D+H STUDENT INDEX:
CANADIAN FAMILY DISCUSSIONS ON
FINANCING POST-SECONDARY EDUCATION
THE MAJORITY OF CANADIAN FAMILIES DISCUSS THE COST OF POST-SECONDARY EDUCATION

4 in 5

Canadian students say they don’t have any difficulty talking to their parents about money.

68% of Canadian students have a discussion with their parents about how to pay for post-secondary education.

27% of Canadian students do not have this discussion.

5% said they do not know if they had this discussion.

WHY ONE-QUARTER OF CANADIAN STUDENTS DON’T DISCUSS POST-SECONDARY FINANCING WITH THEIR PARENTS:

37% say it's because they're confident their parents will pay and they don't need to discuss it.

33% say they haven't thought about it.
FOR MOST FAMILIES, THE DISCUSSION ON HOW TO FINANCE POST-SECONDARY EDUCATION HAPPENS DURING THE LAST TWO YEARS OF HIGH SCHOOL

The following chart shows when Canadian students discuss the cost of post-secondary education with their parents:

- **Before high school:** 11%
- **First two years of high school:**
  - Grade 9: 7%
  - Grade 10: 16%
- **Last two years of high school:**
  - Grade 11: 28%
  - Grade 12: 27%

* Percentages shown do not add to 100% as 11% said they “Did not know” when they had the conversation.
Parents tend to initiate the discussion

56% of students say their parents initiated the discussion about how to finance post-secondary education

28% of students say their parents initiated the discussion about how to finance post-secondary education together

20% say their mother initiated the conversation

8% say their father initiated the conversation

32% of students say they initiated the conversation
came out of the conversation feeling grateful for the support their parents were able to offer.

say the conversation made them realize they would need to find other sources of financing to pay for post-secondary education.

STUDENTS’ ADVICE ON HOW TO APPROACH A CONVERSATION WITH PARENTS ABOUT FINANCING POST-SECONDARY EDUCATION

say they would go into the conversation with a more realistic idea of the cost of post-secondary education

say they would have the discussion with their parents earlier

say they would be more realistic about how much support their parents can offer
Many students require financing beyond their savings and parents’ support. In order to prepare and line-up financing such as student loans, students and parents need to be on the same page about the costs associated with school and the level of parental support that is realistic.

— Ralph De Jong, Vice President, Head of Student Lending, D+H Canada
CANADIAN STUDENTS USE A VARIETY OF SOURCES TO FINANCE POST-SECONDARY EDUCATION

THE TOP FIVE SOURCES OF FUNDING ARE:

- Parents are paying for it: 43%
- Students’ savings: 43%
- Government student loan (federal and/or provincial): 41%
- Summer jobs: 41%
- Scholarship, bursary or grant: 39%
HOW FAMILIES SPLIT THE VARIOUS COSTS ASSOCIATED WITH POST-SECONDARY EDUCATION:

The following charts illustrate how Canadian families cover various expenses related to post-secondary education. The chart for each cost illustrates how often parents will pay for it, students will pay for it, or both parents and students will contribute to it.

* Costs not applicable or students did not know who was covering them.
MANY STUDENTS WHOSE PARENTS OFFERED FINANCIAL SUPPORT SAY IT CAME WITH CONDITIONS:

- **41%** were required to get good grades
- **39%** were required to work in the summers
- **19%** were required to work part-time during the school year
- **11%** were required to graduate within four years
- **11%** were required to show parents a spending budget
- **7%** were required to pay their parents back when they graduate
- **5%** were required to take a specific program or field of study
- **3%** were required to attend a specific school
- **35%** of students say there were no conditions on the support
Student loans allow Canadian students to pursue post-secondary education.
MOST CANADIAN STUDENTS USE STUDENT LOANS

Even if they are not a primary source of funding, the majority of Canadian students make use of student loans to cover the cost of post-secondary education.

<table>
<thead>
<tr>
<th>Percentage who make use of student loans</th>
<th>How they make use of student loans</th>
<th>LEGEND</th>
</tr>
</thead>
<tbody>
<tr>
<td>57%</td>
<td>16%</td>
<td>To pay for all of their post-secondary education</td>
</tr>
<tr>
<td></td>
<td>22%</td>
<td>To pay for half or more of their post-secondary education</td>
</tr>
<tr>
<td></td>
<td>19%</td>
<td>To pay for less than half of their post-secondary education</td>
</tr>
</tbody>
</table>

HOW STUDENTS USE STUDENT LOANS ACROSS CANADA

<table>
<thead>
<tr>
<th>Region</th>
<th>How they make use of student loans</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>British Columbia</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>Alberta</td>
<td>11%</td>
<td>24%</td>
</tr>
<tr>
<td>Manitoba/Saskatchewan</td>
<td>10%</td>
<td>19%</td>
</tr>
<tr>
<td>Ontario</td>
<td>19%</td>
<td>25%</td>
</tr>
<tr>
<td>Quebec</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Atlantic Canada</td>
<td>13%</td>
<td>32%</td>
</tr>
</tbody>
</table>
THE MAJORITY OF STUDENTS WHO MADE USE OF A STUDENT LOAN SAY THEY COULD NOT AFFORD A POST-SECONDARY EDUCATION WITHOUT ONE

Nationally, 73% of students who used a student loan say they could not afford a post-secondary education without one. In some regions, the number is even higher.

STUDENTS’ THOUGHTS ON STUDENT LOANS:

- 89% say a student loan helped them pursue their education and career goals.
- 84% say a student loan makes sense as an option to cover the cost of education because of the deferred interest and low interest rate.
- 74% say managing their student loan taught them about budgeting and personal finance.

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC</td>
<td>82%</td>
</tr>
<tr>
<td>AB</td>
<td>74%</td>
</tr>
<tr>
<td>SK/MB</td>
<td>79%</td>
</tr>
<tr>
<td>ON</td>
<td>74%</td>
</tr>
<tr>
<td>QC</td>
<td>61%</td>
</tr>
<tr>
<td>ATL</td>
<td>73%</td>
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</table>
As the leader in student loan administration in Canada, serving more than 1.7 million students and administering a $21 billion customer portfolio, D+H has a unique vantage point on how students are using loans to fund their education. Our insights reveal an interesting and often overlooked aspect of post-secondary education: the dynamics between students and parents when it comes to funding.

— Duncan Hannay, President, D+H Canada

Methodology:
The D+H Student Index is based on an electronic survey of 752 Canadian students (in high school who are intending to attend a post-secondary institution, currently attending a post-secondary institution, planning to attend post-secondary in the next two years or having attended a post-secondary institution within the past two years). Surveys were completed between April 30 – May 6, 2014. The poll has a margin of error of +/- 3.0% and was conducted by Environics Research Group.