



Workshop 12

Post Secondary Funding - Paying your way

Student Summary

This workshop will seek to provide you with the following:

- An estimate the cost of chosen field of study.
- Basic financial resources and discuss some of the pros and cons of each. For example student loans, earn/study, armed forces, employer- sponsored, part-time employment, scholarships, parent support, etc. Considerate of the requirements as a function of chosen stream of post-secondary education (e.g. study at international university vs. technical/trades training).
- A review bursaries/scholarships and the process of application. Identify key factors to success in applying for and getting bursaries and scholarships.
- Overview the basics of financial planning.

At the end of this workshop you will take with you:

1. Student handout outlining the basics of financial planning.
2. Student handout outlining scholarship search strategy – the Scholarship Kit.
3. Identification of at least three different scholarships each individual student would be eligible and likely competitive for (i.e. specific contact information).



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Introduction

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Setting the Context

OH1 Basic Costs for Post-Secondary Education in Canada

POST-SECONDARY EDUCATION COSTS

Whether you choose to attend college, university or some other form of post-secondary education, you will notice how quickly the costs can add up.

Tuition fees have risen 126.2% since 1990, six times faster than the rate of inflation. On average, students completing a four-year program will have \$25,000 in debt, an increase of 300% from 1990.

But tuition fees consist of only about 25% of the total costs of post-secondary education. There are many other associated costs that will add to the total amount you'll need to plan for. And the cost of the tuition fees themselves will depend upon the type of program you pursue—whether it is arts or sciences, and whether it is in Canada or abroad. The following overhead lists the basic costs.

Tuition fees: The amount you pay will depend on where you go to school, whether it's university or college, how many courses you take, etc. The national average for yearly tuition fees is about \$4,500.

Other compulsory fees: Many schools also charge other compulsory fees to cover the costs of student association services, athletic and library facilities, etc.



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Accommodation: The total cost will vary depending upon whether you choose to live on-campus, off-campus or at home. In making your decision, you will need to consider all of the factors associated with each option.

Clothes: This budget line will be at your discretion, depending upon your shopping tendencies!

Food: Eating in will cost you the least, of course, but don't forget to budget for those dinners out and cafeteria lunches. Also remember that many residence fees include a meal plan.

Books: Be prepared for how expensive books can be. You can save money by buying books second-hand and sharing with classmates if possible.

Transportation: Your transportation budget will depend on whether you live on-campus or whether you have to travel to campus every day, and whether you plan to drive or use public transit.

Travel: If you are going to school out of province or overseas, be sure to budget for your visits home!

Miscellaneous: Probably the most important category, this budget line will cover all the things you forget to take into account. And there will be things that crop up, like that must-have DVD box-set you find on sale or those once-in-a-lifetime concert tickets.

Fun: Sure, you'll be studying a lot, but you'll also need to take a break every once in a while, so put some of your budget aside for those downtime activities.

Activity 2

HO1 Calculating the Cost of Your Post-secondary Education

Education is expensive! But keep in mind that you are the consumer, and you get to purchase the services that best suit your needs—and budget! When choosing the school you want to attend, you should be sure to compare the pros and cons of each option and determine the best value for your time and money.

This activity will allow you to do just that. Using the handout in your booklet entitled **Calculating the Cost of Your Post-secondary Education**, sign on to the Web site provided and follow the prompts given by the Web-based calculator to figure out how much you'll need to spend at your school of choice. The calculator provides tuition rates for schools and specific programs across Canada.

Ways of Funding Your Education

So now we have an idea of the expenses related to our education. So what's next? Now we have to figure out how we are going to pay for it.



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There are a variety of ways you can pay for your post-secondary education. Here are the most common:

- **Scholarship:** Offered through post-secondary schools, the government, non-profit and community-based organizations, corporations, etc., these recognize achievement and are not generally based on financial need.
- **Grant:** A non-repayable sum of money that is given based primarily on financial need, but academic achievement may also be considered. Usually, official documentation describing your financial situation is required when applying.
- **Bursary:** A non-repayable grant of money, bursaries are awarded primarily based on financial need, but academic achievement is also considered. Usually, the applicant must provide detailed documentation describing their financial situation when applying for the bursary.
- **Fellowship:** A monetary prize awarded to a student pursuing studies usually beyond the baccalaureate level. Usually one of the criteria is academic average.
- **Student Loan:** Awarded as financial assistance that must be repaid.
- **Part-time Job:** Earnings help pay your way through school.
- **Co-op Education:** Earn and learn program that offers paid work experience in meaningful jobs.

Of course, let's not forget the help of family and your own personal savings you may have accumulated for this exact purpose!

This workshop will focus on scholarships, financial awards and student loans.

Scholarships—Overview

Scholarships are awards of money or financial rewards to students for the purpose of education. Usually based on merit, scholarships are awarded to those who are involved in various academic and non-academic areas— extracurricular activities, voluntary community service, hobbies, sports and entrepreneurship.

In Canada alone, there are thousands of scholarships available to post-secondary students. Scholarship amounts vary considerably, from a few hundred dollars to tens of thousands of dollars over an entire four-year undergraduate period at university. In cases where the scholarships are awarded for more than one year of study, the sponsor usually expects that you will maintain a certain acceptable level of academic achievement, in order to receive the funds for subsequent years. Certain scholarships, though merit-based, also take into account financial need. There are also scholarships for Canadian students who wish to study abroad.

In addition to the millions of scholarship dollars that are awarded each year, millions also go unclaimed. Why? It is simply because no one applied for them. Therefore, even by sheer chance and probability alone, if you apply for scholarships that have not been claimed in previous years, you stand an excellent chance of winning.

Scholarship sponsors are looking for individuals who:

- Are likely to succeed in attaining their goals
- Can provide leadership



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- Stand up for themselves and their beliefs
- Can demonstrate that they are and will be good citizens of society
- Show initiative, ambition and motivation
- Strive to do their best in whatever they do
- Have the desire to serve their communities on a voluntary basis
- Have the desire to contribute to the improvement of the quality of life of fellow human beings

Who offers scholarships?

Universities and colleges offer scholarships—including entrance scholarships for first year students—to attract the highly talented students to their academic institution. Among many entrance scholarships, most universities also offer prestigious scholarships known as the President's Award or Chancellor's Award, given to outstanding students. These prestigious scholarships are also quite lucrative and may last the entire period of studies.

Most post-secondary schools also offer a standing scholarship to students who maintain their GPA above a certain level. Check with your school of choice for more details.

Scholarships are also offered by **private foundations, government departments (provincial and federal), unions, corporations** and other organizations and are open to the public. There are numerous tightly defined scholarships that pertain to innovative fields of study.

Many corporations also offer scholarships to dependents of their employees only, and therefore are not open to the public.

To get an idea of how many scholarships are available, take a look at the following Web site:
<http://www.scholarshipscanada.com>

Its database listed 37,000 entrance scholarships this year, up from 28,000 just two years ago, at a current value of \$58 million.

Activity 3

HO2 Applicable Scholarships

Now you are going to do some research to find some scholarships that you can actually apply for.

Using the Web sites listed on the handout, research and list three to five scholarships where you meet the eligibility criteria. These can be specific to a school you are interested in attending, or more general.

Fill in the information in your scholarship matrix handout.

Print out the application forms and any other pertinent information, if provided.



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Applying for Scholarships

HO3 Success Story

HO4 Aga Khan Scholarship Kit

OH2 The Scholarship Application Process

HO5 Strategies for Success

Before we review how to apply for them, let's look at an article which discusses some success stories, particularly the success had by Naheed Dosani in Toronto. He was successful at applying for—and obtaining— \$111,000 in scholarships! Please take a few moments to read the article in your handouts package.

Part of the reason Naheed and other youth are successful is their careful attention to the complete process, which should start years before you are actually ready to begin applying for scholarships.

Let's review the key steps you can undertake for a successful scholarship application.

Key Points:

Planning

Prepare Yourself

- Start as early as possible
- Get involved in a variety of activities. This will boost your eligibility (not to mention your resume!)
- Keep detailed records of all your achievements and activities, including dates, awards, etc.
- Make a list of people who can help you and people who have been supportive

Identify Your Goals

- Review your career planning outcomes
- Research post-secondary schools
- Identify the types of scholarships you'll best be suited for (ie: academic, sports, etc.)

Research

Conduct Research

- Figure out where to look
- Determine what info you need
- List potential scholarships
- Obtain necessary forms

Identify people who can help you



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Applying

Identify what is required

Completing your application package

- Basic application form
- Essay questions
- Letters of recommendations/references
- Transcripts
- Interview
- Other requirements

Evaluating

Review your outcome

Try again, and again!

Activity 4

Using the information you gathered in Activity 3, begin planning your application process for the scholarships you recorded on your worksheet. Use HO6 to develop your plan. Some tasks you can start working on.

- 1) Look at the criteria for the scholarships and begin mapping out how you meet those criteria.
- 2) Identify people who could be your references.
- 3) List all the pieces you will need to get together and create a plan for how you will do so.
- 4) Create a timeline for getting the application together.

Student Loans

Scholarships aren't the only way to pay for your education. As we discussed earlier, there are other options. Many students opt to take out student loans.

Before we discuss the process of applying for student loans, let's talk about some of the pros and cons of this method of paying for your schooling.

Student loans can have a big financial impact on your education, depending upon the amount you borrow. You may find yourself making loan payments for many years after you graduate.

Here is an example of three typical repayment scenarios:

OH1A Costs of a Student Loan

As you can see, over a 10-year repayment period, a student loan of \$10,000 can end up costing you more than \$15,000 and a loan of \$40,000 will cost more than \$60,000.



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Loan repayment periods can be longer or shorter, depending upon the size of your monthly payments. The amount you repay will also be affected by the type of interest rate you choose (fixed or floating). Talking to a financial counsellor can help you make these types of decisions.

Students can use the Loan Repayment Calculator at:

<http://srv650.hrdc-drhc.gc.ca/cslp-pcpe/cl/28/lrc-crp/nlindex.jsp?langnslsc=EN#monthly>
and explore other repayment scenarios.

HO6 Applying for a Student Loan

Refer to the handout for an overview of the process.

Budgeting and Financial Planning

A budget is a tool to help you organize your financial affairs in order to stay in financial control and be able to achieve your goals. A budget is simply an organized way of managing your financial affairs on a day-to-day, week-to-week, month-to-month basis. It enables you to see where your income is coming from, when it is coming in, and how it is going out. It registers your ongoing expenses—both regular expenses and those that are irregular or occasional. In doing so, it enables you to compare your income with your expenses and see whether or not you have anything left over with which to plan.

When it comes to looking toward the longer term, setting goals, and planning ways to achieve those goals, that is where financial planning enters the picture. A budget is more of a short-term tool, whereas a financial plan focuses more on the longer-term.

CREATING A BUDGET

The first thing to do in a budget is to calculate your monthly income. That will give you a picture of what you've got to work with. The second step is to identify your current monthly expenses. Some expenses you can control (for example, entertainment). Others you can't control as readily (for example, your housing costs/rent). Although you can't really control a cost such as rent in the short run, you can always take control by moving to less expensive accommodation or getting a roommate. Remember, that's what it's all about—finding ways to take greater financial control in order to help achieve your goals and objectives.

TIPS FOR BUDGETING

Keep your budget flexible. Your expenses will change, your income will change. Keep your budget flexible so that it can change with you.

Keep your budget simple. Nothing will turn you off budgeting more quickly than if you make it complicated and a lot of work.

Be honest and realistic. If you aren't honest with yourself in preparing it, you are only fooling yourself. Be realistic in terms of what your expenses are and what you might have to give up, do without, or trade-off if you are going to get something else or accumulate savings.



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Keep accurate and clear records. Effective record keeping is an essential part of good financial management. You will be amazed to find out how much time you can save when you know where things are. The following are some of the important papers and records that you should keep in a well-organized manner:

- birth certificate
- school reports and records
- awards received
- letters of recommendation or praise
- warranties/guarantees for items purchased
- receipts for major purchases
- social insurance card
- lease/rental agreement
- bank books/statements/cheques
- medical records
- tax papers
- insurance papers
- investment papers/statements/etc.

Pay yourself! Basically, this means you should make sure to save part of your income. You will not have an effective budget if you are not able to save anything.

Experiment with your budget. Don't expect it to work out the first time you try it. Keep a log for the first little while to monitor your expenses closely. Then adjust your budget based on your findings.

Be prepared for trade-offs. Sacrifices you make today will enable you to get the things you want in the future.

Budget for the unexpected. Something surprising or unexpected always comes along.

Reward yourself if your budget works out effectively.

Budget for annual expenses such as birthday gifts or car insurance. Don't be caught short.

If you find that your budget is too tight for your liking and you want to cut back, consider the following:

- don't pay others to do what you can do yourself
- always shop with a list in order to avoid unnecessary purchases
- cut back on entertainment or pursue more home entertainment
- change transportation methods
- alter your lifestyle in ways that can save money



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Activity 4

Discuss strategies for creating and maintaining a budget. Review the sample budget outline provided and start to think about your income and expenses. You don't need to fill this out now, but bring it home with you for future use.

OH3 Budgeting discussion questions

HO7 A Sample Budget

Closing and Next Steps

There is a lot of good information that you have been working on. Remember that education is not free and how you pay for it is important both now and in the future. Ask yourself:

- How much is my education going to cost?
- What are the avenues for me to pay for that education?
- What you are going to do in the next 30 days to develop a plan to pay for your education.
- Who are you going to talk to when making that plan.

Remember make a plan and stick to it. Education, just as life, doesn't come cheap!