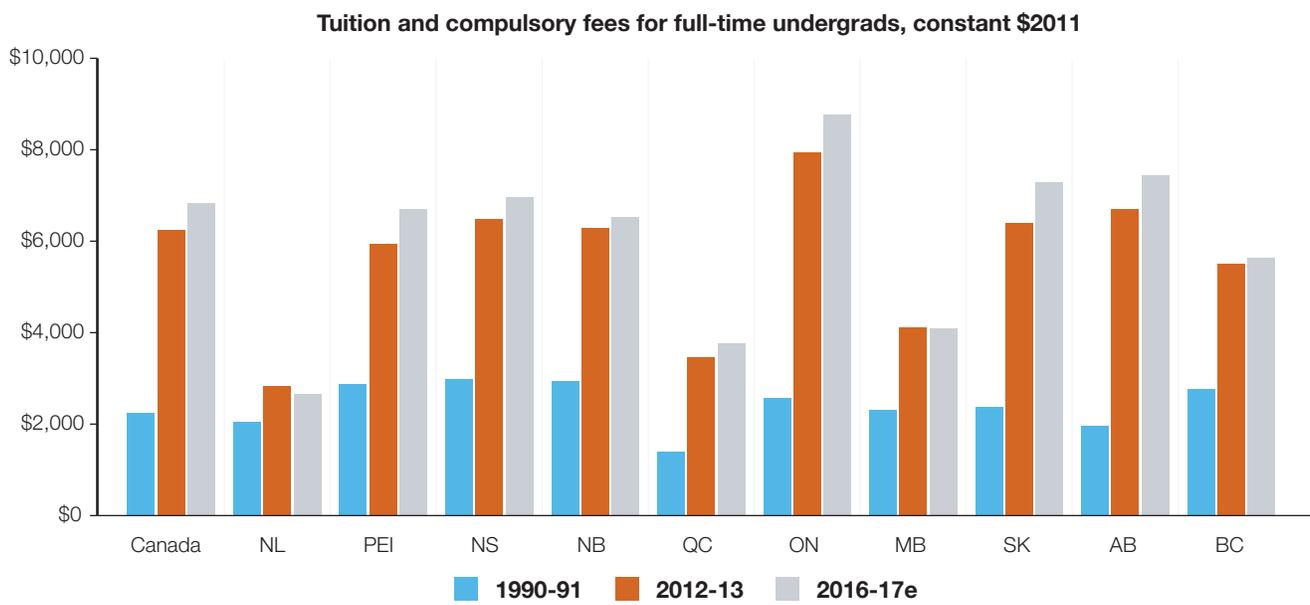
- In the past fifteen years, tuition fees in Canada have grown to become the single largest expense for most university and college students. The dramatic increase in tuition fees during this period is the direct result of cuts to public funding for post-secondary education.
- Since 1990-91, average tuition and compulsory fees<sup>46</sup> in Canada have more than doubled, reaching \$6,348. Ontario was the most expensive province in 2012-13 and Newfoundland and Labrador was the most affordable, followed closely by Quebec.<sup>47</sup>
- According to Statistics Canada, average tuition fees for undergraduate programs increased by 3.3% between the 2012-13 and 2013-14 school years, and compulsory fees increased by 5.3%. By comparison, inflation as measured by the Consumer Price Index was 1.3% between July 2012 and July 2013.<sup>48</sup>
- The cost of post-secondary education now deters many low- and middle-income Canadians from pursuing post-secondary education.<sup>49</sup> The burden of high fees and large debt loads weighs most heavily on the budgets of poor families.<sup>50</sup>

- Average student debt loads sit around \$27,000 according to the Canadian Federation of Students, and the Canada Student Loan Program estimates most students take nearly ten years to pay off their loans.<sup>51</sup> High debt loads have been shown to sway career choices and to lead to future financial difficulties.<sup>52</sup>

## Post-secondary education – a Catch-22

- In today's labour market, education opens the door to well-paying and secure employment. In 2010, for example, the median earnings of full-time, full-year university graduates aged 25 to 34 were \$53,800. High school graduates in the same age group earned roughly two-thirds of a university graduate's salary, at \$36,900.<sup>53</sup>
- This advantage continues to increase with age, reflecting the greater opportunities that post-secondary credentials provide for upward wage mobility.

## Post-secondary tuition fees are at record-highs, creating barriers for low-income students



Source: Erika Shaker and David Macdonald (2013), Degrees of Uncertainty: Navigating the Terrain of University Finance. Canadian Centre for Policy Alternatives.