

BMO Annual Retirement Study

This article is reprinted with permission from BMO Financial Group. It is a reprint of a BMO news release published on February 14, 2022. For the original news release, [click here](#).

February 2022

BMO Financial Group's Retirement Study¹ found that while the average amount Canadians believe they need to retire has increased 12 per cent since 2020 to \$1.6 million, fewer than half (44 per cent) of Canadians are confident they will have enough money to retire as planned.

The annual survey explores Canadians' expectations and approaches to retirement planning. This year's edition found their confidence in having enough to retire as planned has decreased by 10 per cent since last year. Provincially, residents in Alberta and Ontario are the most confident in their existing retirement plans, at 51 and 46 per cent, respectively.

Retirement Confidence and Making an RRSP Contribution Before March 1, 2022, by Region

Region	Retirement Confidence	Making an RRSP Contribution Before March 1, 2022
Atlantic	37 per cent	49 per cent
Quebec	43 per cent	61 per cent
Ontario	46 per cent	58 per cent
Prairies	38 per cent	58 per cent
Alberta	51 per cent	53 per cent
B.C.	40 per cent	58 per cent
National	44 per cent	58 per cent

Source: BMO Retirement Study

Despite the challenges from the global pandemic and expectations of rising inflation, the majority (58 per cent) of Canadians have or plan to contribute to their Registered Retirement Savings Plans ("RRSP"). Quebec residents have the highest contribution rates while Canadians in the Atlantic provinces have the lowest.

"Canadians have demonstrated resilience during these uncertain times and it's encouraging to see them continue prioritizing retirement planning," said Robert Armstrong, Director, Multi-Asset Solutions, BMO Global Asset Management. "While 2022 will have its own challenges and opportunities, working with a professional advisor can help Canadians navigate these transitions and gain confidence in their financial plans and future."

Retirement pulse check

The survey also revealed additional insights into Canadians' retirement plans and strategies, including:

- **The Golden Age:** Approximately a quarter (23 per cent) of Canadians plan to retire between the ages of 60 and 69, with an average age of 62.
- **Eyes on Early Retirement:** 23 per cent of Canadians are planning to retire early and would like to retire at age 54.
- **Finding the Magic Number:** More than half (53 per cent) of Canadians don't know how much they will need to retire. Provincially, residents living in the Prairie provinces – at 61 per cent – are the least likely to know how much they will need to retire.

- **Contribution Motivations:** Among the 60 per cent of Canadians with an RRSP, 66 per cent of them contributed to the account to save for retirement. Close to a quarter (23 per cent) of respondents contributed to their RRSPs to achieve financial independence as early as possible, while 14 per cent are saving for an early retirement.
- **Advice Based Confidence:** 79 per cent of Canadians rely on a financial advisor, a nine per cent increase from 2020. Those with a financial advisor are more likely to feel confident they will have the money they need to retire (53 per cent).

Single, together or its complicated? Achieving retirement planning confidence beyond relationship status

The study found Canadians' relationship status plays a role in how they approach retirement planning:

- **Confidence:** Only 39 per cent of single Canadians are confident in their existing retirement plans. Confidence rates are higher among couples and respondents who are widowed, divorced or separated, at 47 and 46 per cent respectively.
- **RRSP Ownership:** Compared to other groups, couples are much more likely to have an RRSP at 69 per cent. Ownership is lower among widowed, divorced or separated (52 per cent) and single (45 per cent) Canadians.
- **RRSP Knowledge:**
 - **How to Contribute:** Only half (51 per cent) of single Canadians know how to contribute to an RRSP, compared to couples (72 per cent) and those who are widowed, divorced or separated (61 per cent).
 - **Eligible Investments:** The majority (63 per cent) of single Canadians do not know which investments can be held within an RRSP.
 - **Barriers to Contributing:** 42 per cent of widowed, divorced or separated Canadians cite not having enough money as a barrier to contributing to their RRSPs this year. Couples and single Canadians are much less likely to cite this contribution barrier at 26 and 29 per cent respectively.

"While long-term financial goals including retirement can initially feel intimidating, Canadians are not alone. By working with a trusted professional advisor who can develop personalized plans according to your personal and financial goals, risk tolerance and values, Canadians can have the confidence they will be able to enjoy retirement and the other benefits that come with achieving your goals," said Mr. Armstrong.

For more information, please speak with your BMO financial professional.



¹ The BMO Annual Retirement Study was conducted by Pollara Strategic Insights via an online survey of 1,500 adult Canadians conducted between October 26th and 29th, 2021. The margin of error for a probability sample of this size is $\pm 2.5\%$, 19 times out of 20.

BMO Private Wealth provides this publication for informational purposes only and it is not and should not be construed as professional advice to any individual. The information contained in this publication is based on material believed to be reliable at the time of publication, but BMO Private Wealth cannot guarantee the information is accurate or complete. Individuals should contact their BMO representative for professional advice regarding their personal circumstances and/or financial position. The comments included in this publication are not intended to be a definitive analysis of tax applicability or trust and estates law. The comments are general in nature and professional advice regarding an individual's particular tax position should be obtained in respect of any person's specific circumstances.

BMO Private Wealth is a brand name for a business group consisting of Bank of Montreal and certain of its affiliates in providing private wealth management products and services. Not all products and services are offered by all legal entities within BMO Private Wealth. Banking services are offered through Bank of Montreal. Investment management, wealth planning, tax planning, philanthropy planning services are offered through BMO Nesbitt Burns Inc. and BMO Private Investment Counsel Inc. If you are already a client of BMO Nesbitt Burns Inc., please contact your Investment Advisor for more information. Estate, trust, and custodial services are offered through BMO Trust Company. BMO Private Wealth legal entities do not offer tax advice. BMO Trust Company and BMO Bank of Montreal are Members of CDIC.

© Registered trademark of Bank of Montreal, used under license.

All rights are reserved. No part of this publication may be reproduced in any form, or referred to in any other publication, without the express written permission of BMO Private Wealth.