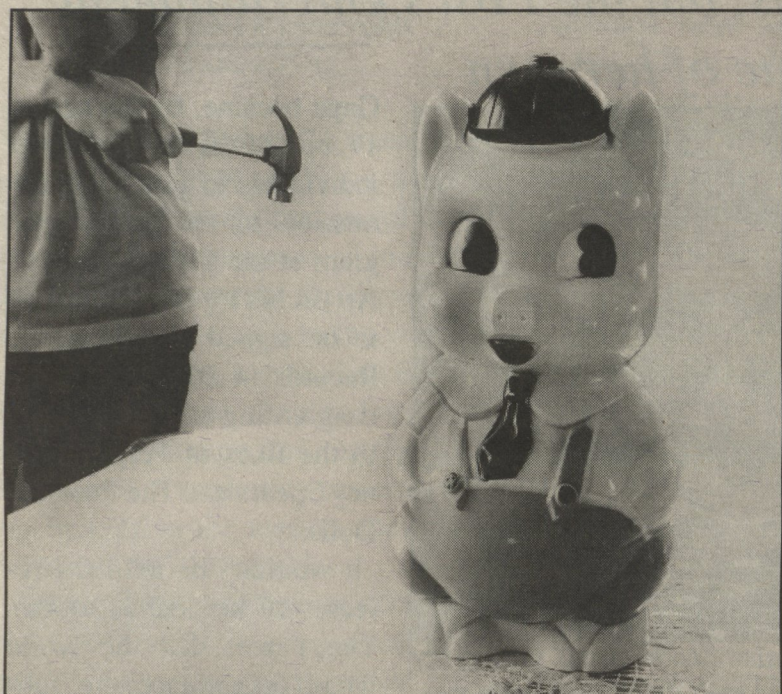


# Student debt tops \$13 billion, student groups warn



By Taylor Bendig

*The Carillon (University of Regina)*

REGINA (CUP) – Canadian student lobby groups have announced the country's student debt has climbed to well over \$13 billion.

According to the Canadian Federation of Students, the amount of unpaid student loans owed to the government of Canada broke the \$13 billion mark on Jan. 21.

But, the true amount of student debt in the country is much higher, says Julian Benedict of the B.C.-based Coalition for Student Loan Fairness.

"As far as we know, the number is much larger, because that \$13 billion only includes the federal portion of these loans," Benedict said.

"Most debt-ridden students have provincial and federal loans, as well as credit cards and private student lines of credit. So people are grap-

pling with all different forms of debt," he added.

CFS estimates the amount of provincial debt alone at a further \$5–8 billion.

"This is an unfortunate milestone in Canadian history and in the history of post-secondary education, but it was inevitable when you take into account that student debt is increasing at a rate of \$1.2 million a day," said Kristy Fyfe, VP external relations for the University of Regina Students' Union.

URSU, CFS, and the Coalition all maintain that the massive and ever-growing debt is harming the future of both Canada's youth and the country itself.

"What we're doing is discouraging people from going to school, because they know that they're going to have a debt that can take them up to 15 years to pay back," said Benedict.

Of those who do attend post-secondary school, CFS reported that significant numbers leave their studies

early to escape mounting debt. Many others see their grades and mental health deteriorate, because of stress associated with debt levels and the employment necessary to minimize them.

Benedict adds that because of the financial strain of debt repayment, students are avoiding degrees associated with important, but low-paying, public service jobs, such as social work. He also claims that repayment takes up what would otherwise be a graduate's disposable income, preventing them from contributing to the national economy.

Benedict says Canada falls behind countries such as New Zealand in its efforts to reduce student debt, and that Saskatchewan is doing less to reduce the burden than other provinces.

Saskatchewan's provincial student loan program is integrated with the federal program, meaning that all who apply automatically take out both a federal and a provincial loan – each at the federal interest rate of 2.5 per cent above prime. In provinces where the loan systems are independent, provincial interest rates – such as Ontario's 1 per cent above prime – can be substantially lower.

"I would argue that the province has basically relinquished an opportunity to offer their students lower rates," said Benedict.

Tammy Bloor-Cavers, executive director of the programs branch and training institutions branch for the Ministry of Advanced Edu-

## Chunky numbers

- \*Saskatchewan student loans approved: 12,400
- \*Total funds loaned out: \$107,957,151
- \*Interest Rate: Prime +2.5 per cent
- \*Debt reduction grants and bursaries: \$31,000,000

cation, says the integrated loan system makes the application process much less complicated for students, and the province is free to differ from federal policies if it feels the need.

Bloor-Cavers also emphasizes the variety of federal and provincial assistance available to indebted students.

"In comparison to other jurisdictions, our debt levels have remained fairly static and have only increased minimally over the last couple years, and that's largely tied to our loan assistance levels," she said.

Loan assistance for students can range from grants and bursaries, or suspension

of interest payments, to a full forgiveness of debt, depending on the borrower's circumstances.


Bloor Cavers also draws attention to Saskatchewan's newly expanded Graduate Retention Program, which refunds up to \$20,000 worth of tuition as an income tax credit for graduates who stay to work in the province.

She says the Ministry is always reviewing its own programs to make sure they are working as efficiently as possible, and while it's not always possible to keep pace with the rising cost of education, every effort is being made to see that the loan program is responsive to students' needs.



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