



New report shows high cost of university education hitting families harder than ever

TORONTO—A new report commissioned by the Ontario University Coalition (OUC) reveals the increasing pressure that Ontario families face in order to afford the cost of a university education. The report entitled “Under Pressure: The impact of rising tuition fees on Ontario families,” compiled by the Canadian Centre for Policy Alternatives (CCPA), looks at the financial shifts that have occurred over the past 20 years and shows that low- and middle-income families are stretched to the limit in order to pay the \$6,500 per year price tag for university.

“Paying for an expensive university education is a burden that not only falls on individual students, but it deeply affects Ontario’s parents as well,” says David Macdonald, Associate Researcher with the Canadian Centre for Policy Alternatives. “The combination of record high household debt, stagnating incomes and steadily rising tuition fees have made it much harder for Ontario families to get their kids through school.”

Today, Canadian families have debt equal to 150 per cent of its disposable income on average, compared to 93 per cent in 1990. The explosion in housing prices during this period has been the most significant reason, particularly those who live in urban centres. At the same time, low- and middle-income families are making less or about the same in after-tax income compared to what they earned in 1990. During the same period, Ontario students have faced a 244 per cent real tuition rate increase.

“Families who want to help get their kids through school have to make tough choices, often meaning that they have to postpone or cancel certain family priorities,” said Constance Adamson, President of the Ontario Confederation of University Faculty Associations. “The financial burden of higher education causes families to accumulate even more debt, avoid making large purchases or put off saving money for retirement.”

The study shows that if a middle-income family began dedicating every cent of their after-tax earnings towards the cost of their child’s tuition fees on September 1, 2011, they would have to work until March 14, 2012 before they paid for a four-year degree. The same family in 1990 would only have to work for three months – until the end of November – to pay for the degree.

“This report shows that government policy must address the unaffordability of a university education in Ontario,” said Sandy Hudson, Chairperson of the Canadian Federation of Students-Ontario. “Leading up to the provincial election, students and their families expect the political parties to address the issue of cost and the mounting debt that comes with pursuing a university degree.”

The Ontario University Coalition is comprised of organizations representing students, staff and faculty from the post-secondary education sector in Ontario including the Canadian Auto Workers, Canadian Federation of Students-Ontario, Canadian Union of Public Employees-Ontario, Confederation of Ontario Associations and Unions, Ontario Confederation of University Faculty Associations, Ontario Public Service Employees’ Union, Ontario Secondary School Teachers’ Federation, Public Service Alliance of Canada, United Steelworkers and Ontario Federation of Labour.

The report can be downloaded at:

<http://www.policyalternatives.ca/publications/reports/under-pressure>

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