

Canadians fear running out of money in retirement, but there are ways to ease that anxiety

Highlights:

- Canadians are afraid of running out of money during retirement and have increased their expectations of how much they need to save
- Understanding the role the Canada Pension Plan (CPP) plays in your retirement income can help relieve that anxiety
- Confidence can help people overcome barriers, enabling proactive steps towards achieving their financial goals

TORONTO, ON (October 30, 2024): Financial anxiety is a growing concern for Canadians, with 61% of Canadians saying they are afraid of running out of money during retirement, a new survey from [CPP Investments](#) reveals.

The fear of outliving savings is even higher for younger people and women: 67% of Canadians aged 28 to 44 are afraid they will not have enough income during retirement, due mainly to not saving enough and lacking a retirement plan. Women were also more likely to say they fear their savings will not last (66% compared to 56% of men).

The survey also found that Canadians with a financial plan are less concerned about outliving retirement savings. Among non-retirees, having a plan was the top reason why they were not afraid of running out of retirement income. The survey also highlighted the key role that CPP benefits play in giving people confidence about their retirement savings: almost three-quarters (73%) of those surveyed plan to, or currently rely on, the CPP for part of their retirement income.

The fields of behavioural science and financial psychology have demonstrated that confidence is a key factor affecting decision-making and the likelihood of engaging in long-term planning, according to Michel Leduc, Senior Managing Director & Global Head of Public Affairs and Communications.

“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. One thing that Canadians have that protects them against this risk is the CPP because your benefits are payable as long as you live and indexed to inflation,” said Leduc. “Understanding the role played by the CPP as a reliable foundation for retirement income can help reduce financial anxiety and boost confidence to enable Canadians to pursue long-term plans.”

Canadians believe they need more savings for retirement

During the past year, Canadians have increased their expectations of how much money they will need in retirement. For those who gave an estimate, the typical amount non-retirees expect they will need each year increased from \$50,000 to \$55,000, while the typical expected total savings required rose from \$700,000 to \$900,000. The increase for total savings expectations is larger among people who are experiencing day-to-day financial stress and do not have a retirement plan. About half the respondents in each case were unsure about how much money they would need.

“Working Canadians are already saving for their retirement through their CPP contributions. And, they can take comfort in the fact that the CPP – in part through the work of CPP Investments – will be there for them and for generations to come,” said Leduc.

Young people are stressed about their finances

Among Canadians aged 18-24, 63% agreed with the statement, “I feel a lot of anxiety about making the wrong decisions with my money.” This figure fell consistently as Canadians aged, to 33% among those 65 and older.

“The younger generation is particularly stressed about their finances. This underscores the importance of building a solid understanding of your personal finances and seeking resources to improve financial literacy to help you manage money more effectively,” Leduc said. “However, knowing you already have a head start through the CPP can help make retirement feel more achievable and can hopefully alleviate some of the stress people have about saving for retirement.”

November is Financial Literacy Month and CPP Investments conducted the research to inform and foster public discussion on enhancing financial security for future generations.

More information about the survey results and the role that CPP Investments plays in sustaining retirement income through the CPP can be found on our [website](#).

About the survey

The online survey was conducted by Innovative Research Group from August 1-7, 2024, with a sample of 4,786 Canadians (outside of Quebec), 18 years or older, with respondents from Leger and Lucid, leading providers of online samples. The sample is weighted to a final sample size of 4,000 to ensure that its composition reflects the actual Canadian population according to Census data. This is a representative sample. However, because the online survey was not a random probability sample, a margin of error cannot be calculated. Statements about margins of sampling error do not apply to most online panels.

About CPP Investments

Canada Pension Plan Investment Board (CPP Investments™) is a professional investment management organization that manages the Fund in the best interest of the more than 22 million contributors and beneficiaries of the Canada Pension Plan. In order to build diversified portfolios of assets, investments are made around the world in public equities, private equities, real estate, infrastructure and fixed income. Headquartered in Toronto, with offices in Hong Kong, London, Mumbai, New York City, San Francisco, São Paulo and Sydney, CPP Investments is governed and managed independently of the Canada Pension Plan and at arm’s length from governments. At June 30, 2024, the Fund totalled C\$646.8 billion. For more information, please visit www.cppinvestments.com or follow us on [LinkedIn](#), [Instagram](#) or on X [@CPPInvestments](#).

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