

Rising Tuition Fees Leave More Students with Higher Debt Loads

(January 29, 2010) Rising tuition fees have left more students with higher debt loads according to a Statistics Canada study released today.

According to the report, 57% of the graduating class of 2005 had turned to student loans to finance their post-secondary education, up from 49% ten years earlier. Over the same period, average student debt at graduation rose from \$15,200 to \$18,800.

The study also found that 27% of borrowers graduated with debt loads of at least \$25,000, up from 17% in 1995.

“Massive increases in tuition fees have buried many students in debt,” said Katherine Giroux-Bougard, National Chairperson of the Canadian Federation of Students (CFS). “Saddling a generation of students with billions of dollars of debt will have far reaching implications for Canada's economy and socio-economic equality.”

The report observes that borrowers were less likely to have savings or own their own homes after graduating. Post-secondary graduates with student loans were also found to have lower assets and correspondingly lower net worth than those who did not have student loans.

“Despite some improvements to financial aid, students are graduating deeper into debt,” said Giroux-Bougard. “Addressing Canada 's student debt crisis requires a national strategy to reduce tuition fees.”

CAUT and the CFS have been calling for the creation of a Post-Secondary Education Act that would regulate and reduce tuition fees by establishing guidelines for transfers to the provinces for post-secondary education and increasing federal funding for colleges and universities

(From the Ottawa Citizen)