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Case for Basic Income for Post-secondary Education

2026

Prepared by Mandy Kay-Raining Bird

With support from Barbara Boraks, Ashley Clark, Manpinder Dhillon, Chloe Halpenny, Chris Hergesheimer, Heather Lambert, Bethany Pohl, Elaine Power, Catherine Sweet, and Liz Townsend.

THE CASE FOR BASIC INCOME SERIES

Basic Income and Post-secondary Education

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SUMMARY

Governments stress that policy needs to support educating and re-educating our workforce to adapt to a changing economy. However, by not adequately funding our institutions and PSE students, governments limit their ability to train and educate its future workforce (32). Additionally, post-secondary education should be accessible to all. By limiting the funding available to both institutions and students, governments have effectively reduced access to and the benefit from attending these institutions for many. This is even more pronounced for Black and Indigenous students (15). Inadequate funding of PSE institutions has also increased their dependency on contract academics who are paid by the class to teach, but not to do research, thus negatively impacting these workers' career paths and research development more generally. Both students and precarious workers struggle with inadequate incomes while the costs of housing, food and other necessities rise. Implementing a BIG and rejuvenating public funding for PSEs would help Canada realize its full potential.

Throughout the case, a series of vignettes will illustrate the potential impact of a basic income on students and precarious workers. While fictional, these stories are grounded in real-life experiences.

ABOUT BASIC INCOME

Basic income means different things to different people. The Case for Basic Income series defines basic income as an income-tested and targeted unconditional cash transfer from governments to individuals to enable everyone in Canada to meet their basic needs, participate in society, and live in dignity, regardless of work status.

Some Case project teams make more detailed recommendations about the principles to guide the design of a basic income program in Canada.

ABOUT THE CASE FOR BI SERIES

The Case for Basic Income series explores the impacts of a basic income program for various communities and policy areas across Canada. Each Case has been developed collaboratively by subject matter experts and basic income advocates to consider the distinct issues and concerns between the Case topic and income insecurity - and the difference that basic income might make.

Every Case is unique in both function and form and is guided by its authors and contributors.

Basic Income and Post-secondary Education

The post-secondary education (PSE) sector (universities, colleges, institutes, and trade schools) significantly contributes to "advancing Canada's social, cultural and economic wellbeing, as well as its ability to innovate, respond to change, and maintain a vibrant and stable democracy" (1, 2). In 2023, 2,342,547 students were enrolled (3) and 460,000 people worked (4) in PSE institutions across Canada. However, over time changes in PSE costs, financing, and enrolment have reduced affordability and access for many students and threatened the well-being of precarious workers in the system.[1] Indeed, some argue that the changes have undermined the very purpose of PSE institutions (5). This case considers what has changed and whether a Basic Income Guarantee (BIG) might be a viable and desirable mechanism for supporting both PSE students and precarious academic workers whose income relies on these institutions.

Funding and Financing Post-secondary Education in Canada

Provinces and territories certify PSEs, allowing them to award degrees, diplomas, certificates, and/or other qualifications to students upon successful program completion. Tuition and fees vary with type of PSE, province, year, program of study, and students' country of origin. Universities tend to be more expensive than colleges, private institutions more expensive than public, professional programs (e.g., management, engineering, law, medicine, etc.) more expensive than traditional arts and sciences programs, undergraduate higher than graduate, and international student tuition higher than domestic students. While privatization and marketization are on the rise in Canadian higher education (6), most Canadian PSE institutions remain financed through federal government transfers to provinces, provincial funding, student tuition, and private donations. In the 1990s and early 2000s, federal transfer payments were reduced dramatically by the federal government and changes to the mechanism and specifications for transfer payments resulted in a smaller percentage being dedicated "social supports" including PSEs. Reductions in federal transfers meant provinces needed to take on more responsibility for PSE funding, and they in turn deregulated and raised student tuitions (7). Currently, federal transfers to PSEs amount to only about 21% of current provincial PSE expenditures and, together, federal and provincial governments provide only about 50% of PSE revenues, as compared to approximately 80% in the 1990s (8), with significant variation across the country (2).

The educators in a computer education program are almost all precariously employed on ten-month contracts from September to June. Notices for renewal are not finalized until May each year. Mohammed, who has a Master of Computer Science, has had four one-year contracts with no guarantee of ongoing employment to support his family of four school-aged children and a home-based wife. A Basic Income would complement his precarious income and PhD studies.

[1] Students and academic precarious workers are the focus in this case, but we recognize the difficult experiences of other precarious PSE workers (e.g., 33).

In 2022-23, enrolment in PSE was 2.2 million, up 0.6% from the previous year. International student enrollment accounted for much of this increase, more than doubling since 2013-14 and making up 21.2% of all college and university enrolments in Canada by 2023 (9). Tuition for all students attending PSEs has risen as government spending on PSEs declined (10). Tuition increases have far outpaced inflation for domestic students in recent years (11). Currently, domestic undergraduate tuitions average $7,734 across Canada.

Comparable international student tuitions average $41,746 (10), reflecting a growing tendency for PSEs to depend upon foreign student tuitions for funding (12). In 2024, the federal government capped foreign student study permits. The result was a larger than anticipated decline in new foreign student placements with a commensurate loss in revenue and hiring freezes and layoffs began to be instituted (13, 14).

Marita is in her second year in a Health Studies program at a university. She is sharing a flat with five other people in a three-bedroom house off-campus with a full hour walk to reach public transportation. She cannot afford healthy food, even if she takes time to make her own chili or soup. With no time to survive and study, she is sleep deprived and in danger of failing her upcoming examinations. A Basic Income would make success possible.

The Student Experience

Cutbacks to federal and provincial funding of the PSE sector and changes to student financial supports have negatively impacted access to higher education, especially for low-income, Black, and Indigenous students in Canada. Historic racist policies and income and educational disparities have exacerbated access difficulties (15). For those who do participate, many struggle to make ends meet and to focus on their studies. Rising tuition, the high cost of living, and housing shortages along with poverty and stagnant wages are major factors. For some, a portion of their PSE costs are offset by government loans, grants, scholarships, tax credits, and/or registered education savings plans (16, 2), although the value of some supports (e.g., graduate stipends and scholarships) has stagnated over time (9, 17). Student research and teaching assistantships, while often providing valuable learning experiences, add work requirements on top of other educational responsibilities. Indeed, many students work one or more jobs to make ends meet while in school, reducing their ability to spend time on their studies.

Researchers have drawn attention to the concerning trend of food insecurity among PSE students in Canada, with consequences for students' academic success and beyond (17, 18). Student unions have funded food banks for years, but use has climbed dramatically in recent years (19). Accessing affordable, safe, and stable housing is another challenge. In a recent survey by Student Housing Nova Scotia, 46% of respondents reported not being able to find housing they could afford and 9% reported being unhoused (20, 21). Because they cannot afford to continue, many students drop out of their PSE programs (22). Others complete their programs with high debt loads which they struggle to repay, negatively impacting mental health and subjective financial well-being (23). Currently, student debt in Canada is estimated to be $28 billion, with 20% of graduates carrying a debt of $25,000 or more after completing a bachelor's degree (22).

The Academic Precarious Worker Experience

An estimated 50% of PSE classes are taught by part-time contract academic staff, often without benefits and paid to teach on a per course basis. They frequently teach multiple classes, across departments or even institutions. Due to their job insecurity, each class they teach may be new for them, compounding preparation time. Many report wanting to teach more but being unable to find additional work (24). For these workers, full-time academic employment becomes less feasible over time, as many cannot engage in service and research--activities needed to progress in their fields (25, 26). Salaries of contract workers are typically low compared to other academics. The need to secure multiple contracts, the difficulty in doing so, and the unpredictability of future employment make it difficult to make ends meet, which in turn elevates stress and anxiety and reduces societal involvement (27). The number of precarious academic staff varies across institutions. Some unions have negotiated limits to the amount of academic work that can be done on a temporary basis (e.g., see the Dalhousie Faculty Association collective agreement), but most have not, a fact that contributes to the growing number of PSE contract workers. Non-unionized staff who have secured full-time work also face layoff threats due to the precarious financial situation of these institutions.

Basic Income Guarantee Impacts

Insufficient income is the root cause of many difficulties PSE students and precarious academic workers face. Despite this, little research has focused directly on BIG for these groups. A study of Canadian university students found many would qualify for the benefit and supported it. They perceived poverty reduction and positive health outcomes as among its potential benefits (28). Youth receiving BIG through the Manitoba pilot project were more likely to finish high school and enroll in PSE (e.g., 29). Similarly, a recent report on the impact of CERB (30) found that many recipients used the benefit to further their education and training.

Racialized individuals, immigrants, and 2SLGBTQIA+ community members in particular reported that CERB made it easier to take on educational opportunities. These findings point to some of the ways a BIG might support PSE students in Canada: helping meet basic needs, offering the security and stability to focus on academic pursuits, and reducing the accumulation of debt. In the case of precarious academic workers, BIG could help alleviate their immediate financial difficulties.

Summer is an Indigenous mother of a preschool child and the first person in her family to enter a post-secondary education program. She cannot find affordable childcare or support for her aging mother who lives with her. Her aunties who would help do not live near the community where she is studying. She tries to study in shifts while managing her family life. A Basic Income would enable a family member to move and live with her.

It could also facilitate increased time spent on maintaining and advancing research opportunities, thus allowing recipients to remain more competitive when applying for full-time academic jobs. Additionally, a BIG could help equalize power relationships between employers and precarious academic employees, potentially shifting the curve away from part-time or contract work (31). Ultimately, there are a number of actions that both governments and post-secondary institutions should urgently consider to support those who study and work there.

These include but are not limited to: shifting the relative contributions for funding away from student tuition and back to provincial and federal supports, increasing the proportion of tenured and tenure-track academic appointments, providing more non-loan financial aid options, and providing ways for graduates to reduce loan debt by working in targeted locations or sectors. in conjunction with other policies, BIG represents a useful and hopeful tool.

Jacob has chosen a community college education to seek a Red Seal trade, but he cannot accept the offer he has received because he cannot find affordable housing near public transportation. His partner has a part-time job and cannot sacrifice that income to move close to the community college. A Basic Income would enable Jacob to study.

Conclusion

Governments stress that policy needs to support educating and re-educating our workforce to adapt to a changing economy. However, by not adequately funding our institutions and PSE students, governments limit their ability to train and educate its future workforce (32). Additionally, post-secondary education should be accessible to all. By limiting the funding available to both institutions and students, governments have effectively reduced access to and the benefit from attending these institutions for many. This is even more pronounced for Black and Indigenous students (15). Inadequate funding of PSE institutions has also increased their dependency on contract academics who are paid by the class to teach, but not to do research, thus negatively impacting these workers' career paths and research development more generally. Both students and precarious workers struggle with inadequate incomes while the costs of housing, food and other necessities rise. Implementing a BIG and rejuvenating public funding for PSEs would help Canada realize its full potential.

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