

Majority of Canadian employees living paycheque to paycheque, survey shows

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By The Canadian Press

TORONTO - Nearly 60 per cent of Canadians would have trouble paying the bills if their paycheque was delayed by one week, a new polls suggests.

The Canadian Payroll Association survey says not only are the majority of Canadians living paycheque-to-paycheque, but they have little ability to put money away for their retirement. The survey, released Monday, said 59 per cent of Canadians would have trouble making ends meet if they missed a paycheque.

"We were surprised that people were that close to the line," said Patrick Culhane, president and CEO of the not-for-profit association.

Culhane said those results are despite the common advice from financial planners that people should set aside three months of expenses for such items as rent, groceries and monthly bills, in case of an emergency.

Of those surveyed, the younger workforce felt the greatest pinch. The survey said 45 per cent of people aged 18-to-34 would be difficult or very difficult to make ends meet if a paycheque were delayed. Another 21 per cent in that age group said it would be somewhat difficult.

Not surprisingly, 72 per cent of single parents said missing a paycheque would cause a problem for meeting financial obligations.

The survey also found that 50 per cent of Canadian workers can't save more than five per cent of their net pay for retirement, half of what financial experts often recommend.

Culhane said those results are despite the "guilt trip" Canadians get at the start of every year before the RRSP filing deadline.

"People know they have to do it," he said.

However, Culhane acknowledged it has become even more difficult to save for retirement recently with the stock market swings.

About 52 per cent of those surveyed believe they need between \$750,000 to \$3 million to live comfortably in retirement.

About one-third of Canadians report trying to save more money compared to last year due to the economic uncertainty, but can't. Another 42 per cent say they aren't trying to save more.

The survey was released as part of National Payroll Week, which runs until Friday.

Besides providing fresh data on Canadian attitudes, such surveys are a popular promotional tool for Canadian companies, who use public opinion polls to gauge consumer thinking and to promote specific brands to ordinary Canadians.

Banks and mutual fund companies have long used such surveys to make consumers aware of financial products and services and to learn more about the public's financial management habits.

The CPA survey was conducted by Calgary-based Framework Partners Inc. through online interviews of 2,800 employees across Canada. The results have a margin of error of 2.3 per cent, 19 times out of 20.

The CPA has more than 14,000 member and 1.5 million professionals in organizations across Canada.

<http://ca.news.finance.yahoo.com/s/14092009/2/biz-finance-majority-canadian-employees-living-paycheque-paycheque-survey-shows.html>