



**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 three years since the freeze was lifted, undergraduate domestic tuition at the University of Victoria increased by 30%, 30% and 16.6%. Most recently, government has instituted limits on the increases to tuition to the rate of inflation in the province (approximately 2%).

While the increases to tuition have slowed, there continues to be 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 tuition increases may cause the socio-economic make-up of the undergraduate population to change.

Under the leadership of the Vice-President Academic and Provost, 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 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 registrants.

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.

Given that median family incomes have increased relatively steadily in Canada since 2002, it is important to distinguish between the effects of rising income and university participation by income band. By holding family income constant at 2002 levels, we are able to distinguish if the distribution of family income among applicants and registrants to UVic has changed. In other words, changes to the income distribution will reveal a change in the socio-economic make-up of our applicants and registrants

Over the six years that applicant and registrant family income has been tracked, income levels have remained relatively stable. In fact, at the 10<sup>th</sup>, 20<sup>th</sup>, 50<sup>th</sup> and 80<sup>th</sup> percentiles, median family income levels of applicants and registrants are never more than \$4,200 apart and in most cases are virtually identical. The increases in income by percentile band are generally uniform and there is no statistically significant difference between incomes over the study period.

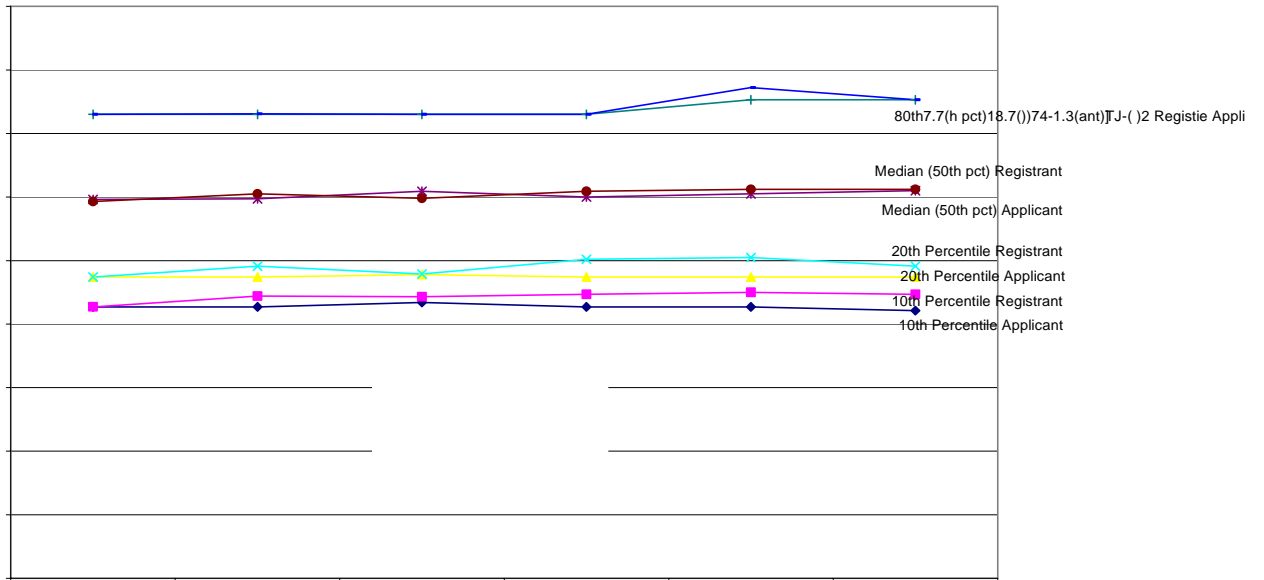
Table 1

	2000	2001	2002	2003	2004	2005	2000-2005 % Change
<b>Change in UVic tuition</b>	<b>0%</b>	<b>0%</b>	<b>30%</b>	<b>30%</b>	<b>16.6%</b>	<b>2.0%</b>	
10th Percentile Applicant	\$ 42,700	\$ 42,700	\$ 43,400	\$ 42,700	\$ 42,700	\$ 42,100	-1.41%
10th Percentile Registrant	\$ 42,700	\$ 44,400	\$ 44,300	\$ 44,700	\$ 45,000	\$ 44,700	4.68%
20th Percentile Applicant	\$ 47,400	\$ 47,400	\$ 47,800	\$ 47,400	\$ 47,400	\$ 47,400	0.00%
20th Percentile Registrant	\$ 47,400	\$ 49,100	\$ 47,900	\$ 50,200	\$ 50,500	\$ 49,100	3.59%
Median (50th pct) Applicant	\$ 59,600	\$ 59,700	\$ 60,900	\$ 60,000	\$ 60,500	\$ 61,000	2.35%
Median (50th pct) Registrant	\$ 59,300	\$ 60,500	\$ 59,800	\$ 60,900	\$ 61,200	\$ 61,200	3.20%
80th Percentile Applicant	\$ 73,000	\$ 73,000	\$ 73,000	\$ 73,000	\$ 75,300	\$ 75,300	3.15%
80th Percentile Registrant	\$ 73,000	\$ 73,100	\$ 73,000	\$ 73,000	\$ 77,200	\$ 75,300	3.15%

There are only slight variations 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 six years.

Figure 1:

Neighborhood Family Income of BC Grade 12 Applicants and Registrants to UVic





What steps have you taken to control your liv

When asked how university costs should be distributed, students responded that on average 82.9% should be paid by government, 16.8% by students and families.

Finally, students were asked how they would like to see their tuition fees spent. The largest single response (57.6%) was that UVic should put on new courses, followed closely (57.1%) by bursary and scholarship programs. Additional course sections (54.9%), increased student financial assistance (53.6%), and reduced class sizes (48.1%) all followed closely.

**Where do you want to see your tuition fees spent?**

### **3. Debt load and debt repayment by baccalaureate graduates**

Evidence from the annual survey of baccalaureate graduates suggests that around half of UVic grads complete their program with debt. Two-years after graduation, UVic grads have repaid 16% of their outstanding debt. Five-years



#### **4. Conclusions**

Despite tuition increases which have lately been limited, 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 the university 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.

Corak, M. Lipps, G. Zhao, J.