Manulife

The 40-year retirement—balancing dreams and dollars

Retiree revelations, generational insight, and trends to help guide today's workforce

The Manufacturers Life Insurance Company

INTENDED FOR PLAN SPONSOR AUDIENCE.

Table of contents

Preparing workers to hit the big 100 and beyond

Retirement is a delicate balance of dreams and dollars—a sentiment that was echoed throughout our latest survey of Canadian workers and retirees. As one respondent put it, "I just want enough to live comfortably and securely in the home we own now. Being able to travel a little would be a lovely bonus."

Achieving this balance, however, depends on a big unknown for which there's no definitive answer: How long does your money need to last? Even though the average life expectancy in Canada is 83,[1] the number of people over 100 has more than doubled since 2001, and there are now more residents over 65 than there are under 14.[2] Plus, 44% of our surveyed retirees stopped working sooner than they'd planned, at an average age of 56—further lengthening the duration of their retirement. Workers may want to consider planning as if their retirement could last 40 years or more. Planning today for a longer life can help workers feel more confident about their finances and worry less about running out of money.

Motivating workers with aha moments

So the question becomes how do we—plan sponsors, financial professionals, and retirement plan providers—motivate today's multigenerational workforce to plan and save for a 40-year retirement when 41% are unhappy with their current financial situation? These feelings are nothing new; they're virtually identical to results from the last two surveys.

To help move the needle, we've identified aha moments that can spark members to take action, starting with lessons learned from current retirees. Many of the retirees in our survey were surprised by just how expensive retirement is and how fast they're going through their savings. By weaving their real-life experiences, wisdom, and insight into our member communications, we can help workers build the financial resilience they need for a rewarding retirement, whether it starts at age 55 or 75.

"Planning for long term and not knowing your lifespan, health, and the international economic situation makes it challenging."

—A baby boomer respondent

1 Macrotrends.net, September 2025. **2** Demographic estimates by age and gender, provinces and territories: Interactive dashboard, Statistics Canada, Pew Research Center, 2/3/25.

Start creating aha moments

Inside our report, you'll find:

- Trends in workers' financial concerns over the years
- An eye-opening comparison of early retirees versus those who retired as planned or later
- Wisdom and insight from retirees based on what surprised them the most
- Generational profiles highlighting their financial hurdles and investing styles
- Key takeaways and next steps to help you enhance your participant communications

Dive in and start planning your strategy to create aha moments that can help workers of all ages prepare for a potentially 40-year retirement, balancing their dreams and dollars with ease.

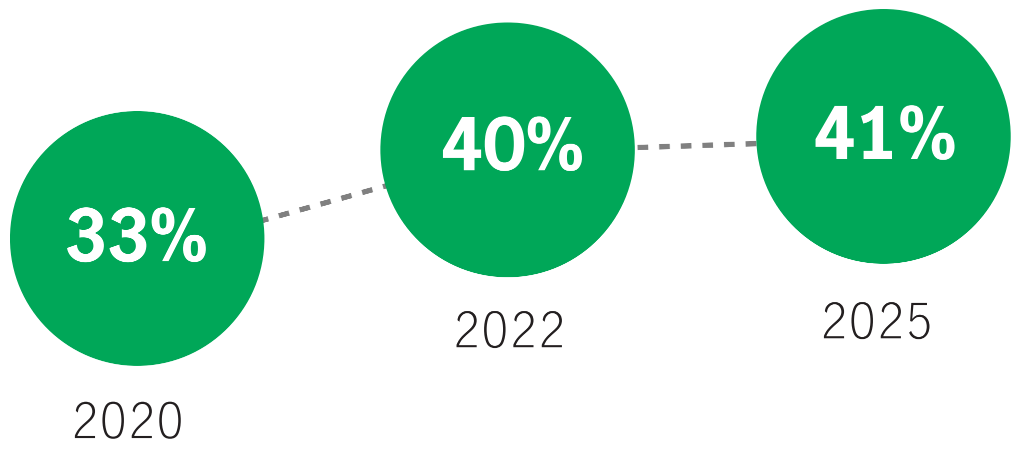
INTENDED FOR PLAN SPONSOR AUDIENCE.

Trends 2020–2025

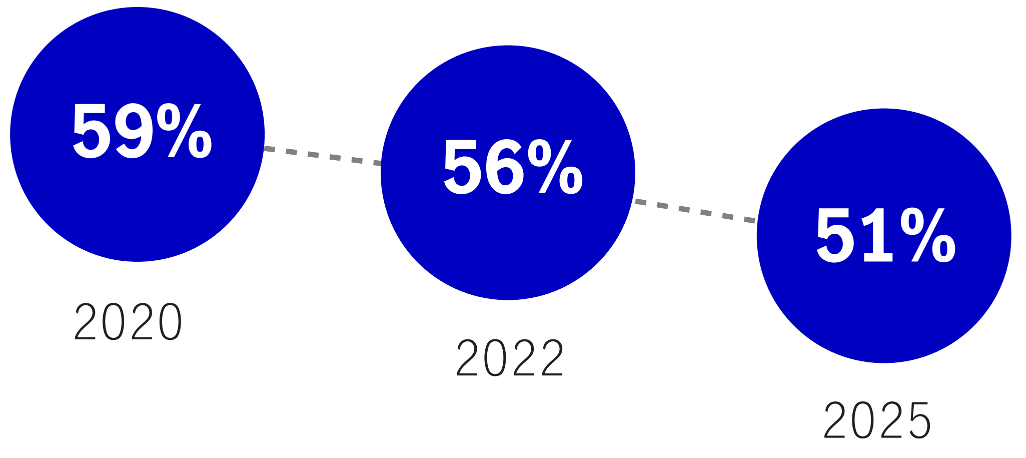
The financial improvements we saw after the pandemic have faded. Even so, Canadian workers remain more optimistic about their retirement than last year despite concerns about future healthcare costs and living expenses.

Shifting sentiments of Canadian workers

Financial situation is fair or poor: a growing problem

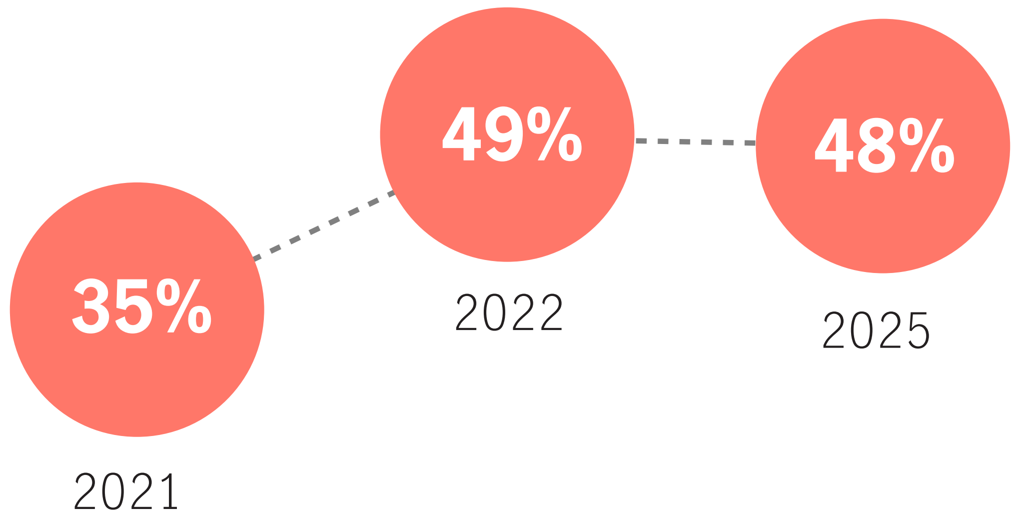


Debt is a problem: a slow road to recovery

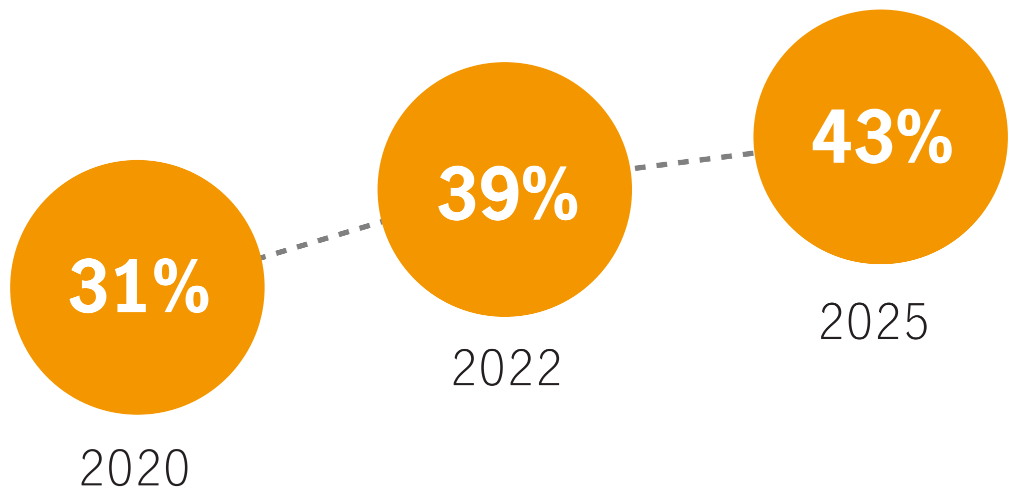


Shifting sentiments of Canadian workers

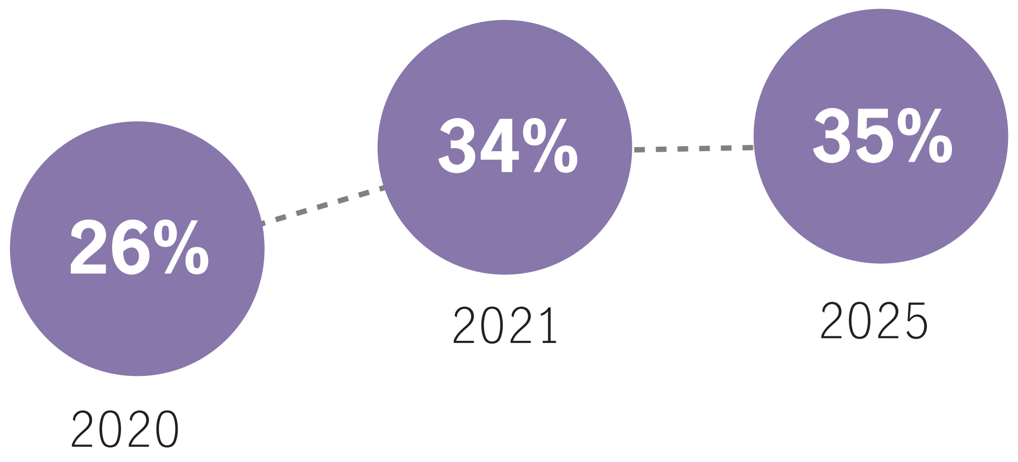
Retirement savings are behind schedule: fewer are on track



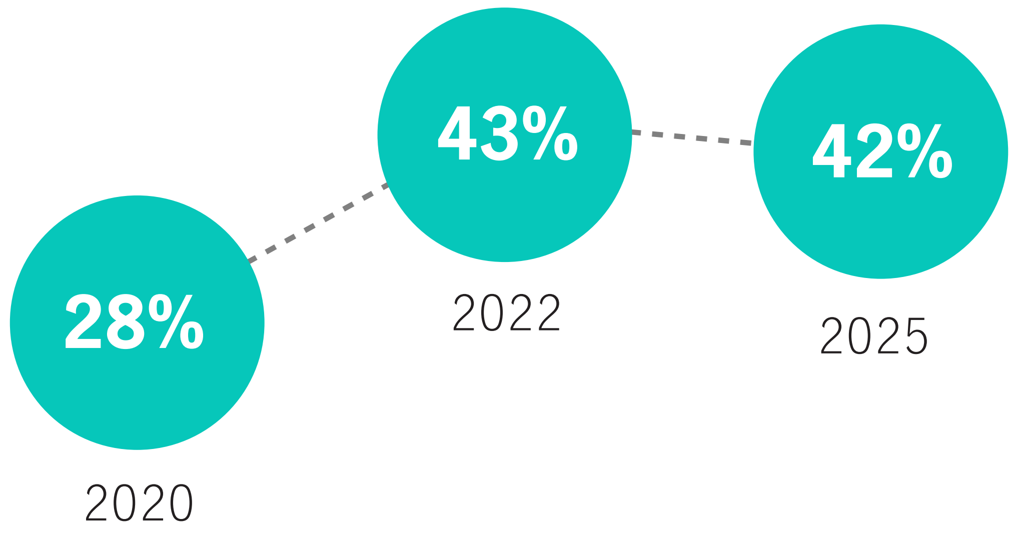
Worried about healthcare costs in retirement: concern climbs steadily



Expect to retire later than planned: an increasingly popular idea



Worried about paying for basic expenses in retirement: a surge of nervousness



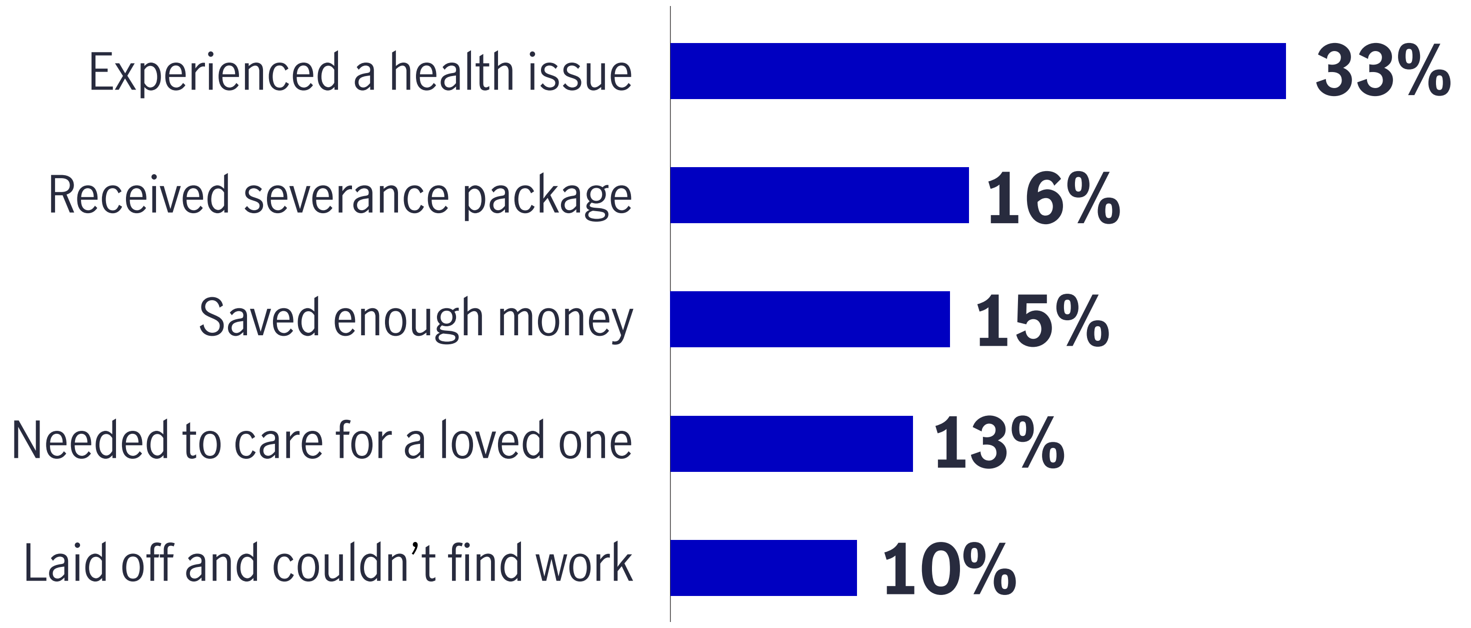
Retiree revelations

After all the saving, planning, and preparation, what's retirement really like? The answer really depends on why someone's career ended. We discovered a clear distinction between Canadians who stopped working when they wanted and those who were forced to retire ahead of schedule.

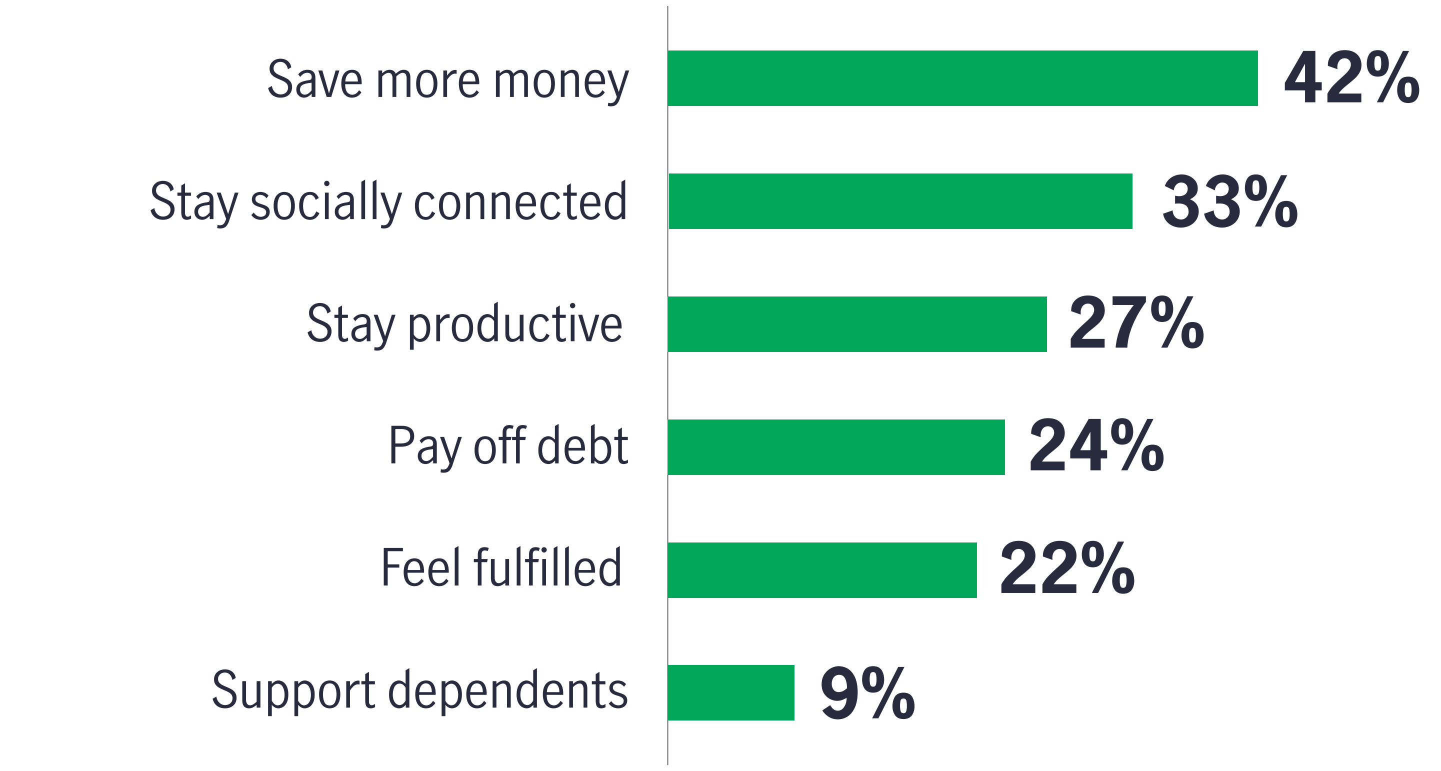
On average, early retirees exited the workforce at 56. Those who retired late or on time stopped working at 62. While there are obvious financial advantages to working longer, it's not always possible. Half of those who retired early did so due to personal or family illness. And even for people with extended careers, money woes are present, and there are real challenges for both groups. "I was in very good health until I wasn't," said one retiree. This feeling is echoed among respondents: "Retirement comes faster than you think."

Common drivers behind retirement

Reason for retiring sooner than planned



Reason for retiring later than planned



Timing is everything—the impact of early retirement

	Early retirees	Retired as planned or later
Expected vs. actual retirement age	63 vs. 56	61 vs. 62
Had a formal plan for retirement before retiring	74%	83%
Are more financially stressed in retirement than before	32%	19%
Wish they'd save more for retirement	54%	42%
Feel their financial situation is fair or poor	37%	24%
Need to fill a financial gap	52%	35%
Have made lifestyle adjustments to cut costs	62%	43%
Have no other sources of income than OAS/CPP/QPP	11%	6%

Words of wisdom

Five key themes emerged when retirees shared their biggest surprises and advice for those still working. These themes echo much of what we already weave into all our member education, but sharing the insight that comes from firsthand experience may prompt more workers to take action.

1

Be prepared, because retirement may come sooner than you think

"Plan ahead. It's here before you know it."

—Gen Xer

"It was a forced retirement due to cancer. It never occurred to me this could happen."

—Baby boomer

2

Make saving for retirement a priority

"Stop spending and start socking away every penny you can. You don't need a new car or the newest cellphone or a mansion of a house. Don't live beyond your means."

—Baby boomer

"Like many artists, I didn't think that I could save for retirement. My advice is to start as early as possible, and no matter the amount you deposit, it will count later on."

—Baby boomer

The testimonials provided may not be representative of the experience for all respondents.

3

Plan for future financial demands—retirement is expensive

"The biggest surprise is how much and how quickly the cost of living changes."

—Baby boomer

"I was surprised that my spending level was about the same, just spending on different things."

—Baby boomer

4

Work with a financial professional

"Pay for professional advice. It is well worth it."

—Baby boomer

"Make sure you get good advice. Don't get caught up in the same story we all tend to tell ourselves: I have time."

—Baby boomer

5

Have a plan for how you'll spend your time

"I have seen people unable to cope with retirement. The issue isn't financial. It is about maintaining a purpose in one's life."

—Baby boomer

"Have good plans in place as the 'fun' wears off very quickly."

—Baby boomer

The testimonials provided may not be representative of the experience for all respondents.

Generational insight

Workers of all ages share many financial concerns and goals, but what matters most changes slightly depending on their stage of life. For example, while saving for retirement is a priority for everyone, it's lower on the list for Gen Zers. That's to be expected as they're just starting out.

Use the profiles on the following pages to see how each generation is feeling so you can meet them where they are today.

Top five financial priorities across generations

	Gen Z		Millennials		Gen X		Baby boomers	
1	Day-to-day expenses and bills	**64%**	Saving for retirement	**61%**	Saving for retirement	**68%**	Saving for retirement	**79%**
2	Saving for a house	**61%**	Day-to-day expenses and bills	**60%**	Day-to-day expenses and bills	**54%**	Day-to-day expenses and bills	**51%**
3	Saving for emergencies	**57%**	Saving for emergencies	**56%**	Saving for emergencies	**47%**	Saving for emergencies	**40%**
4	Saving for retirement	**42%**	Pay off mortgage before retirement	**46%**	Pay off mortgage before retirement	**46%**	Becoming debt free	**40%**
5	Saving for a big purchase	**33%**	Becoming debt free	**40%**	Becoming debt free	**45%**	Pay off mortgage before retirement	**36%**

Gen Z (ages 18–28)

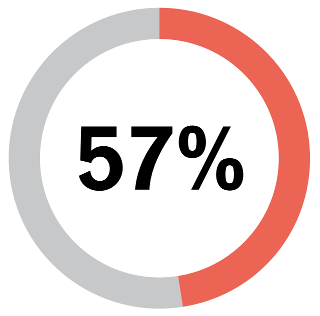
The youngest people in the workforce are feeling the financial pressures of adulthood. They’re focused on making ends meet and worry that their long-term goals may be out of reach.

“I want to finally own a home and have no debt, be able to take vacations and see the world with my partner, and not have to worry about affording daily expenses. I want to have extra spending money to donate to charities and help others, which I am unable to do in my current situation.”

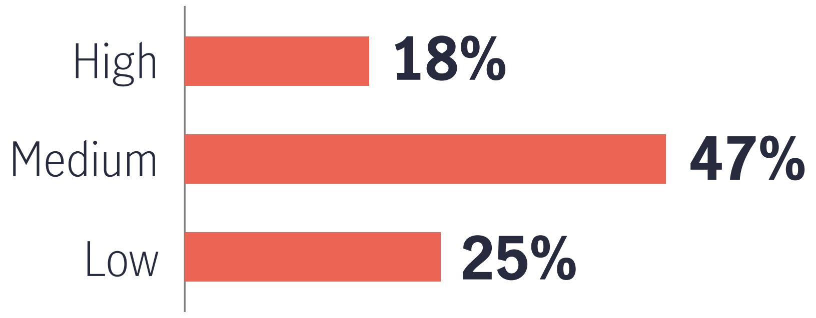
Gen Z

Investment profile

Knowledgeable about investing



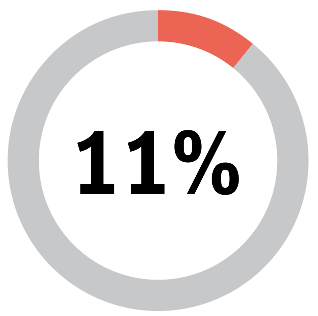
Risk tolerance for retirement plan investments



Top three investment interests

1. Stocks
2. Guaranteed investment certificates
3. Mutual funds

Interested in cryptocurrency for retirement accounts



Financial journey

Retirement age

66
Expected retirement age

60
Ideal retirement age

Retirement readiness

34%
feel their retirement savings are behind schedule

23%
have a formal plan for retirement

Financial resilience

48%
feel their finances are fair or poor

47%
consider their debt a problem

53%
worry about inflation and cost of living

For illustrative purposes only.

Millennials (ages 29–43)

Millennials are the largest group in the workforce today, so their concerns, goals, and fears can be a key focus[3] for employers.

These individuals are the least likely to rate their money situation highly, and despite more working years, they're much further behind on retirement savings than Gen Zers.

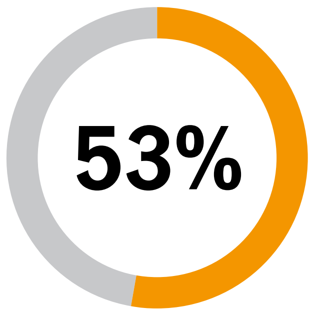
"I have a long way to go before retirement, it's not worth the thought yet."

3 "Millennials now outnumber Baby boomers in Canada," the *Daily,* 2024.

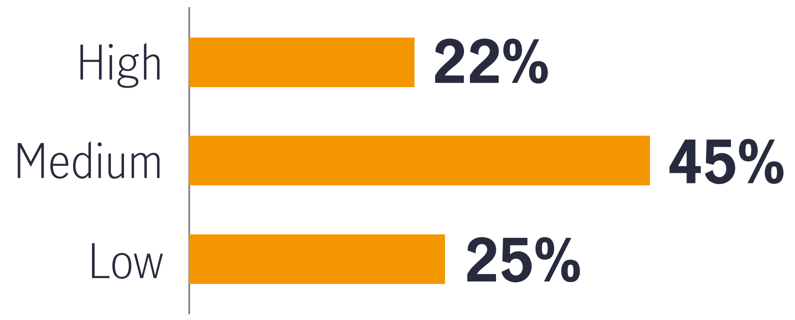
▶ Millennials

Investment profile

Knowledgeable about investing



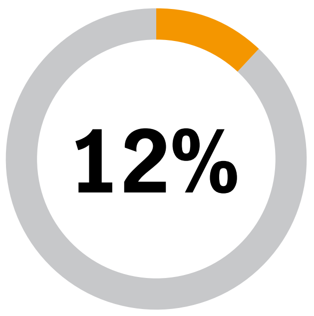
Risk tolerance for retirement plan investments



Top three investment interests

1 Stocks
2 Mutual funds
3 Exchange-traded funds

Interested in cryptocurrency for retirement accounts



Financial journey

Retirement age

66
Expected retirement age

60
Ideal retirement age

Retirement readiness

50%
feel their retirement savings are behind schedule

26%
have a formal plan for retirement

Financial resilience

40%
feel their finances are fair or poor

51%
consider their debt a problem

54%
worry about inflation and cost of living

INTENDED FOR PLAN SPONSOR AUDIENCE.

For illustrative purposes only.

Gen X (ages 44–57)

Gen X is known as the sandwich generation, tasked with caring for both children and elderly parents. Our data echoes this status with Gen X workers reporting the highest rate of dual care.

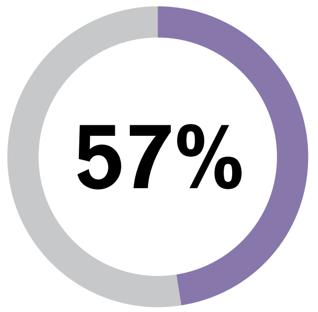
This situation may be contributing to the low level of savings in their retirement accounts. Nearly one-third have less than $50,000.

Although one Gen Xer says, "I don't plan on retiring," our survey shows these workers could be closer to retirement than they think. The oldest of this group is 56, the same average age as early retirees.

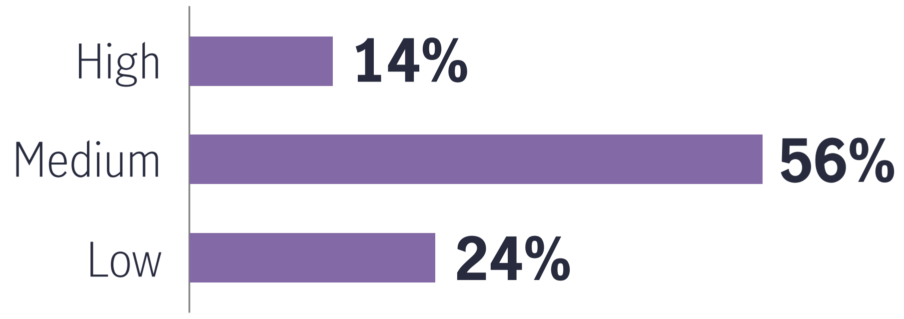
Gen X

Investment profile

Knowledgeable about investing



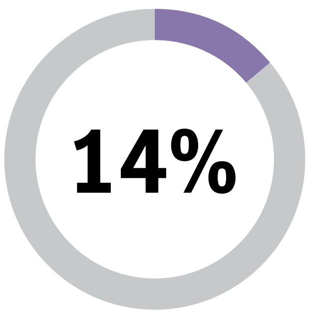
Risk tolerance for retirement plan investments



Top three investment interests

1. Mutual funds
2. Stocks
3. Guaranteed investment certificates

Interested in cryptocurrency for retirement accounts



Financial journey

Retirement age

66
Expected retirement age

60
Ideal retirement age

Retirement readiness

51%
feel their retirement savings are behind schedule

38%
have a formal plan for retirement

Financial resilience

40%
feel their finances are fair or poor

56%
consider their debt a problem

50%
worry about inflation and cost of living

For illustrative purposes only.

Baby boomers (ages 58+)

Baby boomers have the highest level of investment knowledge, and the majority are happy with their current finances. Still, 40% rate their finances as fair or poor, which is a 16% increase from just last year.[4]

While they plan to retire later than other generations, at 67, our survey found that less than half were still working after 60.

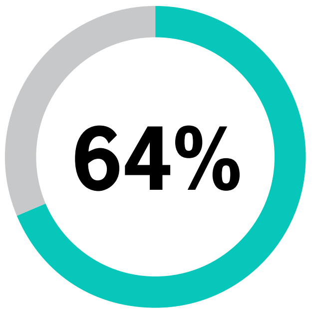
"Plan for your time. Retirement planning is more than just your money."

4 Financial resilience and longevity survey, Manulife, 2024.

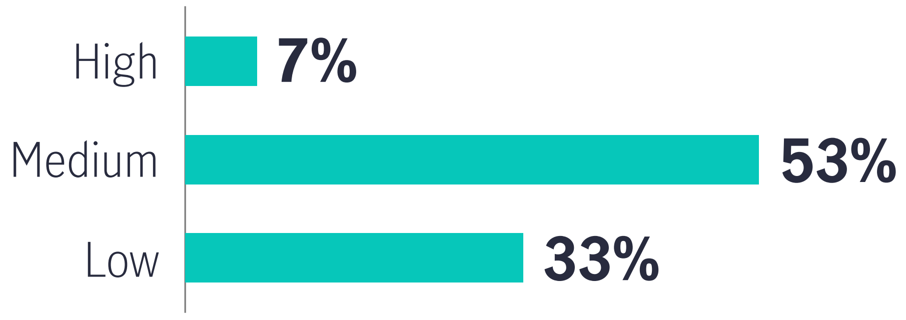
Baby boomers

Investment profile

Knowledgeable about investing



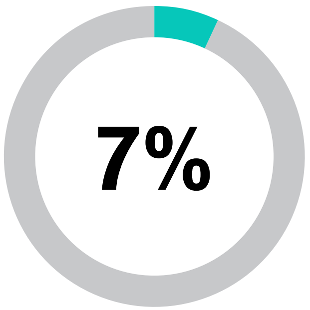
Risk tolerance for retirement plan investments



Top three investment interests

1. Mutual funds
2. Guaranteed investment certificates
3. Stocks

Interested in cryptocurrency for retirement accounts



Financial journey

Retirement age

67
Expected retirement age

65
Ideal retirement age

Retirement readiness

45%
feel their retirement savings are behind schedule

49%
have a formal plan for retirement

Financial resilience

40%
feel their finances are fair or poor

48%
consider their debt a problem

52%
worry about inflation and cost of living

For illustrative purposes only.

Key takeaways and next steps

Financial stress—a workplace disruptor

The financial concerns we've highlighted are taking a toll on job performance. On average, people are spending nearly six hours a month on their finances at work—an amount we haven't seen since our 2020 survey. Employees who missed work due to financial stress were absent an average of six days in just six months. These actions can cost employers each year in lost productivity and absenteeism. Reversing these upward trends can start by offering the support workers value.

Personal finances and job performance

5.5 hours
is the average time spent on finances each month at work

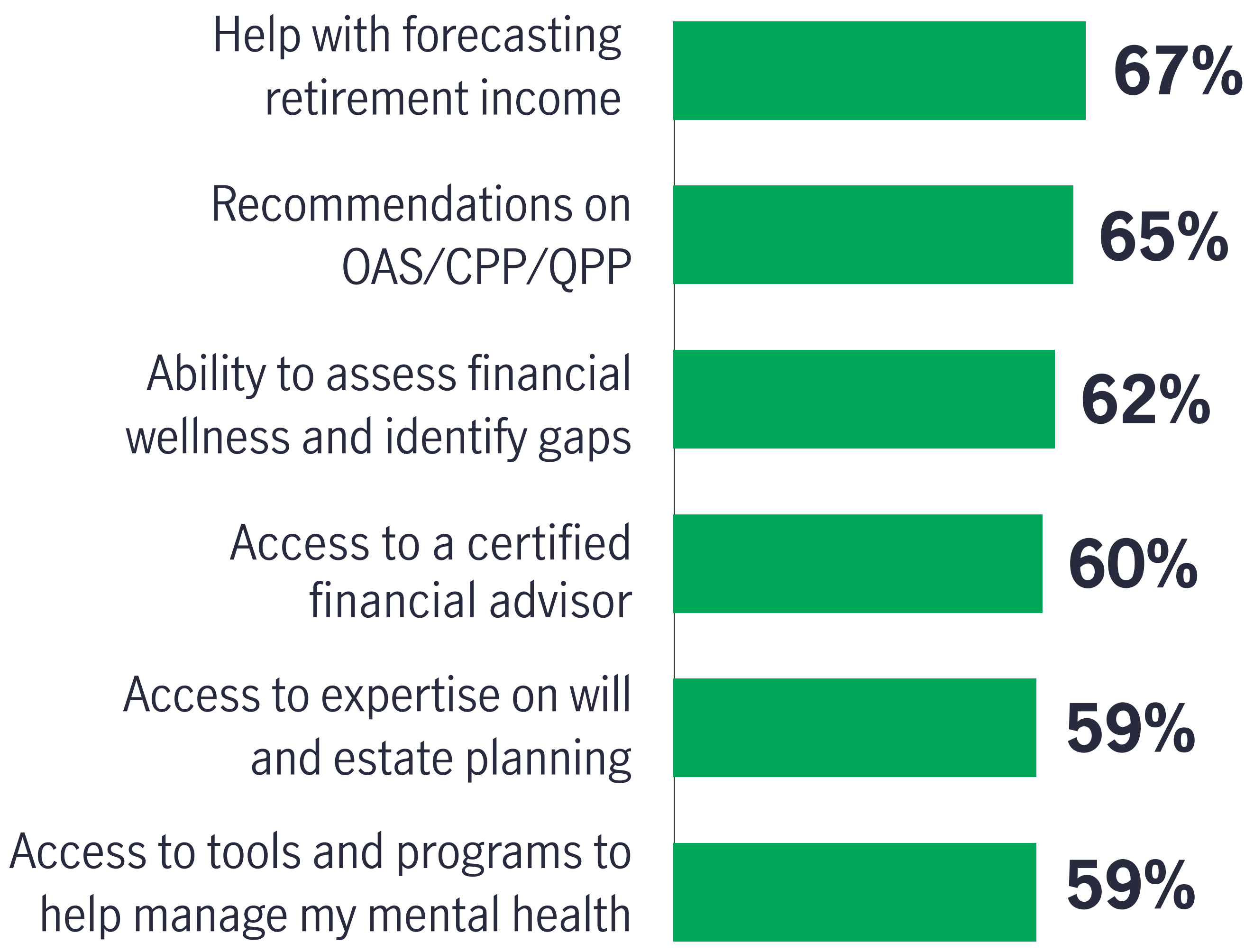
1 day
is the average employees missed work in the past six months due to financial stress

41%
say they'd be more productive without their current financial worries

The vital role of employers

57%
say their employer has some influence on their financial decision-making

Top areas of interest for employer support



Tying it all together—five key takeaways

We need to meet workers where they are today, sparking aha moments that motivate them to boost their financial resilience and plan for their longevity.

INTENDED FOR PLAN SPONSOR AUDIENCE.

Gen Z	Gen Zers surveyed aspire to retire well before the traditional age, making a 40-year retirement a real possibility. Yet many see retirement as a distant event and struggle to focus on it now. We need to explore innovative ways to help them connect with their future today.
Millennials	This generation appears to be struggling the most with managing their current finances and saving for retirement; many surveyed also feel lost when it comes to investing. By going back to basics, we can help them balance their current dollars with their future dreams.
Gen X	While they appear to be doing a bit better than millennials, Gen Xers surveyed still face significant financial pressure. A key factor may be that 63% are managing not only their own households, but also providing financial support for their parents or children. Education for this group should likely include college planning, healthcare, caregiving, and other topics relevant to the sandwich generation.
Baby boomers	Baby boomers surveyed feel the most confident about their finances and retirement savings. They're also the least concerned about inflation and the cost of living. Our focus should likely be on maintaining their momentum—helping them make the most of their remaining work years and turning their savings into lifetime income.
Retirees	Experiences of retirees surveyed highlight the impact of good planning and how much the timing of retirement can matter. Just as we encourage workers to plan for unexpected expenses, we should consider talking to current workers about the importance of preparing for an unexpected retirement.

Next steps—create aha moments

How can you inspire those aha moments in members? Here are some suggestions to get your wheels turning.

Interactive activities

Gen Zers and millennials have grown up in a digital world. Making retirement planning a game can help them visualize the outcome and the impact their choices can have on their finances.

Guest speakers

Think about taking it up a notch by inviting retirees to share their stories in person or virtually. This gives workers the chance to ask questions from those who have firsthand experience.

Age-specific education meetings

Rather than holding general sessions on saving for retirement or managing debt, consider hosting meetings tailored to each generation.

People often feel more comfortable asking questions in smaller groups with their peers, and they're more likely to engage with content that speaks directly to their situation. You could even have someone from their age group lead the discussion for added relatability.

Video testimonials

Personal stories are a powerful way to build connections, as they make topics more relatable. Consider starting your education meetings with a short video of someone discussing the challenges they faced and the steps they took to overcome them.

Personas

Consider bringing financial and retirement topics to life with age-specific personas that resonate with your audience. For example, "Meet Mary, 24. She's just started her career and is setting up her first home."

By partnering together, we can help today's multigenerational workforce prepare for and enjoy a potential 40-year retirement, balancing their dreams and their dollars.

To learn more, visit 2025 Financial resilience and longevity survey | Manulife Retirement.

CRET-492368 EN AODA

INTENDED FOR PLAN SPONSOR AUDIENCE.