

As a business owner, do you have a retirement contingency plan?

Fluctuating profitability affects business valuations and the funds available to support the retirement lifestyle of business owners.

Retirement savings of business owners between the ages of 45 and 64: **61%** indicated that they had saved less than \$100,000 **14%** have saved \$500,000 or more

What owners are currently drawing from their businesses annually

89% drew out less than \$100,000
1% draw at least \$500,000



Over 75% of respondents indicated that they were able to save only **\$25,000 or less** on an annual basis towards their retirement

47%
of private business owners expect to be over 65 when they retire



Putting an Effective Retirement Plan in Place

Indicated that they did not have a business succession plan **65%**

Had an up-to-date formal written business succession plan **8%**

Owners closer to retirement had an up-to-date formal written plan **14%**

Respondents had an informal business succession plan (unwritten) **23%**

31% of private business owners noted that they had maximized their RRSPs, TFSA's and or PRRPs
21% have non-registered investments for retirement
49% have not diversified their pool of retirement capital

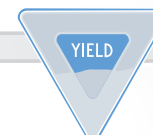


Determining how much is needed to be saved for retirement depends on a wide variety of factors, including:

Planned amount of spending each year in retirement
How much can be saved each year leading up to retirement
Current age and age at retirement / expected lifespan
Funds available from other sources such as Canada Pensions Plan, Old Age Security, pensions and inheritances
Future health and health-care costs
Taxes, especially regarding the use of registered plan assets (RRSPs and RRIFs) to support retirement spending

The barriers that owners have experienced

Finding a buyer/suitable successor **42%**
Valuating the business **34%**
Too much dependence on the business owner's leadership **32%**



Business Owner Exit Options

Sell to buyer(s) unrelated to my family **36%**
Transfer at no cost to family member(s) **15%**
Wind down (close) the business **12%**
Sell to family member(s) **4%**
Don't know **33%**

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