

SURVEY REVEALS THAT MORE THAN 70% OF POST-SECONDARY STUDENTS FINANCE THEIR EDUCATION THROUGH DEBT

Toronto, March 10, 2003 – Nine out of 10 students over the age of 26 carry an average debt of \$20,500 from government and/or private sources, according to a yearlong survey of student income and expenditures published today by the Canada Millennium Scholarship Foundation. Full-time students aged 20 to 21 and over 26 are not making ends meet, although the average student finds a way to balance his or her personal budget through summer jobs and debt financing.

Making Ends Meet: The 2001-2002 Student Financial Survey, conducted for the Foundation by EKOS Research Associates, reveals that:

- Twenty per cent of students rely on support from both government and private sources;
- Forty-four per cent of students have government loans, while 30% borrow from private sources; both groups draw an average of \$600 per month in loans;
- Students aged 20 to 21 face an average monthly budget deficit of \$142, not including accrued student debt, while the average student experiences a \$56 monthly shortfall;
- Despite drawing heavily on multiple sources of non-employment income, students over 26 cannot meet their expenses, which are the highest of any age group of students.

“While *Making Ends Meet* shows us that students have varying financial circumstances, student financial aid programs tend to treat students as being all the same,” said Alex Usher, the Foundation’s Director of Research and Program Development. “These findings beg the question, Do our student financial aid programs have the right clients, and are we providing them with appropriate support?”

Compiling monthly budget information from a sample of over 1,200 students, the study provides a national picture of where post-secondary students get their money, what they spend it on and how much debt they accumulate.

Other findings include:

- Students’ monthly expenditures appear to be somewhat higher than current assumptions built into government student aid programs;

- Education, making up 24% of all expenditures, is the single greatest cost to students, followed by accommodation (15%), transportation (12%), food (11%) and debt payments (8%);
- Employment during the school year represents 40% of their total resources;
- Two out of three students work during the school year, earning an average of \$6,000 and working 19 hours per week;
- Ninety per cent of students work during the summer, earning \$4,000, on average;
- Student finances do not affect academic performance, although students working more than 10 hours per week take longer to complete their degree;
- Students receiving family support are no better off from month to month, but end up with less student debt.

“The Millennium Research Program is intended to assist the Foundation in evaluating and improving its financial assistance programs,” said Norman Riddell, Executive Director and Chief Executive Officer of the Foundation. “By shedding light on how students manage their finances, *Making Ends Meet* is a major resource informing the public policy debate surrounding the question of how to best support Canada’s students.”

The Canada Millennium Scholarship Foundation’s purpose is to create opportunities for students to pursue their post-secondary education. Providing financial assistance in the form of grants to students across Canada is the Foundation’s principal means of ensuring that those with the capacity to benefit from a post-secondary education have the opportunity to receive one. As of February 2003, the Foundation has awarded over 360,000 millennium bursaries worth more than \$1 billion in student financial assistance to Canadian post-secondary students.

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The full report is available on the Foundation’s Web site:

<http://www.millenniumscholarships.ca/en/research/>

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