

The Future of Retirement

What the world wants

Media factsheet – Canada

In Canada we talked to 1,019 individuals and 300 private-sector employers, interviewing them by telephone. We have organised their responses around five key questions:

1. What is retirement?
2. How will we pay for retirement?
3. When should we retire?
4. How do older workers compare with younger ones?
5. Do employers and employees think alike?

Key findings

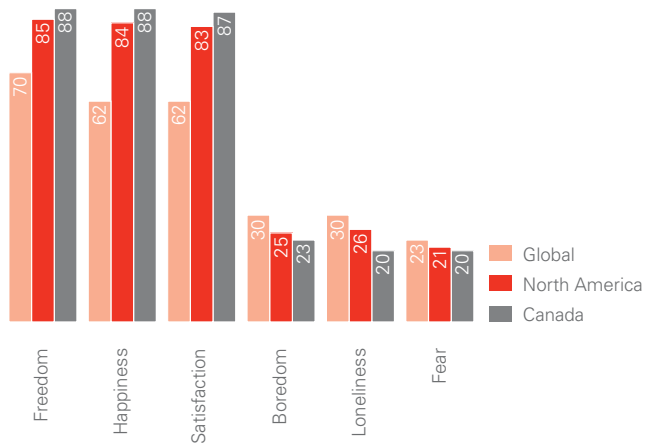
- Canadians have an extremely positive view of retirement: they overwhelmingly associate it with happiness, freedom and satisfaction.
- Canadian people see many things as important to a happy old age, though fewer than the global average mention religious faith.
- Canadians believe that they, rather than their government, employer or family, should bear most of the cost of their retirement.
- Asked how their government should fund the ageing population, Canadians – individuals and employers – favour compulsory private savings.
- More than half of all Canadians surveyed believe that people should retire when the time is right or when they are no longer able to do the job well.
- Canadian employers tend to be very positive about older workers, though not to quite the same extent as their US and British counterparts.
- When it comes to offering older workers appropriate opportunities, Canadian employers comfortably beat the global average.
- A large majority of employers say that employees should be able to carry on working so long as they are capable of doing the job well, but only 67% of them state that they have no mandatory retirement age.

For the full global results, please go to www.hsbc.com/thefutureofretirement

1. What is retirement?

Canadians have an extremely positive view of retirement. Compared with most other countries, a far greater proportion associate it with happiness, freedom and satisfaction, and far fewer with loneliness, fear and boredom.

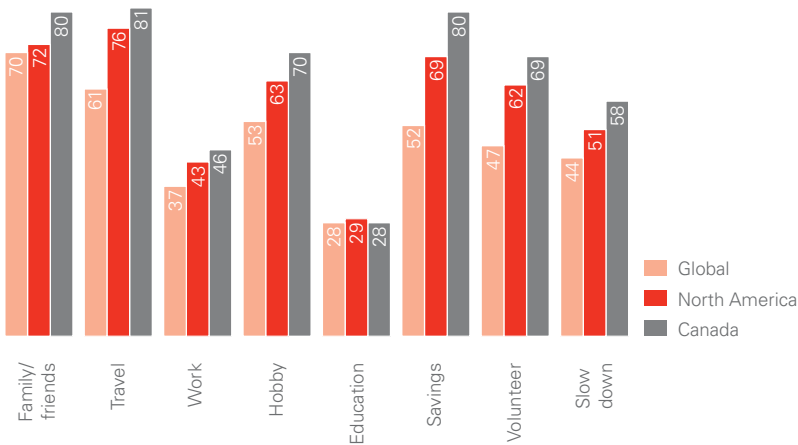
What individuals associate with retirement (in percent)



Source HSBC Future of Retirement Research 2006

Not surprisingly, Canadians are also very likely (though not quite as likely as people in the USA) to view retirement as a whole new chapter in life than as a time for rest. Many more than the global average expect to take part in a range of activities in their retirement, though 58% of them also say that they will slow down.

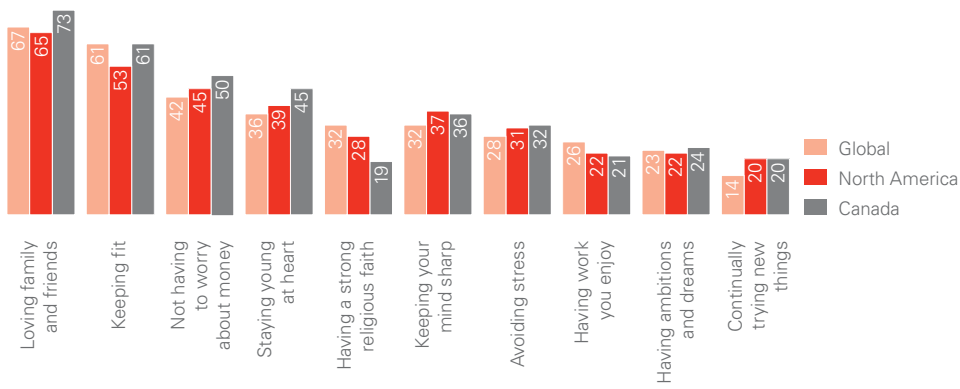
How individuals would like to spend most of their time in retirement (in percent)



Source HSBC Future of Retirement Research 2006

Canadians are likely to see many things as important to a happy old age, though fewer than the global average mention religious faith.

What individuals think is important to achieve a happy old age (in percent)

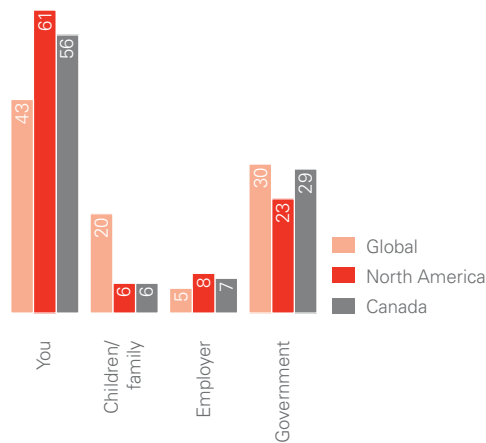


Source HSBC Future of Retirement Research 2006

2. How will we pay for retirement?

Canadians believe that they, rather than their government, employer or family, should bear most of the cost of their retirement.

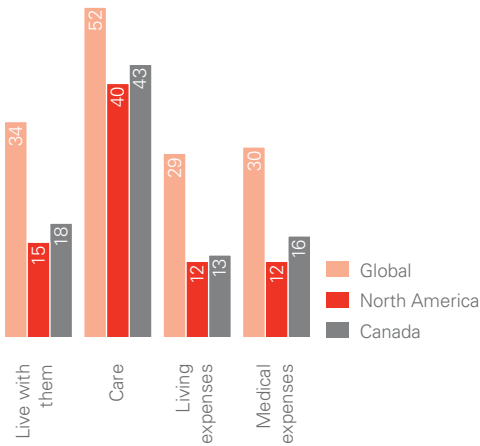
Who individuals think should bear most of the burden of supporting them in retirement (in percent)



Source HSBC Future of Retirement Research 2006

Few Canadian people expect to rely on their children in old age, though they are slightly more inclined to do so than are people in the USA.

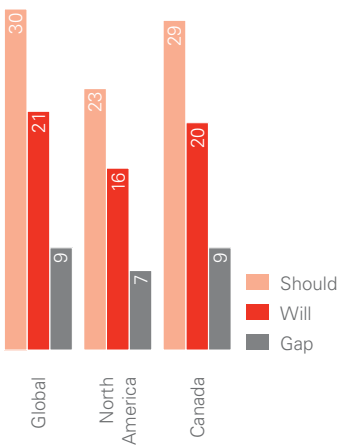
How individuals expect to rely on their children in their old age (in percent)



Source HSBC Future of Retirement Research 2006

As in many countries, there is a significant gap between the proportion of people who believe that their government *should* bear the cost of their retirement and the proportion believing that it *will* do so.

The gap between proportions of people thinking that governments should / will finance the ageing populations (in percent)



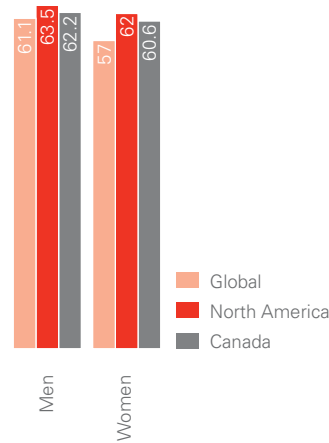
Source HSBC Future of Retirement Research 2006

Asked how their government should fund the ageing population, Canadians are even more likely than people elsewhere to favour compulsory private savings over other options.

3. When should we retire?

Canadians believe that the ideal retirement ages are 62.2 for men and 60.6 for women. These are higher than the global averages, but lower than those favoured in the USA.

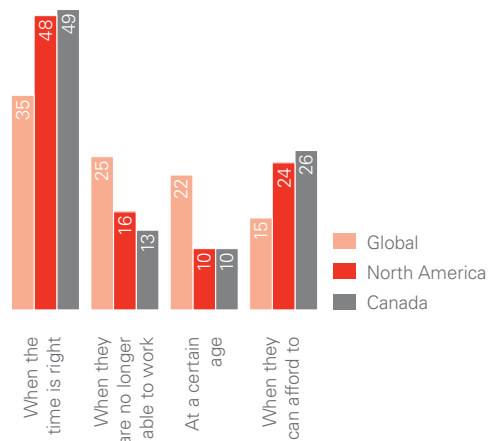
When should someone retire? (in percent)



Source HSBC Future of Retirement Research 2006

More than half of all Canadians surveyed believe that people should retire when the time is right or when they are no longer able to do the job well, rather than at a particular age – very similar to attitudes in the USA. That said, a greater proportion in Canada (26%) than in any other country say that people should retire when they can afford to.

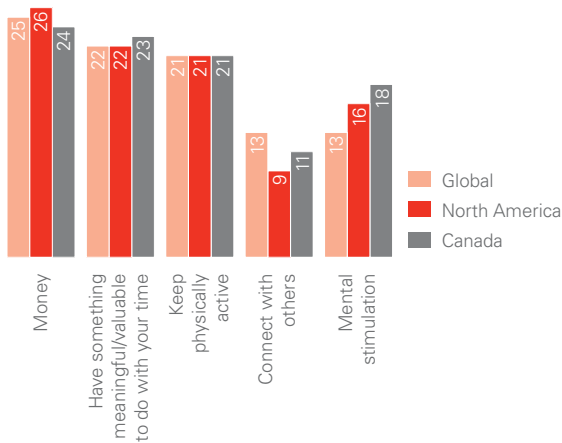
When individuals would choose to retire? (in percent)



Source HSBC Future of Retirement Research 2006

Asked why they might work beyond the typical retirement age, more Canadians than people elsewhere talk of the need for mental stimulation.

Reasons for individuals wanting to work in their later years (in percent)

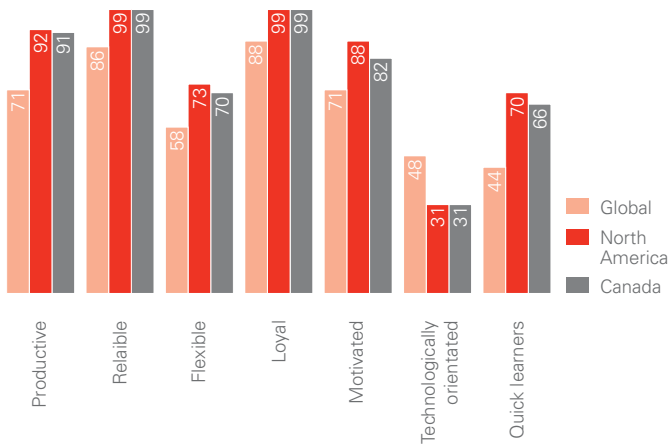


Source HSBC Future of Retirement Research 2006

4. How do older workers compare with younger ones?

Throughout the world, employers say that older workers are just as productive and employable as younger workers. Canadian employers tend to be even more positive about older workers, though not to quite the same extent as their US and British counterparts. Like them, they give older workers low marks for their technological capabilities.

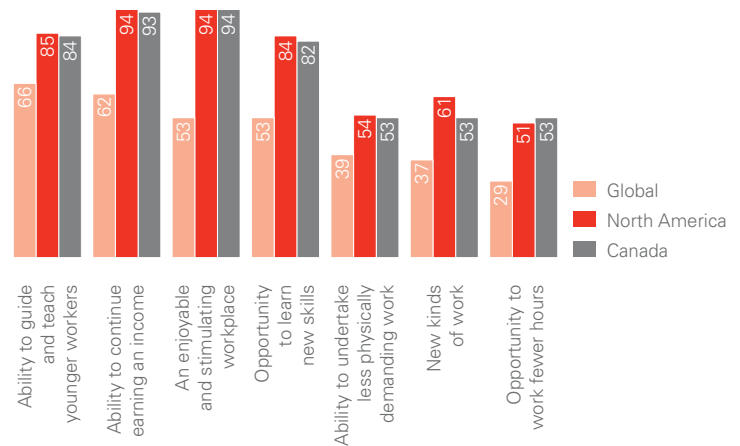
Proportion of employers who view older workers as same / more loyal, reliable etc... (in percent)



Source HSBC Future of Retirement Research 2006

Along with employers in the USA, the UK and Sweden, Canadian employers comfortably beat the global average in terms of the opportunities they offer older workers. For example, more than 90% of them say that they offer an enjoyable and stimulating workplace – something that 83% of Canadian people say would make working in later life more attractive.

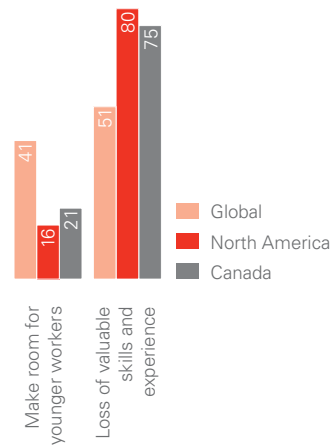
What opportunities employers currently offer older workers (in percent)



Source HSBC Future of Retirement Research 2006

Like their US counterparts, Canadian employers are very much more likely to see the loss of older workers negatively (as a loss of valuable knowledge and skills) than positively (as a chance for younger workers to come through). Indeed, a third of employers in Canada say they are trying to recruit older workers.

How employers view the retirement of older workers (in percent)



Source HSBC Future of Retirement Research 2006

Asked why they aren't doing even more to attract and retain older workers, the largest proportion of Canadian employers say that the issue isn't urgent, and many also mention the expense of employing them and the physical nature of the work.

5. Do employers and employees think alike?

A big majority of Canadian employers (over 80%) say that employees should be able to carry on working so long as they are capable of doing the job well – something that 84% of Canadian individuals agree with. But practices lag behind attitudes: only 67% of the employers surveyed say they have no mandatory retirement age.

Globally, employers are more likely than the general public to believe that governments should pay for people's retirement. Canada, along with Germany and the USA, is an exception: 27% of employers feel that governments *should* bear most of these costs compared with 29% of individuals. But when it comes to whether the government *will* bear these costs, Canadian employers are more confident, with 32% saying so, compared with 20% of individuals.

Canadian employers (45%) are even more likely than individuals (38%) to favour compulsory private savings as the government's primary means of funding the ageing population. The next most popular option – a later retirement age – is favoured by 33% of employers and 28% of individuals.