

Canadians without a pension aren't saving more



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Families without registered pension plans (RPPs) aren't fully compensating for their lack of RPP coverage through increased savings in other assets, says Statistics Canada.

In 2012, the average wealth—defined as the total value of assets minus the total value of debt—of families with RPP assets was \$536,000.

In contrast, the average wealth of families without RPP assets was \$191,000.

“Some of this difference was attributable to the socioeconomic characteristics of families with and without RPP assets,” Statistics Canada notes.

Persons in families with RPP assets were more likely to have higher after-tax incomes, to be born in Canada, to be part of a couple, to have a university degree and to have longer job tenure than persons in families without RPP assets.

These differences in family characteristics accounted for about half of the difference in average wealth observed between families with and without RPP assets.

It's estimated that families with no RPP assets would have an average wealth of \$359,000 if they had the same socioeconomic characteristics as families with RPP assets.

This means, even among families with the same observed characteristics, a difference of \$177,000 in average wealth remained between those with and without RPP assets.