

Media release

## **Canadians are less prepared for retirement because of COVID-19**

**Ottawa, September 28, 2021** – Results of a survey conducted by Ipsos on behalf of the Canadian Institute of Actuaries (CIA) show that COVID-19 has fundamentally changed how Canadians are thinking about and preparing for retirement.

The survey, conducted in July and August 2020, asked over 1,500 Canadians aged 18+ about their retirement risk concerns and preparedness, how well they understand longevity and life in retirement, and how accurate their expectations are around being disabled in retirement and needing long-term care, especially in the context of COVID-19.

Key findings include:

### THE IMPACT OF COVID-19

- Nearly one in four non-retirees (or whose spouse is not retired) (23%) report that COVID-19 has impacted their or their spouse's timeline to retire, with the majority of those (69%) saying they or their spouse will work longer than planned to continue receiving income.
- 36% of Canadians report earning less household income due to the COVID-19 pandemic.
- 25% of Canadians report taking on additional debt due to the COVID-19 pandemic.
- 63% of Canadians have a more negative view of assisted living facilities as a result of the COVID-19 pandemic.

### RETIREMENT AGE AND LIFE EXPECTANCY

- 40% of non-retired Canadians do not know when they will retire, and a further 14% state that they do not expect to ever retire.
- 30% of Canadians aged 45+ report being in very good to excellent health, a figure that has dropped from 51% in a 2012 CIA survey.

### FINANCIAL PLAN FOR RETIREMENT

- Nearly one in five retirees have less than \$25,000 in savings and investments.
- More than half of Canadians do not have a financial plan for their retirement.
- More than one in three Canadians do not own any of the following types of insurance: life, disability, critical illness, or long-term care.

## LIVING ARRANGEMENTS AND LONG-TERM CARE

- 31% of Canadians feel they are likely to experience a physical or mental disability later in life. Actual experience indicates that disability rates at ages 75+ are over 47%.
- When it comes to long-term care, 47% of Canadians feel its availability is fair to poor, 55% feel its quality is fair to poor, and 49% rate their ability to afford it as fair to poor.
- Despite concerns about the availability, quality, and affordability of long-term care, 67% of Canadians report not having done anything when it comes to planning for long-term care needs.

“Understanding and planning for the financial risks of retirement – whether related to income, savings, health care costs, or other expenses – is something all Canadians need to do to ensure their safety and comfort in the future,” says CIA President Jacqueline Friedland, FCIA. “These survey results show that Canadians need a lot more support and information to protect themselves in their old age. We will be looking to our partners in governments, financial institutions, and other retirement professions to work with us towards solutions on these issues.”

Read more about the survey findings in a [special series of articles](#) on the Seeing Beyond Risk news site, and in the [full report](#).

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### **Media contact**

Josée Gonthier

Manager, Communications

Canadian Institute of Actuaries

[josee.gonthier@cia-ica.ca](mailto:josee.gonthier@cia-ica.ca)

613-236-8196 ext. 106

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