



2024 Canadian Retirement Survey

Executive summary

The Healthcare of Ontario Pension Plan (HOOPP) commissioned Abacus Data to conduct its sixth *Canadian Retirement Survey* in the spring of 2024. This annual public opinion tracking survey examines Canadian individuals' retirement savings behaviour within the current economic environment, and the personal, societal and economic issues impacting their retirement security.

The results of this year's survey demonstrate that persistent high interest rates and a rising cost of living continue to have a significant negative impact on Canadians' ability to save and manage the cost of daily life, threatening their retirement preparedness. While all Canadians are struggling, women and those closest to retirement are especially hard hit with lower savings and higher levels of financial stress.

The findings suggest that individuals with workplace pensions are better prepared to face these challenges, as Canadians continue to recognize the personal and societal value pensions provide.

Canadians struggle to save amidst high cost of living; a quarter plan to work in retirement.

One in four (26%) unretired Canadians say they expect to continue working in retirement in order to support themselves, as Canadians continue to contend with a rising cost of living. At the same time, half (49%) of unretired Canadians haven't set aside any money for retirement in the last year, and only 43% say they have enough money coming in to set some aside in savings.

Struggling to keep up in the face of persistent high interest rates, the cost of daily living remains Canadians' top concern (70%), followed by their income keeping up with inflation (63%) and cuts to government social services (61%). Having enough money in retirement was also a top concern (58%).

As cost of daily living remains high, Canadians feel interest rates will continue to impact their ability to set aside money to save (66%), save for retirement (61%) and reduce debt (59%), even if rates decrease slightly in the near future.

Interest rates also continue to affect Canadians' outlook on housing affordability:

- Half (52%) of homeowners are worried about the impact of interest rates on their ability to afford their mortgage payments.
- Almost two-thirds (63%) of non-homeowners are concerned about the impact of interest rates on their ability to buy a home (+7 pts).

What's more, a growing number of homeowners plan to rely on the sale of their home to set themselves up for retirement (42%, +4 pts), including 40% of homeowners aged 55-64 (+6 pts). A significant majority (85%) of non-homeowners are also worried about the increasing cost of rent.



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Canadian women have less money, more financial anxiety; men better positioned to save.

While most Canadians are struggling to save amidst a high cost of living, women are particularly affected. Half (49%) of all Canadian women have less than \$5,000 in savings and almost a third (28%) have no savings (compared to 33% and 17% of men, respectively), which is stable year over year from 2023.

More than half (53%) of unretired women have not set aside any money for retirement in the last year (compared to 45% of men). Women are also significantly less likely to have enough money to set some aside in savings (36% of women compared to 48% of men).

As they grapple with a reduced capacity to save, women rank affording the day-to-day as their top financial priority (57%, compared to 49% of men), while the top priority for men is saving for retirement (51%, compared to 46% of women).

It's against this economic backdrop that women are significantly more likely to feel anxious (51% of women compared to 39% of men), fearful (50% vs. 37%), frustrated (50% vs. 42%) and sad (46% vs. 36%) because of their financial situation. They are also more likely than men to be concerned about:

- the cost of daily living (76% of women compared to 65% of men)
- their income keeping up with inflation (69% vs. 57%)
- housing affordability (66% vs. 51%)
- having enough money in retirement (63% vs. 52%)
- their mental health (49% vs. 35%)



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Canadians unprepared for retirement, especially women closest to retirement.

Canadians are not confident in their retirement readiness. In fact, most agree that saving for retirement is prohibitively expensive (70%, +4 pts since 2023), and more than half (57%) of unretired Canadians say they feel unprepared for retirement.

One in ten (13%) unretired Canadians don't think they'll ever retire. At the same time, almost a third (28%) of unretired Canadians aged 55-64 say they expect to continue working in retirement in order to support themselves.

The findings suggest a concerning retirement outlook for unretired Canadians aged 55-64, especially unretired women in the same age group:

- 39% of Canadians aged 55-64 have less than \$5,000 in savings (-5 pts); 73% have \$100,000 or less in savings.
 - More than one in three (36%) women aged 55-64 have no savings at all, compared to one in five (22%) men.
- Nearly two-thirds (62%) of unretired women aged 55-64 feel unprepared for retirement, compared to half (48%) of unretired men aged 55-64.
- Unretired women are also less likely to have a planned retirement age than men:
 - 61% of unretired women don't have a planned age compared to 50% of unretired men, including 59% of unretired women aged 55-64 and 39% of unretired men in the same age group.



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Pensions make saving more efficient; Canadians see the value and are willing to pay.

Canadians with workplace pensions are better prepared for retirement, as those with access are more likely to have more savings than those without:

- Canadians with a workplace pension plan are able to save more efficiently. Just 29% of those with a workplace pension have less than \$5,000 in savings, compared to almost half (48%) of those without.
- More than half (59%) of unretired Canadians with a workplace pension feel somewhat or very well prepared for retirement, compared to only a third (34%) of those without.
 - Almost half (49%) of unretired women with a pension feel prepared for retirement, compared to just 29% without a pension. For unretired men, this increases to 66% with a pension and 40% without.

Notably, most Canadians are also willing to pay for pensions; 70% would prefer a slightly lower salary and a pension (or a better pension) over a slightly higher salary and no (or a worse) pension (30%). This is especially significant as Canadians manage a high cost of living and high interest rates, and as most (73%) continue to agree there is an emerging retirement income crisis (+4 pts since 2023).

Despite these challenges, Canadians continue to see pensions as part of the solution:

- The vast majority of Canadians believe all workers should have access to an affordable retirement savings arrangement (88%) and it is in everyone's interest for more people to have better retirement savings (86%).
- 81% agree companies have a responsibility to offer a pension plan that workers can access for adequate income in retirement.
- 78% agree that the pensions we build today are fuel for tomorrow's economy and 77% agree that without good pensions in place, the economy will suffer.
- Most agree that governments can save money by supporting pensions that are more efficient (77%) and affordable (77%); 75% agree that if workers aren't able to access good workplace pensions and contribute during their working lives, they will become a burden on taxpayers.



Conclusion

Saving for retirement is on the backburner for many Canadians as they endure a high cost of living and unrelenting interest rates. Half of Canadian women have less than \$5,000 in savings, with a significantly reduced capacity to save compared to men, as they struggle to afford daily life and are significantly more likely to be concerned about their income keeping up with inflation, housing affordability and having enough money in retirement. At the same time, almost a third of pre-retirement adults say they expect to continue working in retirement in order to support themselves.

While Canadians feel unprepared for retirement as they focus on affording the day-to-day, the findings suggest that those with workplace pension plans are able to save more efficiently and are more confident in their retirement readiness.

What's more, Canadians continue to see pensions as a solution to these challenges and are willing to sacrifice pay to get them. As they recognize the personal and societal benefits of workplace pension plans, it's clear Canadians also see a role for employers and governments in expanding pension access.

These findings are based on a survey conducted online with 2,000 Canadians aged 18 and over from April 12 to 16, 2024. 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 +/- 2.19%, 19 times out of 20. The margin of error will be larger for data that is based on sub-groups of the total sample. 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. Individuals who identified their gender as something other than "male" or "female" were weighted out of the gendered analysis due to their small sample size (N=9). Totals may not add up to 100 due to rounding.