

# **Postsecondary Financing**

## **Making ends meet - with a focus on Ontario**

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# Overview



- Individuals vs. system
- Multiple data sources (Postsecondary Education Participation Survey (PEPS), Tuition and Living Accommodation Survey (TLAC), National Graduates Surveys (NGS, FOG), Survey of Approaches to Educational Planning (SAEP) )
- What have we learned about how students make ends meet



# How much does a year of education cost?

*(expenditures of current, full-time students for one academic year)*

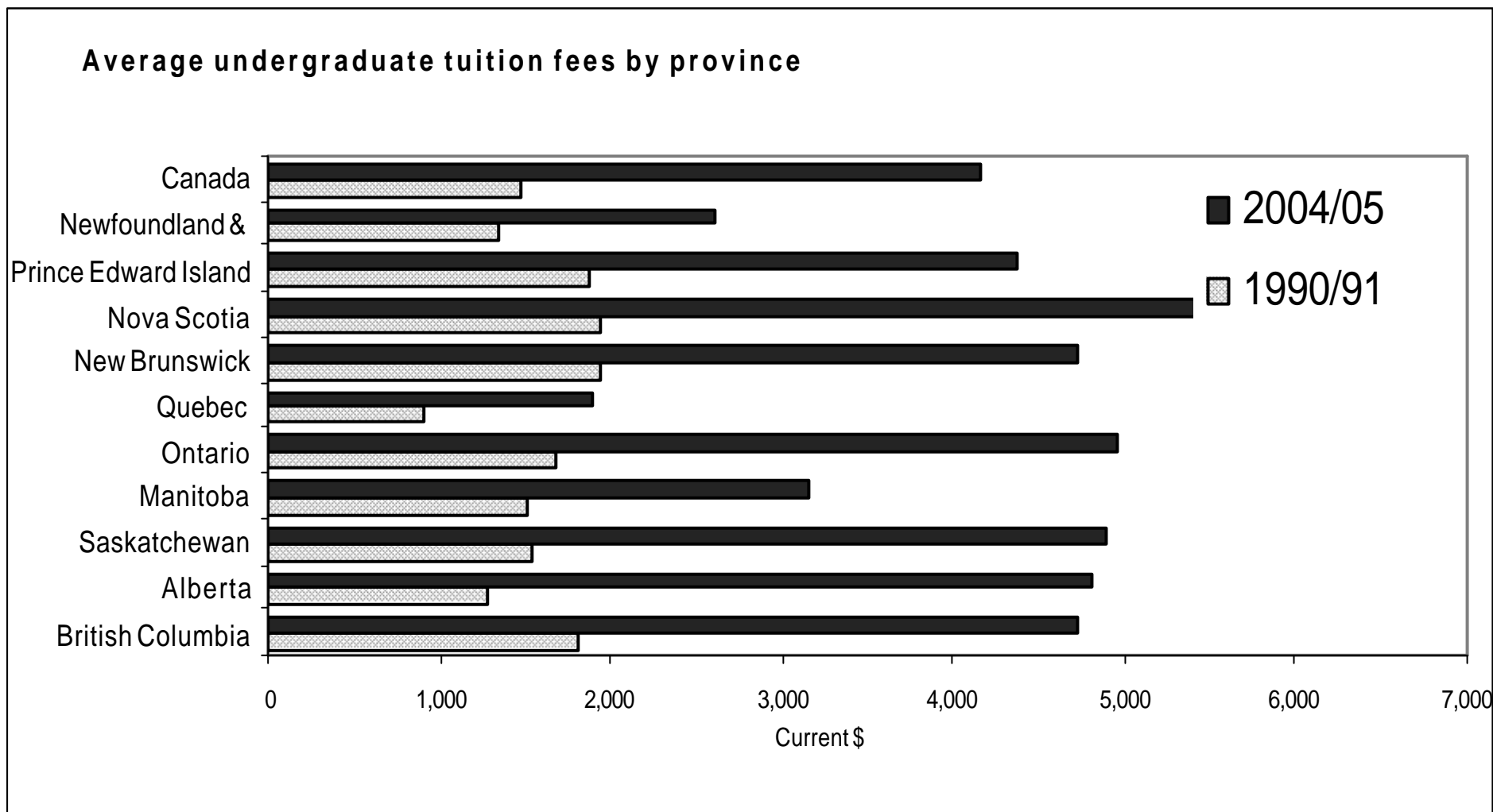
- median total expenditures: \$11,200 university; \$9,330 college; \$4,550 CEGEP
- tuition, fees, books and supplies: medians \$5,000 university; \$3,100 college; \$750 CEGEP
- rent, food, telephone and other non-educational expenses: medians \$6,200 university; \$5,480 college; \$3,720 CEGEP *PEPS 2002*



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# Undergraduate tuition fees rose significantly through the 1990s (TLAC).

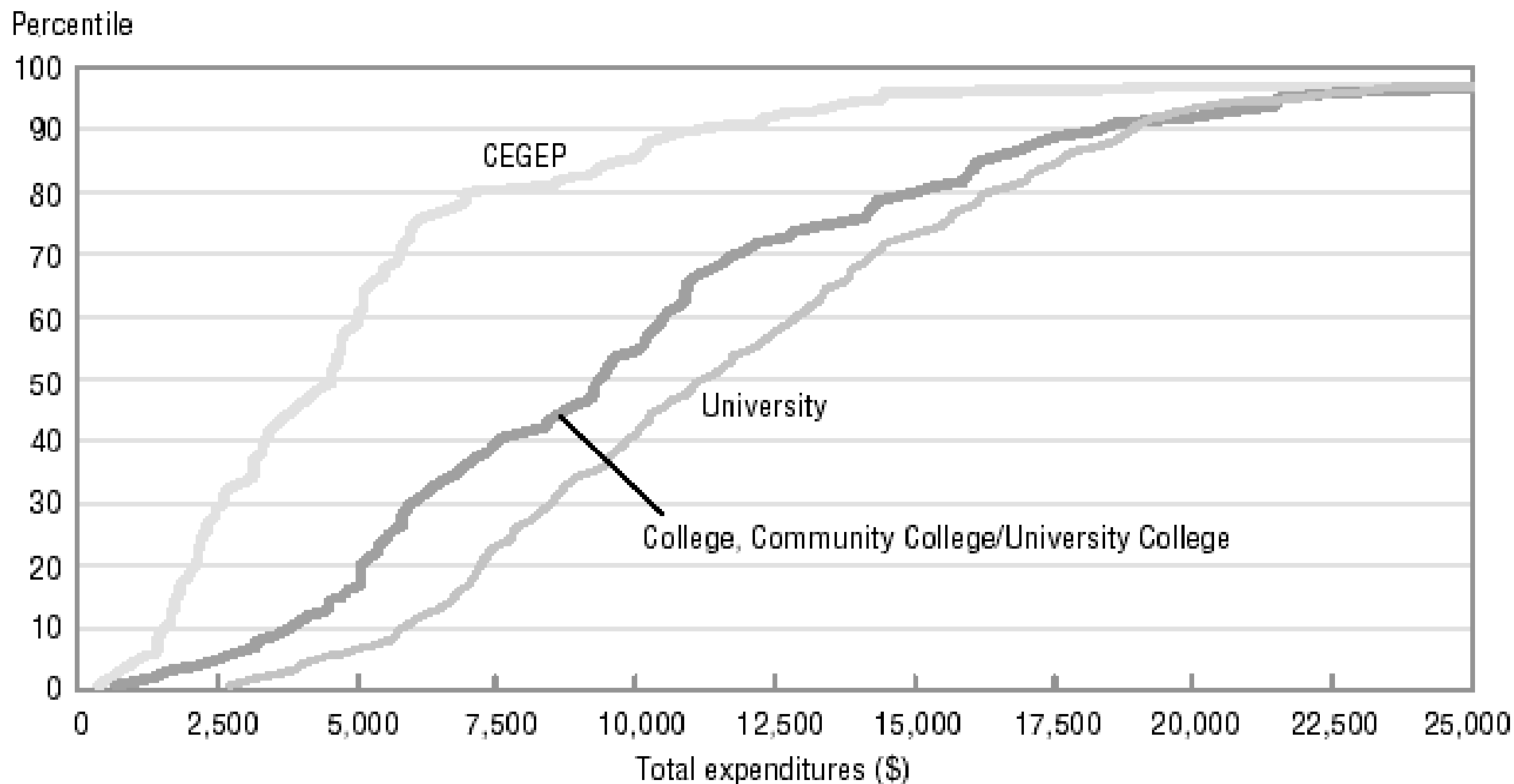


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# Student expenditures vary ... PEPS 2002

Distribution of total expenditures for full-time postsecondary students (2001-2002)



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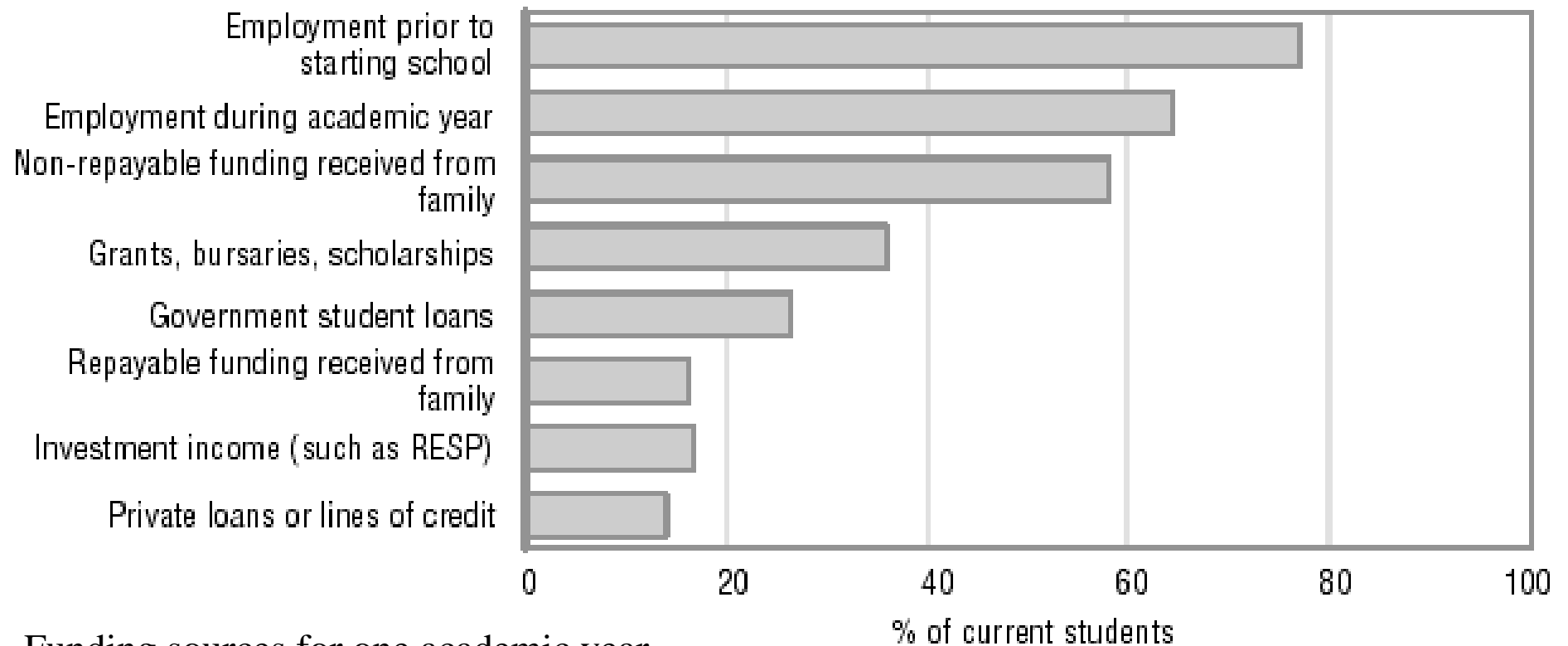
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# What are students' funding sources?

PEPS, 2002

Percentage of current students aged 18-24 using source of funding

## Sources of funding



Funding sources for one academic year



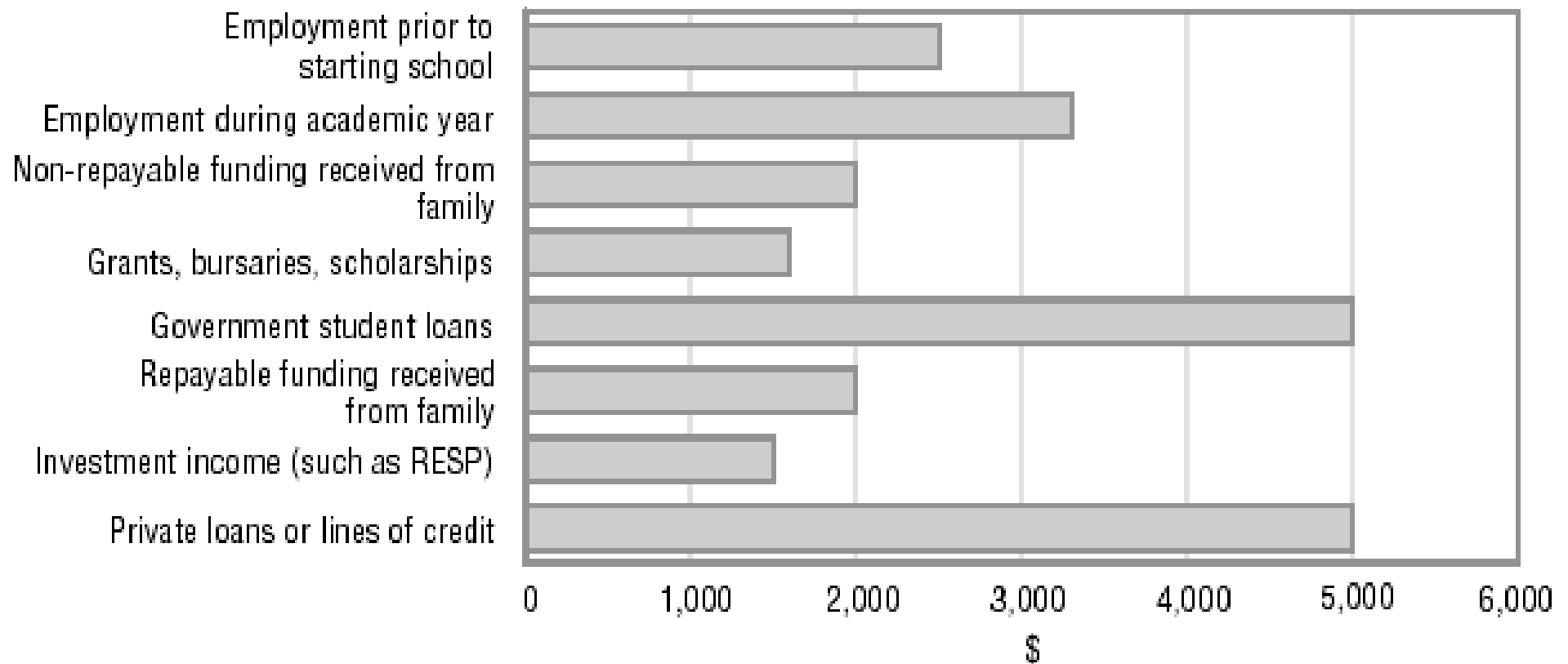
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# The median amount received for loans was about \$5000 for the current academic year, PEPS 2002

Median amounts received by current students aged 18-24 by source of funding

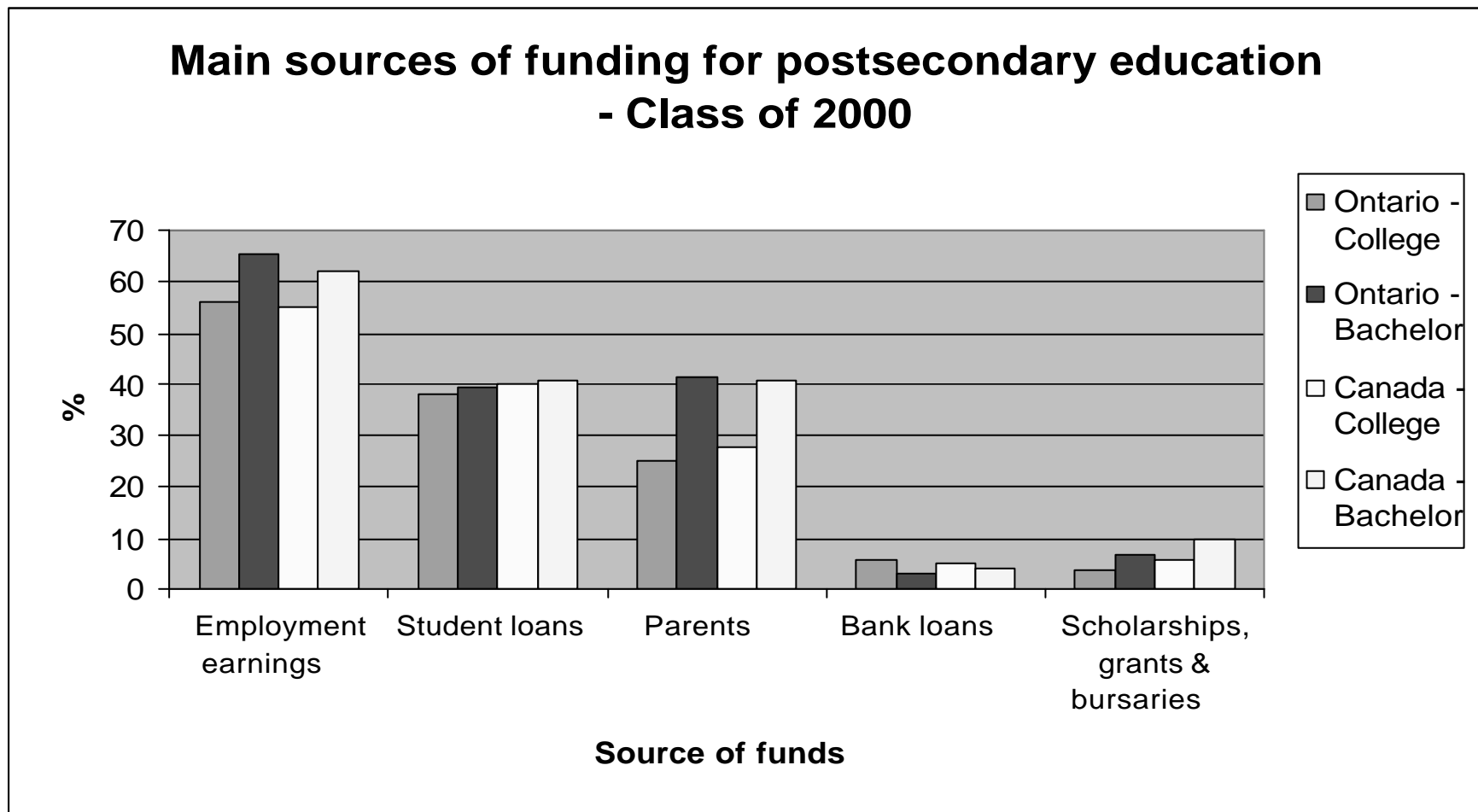
## Sources of funding



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# Employment earnings most often used source of funding for the graduating Class of 2000, NGS 2002



-Note: Does not add to 100%, multiple responses were allowed.

-Unless otherwise noted, data on student loans from the NGS Class of 2000 excludes graduates who pursued further education



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# How much do graduates owe?

NGS 2002

- About half of college and bachelor graduates left school owing money for their education.
- On average, bachelor graduates from Ontario with student debt owed about \$22,800 (\$20,600 for all graduates in Canada) to all sources. College graduates from Ontario owed about \$14,500 (almost \$12,700 for all graduates in Canada).



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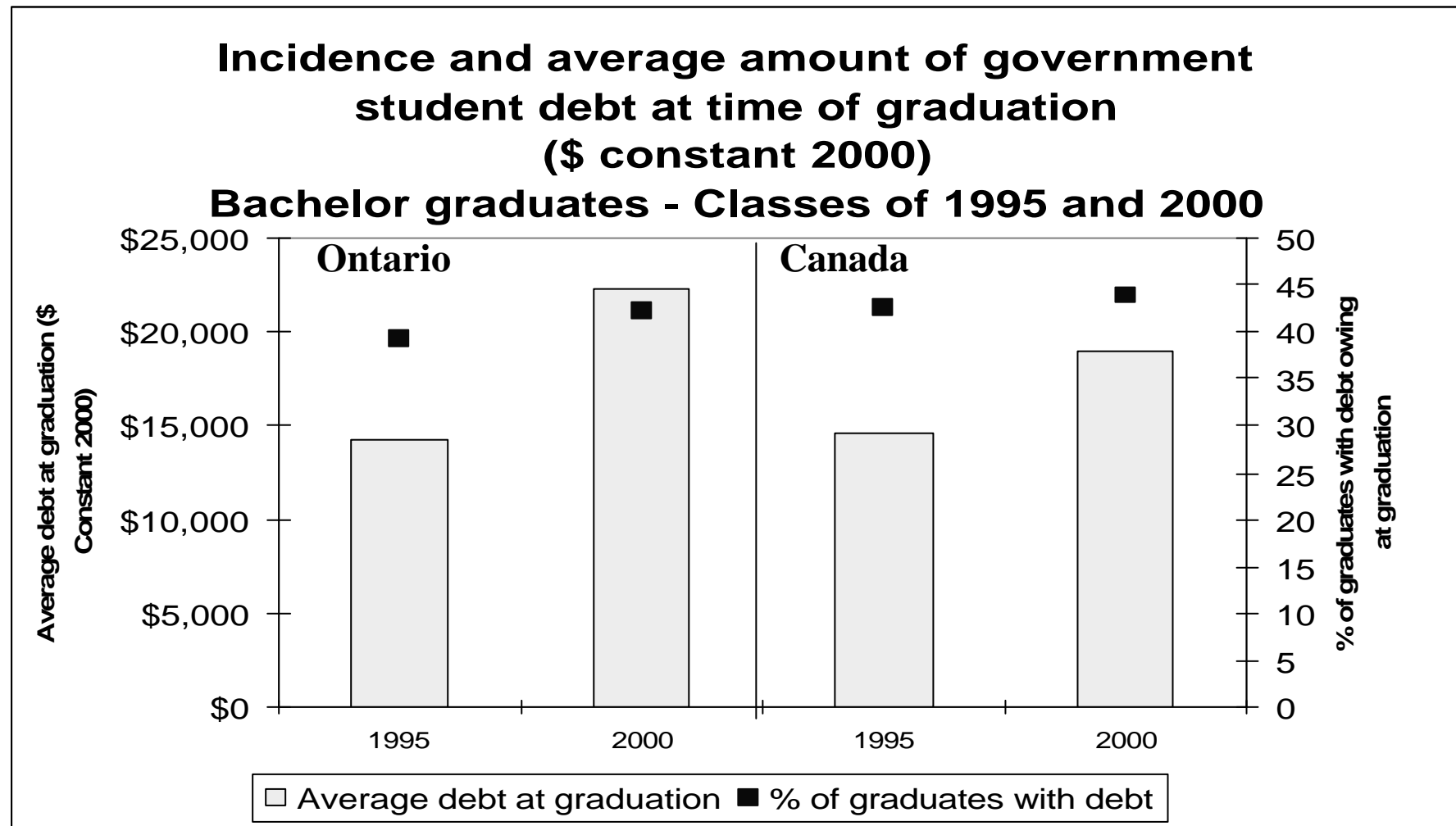
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Most student debt is to government  
student loan programs, NGS 2002

<b>Bachelor Graduates</b>	<b>Ontario</b>		<b>Canada</b>	
	<b>%</b>	<b>Average debt</b>	<b>%</b>	<b>Average debt</b>
<b>No debt</b>	<b>48</b>	<b>-</b>	<b>47</b>	<b>-</b>
<b>Government student loans only</b>	<b>31</b>	<b>\$22,800</b>	<b>34</b>	<b>\$19,300</b>
<b>Loans from only non-government sources</b>	<b>11</b>	<b>\$9,700</b>	<b>8</b>	<b>\$9,600</b>
<b>Loans from both government and non-government sources</b>	<b>11</b>	<b>\$35,200</b>	<b>11</b>	<b>\$32,000</b>



# The percentage of bachelor graduates with government student debt is relatively constant but the debt load increased



–Note: For comparability, data include only graduates who have not **completed** any further education, and Class of 2000 data exclude graduates in the United States.



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Close to one in four Ont. bachelor graduates from the Class of 2000 had paid off their government student loans two years after graduation, NGS 2002

<b>Bachelor graduates who owed student debt to government student loan programs</b>	Ontario	Canada
<i>Percentage of graduates who owed government student loans</i>	42	45
<i>Average debt owed to government student loan programs at time of graduation</i>	\$22,600	\$19,600
<i>Percentage of graduates with debt who had paid it off two years after graduation</i>	24	21
<i>Average debt remaining two years after graduation for those who still owed</i>	\$17,900	\$16,200



**28% of Ontario bachelor graduates  
reported difficulties repaying their debt**  
NGS 2002

	Ontario		Canada	
	Reporting difficulty	Overall	Reporting difficulty	Overall
<b>Average owed at graduation</b>	<b>\$26,700</b>	<b>\$22,600</b>	<b>\$24,600</b>	<b>\$19,600</b>
<b>With large debt (\$25,000 or more)</b>	<b>56%</b>	<b>39%</b>	<b>47%</b>	<b>30%</b>
<b>Who have paid off debt</b>	<b>F</b>	<b>24%</b>	<b>7* %</b>	<b>21%</b>
<b>% of debt paid off by those who still owed two years after graduation</b>	<b>23%</b>	<b>26%</b>	<b>20%</b>	<b>25%</b>
<b>Ever defaulted</b>	<b>12** %</b>	<b>3** %</b>	<b>17%</b>	<b>4%</b>



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# What are parents doing to financially prepare for PSE?

SAEP 2002

- Half the children (aged 0-18) who were expected to complete high school had parents who were saving (Ontario 54%).
- An additional 30% had parents who intended to start saving in the future (Ontario 31% ).
- The proportion of children with savings increased from 41% to 50% in three years with an estimated \$32 billion had already been set aside by parents - nearly double the estimate of \$17 billion in 1999.
- The median amount saved to date in 2002 was \$5,000 (Ontario \$4,970).

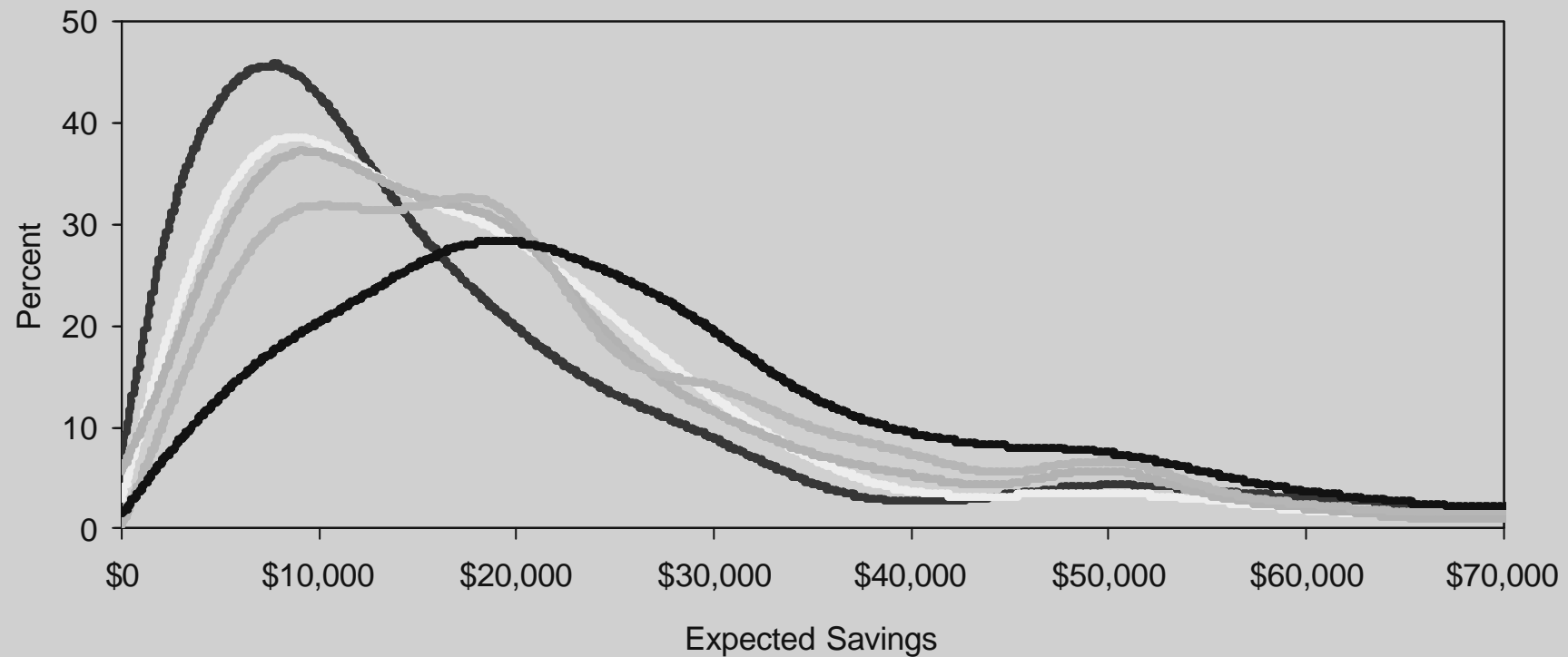


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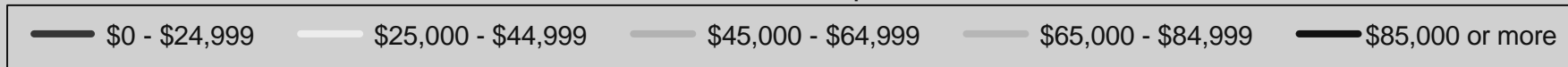
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# Few children have parents who expect to save more than a few years of PSE costs...SAEP, 2002

Expected savings for children's postsecondary education, by household income (parent current savers)



Household Income Groups

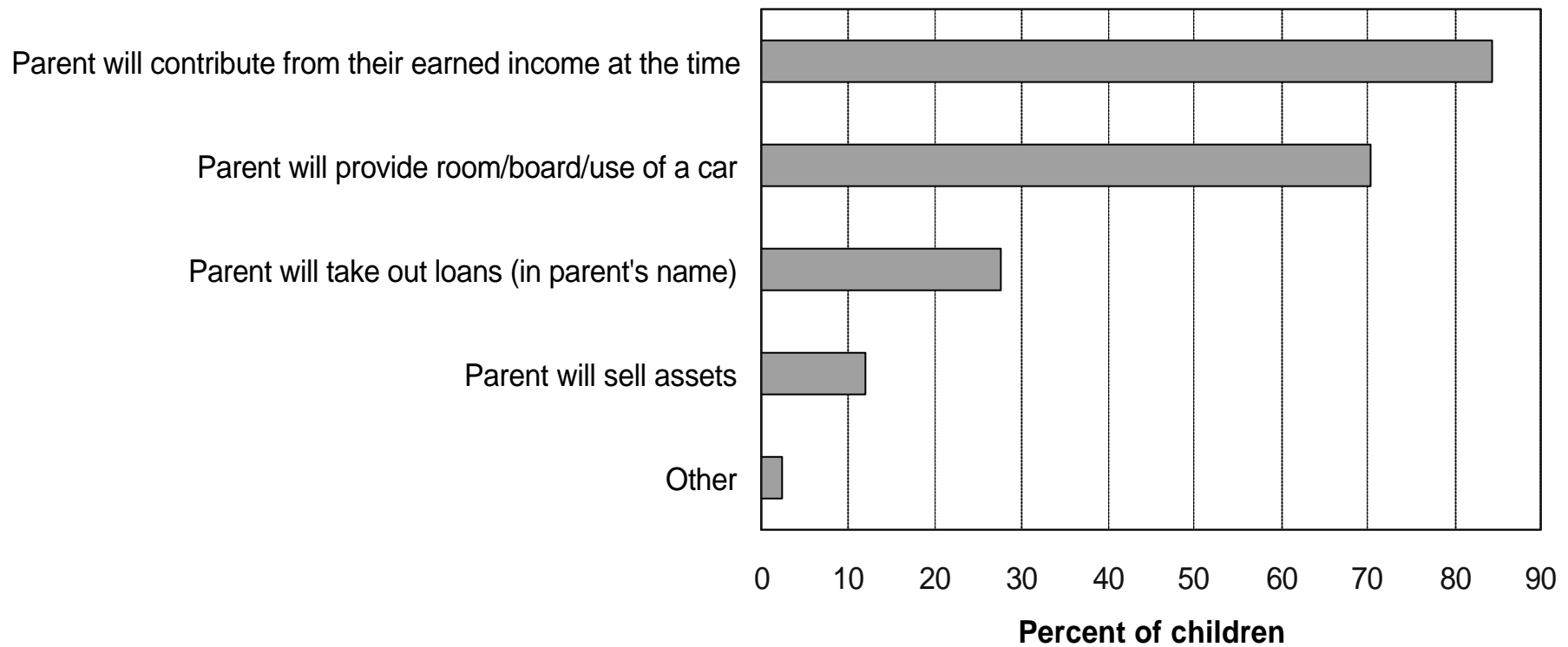


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# Parents have other plans than setting aside savings...SAEP, 2002

## Other methods (besides savings) parents plan to use to meet their child's postsecondary education costs



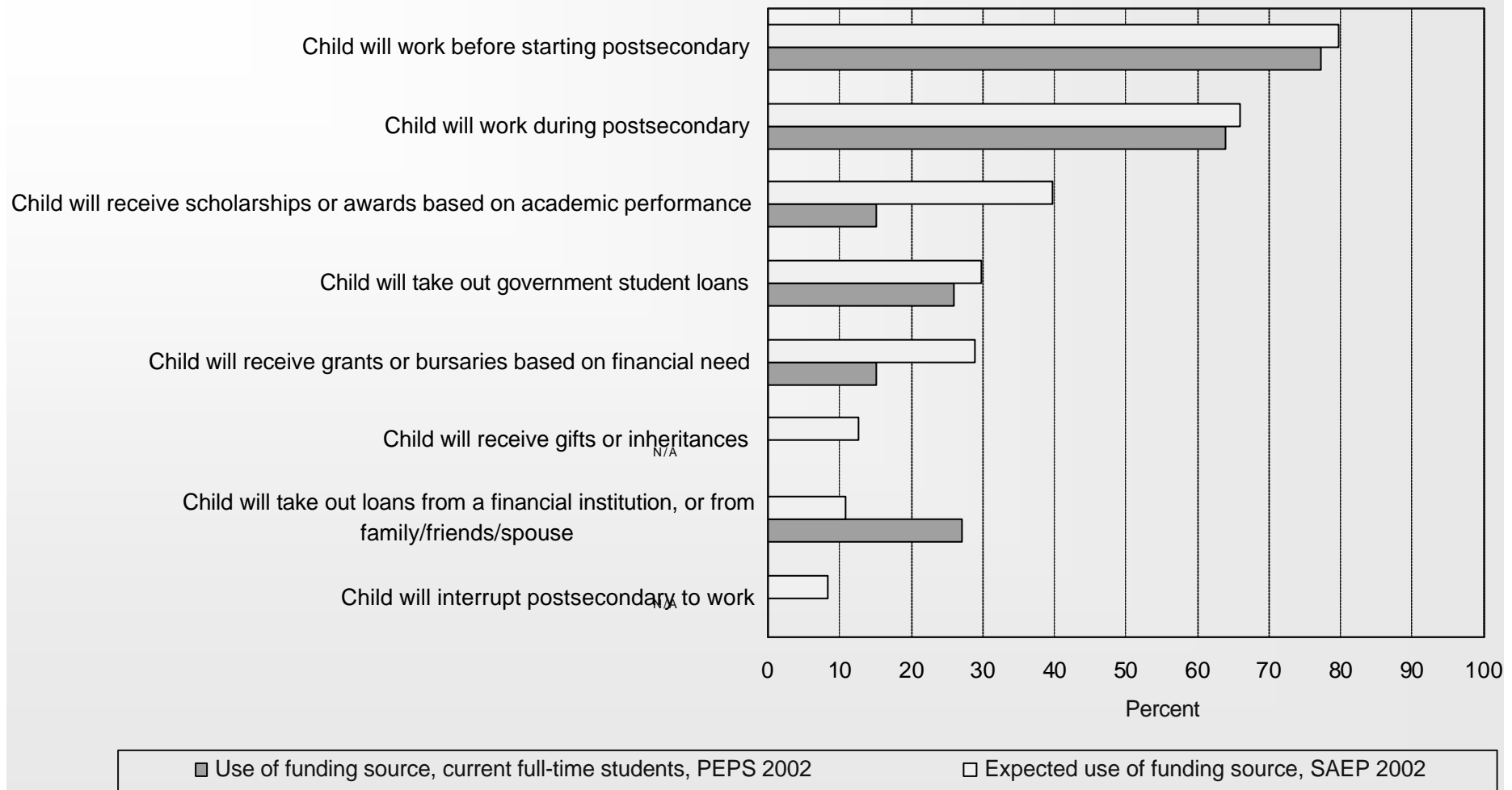
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# Parents expectations are not always in line with the realities of funding....

Other methods children expect to use, are using, to fund postsecondary education SAEP 2002, PEPS 2002



# Multiple Data Sources Paint a Broad Picture of Post- Secondary Finance Issues



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