

## **Report to the Standing Committee on Public Accounts: On Canada Learning Bond Take-up**

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### **REQUEST**

The House of Commons Standing Committee on Public Accounts requested, in recommendation 5 of its report on Access to Benefits for Hard-to-Reach Populations, that Employment and Social Development Canada (ESDC) submit to the Committee a report on Canada Learning Bond (CLB) Take-up. The committee requested the report by April 30, 2023.

### **CONTEXT**

In December 2022, the Standing Committee on Public Accounts produced a report on Access to Benefits for Hard-to-Reach Populations, which included the following recommendation:

“Recommendation 5: On Canada Learning Bond Take-up – That, by 30 April 2023, Employment and Social Development Canada provide the House of Commons Standing Committee on Public Accounts with a report presenting: 1) the main factors explaining the low Canada Learning Bond take-up rates, particularly among Indigenous children; 2) actions the department intends to take to improve the Canada Learning Bond take-up rates, particularly among Indigenous children; and 3) the Canada Learning Bond take-up rates among Indigenous and non-Indigenous children, using the 2021 Census data.”

The CLB is money that the Government adds to a Registered Education Savings Plan (RESP) for children from low-income families born in 2004 and after until the age of 15. This money of up to \$2,000, helps to pay the costs of a child’s full- or part-time studies after high school. No personal contributions to an RESP are required to receive the CLB and it can be claimed retroactively until the eligible beneficiary turns age 21.

### **REPORT**

#### **1-Factors explaining the low CLB take-up rates, particularly among Indigenous children**

According to the Canada Education Savings Program’s (CESP) administrative data, in 2021, 42.6% of children 0 to 20 years of age who were eligible for the CLB at least once since 2004 received a CLB payment. There are approximately 2.3 million eligible children and youth not receiving the CLB.

Unlike the other benefits studied in the Office of the Auditor General's report, which are primarily accessed automatically after tax-filing or the registration of a birth, access to the CLB requires parents / guardians to take the additional step of opening an RESP with a financial institution. Indigenous parents, recent immigrants, and single-parent families are found to be less likely to open RESPs resulting in lower take-up rates of the CLB and other CESP incentives.

### Barriers to CLB take-up

ESDC released a program evaluation report, which focused on the CLB, in May 2022. The [report](#) identified the following barriers to accessing the CLB:<sup>1</sup>

- Lack of awareness and understanding of the CLB, and of RESPs;
- Complex application process, including the need for a Social Insurance Number (SIN) for both the primary caregiver and the child beneficiary to open an RESP and the requirement for parents to file income taxes; and
- Financial and time constraints among families.

### *Barriers affecting take up rates among Indigenous children*

Indigenous people experience these barriers to a greater degree. For example 48% of CLB-eligible Indigenous children faced access challenges to one or both of the requirements for accessing the CLB (SIN and parental tax filing) compared to 23% of the total eligible population.<sup>2</sup>

A CESP analysis found children are less likely to receive the CLB if they live in the Northwest Territories or Nunavut, if their primary caregiver self-identifies as Indigenous, and/or lives in Band Housing.<sup>3</sup> The 2022 program evaluation noted that Indigenous peoples living in rural, remote, or isolated communities have reduced access to government offices, RESP promoters, and options for post-secondary education. The ongoing impacts of colonization and discrimination may also make interacting with the government and RESP promoters more difficult for Indigenous parents or caregivers.

### **2-Actions ESDC intends to take to improve the CLB take-up rates, particularly among Indigenous children.**

ESDC aims to reach all children eligible for the CLB and support their access to it.

Since 2015, ESDC has undertaken multiple outreach initiatives to increase awareness and take-up of the CLB. These include:

- Co-chairing the CLB Champions' Network, and expanding it to include over 300 organizations across Canada who actively promote the CLB;

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<sup>1</sup> ESDC, Evaluation of the Canada Education Savings Program: Part I (2022)

<sup>2</sup> Statistics Canada, Accessing the Canada Learning Bond: Meeting Identification and Income Eligibility Requirements (2019). SIN acquisition has significantly improved for newborns in recent years as ESDC and the provinces have included it in birth registration packages.

<sup>3</sup> ESDC, Canada Education Savings Program – 2021 Annual Statistical Review

- Undertaking mailings (approximately three million letters to date since 2014) to the primary caregivers of CLB-eligible children to inform them of their child's eligibility for the CLB and the amount that they are eligible for, as well as collaborative mailings with community organizations to raise awareness of opportunities to initiate the process of accessing the CLB;
- Planning, organizing and supporting outreach events, such as the annual Education Savings Week, information sessions and regional engagement. By working with a variety of CESP partners and stakeholders, ESDC has provided marginalized groups and those in remote areas with tailored outreach services and supports;
- Partnering with the Canada Revenue Agency (CRA) to include inserts on the CLB in CRA's mailing of Canada Child Benefit Notices of Entitlement (approximately 1.2M annually).

ESDC has also implemented initiatives to make it easier for eligible parents to apply online for the CLB. This includes a strategic collaboration with the Province of Ontario to integrate an Education Savings Referral Service within ServiceOntario's online Newborn Registration System. Parents can be referred to an RESP promoter, begin the process of opening an RESP, and access the CLB.

Children in care represent a particularly vulnerable and hard-to-reach population, and Indigenous children are disproportionately represented among this population. ESDC has created and shared a toolkit for public primary caregivers and is committed to support efforts from child welfare organizations to enable children in care to access education savings benefits.

As well, to help more low-income families benefit from the CLB, ESDC is investing \$12 million over six years in the CLB Pilot Project to fund community projects testing new and innovative ways to increase CLB awareness and reduce barriers to access. Phase I provided approximately \$5.0 million in funding to 11 community-based projects to deliver activities from March 2019 to March 2021. The first phase of projects is now complete, and the evaluation found that the projects successfully helped individuals from hard-to-reach populations to access the CLB, but were resource intensive. ESDC anticipates the completion of the second phase of projects for the fall of 2024. These projects target groups facing greater access challenges, including Indigenous Peoples, recent immigrants, children in care and those living in rural and remote communities.

*ESDC is planning a range of outreach and awareness building initiatives to help increase CLB take-up over the coming years:*

- Partnering with community organizations to connect with eligible caregivers through mailings to raise awareness of the CLB and offer direct support in gaining access to the CLB through events and online resources;
- Developing a package of tools and supports, through consultation with Indigenous organizations and Indigenous-serving organizations, to facilitate supported enrolment for marginalized groups and populations in remote areas.

This will include, but is not limited to, developing on-campus partnerships between student financial aid administrators, Indigenous student services offices and banks to facilitate the process for Indigenous students; and

- Updating the CLB information on Canada.ca based on user testing, to make it easier for Canadians to learn about the CLB, and access the list of RESP promoters who offer the CLB.

ESDC will also continue the implementation of the CLB Pilot Project, funding organizations to support Canadians in overcoming the barriers to accessing the CLB. Thirteen organizations are receiving funding under phase II of the pilot project, currently underway until spring 2024. Funding recipients include Indigenous organizations and those serving Indigenous communities. ESDC will also complete an evaluation to determine the impact of different approaches and models to increase CLB take-up among various target populations and highlight lessons learned.

Given the known barriers to accessing the CLB, ESDC is exploring ways to simplify the application and enrolment processes in ways that would benefit eligible children not receiving the Bond, including Indigenous children.

However, some Indigenous children in families experiencing low-income will continue to be unable to access the CLB if their caregivers have not filed their taxes in a given year, or if they do not have a SIN. ESDC will continue to work with the CRA and Service Canada, including through joint outreach initiatives, to help families meet the SIN and tax filing requirements to access the CLB.

### **3-The CLB take-up rates among Indigenous and non-Indigenous children, using the 2021 Census data.**

ESDC uses linked administrative and Census data to calculate CLB take-up rates for specific groups including Indigenous children. Currently, 2021 Census data is not yet available to enable the calculation of an annual CLB take-up rate. As a result, it is only possible to calculate the CLB take-up rate for Indigenous children using 2016 Census data. The CLB take-up rate for Indigenous and non-Indigenous children, calculated using the 2016 Census data, is noted in the Standing Committee on Public Accounts' report and repeated in section 1 above.

According to Statistics Canada, 2021 Census data should become available to researchers in 2023. Once the 2021 Census becomes available, Statistics Canada will link this data to the administrative data from the CESP. As this process usually takes a few months, ESDC expects to be able to calculate the CLB take-up rate using 2021 Census data at the beginning of 2024, including a take-up rate for Indigenous and non-Indigenous children.