

**National  
Professional Association  
Coalition on Tuition**



**Coalition des associations  
professionnelles nationales  
sur les frais de scolarité**

**OFFICIAL MEMBERS/  
MEMBRES OFFICIELS :**

The Canadian Bar Association/  
L'Association du Barreau  
canadien

Canadian Dental Association/  
L'Association dentaire  
canadienne

Canadian Federation of  
Students/Fédération canadienne  
des étudiantes et étudiants

Canadian Medical  
Association/Association  
médicale canadienne

Canadian Nurses Association/  
Association des infirmières et  
infirmiers du Canada

Canadian Pharmacists  
Association/Association  
des pharmaciens du Canada

Canadian Physiotherapy  
Association/Association  
canadienne de physiothérapie

Canadian Veterinary  
Medical Association/  
L'Association canadienne  
des médecins vétérinaires

**PRESENTATION TO THE**

**HOUSE OF COMMONS**

**STANDING COMMITTEE ON**

**FINANCE**

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**November 7, 2003**

**Toronto, Ontario**

National  
Professional Association  
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Madame Chair and Distinguished Members of the Standing Committee on Finance,

Members of the **National Professional Association Coalition on Tuition** are pleased to once again have this opportunity to present to you our views on Canada's fiscal priorities with regard to post-secondary education and undergraduate professional programs, in particular.

#### **NPACT PRINCIPLES**

NPACT is committed to the principle that all Canadians should have access to a professional education, and that cost should *not* be a major deterrent. We also firmly believe that Canada's professionals should be as diverse as the Canadian population they ultimately serve. Thirdly, we believe that exorbitant student debt loads may have a detrimental effect on not just new graduates themselves, but on Canadians' access to their services in the future. I will address these issues in more detail within my presentation.

#### **NPACT MEMBERSHIP**

NPACT is a unique and diverse group of national, professional associations. Our members include such well-respected organizations as the Canadian Bar Association, Canadian Dental and Canadian Nurses Associations, as well as the Canadian Medical Association, and others. In total, we represent the professions of law, dentistry, medicine, nursing, pharmacy, physiotherapy and veterinary medicine – all of which have been targeted with tuition fee deregulation or significant fee escalation over the last several years.

There are several key messages we wish to bring to your attention today, and they are as follows.

- 1. *A post-secondary professional education must be accessible to all Canadians. NPACT urges the federal government to increase targeted funding to post-secondary institutions to help offset some of the pressures that are driving tuition fee increases.***

As the federal government outlined in its 2002 *Innovation Strategy*, we also believe that access to post-secondary education is a priority for this country. We would like to highlight that, when we use the word “accessible”, we are not using it in the context of sufficient program enrolment or participation rates, nor by simply the availability of financial support such as loans. Ensuring “access” is more about who is *not* in post-secondary studies, rather than who is. It also means ensuring that, as much as possible, a cross-section of Canadians is represented in the programs.

NPACT believes that high tuition fees are one of the key forces that may influence access, for example:

- Canada's undergraduate university students are paying on average 7.4 % *more* in tuition fees this year than last: the biggest increase in 4 years and ***more than double*** the average of \$1,464 in 1990/91.<sup>1</sup>
- Compulsory fees have also increased, varying from \$302 in New Brunswick to \$694 in Ontario.<sup>2</sup>

While these figures are disconcerting, they are not nearly as significant as tuition fees increases in professional programs:

- Ontario undergraduate tuition fees in medicine almost tripled between 1997-1998 and 2003/2004, from an average of \$4,976 to \$14,543, not including additional compulsory fees.
- Dentistry students in Saskatchewan face the highest average increase in Canada this year at 55.1 % and pay the highest average annual tuition in Canada at \$30,178.<sup>3</sup>

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<sup>1</sup> University Tuition Fees, The Daily. Statistics Canada. August, 12, 2003.  
see <http://www.statcan.ca/Daily/English/030812/d030812a.htm>

<sup>2</sup> *ibid*

<sup>3</sup> *ibid*

- The first year tuition fee at the University of Toronto law school is \$16,000 this year and is expected to increase to \$22 000 annually within the next three years.
- Current, national average tuition fees in dentistry increased by almost 21% from last year to \$11,733, while law programs face a 19.4 % increase from last year, 16.7 % in medicine.<sup>4</sup>

Other professional program tuition fees across the country this year have also reached unprecedented levels: \$ 6,830 for veterinary medicine at the University of PEI; \$5,016 for the nursing program at the University of Western Ontario; \$9,840 for pharmacy at the University of Toronto – \$10,689 with compulsory fees; and \$4,933 for the physiotherapy program at Queen’s University in Kingston.<sup>5</sup>

Now that I have highlighted the significant increases in tuition fees in undergraduate and professional programs across the country, I would like to focus on the issue of parental savings towards their children’s education.

A study conducted by Statistics Canada found that, while the vast majority of Canadian parents hope their children will get some form of college or university education, more than half of these parents have *not* set aside savings for this purpose.<sup>6</sup> This study also found that the gap between aspirations and savings behavior was widest in households at the lowest end of the income scale. This finding leads us to the unsettling conclusion that, if most Canadian families have not saved for their children’s post-secondary education (except for the wealthy ones), they are not saving for their children’s extended studies or second-entry professional programs, either. This means an increased burden on students, especially those from low income families, to finance their education through debt. It is also important to note that fear of excessive debt may influence individuals from low income families – including Aboriginals and others – to not pursue a professional career at all. Ultimately, it could erode efforts to ensure that Canada’s professionals reflect the diverse society that it serves. It could also perpetuate exclusivity

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<sup>4</sup> *ibid*

<sup>5</sup> first year fees

<sup>6</sup> Statistics Canada. *The Daily*, April 10, 2001. Survey of Approaches to Educational Planning.

among professions such as law, in which the current composition is already extensively homogeneous.<sup>7</sup>

As a consequence of the factors I have just highlighted, today's generation of professional program students are graduating with massive debt loads. This leads me to NPACT's second key message, which is:

***2. Financial assistance currently available to professional program students is insufficient to meet their needs.***

***NPACT urges the federal government to increase financial aid (grants and loans) to students to reflect increases in tuition fees and other financial needs of professional program students.***

Members of NPACT acknowledge and commend the federal government for approving, in the last budget, a number of measures to improve the Canada Student Loans Program, beginning in 2003-2004; however, much more still needs to be done to meet the real needs of students.

Students in professional program studies have financial needs that are normally different, and much greater, than others. In addition to enormous increases in tuition fees, these may also include: debt acquired from a prior, prerequisite degree or post-secondary studies; limited or no ability for family to provide extended financial support; significant costs of books, instruments and other study materials; costs incurred from having to live away from home to attend professional program studies; and limited or no ability to earn income while in school.

At this point, I would like to focus on the current government student loan system and its inability to meet the needs of professional program students, using an undergraduate medical student's financial needs as an example.

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<sup>7</sup> Canadian Bar Association. Response to the Provost Study of Accessibility and Career Choice in the University of Toronto Faculty of Law. April 2003.  
see <http://www.cba.org/CBA/Equality/Equality/Tuition%20Fees.asp>

For the 2003-2004 academic year, the first year tuition and compulsory fees for a student attending medical school in Ontario averages \$15 294. This does *not* include the expense of books or instruments, which can be significant. This amount also does **not** cover the costs for the basic necessities of life, such as food and accommodation, or even transportation and other living expenses.

Using only the average tuition and compulsory fee of \$15 294, the maximum government loan availability – federal and provincial combined – results in a substantial loan shortfall of \$5,944 for a 34-week study period. This works out to shortfall of \$700 per month based on tuition and compulsory fees only, not including books, supplies, food, rent, or other living expenses.<sup>8</sup>

2003-2004 Academic Year Professional Student Financial Need versus Total Government Loan Availability Average Tuition and Compulsory Fees Only*, Ontario		
Total Average Need, Year One Undergraduate Medicine Tuition and Compulsory Fee ONLY	Maximum government loan available (federal + provincial) <sup>e</sup>	Shortfall / Unmet Need for Tuition and Compulsory Fee ONLY
\$15 294 or \$450/week**	\$9 350	\$5 944 study period <u>or</u> \$175/week or \$700/month
<p>* First year undergraduate studies; student living away from home and with no dependents.  ** Based on 34 week study period  Canada Student Loans maximum is 60% of assessed need to a maximum of \$165/week for study period.  Provincial/Ontario government contribution is the remaining 40% .</p>		

As you can see from this example, the student loans programs in this country fall significantly short of many professional students' *actual* financial needs. This is further supported by a recent research study commissioned by the Canadian Millennium Scholarship Foundation, which found that

*“more than 70% of post-secondary students finance their education through debt”<sup>9</sup>*

<sup>8</sup> The current, combined federal-provincial **maximum** loan assistance is \$275 per week, or \$9 350 per year for single, full-time students (with no dependents and enrolled in a standard 34 -week program). [http://osap.gov.on.ca/eng/not\\_secure/funds.htm](http://osap.gov.on.ca/eng/not_secure/funds.htm), September 3, 2003

<sup>9</sup> Canadian Millennium Scholarship Foundation, media release, March 10, 2003. “Survey Reveals that more than 70% of Students Finance their Education Through Debt”. see [www.millenniumsolarships.ca](http://www.millenniumsolarships.ca)

and

*“ ... stagnant loan limits have created serious problems of unmet need among certain groups of students. ”*<sup>10</sup>

According to the Foundation itself, “These [research] findings beg the question,

*‘Do our student financial aid programs have the right clients, and are we providing them with appropriate support?’*<sup>11</sup>

Clearly, the answer is a resounding “no”.

Of course, the negative by-product of insufficient financial support, coupled with exorbitant tuition fees, is high student debt load – which leads me to the third issue I want to address with you today, and that is:

3. ***High student debt loads may have a negative downstream impact on professional services provided to the Canadian public. This includes the consequences of debt on, among other things, students’ choice of practice specialty and practice location.***

While members of NPACT acknowledge that recipients of a post-secondary education enjoy a number of positive individual benefits, we believe that the individual cost of this investment has become unfairly burdensome:

- the significant increase in professional program tuition fees across the country over the last several years has rapidly outpaced the rate of inflation<sup>12</sup>
- government assistance has been unable to meet students’ financial needs, thereby creating the need for students to rely on high interest sources of credit which further exacerbates their debt load; and

<sup>10</sup> Alex Usher, Director, Research and Program Development, Canadian Millennium Scholarship Foundation, “Making Ends Meet: The 2001-2002 Student Financial Survey”, conducted for the Foundation by EKOS Research Associates. see [www.millenniumscholarships.ca](http://www.millenniumscholarships.ca)

<sup>11</sup> *ibid*

<sup>12</sup> see <sup>1</sup>

- the net income for many professions and areas of practice has clearly not kept pace with the rise in tuition fees and practice expenses, making it much more difficult now, than in the past, to pay off financial liabilities.

In light of the aforementioned, it is reasonable to expect that a high debt load will influence students' choices about their future career plans. This can include choosing a more lucrative practice specialty, such as a surgical specialty over family medicine for a physician; or corporate law over human rights law for a lawyer. (Regrettably, many other professions do not even offer such a choice.)

A recent study of Ontario law students found that “students’ first priority in their job search is pay.”<sup>13</sup> According to this research, students “overwhelmingly [reported] that they are seeking high paying corporate jobs in numbers disproportionate to positions available.”

Two quotes from students also illustrate the “general sentiment of powerlessness among students”:

*“I have to work in lucrative areas of law so as to pay off my debts.  
Not only must I avoid pro bono work,  
but I won’t do human rights or lobby/political  
work either. My dreams are shattered.”*

and

*“This frightens me. Are we going to have no  
social justice lawyers in Canada anymore.”<sup>14</sup>*

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<sup>13</sup> Money, Jobs And Fear: Tuition Report From the Ontario Bar Association Student Division, October 1, 2002. see <http://www.cba.org/en/pdf/tuitionreport.pdf>

<sup>14</sup> *ibid*



These students' perspectives were reinforced by a study of the University of Toronto Provost whose study on access to law school revealed that graduates from 1997 – 2002 students are increasingly selecting to practice in large law firms as opposed to small firms and public interest law.<sup>15</sup>

In addition, a recent study published in the *Canadian Medical Association Journal* found that, compared with 4<sup>th</sup> year medical Ontario students, first year students (i.e., those hit hardest by significant tuition fee increases due to deregulation) were more likely to cite financial considerations as having a *major influence* on specialty choice or practice location.<sup>16</sup> This study also found that first year Ontario medical students reported higher levels of anticipated debt at graduation than graduating students (i.e., those who began their studies prior to the introduction of high tuition fees). Also, the proportion of students expecting to graduate with debts of at least \$100 000 more than doubled.

High student debt loads impact not only the students themselves. The effect of student debt loads on choice of practice specialty and location is crucial when one considers the current human resource shortages in a number of professions, such as the health sector, and their impact on services provided to the Canadian public, particularly in rural or remote areas. This is critically important in the practice of law, as large firms are located in large urban areas. As such, there may be small cities and rural areas that will have limited or no access to lawyers. According to the Canadian Bar Association, this may, in turn, have serious implications for individuals in those communities in terms of their ability to have access to justice.

In closing, I would like to reiterate, as the Government of Canada has as part of its *Innovation Strategy*, that post-secondary education is a public good, with strong social and economic benefits to this country.

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<sup>15</sup> Neuman, Shirley. Provost Study of Accessibility and Career Choice in the Faculty of Law. University of Toronto, February 24, 2003

<sup>16</sup> Kwong et al. Effects of rising tuition fees on medical school class composition and financial outlook. *Canadian Medical Association Journal*. April 16, 2002

This government has already identified the priority need to strengthen access to post-secondary education.<sup>17</sup> Clearly, if access to post-secondary education continues to be a high priority of the federal government, as it should, then additional funds are urgently required so that a professional education in this country can be contemplated by all Canadians, and without the fear of an excessive debt load.

Thank you.

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<sup>17</sup> Government of Canada Innovation Strategy. *Knowledge Matters: Skills and Learning for Canadians*. <http://www.hrde-drhc.gc.ca/sp-ps/sl-ca/doc/report.shtml>, September 3, 2003.