

Three Quarters (76%) Of Retirees Don't Know How Much Money They've Spent During Their First Year of Retirement

*Among Those That Do, Nearly One Half (46%) Says it Was
More Than Expected*

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Ottawa, ON – It appears that many Canadian retirees aren't keeping track of their expenditures as they adjust to their new lifestyle, with three quarters (76%) indicating that they don't know how much money they spent during the first year of their retirement, according to the 19th annual RBC/Ipsos Reid RRSP poll.

Among the 24% who do know, nearly one half (46%) says they spent more than they had expected they would, while only 12% said they spent less than expected. Four in ten (42%) retirees, though, had no expectations about what they would spend in their first year of retirement.

Catching many off guard, four in ten (39%) have had costs that they did not anticipate during their retirement. Among those that did, the most commonly-cited unexpected costs include home repairs or maintenance (45%), healthcare costs for themselves or their spouse (42%), vehicle repairs (36%), a new vehicle (28%), a child or grandchild moving back in (23%), healthcare for a parent (4%), or some other expense (26%).



Three quarters (75%) of retirees made large purchases within the first three years of their retirement – just one quarter (25%) did not. Topping the list of purchases were a trip (41%), a car (38%), home improvements (37%), or home maintenance (20%).

But the average retiree spends most (58%) of their money on day-to-day living expenses, followed by healthcare costs (10%), treating themselves (9%), treating their family (8%), supporting their family (8%) and other expenses (8%)

Those who have not yet retired expect to have a slightly different budget make-up, allocating 47% of their annual spending towards day-to-day expenditures, 14% on treating themselves, 12% on healthcare, 10% towards supporting their family, 10% on treating their family and 8% on other expenses.

These are the findings of an Ipsos Reid poll conducted on behalf of RBC from October 16 to October 23, 2008. This online survey of 1,272 Canadians (of which 395 are retired) was conducted via the Ipsos I-Say Online Panel, Ipsos Reid's national online panel. The results of this poll are based on a sample where quota sampling and weighting are employed to balance demographics and ensure that the sample's composition reflects that of the actual Canadian population according to Census data. Quota samples with weighting from the Ipsos online panel provide results that are intended to approximate a probability sample. Statistical margins of error are not applicable to online polls, however, an unweighted probability sample of this size, with a 100% response rate, would have an estimated margin of error of +/- 2.7 percentage points, 19 times out of 20, had the entire adult population of Canada been polled.

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