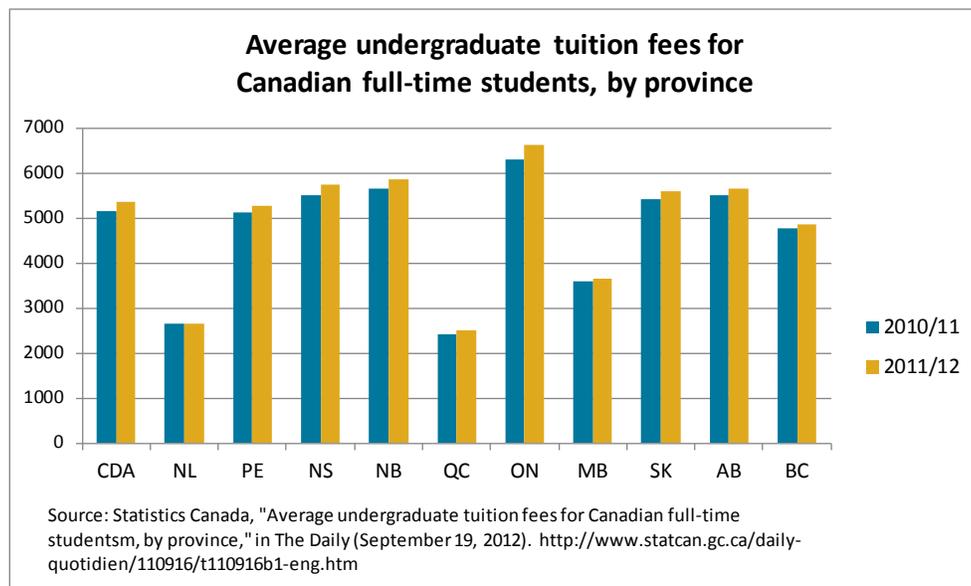


# FASCINATING *Families*

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## Student Debt: The price of going to school



As summer fades, September brings the promise and excitement of another academic year. For a growing number of post-secondary students, the excitement is eclipsed by anxiety and stress over the costs of going to school.

More than one quarter of today's students (27%) report being very stressed about paying for school - more so than finding a job after graduation (22 per cent) or achieving success academically (20 per cent). (<http://www.cbc.ca/news/canada/montreal/story/2012/08/17/student-debt-survey.html>)

Looking ahead for the 2012/2013 academic year, the average undergraduate student can anticipate paying \$5,366 in tuition fees, plus \$750 in additional compulsory fees (<http://www.statcan.gc.ca/daily-quotidien/120912/dq120912a-eng.htm>). For those students attending school away from home, these costs soar to include housing and other related school and living expenses.

All across the country, more and more students are relying on student loans to help finance their post-secondary education. And, debt loads are rising.

In 2011, almost 430,000 students borrowed in order to pay for university or college. Students borrow money from different sources, including federal and provincial governments, personal networks, lines-of-credit or credit cards). Many students work part- or full-time to reduce their borrowing, often making academic commitments more difficult to fulfil. (<http://www.cfs-fcee.ca/studentdebt/index.html>) Just under one-half of full-time post-secondary students combine education and work, averaging 16 hours of paid work per week

(<http://www.statcan.gc.ca/pub/75-001-x/2010109/article/11341-eng.htm>).

Students who completed their studies in 2010-2011 had an average loan balance of \$13,013, down slightly from the year before. This figure only accounts for a portion of total student debt; it doesn't include provincial and personal loans, lines-of-credit or credit card borrowing ([http://www.cfs-fcee.ca/downloads/CFS-2011-Public\\_Education\\_for\\_the\\_Public\\_Good-EN.pdf](http://www.cfs-fcee.ca/downloads/CFS-2011-Public_Education_for_the_Public_Good-EN.pdf)). When provincial and federal loans are combined, average national student debt at graduation looks more like \$25,000, with students in the Maritimes topping out around \$35,000. (<http://higherstrategy.com/a-closer-look-at-student-debt-postscript/>).

### Family Lens

"Financial issues" are the most commonly cited barrier to post-secondary education. The impact of student debt on life before and after graduation is significant. Research shows that as debts rise, the probability of school completion drops. In the long run, borrowers are less likely to have savings and investments or to own their own home. They also have lower net worth than non-borrowers. (<http://www.statcan.gc.ca/pub/75-001-x/2010101/article/11073-eng.htm#a8>).

For many young people, the need to save money to repay student debt leads them back to the family home. While it may be a good cost saving strategy for one generation, it often results in parents subsidizing the cost of room and board for their adult children at the expense of retirement savings.