
Report on Student Debt

Canadian College Student Survey and Canadian Undergraduate Survey Consortium

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Written by: PRA Inc.

The Canada Millennium Scholarship Foundation

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Table of Contents

1.0 Introduction	I
1.1 Methodology	1
1.2 Statistically Significant Differences	2
2.0 Student Financial Aid Landscape	3
3.0 Overview of Debt	5
3.1 University Students	5
3.2 College Students	7
4.0 Characteristics of Students With Debt	11
4.1 University Students	11
4.2 College Students	11
5.0 Impacts of Debt	15
5.1 University	15
5.2 College	15
6.0 Conclusion	17
Appendix A – Variable Description: Universities	19
Appendix B – Variable Description: Colleges	21

1.0 Introduction

Numerous surveys of post-secondary students and graduates are conducted each year. Individually, the findings of these studies improve researchers' and institutions' understanding of particular groups of students. However, few studies compile the data from these various surveys to tell a comprehensive story about post-secondary students in Canada. As such, the purpose of this report is to combine the data from individual surveys to better understand student debt. Specifically, the objectives of this report are to understand which students have debt, determine how much debt students have and understand which students are facing financial pressures.

1.1 Methodology

This report draws from several data sources including the Canadian College Student Survey (CCSS), the Canadian Undergraduate Survey Consortium's (CUSC) Survey of Undergraduate Students and Statistics Canada's National Graduate Survey (NGS). Each of these surveys is described below.

- The **CCSS** has been conducted annually between February and April since 2002. The research survey collects data on college students' income and expenditures, as well as their plans for after

college. It provides national information on the challenges faced by Canadian college students in terms of financial and access issues.

Traditionally, this has been a paper-based survey administered by colleges to students in class. However, in 2006, colleges had the option of using the class-based methodology or a web-based methodology. Colleges with a student population of more than 1,500 were asked to obtain 450 completions, while those with a student population of less than 1,500 were asked to obtain 300 completions. This survey targets students in Career or Technical, University Preparation or Transfer, Access and Upgrading, Degree, and Post- or Advanced Diploma programs. It excludes students enrolled in apprenticeship courses, non-credit courses and courses delivered on contract to specific employers. Participating colleges choose their own method for recruiting students to complete the survey. Even though this does not always produce a random sample of students, it does not appear to bias results from year to year, as results tend to be similar when comparing across years.

Table 1 provides the number of colleges participating in the survey each year as well as the total number of completions obtained.

Table 1: Participation in the Canadian College Student Survey, 2002 to 2006

	2002	2003	2004	2005	2006
Number of participating colleges	16	27	25	23	19
Number of completions	6,360	9,912	9,407	8,240	7,438

- The **Survey of Undergraduate Students** has been conducted annually from January to April since 1994. The goal of the CUSC survey is to better understand students' experience at university and to provide benchmarks across time and against other universities. The CUSC survey runs in a three-year cycle, each year targeting a particular type of student: first-year students, all undergraduates and graduating students. The questionnaire used for each of these populations is different.

Traditionally, this has been a paper-based survey that participating universities mail to their students. In 2006, following a pilot test in 2005, all participating universities were offered the choice of using a paper-based or web-based methodology to conduct the survey. Each participating university conducts this survey with a random sample of 1,000 students within the target population. (Note that prior to 2002, the per-university sample size for the survey was 600).

This report uses data from the graduating student cycle. The number of participating universities and total number of completions achieved for this cycle are provided in Table 2.

Table 2: Participation in the CUSC Survey of Graduating Students, 2000 to 2006

	2000	2003	2006
Number of participating colleges	22	26	25
Number of completions	6 388	11 224	10 464

Note that for purposes of this report, to facilitate comparison with the CUSC Survey of Graduating Students, college students enrolled in Access and Upgrading Programs have been removed from the CCSS data as these students are not, strictly considered, post-secondary students.

- **Statistics Canada's National Graduate Survey (2000)** began in 1984. The survey, contacting graduates of Canadian universities, community colleges and trade-vocational programs two and five years after graduation, collects data on graduates' short- to medium-term labour market outcomes. The NGS is a telephone survey that is conducted with 50,000 to 60,000 graduates. The sample is stratified by province of institution, education level, and major field of study. The survey has been conducted with the following five classes of graduates: 1982, 1986, 1990, 1995, and 2000.

This report uses data from the 2002 survey of the Class of 2000 graduates. Approximately 60,000 graduates participated in this survey.

1.2 Statistically significant differences

Throughout this document, we report on differences that are statistically significant. When analyzing large sample sizes, measures of association are susceptible to inflated measures of statistical significance, which can lead to false conclusions about the strength of association. Therefore, we increased the standards for designating whether a relationship can be termed "statistically significant." For chi-square (crosstab) tests, two of the benchmarks must be met for us to term an association "statistically significant"; the Pearson's chi square must have a probability of a type 1 error of .000, and the Phi coefficient or Cramer's V must have a value of .150 or greater. For regression results, the type 1 error must have a probability of .000 and a beta (β) greater than .10.

2.0 Student Financial Aid Landscape

The past few years have seen changes to the student financial aid landscape in Canada. Measures announced at the federal and provincial levels will impact student borrowing in the coming years. These include:

- introduction of the Canada Access Grant and the millennium access bursaries and grants, as well as complementary provincial programs, all of which deliver non-repayable assistance to students from low-income families
- increases to the maximum student loan provided by federal and provincial student aid programs
- changes to the need-assessment process, which determines students' eligibility for financial aid, including a relaxation of expected parental contributions
- increased tax-based expenditures on students.

In this report, we examine changes in the level of debt for graduating university students from 2000, 2003 and 2006, as well as college students from 2003 to 2006. We also look at models of student debt for both university and college students to determine some of the factors associated with debt and how student debt plays a role in decisions after graduation. Though some of these policy changes have already been implemented, it may take some time before they have an impact on students. The data presented in this report provide debt information for students, both during and after the time these decisions were made, as well as a means to compare future reporting on student debt.

3.0 Overview of Debt

The following section provides an overview of debt incurred by students participating in the Survey of Graduating Students and the CCSS. When appropriate, these results are compared to the 2002 NGS — Class of 2000.¹

3.1 University Students

The CUSC survey asked graduating students how much repayable debt they had acquired to help finance their university education to date. In each year, at least 55% of respondents indicated having accumulated some debt over the course of their university education.

- Slightly less than one student in seven reports owing less than \$10,000.
- Another one in seven reports owing from \$10,000 to \$19,999.
- Some three students in ten report owing \$20,000 or more.

In 2006, on average, students with debt report owing \$24,047. Once inflation is considered, this amount is slightly higher than the \$21,000 (approximately)

reported for 2003 and \$23,000 in 2000. At \$20,000, the median value is slightly higher in 2006 than in 2003 (\$18,025), but lower than 2000 (\$20,927).

Results for the NGS are similar, with graduates owing an average of \$23,190. Note that the NGS data are for graduates who reported an amount owing upon graduation and decided not to pursue further education and therefore are required to make payments on their loan.

University students accumulate debt from a variety of sources. The CUSC survey asked students how much debt they acquired from four sources: student loans, loans from parents or family, loans from financial institutions and other sources. In 2006, among students with debt:

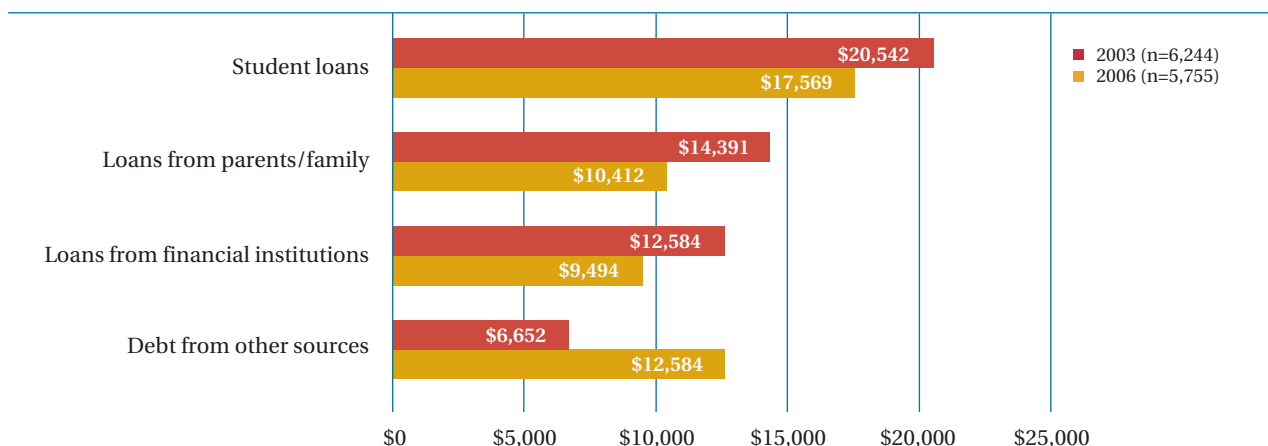
- *Student loans* account for the greatest portion of all debt, about 58%, although this is down from 65% in 2003. On average, students with student loan debt owed \$20,542 to this source in 2006 (although they may have other sources of debt). The median value is almost identical at \$20,000. Graduates who had accumulated student loan debt and participated in the NGS reported owing an average of \$22,058 to student loans in 2000.²

Table 3: Accumulated debt

	NGS 2000 (n=78,900)	2000 (n=6,324)	2003 (n=10,845)	2006 (n=10,327)
No debt	-	45%	42%	43%
Less than \$5,000	-	6%	7%	5%
\$5,000 to \$9,999	-	8%	9%	7%
\$10,000 to \$14,999	-	8%	8%	7%
\$15,000 to \$19,999	-	7%	7%	6%
\$20,000 to \$24,999	-	8%	8%	8%
\$25,000 to \$29,999	-	5%	6%	5%
\$30,000 and over	-	15%	13%	19%
Average (all students)	-	\$11,250	\$11,375	\$13,763
Median (all students)	-	\$4,500	\$5,000	\$5,500
Average (those with debt)	\$20,500	\$20,286	\$19,757	\$24,047
Median (those with debt)	-	\$18,500	\$17,000	\$20,000

Note: Average and median debt amounts in the table have not been adjusted for inflation and are shown in 2006 dollars.

1. Allen, M., & Vaillancourt, C. (2002). *Class of 2000: Profile of postsecondary graduates and student debt*. Ottawa: Statistics Canada (81-595-MIE – No. 16).
 2. NGS debt amounts have been adjusted for inflation and are shown in 2006 dollars.

Figure 1 — Average debt by source for university students who use the source

Source: CUSC 2006 Survey of Graduating Students.

- *Loans from parents or other family members* account for about 18% of all debt, which is slightly higher than in 2003 (14%). Those who borrowed money from their family report owing an average of \$14,391 to this source (although they may have other sources of debt). However, the median value is about half that at \$7,000.
- *Loans from financial institutions* account for about 21% of all debt, slightly up from 17% in 2003. Students with this type of loan owe an average of \$12,584 to this source (although they may have other sources of debt). The median value is similar at \$10,000.
- *Other sources* account for about 4% of all debt, which is virtually identical to 2003 (3%). Those with debt from other sources report that it averages about \$6,652 to this source (although they may have other sources of debt). Again, the median value of this debt is considerably lower at \$4,000.

See Figure 1 for the average debt for each of four sources. The average shown for each source is for those students who report using the source.³ Students may report more than one source of debt.

Among students with debt, 71% report having debt from student loans in 2006. Among those with student loan debt, 53% (38% of all students with debt) rely on student debt alone to help fund their education. This means that 47% of students with student loan debt (33% of all students with debt) also absorb debt from at least one other source.

Table 4: Debt by source for students with debt

	2006 (n=5,767)
Student loan only	38%
Financial institution only	11%
Family only	12%
Other only	2%
Student loan and at least one other source of debt	33%
Financial institution and at least one other source of debt	24%
Family and at least one other source of debt	19%

Note: Students with multiple sources of debt are counted more than once. Therefore, column will not sum to 100%.

3. Debt amounts have not been adjusted for inflation.

Table 5: Average student debt by region and year

	2000		2003		2006	
	All students (n=6,060)	With debt (n=3,313)	All students (n=10,845)	With debt (n=6,244)	All students (n=10,005)	With debt (n=5,755)
British Columbia	\$9,833	\$22,750	\$11,995	\$21,118	\$15,513	\$26,675
Western Canada	\$11,591	\$20,437	\$12,086	\$20,603	\$12,461	\$22,787
Ontario	\$13,160	\$23,489	\$12,113	\$21,257	\$13,054	\$22,589
Quebec	\$6,948	\$14,806	\$5,237	\$11,031	\$6,229	\$12,992
Atlantic	\$15,266	\$24,691	\$17,317	\$26,510	\$19,572	\$29,747

Note: Amounts have been adjusted for inflation and are shown in 2006 dollars.

However, compared to students who have debt from financial institutions or family, the proportion of students with student loans who have to rely on multiple debt sources is considerably lower. In fact, 69% of students with debt from financial institutions (24% of all students with debt) and 62% of students with debt from family (19% of all students with debt) have to rely on other debt sources.

As the results indicate, many students rely on multiple sources of debt during their post-secondary education. For these students, one source may not provide enough funding to sustain their post-secondary studies. See Table 4 for results.

As shown in Table 5, student debt in British Columbia and the Atlantic provinces is increasing at a higher rate than in other provinces. For example, compared to 2000, the average debt for students in British Columbia increased by almost 60% from \$9,833 to \$15,513 in 2006. On the other hand, the average amount of student debt in 2006 in both Quebec and Ontario is lower than in 2000.

3.2 College Students⁴

According to the CCSS, more than half the responding students have accumulated education-related debt. In each year, except for 2005, 52% to 54% of students reported having debt. Slightly more students, 59%, reported debt in 2005.

The CCSS asked students to select the category that best described the total amount of debt they had accumulated. As shown in Table 6, in 2006:

- About one in three students (31%) reports debt of \$10,000 or less. Slightly more students in previous years, between 36% and 38%, report having up to \$10,000 of debt.
- About one in five students (22%) reports a current debt of over \$10,000, including a few (3%) with debt of over \$30,000. Results for 2005 are similar, with 23% reporting debt of over \$10,000. However, fewer students in 2004 (16%) and 2003 (14%) report having this level of debt.

Table 6: Accumulated education-related debt

	2003 (n=8,924)	2004 (n=8,408)	2005 (n=7,324)	2006 (n=6,846)
None	48%	48%	41%	46%
Less than \$5,000	22%	20%	17%	17%
\$5,001 to \$10,000	16%	16%	19%	14%
\$10,001 to \$15,000	7%	7%	8%	8%
\$15,001 to \$30,000	6%	7%	11%	11%
Over \$30,000	1%	2%	4%	3%

Note: Responses may not sum to 100% due to rounding.

Note: Debt amounts have not been adjusted for inflation.

4. Note that the number of Quebec colleges (CEGEPs) participating in the CCSS survey fluctuates from year to year. To ensure that the data presented in this section were not influenced by fluctuations in the number of participating colleges from Quebec, we compared the data for all colleges, including Quebec, to the data for all colleges, excluding Quebec. Removing students attending Quebec colleges from the analysis had negligible impact on the results. Thus, Quebec students are included in the data presented in this section.

Table 7: Anticipated education-related debt

	2003 (n=8,936)	2004 (n=8,435)	2005 (n=7,349)	2006 (n=6,827)
No debt anticipated	38%	39%	36%	40%
Less than \$5,000	15%	14%	14%	11%
\$5,001 to \$10,000	17%	14%	15%	13%
\$10,001 to \$15,000	10%	10%	10%	9%
\$15,001 to \$30,000	14%	13%	17%	17%
Over \$30,000	6%	10%	9%	11%

Note: Responses may not sum to 100% due to rounding.

Note: Debt amounts have not been adjusted for inflation.

The CCSS survey also asked students how much debt they expect to have accumulated by the end of their current program. In each survey year, more than six students in ten expect to have accumulated at least some debt. As Table 7 shows in 2006:

- One student in four (24%) expects debt of \$10,000 or less. In previous years, between 29% and 32% of students anticipated accumulating less than \$10,000 of debt.
- Almost four students in ten (37%) expect to accumulate over \$10,000 of debt. This is similar to 2005, where 36% of students anticipated this level of debt, but is higher than that of 2004 (33%) and 2003 (30%).

In 2006, about 30% of graduating university students report having over \$20,000 of education-related debt. A similar percentage of college students, 28%, anticipate accumulating over \$15,000 of debt by the time they complete their current program. The slightly higher proportion of university students most likely reflects differences in the average length of a students' program (two years for college versus four

years for university) and that the 2006 CUSC survey was conducted with graduating students who were at the end of their program.⁵ The CCSS survey is conducted with students in various stages of their college program.

Like university students, college students rely on various sources to finance their education. The CCSS survey asked students how much funding they received from 12 sources—including personal sources, family sources and government sources—to help finance their education. As shown in Table 8, in 2006:

- Some 89% will depend on money they have personally secured, most commonly from work income (72%) and personal savings (49%).
- Some 61% will draw money from their family.
- About 45% will receive money from a government program, most commonly a government student loan (31%), although some report receiving a government student grant or bursary (14%).

Results for previous years are fairly similar to 2006. However, significantly more students in 2006 (26%) and 2005 (25%) reported drawing on an academic

5. Most Quebec students attend university for three years at the undergraduate level (plus two years of CEGEP).

Table 8: Financing sources: Across time

	2003 ^a (n=8,990)	2004 (n=8,506)	2005 (n=7,410)	2006 (n=6,878)
Personal sources				
Work income	-	69%	70%	72%
Personal savings	56%	54%	55%	49%
Academic scholarship	13%	14%	25%	26%
Bank loan/line of credit	13%	15%	24%	19%
Family				
Money from family ^a	61%	62%	61%	61%
Government				
Government student loan	32%	32%	34%	31%
Government student grant/bursary	19%	22%	14%	14%
Employment insurance (EI)	7%	8%	11%	7%
Training grant	-	4%	6%	3%
Social/Income assistance	2%	2%	3%	2%
Aboriginal or native ancestry funding	4%	4%	4%	3%
Government disability benefits	2%	3%	3%	3%

scholarship than in 2004 (14%) and 2003 (13%).⁶ In addition, slightly fewer students in 2006 and 2005 (14% each) reported drawing on a government student grant or bursary than in 2004 (22%) and 2003 (19%).⁷

For each of these sources, students were asked to indicate the category that best represents the amount of money they received from the source during the current year. In Table 9, we examine government student loans.

- As mentioned earlier, about three students in ten are drawing income from a government student loan during their current year of study. The percentage of students with a government student loan ranges from a low of 31% in 2006 to a high of 34% in 2005.
- Almost all students with a student loan (93%) received more than \$1,000, and 45% received more than \$7,000.

Table 9: Student loan for current year of studies

	2003 (n=8,904)	2004 (n=8,474)	2005 (n=7,367)	2006 (n=6,872)
\$0	68%	68%	66%	69%
\$1 to \$1,000	3%	2%	2%	2%
\$1,001 to \$2,000	5%	3%	3%	3%
\$2,001 to \$4,000	8%	7%	6%	6%
\$4,001 to \$7,000	8%	10%	10%	6%
\$7,001 to \$10,000	5%	7%	9%	7%
Over \$10,000	3%	3%	5%	6%

Note: Responses may not sum to 100% due to rounding.
Note: Debt amounts have not been adjusted for inflation.

6. Due to the addition of the word “bursary” to the “academic scholarship” category in 2004, some students may have accounted for their government in the latter category.
7. Due to the addition of the word “bursary” to the “academic scholarship” category in 2004, some students may have accounted for their government in the latter category.
8. In 2003, students were not asked about financing their education through work income.
9. In 2003 and 2004, students were asked about receiving financial support from three sources (parents, other family members, or spouse). The results for 2003 and 2004 are a combination of these three categories. In 2005 and 2006, students were asked about receiving financial support from family (such as parents, spouse, or other family).

4.0 Characteristics of Students With Debt

In this section, we examine which student characteristics are most associated with having education-related debt.

4.1 University Students

We examined the relationship between several demographic, education, and financial characteristics and students' total education-related debt upon graduation.¹⁰ As shown in Table 10 (next page), the model accounted for approximately 9% ($R^2 = .087$) of the total variance in education-related debt. Overall, several characteristics are significantly related to student debt; however, two characteristics appear to be most related to the amount of debt.

- *Living away from home.* Students who live with their parents are significantly more likely to have less debt ($\beta = -.23, p = .000$) than those who do not live with their parents. This is most likely because students who live away from home have expenses, such as rent, utilities, food and transportation, which those who live at home may not be responsible for. Because these expenses can be costly, students may not be able to pay for both their education and these expenses without relying on money borrowed from other sources, such as student loans.
- *Receiving funding from parents, family or friends.* Students who received funding from parents, family or friends during their last year of studies are *less likely* to have education-related debt than students who did not receive funding from these sources ($\beta = -.10, p = .000$). One explanation is that students who do not receive money from family or friends to pay for their education may have to rely on other debt-related sources, such as student loans, to help pay for their education. Another

explanation may be that students who receive money from family and friends may not be expected to pay it back. Thus, students may consider this to be a “debt-free” source of funding.

Although many of these predictors are highly significant, overall they explain only 9% of the variance in students' debt.¹¹ This suggests that there are other factors that are not accounted for in the model that may contribute to student debt.

Adding variables to the model did not significantly change the results. For example, we added regional variables, based on the location of the university, to the model. The model with regional variables did not show considerable overall improvement ($R^2 = .106$), nor were any of the regional variables strongly associated with student debt.

The model described in Table 10 is a linear regression model, which uses the total amount of education-related debt students reported as the dependent variable. Because students' debt is a continuous variable, we chose a linear regression to assess its relationship with the predictors shown in Table 10.

4.2 College Students

For college students, we examined the relationship between several demographic, education-related and financial characteristics, and two debt outcomes. The first outcome examined is students' current education-related debt. However, because the CCSS survey is administered to college students in various phases of their college program, we also asked students about their anticipated level of education-debt after they finished their program. This is the second outcome examined.

10. For a description of predictors, please see Appendix A.

11. A logistic regression comparing students with more than \$5,000 and less than \$5,000 in debt was conducted and yielded similar results.

Table 10: Linear regression: Total education-related debt (n=8,901)

Predictor	β	t	p
Constant (b)	24,899.20	14.53	.000
Demographic characteristics			
Age	.04	2.47	.013
Male	-.01	-.78	.434
Live with parents	-.23	-20.69	.000
Disabled	.02	2.37	.018
Aboriginal	-.02	-1.47	.143
Visible minority	.04	3.40	.001
Married	-.04	-3.35	.001
Education-related characteristics			
Interrupted studies	.05	4.73	.000
Attending part-time	-.07	-6.35	.000
Employed while in school	-.06	-5.37	.000
Received an academic scholarship	-.06	-5.25	.000
Years in post-secondary education	-.04	-3.24	.001
Financial characteristics			
Number of credit cards	.06	6.13	.000
Received funding from parents/family/spouse	-.10	-9.07	.000
Programs			
Social Science	-.04	-2.47	.014
Arts and Humanities	-.04	-2.58	.010
Business	-.04	-2.46	.014
Professional	.05	3.44	.001
Biological Sciences	-.02	-1.42	.155
Education	.03	2.69	.007
Engineering	.00	.13	.899
Physical Sciences	-.01	-.83	.405
Other			
	Statistic	F	p
R	.296	38.73	.000
R²	.088		

As seen in Table 11, the model accounts for 23% ($R^2 = .227$) of the variance in students' current education-related debt, with some characteristics accounting for much of this variance.¹² In fact, three variables appear to be highly correlated with students' current education-related debt (two are identical to results for university students). They are:

- *Living away from home.* Similar to university students, those students who do not live with their parents are more likely to have education-related debt ($\beta = .26, p = .000$). Once again, this is most likely due to the extra costs students living on their own would have to pay compared to those who live at home.
- *More years in post-secondary education.* As one would expect, the longer a student is in post-secondary education, the more education-related debt he or she is likely to have ($\beta = -.16, p = .000$).
- *Not receiving money from family to pay for school.* Similar to university students, students who do not receive money from their family to help pay for school are more likely to report debt ($\beta = -.17, p = .000$). This may indicate that students who do not rely on their family to help pay for their education are likely to fund their education through sources that cause student debt.

12. For a description of the variables, please see Appendix B.

Table 11: Linear regression: Current education-related debt (n=6,669)

Predictor	β	t	p
Constant (b)	326.55	.34	.74
Demographic characteristics			
Age	-.03	-2.21	.027
Male	-.05	-4.85	.000
Living away from home	.26	20.78	.000
Disabled	.04	3.43	.001
Aboriginal	-.04	-3.98	.000
Visible minority	-.00	-.34	.731
Single	.04	3.75	.000
Education-related characteristics			
Years in post-secondary education	.16	13.38	.000
Interrupted studies	.04	3.73	.000
Part-time	-.10	-8.39	.000
Financial characteristics			
Number of hours employed	-.04	-3.70	.000
Follows a budget	.02	1.65	.099
Tuition expenses (excluding books)	.09	6.89	.000
Books and education-related expenses	.09	7.57	.000
Received funding for school from family	-.17	-14.43	.000
Programs			
Career or technical program	-.02	-.53	.599
University preparation or transfer	-.05	-2.05	.041
Post/advanced diploma	-.03	-1.56	.118
Degree	.04	1.50	.133
	Statistic	F	p
R	.476	102.51	.000
R^2	.227		

Interestingly, students' tuition ($\beta = .09$, $p = .000$) and books and education-related expenses ($\beta = .09$, $p = .000$) are related to their debt, but not to the same extent as other factors. Statistically, both expenses are equally related to students' current debt, which indicates that books and other education-related expenses may be just as much of a factor in students' debt loads as tuition costs.

The model shown in Table 11 is a linear regression model, using students' current education-related debt as the dependent variable. In order to create a continuous dependent variable to use in a linear regression, we assigned students a value based on the category of debt they reported on the 2006 CCSS.¹³ PRA, in consultation with the Canada Millennium Scholarship Foundation, deemed this procedure more beneficial than conducting a logistic regression with the catego-

rized debt variable, as it would require several follow-up and stepwise tests to determine the significance of many of the predictors shown in Table 11.

Table 12 (next page) shows that the results for students' anticipated education-related debt after they complete their current college program are almost identical to the regression results for current education-related debt. Once again the most important factors contributing to student debt are *living away from home* ($\beta = .27$, $p = .000$) and receiving funding from family ($\beta = -.18$, $p = .000$). However, two notable differences exist between the two regressions.

- Although still statistically significant ($\beta = .08$, $p = .000$), the *number of years in post-secondary education* is not as strongly related to students' anticipated debt as it was to students' current debt. This is most likely because the CCSS survey

13. For a description of how the variable was coded, please see Appendix B.

Table 12: Linear regression: Anticipated education-related debt (n=6,669)

Predictor	β	<i>t</i>	<i>p</i>
Constant (<i>b</i>)	2,207.52	1.76	.078
Demographic characteristics			
Age	-.08	-6.06	.000
Male	-.06	-5.79	.000
Living away from home	.27	21.52	.000
Disabled	.03	2.79	.005
Aboriginal	-.06	-5.80	.000
Visible minority	.02	1.62	.105
Single	.05	4.67	.000
Education-related characteristics			
Years in post-secondary education	.08	6.87	.000
Interrupted studies	.05	4.67	.000
Part-time	-.07	-5.59	.000
Financial characteristics			
Number of hours employed	-.05	-4.29	.000
Follows a budget	.04	3.44	.001
Tuition expenses (excluding books)	.07	5.62	.000
Books and education-related expenses	.15	11.99	.000
Received funding for school from family	-.18	-16.05	.000
Programs			
Career or technical program	-.06	-1.83	.067
University preparation or transfer	.09	3.69	.000
Post/advanced diploma	-.07	-3.04	.002
Degree	.08	3.11	.002
	Statistic	F	p
<i>R</i>	.488	109.14	.000
<i>R</i> ²	.238		

includes students in different stages of their college program. When students anticipate their debt after graduation, it should minimize the relationship between debt and years of post-secondary education because most students will complete their program in two or three years.

- Expenses for books and other related educational expenses ($\beta = .15$, $p = .000$) are more closely linked to students' anticipated debt than their current debt, while tuition expenses ($\beta = .07$, $p = .000$) are not as closely linked. This may indicate that when students determine their total anticipated education-related debt, they rely on related educational expenses to project the total more than they rely on tuition costs. In truth, Table 11 (above) indicates educational expenses do not account for a lot of variation in students' debt, which means

students base their prediction of debt on this factor more than this expense actually contributes to their overall debt.

Overall, both analyses accounted for slightly less than one-quarter of variance in students' actual and anticipated debt levels.¹⁴ Although this model appears to be a better predictor of college than university students' education-related debt, it still appears there are other factors that are not accounted for in the college student model that may contribute to student debt.

The model shown in Table 12 is a linear regression model, using students' anticipated education-related debt as the dependent variable. Similar to students' current education-related debt, the anticipated debt question was recoded as a continuous variable in order to conduct the linear regression.¹⁵

14. A logistic regression comparing students with more than \$5,000 to those with less than \$5,000 in education-related debt was conducted and yielded similar results.

15. For a description of how the variable was coded, please see Appendix B.

5.0 Impacts of Debt

After students complete their post-secondary education program, they are faced with numerous decisions, including whether to continue to further education, seek employment or take time off. In part, students' decisions about what to do after graduation may be influenced by the amount of debt they incurred while in school. In this section, we examine some of the impacts that debt may have on students' decisions after graduation.

5.1 University

Continuing education

Students who plan on taking further education after completing their Bachelor's degree ($M = \$11,530$, $n = 2,661$) have significantly less debt ($t = 6.78$, $p = .000$, $n = 7,863$) than those who do not plan on doing so ($M = \$14,707$, $n = 5,202$). Indeed, students who plan on pursuing further post-secondary education have, on average, \$3,200 less student debt than those who do not plan on continuing their education. This may indicate that debt has some impact on whether students plan on taking further education, as those with more debt may choose to find a job in order to begin paying off their debt, or do not want to increase their education-related debt any further by taking more post-secondary education.

Securing employment

Although education-related debt appears to have some impact on students' decisions to continue their education after graduation, it does not appear to have as much of an effect on students' ability to find employment. On average, students who do not have a job arranged after they graduate have slightly more debt ($M = \$14,302$, $n = 6,523$) than those who have a job arranged ($M = \$12,725$, $n = 3,392$) and the difference is not statistically significant ($t = 3.61$, $p = .001$, $n = 9,915$).

Expected income

Interestingly, there is no relationship between students' education-related debt and their anticipated yearly earning after graduation ($r = -.02$, $p = .35$, $n = 2,889$). This indicates that many students may be taking on more debt than they will be able to handle after graduation because their starting income does not appear to be related to their debt load. As a result many students are taking on debt amounts without considering what their debt-to-income ratio will be after graduation.

5.2 College

In the 2006 CCSS survey, college students were asked about their plans after graduation. Table 13 shows that students' post-graduation plans may be affected by their current level of education-related debt, as there is a statistically significant difference between students' choices after graduation depending on their current level of education-related debt. These differences illustrate the following:

- Almost half (47%) of students without debt plan on taking another post-secondary education program. This compares to less than two-fifths of students with any amount of debt¹⁶ including about one-fifth (21%) of students with over \$30,000 in debt.
- The difference among college students' decisions to seek further post-secondary education stems mainly from students choosing university programs. Almost two-fifths (39%) of students without debt plan on starting a university program. This is about double the proportion of students with either \$15,001 to \$30,000 (19%) or over \$30,000 (17%) in debt. This may be because taking a university program, which tends to be three or four years compared to a typical two-year college program, may require students to take on additional debt that they could not afford given their current debt situation.

16. Although it is possible that a student's age may have an impact on his/her future plans, in the preceding analyses age was not strongly related to student debt; therefore, it was not controlled for in this analysis.

- Conversely, students with debt appear to be more likely to try to seek a new job after graduating. About two-thirds of those with debt of \$15,001 to \$30,000 (66%) or over \$30,000 (65%) plan on starting a new job after graduating. This compares to just two-fifths of college students without debt (42%).

It is important to note that these relationships may not be causal, or that the causal nature of the relationship may be opposite to that discussed above (i.e., the decision about what to do after graduation causes students to choose how much debt to incur during their undergraduate studies).

Table 13: Current education-related debt by main activity after completing current program (n=6,757)

Main activity after graduation	Current education-related debt (p=.000)					
	None	\$5,000 or less	\$5,001 to \$10,000	\$10,001 to \$15,000	\$15,001 to \$30,000	Over \$30,000
Another college program	8%	6%	8%	7%	4%	4%
University program	39%	30%	25%	21%	19%	17%
New employment	42%	54%	57%	61%	66%	65%
Current employment	5%	4%	3%	4%	3%	3%
Start own business	2%	3%	3%	3%	3%	4%
Other	5%	3%	5%	5%	5%	7%

6.0 Conclusion

The results of the CUSC and CCSS surveys suggest that the amount of debt students are accumulating is slowly trending upwards. Although the proportion of students who incur student-related debt during their post-secondary education has remained stable across time, the average amount of debt that students have appears to be increasing.

Analysis of the potential factors associated with student debt found that *living away from home* and *not receiving funding from family* are strong predictors of student debt. Both of these variables are factors over which students may have little or no control—they may be forced to live independently,

and they cannot dictate how much financial assistance their parents will provide them to support their education. For these students, assuming debt may be the only way they can finance their education.

Students' post-graduation decisions seem to be related to student debt. For both college and university students, those who seek a job after graduation tend to have more debt than those who decide to pursue further post-secondary education. Although the nature of this relationship is not clear, it might suggest that debt limits students' educational choices, forcing them into the workforce when they would otherwise further their education.

Appendix A

Variable Description: Universities

Variable	Question	Range	Label
Total debt	Q23A–D	0–500,000	N/A
Age	Q51	16–98	N/A
Male	Q50	1–2	1 = Female 2 = Male
Living with parents	Q54	0–1	0 = Not with parents 1 = With parents
Disabled	Q55	0–1	0 = No disability 1 = Disability reported
Aboriginal	Q57	0–1	0 = Non-Aboriginal 1 = Aboriginal
Visible minority	Q58	0–1	0 = Non-minority 1 = Minority
Married	Q56	0–1	0 = Not married/common-law 1 = Married/common-law
Interrupted studies	Q7	0–1	0 = Did not interrupt studies 1 = Interrupted studies
Attending part-time	Q2	1–2	1 = Full-time 2 = Part-time
Employed while in school	Q25	0–1	0 = Not employed 1 = Employed
Received an academic scholarship	Q28	0–1	0 = Did not receive 1 = Received
Number of credit cards	Q29	0–40	N/A
Received funding from parents/family/spouse	Q24c	0–1	0 = Did not receive funding 1 = Received funding
Social Science	Q6	0–1	0 = Not in Social Science 1 = Social Science
Arts and Humanities	Q6	0–1	0 = Not in Arts and Humanities 1 = Arts and Humanities
Business	Q6	0–1	0 = Not in Business 1 = Business
Professional	Q6	0–1	0 = Not in Professional 1 = Professional
Biological Sciences	Q6	0–1	0 = Not in Biological Sciences 1 = Biological Sciences
Education	Q6	0–1	0 = Not in Education 1 = Education
Engineering	Q6	0–1	0 = Not in Engineering 1 = Engineering
Physical Sciences	Q6	0–1	0 = Not in Physical Sciences 1 = Physical Sciences
Other	Q6	0–1	0 = Not in Other 1 = Other

Appendix B

Variable Description: Colleges

Variable	Question	Range	Label
Current-education related debt	Q24	0–30,000	0 = None 1,250 = 1 to 2,500 3,751 = 2,501 to 5,000 6,251 = 5,000 to 7,500 8,751 = 7,500 to 10,000 12,501 = 10,000 to 15,000 17,501 = 15,000 to 20,000 25,001 = 20,001 to 30,000 30,000 = Over 30,000
Anticipated-education related debt	Q25	0–30,000	0 = None 1,250 = 1 to 2,500 3,751 = 2,501 to 5,000 6,251 = 5,000 to 7,500 8,751 = 7,500 to 10,000 12,501 = 10,000 to 15,000 17,501 = 15,000 to 20,000 25,001 = 20,001 to 30,000 30,000 = Over 30,000
Age	Q35	16–90	N/A
Male	Q34	1–2	1 = Female 2 = Male
Living away form home	Q40	1–2	1 = With parents 2 = Not with parents
Disabled	Q41	1–2	1 = No disability 2= Disability reported
Aboriginal	Q42	0–1	0 = Non-Aboriginal 1= Aboriginal
Visible minority	Q43	0–1	0 = Non-minority 1 = Minority
Single	Q45	1–2	0 = Married/common-law 1 = Single
Years in post-secondary education	Q9	1–4	1 = Less than one year 2 = 1 year to 23 months 3 = 2 years to 35 months 4 = 3 years to 47 months 5 = 4 years or more
Interrupted studies	Q13	0–1	0 = Did not interrupt studies 1 = Interrupted studies
Attending part-time	Q6	1–2	1 = Full-time 2 = Part-time
Number of hours employed	Q28	3–20	0 = Never or rarely 3 = 1 to 5 hours 8 = 6 to 10 hours 16 = 11 to 20 hours 20 = 20 hours or more
Follows a budget	Q19	0–1	0 = No 1 = Somewhat 2 = Yes

Variable	Question	Range	Label
Tuition expenses (excluding books)	Q20	0–7,500	0 = None 251 = 1 to 500 751 = 501 to 1,000 1,751 = 1,001 to 2,500 3,001 = 2,501 to 3,500 4,251 = 3,501 to 5,000 6,251 = 5,001 to 7,500 7,500 = 7,500 or more
Books and education-related expenses	Q21	0–2,000	0 = None 101 = 1 to 200 351 = 201 to 500 626 = 501 to 750 876 = 751 to 1,000 1,251 = 1,001 to 1,500 1,751 = 1,501 to 2,000 2,000 = 2,000 or more
Received funding for school from family	Q18D	0–1	0 = Did not receive funding 1 = Received funding
Career or technical	Q7	0–1	0 = Not in career or technical 1 = Career or technical
University preparation or transfer	Q7	0–1	0 = Not in university prep or transfer 1 = University prep or transfer
Post-diploma or advanced	Q7	0–1	0 = Not in post-diploma or advanced 1 = Post-diploma or advanced
Degree	Q7	0–1	0 = Not in degree 1 = Degree