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# Taking Action on Canada's Commitments:

Adequate funding for the  
Post-Secondary Student  
Support Program

# The Post-Secondary Student Support Program

## *Taking action on Canada's commitments*

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Increasing educational outcomes among Canada's Aboriginal population is essential to supporting Canada's prosperity in the years to come.

Students believe the federal government should invest in programs that are working to provide more skills and education to people who need support the most. Our country needs more, younger people with advanced skills and knowledge to succeed.

The fastest growing population segment in Canada is Aboriginal youth, those between the ages of 15 and 30.<sup>1</sup> In fact, between 1996 and 2006, Canada's Aboriginal population grew nearly six times faster than the non-Aboriginal population.<sup>2</sup> It is crucial to support this young and growing community, which has the potential to address current and future labour gaps.

Currently, the program in place to support First Nations and Inuit youth is the Post-Secondary Student Support Program (PSSSP), which was implemented with the intention of promoting access to post-secondary education. Unfortunately, access to this program has shrunk due to a constricting 2% funding cap that has been in place since 1996.

► ***“Aboriginal peoples are Canada's youngest population. It is therefore in all of our interests to see Aboriginal people educated, skilled, and employed.”***

***Prime Minister Stephen Harper,  
January 24, 2012***

Those who receive funding from the program now have the highest graduation rates than at any point in the history of the PSSSP. The program has increased success rates for those who have been able to access funding. In 2008/2009 a higher proportion of funding recipients graduated than any time since the inception of the program. Regretfully, due to growing demand and increased costs, the 2% funding cap placed on the program has been outstripped and qualified students are being turned away.

From 1997 to 2009 recipients of PSSSP dropped from 22,939 to 18,729.<sup>3</sup> This figure can be attributed to rising costs not being matched with increased program funding, fewer students are accessing these funds to go to school than over a decade ago. This is unacceptable.

► **Between 2000 and 2009 the number of eligible students receiving post-secondary funding from AANDC has declined by 17%. From this smaller cohort the proportion of graduates has increased 11%**

(Aboriginal Affairs and Northern Development Canada PSSSP administrative data, Assembly of First Nations)

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It is vital to consider that Aboriginal Canadians are less than one third as likely to hold a bachelors degree than non-Aboriginal Canadians.<sup>4</sup> During the recession 390,000 jobs were created for people with university and college educations and 433,000 jobs were lost for those with lower levels of educational attainment.<sup>5</sup>

Canada's Aboriginal population was hit hard by the most recent recession. In the core-aged working population (25 to 54 years old) employment dropped 2.8% in 2009 and 4.9% in 2010 among Aboriginal people. For their non-Aboriginal counterparts employment fell by just 1.7% among core-aged workers in 2009 and grew by 0.8% in 2010.<sup>6</sup>

By 2026 it is estimated that 600,000 Aboriginal youth will be of the age to participate in the labour force.<sup>7</sup> In the December 2011 report *Reforming First Nations Education: From Crisis to Hope*, The Standing Senate Committee on Aboriginal Peoples noted:

***“Improving education outcomes will be vital for young First Nations people entering the labour market, as well as for Canada’s economic productivity, as their share of the labour force grows.”<sup>8</sup>***

Seven in ten First Nations youth aspire to complete post-secondary education.<sup>2</sup> Ensuring equal educational outcomes for Canada's Aboriginal peoples would have a positive and immediate economic impact that would compound over time. Recently, the Centre for the Study of Living Standards (CSLS) outlined the potential returns to Aboriginal Canadians and the economy if Aboriginal educational attainment was improved.

- ▶ **Education and labour market outcomes for Aboriginal Canadians would reach the same level as non-Aboriginal Canadians in 2001 by 2026.**
- ▶ **A cumulative increase of \$401 billion could be expected for Aboriginal incomes**
- ▶ **Government would see a net revenue benefit of \$116 billion by 2026 due to increased tax revenue and decreased program expenditure.**

(Centre for the Study of Living Standards. *The Effect of Increasing Aboriginal Educational Attainment on the Labour Force, Output, and the Fiscal Balance*. CSLS Research Report 2009-3. Ottawa. May 2009)

► **The Aboriginal identity population in Canada could be between 1.7 million and 2.2 million by 2031, representing up to 5.3% of the total population.**

► **First Nations peoples earn 17% less in median salary than other Canadians.**

In 2008, 3,213 eligible students were denied funding and there was a backlog of 10,589 students who were eligible and ready to enroll but could not get funding to go to school. This backlog speaks to the funding gap created by the 2% cap on Aboriginal Affairs and Northern Development Canada (AANDC) program expenditure for PSSSP.

Making post-secondary educational attainment equally available to Canada's First Nations and Inuit youth will require a significant investment. However, it is critical to understand that adequately supporting First Nations and Inuit Canadians will allow them to reach the same levels of educational attainment as non-Aboriginal Canadians. This would have staggering benefits to Canada's Aboriginal population, the economy, and all Canadians.

***CASA recommends that the federal government fund the backlog of students eligible for the program but not receiving funding to ensure that they can access post-secondary education. To make this a reality Government would have to make a one-time investment of \$272 million.***

***CASA recommends that the federal government remove the 2% cap on PSSSP funding and fully fund the program to increase access to funding. This would cost an estimated \$147 million in the first year, and increase in subsequent years to cover demand and rising costs.***

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## Citations

<sup>1</sup> Human Resources and Skills Development Canada. *Aboriginal Youth Initiatives*. Accessed online: [www.hrsdc.gc.ca/eng/employment/aboriginal\\_employment/youth/index.shtml](http://www.hrsdc.gc.ca/eng/employment/aboriginal_employment/youth/index.shtml). September 6, 2012.

<sup>2</sup> Statistics Canada, Industry Canada. *Extract from the Census of Population*. Accessed online: [www.statcan.gc.ca/imdb-bmdi/3901-eng.htm](http://www.statcan.gc.ca/imdb-bmdi/3901-eng.htm). January 15, 2008.

<sup>3</sup> Assembly of First Nations. *Fact Sheet: First Nations Post-Secondary Education*. Accessed online: [www.afn.ca/uploads/files/pse-fact-sheet.pdf](http://www.afn.ca/uploads/files/pse-fact-sheet.pdf). January 27, 2011.

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<sup>Mark</sup> Davidson, P. *AUCC: Postsecondary education pays for economic growth*. Accessed online: [www.ipolitics.ca/budget2011/?p=60118](http://www.ipolitics.ca/budget2011/?p=60118). March 17, 2011.

<sup>Mark</sup> Statistics Canada. *Study: Aboriginal people and the labour market*. Accessed online: [www.statcan.gc.ca/saily-quotidien/111123/dq111123b-eng.htm](http://www.statcan.gc.ca/saily-quotidien/111123/dq111123b-eng.htm). November 23, 2011.

<sup>Mark</sup> Hull, J. *Aboriginal Youth in the Canadian Labour Market*. *Horizons*, vol. 10, no. 1, 2008.

<sup>Mark</sup> Standing Senate Committee on Aboriginal Peoples. *Reforming First Nations Education: From Crisis to Hope*. Accessed online: [www.parl.gc.ca/Content/SEN/Committee/411/appa/rep/rep03dec11-e.pdf](http://www.parl.gc.ca/Content/SEN/Committee/411/appa/rep/rep03dec11-e.pdf). December, 2011.

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