



## CPP Pension Users: 3 Alarming Facts About Retirement

### Description

The survey results of the Sun Life Barometer by **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) came out in 2019 or before the global pandemic. The poll is about the [future financial security](#) of Canadians. Nearly half (47%) of the respondents believe there is a serious risk they could outlive their retirement savings.

About 44% of working Canadians also expect to be in full employment at age 66. Approximately 23% of Canadian retirees describe their lifestyles as frugal. The survey results give an insight into the sentiment regarding retirement. Sadly, 75% of working Canadians don't have a [financial plan](#).

With the global pandemic still around, retirement decisions become more difficult, if not terrifying. If the stats scare you, it would be best to start thinking about retirement. The alarming facts about retirement should also motivate you to take action.

### 1. Decades-long retirement period

Canadians are living longer these days. For 2021, the life expectancy in Canada is 82.66 years. If you have healthy genes like many baby boomers, you could live past that age. Knowing how long your retirement years could last is a positive step. You can't come up short on retirement savings if you were to enjoy a comfortable lifestyle in the sunset years.

### 2. Debts ruin retirement

The goal during your productive years should be to zero out debts before you retire, especially mortgages. Debts could ruin retirement if you don't have a repayment plan in place. Many don't even have a payoff target date, which is crucial if you're securing your financial future.

Remember, carrying consumer debt into retirement reduces the monthly cash flow available to retirees. Because of interest costs, you face drastic lifestyle change to make ends meet or cope with rising costs of living and medical expenses.

### 3. Pensions are not enough

The Canada Pension Plan (CPP) and Old Age Security (OAS) are not enough to live on in retirement. You need to supplement both pensions if you expect a decent quality of life. A financial crisis looms if you don't act with resolve.

Canadians can save for retirement or build wealth over time through the Registered Retirement Savings Plan (RRSP) and the Tax-Free Savings Account (TFSA). If you've been saving, let the money work and invest in income-producing assets. Sun Life Financial is an excellent dividend stock for would-be and current retirees.

The \$37.48 billion company is a well-known global insurer but has transformed into a financial services organization. Aside from insurance, Sun Life also sells or provides wealth and asset management solutions and customized health programs to millions of consumers globally.

Because the business is highly diversified by product, geography, and client base, Sun Life Financial can navigate and endure market volatility and uncertainties. If you were to invest today, the insurance stock pays a respectable 3.41% dividend. Canadians with \$150,000 worth of shares can derive a substantial \$5,115 in passive income annually.

### Aim for solid financial footing

Saving for retirement is a challenge, but it's never too late to begin. If you do an excellent job at it, you'll be on a solid financial footing, not a sad financial state.

#### CATEGORY

1. Dividend Stocks
2. Investing

#### TICKERS GLOBAL

1. TSX:SLF (Sun Life Financial Inc.)

#### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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