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Most Canadian Women Aged 45+ Earning \$60k or More (71%, +4 pts) Remain Confident About Affording Retirement Lifestyle, but 29% Are Not So Sure

Strong Retirement Portfolio is Key to Confidence About Financial Stability in Retirement Years

Toronto, Ontario, February 19, 2020 — When thinking about their retirement years, a majority of women aged 45 and over with a household income of at least \$60,000 are feeling confident about being able to afford to live how they choose. The latest Ipsos survey for RBC finds that seven in ten (71%) women in this demographic agree (22% strongly/49% somewhat) they are confident that they will be able to afford the lifestyle they want to live through retirement, up 4 points since January 2019. This leaves three in ten (29%) who disagree (6% strongly/23% somewhat).

Confidence varies significantly based on women's age and where in Canada they live. Among women surveyed, those who are furthest away from retirement – that is, aged 45-54 – tend to be the *least* confident about affording their preferred lifestyle after they've retired: 44% disagree they'll be able to do so, compared to 26% of those aged 55-64, and just 13% of women aged 65 and over. Meanwhile, women in Alberta are noticeably less confident than women anywhere else in the country about affording the lifestyle they want in retirement: 44% disagree they'll be able to afford it, compared to 33% of women in Atlantic Canada, 29% in Ontario, 28% in Saskatchewan and Manitoba, 27% in British Columbia, and 23% in Quebec.

What's Driving Confidence?

Women who feel confident about being about to afford the lifestyle they want through retirement are most likely to point to their retirement portfolio as what's underpinning that confidence. More than half (55%) say their portfolio will carry them through, while more than four in ten (43%) say the same of their defined workplace pension or employer matching program. Other drivers of confidence include:

- Being in good general health and not anticipating any significant health-related expenses in retirement: 42%
- Their spouse or partner's insurance or pension being enough to maintain household spending power: 32%
- Earning well and having a personal retirement fund that is on target: 27%
- Having investment properties that generate income for retirement: 17%
- Access to spousal payments: 9%
- Children or family taking care of them financially: 4%
- Planning to live with friends for companionship and to lessen the financial burden: 2%

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A sound level of financial awareness and management is also likely to be helping women's confidence about affording their lifestyle in retirement. Among women who are married or living with a partner, only 34% say their spouse or partner mostly looks after their retirement savings, while 66% disagree. Furthermore, a majority (84%) of women surveyed who are married or living with a partner agreed that they have a strong understanding/knowledge of their and their spouse's financial needs in retirement.

Health and Financial Stability Top Causes for Concern

With a strong retirement portfolio driving confidence in women's ability to afford their chosen lifestyle when they retire, it's unsurprising that financial stability is among the top sources of concern for women when they think about challenges that can come with retirement. As expected, health comes first: seven in ten (69%) are concerned (19% very/50% fairly) about rising healthcare costs as they get older, and six in ten (59%) are concerned (16% very/43% fairly) about living with a chronic illness. Beyond this, however, concern about financial security dominates: half of women (50%) are concerned (16% very/34% fairly) they might outlive their retirement savings and just as many (50%) are concerned (14% very/36% fairly) about the lack of a guaranteed income.

Nearly half (47%) of women who are married or have common-law partners are concerned (11% very/36% fairly) about living longer than their spouse or partner. Among women in general, other retirement challenges are also causes for concern, though to a lesser degree:

- Having to give up things or activities they enjoy: 44% are concerned (11% very/32% fairly)
- Feelings of loneliness, isolation or depression: 39% (10% very/29% fairly)

Women aged 45-54 and those living in Alberta are the most likely to be concerned about all of these retirement challenges. Most notably, two in three Alberta women (65%) are concerned about the lack of a guaranteed income in retirement, some 15 points above the national average.

Taking Action to Prepare Financially

Women aren't letting concerns about retirement get the better of them. Most women aged 45 and over (90%) are taking some kind of action to prepare for retirement. Beyond investing in RSPs and TFSAs (60%), the most commonly taken financial actions include working with an advisor to create a retirement plan (37%), cutting down on non-essential spending (29%), and buying stocks, bonds or mutual funds (27%). However, well below half of women are taking any of these actions. Fewer still are investing in products like segregated funds (14%) or payout annuities (8%). Others are taking different measures to ensure they're as ready as they can be. Nearly one in four women aged 45 and over (23%) say they are delaying their retirement, while two in ten (21%) are living below their means to help meet their future goals.

Women who are still working and those who have already retired don't always take the same approach to preparing financially for their retirement years, suggesting that approaches to financial readiness may be changing.



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About the Study

These are some of the findings of an Ipsos poll conducted between December 13 and 20, 2019, on behalf of RBC. For this survey, a sample of 1,000 Canadian women aged 45 and over with a household income of at least \$60,000 were interviewed. Weighting was then employed to balance demographics to ensure that the sample's composition reflects that of the population of women in this demographic according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 3.5 percentage points, 19 times out of 20, had all Canadian women aged 45 and over been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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