Closing the Access Gap: Does Information Matter?

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Canada Millennium Scholarship Foundation

The Canada Millennium Scholarship Foundation is a private, independent organization created by an act of Parliament in 1998. The Foundation works to improve access to post-secondary education for Canadians from all backgrounds; it encourages a high level of achievement and engagement in Canadian society; and it brings people and organizations together to understand barriers and improve access to post-secondary education in Canada. Each year, the Foundation distributes $340 million in bursaries and scholarships to students across Canada.

The Research Program

The Millennium Research Program furthers the work of the Foundation by undertaking research and pilot projects aimed at understanding and reducing barriers to post-secondary education. It ensures that policy-making and public discussion about opportunities in higher education in Canada can be informed by the best available evidence.

Research Note Series

Part of the mission of the Canada Millennium Scholarship Foundation is to improve access to post-secondary education so that Canadians can acquire the knowledge and skills needed to participate in a changing economy and society.

Higher education provides the prospects for personal fulfillment and economic advancement to which Canadians from all backgrounds are entitled. The Foundation carries out extensive research, collecting and analyzing data from surveys and pilot projects, so that we can better understand the barriers that prevent some students from making it to the post-secondary level, and so that we can identify means to alleviate those barriers.

Within the broad scope of our research, we uncover certain trends, questions and issues that call for wider public dialogue. This research note, the third in an ongoing series examining issues of access and funding for post-secondary education, seeks to inform this dialogue and the development of new programs and policies.

Cover photo: a high school student and her parents participate in a workshop to prepare for post-secondary studies. Future to Discover is a joint pilot project of the Canada Millennium Scholarship Foundation and the Governments of New Brunswick and Manitoba.
The great majority of Canadian high school students — almost nine in ten — hope to gain a post-secondary education. Unfortunately, too many of them won’t make it.

Only two in five young Canadians graduate from a college or university program by the age of 24 — and this despite the fact that most new jobs require a higher education. Clearly, too many students — particularly those from lower income backgrounds — encounter obstacles that impede their progress through the education system. In some cases, the transition to higher education may be more difficult than expected because many students and their parents know too little about the ways of financing studies after high school.

High school seniors actually know more about credit cards than they do about scholarships, loans and bursaries. When these students are asked how much they know about various options for funding their post-secondary education, credit cards top the list — 46% say they know at least something about them. Meanwhile, only 40% know something about government student loans.

Even those high school seniors who plan to borrow to pay for their education are no more familiar with student loans than they are with credit cards. Of high school students...
intending to apply for loans, 54% say they know at least something about loans, while 53% say the same about credit cards. Despite their intention to borrow, only 14% say they know at least a fair amount about government student loan programs.

Students' greater familiarity with credit cards is not surprising. Credit cards are present in most households and many students have their own. Moreover, just because students are familiar with credit cards as a means of paying for college or university doesn't mean they will go ahead and charge tuition to their VISA account.

The real question is not why students know so much about credit cards, but why they know so little about the other options available to them — the very options they are more likely to use to finance their post-secondary studies.

For some students, a lack of information or financial preparation is not a problem. Even poorly informed students from higher income families will generally be able to find the money they need for their studies. Students from lower income families will not have it so easy — for them, in addition to good financial aid programs, good preparation and knowledge about funding options is essential. Our research shows that it is the students who most need help paying for post-secondary education — those from lower income families — who are least likely to have the support they need.

This research note draws on two in-depth surveys: one of parents with high-school-age children and the other of high school students themselves. The goal is to summarize this recent research and better understand what high school students and their families are (or are not) doing to prepare for post-secondary education. The note goes on to examine how some of the problems of preparation and financing might be addressed.

**The Savings Gap: Additional Barriers for Lower Income Students**

It is no surprise to find that in making the jump to post-secondary education, those students from higher income families are in a better position financially than those from lower income families. The likelihood that parents have begun to save for their child’s college or university studies, or have purchased a Registered Education Savings Plan (RESP), is directly related to family income.

Family income is also correlated with the length of time that parents have been saving for their child’s post-secondary education. Among those who do manage to save, parents earning less than $30,000 have been doing so, on average, for 8.8 years; parents in the middle income bracket have been saving...
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These figures on family income and savings for post-secondary education highlight the added challenge facing students from lower income families who aspire to a post-secondary education. The findings demonstrate that, with fewer prospects of funding their education through family savings, these students are all the more in need of good assistance programs. They also need good information about government student loans and other funding options so they can plan for and take advantage of the opportunities that are available to them.

Knowledge Gap: What Students and their Parents Know…and Don’t Know

Knowledge of what to expect can help students prepare for post-secondary education. Our research shows, however, that students are not well informed about the costs they will face should they go on to post-secondary education or about the types of financial assistance available.

One-third of senior high school students who plan to continue their studies, including 20% of those in their final year, say they do not know how much their tuition will cost. Of those high school seniors able to estimate the cost of tuition, a majority (60%) say it will be over $8,000 a year — about twice the actual cost. (At the time of the survey and in the provinces in which the survey took place, university tuition ranged between $3,000 and $5,000 per year.) On average, parents also over-estimate the tuition fees their children will face — their average estimate is also about twice as high as the actual average tuition cost.

Even more significant than not knowing the costs of post-secondary education, many high school students over-estimate their chances of obtaining financial support.

“Many high school students over-estimate their chances of obtaining financial support.”
As seen in Graph 3, for every type of assistance available, many more students expect support than will receive it. For example, almost three-quarters of senior high school students expect to receive a scholarship for university, but only 43% actually will. Over 80% of high school students who plan on going to university expect support from their parents or families, but only half of first year university students say they actually receive such support.

Parents also tend to be overly optimistic about their child’s prospects. Of those surveyed, 66% believe their child will receive a scholarship, when, in fact, far fewer university and college students do. In the case of government loans or grants, 64% think their child will receive one, whereas only three in ten first-year university students and four in ten college students actually do.

A Breakdown in Communication

Where do high school students and parents get their information about the costs and the options for financing post-secondary studies? In the case of parents, the survey found that the most common source of information is friends, followed by financial advisors and other family members. Parents tend not to be getting information from the Internet or from educational institutions.

It is especially revealing that parents are three times as likely to recall having received information from financial institutions on Registered Education Savings Plans as they are to recall having received information from government about loans and bursaries. Moreover, the information about RESPs comes to parents when their children are at a younger age than does information about government programs to assist students. Of course, it is generally families in higher income brackets that are most able to invest in and benefit from RESPs.

When we asked high school students how they learned about various types of financial assistance available for post-secondary education, the results were also revealing. Family members are the most common source of information, with about half saying they learned a fair amount or a lot in this way. The
Internet is the next most common source of information for high-school-aged students, but still under one-third learned a lot or a fair amount about financing options online. Twenty-eight percent learned at least a fair amount from their teachers — the third most commonly cited source of information about student financial assistance.

That students rely first and foremost on their families to learn about paying for post-secondary education is not surprising, but this situation may not lead to a full understanding of the options. Our research shows that while most high school students and their families do talk about post-secondary education (on average, the first discussion was had when the child was just over 12 years old), these conversations do not necessarily deal with financial issues.

While 84% of parents have talked to their child about post-secondary education, only 58% talked about the related financial issues at least a few times. Fifty-two percent talked about college and university studies being expensive, but only 38% discussed how they were preparing to help their child financially, and only 13% raised the subject of government student financial aid programs.

Further analysis of research data shows that the higher the parents’ educational achievement and income, the more likely they are to have had discussions about financial planning. Accordingly, students who may need the most encouragement and planning in order to access post-secondary education are the least likely to be having these discussions within their families.

At the same time, the research demonstrates that high school students are not really learning that much about financing their education from any source. More than half of students say they learned little or nothing from any of the nine sources suggested to them, including what should be the most reliable sources: guidance counsellors, career fairs and representatives from post-secondary institutions.

With students missing out on information both at home and in school, it is not surprising to find they do not know as much as they could about their options for financing their college or university studies.

**Bridging the Information Gap**

In addition to strong student assistance programs, good information about how to finance a post-secondary education is critical to improving access. Along with poor grades, financial concerns are the most frequently cited barriers to post-secondary education. Roughly one in three senior high school students say that not having enough money is a significant barrier to furthering their education, and 60% say it is at least somewhat of a barrier. (Poor school marks are cited as at least somewhat of a barrier by 52% of high school seniors; fear of going into debt is cited by 49%.)
To address financial barriers and inequities, there is a need for ongoing improvement in financial assistance programs, such as the different access grants for students from low income families recently introduced by the Canada Millennium Scholarship Foundation, the Government of Canada and the Government of Ontario.

At the same time, there is a need to ensure that high school students understand the costs they will face and the ways of financing their post-secondary education. As this research note shows, critical information is often not getting through to students and their families. Granted, private financial institutions are getting their message out: many students are familiar with credit cards, while most parents receive information about RESPs. Government and other assistance programs for post-secondary students are less well known, even among those most likely to rely on them.

While information on its own is no substitute for adequate financial assistance, a lack of good information may discourage some students from participating in post-secondary education. Others may embark on their studies poorly prepared to meet the full costs that await them. Either way, the transition to post-secondary education is more difficult than it need be.

Poor information compounds the financial barrier facing students from low income families. Increasing access for students who consider higher education out of their reach requires that they and their parents are made more aware of the variety of financing options available and how to take advantage of those options.

**Directions**

The research presented here points toward some directions and principles that can help us build information programs so that all high school students and their families have the information they need to make informed choices about higher education.

- Planning needs to start early: saving for post-secondary education requires time. Those families who start saving earlier (generally those in higher income brackets) save the most. In addition, by starting early, thinking about financing can occur in the context of related steps, such as career planning and academic preparation.

- Information initiatives need to involve students together with their families. Many students look to their parents for advice and support — as the survey shows, high school seniors are much more likely to have learned about financial assistance for post-secondary studies from their family than at school; family members also top the list of preferred ways to get this information in the future. Yet we also know that many of the conversations that families have about post-secondary education do not touch on issues of financial assistance. Information programs that involve students and their families can help facilitate and inform these conversations within families so that expectations and opportunities become clear.

- Information initiatives cannot rely on high-tech solutions alone. While most students are able to access online information, they would prefer to learn about financial assistance from family, teachers, and post-secondary institutions. Similarly, parents are twice as likely to turn to family and friends for information about student financial aid as to the Internet. Online tools can be helpful for some, but are not a panacea.

- For information initiatives to be successful, they need to bring together educators and policy-makers in both the secondary and the post-secondary sectors. Currently, there is too little emphasis in secondary schools on preparing students for post-secondary studies. At the same time there is too little emphasis in colleges and universities on connecting with potential applicants early in their high school years.
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Even within governments, there is often too great a division between officials concerned with “K to 12” and those overseeing the post-secondary sector. Students will continue to have a difficult time making the transition from secondary to post-secondary education if those responsible for making and implementing policy in the two sectors are unable to work together on the issue of access.

Finding the Way Forward: The Canada Millennium Scholarship Foundation’s Pilot Projects and Initiatives

The Canada Millennium Scholarship Foundation has launched several pilot projects across Canada that will test the effectiveness and efficiency of interventions targeted at improving access to post-secondary education. One of these projects, Future to Discover, is directly relevant to the issues of planning and preparation for post-secondary education.

The Future to Discover pilot project was launched by the Canada Millennium Scholarship Foundation in partnership with the governments of Manitoba and New Brunswick. Five thousand high school students and their parents are participating in the project, which includes a series of workshops over a three-year period that will assist with career development and planning for post-secondary education.

Participants in the program, half of whom are from low income families, will explore career options that are meaningful to them. They will also be provided with information about the changing world of work, the increasing importance of a post-secondary education, the costs of post-secondary education and the means of financing their studies. The effectiveness of the planning and information workshops will be rigorously evaluated.

As mentioned above, better planning on its own is not enough. It is worth noting, therefore, that in addition to the $285 million in need-based bursaries it has been awarding to post-secondary studies annually since 1999-2000, the Canada Millennium Scholarship Foundation will also distribute up to $50 million annually in need-based grants to students from low income families, beginning in 2005-06. These new millennium access grants complement similar access grant programs recently introduced by the federal government and the government of Ontario.

Conclusion

The purpose of this research note has been to highlight the fact that many students lack the information and preparation they need to access and succeed in post-secondary education. In particular, the research indicates that it is the students who most need help paying for post-secondary education — those from lower income families — who are least likely to have the preparation and the information about costs and funding options they need. This compounds the challenges that these students face.

Solutions, especially short-term ones, are not easy to come by. Over the longer-term, however, a concerted effort by governments,
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colleges and universities, schools, and other education agencies is needed. Long before high school graduation, students and their parents need to be engaged in career planning and preparation for post-secondary education. Together with good financial aid programs, this will help ensure that college and university are accessible for all Canadians.

To read the complete reports on the two surveys highlighted in this research note, please see *Survey of Secondary School Students* (Prairie Research Associates) and *Post-Secondary Education: Cultural, Scholastic and Economic Drivers* (COMPAS Inc.), on the research publications section of the Canada Millennium Scholarship Foundation's website: www.millenniumscholarships.ca.

1. This research note integrates findings from two studies commissioned and recently published by the Canada Millennium Scholarship Foundation: *Post-Secondary Education: Cultural, Scholastic, and Economic Drivers* draws on a national telephone survey, conducted by COMPAS Inc. in November 2003, of 1,000 parents of high-school-aged students and provides insights into how families perceive and prepare for the post-secondary options of their children. *Survey of Secondary School Students* draws on an in-class survey of students themselves, from Grade 6 to 12, in five provinces (Newfoundland and Labrador, New Brunswick, Manitoba, Alberta and British Columbia). This study looks at young people's attitudes, expectations and decision-making about post-secondary education. Among other things, the research considers what high school students know about post-secondary education, what they know about funding options, and how they see themselves paying for further education. The survey was conducted between September 2003 and June 2004. In four of the provinces, an effort was made to obtain a representative sample of between 2,100 and 3,500 students from a large number of schools. In New Brunswick, an inclusive "census" sample of 50,631 students completed the questionnaire. Of these, a randomly selected subsample of several thousand was drawn for inclusion in the combined final five-province sample of 14,329. Results were then weighted by province so that the proportion of students in the sample would be similar to the proportion of the population of each participating province. The survey was conducted by R.A. Malatest and Associates, and the data was analyzed by PRA Inc. Complete reports on the two surveys are available on the research publications section of the Canada Millennium Scholarship Foundation's website: www.millenniumscholarships.ca.

2. Graphs 3 and 4 were compiled as follows: High school seniors were asked: "How do you envision paying for your education? Please indicate the amount of money that you plan to obtain each year from the following sources: support from my parents or relatives; scholarships or bursaries; earnings from co-op/apprenticeship programs; job during the school year; summer jobs; government student grants (non-repayable); government student loans (repayable); other government assistance." Parents were asked: "As you know, once a young person begins college or university studies, he or she can receive money or non-financial help in a variety of ways. Please tell me if you think your child will receive any of the following types of help: a scholarship; a government grant or bursary; a government loan; your child's own earnings." In some cases, the responses to the different items were combined to create the categories displayed in the charts. First-year university students were asked: "Thinking about the current academic year, please indicate which of the following sources you are using to help pay for your university education: government loan or bursary; university scholarship/financial award; university bursary; parents/family/spouse; earnings from summer work; earnings from current employment; work-study program; co-op program/work term; other (specify). The source of this data is the 2004 *Survey of Undergraduate University Students*, conducted by Prairie Research Associates for the Canada Millennium Scholarship Foundation. College students were asked: "Please indicate the approximate amount of money you will have received or drawn upon from the following sources over the course of your current year of studies: work income (take-home pay); government student loan; government student grant/bursary; academic scholarship; training grant; money from parents; money from spouse; money from other family members." The source of this data is the *Canadian College Student Finances (Third Edition)*, conducted by Prairie Research Associates for the Canada Millennium Scholarship Foundation.

3. It should be noted that, given the low ratio of guidance counsellors to students, and the need for them to focus considerable amounts of time on crisis intervention, these educators are not nearly as well positioned to work with students to plan their future as many parents assume. Estimates of the expected ratio of guidance counsellors to students in the primary and secondary school systems in the province of New Brunswick, for instance, are one to 587.