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### Nearly half (47%) of Canadian post-secondary students will live at their parent's home while going to school, up 11 points since 2013

Canadian students are increasingly relying on their parents to manage their finances as they feel the effects of inflation and increased cost-of-living

**Toronto, ON, Sep 6, 2023** — Inflation and the rising cost-of-living are impacting how post-secondary students prepare and care for their financial needs. A recent Ipsos survey conducted on behalf of RBC, carried out among 1,000 post-secondary students aged 18-29, reveals that students are increasingly relying on their parents and adjusting their living arrangements when compared to a similar poll conducted in 2013.

#### *More Canadian students are planning on living at home while at university or college than 10 years ago*

Nearly half (47%) of all post-secondary students will live at their parent's home, compared to only 36% in 2013. That is an 11-point difference in the span of 10 years. In contrast, 41% are planning on living away from home in 2023, down from the 47% who planned to live away in 2013. Following graduation from post-secondary, four in ten (36%) will continue to live at home, with 47% staying for 2 years or longer. Of those who plan to live at home post-graduation, one in seven plan to stay for at least 5 years, indicating that the reliance on parents for accommodation will extend well beyond the time that these young adults are in school.

#### *Students are increasingly relying on their parents to manage their finances*

Four in ten (43%) students assume their parents will take care of their financial needs, up 14 points in 10 years. In 2013, only 29% had made that assumption, showcasing the increased dependence of students on their parents to fill the gap. Moreover, students continue to first turn to their parents to help develop their financial goals, with almost seven in ten relying on parents in 2023 (69%) and 2013 (68%).

#### *Despite taking actions to manage finances, almost half expect to graduate with more than \$20k debt*

Students are making conscious decisions and planning their finances to make it through the upcoming school year. Some changes to help themselves financially include finding ways to make more money by working part-time while going to school (49%). Other ways to manage finances include reducing spending, which is the plan for almost half of students regarding non-essential expenses (47%). Lastly, monitoring money and financial mindfulness are additional ways they're planning for the school year, either by preparing a budget and sticking to it (45%), regularly monitoring where money is spent (45%), carefully avoiding debt (40%), looking for student discounts everywhere they shop (40%) and paying with cash or debit wherever possible (25%).





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Despite financial planning efforts, almost half (45%) expect to graduate with up to \$20,000 in debt. There is a significant increase compared to the 30% who expected to graduate with the same amount of debt in 2013. Nonetheless, more (59%) students expect to pay back all their student debt within 3 years, up 20 points since 2013 (39%). There are fewer students in 2023 that expect to graduate with over \$40,000 in debt (9% vs. 15% in 2013), perhaps because parents are helping out more or costs are controlled by living at home.

Concerningly, a large majority of current students are not confident in managing their finances. Almost nine in ten (88%) admitted that they still have a lot to learn about managing finances, up 16 points since 2013. Just over half (54%) claim they are much better at spending than saving. The growing lack of confidence over the years highlights the need for more education and accessible resources to equip young Canadian adults in financial management, both during post-secondary and post-graduation.

### *Long-term financial goals are pushed past 5 years as cost-of-living increases*

Compared to 2013, there are more students that plan on buying a home (83% vs. 74% in 2013), yet 43% say it won't be for 5 years (up 18 points from 25% in 2013). Canadian students are delaying post-graduation major expenses as costs increase. Two in three (66%) have a plan to marry, but many have pushed the timeframe out to 5 years or later (40%, up 20 points compared to 2013). Among those with student debt, most say that debt has impacted their ability to purchase a home (81%), go on a trip (74%), buy a car (75%), have a wedding (64%) or a child (69%). As costs and debts rise, students are looking to keep expenses down in the near future.





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### RBC 2023 Post-Secondary Students & Financial Readiness Poll: By Year and Region

	2013	2023		BC	AB	SK/M B	ON	QC	ATL
<b>Post-secondary living arrangements</b>									
Will live at parents' home while going to school	36%	47%		45%	55%	47%	46%	52%	32%
Will live away from home while going to school	47%	41%		49%	35%	32%	40%	39%	59%
<b>Reliance on parents</b>									
Assume parents will take care of financial needs	29%	43%		46%	42%	52%	44%	41%	37%
Rely on parents for help in developing financial goals	68%	69%		67%	77%	72%	71%	60%	68%
<b>Expected student debt</b>									
Expect to graduate with no debt	35%	24%		26%	16%	15%	22%	31%	31%
Expect to graduate with debt ranging up to almost \$20,000	30%	45%		40%	41%	50%	48%	46%	43%
Expect to graduate with debt ranging \$20,000 to almost \$40,000	19%	22%		26%	30%	34%	21%	17%	12%
Expect to graduate with debt over \$40,000	15%	9%		8%	13%	2%	10%	5%	14%
Expect to pay back all student debt within up to 3 years	39%	59%		55%	56%	58%	57%	66%	53%
Expect to pay back all student debt within 3 to 5 years	24%	19%		24%	15%	20%	19%	20%	11%
<b>Attitudes towards finances (strongly/somewhat agree)</b>									
Still have a lot to learn about managing finances	72%	88%		86%	92%	87%	89%	87%	88%
Are much better at spending than saving	50%	54%		49%	55%	63%	55%	49%	53%
<b>Planned purchases or expenses</b>									
Intend to buy a home more than 5 years after graduation	25%	43%		45%	42%	43%	44%	41%	46%
Plan to get married more than 5 years after graduation	20%	40%		46%	43%	34%	39%	38%	37%
<b>Actions planned to manage finances to make it through the school year</b>									
Working part-time while going to school	-	49%		46%	53%	40%	51%	50%	46%
Reduce non-essential expenses	-	47%		54%	42%	39%	43%	52%	57%
Prepare a budget and sticking to it	-	45%		37%	54%	32%	46%	46%	48%
Regularly monitor where money is spent	-	45%		48%	52%	42%	43%	44%	49%
Carefully avoid debt	-	40%		45%	47%	34%	39%	35%	43%
Look for student discounts everywhere they shop	-	40%		47%	42%	30%	44%	32%	34%
Pay with cash or debit wherever possible	-	25%		32%	23%	19%	28%	18%	30%



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### About the Study

These are some of the findings of an Ipsos survey conducted between June 29 – July 12, 2023, on behalf of Royal Bank of Canada (RBC). For this survey, a sample of 1,000 Canadian post-secondary students between the ages of 18 and 29 were interviewed online. Data for the 2013 survey was collected from 1,107 students between the ages of 18 and 29 between June 18 – July 2, 2013. Weighting by gender and region was then employed to balance demographics to ensure that the sample's composition reflects that of the Canadian population according to census parameters. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within  $\pm 3.5$  percentage points, 19 times out of 20, had all Canadian students been surveyed. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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### About Ipsos

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