

Post-Secondary Education Funding and Savings Plans for Aboriginal Students

As a proud supporter of AFOA Canada, its members and Aboriginal communities across the country, TD Bank Group (TD) is pleased to deliver this second in a series of three articles that focus on planning for Aboriginal people. This article will discuss post-secondary education funding and savings programs for Aboriginal people both on and off reserve.

Aboriginal youth are the youngest and fastest-growing segment of the Canadian population¹. Among this group, the rate of individuals that complete post-secondary education is very low² and a lack of finances has been shown to be the greatest barrier to completing post-secondary education³. A 2011 Statistics Canada National Household Survey found that the labour market and income gaps between Aboriginal and Non-Aboriginal people continue to persist⁴. Improving education within Aboriginal communities is a critical tool to address this outcome.

Aboriginal students interested in post-secondary education have a wide array of options for funding and savings programs to help support their studies. This article will provide a general overview of a few programs that could assist with tuition, travel and living expenses related to their studies.

Canadian Federal Savings Programs

Aboriginal people can participate in government programs that are designed to assist Canadians to save for a child's post-secondary education. Such programs include: a Registered Education Savings Plan (RESP) and the federal government grants associated with RESPs, the Canada Education Savings Grant (CESG) and the Canada Learning Bond (CLB).

¹ Statistics Canada National Household Survey, 2011.

² In the 2011 Statistics Canada National Household Survey, 9.8% of the Aboriginal population reported having a university degree, relative to 26.5% for the non-Aboriginal population.

³ 2010 Urban Aboriginal Peoples Study, Environics. According to Statistics Canada, the average cost of undergraduate tuition fees for full time Canadian students in 2014/2015 was approximately \$6,000 (statcan.gc.ca/daily-quotidien/140911/dq140911b-eng.htm). This figure does not account for the cost of books and living expenses, which could add another \$10,000 or more per year.

⁴ A July 6, 2015 TD Economics Report states that since 2007, employment rates have been rising for Aboriginal women living off-reserve, the only major population group to have seen rising employment rates since the recession. The Report links the improved labour market outcomes to the improvements in education attainment for Aboriginal women over the past 20 years.

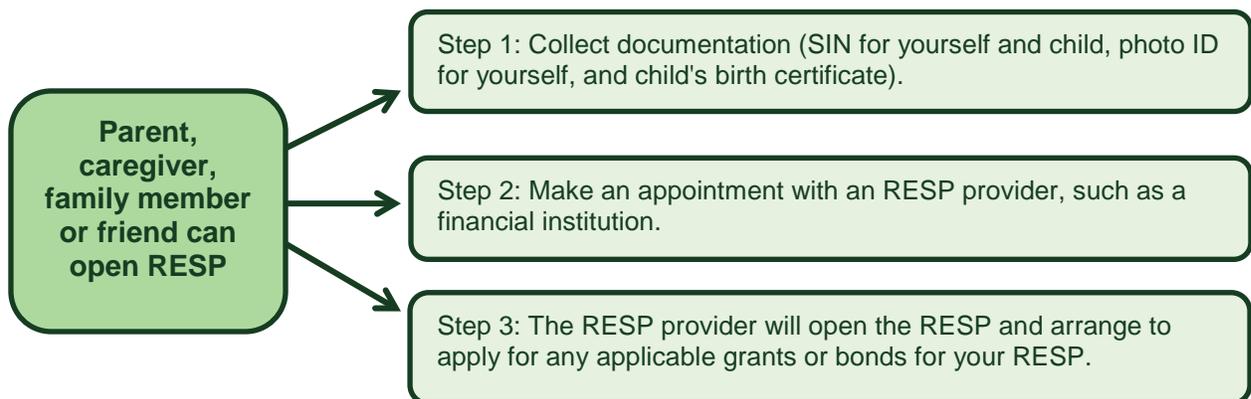


Registered Education Savings Plans and Government Grants

An RESP is a special savings account that is registered with the Government of Canada, to save for a child's education after high school. The contributions that you make to an RESP are not tax-deductible, but the funds in the RESP grow tax-free until the money is withdrawn to fund the child's post-secondary education. If the earnings in an RESP are used to cover qualifying post-secondary education expenses, they will be taxed as the income of the child, who will likely be in a low tax bracket when the withdrawals are made. With an RESP, you may be able to receive other savings incentives, such as the basic and additional CESG and the CLB (discussed in more detail below).

■ Steps to Open an RESP

A parent, caregiver, family member or friend can open an RESP for a child. All that is required is a social insurance number (SIN) for yourself and the child, photo ID for yourself and the child's birth certificate.



Before you open an RESP, you should ask the RESP provider to explain any fees, limits, penalties, payment options and other requirements. For a list of questions to ask your RESP provider, visit the CanLearn website at canlearn.ca/eng/savings/resp_provider.shtml.

■ Canada Education Savings Grant (CESG)

The CESG is a federal government grant that is deposited directly into an RESP when an RESP contribution is made, and can increase post-secondary education savings by 20% or more. There are two types of CESGs: the basic CESG and the additional CESG. The basic CESG provides 20 cents on every dollar that is contributed, up to a maximum of \$500 per year (on an annual contribution of \$2,500), and a lifetime maximum of \$7,200. The CESG funds are deposited directly into the child's RESP. If you cannot make a contribution to the RESP in any given year, you may be able to catch up in future years. The CESG is available up until the end of the calendar year in which the child turns 17.

Depending on the primary caregiver's adjusted family net income, he or she may also be eligible to receive the additional CESG, which adds up to an additional 20% to the first \$500 contributed to the RESP. For example, where the adjusted family net income is \$44,701 or less (in 2015), the child would be entitled to an additional 20% to the first \$500 contributed to the RESP.

■ **Canada Learning Bond (CLB)**

With the CLB program, you can open up an RESP even if you do not have the funds to contribute to the RESP. The CLB is a free education fund provided by the Government of Canada that seeks to help send more children to school and encourage more Canadians to pursue education opportunities. The CLB provides up to \$2,000 to a child's RESP, and all children born after December 31, 2003, whose families receive the National Child Benefit Supplement are eligible. The program consists of an initial Government incentive of \$500, with an additional \$100 Government contribution per year, until the child turns 15. The money may then be withdrawn to help the child pay for his or her post-secondary education. To apply for the CLB, the child's primary caregiver must have a social insurance number for him/herself and the child, as well as certain documents, such as a birth certificate. The applicant must also ensure that they have opened an RESP with a provider who offers the CLB.

■ **Quick Facts about RESPs and Government Grants**

Maximum lifetime contribution	\$50,000 contributed by you per child
Maximum annual basic CESG	\$500 government contribution per child per year (\$1,000 carryforward)
Maximum annual additional CESG	Up to \$100 government contribution per child per year
Maximum lifetime CESG	\$7,200 government contribution per child
Maximum lifetime CLB	\$2,000 government contribution per child

For further information about RESPs, CESGs or CLBs, please refer to the CRA or Government of Canada websites (CRA: cra-arc.gc.ca/menu-eng.html; Government of Canada: canada.ca/en/index.html) or contact a government office near you.

Funding Assistance for Aboriginal Students

University College Entrance Preparation Program (UCEPP)

The UCEPP is intended to provide financial assistance to eligible First Nation (living on or off reserve) and Inuit students who are enrolled in university or college entrance programs, to help them achieve the academic level required to enter degree or diploma programs.

Post-Secondary Student Support Program (PSSSP)

The PSSSP provides financial assistance to eligible First Nation (living on or off reserve) and Inuit students who are enrolled in post-secondary programs, including community college and CEGEP diploma or certificate programs, undergraduate programs, and advanced or professional degree programs.

The financial assistance provided by the UCEPP and the PSSSP may include tuition support, travel support and living expenses for a maximum of one year of study. For more information about this program, including the eligibility requirements and the application procedure, please refer to the summary table below as well as the Aboriginal Affairs and Northern Development Canada (AANDC) website (aadnc-aandc.gc.ca).

Bursaries and Scholarships for Education

- **Indspire:** First Nation, Inuit and Métis students may apply for bursaries and scholarships from Indspire, an organization that provides resources to support Aboriginal people, and in particular, Aboriginal youth. The organization receives funding from the federal government in addition to individual and corporate supporters (including TD), for individuals seeking financial support for their post-secondary, legal, health, oil and gas, and trades and technology studies. Indspire has distributed almost \$65 million through close to 20,000 bursaries and scholarships to Aboriginal youth. Please refer to the summary table below as well as the charity's website (indspire.ca) to learn more about eligibility requirements and the application process.
- **AFOA Canada and the Indigenous Learning Centre (ILC) Bursaries and Scholarships:** AFOA Canada the ILC have developed scholarship and bursary programs designed to provide educational opportunities in finance and management to students entering into post-secondary education. Recipients of the Aboriginal Youth Financial Management Awards are open to Aboriginal youth in grades 11 and 12 and become eligible for a \$5,000 scholarship. The Norman Taylor Memorial Bursary Program awards \$4,000 annually to post-secondary students in business/commerce, accounting and finance related programs. For more information about these scholarships and bursaries, and the eligibility criteria and requirements, please refer to the AFOA Canada website at afoa.ca.
- **TD Bursaries and Scholarships:** TD supports numerous scholarships, bursaries and on-campus community and support programs for Aboriginal students. For example, in 2013, TD donated to a number of post-secondary institutions, including \$350,000 to Aboriginal students at the University of Regina and \$100,000 for bursaries to support Aboriginal students pursuing business studies at the University of British Columbia. Some other examples of scholarships that TD provides to students are:
 - **Canadian Nurses Foundation TD Aboriginal Nursing Fund** – this scholarship specifically supports First Nation status or non-status, Inuit or Métis nurses at the Bachelor, Master's, PhD and Nurse Practitioner levels. Over the past five years, TD has awarded over 100 aboriginal nursing scholarships through this fund. These awards are valued at up to \$5,000.
 - **TD Bank and First Nations Bank of Canada Aboriginal Education Awards** – this scholarship supports students of Aboriginal ancestry (Status, Non-Status, Inuit, Métis) who are full time students at a recognized Canadian post-secondary institution and are pursuing a program relevant to a career in banking such as business, economics, computer science, math and sciences. In addition to the monetary award of \$1,000, recipients also receive consideration for summer employment and full-time employment opportunities.
 - **TD Scholarships for Community Leadership** - these scholarships are designed to recognize the achievements of youth who are making a difference in their communities and help them realize their educational goals. Every year, TD awards 20 of these scholarships to students in their last year of high school or CEGEP (in Quebec) who have demonstrated leadership in improving their community. Each scholarship has a value of up to \$70,000. For more information about this scholarship, please refer to the TD website at: tdcanadatrust.com/products-services/banking/student-life/scholarship-for-community-leadership/index.jsp.

For more information about the bursaries and scholarships offered by TD, visit your local TD branch, or go online to TD Helps at (td.com/to-our-customers/tdhelps).

Post-Secondary Education Funding and Savings Plans for Aboriginal Students

- Aboriginal Bursaries Search Tool:** Located on the AANDC website (aadnc-aandc.gc.ca), this is a tool to help Aboriginal students navigate a list of more than 750 bursaries, scholarships and incentives across Canada, offered by governments, universities, colleges, private and public companies, individual Canadians, organizations and others. The bursaries on this list may vary by group, such as First Nation, Métis or Inuit. Some bursaries may also be specific to a region, place of residence, a school or a field of study.

Summary: Funding Assistance for Aboriginal Students

Funding Assistance	Eligible Students	Description of Funding
University College Entrance Preparation Program (UCEPP)	<ul style="list-style-type: none"> Treaty/registered First Nation individuals (living on or off reserve) or Inuit individuals who reside outside their territory of residence and are no longer eligible to be funded by their territory; Individuals must have been resident in Canada for 12 consecutive months prior to the date of application; Obtain from the post-secondary institution offering the program a statement that attests that the student will be eligible to be accepted to the program upon successful completion of the UCEPP; and Maintain satisfactory academic standing within that institution. 	<ul style="list-style-type: none"> Tuition support, including registration, tuition and the cost of books and supplies required for the program of study; Living expenses to help cover the cost of food, shelter, and transportation; Actual cost of one return trip to the student's permanent home twice per academic year; and Tutorial, guidance and counselling services for students. Funding is limited and not all students may be funded or partial funding may be provided.
Post-Secondary Student Support Program (PSSSP)	<ul style="list-style-type: none"> Treaty/registered First Nation individuals (living on or off reserve) or Inuit individuals who reside outside their territory of residence and are no longer eligible to be funded by their territory; Individuals must have been resident in Canada for 12 consecutive months prior to the date of application; Provide documentation indicating acceptance by an eligible post-secondary institution into either a degree, diploma or certificate program; and Maintain satisfactory academic standing within that institution. 	<ul style="list-style-type: none"> Tuition support, including registration, tuition and the cost of books and supplies required for the program of study; Living expenses to help cover the cost of food, shelter, and transportation; Actual cost of one return trip to the student's permanent home twice per academic year; and Tutorial, guidance and counselling services for students. Funding is limited and not all students may be funded or partial funding may be provided.
Indspire Bursary	<ul style="list-style-type: none"> Aboriginal Canadian individuals who are either First Nations (as recognized by the Federal Government), Inuit or Métis. Among other things, successful applicants must demonstrate financial need, show evidence of involvement and contribution to their communities and demonstrate academic merit and performance. 	<ul style="list-style-type: none"> Scholarships and bursaries for various programs of study. Application forms can be found on the Indspire website at indspire.ca.

Post-Secondary Education Funding and Savings Plans for Aboriginal Students

<p>AFOA Canada and the Indigenous Learning Centre (ILC)</p>	<ul style="list-style-type: none"> ■ Bursaries are available to First Nation, Inuit and Métis students attending university or college as a full-time student in an academic program such as Business Administration, Business Management, Accounting, Commerce and/or other finance related programs. 	<ul style="list-style-type: none"> ■ AFOA Canada has developed a number of scholarships and bursaries to provide educational opportunities in finance and management to students entering into post-secondary education. ■ For more information, see afoa.ca.
<p>TD Bursaries and Scholarships</p>	<ul style="list-style-type: none"> ■ Eligibility varies depending on the bursary/scholarship. 	<ul style="list-style-type: none"> ■ TD supports numerous scholarships and bursaries for Aboriginal students in Canada.
<p>Aboriginal Bursaries Search Tool</p>	<ul style="list-style-type: none"> ■ Eligibility varies depending on the bursary/scholarship. 	<ul style="list-style-type: none"> ■ Funding varies depending on the bursary/scholarship.



COMMUNITY BUILDER



¹ Inuit students residing in these territories are eligible for funding support from their respective territorial governments.

² A specified plan is essentially a single beneficiary RESP (non-family plan) under which the beneficiary is entitled to the disability tax credit for the beneficiary's tax year that includes the 31st anniversary of the plan. Furthermore, a specified plan cannot permit another individual to be designated as a beneficiary under the RESP at any time after the end of the year that includes the 35th anniversary of the plan. No contributions (except transfers from another RESP) may be made to the plan at any time after the end of the year that includes the 35th anniversary of the plan, and the plan must be completed by the end of the year that includes the 40th anniversary of the plan.

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