A Reappraisal of University Access and Affordability 2009

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March 2009

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Acknowledgements

To the Canadian Centre for Policy Alternatives – Saskatchewan for initiating and supporting the project and arranging for its publication. And to Brian Banks, Acting Director, for encouraging me to write this report and for his suggestions and editing.

To John B. Conway for his excellent 2004 report.

To the following for their assistance in providing advice or data: Klarka Zeman, Centre for Education Statistics, and staff of Statistics Canada; Director of Awasis Child Care Co-op; Staff of Saskatchewan Student Aids Fund; David Rosenbluth, Saskatchewan Social Services; Kathy Arnie, Michael Klein, Carisa Polischuk, and Kevin Smith, University of Saskatchewan; Brian Christie, Harvey King, Kate McGovern, and staff of Student Awards and Financial Aids, University of Regina; Larry Dufay, CAUT, Ottawa; Staff of Regina Transit; Kathleen McNutt, Johnson-Shoyama Graduate School of Public Policy, University of Regina.

The data used in this report came from public sources with the exception of some survey tables and reports that were provided upon request. The report *Graduating Students Survey*, University of Saskatchewan, 2006 was provided following filing of an Access to Information Request Form under the *Local Authority Freedom of Information and Protection of Privacy* provisions of Government of Saskatchewan, Freedom of Information.

Printed copies: $10.00. Download free from the CCPA website.

ISBN 978-1-897569-401-x

Contents

Section 1
Introduction

Highlights and Chronology

- **Improving Access – November 2004.** The Canadian Centre for Policy Alternatives — Saskatchewan released the report *Improving Access to Affordable University Education in Saskatchewan*. The report recommended a tuition freeze and a public review of university funding and financial assistance to students with a view to improving accessibility to university education.
- **Tuition freeze – April 2005.** In its 2005-2006 Budget, the Saskatchewan government announced that tuition would be frozen at the 2004-5 level, accompanied by a grant to the universities to fund the tuition freeze. The tuition freeze was extended in subsequent years, through 2008-2009.
- **Post-Secondary Review – May 2006.** The provincial government established the Saskatchewan Post-Secondary Education Accessibility and Affordability Review, with Warren McCall appointed to lead the Review.
- **McCall Report – October 2007.** The *Final Report* of the Post-Secondary Education Accessibility and Affordability Review was presented by Warren McCall with a recommendation for affordable and high-quality post-secondary education to be accessible to Saskatchewan people. Other recommendations included maintaining the fully-funded tuition freeze, reducing tuition, increasing student loan limits, and improving assistance for First Nations students.
- **Saskatchewan Party forms majority government – November 2007.** The Saskatchewan Party indicated that it would not extend the tuition freeze beyond the 2008-2009 year and would develop a strategy of managed tuition increases.
- **Saskatchewan Budget 2008-2009 – March 2008.** The Saskatchewan government established a Graduate Retention Program to provide tuition rebates of up to $20,000 for post-secondary graduates who stay in the province after graduation.
- **Canadian Millennium Scholarship Foundation (CMSF) ends – 2009.** Federal government financing for the CMSF will be withdrawn at the end of 2008-2009. In its 2008 Budget, the federal government announced a Canada Student Grants program to provide grants to low- and middle-income students and a Repayment Assistance Plan to provide debt and interest relief for students with Canada Student Loans.
- **Students face an uncertain 2009.** With an unknown amount of tuition increase, living expenses continuing to grow, increased debt loads, and changes in financial assistance programs at the provincial and federal level, students face an uncertain financial situation. These uncertainties are compounded by the global financial and economic crisis that will worsen the economic situation in Saskatchewan.

Overview

This report is based on the premise that there should be equal opportunity for all Canadians to obtain access to universities and colleges. While there are many ways that people can participate in post-secondary education — attending a local college or university, relocating to a city with a university, correspondence or distance education — access to these may be blocked by background and experiences, family situation, educational achievement, geographic location, and limited finances. Not all may choose to enrol in a post-secondary educational institution, but it is our position that access to universities and colleges should be provided in a way that parallels the access Canadians have to health care and to primary and secondary education. The Canadian Association of University Teachers (CAUT) defines accessibility as "post-secondary education must be open to all qualified persons on uniform terms and conditions" (CAUT, 2002). Financial barriers should be removed for all those willing to participate in post-secondary education.

The November 2004 Canadian Centre for Policy Alternatives-Saskatchewan report, *Improving Access to Affordable University Education in Saskatchewan* (after this referred to as *Improving Access*) identified impediments of access to universities in Saskatchewan, focusing on financial barriers. It also enunciated eight key findings and made seven recommendations for action by governments and universities (Conway, 2004).

The present report provides updated information on impediments to participation and extends the analysis on financial barriers faced by those attending or hoping to attend a university in Saskatchewan. As with *Improving Access*, this report provides recommendations concerning policies and actions that the provincial and federal governments, universities, and individuals might take. It is the hope that Saskatchewan residents, students, administrators, and policy-makers will find the analysis and recommendations useful in their deliberations. Educational policy and structures in Canada can be improved by adopting these recommendations and greater equality of access will result. As many have argued, Canada needs more individuals with post-secondary education and training, not just to fill productive jobs, but to create a well educated and informed populace.

This introductory section begins with a brief review of *Improving Access*, of the 2006-2007 Saskatchewan Post-Secondary Education Accessibility and Affordability Review, and of changes in the post-secondary education policies of the Saskatchewan and federal governments since 2004.

Summary of *Improving Access*

In *Improving Access*, Dr. John B. Conway, the author of the report, focussed on the high and increased costs of university tuition and fees, the limited financial aid available to university students and the high and rising debt load of students (Conway, 2004). In particular, he pointed to barriers faced by rural, low-income, and Aboriginal students in Saskatchewan who plan to pursue a university education. After demonstrating the high costs of attending university, especially for those students who must relocate, he argued that grants and bursaries have been inadequate, and student debt had become too great. Four recommendations emerged from the report (p. 6):

- Immediate freeze of tuition and fees at the University of Regina and University of Saskatchewan.
- A full public review of university funding and student financial assistance.
- Reconsider student financial assistance programs and the need for increased grants and

bursaries, especially to improve access for low-income and Aboriginal students.

- More information about and discussion about the proper mix of public and private support for university education.

Improving Access was very successful as a report, with the provincial government instituting a tuition freeze and establishing a public review of the post-secondary education sector. **To date, many of the disturbing trends identified in the report remained unchanged and, in fact, some are exacerbated in the province.** For a variety of reasons, enrolment at Saskatchewan universities, already low by Canadian standards, has declined and barriers of access for rural, low-income, and Aboriginal students have not been eliminated. Undergraduate tuition fees have held steady since 2004 but additional compulsory fees and living costs of university students have continued to increase, with a sharp increase in housing expenses. Tax reductions should ease the repayment burden for some with high debt loads but student debt has continued to increase. And while students are grateful for tax benefits, this assistance comes after completing university, meaning great uncertainty about future finances for those considering university attendance. Those who attend university continue to pay for high levels of tuition, fees, supplies, and living expenses and must find ways to meet these during each year of university — through employment, savings, assistance from family, or going into debt. There has been some expansion in the amount of grants and bursaries, the financial aid system remains a confusing patchwork of programs and is far from providing equality of access.

There has been much discussion about the mix of public and private assistance for university students, but no government resolution of what is the proper balance. Faced with the likelihood that the tuition freeze will be lifted and with uncertainty about the future of financial issues in university and student funding, the CCPA has decided to revisit these issues with a view to updating and extending the earlier analysis and findings, and providing additional recommendations.

The McCall Review and Report

In May 2006, Saskatchewan Premier Lorne Calvert appointed Regina Elphinstone-Centre MLA Warren McCall to lead the Post-Secondary Education Accessibility and Affordability Review. The aim of the review was to focus on student financial assistance. Premier Calvert stated "We want to ensure that the cost of post-secondary opportunities is not a barrier for people who wish to further their education. This is particularly important given our province's need for educated and skilled workers to support our growing economy" (Saskatchewan, 2006-2007). Following a review of research, consultation hearings across the province were held from November 2006 through January 2007, with an interim report delivered in April 2007 (McCall, 2007a). Further consultations followed, with a final report, containing fifty-one recommendations, delivered in October 2007. McCall recommended that the Government of Saskatchewan adopt the following as a vision statement for post-secondary education (McCall, 2007b, p. 3):

> Saskatchewan people have access to affordable and high-quality post-secondary education and training throughout their lives and careers that allows them to contribute to and benefit from an economically and socially prosperous province.

Goals identified in the *Final Report* include increased participation, providing supports to ensure completion of programs, maintaining and improving quality, and assisting in the transition to employment (McCall, 2007b, pp. 4-8).

Among the key recommendations with respect to financial issues and affordability barriers are (Saskatchewan, 2006-2007):

- A fully funded tuition reduction of $1,000 per academic year for undergraduate students at the University of Saskatchewan and the University of Regina. This is in addition to the fully funded tuition freeze. A university tuition framework will make future increases more predictable and sustainable, and will complement SIAST's existing tuition framework.
- Increase provincial Student Loan limits to $140 per week to help cover housing and living costs.
- Ensure First Nations students have access to non-repayable financial assistance for their education costs.
- Establish a scholarship program with government funds used to match private donations to institutions' endowment funds.

The Review also made many recommendations concerning improved information and services, coordination of programs, and programs to help overcome barriers that develop during primary and secondary school.

The *Final Report* adopted a strong statement concerning accessibility (McCall, 2008b, p. 3):

> There is an expectation that the post-secondary education system accommodates a diversity of needs and provides quality learning opportunities to all learners. No individual should be denied the opportunity of undertaking or completing post-secondary education due to financial and/or non-financial barriers.

Unfortunately, the Review took a rather narrow approach to affordability (Banks 2007), focussing primarily on the cost of tuition and fees, with little attention paid to student living expenses. Since the latter can exceed the direct costs of university education, meeting living expenses constitute a major barrier for many students. In the *Final Report*, the focus of financial assistance was also on improving the system of student loans, rather than finding ways to shift the cost of university away from students and toward public provision of a university education. While the recommendations, if implemented, would assist students obtain more student loans, they would not solve the problem of high debt loads accumulated by many students. At the same time, the Review was a welcome event, providing information concerning barriers of access to university and making proposals that, if implemented as programs and policies, would improve accessibility and affordability at the university level.

Government Policies – Saskatchewan and Canada

1. Government of Saskatchewan

During the last five years, the Government of Saskatchewan took three major actions concerning finances of universities and students: freezing tuition fees at their 2004-2005 level, establishing a graduate retention program, and increasing funding for operating and capital expenditures of the two universities in the province.

Following are the announcements of the tuition freeze, from respective provincial government budgets (Saskatchewan, 2005-2008):

- $6.7 million one-time Saskatchewan Centennial University Tuition Grant, allowing our two universities to hold tuitions at 2004-05 levels in the Centennial year. Budget of 2005-2006.
- Freezing university tuition until 2008, improving access and affordability to a post-secondary education. Budget of 2006-2007.
- $25.5 million to continue the university tuition freeze. Budget of 2008-2009.

The prospect for a continued tuition freeze is not good. In a report from November 2008,

"Advanced Education Minister Rob Norris said that's not likely going to happen, but the government is looking at its options around student financial issues." Instead, the government's aim is to develop a "tuition management strategy" (Wood, 2008).

The "$12 million Graduate Retention Program [with] up to $20,000 tuition rebate for post-secondary graduates from Saskatchewan institutions who make their careers here" was announced in the 2008-2009 Saskatchewan Budget. This is a tax credit program that is to come into effect for the 2008 tax year and has been extended to cover "eligible post-secondary graduates within and beyond Canada" (Saskatchewan, 2008).

The Saskatchewan government has continued to provide funding for the two universities in the province. **From 2003 to 2008, funding for university operations in the province expanded by 7.8 per cent per year, with additional funding for capital projects.** While Saskatchewan funding for post-secondary education lagged behind that of other provinces, by 2006-2007 provincial government expenditures for post-secondary education held a greater share of provincial government expenditure than in other provinces, with the exception of Alberta (see Table 2.3).

2. Government of Canada

Over the last five years, federal government financial assistance for students increased moderately, although the structure and focus of the programs changed little (see Section 4). However, with the Canada Millennium Scholarship Fund (CMSF), created in 1998, due to end after the completion of the 2008-2009 academic year, changes in federal government programs will be occurring in 2009. From the federal Budget of 2008, some of the major changes to begin in the 2009-2010 academic year are (CanLearn, 2009):

- Canada Student Grants (CSG). For low and middle income students, an up-front grant of $250 per month (low-income) and $100 per month (middle-income) will replace a variety of small grant programs. The CSG requires that a student apply for a Canada Student Loan and will be paid through each year of a student's undergraduate program. A transitional grant for those currently receiving CMSF funding will be available.
- Canada Student Loans. For the most part, student loan programs and amounts paid remain unchanged. Beginning in 2009, there will be some reduction of the amounts spouses or partners are expected to contribute for married students or students in common-law relationships. In addition, there is to be expanded support for part-time students and improved programs for students with permanent disabilities.
- Repayment Assistance Plan (RAP) is a new federal program to replace earlier debt and interest relief programs. The federal plan is to make loan repayment more affordable, ensure repayment in fifteen years, and simplify and standardize the repayment process.

The federal government forecasts an investment of $1.7 billion in student financial assistance over four years (CanLearn, 2009, *Questions and Answers*, no. 20), so these programs promise to provide greater amounts of financial assistance. Given that the federal programs are not yet in place and details concerning implementation are not available, this report does not focus on the changes announced by the federal government. Federal programs will increase grants to some university students, but even for lower- and middle-income students receiving the full grant, the cost of tuition and fees will exceed the grant. Meeting these costs and living expenses means that for many university students, the heavily reliance on student loans will continue, with resulting large student debt loads after graduation.

Outline of Report

The next two parts of this report examine the cost of tuition and fees and university financing (Section 2) and living expenses of students (Section 3). Financial assistance programs and student loans and debt are discussed in Section 4. Section 5 begins with a short discussion of the meaning of accessibility and affordability, followed by an examination of the situation of those from a low-income or Aboriginal background, both under-represented in universities in Canada. Following this is a short discussion of the barriers facing those who contemplate attending university after being away from school for some time. Section 6 contains key findings and recommendations.

Section 2

Tuition and Financing at Saskatchewan Universities

Highlights

- Skyrocketing tuition fees followed by a tuition freeze in Saskatchewan.
- Reduced affordability of university education.
- High tuition in professional programs and for international students.
- Some recovery in Saskatchewan government funding for universities following years of neglect.
- University revenues remain heavily dependent on tuition fees.
- Funding for university research, capital projects, and administrative activities has increased.

Tuition Freeze Follows Skyrocketing Fees

During the 1990s and the early part of this decade, university tuition fees rose at unprecedented rates. In Saskatchewan, the average undergraduate tuition fee was $1,545 in 1990-1991, but by the 2004-2005 academic year the average had risen to $5,063 (Table 2.1). This amounted to an average annual increase of 8.5 per cent over these fourteen years, almost four times the average annual rate of inflation, 2.3 per cent, over the same period (Saskatchewan Bureau of Statistics, 2009). During this time, a university education became much less affordable, with tuition accounting for twice as large a percentage of after-tax income in 2004, as compared with 1990. Given this deteriorating situation for undergraduate students, in the 2005-2006 Saskatchewan Budget the provincial government announced that it would freeze tuition fees at the 2004-2005 level and provide a grant to the universities to meet the revenue shortfall resulting from the freeze (Saskatchewan, 2005-2008).

In the current academic year (2008-2009), Saskatchewan undergraduate students are paying an average of $5,614 in tuition and additional compulsory fees (Table 2.1). These fees have remained essentially unchanged since 2004-2005, with the provincial government extending the freeze and additional fill-in grant for each of the last three years. Statements by the Minister of Advanced Education and Employment in 2008 make it clear that the tuition freeze will not continue for the next academic year although the size of the tuition hike is uncertain (Wood, 2008).

Tuition and additional fees for Saskatchewan undergraduates currently average $200 more per year than the Canadian average and are in the middle of the range of fees across the provinces (Table 2.1). This is a relative improvement over the situation in 2004-2005, when these costs for Saskatchewan undergraduates were $800 above the Canadian average and were the second highest among Canadian provinces. By this year, the Saskatchewan situation had improved

Table 2.1. Average undergraduate tuition and additional fees in Canada, current dollars

	Tuition Fees			Additional Compulsory Fees			Total Fees		
Region	1990-1	2004-5	2008-9	1993-4	2004-5	2008-9	1990-1	2004-5	2008-9
Canada	1464	4141	4724	297	597	695	1761	4738	5419
NL	1344	2606	2632	120	455	490	1464	3061	3122
PE	1874	4374	4530	292	519	775	2166	4893	5305
NS	1941	6003	5932	209	487	827	2150	6490	6759
NB	1925	4719	5590	135	309	423	2060	5028	6013
QC	904	1888	2167	205	544	642	1109	2432	2809
ON	1680	4831	5643	421	696	752	2101	5527	6395
MB	1512	3235	3276	230	629	540	1742	3864	3816
SK	1545	5063	5015	95	479	599	1640	5542	5614
AB	1286	4953	5361	315	545	709	1601	5498	6070
BC	1808	4735	5040	201	546	636	2009	5281	5676

Source: Adapted from Statistics Canada, special tabulation, unpublished data, *Survey of Tuition and Living Accommodation Costs for Full-Time Students at Canadian Degree-granting Institutions (TLAC)*, 2009. Table 8E.1a) and Table 10E.2.

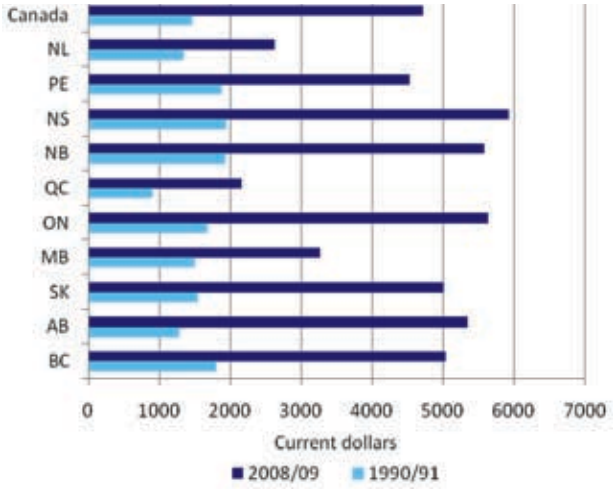
Note: These figures differ slightly from the figures provided by Statistics Canada in *The Daily* and in *Improving Access*, since the survey coverage and weighting system was changed in 2006/07 and the data are revised annually. The data for 1990/1 and 2004/5 represent actual fees paid and the data for 2008/9 is estimated from reports provided by university administrations.

primarily because tuition fees in other provinces continued to increase. In fact, additional fees students must pay to enrol as full-time students (athletics, student association, service fees) have continued to creep up, so Saskatchewan undergraduates average slightly greater total fees than in 2004-2005. But the relative improvement, with Saskatchewan moving from second highest fees to sixth highest by 2008-2009 demonstrates that the tuition freeze provided marginal help with tuition costs for undergraduate students.

Each of the provinces of Quebec, Newfoundland and Labrador, and Manitoba have adopted their own approach to managing tuition, with undergraduates in those provinces averaging $1800 to $2800 lower tuition and fees annually (Table 2.1). Apart from Quebec universities, tuition and fees at the Universities of Regina and Saskatchewan are lower than all but five Canadian universities, three in Manitoba (averaging about $1,400 less), Memorial University of Newfoundland (about $2,000 less), and one in British Columbia (about $400 less). (University of Regina, 2008c, Table 4).

While the tuition freeze has helped Saskatchewan undergraduates, it occurred following at least thirty successive years of growth in tuition, increases that boosted tuition from approximately $500 per year in the mid 1970s to over $5,000 annually by the middle of this decade. Saskatchewan went from having one of the lowest levels of tuition among the provinces to one of the highest (Figure 2.1). While prices of many products also rose over this same period, tuition rose much more rapidly than did consumer prices. By 2008-2009, tuition and fees had increased 242 per cent over the 1990-1991 level, almost five times as much as the increase of 52 per cent in the Saskatchewan Consumer Price Index over the same eighteen years (Saskatchewan Bureau of Statistics, 2009a).

Figure 2.1. Increases in tuition fees in Canada and provinces, 1990-1991 to 2008-2009, current dollars



Source: Adapted from Statistics Canada, special tabulation, unpublished data, *Survey of Tuition and Living Accommodation Costs for Full-Time Students at Canadian Degree-granting Institutions (TLAC)*, 2009. Table 8E 1a) and Table 10E.2.

Reduced Affordability

One way to address the issue of whether the increases in tuition and fees are affordable is to examine the portion of income an individual or family would require to meet annual costs of tuition and fees. This corrects for both price increases and means of paying for attendance at university. Following are three examples (see Appendix Table A2 for calculations and sources) and an index of affordability.

A student from an "average" family. In 1990, the median after-tax income for Saskatchewan families with two or more persons was $31,996. With tuition averaging $1,545 per year, this family would have to devote 4.8 per cent of income to pay tuition for one student. By 2004, median after-tax income was $49,344 but tuition averaged $5,063, so the latter amounted to 10.3 per cent of income. With the tuition freeze and continued growth in income, by 2006 the situation improved, so that tuition averaged 9.0 per cent of total income for that year, although this was still almost double the 1990 level.

A single parent female student. 1990 tuition of $1,545 accounted for 8.3 per cent of the average after-tax income of female single parents in 1990. Female single parent incomes did not grow as much as those for an "average" family over the years 1990 to 2004. Before the tuition freeze took effect, the tuition of $5,063 for 2004 accounted for 19.0 per cent of average after-tax income for female single parents in Saskatchewan. This unaffordable level of tuition moderated after 2004 but in 2006, tuition still accounted for 16.3 per cent of average after-tax income, again almost double the 1990 percentage.

An Aboriginal student returning to school. For Saskatchewan Aboriginal individuals aged 25-44 who have obtained a certificate or diploma, but not a Bachelor's degree, median income was $16,976 in 2005. With tuition maintained at the 2004-2005 level of $5,063 and additional fees of $479, the cost of attending university in Saskatchewan amounted to 32.6 per cent of income in 2005, with little difference by sex. In 2005, the comparable portion of income necessary to meet the cost of tuition and fees was 15.1 per cent for non-Aboriginal males and 23.5 per cent for non-Aboriginal females, both aged 25-44 and without a Bachelor's degree.

CAUT index of affordability. The approach to affordability developed by the Canadian Association of University Teachers (CAUT) "is the capacity of low-income families to fund a post-secondary education without going into debt" (CAUT, 2006, p. 1). This does not include financial assistance since "the majority of financial assistance available in Canada is in the form of repayable loans" (CAUT, 2006, p. 1). The index is average university tuition fees as a share of average after-tax family income for the lowest income quintile. Values of the index for Saskatchewan, Manitoba, and Canada are shown in Figure 2.2.

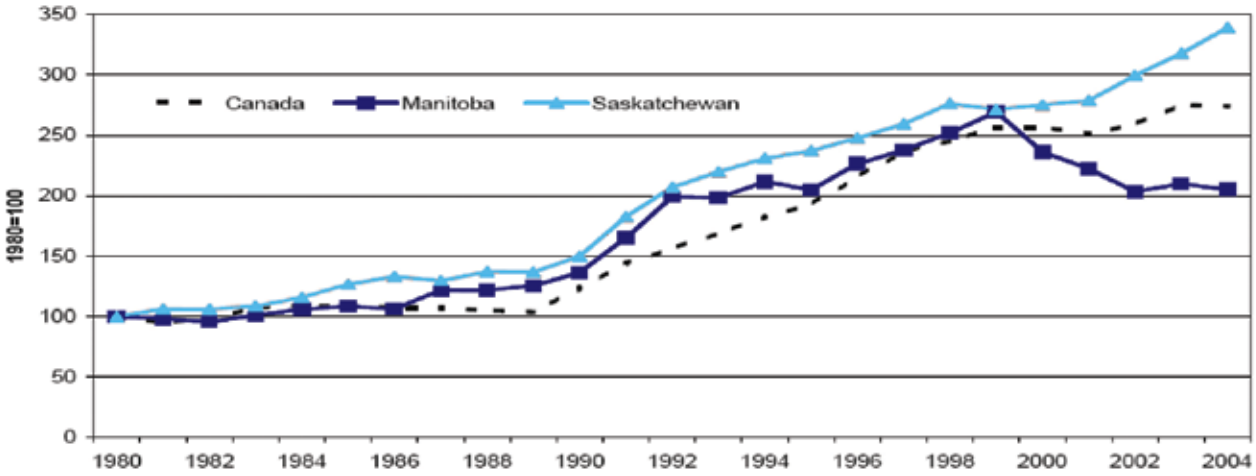
For comparison purposes, 1980 was selected as the base year and larger values of the index mean that attending university is less affordable.

From 1980 to 2004, the trend for Saskatchewan and Canada (and to a lesser extent, Manitoba) was a dramatic increase in tuition and fees relative to incomes so that university education became much less affordable over these twenty-five years. Because of the Saskatchewan tuition freeze since 2004, the values of the affordability index shown in Figure 5.1 improved slightly for Saskatchewan in 2005 and 2006, returning to close to the 2003 level. However, this still means that current tuition and fees account for more than three times the portion of the income of a low-income family, as compared to their portion in 1980. And since 1990, when the upward trend became steeper, tuition and fees have more than doubled in terms of their portion of a low-income family's after-tax income. Compared with other provinces, Saskatchewan has not done well and ranks third worst — behind all provinces except Nova Scotia and British Columbia in terms of decline in affordability. For a Canadian family within the lowest one-fifth of income in 2004, 46 per cent of income would need to be devoted to tuition fees if one person in that family was attending university (CAUT, 2006, p. 6). The CAUT concludes "it is the poorest Canadians who bear the biggest burden of fee hikes. When fees rise, access is imperiled for students from low and modest income families" (CAUT, 2006, p. 1).

Unfortunately the *Final Report* of Saskatchewan *Post-Secondary Education Accessibility and Affordability Review* adopted a weak and incomplete approach to affordability. While there is a short discussion of meanings of affordability (McCall, 2007b, p. 17), in the section on key principles to guide action, affordability is "Tuition costs must be predictable and should not lead to unsupportable levels of debt. Financial assistance must be adequate and responsive to meet the needs of our diverse group of learners" (McCall, 2007b, p. 3). This approach ignores other costs of attending university and does not address the serious decline in affordability.

For individuals with incomes below average or with ongoing family obligations, the cost of tuition and fees is a severe impediment to attending university. Regardless of how affordability is defined, increases in tuition and fees since 1990 have made attendance at Saskatchewan

Figure 2.2. Average university tuition fees as a share of average after-tax family income, lowest income quintile, Manitoba, Saskatchewan, and Canada, 1980-2004 (1980=100)



Source: Reproduced from CAUT, 2006, Figure 2.

universities less affordable. While affordability has improved slightly during the period of the tuition freeze, tuition and fees remain twice what they were twenty years ago when compared with typical incomes.

High Tuition Fees in Professional Programs

Across Canada, tuition in professional programs is much greater than the averages shown in Table 2.1. In Saskatchewan, tuition in Medicine, Law, Veterinary Medicine, and Dentistry, all professional programs offered at the University of Saskatchewan (Table 2.2), are much greater than the undergraduate average. While also frozen since 2004, as noted in *Increasing Access*, these rates were boosted dramatically in the years prior to 2004 (Conway, p. 9).

Graduate tuition fees in Saskatchewan are less than two-thirds the comparable fees in Canada as a whole (last line of Table 2.2). In 2005, the two Saskatchewan universities created a flat fee of $1,000 per semester for many graduate programs, a rate that has been maintained. At the other end of the spectrum, some graduate programs have fee levels at or above the level of the professional programs noted above. For example, the tuition for Canadian students completing an MBA at the Edwards School of Business at the University of Saskatchewan is $23,550. At the Kenneth Levene School of Business at the University of Regina, fees for fifteen credit hours are $9,674 and at the Johnson-Shoyama Graduate School of Public Policy they are $5,174. The Executive MBA program at the University of Regina has a program fee of $29,000.

The trend toward very high fees for some of these specialized professional and graduate programs is one that has occurred across the country (Appendix Figure A1). One argument for the high level of fees for professional programs is that they are paid for by employers (business and administration programs) or that those obtaining the professional training have high incomes once they begin practising the profession (medicine, dentistry, law). This means that those completing these programs do not suffer over their lifetime, since their earnings later in life place them among the more advantaged members of Canadian society. This is correct for those whose fees are paid by employers or who are successful in their professional practice, but those who do not obtain high income jobs are left with a very high debt load. Amassing over $100,000 in debt for one of these programs must make entry to such

Table 2.2. Weighted average tuition fees, in dollars, for full-time Canadian Undergraduate students by faculty and full-time Graduate students, Canada and Saskatchewan, 2008-2009

Faculty or Program	Canada	Sask.	Ratio of Sask. to Cdn. Average
Agriculture	4,181	4,523	1.08
Humanities	4,478	4,409	0.98
Administration/ Commerce	4,828	4,960	1.03
Education	3,666	4,479	1.22
Engineering	5,310	5,223	0.98
Law	7,720	6,840	0.89
Fine Arts	4,389	4,413	1.01
Physical/Life Sciences	4,682	4,473	0.96
Math/Computer Science	4,947	4,456	0.90
Social/Behavioural Sciences	4,318	4,409	1.02
Medicine	10,392	11,036	1.06
Dentistry	12,906	32,000	2.48
Nursing	4,385	4,779	1.09
Veterinary	4,441	6,553	1.48
Graduate Programs	5,777	3,535	0.61

Source: Adapted from Statistics Canada, special tabulation, unpublished data, *Survey of Tuition and Living Accommodation Costs for Full-Time Students at Canadian Degree-granting Institutions (TLAC)*, 2009. Table 8E.5 and Table 8E.1b).

programs prohibitive for a young person from a low income family or from a background where others have never attended university.

Double Plus Tuition Fees for International Students

In recent years, tuition for international students has increased as universities across Canada established differential tuition fees for international students. By the Fall 2008 semester, "average tuition fees for international students surpassed $14,000 — more than three times the already high fees paid by Canadian citizens" (CFS, 2008).

The differential fee for international students in Saskatchewan is among the lower of the provinces of Canada. For the University of Saskatchewan, international students can expect to pay 2.6 times the tuition fee for Canadian students; for the University of Regina, the rate is double for international students. The differential rate appears to be greatest for the University of British Columbia, where the tuition fee for international students is 4.5 times that for Canadian students (University of Regina, 2008c, p. 17).

Reduced Government Funding Across Canada

While there are many reasons for the large increases in tuition fees over the last twenty years and why they remain so high, reduced government funding was a major cause. Beginning in the mid 1990s, governments reduced financing of post-secondary education and this placed severe financial pressure on institutions. One way that institutions dealt with this pressure was to expand other revenue sources, one of the primary ones being increased tuition fees. In 2005, the Canadian Association of University Teachers summarized these trends as follows (CAUT, 2005, pp. 1-2):

- As a share of the economy, direct provincial transfers to universities and colleges have fallen from 1.54% to just 1.04% of Gross Domestic Product between 1992/93 and 2004/05.
- Federal cash transfers to the provinces to assist in funding post-secondary education remain well shy of levels recorded ten years ago. When adjusted for inflation and population growth, the federal cash contribution available for post-secondary education in fiscal 2004 is estimated to the 40% lower than in 1992/93.
- As a share of the economy, the federal cash contribution for post-secondary education is at its lowest level in twenty-five years.

In recent years there has been some recovery in government financing for universities and colleges across Canada. As can be seen in Table 2.3, since 2002-2003 provincial spending for post-secondary education has become a larger item in provincial budgets for six of the ten provinces and for Canada as a whole.

The data in Table 2.3 also demonstrate that Saskatchewan historically did not devote as large a percentage of provincial government spending to post-secondary education as did most other provinces. But there has been a shift toward increased emphasis on funding for universities

Table 2.3. Provincial expenditure on post-secondary education as a share of total provincial expenditure, Canada and provinces

Year	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	CA
1992-1993	6.4%	5.1%	7.5%	5.6%	7.6%	5.8%	4.4%	5.1%	6.4%	5.9%	6.3%
2002-2003	5.6%	4.7%	5.5%	6.1%	6.2%	5.4%	6.7%	6.5%	5.2%	5.5%	5.7%
2006-2007	5.9%	4.9%	5.5%	5.6%	5.8%	5.9%	4.9%	6.9%	7.1%	5.8%	5.9%

Source: CAUT, 2004, 2008 (Table 1.2).

and colleges in recent provincial government budgets. After Alberta, Saskatchewan now devotes a larger percentage of its provincial government expenditures to post-secondary education than does any other province.

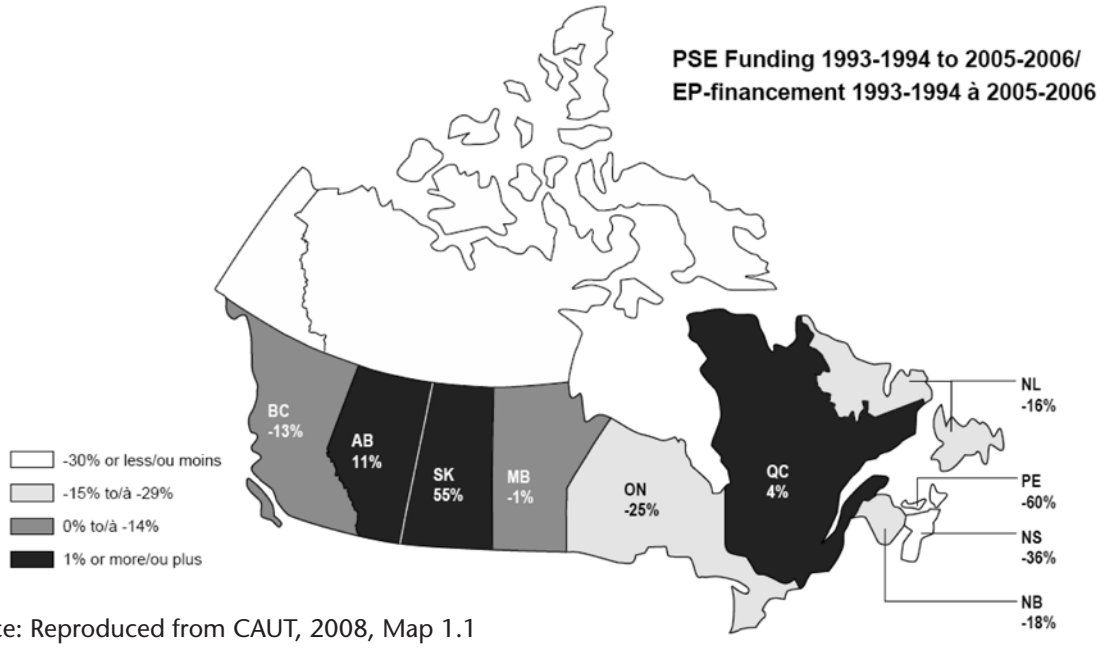
As reported in successive Provincial Budgets, the size of Saskatchewan government grants to universities and affiliated colleges in the province has risen from $230 million in the 2003-2004 fiscal year to $334 million in the 2008-2009 fiscal year. Over this period, this increase was 9.3 per cent per year, with the increase in the current year being $30.3 million, just under ten per cent (Saskatchewan Finance, 2002-2008).

Moving from one of the provinces with the least emphasis on post-secondary education to the current situation, provincial government funding support for post-secondary education has improved dramatically. The map in Figure 2.3 shows how, over the last decade, provincial government funding for post-secondary education declined in most provinces, and increased only in Saskatchewan, Alberta, and Quebec, with Saskatchewan showing the greatest increase. Given the expansion in provincial government funding, two questions must be asked. Were the tuition hikes in the late 1990s and first half of this decade really necessary? And how much did undergraduates benefit from the earlier tuition hikes and increased government funding?

Tuition Fees Became a More Important Source of University Revenues

During the time that provincial and federal government support for universities was declining, revenues for universities continued to increase. In this decade, between 2000-2001 and 2006-2007, revenues for Saskatchewan universities and colleges rose from $757 million to $1,176 million, a 55 per cent increase (CAUT, 2002, Table 6.4; 2008, Table 1.5). The comparable increase in prices over this period was approximately 16 per cent, meaning that revenues rose very considerably in real terms.

Figure 2.3. Percentage change in provincial government funding for post-secondary education, 1993-1994 to 2005-2006, per full-time equivalent student enrolment, 2005 dollars



Source: Reproduced from CAUT, 2008, Map 1.1

As government funding for universities slowed in the 1990s, universities began to increase revenues from other sources. One of the major sources of extra funding was to boost tuition fees, so that tuition became an increasingly important source of university revenues. Even as government funding recovered in this decade, tuition continued to increase, ending in Saskatchewan only with the imposition of the 2005 tuition freeze. From under 15 per cent of Saskatchewan universities operating revenue before the 1990s, by 2006 Saskatchewan universities obtained 26 per cent of operating revenues from tuition (Appendix Figure A2). While 2006 is the last year for which comprehensive Canadian data on the topic is available, the University of Saskatchewan notes "Tuition revenue for 2007/08 comprises 25% of Operating Budget revenue (decreasing from a high of 30% in 2004/05)" (University of Saskatchewan, 2008a, p. 22).

The trend toward tuition becoming a key revenue source has occurred in other universities across Canada, with the possible exception of those in Quebec and Newfoundland and Labrador. In three provinces, New Brunswick, Nova Scotia, and Ontario, tuition amounts to over one-third of university operating revenues (Figure A2). Having such a large proportion of university revenues dependent on student fees puts great pressure on universities to maintain or increase already high tuition levels.

Funding for Research and Capital

Emphasis on university research activities has resulted in increased research revenues. While growth has been uneven, with large increases in some years followed by stability or declines in others, for both Saskatchewan universities research revenues have grown remarkably in this decade (Table 2.4). From limited data, research revenues appear to have increased more than

Table 2.4. Research revenues for the University of Saskatchewan (U of S) and University of Regina (U of R), in millions of dollars and as a percentage of the total for Canadian universities

Year	U of S	U of R	Sask. total	Sask. total as a percentage of Canadian total
2001	101.4	13.0	112.3	3.7%
2002	121.1	18.7	108.3	3.2%
2003	116.7	18.1	130.8	2.6%
2004	107.4	22.0	135.4	2.6%
2005	110.3	23.9	129.8	2.3%
2006	106.8	22.4	129.2	NA
2007	140.6	21.9	162.5	NA
2008	204.8	NA	NA	NA

NA – figure not available. Also not that year-to-year changes may not be exactly comparable since data were obtained from different sources.

Source: CAUT, 2001-2006. University of Saskatchewan, 2008a, p. 23; University of Regina, 2008a, p. 17.

revenues as a whole since 2001. Special note should be made of the very successful University of Saskatchewan result for 2008. In its *2007-2008 Annual Report*, the University states "The increase of $48.4 million from other government and other grant sources is due primarily to an increase in Canadian Foundation for Innovation (CFI) funding for major capital projects including InterVac and the Canadian Light Source (CLS) facility and beamline expansion" (University of Saskatchewan, 2008a, p. 22).

While it is difficult to obtain a consistent picture of capital expenditures, both campuses have had major building and infrastructure projects in recent years. Most of this funding has come from the provincial government, along with university borrowing to finance construction.

Increased Administrative Costs

On the expenditure side, one of the concerns expressed by many students and faculty is the rapid expansion of administration costs and number of management and administrative personnel. In its submission to the McCall Review, the University of Saskatchewan Faculty Association noted a "disturbing trend at the U of S ... has been the diversion of money into administrative positions." The submission provides figures showing that academic salaries declined from approximately 41 per cent of total university expenditures in 1990-91 to under 36 per cent in 2001-02. Over this same period, administration salaries increased from approximately 8 per cent to approximately 14 per cent of University of Saskatchewan expenditures (USFA, 2006).

In recent years, the number of full-time faculty members employed at Saskatchewan universities has increased little, if at all. Over the first six years of this decade, and at a time when student enrolment was increasing, the number of full-time university teachers at the University of Regina actually declined from 434 to 429. At the University of Saskatchewan, after several years of decline in faculty numbers, there was a marginal increase, from 981 to 1,008, between 2000-2001 and 2005-2006 (CAUT, 2004, Table 4.10; 2008, Table 2.12).

Related data provided by the University of Saskatchewan shows that full-time staff equivalents in the academic area increased from 1046.5 to 1,116.3 from 2002-2003 to 2006-2007, an increase of only 7 per cent. At the same time, there was practically a 50 per cent increase in the number of administration, clerical support, technical, student, and other support personnel, from 1,784.1 to 2,653.2 for (University of Saskatchewan, 2008ss). Administrative positions grew more than ten times the amount of faculty positions at the University of Saskatchewan, despite the remarkable growth in research funding. At the University of Regina, 1999-2000 total salaries for administrative staff were three-quarters the total salaries paid to faculty; by 2008 total salaries for administrative staff exceeded that of faculty (University of Regina, 2000-2008).

Further, data from the CAUT demonstrates that from the early 1990s to the middle part of this decade, Canadian university expenditures increased by over two-thirds but the portion of these expenditures devoted to academic rank salaries (faculty members) declined from approximately 27 per cent to under 19 per cent (Appendix Figure A3).

While universities have many goals and tasks, the teaching of students must always stand front and centre. Some of the increased expenditures devoted to administration and management are no doubt of benefit to students in the form of improved student services. However, it is likely that a large portion of increased expenditure is for expansion of research and contracts, links with industry, and other activities that are not directly related to teaching of undergraduate and graduate students. An analysis of similar trends in United States colleges and universities concluded that over the period 2002 to 2006, "Tuition covered a greater share of the cost of attending college, but the proportion of money being spent on classroom instruction declined. (The additional tuition revenue went to such areas as administration, research, and academic support, which includes things like information technology)." Further, other than in private research universities, much of increased tuition revenue was shifted away from spending on education to "subsidize research and service activities" (Blumenstyk, 2009).

One question that emerges from these data and analysis is whether universities are devoting sufficient attention to the teaching of undergraduate and graduate students. While increased administrative expenses may assist universities in increasing their revenues, the quality of education provided to students may decline — all at a time when students are paying high levels of tuition.

Prospects for Tuition and Affordability

As noted earlier, the provincial government proposes to abandon the tuition freeze in favour of a system of managed tuition increases. The University of Regina has proposed "tuition increases equal to the provincial rate of consumer price inflation plus two percentage points. Based on recent inflation figures in Saskatchewan, this formula would produce a tuition increase of 5.2 per cent" for the 2009-2010 year (University of Regina, 2008c, p. 18). The University of Saskatchewan has not proposed any specific increase and states that "The setting of the tuition rates is not contingent on the need to balance our budget, rather setting an appropriate increase that is sustainable, realistic, competitive, and affords accessibility to students" (2008e, p. 11). The approach favoured by the University of Saskatchewan is that the Board set the rate rather than having a specific rate specified by the provincial government. In its 2009-2010 Operations Forecast, the University argues:

> It is likely with the change to the public policy framework, the tuition management program will change, and the University would favor setting tuition **rates** by the Board of Governors based on factors including maintaining competitiveness, ensuring quality of instruction and facilities, ensuring continued student access, affordability for students and retention of students. We believe the increase should reflect the balance between the public and private benefits of a university education. The increase should also be sustainable and reasonable coupled with continuing improvements in student scholarships and student aid. A possible strategy would be to increase tuition rates by a percentage similar to CPI in the Province of Saskatchewan, with allowance for the possibility that different adjustments may be required for particular programs. (University of Saskatchewan, 2008e, p. 11).

While the universities argue they wish to be competitive, with tuition levels scheduled to increase, they will not be competitive with Manitoba (see Table 2.1). Also, neither university nor the provincial government appears willing to adopt the recommendation of the McCall Report, that there be a continued fully funded tuition freeze and fully funded tuition reduction of $1,000 per year (McCall, p. 3). As a result of increases based on the formulas proposed by the universities, attendance at Saskatchewan universities will again become less affordable in Saskatchewan.

Key Findings – Section 2

- Following 14 years of average annual tuition fee increases of 9 per cent, the provincial government froze tuition fees at the 2004-2005 level.
- In 2004, average tuition fees for Saskatchewan university students were the second highest among provinces in Canada; as a result of the tuition freeze, by 2008, average tuition fees in the province were sixth highest. This demonstrates the positive effect a tuition freeze can have for university students.
- Tuition and fees at three Manitoba universities average approximately $1,500 less than those at the two Saskatchewan universities.
- A Saskatchewan university education became less affordable over the last twenty years. As a proportion of family income, the cost of tuition and fees was twice as great in 2008 as in the early 1990s.
- High tuition in professional programs shuts out those from low-income backgrounds unless they create huge debt load for themselves.

- International student pay 2 to 2.6 times the tuition fees for Canadian students.
- Historically low, over the last ten years Saskatchewan government funding for universities increased more than in any other province. Given this large increase, was it necessary for the universities to raise tuition fees so dramatically?
- Tuition fees now account for 26 per cent of revenue for Saskatchewan universities; in 1976 they accounted for less than 15 per cent of university revenues.
- Total research revenues have doubled at Saskatchewan universities since 2000.
- Since 2000, administrative expenses and personnel have greatly expanded at Saskatchewan universities while the number of faculty members has remained unchanged. How has this affected the quality of undergraduate and graduate education?
- There has been no shortage of revenue for Saskatchewan universities since 2000, but the two universities have devoted few or no extra resources to undergraduate programs.

Section 3

High Living Costs for University Students

Highlights

- Livings expenses for students — housing, food, transportation, personal items — may exceed the cost of tuition and fees.
- Many Saskatchewan students live distant from a university and must relocate to attend university, leading to high living expenses.
- Limited rental housing and skyrocketing rents over the last three years.
- Additional educational expenses of textbooks, supplies, and computer.
- Child care costs for students with young children.
- Opportunity costs of attending university — the wages and employment income foregone by students during the time they attend university.
- Three hypothetical students — Sue, Lionel, and Jessica.

Living expenses and the costs of books and supplies have continued to rise even though tuition fees are frozen. For the many students whose normal residence is not within commuting distance of Regina or Saskatoon, the cost of travel, relocation, housing, and food constitute major expenses of attending university. In Saskatchewan, with many living distant from a university, these latter costs can exceed the cost of tuition, fees, books, and supplies. For rural and northern students, the financial costs and social issues associated with relocating to Regina or Saskatoon can be the key barrier to attending university.

Students attending university have a range of living expenses and a variety of ways of meeting these expenses. For students who live with their parents and who can walk or use public transportation to commute, expenses associated with university attendance may be little more than tuition and supplies. However, even assuming their families absorb the cost of room and board, these students live on lower incomes than they otherwise would, foregoing some employment income while attending university. For students who must relocate to a university city, there is also foregone income plus the added expenses of moving and living in a new location. Some students economize by reducing their expenses to more-or-less poverty level while attending university; others find ways to support a more normal level of living.

From the above considerations, it is not possible to provide a single estimate of living costs for university students. This section gives estimates of some of the common expenses associated with attending university. Before examining these expenses, the situation of students who come from households that are distant from the province's two universities is considered.

Distance and Living Arrangements

Regina and Saskatoon are the only two cities in the province with universities although some university courses are delivered in other locations through various media. In order to obtain and complete a full university program, a student must attend in Regina or Saskatoon or in another province. It is not only students from rural areas who must relocate, but many in smaller Saskatchewan cities, towns, and First Nations northern communities.

As demonstrated in *Improving Access*, Saskatchewan is the province with the greatest percentage of potential students living further than eighty kilometres from either the Regina or Saskatoon (Conway, pp. 15 and 51). A Statistics Canada report estimates that in 1996 just 48 per cent of grade ten students in Saskatchewan lived within eighty kilometres of a university. In most other provinces, the comparable percentage was between 75 and 90 per cent (Frenette, 2003, p. 3 and Table 2). Many Saskatchewan residents have undoubtedly moved closer to the two universities over the past decade, but the estimate in *Improving Access*, that approximately 50 per cent of students enrolled at the two universities originally lived more than 80 kilometres distant from either university, is consistent with the Statistics Canada estimate (Conway, p. 15). The implication of this is that large percentages of Saskatchewan young people planning to attend university must find a way to finance transportation and housing costs. Surveys from the Canadian Undergraduate Survey Consortium (CUSC) report that approximately fifty per cent of university students in the province lived in rented accommodation or residence in 2006-2008 (46-48 per cent in Regina, CUSC, 2006a, p. 13 and 2008a, p.12; and 52 per cent in Saskatoon, CUSC, 2008b, p. 12). This one-half of students thus incurred higher living expenses than those who live with family members.

Expenditures for living costs may exceed the cost of university tuition and fees, books, and supplies for single students not living with family while attending university. For single undergraduates living away from home, non-educational living expenses average $5,000 a year more than for those living with parents (Barr-Telford et al., 2003, Tables A-4 and A-5). University students who are older, married, or have dependents, may have living costs and foregone earnings several times that for a young single undergraduate living at home. These older students usually require larger apartments, child care, and an automobile. From the data later in this section, an estimate of $5,000 per year in extra expenses is on the low side and is now out of date.

Price Increases Since 2004

Most items purchased by students have the same price, and increase in price, as for other consumers. As a result, Statistics Canada's Consumer Price Index (CPI) for Saskatchewan generally provides a reasonable estimate of the price increases faced by students in the province. While tuition has been frozen at the 2004 level, other prices have continued to increase. For Canada as a whole, the CPI rose at an annual rate of 2.1 per cent over the four years from 2004 to 2008. Saskatchewan, often considered a low cost place to live, has experienced more rapid increases in price over this same period, with an annual average rate of increase of 2.6 per cent. At 2.9 per cent, the average annual rate of price increase for Saskatoon has been even greater, while the Regina rate has been below the provincial average, at 2.4 per cent per year (Saskatchewan Bureau of Statistics, 2009a).

Table 3.1 summarizes the changes in the Saskatchewan CPI for the items that constitute a large portion of expenditures for university students, especially for those who live in rented accommodations. Since 2002, while price increases for food and transportation are similar to the overall

increase (all items) and for clothing and personal items are below the overall increase, there has been a massive hike in shelter costs. The increase in shelter costs has been especially dramatic since 2006, with Regina and Saskatoon rents and house prices increasing at unprecedented rates.

Limited Rental Housing and Skyrocketing Costs

The cost of housing forms a large portion of living expenses for undergraduate students living on their own or away from their home community. Traditionally, housing costs have been low in Saskatchewan, with Regina and Saskatoon housing costs among the lowest of large Canadian cities. As recently as 2006, average rental rates in Saskatoon and Regina were 70 to 75 per cent of the Canadian average. During 2007 and 2008, average rental rates increased to 90 per cent of the Canadian average (CMHC, 2008c, Table 13). Over the two years from 2006 to 2008, the shelter component of the CPI rose by 19 per cent in Saskatchewan and by the end of 2008, was approximately 35 per cent above its 2002 level.

At the same time as rental rates have increased in the two cities, vacancy rates for apartments have fallen to almost zero (Table 3.2). In 2007, when the vacancy rate fell to 0.6 per cent, it was especially difficult for students in Saskatoon to find rental apartments,. In Regina, the same situation occurred in 2008, with a vacancy rate of 0.5 per cent.

Table 3.2. Rental market statistics, Regina and Saskatoon, October 2006 to October 2008

	October 2006	October 2007	October 2008
Regina			
Apartment vacancy rate	3.3%	1.7%	0.5%
Bachelor – average monthly rent	$376	$389	$456
Two bedroom – average monthly rent	$619	$661	$756
Annual increase in average rent	2.3%	6.2%	13.8%
Saskatoon			
Vacancy rate	3.2%	0.6%	1.9%
Bachelor – average monthly rent	$395	$435	$518
Two bedroom – average monthly rent	$608	$693	$841
Annual increase in average rent	4.0%	13.8%	19.6%

Source: CMHC, 2008b

Table 3.1. Consumer Price Index, Saskatchewan (2002 = 100), food, shelter, transportation and all items, 2002- 2008

Year	Food	Shelter	Transportation	All Items	Annual Per Cent Increase, All Items	Annual Per Cent Increase, Shelter
2000	95.2	91.4	97.8	94.4	2.6	4.0
2001	98.0	97.6	98.6	97.2	3.0	6.8
2002	100.0	100.0	100.0	100.0	2.9	2.5
2003	102.2	103.1	102.6	102.3	2.3	3.1
2004	104.5	106.0	105.8	104.6	2.2	2.8
2005	105.1	109.7	110.7	106.9	2.2	3.5
2006	107.6	113.5	114.8	109.1	2.1	3.5
2007	111.2	123.1	115.4	112.2	2.8	8.5
2008	115.3	135.0	115.4	115.9	3.3	9.7
2000-2008	1.211	1.477	1.183	1.228	2.6	4.9
2004-2008	1.103	1.274	1.091	1.108	2.6	6.0

Source: Saskatchewan Bureau of Statistics, 2009a

In its October 2008 forecast on housing market outlook (CMHC, 2008a), the Canada Mortgage and Housing Corporation (CMHC) anticipates the low vacancy rate in Regina to persist into 2009, although it may ease a little in Saskatoon. However, the outlook is for continued increases in rent. For a two bedroom apartment, CMHC forecasts that by October 2009, the average monthly rental rate will be $875 for Saskatoon and $855 for Regina. For the coming academic year, students at the two Saskatchewan universities will have difficulty obtaining adequate housing and will be forced to pay even greater rents.

Utility expenses — electrical power, heating, water and sewer — must also be paid by students who rent apartments. In some cases, these may be included in the rental price while in other cases they are additional costs associated with renting. Since 2002, the Saskatchewan price index of water, fuel, and electricity has risen 25 per cent. In contrast, the cost of communications — telephone, internet, and cable television service — has declined by 2 per cent (Statistics Canada, 2009a). Given that the communication services required and the rental situation of each student differs, estimates of the costs associated with these services are not provided here.

Table 3.3. Cost of residence for eight months

	University of Regina		University of Sask., Voyageur Place
	2004-05	2008-09	2008-09
Room	$3,100-4,800	$3,488-6,048	$6,046-6,712 for room and meals
Meals	$2,396	$2,000-3,000	
Total	$5,496-7,196	$5,488-9,048	

Source: University of Regina, 2008g and University of Saskatchewan, 2008c

One option for students is to move into a residence while attending university. The residence experience can be worthwhile, is a means of establishing friendships and community, and provides certainty in terms of costs. For first year students who must move to Saskatoon or Regina and are unfamiliar with the city, this is an attractive option. As noted on in the University of Saskatchewan's information for students (University of Saskatchewan, 2009c), the cost of residence living may be greater ($6,046-6,712) than living as part of a group off-campus ($3,824-5,912). Of course, the latter assumes that an apartment can be found and leased for the eight month school term, both of which are problematic given current housing conditions.

Rates for some residence plans at the two universities are provided in Table 3.3. At the University of Regina, a large increase in residence space occurred with the opening of the North and South residence towers in 2004. In February 2009, the University of Saskatchewan announced that it will build new residence space for 400 students, with the provincial government contributing $15 million to the project (Ferguson and MacPherson, 2009). While the University of Saskatchewan has some residence space for students with children, the University of Regina has no such space. Given the limited residence space and the high cost of residence, living in residence is a reality only for students from middle and higher families.

Rising Transportation Costs

Average transportation costs in Saskatchewan have increased by over fifteen per cent since 2002 (Table 3.1), an increase approximately the same as for prices overall. Student transportation costs can be broken into three components — city bus transit, intercity bus transit, and automobile — with cost implications differing by residence pattern.

For those who regularly live in Regina or Saskatoon, or set up residence in either city during the year, city transit costs provide a

benchmark cost estimate. From 2002 to 2008, the Consumer Price Index for Saskatchewan local and commuter transportation increased by 26 per cent (Statistics Canada, 2009a). In Regina, the cost of a monthly post-secondary transit pass rose from $40 in 2000 to $48 in 2006, a twenty per cent increase. Since 2006, there has been no change in this monthly rate, and the current monthly rate for Saskatoon is the same. However, an increase is scheduled for Regina during the current year (Regina Transit, 2009). Over eight months, the current cost of a city transit pass for post-secondary students is $384.

Students who must relocate to Regina or Saskatoon during the academic year may be able to travel by bus. For intercity bus transportation, Statistics Canada reports price increases of 21 per cent from 2002 to 2008 (Statistics Canada, 2009a). Some of this latter increase may be associated with the spike in oil and gas prices in 2008, but future prospects for these prices is uncertain.

For students who live outside Regina or Saskatoon, but within commuting distance, travelling to university by automobile is often the only transportation choice. While costs of purchasing a used automobile have not risen greatly since 2002, the costs of operating an automobile rose by over 36 per cent over the 2002 level by 2008 (Statistics Canada, 2009a). Again because of the oil and gas price spike, costs in 2008 rose even more but have abated since, with uncertain prospects about future prices.

For students who must commute by automobile, parking costs must also be considered. For 2008-9, at the University of Regina the monthly fee is $31.28, with the cost of an electrical outlet of $9.98 for four months, resulting in an eight month total of $290.16 (University of Regina, 2008d). At the University of Saskatchewan, student parking fees for the current year range from $119.70 to $288.75, depending on location (University of Saskatchewan, 2008f).

"A Textbook Case of Sky-high Prices"

This was the title of an article on the high and rising cost of university textbooks in the *Ottawa Citizen* (Bird, 2008). These costs might be more properly included with the cost of tuition and fees, in that they are educational expenses rather than living costs. However, as with living costs, they are not fixed in the same manner as tuition and vary greatly across type and year of university program. Since Statistics Canada does not provide information on increases in the costs of textbooks when providing information on the Consumer Price Index (2009a), there is no consistent measure of the level of textbook prices in Canada nor is there an index of price increases.

On their web sites, universities generally provide estimates of the costs of textbooks. The University of Saskatchewan estimates the costs at $500 to $1,000 annually (2009c). At the University of Regina, the Faculty of Arts estimates an annual cost of $1,000 for textbooks while the Faculty of Science estimates $1,600 per year (2008f). "The National Association of College Stores, a U.S.-based group that also represents 72 Canadian stores, says students spend on average $702 U.S. per year on required course materials." (Bird, 2008). The latter estimate, made when the Canadian dollar was much lower than it currently is, amounts to approximately $1,000 per year.

Not only are these prices high, they have risen dramatically in recent years. "According to one study by the University of Alberta Students' Union ... the list price of 137 textbooks increased 2.8 times faster than the consumer price index between 1995 and 2007" (Bird, 2008). The same article reports a study from the United States that found an annual increase of six per cent per year for the last two decades.

The cost of printing papers, obtaining and photocopying articles, reproducing information from Internet sources, and obtaining access to

information where fees are charged all constitute additional costs for students. While there is little information of the extent to which students do this or are required to use these methods, these activities could easily amount to $100-200 per academic year, depending on the requirements of the program.

An additional expenditure, and one that students of an earlier generation did not have, is the cost of a laptop or other computer, along with programs, peripherals, supplies, internet access, warranties, technical assistance, and repairs. For many university programs it is now mandatory to have access to a computer and, while on-campus access to computers has improved, students also require a portable computer or one at their residence. From current newspaper flyers for computer retailers, a reasonable estimate of expenditure for a laptop computer, along with associated expenses, is around $1,000. While a computer might last several years, it might also fail and require replacement. For purposes of budgeting, a university student might best plan to purchase two computers over a four year period, resulting in an estimate of $500 per year computer related expenses.

Food and Personal Expenses

This report makes no independent estimates of the costs of food and personal expenses. Instead, estimates from the Survey of Student Finances of 2001-2002, updated for price increases since that time, are provided. In that survey, students reported spending an average of between $399 and $504 per month on food, personal, and miscellaneous items. This expenditure differed by region of Canada and type of living arrangement. The students with the lowest monthly expenditures were those who lived with their parents while those at the high end of this range lived alone. Adjusted for price increases in Saskatchewan, these amounts are $476 to $601 per month for 2008-2009. Over an eight month academic year, estimated expenditures for food, personal, and other items range from $3,808 to $4,808 (EKOS, 2003, Figures F67.3 to 74.3, pp. 85-95; Table 3.1).

It can be argued that these are not true costs of attending university since they are costs that a student would be required to meet even if he or she were not a student. That is, these living costs for food, clothing, personal care, entertainment, and other miscellaneous costs might be much the same for undergraduate students as they are for other individuals around the same age and in similar household types. However, undergraduate students must meet these expenses during the time they are attending university. These expenses can be considerable, especially for food and clothing, during a time when undergraduate students have low or no income. As a result, any estimate of the costs of attending university must include these costs — they are costs that must be met each year by students.

Child Care

Since most undergraduate students do not have children, they do not have child care expenses. But for the five per cent of students who are single parents or have children under age twelve, child care costs can be a major expense item to consider when attending university (CUSC, 2008a, p. 11 and CUSC, 2008b, p. 11 report that 5 per cent of students at each of the two universities in the province have children under age twelve). In addition, finding a satisfactory child care centre or arrangements can be difficult and worrisome for a young parent already facing a stressful student life. When required classes are scheduled in evenings or on weekends, additional expenses and difficulties in arranging child care are encountered. Thus for students who are parents, full-time attendance at university is extremely difficult or impossible.

Child care fees for single parents attending university in the province are often subsidized.

With low or nonexistent incomes during the time they are attending university, these students qualify for the maximum subsidy from Saskatchewan Social Services. For families with one child under age 18, the maximum subsidy is provided when income is below $1,640 per month (Saskatchewan Social Services, 2009). For families with two parents, and where one is employed, the subsidy is reduced so paying the full child care fee might be necessary.

One estimate of child care expenses is from the centres attached to the University of Regina. At these centres, the current monthly fee for a preschool child is $500 and for a school age child is $380 (Awasis, 2009). For Regina and Saskatoon, the provincial government maximum subsidy is $405 for a preschool child and $275 for a school age child (Saskatchewan Social Services, 2009). This means that a student eligible for a full subsidy would be required to pay an additional fee of $95 per month, or $760 over eight months, for a preschool child; for a school age child the additional expense would be $105 monthly, or $840 over the academic year

While child care costs have increased in recent years, the Consumer Price Index for Saskatchewan shows that increases have been almost equal to the average increase of all prices. From 2002 to 2008, the CPI for child care and domestic service increased 16 per cent (Statistics Canada, 2009a).

Opportunity Cost – Incomes Students Do Not Get While Attending University

When individuals decide whether or not to attend university they must consider the other alternatives available to them. For an eighteen year old student just graduating from secondary school and who has anticipated attending university, there may be few viable alternatives to university. But for those who are uncertain about attending university, full-time employment may be an attractive option, especially in Saskatchewan in recent years, with strong employment growth in the province. The following conclusion emerged from a recent review of the Saskatchewan labour market:

> One of the negative consequences of the employment growth among youth is that some young people are apparently choosing the labour market over a secondary or post-secondary education. Among those 15 to 24 years of age, 53% were attending either high school or a post secondary institution in the fall of 2008. This compares with 55% in 2005 and 56% in 2002. (Sask Trends Monitor, 2008, p. 5).

For young people who have been out of school for a year or more, the decision to give up employment income to attend university can be a difficult one. And for those who are a few years older or have responsibilities for supporting family members, it may not be possible to rearrange finances so they can attend university.

The opportunity cost of attending university is the amount of income lost or foregone as a result of attending university. In times of high unemployment, this may be low, since jobs may be difficult to find and wages low; during times when employment is growing, the potential income that is lost can be considerable since jobs that pay reasonably well are available. While many students have jobs during the summer or part-time during the academic year, for the most part the income obtained from these jobs does not match the amount they would otherwise have available.

From Appendix Table A2, the median income for 15-24 Saskatchewan year olds who were employed full-time and full-year in 2005 was $20,869. From surveys of Saskatchewan undergraduates in 2008, median summer earnings were $4,000 monthly and median employment earnings during the academic year $1,500-

2,000 monthly (CUSC, 2008a, p. 47; 2008b, p. 42). Subtracting these latter earnings from the median employment income gives an estimate of $15,000 as the amount of income lost as a result of attending university. For students without jobs while attending university, the opportunity costs very likely exceed this.

For students who are older and who decide to return to university, the opportunity cost is usually much greater. Appendix Table A2 gives data on median incomes for various types of individuals aged 25-44. Median employment income for Saskatchewan 25-44 year olds who were employed full-time and full-year in 2005 was as high as $40,033 (non-Aboriginal males) to $27,218 (Aboriginal females). Again, subtracting from these figures the earnings from employment during the summer or academic year provides estimates of the opportunity cost of attending university. Using the same survey results as above, the median income foregone as a result of attending university is over $20,000 for both male and female, Aboriginal and non-Aboriginal older individuals.

If these foregone incomes are included in estimates of the cost of attending university, the total cost of may be double or triple the outlays for fees, supplies, and living expenses. While completing university and attaining a degree improves the chances of a obtaining a job with a higher income, the fact remains that a student must finance his or her university attendance while actually attending. These opportunity costs are real costs for students at this time and should be included in estimates of the affordability of a university education.

Three Hypothetical Students

In order to present an idea of total cost associated with attending university, the situation of three hypothetical students is presented in this section. Expenses for these students for their first year at university are shown in Table 3.4.

Table 3.4. Expenses for three hypothetical students, 2008-2009, in dollars

Expenditure Item	Sue – U of R	Lionel – U of S	Jessica – U of R
Food	968	7,112	3,495
Housing	0		6,048
Transportation	384	500	1,170
Personal and Other	2,528	2,528	4,399
Child Care	0	0	840
Total Living Costs	**3,880**	**10,140**	**15,952**
Tuition and Fees	4,771	5,019	4,771
Books and Supplies	1,500	1,500	1,500
Educational Costs	**6,271**	**6,519**	**6,271**
Total of All Expenses	**10,151**	**16,659**	**22,223**

Source: Appendix Table A3.

Sue – Single Student Living at Home, Attending University of Regina

Sue has just graduated from high school in Regina and is enrolled in the Faculty of Business Administration, intending to pursue a career in financial administration. Her parents are immigrants to Canada — her father holds a non-unionized job in a machine shop and her mother is employed as an attendant in a unionized job at a Regina hospital. Sue, along with her younger brother and sister, were born in Regina and attended primary and secondary school in the city. While she was in high school, Sue held a part-time job at a retail outlet in a mall in the east part of the city and was employed full-time at this store in the summer months. She hopes to keep this part-time and summer employment during her university years.

Sue wishes to avoid debt so is attempting to minimize her expenses while studying at university. She has a Regina Transit pass to travel to

and from the University. She does not have to purchase extra health care benefits since she is covered by the family health benefits her mother has from her job. To keep food expenditures low, she eats her meals at home and prepares a lunch that she takes to university. Her planned eight month expenditure of $968 includes two daily drinks at the University and one weekly night out with friends. Her personal and other expenditures include clothing, personal care items, some reading materials not related to her studies, several movies and concerts, and one trip to Calgary to visit cousins.

In order to begin university, Sue has purchased a laptop computer for $1,100 so her expected expenses for books and supplies exceed that shown in Table 3.4. However, she is hoping that the computer will last four years so she can economize on those expenses in future years.

By working part-time during the school year and full-time during the summer, and by economizing wherever possible, Sue hopes she can be debt-free when she obtains her Bachelor's degree.

Lionel – Single Student Living on Own, Attending University of Saskatchewan

Lionel comes from Lac la Ronge, where he attended and completed high school. He has lived independently for two years, employed as a maintenance worker in a mining camp, and has been able to save $12,500 from the income he earned. Lionel is of Aboriginal ancestry but is not affiliated with a First Nation, so has no band funding. He plans to pursue an Engineering program at the University of Saskatchewan and has been accepted into the program.

Since he has never been in Saskatoon, Lionel considers it best to stay in residence for the first year of his university studies, so he can make some friends and become familiar with the campus and city. The allocation of $7,112 for food and housing includes the cost of $6,712 for a single room, along with meals, at Voyageur Place. Another $400 is allocated to the cost of an occasional snack, pizza, or off-campus meal with friends. Living on campus, Lionel does not need a transit pass. His transportation expenditures include three return trips to la Ronge by bus — one to visit family at Christmas, one during the winter break, and one to and from the University. He anticipates being able to find employment in a northern location during the summer, so will have to move there at the end of the university term.

Personal and living costs are composed of items similar to those of Sue, although Lionel is hoping to keep the cost of clothing and entertainment to a minimum. He is planning to spend $1,500 on a computer, given the requirements of the Engineering program and the extensive use he will make of it there. He has also been told that the cost of books and other supplies for this program might be greater than what he has allocated. However, he is hoping that by economizing on his personal expenses over the first year, he can keep within the budget shown.

Given his accumulated savings, Lionel anticipates that he will not need to borrow much during his first year at university. In subsequent years, he realizes expenses may increase but he is hoping to keep within the budget in Table 3.4 by moving to an apartment off-campus with friends. Lionel anticipates that it will take all of his time to master the course work, so he does not intend to work part-time during the academic year, at least not during the first year. He anticipates being able to obtain summer employment between each academic year but realizes that he will need to borrow a fair amount each year to meet the expenses associated with tuition and fees and support himself in Saskatoon.

Jessica – Single Parent Living on Own, Attending University of Regina

A single parent aged 28, after she graduated from high school in Swift Current, Jessica worked periodically in various jobs, mostly in retail services. Her marriage did not work out well and for the last three years she has been on her own, with her son who is now six years old. Fortunately, her mother and an aunt live nearby and were able to take care of her son while she worked full-time for the last three years.

Jessica has always planned to attend university, hoping to become a social worker. With her other commitments, it was never feasible for her to attend, although she has taken the equivalent of one year of university courses in evenings and weekends, when they were offered in Swift Current. As a result, she anticipates having to spend three years studying in Regina to obtain a Bachelor's degree and perhaps another year or two to obtain a Master's degree if she is to land the proper type of job. Given her age and the fact that her current work situation does not have an appealing future, she has decided to take the plunge into a full-time university program.

Jessica has worked out the expenses shown in Table 3.4. Rent is close to the average rent for a two bedroom apartment in Regina and includes utility costs in the rent. Since the apartment is not close to campus, she had to purchase a transit pass for both herself and her son, who attends school and a day care near the University of Regina. Child care expenses are subsidized since Jessica has no income during the school year. But the day care fee exceeds the subsidy, so she pays an additional $105 a month. She has planned for three return trips between Swift Current and Regina — one at Christmas, one at winter break, and one for the beginning and end of school year. Her expenses do not include moving expenses since her cousin helped her move to Regina. Food, personal, and other expenses for herself and her son are similar to costs in Swift Current. As part of a project for an introductory sociology class she took in Swift Current, she found that her estimates are close to the average cost for single parents in Regina.

In terms of educational costs, Jessica has the lowest tuition rate at the University. Unlike Lionel and Sue, she has an old computer that she intends to use when attending university. However, given its age, she anticipates having to spend around $1,000 for a computer at some point during her university studies.

Her estranged husband pays some spousal support each month but the payments are not large and he has just been laid off from his job so the future of these payments is uncertain. Jessica has been able to save approximately $15,000 but realizes these funds will disappear quickly during the school year. Given her ambition and interests though, she considers it worthwhile to incur reasonably large student loans each year in order to complete her degree. She anticipates that, following graduation, she will find a job that will provide a means of paying off this debt.

At the end of Section 4 you will meet Sue, Lionel and Jessica again.

Key Findings – Section 3

- Attending university in Saskatchewan continues to become more costly and less affordable. While tuition is frozen, students face rapidly rising living expenses.
  - Rental costs have increased by 19 per cent over the last two years. The vacancy rate for rental space in Regina and Saskatoon is practically zero, meaning that many students cannot find an affordable place to live. By the fall of 2009, the average monthly rent for a two bedroom apartment in Regina or Saskatoon will be over $850.

- Textbook prices continue to increase at two to three times the overall rate of inflation, meaning that $1,500 or more per year must often be spent for books and supplies.
- Since 2004, when tuition was frozen, the rate of inflation in Saskatchewan has been 2.6 per cent per year, increasing the costs of food, transportation, and personal items that students must pay.
- Since at least 2000, it is become necessary for students to have a computer, meaning an annual cost of $500 or more. This is an expense that students from earlier generations did not have.

- Compared with other provinces, Saskatchewan has the largest percentage of potential students living distant from a university. One-half of those attending university in the province must relocate their residence if they are to attend university. For these students living expenses are at least $5,000 more per year than for students living in Regina or Saskatoon. The effect of distance discourages Aboriginal, northern, low-income, and older adults from attending university.
- Residence space has increased in Regina and is scheduled to expand in Saskatoon, but the average monthly cost of room and meals for a student living in residence averages approximately $800.
- For the 5-10 per cent of students who are parents of young children, provincial day care subsidies do not cover full child care expenses. These students face additional child care costs when classes are scheduled in evenings or on weekends.
- For students attending university, the earnings they would otherwise have are lost. Some students may recover part of these foregone earnings with summer or part-time employment. This opportunity cost of attending university is at least equal to the direct costs of fees and living expenses which are a serious barrier for young people and a prohibitive barrier for many individuals who could benefit by completing a university degree but are older or have families to support.
- Three hypothetical student profiles demonstrate the real 2008-2009 costs of attending university.
  - Sue, a student living in Regina with her parents, can afford the costs of tuition and fees if she is able to maintain a summer job and part-time work each semester.
  - Lionel, an Aboriginal student, will make ends meet only by having summer employment and amassing a large debt load.
  - Jessica, a single parent in her late twenties, may have enough savings to finance one year of university but will require large loans in her second and subsequent years and will face prohibitive costs.
  - Given the limits on what is available through student loans, neither Lionel nor Jessica may be able to meet the expenses planned.
- The high costs of attending university — tuition and fees, books and supplies, rent, and other living expenses — may explain why there is declining undergraduate enrolment at Saskatchewan universities. For a young person just graduating from high school these high costs, along with a relatively good provincial job market, can easily tip the decision away from attending university to taking a full-time job. Student aversion to accumulating larger and larger debts may also be a factor tipping the decision away from attending university.

Section 4

A Patchwork of Student Financial Assistance Programs

Highlights

- Student loans are the cornerstone of the financial assistance program.
- Bursaries, grants, and debt reduction benefit some students.
- Growth in scholarships, bursaries, and prizes granted by universities.
- Expanded tax benefit programs.
- Student financial assistance does not meet the costs of attending university.
- Students tap a wide variety of sources to pay for university.
- Student debt continues to grow.
- Repaying student loan debt is difficult for many graduates.

Financial assistance for undergraduate students in Canada is a patchwork of programs that work well for some students but do not meet the needs of others. There are major gaps in financial assistance so serious barriers remain for many young people and older individuals who could benefit from a university education. As a result of the patchwork of scholarships, loans, tax credits and rebates, and grants, access to university education remains inequitable. Those who come from low income backgrounds, are Aboriginal, have children, or live distant from a university are especially disadvantaged, so that individuals from these backgrounds are underrepresented among the undergraduate student population. The amounts that governments, foundations, and universities provide in financial assistance are inadequate; in addition, funding in the amounts needed does not reach those who require it most.

This section of the report outlines the major forms of financial assistance for undergraduate students. As noted in *Increasing Accessibility*, the patchwork of assistance is a complicated one and can be divided into repayable student loans and non-repayable scholarships, grants, tax credits, debt reduction, and bursaries (Conway, 2004, p. 18). Levels and trends for the major sources of financial assistance are outlined in this section, with an examination of debt loads concluding the section.

Student Loans

Although they produce high debt loads, the system of student loans remains the cornerstone of student financial assistance in Canada. There has recently been some recovery in the amount of grants provided by universities, foundations, and governments and these governments have extended or established new tax benefits and credits. It is difficult to estimate the value of these benefits since they accrue only in future years

and, as a recent report noted "Tax credits do not help student pay for their tuition, books or housing when these costs become due" (Berger and Parkin, 2008, p. 12). As a result, it is student loans that provide the largest amount of assistance for students while they are undergraduates and where students attempt to obtain the financing they require to continue their studies. While student loans are based on need, students are expected to repay the amounts they borrow.

Since 2000-2001, the governments of Canada and Saskatchewan have coordinated their student loan systems, so undergraduates who need this form of financial assistance make a single application through the Canada-Saskatchewan Integrated Student Loan Program. The program is cost shared, with the federal government covering sixty per cent to a maximum of $210 per week of study. The remaining portion is covered by the Saskatchewan government to a maximum of $110 per week of study for students without dependents and $205 per week of study for those with dependents. For students without dependents the maximum loan is $320 per week or $10,880 for a thirty-four week academic year. The maximum available is $415 per week, or $14,110 for the academic year, for students with dependents. Additional assistance is available for medical students, with those who are part-time students, disabled, or in other situations subject to different regulations and rates (SAEEL, 2008b, p. 2).

The number of recipients of these loans, as well as the amounts authorized, remained relatively stable until 2004-2005 (Table 4.1). Since then, the number of students who have had loans authorized has declined by approximately 25 per cent and the total amount of loans authorized has declined by 18 per cent.

While no studies of the exact cause of the decline in number of loans appear to be available, five points should be noted. First, as shown in Table 4.2, undergraduate student enrolment at the two universities in the province has declined, with a decline of over 10 per cent at the University of Regina. (As an aside, graduate and some other enrolments have increased so the overall decline in number of students attending the two universities is not as great as that for undergraduate enrolments). To date, the enrolment decline does not appear to be a result of declining numbers of young people in the province. While the number of high school graduates in

Table 4.1. Canada-Saskatchewan Integrated Student Loans, number and authorized amount of loans to post-secondary students in millions of dollars, fiscal years 2002-2003 to 2007-2008

Fiscal year ending April 30	Canada Student Loans		Saskatchewan Student Loans		Total Amount of Authorized Loans, Millions of Dollars
	Number of Loans	Amount in Millions of Dollars*	Number of Loans	Amount in Millions of Dollars*	
2000-2001	16,664	72.8	16,566	59.8	132.6
2001-2002	16,366	72.1	16,271	59.3	131.4
2002-2003	15,702	68.8	15,663	56.6	125.4
2003-2004	16,474	71.9	16,449	59.7	131.6
2004-2005	16,150	71.3	16,151	60.0	131.3
2005-2006	15,059	79.5	15,086	54.6	134.1
2006-2007	13,785	71.6	13,828	47.8	119.4
2007-2008	12,426	65.1	12,458	42.9	108.0

Source: Saskatchewan Student Aid Fund, 2005, Tables 6-7 and 2008, Tables 4-5.

*Amount authorized. Authorized loans are approved for classes starting within the fiscal year indicated, whether or not the monies were paid out in that fiscal year.

the province will decline in coming years, as of 2008 there was little or no decline (University of Regina, nd). Further, there has been little change in the number of 15-24 year olds in the province, with a total of approximately 150 thousand in that age group in each year between 1998 and 2008 (Saskatchewan Bureau of Statistics, 2009b, Table 6). Second, as noted in Section 3, employment conditions in the province have been very good for several years. This may mean that students have found other ways to meet their expenses, thus lessening the demand for loans. The high cost of attending university, along with more attractive employment opportunities for young people may also have contributed to declining university enrolment, thus lessening the demand for loans. Third, according to the McCall report, it does not appear that more applications are being rejected (McCall, p. 52). Fourth, while other forms of financial assistance have not increased a lot, there has been some increase in grants, bursaries, and scholarships. Fifth, the fear of amassing a large student debt may deter some potential students from attending university.

Table 4.2. Undergraduate enrolment at the University of Regina and the University of Saskatchewan, 2003-2004 to 2008-2009

Academic Year	University of Regina	University of Sask.	Total
2003-2004	11,295	17,005	28,300
2004-2005	11,611	16,931	28,542
2005-2006	11,363	16,637	28,000
2006-2007	10,978	16,486	27,464
2007-2008	10,683	16,446	27,129
2008-2009	10,105	16,094	26,199

Source: University of Regina, 2008e and University of Saskatchewan, 2008g.

Notes: (1) The counts are for the fall semester, as of the date of the fall University Census date. (2) The University of Regina count includes undergraduate enrolments at the First Nations University of Canada. (3) The counts are total enrolment, that is, both full-time and part-time enrolment.

Across the provinces, there are relatively low average student loans in Quebec and Manitoba, where tuition has been kept low, with higher average amounts in some of the provinces with greater tuition, such as British Columbia and Maritime provinces (Table 4.3). Manitoba, with a similar sized population to Saskatchewan, has 5,000 fewer loan recipients, as well as smaller

Table 4.3. Comparative student loan statistics by province

Province	Per cent of students receiving a loan, 2005-2006	Number of loan recipients, 2005-2007	Net loans per recipient, 2005-2007, 2005 dollars	Per cent change in average, 1996-1999 to 2005-2007, in 2007 dollars
NL	41.3	9,750	6,903	-22
PE	70.0	3,239	6,794	-22
NS	31.6	16,275	8,068	+5
NB	47.3	15,987	8,874	-3
QB	NA	131,809	3,852	-5
ON	31.5	182,016	6,005	-29
MB	21.4	9,343	4,520	-41
SK	52.3	14,442	6,897	-12
AB	27.6	37,884	6,644	-3
BC	32.6	56,661	9,875	+30
Canada	32.2	477,405	6,109	-11

Source: CAUT, 2008, Fig. 3.7, p. 39. Last 3 columns from Berger and Parkin, 2008b, Loan Recipients — Multiple Year Averages, Net Loans Per Loans Recipients — Multiple Year Averages (Real), Net Loans Per Loan Recipients — Changes Between Periods (Real).

average loans. Saskatchewan has been above the Canadian average in terms of average annual loans for the last few years despite the fact that the number and amount of loans has declined (Table 4.1). The extent to which Saskatchewan students have relied on loans to finance their university education is worrisome since these are loans that, for the most part, students must repay after graduation.

Bursaries and Grants

There are a variety of non-repayable forms of financial assistance to post-secondary students, coordinated and awarded by the Saskatchewan Student Aid Fund. Some of these are grants or bursaries unrelated to student loans, while others are available for debt reduction. The structure of these remains much the same as reported in *Improving Access* (Conway, 2004, pp. 18-19), although the amounts and number of awards have changed. The major components of this financial assistance are as follows (Saskatchewan Student Aid Fund, 2008, pp. 12-15).

- Canada Millennium Scholarship Foundation Bursary. $2,000 to $4,000 annually to a lifetime maximum of $22,500. $9.3 million was awarded to 2,941 university students in 2007-2008.
- Saskatchewan Student Bursary. Available to all students with loan assistance exceeding $210 per week of study for the first 170 weeks of post-secondary study. In 2007-2008, 7,889 awards were made, totalling $16.2 million.
- Canada and Saskatchewan Study Grants. Available to students with dependent children, with loan assistance exceeding $275 per week of study. $3.0 million was paid to 2,479 recipients in the Canada portion of this program and $1.7 million was paid to 1,397 in the Saskatchewan portion in 2007-2008.
- Millennium Aboriginal Access Bursary. In 2007-2008, there were 335 awards totalling $1.2 million.
- Other programs include interest relief for those with student loans, debt reduction in repayment, disability benefits, loans and grants for part-time students, and the Canada Access Grant for students from low-income families.

These bursaries and grants are termed debt reduction benefits and are used to reduce the size of student loans. For example, in 2007-2008, $108.0 million was authorized in Canada/Saskatchewan student loans (Table 4.1). This was reduced by $30.3 million in debt reduction benefits, for a net total of $77.7 million (see Table 4.4). However, just as the number and amount of student loans have declined in recent years, so have the debt reduction benefits, so these grants and bursaries reduce student loans by only 25-30 per cent each year. While the total amount of student loans declined in the last three years, it reached $134 million in 2005-2006 and, once the debt reduction benefits are deducted, there was an unprecedented level of $100 million in net loans in 2004-2005. Once they leave university, students must repay these student loans.

Table 4.4. Loans, debt reduction benefits, and net loans for Saskatchewan post-secondary students, 2000-2008

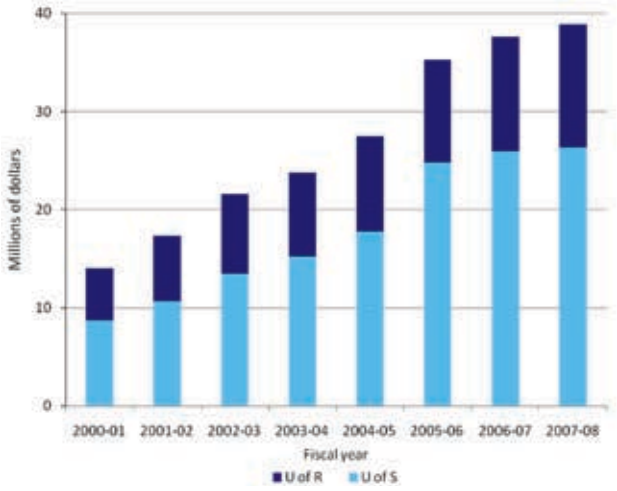
Fiscal year ending April 30	Amount of full-time loans	Debt reduction benefits	Loans minus debt reduction	Debt reduction as percentage of loans
2001	132.6	37.6	95.0	28.4
2002	131.4	38.8	92.6	29.5
2003	125.4	38.8	86.6	30.9
2004	131.6	34.1	97.5	25.9
2005	131.3	31.6	99.7	24.1
2006	134.1	36.4	97.7	27.1
2007	119.4	35.1	84.3	29.4
2008	108.0	30.3	77.7	28.1

Source: Saskatchewan Student Aid Fund, 2004, Tables 6-13 and 2008, Tables 4-11.

University Scholarships, Bursaries, and Prizes

The provincial Student Aid Fund provides a few scholarships, totalling just over $2 million in 2007-2008. The bulk of scholarships provided in the province come from the universities themselves. Figure 4.1 shows that these have risen considerably during the decade, from $14.0 million in 2000-2001 to $38.9 million in 2007-2008. Correcting for inflation, the increase was somewhat less, but more than doubled in terms of real purchasing power over the decade. Much of this increase was eaten up by tuition increases until 2004-2005, but for the last four years, this amounted to a real increase for students. These are non-repayable and are based on merit, not financial need.

Figure 4.1. Scholarships, bursaries, and prizes at the University of Saskatchewan and University of Regina, millions of dollars, 2000-2008



Source: University of Saskatchewan, 2001-8 and University of Regina, 2001-2008.

Tax Benefits

Tax benefits appear to have become the policy of choice for several provincial governments. One problem with the range of tax credits, rebates, reductions, and benefits Canadian governments have created is that they are generally not available to students at the time tuition and living costs must be paid. Students must find a way to pay their bills when they have limited or no income, may be stressed by the university experience, need to relocate, and face uncertainty concerning both their choice of university or program and what options they will have following graduation. While some commentators have argued that the cost of attending university has declined in the last few years, this is little assurance for an eighteen year old student who must move to a new city, find a place to live, perform successfully at university, and be prepared to pay ten to fifteen thousand dollars in the next eight months for the first year of university. Given the current financial and economic uncertainty, many young people in the province appear to be opting for a relatively certain job, even though this job may be dead-end in terms of career possibilities and pay increases. While many students ultimately benefit from tax credits, the delay can be long and the uncertainty overwhelming.

At the federal level, the tuition fee tax credit and the education tax credit (up to $465 per month) are available for full-time students. Since most undergraduates have little income and pay little income tax during their undergraduate years, these tax credits do not provide direct benefits to students. One estimate of the potential value of the tax savings for an average Saskatchewan student in 2006 is $2,361. However, this saving is only realized in future years or by transferring this tax credit, up to a maximum of $5,000 of tuition and education expenses, to another family member (Neill, 2007, Table 2, p. 5).

Additional federal programs include the Registered Education Savings Plan, the Canada Learning Bond, and the Canada Education Savings Grant. These programs require contributions to a savings plan, with the federal government later reducing taxes or providing contributions to the savings plans.

Originally introduced in 2000, the Saskatchewan government has a graduate tax credit program

for students who remain and file income tax in the province. Originally a tax credit of $350, the value of the credit was increased to $850 by 2006 — a one-time tax credit that graduates could apply against their Saskatchewan Income Tax. For 2007, a Graduate Tax Exemption provided up to a $10,000 exemption from Saskatchewan Income Tax for the 2007 taxation year, with any unused exemption carried forward for an additional five years (SAEEL, 2008gtb). Effective January 2008, these were replaced with the Graduate Retention Program which, over a period of seven years, can provide "a refundable tax credit to rebate up to $20,000 of tuition fees paid by eligible graduates who live in Saskatchewan" (SAEEL, 2009). While relatively generous compared with the programs in other provinces, it remains to be seen whether such a program encourages greater enrolment in Saskatchewan's universities or is sufficient to encourage those university graduates who might have moved to another province to stay in the province. For an undergraduate student beginning a four year program in the fall of 2009, the initial benefits for the program would not appear as income until 2014. And finally only graduates benefit from this program.

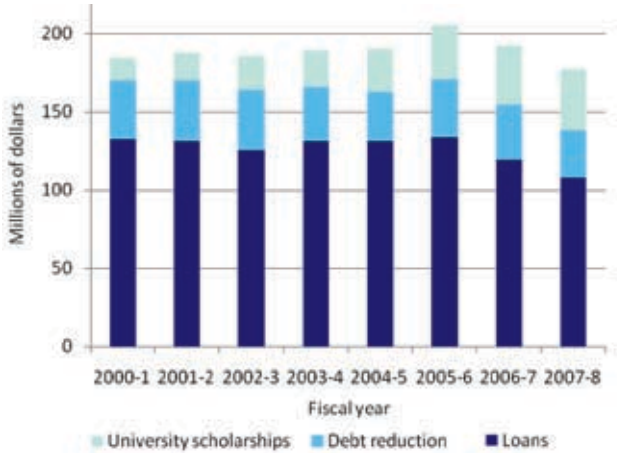
Commenting on the system of tax credits that have become available in Canada, Berger and Parkin (2008a, p. 19) argue that these are costly and ineffective policies:

> If the objective is to improve access by helping students struggling to meet the costs of a higher education, it is clear that government spending is not as effective as it could be. Recent increases in need-based aid are welcome. In the face of rising costs, however, this aid has not so much improved the financial situation of students as simply kept it from deteriorating further. But governments clearly have more money to spend. For example, spending on education tax credits has doubled in ten years and has reached almost $2 billion. These benefits are available to all students and, as a result, go mainly to those who have the means to pay for their education rather than those with financial need. They are also not particularly helpful in covering the costs of tuition, books and student housing when they are due. In recent years, several provincial governments have turned even further away from need based aid by adopting universal tax rebate programs for post-secondary graduates in the hopes of enticing them to reside in their jurisdiction.

Does Student Financial Assistance Meet the High Cost of University Education?

Since 2000, government financial assistance, in the three major forms of loans, debt reduction, and university scholarships, increased modestly through 2005-2006 (Figure 4.2) but declined over the last two years. While part of the decline may be related to fewer students attending the two provincial universities (Table 4.2), the amount of assistance per undergraduate university student is no greater than it was at the start of the decade.

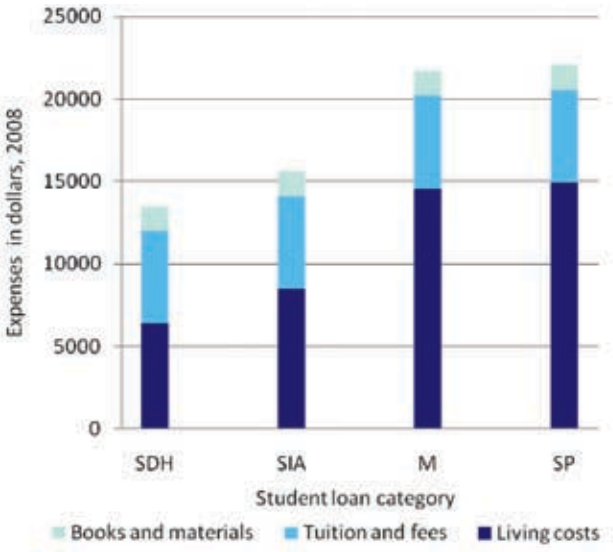
Figure 4.2. Total government and university financial aid to post-secondary students, Saskatchewan, millions of dollars, 2000-2008



Source: Table 4.4 and Figure 4.1

There has been a shift from repayable loans to more financial assistance being provided through university scholarships, bursaries, and prizes. From Figure 4.2, loans declined from approximately 70 per cent of total assistance in 2000-2001 to 60 per cent in 2007-2008. Debt reduction benefits also declined from around 20 to 17 per cent of total assistance over the same period. In contrast, scholarship assistance increased from eight to 22 per cent over this period. While scholarships are a welcome form of assistance to students, they are not based on need. These data demonstrate the need for more assistance in the form of grants based on the financial needs of students.

Figure 4.3. Estimated total annual costs of attending university, Saskatchewan students, 2008-2009



Note: The student loan categories are:
SDH – single student living at home
SIA – single independent student living away from home
M – married student
SP – single parent student

Sources for Figure 4.3 and Table 4.5: Living costs for Saskatchewan students in the four categories from Conway, 2004, Table 5, p. 16 multiplied by 1.192, the increase in the Saskatchewan CPI from 2001 (97.2) to 2008 (115.9). Saskatchewan average tuition and fees from Table 2.1. Books and supplies of $1,500 per year. Loan assistance limits from Saskatchewan Advanced Education, Employment and Labour, 2008a.

From Figure 4.3 and Table 4.5, the amounts available annually through the Canada-Saskatchewan Integrated Student Loan program are insufficient to meet annual living expenses for many students. Maximum student loans for an eight month academic year are $10,880 for single students and $14,110 for a student with dependents. Estimates of living expenses for Saskatchewan students are from *Increasing Accessibility* (Conway, 2004, p. 16) and originally came from the *2001-2002 Student Financial Survey*. For this report, these expenses have been updated for increases in prices. Tuition and fees are the average for Saskatchewan (Table 2.1), and $1,500 has been used as an estimate of the annual cost of textbooks and supplies. From these estimates, average annual expenses of single students exceed the annual maximum loan by almost $5,000 for students living away from home, or a total of $20,000 for a four year undergraduate program. For students with dependents, the average shortfall is close to $8,000 per year, totalling $32,000 more than maximum loan limits for a four year undergraduate program.

Increases in scholarships, bursaries, and prizes (Figure 4.1) have undoubtedly helped provide relief for some students, although there is no

Table 4.5. Excess of university expenditures over loan assistance in dollars, Saskatchewan, 2008-2009

Student Loan Category	Living Costs	Average Tuition and Fees	Books and Supplies	Total Expenses	Maximum Loan Amount	Excess of Expenditures Over Loan
SDH	6,360	5,614	1,500	13,474	10,880	2,594
SIA	8,501	5,614	1,500	15,615	10,880	4,735
M	14,572	5,614	1,500	21,686	14,110	7,576
SP	14,938	5,614	1,500	22,052	14,110	7,942

assurance these funds go to those who are in greatest need of such assistance. Debt reduction programs also assist, as do tax benefits, although the latter are generally not available until several years after students must find ways to meet the expenses necessary to attend university.

How Students Pay for University

In addition to financial assistance from governments, undergraduate students have a variety of potential sources of income. Figure 4.4 illustrates how three types of students, with different living arrangements, obtain the income necessary to meet their expenses. While these data refer to the situation five years ago and refer to averages across Canada, this figure provides a summary overview of the sources of income students reported in a Canada wide 2003-2004 survey.

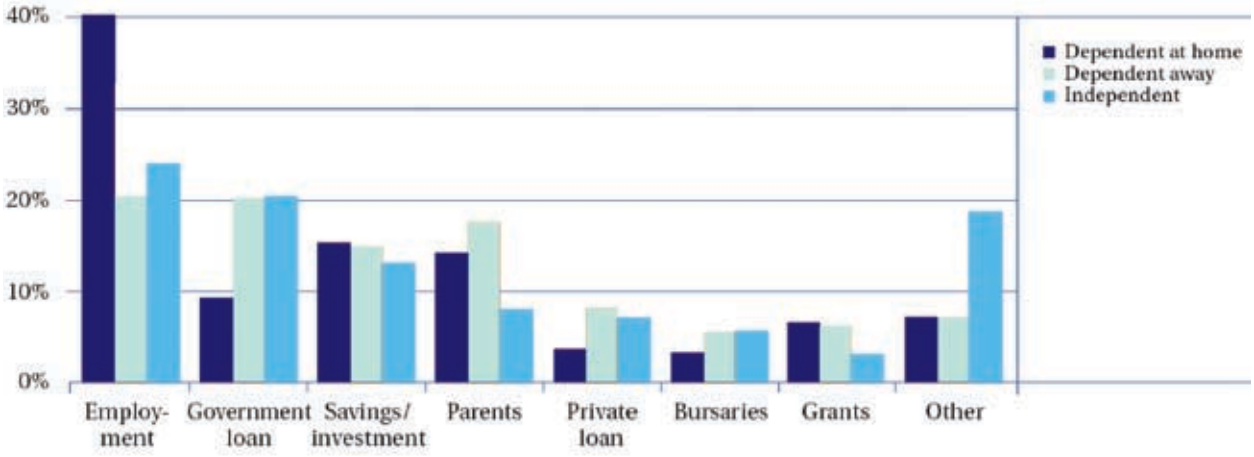
From Figure 4.4 it can be seen that post-secondary students across Canada do a lot to support themselves, with employment and savings together being the single most important source of financing for both dependent and independent students. Parental support is also a key source of meeting expenses, although this source is greater for dependent students (Figure 4.4) and for students with higher income parents (see Figure 5.2). Loans have become an important source of financing for students in the last twenty years and in recent years loans from financial institutions appear to have become a more important source of financing. While bursaries and grants help finance many individual students, from Figure 4.4 these are insufficient to finance more than around ten per cent of the average expenses of any of these types of students as a whole.

Details of how Saskatchewan undergraduates finance attendance at university are provided in Tables 4.6 and Appendix Table A6. These data are from 2007-2008 surveys of undergraduate students at the two universities in the province and across Canada, along with a survey of 2004-2005 graduates from Saskatchewan post-secondary educational institutions (last column of Table 4.6). Compared with Figure 4.4, sources of finance for Saskatchewan students generally parallel the sources across the country, both in types (Table 4.6) and amounts (Table A6).

From Table 4.6, in comparison with other universities across Canada, Saskatchewan students report:

- Relying more on summer employment, especially those at the University of Saskatchewan;

Figure 4.4. Sources of income for full-time students by living arrangement, Canada, 2003-2004



Source: Reproduced from Berger et al., 2007, figure 3.III.4, p. 72.

Table 4.6. How students pay for university: Percentage reporting each source, Canada and Universities of Saskatchewan and Regina, 2007-2008, in per cent

	Large Universities		Medium-sized Universities			
Source of Student Income	U of S	Canada	U of R	Canada	U of S/ U of R Average	Ever Used Source
Parents, family, spouse	47	43	41	46	45	53
Earnings – summer work	47	36	34	35	42	55*
University financial award	21	26	31	30	25	27
Government loan or bursary	24	23	20	30	22	41
Personal savings	25	24	25	25	25	54
Earnings – current employment	24	23	26	25	25	55*
Loans from financial institution	16	9	12	9	14	29
RESP	6	7	5	7	6	7
Investment income	2	3	3	4	2	NA
Co-op program	2	3	8	6	4	NA
Work-study program	1	1	1	2	1	NA
Other	4	2	4	3	4	NA

Source: CUSC, 2008a and 2008b, Table 43 and last column from SAEEL, 2007, p. 52.

Note: The last column is a weighted average for the two universities, with a weight of 0.6 for the U of S and 0.4 for the U of R, to reflect the approximate proportionate undergraduate enrolment.

*In the last column, the survey report groups together summer and current employment.

NA means not available from the survey report.

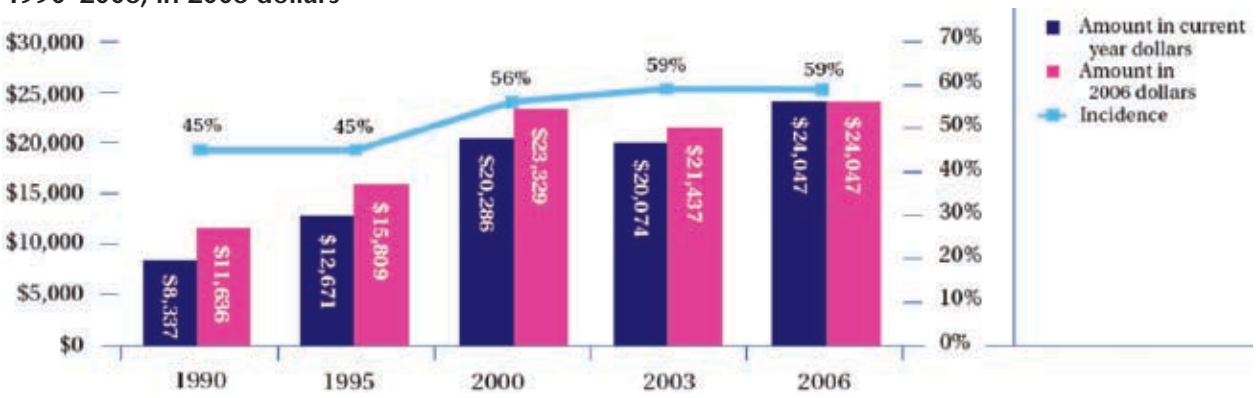
- Take out more in loans, with those at the University of Saskatchewan also borrowing more from financial institutions.
- Averaging about the same in terms of support from parents and family, savings, and employment during the school term.

From these survey results, students and their families are the most important source of financial support to meet expenses. Loans, grants, bursaries, and scholarships do not begin to meet total university expenses so students use a wide variety of activities and sources that will help them finance their education and living costs while attending university. In the debates concerning the extent to which governments should provide financial assistance to students and funding for universities, these activities of students and their families must be considered to be the major means that attendance at universities is possible.

Canadian Student Debt Passes $13 Billion

On its web site, the Canadian Federation of Students has a counter that runs continuously, providing an estimate of the size of the total Canada Student Loan debt accumulated by post-secondary students. On January 21, 2009, the counter passed $13 billion for the first time, and the amount continues to grow (CFS, 2009). This is the total of debt through the federal program only, with provincial and private student debt being additional to this total. From 1996 to 2007, annual loans for Saskatchewan were 3.6 per cent of the Canadian total (Berger and Parkin, 2008b, Net Loans — Multiple Year Averages). Using this as an estimate of the Saskatchewan portion of the province's Canada Student Loan debt gives a figure of just under $50 million

Figure 4.5. Average university undergraduate debt for borrowers upon graduation in Canada, 1990–2006, in 2006 dollars



Source: Reproduced from Berger et al., Figure 5.II.1. p. 129. Original data from Statistics Canada's 1990 and 1995 *National Graduate Surveys* and the 2000, 2003 and 2006 CUSC *Graduating Student Surveys*.

as the total that students in the province have in accumulated student debt.

Figure 4.5 illustrates the situation across Canada, showing that the percentage of university students who graduate with no debt has fallen from 55 per cent in the early 1990s to 41 per cent by the middle of this decade. Not only have over one-half of graduating students had to borrow, for those who have taken on debt the average has doubled in real terms. For borrowers, the average debt load upon graduation increased from less than $12,000 in the early 1990s to over $24,000 by 2006 (both in 2006 dollars).

For those who have taken on some debt, the situation across Canada holds for most of the regions of the country, with student debt being greatest in the Atlantic region, reaching an accumulated total or almost $30,000 at the time of graduation (Table 4.7). The average accumulated debt load in the western provinces and Ontario stood at over $22,000 in 2006, and has undoubtedly increased since that time. It is only in Quebec, with the provincial government there adopting a different approach to university and student funding, that the situation is markedly better.

Table 4.7. Average student debt for students with debt, by region and year, in 2006 dollars

Region	2000	2003	2006
British Columbia	22,750	21,118	26,675
Western Canada	20,437	20,603	22,787
Ontario	23,489	21,257	22,589
Quebec	14,806	11,031	12,992
Atlantic	24,691	26,510	29,747

Source: PRA Inc., 2007, Table 5, p. 7.

Continuing Increases in Saskatchewan Student Debt

From surveys of graduates from the two Saskatchewan universities in 2003 and 2006, there has been a continued increase in the number of Saskatchewan students who have taken on large amounts of debt (Table 4.8). Over this time, there was little change in the percentage of students who borrowed (63 per cent in 2003 and 62 per cent in 2006), although the percentage of University of Saskatchewan graduates who borrowed (66 per cent) exceeded the percentage at other large universities who borrowed (55 per cent). It is apparent though that large numbers of students in Saskatchewan are graduating with over $20,000 of accumulated debt. 36 per cent of Saskatchewan students graduating in 2006 reported this high level of debt. This was well

Table 4.8. Percentage of Saskatchewan and Canadian students graduating with various amounts of debt and average debt, 2006 (and 2003), current dollars

	Large Universities		Medium-sized Universities		Saskatchewan Average	
Amount of Debt	U of S	Canada	U of R	Canada	2006	2003
No debt	34%	45%	44%	40%	38%	37%
Less than $4,000	2%	5%	3%	6%	2%	
33%						
$4,000 to $7,999	5%	6%	5%	6%	5%	33%
$8,000 to $11,999	6%	7%	5%	5%	6%	
$12,000 to 19,999	9%	9%	9%	8%	9%	
$20,000 or more	39%	25%	32%	34%	36%	27%
Average	$19,795	$12,211	$12,936	$14,954	$17,051	$13,361
Median	$12,000	$2,500	$6,000	$7,000	$9,600	$8,900

Source: CUSC, 2006a and 2006b, Table 69; last column from Conway, 2004, Table 11, p. 28.

Note: The last two columns are a weighted average for the two universities, with a weight of 0.6 for the University of Saskatchewan and 0.4 for the University of Regina, to reflect the approximate proportionate undergraduate enrolment.

Columns do not sum to 100% since those who indicated "don't know" or did not respondent are not included.

above the 27 per cent of Saskatchewan students who reported this high level of debt in 2003 (Table 4.8) and the 30 per cent of all Canadian students who reported this level (CUSC, 2006b, Table 69).

Table 4.9 provides the average and median debt for 2006 Saskatchewan graduates who borrowed. Total debt reported by University of Regina graduates was similar to the average for students at other medium-sized universities across Canada; total debt for University of Saskatchewan graduates was larger than their counterparts at other large Canadian universities. 2006 graduates from each of the two provincial universities reported larger debt loads upon graduation than those who graduated in 2003. Saskatchewan students who graduated in 2006 and who had borrowed reported an average debt load of 29 per cent more than 2003 graduates; their reported median debt load was 21 per cent more than 2003 graduates. Given that prices rose by approximately 7 per cent over these three years (Table 3.1), these results demonstrate that debt loads continued to rise in real terms.

While students graduating in 2006 would not have the benefit of four years of a tuition freeze, they would have had two years of the same level of tuition. Yet, debt loads continued to increase for those who borrowed, with similar numbers of students reporting that they borrowed. Particularly disturbing is the large percentage of students who reported accumulated debt of over $20,000. Over one-third of all Saskatchewan graduates in 2006 reported this high debt level.

Students Have Difficulty Paying the Debt

The approximately 40 per cent of post-secondary graduates who have not accumulated any, or very little, debt can venture into the work world without the same worries as the 60 per cent who must not only find employment, but repay the amount they borrowed. For the approximately 20 per cent of post-secondary graduates who complete their program with less than $10,000 in debt, paying the debt may not be too difficult. However, for the approximately 40 to 50 per cent of students who graduate with $10,000 or more in debt and poor or uncertain

Table 4.9. Average debt for Saskatchewan and Canadian students who graduate with some debt, 2006 (and 2003). All figures in current dollars.

	Large Universities		Medium-sized Universities		Saskatchewan Average	
Amount of Debt	U of S	Canada	U of R	Canada	2006	2003
Average Debt						
Average total debt	30,779	23,028	23,476	25,824	27,858	21,549
Student loans	24,300	19,267	20,859	21,998	22,924	18,925
Loans – parents/family	13,906	13,563	13,325	15,812	13,674	11,516
Loans – financial institutions	17,172	12,917	12,478	12,210	15,294	9,719
Debt – other sources	5,668	7,809	4,474	5,840	5,190	5,725
Median Debt						
Median total debt	25,000	19,000	22,000	23,000	23,800	19,720
Student loans	20,000	16,000	20,000	20,000	20,000	16,200
Loans – financial institutions	10,000	9,000	10,000	10,000	10,000	10,000
Loans – parents/family	6,000	6,000	10,000	10,000	7,600	6,000
Debt – other sources	3,000	4,000	3,000	3,000	3,000	2,600

Source: CUSC, 2006a and 2006b, Table 71; last column from Conway, 2004, Table 12, p. 29.

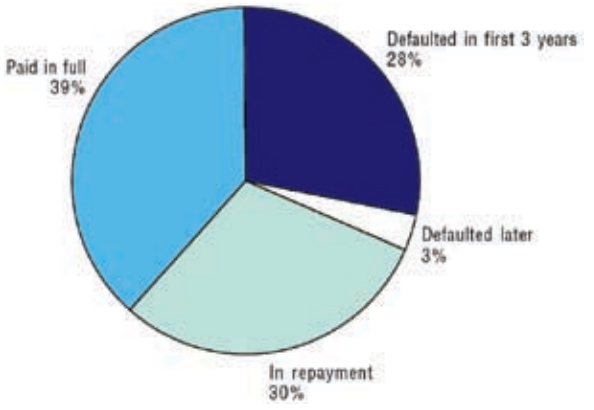
Note: The last column is a weighted average for the two universities, with a weight of 0.6 for the University of Saskatchewan and 0.4 for the University of Regina, to reflect the approximate proportionate undergraduate enrolment.

employment prospects, paying the debt can be both extremely difficult and a source of stress. Students are required to consolidate their loans within six months of graduation and then begin repaying these loans.

It is interesting to note that three of the five items on the provincial government's web site "Repaying Student Loans" are interest relief, repayment assistance, and bankruptcy and repayment (SAEEL, 2008rsl). A study by Kapsalis (2006) indicated that across the country as a whole, thirty-one per cent of student loans had ended in default, most of these within three years of graduation (Figure 4.6). He found "the ability of students to repay their CSLP loans depends primarily on their future earnings rather than on the size of debt incurred. In fact, the amount of debt does not appear to have much of an effect, except when high loan amounts are combined with low income." Kapsalis notes that particular problems emerged for those who had $20,000 or more in accumulated debt and employment incomes of less than $40,000 (p. 15).

Some idea of how quickly post-secondary graduates are able to pay off their accumulated student debt is available from the 2007 survey conducted for SAEEL. In Table 4.10, the columns under "Graduates of 2004-2005" show the number and per cent of graduates with each amount of debt. Approximately one-quarter of graduates who reported having student debt had a total debt of

Figure 4.6. Loan status of 1994-95 Canada Student Loan consolidations as of September 2003



Source: Reproduced from Kapsalis, 2006, Chart 1, p. 8.

Table 4.10. Distribution of debt for Saskatchewan post-secondary graduates with some debt (number and per cent) and average debt, 2004-2005 and 2007

	Graduates of 2004-2005		Two Years Later – 2007	
Total Debt	Number	Per Cent	Number	Per Cent
None	---	0.0	21.9	558
Less than $5,000	273	10.6	13.2	336
$5,000 to $9,999	488	18.9	17.5	447
$10,000 to $19,999	713	27.6	20.9	535
$20,000 to $29,999	483	18.7	12.6	322
$30,000 plus	626	24.2	13.9	356
Total number	2583	100.0	100.0	2554
Average debt	$22,502			$14,551
Median debt	$15,000			$8,000

Source: SAEEL, 2007. bottom table, p. 60 and middle table, p. 61.

$30,000 or more, with nine per cent of all those with debt reporting a total of $50,000 or more. The two right columns of Table 4.10 show the distribution of remaining debt two years after graduation. While one-fifth of students had paid off all debt, one-half still had debts of $8,000 or more (that is, above the median) and the average debt was $14,551. From the same survey, 28.7 per cent of respondents who had received a government student loan reported that they had experienced difficulties in repaying it (SAEEL, 2007, p. 62).

These results demonstrate that graduates who have accumulated very large debt loads ($20,000 plus) are saddled with these debts for several years following graduation. They must begin paying interest and repay these debts at the same time they are searching for a job or beginning a job. While the employment prospects in Saskatchewan have been reasonably good for the last few years, the current economic turmoil makes future prospects uncertain.

Key Findings – Section 4

- Student financial assistance is a confusing patchwork of loans, grants, and tax credits. Total assistance is inadequate, especially for students living away from home or those who have families to support.
- Student loans remain the cornerstone of the student financial assistance system. These loans are often insufficient to meet the expenses of attending university and saddle young people with large debt loads at a time when they have little or no income and uncertain job and career prospects.
- There has been some expansion in the amount of non-repayable financial assistance, but much of this is not targeted toward those who need assistance most.
- Tax benefits have become a favoured method for governments to provide student financial assistance. While these assist some university graduates, they are costly and are ineffective in improving access.
- Students rely on employment, loans, savings, and families to finance their education.
- Student debt continues to grow, with total student debt across Canada recently passing $13 billion. **Average student debt loads in Saskatchewan are greater now than ever before.** For those students who have taken loans, the average debt load at the time of graduation is over $25,000.
- Many students have difficulty repaying their student debt, with as many as one-third of Canadian students defaulting within two years of graduation. In Saskatchewan, 47 per cent of those who had taken out loans while attending university still had over $10,000 in debt two years after graduation.

It's September 2012 – How Have Sue, Lionel, and Jessica Made Out?

Sue, Lionel, and Jessica, three hypothetical students, were introduced at the end of Section 3. Each began attending university full-time in September 2008. Here is a description of their likely situation four years later.

Sue, living at home with her family while attending the University of Regina, was able to finance her university attendance for two years without major problems. Working at job with an hourly wage of $12.35 for thirty-five hours a week in summer months and fifteen hours a week during the academic year, Sue had just enough income to pay the costs of attending university and meet living expenses. Unfortunately, her job hours were cut back early in the third year of her program and a family crisis forced her to take time off from the job. She later found a second job at a restaurant operated by a family acquaintance but it paid little. She struggled with finances during the year (2010-2011), reducing her budget for clothing and entertainment and borrowing $2,500. Her situation improved with a new full-time summer job after the academic year, but the job did not continue during 2011-2012. She found herself short of funds for tuition in her final semester, at the same time she had to purchase a new computer and some costly textbooks. She met these expenses by taking out a student loan of $4,000. She feels fortunate to have graduated four years after beginning her undergraduate program but instead of being debt-free, as she had hoped, she graduated with $6,500 in student debt. As of September 2012 she has not been able to find employment in the field in which she specialized at university, although she continues to explore all avenues in an attempt to find such a job and has several promising leads. Sue continues to work full-time at the job she began after her third year and is making regular payments on her student debt. She has applied for a credit through the Saskatchewan Graduate Retention Program and hopes to receive a tax refund in 2013.

Lionel is an enthusiastic student and, given his academic success in the Engineering program, recently landed a $2,500 scholarship for 2012-2013. On the down side, Lionel has only been able to complete two years of his four year program. The first year went well, although Lionel had to use all of his $12,500 in savings to finance expenses. To ensure that he did well academically, he concentrated on his studies, taking only a five hour a week job in the winter semester, where he earned at total of $900. But he was still short of funds for expenses so took out a $2,500 student loan, cut back on expenses, and did not visit his family during the winter break. He was able to return to the mining camp in summer 2009 and things initially looked very good — he was earning $25 an hour and, with a 40 hour week, his finances seemed all set for the second year. However, the effects of the economic crisis resulted in most workers at the mine being laid off and Lionel's job was among these. After being without work for all of July, he found a minimum wage job in Saskatoon for the month of August. With $8,000 saved from his summer employment, he decided to return for a second year (2009-2010), moving into a low cost apartment across town with friends he had made in his first year. By January 2010 he was unable to pay for tuition and took out $6,000 in a student loan — this was sufficient to last him the rest of the year. But after his second year at university, with no job available at the mine, Lionel was able to find only a minimum wage job with few and irregular hours, so was unable to save more than $1,200 over the summer. Lionel decided to take a year off (2010-2011) and eventually was able to find a job that paid more, but he also had to make payments on his student loan. The job worked out reasonably well and Lionel continued in the job for another year, 2011-2012. He has been able to save another $10,000, sufficient to return to

university in September 2012. He has a part-time job that he can continue during the academic year and, with his savings and the scholarship, he hopes to avoid taking out more student loans. However, four years have passed since he began university in September 2008 and he has completed only two years in the Engineering program, still has unpaid loans, and is uncertain about whether he will be able to complete his final two years without interruptions.

Jessica had a good start at the University of Regina. She found an apartment, enrolled her child at school and at a university day dare, had sufficient funds to complete her first semester, and did well in her courses. Her problems began in the winter of 2009, when her child was ill for a month and could not attend day care. While she was fortunate to find a neighbour who could care for her six year old son, her total child care costs increased and she was falling behind in her studies. She also found that her savings were mostly gone by the 2009 winter break. Returning to Swift Current for the break, Jessica decided that the only way she could complete the academic year was to leave her son with her mother and return alone to Regina. She completed the 2008-2009 year by borrowing $3,000 to pay for food and rent. Jessica landed a summer job in Swift Current but this provided little in savings, so she was forced to take out the maximum student loan of $15,500 for the 2009-2010 year (loan assistance limits had increased). This, along with a grant of $250 per month allowed her to complete most of the year. Again, she encountered difficulties meeting her day care, rent, food, and personal expenses, but was able to complete the academic year by borrowing $5,000 from an aunt. After having difficulty obtaining a summer job, and faced with loan debts of almost $25,000, Jessica decided to leave school for a year and take a job. Since she could not find a job that allowed her to save much, she is still employed at this job and, as of September 2012, has not returned to university. With the equivalent of a year in courses she took in Swift Current prior to moving to Regina, she has completed three years of an undergraduate degree but still has a year's academic work to complete in order to graduate. Part of her monthly pay goes toward paying off her student loan so she is unable to save much, even though she is employed full-time. As a result, she is uncertain whether she will be able to complete her degree.

Given that Jessica and Lionel have not graduated, they are not eligible for a tax credit from the Saskatchewan Graduate Retention Program and will not receive an income tax rebate.

Section 5

Barriers to Attending University

Highlights

- Why accessibility is important and what it means.
- Affordability as the cost of attending university for middle and low-income students.
- Limited participation in university among low-income students.
- Aboriginal youth face many accessibility barriers and are under-represented in universities.
- Improving lifelong learning opportunities for adults.
- Public and private economic returns to a university education.

> Enrolment in higher education is tilted in favour of those from wealthier families, those whose parents studied at the post-secondary level and those who are not Aboriginal. ... Youth from families earning more than $100,000 are much more likely to enrol in post-secondary studies than those whose families earn under $25,000. This inequity stems entirely from university level enrolment — 46% of the wealthiest attend while only 20% of those in the lowest-income families enter university. At the college level, there is little difference in participation rates across income groups. (Berger, 2007, p. 19).

Berger summarizes much of the problem of access to university education in Canada, and notes that "the equity gap in university participation has not changed substantially since the early 1990s" (Berger, 2007, p. 22). Further to the above, only 28 per cent of First Nations youth are enrolled in or have completed a post-secondary education three years after the usual high school graduation age; for non-Aboriginal youth, the comparable figure is 60 per cent (Berger, 2007, p. 20).

In this section of the report summary information about barriers faced by various groups in obtaining access to a university education is provided and discussed. While costs and sources of financial support can be estimated for those students who attend university, the barriers faced by those who do not attend university are less clear-cut. These barriers include financial considerations, social and community factors, limited educational background and success, career aspirations, possibilities for employment, and individual preferences. It is not possible to address all of these here, and the emphasis will be on financial and cost barriers. The focus will be on individuals from low-income backgrounds, Aboriginal students, those who live distant from a university, and individuals older than those young people who enter post-secondary educational institutions soon after completing secondary school. Individuals from each of these backgrounds are under-represented in university participation. While there is government, foundation, or university assistance for some of these individuals, programs are limited and often do not reach the individuals who need and could benefit from them. A short discussion of the possible meanings of accessibility and affordability begins this section.

Why is Accessibility Important?

While access and accessibility, or the lack of these, are the focus of much discussion around university participation, there are many definitions of what these mean. Following are a few approaches that have been used in Saskatchewan and Canada.

The Saskatchewan Post-Secondary Education Review contains several definitions of accessibility.

- There is an expectation that the post-secondary education system accommodates a diversity of needs and provides quality learning opportunities to all learners. No individual should be denied the opportunity of undertaking or completing post-secondary education due to financial and/or non-financial barriers. (McCall, p. 3)
- Access is sometimes defined as participation in post-secondary education, or individuals' ability to go to a post-secondary institution. It is also defined as the ability to go to the individual's institution of choice and to take the program he/she wants to take where she/he wants to take it. (McCall, p. 17)
- A comprehensive definition in the literature understands access as the following: … individuals are able to enroll in their program of choice (provided, of course, that they qualify); they have the opportunity to attend the institutions they prefer, even — more importantly — if that means moving to another town (again assuming they meet the relevant entry standards); they need not work at outside jobs during the school year to the degree that it adversely affects their studies; and paying for the schooling does not put unreasonable demands on family resources or lead to the accumulation of excessive debt burdens in the post-schooling period. (McCall, p. 17)
- Much of the research focuses on factors that encourage or discourage post-secondary participation, and recognizes that access is ultimately multi-faceted: understanding it involves asking the questions of *whether* individuals go on to post-secondary study, *when* they go, *where* they go, and *how* they go on. (McCall, p. 17)

In their submissions to the McCall Review, each university in the province outlined their approach to accessibility. One principle guiding the University of Regina submission was that "All interested and eligible students in Saskatchewan should have access to university education and such access should not be curtailed for financial reasons" (University of Regina, 2006, p. 1). In a somewhat different approach, "The University of Saskatchewan defines *accessibility* as the opportunity for academically qualified individuals to understand the benefits of post-secondary education, make informed choices regarding the institutions and programs for which they are best suited, access the financial resources they require to undertake their programs, and be provided with the supports they need to successfully complete those programs" (University of Saskatchewan, 2007, p. 4). In its report, the University of Saskatchewan recognizes financial barriers but focuses more on other barriers such as lack of information, location of universities, and difficulties of transfer (p. 4).

In *The Price of Knowledge*, barriers in obtaining access to a post-secondary education are organized into academic, financial, and informational or motivational. The authors argue that academic barriers are usually the least important of the three, with financial barriers being a greater problem. While the latter barrier may be intertwined with the first two, the authors conclude that "the most important barriers to the pursuit of post-secondary education fall under the heading of motivational/informational, which affects about one in every two person who do not go on to higher education" (Berger, 2007, p. 35).

The approach taken in this report was stated at the beginning – there should be an equal opportunity for all to have access to a university education. Some of the key barriers to achieving this are discussed in this section, with a focus on financial barriers.

Why is Affordability Important?

Affordability has a variety of meanings for different individuals and groups. Those with high incomes and assets, those who live close to a university, and those with scholarships may find that the expenses of attending university can be met without building debt. For the third to half of students who graduate with a debt of ten thousand dollars or more, and to those who cannot attend university for financial reasons, affordability is a key barrier to obtaining access to a university education. One approach to affordability — that of the CAUT focus on tuition costs relative to incomes — was presented in Section 2. Another approach is to compare net costs of university attendance with median.

Net cost approach to affordability. The Educational Policy Institute, a non-profit, United States — Canada policy based research organization on educational opportunity has developed an affordability index based on a net cost approach (Swail, 2004). The study examined tuition and fees, living costs or costs of attendance, student assistance, and median incomes across all the states and provinces in the two countries. Two measures of net cost were obtained by estimating the cost of education (tuition, fees, and living costs) minus either grant aid to students or total aid in all forms. The estimates are averages for the year 2000. While now somewhat out of date, the general patterns are likely reasonably similar to the current situation, since tuition rose rapidly in the first part of this decade and living costs continue to increase. While financial assistance has expanded a little, as noted earlier, student loans continue to be a much more important source of financial assistance than are grants.

For the year 2000, the study found that for Saskatchewan, grant aid amounted to 22 per cent of total costs with total aid amounting to 57 per cent of total costs. These were a little above the Canadian averages of 21 and 48 per cent, respectively. After deducting grant aid, the estimate of net cost for Saskatchewan students was $6,323, a little below the Canadian average of $6,564, with the province near the middle among the ten provinces. However, when compared with the median family income, both total and net costs in Saskatchewan were above the Canadian average. The total cost of attending university averaged 18.5 per cent of median family income as opposed to 17.4 per cent for Canada as a whole. After the four Atlantic provinces, a larger percentage of median family income, 18.5 per cent, was necessary to meet the total cost of attending university in Saskatchewan than in other provinces; the Canadian average was 17.4 per cent. For Saskatchewan the net cost was 14.5 per cent of median family income when using the grant measure and 7.9 per cent when using the total aid measure, as compared with 13.7 per cent and 9.0 per cent, respectively, for Canada as a whole. Interestingly, these values for Saskatchewan and for Canada are above United States averages of 13.5 per cent and 6.9 per cent, respectively. As compared with the United States, tuition in Canada is generally lower but so are financial assistance and income, with the result that a university education is less affordable in Canada (Swail, 2004, Exhibits 24, 26, 30, 31).

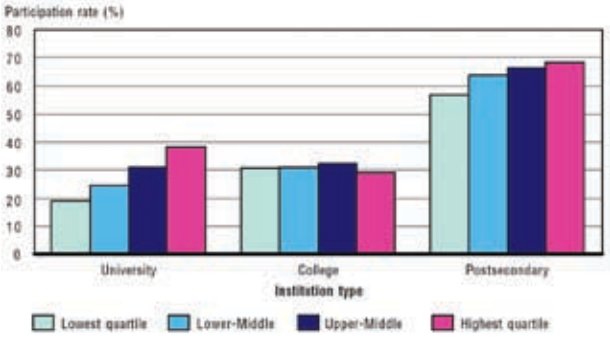
Without a full analysis of affordability and recognition that university is unaffordable for many individuals, government policy will fail to focus on the real financial issues of university access. This is particularly the case for students having low income or Aboriginal ancestry, and those who have been out of school for more than

one or two years. When the price of education reaches a level where many are priced out of the market, enrolments will decline and student financial systems will be inadequate.

Low Income

Individuals from low-income backgrounds encounter many barriers to attending university, with the result that the university participation rate for low-income young people is only about one-half the level of the high-income. Figure 5.1 illustrates the situation for Canada for youth aged 18-21. From these data, participation in post-secondary college programs differs little by income level. And the "difference in post-secondary participation overall is driven by a difference in participation rates for university. On average, 29% of youth had gone on to university, but this ranged between 19% for youth from the lowest income quartile to 38% for youth from the top quartile" (Rahman et al., 2005, p. 15). Rahman et al. also demonstrate that even after taking into account differences in parents' education, sex, region, family composition and rural/urban residence, the odds of attending university are 66 per cent greater for youth from the highest after-tax income quintile, as compared with the lowest (2005, p. 20).

Figure 5.1. Post-secondary participation rates, 18-21 year olds, Canada, 1998-2001



Source: Reproduced from Rahman et al., 2005, Figure 3, p. 15.

A recent article by Zeman (2007) provides what may be the first study of participation for youth from different income groups in Saskatchewan. In Table 5.1, the data provided by Zeman are organized to illustrate participation rates for Saskatchewan youth who were 19 years old in 2003 by different income groups. (Note: This is a different age grouping and survey source than used for the study reported in Figure 5.1). For one hundred hypothetical Saskatchewan nineteen year olds in 2003, from each of the lowest and highest income groupings, the differing participation in post-secondary education can be examined in Table 5.1. The disadvantage for youth from the lowest income group begins in high school, where eleven per cent of low-income youth drop out before completing high school, whereas only three per cent of high-income youth drop out at this stage. For those who complete high school and participate in some form of post-secondary education, the gap is eighteen percentage points, with 61 per cent of the high-income group attending and only 43 per cent of the low-income youth attending. A larger percentage of low-income (15 per cent) than high-income (11 per cent) Saskatchewan youth attend colleges, technical institutes, trade and apprenticeship programs, or private colleges. But for university the situation is reversed, with

Table 5.1. Status of one hundred hypothetical Saskatchewan 19 year olds from each of lowest and highest family-income quartiles, 2003

Lowest Quartile	Status at Age 19	Highest Quartile
100	Number of 19 year olds	100
89	Complete high school	97
57	Not attending post-secondary	39
43	Attending post-secondary, of whom:	61
15	Attend college/trades	11
28	Attend university	50

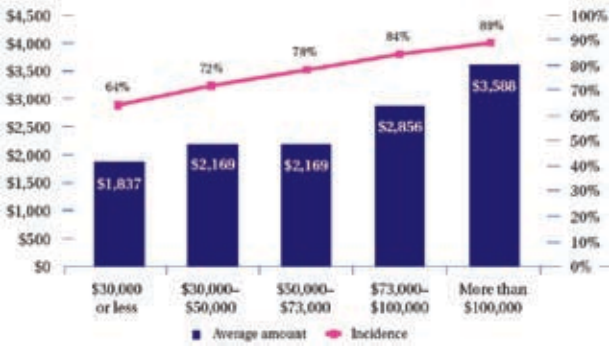
Source: Derived from Zeman, 2007, Tables 4, 5, 7.

only 28 per cent of low-income youth attending university and 50 per cent of high-income youth attending university. While some of these youth may later attend university, at age 19 there is a dramatic difference between the two groups, with the participation rate for high-income youth almost double that for low-income youth.

From Appendix Table A.7, the situation for youths who have completed high school can be compared across provinces. The gap between low- and high-income in university participation in Saskatchewan does not appear to be as large as that in some other provinces. On the other hand, the overall university participation rate in Saskatchewan is among the lowest in Canada (Appendix Figure A.7). This low level of Saskatchewan participation has been the case for some time. Saskatchewan, along with three of the Atlantic provinces has the smallest percentage of adults who have completed a bachelor's degree or above, with the level in Saskatchewan being about five percentage points below the Canadian average. These figures demonstrate that income is not the only barrier to university participation in the province, a point that the University of Saskatchewan made in its submission to the McCall Review: "One major and overriding issue that we have identified in relation to accessibility is the need to address the low post-secondary participation rates of Saskatchewan citizens" (University of Saskatchewan, 2007, p. 1).

Families with low incomes have difficulty putting aside portions of their limited income to save for their children's university education. And during the years young people from these families attend university, their families are not able to provide the same level of support that upper middle and high income families can provide. This is illustrated in Figure 5.2 where, as compared with the higher income groups, fewer low and middle income families contribute to their children's post-secondary education than do higher income families, with the average amount contributed also smaller. This means that lower

Figure 5.2. Incidence and average amount of parental contribution to post-secondary education by family income, Canada, 2003-2004



Source: Reproduced from Berger et al., 2007, Figure 3.V.1, p. 84. Data originally from the Canadian Post-Secondary Financial Survey 2003-04.

income youth must find other ways to support attendance at university.

Youth from low income families who live distant from Regina or Saskatoon are particularly disadvantaged and encounter extra living costs when attending university. In his studies of the effects of distance on post-secondary attendance, and "after accounting for differences in family income, parental educational attainment, sex, and province," Frenette finds that youth living more than 80 kilometres from a university are "only 58% as likely to attend university as students living within easy commuting distance — less than 40 km" (Frenette, 2003, p.1). This effect of extra distance is particularly felt by youth from low income families. Frenette's model demonstrates that distance has little effect on the level of university participation for youth from the top tier of family income. In contrast, for youth from the bottom income tier and who live distant from a university, the participation level may be cut by more than half (Frenette, 2003, p. 16). In a later study, Frenette finds that distance does not have such a great effect on the overall post-secondary education participation of low income students — students who are distant from a university often attend a nearby college instead (Frenette, 2007). But this means

that participation at universities is limited for low income youth who live distant from a university. Since Saskatchewan has such a large percentage of young people living more than 80 kilometres from a university, these results demonstrate that distance creates a serious financial barrier for low income students in the province.

In another study, Frenette uses data from the Youth in Transition Survey to examine the factors that might explain the gap in university participation between low and high income youth. The study refers to a cross section of Canadian youth who were 19 years old in 2003. Frenette finds that the university participation for youth from the lowest one-quarter of family income was 31 per cent, while it was 50 per cent for those from the highest one-quarter of family income (Frenette, 2007a, p. 7). From his statistical model, Frenette finds that the most important reasons for the gap are reading scores and overall marks of the students, education and expectations of parents, school quality, and financial constraints (p. 21). He argues that only 12 per cent of the gap between low and high income university participation rates is directly related to financial constraints (p. 23). What these results demonstrate is that there are many barriers related to income faced by low income youth, only one of which is financial. What the Canadian Millennium Scholarship Foundation concludes, commenting on this study is that

> Post-secondary education remains expensive and the opportunity costs can be high. … Low-income youth are more likely to encounter all the barriers to post-secondary studies and, therefore, to skip post-secondary education. That ought to underscore the importance of understanding how a lack of financial resources contributes both directly and indirectly to all the barriers to post-secondary education in Canada. (Berger et al., 2007, p. 54)

In Saskatchewan, 1,393 Canada Access Grant for Students from Low-Income Families were awarded over the three years since they were introduced in 2005-2006, totalling $3.0 million, and averaging $2,186 per student (SAEEL, 2008, Table 23). These are grants of up to $3,000 to pay for up to 50 per cent of tuition expenses for first year full-time students from a low-income background and who are attending a post-secondary institution. While commendable, these have clearly been insufficient to encourage large numbers of low income students to attend university and do little to help meet the living costs of students. The recently announced federal Canada Student Grants also target aid to low-income students (CanLearn, 2009) but this program only begins later in 2009.

Aboriginal Students

There is widespread recognition of the shortfall in Aboriginal university participation and of the need to increase the number of Aboriginal students in universities. For example, a brief from the University of Regina to the Standing Committee on Finance of the House of Commons focuses on the inadequacies of funding and university programs for Aboriginal students and recommends program reform and increased funding "to prevent further harm and loss" (2008b, p.2). Similarly, in its brief to the McCall Review, the University of Saskatchewan recommends "Provide dedicated resources to the universities to encourage and support the recruitment, transition, and success of Aboriginal students" (2007, p. 11).

Unfortunately, the situation has not improved much for Aboriginal youth, at least at the university level. From Table 5.2, it can be seen that larger percentages of Saskatchewan Aboriginal 25-34 year olds have completed high school than their older counterparts. Only 14 per cent of 55-64 year old Saskatchewan Aboriginal individuals had completed high school whereas for each younger age group a larger percentage

completed high school, so for the 25-34 year olds, 29 per cent reported completing high school. While the percentage of younger Aboriginal individuals completing a College program increased, the percentage of those with some or completed university was no greater for the younger than older age groups.

Table 5.2. Distribution of the population aged 25 to 64 with Aboriginal identity by level of educational attainment, Saskatchewan, 2006, per cent at each level

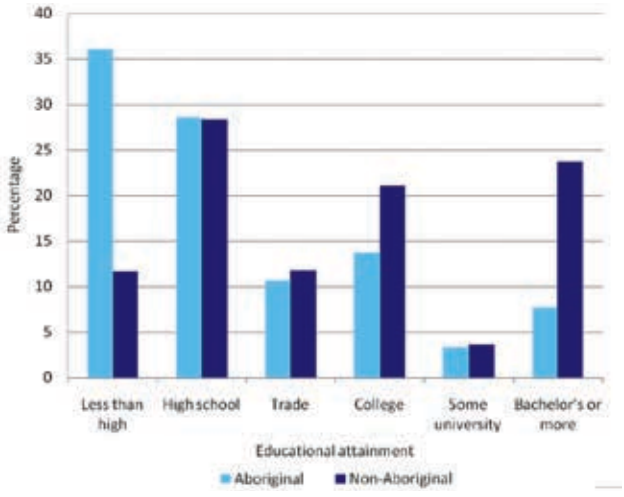
	Age Group				
Educational Attainment	25-34	35-44	45-54	55-64	25-64
Less than high school	36	37	38	50	38
High school	29	20	19	14	22
Apprentice-ship/trades	11	14	15	14	13
College	14	15	14	11	14
Some university	3	5	6	4	4
Bachelor's or more	8	9	9	7	8
Total	100	100	100	100	100
Population (number)	19,345	17,825	13,685	7,110	57,975

Source: Statistics Canada, 2008e, Tables D.6.2.

The gap in completing higher levels of education for young Aboriginal people in Saskatchewan, as compared with their non-Aboriginal counterparts, can be seen in Figure 5.3. From the 2006 Census of Canada, 24 per cent of all non-Aboriginal 25-34 year olds in Saskatchewan reported having a university degree; in contrast, only 8 per cent of Aboriginal 25-34 year olds reported having a degree. The largest gap is in not completing high school, again with three times as large a percentage of Aboriginal 25-34 year olds not completing high school (36 per cent), as compared with non-Aboriginal (12 per cent). For trades program similar percentage of Aboriginal and non-Aboriginal 25-34 year olds have completed a trades or apprenticeship program. But in terms of post-secondary programs as a whole, and especially for university programs, Aboriginal individuals seriously trail in terms of participation.

There appears to be no complete or consistent measure of the percentage of Aboriginal young people who attend the two universities in the province. The University of Saskatchewan reports 1,700 to 1,800 students of Aboriginal ancestry for each of the last five years — approximately ten per cent of total enrolment (2008g). The University of Regina has set of goal of twenty per cent Aboriginal students but reports that it is still far from this goal, with only 12 per cent of enrolment accounted for by students reporting Aboriginal ancestry (2008b, pp. 2-3). These figures are well below the 19.8 per cent, (28,090 of 141,690) of 15-24 year olds in the province that reported Aboriginal ancestry in the 2006 Census of Canada (Statistics Canada 2008a). Across Canada, it is estimated that only 28 per cent of Aboriginal youth of age 20 were enrolled in or have completed post-secondary education in 2003; the comparable percentage for non-Aboriginal youth age 20 was 60 per cent (Berger et al., 2007, p. 20).

Figure 5.3. Educational attainment of the Aboriginal and Non-Aboriginal population, aged 25-34, Saskatchewan, 2006



Source: Statistics Canada, 2008e, Table D6.2 and D6.4

While low rates of high school completion are part of the reason for limited Aboriginal participation in university, financial barriers are also a major roadblock. From recent surveys, the aspirations and expectations of Aboriginal youth and their parents differ little from those of non-Aboriginals, with 70 per cent of youth expecting to complete post-secondary education (CMSF, 2005, p. 2). While 46 per cent of those surveyed agreed that First Nations youth were not adequately prepared for post-secondary education, 53 per cent said government funding is inadequate and another 28 per cent said they do not feel welcome on campus. For those who did not plan to attend college or university, financial barriers and having to work to support themselves and their families were the most common reasons cited for not attending university (CMSF, pp. 3-4).

Many Aboriginal students who enter the post-secondary education system have different patterns of attendance and financial support from non-Aboriginal students. First, Aboriginal students are "less likely than non-Aboriginal respondents to enter post-secondary studies immediately after high school (20.6% vs. 45.7%)" (SAEEL, 2007, p. xii). This may reflect lower incomes, family commitments, and lack of financial resources to participate in a university or college. A second difference is sources of financial support (see Appendix Table A6). 57 per cent of Aboriginal graduates report being sponsored by an Aboriginal band council. Aboriginal graduates also were less likely than non-Aboriginal graduates to have been supported by family and personal savings, borrowed from private sources, or taken a Canada/Saskatchewan student loan. While similar debt loads were reported by both types of graduates, "Aboriginal respondents were more likely than non-Aboriginal respondents to have experienced difficulties paying off their government student loans (46.1% vs. 25.7%)" a difference that may be related to the "higher unemployment rate and lower average annual income" of Aboriginal graduates (SAEEL, 2007, p. xii).

"Federal support for Aboriginal students is almost ten percent lower in real terms than it was ten years ago" according to estimates made by the Canadian Millennium Scholarship Foundation (Berger, 2008, p. 14). From this estimate, $350 million was provided to 26,000 Aboriginal students across Canada through the Post-Secondary Student Support Program (PSSSP). Funds from Indian and Northern Affairs Canada (INAC) are paid to Indian bands, which then provide the funds to Aboriginal students for their tuition, books and supplies, and travel and living costs (Berger, 2008, pp. 14-15). The Foundation also provides access bursaries of $3,500 ($2,000 prior to 2007-08) for Aboriginal students in Saskatchewan. In 2007-2008 there were 335 of these bursaries, with a total of $1.2 million awarded. The bursaries assist low income Aboriginal students in the first and second years of their post-secondary program (SAEEL, 2008, Table 12 and p. 12). Additional small amounts of scholarships, bursaries, and funding targeted to Aboriginal students are available through private sources and universities. For example the TD Bank Financial Group recently made a $50,000 donation for bursaries to be administered by the First Nations University of Canada (Christianson, 2009, p. A4).

While PSSSP has been the source of much funding for Aboriginal students, there appear to be at least two major problems with it — it has not provided sufficient funding and some students encounter problems because of the manner it is administered.

First, with respect to funding, since 1996 there has been a two per cent cap on funding increases for the program. "The 2 per cent cap has reflected neither inflationary factors that have been much larger than 2 per cent nor the massive growth in potentially eligible learners

over the past twelve years through demographic changes and higher high school completion rates" (University of Regina, 2008b, p. 4). As a result, a program that initially may have been sufficient to meet the educational and living costs of Aboriginal students, no longer meets the higher expenses these students must incur to attend university. In particular, for students who live distant from a university or are parents responsible for supporting their children, funding may be insufficient to me transportation and child care costs (Malatest, 2008, p. 37). It is unlikely that funding is sufficient to meet housing expenses of Aboriginal students moving to Regina or Saskatoon in recent years, when rents have dramatically increased.

The second major area of problems relates to how the PSSSP is administered. For some Aboriginal students who are members of bands, funding may be adequate and work well. But with inadequate PSSSP funding, there are lengthy waiting lists for funds so many have difficulty attending university. In addition, older students, those who are parents, and those who have not completed high school are likely to have difficulty gaining adequate funding for educational upgrading or attending university (Malatest, 2008, p. 30). Those who are non-Status First Nations or have Métis or other Aboriginal ancestry, and thus are not members of bands, are not funded through the PSSSP but must rely on the same sources of funds as non-Aboriginal students.

Among recommendations from the University of Regina, four are especially relevant and, if implemented could begin to change the situation for Aboriginal individuals (2008b, p. 6):

- The immediate elimination of the 2 per cent annual cap on budget increases;
- Funding of the Post-Secondary Student Support Program (PSSSP) sufficient to ensure that every eligible First Nations and Inuit learner obtains adequate funding based on actual costs for tuition, travel and living expenses, including child care, special needs, and special shelter;
- Special funding to address the existing backlog of deferred eligible students;
- The extension of the PSSSP to other Aboriginal post-secondary students (Métis and Non-Status First Nations).

Improving Lifelong Learning Opportunities for Older Adults

In European countries and the Organization for Economic Cooperation and Development (OECD) the concept of creating a 'learning society' within states is actively discussed and supported by government programs. Stewart Ransom (1998) states that there are four aspects of a learning society: a society which learns about itself and how it is changing; a society which needs to change the way it learns; a society in which all members are learning; and a society which learns to democratically change the conditions of learning. Applying Ransom's categories would suggest that Saskatchewan does not measure up as fully formed learning society. On all four variables we are lacking. Learning societies, for example, are characterized by low illiteracy levels; Saskatchewan has high levels of illiteracy. Because we do not see ourselves as a learning society, lifelong learning opportunities for adults are limited and our educational attainment outcomes are below average. For far too long Saskatchewan has focused its educational efforts on producing more credentialed individuals rather than individuals who love to learn and want to learn for their entire lives.

Saskatchewan has a large percentage of adults who have not participated in post-secondary education but who could benefit themselves and the province if they could find a way to upgrade their education. From the 2006 Census

of Canada, 19 per cent of 25-64 year olds in the province did not complete high school and another 27 per cent completed no more than high school. Even for those aged 25-34, 44 per cent had completed no more than high school. While some of these may never wish to attend a post-secondary educational institution, a survey of 2003 high school graduates across Canada found that

> most of the former high school students in *The Class of 2003* had aspirations to enter a post-secondary program. Even among non-attendees and leavers, a majority (over 70 per cent of non-attendees; 80 per cent of leavers) expressed interest in pursuing PSE in future in the form of university, college, private training or an apprenticeship. (Malatest, 2007, p. 19).

The study found that the main barriers for these students not continuing on to post-secondary education were financial, career undecided, lack of interest, employment, entrance requirements, and personal and family reasons (Malatest, 2007, p. 32). Yet many of these individuals later decide to return to school, taking a variety of post-secondary programs, with some choosing university. Others may be unable to return, given the cost, family commitments, distance from a university, employment, or feeling unwelcome. It is these barriers, as well as university institutional barriers that make older learners feel unwelcome, inferior, or unsophisticated. All these should be addressed by universities and governments if life-long learning opportunities are to be improved.

In a survey of individuals who graduated from Saskatchewan post-secondary educational institutions in 2004-2005, two-thirds reported that they began their university studies in the same year that they completed their high school, one-quarter waited one to five years, and approximately 10 per cent began university at least five years later (SAEEL, 2007, p. 72). The same study reported "Only one-in-five Aboriginal graduates entered post-secondary straight out of high school" (p. 73). In recent years, approximately one-third of students at the two universities are aged 25 or more (University of Regina 2008h, University of Saskatchewan, 2009), with as many as 20 per cent age 30 or more. While some of these are in graduate or professional programs, others are individuals who decided to continue their schooling in a hope to gain a Bachelor's or higher degree. The survey of 2004-2005 graduates of the two universities shows that 25 per cent of graduates had been out of school for one to five years prior to attending university and another 10 per cent had been away from school for more than five years. These findings demonstrate that many Saskatchewan individuals further their education after several years away from school and many begin to participate in university at age 25 or higher.

These older adults who decide to become university students face many barriers in furthering their education and completing a university program. Among the barriers that will not be addressed in any detail here are:

- Institutional structure and social climate primarily aimed at young students;
- Employer reluctance to provide leave and assistance;
- Difficulties for universities in assessing and recognizing prior learning and credentials.
- Personal and family commitments of older students.

While these vary from individual to individual, each is a factor that any older individual must contemplate when considering university attendance. Three barriers similar to those discussed earlier in this section are costs, distance, and financial assistance programs. Each is examined in turn.

Costs. For older students, the direct cost of university — tuition, fees, supplies — is similar to or identical with the costs for younger students. Living costs for older students would very likely be at least as great as for younger students (see Section 3) and could be considerably greater if the returning students must move to Regina or Saskatoon or has a large responsibility for supporting a family or others. The McCall Review noted (p. 83):

> The research shows that there are also financial barriers to participation in lifelong learning. Both workers receiving training and those not receiving it reported that they were unable to pay for all of the training they wanted. Work-related responsibilities, scheduling, and family responsibilities also act as barriers to participation in lifelong learning and training.

Older individuals may have built up savings that can be used to pay for university attendance, but these are often insufficient and compete with other demands such as financing a mortgage and supporting a family.

One of the major costs for older students is the opportunity cost of attending university. This is the amount of income lost by the individual who decides to attend. While part-time attendance may be possible for older students living in Regina or Saskatoon, many older students must reduce hours of work or take educational leave, especially if they hope to obtain a university degree within a reasonable period of time. While employment income differs greatly for adults in the labour force, the median employment incomes for Saskatchewan 25-44 year olds (Appendix Table A2) provide estimates of typical lost incomes. These are approximately $29,000 annually for females and $40,000 for males. For an older individual deciding to attend university full time, it is very likely that the lost income as a result of attendance is the largest single cost.

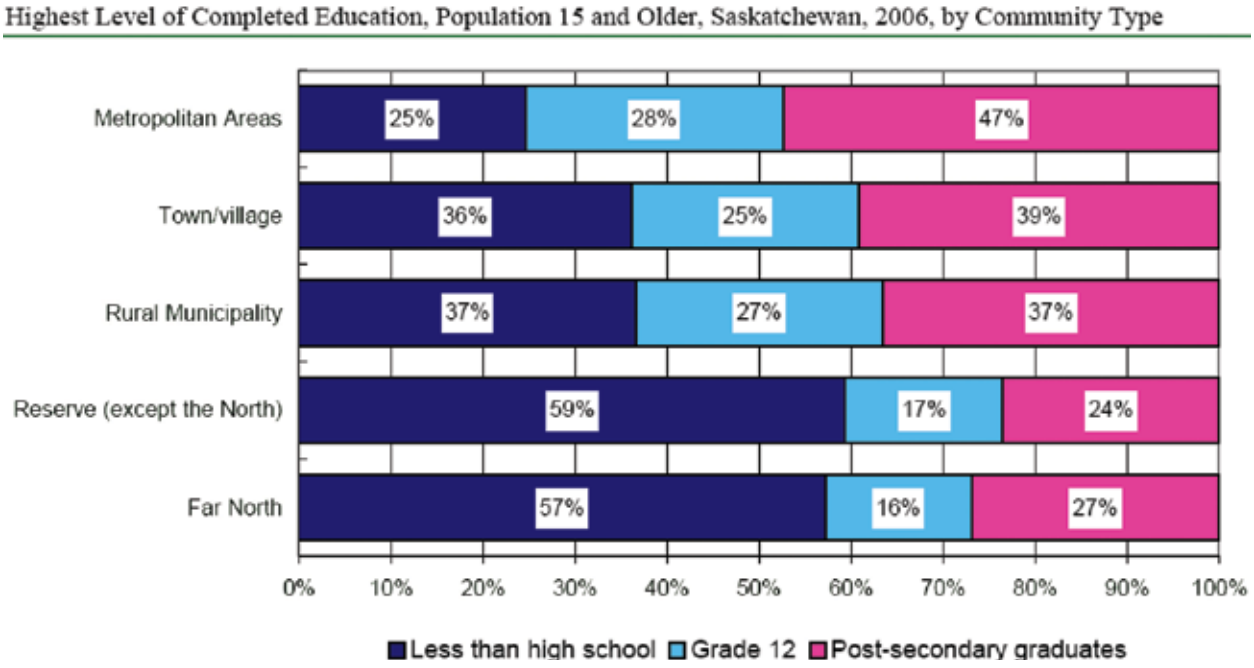
Distance. While distance is a barrier and a source of considerable cost for many students (Section 3), this cost is increased for older students who live further than commuting distance from Regina or Saskatoon. The cost for an older student considering relocating to one of these cities may involve a partner and whole family relocating. Among the costs are moving costs, difficulties of finding new schools for children, and a job for a partner, and financing housing. In addition, social and community ties are disrupted for all family members. Figure 5.4 demonstrates the disparity in educational attainment by area of residence in Saskatchewan. Individuals in larger centres are much more likely to have completed a university degree while those living in towns, villages, rural areas, or the North are less likely to have a degree. While there are many reasons for the disparity, distance to a university as well as the social and economic factors in relocation are one of the reasons for these disparities.

Financial assistance programs. While Section 4 discussed some of the problems associated with Canadian financial assistance programs, these programs work even less well for older students. The programs are essentially designed for young, full-time, single students, so those who are older, part-time, and with families face difficulties obtaining financial assistance.

The Saskatchewan Student Aid Fund reports very little financial assistance given to part-time students. While there are provisions for loans and grants to part-time students, only around 100 students received these in 2007-2008 (SAEEL, 2008, Table 16-20). When applying for student loans, the current system penalizes those with spouses, since greater contribution is expected from spouses of students than from parent of students. The McCall Review notes

> Apart from being inequitable in terms of how this assessment treats the "dependent" student with a spouse compared with the

Figure 5.4. Educational attainment of Saskatchewan population by region of residence, 2006



Source: Reproduced from *Sask Trends Monitor*, Volume XXV, Number 4, April 2008, p. 7.

> "dependent" student with parent(s), this approach has serious implications for life-long learners, graduate students, and for those in professional colleges, and should be revisited. ... Assets such as RRSPs are considered when assessing student loan applications, which may have an impact on lifelong learners who may want to use loan funding instead of cashing in those RRSPs. In addition, the inclusion of a vehicle worth $5,000 or more as an asset has raised some concerns in terms of its possible impact for commuting students and whether or not the $5,000 level is realistic. (McCall, 2007b, p. 60).

As noted in Section 1, the federal government has indicated that it will address some of these issues later this year, to reduce expected spousal contributions. The fact remains, however, that Canadian financial assistance programs were not designed for older students and do not work well for them.

Could Lifelong Learning Opportunities be Improved?

Over the coming years, the number of young people who will be graduating from high school is expected to decrease. The current cohort of children aged 0-4 is only three-quarters the size of the current cohort of 15-19 year olds. Enrolments at the University of Regina have already declined and are basically stable at the University of Saskatchewan. Given the decline in the number of young people that is likely to occur in the province, now would be an excellent time for the universities and the provincial government to focus efforts on lifelong learning. The universities are well established in terms of faculty members, programs, and physical space. Efforts to address the low post-secondary educational attainment of Saskatchewan adults and find ways to make university programs more accessible and affordable for adults who have not been able to attend could be a means to counter the expected

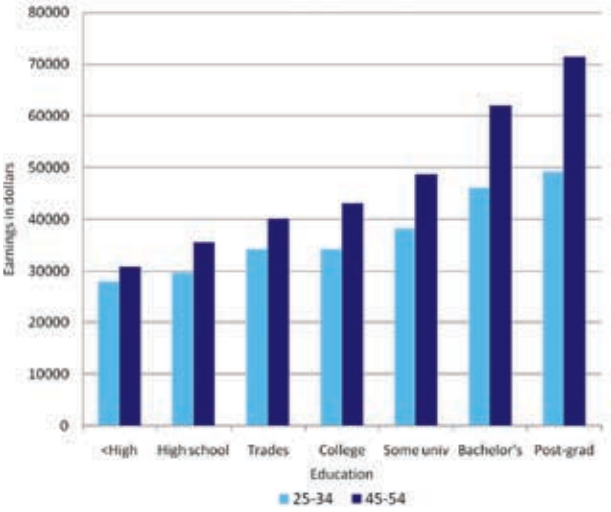
enrolment decline. This would benefit the individuals involved and assist the province and its economy.

> Much has been written about the importance of knowledge creation and innovation for economic growth, which reinforces the connection between post-secondary education and economic growth. When people participate in lifelong learning, employers also receive access to experienced workers with updated skills, which helps contribute to economic growth and increased productivity. Most researchers argue that the "social returns" to government for its investment in post-secondary education are well worth the money spent. (McCall, p. 78).

Economic Returns to a University Education

Building on the above quote, this section provides a short discussion of the potential economic benefit of university education. Figure 5.5 demonstrates that earnings for Saskatchewan individuals who have received higher levels of education exceed that for those who do not have this education. These data come from the 2006 Census of Canada and refer to average earnings of fully employed Saskatchewan individuals for the year 2005. Even at ages 25-34, soon after completing a university program, median annual earnings for those having completed a Bachelor's degree were $46,100 as opposed to $29,600 for those completing only high school, over 55 per cent greater. For individuals aged 45-54, often near the peak of their earnings, the gap was even greater at 75 per cent more, with median annual earnings of $61,900 for those completing a Bachelor's degree and $35,500 for those completing no more than high school. Also, as shown in Appendix Figure A4, the unemployment rate for university graduates is much less than that for those having completed only high school. These data demonstrate the continued and continuing financial value of a university degree.

Figure 5.5. Median earnings in dollars for full-year, full-time earners by education, ages 25-34 and 45-54, Saskatchewan, 2005



Source: Statistics Canada, 2008c

Rate of return to investment in schooling in Saskatchewan. Discussions of the value of education as an investment often turn to estimates of rates of return to dollars invested in education. Appendix Tables A8 and A9 report estimates of the return to investment in education in Saskatchewan. Although these studies refer to returns in the mid-1990s, they parallel the findings on rates of return across Canada at other times. In each estimate, investing in one's education is found to be a solid investment for the individual, with educational expenditures paying off in higher incomes in later years. From Table A9, the rate of return to an individual exceeds the return from provincial public investment in education. However, the public returns are positive and may exceed the rates of return from investment in business or financial instruments, especially in the present period of economic and financial uncertainty.

The value of a university education should, of course, not be judged only by economic returns.

There is great social value of having a well educated, aware, and informed population and all who have an interest in pursuing a university education should be provided with an opportunity to participate. At the same time, individuals need to consider their future options and obtaining a university education is an important means of improving an individual's employment and income prospects. It is these rates of return that support the argument that a university education is a good individual and public investment.

One caution that should be noted with respect to rates of return is that they are average values and are not guaranteed for any individual. A recent study of rates of return to investment in education across Canada found that "median rates of return to the bachelor's degree were 12% for men and 13% for women." (Boothby and Rowe, 2002, iii). But an individual cannot be assured of success in the job market following completion of a university education, making this investment uncertain. The same study reported that there was a wide range of rates of return by type of university program. More disturbing was the finding that "twenty percent of bachelor's degree graduates and thirty percent of community college graduates had negative rates of return to their investment in post-secondary education" (Boothby and Rowe, 2002, p. iii). As a result, investing in education can be a risky business for an individual. One way to counter this risk is to shift the cost of investment away from the individual and toward the tax system as a whole.

Conclusion

Funding universities is a good public investment decision and attending university is a good individual decision. But because of the costs and high debt load associated with obtaining a university education and the uncertainties associated with jobs and career after completing university, many who could succeed at university are unable or unwilling to attend. These difficulties are greatest for those who have low incomes, are Aboriginal, or are adults who have been away from school for several years. These latter individuals also have greater difficulty obtaining appropriate financial assistance and their university participation rates are low. As the the number of young people reaching university entrance age will decline over the next few years, it would be worthwhile for universities and governments to address the issues of accessibility and affordability, especially for individuals from low income or Aboriginal backgrounds or those who could benefit from lifelong learning. Financial assistance and programs to make university more welcoming and attractive for individuals, especially those from backgrounds with low university participation, could increase their university participation rates and benefit these individuals and the province as a whole.

Key Findings – Section 5

- Saskatchewan has low participation in universities. Accessibility is especially a problem for potential students from the following backgrounds:
  - Low-income youth have a university participation rate that is one-half that for youth from high-income families. Barriers include limited family income and savings, as well as aspirations and expectations. Living beyond commuting distance of a university is a serious barrier for potential students with low income. In Saskatchewan, larger percentages of low- than high-income students attend colleges or trades programs but are much less likely to attend university.
  - Aboriginal students face barriers of limited income, distance to university, and not feeling welcome on university campuses. While the high school completion rate

for Aboriginal youths has increased and is double that of their parent's generation, there has been no increase in the proportion completing university. As a result, for the Aboriginal population aged 25-34, only 8 per cent have completed university, while 24 per cent of the non-Aboriginal population has completed university.

– Opportunities for lifelong learning are often impaired by the costs of obtaining a university education, location, and family and household situation. The Canadian financial assistance system is not designed for part-time students and those who have employment and family commitments and places impediments in the path of adults who have been out of school for several years.

- Financial assistance for low-income youth is limited and inadequate, and often does not reach those who need it most. The major program of financial assistance for Aboriginal youth attending university has been capped at 2 per cent growth per year, meaning that it is not sufficient to meet the growing demand for obtaining a university education. The program is administered by First Nations bands, meaning that non-status and Metis youth do not have access to it.
- University education is a good public and individual investment, but is uncertain in terms of individual returns.

Section 6

Key Findings and Recommendations

Key Findings

1. **University tuition and fees** in Saskatchewan are higher than what is reasonable and are not affordable for many students and their families. This discourages many youth and older adults from attending university.
2. The **costs of living** away from home to attend university are a significant barrier to access for a large number of students and their families in Saskatchewan. This is especially the case for low-income and Aboriginal students as well as older adults seeking lifelong learning opportunities.
3. The **financial assistance** presently available is not adequate to provide for equality of opportunity to attend university for all capable Saskatchewan people who desire a university education.
4. Too many Saskatchewan students are graduating from university with too much debt. Since 2004, students are still amassing **increased debt loads** even though tuition has been frozen. Increasing loan limits for students will further increase student debt.
5. **Grants and bursaries** based on financial needs of students are insufficient to ensure equitable access to a university education in the province. Benefits from tax credits are only available to graduates and do not assist students at the time they must pay their bills.
6. Compared with other provinces, Saskatchewan has a smaller proportion of adults with a university degree. Despite this, **enrolment** at Saskatchewan universities continues to decline.
7. A university education is a productive investment for both the province and for individuals. High levels of tuition, increasing living costs, and inadequate financial assistance mean that there has been a **shift from public investment** in university education to greater reliance on financing by students and their families.

The analysis and findings in this report amplify and support the key findings and recommendations of the CCPA-SK report *Improving Access* (Conway, 2004). Following its publication, the provincial government took action in the form of freezing tuition at the 2004-2005 level and establishing the Post-Secondary Education Accessibility and Affordability Review. The Review found there were serious problems of accessibility and affordability for Saskatchewan individuals considering attending university; the seven key findings of this report further substantiate more public financial support for students.

The tuition freeze was extended though 2008-2009, but the provincial government and the universities are planning to increase tuition levels this year. From the findings of this reappraisal of student finances, **it is inappropriate to end the tuition freeze** at the present time.

A Framework for Further Action

The following recommendations for further action on the part of the provincial and federal governments and the universities emerge from the analysis and findings of this report.

1. **No increase in tuition and fees.** The provincial government and the universities should make a commitment that they will not increase tuition levels and set a goal of reducing tuition for all students.

2. **Reduce institutional barriers of access and make a university education affordable for all.** The provincial and federal governments, and the universities, should recognize and reduce barriers of access for low-income and Aboriginal youth, those living distant from universities, and adults who would participate in lifelong learning at university.

3. **More upfront financial assistance and reduced reliance on tax credits.** Financial assistance should take into account financial need and barriers to attending university. There should be an improved and expanded set of programs to provide funding to those who need financial assistance to meet the cost of attending university. This means reduced reliance on tax credits and rebates so that assistance is available to students at the time they must meet bill payments.

4. **Reduce reliance on student loans.** The federal and provincial governments should make a commitment to reduce the reliance of Saskatchewan and Canadian students on student loans as the primary source of financial assistance. For those who currently have large student debts, debt relief programs should be expanded**.**

5. **Construct financial assistance programs to provide equitable access.** This involves both more assistance based on financial need and more scholarships based on merit. There should be improved and expanded programs to meet the full range of student living expenses. Implementation of the following recommendations would improve the accessibility and affordability of Saskatchewan universities.

a. **Grants for low- and middle-income students.** The provincial government should establish a student grant program that parallels the new federal Canada Student Grants program (which will provide up to $250 per month for low-income students and $100 a month for middle-income students). The provincial grant program should at least match the federal amounts and grants should be sufficient so tuition fees are not a barrier to enrolment.

b. **Improved and expanded assistance to Aboriginal students.** The findings of this report support the following recommendations from the University of Regina (2008b) with respect to post-secondary education funding:

   - The immediate elimination of the 2 per cent annual cap on budget increases;
   - Funding of the Post-Secondary Student Support Program (PSSSP) sufficient to ensure that every eligible First Nations and Inuit learner obtains adequate funding based on actual costs for tuition, travel and living expenses, including child care, special needs, and special shelter;
   - Special funding to address the existing backlog of deferred eligible students;
   - The extension of the PSSSP to other Aboriginal post-secondary students (Métis and Non-Status First Nations).

c. **Financial assistance increases to meet the special needs of single parents.** Revisions to assistance must recognize current living

expenses and special circumstances of single parents. This means replacing student loans and tax credits with grants to support increased part-time and full-time university participation by single parents.

d. **Greater support to lifelong learners.** In association with the universities and the public, Saskatchewan Advanced Education, Employment and Labour should establish a task force to identify institutional, financial, and personal barriers to lifelong learning and improve access to university for Saskatchewan individuals who have been away from school for several years. Among the issues that should be addressed are reducing financial and institutional barriers to lifelong learning and examining the effect of distance and responsibilities for supporting families on university participation. Aims of the study should include finding ways to assist adults to obtain access to part-time and full-time learning at the university level and recognize prior learning. Additional funding to improve adult access should be seen as a public investment in credit and non-credit lifelong learning; lifelong learning programs should not be structured so they must recover full costs of delivery or continue to evolve into profit centres for the universities.

e. **Continue to increase scholarships.** In this decade, Saskatchewan universities have made progress in increasing scholarships, bursaries, and prizes. This positive development should be continued, with the universities establishing a long-term scholarship/bursary program building on gains made to date. One goal could be a doubling in the real value of university scholarships and bursaries over the next decade.

6. **Increase university participation.** Governments and universities should work to increase the proportion of high school graduates who attend university. There should be a commitment to changing those parts of the institutional culture of universities that make some feel unwelcome and placing greater emphasis on undergraduate teaching and enhancing undergraduate programs.

7. **Public investment in university education.** There should be a renewed commitment to public investment in university education at the undergraduate level, with improved equality of access for all. One means of implementing this commitment is to maintain the freeze on tuition and fees until tuition accounts for no more than what it was prior to the 1990s, approximately fifteen per cent of university revenues. Such a policy would be directed toward expanding public investment in undergraduate university education, shifting the costs away from the individual to Saskatchewan government general revenues, so university funding is provided in a manner similar to the provision of health care and primary and secondary education in Saskatchewan and Canada.

The above recommendations are workable — some involve immediate action (R1, R3-5), others are medium- to longer-term policy and program commitments on the part of governments, universities, and individuals (R2, R6, R7). Implementation of these recommendations would improve university accessibility and affordability and would benefit the people of the province.

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Note: In this list of references I have included the URL for as many sources as possible. Many of the sources are reports and tables and, for these, the date of the report or table as listed on the web site is provided, rather than the date accessed. Also, given that many of the data sources are web sites, where titles, dates, author, and location are sometimes uncertain, the listing of sources may not conform to convention. In most such cases, the URL and information for the source is provided, so it should be possible to track the source. If you encounter any problems, please contact the author.

Acronyms used in the list of references:

CAUT – Canadian Association of University Teachers

CCPA – Canadian Centre for Policy Alternatives

CFS – Canadian Federation of Students

CMHC – Canadian Mortgage and Housing Corporation

CMSF – Canadian Millennium Scholarship Foundation

CUSC – Canadian Undergraduate Survey Consortium

SAEEL – Saskatchewan Advanced Education, Employment and Labour

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Appendix

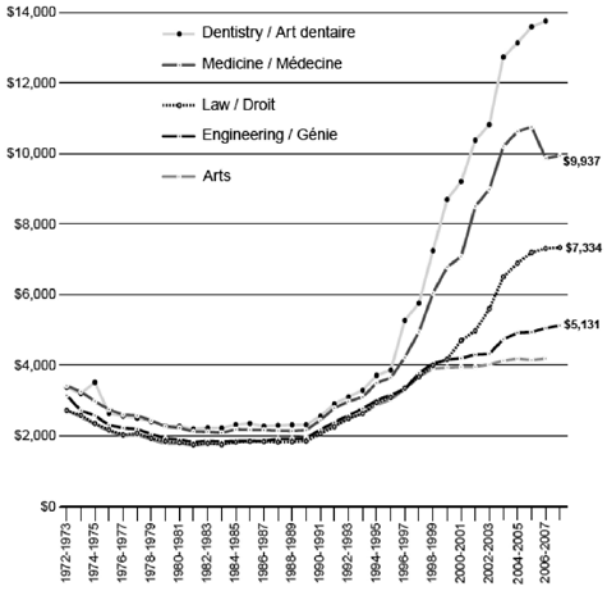
Additional Tables and Figures

Table A1. Increases in tuition and fees, 1990 to 2004 and 2004 to 2008; percentage increase from 1990 to 2008, Canada and provinces, current dollars

Region	Increase in Tuition and Fees, Current $ 1990/91-2004/05	2004/05-2008/09	Percentage increase, 1990/91 to 2008/09
Canada	2977	681	208
NL	1597	61	113
PE	2727	412	145
NS	4340	269	214
NB	2968	985	192
QC	1323	377	153
ON	3426	868	204
MB	2122	-48	119
SK	3902	72	242
AB	3897	572	279
BC	3272	395	183

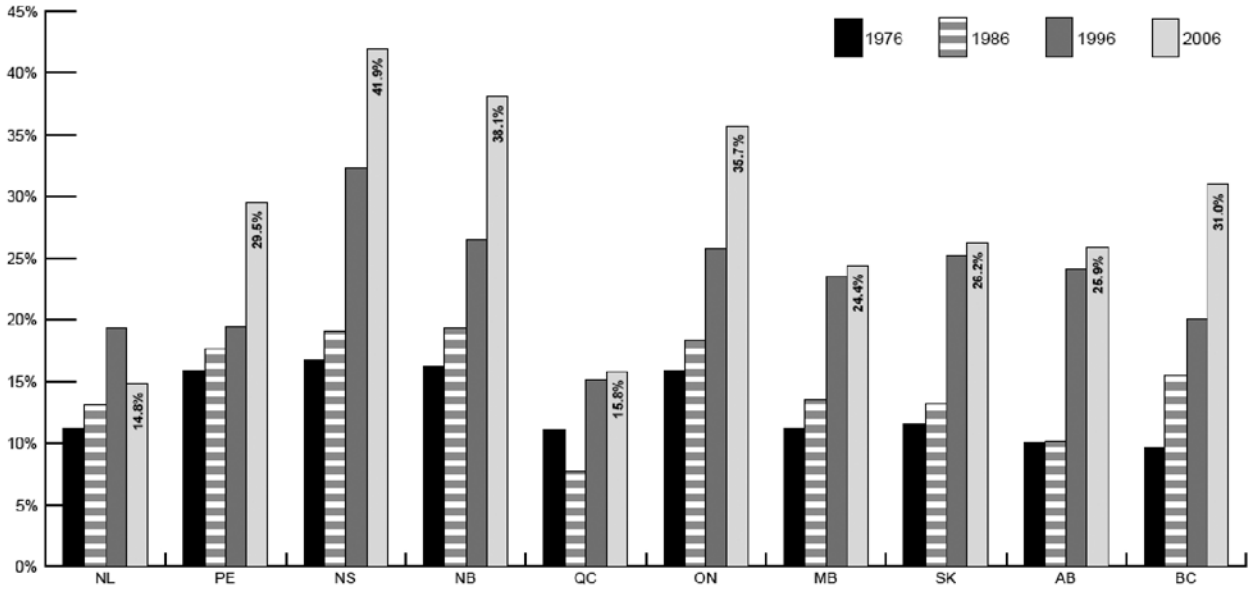
Source: Adapted from Statistics Canada, special tabulation, unpublished data, *Survey of Tuition and Living Accommodation Costs for Full-Time Students at Canadian Degree-granting Institutions* (TLAC), 2009. Table 8E.1a) and Table 10E.2.

Figure A1. Average annual cost of university tuition, Canada (2007 dollars)



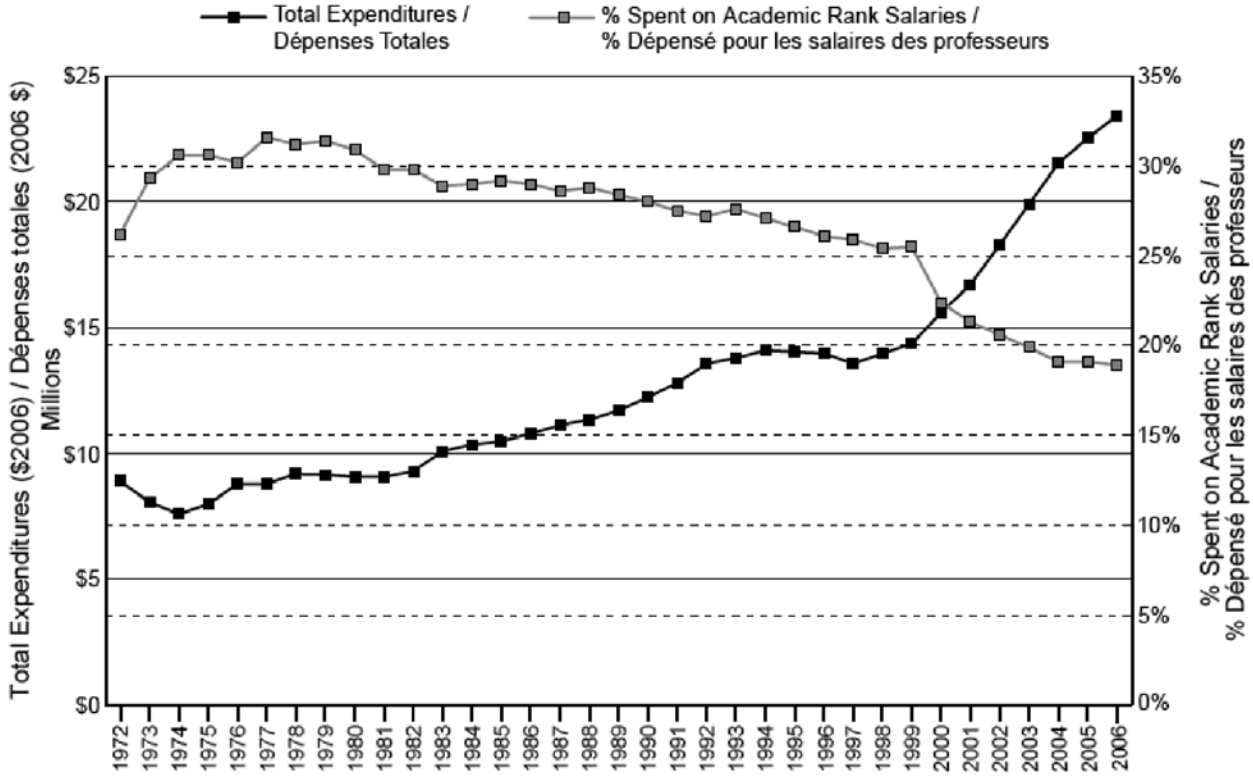
Source: Reproduced from CAUT, 2008, Figure 3.6.

Figure A2. Tuition as a Percentage of University Operating Revenue by Province



Source: Reproduced from CAUT, 2008, Figure 1.2, p.2

Figure A3. Spending on academic rank salaries and total university expenditures, Canada, 1972-2006



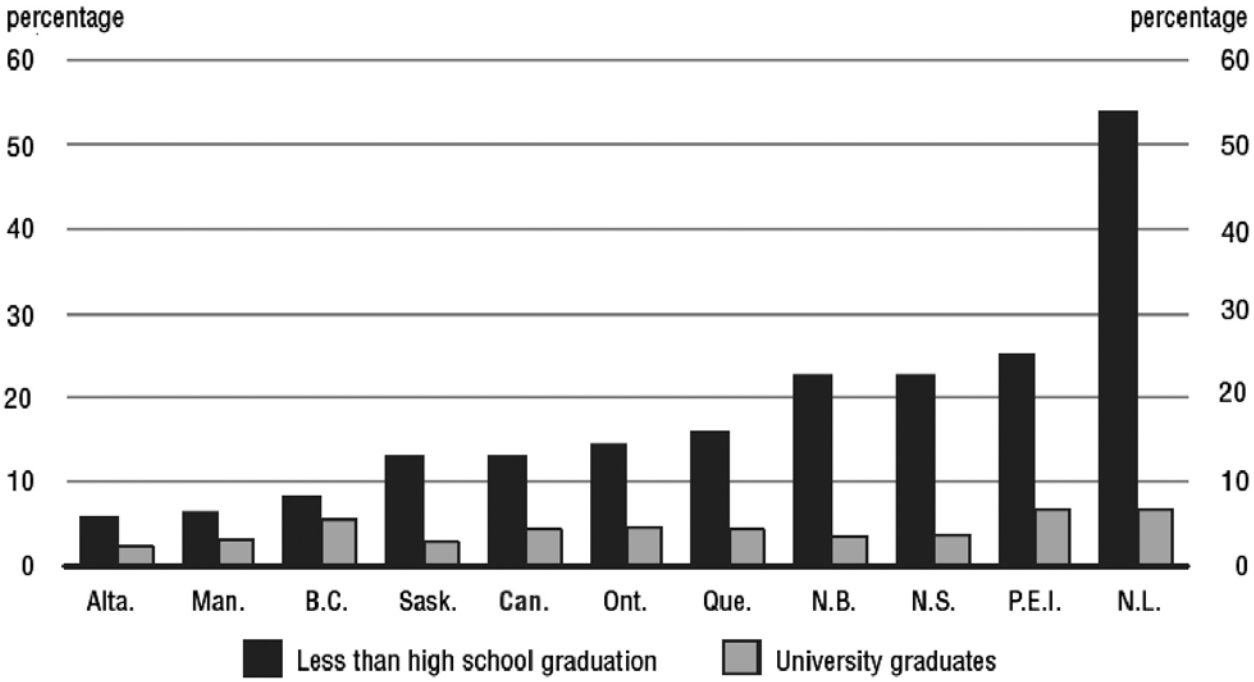
Source: Reproduced from CAUT, 2008. Figure 1.5, p.4

Table A2. Median employment income of Saskatchewan individuals with a certificate or diploma below Bachelor's level who worked full-year, full-time in 2005, by age and identity

Characteristic of Employee	Median Earning by Sex, 2005 Dollars			Number of Individuals
	Male	Female	Total	
Age 15-24				
Non-Aboriginal	23,102	18,012	20,869	17,990
Aboriginal	20,006	15,347	18,021	2,050
Total	22,596	17,850	20,605	20,260
Age 25-44				
Non-Aboriginal	40,033	29,572	34,851	88,865
Aboriginal	34,027	27,218	30,026	9,730
Total	39,616	29,238	34,291	99,690

Source: Statistics Canada, 2008g, Table: Employment Income Statistics (4) in Constant (2005) Dollars, Work Activity in the Reference Year (3), Aboriginal Identity, Registered Indian Status and Aboriginal Ancestry (21), Age Groups (5A), Highest Certificate, Diploma or Degree (5) and Sex (3) for the Population 15 Years and Over With Employment Income of Canada, Provinces, Territories, 2000 and 2005 - 20% Sample Data.

Figure A4. Unemployment rates of 25- to 29-year-olds, selected levels of education, Canada and provinces, 2006



Source: Reproduced from Council of Ministers of Education, Canada and Statistics Canada, 2007, Chart E.3.2, p. 139.

Table A3. Derivation of 2008-2009 expenses for Table 3.4

Expenditure Item	Sue – University of Regina	Lionel – University of Saskatchewan	Jessica – University of Regina
Food	MEM, Figure 67.1, living with parents. $103x1.17 for CPI increase = $121. x 8 mo=$968.	Meals included in housing cost. Plus arbitrary amount of $50/mo for snacks, drinks, etc. $50/mo x 8 mo = $400	MBM. $3,495 for 8 months. See note below.
Housing	No cost, living at home.	Room and meals, Voyageur Place $6,712/yr. University of Sask., 2008d.	$756/mo x 8 mo=$6,048. CMHC, 2008b. Two bedrooms.
Transportation	Regina Transit monthly student rate of $48. $48/mo x 8mo=$384.	3x$100/trip, Saskatatoon-LaRonge return on STC. Plus $25/mo x 8mo =$200 for city transit. Total of $500.	$48+$42=$90/mo. Regina Transit. $90/mo x 8mo=$720. 3 return trips to Swift Current, STC. $150/trip. $1,170 total.
Personal and Other	Sue and Lionel: MEM, Figure 74.3, Average monthly expenditure, Prairies. $213 personal and $57 other. ($213+$57)=$270/mo times 1.17 CPI = $316/mo. $316/mo x 8mo=$2,528.		MBM. $4,399. See note below.
Child Care	None.	None.	$105 per month in addition to subsidy. $105/mo x 8mo=$840.
Tuition and Fees	$4,413+$358=$4,771. University of Regina, 2008g.	$5,019. University of Saskatchewan, 2008c.	$4,413+$358=$4,771. University of Regina, 2008g.
Books and Supplies	$1,000 for books, $500 for computer. Total of $1,500.	$1,000 for books, $500 for computer. Total of $1,500.	$1,000 for books, $500 for computer. Total of $1,500.

Notes: Sue and Lionel. Food, Personal and other, MEM 2001. CPI increase of 17 per cent, 2001-2008.

Jessica. Food – MBM for food, 2006 of $6,984, multiplied by 1.07241 to account for CPI increase to 2008, adjusted by 1.4/2 family size conversion factor, multiplied by 8mo/12mo for academic year, $3,495 total. Personal and other – same method using 2006 Regina MBM of $2,224 for clothing expenses and $6,565 for multiplier expenses, $4,399 total.

Sources: *MEM* is the publication *Making Ends Meet*, see EKOS, 2003.

MBM is the Market Basket Measure. See Human Resources and Skills Development Canada, 2008, Appendix G, p. 81 for Regina values in 2006.

Statistics Canada, 2008h, Table 1, p. 13, for 1.4/2 family size conversion factor.

Table A4. Loans, debt reduction benefits, and net loans for Saskatchewan post-secondary students, 2000-2008, in thousands of current dollars

Fiscal Year Ending April 30	Amount of Full-time Loans	Debt Reduction Benefits	Loans Minus Debt Reduction	Debt Reduction as Percentage of Loans
2001	132.6	37.6	95.0	28.4
2002	131.4	38.8	92.6	29.5
2003	125.4	38.8	86.6	30.9
2004	131.6	34.1	97.5	25.9
2005	131.3	31.6	99.7	24.1
2006	134.1	36.4	97.7	27.1
2007	119.4	35.1	84.3	29.4
2008	108.0	30.3	77.7	28.1

Source: Saskatchewan Student Aid Fund, 2004, Tables 6-13 and 2008, Tables 4-11.

Table A5. How students pay for university: Average amount reported by those having each income source, Canada and Universities of Saskatchewan and Regina, 2007-2008. All figures in dollars

	Large Universities		Medium-sized Universities		U of S/U of R
Source of Student Income	U of S	Canada	U of R	Canada	Average
Average, all respondents	11,768	9,741	9,927	10,730	11,031
Average for all reporting source:					
Government loan or bursary	8,563	7,497	8,494	7,970	8,535
Loans from financial institution	7,692	7,316	5,994	7,222	7,013
Co-op program or work term	14,106	8,777	6,604	7,177	11,105
Parents, family, spouse	6,336	6,461	5,646	6,208	6,060
RESP	4,690	4,562	4,395	4,543	4,572
Earnings – summer work	5,532	4,223	4,070	4,179	4,947
Investment income	1,911	3,250	5,018	3,715	3,154
Personal savings	3,572	2,957	2,817	2,936	3,270
University financial assistance	2,907	3,023	2,355	2,553	2,686
Earnings – current employment	2,378	3,399	4,910	3,575	3,391
Work-study program	3,000	2,081	1,667	1,696	2,467
Other	5,684	5,246	5,847	4,622	5,749

Source: CUSC, 2008a and 2008b, Table 45.

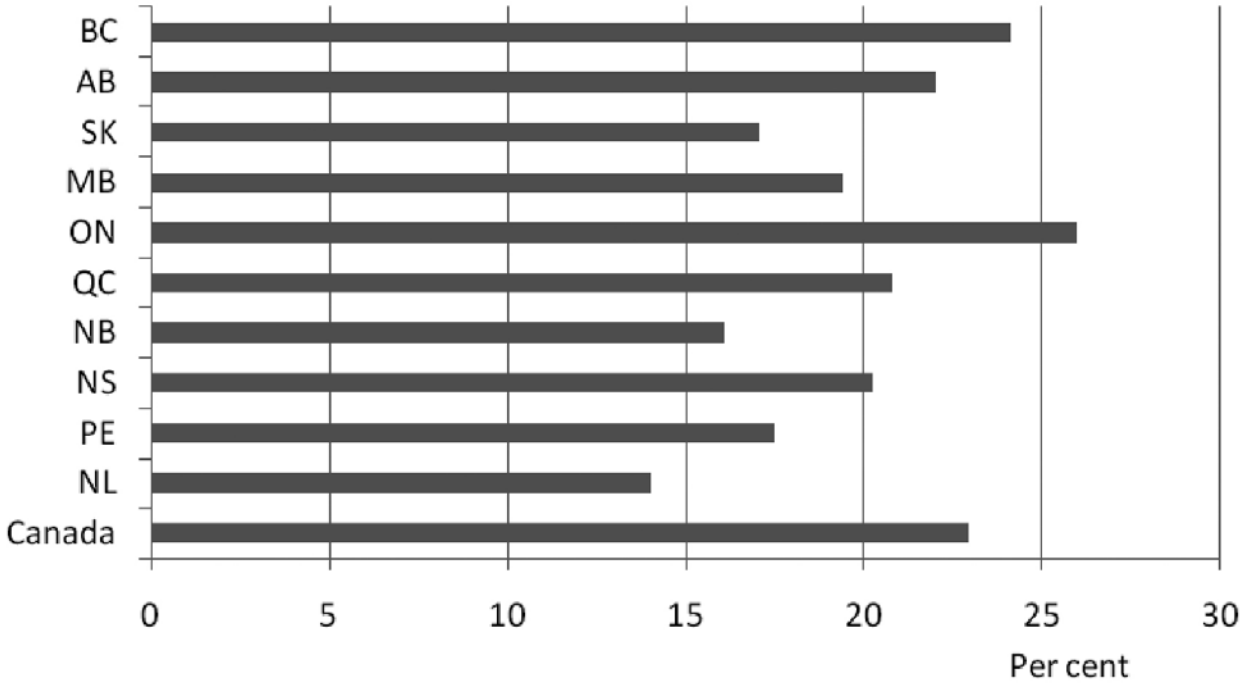
Note: The last column is a weighted average for the two universities, with a weight of 0.6 for the U of S and 0.4 for the U of R, to reflect the approximate proportionate undergraduate enrolment.

Table A6. Sources of financial support, Aboriginal and Non-Aboriginal respondents, 2004-2005. Per cent reporting each source.

Source of Financial Support	Consider Self to be Aboriginal	
	Aboriginal	Non-Aboriginal
Parents, grandparents, spouse/partner, friends, other relatives	29.3%	55.7%
Canada/Saskatchewan Government Student Loans	38.0%	41.5%
Bank loans or bank lines of credit	18.4%	30.2%
Credit cards	16.4%	23.1%
Personal savings	27.2%	56.9%
Reserach and teaching assistantships	4.9%	8.7%
Sponsorship by an Aboriginal band council	57.0%	0.3%
Government scholarships, grants or bursaries	20.5%	27.8%
Non-government scholarships, grants or bursaries	18.4%	22.9%
Employment earnings during your program of study including summer jobs	39.9%	57.4%
Employment insurance	20.9%	16.8%
Workers' Compensation	1.8%	1.5%
Sponsorship by an employer	10.3%	10.4%
RESP/RRSPs	2.7%	6.9%

Source: SAEEL, 2007, p. 54.

Figure A5. Per cent of adults aged 25-64 who have completed a university program at Bachelor's level or above, Canada and provinces, 2005



Source: Statistics Canada, 2008b.

Table A7. University participation rates at age 19 of high school graduates, by family-income quartile and province, 2003. All figures in per cent.

Province	Lowest Quartile	Second Quartile	Third Quartile	Highest Quartile
NL	21.7	35.2	46.0	65.0
PE	35.9	44.4	58.4	75.3
NS	44.9	48.6	59.0	74.2
NB	30.8	44.5	49.8	65.7
QC	6.9	9.7	10.8	21.1
ON	32.2	34.4	47.2	53.7
MB	27.7	43.5	47.3	56.1
SK	32.0	31.7	39.6	48.1
AB	24.6	29.7	33.5	44.2
BC	30.1	35.0	42.5	47.6
Canada	25.4	29.3	37.7	46.4

Source: Zeman, 2007, Table 7.

Note: In Quebec, where youth typically first attend CÉGEP before university, very few youth had reached university by age 19; as a consequence, the university participation rate in Quebec was considerably lower than the national average.

Table A8. Contribution of schooling to income by gender and ethnicity, Saskatchewan, 1995

Ethnicity	Men	Women
Aboriginal Peoples	12.1%	12.9%
African-Canadians	12.5%	13.2%
Anglophone	9.3%	12.2%
Asian	13.4%	16.6%
Francophone	10.0%	13.8%

Source: Marshall, 2007, p. 13, from estimates of Joy Vanstone, University of Saskatchewan.

Table A9. Private and public rates of return to education by level and gender, Saskatchewan, 1996

Level of Education	Public Returns		Private Returns	
	Male	Female	Male	Female
Secondary	10.6%	8.0%	20.5%	18.8%
College	8.5%	7.0%	19.2%	15.3%
Bachelor	11.1%	12.4%	16.6%	22.0%

Source: Marshall, 2007, p, 15. Original estimates by Prince Kofinti Owusu, University of Saskatchewan.

Note: Method of calculating average annual increase

Where average annual rates of increase are given in this report, they are calculated as follows.

The average annual rate of increase is obtained by calculating the natural logarithm of the final value divided by the initial value. The natural logarithm is then divided by the number of years to give an average annual rate.

Multiply the latter by 100 to obtain the average annual rate of increase in percentage terms.

Example:
Tuition in 2004-2005 = 5063
Tuition in 1990-1991 = 1545
Time period is 14 years

Final value/initial value = 5063/1545 = 3.277

Natural logarithm (LN) of 3.277 is 1.187

Dividing 1.187 by 14, the number of years, gives 1.187/14 = 0.0848

Average annual increase is 0.085 or 8.5 per cent.