RETIREMENT 20/20
Bring your future into focus with the right advice.

THE 2020 FIDELITY RETIREMENT SURVEY
Celebrating 15 years of retirement insights
About the authors

PETER BOWEN
Vice President, Tax and Retirement Research (2012–current)

Peter leads the Tax and Retirement Research team at Fidelity Canada, travelling across the country to inform investors and advisors on the changing retirement and tax landscapes in Canada.

CAREER EXPERIENCE
- Fund Treasurer, Fidelity Investments (1994–2012)
- Principal in the tax department of PricewaterhouseCoopers (1988–1994)

OF NOTE
- Architect of the T-SWP® series, an award-winning innovation launched by Fidelity in 2002.
- Peter is a recipient of the Queen’s Golden Jubilee Medal for volunteer services provided to Athletics Canada, where he acted as honorary treasurer for several years.

MICHELLE MUNRO
Director, Tax and Retirement Research (2018–current)

Michelle is a leading member of the Tax and Retirement Research team at Fidelity Canada, with a special interest in women and wealth, estate planning and emerging retirement trends.

CAREER EXPERIENCE
- Director of Corporate Tax, Fidelity Investments (2008–2018)
- Senior manager, tax Ernst & Young (1999–2008)

OF NOTE
- Michelle is the past co-chair of Fidelity’s Women’s Leadership Group (WLG), an internal employee resource group aiming to develop and support women leaders.
- Michelle has an interest in planning for life’s unexpected events, and how to plan for life pivots and manage these sometimes difficult and stressful situations.
Letter from the authors

The first half of 2020 has brought momentous changes. The year began with bushfires halfway around the world in Australia. The United Kingdom officially left the European Union after years of political turmoil. Around the world, life as we have known it has changed. The COVID-19 pandemic forced us to adjust to new routines under quarantine, and protests against systemic racism and discrimination have spread across the globe. But many things in life will remain the same: people will graduate from school, start careers, get married, buy things like cars and houses, take vacations, have children, change careers – and think about retirement.

This is Fidelity’s 15th year providing insights about Canadians as they approach and live in retirement. When we first started the survey, the focus of respondents was on accumulating savings for retirement using RRSPs. In 2008, Tax-Free Savings Accounts (TFSAs) were introduced to provide an alternative savings vehicle for Canadians. The focus has broadened to include how to withdraw those savings in retirement, and estate planning. Retirement is changing as well, as it is starting later, more people are working parttime in retirement, and people are living longer than ever.

In this year’s report, we leverage 15 years of insights to look at how retirement has changed over time and where it may go in the future. As well, we take a closer look at the impact on retirement and retirement planning for Canadians financially affected by the COVID-19 pandemic.

Whether you are preparing for or are already in retirement, the current environment affects our perceptions and confidence, but thinking long-term remains key. Read the valuable insights in the report and apply them to your own situation (or that of a family member or friend). Throughout all the years of preparing this report, constant themes have held firm: the importance of establishing goals, creating a plan and the value of advice. Success takes patience and planning over a long period of time, and in our current environment, this is truer than ever before.

PETER BOWEN
Vice President, Tax and Retirement Research

MICHELLE MUNRO
Director, Tax and Retirement Research
About the 2020 Fidelity Retirement Survey

The Fidelity Retirement Survey is focused on how Canadians near, and already in, retirement approach the next stage of their lives. This study was commissioned by Fidelity Canada and was fielded between May 20 and May 30, 2020.

Total number of respondents | Respondents’ age | Respondents’ gender
---|---|---
1,929 | 57 | 50/50
CANADIANS SURVEYED | MEDIAN AGE | MALE FEMALE

This is the 15th year the survey has been conducted.
- A disproportionate sample of pre-retirees and retirees was completed to allow for regional and gender analysis.
- The results are then weighted to reflect the national proportionate distribution of those 45 years of age and older.

Results are accurate to +/- 2.2 percentage points, 19 times out of 20.

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Reading guide

Survey questions asked in multiple years of the Fidelity Retirement Survey.

Impact of COVID-19 on Canadian retirement planning.

Additional report insights from Fidelity retirement expert Peter Bowen.

Additional report insights from Fidelity retirement expert Michelle Munro.
Your retirement vision

Retirement is just as much envisioning the destination as it is the planning process. Some Canadians want to travel the world, while others prefer to be closer to family and friends. Your financial plan should match your vision, support your ambitions and fund your experiences.

### How are pre-retirees planning to spend their time in retirement?

<table>
<thead>
<tr>
<th>Expect to spend more time</th>
<th>Travelling</th>
<th>Hobbies</th>
<th>Spending time with family and friends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expect to spend less time</td>
<td>Participating in social media</td>
<td>Learning</td>
<td>Using online/Internet activity services</td>
</tr>
</tbody>
</table>

### How are retirees spending their additional time in retirement?

<table>
<thead>
<tr>
<th>Are spending more time</th>
<th>Using online/Internet activity services</th>
<th>Spending time with family and friends</th>
<th>Travelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are spending less time</td>
<td>Learning</td>
<td>Volunteering</td>
<td>Sports and fitness</td>
</tr>
</tbody>
</table>

Interestingly, pre-retirees anticipate they will spend more time travelling in retirement and it seems retirees are already doing so.

Activities **women** indicate that they spend (plan to spend) their additional time on in retirement to a greater degree than men.

<table>
<thead>
<tr>
<th>Arts and entertainment</th>
<th>Volunteering</th>
<th>Hobbies</th>
</tr>
</thead>
</table>

Activities respondents in the **highest income quintile** indicate they spend (plan to spend) their additional time on in retirement.

<table>
<thead>
<tr>
<th>Travelling</th>
<th>Spending time with family and friends</th>
<th>Hobbies</th>
</tr>
</thead>
</table>
Canadians are retiring earlier than expected

Deciding when to retire depends on many factors. Your preferences are as unique as your retirement vision. Regardless of when, why or where you retire, it’s important to have a written financial plan that supports your decision-making when the time comes.

Pre-retirees: At what age do you plan to retire?  
Retirees: At what age did you retire?

Pre-retirees: At what age do you plan to retire?  
Retirees: At what age did you retire?

Pre-retirees: What concerns or issues are holding you back from retiring when you would like to?

64% I am concerned I have not saved enough.  
48% The performance of my investments.  
40% I don’t feel I have really planned for retirement.  
39% I am helping to financially support a child/children.

Our survey data show a gradual decrease in expected early retirement amongst pre-retirees over the last decade.

Many pre-retirees retire earlier than they originally indicate, as shown by the 45% of retirees who retired before age 60.
Are Canadians optimistic about retirement?

Saving for retirement is top of mind for many of us. However, competing savings priorities can often distance you from a fully funded retirement. An advisor can provide the guidance, discipline and partnership to create a financial plan that prioritizes your goals and keeps you on track.

% of **pre-retirees** who indicate each of the following savings goals is important to them right now

<table>
<thead>
<tr>
<th>Goal</th>
<th>0%</th>
<th>20%</th>
<th>40%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving for retirement</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Saving for major purchases (e.g., purchasing a vehicle, major appliances, home renovation, trips)</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Saving for your children (e.g., education, events such as a wedding)</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Saving for a new home, larger home, vacation property</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Supporting an elderly parent</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

One in five pre-retirees indicated they are saving to support an elderly parent.

**Pre-retirees**: Outlook on life in retirement

<table>
<thead>
<tr>
<th>Feeling positive about life in retirement</th>
<th>2020</th>
<th>HAVE WRITTEN FINANCIAL PLAN</th>
<th>DO NOT HAVE A WRITTEN FINANCIAL PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeling positive about life in retirement</td>
<td>60%</td>
<td>79%</td>
<td>54%</td>
</tr>
<tr>
<td>Feeling negative about life in retirement</td>
<td>40%</td>
<td>21%</td>
<td>46%</td>
</tr>
</tbody>
</table>

This is the highest rate of negative outlook on retirement since we first asked this question in 2014.

**All respondents**: Do you expect the financial well-being of your household over the next year will...

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Improve</th>
<th>Deteriorate</th>
<th>2009</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve</td>
<td>30%</td>
<td>32%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Deteriorate</td>
<td>20%</td>
<td>19%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Pre-retirees**: Do you expect the financial well-being of your household over the next year will...

<table>
<thead>
<tr>
<th>Expectation</th>
<th>Improve</th>
<th>Deteriorate</th>
<th>2009</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve</td>
<td>35%</td>
<td>27%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Deteriorate</td>
<td>15%</td>
<td>13%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

42% Deteriorate: Among those financially affected by COVID-19

32% Deteriorate: Among women

26% Deteriorate: Among men

NOTE: “Stay about the same” and “Don’t know” responses not shown.
How are Canadians coping with today’s financial realities?

The COVID-19 pandemic is taking a financial toll on many Canadians. How are Canadians from coast to coast managing their finances to deal with short-term challenges but also prepare for the future? Working with an advisor to build a written financial plan can keep you on the right track toward your retirement.

All respondents (currently working): Has the COVID-19 pandemic had an impact on your salary or earnings?

![Bar chart showing the impact of COVID-19 on salaries or earnings across different regions of Canada, with about half indicating a decrease and the other half indicating no change or an increase.]

All respondents: How has your overall spending changed in comparison to this time last year?

- 2019: 25% MORE, 50% NO CHANGE, 25% LESS
- 2020: 18% MORE, 43% NO CHANGE, 39% LESS

All respondents: Agree or disagree – I am not going to invest in anything but very safe investments for a long time, because of everything that has happened in the markets in the last little while.

- All respondents: 34% AGREE, 19% NEITHER AGREE OR DISAGREE, 38% DISAGREE
- Financially affected by COVID-19: 9% AGREE, 20% NEITHER AGREE OR DISAGREE, 40% DISAGREE

Not surprisingly, one half (50%) of those indicating that they were financially affected by COVID-19 are reporting a drop in savings to invest compared to a year earlier.

All respondents: How has the amount you save to invest changed in comparison to this time last year?

<table>
<thead>
<tr>
<th></th>
<th>Financially Affected by COVID-19</th>
<th>Unaffected by COVID-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>More</td>
<td>10%</td>
<td>19%</td>
</tr>
<tr>
<td>No change</td>
<td>40%</td>
<td>62%</td>
</tr>
<tr>
<td>Less</td>
<td>50%</td>
<td>19%</td>
</tr>
</tbody>
</table>

NOTE: “Increase” responses not shown.
Canadians split on working in retirement

More and more, Canadians approaching retirement are considering working to some degree in retirement. Do you want to work part-time to fund your global travel plans? Perhaps you want to leave a legacy for your children or grandchildren? Partnering with an advisor can assist you in managing the money you earn and ensure that it fulfills your desired goals.

<table>
<thead>
<tr>
<th>Retirees: Did you work after transitioning into retirement?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>YES</strong> 28%</td>
</tr>
<tr>
<td><strong>NO</strong> 72%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retirees: Top reasons for working in retirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>WORKING KEEPS ME MENTALLY AND/OR PHYSICALLY ACTIVE</td>
</tr>
<tr>
<td>WORKING KEEPS ME BUSY/ HELPS ME PASS MY TIME</td>
</tr>
<tr>
<td>FOR FINANCIAL REASONS</td>
</tr>
<tr>
<td>WORKING GIVES ME A SENSE OF PURPOSE</td>
</tr>
<tr>
<td>I ENJOY WORKING FOR SOCIAL REASONS</td>
</tr>
<tr>
<td>WORKING KEEPS ME CURRENT WITH RECENT DEVELOPMENTS</td>
</tr>
<tr>
<td>I LIKE THE WORKDAY ROUTINE</td>
</tr>
</tbody>
</table>

### Pre-retirees: Do you believe you will be working in retirement?

<table>
<thead>
<tr>
<th>Pre-retirees</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES 64%</td>
<td>73%</td>
</tr>
</tbody>
</table>

### Pre-retirees: What do you believe will be the financial reasons why you will likely work in retirement?

<table>
<thead>
<tr>
<th>Pre-retirees</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have written financial plan</td>
<td>Do not have a written financial plan</td>
</tr>
<tr>
<td>68%</td>
<td>60%</td>
</tr>
<tr>
<td>33%</td>
<td>43%</td>
</tr>
<tr>
<td>19%</td>
<td>9%</td>
</tr>
<tr>
<td>21%</td>
<td>17%</td>
</tr>
</tbody>
</table>

All respondents: What were the financial reasons why you worked (are likely to work) in retirement?

I would like the extra money so that I can do more of what I would like to do in retirement (e.g., travel, hobbies).

<table>
<thead>
<tr>
<th>Pre-retirees</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>62%</td>
<td>73%</td>
</tr>
</tbody>
</table>

I will need the money to support myself and/or my spouse.

<table>
<thead>
<tr>
<th>Pre-retirees</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>41%</td>
<td>31%</td>
</tr>
</tbody>
</table>

I will need the money to help support others (e.g., my child or children, an elderly parent).

<table>
<thead>
<tr>
<th>Pre-retirees</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>19%</td>
</tr>
</tbody>
</table>

I won’t need the money, but I would like the additional security I would get from having some employment income.

<table>
<thead>
<tr>
<th>Pre-retirees</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Women pre-retirees are less likely than men to indicate that they believe they will work in retirement.

NOTE: Respondents could choose multiple responses. Percentages may not add up to 100%.
Ensure your future is funded

Knowing your retirement is funded can bring an empowering feeling. A written financial plan that lays out sources of retirement income, investments and accounts can give you the confidence and reassurance that you can retire on your own terms. Your financial advisor can work with you to build a comprehensive view of your retirement income.

Do you rely on (intend to rely on) the following as a source of retirement income?

- Government pension (CPP/QPP)
- Old age security (OAS)
- Registered savings (e.g. RSP or RIF)
- Savings held in a TFSA
- Non-registered savings
- Defined benefit pension plan
- Equity from a home
- Employment income
- Defined contribution pension plan
- Other
- Inheritance
- Life annuity

At 51%, TFSAs remain underutilized by pre-retirees for tax-sheltered retirement savings.

Almost 1 in 5 pre-retirees who indicated they intended to rely on an employer pension plan mentioned they were not sure if it was a defined benefit or defined contribution plan.

All respondents: How long do you need your retirement savings to last you?

- 0%
- 5%
- 10%
- 15%
- 20%
- 25%
- 30%
- 35%
- 40%
- 45%
- 50%
- 55%
- 60%
- 65%
- 70%
- 75%
- 80%
- 85%
- 90%
- 95%
- 100%

Pre-retirees: Which statement best describes your situation when it comes to your retirement savings?

- MY RETIREMENT SAVINGS ARE STILL GROWING
- MY RETIREMENT SAVINGS ARE STAYING ABOUT THE SAME
- MY RETIREMENT SAVINGS ARE BEING REDUCED IN ORDER TO MEET MY OTHER EXPENSES

Women plan for their retirement savings to last just as long as men, despite statistically living 3-4 years longer than men. (Source: Statistics Canada)
Put your retirement on paper

Each of us can remember a time when we discussed great ideas but wished we had written them down. Your retirement can sometimes be one of these topics left to conversation. Putting your vision and finances on paper can help you structure and plan a comprehensive strategy to help you realize your retirement dream.

**Pre-retirees:** Do you have a written financial plan that specifically deals with your retirement?

- **YES:** 22%
- **NO:** 74%
- **DON'T KNOW:** 4%

**Pre-retirees:** Did you work with a financial advisor to build your financial plan?

- **YES:** 85%
- **NO:** 15%

**Pre-retirees:** Have you updated that plan since it was first written/developed?

- **WITHOUT AN ADVISOR:** 49%
- **WITH AN ADVISOR:** 60%

**Pre-retirees:** Which of the following components are currently part of your written financial plan?

- Details about the sources of income that you will rely on for your retirement (pension, government income, savings, etc.) and the total income that this will provide
- Estimate of the total savings you will need to retire comfortably
- A budget estimate for your spending in retirement
- A plan for the activities and lifestyle that you want to engage in during your retirement
- A budget for your current day-to-day spending
- A budget for health care costs and requirements (e.g., health insurance, personal support workers to help me as I age)
- A plan about how to transfer your savings/wealth to your children in a tax-efficient way

Only 51% of pre-retirees indicated they had a will. Even fewer pre-retirees indicated they had an updated power of attorney (35%).
Are you prepared for retirement?

A common piece of advice passed down from one generation to the next: be prepared. As with achieving many goals, retirement starts with being prepared – financially, emotionally, socially and physically. Whether you are planning to retire or have already done so, being prepared across all four dimensions is often influenced by having a written financial plan.

How prepared are (were) you for retirement?

<table>
<thead>
<tr>
<th></th>
<th>PRE-RETIREES</th>
<th>RETIREES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>WITH a plan</td>
<td>WITHOUT a plan</td>
</tr>
<tr>
<td>Financially</td>
<td>78%</td>
<td>44%</td>
</tr>
<tr>
<td>Emotionally</td>
<td>84%</td>
<td>63%</td>
</tr>
<tr>
<td>Socially</td>
<td>89%</td>
<td>66%</td>
</tr>
<tr>
<td>Physically</td>
<td>87%</td>
<td>67%</td>
</tr>
</tbody>
</table>
Trusted financial advice can bring your future into focus

Advice comes from everywhere: professionals, family, friends or even social media. When it comes to financial advice and retirement planning, a financial advisor is a trusted source who can provide the guidance and leadership to help you build an appropriate retirement plan. Speak to your financial advisor about your vision of retirement.

All respondents: Most trusted source for information about retirement planning

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A financial planner or advisor</td>
<td>40%</td>
</tr>
<tr>
<td>Newspaper or magazine articles</td>
<td>30%</td>
</tr>
<tr>
<td>Independent financial websites or blogs</td>
<td>15%</td>
</tr>
<tr>
<td>My spouse/partner</td>
<td>10%</td>
</tr>
<tr>
<td>Television programs/TV financial channels</td>
<td>5%</td>
</tr>
<tr>
<td>An accountant or lawyer</td>
<td>3%</td>
</tr>
<tr>
<td>Social media (e.g., Facebook, Twitter, LinkedIn)</td>
<td>2%</td>
</tr>
<tr>
<td>One of my children</td>
<td>1%</td>
</tr>
</tbody>
</table>

All respondents: How confident are you in the advice you receive from your financial advisor?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Confident</th>
<th>Neither</th>
<th>Not Confident</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel completely comfortable discussing my personal situation with my financial advisor</td>
<td>77%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>I feel like I have a positive relationship with my advisor.</td>
<td>75%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

NOTE: “Don’t know” responses not shown.

NOTE: “Neither” responses not shown.
The enduring value of advice during uncertain times

Whether it’s a global financial crisis or a pandemic, our research shows professional financial advice gives Canadians added confidence during difficult times. If you are concerned about your financial future or just need some questions answered regarding your retirement plans, speak with a financial advisor.

**All respondents (working with an advisor):** How important are the following issues for you in dealing with your advisor? How good a job do you think your advisor is doing on these issues?

- Helps you to feel comfortable that you will have financial security in the future
- Lets you know what issues and trends have the potential to impact your investments
- Gets to know your family situation and how that affects the investments you should be making

![Graph showing importance and job performance of advisor issues]

**All respondents (working with an advisor):** Please indicate if you have had contact with your advisor in any of the following ways during the recent market volatility.

- Your advisor telephoned you
- Your advisor sent you an email alongside his/her other clients
- Your advisor sent you a personal email

![Graph showing contact methods]

**All respondents:** Agree or disagree – I am feeling confident that I am on the right track and will continue with the investment plan that I established before the COVID-19 pandemic.

![Percentage chart showing agreement levels]

**All respondents:** Agree or disagree – I feel optimistic that there will be lots of opportunities for future investment growth.

![Percentage chart showing agreement levels]

A financial advisor can provide rational advice during irrational times, keeping you on the right track to achieving your retirement vision.
Defining your retirement
A few steps that can help you achieve retirement fulfillment

☐ WHAT IS YOUR RETIREMENT VISION?
Speak with your spouse, family and friends about the activities and lifestyle you want to enjoy in retirement.

☐ WRITE IT DOWN
Our research shows those with a written financial plan feel better prepared for retirement. If you need support constructing your plan, a financial advisor can assist you.

☐ GET INVOLVED
Be an active participant in your retirement planning – talk with your financial advisor regularly to evaluate your progress on achieving your retirement vision.

We’re here to help

LIVE INTERACTIVE WEBCASTS
FidelityConnects – Our live, interactive webcast series gives you frequent and direct access to insights from Fidelity’s subject-matter experts on trending issues that affect Canadians.

PODCASTS
Our popular webcast series, FidelityConnects, is now available as a podcast.

THE UPSIDE YOUTUBE SERIES
The Upside helps you make sense of your financial life, providing you with financial tips and timely discussion on topics we find interesting and you find informative.

INVESTOR NEWSLETTER
The Upside – Your monthly resource designed to help keep you ahead of the ever-changing financial world with insights, tips and tools.

Looking for more information?
Visit fidelity.ca/retirement to learn more on current retirement trends and the value of advice in Canada.

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