

# Institutional Student Financial Grants in Ontario

# report

By the Educational Policy Institute



Higher Education  
Quality Council  
of Ontario

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## Introduction

Canada has a very large system of publicly funded student financial assistance; by some estimates, over \$6 billion each year is distributed by governments in loans, grants, loan remission, tax credits and scholarships (Berger, Motte, and Parkin, 2007). But parallel to this large system of government aid is another system of grants and scholarships provided by institutions themselves. Prior to World War II, the institutions would have been the “senior partners” in the aid game;<sup>1</sup> now, however, they are very much the junior partners. With recent estimates suggesting that institutions provide something in the range of \$600 million a year in grants to undergraduate and graduate students (Canadian Association of University Business Officers, 2007), institutions are now outspent by governments roughly ten to one.

However, institutional grants – particularly to undergraduates – take up a lot of space in our collective discussions about postsecondary education and access. Few parents do not dream of their child getting a scholarship or award to help them pay their educational bills. Few, too, are the university presidents who have not heard students clamouring for more need-based grants to reduce student debt or to top up government assistance packages that, for whatever reason, are seen to be inadequate for a student’s circumstances.

Institutional grants are of particular importance in Ontario, where institutions have tended to spend much more than the national norm on this type of assistance to students. A 2001 survey suggested that 80 per cent of all need-based aid and 50 per cent of all merit-based awards that were allocated to undergraduates in Canada came from institutions in Ontario (Junor and Usher, 2002). This result was attributed to a number of provincial policies (e.g. tuition set-asides, Ontario Student Opportunity Trust Fund, etc.) that were deliberately designed to increase institutional responsibility for providing student aid.

This paper was commissioned by the Higher Education Quality Council of Ontario (HEQCO), an agency of the Government of Ontario created by an act of the Ontario Legislative Assembly in 2005. HEQCO is tasked with enhancing all aspects of postsecondary education including quality, access, and accountability. HEQCO seeks to understand issues facing the Ontario postsecondary system, and set targets and goals for the province to enhance the quality and access to postsecondary education. Understanding the issues facing postsecondary education will enable HEQCO to advance postsecondary research in the province and prepare all stakeholders for the challenges and opportunities ahead.

The purpose of this paper is to shed light on institutional grants in Ontario. To do so, HEQCO posed the following research questions:

- What is the total amount of student assistance funding provided by Ontario institutions?

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<sup>1</sup> According to the *Canadian Encyclopedia*, some form of financial support to needy postsecondary students has been available in Canada for many years. Until 1939 this primarily took the form of privately funded assistance from universities and colleges to students with high scholastic achievement. The foundation of a national coordinated policy for student assistance began in a modest way with the federal government’s passage of the Dominion-Provincial Student Aid Program in 1939. All provinces had joined the plan by 1944.

- What are the sources of these funds (i.e. donations, Ontario Student Opportunity Trust Fund, the tuition set-aside, operational budgets)?
- Who are the intended targets of these funds (i.e. graduates or undergraduates)?
- What are the distribution criteria of these funds (i.e. need, merit)?
- How are these funds used in recruitment activities of institutions?
- What are the possible areas for future research, policy development or data collection?

Through our research, the Educational Policy Institute (EPI) attempted to answer these questions through a combination of quantitative data analysis of information obtained from postsecondary institutions and qualitative interviews with key officials at institutions throughout the country (see methodology section, below). As well, we incorporated information and findings gleaned from a review of relevant literature, although most of the sources used are from the United States.

The initial project as set forth by HEQCO called for a survey of Ontario's universities and colleges. However, thanks to support from other organizations interested in conducting similar work including the Canada Millennium Scholarship Foundation (CMSF) and the Canada Student Loans Program (CSLP), we were able to expand this research to include a larger number of institutions, which cover a wider geographic range as well as a vaster array of institutional types and sizes, including both universities and colleges. We were not, however, able to provide a full census of all postsecondary institutions in Ontario or in Canada as not all institutions chose to participate in the study.

## Research Methodology

Prior to beginning the project, we began with an environment scan, through which we were able to fully examine what research has been conducted in Canada on the issue of student financial aid and merit scholarships. From the research, we were able to identify knowledge gaps that exist on the subject and craft both a qualitative and quantitative survey that attempted to fill in information gaps on institutional student financial grants.

Based on the classifications noted below in both the need and merit sections, EPI created a data collection instrument that was distributed to Ontario universities and colleges as well as to other institutions across Canada. This survey instrument was introduced into the field in early July 2007, and is attached to this document as Appendix A. At the same time, we also developed an interview guide (see Appendices B and C), which was used to conduct a series of interviews with student financial aid and registrar officials at institutions. The goal of these interviews was to gain insight into the trends in the provision of institutional student grants, on institutional goals in the provision of this funding (in particular the use of merit awards in the recruitment process), and the demographics of students served by institutional aid and awards. While HEQCO only requested that financial aid administrators be surveyed, additional information obtained through other research has been included in the report.



## Terminology in the Paper

In this paper, we use the term “grants” when referring to the general category of institutional student financial aid and scholarships, regarding both need-based aid and merit awards. In the United States, this type of funding is referred to as “institutional aid.” However, in Canadian postsecondary terminology, “aid” usually refers to need-based assistance and “award” or “scholarship” refers to merit-based funding.

When discussing need, we use the terms “need-based aid” as well as “financial aid” or “assistance,” and use these terms interchangeably. When discussing merit, we use the terms “scholarship” and “award,” and use these terms interchangeably.

Ontario institutions contribute considerable sums of money toward various types of merit awards, but these awards can vary by both duration and selection criteria. In this paper we will refer to the following types of awards: entrance, in-course, renewable, non-renewable, automatic academic, competitive academic, athletic, and talent.

*Entrance Awards* are given to students who are about to enter their first year of study at an institution. In order to receive an entrance award, a student must demonstrate achievement or aptitude throughout their high school career in categories such as, but not limited to, academics, athletics, leadership, and community service. Institutions tend to have different selection processes for these entrance awards. These awards may either be *renewable* or *non-renewable*.

*Renewable Entrance Awards* are multi-year awards students can receive upon entering university. In most cases, renewal of the award is contingent upon achieving prescribed academic standards after each year of study. The academic requirements to renew an award are mentioned during most recruitment events and in public relations materials. Furthermore, students are reminded of the academic obligations for renewal during orientation and other first-year gatherings, as well as through e-mail reminders around midterms and finals. As we shall see, renewable entrance awards tend to be used as a recruitment tool for particularly promising students. Generally speaking, they are much more valuable and prestigious than non-renewable entrance awards.

*Non-Renewable Entrance Awards* are distributed to students for a single year of study only. At most institutions, non-renewable awards constitute the majority of awards offered. The majority of the non-renewable entrance awards are given to students who obtain an academic average below 90 per cent.

*In-course awards* are offered to students who are entering their second, third, fourth or fifth year of study. The criteria for in-course awards are similar to entrance awards. Students who excel in academics, athletics, leadership or community service are eligible for both renewable and non-renewable in-course awards. These awards may be either renewable or non-renewable, but more frequently the latter.

Awards do not differ simply on the basis of their duration, but also on the criteria on which they are awarded. Most awards are purely academic in nature, which is to say they reward academic achievement measured solely through grades. The majority of these awards are known as *automatic academic awards*, which as their name denotes, are scholarships that are allocated automatically based on grades received (e.g. everyone applying to a university with an 85 per cent average gets \$1,000).



These differ from *competitive academic* awards, which tend to be awarded on a competitive rather than absolute standard and may take into account factors like the difficulty of the secondary school attended, notable academic achievements at secondary school, essays, etc. Generally speaking, while the former are more numerous, the latter are more prestigious, carry more money and are more likely to be renewable. They are also more complicated to administer as they often require the use of selection committees. Automatic awards can be handled entirely by computer.

Awards are also given for other reasons: some are given for performance in *athletics*, while others are given out for a special *talent* (usually but not exclusively in the performing arts). A final kind of award, and often the most prestigious with the largest dollars attached, is a scholarship that rewards excellence in both academics and some form of *extra-curricular* activity.

## Notes about the Data

As noted above, each participating institution was given a data instrument designed in consultation with student financial aid administrators. Regarding institutional grants, institutions were directed to *only* count aid and award funds that were controlled by their institution. Money that flowed to students through their institution from a third party (for example, the CMSF) was not counted in this sum. Institutions were also asked to exclude aid and awards their institution was responsible for adjudicating or administering, but for which it did not manage the fund from which the awards were disbursed (e.g. the pre-1995 Canada Scholarships program).

Because not all educational institutions collect information on the same yearly basis, we asked institutions to report figures on expended funds for the *latest 12-month period* for which figures were available and to indicate which 12-month period (e.g. May 2006 – April 2007) for which they were reporting and to note whether the period reported reflects their calendar year, academic year, or fiscal year. Most institutions reported figures for their fiscal year, while a handful reported for their calendar or academic year. In this report, all but one institution reported data from 2006-2007; this institution provided 2004-2005 actual values as it was the most recent year for which data was available.

Institutions were asked to provide dollar figures in connection with expenditures on awards made at their educational institution. We asked them to provide *actual* expenditure figures rather than *budgeted* amounts. If actual figures were not available for the latest 12-month reporting period, we asked them to give us budgeted or budget-estimate amounts.

Institutions were asked to fill out tables requesting the number of awards their institution allocated as well as the dollar value of disbursements made through these grants. These tables were divided according to two grant categories, *merit* and *need*. When answering these questions, we asked institutions to consider our definitions of the various terms, which we gave them and which are outlined below in the relevant sections. Institutional categorization of hybrid grants—those that combine aspects of both need and merit—varied. Some institutions counted them as need while others as merit, which they usually determined based on the source of funding. As such, in our data reporting, these grants could be included in the sums of either need or merit.

Institutions with more than one campus were asked to identify other campuses or satellites that were a part of the system, and were asked whether or not the information they were reporting covered those other campuses or not.

In order to weigh and supplement the data collected from institutions, we used institutional enrolment statistics taken from the Association of Universities and Colleges of Canada's website.<sup>2</sup>

In the regional comparison sections, Ontario institutions are compared to all other institutions in Canada. The Canadian calculation is done without the inclusion of the Ontario information.

## Limitations of This Paper

**It is critical to note that the information provided in this report does not represent a full census of all postsecondary institutions in Ontario or in Canada.**

While our goal was to survey all of the Ontario colleges and universities, not all institutions chose to or could participate in both qualitative and quantitative aspects of this research.

16 Ontario universities (or 84 per cent) participated in the qualitative aspect of the study. Additionally, we have included qualitative information from other institutions not in Ontario (representing approximately 14 financial aid administrators and 13 registrars), and we note where Ontario institutions answered differently than their counterparts in the rest of Canada. We also surveyed other research on financial grants and awards. All instruments used for other financial aid studies were identical to the instruments used in the HEQCO study.

With respect to quantitative data provided in this paper, 13 universities and five colleges reported data in Ontario. While these numbers seem low at first glance, the 13 universities that reported data comprise 78 per cent of the total undergraduate student population in the province. To assist in the regional comparison aspects of the paper, we have included data from an additional 18 universities and four colleges across the country. The 18 universities not in Ontario account for 60 per cent of the student population in Canada (excluding Ontario). Thus, the total sample reported in this paper accounts for more than 70 per cent of the total student population in Canada.

A detailed table that summarizes the institutions' participation in both the qualitative and quantitative aspects of this study can be found in Appendix D.

Since not all of the Ontario institutions returned data, the overall statistical profile of student financial aid is incomplete. Therefore, no aggregate figures are used in this report. Instead, the report will focus on averages, percentages, and values per full-time student.

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<sup>2</sup> These numbers are taken from the institutional profiles on the website at: [www.uacc.ca/can\\_uni/our\\_universities/index\\_e.html](http://www.uacc.ca/can_uni/our_universities/index_e.html), downloaded on March 14, 2008.

In addition, because far fewer colleges chose to participate in the survey than universities, their sample size is particularly small. As such, we open the paper with a brief pan-Canadian comparison of institutional financial aid and awards at colleges and universities, which highlights the myriad differences in spending on need-based and merit awards between the two types of institutions, the latter vastly outspending the former. Beyond this first section, only university figures are reported for both Ontario and Canada-wide numbers.

It is also important to highlight some limitations specifically regarding the data.

While the definitions in our data collection instrument were consistent with previous studies (Stephens, 2002; Gucciardi, 2004), not all institutions surveyed were able to provide us with the data according to the survey's specifications. This is understandable since we asked institutions to fit their in-house award categories to the different measurement specifications of the survey tool. The structure of the data survey was more of a problem for the colleges than for the universities. Hence, some information in the statistical profile is incomplete.

In addition to database issues, financial aid representatives consistently identified limited resources and technological challenges as further impediments. As such, not all of the Ontario institutions returned instruments, despite the fact that the surveys have been in the field since July 2007.

## Canadian Colleges versus Universities

Canadian universities allocate far more funding than colleges for both need and merit grants distributed to students. In terms of the total amount of money spent on need and merit in our sample, colleges account for four per cent of the total value. Moreover, colleges distribute significantly smaller average awards and grants per recipient.<sup>3</sup>

### Merit Awards at Canadian Colleges Compared to those at Universities

In the sample, universities distributed nearly all (97 per cent) of the total merit awards distributed by Canadian institutions in 2006-07. In dollar amounts, universities distributed more than \$140 million while colleges allocated \$4.3 million.<sup>4</sup>

While it is important to look at the total dollars spent on grants, the average merit award per recipient and average need-based grant per recipient draws a more accurate picture of comparison. The average award and grant offered allows for a better “apples to apples” comparison for each of the categories and sections. This holds true when looking at the average merit award per recipient for both colleges and universities.

As Figure 1 demonstrates, Canadian universities in the sample distributed an average award per recipient slightly more than \$1,600 while colleges offered an average award per recipient of slightly more than \$1,000.

Figure 1: Merit Awards at Canadian Colleges and Universities in the Sample

	University Respondents	College Respondents
<b>Total Dollars Allocated to Merit Awards</b>	\$144,147,719	\$ 4,318,864
<b>Average Award per Recipient</b>	\$ 1,615	\$ 1,016
<b>Dollars per Full-Time Student</b>	\$ 348	\$ 46
<b>Percentage of the Student Population that Received Merit Awards</b>	22%	5%

Of the institutions that reported data, universities distributed merit awards to 22 per cent of the overall student population. The surveyed colleges, on the other hand, provided merit awards to five per cent of the total student population.

<sup>3</sup> As noted in the methodology section, the sample size for the colleges is significantly smaller than the sample size of the universities. For the purposes of meaningful analysis and discussion, we will examine the differences between the colleges and universities in this next section but omit any college numbers from the regional section and institution type section.

<sup>4</sup> It should be noted that this vast discrepancy between the institution types is primarily due to the smaller sample size for the colleges.

## Need-Based Grants at Canadian Colleges Compared to those at Universities

In our sample, universities contributed significantly more money to need-based grants than colleges. For the 2006-07 year, universities distributed slightly more than \$140 million in need-based grants, which is substantially more than the colleges who distributed just over \$7 million annually in need-based grants, as shown in Figure 2.

Figure 2: Need-Based Grants at Canadian Colleges and Universities in the Sample

	University Respondents	College Respondents
<b>Total Dollars Allocated to Need-Based Grants</b>	\$ 141,209,278	\$ 7,762,903
<b>Average Grant per Recipient</b>	\$ 1,839	\$ 858
<b>Dollars per Full-Time Student</b>	\$341	\$83
<b>Percentage of the Student Population that Received a Need-Based Grant</b>	19%	10%
<b>Percentage of Tuition and Fee Costs Covered by Need-Based Grants</b>	41%	39%

Figure 2 indicates that universities allocated grants more than twice as large as those at the surveyed colleges. As well, universities provided a significantly higher portion of their student population with need-based grants. Nearly 20 per cent of university students received grants, while the surveyed colleges provided only 10 per cent of their student population with need-based aid.

However, when we look at average need-based grants by tuition and fee costs, we see a different picture: need-based grants at colleges covered 39 per cent of tuition and fees costs while those at universities covered 41 per cent of costs. The percentage of average tuition covered by need-based aid is nearly identical for both colleges and universities. In other words, average tuition and fees at Canadian colleges were significantly less than those at the university level.<sup>5</sup> The basic need calculation for student financial aid subtracts educational expenses from available assets and contributions, and if educational costs are substantially lower at a given institution, then it follows the resulting student financial need should be also smaller.

As such, it seems that both colleges and universities appear to be awarding need in proportion to cost so that more and higher-value grants are allocated where there are higher costs, a fewer, lower-valued grants awarded where educational expenses are relatively low.

<sup>5</sup> According to the most recent data available (from 2003-04), annual average college tuition and fees were approximately \$2,227 while those at universities were slightly less than twice that amount at \$4,500 (Junor and Usher, 2004).

## Concluding Remarks on Colleges Compared to Universities

When we directly compare institutional trends for need and merit at the institutions reporting data we find the following:

- For both need-based aid and merit awards, universities gave out higher average disbursements than colleges.
- Universities, in total allocations in the sample, spent more on merit awards than need-based grants, while the colleges contributed more money to need-based grants than to merit awards. On average, universities allocated higher amounts of need-based grants, while colleges gave out higher amounts of merit awards. As we note above, the latter is likely due to colleges costing less than universities, and thus, those institutions can cover students' costs with less money.

As noted earlier, the college sample was too small in this research to make further generalizations about the state of student grants give out by those institutions. As such, college numbers are excluded from the remaining sections of this paper.

Before moving forward with the remaining analysis of just the universities, a few additional comments should be made about the data collection for colleges and universities. As noted in the limitations section of the paper, data collection was not easy for either type of institution. The primary obstacles for data collection were institutional human resources and terminology barriers. For the colleges, the latter was more common than the former due to the fact that colleges in Ontario often split the responsibilities of awards and grants into several departments while universities tend to structure both awards and grants into one central office. The structural difference between the two institutional types made it more difficult to receive completed surveys from colleges than universities. In addition, these structural differences caused confusion with regard to the terminology of awards and grants. Each department referred to awards differently, and the data survey did not mesh well with the nuances of the college awards and grants architecture. Any future work on financial assistance at colleges must include a new instrument that takes into account the administrative nuances of these institutions.

## Undergraduate Merit Awards

Despite their long-standing use in Canadian postsecondary education, there is very little literature on the history of merit awards. However, two relatively recent papers shed some light on the role of these grants in Canadian higher education in the 21<sup>st</sup> Century.

A 2001 survey of Canadian postsecondary institutions showed that approximately 10 per cent of students at all postsecondary institution types received merit awards, which averaged slightly more than \$1,300 per student (Stephens, 2002). Gucciardi (2005) found that the largest portion of university undergraduate merit scholarship dollars was given in the form of one-time entrance awards. In addition, her research showed that approximately 67 per cent of merit awards were given out on the basis of academic achievement, both automatically and competitively, and often based on secondary school grades.<sup>6</sup>

This section looks at undergraduate merit awards at Ontario universities compared with those allocated by universities in the rest of Canada. This section does not include information about colleges, either in Ontario or the rest of the country. This section also analyzes merit awards for institutions that responded to the research questionnaire. As such, it explores the findings for Ontario respondents and those from the rest of the Canada, and should not be considered a census of all institutions in the country.

### Merit Awards Overview

In the current study, Ontario universities reported distributed approximately \$70 million in merit-based awards. On average, Ontario institutions provided merit awards to 21 per cent of the student population. The average award was just shy of \$1,600, and merit expenditures per student were \$312, as shown below in Figure 3.

Figure 3: Merit Awards in Ontario and the Rest of Canada

	Ontario Respondents	Rest of Canada Respondents
<b>Average Merit Award per Recipient</b>	\$1,583	\$1,644
<b>Average Merit Award per Full-Time Student</b>	\$312	\$353
<b>Percentage of the Student Population that Received a Merit Award</b>	21%	22%

Overall, in terms of average merit award levels and the percentage of the student population that received a merit award, Ontario institutions stacked up fairly evenly with those in the rest of Canada.

<sup>6</sup> Both automatic academic and competitive academic awards are included in this percentage.



## Merit Award Types

Given that Ontario and the rest of Canada provide almost identical average values of merit awards, it is important to delve deeper into how Ontario institutions allocate merit awards compared to other jurisdictions in this study. We begin with an examination of the criteria and duration of the merit awards. In this section we will refer to the following types of awards: entrance, in-course, renewable, non-renewable, automatic academic, competitive academic, athletic, and talent. The definitions for each of these merit award types can be found above.

Ontario institutions that participated in this research offered, an average, \$1,680 entrance awards per recipient, as noted below in Figure 4.

Figure 4: Entrance Merit Awards in Ontario and the Rest of Canada

	Ontario Respondents	Rest of Canada Respondents
<b>Average Entrance Award per Recipient</b>	\$1,680	\$1,774
<b>Average Entrance Award per Full-Time Student</b>	\$187	\$144
<b>Percentage of the Student Population that Received an Entrance Award</b>	11%	8%
<b>Percentage of First-Year Students that Received an Entrance Award<sup>7</sup></b>	55%	41%
<b>Percentage of First-Year Students that Did Not Receive an Entrance Award</b>	45%	59%

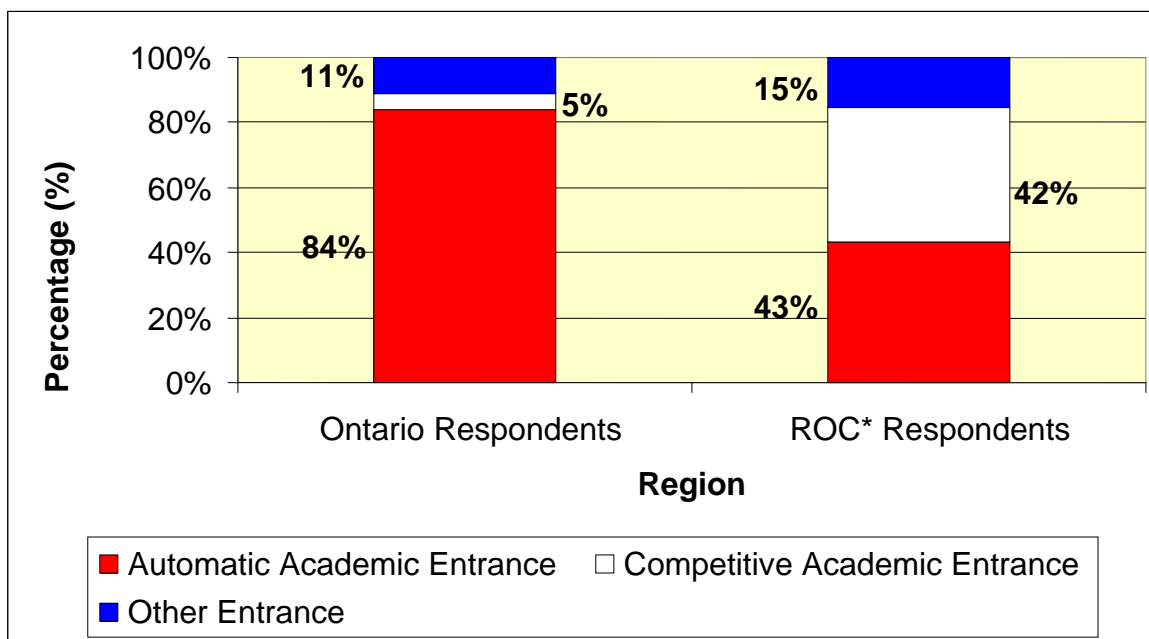
While Ontario institutions offered an average entrance awards per recipient value nearly \$100 smaller than the rest of Canada, the average award per full-time student was more than \$40 larger than those in the rest of Canada. However, the significant difference between Ontario institutions and those in the rest of Canada with respect to entrance awards is the percentage of the first-year student population that receives an award. Of the institutions who reported data, Ontario institutions provided 59 per cent of the first-year student population with an entrance award while institutions in the rest of Canada provided 45 per cent of their first-year students with awards.

Overall, Ontario allocated entrance awards to a higher percentage of their students. However, to properly understand this figure, it is important to break it down to reveal the different types of entrance awards offered. As stated earlier, the difference between the automatic academic awards and competitive academic awards is the selection process. Automatic academic awards do not require an application or a selection committee to grant an award. Rather, the academic achievement of a specified academic standard dictates both the provision of an award and its value.

<sup>7</sup> Statistics on student enrolment by year of study are not readily available in Canada. However, we approximated the percentage of the first-year class that received an entrance award by dividing the total university enrolments by five.

Figure 5 demonstrates that the vast majority of entrance awards offered by Ontario institutions are automatic academic scholarships.

Figure 5: Breakdown of Entrance Merit Awards in Ontario and The Rest of Canada



\*ROC refers to the rest of Canada

In comparison with institutions in the rest of Canada, the number of automatic academic merit awards offered by Ontario institutions in the sample is significantly higher. Approximately nine of every 20 entrance awards in the rest of Canada are automatic academic as compared to 17 out of every 20 entrance awards at Ontario institutions.

These findings suggest that Ontario institutions offer more automatic academic awards than the rest of the country. Perhaps this indicates the ease of providing this kind of award. They are automatically awarded to prospective students based on their high school grades and easily calculated when final high school grades are sent to the institution. In other words, institutions can quickly calculate and distribute automatic academic, using their computer systems; no essays or applications are necessary for these automatic academic awards as are required in many other types of merit awards, as detailed in the definitions section at the beginning of the paper. The emphasis on automatic academic award in Ontario, and the streamlined administration of awards that results, allows Ontario universities to distribute more awards to entering students, even for institutions with high applicant and enrolment numbers.

In addition, automatic awards act as a guarantee of financial reward for certain students. This allows institutions to use these awards as a marketing tool as there is no ambiguity or uncertainty in the distribution of the award. Competitive awards offer no such assurances.

The duration of merit awards is another angle through which Ontario institutions can be compared to

those in the rest of Canada. As noted above, duration refers to whether or not awards are renewable for more than one year of study. Of the institutions that reported data for this study, the average renewable award per recipient was greater in Ontario than the average non-renewable award per recipient as shown in Figure 6.

Figure 6: Renewable and Non-Renewable Awards in Ontario and the Rest of Canada

	Ontario Respondents	Rest of Canada Respondents
<b>Average Non-Renewable Entrance Award per Recipient</b>	\$1,689	\$1,639
<b>Average Renewable Entrance Award per Recipient</b>	\$1,737	\$2,624
<b>Percentage of Awards that are Non-Renewable</b>	50%	86%
<b>Percentage of Awards that are Renewable</b>	50%	14%

Clearly, Ontario differs from the rest of the country in terms of the duration of entrance awards. While institutions in the rest of Canada provided a significantly higher renewable entrance award per recipient than Ontario, Ontario institutions offered awards to a much higher percentage of their student body. In fact, half of the awards offered by Ontario institutions were renewable compared with only 14 per cent for other institutions. This emphasis could be indicative of the competitive nature of entrance awards between jurisdictions. A longer award duration is an excellent strategy to increase the profile of an entrance award over a similar offering at a rival institution

In-course awards, or those that are offered and distributed to students after their first year of study, are another type of merit award explored in the research. As Figure 7 shows, institutions in Ontario hand out similar levels of awards to the same percentage of their student population as institutions in the rest of the country, both of which are about \$200 less than their average entrance award levels.

Figure 7: In-Course Merit Awards in Ontario and the Rest of Canada

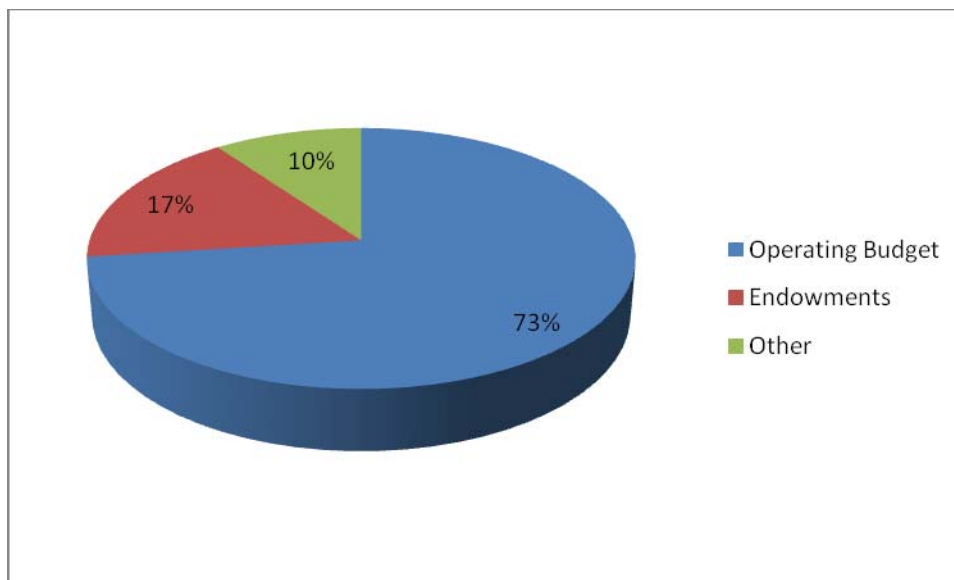
	Ontario Respondents	Rest of Canada Respondents
<b>Average In-Course Award per Recipient</b>	\$1,457	\$1,439
<b>Percentage of the Student Population that Received an In-Course Award</b>	9%	10%

## Sources of Funds for Merit Awards

As part of the survey, Ontario institutions were asked to report the sources of funding for merit awards as well as the approximate percentage of total dollars originating from operating budgets, endowments, and other sources. The primary source of merit funding in the province is institutional operating budgets, as

shown below in Figure 8.

Figure 8: Sources of Merit Funding in Ontario



Source	Per cent of Provincial Total	Institutional Range
<b>Operating Budget</b>	73%	0%-97%
<b>Endowments</b>	17%	1% -46%
<b>Other</b>	10%	0%-60%

While the provincial average of merit dollars originating from operating budgets was 73 per cent, the range between institutions varied quite significantly. This variance is likely due to one outlier in the survey, an institution where none of its merit funds were derived from the operating budget.

The smallest percentage of merit funds comes from “other” sources. Institutions were asked to cite the “other” sources of funding and annual giving was listed as the source of most of the “other” dollars. Like endowment funding, this money comes from donations. But because annual gifts cover one year of distribution there is no guarantee that the donor will continue to give each year.

The largest portion of merit dollars comes from the operating budgets of the universities, which makes sense considering that institutions have far more control over the allocation of the operating dollars than they do over endowment dollars (which are often donated with particular allocations in mind). In addition, as institutions seem to be using merit awards as a tool to suit their institutional strategies, and these strategies may shift over time, it seems logical that these dollars would be the primary source of funding as they can be spent according to current priorities.

In interviews with financial aid officials, institutional respondents noted both that the total dollars dedicated towards merit awards had significantly increased over the most recent five-year period, and that it was

expected to continue to increase over the coming five years. They also noted that merit awards had become a priority for institutions, requiring an increase to the amount of money being dedicated to this budget line, and that this could be more easily done through operating funds than endowments.

Province-wide, endowments contributed 17 per cent toward overall merit scholarship spending. Universities have active development offices that continually seek sizable private donations for the institution. Institutional respondents noted that convincing donors to dedicate funds toward merit awards is easier than convincing them to donate funds to need-based awards (this fact is evidenced below in the section on sources of need-based where endowment funds make up a substantially smaller proportion of need-based grant funding). According to institutional respondents, merit awards have become more popular because the donors typically enjoy showcasing the recipients of their donation. As one institution noted, donors like to have receptions for their winners and in some cases use them in promotional material. This showcasing of recipients does not necessarily work with need-based aid recipients. There is a stigma associated with need, and students who receive a need-based award from a donor may not want to be showcased in the same way as someone receiving a merit award. This distinction mattered to donors who were less likely to allocate funds to need.

## Policy Implications – the Uses and Abuses of Merit Scholarships

Given the significant sums of money institutions are spending on merit awards, it is important to understand how this money is being used and how institutions perceive the benefits of these awards. A key to understanding merit awards is to see them as part of an evolving field of Strategic Enrolment Management (SEM).

SEM is defined as a strategy to manage the number and types of students an institution enrolls. Don Hossler (2004), one of the leading writers on enrolment management in the United States, describes its functions and structure as follows:

*Shaped by strategic planning and supported by institutional research, enrolment management deals with how students choose a college, how they make the transition to higher education, what leads them to stay or drop out, and what influences how well they do while enrolled. It affects recruitment and financial aid, student-support services, as well as curriculum development and other academic areas, all of which affect who enrolls and how well they do. It includes using research to position an institution in the student marketplace; examining what factors influence student persistence; developing appropriate marketing, pricing, and financial-aid strategies; matching student demand with curricular offerings that are consistent with an institutional mission; and paying attention to academic, social, and institutional factors that can affect student success and graduation. Enrolment managers hope to exert an influence on prospective students from the point of first contact until the students earn a degree and become satisfied alumni.*

In essence, SEM applies a business model to student recruitment. Using this method, institutions learn how to “brand” themselves to a defined group or groups of students they wish to attract, and how to market their services and encourage students to “buy” their product and enrol by offering incentives to attend, including price discounts and other types of grants.

The foundation for the development of SEM was initially laid during the 1970s and 1980s, when enrolments at American colleges and universities experienced a decline. This caused institutions to focus heavily on recruitment to increase enrolment numbers (Wilkinson, 2006). During this time, colleges and universities focused on increasing enrolments by developing sophisticated recruitment models and using institutional financial aid to attract students. Funding was allocated to institutional aid, in the form of both merit- and need-based grants, as a means to provide incentives for more students to enrol. Unlike the 1990s, when a boom in funding took place, the quantities of grants were not large. In addition, during the 1970s and 1980s, enrolment criteria were relaxed to help increase enrolment numbers, including the creation of open admissions policies and relaxing GPA and standardized test score standards for admissions. In essence, institutions desperately needed to meet their enrolment goals and were willing to try a number of different strategies to attract students. During the 1990s, while enrolments were on the rise, American postsecondary institutions focused on further increasing enrolments through recruitment and financial aid, but the focus on strategic enrolment become much more important as state grants shrunk in the face of the recession of the early 1990s and the need for tuition revenue increased (Black, 2004).

The competition for students precipitated what some have termed “the arms race” of postsecondary education. In this “arms race,” institutions compared themselves to one another, usually to show how each was better than the other in a variety of different ways, from enrolment numbers to average entrance GPAs and test scores to the number of full-time professor, the number of books in their libraries, or funds in their endowments. This competition is often described as an effect of rankings exercises such as the *U.S. News and World Report* in the United States or *Macleans* in Canada (although it is at least as arguable that rankings are a reflection of increased competitiveness among institutions themselves).

In response to the increased competition, institutions shifted their focus from general enrolment to attracting specific types of students as prestige became important to maintaining a competitive edge over other colleges or universities. In thinking about the types and number of students each institution wanted to attract – essentially creating the image of themselves as a particular type of institution and structuring themselves accordingly – the enrolment management infrastructure of the college or university became more significant. For instance, if a particular college or university chose to focus on recruiting students from economically and educationally disadvantaged communities, they would strengthen their financial aid department, offer remedial courses, and focus on advertising those aspects in low-income neighbourhoods and communities. If an institution strove to become one of the institutions with the strongest academic reputation in the country, they would restrict enrolment to students with high test scores and GPAs as well as provide competitive merit-based awards and restrict their recruitment efforts to top high schools.

Institutions began to create and expand strategies and tactics, as noted above, that shaped the structures of their institutions through enrolments, including admission, financial aid, and retention policies (Henderson, 2005, Black, 2004). It was during this period that the average amount of merit-based awards



grew faster than need-based awards (Heller and Laird, 1999). In other words, higher income students received more and more funding as they were being recruited by institutions through strategic enrolment, specifically at private institutions.

Through this process, financial aid and awards became linked with enrolment and recruitment, and there was a change in how the awards were handed out and who made the award decisions. During the 1990s, it became primarily admissions officers, not financial aid administrators, who were making the majority of decisions with regards to institutional awards (Redd, 2000). This change represented a shift in the way in which institutional awards were disbursed, reflecting a shift in institutional strategy. Aid was no longer given out solely based on financial need and income. New criteria, such as academic pursuit (i.e. area of study) and talent (i.e. achievement and involvement) were entering into the aid formula. In fact, these new criteria were increasingly becoming the determining factors for awards, and financial aid administrators were not the only individuals needed to make the aid disbursement decisions. Rather admissions, recruitment and other administrators stepped in to make award decisions and support their strategic enrolment plans and goals. In fact, at two-thirds of American four-year public institutions, financial aid administrators played little or no role in the final selection of students to receive institutional awards (Redd, 2000).

Wilkinson (2006) believes that U.S. colleges have now entered a phase of SEM which he calls the “Age of Academic Context.” This description is based on Henderson’s (2005) important article on the structure of enrolment management, in which he emphasizes the importance of the “academic context” within SEM. This model is “based on vertical communication that articulates a strategic vision, horizontal communication that opens dialogue and completes feedback loops, and structure consistent with the institution’s academic mission” (Henderson, 2005). As such, during this period, more departments and individuals from postsecondary institutions became involved in enrolment decisions. Practically, this meant two things. First, it meant the increased use of data and statistics in thinking about, discussing, and setting goals and targets for enrolments (Henderson, 2005). Second, the academic divisions were viewed as partners in the strategic development process. In other words, an institution’s recruitment, retention, and graduation policies are grounded within the academic context, and departments and faculties are involved in the selection of students and the awarding of institutional funds (Wilkinson, 2006).

Anecdotal evidence from American universities interviewed for this project suggests that both of these practices are taking place. All interviewed institutions indicated an increased use of statistics and hard data to determine goals and then analyze their success in achieving their enrolment targets. In addition, a decentralization of institutional aid is taking place as decisions regarding the allocation of aid are being made increasingly by departments and individual colleges within each university. However, this change is not taking place without criticism. Financial aid administrators and registrar staff involved with the admittance of students stated they were losing qualified students who were admitted to the university but were already committed to going elsewhere by the time the departments made their decisions for scholarships and aid funding allocations. They discussed a need for greater communication between admissions, financial aid, and the departments disbursing awards in order to recruit these top students.



## Canadian Institutions and SEM

There is no specifically Canadian or Ontario-based literature on SEM. However, one can make a few observations about the Canadian or Ontario contexts and deduce from this the different contexts in which SEM would work in Canada or Ontario.

First, in Ontario and some parts of Western Canada, enrolment has been rising rapidly for the past few years. As a result, there is far less need for institutions to engage in strategic enrolment practices for the sake of boosting enrolments, since enrolment is likely to rise regardless of what the institution does in terms of student financial aid. An institution may wish to give out financial aid for a host of other reasons, but except for those institutions which serve declining populations (e.g., Lakehead University in Ontario), institutional aid is often irrelevant in terms of keeping raw enrolments high. However, awards and aid can be used for other means of enrolment management, such as to boost levels of certain student populations.

Second, strategic enrolment in the US is primarily an outgrowth of a “high tuition/high aid” model of student finance. In provinces such as Ontario where tuition and its increases are regulated, part of the incentive to engage in SEM practices is absent.

Third, the density of institutions is much lower in Canada than in the United States. As a result, the overall environment for capturing “the best students” is much less competitive in Canada than it is south of the border. However, to the degree that *particular faculties* (e.g. engineering) are interested in attracting the top fraction of prospective students to their institution rather than to a competitor, there is still an argument for using merit-based awards. This clearly is happening in a number of places in Canada, most notably in southern Ontario. This situation should put the institution in the “Age of Academic Context” stage of SEM, because of the emphasis on particular faculties. However, the overall pattern of increased *general* merit-based aid in the form of automatic academic scholarships (Gucciardi, 2005) suggests that most institutions are, in organizational terms, still at an earlier stage of development.

That said, evidence from the key informant interviews suggests that colleges and universities in Ontario and across the country are starting to move in the same direction. One institution spoke of the need for a more “holistic” approach to recruitment, particularly when thinking about attracting out-of-province students. This approach mirrors the “Age of Academic Context” of SEM, in which many parts of the institution are involved in the decision-making and strategy process with regard to enrolment. In particular, this institution stressed the importance of faculty involvement in the recruitment of students to be able to attract top students from across the country.

Merit awards are clearly part of the Strategic Enrolment landscape. Institutions interviewed for this project identified three major reasons for providing merit awards: 1) To recruit the best and brightest students, 2) To recognize achievement, and 3) To keep pace with other institutions in the province. Each of these motivations pose further questions about the use of merit awards in the province of Ontario, which we explore in more detail below.

Institutional respondents were unanimous in saying that merit awards played a prominent role in the recruitment activities and promotional materials given to potential students. A number of institutions stated the link between financial aid offices and recruitment offices has become quite close in the last few years. This is due to the volume of merit award questions recruiters were asked during presentations to potential students. Institutions have identified the correlation between awards and recruitment and are working on enhancing internal communication to emphasize the point.

A few institutions noted that parents placed more of an emphasis on merit scholarships than potential students. One institution noted that parents have influence over a child's decision to attend an institution and, therefore, the institution tried to make merit awards as visible as possible to parents and students alike. This means that merit award values were actively played up in recruitment brochures and public communications. One institution suggested that a potential justification for parent's interest in merit awards is their function as a high-status measure of their child's success in high school.

Some institutions stated that recruitment activities should showcase all aspects of the institution. Merit awards were a large component of the recruitment activities, but there must also be other factors that attract students to attend specific institutions. One institution stated "if everyone is offering a merit award of comparable size, then there have to be other aspects about an institution that ultimately captivates them to come." However, with all parties placing such emphasis on the recruitment value of merit awards, do "other factors" actually contribute to a student's decision to attend a specific institution? This question certainly merits further study.

Institutions were also asked if they use aid or awards to target specific populations of students, such as Aboriginal, low-income, first generation, international, etc. For the most part, institutions seem to put more of an emphasis on student services and human resources than on money as a method for recruiting and retaining specific target populations of students. Indeed, they seem to believe that money, in the form of merit aid, is not seen to be the effective tool for recruitment of these populations.

Yet, when it comes to Ontarians from middle-class backgrounds, the logic seems to change and money rather than services is used to attract students. All institutions stated that merit awards were vital in recruiting the "best and brightest" students and noted that "top students" are individuals who excel in the classroom, as well as demonstrate an activity or achievement in something other than scholastic aptitude (e.g. athletics, leadership, community service, artistic or musical talent, or extra-curricular involvement). One registrar stated that "money talks" and another commented that "in order to be competitive, you must have a great scholarship program." The consensus among the schools was that awards were a substantial factor in a student's decision to attend a specific institution. Most of the awards received by top students are renewable, adding the bonus incentive of persistence in any given institution.

The specific academic levels associated with top students varied somewhat. One of the larger institutions in the province noted that top students must achieve at least a final high school average of 95 per cent or higher. Most of the other institutions in Ontario cited 90 per cent or higher as the minimum level to be considered in the top proportion of applicants. More often than not, a selection committee evaluates the applications to determine who deserves the award. Some of the top students may not have been selected for the prestigious awards; however, they will still receive a sizable automatic academic award from the institution. Typically students who received an academic average of 90 per cent or higher can expect renewable awards of anywhere from \$2,000-\$4,000.

Awards of this size take up a significant portion of institutional award budgets and reflect the fact that institutions place a high value on attracting students of a particular caliber. Yet in qualitative interviews, respondents had difficulty articulating the value such students provide to institutions.

## Is There a Merit-Awards “Arms Race” in Ontario?

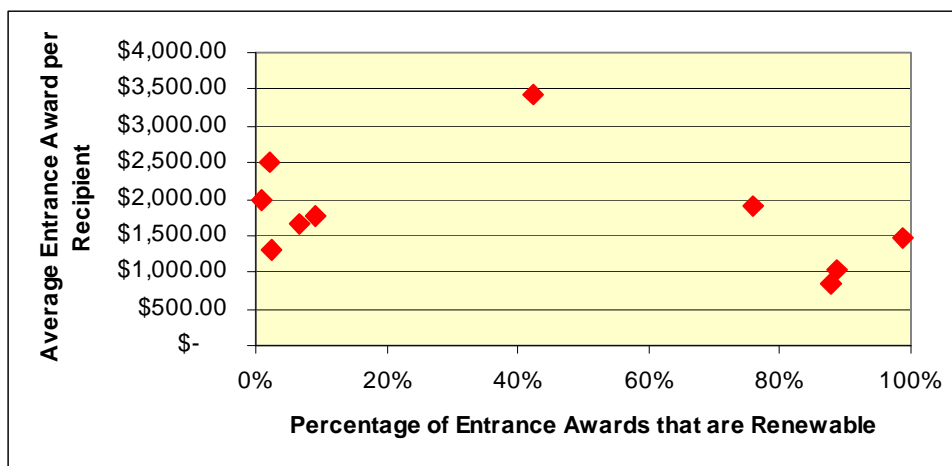
The concept of a merit award arms race is simple: in order to gain a competitive recruitment advantage over other institutions, an institution may increase the size of its awards. However, if this strategy is successful, at some point other institutions might be expected to raise their award levels, restoring parity and creating an incentive for the first institution to raise its award size yet again to re-establish its competitive advantage.

Given that the competitive advantage with respect to merit awards will eventually be lost, what is the point of continuing this arms race? At the point of equilibrium among the institutional merit awards, each award distributed will be a tax on the institution for a good they would have received without the self-imposed expense. If the merit awards distributed to the majority of students are eliminated, will these students suddenly decide not to attend postsecondary institutions? This answer is almost certainly “no”.. Students will decide to go to the institution they want to attend, and this result will be the same when merit awards eventually achieve a state of equilibrium across the province.

It is hard to tell if this is actually what is happening in Ontario because there is no time series on merit awards that would allow us to monitor the evolution of this issue over time. What is certain is that registrars and student aid officials seem to *believe* that this is going on, and since they are setting policy, their perceptions are presumably driving their institution’s behaviour.

Since no longitudinal data are available, it is difficult to measure the extent to which award values are increasing as institutions compete with one another. However, it appears institutions are gravitating to one of two broad strategies, as shown in Figure 9.

Figure 9: Percentage of Entrance Awards that are Renewable and Average Entrance Award per recipient



This chart suggests that Ontario institutions pursue strategies that either give higher non-renewable award amounts or give lesser award amounts in renewable scholarships. By and large, the province's larger and more selective institutions use the large one-time award strategy while smaller, less selective institutions are more likely to use the renewable awards strategy.

In other words, institutional strategy seems in part to be determined by the institution's profile and its place *vis-a-vis* other institutions with which they share a "market" in terms of students. On its own, this is not evidence of an "arms race." Institutions could be described as hawkishly watching their competitors and moving to shadow each change in the others' policies. Equally, they could simply be described as less innovative. However, since it is the less-selective institutions which are pursuing the higher-cost strategy in terms of merit awards (a case of institutions trying to make up for a perceived lack of academic "cachet" with money), one would think that the behaviour is in fact competitive in nature.

The competitiveness of Ontario institutions in regards to students should come as no surprise. With the exception of Nova Scotia, no other province has as many universities situated in such close geographic proximity. Given that the greatest density of Ontario institutions is in the relatively small southwest of the province, it seems natural that institutions are in such fierce competition with each other. The important question, though, is "in competition for what?"

To answer this question it is important to note that the vast majority of entrance awards offered in the province—particularly at the smaller institutions—are what are known as "automatic academic" awards. As described earlier, these types of awards are very efficient to administer and useful when one wants to give away a lot of money to a large number of students. But the top students in the province are not really competing for this kind of scholarship. Rather, they are competing for the "competitive academic" awards, some of which are much larger and more valuable than the automatic awards (the largest ones can be as large as \$10,000 per year). Thus, the data in Figure 9 reflect not so much the effect of competition for the top one or two per cent of students, but rather the effect of competition for the next 10 per cent below that.

## Merit Conclusions

With respect to overall sums spent on merit awards, Ontario is on par with the rest of Canada. The quantitative information showed that Ontario institutions have a slight advantage over other institutions in the country in terms of the value and quantity of awards distributed.

Ontario institutions identified the recruitment of students as a primary objective of merit aid spending. To this end, institutions are offering merit awards of various value and duration as a way to distinguish themselves from other institutions and attract potential applicants. For the most part, institutions are offering students an average entrance award of roughly \$1,700. Some institutions – primarily smaller and less selective institutions – have tried to strategically separate themselves from the pack by increasing the duration of awards offered.

A vast majority of entrance awards offered in the province are of the "automatic academic" variety. Automatic academic awards are an attractive delivery method for institutions for two reasons: institutional

administration and delivery of automatic academic awards is straightforward, and the set levels of award values allow each student to know exactly how much he or she will receive at each specific institution. This certainly is an attractive reason to enrol at a given institution.

Institutions use automatic academic awards not to target the very top students, but rather to attract good students who nevertheless fall outside the top percentile or two of graduating high school students.

## Undergraduate Need-Based Assistance

This section looks at institutional need-based grants, which is broadly defined as aid that is *primarily* designed to assist students with financial need. Bursaries are the most common type of need-based awards. When considering need-based grants for this research, institutions were asked to exclude emergency student loans and to consider work-study grants. This section includes findings on need-based grants, work-study, and hybrid awards (a combination of need and merit criteria).

As with the previous section on merit-based awards, this section looks at undergraduate need-based aid at Ontario universities compared with those allocated by universities in the rest of Canada. This section does not include information about colleges, either in Ontario or in the rest of the country. In addition, this section analyzes merit awards for the institutions that responded to the research questionnaire. As such, this analysis explores the findings for the Ontario respondents and those from the rest of the Canada and should not be considered a census of all institutions in the country.

As noted several times in this paper, previously there was only one known effort to collect data on institutional grants in Canada. This unpublished study (Stephens, 2002) showed that the average bursary at universities ranged from \$882 to \$1,196, with an overall average of \$1,079. This research also found that graduate students, on average, tended to receive much larger bursaries (\$1,980) than did their undergraduate counterparts (\$1,086), and the highest average bursary values were for graduate students at medical/doctoral universities, while the smallest grants were allocated at college level. Average bursary values at colleges were very close together for the different types of these institutions: community colleges, \$440; CEGEPs, \$464; university colleges, \$444.

Provincially, this previous study showed that the highest need-based grants were found in Quebec, followed by Manitoba. The lowest were found in Newfoundland and Labrador. Ontario presented the highest average graduate student bursaries (\$2,348), followed by British Columbia (\$1,823). The highest undergraduate aid levels were found in Manitoba (\$1,133), followed by Ontario (\$1,077).

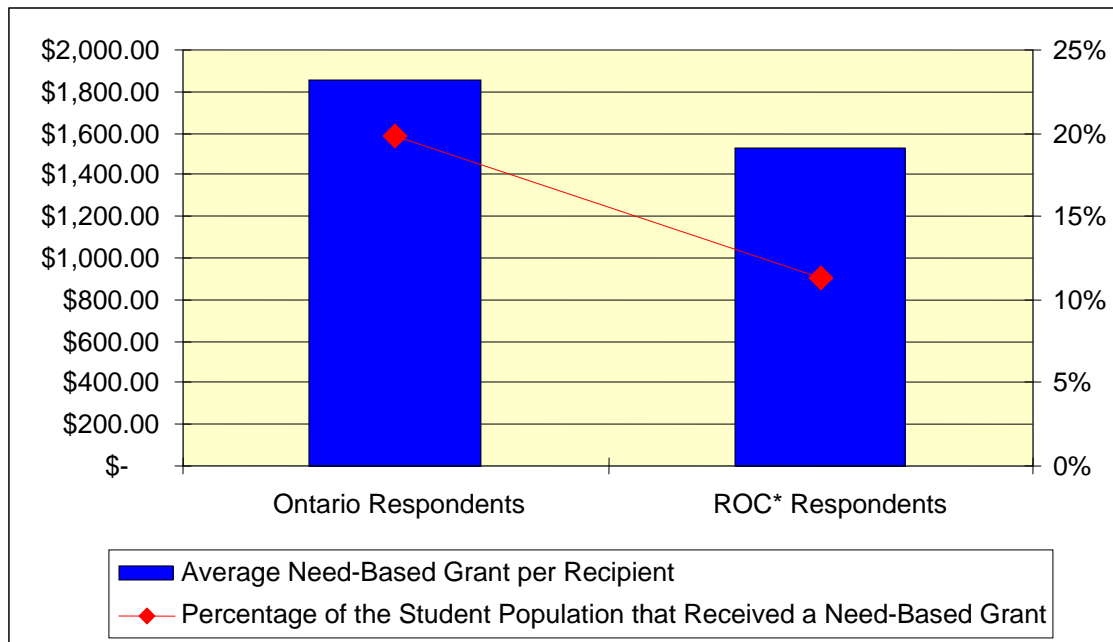
## Need-Based Assistance Overview

The Ontario institutions surveyed during the current research collectively provided \$79 million in need-based grants to undergraduate students. Almost a quarter of the student population in Ontario received a need-based grant from institutions and the average size of the need-based award was approximately



\$1,900, as shown below in Figure 10.

Figure 10: Average Need-Based Grants and the Percentage of Student Population That Received a Grant



\*ROC refers to the rest of Canada

Of the institutions that reported data in this study, Ontario offered an average need-based award per recipient that was almost \$300 larger than those in the rest of Canada. Moreover, the rest of Canada provided need-based grants to 11 per cent of the student population while Ontario provided funding to 20 per cent of the undergraduate student population.

Further understanding of the provincial context, including Ontario's unique policy history and the sources of funding for these awards within the province's universities, will shed light on why Ontario leads the rest of the nation on need-based grant allocations.

## Need-Based Assistance Policy in Ontario

The higher funding levels and greater numbers of students served by institutions in Ontario must be viewed within the context of recent policy developments in the area of student financial aid. In fact, Ontario's high levels of need-based grants are most likely a result of a combination of government interventions such as the tuition set-aside, Student Access Guarantee (SAG), and Ontario Student Opportunity Trust Fund (OSOTF)/Ontario Trust for Student Support (OTSS) programs.

In 1996, the provincial government mandated all institutions in the province to set aside a percentage of the money that they received each year from tuition fee increases into a special internal fund. This set-aside money was to be allocated to institutional bursaries, scholarships or work-study programs to assist

students who demonstrate financial need. By 1998, the percentage had risen to 30 per cent of any annual increase.

Another important government program introduced in Ontario was the OSOTF. OSOTF was implemented in 1996 in order to increase the profile of need-based grants in the province. The program matched private donations dedicated toward need-based grants with government dollars. For every dollar donated, the government matched the contribution made. The intention of this program was to make donating money for need-based grants more appealing to private donors because the total value of their contribution is effectively doubled by the government contribution.<sup>8</sup>

These policies were further built upon in 2004, when, the Ontario government commissioned a landmark review of the postsecondary education system in the province. The resulting report, released in 2005, called for the creation of a Student Access Guarantee (SAG), a concept that was based on the principle of the University of Toronto's UTaps program (Rae, 2005). This existing program was premised on the idea that no student with the proper academic requirements would be prevented from attending university due to financial need. The province applied this philosophy to each institution in Ontario with the mission of enhancing access to the provincial postsecondary education system. In practice, the SAG policy called for universities and colleges to address any unmet need a student might have after they received government assistance through the Ontario Student Assistance Program (OSAP). To this end, the SAG and the *Rae Review* sought to ensure that access to postsecondary education in Ontario was attainable by any student who met the academic requirements of their desired institution.

## Need-Based Assistance Sources

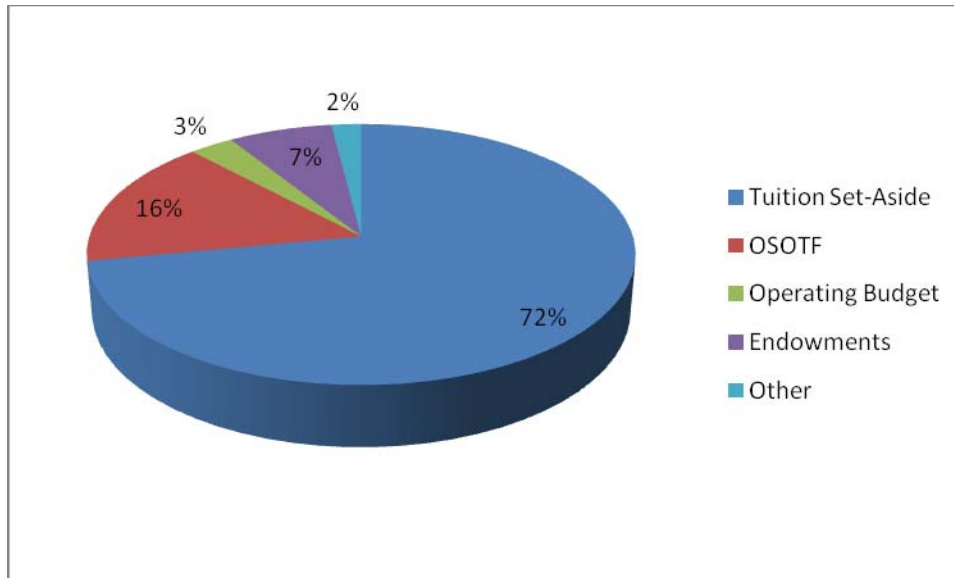
As part of our survey, each university was asked to report the sources of funding for need-based grants as well as the approximate percentage of total dollars originating from each source including those from operating budgets, endowments, OSOTF/OTSS, tuition set-asides and other dollars.

Institutions participating in the study reported the overwhelming majority of need-based funding originated from the tuition set-aside program, as shown below in Figure 11.

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<sup>8</sup> Although the OSOTF program no longer exists, many of the bursaries established during its tenure continue to serve students. In 2005, the Government of Ontario replaced the OSOTF program with the Ontario Trust for Student Support (OTSS). This program allots \$50 million annually to match dollar-for-dollar private and corporate donations raised by institutions for endowments intended for need-based granting.

Figure 11: Sources of Need-Based Funding for Participating Ontario Institutions by Source



Source	Per cent of Provincial Total	Institutional Range <sup>9</sup>
Tuition Set-Aside	72%	57%-90%
OSOTF/OTSS	16%	7%-25%
Operating Budget	3%	0%-9%
Endowments	7%	1%-11%
Other	2%	0%-10%

Given the sheer scale of funds raised through the tuition set aside, it is not surprising that it forms such a large proportion of need-based aid funds.

OSOTF funds accounted for the second largest portion of the provincial need-based support. One institution noted that the creation of the OSOTF program made fundraising for need-based aid easier. Prior to the program, fundraising for need was difficult because of the stigma attached to ‘need’.

When sources for institutional need-based grants were compared to those for merit awards, we find that institutions funded merit awards primarily by using their operating budget funds, but funded need-based aid by primarily spending OSOTF dollars. In addition, it is interesting to note that the two institutions who contributed the highest percentage of need-based funds from the operating budget also contributed the lowest percentage of merit dollars from the operating funds. Furthermore, these same institutions also had a high percentage of their merit award budgets originating through endowments. The success of their respective development offices gives these institutions the ability to dedicate more operating dollars to need.

<sup>9</sup> Institutional range refers to the range of reported percentages by the institutions that reported each source of funding.

## Relationship between Governments and Institutions in Need-Based Assistance

Given that the majority of need-based grants in Ontario come from sources of funds that were created by a government policy, the interaction between the governments and institutions with respect to need-based grants was examined as part of this study

In the survey, institutions were asked the following:

1. What is the relationship between institutional aid and government aid at your school?
2. Do you have the ability to track the interaction between government and institutional aid?
3. Do you collect data? If so, how do you collect the data?
4. How do you use the information once it is collected?

Institutions reported that government student aid policy had a significant effect on institutional need-based aid budgets in Ontario, and the main regulators for the interaction between institutional aid and government aid were the OSAP needs assessment formula and the SAG. They reported that once the government formula assesses a student's "need" (i.e. costs minus resources) and a student applied for and receives OSAP, the institution's responsibility under the SAG was to fill any funding gaps that remained after government funding was provided. Institutions could also opt to provide more than the formula-driven amount for any individual student.

At an individual student level, institutions can track and know how much government and institutional aid each student received. However, while institutions have student financial aid information for both government and institutional funding at the student and institutional levels, most noted that they do not use the data or report on it<sup>10</sup>. However, some institutions, including the University of Toronto, said they look at aggregate data to report yearly trends in government and institutional assistance. Others said they would like to do this but lack the human resource capability to do so. Despite some institutions using and reporting on the data, there was no evidence gathered in our research to suggest that Ontario institutions are using unit level need-based funding to discount tuition for recruitment purposes as is the case in many universities in the United States.

The institutional use of data and interactions with government systems in Ontario are much more advanced when compared with institutions in the rest of Canada. At institutions outside of Ontario, the relationship is almost entirely limited to information about the provincial need-based aid distributed, but not every institution has access to that information.

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<sup>10</sup> It should be noted that institutions do, in fact, report on tuition set aside collection and dispersal to the Ministry of Training, Colleges and Universities.

## Need-based Assistance in Recruitment and Retention

During the qualitative interviews, institutions were asked a series of questions regarding need-based grants including how they related to the recruitment and retention strategies of the institution and why they provided financial assistance based on need. In their responses, all of the institutions in Ontario stated that they provided need-based grants to improve access and eliminate barriers to education. None of the institutions stated that recruitment and retention strategies were reasons for allocating need-based grants or that need-based grants played a major role in either of these strategies.

However, some of the institutions surveyed indicated that need-based grants played some kind of role in their recruitment activities of their university, but the extent of the role varied among the institutions. Some respondents noted that need-based grants were a small part of the overall recruitment picture. One institution noted that need-based grants were mentioned in the presentations and materials the same way that student services and university faculties were highlighted. Some institutions noted that they referenced need-based grants in the presentations to prospective students, but they did not get the same attention that merit-based awards did. These institutions said that need-based grants had to be mentioned during recruitment because their provision is seen as *de rigeur*, but they are not part of the active recruitment strategies at institutions. In contrast, merit awards were seen as a distinguishable feature, and that institutions can use them as a way to separate themselves from others in the recruitment process. Since need-based grants were common and necessary, they were not used to strategically differentiate institutions for the purposes of recruitment.

This finding is not surprising considering the fairly large body of literature that exists on the link between persistence and need-based institutional financial aid.<sup>11</sup> Heller (2003) found that financial aid, especially work-study, was a predictor of bachelor's attainment and that need-based recipients of institutional grants of \$1,200 per student in their first year of study were more likely to persist into their second year than were non-recipients. Brock and Richburg-Hayes (2006) also showed that there was a large impact on term-to-term retention and credit completions among student recipients of \$1,000-per-semester financial aid payments.

The National Center for Education Statistics (NCES) Beginning Postsecondary (BPS) data of students entering a postsecondary institution in 2005 showed that institutional need and merit awards matter (Price & Davis, 2006). Specifically, this research showed that slightly more than 60 per cent of student recipients of need and merit awards at public universities graduated within six years, which is higher than the slightly more than half (54 per cent) of overall postsecondary students at public institutions that graduate within six years. In addition, they showed that increasing the need-based grants to cover more of a portion of tuition fees increased the probability that the recipient student will graduate within six years.

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<sup>11</sup> In postsecondary education literature, recruitment and enrolment are issues viewed as largely impacted by merit awards rather than need-based aid. As such, our discussion of the literature surrounding recruitment and enrolment takes place in that section above.

Others (Horn & Peter, 2003) looked at the likelihood of institutional aid recipients persisting after one year and six years. Their research showed that students who received institutional financial aid were more likely than their non-recipient counterparts to stay enrolled and less likely to transfer to another institution.

In Canada, while there is no literature that directly addresses the link between institutional financial aid and persistence, there is literature that links persistence with financial aid (McElroy, 2004; 2005; and 2005a), and shows clearly that financial aid increases persistence.

Most institutions we spoke with said that need-based grants were a policy rationale that played a role in the retention of students. One institution told us that they recently established a new policy to ensure that students have sufficient support to remain in school. The institution noted that they were committed to each student's persistence in their institution given that the student continued to meet the university's educational standards. This same institution said they had an emergency fund such that if a student was in financial peril due to an unfortunate event the school would pay costs associated with living. However, several respondents reported that their institutions were not doing enough to help retain the lowest income students and said that they were looking to improve their student financial aid programs to take this into account.

## Need-Based Assistance Conclusions

Ontario institutions spend significantly more than institutions in the rest of Canada with respect to need-based grants, which can be attributed to the introduction of specific government policies and programs. These programs helped Ontario offer an average need-based grant to recipients of approximately \$1,900, and 88 per cent of this funding came from government-mandated funds (OSOTF and the tuition set-asides).

Institutions noted that need-based grants are not seen as an active tool of recruitment. Rather, they are viewed as an important means of retention. However, most institutions do not study or analyse the impact of need-based grants on retention and student success at their universities. Such research should be conducted and would complement studies conducted by the CMSF on retention and student financial aid in general (e.g. McElroy, 2005a and 2005b) as well as studies on this very issue conducted in the United States (e.g. Price & Davis, 2006 and Heller, 2003).

## Graduate Student Financial Assistance and Awards

As graduate education becomes increasingly important in Ontario and around the world, it is critical to look at institutional spending on their graduate students. The purpose of this section is to examine graduate student financial assistance and awards. Institutions surveyed were asked to tell us how much they spent each year on graduate students. However, most of the institutions surveyed were not able to fully complete the graduate section of the data questionnaire. As such, the information presented below represents a mixture of follow-up research garnered from institutions' websites as well as data that were gathered in the survey (namely the need-based grants amounts).

Of considerable interest from a policy perspective was whether or not money from a new \$220 million funding increase for graduate education was finding its way into the hands of graduate students via these guarantees. None of the institutions was able to provide a figure or estimate on the percentage of graduate funding that came from the new provincial graduate studies money (as they were able to tell us about the sources of dollars at the undergraduate level). The general view was that some new money had probably come from this source, but that they were not able to pinpoint a precise amount. The limited data available and information on sources of funding at the graduate level at Ontario institutions indicate the need for more clarity in reporting and monitoring funding at the graduate level.

### Graduate Student Overview<sup>12</sup>

Most institutions in Ontario provide both master's and doctoral students with minimum levels of funding. A list of these levels for institutions in Ontario is listed below in Figure 12.

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<sup>12</sup> Numbers in this section include a combination of merit awards and need-based funding.



Figure 12: Ontario Institutional Minimum Funding Levels for Graduate Students

School	Master's Program	PhD Program
<b>Brock University</b>	\$14,600	\$17,600
<b>Carleton University</b>	No Set Minimum	No Set Minimum
<b>Lakehead University</b>	No Set Minimum	No Set Minimum
<b>Laurentian University</b>	\$7,000	\$11,950
<b>McMaster University</b>	No Set Minimum	\$17,500
<b>Nipissing University</b>	\$5,000 only one program	No PhD
<b>Queen's University</b>	No Set Minimum	\$18,000
<b>Ryerson University</b>	No Set Minimum	No Set Minimum
<b>Trent University</b>	\$11,000	\$17,000-\$19,000
<b>University of Guelph</b>	No Set Minimum	\$15,000
<b>University of Ottawa</b>	No Set Minimum	No Set Minimum
<b>University of Toronto</b>	No Set Minimum	\$12,000
<b>University of Waterloo</b>	\$20,500*	\$29,200*
<b>University of Western Ontario</b>	Dept. specific as low as \$5,000	\$12,000
<b>University of Windsor</b>	No Set Minimum	No Set Minimum
<b>Wilfred Laurier University</b>	No Set Minimum	\$16,000
<b>York University</b>	No Set Minimum	No Set Minimum

\*Average funding levels available, but not at a guaranteed minimum.

In terms of the master's programs, institutional base level of funding for a master's student ranged from \$7,000 to \$14,600 per year. Others have no standard minimum master's level in place; the allocation of funds was the responsibility of individual departments and they provided money on a case-by-case basis.

The PhD base level of funding was slightly higher than the master's level. Institutions noted they spent a range from nearly \$12,000 to slightly higher than \$17,500, with the variance depending on the academic history of the student and the desired field of study.

In both the case of master's and PhD students, the "package" is not entirely scholarship money. In many cases, Teacher's Assistant/Research Assistant wages are part of the equation. So unlike undergraduate merit funding, these dollars are not entirely "gifts."

## Graduate Versus Undergraduate Funding in Ontario<sup>13</sup>

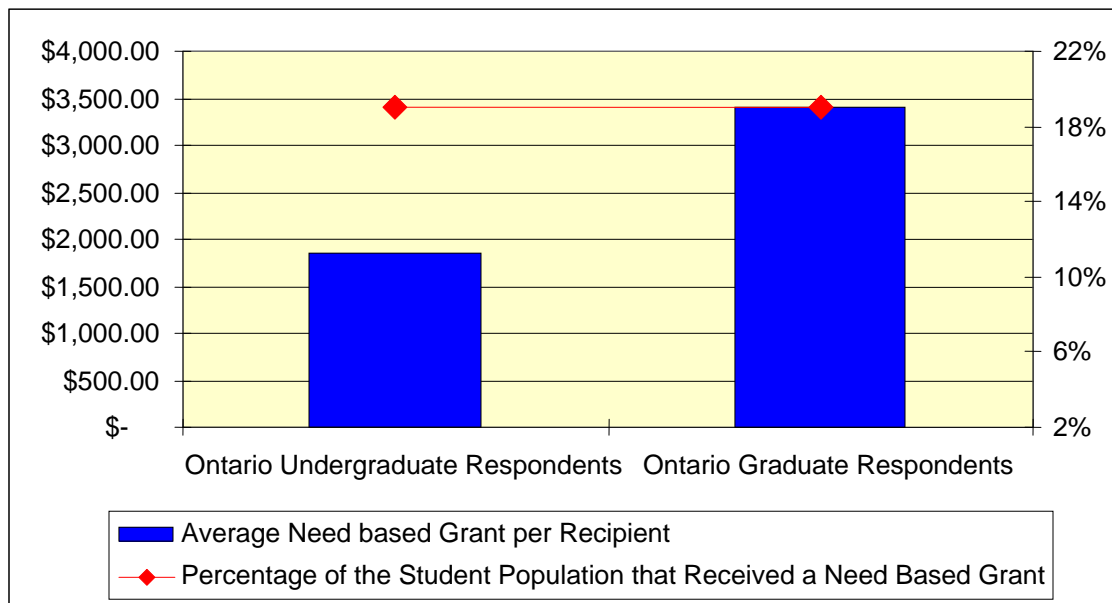
This section explores graduate funding versus undergraduate funding in Ontario. While more or less the same percentage (roughly 20 per cent) of the student body was awarded need-based aid at both the

<sup>13</sup> Calculations from this section and beyond refer only to need-based assistance levels for graduate students. In addition, while most of the institutions in Ontario were able to provide information on graduate need-based grants, this sample size is slightly smaller than that for the undergraduate institutions. (Please see list of institutions in the appendix to view which universities participated in the undergraduate and graduate surveys.)

graduate and undergraduate levels, awards at the graduate level were more than double those at the undergraduate level.

Figure 13 displays the average need-based grant for graduate and undergraduate students and the percentage of each student population that received an award.

Figure 13: Average Need-Based Grants for and Percentage of Graduate and Undergraduate Students

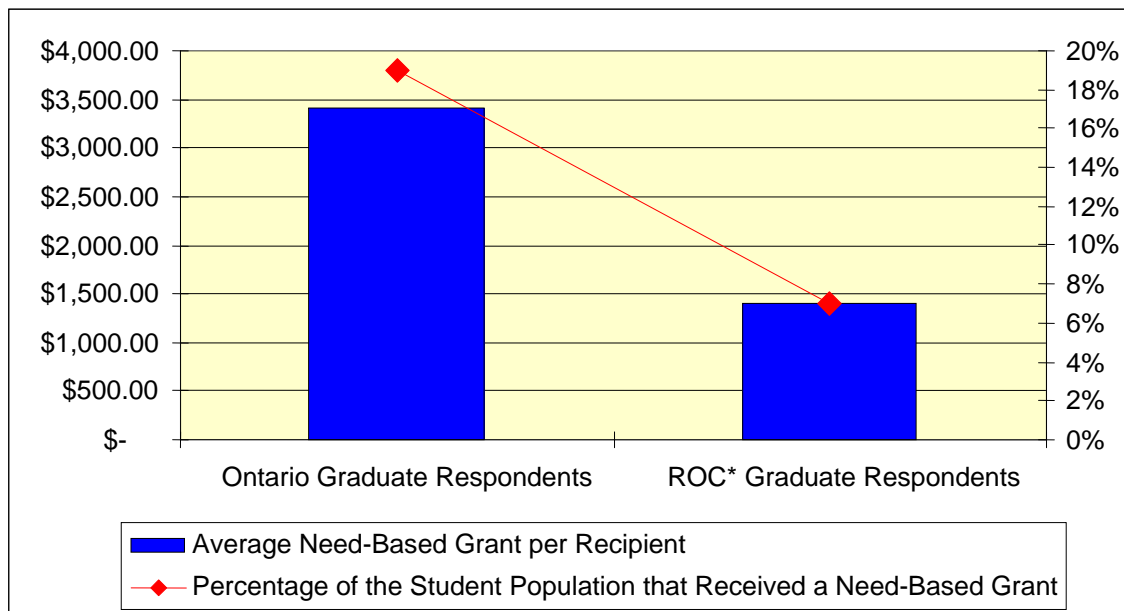


The average need-based grant per graduate recipient was slightly over \$3,400 while the average need-based grant per undergraduate recipient was slightly more than half that size at \$1,900.

## Graduate Aid in Ontario Compared to the Rest of Canada

Compared to other jurisdictions, Ontario graduate students received significantly higher average need-based grants than their counterparts studying across Canada and a substantially higher percentage of the student population also received awards, as shown below in Figure 14.

Figure 14: Average Graduate Need-Based Grant per Recipient



\*ROC refers to the rest of Canada

Individuals studying in Ontario institutions received approximately \$2,000 more per need-based grant than the other graduate students in Canada. Furthermore, the percentage of graduate students that received need-based grants in Ontario was significantly higher than that in the rest of Canada. In Ontario, 19 per cent of the graduate population receives need-based grants while in the rest of Canada only seven per cent of the graduate student population receives need-based grants.

As noted in the undergraduate need section, the disparity between Ontario and the rest of Canada with regard to need-based grants can be attributed to government programs aimed at increasing need-based support. Both the OSOTF and tuition set-aside are probably contributing factors to the inequality between the graduate need-based grants provided.

In addition to institutional funding listed above, students studying in a master's or doctoral program in Ontario are eligible for the Ontario Graduate Scholarship (OGS) Program. This program, a partnership between government and institutions, is awarded for a two- or three- semester term and carries a maximum value of \$15,000. Roughly 2,000 OGS awards are distributed to graduate students in Ontario each year. Both the institutions and the Government of Ontario contribute money to the OGS. Institutions are expected to contribute one-third of the award value and the government funds the balance, showing the Government of Ontario's intervention in and commitment to graduate merit awards in the province.

## Graduate Conclusions

Ontario graduate students are privy to better need-based funding than graduate students in the rest of Canada. Of the institutions who reported data, Ontario graduate students received need-based grants that were almost double the size of those granted in the rest of Canada. As well, need-based grants in Ontario were distributed to a significantly larger proportion of the student population.

The average need-based grant that Ontario graduate students received was higher than the average need-based grant received by undergraduate students. In addition, an almost equal proportion of the graduate and undergraduate populations at the institutions in Ontario received funding.

However, as noted in the introduction, these findings represent only need-based data for graduate students; the surveyed universities could not provide us with need and merit allocations for graduate students as they had for undergraduate students.

The limited data available and information on sources of funding at the graduate level at Ontario institutions beckon the need for more clarity in reporting and monitoring these dollars at the graduate level.

## Conclusions and Recommendations

Ontario institutions are leading the country in many aspects of institutional student financial assistance. Overall the data for Ontario universities showed that,:

- An average merit award of approximately \$1,600 was provided to 21 per cent of the undergraduate student population.
- An average need-based grant of approximately \$1,900 was provided to 20 per cent of the undergraduate student population.
- An average need-based grant of approximately \$3,400 was provided to roughly 20 per cent of the graduate student population.

As noted earlier in the paper, the college data were inconclusive due to a very low college participation rate.

In addition, the following research questions are each explored and answered below.

### ***What are the sources of these institutional funds (i.e. donations, OSOTF, tuition set-aside, operational budgets)?***

The primary source of merit funds in Ontario comes from the institutional operating budgets. This source of funding provides the institutions with a greater degree of flexibility when assigning dollars toward strategic objectives.

The primary source of need-based grants is the tuition set-aside funds at the institutions. This government program accounts for approximately three quarters of all need-based grants delivered at institutions. Unlike the merit funds originating from the operating budgets, these funds have a specific purpose and mandate. The institutions have little flexibility in the administration of tuition set-aside funds.

### ***Who are the intended targets of these funds (i.e. graduates or undergraduates)?***

In terms of both the merit awards and need-based grants, the undergraduate population seems to be the primary target. Although the value of graduate awards tended to be higher, a smaller percentage of the overall population received awards. With respect to the need-based funding, graduate students received a higher value of need-based grants.

### ***How are these funds used in institutional recruitment?***

Institutions in Ontario actively use merit awards, specifically entrance merit awards, as a tool for recruiting students. As stated, institutions viewed merit awards as the primary tool of recruitment. Institutions approached the recruitment issue with a simple philosophy: more money offered means a higher quality of student recruited. Ontario institutions pour money into entrance merit budgets in order to stay competitive. However, the result does not always yield a competitive advantage. If an institution increased the value of a merit award, it is likely that other institutions will match the award, thereby nullifying their advantage.

Ontario institutions seem to be clustered together in the size of their entrance awards; however, some institutions are using award duration as a new way to leverage a competitive advantage. For these few institutions, offering a lower value award that is renewable throughout the duration of undergraduate study will be a more competitive tool in recruiting student.

With respect to the entrance awards, Ontario institutions seem to be engaged in a recruitment competition that can only yield a disappointing result. At some point institutions need to realize that the competitive advantage gained by increasing the awards offered will be eroded as soon as another institution matches the value.

Need-based grants are not as prominent in institutional recruitment activities. Institutions noted that need-based funding played a role in the recruitment activities the same way that other university services play a role. Yet the need-based grants program in Ontario is the strongest of all the provinces. Perhaps institutions view need as a universal status quo; most students have it, therefore it cannot be used as a competitive advantage in recruitment activities.

### ***What are the possible areas for future research, policy development or data collection?***

#### 1) Time series of institutional grant data

It would be important to urge all Ontario universities and colleges—if not all Canadian universities and colleges—to collect and report on institutional granting on an annual basis. As noted earlier in the paper, it would also be important to work with stakeholders in the respective college and university communities to devise a workable and pertinent data collection instrument for each type of institution in order to properly collect data from each institution. Conducting an analysis on this information would be extremely beneficial to the understanding of trends within the province. This study is just a snapshot of the overall picture of aid in the province and real insight into the institutional goals cannot be flushed out with such a narrow data view. It would be beneficial for policy development if trends could be mapped with respect to need-based grants and merit awards.

#### 2) Common data sharing

While EPI was able to get a handful of institutions to participate in the study, not all of the terms and categories for collection were congruent among the institutions. HEQCO could examine the possibility of creating a common data sharing model with respect to student financial aid. This method of collection could be included in the Common University Data Ontario (CUDO) sets. This sharing of information could help curb the entrance award race and allow institutions to identify their niche of students. This is especially important with aid to graduate students.

#### 3) The relationship between government and institutional grants

While the current relationship seems to be limited to the information sharing on the SAG and OSAP programs, institutions in Ontario are privy to more information than their counterparts in other provinces. Yet, in the eyes of the financial aid officers there appears to be a disconnect between the government and institutions. HEQCO could do some analysis on the perceptions of financial aid officers. Conducting such a qualitative analysis could yield insight into a better system of knowledge exchange between the

institutions and the government. While this would be interesting for research purposes, this recommendation is particularly relevant for making the delivery of student financial aid more efficient.

4) Further exploration of the impact of institutional grants on student recruitment and retention

This paper just scratches the surface of this highly relevant topic, and a more comprehensive study would be greatly beneficial to Ontario institutions. Such a study would also complement Canadian scholarship already being done in the area of student financial aid and recruitment/retention as well as United States research in the specific area of institutional grants and recruitment/retention.

5) Assessment and analysis of recent changes to graduate student financial assistance

It would be interesting to observe a full assessment of the graduate program changes in more detail. While this study briefly touched on recent government investments in graduate studies, further research should be conducted to measure the full effect of new dollars entering graduate programs. Of note, this potential study should look at the ways that graduate dollars are spent at various institutions and the measured outcomes of these funds.

On the whole, Ontario is in a very advantageous position. The province is the leader in need-based grants and Ontario institutions are keeping up with Canadian counterparts in the area of merit awards. While this study attempts to shed light on a lesser known area of postsecondary education in the province, more research is needed to fully understand the complexity of student financial aid and the role that it plays within Ontario postsecondary institutions.



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## Appendix A: Data Instrument for Ontario Institutions

### PART I. RESPONDENT'S INFORMATION

*Please fill out the information below.*

NAME:

TITLE:

OFFICE/DEPARTMENT:

EDUCATIONAL INSTITUTION:

MAILING ADDRESS:

PHONE NUMBER: (     )

E-MAIL ADDRESS:

**\*\*\*CAMPUSES.** If your institution has more than one campus or regroups several independent colleges, please state in the space provided below, whether the information you are providing is for your institution *only* or whether it covers a group of affiliated campuses.

Please be sure to also provide the name(s) of the campus(es) that are covered in the information you have provided in the questionnaire.

### PART II. UNDERGRADUATE MERIT AWARDS

Before filling out this section, please refer to the section "Awards Controlled By Your Institution" in the

covering document “Filling out this questionnaire.”

**QUESTION 1.** The information I am reporting below is for the *[circle one]* **academic / fiscal / calendar** year:

\_\_\_\_\_ **TO** \_\_\_\_\_  
 Month, Year                      Month, Year

**PLEASE GIVE INFORMATION FOR THE MOST RECENT YEAR POSSIBLE.**

**QUESTION 2.** The information I am reporting below is based on *[check one]*

**Actual Expenditures** \_\_\_\_\_ **Budget Figures** \_\_\_\_\_

**QUESTION 3.** Please fill out the Merit Awards Table below. Remember that the figures you will report here are for **undergraduates only**.

Entrance undergraduate merit awards	Non-renewable	Renewable
1. Total Number of Awards Disbursed		
2. Total Value of Awards Disbursed	\$	\$
3. Total Number of Students Listed as Having Received a Merit Award <sup>14</sup>		

In-course undergraduate merit awards	Non-renewable	Renewable
1. Total Number of Awards Disbursed		
2. Total Value of Awards Disbursed	\$	\$
3. Total Number of Students Listed as Having Received a Merit Award		

**QUESTION 4.** Approximately how much of your funding for merit awards comes from each of the following sources? (Total should equal 100 per cent.)

Operating budget \_\_\_\_\_  
 University/college endowment \_\_\_\_\_  
 Other (please specify) \_\_\_\_\_

<sup>14</sup> We have inserted this line to take account of the fact that there may be multiple award recipients on your financial aid and awards database. For example your institution may have awarded 20 different merit awards, but only 19 students are listed on your database as having received a merit award. Therefore, one student was given two different merit awards. Your answer to Question 2 would be “20” and your answer for Question 3 would be “19”.

**QUESTION 5.** What are the three most prestigious undergraduate scholarships or student awards granted by your institution in this category? Please list the name, number of student recipients, the award amounts, number of applicants and give a brief description if each of these awards. In the description, please include a short explanation of the eligibility criteria, selection process and the duration for each award. Remember that the figures you will report here are for **undergraduates only**.

**Award #1:**

Award Name	
Number of recipients	
Award amount (please list range if necessary)	\$
Number of applicants for awards	
Award type	
Brief description:	

**Award #2:**

Award Name	
Number of recipients	
Award amount (please list range if necessary)	\$
Number of applicants for awards	
Award type	
Brief description:	

**Award #3:**

Award Name	
Number of recipients	
Award amount (please list range if necessary)	\$
Number of applicants for awards	
Award type	
Brief description:	

**QUESTION 6.** Thinking about the total amount of all undergraduate awards merit awards, how much of the awards fall under each of the following descriptions. (Please refer to the instructions above for details regarding this section.):



If your institution only awards bursaries to undergraduate students, or if your institution is strictly an undergraduate institution, fill out the column "Undergraduate Students" and leave the others blank.

Awards at Your Institution	Need-Based Awards (Bursaries)		
	Undergraduate Students	Graduate Students	All Students
Total Number of Awards Disbursed			
Total Value of Awards Disbursed	\$	\$	\$

**QUESTION 10.** Approximately how much of your funding for need-based aid comes from each of the following sources? (Total should equal 100 per cent.)

Tuition set-asides \_\_\_\_\_  
 OSOTF \_\_\_\_\_  
 Operating budget \_\_\_\_\_  
 University/college endowment \_\_\_\_\_  
 Other (please specify) \_\_\_\_\_

**QUESTION 11.** How does your institution determine a student's eligibility for a bursary? Please provide a list of these criteria in the space provided below.

For example, a bursary might be awarded to a student to compensate for shortfalls between that student's government assessed financial need and his or her weekly government student assistance maximum.

Another requirement might be that bursaries may only be awarded to students who do not receive a parental contribution towards their education.

*In your answer, it is important to state whether the criteria you use to determine eligibility are based on government need assessment criteria or whether your institution uses an independent method for assessing need.*

#### PART IV. WORK-STUDY PROGRAMS

**QUESTION 12.** Does your institution offer an on-campus work-study program for students in financial need? [check one]

YES \_\_\_\_\_ NO \_\_\_\_\_

If you answered **YES** to this question, please fill out the rest of the questions in this section.



**QUESTION 13.** Is your institution's participation in a work-study program for students funded in whole, in part, or not at all, by the government of your province? *[check one]*

WHOLLY FUNDED \_\_\_\_\_

PARTLY FUNDED \_\_\_\_\_

NOT FUNDED BY GOVERNMENT \_\_\_\_\_

**QUESTION 14.** How many students received a work-study award in the most recent 12-month period for which figures are available?

\_\_\_\_\_ students

**QUESTION 15.** Please state the total value of funds that were disbursed to students in the form of work-study programs in the most recent 12-month period for which figures are available.

\$ \_\_\_\_\_

**QUESTION 16.** What proportion of these funds was contributed by your educational institution?

\_\_\_\_\_ per cent

## PART V. GRADUATE AWARDS

**QUESTION 17.** Please fill out the graduate student table below. Remember that the figures you will report here are for **Graduate Students only**.

Entrance graduate awards	Non-renewable	Renewable
1. Total Number of Awards Disbursed		
2. Total Value of Awards Disbursed	\$	\$
3. Total Number of Students Listed as Having Received a Merit Award		

In-course graduate awards	Non-renewable	Renewable
1. Total Number of Awards Disbursed		
2. Total Value of Awards Disbursed	\$	\$
3. Total Number of Students Listed as Having Received a Merit Award		

**QUESTION 18.** Does your institution have a minimum support level for PhD students? If so, what is it?

**QUESTION 19.** Does your institution have a minimum support level for Master's students? If so, what is it? If not, do certain faculties provide minimum support levels? If so, please provide us with the details.

**QUESTION 20.** Approximately how much of your funding for graduate comes from each of the following sources? (Total should equal 100 per cent.)

Government of Ontario Graduate Expansion Funds \_\_\_\_\_

Tuition set-asides \_\_\_\_\_

OSOTF \_\_\_\_\_

Operating budget \_\_\_\_\_

University/college endowment \_\_\_\_\_

Other (please specify) \_\_\_\_\_

## Appendix B: Financial Aid Key Informant Interview Questions

***The first set of questions will deal generally with financial aid policy (need and merit):***

1. Do you use aid as a tool to recruit specific populations of students? What kind of student population are you targeting (e.g., Aboriginal students, students from low-income families, mature students, international students, students from immigrant families, first generation postsecondary education students, etc.)? How is that reflected in the merit or need-based awards that you disburse?
2. Does your aid and strategy differ between undergraduate and graduate students?
3. Does your aid and strategy differ for international students?
4. Considering your answers, is your institution more concerned with recruitment or retention or some other goal? Do you have a sense of how many awards are going to one goal or the other?

***The next few questions will deal with merit scholarships:***

5. Why does your institution give out merit awards? (In your answer, please tell us if and how your institution uses institutional funds to target high-achieving students, particularly with the goal of increasing the institution's ranking among its institutional peers/competitors etc.)
6. Please describe the role of merit scholarships with respect to your institution's recruitment activities? For instance, do you use these strategically as a recruitment or retention tool?
  - a) How do you use awards to retain specific target population students? (See above for examples?)
  - b) How important are student awards in retaining top undergraduate students?
  - c) Graduate students?
7. How does your institution advertise entrance awards available to undergraduate students? How are in-course awards advertised to undergraduate students?
8. What have been the general trends in the past five years regarding the role of merit scholarships within your institution? Do you think these trends will continue over the next five years? Please tell us regarding amount of awards, types of awards, target populations, etc?
9. In your opinion, what has been the impact of the Canada Millennium Scholarship Foundation's Excellence Award Program on merit scholarships within your institution? On the postsecondary education sector in general?
10. What are the sources for your merit awards? (e.g. tuition set-aside, OSOTF, operating budget, endowments, etc.) If possible, please give actual or estimated percentages for each source.

***The next few questions will deal with need-based assistance:***

11. Why does your institution give out need-based assistance?

12. Please describe the role of need-based assistance within the institution's recruitment activities?
13. Please describe the role of need-based assistance within the institution's retention activities?
14. What have been the general trends in the past five years regarding the role of need-based scholarships within your institution? Do you think these trends will continue over the next five years? Please tell us regarding amount of awards, types of awards, target populations, etc?
15. How is your school meeting the Ontario Student Access Guarantee? What issues have arisen in its implementation and what issues to anticipate coming up as the program continues?
16. What are the sources for your need-based awards? (e.g. tuition set-aside, OSOTF, operating budget, endowments, etc.) If possible, please give actual or estimated percentages for each source.

***The following questions deal with graduate student funding:***

17. What is your school's minimum level of funding for PhD students?
18. What about your minimum level of funding for Master's students? Please describe the different levels of funding depending on different types of Master's degrees.
19. What are the sources for your graduate awards? (e.g. tuition set-aside, OSOTF, operating budget, endowments, etc.) If possible, please give actual or estimated percentages for each source.
20. How much student funding comes from new provincial graduate studies money?

***The last set of questions deals with general trends and perceptions:***

21. What is the relationship between institutional aid and government aid at your school?
  - a) Do you have the ability to track the interaction between government and institutional aid?
  - b) If yes, how do you collect the data?
  - c) How do you use the information?
22. How do you perceive the role of institutions in serving students whose needs are not being met by government funding?
23. In your opinion, what colleges or universities are the most innovative or have the best practices in student awards and assistance? If institutions are listed – what makes them leaders? Please differentiate between leaders in need-based aid versus scholarships if such a distinction can be made.
24. Not including government funding or institutional aid, who are your top five external awarders of student financial aid or scholarships?
25. Has your institution recently evaluated its student financial aid practices? If yes, did your institution make changes to its offering of student awards in response to the assessment? If no, is there interest within your institution in conducting such an assessment?

## Appendix C: Registrar Key Informant Interview Questions

1. What kind of enrolment challenges, if any, has your institution faced in the past five years? What measures have been adopted to deal with these challenges? What challenges do you anticipate facing in the next five years and what are you doing to proactively prepare for these challenges?
2. What are your views on the short (i.e., one-year) and long-term (i.e., five-year) enrolment trends in the postsecondary education sector? What about institution-specific enrolment trends? What particular challenges might these trends pose?
3. Please describe any recruitment and retention strategies that have been put in place which aim to increase enrolment for specific groups of students, e.g., Aboriginal students, students from low-income families, mature students, international students, students from immigrant families, first generation postsecondary education students, etc
4. How important are student awards in recruiting and retaining top undergraduate students and as a strategy for enhancing access for qualified students as defined by your institution? Graduate students? (As part of the answer, please make sure to define “top” students.)
5. How does your institution advertise entrance awards available to undergraduate students? How are in-course awards advertised to undergraduate students?
6. What kind of student population are you targeting? How is that reflected in the merit or need-based awards that you disburse?
7. What is the relationship between institutional aid and government aid at your school?
  - Do you have the ability to track the interaction between government and institutional aid?
  - If yes, how do you collect the data?
  - How do you use the information?
8. How do you perceive the role of institutions in serving students whose needs are not being met by government funding?
9. Are there institutions that have distinguished themselves in their strategic approach to recruiting and retaining targeted students? If so, who and what is it that makes the institution stand out?
10. Has your institution recently evaluated its recruitment and retention practices? If yes, what changes were recommended and when were they made/are they slated to be made? If no, is there interest within your institution in conducting such an assessment?

## Appendix D: Institutional Participation in this Study

Institution	Financial Aid Interview	Registrar Interview	Undergrad Data	Graduate Data
Dalhousie University			X	
McGill University	X	X	X	X
McMaster University	X	X	X	
Queen's University	X	X	X	X
University of Alberta	X	X	X	X
University of British Columbia	X	X	X	
University of Calgary	X	X	X	
University of Ottawa	X	X	X	X
University of Toronto			X	X
University of Waterloo	X	X	X	X
University of Western Ontario	X	X	X	X
British Columbia Institute of Technology	X	X	X	
Centennial College	X		X	
Humber College	X	X		
Seneca College	X		X	
Algoma University	X	N/A		
Brandon University	N/A	N/A	X	X
Brock University	X	N/A	X	X
Canadore College	N/A	N/A	X	
Cape Breton University	N/A	N/A	X	
Concordia University	X	X	X	
Lakehead University	X	N/A	X	
Laurentian University	X	N/A	X	X
Mohawk College	N/A	N/A	X	
Mount Allison University	X			
Niagara College	N/A	N/A	X	
Nipissing University	X	N/A		
Nova Scotia Community College	N/A	N/A	X	
Ontario College of Art and Design	X	N/A	X	
Simon Fraser University	X	X	X	X
Trent University	X	N/A		
Thompson Rivers University	N/A	N/A	X	
University of Guelph	X	X	X	X
University of Lethbridge	X	X	X	
University of Manitoba	X	X	X	X
University of New Brunswick	X	X	X	
University of Northern British Columbia	N/A	N/A	X	X

University of Ontario Institute of Technology	X	N/A		
University of Prince Edward Island	N/A	N/A	X	X
University of Regina	N/A	N/A	X	
University of Saskatchewan	X			
University of Victoria	X	X	X	X
University of Windsor	X	N/A	X	
University of Winnipeg	N/A	N/A	X	
Wilfred Laurier University	X	N/A	X	





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