

# RECOGNIZING EXCELLENCE?

CANADA'S MERIT SCHOLARSHIPS

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# INTRODUCTION

Each year in Canada, over \$200 million in public and private funds is distributed to undergraduate students in the form of merit scholarships. While small compared to expenditures on need-based public assistance to students, this sum is nevertheless equivalent to the operating budget of a mid-sized Canadian university such as the University of Saskatchewan or the University of Victoria. In spite of this, however, there has been essentially no research conducted into undergraduate merit scholarships.

In the last 15 years, merit scholarship programs in Canada have grown more numerous as well as more diverse. Provincial and federal governments, non-profit organizations and private sector organizations now inhabit an area that was once the exclusive domain of educational institutions. Once designed simply to recognize outstanding academic achievement, merit scholarships now serve a number of purposes.

In Canada more than two hundred thousand undergraduate merit scholarships are offered to students annually. The sector has developed so much that, in the last five years, a niche industry has emerged—companies designed to help students find merit scholarships. Web sites like [studentawards.com](http://studentawards.com), [scholarshipscanada.com](http://scholarshipscanada.com) and [canlearn.ca](http://canlearn.ca) point students toward available scholarships. [Studentawards.com](http://studentawards.com), for example, cites about 400,000 users and approximately 8,500 visitors daily. There are also a number of scholarship guides including the annual *Maclean's Guide to Canadian Universities*, which features a detailed section on scholarships. The Entrance Awards Directory, published by [scholarshipscanada.com](http://scholarshipscanada.com), listed more than 34,000 scholarships in 2003.

Canadian parents now think of scholarships as a significant source of funds for their children's education. In a study of parents' financial planning for post-secondary studies, almost two-thirds (65%) of parents indicated that they expect their children's educational costs to be covered through scholarships.<sup>1</sup> The reality, however, is that just 31% of undergraduate university students and 9.5% of college students report actually having held an academic scholarship at some point in their studies.<sup>2</sup>

Yet while the merit scholarship system has evolved, our understanding of it has not. In many studies of student financing, merit scholarships are lumped together as a single entity, disguising important differences. Information on the size and composition of the sector as a whole is incomplete or nonexistent. This paper aims to address this knowledge gap, first by setting out a typology of merit scholarships, and then using it to sketch—to the extent possible—a statistical portrait of the sector.

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1. Sean Junor & Alex Usher, *The Price of Knowledge: Access and Student Finance in Canada*, (Canada Millennium Scholarship Foundation: 2002), page 12.

2. "Survey of Undergraduate University Students" (The Canadian Undergraduate Survey Consortium: 2002), page 35. "Canadian College Student Finances" (The Canadian College Survey Consortium: 2003), page 32.



# I. CLASSIFYING MERIT SCHOLARSHIPS

The term “merit scholarship” is nebulous. Merit scholarships come in many different forms and reward many different kinds of merit. They can differ substantially in both eligibility criteria and tenure. Classifying all academic scholarships as “merit scholarships” is therefore an oversimplification that obscures as much as it clarifies—a mistake from a policy point of view.

In principle, all merit scholarships can be defined by their four major attributes: their funding source, their selection criteria, their eligibility criteria and their tenure. A full typology of awards, showing the different possible categories within each attribute, can be found in Table 1.

**TABLE 1: ATTRIBUTES AND CATEGORIES OF MERIT SCHOLARSHIPS**

<b>ATTRIBUTE/AWARD CATEGORY</b>	<b>DESCRIPTION</b>
<b>Source of Funds</b>	
Educational Institutions	Post-secondary institutions only.
Governments	Both federal and provincial government funding.
NGO & Private	Non-governmental organizations, corporations, private foundations, etc.
<b>Selection Criteria</b>	
Academic	Given to students based solely on their academic record or grade point average (GPA) through a selective process.
Automatic Academic	Similar to “academic,” but provide students with a guarantee of a sum of money based on a published GPA scale (no selective process).
Extracurricular	Takes into account in equal or greater part to academics, various other student achievements such as leadership, community service, character and entrepreneurship.
Athletic	Based on athletic ability or achievement.
Talent	Based on a specific skill-based competition such as writing an essay or participation in a music or math competition.
Need-merit hybrid	Based on some combination of academic merit and financial need.
<b>Eligibility Criteria</b>	
Program Specific	Only given to students in a particular field of study.
Institution Specific	Only given to students attending a particular educational institution.
Region Specific	Only given to students from a particular geographic area.
Special Circumstances	Intended to redress a particular social inequity or to support one particular group; recipients must meet certain “identity” requirements (e.g., age, gender, socio-economic or ethno-cultural background).
General	Given without any of the above eligibility restrictions.
<b>Tenure</b>	
Non-renewable entrance	A one-year scholarship for students given upon entering studies.
Renewable entrance	A multi-year scholarship for students given upon entering studies.
In-course	A scholarship or award given to an upper-year student.

While some of the categories within each of the four attributes are mutually exclusive, others may coexist comfortably. With respect to the selection criteria attribute, for instance, a scholarship could reward both academic achievement and a specific talent. There are

also links between categories from different attributes. Scholarships from some certain sources of funds (e.g., educational institutions, provincial governments) also tend to be associated with certain eligibility characteristics (institution-specific and province-specific, respectively).

## II. CLASSIFYING CANADIAN MERIT SCHOLARSHIPS

### INFORMATION SOURCES

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Before classifying the various scholarship programs, it was necessary to capture as much data as possible on the Canadian merit scholarship sector. Very little has been published on this topic, so several research techniques were required.

For scholarships provided by educational institutions, initial data came from a survey conducted by the Canada Millennium Scholarship Foundation in the fall of 2001. This survey asked all Canadian universities and public colleges about their student financial assistance expenditures. Forty-one universities (all of the large universities except for Memorial University) and 77 colleges responded to the survey. Among other things, institutions were asked to report the number and value of their merit scholarships, bursaries and need-merit hybrid scholarships. While this survey provided data as to the overall value and number of awards, it did not inquire about selection criteria, eligibility or tenure. The author of this paper therefore conducted a follow-up survey with 22 institutions (all universities), accounting for approximately 90% of Canadian institutions' overall expenditures as reported by the original survey. Participating institutions were asked to break down their undergraduate scholarship budget between renewable entrance, non-renewable entrance and in-course awards. The reader should therefore

keep in mind that this paper's figures for tenure criteria do not account for approximately 10% of the merit expenditures reported in the original survey.

For both government and the NGO/private scholarships, data was gathered from publicly available sources, directly from the scholarship administrators or from both. For the purposes of this paper, only those scholarship programs whose annual commitments were greater than \$50,000 were included.

### A) MERIT SCHOLARSHIPS BY SOURCE OF FUNDS

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There are three kinds of sources for merit scholarships in Canada.<sup>3</sup> The first, and still by far the largest, consists of educational institutions. The second category is composed of governments, both federal and provincial. The third category comprises non-governmental and private organizations. Together, these three sectors distribute almost \$200 million in merit scholarships annually in the form of more than two hundred thousand individual scholarships. It is important to note that one student can receive more than one of these scholarships and that the range in value is significant, as some are worth as little as \$100 or as much as \$10,000 per year, renewable for several years.

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3. Note that, when classifying a scholarship, the organization that distributes the funds determines its type. For instance, while the original source of an educational institution's scholarship may be a private donor, it is still listed as an "institutional" scholarship. The original sources of funding for the non-profit organizations range from individual donors to private foundations and private funding.

### **i) Educational institutions**

The first merit scholarships administered by Canadian universities were small in both number and value. They were meant to recognize outstanding academic work. In the 1950s, a few institutions began to receive individual donations for scholarships for veterans of the Second World War and the Korean War. In the 1960s these donations increased, and institutions found themselves having to administer numerous small scholarships with detailed eligibility restrictions. As the administration of scholarships became complicated, institutions consolidated the funding and began more systematic scholarship programs to recognize outstanding students. In the 1980s, as enrolment increased, institutions raised funds and dedicated more money to scholarships. In the 1990s both non-governmental and private sources entered the sector; the number of available scholarships increased considerably.

In 2000–01, the most recent academic year for which statistics are available, educational institutions spent a total of \$110 million on hybrid and merit scholarships. Spending was not distributed evenly between universities and colleges—96% of the funding came from universities. Institutions made 73,590 offers of merit scholarships, with a median award value of \$1,200. The size of the awards appears to be unrelated to the size of the university; the median for comprehensive, medical/doctoral and primarily undergraduate universities (using *Maclean's* magazine's categories) varies only by \$100.<sup>4</sup> There are some clear regional differences with regard to institutional merit funding across Canada. Although Ontario and British Columbia

account for 37% and 9% of the undergraduate student population, their institutions distribute 51% and 15%, respectively, of all of Canada's undergraduate merit funding. On the other hand, Quebec institutions account for only 5% of merit expenditures, even though Quebec has 28% of the student population.<sup>5</sup> Moreover, 99% of all Canadian merit undergraduate funding is distributed by only 24 post-secondary institutions.

### **ii) Governments**

Until quite recently, Canadian governments avoided giving out undergraduate merit scholarships and concentrated instead on need-based financial assistance. The federal government has a long history of giving merit-based assistance to graduate students, primarily through the three granting councils. It made an exceptional foray into undergraduate merit-based financing through the Canada Scholars Program, which it funded from 1988 to 1995.<sup>6</sup> In 1998, the Government of Canada re-entered the sector by establishing the Canada Millennium Scholarship Foundation. The Foundation launched its Millennium Excellence Award Program in 2000, granting renewable, entrance, extra-curricular merit scholarships to students starting their post-secondary studies. The program's purpose goes beyond academic achievement to recognize individuals who have shown a commitment to leadership, innovation and the betterment of their communities.

Only three provinces run merit programs with commitments over \$50,000. The most established and elaborate provincial scholarship program is the Alberta Heritage Savings

4. Alex Stephens, Institutional Undergraduate Aid and Awards in Canada. Unpublished paper.

5. Source for student population statistics. Sean Junor and Alex Usher, *The Price of Knowledge: Access and Student Finance in Canada*, Canada Millennium Scholarship Foundation Research Series, 2002, 64.

6. Founded by the Ministry of Industry, Science and Technology Canada, the Canada Scholars Program was aimed at encouraging individuals, especially women, to enter the field of science. It was cut in the 1995 budget and phased out by 1998.

Trust Fund. The Trust Fund was created in 1976 when oil and gas revenues were high and the Alberta government ran surpluses. The Alberta Heritage Scholarship Fund was created in September 1980 with a \$100 million endowment from the Trust Fund. The Alberta Heritage Scholarship Fund distributes approximately 16,000 undergraduate merit scholarships every year.

The youngest program is Ontario's Queen Elizabeth II scholarships (also known as Aiming for the Top). Launched in 2000, these need-merit hybrid scholarships are meant to recognize academically strong students with demonstrated financial need. The average value of these scholarships is approximately \$2,200. It is expected that the program will distribute more than 10,000 scholarships when it is fully implemented.

British Columbia administers four major programs. The District Scholarship Program consists of \$1,000 entrance, academic merit scholarships distributed by individual school districts to a total of more than 500 graduating high school students across the province. The Provincial Scholarship Program gives \$1,000 or \$2,000 entrance, academic merit scholarships to graduating high school students who excel at provincial exams. The Premier's Excellence Award Program distributes 15 entrance, extracurricular scholarships of \$5,000. The Passport to Education Program is the largest, with more than 67,000 entrance, academic scholarships. A high school student in B.C. can receive up to four awards each as long as they are in the top 30% in each grade from 9 to 12. They can be redeemed for tuition or other educational expenses up to a maximum value of \$800.

All told, in 2001/2002 the annual commitment to undergraduate merit scholarships from all levels of government was approximately \$66 million. Some \$58 million came from provincial governments while approximately another \$8 million came indirectly from the Government of Canada through the Canada Millennium Scholarship Foundation. This total of \$66 million is growing to about \$82 million as Ontario's Queen Elizabeth II scholarships and the millennium excellence awards are being fully implemented.

### **iii) NGO & Private**

In the late 1980s and early 1990s, a few non-governmental organizations began administering small but significant merit scholarship programs. Although the total dollar value disbursed and the total number of awards they provide remain quite small compared to those of institutions and governments, they have established themselves as major actors in the field by providing the most generous scholarships and by defining merit more broadly.

There are approximately 10 scholarship programs in Canada administered by non-governmental or private organizations with annual commitments of more than \$50,000.<sup>7</sup> The biggest is the Canadian Merit Scholarship Foundation (Merit Foundation) Program, with an annual commitment of \$1.5 million. The Merit Foundation provides a renewable entrance scholarship that recognizes well-rounded students who combine academic promise with character, leadership potential and a commitment to the community. It was founded in 1988 to emulate the Rhodes, the Angier Duke and the Jefferson Awards in the

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7. These include Canadian Merit Scholarship Foundation, Garfield Weston Merit Scholarships for Colleges, the Mensa Canada Scholarship Programme, the Miller Thompson Foundation Scholarship Programme, the Terry Fox Foundation Humanitarian Award, the World Petroleum Congresses Millennium Scholarship Program, The Foundation for the Advancement of Aboriginal Youth, and a few through the AUCC including the TD Canada Trust.

United States; it is meant to add to a student's educational experience. The program includes an extensive mentoring and advising system as well as a summer grant fund.

The Association of Universities and Colleges in Canada (AUCC) and the Canadian Bureau for International Education (CBIE) are the two main administrators of scholarships for private corporations. Most of these programs are actually part of benefits packages offered by companies to their employees, and hence should not be counted as merit scholarships per se. The AUCC distributes approximately \$10 million annually via these scholarships. One of the biggest corporate programs is the TD Canada Trust Scholarship for Outstanding Community Leadership, which provides 80 entrance, extracurricular general scholarships (20 of them renewable) annually.

The total value of the major programs from both non-governmental and private sources is approximately \$4.1 million for less than 1,000 scholarships. Note that because this

survey only considers major NGO & private scholarship programs, this figure underestimates the size of the sector as a whole.

As Chart 1 shows, institutions distribute 62% of overall merit funding. Of this portion, universities account for more than \$100 million—96% of the institutions' total share. Governments—primarily those of Ontario, Alberta and British Columbia—account for approximately \$66 million annually, which represents 36% of total merit scholarship funding. The private and non-governmental sector accounts for the remaining 2%, although as noted above, this figure is an underestimate.

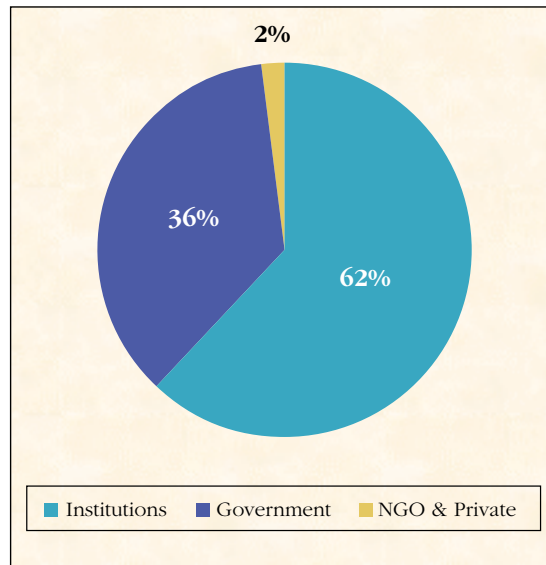
## B) MERIT SCHOLARSHIPS BY SELECTION CRITERIA

Different scholarships have different selection criteria. Using the typology described in Table 1, six types of selection criteria have been identified:

- 1) Academic
- 2) Automatic Academic
- 3) Extracurricular
- 4) Athletic
- 5) Talent
- 6) Need-Merit Hybrid

Most of these criteria are not mutually exclusive; it is reasonably common for scholarships to have more than one selection criterion. The most important distinction to recognize is that between Academic and Automatic Academic. An Academic scholarship uses a selective process, based on students' academic record or grade point average (GPA). Automatic Academic scholarships are also based on grades, but without a selective process; applicants with a certain GPA are guaranteed a certain amount of

**CHART 1: BREAKDOWN OF SOURCE FUNDS BY CATEGORY**



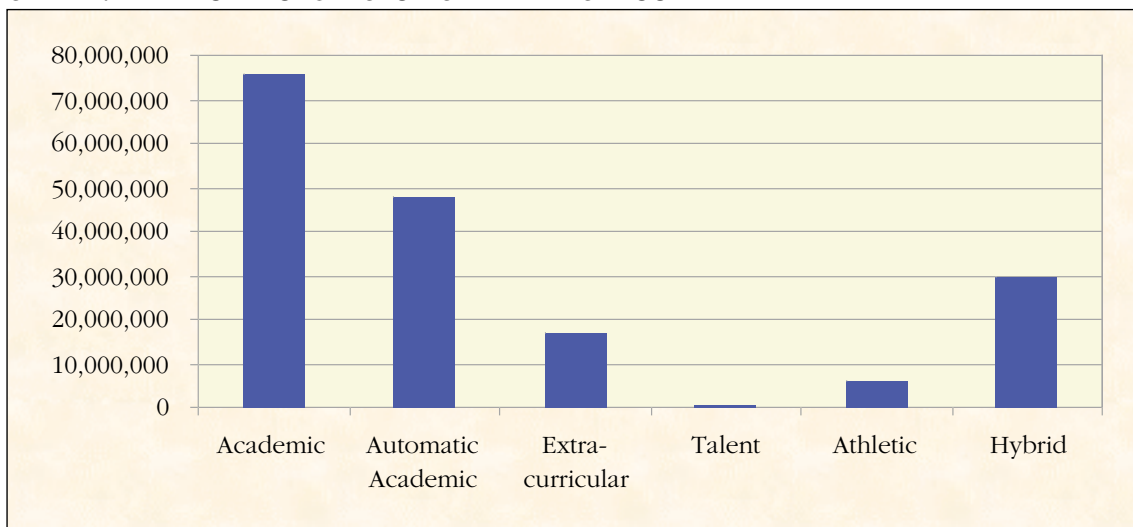
money. For example, the University of Alberta distributes approximately 3,000 awards to students who enter with at least an 85% GPA. All students entering the university with a high school academic record of 85–89% are guaranteed \$1,250; those with a GPA of 90–94% can expect \$2,500; and those with 95% and above are entitled to \$4,000 each.

As Chart 2 demonstrates, approximately 67% of the overall funding of the merit scholarship sector is based on academic achievement. If the amount being distributed as Need-Merit Hybrid scholarships (the “merit” portion of which is always adjudicated by

marks) is added, the share of overall funding jumps to over 83%. Merit scholarships requiring an Extracurricular component account for 9% of the value of all awards, while the Talent category is worth less than 1%.

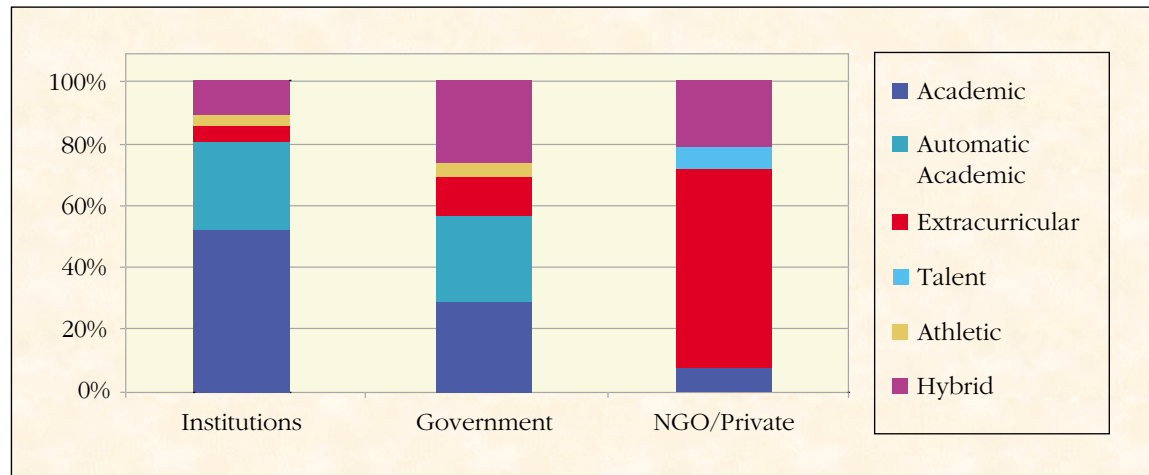
Athletic scholarships account for 3% of merit scholarships. According to Canadian Interuniversity Sport, the national governing body of university sport in Canada, Canadian universities distributed 2,439 athletic scholarships for the 2001/2002 academic year. These scholarships had a total value of \$3.4 million and an average value of \$1,405.<sup>8</sup>

**CHART 2: BREAKDOWN OF SELECTION CRITERIA BY CATEGORY**



These findings are not surprising. The focus of merit scholarships has always been on academic achievement. What is more interesting, perhaps, is how these selection criteria vary among funding sources.

8. For a detailed breakdown of athletic scholarships in Canada please refer to [www.cisport.ca](http://www.cisport.ca). As of June 2000, CIS began collecting data and making it publicly available. In Canada, universities must act within awarding guidelines provided by CIS as well as their equivalent regional association. The regional associations are Ontario Universities Athletics, Quebec Student Sport Federation, Atlantic University Sport and Canada West Universities Athletic Associations.

**CHART 3: BREAKDOWN OF SELECTION CRITERIA BY SOURCE OF FUNDS**

As Chart 3 demonstrates, the two models most funded by institutions are Academic and Automatic Academic scholarships, which together make up 82% of institutions' overall merit expenditures. Governmental funding, on the other hand, is composed of 26% Need-Merit Hybrid scholarships (primarily Ontario's and some of Alberta's), 56% Academic and Automatic Academic (most of Alberta's and B.C.'s), and 4% Athletic awards. The remaining 13% is Extracurricular (mostly the Foundation). Funding from non-governmental and private sources is focused on the Extracurricular and Talent categories. Approximately 72% of total NGO and private merit scholarship money is devoted to these models. The second-most funded model is the need-merit hybrid, demanding 21% of total funding.

There is a clear difference between scholarships based on GPA benchmarks (or other quantitative measures) and those that require more qualitative assessment processes. The former are relatively cheap, while the latter often require extensive human resources to administer. This is why

many educational institutions have adopted Automatic Academic scholarships in recent years. Low overheads make them attractive to governments as well.

In addition to being cost-effective, automatic Academic scholarships are useful recruitment tools. Entrance scholarships are used as incentives to influence students' choice of institution. Indeed, with most of these scholarships valued at just \$1,000, and with more and more students receiving them, their purpose is less about outstanding merit and more about managing enrolment. Whereas the Academic scholarship might be an incentive for a student to choose one institution over another, the Automatic Academic attempts to influence a student's choice by guaranteeing a scholarship. McMaster University established its Automatic scholarship program in 2000 and dedicated 60% of its overall scholarship budget to these entrance scholarships. The result was a 40% increase in the number of students entering with a GPA of at least 80%.<sup>9</sup> The University of Winnipeg was one of the first post-secondary institutions to establish Automatic Academic

9. John Schofield, "Shopping for Scholarships," Reader's Digest, February 5, 2002.

scholarships in 1987/1988. Since then some 17 universities and two colleges have begun to offer Automatic Academic scholarships.

In contrast, the NGO and private sector have by and large pursued an Extracurricular model, which looks beyond GPA and values qualities such as community involvement and leadership. NGO and private sector scholarships also tend to disproportionately have some of the larger and more prestigious extracurricular scholarships with annual stipends to a few students of \$10,000 each.

The Canadian Merit Scholarship Foundation (Merit Foundation) brought this type of model to the national stage in 1990 and added an important component to merit scholarships in Canada: “more-than-money.” The Merit Foundation not only recognizes outstanding young citizens but also seeks to encourage and support their development. It tries to enrich their educational career by providing additional opportunities, such as an intensive mentorship program and a summer development program. As an independent, non-governmental organization, the Merit Foundation has the benefit of not being associated with any one institution and of giving students the opportunity to take its scholarships to the university of their choice.

While Merit Foundation’s scholarships were not, in fact, the first in Canada to use the extracurricular model (that honour belongs to McGill University’s Greville Smith scholarship, which was created in 1977 to emulate the Rhodes scholarship model), their influence convinced many educational institutions that purely academic scholarships might overlook an important group of the country’s most talented students. Approximately 16 universities and one college now dedicate significant funding to these programs. The largest among them are the Chancellor’s Scholarships at Queen’s University and the

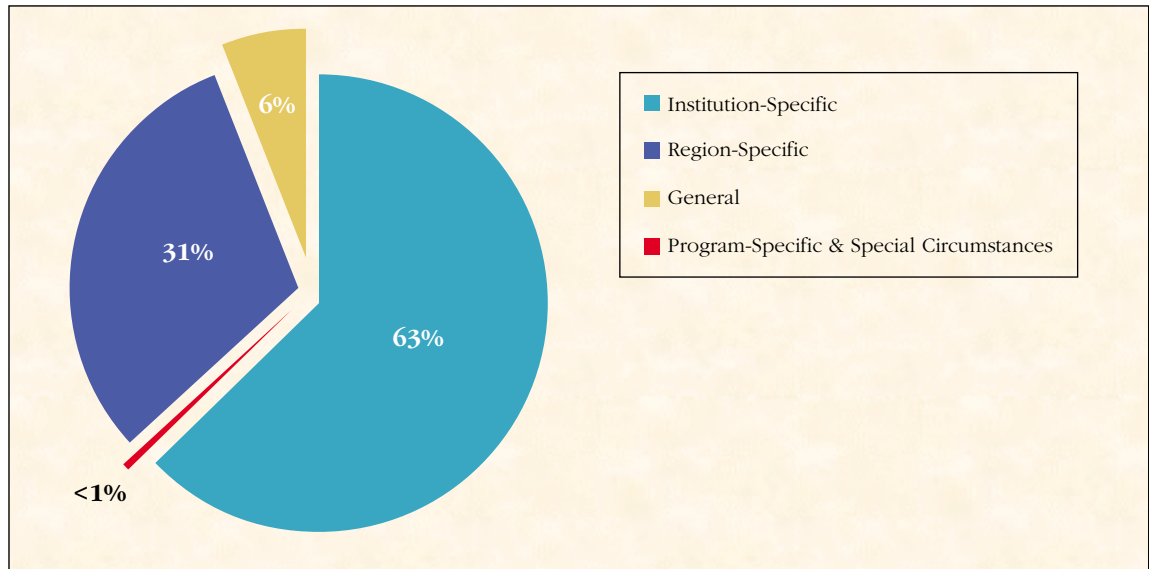
Governor’s Scholarships at the University of Guelph.

In 2000, the extracurricular model received significant funding and expansion with the establishment of the Canada Millennium Scholarship Foundation’s Millennium Excellence Award Program. This program has made the model available on a large scale across the country. It holds an expansive and multi-faceted view of excellence. It is built on a qualitative assessment process meant to gauge the impact the student has had on her or his community.

### **C) MERIT SCHOLARSHIPS BY ELIGIBILITY CRITERIA**

Eligibility criteria for merit scholarships in Canada may be classified into five categories. *Institution-specific* scholarships are given to students with the requirement that they attend a specific institution. This, naturally, is the most funded model (63% of overall funding), as institutions are the major funding source of merit scholarships—virtually all of their awards are institution-specific. Some big corporate scholarships, while they are meant to encourage studies related to their business, are also institution-specific (e.g., the Nortel Networks Scholarships at McMaster for engineering and computer science).

The second-most funded category is the *region-specific* scholarship. All provincial government funding (approximately 31% of overall government funding) is region-specific; students must be residents of the province to be eligible. Moreover, since one of the objectives of provincial funding is to encourage talented students to remain in the province, 50% of provincial merit scholarships stipulate that students must study within the province (100% in Ontario and 40% in Alberta).

**CHART 4: BREAKDOWN OF ELIGIBILITY CRITERIA BY CATEGORY**

*Program-specific* scholarships are given to encourage study in a specific field. These include scholarships from private corporations meant to encourage the development of a field associated with the company. *Special circumstances* scholarships are intended to redress a particular social inequity or to support a particular group, and as such are given to students from particular ethno-cultural backgrounds, by gender, etc. Very little data is available on either of these types of scholarships, particularly at the institutional level, where the data available to classify scholarships in this manner is sparse to non-existent. The author was only able to identify \$800,000 in scholarships of these two types combined. Some of the funding identified in this section as *institution-specific* is also *program-specific* or *special circumstances* but for the moment it is impossible to determine

the exact amount. Further work is needed in order to disaggregate institutional funding in this manner.

*General scholarships* are given to students without any eligibility restrictions, regardless of where or what they choose to study. In Canada less than 6% of merit-based funding is distributed in the form of general scholarships. Most of this money comes from federal (in particular the Canada Millennium Scholarship Foundation's Excellence Awards), non-governmental and private sources. Virtually all NGO and private funding is administered as general scholarships. The only major corporate general scholarship is the TD Canada Trust Scholarship Program, which distributes 80 non-renewable and renewable entrance, extracurricular scholarships to young community leaders.

## D) MERIT SCHOLARSHIPS BY TENURE CRITERIA

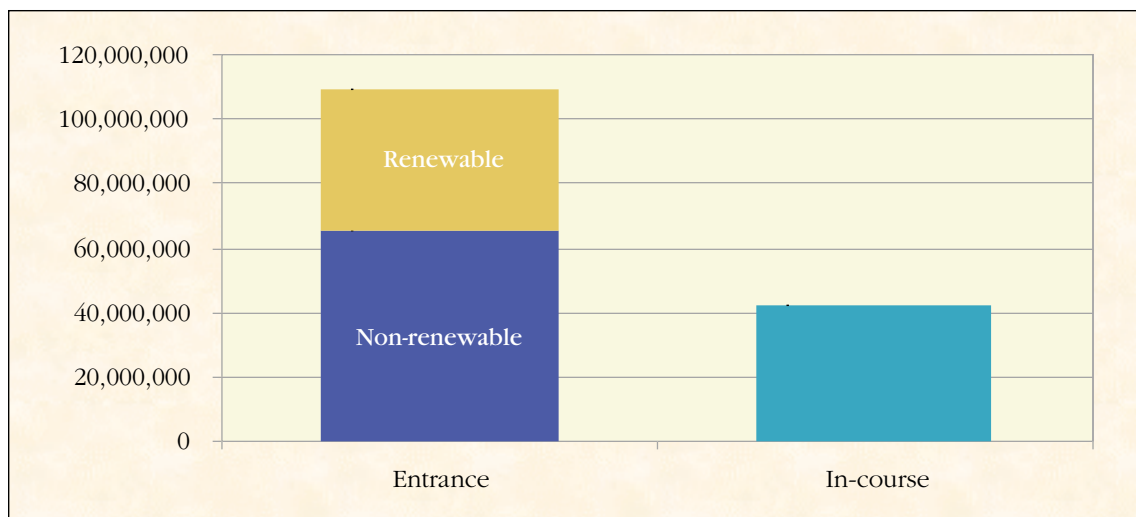
The final classification system is concerned with the tenure of the scholarship. There are three categories. Non-renewable entrance scholarships are one-year scholarships given to students as they enter their first year of post-secondary studies. These are by far the most funded, representing 43% of overall merit expenditures. Renewable entrance scholarships are multi-year commitments made to students as they enter their first year. If the students meet the renewal requirements, they can depend on receiving this scholarship for one or more additional years. This category of scholarship is the second-most funded, constituting 29% of overall expenditures. The last category is the in-course scholarship, which makes up 28% of overall expenditures; such scholarships are offered once a student has already enrolled at a post-secondary institution.

As Chart 5 shows, approximately 72% of the overall merit scholarship budget is committed to students as they enter their

post-secondary studies. Only 28% is awarded after students arrive at their institutions. This distinction, on its own, says nothing about the distribution of merit money by year of study. Renewable entrance funding includes money that is distributed to students in their second, third and fourth years of university, even though it is awarded at the time of entrance. Conversely, some in-course money goes to students in their first year after enrolment. Assuming a relatively even distribution of renewable entrance award money to students across all four years of study, this would imply that about 50% of all merit scholarship money in Canada is being given to first-year students, with the balance being distributed relatively equally among students in all other years of study.

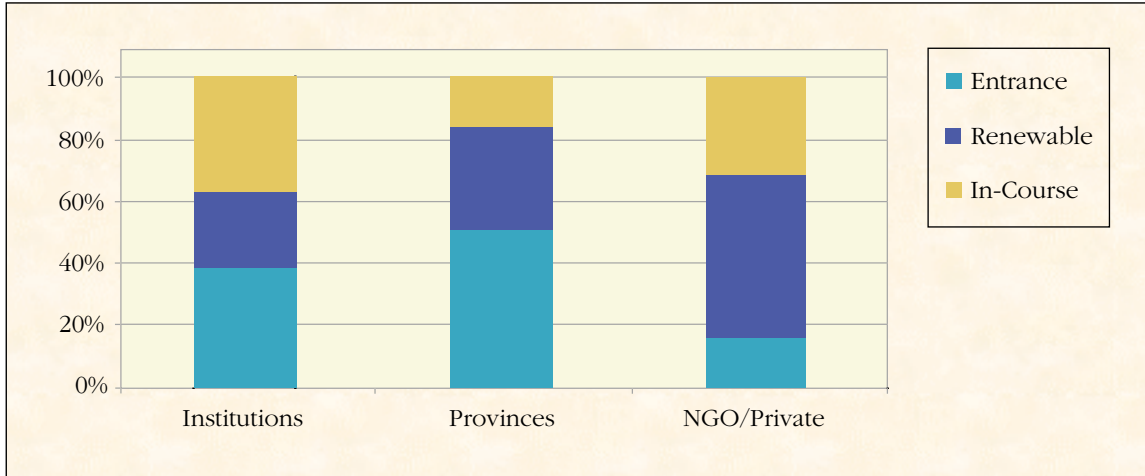
As with the selection criteria, the differences in tenure criteria become more marked once the data is sorted according to sources of funding.

**CHART 5: BREAKDOWN OF TENURE CRITERIA BY CATEGORY**<sup>10</sup>



10. Note that hybrid scholarships and scholarship funding from 10% from non-surveyed institutions not included.

**CHART 6: BREAKDOWN OF TENURE CRITERIA BY SOURCE OF FUNDS**



While institutional and governmental funding is primarily focused on entrance scholarships, funding from private and non-governmental organizations is concentrated on renewable and in-course scholarships. Policies in British Columbia and Alberta now tilt government funding in favour of non-renewable entrance scholarships. Ontario's Queen Elizabeth II scholarships will change this picture, as they will be available for all years of study.

### III. SUMMARY AND DISCUSSION

Canadian undergraduate students receive a significant amount of money each year in the form of merit scholarships. Governments and post-secondary institutions account for 98% of this funding.

In recent years, governments have invested substantially in merit scholarships. This increase in government money is a significant new development. Until quite recently, there was a relatively well-defined division of responsibilities between institutions and governments; the former would take care of merit while the latter would take care of need. Institutions now give out as much need-based money as they do merit-based money.<sup>11</sup> The rise of the entrance, Automatic Academic model means more students are receiving some form of merit scholarship. But over half of merit scholarship money is distributed to first-year university students, using impersonal, quantitative methodologies.

The original purpose of merit scholarships—recognizing outstanding academic achievement—has been eclipsed. Merit scholarships now serve a number of policy goals. Scholarships are now used to manage enrolment. Institutions use them to attract students with high GPAs. Provincial governments use them to keep top students in the province. Some of them are designed to transfer funds to post-secondary institutions. If this is the case, we should be asking whether scholarships are an effective way to meet these goals, and what adverse effects they might have.

It is not clear that merit scholarships improve students' chances of succeeding at the post-secondary level. A study of an urban public university in the United States found that scholarships influenced students' choice of institution, but that a higher number of students receiving scholarships dropped out before reaching their second year. In other words, student success may depend more on academic and personal "fit" than on financing.<sup>12</sup> There is clearly a need for such studies in Canada.

Assessment methods would be another interesting topic for research. Are some methods more successful at attracting students who will have strong post-secondary careers? Are there any differences between those programs that use highly qualitative assessment processes and those that use purely quantitative ones? What effects, if any, do Automatic Academic scholarships have on high school students' transcripts? (Does a published guarantee encourage them to work harder, or are they choosing courses that might help them increase their GPA? Is there any grade inflation?)

We know too little about merit scholarship programs and how they affect students' choices and their success. Our preliminary research, however, shows that not all programs give top priority to students' best interests. Many programs reflect various aspirations at once. We must devote more critical attention to the field of merit scholarships. In return, they may give us a chance to reflect on the goals of post-secondary education policy and how they may (or may not) be achieved.

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11. Junor and Usher, *The Price of Knowledge*, 144.

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