



Indspire

Indigenous education,
Canada's future.

L'éducation des autochtones.
L'avenir du Canada.

Financing Post-Secondary Education

About Indspire

Indspire is an Indigenous national registered charity that invests in the education of Indigenous people for the long-term benefit of these individuals, their families and communities, and Canada. With the support of its funding partners, Indspire disburses financial awards, delivers programs, and shares resources with the goal of improving educational outcomes for First Nations, Inuit, and Métis students. Through Indspire's education offerings, we provide resources to students, educators, communities, and other stakeholders who are committed to improving success for Indigenous youth. In 2019-20, Indspire awarded over \$17.8 million through more than 5,124 bursaries and scholarships to First Nations, Inuit, and Métis youth, making it the largest funder of Indigenous post-secondary education outside the federal government.

About Research Knowledge Nest

The Indspire *Research Knowledge Nest* is the first Indigenous research program of its kind in Canada. With data analysis skills rapidly becoming critical to economic success, the *Research Nest* is poised to seize this exciting opportunity to foster Indigenous engagement and leadership in quantitative research and data science roles. The program will be guided by an Advisory Committee of researchers, leaders, and key stakeholders who will provide direction and input on the development of this important initiative.

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Introduction

Financial challenges are a significant barrier for Indigenous peoples in Canada pursuing post-secondary education (PSE) (Ottmann, 2017). In order to better support Indigenous students in completing their educational goals, it is vital to understand the wide variety of financial situations Indigenous students experience. A key component of this is learning how Indigenous students are alleviating their educational costs. This report provides insight into how Indigenous students are financing PSE costs by comparing educational financing information obtained from Indigenous students to a sample from non-Indigenous students.

Data Sources and Methodology

To investigate how Indigenous students are funding their education, survey and administrative data from Indspire's *Building Brighter Futures: Bursaries, Scholarships and Awards* (BBF) program was utilized. Indspire's BBF program provides financial support to First Nations, Inuit, and Métis post-secondary students across Canada. Student loan information and data regarding whether a BBF recipient is a first-generation student was taken from BBF application data, while data on how BBF recipients are financing their education was obtained from Indspire's 2020 National Education Survey (NES). Indspire distributed the NES in February 2020 to ask BBF recipients from the past 6 years about their education and labour market outcomes and experiences. One of the questions from the survey asked what sources recipients used to pay for their education costs.

Data from Indspire's BBF program provides valuable information on Indigenous PSE students. However, this subset of students may not perfectly represent the experiences of all Indigenous students in Canada. For example, the criteria to receive a BBF award includes high levels of community involvement, GPA, and demonstrated financial need. Therefore, BBF recipients may show higher levels of these characteristics, along with related factors, compared to the overall Canadian Indigenous PSE population.

To compare the financing situations of BBF students to the non-Indigenous population, survey data was taken from the Canadian University Survey Consortium's (CUSC) 2017 Survey of Middle-Year Students. This survey consisted of 15,248 undergraduate students from 24 universities across Canada in the winter term in the "middle years" of their bachelor's programs: those in their second or third year of their program. The survey asked several questions on topics such as demographics, experiences, skill development, and financial circumstances. For this report's analysis, this sample was used to reflect a non-Indigenous sample. However, 5 percent of the CUSC sample were Indigenous students and could not be filtered out for our comparison. This may cause some of the following statistics to be slightly different than the holistic non-Indigenous statistics.

In the following tables, available data was used for BBF students that most closely resembled the CUSC characteristics. In Tables 1 and 2, the data included NES data of BBF recipients from the past six years who were middle-year students in a bachelor's program at the time of the survey. In Table 3, administrative data from the 2015/16 – 2017/18 fiscal years was used for recipients in a bachelor's program who were in a middle year of their program. Also, only students who applied to Indspire's February deadline were used, so that student loan information would be comparable to the CUSC sample, who were surveyed in February. In Figure A, administrative data was again used for BBF students, but only for the 2018/2019 fiscal year, as this was the closest year in which students were asked to indicate if they were a first-generation student. This sample included those in a middle year of a bachelor's program.

Results

Financial Sources Used for Education Expenses

Intergenerational Financial Assistance

In both the NES and CUSC surveys, students were asked which sources they had used to finance their education-related costs. These results are presented in Table 1. Note that the sources listed in each survey slightly differed, so categories were combined to a level which allowed for comparison. Viewing the proportions of students who used the various sources to fund their education, we see some stark differences. Just 16 percent of BBF students reported any family assistance as a source, while nearly two-thirds of the CUSC sample reported some form of family assistance. This is quite a difference and suggests that a large percentage of BBF students must rely on sources other than family to pay for their education.

This raises several implications regarding challenges to Indigenous post-secondary attainment. When examining other research, students who bear the full amount of their educational costs as well as those from low-income families graduate from post-secondary education at significantly lower rates than those who come from high-income families. For example, a study of US college and university students found that 60 percent of students who dropped out had no financial assistance from their family, whereas 60 percent of those who graduated had some family assistance (Johnson et al., 2009). Lower graduation rates of students from low-income families can be attributed to financial constraints, lower academic preparation, and lack of social capital (Bjorklund-Young, 2016). Here, social capital refers to “the network of relationships that provide ongoing information, support, and important experiences” (Bjorklund-Young, 2016). For various reasons, students from low-income families “are less likely to participate in important social and academic experiences that support success, such as interactions with faculty, belonging to study groups, and participation in extra-curricular activities (Engle & Tinto, 2008)” (Bjorklund-Young, 2016).

Financing PSE with no, or little, family assistance can generate additional difficulties created by the process of acquiring funds itself. It is reasonable to expect that relying on financial sources besides family, such as student loans, bursaries, and scholarships, can leave Indigenous learners in precarious financial situations. The time and effort spent exploring funding opportunities, navigating variations in application criteria, difficulty in filing applications, and the strain of making ends meet while waiting for funding decisions to be made creates an additional burden for many Indigenous learners. For all the reasons outlined above, sufficient financial, administrative, cultural, and social supports are important for the success of many Indigenous post-secondary students.

Seeking Educational Funding

From Table 1, we also see higher proportions of BBF students reporting student loans or need-based bursaries, scholarships, and ‘other’ sources of income, and lower proportions citing employment income and RESPs. The large difference in the ‘other’ category is likely due to BBF students using sources specific to Indigenous students, such as band funding and other Indigenous financial sources. As mentioned earlier, the listed categories sometimes contain multiple sources, so what makes up differences can be attributed to different sub-categories. For example, the difference in employment income could be due to differences in pre-education employment savings, summer employment, co-op placements, and/or teaching and research assistantships. The percentage of education costs used from these different sources was unavailable for this report and would be a topic for further research.

Table 1: Proportion of Middle-Year Students in a Bachelor’s Program who use Various Financing Sources

	BBF	CUSC
Family assistance	16%	64%
Employment income	46%	70%
Student loan or need-based bursary	55%	40%
Scholarships	61%	35%
Registered Education Savings Plan	14%	22%
Other	85%	9%

In Table 2, the number of financing sources used by students to fund their education, from the options outlined in Table 1, are presented. We find that BBF students on average utilize more sources to finance their education than the CUSC sample. A slightly lower proportion of BBF students reported using one, two, or three sources than students from the CUSC sample, whereas a slightly higher proportion of BBF students reported using four, five, or six sources. While these differences are not substantial, they do suggest that BBF students may be forced to rely on more sources to fund their education than students from the CUSC sample. The

necessity to piece together multiple funding sources to pay for PSE could indicate that Indigenous learners are using time and energy on ensuring that their education is funded, which could then distract them from focusing on their studies.

Table 2: Number of Different Financing Sources Used by Middle-Year Students in a Bachelor's Program

Number of Financing Sources	1	2	3	4	5	6
BBF	17.2%	26.8%	26.9%	20.6%	6.9%	1.3%
CUSC	23.7%	29.4%	28.6%	14.4%	3.6%	0.3%

Student Loans

When comparing student loan information of BBF students to the CUSC sample, we find a similar percentage of both samples reported having an outstanding student loan at the time of data collection (see Table 3). Of all students from the CUSC sample, 41 percent reported currently having an outstanding loan, compared to 43 percent of middle-year BBF students in a bachelor's program. However, the average outstanding loan amount was slightly lower among BBF students. The calculation to determine how much a student receives for a student loan depends on several factors. Therefore, discrepancies in outstanding loan amounts could be due to any of these factors: home province or territory, university location, income, living expenses, and access to financial institutions, among others.

Table 3: Proportion of Middle-Year Students in a Bachelor's Program who have an Outstanding Student Loan, and Average Outstanding Loan Amount

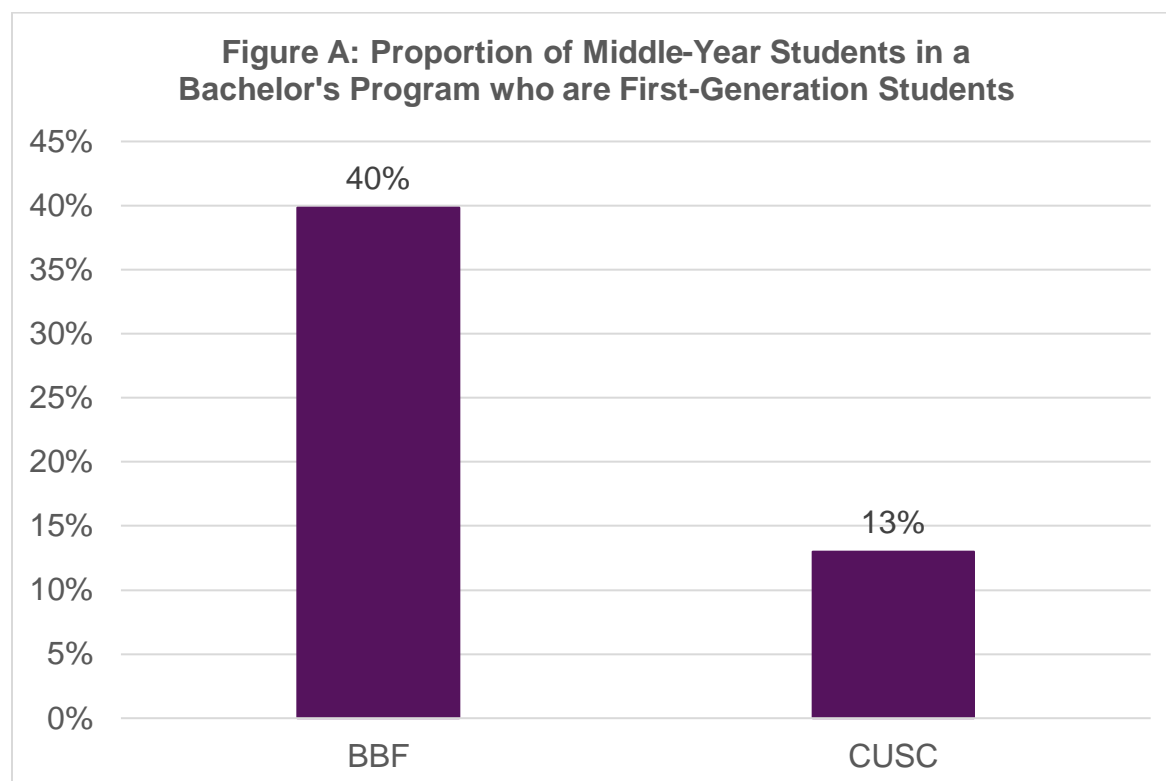
	Proportion with an Outstanding Student Loan	Outstanding Loan Amount
BBF	43%	\$17,619
Canada	41%	\$22,679

First-Generation Students

By taking full advantage of the data available in the BBF and CUSC data, we were able to compare the proportion of students who are first-generation. A first-generation student is a student who is the first in their family to complete a post-secondary education program. From Figure A, we can see that a much higher proportion of BBF students (40 percent) are first-generation students compared to students from the CUSC sample (13 percent). It is uplifting to see that there are so many Indigenous students attending university who are the first in their

family to do so. When first-generation students are able to obtain a PSE degree, it significantly increases the likelihood that their children and future generations will attend and complete a post-secondary degree (Turcotte, 2011).

However, first-generation students are at a disadvantage in completing PSE compared to non-first-generation students. It has been shown that first-generation students are less likely to graduate from PSE. In a study of United States post-secondary students, Wilbur and Roscigno (2016) showed that first-generation students “are nearly 60 percent less likely to graduate than their peers.” A majority of this disparity was due to associated lower socio-economic factors such as income, education, and employment. However, interestingly, a disadvantage persisted even when these factors were accounted for. This disadvantage is hypothesized to be due to parental knowledge, access to resources, and parental involvement (Lareau, 2011), and experiencing stressful events such as being “more likely to work longer hours, live at home, and experience personal and family-related stressful events” (Wilbur and Roscigno, 2016) during their studies. Since a significant proportion of BBF recipients are first-generation, it is critical that these students receive the financial, administrative, social, and cultural supports needed to complete their PSE programs. Supporting Indigenous first-generation students in graduating from their PSE programs is of extreme importance to increase the educational attainment of future generations of Indigenous peoples.



Conclusion

This report aimed to investigate how Indigenous post-secondary students in a bachelor's program were financing their education expenses. This was done by comparing samples of Indspire's Indigenous BBF students to a largely non-Indigenous sample of Canadian university students. Several differences became apparent. In particular, a significantly smaller proportion of BBF students cited family assistance as a source of education financing compared to the non-Indigenous sample; BBF students utilized slightly more financing sources; and a similar proportion had outstanding student loans. Finally, a significantly higher proportion of BBF students are first-generation students. How a post-secondary student pays for their education costs is a multi-faceted question and is dependent upon many factors. A more complete picture of how Indigenous students fund their education—for example, the exact monetary amounts from various sources—is an interesting area for future research. However, this report provides evidence that there are some significant differences in how Indigenous post-secondary students finance their education compared to the non-Indigenous population. These differences are critical to realize and understand, so that organizations are utilizing the most effective supports to ensure the success of Indigenous post-secondary students.

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