



Making Postsecondary Affordable

Leveraging OSAP in student recruitment

November 22, 2016



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Agenda

- 1** What is OSAP?
- 2** The OSAP transformation
- 3** Market research
- 4** Changes to OSAP marketing
- 5** OSAP today and tomorrow



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WHAT IS OSAP?



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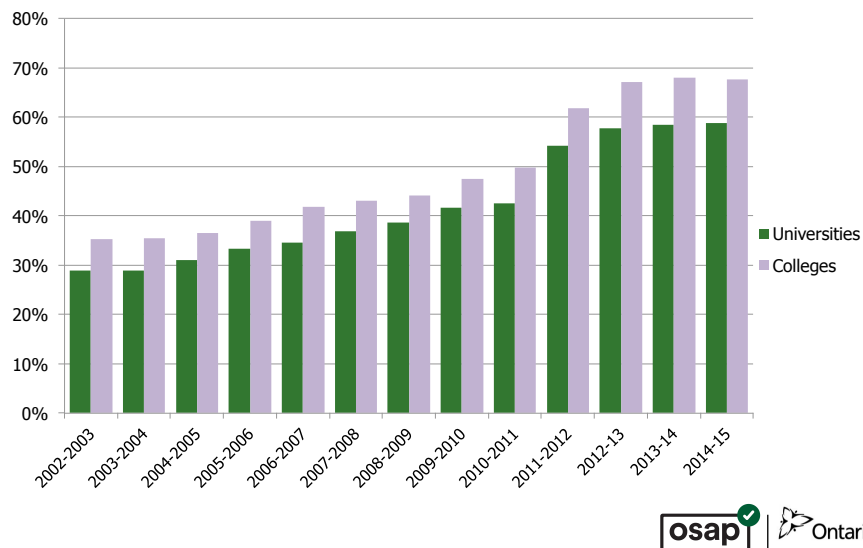
What is OSAP?

- The Ontario Student Assistance Program (OSAP) provides needs-based assistance through loans and grants to help qualified students and families with the cost of college and university.
 - ✓ Grants, bursaries and scholarships = non-repayable aid
 - ✓ Loans = repayable aid
- More than 380,000 students per year benefit from OSAP grants/loans, representing almost 60% of full-time Ontario university students and almost 70% of full-time Ontario college students.



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OSAP Participation Rates

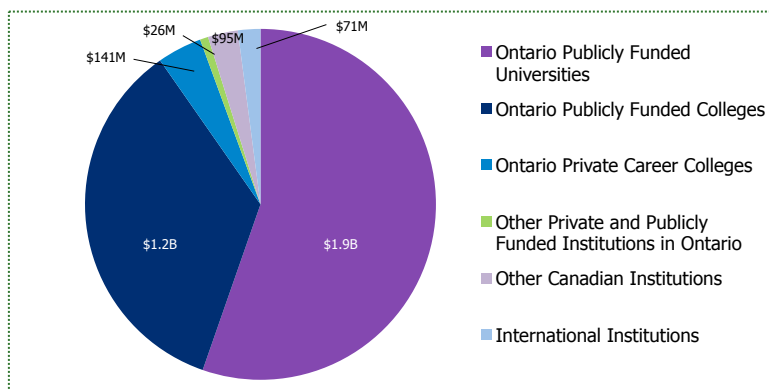


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OSAP by Institution Type

In 2014-15, ~\$4.0B in OSAP assistance was issued to Ontario students.

- Canada (federal): \$1.7B in loans; \$500M in grants.
- Ontario (provincial): \$360M in net loans; about \$1.0B in grants.



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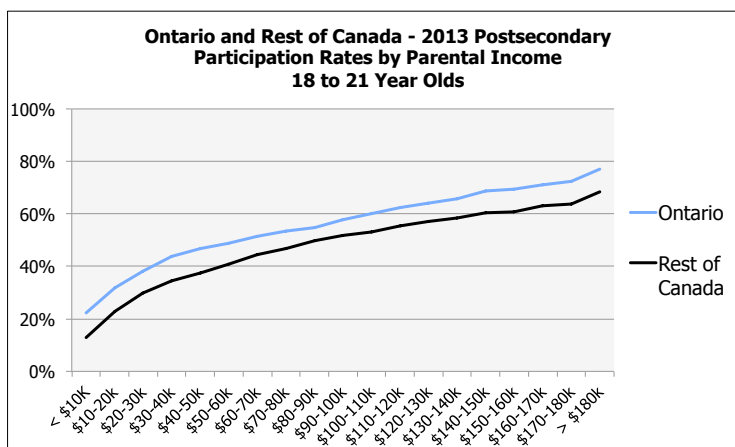
OSAP TRANSFORMATION



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Context for action

- Over the years, the government has introduced changes to make OSAP simpler and fairer for students which has resulted in more than double the number of students accessing OSAP over the past 12 years.
- However, there remains a concern that **students from lower income families continue to participate in PSE at much lower rates than those from higher income families.**



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Limitations of the Current System

MATURE LEARNERS, and those with children, are not sufficiently supported with non-repayable grants and help with tuition costs.

BACK-END SUPPORT, like debt relief through the Ontario Student Opportunity Grant (OSOG) and the Tuition and Education Tax Credits, is not well-understood by students.

MANY LOW-INCOME STUDENTS ARE DISADVANTAGED because they go to low-cost programs (e.g., college), and incur a larger proportion of their costs as loans.

NUMBER AND COMPLEXITY OF GRANTS under OSAP are not well-understood, and can be confusing to students. There are over 20 different OSAP grants.

PARENTAL CONTRIBUTION requirements toward the costs of a student's education are high for middle-income families in Ontario, much higher than Canada/other provinces.

'NET' TUITION, or the price of tuition/education after non-repayable government assistance, is largely unknown to students in Canada.



Objectives of Reform

NO PROVINCIAL STUDENT DEBT for students from families with annual income of \$50k or less.

CLEARER AND MORE TRANSPARENT NET TUITION COSTS of postsecondary education, by applying up-front grants directly to reduce tuition/educational costs.

WORK WITH COLLEGES/UNIVERSITIES to implement by Sept 2018, an offer and billing system that takes into account government and institutional grants for students, reflecting net tuition.

INCREASED GRANTS FOR MATURE STUDENTS, making tuition support available to all students.

REDUCED NUMBER AND COMPLEXITY OF GRANTS delivered through OSAP (i.e., eliminate the 30% Off Ontario Tuition, Ontario Access Grants, Childcare Bursary and OSOG).

IMPROVED ABILITY TO CONTAIN STUDENT DEBT by redirecting increased tax revenue to up-front grants.

IMPROVED ACCESS TO SUBSIDIZED LOANS for middle-income families, by reducing parental contributions.



Timing of Transformation

Two phases with full implementation 2018-19.

Phase I (2017-18):

- Consolidate grants.
- Increase Ontario weekly assistance limits.



Phase II (2018-19):

- Reduce parental and spousal contributions.
- Net (or Free) tuition system in place.



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PHASE I: 2017-18 ACADEMIC YEAR



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Phase I: Consolidate Grants

- Ontario is replacing many provincial grants with a single new Ontario Student Grant starting in the 2017-18 school year.
- Financial support previously provided at various times (e.g., start of studies, end of studies, or years later) will now be provided to students upfront to help with education costs as they are incurred.



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Phase I: Increase OSAP Assistance Levels

Ontario's maximum OSAP assistance levels will be increased from \$160/week to \$180/week for single students and from \$360/week to \$450/week for married and sole support students. Canada provides \$210/week for all student types.

Maximum OSAP Assistance Levels				
	2016-17		2017-18	
	Weekly	34-week program	Weekly	34-week program
Single students	\$370	\$12,580	\$390	\$13,260
Married / sole support students	\$570	\$19,380	\$660	\$22,440

*Amounts based on both federal and provincial aid.

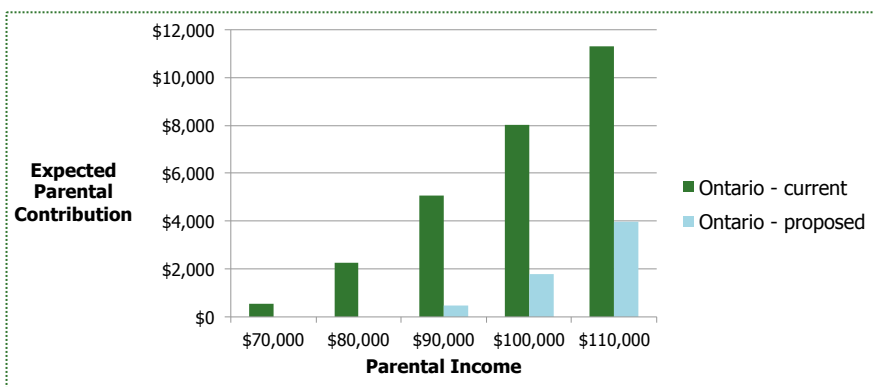


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PHASE II: 2018-19 ACADEMIC YEAR

Phase II: Reduce Parental Contributions

Ontario will reduce the contribution it expects from parents of dependent students and align more closely with Canada. For example, Ontario would not expect a family of four to contribute until an income of \$86,000/year, up from \$68,000/year today.



Phase II: Reduce Spousal Contributions

Ontario will also reduce required spousal contributions.

- Currently, Ontario expects spouses to contribute 70 per cent of actual income net of taxes and deductions for the study period weeks.
- Starting in 2018-19, contribution rates will be graduated, starting at 25 per cent for students with little discretionary income and then gradually increasing for students with more income.

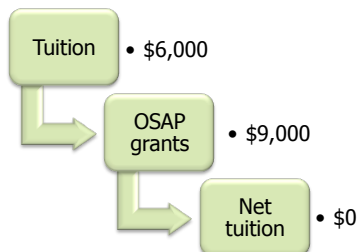
Ontario Expected Spousal Contribution Rates in 2018-19		
Annual Income Net of Taxes and Deductions	Ontario Contribution Rate	
	Current	New
0 - \$7,000	70%	25%
\$7,001 to \$14,000		50%
> \$14,000		70%



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Phase II: Net Tuition

"Net tuition" is applying students OSAP aid and institutional aid, if applicable, against their tuition fees and billing them only for the remaining amount.

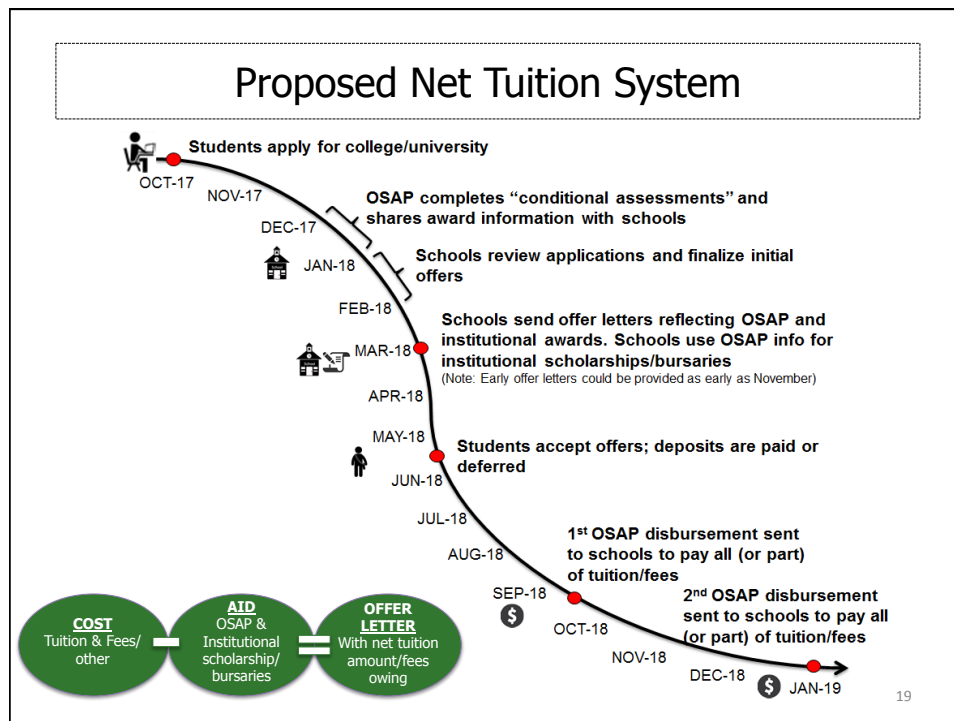


Net tuition will benefit students in a number of ways, including:

- ✓ Increased clarity and transparency about the out-of-pocket cost of tuition.
- ✓ Simplified payment process – payments will be made directly to institutions by OSAP on students behalf.
- ✓ Improved financial planning for students and their families.
- ✓ More informed postsecondary education decision making.



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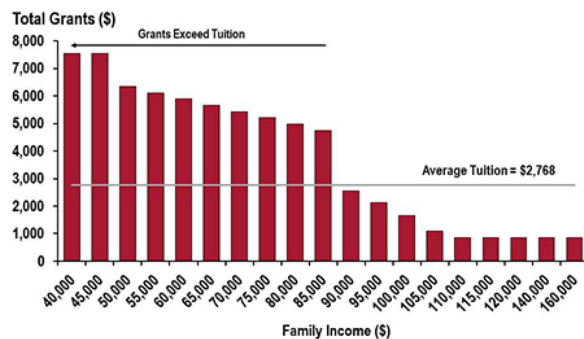
Summary of Changes

	2016-17	2017-18	2018-19
OSAP application release date	April 2016	March 2017	November 2017
Ontario grants:			
• 30% Off Ontario Tuition grant	Offered	Discontinued	Discontinued
• OSOG			
• Ontario Access Grant			
• Ontario distance grants			
Ontario Student Grant	Not offered	Offered	Offered
Parental contributions	Status quo	Status quo	Reduced
Spousal contributions	Status quo	Status quo	Reduced
Net tuition	Not offered	Not offered	Offered
Federal portion of OSAP	Increased Canada Student Grants for: low-income; middle-income and part-time students	Changes not yet announced	Changes not yet announced

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Impact of Changes – College Student

CHART 1.16 Illustrative Scenario: OSAP Grants for Dependent College Students Living Away from Home



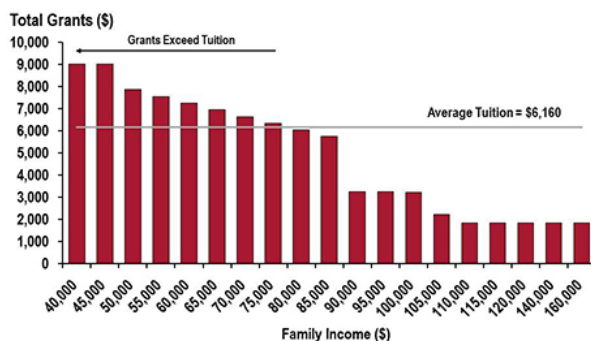
Notes: Total costs: \$14,300, average college tuition: \$2,768. Assumes student is from a family of four with no scholarships or assets. Amount of funding assumes full rollout of OSAP transformation and fulfillment of Liberal Party of Canada platform commitments for Canada Student Grants.
Source: Ontario Ministry of Training, Colleges and Universities.



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Impact of Changes – University Student

CHART 1.17 Illustrative Scenario: OSAP Grants for Dependent Arts and Science University Students Living Away from Home



Notes: Total costs: \$18,000, average Arts and Science tuition: \$6,160. Assumes student is from a family of four with no scholarships or assets. Amount of funding assumes full rollout of OSAP transformation and fulfillment of Liberal Party of Canada platform commitments for Canada Student Grants.
Source: Ontario Ministry of Training, Colleges and Universities.



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MARKET RESEARCH




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Market Research

- Market research was performed to inform improved and expanded marketing
- Objectives of the market research:
 - Understanding how PSE is paid for by families and the extent to which this is a concern for parents and students
 - Determining perceptions of student debt load
 - Gauging impressions of OSAP, and understanding where these impressions come from
 - Exploring the role OSAP can play in the PSE journey
- Two phases: quantitative and qualitative.
- Completed January – February 2016



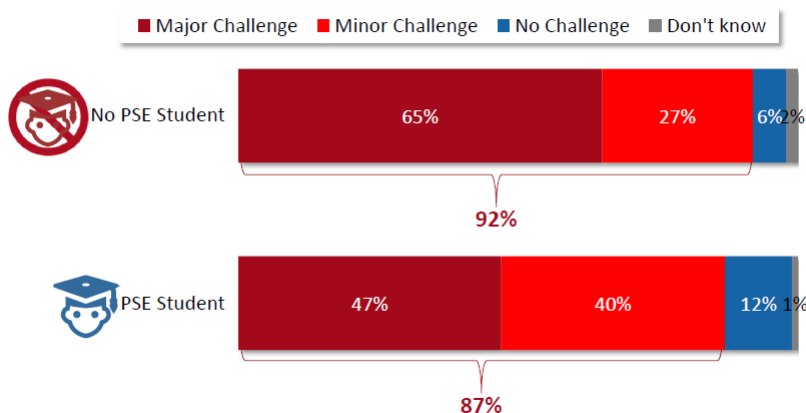
What we learned

- Parents are concerned about where the money to pay for postsecondary studies will come from, and how much debt their children will be left with 
- One-third of students surveyed have considered not attending or dropping out of school because of financial worries.
- Some believe that OSAP only offers loans, leading to high debt.
- Perceptions of many parents is out of date, based on personal experience.
- Both parents and students rely on friends and relatives for information about OSAP
- Parents and students would like to see information become easier to access, and the eligibility factors be made easier.



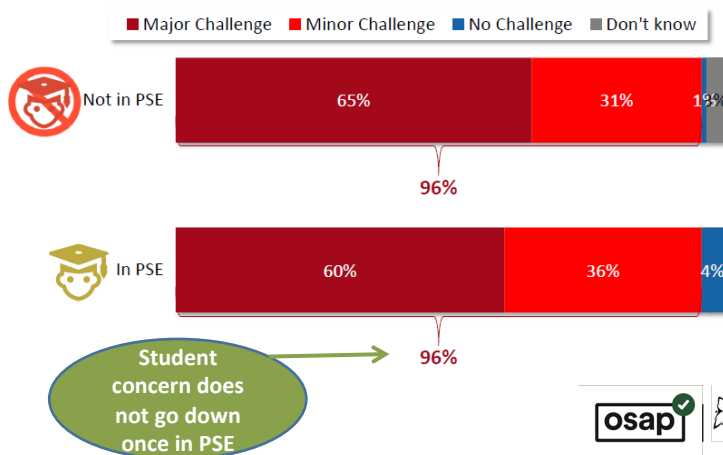
The challenge of financing PSE

Parents



The challenge of financing PSE

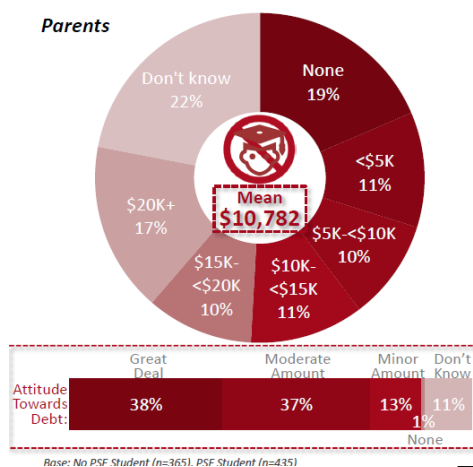
Students



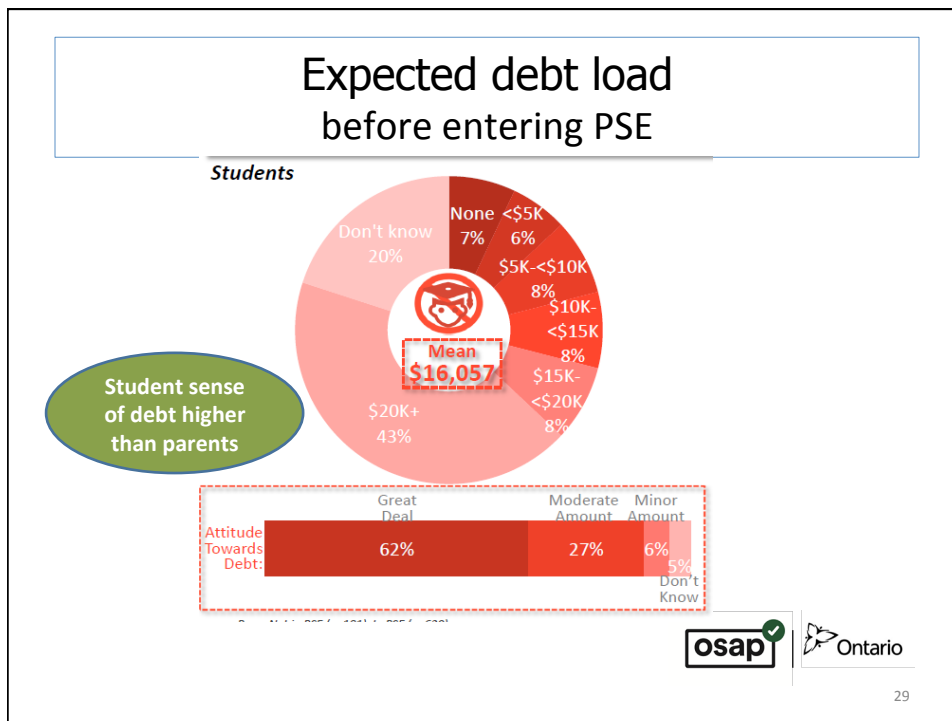
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Expected debt load before entering PSE

Parents



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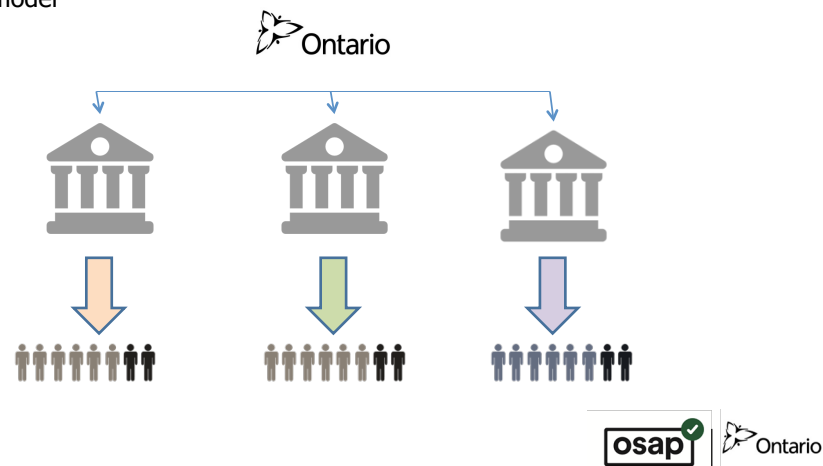
CHANGES TO OSAP MARKETING

osap Ontario

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Learnings from the research

- Good brand recognition for the "OSAP" name
- Inconsistent visual identity in communications due to communications model



Learnings from the research

- Students' sources for information on OSAP
 - Guidance counsellors
 - The web
- Parent sources for information
 - Own experience, friends and family
 - The web
- Inconsistent visual identity in communications due to communications model



New approach to public outreach

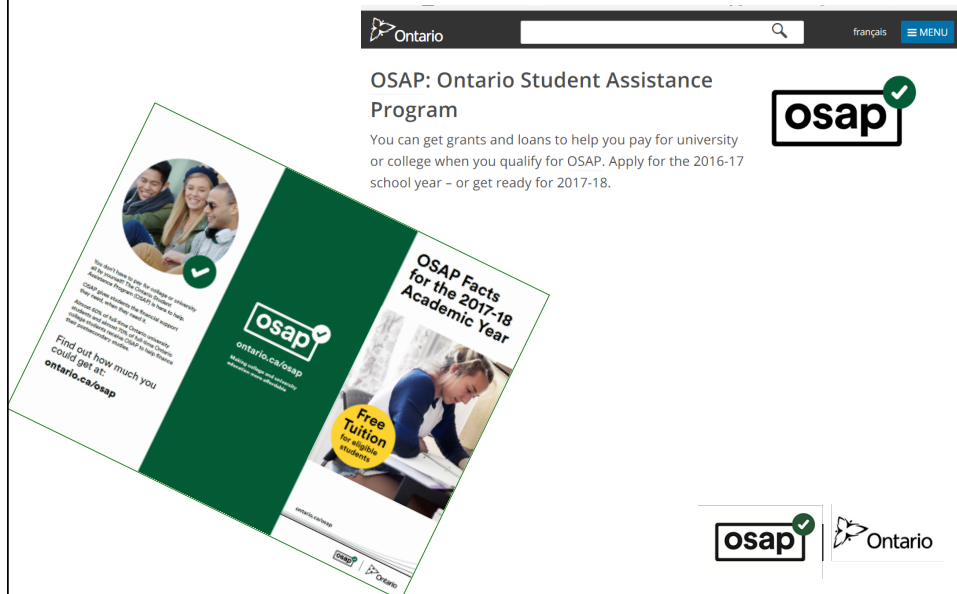
1. Develop a unique visual identity for OSAP
2. Build stronger relationships with high schools
3. Begin outreach earlier in the student journey
4. Leverage existing relationships with Financial Aid Offices at colleges and universities
5. Engage younger audiences in advertising



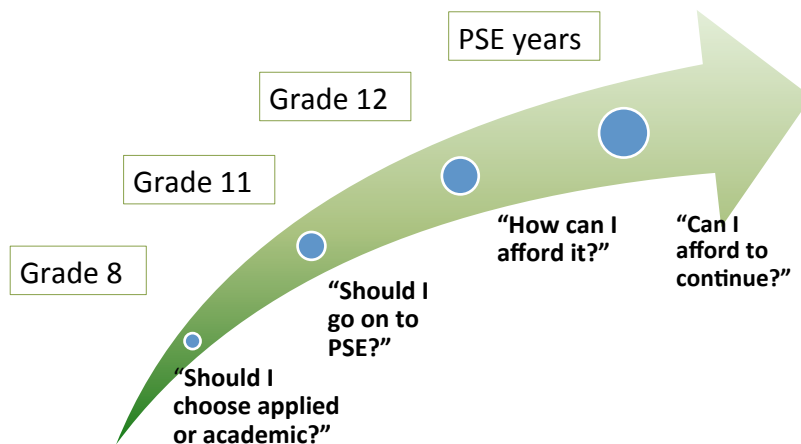
Delivering a visual identity



Applying the visual identity



The student journey



Marketing in the early journey

Objective: encourage all qualified students to pursue the high school stream best suited to them, without ruling out PSE

- Make families aware that there is financial assistance available to make PSE a reality
- Parents are the audience
- Change the behaviour of families who might close the door to PSE



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Marketing approach – Early years



1. Outreach into middle schools in partnership with the Ontario Ministry of Education
2. Outreach through community groups
3. Advertising to the parent audience


Key message: all qualified students, regardless of background or circumstance, should be able to afford to go to college or university in Ontario. “You get the grades. We’ll help you pay.”



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Marketing at the decision making stage

Objective: Assure students and their families that students can complete PSE without a heavy burden of debt

- Both students and parents are the audience
- Encourage applications to PSE,  and..
- ...to OSAP

Key message: You may be eligible for more financial aid than you think. Apply to find out.



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Marketing approach – Decision making stage

1. Outreach to guidance counsellors through Ontario Ministry of Education and OSCA
2. Event marketing
3. Paid advertising
4. Outreach through Financial Aid Offices



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The BIG question



“How much
can I get?”

The marketing call to action: **“Find out!”**



An early answer

Get ready for 2017-18

Find out how much of your tuition, fees and more could be covered by OSAP.

Tell us about you

Currently in high school

☐ Married/common-law student

Student has children

Parental income \$30,000 [help](#)

Will go to ☒ university ☐ college ☐ private career college

☐ Will live with parent/guardian

✓ You could get free tuition

Your OSAP funding would pay for tuition and more

Grants (you keep)	Loans (you pay back)
\$8,700	\$7,100

How much school could cost

Tuition	Living expenses
\$6,500	\$9,700

Fees: \$1,000. Supplies: \$1,700.

Your contribution

You need to help pay for your postsecondary education. You need to pay: \$3,000 (through savings, work, etc.).

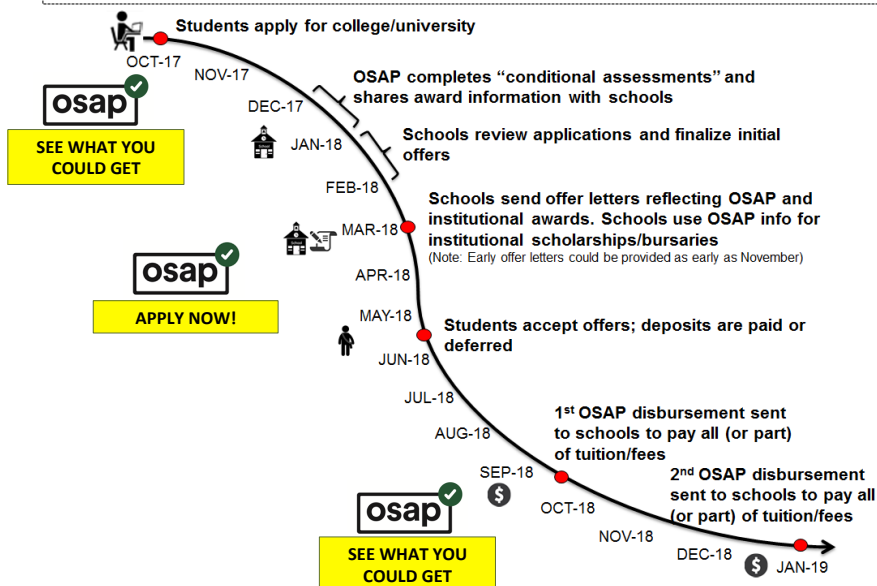
Coming soon!

- ✓ A new tool to help students find out how much in grants and loans they could be eligible for under OSAP.
- ✓ Motivate students who thought they might not be eligible.
- ✓ Launching in the next few weeks!
- ✓ Will be available online at ontario.ca/osap.



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Marketing in the Net Tuition System



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OSAP 

TODAY

OSAP

TOMORROW

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New!
Free tuition
for eligible
students



Impact of Changes

- The changes to OSAP will result in **free tuition** and **no Ontario debt** for:
 - ✓ Dependent students with annual family income less than \$50,000.
 - ✓ Independent students with annual income less than \$30,000.

Free tuition = grants from OSAP that exceed the average cost of tuition

- Also, most students whose parents earn \$83,300 or less in annual income will receive enough in grants to more than cover the costs of tuition.
- Grant funding will be available for students from families with annual incomes up to \$175,000 (family of four).
 - ✓ ~\$2,000 for students in university
 - ✓ ~\$1,000 for students in college.

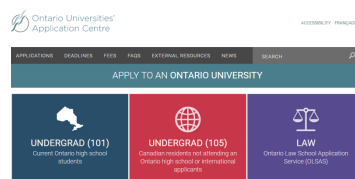
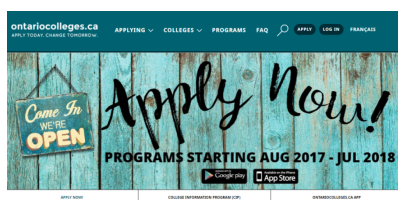


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OSAP in the Digital Age

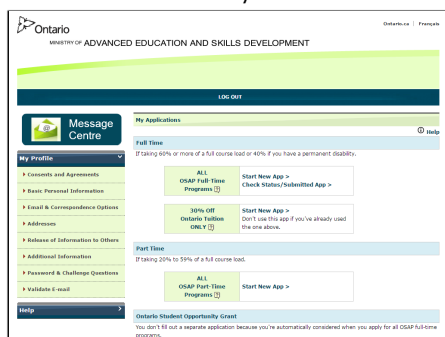
- Ontario is redesigning OSAP for the digital age, making it faster, and easier to use, so that students can apply, check their status and manage their financial assistance anywhere, anytime, on any device.
- Ontario is also partnering with the college and university application centres to seamlessly direct people, and their information, to the OSAP application. This partnership will also enable students to apply for financial aid much earlier in the school year cycle.



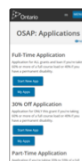
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OSAP in the Digital Age

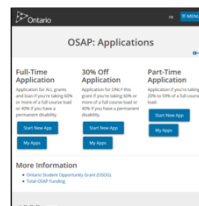
Today



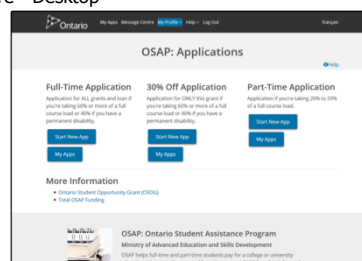
Future - Mobile



Future - Tablet



Future - Desktop



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WHAT WE CAN DO **TOGETHER**



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Joint marketing approaches

A common objective: increase participation rate in PSE

1. Include material on OSAP in recruitment packages
2. Leverage net tuition in your recruitment
3. Build stakeholder relationships between recruiters and the Ministry
4. Work cooperatively to develop new outreach and education tools



Your ideas?



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