

BMO Annual Student Survey: Cost of Post-Secondary Education a Family Affair

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Marketwire

Majority of students and parents agree they should share responsibility of education costs, but with strings attached - One in three parents expect repayment from their child for post-secondary education in 2-5 years - Most parents (51 per cent) are willing to go into debt to fund their children's post-secondary education - Parents paying for their child's education expect control and visibility over their children's post-secondary affairs; nearly one-third of students disagree.

The majority of Canadian university and college students (54 per cent) and their parents (65 per cent) agree that the cost of a post-secondary education, which is currently upwards of \$50,000, should be split between parents and kids.

As another school year gets underway, a BMO survey on education costs released today shows half of parents (54 per cent) think they should pay 25-50 per cent of their child's post-secondary education, with 43 per cent of students in agreement. One in three students (31 per cent) say it is their own responsibility to foot the entire education bill.

The survey, conducted by Leger Marketing, surveyed both post-secondary students and their parents to determine how the education bill should be shared and managed, also found:

- One-third of parents expect to be repaid for costs associated with their child's education within 2-5 years, while 25 per cent say 5-7 years.
- Fifty-one per cent of parents are prepared to go into debt to fund their child's education; 40 per cent are not.
- Only one-third of parents and students (36 per cent) say they have worked out a budget before school starts, while 68 per cent of parents say they have left the responsibility of money management to their child.

"Attending university or college is a hefty investment, so it's essential that students and parents are on the same page when it comes to funding a post-secondary education," said Su McVey, Vice President, BMO Bank of Montreal. "Leveraging Registered Education Savings Plans – which both parents and grandparents can contribute to – and student loans can help pay for tuition. Beyond that, parents and students need to work together to establish a comprehensive budget

ahead of the school year to manage ongoing expenses."

Ms. McVey added that part of this process is eliminating non-essential expenses, which for students includes bank fees. She points to BMO SmartSteps for Students, a program designed to provide useful ideas to help students stay on top of their money, as well as other online tools such as BMO MoneyLogic.