

RESPs and how they can help

What are RESPs

Registered Education Savings Plans (RESPs) are savings plans to help save for post-secondary education. Most RESPs are opened for children, but you can also open an RESP for yourself or another adult. Once the person named in the plan enrolls in post-secondary education, the money can be used for tuition and other related expenses. An RESP is a long term commitment – you give time for your money to grow.



Benefits of having an RESP

Save early

The high cost of post-secondary education can be overwhelming for many people. It is a good idea to start saving early so that your money has more time to grow. Opening an RESP encourages you to save.



Get government grants

You need an RESP to receive the government grants and incentives available to people saving for education. The government will put extra money into an RESP based on the contributions you make. Other grants, such as a Canada Learning Bond (CLB), are available even if you do not put any money into your RESP. There are also additional grants if you live within certain provinces. Learn more in **Education grants and bonds**.



Grow your money more quickly

You can use an RESP simply as a savings account, or decide to put the money into investments. Any earnings within the RESP, such as interest from savings, or returns on investments, are tax-free. This, in addition to any government grants and incentives you receive, will make your money grow more quickly.

You can have different investment options within an RESP, such as guaranteed income certificates (GICs), bonds, and stocks. Remember that investments tend to have a higher rate of return than simple savings, but with different levels of risk. Learn more in **Investing in registered savings accounts**.



Encourage your child to stay in school

Having money saved up for education can motivate your child to continue with their education after high school. Youth with RESP savings are more likely to attend post-secondary education.



Reduce student debt

RESP savings not only increases the chances of youth attending and staying in post-secondary education, but also reduces the amount of student debt that they will have later.