

## Study: Who gets student loans?

The Year: 2000

Over half (52%) of the full-time post-secondary students aged 18 to 24 with parental income below \$40,000 received a loan from the Canada Student Loans Program (CSLP) in 2000, compared with 14% of students with parental income of \$80,000 or more, according to a new study.

The average loan amount declines as parental income increases. In 2000, about two-thirds of the value of CSLP loans went to students with parental income below \$60,000, 73% in the case of dependent students and 51% in the case of independent students.

Since the CSLP is intended to help students from lower- and middle-income families meet the costs of post-secondary education, the study addresses the following questions: How well are student loans targeted to low-income youth?, To what extent does the amount of the loan reflect the level of financial need?, What are the consequences of taking parental income into account for students considered dependent on their parents?

Using a database created by linking the Statistics Canada Longitudinal Administrative Database to CSLP administrative records, the study concentrates on persons aged 18 to 24. Quebec, the Northwest Territories, and Nunavut do not participate in the CSLP and were therefore excluded. Yukon was also excluded because of sample size limitations.

The CSLP distinguishes between "dependent" and "independent" students (married people, single parents, those who had been employed in the last 24 months and those who left high school more than four years ago).

In the case of dependent students, parental income is taken into account in assessing financial need. It is therefore not surprising that their CSLP take-up rate declines rapidly at higher parental income, from 61% in 2000 for those with parental income below \$20,000 to 6% for \$100,000 and over.

Female students had a higher CSLP take-up rate than their male counterparts (34% versus 29%). But they also had a higher full-time post-secondary participation rate (38% versus 30%).

Students of families who came to Canada since 1980 had a much higher CSLP take-up rate than others (45% versus 31%). The difference is partly attributable to lower parental income: 58% of these immigrant students had parental income below \$40,000, compared with 29% of other students.

Of all the regions, Ontario stands out as having the most targeted loans and the most evenly distributed enrolment rates. Its average CSLP take-up rate was similar to other regions except the Atlantic, but the gap in rates between low and high parental income was the greatest.

Source: The Daily - [Friday, March 24, 2006](#) – Statistics Canada

See: <http://www.statcan.ca/Daily/English/060324/d060324c.htm>