

CONCERNS ABOUT  
RETIREMENT SAVINGS  
REMAIN HIGH

CANADIANS SEE PENSIONS  
AS SOLUTION TO  
'RETIREMENT CRISIS'

WHAT IS THE STORY?



# 2021 Canadian Retirement Survey

*May 2021*

CONDUCTED FOR HOOPP

RESEARCH AND ANALYSIS FROM CANADA'S LEADING  
PUBLIC AFFAIRS AND MARKET RESEARCH EXPERTS



# METHODOLOGY

The survey was conducted with 2,500 Canadian adults between the dates of Apr 19 and 27, 2021. A random sample of panelists were invited to complete the survey from a set of partner panels based on the Lucid exchange platform. These partners are typically double opt-in survey panels, blended to manage out potential skews in the data from a single source.

The margin of error for a comparable probability-based random sample of the same size is +/- 1.96, 19 times out of 20.

The data were weighted according to census data to ensure that the sample matched Canada's population according to age, gender, educational attainment, and region. Totals may not add up to 100 due to rounding.



# KEY TAKEAWAYS

**ABACUS DATA**



**HOOPP**



# EXECUTIVE OVERVIEW

## I. Concerns about retirement remain greater than concerns about health, debt load and job security.

- Consistent with last year's findings, many Canadians are concerned about affordability, especially regarding saving for retirement. When asked about a wide range of concerns, Canadians placed cost of day-to-day living (55% very concerned rank 7-9 on a scale of 1 to 9) and having enough money in retirement (48%), at the top of the list.

## II. The COVID-19 pandemic has harmed the finances of half of Canadians, and disproportionately among younger, lower-income Canadians.

- Approximately half (52%) of Canadians have had their own financial situations harmed since March 2020. Nineteen per cent had their finances harmed a great deal.

# EXECUTIVE OVERVIEW

**III. Since the beginning of the pandemic, about half of Canadians have saved more money than usual, but this isn't necessarily translating to increased retirement savings. In fact, fewer Canadians saved specifically for retirement.**

- Approximately 46% of Canadians have been able to save more than they otherwise would have since the onset of the pandemic.
- However, only 37% of Canadians managed to save anything for retirement in the last year, which is down 5 pts since last year.

**IV. The current challenges relating to affordability and cost of living imply that the emerging retirement crisis in Canada will not be solved through personal savings alone.**

- Across all income levels, Canadians continue to demonstrate a broad consensus that there is an emerging retirement crisis (67%), and that saving for retirement is prohibitively expensive (65%).

**V. Canadians continue to see increased access to pensions as a viable and impactful solution to a retirement crisis – both, for their own personal situation and Canadians overall.**

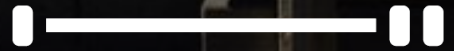
- There is still a strong interest in acquiring a pension plan (or better pension plan) for oneself among Canadians. Consistent with last year's survey results, a majority of Canadians (71%) are still willing to forgo a higher salary for a pension plan.

# DETAILED RESULTS: DAY-TO-DAY CONCERNS

**ABACUS DATA**



**HOOPP**

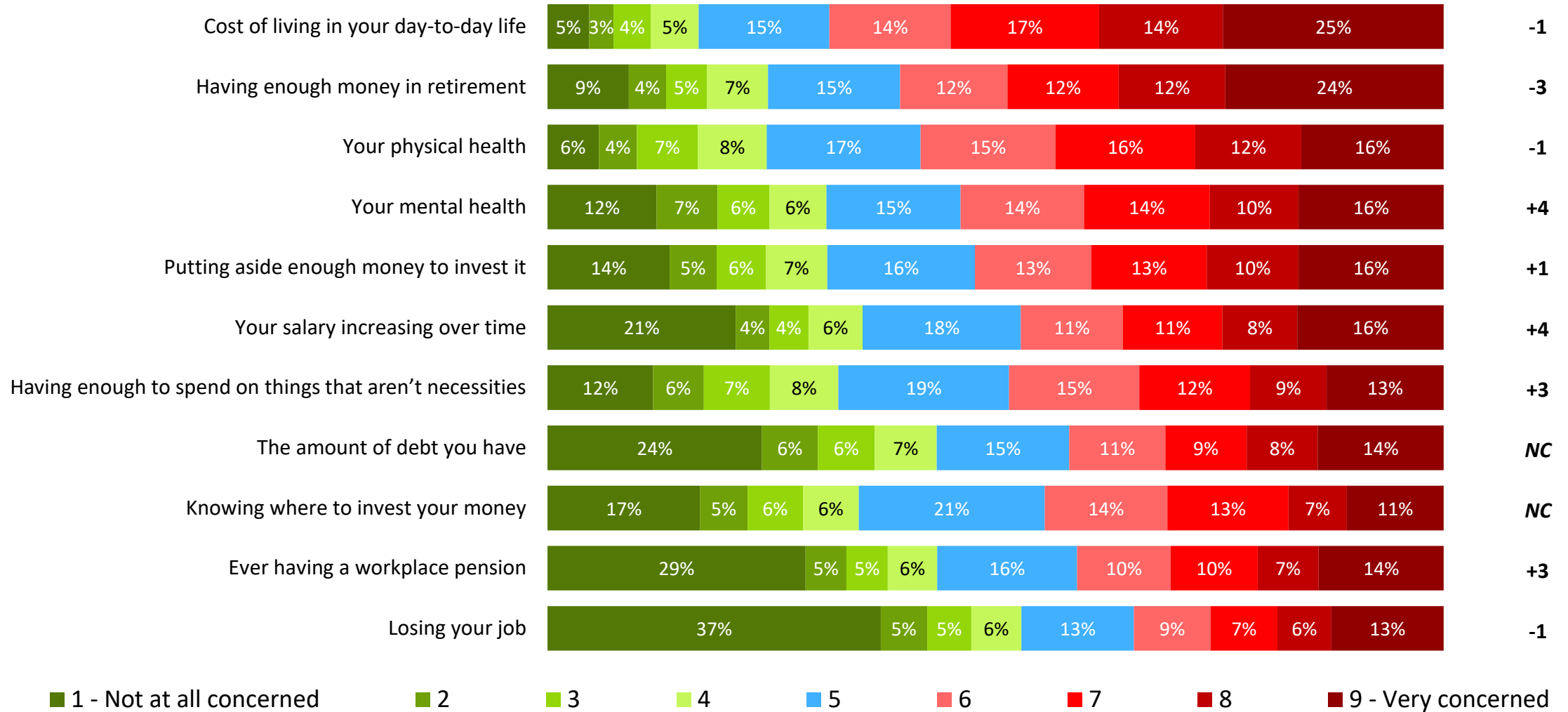


# DAY-TO-DAY CONCERNS

- Concerns about retirement remain greater than concerns about one's health, debt-load and job security.
- Consistent with last year's findings, many Canadians are concerned about affordability, especially regarding saving for retirement. When asked about a wide range of concerns, Canadians placed cost of day-to-day living (55% very concerned) and having enough money in retirement (48%), at the top of the list.
- Canadians are more concerned about retirement affordability than they are about their personal debt load (31% very concerned), job security (26%), as well as their own physical (43%) and mental (40%) health.
- Concerns about having enough money for retirement are strong across all income levels; be it those making \$50K or less (52% very concerned) or those making over \$100K (42%).

# CONCERN FOR THE FOLLOWING

Change in  
Concern (7-9)  
from JUNE 2020



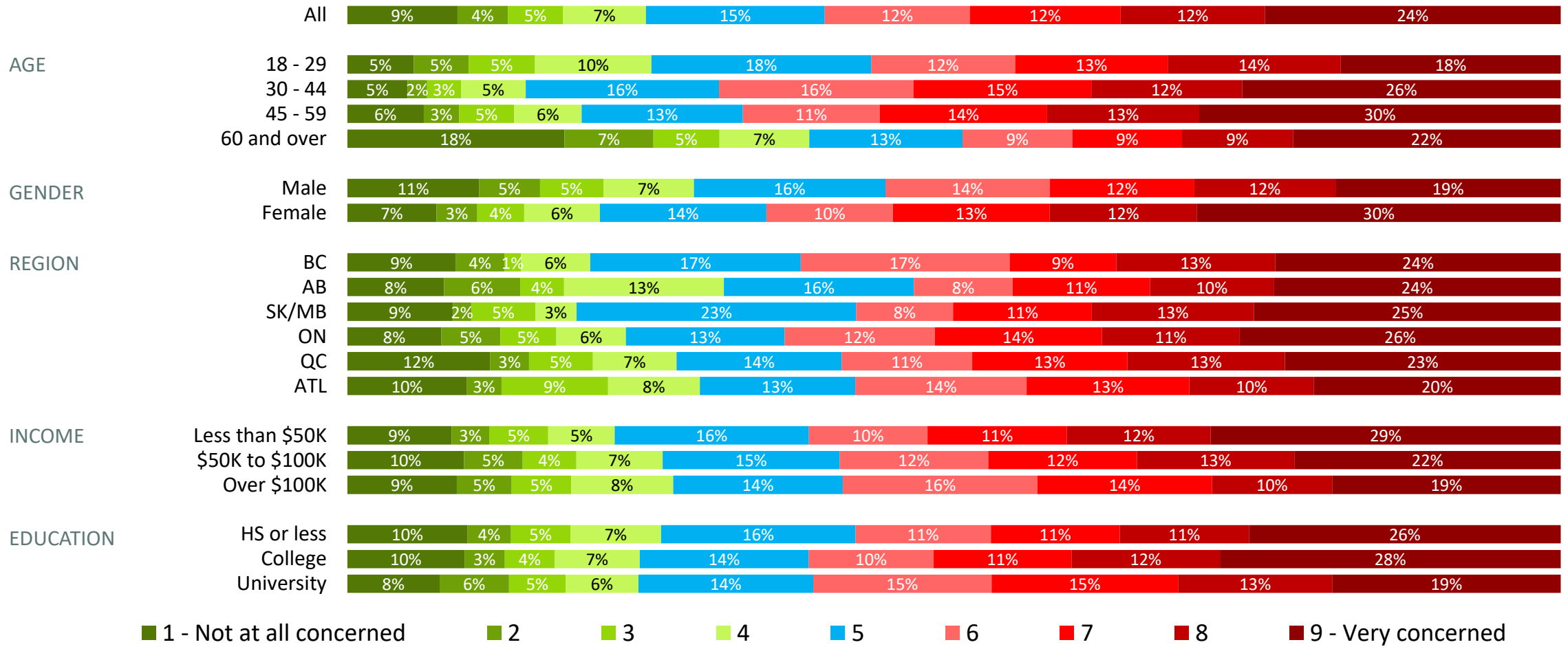
How would you rate your concern about each of the following for you, personally, on a scale of 1-9, where 1 means you are not at all concerned about it and 9 means you are very concerned about it?





# CONCERN FOR THE FOLLOWING

## HAVING ENOUGH MONEY IN RETIREMENT



How would you rate your concern about each of the following for you, personally, on a scale of 1-9, where 1 means you are not at all concerned about it and 9 means you are very concerned about it?

# PANDEMIC FINANCES

**ABACUS DATA**



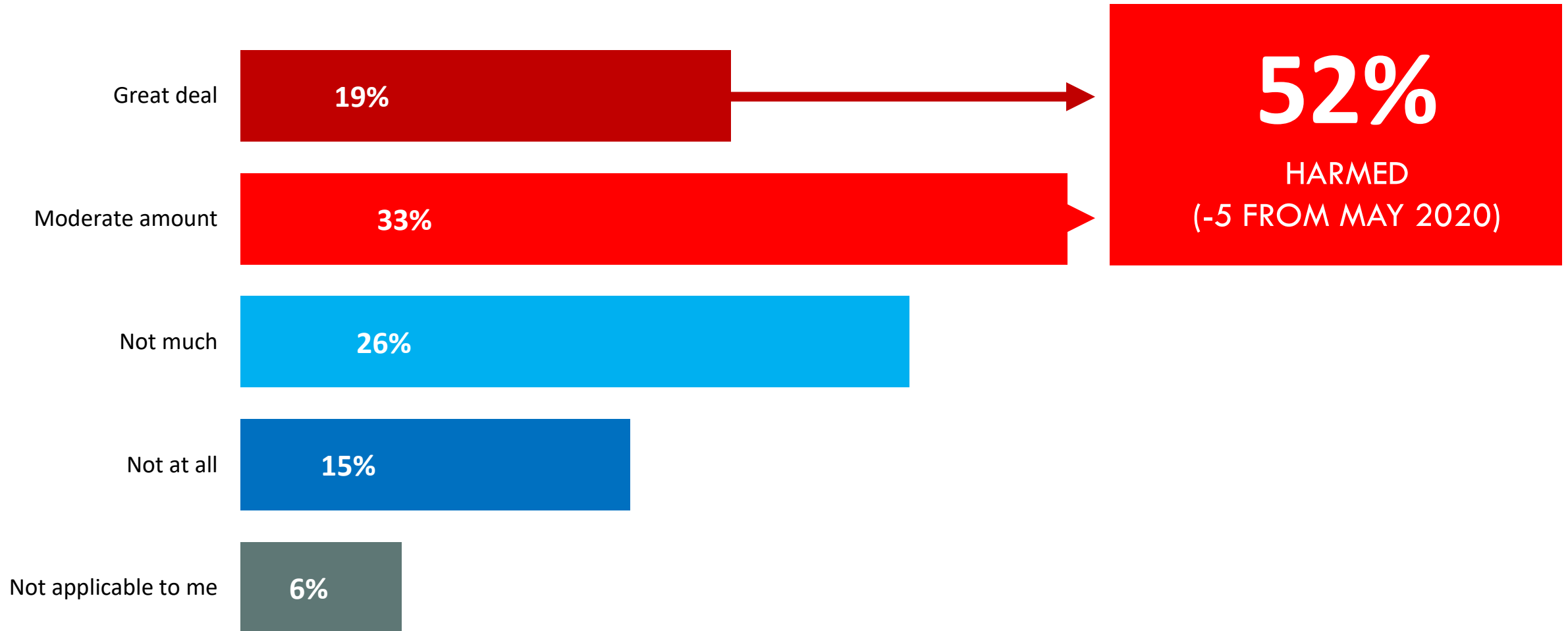
**HOOPP**



# PANDEMIC FINANCES

- The COVID-19 pandemic has harmed the finances of half of Canadians, disproportionately among those who are younger and those with lower income.
- Approximately half (52%) of Canadians have had their own financial situations harmed since March 2020. Nineteen per cent had their finances harmed a great deal.
- Canadians aged 44 and younger are twice as likely to have had their finances greatly harmed (25%) than Canadians over the age of 60 (12%).
- Likewise, Canadians earning less than \$50K are twice as likely to have had their finances greatly harmed (25%) than those earning over \$100K (12%).

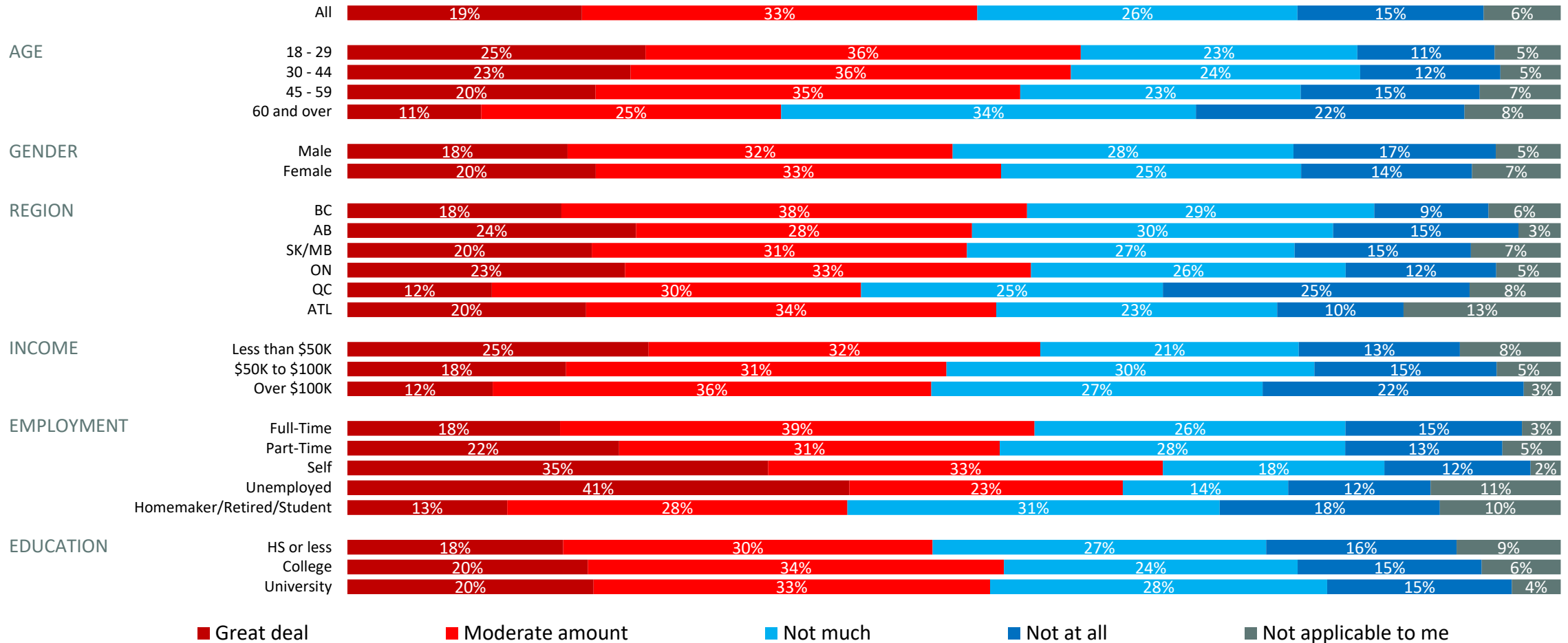
# FINANCES HARMED BY COVID-19



How much do you think your own financial situation has been harmed by the events since March 2020, when the COVID-19 shutdowns began?



# FINANCES HARMED BY COVID-19



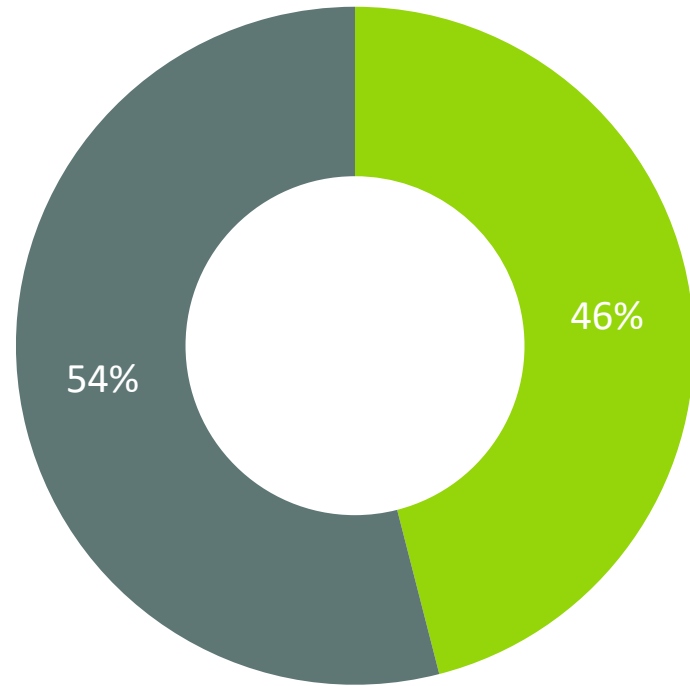
How much do you think your own financial situation has been harmed by the events since March 2020, |when the COVID-19 shutdowns began?



# PANDEMIC FINANCES

- Since the beginning of the pandemic, about half of Canadians have saved more money than usual, but this isn't necessarily translating to increased retirement savings.
- Approximately 46% of Canadians have been able to save more than they otherwise would have since the onset of the pandemic. Among this group, half (52%) saved nothing for retirement in the past year.
- Overall, most Canadians have not set aside or saved anything for retirement in the past year (63%), which is up 5 pts since the last year.
  - Among those that were able to save more than they otherwise would have due to the pandemic, half (52%) did not set aside any money for retirement. Among those who didn't save more than otherwise, 72% didn't save anything for retirement.

# COVID-19'S IMPACT ON SAVINGS



■ More saved than they otherwise would have

■ Less saved than they otherwise would have

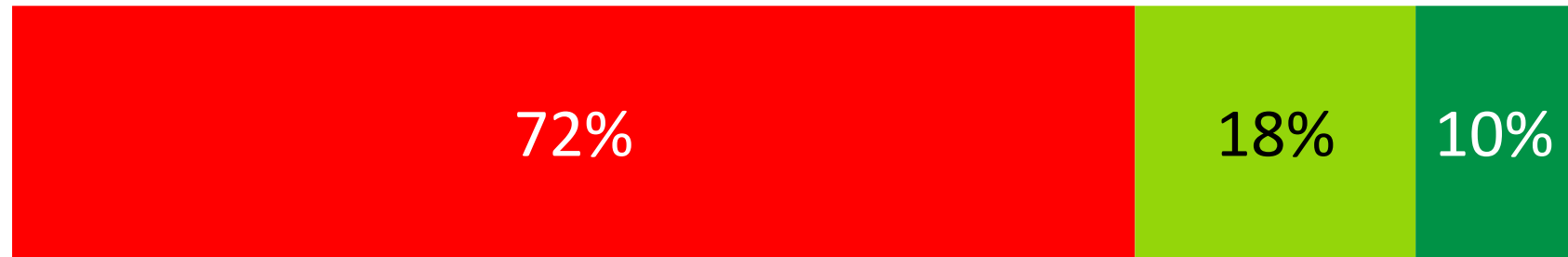
As a result of your COVID-19 experience, do you now have or had:

# COVID-19'S IMPACT ON RETIREMENT SAVINGS

Those who have more saved than otherwise, due to COVID



Those who have NOT saved more than otherwise due to COVID



■ 0% + N/A

■ 1-10%

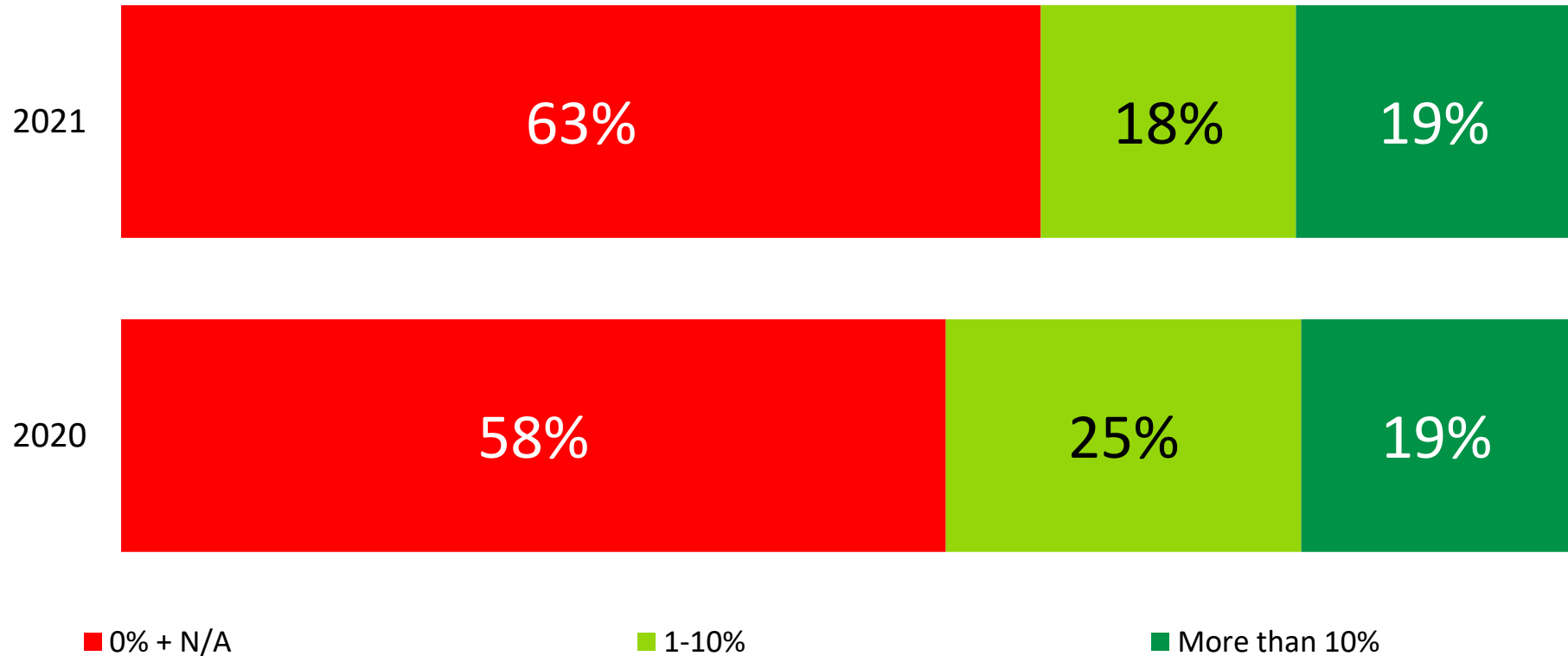
■ More than 10%

What percentage of your annual income would you say you set aside or saved over the past year for retirement?



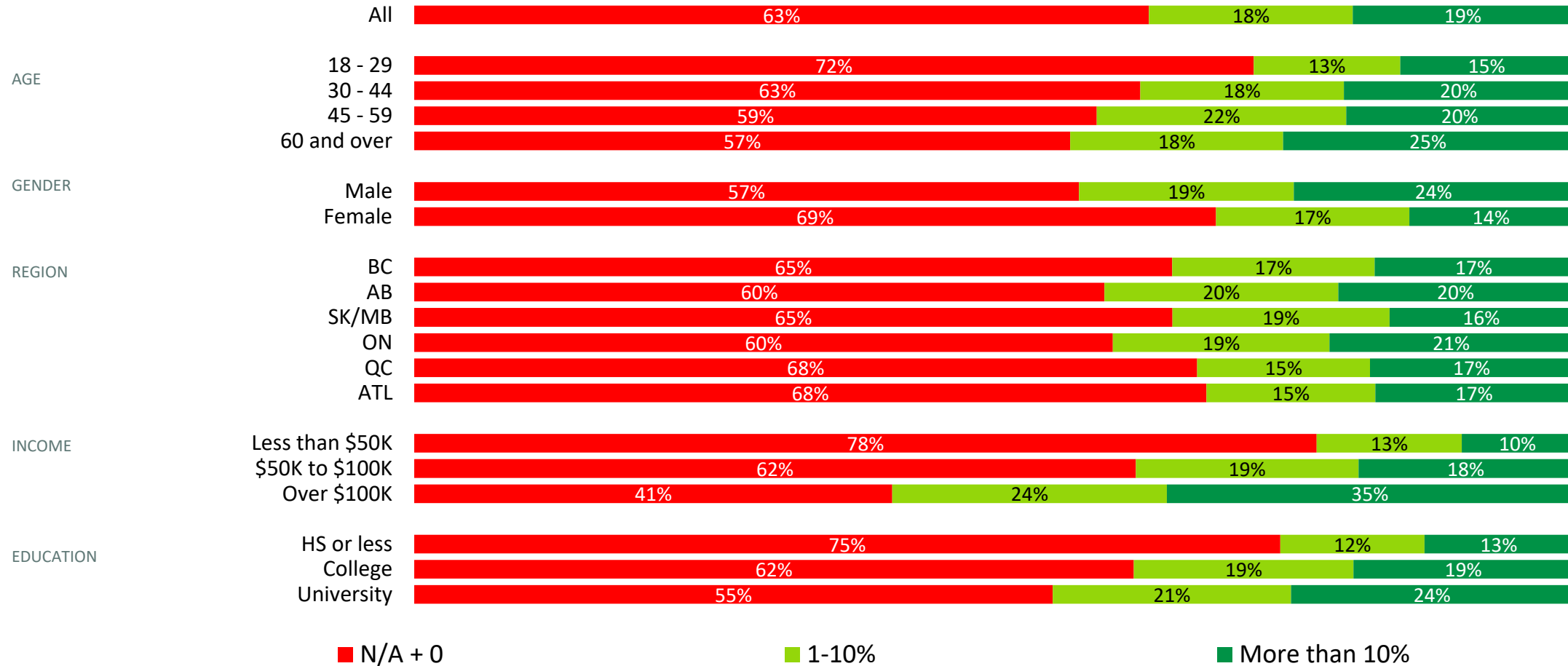


# RETIREMENT SAVINGS BEHAVIOUR



What percentage of your annual income would you say you set aside or saved over the past year for retirement?

# RETIREMENT SAVINGS BEHAVIOUR



What percentage of your annual income would you say you set aside or saved over the past year for retirement?

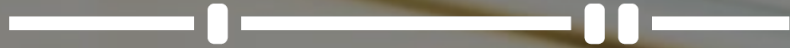


# THE PENSION PERSPECTIVE

**ABACUS DATA**



**HOOPP**



# THE PENSION PERSPECTIVE

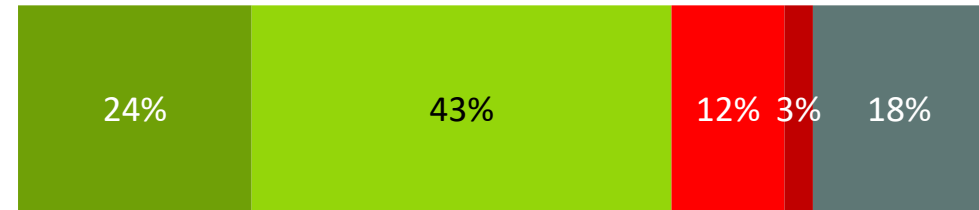
- Across all income levels, Canadians continue to demonstrate a broad consensus that there is an emerging retirement crisis (67%), and that saving for retirement is prohibitively expensive (65%).
- Relying on personal savings alone will not be enough to solve this emerging crisis, due to the affordability challenges Canadians face today.
  - The most common reason to not save is living paycheck to paycheck. One in three (36%) Canadians identify with this reality.
  - Other commonly cited reasons include low interest rates and being unsure about how much to save.
- About half of Canadians (53%) had an emergency fund before COVID, and this remains unchanged today (51%). Those with incomes of over \$100K were nearly twice as likely to currently have an emergency fund (67%) than those with incomes below \$50K (38%).
- While about half of Canadians are able to set money aside for emergencies, the vast majority still didn't set money aside specifically for retirement.



# PENSIONS & SOCIETY: KEY TRACKING METRICS

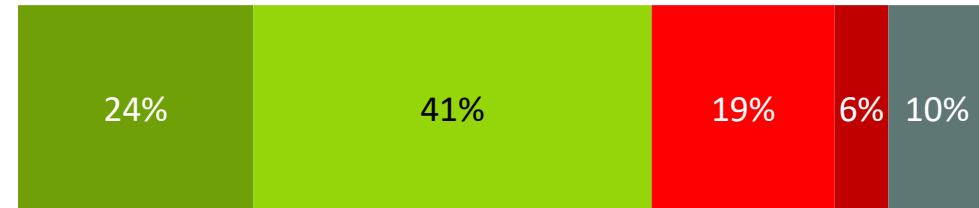
Change in  
Agree  
from JUNE 2020

"There is an emerging retirement income crisis"



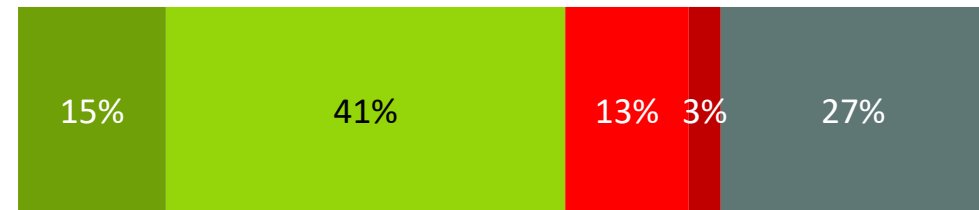
-4

"Saving for retirement is prohibitively expensive"



-2

"The health of workplace pensions drives the health of your province's economy"



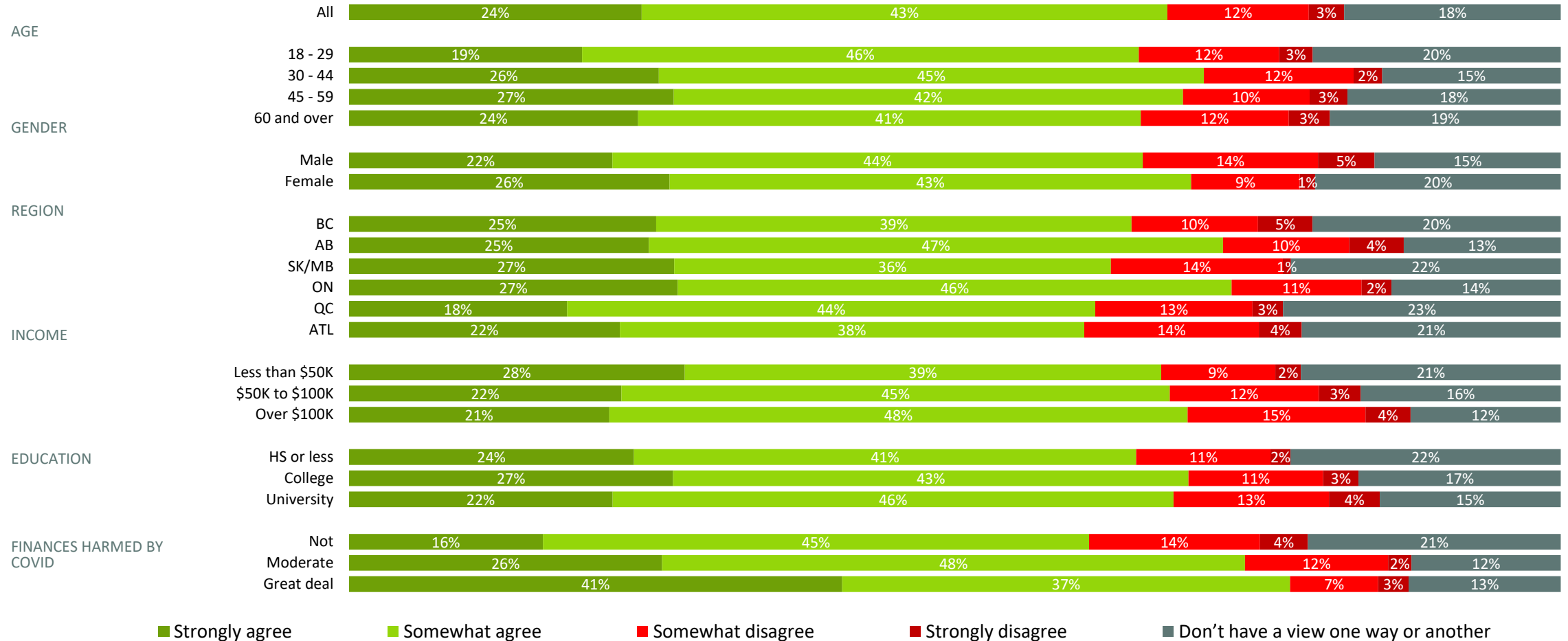
+1

■ Strongly agree   
 ■ Somewhat agree   
 ■ Somewhat disagree   
 ■ Strongly disagree   
 ■ Don't have a view one way or another

Do you agree or disagree that...?



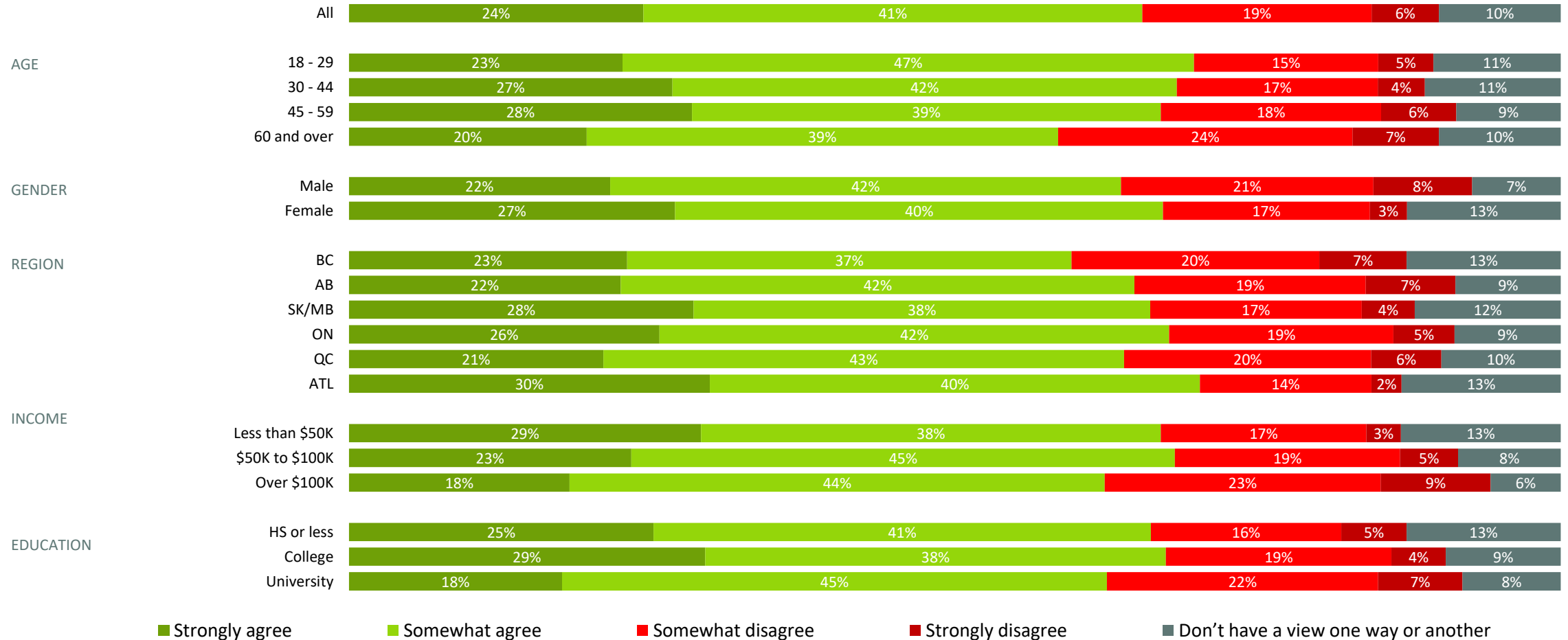
# THERE IS AN EMERGING RETIREMENT INCOME CRISIS



Do you agree or disagree that...?



# SAVING FOR RETIREMENT IS PROHIBITIVELY EXPENSIVE

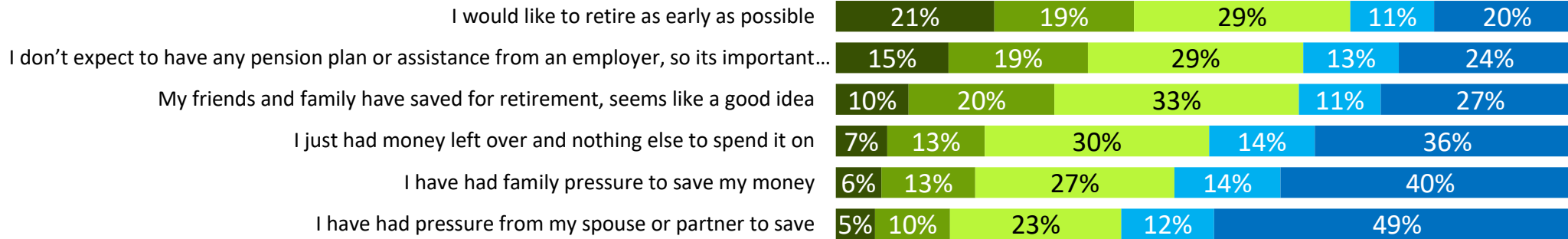


Do you agree or disagree that...?



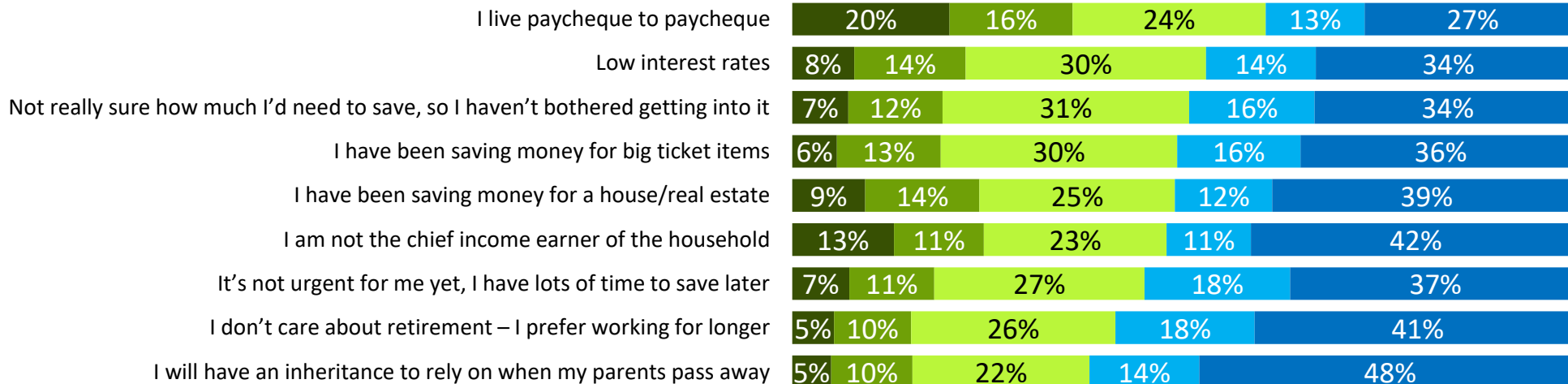
# DRIVERS OF SAVING BEHAVIOUR

## REASONS TO SAVE



No significant shifts from JUNE 2020

## REASONS NOT TO SAVE



No significant shifts from JUNE 2020

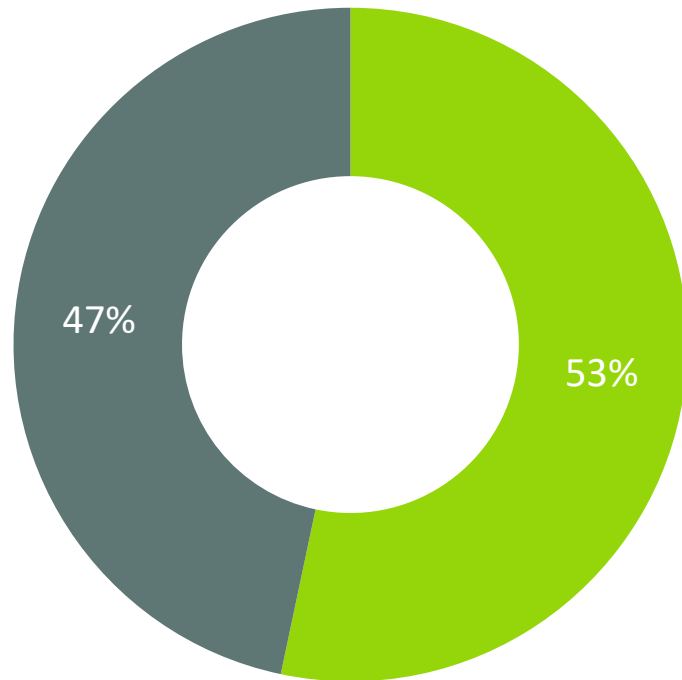
5 - Applies completely
  4
  3
  2
  1 - Does not play a role

Below are a number of reasons you might have saved or not saved for retirement yet. Which of the following apply to your circumstance?

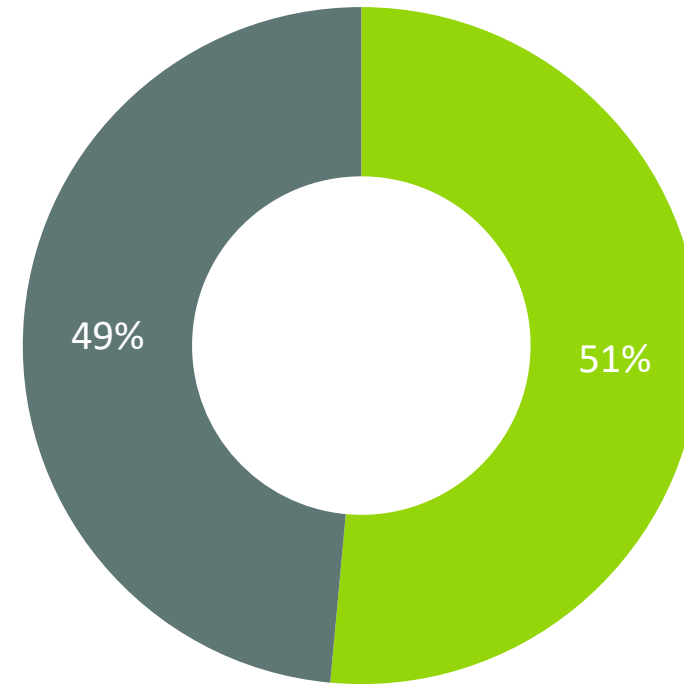


# EMERGENCY FUND

## BEFORE COVID-19



## NOW



■ Yes

■ No

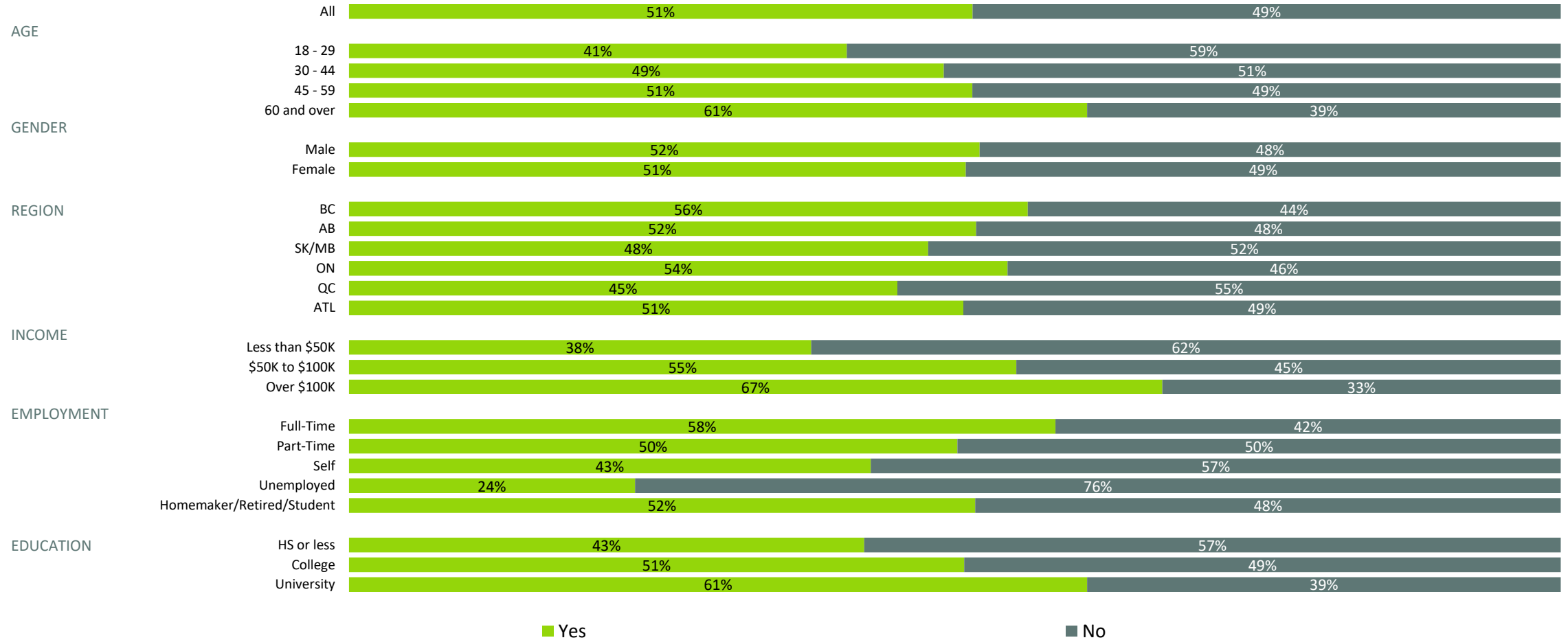
■ Yes

■ No

Before going into COVID-19, did you have an emergency fund?

Do you have one now?

# EMERGENCY FUND - NOW



Do you have one now?





# PENSION PERSPECTIVE

- Canadians continue to see increased access to pensions as a viable and impactful solution to a retirement crisis – both for their own personal situation and Canadians overall.
- There is still a strong interest in acquiring a pension plan (or better pension plan) for oneself among Canadians. Consistent with last year's survey results, a majority of Canadians (71%) are still willing to forgo a higher salary for a pension plan.
- There is also strong support for ensuring all workers have access to a pension. The vast majority of Canadians say that all workers should have access to affordable (85%) and efficient (83%) retirement savings arrangements, which is also in line with last year's survey results.
  - A majority of Canadians (77%) say that employers have a responsibility to offer a pension plan so that employees can have adequate retirement income.
- Seventy-four per cent believe that if workers are not able to access good workplace pensions and contribute during their working lives, they will become a burden on the taxpayer.
  - Most also agree that governments can save money by supporting pensions that are more affordable (65%).
  - 75% agree that without good pensions in place, the economy will suffer.
  - 80% believe that without good pensions at work, Canadian seniors will experience poverty.

# WOULD CANADIANS PREFER:

Change since  
JUNE 2020

-3



- Have a slightly lower salary but any (or a better) pension plan
- Have a higher salary but no (or lower quality) pension plan

-6



- Have your employer make direct contributions to a pension plan
- Receive the money employers typically contribute for pension plans as salary

-7

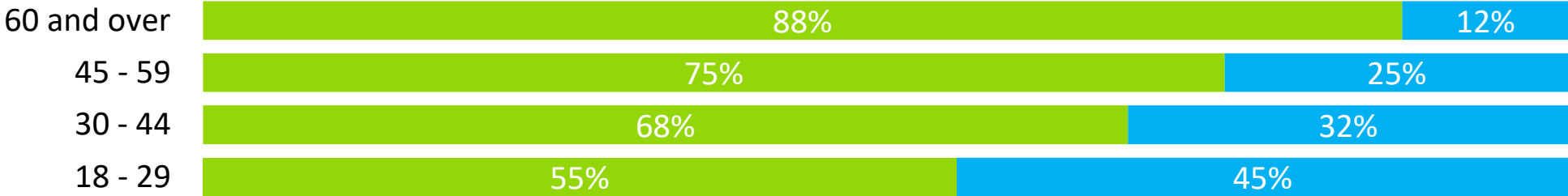


- Have a pension plan that pays out an amount based on what you earned while working
- Have a pension plan whose payments are based on how well or poorly the economy & the markets are doing
- Have a pension plan that is dependent on the financial success of the employer

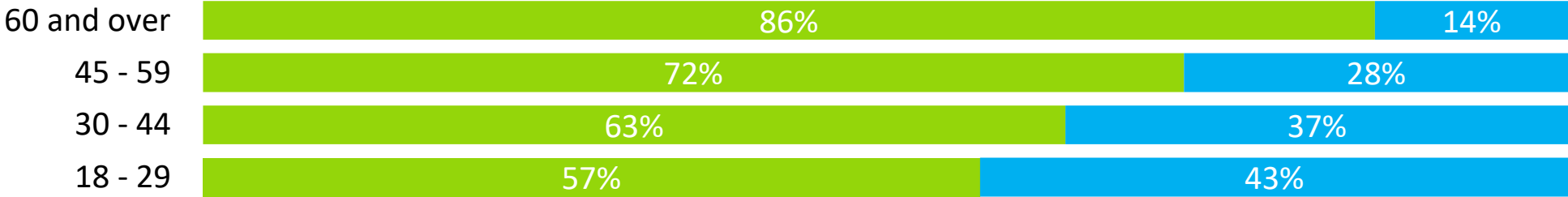
I want you to consider a number of trade-offs. Between the two, would you generally rather:



# SALARY VS. PENSION x AGE



- Have your employer make direct contributions to a pension plan
- Receive the money employers typically contribute for pension plans as salary



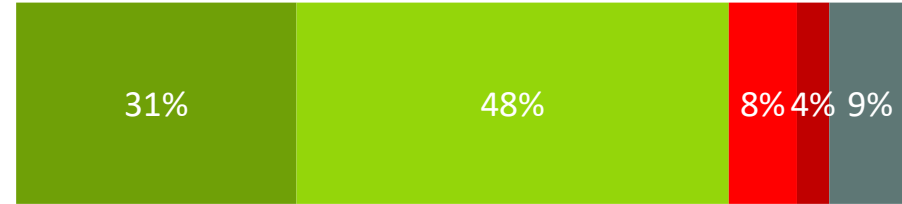
- Have a slightly lower salary but any (or a better) pension plan
- Have a higher salary but no (or lower quality) pension plan

I want you to consider a number of trade-offs. Between the two, would you generally rather:

# AGREE/DISAGREE STATEMENTS

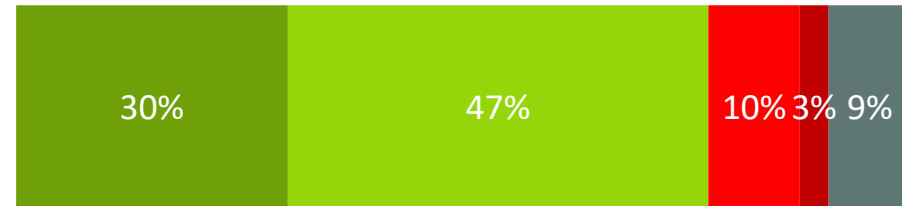
Change in  
Agree  
from JUNE 2020

Reasonable pay cheque deductions are an effective way of helping Canadians save for retirement



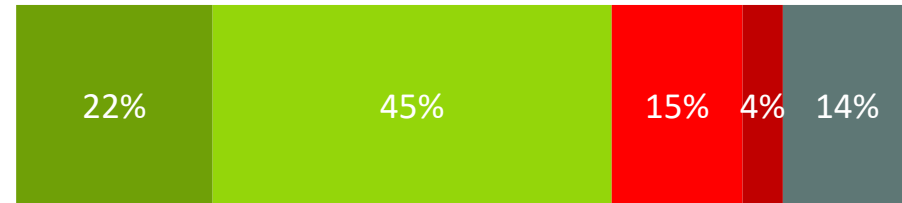
+1

Companies have a responsibility to offer a pension plan that workers can access in order to have adequate retirement income



+1

Regardless of economic conditions, companies could afford to offer workers good pensions if they wanted to



+5

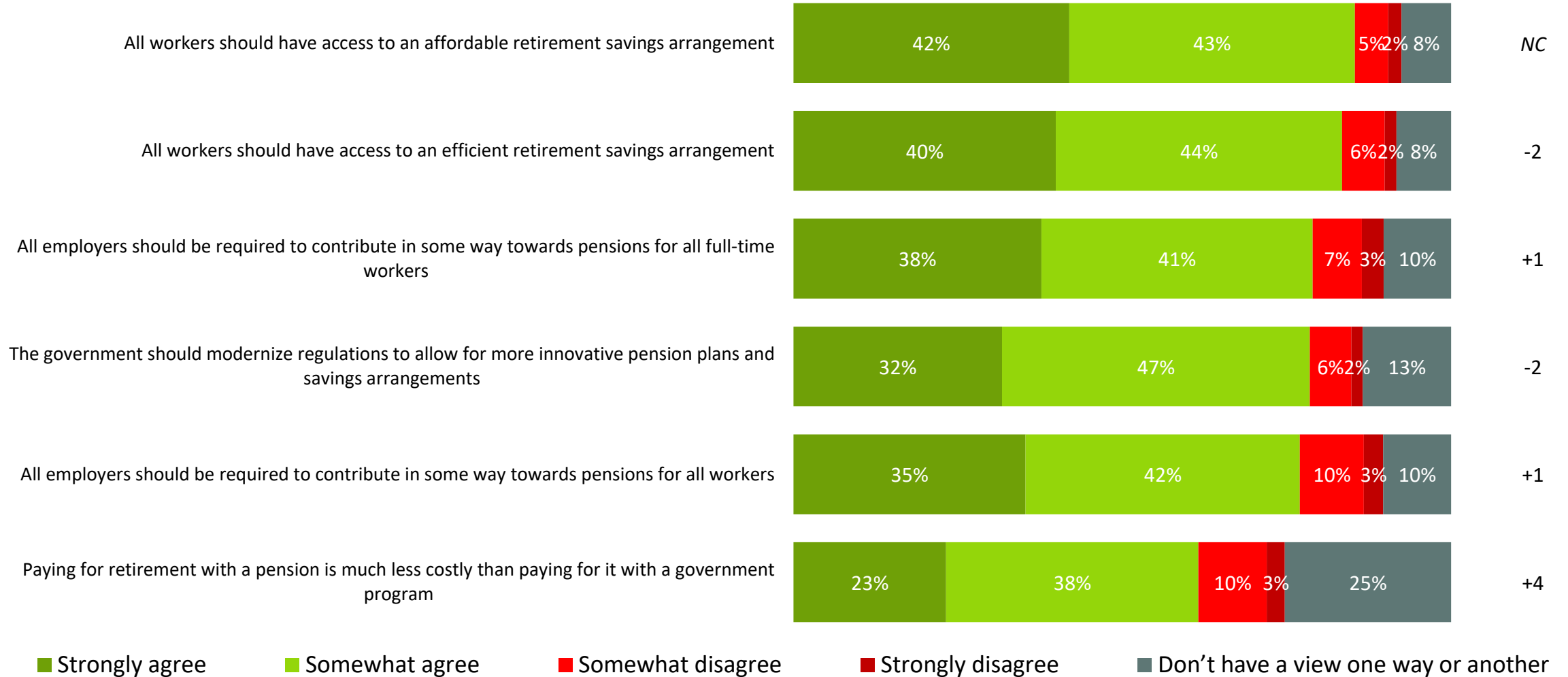
■ Strongly agree   
 ■ Somewhat agree   
 ■ Somewhat disagree   
 ■ Strongly disagree   
 ■ Don't have a view one way or another

Do you agree or disagree that...



# AGREE/DISAGREE STATEMENTS

Change in Agree from JUNE 2020



We have a few more perspectives to ask you about Do you agree or disagree that...

# AGREE/DISAGREE STATEMENTS

Change in  
Agree  
from JUNE 2020



■ Strongly agree   
 ■ Somewhat agree   
 ■ Somewhat disagree   
 ■ Strongly disagree   
 ■ Don't have a view one way or another

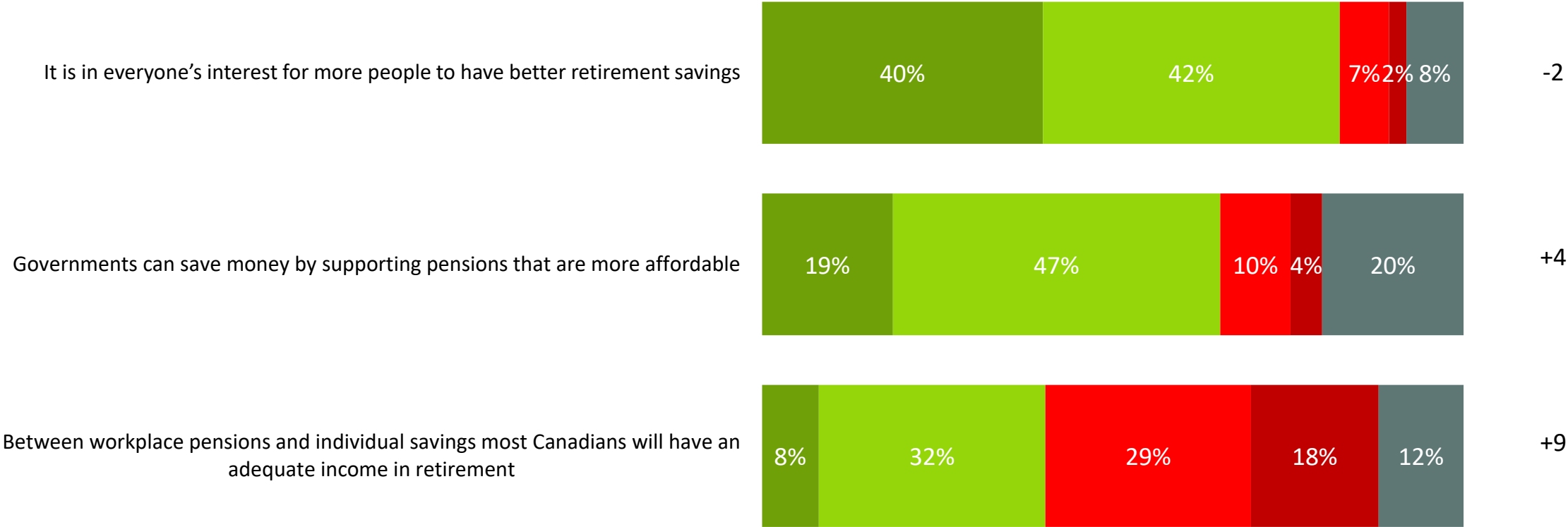
Do you agree or disagree that...





# AGREE/DISAGREE STATEMENTS

Change in Agree from JUNE 2020



■ Strongly agree   
 ■ Somewhat agree   
 ■ Somewhat disagree   
 ■ Strongly disagree   
 ■ Don't have a view one way or another

Do you agree or disagree that...

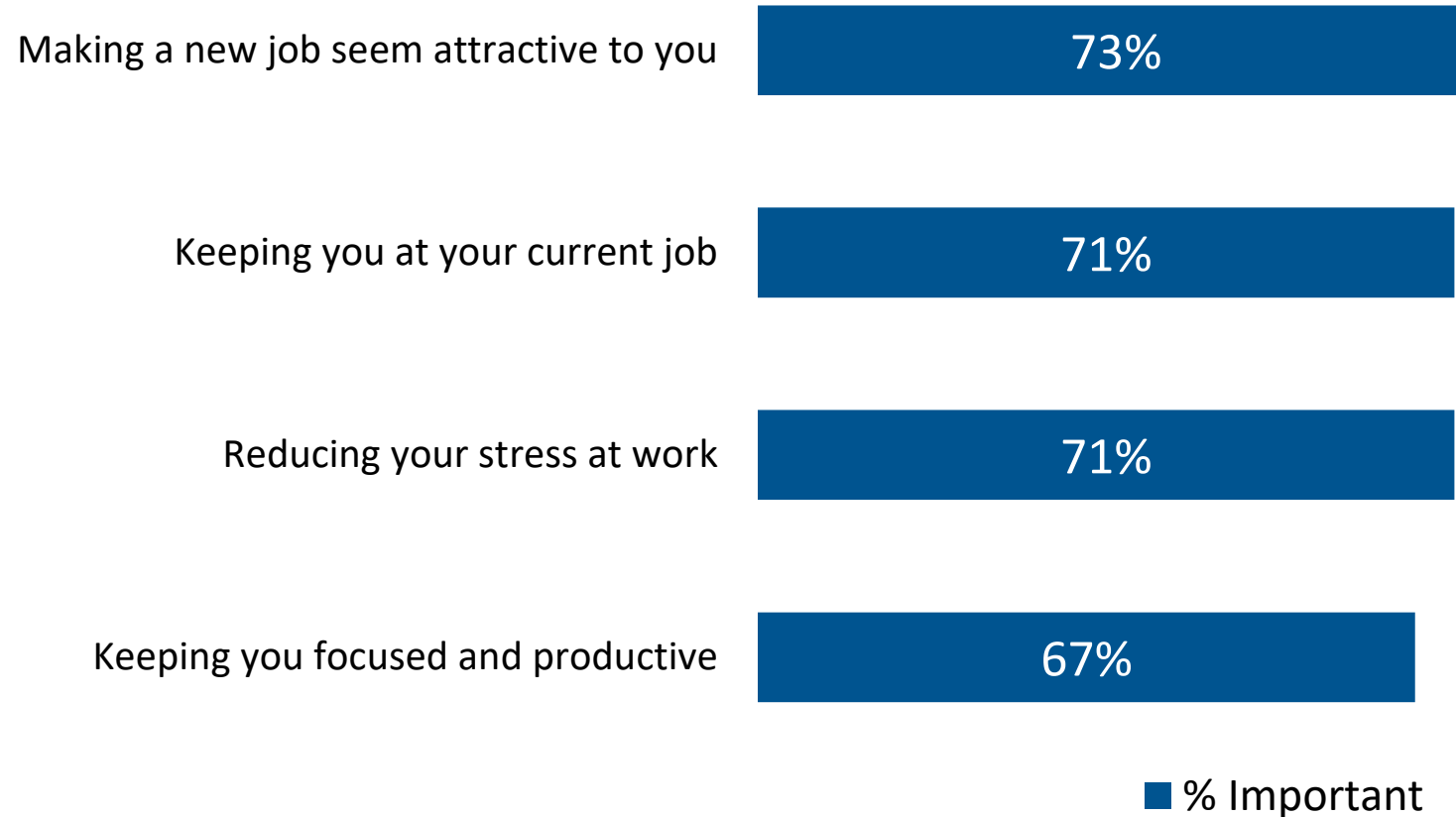


# PENSIONS AND JOBS

- Two-thirds of employees with pensions said pensions are important for keeping them at their current job (71%), making a new job seem attractive (73%), reducing stress at work (71%), and keeping [them] focused and productive (69%).
- Those who don't have pensions also see the value in them – among all workers (not just those with pensions), the vast majority (79%) say pensions are important to making a job seem attractive.

# IMPORTANCE OF A PENSION PLAN FOR...

## THOSE WITH PENSION BENEFITS

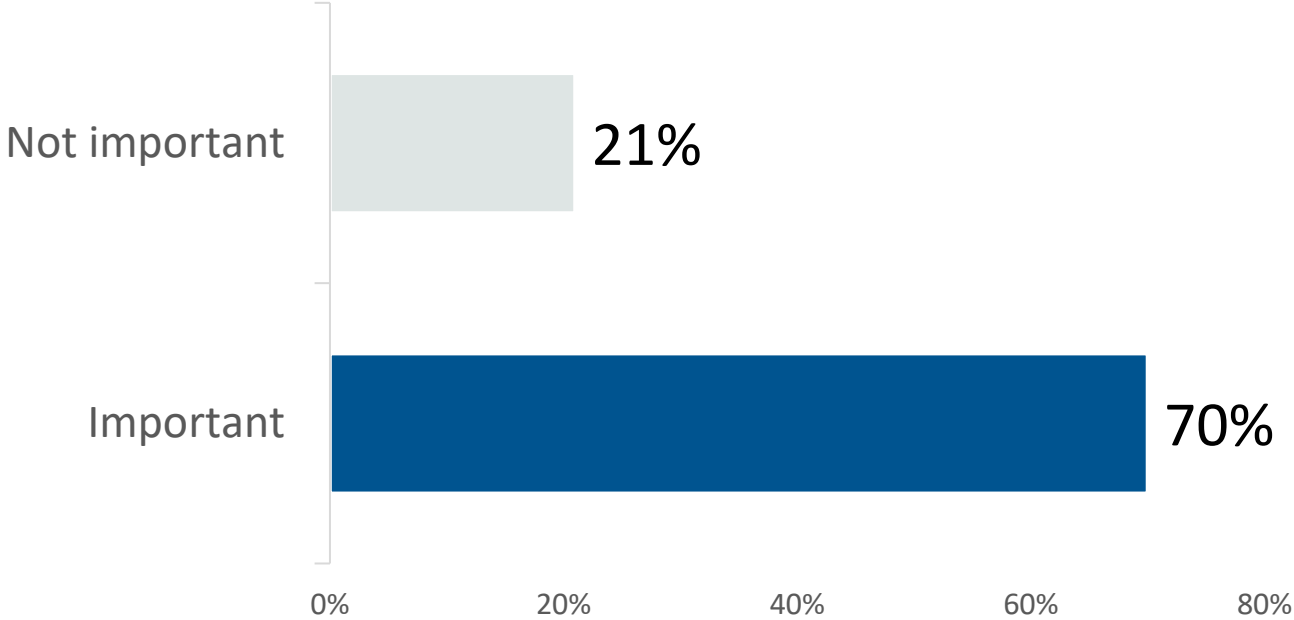


**7 in 10**  
Canadians with  
pensions  
connect their  
pension to job  
retention and  
attractiveness.

How important are/were each of the following for keeping you at your current job.../ reducing your stress at work.../ making a new job seem attractive to you.../ keeping you focused and productive at work...

# IMPORTANCE OF A PENSION PLAN FOR MAKING A NEW JOB SEEM ATTRACTIVE

## WORKING CANADIANS



**7 in 10**  
working  
Canadians say a  
pension offer  
makes a job  
more attractive

How important are/were each of the following for keeping you at your current job.../ reducing your stress at work.../ making a new job seem attractive to you.../ keeping you focused and productive at work...

# CONCLUSION

- After more than a year of the COVID-19 pandemic and its associated restrictions, Canadians remain steadfast in their personal and societal concerns around retirement security. As day-to-day financial pressures mount, Canadians are not taking their eye off the importance of retirement savings.
- While the negative financial impacts of the pandemic have hit the most vulnerable groups (who are also the least prepared for retirement) the hardest, Canadians across all income levels strongly agree and support improvements to retirement affordability for all. Even those who have been able to save more during this period are cautious in their use of those funds, mostly holding it in reserve. As Canada slowly begins to pivot into economic recovery, Canadians believe it makes economic sense to ensure retirement affordability for everyone.