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COVID-19 Pandemic: Financial impacts on postsecondary students in Canada

by Katherine Wall

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COVID-19 Pandemic: Financial impacts on postsecondary students in Canada

by Katherine Wall

Postsecondary students had significant financial concerns as a result of the pandemic



Many postsecondary students rely on summer jobs or on working during their studies as a major source of income. The job loss and reduction in job opportunities resulting from the COVID-19 pandemic have had a particularly strong impact on students. According to the most recent Labour Force Survey results, among students aged 20 to 24, the employment rate fell by 23.6 percentage points, from 52.5% in February 2020 to 28.9% in April 2020.

In response to growing concerns surrounding COVID-19, on April 22 the federal government announced the availability of the Canada Emergency Student Benefit (CESB), which provides financial support to students

not eligible for the Canada Emergency Response Benefit (CERB).

A recent Statistics Canada crowdsourcing data collection completed by over 100,000 postsecondary students between April 19 and May 1, 2020 provides insight on their financial concerns as a result of COVID-19. Readers should note that crowdsourcing data are not based on sampling principles. As a result, the findings reported below cannot be applied to the overall postsecondary student population in Canada. However, given the large number of participants, the results offer valuable insights on the experiences of participating students (see methodology section).

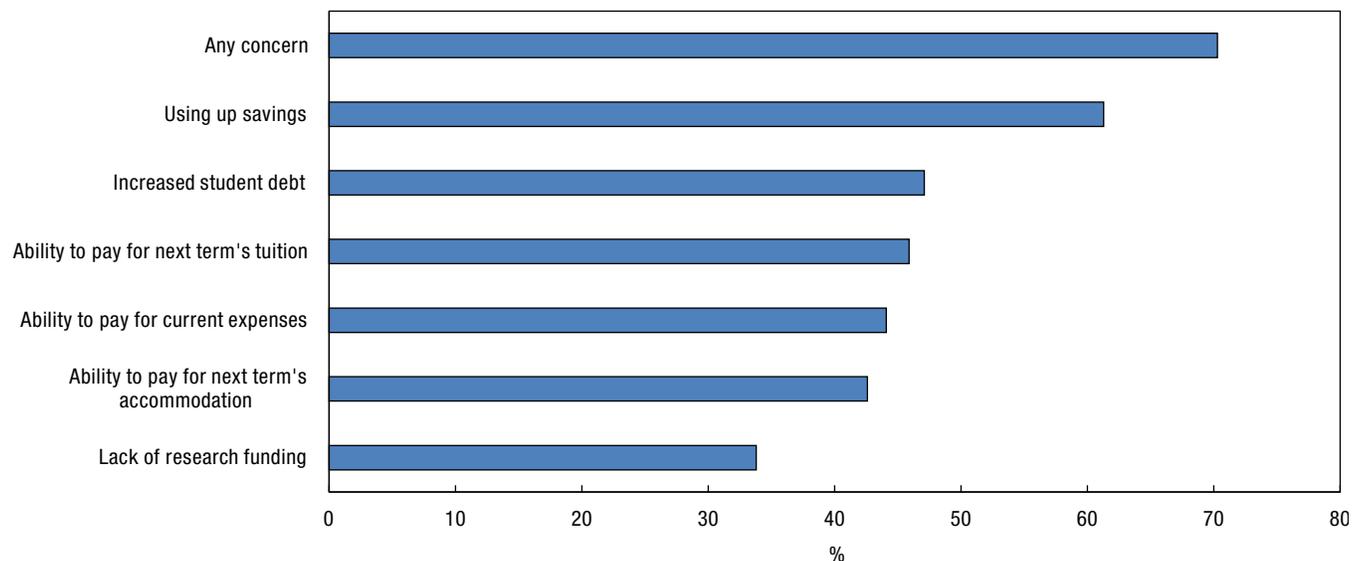
This analysis focuses on continuing postsecondary students (i.e. excluding the graduating class of 2020) who participated in the crowdsourcing on or after April 22, the day of the announcement of the CESB. Recent results in *the Daily* showed that those who participated on or after the day of announcement were less likely to express financial concerns than those who responded before it.

Over two-thirds (70%) of continuing postsecondary students were very or extremely concerned about the pandemic's financial impacts on themselves (Chart 1). The most common financial concern was that they would use up their savings, with 61% being very or extremely concerned about this.



Chart 1

Proportion of participants very or extremely concerned about financial impacts of COVID-19 pandemic, by type of concern



Source: Statistics Canada, Impacts of the COVID-19 pandemic on postsecondary students.

Not only were students concerned about using savings, they were also concerned about increased debt. Debt from student loans is common among students--half (50%) of postsecondary graduates¹ had student debt at the time of graduation with a median debt of around \$17,500. The pandemic has heightened students' concerns about their debt load with nearly half (47%) being very or extremely concerned about having to take on more student debt as a result of COVID.

Students were also anxious about their ability to cover their current expenses and afford tuition and accommodation costs for the next term. More than four in ten were very or extremely concerned about their ability to keep up with their current expenses (44%), pay for next term's tuition (46%) or afford next term's accommodation costs (43%). This reveals both the immediate financial concerns of students, and the risk that a lack of funds may lead some students to drop out of their studies in the fall.

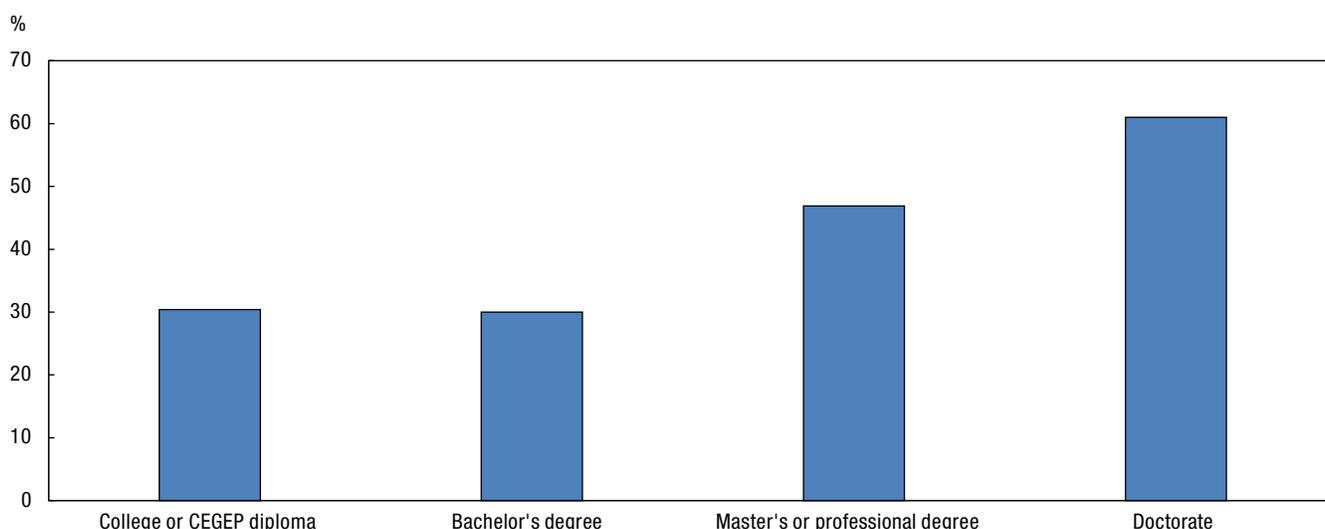
Research funding can be an important income source for students, especially those in master's or doctoral programs. Among those who rely on research funding, continuing students in doctoral programs were particularly likely to be very or extremely concerned about a lack of research funding, at 61% compared to 30% of those in bachelor's degree programs (Chart 2).

1. 2015 graduates who did not pursue further education within three years, Source: National Graduates Survey, 2018



Chart 2

Proportion of participants very or extremely concerned about lack of research funding, by level of study



Source: Statistics Canada, Impacts of the COVID-19 pandemic on postsecondary students.

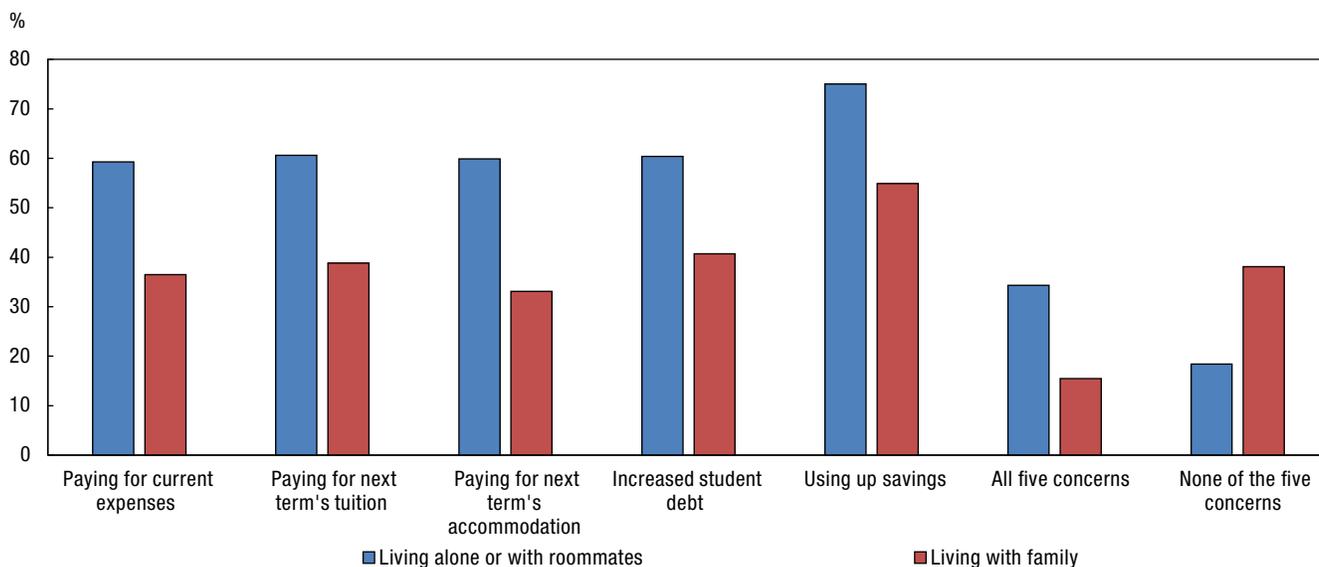
Financial concerns of students also differed based on their living arrangements. About one-third of continuing students (32%) lived with roommates or alone, while the other two-thirds lived with family.² Those living alone or with roommates were about twenty percentage points more likely than those living with family to be very or extremely concerned about paying for current expenses, tuition, and next term's accommodation; increased student debt; or using up savings (Chart 3).

2. This refers to students' living situation at the time they responded to the crowdsourced questionnaire. Living with family could include living with parents year-round or over the summer, living with parents temporarily due to the pandemic, or living with other family members such as a spouse or children.



Chart 3

Proportion of participants very or extremely concerned about selected financial impacts of COVID-19, by living arrangement



Source: Statistics Canada, Impacts of the COVID-19 pandemic on postsecondary students.

Crowdsourcing results also show that academic life was disrupted in some manner for the majority of postsecondary students, with 60% of participants reporting that their academic work placements or courses were either delayed, postponed or cancelled. The pandemic has had a large impact on the employment plans of postsecondary students (see [Infographic](#)). Other papers in this series examine the academic impacts and the labour market impacts of the pandemic on students.

Methodology

This article is based on a [crowdsourcing questionnaire](#) completed by over 100,000 postsecondary students from April 19 to May 1, 2020. Readers should note that unlike other surveys conducted by Statistics Canada, crowdsourcing data are not collected under a sample design using a probability-based sampling. Data was benchmarked to the number of students by province or territory of study, level of study, and gender based on data from the Postsecondary Student Information System. Results are subject to potential bias due to the fact that responses from participants may not represent the non-participants. Therefore, caution should be exercised when interpreting the findings, and no inferences about the overall postsecondary student population in Canada should be made based on these results.