

The Cost of Education Today

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Students and their parents are often unaware of the cost of education and training.

For many, the cost is not justifiable. For example, a student pays \$30,000 towards his or her chosen program, and loses income from being in school while registered to take a semester that holds only one or two courses. The student has all the costs of living for one semester in exchange for such a small result from taking those courses of study.

Along with tuition, students face a variety of additional challenges in financing their education. Ancillary fees, books, supplies, residence fees, rent, food and other living expenses all push up the cost of education.

If a student comes from a lower income background, the cost of tuition and living expenses may prove to be one of the greatest barriers. This issue is exacerbated by current inadequacies in the financial aid system in Ontario, and may have a significant impact on both student debt and overall accessibility of the system.

Interest charged on student debt makes tuition even more expensive! The following numbers were calculated using the HRSDC student loan calculator, assuming an average prime interest rate of 4.5%, a standard 10-year (114 month) repayment period and a loan of \$30,000:

- if the *Floating Interest* option is selected, monthly payments will be \$361.02 (principal and interest), resulting in total payments of \$41,156.77 (\$30,000 principal + \$11,156.77 interest) over the life of the repayment.
- if the *Fixed Interest* option is selected, monthly payments will be \$400.50 (principal and interest), resulting in payments of \$45,657.54 (\$30,000 principal + \$16,657.54 interest).

Beyond the specifics of tuition fees, there are major concerns and cost analyses that most parents and students need to evaluate:

1. Does the Education Cost justify the potential wage and actually lead to a job?
2. The cost of living in residence, or in off-campus housing assessed by the Canada Millennium Scholarship Foundation, was \$17,400 in 2003-04.
3. The average debt load for a student who studies locally (with no additional living expenses) is still \$9,000.
4. Increased costs of education in the 1990's were shifted from the government to the students and consumers of education. This also raises the question of value to the consumer for the education and training they are receiving in 2011.

5. The average cost of tuition is \$5,381 a year. The international student, because they are not subsidized, pays an increased cost of \$10,500 a year. If the course is studied out of the area in which the student lives, the added cost for additional living expenses is \$17,000 a year. The cost of a two year college degree is \$45,000. For an RPN with two years of college and an earning capacity equal to the Ontario average of \$21.91 per hour (and only being able to access part time work), educational prices do not add up to be a cost effective alternative. The student loan interest rate is approximately prime plus one percent, and does not take into account that the RPN usually can only access part time work, as stated, because the government-operated agencies employ most of the staff for less than 20 hours a week to avoid the exorbitant costs paid out for benefits.
6. The average cost for training a PSW, who is doing most of the Front Line Health Care Work both in Institutions and Community Care, is \$3,000 to \$5,000. Specifically reviewing one community college for a 700 hour course, the tuition is \$4,342.42 including books. For one private college course that is 600 hours of study, we have a tuition fee of \$3,500. The placement hours for both private and community options range from 350 to 368 hours, and these hours are completely unpaid. The PSW candidate loses money while basically "volunteering" for the nursing home placement! Your time is money, and at today's costs this equals \$5,500.00 of lost income. In addition, you have the OSAP cost added to the student fee, and as mentioned earlier, you can add another \$17,000 if you are living away from home. This puts the cost of study for the PSW at \$21,342 plus lost income of \$5,500. In total, this equals \$26,842. This is a lot of money for a college experience!
7. Workplace training has translated into higher costs for students. The average debt for an individual living in residence to take a PSW course is \$26,842 (refer to point F). This cost will be even higher once interest is taken into account.
8. **Home study materials and a work placement for the Certified Caregiver/Personal Support Worker (CPSW) course that we offer cost a total of \$2,700 (including books). The student's earning capacity begins at week two of the program, and there are no extra expenses for living away from home. If a student was to work 16 hours per week at \$15/hour while completing the training, they would have \$11,520 after 48 weeks. If you take this \$11,520 in potential earnings and subtract the \$2,700 for the course, you have approximately \$8,820 in profit by the time you complete your certification.**