



Fixed Student Contribution One-Year Pause Recommendation

Recommendation: We call on the Province of New Brunswick's Department of Post-Secondary Education, Training and Labour to provide a one-year pause on the Fixed Student Contribution (FSC) program to alleviate the economic burdens placed on students by the decision to terminate the NB-EI Connect Program. This measure would not offset the amount received by EI Connect; however, it would give students adequate access to extra non-employment based financial support.

This effectively operates as a middle ground, for one year, between full EI benefits and nothing. This also allows students to still take part in post-secondary education after making plans with the expectation that EI-Connect would still be offered for this academic year.

Context: The FSC, created in 2017, provided an equitable chance for low-income individuals to participate in post-secondary education. Amid the COVID-19 pandemic, many students were subject to layoffs and lockdown. Canada-wide, the overall cost of shelter rose by 7.4% year over year in May 2022.¹

Economic Climate: Because of COVID-19, many students experienced economic hardship due to the loss of job opportunities, increasing costs of essentials to life, and declining mental health. As inflation is 7.7% as of May 2022, the highest it has been since January 1983, students are struggling to afford costs of living, let alone rising tuition costs.²

Moreover, the average Canadian graduates with around \$28,000 in debt compared to \$40,000 in New Brunswick.

¹ Consumer Price Index, May 2022. (statcan.gc.ca)

² Consumer Price Index, May 2022. (statcan.gc.ca)

Out-migration and lowering fertility rates will result in an estimate of 2.3 working age residents for every person aged 65 and older by 2027.³ This is significantly down from 2009, when the ratio was 4.5 to 1.⁴

Mutual Benefits: The business community has struggled to get by amid the ongoing labour shortages since the beginning of the pandemic. Retention, a major issue for the future of New Brunswick, and a population that is reliant on immigration, must look ahead to the future and invest further in post-secondary education for low-income individuals.

Implementation: In 2020-2021, as a result of the COVID-19 pandemic, the fixed student contribution was waived.⁵ Therefore, the waiving of the fixed student contribution would not be an unprecedented decision, and can be done without the approval of cabinet or significant changes needing to be made to the budget. Given the economy and students are still recovering from the pandemic, this would be a low cost method of giving students access to additional financial resources, without the pressures of the business community's concerns over Employment Insurance disincentivizing students from working.

Table:

Low-Income Thresholds for the Fixed Student Contribution	
Family Size	Gross Annual Family Income
1	\$31,868
2	\$45,068
3	\$55,196
4	\$63,735
5	\$71,258
6	\$78,060
7 or more	\$84,313

Note: Taken from *Financial Student Assistance Full-Time Postsecondary Studies. Student Financial Services: Department of Post-Secondary Education, Training and Labour*

Based on family size and income, students have the responsibility to pay \$1,500 to \$3,000 per academic year, allowing them to still receive an education, save, and plan for their future.

³ New Brunswick Labour Market Outlook 2018-2027.

⁴ New Brunswick Labour Market Outlook 2018-2027.

⁵ Information Guide: Student Financial Assistance for Full-Time Post-Secondary Students in New Brunswick, 2020-2021. (studentaid.gnb.ca)