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***Total Cost of a Post-Secondary Education Estimated to be More
than \$50,000***

***Over Four in Ten (44%) Parents Expect to Split Costs with Child
Four in Ten (38%) Have a Registered Education Savings Plans for
their Children***



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Toronto, ONTARIO – According to a new study conducted by Ipsos-Reid on behalf of the Scotiabank, Canadians with children 18 years of age and younger appear to be concerned about the costs that will face their children regarding post-secondary education.

In fact, more than eight in ten (85%) agree that “increases in tuition and lodging expenses for post-secondary education are a concern,” with 61% who strongly agree with this statement. As well, two-thirds (65% - 41% strongly agree) think that “the cost of a college or university education is putting it out of reach for my children.” Another six in ten (61% - 37% strongly agree) parents agree with the statement, “I don’t know how my children will be able to pay off their post-secondary education debt.”

The concerns about the cost of a post-secondary education are put into perspective when parents are asked to estimate how much it will cost (including tuition fees, housing, and other costs) for one of their children to get a college or university education. The average estimated cost for a post-secondary education is \$52,442.30. Further, thinking of this cost, parents were asked, “how much debt [they felt they and their child] will be able to take on to finance his or her’s entire post-secondary education.” Two in seven (14%) say none; 14% say

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less than \$5,000; 17% say \$5,000-\$9,999; 15% say \$10,000-\$14,999; 26% say \$15,000-\$24,999; 10% say \$25,000-\$40,000; 10% say more than \$40,000; and the remaining 5% are unsure.

Asked who will be responsible for paying for their child/children's post-secondary education, 44% indicate it will be themselves or another parent and their child equally, 28% say it will be mostly them or another parent, 21% say entirely them or another parent, 6% say it will be mostly their child/children, and the remaining 1% say it will be entirely their child/children.

As for plans to pay for their children's post-secondary education, four in ten (38%) parents indicate that they have a Registered Education Saving Plan (RESP) for their child/children, while six in ten (62%) do not. On average, parents who opened an RESP account for their child did so when their child was approximately three and a half years old, and have been contributing to the RESP on average for 6.3 years. The estimated combined mean value of RESP accounts they have for all of their children is \$15,558.70.

Meanwhile, six in ten (62%) Canadians with children 18 years of age or younger living with them have seen, read, or heard of the Federal Government's Canada Education Savings Grant. Of those who are not familiar with the Grant (38%), three in ten (29%) recall reading, hearing or seeing something about the Canada Education Savings Grant once they heard that "the Canada Education Savings Grant (CESG) is a grant from the government paid directly into a beneficiary's Registered Education Savings Plan (RESP)" and that "it adds 20% to the first \$2000 in contributions made into an RESP on behalf of an eligible beneficiary each year." Therefore, in total, 73% are aware of the Federal Government's Canada Education Savings Grant.

These are the findings of an Ipsos-Reid poll conducted on behalf of Scotiabank between August 12th and August 21st, 2003. The poll is based on a randomly selected sample of 658 Canadians with



children under the age of 18. With a sample of this size, the results are considered accurate to within \pm 3.8 percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.

Increase in Post-Secondary Education Costs A Concern to 85%

Parents

More than eight in ten (85%) Canadians with children under the age of 18 say “increases in tuition and lodging expenses for post-secondary education are a concern for [them],” with 61% who strongly agree with the statement (24% somewhat agree). The remaining 15% disagree (8% somewhat disagree, 7% strongly disagree) with the statement.

- Increases in post-secondary education expenses is most concerning to parents living in Saskatchewan/Manitoba (95%), followed by Atlantic Canada (93%), Alberta (87%), Ontario (86%), and British Columbia (86%). Quebec parents (74%) are less likely to be concerned.
- Parents with only a high school diploma (90%) are more likely to be concerned than parents with a university degree (82%).

Two in three (65%) parents think “the cost of a college or university education is putting it out of reach for [their] children,” with 41% who strongly agree with the statement (24% somewhat disagree). The remaining 34% disagree (19% somewhat disagree, 16% strongly disagree) with the statement.

- Atlantic Canadian parents (79%) are most likely to think “the cost of a college or university education is putting it out of reach for [their] children,” followed by parents

living in Alberta (76%), British Columbia (75%), Ontario (65%), and Saskatchewan/Manitoba (62%). Quebec parents (46%) are the least likely to feel this way.

- Parents with a high school diploma or less (79%) are more likely than parents with a college diploma/some university (67%) and parents with a university degree (48%) to think “the cost of a college or university education is putting it out of reach for [their] children.”
- Parents with an annual household income less than \$30,000 (82%) or between \$30,000 and \$59,000 (74%) are significantly more likely than parents with an annual household income of \$60,000 or more (52%) to think “the cost of a college or university education is putting it out of reach for [their] children.”

Another six in ten (61%) parents agree (37% strongly agree, 24% somewhat agree) with the statement, “I don’t know how my children will be able to pay off their post-secondary education debt.” The remaining 37% disagree (18% somewhat disagree, 19% strongly disagree) with the statement.

- Parents in Atlantic Canada (70%) lead the country in agreement with this position, followed by parents in British Columbia (64%), Saskatchewan/Manitoba (63%), Alberta (61%), Ontario (59%) and Quebec (57%).
- Women (68%) are more likely than men (54%) to agree with the statement, “I don’t know how my children will be able to pay off their post-secondary education debt.”
- Parents with a high school diploma or less (73%) are more likely than parents with a college diploma/some university (63%) and parents with a university degree (47%) to agree with the statement, “I don’t know how my children will be able to pay off their post-secondary education debt.”

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- Parents with an annual household income less than \$60,000 (72%) are significantly more likely than parents with an annual household income of \$60,000 or more (51%) to agree with the statement, “I don’t know how my children will be able to pay off their post-secondary education debt.”

Estimated Total Cost of a Post-Secondary Education More than \$50,000

The concerns about the cost of a post-secondary education are put into perspective when parents were asked to estimate how much it will cost for a child in their family to get a college or university education (including tuition fees, housing, and other costs). The average dollar cost for a post-secondary education is estimated to be \$52,442.30.

- Parents living in Alberta give the highest estimated cost (\$69,028.20), followed by parents living in Saskatchewan/Manitoba (\$64,512.80), Ontario (\$58,923.80), British Columbia (\$55,015.90), and Atlantic Canada (\$53,548.70). Parents living in Quebec (\$27,127.40) give a significantly lower estimate.
- Parents with a university degree (\$60,399.90) and parents with an annual household income greater than \$60,000 (\$56,680.80) also give the highest estimates.

Thinking of this cost, parents were asked, “how much debt [they felt they and their child] will be able to take on to finance his or her’s entire post-secondary education.” Two in seven (14%) say none; 14% say less than \$5,000; 17% say \$5,000-\$9,999; 15% say \$10,000-\$14,999; 26% say \$15,000-\$24,999; 10% say \$25,000-\$40,000; 10% say more than \$40,000; and the remaining 5% are unsure.

- There are no statistical differences between socio-demographic groups for this question.



Four in Ten (44%) Parents will Split Expenses with Child

Asked who will be responsible for paying for their child/children's post-secondary education, 44% say it will be them and their child equally, 28% say it will be mostly them or another parent, 21% say entirely them or another parent, 6% say it will be mostly their child/children, and the remaining 1% say it will be entirely their child/children.

- There are no statistical differences between socio-demographic groups for this question.

Four in Ten (38%) have a RESP for their Children's Education

Four in ten (38%) Canadian parents have a Registered Education Saving Plan (RESP) for their child/children; six in ten (62%) do not.

- There are no statistically significant regional differences with regards to this question.
- Parents with a university degree (51%) are more likely to have a RESP for their child/children than are parents with a college degree/some post-secondary (35%), parents with a high school diploma (31%), and parents with less than a high school diploma (19%).
- Parents with an annual household income greater than \$60,000 (46%) are more likely to have a RESP for their child/children than are parents with an annual household income between \$30,000 and \$59,000 (34%) and parents with a with an annual household income less than \$30,000 (19%).

On average, parents who opened an RESP account for their child did so when their child was three and a half years old, and they have been contributing on average for 6.3 years. The estimated combined mean value of all RESP accounts they have for all of their children is \$15,558.70.



- There are no statistical differences between socio-demographic groups for these questions.

Six in ten (62%) Canadian parents have seen, read, or heard of the Federal Government's Canada Education Savings Grant.

- Parents living in British Columbia (74%) are most likely to have seen, read, or heard of the Federal Government's Canada Education Savings Grant, followed by parents living in Ontario (66%), Alberta (61%), Saskatchewan/Manitoba (56%), Atlantic Canada (56%), and finally Quebec (51%).
- Parents with a university degree (74%) are more likely to have heard of the Grant than are parents with a college degree/some post-secondary (62%), parents with a high school diploma (51%), and parents with less than a high school diploma (40%).
- Parents with an annual household income greater than \$60,000 (66%) are more likely to have a RESP for their child/children than are parents with an annual household income between \$30,000 and \$59,000 (64%) and parents with a with an annual household income less than \$30,000 (44%).

Of those who are not familiar with the Grant (38%), three in ten (29%) recall reading, hearing or seeing something about the Canada Education Savings Grant once they heard that "the Canada Education Savings Grant (CESG) is a grant from the government paid directly into a beneficiary's Registered Education Savings Plan (RESP)" and that "it adds 20% to the first \$2000 in contributions made into an RESP on behalf of an eligible beneficiary each year." Seven in ten (71%) were still unfamiliar with the Grant after hearing this. Then in total, 73% have heard of the Grant and 27% have not.

- There are no statistical differences between socio-demographic groups for this question.



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