

# The high cost of a post-secondary education and how students can pay for it



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5 COMMENTS

Hi, I'm Jack Denton, a summer staffer with The Globe and Mail and a student at the University of Toronto. I'm filling in for Rob this week while he's on holiday. Today, I'm writing about the cost of a university education and how students can pay for it.

A recent article got me thinking about just how much my education at U of T has really cost me. Tuition, books, rent, furniture and living expenses, it all adds up quickly.

If you're lucky, your parents or other family members will contribute. Part-time or summer jobs, as well as RESP savings, can cover part of the cost. But one of the major ways students like me finance school is through a combination of student loans, which involves going into debt, and grants.

Statistics Canada's data on student debt is a bit outdated, but as of about 10 years ago approximately 50 per cent of undergraduate students financed their education with debt. If you need to borrow money to pay for school, that's totally okay – but before you take the plunge be sure you understand exactly how much you'll need to borrow, what the borrowing conditions entail and how you're going to pay it back. This is a good, broad and basic guide to student loans in Canada that includes information on individual provinces and repayment guides.

Depending on a number of factors such as your parent's income and your own income and savings, you may be eligible for federal or provincial financial aid, including loans. These programs have more flexible debt forgiveness than banks, and there is a six-month, interest-free period for repaying federal loans, which kicks in right when a student graduates.

When you apply for financial aid you'll also be considered for grants. In my opinion, it's worth applying to see if you qualify for financial aid, which varies widely from province to province, just to see what, if any, grants you're eligible for.

If you don't qualify for government-backed loans, you can try to take out a student line of credit at a bank. The downside to this is that you won't get great borrowing rates and will have to start paying back your loan as soon as you graduate. No grace period there.

Be ready to dive head-first into bureaucracy, though. Last year, a typo on my own government student loan application forced me to start the process from scratch, leading to a bureaucratic nightmare that resulted in my student loan funds arriving six months late and two months after I'd finished exams. My advice? Apply early, steel yourself for bumps and, when in doubt, grit your teeth and pick up the phone to get through to a real person who can answer your questions.

Another way to pay for school are scholarships through your school or third parties. There are literally thousands of scholarships available in Canada, from basic entrance scholarships at your institution of study to niche awards granted based on financial need, field of study, and if you meet certain other requirements (for instance, if you identify as part of a group under-represented in university).

But you'll have to look for them. Be sure to browse your faculty and program's web pages for information on scholarships and grants – shocker: they could be hidden – or even ask if any of the clubs or teams you're a part of have awards. This advice goes beyond personal finance, but it's crucial to understand that so much of what's important about university is outside of the classroom. Through my involvement in a small literary journal at U of T I was eligible for a non-negligible cash leadership award... but that was never the reason I got involved.

I haven't used this myself, but I have a few friends that have found real success (and that means money to help pay for school and living expenses) using the Scholarships Canada search tool, which allows you to customize your search for money to fit your profile as a student.

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