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Comparing the Economic Experiences of Rural and Urban University Students

This study examines the finances of students from rural and urban regions of Newfoundland and Labrador studying at Memorial University of Newfoundland. A sample of 722 senior full-time students was selected, and 439 of these students were interviewed by telephone. Statistical analysis of the data found that the two groups were significantly different in a number of respects. The results highlight the economic and financial disparities that exist between students from rural and urban regions of Newfoundland and Labrador. The policy implications are highlighted, and reform of current student financial assistance policies is encouraged to ease the financial difficulties encountered by university students from rural regions of the province.

Cette recherche porte sur la situation financière d'étudiants provenant de régions rurales et urbaines de Terre-Neuve-et-Labrador inscrits à la l'Université Memorial de Terre-Neuve. D'un échantillon de 722 étudiants des cycles supérieurs et inscrits à temps plein, 439 ont été interviewés au téléphone. Une analyse statistique des données a révélé des différences significatives sur plusieurs plans entre les deux groupes. Les résultats font ressortir les disparités économiques et financières qui séparent les étudiants originaires de régions rurales et ceux des régions urbaines de Terre-Neuve-et-Labrador. On discute les incidences sur les politiques générales et propose des réformes visant les programmes d'aide financière aux étudiants et ayant comme but d'alléger les difficultés financières vécues par les étudiants d'université provenant des régions rurales de la province.

In the aftermath of World War II and continuing on into the 1970s, Canadian participation in postsecondary education increased steadily and markedly, as did government's financial contribution toward the expansion and maintenance of the postsecondary system. Considering today's economic environment, the importance of securing postsecondary credentials is seen as essential to our success as individuals and as a society as a whole. Recent figures cited by Human Resource Development Canada suggest that 70% of all new jobs created annually now require some form of postsecondary education. The number of jobs requiring a postsecondary credential are increasing on an annual basis (Canada, 2001b).

Student financial aid in the form of grants or loans is intended to promote more equitable access to postsecondary education for individuals of all socio-

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economic backgrounds. For several reasons the importance of student financial aid has been heightened in recent years. Since the early- to mid-1990s, reductions in government funding to Canadian colleges and universities have resulted in tuition fee increases and the elimination of most of the preexisting grant aid for students. In 1990-1991 government grants accounted for 69% of the total revenue of Canadian universities as compared with 55% in 2000-2001. Student fees accounted for 19% of the total revenue of Canadian universities in 1990-1991 compared with 12% a decade before (Statistics Canada, 2002b). Over the same time period, from 1990-1991 to 2000-2001, average undergraduate tuition fees rose 135.4%, more than six times the rate of inflation (Statistics Canada, 2002a). These funding changes have been accompanied by sizable increases in the proportion of students who are borrowing and increases in the gross amounts borrowed by students (Canada, 2001a).

Rural Versus Urban Background

A large number of studies have compared the educational aspirations and plans of rural and urban students (Brown, 1985; Dupuy, Mayer, & Morissette, 2000; Horn, Anschutz, Davis, & Parmley, 1986; Knisley, 1993; Legutko, 1998; Looker, 1993; Shepard, Schmidt, & Pugh, 1992; Young, Fraser, & Woolnough, 1997). Many of these inquiries have concluded that a significantly smaller proportion of rural youth plan to and actually attend postsecondary institutions as compared with their urban counterparts. For example, results of longitudinal studies of youth in Nova Scotia and British Columbia indicated that rural youth in both provinces had lower educational aspirations and attainments than other youth (Andres & Looker, 2001). Frenette (2002) found that Canadian students who do not live within commuting distance of a university are far less likely to attend university than students who live within commuting distance of a university.

Although little is currently known about migration patterns between rural and urban areas in Canada, Statistics Canada has reported that in almost all provinces young people between the ages of 15 and 19 are leaving rural areas in greater proportions. Many of these youth are moving in order to pursue postsecondary education opportunities in urban areas. Young people who continue to live in rural areas are generally less educated than those living in urban areas. In addition, a much smaller proportion of those living in rural areas have completed a university degree (Dupuy et al., 2000).

There are several possible explanations for the differences in educational attainment observed between rural and urban youth. Some researchers have suggested that compared with urban youth, a much larger percentage of rural youth simply do not plan to attend college or university. Many young people in rural areas do not have access to the appropriate variety of courses and/or the proper career counseling resources that are necessary in order to prepare them for study beyond the high school level. Rural youth also must contend with higher pecuniary and nonpecuniary costs associated with pursuing postsecondary education than do urban youth. This is highlighted by the fact that whereas most urban youth have at least one postsecondary institution in their community, in most cases rural youth must leave their parental home and their home community in order to pursue college or university studies (Andres & Krahn, 1999; Looker, 1993). As a result, many rural youth may choose not to go

to a postsecondary institution because the benefits of doing so are not as great as they are for young people in urban areas.

Another plausible reason fewer rural youth opt for postsecondary study is the education level achieved by their parents. Because parents in rural areas are generally less educated than parents in urban areas and the probability that a young person will pursue postsecondary education is positively correlated with his or her parents' level of educational attainment, there will be a lesser likelihood that rural youth will pursue postsecondary education (Dupuy et al., 2000). Results of studies conducted by Frenette (2002) and Haller and Virkler (1993) indicated that the differences in socioeconomic status between rural and urban youth accounts for much of the difference in their participation rates.

What happens to those rural students who do go on to university? How do the experiences of rural students compare with those of their urban counterparts? A number of studies have shown that even when rural youth do move to urban areas to attend postsecondary institutions, they face relatively daunting challenges in making the adjustment to postsecondary study (Looker & Dwyer, 1998; Sharp, Johnson, Kurotsuchi, & Waltman, 1996). Some of these challenges are associated with living away from home. In general, regardless of whether they come from rural or urban backgrounds, living away from home can cause substantial adjustment problems for students (Donaldson, 1996; Grayson, 1997). In addition to having to manage the costs of living on their own, students lack the social support that was provided by their parents while they were living at home. This support can be an important determinant of whether students successfully adjust from high school to postsecondary studies. Coping with city life can also pose a problem for students of rural origin. Living in a city can require complex cognitive sets that many rural youth have not developed such as the ability to locate suitable and affordable housing and dealing with systems of mass public transportation. Liljander (1998) suggested that these additional challenges might lead to academic problems and/or an increased likelihood that a student will transfer to a lower-status program.

A 1998 postsecondary indicators document published by the Government of Newfoundland and Labrador reported that most postsecondary-bound high school graduates from the province's most populous region, the Avalon Peninsula, attended the province's only university (Newfoundland and Labrador, 1998). The main campus of Memorial University of Newfoundland also happens to be located in this region of the province. In contrast, most postsecondary students from the rural regions of the province were attending the province's public college rather than the university. Annual reports of first-year student performance issued by Memorial University of Newfoundland have consistently shown that students from urban backgrounds obtain significantly higher first-semester averages than students of rural origin (Memorial University of Newfoundland, 1996, 1997, 1998, 1999, 2000, 2001). It is also important to note that the new matriculants from rural backgrounds at Memorial University of Newfoundland consistently perform at a lower academic level during their first semester although as a group they have higher high school averages than their urban peers. The lower academic performance of first-year rural students at the university suggests that they will experience

difficulties in competing on a level playing field with urban students. Not surprisingly, the student attrition rate is also higher for rural students than for urban students.

The available data show that high school graduates from the more populous areas of Newfoundland and Labrador are more likely to attend the province's university in St. John's. In contrast, residents of rural areas of Newfoundland and Labrador are more disposed to attend the provincial college, the College of the North Atlantic, which has 18 campuses throughout the province (Newfoundland and Labrador, 1998). The objective of this study was to investigate and compare the economic experiences of rural and urban students at Memorial University of Newfoundland. For the purposes of this study, urban students were so designated if their home address postal code area was within daily commuting distance of St. John's.

Research Methodology

The independent variable in this study was rural/urban background. Students were assigned to one of these two groups in accordance with a methodology that was previously employed by the Centre for Institutional Analysis and Planning (CIAP) at Memorial University of Newfoundland (Memorial University of Newfoundland, 1996, 1997, 1998, 1999, 2000, 2001). This approach is consistent with ERS Rural-Urban Continuum Codes or Beale codes that classify rural or nonmetropolitan areas as those without an urban center of 50,000 or more (Butler & Beale, 1993). In Newfoundland and Labrador only the city of St. John's is considered to be urban according the ERS Rural-Urban Continuum Codes. Following CIAP's methodology, students were assigned to either the rural student group or the urban student group depending on whether their permanent address postal code was within daily commuting distance of Memorial University of Newfoundland's main campus in St. John's. Students were classified as urban if the first three characters of the postal code for their permanent address was any of the following: A1A, A1B, A1C, A1D, A1E, A1F, A1G, A1H, A1K, A1L, A1N, A1S, A1W, and A1X. Students with permanent address postal codes other than these were classified as rural. Permanent addresses were used because it was assumed to be the most accurate approximation of the address of the parental households and the location where students spent their formative years before entering university.

Several financial-economic variables were operationalized for data collection purposes, and a telephone survey was designed collect the data. These included prior level of education, living situation, plans for graduate study area income, area unemployment, whether the students' parents attempted and/or completed a postsecondary program, expenses, source of finances, and concern for finances. The variable *living situation* pertained to with whom the students lived (e.g., alone, with parents, etc.). The variable *plans for graduate study* concerned the students' intention to study beyond the undergraduate level. The variable *area income* was the median annual individual income of residents in a student's urban Forward Sortation Area (FSA) or postal code area (nonurban areas not covered by three-digit FSAs) as reported by the most recent annual income tax data available from Statistics Canada (Statistics Canada, 2002c). The variable *area unemployment* was the percentage of residents in a student's Forward Sortation Area or postal code area receiving employ-

ment insurance benefits as reported in the most recent data from Statistics Canada. The expenses included the amount per month spent for rent, utility bills (phone, power, etc.), food, household/personal items (toiletries, cleansers, etc.), clothing, medical/dental/eye care, vehicle (gas, repairs), local transportation (bus, taxi, etc.) and entertainment. Annual expenses for tuition and fees were also included. The source of finances included the respondents' usage of the following sources of funds as a source of financing that postsecondary studies: personal income or savings, parents' income or savings, scholarships, grants or bursaries, government-sponsored student loans, other bank loans, employment income earned during the school year, and employment income earned when classes are not in session. Concern for finances was defined as the respondents' perception of whether the cost of attending university was an issue of concern for them.

The survey sample was selected from the cohort of fourth- and fifth-year full-time undergraduate students at the main campus of Memorial University of Newfoundland. This group was selected for two reasons. First, students in their fourth and fifth year of study have several years of experience with financing university studies and are close to graduation. In addition, following discussions with officials at Memorial who had previously conducted surveys of the university population, the researcher assumed that senior students such as those in the fourth and fifth years of study would be more likely to agree to participate in a telephone survey.

A stratified random sample was selected from the population of fourth- and fifth-year undergraduate students so as to ensure that the study sample reflected the proportion of students in the general student population who were from urban and rural areas of Newfoundland and Labrador. The sample selected included 361 students from rural backgrounds and 361 students from urban backgrounds for a total sample of 722 study participants.

Over a two-week period, from October 31 to November 14, 2002, each student in the sample was telephoned at least once and asked to participate in a 20-minute interview. Those who were not available to be interviewed on the first attempt were telephoned a second and if necessary a third time. If the third telephone contact was unsuccessful, the person was eliminated from the interview list and identified as a nonrespondent. The number of students successfully contacted was 512. Of these, 439 students agreed to participate in a telephone interview for an overall response rate of 60.7%. (Among those contacted the response rate was 85.7%). The 439 respondents included 225 rural students (51.3%) and 214 urban students (48.7%).

All data were compiled and analyzed using the Statistical Package for Social Sciences (SPSS) version 10.0 for Windows.

Results

A breakdown of students' living arrangements by rural and urban student group is shown in Table 1.

The results of a chi-square analysis indicated that there was a significant difference between the rural and urban groups with respect to their living situation during the school year, $\chi^2(4, 439)=219.88, p<.001$. Analysis of the standardized residuals in the chi-square matrix indicated that a significantly larger number of rural students lived with roommates compared with their

urban counterparts. This analysis also showed that a greater number of rural students lived with relatives (other than their parents) compared with the urban students. In addition, a greater number of urban students reported that they were residing with their parents.

Data analysis indicated that the two groups were significantly different with respect to whether their parents had ever enrolled in a postsecondary program ($\chi^2(1, 439)=5.68, p>.05$.) and whether their parents had completed a postsecondary program ($\chi^2(1, 439)=5.90, p>.05$). The groups were also significantly different in terms of their plans to enroll in a graduate or advanced degree program following the completion of their undergraduate degree program, $\chi^2(1, 439)=7.20, p<.05$ (see Table 1).

The median annual individual income for all the residents in each of the survey participant's Forward Sortation Area (FSA) or postal code area, referred to here as area income, was compiled using the most recent income data available from Statistics Canada (2002c). Similarly, the percentage of individuals who derived some portion of their annual income from Employment Insurance in each of the survey participant's Forward Sortation Area (FSA) or rural postal code, referred to here as area unemployment, was compiled using Statistics Canada's income data (see Table 2).

Analysis of these data confirmed that the area income for rural students was significantly lower than that of urban students ($t(430)=-16.56, p<.001$). The area unemployment for the rural students' communities was significantly higher than that for the urban students' communities ($t(276)=23.58, p<.001$).

Students were asked to provide details about certain expenses that they incurred during the course of an academic year (see Table 3). They were asked how much they spent per month on rent and utilities, food, and household items; clothing; medical, dental, and eye care expenses; and entertainment. They were asked how much they spent per month for a personal automobile or for public transportation and how much tuition they paid each academic year.

Table 1
Selected Characteristics of Rural and Urban Students Registered at Memorial University of Newfoundland During the Fall 2002 Semester

| Characteristic | | Rural | | Urban | |
|---|--------------|-------|------|-------|------|
| | | Freq. | % | Freq. | % |
| Living situation $\chi^2(4, 439) = 219.88, p=.000$ | alone | 14 | 6.2 | 7 | 3.3 |
| | parent(s) | 21 | 9.3 | 167 | 78 |
| | spouse | 22 | 9.8 | 13 | 6.1 |
| | roommate(s) | 146 | 64.9 | 23 | 10.7 |
| | relative(s) | 22 | 9.8 | 4 | 1.9 |
| Parents attempted postsecondary program $\chi^2(1, 439) = 5.68, p=.017$ | yes | 154 | 68.4 | 168 | 78.5 |
| | no | 71 | 31.6 | 46 | 21.5 |
| Parents completed postsecondary program $\chi^2(1, 439) = 5.90, p=.015$ | yes | 126 | 56 | 144 | 67.3 |
| | no | 99 | 44 | 70 | 32.7 |
| Graduate aspirations $\chi^2(1, 439) = 7.20, p=.007$ | yes | 130 | 57.8 | 150 | 70.1 |
| | no/undecided | 95 | 42.2 | 64 | 29.9 |

Table 2
Mean Values for Selected Characteristics of Rural and Urban Students
Registered at Memorial University of Newfoundland During
the Fall 2002 Semester

| | <i>Rural</i> Mean (SD) | <i>Urban</i> Mean (SD) | <i>Overall</i> Mean (SD) |
|---------------------|------------------------------|------------------------------|--------------------------------|
| Area income** | \$15,101.78 (\$2,502.16) | \$19,215.89 (\$2,692.72) | \$17,107.29 (\$3,311.55) |
| Area unemployment** | 46.11% (15.62%) | 20.16% (5.23%) | 33.46% (17.51%) |

* $p < .005$; ** $p < .001$.

Analysis revealed that rural students spent more each month for rent and utilities (power, phone, etc.), $t(388)=11.99$, $p < .05$, food and household items (i.e., cleaners, personal hygiene items, etc.), $t(404)=6.06$, $p < .05$, and public transportation, $t(437)=3.07$, $p < .05$. In contrast, urban students reported larger monthly vehicle expenses, $t(437)=-2.96$, $p < .05$. There was no significant difference between the monthly amounts the rural and urban students spent on clothing, medical, dental, and eye care, and entertainment. The groups reported similar annual costs for tuition and fees.

When asked if the cost of attending university was an issue of concern for them, 368 (83.8%) of the students indicated that this was indeed a concern. There were 194 (86.2%) rural students and 174 (81.3%) urban students who indicated that they were concerned about the costs associated with their university studies. There was no significant difference between the two groups according to an analysis of the responses to this item.

The study participants indicated whether they used the following sources of funds in order to finance their university studies: personal savings, financial support from parents, scholarships, grants or bursaries, government-sponsored student loans, loans from private lenders, income from employment during the school year, and income from summer employment (see Table 4).

Analysis revealed no significant differences between the rural and urban student groups with respect to their use of personal savings, financial support from parents, loans from private lenders, and summer employment income. Significantly larger numbers of rural students reported using scholarships, grants, or bursaries, $\chi^2(1, 439)=7.99$, $p < .05$, and funds borrowed from their provincial or federal governments' student loan programs, $\chi^2(1, 439)=37.97$, $p > .001$. In addition, a significantly larger number of the urban students reported that they had paid for their university expenses using income from employment during the academic year, $\chi^2(1, 439)=30.28$, $p < .001$.

Discussion

The overall findings of this study suggest that students at Memorial University of Newfoundland are more likely to come from higher rather than lower socioeconomic backgrounds.

Table 3
Mean Values for Selected Expenses Incurred by Rural and Urban Students
Registered at Memorial University of Newfoundland During
the Fall 2002 Semester

| | <i>Rural</i> <i>Mean</i> <i>(SD)</i> | <i>Urban</i> <i>Mean</i> <i>(SD)</i> | <i>Overall</i> <i>Mean</i> <i>(SD)</i> |
|------------------------------|--|--|--|
| Rent and utilities* | \$349.93 (\$155.99) | \$134.48 (\$214.44) | \$244.90 (\$215.48) |
| Food and household items* | \$185.68 (\$88.08) | \$127.21 (\$112.15) | \$157.18 (\$104.59) |
| Clothing | \$62.71 (\$45.87) | \$72.72 (\$50.65) | \$67.59 (\$53.77) |
| Medical, dental, or eye care | \$17.46 (\$37.35) | \$16.93 (\$58.97) | \$17.20 (\$49.04) |
| Entertainment | \$96.18 (\$82.48) | \$96.09 (\$73.94) | \$96.13 (\$78.35) |
| Vehicle* | \$41.22 (\$73.02) | \$63.77 (\$86.38) | \$52.21 (\$80.51) |
| Public transportation* | \$22.26 (\$26.43) | \$14.85 (\$24.04) | \$18.65 (\$25.54) |
| Tuition | \$3473.93 (\$872.68) | \$3338.03 (\$755.47) | \$3407.23 (\$819.15) |

* $p < .05$.

The results showed that the living arrangements of students in each of the two groups were significantly different. Because the students were assigned to one of two groups based on whether their permanent home address postal code was within reasonable daily commuting distance of the city of St. John's, it is not surprising that the urban students were more likely to reside with their parents and rural students were more likely to live with roommates or relatives (other than their parents).

A significantly larger number of the parents of urban students had attempted and completed a postsecondary program. This result is consistent with earlier studies that have also shown that individuals residing in rural areas generally possess lower levels of education than individuals in urban areas (Bollman, 1999; Dupuy et al., 2000; Haller & Virkler, 1993). Bollman and Dupuy et al. also point out that the lower numbers of individuals with higher education credentials in rural regions can partly be attributed to a lower demand for workers with the skills attained through higher education.

A comparison of the income data available from Statistics Canada for each of the participants' urban Forward Sortation Areas or postal code areas showed that the average median individual incomes were significantly lower in the areas where the students in the rural group originated. These data also showed that significantly larger numbers of individuals in the rural areas were unemployed and as a consequence used Employment Insurance as a supplement to their annual income. Essentially, taken together the rural communities have

Table 4
Sources of Funds Reported by Rural and Urban Students Registered at Memorial University of Newfoundland During the Fall 2002 Semester

| <i>Characteristic</i> | | <i>Rural</i> | | <i>Urban</i> | |
|---|-----|--------------|----------|--------------|----------|
| | | <i>Freq.</i> | <i>%</i> | <i>Freq.</i> | <i>%</i> |
| Personal income/savings $\chi^2(1, 439) = 1.09, p=.298$ | yes | 175 | 77.8 | 175 | 81.8 |
| | no | 50 | 22.2 | 39 | 18.2 |
| Parents' income/savings $\chi^2(1, 439) = 1.92, p=.166$ | yes | 165 | 73.3 | 144 | 67.3 |
| | no | 60 | 26.7 | 70 | 32.7 |
| Scholarships, grants or bursaries $\chi^2(1, 439) = 7.99, p=.005$ | yes | 111 | 49.3 | 77 | 36 |
| | no | 114 | 50.7 | 137 | 64 |
| Government-sponsored student loans $\chi^2(1, 439) = 37.97, p=.000$ | yes | 164 | 72.9 | 94 | 43.9 |
| | no | 61 | 27.1 | 120 | 56.1 |
| Private bank loans $\chi^2(1, 439) = .13, p=.722$ | yes | 33 | 14.7 | 34 | 15.9 |
| | no | 192 | 85.3 | 180 | 84.1 |
| Summer employment income $\chi^2(1, 439) = .13, p=.715$ | yes | 168 | 74.7 | 163 | 76.2 |
| | no | 57 | 25.3 | 51 | 23.8 |
| Employment income earned during the school year $\chi^2(1, 439) = 30.28, p=.000$ | yes | 86 | 38.2 | 138 | 64.5 |
| | no | 139 | 61.8 | 76 | 35.5 |

lower incomes and higher instances of unemployment compared with the areas in and around the greater St. John's area where the urban students reside. Table 5 provides the average median income and Employment Insurance usage data for the rural and urban student groups along with the corresponding provincial and national data.

As shown, the average median income for the rural group was approximately the same as the provincial median individual income, whereas the average median income for the urban group was well above the provincial figure and also much closer to the national median income.

In comparison with the rural students, a significantly larger number of the urban students were actively planning to continue with their studies after completing their undergraduate program by enrolling in a graduate or professional degree program. This result is probably a product of economic factors. Rural students faced with greater financial barriers than the urban dwellers may simply not be able to afford the additional costs of enrolling in a post-graduate program. This difference could also be related to the educational achievement and income levels of parents. Looker and Lowe (2001) found rural students to be less likely to pursue graduate studies and suggested that the result was probably associated with rural students' parental income levels and the high costs associated with postsecondary schooling.

The rural and urban students reported significantly different levels of expenditures in several areas. Rural students paid significantly more for rent and utilities, food, and household items and for public transportation. Because most rural students are unable to live with their parents, they are more likely than urban students to live with roommates or relatives instead. Whereas urban students are more likely to live with their parents and pay little or no

Table 5
Comparison of Income Data for the Rural and Urban Student Groups with Provincial and National Data

| | <i>Rural group</i> | <i>Urban group</i> | <i>Newfoundland and Labrador</i> | <i>Canada</i> |
|---------------------------------------|--------------------|--------------------|----------------------------------|---------------|
| Median individual income | \$15,101.78 | \$19,215.89 | \$15,100.00 | \$20,800.00 |
| Percentage using Employment Insurance | 46.11% | 20.16% | 39% | 14% |

Source: Statistics Canada (2002c).

rent or other living costs, rural students must live outside of their family home and thus incur greater expenses because of the cost of rent, utilities, food, and household items. The fact that rural students had significantly higher public transportation expenses whereas urban students had significantly higher vehicle expenses can be attributed to economics, preference, or a combination of both.

The greater dependence of rural students on government-sponsored student loans is most probably associated with their expenses and their parents' income levels as they relate to the needs-based eligibility criteria of the Newfoundland and Labrador government's student loan program. Most of the students contacted for this study would because of their age be considered dependent students under the student loan eligibility criteria. As a result, parental incomes would be considered by student aid officials when assessing a student's level of financial need. Because the median individual income for individuals in the rural areas is lower than that observed for individuals in the urban areas, it can be expected that more of the students originating in the rural areas will be eligible for government-sponsored student loans. A similar rationale can be applied in considering these students' expense levels. Because the rural students are able to demonstrate that they have higher living costs, their financial needs assessments will be higher in comparison with that for the urban students whose living costs are lower. It is also probable that because they have greater financial need, rural students are more likely to seek out and use sources of nonrepayable student financial assistance like scholarships, grants, or bursaries in order to ensure that they accrue a lower level of debt overall and/or to cover any financial needs that are not covered by government-sponsored student loans. It is also plausible that in comparison with urban students, rural students are better able to demonstrate that they qualify for scholarships, grants, or bursaries that are awarded based on an assessment of financial need.

A number of explanations can be offered for why students from urban areas are more likely to work during the school year and use that income to cover their educational costs. The first is that urban students in this study were so designated because their permanent home address postal code was within reasonable daily commuting distance of St. John's. The students in this group grew up in the same community where they are now attending university.

Because of this it is arguable that the urban students have a stronger connection to the community in St. John's and by virtue of this they may be more likely to have opportunities for employment or are able to continue in jobs that they held before entering university. For example, they may know more potential employers or they may have more family or social relationships with potential employers. A second possible reason the urban students are more likely to work during the school year could be because a greater degree of social support is provided by their parents.

Comparatively speaking, rural students face greater challenges because they are living away from their family home and may be less likely to work because of these additional challenges. Another possible reason for the difference in employment activity between the groups may be the rural students' greater reliance on government-sponsored student aid programs. Although many students in the urban group may not be able to qualify for government's student aid programs because of how the eligibility criteria assess their expenses and their financial resources (e.g., the inclusion of parental income), this does not necessarily mean that all these students' financial needs can or will be provided for in the absence of government student loans. In these cases, the urban students may have no option but to work in order to cover their expenses. Alternatively, the rural students, who are better able to demonstrate that they have unmet financial needs, may also choose not to work if their financial needs can be covered adequately by other sources of income such as government-sponsored student loans and/or scholarships, grants, or bursaries.

Implications for Policy

Postsecondary students in Newfoundland and Labrador can apply for government-sponsored financial assistance from both the Canada Student Loans Program and the Newfoundland Student Loans Program. During the 2002-2003 academic year these programs were administered by the Student Financial Services Division of the provincial Department of Youth Services and Postsecondary Education. In accordance with the federal-provincial cost-sharing arrangement common to other Canadian provinces, 60% of the student loan is guaranteed by the federal government under the Canada Student Loans Program, whereas the remaining 40% is provided by the provincial government through the Newfoundland Student Loans Program. The federal and provincial programs are similar in many respects. The policies associated with each of the programs heavily emphasize that the loans are granted according to needs-based criteria and that the financial assistance provided is intended to supplement, as opposed to replace, the financial resources of students and their families. Under the Canada Student Loans Program, financial assistance is available in the form of loans for full-time and part-time students. The federal program also provides grants for students with dependents, students with disabilities, and high-needs female students enrolled in certain doctoral programs. Under the Newfoundland and Labrador Student Loans Program, financial aid is provided through loans for full-time students. Debt management and repayment measures have been added to both the federal and the provincial programs in recent years (Newfoundland and Labrador, 2002).

Both the Canada Student Loans Program and the Newfoundland Student Loans Program were developed in keeping with the philosophy that student

financial need should not be a barrier to Canadian students wishing to enroll in postsecondary studies. In the light of this and the findings of the current study, which has highlighted the significant financial disparity between university students from the rural and urban regions of Newfoundland and Labrador, it is reasonable to suggest that students in rural parts of the province are more likely to be disadvantaged by government's existing financial assistance policies. In comparison with the urban students in this study, the heightened prospect of debt accumulation for rural students may deter them from undertaking university studies. Indeed statistics have shown that residents of rural areas of Newfoundland and Labrador are more likely to enroll at one of the campuses of the province's public college rather than attend Memorial University (Newfoundland and Labrador, 1998). If they do decide to attend university, students in rural Newfoundland and Labrador are more likely to borrow and face the prospect of a debt repayment period following graduation because their financial needs are greater. From a policy standpoint, additional financial aid measures might partly ameliorate the disparate financial situation confronting Newfoundland and Labrador's rural students. In keeping with the intention of the government student assistance programs, such measures could help to ensure that financial need is in fact not a barrier to university study for all students in Newfoundland and Labrador. Targeted postsecondary grants for high-need rural students could ensure greater equality of opportunity for both rural and urban students to undertake university studies. The allocation of these grants could be easily integrated into government's existing loan eligibility assessment processes. Alternatively, if grants are not the preferred mechanism for providing additional nonrepayable financial assistance to rural students, government could investigate the possibility of providing additional debt relief for students of rural origin. Another possible route for addressing the needs of rural students is for government to amend its current student loan assessment and eligibility policies in order to take into account the higher costs that must be incurred by rural students.

The Canadian Context

Although the scope of this article is limited to an examination of the economic challenges of students of rural origin in the province of Newfoundland and Labrador, the issue of the financial disadvantage of students who live farther away from a college or university has significant national implications. According to one definition of rurality, over 30% of Canadians lived in rural regions of the country in 2001 (Statistics Canada, 2004). In each of the four Atlantic provinces and Saskatchewan, and in each of the three territories, more than half of the population lived in rural regions in 2001. In addition, relatively large proportions of the population in Alberta, British Columbia, and Ontario reside in nonmetropolitan areas. For many rural residents a daily commute to the nearest postsecondary institution is simply not an option. In an earlier study comparing rural and urban students' university participation, Frenette (2002) noted that 19% of the nation's population lived more than 80 km from a university and a further 13% lived between 40 and 80 km from a university (straight-line distance). In the light of these population demographics and the high costs of postsecondary study incurred by rural students, targeted financial

assistance for rural students at the federal level would be a policy worthy of consideration.

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