

Three-in-four Canadians say yes to CPP expansion

Most say government must play a lead role in ensuring adequate retirement savings

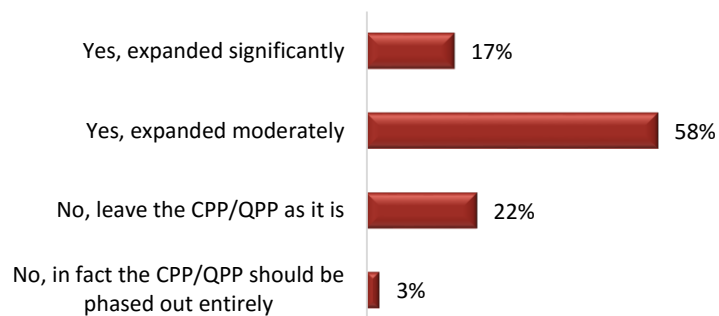
June 20, 2016 – As Federal Finance Minister Bill Morneau meets with the provinces in Vancouver this week to deliberate over proposals to expand the Canada Pension Plan, he does so with strong support for such expansion from the Canadian public.

A new, self-commissioned, self-funded public opinion poll by the Angus Reid Institute finds the vast majority of Canadians enthusiastic about at least a moderate increase in CPP contributions. In fact, three-quarters of Canadians support an expansion in some form, with one-in-six saying contributions should be “significantly” bolstered.

Key Findings:

- Asked what should be done with the Canada and Quebec pension plans, a full majority of Canadians (58%) favour a moderate expansion the programs
- Three-quarters of Canadians (75%) – the same number who say the CPP/QPP should be either “moderately” or “significantly” expanded -- believe government should play a lead role in Canadians’ plans for funding their retirement
- Some concerns remain, however. Fully half of Canadians (54%) worry that small businesses will be adversely affected by the payroll tax increase necessitated by an expansion of the CPP/QPP

Do you think the CPP/QPP should be expanded - which would mean higher deductions from workers and higher employer contributions, and in turn higher annual benefit payments upon retirement?



METHODOLOGY:

The Angus Reid Institute conducted an online survey from June 8 – 13, 2016, among a representative randomized sample of 1515 Canadian adults who are members of the [Angus Reid Forum](#). For comparison purposes only, a probability sample of this size would carry a margin of error of +/- 3 percentage points, 19 times out of 20. Discrepancies in or between totals are due to rounding. The survey was self-commissioned and paid for by ARI. Detailed tables are found at the end of this release.

Expansion discussions met with support from Canadians

CONTACT:

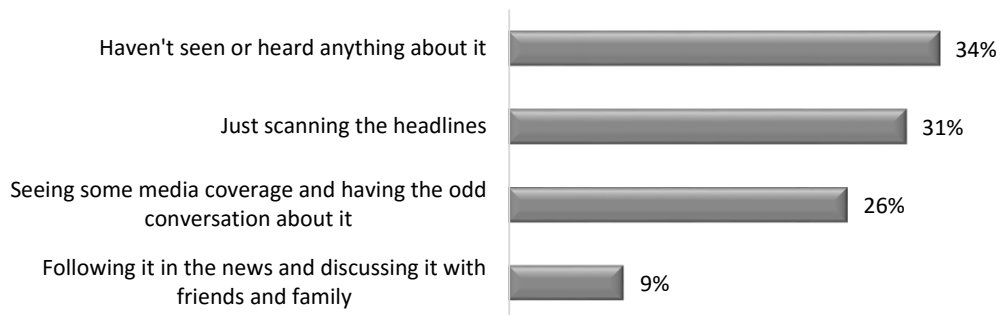
Shachi Kurl, Executive Director: 604.908.1693 shachi.kurl@angusreid.org @shachikurl

Prime Minister Justin Trudeau and his Liberal Party campaigned on a platform that included a number of changes to the retirement milieu in this country. He promised to restore the Old Age Security eligibility age to 65 – a move [previous ARI polling](#) found 81 per cent of Canadians supported – and also proposed plans to [increase](#) the Guaranteed Income Supplement, and [“enhance”](#) the Canada Pension Plan.

CPP expansion, however, is no simple task. Indeed, much like [reforming the Senate](#), a constitutional amendment requiring the support of two-thirds of the provinces with two-thirds of the population in addition to the Federal government is necessary before changes can be put into effect.

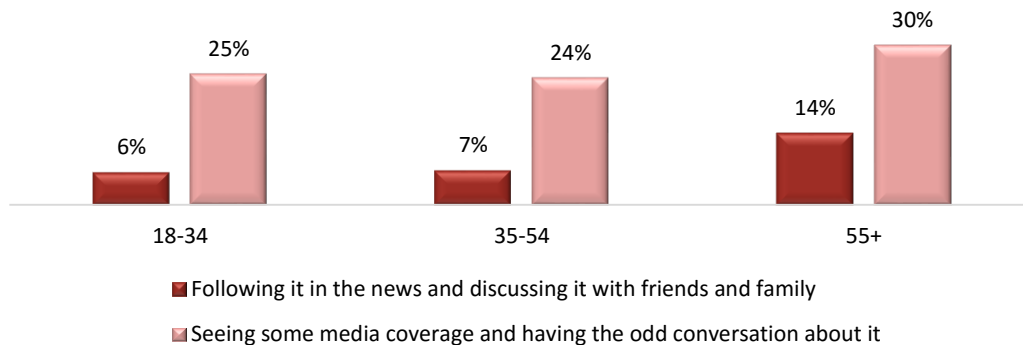
So far, the general public seems not to be paying close attention to this process. Fully one-in-three (34%) say they “haven’t seen or heard anything” about CPP expansion efforts, while roughly the same number (35%) report that they’re following news coverage or chatting with friends about it. This latter total is significantly lower than [most issues about which ARI asks this question](#).

**There has been some discussion lately about the Canada Pension Plan - or CPP (and QPP) - and whether or not it should be expanded.
How closely would you say you have been following this issue?**



Perhaps unsurprisingly, older Canadians are much more likely to be following along – they’re twice as likely as younger generations to be actively discussing this topic.

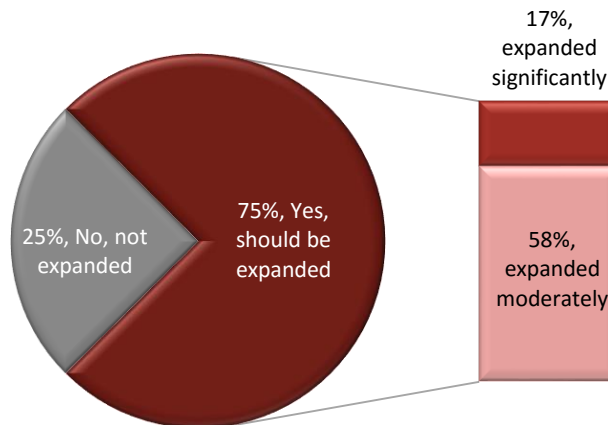
There has been some discussion lately about the Canada Pension Plan - or CPP (and QPP) - and whether or not it should be expanded. How closely would you say you have been following this issue?



This relatively low level of awareness doesn't preclude Canadians from having some strong opinions on what should be done in terms of their retirement planning, however. Perhaps it's an awareness of a financial climate wherein household debt rates are **over-leveraged**, or well-publicized reports that most are **not saving enough** for retirement. Whatever the reason, a strong majority of respondents say an expansion of the current program is the ideal outcome from this week's CPP summit.

When asked whether the CPP or QPP should be expanded, with reference to the higher deductions from both workers and employers necessary to create additional benefits, fully three-quarters of Canadians (75%) say they support such a proposal. The largest proportion of Canadians say they would like to see a moderate expansion (58%) while almost one-in-five (17%) say a significant increase is the best path to pursue.

Do you think the CPP/QPP should be expanded - which would mean higher deductions from workers and higher employer contributions, and in turn higher annual benefit payments upon retirement?

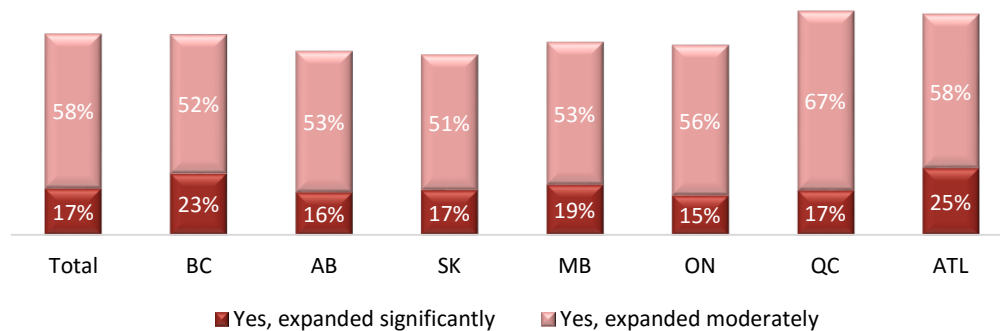


As noted earlier, one of the biggest challenges to expanding the pension system in Canada is the [amendment formula](#). Regional opinions and the positions of provincial governments thus become of utmost importance. This survey finds an apparent appetite for action across the country.

The highest level of support for expansion is found in Quebec, where the province's Quebec Pension Plan operates as an equivalent program to the CPP. The Quebec public appears to be in opposition to its government, which along with the government of British Columbia has been [hesitant to embrace](#) expansion proposals – though Premier Christ Clark has recently [expressed optimism](#) that concerns are being addressed.

The lowest levels of support are found in Alberta and Saskatchewan, where, as will be discussed shortly, economic concerns are most pronounced. In fact, Saskatchewan has voiced [outright opposition](#) to any talks of increasing contributions.

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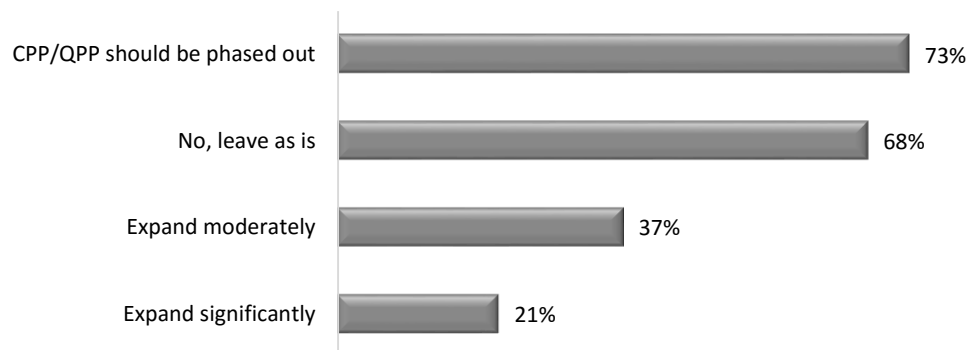


Reservations about expansion

While support for CPP/QPP expansion on the whole is quite high, a substantial group of Canadians express concerns about the economic realities of proceeding with such a plan. When asked whether the economy is too weak to undertake this project right now, fully two-in-five respondents (42%) say it is.

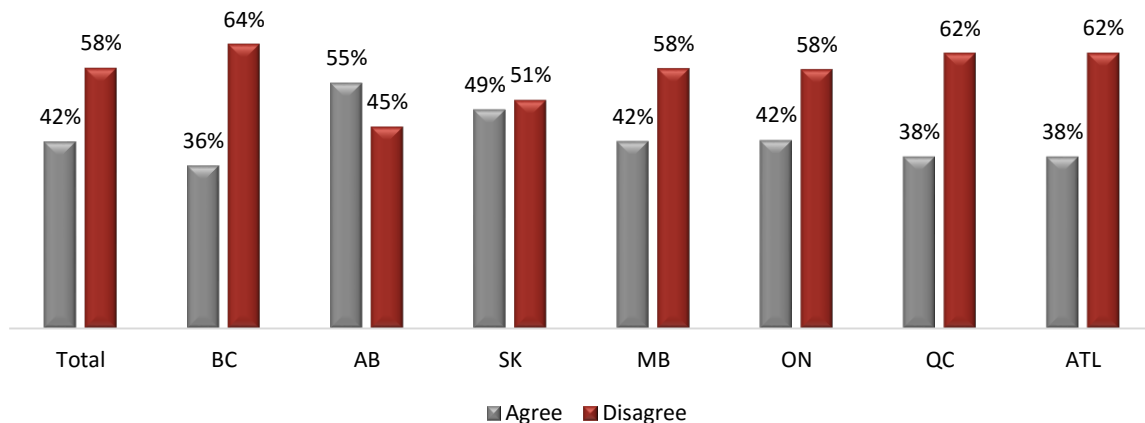
Indeed, for those opposed to expansion, this appears to be a primary concern. Two-thirds of those who say the CPP should be “left as is” agree that the timing is not appropriate due to the weakness of the economy. Even among those who say expansion should be undertaken, a significant number appear to recognize these concerns, suggesting that now may not be the right time:

Percentage who agree with the following statement: "The economy is too weak to support a CPP expansion at this time"



Regionally, it is Alberta and Saskatchewan who most favour this line of argument against expansion:

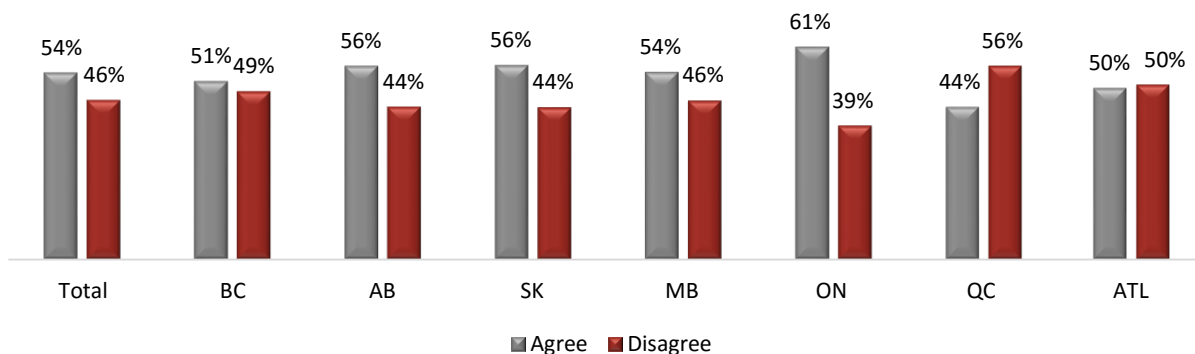
**Do you agree or disagree with the following statement?
"The economy is too weak to support a CPP expansion at this time"**



In addition to reservations about the timing of CPP increases, a narrow majority of Canadians (54%) say that a higher payroll tax will hinder small businesses. This is an issue that [small businesses in Ontario](#) have been vocal about, as that province has discussed mandatory increases to a provincial pension plan in lieu of an overarching federal increase.

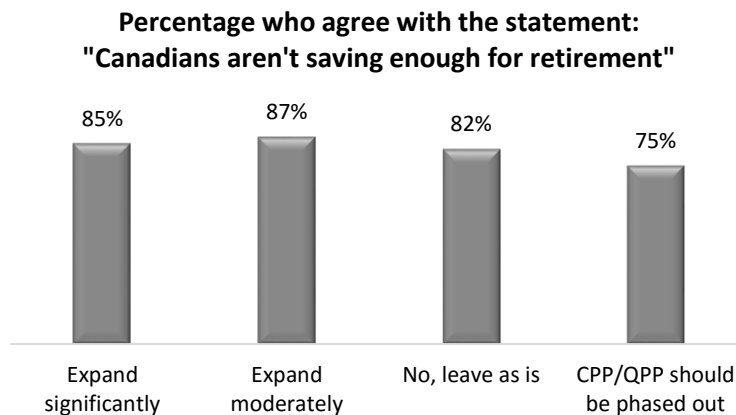
This may help to explain why Ontario has the highest number of respondents saying small businesses will be hurt:

Percentage who agree with the statement: "Small businesses would be hurt by the increase in payroll tax if the CPP/QPP is expanded"



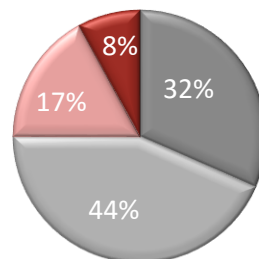
Are Canadians saving enough?

Whether or not there is a crisis in Canada's pension system – arguments are made both ways – there is near-consensus on one perception: most believe individuals in this country aren't saving enough for retirement. In fact, almost nine-in-ten respondents (86%) agree when asked about this. Even more telling, agreement with this statement extends to even those most opposed to CPP expansion, as seen in the following graph:



Much of the desire for CPP expansion appears to hinge on a core political philosophy – that the government should play a lead role in ensuring retirement savings for citizens. The [decline in private sector pensions](#) may be helping to drive this opinion, as Canadians look for a way to replenish their diminished savings. Asked whether they agree or disagree with this being a government responsibility, one-third (32%) of Canadians say they strongly agree, while more than two-in-five (44%) say they moderately agree.

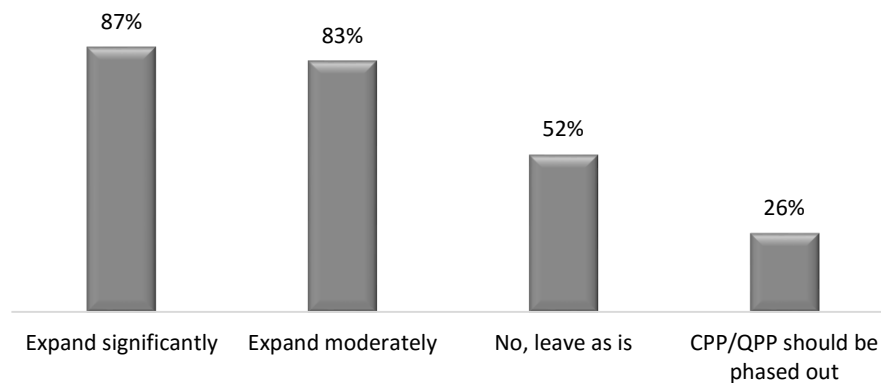
"It's important for the government to play a lead role in how Canadians fund their retirements"



■ Strongly agree ■ Moderately agree ■ Moderately disagree ■ Strongly disagree

While more than eight-in-ten who support expansion say that government should play a lead role in Canadians' retirement savings, this drops to half (52%) for those who oppose it. Among the small subset of the population who say the CPP/QPP should be done away with entirely, nearly three-quarters (74%) disagree with this statement:

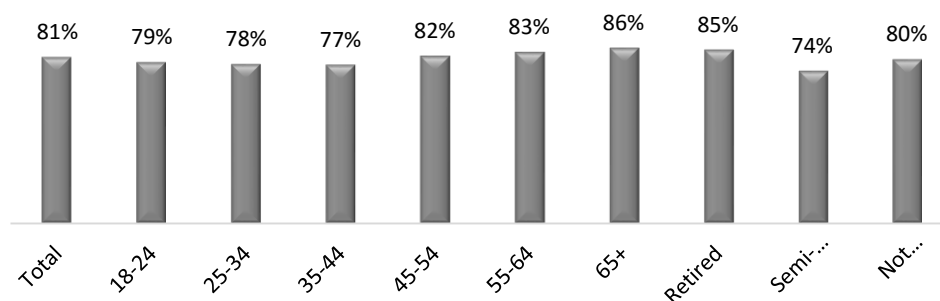
Percentage who agree with the statement: "It's important for the government to play a lead role in how Canadians fund their retirements"



Seniors a concern

Both retired and not-yet-retired Canadians agree that an expanded CPP would ensure more seniors are not living in poverty. Indeed, the poverty rate for seniors almost tripled from 3.9 per cent in 1995 to 11.1 per cent in 2013. Most Canadians appear to be concerned about this fact, and support an expansion to mitigate the risks for their older compatriots. Agreement that expansion will help seniors is high across all age groups:

Percentage who agree with the statement: "Expanding CPP would ensure more seniors are not living in poverty"



The **Angus Reid Institute (ARI)** was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research organization established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

Summary tables follow. For detailed results by region, age, gender, education, and other demographics, [click here](#).

Do you agree or disagree with each of the following statements? (Summary of Agree)					
	Total (151)	Expand significantly (265)	Expand moderately (877)	No, leave as is (333)	CPP/QPP should be phased out (41)
It's important for the government to play a lead role in how Canadians fund their retirements	75%	87%	83%	52%	26%
Canadians aren't saving enough for retirement	86%	85%	87%	82%	75%
The economy is too weak to support a CPP expansion at this time	42%	21%	37%	68%	73%
Small businesses would be hurt by the increase in payroll tax if the CPP/QPP is expanded	54%	32%	50%	78%	76%
Expanding CPP would ensure more seniors are not living in poverty	81%	90%	89%	60%	28%