

2026 Employee Savings Survey:

A demographic deep dive into the state of workplace savings

Canadian plan members share their views on their financial priorities in the current economic climate, shifting expectations around retirement and the use of AI

BY JENNIFER PATERSON



In its sophomore year under its new branding, the Employee Savings Survey (previously known as the CAP Member Survey) reflects the changing landscape of workplace savings programs as plan members face competing financial priorities and employers step up to expand their offerings.

Going even further, some of this year's results were broken down into different age groups, genders and income groups to explore the unique perspective of different demographics, including how the current economic environment is impacting their personal financial situations, how they perceive their workplace savings plans and their retirement expectations, as well as how they feel about the use of artificial intelligence.

Financial priorities continue to shift amid uncertainty, high cost of living

This year's survey found fewer plan members consider their personal financial situation significantly or somewhat better than last year.

Indeed, that percentage dropped from 42 per cent in 2025 to 34 per cent this year. However, those who described it as significantly worse or somewhat worse was also down — from 26 per cent last year to 22 per cent this year.

"The number of people who feel better off has declined and the number of people who feel worse has reduced," said Jimmy Carbonneau, national director of group retirement, group insurance and group annuity plans advisor at AGA Benefit Solutions, during the webinar. "Do they cancel each other out? I'm not sure, but there's definitely a form of levelling off."

He referred to the post-pandemic financial concept of the K-shaped economy, the idea that the wealthy are getting wealthier and the less wealthy are getting poorer. The concept is now being replaced by the E-shaped economy, he said, where wealthy people keep up their consumption and less wealthy people are levelling off.

Connecting these financial concepts to pension plans, Carbonneau noted the Canadian Association of Pension Supervisory Authorities' updated capital accumulation plan guideline highlights the importance of members and emphasizes that plan sponsors should know their employee demographics. "That membership, as we see in the numbers, might be divided into sub-groups. Design your plan and communicate to each of them accordingly."

For the first time, the survey asked plan members how the cost of living has impacted their personal financial situations, with

Benefits Canada convened four experts to discuss the survey results in the virtual Employee Savings Summit on March 30, including:

- **Jimmy Carbonneau**, national director, group retirement, group insurance and group annuity plans advisor, **AGA Benefit Solutions**
- **Tawnya Duxbury**, assistant vice-president, products and solutions, workplace retirement, **Canada Life**
- **Dean Newell**, vice-president, **Actuarial Solutions Inc.**
- **Angela Rawal**, principal, pension programs, **Export Development Canada**

a majority (61 per cent) saying somewhat or very negatively. Those with household incomes between \$60,000 and \$99,000 were the most likely to agree, at 76 per cent, followed by those in the highest income bracket (more than \$150,000) at 63 per cent. Respondents with household incomes lower than \$60,000 were the least likely to agree, at 46 per cent.

“The under-\$60,000 households are typically more likely to be younger demographics, possibly living at home or with roommates to share some of the cost factors,” said Tawnya Duxbury, assistant vice-president of products and solutions for workplace retirement at Canada Life. “And the added element is they’re the least likely to own a home. . . . They’re a little

bit more sheltered from that housing cost element.”

The group that ranked the highest was the “middle squeeze,” she added, noting Canada Life’s own surveys and data show middle-income households are feeling the strongest pinch because they don’t have as much discretionary income.

For several years, the survey has asked respondents to rank their top financial priorities, with paying for day-to-day expenses repeatedly taking the top spot. This year, saving for retirement was up five percentage points — from 42 per cent to 47 per cent — and creating an emergency fund was up three percentage points — from 36 per cent to 39 per cent.

Over the past few years, there has been a noticeable shift in people prioritizing both emergency and retirement savings, said Dean Newell, vice-president of Actuarial Solutions Inc., highlighting several factors. These include the recent economic environment and the reality of financial vulnerability, as well as job losses, reduced hours and unexpected expenses, which demonstrate the importance of adequate savings. “As a result, emergency funds are now seen as essential and not optional.”

At the same time, inflation and cost pressures have increased uncertainty, he added. “When everyday expenses rise and debt becomes more expensive, households naturally value liquidity and financial buffers. Emergency savings provide short-term protection while retirement savings address the long-term security.”

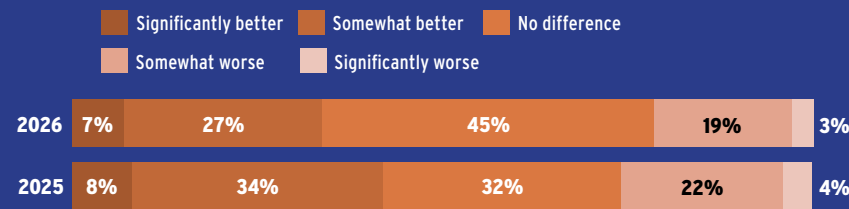
Shifting retirement expectations

Looking at the survey’s results around retirement expectations, this year saw a significant drop in the amount plan members felt they need to have saved by the time they retire — from around \$1.4 million in 2023, 2024 and 2025 to \$976,835 this year.

Breaking down the demographics, younger and middle-aged respondents reported requiring just over \$1 million on average, while those aged 55 and older were more likely to cite a much lower amount. “The mean dropped by 31 per cent, but the median dropped by 50 per cent,” said Carbonneau, noting the shift

The current state of personal finances

Compared to last year, would you say your personal financial situation is ?



In your view, how has the cost of living impacted your current financial situation?

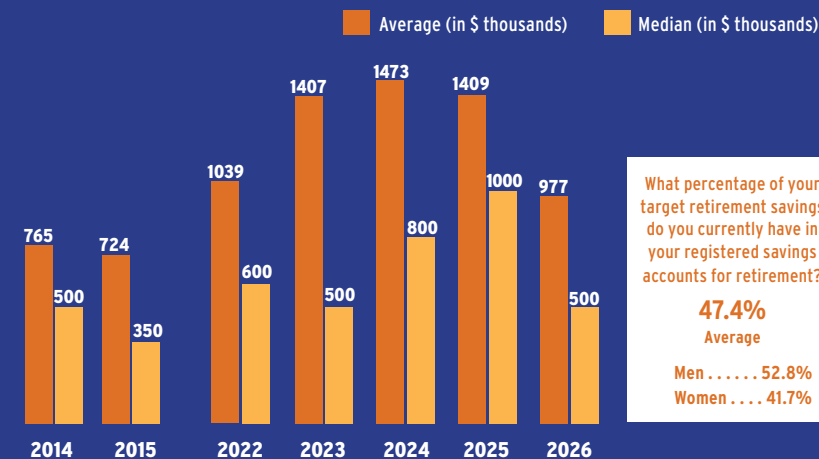


Negative impact by household income	
<\$60K	46%
\$60K-\$99K	76%
\$100K-\$149K	58%
\$150K+	63%

BASE: N=500

Estimated retirement savings needed

To have the standard of living you expect to have, how much money do you feel you’ll need to have saved by the time you retire?



What percentage of your target retirement savings do you currently have in your registered savings accounts for retirement?

47.4%
Average

Men 52.8%
Women 41.7%

BASE: 2026 N=500; 2025 N=500; 2024 N=500; 2023 N=500; 2022 N=500; 2015 N=1209; 2014 N=1203;

reflects a recalibration. “Most people have decreased their expectations.”

Strictly looking at the numbers, these results look drastic, he noted, but if plan members’ finances have been well-managed — with debt under control and their lifestyle adjusted — perhaps having less money won’t make them any less happy.

The fundamental question is whether plan members are recalibrating their expectations or giving up, he added. “If it’s all well-intended and calculated, this is good. People are recalibrating. If not, then we have an issue.”

Export Development Canada consistently works on helping plan members determine how much they’ll actually need in retirement, said Angela Rawal, the organization’s principal of pension programs. “We’ve focused on making sure plan members have good retirement calculator tools that can help them determine how much they can expect that lump-sum balance to provide in terms of annual retirement income.”

However, she also highlighted the importance of employees thinking of their own individual circumstances, noting these may evolve over time. “It’s really interesting to see that the estimated retirement savings needed has dropped. I wonder if this is a result of more accurate tools, . . . but we’ll continue to do what we can as a plan sponsor to give employees access to those tools that can help to pinpoint their retirement needs.”

This year, plan members were asked how much of their targeted retirement savings is currently in their registered savings account. The response across all respondents was 47.4 per cent, but it was slightly higher for men (53 per cent) and slightly lower for women (42 per cent).

“That didn’t really surprise me,” said Duxbury, noting women typically have about 55 per cent of the assets that men hold in their retirement savings and it hasn’t changed significantly in the last 10 years. This is likely a reflection of several factors, she added, including the gender pay gap, ineligibility for part-time workers and the higher likelihood of women taking career breaks for caregiving responsibilities.

Another factor that’s often overlooked is women’s investment behaviour.

“Women tend to be more conservative in their investments. Even in a target-risk fund, males are picking the more aggressive fund, . . . while women will generally pick more conservative or balanced investments, so they don’t get the same compounding.”

The survey also asked plan members what percentage of their retirement income they expect to come from government sources such as the Canada Pension Plan/Quebec Pension Plan, old-age security or guaranteed income supplement. In 2021, the last time this question was asked, the response was 22.3 per cent, similar to previous years. But this year, the percentage nearly doubled to 41 per cent.

In addition, the survey found a third (31 per cent) of respondents reported an excellent or very good understanding of the financial impact of starting CPP/QPP before age 65 or delaying it to age 70. “It’s encouraging to see a large percentage of plan members report having a good understanding of the CPP,” said Newell. “However, it’s important to look closely at what that understanding represents.

“I suspect most members understand the basics — that benefits can start between age 60 and 70, that starting early reduces payments and delaying increases them — but what’s likely missing is a true appreciation of how permanent those adjustments are and how CPP timing interacts with their DC account balance.”

Export Development Canada tries to anchor its retirement education in the outcomes rather than the mechanics, said Rawal. “Instead of focusing only on contributions and balances, we frame those conversations around what those savings will mean over time and how the workplace plans interact with other forms of income, like CPP or OAS.”

In terms of the government programs, the organization consistently directs employees to the federal government’s tools for estimates on their entitlements because it helps to ensure people are working with accurate data and making informed decisions. “I know a lot of plan sponsors put estimates of CPP entitlements on their annual statements and those typically rely on the average or maximum CPP benefits paid out. But this may not reflect these individual employees’ realities.”

Communications and the move to AI

According to this year’s survey, email remains the most effective way to communicate to members regarding their workplace savings plans across age, gender and household income groups.

Looking deeper, social media was cited by more young members (14 per cent for those aged 18 to 34) compared to their older counterparts (six per cent for those aged 35 to 54 and just three per cent for those aged 55-plus).

Communication depends on two things: consistency and relevance, said Carbonneau. For plan members younger than age 35, the preference to receive communications via Instagram or TikTok shows relevance. “They like piecemeal information [that’s] punchier. Therefore, knowledge and information is built over time.”

It’s time to level up communications, he added, noting information is one-way and communications is two-way, which creates a feedback loop. “Nowadays, that feedback — especially with technology — allows us to measure open rates, click rates, device use and so on. It tells us what’s relevant to whom and when. . . . People are seeking something they can understand and [use it to] make optimal decisions.”

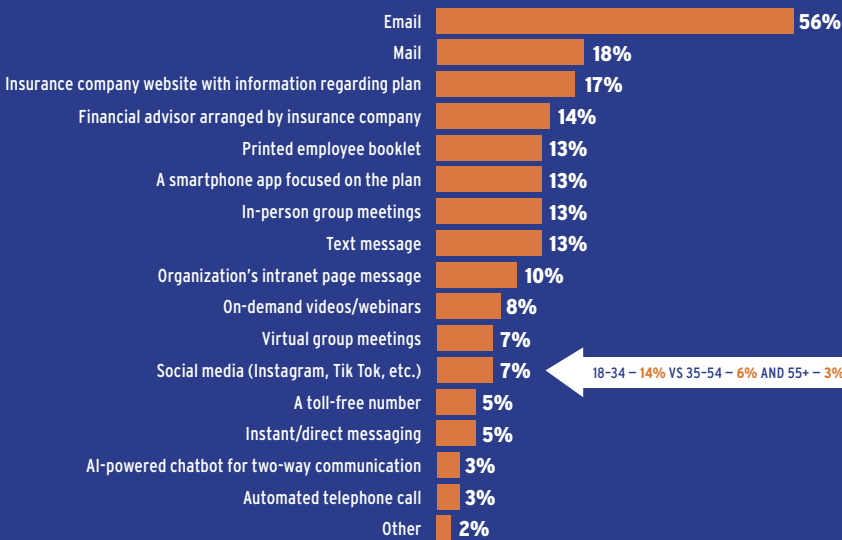
Export Development Canada aims to keep its communications practical and employee-focused, said Rawal, noting it recognizes that plan members have different levels of interest and engage in different ways. “We use a mix of channels and formats and aim to keep all of our communications clear, relevant and easy to act on as well.”

Looking at people’s level of trust for information provided by an AI chatbot or robo-advisor through their workplace savings plan, the survey found a fifth (19 per cent) said they trust this information fully. Men (26 per cent) were twice as likely as women (13 per cent) to trust this information, while younger members were also more likely than their older counterparts.

“If the ‘trust fully’ group is looking at it to help simplify language, help understand their plan design [and] help direct them where to find forms or contacts, then that high percentage makes sense,” said

Effective ways to communicate

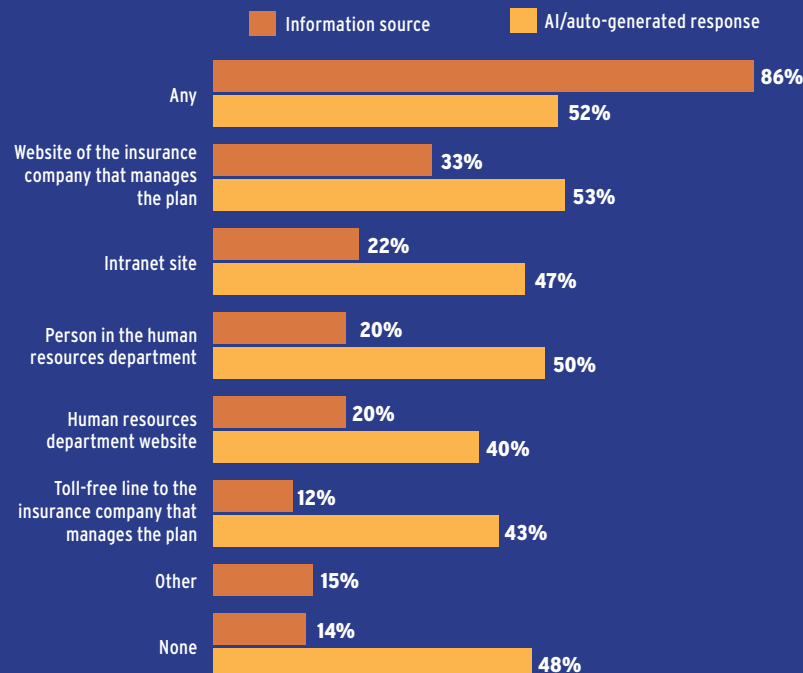
For you personally, what are the most effective ways to communicate to you regarding your workplace savings plan(s)?



BASE: N=500

AI- or auto-generated response to plan inquiries

In the last year, have you sought information regarding your workplace savings plan from any of the following sources? For each of the sources you went to for information regarding your workplace savings plans, which ones provided you with an AI- or auto-generated response?



Q49/Q15 BASE: N=500; Q50 BASE: Varies dependent on number who used information source

Duxbury. “Generally speaking, when you take the ‘trust fully’ bucket and the ‘trust somewhat’ bucket together, it tells me people aren’t resistant to AI, they’re open to it. But I see that as they’ll use it more as a tool.”

The survey also found a significant majority (81 per cent) of plan members said they haven’t used AI for financial advice outside of their workplace savings plans. Its use was highest among young respondents — 32 per cent among those aged 18 to 34 compared to nine per cent among their oldest counterparts. As well, those in the lowest income group (less than \$60,000) were the most likely (31 per cent) to have used AI for financial advice.

Highlighting the fifth (19 per cent) of respondents who reported using AI for financial advice outside of their workplace, Newell said it shows a measured and responsible experimentation with the technology. “It’s important to distinguish between whether folks are using AI for information or advice. While they may use AI tools to learn, explore scenarios [and] build stronger understanding, people may be far less willing to rely solely on AI as the source of advice for major financial decisions.”

It’s important for plan sponsors to consider how their employees may use AI in the context of financial or retirement planning, said Rawal. “That may mean they’re forming impressions of our pension and savings plans based on summaries or explanations that we didn’t create ourselves.”

Considering how plan members are using AI has helped Export Development Canada think about the quality of its communications, she added. “We’re going to be even more focused on keeping our internal websites, plan documents and reference materials clear, current and consistent, because those materials would be the baseline that employees — and AI — draws from when interpreting how our plans work.”

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