

9 Realities of Canadian Retirement

Research report 2026



Building a retirement system for a super-aged society

“
Retirement readiness matters to every Canadian, not only to ensure a secure financial future but also to sustain a resilient economy and standard of living.
”

When people feel confident about their future in retirement, they are more able to participate fully in the economy today and tomorrow. This connection between financial security and economic resilience is becoming harder to ignore in Canada, already one out of five people is 65 years or older designating us as a super-aged society, and where one out of four people will be 65 years or older by as early as 2043.¹

CAAT research points to growing uncertainty among Canadians about retirement. Many are concerned about how long their savings will last, the impact of inflation, and whether retirement may need to be delayed.

The research also suggests a gap between expectations and experience. While many non-retired Canadians expect personal savings to be their main source of retirement income, retirees today are less likely to rely on savings alone.

A big challenge stems from the onus placed on Canadians to make long-term decisions about saving, investing and turning those savings into reliable retirement income. Without strong structures and support, those decisions can be difficult to navigate.

That is why greater access to practical retirement tools matters. Many Canadians identify workplace pensions as part of the answer. Retirees with workplace pensions also tend to report higher monthly household income, suggesting that these plans can play an important role in supporting financial stability over time.

Workplace pensions may also encourage stronger retirement planning habits. Canadians with pensions are more likely to use a broader mix of retirement tools, while those without pensions are less likely to be actively planning.

For employers, pensions can also support attraction, retention and workforce stability. Research suggests they remain a valued part of total compensation, particularly for younger workers. In some plan designs, they can also offer a more predictable and efficient way to manage retirement obligations.

In building the retirement system for a super-aged society like Canada, a strong case exists for approaches that reduce complexity, support shared risk and provide more dependable income. Expanding access to workplace pensions should be part of that conversation.

That's the intent behind our report *Nine Realities of Canadian Retirement*.

Retirement readiness matters to every Canadian, not only to ensure a secure financial future but also to sustain a resilient economy and standard of living that remains the envy of the world.

¹Statistics Canada (Table:17-10-0057-01 (formerly CANSIM 052-0005))

1. There is a “funding” expectation gap

Canadians overestimate the role of personal savings to generate retirement income.

Key insight: There is a fundamental disconnect between how Canadians think retirement works and how it actually works. Many Canadians are overestimating how much they will be able to fund themselves, while underestimating how much they will depend on workplace pensions.

Data that backs this up:

10%

of people with a pension expect it to be their primary income source.

23%

of retired people with a pension rely on it as their primary income source.

25%

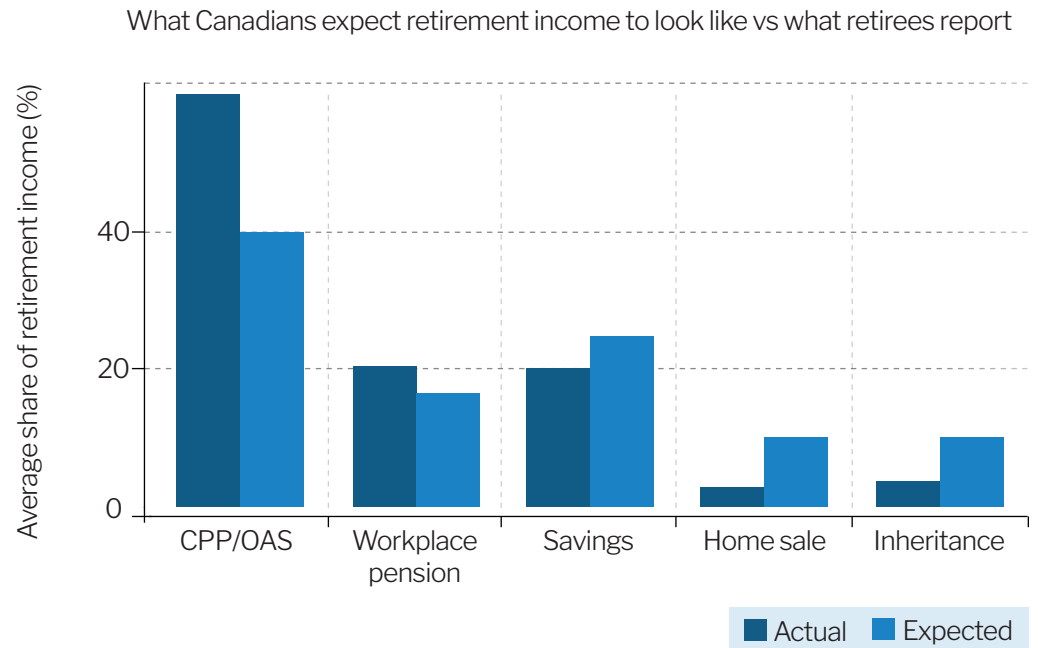
of working Canadians expect savings to be their primary source of retirement income.

15%

of retirees actually rely on savings as a primary income source.

58%

of retirees primarily rely on CPP/OAS.



What this tells us:

Canadians are planning for a retirement reality that doesn't reflect how their income is actually generated. That gap shapes expectations, behaviour, and outcomes.

2. Pensions are core, not just icing on the cake

The difference between getting by and living well.

Key insight: Pensions are not a supplement. They are a foundational source of retirement income.

Data that backs this up:

- Retirees with pensions enjoy approximately \$2,750 more in average monthly household income than retirees without pensions (\$85,735 vs. \$52,570 annually).
- Among those who receive a pension, this retirement funding source makes up approximately half of total income (47.3%).
- Average DB pension income: \$43,967
- It's important to note that median income is different across both groups (pension/non-pension, **suggesting that pensions create a meaningful uplift in the retirement experience for most Canadians.**)

Retired group	Average household income	Median household income
No pension income	\$52,570	\$25,000
Has pension income	\$85,735	\$75,000

What this tells us:

Defined benefit pension plans that provide guaranteed retirement income can create more stability and predictability for Canadians in retirement, while often delivering stronger outcomes than individual savings approaches alone. They also reduce the complexity and financial risk many people face when planning for retirement on their own.

3. Many Canadians see retirement as a moving target

Canadians don't change their retirement goals, they adjust their timeline.

Key insight: Canadians don't close the retirement gap over time. Instead, they shift expectations. Rather than materially increase savings or change planning behaviour early, Canadians tend to delay key decisions and push retirement further out. They assume there will be more time to save.

Data that backs this up:

60

Average **ideal** retirement age

67

Average **expected** retirement age

This gap persists across most age groups/demographics:

Age	Ideal retirement age	Expected retirement age	Difference (years)
18-29	57	66	8
30-44	58	67	8
45-59	61	68	8
60-69	64	68	5
70 or older	70	77	6

What this tells us:

For many Canadians, a meaningful 7-8 year gap exists between the retirement they hope for and the one they expect will realistically happen. Rather than changing saving behaviour early, many people adapt by revising their retirement timeline and age expectation. In other words, the retirement target itself keeps moving. This suggests the challenge is not simply motivation or discipline. It is a predictable behavioural pattern shaped by uncertainty, complexity, and a retirement system that leaves many Canadians feeling they need more time to prepare.

4. The retirement system problem

Why retirement planning breaks down in practice.

Key insight: Today's retirement system relies heavily on individuals managing complex financial decisions on their own, even though most people are not equipped to navigate retirement planning consistently over decades. Individuals are expected to juggle a range of key factors such as managing investments and timing withdrawals, guessing lifespan, and considering adjustments for inflation.

Data that backs this up:



38% of Canadians without a workplace pension report **taking little or no action toward saving for retirement.**



60% of Canadians with less than \$50,000 income say they are **not saving for retirement at all.**



Pension plan members are nearly **4x more likely** than non-pension plan participants to use a full suite of retirement savings tools (such as TFSAs, RRSPs, and non-registered accounts).

What this tells us:

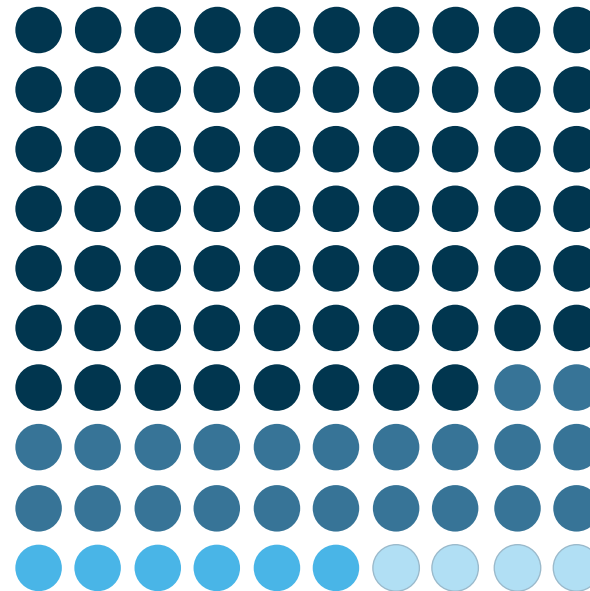
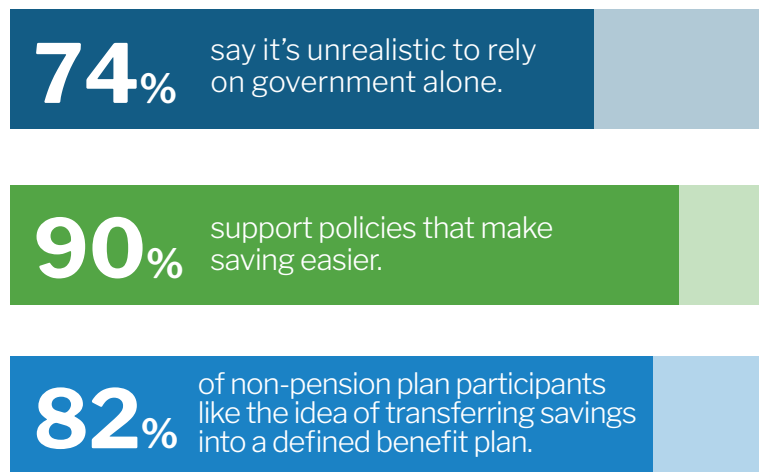
Without structure and support built into the system, even well-intentioned Canadians can struggle to achieve consistent retirement outcomes. What people often do instead is delay important financial decisions, avoid complexity, push retirement further out, and gradually adjust their expectations over time rather than materially changing behaviour early.

5. Government alone isn't the answer

Canadians want the government to help create more options.

Key insight: There is broad recognition that retirement security must extend beyond government programs.

Data that backs this up:



- 68% Self-reliant realists**
 - ✓ Support policy
 - ✗ Government cannot provide
- 22% Pragmatic optimists**
 - ✓ Support policy
 - ✓ Government can provide
- 6% Disengaged skeptics**
 - ✗ Oppose policy
 - ✗ Government cannot provide
- 4% Status quo believers**
 - ✗ Oppose policy
 - ✓ Government can provide

What this tells us:

Canadians are not simply looking for more government support. They are looking for better retirement solutions. The findings suggest strong openness to approaches that expand access, simplify saving, and provide more structured and predictable retirement outcomes.

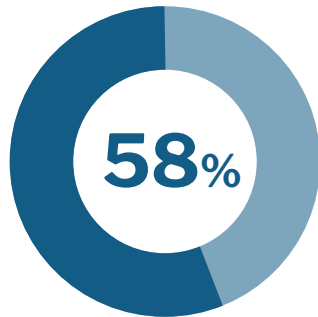
6. Access to workplace programs is the real barrier

Canadians have the will to save but they don't have all the tools.

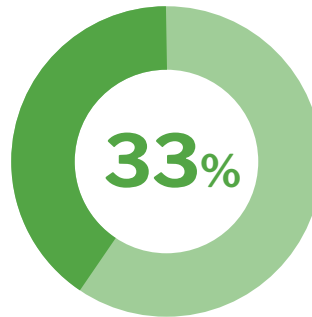
Key insight: Many Canadians want to save but lack access to the right tools. Without that access, people who are motivated to save are left navigating retirement on their own, often with less effective outcomes.

Additionally, workplace pensions don't just provide income. They help translate intention into action by making saving automatic and reducing reliance on individual decision-making.

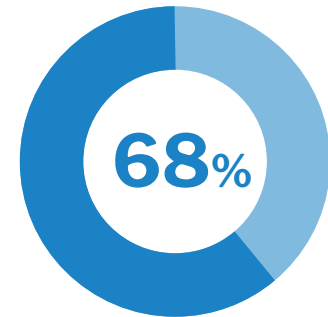
Data that backs this up:



58% of non-retired Canadians say lack of a workplace pension limits their ability to save.



33% of retirees say the same barrier prevented them from saving earlier in life.



68% of retirees who do not have a pension wished they had the ability to contribute to a pension plan earlier in life.

What this tells us:

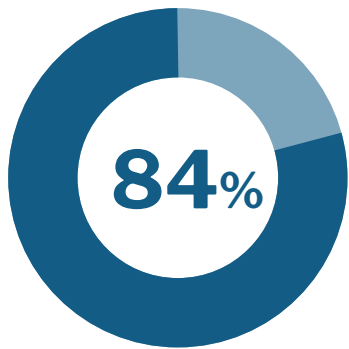
This is an access issue, not just a behavioural matter. When structured workplace program options aren't available for people, predictable retirement outcomes suffer.

7. Retirement security is becoming a talent advantage

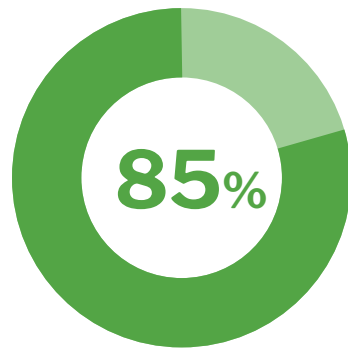
Pensions are a business lever that goes much deeper than a “benefit”.

Key insight: Pensions influence how talent chooses, experiences, and stays in jobs.

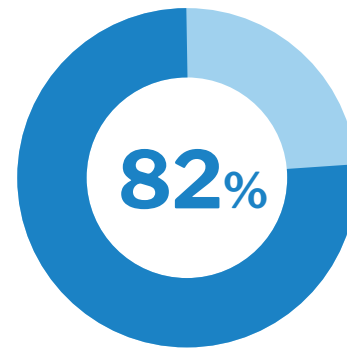
Data that backs this up:



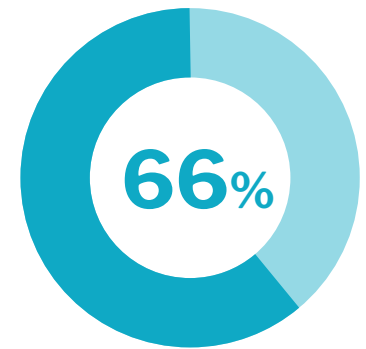
are more likely to take a job with a pension.



say pensions increase motivation at work.



of high earners (those earning more than \$200,000) agree they would be much more likely to take a job with an employer who offered a pension than one who did not.



A generational snapshot: 18–29-year-olds without a pension say they would contribute to a pension even without employer matching.

What this tells us:

Pensions are no longer viewed as just a retirement benefit. They influence where people choose to work, how supported they feel while they are there, and how long they stay. Increasingly, pensions are becoming a meaningful lever for talent attraction, retention, engagement, and long-term workforce stability.

8. Predictability is what Canadians value most

The psychological side of retirement is **not** just a number, it's a feeling of security.

Key insight: Retirement is as much about a sense of security (state of mind) as it is about income.

Data that backs this up:



87% say saving more would give them more peace of mind about the future



Support for better retirement saving systems is broad across demographic groups



Pre-retirees who expect pension income are more likely to say they are planning well for future retirement income needs than those who do not expect pension income: **57%** vs. **47%**



Among retirees, those with pension income are much more likely to say they planned well for retirement income needs than those without pension income: **77%** vs. **53%**

What this tells us:

Canadians are seeking more than investment returns. They want a retirement system that feels easier to navigate and more dependable over time. The findings suggest that structured retirement income can contribute to a stronger sense of preparedness, especially in retirement, when financial plans become lived reality.

9. The hidden power of pensions: sparking better retirement habits

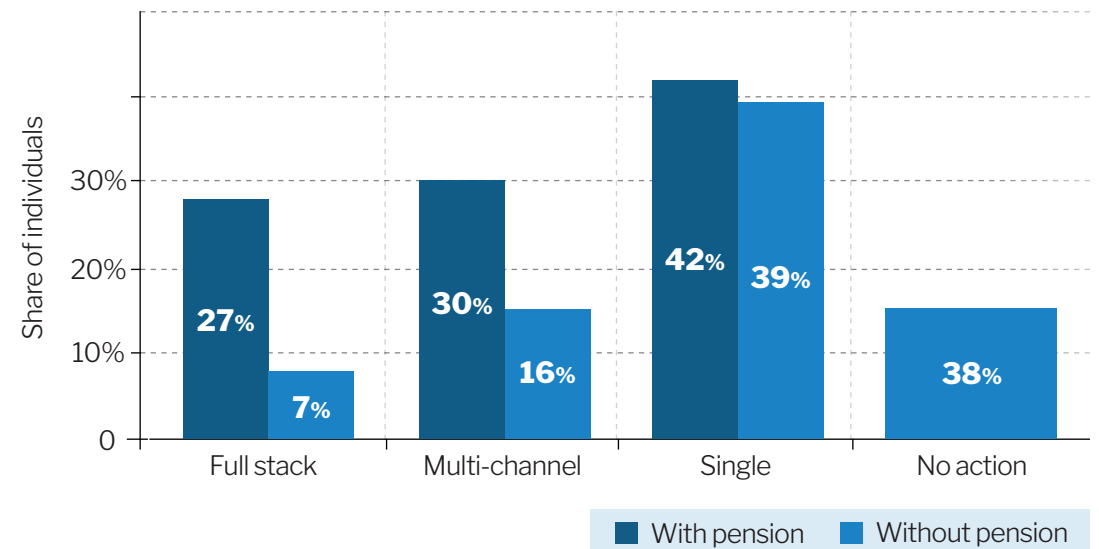
Canadians with pensions are more likely to use other tools to save for retirement.

Key insight: Canadians don't just save more when they have pensions. They engage more.

Data that backs this up:

- **27% of pension members** use a full suite of savings tools vs. just **7% without a pension**.
- **Canadians with workplace pensions** are significantly more engaged in retirement planning overall, with nearly twice as many using multiple savings approaches at the same time (**30% vs. 16%**).
- **38% of people without pensions** take no action at all.

Without pensions, inaction rises and comprehensive savings falls



What this tells us:

Pensions appear to create a foundation for better retirement habits by giving people a structured, automatic way to save. Without that structure, procrastination and inaction can arise, even among people who intend to save. Pension programs that automate contributions into a predictable flow of earnings tackle these behavioural barriers, giving Canadians a concrete sense of progress and confidence in their future retirement.

Closing thoughts

The opportunity ahead

The insights in this brief reveal a clear gap between what Canadians expect retirement to look like and the reality many are experiencing or preparing for. They also point to an opportunity to rethink how retirement works in Canada.

Retirement security should not depend on guesswork, market timing, or hoping your savings last long enough. It should be built on greater clarity, predictability, and outcomes people can count on.

A real opportunity exists to rethink how our retirement system is designed. It should better reflect how people actually behave, provide more predictability, and make retirement easier to navigate with confidence. That means expanding access to solutions, such as defined benefit workplace pensions, that deliver income security, simplify decision-making, and better support today's realities. We will all be better for it.



About CAAT

Established in 1967, the CAAT Pension Plan is an independent, jointly governed plan that offers highly desirable modern defined benefit pensions. Originally created to support the Ontario college system, the CAAT Plan now proudly serves more than 850 participating employers in 20 industries, including the for-profit, non-profit, and broader public sectors. It currently has more than 125,000 members.

The CAAT Plan is respected for its pension and investment management expertise and focus on stability and benefit security. On January 1, 2026, the Plan was 124% funded on a going-concern basis.

Learn more at:
caatpension.ca



About the research

The research was conducted by Spark* through an online survey of 3,317 adult residents of Canada aged 18+. The sample was nationally representative, and the survey was fielded from November 30 to December 5, 2025. The approximate margin of error is ± 1.7 percentage points, 19 times out of 20.

This material is for informational purposes only and does not constitute financial, investment, or legal advice. ©CAAT Pension Plan

