

FAST FACTS



Canadian Centre for Policy Alternatives-Mb • 309-323 Portage Ave. • Winnipeg, MB • Canada R3B 2C1
ph: (204) 927-3200 • fax: (204) 927-3201 • ccpamb@policyalternatives.ca • www.policyalternatives.ca/mb

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Should University Students Pay More?

Students in the Asper School of Business at the University of Manitoba recently voted on a proposed tuition fee hike that would have raised the cost of a business degree by 54 per cent. Even though the new fees would not come into effect until after current classes had graduated, the students rejected the proposed increase by an overwhelming margin. Of the students who voted, 63.9 per cent opposed the increase. Approximately 90 per cent of the estimated \$3.4 million gain in annual revenue was to be used to hire 20 new faculty members and increase the salaries of existing faculty members by 10 per cent. The remaining 10 per cent was earmarked for bursaries and scholarships.

This is the second time in recent years that students at a professional school at the U of M have been asked to vote on an extraordinary increase in fees. In 2003, U of M law school students approved a tuition fee increase of 91 per cent for their faculty. The expenditure plan for the law school was similar to that of the School of Business and included a commitment to use part of the increased revenues to cushion the negative impact of increases on low-income students. The University Board of Governors and the Manitoba Government subsequently approved the tuition fee increases. In both cases the students were encouraged to vote for the increases on the grounds that the increase in funding would be used to enhance the reputations of their schools and, by association, the status of their own degrees.

Raising tuition fees on the scale approved by the Faculty of Law and recommended by the School of Business will likely make a post-secondary education less accessible to many students.

More to come

Since we may see more of these proposals in other professional schools in Manitoba (and elsewhere in the country), it may be useful to identify and discuss the important public policy issues to which these initiatives give rise.

Raising tuition fees on the scale approved by the Faculty of Law and recommended by the School of Business will likely make a post-secondary education less accessible to many students. While a portion of the additional funds generated by the increased fees might be used for low-income students, it is important to ask: what happens to the students who are not poor enough to qualify for such aid? Many students from working and lower middle class families would have to choose between not furthering their education and assuming a very significant financial debt as a result of these fee increases.

In addition, we need to recognize that the imposition of significant increases in fees will affect the decisions and behaviour of those individuals who must pay the increases, and also impact society. Increasing reliance on tuition fees for funding post-secondary education may be the preferred solution for some in the current neo-liberal context, but it is a solution that could produce harmful consequences for society at large.

High debt loads can, for example, distort the career decisions that students are obliged to make. Think, for example, about the



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student from a family with a modest income that is above the threshold for tuition fee subsidies who wishes to study at the School of Business to prepare for a career working with not-for-profit, non-government organizations? A 54 per cent increase in the cost of a degree would force many such students to seek jobs with the Enrons and the Arthur Andersons of the world in order to pay back the thousands of dollars of additional debt that they would be forced to take on. After all, you will likely get paid a lot more if you know how to help corporations avoid taxes through transfer pricing or how to inflate stock prices, than you will get paid for learning how to compete with corporations using fair trade practices or helping local community economic development enterprises with their accounting. The same pressures might force a law student from a working-class family who wants to do legal or environmental law to opt for a higher paying but less socially responsible form of practice.

There are examples where the effects of rising tuition are already being felt. A recent study reported that a physician shortage is attributable in large part to the fact that medical school graduates are taking longer to practice medicine because they are specializing instead of going into the less lucrative general practice (*Links*, Vol. 5, #3, Fall 2002). Another study in the *Journal of the Canadian Medical Association* (April, 2002), it was reported that rising tuition was “very” or “extremely” stressful and financial considerations were having a major influence on specialty choice and/or practice location.

Undermining the role of post-secondary education

Finally, large-scale tuition increases undermine the role of a post-secondary education system. The object of an accessible post-secondary education system should be to provide individuals and society with up-to-date skills for an ever-changing labour market, and to make scientific and technical expertise available to an increasingly knowledge-based economy. As well, it is imperative that the post-secondary education system preserve the artistic and cultural legacies of the past, nurture creativity and the pursuit of knowledge without concern for immediate practical applications, provide independent expertise in the public interest, and promote a critical stance toward existing society.

These educational goals are significant. On the one hand, post-secondary education helps to produce the wherewithal of modern industry and culture, but it also creates the conditions for an ongoing critique of its own creations. The doubling of tuition fees will almost certainly force more and more students to seek positions/jobs with private-sector firms who can and will pay them enough to cover the escalating costs of their education. Diverting more and more of our

resources to private sector for-profit enterprises and away from careers in universities, the public and the not-for-profit sectors will likely diminish the role of the academy as a source of social, scientific and economic criticism and policy alternatives.

The alternative to the increasing emphasis on tuition revenues for funding post-secondary education is for the government to provide the resources required by the post-secondary education system to do the things we expect of it. Anything else is going to create more inequality and force students to make career choices based largely on their debt loads rather than their values. If there isn't enough money to pay for university funding then maybe it is time for the Manitoba government to steal a page from Ontario, where the government is considering reversing the tax cuts. No one is arguing that the graduates of law schools, business schools, and medical schools shouldn't pay for publicly funded education that allows them to make incomes well above the norm. The question is when and how the bill is to be paid. A progressive income tax system, such as we once had, would make them pay after they have graduated and are actually making the money. We will all be better off if students were freer to make education decisions based on their values.

by Robert Chernomas and Errol Black

Robert Chernomas is a professor of Economics at the University of Manitoba and a research associate of the Canadian Centre for Policy Alternatives. Errol Black is a retired professor of Economics at Brandon University and a member of the Brandon City Council.

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