



UNIVERSITAS BAROMETER
**The cost of post-secondary education,
a concern for most young Quebecers and their parents**

Quebec City (QC), August 15, 2017 – For its first edition, the [Universitas Barometer](#), a survey on the financing of education conducted in collaboration with the CROP polling firm, reveals that the costs related to post-secondary education are a significant concern for 68% of Quebecers aged 18 to 24 years old, as well as for 78% of the parents surveyed. It also showed that said costs are the main barrier to post-secondary education, as 32% of respondents mentioned them as the reason why they chose not to pursue their education.

Different situations and perceptions, same preoccupation

Although most students (94%) and parents (97%) agreed on the importance of education, the results of the Barometer show that opinions vary significantly depending on the students' situation. For example, while education proved to be important for 87% of the respondents who were less concerned by its costs (32%), this number increased to 96% when the more concerned respondents were questioned. Meanwhile, another 13% believed pursuing post-secondary studies was not necessary.

A noticeable difference could also be observed between employed and unemployed respondents: part-time workers were more concerned by education-related expenses (49%) than unemployed students (25%) and full-time workers (25%).

A little over a quarter (26%) of the respondents aged 18-24, for whom post-secondary education was important, were not enrolled in post-secondary studies when they were surveyed. 32% of them explained it was because they did not have the means to cover all the expenses these incurred, but this is where our respondents disagreed the most: this reason was brought up by 46% of young Quebecers who were concerned by said costs, while only 3% of those who weren't mentioned it.

Students motivated by their parents' financial contribution

In 2017, a student renting an apartment would pay \$35,518 to complete two years of CEGEP, and up to \$99,000 for five years of study¹. Most Quebec students have to work to cover these expenses (54%) and often rely on financial aid as well:

- 53%² received financial support from their parents (source of the funds not specified)
- 39% benefited from the Loan and Bursaries Program
- 22%² received educational assistance payments (EAPs) from a registered education savings plan (RESP)

Even if only 22% of the students surveyed benefited from their relatives saving in an RESP, this investment choice had a serious impact on their motivation; in fact, 62% of them said the RESP played an important role in their decision to pursue an education. *“These results clearly show the indirect impact the RESP can have: the hopes these parents had when they chose to invest in their children's future only strengthened their motivation to pursue a post-*

¹ Cost to complete two years of CEGEP and three years of university in Quebec, housing expenses included. 1.7% yearly increase. Source: Ministère de l'Éducation et de l'enseignement supérieur, Ministère de la Famille, Statistics Canada and CMHC.

² According to Statistics Canada, over 50% of Canadian families have subscribed to a registered education savings plan. In some cases, the students do not know the origin of the money they receive from their parents. Consequently, the RESP could be included in the 53%: “received financial support from their parents (source of the funds not specified)”.

secondary education – and their dreams,” says Pierre Lafontaine, Vice-President, Customer Service and Operation for Universitas.

Moreover, the Barometer also reveals how parents and students have different ideas as to how much a post-secondary education can cost. Parents expect these expenses to reach up to \$30,000 for five years of studies (two years in CEGEP and three in university), whereas half of the students surveyed (52%) thought it would cost them around \$5,000, 20% predicted the costs would reach between \$5,000 and \$10,000, and another 20% estimated the costs would range from \$10,000 to \$25,000.

The RESP, the investment vehicle preferred by most parents

The survey found that 73% of Quebec parents are saving for their children’s post-secondary education and 60% of respondents chose the RESP, which is attributable to their positive opinion of the advantages such plan offered:

- 81% chose the RESP because of the generous government grants available;
- 44% said that such a plan would help them maintain a saving discipline toward their goal, i.e. helping their children pay for school; and
- 23% mentioned that the returns the RESP offered seemed more advantageous than that of other investment vehicles.

Remember that parents who contribute to an RESP can receive up to \$12,800³ per child in [government grants](#). The interest generated by their savings and the grants grow tax-free, only to be paid to the student when the time comes as part of educational assistance payments (EAPs).

The costs of back-to-school season

In 2016, Quebec parents spent on average \$921 per child for school supplies, clothes and tuition fees – housing and living expenses excluded – all education levels combined (pre-school to university). This amount has increased by 30% since 2013; back then, they spent around \$705 per child⁴. And it comes as no surprise that education fees increase as children progress in their schooling. Here is the average amount parents spent for their children during back-to-school season:

- 0-5 years old: \$438
- 6-11 years old: \$862
- 12-17 years old: \$1,363

Most parents tap directly into their personal bank accounts to cover back-to-school expenses, which is rarely the case for post-secondary studies. Nonetheless, the costs of a new school year accumulate quickly, thus leaving larger families with a hefty bill to pay if they didn’t anticipate back-to-school expenses by saving throughout the whole year or adding these to the family budget. For more tips on how to be prepared for back-to-school season, go to universitas.ca/barometer.

About the Universitas Barometer

The Universitas Barometer was unveiled for the first time this year and is intended to bring on a yearly basis a new perspective of some economic indicators linked to post-secondary education, whether it is the main barriers and sources of motivation, the estimated cost of post-secondary studies according to both the students and their parents,

³ The Canada Education Savings Grant (CESG) rate is 20% to 40% and the Quebec Education Savings Incentive (QESI, only available in Quebec) rate is 10% to 20% based on adjusted family net income. The annual limits are set at \$600 for the CESG and \$300 for the QESI, while the lifetime limits per beneficiary are set at \$7,200 for the CESG and \$3,600 for the QESI. CLB: The Canada Learning Bond is up to \$2,000 per beneficiary and is offered for children born after December 31, 2003, and whose families meet the financial criteria. Certain conditions apply; refer to our Prospectus at universitas.ca.

⁴ Web panel survey titled “L’importance de la scolarité des enfants Québécois” conducted by the CROP polling firm from May 15-20, 2013, on behalf of Universitas, using a sample of 1,000 Quebec respondents.

financial aid and planning, back-to-school expenses, etc.

For more information about the Barometer and to view our special animation, graphs and much more, go to universitas.ca/barometer.

CROP survey's methodology: web panel survey carried out from October 20-28, 2016 using a sample of 1,000 respondents residing in the province of Quebec.

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 \$697 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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