

BMO Harris Private Banking Study: Affluent Canadians Report They Need an Average of \$2.3 Million to Retire

- *This amount is two and a half times more than the average of what Canadians as a whole feel they need for retirement*
- *Ninety-five per cent of high-net worth Canadians are optimistic about their ability to save for retirement, versus 69 per cent of all Canadians*
- *Eighty-six per cent of the country's affluent are upbeat about their investments*

TORONTO, January 17, 2014 – According to a study released today by BMO Harris Private Banking, high-net worth Canadians (those with investible assets of \$1 million or more) reported that they require, on average, \$2.3 million to be able to live out their ideal retirement lifestyle. This amount is two and half times more than the \$908,000 average that Canadians as a whole – irrespective of income level – identified as the optimal amount required for retirement. The study is the fourth in a series by BMO Harris Private Banking examining trends among the affluent in Canada.

“Regardless of your income or the amount of wealth you possess, it’s important to understand that saving for retirement is not a one-size-fits-all proposition in terms of the ideal amount you need to save,” said Yannick Archambault, Vice President and COO, BMO Harris Private Banking. “How much you require will be determined largely by what kind of lifestyle you envision for yourself, including where you plan to live, how much you want to travel and other factors that could require funding. What’s important is that you give serious thought to how you want your retirement to look and then work with a financial professional to create a financial plan that includes a retirement savings and investing component.”

Canada’s Affluent Confident About Their Retirement

The study also found that the vast majority of high-net worth Canadians are upbeat about saving for retirement, with 95 per cent stating that they are confident about their ability to achieve their ideal retirement lifestyle (versus 69 per cent of Canadians overall).

Mr. Archambault noted that this optimism should not come as too much of a surprise, given that the study also found that 86 per cent of high-net worth Canadians say they are quite comfortable with their current savings and investment plan. Further, 70 per cent expect stocks to generate the most solid returns over the next five years, well ahead of real estate (39 per cent), bonds (24 per cent) and cash (19 per cent).

“While it’s encouraging that so many of the country’s affluent are feeling good about the prospects for their retirement, it’s important to be mindful that market conditions can change very quickly and impact one’s investments,” observed Mr. Archambault. “It’s

important to ensure your portfolio manages risk effectively and is well diversified in order to insulate your retirement nest-egg against market fluctuations as best as possible.”

Regional Breakdown:

Region	Average amount high-net worth Canadians feel they need for retirement	Average amount Canadians as a whole feel they need for retirement	% of high-net worth Canadians who feel confident about saving for retirement	% of all Canadians who feel confident about saving for retirement
National	\$2,300,000	\$908,000	95	69
Atlantic	\$2,100,000	\$622,000	100	66
Quebec	\$2,400,000	\$584,000	93	71
Ontario	\$2,200,000	\$978,000	93	67
Man/Sask	\$2,100,000	\$768,000	92	66
Alberta	\$2,400,000	\$1,300,000	97	71
B.C.	\$2,200,000	\$1,102,000	100	71

The online survey was conducted by Pollara between March 28th and April 11th, 2013 with a sample of 305 Canadians with at least \$1 million in investable assets. The margin of error for a probability sample of this size is $\pm 5.6\%$, 19 times out of 20.

Results cited among the general public come from online surveys fielded by Pollara among 1,000 Canadians during the second half of 2013. The margin of error for a probability sample of this size would be $\pm 3.1\%$, 19 times out of 20.

About BMO Harris Private Banking

Backed by the stability and resources of BMO Financial Group, professionals at BMO Harris Private Banking are responsible for the successful management of wealth by providing expert advice and highly personalized services in banking, investment management, estate, trust, succession planning and philanthropic services – all in a coordinated approach. BMO Harris Private Banking is able to service clients in a variety of languages in 35 offices across Canada.

For more information on BMO Harris Private Banking, please visit <http://www.bmo.com/harrisprivatebanking>

Get the latest BMO press releases via Twitter by following @BMOmedia

Media contacts:

Amanda Robinson, Toronto, amanda.robinson@bmo.com, 416-867-3996

Valérie Doucet, Montreal, valerie.doucet@bmo.com, 514-877-8224

Laurie Grant, Vancouver, laurie.grant@bmo.com, 604-665-7596