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# Research into Low Income Parents' Views and Experiences Regarding RESPs, CESG and the CLB

## FINAL INTEGRATED REPORT

*Ce rapport est également disponible en français*

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# EXECUTIVE SUMMARY

## ***Methodology***

The survey consisted of telephone interviews with a randomly selected national sample of 901 Canadian parents of children who are under the age of 18, and who also report a household income of \$38,000 or less. The actual interviews were carried out between December 10, 2007 and January 29, 2008 and carry a margin of error of  $\pm 3.3$  per cent for the sample overall and  $\pm 5$  to 10 per cent<sup>1</sup> for most sub-groups that can be isolated in the analysis.

Following the analysis of survey findings, a series of one-on-one interviews were conducted by telephone with some low income parents who responded to the survey. The initial intent was to conduct interviews with only Registered Education Savings Plan (RESP) holders. Following a number of interviews, however, it seemed that a non-RESP holder perspective would also be beneficial. A total of 23 RESP holders were interviewed between March 10 and 25. In addition nine non-RESP holders were also interviewed. These were parent respondents from the survey that had either looked into an RESP in the past or indicated in the survey that they would consider the possibility of an RESP.

## ***Awareness of RESPs and CESP Products***

On the surface, awareness of Registered Education Savings Plan (RESPs) appears to be high, with over eight in ten parents reporting that they have heard of an RESP. However, when asked to describe an RESP, only half do so accurately, while others confuse an RESP with Canada Education Savings Program products or are unable to provide concrete details. One-third of low income parents have heard of the Canada Education Savings Grant (CESG). Again, only half of those aware demonstrate a clear understanding of this product by being able to describe it accurately. Finally, of the post-secondary education (PSE) savings vehicles measured, the Canada Learning Bond (CLB) experiences the lowest level of awareness with only one in ten low income parents indicating that they have heard of the CLB. Awareness of RESPs, the CESG and CLB tends to be higher among parents with young children, those with a university education and those already saving for their children's post-secondary education. Consistent with survey results, interview respondents demonstrated only vague or incomplete understanding of CESP products.

In addition to weak awareness levels, some parents hold misconceptions about RESPs and the CESG. Over half believe that you must contribute a minimum amount to open an RESP; and the same proportion also believes that a person needs to contribute a minimum amount to an RESP each year to

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<sup>1</sup> The margin of error is a measure of the accuracy of the results. It indicates how far the survey's results are likely to vary from the true value in the entire population most of the time (i.e., the finding will be accurate to within a certain number of percentage points 19 times out of 20).

qualify for the CESG. Roughly one-quarter believe that RESPs and the CESG are only applicable to university and college education (and not to trade school or apprenticeship). Over two in ten also believe that RESP contributions are lost if the child does not pursue PSE.

### ***Attitudes Toward PSE, Saving for PSE and Financial Institutions***

Low income parents' expectations of their children attending post-secondary institutions are very high, with most low income parents believing that at least one of their children will obtain a post-secondary education in the future. Furthermore, most low income parents feel that saving early for a child's PSE is worthwhile, and agree that parents should begin saving for their child's PSE before they are teenagers, or before their children are old enough to know for certain whether they will attend PSE. These attitudes were also echoed by RESP and (most) non-RESP interview respondents. Despite this, a significant number do not know what steps to take or to whom to speak to open an RESP. As well, a significant portion of low income parents are unsure as to whether RESP savings may penalize their child in terms of future student grants and loans, although it should be noted that many of the interview respondents indicated that they had not thought about this possibility before.

Nine in ten agree that it is worthwhile for parents to begin saving for their children's post-secondary education even if they have only \$10 to \$20 per month to put away. There is no consensus, however, as to the feasibility for a low income parent to save for their children's post-secondary education; fully three in ten low income parents do not believe that saving is at all feasible for households earning less than \$38,000 annually, although over half believe that it is at least somewhat feasible. Naturally, there is a significant difference between the views of savers (and RESP holders) and non-savers on this issue. Interview respondents agree that finances are a primary challenge and that parents need to be committed to the idea.

Virtually all (89 per cent) of low income parents who expect their children will get a post-secondary education have a bank account. Furthermore, fully three-quarters of low-income parents indicated that they feel comfortable speaking to representatives of banks or financial institutions, and seven in ten think that they can trust the information they receive from financial institutions. In each case only one in nine disagreed. Similarly, RESP holders who were interviewed demonstrated confidence and trust in the financial institution or promoter they have dealt with and non-RESP respondents in the interviews did not indicate financial institutions as a barrier.

Although most low income parents expect that their child will pursue post-secondary studies, only four in ten who expect at least one of their children to attend PSE are currently saving for this (while the remainder are not). As with awareness and perceptions, parents of young children, those with a university education, and households earning at the higher end of low income are more apt to be currently saving, as are respondents from dual parent households and new Canadians. Among those who are not currently saving for their child's PSE, only one in three say that it is very likely that they will save at a later date for the PSE of a child. Among low income parents who expect a child to attend PSE, but are not currently saving,

by far the most common reason is that they do not have the money to put aside or that there are other more urgent needs towards which they must allocate money.

Among low income parents who are currently saving or planning to save for their child's education, most expect to pay for up to about half of the costs or less their child will incur during their post-secondary education, while roughly one-quarter expect to pay for most or all the costs incurred. As might be expected, there is a significant difference in views between savers and non-savers (and the difference is even stronger between RESP holders and non-savers. This proportion rises to roughly one in three among parents who are actively saving (and those using an RESP). Low income parents expect that a variety of sources will pay for their child's costs while attending school. The most common sources of financing are expected to be government loans and scholarships or bursaries, followed closely by the child's employment income while in school. Over half of parents expect to use their own income to pay for costs while their child is in school; while less than half cite the child's own savings, accumulated RESPs and other parental savings as sources of financing for PSE. Just over one-quarter expect that other family members, private loans or a line of credit will help pay for PSE costs. Active savers (e.g., RESP holders) are more apt than others to expect reliance on RESPs and scholarships and bursaries. Those who said they have started saving for child's PSE, but not currently saving or actively contributing to an RESP are more apt to cite general parental savings as a key source. Non-savers are less apt to cite any financial sources (perhaps suggesting that they have not spent a considerable amount of time thinking about this, or see no obvious solutions to the problem).

### ***RESP Information***

Among the 83 per cent of low income parents who have heard of a Registered Education Savings Plan, close to two-thirds have looked for or been given information on opening an RESP to save for a child's education (while the remainder have not). Those parents who found or were given information most commonly found this information at a bank, credit union, or Caisse Populaire (one-third), followed by an investment broker, advisor, or financial planner. Less than one in ten parents cite a variety of other sources of RESP information such as family and friends, a hospital, a sales call or agent, an insurance company, a mailout or pamphlet, etc. That said, if the investment broker were actually a group plan company (i.e., if respondents were mistaken about the name of the source) and if hospital, sales agent, community event and store/mall were added to it, then scholarship group fund would also become a top source (for 31 per cent or more parents who received information about an RESP) Parents who did receive information on RESPs most commonly identify a bank or financial institution as the source which produced the information they received, followed by government or a scholarship trust or group fund company. RESP holders interviewed also cite a number of information sources, including a pamphlet from the hospital; newspaper or magazine article; or word-of mouth.

Low income parents consider both banks and the government to be the most trustworthy source of information about whether or not it is a good idea to set up an RESP. Following these sources are financial advisors; friends or family members; and lastly, scholarship trust or group funds. In terms of information requirements, RESP and non-RESP holders interviewed suggest a broader need to promote

awareness and understanding of RESPs, the CESG and CLB. They furthermore expressed an interest in receiving information from a range of sources, including the government, banks, schools and community organizations.

Survey results regarding the Letter of Notification are not overly positive, although they do demonstrate some modest results. Parents responding to the survey were given a description of a package containing a letter and two brochures (one for the CESG and one for the Additional CESG and CLB). Few low income parents recall seeing this package. Roughly one in ten parents can vaguely remember seeing the material, and slightly more can clearly remember receiving this package. Of those who recall receiving or seeing this package, two-thirds read the information in the letter and the two brochures. Of the parents who read the information provided in the package, most found the information to be very or somewhat useful. Ultimately, findings suggest that the Letter may have been useful to between one in fifteen and one in ten low income parents.

### ***RESP Contribution Patterns***

Of the four in ten (40 per cent) low income parents who are currently saving for a child's post-secondary education, two-thirds have opened an RESP to do it. That is, nearly one-quarter of all low income parents surveyed (23 per cent) indicate that they have opened an RESP to save for their child's education. The strong majority of those parents who have opened an account have made contributions to the RESP to save for a child's education. Most RESP contributors typically make contributions on a regular schedule; with seven in ten parents indicating that they contribute on a regular basis, be it monthly or yearly, while the remainder make contributions to the RESP from time to time when there is an opportunity. These results were echoed by RESP holders in the interviews: most described a regular, monthly payment that was set-up, and some described regular annual contributions. Few described a more sporadic contribution pattern.

Among parents who have not opened an RESP or are not currently saving for their child's education, nearly two-thirds would consider getting an RESP. Parents who would **not** consider obtaining an RESP most commonly identify a lack of money to save as the primary reason for this decision, while other reasons were cited by a small minority (e.g., RESP not worthwhile, too many restrictions, child will have other financing sources for PSE). Similarly, parents who have not yet opened an RESP but **would** consider doing so also identify a lack of money to save as the most common reason for not having opened the account; while nearly one in ten were simply not aware of RESPs. Interview respondents similarly identified a lack of money as the primary barrier to saving for PSE, a few talked about the complexity of the process or lack of information.

Within the nearly one-quarter of low income parents who are RESP holders, just over four in ten opened the RESP at a bank; while nearly one in five opened their child's RESP with an investment broker, advisor, or financial planner; and over one in ten started the RESP as part of a scholarship group plan. (That said, if survey respondents were mistaken about the nature of the company that they hold an RESP with and if they were all trust funds, then almost one in three would hold their RESPs with a scholarship fund, making it the second most often cited source of RESPs.) Current RESP holders were



asked to identify the primary reason that they decided to open an RESP for their child. The majority (six in ten) generally believe that it is a good idea to save for a child's education, while over one in ten decided to start an RESP because they heard the government matches some of what you save. This was echoed among RESP holders in the interviews as well. Some believed that it was a good idea to take advantage of the government matching and start-up funding to save, although the larger proportion simply believe that it was important and were committed to the idea of giving their child the opportunity or choice to attend PSE. Fewer than three in ten RESP subscribers in the survey agree that their investment has largely met the growth expectations they had when they first opened the plan, while over half said that it has met their expectations to only a moderate extent.

Of the nearly one in four low income parents who are RESP holders, over half of RESP holders who have heard of the Canada Education Savings Grant indicate having received the CESG contribution from government, while others indicate that they have not received the CESG or do not know if they have done so. Given that it is unlikely that more than a small percentage of RESP holders are not in fact CESG subscribers, likely almost half of RESP holders are not aware that they are receiving the matched grant. The parents who are aware that they are receiving the CESG identify the matched grant as an important factor in their decision to set up an RESP for their child's post-secondary education. Interview respondents generally consider the CESG and CLB to be potentially very positive in motivating parents to save, once these instruments are fully explained to them.

Of the very small number of parents who are RESP holders who are also aware of the CLB (n=40), only one in three indicate having received the CLB from the government, and these parents also believe that the CLB was important in their decision to set up an RESP for their child's post-secondary education.

Non-RESP holders were asked about the potential impact of the CESG on their likelihood of opening an RESP. If parents knew that they would receive a grant of \$4 for every \$10 they contributed to an RESP, seven in ten said that they would be more likely to open an RESP and contribute to it. Knowing that they could also receive a lump sum of \$500 to open the RESP and \$100 for every year afterward, a much stronger majority, four in five parents, indicated that they would be much more likely to open and contribute to an RESP.

### ***Process and Barriers for RESP Holders***

Among the low income parents who are currently RESP holders, four in five already had a birth certificate for their child before opening the RESP, suggesting that a birth certificate is not a key issue in the enrolment process. Far fewer parents (less than half) already had a Social Insurance Number (SIN) for their child before opening the RESP. Parents who had to obtain a SIN prior to opening an RESP generally indicate some level of satisfaction (ranging from somewhat to very satisfied) with the process for doing so.

Most (three-quarters) of low income parents who looked into opening an RESP feel they had enough information to do so, while less than one-quarter had difficulties determining where to go, and one in ten were not sure that they had the necessary information.

The vast majority of RESP holders in the survey report being somewhat or very satisfied with the process of opening an RESP with a bank, scholarship fund or financial institution. The same is true of the process to enrol in the CESG or CLB. Well over half were very satisfied with the process of enrolment in the CESG and/or CLB, and three in ten were somewhat satisfied. Similarly, most interview respondents (RESP holders and non-RESP holders) did not express any concerns with the enrolment process, and did not find it overly complicated or difficult.

Close to half the parents who currently hold an RESP debated it before finally enrolling. Parents provided a range of reasons for this hesitation, including questions of financial feasibility, being uncertain that they trusted it/the RESP, that there were too many choices and too many decisions regarding where to go for the RESP, or that it was not worth the trouble/number of steps to set up the account. So, roughly one in four delayed for reasons related to information and process, and another one in four experienced issues related to trust or misgivings about the products. Relatively few of the interview respondents with RESPs described a delay, however, those that did talked of being sure and waiting for income levels to change.

Parents who hold an RESP but initially hesitated or delayed to open the account identify various factors that finally motivated them to move ahead with the decision. The most common is that they simply came to a decision that it was a good thing to do; or that they felt that opening the account would help in meeting a child's future needs and ensuring access to post-secondary education. Other reasons included parents' realization that their child is getting older (and time was running out); that they decided it was the only way to get started saving; or because of the government involvement in RESPs.

Relatively few of the low income parents who are now RESP holders considered not opening an RESP because of the number of steps they had to go through to do so (less than one in ten). Of the subset who initially hesitated in opening an RESP, however, close to half said that the number of steps or process to follow had at least some role in the delay.

### ***Process and Barriers for Non-RESP Holders***

Predictably, a lack of money to set aside for PSE savings or more urgent requirements is cited most often as the primary obstacle preventing parents from opening and contributing to an RESP; although a smaller proportion identify a lack of information about RESPs, the CESG, and the CLB as a barrier to opening an account. As with current RESP holders the majority of non-RESP holders indicate that they do have birth certificates for their children, and half have a SIN for their children. As with RESP holders, process requirements present only a moderate barrier to enrolment in an RESP for non-RESP holders, as under half indicate that the steps to enrol are a part of the reason they have not opened an RESP.

Non-RESP holders were asked how much more open they would be, if at all, to opening an RESP under several conditions. Automatic enrolment in an RESP and the CESG/CLB is the most enticing option to non-subscribers, under which the RESP and CESG/CLB would be opened automatically when their child was born and parents would just receive a notice telling them that it was already opened and \$500 was in the account for their child. Fully seven in ten non-RESP subscribers agree that they would be very open to obtaining an RESP under these conditions. Roughly two-thirds would be very open to starting an RESP if they could do everything in one step, in one place, with one organization or group; or if it were done automatically for them when their child was born and they only had to enrol in the CESG/CLB (i.e., automatic enrolment in an RESP). Parents are less interested in turning to government to open an RESP (as with a birth certificate and SIN); or in opening an RESP under the condition that they did not need a birth certificate and SIN.

### ***Automatic Enrolment and Privacy***

All parents responding to the survey were told that the Government is considering a change in the enrolment process for the Canada Learning Bond, under which an RESP would be automatically opened and \$500 deposited in a child's first year, so long as the family income qualifies. Seven in ten parents surveyed feel that automatic enrolment is a good idea because it is easier and inclusive; while one-quarter think it is a bad idea in that this would constitute an invasion of privacy. Interview respondents also largely reacted positively to the idea of automatic enrolment. While relatively few interview respondents expressed privacy or trust concerns with having the government act on their behalf in this manner, they emphasized the importance of clear information and communication, as well as choice in the financial institution or investment employed, under the automatic enrolment scenario.



# 1. INTRODUCTION

## 1.1 STUDY BACKGROUND

In January 1998, the Federal Government introduced the Canada Education Savings Grant (CESG) program, the immediate objective of which is to encourage Canadians to make contributions to Registered Education Savings Plans (RESPs) for the future post-secondary education (PSE) of children. The CESG is administered by Human Resources and Social Development Canada (HRDSC), which is responsible for increasing the participation of Canadians in post-secondary education (PSE), literacy and adult and lifelong learning opportunities, especially in low- to middle-income families.

A formative evaluation of the CESG was completed in April of 2003. This evaluation found that the CESG was successful in encouraging parents to save for the PSE of children, but also discovered that participation in the program was significantly lower among lower-income families and that participation increased with income levels. As a response to the finding of low participation on the part of lower-income families, modifications to the CESG were announced in October of 2004. At that time, the Canada Learning Bond (CLB) was also introduced. The CESG was enhanced so that for low-income families, a 40 per cent grant is paid on the first \$500 paid into an RESP; and for middle-income families, the grant is 30 per cent. This is known as the “Additional” CESG (A-CESG).

The government provides a grant of 20 per cent on the first \$2,500 of annual contributions made to the RESP for children up to age 18. The maximum grant is \$500 per child per year. If the contributor of the grant cannot contribute to the RESP in one given year and carries forward the unused portion of the CESG, the grant could be as much as \$1000 (based on an annual contribution of \$5,000). Over the years, the grant could amount to a maximum total of \$7,200. Only contributions made on or after January 1, 1998 are eligible for the grant. Money cannot be withdrawn from an RESP that was opened before 1998 and re-contributed to the same or another RESP to obtain the grant.

The A-CESG provides an additional grant to low and middle income families. As of January 1, 2005, the CESG rate increased on the first \$500 contributed to an RESP for eligible beneficiaries depending on net family income. Low-income families receive an additional 20 per cent on the first \$500 contributed (for a total of 40 per cent), while middle-income families receive an additional 10 per cent (for 30 per cent). The Canada Savings Education Act requires that the income brackets established for A-CESG purposes be indexed yearly based on inflation. For 2007, the A-CESG rate is 20 per cent when net family income is \$37,178 or less, and 10 per cent when the net family income is more than \$37,178 but less than \$74,357. The essence of the A-CESG is that it allows individuals to reach the \$7,200 lifetime CESG limit earlier or without having to contribute as much. However, unlike the basic CESG, an individual cannot carry forward unused A-CESG.

The Canada Learning Bond (CLB) is a Government of Canada grant to help modest-income families start saving for their child's PSE. A CLB is paid by HRDSC directly into the RESP of a child who is named as the beneficiary and whose parent or guardian is eligible to receive the National Child Benefit Supplement (NCBS). This supplement is generally for families with a net annual income below \$37,178 (for 2007, the same income bracket eligible for an additional 20 per cent on the CESG through the A-CESG). For families who qualify, the Government will add to a child's RESP by making a first payment of \$500. Families that receive the CLB will also get extra payments of \$100 a year for up to 15 years, as long as they receive the NCBS. The total CLB available for a child could amount to \$2,000. As soon as the beneficiary is enrolled in a qualifying educational program, he or she can start receiving money. At that time, the CLB, along with the CESG and income earned by the money in the RESP, is paid to the beneficiary as Educational Assistance Payments (EAPs). Each EAP includes a specific amount of the CLB. If the child named in an RESP does not pursue PSE, the CLB must be returned to the Government of Canada. The CLB cannot be used by another child.

The procedure in applying for and receiving the grant payments is as follows. The subscriber selects a promoter or trustee of the RESP and signs a contract. The promoter then helps the subscriber in applying for a grant. Following acceptance, the subscriber makes contributions to the RESP on behalf of the named eligible beneficiary or beneficiaries. The promoter notifies HRSDC of the contributions and HRSDC processes the request and submits the appropriate amount to the promoter on behalf of the beneficiary. The promoter then deposits the grant into the subscriber's RESP account.

Although participation in RESP savings and the CESG has grown dramatically since the inception of this program, recent evidence continues to suggest that take-up is more modest among lower income Canadians, despite efforts made to modify the CESG to better reach this target audience. Recent communications and advertising campaigns have sought to improve take-up. Secondary research conducted by the Canada Education Savings Program (CESP) indicates that this may be due in part to the complexity of the mechanism used to deliver Canada Education Savings (CES) incentives.

The formative evaluation conducted by EKOS Research on the CESG in 2002-2003 identified numerous barriers to accessing the CESG, many of which are related to the current process for delivering CES incentives to low-income Canadians. These findings have important implications for strategies to promote awareness of CES incentives and have been taken into consideration when designing communication campaigns undertaken by the CESP. The results also suggest that, separate from media and outreach, alternate strategies for alleviating barriers to CESG take-up should be explored.

Ongoing program policy research and analysis done within the Canada Education Savings Program (CESP) indicates that delivery of the program through a simplified/automatic enrolment mechanism is a potential option for increasing program take-up.

The CESP has held initial discussions with the Canada Revenue Agency and the Department of Finance regarding the feasibility of a simplified or even automatic enrolment scheme for the CLB. The Program is currently gathering information that would make a stronger case for shifting delivery of the CLB

from the traditional policy of requiring eligible Canadians to apply for benefits to an automatic/simplified enrolment scheme.

The current study explores with parents in low income households the types of barriers that exist to opening RESPs and enrolling in the CESG and applying for the CLB. The study also explores reactions to proposals to simplify or even automate the enrolment process.

## 1.2 METHODOLOGY

The survey consisted of telephone interviews with a randomly selected national sample of 901 Canadian parents of children who are under the age of 18, and who also report a household income of 38,000 or less. The sample was drawn from randomly selected households from across the country, based on a Random Digit Dial (RDD) method of sampling households.

Because the criteria for inclusion in the survey is very stringent (parent of child under 18, household income of roughly \$38,000 or less), the overall expected incidence of this type of household was under five per cent. That is, only one out of 20 households would satisfy the study criteria; the majority (19 out of the 20) would be screened out. This very low incidence has prohibitively high cost implications, and it is for this reason that EKOS selected a more economical method of screening the households drawn in the RDD sample. For the largest share of the cases completed (800 of the 901), the screening was done through an automated Interactive Voice Recorder (IVR) system, that uses a machine with a pre-recorded script to ask household members if they satisfied the study criteria (“If you are a household that includes a parent of someone under the age of 18 and also has a pooled income of less than \$38,000, please press 1” → this is followed up with “someone from our research team will contact you”). This system dials thousands of numbers each evening, using an RDD sample. Cases of individuals that respond in a way that makes them eligible to do the survey are then contacted by the survey team and given the screening question again from a live interviewer. If the respondent qualifies, they are then interviewed. The remaining 101 of the 901 cases were collected without the benefit of the IVR pre-screening (i.e., screened from the initial RDD sample by interviewers). This was done to allow for a comparison of the IVR screened sample to the non-IVR screened sample.

This comparison shows the two subsets to be very close in results. The 101 cases generated from the public without the benefit of the IVR pre-screening is marginally less apt to say that they will be saving in the future (if they are not currently saving) and more apt to say that they do not have the money to save. Of the RESP holders in the sample, they are also marginally more apt to say they were enticed by the matched grant provided by the government. They would be less likely to worry about savings affecting future assessment of need or eligibility of their child for government loans. They would be somewhat less open to opening an RESP if they could get it through the government or if it were a more automatic process. They were also marginally more concerned about privacy when juxtaposed against convenience in the proposed automatic enrolment. The magnitude of differences between the IVR screened and non-IVR screened samples was not large (i.e., typically under 10 per cent). The non-IVR screened sample also included more

single parents, and they were also marginally older overall, and more apt to be employed on a full-time basis.

The actual interviews were carried out between December 10, 2007 and January 29, 2008 and carry a margin of error of  $\pm 3.3$  per cent for the sample overall and  $\pm 5$  to 10 per cent<sup>2</sup> for most sub-groups that can be isolated in the analysis. The average time taken to complete an interview was 19 minutes and the response rate was 23 per cent for the interviewer screened cases and point eight per cent for the IVR screened cases (including the IVR screening and interviewing, however, it was 37 per cent on the interviewer portion of the work, using the pre-screened sample). The survey instrument can be found in Appendix A, and details of the response rates for the IVR screened and non-IVR screened sample can be found in Appendix B. Appendix C presents a table of statistically significant differences between the two sub-sets.

EKOS used Survey Sample software to produce the sample for this project. This software samples by Random Digit Dial (RDD) methodology and checks its samples against published phone lists to divide the RDD into "Directory Listed" (DL) and "Directory Not Listed" (DNL) RDD components.

The survey was designed to explore awareness of RESPs, the CESP and the CLB; attitudes regarding the benefits and costs related to obtaining a post-secondary education; views (and myths) about the CLB and what it entails; views about the financial industry and how low income parents perceive it; and testing of some basic policy options with regard to re-packaging the CLB (and a possible simplified, and/or possibly even automatic, enrolment process). During the design other research into the CESP was taken into consideration, in an effort to design research that will complement, rather than duplicate, work that is taking place for a formative evaluation of the A-CESG/CLB. The research explores what parents know about the CLB and what barriers exist, if any, to enrolling for the CLB. A range of potential barriers were examined, including a lack of awareness or a lack of confidence in the government or financial industry, and/or misconceptions about the CLB or more broadly the RESPs. Other barriers explored related to difficulties in the process required to enrol (e.g., obtaining birth certificate and SIN, and opening an RESP), or the perception that PSE is not worth the investment, that they do not have enough money to put anything away for future PSE, or that putting a small amount away is not worthwhile.

The questionnaire was developed in consultation with Human Resources and Social Development Canada for the purposes of this study. Some questions were repeated from a baseline survey of parents in 2005 or an evaluation of the CESP in 2002-2003. Prior to the interviewing period, the questionnaire went through a round of pre-testing with a total of 20 parents (although not low income parents) in order to gauge the flow and clarity of the survey instrument. Relatively few revisions were made to the survey instrument as a result of the test.

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<sup>2</sup> The margin of error is a measure of the accuracy of the results. It indicates how far the survey's results are likely to vary from the true value in the entire population most of the time (i.e., the finding will be accurate to within a certain number of percentage points 19 times out of 20).



Fieldwork for this project was conducted by highly trained interviewers at EKOS' call centre in Ottawa. Throughout the data collection, survey supervisors continuously monitored interviewing to ensure consistency of questionnaire administration and interviewing techniques. Up to ten call-backs were made to each member of the sample for which initial attempts at contact were unsuccessful. Follow-up calls were made on subsequent days, at varying time periods to maximize the potential for reaching a given respondent. Appointments were made for respondents wishing to reschedule a survey. Daily records were kept of all calls made, whether successful (i.e. interviews completed or appointments made) or not.

Once the survey collection was completed, data were reviewed for the purposes of coding open-ended responses and general cleaning (e.g., based on skip patterns). The overall survey results were weighted in the analysis to reflect population proportions in terms of region of residence and gender in order to be able to extrapolate results to the wider population of low income parents.

Readers should note that although results are presented for a number of segments of the sample of parents in some tables in the report, only results that are statistically and substantially significant are presented in the text (bullets) of the report. For example, results may be shown for the proportion of parents who are currently saving for their children's education across all provinces and territories in a table, however, the text only describes the results for those provinces or regions that are significantly different from the national average. Detailed results for all key sub-groups examined for this report can be found in the tables in Appendix E (under separate cover).

Following the survey, additional follow-up research was conducted using a qualitative methodology to consult with low income parents. This was done through a series of key informant interviews with individuals screened through the survey as either having opened an RESP or having looked into an RESP and being open to starting one. The purpose of the qualitative consultation was to explore their reaction to the different steps involved in enrolment and how they felt about this process at the time (RESP holders in the case of the latter). It also examined what RESP holders liked and did not like about the process and whether RESP holders and non-RESP holders thought that it could be simplified and any changes that they might suggest to the process. Reactions were also obtained to the proposed simplification and possible facilitated nature of the process and payment. This includes whether parents understood and liked (and were comfortable with) the more streamlined approach, as well as whether or not they would have any reservations about it, and if so, how these would weigh against the benefits that they would also represent to low income parents. The full interview guide used for RESP holders and for non-RESP holders can be found in Appendix D.

A total of 32 interviews (23 with RESP holders and nine with non-RESP holders from the survey sample) were conducted in one-on-one interviews over the telephone between March 10 and 25<sup>th</sup>, 2008.

## 1.3 SAMPLE CHARACTERISTICS

The following table provides details on the sample of low income parents for many of the sub-group segments represented in this report.

**Table 1: Overall Sample Characteristics**

	Sample Size	Margin of Error (% <sup>3</sup> )
<b>OVERALL</b>	<b>901</b>	<b>3.3</b>
<b>PROVINCE</b>		
British Columbia	109	14
Alberta	99	10
Saskatchewan and Manitoba	101	7
Ontario	302	34
Quebec	183	24
Atlantic	107	7
<b>GENDER</b>		
Male	278	45
Female	623	55
<b>HOUSEHOLD INCOME</b>		
<\$25,000	419	46
\$25,000-\$38,000	448	54

## 1.4 ORGANIZATION OF THE REPORT

Results of the survey are presented in six chapters. Chapter Two examines levels of awareness. Chapter Three presents survey findings related to attitudes toward financial institutions and post-secondary education. Chapter Four looks at savings patterns and intention to save. Chapter Five explores information on RESPs, and on the CESG and CLB and the extent to which information plays a role in motivating parents to save using these vehicles. Chapter Six examines contributions to RESPs and subscription to CESG and CLB and Chapter Seven delves deeper into the motivators and barriers to opening an RESP and subscribing to the CESG/CLB, as well as testing reactions to a possible automated process and potential privacy issues. The last chapter provides a wrap-up and some final observations with implications of the findings.

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<sup>3</sup> Calculated at the .05 level (i.e., 19 times out of 20).

## 2. AWARENESS OF RESPs AND CESP PRODUCTS

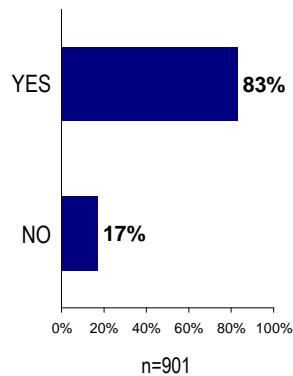
### 2.1 AWARENESS

Although other results in the survey suggest a low level of awareness regarding RESPs and the CESP and CLB, the large majority of low income parents surveyed said that they have heard of a Registered Education Savings Plan, also known as an RESP. Over eight in ten (83 per cent) parents reported that they have heard of an RESP.

Those who have heard of an RESP were then asked to further describe what it is. The description provided by most largely falls into two main categories: over half (54 per cent) described an RESP, saying it is a special account used for saving for children's education. Another one-quarter (28 per cent) described the CESP, saying that the government contributes or matches money for children's post-secondary education savings. The remaining descriptions were varied and include a tax break where money is sheltered (six per cent); the government giving money to low income parents (four per cent) – likely describing the CLB; or a description of investment characteristics or contribution structure of RESPs (four per cent); or a description of the criteria or conditions upon use of funds (three per cent). Two per cent each reported other impressions of an RESP including the need for a certain minimum to open the account, how to get started on an RESP, the flexible options for use of RESP funds, or negative comments regarding RESPs in general. Although all parents responding to this question indicated that they had heard of an RESP, 17 per cent could not provide any information about an RESP. The results suggest that, while most are aware of an RESP, at least some parents confuse RESP with CESP products.

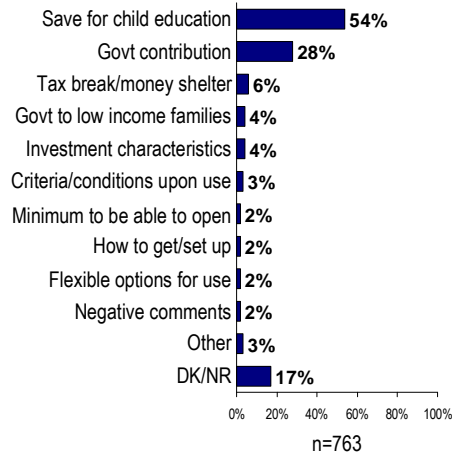
## Awareness of RESP

“Have you ever heard of an Registered Education Savings Plan, also known as a RESP?”



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“What can you tell me about an RESP?”



CLB Survey of Low Income Parents, 2008

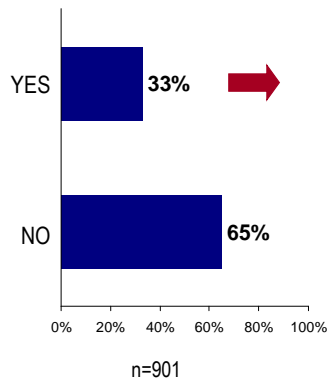
- Women are more apt than men to say that they have heard of an RESP.
- Parents with children under age four are more likely to have heard of an RESP, while those with children age eleven and over are least likely to have heard of an RESP.
- Those with college or university education, along with households with relatively higher income (between \$25,000 - \$38,000), are more likely than those with less education or income to have heard of an RESP.
- Similarly, low income parents with a university education are more apt to have cited the two most frequently provided descriptions of an RESP while those with a high school education or less are less likely to have provided a response to the question.
- Not surprisingly, those who are currently saving for their children's PSE, currently hold an RESP, or reported higher trust of banks are more apt to have said that they have heard of an RESP.

One-third (33 per cent) of the parents surveyed have heard of the CESG. This is far fewer than had heard of an RESP. Of these it would seem that roughly half have a solid understanding of the CESG. Nearly one-quarter (24 per cent) said that it is a program where the government contributes or matches an unspecified amount to a savings plan and another 11 per cent each provided details related to the government matching 20 to 40 cents for every dollar saved, or that the maximum grant amount per year is \$500.

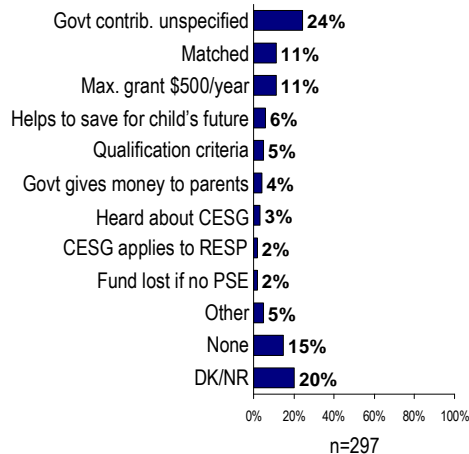
The remainder of responses are more difficult to evaluate in terms of their understanding of the CESG. A number of general descriptions include the CESG helping to save for children's education (six per cent); details of the eligibility criteria (five per cent); the government giving various amounts of money to parents for children's education (four per cent); they have simply heard about the CESG (three per cent); that the CESG applies to registered savings plans only (two per cent); or that the contributed funds are lost if the child does not attend a post-secondary school (two per cent). It is also worth noting that over one-third (35 per cent) were unable to provide a response, saying either that they could not provide a description or that they did not know what the CESG is. In fact, even among RESP holders 26 per cent did not know.

## Awareness of CESG

"Have you ever heard of the Canada Education Savings Grant?"



"What can you tell me about the Canada Education Savings Grant?"



EKOS Research  
Associates Inc.

CLB Survey of Low Income Parents, 2008

- Consistent with those who have heard of an RESP, parents with a university education, those with children under age four, and those currently saving for their children's post-secondary education are all more apt to say that they have heard of the CESG.
- Those who obtained their RESP from a source other than a bank are also more apt to be aware of the CESG.

## **Interview Results**

Reflecting the survey findings, awareness levels are mixed even among RESP holders. Most have some degree of awareness and understanding of the process, however, relatively few are very clear about the matched grant in detail. Some have a vague understanding that the government matches a portion of the money they deposit. Others have a good understanding of the CESP products overall, but there is confusion between the bond and the grant and what conditions apply to which. About one in five RESP holders are not aware of the grant or have misinformation about it.

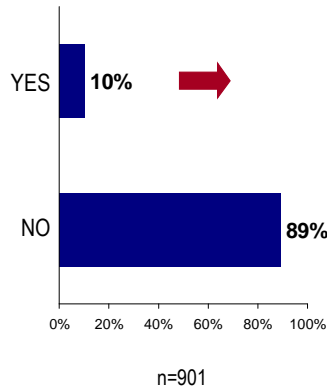
Not surprisingly, most non-RESP holders interviewed demonstrate little or no knowledge of CESP products. The handful with some awareness had received promotional literature from an educational fund company or had recently opened an RESP.

Of the post-secondary education savings vehicles measured, the Canada Learning Bond experiences the lowest level of awareness. Only one in ten low income parents (10 per cent) said that they have heard of the CLB and fully 89 per cent said that they had not heard of the bond.

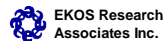
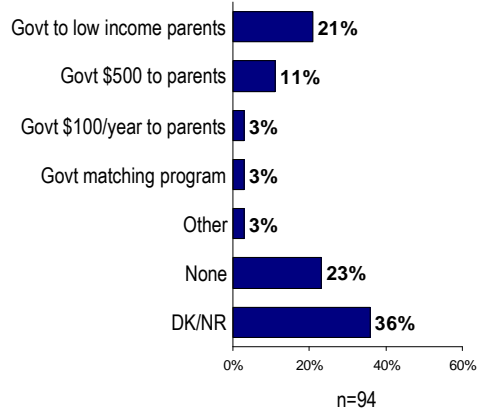
When asked to describe the CLB, one in five of those who have heard of the bond (21 per cent) talked about the government giving money to low income parents to help save for a child's post-secondary education. A further 11 per cent provided more detail, saying that the government gives \$500 to parents to start up an education fund. Of the ten per cent who said that they have heard of the CLB, almost six in ten could not provide any details about the bond, saying either that they could not articulate any details or that they did not know). Even among RESP holders half did not know.

## Awareness of Canada Learning Bond

“Have you ever heard of the Canada Learning Bond?”



“What can you tell me about the Canada Learning Bond?”



CLB Survey of Low Income Parents, 2008

- Again consistent with awareness of other savings vehicles, knowledge of the CLB increases along with parent’s education levels and is more prevalent among those with children under age four.
- Those currently saving for their children’s PSE, parents currently holding RESPs, and those who are active savings contributors are all more apt to say they have heard of the CLB.

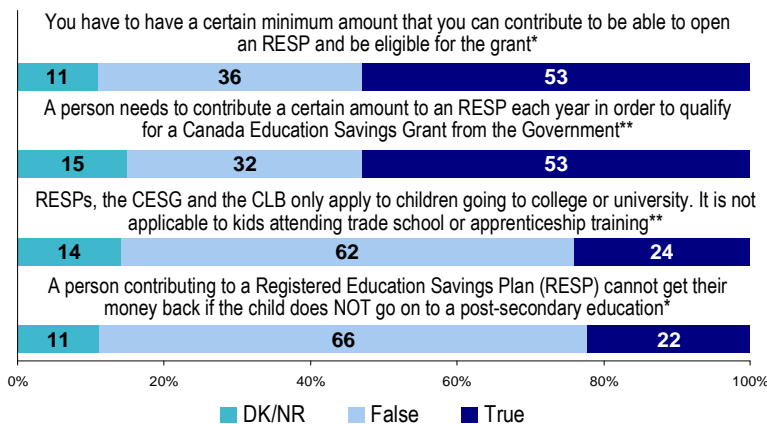
### Interview Results

Even among RESP holders awareness of the CLB is quite low. Only a handful of interview respondents were familiar with it and many with some knowledge confuse it with the matched grant. In fact, many who were asked about the CESG talked about a matched grant and \$500 lump sum, unaware that these are two different CESP products. Similarly, non-RESP holders demonstrated little knowledge of the CLB. Those aware had recently seen or received promotional literature, or had recently opened an RESP.

Low-income parents aware of RESPs were asked to consider several statements regarding RESPs and indicate whether or not they believe them to be true. Of these, over half (53 per cent) believe that you have to have a certain minimum amount that you can contribute to be able to open an RESP and be eligible for the Canada Education Savings Grant. The same proportion of parents who are aware of RESPs, the CESG or CLB correctly believe that a person needs to contribute a certain amount to their RESP each year in order to qualify for the CESG from the government (53 per cent). Roughly two in ten parents (22 per cent) believe that a person contributing to an RESP can not get their money back if the child does not go on to a post-secondary education. Finally, one-quarter (24 per cent) of parents who have heard of the CESG or CLB incorrectly believe that RESPs, the CESG and CLB only apply to children going to college or university; and are not applicable to children attending trade school or apprenticeship training. Further, a significant proportion of parents were unable to respond to these questions, again underscoring the confusion or lack of knowledge parents have of these topics or products.

## Knowledge of RESP

“Please indicate whether or not you believe the following statements to be true.”



(\* Parents who have heard of RESP – n=727)

(\*\* Parents who have heard of CESG or CLB – n=420) CLB Survey of Low Income Parents, 2008

- Parents who are currently saving for their child's PSE, along with RESP holders, are more apt to believe that they can get their money back if their child does not continue on to a post-secondary education, or that there is no minimum amount one must contribute each year. It is interesting to note, however, that the difference between these different segments of parents is only modest. And, this is largely driven by a greater proportion of non-savers and non-RESP holders who said that they did not know.

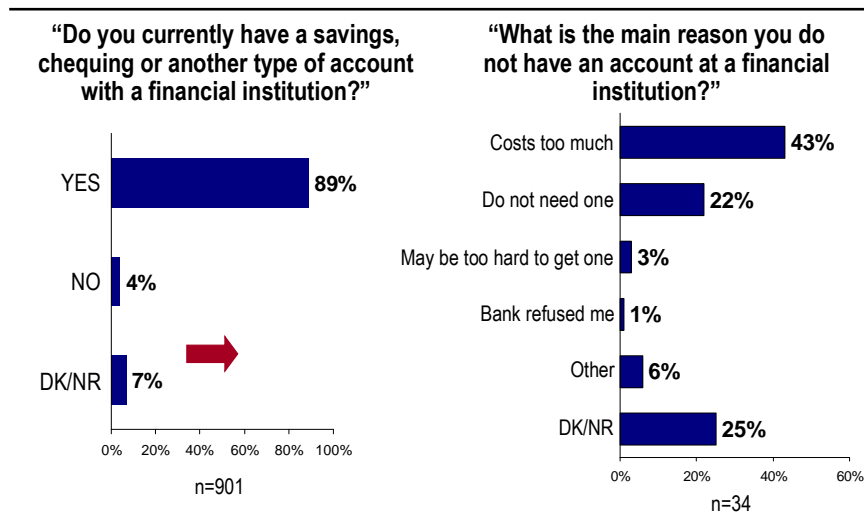


# 3. ATTITUDES TOWARD FINANCIAL INSTITUTIONS AND SAVING FOR PSE

## 3.1 ATTITUDE REGARDING THE FINANCIAL INDUSTRY

Most low income parents have a bank account. Eighty-nine per cent currently have a savings, chequing, or another type of account with a financial institution (FI). For the minority of parents who do not have an account at a financial institution (n=34), the reasons they do not are varied. Four in ten said that it costs too much to have an account, and one in five indicated that they do not need one. Fewer parents mentioned that it may be too hard to get an account or that the bank refused them. One-quarter of those without a bank account were unsure or did not state a reason for not having an account.

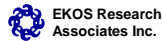
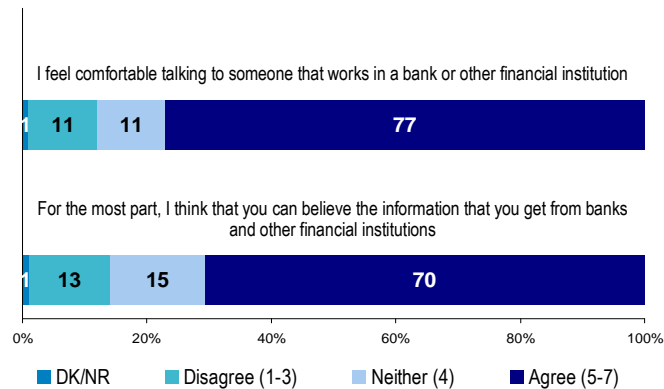
### Relationship with FIs



Fully three-quarters of low-income parents indicated that they feel comfortable speaking to representatives of banks or financial institutions (77 per cent). Similarly, seven in ten think that they can trust the information they receive from financial institutions (70 per cent). It is interesting to note, however, that over one in ten parents do not feel comfortable in a bank or do not feel that they can believe information communicated by financial institutions, and a similar number are uncertain.

## Attitudes Toward Banks

“To what extent do you agree or disagree with the following?”



n=901

CLB Survey of Low Income Parents, 2008

- Not surprisingly, those who feel they can trust information from banks are far much more apt to also feel comfortable in speaking to representatives of a bank or financial institution.
- Parents who believe that the cost of PSE is a good investment are more apt to feel comfortable with representatives of financial institutions, and to trust the information they receive from them.
- Parents with the lowest household incomes (less than \$25,000) are less apt to trust information from banks or to feel comfortable speaking to those who work in a bank.

## **Interview Results**

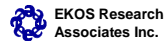
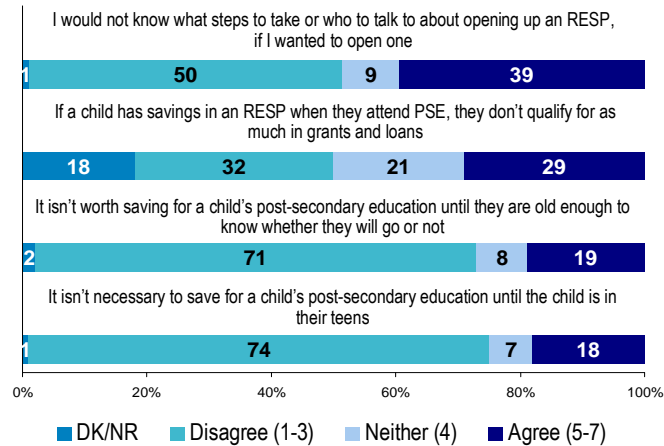
In interviews with RESP holders, some said that they opened RESPs with the bank that they typically deal with (and therefore were comfortable with), or with a scholarship company (one cited an investment broker). Most said that they had either seen an advertisement or a brochure or had heard from a salesperson that called or came to their door. In a few cases they received a referral from a friend. In one case an interview respondent said that he went with a scholarship company because it seemed less risky than a bank. All but two RESP holders described their satisfaction with the financial institution (FI) they were dealing with. They largely focused on their level of trust and comfort with the FI, generally indicating that they believe that there are no hidden fees or restrictions that will surprise them in the future. Only one talked about concerns for what the fees are and how much is being taken off in fees, and another expressed a general lack of comfort with the FI.

Non-RESP holders interviewed demonstrated a similar level of trust in the bank or financial institution they normally deal with. Those that had actually looked into opening an RESP similarly did not have any concerns regarding trust with their bank or the company they had considered. One also felt that the scholarship company that they had contacted was more open and helpful than their bank.

Most low income parents feel that saving early for a child's PSE is worthwhile. Roughly three-quarters feel that parents should begin saving for their child's PSE before they are teenagers (74 per cent), and seven in ten believe that parents should begin saving before their children are old enough to know for certain whether they will attend PSE (71 per cent). Despite this, a significant number agree that they do not know what steps to take or to whom to speak to open an RESP (39 per cent). As well, a significant portion of low income parents are unsure as to whether RESP savings may penalize their child in terms of future student grants and loans. Roughly three in ten parents agree with this statement and a similar number disagree, while the balance have no opinion or cannot answer.

## Attitudes Toward RESP Savings

“To what extent do you agree or disagree with the following?”



n=901

CLB Survey of Low Income Parents, 2008

- Low income parents in Quebec are more likely to agree that they do know the steps to take to open an RESP.
- Those with a high school education or less are less likely than those with higher education to know how to go about opening an RESP or to feel that it is necessary to begin saving early for PSE.
- Parents with the lowest incomes are less likely to feel they know how to go about opening an RESP.
- Men are more likely to disagree that RESP savings will compromise their child's future student grants or loans eligibility, while women are more apt to be uncertain on this point. On the other hand, men are less likely than women to agree that it is worthwhile to begin saving for PSE early.
- Naturally, those already saving for their child's PSE and those with an RESP are more apt to exhibit greater knowledge and more positive attitudes on these points.

## **Interview Results**

Most RESP holders said that they had faith that their child would attend some form of PSE in the future, and some went further to say that they believe their RESP to be sufficiently flexible as to ensure that any education that they pursued would fall within the definition of PSE. A few outlined that they understand that the money they contribute to the RESP would be returned to them if the child did not go to PSE (although the government contributed portion would be lost; a risk which they found to be acceptable). A few went further to say that this is a stipulation that should be made more widely understood in order to give parents the comfort that they need to invest without concern for the risk. A few said that the money is an investment or commitment into the importance of PSE (suggesting that even losing the money in the unlikely event that a child did not attend PSE, would be worth the risk to make that commitment early on). Only one RESP holder expressed that he would be very unhappy if it were to transpire that he lost his investment.

RESP holders interviewed also considered it very important to start saving for PSE as early as possible, preferably soon after birth. They understood that they had to start saving early as they could only set aside small amounts, and that it would take a considerable length of time to save enough for PSE. Non-RESP holders interviewed similarly expect that their child will pursue PSE, and agree that it is important to start saving as early as possible.

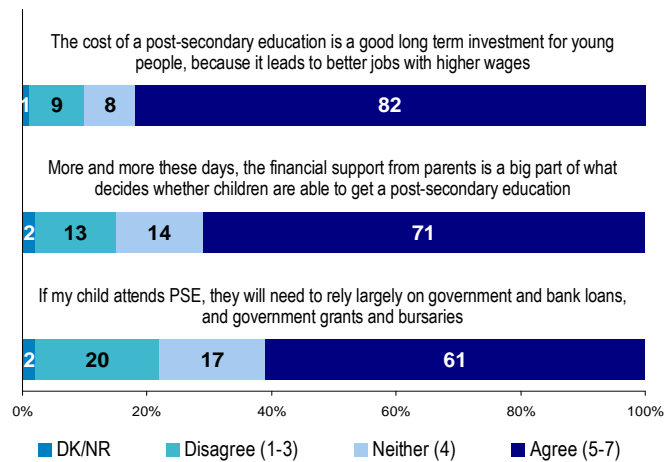
Although parents interviewed generally understood that they needed a long time to save, and some noted that interest would accumulate on their RESP investment over time, many were not familiar with the term “compound interest” when asked. Interview respondents (both RESP holders and non-RESP holders) were largely uncertain as to what compound interest meant. Some described it as “too complicated”, although a few who are investing with educational funds did describe a visual chart or diagram that they got, explaining how their investment would grow over time. Only three RESP holders indicated a sound understanding of the concept, agreeing that this motivates parents to start saving early.

## 3.2 ATTITUDES TOWARD PSE

Levels of agreement were measured regarding statements that involve attitudes toward post-secondary education and saving for a child's post-secondary education. Most parents agree that the cost of a post-secondary education is a good long term investment for young people because it leads to better jobs with higher wages (82 per cent agree). Seven in ten (71 per cent) agree that more and more these days, the financial support from parents is a big part of what decides whether children are able to get a post-secondary education. However, three in five (61 per cent) agree that if their own child attends PSE, they will need to rely largely on government and bank loans and other government grants and bursaries.

### Attitudes Toward PSE

"To what extent do you agree or disagree with the following?"



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n=901

CLB Survey of Low Income Parents, 2008

- Respondents from single-parent households, those over 45, and those with children age 11 or older are more apt to agree that their child will have to rely on loans, grants and bursaries if they attend PSE. Parents with the lowest household incomes (less than \$25,000) and those not saving for a child's PSE are also more likely to agree with this statement.

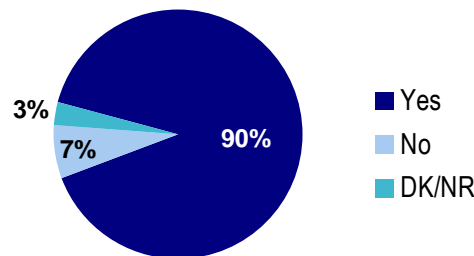
# 4. SAVINGS BEHAVIOUR AND INTENT TO SAVE

## 4.1 ATTITUDES REGARDING SAVING FOR PSE

Most low income parents do see the value in saving for their child's post-secondary education. Nine in ten (90 per cent) agree that it is worthwhile for parents to begin saving for their children's post-secondary education even if they have only \$10 to \$20 per month to put away. Only seven per cent do not think this is worthwhile and a further three per cent do not know.

### Attitude Toward Saving Small Amount

“From what you have heard or read, do you think that it is worthwhile for parents to begin saving for their children's post-secondary education if they only have \$10 or \$20 a month to put away?”

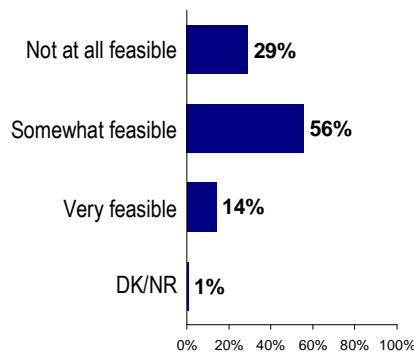


- Agreement with this statement is consistent with other savings behaviours. Those currently saving for their children's PSE (93 per cent), parents currently holding RESPs (94 per cent), those who are active savings contributors (95 per cent), and those who believe that the cost of PSE is a good investment (92 per cent) are all more likely to state that even a small amount of monthly saving is worthwhile. As well, those who indicate that financial support from parents is key in determining a child's ability to attend PSE are also more apt to indicate the value of saving even small amounts.

The perceived feasibility of a low income parent's ability to save for their children's post-secondary education is varied. Twenty nine per cent of low income parents indicate they believe that saving is not at all feasible for households earning less than \$38,000 annually. Over one half (56 per cent) state that it is somewhat feasible, and 14 per cent believe that it is very feasible for low income parents to save for their children's post-secondary education. Even among non-savers 61 per cent say that it is at least somewhat feasible.

## Feasibility of Saving

**“How feasible or realistic do you think it is that parents with low income, making under \$38,000 a year for the household, can save for their children's post-secondary education?”**



 EKOS Research Associates Inc.

n=901

CLB Survey of Low Income Parents, 2008

- Parents living in Alberta and the Prairies are more likely than those living in other regions to indicate that it is very feasible for low income parents to save. Newcomers to Canada are also more apt to believe that it is feasible for low income parents to save for their children's PSE.
- The age of the parent, along with the age of the children, have a great influence on the perceived feasibility of saving. Younger parents (age 25 and under, and those with children under age four) are more apt to believe that saving is very feasible. Parents age 45 and over (along with those with children age 11 and over) are more likely to state that it is not at all feasible.
- Parents with a high school education or less are more apt to believe that it is not at all feasible to save, while those with a university education are more apt to indicate that it is realistic.
- Those who believe that saving is very feasible are also more apt to be currently saving for PSE, hold an RESP, and be an active contributor to savings. Parents who disagree that the cost of PSE is a good investment are more likely to state that it is not at all feasible for low income parents to save.

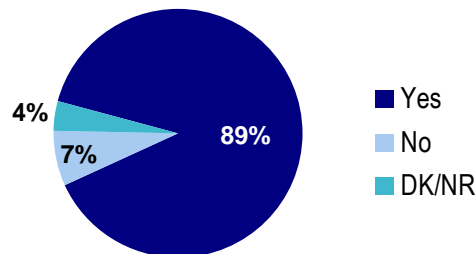


## 4.2 EXPECTED PSE ATTENDANCE

Low income parents' expectations that their children will attend a post-secondary institution are very high. Most low income parents (89 per cent) believe that at least one of their children will obtain a post-secondary education in the future. This can include any children who have already started or completed PSE. Seven per cent indicated that they do not expect any of their children to attend PSE. Only four per cent are unsure of their children's future involvement in post-secondary education.

### Expectation Regarding PSE

**“Do you expect that any of your children will get a post-secondary education in the future? IF NEEDED: This includes any of those who have already started to attend PSE or already attended PSE?”**



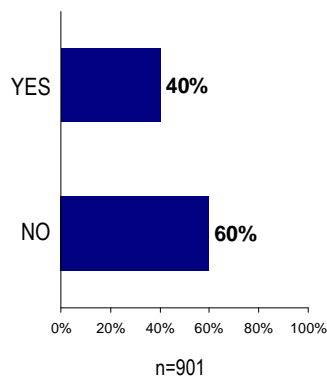
- Parents with a university education are more apt than those with other education levels to expect their children will attend a PSE institution (98 per cent).
- Those with children age six and under are more likely to expect their children to attend PSE than those with older children.
- New Canadians are also more apt than others to expect their child to obtain a PSE (95 per cent).


## 4.3 CURRENT AND INTENDED SAVINGS BEHAVIOUR

Four in ten low income parents (40<sup>4</sup> per cent) are currently saving for a child's post-secondary education. The remaining 60 per cent are not currently saving for their child's education despite their expectation that at least one of their children will attend PSE. (It should be noted that 59 cases of parents who did not expect a child to attend PSE were not asked the question and are therefore assumed to be "no" in the calculation.) It is interesting to note that 70 per cent of those who said that it is feasible to save are actually saving.

### Saving for Child's Education

"Some people are in a position to save for a child's education, however, many are not in this position. Are you currently contributing toward savings for a child's post-secondary education, that is their education beyond high school?"



 EKOS Research  
Associates Inc.

CLB Survey of Low Income Parents, 2008

- Low income parents in Alberta are more likely than those in other regions to be in a position to currently save for their child's PSE (54 per cent). The incidence is generally higher in western Canada than it is in central and eastern Canada.
- Men, those with a university education, households with both parents present, and households earning the higher end of low income (\$25,000 - \$38,000) are more apt to be currently saving (even though women are more apt to see the necessity for saving early for a PSE - page 13).
- The younger the children in the family (especially under age four), the more likely that the parents are to be currently saving for their PSE.

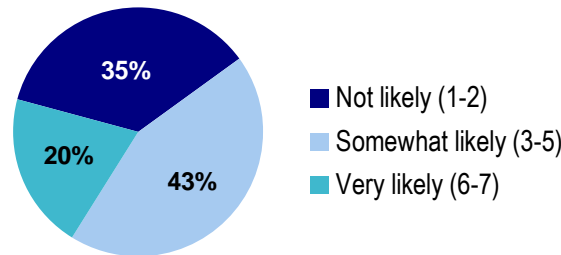
<sup>4</sup> Of low income parents who expect a child to attend PSE, 42 per cent said that they are currently saving for this purpose.

- New Canadians and visible minorities are also much more likely to be saving (66 and 61 per cent respectively).

Among those who are not currently saving for their child's PSE, only one in five (20 per cent) said that it is very likely that they will save at a later date for the PSE of a child. About half of this group of non-savers indicated that it is somewhat likely they will save at a later date. Over one-third (35 per cent) declare that it is not likely that they will save. (Again it should be noted that 59 cases of parents who did not expect a child to attend PSE were not asked the question and are therefore assumed to be "not likely to save at a later date" in the calculation.)

### Future Intent to Save

"How likely is it that you will save at a later date for the post-secondary education of a child?"



EKOS Research Associates Inc.

n=554 (Non-savers)

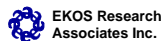
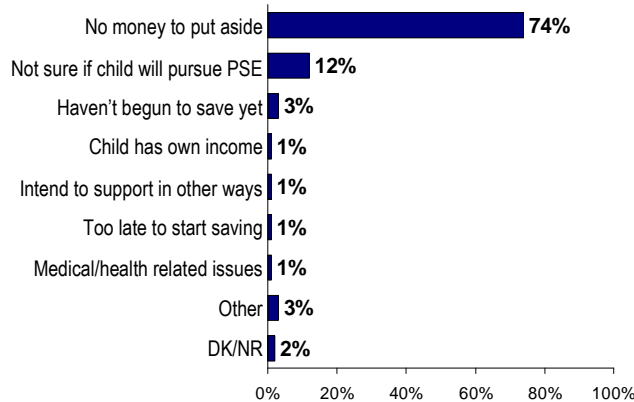
CLB Survey of Low Income Parents, 2008

- Parents under age 35, along with those with children age six and under, are more apt to say they are very likely to save at a later date.
- Parents with a high school education or less are more apt to indicate that it is only somewhat likely that they will save at a future date, while those with a university education are more apt to indicate that they are likely save.
- Not surprisingly, parents who believe that the cost of a PSE is a good investment are more apt to indicate that they are likely to save in the future.

Low income parents provided a variety of reasons why they are not in a position to save for their children’s post-secondary education. Among low income parents who expect a child to attend PSE, but are not currently saving, by far the most common reason is that they do not have the money to put aside or that there are other more urgent needs (74 per cent). A selection of other reasons follow including that they simply have not begun to save yet (four per cent), they are not sure if their child will pursue PSE, the child has their own income, they intend to support their child’s PSE in other ways, it is too late to start saving, and that there are medical or health related issues (one per cent each). Only two per cent did not state a reason that they are not currently saving. (Again it should be noted that 59 cases of parents who did not expect a child to attend PSE were not asked the question and are therefore assumed to be “not sue a child will pursue PSE” in the calculation.)

### Reasons for NOT Saving For PSE

“Many people are not in a position to save for their children’s post-secondary education, for a variety of reasons. Can you tell me your MAIN reason for this?”



n=553 (Non-savers)

CLB Survey of Low Income Parents, 2008

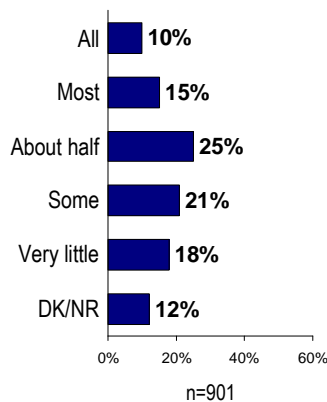
- Parents earning \$25,000 or less annually are more likely than those earning more to say that they do not have the money to put aside. The same is true of parents who express less trust in banks.

## 4.4 EXPECTED CONTRIBUTION AND OTHER FINANCIAL SOURCES

Parents are most commonly expecting to pay for about half of the costs their child will incur during their post-secondary education (25 per cent expect to pay half). Only one in ten (10 per cent) are expecting to pay for all of the costs, and an additional 15 per cent think they are likely to pay for most of the costs. About one in five (21 per cent) are expecting to pay for some of the costs, and a further 18 per cent plan to pay for very little of their child's PSE costs, even though they are currently saving or plan to save.

### Parents' Financial Contribution

“Do you think that you are likely to pay for all, most, about half, some or very little of the costs that a child of yours will have during their post-secondary education?”



- Parents living in Quebec are more apt than those in other regions to plan to pay for half or all of their child's PSE costs (and are less apt than those in other provinces to expect to pay some or very little).
- Men are more apt to expect to pay all, while women are more likely to indicate that they expect to pay very little of the costs. Respondents from single parent households are also more apt to expect to pay very little of the cost, while parents from dual parent households are more likely to expect to pay most of the cost.
- Parents 45 and older, and those whose children are 11 or older, are more apt to expect to pay very little of the costs of PSE compared to other parents.
- Those earning relatively higher income (\$25,000 - \$38,000) are more likely than lower income earners to expect to pay for most or all of the costs.

- Savers and RESP holders generally intend to pay for a larger proportion of the child's education. Those not currently saving plan to pay for very little.
- Finally, low income parents who agree that financial support from parents is key in determining a child's ability to attend PSE are less apt than others to plan to pay very little of the costs.

## **Interview Results**

Most parents who are RESP holders expect that their child will need to tap into other sources of financial support while attending PSE. Some described a range of sources including the child's employment income at the time, student loans, bursaries and so on. (No one talked about private bank loans.). This did not seem to have an impact on the intention to save. That is, most RESP holders saving for a child's education assumed that they would be contributing financial support from one source through their savings and that the child would also tap into other complementary sources. One parent said that they did not like the idea of student loans because they create a burden for a number of years. Non-RESP holders interviewed also generally expected that their child would have to tap into other sources to finance their PSE.

Most parents had not thought about the possibility of reducing the future eligibility of their child for government student assistance. This gave two or three respondents pause when they did consider it, however, most were not concerned about this, believing that the savings they accumulated in an RESP would not compromise their child's eligibility. A few RESP holders said that if this were the case, it did not matter because they were making the commitment to their child's PSE (which made them feel good). A couple of non-RESP holders interviewed did believe that their child may be eligible for less government assistance if they saved for their child's PSE, and suggested that this is "unfair" or should be changed.

Parents provided a wide range of figures with regard to the cost of PSE, some acknowledging that it depends on what the child does and where they go to attend PSE. Most provided figures that ranged between \$20,000 and \$50,000, with two saying that it could cost upwards of \$100,000.

Low income parents expect that a variety of sources will pay for their child's costs while attending school. The most common sources of financing are expected to be government loans (65<sup>5</sup> per cent) and scholarships or bursaries (64 per cent), followed closely by the child's employment income while in school (60 per cent). Over half (55 per cent) of parents expect to use their own income to pay for costs while their child is in school. Less than half of parents cited other sources of funds to pay for PSE costs: for example, 44 per cent feel that the child's own savings (that they, presumably accumulate during high school) to will pay for the costs while attending PSE; 41 per cent expect to use RESP's accumulated; and the same number expect other parental savings to defray costs (41 per cent). Just over one-quarter expect

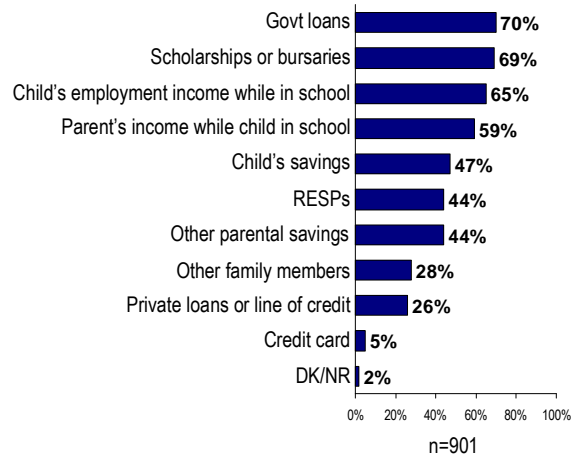
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<sup>5</sup> Of only those parents who expect a child to attend PSE, 70% expect a child to rely on government loans.

that other family members (27 per cent) or private loans or a line of credit (25 per cent) will pay for PSE costs. A small minority expect some of their child's PSE costs to be paid for using a credit card.

## Anticipated Sources of Financial Support

**“Which of the following sources do you expect a child of yours to use to pay for their costs while attending post-secondary education?”**



CLB Survey of Low Income Parents, 2008

- Low income parents from Quebec are less likely than those from other regions to identify each of the sources listed.
- Low income parents age 35 and under (and correspondingly, those with children under age 7) are more apt to indicate RESPs and other parental savings as expected sources of financing. These younger parents are also more apt to cite other family members as an expected source to pay for PSE costs.
- Parents with a university education are more likely to expect to use RESPs than those with other education levels. Those with a high school education or less are more apt to expect the child's employment income while in school to pay for PSE costs.
- Visible minority parents are more apt than others to identify RESPs, other parental savings and scholarships or bursaries as potential sources of financing. Similarly, new Canadians are more apt to identify RESPs as a source of financing for PSE.





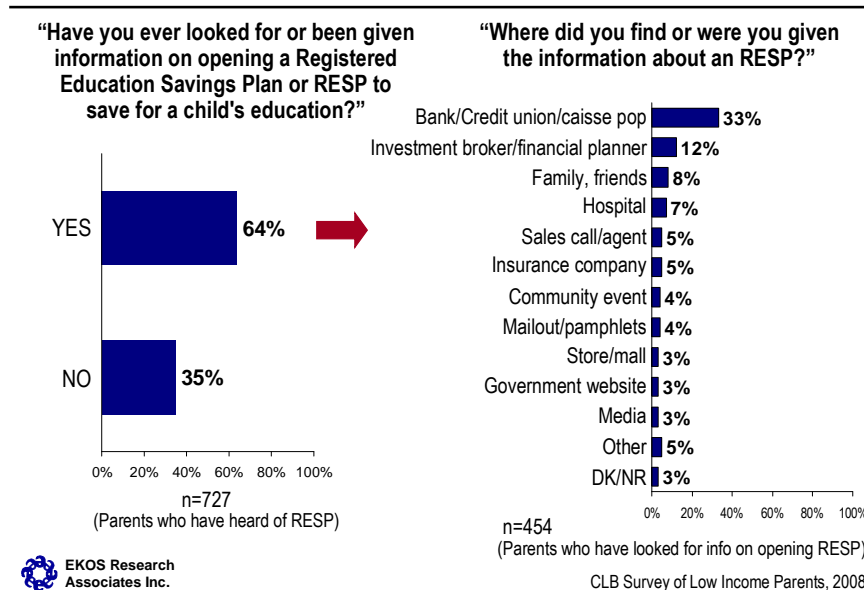
# 5. RESP INFORMATION

## 5.1 SOURCES OF INFORMATION

Among low income parents who have heard of a Registered Education Savings Plan, 64 per cent have looked for or been given information on opening an RESP to save for a child’s education. The remaining one-third (35 per cent) have not sought or received information on RESP. Among RESP holders 92 per cent have looked for information whereas only 53 per cent of non-RESP holders have sought information.

Of those parents who found or were given information, one-third (33 per cent) found the information at a bank, credit union, or Caisse Populaire. An additional 12 per cent say that they received the information from an investment broker, advisor, or financial planner. A variety of other sources of RESP information include family and friends (eight per cent), a hospital (seven per cent), a sales call or agent and an insurance company (five per cent each). Other parents list the information source as a community event or from a mailout or pamphlet (four per cent each). Three per cent each identified a store or mall, a government website, or the media as the source of their RESP information. If one assumes that many of the parents citing an investment broker or financial planner were actually thinking of a scholarship fund company, and if hospital, community event and store mall were also added to this, along with sales call from an agent, the total proportion of parents receiving information getting it from a group plan might be 31 per cent (or even slightly higher). If this were the case then group plan would rival bank, credit union and Caisse Populaire as a primary source of RESP information.

### Information about RESPs



- Parents from Quebec are far less likely to have looked for or received information on opening an RESP compared to parents from other provinces.
- The proportion of parents who have looked for or received information on opening an RESP increases with educational attainment (from 54 per cent of parents with a high school education or less to 77 per cent of those with a university education). Similarly, parents with household incomes of \$25,000 or more are more apt to have looked for information than those with lower incomes.
- Parents of children under 7, and visible minority parents are more apt than others to have looked for or received information on opening an RESP, while parents with a disability are less likely to have done so.
- Naturally, those saving for a child's PSE, those with an RESP and those who agree that the cost of PSE is a good investment are all more apt than other parents to have looked for or received information on opening an RESP.

## **Interview Results**

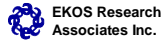
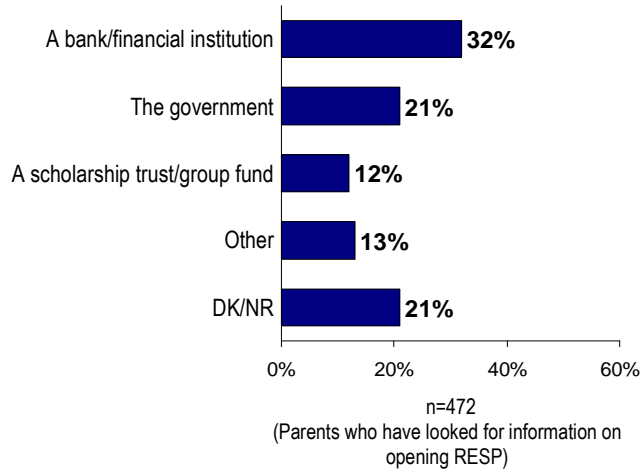
CESG holders interviewed, first learned of RESPs and the CESG through a variety of means. Several received a brochure when they were at the hospital to give birth, while others cited a magazine or newspaper article or word-of-mouth. Several who learned of the CESG through word-of-mouth noted that they are new Canadians and had obtained this information from other immigrants. Most indicated that they then followed up on the information they received by either visiting a bank or calling the scholarship trust company which advertised in the flyer they received. A small number also used the Internet to obtain additional information before contacting a bank or trust company. All interview respondents noted that they found the information they received to be clear and easy to understand. Only one respondent had checked to ensure that money invested in an RESP would not affect their social assistance cheques.

Non-RESP holders who had considered opening an RESP similarly tend to indicate that they received information from pamphlets at baby shows, or from calls from sales representatives of educational funds, while one obtained information on the Internet.

Low income parents have most often looked for or received information on an RESP from one of three key sources. Nearly one-third (32 per cent) of parents stated that the information they obtained or received was produced by a bank or financial institution. One in five (21 per cent) said that the information was produced by the government and a further 12 per cent state that a scholarship trust or group fund company produced the information they received or obtained. Thirteen per cent indicated a variety of other sources and 21 per cent did not know who produced the information they consulted about RESPs.

## Information Producers

“Who was the information about the RESP produced by?”



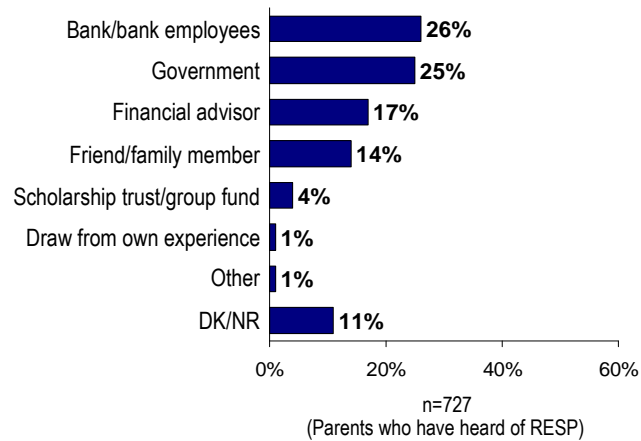
CLB Survey of Low Income Parents, 2008

- Parents who are currently saving for their child's PSE, currently hold an RESP, or are active contributors to savings are all more apt to mention a scholarship trust or group fund company as the source of the RESP information. Those who are not saving or do not hold an RESP are more apt to be unable to identify the source of the information they obtained or received.

Low income parents consider both banks (26 per cent) and the government (25 per cent) to be the most trustworthy source of information about whether or not it is a good idea to set up an RESP. Following these sources are financial advisors (17 per cent), friends or family members (14 per cent), and scholarship trust or group funds (four per cent). One in ten parents (11 per cent) who have heard of an RESP were unsure or did not name the most trustworthy source of information.

## Trustworthy Sources

**“Who do you consider to be the most trustworthy source of information about whether or not it’s a good idea to set up an RESP?”**



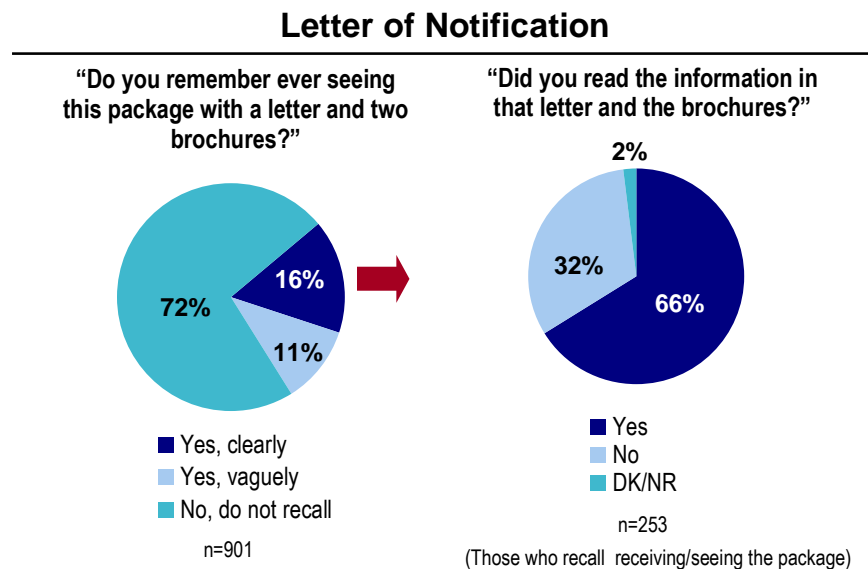
CLB Survey of Low Income Parents, 2008

- Low income parents in Atlantic Canada, followed by those in the Prairies, are more apt than those in other regions to find banks to be the most trustworthy source of information. Parents in Quebec are more likely to say the government is the most trustworthy source.
- Parents with a university education are more likely to identify the government as a reliable source of RESP information.
- Men are more apt than women to consider the government a trustworthy source.
- Those who are employed full time, along with the relatively higher earners (\$25,000 - \$38,000), are more likely to mention financial advisors as a trustworthy source.
- Parents who are recent immigrants to Canada (since 1995) are much more likely than other self-identified groups to consider the government to be a trustworthy source (54 per cent).

## 5.2 RESP INFORMATION PACKAGES

Respondents were given a description of a package containing a letter and two brochures (one for the CESG and one for the A-CESG and CLB). Few low income parents recall seeing this package. Roughly one in ten parents (11 per cent) can vaguely remember seeing the material, and 16 per cent can clearly remember receiving this package. Most low income parents (72 per cent) do not recall seeing this package.

Of those who recall receiving or seeing this package, two-thirds read the information in the letter and the two brochures. Nearly one third say they did not read the information and two per cent cannot recall.



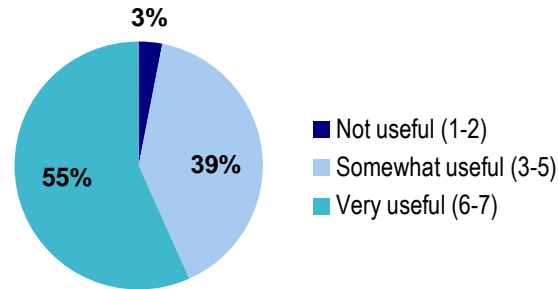
- Low income parents in Quebec are more apt than those in other regions to say they clearly remember seeing the package. Parents in Ontario and Atlantic Canada are more likely to say they do not recall seeing the package.
- Parents under age 35, along with households with children under age 4, are more apt to recall seeing the package.
- Respondents from single parent households and parents with a high school education or less are less likely than others to recall seeing the package.
- Households that are saving for their child’s PSE, along with current RESP holders, are more apt to recall seeing the RESP information package.

Of the parents who read the information provided in the package, most found the information useful. Over half, 55 per cent, said the information was very useful and nearly four in ten (39 per cent) found the information somewhat useful. Only three per cent indicated that the information was not useful.

### Clarity and Utility of Notification Letter

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“How clear and useful did you find the information when you read it? Did it help you to understand who it applies to, how it works and how to enroll, or did you find it confusing and difficult to follow?”



n=167

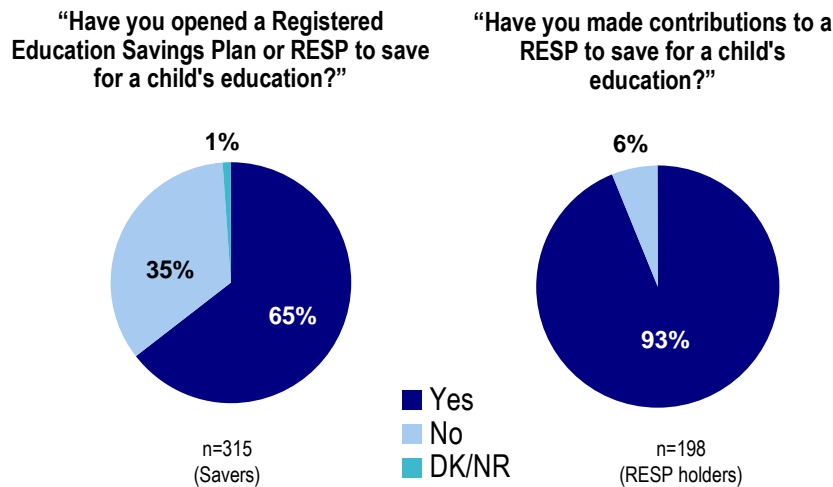
(Parents who read the information)

# 6. RESP CONTRIBUTION PATTERNS

## 6.1 RESP CONTRIBUTORS

Of the four in ten low income parents who are currently saving for a child's post-secondary education (see page 22), two-thirds (65 per cent) have opened an RESP to do it. That is, nearly one-quarter (23 per cent) of all low income parents surveyed indicated that they have opened an RESP to save for their child's education. Only a few who have opened an RESP have not yet made contributions to that account. The strong majority, 93 per cent, have made contributions to the RESP to save for a child's education. These findings suggest that although the majority of savers do use this specialized vehicle for saving (and if they open an RESP, they generally contribute to it), some savers are likely saving into a generalized pot that is expected to be used for a child's post-secondary education, large purchases, vacation and other things from the same pot.

### RESP HOLDERS



- Parents with a university education are far more likely to have opened an RESP (79 per cent among the university-educated compared to 56 per cent among high school graduates or less).
- Savers who are members of a visible minority or newcomers to Canada are more apt to have opened an RESP than other savers.

## Interview Results

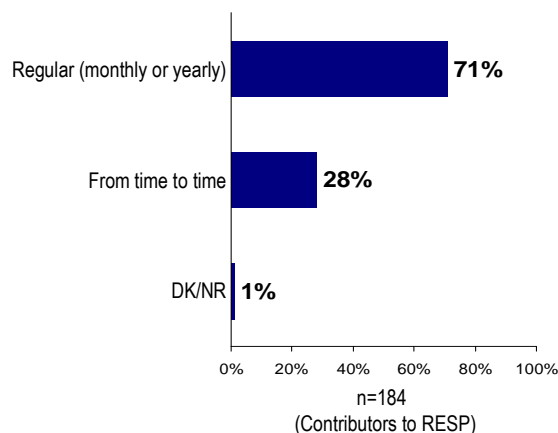
Most RESP holders interviewed had set up the account quite early in their child's life. Almost half had an RESP set up in the first two years. Another one in three or so had set it up when the child was three to five years of age. The remainder waited longer.

## 6.2 PATTERNS OF CONTRIBUTIONS

Most contributors to an RESP typically do so on a regular schedule. Seventy-one per cent make their contributions on a regular basis, be it monthly or yearly. The remaining three in ten (28 per cent) make contributions to the RESP from time to time when there is an opportunity.

### Contribution Schedule

“Have these typically been regular contributions or are they made from time to time when there's an opportunity?”





- Parents with a university education are more apt to make regular contributions while those with a high school or college are more likely than other RESP contributors to make the contributions from time to time.
- Those who have opened an RESP somewhere other than a bank are more apt than those with an RESP at a bank to make regular contributions.

### **Interview Results**

More than half of the RESP holders indicated that they are making regular and automatic payments on a monthly basis. In fact, several have a pre-authorized agreement in place to remove a set amount from their paycheque on a weekly, bi-weekly or monthly basis. A much smaller number make payments on an annual basis. Only a few said that contributions are made sporadically when money is available or for special occasions (e.g., birthdays) only.

## **6.3 POTENTIAL INTEREST IN RESPS**

Among parents who have not opened an RESP or are not currently saving for their child's education, nearly two-thirds (64 per cent) would consider getting an RESP. Three in ten (31 per cent) would not and a small percentage are undecided.

Applying these results to the population of all low income parents, one in five (21 per cent) are active RESP contributors, 18 per cent save for PSE in another way. Nearly three in ten plan to save in the future, while just under one-third (32 per cent) do not plan to save.

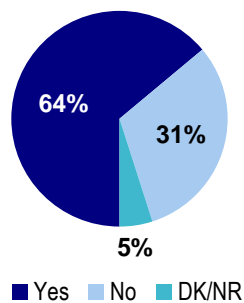
There are a variety of reasons why a low income parent would not consider using an RESP. The most prevalent is that they believe they have no money to save (53 per cent). Other reasons include: not worthwhile to save (15 per cent); too many restrictions; the child has other sources to draw from to pay for their PSE (seven per cent each); have not begun to save (five per cent); RESPs are too complicated (four per cent). Other reasons are cited with less frequency.

## Interview Results

Non-RESP holders interviewed do express an interest in an RESP to ensure that money is set aside for their PSE. Some indicate a plan to save in the future (once a major debt is paid, or they have returned to work from maternity leave). One non-RESP holder looked into the possibility and realized that it was already too late (their child will finish high school in two years).

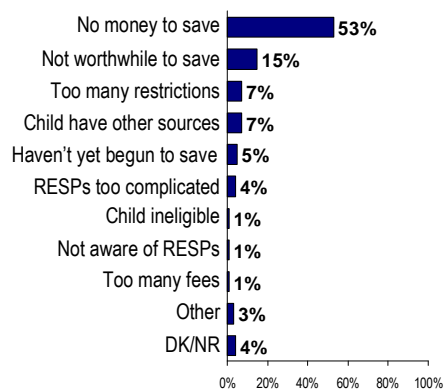
### Interest in an RESP

“Would you consider getting a Registered Education Savings Plan?”



n=529

“What is the main reason you are not likely to use a Registered Education Savings Plan (RESP's)?”



(Non-savers or non-RESP savers)

n=151



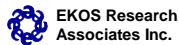
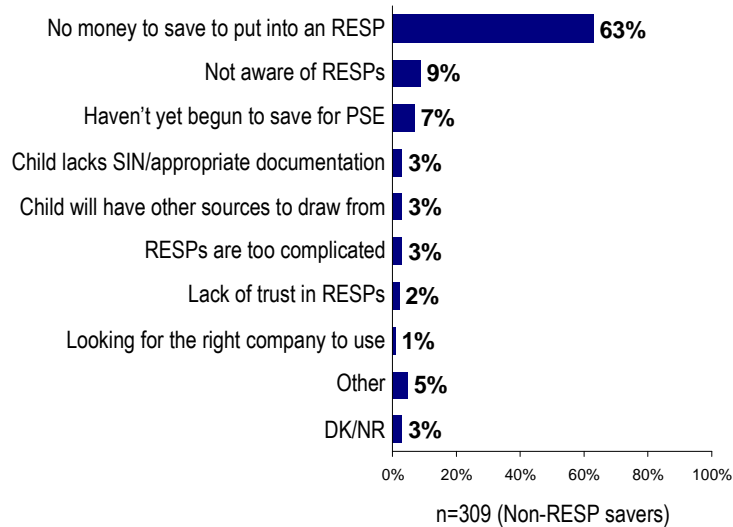
CLB Survey of Low Income Parents, 2008

- Parents in Quebec are less apt than those in any other region to consider getting an RESP.
- Parents who are 35 and under are more likely to consider opening an RESP, while parents age 45 and over are less likely to consider getting a plan. A similar pattern emerges with age of the child. Those with children age six and under are more likely to consider and those with children age 11 and over are least likely.
- Households earning \$25,000 or less are more likely than the relatively higher earning low income parents to say they have no money to save to put in to an RESP.

For parents who have not yet opened an RESP, but would consider doing so, the most common reason for not having opened the account remains that they have no money to save to put into an RESP (63 per cent). Nearly one in ten (nine per cent) were simply not aware of RESPs and a further seven per cent have not yet begun to save for their child's post-secondary education but plan to in the future. Other less frequently cited reasons include: lack of a SIN or other appropriate information; other sources to draw from for PSE; level of complexity (three per cent each).

## Reasons for Not Having RESP

**“What is the main reason you have not opened a RESP?”**



CLB Survey of Low Income Parents, 2008

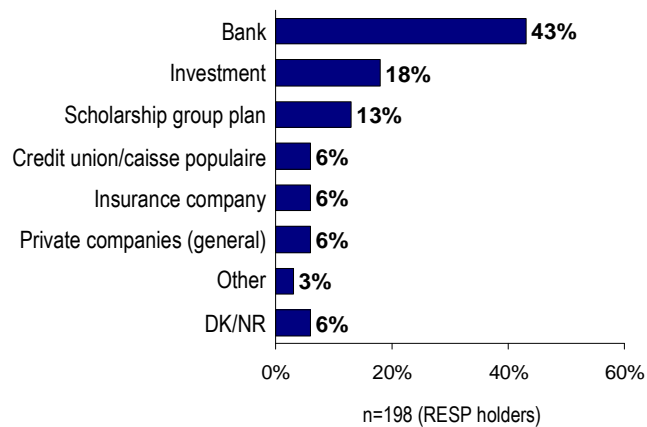
- Once again, households earning \$25,000 or less are more likely than the relatively higher earning low income parents to say they have no money to save to put in to an RESP.

## 6.4 RESP PROMOTERS

Within the 23 per cent of low income parents who are RESP holders, 43 per cent opened the RESP at a bank. Nearly one in five (18 per cent) opened their child's RESP with an investment broker, advisor, or financial planner and another 13 per cent started the RESP as part of a scholarship group plan, although it is very likely that all 31 per cent of these cases have opened a group plan. Another six per cent each started the plan at a credit union or Caisse Populaire, insurance company, or with other private companies. Six per cent are not sure where they opened their RESP.

### Source of RESP

“Where did you open the RESP that you started for your child?”

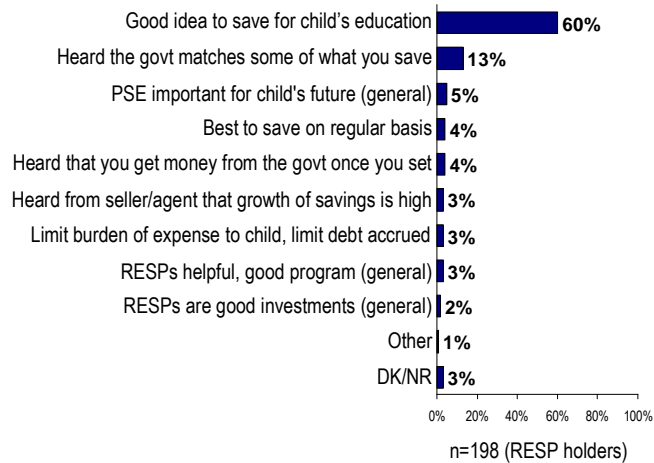


## 6.5 MOTIVES FOR GETTING RESP

Current RESP holders were asked to identify the primary reason that they decided to open an RESP for their child. The majority (60 per cent) generally believe that it is a good idea to save for a child's education. Over one in ten (13 per cent) decided to start an RESP because they heard the government matches some of what you save. A plethora of other more specific reasons were cited by a small portion of the parents including that post-secondary education is important for a child's future (five per cent). Four per cent each started the RESP because they believe that it is best to save on a regular basis or that they heard that they get money from the government once they set up the account. Additional specific reasons include that they heard from the seller or agent that the growth of savings is high and that they want to limit the burden of PSE expense and debt to their child (three per cent each). Other general statements are given for instigating the opening of an RESP account include that RESP's are helpful or a good program (three per cent) and that RESP's are good investments (two per cent).

### Reasons for Opening RESP

**"If you could narrow it down to one particular thing, what was it that made you decide that it was a good idea to open an RESP for your child?"**



## **Interview Results**

The most popular reason for starting the RESP was to give a child an opportunity or a good start in life (to help create a good future). The second most popular response, cited by a handful was the matched grant and the incentive it provides. That PSE is simply important and deserves a committed move like opening an RESP was described as the third most common response. That their parents did this for them and now they are passing along the gesture is another reason cited by a small number. A similarly small number said that they are putting the money away while they can (as they suspect that this capacity will be diminished by that time).

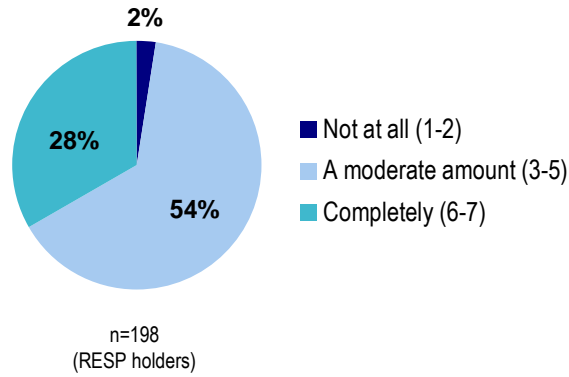
By and large, RESP and non-RESP holders interviewed did not describe a great deal of influence or input into the decision. A small number discussed it with their parents and a handful discussed it with sales reps, either at the hospital or when they called. A few discussed it with friends.

Many CESG holders interviewed have discussed or plan to discuss the fact that they are saving for PSE with their child. Some indicate that the child is still too young, but that this information will definitely be shared openly in the home. They agree that it is important to talk about PSE and savings so that the child is aware that this is an option (that money has been set aside) and that the parents encourage and support the child to pursue their education. Most agree that the child is more likely to pursue their education if they grow up with an expectation of doing so. Only one parent interviewed indicated that they do not want to pressure their child and that they will not speak of their RESP savings, preferring to let the child come to their own decision and choice. Similarly, many note that they have spoken of their RESP savings with other family members, in case anyone else is interested in contributing (e.g., birthday gifts).

Fewer than three in ten RESP subscribers agree that their investment has met the growth expectations they had when they first opened the plan (28 per cent), while over half said that it has met their expectations to only a moderate extent (54 per cent).

### Met Expectations

“Given what you know you were contributing, to what extent has the RESP ended up meeting the expectations that you had when you opened it in terms of growth?”

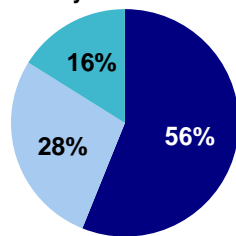


## 6.6 IMPACT OF CESG AND CLB ON DECISION TO SAVE

Over half (56 per cent) of RESP holders who have heard of the Canada Education Savings Grant said that they have received the CESG contribution from the government. Over one-quarter (28 per cent) said that they have not received this government contribution matching some of the money that they have put in to their child's RESP and another 16 per cent do not know if they have received the CESG contribution or not. Likely almost half of RESP holders are either not aware that they are receiving the matched grant or have not signed a CESG application form with the promoters.

### Frequency and Importance of CESG Grant

“As far as you know, have you received the Canada Education Savings Grant contribution from the government, matching some of the money that you have put into your child's RESP?”

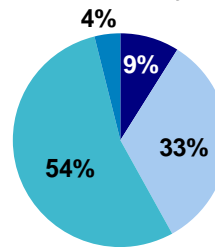


■ Yes  
 ■ No  
 ■ DK/NR

n=107  
 (RESP holders)



“How important was the matched 40 cents per dollar from the CESG grant in your decision to SET UP an RESP for your child's post-secondary education?”



■ Not at all important  
 ■ Somewhat important  
 ■ Very important  
 ■ DK/NR

n=61

CLB Survey of Low Income Parents, 2008



## Interview Results

RESP holders interviewed generally agreed that the CESG and CLB are both very helpful in motivating parents to save for their child's PSE. Some noted that the CLB was especially helpful in motivating them to save. This incentive is seen as making PSE savings as something that is within their reach, or which is possible for them to do. Several also note that these two programs help their savings accumulate much faster, or make a significant difference to how much they can save. Some caution, however, that these will not influence the amount that they set aside for PSE, but can generally motivate them to start. A small number of interview respondents also caution that they were very interested or motivated to save for PSE anyway given that they consider their child's education to be extremely important to them, and that they would have saved with or without the CLB and CESG. These respondents note that not all parents may be similarly convinced to begin saving, noting that parental attitudes towards PSE may also play into the decision. Finally, one respondent noted that she had not been in a low income situation when she initiated her RESP, and that she is not sure she would be in a position to begin saving now that her financial situation has changed. This respondent emphasized the difficulty for very low income parents to find any money to set aside, noting that basic needs must come first.

Non-RESP holders interviewed felt that the matched grant and initial bond were very good ideas when they were explained to them. They agreed that these are good incentives to start saving, and would be helpful in encouraging parents to start saving. Most generally felt, however, that this would not have an impact on the amount parents save (which is tied to financial capacity).

Among the parents that said they are receiving the CESG, the matched grant was an important factor in their decision to set up an RESP for their child's post-secondary education. The majority, 54 per cent, said it was very important in their decision, and another one-third (33 per cent) believe the grant was at least somewhat important. Slightly less than one in ten (nine per cent) reported it to be not at all important in their decision to set up an RESP for their child's post-secondary education.

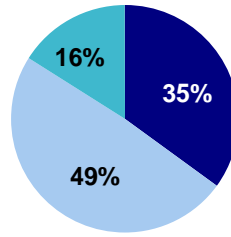
## 6.7 CANADA LEARNING BOND IMPACT

Of the small number of parents who are RESP holders who are also aware of the CLB (n=40), a lesser proportion have received the Canada Learning Bond than the Canada Education Savings Grant. Just over one-third (35 per cent) said that they have received the CLB from the government. About half indicated that they have not received the \$500 bond to start off with and the \$100 per year in to their child's RESP. Sixteen per cent are not sure if they received the Canada Learning Bond.

All of the parents who have received the CLB (only 14 of the parents surveyed) believe that it was somewhat or very important in their decision to set up an RESP for their child's post-secondary education.

### Perceived Receipt of CLB

“Have you received the Canada Learning Bond, that is the \$500 to start off with and \$100 a year into your child's RESP?”



■ Yes  
■ No  
■ DK/NR

n=40

(RESP holders who have heard of CLB)

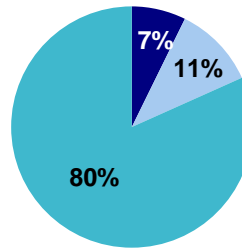
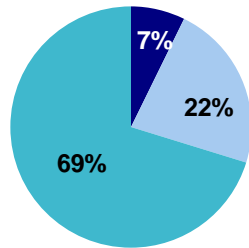
Non-RESP holders were asked about the potential impact of the CESG on their likelihood of opening an RESP, on a seven point scale where one is least likely and seven is very likely. Given the knowledge that parents would receive a grant of \$4 for every \$10 they contributed to an RESP, 69 per cent indicated that they would be more likely to open an RESP and contribute to it.

Knowing that they could also receive a lump sum of \$500 to open the RESP and \$100 for every year afterward, a much stronger majority, four in five parents (80 per cent), indicated that they would be much more likely to open and contribute to an RESP.

### Potential Draw of CESG

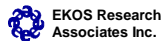
“If you knew that you would receive a grant of \$4 for every \$10 you contribute to a Registered Education Savings Plan (RESP) would this make you more or less likely to open or contribute to an RESP?”

“And would knowing that you would receive a lump sum of \$500 to open the RESP and \$100 for every year afterward, would you be more or less likely to open or to contribute to an RESP?”



■ Less likely (1-3)  
 ■ No effect (4)  
 ■ More likely (5-7)

n=644  
 (Non-savers and non-RESP holders)



CLB Survey of Low Income Parents, 2008

- Families with children age 11 and over were more apt to say that the CESG and CLB would not have an effect on their intentions to open an RESP. On the other hand, all of those with younger children said that they would be more likely to open an RESP.
- Parents who plan to save for their child's PSE in the future are more apt to say the CESG and CLB would make them more likely to open an RESP. Those who indicated earlier that they do not intend to save for the PSE are more likely to say that this would have no effect.
- Parents who consider the cost of PSE to be a good investment are also more likely to indicate that they would be influenced by the CESG.

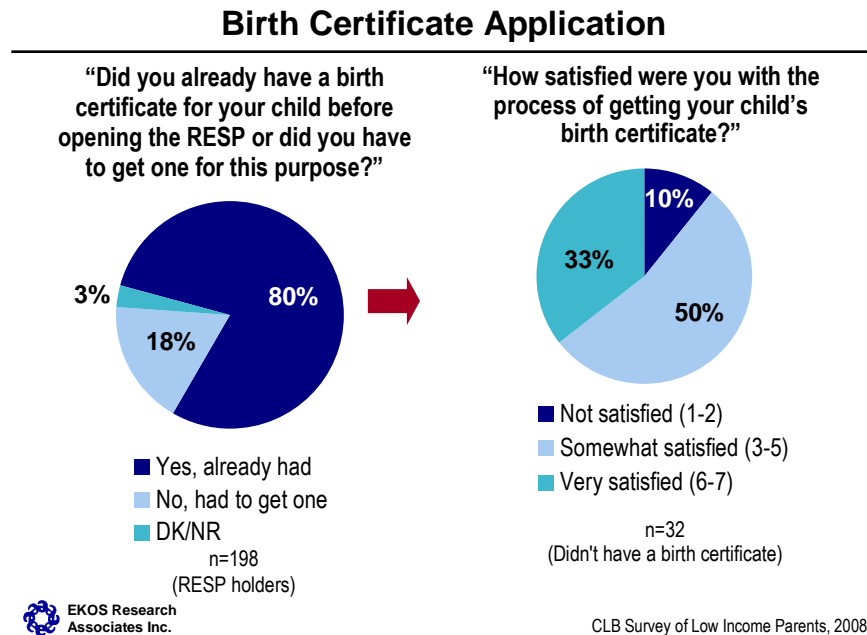


# 7. PROCESS AND BARRIERS FOR RESP HOLDERS

## 7.1 BIRTH CERTIFICATES AND SINS AS BARRIERS

Among the low income parents who are currently RESP holders, four in five (80 per cent) already had a birth certificate for their child before opening the RESP. Eighteen per cent had to obtain a birth certificate for the purpose of opening the account. These results begin to suggest that at least a birth certificate is not an issue in the enrolment process.

For the small number of parents in the sample who had to obtain a birth certificate for their child in order to open their RESP (n=32), satisfaction with the process is reasonably positive. One-third was very satisfied with the process of obtaining a birth certificate, while half was somewhat satisfied with the process.

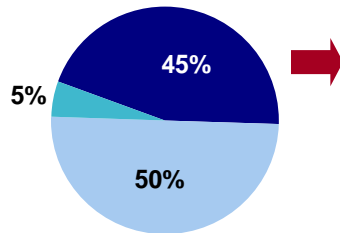


Far fewer parents already had a Social Insurance Number (SIN) for their child before opening the RESP. Less than half (45 per cent) already had a SIN, and half had to obtain one for the purpose of opening an RESP.

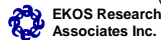
For the half who had to obtain a SIN for their child, 56 per cent were very satisfied with the process of getting a Social Insurance Number. Just over one-quarter were somewhat satisfied, few were not satisfied with the process.

## SIN Application

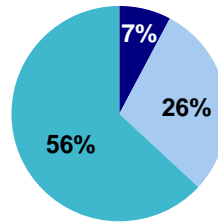
“Did you already have a Social Insurance Number (SIN) for your child before opening the RESP or did you have to get one for this purpose?”



■ Yes, already had  
 ■ No, had to get one  
 ■ DK/NR  
 n=198  
 (RESP holders)



“How satisfied were you with the process of getting your child’s social insurance number?”



■ Not satisfied (1-2)  
 ■ Somewhat satisfied (3-5)  
 ■ Very satisfied (6-7)  
 n=101  
 (Didn't have SIN)

CLB Survey of Low Income Parents, 2008

## Interview Results

Among the RESP holders interviewed most said that they found the application and enrolment process to be straightforward and that they had the benefit of assistance from either the staff of the FI they were dealing with to open the RESP. In only a small number of cases did a respondent indicate that they found it less than straightforward. Most non-RESP holders interviewed also did not consider the process to enrol to be overly complex or time-consuming. Only one found the length of the application and information requirements to be a deterrent, while one was concerned about what would happen to the amount saved if the child does not pursue a PSE.

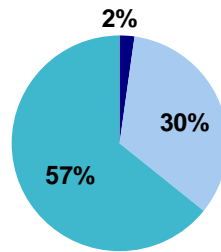
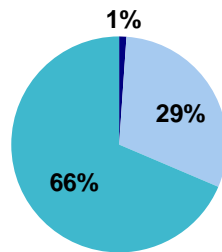
RESP holders in the survey were asked about their satisfaction with the process of opening an RESP with a bank, scholarship fund or financial institution. The vast majority of low-income parents reported being satisfied with the process of opening an RESP: two-thirds (66 per cent) report they are very satisfied with the process, and another 29 per cent are somewhat satisfied, with virtually no one who is dissatisfied with this process. It is interesting to note that the level of satisfaction is exactly the same between RESP holders using a bank or other promoter.

Similarly, RESP holders were asked to rate their satisfaction with the process to enrol in the CESG or CLB. Two in ten RESP holders surveyed indicate that they are not aware of these products and are therefore not receiving the benefits of the CESG or CLB. Of those RESP holders who believe that they are receiving the CLB and/or CESG, well over half (57 per cent) were very satisfied with the process of enrolment, and an additional 30 per cent were somewhat satisfied.

### Satisfaction with Process

“How satisfied were you with the process of opening the RESP with a bank, scholarship fund or financial institution?”

“How satisfied were you with the process of getting enrolled for the CESG and CLB?”

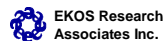


- Not satisfied (1-2)
- Somewhat satisfied (3-5)
- Very satisfied (6-7)

- Not satisfied (1-2)
- Somewhat satisfied (3-5)
- Very satisfied (6-7)

n=198  
(RESP holders)

n=160  
(RESP holders who aware they receive CESG/CLB)



CLB Survey of Low Income Parents, 2008

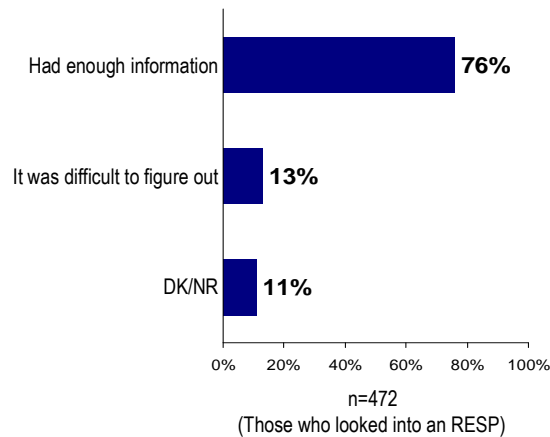
### Interview Results


Again, RESP holders by and large said that the process was straightforward and not particularly complicated or time-consuming. Most said that there was no need for additional assistance from the government to make the process easier.

Among low income parents who looked into opening an RESP, most feel they had enough information to do so. Three-quarters (76 per cent) had the information they needed about where to go to open the RESP, although 13 per cent say that it was difficult to figure out where to go. A further 11 per cent were not sure.

## Adequacy of Information

“Did you have enough information about where to go to open the RESP, or was it difficult to figure out where to go to get one opened?”



 EKOS Research  
Associates Inc.

CLB Survey of Low Income Parents, 2008

- Those who actually opened their RESP are more apt than parents who did not to say they had enough information.
- Parents who obtained an RESP with a bank are more apt than those who opened one elsewhere to say that they had sufficient information.



## **Interview Results**

When asked to identify the type of information parents need to help them understand and enrol in an RESP and the CESG, RESP and non-RESP holders interviewed suggest a broader need to promote awareness and understanding of RESPs, the CESG and CLB. They suggest that parents need to be aware that these exist; to have them explained clearly; to understand the benefits; and to know that it is important to start early for the investment to grow over time. Furthermore, some identify a need to dispel myths (e.g., will not lose money if child does not pursue PSE), and a need to generally inform parents about the importance of PSE.

CESG and non-RESP holders interviewed are interested in receiving this type of information from a range of sources, including the government, banks, schools (which are identified as already sending home information on a range of topics/issues) and community organizations. Other potential information sources identified by individual interview respondents include independent financial experts (who are not selling anything), and public health nurses (through the Healthy Babies program). Parents are interested in receiving information in varying forms (pamphlets, inserts in government mailings, mass media).

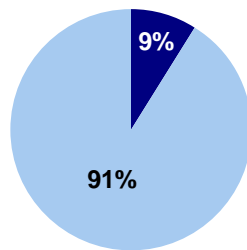
The vast majority of RESP holders interviewed indicate that they do receive some type of regular statement about their RESP account. Some indicate receiving a statement quarterly and others annually or bi-annually. Only two respondents were uncertain if they received a statement, or could not recall doing so. Those receiving a statement indicated being satisfied with the information they received. Some note that the statement lists their contribution, how much the government contributed, and how much they can expect to have when their child reaches university based on their current rate of contributions.

Relatively few of the low income parents who are now RESP holders considered not opening an RESP because of the number of steps they had to go through to do so. Less than one in ten (nine per cent) entertained the idea of not opening the account because of the procedures. The remainder did not view these steps as an obstacle.

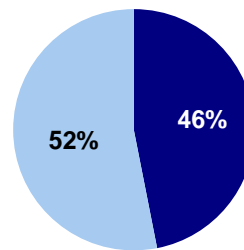
Although very few considered not enrolling specifically because of the steps involved in opening the account, many more debated about it before finally enrolling. Forty six per cent of parents who are now RESP holders thought about or debated the issue before opening the account. Only slightly more than half (52 per cent) did not debate whether or not to enrol at all.

### Incidence of Demotivation

“Did you ever consider not doing it because of the number of steps you had to go through to get it?”



“Did you think about it or debate it for a while before you finally did enroll?”



■ Yes  
■ No



n=198  
(RESP holders)

CLB Survey of Low Income Parents, 2008

## **Interview Results**

In addition to being straightforward, the RESP holders interviewed generally did not describe any gaps in the time between when they decided to open the RESP and when they actually did so. A small number did describe a small gap because they simply did not get around to it, they were waiting for their household income to change once the respondent returned to work from maternity leave. In only one case was a delay described that related to the steps in the process and another described a delay until the child was older and there was a more developed sense that the child would pursue PSE.

A few RESP holders said that the process would not stop parents from doing this because they are making a decision to save for a child's education (or they aren't). So, they have made a commitment and the number of steps will not be the thing that gets in the way. Most agreed that the government should not need to do anything extra to help parents to apply and enrol in the CESG. A few did stress that more information, and general efforts to make parents aware of the need to save and about RESPs and how CESG products work would be of value.

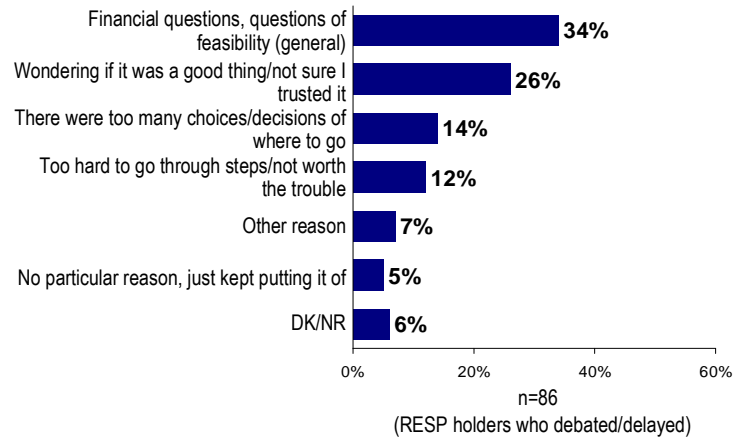
Several RESP and non-RESP holders liked the idea of a payroll deduction plan. This would make it easier to set the money aside, according to a few.


Most CESG holders interviewed indicated that they found the process sufficiently straightforward and simple, and did not experience any real difficulty in opening an RESP and registering for the CESG and/or CLB. In fact, as noted previously, many said that the company or bank they dealt with did most of the work on their behalf. Only a small number of interview respondents identified a need for more or clearer information to simplify the process for them, including one who identified a need for information in a variety of languages (to accommodate new Canadians).

Parents who debated enrolling in an RESP or delayed opening the account provided a range of reasons for this hesitation. One-third (34 per cent) indicated that they had financial questions including questions of financial feasibility. One in four said that they wondered if it was a good decision or were not sure that they trusted it/the RESP. Fourteen per cent of parents said that there were too many choices and too many decisions regarding where to go for the RESP, and a further 12 per cent felt that it was too hard to go through the steps or that it was not worth the trouble of setting up the account. So, roughly one in four delayed for reasons related to information and process, and another one in four experienced issues related to trust or misgivings about the products.

## Barriers

**“What were you having to think about/Why was there a delay between when you first considered it and when you finally did it?”**



 EKOS Research Associates Inc.

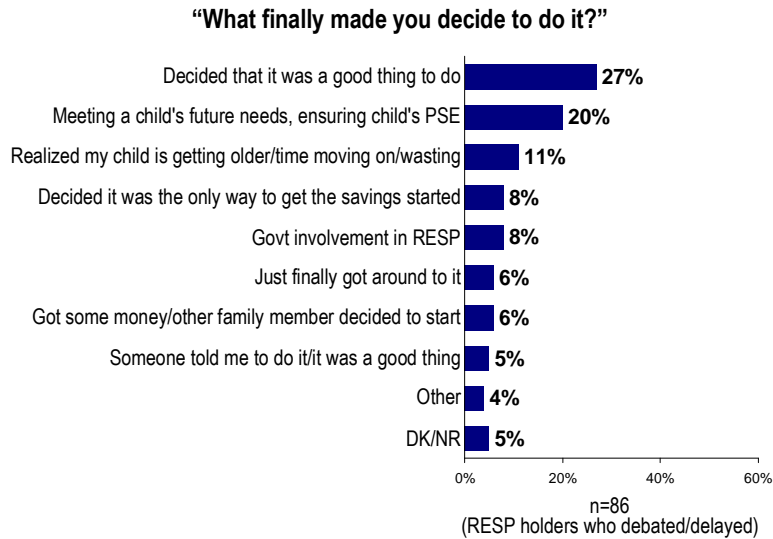
CLB Survey of Low Income Parents, 2008

### Interview Results

Naturally most interview respondents (RESP and non-RESP holders) talked about money as the primary barrier. A few RESP holders thought that a fundamental lack of understanding around the importance of PSE was also a barrier. Only two talked about process as a barrier and another talked about not having a SIN for a child. Two spoke about lack of trust as a possible reason for not doing it. One other talked about parents' assumed reliance on student loans as a reason for not opening an RESP. Finally, one non-RESP holder pointed to lack of awareness as a barrier.

Parents who hold an RESP but initially hesitated or delayed to open the account were then asked to identify the factor that motivated them to move ahead with the decision. Over one-quarter of parents who initially hesitated or delayed opening an RESP simply came to a decision that it was a good thing to do (27 per cent). Another one in five (20 per cent) felt that opening the account would help in meeting a child's future needs and ensuring access to post-secondary education. Other reasons follow, including that the parents realized that their child is getting older and that they were wasting time (11 per cent); they decided it was the only way to get the savings started (eight per cent); or because of the government involvement in RESPs (eight per cent). A smaller portion said that they just finally got around to it; that they got some money or another family member decided to start contributing; or that someone told them that it was a good thing to do.

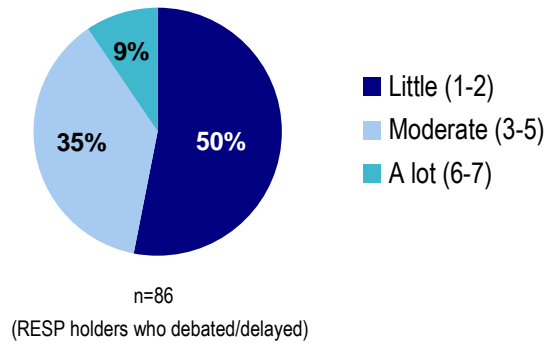
## Motivators



There are several steps to follow before enrolling in an RESP, and some parents who initially hesitated in opening an RESP attribute this delay to the number of steps involved in the process. While only one in ten (nine per cent) indicated that the steps or process to follow had a lot to do with their delay in enrolling; 35 per cent indicated that the procedures had a moderate effect in their deliberations; suggesting that the process presents a barrier to some. Half indicated that these steps had little to do with their delay in opening an RESP.

### Process as a Barrier

“How much of the delay had to do with the fact that there were several steps that you had to follow?”



## **Interview Results**

CESG and non-RESP holders interviewed were provided with an explanation or description of how the federal government could go about automatic enrolment in an RESP and the CESG on parents behalf, and were asked to indicate their reaction to this approach. Most interview respondents reacted positively to this option, stating that it “is a good idea”, and one which would make the process easier for parents, as well as encouraging those who would not take this step on their own. One noted that this would be a convenient approach for parents which would become “one less thing to worry about”. Furthermore, most interview respondents felt comfortable with the notion of the government acting on their behalf, and did not express any real concerns about privacy or trust. Some were of the opinion that government already has the necessary personal information to do this. Only a few interview respondents cautioned that this is a decision “parents should make on their own”, and were not as open to automatic enrolment. Some non-RESP holders suggested that “some parents would be uneasy” with this approach.

While interview respondents (RESP holders and non-RESP holders) were generally open to the idea of automatic enrolment, they cautioned that they would require clear explanations and information to be comfortable with having the government act on their behalf. Interview respondents felt that this information must come from a trusted source (e.g., their bank, a government representative) to be confident in having the government act on their behalf. This would include clear information on how the plan works, and what their obligations are. Some suggested information similar to that provided by current promoters, which includes a clear description and diagram of how much the parent invests, what the government matches, and how the investment will grow over time. Some parents suggested that the information be provided in clear, simple English in a pamphlet that the parents can then sign off on. A few suggest that this information is best explained in-person, particularly for parents whose first language is not English.

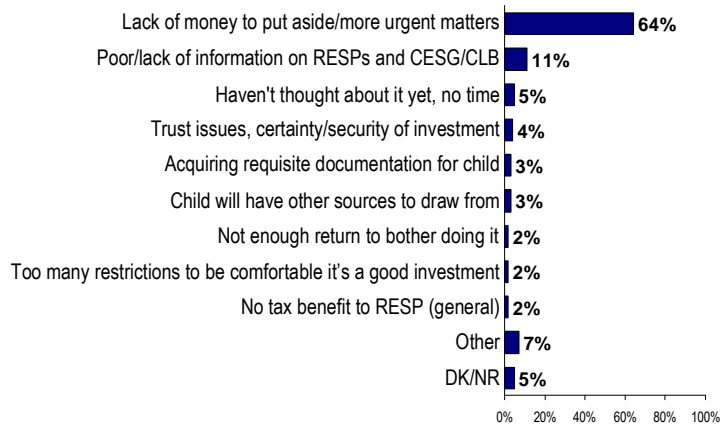
Finally, most interview respondents (RESP holders and non-RESP holders) also emphasize the importance of being able to choose the financial institution or investment under an automatic enrolment scenario. A few indicate that they are completely trusting of the government, and/or lack knowledge of investments, and would therefore be willing to have the government make all decisions on their behalf. Others emphasize that their money will be invested in the RESP as well, making it critical that they have a say in where and how the money will be invested. One respondent notes that they would wish to shop around for the best rates, while another indicates that it must be a “friendly” bank that they trust.

## 7.2 PROCESS AND BARRIERS FOR NON-RESP HOLDERS

Predictably, a lack of money to set aside for PSE savings or more urgent requirements is cited as the primary obstacle preventing parents from opening and contributing to an RESP. This reason is cited by 64 per cent of parents who are saving outside of an RESP (or not currently saving but considering opening an RESP in the future. One in ten (11 per cent) say that a lack of information about RESPs, the CESG, and the CLB is a barrier to opening an account. Other reasons are cited by a small minority, including simply not thinking about it yet; a lack of trust about the investment; the burden of acquiring the requisite documentation for the child; or an expectation of other financial sources to be drawn on for the child's post-secondary education.

### Obstacles Perceived

“What would you say are the MAIN things that discourage you from opening and contributing to a RESP?”



n=384  
(Non-RESP savers & non-savers who consider RESP)

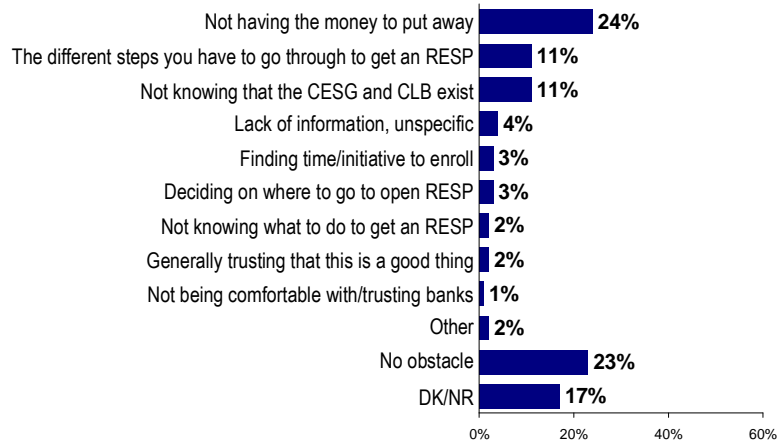
CLB Survey of Low Income Parents, 2008



As with the perceived obstacles to opening an RESP, lack of money to set aside for savings is most often cited as the primary obstacle to enrolling in the CESG or CLB for parents who are saving outside of an RESP or are not currently saving but consider opening an RESP in the future (24 per cent). One in ten (11 per cent) said that lack of information on RESPs, the CESG, and the CLB is a barrier to opening an account; and the same proportion (11 per cent) cite lack of awareness or knowledge of these three products. Other reasons are cited by a minority, including a general lack of information, lack of time or initiative; or not knowing where to go or what to do. Close to one-quarter indicated that there is no real obstacle preventing them (23 per cent), and another 17 per cent were unsure.

## Obstacles Experienced

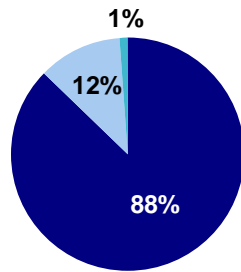
**“What would you say is the biggest obstacle to enrolling in the CESG/CLB?”**



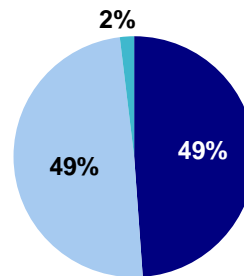
In order to open an RESP account for a child, several procedures and documents are required. Among the documents are a birth certificate and a SIN. Non-RESP holders were asked if they currently have either of these documents. The majority, 88 per cent, have birth certificates for their children. Half (49 per cent) have SIN cards.

### Birth Certificate and SIN as Potential Barriers

“In order to open an RESP one needs to have a number of things including birth certificates. Do you currently have birth certificates for your children?”



“Social Insurance Numbers are another requirement to open an RESP. Do you have SIN cards for your children?”



■ Yes  
 ■ No  
 ■ DK/NR

n=703

(Non-savers and non-RESP savers)



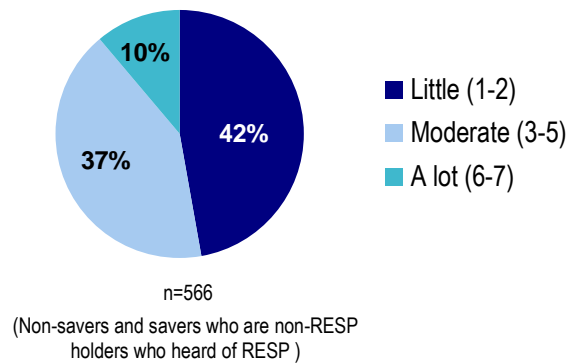
CLB Survey of Low Income Parents, 2008

- The incidence of having either a birth certificate or a SIN card increases with the age of the child.
- Parents with relatively higher income (\$25,000 – \$38,000) are more apt than those with lower income to have SIN cards for their children.

As with RESP holders, process requirements present a moderate barrier to enrolment in an RESP for non-RESP holders. While only one in ten non-RESP holders indicated that the steps to enrol are a large part of the reason they have not opened an RESP, 37 per cent identified process as a moderate barrier. Less than half of non-RESP holders said that the procedures have little to do with why they have not opened an account (42 per cent).

### Process as a Perceived Barrier

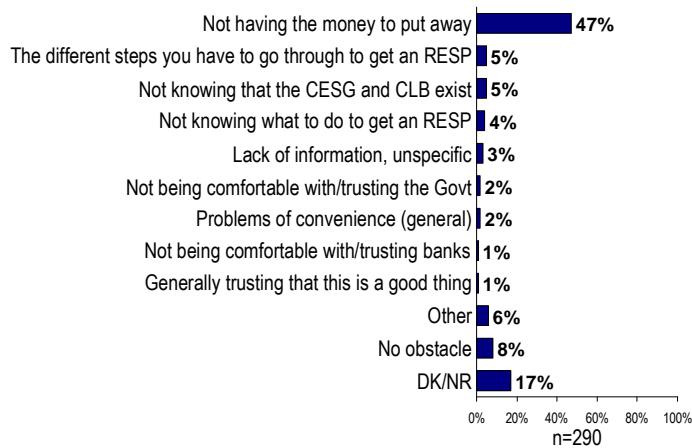
“How much of your reason for not opening a RESP is because there are several steps to follow?”



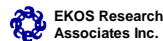
For non-RESP holders who have heard of the CESG or CLB, the biggest obstacle to enrolling is not having the money to put away (cited by just less than half or 47 per cent). A small number of parents cited other reasons, including the different steps you have to go through to get an RESP; not knowing that the CESG or CLB exist; not knowing what to do to get an RESP; or a lack of information in general. Less than one in ten (eight per cent) say there is no obstacle and 17 per cent were unsure.

## Perceived Obstacles

“What would you say is the biggest obstacle to enrolling in the CESG/CLB?”



(Non-savers and non-RESP savers aware of CESG/CLB)



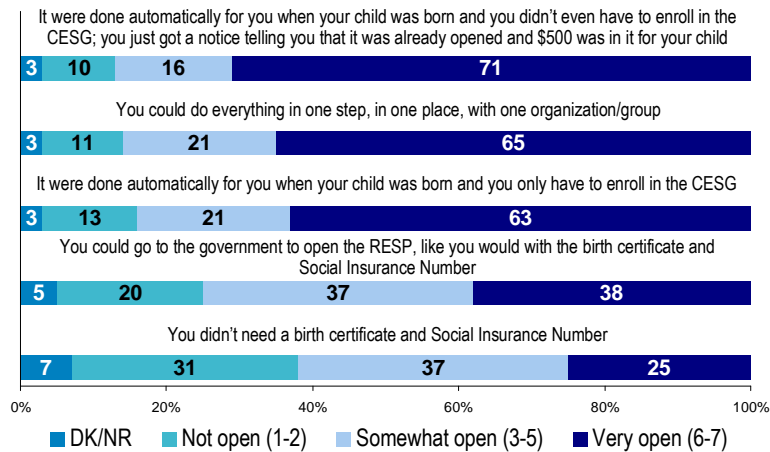
CLB Survey of Low Income Parents, 2008

Non-RESP holders were asked about how much more open they would be, if at all, to opening an RESP under several conditions. Automatic enrolment in an RESP and the CESG/CLB is the most enticing option for non-subscribers, under which the RESP and CESG/CLB would be opened automatically when their child was born and parents would just receive a notice telling them that it was already opened and \$500 was in the account for their child. Fully seven in ten non-RESP subscribers agree that they would be very open to obtaining an RESP under these conditions (71 per cent). This is followed by two-thirds (65 per cent) of parents who would be very open to starting an RESP if they could do everything in one step, in one place, with one organization or group. A similar number of parents (63 per cent) indicated that they would be very open to starting an RESP under the condition that it were done automatically for them when their child was born and they only had to enrol in the CESG/CLB (i.e., automatic enrolment in an RESP).

Parents are less interested in turning to government to open an RESP. Only 38 per cent of parents who have not saved (or not saved through an RESP) would be very open to obtaining an RESP if they could go to the government to open the RESP, like you would with the birth certificate and Social Insurance Number. Finally, one-quarter (25 per cent) would be very open to opening an RESP under the condition that they didn't need a birth certificate and Social Insurance Number.

## Potential to Remove Barriers

“How much more open would you be, if at all, to opening an RESP under the following conditions...?”



EKOS Research  
Associates Inc.

n=703  
(Non-savers and non-RESP savers)

CLB Survey of Low Income Parents, 2008

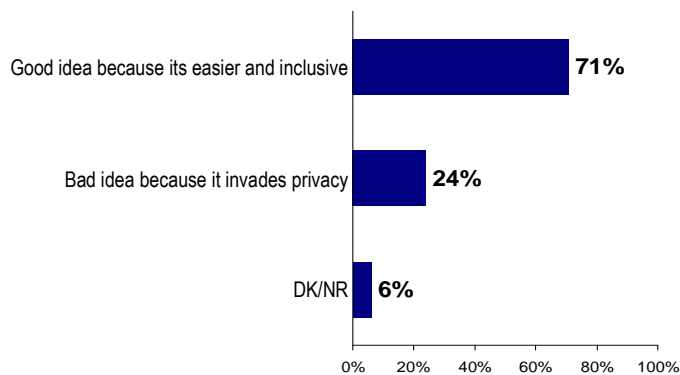
- There is very little variation in the appeal of these options based on background or demographic variables.
- Parents who are between 25 and 34 years of age are more apt than parents in other age groups to say they would be interested in opening an RESP if they could do everything in one step with one organization.
- Parents who agree that the cost of a PSE is a good investment are more interested in or open to most of these options.
- Parents who are not saving now but plan to save for their child's PSE in the future express more interest in automatic enrolment in both an RESP and the CESG/CLB than do parents without such plans.

## 7.3 AUTOMATIC ENROLMENT

All parents responding to the survey were told that the Government is considering a change in the enrolment process for the Canada Learning Bond. With this change an RESP would automatically be opened and \$500 deposited in a child's first year, so long as the family income qualifies. Respondents were then asked to indicate whether they agree with the idea of automatic enrolment or whether they feel that this would constitute an invasion of privacy. Seven in ten parents (71 per cent) feel that automatic enrolment is a good idea because it is easier and inclusive; while one-quarter (24 per cent) think it is a bad idea because it invades privacy; and six per cent are not sure which statement is closer to their view.

### Access/Universality vs. Privacy

**"The Government is considering a change in the enrollment process for the Canada Learning Bond. With this change an RESP would automatically be opened and \$500 deposited in a child's first year, so long as the family income qualifies... Which argument is closer to your own point of view?"**



EKOS Research  
Associates Inc.

n=901

CLB Survey of Low Income Parents, 2008

- Parents with a university education are more apt to say this change is a good idea because it is easier and inclusive, while parents with a high school education or less are more likely to argue that it is a bad idea because it invades privacy.
- Newcomers to Canada are more likely than other self-identified groups to say the change is a good idea because it is easier and inclusive.
- Those who say that the change is a good idea also include parents currently saving for PSE, RESP holders, and active contributors, and parents who agree that the cost of PSE is a good investment. Parents who are not planning to save for their child's PSE are more apt to say that the change is a bad idea because it invades privacy.

## 8. SUMMARY AND CONCLUSION OF RESULTS

Survey results demonstrate that many low income parents are simply not aware of RESPs and CESP products, and how they work, or why they are advantageous to parents trying to put away some savings for a child's post-secondary education. There are also likely some misconceptions around restrictions and fees associated with RESPs, including the view that only colleges and universities make up the definition of "post-secondary" for the purposes of RESPs. A fairly sizable segment of low income parents who are not currently using an RESP say that they do not have enough information about where to go and how to open an RESP. And, large proportions of the non-RESP holders said they would be more open to initiating an RESP if they knew that there were matched savings and a \$500 initial (plus \$100 per year) bond. This also points to limited awareness of CESP products in the market place.

Results indicate greater awareness of the CESP among those holding an RESP outside of a bank. This suggests that there may be different levels of information provided about CESP products depending on the type of financial promoters. Banks are typically more focused on other types of products (and likely other types of clientele than low income parents) and, by comparison, scholarship trust companies (with their narrower focus and perhaps greater financial incentive) may be doing a better job of explaining the government products to new registrants.

Awareness of the CLB is particularly low, and likely many who are receiving it are not aware of it or are not familiar with its name. Given that many would be open to an RESP if they were aware of such a bond, further research is needed to fully understand why low income parents (even RESP holders) are not aware of this bond).

Although most savers do use an RESP there are some who do not. This suggests some issue with information (knowing where to go), or concern about trustworthiness of financial institutions holding the RESPs, or that they are not really saving in a targeted way. Although not explored in the current study, it may well be that parents are saving for a child's PSE in a more general way. This might be in a more general savings account, where all savings reside for a range of things, or simply that they are paying down other things in order to be in a better position to pay for a child's PSE later (e.g., paying down a mortgage early). This could be explored in further depth in other research.

There is no single, identifiable group that is saving for a child's PSE where other groups are not. Savers, however, are generally younger, with young children and more apt to themselves have PSE. So, savers appear to see the value of PSE early in the child's life and make a commitment to put some money aside for that purpose. It may not be that they are "convinced" along the way, or if they are, it does not appear to take much convincing. They recognize the CESP products to be enticing and want to take

advantage of these. It may well be, however, that if parents in this economic strata are not fairly convinced of the value of PSE and interested in committing funds to it from their own savings in the first few years of a child's life then it may be unlikely that they will be convinced at any point.

At least on the face of it, banks (specifically) do not seem to be an issue. There is very little evidence to suggest that low income parents don't open RESPs because they are uncomfortable with or do not trust banks. Virtually everyone in the sample said they have a bank account and most felt that they would feel comfortable in talking to someone in a bank. Also, relatively few expressed concerns about banks not representing their interests well.

Survey evidence and interviews with both RESP holders and non-RESP holders suggest that process is not an overly large or central barrier to opening an RESP. In fact, most RESP holders did not find process to be a barrier. And, very few non-RESP holders cited a complicated or drawn out process as the reason that they had not opened an RESP. That said, people are of course interested in any steps that will make the process easier and an automated enrolment process is seen as an attractive option. Also, relatively few see a privacy concern with sharing of information between government departments to make sure that access to the CESP products is as wide as possible. While there is no evidence in the survey, interview findings suggested that the concept of 'easy is good', can generally be extended to anything that will help parents to actually save as well (e.g., allocation of money from payroll or from NCB or from tax refunds, etc). Results also suggest that flexibility is important as both survey and interview respondents pointed to penalties as some level of barrier for at least some. Further investigation would be required to explore what options parents find most palatable and how they would like to find out about these options.



# APPENDIX A

## SURVEY INSTRUMENT



**INTRO [0,0]**

Hello, my name is...and I work for EKOS Research Associates and we are conducting a survey on behalf of the federal government.

We are speaking to Canadians 18 years and older about important issues in the news today. Your participation is voluntary and choosing not to participate will not affect your dealings with government, however, it would be very helpful to us to hear your views.

Any information you provide will be administered in accordance with the Privacy Act and any other applicable privacy laws, and governments will only receive summary results.

May I begin?

**\*\*\* IF ASKED: INTERVIEW WILL BE APPROXIMATELY 15 MINUTES \*\*\***

Please code gender and language before exiting the survey.

**SEX**

Record gender of respondent

**DO NOT ASK**

Male.....1  
Female .....2

**QLANG**

Record Language of Survey

**DO NOT READ**

English.....1  
French.....2

**SCRN1**

You may recall that your household was contacted a few days ago to ask whomever picked up the phone two questions: are you a parent of a child under 18 years of age and whether your household income fits into one of three categories. Because of the answers provided it seems that your household fits who we are looking for to do a very important survey for the Government of Canada.

First of all, before proceeding with the interview I need to go through those questions with you once again to be sure you fit our criteria.

Are you are a parent or guardian of someone under 18 years of age, who is living with you or somewhere else?

- Yes continue ..... 1
- No thank and terminate CODE AS IG ..... 2                   ->THNK2
- DK/NR thank and terminate CODE AS IG..... 9                   ->THNK2

**INC2X**

And is your household income below or above roughly \$38,000?

- Below \$38,000..... 1
- Above \$38,000..... 2                   ->THNK2
- DK/NR..... 9                   ->THNK2

**P3A [0,0]**

The survey is targeted to any parent or guardian in the household who is involved in making financial decisions and let me reassure you again that we are not trying to sell anything and that this survey is being done for the Government of Canada and all information is completely confidential.

Throughout this interview, I will be talking about post-secondary education. By this, I will be talking about education beyond high school, including universities, community colleges, trade, technical and vocational schools and apprenticeship programs.

**Q8AR**

Have you ever heard of a Registered Education Savings Plan, also know as a RESP?

- Yes..... 1
- No..... 2
- DK/NR..... 9

**Q8BR [1,3]**

If... Q8AR.EQ.1

What can you tell me about an RESP?

**DO NOT READ LIST, ACCEPT UP TO 3**

It's a special account used for saving for children's education .....	11	
It has to be in one person's name.....	12	
You get a tax break/money is sheltered .....	13	
You have to have a certain minimum to be able to open one/contribute to one .....	14	
You have to be the parent of a child to be able to open one.....	15	
Government contributes money for kids PSE matching program .....	16	
Government gives money to low income parents for children's education .....	17	
Mentions of how to get/set up an RESP, eg. through banks, private companies .....	18	I
Criteria/conditions upon use of funds, penalties if conditions not met/child does not attend PSE, eg. loss of accumulated interest, all funds within RESP .....	19	I
Other (specify)<SPAN CLASS=ERREUR> -> AQ8BR; C250 L2 C100</SPAN>.....	77	
DK/NR.....	99	X

**Q7**

Have you ever heard of the Canada Education Savings Grant?

Yes.....	1	
No .....	2	
DK/NR.....	9	

**Q7A [1,3]**

If... Q7.EQ.1

What can you tell me about the Canada Education Savings Grant?

**DO NOT READ LIST, ACCEPT UP TO 3**

Matched (20 to 40 cents for every dollar saved) CESG grant on RESP contributions.....	11	
Maximum CESG grant per year (\$500/year) .....	12	
CESG applies to REGISTERED Education Savings Plans only.....	13	
Total lifetime CESG grant limit of \$7,20004.....	14	
Government contributes an amount-unspecified/ Matches individual contributions.....	15	
All contributed funds lost if child skips post secondary education (erroneous) .....	17	
Must contribute \$2,000 to get a grant (erroneous) .....	18	
Mentions of qualifying criteria for grant eligibility, general, eg. income level must be below certain amount .....	19	I
Other specify<SPAN CLASS=ERREUR> -> AQ7A; C250 L2 C100</SPAN>.....	77	
None .....	98	X
DK/NR.....	99	X

**Q7C**

Have you ever heard of the Canada Learning Bond?

**NOTE TO INTERVIEWERS: NOT TO BE CONFUSED WITH THE AB CENTENNIAL SAVINGS GRANT**

Yes.....	1
No.....	2
DK/NR.....	9

**Q7D [1,4]**

***Heard of the CLB***

If... Q7C.EQ.1

What can you tell me about the Canada Learning Bond?

**DO NOT READ LIST, ACCEPT ALL THAT APPLY**

Government gives money to low income parents to help parents save and pay for children's education.....	11	
Government gives \$500 to parents to start up an education fund/RESP .....	12	
Government gives \$100 a year to parents to save and pay for children's education.....	13	
Other specify<SPAN CLASS=ERREUR> -> AQ7D; C250 L2 C100</SPAN>.....	77	
None .....	98	X
DK/NR.....	99	X

**MINAM**

From what you have heard or read, do you think that it is worthwhile for parents to begin saving for their children's post-secondary education if they only have \$10 or \$20 a month to put away?

Yes.....	1
No .....	2
DK/NR.....	9

**FEAS**

How feasible or realistic do you think it is that parents with low income, making under \$38,000 a year for the household, can save for their children's post-secondary education? Would you say not at all feasible, somewhat, or very feasible?

Not at all feasible.....	1
Somewhat feasible.....	2
Very feasible.....	3
DK/NR.....	9

**MANY**

***IF don't expect kids get PSE - skip to PRE42***

Do you expect that any of your children will get a post-secondary education in the future? IF NEEDED: This includes any of those who have already started to attend PSE or already attended PSE

Yes.....	1	
No .....	2	->PRE42
DK/NR.....	9	

**PP8 [0,0]**

*IF MANY = DK/NR / Unsure if kids go to PSE*

If... MANY.EQ.9

Recognizing that many parents are unsure early in a child's life whether they will attend PSE or not, some may begin to plan for that possibility. The next questions ask about such plans.

**P8**

Some people are in a position to save money for a child's education, however, many are not in this position. Are you currently contributing savings for a child's post-secondary education, that is their education beyond high school?

- Yes..... 1
- No ..... 2
- DK/NR..... 9

**Q2**

***NON-SAVERS ONLY***

If... P8.EQ.2,9

How likely is it that you will save at a later date for the post-secondary education of a child? Please respond on a 7-point scale where 1 is not at all likely, 7 is very likely and the midpoint 4 is somewhat likely.

1 Not at all likely .....	1
2 .....	2
3 .....	3
4 Somewhat likely .....	4
5 .....	5
6 .....	6
7 Very likely .....	7
DK/NR .....	9

**P11**

***ONLY NON-SAVING PARENTS***

If... P8.EQ.2

Many people are not in a position to save for their children's post-secondary education, for a variety of reasons. Can you tell me your MAIN reason for this?

**PROMPT IF NECESSARY**

Do not have the money to put any aside/other more urgent matters.....	1
Not willing-Do not believe that parents should pay for children's education .....	2
Do not think that it would be expensive for child to pursue post-secondary .....	3
Do not think that child would go to post-secondary education .....	4
Child does not need income from you/has other sources of income .....	5
Child wants to do it on their own .....	6
Assume that child will get bursary or scholarship/grant .....	7
Assume that child will get a government student loan .....	8
Intend to support in other ways (eg. room and board, use of car, etc.).....	9
Not sure how to open an RESP .....	10
Haven't decided on whether RESP is good choice don't want to use an RESP .....	11
Will reduce welfare payments.....	12
Other (specify)<SPAN CLASS=ERREUR> -> AP11; C250 L2 C100</SPAN> .....	77
DK/NR .....	99

**Q29**

If... P11.NE.2,4,6

Do you think that you are likely to pay for all, most, about half, some or very little of the costs that a child of yours will have during their post-secondary education?

All .....	1
Most .....	2
About half .....	3
Some .....	4
Very little .....	5
DK/NR .....	9



**SUP1 [1,11]**

Which of the following sources do you expect a child of yours to use to pay for their costs while attending post-secondary education?

READ LIST; Pause after each item to get an answer.

Government loans (such as Canada Student Loans, provincial Student Loans).....	1	
Private loans or line of credit from banks or other financial institutions.....	2	
Scholarships or bursaries .....	3	
RESPs (DO NOT READ...including Canada Education Savings Grant or Learning Bonds) .....	4	
Other parental savings (outside an RESP) .....	5	
Parent's income while your child is in school .....	6	
Other family members (including student spouses) .....	7	
Your child's employment income while in school .....	8	
Your child's savings.....	9	
Credit card .....	10	
Other sources (specify)<SPAN CLASS=ERREUR> -> ASUP1; C250 L2 C100</SPAN> .....	77	
DK/NR.....	99	X

**SKP1**

*Skip RESP section if never heard of RESP*

If... Q8AR.EQ.2

1 .....	1	->Q8A
---------	---	-------

**P8C2**

Have you ever looked for or been given information on opening a Registered Education Savings Plan or RESP to save for a child's education?

Yes.....	1	
No .....	2	
DK/NR.....	9	

**P8D2**

If... P8C2.EQ.1

Where did you find or were you given the information about an RESP?

At a bank/Credit union/caisse populaire .....	11	
From an investment broker/advisor/financial planner .....	12	
At the hospital.....	13	
At a community event.....	14	
At a store/mall/commercial outlet.....	15	
On a government website.....	16	
On another (private company) website .....	17	
At an insurance company/broker .....	18	
From the media (tv, radio, newspaper, magazines).....	19	
Contact with private companies, their representatives, includes telephone/door-to-door solicitation, eg. USC, vendors of RESPs .....	20	I
Mail-outs, pamphlets, brochures .....	21	I
Family, friends, word of mouth .....	22	I
Sales call/agent (in-person, telephone, mail).....	23	I
Other (specify)<SPAN CLASS=ERREUR> -> AP8D2; C250 L2 C100</SPAN> .....	77	
DK/NR.....	99	

**P8WHO**

*Those who have looked for/been given info on RESP*

If... P8C2.EQ.1

Who was the information about the RESP produced by?

IF NEEDED CLARIFY: By this we mean who created the information, who put it together.

A bank/financial institution.....	1
A scholarship trust/group fund company .....	2
The government .....	3
Other .....	4
DK/NR.....	9

**TRUST**

Who do you consider to be the most trustworthy source of information about whether or not it's a good idea to set up an RESP?

Bank/bank employees .....	1	
Financial advisor.....	2	
Government .....	3	
Friend/family member .....	4	
Scholarship trust/group fund company .....	5	
Other<SPAN CLASS=ERREUR> -> ATRUST; C250 L2 C100</SPAN>.....	77	
DK/NR.....	99	X

**P8C**

*SAVERS ONLY*

If... P8.EQ.1

Have you opened a Registered Education Savings Plan or RESP to save for a child's education?

Yes.....1  
No.....2  
DK/NR.....9

**P8C1**

***RESP holders ONLY***

If... P8C.EQ.1

Have you made contributions to a RESP to save for a child's education?

Yes.....1  
No.....2  
DK/NR.....9

**P8C3**

***Contributors to RESP***

If... P8C1.EQ.1

Have these typically been regular contributions or are they made from time to time when there's an opportunity?

- Regular (monthly or yearly)..... 1
- Time to time ..... 2
- DK/NR..... 9

**Q13**

***Non-Savers or Non-RESP holders***

If... P8C.NE.1

Would you consider getting a Registered Education Savings Plan?

- Yes..... 1
- No ..... 2
- DK/NR..... 9

**Q15**

If... Q13.EQ.2

What is the main reason you are not likely to use a RESP?

- No money to save to put into an RESP ..... 1
- Child ineligible for RESP of the Canada Education Savings Grant (CESG) ..... 2
- Not aware of RESP's..... 3
- Too many fees to open up an RESP ..... 4
- RESP's are too complicated/easier to save outside an RESP ..... 5
- Too many restrictions/risk losing savings if child does not attend PSE ..... 6
- Will reduce welfare payments..... 7
- Not worthwhile to save for PSE, eg. child too old/too late to start saving, child may not attend PSE ..... 8
- Other (specify)<SPAN CLASS=ERREUR> -> AQ15; C250 L1 C100</SPAN> ..... 77
- DK/NR..... 99

I

**Q15A**

If... Q13.EQ.1

What is the main reason you have not opened a RESP?

- No money to save to put into an RESP ..... 1
- Not aware of RESP's..... 2
- Looking for the right company to use (e.g., fees, restrictions) ..... 3
- RESP's are too complicated/easier to save outside an RESP ..... 4
- Other (specify)<SPAN CLASS=ERREUR> -> AQ15A; C250 L1 C100</SPAN> ..... 77
- DK/NR..... 99
- Haven't yet begun to save for PSE, haven't thought about it, eg. very young children, no time..... 5
- Child has no SIN, cannot open RESP without it..... 6

I

I

**P8D**

**RESP holders**

If... P8C.EQ.1

Where did you open the RESP that you started for your child?

NOTE FOR INTERVIEWERS: If name you haven't heard, ask if it's a Scholarship group plan.

Bank.....	11
Credit union/caisse populaire.....	12
Investment broker/advisor/financial planner.....	13
Online or telephone self-directed investing brokerage.....	14
Insurance company.....	15
Scholarship group plan.....	16
Door-to door salesperson.....	17
Family member.....	18
Other (specify)<SPAN CLASS=ERREUR> -> AP8D; C250 L1 C100</SPAN>.....	77
DK/NR.....	99

**P8DA**

**RESP holders**

If... P8C.EQ.1

If you could narrow it down to one particular thing, what was it that made you decide that it was a good idea to open an RESP for your child?

Good idea to save for child's education/costly to go to pse-savings important.....	11
Best to save on regular basis.....	12
Heard that you get money from the government once you set it up.....	13
Heard the government matches some of what you save.....	14
Heard from a seller/agent that the growth of the savings is high.....	15
Other (specify)<SPAN CLASS=ERREUR> -> AP8DA; C250 L1 C100</SPAN>.....	77
DK/NR.....	99

**MET**

**RESP holders**

If... P8C.EQ.1

Given what you know you were contributing, to what extent has the RESP ended up meeting the expectations that you had when you opened it in terms of growth? Rate your answer on a scale where 1 is not at all, 7 is completely?

1 Not at all.....	1
2.....	2
3.....	3
4 A moderate amount.....	4
5.....	5
6.....	6
7 Completely.....	7
DK/NR didn't have any expectations.....	9

**P8B**

***RESP holders who heard of the CESG***

If... P8C.EQ.1.AND.Q7.NE.2

As far as you know, have you received the Canada Education Savings Grant contribution from the government, matching some of the money that you have put into your child's RESP?

- Yes.....1
- No.....2
- DK/NR.....9

**Q8B**

***RESP holders who received CESG contribution from the Govt***

If... P8B.EQ.1

How important was the matched 40 cents per dollar from the CESG grant in your decision to SET UP an RESP for your child's post-secondary education? Please provide your answer on a seven-point scale, where 1 means not important at all, 7 means very important and the midpoint 4 means somewhat important

If respondent didn't know -> rate as not at all important

- 1 Not important at all.....1
- 2.....2
- 3.....3
- 4 Somewhat important.....4
- 5.....5
- 6.....6
- 7 Very important.....7
- DK/NR.....9

**P8E**

***RESP holders who heard of the CLB***

If... P8C.EQ.1.AND.Q7C.NE.2

Have you received the Canada Learning Bond, that is the \$500 to start off with and \$100 a year into your child's RESP?

- Yes.....1
- No.....2
- DK/NR.....9

**Q8E**

***RESP holders who received CLB***

If... P8E.EQ.1

How important was the \$500 Learning Bond (plus \$100 a year afterwards) in your decision to SET UP an RESP for your child? Please provide your answer on a seven-point

scale, where 1 means not important at all, 7 means very important and the midpoint 4 means somewhat important

If respondent didn't know -> rate as not at all important

1 Not important at all .....	1
2 .....	2
3 .....	3
4 Somewhat important .....	4
5 .....	5
6 .....	6
7 Very important .....	7
DK/NR .....	9

**Q7A1 [0,0]**

Please indicate whether or not you believe the following statements to be true.

**Q7A1A**

A person contributing to a Registered Education Savings Plan (RESP) cannot get their money back if the child does NOT go on to a post-secondary education?

True .....	1
False .....	2
DK/NR .....	9

**Q7A1B**

***Heard of the CESG or CLB***

If... Q7.EQ.1.OR.Q7C.EQ.1

A person needs to contribute a certain amount to an RESP each year in order to qualify for a Canada Education Savings Grant or Canada Learning Bond from the Government?

True .....	1
False .....	2
DK/NR .....	9

**Q7A1D**

***Heard of the CESG or CLB***

If... Q7.EQ.1.OR.Q7C.EQ.1

RESP's, the Canada Education Savings Grant and Canada Learning Bond only apply to children going to college or university, not to kids attending trade school or apprenticeship training

True .....	1
False .....	2
DK/NR .....	9



**Q7A1E**

You have to have a certain minimum amount that you can contribute to be able to open an RESP and be eligible for the grant

- True ..... 1
- False..... 2
- DK/NR..... 9

**Q8A**

***NON-SAVERS AND NON-RESP HOLDERS***

If... P8C.NE.1

If you knew that you would receive a grant of \$4 for every \$10 you contribute to a Registered Education Savings Plan (RESP) would this make you more or less likely to open or contribute to an RESP?

Please respond using a 7-point scale where 1 means the feature would make you "much less likely" to open or to contribute to an RESP, 7 means the feature would make you "much more likely" to open or to contribute to an RESP and the mid-point 4 means the feature would have "no effect" on your decision to open or to contribute to an RESP.

- 1 Much less likely ..... 1
- 2 ..... 2
- 3 ..... 3
- 4 No effect ..... 4
- 5 ..... 5
- 6 ..... 6
- 7 Much more likely ..... 7
- DK/NR..... 9

**Q8A4**

***NON-SAVERS AND NON-RESP HOLDERS***

If... P8C.NE.1

And would knowing that you would receive a lump sum of \$500 to open the RESP and \$100 for every year afterward, would you be more or less likely to open or to contribute to an RESP (using the same scale)?

- 1 Much less likely ..... 1
- 2 ..... 2
- 3 ..... 3
- 4 No effect ..... 4
- 5 ..... 5
- 6 ..... 6
- 7 Much more likely ..... 7
- DK/NR..... 9

**BNK**

Do you currently have a savings, chequing or another type of account with a financial institution?

\*\*\*NOTE: include accounts with banks, credit unions, trust companies, etc

- Yes..... 1
- No..... 2
- DK/NR..... 9

**NBNK**

If... BNK.EQ.2

What is the main reason you do not have an account at a financial institution?

**DO NOT PROMPT**

- Do not need one..... 1
- Dislike bankS..... 2
- Thought it would be too hard to get one/couldn't be bothered ..... 3
- Costs too much ..... 4
- Bank refused you ..... 5
- Other (specify)<SPAN CLASS=ERREUR> -> ANBNK; C250 L1 C100</SPAN>..... 77
- DK/NR..... 99

**PRE42 [0,0]**

Please indicate the extent to which you agree or disagree with each of the following statements, using a 7 point scale where 1 means strongly disagree, 7 means strongly agree, and the mid-point 4 means neither agree nor disagree.

**CRED1**

For the most part, I think that you can believe the information that you get from banks and other financial institutions

To what extent do you agree or disagree that...

- 1 Strongly disagree ..... 1
- 2 ..... 2
- 3 ..... 3
- 4 Neither ..... 4
- 5 ..... 5
- 6 ..... 6
- 7 Strongly agree ..... 7
- DK/NR..... 9

**CRED2**

I feel comfortable talking to someone that works in a bank or other financial institution

To what extent do you agree or disagree that...

1 Strongly disagree .....	1
2 .....	2
3 .....	3
4 Neither .....	4
5 .....	5
6 .....	6
7 Strongly agree .....	7
DK/NR .....	9

**RESP**

I would not know what steps to take or who to talk to about opening up an RESP, if I wanted to open one

To what extent do you agree or disagree that...

1 Strongly disagree .....	1
2 .....	2
3 .....	3
4 Neither .....	4
5 .....	5
6 .....	6
7 Strongly agree .....	7
DK/NR .....	9

**Q3B**

The cost of a post-secondary education is a good long term investment for young people, because it leads to better jobs with higher wages

To what extent do you agree or disagree that...

1 Strongly disagree .....	1
2 .....	2
3 .....	3
4 Neither .....	4
5 .....	5
6 .....	6
7 Strongly agree .....	7
DK/NR .....	9

**E9G1**

More and more these days, the financial support from parents is a big part of what decides whether children are able to get a post-secondary education.

To what extent do you agree or disagree that...

1 Strongly disagree .....	1
2 .....	2
3 .....	3
4 Neither .....	4
5 .....	5
6 .....	6
7 Strongly agree .....	7
DK/NR .....	9

**E9G2**

It isn't worth saving for a child's post-secondary education until they are old enough to know whether they will go or not.

To what extent do you agree or disagree that...

1 Strongly disagree .....	1
2 .....	2
3 .....	3
4 Neither .....	4
5 .....	5
6 .....	6
7 Strongly agree .....	7
DK/NR .....	9

**E9G3**

It isn't necessary to save for a child's post-secondary education until the child is in their teens.

To what extent do you agree or disagree that...

1 Strongly disagree .....	1
2 .....	2
3 .....	3
4 Neither .....	4
5 .....	5
6 .....	6
7 Strongly agree .....	7
DK/NR .....	9

**E9G4**

If my child attends PSE, they will need to rely largely on government and bank loans, and government grants and bursaries.

To what extent do you agree or disagree that...

1 Strongly disagree .....	1
2 .....	2
3 .....	3
4 Neither .....	4
5 .....	5
6 .....	6
7 Strongly agree .....	7
DK/NR .....	9

**E9G5**

If a child has savings in an RESP when they attend PSE, they don't qualify for as much in grants and loans.

To what extent do you agree or disagree that...

1 Strongly disagree .....	1
2 .....	2
3 .....	3
4 Neither .....	4
5 .....	5
6 .....	6
7 Strongly agree .....	7
DK/NR .....	9

**NTIC**

Do you recall receiving a letter from the Government of Canada about the Canada Education Savings Grant and the Canada Learning Bond? This letter provided information about what they are, how your child might be eligible, and what to do to get more information. It contained two brochures, each with a picture of a baby or young child in a graduation cap and gown on the cover, with details about the CESG and CLB? These brochures talked about who can get these Bonds and what you need to do to get them?

Do you remember ever seeing this package with a letter and 2 brochures?

Yes, clearly .....	1
Yes, vaguely .....	2
No, do not recall .....	3
DK/NR .....	9

**NTIC2**

*If recall receiving/seeing the package*

If... NTIC.EQ.1,2

Did you read the information in that letter and the brochures?

- Yes.....1
- No.....2
- DK/NR.....9

**NTIC3**

*If read the information*

If... NTIC2.EQ.1

How clear and useful did you find the information when you read it? Did it help you to understand who it applies to, how it works and how to enroll, or did you find it confusing and difficult to follow?

Please reply on a 7 point scale from 1, not at all useful to 7, very useful.

- 1 Not at all useful..... 1
- 2..... 2
- 3..... 3
- 4 Somewhat useful..... 4
- 5..... 5
- 6..... 6
- 7 Very useful ..... 7
- DK/NR..... 9

**BCRT**

*RESP holders*

If... P8C.EQ.1

Did you already have a birth certificate for your child before opening the RESP or did you have to get one for this purpose?

- Yes, already had..... 1
- No, had to get one..... 2
- DK/NR..... 9

**BCN**

*If didn't have a birth certificate*

If... BCRT.EQ.2

How satisfied were you with the process of getting your child's birth certificate

1 Not at all satisfied .....	1
2 .....	2
3 .....	3
4 Somewhat satisfied .....	4
5 .....	5
6 .....	6
7 Very satisfied .....	7
Not aware of the feature.....	8
DK/NR.....	9

**SINC**

**RESP holders**

If... P8C.EQ.1

Did you already have a Social Insurance Number (SIN) for your child before opening the RESP or did you have to get one for this purpose?

- Yes, already had..... 1
- No, had to get one..... 2
- DK/NR..... 9

**SINNO**

**If didn't have SIN**

If... SINC.EQ.2

How satisfied were you with the process of getting your child's social insurance number

- 1 Not at all satisfied ..... 1
- 2 ..... 2
- 3 ..... 3
- 4 Somewhat satisfied ..... 4
- 5 ..... 5
- 6 ..... 6
- 7 Very satisfied ..... 7
- Not aware of the feature..... 8
- DK/NR..... 9

**REPRO**

**RESP holders**

If... P8C.EQ.1

How satisfied were you with the process of opening the RESP with a bank, scholarship fund or financial institution

- 1 Not at all satisfied ..... 1
- 2 ..... 2
- 3 ..... 3
- 4 Somewhat satisfied ..... 4
- 5 ..... 5
- 6 ..... 6
- 7 Very satisfied ..... 7
- 8 Not aware of the feature..... 8
- DK/NR..... 9



**ENRP**

**RESP holders**

If... P8C.EQ.1

How satisfied were you with the process of getting enrolled for the CESG and CLB

- 1 Not at all satisfied .....1
- 2 .....2
- 3 .....3
- 4 Somewhat satisfied .....4
- 5 .....5
- 6 .....6
- 7 Very satisfied .....7
- 8 Not aware of the feature .....8
- DK/NR .....9

**RESPI**

**Any who looked into an RESP (P8C2=#1)**

If... P8C2.EQ.1

Did you have enough information about where to go to open the RESP, or was it difficult to figure out where to go to get one opened?

- Had enough information .....1
- It was difficult to figure out .....2
- DK/NR .....9

**STPS**

**RESP-holders only**

If... P8C.EQ.1

Did you ever consider not doing it because of the number of steps you had to go through to get it?

- Yes .....1
- No .....2
- DK/NR .....9

**RDEBA**

**RESP-holders only**

If... P8C.EQ.1

Did you think about it or debate it for a while before you finally did enroll?

- Yes .....1
- No .....2
- DK/NR .....9

**RDEB1 [1,5]**

*If debate*

If... RDEBA.EQ.1

What were you having to think about/Why was there a delay between when you first considered it and when you finally did it?

Wondering if it was a good thing/not sure I trusted it.....	1	
Too hard to go through steps/not worth the trouble or just took a while to get around to it.....	2	
Not sure how to go through steps.....	3	
There were too many choices/decisions of where to go to open RESP.....	4	
Other reason<SPAN CLASS=ERREUR> -> ARDEB1; C250 L2 C75</SPAN>.....	77	
No particular reason, just kept putting it of.....	88	X
DK/NR.....	99	X

**FDEC**

*If debate*

If... RDEBA.EQ.1

What finally made you decide to do it?

Just finally got around to it.....	1	
Decided it was the only way to get the savings started.....	2	
Decided that it was a good thing to do.....	3	
Someone told me to do it/it was a good thing.....	4	
Someone finally helped me figure it all out.....	5	
Realized my child is getting older/time moving on/wasting.....	6	
Got some money/other family member decided to start contributing.....	7	
Other<SPAN CLASS=ERREUR> -> AFDEC; C250 L2 C75</SPAN>.....	77	
DK/NR.....	99	X

**HDEL**

*If debate*

If... RDEBA.EQ.1

How much of the delay had to do with the fact that there were several steps that you had to follow

1 A little amount.....	1	
2.....	2	
3.....	3	
4 A moderate amount.....	4	
5.....	5	
6.....	6	
7 A lot.....	7	
DK/NR.....	9	

**OBST [1,3]**

*RESP-holders*

If... P8C.EQ.1

What would you say is the biggest obstacle to enrolling in the CESC/CLB  
ACCEPT UP TO THREE RESPONSES

**CESG - Canada Education Savings Grant; CLB - Canada Learning Bond**

Not having the money to put away .....	1	
The different steps you have to go through to get an RESP .....	2	
Not knowing what to do to get an RESP.....	3	
Not knowing that the CESG and CLB exist.....	4	
Not being comfortable with/trusting the Gov.....	5	
Not being comfortable with/trusting banks and other groups like scholarship funds .....	6	
Generally trusting that this is a good thing .....	7	
Other<SPAN CLASS=ERREUR> -> AOBST; C250 L2 C75</SPAN> .....	77	
No obstacle .....	98	X
DK/NR.....	99	X

**DISCR [1,8]**

***SAVERS, BUT NON-RESP HOLDERS AND NON-SAVERS WHO CONSIDER GETTING RESP***

If... P8C.EQ.2.OR.Q13.EQ.1

What would you say are the MAIN things that discourage you from opening and contributing to a RESP?

**DO NOT READ LIST; ACCEPT ALL THAT APPLY**

Lack of money to put aside/more urgent matters .....	1	
Poor/lack of information on RESPs and CESG/CLB.....	2	
Too much information about RESPs-not sure how to wade through it .....	3	
Not enough return to bother doing it.....	4	
Too many restrictions to be comfortable it's a good investment.....	5	
The service you get from your financial institution/advisor.....	6	
Financial institution's/advisor's service charges/fees .....	7	
Other (specify)<SPAN CLASS=ERREUR> -> ADISCR; C250 L2 C100</SPAN> .....	77	
DK/NR.....	99	X

**BCNS**

***NON-SAVERS AND SAVERS WHO ARE NON-RESP HOLDERS***

If... P8C.NE.1

In order to open an RESP one needs to have a number of things including birth certificates. Do you currently have birth certificates for your children?

Yes.....	1
No.....	2
DK/NR.....	9

**SINNS**

***NON-SAVERS AND SAVERS WHO ARE NON-RESP HOLDERS***

If... P8C.NE.1

Social Insurance Numbers are another requirement to open an RESP. Do you have SIN cards for your children?

- Yes..... 1
- No..... 2
- DK/NR..... 9

**NRESP**

***NON-SAVERS AND SAVERS WHO ARE NON-RESP HOLDERS WHO HEARD OF RESP***

If... P8C.NE.1.AND.Q8AR.NE.2

How much of your reason for not opening a RESP is because there are several steps to follow?

**READ LIST**

- 1 A little amount..... 1
- 2..... 2
- 3..... 3
- 4 A moderate amount..... 4
- 5..... 5
- 6..... 6
- 7 A lot..... 7
- (DO NOT READ) Not aware of the feature..... 8
- (DO NOT READ) DK/NR..... 9

**OBST2**

***NON-SAVERS AND SAVERS WHO ARE NON-RESP HOLDERS WHO HEARD OF CESG/CLB***

If... P8C.NE.1.AND.(Q7.EQ.1,9.OR.Q7C.EQ.1,9)

What would you say is the biggest obstacle to enrolling in the CESG/CLB

CESG - Canada Education Savings Grant; CLB - Canada Learning Bond

- Not having the money to put away ..... 1
- The different steps you have to go through to get an RESP..... 2
- Not knowing what to do to get an RESP..... 3
- Not knowing that the CESG and CLB exist..... 4
- Not being comfortable with/trusting the Gov..... 5
- Not being comfortable with/trusting banks and other groups like scholarship funds ..... 6
- Generally trusting that this is a good thing ..... 7
- Other<SPAN CLASS=ERREUR> -> AOBST2; C250 L2 C75</SPAN>..... 77
- No obstacle ..... 98 X
- DK/NR..... 99

**OPN1**

***NON-SAVERS AND SAVERS WHO ARE NON-RESP HOLDERS***

If... P8C.NE.1

How much more open would you be, if at all, to opening an RESP under the following conditions... Please respond on a 7-point scale where 1 is not at all open, 7 is very open and the midpoint 4 is somewhat open. You didn't need a birth certificate and Social Insurance Number

- 1 Not at all open..... 1
- 2..... 2
- 3..... 3
- 4 Somewhat open..... 4
- 5..... 5
- 6..... 6
- 7 Very open ..... 7
- DK/NR..... 9

**OPN2**

***NON-SAVERS AND SAVERS WHO ARE NON-RESP HOLDERS***

If... P8C.NE.1

You could go to the government to open the RESP, like you would with the birth certificate and Social Insurance Number

How much more open would you be, if at all, to opening an RESP if...

- 1 Not at all open..... 1
- 2..... 2
- 3..... 3
- 4 Somewhat open..... 4
- 5..... 5
- 6..... 6
- 7 Very open ..... 7
- DK/NR..... 9

**OPN3**

***NON-SAVERS AND SAVERS WHO ARE NON-RESP HOLDERS***

If... P8C.NE.1

You could do everything in one step, in one place, with one organization/group

How much more open would you be, if at all, to opening an RESP if...

- 1 Not at all open..... 1
- 2..... 2
- 3..... 3
- 4 Somewhat open..... 4
- 5..... 5
- 6..... 6
- 7 Very open ..... 7
- DK/NR..... 9

**OPN4**

***NON-SAVERS AND SAVERS WHO ARE NON-RESP HOLDERS***

If... P8C.NE.1

It were done automatically for you when your child was born and you only have to enroll in the CESC

How much more open would you be, if at all, to opening an RESP if...

- 1 Not at all open.....1
- 2.....2
- 3.....3
- 4 Somewhat open.....4
- 5.....5
- 6.....6
- 7 Very open .....7
- DK/NR.....9

**OPN5**

***NON-SAVERS AND SAVERS WHO ARE NON-RESP HOLDERS***

If... P8C.NE.1

It were done automatically for you when your child was born and you didn't even have to enroll in the CESG; you just got a notice telling you that it was already opened and \$500 was in it for your child

How much more open would you be, if at all, to opening an RESP if...

1 Not at all open.....	1
2.....	2
3.....	3
4 Somewhat open.....	4
5.....	5
6.....	6
7 Very open .....	7
DK/NR.....	9

**CLB**

The Government is considering a change in the enrollment process for the Canada Learning Bond. With this change an RESP would automatically be opened and \$500 deposited in a child's first year, so long as the family income qualifies them. Some argue that this is a good idea because it saves parents the trouble, and ensures that everyone intended to benefit actually benefits. Others argue that this is a bad idea because the Government would have to combine information about people from different government sources, which would be an invasion of privacy. Which argument is closer to your own point of view?

Good idea because its easier and inclusive .....	1
Bad idea because it invades privacy.....	2
DK/NR.....	9

**DEMIN [0,0]**

Now I have a few more questions to be used for statistical purposes only.

**HOU**

Which of the following types best describes your current household situation?

Single parent.....	1
Married or common-law couple, including both parents.....	2
Married or common-law couple, including only one parent .....	3
Other (specify)<SPAN CLASS=ERREUR> -> AHOU; C250 L1 C100</SPAN>.....	77
DK/NR.....	99



**EMP**

Which of the following categories best describes your CURRENT employment status?

\*\*\*\*start by asking if they are employed and continue from there\*\*\*\*

**READ LIST**

Self-employed.....	1
Employed full-time.....	2
Employed part-time (24 hours or less).....	3
Seasonal employment.....	4
Term employment/CASUAL.....	5
Unemployed but looking for work.....	6
Student/Attending school full-time.....	7
Retired.....	8
Not in work force/Full-time Homemaker.....	9
Long-term disability / sick leave.....	10
Maternity / paternal leave.....	11
Other (specify)<SPAN CLASS=ERREUR> -> AEMP; C250 L1 C100</SPAN>.....	77
DK/NR.....	99

**EMPSP**

*Married or common-law couple, including both parents*

If... HOU.EQ.2

Which of the following categories best describes the CURRENT employment status of your child's other parent? \*\*\*start by asking if employed\*\*\*\*

**Read List**

Self-employed.....	1
Employed full-time.....	2
Employed part-time (24 hours or less).....	3
Seasonal employment.....	4
Term employment/CASUAL.....	5
Unemployed but looking for work.....	6
Student/Attending school full-time.....	7
Retired.....	8
Not in work force/Full-time Homemaker.....	9
Long-term disability / sick leave.....	10
Maternity / paternal leave.....	11
Not applicable no other parent involved.....	12
Other (specify)<SPAN CLASS=ERREUR> -> AEMPSP; C250 L1 C100</SPAN>.....	77
DK/NR.....	99

**EDU**

What is the highest level of schooling that you have completed?

Some high school.....	1
Graduated high school .....	2
Some college.....	3
Community/Technical college or CEGEP graduate.....	4
Private college graduate.....	5
Some university .....	6
Bachelor's degree .....	7
Graduate degree .....	8
DK/NR.....	9

**QAGE**

May I place your age into one of the following general age categories?

Under 25 .....	1
25-34 years .....	2
35-44 years .....	3
45-54 years .....	4
55-64 years .....	5
65 years or older .....	6
(DO NOT READ)DK/NR.....	9

**SELEC**

What is the age of the youngest child that will likely get a post-secondary education?

Newborn .....	0	
One year old.....	1	
Two year old.....	2	
Three year old .....	3	
Four year old.....	4	
Five year old.....	5	
Six year old.....	6	
Seven year old .....	7	
Eight year old.....	8	
Nine year old .....	9	
Ten year old .....	10	
Eleven year old .....	11	
Twelve year old .....	12	
Thirteen year old.....	13	
Fourteen year old .....	14	
Fifteen year old .....	15	
Sixteen year old .....	16	
Seventeen year old.....	17	
Eighteen year old .....	18	
Nineteen year old.....	19	I
Twenty year old .....	20	I
Twenty-one year old .....	21	I
DK/NR.....	99	

**INC2**

What is your annual household income from all sources before taxes? I'll read a list and you can stop me when we get to the one that fits.

<\$10,000.....	1
\$10,000-\$14,999.....	2
\$15,000-\$19,999.....	3
\$20,000-\$24,999.....	4
\$25,000-\$29,999.....	5
\$30,000-\$37,999.....	6
\$38,000 or more.....	7
DK/NR.....	9

**MINOR [1,4]**

Do you consider yourself to belong to any of the following groups? PROMPT IF NECESSARY: A member of a visible minority by virtue of your race or colour

**READ LIST, CHOOSE ALL THAT APPLY**

- A member of a visible minority ..... 1
- An Aboriginal person..... 2
- A person with a disability (that limits the amount or type of work or activity you can do)..... 3
- A new immigrant to Canada (since 1995)..... 4
- (DO NOT READ) None ..... 8 BX
- (DO NOT READ) DK/NR..... 9 BX

**THNK**

That completes the survey. Thank you very much. Your participation is appreciated.

**End of Interview**

- Completion ..... 1 D

# APPENDIX B

## SURVEY RESPONSE RATES



**Overall Call Results and Response Rates Table For Non-IVR Screened Sample**

A-Total Numbers Accepted		<b>15,070</b>
B-Total out of scope		<b>2,740</b>
Numbers not in service	2219	
fax or modem or business	469	
Duplicates	7	
Numbers blocked by Phone companies	45	
C-Functional Sample (In-scope)		<b>12,330</b>
Busy , no answers, Answering machines	4671	
Retired, called 10 times without success	0	
D-In-scope Non-responding		<b>7,659</b>
Language difficulty	239	
Unavailable	0	
refusals	4574	
Break offs	55	
E-In-scope Responding units		<b>2,791</b>
Completes	101	
Ineligible.	2,670	
Quota Filled	20	
<b>Response Rate (E out of C)</b>		<b>22.6%</b>

**Overall Call Results and Response Rates Table For IVR Screened Sample**

A-Total Numbers Accepted		<b>279,708</b>
B-Total out of scope		<b>42,234</b>
Numbers not in service	39,910	
Unresolved	2,324	
C-Functional Sample (In-scope)		<b>237,474</b>
Busy , no answers, Answering machines	98,993	
D-In-scope Non-responding		<b>138,481</b>
Refusals-Hung-up	103,885	
E-In-scope Responding units		<b>34,596</b>
Completes	8,498	
Ineligible.	26,098	
<b>Response Rate (E out of C)</b>		<b>14.6%</b>

**Telephone portion (pre-screened)**

A-Total Numbers Accepted		<b>8,498</b>
B-Total out of scope		<b>1,020</b>
<b>Unused sample</b>	837	
Numbers not in service	80	
fax or modem or business	93	
Duplicates	4	
Numbers blocked by Phone companies	6	
C-Functional Sample (In-scope)		<b>5,096</b>
Busy , no answers, Answering machines	1,345	
Retired, called 10 times without success	0	
D-In-scope Non-responding		<b>3,751</b>
Language difficulty	160	
Unavailable	0	
refusals	1,669	
Break offs	34	
E-In-scope Responding units		<b>1,888</b>
Completes	800	
Ineligible.	1,074	
Quota Filled	14	
<b>Response Rate (E out of C)</b>		<b>37.1%</b>
<b>Overall Response Rate with IVR Sample (E out of IVR C)</b>		<b>.8%*</b>

\* Pro rating the IVR functional sample (C) by the known proportion of eligible to ineligible cases in E (IVR and interviewer screened) produces a response rate of 1.5%

Average time 19.5 minutes

Field start December 10, 2007

Field completed January 29, 2008.



APPENDIX C  
KEY DIFFERENCES BETWEEN IVR AND  
NON-IVR SCREENED SAMPLE



<b>Categories</b>	<b>IVR</b>	<b>NON-IVR</b>
<b>How likely is it that you will save at a later date for the post-secondary education of a child?</b>		
Very likely (6-7)	24%	9%
<b>Which of the following sources do you expect a child of yours to use to pay for their costs while attending post-secondary education?</b>		
Parent's income while your child is in school	60%	47%
<b>More and more these days, the financial support from parents is a big part of what decides whether children are able to get a post-secondary education.</b>		
Disagree (1-3)	14%	7%
<b>If a child has savings in an RESP when they attend PSE, they don't qualify for as much in grants and loans.</b>		
Agree (5-7)	30%	19%
<b>You could go to the government to open the RESP, like you would with the birth certificate and Social Insurance Number.</b>		
Not open (1-2)	19%	29%
<b>It were done automatically for you when your child was born and you only have to enroll in the CESG.</b>		
Not open (1-2)	12%	21%
<b>Which of the following types best describes your current household situation?</b>		
Single parent	39%	47%
<b>Which of the following categories best describes the CURRENT employment status of your child's other parent?</b>		
Employed full-time	28%	42%
<b>May I place your age into one of the following general age categories?</b>		
45-54 years	22%	31%
<b>Region</b>		
BC/Territories	13%	20%



APPENDIX D  
RESP AND NON-RESP  
KEY INFORMANT INTERVIEW GUIDE





## INTERVIEW GUIDE – CESG/CLB SUBSCRIBERS

MARCH 5, 2008

### 1. INTRODUCTION

- This research is being conducted for the Government of Canada. The purpose of the interview is to talk about the decision-making process behind getting a Registered Education Savings Plan (RESP) and enrolling in the Canada Education Savings Grant (CESG), and also to explore how that process unfolded for you (and what might be changed in the future to make it easier for parents to enrol in the program).
  - ◇ I'd like to record the interview if you don't mind so that I can go back to my notes and make sure I'm being accurate. No information will ever be reported with the name of a person.
  - ◇ There aren't any right or wrong answers to the things we'll be talking about — we're just looking for your honest opinions.
- So, first can you tell me how many children you have and what their ages are?

### 2. THE DECISION TO ENROL

So, these interviews are being held with parents who told us in a recent telephone interview that you have at some point in the past opened a Registered Education Savings Plan (RESP) for a child in order to save for their education.

1. Let's start by discussing when you first opened the RESP? What age was your child? How long ago was that?
  - ◇ IF needed: The Canada Education Savings Grant is a grant offered by the Government of Canada that matches some portion of the money you put into your child's RESP. As far as you know, has your financial institution applied for CESG and are you receiving the matched grant?
  - ◇ Was there a **specific event or opportunity that caused** you to open the account and enrol in the CESG?

2. What are you doing in terms of saving at this point? Are RESP contributions happening regularly or more sporadically?
  - ◇ How often? Do the amounts fluctuate?
  - ◇ Is this required by a plan? Have you ever missed a payment? What happens?
3. What made you decide to open an RESP? Enroll in the CESG? (most important factor, anything that fuelled other reasons)?
4. Did **anyone make the suggestion or have input** into the decision? Who? What influence did this have?
5. Why did you choose this particular type of plan/investment with this particular promoter?
6. Was there any gap in time between thinking or intending to do it and when you actually did it? How long was this and why (uncertainty, not getting around to it, shopping around etc)?
  - ◇ Would anything have prompted you to do this earlier? What and why?

### 3. PROCESS

The government would like to learn more about how to make the process of opening an RESP as easy as possible for those wanting to save for a child's post-secondary education. I'd like to explore the process that you went through to open the RESP and enrol in the CESG.

7. How did you get your information about the process to follow to open an RESP and/or enroll in a CESG? Who did you go to for information on the steps?
  - ◇ Were they helpful? How/Why/Why not?
  - ◇ Who was it?
8. What steps did you follow to get this process moving? Where did you go to set up your RESP, apply for the CESG, and who helped you do it?
  - ◇ Was there anything missing or delays that made it more challenging or longer? What and why?
9. Some people find the process of opening an RESP confusing or overly complicated. Did you find this? What was confusing and why?
10. What would have helped to clarify the process for you?



## 4. KNOWLEDGE AND ATTITUDES REGARDING CESG/CLB

11. What can you tell me about the Canada Education Savings Grant and how it works?

- ◇ How much does the federal government provide through the CESG?
- ◇ Does the amount you are eligible for vary?
- ◇ Have you heard of an additional grant for low-income parents?

Have you heard of the Canada Learning Bond (CLB)?<sup>6</sup> Can you tell me how much it is and how it works/what determines who gets it?

12. What do you think of this idea of a matched grant and initial bond for parents when they start saving for a child's education? Do you think that it makes a difference in:

- ◇ Whether parents save or not?
- ◇ How much parents save?
- ◇ Whether a child goes to post-secondary or not?

13. Do you think that a process like the one we just discussed might be considered complex and prevent parents from enrolling?

14. Is it necessary for the federal government to do something to make it easier for parents to understand and enroll in the CESG or CLB?

- ◇ What would help to do that?
- ◇ What if the government helped parents more in getting a child enrolled in an RESP when they are born? (Pause for response - then ask) This could be as simple as signing up on the same form you receive for the Child Benefit application. If you say yes you are interested, the government would open the RESP for you and enrol you in the CESG and CLB.

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6 The CESG provides 20 per cent on the first \$2,000 contributed annually to an RESP for children up to age 18.

The A-CESG provides an additional grant to low and middle income families, whereby low-income families receive an additional 20 per cent (or 40 per cent in total) on the first \$500 contributed annually, while middle-income families receive an additional 10 per cent (or 30 per cent in total) on the first \$500.

The CLB is an additional grant paid directly into the RESP of children eligible to receive the National Child Benefit Supplement (NCBS) in low-income families, and includes an initial payment of \$500 plus \$100 a year for up to 15 years (as long they receive the NCBS).

15. What would make it easier to save for a child's education?

- ◇ What about an employment payroll deduction program?
- ◇ Being able to allocate tax refunds automatically?
- ◇ Anything else?

16. One way for the federal government to help parents to enrol in the CESG and CLB would be by rolling up the steps in the process and government doing it all for you if you simply indicate on an application form that this is what you want the government to do for you. In this scenario, as soon as you tell the government to go ahead on your behalf, an RESP would automatically be opened for a child with a pre-selected financial institution and the Bond deposited if parents are below a certain household income cut off. They would also be enrolled in the CESG so that any money that they deposited into the RESP would immediately be matched with 40 cents on each dollar.

- ◇ Do you think that parents would prefer to have this done for them if they simply tell the government to go ahead on their behalf?
- ◇ Do you think that parents would feel uneasy about letting the government act on their behalf in this way?
- ◇ What do you think that you would want to know about RESPs and the CESG and CLB in order to tell the government to go ahead and act on your behalf?
- ◇ How do you think that this would be best explained to you so that you would feel comfortable with it?
- ◇ How important is it to you to be able to select your own financial institution and the savings instruments in which you would invest (e.g. mutual funds, GICs, savings bonds, etc.)

## 5. BARRIERS TO ENROLMENT

17. What would you say are the primary reasons that parents find it difficult to open an RESP and enrol in the CESG?

18. How difficult was it for you to find savings to set aside in an RESP (e.g., always other pressing things)?

19. How do your plans or expectations for your child's future education play into the decision?

- ◇ Worry about child not going – risk of opening and losing? better to wait and see when child is older (10-12) before starting to save?

20. Do you expect that your child will find other ways to finance their post-secondary education (loans, grants and scholarships)?
- ◇ Does this make you more or less likely to save into an RESP? Why? (Probe for whether this is a built in reason not to worry about saving)
  - ◇ Do you think that if you save, your child will be eligible for less money in government grants and loans later on? Is this a concern for you? Is it something that you think the government should change, if it were the case)?
  - ◇ How much do you think that it will cost for your child to complete a post-secondary certificate or degree?
21. How do you feel about the group/company that you have your RESP with?
- ◇ Comfortable (asking questions, getting answers)
  - ◇ Trust them (e.g., hidden fees and conditions that may surprise or trap you later)?
  - ◇ Good interest return?

## 6. VIEWS ON SAVING EARLY (15 MINUTES)

22. How important is it to start saving early for a child's post-secondary education? What age is the best time to start? Why?
23. Have you discussed the fact that you are saving for education with your child? Why?
- ◇ Do you expect your child to go to college or university?
  - ◇ Do you think that if your child grows up knowing that they are expected to, he or she will be more likely to continue their education?
  - ◇ Do you think that if your child grows up knowing that you are saving, he or she will be more likely to continue their education or do you think that it won't make a difference?
24. What is compound interest? What does that mean and how does it work? Has your understanding of compound interest had any effect in motivating you to save? Do you think that in general, parents understand that as a result of compound interest, they can have a much larger investment for their child's post-secondary education if they start early? And do you think that it motivates parents to start saving earlier or do you think that it doesn't make a difference?

## 7. INFORMATION NEEDS (15 MINUTES)

25. What type of information do you think that parents need to help them understand and enroll in an RESP and the CESG?
  - ◇ What information is needed about these products?
  - ◇ What information is needed about the steps to take to get started?
  
26. What other type of information would you like to have (e.g., about compound interest, the importance of starting early, fee comparisons, etc.)
  
27. Where would you prefer to get this information? Why? Who else would you trust to give you good information? From the government – which level? Schools? Banks? Community groups/churches? Others?
  - ◇ How would you like to get this information? From brochures, pamphlets, in the mail, from the internet, on posters/billboards, on TV?
  
  - ◇ When do you think parents need to get this information? When in your child's life is the best time to get this information? When is early enough (when do you think that parents are most receptive to the information, so that it is not seen as too early or too late)?
  
28. Do you currently receive a statement about your RESP account? How detailed is it? Does it give you all of the information you want and need? Is anything missing or unclear?
  - ◇ How often do you get this and is that the right number of times in a year (too few? too many?)
  
29. Have you ever discussed the fact that you have an RESP, a CESG, with your child and that you are saving for their education? Who else have you discussed this with?
  
30. Have you recommended this to others, or perhaps told them not to do what you did? Why?
  - ◇ Is there anything you would do differently, if you were to start again?

## 8. WRAP-UP (2 MINUTES)

- ◇ Do you have anything else you would like to add about what we've talked about?  
On behalf of the Government of Canada I want to thank you for your time and insights.





## INTERVIEW GUIDE – NON RESP HOLDERS

MARCH 17, 2008

### 1. INTRODUCTION

- This research is being conducted for the Government of Canada. The purpose of the interview is to talk about the decision-making process behind getting or not getting a Registered Education Savings Plan (RESP) for a child.
- I'd like to record the interview if you don't mind so that I can go back to my notes and make sure I'm being accurate. No information will ever be reported with the name of a person.
  - ◊ There aren't any right or wrong answers to the things we'll be talking about — we're just looking for your honest opinions.
- So, first can you tell me how many children you have and what their ages are?

### 2. THE DECISION TO ENROL

So, these interviews are being held with parents who told us in a recent telephone interview that they have looked for information or considered opening a Registered Education Savings Plan (RESP) for a child in order to save for their education.

1. Have you ever thought about opening an RESP for a child to save for their post-secondary education?
2. What made you consider opening a RESP? What made you decide against it? (most important factor, anything that fuelled other reasons)?
3. Did **anyone make the suggestion or have input** into the decision? *Who?* What influence did this have?

### 3. PROCESS

The government would like to learn more about how to make the process of opening an RESP as easy as possible for those wanting to save for a child's post-secondary education.

4. How did you get your information about the process to follow to open an RESP and/or enroll in a CESG? Who did you go to for information on the steps?
  - ◇ Were they helpful? How/Why/Why not?
  - ◇ Who was it?
5. Some people find the process of opening an RESP confusing or overly complicated. Did you find this? What was confusing and why?
6. What would have helped to clarify the process for you? Would additional information or changes in the steps to enroll have convinced you to follow through and open an RESP? Anything else?

### 4. KNOWLEDGE AND ATTITUDES REGARDING CESG/CLB

7. What can you tell me about the Canada Education Savings Grant<sup>7</sup> and how it works?
  - ◇ How much does the federal government provide through the CESG?
  - ◇ Does the amount you are eligible for vary?
  - ◇ Have you heard of an additional grant for low-income parents?

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<sup>7</sup> The CESG provides 20 per cent on the first \$2,000 contributed annually to an RESP for children up to age 18.

The A-CESG provides an additional grant to low and middle income families, whereby low-income families receive an additional 20 per cent (or 40 per cent in total) on the first \$500 contributed annually, while middle-income families receive an additional 10 per cent (or 30 per cent in total) on the first \$500.

The CLB is an additional grant paid directly into the RESP of children eligible to receive the National Child Benefit Supplement (NCBS) in low-income families, and includes an initial payment of \$500 plus \$100 a year for up to 15 years (as long they receive the NCBS).



Have you heard of the Canada Learning Bond (CLB)<sup>8</sup>? Can you tell me how much it is and how it works/what determines who gets it?

8. What do you think of this idea of a matched grant and initial bond for parents when they start saving for a child's education? Do you think that it makes a difference in:
  - ◇ Whether parents save or not?
  - ◇ How much parents save?
  - ◇ Whether a child goes to post-secondary or not?
  - ◇ Would knowing this have made a difference in terms of encouraging you to open an RESP? Why or why not?
  
9. Do you think that a process like the one we just discussed might be considered complex and prevent parents from enrolling?
  
10. Is it necessary for the federal government to do something to make it easier for parents to understand and enroll in the CESG or CLB?
  - ◇ What would help to do that?
  - ◇ What if the government helped parents more in getting a child enrolled in an RESP when they are born? (Pause for response - then ask) This could be as simple as signing up on the same form you receive for the Child Benefit application. If you say yes you are interested, the government would open the RESP for you and enrol you in the CESG and CLB.
  
11. What else would make it easier to save for a child's education?
  - ◇ What about an employment payroll deduction program?
  - ◇ Being able to allocate tax refunds automatically?
  - ◇ Anything else?
  
12. One way for the federal government to help parents to enrol in the CESG and CLB would be by rolling up the steps in the process and government doing it all for you if you simply indicate on an application form that this is what you want the government to do for you. In this scenario, as soon as you tell the government to go ahead on your behalf, an RESP would automatically be opened for a child with a pre-selected financial institution and the Bond deposited if parents are below a certain household income cut off. They would also be enrolled in the CESG so that

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<sup>8</sup> The CLB is an additional grant paid directly into the RESP of children eligible to receive the National Child Benefit Supplement (NCBS) in low-income families, and includes an initial payment of \$500 plus \$100 a year for up to 15 years (as long as they receive the NCBS).

any money that they deposited into the RESP would immediately be matched with 40 cents on each dollar.

- ◇ Do you think that parents would prefer to have this done for them if they simply tell the government to go ahead on their behalf?
- ◇ Do you think that parents would feel uneasy about letting the government act on their behalf in this way?
- ◇ What do you think that you would want to know about RESPs and the CESG and CLB in order to tell the government to go ahead and act on your behalf?
- ◇ How do you think that this would be best explained to you so that you would feel comfortable with it?
- ◇ How important is it to you to be able to select your own financial institution and the savings instruments in which you would invest (e.g. mutual funds, GICs, savings bonds, etc.)

## 5. BARRIERS TO ENROLMENT

13. What would you say are the primary reasons that parents find it difficult to open an RESP and enrol in the CESG?
14. How do your plans or expectations for your child's future education play into the decision?
  - ◇ Worry about child not going – risk of opening and losing? better to wait and see when child is older (10-12) before starting to save?
15. Do you expect that your child will find other ways to finance their post-secondary education (loans, grants and scholarships)?
  - ◇ Does this make you more or less likely to save into an RESP? Why? (Probe for whether this is a built in reason not to worry about saving)
  - ◇ Do you think that if you save, your child will be eligible for less money in government grants and loans later on? Is this a concern for you? Is it something that you think the government should change, if it were the case)?
  - ◇ How much do you think that it will cost for your child to complete a post-secondary certificate or degree?
16. Did you look into it enough to know if you feel comfortable with and trusting of the group/company/bank that you could have an RESP with? If not, do you generally feel comfortable with your bank?
  - ◇ Comfortable (asking questions, getting answers)
  - ◇ Trust them (e.g., hidden fees and conditions that may surprise or trap you later)?
  - ◇ Good interest return?

## 6. VIEWS ON SAVING EARLY (15 MINUTES)

17. How important is it to start saving early for a child's post-secondary education? What age is the best time to start? Why?
18. Do you expect your child to go to college or university?
- ◇ Do you think that if your child grows up knowing that they are expected to, he or she will be more likely to continue their education?
  - ◇ Do you think that if your child grows up knowing that you are saving, he or she will be more likely to continue their education or do you think that it won't make a difference?
19. What is compound interest? What does that mean and how does it work? Do you think that in general, parents understand that as a result of compound interest, they can have a much larger investment for their child's post-secondary education if they start early? And do you think that it motivates parents to start saving earlier or do you think that it doesn't make a difference?

## 7. INFORMATION NEEDS (15 MINUTES)

20. What type of information do you think that parents need to help them understand and enroll in an RESP and the CESG?
- ◇ What information is needed about these products?
  - ◇ What information is needed about the steps to take to get started?
21. What other type of information would you like to have (e.g., about compound interest, the importance of starting early, fee comparisons, etc.)
22. Where would you prefer to get this information? Why? Who else would you trust to give you good information? From the government – which level? Schools? Banks? Community groups/churches? Others?
- ◇ How would you like to get this information? From brochures, pamphlets, in the mail, from the internet, on posters/billboards, on TV?
  - ◇ When do you think parents need to get this information? When in your child's life is the best time to get this information? When is early enough (when do you think that parents are most receptive to the information, so that it is not seen as too early or too late)?

## 8. WRAP-UP (2 MINUTES)

- ◇ Do you have anything else you would like to add about what we've talked about?  
On behalf of the Government of Canada I want to thank you for your time and insights.