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Executive Summary

Members of NPACT are pleased to provide input to the government's pre-budget consultations process. We are a diversified group of national, professional associations that welcome the opportunity to be heard on issues of shared concern.

The importance of investing in post secondary education, and its links to Canada's economic, social and cultural development, was a dominant theme at the Council of the Federation this past August. We believe that the federal government has a strong leadership role to play in this issue and must collaborate with the provinces and territories to implement a strong and sustainable plan of action. This nationally-led strategy is essential to enhancing productivity growth in Canada.

We support the federal government's 2005 budget amendment to earmark \$1.5 billion for access to post secondary education and its plan to develop a wide-ranging financial access program to assist low-income students, Aboriginals, and other Canadians gain access to post secondary education. We would also like to commend the federal government for implementing a number of new strategies over the past year as unveiled in the 2004 Budget. These include enhancements to the Canada Student Loans Program and the Canada Education Savings Grant, as well as the introduction of the Canada Learning Bond, among others. While promising, we believe that these measures are insufficient to meet the *immediate* needs of post secondary students, including those in professional programs.

The purpose of this submission is to reiterate our long-standing concerns about the negative impact that high tuition and student debt is having on access to a post secondary professional education, and will have on Canadians' access to professional services. We urge the federal government to take a leadership role now to address these priority issues. The following recommendations are presented for your consideration and are addressed more fully within our submission.

1. **Increase federal transfer payments targeted for post secondary education to help offset the pressures driving tuition fee increases.**
2. **Improve financial support (such as grants and scholarships) for professional program applicants and students.**
3. **Develop and supplement debt relief measures for professional program graduates.**
4. **Undertake or fund research focussed specifically on professional program students, new graduates and potential applicants.**

In closing, we urge the federal government to consider the unique set of issues and challenges for professional program applicants, students and graduates, and the effects of high tuition and student debt on the delivery and availability of professional services to Canadians. This focus is necessary as the federal government prepares its access and financial assistance strategy for PSE and works toward enhancing productivity growth in Canada.



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The purpose of this submission is to reiterate our long-standing concerns about the negative impact that high tuition and student debt is having on access to a post secondary professional education, and the effects it will have on Canadians' access to professional services. A number of recommendations are presented within this document for your consideration. We also wish to share with you recent results from two national studies on high tuition fees and the negative effects of high student debt for professional program students. We urge the federal government to take a leadership role now to address these priority issues.

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Recommendation #1: Increase federal transfer payments targeted for post secondary education to help offset the pressures driving tuition fee increases.

The Price of Knowledge 2004 (Canada Millennium Scholarship Foundation)ⁱ reports that, as of 2002, total government transfers on post secondary education as a share of GDP were 1.49%, *down 17%* from a decade earlier. NPACT members fully support the Premiers' August 2005 call to substantially increase federal transfer funding for post secondary education (PSE). This would help to ensure that dedicated funding is allocated towards some of the pressures that have been driving tuition fee increases. Targeted *and* increased funding for PSE are also necessary to facilitate the lowering of tuition fees and, as a result, make a professional education more affordable and accessible to Canadians.

A ground-breaking Statistics Canada studyⁱⁱ published this year focuses upon the large, sudden increases in tuition fees in professional programs in the late 1990s. This study found that enrolment patterns by socioeconomic background changed "substantially" in Ontario, where the deregulation of professional programs was more prominent. In Ontario, tuition fees rose dramatically in medicine, dentistry and law from 1995-1996 to 2001-2002. In medicine and dentistry, the increases were particularly large (241% and 315%, respectively) compared with other jurisdictions. In



provinces where tuition fees remained relatively stable, no change in enrolment patterns was registered.

Other recent studies have also demonstrated that high tuition fees may have impacted the socioeconomic profile of students entering professional programs. Earlier this year, comparative results from 2 national surveysⁱⁱⁱ found that high tuition fees appear to coincide with a *decrease* in the number of medical students who come from families with incomes less than \$40 000 per annum. Ultimately, this may create a physician workforce that represents the affluent segment of society rather than the diverse population that physicians ultimately serve. There is also a notable decrease of Aboriginal students in Ontario law schools and an observable decrease of those of African descent. As well, African descent students are twice as likely to graduate with debts over \$70,000.^{iv}

Changes in the socio-economic profile of Ontario law students since tuition fees were deregulated 7 years ago were also uncovered in the research project (published in 2004) that was funded by the Law Foundation of Ontario and the Law Society of Upper Canada. Findings from this study include a 4.7% *increase* in the proportion of law students' parents who earn incomes in the top 40% of the average family income distribution for Canada. A *decrease* in the proportion of students whose parents earn incomes in the middle 20% of the distribution was also noted. The accessibility study of Ontario law schools also identified that many students enter law school with significant debt and that debt is a major factor affecting student opportunities, including course and career choices.^v

Results from these watershed studies are significant and underscore the urgent need to target and increase federal transfer payments for post secondary education. This would help make professional program tuition fees more accessible to all Canadians, regardless of family income, and would help to mitigate the adverse effects of high tuition fees and student debt.

Recommendation #2: Improve financial support (such as grants and scholarships) for professional program applicants and students.

We strongly support the federal government's recent pledge^{vi} to improve access to PSE for Aboriginal students, as well as those from low-income families and from rural and remote communities. According to *The Price of Knowledge 2004*, financial barriers, regardless of educational status, were the **"most commonly cited reason for not being able to obtain as much education as desired."**^{vii} It is imperative, however, that this assistance also be extended to *professional program* applicants and students as well, which may include older students wishing to pursue second-entry programs (such as law, medicine and dentistry). In these highly competitive programs, an undergraduate degree is a prerequisite to application, yet many students pursue extended studies and advanced degrees to help promote their acceptance into a professional program.

The high cost of professional program tuition, as well as extended periods of study, also pose significant financial barriers to prospective applicants and students, and exacerbate their financial debt. The fact that the availability of specific professional programs are limited to a finite number of institutions across the country creates an additional financial hardship because it creates the need for many students having to live away from home to pursue studies.



For many professional program students, government financial support continues to fall short of students' school-related needs, which tend to be greater compared with other non-professional programs due to higher tuition fees and other expenses (books, instruments, etc.). In fact, tuition fees alone in many professional programs often exceed government loan limits. (Please refer to Appendix A for an overview of some professional program tuition fees for 2005-06). Merit and needs-based financial awards are also limited, with a national average of approximately \$1 300 for merit-based awards and only \$1 000 for those that are needs-based^{viii}. As a result, students must rely upon other sources of financial support, such as bank loans, which further escalates their debt.

More comprehensive and targeted financial, non-repayable support measures (such as grants and scholarships) must be developed for high-need prospective professional program applicants and students. These must be administered at the national level to supplement and complement provincial/territorial initiatives.

Recommendation #3: Develop and supplement debt relief measures for professional program graduates.

Another negative effect of high student debt is its influence on students' subsequent choice of the *kind* and *location* of practice they pursue by favoring higher-paying specialties and locations to pay off debt more quickly. While there has been limited to no coordinated research on this issue within specific professional programs, the medical professional has undertaken several studies whose results support this contention. There is similar evidence in the study of the Ontario law schools indicating that more and more students and recent graduates are interested in apprenticing and working in large law firms located in urban centres." ^{ix}

Comparisons between data collected from a recent, national survey (*National Physician Survey 2004*), and a study in the *Canadian Medical Association Journal* ^x, are unsettling. Ontario medical students (who paid almost *double* the tuition fees compared with medical students in the rest of Canada, except Quebec), cited debt *more often* as a "very" to "most important" factor on 2 key issues. This included the influence of debt on their choice of *type* of practice specialty (e.g., a surgical specialty versus family medicine) as well as *where* they will practice upon graduation (e.g., urban areas versus rural and remote communities). We foresee that this will have dire consequences for the populations and communities who are counting on the availability of medical services, which are already in short supply.

Professionals and their services are a vital, national resource for all Canadians, yet debt relief measures for new graduates are a patchwork of initiatives across the country. A coordinated, national strategy on student debt relief must be spearheaded by the federal government as soon as possible, and in collaboration with the provinces and territories, to off-set the adverse impact of debt on the delivery and availability of professional services to Canadians.

Recommendation #4: Undertake or fund research focussed specifically on professional program students, new graduates and potential applicants.

Much of the data currently being collected and reported in the media on issues relating to student debt and access to PSE are outdated or too general to be meaningful. For example, much of Statistics Canada's national graduates data focuses on the class of 2000 --- i.e., those who *began* their



studies in approximately 1996/1997 -- a period that *precedes* the deregulation of and sharp increases in many professional program tuition fees^{xi}. In addition, these data do not accurately reflect trends already being seen among various subgroups of professional program students. Many government studies also tend to focus on *all* post secondary students at the national level, where both tuition fees and student debt levels vary extensively; as a consequence, data results on the effects of high tuition and excessive student debt are diluted and their impact trivialized when reported in the media.

The need for accurate, timely data upon which to base policy directions and decisions is a vital one. The effects of high tuition fees in creating barriers to access to a professional education, (in terms of both affordability and debt aversion), as well as the influence of debt on choice of practice specialty and location, needs to be understood more fully amongst a broad range of professional programs. A study of potential candidates to professional programs, current students, and new graduates, is also required.

In closing, we urge the federal government to consider the unique set of issues and challenges for professional program applicants, students and graduates, and the effects of high tuition and student debt on the delivery and availability of professional services to Canadians. This focus is necessary as the federal government prepares its access and financial assistance strategy for PSE and works toward enhancing productivity growth in Canada.



References

- ⁱ *The Price of Knowledge 2004, Access and Student Financial Assistance in Canada*. Canada Millennium Scholarship Foundation, p. 272
- ⁱⁱ Marc Frenette, Statistics Canada, "*The Impact of Tuition Fees on University Access: Evidence from a Large-scale Price Deregulation in Professional Programs*", September 2005
- ⁱⁱⁱ Data sources: (1) National Physician Survey medical student results: The National Physician Survey (2004) was undertaken by the College of Family Physicians of Canada, the Canadian Medical Association and the Royal College of Physicians and Surgeons of Canada, with funding support from Health Canada and the Canadian Institute of Health Information. (2) Kwong, Jeff C. and Dhall, Irfan A., et al, *Effects of Rising Tuition Fees on Medical School Class Composition and Financial Outlook*, Canadian Medical Association Journal, April 16, 2002. Data comparisons compiled by Louise Marcus, Canadian Medical Association, and released by the Canadian Federation of Medical Students and Canadian Association of Internes and Residents on June 15, 2005.
- ^{iv} *Study of Accessibility to Ontario Law Schools, Executive Summary submitted to the Deans of Law at Osgoode Hall, York University, University of Ottawa, Queen's University, University of Western Ontario, University of Windsor,*" King, Alan J.C.; Warren, Wendy K.; Miklas, Sharon R., Social Program Evaluation Group Queen's University October 2004. This project was funded by the Law Foundation of Ontario and the Law Society of Upper Canada, pp. 78, 111 and 141.
- ^v *Study of Accessibility to Ontario Law Schools, Executive Summary submitted to the Deans of Law at Osgoode Hall*, pp. 30-32, 119-133.
- ^{vi} *Ottawa set to unveil tuition-relief package*, www.workopolis.com, by B. Laghi and Steven Chase, October 7, 2005
- ^{vii} *The Price of Knowledge 2004*, p. 93
- ^{viii} *The Price of Knowledge 2004*, p. 222
- ^{ix} *Study of Accessibility to Ontario Law Schools, Executive Summary submitted to the Deans of Law at Osgoode Hall*, pp. 33 and 34.
- ^x The National Physician Survey (2004). The NPS was undertaken by the College of Family Physicians of Canada, the Canadian Medical Association and the Royal College of Physicians and Surgeons of Canada, with funding support from Health Canada and the Canadian Institute of Health Information.
- ^{xi} *The Daily*, Statistics Canada, Monday, April 26, 2004H. *National Graduates Survey: Student Debt Class of 2000*.



Appendix A

First Year Professional Program Tuition Fees Across Canada
 (does not include other costs such as mandatory fees, books, living expenses, etc.)

University	Professional Program					
	Law**	Pharmacy	Medicine**	Dentistry**	Veterinary Medicine	Engineering
Queen's (ON)	\$ 8 961		\$13 500			
Saskatchewan			\$11 036	\$32 000	\$ 6 553	
Dalhousie (NS)	\$ 8 655		\$12 806	\$12 806		
Ottawa	\$ 8 500		\$14 000			\$5 200
Alberta* (after rebate)	\$ 2 385	\$2 517	\$10 885	\$18 176		\$2 697
Western	\$10 638	n/a	\$15 429	\$27 178	n/a	\$6 863
BC	\$ 9 180	\$7 642	\$14 000	\$14 000	n/a	\$4 911
Manitoba	\$ 8 472	\$5 261	\$7 132	\$13 954		\$3 698

* amount cited is after rebate

** second-entry programs; an undergraduate degree is a prerequisite to application