

A FAMILY AFFAIR:
THE IMPACT OF PAYING FOR
COLLEGE OR UNIVERSITY

JUNE 2004

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A Literature Review and Gap Analysis
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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.

Key Findings

Financing strategies

The most important sources of funding for Canadian students are family support, student loans and part-time jobs. There is evidence that the average net worth of families with post-secondary-age children has declined and that family savings are in most cases inadequate to meet PSE expenses. A significant percentage of Canadian students may now be working while in school or borrowing from private sources to meet unfunded PSE costs or to supplement or replace parental contributions.

It is essential that those responsible for student aid programs be aware of the full range of strategies employed by students and their families, how choices of strategies change over time and how the costs of PSE affect families. Current information on how PSE costs are managed must be developed and maintained. To help meet this objective, additional research should address the following questions:

- What strategies do students and families currently use to finance PSE?
- What are the characteristics of full-time PSE students who are working part-time while in school?
- To what degree are students working or borrowing from private sources to cover unfunded need resulting from high costs, to supplement or replace parental support or simply to enhance their lifestyles?
- Are parents contributing what they are expected to contribute, based on their income?

Debt trends

We found limited information on the debt assumed by Canadian two-year college graduates. The average debt of Canadian university graduates who borrow is between \$20,000 and \$21,000. It appears that 10 to 20 per cent of college and university students are now borrowing funds from private sources, such as banks.

Average debt levels may not be excessive, considering the increased earnings that graduates can expect over their working lifetimes. However, students with the greatest need may have considerably more debt than average. These levels are not documented, and could be troublesome. It is also important to understand the extent to which debt aversion may affect access to PSE and whether graduates can service high levels of debt without undue hardship.

We therefore propose that further research be undertaken involving students in their final year of study. The following questions should be asked:

- How much debt do graduating students have?
- What are the characteristics of students in the top quartile of debt on graduation?
- Did the need to work and extend time to graduation contribute to the indebtedness of those in the top debt quartile?
- What are the public and private components of total debt of those in the top debt quartile?
- Is the debt-to-earnings ratio of those in the top debt quartile manageable?

We could not find any information to document trends in Canadian parents' debt. Evidence from the U.S. suggests that many parents borrow to help finance PSE. In the U.S., many parents borrow from government-sponsored PSE loan programs. Such programs do not exist in Canada, so some Canadian parents might be expected to take out private bank loans, borrow against lines of credit or take out second mortgages on their homes. While such measures may or may not cause hardship, they almost certainly have an impact on other aspects of parents' lives, including their spending and perhaps their retirement savings as well. Parents with more than one child enrolled in PSE will face greater financial demands. The question of parental debt is closely related to the question of parental PSE financing strategies, and should represent an important component of this research.

Participation patterns

The gap in PSE participation rates between low-income and middle-income students widened in the mid-1990s. We know that low-income students are sensitive to the price of post-secondary education and that unmet need is an issue for some. A number of students reduce class loads to allow for part-time employment, and rural students may be opting for shorter college programs, which are available locally. While they represent a minority, some students now indicate that they do not pursue further study due to financial considerations.

For equity reasons, it is important that policy development be informed by current information on access to PSE. We propose that additional research be conducted to address the following questions:

- What are the characteristics of qualified students who choose not to proceed on to PSE? What are their reasons for not attending?
- What are the characteristics of students entering PSE? What are their reasons for choosing college or university?
- What reasons do students give for leaving PSE? How long do students take to graduate?
- What is the frequency and amount of unmet need under student assistance programs?

Recommended Research

Given the urgent need for knowledge of how Canadian families are coping with the rising costs of PSE, the Foundation should act now to develop a survey instrument that would generate linked information on students' and parents' financing strategies. In addition, a number of new databases could yield partial information on financing strategies, debt levels and participation patterns.

In addition, for each of the three policy areas in question, annual survey instruments should be developed to support program evaluation and policy reviews. Ideally, this work should be done in consultation with all student aid stakeholders.

Future Directions

We lack nationally comparable research data in the area of student assistance. Much of the data we do have is dated. Aid providers, Statistics Canada and other interested parties periodically conduct research on student assistance, but they do not normally collaborate or co-ordinate the design of their research. They use different methods to collect data and different formats to report data sets. It is clear that Canadian student aid agencies and other interested parties need to improve their research collaboration and partnerships to enhance their data collection and analysis efforts.

This paper proposes a model for increased collaboration in research on PSE-related issues. Under this model, partners could share their research proposals before implementing them, in order to get input on issues such as survey design and content. Researchers could also work to integrate their current datasets. This would improve the research capability of all jurisdictions and lead to more informed decisions with respect to student aid program design.

Significant resources are directed towards the study of student assistance and its impact in Canada each year. While this report recommends that a number of additional studies or surveys be undertaken, such action should not necessarily require additional resources from the system in total. If the various parties put more effort into coordinating research activity and design, this could reduce overlap and duplication and thereby more than compensate for the cost of implementing the recommendations put forward in this report.

CHAPTER 1 — INTRODUCTION

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. In most provinces, more of the costs of post-secondary education are being borne by students in the form of rising tuition fees. Governments have reduced their direct funding of PSE on a per-student basis. Between 1986/87 and 2000/01, for example, government support for universities decreased by 4.5 per cent, while revenue from private sources, primarily student fees, rose 167 per cent; from 1991/92 to 2001/02, revenues from student fees slightly more than doubled (Robertson 2003). Students also face significant costs for housing and living expenses, especially if the college or university they choose requires them to live away from home.

Demographic, social and economic trends point to a continued high demand for PSE. The size of the feeder population is growing. This partly reflects the demographic impact of the baby-boom echo. Furthermore, many young people today have parents who took part in the last wave of post-secondary expansion in the late 1960s and the 1970s — and are therefore likely to encourage their offspring to pursue a post-secondary education. Finally, economic trends emphasize the need for a post-secondary education in order to have the skills needed to succeed in the knowledge-based economy.

The evidence indicates that many families may be unprepared for the costs they will face in helping their children pursue a post-secondary education. For example, evidence from Statistics Canada (*The Daily*, April 10, 2001) shows that most families are not saving for their children's PSE, and that most of those who are saving have not saved enough to cover all PSE costs. Young students are unlikely to have saved much for college or university on their own. Further, capacity constraints mean that some families who had planned for their child to live at home during PSE now face the prospect of significantly increased costs if their child must leave home to attend a college or university elsewhere. Deregulation of tuition fees for professional programs has resulted in very substantial increases in tuition and related costs and, as a result, growing concerns about the “representativeness” of students in those programs. Finally, access to government student loans is regulated through need assessment, with income cut-offs that effectively screen out most middle-income families.

A fairly substantial body of literature has arisen on the topic of student debt, especially debt associated with government student loan programs. Data are also beginning to emerge regarding family savings for PSE. A bigger gap in our knowledge concerns the strategies that families use to cope with post-secondary costs. Are families saving enough to enable them to cover all the costs associated with PSE? What other strategies are families using to put their children through school — for example, paying off their mortgages before their children reach the PSE stage to free up income for PSE (a pay-as-you-go strategy); taking out personal loans or second mortgages; delaying retirement or reducing retirement savings; postponing other major expenditures? How are young people being affected? Are they choosing programs based on affordability rather than interest? Are they attending college rather than university, living at home rather than attending school out of town, or postponing PSE? What are the trends in, and levels of, total family debt related to PSE? And how are rising family costs affecting patterns of post-secondary participation?

1.1 THIS REPORT

The Canada Millennium Scholarship Foundation has commissioned this study to assess the state of our knowledge about how post-secondary costs are affecting family behaviours, borrowing and debt, and how further research on this issue could be undertaken. Its objective is to determine what further research would be practical and desirable and to formulate recommendations on how such research might be carried out.

We conducted a review of Canadian and American literature to determine what is currently known about these issues and how such information was collected. Our review included Statistics Canada surveys, studies conducted by provinces and the federal government, American studies and other relevant literature.

Our literature review and analysis focused on three main issues:

- 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 analyzed the data to determine whether it could answer these questions, and if not, what kinds of gaps existed in the information available. The literature reviews and gap analyses relating to each of these questions are reported separately in Chapters 2, 3 and 4. Chapter 5 recommends research that could be undertaken in the medium- and long-term.

This report only analyzes information pertaining to full-time students and their families. Due to the significant changes to the student aid environment over the last decade, literature based on data that was more than ten years old was excluded from the review. This study does not synthesize all that is known about the questions listed above. Instead, its purpose is to determine whether the information needed to produce such a synthesis exists. Its main conclusion is that there are significant gaps in our knowledge and in the data needed to answer these questions, especially with respect to parental PSE financing strategies and impacts. It makes a number of recommendations as to how these research and data gaps can be addressed.

CHAPTER 2 — WHAT STRATEGIES DO FAMILIES USE TO FINANCE POST-SECONDARY EDUCATION?

To understand how families cope with post-secondary education financing, one would need to know the combination of funding sources or strategies used:

By the student:

- from past income (savings)
- from current income (e.g., cash gifts from parents, part-time work, bursaries, scholarships or spousal contributions)
- from future income (e.g., government loans, private bank loans, loans from parents or credit cards).

This student information should be categorized:

- by socio-economic status (SES)
- by student aid category (dependent at home, dependent away from home, single independent, married or student with dependants).

By the parents:

- from past income (e.g., savings, RESPs or paying off mortgage)
- from current income (e.g., in-kind contributions, employment, second job or use of tax credits)
- from future income (e.g., bank loan, second mortgage, delaying retirement or borrowing from retirement funds).

This parental information should be categorized by SES.

Factors which would influence the amount of parental contribution required include:

- the student's total educational and living costs
- the parents' combined income
- the size of the student's family.

It is also important to know whether the total amount of parental support and student assistance is enough to cover the total cost of PSE attendance or whether students use certain strategies, like part-time employment, to offset the shortfall from other funding sources.

Access to longitudinal data is important for monitoring trends.

2.1 WHAT DO WE KNOW ABOUT STUDENT AND PARENT POST-SECONDARY FINANCING STRATEGIES?

2.1.1 In the United States Student Strategies

Most studies in the United States focus on the amount of student unmet need after need-based student aid and parental contributions have been taken into account. For example, examining data for 1995/96, Choy (1999) found that student assistance covered on average 33 per cent of students' costs in four-year public institutions, and that students and parents are expected to finance an increasing percentage of post-secondary costs as family income increases (Table 2.1). Choy (1999) indicates that in 1995/96, at four-year public institutions, an average unmet need of \$3,800 remained after student assistance and family contributions were taken into account. To cover this shortfall, 50 per cent of students worked an average of 25 hours per week to obtain additional funding, with a number of students reducing their class load in the process.

Choy (2000) found that full-time low-income students receiving aid in 1995/96 had about 60 per cent of their budgets covered by student aid, with a substantial amount of the shortfall covered by part-time work. The author notes that a shortfall remains, which

students probably cover by living on lower-than-allowed budgets, earning more than reported, spending accumulated savings or receiving more than required from their parents. King (2002) similarly reports that most low-income students enrolling in 1995/96 worked at least in part to cover unmet need.

The National Association of Student Financial Assistance Administrators and the College Board (2002) note a similar funding shortfall in a 2001 survey, indicating that aid dollars covered 72 per cent of students' demonstrated need. Close to half of aid administrators at four-year public colleges believed that students turned to employment to cover the shortfall, while about 48 per cent of aid administrators at four-year private colleges believed that students turned to private loans to cover the shortfall. The survey showed that between seven and 11 per cent of undergraduates received private loans in 2000, averaging between \$5,100 and \$6,100. Students gave various reasons for obtaining such loans: 68 per cent said they needed additional funds and 15 per cent said their parents were unable or unwilling to obtain Parent Loans for Undergraduate Students (PLUS Loans) to assist with their costs.¹

TABLE 2.1: TOTAL AID AS A PERCENTAGE OF TOTAL PRICE, FOR DEPENDENT FULL-TIME, FULL-YEAR UNDERGRADUATES, BY FAMILY INCOME QUARTILE AND TYPE OF INSTITUTION ATTENDED: 1995/96

FAMILY INCOME QUARTILE	PUBLIC FOUR-YEAR	PRIVATE, NOT-FOR- PROFIT FOUR-YEAR	PUBLIC TWO-YEAR
	%	%	%
Total	33	45	17
Low	54	60	38
Lower middle	41	58	14
Upper middle	26	46	9
High	17	25	4

Note: Total price includes tuition and fees, and an institutionally determined allowance for student living expenses.
Source: NCES, 1990 Beginning Postsecondary Students Longitudinal Study, Second Follow-up (BPS: 90/94).

¹ Parents with good credit histories can take out PLUS loans to pay the education costs of dependent children. Loans can be as great as the student's cost of attendance, minus any other financial aid received. PLUS Loans bear interest (up to 9 per cent), and payments begin within 60 days of the final loan disbursement for the academic year.

The National Center for Public Policy and Higher Education (2002) concludes:

Students and families have been coping with higher college tuition and the increased demands on family income in a variety of ways. Some students work more hours; some reduce their course loads, lengthening time to graduation; and others attend less expensive colleges and universities. Our third finding, however, is that the most widespread response to increases in the cost of higher education involves debt – more students are borrowing more money than ever before.

Parent Strategies

Parents in the United States are expected to contribute if students are dependent on parental support (Hemingway 2003). Students were considered dependent in 2001/02 if none of the following conditions applied:

- They were at least 24 years old.
- They were an orphan or ward of the court.
- They were veterans of the U.S. Armed Forces.
- They were married.
- They were going to be working on a degree beyond a Bachelor's degree.
- They supported dependants (other than a spouse).

Families who do not qualify for need-based student assistance may access forms of income tax relief. The National Center for Public Policy and Higher Education (2002) points out that the Taxpayer Relief Act of 1997 introduced new forms of aid, including education savings plans, income tax credits and tax deductions for tuition and fees. The College Board (2002) estimates the cost of education tax credits at US\$5 billion in tax year 2000.

The National Center for Public Policy and Higher Education (2002) reports that families today must devote a larger share of their income to pay for college compared to 20 years ago because tuition increases have outpaced increases in student assistance. Stringer et al. (1998) conclude that parental assistance now covers a smaller portion of the costs of post-secondary attendance. Other findings reported by Stringer et al. include:

- “In-kind” contributions were the most common form of parental support (80 per cent), followed by cash gifts (about 66 per cent) and parental loans (10 per cent).
- Employment income was the most common source of parental support (about 66 per cent), followed by savings (about 50 per cent). About 25 per cent of parents borrowed to finance their children's post-secondary education.
- About 57 per cent of parents began saving for post-secondary education when their children were in elementary school or earlier.
- The most frequent source of borrowed funds was PLUS loans (44 per cent), followed by second mortgages (17 per cent), state loans (14 per cent) and bank loans (11 per cent). Parents who borrowed incurred an average debt of \$14,077.
- Some 37 per cent of parents reported using credit card debt to pay for educational expenses.

Stiglitz et al. (2000) found that many families were not well prepared to meet future college costs. Among families with children, total median financial assets in 1998 were only \$12,900. Over 7 per cent of families did not have financial assets and 10 per cent had zero or negative net worth; only 36 per cent of families with children saved in 1998. The post-secondary financing strategies used by families reported in the Stiglitz study are shown in Table 2.2.

A survey conducted by the Education Resources Institute and The Institute for Higher Education Policy (1995) shows that students and families felt anxious about loan burdens related to post-secondary study: 24 per cent of families indicated total debt was a hardship; 62 per cent indicated they

would have to forego other major purchases because of college costs; and 19 per cent indicated that student loans would represent the highest portion of their household debt.

2.1.2 In Canada Student Strategies

We reviewed nine provincial studies and eight national studies on student sources of income. It is difficult to compare data across the various studies since they were conducted at different times in different jurisdictions, covered different student groups and asked different questions. Table 2.3 estimates how often students involved in the studies reported various funding sources. Details of the studies reviewed and the funding sources reported can be found in Appendix A.

TABLE 2.2: STRATEGIES FOR FINANCING COLLEGE (PERCENTAGE OF FAMILIES)

HOW FINANCED	TOTAL %	PRIVATE, NOT-FOR- PROFIT FOUR-YEAR %	PUBLIC FOUR-YEAR %	PUBLIC TWO-YEAR %
Borrowing money	10.0	12.3	9.6	7.6
Taking on extra job	15.7	17.3	15.1	16.3
Refinancing real estate	7.3	8.9	7.0	6.7
Regular job	62.6	66.6	64.5	52.9
Savings, money markets	52.9	58.6	54.1	44.6
Retirement funds	13.5	14.2	12.9	16.6
Working more hours	17.8	14.5	15.0	33.5
Education savings bonds	7.0	6.7	6.6	8.9
Other funds	12.0	13.1	12.3	9.4
Trust funds	3.2	6.3	2.9	1.1
Tuition prepayment plan	7.5	10.3	6.9	4.0
Number of strategies used	3.3	3.6	3.2	3.0

Source: 1993 NPSAS and author's calculations.

**TABLE 2.3: ESTIMATED PERCENTAGES OF STUDENTS REPORTING FUNDING SOURCES –
SELECTED STUDIES**

	% REPORTING FUNDING SOURCE
Family support	50
Student loans	50
Part-time jobs	45
Savings	40
Scholarships, bursaries	30

Parent Strategies

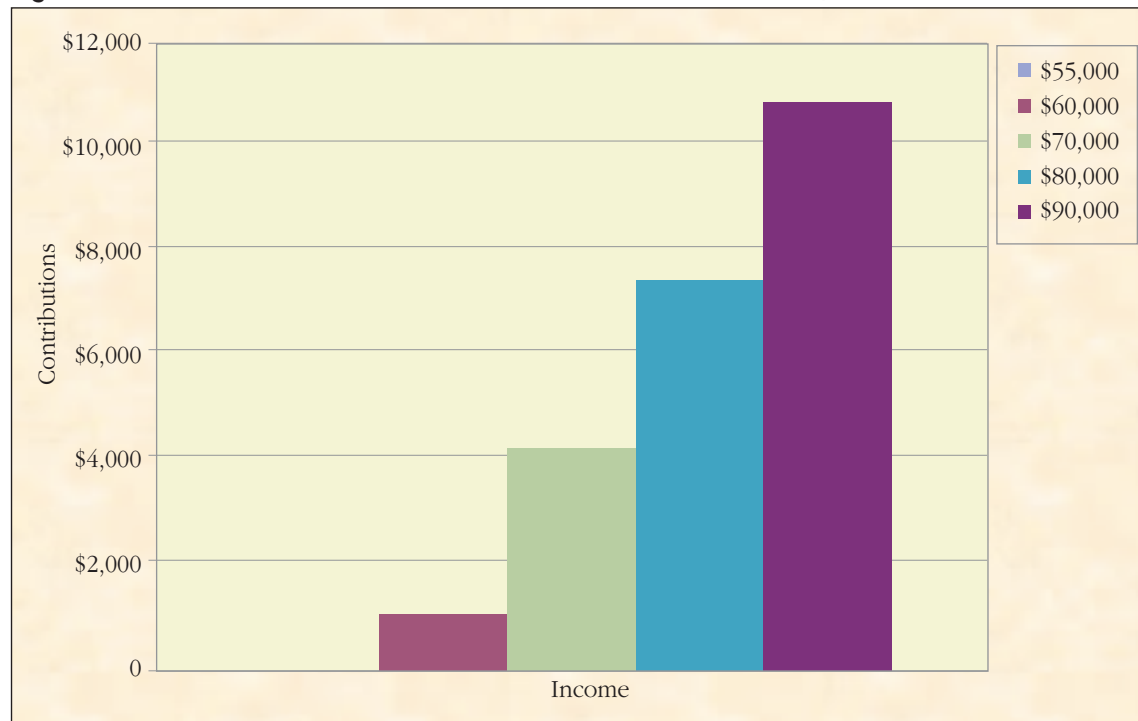
Parents of single dependent students are expected to contribute toward the cost of their children's post-secondary education if they are able to do so. Dependent students are those who have never been married or who are single parents, have not been out of secondary school for four years or have not worked full-time for two years.

Figure 2.1 illustrates the expected parental contribution for an academic year for a family of four in Manitoba with one wage earner and one child attending post-secondary education.

Figure 2.2 illustrates the total contribution expected from a family of four in Manitoba with one wage earner and one child attending a 34-week program each year for four years.

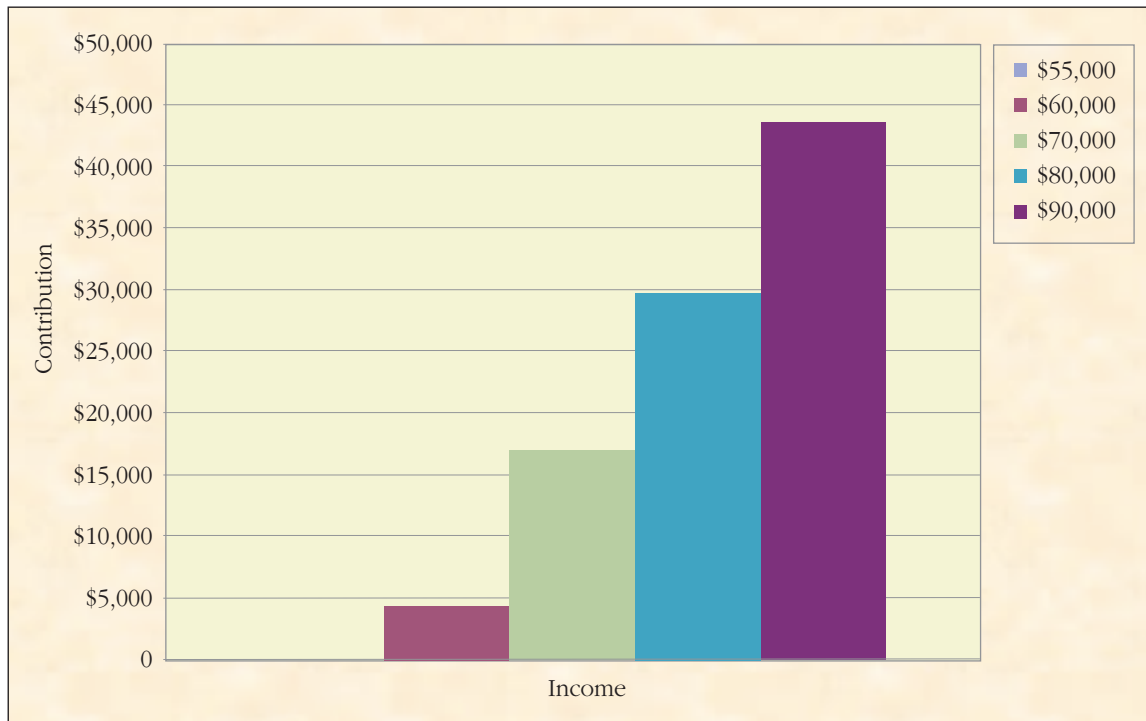
Parents may access certain cash and tax provisions to help them meet their children's post-secondary expenses. Contributions to Registered Education Savings Plans (RESPs) result in tax on investment returns being deferred until they are withdrawn, at which time they are taxed as income of the student. Canada Education Savings Grants of up to \$400 may be added to contributed RESP amounts each year. As well, unused portions of the tuition and education tax credits may be transferred from the student to parents.

Figure 2.1: Canada Student Loan Parental Contribution Levels: Manitoba, 2002/03



Source: Canada Student Loan Student Loan Estimator.

FIGURE 2.2: TOTAL FOUR-YEAR PARENTAL CONTRIBUTION FOR A FAMILY OF FOUR – MANITOBA, 2002/03



Source: Canada Student Loan Student Loan Estimator.

In *The Daily* (April 10, 2001), Statistics Canada reported results from the 1999 *Survey of Approaches to Educational Planning* for parents of children aged 18 and under. Key findings include:

- The parents of 41 per cent of children had savings earmarked for their children's college or university education.
- Some 63 per cent of families earning \$80,000 or more had educational savings, but less than 20 per cent of families earning under \$30,000 had savings set aside for PSE.
- For those with PSE savings, the median amount saved was \$5,000 for each child aged 14 to 18. This amount is less than the cost of one year of post-secondary study.
- The most common forms of savings were RESPs (40 per cent), in-trust accounts (35 per cent) and other savings plans (48 per cent).

- The parents of 50 per cent of children expected that their children would need student loans to pay for their education, regardless of savings they had accumulated. Furthermore, many parents whose incomes exceeded loan eligibility limits also expected their children to draw on government student loans.
- Some 86 per cent of parents expected their children to work while in post-secondary study in order to help cover the costs of attendance.

According to Junor and Usher (2002), the *Survey of Approaches to Educational Planning* also indicates that:

- Over 80 per cent of parents who are saving intend to support their children in post-secondary studies from current income.
- 33 per cent expect to receive gifts from other family members.
- Some 20 per cent expect to give loans to their children.

2.2 SUMMARY OF FINDINGS ON FUNDING STRATEGIES

Most American studies on student funding sources document levels of unmet need and identify the amount of PSE costs that must be covered by sources other than need-based awards and family contributions. Part-time work is the supplemental strategy most often mentioned as a means of meeting costs, with alternative loans also playing a part. We did not find any American studies that described other student funding strategies in detail.

Parents in the United States use an average of three strategies in funding PSE. The most common funding sources are current income, savings and loans (including borrowing from retirement funds).

A number of Canadian sources provide information on funding accessed by students. The most common sources of funding for students are family support, student loans, part-time jobs and savings.

We did not find any studies that outlined strategies or funding sources used by parents of students who are currently enrolled. One study describes *planned* strategies of parents whose children are not yet in PSE. This information is valuable for identifying savings behaviours. However, parents' expectations may not be realistic; for example, many parents are not aware of the parental contributions required under student loan programs.

Indirect evidence suggests that some parents may not be in a position to meet parental contribution expectations under student assistance programs. Such evidence includes declining family net worth, a lack of PSE family savings, reliance on part-time employment by students and increasing use of private student loans. However, the extent of family shortfall is an empirical question that can be answered only with the collection of new data.

2.3 RECOMMENDED FUTURE RESEARCH ON FUNDING STRATEGIES

Those responsible for student aid programs must be aware of the full range of strategies that students and their families employ to finance PSE and how their choice of strategies may change over time. Student aid programs should collect and maintain current information on how PSE costs are managed.

There are no up-to-date Canadian studies that report:

1. Funding strategies (from past, present and future income) used by students:
 - by family SES (in the case of dependent students)
 - by student aid category (dependent at home, dependent away from home, single independent, married and students with dependants)
 - by year.
2. Funding strategies (from past, present and future income) currently used by parents of dependent PSE students:
 - by family SES
 - by year.
3. The extent to which parents are meeting PSE contribution expectations, or students are reducing expenditures, working or borrowing funds to replace parental funding.
4. The extent to which students are working to cover costs not funded because of limits under student aid programs, and the relationship between work requirements and (i) time to completion and (ii) PSE persistence (dropping out before completion).

Families who earn less than \$50,000 probably cannot afford to contribute significant amounts toward PSE costs. In fact, at this income level, government programs do not expect any contribution and provide the maximum amount of aid. If a student's parents earn more than \$100,000, it is unlikely that his or her access to PSE is threatened by

the absence of government support, although little is known about the financing strategies used by these parents. Governments expect quite onerous parental contributions from middle-income families.

Important research questions include:

- Are parents contributing the amounts governments expect them to contribute, based on their income? To determine this, actual parental contributions could be compared to expected contributions under Canada Student Loan criteria.
- What strategies do parents use to help finance their children's PSE? Such strategies might include:
 - educational savings
 - paying off a mortgage to free up cash flow (a pay-as-you-go strategy)
 - deferral of major consumer expenditures
 - using other savings, such as RRSP funds
 - working more hours
 - delaying retirement
 - debt, including bank loans and lines of credit.

Should it be determined that parents are not contributing the amounts expected under student assistance programs, further research on the reasonableness of expected parental contribution levels may be appropriate. Such research could consider the discretionary income that families have at their disposal after deducting allowances for taxes, living costs and retirement. Issues surrounding parental contribution levels are detailed in research by Hemingway (2003).

It may be possible to retrieve some student funding strategy information from existing surveys (see Appendix B). The Canadian Undergraduate Survey Consortium's *Graduating Student Survey 2003* and the *Survey of University Students 2002* collected data on students' funding strategies as well as their age, marital status and whether they were living at home or away from home while studying. Information on student funding strategies using student aid category

proxies could perhaps be extracted from these databases.

Results from the *Postsecondary Education Participation Survey* (PEPS) conducted by Statistics Canada in 2002 were released in 2003. This survey provides information on selected student and parent funding strategies, including the types of savings vehicles parents used and their reasons for not saving, if applicable. The survey's information on parental occupation and education may allow researchers to generate funding strategy information on an SES-proxy basis. However, available data from the survey is likely to limit the ability of researchers to sort responses by student aid category.

With the cooperation of the Canadian Undergraduate Survey Consortium (CUSC), a further analysis of data from the CUSC *Graduating Student Survey 2003* and the *Survey of University Students 2002* could be undertaken. Additional information on funding strategies from the PEPS database could similarly be retrieved. Statistics Canada will soon begin negotiating the design of reports from the PEPS survey database; these should be of interest to the Foundation.

However, none of these sources provides data on parental financing strategies per se. Therefore, given the immediate need for knowledge of how Canadian families are coping with the rising costs of PSE, we recommend that the Foundation take action now to develop a survey instrument that would generate information on student and family PSE financing strategies. While it is possible for the Foundation to design and implement a major funding strategy survey it may want to consult with other stakeholders on future annual surveys in this area. In designing such a survey, the Foundation should also consider the additional information it can extract from the CUSC and PEPS studies.

CHAPTER 3 — WHAT ARE THE TRENDS IN LEVELS OF FAMILY DEBT RELATED TO POST-SECONDARY EDUCATION?

To answer this question, one must know the following information:

- total student debt upon graduation or withdrawal from study (net of remission payable)
- total parental debt associated with post-secondary costs, at the time of graduation or withdrawal of all students in the family
- public and private components of student' debt (government loans, bank loans, parental loans, credit card debt).

For policy analysis purposes, this information should be broken down:

- by SES quartile
- by student assistance category (dependent at home, dependent away from home, single independent, married, student with dependants)
- by type of institution/program attended (college, technical school, university undergraduate, graduate or professional program) – in order to calculate debt/income ratios.

3.1 WHAT DO WE KNOW ABOUT TRENDS IN PSE-RELATED DEBT?

3.1.1 In the United States

The College Board Report *Trends in Student Aid 2002* shows that amounts borrowed under the Federal Family Education Loan program increased from \$19.3 billion in 1995/96 to \$29.9 billion in 2001/02. During the same period, loans under the direct loan program increased from \$8.4 billion to \$11.4 billion and private sector loans increased from \$1.1 billion to \$5.0 billion. The College Board indicates that the demand for alternate sources of credit financing is growing and is likely to continue to grow as long as existing federal borrowing ceilings remain in place.

The U.S. Department of Education (2000) attributes the growth in loan funds in part to the Reauthorization of 1992, which changed loan eligibility. Some of the changes were as follows:

- Loan limits were increased.
- Need analysis was relaxed, resulting in more aid for dependent students.
- Some independent students were offered loans rather than grants.
- Dependent students were offered unsubsidized loans.

Student Debt

The following tables show the increase in students' debt loads from 1992 to 2000 (Table 3.1) and of Bachelor degree recipients by dependency status and family income (Table 3.2) (American Council on Education (ACE) 2001). The data show significant increases in both the percentage of students who borrowed and in the amounts they borrowed. The ACE Brief is based on data from the National Postsecondary Student Aid Study and addresses a number of borrowing issues such as student loan debt, the growth of private loans and the use of credit cards.

Trends noted in the ACE Report include:

- The most dramatic growth in borrowing has been by dependent bachelor degree recipients from families with incomes of \$100,000 or more. Unsubsidized loans have become very common in this group.
- In 1999/2000, 23 per cent of professional students took out private loans, including 13 per cent at public institutions (with a median loan of \$7,700) and 31 per cent at private institutions (with a median loan of \$9,700).
- Eighty per cent of dependent undergraduate students had at least one credit card.

TABLE 3.1: CUMULATIVE AMOUNT OF FEDERAL STUDENT LOANS BORROWED BY DEGREE RECIPIENTS IN THE 1990S

PROGRAM AND INSTITUTION TYPE	1992/93		1995/96		1999/00	
	% WHO BOR-ROWED	\$ MEDIAN AMOUNT BORROWED	% WHO BOR-ROWED	\$ MEDIAN AMOUNT BORROWED	% WHO BOR-ROWED	\$ MEDIAN AMOUNT BORROWED
Certificate						
Public community college	14.1	3,302	26.0	3,153	22.7	4,610
For-profit institution	50.1	2,634	66.1	4,170	73.8	6,364
Associate degree						
Public community college	22.8	2,996	24.2	4,530	27.9	5,194
Bachelor's Degree						
Public College or University	38.1	6,449	52.4	10,342	59.6	15,375
Private College or University	45.5	9,793	55.4	13,983	66.5	17,250
Master's Degree						
Public University	33.8	8,502	55.5	12,496	54.2	17,341
Private University	39.0	9,343	54.4	19,213	59.1	24,409
Doctoral Degree						
All institutions	45.0	11,191	34.0	14,084	50.0	24,078
Professional Degree						
Public University	72.2	20,884	80.2	47,183	87.0	61,417
Private University	75.1	26,813	74.5	54,214	83.3	73,533

Notes: Figures have not been adjusted for inflation and reflect cumulative student loan borrowing as of the year indicated. For graduate students, this includes debt incurred as an undergraduate.

Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Studies: 1992/93, 1995/96, and 1999/2000 as cited in ACE 2001.

TABLE 3.2: CUMULATIVE AMOUNT OF FEDERAL STUDENT LOANS BORROWED BY BACHELOR'S DEGREE RECIPIENTS DURING THE 1990S, BY STUDENT DEPENDENCY STATUS AND FAMILY INCOME

DEPENDENCY STATUS AND FAMILY INCOME	1992/93		1995/96		1999/00	
	% WHO BORROWED	\$ MEDIAN AMOUNT BORROWED	% WHO BORROWED	\$ MEDIAN AMOUNT BORROWED	% WHO BORROWED	\$ MEDIAN AMOUNT BORROWED
Dependent Students						
Less than \$30,000	66.2	9,008	71.0	12,266	70.0	15,402
\$30,000 to \$49,999	48.7	8,020	63.7	11,981	59.5	17,072
\$50,000 to \$69,999	25.6	6,237	42.6	11,130	63.9	16,748
\$70,000 to \$99,999	23.3	7,663	35.2	10,147	58.3	16,326
\$100,000 or more	8.2	4,097	17.9	8,248	44.3	15,267
Independent Students						
Less than \$20,000	56.5	8,115	68.3	12,142	75.0	18,113
\$20,000 to \$49,999	44.4	7,304	55.3	10,990	63.1	14,957
\$50,000 or more	30.5	4,973	41.9	7,907	44.9	10,513

Note: Figures have not been adjusted for inflation.
Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Studies: 1992/93, 1995/96 and 1999/2000 as cited in ACE 2001.

While median debt levels may not be problematic, there may be categories of students for whom debt is a problem. King and Bannon (2002) report that 39 per cent of student borrowers graduate with unmanageable debt levels, defined as debt requiring monthly payments greater than eight per cent of monthly income.² Fifty-five per cent of African American and 58 per cent of Hispanic student borrowers graduated with unmanageable debt levels.

Parent Debt

According to Stringer et al. (1998), of those parents who borrowed to cover PSE costs, the average amount borrowed increased from about \$9,000 in 1992/93 to \$14,000 in 1997/98, an increase of more than 50 per cent in five years. Our literature review did not find a more recent estimate of parental debt.

3.1.2 In Canada Student debt

As a result of fiscal restraint in Canada during the 1990s, tuition rose significantly, loan limits were increased and jurisdictions moved away from grant programs and toward increased loans. Debt increased as a result, giving rise to concerns about graduates' ability to repay loans.

Over the past several years, a number of jurisdictions have examined student financing sources and debt levels. (The results of these studies are summarized in Appendix A.) We found many Canadian studies on student debt, but none that discussed parents' debt arising from their children's PSE. Nevertheless, the evidence suggests that university debt is increasing – in some jurisdictions more than others. By the time they graduate, many students now have debt from private loans as well as government loans. This may signal

² In the United States, debt payments in excess of eight per cent of income are considered a problem.

increasing unmet need under government assistance programs or an inability or unwillingness on the part of parents to contribute as expected. The average debt of Canadian university graduates who borrow appears to be in the range of \$20,000–21,000. These average debt levels are useful as indicators, but the debt levels of the highest-need students, which are not reported, could be problematic.

Parent debt

No data or studies were found that documented the PSE-related debt of Canadian parents.

3.2 DATA GAPS RELATING TO DEBT OF CANADIAN STUDENTS AND PARENTS

There is no up-to-date Canadian data source that describes:

1. Comprehensive graduate debt information for university and college students:
 - by student SES
 - by student assistance category (dependent at home, dependent away from home, single independent, married, student with dependants)
 - by institution/program (for debt-to-income ratios) — some information is available for university graduates
 - by debt components (government loans, bank loans, family loans, credit cards)
 - by year.
2. Information on parental PSE-related debt.

3.3 RECOMMENDED FUTURE RESEARCH ON TRENDS IN FAMILY DEBT RELATED TO PSE

PSE cost increases and the movement from grants to loans that occurred in the mid-1990s are now reflected in Canadian graduates' rising debt levels. Graduate debt is a useful indicator of student assistance program effectiveness, both in terms of the adequacy of student loan amounts and the family income limits governing eligibility for student loans.

PSE debt levels are often discussed in terms of averages; however, averages can mask problems at the high end of the debt spectrum. We know, for example, that students who must move to attend a four-year program can expect to pay up to \$20,000 more than those who can remain at home while studying. Mature students with dependants also face higher-than-average costs. It is important to know the extent to which debt aversion affects levels and patterns of PSE participation and whether debt at the high end of the spectrum can be serviced by graduates without undue hardship.

It may be possible to extract additional debt information from existing studies (see Appendix A). The CUSC *Graduating Student Survey* (2003) captured data on university graduates' debt levels by program of study, as well as the components of their debt. Information on age, marital status, home community and living arrangements may also permit researchers to compile debt information using proxies for student aid categories. It may be possible to extract similar information on students in their final year from the CUSC *Survey of Undergraduate University Students* (2002) study.

Statistics Canada's *Post-secondary Education Participation Survey* (PEPS) has collected data on total debt load on graduation, the public and private components

of total debt, and whether the student was living at home or away from home while in school.

Those involved in student aid policy must be aware of current graduate debt levels and trends and their impact on access. We need to understand the links between students' and parents' finances. Key questions include the following:

- What is the level of graduate debt? Of parental debt?
- How do attitudes toward debt (debt aversion) vary for different population groups? Does debt aversion prevent certain groups from participating in PSE?
- What are the public and private components of student debt?
- How do the debt levels of students who received student loans compared to those of students who did not?
- What are parents actually contributing? To what extent does student debt reflect parents' inability to pay rather than their unwillingness to pay?
- What is the relationship between ability to pay and stage of PSE – for example, do parents use up all their available resources during the first year or two of PSE?
- How do student and parental debt levels vary according to the number of children in a family pursuing PSE?

Information on the frequency of parental borrowing would be captured as part of the recommended parental funding strategy survey.

CHAPTER 4 — HAVE RISING COSTS CHANGED POST-SECONDARY PARTICIPATION PATTERNS?

To answer this question, we need up-to-date information on the entrance, persistence and graduation rates of full-time college and university students:

- by student assistance category (dependent at home, dependent away from home, single independent, married, student with dependants)
- by time taken to complete the program
- by year.

We also need to know:

- Why some students who are qualified for university choose to attend college rather than university.
- How much need is unmet under student assistance programs. The effectiveness of student aid programs could be assessed by considering assistance limits as a percentage of total approved costs.
- Why some recent high school graduates who meet post-secondary academic qualifications choose not to pursue PSE.

4.1 WHAT DO WE KNOW ABOUT PSE PARTICIPATION PATTERNS?

4.1.1 In the United States

Between 1979 and 1997, college participation rates for low-income students increased by 8.6 per cent, compared to 15.8 per cent for students in the second income quartile, 14.4 per cent for those in the third income quartile and 21.5 per cent for those in the top income quartile. In other words, the participation gap widened during this period.

The National Center for Public Policy and Higher Education (2002) indicates that the share of family income needed to pay for post-secondary education has increased. It also suggests that debt may deter prospective students from low-income families and those who would be the first in their families to attend college. Peter D. Hart Research Associates Inc. (2000) reports that a significant majority of Americans feel that a college education is getting out of reach for many. This view is echoed by Immerwahr (2002) who concludes that many American parents are concerned that rising prices are threatening access to post-secondary study. Heller (1997) found that low-income students were more sensitive to changes in tuition and that community college students were more sensitive to tuition and aid changes than four-year college and university students.

Choice of Post-Secondary Institution

Akerhielm et al. (1998) conclude that low-income students are less likely than higher-income students to attend four-year schools, even among high-test-score students. Choy (1999) draws a similar conclusion, but notes that one reason for this is that some low-income students may be less prepared academically. Both studies indicate that low-income students are more likely to be deterred because of higher levels of unmet need. A key finding of King (2002) is that low-income students generally do not opt for less expensive schools (on an annual basis) but they are more likely to choose shorter programs (two years or less).

The Advisory Committee on Student Financial Assistance (2001) concludes that low-income students adopt a variety of strategies, including institutional selection, to deal with unmet need. They found that about 47 per cent of students from the lowest-income families attended two-year public institutions, whereas such institutions attracted only 8.6 per cent of students from families earning over \$100,000. Similarly, 66.9 per cent of highly and very highly qualified high school graduates from high-income families enrolled in four-year programs, but only 47.1 per cent of highly and very highly qualified students from low-income families did so.

Persistence

Choy (2000) reviews the relationship between low-income status and persistence and concludes that low-income students who began their studies in 1995 were less likely than their higher-income counterparts to have earned a degree or certificate or to still be enrolled in 1998. NASFAA and the College Board (2002) document significant numbers of low-income students who have unmet need and who must therefore work or incur additional private loans to meet all costs of attendance. King (2002) points out that low-income first-year students have more than three times the unmet need of other students. The Advisory Committee on Student Financial Assistance (2001) concludes:

in response to these excessive levels of unmet need, low-income students frequently must abandon plans of full-time, on-campus attendance, and attend part-time, work long hours, and borrow heavily. Although motivated by rational financial considerations, students make choices that lower the probability of their persistence and degree completion significantly.

Baum and Saunders (1998) conclude that the debt resulting from high financial need at

the undergraduate level can have an impact on decisions about graduate studies. In the 1997 National Student Loan Survey, 43 per cent of those students who did not proceed to graduate school said that undergraduate debt was an extremely or very important reason preventing them from doing so.

Non-Attendance

The Advisory Committee on Student Financial Assistance (2002) argues that record-high financial barriers prevent 48 per cent of college-qualified, low-income high school graduates from attending a four-year college and 22 per cent from attending any college at all in the two years following high school graduation.

4.1.2 In Canada

As Clark (2000) explains, full-time university enrolment grew by 35 per cent in the 1980s, reached a maximum in 1994, and then leveled off for the rest of the decade. The past few years have seen a return of enrolment increases (Statistics Canada, *The Daily*, April 17, 2003).

According to Junor and Usher (2002), there is no observable relationship between tuition and overall participation rates, but the characteristics of those attending PSE may have changed. Bouchard and Zhao (2000) describe an increasing gap in the university participation rate between low-income and middle-income students that occurred from 1986 to 1994. These groups were less than one percentage point apart in 1986, but by 1994, the rate for middle-income students was seven percentage points higher. This difference arose about the same time that tuition began to increase and grant programs began to disappear in favour of loan programs. Statistics Canada's *Survey of Labour and Income Dynamics*, cited by Junor and Usher (2002), shows that between 1993 and 1998 the university participation rate of students from the highest income quartile (39 per cent) was about twice that of the lowest income

quartile (19 per cent). College participation rates, on the other hand, were about equal for all income groups during the same period.

Acumen Research Group (2001) documented an increase in the percentage of low-income applicants (those with family incomes under \$30,000) to universities in Ontario in 2001. However, the Council of Ontario Universities (2003) reports that a follow-up study by Acumen Research in 2002 shows that applicants from low-income households declined from the previous year, while applicants from high-income families increased from 18.5 per cent to 23.3 per cent.

Choice of Post-Secondary Institution

According to Bowlby and McMullen (2002), the *1999 Youth in Transition Survey* shows that two-thirds of high school graduates aspired to completing some type of university degree program; about one-quarter aspired to completing a college or trade qualification. But aspirations did not translate into enrolment patterns. As of December 1999, 52 per cent were continuing in PSE, with close to half in college or CEGEP, one third in university and the rest in other institutions, such as technical schools, trade schools, university colleges and private business or training schools. Overall, about 46 per cent of 18- to 20-year-olds reported barriers to continuing their education as far as they would like. Of this number, two-thirds cited financial barriers.

College programs seem to be growing more popular with rural students, perhaps because of the lower tuition and the possibility of studying closer to home. Ipsos Reid (2001) reports that lower tuition fees were the third most important reason for high school students to choose college over university in Alberta. According to Alberta Advanced Education and Career Development's *1995 High School Survey*, rural students were less likely than urban students to continue their education after high school; 58 per cent of

rural students chose colleges and technical institutes, compared to 32 per cent of Edmonton respondents and 27 per cent of Calgary respondents. Respondents enrolled in colleges and technical institutes were more likely to indicate that lower tuition influenced their choice of institution. Rural respondents were also more likely to rely on student loans (33 per cent) than their urban counterparts in Edmonton (27 per cent) or Calgary (19 per cent). Butlin (1999) reports that urban high school students are more likely to enter university and less likely to enter college than their rural counterparts.

Cartwright and Allen (2002) found that students from rural areas were more likely than urban students to come from families with lower socio-economic backgrounds. Frenette (2002) demonstrates that high school students who lived beyond commuting distance from a university were less likely to attend than those living within commuting distance. Students from low-income families who lived within commuting distance were 4.4 times more likely to attend than those living beyond commuting distance.

Persistence

The need to work part-time in order to meet educational costs may increase the likelihood that a student will not complete his or her program of study. Unmet need is an issue. According to Hemingway (2003), costs have exceeded assistance limits in some jurisdictions, resulting in unmet need for certain student groups. Students who have to move away from home to study can face annual costs of \$14,000 to \$15,000 – about \$5,000 above assistance limits in some jurisdictions. Human Resources Development Canada (1997) indicates that assessed need frequently exceeded loan limits in 1996/97. EKOS Research Associates (2003) reports that one-third of students with government loans also have supplemental private loans (averaging \$9,100).

Lack of sufficient finances is a concern. CUSC (2001) reports that almost 80 per cent of first-year students were concerned about having enough funds to complete their studies; almost 30 per cent were very concerned. CUSC (2002) reports that 70 per cent of all undergraduate students were concerned about having sufficient funds to complete their education and that the loss of any one source of funds could prevent them from completing post-secondary study; 28 per cent were very concerned that they might not have enough funds to graduate. Malatest & Associates Ltd. (2003) similarly notes that about 67 per cent of college students are concerned about having sufficient funds to complete their program.

There is evidence that some students drop out of PSE due to a lack of finances. Foley (2001) reports that 8.8 per cent of PSE leavers surveyed cited finances as their most important reason for dropping out.

Financial need may cause other students to slow down their studies, delay their time to graduation. Some 41 per cent of full-time students surveyed by EKOS Research Associates (2003) reported that they could

complete their studies faster if they did not have to work. CUSC (2000 – revised February 2001) reports that about 20 per cent of university graduating students had interrupted their studies for employment, financial and other reasons.

Non-Attendance

Cogem Research Inc. (2001) reports that a number of individuals do not attend PSE because they lack sufficient funds. Others do not attend because they believe the costs of PSE (financial and otherwise) outweigh the benefits. Foley (2001) reports similar findings: 26.4 per cent of those who never participated in PSE cited insufficient funding as a reason – more cited than any other reason. Could this lack of funds partly reflect insufficient parental funds for PSE?

The cost of living away from home is a barrier for some. In an Ipsos Reid survey (2000), 26 per cent of high school students who did not go on to further education cited the cost of moving away as a reason for their choice.

Table 4.1 summarizes recent studies that show the extent to which financial considerations determine students' decisions not to go on to PSE.

TABLE 4.1: PERCENTAGE OF STUDENTS WHO DO NOT ATTEND PSE WHO INDICATE FINANCIAL REASONS FOR NON-ATTENDANCE

SURVEY	% OF STUDENTS NOT PLANNING TO ATTEND PSE WHO LIST FINANCIAL REASONS
Expectations and Outcomes: A Follow-Up to the April 1998 Survey of PEI Grade 12 Students	17.2
Accessibility to Post-Secondary Education in the Maritimes – Maritime Provinces Higher Education Commission	40.0
On the Road to Success: The Report of the Follow-Up of 1995 and 1996 High School Graduates – Newfoundland.	18.7
1996 Alberta High School Graduate Survey	38.0
1995 High School Survey – Final Report Alberta	7.4
Ipsos Reid Survey of Alberta High School Students 2000	40
Foley (2001) Why Stop After High School?	26.4
Youth in Transition Survey (2002)	36.8

4.2 SUMMARY OF FINDINGS

We can draw certain general conclusions, applicable to both Canada and the U.S., from the available data:

- The participation gap between low-income and middle-income students widened in the university sector in the mid-1990s.
- There is evidence to indicate that low-income students are more sensitive to changes in the net price of post-secondary education.³
- A significant minority of students indicate that they do not pursue further study due to financial considerations.
- Unmet need is an issue for low-income students. Some jurisdictions in Canada have data on unmet need; others do not.⁴
- There is evidence that students reduce their class loads in order to earn needed funding through part-time employment, thus increasing the time required to graduate.
- There is evidence that a number of students interrupt their studies or drop out of PSE due to a lack of finances.
- There is evidence that rural and low-income students may be opting for shorter programs in the college and technical sectors, in part because of lower cost.

4.3 DATA GAPS RELATING TO FINANCIAL CONSIDERATIONS AND PARTICIPATION PATTERNS

There are no up-to-date Canadian data that show:

1. College and university entrance, persistence and graduation rates:
 - by SES
 - by student assistance category
 - by time taken to complete
 - by year.
2. Reasons that university-qualified students choose college:
 - by SES
 - by year.
3. Reasons that post-secondary-qualified high school graduates do not continue their education beyond high school:
 - by SES
 - by year.
4. Unmet need of student assistance recipients:
 - by SES
 - by year.

³ Total cost, minus available student and family aid.

⁴ The degree to which student costs exceed available aid can easily be calculated by comparing each jurisdiction's maximum aid level to the CSL-approved education and living costs for various student categories.

4.4 RECOMMENDED FUTURE RESEARCH ON PSE FINANCES AND PARTICIPATION

The objective of student aid programs is to ensure, as far as possible, that no student is denied access to PSE because of lack of finances. For the sake of equity, those developing student aid policy must be aware of the characteristics of students entering PSE each year.

A number of students leave post-secondary study before graduation, some with significant debt. Students may leave for academic or social reasons. Financial considerations, including actual or potential debt load, can also play a part in some students' decisions. To the extent that otherwise capable students are prevented from completing PSE, society suffers from a loss of human capital. If students choose programs on the basis of affordability rather than academic fit, this can also diminish human capital. Finally, to the extent that students access student aid programs but do not graduate with the benefits of certification, public funds have not been well spent.

For some student categories, student assistance programs have approved attendance costs in excess of available aid. The frequency and amount of unmet need should be measured annually, by SES, as a means of monitoring the effectiveness of student aid programs.

The concept of unmet need also applies to students who, because of family income levels, are ineligible for government-sponsored assistance. The question here is whether the criteria used to assess parents' ability to pay are realistic; there is also the question of parents' willingness to pay. Are some students being made to forego PSE because they lack adequate parental support?

In the short term, existing databases may provide information on participation patterns (see Appendix B). The *Youth in Transition Survey* has captured data on high school

achievement, parental occupation and education, and participation in university or college. Researchers may be able to retrieve further information from this survey (by SES proxy) on persistence, completion time, the choice of college over university by those who are qualified for university, and non-attendance by those who are qualified for college or university.

The CUSC surveys of 2000, 2002 and 2003 have collected the reasons (including financial reasons) given by university students for interrupting their studies. It may be possible to examine this group of students more closely to see whether patterns emerge with respect to age, marital status or total indebtedness.

The *Postsecondary Education Participation Survey* has captured data on parents' SES (education and occupation proxies) as well as students' high school grade-point averages, type of school, and reasons for non-attendance. The PEPS has also asked students who dropped out of post-secondary programs why they did so. Students were also asked what difference additional funding would have made in their choice of institution and program.

Looking to the future, information on participation patterns should be collected using survey instruments in the following areas:

- Annual high school graduate surveys would provide valuable information on the characteristics of PSE non-attendees and delayers, including their SES and reasons for not attending.
- Annual first-year student surveys would provide the most up-to-date PSE participation information for trend analysis, addressing entering students' SES, student aid category and reason for choosing college or university.

- Persistence and graduation rates should be monitored annually. Students who drop out of PSE should be asked why they are not continuing. They should also be asked about their SES, debt load and student aid category. Graduates should be asked about their SES, student assistance category and the time they took to complete their program.

Researchers could use cost and resource information from jurisdictional need assessment databases to monitor the frequency and amount of student unmet need according to SES. As most jurisdictions do not generate data on unmet need, researchers may have to develop additional programming to extract this information. Rather than approaching each jurisdiction separately, researchers could arrange for CSL assessment records to capture such information. This would lead to nationwide annual reports on unmet need for policy review purposes.

As with the issues of funding strategies and debt, the YITS, CUSC and PEPS databases could be further analyzed.

For the longer term, researchers should begin to consult stakeholders with respect to the design and methodology of annual surveys of high school graduates, first-year PSE students, PSE leavers and PSE graduates.

Because of the need to negotiate with federal, provincial and territorial governments, it may be some time before meaningful data on unmet need is produced. An alternative approach would be to include questions on unmet need in PSE participation surveys. It is important that parents be included in such surveys – in order to determine both the extent to which unmet need reflects parents' inability to contribute expected amounts and how parental ability to pay varies by family characteristics and stage of PSE. The advantage of this approach is that students who do not receive student aid would also be included for research purposes.

CHAPTER 5 — NEXT STEPS AND FUTURE RESEARCH

This report has suggested a number of possibilities for future research. The following section summarizes the recommended work.

5.1 MEDIUM TERM

As noted earlier in this report, it should be possible to retrieve selected data on student funding sources, debt and participation patterns from new databases that have recently become available (see Appendix B). As of the date of this report, the Foundation has retrieved additional information from the EKOS Research Associates (2003) database on funding strategies and graduate debt, by student aid category, type of program and SES. Over the next few months, the Foundation could begin analyzing other databases, as follows:

- The CUSC 2000, 2002 and 2003 surveys should be examined and data on funding strategies, graduate debt levels and reasons

for interrupting study should be extracted using proxies for student aid categories.

- Statistics Canada's *Postsecondary Education Participation Survey* (PEPS) should be examined. Data on funding strategies, graduate debt and reasons for leaving PSE should be extracted from PEPS by SES proxy. While PEPS will not have a public use data file, the PEPS database will be available for special tabulations by Statistics Canada.
- Statistics Canada's *Youth in Transition Survey* (YITS) should be examined; data on persistence, choice of college over university, and non-attendance should be extracted by SES proxy.

5.2 LONGER TERM

The Foundation should initiate discussion among student aid stakeholders with a view toward developing and administering annual student aid surveys as follows:

- A high school graduates survey, designed to determine the characteristics of PSE non-attendees by SES and reason for non-attendance.
- A first-year PSE student survey, designed to determine the characteristics of entering PSE students by CSL category and their reasons for choosing college or university.
- A PSE student and parent survey, designed to determine:
 - student and parent funding strategies by family SES and student aid category
 - characteristics of students who work part-time

– reasons for borrowing from private sources

– persistence

– actual vs. expected parental contributions.

- A graduating student survey, designed to determine:
 - graduate debt
 - characteristics of students in the top debt quartile
 - public and private components of total debt
 - the degree to which the debt-to-earnings ratio is manageable.
- Federal-provincial student aid program surveys, designed to determine the frequency and amount of unmet need under student aid programs.

5.3 LOOKING TO THE FUTURE

Canadian student assistance programs operate in a complex environment involving a number of players. The Canada Student Loans Program, provincial and territorial governments, the Canada Millennium Scholarship Foundation and educational institutions all provide aid in one form or another.

There is a lack of nationally comparable data on the impact of PSE costs on students and their families. Student aid providers, as well as Statistics Canada and other interested parties, have periodically undertaken research, but these organizations have not collaborated or co-ordinated in designing their research. Improved research collaboration and partnerships would increase the value of these research efforts. Student aid agencies in Canada share the common goal of ensuring that financial barriers do not exclude capable students from participating in and completing PSE. Agencies must work to agree on the use of common datasets and definitions and to develop indicators to measure progress towards program goals. By integrating their research and data collection efforts, agencies in all jurisdictions could improve their research capabilities, enabling them to make more informed decisions about the design of their programs.

The U.S. National Postsecondary Student Aid Study (NPSAS) provides a promising model for research coordination. The NPSAS is sponsored by the National Center for Education Statistics. Its purpose is to identify how students and their families finance post-secondary education and to describe demographic and other characteristics of PSE students. It is based on a representative sample of college and university undergraduate, graduate and professional students in all types of institutions. It also addresses policy questions related to participation in PSE. NPSAS surveys gather information on PSE costs, aid distribution and the characteristics

of students – those who receive aid as well as those who do not. The NPSAS conducts longitudinal studies on particular student sub-populations, such as first-year post-secondary students. It also reviews issues such as persistence, the need for part-time work and the effects of financial aid. It develops profiles of undergraduates in PSE and reports on undergraduate, graduate and professional education financing.

The NPSAS's components include student institutional records, student and parent surveys, financial assistance records and graduate surveys.

Canadian research on PSE issues could benefit from a research coordination model similar to the NPSAS. Researchers could begin such work by defining common research program goals and priorities, developing common datasets and definitions, and selecting indicators to measure progress and provide early warnings of developing problems. Statistics Canada's Enhanced Student Information System (ESIS) project may serve as a good starting point, beginning to link related student assistance databases in order to improve information on student SES, access, persistence and debt.

Under this model, partners could share their research proposals before implementing them, in order to get input on issues such as survey design and content. To begin with, one of the existing research partners could perform the coordinating role. At some point, a third-party agency, jointly supervised by the research partners, might be retained to perform this function and perhaps manage research projects as well. Figure 5.1 illustrates such a model.

To the extent that PSE programs will continue to aim for access and affordability, the following indicators could help measure progress towards these goals. Ideally, they should be tracked on an annual basis:

FIGURE 5.1: RESEARCH PARTNERSHIP AND COORDINATION**Access indicators**

- High school graduation rates, by family income quartile.
- College and university qualifications, by family income quartile.
- College and university entrance rates, by family income quartile.
- College and university persistence rates, by family income quartile.
- College and university graduation rates, by family income quartile.
- Reasons for attending PSE – college and university.
- Reasons for not attending PSE.
- Awareness of financial aid, by family income quartile.
- Debt upon graduation, by program.
- Debt-to-income ratio – a debt-to-average-starting-salary ratio using both average debt load upon graduation and maximum range debt load upon graduation.
- Cost of attendance as a percentage of family income, by income quartile.
- Distribution of education tax credits, by family income quartile.

Student aid amounts and types of benefits in Canada are structured to some degree around the following student aid categories:

- dependent living at home
- dependent living away from home
- single independent – at home or away
- married
- students with dependants.

Affordability indicators

- Assistance levels as a percentage of approved post-secondary costs, by student aid category.
- Incidence of unmet need, by student aid category.

It would be helpful if future student aid surveys were designed to permit responses to be grouped into the above categories. Researchers could then use the results to show policymakers how benefits should be modified for the various categories of student aid recipients.

5.4 A FINAL WORD ON RESEARCH RESOURCES

Significant resources are directed towards the study of student assistance and its impact on access in Canada each year. While this report has recommended that a number of additional studies and surveys be undertaken, such action should not necessarily require additional resources. If the various parties put more effort into coordinating research activity and design, the removal of overlap and duplication could more than compensate for the cost of implementing the recommendations put forward in this report.

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APPENDIX A — A SYNOPSIS OF CANADIAN RESEARCH ON PSE FINANCING

National Studies

The Canada Student Loans Program's *Review of the Government of Canada's Student Financial Assistance Programs 1998–99* estimates that the average debt of students with loans was \$13,056 in 1997/98. This estimate is of limited use because it is somewhat dated and it includes students in all programs of study (college, university, graduate and professional) as well as those who left PSE before graduation.

The Canadian Undergraduate Survey Consortium (2002) found that:

- Some 51 per cent of university undergraduate respondents had so far accumulated some debt in their undergraduate studies. One in three had a government student loan, one-fifth had borrowed from parents and one-tenth had loans from financial institutions. (These groups are not mutually exclusive – some had borrowed from more than one source.)
- Those with debt had an average combined debt (from all sources) of about \$13,000. The average student loan debt was over \$12,000; the average family loan debt was over \$7,000 and the average financial institution loan debt was just under \$8,000. This survey did not report graduates' debt, but it did report debt levels by faculty.

The Canadian Undergraduate Survey Consortium (2000) surveyed over 6000 undergraduates who were graduating in 2000. It found that:

- Some 56 per cent of students had debt on graduation.

- On average, those with debt owed just over \$20,000.

This survey did report debt levels by discipline.

EKOS Research Associates (2003) reports that:

- Three in four students incur some type of debt.
- The average debt for all students in all years is about \$12,000.
- Some 44 per cent owe money under government programs, averaging \$13,000.
- Some 65 per cent have at least one credit card; 40 per cent report carrying credit card debt.
- Almost 33 per cent owe money to private sources, averaging just over \$8,000.
- Accumulated debt is highest in Atlantic Canada and Ontario and lowest in Quebec.
- Students living with parents owe much less than those who do not.
- Mature students owe the largest amounts, with average total debt exceeding \$22,000.

Lang Research (2002) reports that about half of university graduates in each region had accumulated debt averaging just over \$21,000 (in 2001 dollars). Among those incurring debt, the average is lowest in Quebec,⁵ while Atlantic Canada and Ontario exceed the national average.

The debt incurred by students in two-year college programs has rarely been studied. Malatest (2003) surveyed students at 16 colleges in 2002 and reports the following debt-related information:

⁵ Student debt may be lower in Quebec as a result of lower tuition costs.

- 38.8 per cent did not anticipate debt on graduation.
- 17.2 per cent anticipated debt under \$5,000.
- 16.2 per cent anticipated debt between \$5,001 and \$10,000.
- 16.5 per cent anticipated debt between \$10,001 and \$20,000.
- 11.4 per cent anticipated debt over \$20,000.
- Students who lived with parents or guardians expected lower levels of debt.
- Students in university transfer programs expected the lowest levels of debt.⁶

According to Junor and Usher (2002) an estimated 10 to 20 per cent of Canadian college and university students borrow funds from private sources, such as banks. Such loans are not based on need and may be an increasing source of funding for those who have unfunded or unmet need or those seeking to supplement or replace parental contributions – as is happening in some cases in the United States. As Junor and Usher indicate, “no central statistics are gathered concerning private lines of credit, and banks do not, as a rule, release information concerning borrowers.”

A study of university student profiles by O’Heron (1997) shows:

- Some 45 per cent come from families whose parents earn under \$50,000.
- About 40 per cent work part-time.
- Some 45 per cent of first-year students live at home.
- Most students who do not live at home nonetheless choose a university close to home.
- Students’ main financing sources are student loans, parents, academic awards, savings and part-time work.
- Over half of students receive help from their families.

- Less than 30 per cent of students receive \$4,000 or more from their families.
- Some 25 per cent receive no parental help.

The Lang Research (2002) meta-analysis indicates the following funding sources for university students:

- 86 per cent employment
- 51 per cent student loans
- 51 per cent family/relatives
- 30 per cent savings
- 25 per cent scholarships.

Bowlby and McMullen (2002) report that results from the Youth in Transition Survey show the following as of December 1999:

- Some 54 per cent of students work part-time.
- Some 43 per cent of university students lived with their parents.
- Post-secondary graduates reported the following income sources:
 - 50.0 per cent non-repayable money from parents/partner
 - 54.5 per cent money from jobs since leaving high school
 - 41.4 per cent personal savings
 - 20.6 per cent scholarships, awards, prizes
 - 35.0 per cent government student loan
 - 12.4 per cent grants, bursaries
 - 7.7 per cent bank loan
 - 5.1 per cent gifts
 - 2.8 per cent loans from parents/family.

The Canadian Undergraduate Survey Consortium (2000) reports the following income sources of university graduates in 2000:

- 57 per cent earnings from summer work
- 51 per cent parents or relatives
- 45 per cent earnings from current employment
- 41 per cent government loan or bursary
- 29 per cent personal savings.

⁶ It is possible that these students came from higher SES families.

The Canadian Undergraduate Survey Consortium (2001) reports the following funding sources of students entering the first year of study at 26 universities in Canada:

- 42 per cent working
- 39 per cent scholarships or other financial awards
- 33 per cent student loans.

Half of the students surveyed lived at home.

The Canadian Undergraduate Survey Consortium (2002) lists the following funding sources used by university undergraduates:

- 54 per cent parents/family/spouse⁷
- 44 per cent earnings from summer work
- 39 per cent personal savings
- 31 per cent scholarship from university
- 31 per cent government loan or bursary
- 31 per cent earnings from current employment
- 19 per cent university bursary.

The survey indicates that 40 per cent of students live at home while studying.

EKOS Research Associates (2003) surveyed a random sample of post-secondary students across the country in 2001/02. These students reported the following funding sources:

- 40 per cent employment (half from summer jobs and half from employment during the school year)
- 15 per cent government loans
- 12 per cent parents (46 per cent indicated they expected family support during the study period; in-kind family support was not considered in the survey)
- 7 per cent private loans
- 5 per cent bursaries
- 5 per cent other family/spouse
- 2 per cent family loans.

Malatest (2003) surveyed students from 16 colleges in 2002. Students reported the following sources of income:

- 52.2 per cent savings
- 45.0 per cent parents
- 32.4 per cent government student loans
- 17.6 per cent grants and bursaries
- 53.9 per cent work.

Provincial Studies

The B.C. Ministry of Advanced Education, Training and Technology reports in *A Macro Analysis of British Columbia Youth* (2001) that:

- A typical graduate of a two-year program in 1998 owed \$10,556 at the time of graduation, an increase of 23.7 per cent since 1994.
- A Bachelor's degree graduate owed \$18,730 at the time of graduation, an increase of 25.7 per cent since 1994.

Ontario's Report of the Investing in Students Task Force (2001), Portals and Pathways, identifies the following:

- The average debt of a university graduate in 1998/99 was \$20,496.
- The average debt of a two-year diploma graduate was \$12,167.
- The average debt of a three-year diploma graduate was \$16,908.

The Report of the Working Group on Accessibility to Post-secondary Education in New Brunswick (2001) indicates that:

- In 1999/2000, the average level of debt for New Brunswick post-secondary graduates with loans was \$16,091.
- The average debt for university graduates was \$25,000.
- The number of Maritime post-secondary graduates with debt over \$30,000 increased from eight to 994 between 1993/94 and 1996/97.

⁷ About one-fifth of students have debt resulting from loans from family or parents.

Krahn and Lowe (1998) reviewed 1994 Alberta graduates' debt loads and financing sources. They found the following:

- Some 57 per cent of graduates reported an average debt of \$15,293.
- Student loan debt averaged \$14,161, with other related debt reported by 18 per cent of graduates, averaging \$7,579.
- Financing sources:
 - part-time work in the final year of study (58 per cent)
 - student loans (52 per cent)
 - other education-related debt – credit cards, relatives, bank loans (18 per cent).

Hawkey and Lee (1999) report that 1996 Baccalaureate graduates from public universities in British Columbia obtained income from the following significant sources:

- student loans (60 per cent)
- parents (33 per cent)
- scholarships (29 per cent).

Two-thirds of graduates had one source of support, while 26 per cent indicated two sources.

Baseline Market Research (1998) examined the debt loads of 1996 university graduates in Atlantic Canada. Their findings include:

- Some 53 per cent of 1996 graduates borrowed funds, compared to 49 per cent of 1995 graduates.
- Among those who borrowed, the average debt was \$16,667 – \$4,000 higher than in 1995.
- Approximately 14 per cent of graduates borrowed an average of \$9,701 from private sources, up from \$7,087. Of this number, 39 per cent borrowed from families and 92 per cent borrowed from financial institutions;
- Some nine per cent borrowed from both government and private sources.

- Financing sources:
 - 90 per cent employment
 - 50 per cent student loans
 - 44 per cent scholarship or bursary
 - 14 per cent private borrowing
 - Some 21 per cent of respondents indicated that their parents or other relatives had assumed the primary responsibility for financing their education.

The Angus Reid Group Inc. (1999), reporting on the *Manitoba Graduates Follow-up Survey* (1999 Edition), indicates that 1997 graduates of seven colleges and universities obtained income from the following sources:

- 78 per cent employment earnings (including summer jobs)
- 70 per cent savings or other personal assets
- 48 per cent family members
- 35 per cent scholarships or bursaries
- 33 per cent government student loans
- 14 per cent bank student loans.

The Angus Reid Group (1997) surveyed graduating high school students, students in post-secondary programs and students who had left post-secondary study before completion. Their report, *Accessibility to Post-Secondary Education in the Maritimes*, indicates the following income sources:

- 43 per cent student loans
- 13 per cent work
- 11 per cent family
- 10 per cent personal savings;
- eight per cent family loans
- three per cent bank loans.

The *B.C. College and Institute Student Outcomes Highlights* (1999) survey asked former college and institute students about the sources of income they had had while they were studying. Former students mentioned the following sources:

- Some 65 per cent indicated that employment during study breaks was very or somewhat important.

- Some 54 per cent said that employment during academic terms was very or somewhat important.
- Some 64 per cent used personal savings.
- Close to half of former students received non-repayable financial support from their families.
- Of those citing loans as important sources of funds, 30 per cent had government student loans, 24 per cent used personal bank or credit cards and 17 per cent said that they borrowed from their families.
- 81 per cent studied in their home community. Approximately 50 per cent received free or subsidized room and board from their families.

A December 1995 survey of recent high school graduates conducted by Alberta Advanced Education and Career Development (1997), reported the following post-secondary financing sources:

- 78.5 per cent parents/family
- 58.6 per cent savings
- 50.4 per cent scholarships
- 31.7 per cent part-time work
- 25.6 per cent student loans
- 11.0 per cent grants/bursaries.

Smith (1999) reports on 520 students from Prince Edward Island high schools who were surveyed before graduation and 17 months after they graduated. The graduates reported these financing sources:

- 46.1 per cent student loans
- 32.2 per cent employment income
- 35.3 per cent family help.

Ipsos Reid (2001) conducted an accessibility survey of 1999/2000 Alberta high school graduates in the fall of 2000. It found that recently enrolled post-secondary students used the following funding sources:

- 70 per cent parents
- 49 per cent personal earnings
- 47 per cent scholarships
- 39 per cent part-time work.

APPENDIX B — RELEVANT DATABASES ON PSE PARTICIPATION AND FINANCING

Enhanced Student Information System (ESIS)

ESIS is the acronym for the *Enhanced Student Information System*. ESIS is the national survey that enables Statistics Canada to publish information on enrolment and graduates of Canadian post-secondary education institutions.

Implemented in 2000, ESIS has begun to replace current post-secondary enrolment and graduate surveys with a single survey. When it is fully implemented, ESIS will capture on an annual basis total enrolment and graduate information for all Canadian post-secondary institutions. To achieve this, Statistics Canada must ask post-secondary institutions for detailed information about the programs and courses they offer. It must also ask about the students themselves and the program(s) and courses in which they were registered or from which they have graduated.

Once all post-secondary education institutions have committed to ESIS, it will become a means of following students throughout their academic careers in order to build a comprehensive picture of student flows – that is, students' mobility and pathways within Canadian post-secondary education institutions. Mobility refers to geographic movement. Pathways refer to movement among fields of study, levels of education and registration status (full-time and part-time). To achieve this level of precision, the ESIS database will include a *unique* longitudinal record for each post-secondary student in Canada. This record will track each student's history as he or she progresses through the education system.

Another fundamental objective of ESIS is to enable researchers to perform statistical studies of student mobility, pathways and their relationship to education and labour market outcomes. To perform such studies, ESIS records could be linked to those included in other databases containing student education and labour market outcome data such as the *National Graduates Survey* (NGS).

ESIS data will also be linked to historical enrolment data from previous surveys (*University Student Information System* (USIS), *Community College Student Information System* (CCSIS) and *Trade Vocational Student Survey* (TVOC)) to maintain the historical continuity of the statistical series.

ESIS is also designed to hold a complete inventory of all Canadian post-secondary educational institutions and the programs and courses they offer. This work has been undertaken mostly through the Institutions and Programs Project (I & P). In addition, ESIS will enable Statistics Canada to develop a sample frame for various student sample surveys.

Survey of Approaches to Educational Planning

The *Survey of Approaches to Educational Planning*, sponsored by Human Resources Development Canada and Statistics Canada, collected information about children's school experiences and parental involvement, including any financial plans that parents have made for their children's education after high school.

The survey asked questions about the following two main components:

- **Financial preparation:** This component includes whether parents set aside savings for children's post-secondary education; parental awareness of the cost of post-secondary schooling; types of savings vehicles; and expectations regarding other means of financing post-secondary studies, including potential demand for student loans.
- **Non-financial preparation:** This component includes, for example, parents communicating their aspirations and expectations concerning participation in post-secondary studies to their children; the extent of parental involvement in children's learning and schooling; attitudes and participation in activities outside of school hours.

All households in the monthly Labour Force Survey that had at least one child aged between zero and 18 years old are part of the sample (approximately 14,000 households).

Postsecondary Education Participation Survey

First results from the *Postsecondary Education Participation Survey* (PEPS) conducted by Statistics Canada in 2002 were released in September 2003. Questions asked in this survey will provide information on student and parent funding strategies (including the type of savings vehicles used by parents and their reasons for not saving, if applicable), high school grade point averages, types of schools enrolled in and reasons for non-attendance or for leaving PSE. The survey also asked about the effect that additional funding would have had on the student's choice of institution and program of study. Information on parental occupation and education from the survey should allow researchers to generate funding strategy information on a SES proxy basis as well. Available survey data will likely limit ability to sort responses by student aid category however.

Youth in Transition Survey

At a Crossroads (2002) provides a descriptive overview of the first results from the 2000 *Youth in Transition Survey* (YITS) for 18- to 20-year-olds in Canada. The YITS, developed through a partnership between Human Resources Development Canada and Statistics Canada, is a longitudinal survey designed to collect a broad range of information on the education and labour market experiences of youth.

This report provides new information on high school dropout rates as of December 1999 and compares high school graduates and dropouts on a number of dimensions, including family background, parental education and occupation, engagement with school, working during high school, peer influence and educational aspirations. This report also provides a first look at pathways followed by young people once they are no longer in high school, including their participation in post-secondary education, employment status, self-assessed skills levels and barriers to post-secondary education.

The *Youth in Transition Survey* (YITS) is a longitudinal survey designed to provide policy-relevant information about school-work transitions and factors influencing pathways. YITS will provide a vehicle for future research and analysis of major transitions in young people's lives, particularly those between education, training and work. Information obtained from, and research based on, the survey will help clarify the nature and causes of short- and long-term challenges young people face in school-work transitions. It will also support policy planning and decision-making to help prevent or remedy these problems.

EKOS Research Associates (2003) Making Ends Meet

This study covered over 1500 students and was designed to capture information on students' education programs, socio-demographic characteristics and education financing strategies. It asked about specific financial areas including student assets, employment, family support, borrowing and debt, and sources and amounts of income and expenditure.

Canadian Undergraduate Survey Consortium

Each year, through the Canadian Undergraduate Survey Consortium, universities across Canada collect data about undergraduate students' experiences, backgrounds and aspirations. The CUSC is organized and managed by Garth Wannan, Director of Housing and Student Life at the University of Manitoba.

The Graduating Student Survey (2000) was administered to over 6,000 students in 22 universities who were expected to graduate at the end of the academic year. This questionnaire asked about education financing and students' satisfaction and perceptions of their university experience as they prepared for the transition to the work force, further education or other post-degree activities.

The First Year Student Survey (2001) was administered to over 7,000 first-year students in 26 universities. This questionnaire collected demographic information, explored reasons why students attend university and why they select a particular program, gauged students' reactions to orientation processes, examined the transition process (including registration) and gathered data about students' financing and perceptions of university life.

The Survey of Undergraduate University Students (2002) was administered to over 12,000 undergraduate students in 30 universities. This questionnaire was designed to learn about students' demographic characteristics, educational plans and goals, finances and reactions to university experiences.

The Graduating Students Survey (2003) was administered to students in 26 universities. This questionnaire was designed to learn about demographic characteristics, satisfaction with the university experience, education financing and plans after graduation.

CUSC also conducted the following surveys:

- 1994 – Student Information Survey
- 1996 – Student Information Survey
- 1997 – Graduating Student Survey
- 1998 – First Year Student Survey
- 1999 – Student Information Survey.