



2022 Canadian Employer Pension Survey

Executive Summary

In August of 2022, the Healthcare of Ontario Pension Plan (HOOPP) commissioned Angus Reid Group to conduct its *Canadian Employer Pension Survey*. This annual public opinion survey captures the perspectives of Canadian employers on the current economic climate's impact on business, the state of retirement security in Canada, and the positive impact of offering retirement benefits on employee retention, recruitment and overall well-being.

The results show that employers are very worried about labour shortages, turnover and employee mental health; and they recognize the importance of providing retirement and other benefits to address these challenges. At the same time, immediate pressures stemming from a high inflation environment are forcing many to favour shorter-term solutions to support and attract staff, such as pay raises.

1. Employers are concerned about external factors like inflation, but they are more worried about employee-related factors.

- Leading the pack of concerns are: inflation (82%), greater competition for hiring (82%), employee burnout (79%), labour shortage (79%) and high turnover (77%).
- Many are also concerned about employee productivity (59%) impacting their business.
- While most are optimistic about their revenue (80%) and profits (80%), fewer are as optimistic about maintaining employee morale (67%). One in five (20%) employers rate themselves poorly on their ability to find talent.

2. Employers are concerned about the impact of the current economy on their employees, and many are taking action to address concerns such as burnout and low productivity.

- Most employers are concerned about employees' financial stress resulting from: inflation (87%), economic instability (81%) and increasing interest rates (78%).
- Among the 83% of employers concerned about employees' mental health, 47% are taking action and 30% are developing a plan.



- Among the 61% of employers concerned about low productivity, 31% are taking action and 37% are developing a plan.
- Employers overwhelmingly agree it is important to offer benefits that will reduce financial stress for employees (88%).

3. Employers understand the value of retirement benefits on recruitment and retention, whether they offer them or not.

- Among all employers (including those that don't offer retirement benefits), they understand offering retirement benefits helps with retaining (66%) and recruiting (62%) talent.
- A majority of employers also say retirement benefits are a cost-effective way to reduce financial stress for employees (85%) and more of an investment in human capital than a cost to business (78%).
- Those that do offer retirement benefits are doing so to respond to employee needs (it was rated as the first or second priority for 55%), long-term costs to the company (51%) and competing with other employers (47%).

4. Employers agree with workers that Canada is heading for a retirement crisis and they believe they have a responsibility to help their employees save for retirement.

- Most Canadian employers (84%) are concerned about an emerging retirement income crisis, which is even higher than the Canadian general public who agree with the same statement (75%*).
- Implications of the crisis are commonly understood by employers:
 - 80% say without good pensions in place, the economy will suffer.
 - 84% say if workers aren't able to access good workplace pensions and contribute during their working lives, they will become a burden on the taxpayer.
- A majority of employers feel a responsibility to offer a pension plan workers can access in order to have adequate retirement income (75%).



- Employers believe that governments have a role to play:
 - 90% believe governments should encourage best practices for communicating the value of retirement benefits.
 - 87% say governments can save money by supporting pensions that are more efficient/affordable.

*Source: [2022 Canadian Retirement Survey](#)

5. Employers recognize the value of retirement benefits, but currently favour increasing wages to mitigate the effects of inflation for employees.

- A majority of employers (67%) are currently favouring wage increases over improving benefits as the best way to mitigate the effects of inflation for employees, and as a means to attract new employees (71%).
- Cost is the biggest impediment for the 20% of employers that do not offer any retirement benefits. Of this group, 44% say the long-term costs are too high and 30% say set-up costs are too high.
- Only one in three employers say benefits are the best way to mitigate inflation pressures.

6. Employers who prioritize retirement benefits over cash report higher levels of productivity, including those who introduced or improved benefits in the last year.

- Knowing that over half of employers are concerned about employee productivity (59%), those reporting significantly improved productivity are more likely to favour benefits over cash in fighting inflationary pressures and recruiting new talent, compared to those with worsening productivity (45% vs. 31%).
 - Furthermore, employers reporting improved productivity are twice as likely to be optimistic about maintaining employee morale (81% vs. 40%), retaining current talent (80% vs. 43%), and recruiting new talent (76% vs. 38%).
- Firms that offer defined benefit pensions are more likely to report improved productivity (49%) than firms that do not (36%).



- Seventeen per cent of Canadian employers introduced or enhanced their retirement benefit offerings last year, or plan to in the year ahead.
 - Those who have introduced or enhanced their retirement benefits in the last year are more likely to report higher levels of employee productivity compared to those who have not made any retirement benefit improvements (56% vs. 39%), and less likely to be negatively impacted by greater competition for hiring (57% vs. 77%), high turnover (64% vs. 71%), and labour shortages (62% vs. 76%).

Conclusion

While the Canadian employers surveyed are mostly optimistic about the future of their business over the next year, they remain deeply concerned about workforce challenges. Overall, employers understand the benefits of offering retirement plans, particularly when it comes to employee retention and staying competitive in the labour market.

Employers that offer retirement savings plans also report higher levels of productivity and employee wellness. The link between these is further explored in previous research, [*The Value of a Good Pension: The business case for good workplace retirement plans.*](#)

There is continued momentum towards addressing employers' business concerns by improving retirement security for their employees. In fact, one in six (17%) employers either introduced or enhanced retirement benefit offerings last year, or plan to in the year ahead.

While current inflationary pressures are naturally and understandably forcing many employers (and workers) to prioritize cash in hand now, there is also a strong recognition that a retirement crisis is coming. As such, it is more important than ever for all stakeholders – businesses, government, the retirement industry and workers – to stay focused on the long term and take measures that will help workers save for retirement.

These findings are based on a survey conducted online from August 3 to 10, 2022 with 778 Canadian business owners and senior leaders with 20+ employees and who have influence over HR decisions. The margin of error for a comparable probability-based random sample of the same size is +/- 3.4%, 19 times out of 20. Sample is achieved in a generally proportional manner from all ten provinces and targets are placed to ensure reasonable representation of businesses across employee count spectrums.