

Canadians worried about the viability of pensions: poll

March 1, 2010 | 12:42

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Seven in ten Canadians fear the future of private pension plans is at risk, according to a recent Nanos Research poll for Policy Options.

The poll found 38.4% of Canadians named job creation as their first priority, followed by 21.1% with debt reduction while 15.5% chose tax relief. Only 12.5% of respondents said strengthening pensions was their top concern.



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“For the moment, Canadians are more concerned about the economy, debt reduction and even tax relief than they are about their public and private pensions,” pollster Nik Nanos, president of Nanos Research, said in a statement Monday.

“But, the dark cloud on the horizon is their worry about whether pension money is going to be there when they need it. The anxiety of Canadians on pensions churns below the water line, and it runs deep.”

More than half of respondents are confident the Canada Pension Plan/Quebec Pension Plan will be able to deliver promised payments to pensioners going forward. About four in ten were less confident or not at all confident.

When asked whether the CPP/QPP would have to reduce payments in the future, nearly two in three, or 62.9%, said this was likely or somewhat likely.

As a recent Quebecor Media Inc. special on pensions illustrated, the CPP/QPP was designed to provide 25% of pre-retirement income for the average earner. And most experts agree the federal plan is well funded.

But the CPP/QPP does little to replace the income of higher earners.

When asked the same question about private pension plans having to reduce payments to pensioners, the number of people who thought it was likely or somewhat likely rose to 69.6%.

In other words, seven Canadians out of ten believe the viability of private pension plans is at risk.

As company pension plans become less commonplace and rising household debt takes a toll on registered savings plans, there's fear Canada's aging middle-class could find itself in the middle of a pension crisis.

The survey found only one Canadian in four is confident of their liquidity levels in the future.

“There is a very high level of concern that both public and private pension plans will have to reduce payments to pensioners in the future in order to remain solvent,” Nanos said.

“There's no question that the viability of public and private pensions is tomorrow's next big public policy issue.”

Nanos Research randomly polled 1,001 Canadians via telephone between Feb. 5 and 8.

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