

# The Alberta student loan system: is it really what it should be?

by Kim St. Clair

In the late 1950's the Economic Council of Canada determined that Canada's per capita gross national product was lower than that of the United States because of the 'education gap' experienced here. As a result, politicians concluded that expansion of higher education was a legitimate political goal. The Canada Student Loan Plan was implemented to further this goal.

Critics of the loan plan argue, then, that student loans were implemented in response to industry's need for trained labour. In other words, the program was originally designed with the aim of financing enough students to fill vacancies in personnel lists.

Since the time of its inception, student finance claims to have adopted a different philosophy — that people have the right to post-secondary education and that they should not be prevented by financial barriers from attaining this right. Given this, loans are made on the basis of financial need.

At the present time, however, the government's adherence to their stated philosophy is being seriously questioned by student groups across Canada, notably the Federation of Alberta Students (FAS) and the National Union of Students (NUS). These groups claim that existing loan systems have failed to make post-secondary education equally available to all. Furthermore, it is also felt that the system actually discriminates against those sectors of society most in need of student loans.

This feeling has prevailed for some number of years. A more recent development is the suspicion that government is now directing students away from universities and into technical colleges and the job market, in order to meet the present short term requirements of industry.

Criticism of the loan scheme is twofold. Generally, there is dissatisfaction with the overall approach to student loans in Canada, and particularly in Alberta.

Assuming that the Student Finance Board truly does strive to make education available to all ranks of Albertans, NUS and FAS identify several assumptions the Board makes which work against this aim. These are:

1. that all students are aware of the financial aid system;
2. that many students abuse the aid system, thereby necessitating a forced summer savings plan. (This in turn affects unemployed or poorly-paid students who, under this condition, may not qualify for a loan.);
3. that all parents and spouses are willing to support their children's and spouse's education; and
4. that married students are "independent" of their parents (and thus, their parents are not expected to contribute towards their education) while at the same time it is unclear whether or not students living common-law automatically receive the same classification.

These areas of contention are fairly uniform across the country. In an effort to improve upon the loan situation, the Students' Union presented a brief (prepared by SU Nursing (B.Sc.) rep. Karin Martin and SU vp (executive), Brian Mason) to the Minister's Advisory Committee on Student Affairs earlier this month.

Three major problem areas are outlined in the brief:

- a. that the existing system discriminates against people who need loans the most;
- b. that repayment of loans is the same for all students regardless of differing wage brackets (this means that Arts graduates, for instance, are required to repay their loans at the same rate as Engineering or Medicine graduates); and

c. that the age of dependence on parents is unrealistic.

Based on these criticisms, the following recommendations have been forwarded to the provincial government by the Students' Union. These ask that an expanded grant system be implemented to encourage disadvantaged persons to enter university, or failing that, changes be made in the existing system to allow for more equitable loan remission and repayment.

They ask that a student be considered independent of parents at the age of 18 and that the Student Finance Program be better publicized. They also urge government to investigate alleged discrimination against women with dependent children and to determine if students are in fact being encouraged to enter technical schools rather than universities.

The final recommendation asks that there be student representation on the Student Finance Board.

Terry Jackson, 21, moved away from his parents 2½ years ago and is presently in his second year of university. He decides to apply for a student loan and is turned down because he is still considered to be financially dependent on his parents, who are expected to contribute towards his education.

Susan Wozniski, single mother of a two year old child, wishes to continue her education after a three year absence from university. She is told that although no money is available for her to return to university, she will be funded if she enrolls in a business college as a secretary or hairdresser.

Isolated instances such as these account for some of the dissatisfaction with the Canada and Alberta student-loan programs. Common complaints include: late approval of loans, unfair loan distribution and discrimination on a sexual and social basis. Yet Paul Tietzen, chairman of the Student Finance Board in this province, insists that Alberta has one of the best loan systems in Canada.

Are criticisms of the system unjustified? How should a student approach the question of applying for a loan?

Hopefully the information detailed here will serve to clear up some of the controversy surrounding the subject of student loans.

## Women charge discrimination

If you are a woman with dependent children, you may have a harder time getting a student loan than anyone else. The Student Finance Board, claims Diane Dalley, SU Daycare Centre Director, is reluctant to fund women to go to university. She says, "There's an inference that if you invest money in a woman, it's going to go down the spout."

Dalley's feelings are echoed by a number of people in university positions who also feel that there is outright discrimination against self-supporting mothers.

However, Fred Hemingway, Chief Administrative Officer of the Finance Board, claims that if there is any discrimination against single parents it is of a positive nature. Single parents, he explained, are eligible to grants that others are not, and because of their disadvantaged position they are given greater consideration than other applicants.

But Diane Dalley hears a different story. "Because I work primarily with single parents, and because they are

students, a lot of them come and talk with me and tell me what has actually been happening," she said. "They have had a lot of fights to get their funding."

"One mother applied for a loan and was just refused. She had to go before the committee and questions were asked her, such as: didn't she feel she had secretarial skills? Didn't she feel she could use her skills to support herself and save up the money to go to university?"

"And they were quoting figures to her that she could be earning eight or nine hundred a month. Well, that's barely enough to live on and support your children anyway."

Educational funding for independent mothers was under the welfare program until September of 1974, at which time the department of advanced education assumed responsibility for them. Problems with loans date from then, says Dalley, and because the section of the loans act dealing with disadvantaged persons is rather vague and non-committal, there is little women can do to combat injustices in funding.

This complaint ties in with criticisms levied by the Federation of Alberta Students (FAS) and the National Union of Students (NUS) that the loan system discriminates against those who need assistance most.

Dalley is convinced that the Finance Board is flatly discouraging women from getting university degrees. She offers this example for consideration: "We have one mother at the Centre who had finished one year of her BA program and had been supported by welfare. She applied for a loan and was told that she couldn't complete the other two years to finish her BA but they would fund her to do two years in Grant MacEwan or NAIT."

"It's the same amount of time, it's the same amount of money, but it's just because it was the university."

The rationale behind such reasoning, she feels, is that in most cases women can be retrained and out earning money much quicker through a technical college than through university.

Fred Hemingway responds to this statement by saying that when a single parent wishes to enter a course such as a BA program which does not offer good job prospects following graduation, the Board encourages consideration of technical training as an alternative. That way, he explained, there will be less trouble relieving debts incurred from the loans.

But when money is the only factor, he said, single parents are not discouraged from attending university.

Diane Dalley insists that there is more to it than that; she feels that the Finance Board has taken "an archaic approach" to the whole question of funding women. "You get down to very gut level issues with very gut level feelings when you talk about women with dependent children going to school. It puts all of your own values on the line — do you think women should be out earning a living or should they be home with their kids?"

"What people seem to forget is that a lot of these women don't have a choice. It's either welfare or it's support yourself after a retraining program."

"These are women who are looking realistically at the situation and saying 'I cannot afford to support myself and my family in a reasonable style unless I get some retraining. And the way I can be more marketable is to have a university degree.'"

### SOME FACTS:

- according to the Alberta Public Accounts, the cost of educating an undergraduate student is \$1,500/year. The cost of educating a graduate student is \$12,000/year.

- 14,000 loans were granted last year in Alberta, with 475 refusals. ¾ of the loans granted were given to single applicants, ¼ to married students.

- in Alberta anyone can appeal a refusal; other provinces have restrictions on appeal procedures.

- the Student Finance Board of Alberta administers two student aid plans. Up to \$1,800 is provided by the federal government under the Canada Student Loans Plan and a maximum of \$2,500 is available from Alberta student loans.

- Alberta is one of the few provinces which supplies money to graduate students.

- the Student Finance Board estimates of a student's cost of living are 30% higher than those of Canada Power and Social Development.

- Alberta gives more large loans than any other province.

- in special cases, Alberta students

will be supported to attend post-secondary institutions in other provinces.

- out of province students are occasionally supported by the Alberta Loan System if no other funding is available.

- no money is allotted to foreign students under the Alberta Loans System unless they establish residency by living here one year without having attended school.

- Alberta is one of the few provinces that has no deadline for student loan applications.

- in order to be eligible for a loan applicants must save a minimum of: \$300 - 1st year; \$450 - 2nd year; \$600 - 3rd year; and \$700 - 4th year.

- loan remissions can be as high as 50% of what a student borrows in his or her 1st year, 40% of the second year and 25% of all future years of study. Remissions are made only if the board is satisfied that the student, his parents and/or spouse have made the required contributions to the student's education, and if the student has achieved satisfactory grades.

- University of Alberta students should contact the Awards Office at 432-3221 for further information concerning loans.