



**EDUCATION SAVINGS BAROMETER – FACTSHEET**

**Financial Planning for Back to School**

It’s back to school! Source of excitement for some and of stress for others, but always a season that involves expenses. In **2018, parents in Quebec spent an average \$872<sup>1</sup>** per child for school supplies and tuition, all education levels combined (pre-school to university). The cost has therefore declined since 2017 (\$1,106<sup>2</sup>) and 2016 (\$921<sup>3</sup>). We’d like to think our quick tips for back to school savings had something to do with it! ;-)

If 65% of parents save ahead for post-secondary education, not many do so for back to school specifically. More than half of parents (55%) tapped directly into their bank accounts to cover these expenses, while only 18% had set money aside for the new school year.

Families with children in older age groups (6 to 17 years) save the most for back to school. This comes as no surprise since the general trend for the past three years shows that the older the child, the bigger the bill. Paradoxically, there was a decrease in school expenses for these age groups, while costs for the youngest children increased.

According to the parents surveyed, back to school costs totalled:

	2018	2017	2016
<b>For children aged 0-5 years</b>	\$584 <span>+6.4%</span>	\$549	\$438
<b>6-11 years</b>	\$730 <span>-18.3%</span>	\$895	\$862
<b>12-17 years</b>	\$1,229 <span>-15.8%</span>	\$1,460	\$1,363

Since these numbers represent expenses for one child only, it’s easy to understand that a new school year can become a financial nightmare for families with several children.

**Savings tips for back to school season**

- 1. Give forgotten supplies a second life.** Who doesn’t have a junk drawer filled with a random assortment of pens, pencils and other forgotten items. Now would be the perfect time to sort through everything: keep what still works, throw away junk and recycle what you can. Just because a pen isn’t brand new or a ruler has a stain on it doesn’t mean they don’t work perfectly fine! Your children might even enjoy discovering all these lost gems; why not turn their list of school supplies into a treasure hunt!
- 2. Use second-hand items.** Friends, family or the internet are all good starting points to find second-hand school supplies such as binders, pencil cases, compasses, calculators, books, lab aprons. Don’t hesitate to visit local thrift shops, flea markets, community centres, etc. You can even make labeling a DIY project with your kids to personalize and decorate their supplies.

<sup>1</sup> Education Savings Barometer 2019: a web panel survey conducted in collaboration with the CROP polling firm from November 8-26, 2018, using a sample of 1,030 Quebec residents.

<sup>2</sup> Universitas Barometer 2018: a web panel survey conducted in collaboration with the CROP polling firm from November 8-26, 2018, using a sample of 1,032 Quebec residents.

<sup>3</sup> Universitas Barometer 2017: a web panel survey conducted in collaboration with the CROP polling firm from November 8-26, 2018, using a sample of 1,000 Quebec residents.

3. **Be on the lookout for sales.** You can save big if you take the time to compare flyers. Remember to double-check what you really need first and to buy in small quantities. Bulk purchases can give you the impression you're saving, but excess amounts are likely to end up in the "drawer of oblivion" (refer to tip no. 1), which is not financially advantageous after all. Don't snub liquidation stores, where you can find good items at low prices. Although you might stumble upon supplies of lesser quality (e.g. thinner sheets), most will be as good as anywhere else (geometry kit, binder, glue, etc.)
4. **Set ground rules.** Ideally, you should go shopping for school supplies without your child. But if you don't have any other choice, set clear limits upfront: he or she can pick only one item, for example. Be wise, don't bring your little devil to the most expensive stores!
5. **Shop online.** For the items you don't find second-hand, you can shop online: you'll be less tempted to buy more ("just in case"). Carefully go over your supply list and identify what's missing—and, most of all, what you really need—and get it online. You'll avoid both temptation and the back to school crowds!

### Anticipating the costs of post-secondary education

For 75% of parents, it's very important that their child pursue post-secondary education, and they're more concerned about financing this education than last year (6-point increase). **On average, parents estimate their child's post-secondary education will cost \$28,780<sup>1</sup>.** Yet, the cost for two years of Cegep and three years of university in Quebec amounts to \$41,000<sup>4</sup>, excluding housing expenses. This number could hike up to \$55,000 in 20 years (still excluding housing).

It's therefore essential, now more than ever, to save ahead... the sooner the better.

While the average amount saved per year for post-secondary education has remained stable since 2016 (around \$1,200<sup>1</sup>), **more than half the parents who aren't saving cite lack of financial means as the main cause**—and 34% say they're thinking about saving in the future.

It's important to keep in mind that by **investing early** in a registered education savings plan (RESP), families can fully benefit from [generous government grants](#) reaching up to \$12,800<sup>5</sup> per child (depending on family income). Low-income families receive the highest percentage of government grants, and eligible families can even open a [no-charge RESP](#) to receive the Canada Learning Bond (CLB)<sup>5</sup>, a grant that can reach up to \$2,000 per child!

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<sup>4</sup> Source: Estimated cost to complete two years of Cegep and three years of university in Quebec, housing expenses excluded. Yearly increase of 1.2%. Sources: *ministère de l'Éducation et de l'Enseignement supérieur*, *ministère de la Famille*, Statistics Canada, Canada Mortgage and Housing Corporation (CMHC).

<sup>5</sup> The Canada Education Savings Grant (CESG) rate is 20% to 40% and the Quebec Education Savings Incentive (QESI) rate is 10% to 20%. Based on adjusted family net income. The annual limit for the CESG is set at \$600 and at \$300 for the QESI. The lifetime limit in CESG is set at \$7,200 per beneficiary and at \$3,600 for the QESI. The Canada Learning Bond (CLB) is up to \$2,000 per beneficiary and is offered for children born after December 31, 2003, from families who meet the financial criteria. Certain conditions apply. See our prospectus.