



Canada 20/20 Online Panel

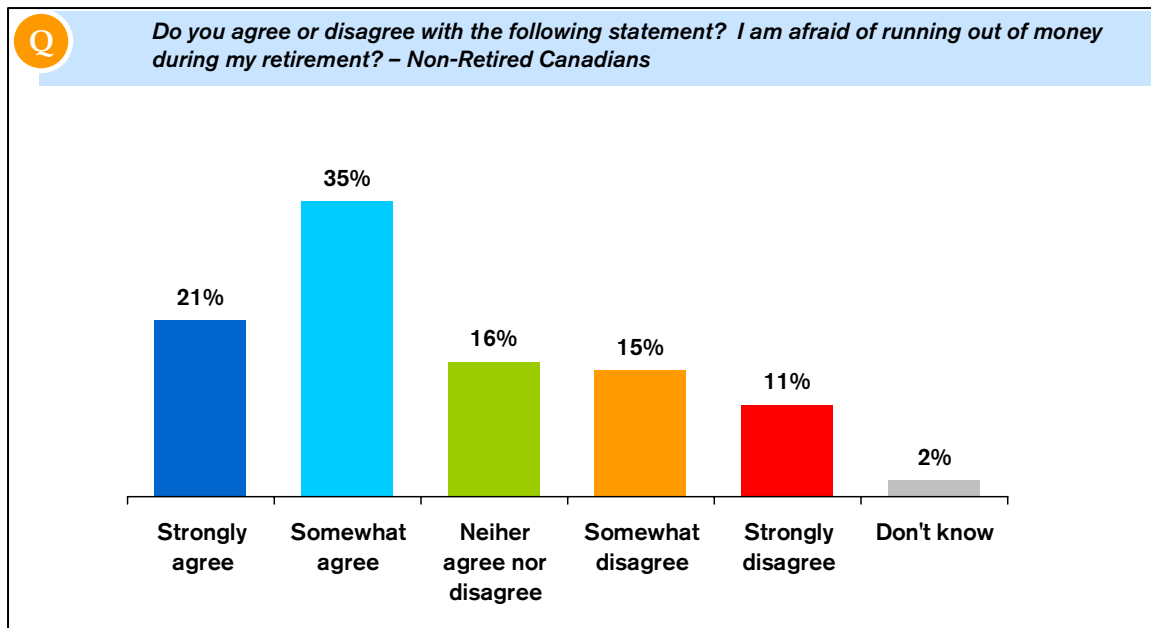
Maclean's Retirement Poll

January 2007

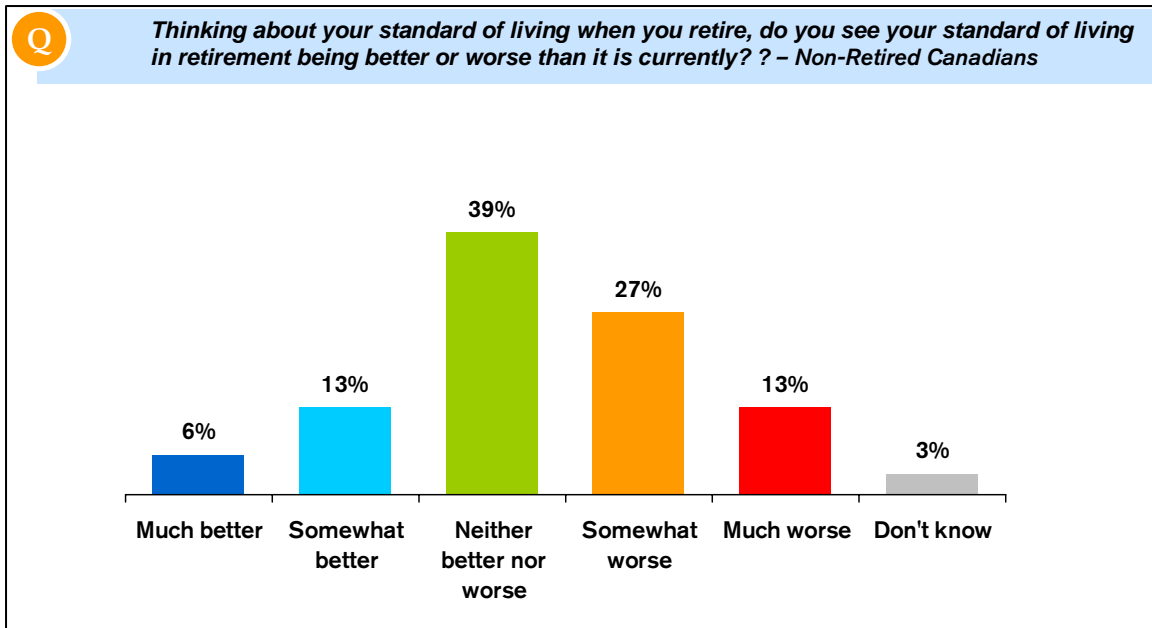
Majority of Canadians Worry About Running Out of Money in Retirement

Boomers Report Starting Earlier Than Parents in Retirement Planning

A new poll conducted on behalf of Maclean's Magazine by Innovative Research Group (INNOVATIVE) indicates that one of the biggest concerns of Canadians regarding retirement is running out of money (56%). This worry translates into Canadians starting earlier in their retirement planning; most Boomers, those aged 45 to 64 years of age, report first thinking about retirement in their 30s and 40s (53%), while Canadians who have already retired say they didn't start to contemplate that stage of their lives until their 40s or 50s (66%).



Despite starting to plan earlier, most non-retired Canadians think their standard of living will be lower when they retire than it is currently (worse 40% versus better 18%). As for how their retirement will compare to their parents' generation, non-retired Canadians are divided with just slightly more saying their retirements will be less comfortable (35%) than say they will be more comfortable (33%) than their parents'. A smaller, but still significant proportion believes they will be just as comfortable as their parents (26%).



While three-quarters (75%) of non-retired Canadians report having retirement savings, it is troublesome that one-in-five (19%) indicate they don't know how much money they will need for their retirement. While one-quarter (25%) of the youngest cohort (aged 18 to 34) indicates they don't know how much they will need, it is more worrisome that close to one-in-five (17%) Boomers also say they don't know. As for how much they will need, it is not unexpected that younger Canadians estimate they will need more in retirement savings than do their Boomer parents (more than \$1 million: 38% versus 21% respectively).

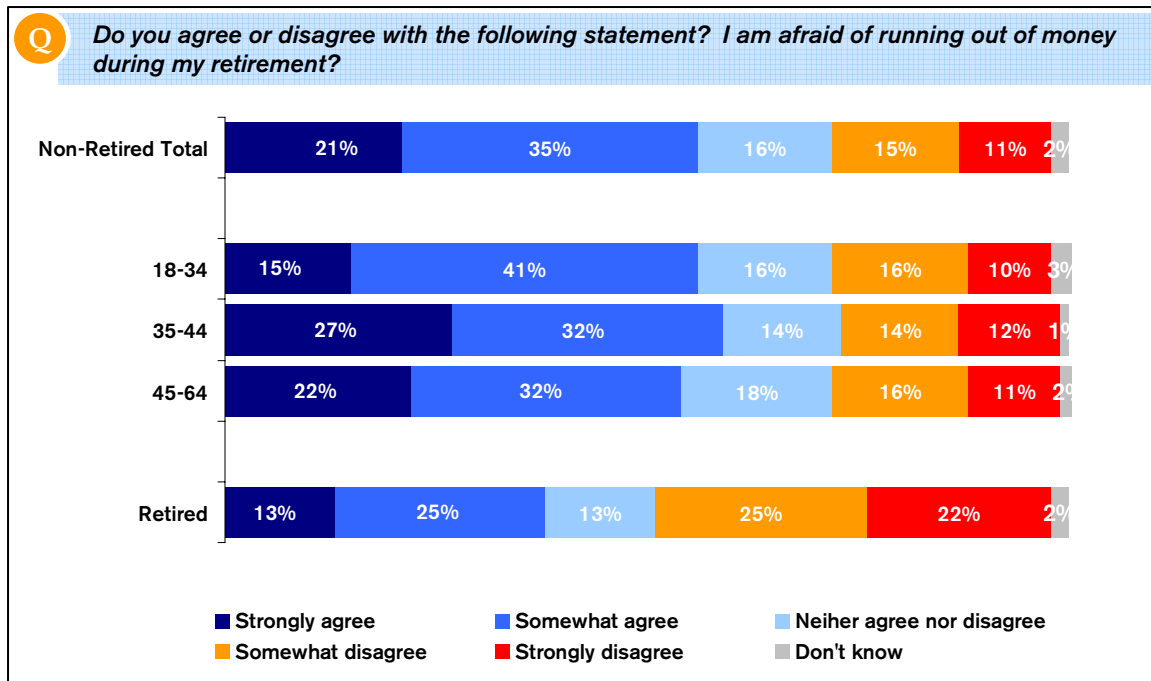
Beyond financial worries regarding retirement, a majority of Canadians are concerned they will be stricken by a serious disease such as Alzheimer's during their retirement (57%). On a related note, two-fifths (43%) believe that when they retire, there will no longer be a strong, publicly-funded health care system.

Finally, on an individual level, approximately two-in-five (42%) Canadians report feeling worried that they will end up alone towards the end of their lives.

Detailed Findings

Majority of Canadians Worry About Running Out of Money in Retirement

A majority of Canadians (56%) who are not retired (73% of respondents) fear that they will run out of money during their retirement.



- This concern is as prevalent among those Boomers on the cusp of retirement age (45-64: 54%) as those generations following (18-34: 56%).
- However, this concern is much lower (38%) among those who have already retired (26% of respondents).

While non-retired Canadians may worry about running out of money in their retirement, most (56%) do not believe they will need financial support from their children when they retire.

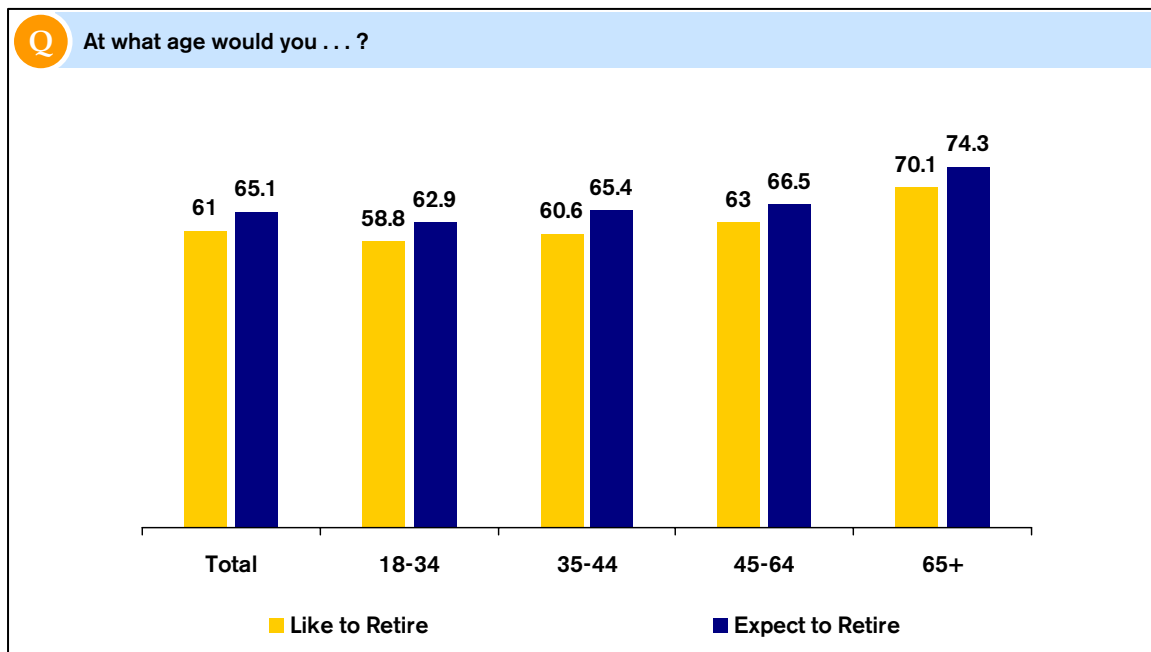
- Boomers (58%) are more likely than those in the youngest cohort (52%) to share this viewpoint.
- As for those already retired, just one-in-twenty (5%) say that their children are helping them financially.

Boomers Report Starting Earlier Than Parents in Retirement Planning

As for planning for retirement, over half (53%) of boomers, that is those between 45 and 64 years of age, report that they first started to think about retirement plans in their 30s and 40s. By comparison, two-thirds (66%) of those currently retired indicate they first started to think about retirement in their 40s and 50s. Interestingly, six-in-ten (60%) of those 18-34 years of age report that they have already begun thinking about retirement plans. In total one-quarter (26%) of non-retired Canadians say they haven't yet thought about retiring.

When asked at what age they would like to retire and at what age they believe they will be able to retire, there appears to be somewhat of a disconnect. On average, non-retired Canadians say they would like to retire at age 61, but think they will only be able to retire at age 65.

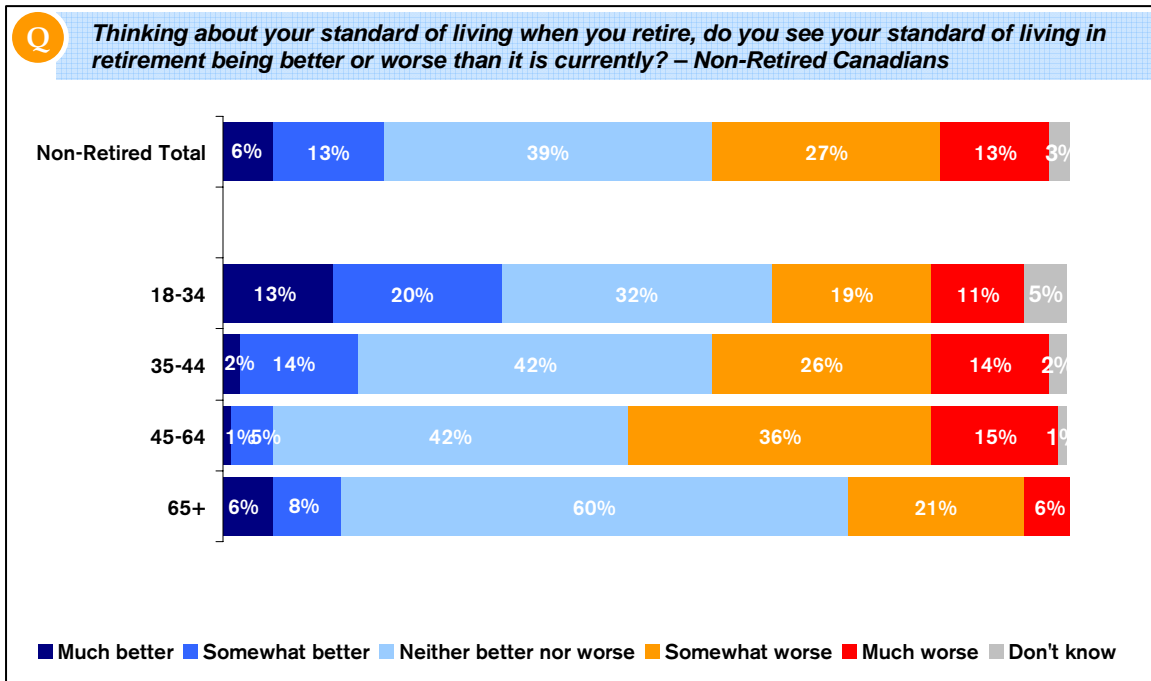
- There is a difference of views between those in the boomer generation (aged 45 to 64) and the "echo" generation (aged 18 to 34) on this topic. As Canadians mature, the age at which they would like to retire increases from under 60 (18-34: average 59) to approximately 63 among those 45 to 64 years of age.



Similarly, the age at which these groups believe they will be able to retire rises slightly, increasing from 63 years of age among young adults to approximately 66.5 among Boomers. As for what age Canadians actually left work, retirees report retiring, on average, at the age of 58.

Most Believe Standard of Living Will Be Lower or the Same in Retirement

So how comfortable do Canadians think they will be in retirement? Many non-retired Canadians believe that their standard of living will be worse than it is currently when they retire (40%), compared to less than half that proportion (18%) who believe they will be living better than currently. Two-in-five (39%) feel their standard of living will likely be the same as it is now when they retire.



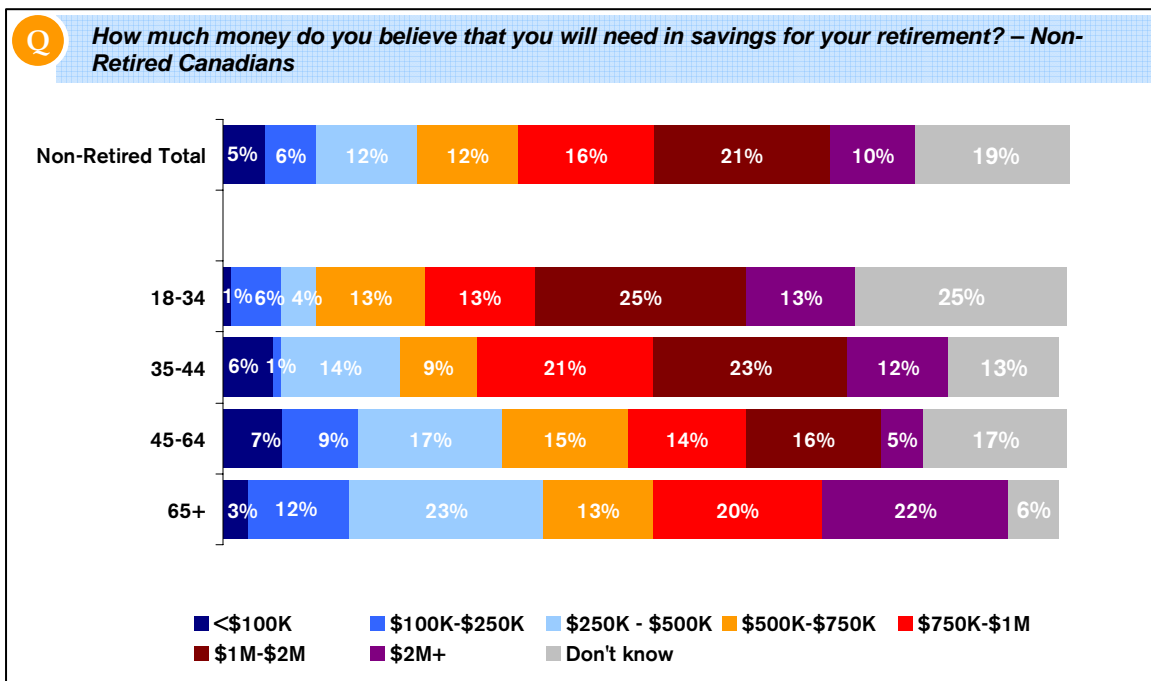
- There is a big difference of opinion between Boomers (better 6% versus worse 51%) and the youngest adult generation (better 33% versus worse 30%) on this topic.
- As for those who have already retired, a plurality (43%) report that their standard of living is about the same as when they were working, while one-third (35%) say they are worse-off and one-fifth (22%) report being better off.

Non-retired Canadians are divided as to how their retirement will compare with that of their parents. One-third (33%) envision they will be more comfortable than their parents in retirement, while slightly more (35%) believe they will be less comfortable. One-quarter (26%) say they will be just as comfortable as their parents.

- There is a difference of views between Boomers and younger Canadians. Boomers are more pessimistic on this topic, with more believing they will be less comfortable (43%) than say they will be more comfortable (30%).
- By comparison, the youngest generation is more optimistic (more comfortable 35% versus less comfortable 26%).

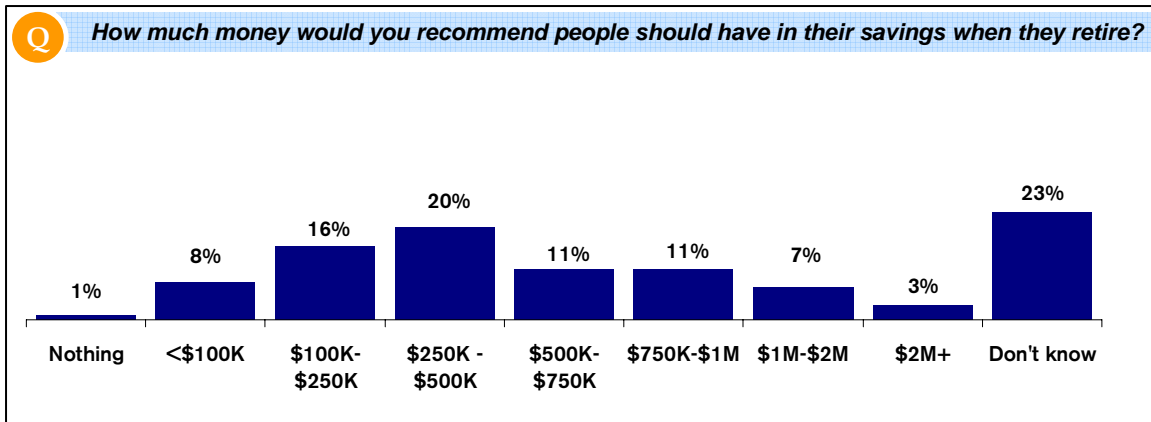
One-in-Five Boomers Say they Don't Know How Much They Will Need in Retirement

When asked how much money they feel they will need in savings for their retirement, it is not surprising that younger Canadians (at least \$1 million: 38%) say they will need more than do Boomers on the cusp of retirement age (at least \$1 million: 21%). However, one-quarter (25%) of younger adults say they don't know. As for Boomers, a surprisingly high proportion (17%), also indicate they don't know how much they will need for retirement.



In comparison, those currently retired report a wide range of savings when they first retired. One-in-ten (10%) say they actually had no savings, while less than one-in-twenty (4%) report they had more than \$1 million in retirement savings. Two-in-five (39%) indicate having retirement savings of between \$100,000 and \$1 million.

As for how much current retirees suggest people should have when they retire, the most popular response is between \$250,001 and \$500,000 (20%). One-in-ten (10%) suggest that it would be best to have at least \$1 million in savings when you retire.

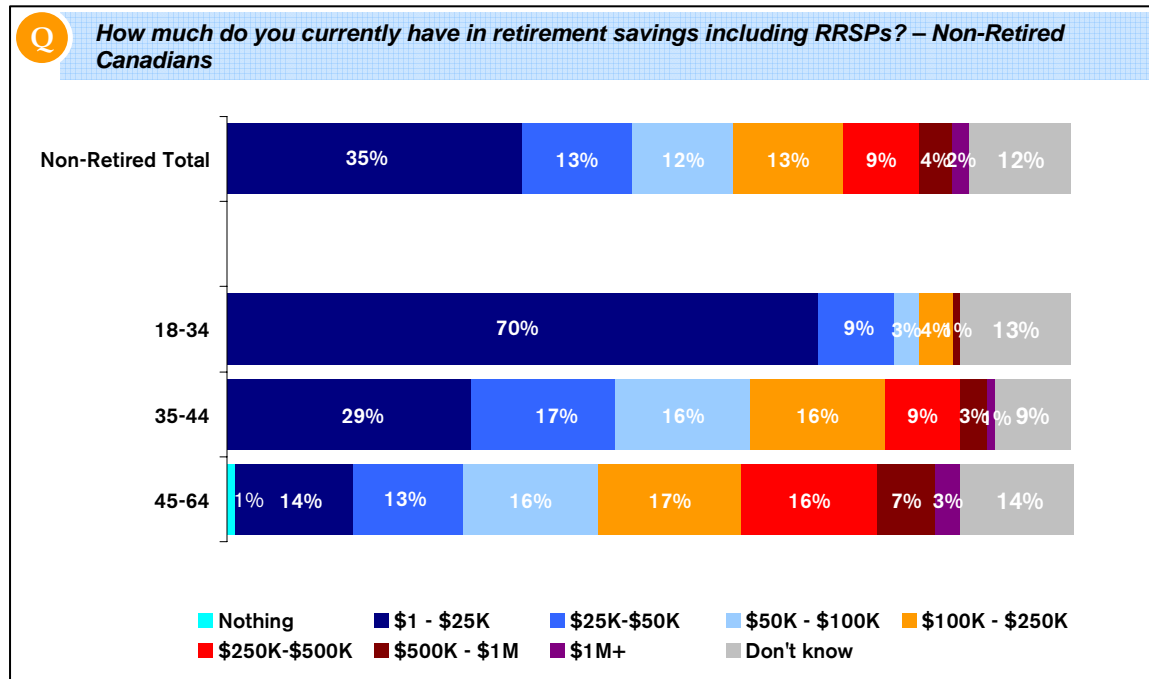


One traditional source of retirement income has historically been an employee pension plan, however, among non-retired Canadians, only half (50%) report having such a plan. By contrast, among current retirees, seven-in-ten (70%) say they have a pension plan beyond the government's Old Age Pension or the Canada Pension Plan.

Three-Quarters (75%) of non-retired Canadians indicate they have some type of retirement savings.

- Not unexpectedly, Boomers (80%) and those over 65 but not retired (93%) are the most likely to have some form of savings for their retirement.
- By contrast, two-thirds (67%) of young adults have retirement savings.

As for how much they currently have in savings for retirement, one-third (35%) report having \$25,000 or less, while just six per cent report having more than \$500,000 in retirement savings.



- Not surprisingly, a majority of young adults (70%) report having less than \$25,000 in retirement savings compared to 14 per cent of Boomers.
- On the other end, one-in-ten (11%) Boomers say they have more than \$500,000 in savings.

On average, Canadians report putting away approximately \$5,800 (average \$5,825) for retirement each year.

- Those currently still working over the age of 65 report saving the most (average \$8,214) followed by those 45 to 64 (average \$7,595). Young adults currently are saving the least per year (average \$2,983).

Majority Concerned About Contracting a Debilitating Disease in Retirement

While six-in-ten (60%) non-retired Canadians say they are excited about the opportunities they will have to enjoy life when they retire, there are still some worries associated with retirement.

Worry about becoming disabled with a disease such as Alzheimer's receives the highest level of agreement (57%).

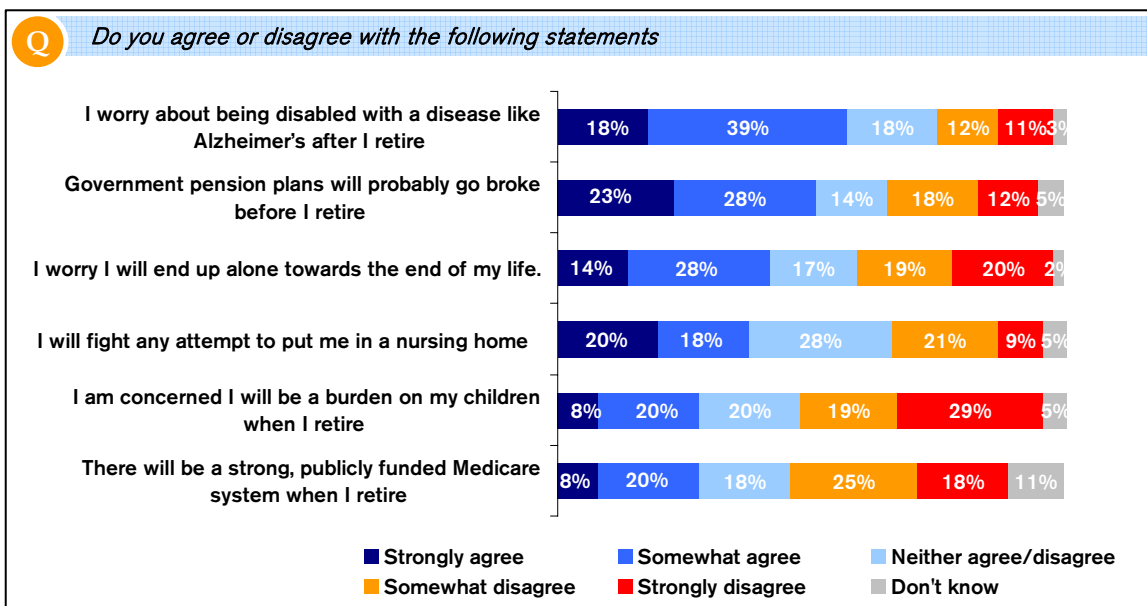
- There is little difference between Boomers (58%) and younger Canadians (61%) on this suggestion.
- Retired Canadians (56%) are slightly less likely to report this worry.

Despite the fear of contracting a debilitating disease like Alzheimer's, two-fifths (38%) of non-retired Canadians say they would fight any attempt to put them in a nursing home.

- This view is slightly more likely to be held by boomers (42%) than by those 18 to 34 years of age (38%).
- Just as many retired Canadians (39%) share this view.

A further concern regarding retirement is the future of a publicly funded healthcare system. Two-in-five (43%) disagree that there will be a strong, publicly funded Medicare system when they retire.

- Young Canadians (43%) and Boomers (39%) are almost equally likely to share this view.



Non-retired Canadians show a bit of an independent streak, with just three-in-ten (29%) citing concern that they will end up being a burden on their children when they retire.

- Young Canadians (33%) are more likely to have this concern than those in the boomer cohort (25%).
- Retirees (28%) indicate the same level of concern as their non-retired counterparts.

One possible reason for being concerned regarding running out of funds in retirement is the belief by half (51%) of non-retired Canadians that the 'Government pension plan will probably go broke before [they] retire'.

- This fear is much higher among young adults (62%) than those closer to retirement age (45-64: 36%).

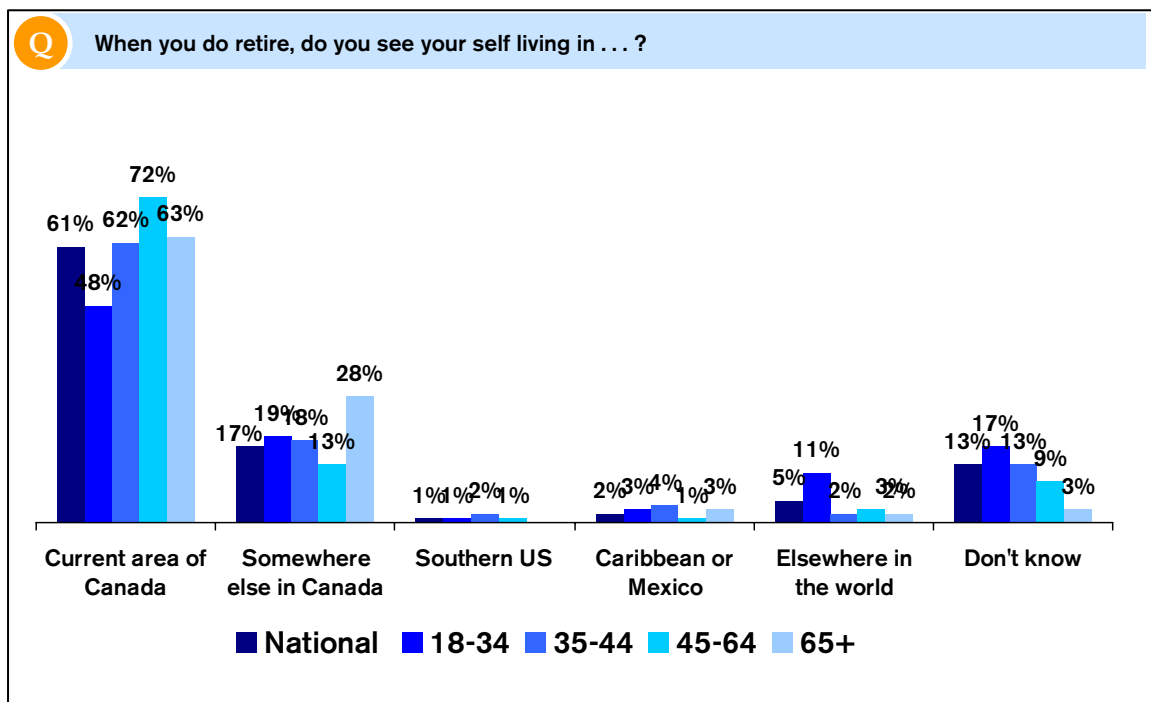
On an individual level, two-in-five (42%) non-retired Canadians say they are worried they will end up alone toward the end of their lives.

- This fear is stronger among young adults (46%) than among the Boomer generation (40%).
- Just under two-in-five (38%) retired Canadians also share this worry.

Most Believe They Will Retire in Own Region of Canada

As for where Canadians think they will retire, most (61%) believe they will remain within the region in which they currently reside, while a further 17 per cent reporting they see themselves retiring to another part of Canada. One-in-ten (8%) say they see themselves retiring outside of Canada, such as the southern United States, the Caribbean, Mexico or elsewhere.

- The view that they will likely stay in their current part of the country increases with age, moving from half (48%) of young adults, to close to three-quarters (72%) of boomers.
- Interestingly, young adults (15%) are three times as likely as their parents (5%) to see themselves retiring outside of Canada.



Finally, a plurality (38%) of non-retired Canadians believe they will likely stay in the home they are living in when they retire, while one-in-five (22%) believe they will downsize to a smaller home. Under one-in-ten (7%) indicate they think they will move to a home in a retirement community.

- Boomers (49%) are the most likely to report likely staying in their last home.

About This Survey

Innovative Research Group, Inc. (www.innovativeresearch.ca), a research and strategy firm with offices in Toronto and Vancouver, surveyed 1,462 Canadians from its online *Canada 20/20* panel. The survey was conducted between Thursday, January 11th and Monday January 24th, 2007 and has a national margin of error of $\pm 2.6\%$, 19 times out of 20. Subgroups will have larger margins of error. The data was weighted in accordance with the 2001 census.

Canada 20/20 panel members were recruited through a series of invitations emailed by media partners, as well as through on-line recruitment ads and Innovative's telephone surveys. After accepting the invitation by going to the *Canada 20/20* web site, each respondent is enrolled in the panel only after opting in by completing a full enrolment survey including complete demographics. Invitations to complete individual studies are emailed to respondents, including a one-time only link to ensure respondents are able to only complete the study once. To accurately reflect the regional and demographic make-up of Canada, the results of each study are weighted according to 2001 Census data.

As an indication of the accuracy of our *Canada 20/20* panel, compare our final poll numbers produced prior to the January 23rd election and the final election results:

	Conservatives	Liberals	NDP	Bloc	Other
Canada 20/20	35.3%	29.9%	20.0%	10.1%	4.7%
Actual Election Results	36.3%	30.2%	17.5%	10.5%	5.6%

Anyone interested in participating in these surveys can join the *Canada 20/20* panel by going to Canada2020.com. The *Canada 20/20* panel is administered on Vision Critical's Panel Plus software.

Attribution

In the first instance of mentioning the poll results, the survey should be identified as a "Maclean's survey conducted by Innovative Research Group using their *Canada 20/20* online panel".

All subsequent mentions can use the convention "Maclean's/INNOVATIVE poll" or "the INNOVATIVE poll".

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Questions Asked

RT1 Are you currently retired?

Yes	1
No	2
Don't know	98

IF YES, SKIP TO SECTION B; IF NO/DK CONTINUE

Section A. People who are NOT retired

Retirement Age

RT2. When did you first start to think about your retirement plans?

1. Before I was 30.
2. Between 30 and 39.
3. Between 40 and 49
4. 50 or older
5. I have not yet started thinking about retiring

RT3 At what age would you like to retire?

Insert Age	
Don't know	98

RT4 At what age do you expect to be able to retire?

Insert Age	
Don't know	98

RT5 Thinking about your standard of living when you retire, do you see your standard of living in retirement being better or worse than it is currently?

Much better	1
Somewhat better	2
Neither better nor worse	3
Somewhat worse	4
Much worse	5
Don't know	98

RT6 Do you believe you will be more or less comfortable in retirement than your parents' retirement?

Much more comfortable	1
Somewhat more comfortable	2
Neither more nor less comfortable	3
Somewhat less comfortable	4
Much less comfortable	5
Don't know	98

Retirement Savings

RT7 How much money do you believe that you will need in savings for your retirement?

Less than \$100,000	1
\$100,001-\$250,000	2
\$250,001-\$500,000	3
\$500,001-\$750,000	4
\$750,001-\$1,000,000	5
\$1,000,001-\$2,000,000	6
Over \$2,000,000	7
Don't know	98

RT8 Besides the government Old Age Pension or the Canadian Pension Plan, are you part of any other pension plan?

Yes	1
No	2
Don't know	98

RT9 Beside any pension plans, do you personally have any savings or investments set aside for retirement? Your savings could be in an RRSP or outside of an RRSP, or both.

- 1 Savings or investments **IN** an RRSP
- 2 Savings or investments **OUTSIDE** an RRSP
- 3 Both savings **in AND outside** an RRSP
- 4 Currently **do not have any savings or investments** set aside for retirement

IF DO NOT HAVE ANY SAVINGS OR INVESTMENTS (4) SKIP TO Q. RT12, ELSE CONTINUE

RT10 How much do you currently have in retirement savings including RRSPs?

Nothing	1
\$1-\$25,000	2
\$25,001-\$50,000	3
\$50,001-\$100,000	4
\$100,001-\$250,000	5
\$250,001-\$500,000	6
\$500,001-\$750,000	7
\$750,001-\$1,000,000	8
More than \$1,000,000	9
Don't know	98

RT11 On average, how many dollars are you currently saving each year towards your retirement?

INSERT DOLLARS

Do you agree or disagree with the following statements: [ROTATE]

Strongly agree	1
Somewhat agree	2
Neither agree nor disagree	3
Somewhat disagree	4
Strongly disagree	5
Don't know	98

RT12 I will likely need some financial support from my children when I retire

RT13 I worry about being disabled with a disease like Alzheimer's after I retire

RT14 I will fight any attempt to put me in a nursing home

RT15 I am excited about the opportunities I will have to enjoy life when I retire

RT16 I worry I will end up alone towards the end of my life.

RT17 I am concerned I will be a burden on my children when I retire

RT18 Government pension plans will probably go broke before I retire

RT19 There will be a strong, publicly funded Medicare system when I retire

RT20 I am afraid of running out of money during my retirement

END BATTERY

Where will you retire?

RT21 When you do retire, do you see your self living in . . . ?

Your current area in Canada	1
Somewhere else in Canada	2
In the southern United States such as Florida, Texas or Arizona	3
In the Caribbean or Mexico	4
Elsewhere in the world (Please specify)	5
Don't know	98

RT22 When you do retire, do you think you will be living in . . . ?

The home you live in just before you retire	1
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A smaller home in the same area	2
A home in a retirement community	3
Other (please specify)	97
Don't know	98

Section B. People who are retired

Retirement Age

RT23. When did you first start to think about your retirement plans?

1. Before I was 30.
2. Between 30 and 39.
3. Between 40 and 49
4. 50 or older

RT24 At what age did you hope to retire? Insert Age

RT25 At what age did you actually retire? Insert Age

RT26 Thinking about your standard of living, is your standard of living in retirement better or worse than it was when you were working?

Much better	1
Somewhat better	2
Neither better nor worse	3
Somewhat worse	4
Much worse	5
Don't know	98

Retirement Savings

RT27 Besides the government Old Age Pension or the Canadian Pension Plan, are you part of any other pension plan?

Yes	1
No	2
Don't know	98

RT28 Not including any pension plans, how much money did you have in savings, including RRSPs when you retired?

Nothing	1
\$1-\$25,000	2
\$25,001-\$50,000	3
\$50,001-\$100,000	4
\$100,001-\$250,000	5

\$250,001-\$500,000	6
\$500,001-\$750,000	7
\$750,001-\$1,000,000	8
More than \$1,000,000	9
Don't know	98

RT29 How much would you recommend people like you should have in their savings when they retire?

Nothing	1
\$100,000 or less	2
\$100,001-\$250,000	3
\$250,001-\$500,000	4
\$500,001-\$750,000	5
\$750,001-\$1,000,000	6
\$1,000,001-\$2,000,000	7
Over \$2,000,000	8
Don't know	98

Do you agree or disagree with the following statements: [ROTATE]

Strongly agree	1
Somewhat agree	2
Neither agree nor disagree	3
Somewhat disagree	4
Strongly disagree	5
Don't know	98

RT31 My children are helping me financially

RT32 I worry about being disabled with a disease like Alzheimer's

RT33 I will fight any attempt to put me in a nursing home

RT34 I am excited about the opportunities I have to enjoy life now that I am retired

RT35 I worry I will end up alone towards the end of my life.

RT36 I am concerned I will be a burden on my children

RT37 There will be a strong, publicly funded Medicare system when I am older

RT38 I am afraid of running out of money during my retirement

END BATTERY