

Canadians Say Lion's Share of Retirement Savings on Their Own Shoulders

RBC CCO Index Flat as Only Slim Majority (54%)

Thinks Economy is in Good Shape,

Few Think Economy Will Improve in Next Quarter

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Toronto, ON – Canadians believe that they themselves are primarily responsible for ensuring they are financially secure in retirement, according to the quarterly RBC Canadian Consumer Outlook Index conducted by Ipsos Reid. On average, Canadians say that their share of the responsibility for ensuring they have a financially secure retirement is 59%, with the rest of the pie being divvied up and shared among the government (19%), their employer (10%), another family member (8%) or their financial advisor (5%).

Canadians are doing a number of things to ensure that they've got a financially secure retirement. One in three (34%) save a regular amount of money from each pay cheque, while one quarter (23%) have a financial advisor who helps them manage their money. Others educate themselves about investment options regularly (23%), get professional financial advice (19%), or have a written retirement plan that they obtained from a third-party professional (8%).

Despite most acknowledging that they're responsible for the bulk of their own retirement security, one in three (32%) Canadians admit that they're not doing any of these things. However, just one in ten (13%) 'agree' (3% strongly/10% somewhat) that they are too young to think about retirement.

Thinking about all of the retirement savings available to them, including RRSPs, TFSAs, DCPs, DBPs and PRPPs, just one quarter (25%) of Canadians say they have enough retirement savings options to secure their retirement. Most (54%) say that they don't have enough money to use all of the savings options available to them, and 15% are overwhelmed, saying that there are too many options to make a clear decision. One in ten (6%) have enough money to use all the options but prefer to put it all in one vehicle like RRSPs.

Overall, just one in three (36%) Canadians are confident that they will have enough money to have a secure retirement, while a similar proportion (37%) worries that they won't have enough money to have a financially secure retirement. One quarter (26%) of Canadians know that they'll have to work after they turn 65 to make enough money to live. Furthermore, more people think that they are going to be worse off (35%) than better off (27%) in retirement than their parents are or were in retirement. Four in ten (37%) think they'll be about the same, financially, as their parents in retirement.

Perceptions of Economy Stagnant...

Canadians perceive no real movement in the state of the economy in the second quarter compared to the first quarter of the year, but attitudes are considerably more negative than at this stage last year. Nationally, the overall index is flat at 79 points, well off the 108 points from this time last year, but unchanged since last quarter. The current conditions index is up 5 points to 94 (down from 108 year over year), the expectations index slid 2 points to 61 (down from 86 year over year), and the investment index is flat at 83 (down from 112 a year ago).

A slim majority (54%) of Canadians say that the overall state of the economy is 'good', down 4 points since last quarter and 11 points since this time last year. Job anxiety is also flat since January of this year, with 21% of Canadians saying that they or someone in their household is worried about losing their job or being laid off. Job anxiety is highest in Ontario (25%) and British Columbia (24%), followed by those living in Quebec (20%), Atlantic Canada (19%), Alberta (15%) and Saskatchewan and Manitoba (10%).

Expectations for a stronger economy are not common. Looking ahead to the next three months, more Canadians think that the economy will worsen (31%) than improve (18%). Even looking ahead to the next year, more believe the economy will worsen (33%) than improve (30%).

Reflecting on their personal financial situation, the picture is slightly more positive. Still, in the next three months, the same proportion expects their situation to improve (23%) as worsen (24%), but over the next year more expect their own situation to improve (34%) rather than worsen (23%).

A majority (52%) of Canadians are continuing to delay major purchases, while just two in ten (20%) plan to spend more this year compared to four in ten (44%) who say they'll control their spending and spend less this year than last on major purchases such as buying a car or household appliance, vacation, etc. A majority (53%), up 8 points since last quarter, believe that interest rates will rise within the next six months.

These are some of the findings of an Ipsos Reid poll conducted from April 2 to 9, 2012, on behalf of RBC. For this survey, a sample of 3,398 adults from Ipsos' Canadian online panel was interviewed online. Weighting was then employed to balance demographics and political composition to 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 +/-1.7 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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