

How is the downturn impacting Canadian university students?





The current state of the economy is understandably of great concern to many businesses and Canadians. But what about the students out there – Canada's future workforce who will help shape and form our Canadian economy in the years to come?

With these questions in mind PricewaterhouseCoopers (PwC), as a leading employer of university graduates in Canada, undertook a survey of a mix of undergraduate and graduate university students to gain insight into their thoughts, hopes and fears about the current state of the economy, how it is affecting them and what they are doing to navigate their way through the downturn.

Recession concerns

Of the total 673 students who responded to the survey, from coast to coast they are concerned about the recession in Canada (56% are slightly concerned, and 33% are very concerned) and have been aware of the downturn for the past nine to twelve months. Main reasons for their concern include the lack of available jobs (summer, part time and full time) present and future. Accordingly students are also citing worries regarding their own and their family's finances. Regionally, those in New Brunswick (46%) are the most concerned about the economy, followed by 38% in Quebec, 35% in Alberta, 34% in British Columbia and 33% in Ontario.

“As a second-year university student, you start looking into the job market and there are simply not as many career options available right now as there were two years ago. Yet, I believe that strong skills will still be in demand no matter how hard an economy is hit. Therefore, I will use the time to improve and broaden my skill set.”

“My family and friends are either having a hard time finding work, or are having their hours cut. For myself, I am trying to put myself through university and can't find ways to make enough money.”

Forty-two per cent (42%) of students feel that the recession will affect their initial job prospects and 18% say that it will be up to them and their generation to fix the problems that have been created by previous generations.

Students are well aware of what is happening in markets around the world and the impact these issues have on Canada. Thirty-eight per cent (38%) claim the top causes of the recession in Canada are the impact of the global economy, followed by a mismanaged international banking system (33%). Other responses (8%) blame the American banking system, the US government and greed.

Plans are changing

But has the economic situation caused students to rethink their plans for the future? Respondents were split with 52% saying yes and 48% indicating no. Twenty-one per cent (21%) of those who responded yes indicate that the current environment means they will likely accept work in an area not directly related to their major, followed by 14% who say they are planning to move to a new location to seek job opportunities. However, the majority (24%) cite “other” plans, including extending their education by going on to graduate studies or pursuing a second degree and changing direction in their area of study and career choice.

Of those who indicate no, the majority (51%) claim that the downturn will not impact their plans and a further 32% say that they have yet to determine their plans.

“It's not that I want to change careers or plans, I am just beginning to realize how important it is to plan for the future and save some money for a rainy day, so when I am finished school or in between jobs I have stability.”

“Last year I decided to do additional coop terms just to save some time before I graduate and start finding a real job. I thought being a coop student at the moment is much better than being an unemployed graduate next year.”

“I decided to go to grad school, the idea being to “hide out” in school until the economy stabilizes.”

“I’ve decided that I am going to do what I love anyways.”

“I’ll achieve my dream regardless of the economy.”

“The downturn is short term compared to the rest of my life. That would be reactionary behaviour, which in large part is responsible for the way things are now.”

Depending on mom and dad

The majority of the respondents say they are supported financially by their parents (42%) followed by full time summer positions (14%) and student loans (13%). The most common way students are saving their money is by contributing to a savings account (58%). However, 26% indicate they don’t have any extra money to put into savings or investments. Other popular investment options include Tax Free Savings Accounts (25%) and RRSPs/Mutual Funds (22%).

Given their career and financial worries, students do appear to be changing their spending habits somewhat, 31% have changed some of their habits and 41% indicate they have reduced their spending at least slightly.

Future hope

The students surveyed are positive about Canada’s economic outlook with a full 58% of respondents indicating that Canada is fairing better than the rest of the G7. When do students believe the economy will begin to rebound? The majority believe this will happen within the next twelve months, with 28% expecting it to occur in the next nine to twelve months, and 26% in the next six to nine months. Key reasons cited for the rebound include government grants, the strong banking system and higher energy prices.

“I think it will take about 18 months for an upturn. I think that this is enough time for consumers to regain confidence in the economy and the banking system.”

“Potentially, if people have seen the impact of this recession and have begun learning to manage their debt properly, then we could start seeing “smart spending” come into effect over the next year, where people gradually increase their spending according to ability to comfortably afford goods and services. A comeback to a healthy economy will be slower, but hopefully more solid.”

“Improving Canada’s economy is essentially a long term goal. Fixing it over a few months just seems unrealistic considering there were many causal factors.”

Demographics

42% Ontario
7% Alberta
7% New Brunswick
12% Quebec
31% British Columbia
0.3% Nova Scotia

44% Female 38% Male

77% are between the ages of 18 to 25

Roughly 90% are studying business, business administration, accounting or finance.

Contact

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