

## STUDENT LOAN ELIGIBILITY FORMULA NEEDS FIXING

Having lost, by only a slender margin, his bid to give significant tax-relief to university students, through a private member's bill he introduced in Parliament earlier this year, Fundy-Royal M.P. John Herron has recently introduced yet another private member's initiative to help them.

This time, Mr. Herron is proposing that the "parental contribution" which the federal government deems some applicants for government loans will receive from their parents – whether they do or not – should be eliminated from the eligibility formula.

Successive federal governments seem to have been blind to the fact that many parents either cannot afford, or simply do not feel it is their job, to remain financially responsible for their children after they have reached – ironically, again by federal standards – the age of majority.

There once was a time when a government would fund post-secondary education for its own sake, on the pretext that the presence of individuals in society who possessed a higher-than-average level of education would improve the social environment just by their mere presence.

Unfortunately, the cutbacks caused by governments finally coming to grips with their debt and deficits have put an end to this "a-rising-tide-raises-all-boats" philosophy. Now, except in health care and only a handful of other areas, "how many jobs will this money create or preserve?" has become the major criterion for the loosening of governments' purse-strings.

Nevertheless, even against this background of new-found pragmatism, the following statistics loom large:

- The average employment income of a Canadian university graduate in only the first year of employment is higher than the average annual income

of all wage earners combined, regardless of how many years the latter have been employed.

- One in every four new jobs created between 1999 and 2004 will require a university degree.

- The unemployment rate for university graduates in New Brunswick fell by 20 per cent between 1998 and 2001.

- University tuition fees in New Brunswick in 2002 are almost twice what they were in 1992.

- The average New Brunswick student with a study-related debt load, who graduated with a Bachelor's degree in 2001, owed almost \$30,000.00 at graduation.

The financial obstacles to university accessibility still being placed in the path of aspiring students by archaic and draconian federal standards of measuring their borrowing needs are all the more ridiculous when one considers that the vast majority of individuals with higher-than-average incomes pay considerably more in taxes as well. Government would not only quickly recover the relatively miniscule cost of abandoning the "parental contribution" portion of the formula, but in the long term would as well profit handsomely from thereby stimulating university attendance.

Governments who profess to have no money – even as they are posting healthy surpluses, sometimes in the billions of dollars – have an irritating habit of "deeming" us to have more personal resources, or less need, than is really the case.

Mr. Herron is, therefore, to be applauded, if only because of the growing economic importance of the universities in our everyday lives. He is on the right track in attempting to have this particularly regressive deeming provision removed, and deserves the full support in this endeavour of his parliamentary colleagues on all sides of the House of Commons.

*(Desmond Morley is the Executive Director of the Federation of New Brunswick Faculty Associations.)*