



## FACTUM

### One in Three Canadians (35%) Say Pandemic Has Impacted Their Savings and Retirement Plans

Majority (59%) Worried about Effect of COVID-19 on Savings; One in Three (35%) Admit to Needing Financial Advice Now More than Ever

**Toronto, ON, January 14, 2021** – Since COVID-19 first arrived in Canada nearly a year ago, much has been written about how the pandemic has affected Canadians' finances. The latest Ipsos survey for TD confirms that COVID-19 is also impacting long-term savings, with one in three Canadians (35%) confirming that their savings and retirement plans have been affected negatively by the pandemic – rising to four in ten (41%) of those aged 18-34.

The most common impact on savings and retirement plans is needing to cut back on contributions or to stop them altogether – one quarter (25%) of those whose ability to save has been negatively affected say this has happened to them. One in ten (11%) have reduced or frozen contributions to their retirement savings since the pandemic began. When it comes to savings, more than one in ten (13%) have cut back or stopped contributions for their short-term savings for immediate purchases like vacations, clothing, home items, discretionary spending, or saving for a rainy day. A further 11% have reduced or stopped contributing to their long-term savings for larger purchases (think buying a house, home renovations, a wedding, a new car, or education). Some Canadians (11%) aren't currently saving any money at all, rising to 17% of Gen Z and 16% of Gen X'ers.

Very few Canadians (7%) have managed to actively increase their savings in some way, including 4% who have been able to contribute more to their long-term savings for larger purchases, 4% who have done the same with short-term savings for more immediate purchases, and just 3% who say they've been able to contribute more to their retirement savings.

Those with a higher household income are not any more likely to have ramped up their savings or retirement fund contributions – though they *are* more likely to say their savings and retirement plans haven't been impacted by the pandemic (63% of those with a household income of \$100K or more say this is the case, compared to just 31% of those with a household income below \$40K). Overall, 46% of Canadians say the pandemic hasn't impacted their savings and retirement plans in any way, negative or positive – rising to 64% of Boomers.

### Despite Confidence, Many Worry About Savings

At first glance, the survey finds that a majority of Canadians (70%) feel confident managing their finances during the pandemic, with 17% who "agree strongly". But this is only part of the story. For one thing, some Canadians are more confident than others: 78% of Boomers express confidence in their financial management capabilities during COVID-19, compared to 67% of Millennials and 40% of Gen Z. Quebecers (83%) are more likely than residents of any other region to agree, from Ontario (70%) and Atlantic Canada (70%) to the Prairies (63%), BC (59%), and Alberta (57%).



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At the same time, six in ten Canadians (59%) agree (20% strongly/39% somewhat) they're worried about the effect of COVID-19 on their savings and retirement plans. This feeling is especially strong among younger Canadians, who are most likely to be lacking confidence in their financial management skills: 73% of Gen Z are worried about how the pandemic will impact their savings, as are 67% of Millennials – significantly higher than the 52% of Boomers who agree. Regionally, residents of Alberta (74%) and BC (67%) are significantly more likely to be worried how the pandemic will affect their savings and retirement plans.

Given this widespread concern, many say they could do with some guidance: one in three Canadians (35%) agree (8% strongly/27% somewhat) they need financial advice now more than ever, rising to 53% of Gen Z and 46% of Millennials. Regionally, this need for advice is most pronounced in Alberta, where half (49%) agree they could use some financial advice.

### About the Study

These are some of the findings of an Ipsos poll conducted between November 24-26, 2020, on behalf of TD. For this survey, a sample of 1,002 Canadians aged 18+ was interviewed online. Quotas and weighting were employed to ensure that the sample's composition reflects that of the Canadian population according to census parameters. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within  $\pm 3.5$  percentage points, 19 times out of 20, had all Canadians aged 18+ 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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