



# Interest Relief Program and Loan Repayment

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## Survey Process and Considerations


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## Survey Process

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- Develop Survey Proposal
- Draft Detailed Workplan
- Develop Questionnaire
- Determine Population and sample size(s)
- Source the Survey
- Conduct and Monitor the survey
- Analyze Survey results



# Interest Relief Program and Loan Repayment Topics for Discussion

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- Survey Proposal
- Questionnaire Considerations
- Selection of Population and Sample Size



# Survey Proposal

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- Who will be surveyed?
- Why undertake the research?
- How and when will it be done?

Succinct, two to three pages, include a one page high level work plan



# Survey Proposal

## What is the Interest Relief Program?

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### **Background**

Interest Relief (IR) Program is a financial bridge between short-term unemployment/low earnings and higher income.

Helps reduce loan defaults.

Students with low post-study income can keep loans in good standing by accessing IR. Federal and provincial government pay the loan interest and no payments are required for up to 54 months. Students must re-apply every 6 months.



# Survey Proposal

## Why undertake this research?

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- In theory, IR should ensure that no students default due to low post study income during first 5 years after school.
- Loan Repayment/Default rates differ significantly across postsecondary sectors & institutions. Income data for students who defaulted within two years after school suggests many would have qualified for IR
- Primary purpose of the project is to investigate why the IR program is underutilized.



## Survey Proposal

### Why undertake This Research?

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#### Key Research Questions

- To what extent are students aware of the Interest Relief program?
- How do students become aware of the program?
- What difficulties do they experience applying for the program?



# Survey Proposal

## Why Undertake This Research?

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### Key Research Questions (Cont'd)

To what extent is the IR program underutilized?

### Recommendations

- How can awareness be increased?
- How can utilization be increased?



# Survey Proposal

## Why Undertake this Research?

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- Improve design & delivery of IR program
- Reduce incidence & cost of defaults
- Unique study



# Survey Proposal

## Who were surveyed?

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- IR participants and non participants (defaulters and non-defaulters) in repayment



# Survey Proposal

How and when was the survey conducted?

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- Telephone Survey - Third Party Firm
- Questionnaire Designed through Literature Review – July to September
- Survey Conducted Oct. to Dec. 05



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# Questionnaire Considerations



# Questionnaire Considerations

## Literature Review

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- Assists with identifying:
  - Key areas for questionnaire – for IR study reviewed 15 research papers
  - Research methods (e.g. statistical analysis)
  - Layout of research paper



# Questionnaire Considerations

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## IR Program and Loan Repayment Areas of Investigation

- Awareness & Experience with IR Prog.
- Post-Study Employment/Income
- Loan Counselling and KPI awareness
- Postsecondary Education Experience
- Defaulter's Attitude toward repayment



## Questionnaire Considerations

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- 25 Questions, none fully open ended
- Review internal student records
- Consult with survey firm
- Monitor survey progress - adjust sample targets if needed
- Contact person for questions/complaints



# Questionnaire Considerations

## Telephone Survey

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- If possible, keep survey to no more than 10-12 minutes
  - Pre-screen telephone #s for formatting
  - The more telephone numbers the better
- Contact/Completion Rate Diminishes Fast
  - Survey 6 months after graduation – 60%-70%
  - Survey 2 years after graduation – contact rate approx. 20%



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# Selection of Survey Population and Sample Size



# Survey Population and Sample Size

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## Constraints for IR survey

- Current IR program started 01-02
- Loan defaults occur 1 to 6 years in repayment – majority (75%) occur first 3 years into repayment
- Consent



## Survey Population and Sample Size

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### Population

Loan recipients in repayment since 01-02

- Defaulters and Repayers
- IR participants and non participants
- Attended Universities, Colleges, and Private Career Colleges in Ontario



## Survey Population and Sample Size

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- Population and Target Samples  
10 (cells)

	Non IR Recipients	IR Recipients
Universities	RePAYERS	RePAYERS
	Defaults	
Colleges	RePAYERS	RePAYERS
	Defaults	
PCCs	RePAYERS	RePAYERS
	Defaults	Defaults (3 sectors)



# Survey Population and Sample Size

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- Sample Size Considerations
  - Size of Population
  - Confidence Interval
  - Margin of Error



## Survey Population and Sample Size

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- Select a sample target so that the results (e.g. sample mean) should be representative of the population

- For a 95% CI and 5% margin of error

Population

Required Sample

10,000

370

100

80



# Determining Sample Size

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- i Six Sigma has a handy on-line calculator for determining sample size – type in population, margin of error, and select 95% or 99% CI

<http://www.isixsigma.com/offsite.asp?A=Fr&Url=http://www.surveyguy.com/SGcalc.htm>



## Determining Population and sample Size

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- IR survey – for each of the 10 groups, target sample sizes were set at 95% CI, 5% margin of error

Total pop. - 31,500 loan recipients

Total Sample - 3,000 loan recipients

1,000 IR participants

2,000 non participants

## Population and Sample Size IR Survey

Sector	Repayment Status	Non Participants Pop/Sample	IR Participants Pop/Sample
Univ.'s	RePAYERS	7,591/ 391	1,631/ 325
	Defaults	1,475/ 194	
Colleges	RePAYERS	8,573/ 533	2,382/ 413
	Defaults	3,927/ 327	
PCCs	RePAYERS	2,634/ 337	7,35/ 207
	Defaults	2,232/ 221	270/ 56 – 3 sectors
<b>Total</b>		<b>26,432/ 2,003</b>	<b>5,018/ 1,001</b>



# Lessons from IR and Loan Repayment Survey

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- Detailed work plan essential - assigned staff, deliverables, and due dates
- Focus resources on main questions
- Importance of resources – staff, software, survey firm