

**Pension Reform Poll Report
March 23, 2012**

KEY FINDINGS

CARP members are equally likely to believe the individual has the primary responsibility for his or her retirement security as they are to believe this is equally the responsibility of the individual and the state.

Members favour reducing military jet purchases, raising taxes on the wealthy, canceling the planned expansion of parliament and ending the practice of hosting international conferences as preferred ways to trim federal spending and ensure continued OAS funding. They insist the government has not explained its rationale for changing OAS adequately.

Members are six times more likely to believe Parliamentary Budget Officer Kevin Page's assertion that OAS is sustainable as they are to believe the government that it is not. Nevertheless, they agree their children and grandchildren won't enjoy the retirement they themselves have.

Members agree pension security for future generations should be strengthened, not weakened now, and they agree the government must do more for youth employment through apprenticeships, stimulus spending and keeping high value jobs in Canada.

CARP members agree that improving retirement security for all generations is good because it leads to economic productivity and social harmony. They fear a host of other 'nips and tucks' to pension benefits if the OAS change is allowed to happen. Members consider CARP their best source of information on pension reform.

Members are more than twice as likely to agree enhancements to CPP will be a more effective solution to pension reform than PRPPs. While they do not agree the provinces should set up their own CPP-like system, they do agree the provinces should pressure Ottawa to enhance CPP.

Budget areas where members do not particularly object to cuts include disaster and famine relief, the military and Veterans' Affairs, whereas they do not want to see cuts to health care and public pensions.

On average, members take about 2.7 prescriptions and spend about \$1100 on their out-of-pocket medication costs out of an estimated total cost of about \$3100. Three quarters find their medication costs affordable. It should be noted that a disproportionately large number of members are

from Ontario, which may not be representative of the other provinces in terms of drug benefits.

Members would consider, on average, just less than \$5000 a year in medication costs, or about 13% of household income as “catastrophic” costs.

Members are very willing to go to a pharmacist for routine medical procedures and injections.

The Conservative Party has stalled at about 40% voter preference, trailed by the Liberals at about 35% and the NDP at 20%, which is the default setting for CARP member voting intention.

PENSION REFORM

Close to one half of members believe their retirement security is the responsibility primarily of the individual (48%), either alone (5%) or with some assistance from the state (43%). A similar proportion believe the responsibility is equally shared between the individual and the state (43%).

Who has the responsibility for ensuring retirement security for Canadians?

INDIVIDUAL	48%
Individual only, state has no role	5%
Individual mostly, state has some role	43%
Equally state and individual	43%
STATE	9%
State mostly, individual has some role	8%
State only, individual has no role	1%
DON'T KNOW	1%

When asked the best way to reduce federal spending, the largest group opt for increased taxes on the wealthy (28%), followed by about half this proportion who want to see the F-35 fighter jet order cut or changed (14%), canceling expansion of parliament by 30 members (13%) or no longer holding international conferences like the G20 (12%). Just one tenth think the planned increase in OAS age is the best solution to federal overspending (10%).

Changing the OAS age from 65 to 67 is estimated to save \$3 billion per year. Which of the following measures is the best way to reduce federal spending ?

Tax increase on those earning \$250K+	28%
Reduce F-35 jet order	14%
Cancel expansion of parliament by 30 members	13%
No longer hold international conferences like G20	12%
Raise OAS eligibility from 65 to 67	10%
Cut institutional drug costs	9%
Reduce frigate/supply ship order	6%
Reduce military spending post-Afghanistan	4%
No longer host royal tours	2%
OTHER/DON'T KNOW	3%

Members are six times more likely to believe the parliamentary budget officer as to the sustainability of AOS (65%) than they are to believe the government's position (11%).

The government has described the current OAS payout as “unsustainable” in the face of the aging baby boomer cohort. The Parliamentary Budget Officer disagrees, saying OAS is sustainable and affordable into the foreseeable future. Who do you believe in this case?

Parliamentary budget officer	65%
Government	11%
Neither	15%
MARGIN IN FAVOUR OF PBO	+54
DON'T KNOW	10%

The majority of members believe their children and grandchildren will have worse prospects than themselves (59%).

Do you believe your children and grandchildren will be able to retire with the same level of security experienced by your generation?

Yes	26%
No	59%
DON'T KNOW	16%

The vast majority of members (80%) agree retirement security for the younger generation should be strengthened, not reduced nowadays.

How much do you agree that retirement security for the younger generations should be strengthened in this economic climate, not diminished?

AGREE	80%
Agree strongly	26%
Agree	53%
DISAGREE	14%
Disagree	12%
Disagree strongly	2%
DON'T KNOW	6%

When asked how the government could improve the future for Canada's youth, most opt for apprenticeship programs (33%), followed by the illusory hope to keep high value jobs in Canada (21%) or more stimulus spending to create job growth (13%).

What do you think is the best course of action the government could take to secure the future for Canada's youth?

Support apprenticeship programs	33%
Keep high value jobs in Canada	21%
Stimulus spending to create growth and jobs	13%
Mobility grants to help people move where jobs are	7%
Tie government procurement to job creation	6%
Wage support for entry level jobs	4%
Changing eligibility for OAS as planned	4%
Compulsory military service	4%
National Job Corps	2%
OTHER/DON'T KNOW	7%

When asked why, if their retirements are secure, they worry about the younger generation, members are most likely to say care for future generations leads to economic productivity and social harmony (28%) or that it is owed to them for paying into the system now (21%). Also mentioned are concern for all grandchildren (16%), members' grandchildren (10%) and preserving the safety net for the next generation (13%).

Why are CARP members concerned about the retirement prospects of the younger generations when most of you are comfortably retired already?

Leads to productive economy/social harmony	28%
Owe it to them for paying in now	21%
Concerned about everyone's children/grandchildren	16%
Next generation needs safety net more than we do	13%
Concern for my own children/grandchildren	10%
Want next generation to have what we have	8%
Good politics/win the youth vote	1%
OTHER	2%
DON'T KNOW	2%

Three quarters of members disagree the government has clearly and adequately explained why they want to change the age for OAS (73%), and the largest group disagree “strongly” (42%).

How much do you agree the government has clearly and adequately explained their rationale for changing OAS eligibility?

AGREE	23%
Agree strongly	4%
Agree	19%
DISAGREE	73%
Disagree	32%
Disagree strongly	42%
DON'T KNOW	4%

There are mixed opinions on the government’s next likely target after OAS, and relatively equal proportions say increasing OAS contributions (19%), raising GIS eligibility to 67 as well (18%), reducing the claw back threshold for OAS from \$69,000 (17%), reducing CPP payouts (15%) and reducing the maximum income limit for OAS from \$121,000 (10%).

If the government succeeds in raising the eligibility age for OAS from 65 to 67, what do you think will be their next target in the public pension system?

Increasing CPP contributions	19%
Raising GIS eligibility to 67 years	18%
Reducing claw back threshold for OAS	17%
Reducing CPP payouts	15%
Reducing maximum income limit for OAS	10%
Reducing GIS payouts	3%
WON'T SEEK FURTHER CHANGES	6%
OTHER	1%
DON'T KNOW	11%

More than one half of members, not surprisingly, see CARP as the best source of information on pension reform (52%), and this is distantly followed by the media (13%).

What do you consider the best source for information on pension reform issues?

CARP	52%
The media	13%
The government	6%
My financial advisor	6%
Other advocacy organizations	5%
The internet	5%
Friends/family	*
OTHER	3%
DON'T KNOW	7%

The vast majority of members (91%) know that OAS changes will not affect themselves.

Are you aware that planned changes to OAS eligibility will only affect those who are a number of years away from retirement?

Yes	91%
No	9%

There is a split in opinion on re-naming CARP's advocacy effort, with 45% in favour and 41% opposed.

CARP calls its advocacy position "Hands off OAS". Given that changes to OAS will only affect younger generations, should we rename this to "Hands Off OUR KIDS' OAS"?

Yes	45%
No	41%
DON'T KNOW	14%

Members are more than twice as likely to say that enhancing CPP is the best solution for pension reform (42%) rather than saving in PRPPs (18%), for a margin in favour of CPP of 26 points.

Rather than enhancing CPP, the government has created Pooled Retirement Pension Plans (PRPPs); privately administered voluntary retirement savings vehicles for those who don't have workplace pensions. Which approach do you think would be more successful in ensuring retirement security for Canadians?

Enhanced CPP	42%
PRPPs	18%
Both	26%
Neither	5%
MARGIN IN FAVOUR OF CPP	+26
OTHER	2%
DON'T KNOW	8%

Members are almost twice as likely to disagree the provinces should collaborate on a CPP-like pension system (56%) as they are to agree (31%). One quarter disagree strongly (23%).

Individual provinces can opt out of the PRPP scheme and set up their own retirement savings programs. How much do you agree the provinces and territories should establish a CPP-like pension scheme on their own?

AGREE	31%
Agree strongly	8%
Agree	23%
DISAGREE	56%
Disagree	34%
Disagree strongly	23%
DON'T KNOW	12%

On the other hand, the wide majority of members do agree the provinces should band together to pressure the federal government to enhance CPP as promised (84%).

To improve the CPP requires the agreement of 2/3rds of the provinces with 2/3rds of the population and the federal government. How much do you agree that the provinces should cooperate to pressure the federal government to enhance the CPP as they all proposed in June 2010?

AGREE	84%
Agree strongly	45%
Agree	39%
DISAGREE	9%
Disagree	6%
Disagree strongly	3%
DON'T KNOW	7%

Health care and pensions are the two entitlements members want left out of budget cuts (45% and 18%, respectively), but it is more instructive to look at the bottom of the list and see the areas that might not create much controversy, including famine and disaster relief (3%), the military (4%) and Veterans' Affairs (5%).

The federal budget will be tabled on March 29, and the government will be looking for savings. Which one area of government expenditure do you think should be EXCLUDED from spending cuts?

Health care	45%
Public pensions	18%
Deficit/debt reduction	9%
First nations development aid	6%
Food safety	6%
Veterans' Affairs	5%
Military	4%
Famine/disaster relief	3%
OTHER	2%
DON'T KNOW	3%

PRESCRIPTION DRUG COVERAGE

On average, including those who take none, members take 2.7 prescription medications.

How many prescription medications do you take?

None	16%
One only	17%
Two	18%
Three	16%
Four	12%
Five or more	20%
AVG. #	2.7

On average, members pay about \$1100 out-of-pocket on their medications, and they estimate they would cost, on average, over \$3000 if not covered.

About how much do you spend out-of-pocket on prescription medications PER YEAR, including the cost of the medication, premiums, deductibles, and co-pays for any provincial, private, and/or supplemental plan coverage you have/As far as you know, what would the annual cost of your medications be if you did not have drug coverage?

	If Covered	Not Covered
Nothing	8%	5%
Less than \$500	40%	15%
\$501 to \$1000	19%	15%
\$1001 to \$2500	19%	21%
\$2501 to \$5000	10%	20%
\$5001 to \$10,000	2%	11%
More than \$10,000/\$10K to \$25K	*	4%
More than \$25,000	n/a	1%
AVG. \$	\$1100	\$3090
DON'T KNOW	2%	9%

Members estimate they pay, on average, 21% of the cost of their medications.

How much of the full cost of your medications do you pay?

Don't have plan	5%
Nothing	10%
10% or less	25%
10% to 20%	23%
20% to 30%	17%
30% to 50%	5%
50 to 75%%	2%
75% to 90%	2%
Full cost	7%
AVG. %	21%
DON'T KNOW	4%

Three quarters of members agree their medications are affordable (77%) and one third say they are “very affordable” (37%).

Including all out-of-pocket expenses including the cost of the medications, any premiums, deductibles, and co-pay expenses from provincial drug coverage or private plans, how affordable would you say your prescription medications are?

AFFORDABLE	77%
Very affordable	37%
Somewhat affordable	40%
NOT AFFORDABLE	18%
Not very affordable	14%
Not at all affordable	4%
DON'T KNOW	4%

One tenth of members have skipped purchasing medication because of the expense (9%).

Have you ever skipped buying a prescription medication because you couldn't afford it?

Yes	9%
No	92%

Members would consider, on average, just less than \$5000 a year in medication costs to be “catastrophic”.

Many members worry about “catastrophic” drug coverage, defined as unaffordable. At what level would you consider annual expenditure on prescription drugs to be “catastrophic” or unaffordable?

Less than \$1000	7%
\$1000 to \$2500	22%
\$2500 to \$5000	30%
\$5000 to \$10,000	22%
More than \$10,000	10%
AVG. \$	\$4700
DON'T KNOW	9%

They estimate “catastrophic” medication costs would be those that represented, on average, 13% of their household income.

How would you define “catastrophic drug expenses” as a percentage of your total household income?

1% or less	4%
1% to 3%	5%
3% to 5%	9%
5% to 10%	18%
10% to 15%	23%
15% to 25%	19%
25% to 50%	8%
50% or more	2%
AVG. %	13%
DON'T KNOW	13%

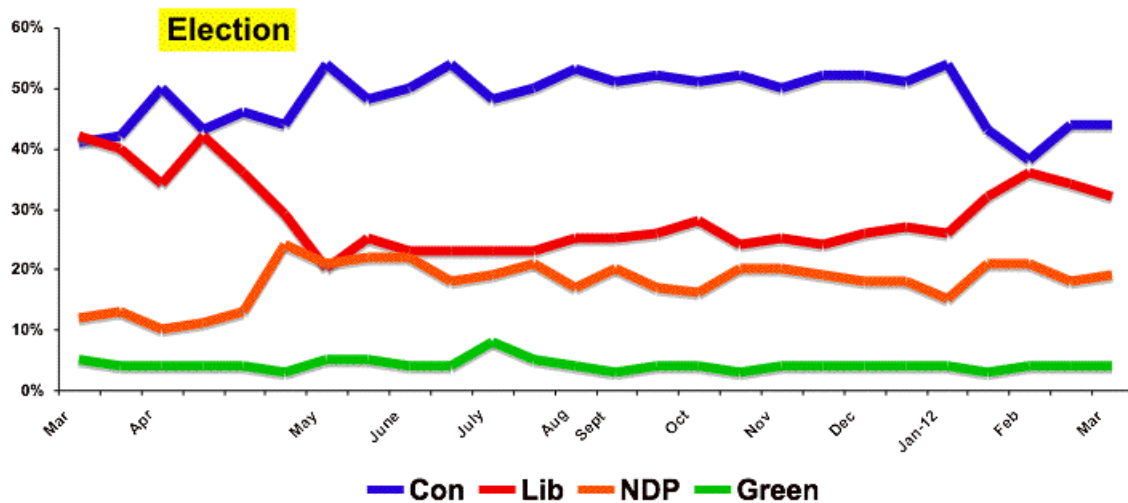
Members are overwhelmingly willing to see a pharmacist for routine medical procedures and injections (81%).

How willing would you be to go to your pharmacist to receive routine injections and vaccinations, instead of going to your doctor?

WILLING	81%
Very willing	51%
Somewhat willing	30%
NOT WILLING	17%
Not very willing	11%
Not at all willing	7%
DON'T KNOW	2%

ELECTORAL PREFERENCE

After being tied with the resurgent Liberals (38% to 36%) in previous waves of polling, the Conservatives have improved their position (44%) at the expense of the Liberals (32%) and the NDP (19%). The NDP is now firmly seen as the third party among our members. The Green Party is steady at 4%



More than 3200 CARP Poll™ panel members responded to this poll between March 9 and 12. The margin of error for a probability sample this size is plus or minus 1.8%, 19 times out of 20. That is, if you asked all members of the CARP Poll™ panel the identical questions, their responses would be within 2%, either up or down, of the results shown here, 95% of the time