

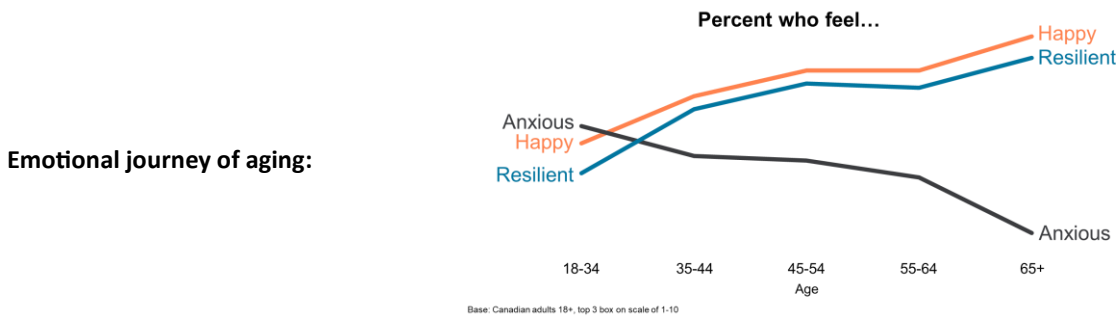
Resilient Choices: Trade-Offs, Adjustments, and Course Corrections to Thrive in Retirement

Resilient Choices is our third major thought leadership study since Edward Jones and Age Wave began our collaboration in 2019. This new study explores the many specific options available to older Canadians to meet life’s challenges and improve their lives across the four pillars. The Harris Poll once again partnered with us in this investigation, surveying over 2,500 adults in Canada. Alongside large samples of retirees and pre-retirees (age 50+ and within 10 years of planned retirement).

Redefining Success in Retirement

Today’s retirees and pre-retirees are changing the definition of success in retirement. They want to be active, engaged, and purposeful: stay physically fit, continue learning and trying new things, contribute to the well-being of others, and work in new ways. The past definition of success in retirement may have centered on wealth and leisure, but today’s definition means thriving across all four pillars of the new retirement: health, family, purpose, and finances.

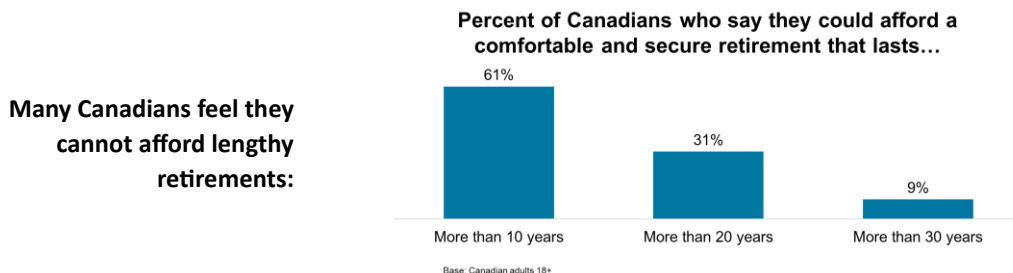
Past generations may have seen retirement as primarily a time for rest and relaxation. Today’s retirees and pre-retirees see it as a whole new chapter in life. For most, it is an enjoyable chapter: over the course of their lives, Canadians’ sense of happiness and resilience tend to rise, while anxiety declines.



Retirement Funding Challenges

The Canadian population is aging—one of the fastest growing age cohorts is those 65 and older. And today’s retirees are experiencing greater longevity than past generations. Many more people expect to be spending potentially much more time in retirement.

The large majority of Canadian adults (76%) believe their generation will need to work longer than their parents’ generation to gain financial security in retirement, particularly Millennials (85%) and Gen Xers (84%).

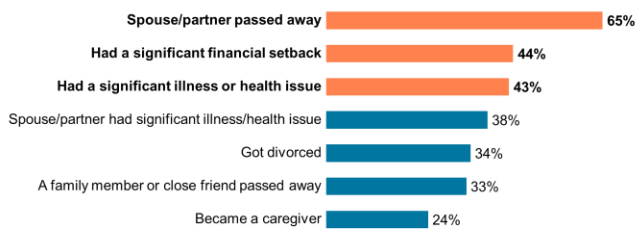


Curveballs, Cannonballs, and Windfalls in Retirement

The difference between curveballs and cannonballs is a matter of degree for the individual. A substantial and unexpected home repair expense might be a curveball for a retiree with an ample emergency fund but a cannonball for someone on a tight budget who must take on more debt.

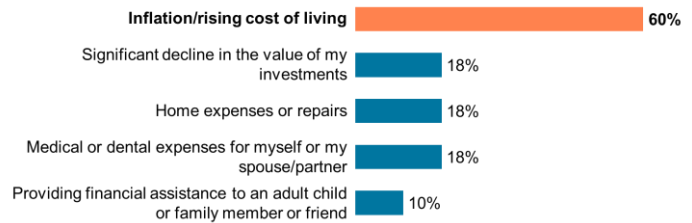
A large majority of retirees —70% of men and 78% of women— have experienced in retirement at least one of the curveballs and cannonballs on our list:

Most disruptive curveballs and cannonballs:



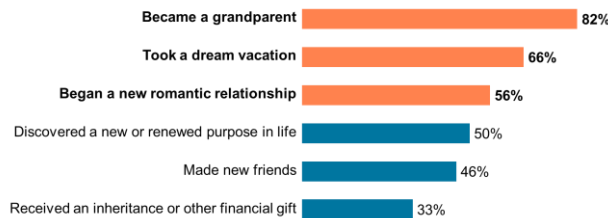
Base: Canadian retirees who have experienced each event, percent who describe event as extremely disruptive

Most significant financial shocks in retirement:



Base: Canadian retirees

Retirement also brings many good things. Over three-quarters of retirees (77%) report experiencing windfalls, which they often describe as “good fortune” or “blessings.”



Base: Canadian retirees who have experienced each event, percent who describe event as extremely fulfilling

Most fulfilling windfalls:

Course Corrections

Course corrections are actions retirees and pre-retirees can take to improve their quality of life, sense of well-being, or financial security. These actions may be in response to curveballs or cannonballs, or they may be proactive when people seize opportunities to improve their lives.

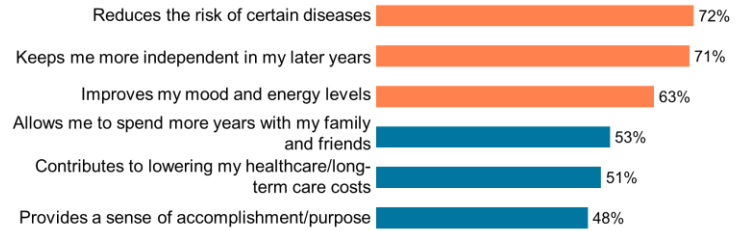
These corrections can be very positive actions that retirees and pre-retirees are already taking or considering toward improving their retirement journey. Even when the action is taken in response to a setback, course corrections can deliver major comebacks as retirees flex their resilience and turn negatives into positives. And even small, gradual improvements can build into big benefits.

Health

Most retirees have experienced health challenges. Nearly 75% of Canadians age 65 and older have a chronic condition, with hypertension (high blood pressure) being the most common.

Two-thirds of retirees (68%) say they regularly challenge themselves mentally, and 50% say they have become more physically active. About half of retirees (48%) say they have meaningfully improved the quality of their diet, 39% have made more preventive care visits to the doctor, and 29% have cut back or eliminated alcohol consumption.

Benefits of being physically active in retirement:



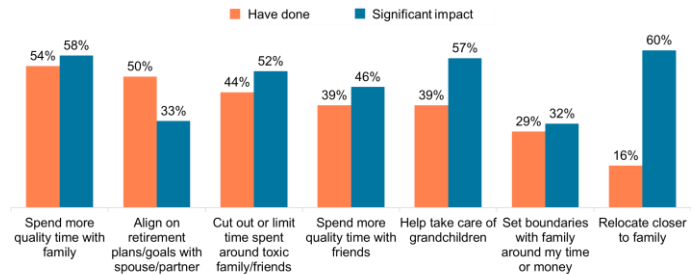
Base: Canadian retirees who are physically active, percent who say each benefit is "very important"

Family

For many retirees, relationships with family and friends bring the greatest satisfaction and joy to their lives in retirement.

The common and beneficial course corrections in this pillar start with spending more quality time with family. More than half of retirees (54%) have done so, and 58% of those say it has significantly improved their quality of life.

Common and impactful course corrections – Family:



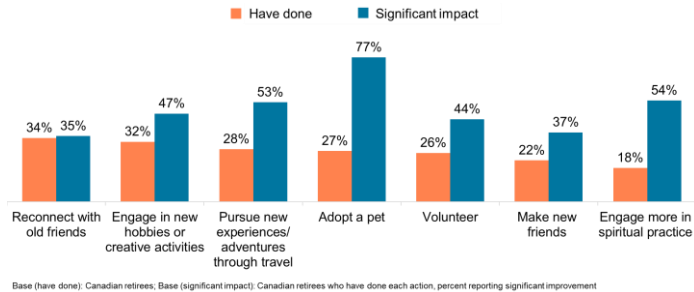
Base (have done): Canadian retirees, Base (significant impact): Canadian retirees who have done each action, percent reporting significant improvement

While 88% of retirees say they would not seek financial support from their family, two-thirds of Millennials with living parents/in-laws (69%) are concerned that their parents/in-laws may not have enough money to live comfortably in retirement.

Purpose

Purposeful course corrections often involve doing new things. People find purpose in various ways: doing new and interesting things, being generous and giving back, living a family-focused life.

Common and impactful course corrections – Purpose:



The most common course correction among retirees that was reported was reconnecting with old friends (34%). While only 27% of retirees report having adopted a pet, 77% of them reported a “significant impact”—the highest of the corrections reported.

One-third of the retirees we surveyed have volunteered at least semi-regularly before and/or in retirement. Another 35% of retirees and 64% of pre-retirees would consider volunteering as a means of improving their quality of life and sense of purpose in retirement.

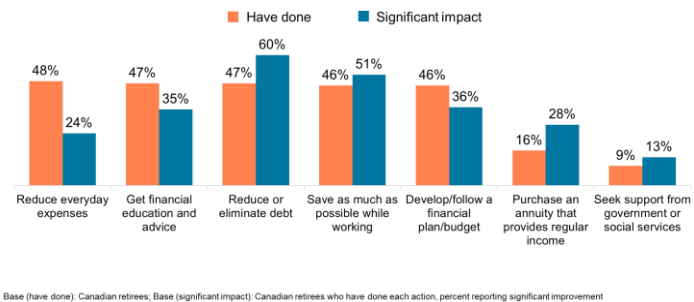
Working can have profound effects on financial security. Retirees earn more income and accumulate more retirement savings. Working also provides non-financial benefits including the ability to remain physically active, socially connected, and developing a stronger sense of purpose and accomplishment.

Finances

Financial course corrections can make the difference between thriving and struggling in retirement. But one size does not fit all.

Two of the most common financial course corrections retirees make are also the most impactful: reduce debt and increase savings. Just under half of retirees (47%) say they have reduced or eliminated mortgage, credit card, or other debt to be more financially secure in retirement.

Common and impactful course corrections – Finances:



About half of retirees (48%) have reduced everyday spending as a financial course correction, with 24% of them reporting that it made a significant positive difference in their lives.

Two other generally available and impactful course corrections focus on financial planning. 46% of retirees say they have developed and followed a financial plan and budget, and 47% say they have gotten education and advice on financial matters. 43% of retirees and 44% of pre-retirees currently work with financial advisors. Alongside retirement savings accounts, home equity is often retirees’ largest financial asset. Around three-quarters of Canadians 65 and older are homeowners with a median home equity of about \$350,000[^]. Tapping into that equity can make an enormous financial impact.

Women Retirees’ Challenges and Resilience

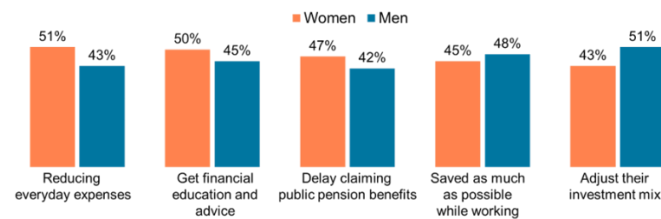
This research reveals the fundamental resilience of retired women, even with the greater likelihood of being on their own and less financially secure.

Women retirees are slightly less likely than men to describe their overall quality of life as “very good” or “excellent” (36% vs. 40%). However, they are slightly more likely to give themselves high grades (8-10 on a 10-point scale) for resilience (53% vs. 47%) and purposefulness (47% vs. 41%).

Retired women are more likely than retired men to be widowed (17% vs. 4%). They are also slightly less likely to experience significant personal illness or health issues against their male counterparts. In fact, Canadian women live an average of four years longer than Canadian men*. In addition, women are more likely than men to act as caregivers in later life at a rate 21% against the male average of only 11%.

Women retirees are more likely to make the economical course corrections of reducing everyday expenses (51% vs. 43% in men) and adopting a more frugal lifestyle (42% vs. 31% in men). They are slightly more likely to get financial education and advice and to delay claiming public pension benefits.

Financial course corrections women make:



Base: Canadian retirees

Finally, it is important to note that while women often face greater challenges in retirement than their male counterparts, they are also more likely to make certain changes across the four pillars.

Sage Advice to Thrive in Retirement

In addition to preparing for adjustments in the four pillars as discussed in this study, this research reveals other ways that can help retirees further thrive in this stage of life.

Face the financial challenges: Saving for retirement is only one part of the puzzle. Both retirees and pre-retirees agree that the top financial challenge is to figure out a budget for retirement (38% and 54%).

“Test drive” retirement activities: “Test driving” new lifestyle changes across the four pillars is also important. 73% of retirees find the most important aspect of life in retirement to test drive is new ways to stay physically or mentally active.

Consider the benefits of working: Although 65% of retirees agree that finding work after 50 may be difficult, working later in life can benefit the quality of life in all four pillars, including keeping an active mind and maintaining a strong sense of purpose.

Learn from younger generations: While millennials are concerned about their parents’ financial security in retirement, millennials can offer helpful advice across many of the pillars including advice on how to live a more frugal life and how to become more mentally and physically active.

Key Takeaways

Today's retirees and pre-retirees in Canada are redefining success in retirement. They recognize that thriving requires preparation, adaptability, and resilience across all four pillars. Most pre-retirees and retirees feel confident in their ability to make trade-offs, adjustments, and course corrections to thrive in retirement.

There are proven course correction strategies in each of the four pillars:

- **Health:** Habits including healthy diet, regular exercise, and mental stimulation can dramatically improve healthspan, lifespan, and well-being in retirement.
 - **Family:** Spending more quality time with family and friends (and less time with unhealthy relationships) can be very fulfilling, and setting needed boundaries can be just as worthwhile.
 - **Purpose:** There are many personal paths to purpose, and people can explore familiar options, try new things, expand their social circles, and enrich their lives.
 - **Finances:** Given the wide array of tools beyond the basics of increasing savings and minimizing debt, it is wise to seek trusted, holistic guidance.
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~ Source: Public Health Agency of Canada, *Canadian Chronic Disease Indicators*, 2020.

^ Source: Statistics Canada, "To buy or to rent: The housing market continues to be reshaped by several factors as Canadians search for an affordable place to call home," 2022.

* Source: Statistics Canada, "Life expectancy and other elements of the complete life table," 2022.