



Retirement
NOW
SPECIAL
REPORT
HIGHLIGHTS

Are you retirement ready?

Retirement is changing. For today's working, Canadians retirement may be very different than it is for current retirees.

By surveying retirees about their present circumstances and working people about their plans for the future, the 2016 Sun Life Financial Retirement Now Report aims to provide a balanced, insightful view of the evolving state of retirement in Canada.

Here's what we found in our Special Report for mid-market Canadians.*

* The online survey was conducted between December 15 and 23, 2015, surveying 2,004 working Canadians age 30 to 65, and 2,006 retired Canadians between the ages of 30 and 80. The study's sample included 522 mid-market working Canadians and 590 mid-market retired Canadians (both of whom have between \$100,000 and \$500,000 in investable assets).

Life's brighter under the sun



Working with an advisor boosts confidence

Working with an advisor makes Canadians feel more confident about their savings, living life their way and knowing their money will last through retirement.

WORKING CANADIANS

RETIREES

50%

work with an advisor

63%

68%

are satisfied with their retirement savings

76%

88%

value advice from their advisor

93%

OF THOSE WHO **DON'T** WORK WITH AN ADVISOR,

57%

ARE SATISFIED WITH THEIR RETIREMENT SAVINGS

OF THOSE WHO **DON'T** WORK WITH AN ADVISOR,

68%

ARE SATISFIED WITH THEIR RETIREMENT SAVINGS

Personal savings are becoming more important

Over the years, employee pension plans have shifted from Defined Benefit¹ to Defined Contribution² plans, so working Canadians feel like their personal savings will be just as important as a workplace plan or government plan in paying for their retirement.

WORKING CANADIANS

84%

have³ a workplace retirement or savings plan

Of those, **only**

36%

have access to a defined benefit plan

RETIREES

83%

had a workplace retirement or savings plan

Of those,

61%

had access to a defined benefit plan

INSTEAD, THEY EXPECT THEIR RETIREMENT INCOME WILL COME FROM

31% workplace pension or retirement savings plan

22% government plans

30% personal savings

9% home equity

5% inheritance

4% other sources

TODAY'S RETIREES **REPORT** THAT ON AVERAGE, THEIR RETIREMENT INCOME COMES FROM

42% workplace pension or retirement savings plan

34% government plans

16% personal savings

1% home equity

2% inheritance

4% other sources

COMPARED TO CURRENT RETIREES, WORKING CANADIANS ARE LESS LIKELY TO HAVE ACCESS TO DEFINED BENEFIT PLANS AND EXPECT TO RELY ON OTHER SOURCES OF INCOME (I.E. PERSONAL SAVINGS) TO FUND THEIR RETIREMENT.

¹ A defined benefit plan is a company pension plan in which the income received at retirement is predetermined and usually based on a formula involving your years of service and earnings.

² A defined contribution plan is a type of retirement plan in which the employer, employee or both make contributions on a regular basis.

³ Either through their own or a spouse's plan.

Retired life is good

Today's retirees are feeling positive about post-work life and many feel they're doing well financially.

RETIREES FEEL POSITIVE

86%

of retirees agree, "One of the best things about retirement is the freedom to do what you want, when you want."

93%

feel positive about their life in retirement

SOME ARE WORRIED ABOUT MONEY

30%

feel one of the worst things about retirement is financial constraints

27%

say they spend more than they expected to in retirement

BUT, MOST THINK THEY'VE SAVED ENOUGH

On average, retirees are living on

65%

of the income they earned immediately before leaving the workforce

This is just shy of the recommended average replacement rate of

70%

Advice for working Canadians – straight from the source

Retirees have wisdom to share with working Canadians – and the majority involves being financially prepared for retirement.

Financial advice

- Start saving/investing early **89%**
- Live within your means **85%**
- Write a will **82%**
- Have a financial plan **70%**
- Don't leave money on the table **65%**
- Become financially literate **59%**
- Work with an advisor **53%**

Lifestyle advice

- Take care of your health **88%**
- Develop interests that will occupy you in retirement **75%**
- Plan how you will spend your time in retirement **52%**

Age doesn't always dictate when you'll retire

Many working Canadians are planning to work past the traditional age of retirement of 65. A phased approach to retirement is emerging.

70%

expect to still be working at age 66 (either part or full-time)

THIS IS AN INCREASE OF **15 POINTS** SINCE 2014

IN REALITY, ONLY

19%

OF RETIREES SAY THEIR RETIREMENT IS PHASED

WHY?

54%

need to work longer to earn enough money to live well

46%

don't believe government pension benefits will be enough to live on

But what if their retirement date isn't a choice? The truth is:

ONLY

39%

OF CANADIANS RETIRED AS PLANNED

19%

RETIRED FOR HEALTH OR MEDICAL REASONS

Talk with your advisor about how you can plan to retire with confidence.

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810-4585-Digital-03-16

