

Most polled Canadians afraid of running out of money in retirement

Non-retirees' expectations of required savings increased by \$200,000 compared to last year, CPP Investments finds.

October 30, 2024 | By: Investment Executive



About six in 10 polled Canadians said they were afraid of running out of money in retirement, and, as a result, many have increased their expectations of how much they need to save, a CPP Investments study shows.

Released Wednesday, the online survey of 4,786 Canadian adults found that 61% of respondents were worried they'd run out of money in retirement, with the fear being particularly pronounced among younger people and women.



About 67% of Canadians aged 28–44 said they feared their savings wouldn't last through retirement, while 66% of women expressed the same, compared to 56% of men.

"Based on our survey, running out of money in retirement is a real worry for Canadians, which is understandable given life expectancy is on the rise," said Michel Leduc, senior managing director and global head of public affairs and communications with CPP Investments, in a release.

"One thing that Canadians have that protects them against this risk is the [Canada Pension Plan] because your benefits are payable as long as you live and indexed to inflation."

About three-quarters of survey respondents (73%) said they planned to, or already relied on, CPP for part of their retirement income.

The survey also found expectations have increased about the savings required for retirement.

Among non-retirees who provided an estimate of how much money they'd need, the typical answer was \$55,000 annually, up from \$50,000 in last year's survey. The typical expectation for total savings required rose to \$900,000 from \$700,000 previously.

The increase in savings expectations was higher among respondents who were experiencing day-to-day financial stress or who didn't have a retirement plan, the survey said.





Having a financial plan made a difference in respondents' perceptions about retirement. Those with a financial plan were less concerned about outliving their retirement savings, and non-retirees cited having a plan as the top reason they weren't afraid of running out of retirement income.

The online survey was conducted by Innovative Research Group in early August, with respondents (outside Quebec) from sample providers Leger and Lucid. The sample was weighted to a final size of 4,000 to ensure its composition reflected the Canadian population according to census data. A margin of error couldn't be calculated because the online survey wasn't a random sample.

Source:

<https://www.investmentexecutive.com/news/research-and-markets/most-polled-canadians-afraid-of-running-out-of-money-in-retirement/>

