



Factum

Majority (56%) of Canadian Parents Not Taking Advantage of RESP Grants

One in Three (32%) Parents Have Not Started Saving for their Children's Education; Most Parents (68%) Would Go Back and Do Something Different to Save More

Toronto, Ontario, August 29, 2017 — A majority (56%) of Canadian parents appear to be leaving money on the table when it comes to saving for their children's post-secondary education, according to a new Ipsos poll conducted on behalf of Knowledge First Financial. Nearly six in ten (56%) say they have not taken advantage of various grants available within an RESP. Even half (50%) of parents of children aged 14 to 17 have not taken advantage of any grant program within an RESP. Regionally, those in Quebec (69%) are most likely to say they haven't taken advantage of any of these grants, followed by those in Atlantic Canada (59%), Saskatchewan (55%), Manitoba (54%), Ontario (53%), Alberta (47%), and British Columbia (46%), where more seem to be taking advantage of various grants.

However, many have taken advantage of various grants within an RESP: one in three (33%) have taken advantage of the Canada Education Savings Grant (CESG), a 20% match of contributions up to \$500 per year, while 12% have taken advantage of the Additional Canada Education Savings Grant (A-CESG), an income-targeted grant offering an extra 10% or 20% match on the first \$500 contributed each year. One in ten (9%) have taken advantage of the Canada Learning Bond (CLB), an RESP grant for low-income families offering up to \$2000 in government grants without any contributions.

Other provincial grants are less popular, including: the Alberta Centennial Education Savings Plan (ACES), a 10% match of contributions up to \$250 per year for Alberta residents that was discontinued on July 31, 2015 (16% of Albertans have taken advantage), the British Columbia Training and Education Savings Grant (BCTESG), a one-time grant of \$1,200 with no contributions required that must be claimed when your child is 6-9 years old (13% of British Columbians have taken advantage), the Quebec Education Savings Incentive (QESI), a 10% match of contributions up to \$250 per year for Quebec residents (7% have taken advantage), and the Saskatchewan Grant for Education Savings (SAGES), a 10% match of contributions up to \$250 per year for Saskatchewan residents (14% of those in Saskatchewan have taken advantage).

Getting a Late Start on the Future

Thinking about when they started to save for their children's education, fully three in ten (31%) parents of kids aged 14-22 admit that they have not started saving at all. Regionally, those in Saskatchewan (36%) and Atlantic Canada (36%) are most likely to say they haven't started, followed by residents of British Columbia (35%), Quebec (34%), Manitoba (32%), Ontario (30%), and Alberta (14%). While two in ten (21%) parents of 14-22-year-old kids say they started saving when their children were first born, others didn't start saving until their children were 1-3 years old (12%), 4 to 6 years old (10%), 7 to 9 years old (8%), 10 to 12 years old (8%), 13 to 15 years old (6%) or even 16 or older (4%).

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If they could go back and do something differently about the way they have saved for their children's education, most (68%) parents confess that they would in fact do something differently, while just one in three (32%) say they wouldn't change a thing. The most common action they'd change is that they would have saved more money each month (36%) for their children's education, while three in ten (30%) would have started saving for post-secondary when their children were younger. Others would have prioritized saving for education over other discretionary spending like vacations (19%), over retirement (8%), or over paying down their mortgage faster (5%).

Perhaps as a result of not saving enough and, evidently, many not taking advantage of the RESP-housed grants available, many parents of 14 to 22 year olds will rely on other types of funding to help pay for their children's post-secondary education. Four in ten (40%) will seek government student loans, or government student grants (38%), while others will seek student merit-based scholarships (27%), student financial-need scholarships (27%), loans from a bank or credit union (15%), a home-equity line of credit (11%), borrow from friends or family (7%) or some other means of funding (6%). Just three in ten (27%) won't require any of these means of financing their children's education.

Expectations of RESP Grants

When taking advantage of a Registered Education Savings Plan (RESP), Canadians have high expectations for the convenience of the process and the benefits of the program. Most parents (88%) say it is important (55% very / 32% somewhat) that the grant application process is easy from an administration perspective, and more than eight in ten (82%) say it's important (43% very / 39% somewhat) that they receive guidance and advice from an RESP specialist throughout the application process.

These are some of the findings of an Ipsos poll conducted between August 3 and 15, 2017, on behalf of Knowledge First Financial. For this survey, a sample of 1,768 Canadian parents from Ipsos' online panel was interviewed online. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 2.7 percentage points, 19 times out of 20, had all Canadian parents been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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News Releases are available at: <http://www.ipsos-na.com/news-polls/>

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