

# TNS Canadian Facts News Release: Canada's Pension System

## RETIRING CANADIANS LACK CONFIDENCE IN CANADA'S PENSION SYSTEM: SURVEY

### Many Canadians are Both Seeking Reforms and Changing the Way they Prepare for Retirement

**OTTAWA, February 26, 2010** – A recent survey conducted by TNS Canadian Facts reveals that almost one of every two Canadians (46%) 50 years old or more say they are not confident that Canada's current system of pensions and retirement savings, including employer pensions, the Canada Pension Plan, and registered retirement savings plans (RRSPs), will be able to provide them with a comfortable retirement income. A further 37% of Canadians aged 50 plus say they are 'somewhat confident', with only 15% expressing that they are 'very' or 'completely' confident in the current system. Men (18%) tend to express slightly greater confidence in the Canadian pension system than women do (11%).

Answering the question 'how well do you think the current pension system meets Canadians' needs?' the results are even more startling: fully two out of every three Canadians aged 50 or more (67%) respond 'not well, or not very well', and that some reform (47%) or extensive reform (20%) is needed.

Support was very strong for a number of reform proposals, and was highest for reforms such as:

- Seniors benefiting from additional room in Tax Free Savings Accounts (TFSA's), which received support (strongly or somewhat support) from 82%;
- Pension surpluses would belong to individuals holding plans, not employers, with 82% support;
- Funds under the CPP would be guaranteed against bankruptcy, also with 82% support

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In addition giving self-employed Canadians the right to voluntary supplementary Canada Pension Plan contributions and benefits is supported by 80% of Canadians 50 years or older; and, almost 3 out of 4 (76%) support giving pensioners priority in the event of bankruptcy proceedings.

“Clearly, many, Canadians are approaching their retirement years with considerable trepidation”, explained Norman Baillie-David, Vice President of TNS Canadian Facts, member of the firm’s Finance Sector practice. “Obviously recent events have many people very concerned, and I think we are seeing a build-up of grass roots support for some action.”

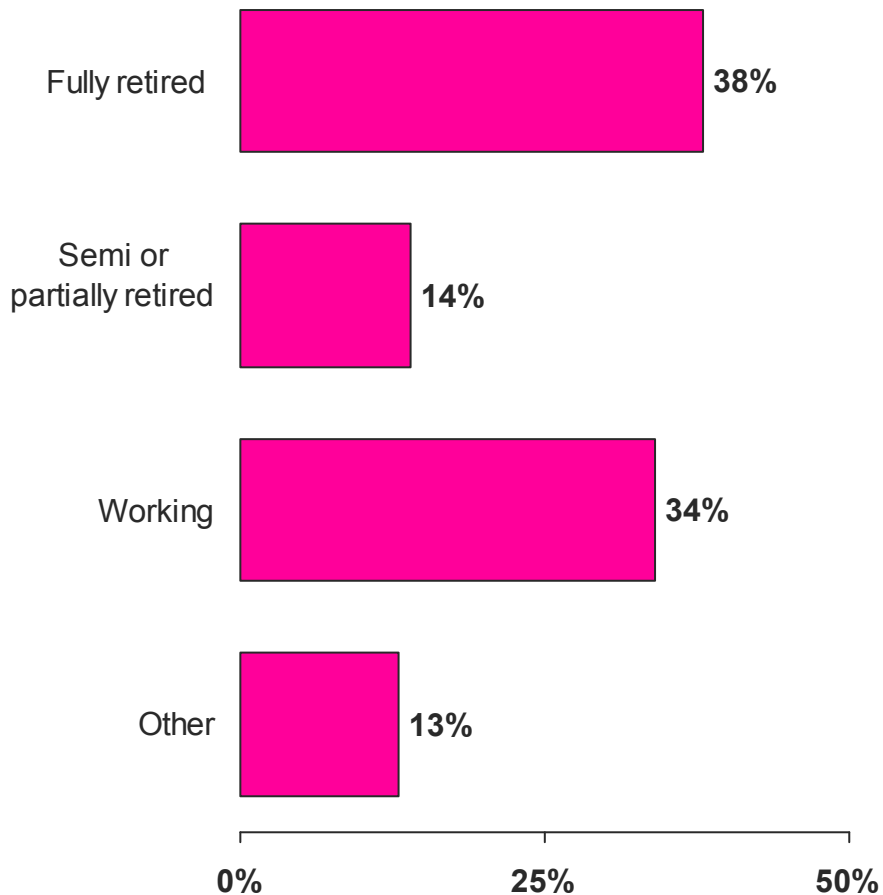
The survey also reveals that not only are Canadians concerned, but that they are changing the way they prepare for retirement. Forty-one percent (41%) say they will increase their own savings and investments to lessen reliance on employer and government pensions, with 60% of those individuals indicating they will increase their RRSPs, 47% of them saying they will use savings accounts, and 46% using TFSAs (respondents were allowed several answers).

“We’re starting to see shifts in support for change to how pensions are managed in this country, but many aren’t sitting around and waiting to see what happens. Many people are taking their own initiative to manage their retirement finances by increasing their own savings and investments”, said Mr. Baillie-David. “We may be seeing a tipping point, with substantial implications for both politicians and the financial industry in terms of how pension savings are managed”.

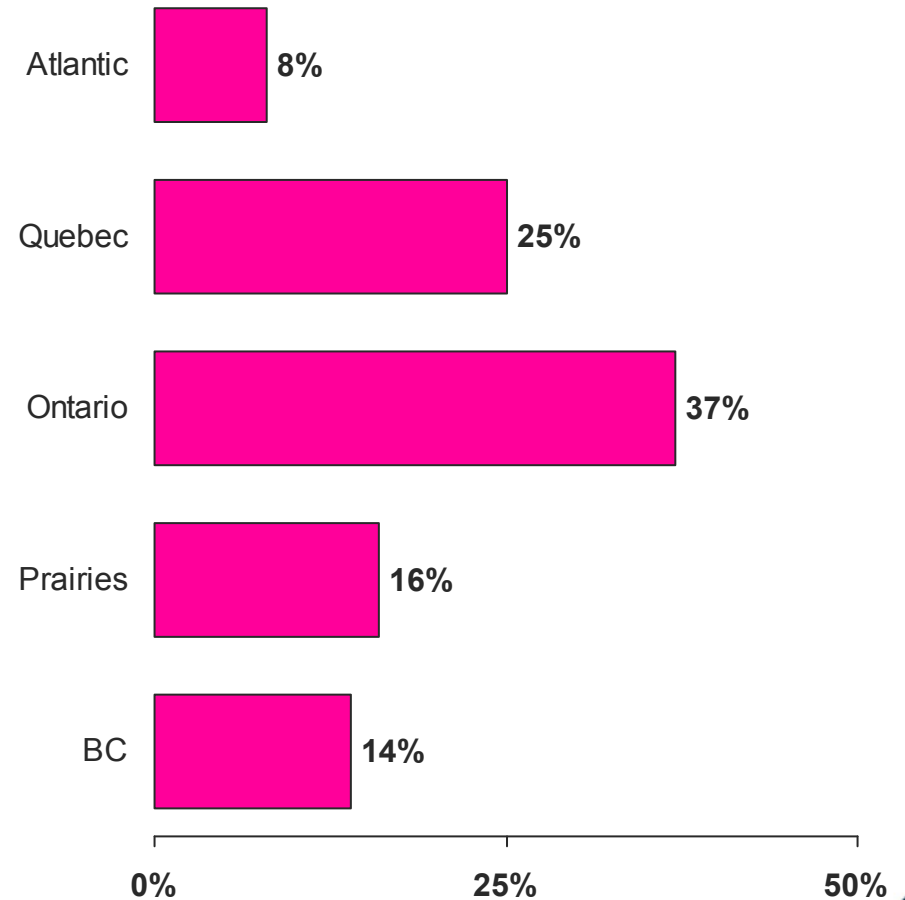
For the study, a national sample of Canadian adults was randomly selected from TNS Canadian Facts’ Internet research panel and invited to complete an online survey. In total, 584 Canadians aged 50 years or older completed the survey between February 11 and February 16, 2010. The survey data were weighted to reflect the demographic composition of the Canadian population aged 18 years and older.

# Respondent profile

## Employment Situation



## Region

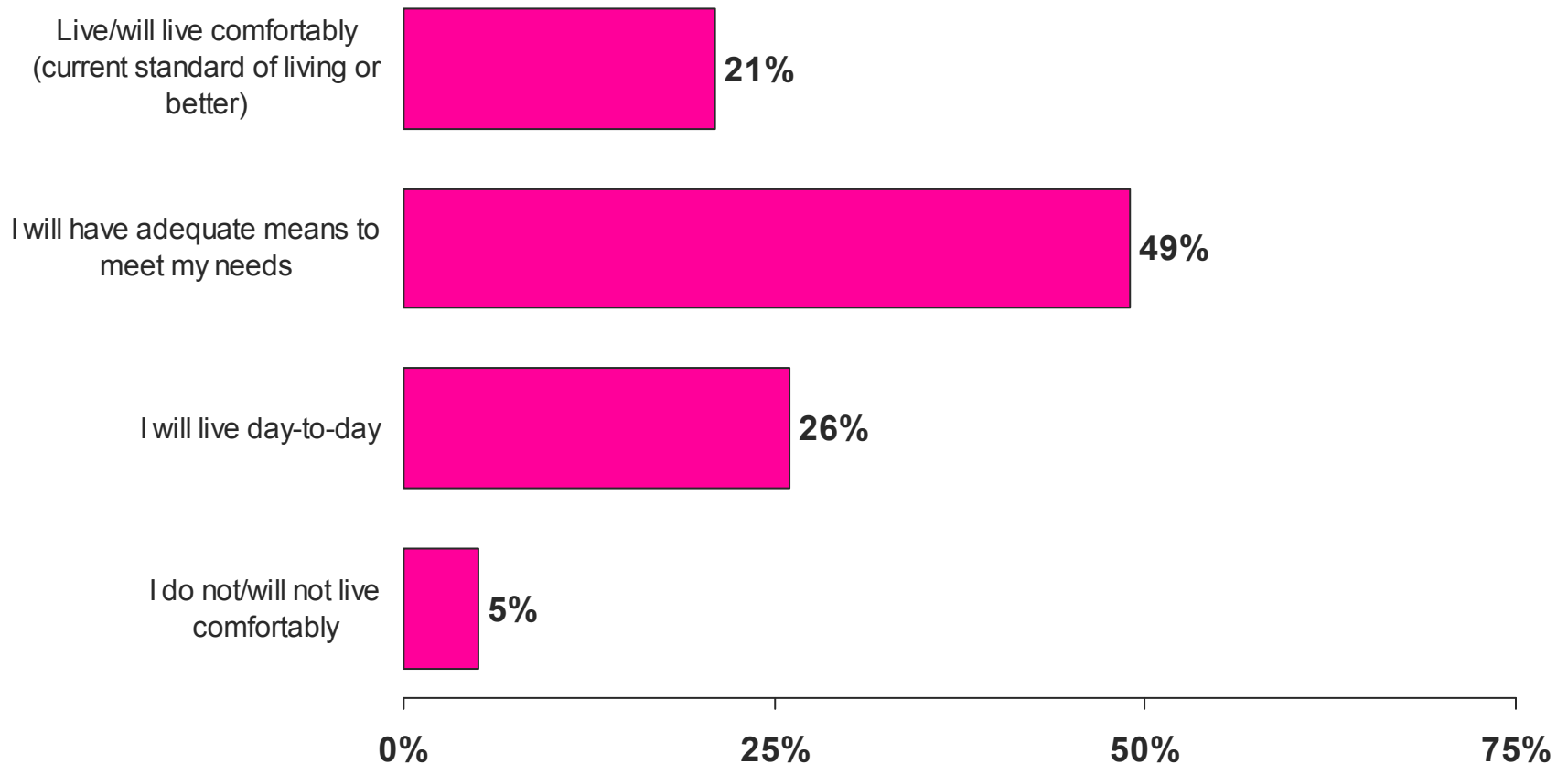


Q1. Are you currently...?

Base: Total Canadians 50 years and over (n=584)

\* Percentages may not add up to 100% because of rounding error

# Comfort level at retirement - Financially

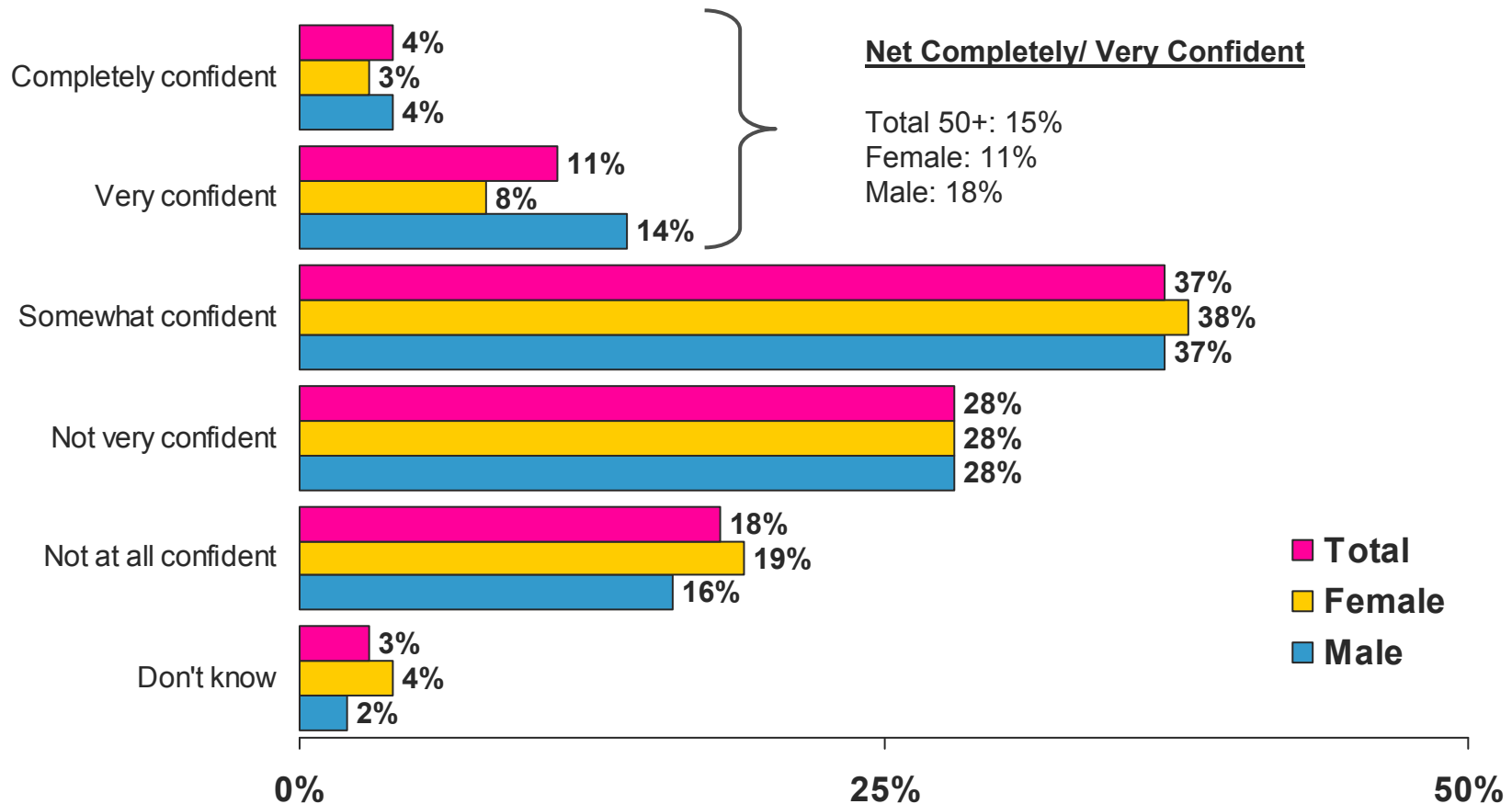


Q3. How comfortable are you financially (do you believe you will be) in your retirement?

Base: Total Canadians 50 years and over (n=584)

\* Percentages may not add up to 100% because of rounding error

# Confidence in the current system for pension and retirement savings

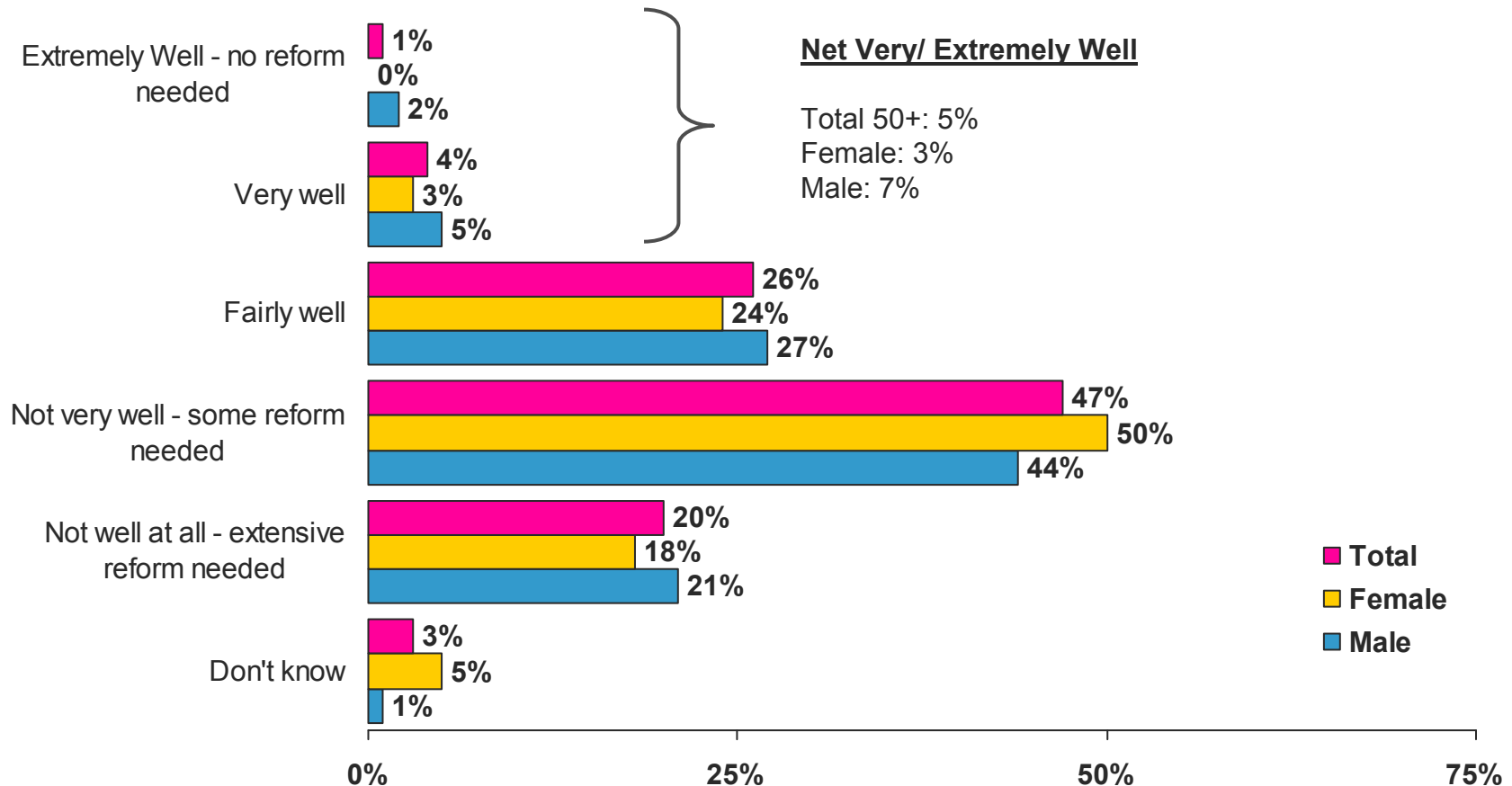


Q4. Given the current system in place for pension and retirement savings, that is employer pensions, the Canada/Quebec Pension Plan, and RRSPs, how confident are you that you will be able to depend on this system to provide you with a comfortable retirement income?

Base: Total Canadians 50 years and over currently not retired or partially retired (n=369)

\* Percentages may not add up to 100% because of rounding error

# How well Canada's current pensions system meets Canadians' needs



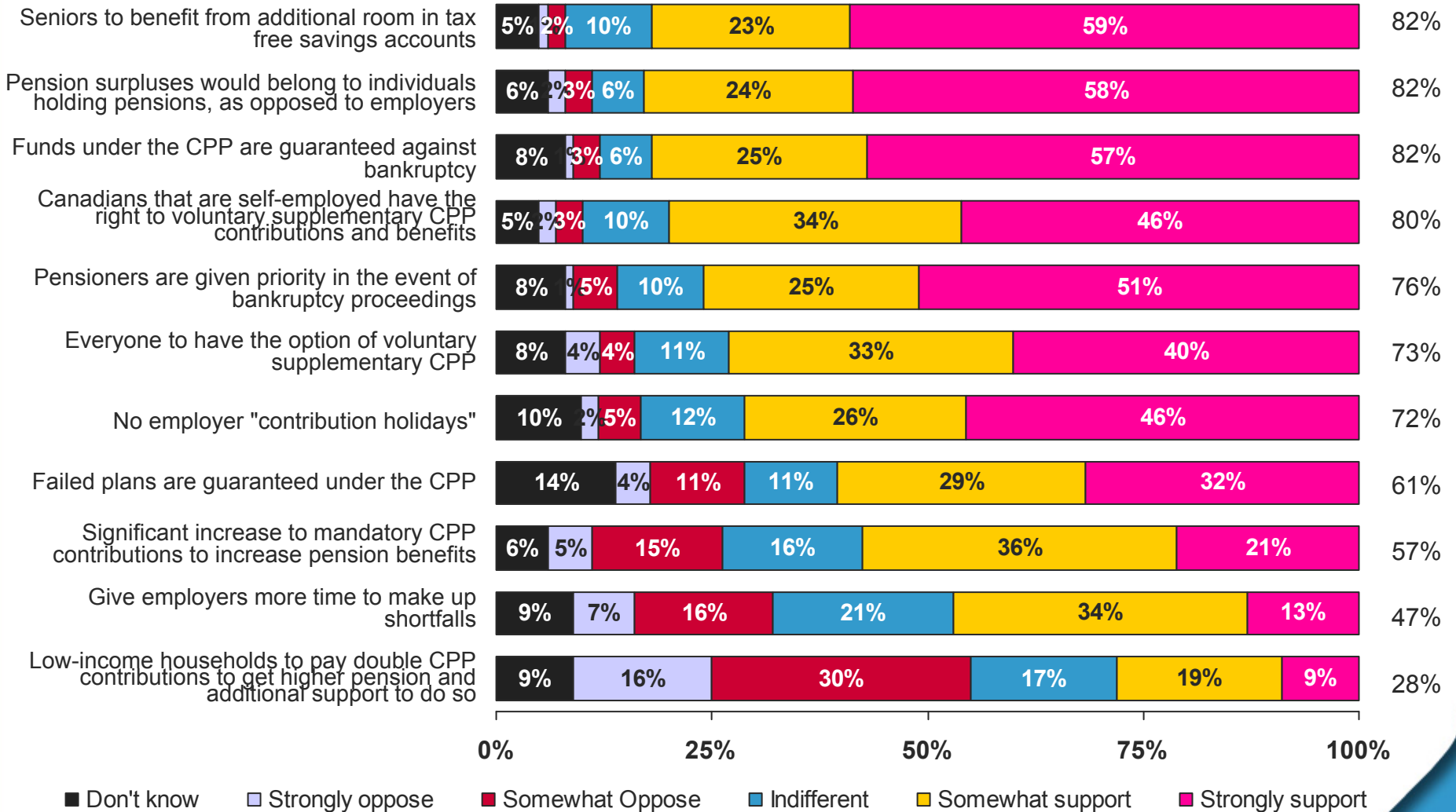
Q5. Overall, how well do you think Canada's current pension system meets Canadians' needs?

Base: Total Canadians 50 years and over (n=584)

\* Percentages may not add up to 100% because of rounding error

# Level of support for proposed pension reform

Net Somewhat/  
Strongly Support



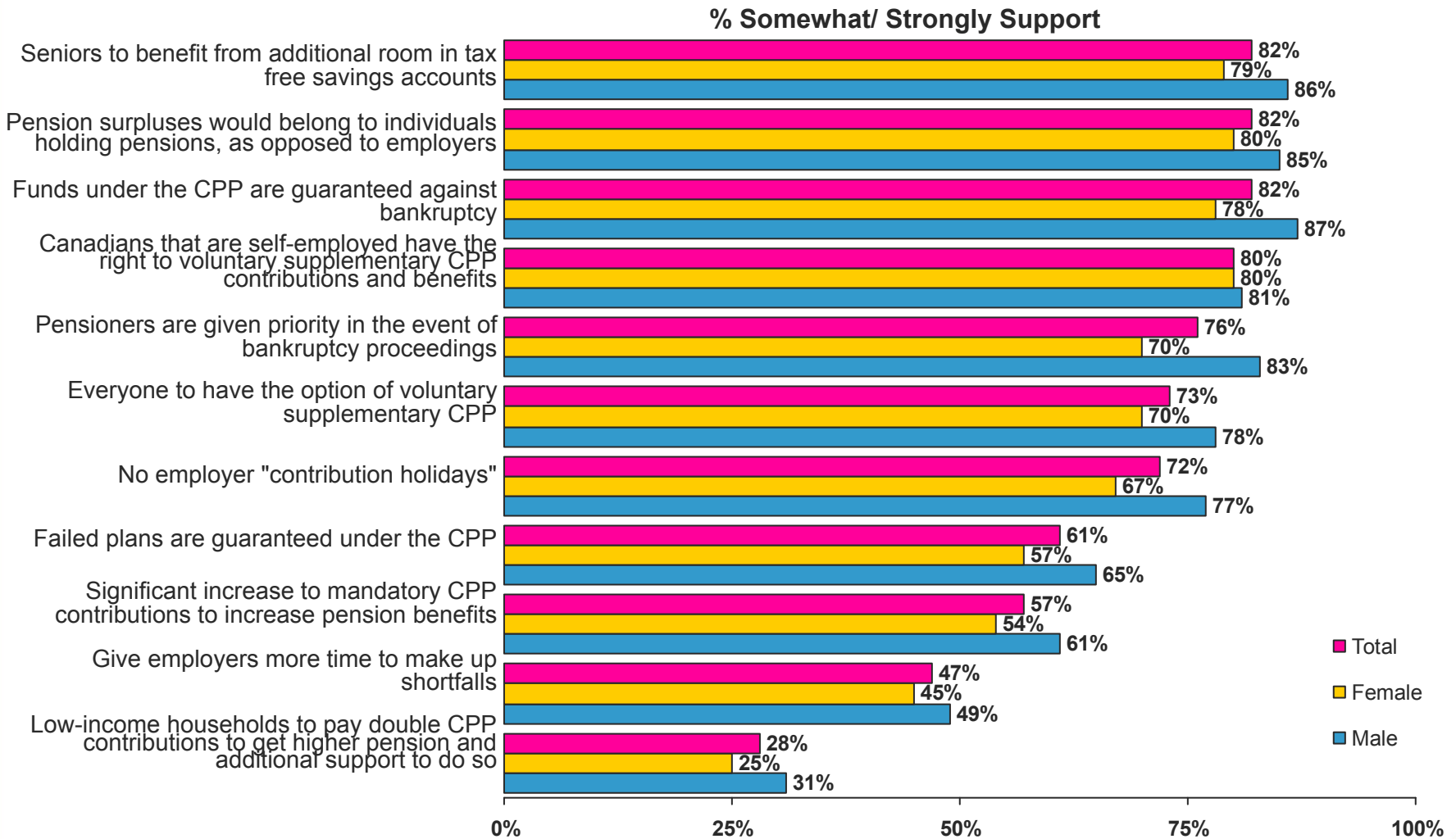
Q6. Please indicate how strongly you support or oppose each of the following proposals for pension reform...

Base: Total Canadians 50 years and over (n=584)

\* Percentages may not add up to 100% because of rounding error

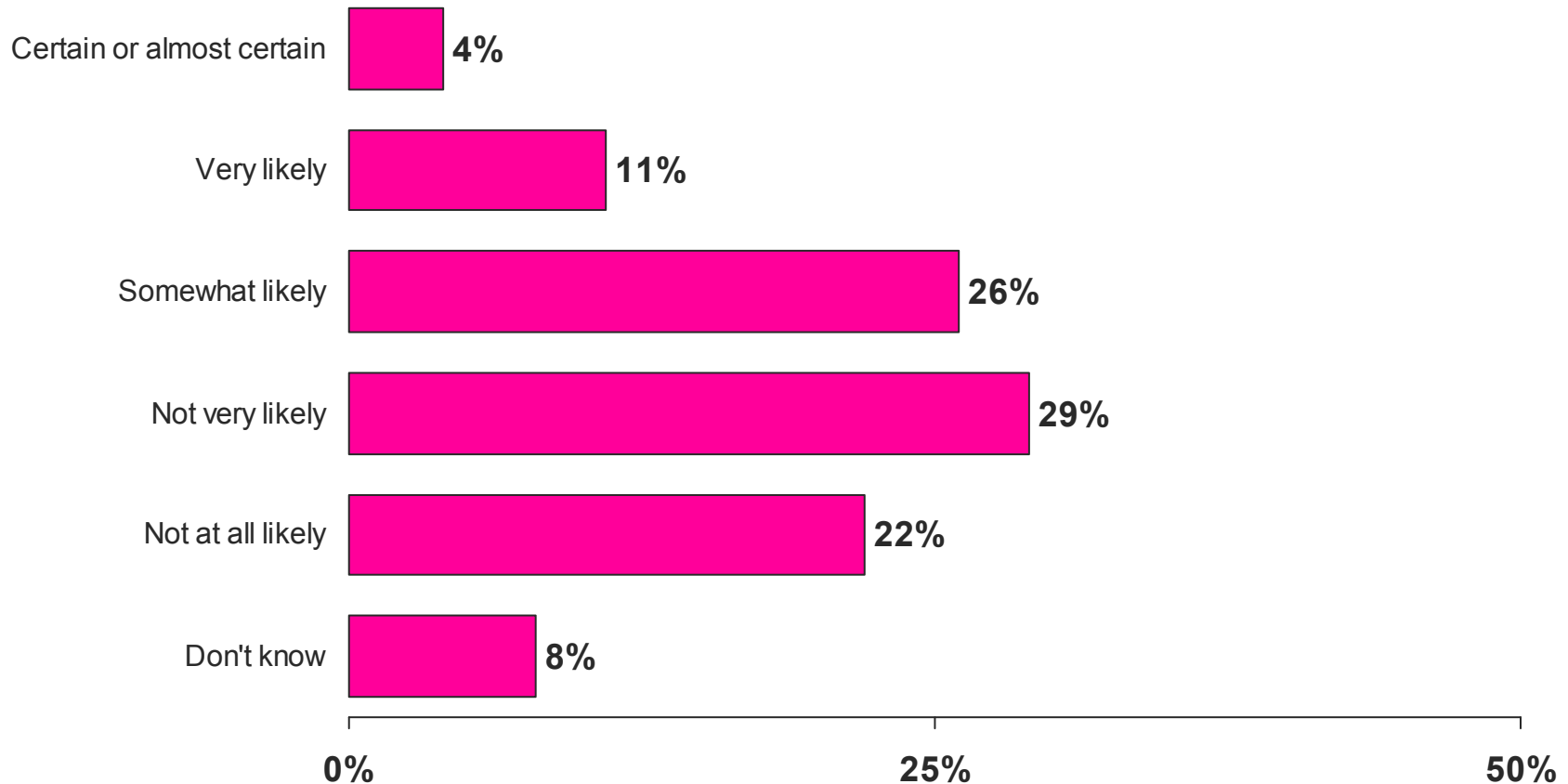


# Level of support for proposed pension reform – By Gender



Q6. Please indicate how strongly you support or oppose each of the following proposals for pension reform...  
 Base: Total Canadians 50 years and over (n=584)

# Likelihood to increase own savings and investments to lessen reliance on employer/ government pensions

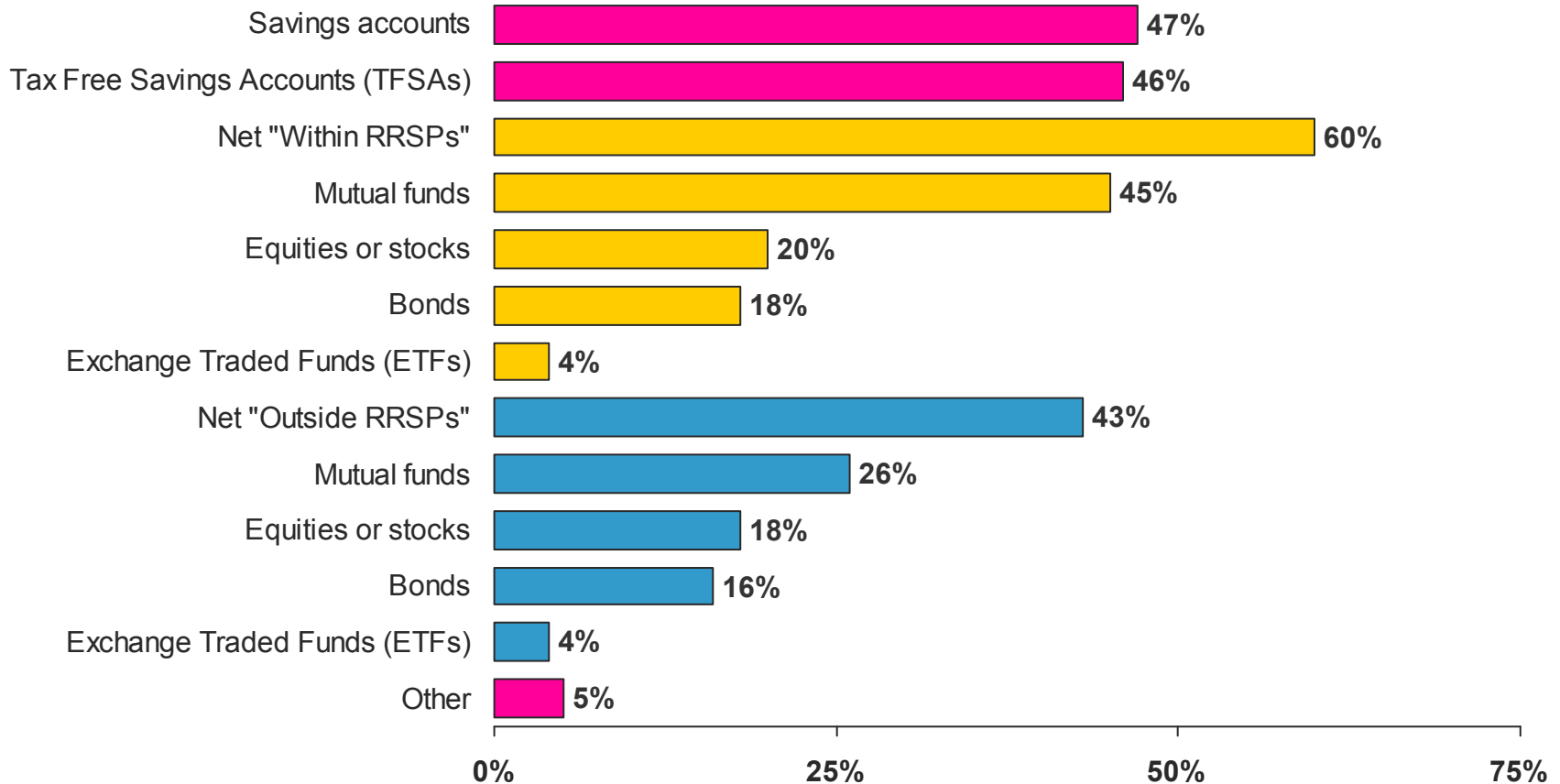


Q7. Given the current economic and financial situation, how likely are you to increase your own savings and investments in order to lessen your reliance on employer or government pensions to fund your retirement?

Base: Total Canadians 50 years and over (n=584)

\* Percentages may not add up to 100% because of rounding error

# Investment vehicles likely to use

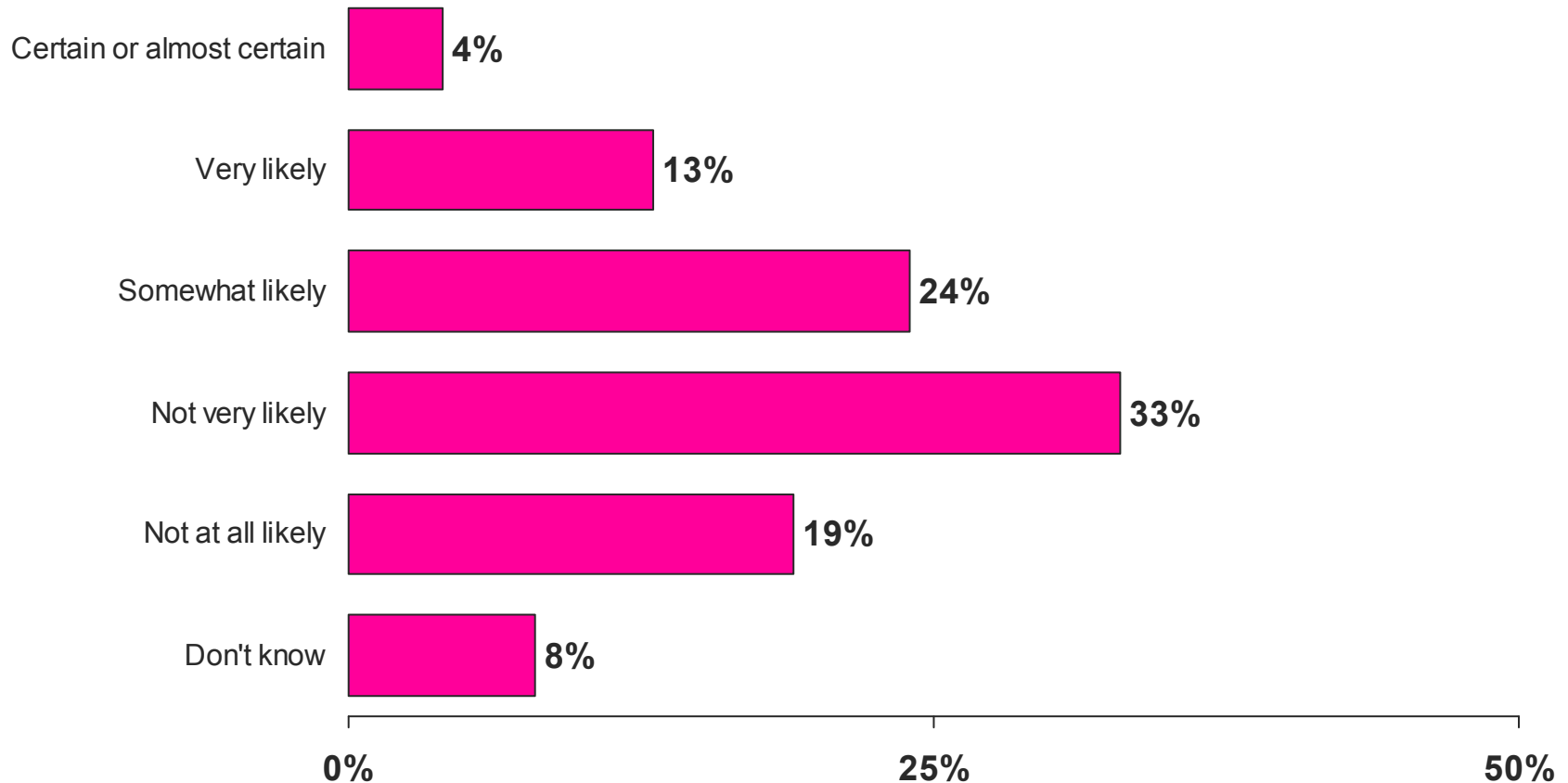


Q8. What types of savings or investment vehicles are you likely to use?

Base: Total Canadians 50 years and over that may increase investments and savings to lessen reliance on employer pension (n=414)

\* Multiple answers

# Likelihood of changing your approach to savings as a result of your level of confidence in the existing pension system



Q9. How likely are you to change your approach to savings (amount, savings/ investment products) as a result of your level of confidence in the existing pension system?

Base: Total Canadians 50 years and over (n=584)

\* Percentages may not add up to 100% because of rounding error

# Survey Methodology

- Data collection was completed via a national online survey conducted by TNS Canadian Facts.
- A total of 584 nationally representative Canadian adults 50 years old and over were interviewed.
- Data collection was completed between February 11 and 16, 2010.
- Data was weighted by gender, age and region to be representative of the general population 50+.



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