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MORE THAN \$210 MILLION IN EDUCATION FUNDS PAID OUT BY GROUP R.E.S.P. DEALERS IN 2010-11

Over 1.4 million group savings plans in existence in Canada

TORONTO, ON - Four of the leading providers of group Registered Education Savings Plans in Canada delivered an impressive \$210,282,309 dollars in Education Assistance Payments to more than 98,000 post-secondary students across Canada in the twelve months ending October 31st, 2011. Additionally, nearly 90,000 new plans were established in the same time period, bringing the total number of group plans currently managed by these companies to just over 1.4 million.

The numbers were tallied by the Registered Education Savings Plan Dealers Association of Canada (RESPDAC), of which all four companies are members. They include C.S.T. Consultants Inc., Heritage Education Funds Inc., Knowledge First Financial Inc., and Universitas Management Inc. Together, these organizations represent over 85% of the total assets under management in group RESPs in Canada.

"These are impressive numbers, especially in view of the current economy," said Peter Lewis, Chair of RESPDAC. "Canadian families are clearly understanding the need for higher education to help ensure future success and economic well-being for their children. And with the cost of post-secondary education rising steadily each year, it's increasingly more important for families to begin saving as early as possible in a child's life."

Post-secondary education has become a much greater priority for Canadian students over the last several years. A recent study by the Canadian Council on Learning concluded that Canada needs 70 per cent of its workforce to have a post-secondary education by 2016. Yet the cost of college or university education has also become a greater challenge for students and their parents, continually outpacing the rate of general inflation.

According to Statistics Canada, average undergraduate tuition fees in Canadian universities are \$5,366 in the 2011/12 academic year, not including residence and other living costs. For a child born in 2010, it's estimated that a four-year university course, beginning in 2028, will cost between \$85,000 - \$136,000 depending on whether the child lives at home or away.

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R.E.S.P. DEALERS PAY OUT OVER \$210 MILLION cont'd. **2.**

As daunting as those numbers seem, however, investing in RESPs is at least one method of making the post-secondary experience more accessible for the average Canadian family. The members of RESPDAC all provide *group* education savings plans, in which a family's contributions are pooled with those of other investors. The cumulative funds are invested in secure, conservative, interest-bearing securities.

Families can also benefit from the federal government's Canada Education Savings Grant, which can add up to \$500 per year in additional savings, depending on the size of the investor's contribution and the family income. There's also the Canada Learning Bond, which applies to low-income families who qualify for the National Child Benefit Supplement. Additionally, some provinces have introduced their own programs to assist families to save for post-secondary studies.

"According to Statistics Canada, roughly 70% of Canadian families are saving for post-secondary education, and over 65 percent of those families do so through an RESP," said Mr. Lewis. "Those are very positive numbers, and all of us in the RESP Dealers Association are gratified Canadians are viewing RESPs as a necessary and integral part of their financial planning.

"And we're equally proud of the students who graduate and go on to contribute to Canadian society, thanks to the post-secondary education they've received."

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