

## **RRSP or RESP: Is Lack of Information Affecting Choices?**

### *49% of Quebec's Families Don't Know About RESP Grants*

*More than half the families in Quebec prioritized the RRSP in 2015, while only a quarter invested in an RESP*

**QUEBEC CITY (QC), Monday, February 8, 2016** – With tax season around the corner, many Quebecers are wondering which investment vehicle to prioritize. A recent survey by the CROP polling firm commissioned by the RESP expert Universitas found that nearly half the families surveyed don't know about the financial advantages the RESP offers. Over the last year, only 27% of Quebec's families invested in an RESP, thus missing out on the generous government grants to which their children are entitled for post-secondary education. Results show that families continue to favour the more traditional RRSP (52%) and TFSA (33%). Furthermore, only 9% of the families surveyed believe that, based on their current situation, the RESP should be their first investment choice.

"Financial experts agree that families in Quebec have much to gain from putting a premium on the RESP as part of their investment strategy; not only to encourage their children to pursue a post-secondary education, but also to benefit from all the RESP's financial advantages," explains Pierre Lafontaine, Vice President of Customer Service and Operations at Universitas. "In Quebec, the government grants offered to encourage education savings can reach up to \$12,800<sup>1</sup> based on family income. The survey clearly shows a general lack of public awareness regarding the RESP as an effective savings tool for families," concludes Lafontaine.

#### **A Third of Quebec's Population Didn't Invest Last Year**

While many are still recovering from the financial strain of the holiday season, the survey found that 39% of Quebec's families don't intend or don't have the means to save in 2016. Moreover, a third of the respondents claimed they did not invest at all in 2015. What's more, among those who did save money, one out of ten took out a loan to invest in an RRSP.

When comparing the 2015 numbers with those of the 2014 survey, there seems to be a general decrease in the average amount invested in the more traditional RRSP and the TFSA, while RESP contributions seem to be on the rise with a 45% increase (\$500) over the last year. As for Quebec families, the average annual RESP investment is \$1,627 while that of the RRSP is \$2,346.

<b>Investment Vehicle</b>	<b>2015</b>	<b>2014</b>	<b>Increase/Decrease (%)</b>
RRSP	\$2,691	\$3,311	- 19%
TFSA	\$2,851	\$3,220	- 11%
RESP	\$1,604	\$1,108	45%

<sup>1</sup> Canada Education Savings Grant (CESG), Quebec Education Savings Incentive (QESI) and Canada Learning Bond (CLB), amounts based on adjusted net family income. Certain conditions apply.



**Other survey highlights:**

- One out of five respondents claim to have incurred debt due to holiday purchases in 2015; excess spending is estimated at over \$500;
- 24% of families with children aged 0-18 years did not invest or save last year;
- Nearly 40% of Quebec's families continue to believe that based on their current situation, the RRSP is the investment to prioritize.

*The survey was conducted online by the CROP firm via a Web panel, from January 14 to 20, 2016. A total of 1,272 questionnaires were completed by Quebec residents, of whom 502 had children under 18 years old. Results were weighted to reflect the distribution of Quebec's adult population based on gender, age, region, language, education levels, and the socio-cultural values of the respondents. The same survey was previously conducted from October 16 to 20, 2014, using a sample of 1,000 Quebec residents.*

The complete survey results are available at [www.universitas.ca/medias](http://www.universitas.ca/medias)

**About Universitas**

Created in 1964, Universitas offers over 50 years of 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 230,000<sup>2</sup> beneficiaries and manages assets exceeding \$1 billion. For more information, visit [universitas.ca](http://universitas.ca).

-30-

**Personnes ressources :**

Lydia Juliano | Julie Deschambault  
Matom Communication  
ljuliano@matom.ca | [jdeschambault@matom.ca](mailto:jdeschambault@matom.ca)  
514 949-1446 | 514 891-8645

Marie-Ève Doyon  
Senior Advisor, Communications and  
Public Relations  
Universitas Management Inc.  
418 651-8977, ext. 2320

---

<sup>2</sup> As at December 31, 2015