Financial Planning for Postsecondary Education in Canada: A Comparison of Savings and Savings Instruments Employed Across Aspiration Groups

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Canadians have experienced a reduction in government funding toward postsecondary education over the past ten years, as well as a shift in student-support policies. Historically, paying the costs of postsecondary education in Canada has been a responsibility shared by the state, and students and parents. Changes in government policy have forced families to assume a greater share of their children's postsecondary costs and have required a shift in their educational planning priorities. There is a corresponding need on the part of policy researchers to better understand this reorientation. The purpose of this paper is to document how parents save for higher education in relation to the educational aspirations they hold for their children (i.e., community college, trade school, or university). The analysis compares the effect of selected sociodemographic factors on parents' savings and use of savings instruments across community college, trade school, and university aspiration categories.

In the last decade, Canadians have witnessed both an erosion of government funding to universities, community colleges, and trade schools, and a marked shift in student-support policies. In Canada, postsecondary education has been a shared responsibility of the state (through tax dollars) and students and parents (through savings) (Clark, 1998). Students typically provided between 10-20 percent of the total direct costs of postsecondary education. Private costs for postsecondary education have consequently increased in relation to public costs (Plager & Chen, 1999). Private costs include not only dollars earned by individual students and their families but also borrowing direct loans and Registered Educational Savings Plan (RESP) prepayment schemes. It is clear that as a consequence of government policies, parents now must assume greater responsibility for financing their children's postsecondary education.

There is evidence that parents acknowledge the need for further education and training for their children (CMEC, 1999). They also increasingly view the transition from high school to postsecondary school as a competitive challenge. As funding for higher education decreases and enrollment demands increase, competition for admission to desirable institutions and programs

requires more careful preparation and planning (Sweet & Anisef, 2004).

Because families are now assuming a greater share of their children's postsecondary costs, they must shift their educational planning priorities. There is a corresponding need on the part of policy researchers to understand better this reorientation (Looker and Lowe, 2001). The purpose of this article is to document parents' financial savings, and the instruments they use to save, in relation to the educational aspirations they hold for their children.

For purposes of this article, educational aspirations are divided into two categories: parents holding community college/trade school aspirations and parents holding university aspirations for their children. Given the evidence that sociodemographic factors influence aspirations and determine financial capacity, this analysis compares the effect of these factors on parents' savings and use of savings instruments across the two aspiration categories.

Parents and Postsecondary Financial Planning

Parents and families have always been recognized as important players in the educational planning process (Seginer, 1983; Wentzel, 1998). Their contribution involves, first, providing the support and encouragement needed for their children to do well in elementary and secondary school and acquire a positive disposition toward continuing education and learning (Gladieux and Swail, 2000). Parents' more strategic role involves the formulation of educational aspirations in a planning process that optimally includes the child.

Parents differ in the educational aspirations they hold for their children and in their ability to convey these ambitions. Some promote vocational education while others favor a university education. The development of aspirations is linked to the mobilization of financial resources needed to achieve those goals (Hossler, Schmit, and Vesper, 1999). Each pathway differs in terms of the parents' financial commitment.

Parents' ability and motivation to marshal the necessary resources in support of their children's postsecondary goals is significantly influenced by particular social structures and family characteristics. Previous research has identified some of the factors that impede or facilitate educational planning and participation (Butlin, 1999; Looker and Lowe, 2001) including gender, family organization, ethnicity, region of residence (rural or urban), and socioeconomic status. Socioeconomic status in particular influences both parents' aspirations and their ability and willingness to provide the necessary financial support. Individuals who received from their parents some measure of financial support to attend postsecondary education are more likely to contribute to their children's education. This implies that access to postsecondary education is strengthened through

a process of generational transfer and is a powerful cultural and social phenomenon (Miller, 1997).

An analysis of parents' financial planning for their children's postsecondary education involves considering changes in government policy, an assessment of Canadian families' capacity and willingness to meet their increased financial responsibilities, and a review of the available savings plans. In 1977, the Canadian government agreed to give up 13.5 percentage points of personal income tax and one percentage point of corporate income tax to the provinces and territories. In other words, the government agreed to reduce its revenues so that the provinces and territories could increase theirs by exactly the same amount. The provinces responded to federal funding reductions with higher tuition costs and lower grants to universities and colleges which, in turn, significantly shifted the financial burden onto students and their families (Clift, Hawkey, and Vaughan, 1998; Bell and Jones, 2002).

In 1995, the government introduced the Canada Health and Social Transfer (CHST) program, which incorporated a lump-sum transfer of resources for postsecondary education, social welfare, and health. Over the next three years, this action resulted in a decline of federal funding to the provinces of $6.6 billion in cash and tax point transfers. Tax point transfers (also called "tax points" or "tax transfers") involve the Canadian government reducing its tax base and making these funds available to the provinces and territories.

Increases in tuition have led to growth in student loan use, and the rising average amount borrowed has led to increased difficulties in loan repayment. A student with $25,000 in debt at graduation will have loan payments of $323 a month for ten years.

During this shift, tuition increases varied considerably between provinces. (Note that for purposes of this article, we use the term "tuition" to refer to the cost of tuition and fees at the institution.) In 2001-2002, the average tuition in Canada was $3,452 with the province of Nova Scotia having the highest average ($4,732) and the province of Quebec ($1,912) the lowest. In terms of percentage change, average tuition has increased in Canada by 101.4 percent between 1991-1992 and 2001-2002. The province of Alberta had the greatest increase with 160.8 percent and Quebec the lowest increase at 46.1 percent (Bell and Anisef, 2002). Household expenditures for postsecondary education also rose significantly in British Columbia despite a tuition-freeze policy. The Canadian Association of University Teachers explain this as due, in part, to the high participation rates among younger, full-time students in universities and community colleges (CAUT, 1999a).

Increases in tuition have led to growth in student loan use, and the rising average amount borrowed has led to increased difficulties in loan repayment. A student with $25,000 in debt at graduation will have loan payments of $323 a month for ten years. Indenturing students in this way has a deleterious effect on the economy, because newly graduated students will have fewer resources to buy cars, houses, and other consumer goods. Furthermore, the prospect of significant

indebtedness discourages economically or socially disadvantaged individuals from participating in higher education (Bell, Plickert, and Anisef, 2000).

Throughout the 1990's, trends in household spending show increased expenditures related to education, reflecting the higher costs of postsecondary education (CAUT, 2000). Average household spending on education increased 40 percent between 1992 and 1998 while other domestic expenditures—e.g., food, clothing, transportation, health care, income tax—rose only 4 percent. Between 65 percent and 70 percent of education expenditures are for postsecondary education. The greatest single cost increase in postsecondary education came from tuition rising at the same time as a decline in family income (CAUT, 2000).

Less government funding for postsecondary institutions and greater individual responsibility for financing the costs of postsecondary education confers an advantage to wealthier families. It also favors those parents who are predisposed to engaging in the long-term financial planning required to gain access to institutions of higher education or advanced training (deBroucker and Lavallee, 1998; Sweet, Anisef & Lin, 2000).

Funding Plans Available to Canadian Parents

Parents may consider a variety of funding sources in planning their child's future education. First is the expectation that the child will work while in school and thereby contribute to educational costs.

Second are various direct forms of financial aid, such as institutional and government-sponsored scholarships, bursaries (need-based grants, generally used to cover living costs), awards, and loans**.**

Third, savings strategies available to parents include Registered Educational Savings Plans (RESPs), in-trust accounts, and Registered Retirement Savings Plans (where borrowing is allowed). RESPs tend to benefit financially advantaged families (CAUT, 1999b).

A recent Canadian government initiative is an educational savings plan designed to encourage families to invest in the future education of their children. Termed the Canadian Educational Savings Grant (CESG), this plan involves both parents and the government in an RESP-like savings arrangement. This program is in its beginning stages and it is too early to measure any effect it will have on postsecondary participation. Like any RESP instrument, the CESG can be effective only over a long period of time. To maximize these education dollars, even with the government as a partner, it is necessary to begin saving when the child is relatively young. This often presents a challenge to young families as it coincides with other significant spending priorities and the lower earning power of parents who are in the early stages of their careers.

The potential for inequality of opportunity in these state-initiated partnerships is a concern not only in Canada but also

in other countries. Similar 'investment' plans—for children and adults—have been contemplated or implemented in countries with advanced capitalist economies (Payne, 2000). The extent or nature of such plans and the manner in which they complement family policies have not been thoroughly studied, although some research efforts are underway to rectify matters (Mora, 1998; Bell and Jones, 2002). The lack of sustained research in this area is partly due to the inherent complexity of financial support policies, and those that involve the interplay of public and private (i.e., family) resources are even more difficult to study. Current Canadian research has focused on the structure and organization of the Canada Student Loan Plan (CSLP) or the difficulties students encounter in assuming large debt and in repaying their loans in an uncertain labor market (HRDC, 1998; Canada Millennium Scholarship Foundation, 2001).

Data Source and Working Samples

The data used in this study are from the Survey of Approaches to Educational Planning (SAEP), a Statistics Canada survey of 18,805 children in some 32,000 Canadian households, completed in fall 1999. The survey asked questions of each household and each child (up to a maximum of three children) in the household. In addition to a detailed outline of the educational savings plans and activities of parents, the survey elicited descriptions of the household, the parents' background, the family's use of community resources, the children's health and school performance, and the parents' interactions with the children. Questions were also asked about the parents' educational aspirations for their children.

This analysis uses two different subsamples defined by parents' postsecondary aspirations for their children (university or community college/trade); and savings status (savers vs. non-savers). Participants were asked whether they or anyone else in the household had ever saved for the child's postsecondary education, thus establishing their saving status as current savers or non-savers.

Presentation of Findings

The families described in this section represent a subset of those indicating they were current savers with actual dollar savings investments in their children's postsecondary education. Current savers represented 32.4 percent of the total weighted sample of 6,860,827 Canadians. The first part of this section describes the value of savings accumulated by parents for their children in terms of a number of demographic, social, and cultural factors (e.g., family structure, parental education). Although statistical controls for household income were employed in relation to these factors, adjusting the means on savings for household income produced no significant differences in the pattern of results. Therefore, Table 1 presents unadjusted means. Also, note that given the large number of ethnic categories and

resulting small cell sizes, it was not feasible to adjust means for mother's ethnicity.

The second part describes the savings instruments employed by parents in their savings plans. In Table 2 we present the types of savings plans used, including Registered Education Savings Plans (RESPs), Registered Retirement Savings Plans (RRSPs), "in-trust for" accounts, and other types of unspecified savings plans.

Dollar Amount of Parents' Savings

In this section, we assess the impact of sociodemographic factors on the average savings by Canadian parents with community college/trade school and university aspirations for their children.

Region. There is considerable variation in average savings by region within both aspiration groups. In both aspiration groups, average savings is highest in Ontario ($5,000 among parents indicating college/trade aspirations and $6,200 among parents expressing university aspirations). Within the community college/trade group, the lowest average savings occurs in Quebec ($3,600); the lowest average savings in the university aspirations group occurs in Atlantic Canada ($4,700).

Rural/Urban. Average total postsecondary savings are higher among those parents residing in urban rather than rural and remote areas of Canada in both aspiration categories, with the difference being greater among parents indicating community college/trade aspirations ($4,700 in urban and $3,800 in rural areas).

Household income has a direct effect on the average dollar savings for children's postsecondary education.

Household Income. Household income has a direct effect on the average dollar savings for children's postsecondary education. Among parents with university aspirations for their children, the average savings among households with at least $60,000 income is $7,300; among those with income ranging from $40,000 to $60,000, average savings is $4,200; and for households with income below $40,000, average savings is $4,000. Average savings are proportionally smaller among those parents with community college/trade aspiration for their children: $6,800, $3,500, and $3,000, respectively.

Family Structure. Among parents indicating community college/trade aspirations, higher average savings are available to two-parent families ($4,600) than to single-parent families ($3,400). This pattern is reversed for parents expressing university aspirations, with average savings in two-parent families of $5,800, and average savings in single-parent families of $6,200.

Table 1
Total Postsecondary Savings* by Aspiration Groups and Sociodemographic Variables

Sociodemographic Variables	Aspiration: Two-year College or Trade School–Family Has Savings				Aspiration: Four-year University–Family Has Savings			
	Mean	Median	Standard Error	*n*	Mean	Median	Standard Error	*n*
Region								
Atlantic	$3,700	$2,500	26	$ 22,314	$4,700	$3,000	16	$152,123
Quebec	3,600	2,000	14	76,274	5,300	3,000	19	306,502
Ontario	5,000	2,500	19	142,281	6,200	4,000	9	748,841
West	4,500	3,000	13	120,740	5,800	3,600	10	657,150
Rural/Urban								
Urban	4,700	3,000	12	262,136	5,900	3,500	7	1,589,017
Rural/Remote	3,800	2,100	14	99,473	5,100	3,000	13	275,599
Household Income								
$0-39,999	3,000	2,000	11	99,611	4,000	2,400	10	315,858
$40,000-59,999	3,500	2,500	10	117,941	4,200	2,900	8	485,996
$60,000 and up	6,800	4,200	23	115,971	7,300	4,200	11	963,170
Family Structure								
Two-parent	4,600	2,800	10	312,204	5,800	3,500	7	1,649,518
Single-parent	3,400	2,500	19	41,860	6,200	3,200	23	178,440
Other	#	#	#	3,924	#	#	#	14,640
Number of Children in Household								
One	5,900	3,000	28	84,091	5,900	4,000	11	439,853
Two	4,200	3,000	10	175,617	5,900	3,500	9	925,328
Three	3,800	2,000	15	70,914	5,900	4,000	17	367,568
Four or more	3,700	1,500	33	30,987	4,700	3,000	17	131,867
Gender								
Male	4,700	3,000	12	201,285	6,100	3,500	10	916,898
Female	4,100	2,400	14	160,324	5,600	3,500	8	947,718
Main Spoken Language								
English	4,700	3,000	12	269,349	6,000	3,600	7	1,401,819
French	3,800	2,400	16	73,174	5,000	2,700	22	256,600
Other	2,800	2,100	21	16,297	5,200	3,800	15	196,998
Mother's Ethnicity								
Canadian	4,000	2,300	264	123,786	5,400	3,000	199	488,079
Chinese	#	#	#	871	5,700	4,000	558	83,461
Dutch (Netherlands)	4,500	2,000	1,027	12,491	4,300	3,000	657	37,600
English	5,200	3,900	542	34,342	6,700	4,000	388	198,663
French	4,200	2,000	388	49,065	5,900	3,000	511	213,062
German	#	#	#	6,817	5,900	3,500	544	50,350
Irish	3,600	3,000	406	20,558	7,000	4,500	517	11,853
Italian	#	#	#	8,916	6,200	4,000	800	62,259
Jewish[1]	#	#	#	#	#	#	#	13,572
Aboriginal People	#	#	#	2,271	3,600	2,500	23	21,811
Polish	#	#	#	1,798	5,500	3,500	522	44,110
Scottish	4,400	3,000	419	31,428	5,500	3,500	326	120,672
South Asian	#	#	#	2,282	#	#	#	20,751
Ukrainian	5,300	4,000	806	11,769	5,700	3,500	472	50,019
Other	6,100	3,000	930	47,232	5,700	3,500	327	323,101
Parents' Education								
None with university-level	4,100	2,500	10	273,202	4,800	3,000	7	943,649
One with university-level	6,100	3,000	34	54,930	6,700	4,000	12	516,538
Both with university-level	5,000	3,700	30	24,563	7,600	4,000	21	357,256

[1]The Census of Canada reports "Jewish" as an ethnic or cultural identity.
 # Sample size < 30 observations.
**All amounts in Canadian dollars.*

Number of Children in the Household. Parents in the university aspiration category tend to have similar average postsecondary savings available for their children (approximately $5,900), regardless of the number of siblings in the family. The exception is families with four or more children, where the average is approximately $4,700. The average savings are more variable among parents with community college/trade school aspiration for their children, ranging from $3,700 in families with four or more children to $5,900 in families with only one child.

Main Language Spoken. Average savings for postsecondary education vary by main language spoken in the household, both within the community college/trade school and university aspiration categories. In each instance, greater average savings are available to those primarily speaking English in the household. In the university aspiration group, the average savings for those mainly speaking English is $6,000 and for those speaking mainly French, $5,000.

Mother's Ethnicity. There is considerable range in average savings among ethnic groups within the community college/trade school category but less so within the university category. Within the community college/trade school category the average savings by Canadians is generally lower than among European groups (excluding Italians and Irish). Jewish participants exclusively voiced university aspirations and only 10 percent of Chinese parents expressed college aspirations for their children.

In families where both parents have university degrees, nearly all are saving for their children's future university education.

Parents' Education. In families where both parents have university degrees, nearly all are saving for their children's future university education. The amount saved for postsecondary education is somewhat lower in families with one university-educated parent and substantially lower within families where neither parent attained a university-level education. By way of illustration, the average savings among families where both parents have attained a university-level education is $7,600, while families in which neither parent has attained a university-level education average $4,800.

Among parents with college aspirations for their child, this pattern also appears to hold when one refers to median savings. Although families with one university-educated parent have a lower level of mean savings than families in which no parents have a university degree, their saving is extremely variable and the median is perhaps a better guide.

Though the general pattern of savings remains similar after introducing household income as a control, in very few low- and middle-income households do *both* parents have a university level education. Consequently, average adjusted savings could be influenced by the low number of parents in these income categories.

Parents' Savings Instruments

In this section, we explore the impact of sociodemographic factors on the utilization of savings instruments for Canadians with college/trade school and university aspirations for their children. Table 2 reveals that respondents with university aspirations (2,272,135) are far more likely (84 percent) than respondents with college aspirations (334,584) to employ any one of the four savings instruments listed in saving for their children's postsecondary education. Similarly, 90 percent of all RESPs (1,128,949) are used by respondents with university aspirations (1,012,427). RESP use accounts for 42 percent of all savings instruments for respondents with any postsecondary education aspirations. Discussion in this section will center on examining the impact of structural factors on the use of savings instruments among respondents with university aspirations.

Region. The use of RESPs by respondents with university aspirations are fairly evenly deployed across regions of Canada, ranging from 43 percent in the West to 46 percent in Ontario. In Quebec there is considerably less reliance on the use of in-trust accounts (17 percent) and more frequent use of other savings plans (31 percent).

Rural/Urban. Respondents residing in urban areas of Canada and possessing university aspirations for their children are more likely (45 percent) to rely on RESPs as their preferred savings instrument than respondents in rural or remote areas of the country (40 percent). This distinction also holds for respondents with college aspirations. Rural respondents with university aspirations more heavily rely on in-trust accounts (29 percent) than urban respondents (23 percent).

Household Income. The use of RESPs appears to be disproportionately reserved for those Canadians with higher incomes. Among respondents with university aspirations, 49 percent of those with household incomes of $60,000 and more invest savings in RESPs, compared with only 39 percent of those with household incomes of less than $39,999. There do not appear to be variations in the use of RESPs by household income among those with community college or trade school aspirations.

Family Type. A greater proportion of respondents with university aspirations and living in two-parent families (46 percent) rely on RESPs than respondents in single-parent families (40 percent).

Number of Children. Among respondents with university aspirations, there was no discernible pattern between the number of children in the household and the use of RESPs; there is,

Table 2
Savings Instruments by Aspiration Groups and Sociodemographic Variables

Sociodemographic Variables	Aspiration: Two-year College or Trade School				Aspiration: Four-year University			
	Registered Education Savings Plans	Registered Retirement Savings Plans	"In-trust for" Account	Other Savings Plans	Registered Education Savings Plans	Registered Retirement Savings Plans	"In-trust for" Account	Other Savings Plans
Region								
Atlantic	7,263		7,936	8,005	82,063	14,505	45,608	42,211
	29%	#	32%	32%	45%	8%	25%	23%
Quebec	24,149		19,414	32,323	157,789	29,494	61,857	110,471
	31%	#	25%	41%	44%	8%	17%	31%
Ontario	52,675	20,130	46,709	77,142	433,149	51,913	230,503	230,510
	27%	10%	24%	39%	46%	5%	24%	24%
West	32,436	16,265	47,942	47,911	339,726	62,982	206,406	173,252
	22%	11%	33%	33%	43%	8%	26%	22%
Total	116,522	40,676	122,001	165,382	1,012,427	158,894	544,373	556,444
Rural/Urban								
Urban	88,540	28,575	80,736	125,715	878,469	134,982	448,298	474,823
	27%	9%	25%	39%	45%	7%	23%	25%
Rural/Remote	27,983	12,101	41,264	39,667	133,958	23,912	96,075	81,620
	23%	10%	34%	33%	40%	7%	29%	24%
Total	116,522	40,676	122,001	165,382	1,012,427	158,894	544,373	556,444
Household Income								
$0-39,999	32,470		27,897	45,839	148,204	25,815	104,722	101,769
	29%	#	25%	41%	39%	7%	28%	27%
$40,000-59,999	35,710	12,711	39,175	57,975	249,807	36,057	142,160	170,195
	25%	9%	27%	40%	42%	6%	24%	28%
$60,000 and up	40,292	15,541	37,781	50,299	558,852	90,357	255,737	241,075
	28%	11%	26%	35%	49%	8%	22%	21%
Total	108,473	33,268	104,853	154,112	956,864	152,228	502,619	513,040
Family Structure								
Two-parent	104,121	36,335	104,234	140,148	909,218	141,045	478,502	468,827
	27%	9%	27%	36%	46%	7%	24%	23%
Single-parent	12,328		15,644	20,380	89,416	9,650	50,659	76,488
	24%	#	30%	39%	40%	4%	22%	34%
Other	#	#	#	#	#	#	#	#
Total	116,449	40,308	120,423	162,143	1,007,388	153,152	533,995	550,766
Number of Children in Household								
One	21,758		31,654	36,793	218,355	32,855	125,606	134,847
	21%	#	31%	36%	43%	6%	25%	26%
Two	56,601	17,854	63,616	73,515	524,356	73,739	240,913	275,977
	27%	8%	30%	35%	47%	7%	22%	25%
Three	30,770	5,780	18,101	35,578	198,453	40,935	125,904	112,598
	34%	6%	20%	39%	42%	9%	26%	24%
Four or more				19,496	71,263		51,951	33,022
	#	#	#	49%	43%	#	31%	20%
Total	116,522	40,676	122,001	165,382	1,012,427	158,894	544,373	556,444
Gender								
Male	67,270	21,378	63,292	97,551	495,724	76,644	267,682	271,263
	27%	9%	25%	39%	45%	7%	24%	24%
Female	49,252	19,298	58,709	67,831	516,704	82,250	276,691	285,181
	25%	10%	30%	35%	45%	7%	24%	25%
Total	116,522	40,676	122,001	165,382	1,012,427	158,894	544,373	556,444

 # Sample size < 30 observations.
Row percentages may not total 100%.

Table 2
Savings Instruments by Aspiration Groups and Sociodemographic Variables (cont'd.)

Sociodemographic Variables	Aspiration: Two-year College or Trade School				Aspiration: Four-year University			
	Registered Education Savings Plans	Registered Retirement Savings Plans	"In-trust for" Account	Other Savings Plans	Registered Education Savings Plans	Registered Retirement Savings Plans	"In-trust for" Account	Other Savings Plans
Main Spoken Language								
English	89,077	36,796	97,326	126,049	718,375	119,549	458,320	413,926
	26%	11%	28%	36%	42%	7%	27%	24%
French	22,674		18,626	32,625	127,469	26,517	46,878	100,370
	29%	#	24%	42%	42%	9%	16%	33%
Other					158,547		37,482	39,697
	#	#	#	#	64%	#	15%	16%
Total	116,243	40,150	120,428	164,352	1,004,392	158,093	542,680	553,992
Mother's Ethnicity								
Canadian	41,526		45,779	58,146	248,885	52,525	144,843	150,508
	27%	#	30%	38%	42%	9%	24%	25%
Chinese					69,617			
	#	#	#	#	70%	#	#	#
Dutch (Netherlands)					20,243			11,767
	#	#	#	#	44%	#	#	26%
English			12,976	13,536	103,675	11,891	50,777	72,027
	#	#	28%	30%	43%	5%	21%	30%
French	12,320		20,124	21,031	95,041	23,999	69,138	62,491
	21%	#	34%	36%	38%	10%	28%	25%
German					26,333		14,329	13,065
	#	#	#	#	45%	#	25%	22%
Irish					51,482	10,343	33,442	36,668
	#	#	#	#	39%	8%	25%	28%
Italian					28,428		22,282	20,450
	#	#	#	#	39%	#	30%	28%
Jewish	#	#	#	#	#	#	#	#
Aboriginal People	#	#	#	#	#	#	#	#
Polish					20,259			
	#	#	#	#	48%	#	#	#
Scottish	8,394		9,050	14,972	61,127	14,491	35,444	30,487
	23%	#	25%	41%	43%	10%	25%	22%
South Asian	#	#	#	#	#	#	#	#
Ukrainian					21,152		18,250	13,424
	#	#	#	#	36%	#	31%	23%
Other			17,422	22,185	213,995	18,448	96,866	88,006
	#	#	29%	37%	51%	4%	23%	21%
Total	113,212	40,150	119,677	161,645	996,444	156,623	537,195	544,578
Parents' Education								
None with university-level	88,235	31,232	94,902	131,298	446,900	84,242	303,099	334,235
	26%	9%	27%	38%	38%	7%	26%	29%
One with university-level	16,192		21,496	21,691	291,799	42,920	131,320	138,178
	25%	#	33%	33%	48%	7%	22%	23%
Both with university-level					243,974	27,109	94,609	72,420
	#	#	#	#	56%	6%	22%	17%
Total	115,810	39,923	120,720	160,873	982,673	154,271	529,028	544,832

 # Sample size < 30 observations.
Row percentages may not total 100%.

however, a greater tendency for larger households (four or more children) to employ in-trust accounts (31 percent) than smaller households (26 percent).

Main Spoken Language. There appears to be no difference between those respondents indicating university aspirations and whose main spoken language is English or French with regard to an investment in RESPs (42 percent in both instances). However, a significantly higher proportion of respondents that speak other languages (64 percent) employ RESPs. These respondents in the other languages group comprise 16 percent of total RESP users within the university aspirations group.

Mother's Ethnicity. Table 2 suggests significant variation in the deployment of RESPs by ethnic or (mother's) cultural identity for those respondents holding university aspirations for their children. No reference will be made to respondents with college aspirations given the very small cell sizes for most of the ethnic groups.

Parents' Education. Among respondents with university and college aspirations, parents' education strongly influences the use of RESPs. Parents with higher levels of formal education employ RESPs more often. By way of illustration, among respondents indicating a preference that their children attend a university, fully 56 percent of households where both parents have a university-level education utilize RESPs. Among parents with college/trade school aspirations for their children (115,810) who invest in RESPs, fully 76 percent have not attained a university-level education. In contrast, among parents with university aspirations (982,673) who invest in RESPs, 45.5 percent had attained a university-level education.

Conclusion

This study found parental aspirations for their children's educational futures to be important in differentiating parents' educational savings patterns. In general, most parents hoped their child would attend a university rather than a community college or trade school. This academic bias is well documented in the literature on aspirations and reflects several factors. The attractiveness of a university degree may be the result of a rational analysis of returns to investment in education—most university graduates in Canada earn more over the course of a career than community college or technical institute graduates. Postsecondary decisions also may reflect preferences for the professional careers and lifestyles believed open to university graduates and closed to those who train as technicians or apprentices. Vocational work is not sufficiently valued by Canadian society and, by extension, neither is vocational training. This negative public perception is found also in the organi-

zation of high school curricula designed, for the most part, to prepare adolescents for further academic study rather than immediate vocational training.

Not all youth wish to pursue a university degree. There is growing interest in vocational training and work in Canada. Evidence for this shift is reflected by successful innovations in apprenticeship and work-experience programs in particular provinces, and by the expansion of university co-op programs to include applied and liberal arts (Scheutze & Sweet, 2003). Much of this renewed interest in a vocational career may stem from publicity about looming shortage among the skilled trades and technologies.

While governments have failed in the past to invest in high-quality trade, technology, and service training—and this has contributed to the anticipated skills shortage—there are some signs of policy change. Programs proposed by Human Resources Development Canada (HRDC) and by some provincial governments, designed to promote vocational training at the high school level, signal new policies and practices. Hopefully, these programs will foster parity of esteem between academic and vocational pathways as well as contribute to the financial potential of families to attain their different goals (Schuetze & Sweet, 2003).

The analysis of social structure and parents' aspirations for their children's future education presented in this paper examined the basis for involvement in (or exclusion from) the process of educational saving. This initial exploration of important antecedents of parental saving contributes to a broader understanding of the family's role in educational planning. It also suggests directions for further research on the antecedents and correlates of savings strategies employed by parents.

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