



ST. ANN'S ACADEMY

POST-SECONDARY UPDATE

Information for High School Students and Parents

UNIVERSITY: HOW MUCH DOES IT COST?



FOUR PARTS TO THE POST-SECONDARY EDUCATION COST EQUATION

The most common response to the question about “how much does it cost” usually involves quoting the cost of *Tuition Fees*; in itself an often confusing if not misleading number! In reality, there are four distinct parts to the cost equation: *Tuition Fees*; *Student Fees*, *Student Union Fees*, and *Book & Supplies*, all of which must be calculated BEFORE considering what it will cost to actually live while attending university.

TUITION FEES: The cost for each individual course that students take when attending college or university programs [diplomas or degrees] is based on a somewhat confusing calculation: the tuition fee, which is actually a 'per credit' figure, is multiplied by the number of credits that each course is valued at by the institution, to determine the actual cost of each course.

Most courses are valued at 3-credits, so when the tuition fee is quoted at \$135.48 [current TRU] the actual cost of the tuition for each course is three times that amount: \$406.44

For Trades programs [and some Certificate programs referred to as Vocational Programs] the tuition is based on a monthly fee, not on credits. At TRU, that cost is currently \$380.42 per month. This is also true for student fees, which are monthly charges added to the tuition.

STUDENT FEES: Using the same per credit approach, there are a whole range of additional fees charged, over and above tuition, by every institution. These cover everything from athletics and recreation fees and building funds to technology fees. Each institution has the ability to define and charge their own unique student fees. When the cost of tuition fees appears to be lower, they are often offset by much higher student fees, which is why it's so important to understand the complete cost scenario. As an example, at TRU their four major student fees add up to \$22.78 per credit, or when multiplied by three, equals \$68.34 per course.

STUDENT UNION FEES: Every college and university has an independent student government usually called the Student Union, and they also have the ability to charge a set of fees based on the per credit model. These are typically collected by the institution, with their tuition and student fees. Student Union fees cover a range of student activities that they support, and in BC now frequently includes mandatory Extended Health & Dental Plans and Transit Passes.

At TRU, which is typical of many institutions, Student Union Fees are a mix of per credit fees that support the student newspaper and radio station, the Childcare Society and the national student union office [\$2.54/credit or \$7.62 per course]; per semester fees of \$95 for the local Student Union office and \$53.85 for the semester transit pass; and a 12-month Health and Dental fee of \$248.00, from which students can opt out only if they have equivalent coverage elsewhere.

BOOKS & SUPPLIES: Every course normally requires one or more books, and there may be other items needed as well; nursing is the best examples of extra supplies costs. While these costs are a bit of a moving target, it's best to budget \$100 - \$200 per course, each semester.

ADDING IT ALL UP

Using the Fall 2016 figures from TRU as an example, here's what it would cost for one year [two semesters] of full-time first-year university study in the Bachelor of Arts program, based on students taking a full-time schedule of 10 total courses over the two semesters.

TUITION FEES:	10 courses x \$406.44 = \$4,064.44
STUDENT FEES:	10 courses x \$68.34 = \$ 683.40
STUDENT UNION FEES	
Per Credit	10 courses x \$7.62 = \$ 76.20
Student Union & Transit: 2 semester	x \$148.85 = \$ 297.70
Per Year [Health/Dental]	= \$ 248.00
BOOKS & SUPPLIES [Estimate]	10 courses x \$125.00 = \$1,250.00
GRAND TOTAL:	= \$ 6,619.74

This number can be reduced if students take only 4 courses per semester; the cost of books and supplies is an estimate, and if students are able to opt out of the Health/Dental plan, the total could be reduced to around \$5,400 for the year. This is also another reason for students to consider only taking four courses in their first two semesters, as they learn what it takes to be successful in university. With a much shorter summer to work coming out of high school, financing the first year of university can often be a challenge for many students, as the first semester fees are payable the end of August. [Second semester fees are paid in December].

NOTE: *These are 2016-17 cost figures from TRU; based on past years, these fees could increase by a maximum of 2% for students entering in Fall 2017.*

AND NOW ADD TO THIS THE 'LIVING COSTS': The above numbers would apply to local Kamloops students who plan to attend TRU, while living at home. However, as every teenager knows, there are other expenses even when living at home, and these need to be taken into account when planning a university budget. Getting to and from campus is free, if you use the transit pass you pay for in your fees, but students who choose to drive face the added cost of daily parking on campus in addition to the gas, insurance and maintenance costs that go with having a vehicle. Then there are the typical weekly and weekend expenses, from entertainment to food, plus clothing, cell phones and the other necessities of life.

GOING AWAY to another college or university involves not just the four components of the cost of the 'education' as detailed, but add to this at least \$1,000 - \$1,500 / month for rent, food and other living expenses. That can easily add up to an additional \$10,000 or more, based on the 8-month university year [September - April]; living on campus might be somewhat less, but the costs of all the extras, from weekend activities to travelling home, can be higher. That makes budget planning a necessity.

The following are current cost estimates for full-time study from the three larger provincial universities for out-of-town students, as provided this year to students entering in Fall 2017 :

INSTITUTION	TUITION & ALL FEES	BOOKS	LIVING ON CAMPUS [Room & Board]
UBC	\$ 6,084.00 +	\$ 2,060.00 +	\$ 10,955.00 = \$ 19,099.00
	[These costs are from UBC website: ubc.ca/financial-planning/cost]		
SFU	\$ 6,600.00 +	\$ 2,000.00 +	\$ 8,800.00 = \$ 17,400.00
UVIC	\$ 6,137.00 +	\$ 1,700.00 +	\$ 9,536.00 = \$ 17,373.00

Over and above these costs, students then need to add their personal costs; the UBC website suggests a budget of \$1,920.00 for 'other costs' which brings their estimated total for one year of study full-time [in an Arts degree] to just over \$21,000.00 if you aren't a local student.

The Advantage of Staying at Home: Based on the figures above, **three years** of full-time study at TRU is \$1,000 less expensive than the estimated cost of **one year at UBC**, and almost equal to one year at SFU or UVIC, if you live in Kamloops.

If staying at home is an option, the financial implications are significant. While still in high school, many students in grades 11 and 12 have great aspirations to 'leave home' to attend university somewhere else, but when the financial reality starts to sink in, those plans often change. That's why having a 'Plan B' in place when applying for admission is a good idea.

However, if the specific program that a student wants isn't offered locally and the option to stay at home isn't available, then the need to develop a sound financial plan that includes scholarships, a detailed budget and probably working part-time, becomes critical.

Seven Financial Mistakes to Avoid at University

SOURCE: The following information has been adapted from an online article by Scott Hannah [09.05.2016], President of the Credit Counselling Society, a non-profit organization. For more information about managing money or debt, check their website: www.nomoredebts.org

Students whose families haven't been able to set aside money for their post-secondary education, may ultimately need to take out a student loan to cover some of their school related expenses.

Ideally, students themselves have saved enough money from working part-time while still in high school to cover the majority of their educational costs, but the reality is that good financial decisions are not often a priority for young students.

That's unfortunate, because the result is that the average university student in Canada today is graduating with over \$26,000 in student loan debt and when you factor in other forms of debt, like credit cards and bank loans, that number often surpasses the \$30,000 mark.

Where you go to school, how you manage your costs during your school years and the financial decisions you make will have a significant impact on how little or how much debt students can graduate with.

Mistake #1. Leaving home when you don't have to

Avoiding one of the big money mistakes many post-secondary students make can be as simple as staying and living at home. While some specialized programs may require a student to attend university in another city, they can save a significant amount and graduate with a lot less debt if they are able to stay living at home with at least some support (e.g. the free room and board that parents are providing).

Even if students only stay home for the first two years of their degree, then transfer to another university for the final years, the money saved during those first two years could be enough to keep debt to a minimum during the last two.

Mistake #2: Borrowing More Than You Need

Just because students can qualify for a certain amount of student loan funding doesn't mean they should take it. The reality is that borrowing money is really easy, while paying it back is typically a long and somewhat painful process. Students should challenge themselves to get by with the bare minimum amount of debt they will need to get through to the end of the school year.

Mistake #3: Failing to Make a Spending Plan

Long before they graduate from high school, students should sit down and plan out all of the expenses they expect to incur each month of the typical eight-month university year, including the cost of tuition, books and supplies, student fees, transportation and social activities. A Student Budget Calculator Worksheet, available as a free download from the educational website [see website in SOURCE above] is an interactive tool that will help identify all necessary monthly costs and create a budget that students can follow.

Without making a plan and closely monitoring expenses each month, the odds of running out of money before the end of the semester are greatly increased. Final exams are stressful enough; students don't need the added pressure of wondering how they will make ends meet in December or April.

Mistake #4: Not Living Frugally

Living frugally is the new cool and it doesn't mean doing without; it means being smart with your money and getting great value for what you do spend. It also means having a clear understanding of the difference between 'needs' and 'wants.' While costs like tuition can't be controlled, there are many areas where students can minimize spending: buying used books; avoiding the trap of buying the latest, greatest technology; using student ID for discounts; and taking advantage of free or low cost events on campus. Get in the habit of making every dollar count and before spending even a small amount of money, stop and ask if you need to spend the money.

5. Missing Out on Scholarships, Grants and Bursaries

Over \$100 million in scholarships, grants and bursaries are available in Canada each year, and each year millions of these dollars are left unclaimed by students. The big scholarships aren't usually left unclaimed but there are lots of \$250 – \$1,000 grants and bursaries available that can go a long way to covering school related costs. Investing some serious time and effort could potentially bring in hundreds if not thousands of dollars.

6. Not Working Part-Time While Attending School

Working during the university year [September – April] will help to cover living and other expenses, especially in the first year, and by working full-time in the summer months students can substantially reduce, if not eliminate the amount of money they might need to borrow next year.

Depending upon your field of study there may also be opportunities to enter into a co-op program after the first one or two years, where you attend school for part of the year and then work in your future field of study. Co-op and work-study programs don't just help your bank account; they are also a great, if not essential addition to your resume.

7. Choosing a School for the Wrong Reasons

One of the frustrations heard regularly from post-secondary graduates with student loan problems is that they question the value of their education in relation to the amount of debt they have incurred. It's not a pretty picture at times and it could have been avoided or minimized if students, with some help from their parents, a high school counsellor or an academic advisor, worked through the different financial scenarios of:

- Living away from vs. living at home
- Attending a local college / university and then transferring to a larger university
- Attending a prestigious vs. a local or regional university
- Attending university vs. working until having a clearer idea of career aspirations

The time spent working through these different education options and perhaps coming to the conclusion that university may not be right for you, or not right at this time, could end up saving a person tens of thousands of dollars.

Knowledge, a solid plan and good decision making are the keys to avoiding the common money mistakes students make during their post-secondary years. While it may not be possible to graduate completely debt-free, avoiding these seven money mistakes will allow students to graduate with a lot less debt, a lot less stress and be able to move forward more quickly financially as a result.

IN THE NEXT ISSUE - *The highest paying, in-demand jobs in Canada in 2016.*

POST-SECONDARY ADVISING SUPPORT AT ST. ANN'S

Students and parents in high school at St. Ann's are invited and encouraged to take advantage of the post-secondary advising support available to them. Josh Keller, formerly of TRU, brings 28 years of post-secondary experience to us, and is available on Tuesdays each week, any time between 9:00 am and 4:00 pm. To make an appointment just contact the front office.