



COMBATING POVERTY

Postsecondary Education Attainment
and Alleviating Pressure on
Ontario's Social Safety Net



Executive Summary

"Ontario is only at its best when all of us are working, building and dreaming together...Supporting each other is not only the right thing to do, it is also the smart thing to do, and part of our plan for a stronger economy." –Premier Dalton McGuinty

Context

Ontario's plan for a strong economy has highlighted the need to support low-income families and allow everyone to have the opportunity to succeed in the 21st century economy. Thus, in uncertain economic times helping those who are impoverished find their way out of poverty will make all Ontarians richer. Accessing and completing post-secondary education (PSE) can be a highly effective tool in this endeavor. Without a doubt, a highly skilled and educated workforce will result in a more productive and economically robust Ontario.

This paper outlines the joint recommendations that we believe develops a strong argument and vision for post-secondary education as a means of reducing poverty. Of particular focus are those in Ontario who are perpetually underrepresented in PSE, including low-income, rural, and aboriginal Ontarians. These and other groups face significant challenges in pursuing a higher education ranging from a lack of a role model who attained a PSE or financial challenges, to the availability and safety of affordable housing or difficulty repaying loans. If the Government of Ontario is serious about combating poverty in this province, then it is crucial that PSE be viewed as a tool in this work; a tool worth supporting and improving.

Directly following is the highlighted, jointly held recommendations our organizations are making to the Cabinet Committee on Poverty Reduction. We view these as the minimum possible requirements for making PSE an effective poverty reduction tool.

Access to Higher Education Recommendations:

1. Support the development of community-based early outreach initiatives (EOIs) to address informational and motivational barriers present in populations currently underrepresented in postsecondary education.
2. Provide an access and childcare guarantee for single parents, specifically single mothers, interested in pursuing PSE.
3. Continue to provide financial assistance targeted to underrepresented demographics to increase access.

In-Study Support Recommendations:

1. Extend the period of support for low-income grants to all years of study.
2. Provide additional resources to on-campus supports for underrepresented demographics that access postsecondary education to increase attainment rates.
3. Increase the supply of affordable housing in Ontario through mandatory affordable housing quotas for new multi-tenant developments.
4. Support municipalities in improving the safety of rental housing across Ontario through improved legislation and enforcement.

Post-Graduation Success Recommendations:

1. The financial aid system must provide additional assistance for those facing difficulty in repayment.

The Town and Gown Association of Ontario, the Ontario Association of Food Banks, the College Student Alliance, and the Ontario Undergraduate Student Alliance have come together to help combat poverty in Ontario. Our organizations believe without hesitation that post-secondary education serves as an integral part of a comprehensive poverty-reduction plan. The following document represents our common priorities in the struggle to overcome poverty in the province.

ACCESS TO EDUCATION

In order for PSE to serve as a significant poverty reduction tool it is of paramount importance that it can be accessed by the widest possible range of people. Sadly, there are serious boundaries to entry for higher education in Ontario, particularly for those of poor and underrepresented groups. Addressing these boundaries will mean correcting issues of: early outreach, targeted financial assistance, and single parents receiving Ontario Works. At a minimum, these challenges must be overcome.

Recommendation: Support the development of community-based early outreach initiatives (EOIs) to address informational and motivational barriers present in populations currently underrepresented in post-secondary education (PSE). The simple fact is that in Ontario, 50% of high school students do not move forward to a training apprenticeship, college or university.¹ One way to increase this number is through the use of EOIs, which in Ontario have shown to successfully support students into entering a stream of PSE. An excellent example of the effectiveness of EOIs is the Pathways to Education program. The Pathways program has reduced secondary school dropout rates from 56% to 10% in Regent Park, with enrollment of 95% of Regent Park students into the program.² Currently, for each \$1 invested into Pathways it provides a return of \$25 and a net present value to society per student of \$50,000 and a cumulative lifetime benefit value to society of \$400,000.³

In order to properly support EOIs in the province, public partnerships should exist between the provincial government and a variety of non-profit foundations that are able to properly address the unique needs of their individual community. The partnership should have broad objectives and easily identifiable roles and responsibilities of both government and the community-based institution. Finally, accountability to government must be ensured through strong governance structures with the flexibility necessary to effectively manage and administer the programs based on the unique needs of each community.

Recommendation: Provide an access and child care guarantee for single parents, specifically single mothers, interested in pursuing post-secondary education. Under the current Ontario Works (OW) program, all loans are considered to be a form of chargeable income meaning that if Ontario Student Assistance Program (OSAP) is taken, that amount is reduced from any possible OW payments.⁴ This forces parents to choose between providing subsistence living to themselves and their children, or attending PSE. A connected issue is the lack of adequate and affordable childcare for single parents who attend PSE in Ontario. While some universities and colleges fund childcare through levies, these programs must be available to all high-needs students with children in order to facilitate their access to PSE.

By allowing low-income Ontarians who collect OW to also collect OSAP they will have a better opportunity to attain the marketable skills that would have reduced their potential need for OW in the first place. Further, the development of a child care guarantee or the provision of necessary support for colleges and universities to provide highly subsidized child care for single parent students is critical for this initiative's success. This would deliver even greater incentive for these parents to make the positive changes necessary to benefit themselves and the economy whereby reducing poverty in Ontario.

Recommendation: Continue to provide financial assistance targeted to underrepresented demographics to increase access. As the transition from the Canadian Millennium Scholarship Foundation (CMSF) to the Canada Student Grant Program (CSGP) draws near, the need to continue grants specific to underrepresented groups is of the utmost importance. One of the primary concerns for the new CSGP is the shift of funding criteria from one based on *financial need*, as used by the CMSF, to an assessment based simply on *income*. This could mean that those who

¹ Colleges Ontario. *Environment Scan: An analysis of trends and issues affecting Ontario*. Toronto: Colleges Ontario, 2007.

² Pathways to Education. Pathways to Education: Regent Park. Pathways Canada. <http://www.pathwaystoeducation.ca/comm-regent.html> (accessed July 16, 2008).

³ Pathways to Education. Pathways to Education: Regent Park. Pathways Canada. <http://www.pathwaystoeducation.ca/results.html> (accessed July 16, 2008).

⁴ Ministry of Community and Social Services. *Ontario Works Policy Directives: 16.0 Income*. Toronto: MCSS, 2001.

have the greatest difficulty accessing PSE receive less support, thus reducing the potential impact of higher education to reduce poverty. An equally important concern is that while the overall number of people receiving support may go up, the amount of support for the poorest will go down by as much as \$1000 a year.

The Government of Ontario cannot allow needs-based criteria to be removed from funding for PSE and hamper the ability of higher education to combat poverty. Programs such as the Millennium Access Grant or the Ontario Student Opportunity Grant Ontario must be maintained in order to ensure those most deeply impoverished can access PSE. The loss or reduction of these two programs alone will undoubtedly lead to a greater reliance on student loans, unfairly penalizing the poorest and fuelling the exponential growth of student debt in the province of Ontario. Furthermore, it will make a powerful poverty reduction tool unreachable for many of the poorest in the province.

IN-STUDY SUPPORTS

Once enrolled in PSE and going through the process of study and work, it is important that low-income and high-needs individuals receive ample support to see their degree through to completion. While gaining access to PSE is important, without consistent support to finish their education underrepresented students may find they have expended a great deal of time, energy and money and have only debt to show for their struggles. In order to ensure that students are able to attain their education, the province must: financially support students throughout their education, recognize the diversity that exists on campuses, and improve the safety and affordability of housing for students.

Recommendation: Extend the period of support for low-income grants to all years of study. Currently, grants given to low-income students only cover the first year or two of their higher education. Given that a typical university degree takes a minimum of three years to complete, this means that a student who has high financial need might find themselves unable to afford their final year or more of study. While access to PSE is an extremely important factor in putting young people on the pathway out of poverty, only through the completion of a degree will they achieve the proven results of breaking those chains permanently.

Recommendation: Provide additional resources to on-campus supports for underrepresented demographics that access postsecondary education to increase attainment rates. A concern of many students within PSE who are from underrepresented groups is that there are little known supports for them. Two main supports are required: social and pedagogical. The prior will allow people who feel marginalized or isolated by their non-traditional nature to group together in fellowship and discourse with others who share their same experience. The latter tends to refer to the construction of teaching methods sensitive to the diversity that, now more so than ever, exists in the lecture halls and classrooms.

In some cases, the process will require targeted programs or projects for under represented or non-traditional groups, such as Aboriginal or People with Disabilities centers. In other cases, this might demand creating curriculum that better recognizes the diverse nature of Canadian society. Any solutions would attempt to reach the goal of having all students complete their studies allowing them to graduate to the work force and exit poverty.

Recommendation: Increase the supply of affordable housing in Ontario through mandatory affordable housing quotas for new multi-tenant developments. Housing costs are exceedingly high for many Ontarians, including students. Students with spouses spend 32 per cent of their income on accommodations, and those with roommates spend 33 per cent.⁵ Many other low-income families spend in excess of 30 per cent of their income on shelter, and are in need of more affordable options.⁶

⁵ EKOS Research Associates. *Making Ends Meet: 2001-2002 Student Financial Survey*. Montreal: Canada Millennium Scholarship Foundation, 2003.

⁶ Ontario Association of Food Banks. *Our Choice for a Better Ontario: A Plan for Cutting Poverty in Half by 2020*. Toronto: 2008.

A quota increasing the supply of affordable housing would be a mandate from government to private developers to reserve a portion of new development projects for social or affordable housing purposes. Without government leadership it is very unlikely that the private sector has the necessary incentive to develop social-housing or other forms of affordable housing that yield lower than average revenues. Such an initiative would create more housing options for students and low-income families, without creating a significant burden on provincial coffers.

Recommendation: Support municipalities in improving the safety of rental housing across Ontario through improved legislation and enforcement. Though no comprehensive studies have been completed to document student living conditions, anecdotal evidence suggests that many students are living in crowded dwellings that reduce their quality of life, and can put personal safety at risk due to poor repair, and disregard for Fire Code and other by-laws designed to protect tenants from harm.⁷ Other low-income Ontarians face similar challenges, with more than 123,182 households on waiting lists for social housing in the province, forcing these families to live in substandard conditions.⁸ As such, creating more housing that is safe and in good repair would be beneficial to both students and low-income families.

Several municipalities are considering licensing rental housing units as a proactive measure to ensure that housing is safe for tenants. The proactive nature of such programs eliminates the fear of retribution that can exist for vulnerable populations, and mitigates the basic lack of knowledge of tenant rights in the realm of property standards and safety. The provincial government should work with the Association of Ontario Municipalities (AMO) to develop a standardized licensing regime, or other proactive enforcement options that provide comparable protections for tenants, that can be applied province-wide. The province should also provide financial assistance to municipalities that run proactive enforcement programs, and must ensure that program costs (licensing fees, etc.) are not passed on to the vulnerable populations living in low-income housing.

POST-GRADUATION SUPPORTS

When students achieve their degree, certificate, or accreditation they are armed with a powerful tool that can help break the chains of poverty. Study after study shows that once a student attains a post-secondary credential they will achieve a higher income than those who do not. However, Ontario students of the 21st Century typically graduate with an excessive amount of debt. This debt affects their future income, plans and ability to be a productive member of society. For PSE to truly serve as a poverty alleviation tool the same students who were found to have a high level of financial need during their studies must be further supported after their exit from PSE.

Recommendation: The financial aid system must provide additional assistance for those facing difficulty in repayment. Even in the best-designed financial aid system, some individuals will face difficulty in meeting their financial obligations, for a variety of reasons. If the financial aid system is to be seen as an investment in social and individual development, then the program must work to assist former students who are unable to repay their loans. This principle would benefit both students who face financial difficulties, and the financial aid system as a whole, which must shoulder the cost of loan defaults.

Government support in repayment should consist of assistance to individuals who are unable to meet their monthly obligations in the form of reduced monthly payments or delaying repayment through interest relief, and targeted debt forgiveness for certain individuals who face prolonged difficulty in loan repayment. This system must be created in a fair and diligent manner taking into account the unique situations students face after graduation. Finally, any repayment support mechanisms must be disseminated completely and competently to students.

⁷ City of London, Ontario, Canada. "Closing the Gap: New Partnerships for Great Neighbourhoods Surrounding our Universities and Colleges." Retrieved September 4, 2008.

(<http://www.london.ca/Planning/PDFs/StudentHousingPresentation.pdf>)

⁸ Ontario Non-Profit Housing Association. *Report on Waiting List Statistics*. Toronto: 2007.