A Whopping 56% of Canadians Have Lost Faith in Their Retirement Plans: What Should They Do?

Description

Retirement has never been easy to do well. But it has become increasingly difficult within the last year of inflation. Many Canadians have admitted not having the financial stability to save for retirement, with over half having to give up their RRSP contributions for 2022.

A recent survey by Pollara Strategic Insight for **Bank of Montreal** has revealed another alarming statistic. Over half of Canadians, or around 56%, have lost faith in their ability to save for retirement. This lack of faith has led Canadians to push back their scheduled retirement dates, citing inflation as their number one concern.

While there's little we can do about inflation — aside from adjusting our budgets and expecting higher costs — you don't have to give up on your retirement plan. For those feeling particularly pessimistic about retirement, here's how you can recalibrate your plan and get back on track.

Revisit your retirement numbers

Perhaps the best place to start is with current retirement plan (if you have one). Take a look at your retirement accounts, such as your TFSA and RRSP, as well as any money you've accumulated elsewhere. Look at your investments and even consider the value of your assets, like real estate or other property.

If you have less than you wanted at this age, you can do one of the two things: you can contribute more or you can work longer. And if you don't have the financial means to do the former, you might just have to accept the reality of the latter.

Of course, times do change, and you might find yourself in a good financial position later. In other words, you might be able to make up for what you're not contributing now at a certain point in the future.

Rebalance investments

Now might be a great time to revisit your investment portfolio and possibly change your asset distribution.

For those with more time before retirement — say, 10 years or longer — you might want to invest a bit more aggressively to make up for the money you've lost. That could mean buying quality growth stocks or looking for value stocks. In fact, now might be a good time to buy stocks on a discount, as many great companies have fallen from previous highs.

Of course, you should look for stability, too. You don't want to lose money; rather, you want to grow it. Grounding your portfolio in a good mix of stocks, bonds, and funds (ETFs and index) as well as other investments, such as commodities and cryptocurrency, could help it have an edge, while also being properly diversified to hedge against market downturns.

In sum, invest wisely, but don't be too bearish. Be on the lookout for great stocks, especially those that have yet to hit their stride, and keep your investing fees low, too, by using only Canada's best brokerage accounts.

Take a look at pension benefits

Finally, be sure you have a good estimate of what you'll receive from your pension. This includes government-sponsored pensions, such as the CPP, as well as workplace pensions, if you have one.

To get an estimate of government-sponsored pensions, log in to your My Service Canada Account, where you can find your total contributions as well as an estimate of what you'll likely receive. You can also use the Canadian Retirement Income Calculator to get a rough estimate of how much total retirement income (including your savings, investments, and pensions) you can expect to have.

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