

EXECUTIVE SUMMARY

Over the past decade, major shifts have taken place in the funding of Canadian post-secondary education, with implications for the financing of student participation. More of the costs of post-secondary education (PSE) are now being borne by students, while governments have reduced their direct post-secondary funding on a per-student basis. The evidence suggests that many families may be unprepared for the costs they will face in helping their children pursue a post-secondary education.

The big gap in our knowledge concerns the strategies families are using to manage the costs of PSE. The issue of the impact of PSE costs on families is a broad one. It concerns students and their choices, parents and their strategies, and the interactions between the two. How are young people being affected? Are they choosing programs based on affordability rather than preference? Are they attending college rather than university, living at home rather than moving out, or postponing PSE? What are the trends in, and levels of, total family debt related to PSE? How do rising family costs affect patterns of post-secondary participation?

The issue of family impacts is also a dynamic one, with student and parent decisions likely to change as a student progresses through PSE. For example, parents may draw down their financial resources as their child progresses through the system, forcing them to adopt new strategies in the later years of PSE. Students may be affected as well, finding that they must work part-time, attend school part-time or seek out alternative sources of funding, including personal loans.

Canadian Policy Research Networks has undertaken this study for the Canada Millennium Scholarship Foundation to assess current knowledge about post-secondary costs, how they are affecting family debt, what gaps remain in our knowledge of these issues and what further research could be useful. This analysis focuses on three questions:

- What strategies do families use to finance post-secondary education?
- What are the trends in levels of family debt related to post-secondary education?
- Have rising costs changed post-secondary participation patterns?

We reviewed literature from Canada and the United States to ascertain what is currently known and identify research and data gaps. This paper recommends possible future research directions and suggests how the knowledge gaps can be addressed in the medium- and long-term.