



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



JOINED FIDELITY – 1994

INDUSTRY EXPERIENCE

31 years

EDUCATION

BA, University of Waterloo

DESIGNATION

CPA, CA

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.



JOINED FIDELITY – 2008

INDUSTRY EXPERIENCE

21 years

EDUCATION

BMath,
University of Waterloo

DESIGNATION

CPA, CA

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

1,929

CANADIANS SURVEYED

Respondents'
age

57

MEDIAN AGE

Respondents'
gender

50/50

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.

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?

EXPECT TO SPEND MORE TIME



Travelling



Hobbies



Spending time with family and friends

EXPECT TO SPEND LESS TIME



Participating in social media



Learning



Using online/Internet activity services

How are retirees spending their additional time in retirement?

ARE SPENDING MORE TIME



Using online/Internet activity services



Spending time with family and friends



Travelling

ARE SPENDING LESS TIME



Learning



Volunteering



Sports and fitness



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.



Arts and entertainment



Volunteering



Hobbies

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



Travelling



Spending time with family and friends

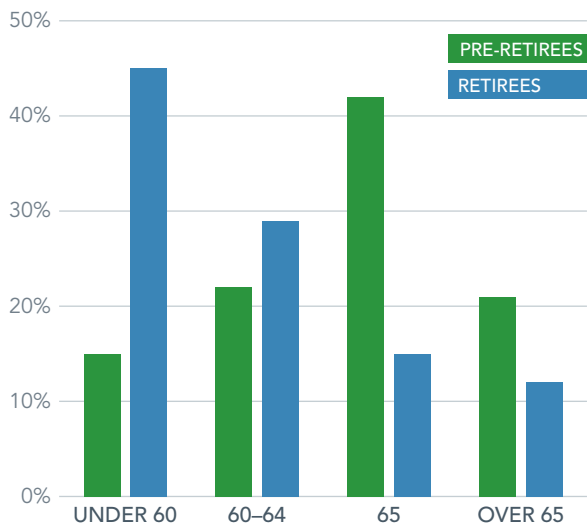


Hobbies

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?



2009 2020

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

Under 65 years of age	45%	37%
Over 65 years of age	13%	20%

Retirees: At what age did you retire?

Under 65 years of age	77%	74%
Over 65 years of age	10%	12%

NOTE: “Retire at age 65” responses not shown.



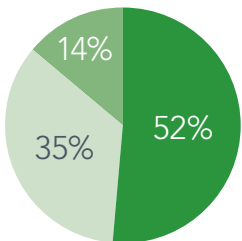
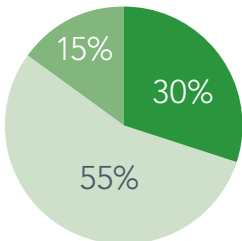
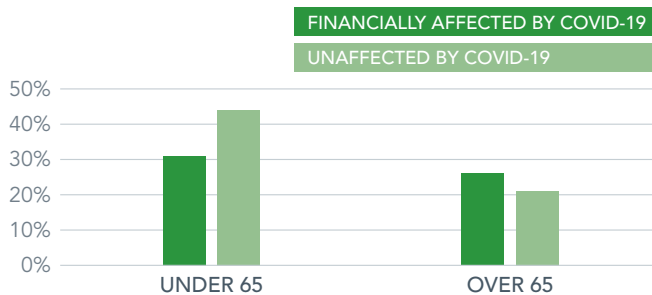
Our survey data show a gradual decrease in expected early retirement amongst pre-retirees over the last decade.



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



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



BEFORE 65
 AT 65
 OVER 65

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.

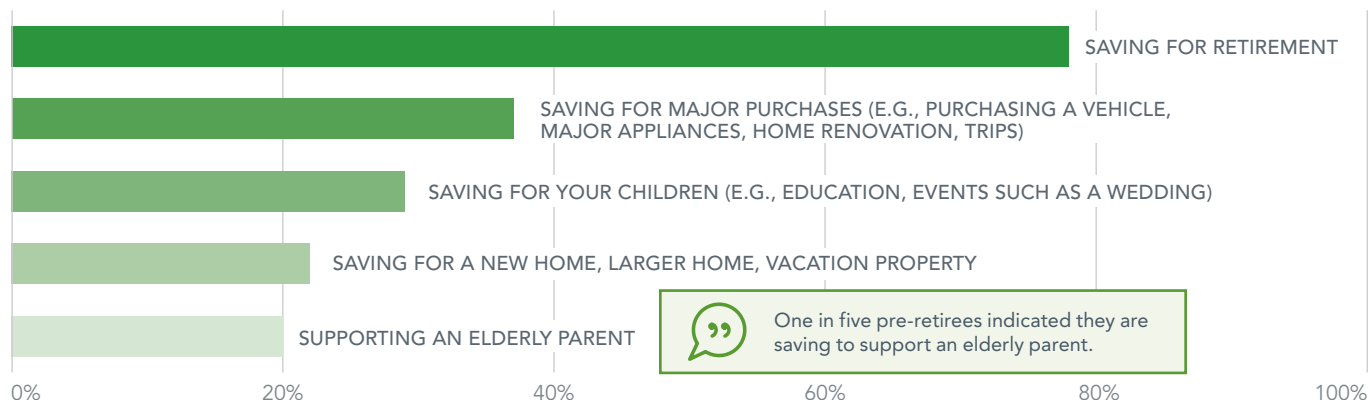
39%

I am helping to financially support a child/children.

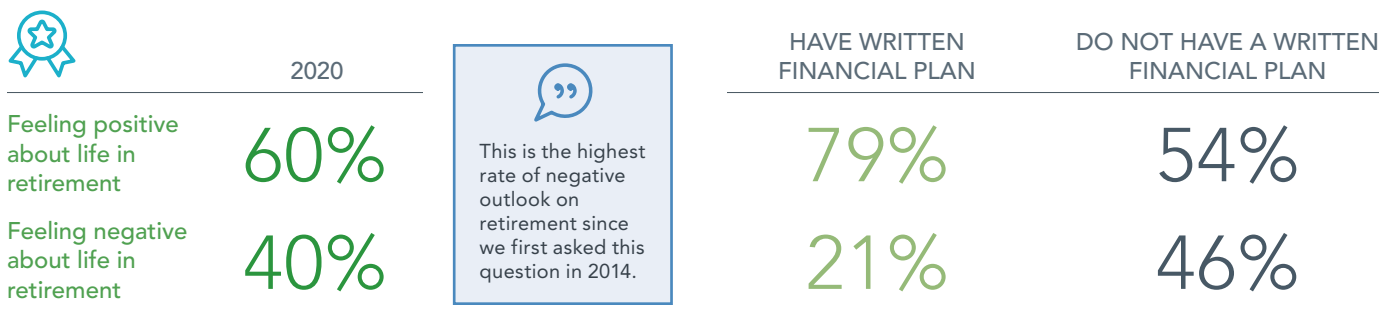
Are Canadians optimistic about retirement?

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.

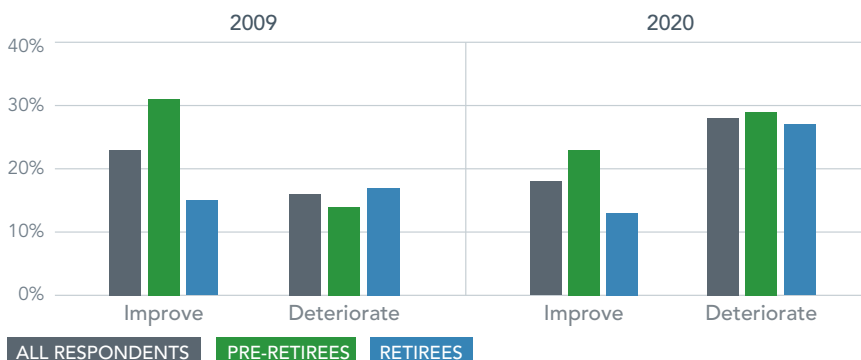
% of **pre-retirees** who indicate each of the following savings goals is important to them right now



Pre-retirees: Outlook on life in retirement

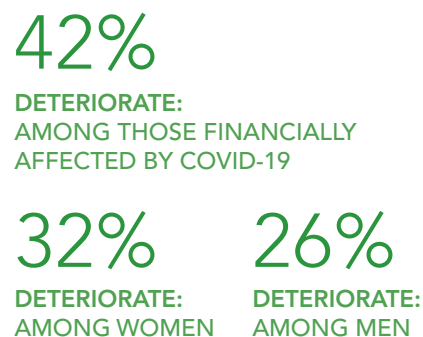


All respondents: Do you expect the financial well-being of your household over the next year will...



NOTE: "Stay about the same" and "Don't know" responses not shown.

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

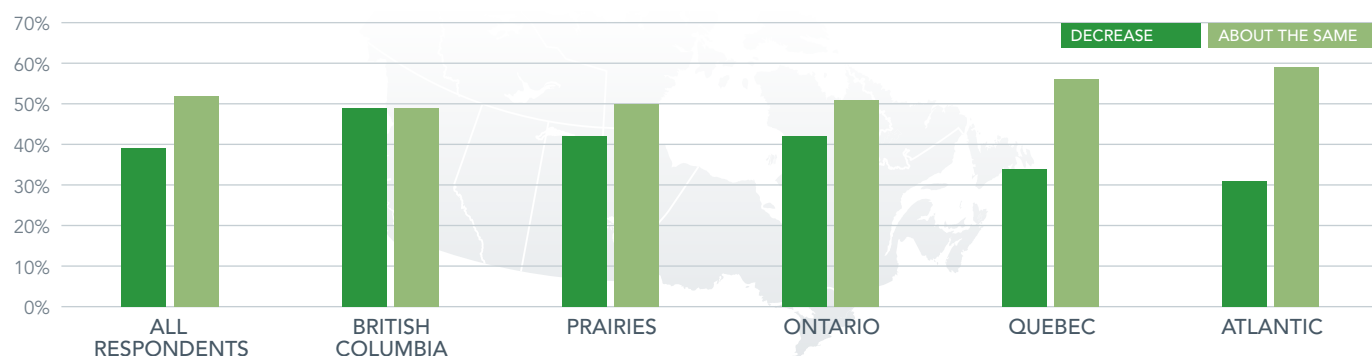


How are Canadians coping with today's financial realities?

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.

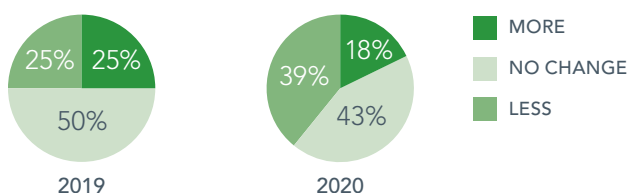


All respondents (currently working): Has the COVID-19 pandemic had an impact on your salary or earnings?



NOTE: "Increase" responses not shown.

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

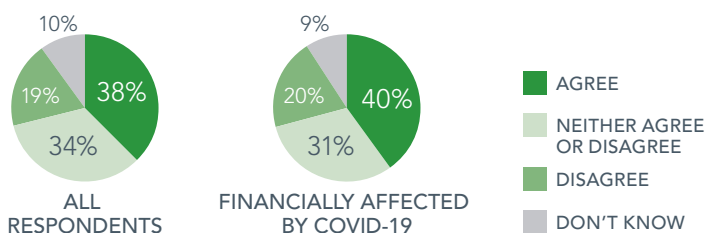


All respondents: How has the amount you save to invest changed in comparison to this time last year?

	FINANCIALLY AFFECTED BY COVID-19	UNAFFECTED BY COVID-19
MORE	10%	19%
NO CHANGE	40%	62%
LESS	50%	19%



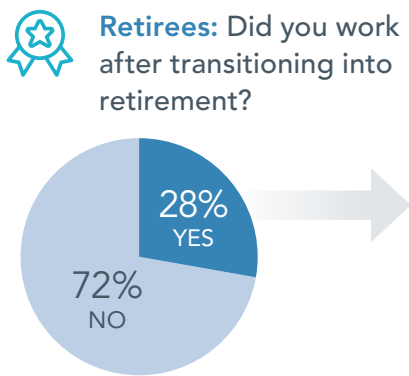
All respondents: Agree or disagree – I am not going to invest in anything but very safe investments for a long time, because of everything that has happened in the markets in the last little while.



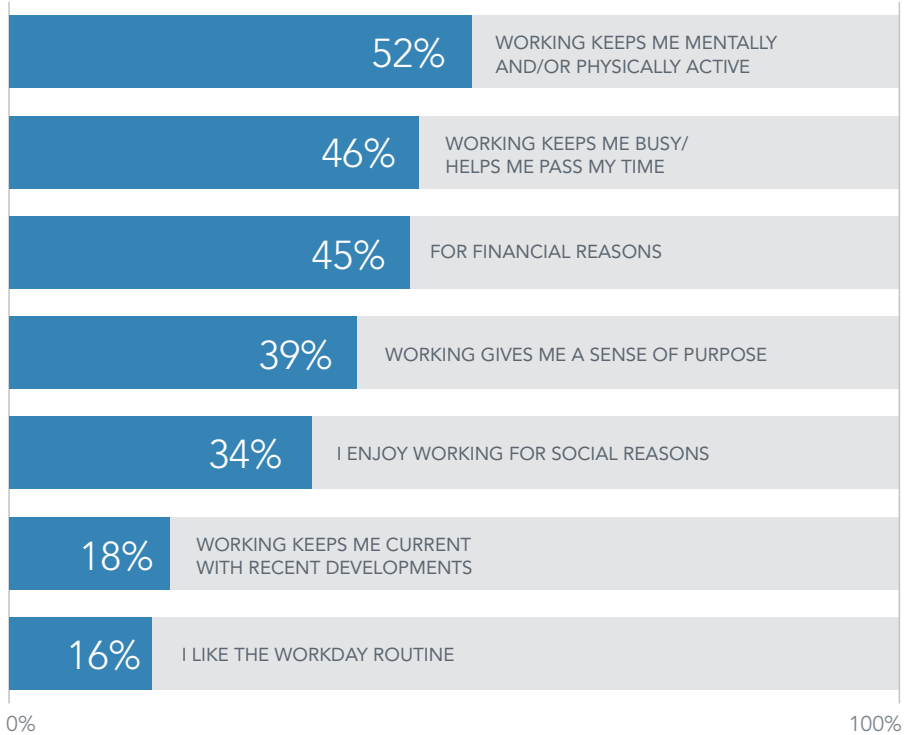
Not surprisingly, one half (50%) of those indicating that they were financially affected by COVID-19 are reporting a drop in savings to invest compared to a year earlier.


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.



Retirees: Top reasons for working in retirement



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

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

	Pre-retirees	Retirees
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).	62%	73%
I will need the money to support myself and/or my spouse.	41%	31%
I will need the money to help support others (e.g., my child or children, an elderly parent).	12%	19%
I won't need the money, but I would like the additional security I would get from having some employment income.	18%	22%

Pre-retirees: What are the financial reasons why you will likely work in retirement?

Have written financial plan	Do not have a written financial plan
68%	60%
33%	43%
19%	9%
21%	17%

NOTE: Respondents could choose multiple responses. Percentages may not add up to 100%.

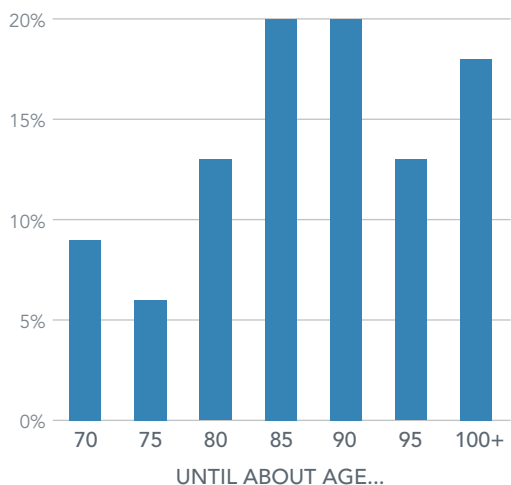
Ensure your future is funded

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?

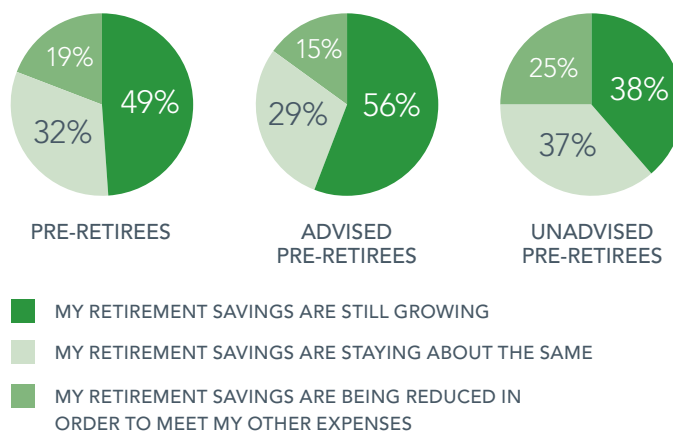


All respondents: How long do you need your retirement savings to last you?



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)

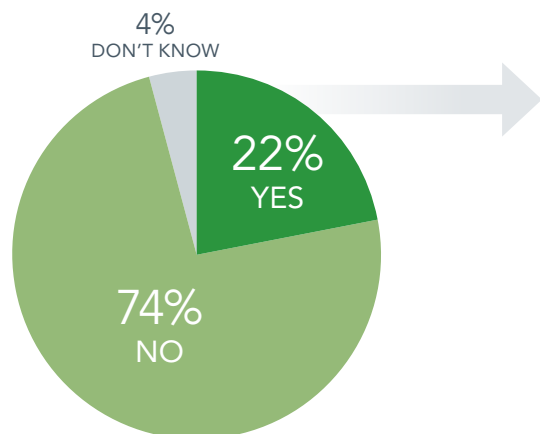
Pre-retirees: Which statement best describes your situation when it comes to your retirement savings?



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?



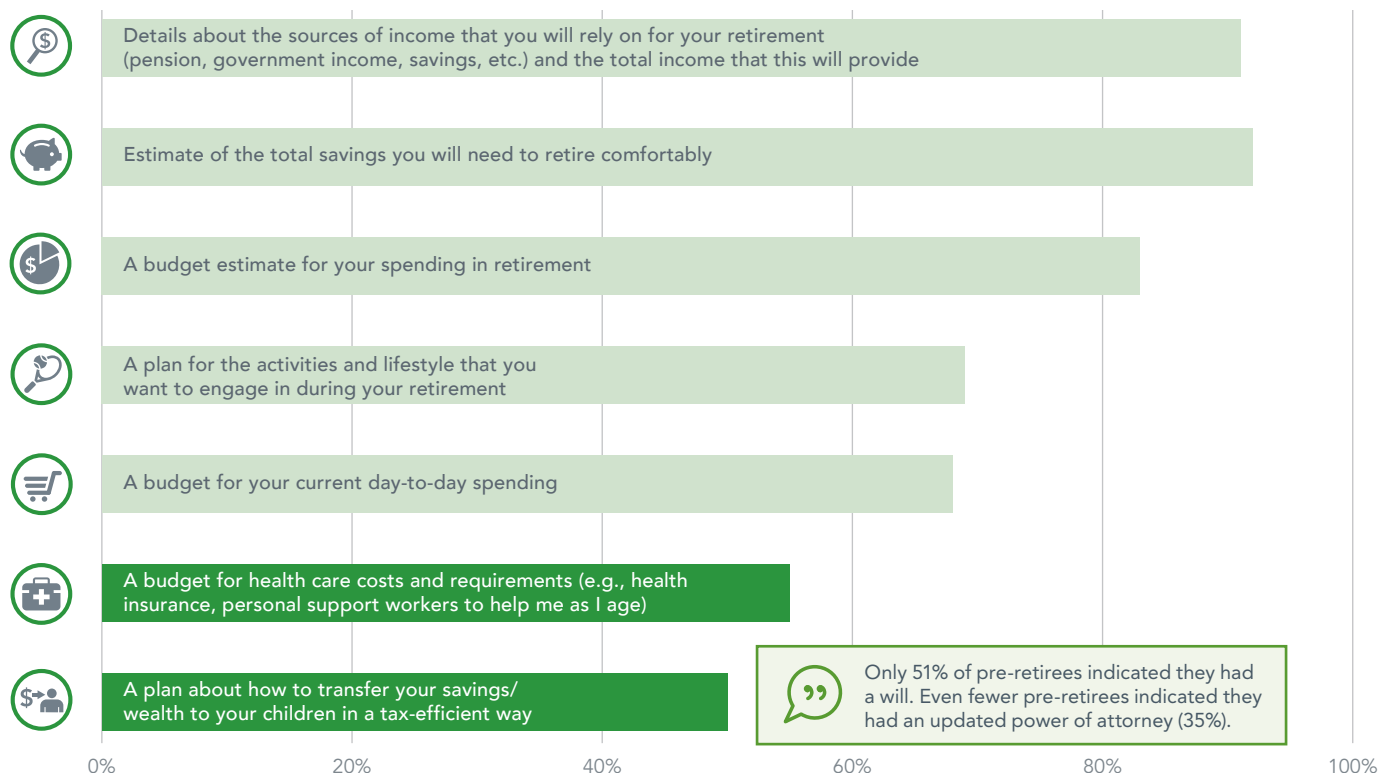
Pre-retirees: Did you work with a financial advisor to build your financial plan?



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







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



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.

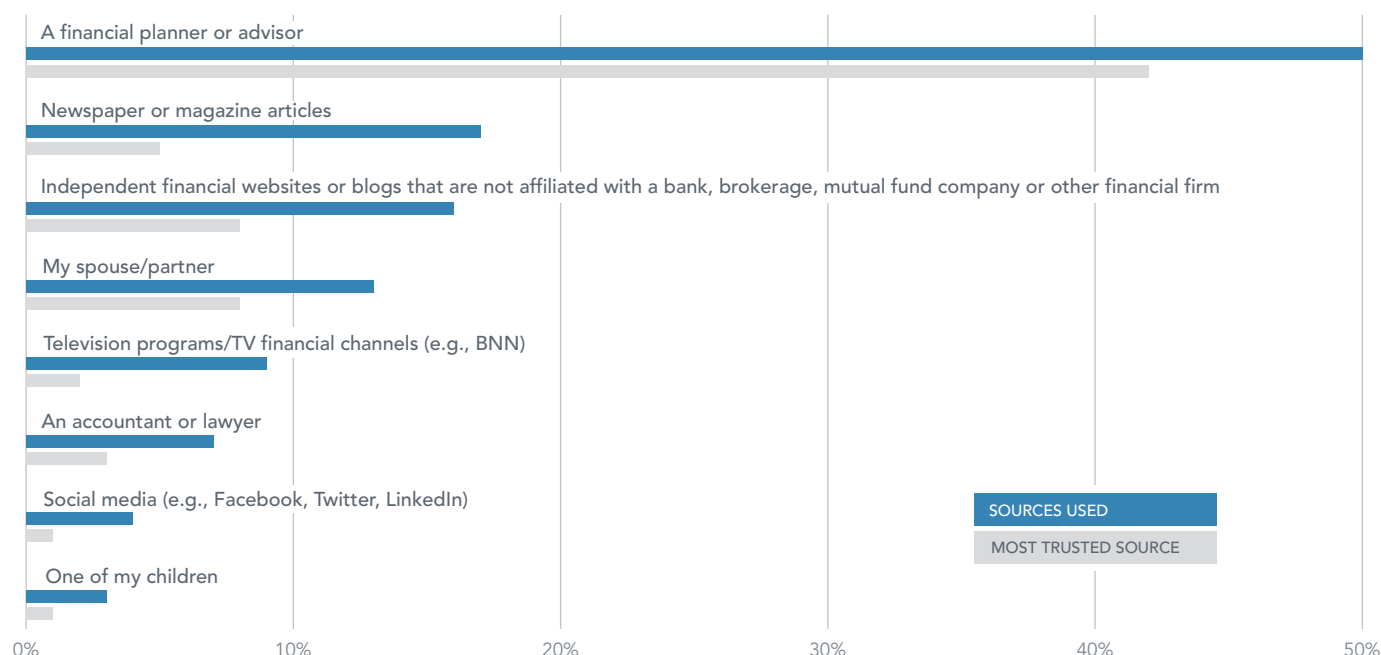
How prepared are (were) you for retirement?

	PRE-RETIREEES		RETIREEES	
	WITH a plan	WITHOUT a plan	WITH a plan	WITHOUT a plan
 Financially	78%	44%	94%	72%
 Emotionally	84%	63%	88%	77%
 Socially	89%	66%	91%	80%
 Physically	87%	67%	93%	79%

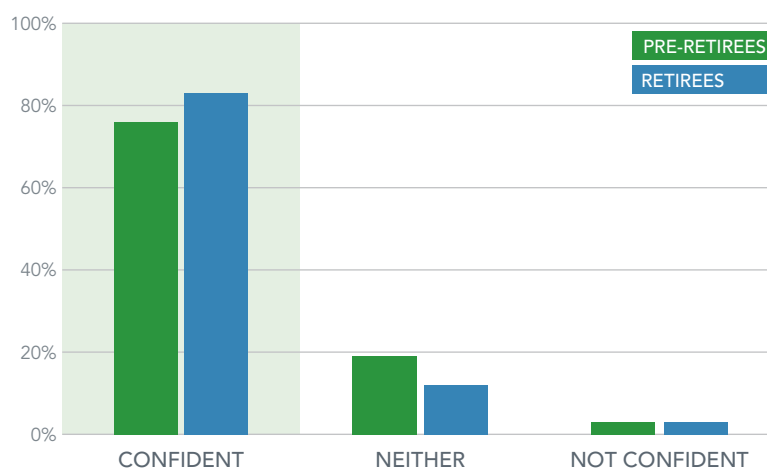
Trusted financial advice can bring your future into focus

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



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



NOTE: "Don't know" responses not shown.

All respondents (working with an advisor): To what extent do you agree or disagree with the following statements?

I feel completely comfortable discussing my personal situation with my financial advisor.

77%
AGREE

6%
DISAGREE

I feel like I have a positive relationship with my advisor.

75%
AGREE

5%
DISAGREE

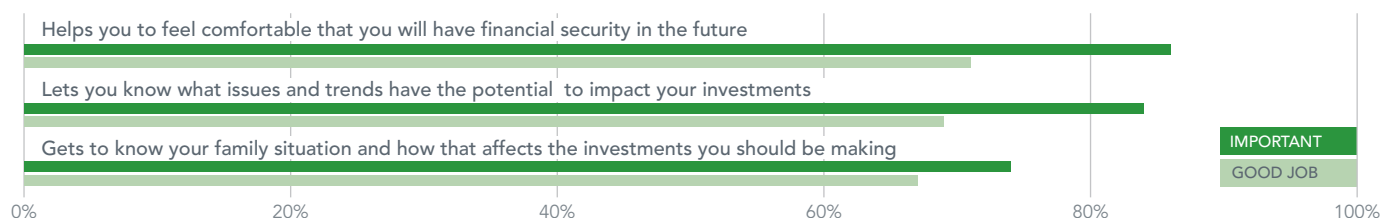
NOTE: "Neither" responses not shown.

The enduring value of advice during uncertain times

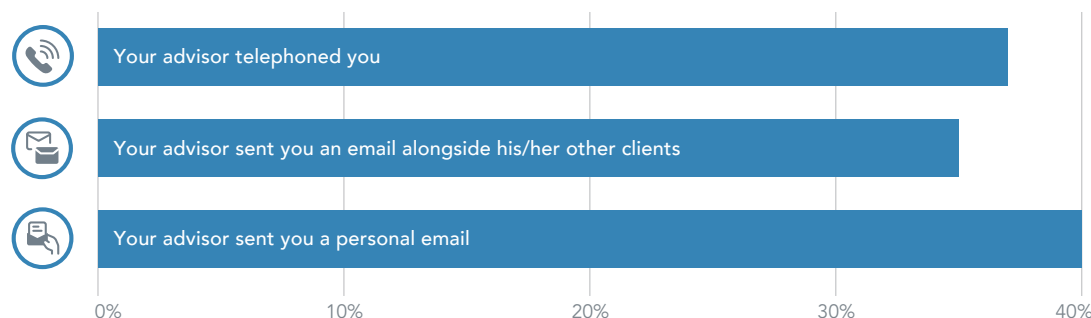
Whether it's a global financial crisis or a pandemic, our research shows professional financial advice gives Canadians added confidence during difficult times. If you are concerned about your financial future or just need some questions answered regarding your retirement plans, speak with a financial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



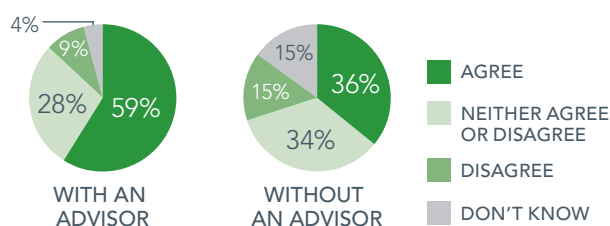
All respondents (working with an advisor): Please indicate if you have had contact with your advisor in any of the following ways during the recent market volatility.



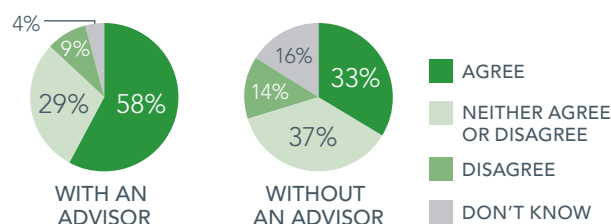
69% of respondents who work with an advisor, were contacted during the recent market volatility.



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.



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



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.



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.



PODCASTS

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



INVESTOR NEWSLETTER

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



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