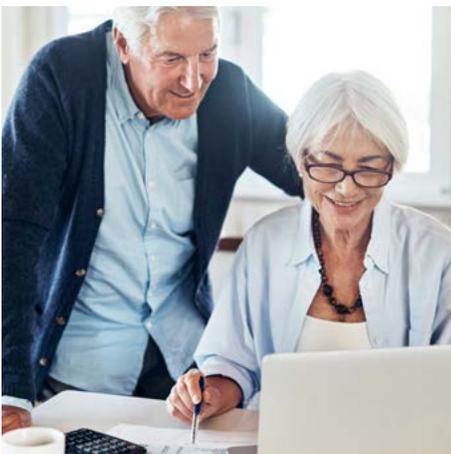


Edward Jones®



The Four Pillars of the New Retirement

Health Family Purpose Finances



An Edward Jones and Age Wave Study



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Welcome Letter

To our Canadian clients, colleagues and communities:

The timing, shape and meaning of retirement are transforming. Once viewed as a time to wind down, retirement is increasingly a time of new choices, new freedoms, new purpose and new challenges.

Edward Jones is proud to have partnered with Age Wave on this comprehensive five-generation study including a survey of 9,000 adults in Canada and the U.S. The findings that follow are from Canadian respondents. We sought to more deeply understand the retirement-related hopes, dreams and fears of our clients, their families and our communities. We explored a new, holistic framework, with a deep examination of the four central “pillars” for living well in retirement—health, family, purpose and finances. And when COVID-19 surfaced, we paused and adjusted our survey in order to incorporate a close look at how the virus is impacting people’s lives and retirements.

Edward Jones and its 19,000 financial advisors and branch teams work every day to help make a meaningful difference in the lives of our 7 million clients. Understanding the way our clients are viewing retirement improves our ability to serve them in a human-centered way and help them each achieve what’s most important to them and their families.

While retirement was transforming in many ways long before COVID-19 entered our lives, this pandemic has accelerated some key retirement trends and cast each of the four pillars in a new light. This landmark study reveals that, more than ever before, retirement is far more than a destination or an end point; it’s the beginning of a new journey filled with new twists and turns as well as new possibilities and new questions. And our study

has given us a fresh appreciation into how resilient we—especially older adults—are in facing life’s challenges.

A sample of key insights from the Canadian report:

- Nearly nine in ten Canadians feel that there should be more ways for retirees to use their talents and knowledge for the benefit of their communities and society at large
- Almost three-quarters of those who plan to retire say they have no idea what their healthcare and long-term care costs will be in retirement
- 1.8 million Canadians have provided financial support to adult children due to the COVID-19 pandemic
- Sixty-three percent of retirees are willing to provide that financial support even if it jeopardizes their own financial future
- Alzheimer’s is the most feared health condition in later life among retirees, ranking higher than COVID-19, cancer, heart attack and stroke

This study and report are guided by Age Wave’s decades of experience investigating aging, longevity and retirement, and we’re openly sharing these findings with you, our clients and investors, associates, media, and the many stakeholders in our communities. As you think about these topics, we’ve included ways for you to engage with your family and your financial advisor, who can serve to help you live your best life leading up to and through retirement.

We hope you enjoy reading the report. We’d love to hear your thoughts on these findings; feel free to email us at NewRetirement@edwardjones.com. We wish you all the best for your own retirement, whenever—and however—you define it.



A handwritten signature in black ink that reads "Ken Cella".

Ken Cella
Head of Client Strategies Group
Edward Jones



A handwritten signature in black ink that reads "Ken Dychtwald".

Ken Dychtwald, PhD
Co-Founder and CEO
Age Wave

The New Retirement

The new retirement is becoming an exciting and fulfilling stage of life—full of new choices, new freedoms and new challenges. Some retirees may still see retirement as a time for rest and relaxation, but the majority call it “a whole new chapter of life” (Fig. 1). Retirees have *freedom from* many work and family responsibilities, and *freedom to* explore new options and pursue new interests.

Possessing the experience and perspective that come with age, retirees today want to explore and reinvent as they try new things, form new relationships, discover new purpose, and even forge better versions of themselves. Nine in ten retirees agree that “you’re never too old to achieve your dreams.” For most, the new retirement is also a time of happiness and contentment. Although these qualities tend to dip in middle age, they rise to new peaks as people get older.¹

Importantly, the new retirement no longer means the end of work, but rather having greater freedom to choose whether and how much one wants to work. More “retirees” are working on their own terms, often with renewed purpose. One-third of those



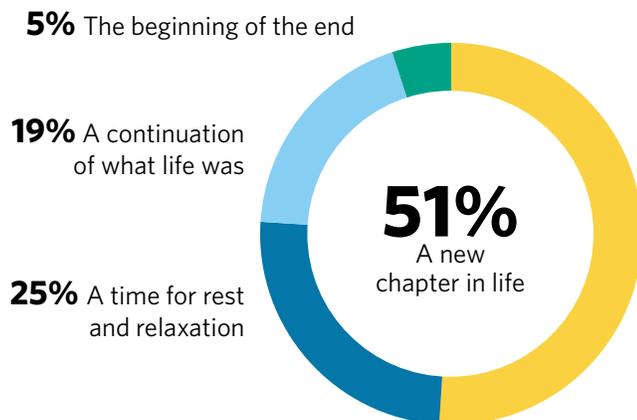
The New Retirement no longer means the end of work, but rather having greater freedom to choose whether and how much one wants to work.

planning to retire are interested in working in some capacity in retirement. And workers over age 65 are significantly more likely to say they are working out of choice rather than necessity.

What makes today’s retirement “new”? Increasing longevity means more people with longer retirements—making retirement a more important stage of life. Two-thirds of all the people who have ever lived past the age of 65 in the entire history of the world are alive today.² As the outsized Baby Boom generation moves into retirement (about half of Boomers are already retired), they are swelling the ranks and the economic, social and political weight of retirees. However, it’s not just the massive size of the Boomer generation that’s changing the face of retirement—it’s their attitudes and aspirations. Most have seen their grandparents and parents living rather low-key retirements, and they want to be more active, engaged, exploratory and purposeful in retirement. They enjoy more opportunities and more choices than any previous generation for shaping retirement to suit their needs and expectations.

Figure 1

Definition of the new retirement



Base: Canadian retirees

The Four Pillars

Our research—with experts, focus groups and surveys of retirees and adults spanning five generations—reveals the four key ingredients for living well in the new retirement. We call them the four pillars: health, family, purpose and finances.

Health. Physical health naturally declines with age, but our research shows that mental health—psychological and emotional—actually rises. Overall, our healthspans do not match our lifespans, with Canadians living in poor health an average of nine years. And cognitive or “brain” health is of supreme importance and worry for retirees. Alzheimer’s and other dementias are the conditions they fear the most—more than cancer, a heart attack, or even infectious diseases like COVID-19.

Family. Most retirees draw their greatest nourishment from family relationships. And for most Canadians today, family extends beyond blood relatives to include “families of affinity.” Generational generosity is the rule with many retirees willing to do whatever it takes, personally and financially, to support family members in need, even when it means sacrificing their own financial security. Retirees without close connections with family and friends face greater risk of physical and social isolation.

Purpose. Retirees with a strong sense of purpose are happier, healthier and live longer. They report deriving their strongest sense of purpose from spending time with loved ones. They also face a new challenge and opportunity: how to use their newfound “time affluence.” They don’t just want to keep busy; they want to spend their time in useful and rewarding ways. And a striking 89% of Canadians agree that there should be more ways for retirees to help in their communities.

Finances. The financial goal of the vast majority of retirees is not to accumulate wealth in itself, but to have sufficient resources to provide security and the freedom to live the lives they want. Many retirees find that managing money in retirement can be even more challenging than saving



for it. Even in today’s volatile market, retirees’ greatest financial worries are unexpected expenses and the cost of health care and long-term care. The key to financial preparation is looking holistically at how one wants to live in retirement, not just how much money may be needed.

These four pillars are inextricably interconnected. Social relationships and sense of purpose can dramatically impact health. The greatest source of purpose comes from spending time with family. Retirees commonly support adult children and other family members financially—or are supported in return. Healthcare costs are a financial worry, and financial stress can negatively impact health. Sound health and finances enable retirees to engage in the relationships and purposeful activities they value most. The list of interconnections goes on. Each pillar influences the others, and together they are mutually reinforcing.

The four pillars change in retirement. Health problems often arise in retirement, making it more important to be proactive about managing one’s health. Family relationships change, often becoming more dependent but sometimes more distanced. Purpose is no longer derived largely from work, and retirees must face the challenge and opportunity of their new time affluence. Finances shift from saving regularly to spending

judiciously and managing one's nest egg. Retirees must learn to manage these shifts in the four pillars.

All four pillars are essential. Each plays a significant role in the overall well-being of retirees. Those who report having higher quality of life also grade themselves higher in terms of health, family relationships, sense of purpose and finances. And those reporting lower quality of life grade themselves lower in each of the four pillars. Individually and collectively, these four pillars enable people to thrive in the new retirement.



When we look at retirees in aggregate, the news is mostly good. However, not everyone has the same chance at enjoying a high quality of life: 28% of the retirees we surveyed rated their quality of life as only fair or poor. A variety of life circumstances—including poor health, lack of family support, lack of purpose and financial struggles—can damage quality of life. Although the circumstances are sometimes outside an individual's control, there are still lessons to learn and positive actions that everyone can take to live the best life possible to and through retirement.

◀ **The greatest source of purpose comes from spending time with family.**

The COVID-19 Effect on Retirement

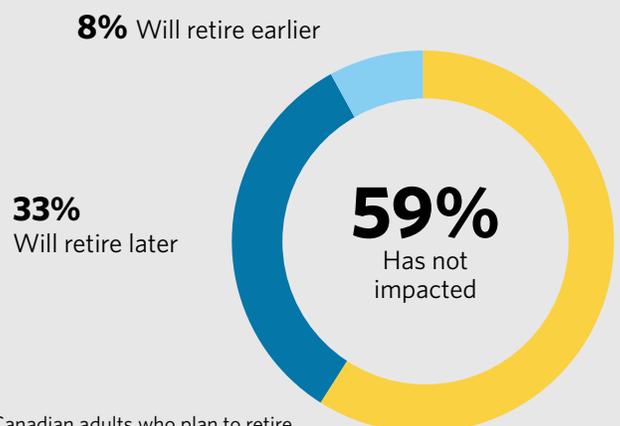
The coronavirus pandemic has disrupted the everyday lives, interactions and mobility of all Canadians. For millions of them, it has also disrupted work, careers and finances. And it has thrown into sharp relief what matters most in our lives, revealing people's adaptability and resiliency to work together to overcome the many challenges at hand. How is COVID-19 specifically affecting the new retirement?

Eight million Canadians say that COVID-19 has caused them to reconsider their retirement timing.³ One in three of those planning to retire are thinking about retiring later, predominantly for financial reasons: need for more income, reduction in savings, loss of investment value and increased uncertainty about how much money will be needed in retirement. Close to one in ten, however, are thinking about retiring earlier, often because they realized that they were looking forward to retirement,

or they want to spend time doing other things that are more important to them than work (Fig 2).

Figure 2

COVID-19 impact on retirement timing



Base: Canadian adults who plan to retire

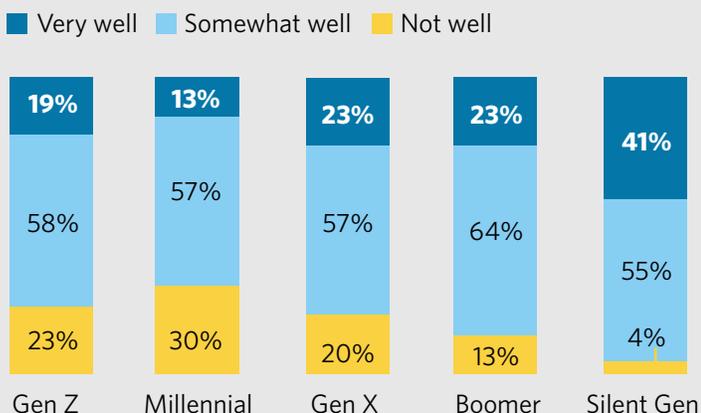
“Retirees have greater resilience based on their life experience. They have seen wars, jobs eliminated, and other changes in the world. They understand that this, too, will pass.”

- Colin Milner, CEO of the International Council on Active Aging

While COVID-19 presents a greater health threat to older individuals, especially those with chronic health conditions, older generations have faced far less financial and emotional disruption than younger generations have (Fig. 3).

Figure 3

How well are you coping with the impacts of COVID-19?



Base: Canadian adults by generation: Gen Z (18-23), Millennial (24-39), Gen X (40-55), Boomer (56-74), Silent Gen (75+)

Most of the Silent Gen and many Boomers are retirees who have fewer responsibilities around work and family, and have the benefits of Old Age Security and the Canada Pension Plan. These older generations also have the experience, perspective, emotional maturity and resilience that comes with decades of meeting life’s challenges. Excepting those diminished by poor health or isolation, retirees are coping with the pandemic better than others, both psychologically and financially.

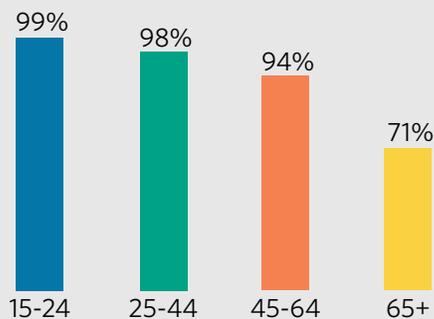
Finally, the pandemic underscores the growing role of information and communication technologies in our

lives—and reveals a disturbing digital divide. For retirees who are digitally connected, use of virtual health care has skyrocketed. They are also videoconferencing to connect and socialize with family and friends they can’t see in person. Many are learning, volunteering and finding purposeful activities online. And they are using apps to manage their money and consult their financial advisors. However, a significant percentage of retirees are not online or digitally adept (Fig. 4). A minority of those over the age of 80 are internet users.⁴ Those with low technology use may be severely disadvantaged and more isolated socially as well as medically. A lasting lesson of COVID-19 is that technology has transitioned from a convenience to a necessity for people of all ages.

In this report, we explore each pillar—how it contributes to well-being in the new retirement, the opportunities and challenges it presents to retirees and pre-retirees, and how COVID-19 complicates the picture today.

Figure 4

Internet use by age



Source: Statistics Canada, Internet use per week by age group, 2018

Health



Lifespan and Healthspan: Uncertainty and Opportunity

Health influences all facets of life in the new retirement: where retirees live, whether and how they can work, how they spend their leisure, how much they can enjoy themselves and their families, and how much they can volunteer or take part in activities that give them a sense of purpose. Being healthy can also help protect retirement savings from the rising out-of-pocket costs of health care and long-term care.

As important as sound finances are, 97% of retirees—and 99% of those age 75 and over—say that health is more important than wealth to live well in retirement. Yet health and wealth are very intertwined. People with financial resources can invest more in their health, and those in poor health have a harder time enjoying what their money can buy.

Life expectancy has risen dramatically, and medical breakthroughs on the horizon may well extend it even further. So those in good health can anticipate lengthy retirements. However, close to three-quarters of Canadians over age 65 have one or more chronic conditions, such as heart disease, stroke, cancer, pulmonary disease, diabetes, arthritis, or Alzheimer's disease or other dementias.⁵ Today, the difference in Canada between *healthspan*, how long people live in generally good health, and *lifespan*, or life expectancy, is nine years (Fig. 5).

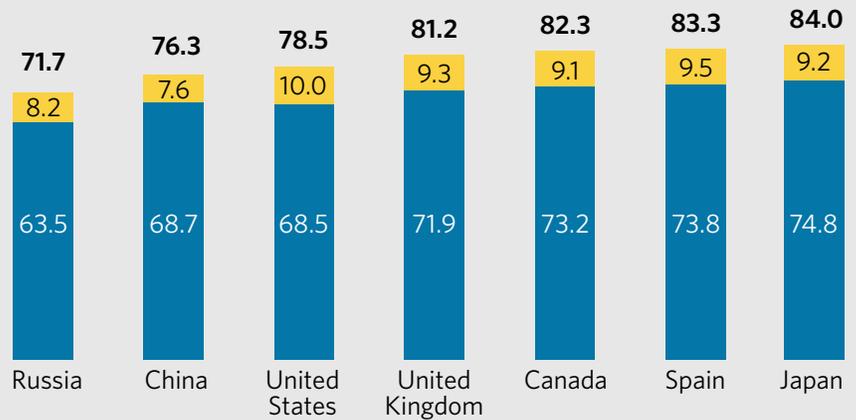
The bottom line is that many retirees can anticipate needing years of care in their later years. In order to better match our healthspans to our longer lifespans, we need more scientific breakthroughs to prevent the diseases of aging, more accessible and competent geriatric medicine, better access to quality care and safe living conditions, and a more widespread adoption of far more proactive approaches to healthy aging.

74%
of Canadians age 65+ have at least one chronic condition.

Figure 5

Life expectancy by country

■ Expected years in poor health
■ Healthy life expectancy



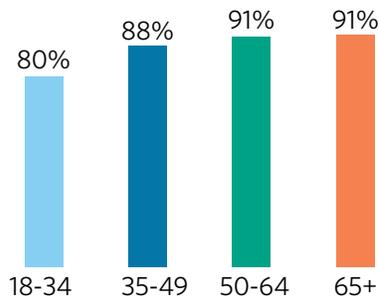
Source: World Health Organization, Global Health Observatory data repository, Life expectancy and healthy life expectancy data for 2016 (latest available)

Health and Age

The definition of “being healthy” shifts with age. For younger people, being healthy is mainly about being in good condition and free of disease. Today’s over-50 population have a new definition, a more adaptive view of what it means to be healthy. Over nine in ten agree that being healthy is about the ability to do the things you want to do (Fig. 6), and 81% say that “one can be healthy while also living with a chronic condition or disability.”

Figure 6

Being healthy is about being able to do the things you want



Base: Canadian adults by age

Many Canadians view retirement as a time to improve their health—in mind, body and spirit. Ninety-one percent of retirees agree that it’s never too late to improve your health. But understanding the central importance of health doesn’t always translate into adopting healthy behaviours. There’s an intention/action gap in retirees taking steps



91%

of retirees agree that it’s never too late to improve your health.

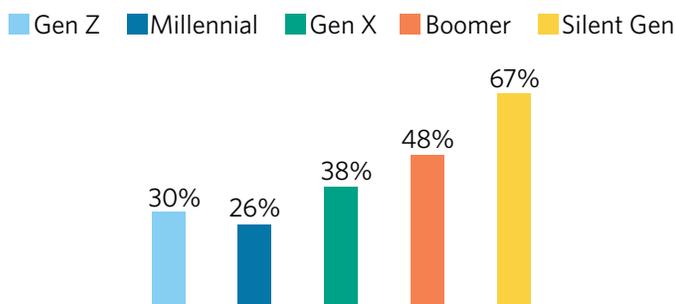
to improve their health. Only half of retirees say they exercise regularly, and one-third say they don’t maintain a healthy diet. Having a partner may help motivate people to exercise more: 55% of partnered retirees report regularly exercising compared to 42% of unpartnered ones.

“There are three secrets to a healthy and prosperous retirement: planning, planning and planning. Plan to move more and sit less, plan now for financial independence, and plan to remain connected to your community.” - Joe A. Doiron, Healthy Public Policy Specialist

When it comes to mental health in retirement, the news is largely good. While levels of physical health can naturally decline with age, mental health—which we defined for survey respondents as emotional and psychological well-being—often improves (Fig 7). With age comes experience and emotional maturity on one hand and less responsibility and stress on the other. Forty-eight percent of Boomers (age 56-74) and two-thirds of the Silent Gen (age 75+) rate their mental health as very good to excellent. The strong mental health of many retirees helps them cope with their physical conditions and live the lives they want.

Figure 7

Percent who rate mental health as very good to excellent



Base: Canadian adults by generation: Gen Z (18-23), Millennial (24-39), Gen X (40-55), Boomer (56-74), Silent Gen (75+)



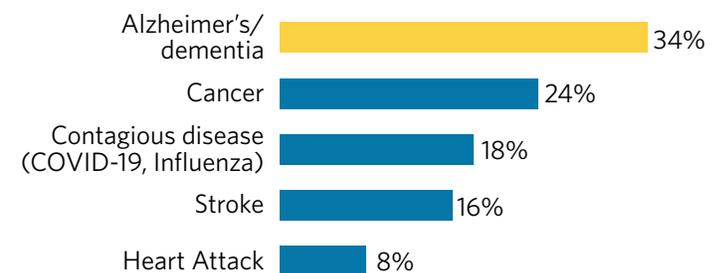
Worry About Brain Health

Cognitive ability and “brain health” are also of paramount importance to retirees today. Even with the immediate threat of the COVID-19 pandemic (and the added vulnerability of older people with chronic conditions), the most commonly feared condition later in life is Alzheimer’s or other forms of dementia. One-third of retirees cite Alzheimer’s as their greatest health fear—more than cancer, heart attack, stroke or contagious diseases like COVID-19 (Fig. 8). Among the Silent Gen, 51% cite it as the most feared disease.

Older Canadians are frightened of being infected by the coronavirus, but they are even more frightened about losing their cognitive abilities, burdening their families and not recognizing their loved ones. There’s good reason to worry, because there is currently no cure for Alzheimer’s. Women have twice the risk of getting Alzheimer’s,⁶ and more of them fear the condition. Without new science and creative medical breakthroughs, there will be a massive and steady increase in the number of older Canadians suffering from this cruel disease that can devastate individuals, families and finances (Fig. 9).

Figure 8

Retirees’ most feared condition of later life

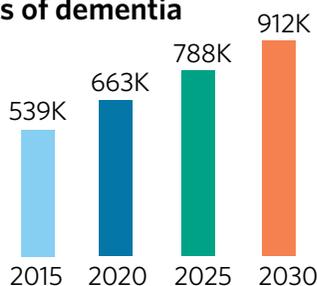


Base: Canadian retirees

Recent research suggests that people have more control over their brain health than they might assume. The Alzheimer’s Association has come out with “10 Ways to Love Your Brain,” a list of strategies to reduce the risk of cognitive decline.⁷ Our study found that retired women are much more likely than men to be regularly exercising their cognitive abilities through mental challenges, mindfulness and creative pursuits (Fig. 10).

Figure 9

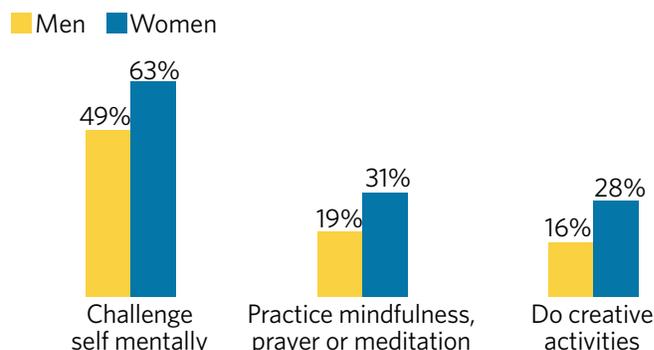
Estimated number of Canadians living with Alzheimer’s or other forms of dementia



Source: Alzheimer Society of Canada, Prevalence and Monetary Costs of Dementia in Canada, 2016

Figure 10

Retirees who regularly...



Base: Canadian retirees by gender

“There is a huge misperception that cognitive decline and Alzheimer’s disease are a normal part of aging. They are not.”

- Joanne Pike, DrPH, Chief Strategy Officer, Alzheimer’s Association

The COVID-19 Effect on Health

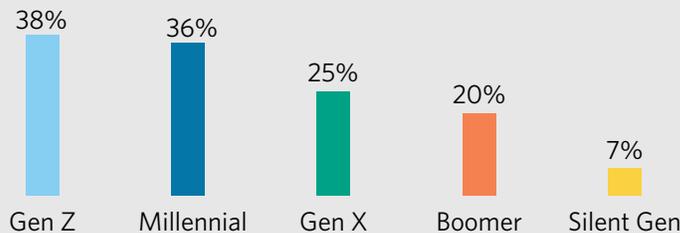
The coronavirus pandemic is first and foremost a public health crisis, disproportionately striking older people, especially those with chronic diseases such as high blood pressure, heart disease, COPD and diabetes.⁸ Nursing homes have tragically been hotspots of infection, and the pandemic has taught everyone lessons about the fragility of life.⁹ The threat of COVID-19, together with its side effects of closed businesses, lost jobs and economic recession, has also taken a mental toll on Canadians, but less so on older generations than on younger ones. Older Canadians are far less likely to report suffering mental health declines than younger ones (Fig. 11).

The COVID-19 pandemic has also driven an explosion in the use of virtual healthcare technology. Two years ago, fewer than one in ten Canadians had used virtual healthcare services.¹⁰ Today, it’s approaching half, and the trend is sure to continue.¹¹ Many people are visiting their doctors via videoconferences for the first time. Those managing chronic health issues are relying more than

ever on the technologies of at-home health monitoring and support. We anticipate that retirees with access to remote medical and home health technologies are bound to be even more reliant on these technologies in the future. But again we see the troubling digital divide with older Canadians needing to access healthcare services more often, yet less likely to be online.

Figure 11

Have suffered mental health decline since COVID-19 pandemic



Base: Canadian adults by generation: Gen Z (18-23), Millennial (24-39), Gen X (40-55), Boomer (56-74), Silent Gen (75+)

Family



The Expanding and Morphing Family Circle

Retirees consistently say family is their greatest source of satisfaction, support, joy and even purpose. Spending time with family—often grandchildren in particular—is always high on the retirement agenda. Families today are becoming more connected and interdependent, and the COVID-19 pandemic is bringing them closer still.

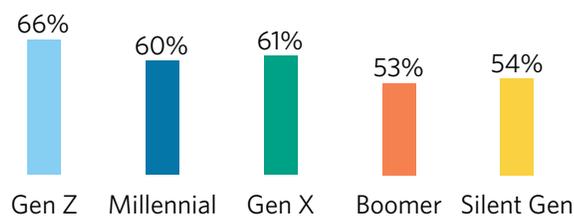
However, the definition of “family” is evolving and expanding away from the “nuclear” model, especially among younger generations. Two-thirds of Gen Z define family as “anyone they love and care for, regardless of whether they are related by blood, marriage or adoption.” They believe in “families of affinity,” or families of choice (Fig. 12). Although many older Canadians think more traditionally about family, more than half agree with this broader definition. And retirees who are single or living alone especially tend to view family more broadly.

“Families of affinity are the deep, core social relationships in our lives that inspire us.”

- James Hughes, JD,
Author of *Family Wealth*

Figure 12

Define family as “Anyone who I love and care for regardless of whether or not I am related to them by blood, marriage or legal adoption”



Base: Canadian adults by generation: Gen Z (18-23), Millennial (24-39), Gen X (40-55), Boomer (56-74), Silent Gen (75+)

Generational Generosity

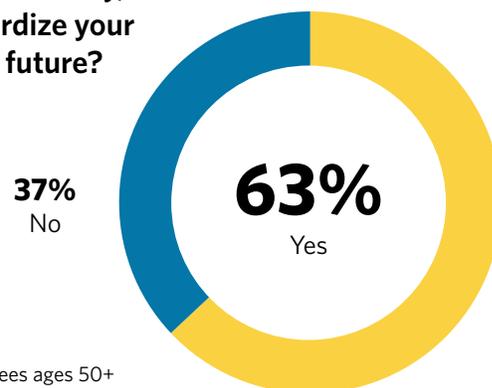
At the heart of family relationships are intergenerational interdependence and commitment. This manifests in many ways, including through financial support. Nearly two-thirds of retirees (63%) say they are willing to offer financial support to their family, even if it could jeopardize their own financial future (Fig. 13). Retirees who are parents and grandparents are especially willing to provide support.

When caregiving is needed, family relationships, commitment and generosity really come into play. On one hand, 67% of retirees say one of their biggest fears is “becoming a burden on their families.” These fears run highest among retirees with children and grandchildren. On the other hand, many will eventually need temporary or long-term care, and most of that is expected to be provided by family and friends. Almost eight in ten retirees (77%) plan to rely on family for care, most often a spouse/partner or children (Fig. 14). Those who are aging without a partner have more to worry about when it comes to later-life



Figure 13

Are you willing to offer financial support to your family, even if it could jeopardize your own financial future?



Base: Canadian retirees ages 50+

caregiving needs. Among retirees who are not partnered, 22% say they have no one they could turn to for care.

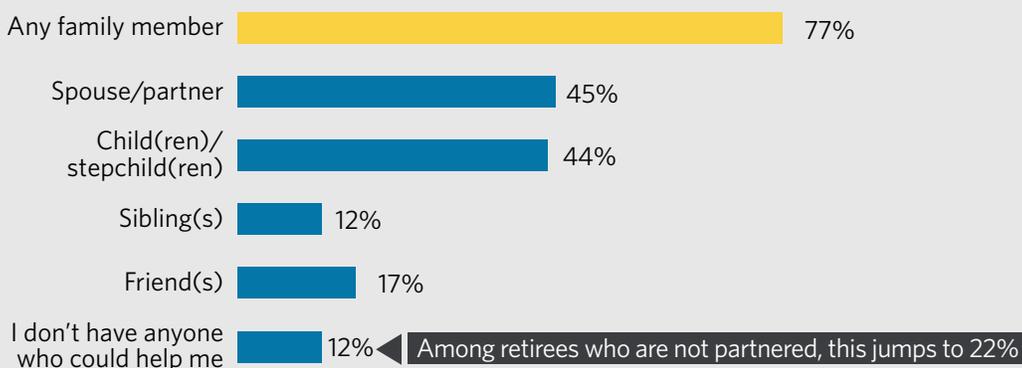
Even though becoming a burden can be a major concern, 47% of Canadians and 30% of Canadians over 65 have yet to begin discussing their end-of-life care preferences with anyone at all, including their family.

Intergenerational connections and family priorities come into clear focus when retirees think about their own legacies. Three-fourths of retirees feel that memories, values and life lessons are the most important things to pass along to loved ones, rather than money, real estate or other financial assets (Fig. 15). Interestingly,

◀ **Intergenerational connections and family priorities come into clear focus when retirees think about their own legacies.**

Figure 14

Who would help if you needed long-term care?



Base: Canadian retirees

an even higher percentage (82%) of non-retirees say that memories, values and life lessons are the most important things to receive as an inheritance.

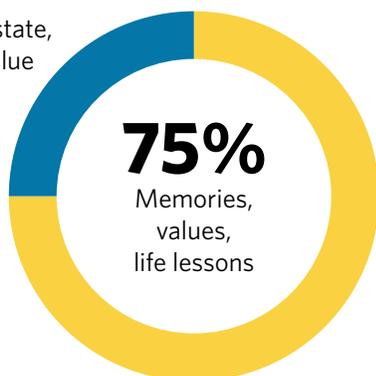
Most retirees will rally in support of family members, no matter the cost. But too few anticipate how those family commitments, even the common and predictable ones

like the eventual need for care, will impact their lives and finances in retirement. They often need guidance to recognize the boundaries of what they can contribute personally and financially to supporting or caring for loved ones.

Figure 15

The most important to pass on to loved ones is...

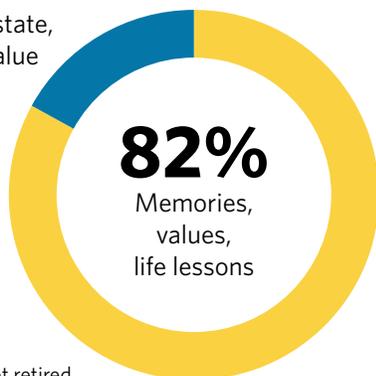
25% Money, real estate, assets of financial value



Base: Canadian retirees

The most important to receive from loved ones is...

18% Money, real estate, assets of financial value



Base: Canadian adults not retired

The Threat of Isolation

49%
of retirees worry about becoming more isolated as they get older.



Nearly half of retirees (49%) worry about becoming more isolated as they get older, and older adults tend to spend more time alone than younger adults do. Today over two million Canadians live in a multigenerational home, which often includes the oldest generation.¹² But at the same time, many retirees do not have family nearby or many friends, and that raises the chances of physical and social isolation. Sadly, one in four adults over the age of 65 is socially isolated, with too little contact and interaction with others.¹³

These older adults often live alone because of widowhood, gray divorce or never having partnered. By age 75,

“Positive, meaningful and supportive relationships with friends and family are critical to health and quality of life in retirement.”

- Linda Fried, MD, MPH, Dean of the Mailman School of Public Health at Columbia University



There's an important distinction between isolation and loneliness. Social isolation can increase loneliness, and the combination can be debilitating to health. But they do not always go hand-in-hand.

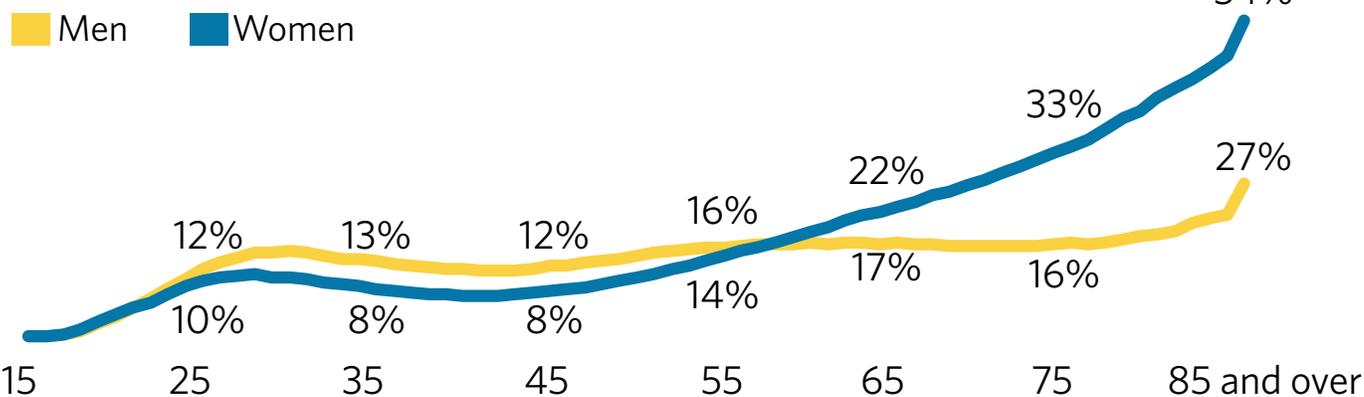
one-third of women are living alone, and a majority of women over age 85 live alone (Fig. 16). Social isolation is linked to increased risk for heart disease, dementia and death.¹⁴ Retirees would do well to stay in touch with friends and family, to make new friends (which single male retirees often have difficulty doing), and to regularly engage in group activities.

always go hand-in-hand. Loneliness is the perception, the *feeling* of being disconnected and ignored. While a serious problem for many older adults, loneliness is actually more prevalent in younger adults.¹⁶ We've seen how overall mental health actually increases with age for most people. Many older people possess a self-sufficiency and resilience that has them feeling less lonely despite being more socially isolated, with fewer friends around.

There's an important distinction between isolation and loneliness. Social isolation can increase loneliness, and the combination can be debilitating to health.¹⁵ But they do not

Figure 16

Canadians Living Alone by Age



Source: Statistics Canada, Census of Population, 2016

The COVID-19 Effect on Family

Family connection and intergenerational interdependence were on the rise well before the pandemic amplified them and brought them to the fore. Sixty-one percent of Canadians say the pandemic has brought them closer to their family. They are pausing to think about what matters most in life—and family, friends and relationships are at the top of the list.

Among retirees with adult children, 44% say they worry about their children more and 36% say they talk with their children more (Fig. 17). Seventeen percent of all parents with adult children, some 1.8 million Canadians, have provided financial support to adult children due to the COVID-19 pandemic.¹⁷ Younger adults, ages 18-34, are most likely to have received financial support from parents (30%), moved in with their parents (10%), and relied more on their parents in general (25%) amid the pandemic.

Concern and support for loved ones is not a one-way street. Adults with living parents say they worry about their parents and talk with them more often. Nearly one in five retirees (17%) say they are relying more on their adult children because of COVID-19, including 30% of Canadians age 75 and older.

Many family members can't get together in person, so they depend on technology to stay connected. Forty percent of Gen Z and Millennials have helped their parents with technology needs during the pandemic, from how to set up a videoconference, to mastering online food ordering, to conducting a virtual healthcare appointment.



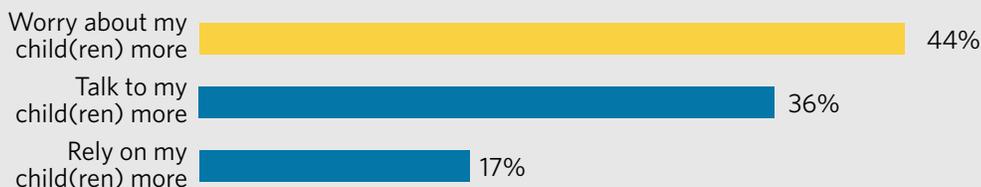
More than **2 million** Canadians have had end-of-life discussions for the first time.

Finally, the threat of COVID-19 leads people to think about their mortality. It has prompted more than two million Canadians to have end-of-life discussions about wills, medical care and funeral wishes with family or close friends for the first time.¹⁸ Most of them are people under the age of 50, who perhaps had previously given those matters little thought.

Figure 17

Retirees say COVID-19 has caused them to...

Base: Canadian retirees with adult children



Purpose

The Sustaining Power of Purpose

Purpose is inextricably linked with the other pillars, especially family and health. Retirees with a strong sense of purpose are happier and healthier, more active and more socially engaged, and they live longer.¹⁹ They have positive attitudes toward their own aging and life itself. They reject the ageist myth that retirement means a life in decline, instead making retirement the most meaningful and fulfilling time of their lives. They want to feel *useful* more than *youthful*.

Purpose takes different forms, but the most important include:

Giving. Finding ways to contribute to the community and put knowledge, skill and experience to work making a difference in the lives of others.

Growing. Trying new things, developing new abilities, meeting personal goals—intellectual, artistic, athletic—or deepening spirituality and sense of self.

Enjoying. Spending time alone or with family and friends doing things that provide meaning and pleasure—recreation, hobbies, work, travel, entertainment, get-togethers.

These categories overlap, of course, and individuals find purpose in multiple ways. The important thing is for retirees to have a strong sense of purpose—activities to anticipate and energizing reasons to get out of bed in the morning and give meaning to each day.

“Purpose is feeling like the world needs you as much as you need it, that you have something to contribute and that you still matter.”

- Marc Freedman, CEO of Encore.org



Today's retirees say they derive the greatest sense of purpose, meaning and fulfillment from spending time with their loved ones.

Purpose can take on a different meaning—and is often amplified—in retirement. Retirees have more time, more freedom and more opportunities to get involved with activities important to them. Some retirees continue activities and commitments that occupied them before retiring, but now, with more time and focus, they commit themselves more intensely. Some circle back to activities they enjoyed when younger, while others develop new sources of purpose they didn't even anticipate. These retirees reinvent themselves around new and greater purpose.

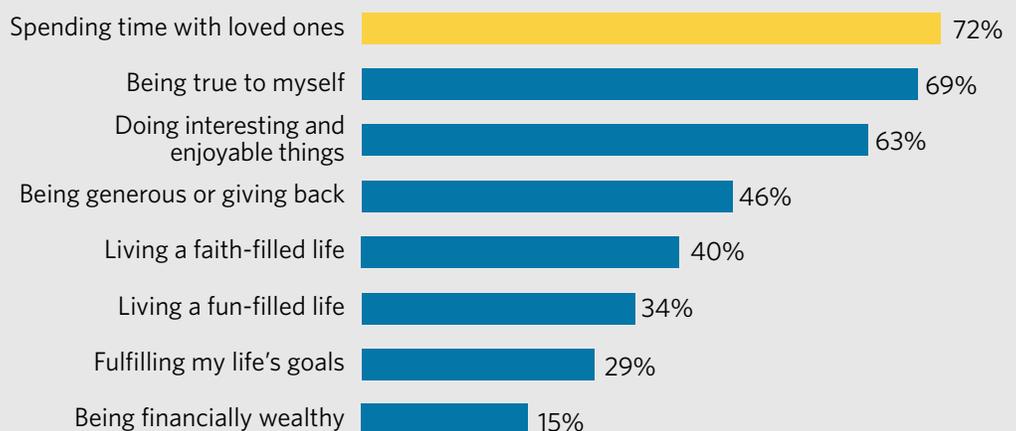
Today's retirees derive the greatest sense of purpose, meaning and fulfillment from spending time with their loved ones (Fig. 18). That's no surprise since activities with family and friends often have elements of giving, growing and enjoyment. Forty-three percent of retirees give themselves a grade of "A" when it comes to their relationships with family and friends, and 84% say they make it a priority to stay in touch with family and friends who don't live with them.

Retirees also find purpose in other important ways—doing enjoyable things, being true to oneself, being generous and giving back, and living a fun-filled life. Women retirees derive more purpose from being generous or giving back (54%) than men (38%).

84%
of retirees say they make it a priority to stay in touch with family and friends who don't live with them.

Figure 18

Personal sources of purpose, meaning and fulfillment



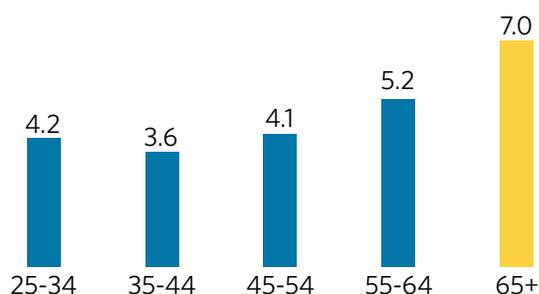
Base: Canadian retirees

The Challenge of Time Affluence

Developing and maintaining a strong sense of purpose takes effort, and that can be especially challenging for the newly retired. Thirty-three percent of retirees say they have struggled to find a sense of purpose in retirement. The struggle starts with how to spend their time. They transition, often abruptly, from being time constrained to being time affluent. The average person over 65 has seven hours of leisure a day to fill (Fig. 19).

Figure 19

Average hours of free time per person per day by age

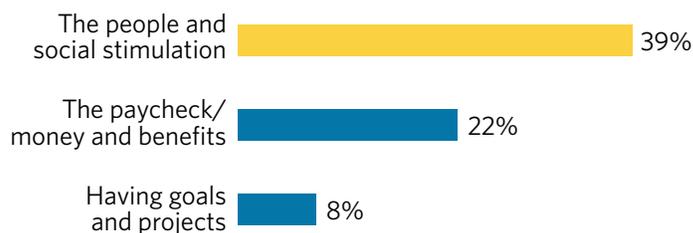


Free time defined as time spent on leisure, socializing, sports/events, and civic/religious/organizational activities Source: Statistics Canada, General Social Survey on Time Use, 2015

When retirees stop working, it can create a void, often more social than financial. When asked what they most miss about their work life, 39% of retirees say it's the people and social stimulation, with only 22% saying the paycheck (Fig. 20). The loss of social connection can lead to harmful isolation. More and more retirees are filling part of the void by continuing to work, typically part time, in retirement. Work and the social connections it brings can remain an important source of purpose, and 9% of non-retirees say they plan to never stop working.

Figure 20

What retirees miss most about work



Base: Canadian retirees

Growing Opportunity to Do Good

With all their time affluence, retirees remain an under-tapped resource for improving their communities and society at large. Only one-third of retirees have volunteered in their communities. Meanwhile, the average retiree watches double the amount of television and videos compared to those under age 55.²⁰



When asked what they most miss about their work life, 39% of retirees say it's the people and social stimulation.

“In retirement you go from everything being dictated to having this blank canvas. This can be a lot scarier than people imagine.”

- Tanja Hester, Author of *Work Optional*

97%

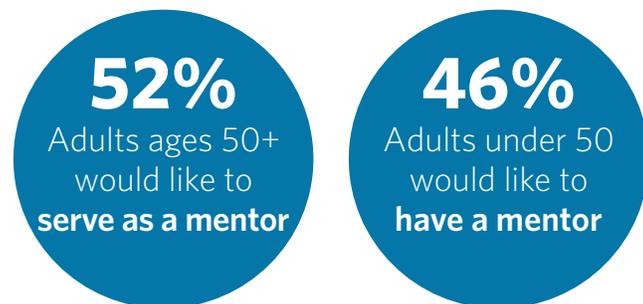
of retirees say
“it’s important to keep learning
and growing at every age.”



Canadians—retirees and working adults alike—see this as a missed opportunity. Nine in ten feel that there should be more ways for retirees to use their talents and knowledge for the benefit of their communities and the greater society. There’s a specific opportunity for social contribution and intergenerational connection through mentorship. Half of Canadians age 50 and over would like to serve as a mentor, helping others with school, work or other facets of life. The desire for mentorship is mutual; nearly half of those under 50 say they would like to have a mentor (Fig. 21).

Figure 21

Interest in school, work or life mentorship



Base: Canadian adults by age

More than half of retirees (54%) wish they personally could put their life and work experience to better use helping their community.

Many older adults identify themselves and draw purpose through being “generative,” nurturing and guiding younger generations. More than half of retirees (54%) wish they personally could put their life and work experience to better use helping their community. And as valuable as they are as teachers, older adults also want to be students: 97% of retirees agree that “it’s important to keep learning and growing at every age.” As a society, everyone would benefit from more pathways to intergenerational connection.

 **The COVID-19 Effect on Purpose**

How has the COVID-19 pandemic influenced retirees’ sense of purpose? We might expect it to diminish as lockdowns limit the activities and interactions that provide purpose. However, many have found added purpose in helping others during this time of need, including by supporting the well-being of their family and friends. Grandparents have been pressed into childcare, for example. And some people, including healthcare professionals, have come out of retirement to lend a much-needed hand.

Once again, we see an increased role for technology in the pandemic. In addition to getting online to connect with family and friends and ward off loneliness, retirees are volunteering or tutoring remotely, taking classes or traveling virtually, and finding new (or reprising old) sources of engaging entertainment.

Finances



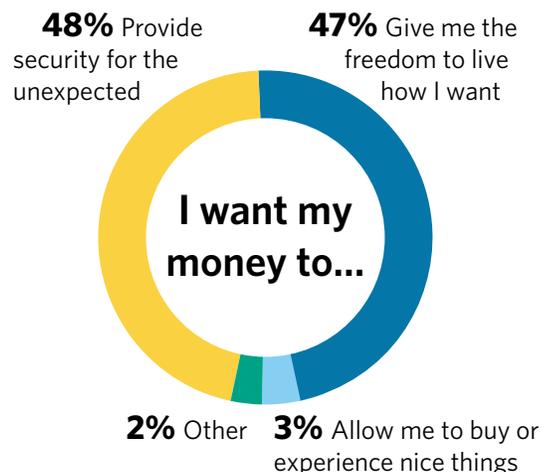
Financial Security and the Freedom It Brings

The word “wealth” derives from the Middle English word “wele” for “overall well-being.” That’s a great reminder of the fundamental role of finances in people’s lives. For retirees, money isn’t an end in itself, but an essential means to the end of achieving well-being in retirement. Nearly half of retirees (48%) say they want their money to provide security for the unexpected (Fig. 22).

Almost as many (47%) say they want it to give them the freedom to live life as they want. Only 3% say they want their money to enable them to buy or experience nice things. Clearly, security and freedom are the primary purpose of money in retirement.

When asked what financial peace of mind means to them, those retirees surveyed defined

Figure 22



Base: Canadian retirees

“Financial planning is about much more than money. It’s how you want the money to work for you, and what is most important for your life.”

- Dori Mintzer, Retirement Coach, Author and Speaker

“People find themselves stumbling through finances in retirement. They’re having to manage multiple different sources of potential income, each with a different set of rules.”

- Alexandra Macqueen, CFP, Co-author, *Pensionize Your Nest Egg*

it as being free from debt and having enough money to live comfortably, cover unexpected expenses, support a widowed spouse, and avoid becoming a financial burden on family. They also want to have the freedom to live as they please. Only 43% cite having a certain amount of savings (Fig. 23).

Facing Complex Financial Challenges

Despite the fundamental importance of financial security, before COVID-19, one in three Canadian adults was not on track with their retirement savings, and among Canadians ages 55-64 who do not have an employer pension plan, the median retirement savings was just \$3,000.²¹ More than three-quarters (78%) of pre-retirees (adults age 50+ who plan to retire) haven't

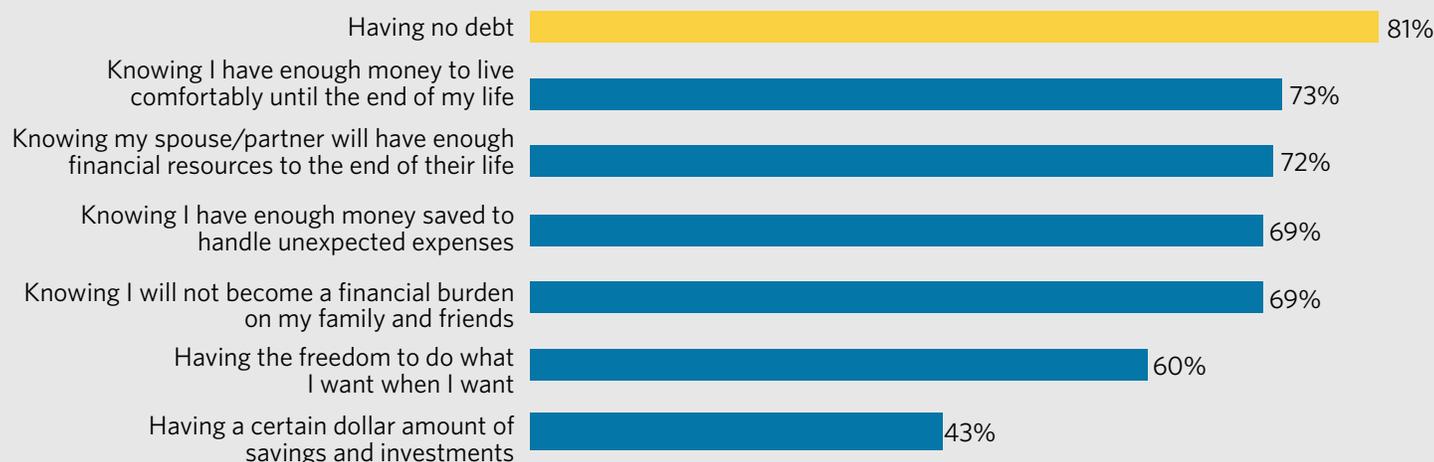
even calculated how much money they'll need in retirement. They often lack knowledge of the sometimes complicated world of finance, and many lack sources of trusted advice. Consequently, their financial confidence is low and their retirement preparation is incomplete. And the coronavirus has only made things worse.

These challenges can be especially acute for working women. While under half of men planning to retire (43%) feel confident about how much they are currently saving, even fewer women (36%) feel confident.

More than 3/4 of pre-retirees haven't even calculated how much money they'll need in retirement.

Figure 23

What is financial peace of mind?



Base: Canadian retirees ages 50+



Women’s pay gap also creates an ability-to-save gap, and any time away from work for raising children and caring for loved ones reduces their career-long earnings and their potential retirement savings.²²

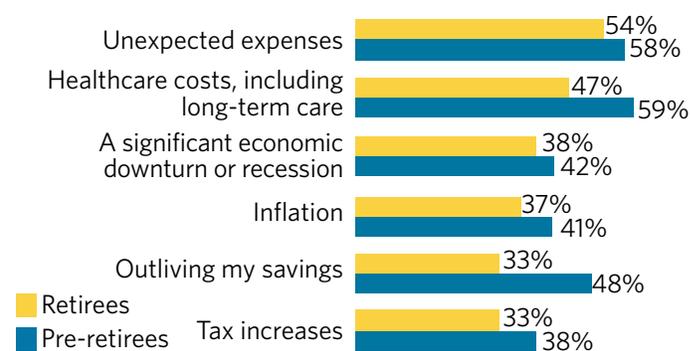
Financial challenges continue into retirement. More than a third of retirees (37%) find that managing money in retirement is even more confusing than saving for it. This is a major new challenge, as so much financial strategy is geared to helping people save *for retirement*. There’s too little attention or direction on showing people how to best manage their money and resources *during* their retirement years, and more than half (56%) wish they had budgeted more for unexpected expenses in retirement.

Retirees’ greatest financial worry, however, is not economic uncertainties like recessions, inflation or taxes—even during the extreme uncertainty caused by the COVID-19 pandemic. Their greatest financial worries are encountering unexpected expenses and the cost of health care, including long-term care (Fig. 24). Among those age 75 and older, healthcare and long-term care costs (47%) outrank unexpected expenses (43%) as the biggest financial worry. And women retirees are noticeably more worried than men about healthcare costs (54% vs. 40%).

Among pre-retirees, healthcare costs, including long-term care, are the number one worry, followed closely by unexpected expenses. More pre-

Figure 24

Greatest financial worries in retirement



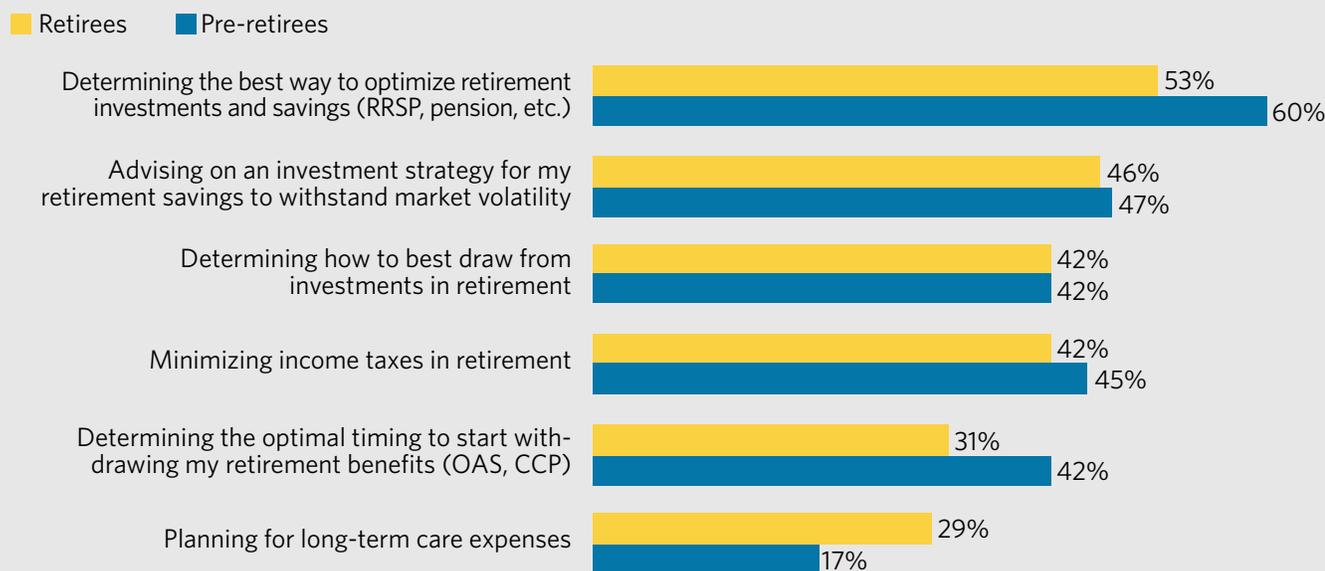
Base: Canadian retirees and pre-retirees (Age 50+ planning to retire)

retirees than retirees express worry across all of these issues, especially outliving their savings.

Worries about health-related costs are certainly warranted. The biggest expenditure for Canadians over age 65 is health care. Out-of-pocket expenses for additional health coverage and services not covered by provincial healthcare systems—dental, prescription drug, home care and long-term care—add up across a lengthy retirement.²³ Most people unfortunately avoid the issue. Only 14% of retirees have budgeted for their health and long-term care expenses, and three-quarters of Canadians who plan to retire (74%) say they have no idea what their health and long-term care costs may be in retirement. The pillars of Health and Finances are tightly bound, especially in retirement.

Figure 25

Interested in receiving retirement-related guidance from a financial professional



Base: Canadian retirees and pre-retirees (Age 50+ planning to retire) who are interested in working with a financial professional

Help Wanted: Holistic Financial Guidance

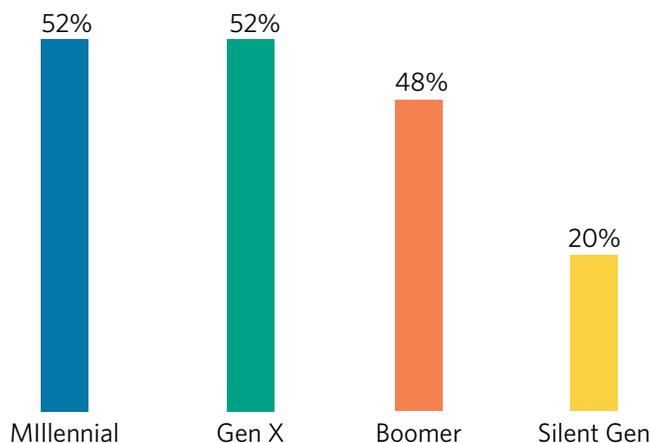
On what financial matters do people welcome guidance? Among those interested in working with a financial advisor, a majority of both retirees and pre-retirees are interested in help optimizing their investments and savings (Fig. 25). Retirees are relatively more interested in planning for long-term care expenses. Pre-retirees naturally express more interest in determining the optimal timing to begin withdrawing retirement benefits.

There's widespread interest among Canadians, except the oldest, in receiving more education on personal finance (Fig. 26). This is not just about dollars and cents. Across all age groups, among those interested in working with a financial professional, people most commonly say that the ideal role of a financial advisor would be to act as a *financial guide*, someone who understands their goals and helps to achieve them, as opposed to an *investment advisor*, who strictly makes recommendations about their financial investments.

Retirees and pre-retirees must ask themselves: How do they want to live? What do they want to be able to do with their time and money? It takes a holistic look across the four pillars and clarity about what it means to individuals and partners to live well in retirement.

Figure 26

Interested in receiving personal finance education



Base: Canadian adults interested in working with a financial professional by generation: Millennial (24-39), Gen X (40-55), Boomer (56-74), Silent Gen (75+)

The COVID-19 Effect on Finances

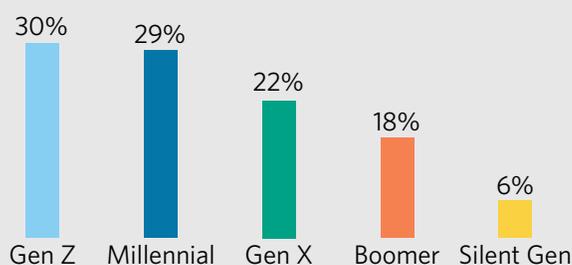
The COVID-19 pandemic has had major, in some cases devastating, effects on the finances of Canadians, especially those who have lost jobs. And the retirement savings plans of millions have been disrupted. If many working adults were not adequately prepared for retirement, COVID-19 has thrown them even farther off course. Those planning to retire are feeling much less confident about how much they are saving for retirement. Before the pandemic, 54% felt confident, but only 39% feel confident now. Two million Canadians have stopped making regular retirement savings contributions during the pandemic.²⁴

The pandemic has negatively impacted the financial security of more than one in five (22%) Canadians, with the greatest impact on younger generations. Three in ten Millennials and Gen Z characterize the impact on their financial security as very or extremely negative, while only 18% of Boomers and 6% of the Silent Gen say they are affected to that degree (Fig. 27). Among those working with a financial advisor, 79% said that the financial advisor gave them a greater sense of comfort regarding their finances during the pandemic.

Retirees are faring better largely because they rely less on income from employment, and they are more insulated from financial shocks through Old Age Security and the Canada Pension Plan. The average monthly benefit for those claiming their retirement pension at age 65 is close to \$700, with a maximum of nearly \$1,200.²⁵ Old Age Security has a maximum monthly benefit of just over \$600. Those with income less than \$18,600 per year also receive the guaranteed income supplement, with a maximum benefit of just over \$900.²⁶

Figure 27

Extremely/very negative impact on personal financial security due to COVID-19



Base: Canadian adults by generation: Gen Z (18-23), Millennial (24-39), Gen X (40-55), Boomer (56-74), Silent Gen (75+)

Conclusion

The new retirement is a time of deepening family relationships, personal reinvention, the discovery of new purpose, and the beginning of a whole new chapter of life. As this research shows, there are four key ingredients—four pillars—to living well in the new retirement: health, family, purpose and finances. They are highly intertwined, and must be viewed and addressed holistically. They also change in retirement, so retirees need to continually recalibrate and adjust. When we asked focus groups of retirees to name the most important pillar, they flatly refused and told us that all four pillars are critical to living well in retirement. These pillars are all essential and take on new meaning once one enters retirement.

How these essential ingredients take shape and come together is different for each retiree. One retiree may be managing chronic conditions yet be healthy enough to enjoy all chosen pursuits. Another may live alone and have little direct family, but enjoy a large circle of friends, a family of affinity. Another retiree may find purpose in unconventional ways, while being true to herself and generous to others. And retirees need not be wealthy to live well in retirement, but they most definitely need to have taken sufficient steps to plan for a lifetime of financial security and the freedom it brings.

The strength or weakness of the four pillars in retirement very much depends on what people did, or did not do, before they retired. All working people and especially pre-retirees need to understand that the quality of their lives in retirement is rooted in what they do to improve their health, their relationships with family and friends, their sense of purpose, and their finances long before they retire. Then, in retirement, they must continue to learn how to improve and integrate the four pillars.

Sage Guidance from Research, Experts and Retirees

We have found dramatic differences between retirees who say they have higher quality of life (rated as excellent or very good) and those who say their quality of life is lower (rated as good, fair or poor). When we examine these differences in the context of each of the four pillars, as well as listen to what experts and retirees themselves tell us, we find valuable lessons that can make for a better life in retirement. These are things that retirees—and everyone who hopes to retire—can in large part control. Although they may not seem surprising, they can make a real difference in planning for and living well in the new retirement.

Outlook on the New Retirement

Retirees with higher quality of life more often view retirement as an exciting new chapter in life. They don't think of retirement as a destination, but a journey. They start imagining, planning for, even practicing retirement activities in advance of declaring themselves retired.

"Retirement is a time to relaunch, reengage and reinvent. It's about doing things and giving back in ways that you weren't able to do in the previous decades of your life."

- Kerry Hannon, Author of *Never Too Old to Get Rich*

"It's important not to wait until retirement to discover your hobbies, establish good relationships, find what matters to you, so you have a foundation to build on when you retire."

- Retiree Focus Group Participant

Health

Retirees with higher quality of life are more than twice as likely to report very good/excellent mental health, and almost seven times as likely to report very good/excellent physical health. That no doubt has a lot to do with the fact that they take a more active role in maintaining their health, from getting enough rest

and sleep, to eating a healthy diet and getting regular exercise, to challenging themselves mentally on a regular basis. Canadians overall believe that it's never too late to improve your health. It's also never too early to develop the good habits that help sustain health into older age.

“What is good for the heart is good for the brain—get enough sleep, reduce stress, exercise, eat well to promote brain and heart health.”

- Lisa Genova, PhD, Neuroscientist, Expert on Alzheimer's and Author of *Still Alice*

“I never imagined I'd be doing what I'm doing now. I work out three times a week, lifting weights and keeping up during cardio workouts with women half my age! I also eat healthier and feel so much better.”

- Retiree Focus Group Participant

Family

Retirees with higher quality of life are half as likely to have become more socially isolated as they've aged, and much more likely to make it a priority to stay in touch with family and friends. Retirees prevent isolation, even when they live alone, by maintaining a network of friends and continuing to make new ones. They can also reduce the chances—and the anxiety—of becoming a burden on their families by talking openly with family and friends and making specific plans and contingencies for when they may need care.

“We need social connectivity to be fulfilled, to feel happiness, especially in retirement.”

- Christine Crosby, Editorial Director, *GRAND Magazine*

“I have no biological family, but I have a rich and loving family of choice, people I have known most of my adult life. We are there for each other. We span generations, and I am about to become a grand-godmother.”

- Retiree Focus Group Participant

Purpose

Retirees are nearly twice as likely to have volunteered in retirement and are much more likely to say they feel a clear sense of purpose in life. Retirees find purpose in many ways, but the keys to success are having activities and affiliations that make them feel useful and valued, whatever their interest or passion or cause may be, and engaging in those activities regularly.

“Purpose is fundamental. It is universal. It's the key to health, happiness and longevity.”

- Richard Leider, Founder, Inventure - The Purpose Company and Author of *The Power of Purpose*

“Purpose can simply be having a reason to bounce out of bed with joy and happiness versus with dread. Purpose can be having a great job that you love, your faith activities, your family, having creative pursuits, or enjoying outdoor activities. It's different for everybody.”

- Retiree Focus Group Participant

Finances

Retirees with higher quality of life are more actively involved in their personal financial decision-making and are more likely to have taken steps to educate themselves about a range of financial topics. Perhaps as a result, they draw retirement income from a variety of sources, including personal savings and retirement accounts, so they are likely less reliant on government-funded sources. Even though retired, they still need to make financial adjustments and keep an eye on long-term goals. They would do well to structure their income to function like a regular monthly paycheck, and to take care in navigating the emotional as well as financial twists and turns of managing money in retirement.

“There has not been enough attention paid to helping people figure out how to manage their money in retirement. How much can I afford to withdraw? How do I create a retirement income 'paycheck' for myself?”

- Richard Eisenberg, Managing Editor, *Next Avenue*

“What gives us financial peace of mind is an adequate budget to do everything we want (within reason). We can pay our bills and have discretionary funds to enrich our lives with theatre, dance, art and travel.”

- Retiree Focus Group Participant

The new retirement holds exciting possibilities, and today's retirees have more opportunities, more choices and more freedoms than any have had before. The four pillars provide retirees with a framework for seizing the opportunities, making the choices, enjoying the freedoms—and living well in the new retirement.

About the Study

Study Contributors

Edward Jones Canada is a full-service investment dealer with more than 850 financial advisors in Canadian communities from coast-to-coast. A member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund, the firm is also a participating organization in the Toronto Stock Exchange. Edward Jones has been ranked #1 for eight consecutive years in the J.D. Power Canada Full-Service Investor Satisfaction Study (2013-2020). For more information, visit edwardjones.ca.

Age Wave is North America's foremost thought leader on population aging and its profound business, social, financial, healthcare, workforce and cultural implications. Under the leadership of founder and CEO Ken Dychtwald, PhD, Age Wave has developed a unique understanding of new generations of maturing consumers and their expectations, attitudes, hopes and fears regarding their longer lives. Since its inception in 1986, the firm has provided breakthrough research, compelling presentations, award-winning communications, education and training systems, and results-driven marketing and consulting initiatives to more than half the Fortune 500. For more information, please visit www.agewave.com. (Age Wave is not affiliated with Edward Jones.)

The Harris Poll has been tracking public opinion, motivations and social sentiment since 1963 and is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas: building twenty-first-century corporate reputation, crafting brand strategy and performance tracking, and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, please visit www.theharrispoll.com.

Methodology

This report is based on a large-scale investigation of what it means to live well in retirement that began in November 2019. The study was conducted by Edward Jones in partnership with Age Wave and The Harris Poll.

As part of the study, The Harris Poll conducted an online, representative survey from May 2 through June 4 among more than 9,000 adults age 18+ in Canada and the U.S., including n=1,000 among a Canadian general population and n=3,000 among a U.S. general population and at least 500 in each of the following 10 metropolitan regions: Atlanta, Charlotte, Cleveland, Dallas, Kansas City, Los Angeles, Portland, Raleigh-Durham, St. Louis and Toronto. In Canada, the survey was offered in both English and French. Results were weighted where necessary to bring them into line with their actual proportions in the population.

This report was also informed by qualitative research which included 16 in-depth interviews with leading subject matter experts as well as two online forums and six focus groups across Canada and the U.S. with roughly 100 people, including both retirees and working-age individuals, in February 2020. Additionally, secondary research included Age Wave's review of 100+ studies, articles and publications to inform the results.

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