

**Most (71%) Canadians Aware of Tax-Free Savings
Accounts, One Quarter (24%) Have Opened an Account
*Primary Reason Among those Without a TFSA For Not Having
One is That They Have No Money to Invest***

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Most (71%) Canadians Aware of Tax-Free Savings Accounts, One Quarter (24%) Have Opened an Account

*Primary Reason Among those Without a TFSA For Not Having One
is That They Have No Money to Invest*

Toronto, ON - Just 10 months following their inception, most (71%) Canadians have now heard of the new Tax-Free Savings Accounts that became available in January 2009, according to a new Ipsos Reid poll conducted on behalf of RBC. Conversely, one quarter (22%) of Canadians have not heard about them, while 6% don't know if they are aware of them.

But while most have heard of TFSAs, it appears that few would call themselves experts. Four in ten (41%) of those who have heard of TFSAs wish they knew more about them or understood them better. One half (50%) of those who know about them don't wish to know more, while 9% don't care if they know more or not.

Two in ten (21%) Canadians have opened a TFSA and have deposited money into the account, while another 3% have opened the account but have left the balance empty. Nearly one half (47%) of Canadians know about the account but haven't opened one, and naturally those who haven't heard about TFSAs (29%) have not opened an account. All in all, one quarter (24%) have opened a TFSA, while three quarters (76%) have not. But after only having been around for 10 months, it is difficult to determine whether these proportions are high or low.



Among those who don't have a TFSA, a majority (51%) says they don't have one because they don't have any money to invest. Others don't fully understand how a TFSA works (22%) or they just don't want to invest in a TFSA (13%). Three percent (3%) say they don't qualify under the current rules, and 11% say there is some other reason they haven't opened an account.

Among those who have opened a TFSA, the primary uses for the account are: savings for an emergency (36%), tax shelter (31%), long-term retirement savings (30%), everyday savings (25%), savings for a special purchase (24%), greater flexibility for withdrawals (13%), savings to purchase a home (11%), an education fund (8%), estate planning (8%), for home renovations (6%), to start their own business (4%) or some other reason (6%). Five percent (5%) don't know what they'll use their TFSA savings for.

Among those who have a TFSA, one half (49%) have maxed out their contribution in the first year (\$5,000 or more), while 51% have not. In fact, one in three (33%) account holders has deposited \$1,000 or less this year into the account. The average amount of money account holders have put into their TFSA is \$2,998.

In terms of the types of investments these individuals are holding in the TFSA, most are simply holding savings accounts (33%), cash (20%) or GICs (18%), signalling that they prefer more conservative investments to be housed in this account. Others, though, are placing mutual funds (17%), stocks (10%), Canada savings bonds (5%), money market funds (4%), bonds (4%), exchange traded funds (4%), pension plans (3%), income trusts (3%) or other types of investments in their TFSA.

These are some of the findings of an Ipsos Reid poll conducted between September 10 and 17, 2009, on behalf of RBC. For this survey, a national sample of 1,231 adults from Ipsos' Canadian online panel



was interviewed online. Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. A survey with an unweighted probability sample of this size and a 100% response rate would have an estimated margin of error of +/-2.8 percentage points 19 times out of 20 of what the results would have been had the entire population of adults in Canada been polled. 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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