

# Key Findings of The Pensions Canadians Want: The Results of a National Survey

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In August 2016, Ipsos Reid conducted an online survey of 1,000 working adult Canadians on behalf of the Canadian Public Pension Leadership Council (CPPLC). The survey asked respondents about their expectations, desires and strategies for retirement through three types of questions: ranking preferences on a scale from 1 to 10, answering yes or no questions, and choosing a category that best fit their situation.

Overall, the survey found that

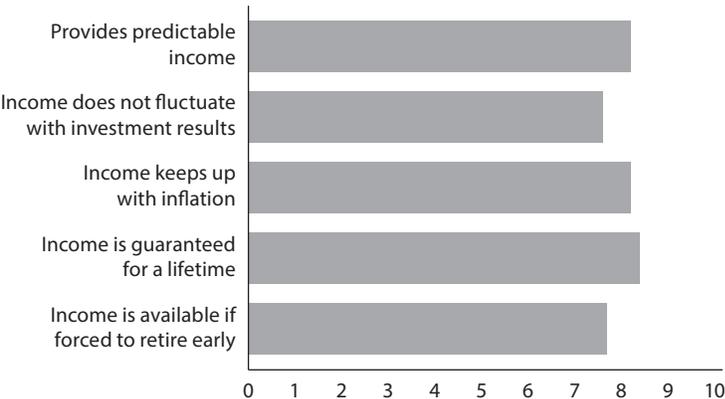
- Canadians value the features typically found in defined benefit (DB) plans and would be willing to pay to secure those features;
- Members of workplace pension plans, especially those participating in DB plans, have greater confidence that they will be prepared for retirement; and
- Canadians are finding ways to adapt to meet retirement objectives, such as retiring later or supplementing retirement income with additional employment.

The survey results will be useful to policy makers, employers and plan sponsors seeking to understand what Canadians want and expect from retirement savings and pension plans.

## Most value features typically found in DB plans and would be willing to pay more to get them

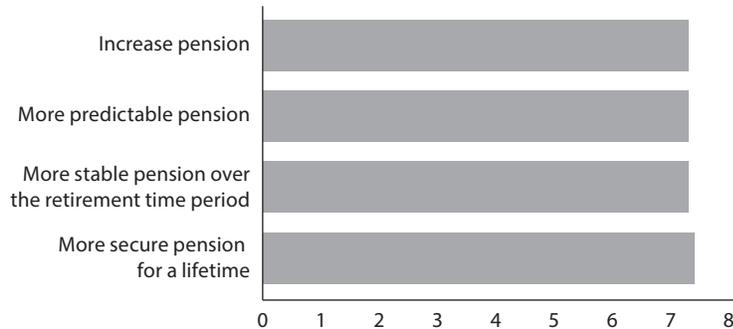
Respondents rated the importance of several pension plan and retirement income plan features on a ten-point scale. The average score of all respondents for a guaranteed lifetime pension was 8.4. Other high-scoring features included: predictable income, inflation protection, early-retirement protection and stable retirement income—all features typically found in DB pension plans.

**Design features of a retirement plan**  
average scores (rated from 1–10), all respondents



The survey also asked about respondents' willingness to contribute more to a pension or retirement income plan to improve particular aspects of the plan. All the options for strengthening pensions achieved high scores.

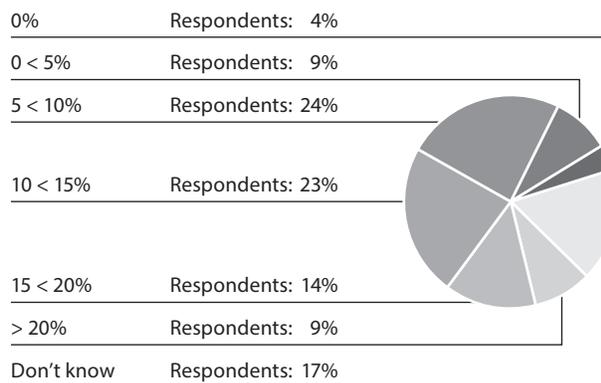
**Plan features for which respondents would contribute**  
average scores (rated from 1–10), all respondents



**Forty-six per cent of Canadians surveyed would pay more than 10 per cent of their income to a pension or retirement savings plan**

The survey asked respondents to indicate the most they would pay for a pension or retirement savings plan. They were offered a range of choices expressed as percentages of income. There was a strong cluster in the 5–10% range (24% of respondents) and the 10–15% range (23% of respondents).

**Maximum percentage of income that respondents would contribute to a pension/retirement income plan**  
all respondents

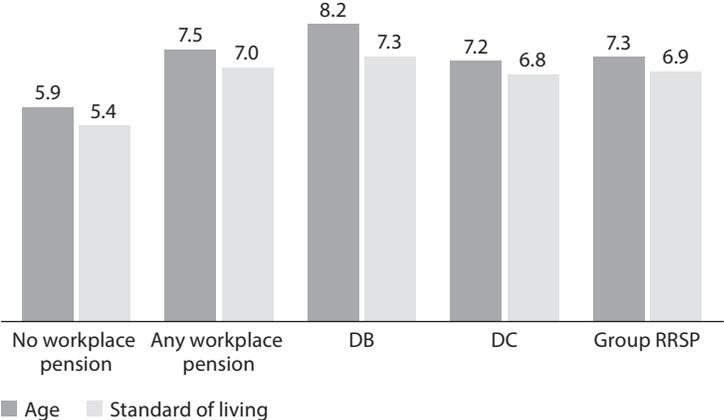


This willingness to contribute more in order to get the desirable features of a pension or retirement savings plan suggests that many respondents are not currently receiving benefits consistent with their expectations. These results also present an opportunity for employers thinking about moving away from DB pension plans. They can consider sharing some of the costs with members instead of closing the plan to new entrants.

### Members of DB pension plans feel most confident they will meet their goals

The survey asked respondents to express the degree of confidence they have in meeting their objectives for retirement age and retirement income on a ten-point scale, with ten indicating complete confidence. The DB plan members expressed the most confidence in meeting their age objective, compared with group registered retirement savings plan (RRSP) members and defined contribution (DC) plan members. Respondents without a workplace savings plan had a significantly lower average response.

**Confidence in achieving retirement age and living standards objectives**  
average scores (rated from 1–10)



The DB plan members also expressed confidence they would maintain their living standards in retirement. People participating in workplace pensions had significantly higher average confidence rates than respondents without any workplace savings plan. DB plan members are also far less likely to expect to be relying on the Guaranteed Income Supplement (GIS) as part of their retirement income.

A valuable aspect of the survey results is that they draw attention to the experience of preparing for retirement. It's clear that experiences cover a range of comfort levels and have a relationship to different types of retirement income arrangements. However, the results clearly show that belonging to a workplace pension plan, especially a DB pension plan, makes the ride more comfortable.

### Maintaining standard of living into retirement is a top priority

One of the strongest points of agreement among respondents was the importance they attach to being able to maintain their standard of living in retirement. On a ten-point scale, the average level of importance for this objective was 8.3, and 75% of those surveyed rated it 8/10 or higher. Respondents were asked a series of questions to determine how broadly they interpreted “maintaining their standard of living.”

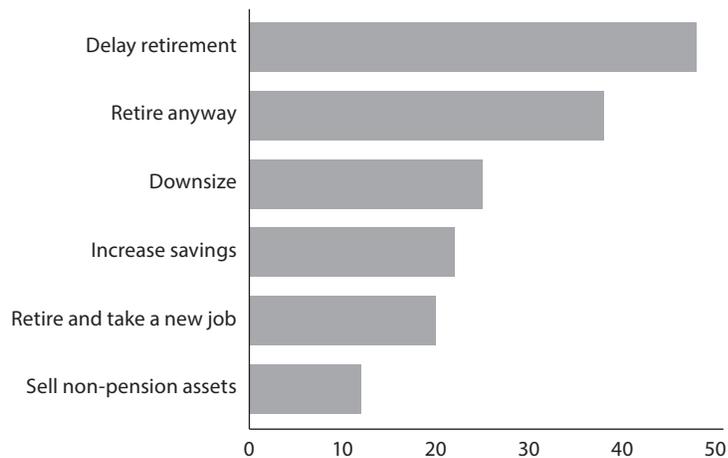
While they made it clear that maintaining living standards is central to how they think about their retirement income objectives, they also don't define this concept narrowly. They look for cushions over normal pre-retirement daily spending needs to cover a variety of post-retirement contingencies, both positive (travel and recreation) and negative (health-related spending).

While it is understandable that the discourse on retirement income issues in Canada focuses almost exclusively on the extent to which Canadians' retirement income needs are achieved or likely to be achieved, the current conversation tends to assume that Canadians' objectives are known. The results of this survey provide an interesting check on this premise and suggest that Canadians' retirement income objectives may be less straightforward and commonly shared than we believed.

### Most would find ways to make up a retirement income shortfall rather than retire with less income

About 75% of respondents said they would find ways to make up a shortfall in retirement income.

#### Adjusting to falling short of objectives all respondents



Of those who said they will seek employment after retiring from their current job, 66% said they would do so for financial reasons. Seventy per cent said they would not seek full-time employment. While 17% of those who intended to seek post-retirement employment didn't know how long they expected to work, more than half expected to work more than five years.

#### Anticipated years of additional employment all respondents

