

# Understanding Your Aid:

How a Difficult to Navigate Financial Aid  
System Contributes to the Financial  
Stress Student Face

Canadian Federation of Students

# Student Finances

Sources of stress	TOTAL		ATL	QC	ON	MB/SK	AB	BC	MEN	WOMEN
	2013	2012								
<i>Paying for school</i>	28 %	27 %	32 %	15 %	34 %	20 %	28 %	36 %	21 %	35 %
<i>Achieving academic success</i>	24 %	22 %	18 %	12 %	27 %	28 %	32 %	28 %	18 %	29 %
<i>Finding a job after graduation</i>	24 %	20 %	28 %	12 %	34 %	12 %	28 %	19 %	20 %	28 %



- ‘Paying for school’ continues to be largest source of stress for students

# Financial Assistance

## Tuition Fees

- In 2013-14:
- Average undergraduate tuition ranged from:
  - \$2,644 in NFLD
  - \$7,259 in ON
- National Average: \$5,772
- This year those rose to:
  - \$2,660 in NFLD
  - \$7,868 in ON
- National Average: \$6,191

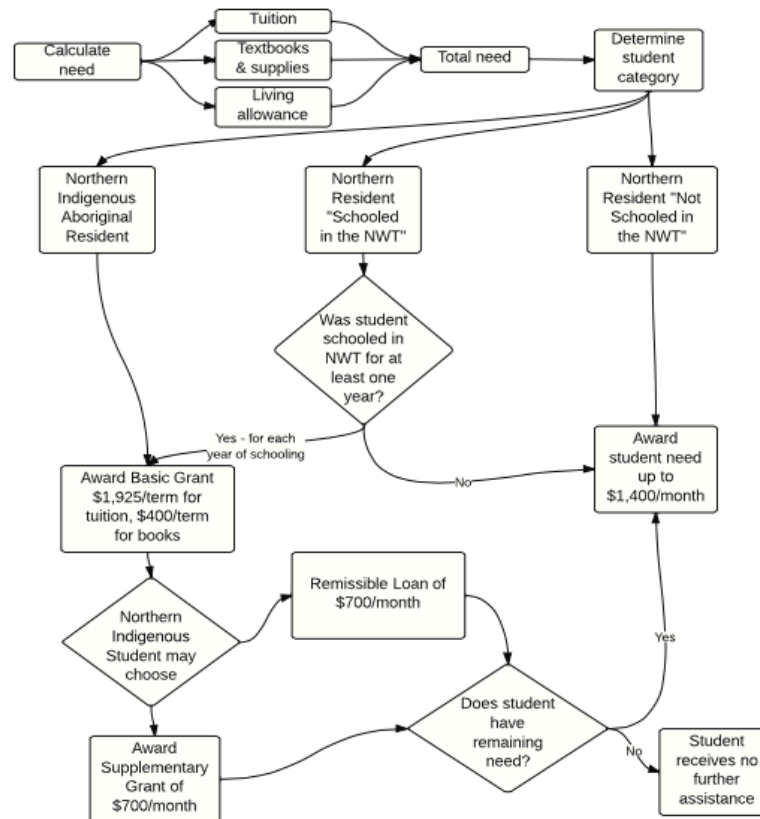
## Canada Student Loans Program

- In 2013-14 at the federal level:
  - 497,725 borrowers
  - Total value of \$2.72 billion
  - 36% required the maximum allowable (179,181)
  - 50,000 more students than projected by the last Actuarial Report
  - \$230 million more than anticipated



# The Difficult to Understand Needs-Assessment

FIGURE 23 Northwest Territories Decision Tree



# The Difficult to Understand Needs-Assessment – Pt.2

FIGURE 17 Ontario Decision Tree, Part 2

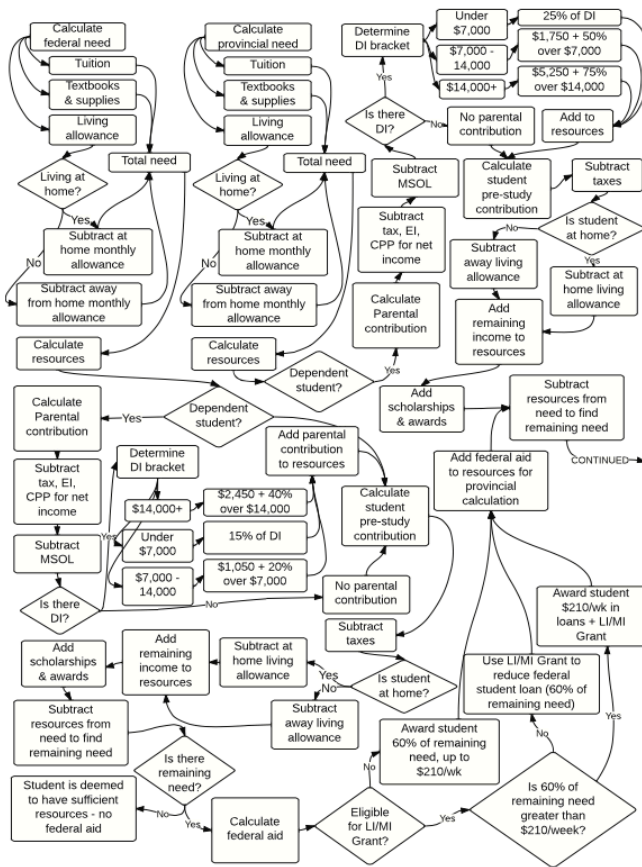
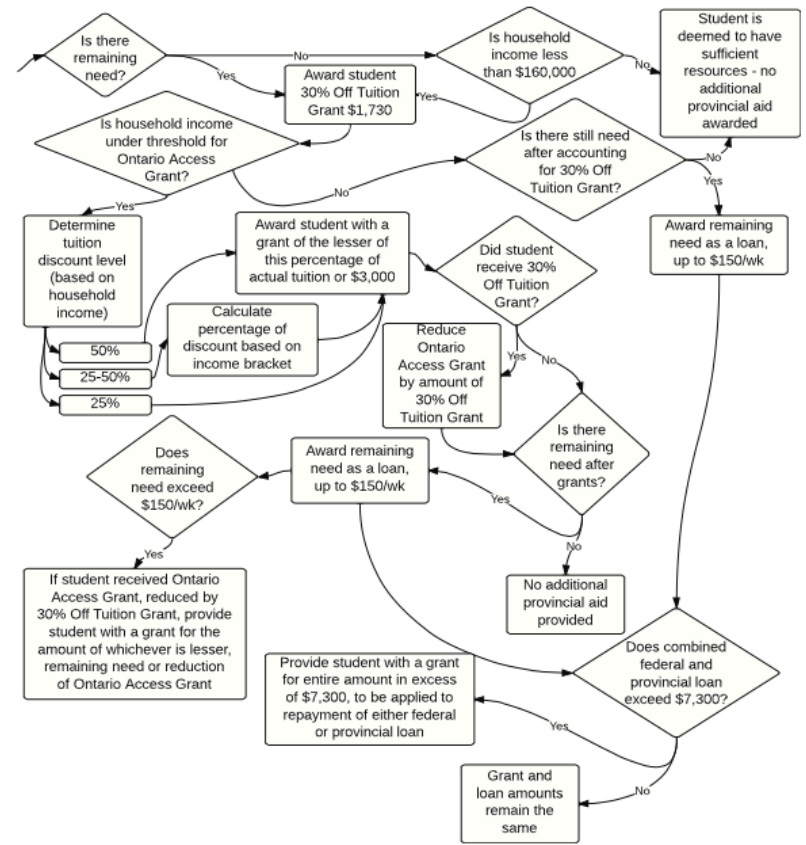


FIGURE 17 Ontario Decision Tree, Part 2



# The Underestimation of the Cost of Education

- Associated Costs:
  - Textbooks
  - Shelter
  - Food
  - Transportation
  - Supplies
  - Utilities
  - Clothes
  - Technology
  - Furniture
- Tuition
  - \$6,191
- Compulsory Fees
  - Now an average \$838
    - Not well understood
    - General lack of awareness

# What Students Expect to Spend

- Average anticipated back to school costs in 2014:
  - \$1,121
- 88% planned to purchase textbooks
- 58% planned to buy clothes
- 41% anticipated a technology purchase
  - Of those:
    - 38% computer
    - 7% mobile device
- 20% planned to buy furniture



# Where the Money Comes From

- 34% used loans or scholarships
- 27% used credit
- 30% relied on family assistance

# What it Could Cost

- 2014 'Sale' prices:
  - Textbooks and Supplies:
    - \$800 - \$1,200 per semester
  - Clothes:
    - \$300 - \$500
  - Technology:
    - \$1,000 - \$1,600
  - Furniture:
    - \$200 - \$1,000

# The Cost of Living - Rent

Metropolitan Area	Average Rent
St. John's	\$888
Halifax	\$1,005
Ottawa	\$1,132
Toronto	\$1,251
Winnipeg	\$1,016
Regina	\$1,079
Edmonton	\$1,227
Vancouver	\$1,311
Victoria	\$1,095

Province of Study	Allowable Expense (2 bedroom w/ roommate)
NFLD	\$430 (\$860)
NS	\$466 (\$932)
ON	\$552 (\$1,101)
MB	\$455 (\$910)
SK	\$520 (\$1,040)
AB	\$442 (\$884)
BC	\$733 (\$1,466)

\*Allowable Expense for Shelter includes utilities

# The Cost of Living – Public Transit

- In many cities a monthly pass is over \$100
- Some campuses offer transit deals
  - Not all
- Some cities offer transit deals for PSE students
  - Not all

Province of Study	Allowable Expense (monthly transit pass)
NL	\$64
PE	\$63
NS	\$64
NB	\$65
QC	\$44
ON	\$78
MB	\$81
SK	\$66
AB	\$67
BC	\$91

# Additional Allowable Expenses

## Allowable Cost

- Books and Supplies
  - Maximum allowed: \$2,500
- Computer Costs:
  - \$500
    - Includes internet fees
- Return Trip
  - Maximum 2 return trips: \$600 (\$1,200)

## Realistic Cost

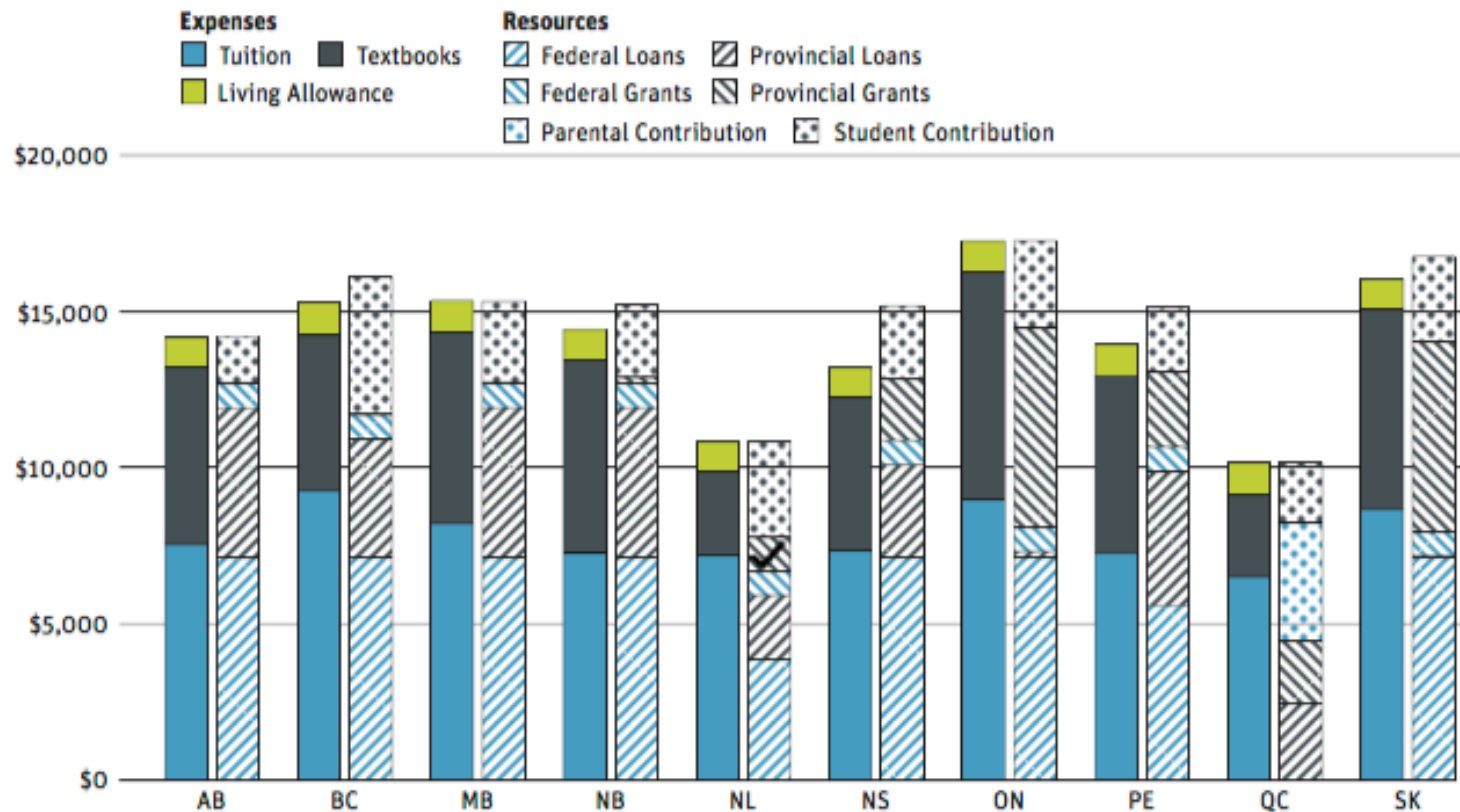
- Books and Supplies:
  - \$1,600 to \$2,400
- Computer Costs:
  - \$1,000 - \$1,600
  - \$25 to \$50 per month for internet
- Return Trip
  - Considerable variation

# Assumed Contributions

Parent and Student Contributions by Income Level and Province											
Province	Low Income		4th Decile		5th Decile		6th Decile		High Income		
	Parent	Student	Parent	Student	Parent	Student	Parent	Student	Parent	Student	
AB	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ -	\$ 1,500	
BC	\$ -	\$ 4,434	\$ -	\$ 4,434	\$ -	\$ 4,434	\$ 115	\$ 4,434	\$ 9,497	\$ 4,434	
MB	\$ -	\$ 2,617	\$ -	\$ 2,617	\$ -	\$ 2,617	\$ -	\$ 2,617	\$ 3,175	\$ 2,617	
NB	\$ -	\$ 2,358	\$ -	\$ 2,358	\$ -	\$ 2,358	\$ -	\$ 2,358	\$ 4,882	\$ 2,358	
NL	\$ -	\$ 3,102	\$ -	\$ 3,102	\$ -	\$ 3,102	\$ 1,392	\$ 3,102	\$ 7,750	\$ 3,102	
NS	\$ -	\$ 2,358	\$ -	\$ 2,358	\$ -	\$ 2,358	\$ 310	\$ 2,358	\$ 7,272	\$ 2,358	
ON	\$ -	\$ 2,803	\$ -	\$ 2,803	\$ 1,955	\$ 2,803	\$ 5,578	\$ 2,803	\$ 11,797	\$ 2,803	
PE	\$ -	\$ 2,092	\$ -	\$ 2,092	\$ -	\$ 2,092	\$ 119	\$ 2,092	\$ 7,083	\$ 2,092	
QC	\$ 215	\$ 1,933	\$ 3,740	\$ 1,933	\$ 5,768	\$ 1,933	\$ 5,768	\$ 1,933	\$ 5,768	\$ 1,933	
SK	\$ -	\$ 2,744	\$ -	\$ 2,744	\$ 619	\$ 2,744	\$ 3,400	\$ 2,744	\$ 12,798	\$ 2,744	

# Total Education Cost Financing

**FIGURE 1** Cumulative Expenses and Financing for a Middle-Income Student by Province



# The Underlying Assumptions vs. Reality

## Assumption

- Financial aid package will cover the vast majority of education costs
- Provide decent standard of living
- Parental contributions are to help
- Student contributions are to help and provide extras

## Reality

- Many students have unmet need
- Allowable expenses are low enough in some cases that a good deal isn't cheap enough
- Parental and Student contributions are not only expected, but can be significant



# The Loan Maximum

- 36% of CSLP borrowers were at the max in 2013-14
  - That was projected to be 41% this academic year
- Unmet need can be the largest issue for those at requiring the loan maximums or beyond
- Students are not informed that they are at the maximum
- They are unaware they will likely face a funding shortfall

# The Reaction

## **When Students struggle financially:**

- They get blamed
- Are told to live cheaper
- Are forced to make cuts
  - Money vs. Wellbeing
- Increased stress
- Turn to food banks

# Moving Forward

- Streamlined applications are good
- Spending assumptions should be more clear
- Expected contributions should be more clear
- Students should be informed of unmet need
- An examination of allowable expenses maximums

# Sources

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