



Highlights





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Portrait of Canadian Workers and Retirees

- Workers aged 40 or over account for 46% of Canadian workers and retirees while 11% are in the pre-retirement stage.
- Among workers 40 or over and retirees (excluding partial retirees and workers who have passed their ideal retirement age):
 - 14% are Dreamers (16 years or more to go before their ideal retirement age);
 - 30% are Sprinters (6 to 15 years from ideal retirement age);
 - 14% are Count Downers (within 5 years of ideal retirement age);
 - 3% are Exiters (in first year of retirement);
 - 39% are Retirees (full retirees with 2 or more years into retirement).

Retirement Experience among Today's Retirees

- 16% of retirees continue gainful employment.
- This proportion decreases with age (25% among retirees aged 55 to 64 and 11% among those aged 65 and older) and with years since retirement (e.g., from 26% among those who have been retired for 1 to 4 years to 2% among those who have been retired for 15 years or more).

Return to Work after Being Fully Retired

- 8% of today's workers (including partial retirees) were once fully retired before returning to work.
- This proportion rises to 42% among partial retirees.
- The main reasons for going back to work are: needing more money for personal projects (46%) and wanting to counter the negative effects of the economic situation on retirement income (29%).

Ideal Age for Retirement

- 31% of workers or partial retirees hope to retire by 55 while 7% would wait until after age 65.
- 9% hope to never retire.
- 12% of workers and partial retirees face retirement within 1 to 4 years while 56% have 15 years or more to go.

Work to Retirement Transition

- Among workers and partial retirees, 47% hope to transition into retirement by first reducing their work schedule.
- 34% plan to take longer holidays or vacations during their transition.
- 23% say they plan to stop working completely, at once.
- Among today's full retirees, 72% say they actually stopped working completely at once when they retired.
- 20% first reduced their work schedule.

Evolution in Personal Financial Situations

- 21% of Canadian workers and retirees say their personal financial situation has improved in the past year while 33% say their situation has deteriorated.
- Among workers, 26% say their personal financial situation has improved while 30% say it has deteriorated.
- 40% of full or partial retirees say their personal financial situation has deteriorated this year while 8% claim an improvement.
- Those who say their situation has improved are most likely to cite a wage or salary increase (19%), debt repayment (18%), finding a better job (14%) or an increase in income/retirement benefits (13%) as the cause.



Highlights (continued)

Evolution in Personal Financial Situations (continued)

- The main reasons behind the deterioration experienced include loss on investments (20%), a rise in the relative cost of living (19%), loss of employment or reduced work hours (16%) or lower income, salary or wages (12%).
- 44% of retirees have a personal income of \$30,000 or less per year while 6% have more than \$70,000. Among workers, the corresponding proportions are 23% and 20% respectively.
- In all, 27% of Canadian workers and retirees say their personal income has increased in the past year while 22% say it has decreased.
- Among workers, 33% say their personal income has increased while 20% say it has decreased.
- 26% of full or partial retirees have seen their income decrease while 11% have had an increase in income.
- 31% of Canadian workers and retirees have \$1,000 or less in debt while 13% are in debt for over \$50,000.
- Among workers, the corresponding percentages are 24% and 15% respectively.
- 9% of full or partial retirees have over \$50,000 in debt compared to 48% with \$1,000 or less in debt.
- 27% of Canadian workers and retirees say their debt has increased in the past year while 30% say it has decreased.
- 31% of workers say their debt has increased and the same proportion say it has decreased.
- 19% of full or partial retirees have experienced an increase in debt while 27% have had their debt decrease.
- 22% of Canadian workers and retirees have \$1,000 or less in personal savings and investments whereas 23% have more than \$100,000 put away.
- Among workers, 24% are in the lowest savings bracket while 15% are in the highest bracket.
- 16% of full or partial retirees have \$1,000 or less in savings and investments while 41% have more than \$100,000.
- 24% of Canadian workers and retirees say their savings and investments have increased this year while 41% say they have decreased.
- Among workers, 28% have seen an increase while 36% have experienced a decrease.
- 53% of retirees say their savings and investments have fallen this year versus 16% who have seen a rise in their retirement cushions.
- 33% of Canadian workers and retirees say their savings habits have changed somewhat or a lot in the past year. This response is more common among workers (36%) than among retirees (25%).
- Workers are mainly alluding to putting more money in savings (28%), though 21% said they had less money to save.
- For full and partial retirees, lower savings because they have less to save was the overwhelming response (46%).
- Among the financial compromises we listed, cutting back on dining out (55%), postponing major purchases or expenses to avoid debt (43%) and reducing spending on recreation (42%) were the most popular.



Highlights (continued)

Climate of Confidence

- While 67% of Canadian workers and retirees say their confidence in financial institutions has not changed in the past year, 30% say it has decreased.
- When asked about the impact of recent financial scandals on their faith in financial advisors, 66% say they have less confidence (while the remaining third (33%) say their faith has remained unchanged).

Spending in Retirement

- When asked about how they spend their money in retirement, 18% of full retirees say they spend as much as they want. 55% spend to cover basic needs plus some “extras” while 27% spend only to cover their basic needs.
- The “extras” refer mainly to gifts for children or grandchildren (60%), leisure spending (56%) and vacations (50%).

Pension Fund Contributions

- 47% of Canadian workers contribute to an employer pension fund. 10% have access to one but do not contribute while 43% do not have access to an employer pension fund.
- When asked whether they would be interested in contributing more to their province’s pension fund, 38% of those who do not currently contribute to an employer pension fund say they would be very or somewhat interested while 27% are not at all interested.