

## 2018 UNIVERSITAS BAROMETER

### Concerns about the financial cost of post-secondary education front and center for Quebecers

**Quebec City, August 21, 2018** – The cost of post-secondary education remains a major concern for a large majority of young people age 18 to 24 (65%) and their parents (72%) and is one of the main barriers to post-secondary education. These are the main findings of the [2018 Universitas Barometer](#), a study conducted in partnership with survey research firm CROP. The study also found that Registered Education Savings Plans (RESPs) are a significant factor in motivating young people to pursue post-secondary education.

#### Post-secondary education: A priority for Quebecers

The majority of young Quebecers age 18 to 24 still think post-secondary education is very important. **A total of 97% of young Quebecers say post-secondary education is important, with 78% saying it is very important (up eight points from last year) and 19% saying it is somewhat important.** Their opinion is shared by 95% of parents surveyed for the study.

Yet both young people (65%) and their parents (72%) are concerned about the cost of post-secondary education, although their concerns vary depending on their situation. Concern is higher among young people who do not work: 73% of young people who do not work say they are worried about the cost of education, while 67% of young people who work part time and 66% of young people who work full time expressed the same concern. Respondents who did not have RESPs were twice as likely to be concerned about the cost of education as those who had them.

**Cost remains a significant barrier to post-secondary education and is by far the main barrier for the 43% of young people who expressed concern about the financial burden it represents** and were not enrolled in post-secondary education at the time of the survey. A further 21% of young people said they did not need post-secondary education to pursue their chosen career and 17% said they had finished their post-secondary education at the time of the survey.

#### Impact of financial support and assistance from parents on post-secondary education

The cost of post-secondary education represents a significant investment: for young people who do not live at home the average cost in 2017 was \$35,518 for two years of cegep and up to \$99,000 for five years of post-secondary studies.<sup>1</sup> While there is still a notable difference between parents and young people age 18 to 24 in the anticipated debt load of post-secondary education,<sup>2</sup> more young people are working to finance their education. Fifty-seven percent of the young people surveyed work (up from 54% in 2016) and more than a third (37%) work full time, often in tandem with additional financial support.

- **24% received educational assistance payments (EAP) from an RESP**
- 39% received scholarships or loans
- 49% received financial support from their parents other than a registered education savings plans (RESP)

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<sup>1</sup>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).

<sup>2</sup> For five years of post-secondary education (two years of cegep and three years of university), 39% of parents surveyed anticipated a cost of \$10,000 to \$25,000, 33% anticipated a cost of \$25,000 to \$50,000, and 15% anticipated a cost of \$5,000 to \$10,000, while 55% of young people surveyed expect to borrow up to \$5,000, 19% expect to borrow between \$5,000 and \$10,000, and 17% expect to borrow between \$10,000 and \$25,000.

An RESP held by a family member is an additional motivating factor for pursuing post-secondary education. Sixty-five percent of young people who received support in the form of an RESP considered it a determining factor in their decision to continue their studies. Support in the form of an RESP also helps relieve financial pressure, allowing young people to focus on their studies. “These results show that the hopes of parents who wish to see their children pursue post-secondary education and the support provided through RESPs translate into increased motivation to pursue post-secondary education,” said Jean-Pierre Lapointe, Assistant Vice President, Marketing and Communications at Universitas.

### **RESPs: The leading savings vehicle for parents to finance post-secondary education**

According to the survey, 72% of parents save in order to help their children pursue post-secondary education, primarily to avoid having their children finish school with debt (77% in 2017 compared to 72% in 2016), because they value education (68% in 2017 compared to 73% in 2016), and because they want their children to avoid working during their studies (23% in 2017 compared to 24% in 2016).

Eighty-two percent of families who save for their children’s education do so through RESPs. Parents prefer this savings vehicle for a number of reasons:

- 82% of Quebec parents opted for this type of savings because of the generous grants provided by governments
- 40% chose RESPs because they provide a means of saving for a clear objective: to pay for their children’s education
- 20% chose RESPs because the return seemed better than for other types of investments

[Government grants](#) allocated to RESPs augment parents’ savings by up to \$12,800<sup>3</sup> per child. The interest generated by invested capital and the grants themselves are tax sheltered and RESPs are paid out to students in the form of educational assistance payments (EAPs).

### **About the Universitas Barometer**

The Universitas Barometer is designed to provide a annual outlook on economic indicators linked to post-secondary education, including 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 and to view our special animation, graphs, and much more, visit [universitas.ca/barometer](https://universitas.ca/barometer).

#### *Survey methodology:*

*Universitas Barometre 2018: The CROP survey polled 1,032 Quebecers online using a web-based form between November 9 and 17, 2017.*

*Universitas Barometre 2017: The CROP survey polled 1,000 Quebecers online using a web-based form between October 20 and 28 2016.*

### **About Universitas**

Since its creation in 1964, Universitas has been an RESP industry leader, serving clients across Quebec and New Brunswick. It is the only foundation of its kind headquartered in Quebec. Through its mission to promote post-secondary education using savings and education assistance payments (EAPs), Universitas has paid out over \$777 million in EAPs and returned savings and served over 227,000 clients to date. The foundation currently manages over \$1.4 billion in assets. For more information, visit [universitas.ca](https://universitas.ca).

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<sup>3</sup>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 net family 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. Refer to our prospectus at [universitas.ca](https://universitas.ca).

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