



CHOOSE FORWARD

More money and flexibility for college and university students

Our colleges, universities, and trade schools help prepare Canadians for good, well-paying middle class jobs and success for years to come. Higher education is also one of the country's biggest economic advantages, with global firms pointing to our workforce — the most educated in the OECD¹ — as one of the main reasons they put down roots in Canada.

Despite these clear advantages, getting a degree, diploma, or certificate is becoming harder and harder. Today, the cost of tuition is rising faster than students can keep up with.² The costs of rent, books, and groceries — along with cuts to student aid by provincial Conservative governments — are putting an immense amount of financial pressure and stress on students. The personal debt for an average person under 36 is higher than it's ever been before.

To help more people continue their education, and to ease the burden on new graduates transitioning into a career, a re-elected Liberal government will make student grants more generous and student loans more flexible and affordable.

More generous Canada Student Grants

Because of the rising costs of going to school,³ young people today have had to take on more debt compared to generations before them in order to fund their education.⁴

In 2016, we increased Canada Student Grants — money students don't have to pay back — by 50 per cent, and expanded the program to make it available to more people, like part-time students. This gave students up to \$1,000 more to cover their costs.⁵

Now, a re-elected Liberal government will make new investments in students — helping them spend more time focusing on their classes, and less time worrying about how to pay for school.

→ We will give students up to \$1,200 more, per year, by increasing Canada Student Grants by another 40 percent, to help with the rising cost of tuition, books, and rent.

Under the Conservatives in 2015, the maximum Canada Student Grant was \$2,000. As of next year, we will have boosted the maximum grant a student can get to \$4,200. This will make a real difference for both full-time and part-time students.

More affordable, flexible student loans

New graduates make a lot of important decisions at the start of their careers: What opportunities should they take advantage of? Where do they want to live? Can they buy a home, or start a family?

These decisions become harder to make when you're weighed down by student debt, and often many young people are forced to delay important milestones for years in order to manage repayments.

To help new graduates manage their student loans, we will:

- Give students two years to get started before they need to begin paying off their student loans, interest free.
 - This extends the current “grace period” from six months to two years.
- Change the rules so that, even after the two year grace period, graduates won't have to start repaying their loans until they make at least \$35,000.
 - That's a \$10,000 increase from the current Repayment Assistance Plan threshold of \$25,000.
 - If their income ever falls below this level, their payments can be put on hold.

Those wanting to pay back their loans sooner will still have the option.

Help for students with children

Repaying student loans becomes even more challenging when graduates are also managing the costs of raising kids. To help new parents focus on their family, rather than their debt, we will:

- Allow new parents to pause student loan repayments – with no interest – until their youngest child reaches the age of five. This means more money to help pay for things like baby products and child care in those important, and expensive, first years.
 - New parents who have graduated but haven't finished paying off their student loans will also get to hit pause.

Impact on students

All measures will begin in 2020-21, and apply both to new graduates as well as those currently paying back their loans. We project the following impacts as a result:

Measure	Estimated number of students benefiting as of next year
Increase student grants by 40 per cent for low- and middle-income students	470,000
No need to repay student debt until you make at least \$35,000 a year	45,000
2-year grace period, no interest and no repayment required	232,000
No interest and no repayment required until your child's fifth birthday	94,000

Costing

In total, these initiatives will cost \$280 million in 2020-21, rising to \$1.4 billion in 2023-24. Further details regarding costing will be announced over the course of the campaign.

¹https://www.oecd-ilibrary.org/education/data/education-at-a-glance/educational-attainment-and-labour-force-status_889e8641-en

²<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3710004501>

³Figure 6.1: http://higheredstrategy.com/wp-content/uploads/2018/08/HESA_SPEC_2018_final.pdf

⁴Figure 13: <https://ppforum.ca/wp-content/uploads/2018/11/MillennialMoney-Part2-ResearchRecommendations-PPF-NOV2018-EN-1.pdf>

⁵Maximum grants increased from \$2,000 to \$3,000 as a result of Liberal commitments made in 2015 and fulfilled as part of Budget 2016.