

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 concern 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 wants to be vigilant to ensure that tuition increases do not cause the socio-economic profile of undergraduate students 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

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 seven years that applicant and registrant family income has been tracked, income levels have remained relatively 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. The increases in income by percentile band are generally uniform and there is no statistically significant difference between incomes over the study period. Indeed, where there are increases in income levels, they occurred as frequently in years with no increases in tuition.

In the period immediately before tuition increases occurred (from 2001 onwards to 2006) socio-economic diversity of applicants in the 10th and 20th percentiles remain unchanged suggesting that a consistent proportion of students from lower income bands continued to apply to UVic. The socio-economic diversity of new registrants from the lowest income band (10th percentile) actually increased from 2001 onwards – a reflection of UVic's bursary program introduced in 2001 that targeted those students with the greatest need.

Table 1

	2000	2001	2002	2003	2004	2005	2006	2000- 2006 % Change	2001- 2006 % Change
Change in UVic tuition	0%	0%	30%	30%	16.6%	2.0%	2.0%		
10th Percentile Applicant	\$ 42,700	\$ 42,700	\$ 43,400	\$ 42,700	\$ 42,700	\$ 42,100	\$ 42,700	0.00%	0.00%
10th Percentile Registrant	\$ 42,700	\$ 44,400	\$ 44,300	\$ 44,700	\$ 44,700	\$ 44,300	\$ 44,300	3.74%	-0.23%
20th Percentile Applicant	\$ 47,400	\$ 47,400	\$ 47,800	\$ 47,400	\$ 47,400	\$ 47,400	\$ 47,400	0.00%	0.00%
20th Percentile Registrant	\$ 47,400	\$ 49,100	\$ 47,900	\$ 50,200	\$ 49,800	\$ 47,900	\$ 49,800	5.06%	1.43%
Median (50th pct) Applicant	\$ 59,600	\$ 59,700	\$ 60,900	\$ 60,000	\$ 60,500	\$ 61,000	\$ 61,100	2.52%	2.35%
Median (50th pct) Registrant	\$ 59,300	\$ 60,500	\$ 59,800	\$ 60,900	\$ 61,200	\$ 61,200	\$ 61,400	3.54%	1.49%
80th Percentile Applicant	\$ 73,000	\$ 73,000	\$ 73,000	\$ 73,000	\$ 75,300	\$ 75,300	\$ 75,300	3.15%	3.15%
80th Percentile Registrant	\$ 73,000	\$ 73,100	\$ 73,000	\$ 73,000	\$ 77,200	\$ 75,300	\$ 75,700	3.70%	3.56%

There are only slight variations in medi

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

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 after graduation, they have repaid 38% 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 (2005 Survey of 2000 Grads)

Percent who incurred debt

UVic: 52%

Provincial Average: 45%

Median Debt upon graduation (for those with debt)

UVic: \$20,000

Provincial Average: \$18,000

Percent who have repaid all debt

UVic: 38%

Provincial Average: 41%

Amount left to be repaid

UVic: \$6,000

Provincial Average: \$5,000

2 years after graduation (2004 Survey of 2002 Grads)

Percent who incurred debt

UVic: 53%

Provincial Average: 46%

Median Debt upon graduation (for those with debt)

UVic: \$20,000

Provincial Average: \$15,000

Percent who have repaid all debt

UVic: 16%

Provincial Average: 21%

Amount left to be repaid

UVic: \$12,500

Provincial Average: \$10,000

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

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