Post-Secondary Access

Transition Briefing: Better Life Chances for Ontario’s Children

Jennifer Robson
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The problem / opportunity

Education has been one of the single best avenues to promote upward social mobility, better labour market outcomes and, historically, higher long-term earnings.\(^1\) Greater levels of education in a society are also associated with better health outcomes and stronger macroeconomic economic growth.\(^2\) As technological and labour market changes increase employer expectations for the skill levels of workers, we have seen the emergence of a consensus, across political parties, that governments have a role to play in promoting education and training for their citizens. But equity of access to education matters if we want to use education to promote social mobility, rather than reducing it. As Foley and Green (2015) warn, “if education policy is implemented in a way that perpetuates the income differences of the parents’ generation among their children, more education ultimately could lead to more inequality” (348).

In Canada, Ontario has been leading the way in increasing participation in post-secondary among youth from lower income households. One way to think about equity of access by income is to look at the gap in post-secondary participation for kids from lower income compared to kids from high income families. Between 2001 and 2014, the post-secondary participation gap for kids in families in the bottom income quintile compared to the top quintile shrank more in Ontario than in any other province in Canada.\(^3\)

Overall, nearly 70% of youth who grow up in Ontario will continue their education after high school, whether through college or university. That is the highest rate of any province in Canada.\(^4\)

Enrolling full-time in a post-secondary program leading to a degree can be very costly when we consider the total costs of tuition, living costs (for children who cannot live with family while they study) and foregone opportunities to earn income. And yet, between 2011 and 2015, full-time enrolments in Ontario undergraduate degree programs have continued to grow: rising 7% among universities and 26% among colleges.

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\(^4\) Ibid.
Ontario has also made substantial progress in simplifying direct support to students. It has, for example, converted various education-related tax credits into cash assistance for students, through expanded repayable loans and non-repayable grants. It is a policy direction that has now been replicated at the federal level as well.

As of March 2017, the province reports that provincial grants are large enough to cover average full-time undergraduate tuition costs for approximately 210,000 students in low and middle-income families. In all, 380,000 students received student financial aid (including both grants and loans) in 2015-16. The province has also made some efforts to target additional, though modest, cash grants (of between $1,000 and $3,500) to Ontario students who are the first in their family to attend higher education.

But higher education and training remains out of reach for too many, owing to both financial and non-financial barriers.5

Children from lower income households remain less likely to attend post-secondary education:

- In Ontario, while the proportion has grown, just 55% of kids with parents in the bottom income quintile are enrolled in college or university by age 19, compared to over 84% of kids with parents in the top income quintile.6

- Approximately 5.1% of young women and 9.3% of young Ontario men drop out of education before they graduate with their high school diploma.7 Early school-leavers are more likely to have higher rates of unemployment, to have lower earned and total incomes and to be so-called “NEET” youth – not in employment, education or training.8

6 M. Frenette, “Postsecondary Enrolment by Parental Income: Recent National and Provincial Trends”, Economic Insights, Statistics Canada, April 2017. Available at: http://www.statcan.gc.ca/pub/11-626-x/11-626-x2017070-eng.htm. Frenette published results are expressed as changes in the ratios between the bottom and top income quintile. Data above were generously provided by Frenette and are cited here with permission.
• The influence of parental income on children’s education may be related to a parent’s own educational experiences and outcomes. When parental income is lower because of lower educational achievement, children may not have the same access to non-financial supports – such as educational aspirations, academic help and engagement with a child’s education. These ‘cultural’, or at least non-financial, differences may play a more important role than financial barriers alone.

Place also matters.

• While most children who grow up in lower income families go on to enjoy a better standard of living than their parents, there are communities in Canada, and in Ontario, where lower income is more likely to be passed along from parent to child. These “mobility traps” as Corak calls them, are at a further geographic distance from areas of higher economic activity. When natural resources (such as oil and gas development) are not available to generate those “local poles of growth”, to use Corak’s term, then higher education seems to play an even larger role in shaping local economic opportunities.

• While early school leaving has declined over the last several decades, it remains more common among kids growing up in rural areas. In fact, youth growing up in urban versus rural environments have begun to show two very distinct patterns when it comes to education and transitions into the labour market, with urban youth spending longer in school than their rural counterparts.

• Even after controlling for other factors, including household income and parental income, students who live too far to commute to a college or university are more than 42% more likely to forego post-secondary education, compared to students

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13 R. Beajot and J. Kerr, “Emerging Youth Transition Patterns in Canada: Opportunities and Risks”. Discussion paper. Ottawa: Policy Research Initiative, 2007. Available at: https://ir.lib.uwo.ca/cgi/viewcontent.cgi?referer=https://www.google.ca/&httpsredir=1&article=1016&context=pscpapers. It should be noted that Beajot and Kerr also find that rural youth make earlier transitions into the labour market (as well as earlier family formation). If an earlier exit from education is paired with an earlier, and successful, transition into the labour market, lifetime earnings will not necessarily be depressed. Actual outcomes likely depend on a range of factors including, but not limited to, gender, endowments and local economic development conditions.
who live near a college or university. The effect is especially pronounced for youth in lower income families.

And there is an intersectional dimension to post-secondary access as well:

- Across Canada, children with a disability and Indigenous children are significantly more likely to leave school without a high school diploma.

- While children of immigrants to Canada often have educational outcomes that are above the Canadian average, parental immigration class seems to play a major role: children of refugees to Canada and children of live-in-caregivers are significantly less likely to complete high school and less likely to attend university than are children of skilled worker immigrants.

In sum, the effort to open avenues to post-secondary education (PSE), including college and university, for as many Ontario youth as possible is a laudable policy goal. Recent measures that have effectively eliminating net tuition may have improved access and reduced sticker shock for many students. As Finnie (2012) states, “it now appears that if a child is taught to value PSE, is prepared for PSE (academically and otherwise), and ultimately wishes to attend PSE, there is a high probability that the child will participate in PSE – and cost will not stand in the way” (4).

So, what should come next in Ontario’s approach to accessible post-secondary education? How can Ontario build on its current approach to reach kids who may not be receiving the non-financial supports that will motivate them to continue their education?

The purpose of this policy briefing is to set out some of the research on how best to expand post-secondary access, consider the existing policy tools available to Ontario policymakers, and put forward a set of recommendations on how the province’s next government can build on recent progress to expand access and opportunity for all Ontarian children.

**Are we intervening early enough?**

Currently all students in Ontario must complete a grade 10 half credit course in career planning. The course asks students to explore career and work options, set goals for post-secondary education and identify the knowledge and skills they will need to reach those goals.

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However, models of post-secondary education decisions suggest that it is a multi-year process that stretches over several years. While students in secondary school may start to consider education options and financial issues associated with education, years before then, they have to have been made aware – through parents, other family members, friends, teachers and other influential figures in their lives – that post-secondary education is something to be aware of and consider for their own future. That so-called ‘predisposition’ phase comes long before a search or choice of post-secondary program. It also seems to be the stage when individual and environmental factors have the biggest role.

Policy to effectively eliminate tuition fees for low and modest income students is likely to play an important role at the time when students are searching for post-secondary options and making choices about education after high school. It may also have some impact earlier in the decision process by changing perceptions of the costs of training, college and university.

However, these policy interventions may come too late to change the early trajectories for students who otherwise would not even consider training, college or university. A complementary policy approach, that combines financial and non-financial supports, may help open access to post-secondary education to even more Ontario students.

**Can providing financial assistance earlier make a difference?**

Ontario’s current approach is to provide financial assistance once a student has made the decision to attend a college or university and applied to a program. The cash assistance is paid just-in-time. But other jurisdictions have experimented with delivering financial aid for education much earlier.

- For example, American researchers have examined the effects of more targeted early commitment grants for higher education. These programs offer a promise of future non-repayable aid to a student in middle or secondary school. There is evidence that these early commitments can improve secondary school performance, and increase odds of completing a post-secondary education program.

- In the US, a review of 34 different studies concluded that assets in general, and financial assets in particular, have an important impact on the odds of a child starting post-secondary studies. Researchers found that a sense of ownership over the financial asset might play a mediating role in education outcomes. In other words, to have a positive effect on education, a student must be aware of the asset and must feel a sense of ownership over it.

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• In Oklahoma, researchers are evaluating the effects of a state-sponsored program to offer a $1,000 grant into an education savings account for each child in the state. Data on education impacts for the children have not yet been reported. However, standard tests of psycho-social development at age 4, considered to be an early indicator of success in the first years of primary education, have been published. In a simple comparison to a control group, children receiving the education accounts showed significantly better psycho-social development on only three indicators. However, using a more complex model that accounts for material deprivation, researchers find that the automatic account does significantly reduce the negative effects of poverty and deprivation on child psycho-social outcomes.\textsuperscript{19} Interviews with participating parents find an increase in parental expectations for their child’s education among lower income mothers.\textsuperscript{20}

• A study in the UK found large treatment effects when students who do not inherently value education were offered a financial asset of £200, in exchange for positive education behaviors. Students’ performance on later tests (not associated with the reward) also improved significantly for standardized mathematics and science exams, closing an observed achievement gap by half.\textsuperscript{21} No such response was observed when researchers substituted a non-financial reward of approximately equal value.

• The Future to Discover project in New Brunswick has tested the effects of Learning Accounts granted to secondary students and using a randomized control trial design. Participants in the treatment groups received a financial endowment of up to $8,000 for post-secondary studies as they completed secondary school. The endowment was made available to participants conditional on completing high school, but regardless of grades, and without any requirement for parental contributions. The project’s early reports showed that the offer of the Learning Account had a significant positive effect on students’ thinking about their own futures for some low-income students whose parents had low education levels.\textsuperscript{22} Another group of students who received the Learning Accounts, showed a significant increase in the share of that low income secondary students who aspired to attend post-secondary education. Furthermore, some groups of

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students who received the Learning Accounts were also significantly more likely to complete high school as a result of the financial endowment. However, the researchers also found that participants’ awareness that they were entitled to or had received a Learning Account was quite low. It is likely that awareness and a sense of ownership over the financial asset may mediate any effects on education attitudes and behaviors. After secondary school, participants in the Learning Accounts treatment were significantly more likely to enrol in post-secondary education – with effect sizes of between 6% and 15% compared to the control group. The most recent project results confirmed the impact on post-secondary enrolment and found that participants in the treatment group were also far more likely to graduate a post-secondary program.

In short, providing financial endowments earlier in a child’s education can have important and positive impacts that can not be achieved through just-in-time access to study financial aid. When delivered before higher education decisions take place, early financial commitments can improve education outcomes for students by:

- improving school performance,
- increasing secondary school completion,
- increasing participation in some post-secondary programs, and
- increasing persistence and graduation in a post-secondary program.

But, to have these effects, students have to be aware of that they have received and own the financial asset.

**Canada already has an early financial commitment policy for education (and Ontario is part of it)**

Since 1972, Canadian parents have been able to set aside money for their child’s education in a Registered Education Savings Plan (RESP). These plans allow owners to save in approved instruments, to earn investment income exempt from tax, and, at maturity, to have students withdraw the funds at their personal rate of taxation (almost certain to be low or even zero). To encourage family contributions into RESPs, the Government of Canada also offers education savings grants that match contributions, to annual maximums and at rates that depend on family income.

Compared to parents in other parts of Canada, Ontario parents also report being a little more likely to put aside savings for their child’s education: 72.3% of Ontario parents report

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25 While access to study financial aid may increase participation in post-secondary education, aid delivered in the form of repayable loans may actually decrease persistence and completion for some students who feel unable to manage the financial costs.

26 Here the term “parent” is used as a shorthand to refer to all parents, guardians or other adults who are financially responsible for a child who lives with them.
saving compared to 70.5% of parents elsewhere in Canada.\textsuperscript{27} However, in Ontario, lower income families are significantly less likely to report having any savings for their child’s education: outside Ontario, 58.3% of families in the bottom income quintile report saving compared to just 37.6% of Ontario families in the bottom income quintile. Parents who are not saving still say they hope for their child to go on in their education.\textsuperscript{28} Instead, the main reasons for not saving cited by parents are economic ones: being unemployed, not having enough money or having other competing financial obligations. In total, a little more than 1 in 5 parents in Ontario who are not saving say it is because of financial pressures (compared to a little less than 1 in 5 parents outside the province). But among Ontario parents in the bottom quintile (62% of whom say they are not saving for their child’s education), nearly half (49%) say that it is financial pressures that keep them from setting aside money for their child’s education. In other words, a third of all lower income parents in Ontario report that they cannot afford to save for their child’s education.\textsuperscript{29}

Canadian research has already shown that when students have financial assets for their education, they are more likely to move quickly into post-secondary education after high school, are more likely to compete their post-secondary program, and are more likely to pursue a more demanding (and potentially rewarding) program in college or university.\textsuperscript{30} At the same time, many of the very same students who are already less likely to go on to college or university by virtue of their family income, are the same students whose parents face the greatest financial challenges in saving for education.

But parental savings are just one way for children in lower income families to gain financial asset for their education. Student financial aid in Ontario now includes an important share of non-repayable grants. We could also use grants earlier in the life course to transfer financial assets and gain the education impacts – on motivation, engagement and secondary achievement – that research is showing can come from earlier access to assets for education.

Since 2005, the Government of Canada has offered the Canada Learning Bond (CLB), to low-income families who open a Registered Education Savings Plan (RESP). The first payment is $500 and subsequent annual payments are $100.\textsuperscript{31} The CLB is income-tested but does not require that parents make any contributions of their own money into the RESP.

In the last decade, participation in the CLB among eligible children in families has been sluggish. On average, the program reaches just 7% of children who are eligible in a given

\textsuperscript{27} Author’s analysis of the Canadian Financial Capability Survey (2014), master file using survey-adjusted weights.
\textsuperscript{28} Just 2.6% of all parents who report that they are not saving for a child’s education say it is because they don’t expect their child to attend college or university.
\textsuperscript{29} Outside of Ontario, the comparable share is just 10% of lower income parents.
year. But once a child has been eligible, they can still receive retroactive payment of the Bond up until age 21. Looking at cumulative eligibility, the program reports that it has now reached 34.7% of children who have ever been eligible. In Ontario, the rate is very similar at 35.2% of all children who have ever been eligible.

The 2018 federal budget announced that the Government of Canada would be partnering with Ontario to boost take-up of the CLB by integrating it into the existing “4-in-1 Newborn Bundle”. That service allows parents of newborn children to request access to additional documents and benefits during the mandatory process to register the live birth of their new child. Already the online platform allows parents to request a birth certificate, apply for a social insurance number for their child and apply for both provincial and federal cash benefits that, together, can provide over $7,000 in monthly income benefits to low income families. Based on the success of Smartsaver’s “StartMyRESP” online application, the new Service Ontario birth bundle will also prompt parents to apply for the CLB using a streamlined application for an RESP with a participating financial institution. All participating financial institutions in Smartsaver have agreed to provide access to simplified RESP products and will not require low income parents to make regular deposits into the account.

What is missing, in the current policy mix is a commitment from the province to contribute to those financial assets for education for low income Ontario children and investments in high-touch programming that can help children be aware of the asset they own, feel a sense of ownership over it and services to address the non-financial barriers faced by students from low-income families where post-secondary education may seem out of reach.

Some provinces32 already offer their own grants (whether conditional on income or savings):

- In British Columbia, eligible children born in the province receive a one-time grant of $1,200 paid into an RESP. Take-up of the CLB in the province is 40.7%.

- In Quebec, eligible children from low and modest income families receive a provincial top-up on savings in an RESP. Take-up of the CLB in the province is 39.5%.

Ontario has also already taken steps to build education savings for some of the province’s most vulnerable children. Since 2008, children in care all receive an RESP that includes the CLB, regular deposits out of a portion of federal child benefits and, in turn, the matching federal education savings grant. The RESP is then available for a child in care, as they transition to independence, as a nest-egg to help them continue their education after high school. Similarly, mothers who are between 16 and 25 years of age and receiving Ontario Works can take part in the Learning Earning and Parenting Program that offers a mix of parenting development, education supports, and employability training as well as a modest financial incentive ($500) that can be applied towards post-secondary education after the mother graduates high school.

32 Both Saskatchewan and Alberta previously offered provincial grants payable to children’s RESPs. These programs were recently cancelled or placed on hold due to fiscal constraints.
The province of Ontario has a framework and models to build on. It has a willing partner in the federal government. We know there is more to do on access to post-secondary education. In the next section, I sketch out some ideas for what should come next.

What’s next?: Earlier access to financial assets AND high-touch education supports

The following model is based on analysis of publicly reported data from the Government of Ontario as well as public data from Statistics Canada. All assumptions in the costing are clearly described and are open for debate and discussion. I also briefly touch on at least two other avenues to generate revenues to support new programming. These latter ideas are preliminary and offered for illustrative purposes only.

1: Adjust the formula for income-testing provincial tuition grants

Based on the online provincial calculator, an Ontario secondary student planning to attend a full-time undergraduate program could receive up to $9,100 in (non-repayable) tuition grants for the 2018-19 academic year.

The most recent annual plan (for 2017-18) from the Ministry of Advanced Education and Skills Development states that 380,000 Ontario students receive provincial student aid, in the form of loans and/or grants an academic year. The most recent figures from the province suggest that 210,000 of the students receiving financial aid are from families with incomes low enough to qualify for income-tested grants that will cover average university or college tuition. Total spending on financial assistance programs in the Ministry were $1.05 billion in 2016-17.

A small adjustment to the formula for income-testing the non-repayable grant would eliminate the grant to students from the wealthiest 2% of families. Based on the available calculator for the 2018-19 academic year, this would reduce ceiling on pre-tax family income from $170,000 to $160,000. Using family income data published by Statistics Canada, I estimate that there are 2.3 million families in Ontario raising 3.9 million children. A pre-tax family income of $170,000 is nearly twice (1.7 times) the median family income for a two-parent family with 1 child. It also puts a family in the richest 14% of all households in Ontario. Reducing the ceiling to $160,000 would represent a shift of 2% down the income distribution in the province. I estimate that this would reduce the number of high income students receiving tuition grants of $2,000 each by between 5,700 and 6,840 per year. For the sake of simplicity, I use a figure of 6,200 students receiving

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33 Available online at: [https://www.ontario.ca/page2osap-ontario-student-assistance-program](https://www.ontario.ca/page2osap-ontario-student-assistance-program)
36 CANSIM Table 111-0045.
37 Author’s calculation using the Canadian Income Survey (2015), Public Use Microdata File.
38 Assuming that approximately 90% of students who apply for Ontario student financial assistance will receive the tuition grant in addition
$2,000 each, to a total of $12.4 million per year or approximately 1.2% of all spending in the provincial student aid program.

2: Offer a provincial education bond to eligible Ontario children

The province already has a well-developed system for verifying family income to determine eligibility for provincial child benefits. Furthermore, the integration of the ‘birth bundle’ with the online application for the Canada Learning Bond (and RESP vehicle) creates a far more accessible and readily available platform to connect new parents to financial assets for their child’s future education.

The province should redirect the majority of the $12.4 million from rationalizing existing tuition grants (as described above) to a new early commitment bond to children in the province who are likely to face the biggest obstacles – financial and otherwise – to completing secondary school and participating in post-secondary education. The additional administrative costs to the province, particularly compared with assessing applications for traditional student financial assistance, are likely negligible. This allows the province to ensure that substantially all of the money reallocated from the just-in-time system of aid will go towards an endowment for future education.

A reallocation of $10.2 million per year would allow the province to, for example, pay a bond of $700 to all children born to families in the bottom income decile. When combined with the Canada Learning Bond, the total value of the endowment at age 18 would be over $4,000 and before any other contributions into the RESP. This new provincial education bond would be in addition to traditional just-in-time student financial aid. RESP promoters would remain responsible for providing regular (at least annual) statements to families about the value of the asset in the recipient child’s name. Recall, from the available research, it is critical that children are aware that they own a financial asset for education for it to have any impact on their predisposition phase (see discussion at page 3).

There may be cases in which a parent who is eligible for the new provincial bond (and Canada Learning Bond) has difficult accessing the online ‘birth bundling’ system or voluntarily or involuntarily declines to enrol for the benefit. What then?

Here, I believe that good defaults matter. The province has a standing agreement with one RESP promoter to provide accounts for children in care in the province. It may be possible to use a similar approach to ensure that RESPs are established by default in cases where a parent cannot or does not act. It is also worth noting that measures are already in place to lock-in federal and provincial government bonds and grants so they

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39 Based on 147,000 live births in the province each year, see CANSIM table 051-0013.
40 Assuming that the child receives the maximum CLB payments until age 16 and monthly compound interest at an annualized rate of 3% over 17 years.
41 As I describe in a paper for Employment and Social Development Canada, I remain concerned about the legal and privacy implications of the Crown acting to enter into an investment contract with a private sector firm on behalf of a resident, particularly when the intended beneficiary is a minor child. My preferred approach is instead to have the Crown launch a system of notional, personal accounts, bearing a reasonable rate of interest, and accessible using the very same system of student financial aid currently used to pay just-in-time loans and grants.
cannot be withdrawn until and unless a beneficiary is enrolled in an eligible post-secondary training, college or university program.

Other bond amounts and distributions are also possible, either in the same fiscal framework or by generating additional dedicated revenue streams.

The Ontario Securities Commission is responsible for regulating the market conduct of RESP promoters in Ontario. There are over 90 RESP promoters across Canada, most of whom are located and provide services in Ontario. Compared to other financial transactions, RESP transactions are already reported in detail to the Government of Canada for the purpose of administering federal and provincial education savings incentives, and for determining taxation of withdrawals by beneficiaries. Through a data sharing arrangement with the Government of Canada, the Ontario Securities Commission could, for example, establish a modest fee or levy on RESP operating in Ontario. The fee might be based on a per-transaction basis, after some minimum threshold of transactions. Or, a flat fee on RESP promoters could be levied on all promoters or on promoters above a certain floor of activity or capital invested in RESPs. The final incidence of the fee or levy would fall principally on higher income and higher net worth families who are more likely to hold RESP assets and who are more likely to hold larger amounts of financial capital in their RESP. The exact details of such a fee or levy have not been modelled for this paper and the concept is offered primarily to promote discussion of other avenues to generate provincial funding to support the new education bond for low income children.

It is worth noting that if the 2015 federal election is any indication, this is a proposal that may enjoy support across the political spectrum. That campaign was marked by policy commitments to expand or augment education savings from both the Liberal Party and the Conservative Party. Similarly, both Liberal and Conservative federal governments have supported the Canada Learning Bond, an income-tested cash transfer into RESPs for eligible children. In short, policy that is progressive, creates opportunity and encourages individual agency does not belong to any one political party. Such policy can find support from a wide range of perspectives.

3. Money changes many things, but not everything

To paraphrase Cyndi Lauper, money changes many things, but not everything. Transferring an asset earlier can, as the research suggests, create an ‘endowment effect’, one of the best-studied phenomena in behavioral economics: Having been granted an asset, the owner is more motivated to attend to it, to value it and to take steps to protect it. So while there is good reason to believe that a $1,200 cost-shared federal and provincial endowment might make a real difference in the education trajectories of many low-income Ontario children, it cannot, on its own, address all of the non-financial obstacles that get in the way when students do not go on to training, college or university after high school.

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In addition to the provincial education bond, the province should reinvest the remaining $2 million per year (and more as fiscal circumstances permit) into community-based programs targeted to low-income children who face particular obstacles in completing secondary school or participating in any post-secondary training or education. These include children whose parents have lower education outcomes, children in rural or remote communities, Indigenous children, children with disabilities and second-generation children who are less likely to attend post-secondary education by virtue of their parent’s immigration status. The core program goals should be to help individual students connect to what motivates them to succeed in school (recognizing that success can take many forms), to persist in their secondary education, to prepare for post-secondary education and to increase their participation in training, college or university.

Programs like this do already exist in Ontario and across Canada. For example, Pathways to Education runs programs for over 4,000 Ontario students in grades 9 through 12 in 8 urban communities across the province. Pathways offers a range of goal setting, career exploration and education supports. A recent program evaluation concluded that graduates retroactively report positive experiences and strong rates of participation in post-secondary education or training.

In Manitoba, Career Trek provides an intensive and hands-on career and education planning program to lower income students and their families living across Manitoba, including rural and First Nations communities. Approximately 800 students each year, some starting in primary school, take part in opportunities to meet employers, practice skills related to different careers and finds what gets them motivated about learning and their own future. Participating students also spend time in learning activities on college and university campuses, where they can start to feel more at home and able to imagine their future selves as a post-secondary student. Using a robust program evaluation, Career Trek has been able to demonstrate positive effects on participating students’ school engagement, motivation and self-efficacy and also on parental engagement. Results are also suggesting that the program effects in grade 5-6 may be stronger than among older (secondary) students.

A provincial program investment of $2 million, cost-shared by federal and other sources, might support up to at least four programs of a similar nature and scale as Career Trek across Ontario. Priority should be given to developing (including pilots for new initiatives, and replicating or expanding existing programs), school and community-based interventions that can have a demonstrable impact on the education aspirations and

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44 The way in which Pathways to Education collects and reports on their program data makes it impossible to assess the marginal impacts of the program. Because students self-select, and there is no comparison group of peers on whom similar outcomes measures are collected, we can not know the program is reaching students who would otherwise have good education outcomes or if it is in fact promoting substantially better education outcomes, relative to what students would experience without the program intervention.
45 I assume a cost-sharing arrangement where the province contributes up to one third of eligible program costs.
46 Career Trek reports annual expenditures of approximately $1.4 million.
school engagement of primary-aged children from families and communities that are under-represented on Ontario college and University campuses – including children from lower income families or families with no prior post-secondary participation, children from rural or remote communities and Indigenous children.

**Summary of recommendations: Promoting better life chances for more of Ontario’s children**

The next Government of Ontario can make a meaningful investment today to improve the long-term opportunities for children in the province. Spending on post-secondary education can be an important avenue to promote social mobility, particularly for those children growing up in lower income and where they would be the first in their family to go on to training, college or university after high school. But the way the money is spent matters – it can either reduce or increase existing inequalities in the province.

A small adjustment to the income-testing system for the provincial non-repayable tuition grant would generate $12.4 million to be reinvested, all within the system for providing student financial aid for post-secondary education. By shifting a portion of the financial aid from just-in-time cash grants to higher income students to early commitment bonds for low income students, the province can build on existing federal and provincial systems to better direct the funding where it will make a real difference in the education outcomes and life chances of the lower income students in the province. In addition to the new financial endowment, the province should also support new or existing programming that demonstrates impacts on the education engagement of lower income children and their parents.

*Authored by Jennifer Robson, Carleton University47, Riddell Graduate Program in Political Management*

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