

Managing Your Money and Savings

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Let's Start With Your Thoughts

What is financial wellness?

What Is Financial Wellness?

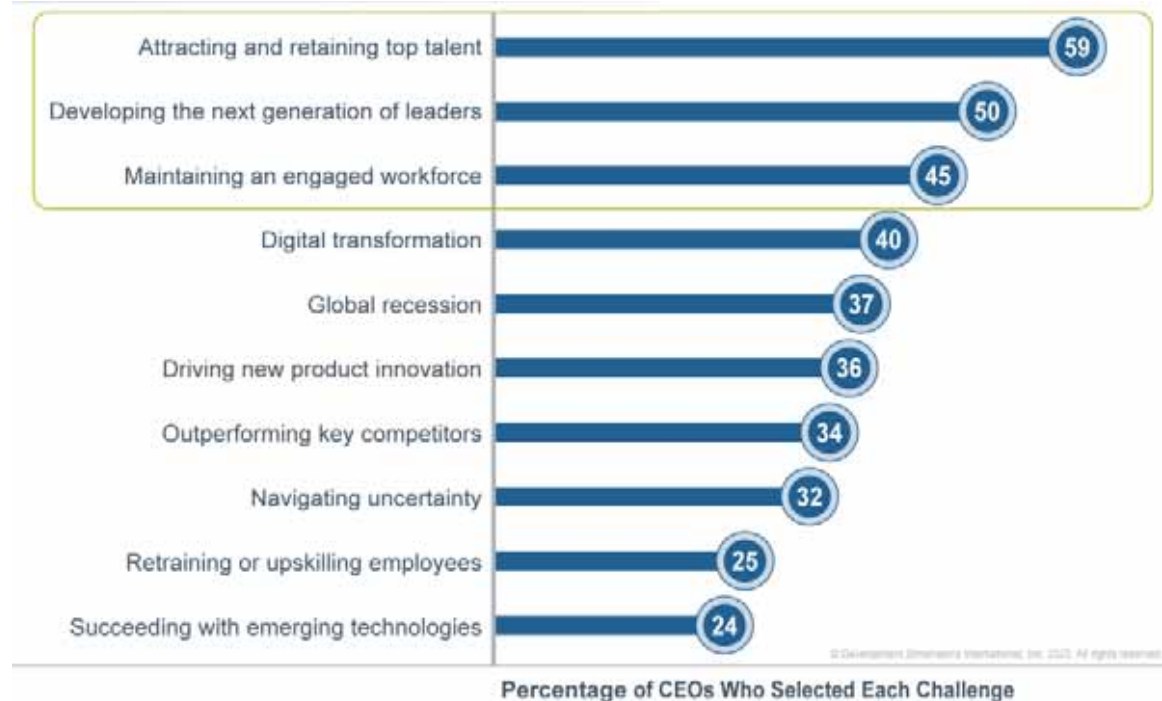
- Unique based on a financial situation
 - Financial stability
 - Individual and family impact
- The key is to build financial resilience
 - Workplace support

Top CEO Concerns

71%
Want to leave
their job

Half
Financial stress

76%
Nearing retirement



Source: Hays 2024 Salary Guide, 2024
Nearing retirement, Statistics Canada, 2022

Organizational Impact

For an organization with 200 employees, employee distraction due to financial stress could cost **\$1,000 per employee or just over \$200,000 every year.**

Source: <https://www.canada.ca/en/financial-consumer-agency/services/financial-wellness-work.html>

The Big Picture

65%

Worry about money

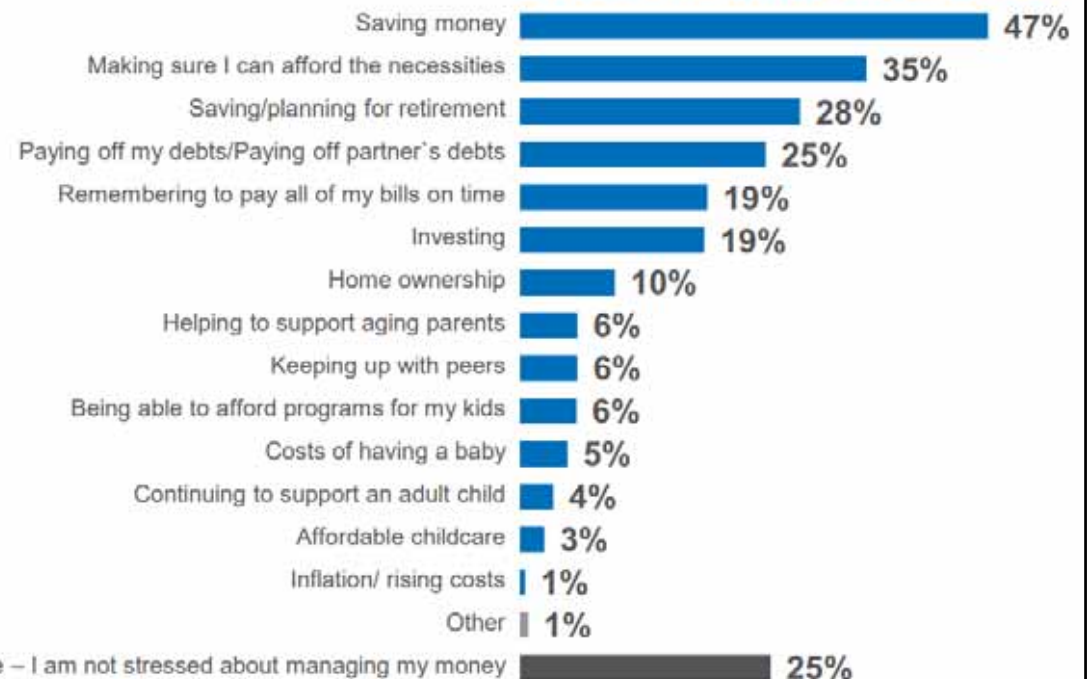
68%

Concerned about debt

76%

Borrow to cover day-to-day expenses

Stress of Managing Money



Source: Thriving or Surviving Study, 2022, Chartered Professional Accountants Canada

The Gender Gap

	Men	Women	Gap
Contribution*	\$9,578	\$5,421	-43%
Savings [†]	\$62,040	\$21,638	-65%
Confidence [‡]	37%	22%	-40%

Source: Closing the Gender Gap in Retirement Savings, 2022, T.Rowe Price

Canada's Gender Pension Gap

- Women receive **83 cents** for every dollar men receive in retirement income*
- The gap is not closing: 17%, compared to 15% nearly half a century ago

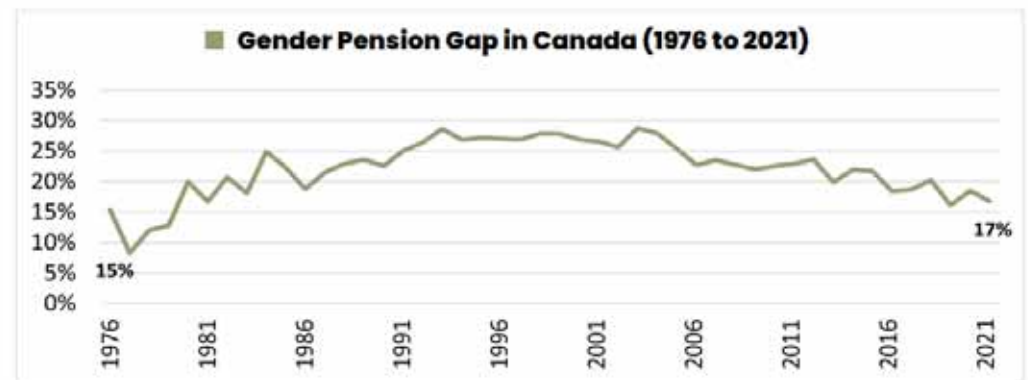
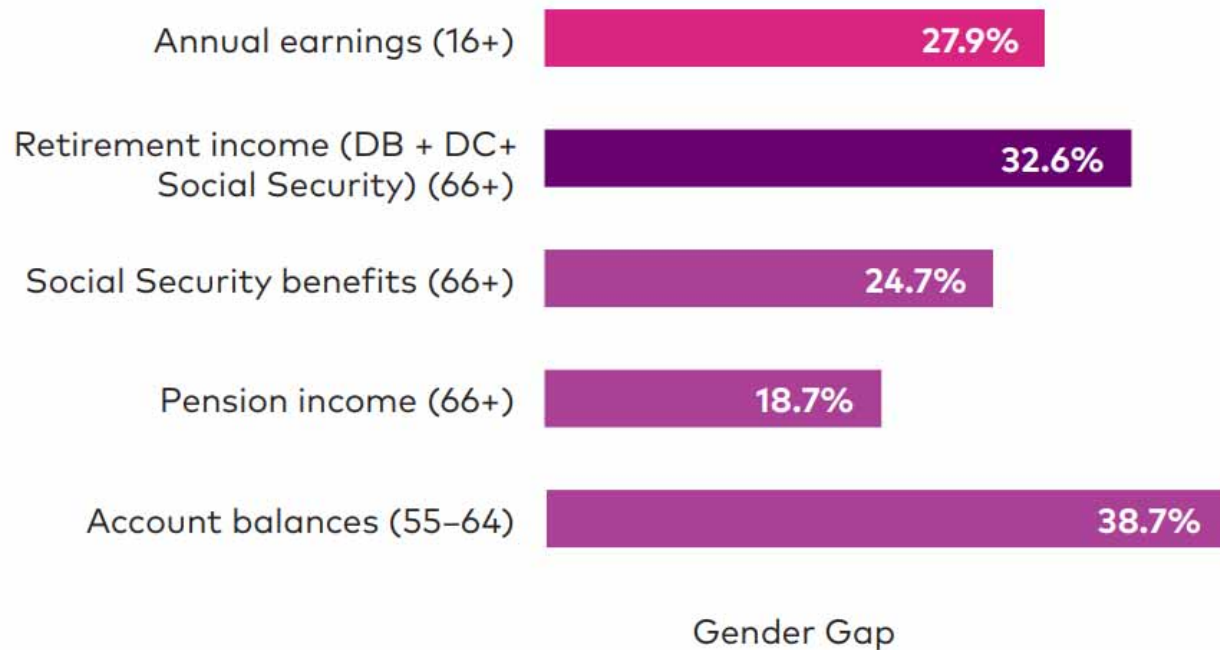


Figure 1.1. Source: Ontario Pay Equity Office, based on Statistics Canada, Table: 11-10-0239-01, Income of individuals by age group, sex and income source, Canada, provinces and selected census metropolitan areas, Age 65 and over +, in Constant 2020 dollars.

*Includes income from government pensions, workplace pensions and personal saving

Source: *Understanding the Gender Pension Gap in Canada 2024*, Ontario Pay Equity Office
The gender pension gap: Even after works ends, women must make do with less, *Globe and Mail*, 30 July 2024

U.S. Gender Pension Gap



Financial Wellness Problems to Solve

Behaviour

Increased
confidence

Knowledge

Thriving and
achieving

Income

Increased
coverage and
participation

Believing in the Possible

All

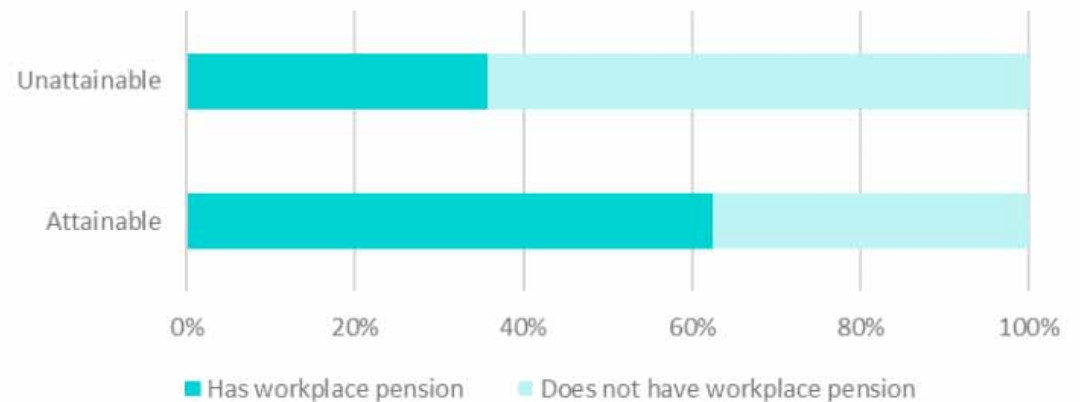
Unconnected to financial assets

Attainable

Choice, understanding the journey, transparency

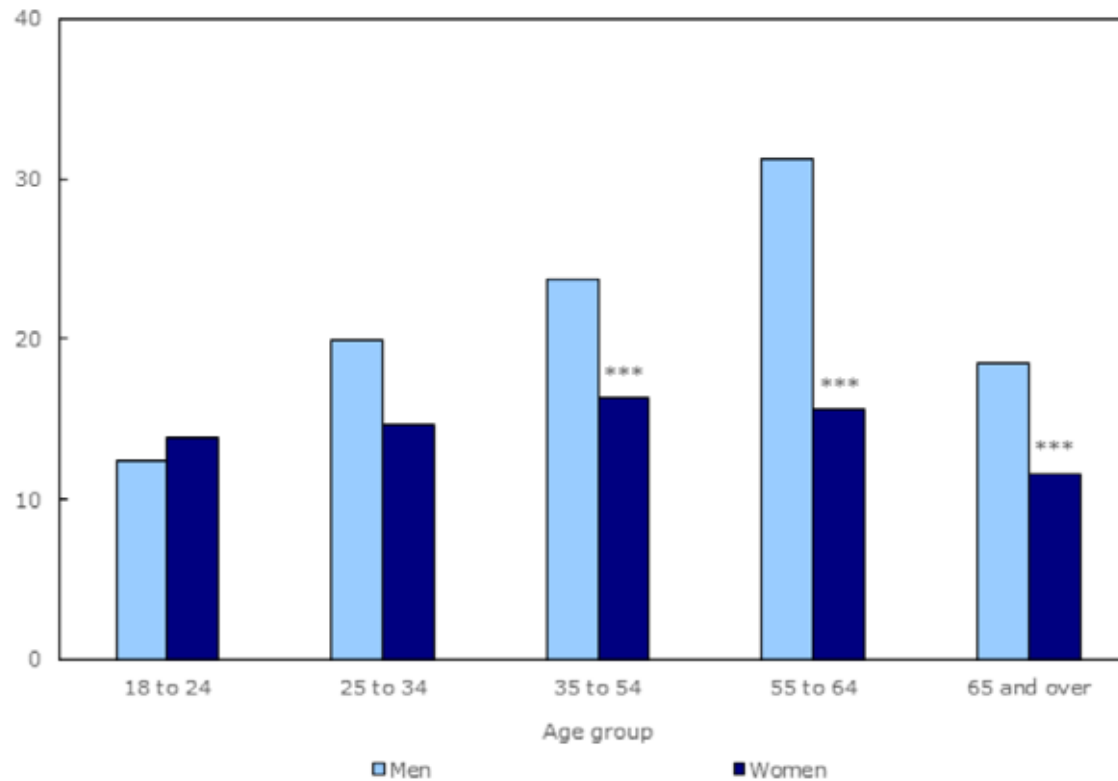
Unattainable

Invincible, boring, complex, confusing and not relevant



Source: Reframing Retirement, 2022, Fuse Strategy Partners

What Is Driving the Knowledge Gap?

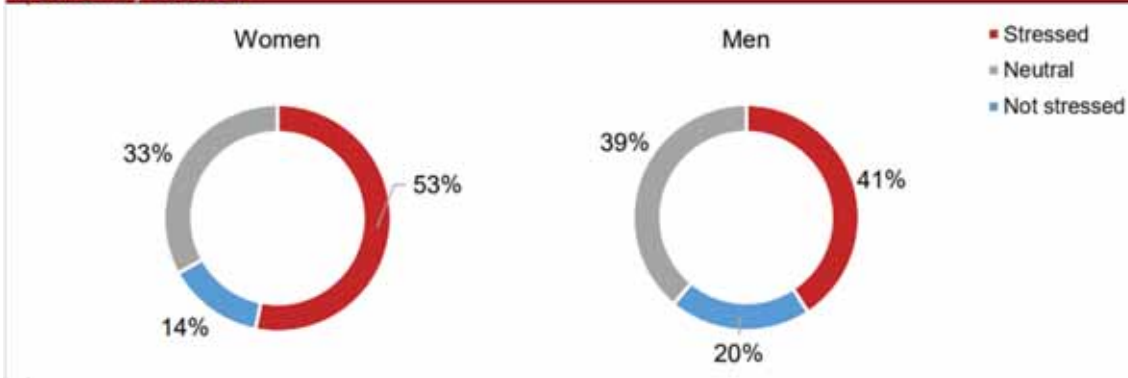


*** statistically different from the reference group (men) ($p < 0.01$)

Source: Statistics Canada, Canadian Financial Capability Survey, 2014.

Financial Security and Income

For each of the following statements, please rate your level of stress about saving for retirement: "Running out of money once retired." Please use a 10-point scale where 1 is not at all stressful and 10 is extremely stressful.



Pension Plan Features	2022	2016
	Desirable (8-10)	Desirable (8-10)
Using a scale of 1 to 10 where 1 is not at all desirable and 10 is extremely desirable, please rate the desirability of the following features of a pension plan or retirement savings plan.		
Having a retirement income that keeps pace with inflation	74%	71%
Having a retirement income that is guaranteed to last for my entire lifetime.	74%	74%
Having a retirement income that is monthly and predictable	73%	73%
Having a pension plan that will provide income if forced to retire earlier than planned	61%	62%

Source: *The Pensions Canadians Want: Perceptions of Retirement 2016-2022*, Canadian Public Pension Leadership Council

Modernized Retirement Savings

- Risk management
 - Investment
 - Longevity pooling
 - Income security
- Plan design features
 - Flexibility and accessible
 - Increased participation
 - Asset consolidation

Private pensions (where women's systemic disadvantage) accounts for the largest share of total retirement income.

Public pensions (where women do best) plays a smaller role.

Source: Understanding the Gender Pension Gap in Canada 2024, Ontario Pay Equity Office

In Summary

Learning	Action
Financial wellness is unique and fragile	Focus on financial resilience
Talent and cost impact financial wellness	Opportunity to add value through the workplace
Short term stress impacts long term stability	Financial wellness goes beyond stress and impacts mental and physical health
Simple, easy with smart defaults promotes positive outcomes	Consider if your workplace plan is too complex and how to simplify
Knowledge gaps are a significant barrier in saving for retirement	Simplify or eliminate decision making
Income in retirement causes financial stress	Evaluate decumulation
Modernizing workplace retirement plans will improve the gender pension gap	Evaluate how you can modernize your plan to focus on what matters most

Key Takeaways

Actions You Can Take

Focus on financial resilience

Opportunity to add value through the workplace

Financial wellness goes beyond stress and impacts mental and physical health

Consider if your workplace plan is too complex and how to simplify

Simplify or eliminate decision making

Evaluate decumulation

Evaluate how you can modernize your plan to focus on what matters most

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Session Evaluation

