

# **TWO-THIRDS OF CANADIANS HOPE TO RETIRE EARLY...**

***But Many May Not Be Able To Do So***



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## **TWO-THIRDS OF CANADIANS HOPE TO RETIRE EARLY...**

### ***But Many May Not Be Able To Do So***

**Toronto, ON** – According to a recent study conducted by Ipsos-Reid on behalf of the RBC Financial Group, two-thirds (65%) of Canadians hope to retire before the age of 65. However, many Canadians may not be able to make this dream come true...

The survey finds that eight in ten (79%) Canadians who are not yet retired do not have a formal written retirement plan and 68% have not determined the amount of money they would need to accumulate in savings or investments in order to have a comfortable retirement.

When asked which of seven financial priorities was the most important one for them, just 14% of non-retired Canadians said “retirement savings.” In fact, 30% said they were just trying to “keep their head above water.” It comes as no surprise then, that 59% say they are behind in terms of saving for their retirement.

Thinking about their retirement, 29% of non-retired Canadians expect a “pension income from an employer” to be their primary source of income, 27% expect it to be “income from their own investments,” 15% say a “government pension income,” 13% say “money obtained by cashing in their investments,” and 10% expect their primary source of income to be “money obtained by selling a house or making use of home equity.” All other responses were cited by fewer than 5% of respondents.

The mean average amount that Canadians plan to contribute to their RRSP for the 2004 taxation year is \$5560 (\$5595 for non-retired Canadians).



*These are some of the findings of an Ipsos-Reid poll conducted on behalf of the RBC Financial Group between November 4th and November 23rd, 2004. The poll is based on a randomly selected sample of 1,201 adult Canadians from the Ipsos-Reid Online Panel. With a sample of this size, the results are considered accurate to within  $\pm 2.8$  percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.*

Two-thirds (65%) of Canadians hope to retire before the age of 65. The full distribution of responses is as follows: Before 45 years of age (1%); 45-54 years of age (7%); 55-59 years of age (27%); 60-64 years of age (31%); 65-69 years of age (26%); 70-74 years of age (2%); and 75 or older (2%). Another 4% are unsure.

Eight in ten (79%) Canadians who are not yet retired do not have a formal written retirement plan. Of those who do (20%), 4% prepared it themselves and 16% prepared it with a financial advisor.

Two-thirds (68%) have not determined the amount of money they would need to accumulate in savings or investments in order to have a comfortable retirement. Conversely, 31% have.

- Non-retired Canadians 35-69 years of age are more likely than those 18-34 to have determined the amount of money they would need to accumulate in savings or investments in order to have a comfortable retirement (40% vs. 17%).

When asked which of seven financial priorities was the most important one for them, just 14% of non-retired Canadians said “retirement savings.” In fact, 30% said they were just



trying to “keep their head above water.” Other responses are as follows: “home ownership” (17%); “saving for children’s/grandchildren’s retirement” (17%); “general savings for a rainy day” (11%); “building an investment portfolio” (9%); and “healthcare savings” (1%).

Six in ten (59%) non-retired Canadians say they are behind (34% “somewhat behind,” 25% “far behind”) in terms of saving for their retirement. Three in ten (31%) are “about right” and 8% say they are ahead (7% “somewhat ahead,” 2% “far ahead”).

Thinking about their retirement, 29% of non-retired Canadians expect a “pension income from an employer” to be their primary source of income, 27% expect it to be “income from their own investments,” 15% say a “government pension income,” 13% say “money obtained by cashing in their investments,” and 10% expect their primary source of income to be “money obtained by selling a house or making use of home equity.” All other responses were cited by fewer than 5% of respondents.

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