

EKOS Research Associates

Investing in Their Future

A SURVEY OF STUDENT AND PARENTAL SUPPORT FOR LEARNING



Produced in partnership with:



CANADA MILLENNIUM SCHOLARSHIP FOUNDATION
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July, 2006

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Executive Summary

The Canadian Post-Secondary Student Financial Survey asked students about their financial situation, income and expenditures at the beginning of 2003–04 and throughout the school year. The study also investigated the views and experiences of students' parents: the amounts they contributed, their methods of saving for their children's post-secondary education and the impact of this financial contribution on other financial decisions in the household.

The baseline survey of students was completed in October 2003 by 9,401 students from 46 institutions

across the country. Five monthly waves followed: 70 per cent of the original respondents participated in the final wave in April 2004. A follow-up survey in February 2005 gathered 2,715 responses. Some 2,796 parents completed the parent survey. The survey was administered using a mixture of Internet (self-administered) and telephone (administered by interviewers) survey methods. We weighted the data to make them more representative of the Canadian student population as a whole.

Age Makes a Difference

Age is a key factor linked to students' economic situation. The type of institution attended, living arrangements, employment status, parental support, access to loans and level of income and expenses are all linked to age. The study contains a large proportion of mature students, with more than one in five over the age of 25. The average age of students in the study is 23.5.

When properly weighted, the data reveal regional differences in students' income and expenses. College students tend to be younger than university students. Quebec, with its CEGEP system, has the youngest student population, while the oldest students live in the Yukon and in British Columbia.

Students who live at home have parents with high annual household incomes, over \$80,000 on average. Students living with spouses or partners have an average household income of \$57,000; the figure drops as low as \$11,400 for students living alone or with roommates (although within this group this figure increases dramatically with age). Most students are single and do not have mortgages or dependants.

Parents' levels of education are higher than one would expect to find in the general public: almost half of students report that both their mother and father obtained a post-secondary education.

Younger students more often report high levels of parental education. Parental education is strongly tied to the type of education students pursue, and also to the support that students can expect from parents. The father's education, more than the mother's, has a direct link to the type of credential sought and the level of support provided.

Students living in rural areas appear to be older and more settled than their urban counterparts. A higher proportion of rural students are over 25 or living with a spouse or partner. Rural students also have higher household incomes (including income from themselves and their spouses) and are more likely to carry mortgages.

One in three students relocated in order to attend school, but this is more often the case among students 20 to 25 years old. Those studying in Saskatchewan, Nova Scotia or New Brunswick are more likely to have relocated to go to school.

A large majority of students are attending school full-time, typically for two terms a year. Part-time students are older than their full-time counterparts. Many students in the study (one-third) are pursuing second or third degrees or certificates. Half of these students have previously completed college certificates or diplomas, while half have completed

university degrees. Overall, students have high educational aspirations. The vast majority expect to complete undergraduate degrees, and more than half expect to complete graduate degrees. Two in three college students ultimately expect to complete university degrees.

Age also has a bearing on academic performance. While just over one in three students achieve an A average, the proportion is considerably higher among older students and among those pursuing graduate degrees. Almost half of students report a B average.

One in five students have taken some form of distance learning, although this typically only accounts for a small part of their course work. One-third of

students have interrupted their studies at some point for a period of at least one year. Older students are more likely to have interrupted their studies, typically for employment purposes. Forty per cent of students have changed programs; again, this is more common among older students. More than one-sixth of students have switched schools entirely.

Although a large majority of non-graduating students reported that they will continue their education the following year, 15 per cent said that they will interrupt their studies for some period of time, typically for financial reasons. Employment (possibly for reasons other than money) and a lack of interest are also among the top reasons for leaving school before graduation.

Students Have Limited Assets

Over one-third of students (39 per cent) own or lease vehicles. This is more often the case among older and rural students, those with families and individuals reporting employment income. Three in four cars were purchased by their owners; among those students who purchased cars, about half make monthly car payments. Vehicle ownership is pivotal to school attendance in roughly one in four cases. More than half of students' cars are worth less than \$5,000, but the average value for all cars owned by students is slightly higher, at \$6,160.

Most students (84 per cent) said that they own computers, with the incidence being higher among

the youngest and oldest students (but lowest among students aged 21 to 25). The average cost of students' computers is \$1,700, and the average age is two years. Graduate students have the newest and most expensive computers.

More than two-thirds of students have some savings, but the amounts of savings tend to be small. Although the incidence of savings is lower among older students, these students have larger amounts saved. While the average amount of savings is \$1,500, the median is only \$300, so a small proportion of students hold large amounts of savings.

Summer Employment Earnings Don't Go Far

The survey considered students' employment history prior to 2003–04, their employment during the summer of 2003 and their employment during the school year. One in four students had previously held steady employment for two consecutive 12-month periods. This history is considerably more likely among older students and those attending school part-time.

Two in three students had worked during the previous school year, and three in four had worked

over the summer of 2003. Those who worked during the previous school year did so at a rate of 25 hours per week; these working students were more apt to be older students. Summer employment, on the other hand, is most prevalent among the middle age cohort of students, aged 20 to 21. Among those who worked, average summer employment earnings are about \$4,850; this figure is higher among men and older students. There is also a regional pattern to summer employment earnings, with the

highest wages reported in Alberta, Manitoba and British Columbia. There is an inverse relationship between summer earnings and support from parents and government loans: students who earn more during the summer tend not to have support from these sources.

During the school year, three-quarters of students earn money from employment, even though only 60 per cent initially intended to work during the

school year. Women are more apt to have intended to work at the outset. Students reported earnings of about \$700 a month (about \$6,610 over the course of the school year) from employment. Men, older students and part-time students, as well as graduate students and those living in rural areas (both of whom are older on average) reported higher employment income. Those who earn larger amounts during the summer tend to earn more during the school year too.

Most Students Receive Some Support From Family

Support from family can be a significant and sometimes unexpected source of income for post-secondary students. While 44 per cent of students said at the beginning of the school year that they expected to receive financial support from family members, 69 per cent actually did receive some support. About half of these students expect to repay at least some of this money.

Family support is linked to age. Younger students are more likely to be receiving support from family members (although older students who receive support tend to receive more). While older students are less apt to receive support from parents, the gap is bridged to some extent by support from other family members (mostly from spouses).

Family financial support is linked to other forms of support, such as space in the family home and gifts of computers or cars. Family support appears to offset or reduce student borrowing, since younger students without government or private loan debt are more likely to have family support and in larger amounts. Perhaps some families provide financial support so that students can avoid debt, but it is also likely that some families step in to meet students' financial needs when they are unable to access government and private loans. Among older students, however, family support does not have a bearing on total amounts borrowed. Students who work during the school year, especially those who work more than 20 hours each week (who are also older), are less likely to receive support from family members.

Parents Try to Help

A substantial portion of parents say they are involved in their children's finances. The proportion is higher among parents of younger students and parents with higher household incomes. Four in ten parents saved for their children's education, for an average of ten years. Saving is more prevalent among parents with post-secondary education and among higher-income households. Post-secondary saving has consequences for parents' other financial priorities; it most often affects parents' ability to save for large purchases or to accumulate their own retirement savings.

Not surprisingly, most parents who do not save say this is because they lack the money to do so.

In the academic year under study, 57 per cent of parents said they supported their children over the course of the first term. Parents expect to provide financial support for about four years on average. Almost all parents in the sample said that they do not expect to be repaid, in spite of the fact that many of their children indicated that they expect to repay the money.

Mounting Debt From Multiple Sources

Two-thirds of students entered the 2003–04 academic year with accumulated debt, more often from government (33 per cent) than from private (25 per cent) or other sources. The average amount of accumulated debt going into the school year is about \$7,000 across all students.

During 2003–04, 30 per cent of students borrowed money through government loans. Almost half of those who received government loans indicated that they would not have been able to attend post-secondary education had they not received these loans.

A smaller proportion of students (15 per cent) borrowed from private sources such as banks during the school year. These students borrowed about the same amounts as other students borrowed through government loans.

Borrowing is highly linked to age: the use of government and private loans (and the size of these loans) increases steadily up to age 25. Those with government student loans are also more likely to turn to private sources of debt. On the other hand, students who have income from other sources (such as family or employment) are less likely to borrow. Living arrangements are also an important factor: students who live away from the family home and those who relocated to go to school are more likely to incur debt.

A minority of students have access to non-repayable sources of income such as government bursaries (one in five) or other types of grants (one in four). While access to government bursaries is higher among lower-income students and those with government student loans, the receipt of grants is more strongly linked to students' academic performance.

Making Ends Meet, Thanks to Loans

Students begin the school year with no real surplus, despite their savings from summer earnings. In fact, after covering their education costs, students are overextended by a significant amount, in the order of \$1,150, by the end of September. When loans are considered, however, students start the school year with a surplus of roughly \$945.

For the most part, income flows in equal amounts from month to month. But there is a spike in family support during the winter holidays, and there are two spikes in government income, in the early months of the school year and again in January. Expenditures are also the largest at the start of each semester (mostly due to tuition and books). Students' employment income and living expenses are relatively stable from month to month.

Employment represents the largest source of income during the school year, at 37 per cent, followed by government loans at 14 per cent. Savings are next on the list, representing 12 per cent of total school year income, followed by family support at 10 per cent.

Education expenses exceed all other expenditures. In fact, tuition alone costs as much as accommodation and food combined. (Note that this is based on an average that includes students who live with their parents—most of whom do not report accommodation expenses.)

If it were not for borrowing, students would have a monthly deficit of \$286, on average, each month. With loans, however, students show a surplus of \$50 each month. All age groups have monthly deficits before borrowing, and this amount increases steadily with age. Older students have higher monthly incomes as well as expenditures. Employment earnings become the predominant source of income for students 24 years and older, and accommodation claims a greater share of expenses for older students.

University students have higher incomes than college students, but the proportional share of income among the various sources is similar to that of college students. University students have higher tuition costs, and education costs consume a much

larger share of their monthly expenditures compared to those of college students.

Employment earnings and family support have a substantial positive influence on students' monthly financial picture. Employment earnings substantially reduce students' monthly pre-borrowing deficit. Working students have a considerable surplus when borrowing is taken into account. Students who live with their parents and who also receive financial support are in the most favourable financial position, followed by students who live with their parents, but receive no additional support. Students living with roommates are in the most precarious financial position, with the greatest deficit before and after borrowing. Not surprisingly, students with government loans have a greater monthly deficit before borrowing than those who do not, indicating greater financial need.

The financial picture varies significantly from province to province, driven in part by factors such as students' age and their propensity to have relocated to go to school. Only students studying in Quebec have a surplus each month prior to borrowing. Quebec students also have the lowest levels of income and expenditures. Those in Nova Scotia, New Brunswick and Saskatchewan have the highest pre-borrowing deficit. New Brunswick and Nova Scotia students draw the largest amounts from government student loans. Monthly expenditures

are highest among those studying in Nova Scotia and Alberta. In Nova Scotia, since these costs are not offset by high employment earnings, students have a monthly deficit even after borrowing.

Rural students have higher monthly expenditures, but also more income from employment and from savings and investments. This is consistent with the fact that rural students tend to be older and more settled than urban students. Students with disabilities report higher incomes and living costs, which is consistent with their older age profile. There are few major differences between women and men, or between Aboriginal and non-Aboriginal students.

Students' average annual income is about \$16,100, of which 19 per cent is repayable. Reliance on debt increases with age and is higher among full-time students, those who live away from the family home (but not those who live with a spouse or partner) and those who do not earn money from work. Students in New Brunswick, Nova Scotia and Saskatchewan have the highest proportion of income that is repayable.

Up to and including the 2003–04 academic year, two in three students had accumulated debt, in the order of about \$15,500, with \$7,270 owed from the current academic year. Accumulated debt is higher for older students, for university students and for those without employment earnings or parental support. New Brunswick and Nova Scotia students owe the most.

Decisions Shaped by Costs and Debt

Having a fairly accurate sense of their financial situation, students expect to accumulate about \$19,300 in education-related debt by the time they complete their program. One-third of students expect to accumulate no debt, which is remarkably close to the actual incidence. The amount of expected debt increases with age. Among the factors that mitigate expected debt are living with parents, attending college (as opposed to university), parental support and income from employment. The majority of students expect to repay their education-related debt within five years of graduating.

Six in ten students are moderately or very concerned about the amount of debt they expect to accumulate, and concerns about debt have been a factor in school-related decisions for over half of students (most often motivating students to study at an institution closer to home). For more than one-quarter of college students, the cost of a university education was a major factor or the only factor in their decision to enrol in college. Interestingly, concerns about debt have had a more profound impact on students' personal decisions, most often influencing students to find a job or live with their

parents. One in three characterized the decision to live with parents as mostly or entirely involuntary (i.e., they could not have attended school otherwise).

The survey indicates that older students with higher employment and household incomes are most likely to be completing their studies at a slower pace. Almost half of students indicated that finances were an important factor in their decision to complete their studies at a slower pace (again higher among older students).

Three in ten students who have previously interrupted their studies cited lack of money as the primary reason for the interruption. (This figure is

higher among students in lower-income households and among those with higher levels of debt.) Similarly, among students not returning to school the next year, one in five cited lack of money as the reason. A similar proportion cited employment reasons.

While a majority of students must borrow to finance their post-secondary education, most students would rather not borrow. Almost nine in ten agreed that they try to avoid incurring debt whenever possible. Seven in ten would rather work to pay for their education now than pay off debt later. On the other hand, four in ten wish they could borrow more money during the school year.

Education Financing a Shared Responsibility, but Parents Take a Greater Share

Both students and parents see financing of post-secondary education as a shared responsibility, although they generally believe government should be the predominant funder. The perceived level of government responsibility is mitigated to some extent for students who are working part-time during the school year and for students who are receiving financial support from their parents. Students' perceptions of responsibility tend to mirror their own experience in financing their

education. Parents assign themselves a greater responsibility for financing post-secondary education than their children do.

When asked to apportion responsibility, students give governments the greatest share: just under half the costs of post-secondary education. Parents and students are assigned similar shares: 24 and 30 per cent, respectively. Parents assigned greater proportions of costs to themselves than students assign to parents.

Outreach by Electronic Means

Students and their parents consult a wide variety of information sources about the costs and financing of post-secondary education. Information comes most often from informal sources (e.g., friends, family, and parents) or from post-secondary education institutions. This is true both for students and for their parents. Federal government and government-related publications or websites (e.g., Canada Millennium Scholarship Foundation) were each cited by one in five students or less (higher among those receiving government loans). Parents generally rated the usefulness of various sources higher than students did, with school publications rated most useful.

While students often gain information about post-secondary education costs and financing from informal sources, they also place a premium on electronic means of communication such as interactive websites or e-mail. Students wish they had had more information on sources of grants and loans and the cost of education before starting their program. When dealing with student loan websites, students value the ability to apply for loans and check the status of their loans online.

Parents had most often seen or heard about saving for their children's education from the media or from bank employees or financial advisors. While only a small minority of parents (five per cent) used the Internet as a source of information about saving for their children's post-secondary education, 37 per cent would use the Internet if they were to look for information today.

Most parents feel they were at least moderately informed about education and other costs before their children began post-secondary education. Still, most parents also say that having more information about costs would have had an impact on the way they prepared for their children's education. Four in ten parents say that they expected more support from government, which would have had a direct impact on their own planning. The impact of information is more apparent in the way parents saved (e.g., start earlier, save more) and lesser in students' financial choices (e.g., save more, obtain a loan) or educational or personal choices (e.g., live at home, go to a nearby school).

I. Introduction

I.1 Background

Today's knowledge economy clearly places a premium on higher education, and educational attainment levels in the labour force have risen as a result. There is evidence, however, that students are experiencing increasing difficulty financing their post-secondary education. Data from the National Graduate Survey (NGS) indicate that borrowing from student loan programs rose in the early 1990s, as did debt-to-earnings ratios. In the mid-1990s, almost half of university and college students borrowed from student loan programs, although this figure remained stable through the latter part of the decade. At the same time, tuition fees and the amounts that students must repay upon graduation have risen, and repayment rates have fallen.

Until recently, there was some information on student loans as a source of educational financing for individuals, but there were less data on other sources of financing, such as family support, private debt (e.g., bank loans) or employment earnings.

The groundbreaking EKOS Research study, *Making Ends Meet: the 2001–2002 Student Financial Survey* was designed to fill this gap. It gathered monthly income and expenditure data from a panel of post-secondary students during their academic year. This study was conducted for the Canada Millennium Scholarship Foundation in order to assemble a picture of students' total debt load and the proportion of this debt that comes from public and other sources.

The current study aims to repeat the *Student Financial Survey*, with two major adjustments. The first change is an increased sample size accompanied by additional questions about the impact of the cost of post-secondary education on students' academic decisions. The second is the addition of parental surveys to address the issue of parental contributions, including how parents finance their children's education and what trade-offs these contributions imply for parents' financial situations.

I.2 Methodology

a) Design and Data Collection

i) Student Survey

This study was designed to capture baseline information from post-secondary students about their financial situation at the beginning of a school year as well as their monthly income and expenditures during the school year. The study also investigated the views and experiences of parents: the amounts they contributed, their methods of saving for their children's post-secondary education and the impact of this financial contribution on other financial decisions in the household.

Students were recruited for the study in two ways. First, 46 post-secondary institutions across the country¹ were asked to send an e-mail or hard copy letter to their students² telling them about the study and asking interested individuals to register on an external website designed specifically for the sample recruitment phase of the study. This site further explained the purpose and logistics of the study and collected the contact information of students interested in participating. In all, 16,178 students were

1. Including 27 universities and 19 colleges across 10 provinces and one territory. These were picked with the intention of including a varied set of institutions by region, size and program offerings, although a few schools were also added to increase the representation of Aboriginal and rural students.

2. Depending on technical capacities, schools sent the letter to either a sample or a census of their students.

recruited using this method. While 33 of the original 46 schools agreed to assist with the study, eight universities and five colleges, concentrated heavily in Quebec, were unable to disseminate invitations to their students. In order to include students from these schools in the study, 4,937 students were recruited on campus at these 13 institutions. Table 1a presents the

number of schools included in the sample, as well as the number of students who completed the baseline and last wave of the study. Overall, 70 per cent of the sample was maintained over the course of the study from the baseline to wave six. The rate of participation was lowest in Quebec (across each of the six follow-up waves).

Table 1a: Number of Schools and Student Respondents Participating in the Survey

		n of schools	Baseline Complete	Wave 6 Complete	
			Count	Count	Percent
British Columbia	College	1	229	162	70.7
	University	4	1,037	747	72.0
	Province Total	5	1,266	909	71.8
Yukon	College	1	88	48	54.5
	Territory Total	1	88	48	54.5
Alberta	College	4	529	355	67.1
	University	3	986	756	76.7
	Province Total	7	1,515	1,111	73.3
Saskatchewan	College	1	152	97	63.8
	University	2	510	404	79.2
	Province Total	3	662	501	75.7
Manitoba	College	1	152	104	68.4
	University	3	528	391	74.1
	Province Total	4	680	495	72.8
Ontario	College	5	1,037	728	70.2
	University	4	1,011	726	71.8
	Province Total	9	2,048	1,454	71.0
Quebec	College	2	173	70	40.5
	University	4	544	288	52.9
	Province Total	6	717	358	49.9
New Brunswick	College	1	82	49	59.8
	University	2	591	450	76.1
	Province Total	3	673	499	74.1
Nova Scotia	College	1	102	68	66.7
	University	3	1,274	904	71.0
	Province Total	4	1,376	972	70.6
Prince Edward Island	College	1	101	67	66.3
	University	1	27	19	70.4
	Province Total	2	128	86	67.2
Newfoundland and Labrador	College	1	77	40	51.9
	University	1	124	91	73.4
	Province Total	2	201	131	65.2
Grand Total		46	9,354	6,564	70.2

47 cases not allocated to a province.

In September 2003, we used these two methods to assemble a list of 21,115 students to create the sample frame for the study. We then implemented a stratified sampling technique to select 14,322 students. This included all of the 4,937 cases of students recruited on campus and a sample of 9,385 of the 16,178 students who registered on the website. This sample was based on the principle of including no more than 400 students from any one school. The third step was to contact students individually by telephone to confirm their participation in the survey. A total of 11,601 students were confirmed into the core student panel. The response rate to the recruitment was 81 per cent. That is, 11,601 of the 14,322 selected from the list agreed to participate on hearing the full details of the study.

Of the 11,601 students who were ultimately recruited into the panel, 9,401 actually completed the baseline questionnaire, or 81 per cent of the cases that confirmed their intent during the recruitment. These students formed the base of the study. They were invited to participate in five subsequent follow-up waves of the survey and to provide names and contact information for their parents, who were also asked to participate. Just over 40 per cent ($n=3,883$) of students who completed the baseline survey agreed to provide their parents' contact information. Of the 3,883 parents contacted, 72 per cent ($n=2,796$) participated in the first parent interview, in November 2003. In May, the same 2,796 parents were contacted for a shorter follow-up survey. The retention rate for the second parental survey was 68 per cent.

The student survey information was collected using a mixture of Internet (self-administered) and telephone (administered by interviewers) survey methods. An initial baseline survey in October gathered information about students' education, their financial status coming into the school year, their socio-demographic characteristics (e.g., age, gender, region), as well as income and expenses during the month of September. The survey required just over 20 minutes to complete. More than two in three of the baseline cases were completed as a self-administered form, through the Internet ($n=6,389$), while the remaining 3,012 cases were completed

Table 1b: Participation Rates by Survey Month

Wave	Cases	Response Rate (%)
Baseline (October)	9,401	81 (of initial panel)
December	8,037	86 (of baseline)
January	8,022	85 (of baseline)
February	7,379	79 (of baseline)
March	7,184	76 (of baseline)
April	6,567	70 (of baseline)

by telephone (by an interviewer) for a total of 9,401 cases in the baseline.

The reference period for the baseline (i.e., the period for which students were asked to report financial information such as income received and expenditures prepaid towards the school year) was “over the summer months, ending just prior to the school year.”

The panel survey was followed by monthly waves. We notified respondents by e-mail at the start of each month. Students could fill out the survey over the Internet by clicking on a link and entering their unique PIN, both of which were provided in the e-mail invitation each month. Students who had not responded within a week received an email reminder. After an additional week, all non-respondents were contacted by telephone to complete the survey. Typically, three out of four responses were collected over the Internet each month and the rest were administered by an interviewer over the telephone.

In each new wave, students were asked to report their income and expenditures for the entire previous calendar month. In the December wave, however, respondents reported both October and November income and expenses. So students' recall for October values may have been less accurate than their values for the other months. Values for income and expenditures for the month of April were not collected.

As expected, participation dropped steadily over the course of the school year. Nevertheless, the final survey wave retained 70 per cent of the overall baseline sample.³ Table 1b shows the number of students participating at each wave and the response rate (from the baseline survey of 9,401).

3. Major socio-demographic (gender, age, marital status, and employment) and educational (type of institution, full and part-time status) characteristics remained relatively stable throughout various survey waves. Quebec was the only province with the 50 per cent drop-out rate in the final wave six survey.

We asked students each month to report their income and expenditures for the previous month. Income and expenditure data are therefore captured up to and including March. But student assistance is generally based on an eight-month period, including April. For this reason, income and expenditure data were imputed for April based on responses for previous months. These figures are not included in monthly averages, but they are included in annual totals across the school year (such as employment earnings for the school year).

In addition to the basic financial questions asked each month, we asked a variety of additional questions in the follow-up waves of the survey. In December, students were asked about their borrowing history, their status in the previous academic year, their employment during the previous year (including average hours worked), their other sources of income and their equity group status. In January, students were asked to report the average grade that they had received for the first semester and to describe their assets, including cars and computers. In February, respondents were asked about their employment during the current academic year, their reasons for various academic decisions and the extent to which their financial situation had an impact on these decisions. The March wave contained additional questions about students' financial assets and their intentions for the next school year; it also asked students to assess their income, expenses and liabilities at the end of the academic year. Students were also asked about different sources of information about costs and funding of post-secondary education. In the last wave, in April, students verified the total amounts of income received from different sources (parents, other family members, government loans, private loans) throughout the academic year (as a final check of the information reported during the year). Respondents were also asked to express their views about the level of financial responsibility parents, government and students should have for post-secondary education.

ii) Parents' Survey

We conducted the parents' survey in two waves, each of them by telephone. The first survey required an average of 18 minutes to administer; it asked parents about their level of involvement in funding their children's post-secondary education, the amount they contributed to their children's post-secondary education (and the sources of these funds), as well as a profile of any savings patterns. Respondents were also asked about their financial priorities, intentions and expectations regarding funding further post-secondary education for their children. The second, shorter interview (averaging about 14 minutes), followed up some of the expenditure questions asked in the first survey and captured parents' views on the usefulness of various sources of information about costs and funding of post-secondary education.

We compared the characteristics of the students whose parents participated in the study with those of the remaining students in the study sample. As exhibited in Table 2, there are few differences. Students whose parents participated in the study are younger (i.e., more likely to be under 21 years of age), study full-time more often, and are more apt to receive financial aid from their family. It is not surprising, therefore, to find that, compared to the overall sample, they are also more likely to live at home and have lower household and accommodation expenses (not shown). As was the case in the core student sample, students whose parents agreed to be surveyed are less likely to reside in Quebec.

In terms of income, expenses and borrowing patterns (not shown), students whose parents participated in the study earn slightly less, receive somewhat less from government, private sources, and investment than other students and, therefore, accumulated less debt than average. But, for the most part, these patterns are observed because students whose families participated in the study are younger and receive financial support from their parents.

Table 2: Socio-Demographic Characteristics of Students Whose Parents Participated in the Study (First Parent Wave)

All Students	Students Whose Parents Participated in the Survey (n=2,797)	Students Whose Parents Did Not Participate in the Survey (n=6,604)
Age		
<18	9	7
18–19	29	22
20–21	27	21
22–23	17	16
24–25	9	9
26–29	6	8
30+	2	17
Status in Program		
Part-time	17	27
Full-time	83	73
Institution		
College	29	28
University	71	73
Intended Employment		
Yes	63	65
No	37	35
Living Arrangements		
Parents	52	45
Spouse	11	20
Alone	11	15
Roommate	26	20
Region		
British Columbia	12	13
Alberta	10	9
Saskatchewan	3	2
Manitoba	4	3
Ontario	36	34
Quebec	25	32
New Brunswick	3	2
Nova Scotia	6	4
P.E.I./N.L.	2	1
Parental Support		
Yes	71	57
No	29	43
Government Assistance		
Yes	34	28
No	66	72
Location		
Rural	9	8
Urban	91	92

iii) Follow-Up Survey

In the follow-up survey, we approached respondents to the original Student Financial Survey to further elaborate and investigate some surprising or interesting findings from the core survey and to update some student information for the 2004–05 academic year. We identified several key issues for the follow-up:

- Student assets, specifically incidence and amount of assets in RESPs and RRSPs
- Current status of students (e.g., graduation, employment status)
- Savings of current students (including total savings and proportion of savings expended during first and second academic terms)
- Discrepant responses between parents and students
- Student employment during the current academic year
- Use of school-based information sources
- Students' overall assessment of educational experience and value
- Credit transfer experience
- Situation of spouse/partner with respect to loans and bursaries.

All students who participated in the last wave of the Post-Secondary Student Financial Survey (n=6,567) and who agreed to participate in any follow-up surveys (n=4,342) were contacted for the follow-up survey. Like the core survey, the follow-up was conducted over the Internet. Each student received an e-mail invitation with a link to the survey and a unique PIN. The data were collected in February, 2005. Because many of the questions in the follow-up were based on students' responses to the core survey, we implemented screening to route respondents appropriately through the survey instrument. In total, 2,715 students responded to the follow-up. Some results from the follow-up survey are included in the main body of this report, but most results are featured as an appendix to this report (Appendix A).

b) Database Management and Processing

Once the survey waves were completed, each set of responses, including those from parents, was added to a master file. Ultimately, a single database was built to hold all responses from baseline to final follow-up wave for each of the 9,401 students in the survey. Initial profiling of socio-demographic and educational characteristics revealed that Quebec students were significantly under-represented (six per cent versus 30 per cent in the student population, partially because of the limited number of schools participating and need to sample students on campus and partially because of the low participation rate over the study), as were college students (19 per cent versus 27 per cent of the population), part-time students (seven per cent versus 25 per cent) and those living with parents (28 per cent versus 45 per cent). The study sample was therefore weighted to bring these parameters in line with the characteristics of the post-secondary education student population, as per Statistics Canada results from the 2001 Census. Although gender was also misaligned to some degree, results with and without a gender correction were found to be no different, whereas weighting by gender added significantly to the size of the weight for some cases in the file. The weight variable was created using an iterative least sum of squares using the following model: region crossed by type of institution (college or university), by enrolment status (part-time or full-time), and by living arrangement (living with parents or living with roommates).

We took a number of steps to finalize the file before proceeding with the analysis and reporting the survey results. First, we conducted coding to categorize open-ended responses. Second, we examined all continuous variables for outliers. These included all financial variables, as well as items where responses such as number of weeks or hours were provided. Dealing with outliers involved excluding responses that were five standard deviations away from the overall mean.⁴ As a general rule, this method resulted

in no more than 0.5 per cent (or maximum of 50 cases) of the survey sample being excluded from analysis on any individual variable, and changed the overall statistical values between one and four per cent. The notable exceptions, however, were the baseline variables that captured liabilities prior to the academic year. In these cases, the exclusion of 23 very atypical individuals (0.2 per cent of the sample) changed the average balances owed on personal loans and credit cards by nine per cent each, while changing the average amount owed for all other debts by 15 per cent.

As shown in the table on participation rates, not all 9,401 students participated in all of the follow-up waves. While 5,464 students (58 per cent of the 9,401 panel) participated in all five of the follow-up waves, 1,415 (15 per cent) of respondents missed one wave, 810 respondents (nine per cent) missed two waves, 605 students (six per cent) missed three waves and the remaining 12 per cent (n=1,107) participated in only one or none of the follow-up waves. Data were therefore missing for many student records in various waves. In order to rely on a common respondent pool, our analysis of financial data included only the students who completed the baseline survey and provided data for at least two other months, with at least one survey completed during the fall and one during the winter term. This represented 7,864⁵ of the 9,401 students in the baseline.⁶ For the 2,400 students included in this core respondent pool who had not completed one or more of the survey waves, any missing data in the financial fields were attributed (or filled in) with the most likely response. The most likely response was typically arrived at by examining values provided by the same respondent in other months. That is, if a student did not complete the December wave, the missing information was attributed from values reported by that same respondent during the months of October (baseline) and January. In the case of a few specific income and expenditure sources (such as for government loans in January and parental support in December) we took another

4. As used by Statistics Canada.

5. A total of 5,464 students participated in all waves and 2,400 students participated in a minimum of two follow-up waves.

6. Non-random attrition testing of baseline participants (n=9,401) and students who completed at least two follow-up surveys (n=7,864) revealed no statistically significant differences between these two groups in terms of their socio-demographic (gender, age, marital status, and employment), educational (type of institution, full time/part time status, program and year of study) or financial (average government and private loans, average parental assistance) characteristics. Participants in two or more follow-up surveys are therefore representative of the 9,401 baseline recruits.

approach. In these cases, we attributed missing values on the basis of the amount reported in the baseline and other waves of the survey for an individual respondent, taking into consideration the pattern for the overall sample. If a value for a student's loan was reported for September, but not for January when the average value for student loans was 50 per cent of the September value, then half the September value of loans was attributed for January in any given case where it was missing. The change in the number of valid cases, values and means was carefully examined before and after the replacement of missing values. While the number of cases with attributed information varied from 400 to 1,400 responses, the actual change in the means varied within two per cent of the original value. The only exception was government bursaries and grants for the month of January, where the original mean of \$279 changed by four percentage points to \$292.

As noted earlier in this chapter, income and expenditure data were also imputed for the month of April for all core cases. The same rules as those just described were applied. It should be noted, however, that the total figures calculated on the basis of these imputed figures for April would not take into account any changes in income and expenditure that might have occurred in this month. For example, employment income for April would be imputed according to the typical employment income across the school year. This may not accurately reflect earnings in a month when regular classes would have finished and many students would be taking exams.

As a final step before analyzing the results, we created new variables in the database to calculate total values for the year. We also created new variables to generate the student population's total amount of income and expenditures from specific sources. At this stage of the data processing, when all values were in place, we generated banner tables that allowed us to profile overall results by key independent variables (such as age, province, living situation, whether they have debt, and source and level of debt).

One of the issues we investigated in the follow-up survey was credit card borrowing and debt payments. Students were asked to specify how they allocated their debt payments (i.e., how much went to paying down government student loans, private loans, etc.). Results indicate that, on average, 50 per cent of credit card users paid down their credit card balance entirely at the end of the month. Among credit card holders, 73 per cent of all debt payment went towards paying down credit card balances.

In order to eliminate the confusion caused by the use of credit cards as another form of cash (which gets paid down to zero each month), the amount charged to credit cards was removed from the computation of income (both the average figure and the monthly and annual totals). The portion of debt payment that went to credit cards was also removed from the expense side, reducing the average monthly debt payment by 73 per cent among credit card holders. The responses of individuals who did not use credit cards were not affected by these changes. Credit card debt, therefore, was only captured through a single and indirect question on credit card balance in the wave six survey.

As a result of these changes, the monthly balance⁷ after borrowing dropped from the initially calculated surplus of \$284 down to a new surplus of \$138. We examined the distribution of values for this new average surplus to identify outliers and other abnormal cases. In total, only 3.9 per cent (unweighted proportion) of all students in the survey (307 cases) had an average monthly surplus of more than \$1,800. These respondents, however, significantly increased the average value for the surplus. With this 3.9 per cent of students excluded from the calculation, the monthly surplus was reduced to \$50. As this would seem to more closely represent the "average" monthly surplus, this figure is presented in the graphs of monthly balances before and after borrowing. It also appears in monthly and annual income and expenditures. Graphs that present individual sources of average or total income and expenditure also exclude cases with monthly surpluses of \$1,800 or more.

7. Responses (n=46) with more than five standard deviations from the average monthly balance (\$5,170 and higher) or with missing information were excluded from the analysis.

1.3 Survey Limitations

In a study like this one, readers must be careful to appreciate the nature of the sampling. Given the proportion of post-secondary students in the broader Canadian population (which is roughly five per cent), it would have been prohibitively expensive to simply recruit students randomly from the general public. Even if this method were used, its sample would be unrepresentative. Students who live alone or with roommates (as opposed to those who live with parents or spouses) are less likely to be at home during the evenings and weekends to be contacted. Many students no longer maintain regular telephone lines, relying on cell phones for their communications. We therefore needed other methods in order to gather a large enough pool of post-secondary students to allow us to isolate groups of students by age, province and type of institution. This study relied on 46 institutions, including 27 universities (of the 40 to 50 in Canada) and 19 colleges (of the more than 200 across the country). Readers should therefore understand that the sample was drawn from a relatively small number of institutions, with as few as two or three from some provinces. This has the effect of creating a more homogeneous pool of respondents than would have been the case with a randomly selected sample.

The second factor to consider is the method of recruitment of respondents. In six out of seven cases, schools informed their students of the study through e-mail, leaving it up to students to visit the registry website and indicate their interest. Some schools were able to sample students and send the e-mail invitation to a select group. Other schools sent the e-mail to their entire student body. At schools where this occurred, large numbers of students registered, and we sampled these registrants for participation in the survey. While a large majority of those who agreed to participate ultimately completed the baseline survey, and attrition throughout the survey was low, the response rate for the initial sign-up is impossible to determine. We estimated that less than 20 to 25 per cent of students responded. In some schools it is likely that less than 10 per cent of students did so.

This aspect of the selection process, along with the communication methods we used, likely introduced

a number of biases. We believe that these factors largely explain why the sample includes an under-representation of students living at home with their parents (who may be less likely to rely on their school e-mail account), part-time students (also less likely to check their school e-mail account), and college students (because we sampled a much smaller proportion of colleges than universities). Readers should also be aware of the systematically and dramatically poorer response in Quebec, which resulted in significant under-sampling in that province. While our weighting scheme can redistribute the emphasis among students in the sample, it can never address differences between students who participated in the survey and those who did not.

Third, readers must always consider the base of students used to calculate financial data (e.g., amounts of income, expenditures and debt). In particular, readers should note whether figures are based on all students or only those students for whom the particular indicator is applicable. For example, the average reported amount of summer employment earnings for all students is \$3,100. But, when only those students who worked in the summer are considered, the average increases to \$4,800. Most numbers in this document are calculated as averages based on the affected segment of the student pool. Monthly patterns for income and expenditures, however, were derived by averaging all students (including those students who reported zero income or expenditures in any particular category).

Finally, many of the survey results differentiate on the basis of age. Since many other variables are a function of age, some calculations must control for age in order to generate meaningful results. For example, significant differences among provinces may in fact be a result of the differing age profile of students across the country. (The average age of students is lower in Quebec and higher in the Prairies.) Where possible, we controlled for age when examining other characteristics that are shown to be closely associated with age (e.g., marital status, dependants and living arrangements) by examining potential significant differences across the age cohorts.

2. Profile

This chapter describes the sample of post-secondary students who participated in the study, first by socio-demographic characteristics and then by educational programs.

2.1 Socio-Demographic Profile

a) Province

We needed to include two to eight schools per province, and in each province we needed 25 to 50 per cent of these schools to be colleges. Our sampling strategy reflected this need. After sampling, we weighted the data to match the exact proportions of the student population. Note that only weighted results are presented throughout this report, except where we present the distribution of the variables that we used in the weighting scheme (and only in Chapter 2). Also, as shown in Table 1b (page 3), there are too few cases from the Yukon to isolate these results (although they do contribute toward the overall findings). Also, throughout the report we have combined findings for students attending schools in Newfoundland and Labrador and Prince Edward Island, because the samples are too small, once results are controlled for age, to be isolated individually. The unweighted provincial distribution of students is presented in Table 3.

b) Gender

Just over one-third (34 per cent) of student respondents were men; 66 per cent were women. Since women account for 56 per cent of the student population, they were overrepresented in the survey.⁸ But as mentioned earlier, we did not weight the survey data by gender because they were already heavily weighted for province, living situation, full-time/part-time and college/university. When we tried weighting for gender as well, we observed little if any difference.

Table 3: Distribution of Students by Province/Territory (n=9,174)

Province	Sample Distribution* (%)	Student Population** (%)
British Columbia	14	12
Alberta	16	9
Saskatchewan	7	2
Manitoba	7	4
Ontario	22	34
Quebec	6	29
New Brunswick	7	2
Nova Scotia	15	4
P.E.I./N.L.	4	2
Yukon	2	2

*Source: Canadian Post-Secondary Student Financial Survey 2003–04.

**Source: Enhanced Student Information System (ESIS), 2001–2002 (Record Number: 5,017).

c) Age

The average age of post-secondary students participating in the survey was 23.5. A small minority (seven per cent) were under 18 years of age. Almost one-quarter of students (23 per cent) were 18 to 19 years of age; a similar proportion (22 per cent) were 20 or 21. Three in ten students are 24 years of age or older.

Students pursuing college diplomas are younger on average (22 years) than those attending university. Undergraduate university students are 23 years old on average; the average graduate student is 29 years old.

8. The source of the population data for community colleges is Education in Canada, Statistics Canada Catalogue No.: 81-229-XIB (Annual). The source of the population data for universities is Statistics Canada, CANSIM database, Cross-classified tables 00580701, 00580702.

Owing to different institutional structures (e.g., the CEGEP system in Quebec) and different rates of participation in this survey, the age distribution of participating students varies among the provinces and territories (see Table 4). For example, in Prince Edward Island and Newfoundland and Labrador (where college students are over-represented in the sample), the average age is less than 22 years. In British Columbia and Alberta, the average participating student was almost 25 years old.

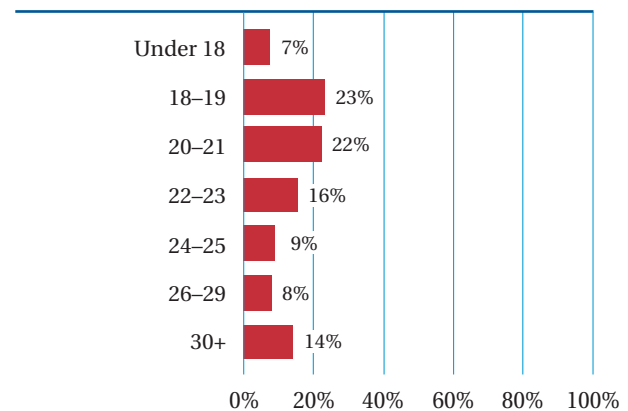
Aboriginal students and students with disabilities tend to be older than average.

It should be noted that age has a significant influence on other variables that are the focus of this research. In particular, age has an important impact on the financial indicators used in the study. Older students are more likely to be financially independent of their parents and living outside their parents' home. In general, older students have more complex financial situations (assets and liabilities, dependants) than do younger students.

d) Language

According to the weighted distribution of the sample (which corrected for the under-sampling in Quebec), almost six in ten students (59 per cent) are

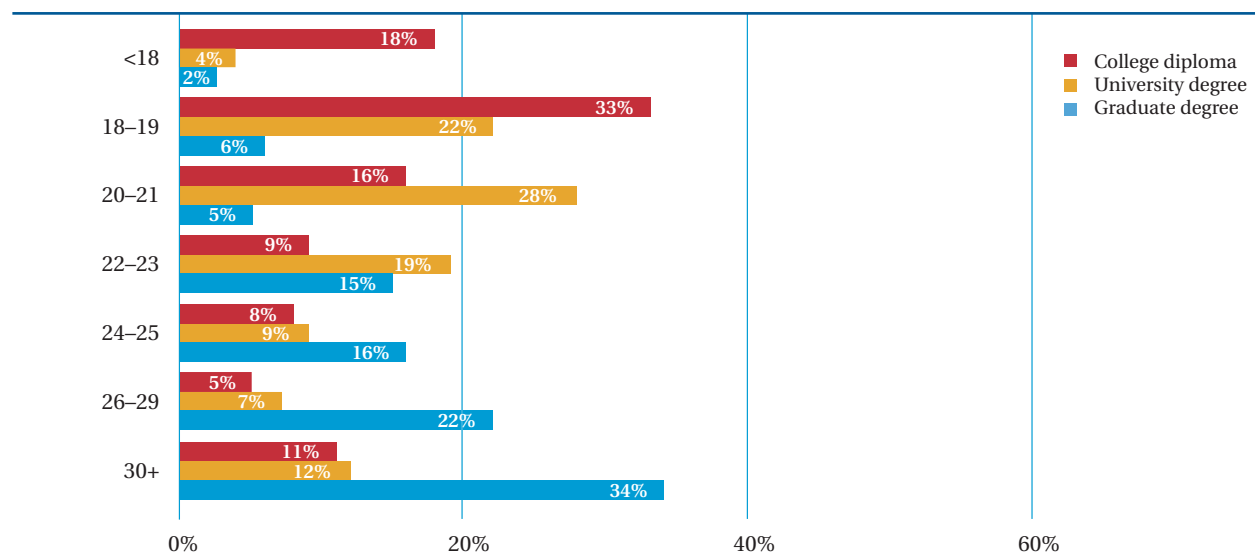
Figure 2.1: Percentage Distribution of Students — By Age (n=9,174)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Anglophone, while 27 per cent are Francophone and 13 per cent have a first language other than English or French. Francophone students are located across Canada, but concentrated in Quebec. Because of Quebec's CEGEP system, Francophone students are also more likely to indicate that they attend college and more likely to be overrepresented in the younger age category. The proportion of Allophone students in British Columbia and in Ontario (both at 18 per cent) is greater than in other provinces.

Figure 2.2: Percentage Distribution of Students Pursuing Diploma/Degree Program — By Age (n=9,174)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Table 4: Age of Students by Province (n=9,174)

Province	<20 (%)	26+ (%)	Average Age
British Columbia	27	33	24.9
Alberta	24	31	24.9
Saskatchewan	24	21	23.7
Manitoba	26	28	24.1
Ontario	27	20	23.2
Quebec	41	15	22.6
New Brunswick	24	22	23.2
Nova Scotia	30	22	23.3
P.E.I./N.L.	42	13	21.8
Total	30	22	23.5

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

e) Parental/Household Income

The average parental income in 2003–04 for students who lived with their parents was \$82,613. The median value was \$77,220 (see Table 5).⁹ Of those who live with their parents, almost three in ten (29 per cent) live in households earning over \$100,000. Income brackets of \$40,000 to \$60,000, \$60,000 to \$80,000, and \$80,000 to \$100,000, contained almost equal numbers of students (18 per cent). Eleven per cent of students living with their parents live in households making between \$20,000 and \$40,000, and only six per cent live in households making less than \$20,000.

Students living in parental households where parents earn in excess of \$100,000 are more likely to be full-time students. They are less likely to work during the school year, and those who do work tend to work fewer hours than students in lower-income households. They are also less likely to be incurring debt, although those who do borrow are less likely to have government student loans and slightly more likely to have private loans.

The average household income for those living with a spouse or partner is \$57,256, while the median is \$52,000. Only 16 per cent of these households earn more than \$100,000. Almost half (42 per cent) of the households in this group earn between \$20,000 and \$60,000. One in six (14 per cent) earn less than \$20,000. The average household income for those in college is the lowest at \$42,799, those in undergraduate programs are next at \$57,190, and those in graduate programs are highest at \$66,752.

Many of the relationships based on household income are reversed for those living with a spouse or partner. Those living with spouses in higher-earning households are less likely to be enrolled on a full-time basis. They are also more likely to work during the school year and work more hours. These higher-earning households, are less likely to be acquiring debt (like students in higher-income parental households). They are also more likely to use private loans and less likely to use government loans.

9. We calculated household income for those living with parents by adding parents' reported income before taxes with students' reported employment income from the summer of 2003 and during the 2003–04 school year.

Table 5: Average Parent/Household Income by Age, Province and Work Intentions

Characteristics	Living with Parents (n=1,404) (\$)	Living Alone (n=1,336) (\$)	Living with Roommates (n=3,629) (\$)	Living with Partner (n=955) (\$)
Overall	82,613	11,013	10,550	57,256
Age				
<18	79,841	6,952	9,431	20,000
18–19	88,521	10,262	10,372	21,533
20–21	80,743	10,774	10,261	17,416
22–23	80,693	8,582	10,778	36,818
24–25	88,144	11,577	11,227	38,361
26–29	79,124	12,415	10,974	60,158
30+	45,003	12,226	12,895	69,162
Intended to Work During School Year*				
Part-time	82,610	12,742	11,007	62,967
Full-time	89,417	9,682	10,583	44,187
Province				
British Columbia	76,019	12,839	12,134	62,742
Alberta	99,852	13,671	12,022	66,899
Saskatchewan	85,322	8,973	10,602	38,251
Manitoba	83,222	11,209	10,371	54,675
Ontario	79,249	11,913	11,127	63,288
Quebec	83,808	8,839	8,576	51,608
New Brunswick	67,749	9,964	7,693	38,799
Nova Scotia	72,309	10,581	10,574	43,478
P.E.I./N.L.	92,576	4,927	7,264	35,138

* Employment intentions and intended number of hours working for the first semester were measured in October.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

The average household income for students who live alone or with dependants is substantially lower. The average income for students living on their own is \$11,013. Only 12 per cent of these students earn more than \$20,000. Thirty-nine per cent of students living on their own earn between \$10,000 and \$20,000. Another 26 per cent earn between \$5,000 and \$10,000 and the 24 per cent earn \$5,000 or less.

For the purposes of this analysis, the income of a student who lives with roommates is reported as the student's income alone, separate from that of his or her roommates. The student's income is therefore not really a "household" income. On the other hand, one can assume that roommates share some expenses, so those living with roommates are reported separately from those living alone.

The average employment income of students living with roommates is \$10,550, which is lower than the average income of students living alone. This may be partly related to decreased expenses. Only nine per cent of those living with roommates earn more than \$20,000. A full third (33 per cent) earn between \$5,000 and \$10,000. Twenty-one per cent earn \$5,000 or less. Age is also a factor here, since younger students tend to live with roommates and also tend to report lower employment income.

Students who live on their own or with roommates exhibit the same income pattern as those who live with a spouse or partner: members of this group who earn more money are more likely to be part-time students, more likely to work during the school year and to work longer hours. College students tend to

earn less, while graduate students typically earn more. Students who earn less are more likely to be incurring debt, especially from government sources.

Variations in income across jurisdictions reflect different age profiles and living arrangements of students, but they also mirror overall regional differences in income level. For example, while students in Prince Edward Island and Newfoundland and Labrador are younger, on average, than students in the rest of Canada and more apt to be living with parents, their lower household income is also due to lower income levels in these provinces.

f) Education of Parents

Post-secondary students' fathers and mothers generally have similar educational profiles. About one-third have a high school level of education or less. Between 17 and 18 per cent graduated from community college or received trade certification and 29 per cent of mothers and fathers are university graduates.

There is a significant relationship between parents' education (particularly the father's education) and the student's type of program (as shown in Table 6). For example, among students pursuing graduate degrees, 43 per cent have fathers who are university educated, compared to 32 per cent of those obtaining undergraduate degrees and 21 per cent of those pursuing community college diplomas.

The level of education of a student's parents is also related to the student's age: students who are

26 years of age or older typically report lower levels of education for their parents. This reflects an overall trend in Canada: each successive generation is more educated than the last. Aboriginal students and those who report disabilities also report lower parental education levels. Allophone students systematically report higher education levels for their fathers.

Children of parents who have attended post-secondary education are slightly less likely to work during the school term. Of those students who report no post-secondary education for either parent, 69 per cent do work during the school term, whereas only 61 per cent of students who have two parents with post-secondary education work during this time. When we control these data for age, this relationship only holds for the younger cohorts. For those aged 26 or older, parental education levels have little to do with their intending to work during the school term.

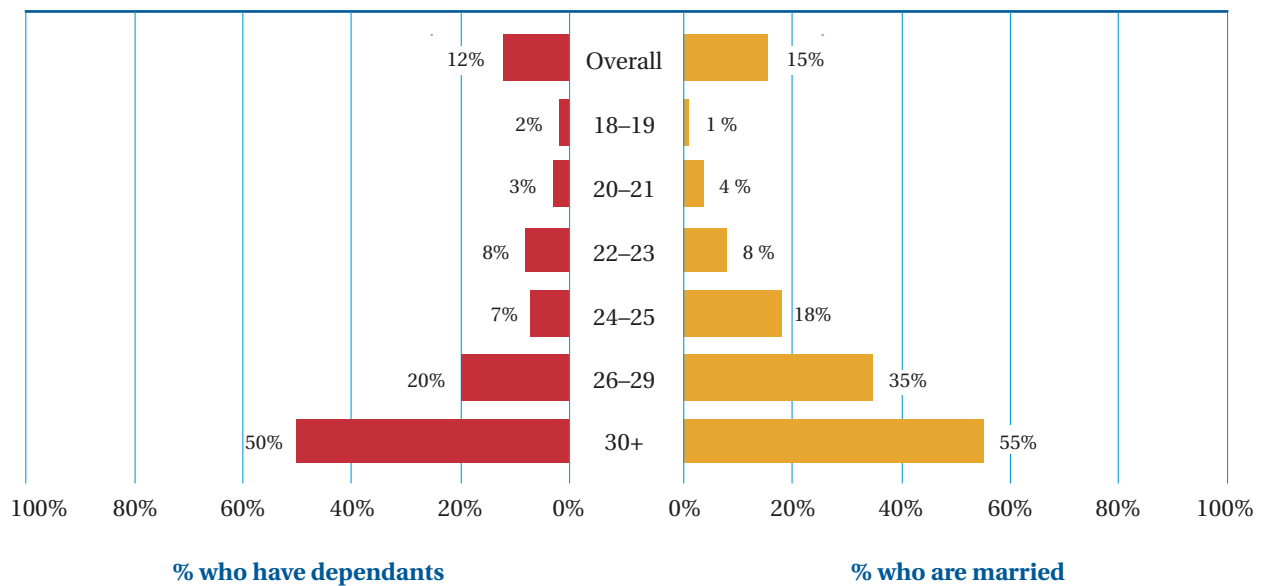
g) Marital Status

A large majority of students (79 per cent) are single. fifteen per cent of students are married and the rest have another status, such as separated or divorced. Students' marital status is, of course, related to their age: for example, 48 per cent of students 26 years and older are married. Interestingly, while students in British Columbia and Alberta have an older age profile, this translates into a greater likelihood of being married in Alberta, but not in British Columbia.

Table 6: Father's Education and Type of Program

Characteristics	Student's Program (n=9,401)		
	Community College (%)	University Degree (%)	Graduate Degree (%)
Father's Education			
Less than high school	21	17	19
High school	16	13	9
Community college/trade certification	20	17	13
Some college/university	10	9	7
University degree	21	32	43

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 2.3: Percentage Distribution of Students with Respect to Marital Status and Dependents — By Age (n=9,401)

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

About one in eight students (12 per cent) indicated that they have at least one dependant.¹⁰ (Among students who are 26 years of age and older, 39 per cent have dependants.) Of those with dependants, half have one dependant and another 35 per cent have two dependants.

In the follow-up survey, 28 per cent of students who were married or living in common law indicated that, in the fall of 2003, their spouse or partner was also a post-secondary student. Of those students whose partner was also a post-secondary student (n=78), 47 per cent indicated that this person had a government student loan. (This figure was even higher—71 per cent—among students who themselves had government student loans in 2003-04). Almost three in ten married students (27 per cent) reported that their spouse or partner had a government bursary or grant during the 2003-04 school year. Some 36 per cent indicated that their spouse or partner had received money from other scholarships or grants during the school year.

h) Living Arrangements

Just over one-quarter of the (unweighted) sample of students for this study (27 per cent) lived with their parents while they attended school during the year. Among the rest of the sample, 39 per cent lived with roommates (30 per cent off campus and nine per cent on campus), 14 per cent were living with a spouse or partner, and 14 per cent lived alone (including 12 per cent who lived alone and three per cent who lived with dependants). Another five per cent reported some other type of living arrangement.

Compared to the general student population, the sample under-represents students living with parents and over-represents those living with roommates. In the general student population, roughly 46 per cent live with their parents, 20 per cent live with roommates either on or off campus and the remaining 34 per cent live in other situations such as with a spouse or partner or with dependants.¹¹ We weighted the current sample to match population figures for all of our analysis (see Table 7).

10. "Dependant" was not defined, but it is assumed that this refers to children or non-working adults.

11. The source of the population data for community colleges is: Education in Canada, Statistics Canada Catalogue No.: 81-229-XIB (Annual). The source of the population data for universities is: Statistics Canada, CANSIM database, Cross-classified tables 00580701, 00580702.

Table 7: Living Arrangements by Age and Province (n=9,401)

Characteristics	Living With Parents (%)	Living Alone (%)	Living With Roommates (%)	Living With Spouse/Partner (%)
Age				
<18	86	3	9	1
18–19	66	5	22	2
20–21	52	10	27	7
22–23	44	14	28	10
24–25	33	20	20	24
26–29	14	27	16	39
30+	5	28	7	57
Province				
British Columbia	45	15	16	18
Alberta	40	13	17	25
Saskatchewan	32	17	24	21
Manitoba	53	13	10	20
Ontario	42	13	27	14
Quebec	55	13	13	17
New Brunswick	34	18	27	16
Nova Scotia	26	18	34	15
P.E.I./N.L.	50	11	19	15
Total	46	13	20	17

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Based on weighted data, almost half of students sharing accommodation with roommates had one roommate (44 per cent), while 26 per cent had two, and the rest had more than two roommates.

Younger students are much more likely to be living with their parents: 86 per cent of those under 18 years of age lived with their parents, compared to eight per cent of students 26 years of age or older. Older students (26 and older) are far more likely to report living with a spouse or partner (51 per cent) or living alone (27 per cent).

The regional distribution of living arrangements reflects the varying age profile of students across provinces as well as the propensity to move in order to attend post-secondary education (discussed in more detail below).

i) Independent/Dependent

The Canada Student Loan Program classifies students as “independent” if they have been out of high school for four or more years, have been employed for two consecutive 12-month periods, have ever been married or have dependants of their own. According to this definition, 53 per cent of student survey respondents are independent. Almost by definition, younger students are less likely to be independent, while older students are more likely to be independent. Only seven per cent of those under the age of 18 are independent, while 100 per cent of students 26 years or older are independent. As expected, the proportion of independent students is higher among the part-time student population; it is also higher in the Prairie provinces.

j) Relocation

Overall, one-third of students (34 per cent) reported that they moved to a new community in order to be able to attend their current school.¹² The overwhelming majority of these relocators (79 per cent) moved more than 70 kilometres.

Age is a factor in students' propensity to move (see Table 8). Whereas about four in ten students between 20 and 25 years of age reported moving, only 25 per cent of students 26 years of age and older moved to attend school. (This is also linked to other factors, with the propensity to move being lower for those who are married, have a mortgage or have dependants.) The youngest age cohort is least likely to have moved, in part because more of them are college students, and college students are less likely to need to move for school.

Across provinces, those studying in Saskatchewan, New Brunswick and Nova Scotia (48, 47 and 59 per cent, respectively) are more likely than those studying in other provinces to have moved to attend school (see Table 8). Students in Prince Edward Island and Newfoundland and Labrador are not among those most likely to have relocated, possibly due to the high proportion of college students in the sample for this area. Those who worked during the school year are less apt to have moved to a new community (also likely owing to a variety of intervening variables such as age).

k) Equity Group Status

Aboriginal Students: Three per cent of students consider themselves to be Aboriginal.¹³ This proportion is significantly higher in the Yukon (19 per cent), and marginally higher in the Prairies (seven per cent in each of Manitoba and Saskatchewan) than in other provinces. Among those indicating Aboriginal status, 42 per cent indicate they are Métis, 40 per cent registered Indian, 16 per cent non-status Indian and two per cent Inuit. The highest

Table 8: Relocation by Age and Province

Characteristics	Moved to Attend School (%) n=9,401
Age Group	
<18	17
18–19	33
20–21	39
22–23	43
24–25	40
26–29	33
30+	20
Province	
British Columbia	25
Alberta	29
Saskatchewan	48
Manitoba	21
Ontario	42
Quebec	24
New Brunswick	47
Nova Scotia	59
P.E.I./N.L.	31
Institution	
College	21
University	38
Intended to Work During School Year	
Yes	25
No	48
Total	34

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

concentration of Métis can be found in Alberta and Manitoba, while Saskatchewan has the highest proportion of registered Indians. Non-status Indians reported a disproportionately high use of government loans compared to Status Indians and Métis. In total, there are 289 Aboriginal post-secondary students in the sample, which is sufficient to generate results for this sub-group, but not to control for age or to separate results for first Nations and Métis.¹⁴ The mean age of Aboriginal students is almost a year and half older than the national average (24.9 versus 23.5).

12. Students were not asked to specify whether they had relocated from parental home or from their own home.

13. The definition included status and non-status Indian, Métis and Inuit persons.

14. No Aboriginal schools were included in the sample, nor were particular measures taken to oversample Aboriginal students.

Students with Disabilities: A similar proportion of the overall sample, four per cent, indicated that they have permanent disabilities.¹⁵ This proportion is slightly higher among part-time students (seven per cent) and older students (eight per cent), and as such, students with disabilities are also more likely to live alone and report mortgages and dependants. As with the Aboriginal sample, the number of students with disabilities (253) is large enough to isolate results but not to control for age within the sub-group.

D) Rural Students

Eight per cent of students were living in rural areas of Canada at the time of the survey (see Table 9).¹⁶ While this is considerably less than the rural proportion of the Canadian public as a whole (closer to 25 per cent), the difference is not surprising. Rural residents have been found to attend post-secondary education less than urban residents,^{17,18} and most rural students would have to move to a city in order to attend school. Rural students attending school in Manitoba and Saskatchewan are most likely to have had to move to a city, and this is also a likely scenario for rural students attending school in Nova Scotia, Prince Edward Island and Newfoundland and Labrador (possibly because of the specific institutions participating in this study). Such displacement was least often required in New Brunswick, British Columbia and Alberta. Percentages of women and Aboriginal students are higher in rural areas in the urban student population.

Rural students are overrepresented in the college system and among university graduate students (but under-represented among university undergraduates). As a group, they tend to be older and

more settled than the average student. More of them are over 25 years of age. They are more apt to be married and living with a spouse and to report having a mortgage and a line of credit. A higher proportion of rural students reported that their parents did not pursue a post-secondary education. Rural students who reported income for their own households (because they do not live with their parents) are more likely to report incomes between \$20,000 to \$60,000 possibly due to the inclusion of the income of a working spouse. Rural students who reported household incomes that include their parents' income (because they live with their parents) also fell more often into a middle income range (unlike urban students who live with their parents, who tend to be concentrated in the upper income brackets).

It is not surprising that fewer of the students currently residing in rural areas have moved to go to school. Given the distance they must go to attend school, it is also not surprising that more of them own cars and rely on cars to attend school. Given their tendency to be older and more settled in nature, it also makes sense that rural students reported higher grades than urban students. Rural students are generally more likely to be classified as independent students.

The following table (Table 9) presents the characteristics of the urban and rural segments of the student population in the sample. Unlike other tables, it is not the rural representation found within each of the segments (e.g., students over 30) that is presented here, but rather the proportion of the different segments found among rural students. These figures are necessary because, at eight per cent of the overall total, rural students are seldom numerous enough to visibly skew other results.

15. That is, someone with a permanent physical or mental condition, or health problem that reduces the amount or kind of activity that can be done at home, work or school.

16. Rural students are defined as those who have a zero in the second digit of their current postal code.

17. Marc Frenette, 2002. Too Far To Go On? Distance to School University Participation, Statistics Canada Catalogue number 11F0019MIE2002191.

18. Marc Frenette, 2003. Access to College and University: Does Distance Matter? Statistics Canada Catalogue number 11F0019MIE2003201.

Table 9: Distribution of Different Student Characteristics Among Urban and Rural Students

Characteristics	Urban (%) n=6,882	Rural (%) n=722	Characteristics	Urban (%) n=6,882	Rural (%) n=722
Province			Line of Credit		
British Columbia	14	6	Yes	37	48
Alberta	11	8	No	60	49
Saskatchewan	2	3	Mortgage		
Manitoba	3	5	Yes	9	20
Ontario	34	34	No	90	80
Quebec	27	23	Parents Post-Secondary Education		
New Brunswick	3	0	None	20	30
Nova Scotia	3	15	One	28	37
P.E.I./N.L.	3	2	Both	52	33
Gender			Own Household Income		
Men	34	28	\$20,000 or less	27	13
Women	66	72	\$20,001–40,000	18	21
Aboriginal			\$40,001–60,000	17	36
Yes	3	5	More than \$60,000	37	30
No	96	93	Parent's Household Income		
Program			\$20,000 or less	12	12
College	30	39	\$20,001–40,000	18	16
Undergraduate	60	47	\$40,001–60,000	19	29
Graduate	10	14	More than \$60,000	51	43
Age Group			Moved to Attend School		
Under 20	31	31	Yes	26	20
20–25	48	36	No	74	80
Over 25	22	32	Status		
Living Situation			Independent	53	59
With Parents	53	41	Dependent	47	41
With Spouse	17	29	Total	92	8
Other	30	30			

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

m) Foreign Students

Three per cent of students consider themselves to be foreign students (defined in the survey as “not a permanent resident of Canada for at least 12 months prior to starting their formal post-secondary education”). This figure is higher—nine per cent—among students at the graduate level.

2.2 Education Program Profile

a) Prior Schooling

Years of Post-Secondary Education

One in five students had completed less than one year of post-secondary education since leaving high school. Students in the survey were fairly evenly distributed in terms of post-secondary experience: one year (18 per cent), two years (17 per cent), three years (16 per cent), four years (12 per cent) and five years or more (19 per cent). As one might expect, these responses are highly related to the age of the student and whether their current program is their first degree or diploma.

One-third of students (34 per cent) had already obtained a post-secondary degree, certificate or diploma. This proportion is higher among older students (65 per cent of those 26 years of age or older), part-time students (48 per cent) and higher-performing students (46 per cent among A+, A students, who are typically older). Students in Quebec are also more apt to have completed a prior degree or diploma (48 per cent) because of the CEGEP system. Students from the rest of the country are therefore less apt to have completed a prior degree (29 per cent).

Of those students who had obtained prior degrees, certificates or diplomas, 48 per cent indicated receiving a college or CEGEP diploma, while 42 per cent had received bachelor's degrees. Among those who had previously completed college diplomas, nearly three-quarters (73 per cent) are now pursuing bachelor's degrees. Of those who had already earned bachelor's degrees, one-third are now pursuing master's degrees (35 per cent), while an even larger group are pursuing second bachelor's degrees (43 per cent).

b) Current Program

i) Type of Institution and Program

The survey sample consists of 25 per cent college students and 75 per cent university students (including both undergraduate and graduate students). This is a result of the cluster sampling process we used to recruit students (i.e., the number of colleges and universities selected for the study). In the general 2003–04 student population, 37 per cent of post-secondary students attended technical, community or vocational colleges and 63 per cent attended universities. We weighted the survey sample to reflect these proportions in our analysis.

Table 10: Type of Institution by Age, Province, Enrolment Status* (n=9,192)

Characteristics	Community College	University
Age Group		
<18	78	22
18–19	50	49
20–21	30	69
22–23	26	72
24–25	24	74
26–29	28	71
30+	31	68
Province		
British Columbia	52	48
Alberta	36	64
Saskatchewan	16	84
Manitoba	14	86
Ontario	33	67
Quebec	43	57
New Brunswick	16	84
Nova Scotia	12	88
P.E.I./N.L.	63	37
Enrolment Status		
Full-time	41	58
Part-time	26	74
Total	37	62

* Some categories do not add up to 100 per cent where the identification of the institution is missing (small number of cases).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

In our sample, the college-university balance varies by province because of the number of colleges and universities selected from each province. In general, the college system is less represented in New Brunswick, Nova Scotia, Manitoba and Saskatchewan (less than one-sixth of students in each of these provinces reported attending college). On the other hand, colleges are more strongly represented in the sample in British Columbia and Quebec (by 52 and 43 per cent of students, respectively). In Prince Edward Island and Newfoundland and Labrador, colleges make up more than half of the schools included in the study but not more than half the students.

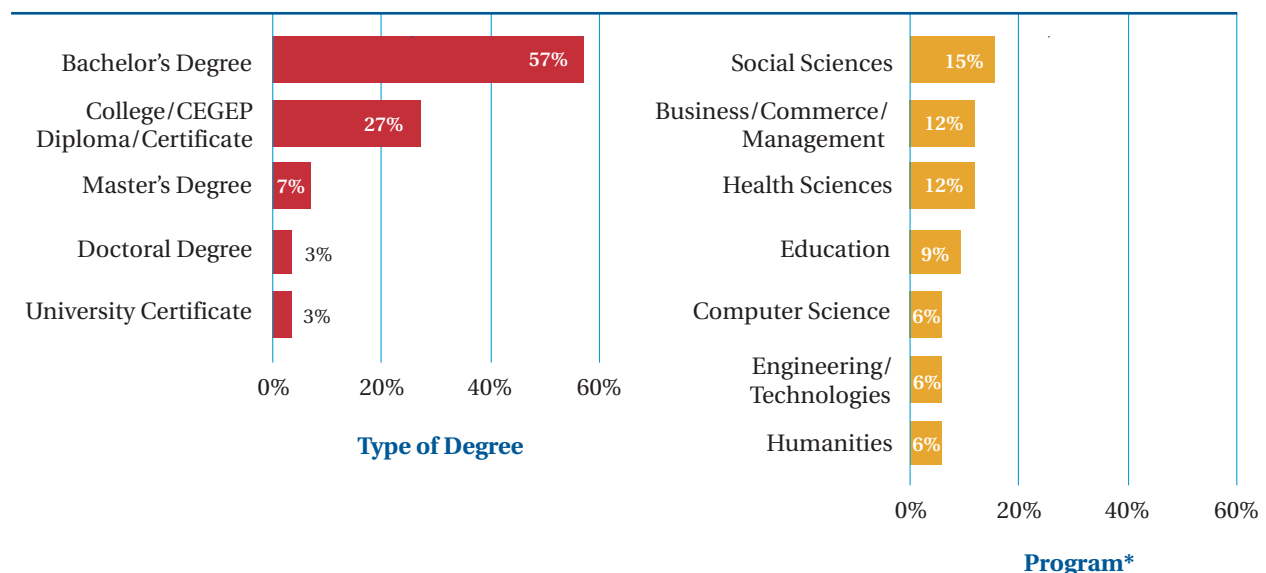
As discussed, those attending university are typically older, while those who attend college are younger on average (and therefore more likely to be living with a parent) (see Table 10). The proportions of full-time students and Aboriginal students are also higher among college students than in the overall sample. We should note that these college/university distribution figures (and those in Table 10) provide an impression of the composition of the survey

sample—they do not reflect the actual college/university distribution in Canada.

Figure 2.4 profiles the types of credentials that students are pursuing. The results mirror the distribution by type of institution. Seven in ten students are working toward a university degree: 57 per cent at the bachelor's level, 10 per cent at the graduate level (master's or doctorate) and three per cent are working towards a university certificate. One-quarter (27 per cent) of students hope to receive a college or CEGEP diploma. The patterns already noted with respect to type of institution are also evident from this data: younger students, those living with parents, Aboriginal students and students in Quebec, P.E.I. and Newfoundland and Labrador are more likely than other students to be working toward college diplomas.

The same figure presents the fields of study in which students are enrolled. The most commonly mentioned fields are social sciences (15 per cent), business/commerce (12 per cent) and health sciences (12 per cent).

Figure 2.4: Percentage Distribution of Students — By Type of Degree and Program of Study (n=9,174)



* Only those cited by more than 5% shown.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

ii) Full-Time versus Part-Time

Just over nine in ten students in the study sample (93 per cent) are attending school on a full-time basis. According to 2001 figures from Statistics Canada, 80 per cent of all post-secondary students are studying full-time.¹⁹ As indicated in Chapter 1, we weighted the distribution of full-time to part-time students to reflect these population figures.

Older students are less likely to be studying full-time: 63 per cent of 24- to 25-year-old students and 50 per cent of those over 25 are enrolled full-time, based on weighted figures. On the other hand, 92 per cent of students who are 19 or younger study full-time. Also less likely to be attending school full-time are university students, particularly those in graduate programs (65 per cent); students who intend to be employed (69 per cent versus 87 per cent of those who are not); students in British Columbia (57 per cent) and students with disabilities (57 per cent). Those who worked longer hours (more than 20 hours per week) in paying jobs during the school term are much less likely to be registered as full-time students (33 per cent). Those working moderate hours (11–20 hours per week), few hours (one to ten hours per week) or no hours at all were almost equally likely to be enrolled full-time (83 per cent, 87 per cent and 93 per cent, respectively).

Two-thirds of part-time students would prefer to go to school on a full-time basis. Older students (particularly those who have dependants and a mortgage) are more apt to be content to study part-time. Students who intend to work during school are more likely to say they would prefer to study full-time (68 per cent) than those who do not (49 per cent).

iii) Number of Terms Attending

During the 2003–04 academic year, most students (63 per cent) expected to be in school for two terms. One in five expected to attend for three terms, and 13 per cent said four terms. Students attending school for more than two terms are likely to be older students, studying at the graduate level.

iv) Status in Program

Three in ten students (31 per cent) who are working towards bachelor's degrees are in the first year of their program. Each successive year of study accounts for a smaller proportion of respondents. Some 28 per cent are in their second year, 23 per cent are in their third year and only 15 per cent are currently enrolled in a fourth year of study. Two per cent reported that they were in the fifth year of their current program or beyond.

In large part because many college and CEGEP programs are shorter, most respondents from these programs are in their first year of study (53 per cent). A further third (35 per cent) are in their second year. Only 11 per cent of students reported being in their third year or beyond.

As would be expected, younger students are more likely to be in the earlier stages of their program. For example, 97 per cent of bachelor's degree students 17 years of age or younger are in the first year of their program compared to about one in five (20 per cent) of those who are 30 years of age or older.

v) Student Achievement (Grades)

Overall, 37 per cent of students said that their average mark in the first semester was in the As (A+, A, or A-), while 44 per cent said their average mark was in the Bs (B+, B, B-). Just over one in ten students (12 per cent) reported a C average, while only three per cent said their average first semester mark was a D+ or lower.

Grades are strongly correlated with students' ages, credentials sought and living arrangements (see Table 11). Just over one-quarter (27 to 29 per cent) of students in the younger age groups (under 18, 18 to 19) had an A average; this proportion rises to 53 per cent for students who are 26 years of age or older. Fully 70 per cent of graduate students reported an A average in the fall term. There is also a relationship between grades and credentials sought, independent of age, which suggests that students get better at achieving good grades as they gain experience.

Similarly, higher grades are associated with living alone or with a spouse or partner. For example, 43 per cent of students living alone and 55 per cent

19. The source of the population data for community colleges is: Education in Canada, Statistics Canada Catalogue No.: 81-229-XIB (Annual). The source of the population data for universities is: Statistics Canada, CANSIM database, Cross-classified tables 00580701, 00580702.

of those living with a spouse or partner had A averages, compared to only 30 per cent of students living with parents. These relationships persist even when controlling for age, particularly the association between high grades and living with a spouse or partner. When controlling for type of degree, however, the relationship between grades and living alone is no longer apparent, while living with a spouse continues to be related to strong grades. In other words, students living alone seem to do better in school simply because more graduate students (who do better academically) live alone. On the other hand, students living with their spouse or partner do better academically than other students regardless of the type of credential they are seeking.

Table 11: Percentage Distribution of Students with High First Term Marks by Student Characteristics, Fall Semester, 2003

Characteristics	Percentage with A Average*
Age Group	
<18	29
18–19	27
20–21	31
22–23	39
24–25	44
26–29	52
30+	54
Type of Program	
College	36
Undergraduate	33
Graduate	70
Living Arrangements	
Parents	30
Alone	43
Roommates	36
Spouse	55
Total	37

Overall (n=8,021)

* Proportion of students responding to the survey who provided an average mark for the fall 2003 semester.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Just over half of students (54 per cent) indicated that their fall semester grades represent their “normal” academic performance. About one-sixth (17 per cent) indicated that their fall grades were higher (15 per cent) or much higher (two per cent) than normal. One in three students (29 per cent) said their fall semester marks were below (24 per cent) or well below (five per cent) their usual level of academic performance. Students in earlier years (those with two years of post-secondary education experience or less) are more likely to regard their grades as lower than normal. Students who worked, but who worked no more than 20 hours per week were also more likely to feel that their grades were below previous achievements.

Responses varied widely according to students’ grades. As we would expect, the lower a student’s grade, the more likely the student was to report that the mark was below his or her average. Over two-thirds of students (68 per cent) with a C average said their marks were below or well below their usual academic performance. Age and experience also play a role: older, more seasoned students who are studying at the graduate level or for a second degree are more apt to characterize their performance as “normal,” while younger students and new university students tend to experience grades below their normal performance.

Students who indicated higher-than-normal grades were most likely to explain that they studied more (49 per cent), had lighter course loads (16 per cent), worked fewer paid hours (ten per cent) or had easier courses (nine per cent).

Among students who reported lower-than-normal fall semester grades, the most commonly reported reasons were more difficult courses (25 per cent), more paid work hours (17 per cent), less studying (14 per cent), heavier course loads (14 per cent), academic problems (13 per cent) and personal problems (nine per cent).

The relationship between academic achievement and financial situation is discussed in section 5.4.

vi) Use of Distance Education

Distance education is used by roughly one in five students.²⁰ A large majority of students—77 per cent—have not used any form of distance education. The 20 per cent who reported taking at least some of their program through distance education includes 17 per cent of students who took less than half of their program this way. The remainder was split between those students who reported taking about half their program through distance education and those who took more than half of their program (or their entire program) this way.

Use of distance education is higher among part-time students, those who are employed during the school year and working 20 or more hours each week, older students and students with disabilities. Use of distance education is slightly higher in Manitoba.

Among students whose program included a distance education component, the most common methods were: Internet or e-mail (68 per cent), correspondence by mail (33 per cent), TV or radio broadcast (19 per cent) and video or audio-cassette (18 per cent).

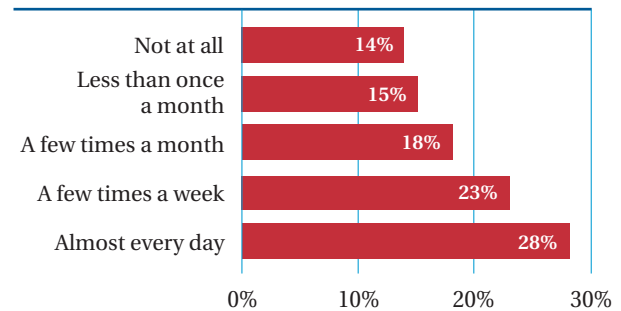
vii) Use of Computer Facilities

Most students—85 per cent—use the computer facilities at their school. Of these students, almost three in ten (28 per cent) use these facilities almost every day (see next figure). A further 23 per cent use their school's computer facilities a few times every week. One in five (18 per cent) reported using school computer facilities a few times each month and 15 per cent reported using them less than once a month. Those who do not own computers or do not have access to computers at their place of residence are more frequent users of school computer facilities (41 and 62 per cent, respectively), and these students reported using school computers almost every day. Not surprisingly, those who do not use computers at school are older, with a mean age of above 25. They are more likely to be Francophone, with one out of five French-speaking students saying they do not use school computers at all. Most notably, two out of five students reporting D grades also do not use school-provided computer facilities.

We revisit the issue of computer access when we discuss assets in section 3.2.

Figure 2.5: Use of Computer Facilities at School (n=8,022)

“How often do you use the computer facilities offered at your school?”



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

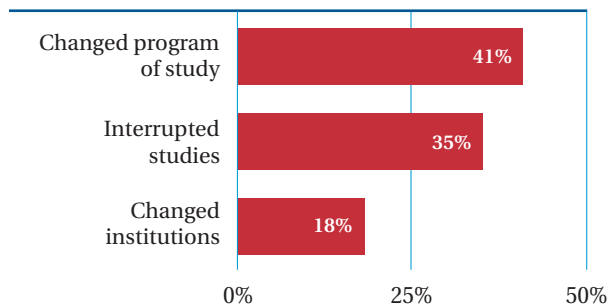
c) Continuity of Studies

Just over one-third of students (35 per cent) have interrupted their studies at some point. This proportion is somewhat higher than found in the *Survey of Undergraduate University Students* undertaken by the Canadian Undergraduate Survey Consortium (2002). In that study, 18 per cent of undergraduate students had interrupted their studies.

This study's higher interruption rate reflects its inclusion of graduate students, older students and part-time students, all of whom are more likely to have interrupted their studies. Students who worked during the school year, particularly those who worked 20 hours or more each week, are also more likely to have interrupted their studies, as are those who live alone or with a spouse or partner. The relationships between continuity of study on one hand and on the other part-time enrolment, working during the school year, working more than 20 hours per week and living with a spouse are independent of age.

Among students who interrupted their studies, 46 per cent interrupted their studies for more than one academic year, 29 per cent for just one academic year and 23 per cent for one semester. Again, the oldest students (26 years and older) are more apt than their younger counterparts to have interrupted their studies for more than one year.

20. Distance education refers to correspondence or other types of distance education such as Internet, television, videotapes, video-conferencing, e-mail or radio broadcasts.

Figure 2.6: Continuity of Studies (n=6,567)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Students' most frequently cited reason for interrupting their studies—mentioned by 29 per cent—was lack of money. Another 19 per cent interrupted their studies for a job. Other students said they needed a break (13 per cent) or had family responsibilities (12 per cent).

Four in ten students indicated that they had changed their program of study while pursuing their post-secondary education. Propensity to have changed academic programs is higher among older students, part-time students, those in the later years of their program and those who were employed during the school year for 20 hours or more per week.

About one in five students (18 per cent) indicated that they had switched institutions while pursuing their current degree, certificate or diploma. The same patterns generally apply as those noted above for changing academic programs.

d) Future Plans

One in five students (21 per cent) indicated that they expected to graduate from their current program in the spring of 2004. This figure is higher among college students (33 per cent), older students (ranging between 24 and 34 per cent of the age cohorts 22 and older) and among students with higher grades (31 per cent among students with an A+ or A average).

Of the remaining (non-graduating) students (n=5,399), most (85 per cent) plan to continue their current program of study next year. A minority plan to start a new academic program (seven per cent) or seek employment (five per cent).²¹

Among those not returning to school next year (n=270), the primary reasons cited were lack of money (20 per cent), a job (20 per cent) and lack of interest (18 per cent).

Students were asked to indicate the highest level of education they would like to achieve. Most aspire to a university degree: 37 per cent hope to complete a bachelor's degree or a professional degree, 31 per cent would like to get a master's degree and 21 per cent wish to complete a Ph.D. Naturally, educational aspirations vary depending on the type of credential the student is currently seeking: only 64 per cent of community college students said they would like to complete a university degree. Educational aspirations increase with academic grades and with age.

21. Indeed, in the follow-up survey, eight in ten students from the 2003–04 survey pool (82 per cent) were attending post-secondary education in the 2004–05 academic year. Of those who did not return to school, 72 per cent had completed their degree/diploma and the majority (59 per cent) were employed full-time at the time of the survey. Just over half of currently employed students (54 per cent) reported that they are employed in the field of study they were taking last year.

3. Assets

This section describes students' assets, including specifically cars, computers, savings and financial assets.

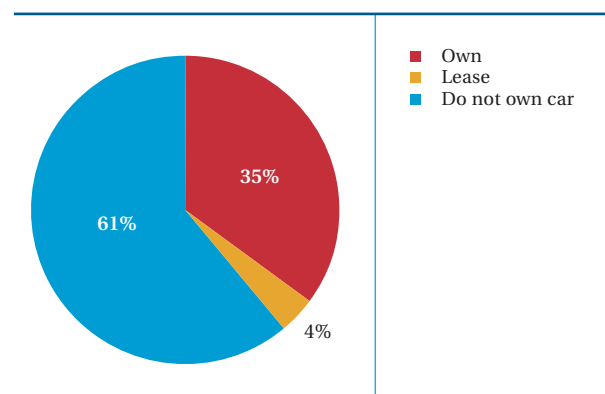
3.1 Vehicle Ownership

Four in ten students (39 per cent) indicated on the initial baseline survey (October 2003) that they own or lease a car, with the proportion increasing to 67 per cent of students over the age of 25. Owning/leasing a car is also associated with having a mortgage, a spouse and dependants (even after controlling for age). Part-time students are more likely to own or lease a car (46 per cent and 7 per cent, respectively). Students who intended to work during the school year are also more likely to own or lease a car (45 per cent compared to 28 per cent of those who did not), whereas car ownership is less prevalent among those who moved to go to school. Within the younger age groups (under 24), those pursuing college diplomas are more likely to own or lease cars than those enrolled in university.

Car ownership is highest in British Columbia and the Prairies. It is lowest in Ontario and Nova Scotia. Car ownership is much higher among rural residents across Canada (as shown in Table 12).

Figure 3.1: Incidence Car Ownership (n=9,401)

“Do you own or lease a car?”



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 12: Vehicle Ownership, by Selected Student Characteristics

Characteristics	Own or Lease Vehicle (%) (n=9,401)
Age Group	
<18	19
18–19	27
20–21	29
22–23	36
24–25	43
26–29	56
30+	72
Intended to Work During School Year	
Yes	45
No	29
Moved to Go to School	
No	43
<71km	24
71km+	32
Province	
British Columbia	45
Alberta	58
Saskatchewan	53
Manitoba	47
Ontario	32
Quebec	35
New Brunswick	41
Nova Scotia	27
P.E.I./N.L.	39
Location	
Urban	38
Rural	58

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Some 42 per cent of car owners indicated that they are required to make monthly payments. This proportion is higher for car owners who are older (53 per cent of 24 to 25 year olds and 46 per cent of those 26 or older). The proportion is also higher for part-time students, students classified as independent, students with other financial obligations such as a mortgage or dependants, and students living with a spouse. Those who intended to work during the school year are more apt to be making car payments (47 per cent)—particularly those working more than 20 hours each week (60 per cent). Both of these groups—older students and employed students—own newer and more valuable vehicles. Students who own cars in New Brunswick, Prince Edward Island and Newfoundland and Labrador are more likely to be making car payments than those in other provinces.

A minority of car owners (14 per cent) had made a large payment (e.g., a down payment) toward their car over the summer. This proportion is somewhat higher among the younger age groups (31 per cent of car owners under 18 years of age). The average amount of students' payment toward their car was \$3,180 (with a median value of \$2,000).

The proportion of car owners remained stable between the baseline survey in October 2003 and a second measure taken in January. Most students

who indicated that they owned or leased a car at the beginning of the school year still owned a car in January (97 per cent).

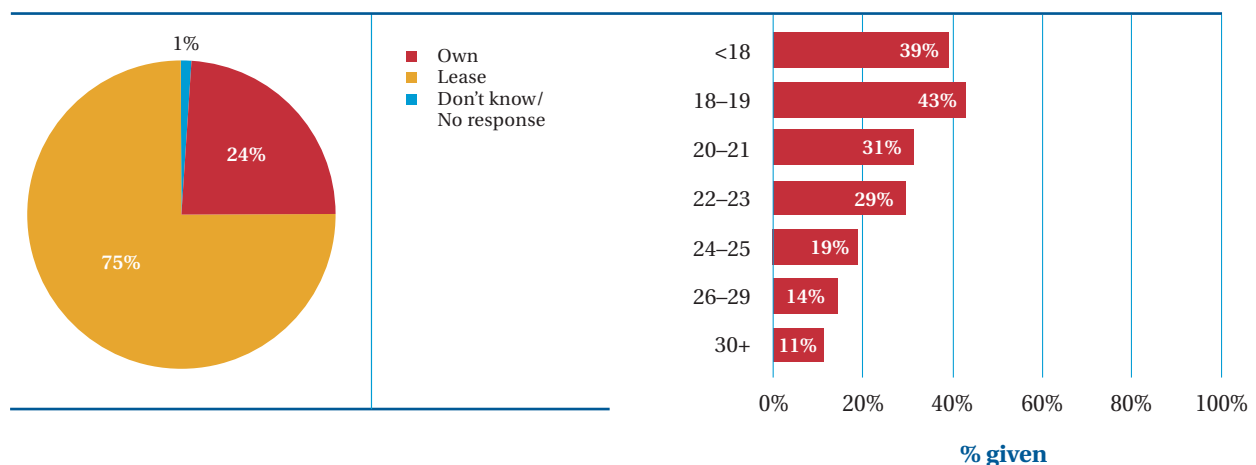
Among those with vehicles, 75 per cent purchased or leased their cars themselves, while 24 per cent had their cars given to them. These responses are highly related to age, with younger students more apt to have received cars as gifts (43 per cent of 18 to 19 year olds compared to 12 per cent of those over 25 years of age).

Just over half of car owners (53 per cent) reported that they would still be able to attend school if they did not have their car. Just over one-quarter (27 per cent) said they would not be able to attend school at all; 21 per cent said they would have to change programs or schools. Older students, those with dependants, students with disabilities, rural residents and those in the Atlantic provinces indicated heavier reliance on their vehicles for commuting to school.

Most students are relatively new car owners. Half of Canada's car-owning students (51 per cent) got their car in 2002 or 2003. One-third (32 per cent) got their car in 2000 or 2001; the remaining 17 per cent got their car in 1999 or earlier. Students reported owning their car for 2.8 years on average. Again, age is a primary distinguishing factor, with older students having owned their car for a longer period.

Figure 3.2: Car As Purchase or Gift (n=2,852)

"Did you purchase/lease your car, or was it given to you? (e.g., by a family member)?"



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

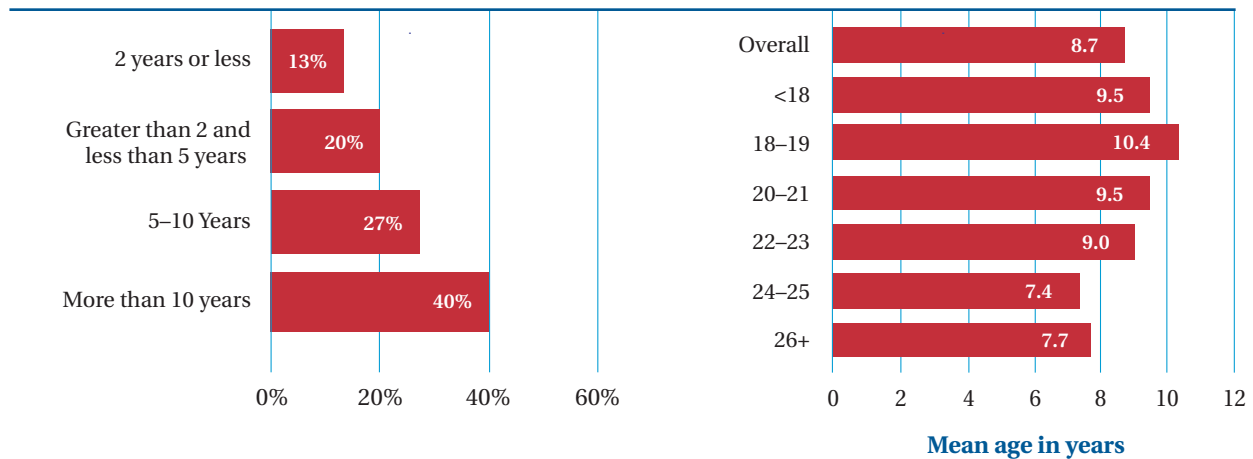
Students' cars are, on average, over eight years old (the median value is also eight years). Four in ten students drive cars that are more than ten years old. Older students are more apt to be driving newer vehicles, as are female students. Vehicle age is also linked to employment, with students who worked during the school year (and particularly those who worked 20 hours or more weekly) owning newer vehicles. Across regions, students in Ontario and in the Atlantic provinces are more likely to be driving newer cars.

Half of the cars that students own (50 per cent) have a value of less than \$5,000 or no real value, while 16 per cent said that their car has a current value between \$5,000 and \$10,000. A further 22 per cent said that their car is worth more than \$10,000 (see Figure 3.4 below). The average value cited is \$6,158 (with a median value of \$4,000).

The average value of vehicles that were reported to be less than two years of age is \$15,186 (with a similar median of \$15,000). As one would expect, reported

Figure 3.3: Age of Car (n=2,833)

"How old is your car?"

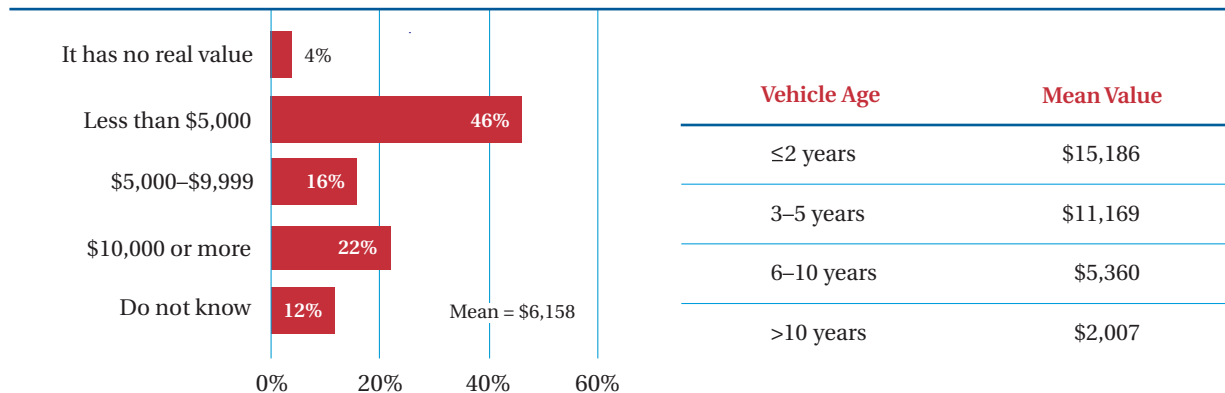


Asked of those who own a car.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 3.4: Value of Car (n=2,833)

"If you were to sell it today, what do you think its current value would be?"



Asked of those who own a car.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

car value declines steadily with the age of the vehicle to a low of \$2,007 for cars over ten years old.

Vehicles that were purchased (or leased) are reported to have a higher value (with an average of \$6,770 and a median of \$4,500), compared to those that were given as gifts (an average reported value of \$4,260 and a median of \$2,000).

Older students tend to report more valuable vehicles (and as a consequence, so do those living with spouses and dependants, and those with mortgages). Students who worked during the school year estimate their car to be of higher value than do those who did not work. Students in Saskatchewan report the lowest car values.

3.2 Computer Access and Ownership

In the baseline survey (October 2003), a large majority of students (84 per cent) reported owning a computer. Computer ownership is linked to age: nine in ten students in the youngest and oldest age cohorts report that they own a computer (see Table 13). Students with disabilities are also more likely to own computers (which is consistent with their greater use of distance education). Computer ownership is somewhat lower in Saskatchewan and Nova Scotia than in other areas. Rural residents are also somewhat less likely to own a computer. A follow-up question on the January wave of the survey confirmed that 99 per cent of computer owners still had their computers.

Among those students who do not own computers, the majority (79 per cent) have access to a computer at their place of residence (this figure is lower among older students, those with dependants, Aboriginal students and those in Prince Edward Island and Newfoundland and Labrador). Combining those who own computers with those who have access to a computer at home, 94 per cent of students have access to computers.

Just over half of computer owners (54 per cent) say they bought their computers themselves. This proportion increases steadily with age (from one-quarter of students under 18 years of age to 80 per cent of those over 25 years of age). Students with dependants are also more likely to have purchased their own computers.

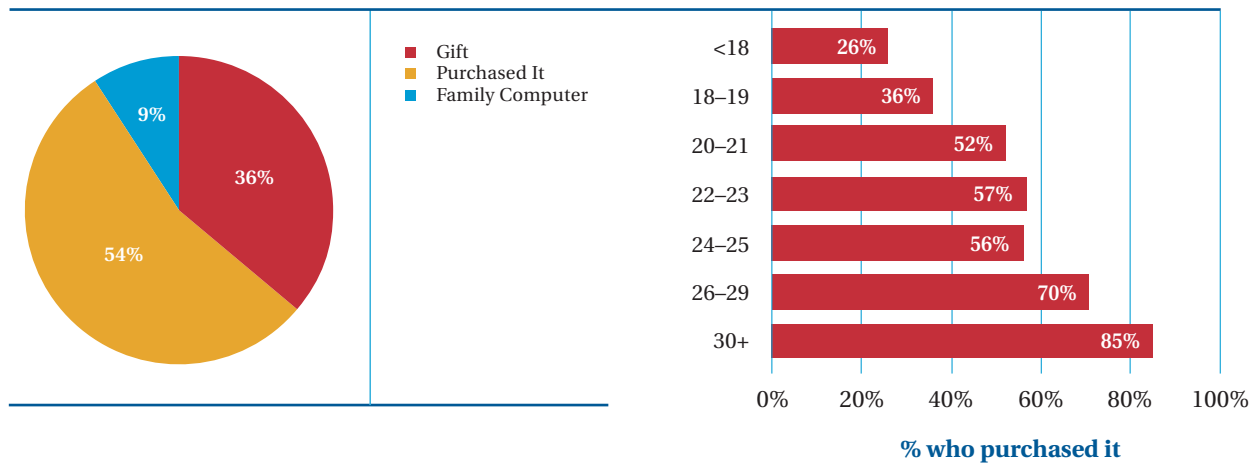
Table 13: Computer Ownership by Age, Province, Location

Characteristics	Own Computer (%) (n=9,401)
Overall	84
Age Group	
<18	90
18–19	85
20–21	80
22–23	82
24–25	79
26–29	85
30+	92
Province	
British Columbia	83
Alberta	81
Saskatchewan	73
Manitoba	77
Ontario	87
Quebec	87
New Brunswick	77
Nova Scotia	74
P.E.I./N.L.	80
Location	
Urban	84
Rural	79

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 3.5: Computer — Gift or Purchase, Overall and by Age of Student (n=6,249)

“Was your computer a gift or did you purchase it yourself?”



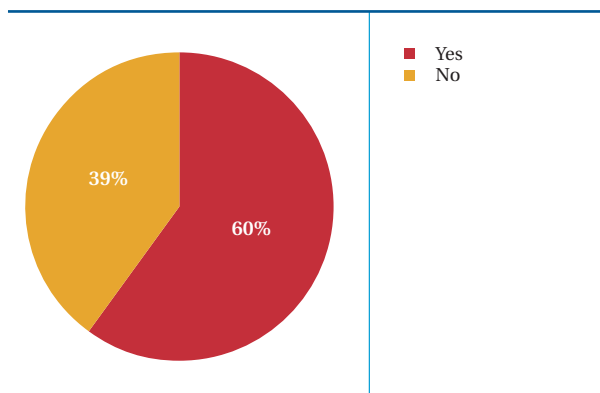
Asked of those who own a computer.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Proportionately more men than women purchased their own computers (65 versus 51 per cent). Those who moved a moderate distance (less than 70 kilometres) to attend school (particularly in the under 24 age groups) were more likely to have purchased their own computers. Students who received financial support from their parents during the school year or who live with their parents are less likely to have purchased their computer.

Figure 3.6: Reason for Computer Acquisition (n=6,249)

“Did you get it specifically for your studies?”



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

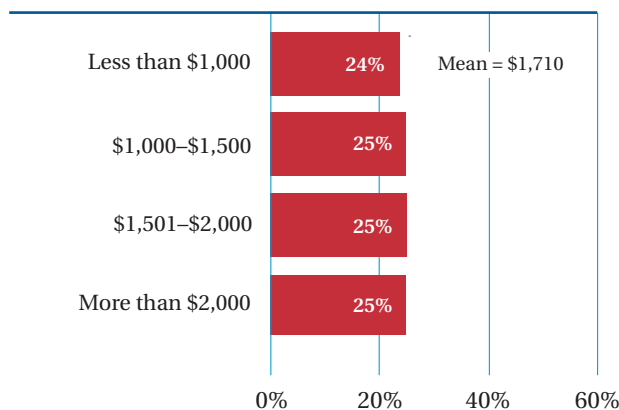
Six in ten computer owners got their computers specifically for their studies. These students tend to be attending university, living with roommates and in the middle age categories (20 to 23 years of age). Those who have computers for other reasons are more apt to be younger students (under 18 years of age), part-time students, pursuing college diplomas and living with their parents. Related to age, students in Quebec, Prince Edward Island and Newfoundland and Labrador are also more apt to say they acquired their computers for additional reasons unrelated to their studies.

Students estimated that the average price paid for their computer was just over \$1,700. Prices are somewhat higher among computer owners who are graduate students, men, students in Alberta, Aboriginal students and students with disabilities.

Students who have had their computers for longer periods (at least three years) reported higher prices paid for their computers (\$1,800) than those who purchased their computers within the last year (average price of about \$1,600). These figures reflect declining computer prices.

Figure 3.7: Cost of Computer (n=4,900)

"Approximately what was the price of the computer?"

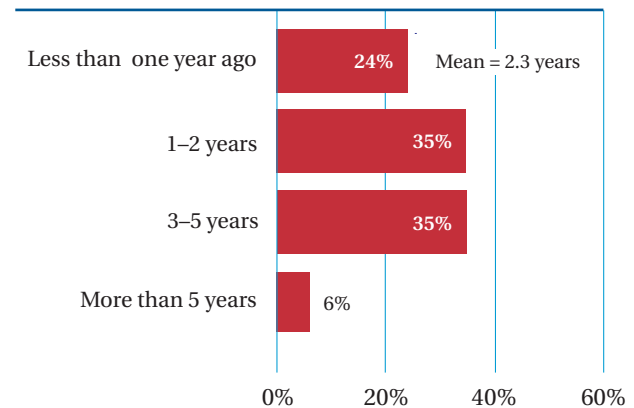


Asked of those who own a computer.

Source: Canadian Post-Secondary Student Financial Survey 2003–2004.

Figure 3.8: Age of Computer (n=4,900)

"How long ago did you get it?"



Asked of those who own a computer.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Students purchased their computers 2.3 years ago, on average. Almost one in four (24 per cent) purchased their computers within the last year and another 35 per cent within the last two years. As we would expect, younger students and those who have

been in school for a shorter time tend to have newer computers than do older students and those who have been in school longer. Surprisingly, though, graduate students have the newest computers, while college students' computers are the oldest.

3.3 Savings and Financial Assets

At the end of the academic year, we asked students to estimate their current savings and financial assets.²² Among students who responded to the question about savings,²³ 69 per cent indicated having savings, while 31 per cent of students did not have savings (see Table 14). Older students (24 and older), those with dependants, those living alone, Aboriginal students, urban students and those living in Saskatchewan or the Yukon (all of whom are older on average) are least likely to have savings. Within the older age groups (24 and older), students attending college are also less likely to have savings than those attending university.

The average amount of savings for all students is \$1,540, with a substantially lower median value at \$300. (These figures indicate that a small proportion of students hold the lion's share of savings.) In fact, 59 per cent of students with savings report amounts of \$1,000 or less. Considering only those who had savings, the average amount is \$2,248, with a median value of \$960. Students with more savings are likely to be graduate students, men and those aged 26 or older. While rural and urban students are equally likely to have savings, rural students tend to have saved smaller amounts than their urban counterparts.

22. While the Student Financial Survey did not examine the amount of savings prior to the school year, the follow-up survey investigated this issue for current students in relation to the 2004–05 academic year. Half of the students who returned to school this year (49 per cent) were able to add to their savings before starting the current academic year, most often through summer employment (86 per cent). Students' savings balance upon entering the current academic year was \$3,196 (averaged among all students) or \$4,057 (among savers). Students who reported having savings before starting the 2004–05 current academic year used \$1,748 of their personal savings, on average, during the first term of the school year (57 per cent of their total personal savings upon starting the year) and expected to use \$1,002 (21 per cent) during the second term.

23. Some 12 per cent of students did not answer this question.

Among those who answered the question about financial assets,²⁴ 42 per cent reported having financial assets, defined to include money in RESPs and RRSPs and any other investments held (as shown in Table 15a). Older students and those living with a spouse are more likely to have financial assets. There is also a positive relationship between participation in the labour market and having financial assets. On the other hand, college students, those who moved to attend school, Allophone students

and those studying in the Atlantic region are less apt to have financial assets.

The average total value of financial assets among all students is \$3,101. Considering only those with financial assets, the average value is \$7,294, with a median of \$3,000. As with savings, these figures indicate a skewed distribution. Those with substantial financial assets are more likely to be studying part-time, living with a spouse, from Alberta or Saskatchewan and aged 30 or older.

Table 14: Incidence and Amount of Savings, by Selected Student Characteristics

Characteristics	Reported Savings (%)	Average Amount of Savings (among savers) (\$) (n=4,230)	Average Amount of Savings (all students) (\$) (n=6,335)
Overall	69	2,248	1,540
Age Group			
<18	80	1,622	1,302
18–19	79	1,700	1,348
20–21	73	2,337	1,704
22–23	69	2,295	1,591
24–25	50	1,868	941
26–29	56	3,852	2,138
30+	61	2,965	1,823
Gender			
Men	72	3,105	2,225
Women	68	1,894	1,285
Living Arrangements			
Parents	74	2,099	1,545
Spouse	65	3,061	1,985
Alone	55	2,497	1,385
Roommates	69	1,978	1,360
Other	66	1,581	1,040
Equity Group			
Aboriginal	50	1,569	790
Disability	61	1,956	1,200
None	70	2,344	1,640
Province			
British Columbia	70	2,152	1,510
Alberta	67	2,586	1,740
Saskatchewan	57	2,410	1,365
Manitoba	65	2,050	1,335
Ontario	71	2,300	1,620
Quebec	70	2,209	1,540
New Brunswick	61	1,353	825
Nova Scotia	69	1,425	985
P.E.I./N.L.	69	1,762	1,215
Location			
Urban	69	2,307	1,579
Rural	68	1,806	1,245

Source: Canadian Post-Secondary Student Financial Survey 2003–04 (n=9,401).

24. Some 22 per cent did not provide a response.

Table 15a: Incidence and Amount of Financial Assets, by Selected Student Characteristics*

Characteristics	Have Financial Assets (%)	Average Amount of Financial Assets (among those with assets) (\$ (n=2,054))	Average Amount of Financial Assets (all students) (\$ (n=5,550))
Overall	42	7,294	3,101
Age Group			
<18	36	3,925	1,415
18–19	36	5,367	1,910
20–21	41	4,672	1,935
22–23	42	6,091	2,560
24–25	38	4,184	1,605
26–29	47	9,066	4,238
30+	62	14,593	9,112
Living Arrangements			
Parents	43	5,324	2,275
Spouse	61	10,448	6,355
Alone	35	10,235	3,635
Roommates	33	6,434	2,130
Other	32	4,242	1,376
Intended to Work During School Year			
Yes	47	7,122	3,365
No	35	8,178	2,875
Type of Program			
College	33	5,820	1,915
Undergraduate	45	6,761	3,030
Graduate	50	13,128	6,600
Status			
Full-time	38	6,403	2,445
Part-time	57	9,302	5,340
Moved to Attend School			
No	48	7,804	3,725
<71km	30	5,208	1,550
71+km	34	6,165	2,105
Province			
British Columbia	45	7,116	3,235
Alberta	49	11,213	5,500
Saskatchewan	38	10,370	3,965
Manitoba	55	9,051	4,950
Ontario	40	6,539	2,630
Quebec	46	6,102	2,810
New Brunswick	29	4,579	1,345
Nova Scotia	31	7,182	2,240
P.E.I./N.L.	31	5,858	1,805
Location			
Urban	44	7,094	3,030
Rural	43	9,621	4,288

* Financial assets were defined to include money in RESPs and RRSPs and any other investments held.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 15b: Incidence of Financial Assets in RESPs and RRSPs

Characteristics	Percentage with Assets in RESPs* (n=723)	Percentage with Assets in RRSPs (n=743)	Average Amount of Assets in RRSPs (among RRSP holders) (\$) (n=372)
Overall	11	50	6,634
Age			
<18	45	8	-
18–19	13	30	1,920
20–21	10	26	2,207
22–23	2	37	3,780
24–25	0	73	2,525
26–29	0	85	4,838
30+	21	89	13,801
Years in School			
0	22	35	-
1	16	37	3,662
2	8	48	6,461
3	14	45	7,485
4	2	54	10,433
Living Arrangements			
Parents	11	40	4,628
Spouse	12	78	9,994
Alone	9	67	8,967
Roommates	10	34	2,968
Other	14	67	-
Have Dependants			
Yes	42	88	15,597
No	7	45	4,344
Intended to Work During School Year			
Yes	11	56	6,709
No	13	36	6,993
Province/Territory			
British Columbia	6	72	5,109
Alberta	14	65	7,154
Saskatchewan	8	59	14,054
Manitoba	24	60	7,361
Ontario	13	54	6,546
Quebec	7	18	-
New Brunswick	15	39	-
Nova Scotia	12	49	5,550
P.E.I./N.L.	-	-	-
Parents' Post-Secondary Education (college or university)			
None	8	35	8,426
One	10	65	6,334
Both	13	52	6,488
Household Income			
<\$20,000	10	62	-
\$20,001–40,000	4	64	-
\$40,001–60,000	18	89	-
\$60,000 or more	19	96	-

* Average amounts held in RESPs are not presented due to small number of cases available for analysis.

- Cases insufficient for analysis.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 15b: Incidence of Financial Assets in RESPs and RRSPs (continued)

Characteristics	Percentage with Assets in RESPs* (n=723)	Percentage with Assets in RRSPs (n=743)	Average Amount of Assets in RRSPs (among RRSP holders) (\$ (n=372))
Language			
English	13	60	6,712
French	8	20	-
Other	5	42	-
Private Loan			
Yes	15	69	7,753
No	10	47	6,412

* Average amounts held in RESPs are not presented due to small number of cases available for analysis.

- Cases insufficient for analysis.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Among those students who reported financial assets, the follow-up survey asked them to what extent these consisted of RESPs. Only a minority of students—11 per cent—indicated having RESPs (see Table 15b). Note that reported assets in RESPs may reflect parents' RESPs being used to finance the students' education (as in the case of those under 18 years of age) or may represent the students' RESP savings for their own children (as in the case of those 30 years of age and older). Thus, the proportion of students with RESPs is higher among students who themselves have dependants and are mortgage holders, and among students in the youngest and oldest age categories. Those studying in Manitoba also have a higher incidence of holding RESPs. The average amount of financial assets held in RESPs (considering all students with any assets) is \$670. The average for RESP holders only is \$6,015.

Students with financial assets are much more likely to have their assets in RRSPs than in RESPs: 50 per cent of those with assets have RRSPs. The likelihood of having RRSPs increases substantially with age: 30 per cent of students 18 to 19 years of age have RRSPs, compared to 89 per cent of

students 30 years and older. This age relationship also means that the likelihood of holding RRSPs is higher among independent students, part-time students, graduate students, those with mortgages, those with dependants, those living alone or with a spouse, women, and those studying in British Columbia. Anglophone students, students whose parents have post-secondary educations, those with private loans and higher-income earners also more often hold RRSPs.

Among all students with assets, the average amount of RRSPs is \$3,327; this figure rises to \$6,634 among RRSP holders only (as shown in Table 15b). Older students (particularly those over 30 years of age) have higher amounts of RRSPs (and related to this, so do graduate students, mortgage holders, married students and those with dependants). While the intention to work in 2003–04 does not have an impact on the amount of assets, those working more hours (as well as those who were studying part-time) have higher amounts in RRSPs. Those who did not have government loans in 2003–04, did not move for school and were not running a deficit also reported higher RRSP amounts.

4. Employment Profile

4.1 Prior Employment

a) Employment between High School and Post-Secondary Education

Just over one-quarter (27 per cent) of students in the entire sample were employed for two consecutive 12-month periods since leaving high school and before entering post-secondary education (see Table 16).^{25,26} Men and women have the same incidence of working full-time before entering post-secondary education, but the incidence of student employment rises steeply with age. The proportion is higher in Manitoba, Alberta and British Columbia. It is lower in Quebec, where post-secondary education students tend to be somewhat younger. The proportion of students with prior employment experience is also much higher among part-time students, who tend to be older. Not shown in the table is the fact that the incidence of working full-time before post-secondary education is higher among those pursuing a second degree (45 per cent); for independent students (50 per cent); for those who have dependants of their own (66 per cent); for rural students (40 per cent); for students of parents who do not have post-secondary education (43 per cent); and for those carrying mortgages (82 per cent).

b) Employment in Previous School Year

Two-thirds (67 per cent) of students worked during the previous school year (as shown in Table 16). Those who worked did so for an average of 24.6 hours per week. Women are slightly more likely than men to have worked during the previous school year. The proportion having worked is significantly lower for those under 18 years old and significantly higher for

Table 16: Prior Employment*, According to Selected Student Characteristics

Characteristics	Percentage of All Students Who Worked Full-Time for Two Consecutive 12-Month Periods Prior to Post-Secondary Education (n=9,349)	Percentage Who Worked During Previous School Year (n=8,032)
Overall	27	67
Gender		
Men	26	62
Women	29	69
Age Group		
<18	0	52
18–19	2	64
20–21	9	63
22–23	20	66
24–25	37	78
26–29	71	74
30+	88	73
Province		
British Columbia	38	71
Alberta	39	70
Saskatchewan	30	60
Manitoba	39	78
Ontario	25	67
Quebec	19	63
New Brunswick	25	60
Nova Scotia	23	58
P.E.I./N.L.	32	68
Status		
Full-time	19	64
Part-time	53	76
Type of Program		
College	24	67
Undergraduate	24	66
Graduate	52	72
Location		
Urban	26	68
Rural	40	68

* “No response/Do not know” responses are excluded.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

25. Included in the group of students not having worked two consecutive 12-month periods since high school are those who indicated in a previous question they were out of high school for less than two years (and therefore were not asked the question about working during the period).

26. This employment criterion is part of the assessment of dependent/independent student status for the Canada Student Loan Program.

those aged 24 to 25 years. The proportion having worked is somewhat lower in Nova Scotia, New Brunswick and Saskatchewan, and slightly higher in British Columbia, Alberta and Manitoba. Students attending school part-time are more likely to have

worked during the previous school year than those attending on a full-time basis. Graduate students are notably more likely to have worked during the previous school year than undergraduate and college students.

4.2 Summer Employment

Three-quarters (74 per cent) of students were employed during the summer prior to school (April or May to late August 2003) (see Table 17). The same proportion of men and women worked during the prior summer, but the proportion rises with age, peaking at 20 to 21 years old. There is little variation

among provinces, although the proportion is somewhat lower in Quebec and somewhat higher in Manitoba, Prince Edward Island and Newfoundland and Labrador. Full-time students are about as likely as part-time students to have been employed during the summer.

Table 17: Summer Employment: Incidence, Hours and Weeks Worked According to Selected Student Characteristics

Characteristics	Percentage Who Worked During the Summer (n=9,401)	Mean Number of Hours Worked* (n=6,991)	Mean Number of Weeks Worked* (n=6,947)
Overall	74	34.4	14.5
Gender			
Men	75	36.1	14.2
Women	75	33.8	14.8
Age Group			
<18	68	29.2	11.0
18–19	79	33.2	13.9
20–21	85	35.6	14.9
22–23	77	35.6	14.9
24–25	62	36.6	15.7
26–29	68	34.2	16.1
30+	64	34.9	16.6
Province			
British Columbia	73	31.5	15.2
Alberta	78	37.0	14.9
Saskatchewan	75	35.6	14.9
Manitoba	84	36.4	15.7
Ontario	77	34.2	15.0
Quebec	69	33.5	13.5
New Brunswick	78	37.7	14.4
Nova Scotia	77	37.3	14.3
P.E.I./N.L.	82	37.7	13.9
Status			
Full-time	75	34.3	13.9
Part-time	73	34.9	16.5
Location			
Urban	76	34.2	14.5
Rural	77	35.5	15.8

* Excluding those reporting zero (or unknown) hours or weeks, considering all jobs that were held during the summer (including those obtained through a university or college).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

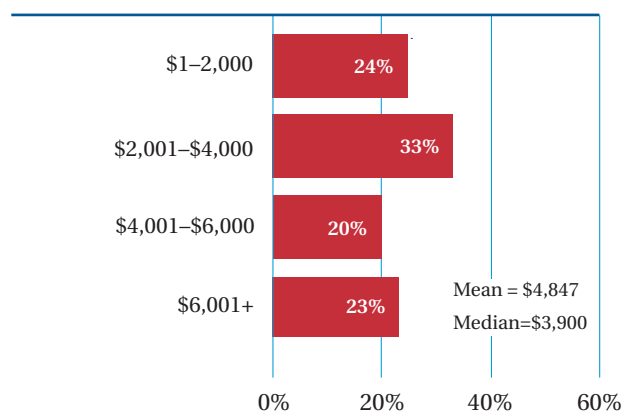
Among those who worked during the summer, the mean number of hours worked per week (on more than one job in some cases) is 34.4. This figure rises with age and is slightly higher among men. It also varies widely by province, from 31.5 hours in British Columbia to 36 hours or more in Alberta, Manitoba, and the Atlantic provinces.

Students who worked during the summer worked an average of 14.5 weeks. The largest proportion (45 per cent) worked 16 to 20 weeks, while 12 per cent worked between one and eight weeks. Another 22 per cent worked between nine and 12 weeks, 15 per cent worked 13 to 15 weeks and five per cent worked over 20 weeks (not shown in the table). The relationship between age and weeks worked is similar to that between age and hours worked, but the number of weeks do not vary much by region or gender. The number of weeks worked during the summer is higher for part-time students than full-time students (since part-time students are more apt to be working on a full-time basis year-round).²⁷

We asked students to report their net summer employment income. (Although we asked for net rather than gross figures, note that very little income tax would be levied on these earnings, given the small amounts earned as well as the short-term nature of positions).

The results indicate that 29 per cent earned no employment income last summer. This is higher than the 26 per cent who said they did not work during the summer (see Table 18). This means that, of those who said they worked during the summer, 13 per cent reported zero earnings, possibly because they were working as a volunteer or in a family business. Of those earning a summer income, the largest proportion (33 per cent) earned \$2,001 to \$4,000. Considering only those who reported some summer employment earnings (whether full-time or part-time), the mean income is \$4,847 and the median income is \$3,900.²⁸

Figure 4.1: Student Summer Income, Percentage Distribution (n=6,635)



Excluding those with zero and unreported income

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

The amount of summer income earned rises steadily with age. Note in particular the large increase in average earnings between students 26 to 29 years of age and those 30 years and older (a function of the greater incidence of full-time, full-year work among the two groups). Men had higher summer employment earnings than women, although there is little difference in the median earnings.

By province, mean summer earnings are significantly higher in Alberta and significantly lower in Prince Edward Island and Newfoundland and Labrador. Even when age is held constant, mean earnings vary considerably from province to province; interprovincial differences are accentuated for older age groups.

Part-time students earned much more than full-time students earned from summer employment. The data suggest that those who worked full-time in the summer were also more apt to have worked full-time during the school year (earning higher wages), while attending school on a part-time basis.

27. Almost nine in ten (88 per cent) students who intend to work 35 or more hours during the academic year are part-time students. Furthermore, 80 per cent of students intending to work full-time during the school year were also employed full-time during the summer.

28. This average includes a small number of students (139) reporting quite low earnings (under \$500) and a larger number (301) reporting very high earnings (over \$10,000) for the summer period.

Table 18: Summer Employment Earnings, According to Selected Student Characteristics

Characteristics	Mean of All Students (\$ (n=8,568))	Mean of Students With Summer Earnings (\$ (n=6,335))	Mean Number of Weeks Worked (n=6,947)
Overall	3,461	29	4,847
Gender			
Men	3,834	27	5,230
Women	3,429	28	4,772
Age Group			
<18	1,219	35	1,886
18–19	2,385	24	3,123
20–21	3,459	17	4,192
22–23	3,653	25	4,893
24–25	3,338	40	5,595
26–29	4,413	35	6,776
30+	5,950	41	10,141
Province			
British Columbia	3,443	31	4,989
Alberta	4,515	25	6,003
Saskatchewan	3,541	28	4,900
Manitoba	4,174	18	5,094
Ontario	3,728	26	5,007
Quebec	2,874	35	4,392
New Brunswick	3,381	25	4,494
Nova Scotia	3,194	25	4,265
P.E.I./N.L.	2,656	22	3,412
Status			
Full-time	2,896	28	4,008
Part-time	5,265	31	7,643
Location			
Urban	3,487	27	4,797
Rural	4,212	25	5,605

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Among most age groups, students who did not receive support from their parents earned more from summer employment than those who did (see Table 19). It would appear, however, that summer earnings are not higher for students who received lower amounts of parental support during the school year (less than \$1,000). This may suggest that students who know they will receive financial support from their parents feel less compelled to earn more during the summer or, conversely, that parents feel they must cover any shortfalls if their child is unable to secure

summer employment, but that such feelings are only the result of summer employment and not the amount of summer earnings.

There is also a significant relationship between levels of summer earnings and government student debt. Students with the lowest levels of government debt earned more in the summer than students with higher levels of debt. This suggests that higher summer earnings lead to lower assessed need and therefore lower loan amounts. Again, this relationship holds for most age groups.

Table 19: Mean Summer Employment Earnings* (\$), According to Age and Financial Status for School Year

Financial Characteristics	Total (n=8,568)	Age Group						
		<18 (n=307)	18–19 (n=2,054)	20–21 (n=2,208)	22–23 (n=1,376)	24–25 (n=746)	26–29 (n=728)	30+ (n=967)
Overall	3,461	1,219	2,385	3,459	3,653	3,338	4,413	5,950
Amount of Support From Parents (\$)								
None	4,405	1,662	2,765	3,829	4,153	2,796	4,998	6,484
\$1–999	2,943	1,006	2,506	3,327	3,209	4,486	5,146	3,378
\$1,000–2,499	2,912	1,432	2,213	3,442	3,693	3,592	3,398	3,998
\$2,500 and over	2,901	1,247	2,210	3,319	3,435	2,773	3,473	4,508
Government Debt (\$)								
None	3,908	1,364	2,561	3,745	4,049	3,494	5,561	7,144
\$1–5,000	2,580	682	2,233	2,855	3,681	3,218	2,315	1,790
\$5,000 and over	2,566	1,229	1,839	2,936	2,668	3,002	3,166	2,090

* Means are for all students, including those who did not report any summer employment income (n=9,401).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

4.3 Employment During Current School Year

a) Proportion Working

The baseline survey, conducted in October 2003, asked students whether they intended to work during the school year. We presumed that the intentions students expressed during the second month of school would be a good indicator of actual employment during the year.

Three in five students (60 per cent) said they intended to work throughout the school year (see Table 20), but three-quarters (77 per cent) reported employment earnings during the school year.²⁹ Almost all (93 per cent) of those intending to work during the school year in fact did, whereas 41 per cent of those intending not to work in fact did (perhaps in response to greater-than-expected financial pressures, lighter course loads or unexpected job opportunities).

More women than men intended to work. Work intentions varied little by age, except that they were

somewhat lower for students aged 22 to 23 years. The proportion of students intending to work was considerably lower in the Atlantic provinces and in Saskatchewan and considerably higher in British Columbia and Manitoba. Rural students were slightly more likely than urban students to report an intention to work. This proportion is significantly lower among students living alone or with roommates, and significantly higher among students with a spouse and those living with their parents. Not surprisingly, the proportion intending to work is significantly higher among part-time students. Generally speaking, the proportions of students reporting employment earnings and the proportions of students intending to work form similar patterns across socio-demographic categories.

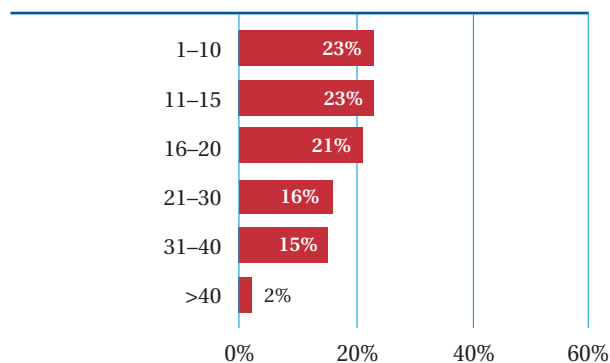
29. Note that in the follow-up survey, seven in ten of those who returned to school for the 2004–05 academic year reported working during the current academic year.

Table 20: Intention to Work and Percentage With Earnings During School Year, According to Selected Student Characteristics

Characteristics	Percentage of Students Intending to Work, October 2003 (n=9,401)	Percentage of Students Reporting Employment Income During School Year, 2003/4 (n=7,815)
Overall	60	77
Intended to Work During School Year		
Yes	N/A	94
No	N/A	45
Don't know/No response	N/A	62
Gender		
Men	56	74
Women	65	79
Age Group		
<18	60	69
18–19	59	75
20–21	62	80
22–23	54	74
24–25	63	83
26–29	60	76
30+	66	78
Province		
British Columbia	70	81
Alberta	65	82
Saskatchewan	50	70
Manitoba	73	82
Ontario	61	77
Quebec	55	73
New Brunswick	48	72
Nova Scotia	52	73
P.E.I./N.L.	49	70
Living Arrangements/ Marital Status		
Living with parents	68	83
Has a spouse (married)	69	80
Living alone	46	67
Living with roommates	47	69
Other	48	63
Status		
Full-time	55	73
Part-time	76	88

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 4.2: Students Intended Weekly Work Hours During School Year (n=4,694)



Mean (working students)=19.8, Median (working students)=16.0
Mean (all students)=11.5, Median (all students)=10.0

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

b) Work Hours

Students intending to work at the beginning of the school year expected to work an average of 19.8 hours per week (see figure 4.2). The pattern across categories for the number of hours actually worked is generally similar to the pattern for intended hours. Mean intended hours are higher for students with a spouse (28.2 weekly hours).

Students were asked to compare the hours they worked in January to the hours they had expected to work (as reported in the first term). About one-fifth of the students said they were working more hours than intended. Some 30 per cent said they were working less than intended and one-half indicated that they were working as planned (see Table 21).

The proportion working fewer hours declines with age, while the proportion working more hours is similar across age groups, apart from being higher for students 24 to 25 years of age. There is little difference between men and women in this respect. A noteworthy difference between provinces is the significantly higher proportion of students in

Table 21: Hours Worked During School Year Compared to Intentions, According to Selected Student Characteristics

Characteristics	Percentage Distribution by Hours Worked Compared to Intentions (n=7,379)		
	More	Same	Fewer
Overall	19	52	30
Gender			
Men	17	54	29
Women	20	50	30
Age Group			
<18	16	44	39
18–19	18	48	34
20–21	18	49	32
22–23	18	52	30
24–25	28	46	26
26–29	17	59	24
30+	16	63	21
Province			
British Columbia	21	45	34
Alberta	24	49	27
Saskatchewan	16	50	33
Manitoba	17	53	30
Ontario	17	49	33
Quebec	19	60	21
New Brunswick	19	51	29
Nova Scotia	16	52	32
P.E.I./N.L.	10	50	40
Living Arrangements/Marital Status			
Living with parents	21	46	33
Has a spouse (married)	17	63	20
Living alone	15	56	29
Living with roommates	17	52	31
Other	14	57	30
Status			
Full-time	18	49	33
Part-time	20	61	19

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Prince Edward Island and Newfoundland and Labrador who said they were working fewer hours than intended (possibly a function of higher student unemployment rates) and the significantly lower proportion in Quebec. The only real difference

by household arrangement is the significantly lower proportion of married students working fewer hours than intended. Full-time students tended to have worked fewer hours compared to part-time students.

Table 22: Earning Levels*, According to Selected Student Characteristics

Characteristics	Monthly Employment Income (\$) (n=5,412)		Total Employment Income (\$) (n=6,718)	
	Mean	Median	Mean	Median
Overall	696	448	6,612	4,657
Gender				
Men	695	457	6,829	5,058
Women	690	439	6,597	4,510
Age Group				
<18	318	298	3,326	2,914
18–19	369	310	4,403	3,500
20–21	473	381	5,585	4,673
22–23	581	457	5,881	4,771
24–25	782	606	7,214	5,471
26–29	1,235	1,000	9,996	8,211
30+	1,601	1,209	13,240	9,615
Province				
British Columbia	874	557	7,782	6,074
Alberta	836	479	7,728	5,445
Saskatchewan	535	335	5,609	3,974
Manitoba	777	483	7,199	5,154
Ontario	639	406	6,650	4,914
Quebec	702	486	6,256	4,217
New Brunswick	549	326	5,151	3,547
Nova Scotia	462	248	4,920	3,296
P.E.I./N.L.	365	272	3,518	2,928
Living Arrangements/Marital Status				
Living with parents	506	436	5,542	4,700
Has a spouse (married)	1,427	1,129	11,527	9,029
Living alone	872	489	7,607	5,093
Living with roommates	438	260	4,856	3,511
Other	417	235	4,511	3,083
Status				
Full-time	428	340	4,881	4,000
Part-time	1,449	1,186	12,147	9,942
Type of Program				
College	513	391	4,625	3,726
Undergraduate	651	429	6,592	4,700
Graduate	1,354	1,000	11,434	8,908
Location				
Urban	689	456	6,669	4,826
Rural	969	500	8,544	5,533

* Among students with earnings or hours worked.

Note that means exclude responses with monthly surpluses of \$1,800 or more.

Monthly figures represent amounts earned during the school year, while total figures include summer earnings saved for the school year.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

c) Employment Earnings During the School Year

Among students who worked during the school year, the mean amount earned per month from employment is \$696 and the median is \$448. For the entire school year, students earned an average of \$6,612 (median = \$4,657).³⁰

Monthly employment income varies according to different student characteristics in essentially the same ways that total earnings vary (see Table 22). The average amount earned rises by age, particularly for students 26 years and older, and particularly on a monthly basis. There is wide variation by province: earnings are higher in British Columbia and Alberta, with the lowest earnings in the Atlantic provinces and Saskatchewan. Reflecting age patterns, students living with a spouse (who tend to be older) and to a lesser extent students living alone (who also tend to be older) earn considerably more than students in other household arrangements. Also reflecting age differences, as well as differences in the need to cover tuition costs, graduate students earned 3.3 to 3.6 times more than undergraduate and college students earned. Part-time students, who worked more hours than full-time students, unsurprisingly earned significantly more than the latter. In fact, part-time students earned three to four times more. Rural students earned more than their urban counterparts (who tend to be younger).

d) Reasons for Working

We asked employed students why they worked during the school year. The vast majority (83 per cent) said their primary reason was a need for income. Only seven per cent of students worked primarily to maintain an ongoing position in a job, and only six per cent worked primarily to gain experience. There were few differences among student sub-groups. Full-time students were more likely to cite a need for experience, while part-time students were more likely to be trying to maintain an ongoing job.

To determine whether summer employment is related to employment during the school year, we compared school year earnings and expected hours to the number of hours worked during the summer (see Table 23). Students who worked many hours during the summer also had high earnings during the school year: mean earnings during the school year rise with the number of hours worked during the summer. The same is true for the number of hours students expected to work during the school year: mean expected hours rise with mean summer hours worked. The same relationship also exists for earnings: mean employment earnings during the school year increase with mean earnings in the previous summer (not shown in table).

Table 23: Earnings and Work Hours During School Year, According to Hours Worked During Prior Summer*

Summer Hours Worked	Mean Employment Income (\$)		Mean Expected Weekly Work Hours (n=4,694)
	Monthly (n=5,412)	School Year (n=6,718)	
1–24	531	5,134	15.3
25–35	650	6,017	18.2
36+	885	8,603	23.2
Overall	696	6,612	19.8

* Among students with earnings or hours worked.

Monthly figures represent amounts earned during the school year, while total figures include summer earnings saved for the school year.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

30. Note that about eight per cent of part-time students are working on a full-time basis year round. Their monthly and annual employment income are significantly higher than the average (\$2,280 and \$19,350, respectively). If these respondents are excluded from the analysis, the average earning per month is \$500 and the total employment income drops to \$5,270.

4.4 Relationship Between Employment and Schooling

The survey offers a variety of ways to consider the relationship between employment and academic achievement and the duration of studies. Each is discussed in turn.

a) Employment and Academic Achievement

This section considers the relationship between student employment and academic performance. We used grades from the fall term (the only period for which students reported their grades) as an index of academic performance. We measured the

extent of employment by combining expected weekly hours worked and mean monthly earnings (for students who have some hours or earnings). We focused on full-time students because they are a more homogeneous and “typical” student population than part-time students. We compared results by age group to control for age. Our hypothesis is that working may have a negative impact on performance in school.

The results indicate that there is no clear relationship between expected number of hours spent working and grades (see Table 24). This is, that the amount of work students expect to engage in during

Table 24: Mean Expected Weekly Work Hours, by Age Group and First Term Grade, Among Full-Time Students*

First-Term Grade Level	Weekly Hours Total (n=4,182)	Age Group					
		18–19 (n=1,026)	20–21 (n=1,230)	22–23 (n=682)	24–25 (n=350)	26–29 (n=339)	30+ (n=303)
A+/A	15.3	15.4	15.0	15.8	14.6	14.8	17.4
A-	15.0	13.5	13.8	15.0	15.8	15.5	19.6
B+	15.3	13.8	16.0	14.7	17.5	14.6	21.0
B/B-	15.3	14.5	15.7	16.2	14.0	14.1	16.2
C	16.2	13.9**	16.4	20.7	18.3**	20.2**	19.8**
Total	15.5	14.6	15.4	16.4	15.7	15.7	18.8

* Computations based only on full-time students with valid first-term grade data in the February 2004 survey and non-zero expected work hours data in the baseline survey. Because of too few observations, not shown are the results for students under 18 years of age and for those receiving a D grade.

** Results should be treated with caution because of small sample size (n=15-30).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 25: Mean Monthly Earnings (\$), by Age Group and First Term Grade, Among Full-Time Students*

First-Term Grade Level	Total (n=3,510)	Age Group					
		18–19 (n=861)	20–21 (n=1,084)	22–23 (n=595)	24–25 (n=309)	26–29 (n=284)	30+ (n=244)
A+/A	481	311	371	517	525	646	833
A-	420	294	359	477	471	685	582
B+	443	365	427	424	572	531	938
B/B-	401	389	389	432	454	503	454
C	377	339	389	404	545	456	314
Total	428	353	396	456	517	618	694

* Computations based only on full-time students with valid first-term grade data in the February 2004 survey and with at least four months of employment earnings data. Not shown are the results for students under 18 years of age and for those receiving D grades, because there were too few observations.).

Note that means exclude responses with monthly surpluses of \$1,800 or more.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

the school year does not appear to negatively affect their achievement in school. Moreover, this is true even when controlling for age.

The *Survey of Undergraduate University Students* undertaken by the Canadian Undergraduate Survey Consortium found, however, that some students themselves believe that working has a negative impact on their academic performance: about one-third of students employed during school reported that non-co-op employment had a moderate, significant or substantially negative impact.

b) Impact on Duration of Studies

The impact of employment on the time it takes students to complete their studies can be measured in two ways. First, we can look at the actual time it takes students to progress, indicated by their status as full-time or part-time students (the latter expected to take longer to complete their studies). Second, we can ask how students perceive the impact of employment on the timely completion of their education. Recall from Chapter 2 that one-quarter of students (25 per cent) attend school on a part-time basis, based on a weighted distribution of the sample. Two-thirds (66 per cent) of those attending on a part-time basis indicate that they would prefer to be attending school full-time.

Not surprisingly, students' intensity of employment (measured by expected weekly work hours) is related to their status as full- or part-time students (last row in Table 26). Mean expected weekly employment hours are considerably higher for part-time students than they are for full-time students. And this gap is greater for older students, particularly in the 26 to 29 age group. Among those under 24 years of age, part-time students work about 34 to 55 per cent more per week than do full-time students (ratios of 1.34 to 1.55), whereas among those 24 years and older, part-time students work about twice as much as do full-time students (ratios of 1.80 to 2.27). This may be due to the greater financial responsibilities of older students and their more extensive employment experience.

Students who indicated that they intended to be employed during the school year were asked whether they thought they could complete their post-secondary education more quickly if they did not need to work (see Table 27). One-half (50 per cent) of these students indicated that they would be able to complete their studies sooner if they were not working. This proportion increased steadily with age. Not surprisingly, the proportion of part-time students reporting that employment is compromising the speed at which they are completing their education (81 per cent) is significantly higher than the proportion among full-time students (35 per cent).

Table 26: Mean Expected Weekly Hours Worked*, According to Student Full-/Part-Time Status and Age

Age Groups	Full-Time (FT) Students	Part-Time (PT) Students	Ratio (PT/FT)
<18 (n=174)	15.2	22.0	1.44
18–19 (n=1,066)	14.6	19.6	1.34
20–21 (n=1,302)	15.4	22.0	1.43
22–23 (n=751)	16.5	25.5	1.55
24–25 (n=394)	15.7	29.7	1.89
26–29 (n=410)	15.7	35.6	2.27
30+ (n=497)	18.8	33.9	1.80
Overall (n=4,694)	15.5	29.3	1.89

* Among students with expected hours worked.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

To assess how work affects completion rates for different age groups, we compared the mean expected work hours for those who said work compromises completion of their degree and those who said it did not (see Table 27). We computed a ratio of those means for each age group. The results show that those who said work was slowing down their

studies expected to work about 50 per cent more than those who did not think work had this effect. This ratio increased with age, peaking at age 26 to 29. This suggests that work is a greater impediment for older students or that the dilatory effect of work may be related to other factors such as family responsibilities.

Table 27: Mean Expected Weekly Hours Worked During School Year, According to Studies Completion Status* and Age

Age Group	Percentage Saying Yes*	Would Complete Studies More Quickly if Did Not Have to Work?		
		Mean Expected Hours (Yes)	Mean Expected Hours (No)	Ratio (Yes/No)
<18 (n=174)	23	17.1	15.9	1.08
18–19 (n=1,066)	32	17.2	14.2	1.21
20–21 (n=1,302)	42	18.6	15.2	1.22
22–23 (n=751)	52	22.0	15.3	1.44
24–25 (n=394)	61	25.1	18.1	1.39
26–29 (n=410)	67	29.2	16.9	1.73
30+ (n=497)	83	32.0	20.4	1.57
Overall (n=4,694)	50	24.0	15.6	1.54

*Whether or not studies could be completed more quickly if student did not have to work.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

5. Support From Parents and Other Family Members

In this chapter we examine the degree to which students are supported by their parents and other family members. We examine both the incidence and level of such support and how these relate to students' finances and their performance.

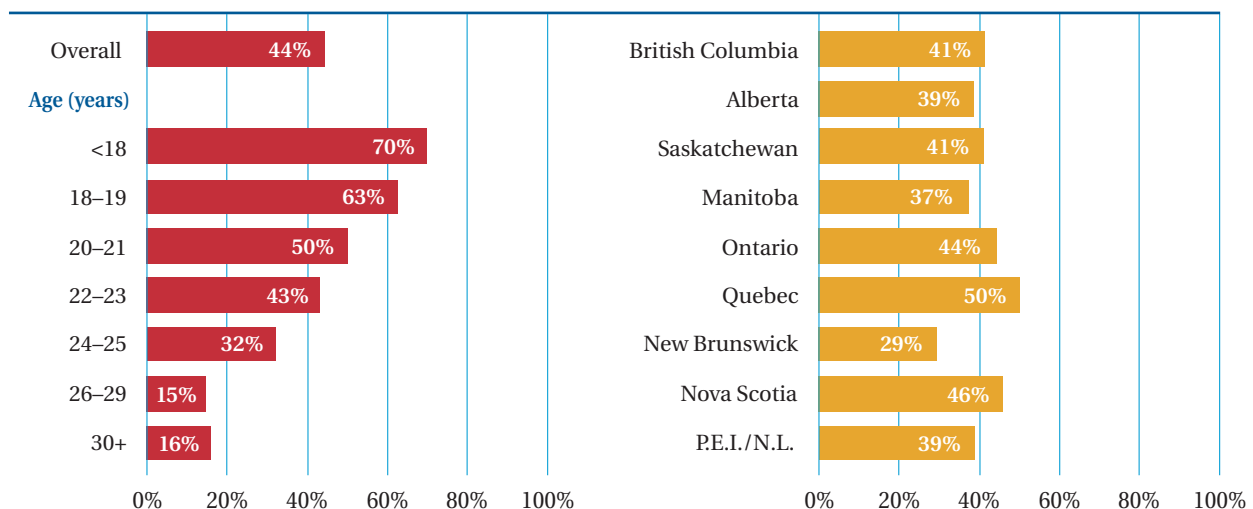
5.1 Incidence of Support From Family at Start of School Year

a) Role of Socio-Demographic Characteristics

Almost half of students (44 per cent) were receiving financial assistance from a family member at the start of the school year. Although the incidence of family support does not effectively vary by gender, it declines steeply by age, from 70 per cent for students under 18 years to 15 per cent for students

aged 26 years and older. The proportion of students with family assistance is significantly higher in Quebec (since Quebec students tend to be younger) and significantly lower in New Brunswick. Rural residents are less apt to be receiving financial support from family, even when controlling for age.

Figure 5.1: Percentage of Students Receiving Family Support — By Age and Province (n=9,401)



% of all students

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

b) Role of Living Arrangements, Loans and Gifts

A number of other determinants of family support are also related to age. For example, students living with their parents are much more likely to receive family support than are students in other living arrangements, particularly those who live alone or with a spouse. The proportion receiving parental or family support is also much lower among students living with dependants (18 per cent) but higher among dependent students (60 per cent). Maybe not surprisingly, the incidence of support from parents and other family members rises with parental income.

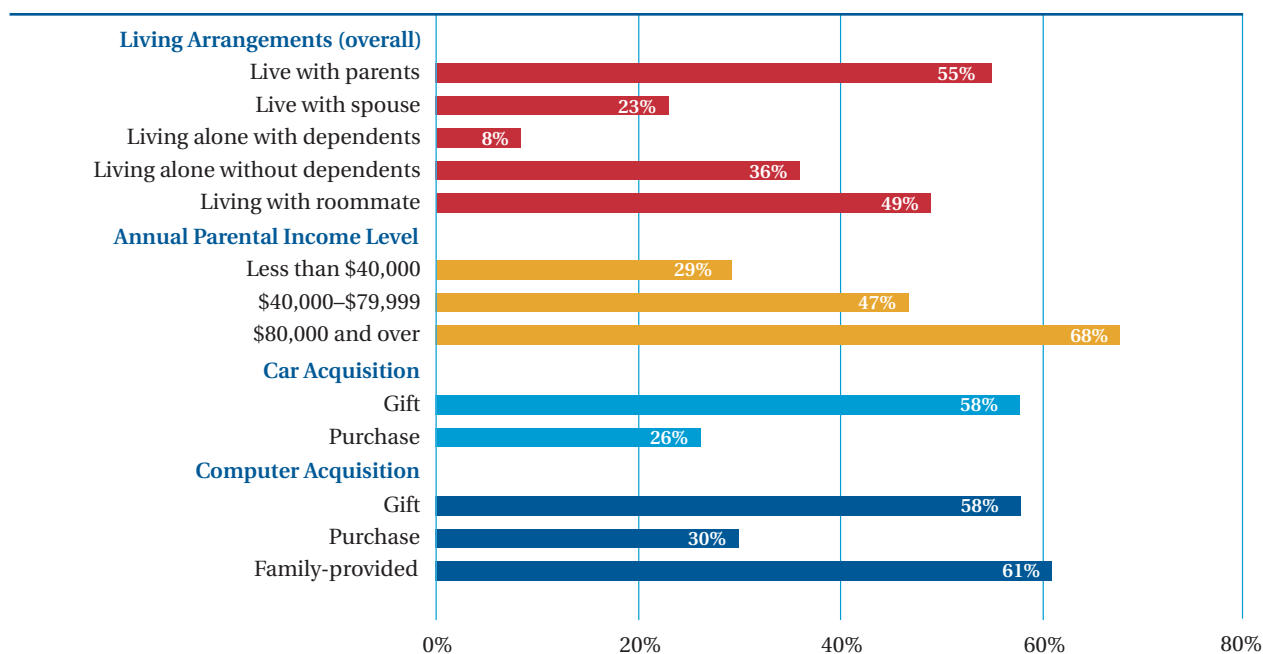
The existence of family financial support is significantly linked with non-monetary assistance. For example, students who were given cars or computers as gifts are more likely to receive financial

support from parents or other family members than are students who purchased these items. These connections are all related to family income.

The incidence of family support is also related to student borrowing. The proportion of students receiving parental or family support is lower among students with both government and private loans (19 per cent), those with any kind of debt (33 per cent) and those with government loans in particular (24 per cent). The latter results suggest that the presence of family support may be limiting students' eligibility for government assistance, or alternatively that parents tailor their level of support based on the sufficiency of their children's government loans.

The incidence of parental support for students without loans varies by age group, as well as by type of loan (see Table 28). The incidence of parental support for students without government loans is

Figure 5.2: Percentage of Students Receiving Family Support — By Living Arrangements, Income Level, and Car/Computer Acquisition (n=9,401)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 28: Percentage of Students Receiving Parental/Family Financial Support, According to Age, Living Arrangements and Presence of Debt

Financial Characteristics	Total (n=9,401)	Age Group						
		<18 (n=346)	18–19 (n=2,298)	20–21 (n=2,419)	22–23 (n=1,030)	24–25 (n=798)	26–29 (n=788)	30+ (n=1,034)
Overall	44	70	63	50	43	32	15	16
Living Arrangements/ Marital Status								
Living with parents	55	69	63	49	50	32	25	25
Has a spouse (married)	23	100	54	35	28	33	14	18
Living alone	29	86	57	57	29	39	9	9
Living with roommates	49	80	64	54	45	24	14	23
Government Loan								
Yes	24	24	33	34	20	27	10	15
No	54	72	69	59	60	37	20	17
Private Loan								
Yes	26	40	37	41	31	19	16	15
No	51	71	67	54	49	38	13	16
Credit Card Debt								
Yes	34	100	62	45	41	21	13	16
No	52	70	65	54	46	47	17	15

Proportion who indicated in October that they would be receiving support for their studies from parents or other family members (n=9,401).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

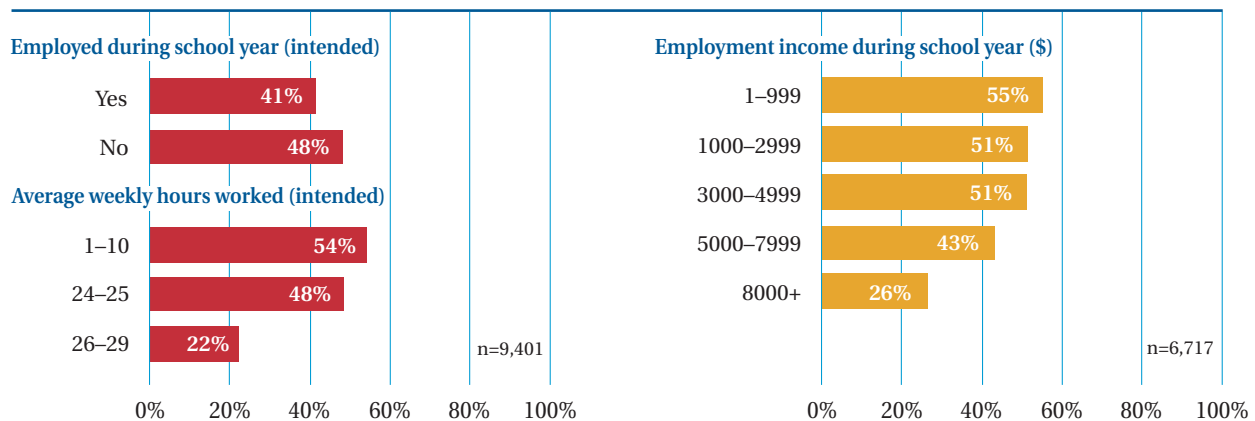
higher across all age groups, but particularly prominent among 22- to 23-year-old students. Private loans, however, are inversely related to family support only among students under 18 years of age, where family support is much higher; they are positively correlated with parental support for students 26 and over. The incidence of parental support is higher among students under 18 years of age who have credit card debt (whereas in other age groups the differences between those with and without credit card debt are small).

Examining the relationship between family support, household arrangement and age, more than half of students 21 years and under who are living alone receive family support and more than half of students 23 years of age and under living

with roommates receive family support. Incidence of parental or family support drops off earliest for students who live with a spouse.

c) Role of Employment

The incidence of financial support is to some extent linked with student employment. The proportion of students with family support is somewhat higher for students who did not work during the school year than for those who did (see Figure 5.3). Among those who worked, family support is linked to the intensity of employment, measured by the number of expected weekly work hours and the level of employment earnings. Students who expect to work more hours are less likely to receive assistance from

Figure 5.3: Percentage of Students Receiving Family Support — By Intended Participation in Employment (n=9,401)

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

parents or other family members. This is particularly true for students expecting to work more than 20 hours per week. When it comes to employment earnings, those who earn under \$8,000 have roughly the same likelihood of receiving parental assistance (between 43 and 55 per cent), but this incidence drops off significantly for those earning over \$8,000. Parents may feel less compelled to supplement the income of children who earn a lot from employment.

This pattern, whereby parental or family support drops when students earn more than \$8,000 from employment, is apparent in all age groups, but it is particularly prominent among students 24 to 25 years of age.

d) Expectation of Repaying Family Assistance

Students receiving financial support from their parents or other family members were asked what percentage of it they expected to have to pay back.³¹ Excluding the nine per cent of students who did not know, one-half (50 per cent) did not expect to pay back any of the financial assistance they received from their parents or family members, and 14 per cent expected to pay back all of the assistance they received. The rest (36 per cent) expected to pay back at least some of what their families provided. These students expected to pay back 64 per cent on average.

31. Note that these results are for students who reported that they were receiving support from their parents at the baseline and are therefore based on student expectations at the start of the school year.

5.2 Incidence and Level of Family Support During School Year

This section considers the incidence and level of family support students received during the school year. It is based on results from the monthly waves of the student survey.³² The proportion of students receiving support during the year varies according to age and other characteristics in a way similar to the baseline measure.

a) Overall Results and Comparisons With Incidence at Start of Year

A higher proportion of students received some family financial assistance during the school year (between September and April) than expected to at the beginning of the year (October). While less than half (44 per cent) of students indicated at the start of the year that they were receiving some financial support from parents, the monthly data indicate that over two-thirds (69 per cent) reported some form of family financial support (see Table 29). As indicated

in the table, 58 per cent of students received support from parents, 37 per cent from other family members, and 10 per cent from spouses.

Students who received family financial support during the school year received on average \$259 per month. When those with no support are excluded, the mean levels of support are \$229 from parents, \$332 from spouses and \$68 from other family members. Including those who did not receive support, students received on average \$135 per month from parents, \$34 from spouses and \$23 from other family members.

Parental support varies greatly across the months. There are two spikes: in September (at the start of the school year—\$727) and in December and January (likely related to Christmas gifts, and assistance for the second term—\$370 and \$332, respectively). The lowest amounts were received in February and March (\$262 and \$256, respectively).³³

Table 29: Incidence and Amount of Family Assistance Students Received During School Year* by Source and Whether or Not Student Indicated Support at Start of Year

Incidence and Level, by Source	Overall	Received Support Toward Education for Academic Year (reported at baseline)	
		Yes (%)	No (%)
1. Proportion Receiving Assistance During Year (%)			
Overall (n=7,864)	69	91	53
Parents (n=7,809)	58	85	39
Spouse (n=7,715)	10	10	11
Other family members (n=7,782)	34	45	26
2. Mean Monthly Assistance Level (\$)***			
Overall (n=5,449)	259	332	164
Parents (n=4,658)	229	307	100
Spouse (n=750)	332	273	374
Other family members (n=2,700)	68	80	51

* Based on students participating in the baseline and at least one wave in each semester.

** Among students who received parental support (excluding those receiving zero support).

Note that means exclude responses with the monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

32. The results presented in this section are derived from analysis of the monthly data of only those students who participated in the baseline and at least one wave in each semester.

33. April not considered because it is a partial month for most students.

Table 30: Incidence and Mean Monthly Amounts of Support from Parents and Any Family Member*, According to Selected Student Characteristics

Student Characteristic	Percentage Supported by Parents (n=7,809)	Monthly Mean Parental Support (\$) (n=4,658)**	Total Mean Parental Support (\$) (n=4,994)	Percentage Supported by Any Family Member (n=7,864)	Monthly Mean Total Family Support (\$) (n=5,499)**	Total Mean Family Support (\$) (n=5,714)
Overall	58	229	2,486	69	259	2,896
Gender						
Men	60	231	2,468	70	251	2,750
Women	58	235	2,570	69	269	3,021
Age Group						
<18	91	189	2,014	95	187	2,354
18–19	78	226	2,471	85	230	2,735
20–21	71	243	2,730	78	251	2,878
22–23	61	264	2,783	73	268	2,995
24–25	41	223	2,195	52	249	2,575
26–29	33	189	1,727	50	280	2,913
30 +	19	167	1,879	42	452	4,075
Province						
British Columbia	51	236	2,277	61	271	2,683
Alberta	51	222	2,507	65	326	3,288
Saskatchewan	59	252	2,553	71	320	3,241
Manitoba	54	186	2,164	66	214	2,632
Ontario	60	249	2,872	71	266	3,244
Quebec	62	203	1,978	72	219	2,304
New Brunswick	54	208	1,978	63	228	2,316
Nova Scotia	67	230	2,895	76	266	3,340
P.E.I./N.L.	67	166	1,832	77	182	2,054
Living Arrangements/ Marital Status						
Living with parents	69	170	1,935	76	173	2,153
Living with spouse	28	206	1,798	66	411	3,722
Living alone	44	382	3,601	52	365	3,661
Living with roommate	70	307	3,467	75	310	3,689
Type of Program						
College	60	146	1,447	70	171	1,757
Undergraduate	61	256	2,852	71	279	3,188
Graduate	40	277	2,836	55	368	4,121
Status						
Full-time	65	230	2,558	75	248	2,883
Part-time	36	224	2,048	50	315	2,965
Location						
Urban	58	207	2,262	70	242	2,667
Rural	56	131	1,662	68	203	2,509

* Based on students participating in the baseline and at least one wave in each semester.

** For students receiving support — excludes students receiving zero support.

Note that means exclude responses with monthly surpluses of \$1,800 or more. Monthly figures represent amounts received during the school year, while total figures include amounts received prior to the beginning of the school year.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Almost all (91 per cent) of those who indicated they were receiving support from family members at the start of the year did indeed receive support over the course of the year. In contrast, 53 per cent of those who said they would not receive support in fact did receive support at some point during the year. The pattern is similar for parental support alone, and it is somewhat similar for support from other family members. For support from spouses, what students said at the start of the school year more closely matched what actually took place.

Students who said they were not expecting to receive support did, however, receive lower amounts of support during the year. This pattern is true for support from parents and from other family members. However, for support from spouses, students who said they would not be receiving support actually received significantly higher levels of support than those who said they would be receiving support from family members.

b) Role of Demographics, Living Arrangements, and Student Status

Men and women have roughly the same incidence and level of financial support from parents and other family members, although women typically receive more from non-parental family members than men do (as shown in Table 30).

The relationship between age and amount of family support forms a different pattern than the relationship between age and incidence. The proportion of students who received parental and total family support falls with student age. In contrast, the mean monthly amount received from parents (among students who received any assistance) rises with age, peaking at ages 22 and 23. The level of support from all family members rises steadily with age.

Parents play a much greater role than other family members in all but the older age cohorts. Up to and including age 25, the proportion of students receiving support from all family members is only four to 12 percentage points higher than the proportion receiving support from parents. After age 26, the gap widens to 17 and then 23 percentage points. Similarly, the relative amount contributed by non-parental family members is much higher for students 26 years and older than it is for students under 26 years of age.

Students in Prince Edward Island, Newfoundland and Labrador and Nova Scotia are more likely than students in other provinces to have received family support. On the other hand, students in Prince Edward Island and Newfoundland and Labrador receive the lowest average amounts of assistance. Students in Manitoba also received low levels of parental support. Generally, the proportion of students receiving support from all family members combined is about ten percentage points higher than the proportion receiving support from parents. The exceptions are students in Saskatchewan and Alberta, where the gaps are 22 and 14 percentage points, respectively. In terms of support levels, family members other than parents provided relatively greater amounts in Saskatchewan, British Columbia, Alberta and Nova Scotia than in other provinces.

With respect to living arrangements, students living with parents and those living with roommates are the most likely to have received assistance from their parents. Those who live with their parents, however, also received the lowest levels of monthly assistance from parents (although they receive support in other ways by living at home). Students living alone received the largest amount of parental assistance. Students living with spouses are least likely to have received money from their parents;

they also received the second-lowest amount of assistance from them. When considering support from all family members, however, students living with spouses received by far the largest sums of money each month.

Undergraduate university and college students are equally likely to have received support from parents, as well as from all family members, while graduate students are typically less likely to have received support from either source. Other family members, however, appear to fill some of the gap left by parents of graduate students, since a higher proportion of graduate students received support from family members other than parents. The monthly amount of parental support is higher for

those in university (both undergraduate and graduate) than for college students, perhaps reflecting higher tuition costs. Once again, graduate students received relatively more than undergraduate and college students from family members other than parents.

Full-time students are almost twice as likely as part-time students to be supported by parents (65 versus 36 per cent). The gap is reduced, however, when one considers support from all family members (75 versus 50 per cent). The average monthly amount of support from parents alone is about the same for full-time and part-time students, but considering support from all family members, part-time students received slightly more than full-time students.

Table 31: Incidence and Mean Monthly Amounts of Support from Parents and Any Family Member*, According to Employment and Financial Characteristics

Student Characteristic	Percentage Supported by Parents (n=7,809)	Monthly Mean Parental Support (\$) (n=4,658)**	Total Mean Parental Support (\$) (n=4,994)	Percentage Supported by Any Family Member (n=7,864)	Monthly Mean Total Family Support (\$) (n=5,499)**	Total Mean Family Support (\$) (n=5,714)
Overall	58	229	2,486	69	259	2,896
Intended to Work During School Year						
Yes	55	118	2,239	67	231	2,632
No	64	271	2,884	75	302	3,339
Average Weekly Intended Hours Worked						
1–10	68	244	2,771	79	264	3,064
11–20	67	169	2,018	77	185	2,258
20+	31	194	1,981	45	283	2,858
Received Government Loan						
Yes	53	143	1,511	64	177	1,829
No	60	253	2,788	72	283	3,225
Running a Deficit						
Yes	57	169	1,821	68	201	2,182
No	59	268	2,208	71	295	3,341
Car Acquisition						
Gift	67	319	3,313	75	358	3,682
Purchase	37	184	2,026	56	291	2,970
Computer Acquisition						
Family	69	195	2,058	81	200	2,516
Gift	75	250	2,841	82	268	3,174
Purchase	46	247	2,453	60	299	3,002

* Based on students participating in the baseline and at least one wave in each semester.

** For students receiving support — excludes students receiving zero support.

Note that means exclude responses with monthly surpluses of \$1,800 or more. Monthly figures represent amounts received during the school year, while total figures include amounts received prior to the beginning of the school year.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Although urban and rural residents reported similar incidences of support, rural residents reported lower amounts of support.

c) Role of Employment, Government Assistance and Gifts

The relationships described earlier between the incidence of family support and the extent of employment, the presence of government assistance and computers as gifts are also evident for the level of family assistance (see Table 31):

- Employment is linked to a somewhat lower likelihood and level of parental support. The incidence of parental support is considerably higher for students working under 20 hours than for those working over 20 hours, but amounts of parental support are lowest for those working 11 to 20 hours. The same pattern holds for assistance from all family members.
- Students with government loans are less likely to be supported by parents and other family members, while those with and without deficits are about equally likely to have received parental and family assistance. Both government loans and personal deficits are associated with lower levels of parental and family support. The relationship between different types of debt and parental assistance, controlling for age, is explored in greater depth in the next section.
- For the most part, the proportion of students being supported by, and the level of support from, parents and all family members combined is higher among students who have been given cars or computers as gifts. The only exception is that students who have purchased computers receive more support from all family members combined than do those who have been given computers or who use family computers.

5.3 Relationship Between Parental Assistance and Student Debt

The total amount a student borrows from all sources declines with the level of parental support. This is true for government loans (which account for most of the amount typically borrowed by students) and also to some extent for credit card balances (not included in the total amount borrowed shown in the table). There is no clear relationship, however, between the level of parental assistance and borrowing of private or family loans.

The incidence of borrowing declines with parental assistance among the younger age groups, up to and including 22 to 23 year old students (as shown in Table 32). For older age groups, there is no clear relationship between the level of debt and parental assistance: the amount of parental assistance does not determine the amount borrowed. The relationship for total loans also generally holds for government loans in particular. Private or family loans are not related to the level of parental assistance at any age.

Table 32: Mean Accumulated Amount of Loans during School Year by Source, by Age Group and by Level of Parental Support During School Year*

Age and Level of Parental Support for Year	Mean Total Loan Amount** (\$)	Mean Government Loan Amount (\$)	Mean Private/Family Loan Amount (\$)
Overall	3,536	2,308	1,284
All Age Groups (n=7,448)			
Zero	4,130	2,816	1,386
\$1-999	3,600	2,509	1,168
\$1,000-2,499	3,501	2,183	1,328
\$2,500 or more	2,435	1,188	1,258
<18 years (n=268)			
Zero	2,379	1,890	489
\$1-999	1,205	987	218
\$1,000-2,499	1,415	831	586
\$2,500 or more	1,059	733	328
18-19 years (n=1,858)			
Zero	3,932	2,779	1,153
\$1-999	2,872	2,022	876
\$1,000-2,499	2,283	1,582	704
\$2,500 or more	1,803	887	920
20-21 years (n=1,951)			
Zero	4,806	3,260	1,547
\$1-999	3,405	2,351	1,058
\$1,000-2,499	4,169	2,204	1,989
\$2,500 or more	2,245	1,111	1,150
22-23 year (n=1,221)			
Zero	5,471	3,494	1,977
\$1-999	5,210	3,077	2,134
\$1,000-2,499	4,916	3,347	1,569
\$2,500 or more	2,868	1,398	1,488
24-25 years (n=636)			
Zero	4,460	2,926	1,534
\$1-999	5,146	4,677	1,332
\$1,000-2,499	5,342	4,021	1,322
\$2,500 or more	5,637	2,438	3,199
26-29 years (n=602)			
Zero	4,512	3,168	1,492
\$1-999	5,333	3,578	1,755
\$1,000-2,499	6,000	3,096	2,956
\$2,500 or more	4,261	2,177	2,084
30+ years (n=772)			
Zero	2,973	2,116	1,035
\$1-999	4,934	3,110	1,824
\$1,000-2,499	3,062	1,903	1,165
\$2,500 or more	3,117	1,308	1,809

* Based on students participating in the baseline and at least one wave in each semester.

** Sum of government plus private/family loans. Credit card debt not included in the calculations.

Note that means exclude responses with monthly surpluses of \$1,800 or more.

Total figures include support received prior to the beginning of the school year.

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

5.4 Relationship Between Family Assistance and School Performance

Results of the study suggest that grades may not be affected by the presence or amount of financial assistance from family (see Table 33). In fact, the incidence of parental support is somewhat lower for students with high grades; this relationship is especially apparent in the age groups under 20.

Mean parental support levels are only marginally higher overall for students with the highest grades; this relationship is mainly observed among the under-18 and 22 to 23 age groups. Nor is there any evident relationship between family support and school performance.

Table 33: Incidence and Mean Monthly Amounts of Parental Financial Support,* by First Term Grade

Receipt of Support	Overall	A/A+ Average	A- Average	B+ Average	B/B- Average	C Average	D Average
Proportion who received parental support during year (%)	58	50	56	62	59	65	81
Mean monthly amounts of parental support received during year** (\$)	235	249	220	229	234	243	198

* Based on students participating in the baseline and at least one wave in each semester, and who indicated grades in the first term.

** Among students who received any parental support—i.e., excluding those receiving zero support.

Note that means exclude responses with monthly surpluses of \$1,800 or more.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

6. Parent Perspective

This chapter is based on evidence from the parents of the post-secondary students who participated in the study. We consulted parents in two survey waves: one near the end of the first term, in early December; and one near the end of the second term, in May. This chapter presents evidence regarding parents' involve-

ment in their children's finances, parents' savings patterns for post-secondary education, the support that they have provided, their views about financial goals and the impact of their financial support on their own ability to meet their financial goals.

6.1 Parents' Involvement

Parents were asked to rate the extent of their involvement in their children's finances. Over half (56 per cent) indicated that they are involved in their children's finances, while less than one-quarter (22 per cent) have little involvement, and the same proportion (22 per cent) have some involvement in their children's finances.

As expected, the extent of parental involvement declines dramatically with the age of the child.

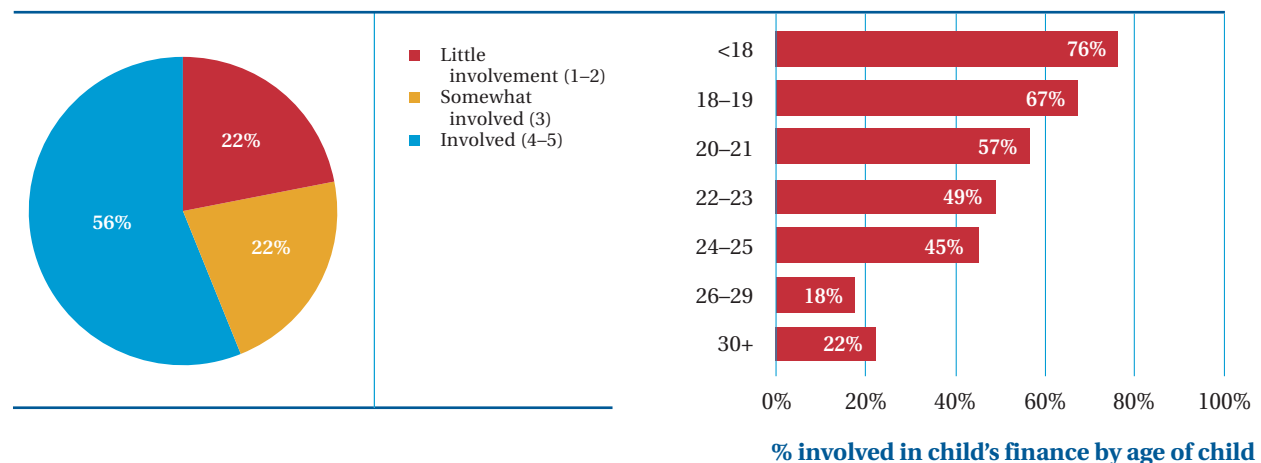
The extent of parental involvement in children's finances is also closely linked to parents' household income. Less than one-third (32 per cent) of parents with household incomes below \$30,000 are involved in their children's finances, compared to 70 per cent

of parents with household incomes of \$80,000 or more. Parents are also more likely to be involved in their children's finances if they live in households where both parents have full-time jobs, if they saved for their children's post-secondary education, if they are supporting their children financially or if at least one parent has a post-secondary education. (In households where both parents studied at the post-secondary level, involvement is even higher.)

In households that include both parents—dual-parent households—parents are also much more likely to be involved in their children's finances (60 per cent are involved, versus 44 per cent in both blended households and single-parent households).

Figure 6.1: Parent Involvement in Finances of Child (n=2,773)

"Can you tell me how involved you are in your child's finances?"



Parents of children studying in Quebec (where students tend to be younger) are most likely to be involved in their children's finances (68 per cent are involved), while those in the Prairie provinces are least likely to be involved (47 per cent). Parents of students living at home are much more likely to be involved in their children's finances (66 per cent are

involved), while parents of students living alone are least likely to be involved (37 per cent), a pattern also strongly tied to student age. Rural parents are less involved (perhaps because post-secondary students living in rural areas tend to be marginally older and more likely to be married).

6.2 Saving for Children's Education

a) Incidence and History of Saving

Almost four in ten parents (38 per cent) indicated that they had put some money aside for their children's education (as shown in Table 34). Such saving is more prevalent among parents of university students, students studying in Alberta and younger students (particularly those aged 18 to 22 and those living at home). Parents who are highly involved with their children's finances, high-income earners,

parents in dual-parent households and households where both parents studied at the post-secondary level are also more likely to have saved money for their children's education. Parents living in rural areas are somewhat less apt to have saved for their children's post-secondary education (32 per cent saved, compared with 39 per cent of urban parents). Incidence of saving is also considerably higher in households where both parents received post-secondary educations.

Table 34: Incidence of Parental Saving for Children's Post-Secondary Education, by Selected Parent Characteristics

Characteristics	Percentage Who Saved (n=2,787)	Characteristics	Percentage Who Saved (n=2,787)
Overall	38	Living Arrangements	
Type of Institution		Living with parent	41
University	42	Living alone	31
College	32	Living with roommates	38
Region		Parental Involvement in Finances of Child	
Atlantic	33	Low	23
Quebec	31	Medium	34
Ontario	41	High	45
Manitoba and Saskatchewan	39	Parent's Household Income	
Alberta	46	<\$30,000	20
British Columbia	41	\$30–49,999	20
Age Group		\$50–79,999	42
<18	34	\$80,000 or more	50
18–19	43	Household Composition	
20–21	45	Single parent	25
22–23	34	Dual parent	42
24–25	26	Blended family	33
26–29	21		
30+	15		

"No response/Do not know" responses are excluded (n=9)

Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

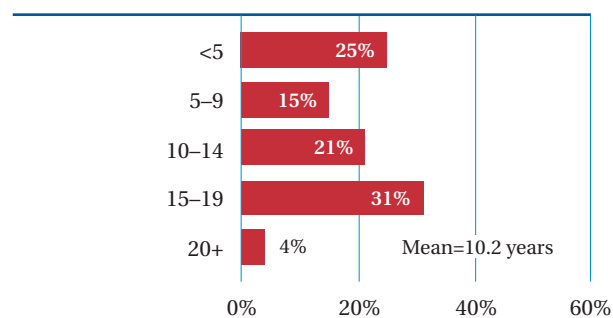
Parents who saved money toward their children's post-secondary education did so for an average of 10 years. Four in ten parents saved for less than 10 years; in fact, one-quarter saved for less than five years. Over half of parents (56 per cent) saved for more than 10 years.

Unsurprisingly, the number of years of saving increases with students' age, and as a result it is higher in Manitoba and Saskatchewan (where students are somewhat older) and in living situations typically found among older students (e.g., living alone or with a roommate) (see Table 35). On the other hand, parents of younger students, students in Quebec or students living at home have the shortest histories of saving for post-secondary education. It is interesting to note that parents of full-time students reported considerably longer histories of saving than did parents of part-time students. Parents with shorter histories of saving (who had therefore saved less) had also provided smaller amounts of support to their children.

Parents reported a longer history of saving in dual-parent households. Dual-parent households saved for an average of 11 years, compared to nine years in single-parent homes and seven years in blended homes. It is also interesting to note that households with higher incomes did not tend to save for longer time periods than lower-income households.

Figure 6.2: History of Saving for Children's Post-Secondary Education (n=1,120)

"Overall, how many years were you putting money away for their education, including general savings and RESP's or other education-related trust funds?"



Source: Canadian Post-Secondary Student Financial Survey 2003-04, Parent Survey.

b) Amount of Savings

The following chart presents the distribution of total savings among parents who saved. Well over one-third of parents (39 per cent) saved \$5,000 or less for their children's education. Another quarter saved \$5,000 to \$10,000. Just over one in five (21 per cent) saved between \$10,000 and \$20,000, and the remaining 10 per cent saved more than \$20,000.

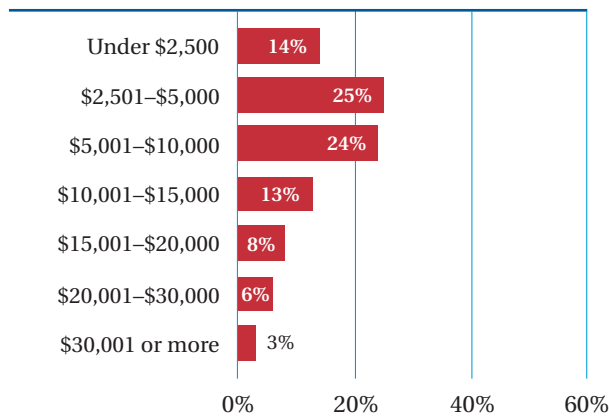
Table 35: Average Years of Saving Among Parents, by Selected Parent Characteristics

Characteristics	Average Years of Saving n=1,120
Overall	10.2
Status	
Full-time	11.0
Part-time	6.9
Region	
Atlantic	10.9
Quebec	6.8
Ontario	10.9
Manitoba and Saskatchewan	12.6
Alberta	12.1
British Columbia	9.5
Age Group	
<18	7.9
18-19	10.3
20-21	9.6
22-23	11.7
24-25	11.4
26-29	11.8
30+	11.3
Living Arrangements	
Living with parents	9.4
Living alone	11.3
Living with roommates	11.2
Amount of Parent Support	
\$1-1,000	8.9
\$1,000-2,499	10.0
\$2,500 or more	11.9
Household Composition	
Single parent	9.3
Dual parent	10.6
Blended family	7.4

Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

Figure 6.3: Amount of Savings Accumulated Over Time (n=1,118)

"Roughly, how much did you accumulate in total for their post-secondary education by the time they began their post-secondary education?"



Source: Canadian Post-Secondary Student Financial Survey 2003-04, Parent Survey.

Smaller amounts of savings are reported by parents of college students and by parents whose children live with them. Total savings are also lower in Quebec and among parents of younger students.

As might be expected, parents contributing more toward their children's education during the school year also indicated higher levels of savings for post-secondary education. Students with higher levels of government debt have parents who reported smaller amounts of savings. Parents with the least involvement in their children's financial situation reported the smallest amounts of savings, and, as expected, parents reporting more household income also reported greater accumulated savings. Also critical to this equation, however, is the number of children expected to pursue post-secondary education. Households with more post-secondary-bound children reported smaller amounts saved for each child. Dual-parent and (to a lesser degree) single-parent households reported considerably greater educational savings than did blended family households.

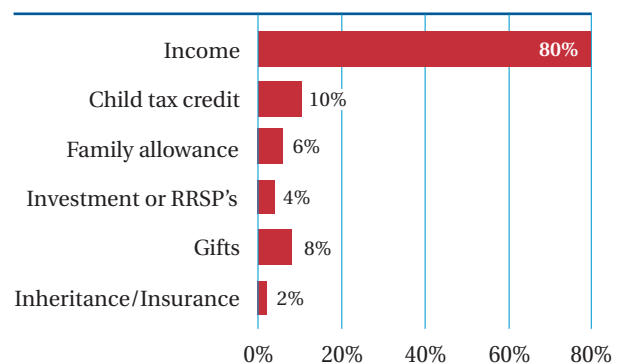
c) Source of Savings

The lion's share of parental savings for children's post-secondary education came from employment income (according to 80 per cent of parents with savings). Child tax credits, gifts and family allowance cheques were the next most popular sources of savings, but these were primary sources for less than one-quarter of parents who saved.

Perhaps surprisingly, parents who saved from income did not save as much as parents who saved from child tax credits, gifts or investments. In fact, almost half of parents who saved from income reported having saved under \$5,000. One in three parents who saved from tax credits saved \$5,000 to \$10,000 (although the sample size is small, at only 123 cases). Similarly, those using gifts and investments seem to have accumulated more in total savings (although, sample sizes are again too small to be precise about the result).

Figure 6.4: Methods of Savings (n=1,118)

"Was this largely accumulated through employment income or from other sources?"



Multiple responses allowed

Source: Canadian Post-Secondary Student Financial Survey 2003-04, Parent Survey.

Parents of university students are more likely to have saved from income, as are parents of 20- to 21-year-old students (whereas parents of 22- to 23-year-olds were more apt to have saved through family allowance cheques and gifts than were parents of students in other age cohorts).

Students who reported larger amounts of private debt tended to have parents who relied more heavily on child tax credits and family allowance cheques. In fact, among those with the highest amounts of private debt and whose parents saved for post-secondary education, 39 per cent of parents saved from their child tax credit and family allowance. Parents relying largely on these sources are also more concentrated among those who reported a moderate level of involvement in their children's finances. (Highly involved parents are more likely to have saved from income.) Interestingly, households with more children expecting to pursue post-secondary education are more apt than other households to have saved from income.

d) Reasons for Not Saving

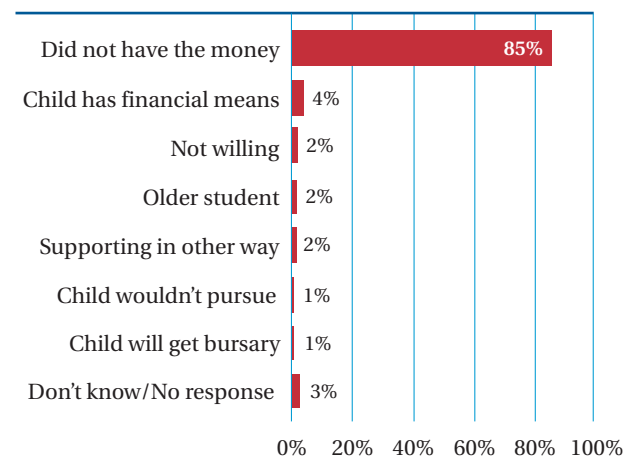
Parents who did not provide any financial support during their children's post-secondary education were asked why, with predictable results. A large majority of parents (85 per cent) said that they were financially unable to support their child. Other reasons were mentioned by fewer than five per cent of parents.

Although the vast majority of all of these parents provided the same response, parents of students under 22 who did not support their children were more likely to say they were financially unable (90 to 91 per cent). This reason was also heard more often in households where the income was less than \$50,000 and among single-parent and blended households (92 to 93 per cent).

Parents of older students (e.g., those 24 to 25 years of age) are much more likely to justify the lack of financial support by saying that their children have means to support themselves or that they are supporting their children in other ways: 19 per cent of parents who did not support a 24- to 25-year-old student provided one of these responses. This pattern is also found among parents of part-time students (who are typically older) and among parents of students studying in Manitoba and Saskatchewan (who are also somewhat older). Parents with household incomes over \$80,000, who are not financially supporting their children were also more apt to say that their children had other means (18 per cent) or that they were supporting their children in other ways (eight per cent).

Figure 6.5: Reasons for Lack of Financial Support (n=880)

"Many parents are not in the position to provide monetary financial support to their children during their post-secondary education, for a variety of reasons, can you tell me your main reason for this?"



Source: Canadian Post-Secondary Student Financial Survey 2003–04, Parent Survey.

6.3 Previous History of Support

a) Incidence of Support Prior to Current Year

About half of parents (48 per cent) say that they helped finance their children's education before the 2003–04 school year (see Table 36). The incidence of prior parental support varies significantly by the student's age, with parents of students 22 to 25 years old most likely to indicate having supported their children. The incidence of prior financial support is higher among parents who saved for their children's education, parents who are employed full-time and parents who have higher levels of household income. Prior support is also more common in homes where one or both parents received post-secondary education. Past parental financial support is also more prevalent among students who did not incur any government debt. Parents whose children attend school part-time or attend university are likewise more apt to have a history of support. Single-parent and blended family households are less apt to have provided financial support, as are parents of British Columbia students.

Almost six in ten parents (57 per cent) said that they provided financial support to their children in the first semester of the study (September to December 2003).³⁴ The same proportion of parents reported supporting their children in the second semester (January to April 2004).³⁵

The incidence of parental support in the first term of 2003–04 varies significantly by students' age. Parents of students under 26 years of age are more likely to have provided financial support; those whose children were under 20 are most likely to have provided financial support. The incidence of financial support was also higher among parents who saved for their children's education, parents who are employed full-time and parents with higher household incomes. Parental financial support is also more common among students who did not incur

Table 36: Provided Financial Support in First Academic Semester, by Selected Parent and Student Characteristics

	Prior Financial Support (%) (n=2,797)	Financial Support During First Term (%) (n=2,797)
Overall	48	57
Age Group		
<18	-	63
18–19	46	74
20–21	56	53
22–23	61	54
24–25	62	50
26–29	39	23
30+	12	25
Institution		
College	32	57
University	64	58
Status		
Full-time	46	60
Part-time	60	44
Government Debt		
Zero	54	65
\$1k–5k	37	44
>\$5k	39	43
Saved for Child's Education		
Yes	66	66
No	39	52
Parent's Household Income		
Less than \$30,000	21	30
\$30,001–49,999	47	42
\$50,000–79,999	55	56
More than \$80,000	67	77
Region		
Atlantic	53	57
Quebec	46	61
Ontario	52	62
Man. and Sask.	51	51
Alberta	54	56
British Columbia	34	43
Household Composition		
Single parent	31	43
Dual parent	56	61
Blended family	28	56

Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

34. Note that in the parent sample, the first wave survey asked about financial support for students in the "current academic semester" (September to December), while the second wave survey asked about financial support for the semester from January to April.

35. Comparing student and parent responses with respect to support, there was a small number of cases where students responding to the survey indicated that they did not receive parental financial support for post-secondary education expenses, while their parents reported providing support. The follow-up survey asked these students whether they had received direct or indirect financial support or gifts from their parents to support their education. Considering the three types of support together, 65 per cent of students who initially reported no support from parents said that they in fact received some form of direct or indirect financial support. The average total value of parental financial support for these students was estimated to be \$2,263.

any government debt, but lower among students who incurred higher levels of credit card debt (a relationship likely linked to student age) and for students with moderate levels (\$1,000 to \$5,000) of private debt. Parents whose children attend school part-time and single-parent households are less apt to have provided financial support. Parents of students studying in British Columbia are also less likely to report financially supporting their children during the term.

These relationships are replicated in the data pertaining to the second semester (which is therefore not provided).

Parents say the financial support they provided was most often meant for tuition (72 per cent), books (66 per cent), food and other expenses (64 per cent) and transportation (59 per cent). Just less than half of parents said they subsidized the purchase of computer hardware or software (this figure was much lower among parents of older students). Parents were also less likely to say their money went toward rent or accommodation (46 per cent), but this is partly due to students living at home. This ordering of responses was repeated in the second semester data.

Parents who support their children financially say that they have been doing so for an average of 2.5 years (prior to the current year) (see Table 37). As one might expect, this number increases with the age of the student, peaking at just over four years for parents supporting students 30 and older. Contrary to the pattern seen elsewhere, Quebec parents reported the longest histories of supporting their children through post-secondary education (probably because post-secondary education starts earlier in Quebec by virtue of the CEGEP system). The other interesting pattern is that both single-parent and dual-parent households report longer histories of financial support than do blended households, where the average is two years rather than two and a half.

When asked about repayment, virtually all parents (91 per cent) indicated that the support they provided is not expected to be repaid. Although the oldest students are marginally more likely to be asked to repay some portion of the support, as many

Table 37: Average Years of Parental Financial Support Prior to Current Year, by Selected Parent Characteristics

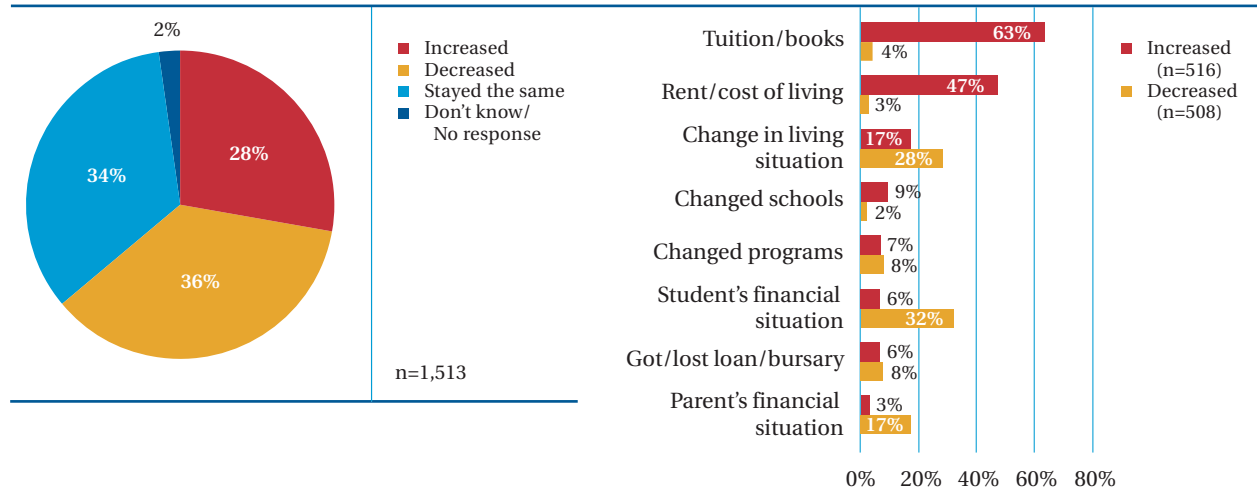
Characteristics	Average Years of Support (n=2,781)
Overall	2.5
Status	
Full-time	2.3
Part-time	3.2
Institution	
College	1.9
University	2.8
Region	
Atlantic	2.3
Quebec	2.8
Ontario	2.3
Manitoba and Saskatchewan	2.4
Alberta	2.4
British Columbia	2.4
Age Group	
<18	0.9
18–19	1.4
20–21	2.2
22–23	2.9
24–25	4.2
26–29	3.3
30+	4.3
Living Arrangements	
Living with parents	2.2
Living alone	3.2
Living with roommates	2.4
Household Composition	
Single parent	2.6
Dual parent	2.5
Blended family	2.1

“No response/Do not know” responses are excluded (n=16).

Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

as 85 per cent of parents supporting students aged 26 to 29 said that they did not expect the student to repay any of the support. This is more often the case among parents supporting students who attend school in Ontario.

Parents were asked if the amount they contributed had changed over time. One in three parents report that their contribution is relatively stable, but 28 per cent reported an increase and 36 per cent reported a decrease.

Figure 6.6: Change in Support in the Past

Source: Canadian Post-Secondary Student Financial Survey 2003–04, Parent Survey.

Increased support is more common among rural parents, among parents of children studying in Alberta and parents of 22- to 23-year-olds, as well as those in dual-parent households and households with incomes over \$80,000. Decreased support is more prevalent among parents of older students and students living alone as well as parents reporting household incomes of \$50,000 to \$80,000.

Tuition (and books) and rent (and the cost of living) are the two most frequently cited reasons for parents' increased support. Some parents attribute increases to changes in students' living situation. The student's own financial situation and changes in living situation are the top two causes for a decrease in support, although changes in the parents' situation also affect some cases.

Tuition and books are more likely to be the reason for increased support among parents of full-time students, parents of students in the Prairies, those parents providing the highest levels of support, those reporting incomes of over \$80,000, those with only one post-secondary-bound child and those in dual parent households.

Increased support due to rent and the cost of living is more common among parents of students who are 22 to 23 years of age and living with roommates and among who parents who live in rural areas.

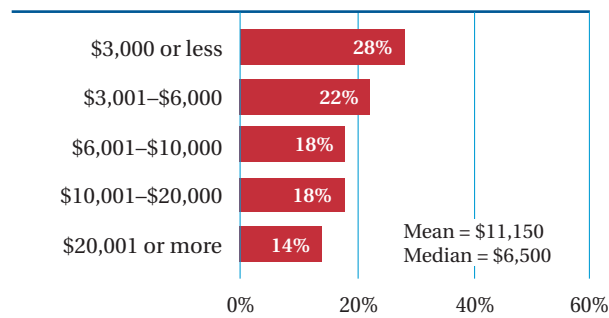
Parents of students aged 24 to 25 were more likely to attribute decreased support to a change in the student's financial situation. A change in the parents' financial situation was more often cited in households with income under \$30,000, single-parent homes and blended households.

b) Amount of Support Prior to Current Year

Among parents supporting their children financially prior to the current term,³⁶ the average total amount of that support was \$11,150, with a median of \$6,500. Just over one in four parents who supported their child did so with \$3,000 or less, while 14 per cent provided more than \$20,000.

When we look at a single term (late August to December 2003), we can see that parents provided financial support worth \$1,626 on average (the median is \$480). This figure rises to \$3,083 if we consider only those parents who provided some financial support (the median is \$2,000). These amounts were slightly lower in the second semester: an average of \$1,326 for all parents, with a median of \$450; an average of \$2,412 for parents providing financial support, with a median of \$2,000.

36. Parents whose child is in the first year of PSE are excluded from the analysis.

Figure 6.7: Total Past Support (n=1,398)

Source: Canadian Post-Secondary Student Financial Survey 2003–04, Parent Survey.

As we would expect, the average amount of previous financial support increases with students' age, ranging from \$5,400 among the youngest students (with the least amount of post-secondary education completed) to over \$23,000 among 24- to 25-year-old students (Table 38).³⁷ Parents of university students and full-time students reported higher amounts of past support than those supporting college and part-time students. The lowest amount of support is reported by parents of students studying in British Columbia, while parents of Ontario students have provided the most. Students living with their parents (who tend to be younger, with less post-secondary education) have received less, while those living alone have received the most, according to parent responses.

It is interesting to note that parents who have saved for their children's education do not report higher total financial contributions than parents who have not saved. As indicated in the pattern by age, parents' total contribution is linked to a number of other factors, but not to saving. Total parental contribution increases with a student's number of

years of post-secondary education, ranging from \$4,200 with one previous year to almost \$24,000 with four previous years. The amount contributed also increases with household income, ranging from just over \$7,500 for the lowest-income families to over \$12,000 in higher-income households. The total amount of financial support is considerably higher in single-parent and dual-parent households than in blended households. Households where parents have attended post-secondary education also reported larger amounts of support (although it makes little difference whether one or both parents reached this level of schooling). The relationship between total parental support and students' other debts is mixed. Higher levels of parental support are associated with higher levels of private debt (likely a function of students' age), while parents of students with moderate levels of government debt (\$1,000 to \$5,000) provided less total support.

The amount of financial support provided for a single term is not a function of students' age. Higher levels of financial support are provided rather by parents whose children are in university, studying full-time or living with roommates. Parents with higher levels of household income, those in dual-parent households and those who have saved for their children's education also provided greater amounts of support. Parental support appears to offset government loan debt, in that parents provide more financial support to students who may not be eligible for loans. The amount of financial support provided by parents in the fall of 2003 was lowest in Quebec and highest in Ontario, reflecting higher costs in Ontario. These relationships also exist in the second-semester data.

Up to and including the 2003–04 school year, parents who had supported their children had done so in the order of \$11,700, on average.

37. Although the average total support contribution provided to students over 25 is lower, the number of cases contributing to the mean is lower (n=81) and the variation around the mean is quite wide, making the figure less reliable than the other averages.

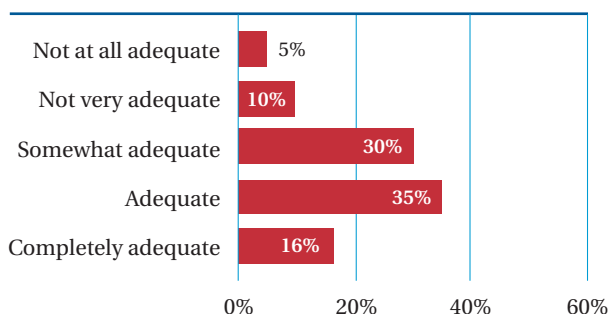
Table 38: Financial Support, by Selected Parent Characteristics

Characteristics	Average Past Support Among Parents Who Supported (\$) (n=1,398)	Average Term Support Among Supporting Parents (\$) (n=1,398)	Average Total Support Among Supporting Parents (\$) (n=1,398)
Overall	11,148	3,069	11,699
Status			
Full-time	10,090	3,191	11,984
Part-time	15,174	2,364	9,831
Institution			
College	7,003	2,460	6,948
University	13,330	2,364	15,176
Region			
Atlantic	11,694	3,288	13,803
Quebec	11,065	1,689	8,783
Ontario	12,305	3,998	14,079
Manitoba and Saskatchewan	10,283	3,042	10,412
Alberta	9,911	3,701	14,609
British Columbia	9,189	2,695	7,151
Age Group			
18–19	5,425	3,221	5,723
20–21	9,166	3,133	7,099
22–23	14,635	3,323	14,572
24–25	23,139	2,383	21,100
26–29	14,454	3,239	14,496
Living Arrangements			
With parents	8,401	2,705	9,730
Alone	16,018	2,731	13,261
Roommates	12,411	4,059	14,899
Saved for Child's Education			
Yes	10,788	3,790	14,735
No	11,535	2,539	9,404
Prior Years of Support			
1 year	4,218	3,155	7,467
2 years	8,161	3,098	15,149
3 years	12,513	3,491	22,871
4 or more years	23,903	2,973	18,064
Parent's Household Income			
<\$30,000	7,588	1,859	4,736
\$30–49,999	8,759	2,485	8,491
\$50–79,999	11,319	3,109	10,677
\$80,000 or more	12,290	3,426	14,060
Household Composition			
Single parent	10,460	2,136	8,045
Dual parent	11,530	3,267	12,265
Blended family	7,446	2,690	9,514
Government Debt			
\$0	11,424	3,270	11,811
\$1–5,000	8,834	2,466	8,612
\$5,001 or more	11,251	2,520	13,128
Private Debt			
\$0	10,849	3,018	11,117
\$1–5,000	10,343	2,823	11,508
\$5,001 or more	13,253	3,693	16,119

Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

Figure 6.8: Adequacy of Support (n=1,357)

“From what you know about their expenses in the semester just finished to what extent do you believe that the financial support that you provide to them, in conjunction with other sources that they use, is adequate to cover their needs. Do you think that it will be...”



Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

Missing values not shown

c) Adequacy of Support

Half of parents say that the amount of financial support they provided in the fall term was adequate, although only 16 per cent say the amount was completely adequate. One-seventh of parents admit the amount they provided was inadequate to meet their children's needs.

Parents supporting children studying in British Columbia (in spite of the fact that they report the least amount of support), parents of students who are living at home, parents who provided the largest amounts of support, those who are very involved in

their children's finances and parents who reported more than \$80,000 in household income were more positive about the amounts they provided. On the other hand, parents of students who reported the highest levels of government debt and private debt are more likely than other parents to have said that the support is not adequate. This is also more often the case among parents with limited involvement in their children's finances and among parents with household incomes of less than \$50,000.

d) Sources of Support

i) During the Academic Term

We asked parents to identify the sources of the support they provided. Parents who supported their children during the first academic term most often drew on income (55 per cent) or general savings (37 per cent) (as shown in Table 39). To a much lesser extent, parents used credit (e.g., personal lines of credit, credit cards) (14 per cent) or funds they had previously saved in RESPs (12 per cent). Less than five per cent of parents drew on other sources such as loans, life insurance policies, non-custodial parents, and other investments.

Lower-income parents are less apt to have indicated income as the source of their financial support for their children's post-secondary education. They are more likely to cite support from a non-custodial parent (which is to be expected, since single-parent households more often fall into lower income categories). Higher-income parents, on the other hand,

Table 39: Sources of Parents' Support for a Term, by Selected Parent Characteristics

Sources of Support	Incidence of Using Source (n=1,620) (%)	Average (Across All Supporting Parents) (\$)	Average Across Only Parents Using the Source (\$)	Percentage of Total Support (Across All Supporting Parents)
Income	55	1,045	1,770	34
Savings	37	983	2,507	32
Credit	14	295	2,078	14
Investments/RESPs	12	356	2,927	12
Other investments	4	130	2,647	4
Non-custodial Parent	4	62	1,634	2
Other	4	68	1,722	2
Debt (e.g., line of credit, loans)	3	130	5,027	4

Source: Canadian Post-Secondary Student Financial Survey, 2003–04, Parent Survey.

were more likely to report using credit to fund their children's education. Parents who have not used RESPs to fund their children's education are more apt to have older children; these students also have higher levels of government and private loan debt.

Those providing more support to their offspring (more than \$2,500 during the semester) more often cite sources such as savings and RESPs. On the other hand, Quebec parents, by virtue of their generally lower financial contribution, are less apt to have mentioned the various sources listed, such as savings, RESPs and credit. Compared to urban parents, rural parents relied more heavily on employment income and debt, and less on savings.

ii) Total Support

An average of \$3,000 in parental support was provided using an RESP—this represents about one-quarter of total average support provided (\$11,000) and about one-half of the total parental support that came from parents' savings (\$5,000 to \$5,500).

The relatively modest role played by RESPs in parents' overall support of their children's education may be due to the fact that the Canadian Education Savings Grant component of RESPs was only introduced in 1998. Fewer parents of older children would have had access to this grant. As expected, the use of RESPs is higher among parents of younger students.

Some 27 per cent of financial contributions came from investments such as RESPs. Almost half (48 per cent) came from general savings, and 13 per cent came from debt (just over 10 per cent is unaccounted for) (see Table 40). Use of investments was highest in the Atlantic region and lowest in Quebec. One-fifth of parents (19 per cent) have used debt to finance their children's education. In fact, five per cent of parents supporting children through school did so exclusively by borrowing. The percentage of support drawn from debt is higher among parents with students studying in the Atlantic region and among parents supporting 22- to 23-year-old students.

Figure 6.9: Method of Funding Support

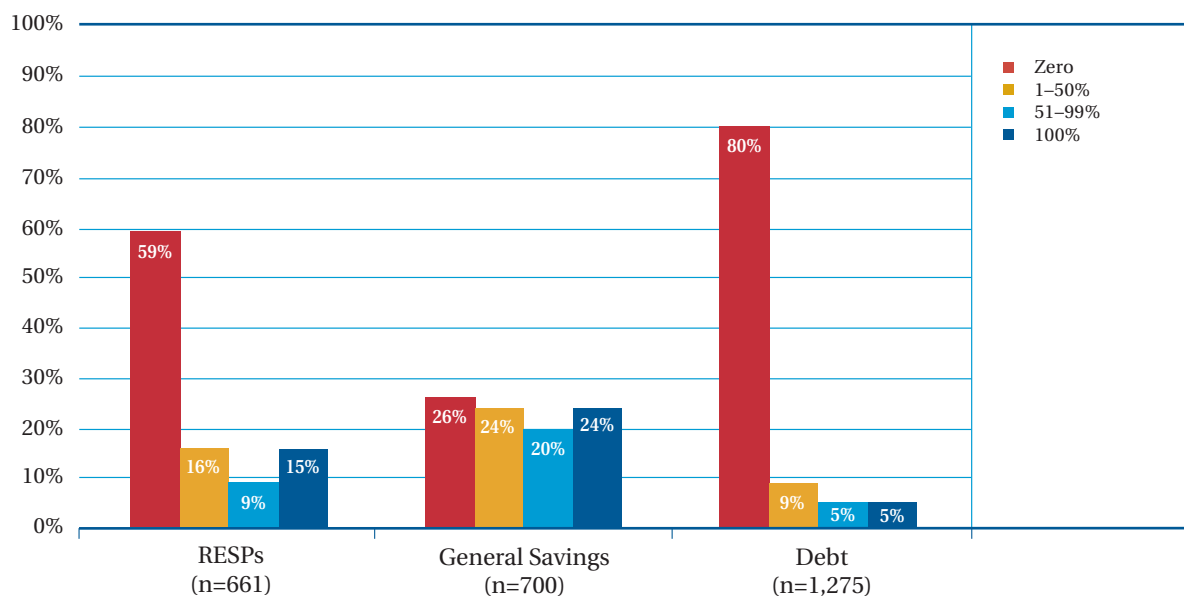


Table 40: Percentage of Support from Investment, Savings and Debt, by Selected Parent Characteristics

Characteristics	RESPs (%) (n=661)	General Savings (%) (n=700)	Debt (%) (n=1,275)
Overall	27.1	47.7	12.5
Institution			
College	22.4	54.3	12.0
University	29.4	45.1	12.4
Region			
Atlantic	37.4	39.3	20.3
Quebec	11.0	65.0	5.7
Ontario	32.4	46.0	15.5
Man. and Sask.	32.4	40.1	13.7
Alberta	36.7	37.4	9.5
British Columbia	27.1	34.3	15.1
Age Group			
18–19	27.7	50.0	13.0
20–21	24.3	52.1	11.5
22–23	34.0	37.6	16.8
24–25	22.3	45.1	9.6
Parents' Household Income			
<\$30,000	47.3	36.2	10.7
\$30–49,999	20.1	46.0	19.5
\$50–79,999	18.6	59.5	10.6
\$80,000 or more	28.7	43.1	13.4

Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

e) Expectation and Use of Government Student Loans

Just under half of parents (47 per cent) expected that their children would be eligible for government student loans. Four in ten (40 per cent) reported that their children had applied for such loans. Of those whose children applied, 74 per cent of parents indicated their children were eligible, and of those eligible, 90 per cent of these students were receiving student loans at the time of the survey.

Parents who were more likely to expect their children to be eligible for a government student loans were those with younger children in post-secondary education, those whose children were living with roommates, and those with lower levels of household income (and related to this, those in single-parent households and households where parents are not employed full-time).

Differences among sub-groups in terms of whether children applied for government student loans generally parallel those for expectation of eligibility. Parents of older students, however, were less likely to know whether or not their children applied for loans: parents of part-time students were more likely to report that their children did not apply for government student loans.

Parents who provided higher levels of parental support were more likely to indicate that their children were not eligible for government student loans. Parents of students living at home and those with higher household incomes were also less likely to believe their children were eligible. This was also true of parents whose children were receiving private loans, although private loans are probably a result rather than a cause of ineligibility: students who do not getting public funding may go to banks instead.

Among parents whose children had received government student loans, three in ten (29 per cent) indicated that the amount of the loan was about what they had expected. Almost four in ten (38 per cent) indicated that the loan was smaller than what they expected. Only seven per cent said the loan was larger than expected. One-quarter of parents (26 per cent) did not respond or had no expectations. Parents providing higher levels of financial support were more likely to find their children's loans were smaller than expected.

Parents are divided as to the adequacy of their children's government student loans. About one in four (23 per cent) believe that the loan, in conjunction with other sources, is adequate to cover their children's needs. About one-third (36 per cent) feel the amount is somewhat adequate; a similar proportion (38 per cent) say the amount is inadequate. Parents of younger students and those with children in college rated the size of the loan amount more favourably. Parents of children in the middle age range (22 to 23 years) and those from Quebec were more apt to say the amount was not adequate.

f) Expectation and Use of Private Loans

One-third of parents expected that their children would be eligible for private loans or lines of credit before they started the fall semester. A slightly larger proportion (37 per cent) did not expect their children to be eligible; 29 per cent never thought about it or did not know. A much smaller proportion (14 per cent) indicated that their children had actually applied for private loans or lines of credit. Among parents of students who had applied, 78 per cent reported that their children had been eligible.

Expectations of eligibility for private loans or lines of credit are lower among parents of younger students and students who live at home. Parents of students aged 22 to 25 years were more likely to expect their children to be eligible, while parents of children aged 26 year and older were more apt to say they did not know. Expectations of eligibility also increase with parents' household income (perhaps because parents are willing to act as co-signers).

Parents with children studying in the Atlantic region were more likely to suppose their children to be eligible, while parents of British Columbia students were less likely to do so.

Parents of part-time students, younger students (under 18) and students in British Columbia were less apt to indicate that their children had applied for private loans or lines of credit.

Three-quarters of parents of students with private loans indicated that they or another family member were required to co-sign for the loan. This figure is higher among parents whose children have higher levels of private debt and lower among parents with lower levels of household income.

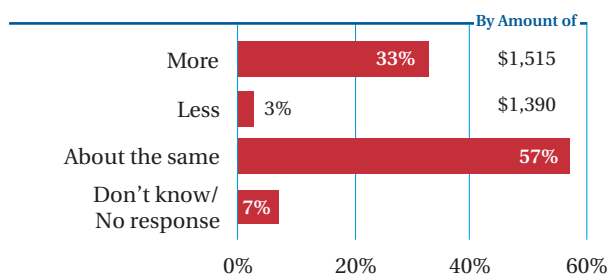
Just over half of parents of students who secured private loans (54 per cent) indicated that the amount of the loan was about what they expected. Ten per cent said the amount of the private loan was less than expected; 18 per cent said it was more than they expected. Another 18 per cent did not know or had no expectations.

g) Actual Expenses versus Expectations

Almost six in ten parents (57 per cent) indicated that their children's post-secondary education expenses are about what they expected them to be before their children started school. One-third of parents (33 per cent) said their children's expenses are higher than expected, while only three per cent said expenses are less than expected.

Figure 6.10: Parents' Expectation of Expenses (n=2,406)

"Are your child's expenses more, less or about what you expected them to be?"



Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

Parents of younger students (19 and under) are more apt to say that education expenses are in line with their initial expectations. The likelihood that education expenses have exceeded expectations increases with the amount of financial support parents have provided and the level of their children's debt. It is inversely related to the parents' household income. Parents of students in Quebec are more likely to say their expectations were accurate, while parents of students in British Columbia, Ontario and the Atlantic region are more apt to have underestimated expenses.

Parents who underestimated education expenses did so by about \$1,515 over the course of the first semester, on average (the median was \$1,000). This figure is lower in British Columbia and higher among

parents whose children live alone or who have incurred higher levels of debt.

Parents who indicated that expenses were higher than anticipated most often pointed to books (60 per cent) and tuition (59 per cent) as items that cost more than expected. These were followed by transportation (39 per cent), food and daily expenses (38 per cent) and rent/accommodation (37 per cent). Fewer parents cited computer equipment (24 per cent) or other education-related expenses (17 per cent). Rural parents were particularly likely to be surprised by the high cost of rent and accommodation.

Parents who overestimated education expenses (n=45) did so by an average of \$1,389 (the median was \$1,000). These parents most often cited tuition and books as the items that cost less than expected.

6.4 Future Expectations

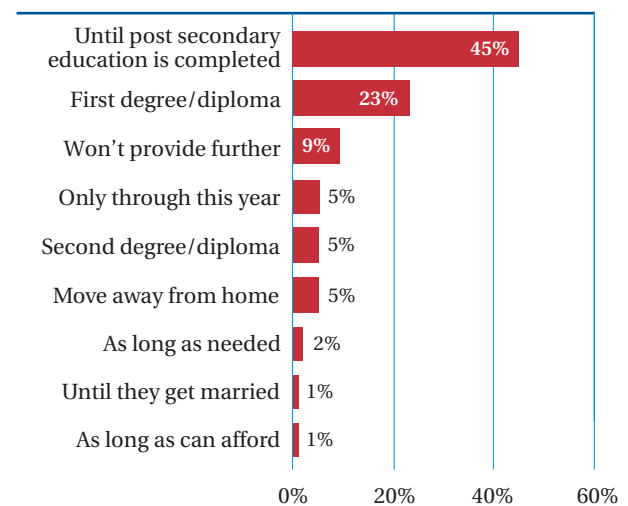
a) *Expected Duration of Support*

Parents estimate that their financial support will last a total of 3.9 years, including past, present and future support. The number of years of expected support increases with students' age until age 25. Parents of students aged 26 and older expect to support their children for fewer years on average.

The average number of years of expected support is higher among parents of university students, parents who provided more money in the current year, parents of students with no government or private debt, those who saved for their children's post-secondary education, those in two-parent households and higher-income households, as well as households where parents pursued post-secondary education (particularly if both parents did). Parents of students in Quebec expect to support their child for a longer time than those in other regions, while parents of British Columbia students expect to their support to be short-lived.

Figure 6.11: Intended Support Period (n=1,627)

"Given what you know now, up to what point do you intend to financially support their education? Would it be..."



Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

We asked parents when they expect their financial support for post-secondary education to end. Almost half (45 per cent) indicated that they would help finance all post-secondary education. Another 23 per cent said that they would support their children through the first degree.

Parents who have a more specific cut-off point in mind (e.g., a first or second degree, until the student moves away or gets married) are more apt to be supporting younger or older students (e.g., under 21 or over 25) who are studying full-time. Such parents also tend to be providing higher levels of support. Parents more apt to say that they will financially support their children until they have completed their post-secondary education are those supporting part-time students, students studying in Quebec, 22- to 23-year-olds and students living at home. These parents tend to be providing smaller amounts of support.

b) Expected Level of Support

We asked parents whether they expected their current level of financial support to change over time. The results were roughly the same as those for past patterns of support. Over one-third anticipated no change, just under one-third expected to

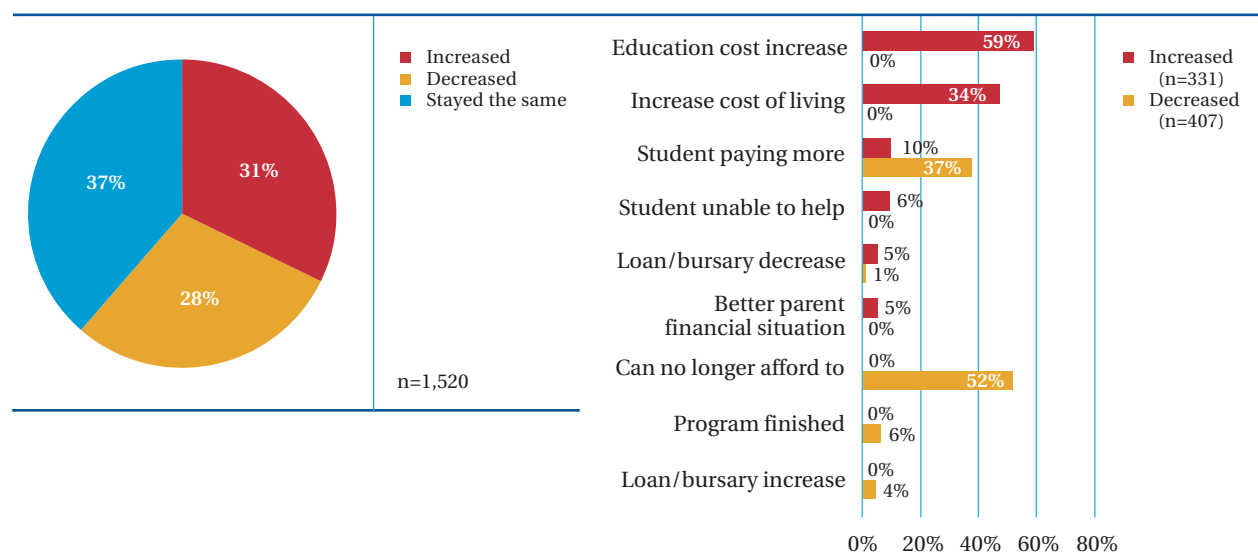
increase their support and just over one-quarter foresaw a decrease.

Increased education costs are the primary driver of expected increases in future support, followed by increases in the cost of living. Parents who say their support will decrease usually say that they can no longer afford the support and that the student can afford to start paying more.

Parents who believe that they will pay more in the future, specifically for education-related costs, tend to be supporting students who are younger (under 20), attending college and living with parents. These parents tend to already be paying more than most other parents to support their child through post-secondary education. Their level of involvement is high and they report the highest household income levels.

A higher proportion of parents supporting 22- to 23-year-old students say they expect to pay less in the future because they can no longer afford to support their children at the same level. This reason for a decrease in support is also over-represented among parents of students who have the highest government debt and the highest private debt are also disproportionately likely to give this response, as are parents earning less than \$50,000, those in

Figure 6.12: Expected Changes in Future Support



Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

single-parent families and those in homes where neither parent experienced post-secondary education.

Parents are more apt to say that their children can afford to start paying more if their children are older (24 to 25 years of age), in university or living alone. This response is more common among parents of students studying in Ontario and among students reporting the highest levels of total credit card debt (owing more than \$2,500 coming into the school year).

c) Change in Sources for Support

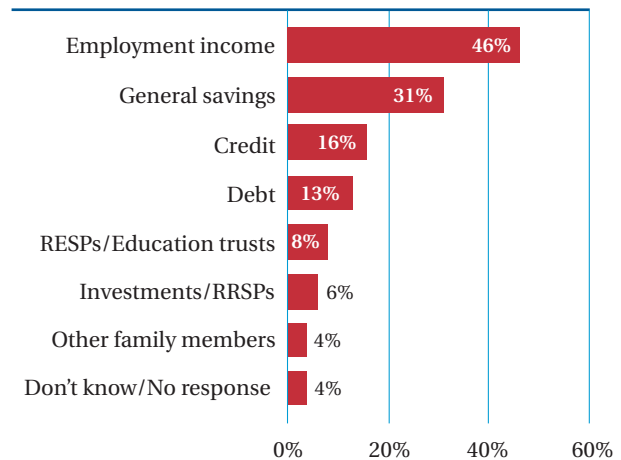
Most parents who are supporting children through post-secondary education do not believe that their sources for this support will vary. Just over one-quarter believe that they will begin to rely on different sources more heavily in the future. This anticipation is more common among parents supporting college students, younger students (under 20) and students living at home. It is also more prevalent among parents providing the highest levels of support (over \$2,500 per year).

Among parents who expect to rely more heavily on different sources in the future, almost half (46 per cent) say that they will draw more heavily on employment income in the future. General savings are the second most frequently cited source, at 31 per cent. Some 29 per cent of parents who foresaw changes predicted that credit and debt would become more prominent.

Employment income was more often cited as a future source of support by parents with students who are living alone. (This figure is not necessarily related to age, since the relationship does not stand out in the results by age cohort.) Employment income is also more often cited by parents with incomes of \$50,000 to \$80,000 and parents living in rural areas. Parents of university students and those studying in Ontario are more likely to expect to rely more heavily on general savings in the future.

Figure 6.13: New Sources for Continued Support (n=402)

“Which of the following sources do you think you will rely on proportionately more in the future than you have until now?”



Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

General savings are also cited more often among parents who provided higher amounts of support and those with household incomes greater than \$80,000. Parents supporting students in the Atlantic region and those in households expecting to send two children to school are more likely to predict heavier use of credit. Increased reliance on investments and RESPs is anticipated by parents supporting younger students (under 20) and by those in households earning more than \$80,000.

Most parents (69 per cent) think that the main sources from which they have been drawing in the past year will be sufficient to cover future years of support. Parents of older students (22 to 25 years of age) and parents of part-time students are more apt to say that current sources will cover future years of support. Parents of the youngest students (under 18 years of age) are less certain that current sources will suffice, as are parents of students with government debt and parents with lower levels of income.

Those parents who think that current sources will not be enough for future years predicted an average total shortfall of \$16,743. This estimate was even higher among parents of university students, parents of Ontario students and those currently providing higher amounts of financial support. Parents whose children lived at home predicted lower shortfalls.

Parents who expect to fall short in providing financial support most often say they will rely on private loans or lines of credit to cover the shortfall (31 per cent). Other parents said they would turn to savings or investments (14 per cent), more work—or even a second job (13 per cent), a student loan (11 per cent), student employment income (10 per cent) and credit (nine per cent).

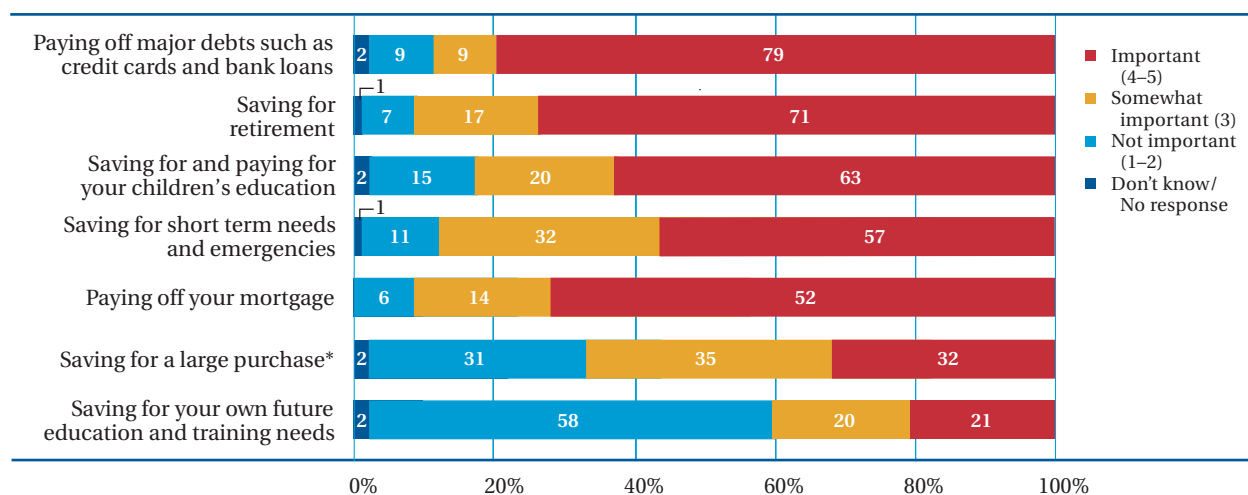
6.5 Parents' Financial Goals

We asked parents to rate the importance of a number of financial goals. The financial goal rated as most important by parents is paying off major debts such as credit cards and bank loans (rated as important by 79 per cent), followed by saving for retirement (important for 71 per cent). Saving and paying for their children's education is parents' third most important financial goal (63 per cent consider this important), followed by saving for short-term needs and emergencies and paying off a mortgage.

The importance of financing children's education is rated higher by parents of university students and parents of students living at home. It is rated highest by parents of students aged 18 to 21 (as shown in Table 41). This financial goal is also much more important for parents in Ontario and Atlantic Canada, and least important for parents in Quebec. It is more important in urban homes than in rural homes, and its importance increases with parents' household income. Not surprisingly, the rated

Figure 6.14: Importance of Financial Goals (n=2,796)

"How important is...?"



* Also 27 per cent stated "non-applicable"

Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

Table 41: Importance of Saving for and Paying for Children's Education, by Selected Parent Characteristics

“How important is saving for and paying for your children's education?” (n=2,796)		“How important is saving for and paying for your children's education?” (n=2,796)	
Characteristics	Important (4–5) (%)	Characteristics	Important (4–5) (%)
Overall	63	Household Composition	
Age Group		Single parent	57
<18	61	Dual parents	65
18–19	71	Blended family	56
20–21	71	Parental Involvement in Finances of Child	
22–23	51	Low	43
24–25	54	Medium	58
26–29	47	High	72
30+	28	Parents' Household Income	
Type of Institution		<\$30,000	51
College	60	\$30–49,999	56
University	65	\$50–79,999	62
Region		\$80,000 or more	71
Atlantic Canada	66	Saved for Child's Post-Secondary Education	
Quebec	56	Yes	77
Ontario	68	No	54
Manitoba and Saskatchewan	61	Provided Support in Fall '03	
Alberta	64	Yes	71
British Columbia	58	No	51
Living Arrangements		Government Debt	
Living with parent	68	None	67
Living alone	52	\$1–5,000	52
Living with roommates	60	>\$5,000	55

Source: Student Financial Survey, 2003–04, Parent Survey.

importance of saving for and paying for children's education is closely linked to parents' level of involvement in their children's finances. Households that include both parents are also more likely to place greater importance on this goal.

Likely related to parental income, the importance of this goal also increases with the amount of support parents provided to their children. Also, students

whose parents place high importance on education financing are less likely to have borrowed money from government, on credit cards or from private sources. Parents who saved for their children's post-secondary education and provided financial support are more likely to consider the goal of saving and paying for their children's education as important.

6.6 Impact of Support on Other Financial Goals

We then asked parents to rate the impact that supporting their children through post-secondary education has had on other financial goals. More precisely, we asked them to indicate the extent to which supporting their children has reduced their ability to attain each goal. Supporting a post-secondary student is most likely to reduce parents' ability to save for large purchases (according to 43 per cent of parents) or to save for retirement (42 per cent). It also reduces parents' ability to save or pay for their other children's education (according to 31 per cent), pay off major debts (28 per cent) or save for short-term needs (29 per cent). The ability to pay off one's mortgage is the financial goal least likely to be affected.

The impact of supporting a child in post-secondary education increases with the extent of parental involvement in the child's finances. Parents with limited involvement in their children's finances are much more likely to have stated that their support

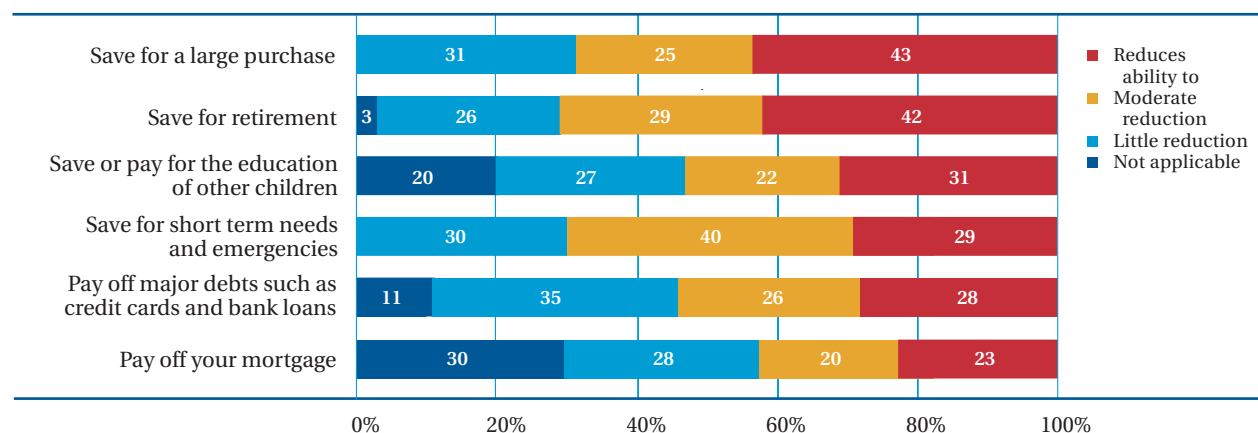
has little impact on their ability to meet these other financial goals.

Similarly, the extent to which parents' financial goals are affected increases with the amount of support parents provide. Parents who have provided more than \$2,500 are more likely to have reported a reduced ability to pay off major debts, to save for short-term needs and emergencies, or to save for large purchases.

The impact of post-secondary support is also inversely related to household income. The likelihood that supporting a child has an impact on parents' ability to pay their mortgage decreases as household income increases. The proportion of parents who indicated that post-secondary support reduced their ability to save for retirement is greatest among those with household incomes below \$30,000 (61 per cent) and lowest for those with household incomes of \$80,000 or more (34 per cent). Similarly, parents with household incomes of \$80,000 or more are least

Figure 6.15: Impact of Support on Financial Goals (n=2,110)

"How much does supporting your child reduce your ability to...?"



"Don't know" responses not shown

Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

likely to have indicated a reduced ability to pay for their other children's education. Parents with the lowest household incomes are most likely to have indicated that supporting a child reduces their ability to save for short-term needs and emergencies.

Parents of students with larger amounts of government debt are more likely to have indicated that post-secondary support has compromised their ability to attain a number of financial goals, including paying off mortgages and other major debts as well as saving for short-term needs, for large purchases, for other children's education or for retirement.

Parents of university students are more likely to have said that their ability to save for large purchases is reduced (46 per cent, compared to 38 per cent of parents of college students).

Parents of students living with roommates are more likely to have reported that supporting their child reduces their ability to pay off their mortgage.

Single parents are more likely to have reported that their abilities to pay off major debts, to save for short-term emergencies, to save for retirement and to pay off their mortgage are compromised by the support they provide their child.

Parents with three or more children who are or will be in post-secondary education are more likely to have reported that their ability to save for large purchases or to pay for their other children's education is reduced by the support they provide.

Across the country, respondents in Quebec are the least likely to have said that supporting their child reduces their ability to pay off a mortgage (10 per cent). Residents of Atlantic Canada are most likely to have reported that their ability to save for retirement, to save for short-term emergencies or to pay off major debts is reduced by supporting their child.

7. Repayable and Non-Repayable Sources of Income

The student financial survey examined students' access to different forms of debt (i.e., government loans, personal lines of credit, credit cards and mortgages) and their use of these funding sources. The first sub-section examines students' borrowing

from public and private sources, while subsequent sections look at how much debt students had accumulated at the start of the school year and how they used repayable and non-repayable sources of income during the school year.

7.1 Access to Debt

a) Government Student Loans

Government student loans are a key source of borrowing for students. The survey results indicate that 32 per cent of students were receiving government student loans during the school year, while 33 per cent had balances owing on previous government student loans. Combining the two categories, 42 per cent of students are currently borrowing or borrowed before 2003–04 using government student loans. (A more extensive profile of students with government loans is provided in Sections 7.2 and 8.4.)

Students who already had a government student loan had been borrowing for an average of 2.5 years at the time of the survey. Not surprisingly, this figure is higher for older students, graduate students and those in the later years of their program or pursuing a second degree.

A small minority of students (eight per cent) reported that they borrowed less than the full amount that they were eligible for in government loans. (This practise was more common in Alberta, Prince Edward Island and Newfoundland and Labrador.) Students borrowed less than the full amount for a variety of reasons: less to repay (32 per cent); did not need to borrow that much (31 per cent) and other

reasons (30 per cent). The rest (seven per cent) did not provide a response.

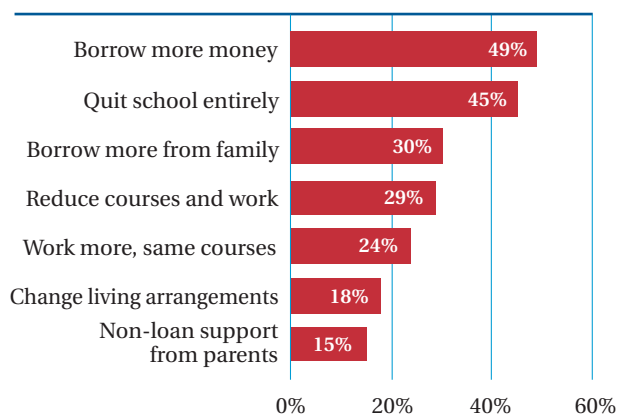
Many students say that government student loans are critical to their access to post-secondary education. Almost half (45 per cent) indicate that they would have had to quit school entirely if they had not received government student loans. On the other hand, almost half of students (49 per cent) indicated that they would have had to borrow more money from other sources. Students also said that a denial of student loans would have caused them to borrow more from family (30 per cent), reduce their course load to work (29 per cent) or to work more, with the same course load (24 per cent).³⁸

Students who forecasted dire consequences if they had not received a student loan (those who indicated they'd quit school entirely) are typically older, with greater financial commitments, without parental support, and have lower levels of income both personal and parental. College students were also more likely to have indicated that they would have quit school entirely without their government student loan.

38. "No response/Do not know" responses are excluded (n=57).

Figure 7.1: Impact of No Government Student Loan (n=2,707)

“What would the impacts have been if you had not received government student loans?”



Asked of those receiving government loans.
Multiple response possible
Based on students participating in Wave 2 survey (n=8,037)
Source: Canadian Post-Secondary Student Financial Survey, Parent Survey.

b) Private Loans/Lines of Credit

Over one-third of students (38 per cent) have personal lines of credit at financial institutions. Those more likely to have personal lines of credit are older (54 per cent of those 30 and older) (see Table 42). Among those who live on their own, students with higher levels of household income are more likely to have personal lines of credit (72 per cent of those earning over \$60,000 each year). Other students more likely to have personal lines of credit are those who work more than 20 hours each week during the school year (52 per cent), students 22 years of age and older who live with a spouse (54 per cent), rural students and those studying in Alberta, Manitoba, Ontario and Nova Scotia. Students borrowing money in other ways (e.g., from credit cards or mortgages) are also more likely to have personal lines of credit. (Private loan holders are profiled in greater detail in section 7.2.)

Table 42: Personal Lines of Credit, by Selected Student Characteristics

Characteristics	Have Personal Line of Credit (%) (n=9,401)
Overall	38
Age Group	
<18	9
18–19	29
20–21	36
22–23	45
24–25	42
26–29	50
30+	54
Intended to Work During School Year	
Yes	40
No	34
Living Arrangements	
Parents	30
Spouse	54
Alone	40
Roommates	40
Other	43
Mortgage	
Yes	71
No	35
Province	
British Columbia	40
Alberta	45
Saskatchewan	41
Manitoba	45
Ontario	43
Quebec	28
New Brunswick	37
Nova Scotia	43
P.E.I./N.L.	28
Location	
Urban	37
Rural	48

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

c) Credit Cards

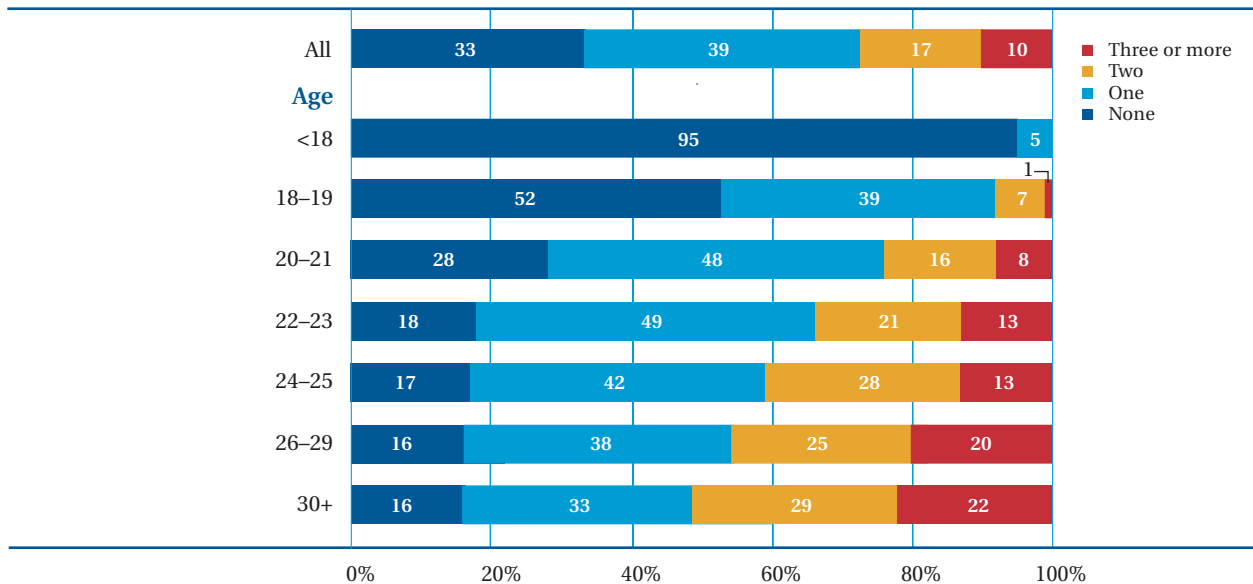
Two-thirds of students (67 per cent) have at least one credit card: 39 per cent have one card and 27 per cent have two or more cards. A key driver of credit card ownership is age. Just under half (48 per cent) of those aged 18 to 19 years have credit cards, compared with 84 per cent of those who have reached age 30. After age 22, the likelihood of having a single card does not increase, although the likelihood of having multiple cards does.

This is consistent with the *Survey of Undergraduate University Students* (2002), which also found that two-thirds of students had at least one credit card. One in four students reported having two or more cards. This study found further that three-quarters of card holders regularly pay off the balance on their card each month, while one in five do not regularly pay off the monthly balance.

Even when controlling for age, living arrangement continues to have a significant effect: students who live with a spouse are more likely to own cards, especially multiple cards (see Table 43). Students who are employed, those who own cars, those with higher incomes (if on their own) and those with dependants are also more likely to have credit cards (students with dependants are also more likely to have multiple cards). Rural students, on the other hand, are less likely to have multiple credit cards. Use of a credit card parallels use of other private sources of debt such as loan or personal lines of credit. Among younger students (under 24), college students are less apt to have credit cards, while among students 24 and older, graduate students and those in the later years of their program are more likely to have at least one credit card. Students in Quebec are less likely to have credit cards (even after controlling for age), while those in Ontario (and within the older age cohort, in Alberta) are more likely to have credit cards.

Figure 7.2: Number of Credit Cards by Age (n=9,233)

“How many credit cards do you have?”



“No response”, “Don’t know” responses are excluded (n=168).

Canadian Post-Secondary Student Financial Survey 2003–04.

Table 43: Number of Credit Cards, by Selected Student Characteristics

Characteristics	None (%)	One (%)	Two or more (%)
Overall (n=9,233)	33	39	27
Intended to Work During School Year			
Yes (n=4,800)	29	40	30
No (n=3,819)	41	37	22
Own a Car			
Yes (n=3,428)	20	44	35
No (n=5,739)	41	37	22
Living Arrangements			
Parents (n=2,550)	43	37	19
Spouse (n=1,331)	12	42	46
Alone (n=1,313)	31	34	35
Roommate (n=3,576)	30	47	24
Other (n=436)	31	40	29
Dependent			
Yes (n=939)	27	29	44
No (n=6,116)	33	41	25
Province			
British Columbia (n=1,231)	28	42	31
Alberta (n=1,489)	23	41	36
Saskatchewan (n=639)	30	41	29
Manitoba (n=638)	26	41	33
Ontario (n=1,992)	24	41	34
Quebec (n=563)	49	35	15
New Brunswick (n=644)	36	40	25
Nova Scotia (n=1,340)	38	37	25
P.E.I./N.L. (n=306)	47	34	18
Location			
Urban (n=6,889)	33	38	29
Rural (n=721)	31	47	22
Type of Program			
College (n=1,762)	50	31	19
Undergraduate (n=6,356)	29	43	28
Graduate (n=946)	11	42	47

“No response/Do not know” responses are excluded (n=168).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

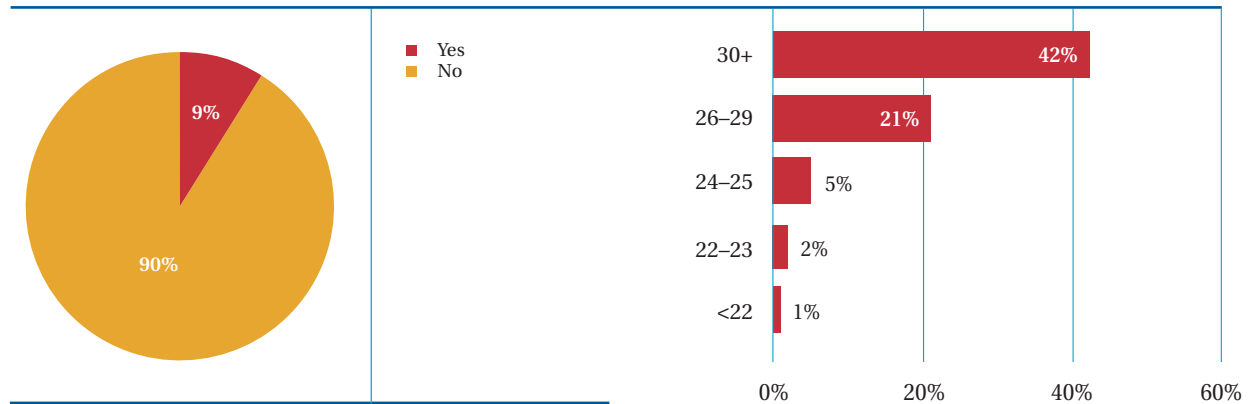
d) Mortgage

Few students (nine per cent) have mortgages, but 42 per cent of students 30 years or older reported having mortgages. Other factors related to age, such as living with a spouse and having dependants, are also associated with having a mortgage (37 and

34 per cent, respectively). Those with mortgages are also more apt to work 20 or more hours per week (28 per cent) and to be located in rural areas (20 per cent). Students who do not live with their parents and have high levels of household income (more than \$60,000 annually) are also likely to have mortgages (62 per cent).

Figure 7.3: Responsibility for Mortgage (n=9,401)

“Are you responsible for a mortgage?”



Canadian Post-Secondary Student Financial Survey 2003-04.

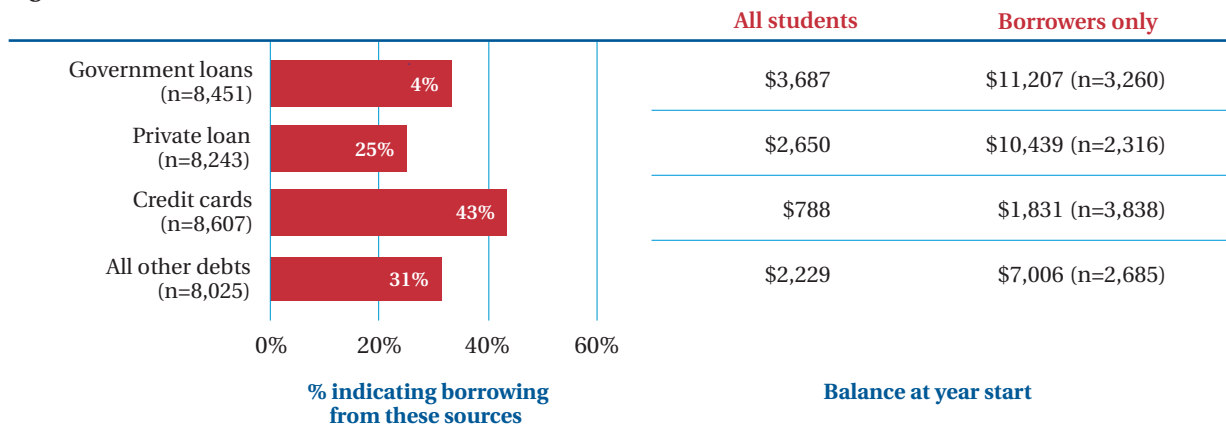
7.2 Pre-Existing Financial Commitments

We examined pre-existing financial commitments (or “old debt”) in terms of four sources: government student loans, private bank loans or personal lines of credit, credit card balances and other debt. Thirty-four per cent of all students entered the school year with no outstanding balances. This proportion decreases to 26 per cent if first year students are excluded from the statistic.³⁹ Slightly less than one-third (30 per cent) of students carry pre-existing debt from one source only; one in five (22 per cent) carry

debt from two sources. Only two per cent owe money from all four sources. Age is strongly associated with any type of debt. For example, 55 per cent of those between 18 and 19 years of age have no debts, compared to only 12 per cent of those in the 26 to 29 age group.

The following exhibit summarizes the incidence of different types of old debt and the balance owing at the start of the school year.⁴⁰ Government student loans are the primary source of debt for

Figure 7.4: Baseline Debt Levels From Various Sources



39. Note that the exclusion of first year students had little effect on the distribution of multiple sources of debt.

40. “No response/Do not know” responses are excluded.

most students: one-third had a balance at the start of the year. The average balance among borrowers was \$11,207; this averages to \$3,687 when it is divided among all students. At the start of the school year, 25 per cent of students had “old debt” from loans or lines of credit with private institutions such as banks. The average balance was \$10,439 among borrowers and \$2,650 among all students. Some 43 per cent of students were carrying old credit card debt at the start of the school year (worth an average of \$1,831 for borrowers and \$788 among all students). Finally, 31 per cent of students had old debt from “other” sources (such as family members or employers) at the beginning of the school year. The mean amount owing was just over \$7,006 (borrowers only) and \$2,229 among all students.

The proportion of students who had accumulated debt from government student loans increases with age, although incidence is lower among students aged 30 and over (32 per cent) (see Table 44). The incidence of old student loans is stable after the first year in post-secondary studies, although the amount of old student loan debt increases. Incidence and amount of old private loans also increase with age, with a significant increase in amount among students 30 and over.

The incidence and amount of accumulated government loan debt is higher among university students (and among graduate students in particular). Those who moved to go to school are more likely to have accumulated student loans to cover higher expenses. Students working more than 20 hours each week, Allophones, rural students, students who have completed more years of post-secondary education (particularly four or more years) and those with additional financial commitments (e.g., mortgages, dependants) are more likely to have accumulated debt from private institutions.

Parental support, parental income (for those living with parents) and parental education are inversely related to students’ amount of “old debt.” Although students with the highest incomes (among those not living with parents) and higher levels of employment income are also less likely to have had debts at the start of the school year, these variables are not related to the amounts owed.

There is a link *between* the use of government student loans and private loans. Those who owed money on government student loans at the start of the school year are also more likely to have had private loan debt.

Students in New Brunswick and Nova Scotia are more likely than students in other areas to have pre-existing debt from government and private sources at the start of the school year. Compared to students in other jurisdictions, Quebec students have a similar incidence of old government student loan debt, but lower amounts of debt. Quebec students also have a comparatively lower incidence of accumulated debt from private sources, but the amount of private debt among borrowers is highest in Quebec (although this figure is based on a relatively small sample size).

Averaged among all students (borrowers as well as non-borrowers), total accumulated old debt from all sources is \$7,079. As we would expect, students carrying the highest total debt load going into the 2003–04 school year were older students and particularly those in the later years of their program or pursuing a second degree. As Table 44 shows, New Brunswick and Nova Scotia students have higher government “old debt” levels than students in other locations.

Table 44: Government Student Loan, Private Debt at Baseline, by Selected Student Characteristics

Characteristics	Government Student Loans		Private Loans	
	Percentage With Balance (n=8,451)	Avg. Balance Among Borrowers (\$) (n=3,260)	Percentage With Balance (n=8,243)	Avg. Balance Among Borrowers (\$) (n=2,316)
All students	33	11,207	25	10,439
Age Group				
<18	4	2,200	3	–
18–19	16	5,520	10	4,300
20–21	34	8,730	20	6,560
22–23	44	11,775	32	7,970
24–25	55	12,599	39	9,230
26–29	54	14,106	42	8,565
30+	32	14,905	46	19,211
Institution				
College	24	7,395	23	7,240
Undergraduate	35	11,622	25	11,218
Graduate	41	15,684	34	13,014
Living Arrangements				
Parents	20	8,821	14	6,350
Spouse	43	12,375	44	15,054
Alone	45	12,435	37	10,918
Roommate	44	11,682	24	8,314
Other	35	11,389	32	7,758
Parental Support				
Yes	18	8,385	15	8,215
No	45	12,122	34	11,327
Moved to Go to School				
No	26	10,585	24	10,845
<71 km	47	11,315	25	9,030
71km+	46	12,055	29	9,130
Years of Prior Post-Secondary Education Completed				
Zero	7	5,339	11	4,622
One	30	6,293	18	6,526
Two	33	9,152	24	8,438
Three	40	10,517	27	7,861
Four	39	12,881	36	18,641
Province				
British Columbia	25	12,275	25	9,056
Alberta	29	12,365	31	11,040
Saskatchewan	36	13,212	32	10,350
Manitoba	25	11,095	32	10,328 ⁴¹
Ontario	37	12,880	29	9,241
Quebec	31	6,725	16	13,815
New Brunswick	48	16,880	37	10,953
Nova Scotia	46	16,028	39	10,905
P.E.I./N.L.	26	8,873	26	9,165

"No response/Do not know" response are excluded.

– Too few observations to present results.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

41. Note that this average is based on fewer than 100 cases and may be more volatile than other means presented in the table.

7.3 Borrowing and Non-Loan Government as Well as Other Assistance During the School Year

Aside from employment earnings and family support, there are five principal ways for students to finance their post-secondary education during school year. Some of these accrue debt and others do not. Students can take out government student loans, qualify for government grants or bursaries or grants from other sources, borrow from private sources (loans, lines of credit or credit cards) or borrow from personal sources (e.g., loans from parents). We discuss each of these below.

a) Government Loans During the School Year

Government loans are the most common source of borrowing,⁴² with 32 per cent of all students reporting some money from this source during the school year. Those who borrow receive an average monthly sum of \$1,015⁴³ (which averages to \$305 among all students). The median among those who borrowed is \$815.

Students aged 22 to 29 years are the most likely to have relied on government student loans during the school year. While the oldest age groups—30 years and older—are the least likely to have government student loans, yet borrow the largest monthly

amounts. The youngest students are less likely to borrow, and those who do borrow take out the smallest amounts.

Other students more likely to have government loans are full-time students, those without parental support, those students living outside the parental home and those who moved to go to school. While the presence of dependants does not have an effect on the incidence of government student loan borrowing, borrowers who have dependants borrow significantly larger amounts. Income is strongly linked to the incidence of government student loan borrowing: students with higher levels of household/parental income and employment income are less likely to have borrowed. It is interesting to note that college and undergraduate university students have roughly the same incidence of borrowing from government sources, although undergraduate students borrow larger amounts than their college counterparts. Students borrowing through private sources are also more apt to have government student loans. Students in New Brunswick and Nova Scotia are more likely than those in other jurisdictions to have taken out government student loans during the school year.

42. Please note again that this analysis focuses on loans taken during the academic year. See Section 8.4 for overall incidences and levels of debt from various sources.

43. Monthly figures do not include amounts received prior to the academic year (for instance, loans received in August).

b) Private Loans During the School Year

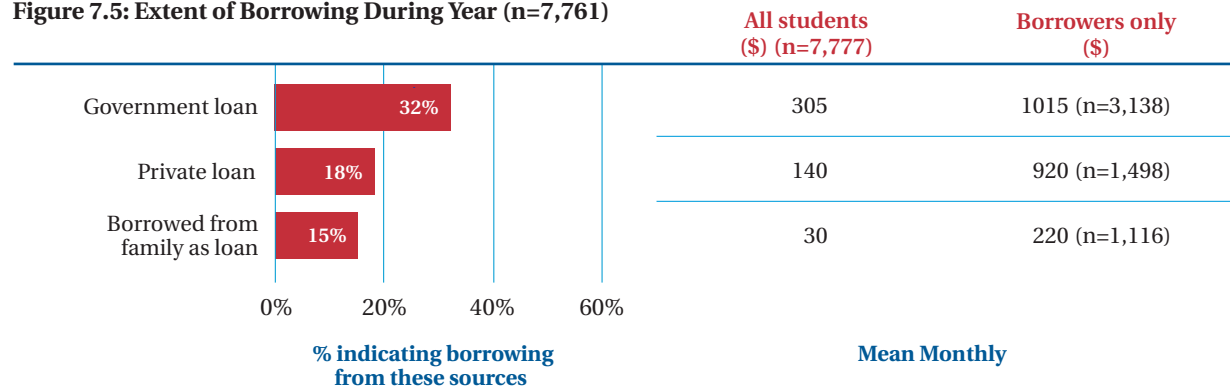
About one in seven (18 per cent) students borrowed from private sources, including personal lines of credit,⁴⁴ during the school year. Those who borrowed from private sources borrowed an average of \$920 each month.

As in the case of government loans, the proportion of students accessing private loans or lines of credit increases with age. In both cases, the incidence of borrowing increases most substantially among 22 to 23 year-olds (as shown in Table 45).

Students living with their parents and those who did not move to go to school are the least likely to have borrowed from private sources during the

school year. Although the incidence of private borrowing is roughly the same for full-time and part-time students, full-time students borrowed significantly more. Similarly, the presence of employment income does not substantially affect the incidence of private borrowing, but does have an impact on the amount borrowed. Graduate students have a higher incidence of private borrowing and also borrow larger amounts than college or undergraduate students. Students in Saskatchewan and Nova Scotia have higher incidences of private borrowing during the school year. Quebec students are least likely to borrow from private sources; they also borrow smaller amounts when they do.

Figure 7.5: Extent of Borrowing During Year (n=7,761)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

44. Excluding credit cards.

Table 45: Monthly Government and Private Loan Debt During the School Year, by Selected Student Characteristics*

Characteristics	Government Student Loans			Private Loans		
	Percentage Borrowing During School Year (n=7,790)	Avg. Monthly Loan Amount (Borrowers Only) (\$) (n=2,926)	Total Amounts (Borrowers Only) (\$) (n=3,111)	Percentage Borrowing During School Year (n=7,775)	Avg. Monthly Loan Amount (Borrowers Only) (\$) (n=1,325)	Total Amounts (Borrowers Only) (\$) (n=1,550)
All Students	32	914	7,299	18	630	5,948
Age Group						
<18	29	547	3,278	6	674	4,529
18–19	27	816	6,398	13	623	5,467
20–21	31	878	7,353	15	768	7,098
22–23	40	855	6,981	26	629	5,783
24–25	40	1,064	8,498	21	669	6,448
26–29	40	996	7,930	21	600	6,389
30+	23	1,218	10,073	21	472	4,882
Status in Program						
Part-time	11	707	4,879	17	355	3,186
Full-time	38	932	7,509	18	700	6,661
Institution						
College	31	834	6,256	14	670	5,519
Undergraduate	33	943	7,573	18	630	5,984
Graduate	28	914	8,253	24	576	6,918
Parental Support						
Yes	19	790	6,403	14	654	5,999
No	42	952	7,585	20	614	5,910
Living Arrangements						
Parents	21	728	5,131	11	585	5,134
Spouse	25	896	7,214	20	589	5,652
Alone	47	1,110	9,021	27	620	6,540
Roommates	47	977	8,213	23	721	6,891
Other	51	863	8,180	24	603	4,676
Moved to Go to School						
No	23	835	6,262	14	531	4,450
<71 km	52	927	7,181	27	610	5,327
71km+	49	991	8,497	25	783	7,536
Employment Income						
Zero	52	1,026	8,794	19	857	9,096
\$1–1,000	50	956	7,490	23	605	4,768
\$1,001–3,000	47	937	7,411	17	641	6,564
\$3,001–5,000	36	889	7,028	19	680	6,739
\$5,001–8,000	22	764	6,232	17	602	5,109
\$8,001 or more	8	717	5,431	15	490	4,528
Province						
British Columbia	24	966	7,912	13	523	6,038
Alberta	28	897	7,468	20	640	5,694
Saskatchewan	38	924	8,617	27	793	7,083
Manitoba	18	898	7,274	21	453	4,435
Ontario	35	1,029	8,532	21	727	4,044
Quebec	29	533	3,709	10	337	2,940
New Brunswick	51	1,153	9,265	23	748	6,352
Nova Scotia	42	1,353	10,712	28	698	6,694
P.E.I./N.L.	34	1,138	7,473	20	793	7,187

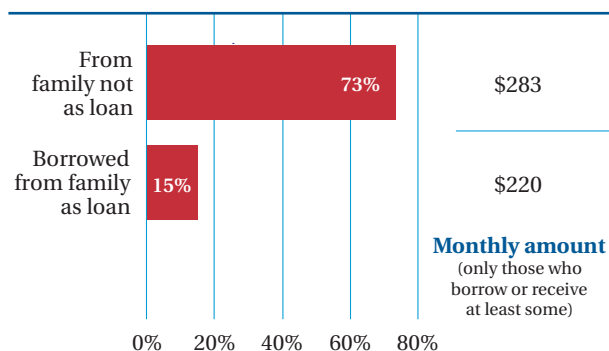
* Based on students participating in the baseline and at least one wave in each semester.

Monthly figures represent amounts received during the school year, while the incidences of borrowing and total figures include amounts borrowed prior to the beginning of the school year but spent toward the school year.

Note that means exclude responses with monthly surplus of \$1,800 or more.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 7.6: Incidence and Amount of Family Support (n=5,678)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

c) Loans from Family

Family members tend to lend money infrequently and in relatively small amounts. Among the 15 per cent of students who borrowed money from family members during the school year, the average loan was \$220 per month. Students are far more likely to receive non-repayable support from their families,⁴⁵ and the amount of non-repayable support is somewhat higher as well.

Given the relatively low incidence of family loans, there are few variations across student sub-groups. Students who live on their own, but who have little income (less than \$20,000 annually) and students living with parents in lower-income households are more likely to have borrowed from family members. Students who live with a spouse or have a mortgage are less likely to have borrowed money from family members, just as these students tend to have lower parental support overall (including non-repayable support).

d) Non-Repayable Government Bursaries and Other Grants

i) Government Bursaries or Grants

About one in four students (24 per cent) received government bursaries or grants at the beginning of the school year or during the course of the year (Table 46). Among all students, students received a

mean monthly amount of \$105, a figure which rises to \$472 when averaged among bursary recipients only (Table 46).

The proportion of students receiving government bursaries or grants increases with age (up to age 29), as do the monthly amounts for those who receive them (except for those over 30 years of age where the amount of bursary drops to lower than the amount received by those 24 to 25 years of age). This trend reflects the greater needs of mature students, who frequently have expenses such as support for dependants, a mortgage or pre-existing loans. Due to limits on the amount of assistance, these students may have higher unmet need than younger students.⁴⁶

Full-time students are more likely to have received government bursaries or grants, as are students who are not fully employed during the school year, Aboriginal students, students with disabilities and those who have dependants. Students who live with their parents or who receive parental support are less likely to have received government bursaries; these students also receive smaller amounts when they do receive bursaries (see Table 47).

Graduate students are more likely than undergraduate and college students to have received bursaries or grants; within this group, doctoral students more often reported money from government bursary than did master's students (39 versus 24 per cent). Amounts received are also higher for doctoral students.

There is a strong inverse relationship between income (students' household income if living on their own, parental income if living with their parents, plus students' employment income) and the likelihood of receiving government bursaries. Students with lower income levels are more apt to have received bursaries or grants.

Government bursaries or grants are least prevalent in Manitoba (where monthly amounts are also lower) and most common in New Brunswick, although they are of the smallest amounts. While Quebec students are in the middle in terms of their incidence of receiving government bursaries, their bursaries are substantially larger, on average, than those of students in other jurisdictions. Students in

45. Including parents, spouses, or other family members.

46. See *Assessing Canada's Student Aid Need Assessment Policies*, March 2003.

Ontario and Alberta also stand out due to larger government bursaries and grants, while students in the Maritime provinces receive the smallest bursaries and grants from the government.

Government bursaries or grants go hand-in-hand with repayable forms of assistance. Students receiving government student loans are also more likely to have bursaries. Bursaries are also larger for those who have government loans.

ii) Other Grants

Just over one-quarter of students (27 per cent) received non-governmental scholarships or grants during the school year. The mean monthly amount across all students was \$92, or \$391 across recipients only.

In this case, age is not a significant factor in incidence, but the monthly amount from grants increases with students' age.

Table 46: Incidence of Government Bursaries and Other Grants During the School Year, by Selected Student Characteristics* (I)

Characteristics	Percentage Receiving Government Bursary or Grant (n=7,773)	Amount of Assistance per Month (Among Bursary or Grant Recipients Only) (\$) (n=1,651)	Total Government Bursaries or Grants (\$) (n=1,973)	Percentage Receiving Other Grants (n=7,777)	Amount of Assistance Per Month (Among Grant Recipients) (\$) (n=2,233)	Total Other Grants (\$) (n=2,583)
All Students	24	472	3,696	27	391	3,070
Age Group						
<18	21	317	2,392	23	363	2,796
18–19	22	339	2,499	33	342	2,747
20–21	20	404	3,306	27	314	2,446
22–23	23	487	3,785	24	394	2,975
24–25	29	472	3,890	25	492	3,572
26–29	32	830	6,897	27	449	3,628
30+	25	470	3,863	21	500	4,155
Institution						
College	21	373	2,841	17	253	1,747
Undergraduate	24	513	3,923	28	348	2,948
Graduate	29	469	4,224	43	663	5,457
Status						
Full-time	28	443	3,502	33	395	3,115
Part-time	9	770	5,786	7	340	2,521
Intended to Work During School Year						
No	32	553	4,455	33	422	2,423
>20 hours	8	366	3,448	12	311	3,082
10–20 hours	18	359	2,677	23	347	2,680
1–10 hours	30	459	3,219	37	405	2,345
Equity Group						
Aboriginal	37	367	2,768	46	481	3,943
Disability	35	487	3,751	28	456	3,483
None	23	426	3,419	27	381	2,986

* Based on students participating in the baseline and at least one wave in each semester.

Monthly figures represent amounts received during the school year, while the incidences and total figures include amounts borrowed prior to the beginning of the school year.

Note that means exclude responses with monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 47: Incidence of Government Bursaries and Other Grants During the School Year, by Selected Student Characteristics * (II)

Characteristics	Percentage Receiving Government Bursary or Grant (n=7,773)	Amount of Assistance per Month (Among Bursary or Grant Recipients Only) (\$) (n=1,651)	Total Government Bursaries or Grants (\$) (n=1,973)	Percentage Receiving Other Grants (n=7,777)	Amount of Assistance Per Month (Among Grant Recipients) (\$) (n=2,233)	Total Other Grants (\$) (n=2,583)
Parental Support						
Yes	17	401	2,908	25	389	3,040
No	29	501	4,069	28	392	3,092
Dependent						
Yes	36	701	5,567	21	433	3,477
No	22	417	3,300	27	387	3,051
Living Arrangements						
Parents	15	324	2,346	23	337	2,605
Spouse	22	509	4,321	19	542	4,196
Alone	38	701	5,447	32	421	3,358
Roommate	32	750	3,738	34	379	3,027
Other	38	338	2,668	38	390	3,240
Government Loans						
Yes	51	523	4,171	33	335	2,593
No	12	358	2,902	24	420	3,355
Province						
British Columbia	22	387	3,141	22	424	3,219
Alberta	26	412	3,430	29	451	3,654
Saskatchewan	16	390	3,177	33	532	3,940
Manitoba	13	329	2,340	25	339	2,581
Ontario	28	424	3,201	36	372	2,987
Quebec	19	673	5,557	9	431	3,130
New Brunswick	29	374	3,007	38	296	2,546
Nova Scotia	16	368	3,097	34	420	3,275
P.E.I./N.L.	26	336	2,465	29	281	2,080

* Based on students participating in the baseline and at least one wave in each semester.

Monthly figures represent amounts received during the school year, while the incidences and total figures include amounts borrowed prior to the beginning of the school year.

Note that means exclude responses with monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Grant recipients and government bursary recipients exhibit similar characteristics: full-time students, Aboriginal students and those working under ten hours a week or not at all are more likely to be grant recipients. Graduate students and those who moved more than 71 km to go to school are also more likely to have received scholarships or grants.

Unlike government bursaries, the receipt of scholarships or grants from other sources is less strongly linked to students' socio-economic circumstances and more related to students' academic grades.

Students in Quebec are least likely to have obtained grants from non-governmental sources. Grant recipients in Saskatchewan or living in urban areas tend to report the largest monthly amounts of this type of support.

e) Credit Cards

Over two-thirds of students (69 per cent) reported borrowing money on credit cards at least once over the course of the study, while 31 per cent had no credit card debt during the school year. Of those that reported having a credit card at the beginning of the school year, 90 per cent had at least some credit card debt during the school year, so the vast majority of credit card holders actively use their cards.

Those who borrowed reported an average monthly credit card balance of \$368 (and a median of \$250), which averages to \$251 among all students (see Table 48). Although students might be making payments against their balance every month, at the end of the year, only 24 per cent of credit card users have zero balance left and the average credit card debt is about \$1,045.

The amount of monthly credit card debt increases steadily with age (with a slight decrease for those aged 30 and over). Full-time students, graduate students and rural students incur higher levels of credit card debt each month. Monthly credit card debt is also higher among those living with a spouse, those with dependants, those with other financial commitments (e.g., cars, mortgages) and those who do not have financial support from their parents. Those who work more hours during the school year and those with higher employment and household income also make greater use of their credit cards on a monthly basis. Credit card debt is also higher among students in Alberta and lower among students in Saskatchewan, Quebec, Prince Edward Island and Newfoundland and Labrador.

f) Multiple Sources of School Year Debt

Only 17 per cent of students did not report borrowing during the school year. Note, however, that this count includes those who reported monthly credit card debt, which may not, in fact, be considered to be debt if it was repaid monthly. Just under half of students (44 per cent) had borrowed from just one

Table 48: Monthly Credit Card Balance During the School Year, by Selected Student Characteristics*

Characteristics	Average Monthly Credit Card Debt (\$) For Students Carrying Balances (n=5,393)
All Students	368
Age Group	
<18	120
18–19	226
20–21	291
22–23	339
24–25	348
26–29	614
30+	561
Status	
Part-time	484
Full-time	326
Parental Support	
Yes	292
No	416
Living Arrangements	
Parents	292
Spouse	544
Alone	443
Roommates	292
Other	314
Type of Program	
College	274
Undergraduate	345
Graduate	628
Dependants	
Yes	499
No	351
Province	
British Columbia	410
Alberta	459
Saskatchewan	327
Manitoba	366
Ontario	351
Quebec	322
New Brunswick	331
Nova Scotia	395
P.E.I./N.L.	249

* Based on students participating in the baseline and at least one wave in each semester.

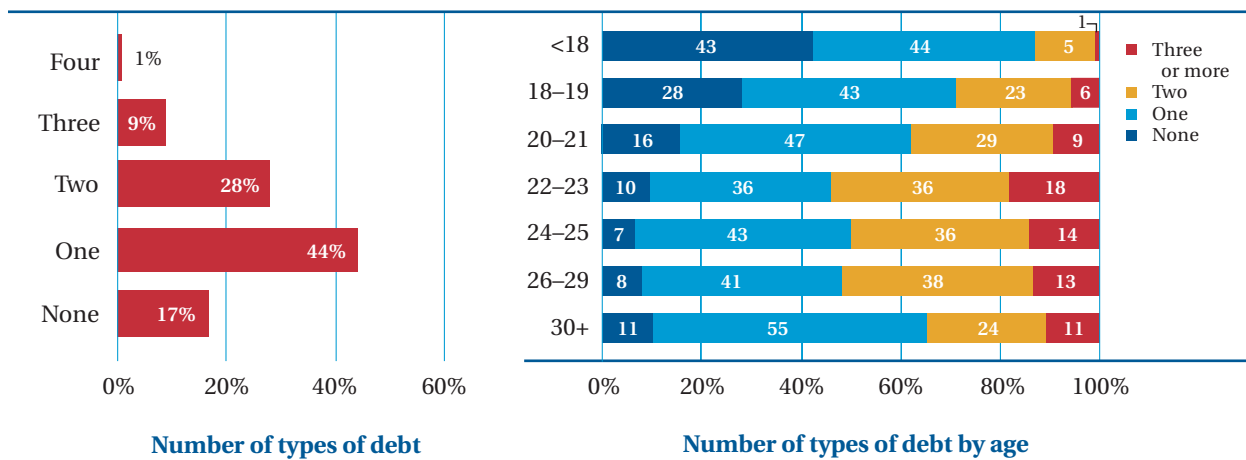
Source: Canadian Post-Secondary Student Financial Survey 2003–04.

source during the school year, while 28 per cent reported two sources of debt; nine per cent reported three sources.

Few students under 18 borrowed money from more than one source during the school year; in fact, 43 per cent of students under 18 have not borrowed from any sources. Just over one-quarter of students

aged 18 to 19 did not access any debt. At age 22 and older, however, students are more apt to be accessing multiple sources of debt (about half of students aged 22 to 29 accessed two or more sources of debt during the school year). Students aged 30 and over cited fewer sources of debt (possibly due to less use of, eligibility for, government student loans).

Figure 7.7: Balance on Multiple Debt Instruments During Year (n=7,842)



Each student was identified as having a balance on 0 to 4 types of debt (credit cards, government loans, private loans/line of credit and loans from family) during the school year.

Based on students participating in the baseline and at least one wave in each semester.

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

8. Financial Picture

This chapter brings together evidence from the baseline survey and monthly waves to create a picture of student finances across the academic year. It examines amounts and sources of income and expenditures reported by students going into the school year and over the course of the school year. We begin by creating timelines of income, expenses and balances carried by students from month to month. Following this, we examine students' overall finances in greater detail to discover the proportions represented by each source of income and expenditure, comparing the patterns reported by different student groups. Finally, we take a snapshot of income accumulated over the year and a final look at overall current debt for post-secondary students.

Readers should note that the findings presented in this chapter come from baseline and monthly reporting of financial information. As explained in the methodology section in the first chapter, we adjusted the figures to correct for certain gaps and

discrepancies. First, in order to work from a common base, we filtered the data to include only those students who participated in the baseline and in at least one monthly wave in each of the fall and winter terms. This left us with 7,864 cases out of the original 9,401 study participants. Second, we excluded credit card borrowing from the income side of the equation, and we decreased credit card users' monthly debt payments by 73 per cent. (This figure represents the average proportion of monthly debt payments that went to credit card payments, as reported by credit card holders in the follow-up survey.) Third, we excluded values that exceeded five standard deviations from all cumulative monthly and annual calculations of means. Finally, we excluded an additional 342 respondents who reported monthly surpluses of \$1,800 or more (or had missing information) from the presentation of separate sources of income and expenditures, leaving 7,511 cases in the analysis.

8.1 Budget Patterns Over the School Year

Employment is students' most important source of income. Employment earnings started out high in the baseline survey, as a result students' savings from summer employment. After that, employment earnings are largely flat throughout the year.⁴⁷ The pattern is different for full-time and part-time students. Among full-time students, earnings start high but then drop to \$300 to \$350 per month over the year, with a small spike in December. Part-time students show a lower level of savings from employment during the summer (closer to \$1,900) and an even flatter distribution over the year, at about \$1,250 to \$1,300 per month.

Income from parents shows a large spike at the start of the school year and then a smaller one in December, presumably from holiday gifts. Parental contributions decline slightly towards the end of the academic year.

Income from government loans fluctuates considerably during the academic year. The largest sums are received at the baseline and in September. Income from government loans declines for the rest of the term and spikes again in January, followed by a sharp fall in the remaining months. Income from private loans also shows an initial spike at the start of the school year and then in January, but declines more gradually during the remaining months.

47. It should be noted that although April results have been imputed throughout the report where annual total amounts are cited, this has not been done in this temporal view of monthly expenditures and income or in any other area of the report that focuses on monthly average amounts.

Students draw on savings most heavily in September and then in even amounts month to month throughout the first term. The amount they draw from savings drops steadily each month during the second term.

Support from other family members, including spouses, shows the same pattern as support from parents, with an initial spike in the baseline and September and another in December (likely from money received as gifts during the holiday period).

Income from government bursaries starts high at the baseline and in September, and then flattens before peaking in January.⁴⁸ Other grants also display a large infusion at the baseline, higher amounts in September and January, and a decrease toward the end of the academic year.⁴⁹

Loans from parents and other family members are high at the baseline and in September, increasing again in January, and then decreasing slightly at the end of the academic year.

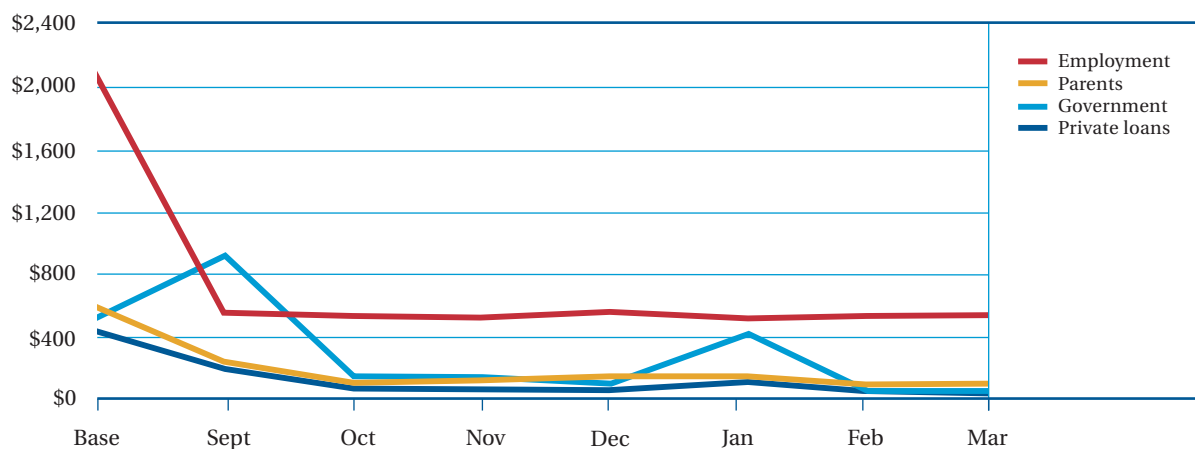
Students seem to cash in most of their investments before the school year begins; they draw some money from their investments in January but little else throughout the academic year.

While payments from child support and government assistance remain flat across the year, other types of income (received by only a few students) show substantial spikes at the baseline and in March (possibly due to tax refunds).

Overall, these patterns are similar to those students registered in 2001–02 in *Making Ends Meet*; the predecessor to this study.⁵⁰

Most categories of expenditures show large spikes at the beginning of the school year and then remain fairly flat across the school year. Accommodation, for example, shows a hike at the baseline and in September but otherwise remains steady throughout the seven months. Tuition and education costs, including books, computers and equipment, are very high at the baseline, in September and in January.

Figure 8.1: Average Monthly Amounts of Income Over the Year (n=7,511) (I)

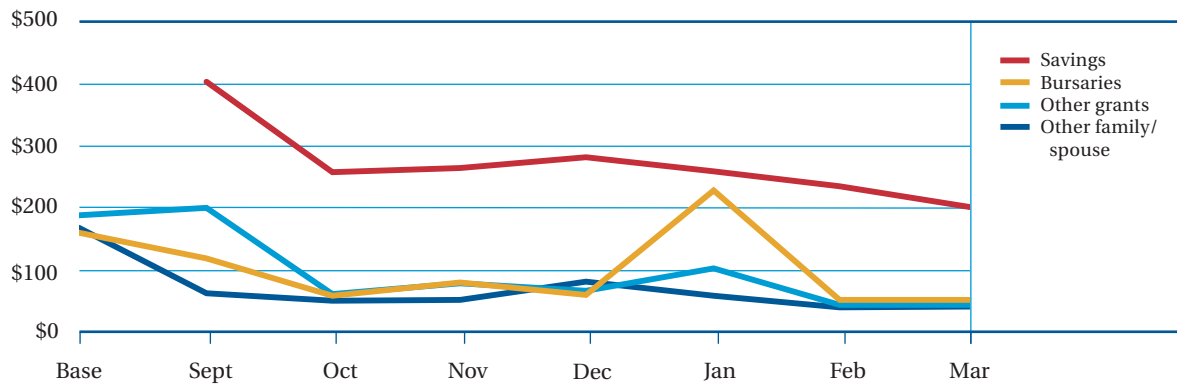


Source: Canadian Post-Secondary Student Financial Survey 2003–04.

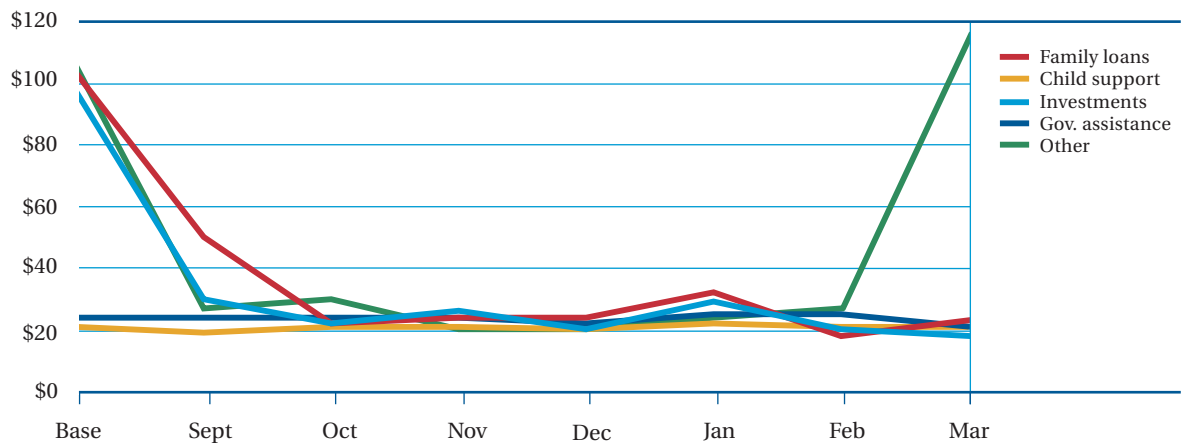
48. This figure probably includes research grants from national granting councils such as NRC and SSHRC, at least for graduate students, or is linked to the student aid distribution cycle. It does not include grants and scholarships from educational institutions.

49. Likely includes scholarships and grants from educational institutions.

50. *Making Ends Meet*, Canada Millennium Scholarship Foundation, 2003.

Figure 8.2: Average Monthly Amounts of Income over the Year (n=7,511) (II)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.3: Average Monthly Amounts of Income over the Year (n=7,511) (III)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

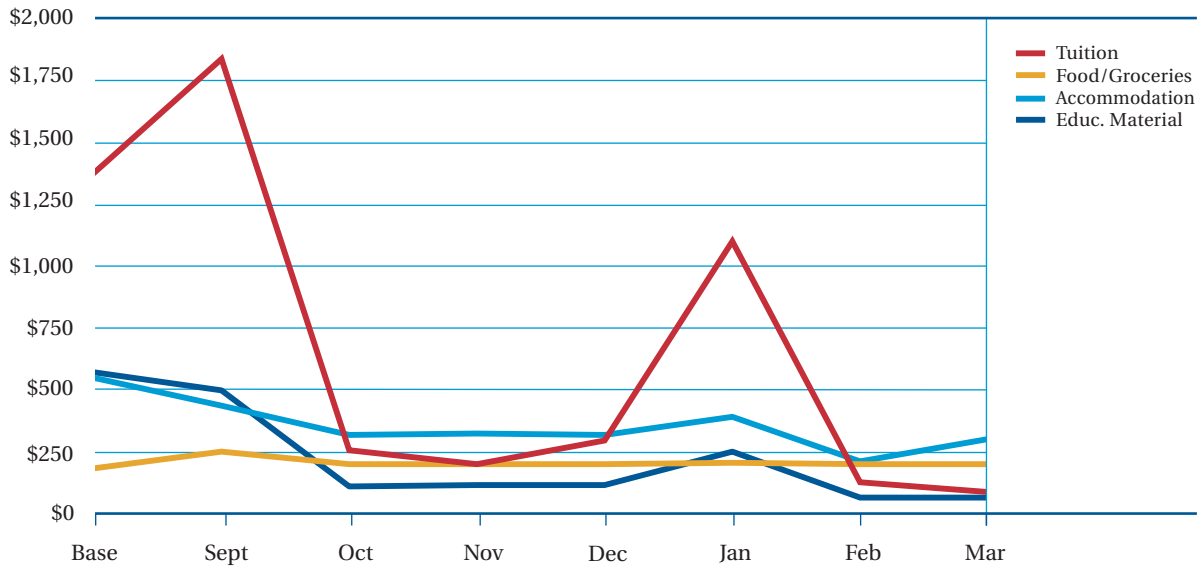
Prepayments for meal plans and payments for food and groceries are slightly higher in September and then remain flat for the rest of the year.

Transportation expenses are highest before the school year begins, and to a lesser extent in September, followed by a relatively flat pattern across the year. Such a steep hike at the beginning of the school year can be explained by airfares, new vehicles and other relocation expenses.

Household expenditures are also highest at the beginning of the school year, presumably due to one-time expenses (such as furniture, supplies and moving expenses). Household expenditures decrease each month starting with October.

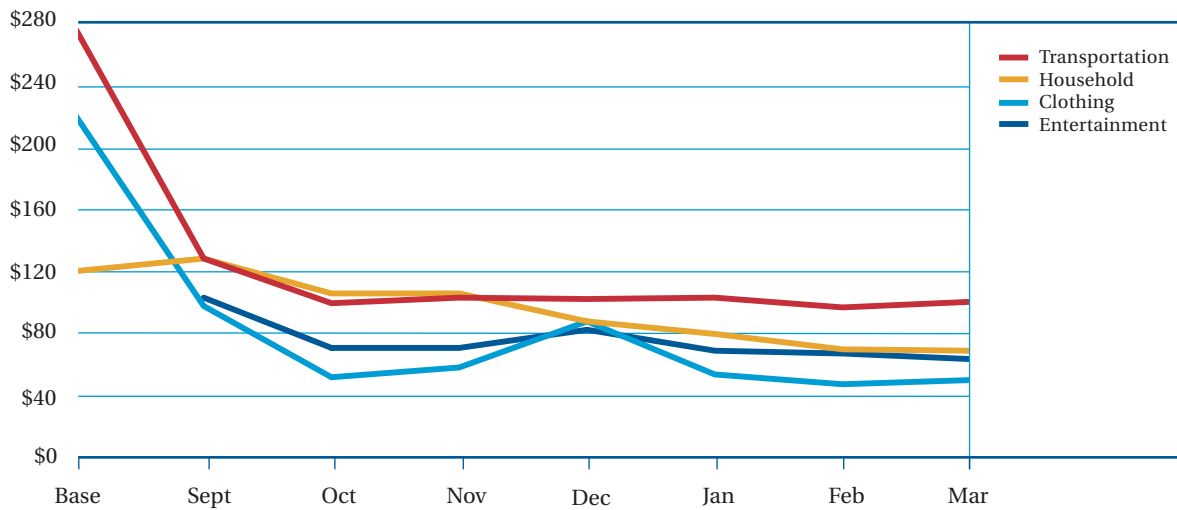
Students buy clothing in concentrated periods at the baseline, in September and in December. Since entertainment is not normally paid for in advance, we did not ask students about this expense in the

Figure 8.4: Average Monthly Amounts of Expenditure Over the Year (n=7,511) (I)

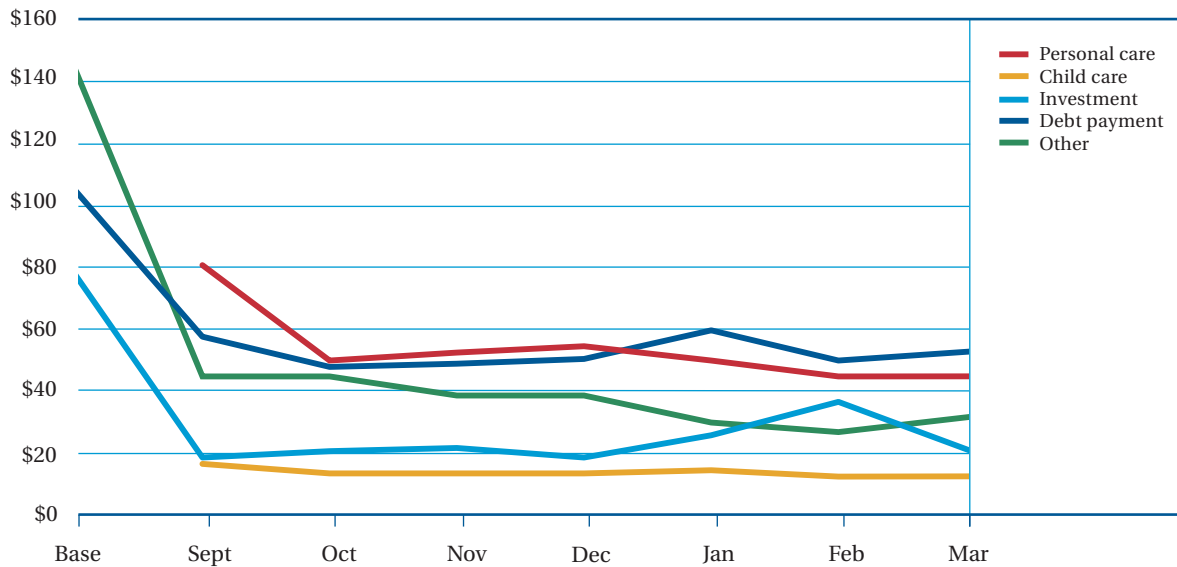


Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 8.5: Average Monthly Amounts of Expenditure Over the Year (n=7,511) (II)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 8.6: Average Monthly Amounts of Expenditure Over the Year (n=7,511) (III)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

baseline. Entertainment expenses peak in September and December.

Students invest more money at the baseline and then again in February (during RRSP season). Personal care and other types of expenses, such as child care, are not normally paid in advance, so we did not ask students about these expenses in the baseline survey. A spike in personal care for the month of September is followed by a continuous decrease from December.

“Other expenses” are highest at the baseline, declining slowly towards the later months of the school year. Debt payments are initially larger at the baseline and then fluctuate little until the end of the year. Overall, students’ expenditure patterns resemble those measured in 2001–02 in *Making Ends Meet*.⁵¹

One purpose of this month-to-month analysis of students’ income and expenditures was to find out if or when during the school year students’ needs exceed available resources. The following graphs⁵² illustrate students’ financial situation going into the school year and from month to month before and after borrowing. The baseline indicates that despite

savings from summer earnings, the average student has no real surplus in covering educational costs before the start of the academic year. In fact, the average student is in the red by over \$1,150 in the month of September and again by \$460 in the month of January. If government and private loans were excluded from students’ income, this deficit would continue across most of the academic year, except for the month of March.

In reality, however, almost three-quarters of students receive government or private loans. After borrowing, the average student has a \$945 surplus going into the school year. After the baseline, the greatest expenditures are required in September and December. In these months, students are either \$70 in debt or have no real income left after paying their bills. In November, February and March, however, the average student has a surplus. In these months, students’ income (including government and private loans) exceeds their needs by \$69 to \$173.

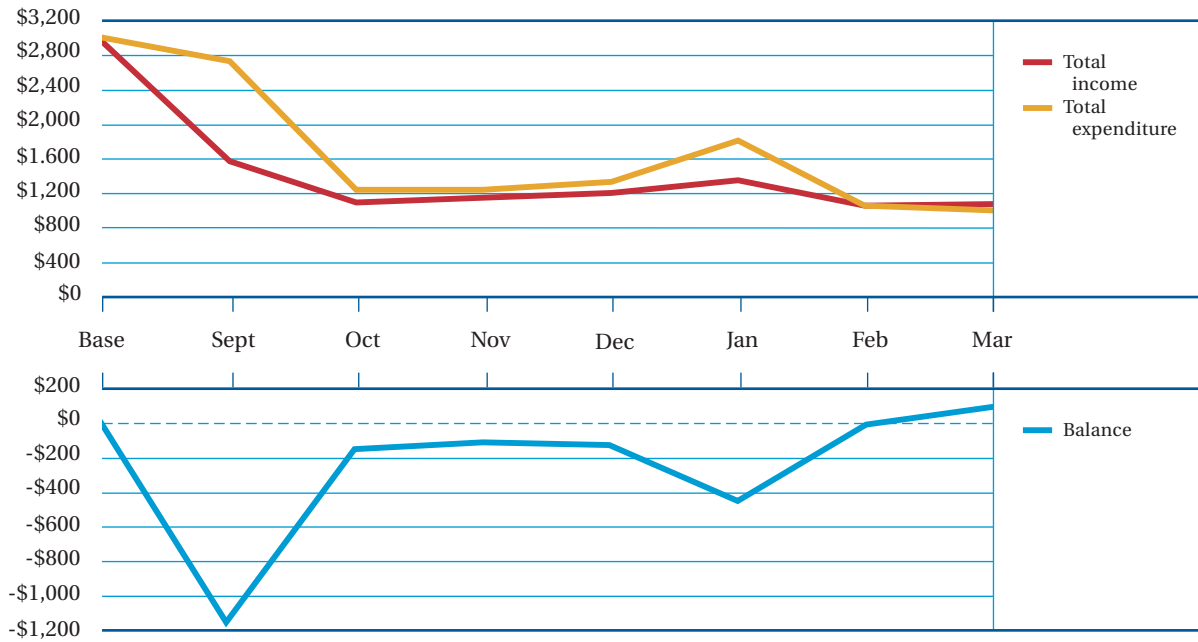
These are almost exactly the same patterns recorded during the 2001–02 academic year in *Making Ends Meet*.⁵³

51. *Making Ends Meet*, Canada Millennium Scholarship Foundation, 2003.

52. Values that exceed five standard deviations are excluded from the means of total income, expenditure and balance.

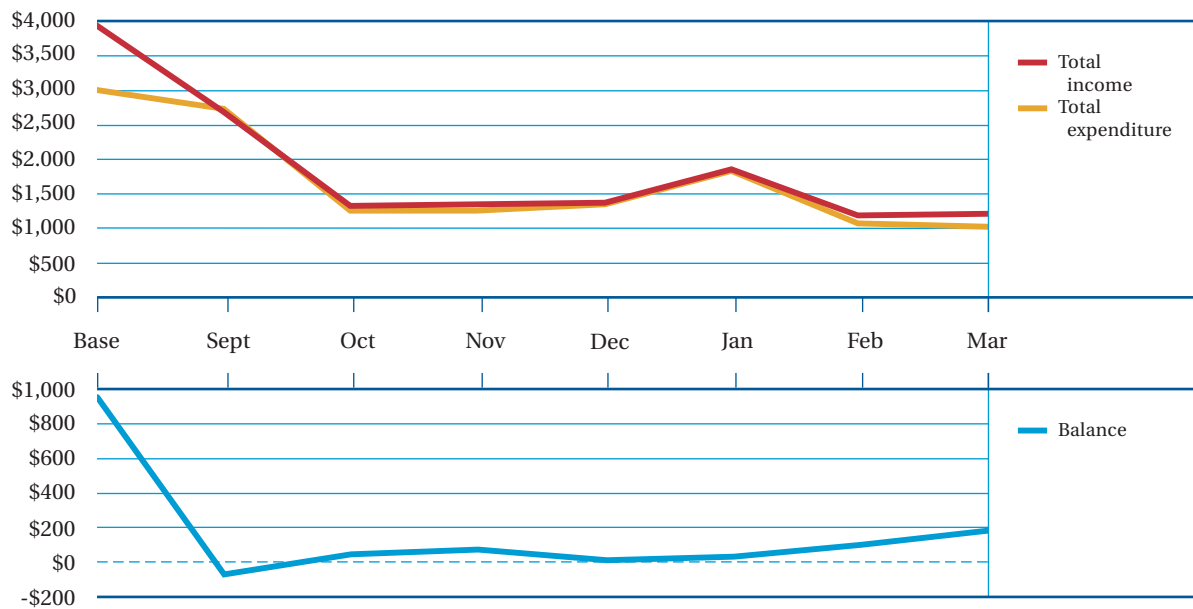
53. *Making Ends Meet*, Canada Millennium Scholarship Foundation, 2003.

Figure 8.7: Total Income, Expenditure and Balance over the Year (Before Borrowing) (n=7,511)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.8: Total Income, Expenditure and Balance over the Year (After Borrowing) (n=7,511)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

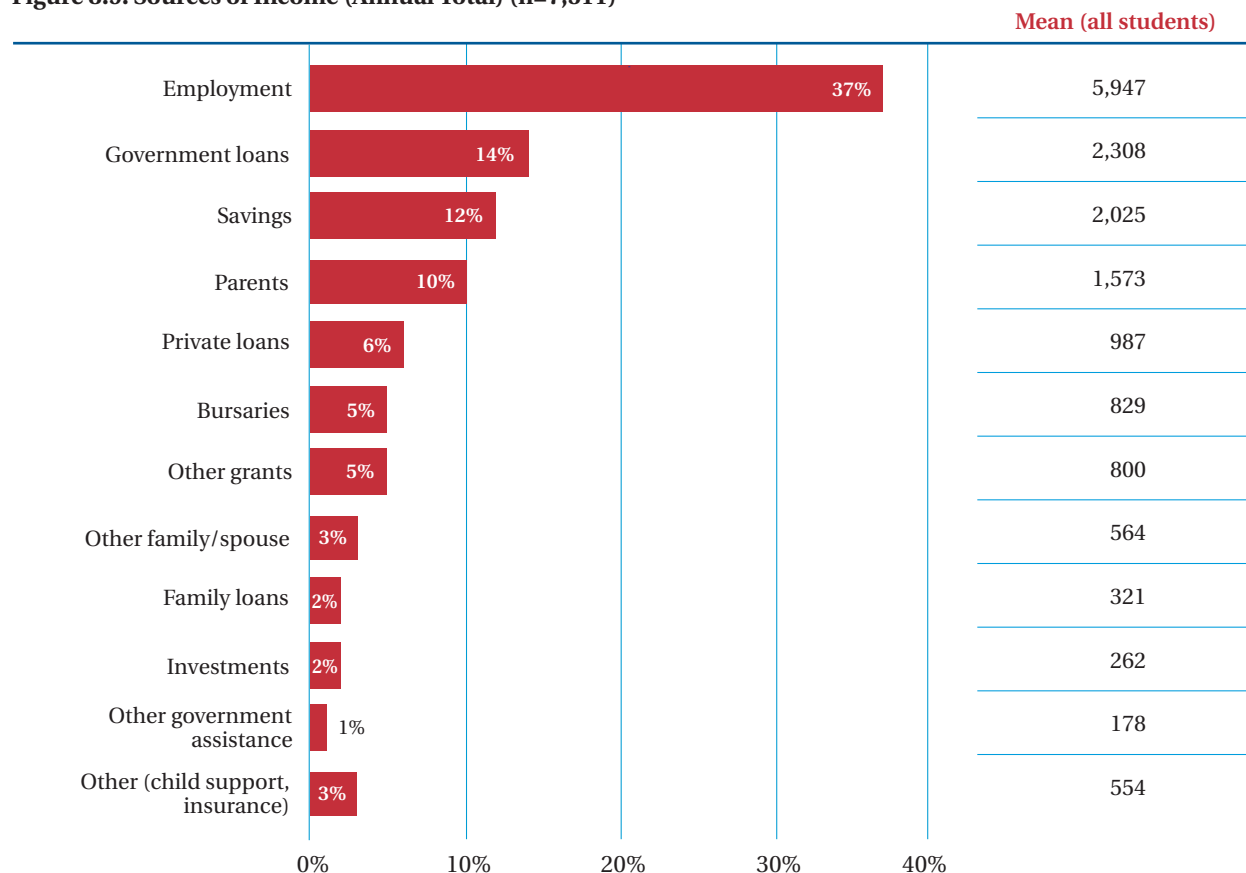
8.2 Sources of Income and Expenditures

This section explains where students get their income and how they spend it. Employment earnings make up the largest portion of students' income, at 37 per cent. When averaged among all students (including those who do not have jobs), employment income is \$5,947 for the year. Government loans make up the next largest share of students' annual income, at 14 per cent, with an overall mean of \$2,308 across all students. When loans are combined with the five per cent of income that comes from bursaries, total government support represents 19 per cent of the funds reported by all students. Savings make up the next largest proportion of income at 12 per cent, with an average value of \$2,025 across all students. Together with the annual investment income of \$262, these sources constitute 14 per cent of all income. Parents contribute 10 per cent of students'

income, for an overall mean of \$1,573 among all students (including those without parental support). Parents and other family members together give or lend students 15 per cent of their income (or just over \$2,450 for all students). Private loans make up the next largest proportion of students' income, at six per cent. If one counts other grants, total support from private sources goes up to 11 per cent and averages just over \$1,780.

If all repayable forms of income (i.e., loans from government, private sector and family) are removed, employment then makes up 46 per cent of students' annual income while savings make up 16 per cent. The proportion contributed by parents goes up to 12 per cent. All other sources make up one to three percentage points more than the figures represented below.

Figure 8.9: Sources of Income (Annual Total) (n=7,511)



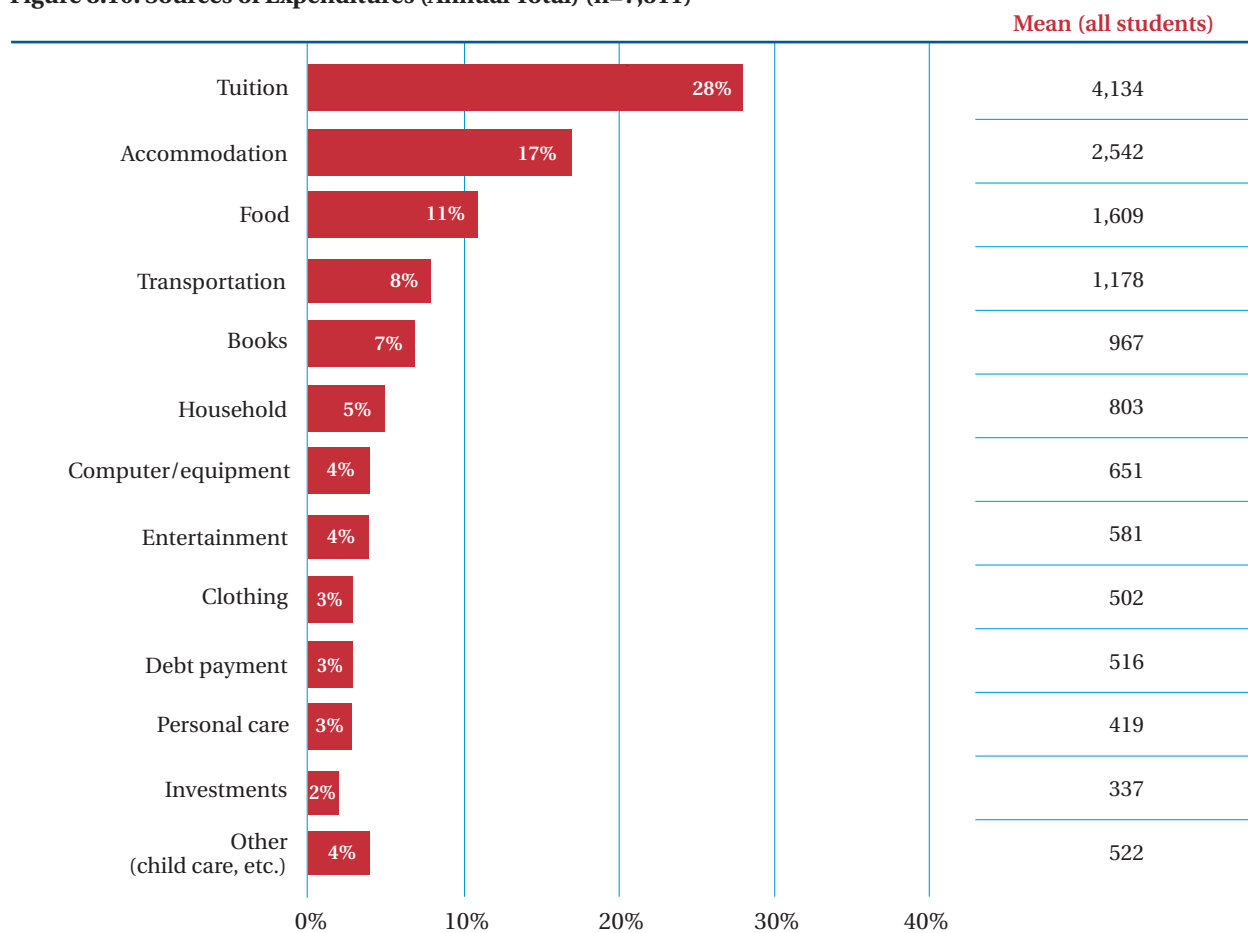
Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Most average amounts from various income sources are higher than those measured in *Making Ends Meet* for 2001–02, but the rough order of magnitude is the same and the rankings of percentages are also similar. Since *Making Ends Meet* did not record income from savings, the most direct way of comparing the two studies may be to combine the current study's figures for savings and employment, to represent about one-half of all income. In 2001–02, *Making Ends Meet* found that employment income represented 40 per cent of all income.

Students' largest expenditure is tuition, representing 28 per cent of the average student's costs.

This figure is so high because all students have educational costs, while only some have to pay for accommodation, transportation, food and so on.⁵⁴ The average student spends \$4,134 on tuition. Accommodation is second at 17 per cent, or \$2,542 for the year among all students. Food accounts for 11 per cent of annual expenditures. Transportation constitutes eight per cent of expenditures for the year, averaging \$1,178 across all students. Books make up the next largest share of students' expenditures, at seven per cent, with an overall mean of \$967 across all students. Including the four per cent of expenditures for computers and equipment, the total cost of

Figure 8.10: Sources of Expenditures (Annual Total) (n=7,511)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

54. Although there are accommodation, transportation and food costs associated with these students, the students are not paying these costs. Undoubtedly, some actual costs associated with students are not captured in this study, because this study focused exclusively on student expenditures.

educational materials rises to 11 per cent. If tuition and educational materials are collapsed together, the cost of education accounts for 39 per cent of annual expenditure and averages just over \$5,750 per year. Clothing and entertainment together account for seven per cent, or \$1,000, averaged among all students. Personal care and debt payment each account for three per cent of overall expenses,

while child care and “other expenses” account for four per cent of annual expenses.

Average amounts for two-thirds of these sources of expenditure are also higher in the current study than in *Making Ends Meet* for 2001–02, but percentage distributions of expenditures are again very similar.

8.3 Average Monthly Incomes and Expenditures

This section examines simplified patterns of monthly income and expenses for different segments of the student population. Income is collapsed into six sources:

- employment earnings
- government (including loans and bursaries)
- savings and investments
- private sector (including loans and other grants)
- family (including loans and other support from parents, spouses and other family members)
- other (including other government assistance, child support, insurance and other sources of support common to only a small proportion of students).

Expenditures are collapsed into seven sources:

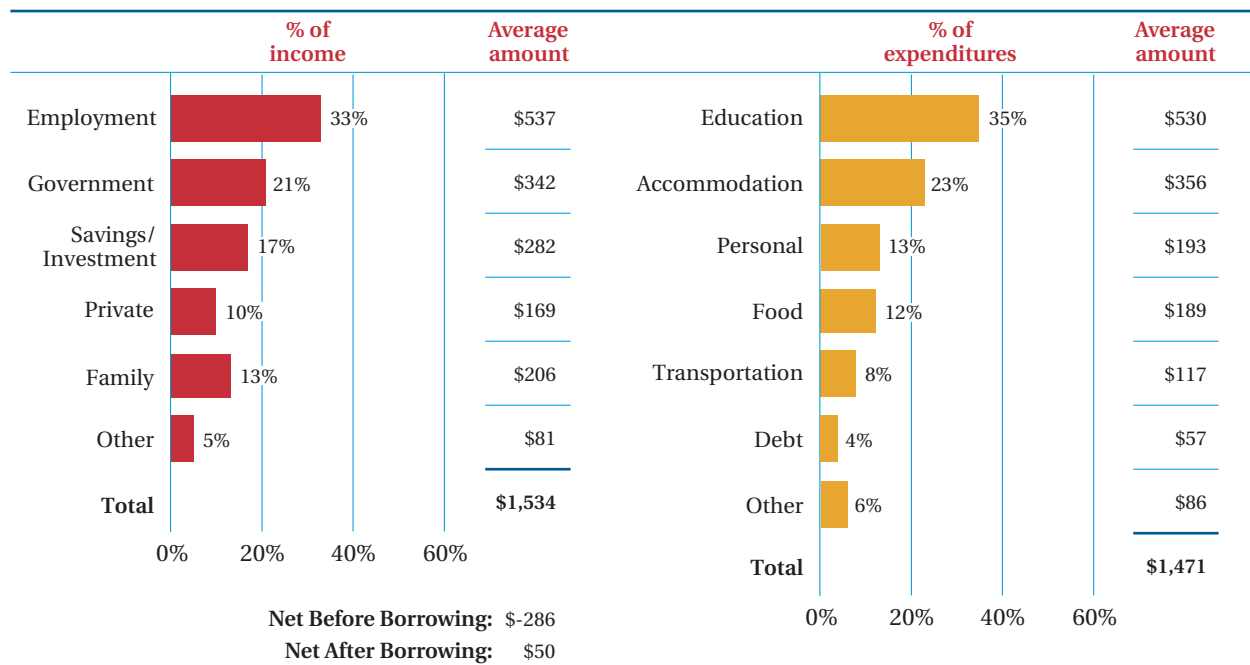
- education (including tuition and educational materials such as books, computers and equipment)
- accommodation (including utilities and household supplies and services)
- personal (including personal care, entertainment and clothing)
- food (including groceries, dining out and pre-paid meal plans)
- debt payment
- transportation (including car expenses and public transit)
- other (including child care and other expenses reported by few students).

We have shown these sources of income and expenditures as percentages of all students’ average monthly income and expenditures. We have also shown average monthly totals and net balances before and after borrowing.⁵⁵ Figure 8.11 repackages much of the information discussed in previous sections looking at the financial pattern for an average month.

Overall, employment is the largest source of income in any given month, followed by government support, income from savings and investments, family, and then private loans and grants. Education remains by far the biggest expenditure across the year at 35 per cent, followed by the cost of accommodation and household expenses (23 per cent of average monthly expenditures). Personal expenses and food account for similar proportions of monthly expenses (13 and 12 per cent, respectively). While students’ monthly income averages about \$1,530, their living costs are about \$1,470. The bottom line is that students, on average, are left with \$50 per month after borrowing from government, private and family sources. Taking loans out of the equation, students have a monthly deficit of over \$280 per month.

Income and expenditures are somewhat higher than recorded in 2001–02 in *Making Ends Meet* (where monthly income totalled \$1,195 and monthly expenditures totalled \$1,251 for all students). On the other hand, the balance before borrowing is similar, as is the balance after borrowing (which was a negative balance of \$56 in 2001–02).

55. Note that monthly totals and net balances are not a simple sum of monthly average amounts presented in the graphs but are calculated on a case-by-case basis.

Figure 8.11: Monthly Income and Expenditures — All Students (n=7,511)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

a) Age

As we have seen throughout the study, age is strongly linked to students' financial circumstances. Looking across the seven age groups, the first difference that stands out is the steady rise in monthly living costs, from \$693 among those under 18 years old to \$2,283 per month among students over 30 years of age. The percentage distribution of average monthly incomes and expenditures among 18- to 19-year-olds resembles that found among the 20 to 21 and 22 to 23 age groups. Older students are more likely to depend on employment income and less on government loans. The second notable difference is the monthly net balance, which stays on the positive side after borrowing for all age groups and rises until age 26 to 29 and then declines sharply at age 30. The pre-borrowing deficit also increases until age 24, drops down for the 24–29 age group and then rises again for the age cohort of 30 and over.

Looking at the income side of the equation, employment plays a large role among older students (24 and older) only. For other age groups, the proportion of income from employment is only a few percentage points more than government support. The amount of monthly employment earnings steadily increases as age increases, from about \$220 among those under 18 years old to over \$1,250 per month among students over 30 years of age. There is also a steady increase in the average monthly amount (and, to a lesser degree, in the proportion of monthly income) contributed by government until the age of 30. As a proportion of income, family contributions decrease with age until age 24, after which point they level out. But in absolute terms, family support stays relatively flat, at about \$200 per month, except for students in the 24 to 25 age group, who receive about \$50 less. Interestingly, income

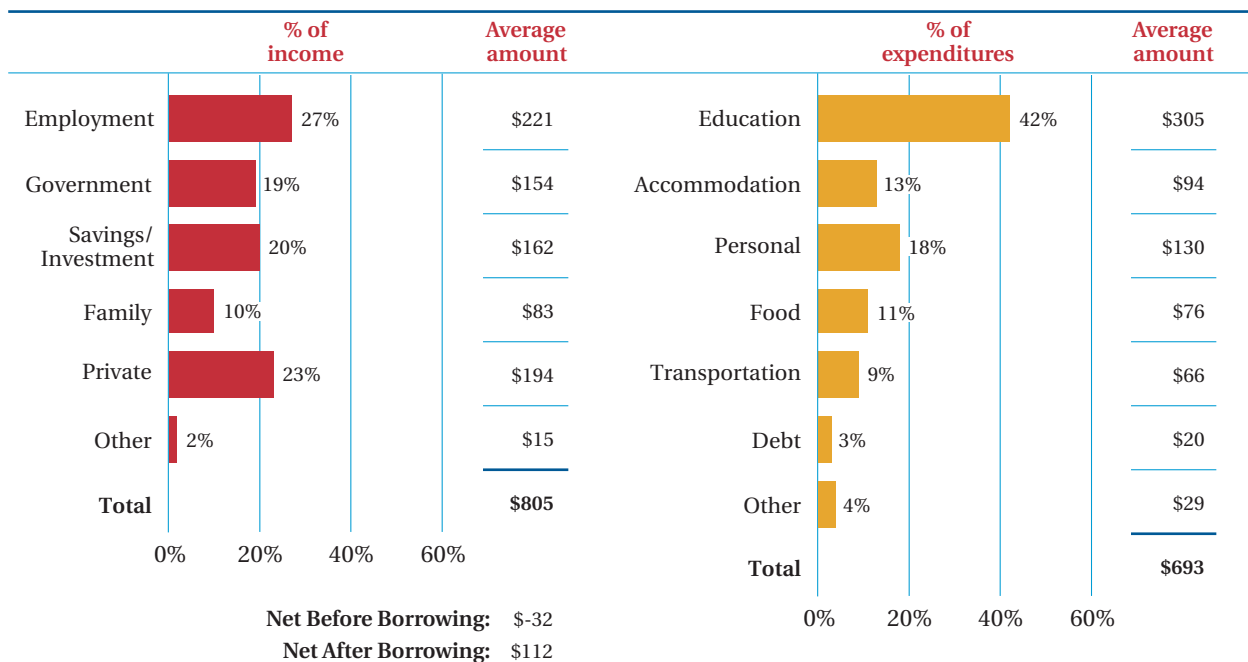
from private sources accounts for a relatively stable proportion of monthly income across all age cohorts, except among the oldest age group, where it drops to seven per cent. Younger students have the largest proportional contributions (but not the largest absolute amounts) from investments and savings. This is perhaps explained by availability of RESPs and other types of savings during the first years of post-secondary education.

On the expenditure side, as students age, the proportion of expenses claimed by accommodation steadily increases, from \$94 per month (13 per cent of expenditures) to \$763 per month (32 per cent). Education expenditures show a more complicated pattern. The proportion of monthly expenditures that go toward education steadily decreases, from 42 per cent for the youngest age group to 22 per cent

for the oldest age group. In dollar terms, however, education expenses rise from \$305 for students under 18 years of age to \$597 per month for students aged 22 to 23. The monthly cost of education then drops and varies little among the older age groups.

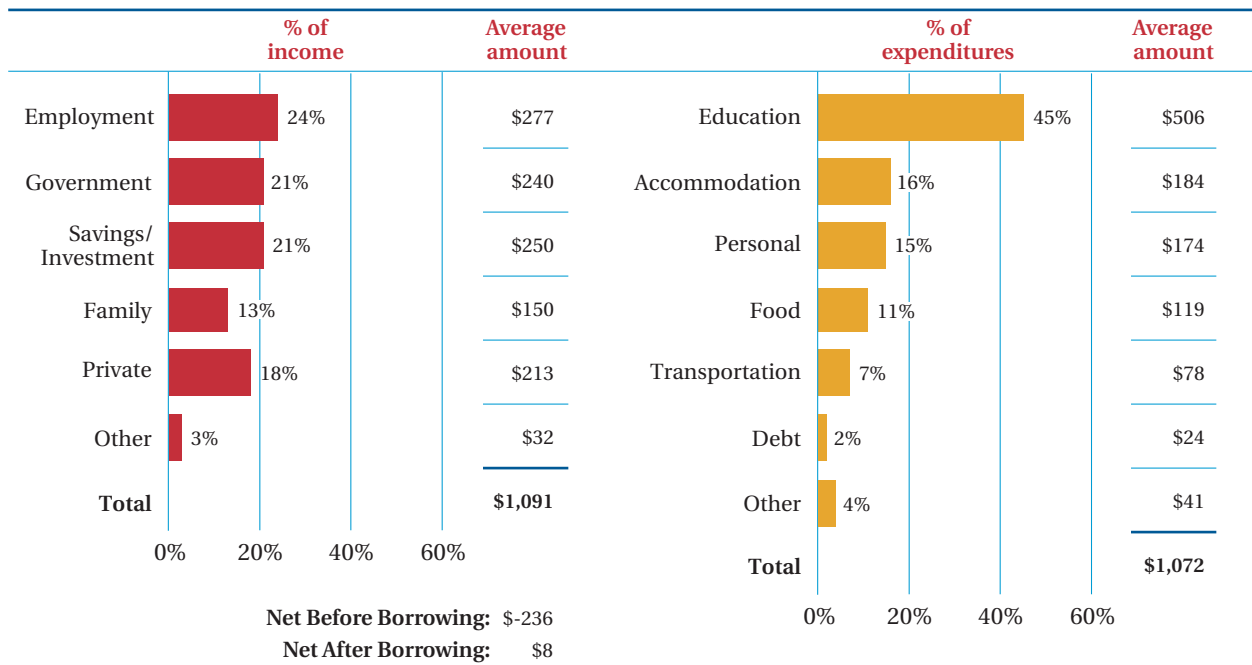
Personal expenses increase slightly with students' age, but they decrease as a proportion of overall expenditures because the total amount of expenditures also rises. Food expenses remain flat at 11 per cent among younger students and rise to 13 to 14 per cent of monthly expenses for students over 22 years of age, but the absolute amount spent on food rises steadily with age. The same is true for transportation costs, which remain relatively flat at seven to nine per cent of monthly expenses for most age groups. Debt payment increases marginally with students' age.

Figure 8.12a: Monthly Income and Expenditures by Age — <18 (n=270)



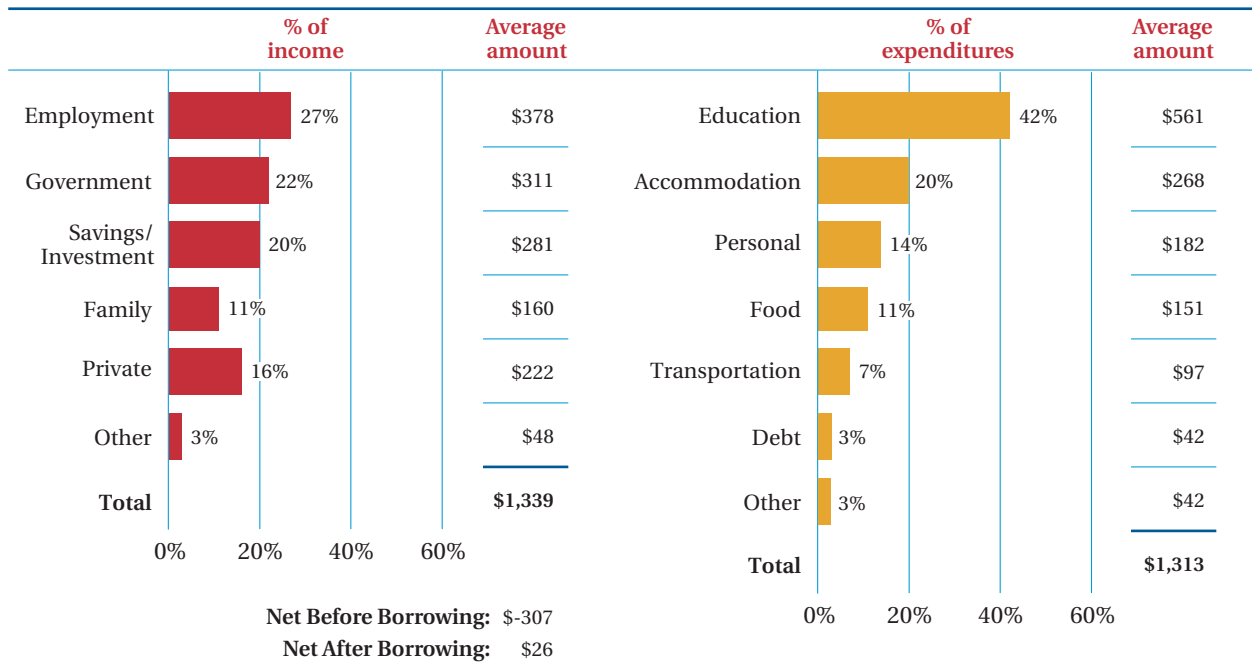
Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.12b: Monthly Income and Expenditures by Age — 18–19 (n=1,878)

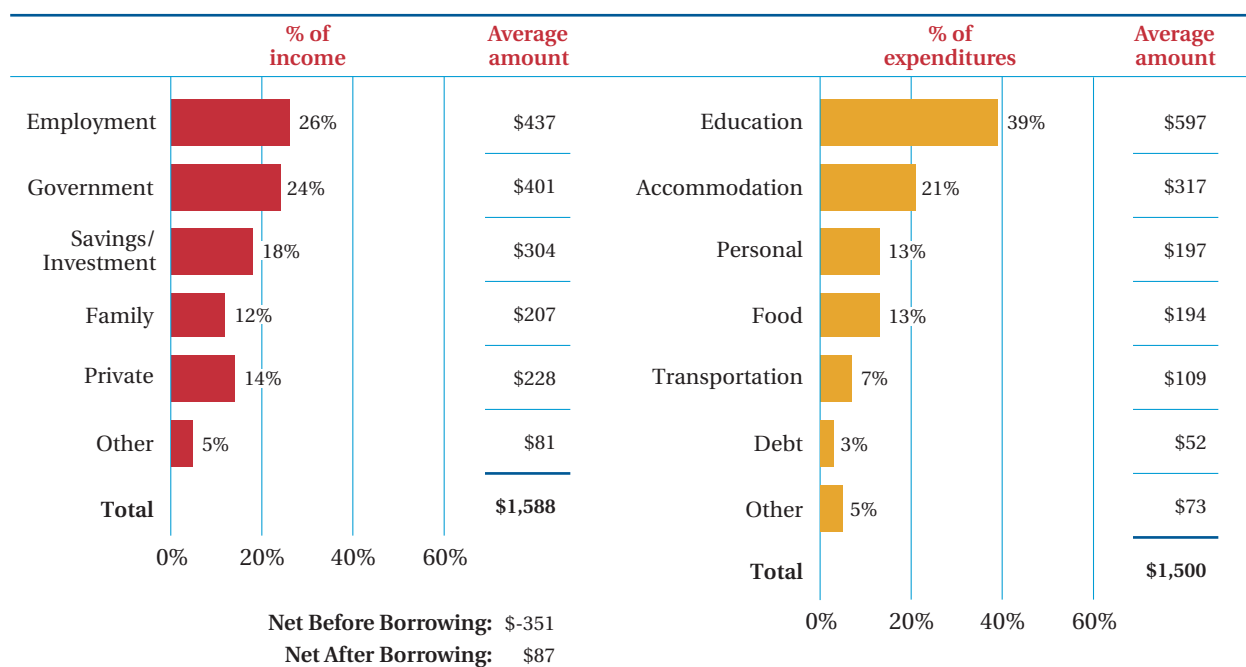


Source: Canadian Post-Secondary Student Financial Survey 2003–04.

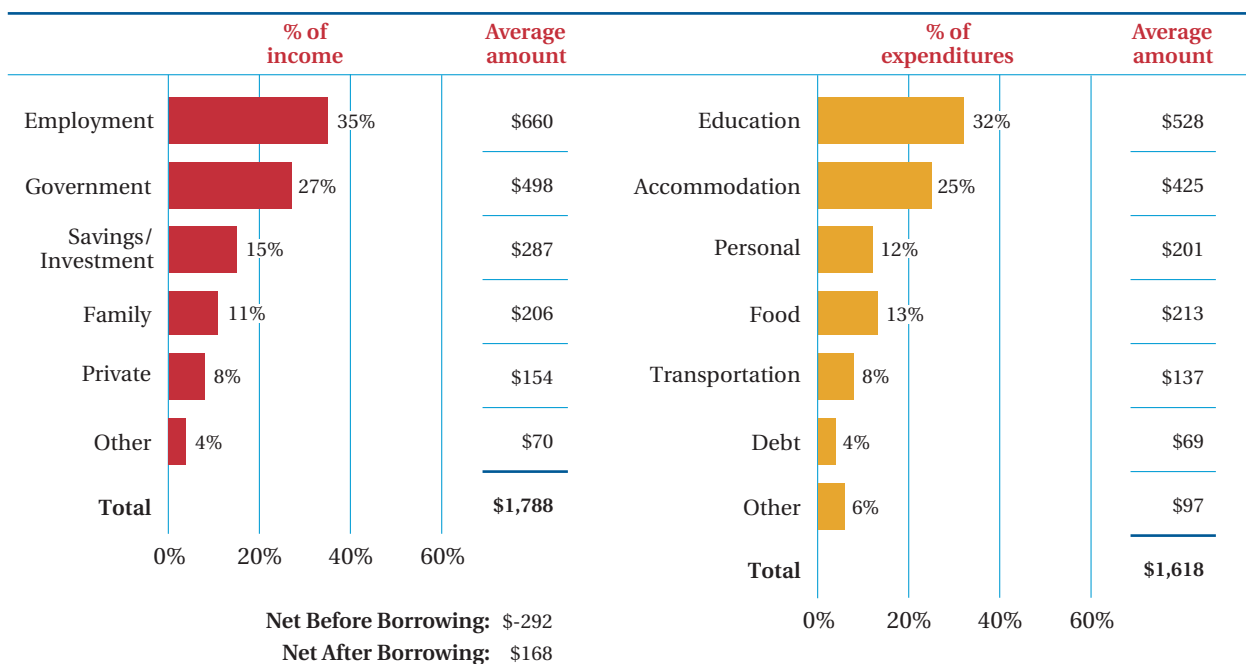
Figure 8.12c: Monthly Income and Expenditures by Age — 20–21 (n=1,966)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

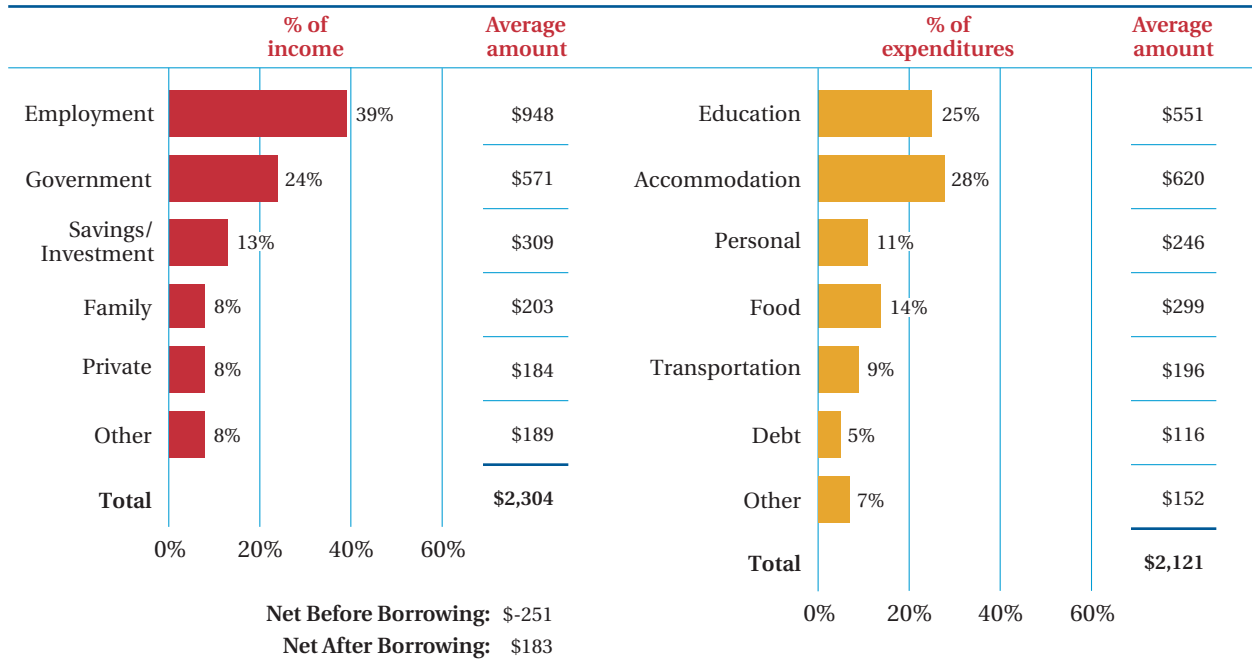
Figure 8.12d: Monthly Income and Expenditures by Age — 22–23 (n=1,228)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.12e: Monthly Income and Expenditures by Age — 24–25 (n=639)

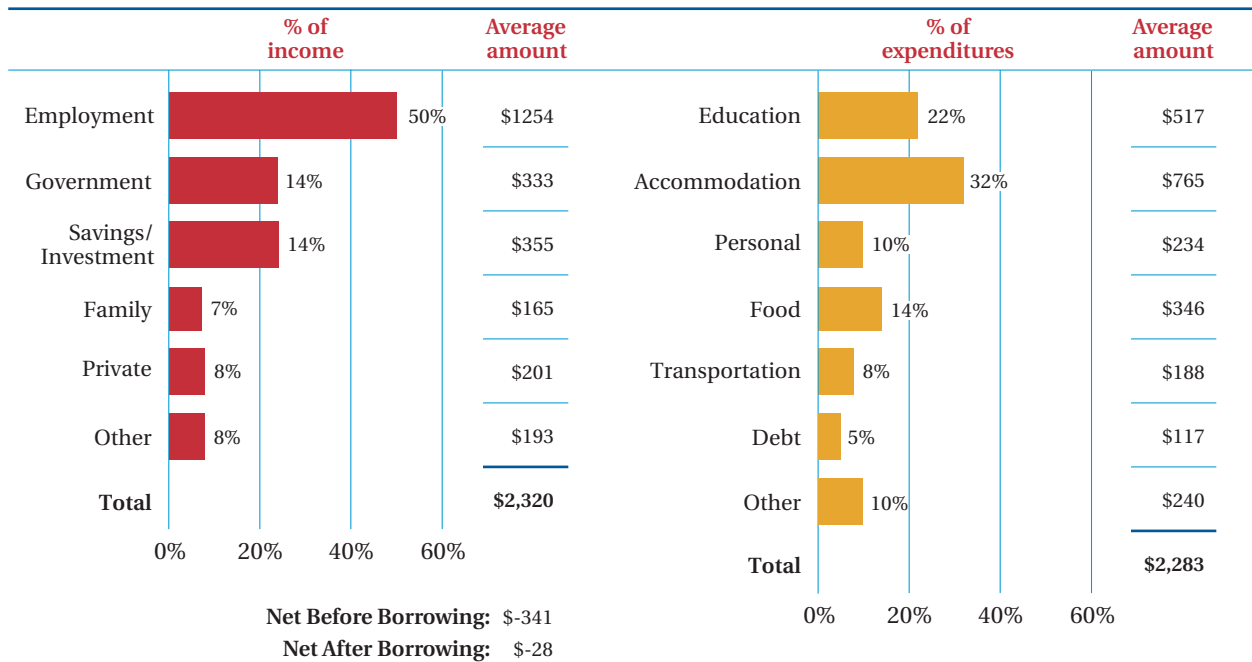
Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.12f: Monthly Income and Expenditures by Age — 26–29 (n=610)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.12g: Monthly Income and Expenditures by Age — 30+ (n=779)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

b) Living Arrangements

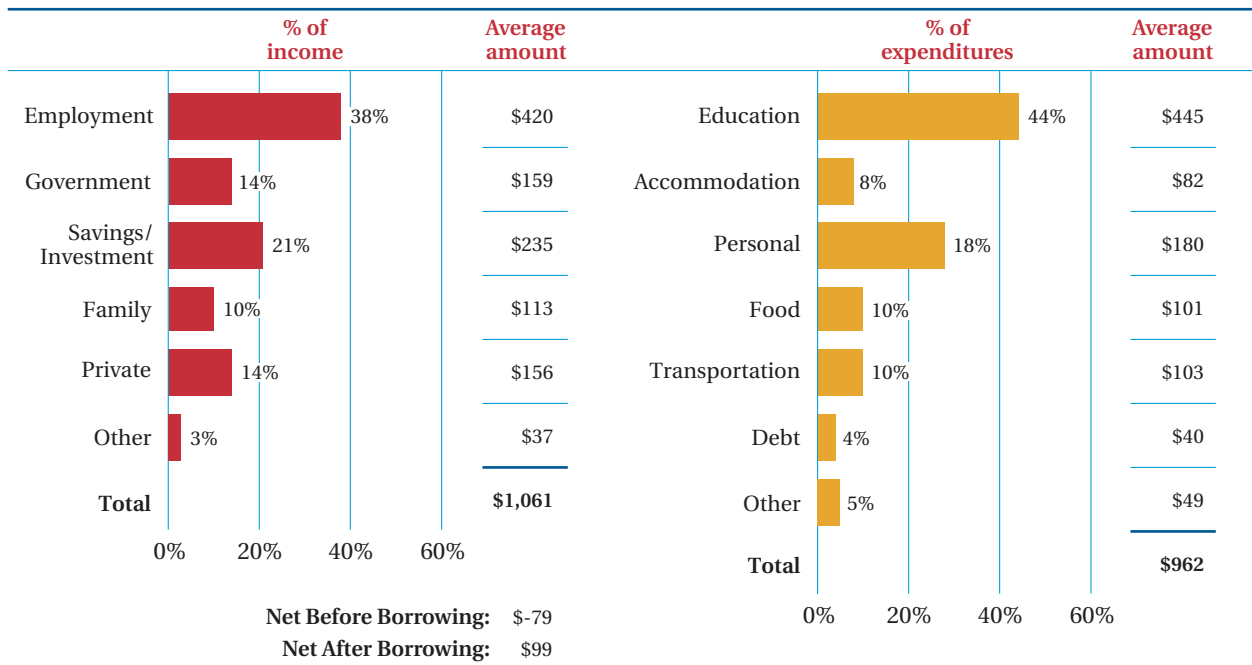
Living arrangements, which have a huge impact on students' financial circumstances, depend a great deal on age. Younger students are most likely to reside with their parents or with roommates, while their older counterparts tend to live alone or with a spouse. Not surprisingly, then, students who live with their parents have both substantially lower incomes (a monthly average of \$1,061) and living costs (a monthly average of \$962) than the rest of the student population. Those living with roommates have much lower monthly revenues (\$1,633 per month, after borrowing) than students who live alone or with a spouse (between \$2,163 and \$2,196 per month, after borrowing). Taking loans out of the income side of the equation, those living with their parents have the smallest negative balance, while those who live with roommates are again in the worst position, with a negative balance of \$569 per month.

On the income side, students living with roommates report the lowest employment earnings, at \$304 per month, while those living with spouses report the highest earnings, at \$1,148 per month (49 per cent of their monthly income). This is as expected, since students with spouses tend to be older students who command higher wages; they are also more likely to attend school part-time. Government support is quite low among those living at home or with a spouse (14 and 12 per cent of average monthly income), but is a primary source of income for students who live alone (\$673 per month and 30 per cent of average monthly income) or with roommates (\$542 monthly and 32 per cent of all monthly funds). Investments and savings account

for higher proportions of average monthly income among students who live with their parents, but students who live with their spouses or alone withdraw the largest amounts from their savings (about \$314 each month). Monetary support from family is lowest among those living at home (\$156 per month), although these students receive in-kind support. Students living with roommates report the highest level of family support, at about \$270 per month. Income from private sources is higher among students who live alone or with roommates, representing 11 to 14 per cent of income, at about \$240 per month.

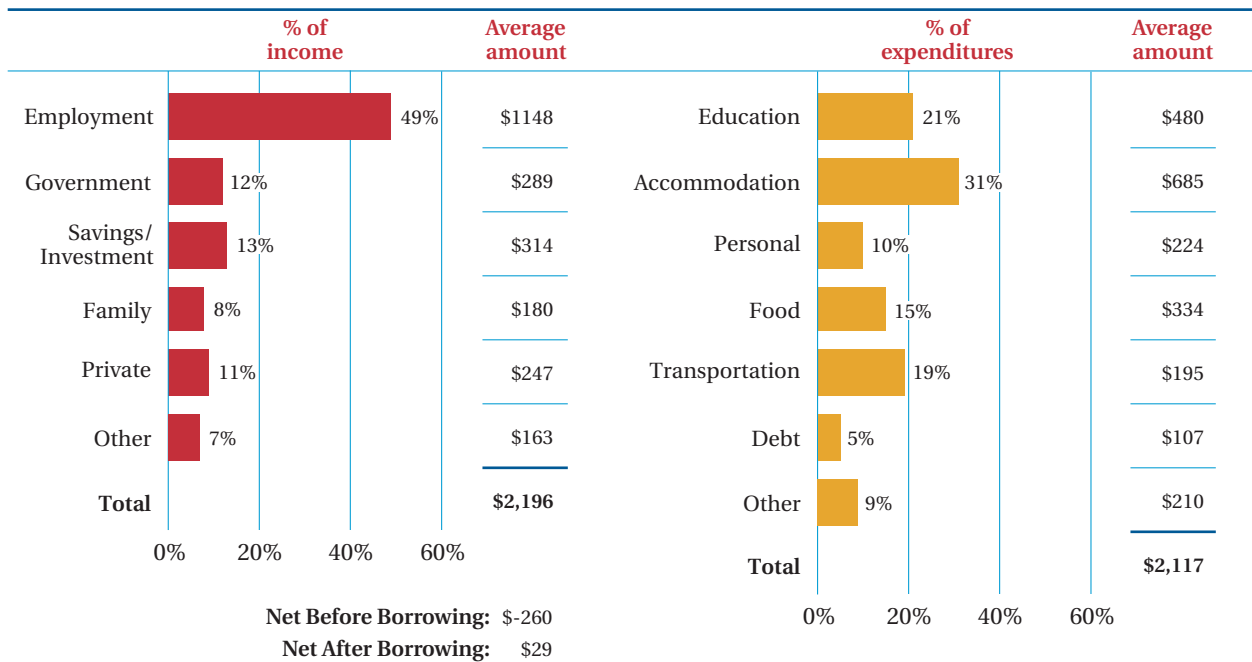
On the expenditure side, those who live with parents spend the least on accommodation (at \$82 per month), even if some students do pay for room and board or at least some utilities. We asked students to report only the expenses for which they are personally responsible, but the average accommodation bills for those living alone and those living with a spouse are similar (\$701 and \$685 per month, respectively). Educational expenses are highest for those living with roommates and for those living alone, at \$676 and \$619 per month, respectively. Food costs, like accommodation, are low for those living with parents (at about \$100 per month). Students living with spouses pay the most for food (\$334 per month, on average), presumably because some also have dependants. Transportation costs are lowest for those who live with roommates, perhaps because they tend to live near school. Debt payments are highest for those living with a spouse (who are typically older students) and lowest for students who live with parents or roommates.

Figure 8.13a: Monthly Income and Expenditures by Living Arrangements — Parents (n=2,105)

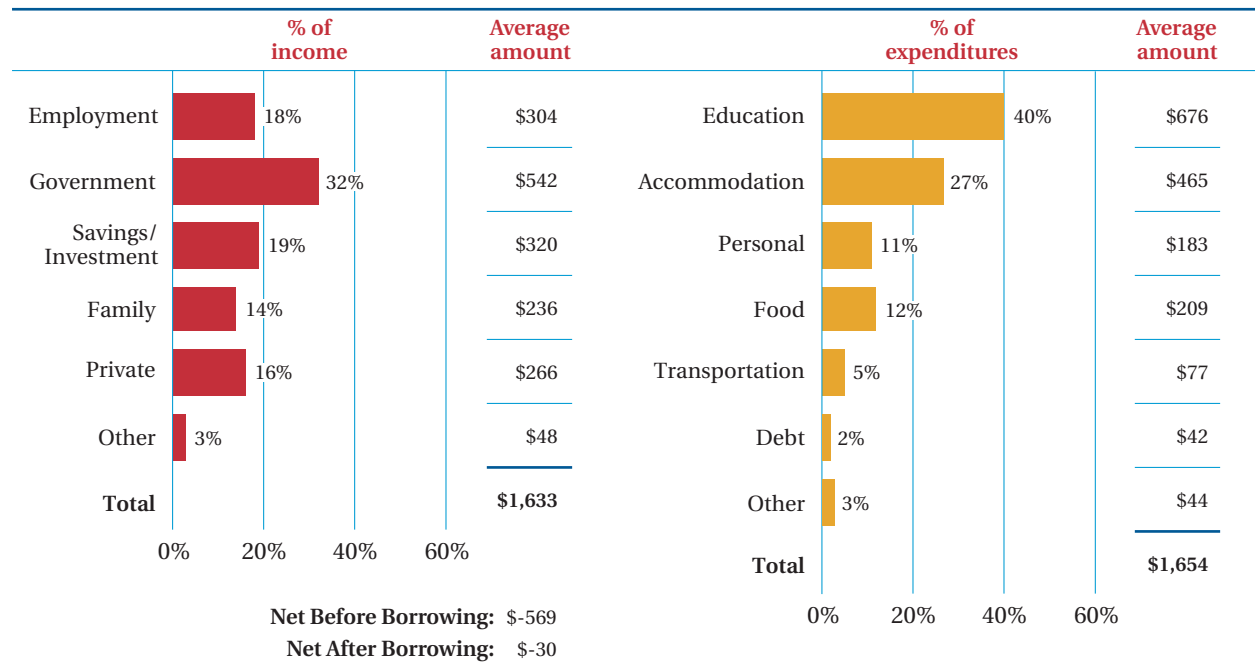


Source: Canadian Post-Secondary Student Financial Survey 2003-04.

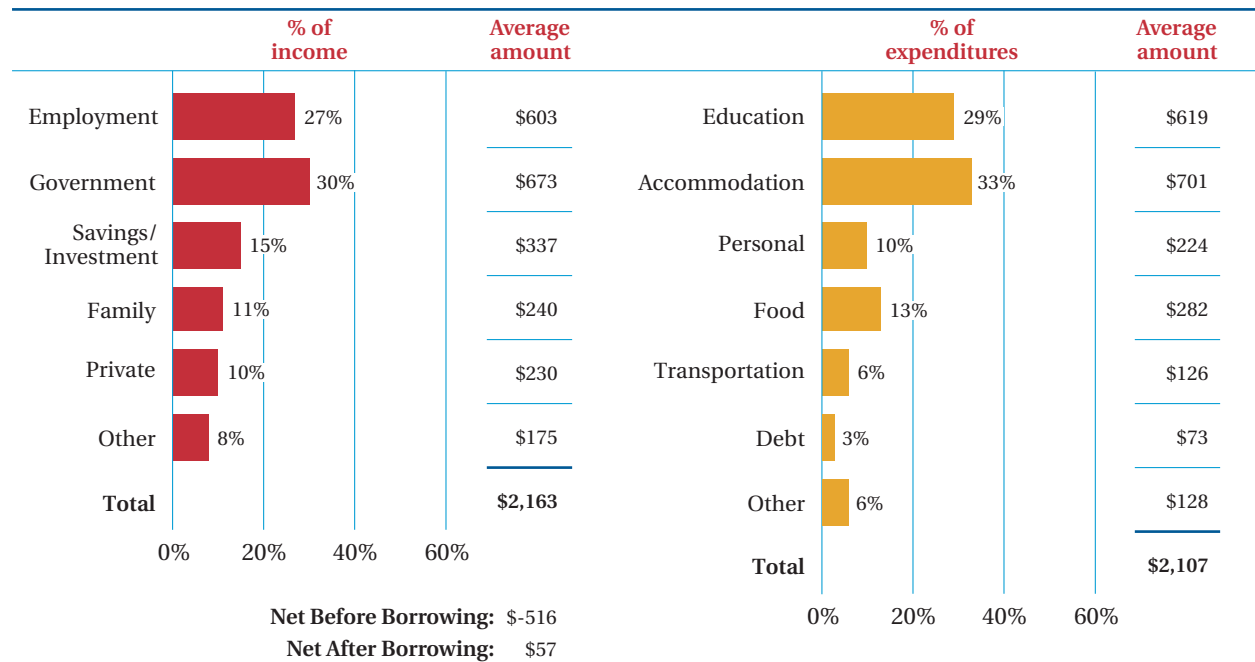
Figure 8.13b: Monthly Income and Expenditures by Living Arrangements — Spouse (n=1,034)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 8.13c: Monthly Income and Expenditures by Living Arrangements — Roommate (n=2,967)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.13d: Monthly Income and Expenditures by Living Arrangements — Alone (n=1,021)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

c) Type of School

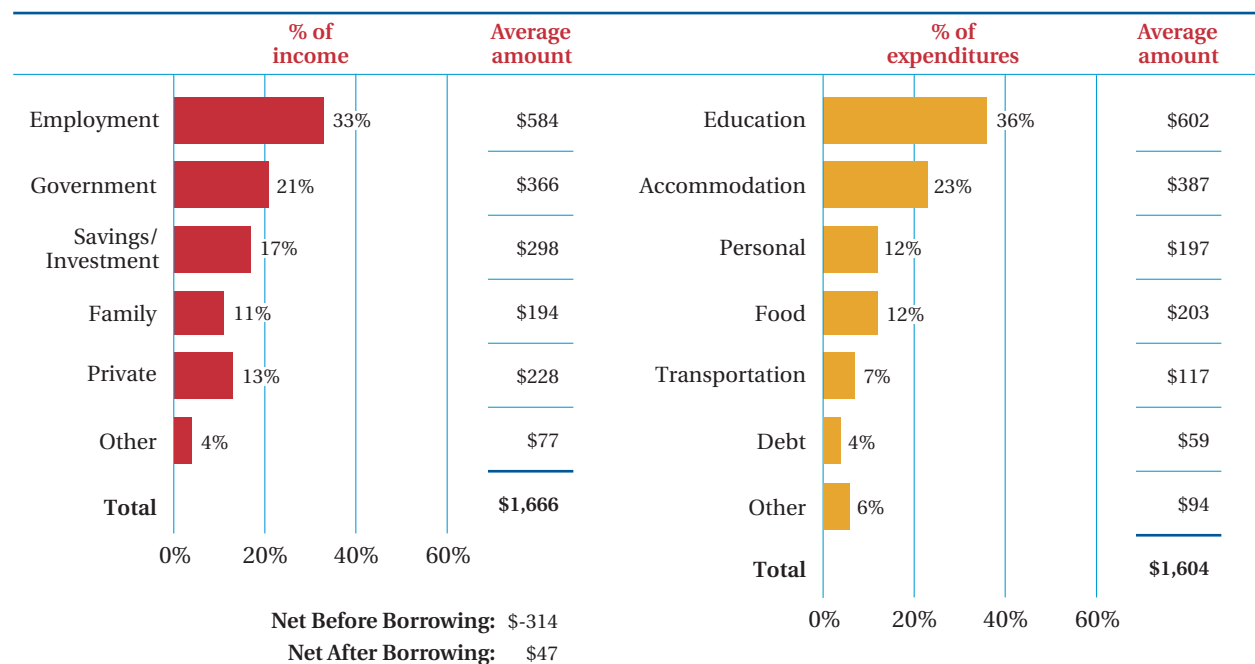
While students' monthly financial patterns vary according to the type of institution they attend, some of these variations are again related to age. First of all, monthly living costs among university students are about \$510 higher than those of college students. Before borrowing, university students run monthly deficits \$100 deeper than those of college students, although both groups of students have similar monthly balances after borrowing.

On the income side, the proportional distribution of income sources is similar for university and college students. Since university students generally have higher total monthly incomes, their monthly income from each source is also larger. Employment is the top income source for both groups, but university students report higher monthly earnings, at just over \$580. Proportionally (but not in absolute terms), government assistance is slightly higher among college students, as is income from savings

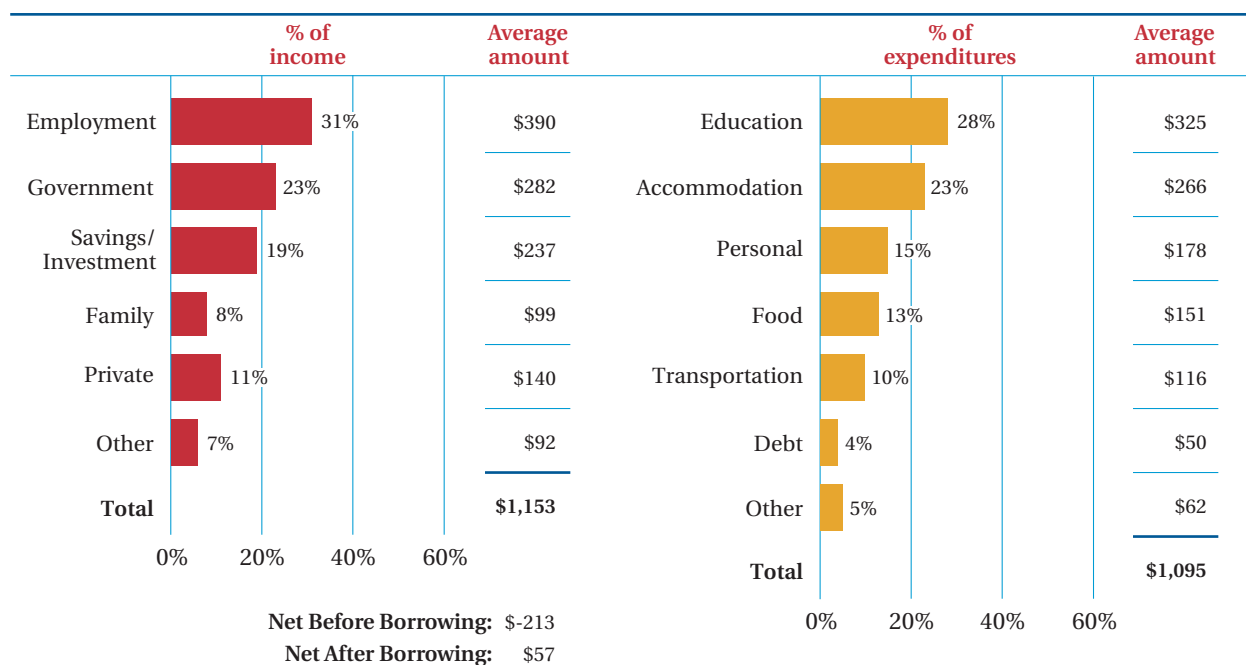
and investments. University students receive significantly larger amounts from family and private sources. Income from "other sources" is higher among college students, both proportionally and in absolute terms.

On the expenditure side, the largest difference between college and university students is in the amount paid for education and accommodation. Each month, university students spend \$602 for education and \$387 for accommodation, while college students spend \$325 and \$266 per month, respectively. University students spend about \$200 per month on food and another \$200 on personal care, while college students spend somewhat less on these expenses. College and university students spend roughly the same amount on transportation, but university students report spending greater amounts each month on "other" expenditures.

Figure 8.14a: Monthly Income and Expenditures by Type of School — University (n=6,094)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.14b: Monthly Income and Expenditures by Type of School — College (n=1,332)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

d) Full- or Part-Time Status

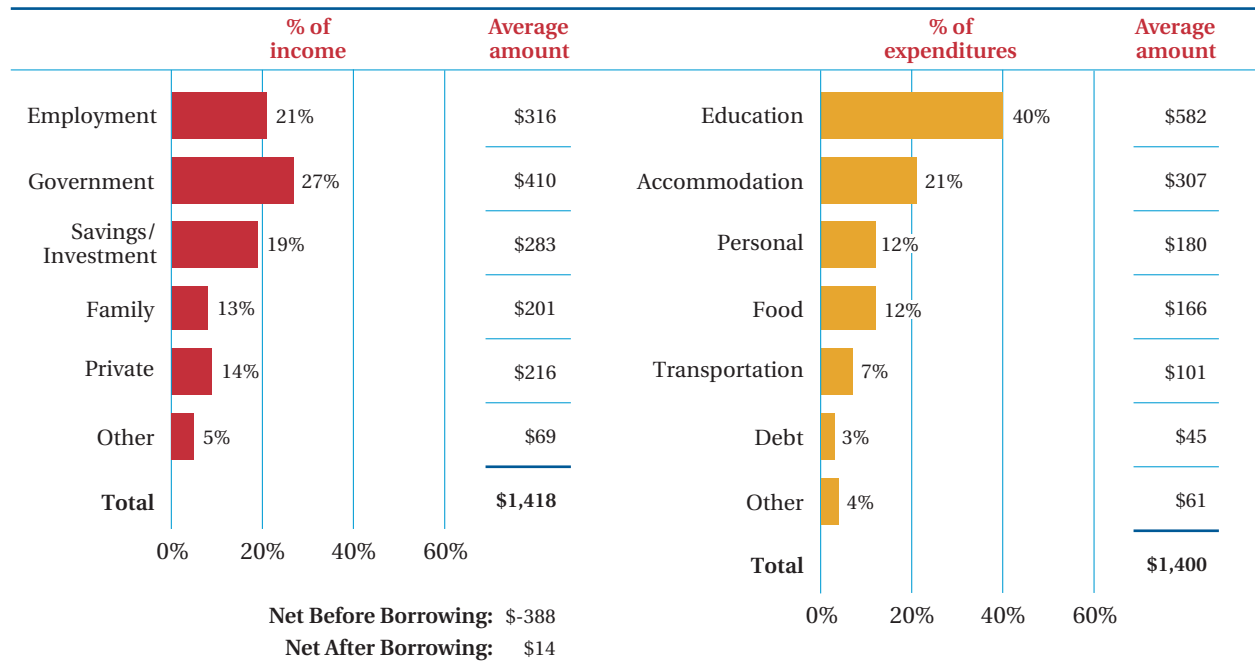
Enrolment status is another essential factor of students' financial behaviour and circumstances. Full-time students operate in a much leaner financial environment. While part-time students have significantly higher living costs, they also have higher income levels. The difference in living costs is about \$300 per month, while the difference in income is about \$500 per month. As a result, part-time students run surpluses. Taking loans out of the picture, students attending school full-time pay out \$388 per month more than they bring in, while part-time students manage to bring in \$50 more than they spend.

On the income side, employment earnings are a source of difference between the two groups. Part-time students bring in just under \$1,280 each month, while full-time students bring in barely more than \$300. Full-time students make up some of this shortfall by drawing on government support.

Government support is the primary source of monthly income for full-time students, at \$410. The rest comes from savings (\$283 monthly), private sources (\$201 monthly) and family (\$216 monthly). The latter sources of income are smaller for part-time students, who rely primarily on their employment income. The monthly share of funds from savings and investments is about the same for both types of students, but part-time students report significantly more from "other sources."

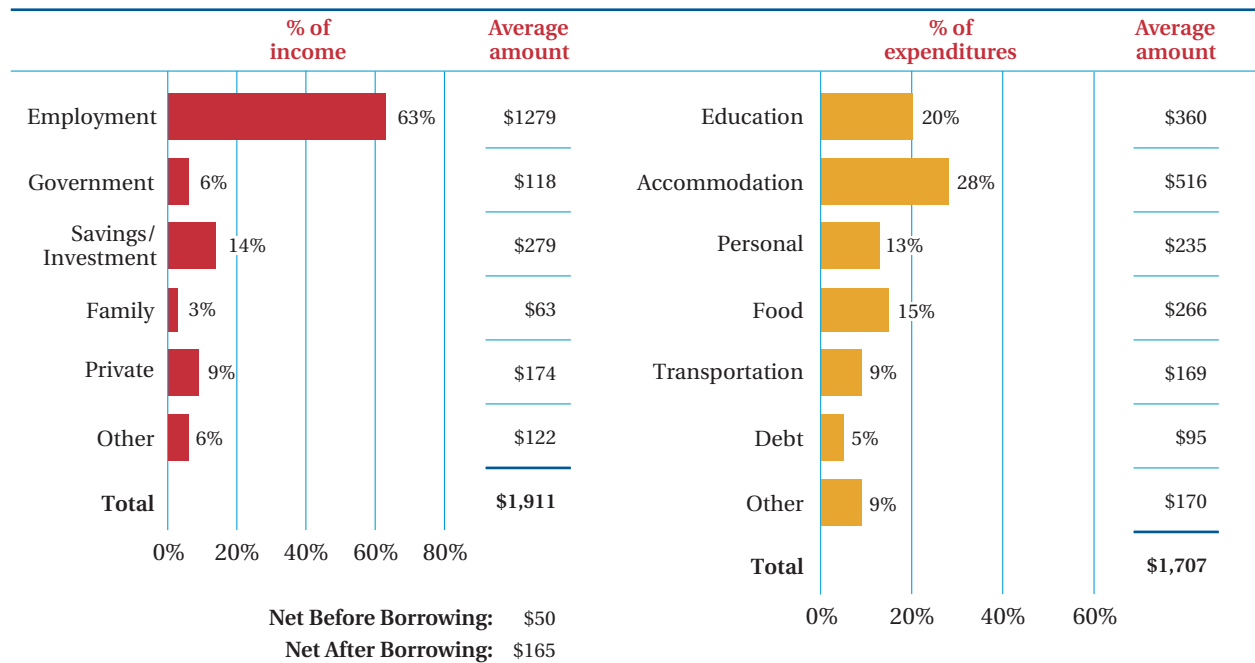
On the expenditure side, part-time students pay significantly more for most things other than education. Among full-time students, education accounts for the largest proportion of expenditures, at \$582 per month, compared to \$360 for part-time students. Part-time students pay twice as much in debt payments and other expenses.

Figure 8.15a: Monthly Income and Expenditures by School Status — Full-Time (n=7,039)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 8.15b: Monthly Income and Expenditures by School Status — Part-Time (n=456)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

e) Employment Intentions During the School Year

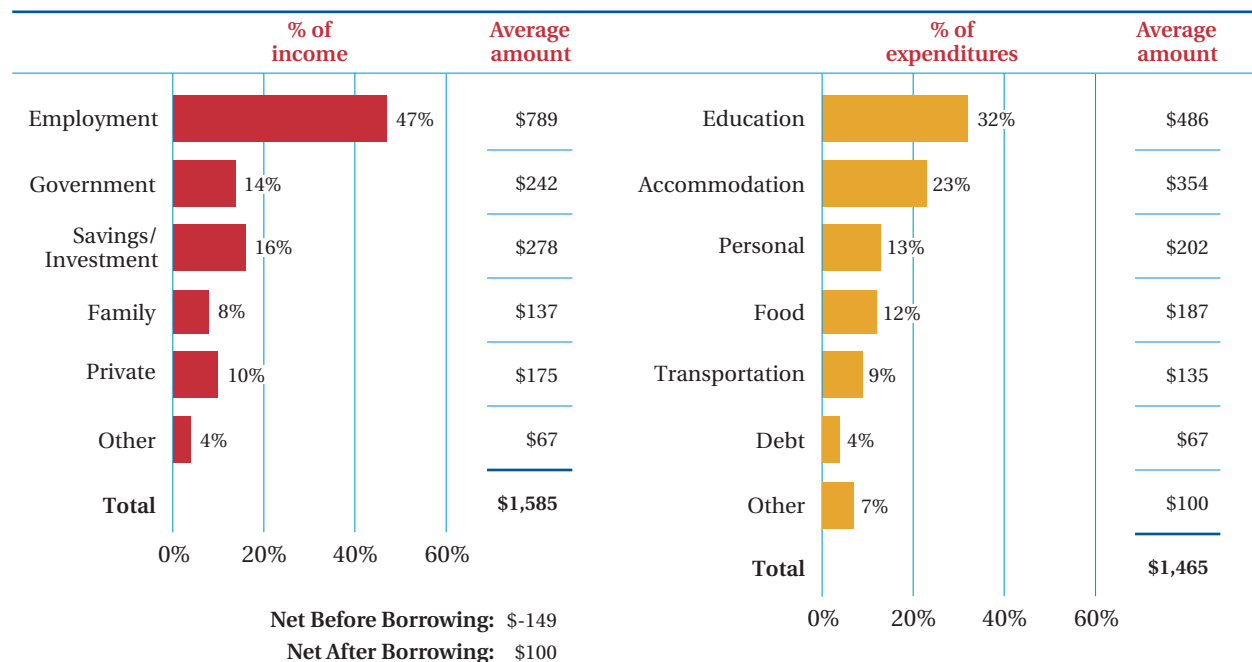
Students who intended to work during the school year distinguished themselves financially from those who did not.⁵⁶ Thanks to their earnings, these students were able to end the average month with a surplus of \$100 after borrowing, while unemployed students had an average deficit of \$17, even after borrowing. Before loans, unemployed students paid out \$488 per month more than they brought in.

On the income side, even students who did not intend to work reported a small amount of employment income (an average of \$130 monthly) later in the school year. Employment income accounts for the largest share (47 per cent) of monthly funds for employed students, at \$789 each month. Students

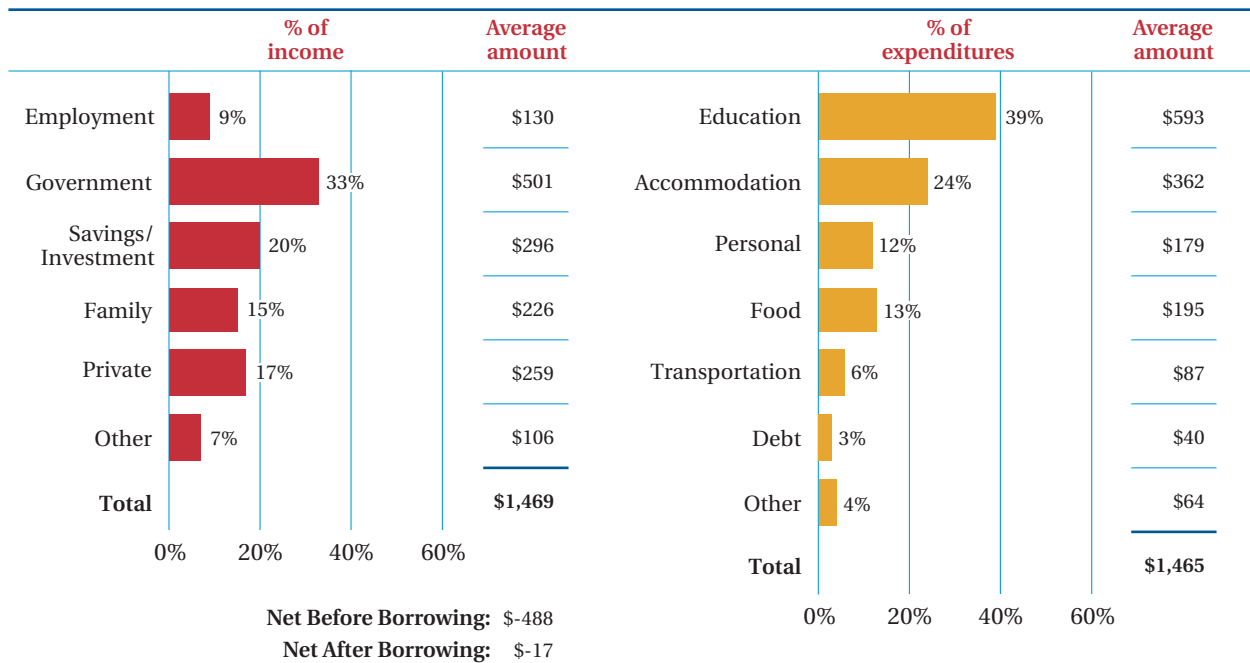
who do not intend to work during the school year appear to bridge the gap with government support (33 per cent of monthly income, at \$501 monthly), private funding (\$226 per month) and contributions from family members (\$259 per month). Employed students receive significantly smaller amounts from each of these sources.

On the expenditure side, students not intending to work spend about \$100 more each month for education expenses, but they spend less than employed students on transportation and other expenses. Expenses for accommodation and food are relatively flat across the two groups, but employed students show larger debt payments.

Figure 8.16a: Monthly Income and Expenditures by Employment Status — Employed (n=3,924)



56. There is a high correlation between enrolment status and employment status.

Figure 8.16b: Monthly Income and Expenditures by Employment Status — Not Employed (n=3,112)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

f) Parental Support

Students who receive financial support from their parents and live at home operate at a considerably lower level of income (\$999) and expenditures (\$910) than other students. Those who live at home, but do not receive financial help have a monthly income of \$1,318 and expenditures of \$1,210. Students who live away from home while receiving parental support take in \$1,752 and spend \$1,753, while those living away without parental support have income and expenditures of \$2,102 and \$2,035, respectively. These patterns are largely correlated with age: students receiving support and living at home tend to be younger, while those who are not living with their parents and not receiving support are older. Regardless of parental support, those living away from home have the largest monthly deficits before borrowing, while those who live at home have the biggest surpluses after borrowing.

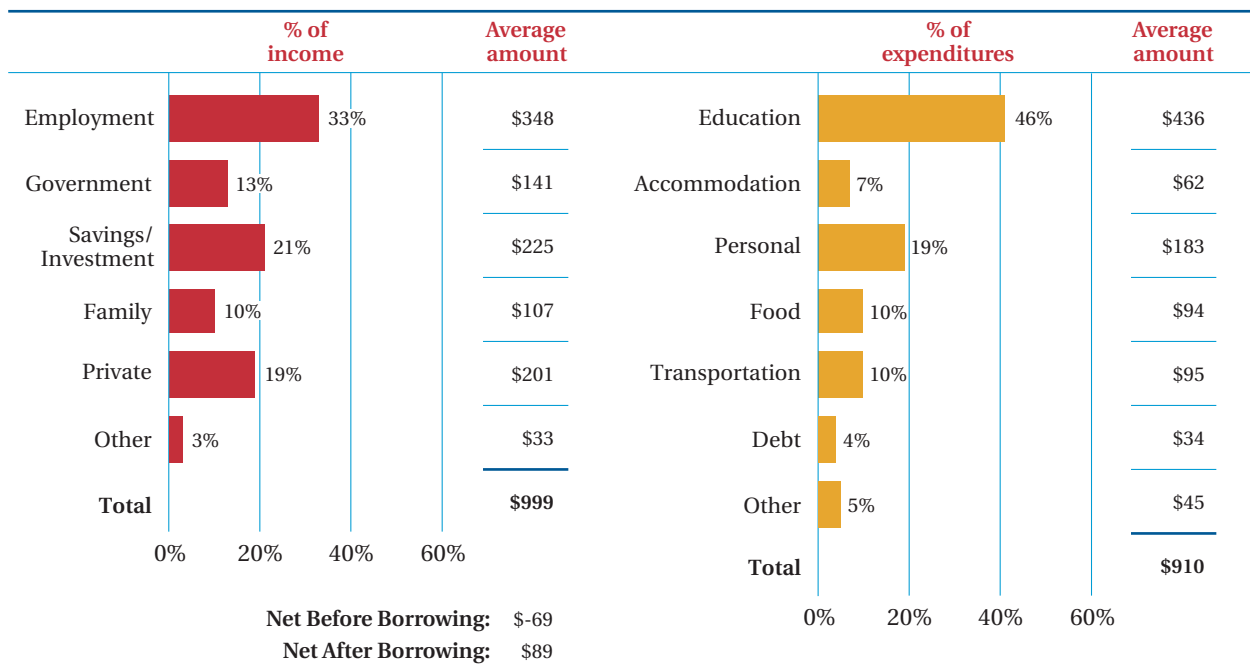
On the income side, employment earnings are much higher among students who do not receive financial aid from parents (regardless of their living arrangements).⁵⁷ Students assisted by their parents receive \$165 more each month, on average, if they live away from home. Students who do not receive parental support and live away from home tend to get help from other family members (\$143 each month), while this source of income is minimal (\$36) for students who live with parents without receiving financial assistance. Students supported by parents receive about \$320 less in government loans or grants if they live at home. Similarly, students not supported by parents receive \$240 less in government loans and grants if they live at home. It is interesting to note that government support is only marginally higher for students who live away from home and do not receive support from their parents

57. As discussed in the chapter on family support.

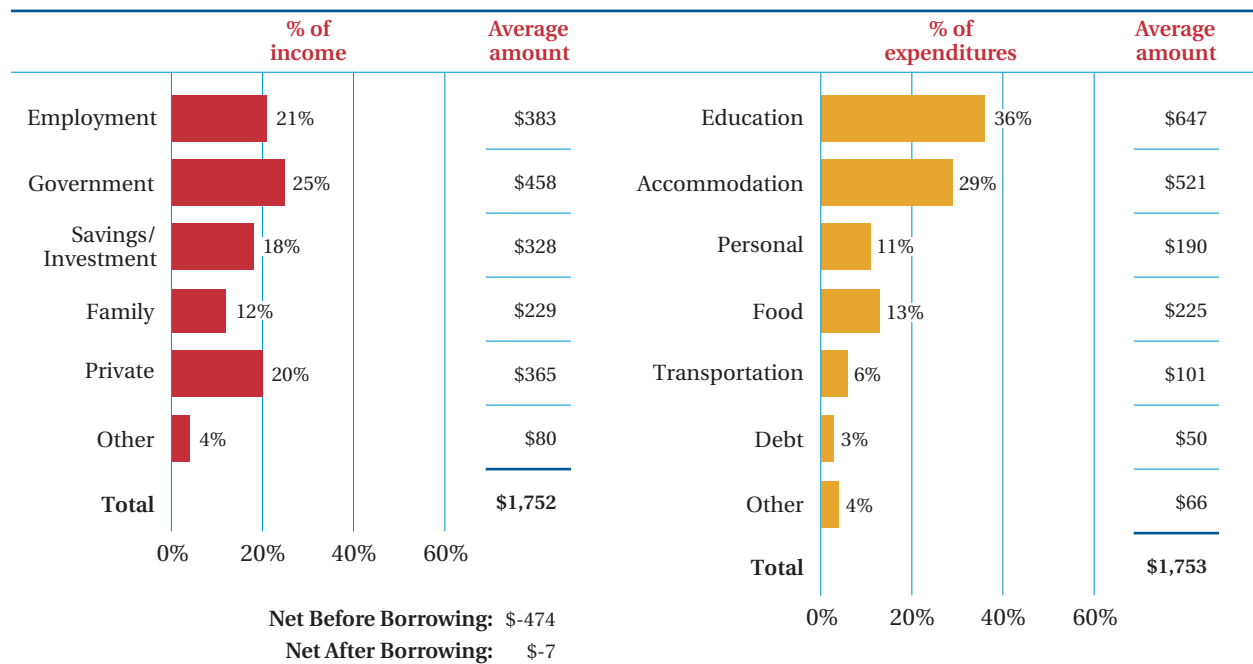
than for with those who also live away from home but receive parental support (although employment earnings are much higher for the first group). Students who live with parents have similar levels of income from savings and investments, regardless of whether they receive parental support. Both groups of students who live away also report comparable income from savings and investments. Students who are not supported by their parents and live away from home receive higher income from “other sources” than the other three groups.

On the expenditure side, students who receive parental support and live at home spend less on everything except for personal expenses, for which their expenditures are similar to those of students who receive parental support but live away from home. Students in the latter group report the highest cost of education (\$647 per month), but students without parental support who live away from home pay more for all other types of expenditures. This is not surprising, given that students in this group tend to be older and are more likely to have dependants and other demanding financial circumstances.

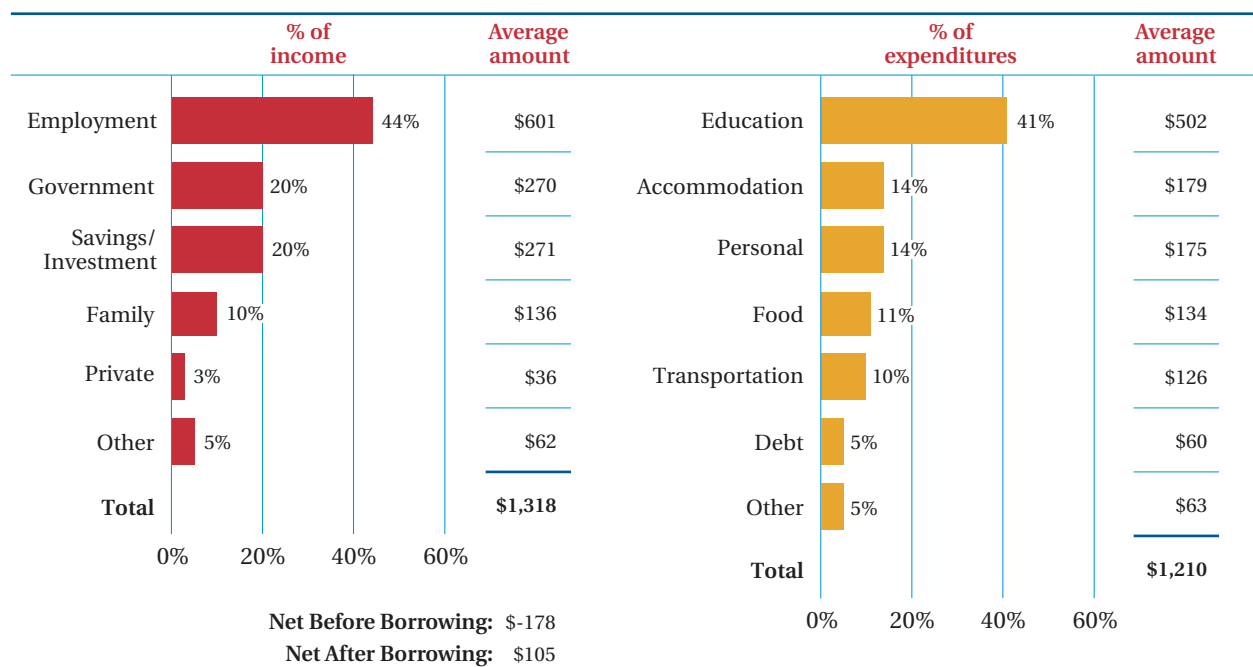
Figure 8.17a: Monthly Income and Expenditures with Parents Support — Live with Parents (n=1,544)



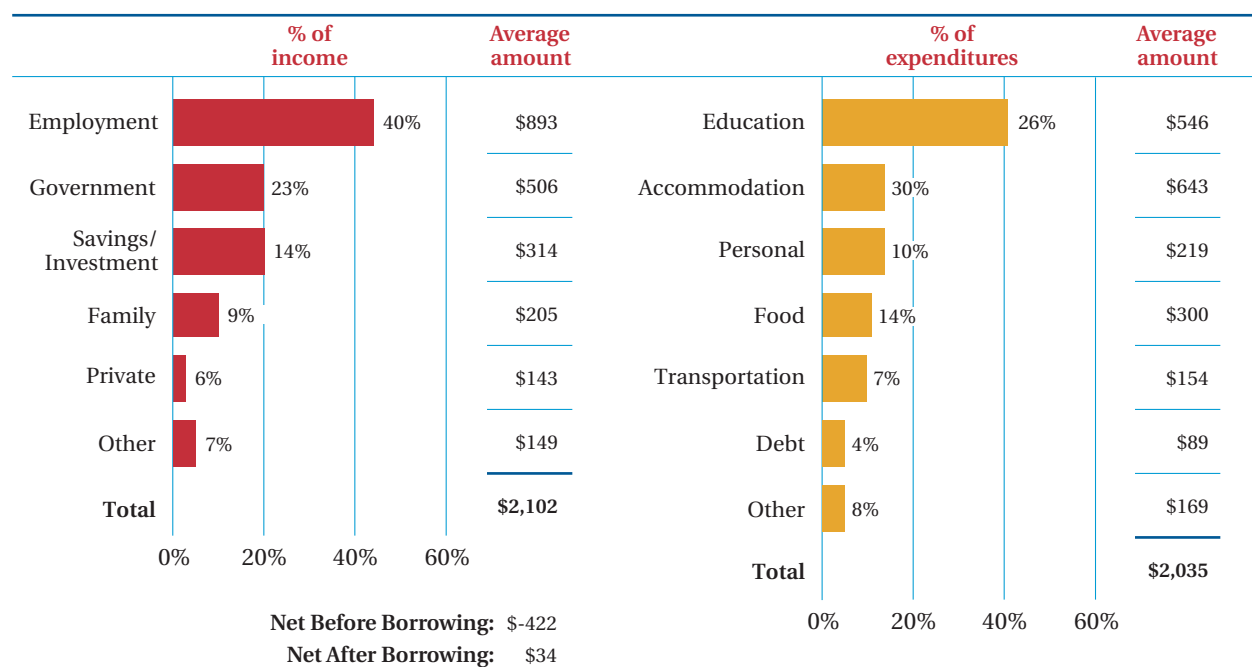
Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.17b: Monthly Income and Expenditures with Parents Support — Do Not Live with Parents (n=3,113)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.17c: Monthly Income and Expenditures with No Support from Parents — Live with Parents (n=697)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.17d: Monthly Income and Expenditures with No Support from Parents — Do Not Live with Parents (n=2,124)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

g) Government Loan Status

Students who live away from home and receive government loans operate at a level of income (\$2,087 per month) similar to that of students who live away from home and do not receive government loans (\$1,846 per month).⁵⁸ These groups of students also report the highest living expenses (\$1,876 and \$1,931 per month). Students who live at home and do not receive government loans bring in and spend less than half these amounts, on average. Government loan recipients have the largest monthly deficits before borrowing, especially those who live away from home (\$781). But after borrowing they have the highest monthly surpluses, regardless of their living arrangements (\$137 for those at home and \$208 for those away), although their monthly deficits before borrowing are also the largest. Those with no government loans and who are living away from parents have deficits of \$116, even after borrowing.

On the income side, students who live away from home and receive government loans depend predominantly on this source of income (representing 54 per cent of all monthly funds, at \$1,179 per month). As would be expected, these students report the lowest employment earnings (\$226 per month). Students who live with their parents and receive government loans depend less on government loans (constituting 40 per cent of monthly income, at \$597).

Although students who do not receive government loans have a similar proportional distribution of monthly funds, regardless of living arrangements, those who live away from home report the largest amounts of monthly income from all sources except government support and private funding. These students earn \$930 per month in employment wages, draw \$344 from savings and investments and receive \$301 each month from family members.

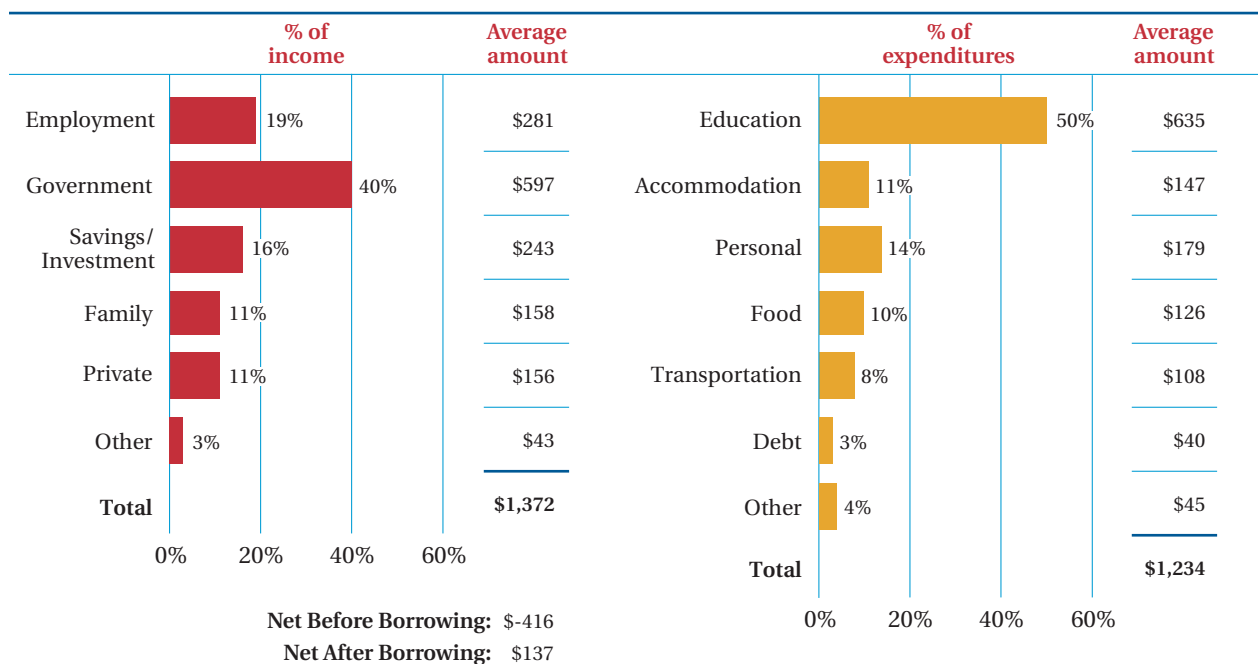
58. In this section, for the purpose of classifying students, we have focused on loans to the exclusion of other forms of government support, but government income figures reflect both loans and non-repayable government support.

While students who live at home and receive government loans report higher income from private sources than students who live at home and do not receive government loans, these two groups receive similar amounts from savings, family and “other sources.”

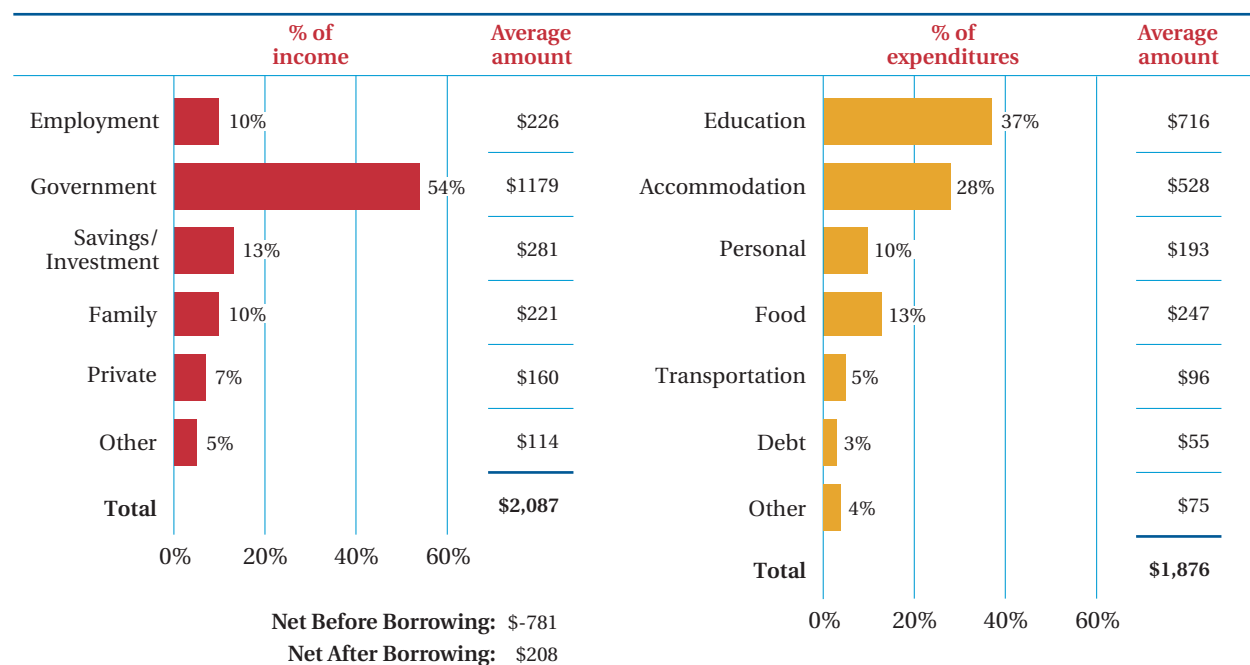
On the expenditure side, students living away from home and not receiving government support spend the most for everything except education.

Government-supported students who live away from home report the next largest living costs, while those who live at home and do not receive government loans pay the least. Students who live with their parents and receive government loans pay more for education and accommodation than their counterparts without government loans, but the cost of other expenditures is similar between these two groups of students.

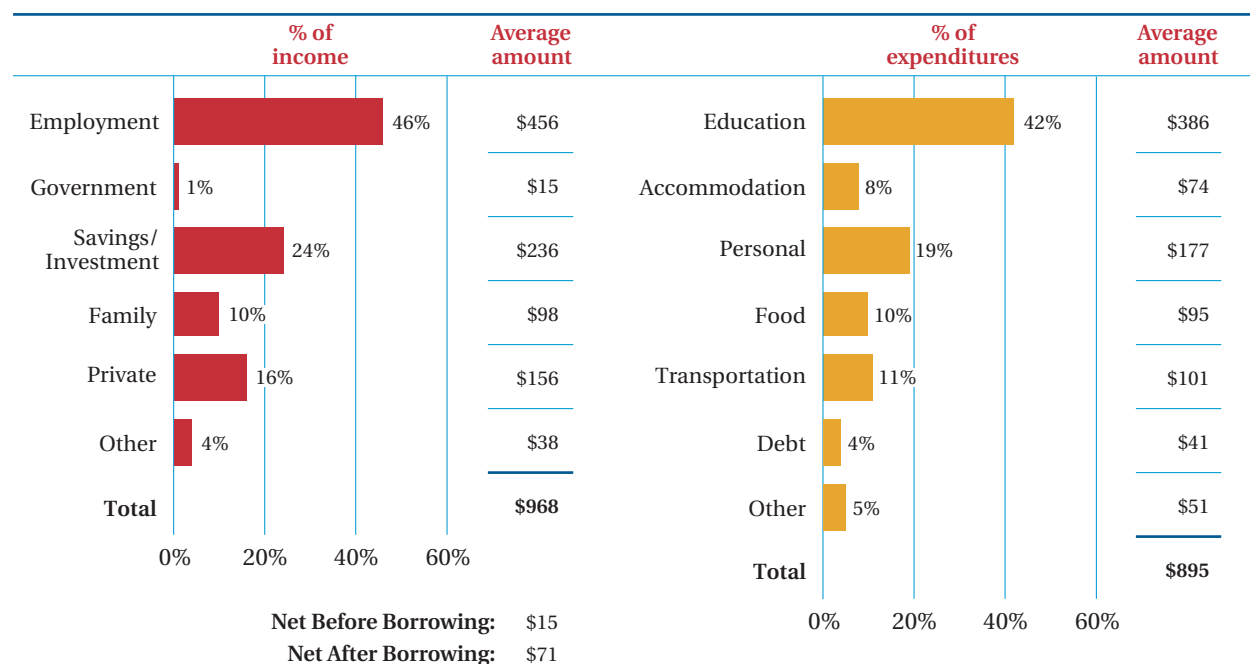
Figure 8.18a: Monthly Income and Expenditures with Support from Government Loans — Live with Parents (n=691)



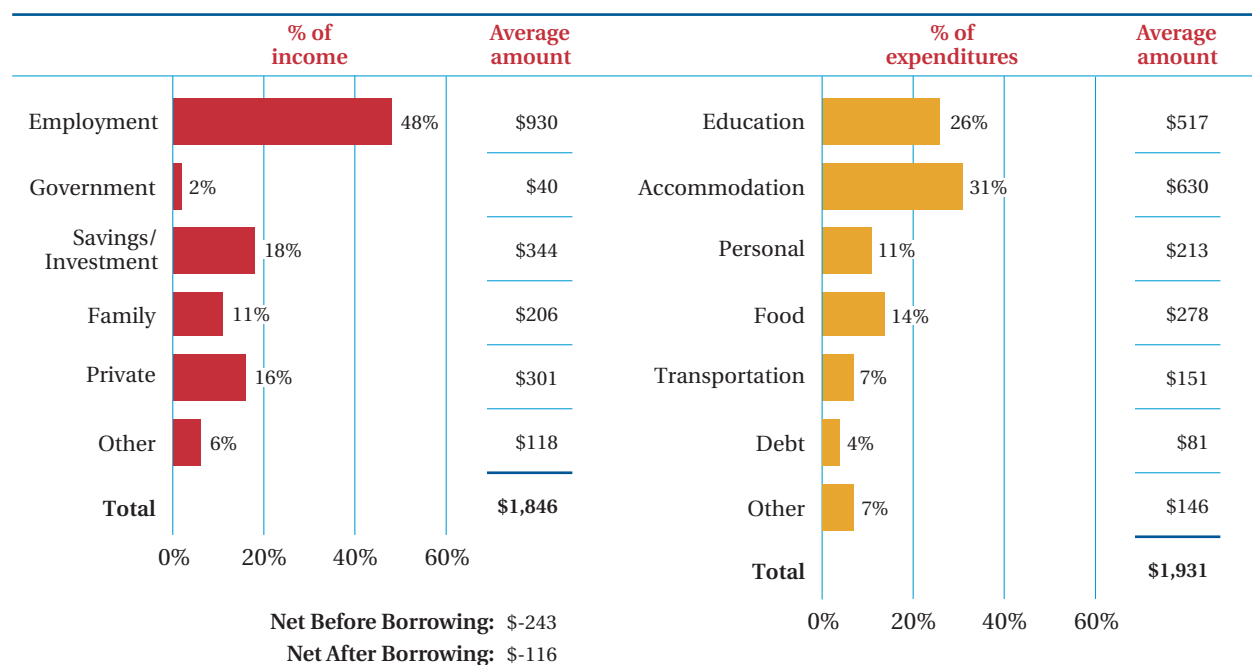
Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.18b: Monthly Income and Expenditures with Support from Government Loans — Do Not Live with Parents (n=2,559)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.18c: Monthly Income and Expenditures with No Government Loans — Live With Parents (n=1,592)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.18d: Monthly Income and Expenditures with No Government Loans — Do Not Live With Parents (n=2,612)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

h) Province

There are some notable differences among students from province to province. Alberta stands out with the highest monthly income (\$1,776), followed closely by Nova Scotia (\$1,723) and New Brunswick (\$1,716 per month). Students in Quebec, Prince Edward Island and Newfoundland and Labrador report the lowest monthly incomes, at about \$1,230. Expenditures follows the same pattern. Students in Nova Scotia and Alberta spend the most (about \$1,800 per month), while students in Quebec, Prince Edward Island and Newfoundland and Labrador operate at the lowest levels (\$1,053 and \$1,248). Students from Manitoba are also on the lower end of expenses (\$1,293 per month), while students from the remaining provinces have similar monthly expenses (\$1,570 to \$1,670). Students from Quebec are in the best financial position before and after borrowing. Manitoba students are also in a good

position after borrowing. Before borrowing, students in Nova Scotia, New Brunswick and Saskatchewan all have deficits over \$500.

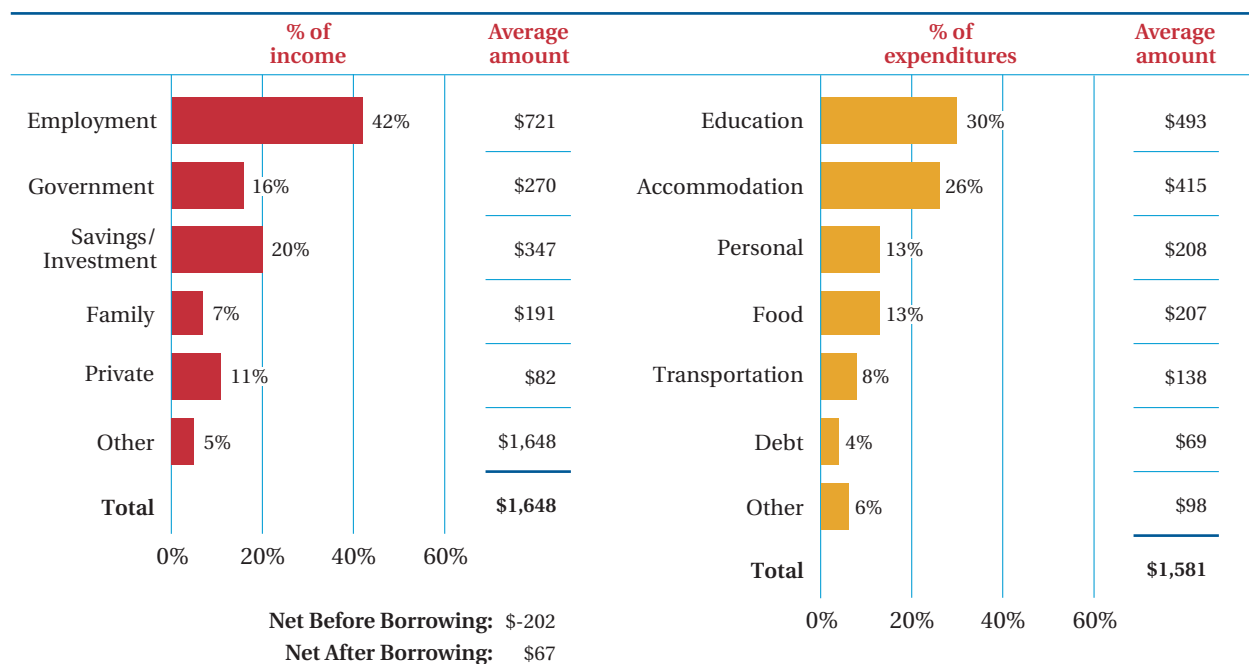
On the income side, employment earnings are highest in British Columbia and Alberta (\$688 to \$721 monthly), followed Manitoba (\$643), Quebec (\$513) and Ontario (\$503). Note that while Manitoba students reported slightly lower monthly amounts, their employment earnings represent the highest proportional share of monthly funds, at 44 per cent. Quebec students' employment earnings were also high in relative terms, at 41 per cent. Government support is a primary source of income for students in New Brunswick and Nova Scotia (\$613 and \$546 per month, respectively). Students from Ontario and Saskatchewan receive the next largest contributions from government (\$403 and \$379 per month, respectively). Students in Prince Edward Island and

Newfoundland and Labrador receive somewhat lower amounts of government support than students in other provinces, but government funds make up a large share of their income (28 per cent). Manitoba and Quebec students receive the least from government sources (\$170 to \$240 per month, on average). Support from family is lowest in Prince Edward Island and Newfoundland and Labrador (\$152 per month) and is highest in Saskatchewan, Nova Scotia and Alberta (up to \$267 monthly). Students draw most heavily on private sources of funding in Saskatchewan and Nova Scotia. They are least likely to do so in Quebec, British Columbia and Manitoba.

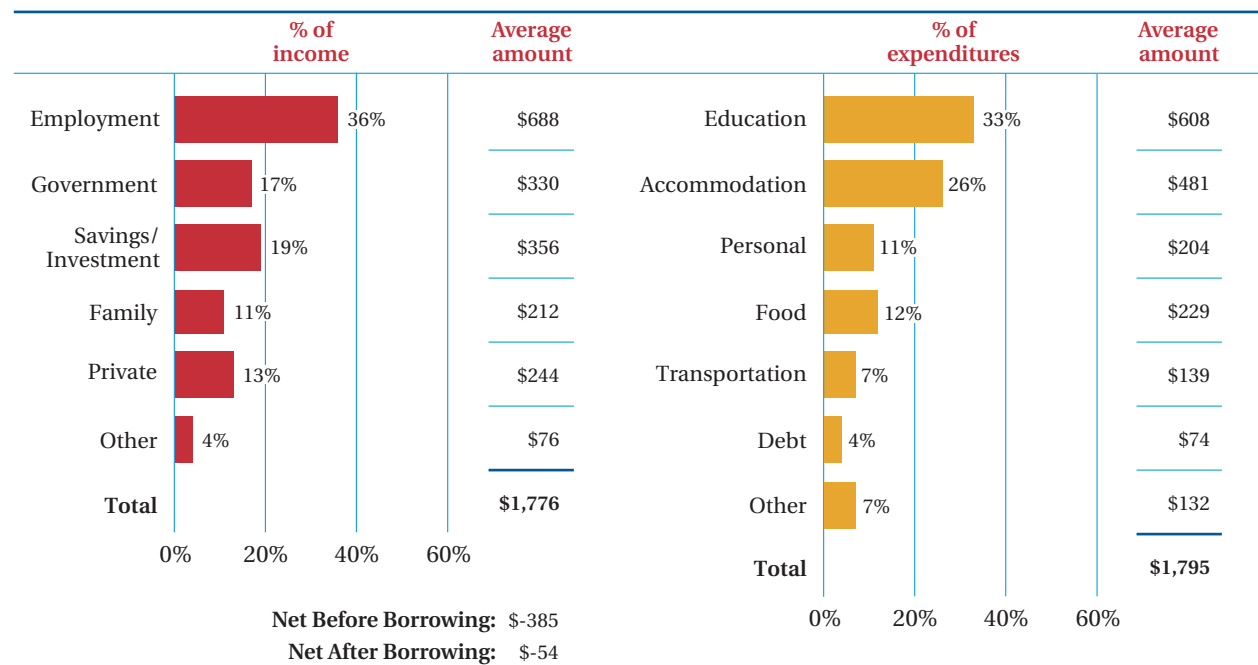
On the expenditure side, education is the most significant expense for students in all provinces. Students in Nova Scotia paid by far the highest amounts for tuition and educational materials (\$867 per month), followed by students in New Brunswick and Saskatchewan (about \$700 each). Education costs the least in Quebec (\$300 per month) and Manitoba (\$417 per month). The cost of accommodation represents a similar proportion of monthly

expenditures across all provinces, although it is somewhat lower in Prince Edward Island and Newfoundland and Labrador. In absolute terms, however, the cost of accommodation is highest in Alberta (\$481 per month) and lowest in Prince Edward Island, Newfoundland and Labrador and Quebec (about \$236 to \$227 monthly). Personal costs are quite similar across the country, varying from \$165 in Nova Scotia to \$208 per month in British Columbia. The cost of food fluctuates a bit more, with students from Prince Edward Island, Newfoundland and Labrador, Quebec and Manitoba spending about \$151 to \$167 per month and students in Alberta spending \$229. Transportation expenses are higher in Alberta and British Columbia and lowest in Quebec and Nova Scotia. Likewise, Alberta and British Columbia students spend more on debt payments (\$74 to \$69 per month), while their counterparts in Quebec, Prince Edward Island and Newfoundland and Labrador spend about half of that amount paying their debts.

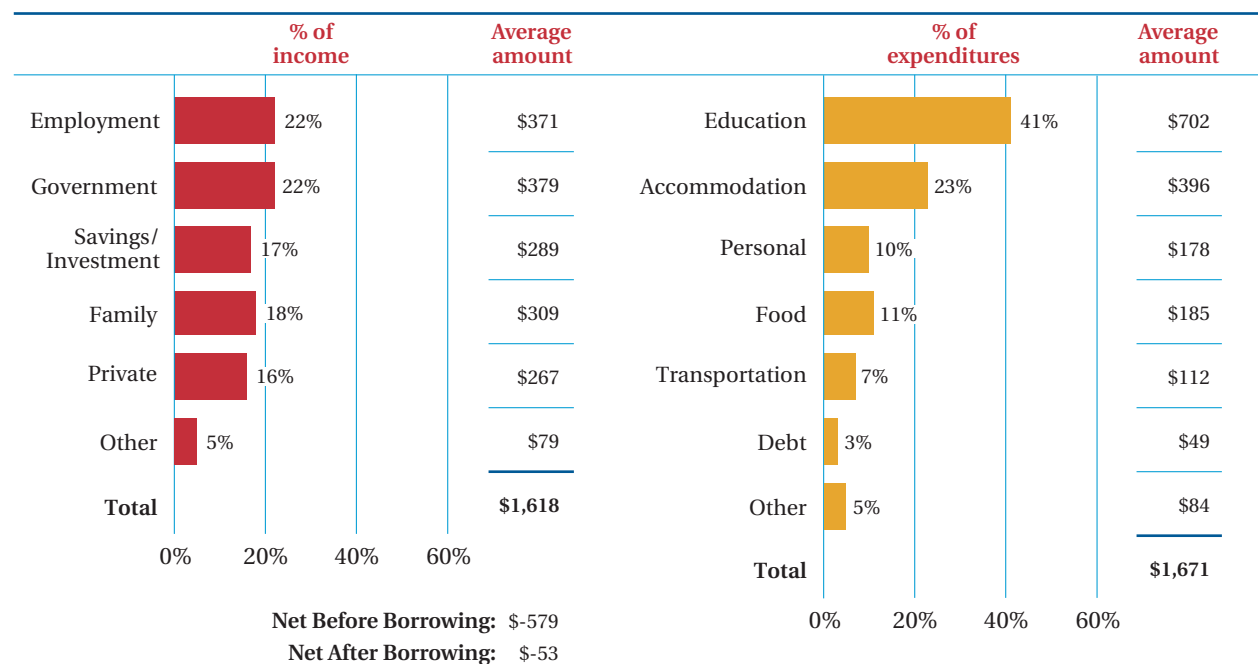
Figure 8.19a: Monthly Income and Expenditures by Region — BC (n=1,008)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

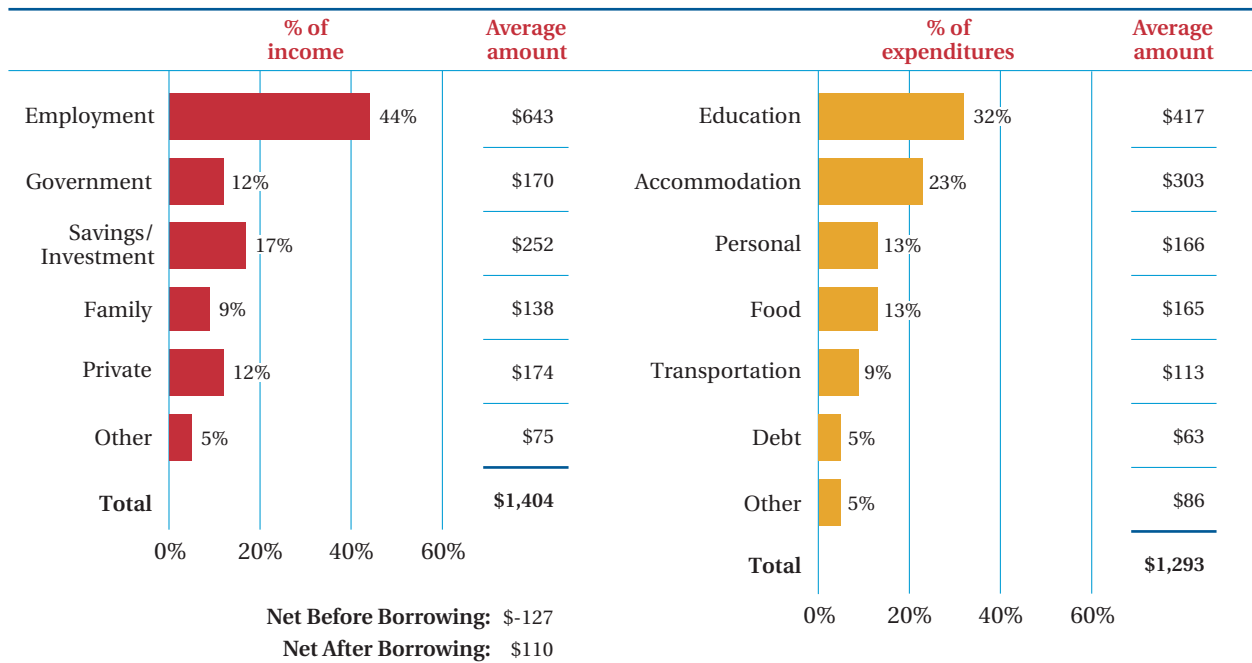
Figure 8.19b: Monthly Income and Expenditures by Region — Alberta (n=1,234)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.19c: Monthly Income and Expenditures by Region — Saskatchewan (n=551)

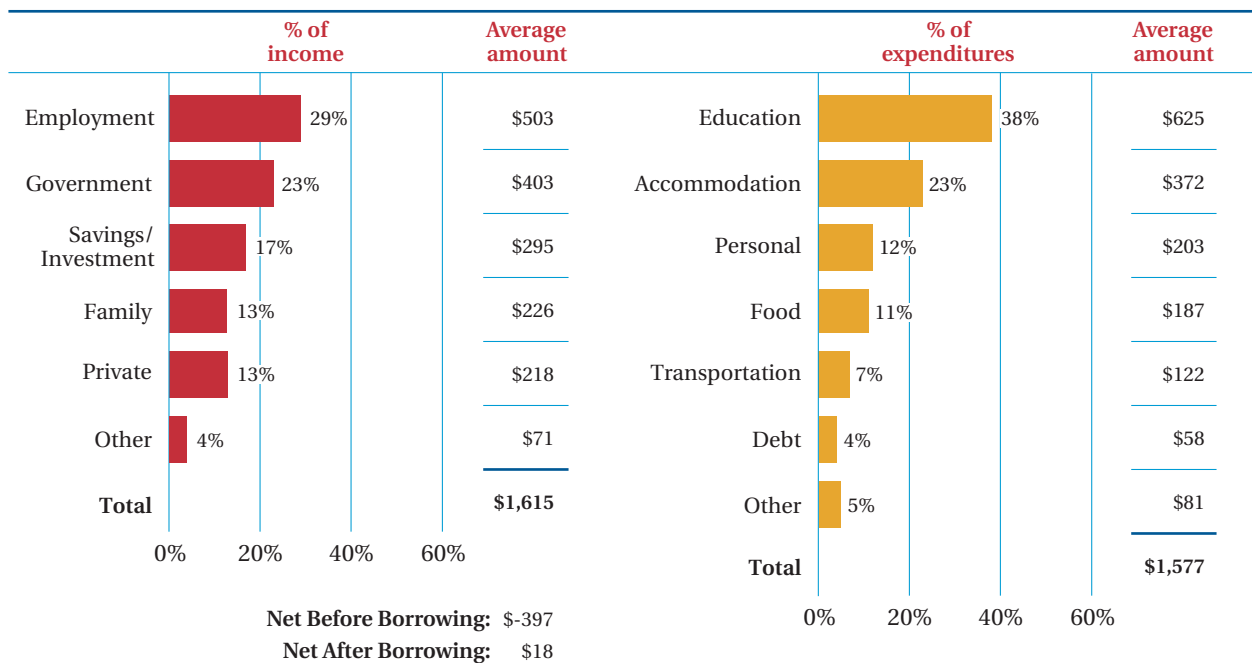
Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.19d: Monthly Income and Expenditures by Region — Manitoba (n=540)



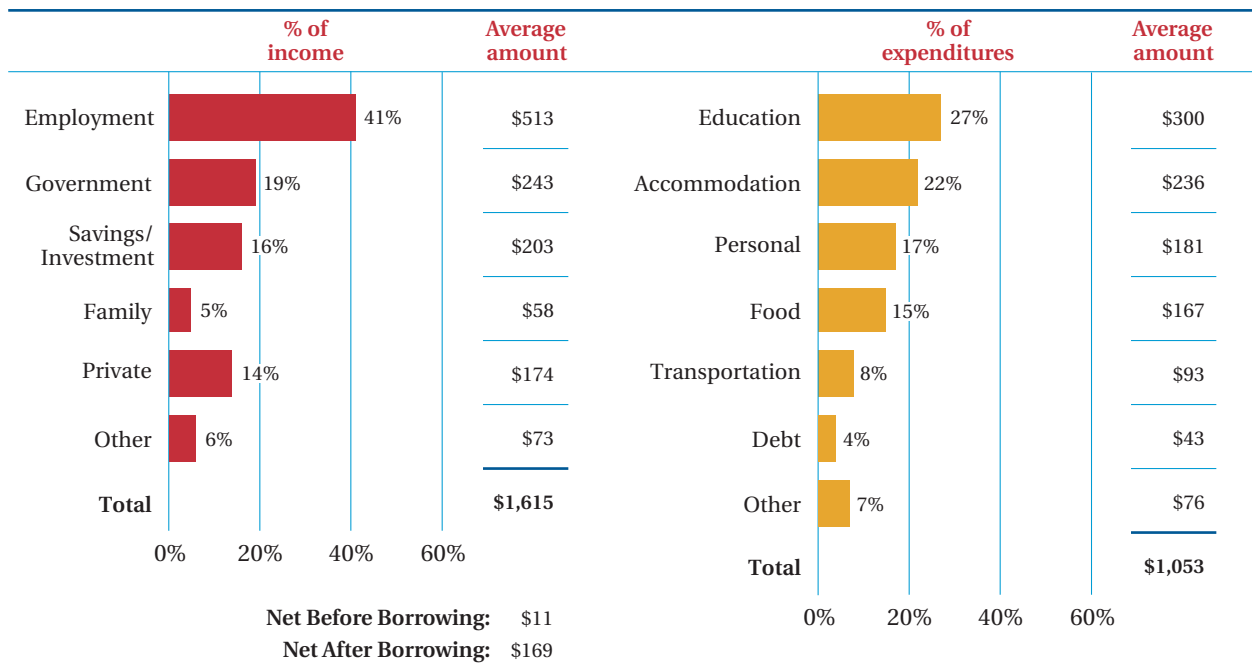
Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 8.19e: Monthly Income and Expenditures by Region — Ontario (n=1,610)



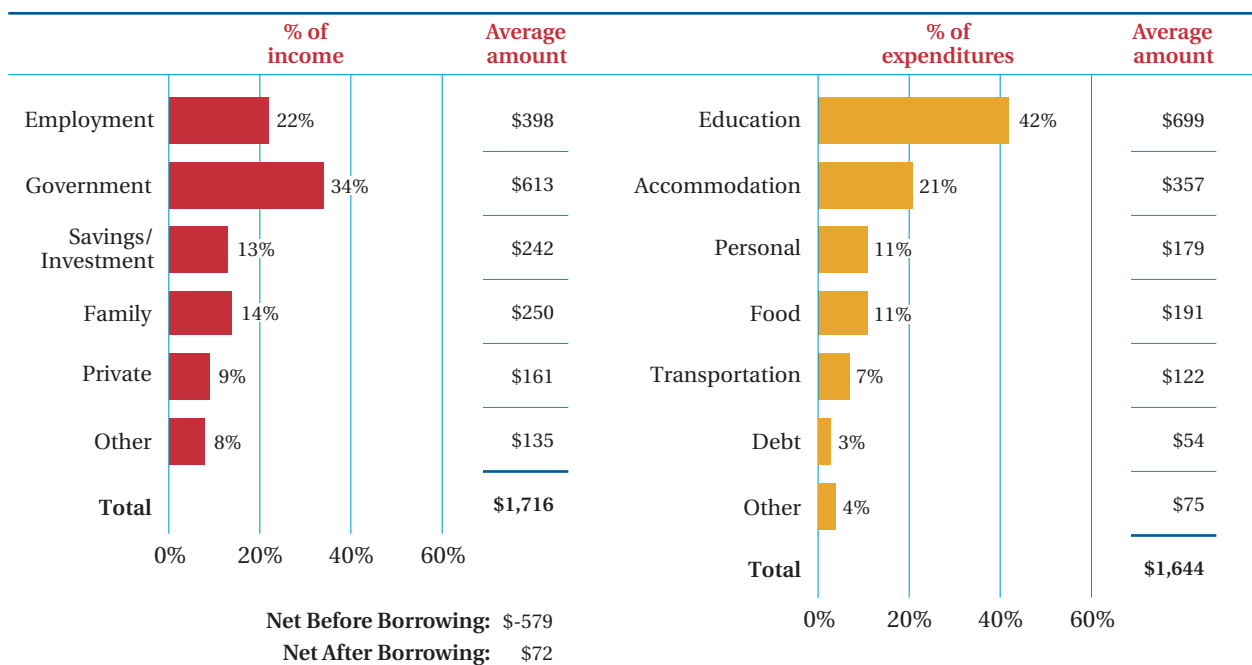
Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 8.19f: Monthly Income and Expenditures by Region — Quebec (n=375)



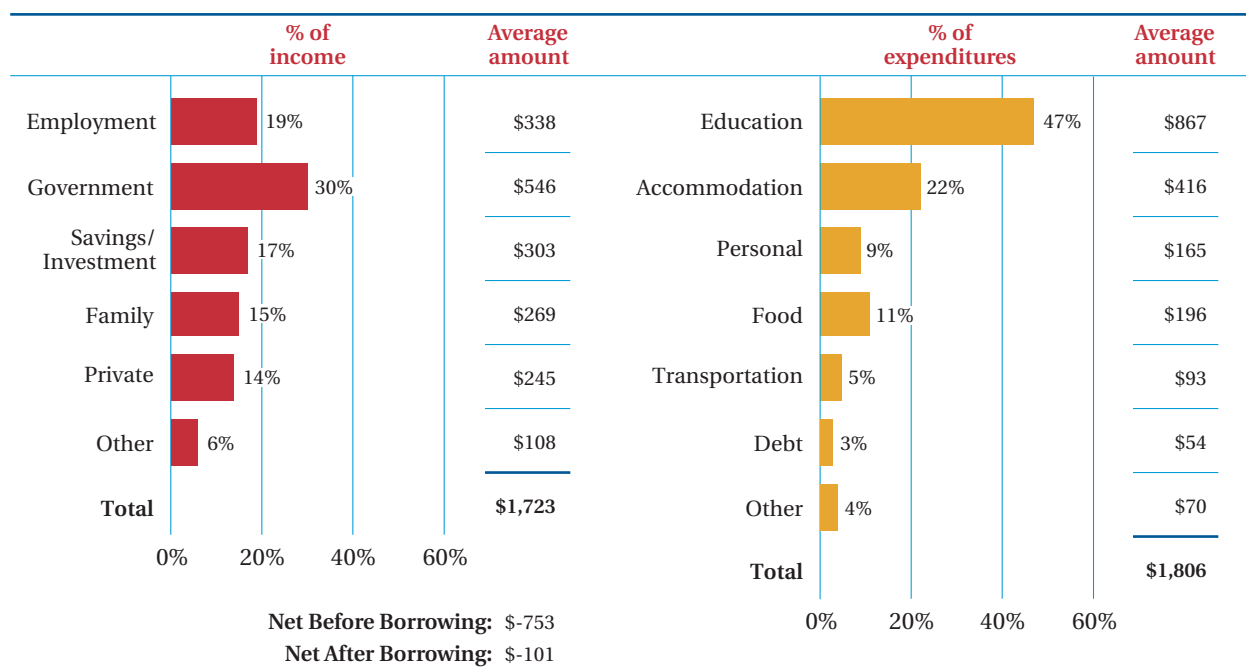
Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 8.19g: Monthly Income and Expenditures by Region — New Brunswick (n=550)



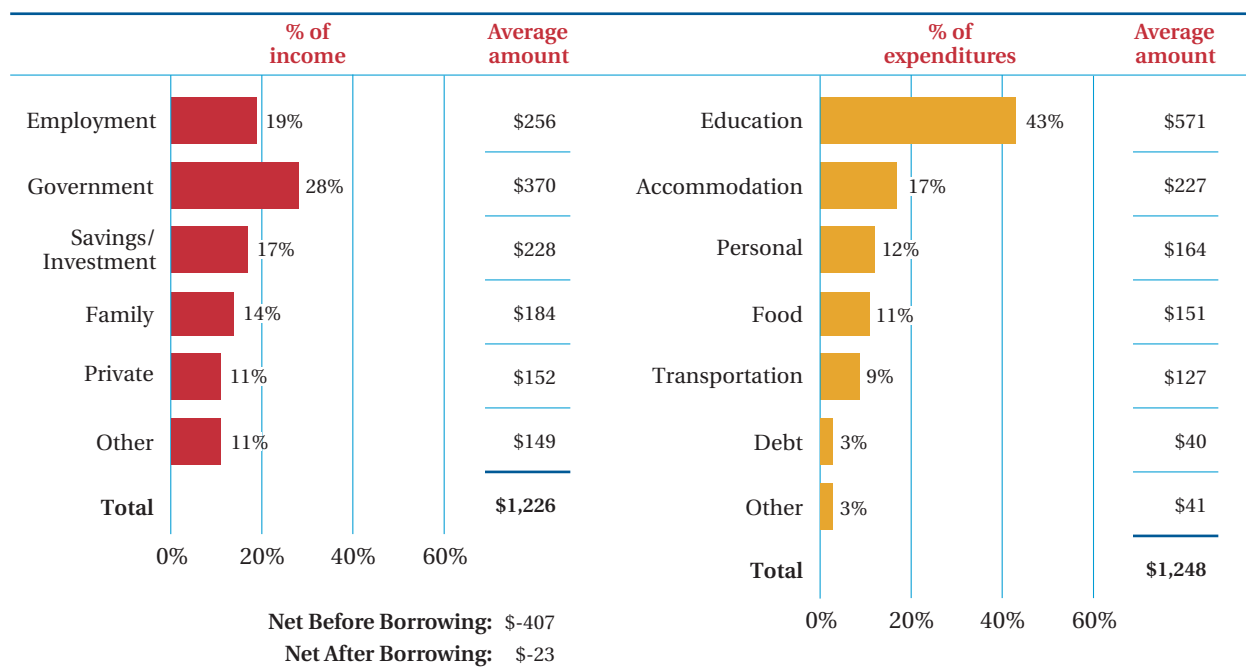
Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 8.19h: Monthly Income and Expenditures by Region — Nova Scotia (n=1,143)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 8.19i: Monthly Income and Expenditures by Region — PEI/NF (n=249)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

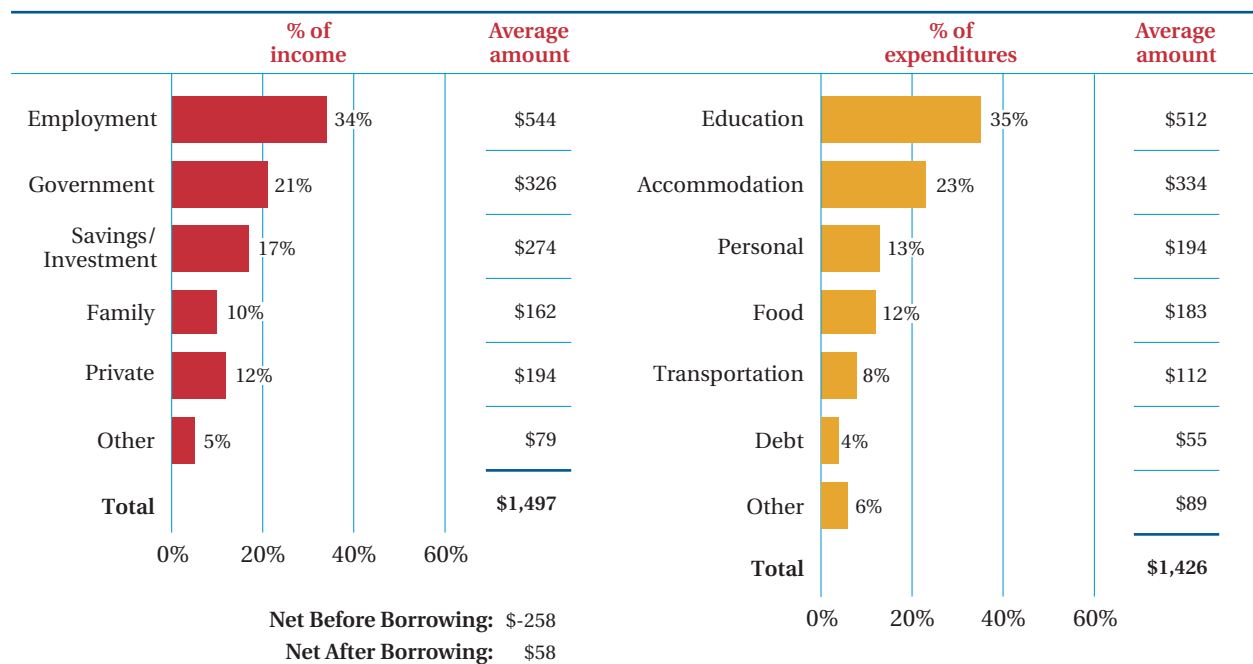
i) Urban and Rural Status

Urban and rural students display certain differences in their financial pattern. Students living in rural areas appear to have both higher incomes and living costs. This tendency is related to age: rural students are older than urban students, on average. The two groups differ by \$235 in living costs, while their incomes are \$338 apart. Rural residents' monthly surplus after borrowing exceeds that of urban students by \$112 per month. When loans are taken out of the equation, urban residents pay out \$258 more per month than they bring in, compared to students from rural areas, who pay out \$162 more than they bring in.

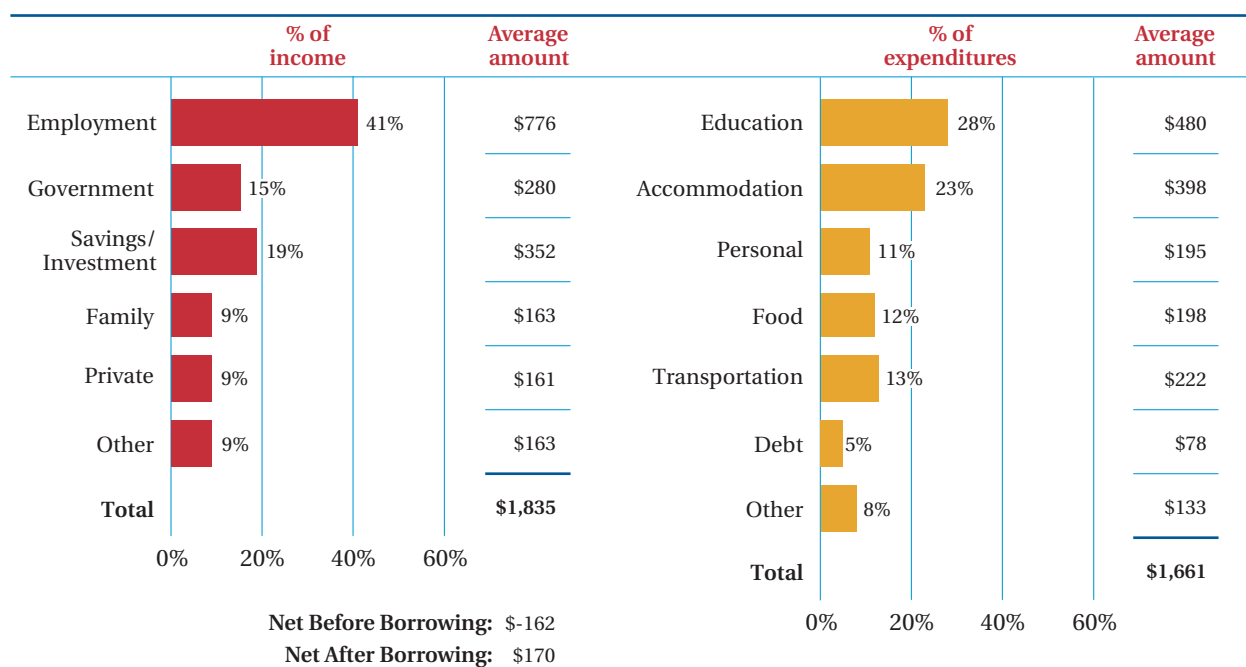
On the income side, employment earnings differ substantially between the two groups, with rural residents bringing in \$776 per month and students in urban areas earning about \$544 monthly. Interestingly, funds from savings and investments are also larger for rural residents, while students in urban areas receive marginally more government and family support. Students in rural areas have significantly higher "other" income.

On the expenditure side, students in rural areas pay more for accommodation, debt repayment, "other" costs and transportation, whereas their urban counterparts have somewhat higher education costs.

Figure 8.20a: Monthly Income and Expenditures by Urban and Rural Status — Urban (n=5,704)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.20b: Monthly Income and Expenditures by Urban and Rural Status — Rural (n=582)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

j) Gender

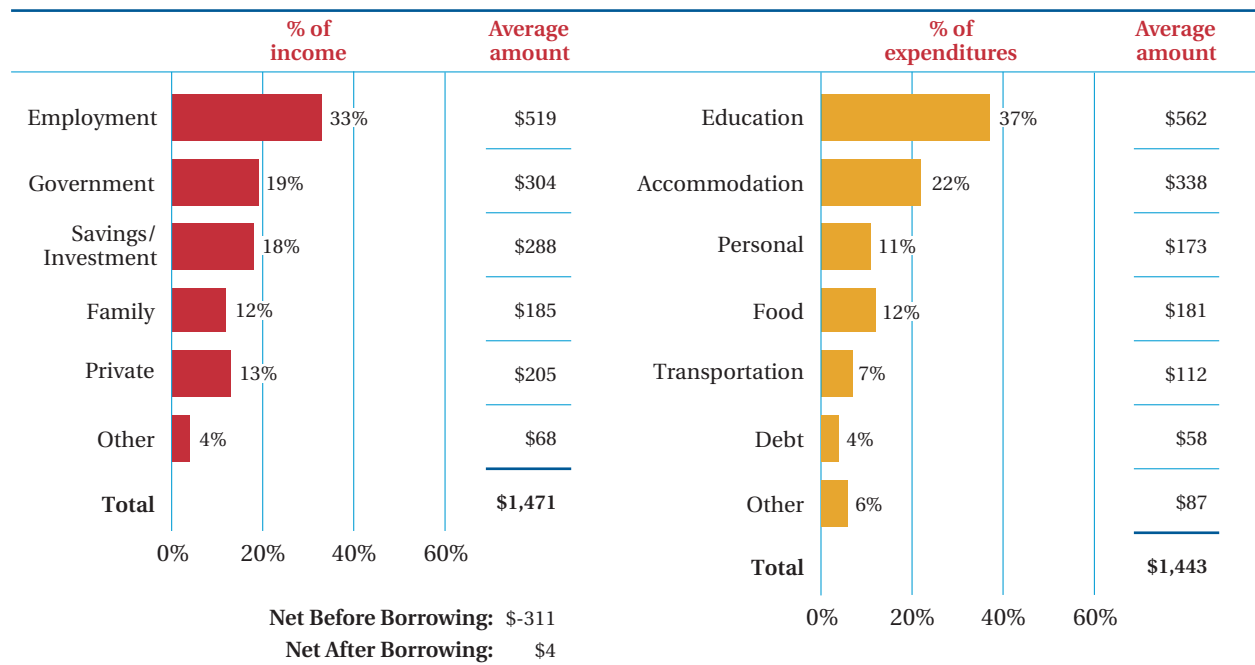
Gender differences in financial patterns are much more subdued than other differences, but women have a slight advantage over men in terms of their balance before and after borrowing.

On the income side, women report slightly higher employment earnings and receive somewhat larger contributions from government sources, while men

draw larger amounts from private sources. Contributions from family and from savings and investments are similar between men and women.

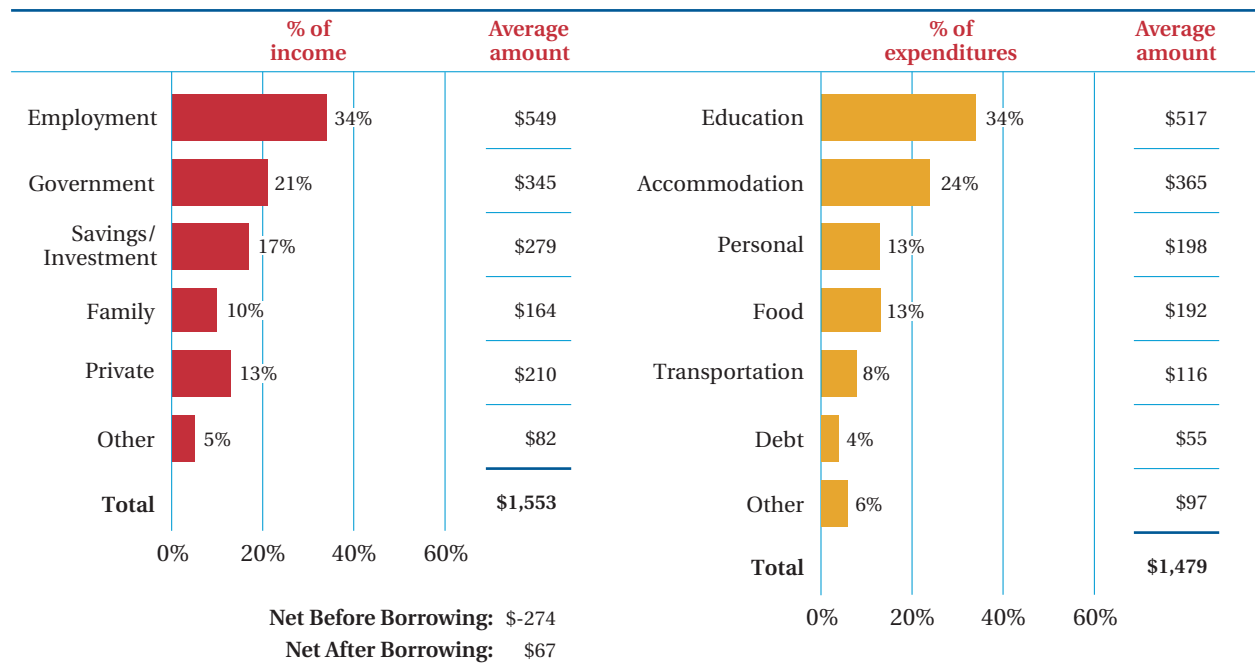
On the expenditure side, women report slightly higher accommodation and personal costs, while men appear to have somewhat higher educational costs. All other costs are fairly similar.

Figure 8.21a: Monthly Income and Expenditures by Gender — Men (n=2,251)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 8.21a: Monthly Income and Expenditures by Gender — Women (n=4,714)



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

k) Aboriginal Status

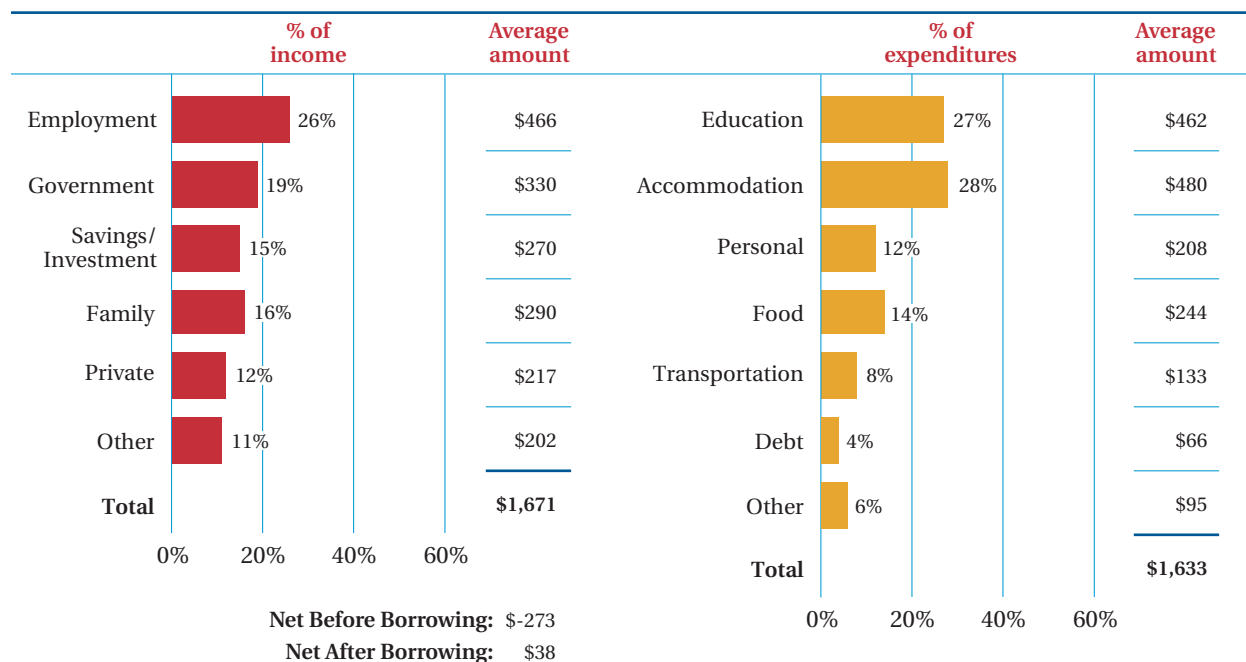
The financial patterns of Aboriginal students are almost identical to those of other students. (This is true whether Aboriginal students are compared to non-Aboriginal students or to the entire student sample.) Although Aboriginal students' incomes and living expenses are \$150 higher than the \$1,534 and \$1,471 averages for all students, their average monthly net balance is almost the same as the \$50 balance for all students.

On the income side, Aboriginal students report lower employment earnings than the \$537 average

for all students. They receive considerably higher contributions from private sources and from "other sources" than the \$169 and \$81 averages, respectively, for all students. Aboriginal and non-Aboriginal students receive similar amounts from governments and families.

On the expenditure side, Aboriginal students spend less on education expenses than the \$530 average for all students. They spend more on accommodation and food than the average of \$356 and \$189 for all students. Other costs are relatively similar.

Figure 8.22: Monthly Income and Expenditures by Aboriginal Status (n=241)



Source: Canadian Post-Secondary Student Financial Survey 2003-04.

D) Disability Status

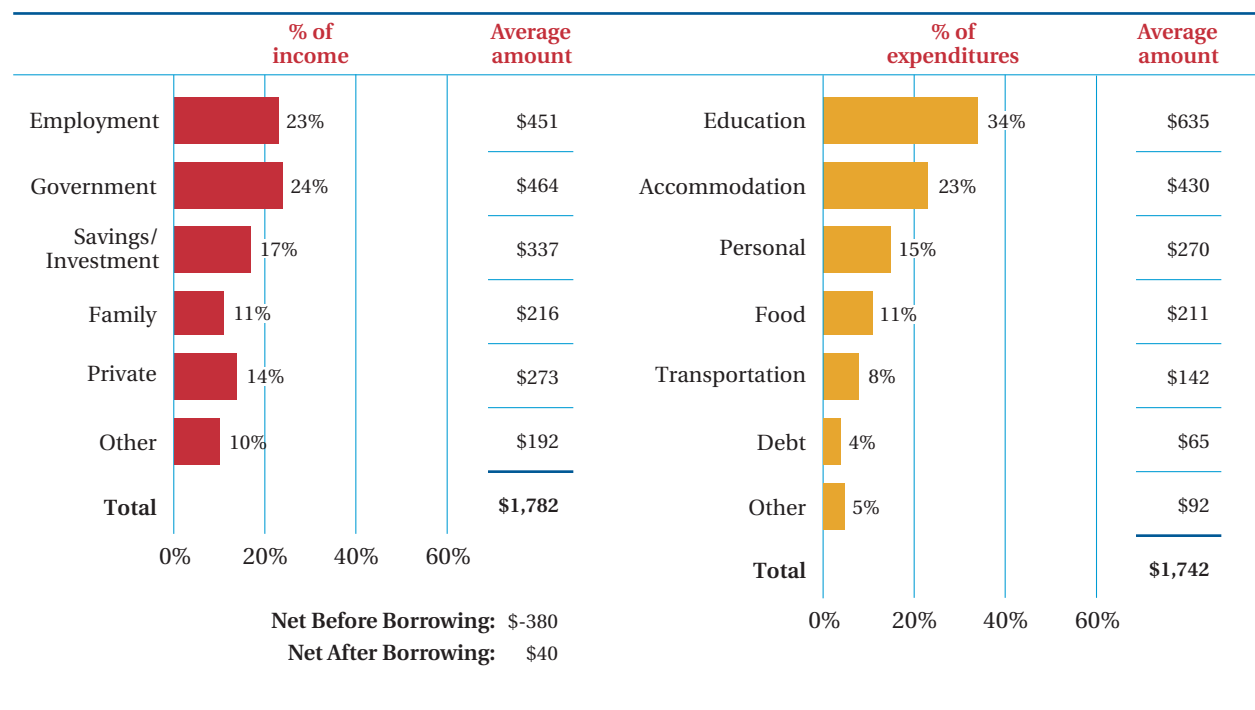
Students with disabilities report higher income and living costs than other students. (This relationship holds true whether students with disabilities are compared to the overall sample of students or only to students without disabilities.) This may be partly a function of age: students with disabilities tend to be older than students without disabilities. The difference in living costs between students with and without disabilities is about \$280 per month, and the difference in income after borrowing is over \$260 per month. When repayable income is taken out of the equation, students with disabilities have a deficit of approximately \$380 per month, while other students fall short by \$280 each month.

On the income side, “other income” (presumably, disability-related payments) stands out, with students with disabilities bringing in about \$120 per month more than students without disabilities. Employment income is also different, with students with disabilities earning an additional \$100 each

month. While students with disabilities get their income from the remaining sources in roughly the same proportions as other students, they report consistently higher monthly amounts from most income sources.

Students with disabilities have the same proportional distribution of monthly income as their non-disabled counterparts. In absolute terms, however, students with disabilities pay about \$75 more per month for accommodation and an additional \$80 to \$100 per month for education and personal care. Students with disabilities also spend slightly more in the remaining categories of monthly expenditures. Although students with disabilities bring in higher total incomes, any extra money goes toward disability-related expenditures. After borrowing, students with disabilities have a similar monthly surplus (\$40, compared to \$50 per month for students without disabilities).

Figure 8.23: Monthly Income and Expenditures by Disability Status (n=228)



8.4 An Overall Financial Picture

Note that while previous average amounts in this chapter were based on all students who participated in the baseline and provided data for at least two other months, in the following table the averages are based on only those students who received that particular type of support. These figures provide a solid understanding of the actual amounts received over the eight months of the school year.⁵⁹ Readers should note that income from government includes loans and bursaries, as does income from private sources (loans and grants). Family income includes both loans and gifts from parents and other family members. Savings and investments are added together as one source.

The report shows that income from employment has risen by \$800 from the amount recorded in *Making Ends Meet* in 2001–02, when it was \$5,800. Government loans are also up from 2001–02, when they were \$6,900. Borrowing from private sources and from family remained fairly constant (\$4,700 from private sources in 2001–02 and \$3,100 from family in 2001–02).

The largest average annual contributions (for students receiving this support) come from government, followed by employment earnings, private sources, family and (finally) savings and investments. Average amounts of employment income increase steadily with age, as do contributions from savings and investments (to a lesser degree). Contributions from government and private sources plateau and then decrease for older students, while family support declines for the 24 to 25 age group and then picks up again among older students (from spousal support).

Employment earnings are much higher among those studying part-time, while income from government and private sources is higher for full-time students. Annual contributions from family

and savings are roughly the same for full-time and part-time students. The type of institution (i.e., college or university) has a bearing on financial support: university students report higher amounts from all sources.

About one-quarter of students' annual employment earnings come from the summer months. Interestingly, nearly half of students who did not intend to work during the academic year actually reported some kind of employment earnings. Employment intentions are related to fairly wide differences in support from government and from private sources, with those who did not intend to work receiving much greater support.

Students living with spouses report considerably higher earnings and depend less on government support (see Table 50). Again, since these students are considerably older, this is not surprising. All sources of income other than employment are lowest for students living with parents (who tend to be younger) and highest for those living alone or with spouses. Levels of support from family are similar for students living alone and for those sharing accommodations.

Employment earnings are considerably higher in Alberta and British Columbia, and somewhat higher in Manitoba, while students from Atlantic Canada earn the least. Government support is highest in Nova Scotia, New Brunswick and Ontario. It is lowest in Quebec, where education costs are lower and students are younger. Income from private sources is highest in Saskatchewan and Nova Scotia; it is lowest in Quebec and Manitoba. Support from parents is also higher in Nova Scotia, Saskatchewan and Ontario, but lowest in Prince Edward Island, Newfoundland and Labrador, Quebec and New Brunswick.

59. Although the survey does not gather data for the month of April, the annual totals were increased by an average monthly amount (related to a particular source) to capture the September 2003–April 2004 academic year.

Table 49: Total Income from Employment, Government, Private Sources and Family from Baseline and Across the Year, by Selected Student Characteristics (I)

Characteristics	Avg. From Employment (employed only) (\$) (n=6,718)	Avg. From Government (recipients only) (\$) (n=3,742)	Avg. From Private Sources (recipients only) (\$) (n=3,629)	Avg. From Family (supported only) (\$) (n=5,943)	Avg. From Investment & Savings (users only) (\$) (n=6,334)
All Students	6,612	8,033	4,691	3,196	2,662
Age Group					
<18	3,325	3,842	3,434	2,498	1,459
18–19	4,403	6,107	3,861	2,910	2,243
20–21	5,585	7,755	4,584	3,132	2,565
22–23	5,879	7,966	4,844	3,364	2,804
24–25	7,214	10,023	5,740	3,045	2,740
26–29	9,994	11,477	5,526	3,264	3,235
30+	13,240	10,171	5,258	4,662	3,878
Status					
Part-time	12,147	6,810	3,262	3,142	2,679
Full-time	4,881	8,155	4,882	3,209	2,656
Type of School					
College	4,625	6,650	3,748	1,946	2,247
University	7,237	8,528	4,924	3,635	2,805
Intended to Work During School Year					
Yes	8,010	6,856	4,210	2,872	2,576
No	3,851	9,356	5,370	3,707	2,879

Based on students participating in the baseline and at least one wave in each semester.

Means exclude responses with a monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

It is not surprising to see that employment earnings and government support are lower among students receiving support from parents. But parental support is linked to more subtle differences in support from private sources and savings and investment. Interestingly, there is only a \$500 gap in family support between those who receive support from parents and those who receive support from other family members.

As we would expect, students with considerably lower employment earnings and family support are the ones who receive government loans. Students who borrow from the government receive roughly the same amount of support from private sources as those who do not. They also draw about the same annual amount from savings and investments. Even

those who do not report government loans during the year report some financial assistance from government (such as grants).

Students living in rural areas report higher employment earnings and draw more money from their savings and investments than do urban students. Students residing in urban areas tend to receive somewhat larger support from private sources and family.

Table 51 presents total annual income from all sources, as well as the percentage of income that is repayable. This includes all income⁶⁰ at the beginning of the school year and monthly across the school year, but does not include previous years. Repayable income includes not only government and private loans, but also loans from family.

60. As indicated earlier, borrowing from credit cards is excluded from the calculation of total annual income.

Table 50: Total Income from Employment, Government, Private Sources and Family from Baseline and Across the Year, by Selected Student Characteristics (II)

Characteristics	Avg. From Employment (employed only) (\$) (n=6,718)	Avg. From Government (recipients only) (\$) (n=3,742)	Avg. From Private Sources (recipients only) (\$) (n=3,629)	Avg. From Family (supported only) (\$) (n=5,943)	Avg. From Investment & Savings (users only) (\$) (n=6,334)
All Students	6,612	8,033	4,691	3,196	2,662
Living Arrangements					
Parents	5,542	4,978	3,647	2,380	2,094
Spouse	11,524	8,398	5,616	3,935	3,248
Alone	7,607	11,134	5,510	4,211	3,583
Roommate	4,862	9,293	5,176	3,997	2,968
Province					
British Columbia	7,780	7,868	4,531	2,994	3,338
Alberta	7,728	7,662	4,992	3,584	3,416
Saskatchewan	5,606	8,144	6,301	3,629	2,847
Manitoba	7,199	6,078	3,921	2,921	2,630
Ontario	6,650	8,722	5,031	3,646	2,756
Quebec	6,256	6,496	3,185	2,433	1,839
New Brunswick	5,151	9,747	4,684	2,466	2,458
Nova Scotia	4,917	10,702	5,480	3,769	2,894
P.E.I./N.L.	3,518	6,768	4,598	2,096	2,124
Parental Assistance During the Year					
Yes	5,110	7,277	4,428	3,316	2,459
No	9,104	9,040	5,128	2,708	3,031
Government Loans During the Year					
Yes	3,580	9,336	4,606	2,217	2,580
No	7,824	3,251	4,695	3,550	2,695
Location					
Urban	6,669	7,793	4,567	2,971	2,611
Rural	8,544	7,771	4,248	2,768	3,421

Based on students participating in the baseline and at least one wave in each semester.

Means exclude responses with a monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

About one-fifth (19 per cent) of students' income is repayable.⁶¹ This is a small decrease from 2001–02, when 22 per cent was repayable. As we expected, the repayable proportion of income increases with age from 13 per cent among the youngest students to 23 per cent among students who are 22 to 23 years old. The proportion of repayable income declines significantly among students 30 years and older, owing to higher employment earnings. Despite higher total annual incomes among university students, university and college students borrow

roughly the same proportion of their incomes. But there is a large gap between part-time and full-time students: full-time students will have to repay almost one-quarter of their income, largely because they work less. Despite small differences in total income, unemployed students will have to repay a significantly higher proportion of their income. Students who live with their spouses or parents will be obliged to repay the smallest percentage of their income, while those living alone or with roommates are in the worst position.

61. If calculated based on total annual figures (not on a case-by-case basis), the proportion of repayable income is 22 per cent.

Table 51: Total Annual Income and Percentage Repayable, by Selected Student Characteristics (I)

Characteristics	Total Annual Income (\$) (among all students) (n=7,504)	Avg. Repayable (%) (among all students) (n=7,511)
All Students	16,123	19
Age Group		
<18	8,913	13
18–19	12,828	17
20–21	15,075	19
22–23	16,864	23
24–25	17,653	22
26–29	21,890	21
30+	22,116	15
Type of School		
College	11,630	18
University	17,740	19
Status		
Part-time	17,715	7
Full-time	15,640	22
Intended to Work During School Year		
Yes	16,234	14
No	16,272	25
Living Arrangements		
Parents	11,859	13
Spouse	20,961	14
Alone	21,376	26
Roommate	18,096	28

Based on students participating in the baseline and at least one wave in each semester.

Note that means exclude values that exceed five standard deviations from the mean and responses with a monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Residents of New Brunswick and Nova Scotia will have to repay the greatest percentages of their income: 33 and 31 per cent, respectively (see Table 52). Quebec students are in the best position, having to repay only 11 per cent. The repayable proportion of income is slightly higher among students who do not receive support from their parents. Evidently, the repayable percentage of income depends enormously on whether students are receiving government loans: those who receive such assistance must repay 46 per cent of their income, while those without it will only have to repay seven per cent. Urban residents appear to have

Table 52: Total Annual Income and Percentage Repayable, by Selected Student Characteristics (II)

Characteristics	Total Annual Income (\$) (among all students) (n=7,504)	Avg. Repayable (%) (among all students) (n=7,511)
All Students	16,123	19
Province		
British Columbia	16,463	15
Alberta	18,409	18
Saskatchewan	17,536	29
Manitoba	14,677	15
Ontario	17,661	22
Quebec	12,426	11
Nova Scotia	18,819	31
P.E.I./N.L.	15,159	20
New Brunswick	17,502	33
Parental Support During the Year		
Yes	14,837	17
No	18,414	21
Government Loans During the Year		
Yes	18,834	46
No	14,876	7
Location		
Urban	15,702	18
Rural	18,575	20

Based on students participating in the baseline and at least one wave in each semester.

Note that means exclude values that exceed five standard deviations from the mean and responses with a monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

a marginal advantage over their rural counterparts regarding the proportion of repayable income.

Table 53 shows the percentage of students who currently owe money to government or private sources, as well as the total amount they owe to each of these sources. The total amount owing (on average, per student) takes into account funds borrowed in this academic year as well as amounts already owed at the start of the school year and from previous years. Note that the total amount owed to government or private sources does not discount any debt payments made over the course of the school year. This is because students reported debt

payment in a generic fashion and were not required to indicate which source of debt they were paying down. The last column shows the percentage of students who owed money to some source (including not only government and the private sector, but also family and other sources).⁶² The average amount of total debt comprises funds from previous years as well as the year of the survey, including all sources of debt except for credit cards. It also discounts the debt load by the total amount of payments that students reported making over the course of the year.

In total, 42 per cent of students reported some form of government debt. Total government debt incurred to date is \$13,490, on average. A smaller percentage (29 per cent) of students tap private sources, and the current private debt load is lower, at \$11,255.⁶³ Two out of three students have some kind of debt. When their payments during the year are subtracted, these students are left with an average debt of \$15,926 (see note accompanying Table 53).⁶⁴ These figures are somewhat higher than the 2001–02 *Making Ends Meet* figures, where

students had borrowed \$12,900 in government loans, and were left with total accumulated debt of \$12,300 after payments. But private loans appear to have changed even more since 2001–02: the amounts borrowed have gone up by almost \$2,900.

Naturally, younger students have had less opportunity and need to accumulate debt. The amount of government debt increases sharply beginning at age 18. The incidence of government debt plateaus at age 22. Interestingly, although a significantly smaller proportion of older students (30 years and older) are currently borrowing from government, they have the largest amount of government debt. The same is true for private sources of debt. If a student is going to accumulate debt, he or she is likely to have done so by age 22: 76 per cent of students in this age range will already have some debt. This proportion increases only nine per cent, to reach 85 per cent by age 29. The overall debt load increases steadily across age categories, with the exception of a small dip for the 26 to 29 age cohort.

Table 53: Government Student Loans, Private Loans and Total Accumulated Debt From Previous Years and Across the School Year, by Selected Student Characteristics (I)

Characteristics	Government Loans		Private Loans		Total Debt (minus payments)*	
	Percentage With Balance (n=7,470)	Avg. Balance (borrowers only) (\$ (n=3,684)	Percentage With Balance (n=7,462)	Avg. Balance (borrowers only) (\$ (n=2,429)	Percentage With Balance (n=7,445)	Avg. Balance (borrowers only) (\$ (n=5,348)
All Students	42	13,490	29	11,255	66	15,926
Age Group						
<18	29	3,568	6	4,204	52	2,898
18–19	32	8,106	17	6,255	54	7,565
20–21	38	12,947	22	9,627	61	13,183
22–23	51	15,391	40	9,380	76	17,947
24–25	61	16,340	43	10,584	79	20,013
26–29	64	15,474	42	10,344	85	19,680
30+	37	17,217	45	20,314	71	26,945

* Includes government and private debt as well as debt to family and other sources, minus the debt payments that students reported throughout the year. In some cases, figures will look considerably smaller than the government and private sources of debt because the latter figures were averaged among borrowers of that type of debt, while the “total debt” figure is averaged among all borrowers, from all sources. Since some sources, such as family, tend to lend relatively small amounts, the overall average total debt could be much lower.

Based on students participating in the baseline and at least one wave in each semester.

Note that means exclude values that exceed five standard deviations from the mean and responses with a monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

62. Credit card debt is excluded from the calculations of total debt, and debt payment is reduced by 73 per cent for credit card users.

63. If balances on credit cards from previous years and across the academic year are included in the calculation of private loans, the percentage of students tapping private sources is significantly higher (52 per cent) and the current debt load increases to \$11,500.

64. If balances on credit cards from previous years and across the academic year are included in the calculation of total debt, the percentage of students with some kind of debt is higher (84 per cent) and the average amount owing per student is \$16,500.

Table 54: Government Student Loans, Private Loans and Total Accumulated Debt from Previous Years and Across the School Year, by Selected Student Characteristics (II)

Characteristics	Government Loans		Private Loans		Total Debt (minus payments)	
	Percentage With Balance (n=7,470)	Avg. Balance (borrowers only) (\$ (n=3,684)	Percentage With Balance (n=7,462)	Avg. Balance (borrowers only) (\$ (n=2,429)	Percentage With Balance (n=7,445)	Avg. Balance (borrowers only) (\$ (n=5,348)
All Students	42	13,490	29	11,255	66	15,926
Status						
Part-time	31	11,110	39	14,024	63	17,405
Full-time	45	13,990	27	9,996	67	15,500
Type of School						
College	40	8,946	25	8,246	65	10,854
Undergraduate	43	14,806	30	12,147	66	17,087
Graduate	49	15,847	39	12,714	72	21,574
Intended to Work During School Year						
Yes	38	12,710	31	11,935	65	15,327
No	48	14,696	27	10,273	67	17,128

Based on students participating in the baseline and at least one wave in each semester.

Note that means exclude values that exceed five standard deviations from the mean and responses with a monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Part-time or full-time status is an important factor in the incidence and level of debt (see Table 54). As might be anticipated, the incidence of government loans is 14 percentage points higher among full-time students. About one-third of part-time students have government loans, although these may be left over from a period of full-time attendance. Full-time students have also accumulated greater amounts of debt. The reverse pattern appears when it comes to private sources. Part-time students are somewhat more likely to be tapping the private sector for loans (possibly because they are not eligible for government loans), and they owe larger amounts to private sources. When government and private debts are combined, full-time students are only slightly more likely to have borrowed, and there is a narrower gap between full-time students' and part-time students' accumulated debts.

College students and undergraduate university students have a similar incidence of borrowing from all sources, but undergraduate students have accumulated debts that are one-third larger. As it might be anticipated, graduate students report both the highest incidence and largest amounts borrowed from all sources.

The incidence of government loans is considerably higher among students who did not intend to work during the school year, as is the amount of debt incurred. While the incidence of private debt is only four per cent higher among students who intended to work during the school year, these students accumulated larger amounts of private debt than did those who did not intend to work. Total debt remains higher for students who did not intend to work during the year.

Students who live alone or with roommates have very similar incidences of government debt (see Table 55). The amount of government debt accumulated to date, however, is higher for those living alone. Private debt is greatest for students living with spouses. The total debt load is lowest for those living with parents. It is highest for those living alone (\$21,898), but students with spouses are not far behind (\$21,114). Note that the incidence of borrowing for all three groups of students living away from home is quite similar.

The highest incidence of government loans is found among students in two Atlantic provinces: New Brunswick and Nova Scotia. Students are less likely to take government loans in Manitoba, British Columbia

Table 55: Government Student Loans, Private Loans and Total Accumulated Debt from Previous Years and Across the School Year, by Selected Student Characteristics (III)

Characteristics	Government Loans		Private Loans		Total Debt (minus payments)	
	Percentage With Balance (n=7,470)	Avg. Balance (borrowers only) (\$ (n=3,684)	Percentage With Balance (n=7,462)	Avg. Balance (borrowers only) (\$ (n=2,429)	Percentage With Balance (n=7,445)	Avg. Balance (borrowers only) (\$ (n=5,348)
All Students	42	13,490	29	11,255	66	15,926
Living Arrangements						
Parents	30	9,339	18	7,760	53	9,298
Spouse	45	14,310	49	15,492	78	21,114
Alone	56	16,819	41	11,581	79	21,898
Roommate	55	15,533	30	10,417	74	17,697
Province						
British Columbia	32	14,261	24	9,139	60	14,939
Alberta	36	14,710	33	11,228	67	16,365
Saskatchewan	46	16,212	40	12,192	73	18,825
Manitoba	28	13,595	38	8,936	64	14,174
Ontario	46	14,999	32	10,873	70	17,212
Quebec	42	7,734	22	13,924	59	11,752
New Brunswick	56	21,318	41	11,099	78	23,946
Nova Scotia	55	20,551	43	11,829	79	22,421
P.E.I./N.L.	41	11,066	30	11,423	64	12,861
Parental Support During the Year						
Yes	37	11,882	24	9,321	61	12,685
No	51	15,346	38	13,217	74	20,278
Government Loans During the Year						
Yes	100	15,130	33	9,691	100	19,476
No	16	9,070	28	12,017	51	12,796
Location						
Rural	50	11,981	36	8,718	74	14,328
Urban	40	13,524	29	10,375	64	15,429

Based on students participating in the baseline and at least one wave in each semester.

Note that means exclude values that exceed five standard deviations from the mean and responses with a monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

and Alberta. Accumulated amounts are again highest in New Brunswick and Nova Scotia, and lowest in Quebec. Quebec and British Columbia students are least likely to be tapping private loans, but borrowers from Manitoba and British Columbia owe the smallest amounts. Interestingly, borrowers from Quebec owe the largest amounts to private sources. Government debt patterns are repeated for total debt: while Nova Scotia and New Brunswick borrowers owe an average of \$22,421 to \$23,946 to all sources, on average, borrowers from Quebec, Prince Edward

Island and Newfoundland and Labrador borrowed less than half of this amount.

Students who do not receive support from their parents are considerably more likely to have government and private loans. They also owe larger average amounts than those receiving support from parents. Looking at the overall picture, those without the benefit of parental support have accumulated about 60 per cent more debt than those who are supported by parents.

Even among students who report no government loans during the year of the study, 16 per cent owe money to government sources for previous loans; the average accumulated amount is \$9,070. While the incidence of private-sector debt is higher among government-assisted students, the amount accumulated is greater among students who are not

receiving government assistance. The total debt load of those currently tapping government sources is about 50 per cent greater than that of students who are not currently receiving government support.

Students from rural areas report a higher incidence of government loans, but urban residents have incurred greater amounts of government debt.

Table 56: Average Accumulated Baseline Debt (Including All Sources) From Previous Years, This Year and Overall, by Selected Student Characteristics (I)

Characteristics	Previous Years		This Year (minus payments)		Total Debt (minus payments)*	
	Percentage With Balance (n=7,201)	Avg. Balance (borrowers only) (\$ (n=4,445)	Percentage With Balance (n=7,432)	Avg. Balance (borrowers only) (\$ (n=4,260)	Percentage With Balance (n=7,445)	Avg. Balance (borrowers only) (\$ (n=5,348)
All Students	59	12,809	45	7,274	66	15,526
Age Group						
<18	20	1,422	45	2,847	52	2,898
18–19	40	4,277	40	6,298	54	7,565
20–21	56	8,947	46	7,274	61	13,183
22–23	73	13,374	55	7,667	76	17,947
24–25	75	15,372	52	8,707	79	20,013
26–29	83	15,803	52	8,601	85	19,680
30+	70	23,367	35	8,512	71	26,945
Years of Post-Secondary Education						
<1	33	4,515	44	5,785	57	6,827
1	57	5,460	48	6,810	64	10,602
2	61	10,541	43	7,256	65	14,421
3	63	12,923	45	7,106	65	17,307
4	65	20,265	45	8,816	74	23,351
5+	74	18,127	47	8,371	76	22,375
Status						
Part-time	66	15,667	22	4,771	63	17,405
Full-time	56	11,801	52	7,579	67	15,500
Type of School						
College	55	7,863	43	6,080	65	10,854
Undergraduate	59	13,685	48	7,605	66	17,087
Graduate	65	18,672	40	8,454	72	21,574
Intended to Work During School Year						
Yes	60	13,142	39	6,327	65	15,327
No	57	12,453	56	8,403	67	17,128

* Includes government and private debt as well as debt to family and other sources, minus the debt payments that students reported throughout the year. In some cases, figures will look considerably smaller than the government and private sources of debt because the latter figures were averaged among borrowers of that type of debt, while the “total debt” figure is averaged among all borrowers, from all sources. Since some sources, such as family, tend to lend relatively small amounts, the overall average total debt could be much lower.

Based on students participating in the baseline and at least one wave in each semester.

Note that means exclude values that exceed five standard deviations from the mean and responses with a monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Likewise, students from rural areas are more likely to borrow from private sources, but urban students have accumulated larger debts from private loans. The pattern recurs for total debt: rural students are more apt to borrow, while their urban counterparts incur larger amounts of debt.

Table 56 separates debt load into previously incurred debt and debt from the year of the survey. The average amount incurred during 2003–04 (among students who incurred debt from any source) is \$7,274. Younger students have had less opportunity to accumulate debt from previous years, but they also accumulate less in any given year. The average amount of debt incurred during the year (minus any debt payments made during this period) climbs to about \$8,500 for older students. Students who have been attending university or college for a longer time have also had a greater opportunity to accumulate debt. Surprisingly, however, the amount of debt load shows only a small increase for each successive year of study. Also surprising is the average amount of debt carried by first-year students: one-third of students have incurred some type of debt, averaging about \$4,500.

Part-time students are more likely than full-time students to begin the academic year with some kind of debt, and their average amount of debt is significantly larger. But full-time students are more likely to incur debt during the academic year; they also incur larger amounts of debt during their studies.

University students, and graduate students in particular, are more likely to have past debt. They typically owe almost twice as much as college students, and they accumulate debt at a faster rate each year.

Employment is not a major predictor of how much students owe from previous years, although a somewhat larger proportion of working students have accumulated debt in the past. But employed students are accumulating debt at a considerably slower rate each year.

Students living with their parents have limited amounts of previous and current debt (see Table 57). Students living with spouses carry more debt from previous years, while students who live alone accumulate more debt each year than other students.

Regionally, New Brunswick and Nova Scotia again stand out with the largest debt load from previous years and the most incurred during the study year. Students from Prince Edward Island, Newfoundland and Labrador and Quebec report the smallest incidences of debt from previous years; students from Prince Edward Island, Newfoundland and Labrador and British Columbia incur the smallest amounts of debt from previous years. Students from Quebec and Manitoba tend to accumulate debt at a slower pace.

Those receiving parental support carry lower debt loads from previous years. They also accumulate debt more slowly from year to year. Evidently, since most government assistance comes in the form of loans, students who receive government assistance are more likely to have past and current debt; the amounts of debt they have incurred are also bigger.

Students from rural areas report higher incidences of all types of debt than urban students, but they have accumulated roughly the same amount of debt from previous years. On the other hand, rural students accumulate debt slightly more slowly than their urban counterparts; they also report \$1,000 less debt overall.

Table 57: Average Accumulated Baseline Debt (Including All Sources) From Previous Years, This Year and Overall, by Selected Student Characteristics (II)

Characteristics	Previous Years		This Year (minus payments)		Total Debt (minus payments)	
	Percentage With Balance (n=7,201)	Avg. Balance (borrowers only) (\$ (n=4,445))	Percentage With Balance (n=7,432)	Avg. Balance (borrowers only) (\$ (n=4,260))	Percentage With Balance (n=7,445)	Avg. Balance (borrowers only) (\$ (n=5,348))
All Students	59	12,809	45	7,274	66	15,526
Living Arrangements						
Parents	45	7,833	34	5,005	53	9,298
Spouse	74	18,502	36	7,693	78	21,114
Alone	73	16,349	62	8,951	79	21,898
Roommate	66	12,451	62	8,634	74	17,697
Province						
British Columbia	57	10,416	36	7,276	60	14,939
Alberta	60	13,740	45	7,209	67	16,365
Saskatchewan	60	15,479	61	8,464	73	18,825
Manitoba	58	12,192	37	6,187	64	14,174
Ontario	62	13,103	51	8,282	70	17,212
Quebec	51	11,478	36	3,940	59	11,752
New Brunswick	72	17,422	62	9,839	78	23,946
Nova Scotia	67	17,512	63	10,261	79	22,421
P.E.I./N.L.	49	10,180	46	7,895	64	12,861
Parental Support During the Year						
Yes	52	9,669	44	6,753	61	12,685
No	69	16,631	48	8,052	74	20,278
Government Loans During the Year						
Yes	79	14,378	99	8,465	100	19,476
No	49	11,689	21	4,761	51	12,796
Location						
Rural	65	12,238	50	6,510	74	14,328
Urban	57	12,281	43	7,093	64	15,429

Based on students participating in the baseline and at least one wave in each semester.

Note that means exclude values that exceed five standard deviations from the mean and responses with a monthly surplus of \$1,800 or higher.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

9. Perceived Impacts of Finances on Schooling and Related Decisions

9.1 Expected Accumulation of Debt

We asked students to estimate the amount of education-related debt they expected to accumulate by the time they completed their program. Over one-third (38 per cent) expect to accumulate no debt, 14 per cent expect to incur debt of \$5,000 or less, and 11 per cent anticipate a debt of \$5,001 to \$10,000. One in seven (14 per cent) expect to amass a debt of \$10,001 to \$20,000, and a similar proportion (16 per cent) expect to borrow \$20,001 to \$40,000. Seven per cent expect that their education-related debt will total more than \$40,000. These figures are somewhat higher, but in line with those reported by college students in the *2003 Canadian College Student Finances: Second Edition* study conducted for the Canada Millennium Scholarship Foundation and the Canadian College Students Survey Consortium.

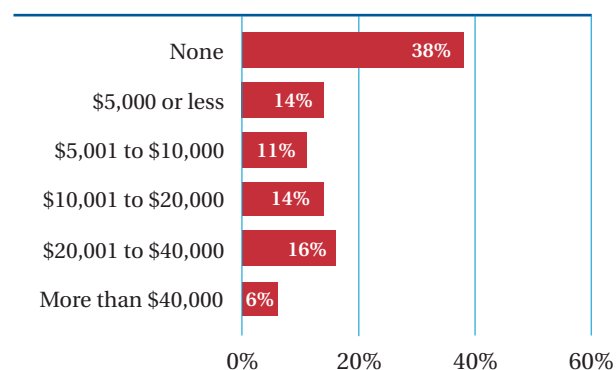
Students expecting to accumulate more than \$40,000 in debt are more apt to be pursuing graduate degrees, to be 26 to 29 years old, to live alone, to have moved to go to school and to have lower levels of household income. These students are also more likely to have debt from both government and private sources. Students studying in New Brunswick and Nova Scotia are also more likely to anticipate these high debt levels.

The average expected debt among all students surveyed (including those who expect to incur no debt) is \$12,908.⁶⁵ This is slightly lower than the actual average debt load of almost \$16,000.

The amount of debt students expect to accumulate increases with age, but drops off significantly after age 30; it is highest among those aged 26 to 29 (see Table 58). College students expect to amass the least debt, as do Francophones. Students residing with parents or spouses expect to accumulate less debt, as do those who are dependent or receive parental support.

Figure 9.1: Debt Expected to Accumulate by End of Program (n=6,103)

“How much debt, that is directly related to your post-secondary studies (include all sources such as government loans, bank loans, loans from parents, credit cards, etc.), do you expect to accumulate by the time you complete your program?”



Based on students participating in Wave 5 survey (n=7,184).

“No answer/Do not know” responses are excluded (n=1,069).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

65. Fifteen per cent of students were unable to provide the amount of debt they expect to accumulate by the time they complete their program.

Not surprisingly, part-time students, employed students and those pursuing first degrees expect to incur less debt than other students, while those who moved for school expect to incur more.

Students in Quebec expect to accumulate the least debt, followed by those in Manitoba, while New Brunswick and Nova Scotia students expect to accumulate much more debt than others.

The amount of debt students expect to accumulate decreases as household, parental and employment income increases. Naturally, the amount of expected debt is also higher among those with loans (government or private) and those who already have debt from any source. It increases with the amount of debt incurred to date (whether from government or from private sources).

Table 58: Expected Accumulation of Debt, by Selected Student Characteristics

	How much debt that is directly related to your post-secondary education do you expect to accumulate by the time you complete your program?		How much debt that is directly related to your post-secondary education do you expect to accumulate by the time you complete your program?
Characteristics	Mean Debt Expected to Accumulate (for all students) (\$) (n=6,103)	Characteristics	Mean Debt Expected to Accumulate (for all students) (\$) (n=6,103)
Overall	12,908	Intended to Work During School Year	
Age Group		Yes	10,724
<18	4,506	No	16,074
18–19	9,151	Province	
20–21	11,789	British Columbia	12,224
22–23	16,548	Alberta	12,670
24–25	17,448	Saskatchewan	19,731
26–29	17,819	Manitoba	10,297
30+	12,183	Ontario	15,646
Type of Program		Quebec	4,759
College	6,736	New Brunswick	22,438
Undergraduate	14,446	Nova Scotia	24,893
Graduate	17,834	P.E.I./N.L.	12,696
Status		Employment Income	
Full-time	14,268	None	20,144
Part-time	7,912	\$1–1000	17,427
Living Arrangements		\$1,001–3,000	16,999
Parents	7,274	\$3,001–5,000	14,597
Spouse	10,822	\$5,001–8,000	9,790
Alone	23,256	>\$8,000	6,835
Roommates	18,748	Debt from Any Source	
Other	17,900	Yes	17,979
Parental Support		No	2,239
Yes	9,065	Amount of Government Debt	
No	15,664	\$1–5,000	16,218
Moved for School		>\$5,000	30,730
No	8,853		
<71 km	18,154		
>71km	20,765		

Means calculated for students participating in the baseline and at least one wave in each semester.

Means exclude responses with values that exceed five standard deviations from the mean.

Based on students participating in Wave 5 survey (n=7,184).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

9.2 Concerns About Expected Accumulation of Debt

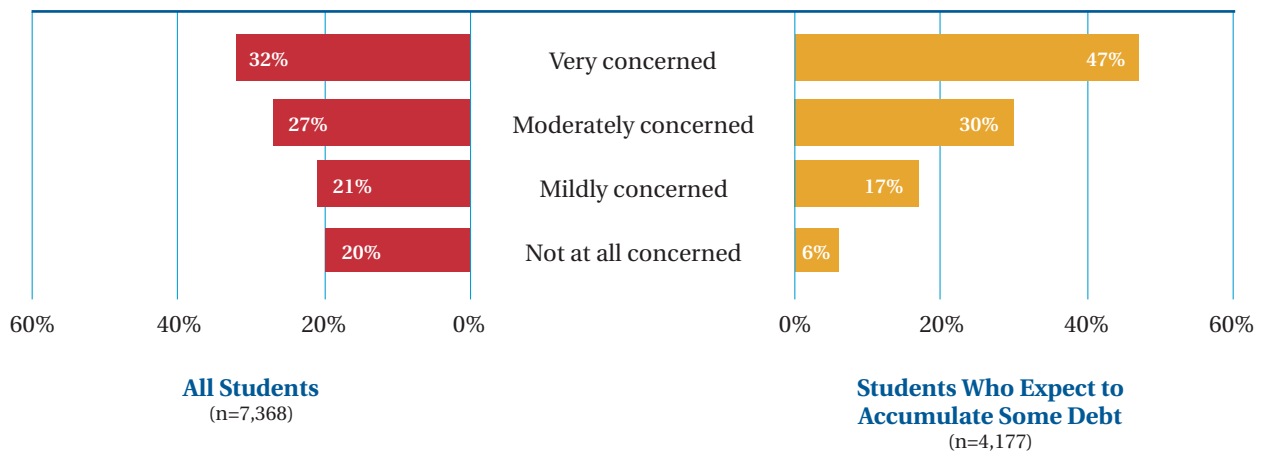
Most students have concerns about the amount of debt they expect to accumulate by graduation. Only one in five students (20 per cent) have no concerns whatsoever about the amount of debt they expect to incur. The same proportion (21 per cent) is only mildly concerned about the debt they will incur, whereas 59 per cent are moderately or very concerned by their debt. Among students who expect to accumulate some debt, the proportion who are very concerned is much higher (47 per cent), while only a minority (six per cent) expresses no concerns about the amount of debt they expect to incur.

Not surprisingly, concerns about debt are closely linked to student and parental incomes, as well as to the debt situation of students (see Table 59). Concerns about debt generally decrease as personal, parental and employment income increase, and are higher among students with loans (government or private) or credit card debt, as well as among students who have line of credit or debt from any source.

Concerns about debt also increase with the amount of debt accumulated to date, whether the debt is from government or private sources. The extent of concern also increases steadily with the amount of debt the student expects to incur by the time of graduation.

Figure 9.2: Concern About Expected Debt

“How concerned are you about the amount of debt you estimate you will incur by the time you graduate?”



Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded (n=11).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 59: Concerns About Debt, by Selected Student Characteristics (I)

**“How concerned are you about the amount of debt you estimate you will incur by the time you graduate?”
(n=7,368)**

Characteristics	Not at all (%)	Very concerned (%)
Overall	20	32
Own Employment Income		
None	15	41
\$1–1,000	18	41
\$1,001–3,000	13	35
\$3,001–5,000	19	35
\$5,001–8,000	20	26
>\$8,000	32	22
Parental Income		
<\$20,000	12	51
\$20,001–40,000	4	48
\$40,001–60,000	15	33
\$60,001–80,000	29	29
\$80,001–100,000	24	23
>\$100,000	37	16
Government Loan		
Yes	4	52
No	28	23
Amount of Government Debt		
\$1–5,000	9	38
>\$5,000	2	59
Debt from Any Source		
Yes	11	41
No	39	14
Total School-Related Debt Expect to Accumulate		
Mean Debt (Across all students)	\$936	\$25,063

Mean calculated for students participating in the baseline and at least one wave in each semester.

“No response/Do not know” responses are excluded (n=11).

Based on students participating in Wave 4 survey (n=7,379).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

As shown in Table 60, students aged 22 to 25 express much greater concern about the amount of debt they will accumulate, but concern drops off for those 26 and over. The youngest students (under 18) are the least concerned with debt. Given this link between concern and age, it is not surprising that students who are independent, who live alone or with roommates, who are not receiving parental support, or who have moved to attend school are all more likely to be very concerned about the debt they will incur.

Part-time students are less concerned about debt, as are those who work long hours during school or during the summer. Students pursuing their first degrees are more likely to express some concern, while those completing subsequent degrees have more polarized views: larger proportions express no concern, but larger proportions also express a high level of concern. Women, Aboriginal students and students with disabilities express greater concern about their debt. Rural students are more likely than urban students to be concerned about the amount of debt they will accumulate, but urban and rural students are equally likely to be “very concerned.”

Francophone students and those studying in Quebec (who tend to be younger) are typically far less concerned about education-related debt. However, graduate students in Quebec are as concerned about their debt as other Canadian students. Concerns are also muted among students with mortgages (who tend to be older and have sources of income), but concerns are greater among those with dependants.

Table 60: Concerns About Debt, by Selected Student Characteristics (II)

Characteristics	“How concerned are you about the amount of debt you estimate you will incur by the time you graduate?” (n=7,368)		Characteristics	“How concerned are you about the amount of debt you estimate you will incur by the time you graduate?” (n=7,368)	
	Not at all (%)	Very concerned (%)		Not at all (%)	Very concerned (%)
Overall	20	32	Parental Support		
Age Group			Yes	24	23
<18	26	14	No	18	39
18–19	20	26	Have Dependents		
20–21	23	28	Yes	22	39
22–23	15	41	No	20	31
24–25	10	47	Moved for School		
26–29	13	35	No	25	27
30+	33	34	<71 km	10	48
Status			71 km+	13	41
Full-time	19	33	Province		
Part-time	26	30	British Columbia	14	38
First Degree			Alberta	18	32
Yes	17	31	Saskatchewan	14	35
No	26	35	Manitoba	19	28
Dependent			Ontario	15	40
Yes	22	26	Quebec	40	13
No	19	38	New Brunswick	14	39
Living Arrangements			Nova Scotia	9	48
Parents	24	26	P.E.I./N.L.	12	30
Spouse	30	29	Location		
Alone	11	43	Rural	14	32
Roommates	11	40	Urban	21	32
Other	17	40	Equity Group		
Mortgage			Aboriginal	7	40
Yes	33	28	Disability	19	46
No	19	33	None	21	32

Mean calculated for students participating in the baseline and at least one wave in each semester.

“No response/Do not know” responses are excluded (n=11).

Based on students participating in Wave 4 survey (n=7,379).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

9.3 Impact on Schooling Decisions

Next, the survey explored the relationship between students' concerns about debt and their decisions regarding school. One-quarter of all students indicate that concerns about the amount of debt they will accumulate have affected their decisions about school a lot. Among students who have made a decision regarding school due to debt concerns, the proportion indicating "a lot" is considerably higher (36 per cent). A similar proportion (22 per cent) of all students report no impact on their decisions about school as a result of concerns about debt levels. Other students indicate that concerns about debt have had little (22 per cent) or some impact (31 per cent) on school decisions.

The impact of financial concerns on school decisions increases with students' age, and is therefore also related to a number of other variables that change with age (see Table 61). For example, part-time students, independent students, and those who do not receive parental support are more likely to report that concerns about debt have had

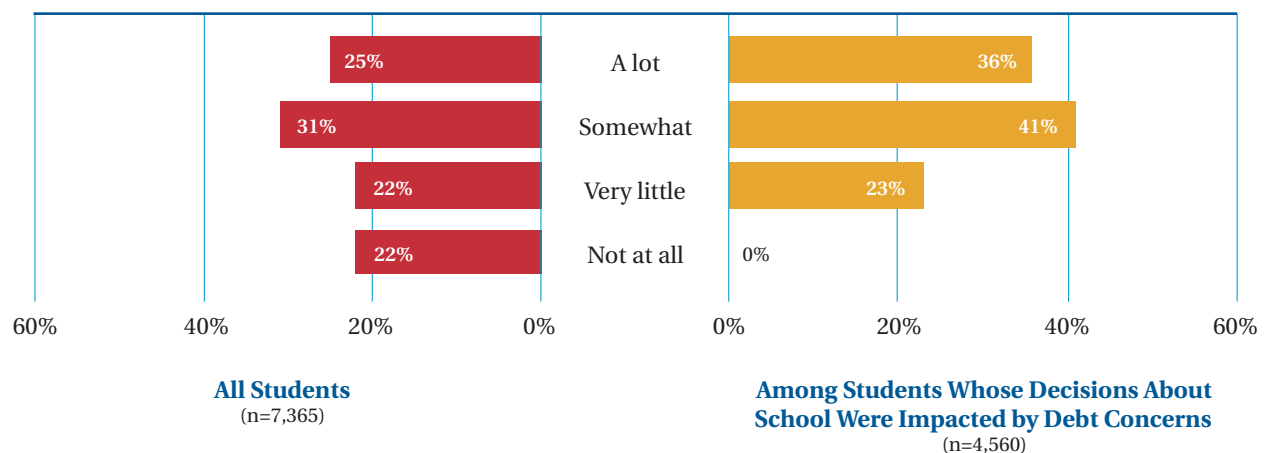
a significant impact on their school decisions. Concerns about debt are also more likely to have been a factor in school-related decisions for students reporting lower household or parental incomes.

Not surprisingly, the extent to which debt concerns have affected school-related decisions increases with the amount of debt accumulated through government loans and credit cards: 19 per cent of those with no credit card debt believe that debt concerns have had a large impact on school decisions, compared to 30 per cent of those with over \$2,500 in credit card debt.

Francophone students (who are younger on average) and residents of Quebec are much less likely to report that debt has been a factor in school decisions, while those with parents who have been to college or university are much more likely to say so. Finally, students from British Columbia are more likely to report that financial concerns have affected school-related decisions (35 per cent).

Figure 9.3: Impact of Debt Concerns on Decisions About School

"To what extent has concern about the amount of debt you think you will accumulate been a factor in your decisions about school?"



Based on students participating in Wave 4 survey (n=7,379).

"No response/Do not know" responses are excluded (n=14).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 61: Impact of Debt Concerns on School-Related Decisions, by Selected Student Characteristics

“To what extent has concern about the amount of debt you think you will accumulate been a factor in your decisions about school?” (n=7,365)

Characteristics	Not at all (%)	A lot (%)
Overall	22	25
Age Group		
<18	31	12
18–19	27	18
20–21	23	19
22–23	17	25
24–25	15	36
26–29	19	28
30+	24	38
Student Status		
Full-time	24	20
Part-time	17	39
Province		
British Columbia	13	35
Alberta	20	24
Saskatchewan	19	21
Manitoba	21	28
Ontario	18	27
Quebec	38	14
New Brunswick	20	30
Nova Scotia	17	25
P.E.I./N.L.	21	25
First Degree		
Yes	21	22
No	24	30
Dependent		
Yes	24	18
No	20	30
Parental Support		
Yes	28	16
No	19	31
Household Income		
<\$20,000	13	34
\$20,001–40,000	13	48
\$40,001–60,000	14	25
>\$60,000	37	28
Parental Income		
<\$20,000	17	38
\$20,001–40,000	15	25
\$40,001–60,000	24	21
\$60,001–80,000	22	21
\$80,001–100,000	32	17
>\$100,000	40	12

Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded (n=14).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

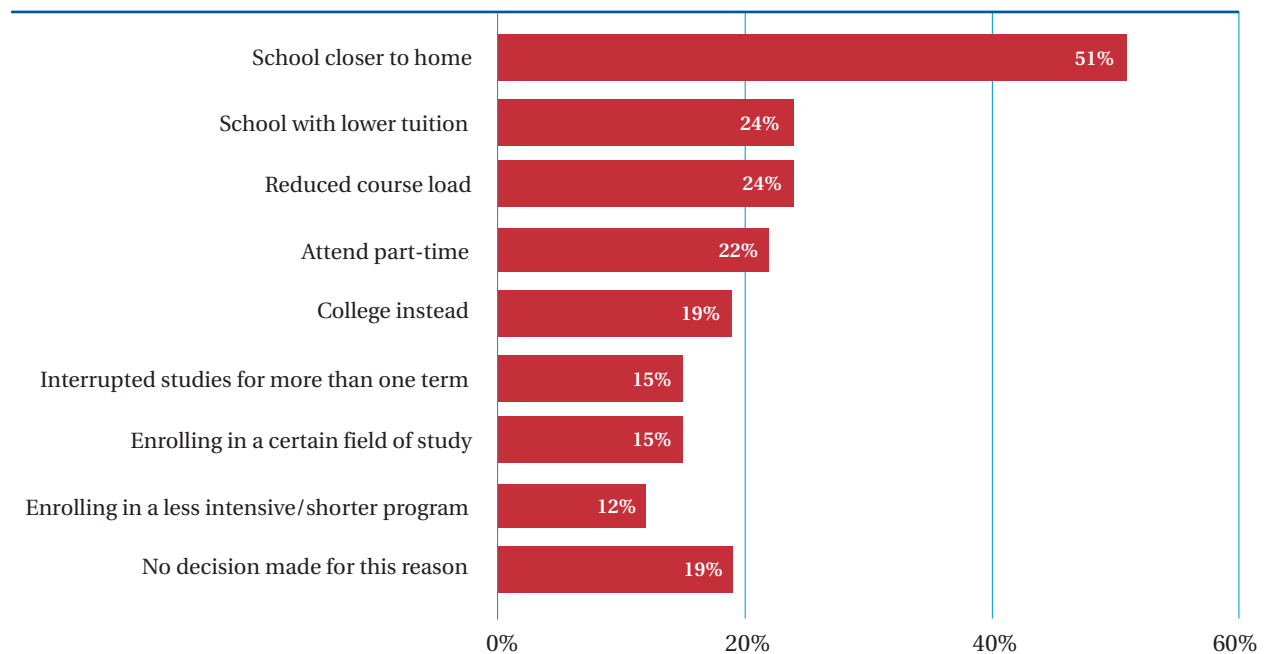
Concerns about debt can affect a number of important decisions. Many students (51 per cent of those whose decisions were affected) say that debt affected their decision to study at a post-secondary institution closer to home in order to reduce the cost of education. Debt concerns also led students to save money by choosing schools with lower tuition (24 per cent), taking reduced course loads (24 per cent), attending school part-time (22 per cent) or attending college instead of university (19 per cent). Still other students pointed to their choice of field of study (15 per cent), their decision to interrupt their studies for more than one term (15 per cent) or their decision to enrol in a shorter or less intensive program (12 per cent). One-fifth of students (19 per cent) report that their concerns about cost or debt have not had a specific effect on any academic decisions.

Students who work during school are more apt to report that several of their school-related decisions were affected by concerns over cost and debt, including the decisions to attend part-time, to choose a school closer to home, to reduce their course load, to interrupt their studies for more than one term or to attend college. Students not working during school are less apt to report an impact on school-related decisions as a result of concerns about debt.

Rural students are more likely to have chosen a school closer to home, while urban students are much more likely to have chosen a reduced course load.

Students whose parents have low incomes (less than \$20,000) are far more likely to have chosen part-time studies, a school with lower tuition, reduced course load, or an interruption in their studies.

Not surprisingly, dependent students who are younger are more likely to have chosen to live at home with parents (55 per cent did, versus 48 per cent of independent students), while independent students are more likely to have made other decisions, such as attending school part-time (33 per cent, versus nine per cent of dependent students), reducing their course load (33 per cent versus 14 per cent) or interrupting their studies for more than one term (23 per cent of independent students versus five per cent of dependent students). The same patterns are true regardless of whether or not students received parental support.

Figure 9.4: School-Related Decisions Made to Make PSE Affordable or to Minimize Debt (n=5,886)

Based on students participating in Wave 4 survey (n=7,379)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Students with mortgages or dependants (i.e., mature students) are also more likely to have chosen part-time studies, reduced course load, or a break in their studies. Students with disabilities are much more likely to have chosen to enrol in college rather than university (32 per cent did), to study part-time (30 per cent), to take a less intensive or shorter program (21 per cent) or to pursue a certain field of study (31 per cent). Students from British Columbia are more likely than those studying in other regions to have made a number of decisions as a result of financial concerns, including attending college rather than university, attending school part-time, choosing a school closer to home or choosing a school with lower tuition.

One out of four students reported that they made these decisions on an entirely or mostly involuntary basis—suggesting that they could not afford to attend school otherwise. Just over one-third (34 per cent) made the decision on a somewhat voluntary basis, while four in ten (42 per cent) made the decision

on a mostly or entirely voluntary basis—i.e., they made the decision to save money or minimize debt.

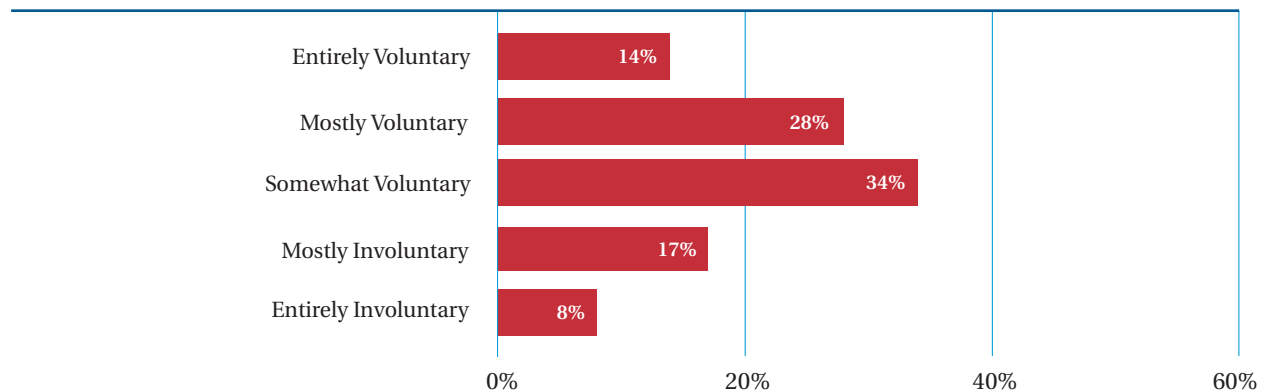
Undergraduate students are less likely to have made their decisions on a voluntary basis (39 per cent did, compared to 45 per cent of college students and 46 per cent of graduate students). Francophone students, students from Quebec and students with at least one parent who attended post-secondary education are more likely to have made their decisions on a voluntary basis.

As can be seen in Table 62, dependent students, those receiving parental support, those who have no dependants and those who did not move for school are also more likely to have made their decision(s) on a voluntary basis.

Students with loans (government or private) or with a debt from any source are less likely to have made their decisions on a voluntary basis. Those with larger government debts (over \$5,000) are even less likely to have made these decisions voluntarily.

Figure 9.5: Extent to Which School-Related Decisions Made Due to Cost/Debt Concerns are Voluntary (n=4,547)

“On the following scale from voluntary (i.e., you made this decision to save money or minimize debt) to involuntary (i.e., you could not afford to attend school otherwise), where would you place your school-related decisions?”



Based on students participating in Wave 4 survey (n=7,379).

“No responses/Do not know” responses are excluded (n=23).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 62: Extent to Which School-Related Decisions Made Due to Cost/Debt Concerns are Voluntary, by Selected Student Characteristics

“On the following scale from voluntary to involuntary, where would you place your school-related decisions?” (n=4,547)

Characteristics	Involuntary (1–2) (%)	Somewhat Involuntary (3) (%)	Voluntary (4–5) (%)
Overall	25	34	42
Receiving Parental Support			
Yes	19	33	48
No	28	35	38
Dependent			
Yes	19	35	46
No	29	33	38
Have Dependants			
Yes	32	34	34
No	24	33	43
Moved for School			
No	24	33	44
<71 km	23	42	35
>71 km	28	35	37
Government Loan			
Yes	32	34	34
No	22	34	44
Amount of Government Debt			
\$1–5,000	26	36	38
>\$5,000	34	34	32
Debt From any Source			
Yes	29	35	36
No	15	32	53

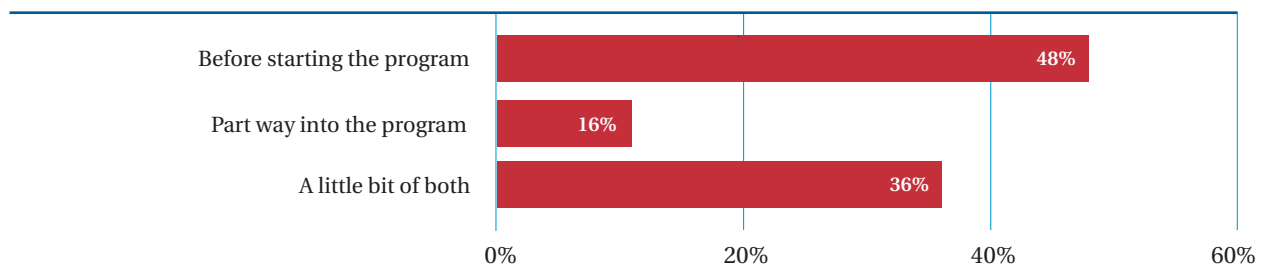
Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded (n=23).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 9.6: Timing of School-Related Decisions Affected by Debt or Cost Concerns

“Taking all of these decisions into account, did you generally make these decisions before starting your program, part way into the program, or a little of both?”



Based on students participating in Wave 4 survey (n=7,379).

“No responses/Do not know” responses are excluded (n=12).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

The cost of education and potential debt affects the academic decisions of a large proportion of students even before they begin their program (48 per cent). Others make cost- and debt-driven academic decisions partway into their program (16 per cent) or both before and during their course of study (36 per cent). This suggests that some students may start their education without planning to live with parents, work during the school year, attend part-time or interrupt their studies, but they later reconsider based on concerns about costs and debt. Overall, however, more students make these decisions before beginning their program.

The timing of cost- and debt-driven academic decisions varies by a number of factors. College students, first-year students, students with high grade-point averages, those who do not work during school, those who are dependent and those who have dependants are all much more likely to have made cost- and debt-driven academic decisions before starting their studies. Students with private debt are less likely to have made such decisions before starting their program; they are more likely to say that they make such decisions both before and during their studies (see Table 63).

We also took a closer look at the extent to which tuition costs may drive some students to choose college rather than university. We asked college students in the sample how much the cost of university

education affected their decision to enrol in college. A total of 45 per cent of college students freely chose to attend college, with cost playing no role in their decision. For 23 per cent, however, the cost of university education was a major factor in their decision to attend college; for four per cent, this was the sole reason for attending college.⁶⁶

Not surprisingly, the cost of university is more likely to have been the sole factor for college students with the lowest household or parental incomes: costs dictated the academic decisions of 18 per cent of those with household incomes below \$20,000 and 11 per cent of those with parental incomes below \$20,000. Cost is also more likely to have been a major factor in the decision of students with government loans and those who are accumulating debt from any source. The cost of university education was also more important in the decision to attend college among those with government debt over \$5,000 (see Table 64).

College students receiving no parental support, independent students, students living alone or with roommates, and students with dependants are all more likely to indicate that the cost of university education played a major role in their decision to attend college. These differences highlight the relatively greater burden of university tuition for students with fewer sources of financial support.

66. “No response/Do not know” responses are excluded (n=7).

Table 63: Timing of School-Related Decisions Affected by Debt or Cost Concerns, by Selected Student Characteristics

“Taking all of these decisions into account, did you generally make these decisions before starting your program, partway into the program, or a little of both?” (n=4,558)

Characteristics	Before Starting (%)	During (%)	A Little of Both (%)
Overall	48	16	36
Dependent			
Yes	53	13	34
No	44	17	38
Living Arrangements			
Parents	53	13	34
Spouse	50	18	32
Alone	46	15	39
Roommates	37	21	42
Other	45	15	40
Have Dependants			
Yes	60	14	26
No	47	16	38
Institution			
College	59	10	31
Undergraduate	44	17	39
Graduate	53	18	28
Years in School			
0	64	7	29
1	52	14	33
2	40	18	42
3	45	18	37
4	46	18	36
Average Grade			
A+/A	56	14	30
A-	53	16	31
B+	48	15	37
B/B-	43	14	43
C	40	17	43
D	32	26	42
Intended to Work During School Year			
Yes	46	15	38
No	53	15	32

Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded (n=23).

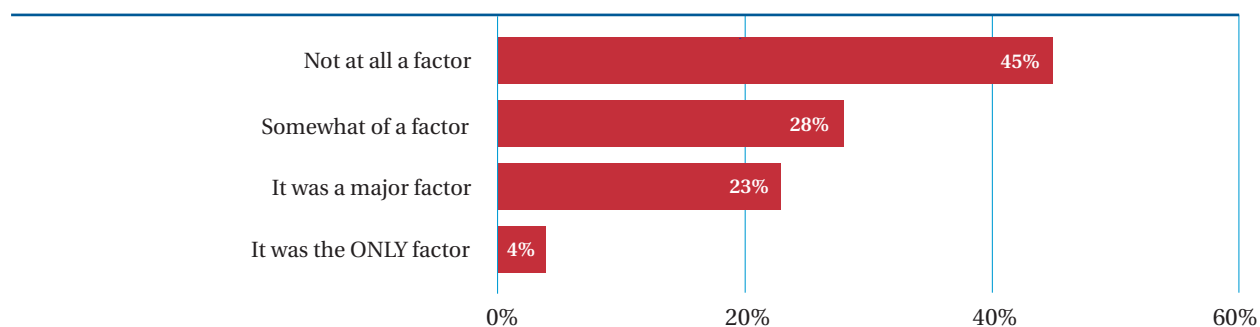
Source: Canadian Post-Secondary Student Financial Survey 2003–04.

The cost of university education is also more likely to have played a significant role in the decision to attend college for students aged 22 and older and for college students whose parents did not obtain a post-secondary education. Francophone students

(who are younger on average) are far less likely to say that the cost of tuition was a factor in their decision (the Quebec CEGEP system, however, which requires students to attend college prior to university, is largely tuition-free).

Figure 9.7: Impact of Cost of University on Decision to Enroll in College

“To what extent was the cost of university a factor in your decision to enroll in a college?”



Based on students participating in Wave 4 survey (n=7,379).

“No responses/Do not know” responses are excluded (n=12).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 64: Impact of Cost of University on Decision to Enrol in College, by Selected Student Characteristics

To what extent was the cost of university a factor in your decision to enrol in college? (n=1,288)				
Characteristics	Not at all a factor (%)	Somewhat of a factor (%)	A major factor (%)	The ONLY factor (%)
Government Loan				
Yes	39	30	29	3
No	48	28	21	4
Debt From Any Source				
Yes	42	28	25	4
No	48	26	16	5
Amount of Government Debt				
\$1–5,000	44	30	23	3
>\$5,000	33	30	34	3
Dependent				
Yes	51	29	18	2
No	36	27	30	6
Living Arrangements				
Parents	50	29	18	3
Spouse	42	29	24	3
Alone	39	22	33	5
Roommates	35	30	32	3
Other	40	34	14	12
Parental Support				
Yes	51	30	18	2
No	40	28	27	5
Have Dependents				
Yes	37	26	28	9
No	46	29	22	3

Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded (n=7).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

9.4 Impact of Finances on Continuity of Studies

As discussed in Section 9.3, 15 per cent of students interrupted their studies to make education affordable or to minimize their debt. When asked whether they ever interrupted their studies for any reasons, 35 per cent of all students indicated doing so. The most commonly cited reasons for interrupting studies are lack of money (29 per cent) and work or job-related reasons (19 per cent).

Lack of money is mentioned more often by students attending school in British Columbia, those with personal incomes of \$20,000 to \$40,000 and those who have attended school for four terms. Students with higher levels of government and private debt at the time of the survey are also more likely to have interrupted their studies due to lack of money. Dependent students and those who receive more financial support from their parents are less likely to blame lack of money for an interruption in their studies.

Older students, graduate students and those with mortgages and higher levels of household income are more likely to say they interrupted their studies because of a job.

As mentioned previously in Section 2.2, one in five students (21 per cent) indicated that they would graduate from their program in the spring of 2004. The vast majority of non-graduating students planned to continue their current program of study (85 per cent) or start a new academic program (seven per cent). A small minority planned to seek employment (five per cent).

We also asked non-returning students (n=401) to indicate their primary reason for not returning to school next year. Focusing on financial impediments, one in five students chose lack of money or a job as their primary reasons for not returning to school.

Students in Alberta and Allophone students are more likely to reported lack of money as their primary reason for not returning to school. Students in the middle age categories (24 to 29 years), those who worked more hours during the summer (and therefore had higher levels of employment income), students with dependants, Allophone students and Ontario students are more likely to cite work- or job-related reasons for not continuing with their education next year.

Students who borrowed from government or private sources were no more likely than other students to cite lack of money as their reason for not returning to school. On the other hand, students carrying debt from both government and private sources (n=30) are far more likely to indicate concern about debt as their primary reason for not returning to school (31 per cent versus six per cent). Students carrying higher levels of these two types of debt are also more likely to mention concern about debt, as are children of parents who did not obtain a post-secondary education.

Students who indicated that they did not plan to return to school due to lack of money or concern about debt (n=78) were then asked whether they would continue their education if they could borrow more in the form of government student loans. Two-thirds indicated that they would continue their education under these circumstances.

9.5 Expectations of Paying Debt

Among students who expect to accumulate education-related debt, roughly one in three (31 per cent) expect to repay their debt within two years of graduation, while a similar proportion (33 per cent) expect that it will take three to five years to repay their debt.⁶⁷ Another 27 per cent expect it to take six to ten years, and nine per cent expect it will take 11 years or more.

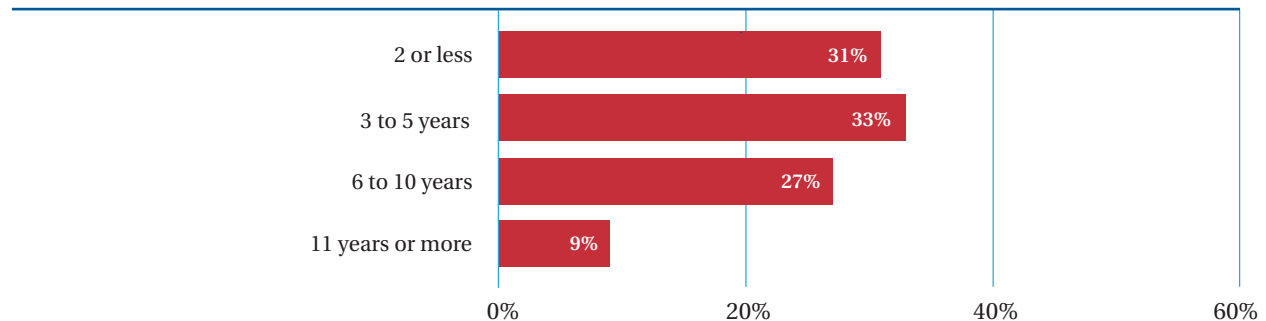
Not surprisingly, the number of years needed to repay school-related debt is closely linked to the amount of debt students expect to accumulate. The expected repayment period is longer for those with loans or debt from any source, and increases with the amount of debt incurred to date. It is inversely related to income (household, parental or employment income) (see Table 65).

Students aged 24 to 29, independent students, those not receiving parental support, those who moved for school and those who do not work during school (and all of whom expect to accumulate more debt) expect to take longer to repay their debt. College students, Francophones and those pursuing their first degree expect to repay their school-related debt faster.

Students in Quebec are most likely to expect to repay their education debt in five years or less, while those in New Brunswick and Nova Scotia are far more likely to expect to take eleven years or more to repay this debt. Women expect to take longer to repay their debt than men.

Figure 9.8: Years to Repay Education-Related Debt (n=7,363)

“How many years after graduation do you think that it will take to repay all of your education-related debt?”



Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded (n=16).

67. Excluded are 30 per cent of students (n=1,567) who expect to accumulate debt but did not know or were unwilling to indicate the number of years it will take them to repay all education-related debt.

Table 65: Expected Time to Repay Education-Related Debt After Graduation, by Selected Student Characteristics

“How many years after graduation do you think that it will take to repay all of your education-related debt?” (n=3,958)

Characteristics	2 or less (%)	3 to 5 years (%)	6 to 10 years (%)	11 or more (%)
Total School-Related Debt Expect to Accumulate				
Mean Debt (across all students)	\$7,336	\$18,053	\$29,633	\$38,830
Government Loan				
Yes	14	32	38	15
No	43	34	18	5
Amount of Government Debt				
\$1–5,000	23	37	33	7
>\$5,000	10	31	40	18
First Degree				
Yes	33	33	26	8
No	24	33	31	13
Age Group				
<18	32	36	27	4
18–19	36	38	21	6
20–21	36	30	26	7
22–23	35	31	26	8
24–25	20	34	33	13
26–29	23	23	36	19
30+	22	43	27	8
Province				
British Columbia	34	34	20	11
Alberta	35	36	22	7
Saskatchewan	20	41	28	10
Manitoba	44	27	23	6
Ontario	32	31	28	8
Quebec	27	44	26	3
New Brunswick	22	26	30	22
Nova Scotia	14	25	38	23
P.E.I./N.L.	35	26	27	11
Dependent				
Yes	37	34	23	7
No	26	33	30	11
Parental Support				
Yes	46	29	21	4
No	22	35	30	12
Gender				
Men	36	33	24	7
Women	28	33	29	11

Based on students participating in Wave 5 survey (n=7,184).

“No response/Do not know” responses are excluded (n=1,567).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

9.6 Impact on Personal Decisions

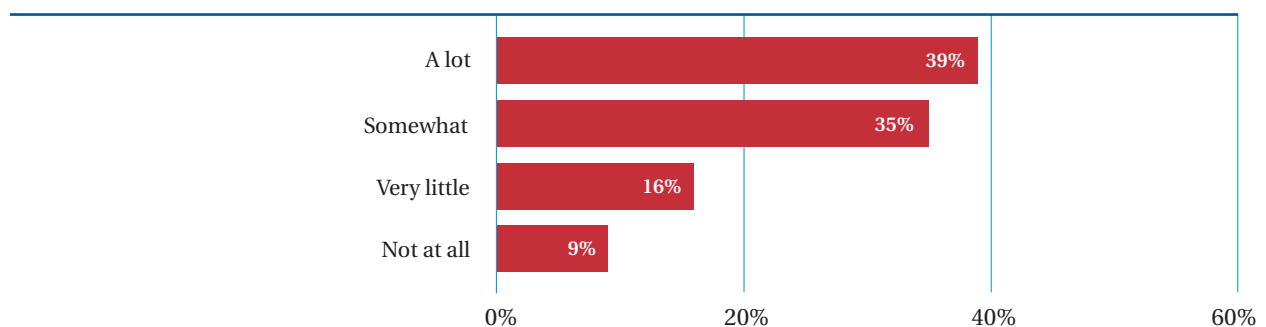
We also asked students about the extent to which concerns about debt have affected their personal decisions. Concerns about debt appear to have a greater impact on personal decisions than on school decisions. Close to four in ten respondents (39 per cent) indicate that concerns about debt were a large factor in personal decisions, while nine per cent

indicate that these concerns have had no impact on their personal decisions.

Students whose personal decisions were affected by debt concerns were asked about the type of personal decisions affected. These students indicated that they decided to make education more affordable or minimize debt by working during the

Figure 9.9: Impact of Debt Concerns on Decisions About Personal Life

“To what extent has concern about the amount of debt you think you will accumulate been a factor in your decisions about your personal life?”

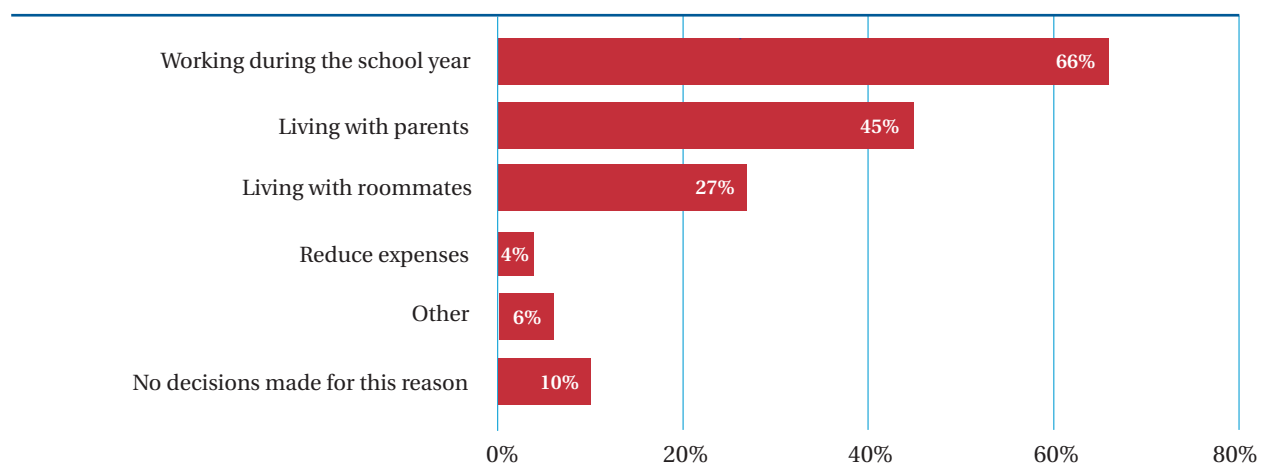


Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded (n=16).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 9.10: Personal Decisions Made to Minimize Debt or Make PSE More Affordable (n=6,755)



Based on students participating in Wave 4 survey (n=7,379).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Table 66: Impact of Debt Concerns on Personal Decisions, by Selected Student Characteristics

To what extent has concern about the amount of debt you think you will accumulate been a factor in your decisions about your personal life? (n=7,363)

Characteristics	Not at all (%)	A lot (%)
Overall	9	39
Age Group		
<18	23	20
18–19	13	33
20–21	9	37
22–23	5	43
24–25	6	51
26–29	3	39
30+	9	45
Province		
British Columbia	4	47
Alberta	8	41
Saskatchewan	7	46
Manitoba	7	40
Ontario	7	43
Quebec	18	28
New Brunswick	7	42
Nova Scotia	8	42
P.E.I./N.L.	8	27
Dependent		
Yes	12	34
No	7	44
Parental Support		
Yes	13	30
No	7	45
Intended to Work During School Year		
Yes	7	45
No	13	28

Based on students participating in Wave 4 survey (n=7,377).

"No response/Do not know" responses are excluded (n=14).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

school year (66 per cent), living with their parents (45 per cent) or living with roommates (27 per cent). Only ten per cent said that they did not make any particular personal decisions as a result of concerns about debt.

As with school-related decisions, the impact of financial concerns on personal decisions increases with student age up to age 25. As a result, these concerns also have a greater impact on the decisions of independent students, working students and those who are not receiving parental support (see Table 66).

Students in Quebec and Francophone students (who are generally younger) are also less likely to have had their personal decisions affected by concerns about debt, as are students with two post-secondary-educated parents. College students are somewhat less likely to report that concerns about debt played a large role in personal decisions, as are students in their first year of school. Students in Prince Edward Island and Newfoundland and Labrador are also less likely to say that their personal decisions were affected considerably. Rural students are more likely than urban students to report that concerns about debt have had a significant impact on their personal decisions.

As with school-related decisions, the extent to which debt concerns have affected personal decisions is linked to income and debt level (see Table 67). Students with the highest household and parental incomes report the smallest impact of finances on their personal decisions. Students with loans (government or private), those using credit cards and those who are generally carrying debt or lines of credit are more likely to say that concern about debt has affected their personal decisions.

Table 67: Impact of Debt Concerns on Personal Decisions, by Selected Student Financial Characteristics

To what extent has concern about the amount of debt you think you will accumulate been a factor in your decisions about your personal life? (n=7,363)		
Characteristics	Not at all (%)	A lot (%)
Overall	9	39
Household Income		
<\$20,000	5	46
\$20,001–40,000	5	58
\$40,001–60,000	6	41
>\$60,000	13	23
Parental Income		
<\$20,000	8	52
\$20,001–40,000	7	44
\$40,001–60,000	9	39
\$60,001–80,000	7	40
\$80,001–100,000	11	32
>\$100,000	21	26
Government Loan		
Yes	5	44
No	11	37
Amount of Government Debt		
\$1–5,000	9	38
>\$5,000	5	47
Credit Card Usage		
Yes	8	43
No	13	31
Debt From Any Source		
Yes	6	44
No	15	29

Based on students participating in Wave 4 survey (n=7,377).

"No response/Do not know" responses are excluded (n=14).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

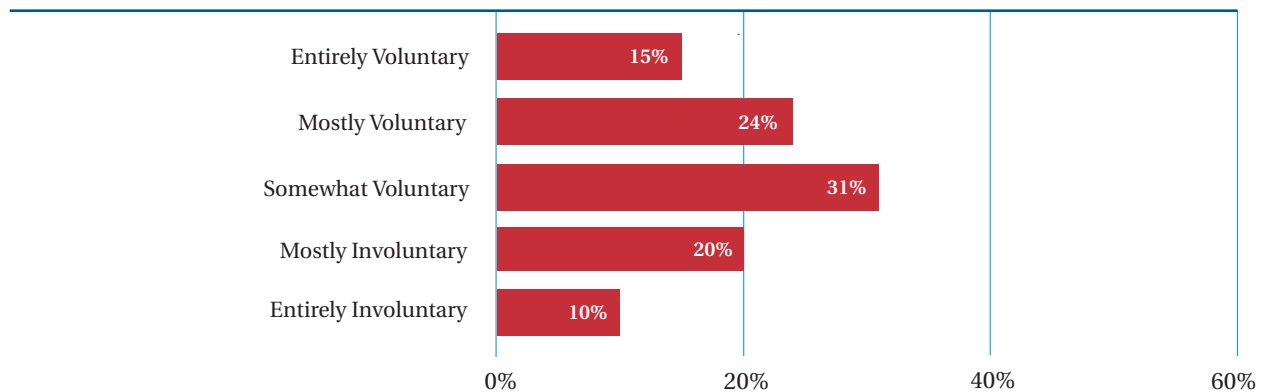
Financial concerns led different groups of students to make different kinds of personal decisions. Part-time students are more likely to have decided to work during the year, while full-time students more often chose to live with parents or roommates. The youngest students (19 and under) are more apt to stay at home with parents, while older students are more likely to have chosen to work during the year. Those pursuing their first degree (who are younger) are more likely to have chosen to live with parents (51 per cent did), while those pursuing subsequent degrees are more likely to have decided to work during the year. Students with no parental support, those with mortgages and those who are independent or living with a spouse (all of whom are older) are far more likely to have chosen to work during the year.

Students without loans (who tend to be younger) are more likely to have chosen to stay at home with parents, while those with loans (including credit card debt, lines of credit or debt from any source) more often elected to live with roommates.

As with school decisions, many students have not made their personal decisions entirely freely. Almost one-third (30 per cent) indicate that their decisions were made on an entirely or mostly involuntary basis. A similar proportion (31 per cent) made personal decisions on a somewhat voluntary basis; 39 per cent made these decisions on a mostly or entirely voluntary basis. Not only are personal decisions more likely than academic decisions to be

Figure 9.11: Extent to Which Personal Decisions Made Due to Cost/Debt Concerns are Voluntary (n=6,063)

“On the following scale from voluntary (i.e., you made this decision to save money or minimize debt) to involuntary (i.e., you could not afford to attend school otherwise), where would you place your personal decisions?”



Based on students participating in Wave 4 survey (n=7,379).

“No responses/Do not know” responses are excluded (n=26).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

affected by financial concerns, students are also less likely to report that these decisions are being made on a voluntary basis, suggesting that students feel more pressure to compromise living and working arrangements than school decisions.

As with academic decisions, younger students are more apt to have made personal decisions on a voluntary basis, as are college students, dependent students, those receiving parental support and those with two post-secondary-educated parents (see Table 68). Students who did not relocate for school (who tend to be younger, and are more often college students) are also more likely to have made these

decisions voluntarily, as are Quebec students and Francophone students (who are also younger).

Students with lower household, parental or employment incomes and students with loans (government, private or both), as well as those with credit card debt or general debt from any source are more likely to have made these decisions on an involuntary basis. Students with more government debt (over \$5,000) are even more likely to have made these decisions on an involuntary basis. Those with the highest incomes are more likely to have decided on a voluntary basis.

Table 68: Extent to Which Personal Decisions Made Due to Cost/Debt Concerns are Voluntary, by Selected Student Characteristics

“On the following scale from voluntary to involuntary, where would you place your personal decisions?” (n=6,063)

Characteristics	Involuntary (1–2) (%)	Somewhat Voluntary(3) (%)	Voluntary (4–5) (%)
Overall	30	31	39
Age Group			
<18	18	28	54
18–19	26	30	44
20–21	29	34	37
22–23	31	27	42
24–25	34	32	34
26–29	37	31	31
30+	37	28	35
Dependent			
Yes	24	32	44
No	36	30	35
Parental Support			
Yes	23	32	45
No	35	30	35
Institution			
College	27	28	46
Undergraduate	31	31	37
Graduate	30	32	39
Parental Income			
<\$20,000	40	30	30
\$20,001–40,000	38	33	29
\$40,001–60,000	28	27	45
\$60,001–80,000	27	32	41
\$80,001–100,000	20	32	48
>\$100,000	25	26	49
Government Loan			
Yes	39	29	31
No	27	31	43
Amount of Government Debt			
\$1–5,000	34	30	36
>\$5,000	42	29	29
Debt from Any Source			
Yes	36	29	34
No	18	32	50

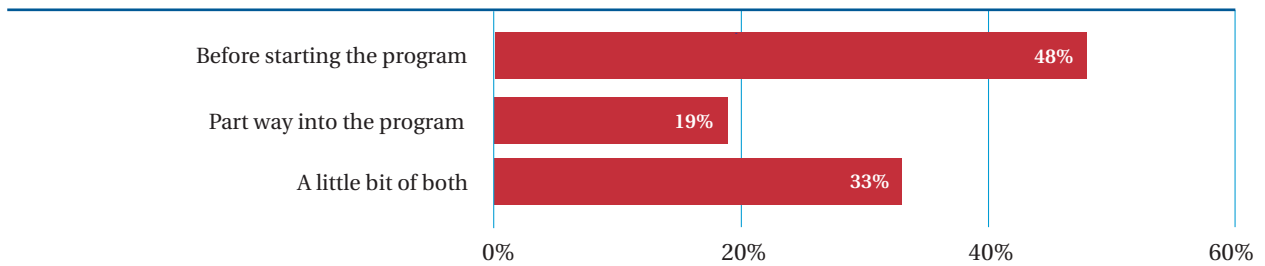
Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded (n=23).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 9.12: Timing of Personal Decisions Affected by Debt or Cost Concerns (n=6,075)

"Taking all of these decisions into account, did you generally make these decisions before starting your program, part way into the program, or a little bit of both?"



Based on students participating in Wave 4 survey (n=7,379).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

As with school-related decisions, some students make cost- and debt-driven personal decisions before beginning their program (48 per cent), while others make such decisions partway into their program (19 per cent) or both before and during their studies (33 per cent).⁶⁸

As Table 69 shows, college students, first-year students, dependent students, those living with parents, those with mortgages and those who did

not move for school are all more likely to have made cost- and debt-driven decisions before starting their studies. Those with dependants are much more likely to have made such decisions partway through. Students with no loans (government, private or both), those who do not use credit cards or have no debt from any source are all more likely to have made such decisions before starting their program.

68. "No response/Do not know" responses are excluded (n=14).

Table 69: Whether Personal Decisions were Made Before Commencing Program, Partway or Both, by Selected Student Characteristics

“Taking all of these decisions into account, did you generally make these decisions before starting your program, partway into the program, or a little of both?” (n=6,075)

Characteristics	Before Starting (%)	During (%)	A Little of Both (%)
Overall	48	19	33
Dependent			
Yes	52	16	32
No	44	21	35
Living Arrangements			
Parents	56	13	31
Spouse	46	28	26
Alone	38	21	41
Roommates	38	23	39
Other	46	17	37
Have Dependants			
Yes	50	27	23
No	48	18	34
Have Mortgage			
Yes	53	23	25
No	47	19	34
Institution			
College	58	14	27
Undergraduate	44	21	35
Graduate	48	21	31
Years in School			
0	64	7	28
1	48	19	33
2	45	22	33
3	47	16	37
4	47	20	33
Moved for School			
No	52	17	31
<71 km	43	25	32
71 km+	39	22	39
Government Loan			
Yes	45	17	38
No	49	19	31
Private Loan			
Yes	41	18	41
No	49	19	32
Credit Card Usage			
Yes	46	19	34
No	53	17	31
Debt from Any Source			
Yes	43	21	37
No	59	15	26

Based on students participating in Wave 4 survey (n=7,379).

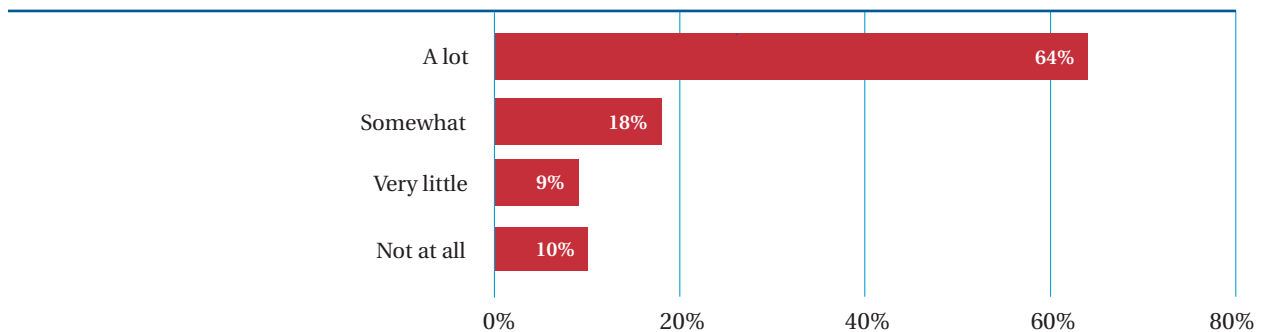
“No response/Do not know” responses are excluded (n=14).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

The survey also gave special scrutiny to the impact of finances on the decision to reside at home. Personal finances are the primary reason for remaining at home. When asked how important personal finances are in the decision to live at home, close to two-thirds of students (64 per cent) indicate that finances had a significant impact on the decision, while almost one-fifth (18 per cent) report that finances had some impact. The remaining respondents state that finances had very little (nine per cent) or no (10 per cent) impact on their decision to reside at home.⁶⁹

We also asked students living at home to what extent the decision to stay at home was made voluntarily. While close to two in three students living at home indicate that their financial situation was a significant factor in the decision; these respondents are divided as to whether their decision was voluntary (e.g., in order to minimize debt) or involuntary (i.e., they could not have attended school otherwise). One in three respondents (33 per cent) report that they had little or no choice in the matter, while 44 per cent made the decision on a mostly or entirely voluntary basis.⁷⁰

Figure 9.13: Impact of Finances on Decision to Live at Home (n=2,035)

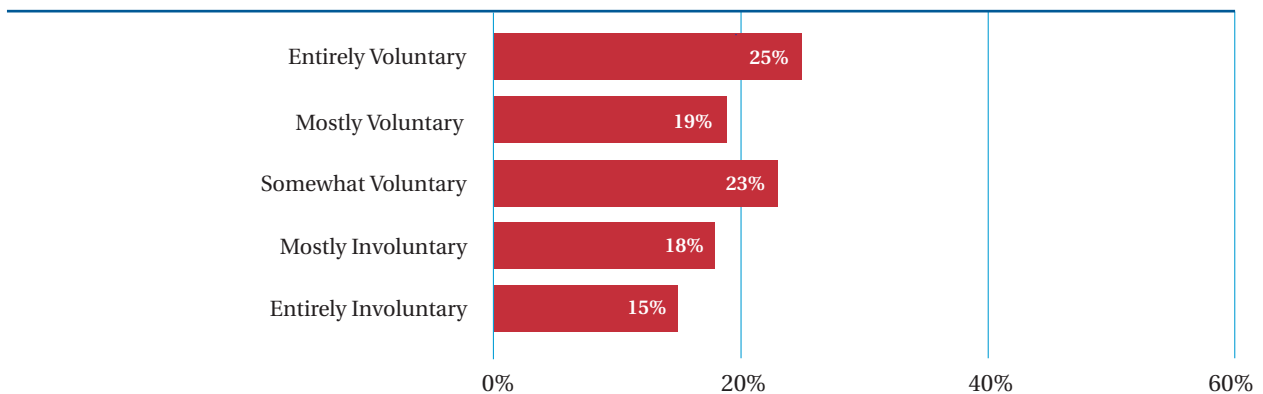


Based on students participating in Wave 4 survey (n=7,379).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 9.14: Extent to Which Decision to Live at Home was Voluntary (n=2,035)

“On the following scale from voluntary (i.e., you made this decision to save money or minimize debt) to involuntary (i.e., you could not afford to attend school otherwise), where would you place your decision to live with your parents?”



Based on students participating in Wave 4 survey (n=7,379).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

69. “No response/Do not know” responses are excluded (n=6).

70. “No response/Do not know” responses are excluded (n=6).

The older students get, the more likely their decision to remain at home is dictated by financial circumstances. The decision to live with parents is more likely to be voluntary for younger students (see Table 70). Personal finances are more likely to play a role in Anglophone students' decisions to stay at home; they are less likely to determine the decisions of Francophone students and Quebec students (who are younger, on average).

Not surprisingly, finances are less likely to play a large role in the decision to stay home for students whose parents' income exceeds \$100,000: 58 per cent of these students said that their personal finances were important in their decision to live at home, compared to 78 per cent in the lowest income group. Finances also play a larger role in the decision to stay at home among students with debt. Students with loans (government or private) are far less likely to report that the decision to stay home was entirely voluntary (and more likely to say that it was entirely involuntary). The same is true of students reporting debt from any source. The impact of finances on the decision to live at home is also greater among students who have accumulated more government, credit card or private debt to date.

Part-time students and students who work during school (particularly those who worked many hours during the summer and school year) are more likely to report that personal finances played a key role in their decision to live at home. This relationship suggests that many of these students have to both work and live with their parents in order to afford their education. Those who work during school are also more likely to state that their decision to remain at home was involuntary.

College students (who are younger) are far less likely to indicate that finances were very important in their decision to remain at home; they are more likely to have made the decision voluntarily. The importance of personal finances in the decision to remain at home also increases with the number of years of post-secondary education. Personal finances make a bigger difference in the decisions of those pursuing second or subsequent degrees, indicating that the need to stay at home grows as the costs incurred increase.

Table 70: Impact of Finances on Decision to Stay at Home, by Selected Student Characteristics

Characteristics	"How important were your personal finances in your decision to live at home?" (n=2,035)	
	Not at all (%)	A Lot (%)
Overall	10	64
Age Group		
<18	29	39
18–19	12	59
20–21	8	68
22–23	3	67
24–25	2	88
26–29	0	81
30+	0	91
Province		
British Columbia	8	65
Alberta	5	70
Saskatchewan	5	75
Manitoba	7	67
Ontario	6	66
Quebec	20	55
New Brunswick	3	67
Nova Scotia	2	86
P.E.I./N.L.	12	55
Full-Time		
Yes	12	61
No	3	74
Institution		
College	16	55
Undergraduate	7	67
Graduate	9	71
Years in School		
0	17	53
1	12	62
2	9	65
3	7	68
4	5	73
First Degree		
Yes	11	61
No	8	74
Dependent		
Yes	13	59
No	4	74
Parental Support		
Yes	13	58
No	8	70
Debt From Any Source		
Yes	7	67
No	14	60

Based on students participating in Wave 4 survey (n=7,379).

"No response/Do not know" responses are excluded (n=6).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Finally, students in Nova Scotia are more likely to indicate that personal finances played a large role in their decision to reside at home (86 per cent said so); they are more likely to have made the decision on an involuntary basis.

Students who are classified as independent or are not receiving financial support from their parents (and who are older on average) but, nevertheless, live at home are more likely to indicate that personal finances played a large role in their decision to stay home, and more likely to report that the decision was involuntary.

9.7 Impact on Time to Complete Schooling

The survey explored the impact of post-secondary education costs and debt concerns on students' pace of study. Most students (57 per cent) reported that their pace of study is normal for their program, but one-third (33 per cent) indicate that they are completing their studies at a slower pace than others. Another ten per cent are completing their studies more quickly than normal.

Students' pace of study varies according to a number of factors. Younger students (under 21 years of age), college students, those in the early years of their studies, those pursuing their first degree, those who do not work during school or who work minimal hours, dependent students and students

who receive parental support are all more likely to be completing their studies at a normal pace. Students with higher grade-point averages are more apt to be completing their studies at a normal pace or faster. Rural students are more likely to be completing their studies at the same pace as others, while urban students more often take a slower pace.

Students with government loans are all more likely to be completing their education at the same as others or faster. On the other hand, those with higher household or employment incomes (who are far more apt to be attending school part-time) tend to be completing their programs at a slower pace (see Table 71).

Table 71: Pace of Study, by Selected Student Characteristics

“Compared with the normal pace of the program, are you generally completing your Post-Secondary Education at the same pace, a slower pace or a faster pace than others? (n=7,364)”

Characteristics	Slower (%)	Same (%)	Faster (%)
Overall	33	57	10
Employment Income			
None	26	59	15
\$1–1,000	19	65	16
\$1,001 to \$3,000	22	69	9
\$3,001 to \$5,000	29	62	10
\$5,001 to \$8,000	34	58	8
>\$8,000	56	37	6
Government Loan			
Yes	22	66	13
No	37	54	8
Credit Card Usage			
Yes	36	55	10
No	26	64	9

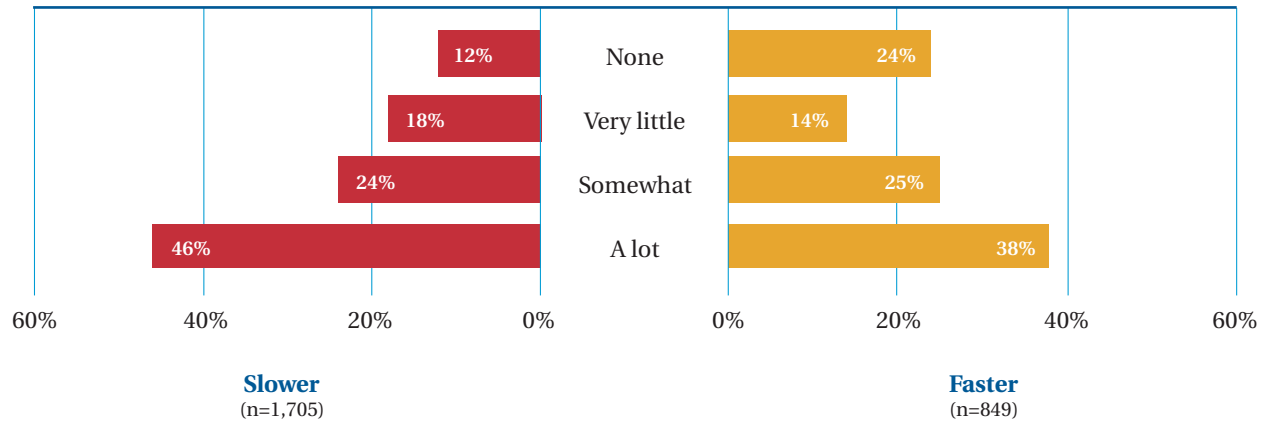
Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded (n=15).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 9.15: Impact of Finances on Pace of Study

“How much of this decision to complete your education more quickly/slowly is related to your financial situation?”



Based on students participating in Wave 4 survey (n=7,379).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Students who are studying at a slower pace were asked whether this is related to finances. Finances played a role in the decision of many students to slow down or speed up their studies. Some 46 per cent of students completing their studies more slowly and 38 per cent of those completing their studies more quickly report that finances had a lot to do with this decision. Only 12 per cent of those completing more slowly and 24 per cent of those completing more quickly state that finances had nothing to do with it.

As students get older, they are more likely to say that their decision to study at a faster or slower pace is

linked to finances (see Table 72). College students (who are younger) are far less likely to indicate that finances played a role in their decision to study at a different pace, as are students pursuing their first degree. Students who work during school (particularly those who work more hours) more often indicate a significant link between finances and their pace of study. Independent students, those with no parental support and those with dependants, a mortgage or a spouse (all of whom are typically older students) are also more likely to attribute the fast or slow pace of their studies to finances.

Table 72: Impact of Finances on Pace of Study, by Selected Student Characteristics⁷¹

Characteristics	How much of this decision to complete your education more quickly/slowly is related to finances?	
	Completing More Quickly (n=849)	Completing More Slowly (n= 1,705)
	A Lot (%)	A Lot (%)
Overall	38	46
Institution		
College	21	39
Undergraduate	45	46
Graduate	39	52
First Degree		
Yes	31	38
No	50	57
Intended to Work During School Year		
Yes	33	53
No	43	22
Age Group		
<18	1	15
18–19	29	26
20–21	31	28
22–23	49	33
24–25	47	64
26–29	37	39
30+	58	70
Dependent		
Yes	25	29
No	47	53
Living Arrangements		
Parents	24	33
Spouse	58	69
Alone	42	43
Roommates	41	38
Other	35	55
Parental Support		
Yes	25	22
No	47	55
Have Dependants		
Yes	68	58
No	31	43

Based on students participating in Wave 4 survey (n=7,379).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

71. Percentage of students who indicated that their finances had “somewhat” or “a lot” of a role in their decision to complete their studies more quickly or more slowly than others.

9.8 Attitudes Toward Debt

We explored attitudes toward debt through a series of three statements. Most students agree that they try to avoid incurring debt whenever possible (89 per cent). Just over two-thirds (68 per cent) agree that they would rather work to pay for their education now than pay it off later. Finally, respondents are divided as to whether they would like to be able to borrow more money during the school year: 38 per cent wish they could, 36 per cent do not, and 26 per cent are neutral on the question. Although most students wish to avoid incurring debt, the fact that more than one-third of students wish they could borrow more suggests that many students cannot escape some debt even though they prefer not to incur any.

Attitudes to debt vary according to financial profile of students. The extent to which students agree that they would like to borrow more decreases as household, parental and employment income increase. Students with loans (government or private), credit card debt, lines of credit or debt from any source are all more likely to want to borrow more. In fact, those who have accumulated larger

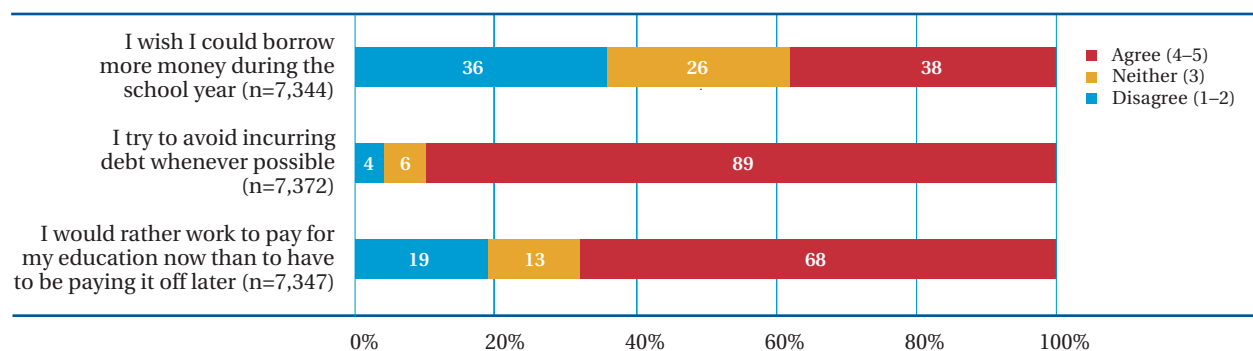
amounts of government or private debt (over \$5,000) are most likely to agree with the statements. Students with no parental support are also more likely to want to borrow more.

As one would expect, students with no loans (government or private) and students who do not run deficits are more likely to agree that they try to avoid incurring debt whenever possible. Likewise, students with high employment incomes and those without government loans or debt from any source are more likely to prefer working to pay for their education now rather than later.

The youngest students are the least likely to want to borrow more (only 20 per cent of those under 18), followed by the oldest students (35 per cent of those 26 and over). In the middle age groups, 38 to 43 per cent of respondents would like to borrow more. Counter to the age trend, however, part-time students (who tend to be older) are less likely to want to borrow more, more likely to try to avoid incurring debt and far more likely than full-time students to prefer working to pay off their education now.

Figure 9.16: Attitudes Towards Debt (n=2,796)

“Please indicate whether you strongly agree, somewhat agree, neither, somewhat disagree or strongly disagree with the following statements”



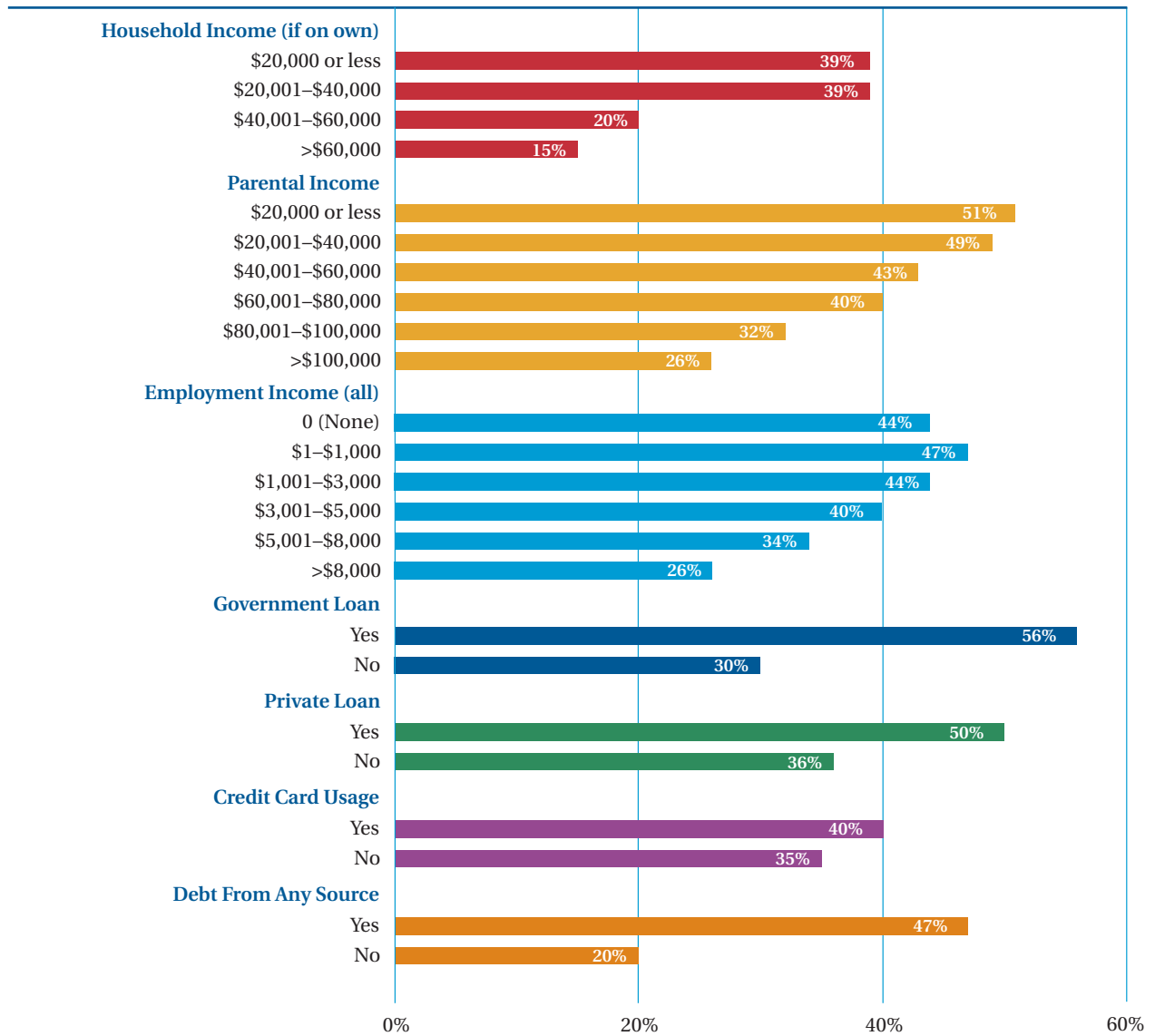
Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

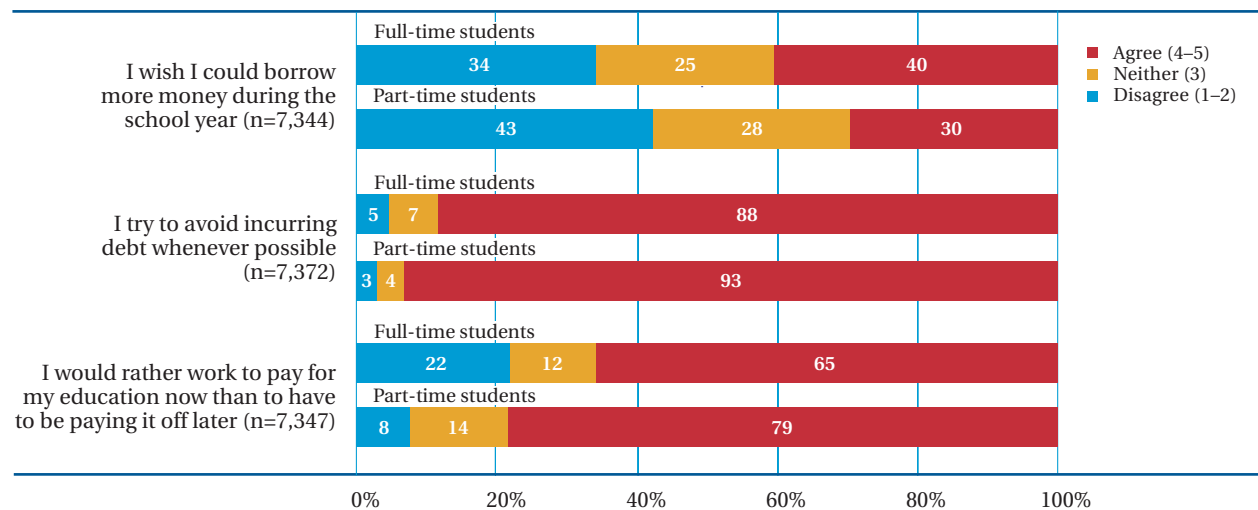
Figure 9.17: Whether Wish to Borrow More by Student Financial Profile (n=7,344)

% agree with “I wish I could borrow more money during the school year”



Based on students participating in Wave 4 survey (n=7,379).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 9.18: Attitudes Towards Debt of Full-Time and Part-Time Students

Based on students participating in Wave 4 survey (n=7,379).

“No response/Do not know” responses are excluded.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

As one would expect, respondents who work during school are far more likely to prefer working to pay for their education now (78 per cent agree, versus only 52 per cent of students not working during school). This is particularly true of respondents who work many hours during school. Residents of British Columbia and Manitoba are also far more likely to prefer working to pay for their education now (78 and 79 per cent agree, respectively).

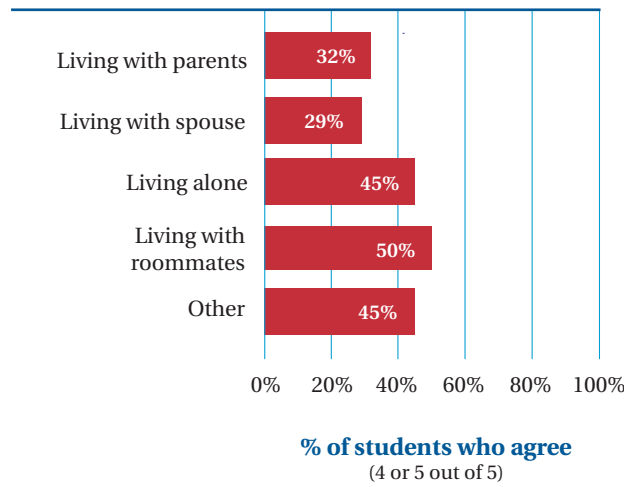
Attitudes to debt also vary according to respondents' living arrangements. Students living alone or with roommates are much more likely to want to borrow more during the school year. They are less likely to want to avoid incurring debt and less likely to prefer working to pay for their education now. Students who choose to live at home or who reside with their spouse are far more cautious about avoiding debt.

College students are most likely to wish they could borrow more money during the year (43 per cent), while graduate students are least likely to want to borrow more (27 per cent). Those earning their first degree are much more likely to wish to borrow more (41 per cent) than are students pursuing subsequent degrees (33 per cent). Students with dependants or mortgages are less likely to wish to borrow more, as are students in Quebec. These results, together with the age variation, suggest that more mature students (over 26, pursuing subsequent degrees, possibly married with a home or dependants) are the least likely to want to incur more debt.

Students who have moved to pursue their education (who tend to be in the middle age ranges) are also much more likely to wish to borrow more during the year. Almost half (49 per cent) of those who have moved less than 71 km and 48 per cent of those who have moved more than 71 km agreed that they would like to borrow more during the year, compared to 32 per cent of those who did not move.

Figure 9.19a: Attitudes to Debt by Living Arrangement (I)
(n=7,344)

"I wish I could borrow more during the school year"

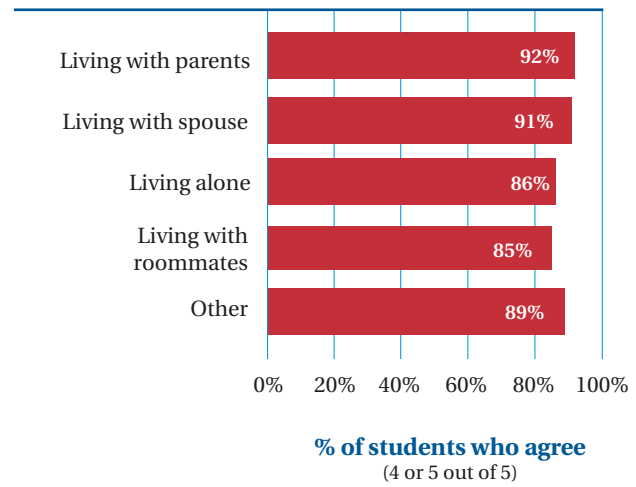


Based on students participating in Wave 4 survey (n=7,379)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 9.19b: Attitudes to Debt by Living Arrangement (II)
(n=7,372)

"I try to avoid incurring debt whenever possible"



Based on students participating in Wave 4 survey (n=7,379)

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

9.9 Students' Assessment of Overall Educational Experience and Value

Over three-quarters of students (77 per cent) indicate that they are satisfied with the quality of their educational experience so far (23 per cent are very satisfied, while 54 per cent are simply satisfied). As Table 73 indicates, the students most satisfied with their educational experience are college students, graduate students, those in the upper years of their program and those aged 24 to 29 years. Satisfaction also increases with students' first term grades (2003–04) and is higher for students whose parents income is in the highest bracket. Allophone students and those who moved less than 71 km to go to school are less satisfied with their educational experience.

When we asked students to weigh the costs and benefits of post-secondary education, 27 per cent indicate that their current program is "very worth" the financial investment (Table 74). Another 37 per cent state their program is "worth" the financial investment. Those in the earlier years of their program give higher ratings than did those in later years, despite the fact that satisfaction ratings are highest for those in the uppermost years of various programs. Students' ratings of the value of their educational investment increases with parents' and students' household income. Ratings tend to increase with students' grade point average. They are also lower among those who moved less than 71 km and among Francophone and Allophone students.

Table 73: Satisfaction with Overall Quality of Educational Experience

Characteristics	Percentage Very Satisfied (n=2,715) (%)
Overall	23
Age	
<18	18
18–19	22
20–21	18
22–23	17
24–25	37
26–29	32
30+	26
Years in School	
0	20
1	20
2	19
3	21
4	33
Type of Program	
College	35
Undergraduate	18
Graduate	30
First Semester Grade	
A+/A	28
A-	25
B+	24
B/B-	17
C	13
Language	
English	22
French	29
Other	16
Parent's Household Income	
<\$20K	20
\$20,000–40,000	16
\$40,001–60,000	16
\$60,001–80,000	19
\$80,001–100,000	22
\$100,001+	34

Source: Canadian Post-Secondary Student Financial Survey Follow-Up.

Table 74: Perceived Value of Financial Investment in Post-Secondary Education

Characteristics	Percentage Saying Program is "Very Worth" the Financial Investment (n=2,715) (%)
Overall	27
Years in School	
0	30
1	33
2	25
3	19
4	23
Parent's Household Income	
<\$20K	28
\$20,000–40,000	26
\$40,001–60,000	27
\$60,001–80,000	27
\$80,001–100,000	32
\$100,001+	36
First Term Grade	
A+/A	32
A-	35
B+	32
B/B-	23
C	21
Language	
English	30
French	19
Allophone	18
Moved to Go to School	
No	26
<71km	18
71+km	30

Source: Canadian Post-Secondary Student Financial Survey Follow-Up.

10. Roles and Responsibilities for Financing Post-Secondary Education

10.1 Rated Responsibility of Parents, Governments and Students

a) Responsibility of Parents and Governments

This survey asked students and parents who they think should be responsible for financing post-secondary education: governments, parents or students themselves. Overall, students see post-secondary financing as a shared responsibility, but they place a greater duty on governments. Parents assign governments a similarly prominent role, but parents also assign themselves a more important role than their children do.

i) Student Perspective

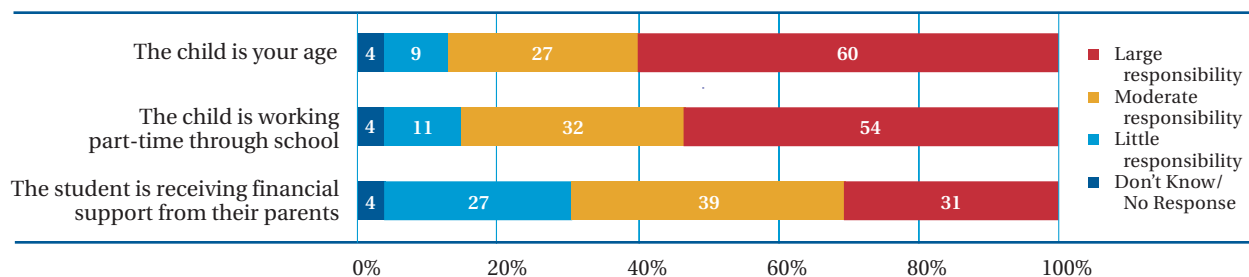
Six in ten students accord governments a high level of responsibility for supporting students who are the same age as themselves. Students assign less

responsibility to governments if they are receiving parental support (31 per cent of these students assigned high responsibility to governments). Those who are working part-time through school also assign somewhat less responsibility to governments (54 per cent of these students placed a high level of responsibility on governments).

Only 24 per cent of students assigned a high level of responsibility to parents to support students their age through post-secondary education (in contrast with the 60 per cent who felt governments should be highly responsible). Just as parental support tends to diminish perceived government responsibility, parents are considered to be less responsible for students who are receiving government loans. The impact of employment on perceived parental responsibility is however much smaller.

Figure 10.1: Responsibility of Governments

“Under the following circumstances, please rate the level of responsibility you think that governments should have in assisting a student through post-secondary education.”

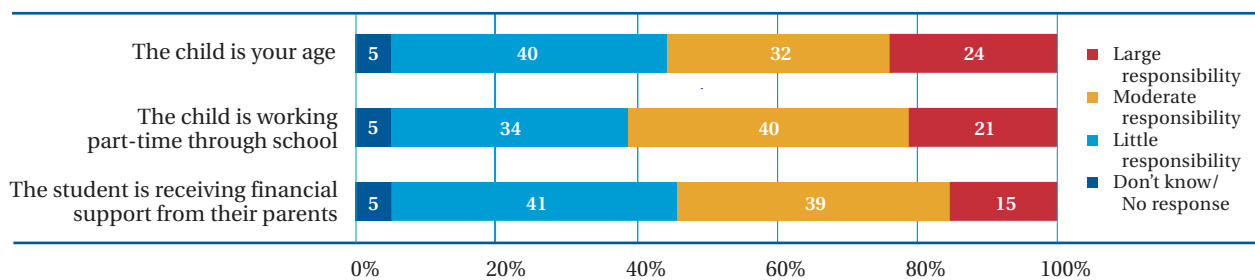


Based on students participating in Wave 6 survey (n=6,567).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 10.2: Responsibility of Parents

“Under the following circumstances, please rate the level of responsibility you think that parents should have in assisting a student through post-secondary education.”



Based on students participating in Wave 6 survey (n=6,567).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

As Table 75 shows, the level of responsibility assigned to governments and parents varies by student age, and is therefore also related to a number of other variables. Younger students assign more responsibility to parents, as do students in their first year of school and those pursuing their first degree. Full-time students, undergraduate students, dependent students and those receiving parental support also place greater responsibility on parents and governments to support students their own age.

Students in Ontario and Quebec and students with two post-secondary-educated parents place more responsibility on parents to support students their own age. Students in Manitoba and New Brunswick are less likely to do so. Students in Atlantic Canada assign greater responsibility to governments for education financing, while Manitoba students are less apt to do so.

Students in the Atlantic provinces assign less responsibility to parents when students are working part-time through the school year. They also assign more responsibility to governments for students their own age. Compared to students in other areas, Francophone students and Quebec residents place more responsibility on governments to support

students who are working part-time or receiving parental assistance. Compared to rural students, urban students across Canada are more likely to have assigned high levels of responsibility to parents and governments.

As their income increases (i.e., household income for students out on their own, parental income for those living with their parents, and employment income), respondents assign lower levels of responsibility to parents or governments to support students their own age. Loan recipients (government or private) assign greater responsibility to governments for students their own age. The level of responsibility assigned to parents increases with the amount of parental support received: 25 per cent of those receiving less than \$1,000 in parental support accord high responsibility to parents, whereas 31 per cent of those receiving between \$1,000 and \$2,499 do, as do 42 per cent of those receiving \$2,500 or more. Finally, the responsibility assigned to parents for students the same age as the respondent is inversely related to the size of the education-related debt that a student expects to accumulate, whereas the responsibility assigned to governments increases dramatically with expected debt load.

Table 75: Assignment of High Responsibility by Students to Parents or Governments to Support Students of Their Age Through Post-Secondary Education, by Selected Student Characteristics

Characteristics	% Who Assign High Responsibility (4 or 5 on a 5-point scale) to: (n=6,567)		Characteristics	% Who Assign High Responsibility (4 or 5 on a 5-point scale) to: (n=6,567)	
	Parents	Governments		Parents	Governments
Overall	24	60	Province		
Age Group			British Columbia	20	59
<18	46	53	Alberta	17	60
18–19	37	63	Saskatchewan	19	61
20–21	27	70	Manitoba	15	50
22–23	19	58	Ontario	27	59
24–25	8	58	Quebec	28	60
26–29	5	58	NB	14	67
30+	10	47	NS	19	68
Status			P.E.I./N.L.	24	66
Full-Time	26	63	Location		
Part-Time	14	47	Rural	16	49
First Degree			Urban	24	60
Yes	28	62	Own Employment		
No	14	56	Income (All)		
Dependent			0 (None)	25	65
Yes	34	62	\$1–1,000	31	66
No	14	58	\$1,001–3,000	29	66
Have Mortgage			\$3,001–5,000	25	61
Yes	13	41	\$5,001–8,000	25	58
No	25	61	>\$8,000	12	49
Receiving Parental Support			Government Loan		
Yes	37	59	Yes	19	75
No	13	60	No	25	53
			Education-Related Debt		
			Expect to Accumulate		
			<\$5,000	25	57
			\$5,001–10,000	21	57
			\$10,001–20,000	19	70
			\$20,001–40,000	17	73
			>\$40,000	14	82

Based on students participating in Wave 6 survey (n=6,567).

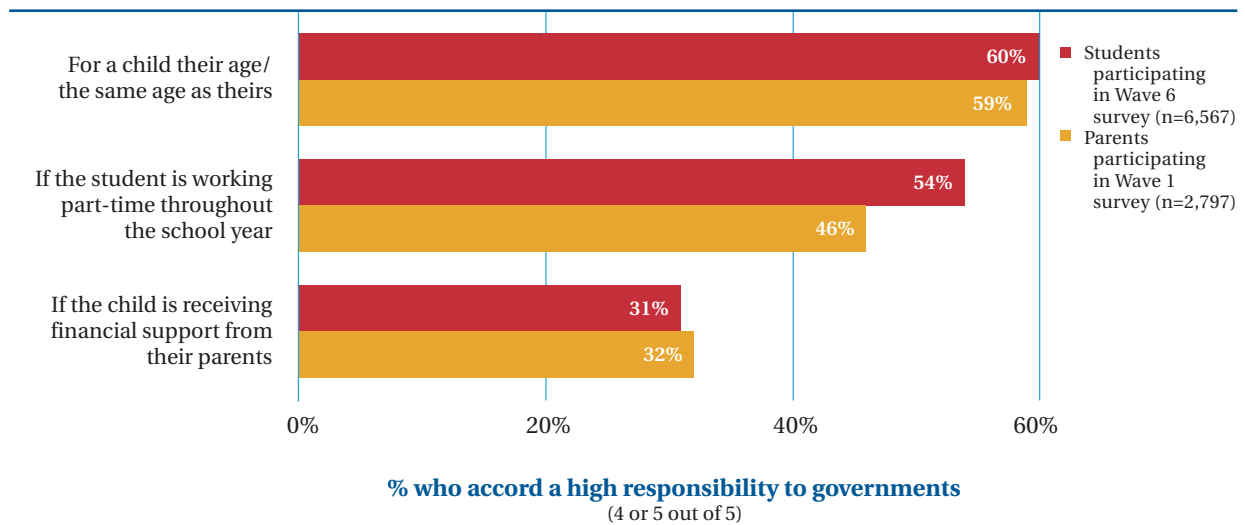
Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Working students assign less responsibility to parents (for students their own age or for those receiving government loans) and to governments (for students their own age or those receiving parental support), as do students working a high number of hours during school or during the summer.

Not surprisingly, dependent students assign greater responsibility to parents under all scenarios. Dependent students are also slightly more likely to hold governments responsible for students their own age or for students receiving parental assistance. Independent students are more likely to hold governments responsible for students who are working part-time during the school year.

Figure 10.3: Responsibility of Governments — Parent and Student Ratings

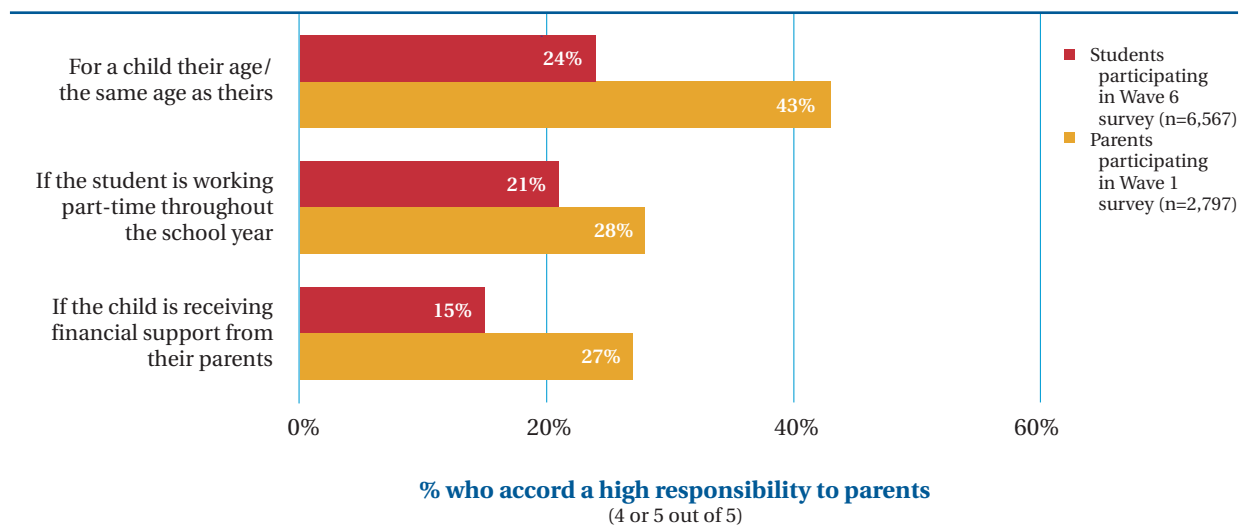
“Under the following circumstances, please rate the level of responsibility that you think GOVERNMENTS should have in assisting a student through post-secondary education.”



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 10.4: Responsibility of Parents — Parent and Student Ratings

“Under the following circumstances, please rate the level of responsibility that you think PARENTS should have in assisting a student through post-secondary education.”



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

ii) Parent Perspective

Parents assigned much more responsibility to themselves than their children assigned to them, but parents and students assigned similar levels of responsibility to governments. Virtually the same proportions of parents and students (59 per cent and 60 per cent, respectively) assigned high levels of responsibility to governments for students the same age as the respondent student or for students receiving financial support from their parents (32 per cent and 31 per cent). A smaller proportion of parents than students, however, considered governments largely responsible for students working part-time through school (46 per cent of parents, compared to 54 per cent of students).

Parents assigned much more responsibility to themselves for supporting their children through post-secondary education under all three scenarios. In particular, they are much more likely than students to believe that parents should have a large responsibility for students the same age as their own children: 43 per cent of parents and 24 per cent of students assigned a large responsibility to parents in such cases.

Parents of university students are much more likely to have assigned a large responsibility to governments under all three scenarios. (For example, 62 per cent of parents of university students believe governments have a large responsibility to support students the same age as their children, compared to 55 per cent of parents of college students.) Parents of university students are also more likely to believe that parents should have a high level of responsibility for students the same age as their children or students who are receiving government loans.

The proportion of parents who believe that parents should have a large responsibility increases significantly for all three scenarios with the extent of the parents' involvement in their children's finances. It is also higher among parents who saved for their children's post-secondary education. Parents' involvement in their children's finances is also related to their assigning governments a large responsibility for supporting students the same age as their children and students receiving parental financial

support. Parents who saved for their children's education are also more likely to have assigned a large responsibility to governments for students who are working part-time or receiving government loans.

As with students, the responsibility parents assign to both parents and governments varies with their income. Parents with the highest incomes believe that parents should have greater responsibility for students the same age as their children or students working part-time. They are less likely to have assigned a large responsibility to governments for children the same age as theirs.

Parents' ratings for governmental and parental responsibility also vary according to their children's debt. Parents of students with no government debt are far more likely to have assigned a large responsibility to parents under all three scenarios. The level of responsibility that parents assign themselves declines as the amount of government debt incurred by their children increases. Parents of students with no credit card or private debt are also more likely to have assigned a high responsibility to parents for students the same age as their children or for students receiving government loans. Parents of students with no government debt are less likely to have assigned a large responsibility to governments for students the same age as their children. Parents of students with more than \$5,000 in government debt are more likely to have assigned a large responsibility to governments for students the same age as their children, or for students working part-time through the school year.

Parents of students in Atlantic Canada are more likely to have assigned a high level of responsibility to governments for students the same age as their children, while parents from Ontario, Quebec and British Columbia assigned less responsibility to governments for students receiving parental support.

Naturally, parents who are supporting their children through post-secondary education are more likely to accord a large responsibility to parents under all three scenarios: for example, 47 per cent of parents who provide support accord a large responsibility to parents for students the same age as their children, compared to 34 per cent of parents

not providing support. The level of responsibility assigned to parents also increases with the amount of support parents provide, from 34 per cent of those providing no support to 52 per cent of those providing \$2,500 or more. Parents who are supporting their children are also more likely to have assigned governments a large responsibility to assist students who are receiving financial support from their parents.

The level of responsibility parents assigned to parents for students the same age as their children declines steadily with the age of their children: 53 per cent of parents of students under 18 assigned a large responsibility to parents, compared to 21 per cent of parents of students aged 26 or older. Parents of students who live at home are also more likely to have assigned a large responsibility to parents for students the same age as their children or for students receiving government loans.

Parents with three or more children yet to enter post-secondary education are less likely to have assigned a large responsibility to parents for students the same age as their children or for students working part-time through the school year. Single parents assigned less responsibility to parents under all three scenarios.

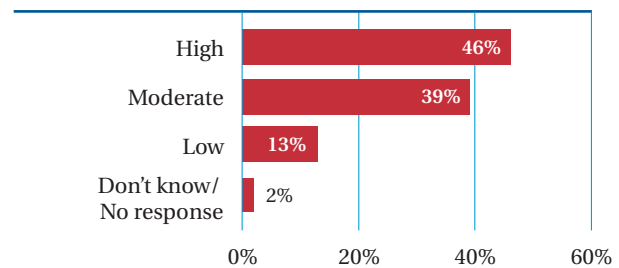
b) Responsibility of Students

Students assigned themselves greater responsibility for supporting themselves through post-secondary education than they assigned to their parents, but less responsibility than they assigned to governments. When asked how much responsibility they should have for supporting themselves through post-secondary education, 46 per cent assigned themselves a high level of responsibility, compared to 24 per cent who assigned parents a high responsibility for supporting students their own age and 60 per cent who assigned such a responsibility to governments.

The perceived personal level of responsibility is higher among students over the age of 24 (see Table 76). Part-time students, college students and those with a year or less of post-secondary education

Figure 10.5: Personal Responsibility for Support through PSE

“How much responsibility do you think you should have for supporting yourself through your post-secondary education?”



Based on students participating in Wave 6 survey (n=6,567).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

are all more likely to assume a high level of personal responsibility for supporting themselves through post-secondary education. Students living with spouses, those with no parental support, those with dependants and those who did not relocate for school are also more likely to assume a high level of personal responsibility. Rural students are far more likely to assume a high level of personal responsibility for supporting themselves through post-secondary education (60 per cent versus 46 per cent of urban students).

Those who work during school, particularly those who work long hours during school or the summer, are more likely to assume a high level of personal responsibility. Those with the lowest grade-point averages in the first term are least likely to assume a high level of personal responsibility (28 per cent with a “D” average compared to 50 per cent for those with an “A” average).

Finally, students’ sense of personal responsibility increases with their household and employment income (but not with parental income). Students with no government loans and no credit card debt are more apt to assume a high level of personal responsibility. The proportion of respondents who feel a strong sense of personal responsibility declines dramatically as their expectations of education-related debt increase.

Table 76: Personal Responsibility for Supporting Oneself Through Post-Secondary Education, by Selected Student Characteristics

“How much responsibility do you think you should have for supporting yourself through your Post-Secondary Education?” (n = 6,567)

Characteristics	High (4–5) (%)
Overall	46
Age Group	
<18	43
18–19	46
20–21	43
22–23	41
24–25	55
26–29	47
30+	50
Status	
Full-time	44
Part-time	52
Institution	
College	53
Undergraduate	43
Graduate	45
Intended to Work During School Year	
Yes	49
No	40
Mortgage	
Yes	56
No	45
Parental Support	
Yes	40
No	50
Own Employment Income (all)	
None	32
\$1–1,000	37
\$1,001–3,000	40
\$3,001–5,000	51
\$5,001–8,000	53
>\$8,000	53
Government Loan	
Yes	40
No	49
Education-Related Debt Expect to Accumulate	
<\$5,000	60
\$5,001–10,000	49
\$10,001–20,000	48
\$20,001–40,000	37
>\$40,000	36

Based on students participating in Wave 6 survey (n=6,567).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Parents and students have similar views on students' responsibility to support themselves through post-secondary education. Parents are only slightly less likely to have assigned students a high level of responsibility (42 per cent did, compared to 46 per cent of students).

While college students were more willing to assume personal responsibility than university students, parents of university students assigned more responsibility to students than did parents of college students. As for students, however, parents' assignment of responsibility to students increases with student age: 28 per cent of parents of students under 18 assigned a large responsibility to students, compared with 64 per cent of parents of students 26 or older.

The level of responsibility parents accord to students decreases with the extent of their involvement in their children's finances: 53 per cent of parents with low involvement assign high responsibility to students, versus 39 per cent of those with high involvement. Parents who support their children also consider their children less responsible for supporting themselves.

Parents of students who live alone assign somewhat more responsibility to students than do parents of students who live at home or with roommates. Finally, parents with three or more children who have yet to begin post-secondary education are more likely to have assigned a large responsibility to students.

c) Assignment of Costs

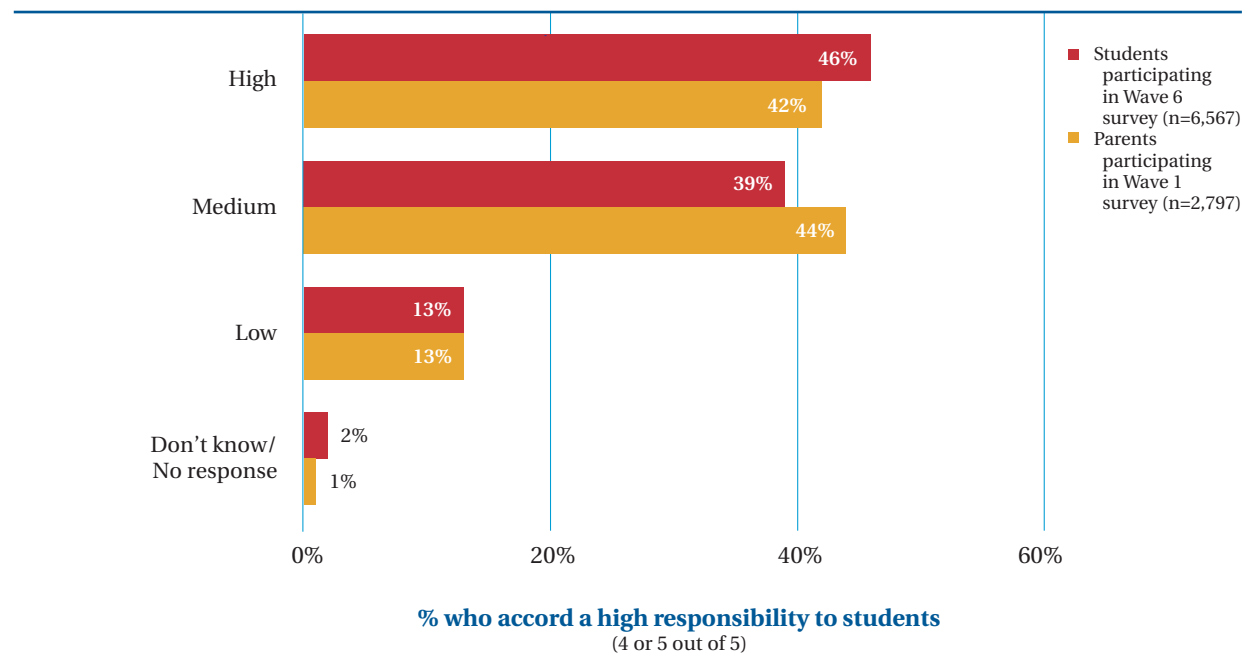
The survey also asked students and parents to assign percentages of post-secondary costs to governments, parents and students. Very few students assigned 100 per cent of the responsibility to any one group. On average, students assigned 47 per cent of costs to government, 24 per cent to parents and 30 per cent to students.⁷²

The proportion of costs assigned to governments tends to increase with students' age and post-secondary experience (and is highest among those aged 26 to 29), while the proportion of costs assigned to parents tends to decrease with these variables (and is lowest among students aged 26 to 29) (see Table 77).

72. “No response/Do not know” responses are excluded.

Figure 10.6: Responsibility of Students to Support Themselves

“How much responsibility should STUDENTS have for supporting themselves through their post-secondary education if they are your child’s age?”



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

College students assigned a lower proportion of costs to governments and greater proportions to parents and students. Independent students, those who live on their own or with roommates, and those who had to relocate for school assigned a greater proportion of costs to government and less to parents.

Residents of New Brunswick and Nova Scotia assigned a greater proportion of costs to governments and less to parents. Allophones hold governments responsible for a greater proportion of costs, while Anglophones place more of the burden on students. Again, rural students across Canada are more likely to have assigned a higher proportion of costs to students (37 per cent, versus 31 per cent for urban students).

The proportion of costs assigned to each group also varies according to respondents’ financial profile. For example, the proportion of costs assigned to governments decreases as household, parental and employment income increases; the

proportion of costs assigned to parents increases as household and parental income increases; and the proportion allocated to students also increases with employment income. The proportion of costs assigned to governments is much greater among students with government loans and those who have debt from any source, while those with no loans and no debt are more likely to have assigned a higher proportion of costs to parents. The proportion of costs assigned to governments also increases with the amount of government debt the respondent has incurred to date. Students without government loans are also more likely to have assigned a higher proportion of costs to students. The proportion of costs assigned to governments increases dramatically, and the proportion assigned to parents or students decreases substantially with the size of education-related debt respondents expect to accumulate.

Table 77: Proportion of Costs Assigned to Governments, Parents and Students, by Selected Student Characteristics

“What proportion of the cost of Post-Secondary Education should be assumed by...?”			
Characteristics	Governments (%) (n = 6,011)	Parents (%) (n = 5,912)	Students (%) (n = 5,982)
Overall	47	24	30
Age Group			
<18	42	33	27
18–19	42	28	30
20–21	47	24	30
22–23	48	22	30
24–25	48	19	34
26–29	53	17	31
30+	49	21	31
Institution			
College	43	25	33
Undergraduate	48	23	30
Graduate	50	21	30
Dependent			
Yes	44	27	30
No	50	20	31
Living Arrangements			
Living with parents	43	26	31
Living with spouse	47	20	33
Living alone	52	20	29
With roommates	50	23	29
Other	51	21	29
Moved for School			
No	45	24	31
<71 km	50	23	29
71 km+	50	22	29
Region			
British Columbia	48	20	33
Alberta	49	21	31
Saskatchewan	49	21	31
Manitoba	44	20	37
Ontario	46	25	30
Quebec	45	27	28
New Brunswick	53	15	32
Nova Scotia	54	19	28
P.E.I./N.L.	49	21	31
Household Income			
<\$20,000	56	18	27
\$20,001–40,000	50	19	32
\$40,001–60,000	48	20	33
>\$60,000	41	24	35
Government Loan			
Yes	55	18	28
No	43	26	32
Education-Related Debt Expect to Accumulate			
<\$5,000	41	25	35
\$5,001–10,000	46	21	34
\$10,001–20,000	50	20	31
\$20,001–40,000	57	18	26
>\$40,000	62	16	24

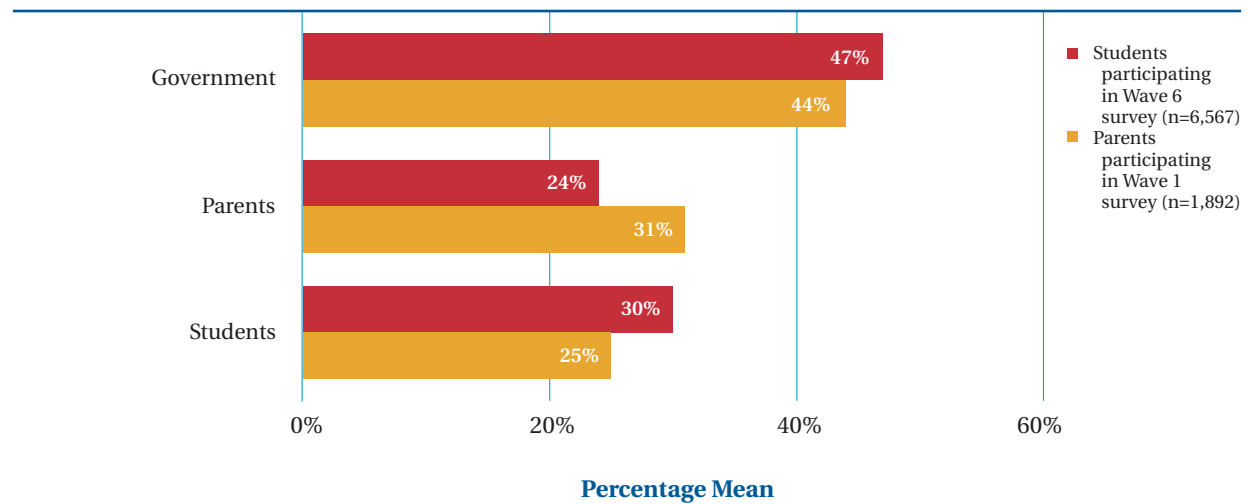
Based on students participating in Wave 6 survey (n=6,567).

“No response/Do not know” responses are excluded.

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 10.7: Assignment of Responsibility for Costs

“When it comes to paying for post-secondary education, what percentage of the costs should be assumed by governments/parents/students?”



Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Compared to students, parents assigned a greater proportion of costs to parents and less to students. Students and parents assigned similar proportions of costs to governments (47 per cent and 44 per cent, respectively).

Parents with a low level of involvement in their children’s finances assigned a higher proportion of costs to governments (49 per cent, versus 43 per cent among those with the greatest involvement), while those with a high level of involvement assigned a greater percentage of costs to parents (35 per cent, versus 23 per cent among parents with the least involvement) and a lower proportion to students (22 per cent). Parents who live together (in dual-parent households) assigned a lower percentage of costs to governments than did parents who do not live together.

Not surprisingly, parents who are currently supporting their children assigned a greater proportion of education costs to parents and a much lower proportion to students themselves (22 per cent, compared to 33 per cent among those not providing support). The percentage of costs assigned to parents increases with the amount of support provided.

The proportion of costs assigned to governments declines with parents’ household income, while the proportion of costs assigned to parents increases with income.

Parents of students under the age of 18 assigned a higher proportion of costs to parents (39 per cent) and a lower percentage to students themselves (19 per cent). Parents of full-time students assigned a greater proportion of costs to students and less to governments.

Parents from the Prairie provinces assigned a smaller percentage of costs to governments and a much higher proportion to students themselves (34 per cent). Parents from British Columbia assigned a much higher proportion of costs to governments. Parents from Quebec (whose children tend to be younger) assigned a much higher proportion of costs to parents (38 per cent) and much less to students (17 per cent).

The proportion of costs assigned by parents to governments increases with the size of their children’s government debt. Conversely, parents of students with no government debt assigned a higher percentage of costs to parents.

11. Information Sources

11.1 Sources of Information About Costs/Funding of Post-Secondary Education

We asked students to indicate their sources of information about post-secondary costs and funding. The largest number of students learned about post-secondary financial issues by word of mouth or from their friends (44 per cent). This is followed by school publications, websites or newspapers (39 per cent); parents (33 per cent); books or magazines (29 per cent); teachers or counsellors (25 per cent); banks, credit unions or other financial institutions (23 per cent); and the National Student Loan Services Centre (21 per cent). Roughly one in seven (14 per cent) used none of the sources listed.

In the follow-up survey, we examined the use of school publications, websites or newspapers in more detail. Websites were by far the most common school-based sources of information (86 per cent), followed by brochures (26 per cent), school newspapers (16 per cent), newsletters (14 per cent), faculty newspapers (nine per cent) and information in school libraries (eight per cent). (See Appendix A for more details).

College students are somewhat more likely than university students to have reported using information from school libraries (18 per cent).

Full-time students and students in their first years of post-secondary education are more likely to have used most of the sources listed. English-speaking students are more likely to have consulted the National Student Loans Service Centre, school publications or websites, the government of Canada website, and the Canada Millennium Scholarship Foundation website. They are also more likely to have learned about financing by word of mouth. Students with government loans and those who are accumulating some type of debt are also more likely to have consulted most of the information sources listed (except for their parents).

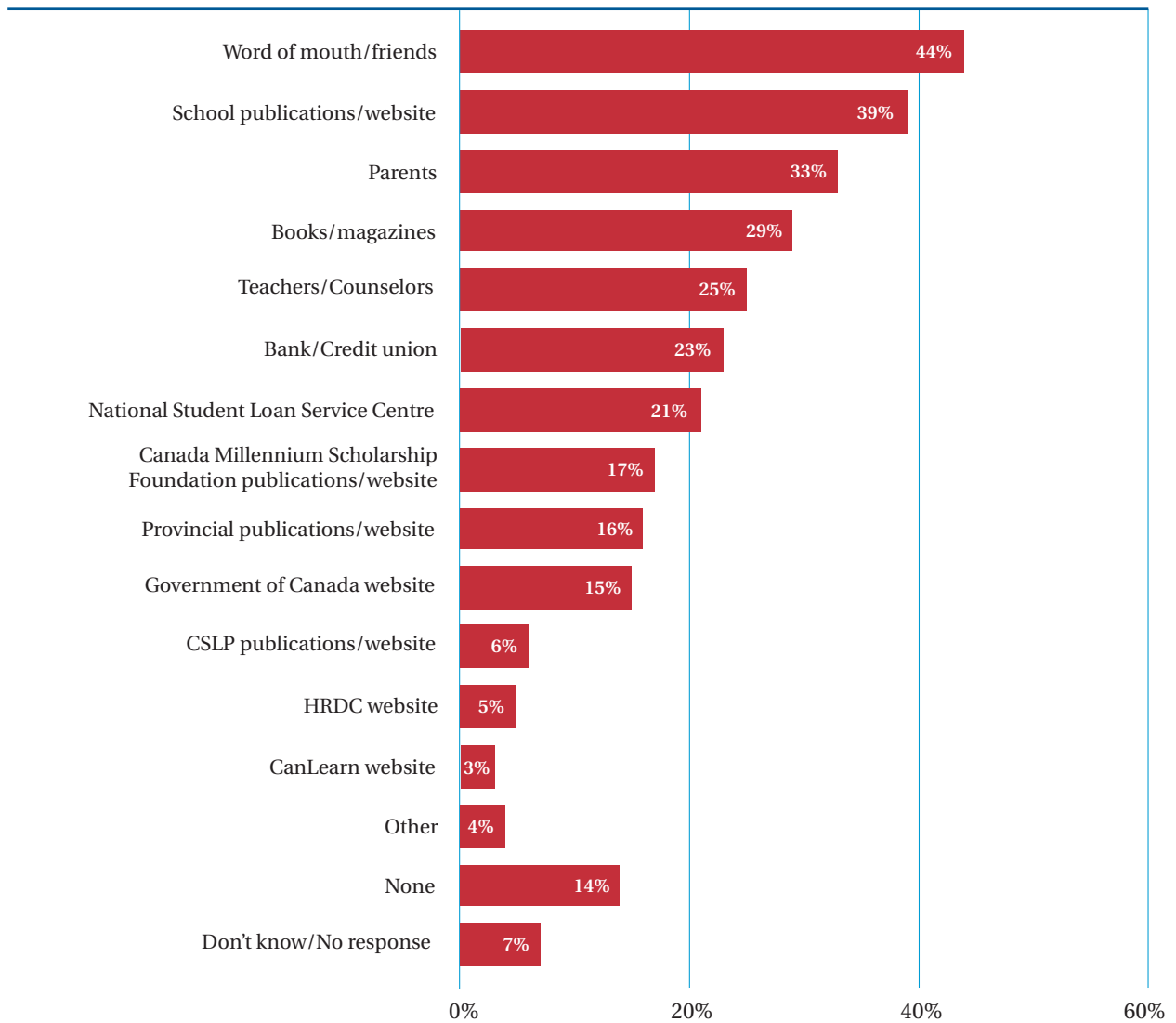
Those who do not work during the school year are more likely to have consulted the National Student Loans Service Centre or to have asked their parents for information. Not surprisingly, students who are independent or not receiving parental support are more likely to have consulted the National Student Loans Service Centre, banks or the Government of Canada website. Furthermore, students with lower household and employment incomes are also more likely to have sought information from the National Student Loans Service Centre, provincial publications or websites, school publications or websites, banks, teachers or the Canada Millennium Scholarship Foundation. They are also more likely to have learned about post-secondary financing by word of mouth.

Students with mortgages and those who did not move for school are less likely to have consulted any of the information sources listed, as are men. Finally, rural students are more likely to have consulted banks or credit unions, while urban students are more likely to have relied on word-of-mouth information, their parents and provincial publications or websites.

Parents also consult a range of information sources with respect to the costs and funding of their children's post-secondary education. Word of mouth (63 per cent) and school publications (51 per cent) are the most common sources. Parents are much more likely to have used these two information sources than are students (44 per cent and 39 per cent, respectively for each source). Other information sources consulted by over one-quarter of parents include guidance counsellors (31 per cent) and books and magazines (29 per cent). Many parents also consulted school liaison officers (23 per cent), bank or financial investment employees (19 per cent) or provincial government employees or websites (19 per cent).

Figure 11.1: Sources of Information Used by Student

“Please indicate which sources of information you used.”

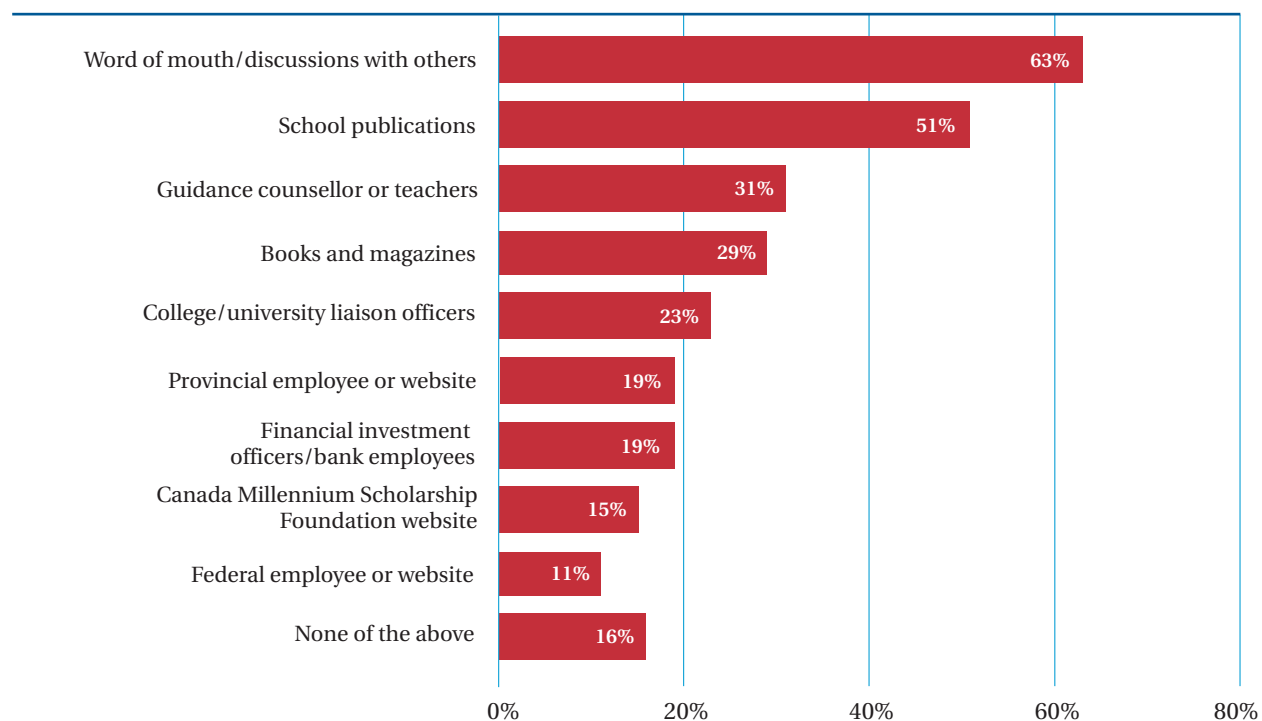


Based on students participating in Wave 5 survey (n=7,184).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Figure 11.2: Parent Information Sources

“Which of the following sources of information about costs and funding for post-secondary education did you use prior to your child starting post-secondary education?”



Based on parents participating in Wave 2 survey (n=1,892).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Parents of university students are more likely to have consulted books or magazines, school publications or the Canada Millennium Scholarship Foundation website. Parents of full-time students are more apt to have relied on word of mouth or on provincial employees or websites. Parents of students studying in Quebec are less likely to have consulted many of the sources listed (including guidance counsellors, liaison officers, school publications, books or magazines) and are more likely to have said that they used none of the sources listed.

Parents of students living with roommates are more likely to have consulted school publications, books and magazines as well as financial investment representatives. Parents with little involvement in their children's finances are the least likely to have

consulted books and magazines, or to have cited word of mouth as a source. Parents who saved for their children's post-secondary education are more likely to have consulted liaison officers, school publications, books and magazines and employees in financial institutions. Parents who did not save are more likely to have consulted provincial or federal employees or websites.

Parents with the highest household incomes (\$80,000 annually or more) are more likely than those in lower-income households to have consulted school publications, books and magazines, and financial investment employees. Parents of students with government debt exceeding \$5,000 are more likely to have gathered information from most sources (except word of mouth).

11.2 Rated Usefulness

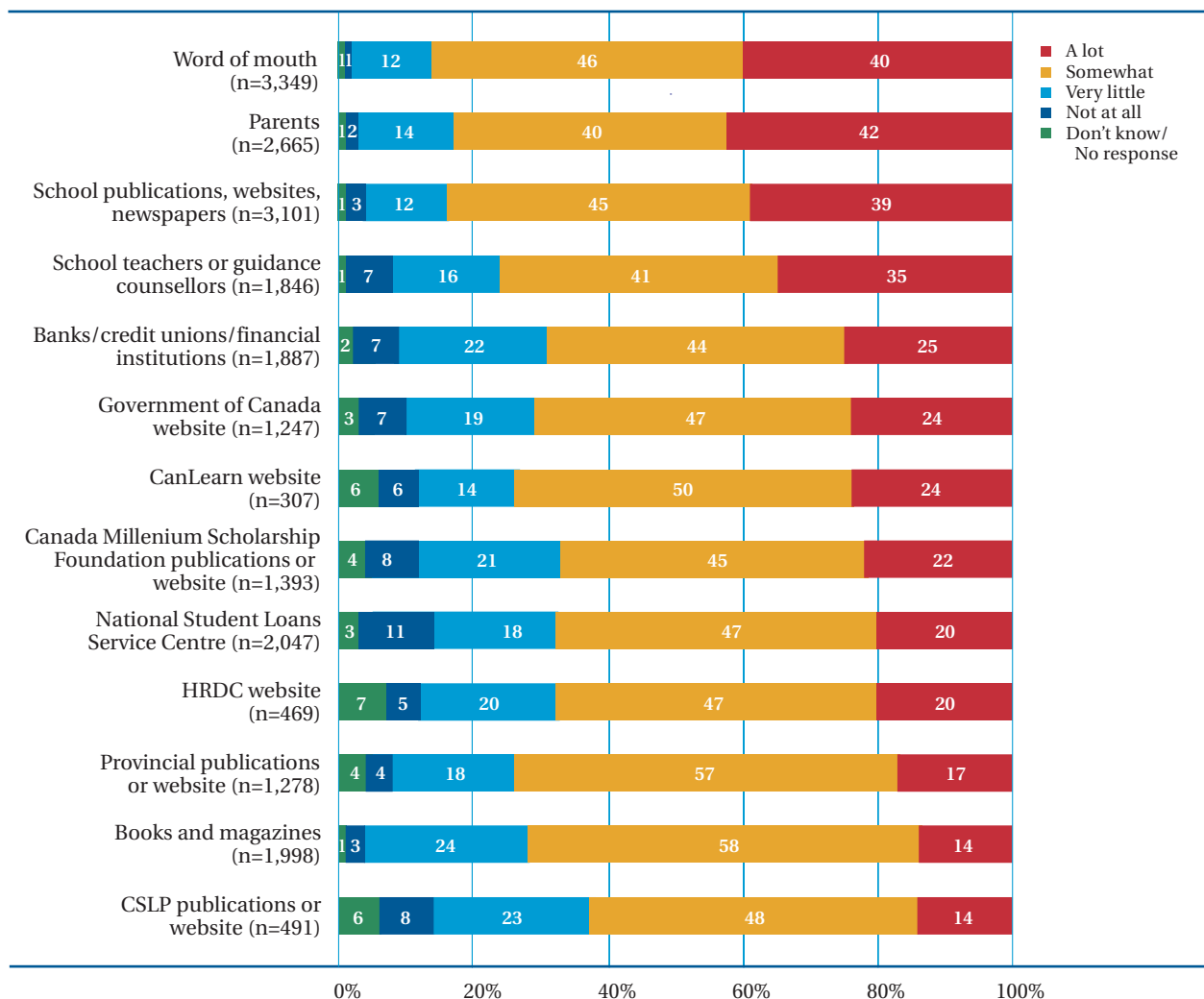
We asked students to rate the usefulness of each source they consulted. The three information sources used most often are also those that receive the highest ratings for usefulness. Word of mouth, school publications or websites and parents are the sources students considered most useful in informing themselves about costs and funding (rated as somewhat or very useful by 86 per cent, 84 per cent and 82 per cent, respectively).

Francoophone students gave the following sources lower ratings than did Anglophone or Allophone

students: books and magazines; CSLP publications or the CSLP website; the National Student Loans Service Centre; teachers or guidance counsellors; banks and financial institutions; word of mouth; parents; and the Canada Millennium Scholarship Foundation's publications or website.

First-year students and those with the highest grade point averages (A+, A) are more likely to have rated books and magazines as useful, as are those with lower household and parental incomes. The usefulness of school publications, websites and

Figure 11.3: Rated Usefulness of Information Sources Used



Based on students participating in Wave 5 survey (n=7,184).

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

newspapers also increases with grade point average: 22 per cent of those with D grades consider these sources very useful, compared to 44 per cent of those with A+, A averages. Students with no loans or deficits are also more likely to consider school publications very useful.

Students with dependants, those who are independent and those who are not receiving parental support are all the more likely to have found CSLP publications or websites useful, as are students with loans (government or private).

Students pursuing their first degrees and those not working during the year are more likely to have rated the National Student Loans Service Centre as useful. The rated usefulness of the National Student Loans Service Centre declines as household, parental and employment income rises. Not surprisingly, students with government loans are also more likely to have found this source useful, those with private loans less so.

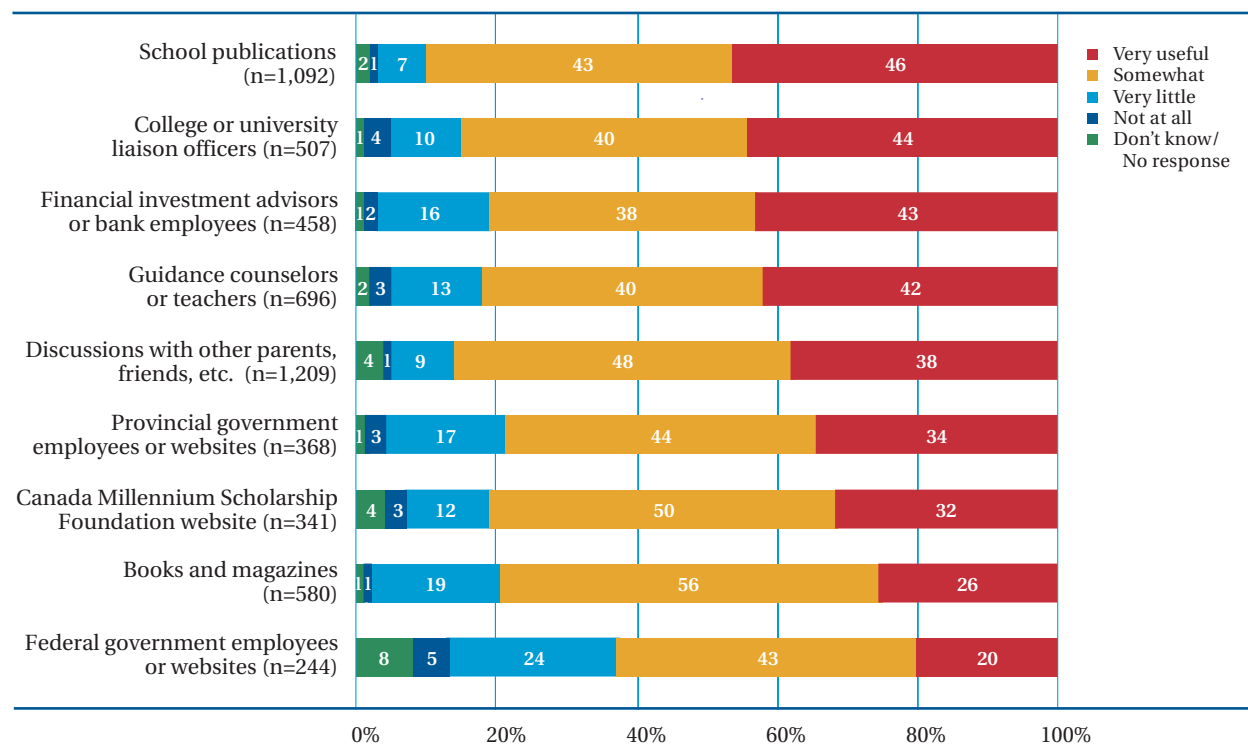
Students with mortgages (already bank customers) are much more likely to see banks and other financial institutions as very useful sources of information. Students with private loans or lines of credit and those running deficits are also more likely to consider banks informative.

Students not receiving parental support, women and those living with their spouse or partner are more likely to have rated the Government of Canada website as useful.

College students are less likely to consider word of mouth a useful source (as are Francophones), while women are somewhat more likely than men to consider word of mouth useful. College students are far more likely, however, to have rated the HRSDC website as useful.

Not surprisingly, students who are dependent or living with their parents are more likely to consider parents a useful information source. Anglophone students are also more likely to have rated parents

Figure 11.4: Rated Usefulness of Information Sources Used by Parents



Based on Parents participating in Wave 2 survey (n=1,821).

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

as a useful information source, as are students whose parents (one or both) have some post-secondary education or an income of \$100,000 or more. The perceived usefulness of parents as a source of information declines somewhat with age.

Parents rated most information sources they used as somewhat or very useful. Compared to students, parents gave higher usefulness ratings to all sources except one: federal government employees or the government of Canada website. The information source rated as most useful by parents is school publications (rated as very useful by 46 per cent and somewhat or very useful by 89 per cent). Other information sources rated highly by parents include college or university liaison officers (rated as very useful by 44 per cent and somewhat or very useful by 84 per cent); financial investment advisors or bank employees (rated as very useful by 43 per cent and somewhat or very useful by 81 per cent) and guidance counsellors or teachers (rated as very useful by 42 per cent and somewhat or very useful by 82 per cent).

Parents of students in Ontario are far more likely to consider college or university liaison officers to be

very useful. Parents with three or more children yet to attend post-secondary education are more likely to have rated word of mouth as a very useful source.

Parents who are supporting their children are more likely to have rated a number of information sources as very useful, including college or university liaison officers, college or university publications and provincial government employees or websites.

Parents who saved for their children's post-secondary education provided lower usefulness ratings for college or university liaison officers, books and magazines, and provincial government employees or websites. But they are more positive about word of mouth as a very useful source.

Parents with the lowest household incomes (less than \$30,000) are more likely to have rated college or university liaison officers as very useful and less likely to view provincial government employees or websites as very useful.

Rural parents more often find books and magazines, as well as provincial government employees or financial assistance websites, to be useful sources of information.

1.1.3 Preferred Methods/Content of Communications

Respondents were asked how they preferred to get information about costs and possible funding before starting their post-secondary program. Students prefer electronic means of communication: over half (55 per cent) identified an interactive website as the best means of obtaining information, followed by 43 per cent who selected e-mail as their chosen medium. The student financial aid or counselling office is students' third most preferred form of communication (chosen by 41 per cent), followed by mail (38 per cent). On-campus kiosks or telephone call centres are less popular options.

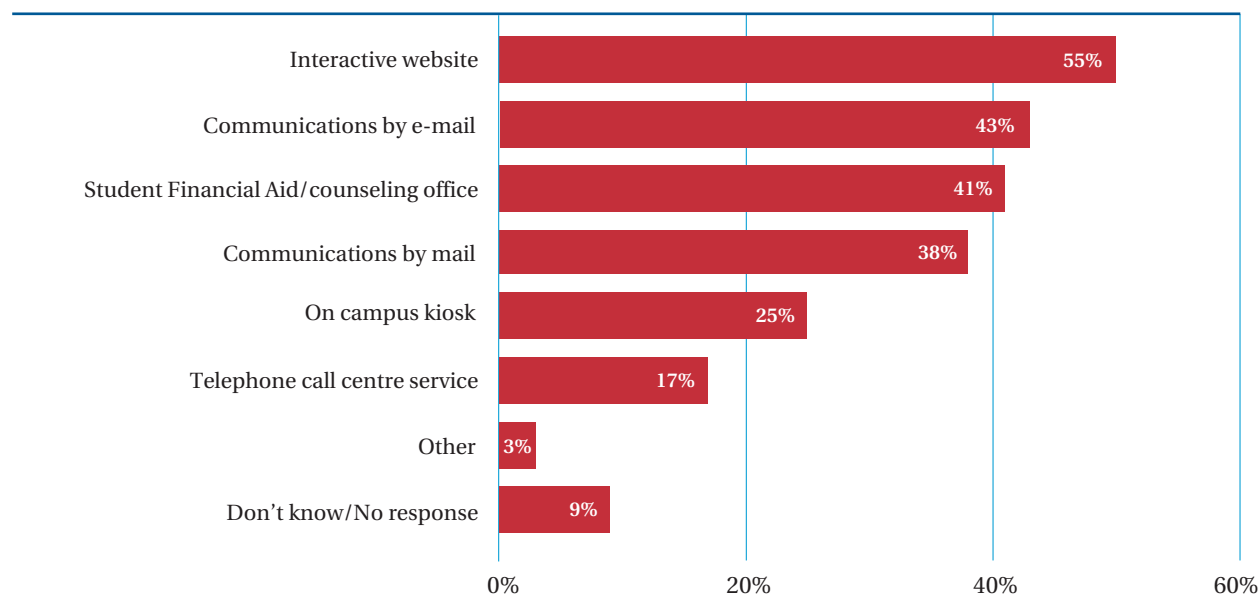
Full-time students are more likely than part-time students to prefer communications by mail, from on-campus kiosks or from student financial aid offices. Preference for student financial aid or counselling offices as an information source declines with household and parental income. Rural students are

marginally more likely to prefer telephone call centre services, while urban students are more likely to have selected on-campus kiosks or communications by e-mail.

Respondents were also asked to identify any additional information they would like to have received before commencing their program. Just over one in ten students (11 per cent) stated that they had enough information. Over two-thirds (69 per cent) would like to have received more grant application information, and roughly half would have liked more information on the cost of education (53 per cent) or on loan sources (50 per cent). Students also wish they had learned more about loan eligibility (41 per cent), applying for loans, the cost of living expenses during education, budgeting assistance and loan repayment (38 per cent for each topic).

Figure 11.5: Preferred Information Source(s) to Inform New Students About Costs and Funding

“As a new student planning for your post-secondary education, what would have been your preferred method(s) of getting information about costs and possible funding before you started your program?”



Based on students participating in Wave 5 survey (n=7,184).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Full-time students are more likely than part-time students to wish they had had additional information on the cost of living during education and on budgeting assistance.

College students and graduate students are more likely to state that they had enough information (15 per cent do), as are students in their first year. On the other hand, those with two years of education are more likely to have identified a need for all of the types of information listed. Students earning their first degree are more likely to identify a need for all of the types of information listed, particularly budgeting assistance (43 per cent identified such a need, compared to 29 per cent of those earning a subsequent degree).

Students with mortgages or dependants (i.e., more mature students) are less likely to have needed additional information. Students who moved to attend school are more likely to wish they had had more information about the cost of living, budgeting assistance and repayment information.

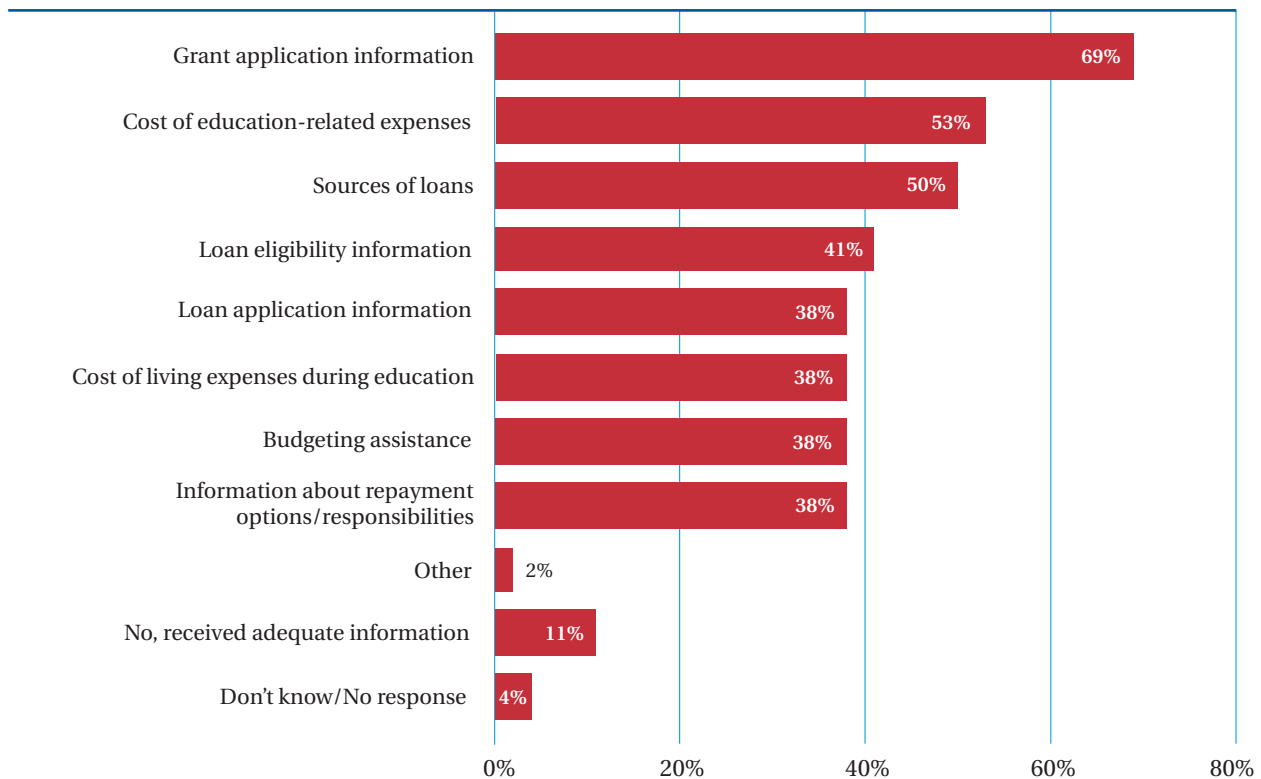
The youngest students (under 18) are the least likely to have needed more information (27 per cent), while students aged 20 to 23 are more likely to have expressed an interest in information in a number of areas. Students with disabilities are much more likely to have identified a need for information on the cost of education or for loan application or eligibility information.

Francophones and Quebec residents (who are also more likely to be college students, and younger) are far less likely to have needed information in any of the categories listed and more likely to have stated that they had enough information.

Students with the lowest household incomes (under \$20,000) are the most likely to have needed information in all of the categories listed, while those with annual household incomes over \$60,000 are much more likely to have said that they had adequate information (32 per cent). Similarly, students with annual parental incomes of over \$100,000 and employment incomes exceeding \$8,000 are

Figure 11.6: Type of Information Sought by Students

“Would you have liked to have received more information regarding the following before you started your program?”



Based on students participating in Wave 5 survey (n=7,184).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

much less likely to have needed more information (15 and 16 per cent, respectively).

Finally, students with loans (government or private), credit card debts or monthly deficits are much more likely to have cited a need for information in each of the categories listed.

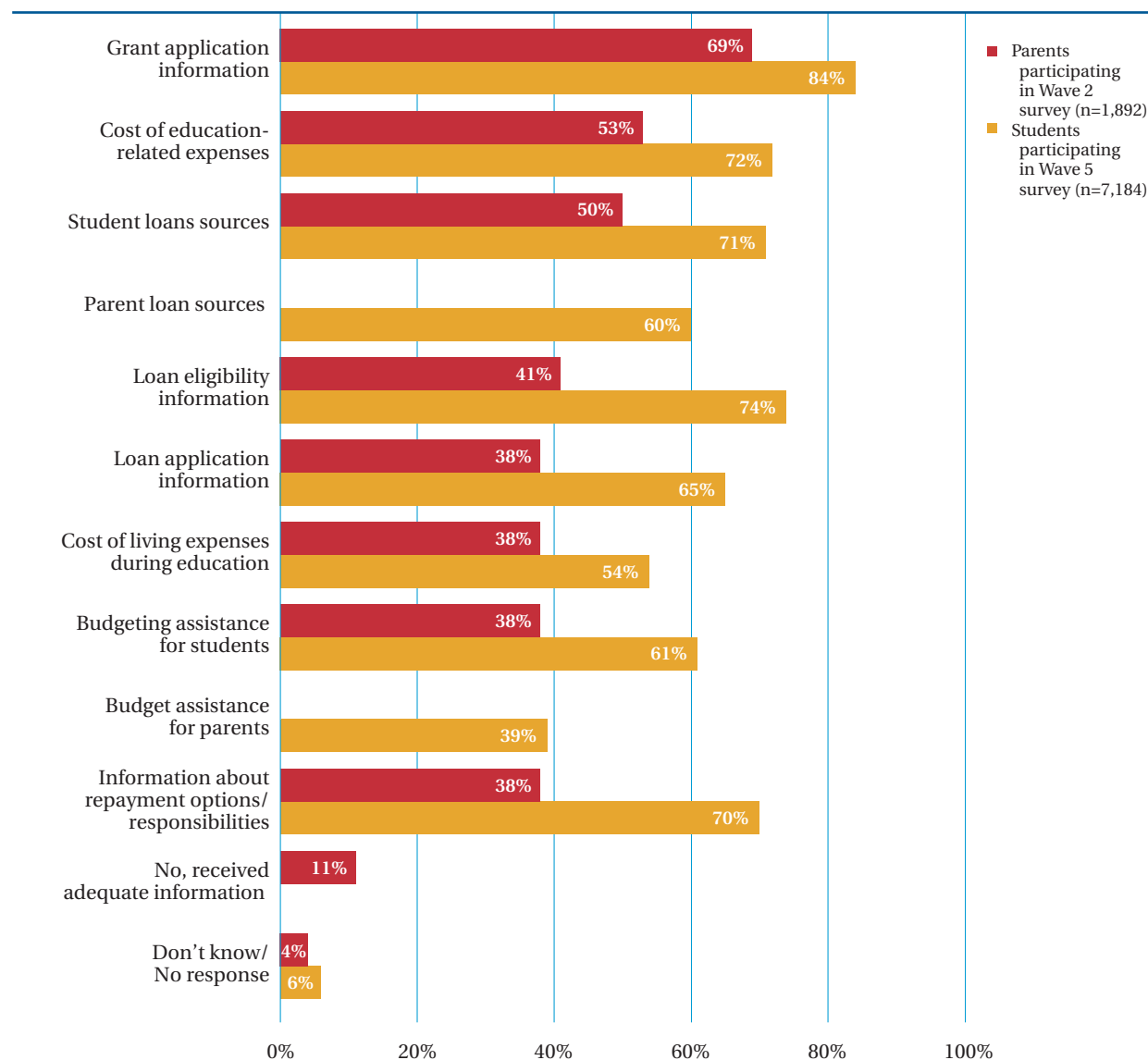
We also asked parents to identify areas where they would have liked to have received more information before their children began post-secondary education. Parents demonstrate a greater appetite for all topics than students do. Parents, like students, most often indicated that they would have liked to have received more information about applying for grants (84 per cent). Other topics on which parents would have liked to receive greater information include student eligibility for loans (74 per cent), the cost of education-related expenses (72 per cent), student loan sources (71 per cent) and information about repayment options and responsibilities (70 per cent).

Parents of college students expressed more desire for information on most topics than university parents did, including student loan sources, parent loan sources, student budgeting assistance, loan application information and repayment options. Parents of students in the Prairie provinces were less likely to say they would have liked more information about a number of potential topics, including the cost of living, parent budgeting assistance, loan eligibility information and repayment information. Rural parents are more likely than urban parents to wish they had more information about the cost of living, parent loan sources and parent budgeting assistance.

Parents of students living alone are significantly more likely to wish they had more information on a number of topics, including parent budgeting assistance, parent loan sources, student loan sources and education-related expenses.

Figure 11.7: Type of Information Sought

“Would you have liked to have received more information regarding the following before you/they started your/their program?”



Based on students participating in Wave 5 survey (n=7,184).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Parents who did not save for their children's post-secondary education and parents of students with government loans indicated a significantly greater desire for information on all the potential topics identified. Interest in additional information on all of these topics is also highest among parents with the lowest household incomes (less than \$30,000) and lowest among those with the highest household incomes. Parents who did not themselves attend

post-secondary education expressed greater interest in information about grants, loans for students (application, eligibility, repayment options) and education-related costs.

The youngest parents (44 or younger) and parents with only one child yet to attend post-secondary education are the most interested in information on applying for student loans, eligibility for loans and repaying loans.

Parents who are not employed full-time have a much greater appetite for more information on education-related expenses, student loan applications, loan eligibility and repayment. Single parents were also more interest in receiving additional

information about student budgeting assistance, education-related expenses, cost of living expenses, student loan sources, parent loan sources, loan application information, parent budgeting assistance and repayment options and responsibilities.

11.4 Preferred Internet Features for Student Loan Information

We asked students to rate the importance of a number of website features they might encounter were they to conduct Internet searches regarding student loans. Over half consider it very important to be able to apply and check their status online (57 per cent). A majority of students (53 per cent) also think it very important to be able to make online payments. Just under half consider real-time online service or loan repayment calculations to be very important (49 and 46 per cent, respectively).

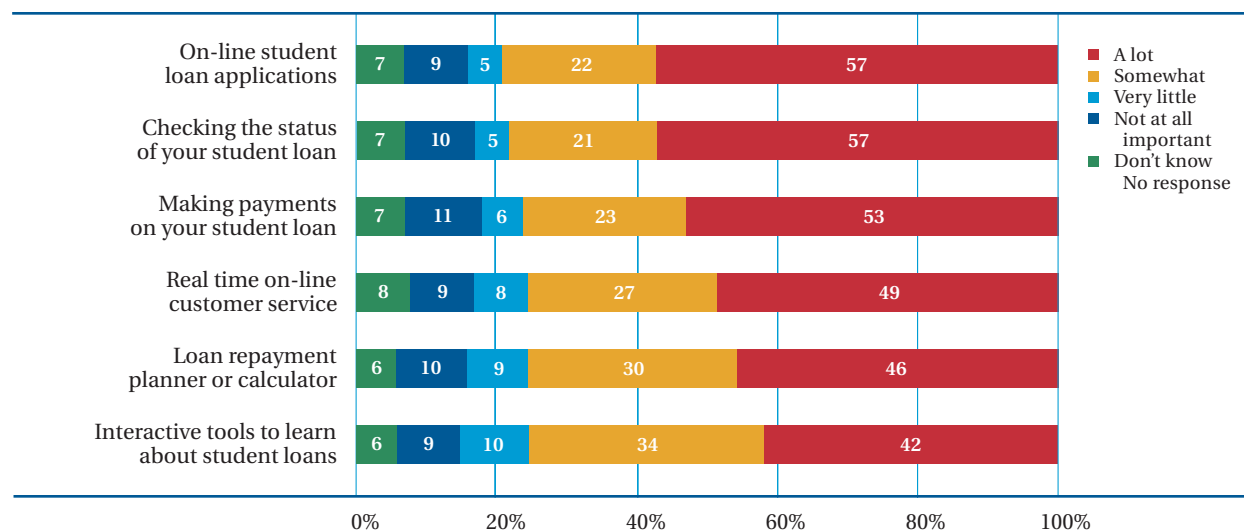
Women are more likely to view a loan repayment planner or calculator as a very important service (49 per cent versus 39 per cent of men). Women are

also more likely to value being able to check the status of their student loan (60 per cent rated this as very important, whereas only 54 per cent of men did); being able to make online payments (56 per cent of women rated this as very important, versus 50 per cent of men) or having access to real time online customer service (53 per cent of women compared to 43 per cent of men).

Students with the highest annual household, parental or employment incomes are least likely to have rated a loan repayment planner or calculator as very important (33 per cent of those with a household income over \$60,000 and 35 per cent of those

Figure 11.8: Rated Importance of Internet Information/Service Features

“How important would the following features be if you were looking for information or services about student loans on the Internet?”



Based on students participating in Wave 5 survey (n=7,184).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

with a parental income exceeding \$100,000 consider this very important). This pattern also holds true for programs that would allow students to check the status of their loans or interactive tools providing information about student loans. Similarly, students with government loans or credit card debt or who are running deficits are far more likely to consider these features important. Students with loans (government or private) or credit card debts or who are running deficits are also more likely to consider it very important to be able to make online payments, apply for student loans online or contact real time online customer service representatives.

Independent students and students not receiving parental support are more likely to want to be able to check the status of their student loans (62 per cent of independent students consider this very important, compared to 52 per cent of dependent students). Independent students and students not receiving parental support are also more likely to value the ability to make online student loan payments or to apply for loans online.

The facility of checking loan status is also more likely to be considered important by those who moved to attend school: while 55 per cent of those who did not move considered this important, 66 per cent of those who moved under 71 km and 61 per cent of those who moved 71 km or more considered this important. Students who moved are also more likely to affirm the usefulness of online loan applications.

Full-time students are far more likely to see the availability of online student loan applications as very important (60 per cent, versus 49 per cent of part-time students) or to see real time online customer service as very important (50 per cent, versus 43 per cent of part-time students).

The youngest students (under 18), residents of Quebec and Francophones are much less likely to consider it very important to be able to check the status of loans, apply for loans online, make online payments or use real time online customer service.

Rural students are more likely to consider loan repayment planners, interactive tools to learn about student loans and online student loan applications to be very important.

11.5 Parent Information and Preparation

a) Past and Potential Information Sources on Saving for Education

We asked parents where they heard, saw or read about saving for their children's post-secondary education. Magazines (20 per cent), bank employees (19 per cent), newspapers (19 per cent), television (17 per cent) and financial advisors (14 per cent) are the sources of information most often cited by parents. A significant proportion of parents (21 per cent) do not recall where they have heard, seen or read about post-secondary education savings.

Parents of university students are more likely to have cited newspapers as a source of information on saving for their children's post-secondary education. Parents of the youngest students (under 18) are much more likely to have cited the Internet as a source of information on this topic, while parents of

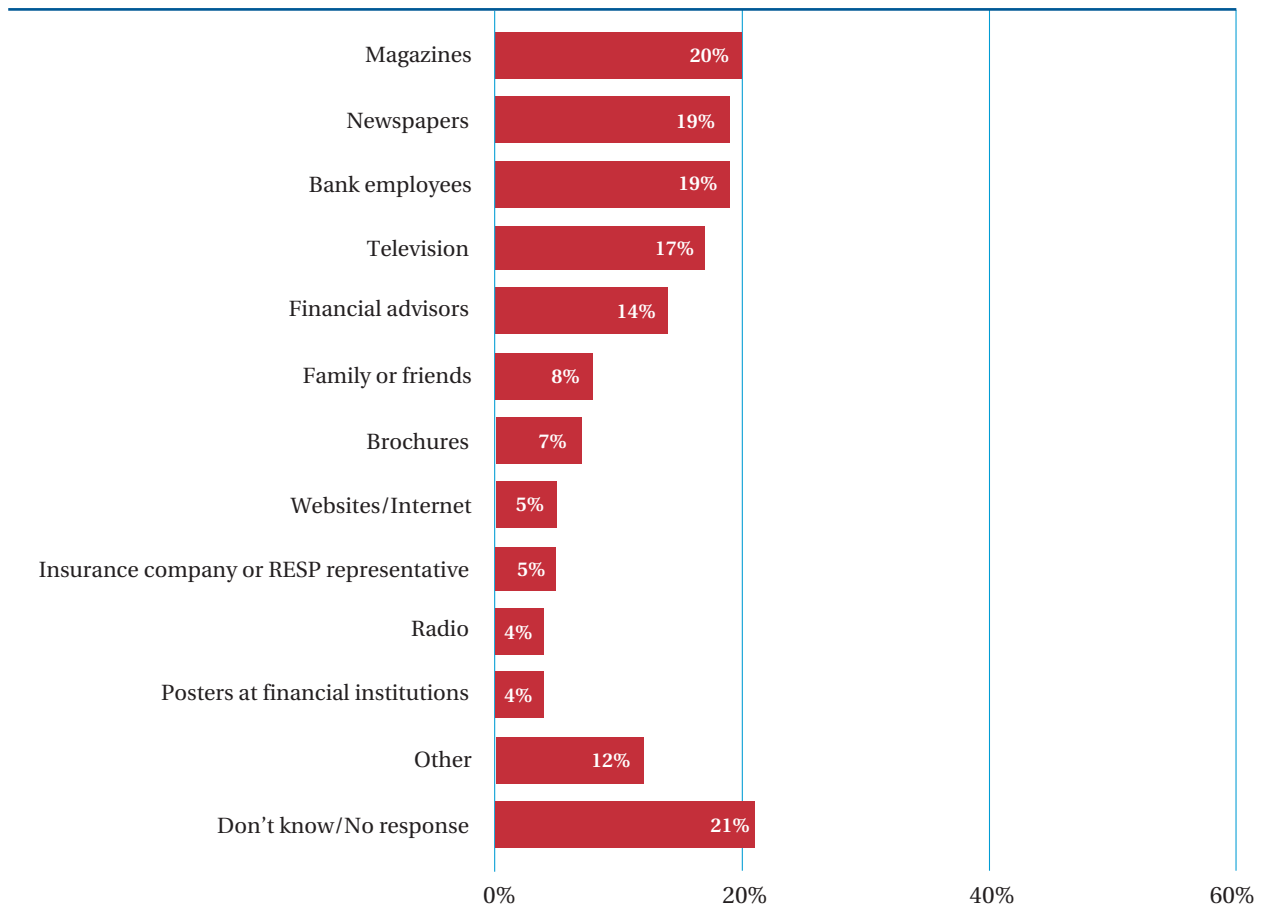
older students (24 to 25) are more likely to see financial advisors as an information source. Parents who are more involved in their children's finances are also more likely to name financial advisors as a source of information on this topic, as are parents who are supporting their children.

Parents with the highest household incomes (\$80,000 or more) are more likely than lower-income parents to think of newspapers, magazines and financial advisors as sources of information on this topic. Financial advisors are also prevalent sources among parents living in rural areas.

We then asked parents where they would go today if they were looking for information about saving for their children's post-secondary education. Many parents say they would look to different sources than the ones they've used before. If they were to look for post-secondary financial information today,

Figure 11.9: Saving for the Post-Secondary Education of Child — Past Parent Information Sources

“Where have you heard, seen or read about saving for your child’s post-secondary education in the past?”



Based on parents participating in Wave 2 Survey (n=1,892).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

parents would go to the Internet (37 per cent), bank employees (35 per cent), financial advisors (21 per cent) or post-secondary institutions (11 per cent). This list suggests that parents are ready to gather information proactively, whereas in fact many received their current information through more passive means (by reading magazines or newspapers and by watching television).

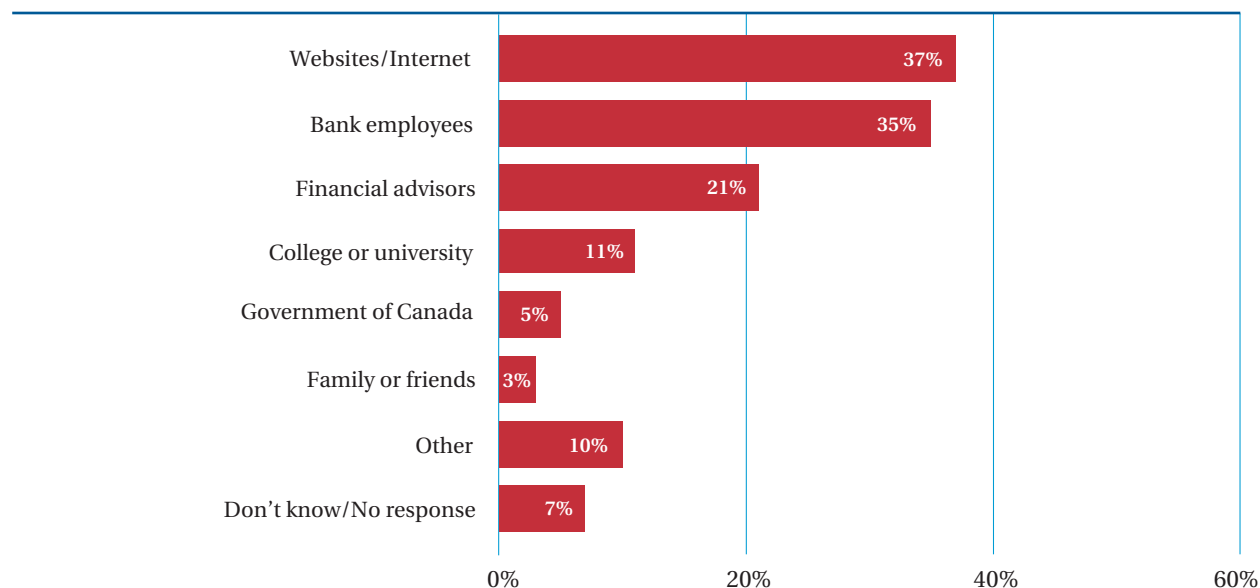
Parents of university students are more likely to propose consulting the Internet for information (42 per cent, versus 31 per cent of college parents). Parents of students in Quebec are also more likely to

suggest the Internet as an information source, while those in Atlantic Canada and British Columbia are more likely to suggest bank employees.

Parents who saved for their children’s post-secondary education are more likely to identify financial advisors as a source they would consult. Parents of students without government loans more often identified financial advisors as a potential information source, while parents of students with government loans are more likely to have cited bank employees as a potential source.

Figure 11.10: Saving for the Post-Secondary Education of Child — Potential Parent Information Sources

“If you were looking for information about saving for your child’s post-secondary education today, where would you go to get that information?”



Based on parents participating in Wave 2 Survey (n=1,892).

Source: Canadian Post-Secondary Student Financial Survey 2003–04.

Parents with the highest household incomes (\$80,000 or more) are more likely than lower-income parents to see financial advisors as a potential information source.

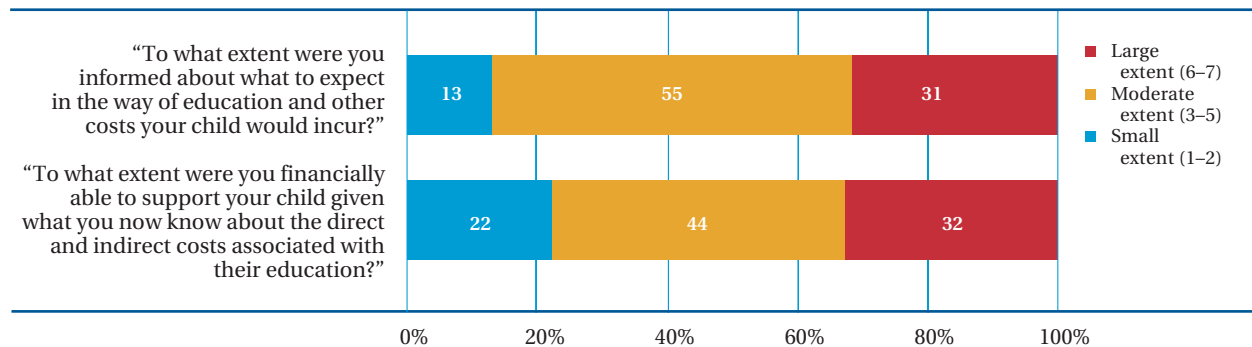
b) Parental Preparation for Post-Secondary Education

The survey explored the extent to which parents are informed about costs linked to post-secondary education, their resulting ability to support their children and how more information would affect their preparation.

Over half of parents (55 per cent) believe they were moderately informed about the cost of their children’s post-secondary education, while less than one-third (31 per cent) were well informed; a small minority (13 per cent) were poorly informed.

Similarly, less than one-third (32 per cent) of parents believe that they were able to financially support their children to a large extent, given what they now know about the costs associated with post-secondary education. Less than half say were able to support their children to a moderate extent, while 22 per cent were only able to do so to a small extent. Many parents were, therefore, not very well informed about the direct and indirect costs associated with post-secondary education, and were not well prepared to support their children financially.

Parents of college students are less likely to believe they were well informed about the costs their child would incur (22 per cent feel they were well informed, compared to 38 per cent of parents of university students). Parents of college students are also less likely to agree that they were financially able to support their children, given what they now know about these costs.

Figure 11.11: Information and Ability to Support

Based on parents participating in Wave 2 survey (n=1,892).

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Parents of students living alone are also less likely to feel that they were well informed: 24 per cent feel they were well informed, compared to 34 per cent of parents whose children live at home.

Parents who are highly involved in their children's finances and who saved for their children's post-secondary education are more likely to feel that they were well informed and that they were able to support their children financially to a large extent. Furthermore, parents of students with no government or credit card debt are more likely to feel that they were well informed about the costs their children would incur during post-secondary education. Parents of students with no government or private debt are also far more likely to have indicated that they were able to support their children financially to a large extent.

The proportion of parents who feel they were well informed about costs increases with household income, from 16 per cent of those with incomes below \$30,000 to 34 per cent with incomes of \$80,000 or more. The extent to which parents were able to support their children in light of the actual costs is also directly linked to household income: only seven per cent of parents with incomes below \$30,000 can support their children to a large extent, compared to 48 per cent of parents with incomes of \$80,000 or more.

Parents with three or more children who have yet to attend post-secondary education are also more likely to believe that they were well informed of the costs of education and other costs linked to post-secondary education.

Parents of full-time students are far less likely to have indicated that they were able to support their children financially in light of the costs associated with post-secondary education: only 29 per cent were able to support their children to a large extent, compared to 51 per cent of parents of part-time students.

Parents in Quebec are most likely to agree that they could support their children to a large extent (53 per cent), while parents of students in Atlantic Canada (33 per cent), and British Columbia (35 per cent) are more likely to have said they could only support their children to a small extent (35 and 38 per cent, respectively). Parents in dual-parent households are more likely to be able to support their children to a large extent, as are parents who are employed full-time.

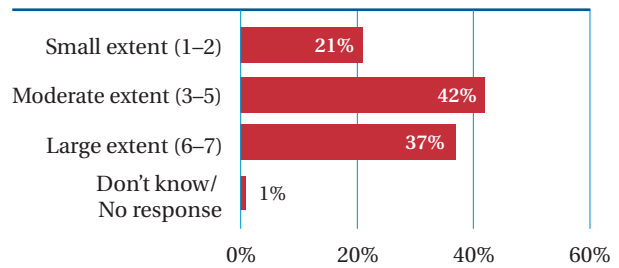
Over one-third of parents (37 per cent) indicated that having sound information about the costs linked to post-secondary education would have had a significant impact on the way in which they prepared for their children's post-secondary education. Another 42 per cent believe that good

information would have altered their preparation to a moderate extent.

We also asked parents who believe they can financially support their children to a moderate extent only (53 per cent of all parents) to indicate how better information on the actual costs linked to post-secondary education would have changed the way in which they prepared. Most of these parents (70 per cent) indicated that they would have started saving earlier if they had been better informed of the real costs linked to post-secondary education. Over half would have saved more (65 per cent) or set up an RESP (51 per cent). Other parents reported that they would have had their children save for their own post-secondary education (40 per cent), would have had

Figure 11.12: Parental Preparation for Post-Secondary Education (n=1,168)

“To what extent do you think that having good information about the costs of post-secondary education would have changed the way you prepared?”

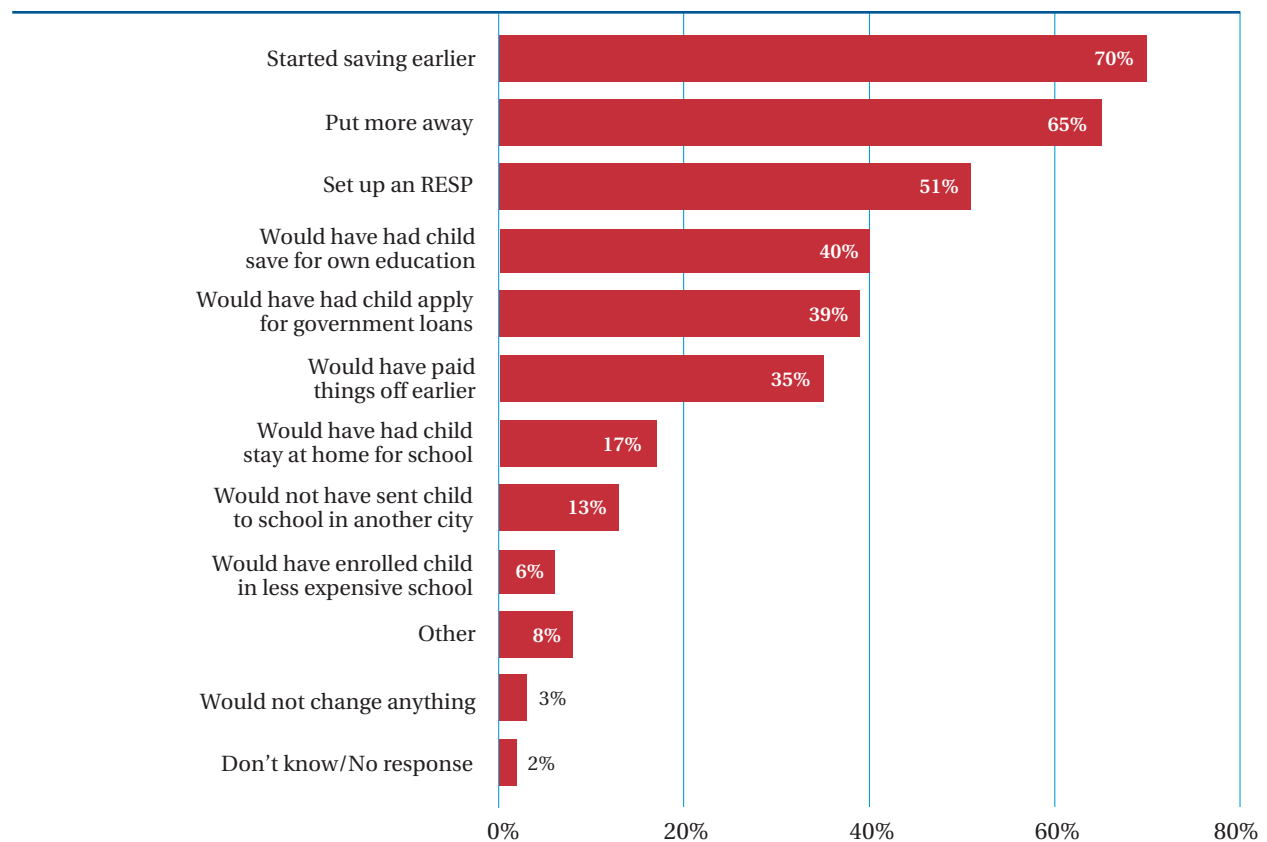


Based on parents participating in Wave 2 survey (n=1,892).

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

Figure 11.13: Parental Preparation for Post-Secondary Education (n=1,168)

“To what extent do you think that having good information about the costs of post-secondary education would have changed the way you prepared?”



Based on parents participating in Wave 2 survey (n=1,892)

Source: Canadian Post-Secondary Student Financial Survey 2003-04.

their children apply for government loans (39 per cent) or would have paid things off earlier (35 per cent).

Parents of university students (who were more likely to feel well informed) are more likely to have indicated that good information would have had only a small impact on their preparation for their children's post-secondary education. Parents of college students are more likely to state that better information would have had a large impact on their preparation, and that they would have paid things off earlier or had their children stay at home had they been better informed.

Parents of students in Ontario are more likely to believe that good information would have had a large effect on their preparation. Rural parents were more apt than urban parents to say that they would have considered applying for a private loan to cover the costs of support.

Parents with three or more children yet to attend post-secondary education are also more likely to feel that good information would have had little impact on their preparation. (Incidentally, these parents were also more likely to feel well informed.)

Parents of students with no government or credit card debt, parents who were highly involved in their children's finances and parents providing support in 2003 are all more likely to believe that having good information would have had a large effect on their preparation.

Parents with household incomes below \$30,000 are more likely to have indicated that, if better informed, they would have had their children stay at home, had them apply for government loans or encouraged them to choose a less expensive school. Similarly, parents with no post-secondary education were more likely to look to government loans and less expensive schools.

Parents who are not employed full-time are more likely to say they would have done many things differently with better information: paying things off earlier, having their children stay at home for school, having their children apply for government or private loans, or setting up RESPs. Parents who are not providing support are also more apt to say they would have done a number of things differently, including choosing less expensive schools, having their children apply for government loans, having their children save for their own education or setting up RESPs. Similarly, parents who did not save for their children's post-secondary education are more apt to say they would have started saving earlier, put more away, paid things off earlier, had their children stay at home for school, applied for government loans, had their children save for their own education and set up RESPs.

12. Conclusion

The Canadian Post-Secondary Student Financial Survey gives us an overview of how students and families across the country are managing the costs of post-secondary education. While many of the results are not surprising, they sharpen what would otherwise be anecdotal impressions. We now have a reliable set of data about how students get by from month to month and how these economic realities affect their plans and aspirations.

Priorities and Responsibilities

Canadian students struggle to balance a number of priorities: not only studying, but also earning a living and minimizing debt. For many students, a desire for independence must also be balanced against the real financial benefits of staying at home with their parents. While the vast majority of students aspire to complete university degrees, they may need to compromise here too: most college students say that lower tuition was a factor in their decision to go to college.

As students mature, their priorities change, and new priorities (sometimes involving a career, or a house or a family of their own) come into the balance. Both income and expenses increase with age. While older students receive smaller amounts of family support, they earn more from employment and borrow more from government and private sources. They draw these higher incomes to cover higher expenses, which can be attributed to the pursuit of higher degrees as well as changes in family and lifestyle.

The survey also shows that parents generally understand their children's economic dilemmas and want to help out as much as possible. The majority of parents play an active role in their children's post-secondary education finances, particularly when their children are younger. Family support is more often present in the early years of a student's academic career, when access to government loans is limited. (Students receive the most effective parental support when they continue to live at home.)

Over two-thirds of students receive some form of monetary support from their parents during the school year, although not all parents are able to provide significant amounts of support. This study could not examine the influence of parental income in terms of access to post-secondary education. But parents with higher incomes, as well as those who saved for their children's education, are able to offer greater support over a longer period of time. Educational expenses strain many parents' budgets, even leading some to incur debt. Most parents indicate that they would have planned quite differently had they known more about the costs and funding of post-secondary education. Students in lower-income households indicate greater concern about debt and are more likely to indicate that their schooling and personal decisions have been affected by concerns about debt.

Also notable is the influence of household composition and parental education. Students from households including both original parents receive considerably better support than their counterparts from single-parent households or blended families. Parents with post-secondary education are more involved in their children's finances, and university-educated parents are more likely to have children going to university.

While parents would like to take a high degree of responsibility, both parents and students tend to think government should bear the bulk of the responsibility for financing post-secondary education. Parents assign a greater share of responsibility

to themselves, while students tend to say that they should have more responsibility.

Government funding is critical for those who receive it. Students who take out government student loans receive more from this source than from any other source (e.g., employment, family). Many students who receive government loans could not attend school without them. But government loans are often insufficient to cover students' expenses. Indeed, one in four students would be interested in borrowing more than what they currently borrow. In fact, students who receive government loans are more likely to borrow additional funds from private sources than are those without government loans.

Financial patterns vary from province to province, suggesting the effects of different government policies. These differences also seem to be partly driven by the average age of students, particularly in Quebec (where not only is education less expensive, but students tend to be younger). Another factor is the proportion of students coming from outside the province. Nova Scotia, for example, hosts a relatively high proportion of out-of-province students, which may help to explain the higher debt load carried by students studying in that province. Differences between urban and rural students also seem to be partly a function of age (rural students tend to be older).

Working, Budgeting and Borrowing

While most students begin the school year with some money from summer employment, summer earnings do not appear to reduce their need to work during the school year. Summer savings help cover initial expenses, which show a spike at the beginning of the school year due to tuition and other costs. There is little left of summer savings to cover expenses during subsequent months.

Students underestimate yearly expenses. Many students need to adjust their income or expenditures during the school year. Significantly more students actually receive family support compared to those who expected to do so at the start of the school year. Likewise, many students who said they did not intend to be employed during the school year actually reported employment earnings during the school year.

Students report expenses of almost \$1,500 each month and income of just over \$1,500—but almost \$500 of this income is in the form of loans. After borrowing (from public and private sources, as well as repayable assistance from family), students are left with a surplus of \$50 each month. Although their annual reported income is \$16,100, 19 per cent of this is repayable.

While many students underestimate their annual expenses, they can provide a reasonably accurate estimate of the total debt they will accumulate. Virtually all students expect to accumulate some debt, and they estimate this to be in the order of \$19,300 by the end of their program (which is close to the actual national average). Two-thirds of students already have some form of public or private debt, with 42 per cent owing money to governments and 29 per cent owing money to private sources (these proportions include some students who have borrowed from both sources). The average student begins an academic year \$12,800 in debt and accumulates \$7,300 in debt per year. The average debt load for students who have been studying for four to five years (largely reflecting students studying at the graduate level) is roughly \$22,000 to \$23,000.

Many students express concern about debt, which has an impact on some educational decisions (e.g., choice of institution or program), but more often on personal decisions (e.g., decision to live at home or to work). While students are concerned about debt levels and would generally prefer not to borrow, some students also express interest in greater government student loan amounts, preferring to

take on more debt rather than having to interrupt or delay their program of study. A significant minority (35 per cent) of students interrupt their studies, either to take time off from school or to switch institutions or programs. One in four students who did not plan to return to continue their current program cite concern about debt or lack of money as a factor.

Students in the most precarious financial position are those who live with roommates, those who do not have non-repayable income sources (such as family contributions) and those who have lower than average employment earnings. Students studying in Nova Scotia, New Brunswick and Saskatchewan fit this profile more than students in other jurisdictions. Older students and full-time students also demonstrate greater financial need.

The Value of Education

Education is expensive, and paying for it can be difficult. Students are more likely to survive the struggle and stay in school if they have multiple sources of financial support. Fortunately, many Canadian students have access to a combination of funding sources: their own employment income, their parents, governments and private institutions. Even

more importantly, students and their parents are willing to work tremendously hard and make major sacrifices to make it through post-secondary education. While they look to the government, they also take a great deal of personal responsibility. Students and parents clearly value post-secondary education and will do everything they can to make it happen.

Appendix A: Results of the Follow-Up to the Student Financial Survey

Background

This appendix reports the findings of the follow-up to the Canadian Post-Secondary Student Financial Survey. In the follow-up, we contacted respondents from the original Student Financial Survey in order to investigate some surprising findings and update some information for the 2004–05 academic year.

Issues

We identified several key issues for the follow-up:

- Student assets: incidence and amount of assets in RESPs and RRSPs
- Current status of students (e.g., graduation, employment)
- Savings of current students (including total savings and proportion of savings expended during first and second academic terms)
- Discrepancies between student and parent reports of support
- Student employment during the current academic year
- Use of school-based information sources
- Students' overall assessment of their educational experience and value
- Credit transfer experience
- Situation of spouse or partner with respect to loans and bursaries.

Methodology

All students who participated in the last wave of the Canadian Post-Secondary Student Financial Survey (n=6,567) and who agreed to participate in any follow-up surveys (n=4,342) were contacted for the follow-up. Like the core survey, the follow-up was conducted through a website. Each student received an e-mail invitation, which included a link to the survey and a unique PIN. Students responded to the survey in February 2005.¹ Because many of the questions in the follow-up were based on students' responses to the core survey, we screened respondents to route them appropriately through the survey instrument. In total, 2,715 students responded to the follow-up.

Current Status

A large majority (82 per cent) of students who agreed to take part in the follow-up survey continued their post-secondary education in 2004–05. (This figure was higher among younger students, dependent students, those who were in the early years of their program in 2003–04 and those studying in Quebec.) This figure echoes the core survey results, where 85 per cent of students said they expected to return to school.

Of the 18 per cent who did not return to school, 72 per cent had completed their degree or diploma. Younger students (aged 18 to 21 years) and dependent students are less apt to have earned their credentials, as are British Columbia and Manitoba residents. Former part-time students, Allophones and those

1. It should be noted that students were being asked to recall financial issues originally reported eight to 16 months before.

who were employed during the 2003–04 school year are also less apt to have completed their degree or diploma. The completion rate is higher among those who had higher grade point averages and those who had moved to go to school. Those who had government or private loans are also more apt to have completed their credential before leaving school.

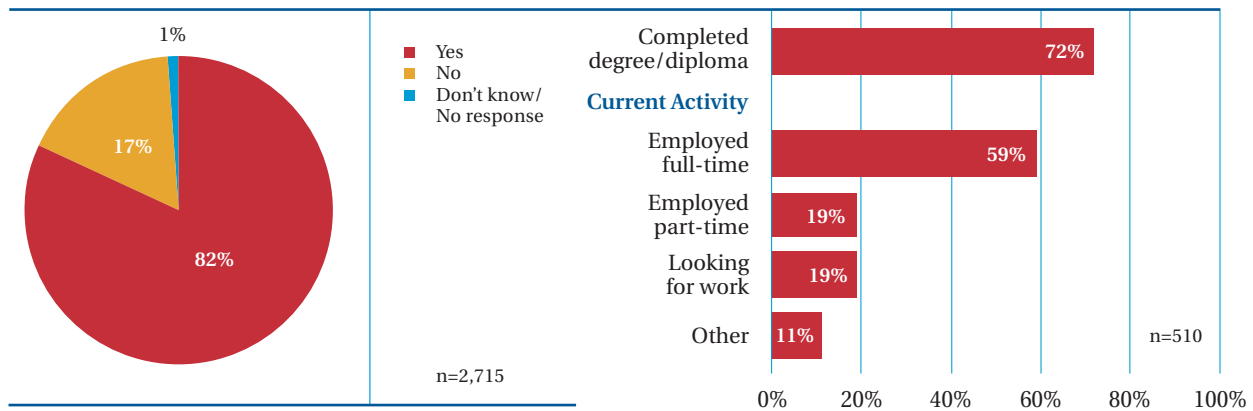
Students who left school were asked about their current employment activity. Most (59 per cent) of those no longer in school are employed full-time. Another 19 per cent are employed part-time and 11 per cent are looking for work. Ten per cent provided “other” responses, such as casual or temporary positions, internships and residencies. Those who were employed in the prior academic year are more likely to be working full-time. Those who completed their program before leaving post-secondary education are also more apt to be employed full-time than those who did not earn a credential. Men, those who were

formerly dependent students and those living with parents are all more likely than others to be looking for work.

Just over half (54 per cent) of those who were working full-time or part-time reported that their employment matched their studies (Table A). Those most apt to be working in their field of study are those who completed their credential, those who were pursuing second degrees in 2003–04, those with higher grade point averages and those who did not work or worked only minimally during the previous school year. Older, independent individuals are also more likely to be working in their chosen field of study (and consequently, this is also the case for those who live with a spouse, mortgage holders and those with dependants). Those who moved to go to school and those who borrowed both from the government and from private sources are also more apt to be working in their field of study.

Figure A: Current Status

“Are you attending post-secondary education this year (2004–05)?”



Source: Canadian Post-Secondary Student Financial Follow-Up Survey, 2005.

Table A: Percentage of Employed (Full-Time or Part-Time) Individuals Working in Field of Study

Characteristics	Percentage Currently Working in Field of Study (n=459)
Overall	54
Age	
<18	-
18–19	13
20–21	34
22–23	57
24–25	80
26–29	60
30+	69
Completed Diploma/Degree	
Yes	69
No	19
First Degree	
Yes	69
No	43
Intended to Work	
Yes	44
No	73
Moved to Go to School	
No	45
<71km	68
71km+	66
Grade Point Average	
A+/A	78
A-	75
B+	52
B/B-	32
C	32
Government and Private Loan	
Yes	82
No	52

Source: Canadian Post-Secondary Student Financial Survey Follow-Up.

Savings: Current Students

More than three-quarters (79 per cent) of students who returned to school in 2004–05 were able to add to their savings before starting the new academic year. The proportion able to add to their savings was larger among younger students, dependent students, men, those living with parents in 2003–04 and those who had earned more from employment in the previous year. College students, graduate students, those studying in Saskatchewan, students with loans, students with disabilities and students of Aboriginal ancestry were less likely than average to add to their savings before starting the academic year.

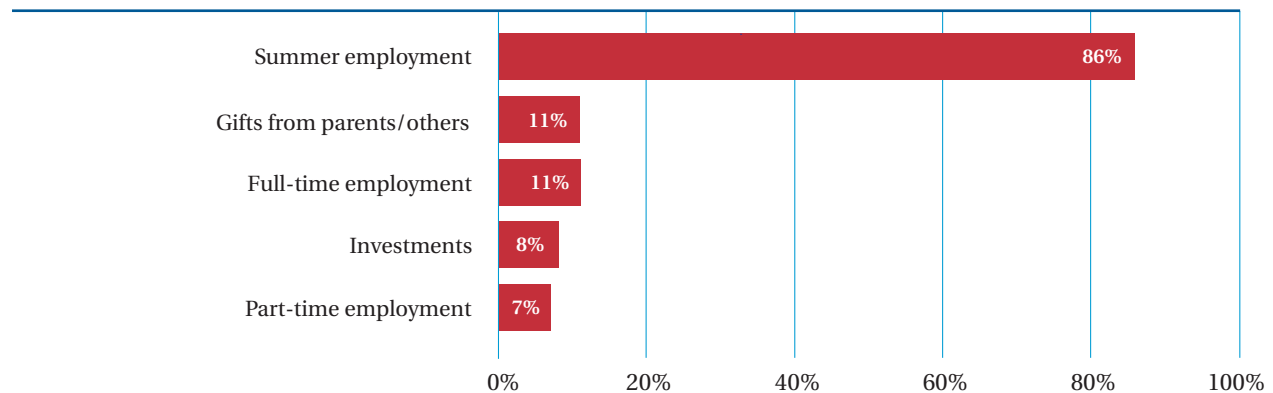
Most students who increased their savings did so through summer employment (86 per cent). Other students who added to their savings said that this money came from gifts (11 per cent) or full-time/ongoing employment (11 per cent).

Over three-quarters of students indicated that they had savings prior to entering the 2004–05 school year, while 21 per cent indicated zero savings (Table B). Younger students, Alberta students, men, those receiving parental support and those with two post-secondary educated parents are more likely to have savings. Students in the middle age categories (24 to 29 years of age), those who lived alone or with a spouse, and those with loans or lines of credit are less apt to have savings. Also less likely to have savings are college students, those in the later years of their program and those pursuing second degrees or diplomas.

Students who completed the follow-up survey had an average savings balance of \$3,196 upon entering the 2004–05 academic year. Among those students in the sample who had savings, the average was \$4,057. Students who had not moved to go to school in 2003–04, men and higher-income earners report higher amounts of current savings. Aboriginal students and students with disabilities tend to have saved less. On average, college students had less

Figure B: Sources of Savings

“How were you able to add to your savings?”



Source: Canadian Post-Secondary Student Financial Follow-Up Survey, 2005 (n=1,029).

savings than university students at the start of the 2004–05 academic year. Those studying in Alberta reported higher levels of savings, while those studying in the Maritime provinces have comparatively less savings.

Students who reported having savings prior to starting the 2004–05 academic year used \$1,748 of their personal savings, on average, during the first term of the school year. The average percentage of total personal savings used in the first term is 57 per cent. Nine per cent used none of their personal savings during the first term. During the second term, students expected to draw considerably less from their savings: \$1,002 of their total personal savings at the start of the school year. The average percentage of total personal savings used in the second term is 21 per cent. One-third of students with savings (34 per cent) expected to use none of their savings during the second term of the 2004–05 school year.

Those using greater percentages of their savings during the first term are more likely to have loans and to have run deficits during the 2003–04 school year. Students in the youngest and oldest age cohorts used smaller proportions of their savings in the first term, as did part-time students, graduate students,

mortgage holders and those living with parents or with a spouse. Students who did not move to go to school, men and those studying in Quebec also used smaller proportions of their savings in the first term of 2004–05. The proportion of savings used is also smaller for students with the highest reported household, parental (if living at home) and employment income. While students generally used more of their savings in the first term than in the second term, this ratio also varies among sub-groups.

Considering the first and second terms together, students expected to use most of their savings by the end of the academic year: about 72 per cent on average. Older, part-time and graduate students expected to use smaller proportions of their savings over the course of the school year than their younger counterparts. The highest income earners also expected to draw on smaller proportions of their savings in the current year. Students who live alone, those who moved to attend school and those who carry loans (government, private or both) expected to use larger proportions of their savings than other students. Those studying in Nova Scotia and New Brunswick expected to use more of their savings than students in other regions. Women expected to use more of their savings than men.

Table B: Savings 2004–05 School Year by Selected Student Characteristics

Characteristics	Reported Savings 2004–05 (%) (n=1,710)	Average Amount of Savings (among savers) (\$) (n=1,369)	% of Savings Used First Term (n=1,292)	% of Savings Expected to Use Second Term (n=1,114)
Overall	79	4,057	57	21
Age				
<18	78	3,965	45	26
18–19	93	3,902	61	24
20–21	85	4,201	59	23
22–23	77	3,675	57	14
24–25	48	3,364	63	17
26–29	57	5,704	56	19
30+	73	4,681	41	23
Type of Degree/Diploma				
College	66	2,386	63	24
Undergraduate	83	4,390	58	21
Graduate	78	4,714	47	19
Status				
Full-time	82	3,839	62	21
Part-time	69	4,953	39	25
First Degree				
Yes	69	4,166	61	18
No	84	4,059	46	23
Gender				
Male	87	4,911	47	21
Female	75	3,600	63	22
Parental Support				
Yes	89	4,241	56	24
No	71	3,888	58	20
Living Arrangement				
Parents	81	4,381	52	25
Spouse	68	4,666	51	15
Alone	67	3,874	66	24
Roommates	85	3,251	65	17
Other	74	4,442	60	25
Province				
British Columbia	73	3,420	61	29
Alberta	89	5,132	54	24
Saskatchewan	75	4,968	64	21
Manitoba	72	4,410	59	25
Ontario	82	4,254	64	20
Quebec	74	3,603	37	17
New Brunswick	73	3,020	66	22
Nova Scotia	83	3,325	69	22
P.E.I./N.L.	77	2,255	63	29

Table B: Savings 2004-05 School Year by Selected Student Characteristics (continued)

Characteristics	Reported savings 2004-05 (%) (n=1,710)	Average Amount of Savings (among savers) (\$) (n=1,369)	% of Savings Used First Term (n=1,292)	% of Savings Expected to Use Second Term (n=1,114)
Parents' Post-Secondary Education				
None	84	4,093	55	23
One	78	4,128	57	21
Both	87	4,664	55	21
Moved for School				
No	77	4,356	48	23
<71km	82	3,297	68	19
71km+	81	3,690	70	19
Household Income				
<\$20,000	58	3,163	52	16
\$20-40,000	74	2,899	-	-
\$40,001-60,000	83	5,358	58	21
\$60,001+	65	8,829	23	13
Government and Private Loan				
Yes	63	2,067	75	17
No	80	4,170	56	22

Source: Canadian Post-Secondary Student Financial Follow-Up Survey.

Parental Support: Review of Discrepant Responses

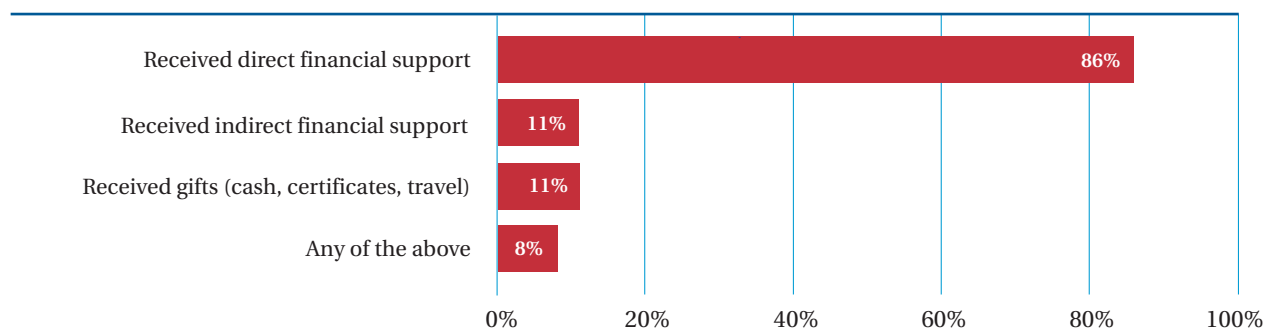
Since we surveyed both students and their parents, we had an opportunity to compare their responses. It was particularly interesting to compare the levels of financial support reported by students and their parents. While most parents and students agreed on the incidence of support, some responses were discrepant. Ten per cent of students whose parents responded to the survey indicated that they did not receive parental financial support for post-secondary education expenses, while their parents reported providing support.²

To better understand the nature of this discrepancy, we used the student follow-up survey to ask students a more detailed set of questions on parental support. Among the group of students who initially

reported no financial support from their parents (n=109), 25 per cent said in the follow-up survey that they had, in fact, received direct financial support (worth about \$2,941, on average). Some 42 per cent of students reported receiving indirect support from their parents (e.g., their parents paid tuition to their institution or rent to their landlord) worth an average of \$1,613. Finally, 37 per cent of students received gifts from their parents such as cash, gift certificates or travel (a value of \$579).

Considering these three types of support together, we can say that 65 per cent of students who initially reported no support in fact received some form of support. We estimate that the average total value of this support for these students was \$2,263.³

2. A much larger group of students (25 per cent) indicated receiving support from parents, while their parents reported that they had not provided any support. The amounts that were reportedly received were quite small, however (about \$100 per month on average). We therefore declined to pursue the nature of this discrepancy in any further detail.
3. Among the students who reiterated in the follow-up survey that they had not received any financial support from their parents, the average amount of support during the school year that their parents had claimed to provide was \$4,342.

Figure C: Receipt of Support from Parents

n=1,029

Employment During the 2004-05 Academic Year

Over two-thirds of students (69 per cent) who returned to school for the 2004–05 academic year reported working during that year (Table C). Recall that in 2003–04, 60 per cent expressed an intention to work, while 77 per cent of students reported employment income during the school year.

The propensity to work tends to increase with students' age. (As a consequence, the incidence of employment is also higher among independent students, those who live with a spouse, mortgage holders and students without parental support.) The proportion working is also higher among women, part-time students, those in the upper years of their programs and those pursuing second degrees

(although for there was no significant difference for the latter group in 2003–04). Students who lived with parents and those who did not move for school were also more likely to be working in 2004–05. Students who worked during the previous school year were more apt to working in 2004–05 as well. Those studying in New Brunswick or Nova Scotia were less apt to be employed in 2004–05, while the incidence of employment among those studying in Quebec rose sharply from 2003–04 to 2004–05. Students who had government loans in 2003–04 and were running monthly deficits were also less likely to be working in 2004–05.

Table C: Incidence of Employment During 2004–05 School Year (n=2,205)

Characteristics	Percentage that	Percentage Working	Characteristics	Percentage that	Percentage Working
	intended to Work During	During 2004-05		intended to Work During	During 2004-05
	2003-04 School Year	School Year		2003-04 School Year	School Year
	(n=9,401)	(n=2,205)		(n=9,401)	(n=2,205)
Overall	60	69	Parental Support		
Age			Yes	55	62
<18	60	64	No	63	75
18–19	59	61	Moved to Go to School		
20–21	62	67	No	68	76
22–23	54	72	<71km	46	61
24–25	63	76	71+km	45	56
26–29	60	73	Province/Territory		
30+	66	79	British Columbia	70	70
Gender			Alberta	65	67
Men	56	62	Saskatchewan	50	61
Women	65	72	Manitoba	73	72
Status			Ontario	61	68
Full-time	55	64	Quebec	55	80
Part-time	76	85	New Brunswick	48	57
First Degree			Nova Scotia	52	58
Yes	61	76	P.E.I./N.L.	49	55
No	62	64	Government Loan		
Intended to Work			Yes	46	56
(2003-04)			No	65	74
Yes	n/a	82	Running Deficit		
No	n/a	39	Yes	50	60
Living Arrangement			No	66	75
Parents	68	74			
Spouse	69	78			
Alone	46	58			
Roommates	47	62			
Other	48	50			

Source: Canadian Post-Secondary Student Financial Follow-Up Survey.

Students who were in school and working during both the 2003–04 and 2004–05 academic years were asked whether their employment wages had increased, decreased or stayed the same. Some 42 per cent of students indicated that their wages had increased, while an identical proportion said their wages had stayed the same. Fourteen per cent said their wages had decreased. Students in the oldest age category (30 and over) and graduate

students are more likely to have reported increased wages (as are independent students, mortgage holders and students who live with a spouse). College students and those studying in Quebec (as well as francophones) were more likely to have seen their wages stagnate from 2003–04 to 2004–05, while university students are likely to have reported increases. Students living with parents in the highest parental income bracket were also more likely to

report increases than those in lower-income households. While the number of hours worked during the 2003–04 academic year has a modest impact on 2004–05 wages, students who worked more hours during the summer of 2004 were significantly more likely to report increased wages in 2004–05. Students with private loans or both government and private loans are more likely than others to have experienced declining wages.

Information Sources

Some 39 per cent of students indicated during the core survey that they gathered information about the costs and funding of post-secondary education from school publications, websites or newspapers. In the follow-up survey, we probed to find out what type of school publication students had used. Websites were by far the most common school-based sources of information (86 per cent), followed by brochures (26 per cent), school newspapers (16 per cent), newsletters (14 per cent), faculty newspapers (nine per cent) and information in school libraries (eight per cent).

College students are somewhat more likely than university students to have reported using information from school libraries (18 per cent).

Credit Transfer

In the core student survey, four in ten students indicated that they had changed their program of study, while 18 per cent had switched to another post-secondary institution. In the follow-up survey, we asked these students a series of questions on their credit transfer experience.

Those who had changed institutions or programs of study had a variety of reasons for doing so. Students were most likely to have transferred because of changed interests or goals (42 per cent) or because their new program was “better” (20 per cent). Seven per cent switched for reasons unrelated to their education.

Men, younger students (ages 18–21) and those who changed programs within the same institution are more likely to have cited new interests as their main reason for switching (Table D). Students who changed both institutions and programs were more likely to say they switched to a better program.

Figure D: Use of School-Based Information

“What sources of information [about the costs and funding of PSE] from your school did you use?”

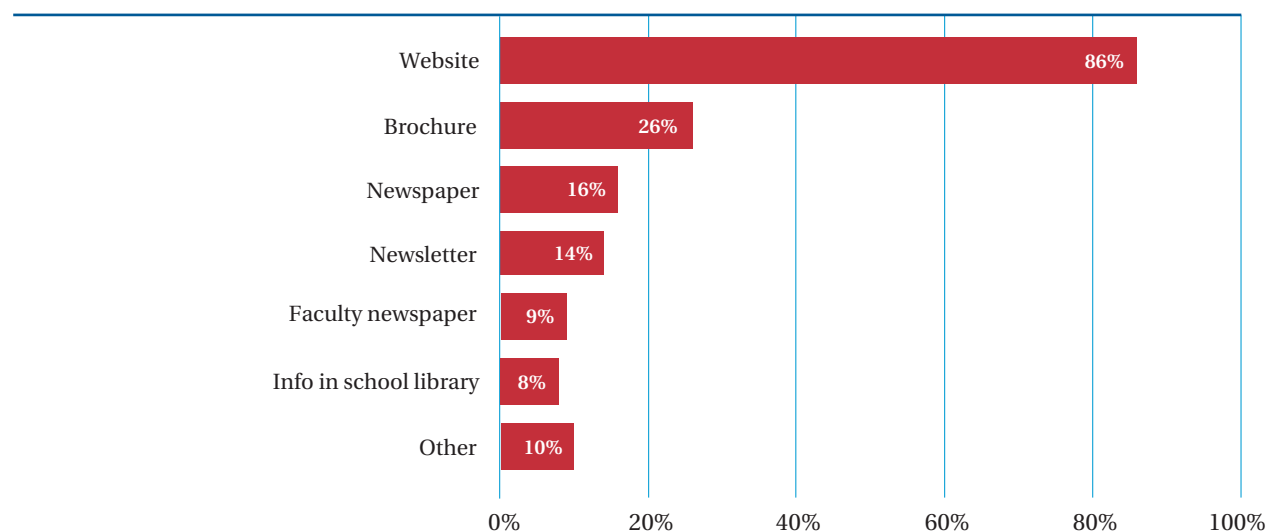
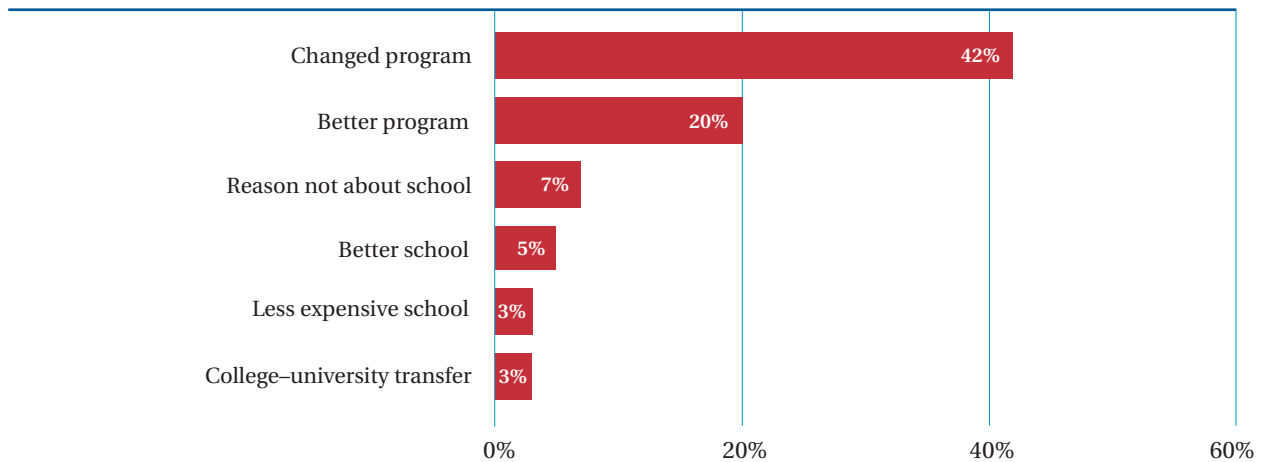


Figure E: Reason for Switching Programs or Institutions

“What was the main reason you decided to change programs or institutions?”



Source: Canadian Post-Secondary Student Financial Follow-Up Survey, 2005 (n=1,095).

Two-thirds of students (65 per cent) who changed programs or institutions expected to be able to transfer credits (e.g., from high school, another program or institution or the workplace) prior to changing. Those who switched both institutions and programs had the highest expectations of credit transfer (75 per cent), while those who switched programs only were less apt to expect to transfer credits (56 per cent).

Most students who expected to be able to transfer credits did, in fact, have their credits recognized when they changed institutions or programs (89 per cent).

Six in ten students were able to transfer all of their credits, while 39 per cent received partial credit. Students who changed programs within the same institution were most likely to have received full credit (77 per cent), while those who changed both programs and institutions were less apt to receive full credit (37 per cent).

Over three-quarters of students (79 per cent) received the transfer credit that they expected.

This figure was higher among students who switched programs within the same institution (88 per cent) and lower among students who switched both programs and institutions.

For one-third of students (34 per cent), the amount of credit transfer available was a significant factor in the decision to transfer. This figure is the same regardless of whether students changed programs, institutions or both.

Most students who transferred decided to do so early in their program. Just over half of transferring students (55 per cent) made the decision to transfer after completing one year or less. Another 27 per cent decided after completing two years of their old program.

Just about one in five transferring students (18 per cent) will need to repeat some credits in order to complete their program. Students who changed programs within the same institution are more likely to have to repeat credits.

Table D: Credit Transfer Experience

	Overall (n=1,102)	Switched Programs Only (n=472)	Switched Institutions Only (n=128)	Switched Both Programs and Institutions (n=341)
Expected to Transfer Credits	65	56	69	75
Credits Recognized	89	91	95	85
Received Full Credit	60	77	68	37
Received the Transfer Credit Expected	79	88	76	70
Credit Transfer Significant Factor in Decision to Switch	34	36	30	34
Need to Repeat Credits	18	12	29	21

Source: Canadian Post-Secondary Student Financial Survey Follow-Up.

Situation of Spouse or Partner

Responses to the core student financial survey indicated that 15 per cent of students are married or living in common law. In the follow-up survey we took a closer look at students' partners and their circumstances. Among those students with spouses or domestic partners, 28 per cent indicated that their spouse or partner was also a post-secondary student in the fall of 2003. This proportion is greater among Allophones, younger married students (22 to 25 years of age) and married students who moved to go to school.

Among students whose partners were also post-secondary students (n=78), 47 per cent indicated that their partners had government student loans. (This proportion was larger—71 per cent—among those students who themselves had government student loans in 2003–04.) Over one in four of these students (27 per cent) reported that their partners had government bursaries or grants during the 2003–04 school year. A somewhat higher percentage (36 per cent) indicated that their spouse or partner had received money from other scholarships or grants during the 2003–04 school year.