



University
of Victoria

Study on Affordability and Accessibility

Prepared by Institutional Planning and Analysis

Report to the Provost and Vice-President Academic

**Results presented to
Senate (February 6, 2004)
Board of Governors (February 9, 2004)**

**This summary available at
<http://web.uvic.ca/vpac/> and <http://www.inst.uvic.ca/>**

**Full report available at
<http://www.inst.uvic.ca>**

Strategic Plan Objective 2: To ensure that outstanding students from diverse regions and backgrounds have the opportunity to attend the University of Victoria and that ***there are no hurdles to admission except academic and creative potential***

In 2002, the provincial government lifted a six-year tuition freeze at BC's public post-secondary institutions. In each of the two years since the freeze was lifted, undergraduate domestic tuition at the University of Victoria has increased by 30%. These increases have prompted concerns that higher education in the province may no longer be as widely accessible as it has been in the past. In particular, the Board of Governors is concerned that recent tuition increases may cause the socio-economic make-up of the undergraduate population to change.

Institutional Planning and Analysis has developed an ongoing long-term study to monitor and analyze the effect of tuition increases on affordability and accessibility. The study has three principal components:

1. An assessment of the financial and socio-economic status of new applicants and registrants.
2. A survey of new and continuing students on the affordability of post-secondary education.
3. The monitoring of debt loads and debt repayment of baccalaureate graduates two and five years after graduation.

Taken together, these studies will assist in determining the impact of tuition fee increases on accessibility and affordability to BC university education.

1. Financial and socio-economic status of new applicants and registrants: Family Income Study

The relationship between family income and university attendance has been well established (Corak, Lipps, Zhao, 2003): lower family income reduces the probability of university attendance. What is less clear in the research literature is whether the differences in participation are a result of financial barriers. The available evidence suggests a more complex relationship between university attendance and socio-economic status (Butlin, 1999, Foley, 2003). Nevertheless, there is concern that the recent increases in tuition fees at BC universities have been substantial enough to adversely affect students from lower income groups.

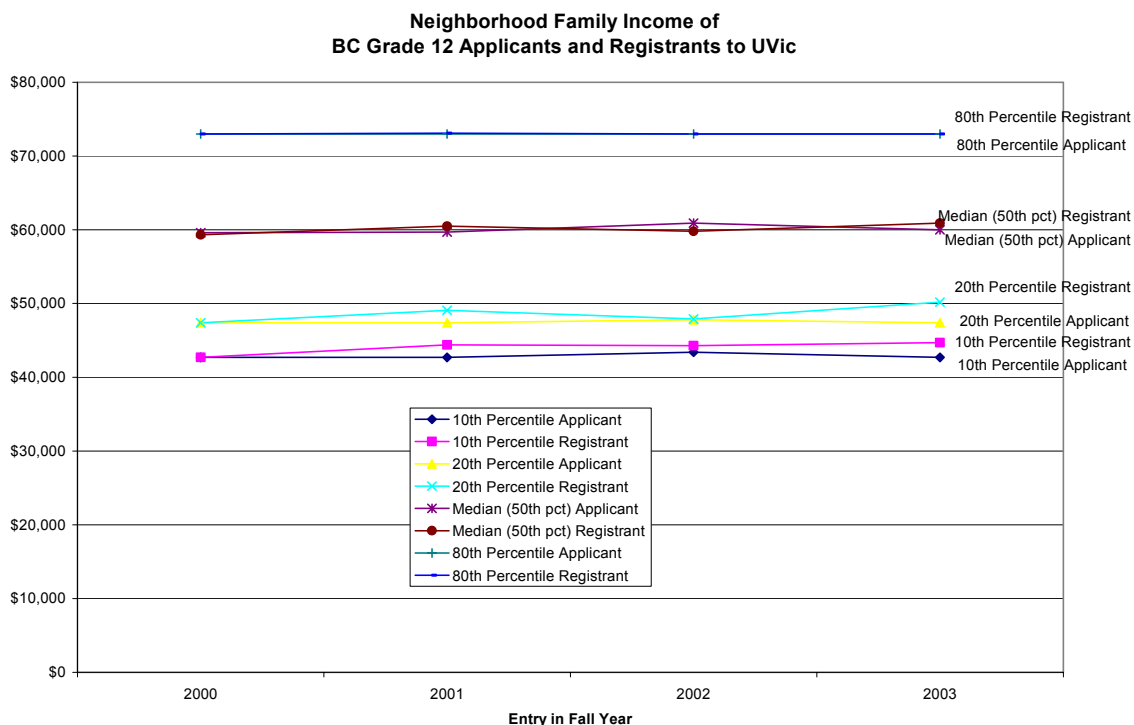
Universities do not collect information on the financial or socio-economic status of their students or applicants, nor would it be appropriate to do so. Therefore indirect methods must be used to determine trends in access based on income factors. We use a method based on postal codes and taxation data to approximate family income of applicants and registrants. Statistics Canada data on median family income by neighbourhood (postal code forward sortation area)

is used as a proxy for the distribution of household incomes of UVic applicants and registrant.

The data for this study was drawn from two sources: a combined data file of BC grade 12 applicants and registrants to BC universities; and, a special tabulation file from Statistics Canada of 2001 BC Tax Filer data that includes median income (of families with children) by postal code Forward Sortation Area (FSA's) along with the number of families (with children) within an FSA. It is important to realize that the data results in a correlation, not an actual measure of income. Our study makes use of the relatively safe assumption that university participation will be correlated with median family income of the FSA.

Over the four years that applicant and registrant family income has been tracked, income levels have remained stable. In fact, at the 10th, 20th, 50th and 80th percentiles, median family income levels of applicants and registrants are never more than \$2,800 apart and in most cases are virtually identical. Furthermore, over time, we see little variation in median income at any income-band (Figure 1.) As such, there is little to suggest that the socio-economic make-up of our entering undergraduate population has changed over the last four years.

Figure 1:



The information assembled for this study also enables more complex hypotheses to be tested. Appendix Two (pp 54-59) tests the hypothesis that university

participation is correlated by changes in median family income over time. A highly predictive regression model is presented that demonstrates that the interaction between income and year on university participation is not statistically significant over a period of time in which tuition fees increased (2000 to 2003). Consistent with all the literature on university participation, BC university participation is largely a function of income and location but increases in tuition have not altered the extent to which income predicts participation.

As the survey results will reveal, many students do suffer economic hardship during the route to their degree, but they appear to be making the necessary adjustments and sacrifices to accommodate current higher tuition. Only 5.8% of students claimed it was very likely that they would stop their studies if tuition increased even further in the future.

2. Student Survey on University Affordability and Accessibility

In November 2003, undergraduate students from UVic, UBC, SFU and UNBC were invited to complete a web-based survey. Questions focused on parental background and income, student income, the means by which students funded their educational costs, steps taken by students to control their educational costs, means by which students might handle increased tuition fees, and feedback on where students would like their tuition fees spent. Survey participants were also given the opportunity to provide open-ended comments.

Over 3,500 UVic students responded to the survey (16,578 UVic undergraduate students were sent up to three email reminders inviting them to participate) for a response rate of 21%. The survey was directed at the entire undergraduate population and includes students from all year levels.

Students were asked a series of questions to determine the means by which they fund their university education. Respondents indicated that savings and employment income were the most common sources of funding followed by help from parents/family and scholarships and bursaries. For those that reported using that funding, median amounts suggest that government student loans were the largest single source of funds although this type of financing was reported by only 36.7% of respondents.

How are you paying for your year at University (including tuition, living, books and transportation expenses)?			
	# using source	% using source	Median \$ of those using source
Savings	2056	58.3%	\$2,000
Income from work/employment	2014	57.1%	\$2,000
Help from parents/family providing direct funds	1848	52.4%	\$3,000
Scholarships/bursaries	1439	40.8%	\$2,000
Government Student Loans	1294	36.7%	\$7,000
Additional Debt (loans, lines of credit, etc.)	868	24.6%	\$3,000
Other Sources	247	7.0%	\$1,000
<i>Total answering question</i>	3527		

Survey participants were asked to indicate the steps they have taken to control their living and educational costs in order to meet their expenses. The step most commonly cited by UVic students is to cut back on extras (85.6%), such as entertainment, followed by summer employment (74.3), and distantly followed by employment during the school term (48.5%).

What steps have you taken to control your living and education costs and meet your expenses?		
	#	%
Cut back on extras (entertainment, etc.)	3026	85.6%
Summer employment	2627	74.3%
Employment during school term	1716	48.5%
Share accommodation	1645	46.5%
Cut back on necessities	1567	44.3%
Took fewer courses	1065	30.1%
Live at home	910	25.7%
Attended local Univ. rather than preferred Univ.	886	25.1%
Other	447	12.6%
Took cheaper program	176	5.0%
None	6	1.9%
<i>Total answering question</i>	<i>3535</i>	

In order to ascertain how students might manage increased tuition fees, a number of possible actions were posed to survey participants. According to the responses, the greatest percentage of students are “very likely” or “somewhat likely” to cut back on extras (82.2%), followed by ask for/borrow more money (72.5%) and cut back on living expenses (70.2%). The action students anticipated being least likely is to quit their studies.

If tuition increased, how likely would you be to:	Earn more money		Ask for or borrow more money		Take fewer courses	
Very unlikely	1322	37.8%	462	13.2%	986	28.2%
Somewhat unlikely	590	16.9%	232	6.6%	576	16.5%
Neither likely nor unlikely	348	9.9%	185	5.3%	445	12.7%
Somewhat likely	621	17.7%	758	21.7%	730	20.9%
Very likely	453	12.9%	1774	50.8%	670	19.2%
Don't know / not applicable	165	4.7%	84	2.4%	87	2.5%
<i>Total</i>	<i>3499</i>		<i>3495</i>		<i>3494</i>	

If tuition increased, how likely would you be to:	Cut back on extras		Cut back on living expenses		Leave/quit studies	
Very unlikely	184	5.2%	294	8.4%	1482	42.5%
Somewhat unlikely	144	4.1%	263	7.5%	786	22.6%
Neither likely nor unlikely	210	6.0%	357	10.2%	452	13.0%
Somewhat likely	724	20.6%	897	25.7%	480	13.8%
Very likely	2161	61.6%	1553	44.5%	203	5.8%
Don't know / not applicable	84	2.4%	123	3.5%	81	2.3%
<i>Total</i>	<i>3507</i>		<i>3487</i>		<i>3484</i>	

If tuition increased, how likely would you be to:	Finish program sooner than planned		Take longer than planned (more time away from school to earn money	
Very unlikely	1215	34.8%	805	23.0%
Somewhat unlikely	716	20.5%	526	15.0%
Neither likely nor unlikely	611	17.5%	550	15.7%
Somewhat likely	439	12.6%	743	21.2%
Very likely	344	9.9%	736	21.0%
Don't know / not applicable	162	4.6%	142	4.1%
<i>Total</i>	<i>3487</i>		<i>3502</i>	

When asked how university costs should be distributed, students responded that on average 80.4% should be paid by tax-payers / government, 13.2% by students, and 6.4% by parents / families of students.

The greatest percentage of respondents felt that tuition at BC's public universities is "too high" (63.4%), less than a quarter (22.8%) thought it was "just right" and 12.3% reported having "no opinion" on the subject.

Finally, students were asked how they would like to see their tuition fees spent. The largest single response (65.7%) was that UVic should increase the number of course sections offered, followed closely (64.0%) by curriculum improvements. Increased student financial assistance was the third most cited response (57.2%) and reduced class sizes was fourth (47.6%).

Where do you want to see your tuition fees spent?		
More course sections	2321	65.7%
Curriculum improvements	2264	64.0%
Student financial assistance	2023	57.2%
Reduce class sizes	1683	47.6%
Improve instructional technology and equipment	1283	36.3%
Technology improvements	1282	36.3%
Teaching assistants	1080	30.6%
Library improvements	960	27.2%
Transportation	873	24.7%
Research	871	24.6%
Building improvements	787	22.3%
Recycling programs	680	19.2%
Recreation	566	16.0%
Safety on campus	513	14.5%
Other	320	9.1%
<i>Total answering question</i>	<i>3533</i>	

3. Debt load and debt repayment by baccalaureate graduates

Evidence from the annual survey of baccalaureate graduates suggests that just over half of UVic grads complete their program with debt. Two-years after graduation, UVic grads have repaid 35% of their outstanding debt. Five-years after graduation, they have repaid 71% of their outstanding debt. Differences in debt-loads between UVic graduates and grads from the other BC universities are largely attributed to the fact that 70% of UVic students have come from outside the Greater Victoria region in order to study, thereby incurring higher living costs (less likely to be living at home during their studies).

5 years after graduation (2001 Survey of 1996 Grads)

Percent who incurred debt

UVic: 55%

Provincial Average: 47%

Median Debt upon graduation (for those with debt)

UVic: \$17,000

Provincial Average: \$15,000

Percent who have repaid all debt

UVic: 34%

Provincial Average: 39%

Amount left to be repaid

UVic: \$5,000

Provincial Average: \$3,600

2 years after graduation (2002 Survey of 2000 Grads)

Percent who incurred debt

UVic: 56%

Provincial Average: 47%

Median Debt upon graduation (for those with debt)

UVic: \$20,000

Provincial Average: \$16,000

Percent who have repaid all debt

UVic: 19%

Provincial Average: 21%

Amount left to be repaid

UVic: \$13,000

Provincial Average: \$10,000

4. Conclusions

Despite recent tuition increases, most students are meeting their financial needs by reducing their expenses and accessing additional income. Most also expect that they will find a way to cope with further increases. There is, however, a small group of students who are at the margin where further cost increases would prevent them from completing their studies. This provides some guidance to us in the continued formulation of appropriate financial assistance policies. Students access a wide variety of sources of income to pay for their education – while student income and parental/family contributions play a key role, scholarships, bursaries and loans are also major contributors.

5. References

Butlin, George (1999). Determinants of Post Secondary Participation. *Education Quarterly Review* 5 (3):9-35.

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