

CARP Financial Issues/RRSP Poll Report
March 5, 2015

Key Findings

Almost all members have tax-sheltered savings, split equally between RRSPs and RRIFs, and about a third contribute or contributed the maximum each year. The vast majority also contribute to a TFSA and two thirds approve of the increase in the contribution cap.

The vast majority of members are retired and not working at all, about a tenth are retired and working and few are not retired. On average, those retired did so at 61, a year before they expected to at, on average, 62. Those who have not retired, however, don't expect to retire until they are, on average, 69, and many don't think they will ever retire. A substantial minority have either already delayed or expect to have to delay their retirements because of financial need.

One half of members agree the age for OAS must be lowered again to 65, but as many as three quarters agree RRIF withdrawal rules must be changed. There is wide disagreement, by two thirds, that Canadians can rely on TFSAs and RRSPs without a robust pension plan.

It is important to all members that all age cohorts are funded equally and fairly, and they see shelter costs (and student debt) as the biggest financial challenges facing their children and grandchildren. Just more than three quarters find it important to consider their children's and grandchildren's welfare when voting.

There is agreement Canada is a rich enough country to support all its citizens, that all Canadians should share in the dividends of Canada's success and that the government is wrong when it says the economy is too weak to support public spending. Members insist either that the government's spending priorities are wrong or that increased spending would boost a sagging economy. Almost all members disagree the government should be encouraging private spending now, rather than saving and spending later when retired.

The Liberals continue to lead the Conservatives, but the gap between them has narrowed. The third place NDP have seen an increase in their vote share this wave.

Detailed Findings

Virtually all members have sheltered savings (87%) and they are split between those young enough to have RRSPs still (43%) and those old enough to have converted their savings to a RRIF (44%). Few (10%) have neither RRSP (4%) nor RRIF (6%).

Do you have an RRSP or a RRIF?

YES	87%
71 or less and have RRSPs	43%
Over 71 and have RRIF	44%
NO	10%
71 or less and have no RRSPs	4%
Over 71 and have no RRIF	6%
OTHER	3%

One third of members contribute (or contributed) the maximum to their RRSP each year (35%), Just fewer contribute what and when they can or contribute less than \$5K a year (20% each).

How much did you contribute to RRSPs when you were working, or how much do you contribute now?

Maximum each year	35%
Up to \$15K a year	2%
\$10K to \$15K a year	3%
\$5K to \$10K a year	10%
Less than \$5K a year	20%
As much as I can whenever I can	20%
DON'T/DIDN'T HAVE/CONTRIBUTE TO RRSPs	10%

The wide majority of members contribute to a TFSA (81%).

Do you contribute to a Tax Free Savings Account, or TFSA?

Yes	81%
No	19%

Two thirds approve of raising the TFSA limit (68%), and one third approve strongly (36%).

The federal government is increasing the TFSA contribution limit from \$5000 to \$10,000 per year. Do you approve or disapprove of this?

APPROVE	68%
Approve strongly	36%
Approve	32%
DISAPPROVE	23%
Disapprove	13%
Disapprove strongly	10%
DON'T KNOW	9%

The wide majority, three quarters of members, are retired and not working at all (76%), while one fifth are retired yet work full or part time, either to keep busy or for the money (19%). Few are not retired and working.

Are you retired or do you work full or part-time?

RETIRED/NOT WORKING	76%
RETIRED/WORKING	19%
Full time for the money	4%
Full time to keep busy	1%
Part time for the money	6%
Part time to keep busy	8%
NOT RETIRED/WORKING	4%
OTHER	1%

Those who have retired already did so, on average, one year earlier than they expected to (61 years of age, rather than 62, on average). Those who have yet to retire, however, expect to do so as late as 69, on average, and fully one fifth say they will never retire (20%).

At what age did you retire/At what age did you expect to retire when you were still working/If you are still working, at what age do you plan to retire

	Did Retire	Expected To	Will Retire
Under 50	1%	-	-
50 to 55	15%	8%	1%
56 to 60	30%	21%	3%
61 to 65	34%	50%	17%
66 to 70	13%	12%	26%
71 to 75	4%	5%	18%
Over 75	2%	1%	14%
AVG. AGE	61 years	62 years	69 years
WILL NEVER RETIRE	1%	2%	20%

Close to one fifth have had to delay retirement due to finances (18%).

Did you, or do you expect to have to, delay your retirement as planned because of financial need?

Yes	18%
No	82%

Just one half agree the age of eligibility for OAS should be reduced to 65 again (52%), but fully three quarters agree RRIF rules need to be changed so seniors don't outlive their money (75%).

Do you agree or disagree the government must reverse their decision to raise the eligibility age for OAS from 65 to 67/Do you agree or disagree the government must change mandatory RRIF withdrawal rules in order to prevent seniors from outliving their savings?

	OAS	RRIFs
AGREE	52%	75%
Agree strongly	28%	43%
Agree	24%	32%
DISAGREE	39%	15%
Disagree	25%	12%
Disagree strongly	14%	3%
DON'T KNOW	10%	11%

Two thirds disagree that TFSAs and RRSPs alone will allow younger Canadians to retire without a robust pension (62%)

Do you agree or disagree that RRSPs and TFSAs alone will allow younger Canadians to save for retirement without a robust pension plan as well?

AGREE	26%
Agree strongly	6%
Agree	20%
DISAGREE	62%
Disagree	38%
Disagree strongly	24%
DON'T KNOW	12%

It is important to all CARP members that all age groups receive equal funding (90%), and one third say it is “extremely important” (32%).

How important is it that all age groups in Canada are invested in and supported fairly and according to need?

IMPORTANT	90%
Extremely important	32%
Very important	29%
Important	29%
NOT IMPORTANT	62%
Not very important	4%
Not at all important	1%
DON'T KNOW	5%

CARP members see mortgages and rent as the highest costs their children will face (42%) as well as their grandchildren (26%). Student debt will be more important to grandchildren (12%) than children (3%).

What is, or will be, the largest financial burden assumed by your children/And what is, or will be, the largest financial burden assumed by your grandchildren?

	Children	Grandchildren
Mortgage/rent	42%	26%
Living expenses	13%	9%
Personal debt	10%	7%
Student debt	3%	12%
Caregiving	3%	1%
Childcare	2%	-
OTHER	2%	2%
DON'T KNOW	11%	23%
NO CHILDREN/GRANDCHILDREN	13%	20%

More than three quarters say the welfare of their children and grandchildren is important when they decide who to vote for (79%), and one quarter say it is “extremely important” (26%).

How important is the welfare of your children and grandchildren in your decision who to vote for?

IMPORTANT	79%
Extremely important	26%
Very important	27%
Important	26%
NOT IMPORTANT	15%
Not very important	8%
Not at all important	7%
DON'T KNOW	5%

Three quarters agree Canada is wealthy enough to meet all its citizen's needs (72%).

Do you agree or disagree Canada is a wealthy enough country to meet the financial needs of all age groups?

AGREE	72%
Agree strongly	24%
Agree	48%
DISAGREE	22%
Disagree	18%
Disagree strongly	4%
DON'T KNOW	7%

The wide majority (84%) agree all Canadians should share in the country's success dividends.

Do you agree or disagree that all Canadians, regardless of age, should be able to share in the dividends of Canada's success?

AGREE	84%
Agree strongly	32%
Agree	52%
DISAGREE	11%
Disagree	9%
Disagree strongly	2%
DON'T KNOW	5%

One third agree either that government spending priorities are wrong (36%) or that increased spending will boost the economy (35%) when presented with government claims of poverty. About half this proportion believes raising corporate taxes will solve the problem, and very few think the economy is genuinely too weak to spend (7%).

The government has often said the economy is too weak to invest in social services and infrastructure. Which of the following viewpoints do you think is correct?

Government spending priorities are wrong	36%
Investing in services will revitalize economy	35%
Raising corporate taxes will fill funds gap	15%
Economy is genuinely too weak	7%
OTHER/DON'T KNOW	7%

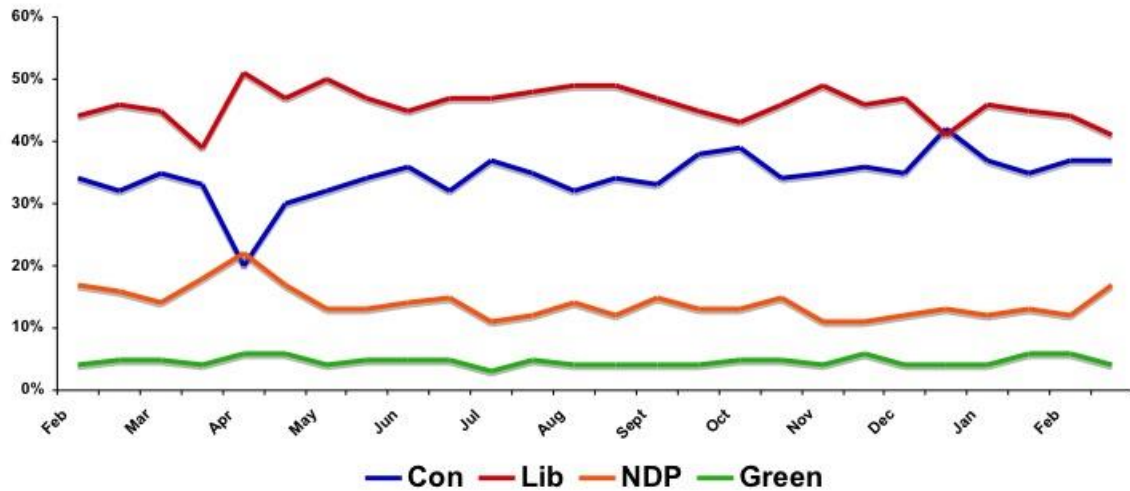
The wide majority disagree the government should be encouraging citizens to spend in the economy now, rather than saving for retirement and spending later (80%).

Do you agree or disagree the federal government should be encouraging citizens to spend in the economy now instead of saving for retirement now and spending later?

AGREE	9%
Agree strongly	1%
Agree	8%
DISAGREE	80%
Disagree	58%
Disagree strongly	22%
DON'T KNOW	12%

Electoral Preference

After briefly tying the Liberals for first place, the Conservatives have returned to second place (37%) where they have been for a year or more. The Liberals lead (41%) and the NDP is in third (17%), with a recent increase (from 12%).



More than 2800 CARP Poll™ online panel members responded to this poll between February 26 and 28, 2015. The margin of error for a probability sample this size is about plus or minus 2%, 19 times out of 20