

# Policy Manual

## Issues Policy

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### **Issues Policy 04.1 (IS-04.1): Student Grants**

Adopted by: Board of Directors

Adopted on: March 22, 2011

#### **Summary:**

Upfront, need-based student grants are the optimal student financial assistance. They are targeted to reduce the greatest financial burdens, are provided when financial need occurs and thus improve access regardless of debt aversion, and are transparent, allowing students to be sure of their financial position before incurring the cost of accessing post-secondary. These characteristics make grants effective in increasing access, persistence, and equity, and a sound use of public resources.

Upfront, need-based grants improve access and persistence, and are effective no matter the level of financial need.

Grants improve access by directly addressing the issues of financial need and debt aversion. Students receiving a grant are provided with the means to meet costs when they are incurred, and directly reduce the financial burden instead of deferring it as a debt to be repaid.

Because students receiving grants do not carry a financial burden through their studies, they are less likely to drop out due to financial worry or to seek income. Students with the highest financial need who receive grants are almost five times as likely to graduate as those receiving only loans.

Finally, grants, unlike loans, are increasingly effective in improving completion rates as financial need increases. The greater the loan provided to a student, the less likely the student will graduate, but the greater the grants provided, the greater the likelihood of graduation. In short, grants directly address the disparity in educational attainment across incomes, promoting equity in post-secondary education.

As the most effective financial assistance in increasing, and promoting equality in, access to and completion of post-secondary education, grants provide the greatest social and economic return on investment for public dollars spent on students.

#### **Policy:**

- I. The Union supports:
  - a. Student grants that are:
    - i. Provided at the beginning of a study period, when most costs including tuition fees are incurred;
    - ii. Need-based;
    - iii. The majority, in dollar value, of total public student financial assistance at the both the programmatic and recipient level;
  - b. The establishment of a provincial system of student grants that is:

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- i. Administered by Student Aid BC and integrated with other provincial student financial assistance programs;
- ii. Integrated with federal student financial assistance programs;

### II. The Union opposes:

- a. The use of student loan remission/reduction grants, education savings grants, or other forms of non-repayable student financial assistance to supplant or substitute for the use of grants meeting the criteria outlined in Section I.a.;
- b. The treatment of student loan remission/reduction grants, education savings grants, other forms of non-repayable student financial assistance, and upfront grants in the same category for the purposes of data collection and analysis.