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## Student Wellness Centre

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### What is financial wellness?

- Having enough **money** to meet your short-term and long-term goals
- Gaining the **knowledge and skills** to manage your money effectively
- Feeling **confident and in control** of your financial situation.

### Financial Wellness and stress:

A lack of financial wellness can put post-secondary students at risk of poor mental health. Studies show that financial struggles are associated with **anxiety, depression, and stress**. Poor mental health can affect academic performance.

In 2021, 38% of Usask students reported that financial pressure and work obligations were a major source of stress. 16% reported that they have eaten less than they felt they should because there wasn't enough money for food.

CCWS 2021

## Challenges for Students

- **Demand for higher education.** Post-secondary training is often needed for middle-class jobs. Today, 68% of Canadians 25 to 29 hold a post-secondary degree); in 1981, this proportion was only 43%.
- **Rising tuition costs.** Between 1990 and 2013 the average tuition for university in Canada increased from \$1460 to \$6350. Adjusted for inflation, this indicates an estimated tripling of tuition rates since 1990.

- **Debt loads.** To fund their education, 40% of Canadian young adults take on a loan. The average debt load of a Canadian Bachelors is \$26,300.
- **Insecure work.** Temporary, contract, and term employment of youth increased from 6.9% of young workers in 1997 to 11.6% of young workers in 2011. Involuntary part-time work has also increased.
- **Unrealistic expectations.** A Canadian study found that the average high school graduate expects to earn \$90,700 within 10 years of graduating; roughly three times the average income of 25 to 29 year-olds with post-secondary degrees (\$31,600).

## Challenges for post-secondary students with families

Financial challenges are greater when there are dependents. Raising a child puts significant financial responsibility on parents/guardians who are pursuing post-secondary education

- **Kids are expensive.** \$253,946 is the estimated average cost of raising a child in Canada.
- **Debt.** In 1980, households owed \$.66 for every dollar of disposable income. In 2016, households owed about \$1.70 for every dollar of disposable income.
- **Children are taking longer to become financially independent.** In a recent survey of USask students, 59% stated that parents/family/guardians were a primary source of income in the past 12 months. As of 2016, 34.7% of Canadians (students and non-students) 18 to 34 lived with their parent(s).
- **Being unable to provide financial support.** Families with fewer resources tend to be unable to provide less financial support.
- **Knowing how much help is enough and how much is too much.** If a parent is in a position where they can financially support their child, it can be difficult to know how much help to provide. Financial priorities, meanings, and resources can vary between individuals, families, and cultures.
- **Planning and saving for retirement.** These steps are often challenging, but with today's increased life expectancies and increased cost of living, this can be even more so.

# Talking to Parents about Financial Support

It can be hard to have a conversation about money, but in the end, it may help to clarify goals and expectations.

- **What students and their parents do or don't talk about matters.** Less financial communication is linked to financial and psychological distress, while more communication is linked to better coping skills.
- **Financial support can strengthen OR strain family relationships.** Getting support from family may help a person to pursue education or other goals, but financial support may also

## What can help?

1. **Financial literacy** is the skills, knowledge, and understanding of key financial topics, like budgeting, saving, investing, spending, and debt.
2. **Social support** (from family, friends, colleagues) can often help to reduce the negative consequences of financial stress, but it's important to set clear expectations about the nature of that support.
3. **Institutional and community supports** are services provided by governments, universities, colleges and community organizations that help people to cope

be used to control or manipulate them. Financial support can sometimes create unwanted prying, ambivalence, or resentment.

- **Empathy and shared expectations can help.** Imagine what it might be like to be your parent;; consider their upbringing, their culture, their financial position, and their goals. Listen without interrupting to each other and try to come up with shared expectations regarding financial support that feel fair to everyone. Check in to review these expectations at financial turning points such as graduation, getting a new job, or starting a family.

## Questions to Discuss:

1. **What are the student's and family financial needs?**
2. **Who is paying for what?** Is there a savings account or RESP to draw from? What proportion of educational costs are the students and parents expected to cover?
3. **Is living at home an option?** If so, are there conditions such as paying rent attached?
4. **Are there non-**

## **financial ways to contribute?**

If you are receiving financial help, consider offering practical support to parents – cleaning, cooking, yardwork, and errands can be a big help.

## **Tips for post-secondary students**

- **Research scholarship and bursary opportunities as early as possible.** Many opportunities go unclaimed and becoming aware of application requirements can help to prepare in advance. Visit the student page under Money.
- **Get a sense of your financial situation.** Investigate what you have in debt and what that means in terms of repayment length and how much interest you will pay. Track your expenses for a month and use it to create a budget you can rely on.
  - Save for holiday or gift-giving expenses
  - “Pay yourself” what you need each month into a chequing account while the savings accumulate interest.
  - Develop financial goals for the next month, year or beyond.

- **Carry cash and leave your cards at home.** People tend to spend less when they have immediate and transparent feedback about the cost of daily transactions. Cash is a more “painful” way to pay.
- **Delay purchases.** Wait 24 hours before buying something new and think about if the purchase can be delayed, bought second hand, or borrowed. Before making a purchase, ask yourself “Have I taken care of all my must-haves (rent, food, other bills)?”
- **Go on a Fiscal Fast (aka No Spending Challenge).** Challenge yourself to go a day or a week without spending any money. Not only will you learn about your spending habits, you’ll also save money!
- **Unsubscribe from marketing and sales e-mails.** This will reduce temptation to buy items you don’t need just because they’re on sale.
- **Food Kit subscriptions can be pricey.** Purchase a few to get recipe ideas and then cancel and use the ideas to make your own meals.
- **Live a minimalist life.** It’s a thing, and very trendy. Purchase only what you need. Borrow and share with friends when you can.

- Use your student bus pass.

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## **Additional Resources**

### **General Financial Resources for Post-Secondary Students:**

- Financial Basics for Post-Secondary Students
- Financial goal calculator
- Budget Planner
- Saving Money on Housing & Transportation
- Saving & Investing Guide

### **Canadian Financial Literacy Resources:**

- Student Loans Canada
- Canadian Financial Literacy Database
- Canadian Financial Literacy Programs

### **Saskatchewan Financial Literacy resources:**

- Student Loans Saskatchewan
- Saskatchewan Financial Literacy Resource
- Government of Saskatchewan Financial Literacy Resources

### **For Post-Secondary Students with Families:**

- Financial Checklists When Having Children



- Financial Literacy for Parents

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