



Employment and  
Social Development Canada

Emploi et  
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Service  
Canada



# Canada Learning Bond for Adult Beneficiaries

Canadian Association of Student  
Financial Aid Administrators

June 14, 2022

# Purpose

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- Discuss the Canada Education Savings Program, and highlight the Government of Canada education savings incentives helping Canadians pay for the costs of a child's education after high school.
- Solicit your help in raising of awareness of the **Canada Learning Bond for Adult Beneficiaries**, and highlight opportunities to work together to help eligible youth (18-20) access unclaimed funds, which can be used to pay for their post-secondary education.



# Overview

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- Canada Education Savings Program (CESP)
  - Registered Education Savings Program (RESP)
  - Canada Education Savings Grants (CESG)
  - Canada Learning Bond (CLB)
- Education Savings in Canada
- Canada Learning Bond for Adult Beneficiaries
- What we do and current priorities moving forward
- What others have done
- What we can do together
- Discussion and possible next steps



# Registered Education Savings Plans

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- The Government of Canada encourages the use of RESPs to save for the post-secondary education of a child, including:
  - trade school;
  - college or CEGEP;
  - University; or,
  - apprenticeship program.
- Money saved in an RESP can be used to cover the range of expenses related to the participation in full- or part-time studies, such as transportation, housing, and equipment, in addition to the costs of tuition. RESPs do not impact federal grant and loan eligibility or amounts received.
- RESPs must be opened with a participating bank or credit union, financial planner, scholarship plan dealer, or an insurance company.
- Anyone can open an RESP, and save for the future education of a child.



# Canada Education Savings Grant

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- Consists of **20% amount of grant on the first \$2,500** in annual personal contributions to an RESP, for a **maximum of \$500 per year**,\* available to all eligible children regardless of family income. Also provides an additional :
  - 10% on the first \$500 of annual personal contributions for children from families *with an adjusted income between \$46,605 and \$93,208*; or
  - 20% on the first \$500 of annual personal contributions for children from families *with an adjusted income of \$46,605 or less*.
- Payable to age 17. The maximum lifetime amount of the CESG, including the additional amount of grant, is **\$7,200**.

## Eligibility criteria:

- Be resident of Canada
- Have a valid Social Insurance Number
- Be named as a beneficiary to an RESP
- Have a contribution made to an RESP on their behalf



# Canada Learning Bond

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- **An initial payment of \$500** into an RESP for children of low-income families, and **additional payments of \$100 for each** year of eligibility, for a maximum of \$2,000.\*
  - Primary caregivers or their cohabiting spouse or common-law partner must request the CLB on behalf of an eligible child.
  - Children in care, for whom a *Children's Special Allowance* is payable, are eligible for the CLB.
  - **The CLB is retroactive.** When an RESP is opened and the CLB is requested, all years of past eligibility are assessed and paid into the RESP at once.

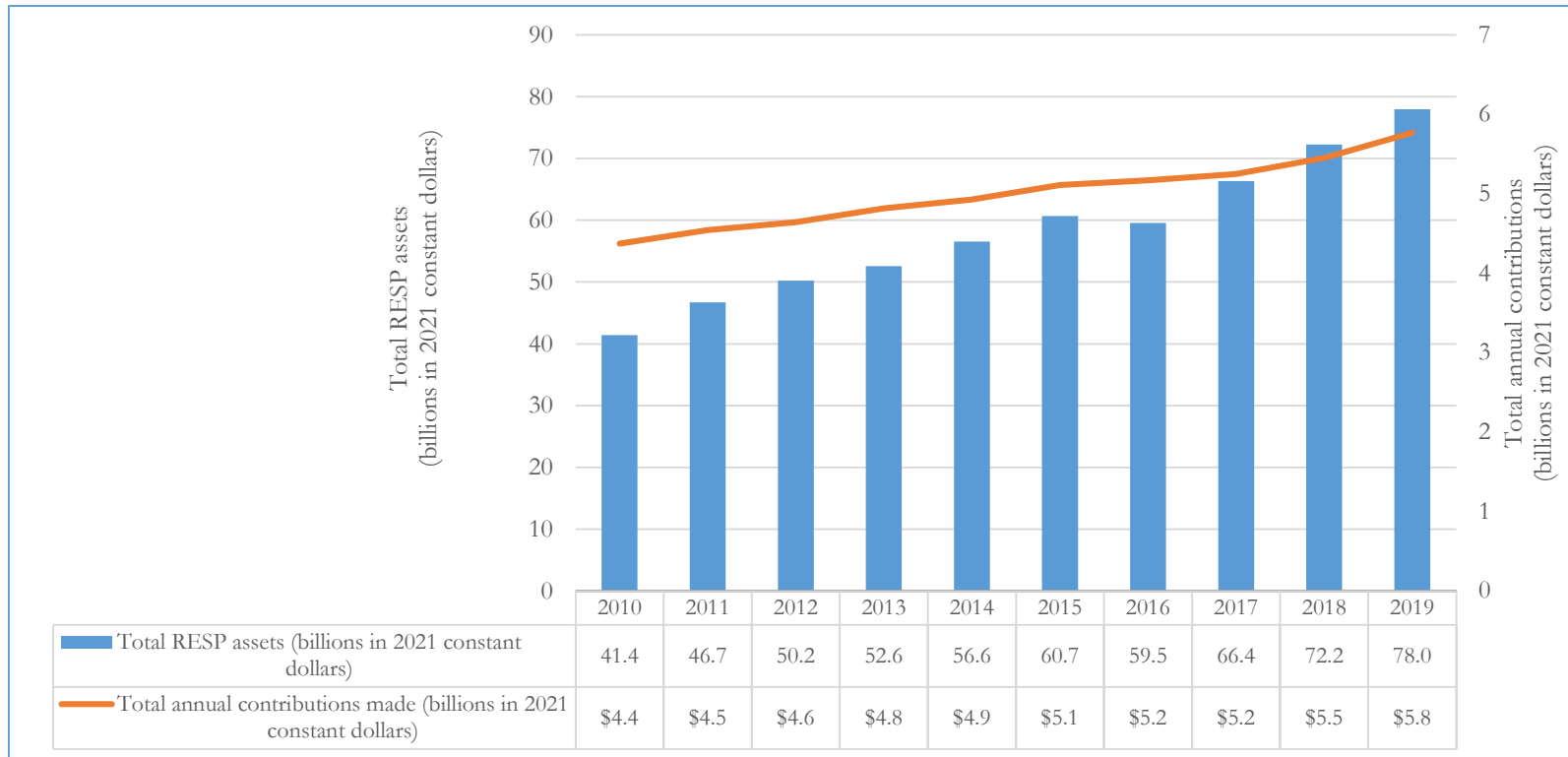
Eligibility is based on the:

- number of qualified children in the family, and
- adjusted income of the primary caregiver, including the income of a cohabiting spouse or common-law partner

**\*Personal contributions into an RESP are not required to receive the CLB.**



# RESP Assets



- Average contribution to an RESP was **\$1,635** per child in 2020
- Average contribution to an RESP attracting CLB was **\$1,230** in 2020



# Benefits of Education Savings in RESPs

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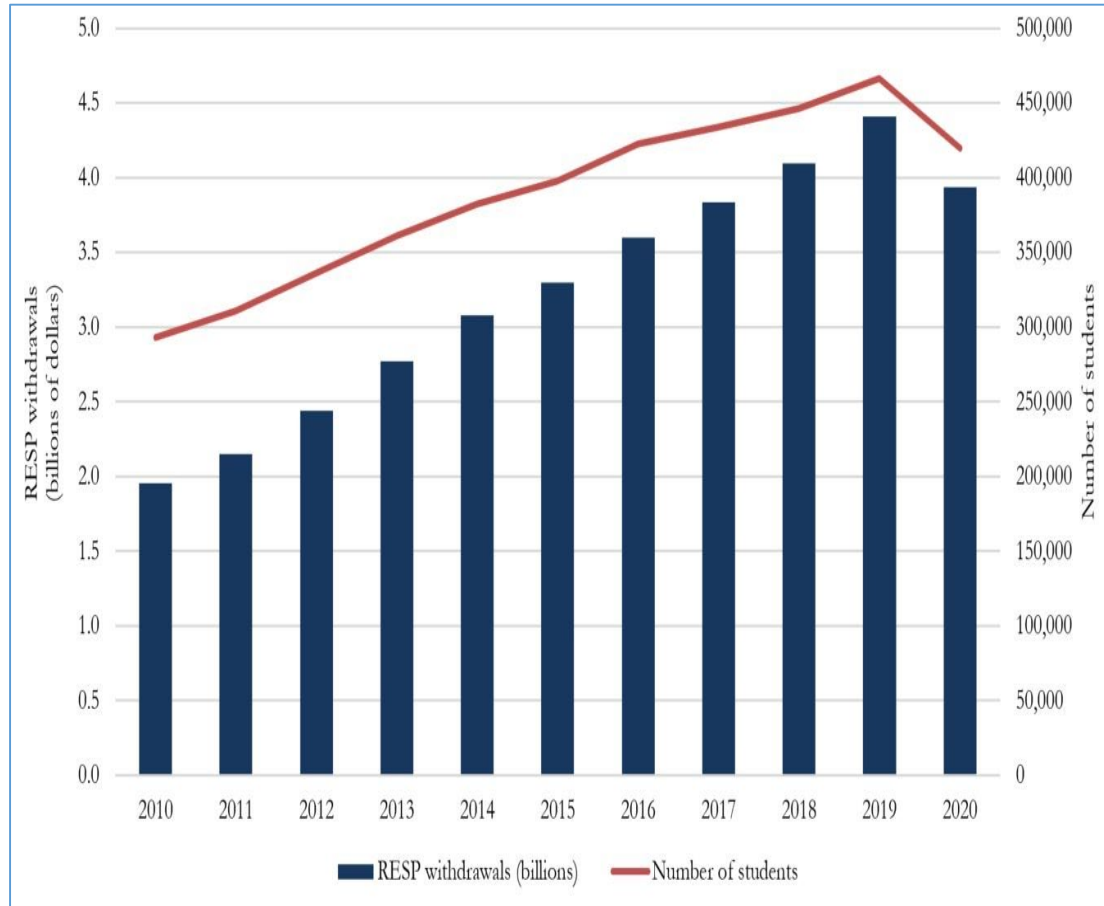
- **Between 2020 and 2028, two thirds of Canadian jobs will require some form of PSE.** By offering education savings incentives, the Government of Canada is investing in a skilled and innovative workforce of tomorrow.
- **Helping more families with low and middle incomes save for their children's PSE contributes to reducing barriers to higher learning and student-debt levels.** Having an RESP has already been shown to boost PSE enrolment by 5.9 percentage points, even after socioeconomic characteristics were taken into account.\*
- **Early planning and savings pays.** Over 2010-2020, the average return (4.2%) and compounded annual growth rate (3.7%) outpaced inflation (1.7%), therefore encouraging Canadians to invest in RESPs.

*\*Frenette (2017) Investments in Registered Education Savings Plans and Postsecondary Attendance*





# Education Savings in Canada



In 2020,

- **419,898 students**, including **123,805** from low- and middle- income families, withdrew **\$3.9 billion** from RESPs .
- average RESP withdrawal was **\$9,375** per student.

Source:

**Canada Education Savings Program: 2020 Annual Statistical Review.** <https://www.canada.ca/en/employment-social-development/services/student-financial-aid/education-savings/reports/statistical-review.html>

## Canada Learning Bond - Adult Beneficiaries

- Eligible youth not receiving the CLB in an RESP can take the steps to apply for the incentive for themselves as soon as they turn 18, including an opening RESPs on their own. **They have until the day before they turn 21 to apply.**
- As of January 2022, 270,000 individuals born in 2004 have been eligible for the CLB at least once. Among them, 148,000 are eligible for at least \$500 but never claimed CLB yet, with the average being \$1,300. This represents approximately \$192M in 2022.

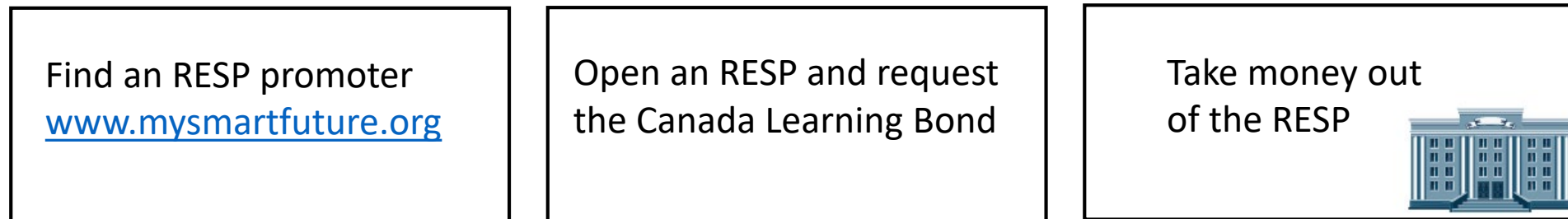
Province Code	Count of Children	CLB Entitlement (millions)
AB	19,554	\$23.99
BC	17,342	\$21.93
MB	7,188	\$10.89
NB	3,146	\$4.46
NL	2,454	\$3.36
NS	4,355	\$6.17
NT	312	\$0.41
NU	549	\$0.78
ON	55,603	\$71.44
PE	749	\$0.99
QC	27,852	\$37.00
SK	6,740	\$10.07
YT	175	\$0.23



# You could be eligible for the Canada Learning Bond, if...



## The steps are simple.



# Challenges

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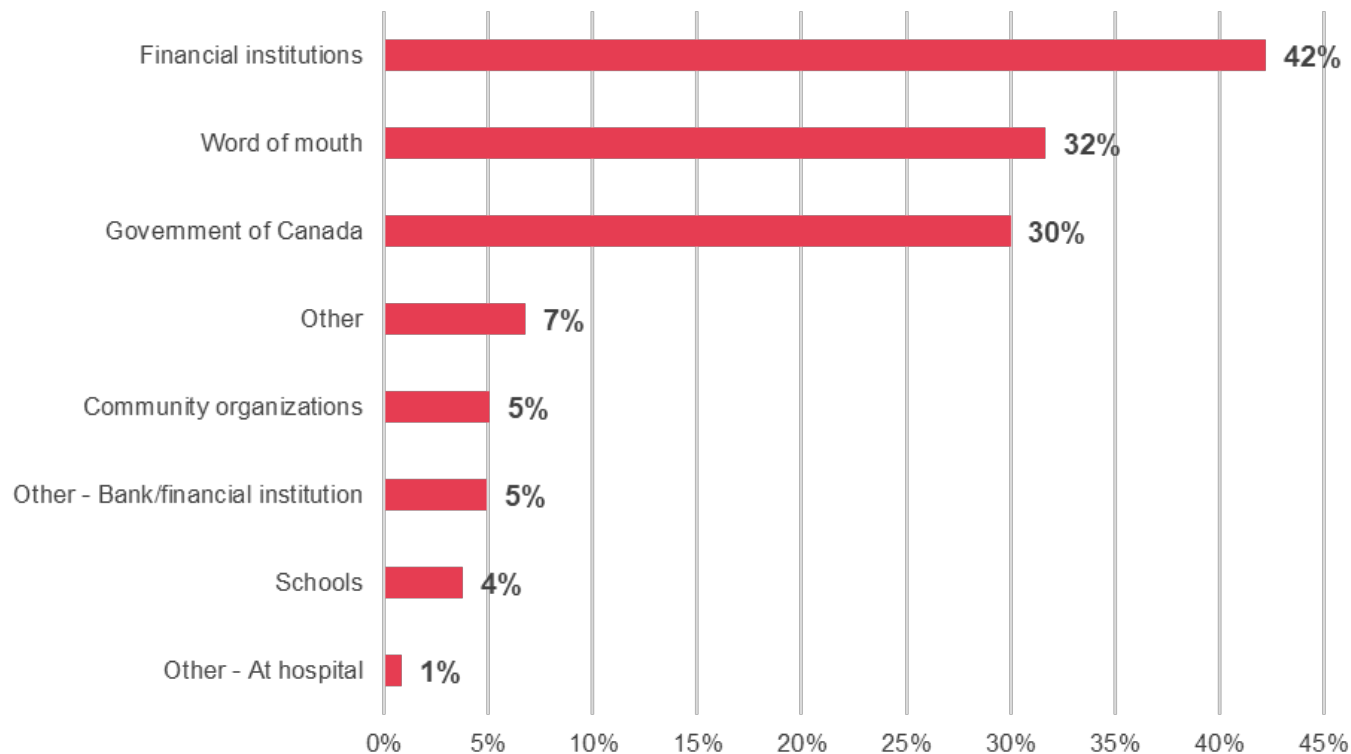
- In 2020, **2.2 million children** were eligible for the CLB, but did not receive the CLB – leaving, at minimum, \$1.1B on the table.
  - 13% of Indigenous households have education savings in an RESPs\*
- Challenges to opening an RESP and accessing the education savings incentives include:
  - tax filing among lower-income Canadians
  - a lack of foundational documents (e.g., SINs)
  - application process complexity, and gaps in financial literacy and awareness-levels
  - access to, and trust in, financial services, particularly in rural, remote and isolated communities areas
  - Impact of the pandemic on place-based supported enrolment models and the need to move supports and services online

*\*Statistics Canada's Survey of Financial Security Public Use Microdata (2016)*



# People learn about federal education savings programs through a variety of media

**Figure 1:** How did respondents learn about the CESG/CLB?



- The most common place parents learned about federal education savings incentives was at **financial institutions**.
- Parents also commonly became aware of the programs through word of mouth and Government of Canada information.

Source: 2020 Survey of Approaches to Educational Planning (SAEP)



# What we do?

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## Community Engagement and Stakeholder Relations

- Canada Learning Bond Champions Network
- Network of Community-based projects
- Thematic Working Groups

## Outreach to Canadians and Communications Activities

- Direct mailings to Primary Caregivers of eligible children
- [Canada.ca/education-savings](https://Canada.ca/education-savings)
- Social media

## Development and Dissemination of Tools and Resources

- Brochures and Infographics
- Online resources

## Awareness Initiatives and Promotional Activities

- Education Savings Week
- Annual conferences and regional, stakeholder meetings



**18 TO 20 YEARS OLD?  
NOT SURE HOW TO  
PAY FOR THE COST  
OF EDUCATION AFTER  
HIGH SCHOOL?**



**YOU COULD GET UP TO \$2,000 WITH  
THE CANADA LEARNING BOND**

#### Learn More About the Canada Learning Bond

The Canada Learning Bond is money that the Government of Canada adds to a Registered Education Savings Plan (RESP) to help pay the costs of full- or part-time studies after high school.

If you are eligible for the Canada Learning Bond and have not already received it in an RESP, you will receive \$500 deposited into your RESP, plus an additional \$100 for every subsequent year that you were eligible, up to the age of 15. This money can help cover the costs of tuition, books, tools, transportation, and housing.

You do not need to put any money into the RESP to receive the Canada Learning Bond.

#### Request the Canada Learning Bond for Yourself

If you were born on or after January 1, 2004, you can apply for the Canada Learning Bond as soon as you turn 18. You have up until the day before you turn 21 to apply. You will need your Social Insurance Number to apply:

- ▶ **STEP 1**  
Find an RESP promoter that offers the Canada Learning Bond and open an RESP. Some offer options to open an RESP online, over the phone, or in-person. For a list of participating RESP promoters, go to [www.canada.ca/list-resp-promoters](http://www.canada.ca/list-resp-promoters).
- ▶ **STEP 2**  
Request the Canada Learning Bond from your RESP promoter – if you are eligible, the Government of Canada will deposit the Canada Learning Bond funds into your RESP.
- ▶ **STEP 3**  
Take money out of the RESP for education-related expenses.

LEARN MORE

**WEB** [canada.ca/education-savings](http://canada.ca/education-savings)  
**CALL** 1-800-O-Canada (1-800-622-6232)  
**TTY** 1-800-926-9105  
**VISIT** a Service Canada Centre near you

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## CANADA LEARNING BOND

18 TO 20 YEARS OLD?



NOT SURE HOW TO PAY FOR THE COST  
OF EDUCATION AFTER HIGH SCHOOL?

**The Government of Canada can help**



You could get up to  
**\$2,000**  
with the Canada Learning  
Bond for your education  
after high school



**2/3**  
About two-thirds of  
those born in 2004 or  
after are eligible for  
at least \$500



No contributions  
are necessary

**You can apply for the Canada Learning Bond as soon as you turn 18  
You have up until the day before you turn 21 to apply**

If you are eligible for the Canada  
Learning Bond, you will receive

**\$500**  
deposited into your  
Registered Education  
Savings Plan (RESP)



an additional  
**\$100**  
for every year you  
were eligible up to  
the age of 15



**YOU COULD  
RECEIVE UP TO  
\$2,000  
TOTAL!**

#### YOU COULD BE ELIGIBLE IF

You were born on or  
after Jan. 1, 2004



You are a resident  
of Canada



You have a valid  
Social Insurance  
Number (SIN)



Your family income met  
the eligibility criteria  
for at least one year\*



\*Go to [www.canada.ca/education-savings](http://www.canada.ca/education-savings) for more details.

[canada.ca/education-savings](http://canada.ca/education-savings)

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**Canada**



# Current Priorities

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- Investments of approximately \$5.3M over 3 years to fund 12 projects from community-based organizations exploring new and innovative approaches to reach potential beneficiaries, particularly among Indigenous Peoples and harder-to-reach populations.
  - Redevelopment of the Canada Education Savings Program online presence ([www.Canada.ca/education-savings](http://www.Canada.ca/education-savings))
  - Translation of resources in non-official languages
- Youth transitioning to and in PSE, as well as education sector, including secondary and post-secondary institutions
  - PCGs of low-income households, and public primary caregivers receiving *Special Child Allowance*
  - Indigenous youth and caregivers, those living in rural, remote and isolated communities, and other underserved population groups.





# What others are doing

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- **University of New Brunswick**
  - Working with NB high school guidance counsellors.
  - Presentations to 1<sup>st</sup> year students and their parents.
- **7 Oaks School Division**
  - Testing a supported enrollment model for youth transitioning to post-secondary education. Leveraging CLB Ambassadors, embedding RESPs and the CLB in programming and building on its relationship with a Northern Indigenous community.
- **St-Lawrence College in Kingston, ON**
  - Held a design competition with students on applying behavioural economics approaches to increase CLB participation in the Kingston area.



# What others are doing – Vancouver Island University

“VIU is committed to making post-secondary education accessible to all children in BC. The Canada Learning Bond is one way that families can remove financial barriers to a post-secondary education for their children. Our aim is to increase awareness of the program and more specifically to get many more eligible families signed up for this free education money.”

## VIU Main Menu

### Canada Learning Bond

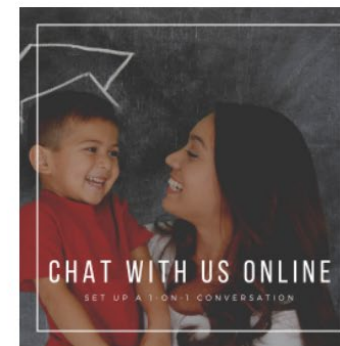
[What is the Canada Learning Bond?](#)

[The Details](#)

[VIU's Role](#)

[Additional Resources](#)

[BCTESG](#)



# Opportunities for Collaboration / Action

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- Develop and disseminate targeted information and resources for:
  - **Students, university staff, and under-represented groups**
- Raise awareness among networks on the Canada Learning Bond for Adult Beneficiaries.
- Share information on the opening of an RESP and requesting of the CLB for an eligible adult beneficiary; e.g., communication channels, such as website and social media.
- Collaborative approaches promoting education savings and raising awareness of, and access to, the education savings incentives; e.g., collaborative mailings
- Online, point of service, client-centric solutions providing opportunities to learn about, and open, RESPs, as means of access.
- Participate in a student financial aid working group to explore approaches and develop tools to raise awareness of the CLB.



## In short...

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- Many youth who are eligible for the CLB do not have it.
- The first cohort just turned 18 in January 2022. They are just beginning their post secondary education.
- They only have a window from age 18 to 20 to apply for and get the CLB themselves.
- But they need to be made aware of the CLB for Adult Beneficiaries.
- Once they turn 21, it will be too late.

**We need your help to ensure  
they don't miss this “money on the table”**



## Questions for discussion:

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- Would your students want to know about this?
- What is best way to reach the students? Will they take the steps required?
- What will/will not work?
- What can you do?
- How can we support you?
- Who should we be partnering with?

**Contact us and we can start working with you to provide the materials and supports you require.**



# Contact us

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- **CESP website**
  - [Canada.ca/education-savings](https://Canada.ca/education-savings)
- **CESP mailbox**
  - [CESP-PCEE-OUTREACH-SENSIBILISATION@hrsdc-rhdcc.gc.ca](mailto:CESP-PCEE-OUTREACH-SENSIBILISATION@hrsdc-rhdcc.gc.ca)

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