



# Retirement 20/20

The right advice can bring your future into focus.

## About the 2018 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 March 21 and April 6, 2018.

This is the 13th year the survey has been conducted.

### Total number of respondents

1,949

CANADIANS SURVEYED

### Respondents' age

62

MEDIAN AGE

### Respondents' gender

50/50

MALE FEMALE

- 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

Were a probability sample of this size to be undertaken, it would yield results accurate to +/- 3.1 percentage points, 19 times out of 20.



JOINED FIDELITY – 1994

#### INDUSTRY EXPERIENCE

29 years

#### EDUCATION

BA, University of Waterloo

#### DESIGNATION

CPA, CA

Look for **PETER'S** comments on 2018 results throughout the report.

### PETER BOWEN

Vice-President, Tax and Retirement Research

Peter leads the Tax and Retirement research team at Fidelity Canada, travelling across the country to inform advisors on changes to Canada's tax and retirement landscapes.

#### CAREER EXPERIENCE

- Fund Treasurer, Fidelity Investments, for 17 years
- Principal in the tax department of PricewaterhouseCoopers

#### 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

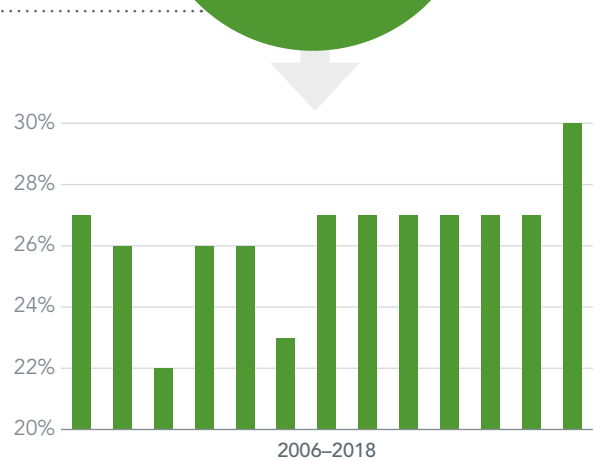
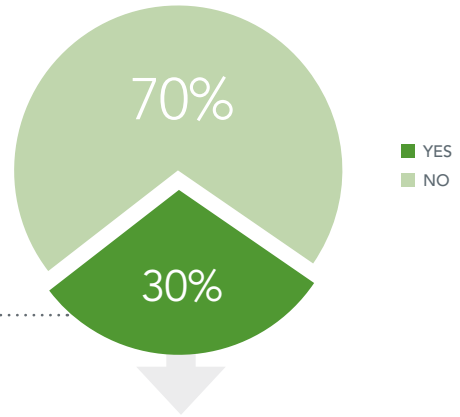
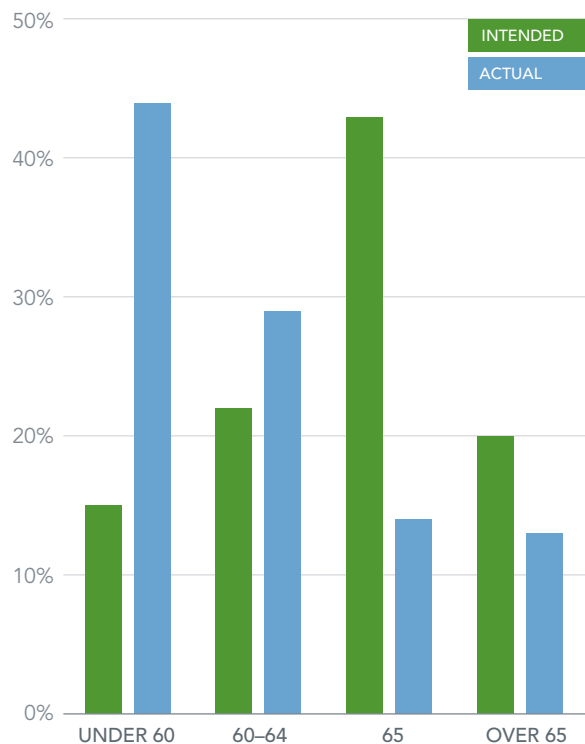
# Timing your retirement

Embarking on your path to retirement is exciting. Your retirement decisions are unique, especially when it comes to timing your retirement. You may retire earlier than expected, while others retire later, all for different reasons under different circumstances. Regardless of when, why or where you retire, it's important to have a financial retirement plan that's tailored to you.

**Retirees:** At what age did you retire?

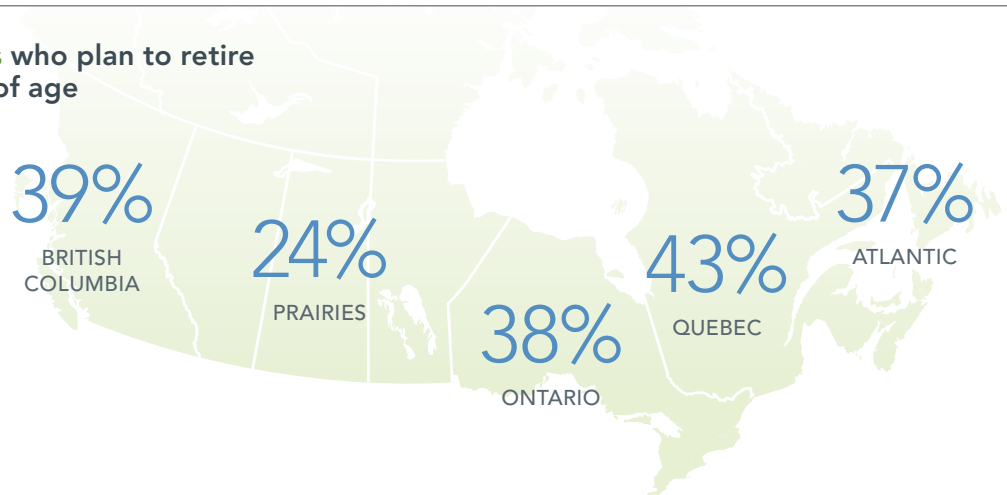
**Pre-retirees:** At what age do you intend to retire?

**Do you have a written financial plan that specifically deals with your retirement?**



**PETER:** 30% is the highest incidence of written financial plans since 2006 – a positive trend but further progress is needed.

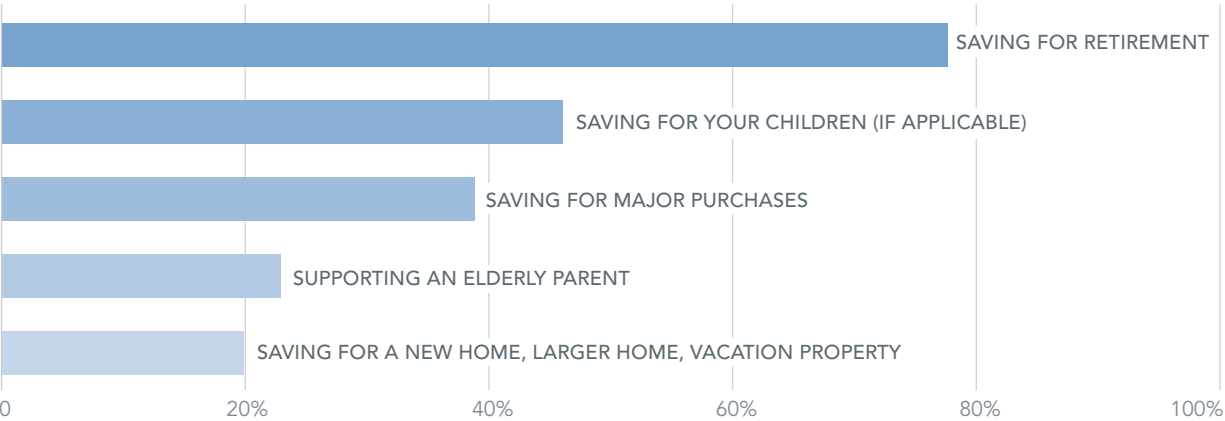
**% of pre-retirees who plan to retire before 65 years of age**



# Prioritizing your retirement

When it comes to savings goals, saving for retirement is top-of-mind for many of us. However, competing savings goals can often distance you from a fully-invested retirement. An advisor can provide the guidance, discipline and partnership to create a financial plan that prioritizes your savings goals and mitigates the concerns holding you back from retirement.

## % of Pre-retirees who indicate each of the following savings goals are important to them right now

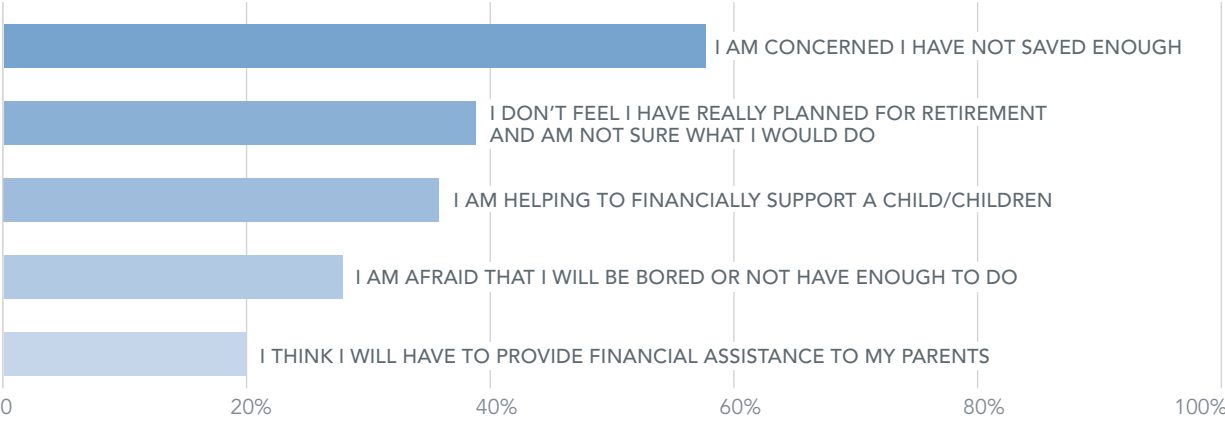


**58% OF PRE-RETIRES** ARE PUSHING OFF RETIREMENT BECAUSE OF **SAVINGS CONCERNS**.



**25% OF PRE-RETIRES** WITH SAVINGS CONCERNS ARE REDUCING RETIREMENT SAVINGS TO **MEET OTHER EXPENSES**.

## Pre-retirees: What's holding you back from retiring when you would like to?



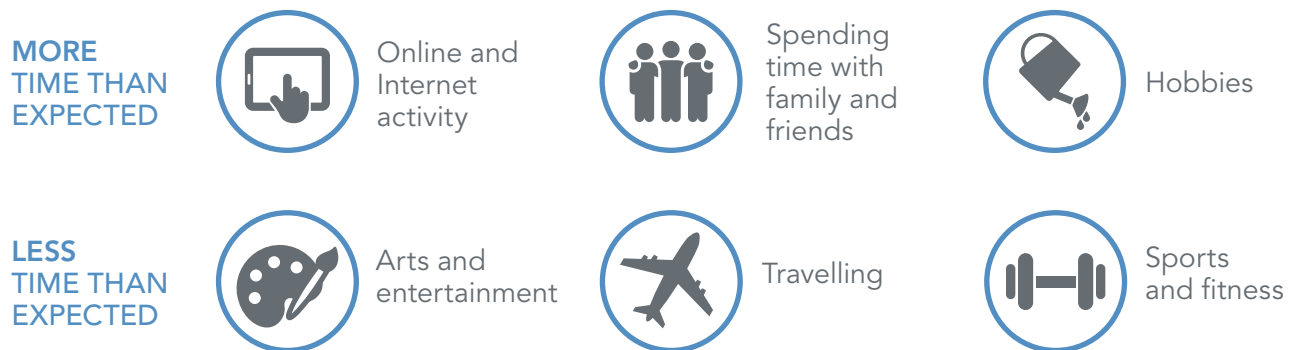
# How will you spend your time in retirement?

Retirement gives us an opportunity to define ourselves. Wherever your interests lie, having a financial plan to match your vision can help organize and fund these experiences.

## How are **pre-retirees** planning to spend their additional time in retirement?



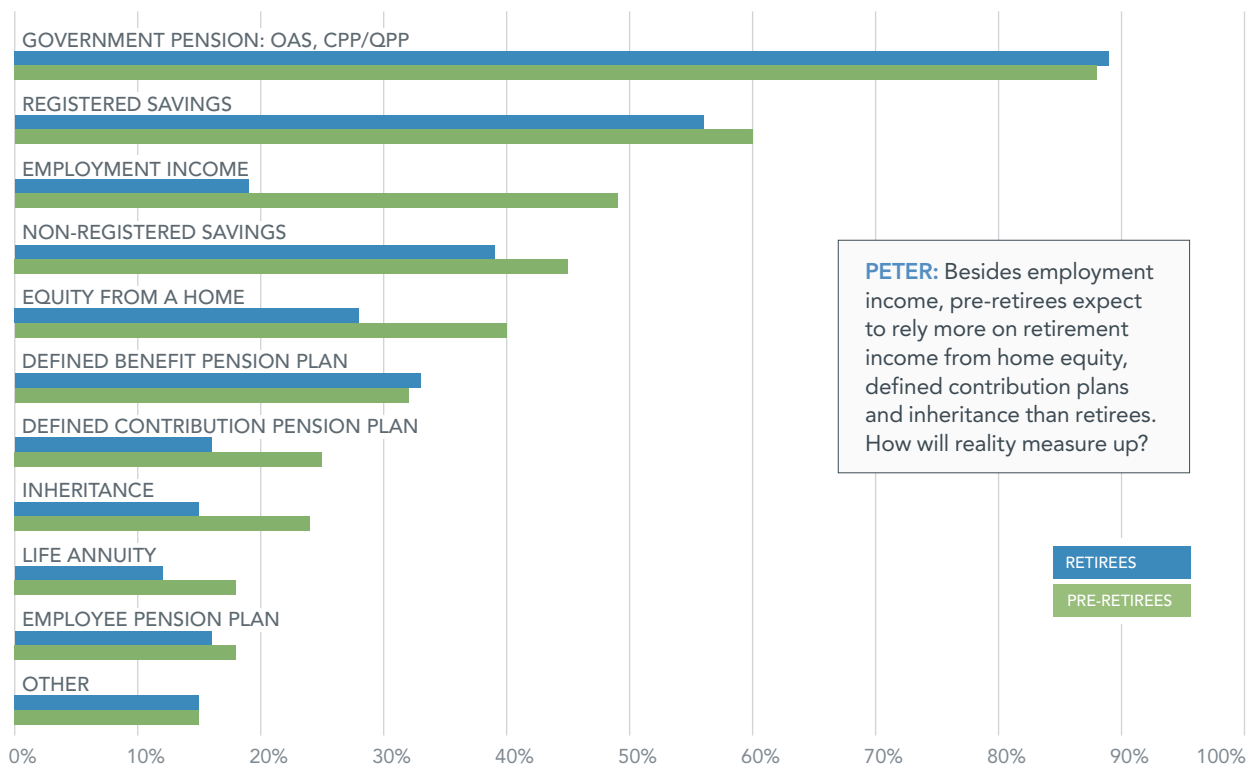
## How are **retirees** spending their additional time in retirement?



# Ensure your future is funded

Retirement planning can offer a holistic view of your sources of income. Knowing that your future income is predictable enough to make plans and sustainable for the long term can give you peace of mind. An advisor can create a financial plan that takes into account your sources of income to maintain your desired retirement lifestyle.

## Do you rely on (intend to rely on) the following as a source of retirement income?



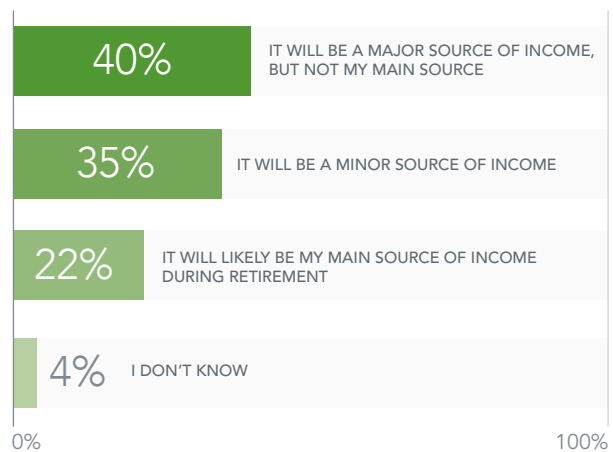
### Pre-retirees: Private pension plan perceptions

**PETER:** Despite the majority of pre-retirees expecting private pension plans to be a major source of retirement income, many are concerned with the level of support coming from their employers.



### Pre-retirees: Reliance on CPP

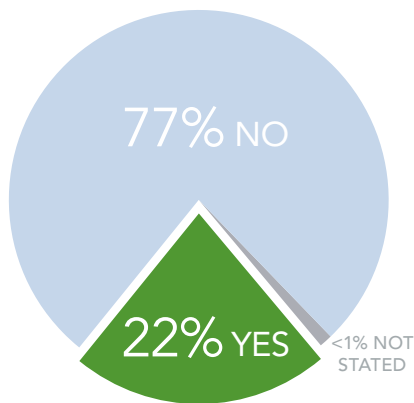
**PETER:** The majority of pre-retirees expect CPP to be a source of retirement income, but not the main funding option.



# Working in retirement: Expectations vs. Reality

When it comes to working in retirement, it's vital to overcome stereotypes. Many Canadians decide to work in retirement, often for a variety of reasons. Partnering with an advisor can assist you in managing the money you earn in retirement to support yourself, support others and provide additional peace of mind.

## Retirees: Are you working in retirement?



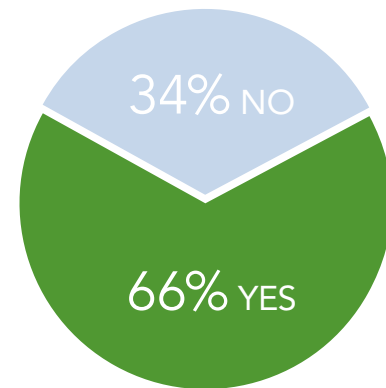
48%

OF RETIREES HAVE NOT WORKED/DO NOT WANT TO WORK

52%

OF RETIREES HAVE WORKED OR WOULD LIKE TO WORK IN RETIREMENT

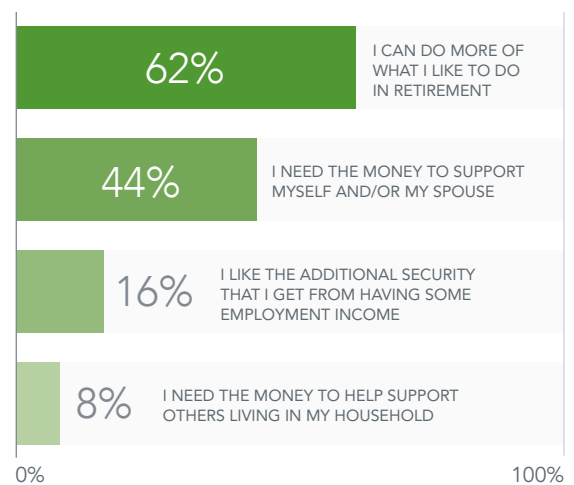
## Pre-retirees: Do you believe you will be working in retirement?



## Retirees: Top reasons for working in retirement



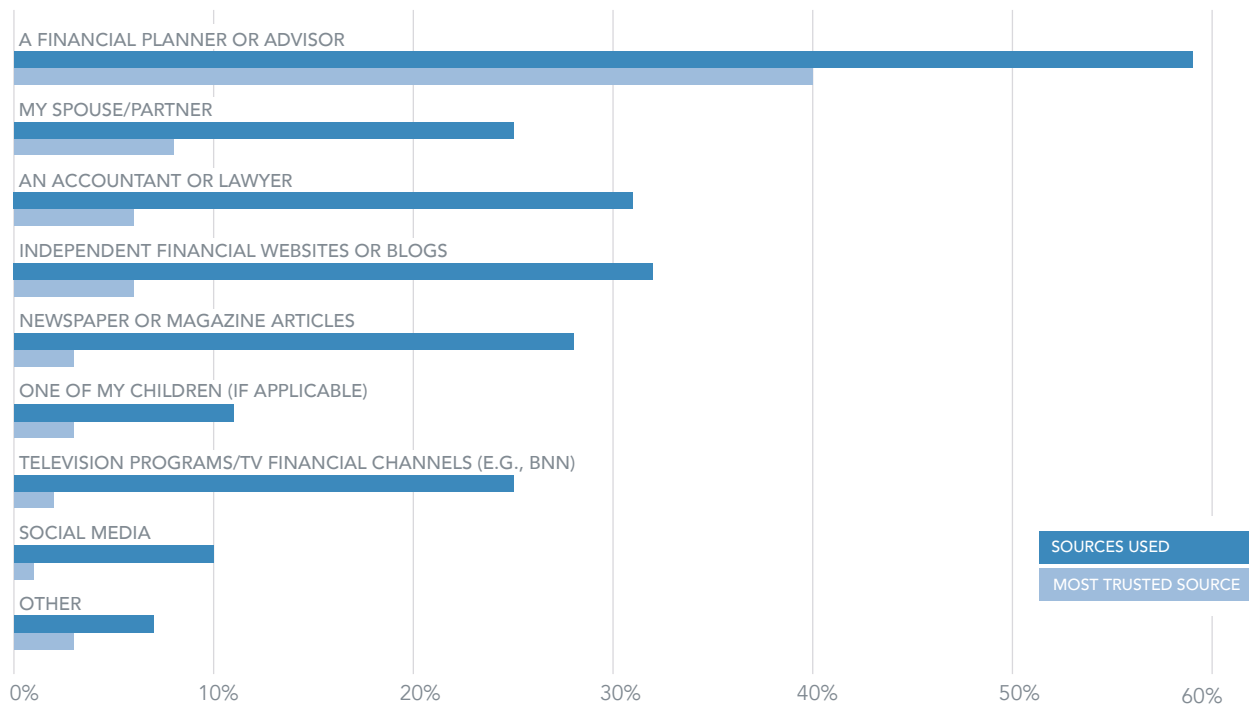
## Retirees: What are those financial reasons?



# Trusted financial advice offers clarity to your future

We tend to think of retirement as a destination, overlooking the journey to get there. A financial advisor is a trusted source who can guide you on this journey and provide direction on your retirement planning. With increasing life expectancies, it's important to have a sustainable plan in place that fits your vision of retirement. Speak to your financial advisor about what's important to you.

## All respondents: Most trusted source for information about retirement planning



NOTE: "I'm not interested in keeping up with financial issues" (28%) omitted.

## All Respondents with advisor: Perceptions of advisors



**63%** OF RESPONDENTS GO TO A FINANCIAL ADVISOR ABOUT THEIR INVESTMENTS

### Main topics investors are asking their advisors about

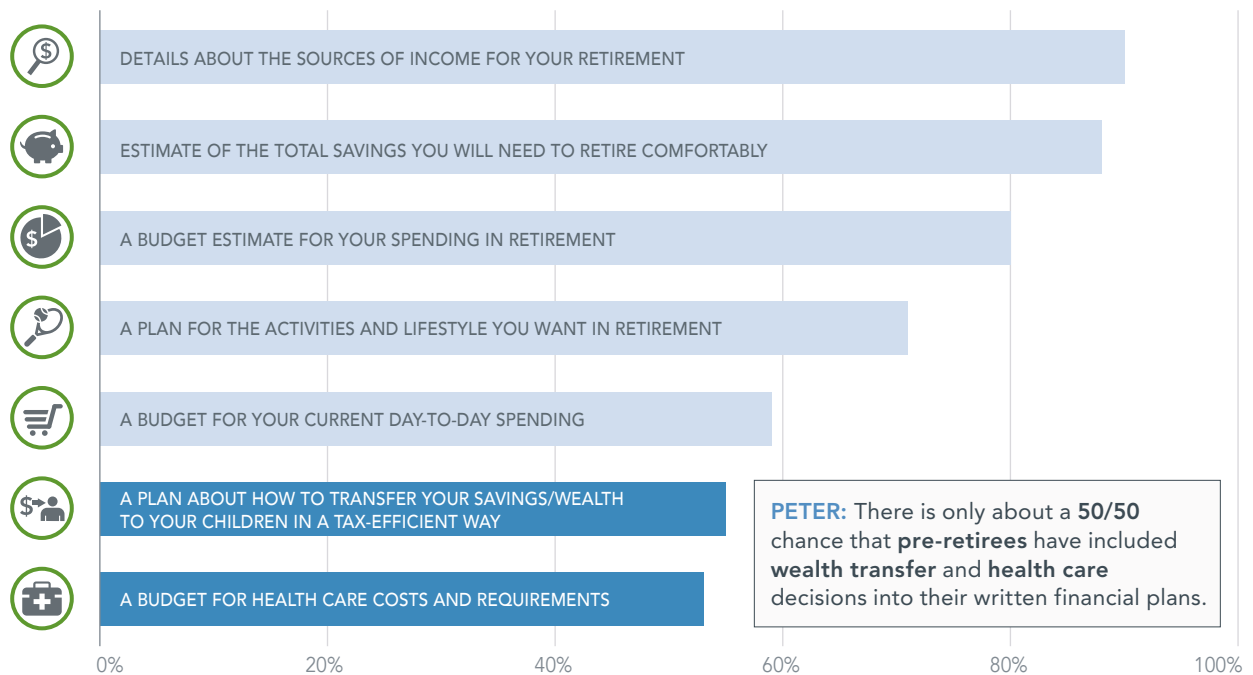
- Product-related, best investments
- Retirement planning
- Fees



# The map to retirement

It can be a daunting task to determine whether your retirement is in good shape. A written financial plan lays out a comprehensive strategy for you to fully realize your retirement vision. An advisor can work with you to create this customized plan and leave the guesswork out.

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

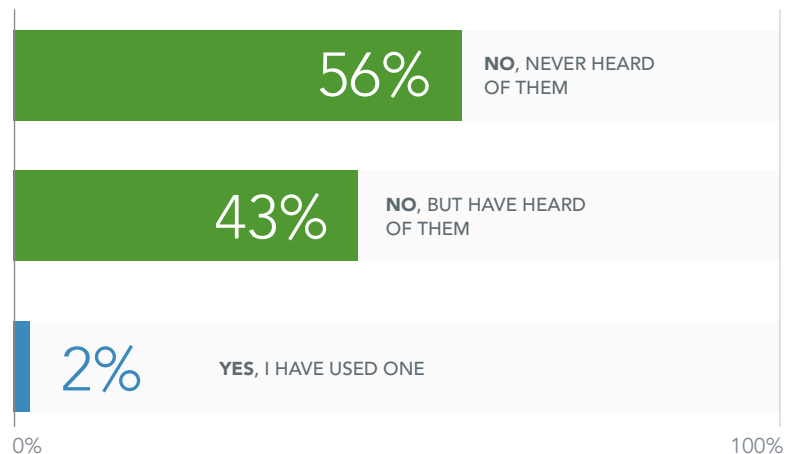


All respondents with a financial plan:  
Did you work with a financial advisor to build your financial plan?

84% YES

16% NO

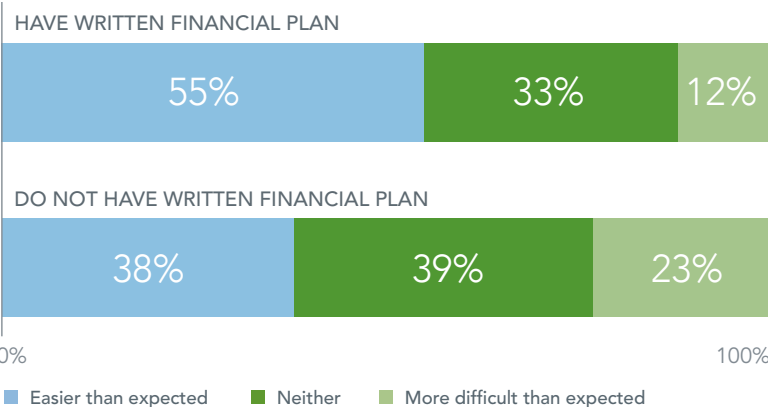
## All respondents: Have you used a robo-advisor?



# Financial advice eases the retirement transition

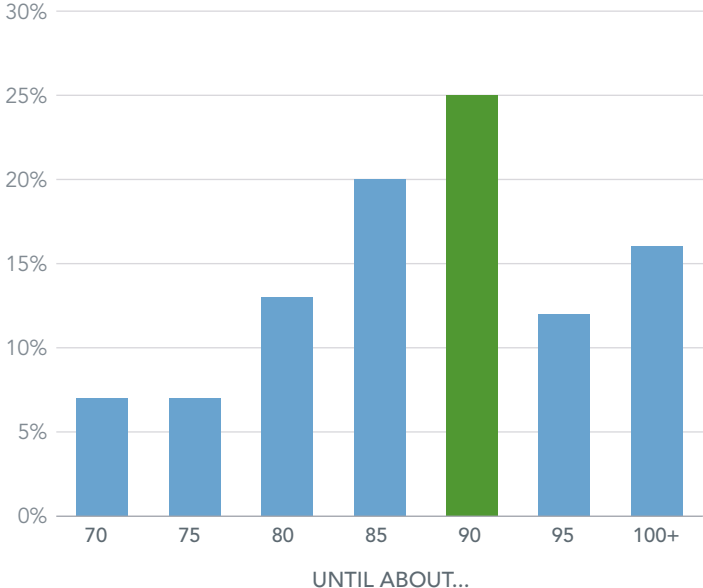
The transition to retirement can be stressful, so it's important to maintain a positive mindset. A financial plan can help with the transition and improve your outlook on life in retirement – letting you focus on pursuing your goals and living out your retirement vision.

## Retirees: How would you view your transition into retirement?



**PETER:** A written financial plan not only eases your transition, it also helps to mitigate risks during the beginning phases of retirement.

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







## All respondents: Outlook on life in retirement



# Retirement fulfillment comes in many dimensions

Retirement fulfillment is about peace of mind. As with achieving any goal in life, it starts with being prepared – financially, emotionally, socially and physically – for one of the most exciting times in your life. A customized retirement plan that incorporates your personal choices can help you feel better prepared for your retiring years. Talk to your advisor to make sure you have a financial plan in place to help make your retirement dreams a reality.

## How prepared are you for retirement?

|  | RETIREES    |                | PRE-RETIREES |                |
|--|-------------|----------------|--------------|----------------|
|  | WITH a plan | WITHOUT a plan | WITH a plan  | WITHOUT a plan |
| <br>Financially   | 92%         | 71%            | 87%          | 47%            |
| <br>Emotionally | 89%         | 78%            | 84%          | 66%            |
| <br>Socially    | 89%         | 81%            | 86%          | 68%            |
| <br>Physically  | 91%         | 78%            | 87%          | 67%            |

# Defining your retirement

A few steps that can help you achieve retirement fulfillment

- **ENVISION YOUR RETIREMENT LIFESTYLE** Will you be a traveller or a reader? Learn a new skill or spend more time with family? Many will do a combination of all of the above and much more. Every retirement journey is unique.
- **TRY IT OUT** Try some retirement activities before you retire. This gives you an opportunity to get a better sense of those activities you like to do and to revise your plan ahead of time.
- **GET ADVICE** Speak with a financial advisor to create a sustainable plan that fits your vision of retirement.
- **CREATE YOUR RETIREMENT PAYCHEQUE**  
Diversify your retirement income to protect against the unexpected.
- **DON'T FORGET ABOUT DEBT** Think about the type and level of debt that you are comfortable carrying.
- **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.

## Looking for more information?

Visit [gettingadvice.ca](http://gettingadvice.ca) to learn more about working with an advisor to prepare for retirement.



Read a fund's prospectus and consult your financial advisor before investing. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated. Investors will pay management fees and expenses, may pay commissions or trailing commissions and may experience a gain or loss.