

# Making Every Dollar Count: Saving Behaviours and Postsecondary-Going Attitudes

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# Parents have high hopes for their children's education, across income, education and other family differences

Post-secondary Expectations by Family Background, JK-Grade 6				
	University	College	Apprenticeship	TOTAL PSE
<b>Annual Household Income</b>				
\$100,000+	92%	1%		93%
\$75,000-\$99,999	89%	3%	1%	93%
\$50,000-\$74,999	88%	5%	1%	94%
\$30,000-\$49,000	87%	7%	1%	95%
Less than \$30,000	83%	9%	1%	93%
<b>Parental Presence</b>				
Two-parent	88%	5%	1%	94%
Single parent	81%	11%	1%	93%
<b>Parent Place of Birth</b>				
Both Canada	81%	7%	1%	89%
Canada/other	83%	7%	1%	91%
Both outside	90%	5%		95%
<b>Parent Education</b>				
University	93%	2%		95%
College	85%	8%	1%	94%
Secondary	79%	11%	1%	91%
Elementary	70%	14%	1%	85%

# Even for students with A+ high school averages there is a 10% gap in post-secondary participation between the highest and lowest income quartiles

Toronto illustration:

- Richest neighbourhoods:
  - $\frac{2}{3}$  of students apply to university
- Poorest neighbourhoods:
  - $\frac{2}{3}$  of students do not apply

***“For those who do not pursue post-secondary education, the reasons cited most relate to money”***



# SmartSAVER helps modest income families to start education savings for their children



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SmartSAVER

Savings Calculator  
See how your savings could add up year by year.

See how your savings could add up

Find out how much your child could get from education grants

- 1 What RESPs Offer
- 2 Choosing an RESP
- 3 How to Use StartMyRESP

The Canada Learning Bond (CLB) is money that the Government of Canada deposits directly into a child's Registered Education Savings Plan (RESP) account to help parents get a head start on saving for their child's education after high school.

IN PARTNERSHIP WITH:



# StartMyRESP.ca empowers families to open no-cost RESPs and apply for their kids' Canada Learning Bonds (CLBs)



## WELCOME

**A.**

You can add instructions in a second language now.

- No, thanks
- Français
- 简体中文
- ਪੰਜਾਬੀ
- Español

**B.**

Your Canada Learning Bond application must be submitted in English or French.

Please choose:

- English
- French



# But Students Already Get Free Tuition in Ontario!

*“While Ontario’s plan to create fairness and opportunity during this period of rapid economic change includes free tuition for hundreds of thousands of students, it is important that parents and students are aware of all the support available to access postsecondary education. I would like to thank SmartSAVER and the TDSB for organizing this event to encourage parents to find out about the Canada Learning Bond as a means to assist in planning their children’s postsecondary pathways.”*

-- Mitzie Hunter, MBA  
Minister of Education  
November 29, 2017

Ministry of Education  
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Mowat Block  
Queen's Park  
Toronto ON M7A 1L2

Ministère de l'Éducation  
Ministre  
Edifice Mowat  
Queen's Park  
Toronto ON M7A 1L2



November 29, 2017

To the Participants of the SmartSAVER and Toronto District School Board Partnership Celebration and Donation Ceremony:

I am delighted to extend my best wishes to everyone participating in the SmartSAVER and Toronto District School Board (TDSB) Partnership Celebration and Donation Ceremony.

While Ontario's plan to create fairness and opportunity during this period of rapid economic change includes free tuition for hundreds of thousands of students, it is important that parents and students are aware of all the support available to access postsecondary education. I would like to thank SmartSAVER and the TDSB for organizing this event to encourage parents to find out about the Canada Learning Bond as a means to assist in planning their children's postsecondary pathways.

I am also thrilled that this partnership will provide funding for schools within the TDSB to enhance technology in the classroom. Increased access to technology is a valuable teaching tool that prepares Ontario students for the future ahead.

Once again, please accept my best wishes for an informative and successful event.

Sincerely,

A handwritten signature in black ink, appearing to read "MH".

Mitzie Hunter, MBA  
Minister

# Is post-secondary education possible without student debt?

Post-secondary education with no student debt? Here's how you can do it!

For a family eligible for the Canada Learning Bond, average family savings, student earnings and available grants can cover the cost of post-secondary education (PSE) with no need to borrow.



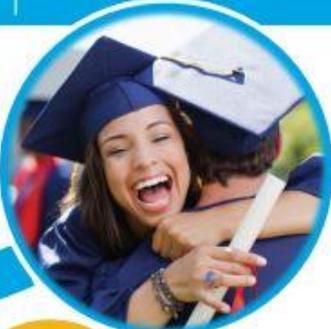


Students who work part-time jobs while attending PSE can earn **\$8,000\*** over the course of their post-secondary school years.



You Made It! ▶

With average family savings, student employment and government grants you can put together up to **\$70,000**. With average post-secondary education costing **\$64,000\*** you can graduate debt-free!



Students who get summer jobs can earn **\$11,500\*** through their high school and post-secondary years.

\$\$\$

The Canada Learning Bond plus interest adds up to **\$2,257\*** more to the RESP.

Ontario and Canada Student Grants cover the cost of average tuition - about **\$26,000†** over 4 years of study.

Let's Get Started ▶

A parent opens a Registered Education Savings Plan (RESP) when their baby arrives. Family contributions, which average **\$852** per year, plus interest will generate savings of **\$16,879‡**.



\$\$\$

\$\$\$

The family's RESP contributions will attract **\$5,357‡** more in Canada Education Savings grants and interest for their RESP.





<sup>1</sup> Based on an average contribution of \$852 per year\* and interest at 1% per year to age 18. (\*10-year average across all accounts in receipt of the Canada Learning Bond from Employment and Social Development Canada Canada Education Savings Program: Annual Statistical Review 2017 & 2014).

<sup>2</sup> Based on receipt of maximum Canada Learning Bond of \$2,000 over 15 years and interest at 1% per year to age 18.

<sup>3</sup> Based on receipt of \$170.40 per year Basic CESG (20% of \$852) plus \$100 per year Additional CESG (20% of first \$500 of contributions) and interest at 1% per year to age 18.

<sup>4</sup> Based on a grant of \$4,500\* per year, equivalent to annual average arts and sciences tuition for four years of study. (\*Statistics Canada CANSIM Table 477-0021 Ontario average university undergraduate tuition 2015-16 humanities and social sciences).

<sup>5</sup> Based on total other-than-summer earnings of \$2,500 per PSE and summer earnings of \$3,000\* per year during PSE. (\*Government of Ontario estimate based on 17 hours/week at minimum wage for 16 weeks.) The Canadian University Survey Consortium reports in 2014 university undergraduates earned an average \$4,715 in the summer.

<sup>6</sup> Based on earnings of \$2,000 per year over four years of study. The Canadian University Survey Consortium reports in 2014 university undergraduates who worked during the school year earned an average \$7,986 per year.

<sup>7</sup> Based on a current average cost of \$16,000\* per year over four years of study. (\*The Canadian University Survey Consortium reports in 2014 average university undergraduate costs of \$16,059).

**LEGEND**

- RESP Contributions + Interest
- Canada Learning Bond + Interest
- CESG & A-CESG Interest
- Ontario & Canada student grants
- Summer Employment
- In-school employment

# CLB Family Behaviour: Personal Contributions

## Personal contributions in RESPs with CLB beneficiaries

Every year, the average amount of personal contributions made into RESPs receiving the CLB continues to grow. In 2016, an average of \$1,078 in personal contributions was made into 76.9 percent of these RESPs. This is despite the fact that personal contributions are not required to receive the CLB. Since it became available in 2005, a total of \$5 billion in personal contributions has been deposited into RESPs receiving the CLB.

**Table 3: Annual Average Personal contributions in RESPs**

Year	2006	2008	2010	2012	2014	2016
Average Personal Contribution	\$963	\$1,044	\$1,016	\$1,021	\$1,057	\$1,078

# CLB Family Behaviour: Raising PSE Awareness



“It's been a fight to get my son to practice math, so I pulled up my bank acct. on my phone, explained that I was showing him his RESP, and how hard I'm working to be able to contribute to it every month.

I explained that training for a "fun job" when he grows up costs money, that learning to read is a big part of getting there.

Surprisingly he got it, and is suddenly much more willing to learn.

I'm loving it :) .”

-- Jessica G., Mother of 3

# Additional Canada Education Savings Grant (CESG-A) for CLB Families

Net Family Income	Canada Learning Bond (CLB) Min. \$500 - Max. \$2,000	Basic Canada Education Savings Grant (CESG)	Additional Canada Education Savings Grant (A-CESG)	Total Government Entitlement
If Less than \$45,916	✓ IF the child was born January 2004 or later.	✓ 20% on the first \$2,500 in annual contributions made to each child's RESP.	✓ An additional 20% on the first \$500 contributed to a RESP annually.	40% government match
\$45,917 - \$91,831	✗	✓ 20% on the first \$2,500 in annual contributions made to each child's RESP.	✓ An additional 10% on the first \$500 contributed to a RESP annually.	30% government match
\$91,832	✗	✓ 20% on the first \$2,500 in annual contributions made to each child's RESP.	✗	20% government match

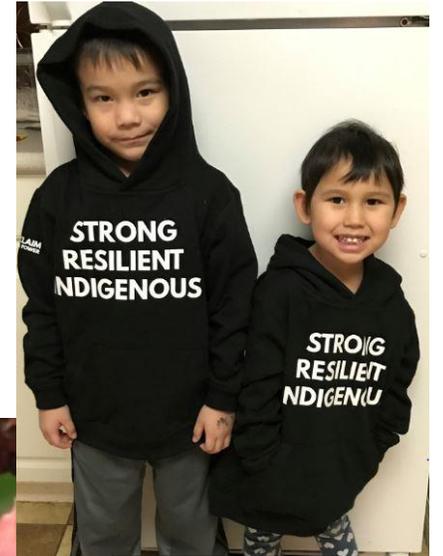
**CLB Income Levels 2017 (by number of children):**

1-3 \$45,916, 4 \$51,809, 5 \$57,724, 6 \$63,640, 7 \$69,556, 8 \$75,472, 9 \$81,388, 10 \$87,304

# StartMyRESP Successes (2015-2017)

- 8,000 families used StartMyRESP
- 13,000 children have benefitted
- 0 to <1 were the largest age group at the time of their application (11.1%).

Families are starting savings early!



# The Canada Learning Bond and you





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