

Half Of Canadians Planning A Phased-In Retirement

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Six-in-Ten of Those Still Working at Age 66 Say it's Because They "Need to", Not Because They "Want to"

Nearly half of Canadians (48%) between the ages of 30 and 65 say their retirement will be or is being phased in. (E.g. work part-time or free-lance before stopping work for good.). Another third (32%) don't know and only one-in-five (20%) say their retirement won't be phased-in, according the 4th annual Sun Life Canadian Unretirement™ Index conducted by Ipsos Reid.

The average age that Canadians plan to start this process is 60 and 55% expect to be working part- or full-time at age 66, shortly after what has been considered the traditional retirement age. Only 30% plan to be fully retired, not working for money.

Fully six-in-ten (61%) of those who will be working at age 66, say the main reason is because they "need to", not because they "want to". The number one most often cited reason they will be working at the age of 66 is to earn enough money to pay basic living expenses, (23%, up from 15% in 2009), followed by to earn enough to live well (20%), I don't believe government benefits will be enough (19%) and to stay mentally active (14%).

One third of respondents (33%) say they aim to have under \$100,000 in retirement savings (excluding their home or other property). Another third (38%) plan to have between \$100,000 and under \$500,000 saved and 28%, over half a million dollars. Six-in-ten Canadians say that their personal financial situation (59%), the current state of the Canadian economy (62%) and their current level of retirement savings, causes them stress (58%).

Indeed, when asked to scale how they feel when they think about their retirement years they scored on average 5.6, just slightly above being half optimistic and half anxious (on a scale where 0 was "every anxious, no optimism", 5 was "anxious about half the time and optimistic the other half" and 10 was "every optimistic, no anxieties"). Fully 40% of Canadians say they are very/somewhat dissatisfied with how much they are saving for retirement. 36% say they are very/somewhat satisfied and a quarter (24%) are sitting on the fence.

Asked whether their retirement thinking has changed because of the current economic environment, fully 70% now want to have some of their retirement income guaranteed so that they don't lose all their money, half expect to work longer than originally expected (51%), 52% agree that their retirement will not be as nice as hoped, 49% are more worried about the risk of losing money in their investments, 48% are more worried about when they can retire, 47% are worried about debt in retirement and 44% haven't changed their retirement expectations at all, Only one-in-four (26%) see opportunities to grow their retirement investments in the current economic environment.

What specifically are they worried about dealing with in retirement? Over half worry about suffering from health problems (54%) or running out of money (53%). Over one-third (37%) worry about having to lower their living standard and affording the healthcare they need (34%).

Currently, their number one priority is paying down personal debt including credit cards (44%), followed by 30% who are concerned about saving or paying for housing (Mortgage, down payment, rent, etc.). Only one-in-five (20%) say that their number one priority is to save for retirement.

While 86% say they are very or quite able to make and follow a household budget, control and manage their debt (81%) and set medium and long-term financial objectives (79%), just over half say they can determine the amounts I need to save for retirement (57%) or select the best investment vehicles for their savings (52%). Despite this only one-in-three (32%) work with an expert (financial advisor) to help manage their finances and only one-in-six (18%) have a written financial plan.

Sun Life's Canadian Unretirement Index scores 41 this year, up marginally from 39 in 2010, but still significantly lower than 2008's 50 and 2009's 51. The index runs on a scale of zero to 100 and incorporates a number of measures of macroeconomic, personal finance, health, government benefits and employee benefits.

These are the findings of an Ipsos Reid/Sun Life Financial poll conducted from November 29, 2011 to December 12, 2011. For the survey, a sample of 3,701 adult, working Canadians between the ages of 30 and 65 was interviewed from Ipsos's Canadian online I-Say panel. Ipsos employed weighting to balance demographics and ensure that the sample's composition reflected that of the adult population according to Census data.

A survey with an unweighted probability sample of this size and a 100% response rate would have an estimated margin of error of sample of ± 1.6 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 would be larger within regions and for other sub-groupings of the survey population.

All sample surveys and polls may be subject to other sources of error, including, but not limited to, methodology change, coverage error and measurement error.

For more details please download the 'Press Release ' and 'Detailed Tables '

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