

Using Loyalty Points to Help Finance Higher Education: A Canadian Innovation

By Don Sutherland

With college affordability and student debt burdens garnering the growing attention of the public and policy makers, there has been increasing debate about feasibility of publicly-funded “free” or “near-free” college enrollment among some of the candidates seeking the U.S. Presidency. At the same time, if one looks north of the border, there is an entrepreneurial loyalty points-based model that seeks to address some of those issues. Although this model does not cover the full costs of higher education, it makes some contribution toward reducing them. Moreover, it may be scalable over the medium- and longer-term.

Bloomberg.com recently [reported](#):

Through its partnership with Toronto-based [HigherEdPoints](#), Air Canada's loyalty program, Aeroplan, lets members use miles for tuition—and sometimes room and board—at 70 colleges and universities in Canada. Aeroplan members can redeem 35,000 miles to buy a \$250 certificate that is credited directly to a student's account.

HigherEdPoints.com website

HigherEdPoints.com allows any American or Canadian college or university student to enroll. Enrolled students can use loyalty points from Air Canada to make a contribution toward the cost of tuition, meal plans, or residence fees of any participating Canadian university or college at \$250 increments. Fund transfers are based on a student’s 9-digit Aeroplan account number and their 11-digit Aeroplan confirmation code. Redemptions are completed within seven business days.

If students’ institutions are not participating, they can refer their institution. Such students would be e-mailed if their college or university is added to the list of participating schools.

Already, the website is taking enrollment of U.S. college students. This enrollment could make it possible for the website to move quickly into the U.S. market should American institutions become participants. At the same time, even as Air Canada is the single loyalty points provider allowing its frequent flyer miles to be redeemed toward the cost of higher education, the possibility exists for others to enter. One can easily envision the participation of major gasoline rewards programs such as the *BP Driver Rewards* program, among others, especially if Air Canada is able to leverage its participation into strengthening its brand awareness and reputation.