



Graduate Students' Association
University of Alberta

Understanding Financial Realities: An Analysis of the Financial Condition among UofA Graduate Students

August 30, 2023 Results

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On behalf of the Graduate Students' Association (GSA), we would like to extend our appreciation to everyone who played a role in the successful completion of our recent survey project.

To all members of the GSA Board – Bishoi Aziz (GSA President), Rija Kamran (GSA VP Academic), Hamid Hassani (GSA VP External), Tiffany Kung (GSA VP Student Life), Haseeb Arshad (GSA VP Student Services) and Muneeb Masood Raja (GSA Associate VP Labour) – your support and involvement were essential in laying the groundwork for this initiative. Your contributions, though varied, collectively helped in shaping the direction and scope of this survey.

We would also like to acknowledge the efforts of our GSA Staff, including Brandon Ellamil (Strategic Operations Coordinator) and Lewie Moodley (Executive Director) for their hard work behind the scenes in coordinating, analyzing, and compiling the survey data. The insights gained through this process are a direct result of dedication and meticulous attention to detail.

The collaborative effort and unity shown by the GSA Board and Staff underscore the strength and commitment within our association. This project is a testament to what we can achieve together.

Thank you all for your valuable contributions and for ensuring the success of this important endeavor.



Executive Summary

The "Understanding Financial Realities" report, initiated by the Graduate Students' Association (GSA), sheds light on the pressing concerns consistently raised about how the cost of living negatively impacts the academic pursuits of graduate students at the University of Alberta (UofA). Recent findings from our in-depth analysis, have provided us with eye-opening insights and deeper understanding of these challenges, painting a clearer picture of the financial realities our graduate students currently face.

It's particularly concerning that over 40% of respondents have contemplated leaving their programs due to financial pressures, a figure that is significantly 10% higher than the national average reported in the [2021 National Graduate Student Finance Survey](#) by the Ottawa Science Policy Network.

Our findings echo the narrative from the U of A Campus Food Bank, highlighting an increased reliance on food bank services. Disturbingly, over 30% of our survey participants rely on them. Additionally, a staggering 60% of respondents are grappling with housing costs that exceed the city's average. This financial strain has a pronounced effect on international students and PhD candidates, who not only struggle to afford life in the city but also face a heightened risk of discontinuing their studies.

The escalating expenses related to groceries, housing, and accumulated student debt urgently require our attention. They directly impede student achievements and starkly contrast with the affordability and transparency ideals upheld by both the GSA and the [Student Experience Action Plan \(SEAP\)](#).

At the GSA, we're deeply committed, alongside the University of Alberta, to promoting graduate student success. It's alarming to see students facing financial hardships to the extent that they rely on food banks, cut back on nutrition, limit housing expenses, or even consider abandoning their studies. This financial pressure isn't just an academic concern—it directly impacts mental and physical well-being. As emphasized by the [Financial Consumer Agency of Canada](#), financial stress doubles the likelihood of poor health, leading to increased sleep issues and other health concerns.



A. Introduction

Graduate studies represent a pivotal phase in a student's academic journey, setting the course for their future. Yet, the path to advanced degrees can often be overshadowed by financial challenges, affecting both the well-being and academic accomplishments of graduate students. To delve deeper into these challenges and to understand how students manage their finances in today's landscape, the Graduate Students' Association (GSA) at the University of Alberta conducted the "Understanding Financial Realities" survey.

B. Methodology

The GSA's "Understanding Financial Realities" survey was active for three weeks, spanning from August 14 to August 30, 2023. To ensure maximum participation, we primarily distributed the online survey link through our weekly GSA newsletters and further amplified its reach with a special bulletin on August 20, 2023.

We were pleased to receive 640 responses, offering a comprehensive and diverse representation of graduate students at the University of Alberta. This encompassed a wide range of demographics, reflecting various socioeconomic backgrounds, household compositions, residence statuses, and more.

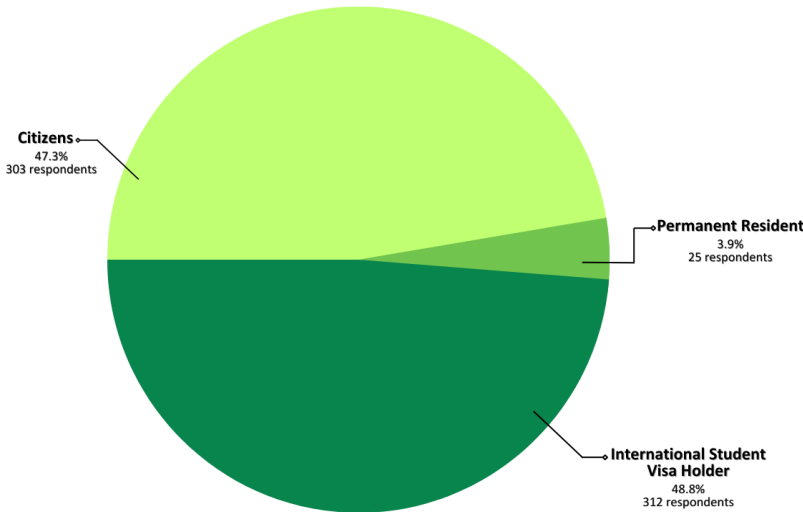
To incentivize participation, respondents had the option to enter a raffle for one of three food retailer coupons by sharing their email addresses. Aside from this, the survey remained entirely anonymous.



C. Demographic Profile

Status

640 Respondents



Among the survey participants, it can be observed that 312 individuals held International Student Visas, closely followed by 303 Canadian citizens. Additionally, 25 respondents identified themselves as permanent residents.

Figure 1: Demographic Profile of Respondents based on Residency Status

Degree

640 Respondents



307 out of the 635 were currently completing their Doctoral degree, 133 were taking a Course-based Masters and 199 were completing a Thesis-based Masters.

Figure 2: Demographic Profile of Respondents based on Current Program/Degree



Household Size

640 Respondents

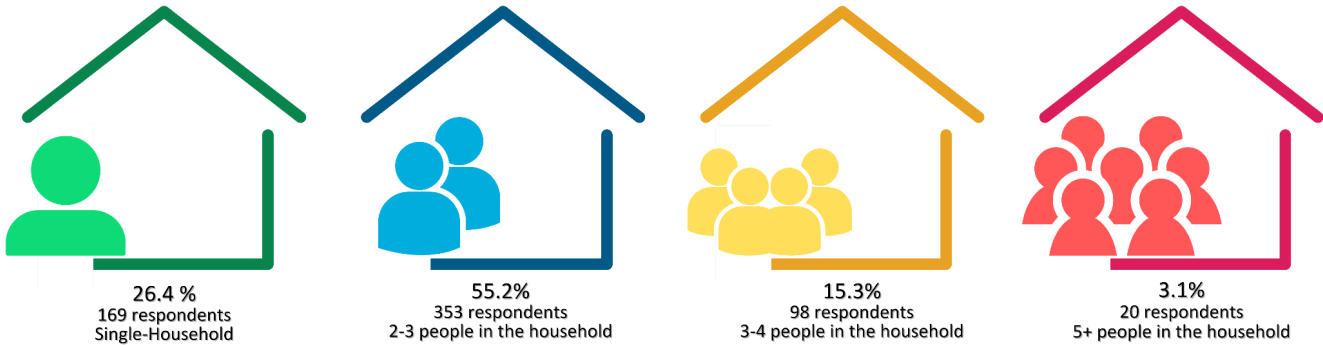


Figure 3: Demographic Profile of Respondents based on Household Size

In relation to household composition, 353 respondents reported living with 1 to 2 individuals in their households. Among them, 169 resided in single-person households, 98 in households with 3 to 4 occupants, and 20 in households consisting of 5 or more individuals.

Dependents at Home

640 Respondents

Based on previous knowledge that a significant number of graduate students are parents, we were intrigued by the relatively low number of respondents indicating they had dependents. The data revealed that the majority of respondents, comprising 81.3% (n=520), reported having no dependents, while only 18.7% (n=120) of survey participants disclosed having one or more dependents. This finding underscores an interesting aspect of the respondent demographics.

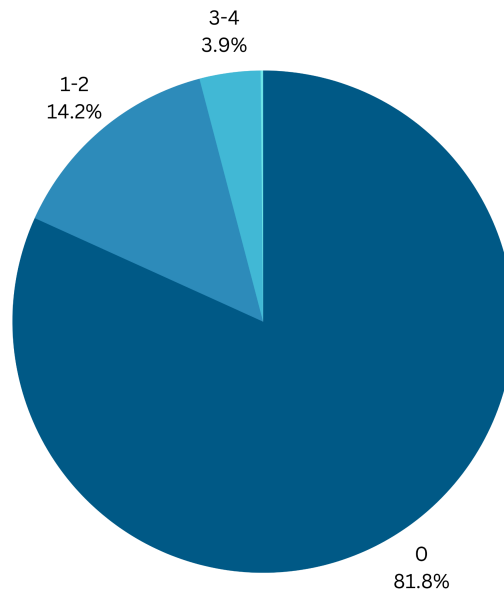


Figure 4: Demographic Profile of Respondents based on No. of Dependents



Average Household Income (Annual)
640 Respondents

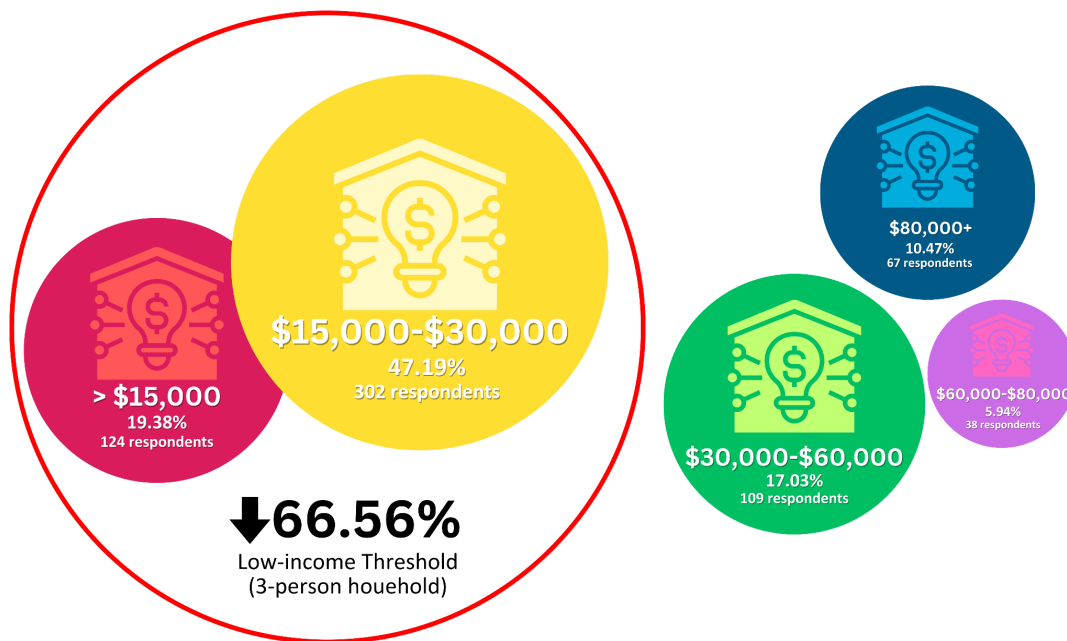


Figure 5: Demographic Profile of Respondents based on Annual Average Household Income

A total of 426 individuals, making up 66.56% of respondents, reported having an Annual Average Household Income (AAHI) below \$30,000. According to [Statistics Canada](#), this income level is below the low-income threshold for a household consisting of two individuals, set at \$27,000. Additionally, 109 respondents indicated an AAHI ranging between \$30,000 and \$60,000, while 38 respondents disclosed an AAHI falling within the \$60,000-\$80,000 range, and 67 respondents reported an AAHI exceeding \$80,000.



D. Lifestyle and Financial Background

The survey results also provided insight into the lifestyle and financial background of the respondents. By examining these, we are able to gain a better understanding of their choices and priorities in managing their finances.

Housing Cost (Monthly)

640 Respondents

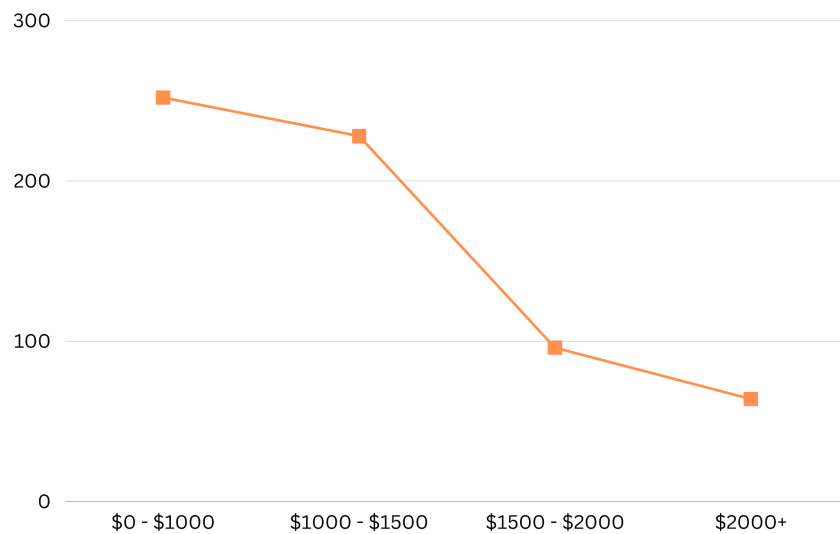


Figure 6: Distribution of Respondents based on their Monthly Housing Cost

When asked about monthly housing costs, it was revealed that 252 respondents spent less than \$1,000, 228 spent \$1,000-\$1,500, 96 spent \$1,500-\$2,000, and 64 spent over \$2,000, highlighting significant variations in housing expenditures among the surveyed population.

According to a 2023 survey report by [Canada Mortgage and Housing Corporation](#) (CMHC), the average rent for a 2-bedroom apartment in Edmonton has increased by 1.6% from 2021, with the recent rate standing at approximately \$1,304. The data underscores a significant housing affordability issue that is possibly confronting students not just in Edmonton, but across Canada as well.



640 Respondents

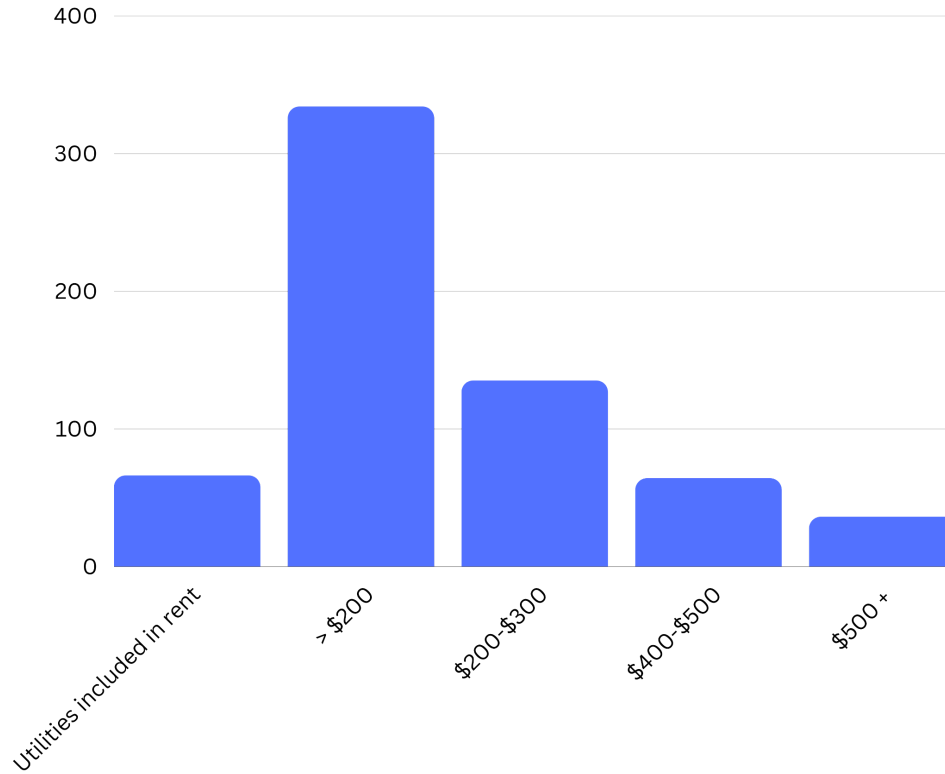


Figure 7: Distribution of Respondents based on Monthly Utility Cost Average

The bar chart illustrates monthly utility cost (excluding rent) among respondents. The majority of respondents (334 respondents) spend less than \$200 a month, followed by 136 in the \$200-\$300 range. Notably, 67 have utilities included in rent, while fewer respondents spend over \$400. The chart provides a snapshot of utility spending patterns in our survey.



Average Cost for Groceries (Monthly)

640 Respondents

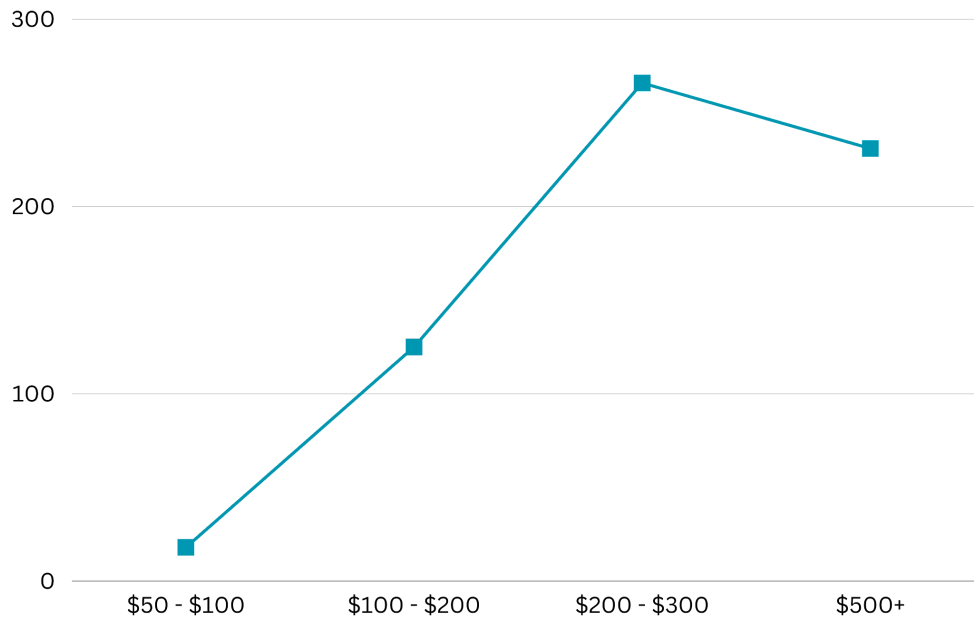


Figure 8: Distribution of Respondents based on Monthly Groceries Cost Average

266 respondents spent \$200-\$300 on monthly groceries, 231 spent more than \$500, 125 spent \$100-200, while 18 respondents said they only spent \$50-\$100.

Data from [Statistics Canada](https://www150.statcan.gc.ca/n1/pub/25-000-x0001-2023001-eng.htm) show that despite having the prices of groceries go down by 0.4% in August 2023 (vs July 2023), prices remain elevated.



Average Transportation Cost

Optional - 525 Respondents

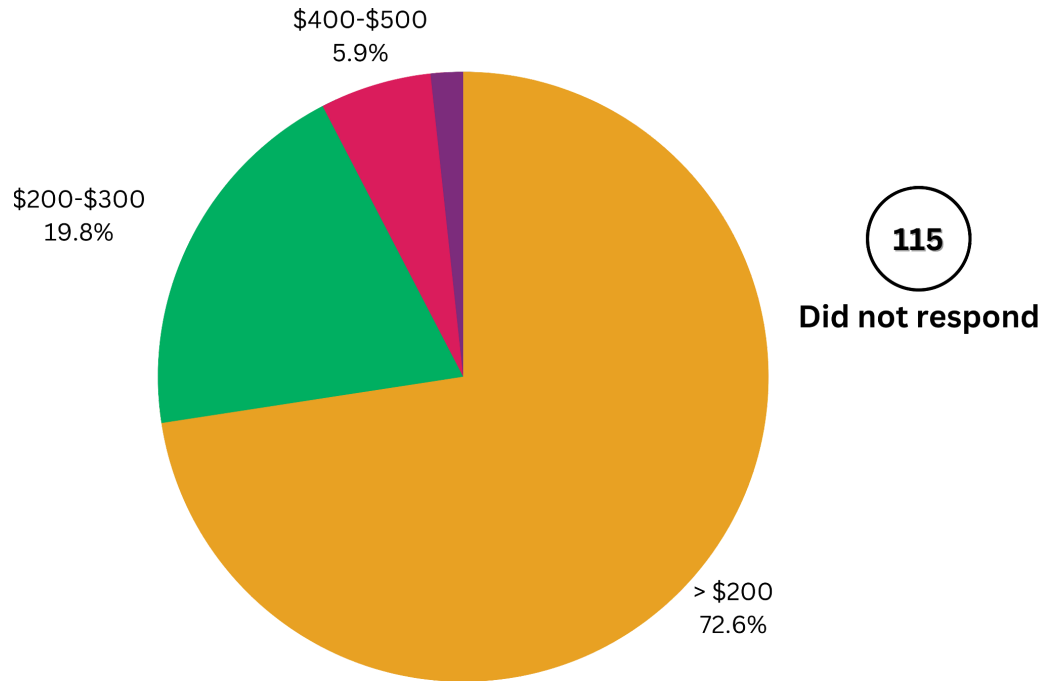


Figure 9: Distribution of Respondents based on Average Transportation Cost

Regarding average monthly transportation expenses, the survey revealed that 381 respondents spend under \$200, 104 allocate \$200-\$300, 31 fall within \$400-\$500, and 9 exceed \$500. It's noteworthy that 93 didn't respond.



Average Personal or Household Debt

Optional - 473 Respondents

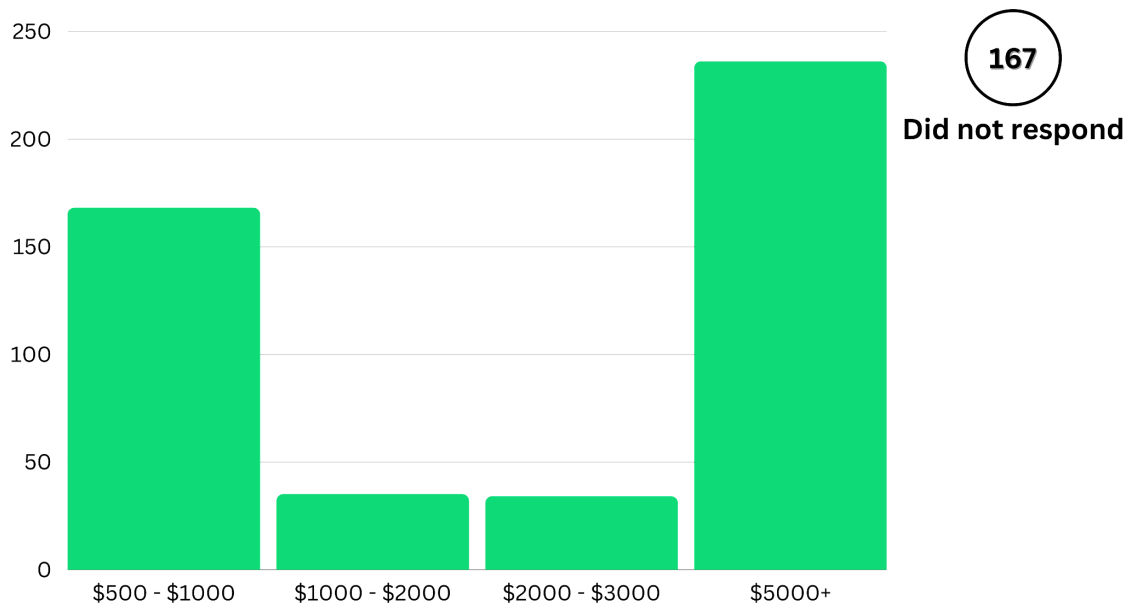
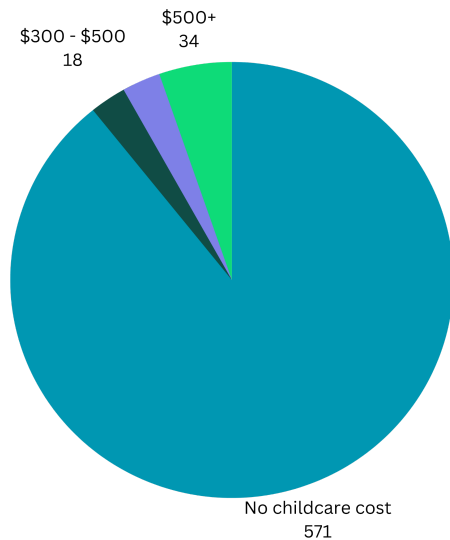


Figure 10: Distribution of Respondents based on Personal/Household Debt

Out of the surveyed participants who did answer, 236 reported an average personal/household debt exceeding \$5,000. Another 168 indicated debts between \$500 - \$1,000, while 35 and 34 respondents fell within the \$2,000-\$3,000 and \$1,000-\$2,000 ranges, respectively.

Average Childcare Cost

640 Respondents

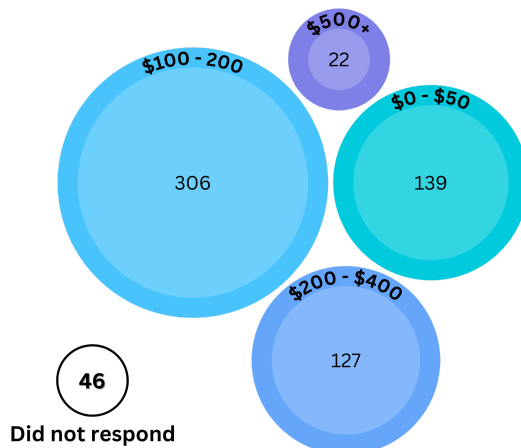


As previously mentioned, the GSA recognizes that a significant number of graduate students are parents. 10.9% (n=69) reported spending over \$200 on childcare, while a vast majority, 89.1% (n=566), indicated they had no childcare expenses.

Figure 11: Distribution of Respondents based on Average Childcare Cost

Cost for Leisure and Lifestyle

Optional- 594 Respondents



In response to the question on approximate leisure and lifestyle expenditures (e.g., restaurants, movies, online subscriptions, recreation), the data revealed: 139 spend \$0-\$50; 306 allocate \$100-\$200; 127 earmark \$200-\$400; 22 spend over \$500; and 46 offered no response.

Figure 12: Distribution of Respondents based on Average Leisure and Lifestyle Cost



Financial Support

640 Respondents

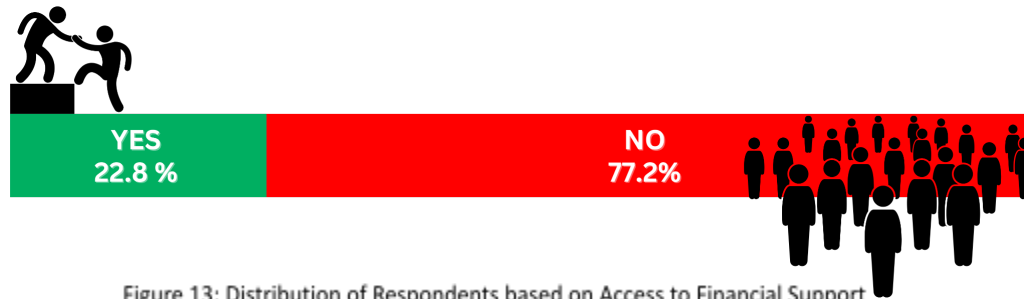


Figure 13: Distribution of Respondents based on Access to Financial Support

Out of the respondents, 494 stated they did not receive financial support from friends or family, while 146 confirmed they did.

Food Bank Usage

640 Respondents



Figure 14: Distribution of Respondents based on Usage of Food Banks

Of the 640 respondents surveyed about their use of food banks, 216 confirmed they are seeking food bank services, while 424 had not. Of the affirmative responses, 200 identified the specific food banks they've accessed.

The majority, with **over 190 respondents**, relied on the **U of A Campus Food Bank**. A smaller group, fewer than 10, sought assistance from alternative sources such as the Edmonton Food Bank, religious-affiliated food banks, or food banks at other universities. The remaining 16 did not specifically identify where they get their food bank services from.

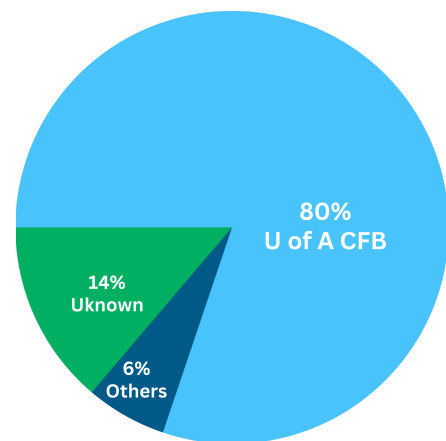


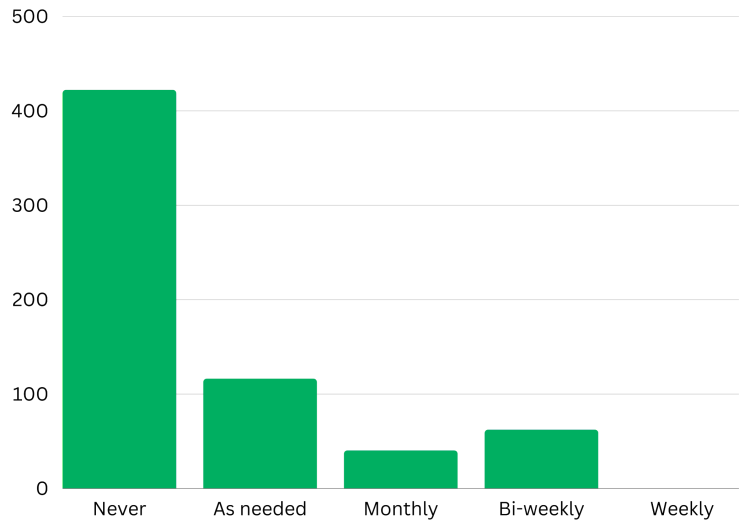
Figure 15: Breakdown of Food Bank Services Accessed by Students



Frequency of Food Bank Access

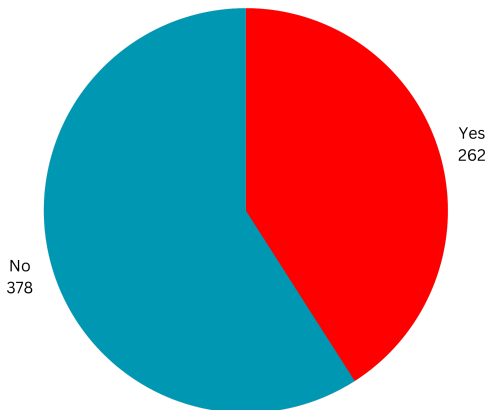
640 Respondents

Out of the respondents, 422 reported that they have never used food bank services. However, among the 216 respondents who provided details on their frequency of food bank usage, 116 access it only when necessary, 40 utilize the service monthly, and 62 visit bi-weekly.



Consideration of Dropping Due to Financial Reasons

640 Respondents



A staggering 40.9% of respondents have revealed that they have thought about dropping out of their programs to work or save money due to the cost of living.

Figure 17: Distribution of Respondents based on Tendency to Drop Out



E. Analyzing Variable Interrelationship

The chi-square test of independence (also known as the chi-square test for association) is a statistical test used to examine if two categorical variables in a contingency table have a significant connection.

If the calculated value is less than or equal to the critical value, or if the p-value is less than the chosen alpha level ($p = 0.05$), there is enough evidence to conclude that there is an association between the two categorical variables. But if the value is greater than the alpha level, there's not enough evidence to suggest an association based on the data and the chosen significance level.

Specific to this report, we will be combining the following: Citizens and permanent residents – to be referred to as “domestic students”; PhD VS Masters (Course-based and Thesis-based).

Only variables that have significant association are included in this section.



Status x Debt Level

RESIDENCY STATUS	DEBT LEVEL					Row Total
	Did not answer	\$500-\$1000	\$1000-\$2000	\$2000-\$3000	\$5000+	
Domestic Students	64 (38.3%)	54 (32.1%)	9 (25.7%)	15 (44.1%)	186 (78.8%)	328
International Students	103 (61.7%)	114 (67.9%)	26 (74.3%)	19 (55.9%)	50 (21.2%)	312
Column Total	167	168	35	34	236	640

Figure 18: Contingency Table (Residency Status x Personal/Household Debt)

Our analysis of the student debt based on students' residency status showed that Domestic Students are approximately 6.86x more likely to incur debts over \$5000 than International Students. Furthermore, the odds of having debt in general are 2x higher for Domestic Students compared to International Students.

Domestic and international graduate students' financial experiences in Canada can vary greatly, notably in terms of tuition prices, financial assistance sources, and subsequent student debt.

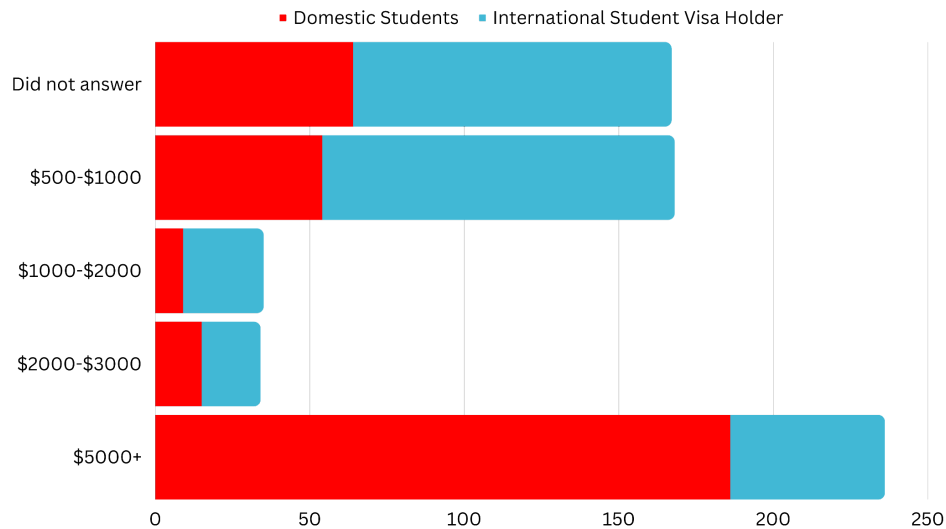


Figure 19: Comparative Stacked Bar Graph of Debt Levels by Residency Status



While the survey showed that domestic students might be more inclined to assume higher debt, there are several reasons that could explain these discrepancies.

- International students coming to Canada have to prove they have sufficient funds to cover tuition and living costs to get their visas. However, this doesn't mean they won't face money problems later. With the rising cost of living, limited work opportunities due to their status, or struggle with high international student fees, international students can often find themselves in a tight financial spot.
- International students often arrive in Canada without a local credit history, which is crucial for securing loans. This lack of credit history typically disqualifies them from accessing most provincial and federal government loans, which are commonly available to domestic students. Consequently, international students may seek loans from private providers, although such options are often limited and might carry less favorable terms.

A study from the [Canadian Science Publishing](#) corroborates these assertions, indicating that international students and members of historically underrepresented communities face heightened financial challenges compared to their domestic counterparts.

One reason domestic students might accumulate higher debt could be their familiarity with various education funding options. These students typically have easier access to and understanding of the process for securing government student loans as compared to international students.



Status x Food Bank Usage

RESIDENCY STATUS	FOOD BANK USAGE		Row Total
	YES	NO	
Domestic Students	44 (20.4%)	284 (70%)	328
International Student	172 (79.6%)	140 (30%)	312
Column Total	216	424	640 (100%)

Figure 20: Contingency Table (Residency Status x Food Bank Usage)

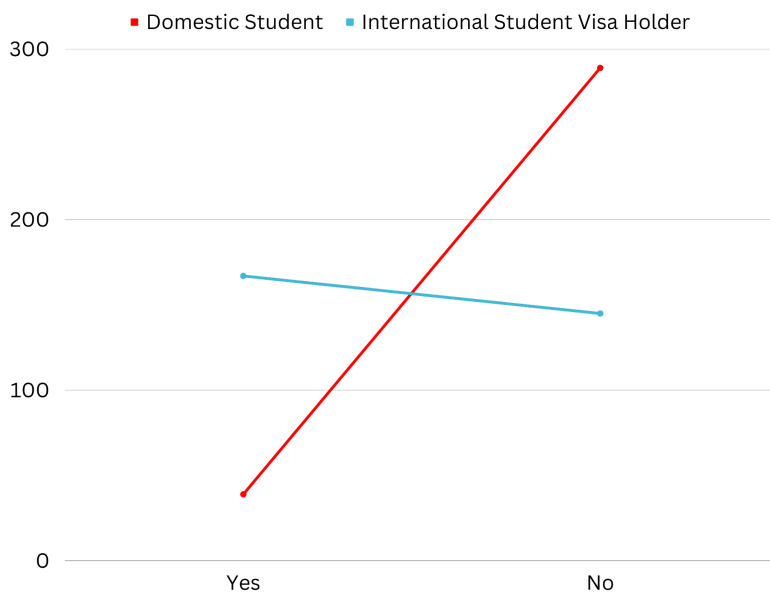


Figure 21: Depicting Trends in Food Bank Usage by Residency Status

Based on the calculations, the odds of international students using food banks are approximately 8x higher than that of domestic students. This significant difference suggests a strong association between student residency status and reliance on food banks.

A study conducted by the [University of Alberta's Campus Food Bank](#) found that 7 out of 10 users are international

students, and most of them are studying for graduate degrees. One reason could be that many international students don't have family nearby to help them when money is tight.

Moreover, consistent reports from [New Canadian Media](#) s, reflecting observations across various Canadian universities, underscore the prevalence of food insecurity predominantly among international students. This evidence highlights the persistence of significant financial challenges experienced by international students.



Status x Housing Cost

RESIDENCY STATUS	MONTHLY HOUSING COST				Row Total
	\$0 - \$1000	\$1000 - \$1500	\$1500 - \$2000	\$2000+	
Domestic Students	96 (38.1%)	112 (49.1%)	68 (70.8%)	52(81.3%)	328
International Student	156 (61.9%)	116 (50.9%)	28 (29.2%)	12(18.8%)	312
Column Total	252	228	96	64	640 (100%)

Figure 22: Contingency Table (Residency Status x Housing Cost)

Based on the calculations, international students are more likely to fall into the lower housing cost categories than domestic students to incur higher housing costs.

Results show that International Student Visa Holders are more likely to look for cheaper housing as compared to domestic students. Some reasons we see why this happens is because given the higher tuition fees for international students and potential exchange rate issues, they might budget more conservatively for housing.

In addition, a [study on housing challenges faced by postgraduates](#) in universities in Toronto showed that international students are more likely to live in shared accommodations or experience predatory practices from landlords just to cut costs for housing.



Housing Cost x Tendency to Drop Out

MONTHLY HOUSING COST	TENDENCY TO DROP OUT		Row Total
	YES	NO	
\$0 - \$1000	93 (35.5%)	159(42.06%)	252
\$1000 - \$1500	88 (33.59%)	140 (37.04%)	228
\$1500 - \$2000	46(17.56%)	50(13.23%)	96
\$2000+	35(13.36%)	29(7.67%)	64
TOTAL	262	378	640

Figure 23: Contingency Table (Housing Cost x Tendency to Drop Out)

The results suggest a positive association between the amount spent on housing and the likelihood of considering dropping out, with higher housing costs linked to a greater tendency to think about discontinuing studies. Students spending over \$2000 show the highest likelihood of contemplating dropping out.

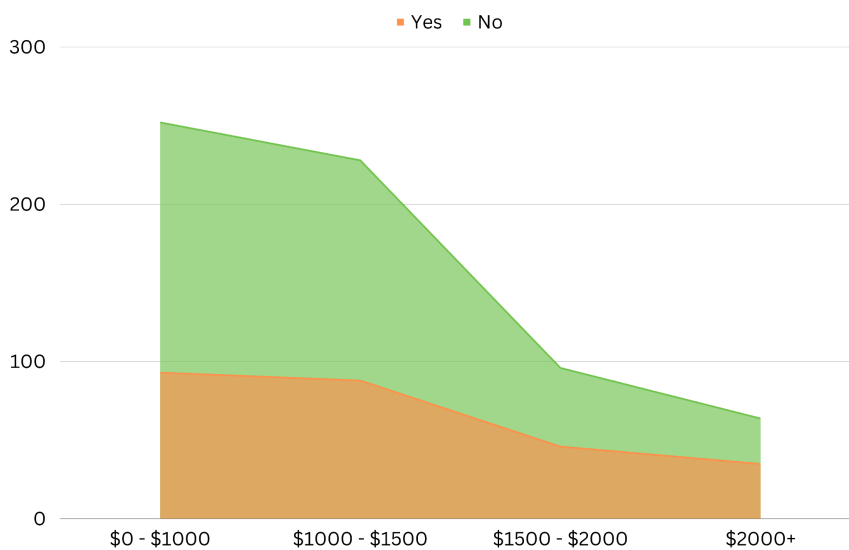


Figure 24: Stacked Area Chart on Dropout Tendencies Based on Average Monthly Housing Costs

With rising housing costs, respondents spending more than \$1,500 are more likely to consider dropping out of their programs. Given the prevailing [housing crisis impacting university students](#), a primary factor behind such considerations is the financial strain from the nationwide housing challenges. This stress might drive students to

prioritize full-time employment over continuing their studies.



Program x Tendency to Drop Out

Program	Tendency to Drop Out		Row Total
	Yes	No	
PhD	139 (53.1%)	168 (44.4%)	307
Masters	123 (46.9%)	210 (55.6%)	333
Column Total	262	378	640 (100%)

Figure 25: Contingency Table (Current Program x Tendency to Drop Out)

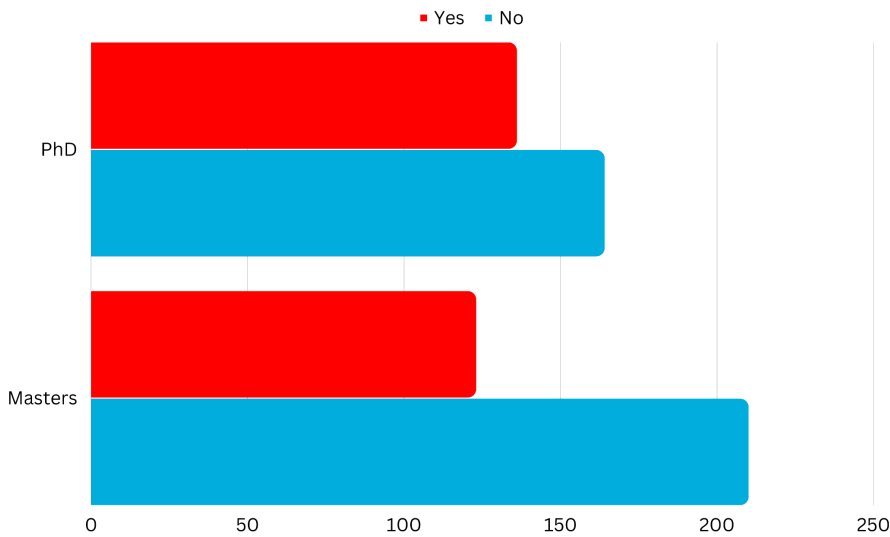


Figure 26: Row Chart on Dropout Tendencies by Current Graduate Program

The results suggest that PhD students are 1.41x more likely considering dropping out compared to Master’s students. Factors contributing to this include the longer duration of PhD programs which means extended tuition and associated expenses. Additionally, the rigorous research demands, particularly during the dissertation stage, coupled with current financial strains from rising tuition

fees and inflation, further intensify the pressure. In situations with limited or depleted funding, students may also be more inclined to discontinue their studies.



F. Qualitative Responses

Responses collected from the survey are collectively summarized due to similarities in overall responses. Natural language processing machine learning (ML) model was used to analyse these free text responses.

Based on the survey, 90.7% of the respondents have had a range of effects on the respondents' cost of living, from modest adjustments to substantial challenges:

“In addition to my part time job, I've had to start doing side hustles such as tutoring, plasma donation, etc.”

Impact on Groceries and Dietary Habits: Respondents mentioned that the increased tuition costs have impacted their ability to afford groceries. Some are buying fewer groceries due to the rising costs, leading to changes in dietary habits such as reduced meat consumption, reliance on sales, resorting to donated food, and use of food banks.

Housing Challenges: The increased tuition costs have exacerbated existing burdens on students, especially those already facing increased rent and living expenses. Some have been compelled to search for cheaper accommodations due to the lack of a stipend increase.

Financial Assistance and Loans: Respondents are resorting to various financial strategies to cope with the increased costs. This includes borrowing from relatives, seeking bank loans, and applying for more student loans. Additionally, some are working additional jobs to meet their monthly expenditures.

Impact on International Students: International students are particularly affected due to their limited earnings and the higher burden of living costs. The increased tuition further compounds their financial challenges.

“Skipped meals, restrictions on entertainment, general reduction in quality of life (consideration of self-harm)”

Strict Budgeting and Lifestyle Changes: Respondents are experiencing difficulty in budgeting and managing expenses. Some mentioned that they are becoming more stringent in handling their income and savings in order to cope with rising prices.

Health and Well-being: Affording essentials such as medical treatment and childcare has become difficult for some. There's a notable impact on mental health, with stress resulting from not being able to afford extracurricular activities and leisure.

Academic Impact: The financial strain has impacted academic pursuits and quality of life. The increased tuition costs are leading to difficult decisions for some respondents, such as the dilemma of choosing between finishing their degree sooner, taking on part-time work to delay graduation due to financial constraints, or dropping out of their programs.

Additional analysis was done on the students' comments to gain more insights based on educational qualifications, student status in Canada, degree types, and an emotional and psychological analysis using the Linguistic Inquiry and Word Count (LIWC) method.

Based on Degrees : The word cloud provides a visual representation of the frequency of words used by students enrolled in Ph.D., Masters - Course based, and Masters- Thesis based.

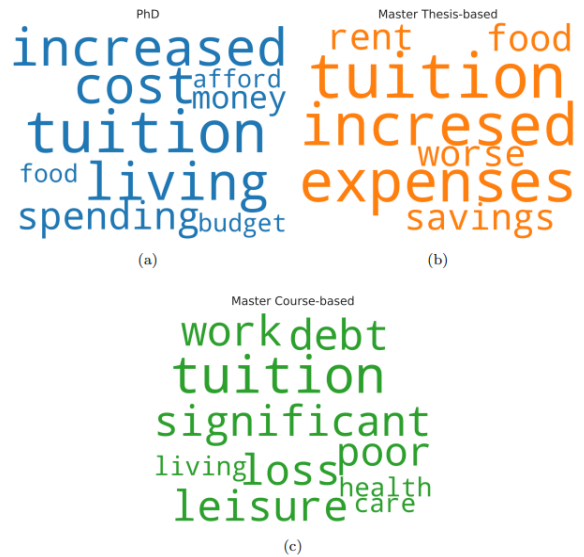


Figure 27: Word Cloud based on Current Degrees

Based on Citizenship Status: Next is the word cloud that represents the different topics highlighted by the resident students, whereas Figure 29 displays a word cloud that represents the different topics highlighted by the international students in Canada

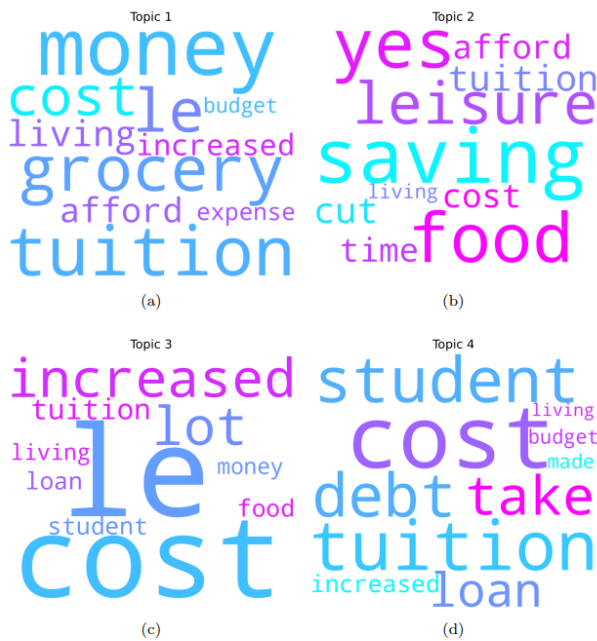


Figure 28: Word Cloud for Domestic Students in Canada

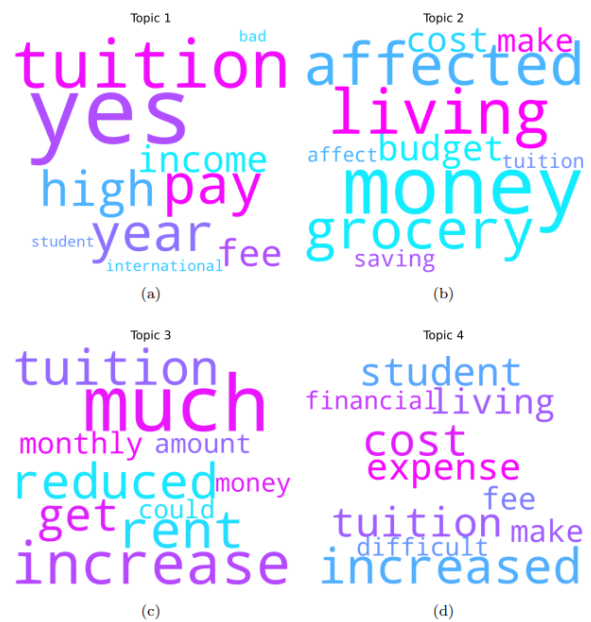


Figure 29: Word Cloud for International Students in Canada

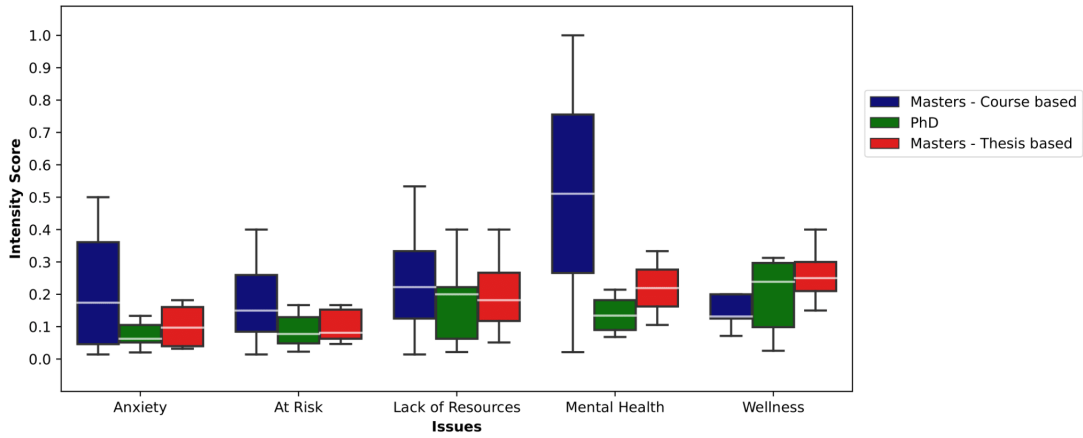


Figure 30: Emotional and Psychological Analysis

“I worked up until the day before I gave birth to try and make ends meet. It is a major source of stress for me and my family. It’s not just tuition that has increased, but work doesn’t pay more.”

Emotional and Psychological Analysis: The LIWC analysis vividly highlights the profound impact of rising tuition costs on students. Not only does it strain their cost of living, but it also significantly influences their mental well-being, elevating levels of anxiety and impeding their ability to afford essential resources. This psychological impact appears to be more significant in the master's-course based cohort of students.

A small proportion of students (9.3%) reported a minimal impact of increased tuition fees on their overall cost of living, with some not perceiving any immediate effect or not noticing the increase. This group primarily consists of first-year students who might not be able to accurately assess the financial impact at this early stage of their studies.

Pressured But Manageable: Other respondents mention experiencing some pressure due to the increased tuition costs but still being able to manage their cost of living. This indicates a moderate impact on their finances. Some feel that the tuition increase was manageable for them this year.



G. Summary

In summary, tuition fees and living costs are climbing, presenting significant challenges for the students in our survey. Most students are trying different financial strategies to handle these growing costs. Although a small group is managing okay, most are facing daily financial pressures, with students in Masters course-based programs feeling particularly anxious.

The inflation in Canada over the past year was 6.8%, and it's expected to rise by an additional 3.9% in 2023 ([IMF, 2023](#)). This price increase is a main reason why students' average spending per month is going up, especially when you compare what they spend in 2023 to what they spent in 2022. The higher prices are impacting everything from the cost of groceries and housing to tuition fees, leading to an increase in students' monthly spending.

At the same time, the growing housing crisis is making students' financial situations even worse. Even though more international students are expected to come to Canada for their studies, there are no solid plans in place to help them find affordable housing. The GSA does not support limiting the number of international students and suggests finding different solutions that won't limit opportunities for these students in the future.