

**CARP Investor Protection Poll Report
May 20, 2012**

A substantial minority of CARP members say they had to lower their standard of living in retirement, and the first economies are fewer trips and a downsized home.

On the whole, members believe accurately that they are better off than most retirees, both in their standards of living and in the makeup of their retirement incomes.

Most members have, at a minimum, CPP and a pension, with many adding OAS and retirement savings to the mix.

While members agree both benefits and contributions for CPP should be increased, most also agree this will affect job creation and growth, estimated to occur at the \$25 a month increase level..

The most notable characteristic of CARP members' awareness of professional designations for financial advisors is there is very little.

The vast majority agree they should be regulated like lawyers and accountants, but most think they are not or don't know. Most know there is no national regulatory agency for these advisors, but a substantial minority don't know if there is one.

Members agree they would go to the police in the event of fraud by an advisor, and many would like to see an agency which can investigate and prosecute these offenders.

When members are asked about the nature, details and requirements for a professional designation, half or more say they don't know

While the Conservative Party is still in the lead electorally, their level of support has been dropping, and that for the NDP has been increasing, to the point where the NDP is now in second place.

RETIREMENT INCOME

Groceries and rent are the two biggest expenditures for our retired members (25% and 21%, respectively), followed by recreation and travel (14% and heating/utilities (11%).

What is your single biggest expense in retirement?

Groceries/essentials	25%
Rent/mortgage	21%
Recreation/travel	14%
Heating/utilities	11%
Transportation	6%
Medication/health	5%
Insurance	4%
Helping family	3%
OTHER	6%
NOT RETIRED	6%

Just four-in-ten say they had to reduce their standard of living once they retired (39%).

Did you have to lower your standard of living once you retired?

Yes	39%
No	55%
NOT RETIRED	7%

Among the sacrifices members have had to make in retirement are fewer or no trips (19%) and downsizing the home (10%).

After retiring, which one expenditure have you had to cut back on which affected your lifestyle the most?

Fewer/no trips	19%
Downsize home	10%
Delaying home renos	7%
Older car/gave up car	6%
Fewer/less expensive gifts	5%
Cheaper groceries/essentials	5%
Skipping prescriptions	1%
OTHER	2%
NOT LOWERED STANDARD OF LIVING	40%
NOT RETIRED	6%

Members think that, on average, “many” retirees have to lower their standards of living in retirement (36% - “many (50% to 75%)”).

How many retirees do you think have to lower their standards of living in retirement?

Most (75%+)	18%
Many (50% - 75%)	36%
Half (50%)	21%
Some (25% - 50%)	13%
Few (<25%)	3%
AVG.	MANY
DON'T KNOW	9%

The plurality of members are retired on OAS, CPP and a pension (42%), whereas fewer are retired on CPP, a pension and retirement savings (25%).

Please describe your retirement income

OAS, CPP, pension	42%
CPP, pension, savings	25%
CPP, savings	9%
OAS/GIS, CPP only	6%
CPP, pension	5%
Employment income	1%
OAS/GIS only	*
OTHER	6%
NOT RETIRED	7%

CPP

On average, members say between “little” and “some” (31% “some (25% to 50%)”) of their retirement income is comprised of OAS and CPP.

How much of your total retirement income is comprised of OAS and/or CPP?

Most (75%+)	11%
Much (50% - 75%)	10%
Half (50%)	14%
Some (25% - 50%)	31%
Little (<25%)	27%
AVG.	SOME/LITTLE
DON'T KNOW	9%
NOT RETIRED	6%

Members believe, once again (accurately) that the majority of retirees are worse off than they. On average, members say CPP and OAS makes up “much/half” of what other retirees live on (32% “much (50% to 75%)”).

***How do you think this compares with the rest of the retired population?
How much of the average retiree's retirement income is made up of OAS and/or CPP?***

Most (75%+)	8%
Much (50% - 75%)	32%
Half (50%)	26%
Some (25% - 50%)	15%
Little (<25%)	2%
AVG.	MUCH/HALF
DON'T KNOW	17%

Three quarters agree, not surprisingly, that CPP should be increased (78%).

How much do you agree CPP should be increased in an amount to effectively replace 35% of a \$50,000 annual income (the current maximum on which CPP is calculated), instead of the current 25%?

AGREE	78%
Agree strongly	39%
Agree	39%
DISAGREE	12%
Disagree	9%
Disagree strongly	3%
DON'T KNOW	10%

There is agreement raising CPP contributions and benefits will risk job creation and growth (45%).

How much do you agree that increasing mandatory employer contributions to CPP to increase benefits would prevent employers from hiring or creating new jobs?

AGREE	45%
Agree strongly	9%
Agree	36%
DISAGREE	40%
Disagree	34%
Disagree strongly	7%
DON'T KNOW	15%

On average, members believe contributions of \$25 a month are when job creation and \growth would start to suffer. One fifth believe jobs won't suffer (21%), whereas close to 3-in-10 don't know (28%).

At what level of increase do you think that mandatory employer contributions to CPP would prevent employers from hiring or creating new jobs?

\$10 a month or less	4%
\$10 to \$20	10%
\$20 to \$30	10%
\$30 to \$40	7%
\$40 to \$50	8%
\$50 to \$75	6%
\$75 to \$100	4%
More than \$100	4%
AVG	\$25 a month
INCREASE WON'T KILL JOB GROWTH	21%
DON'T KNOW	28%

The plurality of member disagree job growth and creation would be harmed by increases in contributions of \$45 a month (45%), but a substantial minority feel job creation and growth will be harmed (37%).

Increasing CPP benefits by 10% would mean a monthly increase of \$45 in mandatory employer contributions for a job paying \$50,000 a year, and an increase of \$18 for a job paying \$20,000 a year. How much do you agree contribution increases at this level would prevent employers from hiring or creating new jobs?

AGREE	37%
Agree strongly	6%
Agree	31%
DISAGREE	45%
Disagree	34%
Disagree strongly	11%
DON'T KNOW	19%

FINANCIAL ADVISORS

There is virtually unanimous agreement financial advisors should be regulated like lawyers and accountants and prevented from practicing if they do wrong (97%), and three quarters express their agreement in the strongest terms (agree strongly - 74%).

How much do you agree financial advisors should be regulated like lawyers and accountants, so that those who do wrong are no longer allowed to practice?

AGREE	97%
Agree strongly	74%
Agree	23%
DISAGREE	2%
Disagree	1%
Disagree strongly	1%
DON'T KNOW	1%

The majority agree financial advisors are not currently regulated this way (59%), but a substantial minority don't know if they are or not (34%).

As far as you know, are they regulated in this manner now?

Yes	7%
No	59%
DON'T KNOW	34%

One half of members are aware there is no national agency for regulating financial advisors (51%), but, once again, a substantial minority are in the dark on this (39%).

As far as you know, is there a national agency for regulating financial advisors?

Yes	10%
No	51%
DON'T KNOW	39%

The only regulatory agency even a bare minimum of members can name are the provincial securities regulators (14%). Close to half don't know (47%), while one quarter do not think financial advisors are regulated at all (25%).

As far as you know, which of the following agencies has responsibility for regulating financial advisors?

Provincial securities regulators	14%
Office of the Supervisor of Financial Services (OSFS)	4%
Financial Consumer Agency of Canada (FCAC)	4%
Courts/legal system	3%
Ombudsman for Banking Services and Investment	2%
Canadian Bankers Association (CBA)	1%
Banks	1%
DON'T KNOW	47%
FINANCIAL ADVISORS NOT REGULATED	25%

One third of members agree they would take complaints about their financial advisor to the police (33%), whereas about half this proportion would go to the offender's employers (17%), followed by a provincial securities regulator (11%).

If you were misled or defrauded by a financial advisor, to whom would you turn?

Police	33%
Advisor's employers	17%
Provincial securities regulator	11%
Ombudsman for Banking Services and Investment	7%
Organization issuing professional designation	5%
Deal with him/her myself	4%
Canadian Bankers Association (CBA)	1%
OTHER	1%
DON'T KNOW	12%
DON'T USE FINANCIAL ADVISOR	9%

Top-of-mind in an agency to protect investors is the ability to investigate and prosecute offenders (25%), followed by independence from the industry (16%), government backing (12%) and independence from the offender's employer (11%).

What is the one factor that would be most important in setting up an agency to deal with rogue financial advisors?

Investigates/prosecutes rogue advisors	25%
Independence from banks/ financial industry	16%
Government-backed agency	12%
Independence from advisor's employers	11%
Bars rogue advisors from practicing	8%
Orders/pays compensation	6%
Independence from government	4%
Backed by banks/financial industry	2%
OTHER	1%
DON'T KNOW	14%

When asked which professional designation means the most, the response is basically a beauty contest, with awareness registered for only the best-known designation listed (Certified Financial Planner - 21%). Of note, fully two thirds don't have an answer to this question (64%).

Which of the following professional designations provides the most protection to investors?

Certified Financial Planner- CFP	21%
Chartered Financial Analyst - CFA	5%
Fellow of the Canadian Securities Institute (FCSI)	4%
Canadian Investment Manager - CIM	2%
Chartered Retirement Planning Counselor (CRPC)	1%
Professional Retirement Planner - PRP	1%
Chartered Strategic Wealth Professional - CSWP	1%
Certified Elder Planning Specialist - CEPS	*
DON'T KNOW	64%

It is fortunate just more than one third think financial fraud by advisors is common (38%), but it is disturbing to note that the plurality say it is “not that common” (42%), which must count as a weak endorsement.

How common do you think it is for a financial advisor to mislead or defraud a retiree?

COMMON	38%
Very common	6%
Fairly common	13%
Common	19%
NOT COMMON	52%
Not that common	42%
Not at all common	5%
Rare	3%
Very rare	1%
DON'T KNOW	11%

One third think classroom time is required for a professional designation (32%), but an equal proportion have no idea if this is the case (35%).

As far as you know, is classroom instruction time required to earn the professional designation you selected above (if you selected one)?

Yes	32%
No	8%
DON'T KNOW	35%
DIDN'T SELECT DESIGNATION	26%

Close to half cannot venture a guess as to how much classroom time is required (46%).

How much classroom instruction time is required?

Less than a month	2%
One to three months	4%
Three to six months	4%
Six months to a year	5%
One or two years	6%
More than two years	4%
NO CLASSROOM TIME REQUIRED	5%
DON'T KNOW	46%
DIDN'T SELECT DESIGNATION	24%

The majority of members don't know if professional designation requires ongoing professional development (58%). One quarter believe this to be the case (26%).

As far as you know, are professionally designated financial advisors required to complete continuing education and refresher courses to maintain their designation?

Yes	26%
No	16%
DON'T KNOW	58%

One half do not know what kind of professional development is required (49%).

As far as you know, what is the continuing education requirement to maintain the professional designations you selected above (if you selected one)?

Annual/semi-annual professional development	11%
Annual/semi-annual recertification	6%
Monthly professional development	1%
OTHER	1%
NO CONTINUING EDUCATION REQUIRED	10%
DON'T KNOW	49%
DIDN'T SELECT DESIGNATION	23%

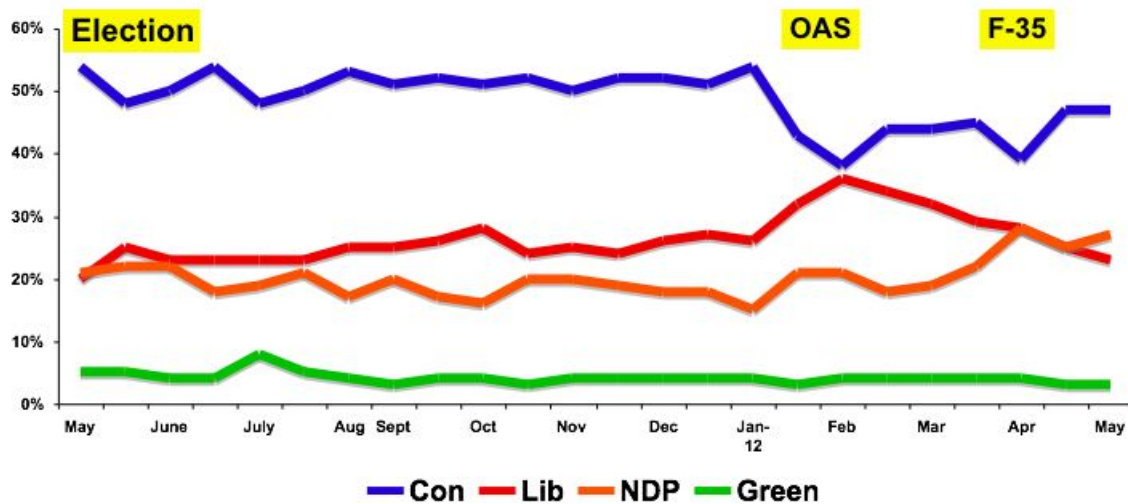
One fifth say they can check the professional designation of their advisor online (18%), but, once again, the majority don't know (51%).

Are you able to check the details or status of your financial advisor's professional designation online?

Yes	18%
No	12%
DON'T KNOW	51%
DON'T USE FINANCIAL ADVISOR	19%

ELECTORAL PREFERENCE

The Conservative Party leads (47%), but at a slightly diminished level since the OAS and F-35 issues made news. The NDP (27%) have outstripped the Liberals (23%) for the first time since the election last spring.



More than 2900 CARP Poll™ panel members responded to this poll between May 4 and 7. The margin of error for a probability sample this size is plus or minus 1.9%, 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