

UNIVERSITAS BAROMETER 2019

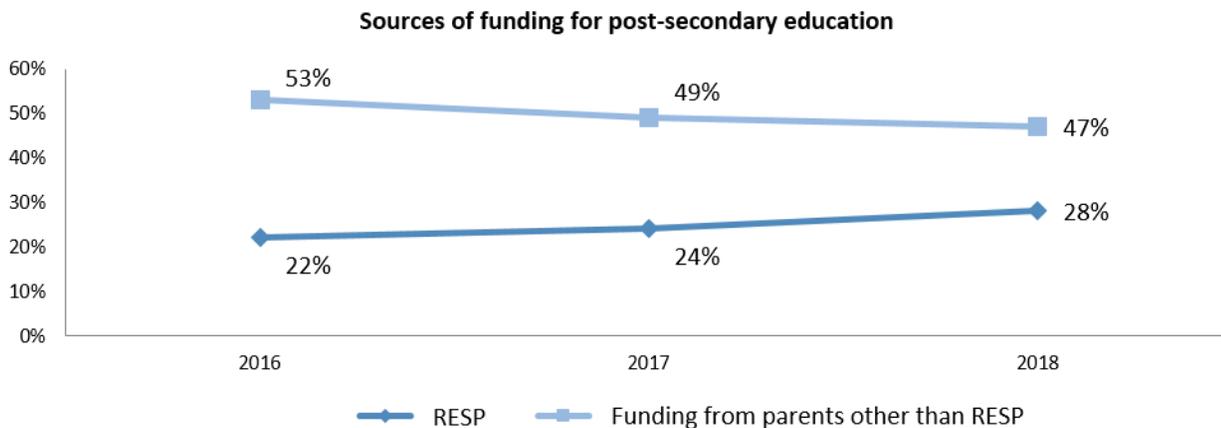
RESP GAINING GROUND AS A MEANS OF FUNDING POST-SECONDARY EDUCATION FOR QUEBEC STUDENTS

Quebec City, QC, August 14, 2019 - The Registered Education Savings Plan (RESP) continues to gain ground as a source of funding post-secondary education for students. In addition, for 70% of the 18- to 24-year-olds who benefited from an RESP, these funds were a decisive incentive, reveals the 2019 [Universitas Barometer](#), conducted in collaboration with the survey firm CROP.

Sources of funding for post-secondary education

According to data collected in 2017,¹ the cost of post-secondary education ranges from \$35,518 (two years of CEGEP) to \$99,000 (five-year education) for students living away from home. Unsurprisingly, the Universitas Barometer reveals that a majority of young people (69%) are worried about the financial burden of their education. Among the means of financing used by students, the RESP has increased by 6 percentage points over the past three years, from 22% in 2016 to 28% in 2018.

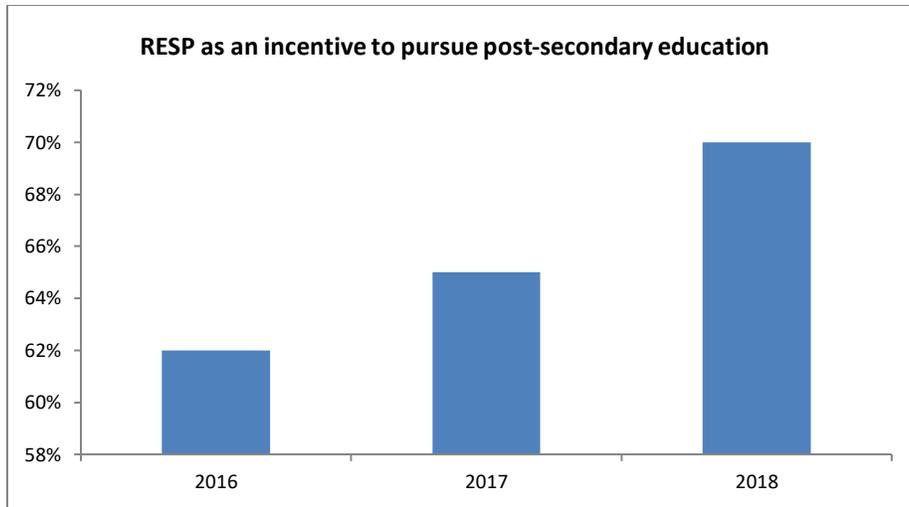
However, while more students tapped into RESP funds to pay for school, they had to rely less on extra financial support from their parents. The Universitas Barometer reveals that ad hoc monetary support from parents is down in 2018 (47%) compared to 2016 (53%).



The RESP: a critical incentive for young people

Students who had the chance to benefit from an RESP state that they were particularly motivated to continue their education thanks to this source of funding: 70% of them identified the RESP as a determining factor in the pursuit of their studies. Since 2016, the RESP's status as a source of motivation among students has increased significantly, from 62% to 70%.

¹ Cost of completing two years of CEGEP and three years of university in Quebec, housing included. Annual increase of 1.7%. Sources: ministère de l'Éducation et de l'Enseignement supérieur, ministère de la Famille, Statistics Canada, Canada Mortgage and Housing Corporation (CMHC).

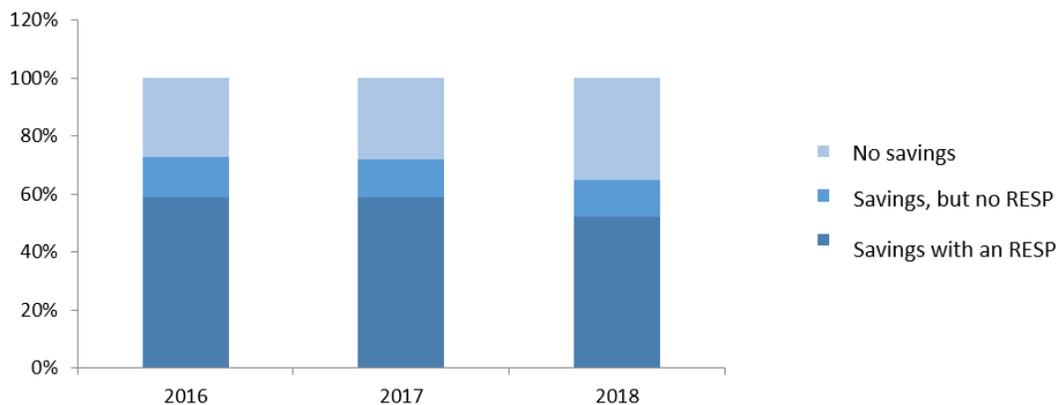


The RESP opened on their behalf allows young people to focus on their education by alleviating financial strain. “When your child starts post-secondary education, you want them to focus on what really matters: their academic success. The RESP helps reduce the financial strain for students, but also for parents who prepared for this important milestone,” says Marjorie Larouche, senior advisor of communications and public relations at Universitas.

A decline in savings for post-secondary education

Paradoxically, although the RESP is gaining ground as a source of funding for students, fewer parents in Quebec are saving for post-secondary education. The Universitas Barometer reveals that 35% say they have no education savings at all. In comparing numbers, this percentage was 28% in 2017 and 27% in 2016. For the RESP specifically, this decline translates into a 7-point drop, from 59% in 2016 and 2017 to 52% in 2018.

How parents are saving for post-secondary education



Parents who aren’t saving are mainly citing lack of financial resources to explain the situation (56%). On the other hand, just over a third of them intend to start saving in the future. “We can be delighted that, among the parents who are saving for education, the RESP remains by far the preferred investment vehicle (79%),”

continues Marjorie Larouche. The main incentive for their choice is the [grant money](#) paid by the government, which supplements RESP savings by up to \$12,800 per child.²

About the Universitas Barometer

The Universitas Barometer is designed to provide an annual outlook on economic indicators linked to post-secondary education, including the main barriers to and motivating factors for the pursuit of post-secondary education, estimated costs according to young people and their parents, financial planning and support, and back to school expenses. For more information about the Barometer, visit universitas.ca/barometer.

About Universitas

Since 1964, Universitas has been an industry-leading name in the field of education savings, helping families across Quebec and New Brunswick save for their children's post-secondary education. This non-profit foundation is the only of its kind headquartered in Quebec. Universitas currently manages nearly \$1.5 billion in assets and has paid out over \$885 million in educational assistance payments (EAPs) and returned savings.

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² Canada Education Savings Grant (CESG) of 20% to 40% and Quebec Education Savings Incentive (QESI) of 10% to 20% (available in Quebec only). Based on adjusted family net income. The maximum annual payment is \$600 for the CESG and \$300 for the QESI. The maximum lifetime payment per beneficiary is \$7,200 for the CESG and \$3,600 for the QESI. CLB: Canada Learning Bond of up to \$2,000 per beneficiary, for children born after December 31, 2003, to financially eligible families. Some restrictions apply. See our prospectus at universitas.ca.

Survey methodology:

Universitas Barometer 2019: The CROP survey polled 1,030 Quebecers online using a web-based form between November 8 and 26, 2018.
Universitas Barometer 2018: The CROP survey polled 1,032 Quebecers online using a web-based form between November 9 and 17, 2017.
Universitas Barometer 2017: The CROP survey polled 1,000 Quebecers online using a web-based form between October 20 and 28, 2016.