



The perks of prep: Canadians with a written financial plan feel positive about retirement, despite global uncertainty

Canadians are feeling the pinch, but planning ahead provides confidence and sense of security

TORONTO, November 15, 2022 – Fidelity Investments Canada ULC today released the *2022 Fidelity Retirement Report*. Now in its 17th iteration, this year’s report features Canadians’ perception of the key risks to financial security in retirement, and demonstrates once again that Canadians with a written financial plan feel more financially, socially, physically, and emotionally prepared for retirement than those without one.

The Fidelity Retirement Report is focused on how Canadians near, and already in, retirement approach the shift from the workplace to embracing new routines in the next stage of their lives.

In 2005, Fidelity Investments Canada launched a ground-breaking research report that outlined five key risks to sustaining a lifetime source of retirement income: longevity, withdrawal risk, asset allocation, inflation and health care costs. While always a consideration, this year’s report did a deep dive on the five key risks with a focus on inflation and the rising cost of living, providing insights on how they impact the timing of Canadian retirement plans.

“With stubborn inflation, market volatility and global uncertainty, it’s not surprising that Canadians are anxious about their future and their retirement,” said Peter Bowen, Vice President, Tax and Retirement Research, Fidelity Investments Canada ULC. “However, Canadians continue to demonstrate the value of advice and planning: those with financial plans feel more secure and prepared for retirement. Those without a plan should seriously consider the benefits it could have for their overall well-being.”

Retirement looks different for every person – from travel, to trying new hobbies, to spending more time with friends and family – but a consistent takeaway is that pre-retirees who work with a financial advisor were more likely to indicate they will enjoy the retirement lifestyle they envision than those who do not.

Key findings:

The importance of a written financial plan in retirement planning

- 83% of pre-retirees with a written financial plan feel financially prepared for retirement compared to only 47% of those without one
- Only 23% of pre-retirees indicated having a written financial plan
- Quebec has the highest proportion of pre-retirees with a written financial plan at 30.7%

- The majority (83%) of pre-retirees with a written plan worked with a financial advisor to build it. Working with an advisor to build your written retirement plan is a great way to feel better prepared for retirement.

The risks to financial security in retirement have increased

- The percentage of pre-retirees who indicated that each of the five key risks represented a moderate to high risk to their financial security in retirement increased since the last time Fidelity asked these questions in 2014. Rising inflation and market volatility this year have brought these risks back into the minds of many Canadians planning their retirement.
- Given these risks, the percentage of pre-retirees who indicated they felt financially, socially, physically and emotionally prepared for retirement was less than last year.
- Retirees rated inflation as the highest risk to their financial security, with health care costs second highest

Rising cost of living delaying retirement

- 62% of pre-retirees indicated the rising cost of living was holding them back from retiring when they would like to (vs. 56% of Canadian pre-retirees last year)
- 66% of pre-retirees indicated “that inflation will reduce the purchasing power of their savings and have a negative impact on their standard of living”
- Ontario has the highest proportion of pre-retirees concerned about the impact of inflation, at 69.9%
- Many Canadians have always been concerned about not having enough money to retire. The rising cost of living brought on by higher inflation is exacerbating these savings concerns and making many Canadians feel less comfortable about their retirement plans.

For more information about the 2022 Fidelity Retirement Report, visit www.fidelity.ca/retirement.

Get right up to the minute updates and insights from Fidelity

For Canadians interested in learning more about the latest changing retirement trends and what steps they can take to be more resilient, Peter Bowen and Michelle Munro, Director, Tax and Retirement Research, will be providing their insights on this year’s results across all Fidelity platforms, including: [The Upside](#) live webcasts, [FidelityConnects](#) podcasts, written commentary on Fidelity Canada social media channels, and on [Fidelity.ca](#).

About the 2022 Fidelity Retirement Report

Fidelity Canada is committed to helping Canadians think about their retirement. As part of this commitment, Fidelity Canada conducts an annual survey of investors regarding retirement issues and planning and publishes an annual report that summarizes timely insights that can help Canadians feel better prepared for retirement.

The 2022 Fidelity Retirement Report explores the role and value of financial advice in Canadian's retirement planning. Fidelity Canada surveyed 1,917 Canadians aged 45 and older online from July 14 to July 26, 2022. A disproportionate sample of pre-retirees and retirees was completed to allow for regional and gender analysis. The results were then weighted to reflect the National proportional distribution of those 45 years of age and older based on Statistics Canada census data. Were a probability sample of this size to be taken, it would yield results accurate to +/- 2.2 percentage points, 19 times out of 20.

This information is for general knowledge only and should not be interpreted as tax advice or recommendations. Every individual's situation is unique and should be reviewed by his or her own personal legal and tax consultants.

About Fidelity Investments Canada ULC

At Fidelity, our mission is to build a better future for Canadian investors and help them stay ahead. We offer investors and institutions a range of innovative and trusted investment portfolios to help them reach their financial and life goals.

As a privately-owned company, our people and world class resources are committed to doing what is right for investors and their long-term success. Our clients have entrusted us with \$186 billion in assets under management (as at November 8, 2022) and they include individuals, financial advisors, pension plans, endowments, foundations and more.

We are proud to provide investors a full range of domestic, international and global equity and income-oriented mutual funds, ETFs, asset allocation strategies, managed portfolios, sustainable investing products, alternative mutual funds and a high net worth program. Fidelity is available through a number of advice-based distribution channels including financial planners, investment dealers, banks and insurance companies.

Commissions, trailing commissions, management fees, brokerage fees and expenses may be associated with investments in mutual funds, asset allocation services and ETFs. Please read the mutual fund or ETF's prospectus, which contains detailed investment information, before investing. Mutual funds and ETFs are not guaranteed. Their values change frequently. Past performance may not be repeated.

For more information, please contact:

Chris Pepper,
Vice-President, Corporate Affairs
Fidelity Investments Canada ULC
T: (416) 307-5388
M: (416) 795-7762
E: chris.pepper@fidelity.ca

Find us on social media @FidelityCanada



Related Links

<http://www.fidelity.ca>