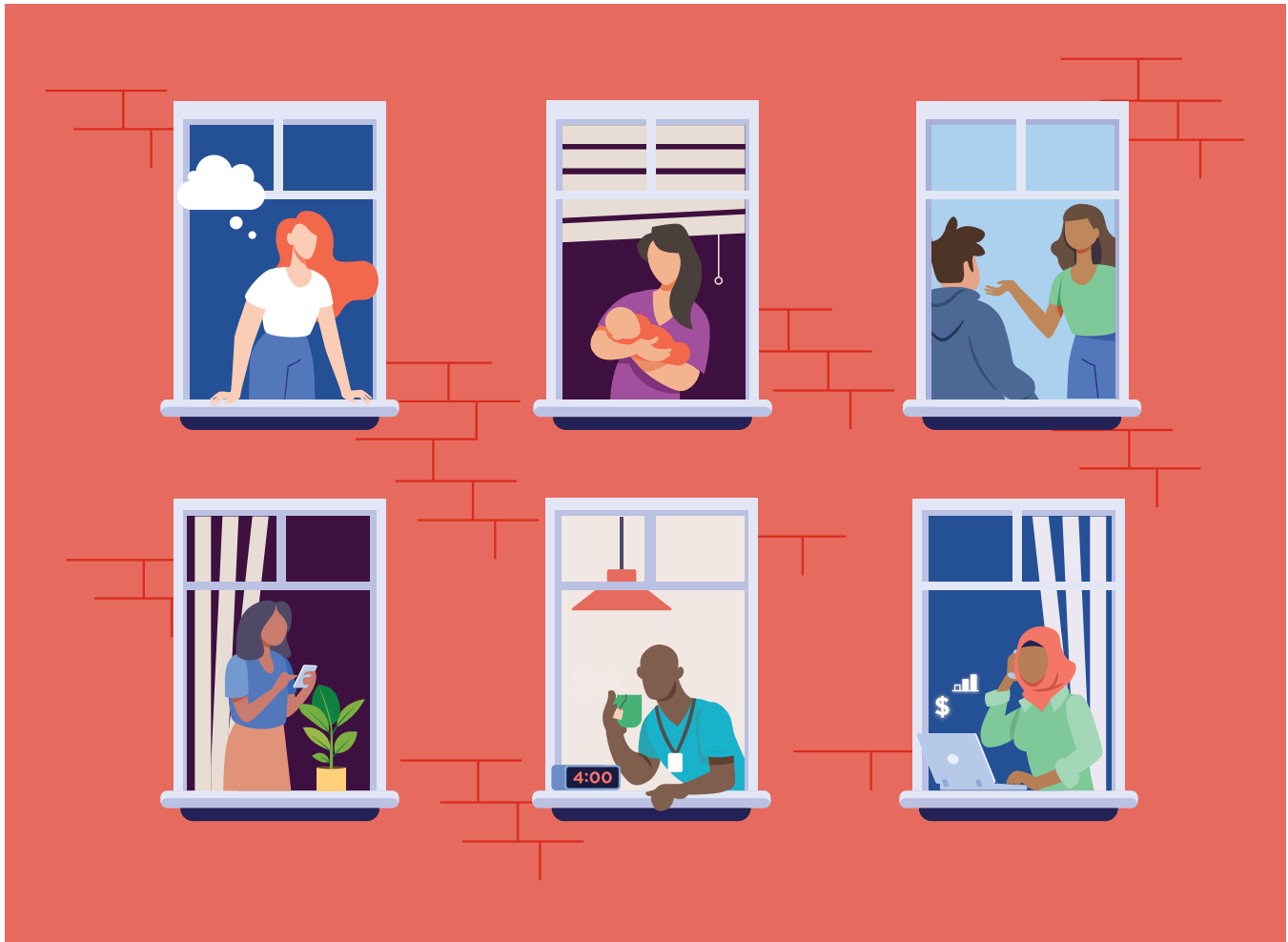


Executive summary of **2021 Canadian Retirement Survey**



In the spring of 2021, Healthcare of Ontario Pension Plan (HOOPP) commissioned Abacus Data to conduct our third annual public opinion tracking survey of 2,500 Canadians. The survey explored Canadians' views on retirement issues, while also looking at the impacts of COVID-19 on their own finances and planning. Despite the widening economic disparity caused by the pandemic, Canadians' personal and societal concerns about retirement security remain strong across all income levels. This is also true for their willingness — if not their ability — to accept less salary now for financial security later in life. Canadians across the board also agree that employers have an important role to play in making saving for retirement more affordable.

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 the cost of day-to-day living (55% very concerned) and having enough money in retirement (48%), at the top of the list. ("Very concerned" means a rating of 7-9 on a scale of 1 to 9.)

- ▶ Canadians are more concerned about having enough in retirement than they are about their personal debt load (31%), 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%).

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

Approximately half (52%) of Canadians have had their own financial situations harmed since March 2020; 19% 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%).

III. Since 2019, 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. Among this group, almost 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 points since the 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%).

- ▶ While half of Canadians have set money aside for emergencies, only 37% saved for retirement in the past year.
- ▶ Putting money aside for retirement is a challenge for many, due to the affordability challenges Canadians face today.
 - The most common reason to not save is living paycheque to paycheque. 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.
- ▶ More than 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%).

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 among Canadians in acquiring a pension plan (or a better pension plan). 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. Another 74% believe that if workers are not able to access good workplace pensions and contribute during their working lives, they will become a burden on taxpayers.

- ▶ A majority of Canadians (77%) say that employers have a responsibility to offer a pension plan so that employees can have adequate retirement income.
- ▶ 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.

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 among those who have been able to save more during the pandemic, only about half set aside money for retirement. As Canada slowly begins to pivot into economic recovery, Canadians believe it makes economic sense to ensure retirement affordability for everyone.

These findings are based on a survey conducted online with 2,500 Canadians, ages 18 and older, from April 19-27, 2021. 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.