



## Quick Facts on Tuition and Student Debt at BC's Universities

1

### **51% of BC university students graduate without debt**

- Based on a 2012 survey of 2010 baccalaureate graduates at BC's universities, 51% of graduates did not incur any form of debt to finance their degree. The most common sources of funds for these students were family and friends, and employment.
- Of that 49% who incurred debt, 36% reported using government-sponsored student loans.<sup>1</sup>

2

### **For those with student loan debt, the average debt incurred is \$27,000**

- The average federal government student loan balance for universities in Canada at the completion of studies is \$16,600<sup>2</sup>.
- Incorporating the provincial loans, total student debt balance after a four-year degree in BC is on average \$27,600: 60% federal (\$16,600) plus 40% provincial (\$11,000)<sup>3</sup>. (This is before loan forgiveness and remission.)
- Of those with student loan debt: 47% had a balance of between \$0 and \$19,000, 36% had a balance of between \$20,000 and \$39,000, and 16% had a balance greater than \$40,000.

3

### **The average amount of student loan debt repayable is \$21,000**

- The federal and provincial governments assist students in repaying their student loans, though a number of federal and provincial programs. The major BC programs are: the loan reduction plan available to all full-time students who apply for student loans, the repayment assistance plan for low income students, and the loan forgiveness program limited to a number of professions agreeing to work at publicly funded facilities.
- These programs combine to reduce the average loan (for the 36% who have government sponsored student loans) to approximately \$21,000 at graduation<sup>4</sup>.

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4

**Tuition fees increases have been frozen at 2% annually since 2005**

- Since 2005, BC government policy has limited tuition fee increases to 2% annually. The national average increase in tuition in 2013/14 was 3.3%.<sup>5</sup>
- From 1996 to 2002, tuition rates in BC were frozen. During the three years between the tuition freeze and the government-imposed 2% limit, tuition fees increased to the national average.

5

**The average BC undergraduate tuition fee is \$5,029, the fourth lowest in Canada**

- In 2013/14, the average undergraduate tuition fee for full time students in BC is \$5,029. This is the fourth lowest in Canada and below the national average of \$5,772.<sup>6</sup> Tuition fees at universities cover about 35% of the total cost of a post-secondary education.

6

**Tuition fees are only a part of the reason students incur debt**

- It is common to assume that tuition costs (and tuition fee increases) are the major reasons for students acquiring significant levels of debt.
- However, when looking at the average costs for a Canadian Arts program student living away from home, tuition and other compulsory fees account for about 30% of the annual cost of attending a university in BC<sup>7</sup>.
- Other major cost factors include: books (10%), housing on-campus (20%), food and groceries (20%) and miscellaneous expenses including internet access, medical, recreation, transportation, etc. (20%).

7

**Default rates on student loans at BC's research universities are less than half the provincial average**

- The average student loan default rate five years after graduation for those who attended one of BC's research universities was 4.8% (for the 2007/08 – 2011/12 student cohort).<sup>8</sup>
- The average student loan default rate for all BC public post-secondary institutions five years after graduation (for the 2007/08 – 2011/12 cohort) was 12.1%.

<sup>1</sup> BC Stats, B.C. Baccalaureate Graduate Student Outcomes Survey 2012

<sup>2</sup> 2011-12 Canada Student Loans Program Statistical Review.

<sup>3</sup> Assumes BC average student loan amount is close to the Canadian average

<sup>4</sup> Honourable N. Yamamoto - Hansard May 19, 2011

<sup>5</sup> Statistics Canada, University tuition fees, 2013-14

<sup>6</sup> Statistics Canada, Undergraduate tuition fees for full time Canadian students

<sup>7</sup> Based on annual cost estimates found on RUCBC member websites.

<sup>8</sup> Data B.C., Student Loan Default Rates at B.C. Public Post-Secondary Institution