



Education Savings and Financial Planning are Growing Priorities in Quebec

45% of families with children say they invested in an RESP

Quebec City (QC), January 24, 2017—With tax season around the corner, financial planning is a hot topic that quickly leads to debate regarding the best ways to invest. The annual CROP study on the saving habits of Quebec families, sponsored by RESP expert [Universitas Financial](#), reveals a marked interest for the RESP in 2016. More specifically, nearly half (45%) of families with children said they chose this investment to plan for their children’s higher education. This trend can also be observed with the growing balance in the investment choices of families: 64% saved in a RRSP, 47% in a TFSA and 45% in a RESP.

“These results are very encouraging; they show more parents are planning ahead for the costs of a post-secondary education. This means more families are taking advantage of RESPs to offer their children a bright future,” says Pierre Lafontaine, Vice-President, Customer Service and Operations (Universitas Financial). With the [government grants](#) available for RESPs, parents could see their savings increase by up to \$12,800¹. The invested capital and grants grow tax free, and their earnings will be paid as part of the educational assistance payments (EAPs) to beneficiaries pursuing eligible studies.

Top Financial Goals of Quebec Families

The survey also shows a rise in awareness when it comes to financial planning for life projects or unexpected events, as three-quarters (75%) of the respondents said they put money aside in 2016. Investment priorities vary by age group, and the main goals are:

1. Retirement: 45%
2. Long-term savings: 27%
3. Post-secondary education: 16%
4. Purchasing a home: 15%

It comes as no surprise that retirement is the priority for nearly half (49%) the respondents aged 55 and up, while purchasing a home (41%) and long-term savings (41%) are the more popular goals for investors 18–34 years old. When asked which financial goal families with children should prioritize, 32% of all respondents recommend paying off debt and 22% investing in a RESP. As for respondents 35–54 years old, 31% believe families with children should make the RESP their top priority, rather than paying off debt (27%).

“Each family’s situation varies based on current budgets and priorities. That being said, the major advantage of the RESP is the grant money offered by the government, which supplements contributions by at least 30%. Furthermore, once the student starts school, the investor also recovers the amount of the savings invested, which can be used as extra funds for post-secondary education, or for another investment goal or life project, which reinforces the benefits of their investment”, concludes Mr. Lafontaine.

¹ Canada Education Savings Grant (CESG) of 20% to 40% and Quebec Education Savings Incentive (QESI) of 10% to 20%, based on adjusted family net income. The annual CESG limit is set at \$600 and the lifetime limit is set at \$7,200 per child. The annual QESI limit is set at \$300 and the lifetime limit is set at \$3,600 per child. CLB: Canada Learning Bond of up to \$2,000 per beneficiary. Grant offered for children born after December 31, 2003, whose families meet the financial criteria established by the federal government. Certain conditions apply; please see our prospectus at [universitas.ca](#)

Growing Diversification in Investment Choices

Among the different financial products on the market, the TFSA and RRSP are still the preferred savings options for most Quebecers. However, the RESP has clearly gained in popularity over the last few years.

Investment	2016	2015	2014	2013
RRSP	43%	43%	36%	38%
TFSA	46%	37%	32%	36%
RESP	17%	11%	8%	8%

**Results obtained from the combined annual surveys on the investment habits of Quebecers, carried out by the CROP polling firm on behalf of Universitas Financial.*

Other Survey Highlights

Investors with a higher level of education save more for school

The study found that investors with a higher level of education are more likely to invest in an RESP. Among those who opened an RESP for their children, 29% attended university and 17% went to college, while only 10% of the RESP investors polled, did not pursue their education after high school.

Quebec investors like the safest bet

Among those surveyed, only 9% said they would be ready to accept the risk of loss for higher investment gains. While younger respondents 18–34 years old are the most open to risk (17%), half of Quebecers (50%) don't want to lose any of the money they invest, and 24% claim to be indifferent. Contrary to popular belief, even wealthier families with an income exceeding \$100,000 are more inclined to favour safe investments (44%).

CROP survey's methodology: web panel survey using a sample of 1,000 respondents residing in the province of Quebec. Survey carried out from November 16–21, 2016.

About Universitas

Since its creation in 1964, Universitas has promoted education savings and offered RESP expertise to families across Quebec and New Brunswick. With the mission to promote post-secondary education through savings and educational assistance payments (EAPs), Universitas has paid out over \$625 million in EAPs and in returned savings, currently has some 220,000 beneficiaries and manages assets exceeding \$1.3 billion. For more information, visit universitas.ca

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