

Ontario's overhaul of student financial aid system a welcome change

Written by Think Forward Staff
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As part of its just-released 2016 budget, the Ontario government is taking bold action to make college and university more affordable for students from lower and middle income families.

Under the new [Ontario Student Grant \(OSG\) program](#), 90 percent of college students from low-income families will receive more than \$2,768 for their education, the average amount of college tuition in Ontario. As well, 70 per cent of university students will get grants in excess of the average university tuition, which currently stands at \$6,160 per year.

According to the government, the new program will also make tuition [more affordable](#) for students from middle-income families, as more than half of students from families earning \$83,000 or less will be eligible for non-repayable grants totaling more than the average college or university tuition.

To pay for the OSG, the province will [eliminate](#) all of the grants offered by the Ontario Student Assistance Program (OSAP) and will transfer that money into the OSG. And students will no longer be able to claim tuition and education costs on their taxes.

In addition to family income, the amount of grant money that each student receives will depend on [factors](#) like whether they are living at home or on campus, and the size of their family. The government says students will be able to apply for the program beginning in 2017, and grants for low-income students will be [made available](#) upfront, before tuition fees are due.

Given that Ontario has the [highest average tuition fees](#) in the country, and in light of the fact that a student whose family earns \$30,000 per year has just over a

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[one-in-three chance](#)

of going to college or university, the government's overhaul of the student financial aid system is encouraging news.

Over the last twenty years, tuition fees have increased by [137 percent](#) in Canada, and our total student loan debt is estimated to be over \$28 billion. As a result, the typical university graduate is now entering the job force with \$26,300 in [student debt](#), while college graduates have an average debt of \$14,900.

As we have [noted countless times](#) on this [website](#), rising tuition fees and crushing student debt are putting college and university out of reach for many lower and middle income students, which in turn [impacts](#) their ability to fully participate in the economy. And so the Ontario government's decision to make post-secondary education free for students from low-income families, and more affordable for those from middle class homes, comes at an appropriate time.

Granted, while the OSG will do nothing to curb the [alarming rate](#) at which tuition fees keep rising, it will nevertheless make college and university more accessible by providing greater financial aid to the students who need it most. For that reason, the Ontario government should be commended for listening to students and "doing the right thing" when it comes to financial aid.

Now that Ontario and [Newfoundland and Labrador](#) have shown that it is entirely possible to eliminate tuition for students in need, hopefully other jurisdictions – be it the federal government or other provinces – will follow suit. Considering that [70 percent](#) of all new jobs in Canada require some form of post-secondary education, the rationale for making college and university more affordable for students is blantly obvious.