



PRESS RELEASE

For the First Time Ever, More Canadians Now Have a TFSA (57%) than an RRSP (52%)

Nearly Half of Canadians (43%) Believe that TFSAs are Good for Saving Money but Not Growing It

Toronto, August 20, 2019 — More Canadians now have a Tax-Free Savings Account (TFSA) (57%) than an RRSP (52%), according to the 2019 iteration of RBC's Financial Independence in Retirement poll, conducted by Ipsos. In fact, even among those aged 55+, for whom RRSPs have been a staple over the past few decades, more would choose to invest in a TFSA (64%) than an RRSP (17%) if they could afford to put money into only one type of plan. Interestingly, while more Canadians have a TFSA than an RRSP, RRSPs (\$96,367 on average) still eclipse TFSAs (\$42,300 on average) in value.

While the true advantage of a TFSA is to grow one's investments on a tax-free basis, the results of the poll show that most Canadians appear to be using their TFSA for savings storage rather than protecting their investment growth from taxation. Among those with a TFSA, the most-common holding in these plans are savings accounts and cash (42%), followed by mutual funds (28%), stocks (19%), GICs/term deposits (15%), ETFs (7%), and bonds (6%). The primary reasons for having a TFSA include saving for retirement (38%), saving for an emergency (35%), to shelter their savings from taxes (32%), everyday savings (25%), greater flexibility of withdrawal (14%), savings for large or special purchases/expenses (14%), savings to purchase a home (10%) or savings to renovate their home (9%).

Despite the fact that most (74%) Canadians know that TFSAs can carry cash or investments, nearly half (43%) believe that TFSAs are a good tool for saving money but not for growing it. In line with their belief that it is a savings vehicle, two in three (65%) TFSAs holders say they have not withdrawn money from their TFSA.

Among the one in three (35%) who have withdrawn money from their TFSA, the top reasons for doing so include paying off debt (25%), making a large or special purchase (24%), because of an emergency (20%), paying day-to-day expenses (19%), purchasing something for their home (11%) or buying a home (10%).



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About the Study

These are a selection of findings of the 29th annual RBC RRSP / Financial Independence in Retirement Poll, conducted by Ipsos from November 20 to 26, 2018 on behalf of RBC Financial Planning, through a national survey of 2,000 Canadians aged 18+ who completed their surveys online. Quota sampling and weighting are employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 2.2 percentage points had all Canadian adults been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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