

GREENSTONE 

An Ounce of Prevention

Canadian attitudes
toward estate planning
and life insurance



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About the Report

Estate planning and the purchase of life insurance are realities Canadians must confront at one point in their lives.

At the same time, topics surrounding estate planning – including end-of-life planning and life insurance – are inherently uncomfortable topics for the majority of Canadians. As a result, it's not surprising that many people hold conflicting thoughts and feelings on these topics that are often at odds.

The key finding emerging from a recent survey is that Canadians' desire to engage in proactive end-of-life planning is not matched by action. The survey finds that many Canadians remain uncomfortable speaking about death, final wishes, and personal finance. As a result, the survey exposes a conflicting picture where widespread anxiety surrounding Canadians' financial future is accompanied by a desire to live a long life, retire

relatively early, and leave an inheritance to family members.

Overall, this report explores the views and behaviours of Canadians when it comes to end-of-life planning, including conversations about estate planning and life insurance.

THE REPORT INCLUDES THE FOLLOWING SECTIONS:

- 1 How Canadians feel about their futures and finances
- 2 The hidden cost of death
- 3 How Canadians wish to mark their passing
- 4 Conclusion

Methodology

This report is based on research commissioned by Greenstone Financial Services Canada Inc. and designed by Hill+Knowlton Strategies. It was conducted in November 2022 and included an online survey of 1,200 adult residents from across Canada. The sample was randomly drawn from Leger's web panel of potential survey respondents. An associated margin of error for a probability-based sample of this size would be $\pm 2.8\%$, 19 times out of 20.

How Canadians Feel About Their Futures and Finances





When the Canada Pension Plan (CPP) was created in 1965, Canadians could expect to live **71 years** on average.

Today, the combined life expectancy for men and women in Canada is **82 years**¹. Looking to the future, we know that life expectancy will continue to go up². This will have major implications for Canadians’ personal finance.

The survey results expose a conflicting picture in which pessimism and unease about personal finance coincide with dreams of a long life, relatively early retirement, and a desire to leave an inheritance for family members.

Key Findings

Canadians want to live long lives and enjoy retirement – but they also worry about finances.

On the one hand, Canadians want to live long lives with years of worry-free retirement:



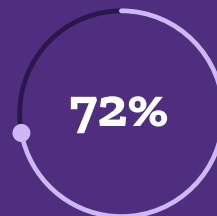
88 is the average age Canadians wish to live to



82% would “hate” to leave the burden of final expenses to family members



61.5 is the average desired retirement age among those who are working and expect to retire



72% want to provide some financial support to family after they pass away



26 years is the average length of time Canadians will have to sustain themselves financially in retirement

On the other hand, they're not always optimistic about their finances:



Only 48%
Are optimistic about their financial future



36%
Don't have life insurance, including 23% of parents with children under 18



48%
Worry about running out of money in retirement

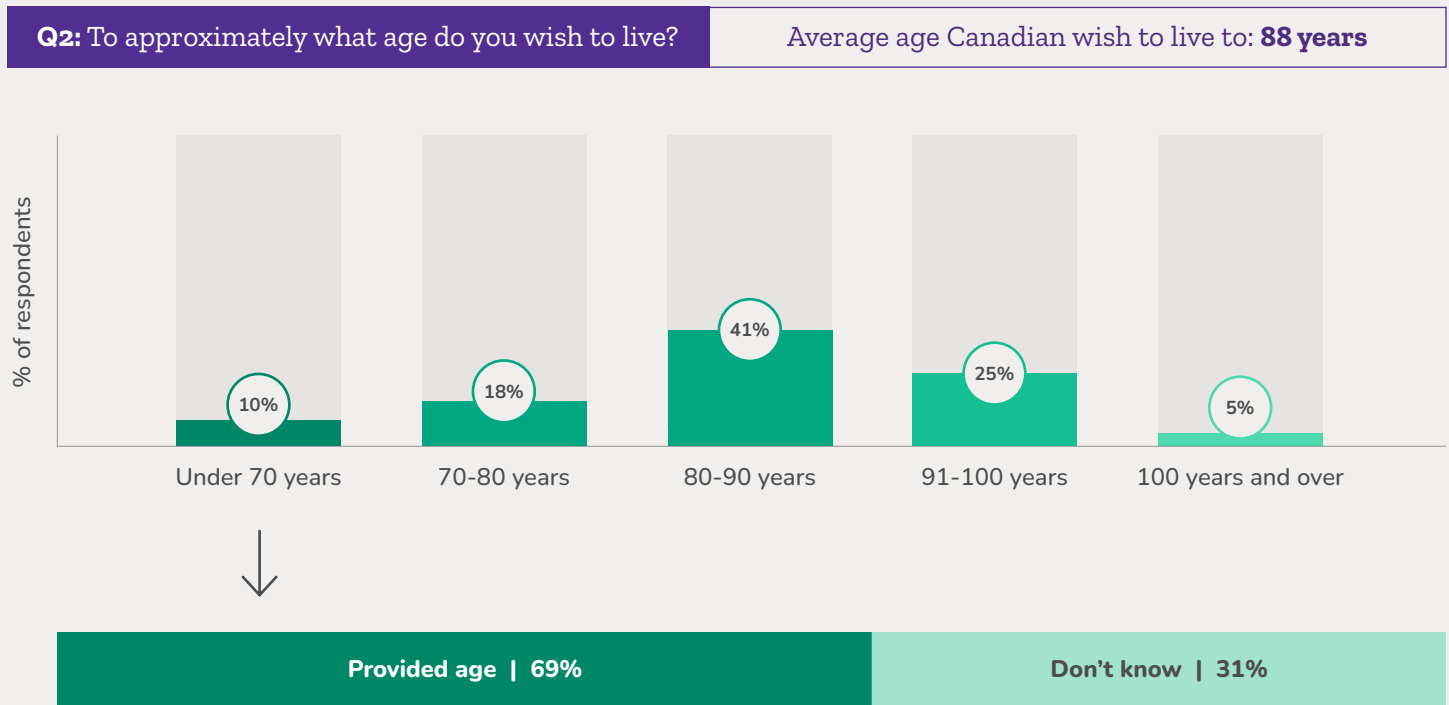


41%
Worry about leaving their family members with expenses and debts after they pass away, including 55% of parents with children under 18



64%
Of those with life insurance believe it provides "peace of mind"

Exhibit 1



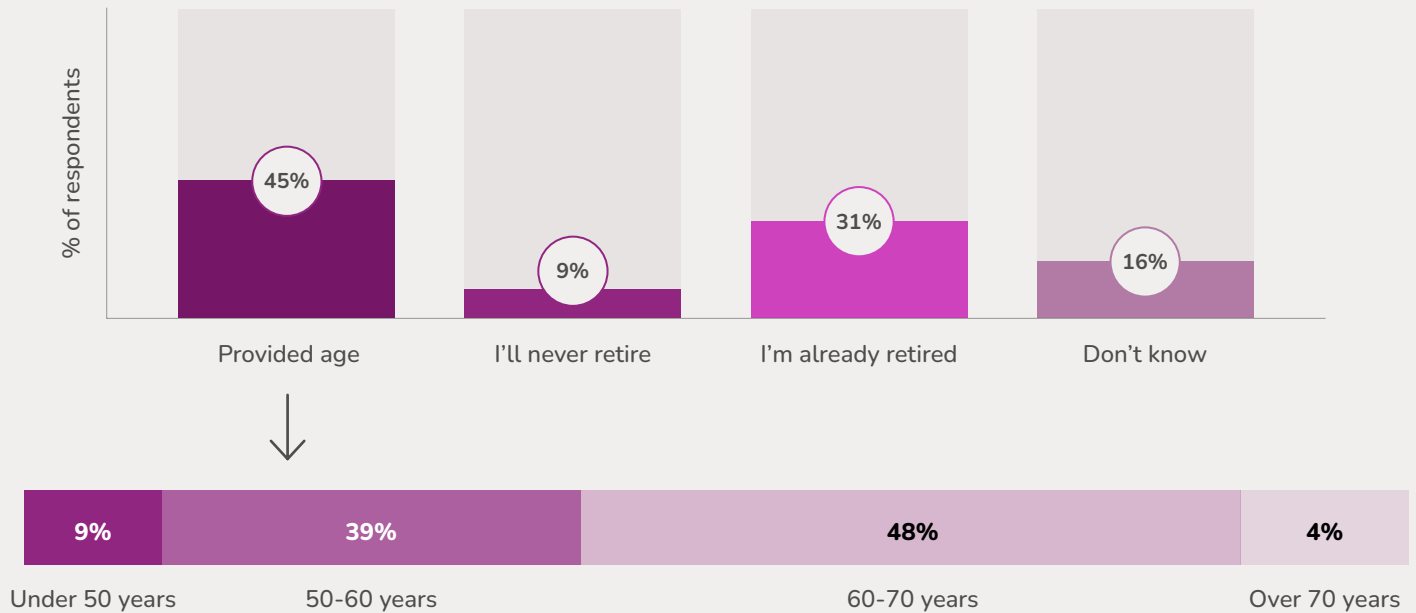
Sample Base: 1,200

¹ <https://statista.com/statistics/1041135/life-expectancy-canada-all-time/>

² <https://scientificamerican.com/article/humans-could-live-up-to-150-years-new-research-suggests/>

Exhibit 2

Q3: At approximately what age do you expect to retire? Average age Canadian wish to retire at: **62 years**



Sample Base: 1,200

Key Findings

While Canadians agree on the wisdom of end-of-life planning, many are not comfortable discussing death, final wishes, or personal finances.

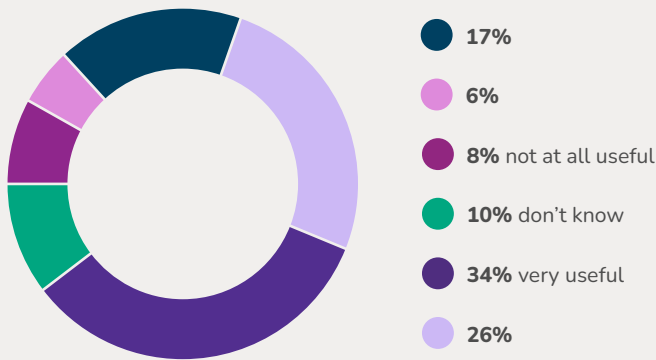
When it comes to end-of-life planning, actions speak louder than words. The survey results show that while Canadians agree about the wisdom of end-of-life planning, many are failing to act.

Many Canadians still find it difficult to talk about issues relating to death. People also tend to avoid the issue of personal finance. Therefore, end-of-life planning discussions can be doubly challenging, given they include both topics.



Exhibit 11

Q6: How useful do you think it would be for you to have a conversation with family about your final wishes (e.g., type of funeral) and of how to deal with your personal finances (e.g., where to find documents)



Sample Base: 342

The COVID-19 pandemic has caused us to rethink certain issues and questions. For example, the survey results show the pandemic prompted one in three Canadians to contemplate their mortality more than they have in past.

Interestingly, there are no generational differences on this question. Regionally, **Ontarians were more likely to have thoughts about death during the pandemic (39%), while Quebecers were least likely to contemplate these thoughts (21%).** Many would argue that the impact of the pandemic was similarly harsh across both provinces so it's interesting that those in Ontario are more likely to think about death.

Along with avoiding conversations about death itself, there's also a gap in how Canadians approach talking about their final wishes and finances.

On the one hand:



Believe “we need to talk more about death and dying in Canada” (only 7% disagree)

On the other hand:

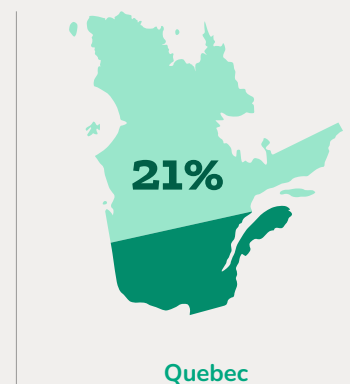
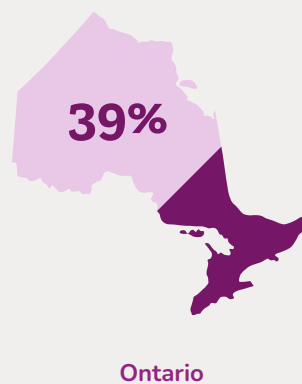


Are comfortable talking openly about death and dying. Comfort discussing these topics is highest among the oldest generation.

About **1 in 10**



Believe discussing end-of-life planning will bring about bad luck, although this thinking is less common among older Canadians.



On the one hand:



Think that regardless of age, **everyone should let their family know what their final wishes are** if they're to pass away unexpectedly



Know someone who has suffered financial hardship because their loved one left them with expenses after they died

On the other hand:



Are certain that someone in their family is aware of their final wishes and of how to deal with their personal finances when they die

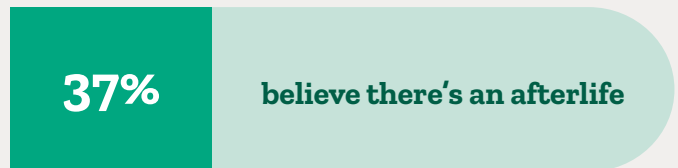


Report no one in their family is aware

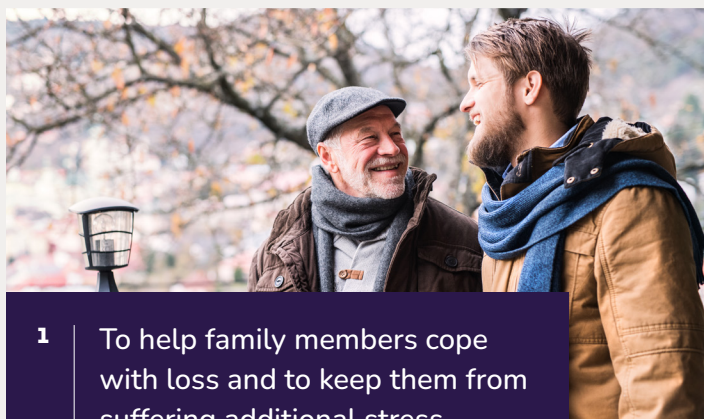
Discussing final wishes and personal finances may not improve one's financial situation per se, but engaging in these conversations early can lessen the financial burden and stress experienced by family members after one's passing.

What motivates conversations around death and dying?

A belief in the afterlife is one factor that increases a person's comfort discussing death and dying. But according to existing data, only a little more than one-third (37%) believe there is an afterlife once we die, a finding consistent across generations.³



Why people believe it's important to have conversations about final wishes



1 To help family members cope with loss and to keep them from suffering additional stress.

"I want it to be as easy as possible for my survivors after I die."

"So burden wasn't placed on someone else."

"It's important to me to have that conversation so my spouse or children aren't left in confusion about what to do to handle my estate when they will be grieving and have enough to deal with; it's the considerate thing to do to help out those you love after you've gone."

³ <https://scientificamerican.com/article/humans-could-live-up-to-150-years-new-research-suggests/>

“So they know what I want and not what they feel they should do.”

“So my wishes for funeral are followed.”

“So wishes are respected and no estate money is wasted trying to figure it out.”



2 | To ensure their wishes will be respected.



3 | To be prepared in case of an unexpected death.

“So they know what to do if I suddenly pass away.”

“I went overseas for several vacations and have also participated in things like sky diving. I wanted my family to have everything they will need in case something happens. Being practical is key.”

“You never know what can happen & when.”

Key Findings

Many Canadians don't have their affairs in order.

As noted above, only 36% are certain that someone in their family is aware of their final wishes. One explanation for this low number is that many Canadians haven't written their final wishes down, nor have they shared them with a loved one.

The survey finds that one of the most compelling reasons for having a financial plan upon your death is simply the peace of mind it gives you and your loved ones. But to experience this peace of mind,

Canadians must first overcome their reluctance to engage in end-of-life planning.

The top four reasons cited for avoiding these discussions include:

- 1 | Fear that no one is talking about them

- 2 | A feeling that someone is too young to begin these conversations

- 3 | Feeling uncomfortable or awkward broaching the topic

- 4 | Not knowing where to start

Who has a will?

According to Angus Reid, only about half of Canadians (48%) have an up-to-date will on the books.⁴ This survey found that the likelihood of having one would increase with age.

Specifically:



Almost all (93%) of the Silent Generation have such a document.



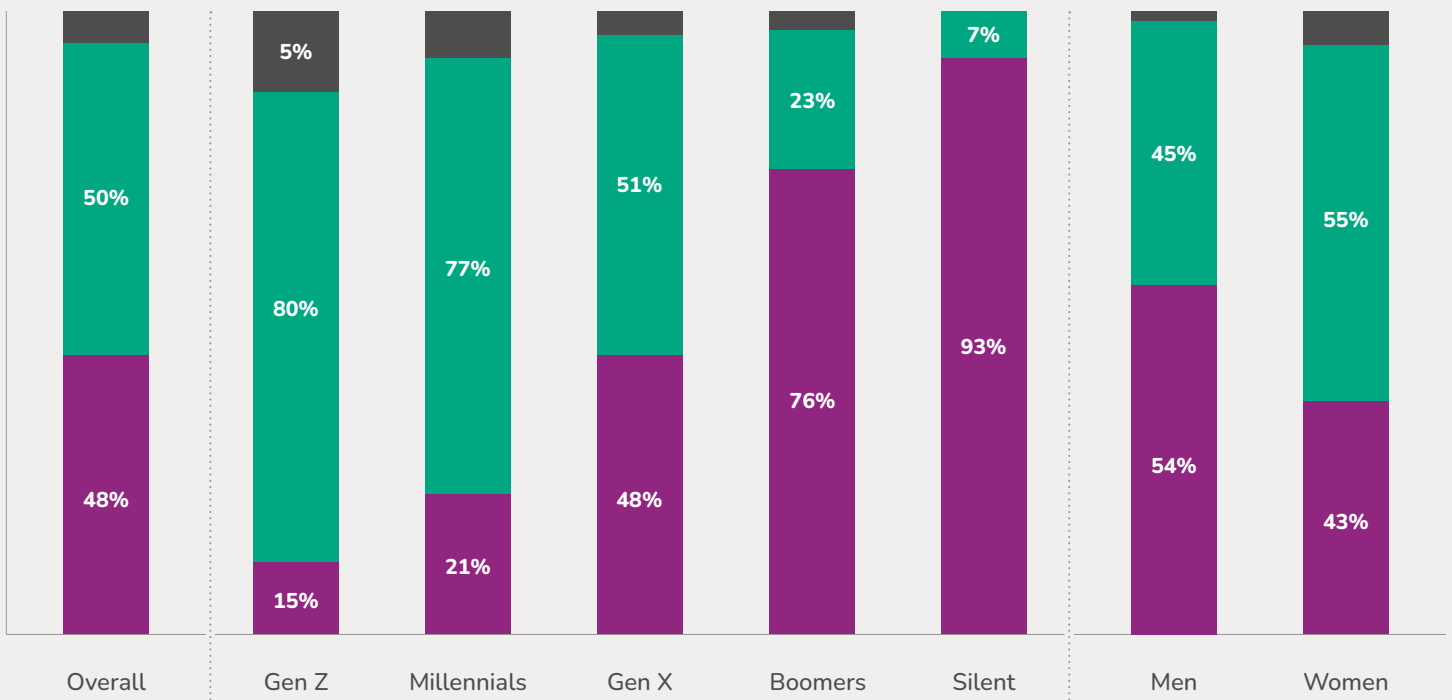
While Boomers are also far more likely to have a will, 1 in 4 don't.



Men are much more likely than women to have a will (54% vs. 43%).

Exhibit 9

Q4: Do you have a will?



Sample Base: 1,200

Yes No Don't know

⁴ <https://angusreid.org/will-and-testament/#:~:text=A%20slight%20majority%20of%20Canadians,that%20is%20up%20to%20date/>

What about life insurance?

60% of survey respondents reported they have life insurance.

Three-quarters of parents (of children under 18) say they have life insurance

64% believe life insurance coverage provides “peace of mind”

Among those who have life insurance, **half (49%)** agree that it gives them a sense of “financial control”

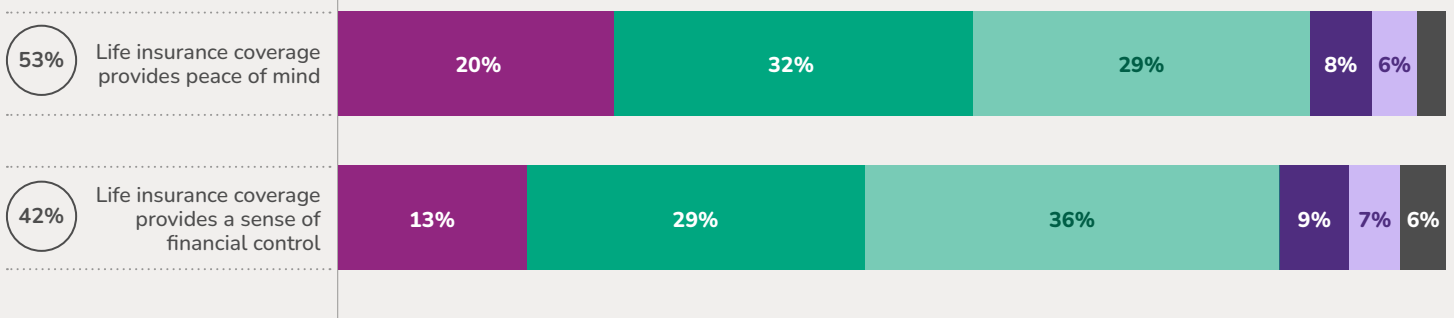
Among those who don’t have life insurance, **36%** report having looked into buying it, while 25% expect to purchase life insurance in the future

Exhibit 20

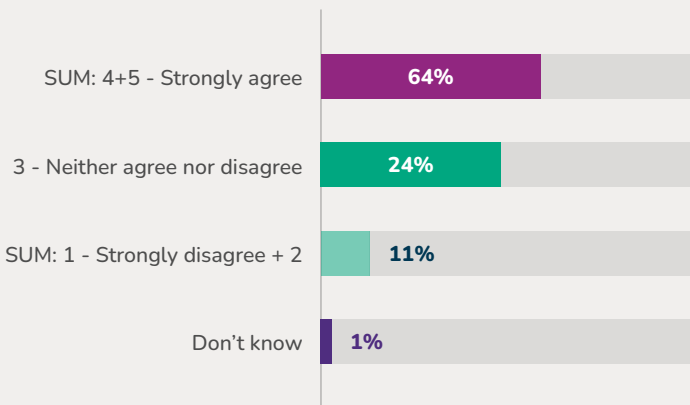
Q1: Please indicate whether you agree or disagree with each of the following statements

5 - Strongly agree | 4 | 3 | 2 | 1 - Strongly Disagree | Don't know

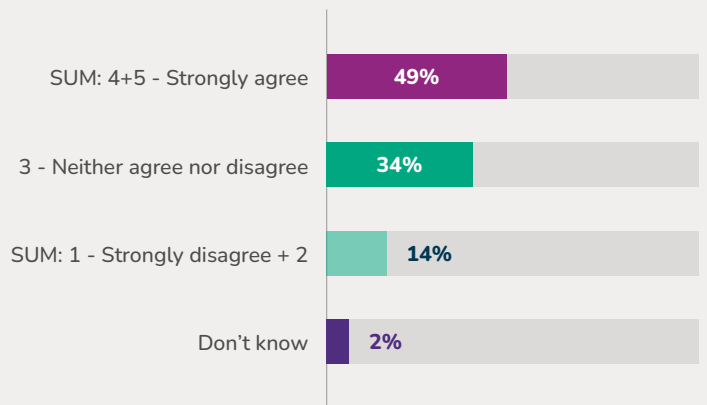
Strongly agree + 4



Life insurance coverage provides peace of mind



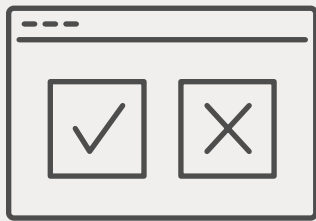
Life insurance coverage provides a sense of financial control



| The Hidden | Cost of Death



The expenses associated with death are something that most people learn about through experience, leaving many unprepared for what they might encounter.



The survey results show that other than funeral expenses – and to a much lesser extent household bills – most

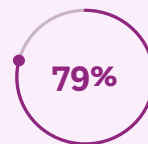
Canadians aren't aware of the full range of expenses associated with death.

This lack of knowledge on the hidden costs of death is likely a key reason why Canadians aren't proactively planning for what will happen to them after they die. These gaps in understanding are clearly contributing to inaction – even as Canadians approach their final years.

Key Finding

Canadians underestimate the range of expenses associated with the passing of a family member.

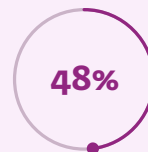
As could be expected



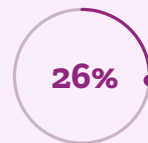
Most respondents (79%) thought of funeral expenses. From there, knowledge decreases significantly.



Only half of respondents have thought about having to cover household bills **(51%)**



Having to pay off credit cards or other loan payments **(48%)** for their loved ones.



Only one in four (26%) people have contemplated having to pay medical bills or financially support the children or dependants of their family members.

While 42% of those surveyed are aware of at least four of seven common death-related expenses, **four in 10** greatly underestimate what a funeral might cost.

On the one hand:



\$9,197.00

is the average estimate of the cost of a funeral among Canadians (very close to industry figures)



Believe funerals are getting more expensive over time

On the other hand:



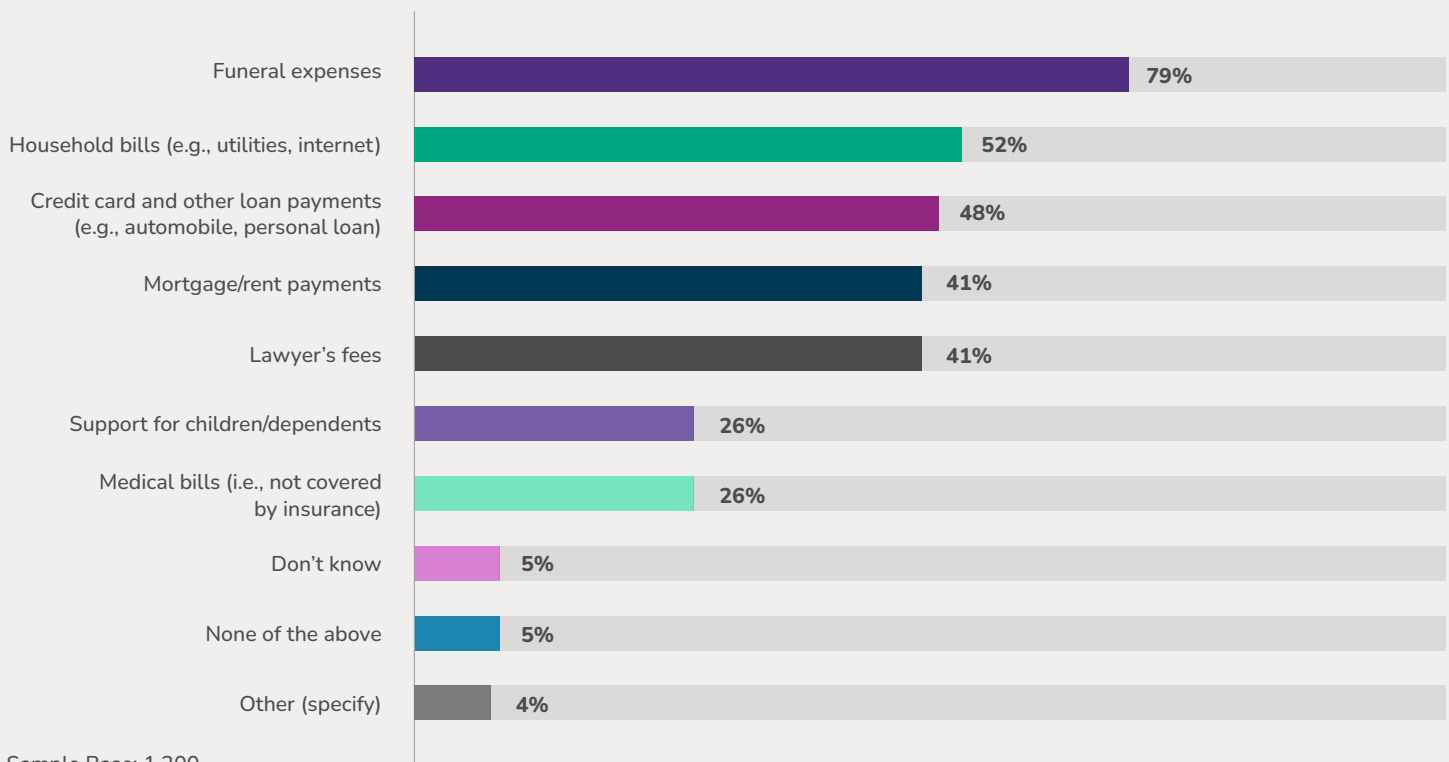
Peg the average price of a funeral below \$5,000



Selected four or more of the seven potential death-related expenses.

Exhibit 12

Q8: Which, if any, of the following types of expenses were you thinking of? (select all that apply)



The dominant perception among Canadians is that funerals are becoming more expensive over time, with 73% sharing this view. While this may be true, Canadians are far less certain as to whether funeral costs vary depending on where they live. For example, 15% believe costs are geographically consistent and 30% think they vary by region. Remaining respondents are unsure.

How Canadians Wish to Mark Their Passing





Like with other aspects of life, Canadians' preferences vary widely. When it comes to how people wish to mark their passing, different ideas abound.

Still, Canadians increasingly say they would prefer their passing to be marked by a “celebration of life” ceremony, as opposed to a traditional funeral. With relatively few people favouring a funeral or burial suggests Canadians' views have evolved when it comes to end-of-life planning. For example, environmentally sustainable options are a more recent development that merits further exploration.

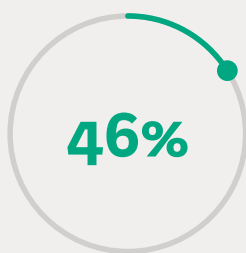
Key Findings

Relatively few Canadians favour a traditional funeral or burial.

Overall



Would opt for a **traditional funeral**



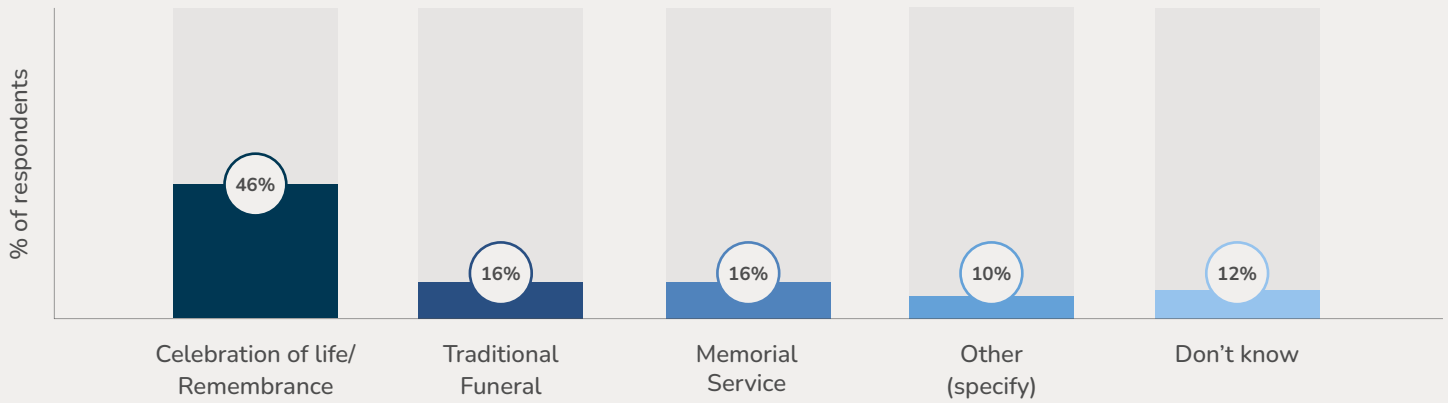
Would prefer their passing to be marked by a **“celebration of life” or “remembrance”**



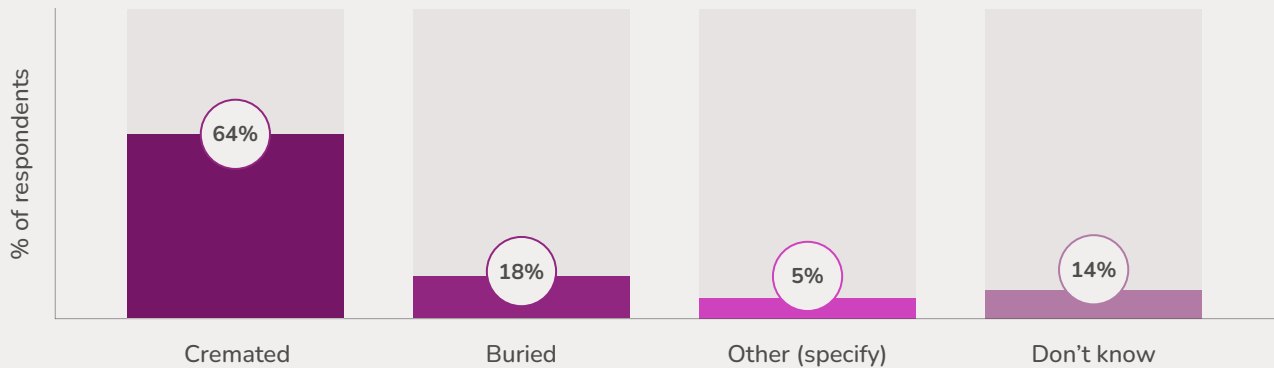
Mostly Boomers and members of the Silent Generation say they would prefer their passing be **marked in a different way altogether**

Exhibit 15

Q11: There are different ways of marking a loved one's passing. Which of the following would you prefer to mark your passing?



Q12: Would you prefer to be buried or cremated?



Sample Base: 1,200

According to figures quoted in a 2022 industry blog, the Canadian cremation rate has increased by almost 30% since 2000. As of 2020, the rate reached 73%. The survey also finds that most Canadians (64%) would prefer to be cremated, while less than one in five would opt for burial. In addition, 5% prefer something else (notably whole-body donation for scientific study), while 14% are unsure.



Key Findings

Interest in environmental and sustainable choices is high.

Survey respondents were asked to rate their interest in seven new ways of marking a person’s passing. The results reveal significant interest in environmentally sustainable options.

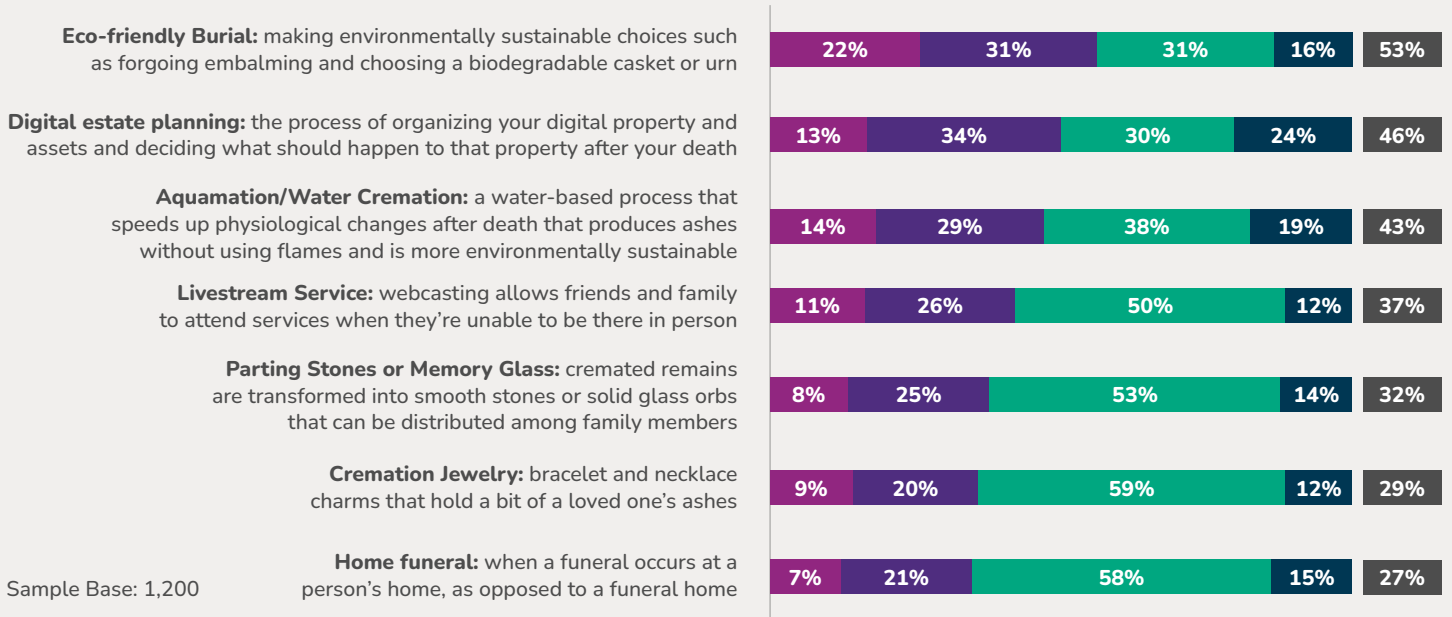
Interest in digital estate planning – the process of organizing one’s digital property/assets and deciding what should happen to that property after death – is of definite or possible interest to 46% of survey respondents. In contrast, the idea of a home funeral is only of definite or possible interest to 27% of survey respondents.



Exhibit 16

Q13: The way people mark the passing of a loved changes over time. Would you ever consider the following to mark either your own passing or a family member’s or loved one’s?

■ Yes, definitely
 ■ Yes, maybe
 ■ No
 ■ Don't know
 ■ Yes, (definitely + maybe)



Sample Base: 1,200

Key Findings

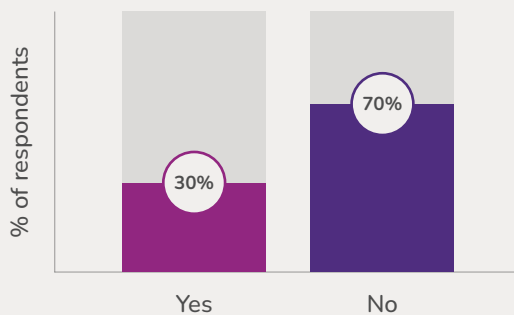
Canadians have eclectic tastes in the music they want to be remembered by.

Canadians were asked what song they would like played at their funeral, regardless of whether they'd thought about it before.

An analysis of responses reveals that about half of respondents were able to identify a song or piece of music. Among the songs that were picked by several people, the most common by far is Amazing Grace, albeit performed by different artists, ranging from traditional versions to Elvis Presley, and even the Dropkick Murphys.

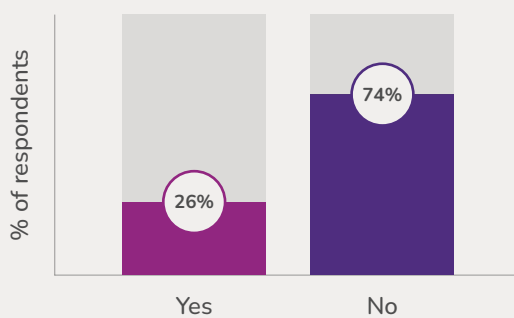
Exhibit 18

Q14: Have you ever thought about what songs you would like played at your funeral?



Sample Base: 1,171

Q15: Do you have a funeral playlist?



Sample Base: 351

Canadians' top music selections:

- “My Way”, which was adapted from a French song by Ottawa-born Paul Anka, and popularized by Frank Sinatra
- “Hallelujah”, written by Canadian Leonard Cohen and covered by more than 300 different artists
- “What a Wonderful World”, first recorded by Louis Armstrong and released in 1967
- “Stairway to Heaven”, a classic rock staple written and performed by Led Zeppelin
- “Knocking on Heaven’s Door”, particularly the Guns N’ Roses and Eric Clapton cover versions of the Bob Dylan original

The list is rounded-out by classical music pieces (e.g., Beethoven’s “Moonlight Sonata”, Gustav Mahler’s “Fourth Symphony”, Mozart’s “Requiem”), various hymns, as well as songs by the following artists:

- Queen (e.g., “Don’t Stop me Now”, “We are the Champions”)
- Elton John (e.g., “Your Song”, “Tiny Dancer”)
- Pink Floyd (e.g., “Wish You Were Here”)
- AC/DC (e.g., “Highway to Hell”)
- Ginette Reno (e.g., Un Peu Plus Haut)

Conclusion

This report exposes a chasm between Canadians' desire to engage in end-of-life planning – and ensure their loved ones are taken care of – and taking the necessary action to ensure their wishes are met following their death.

The survey results demonstrate Canadians remain uncomfortable discussing topics related to estate planning and life insurance. Nevertheless, most Canadians say they hope to live a long life, retire at a relatively young age, and leave an inheritance to family members. Overall, the survey results paint a conflicting reality where pessimism and anxiety about personal finances coincide with plans for a long, financially sustainable life.

While Canadians are feeling economic anxiety, only half are optimistic about their financial future, and the same proportion worries about running out of money in retirement. Regardless, a majority of 7 out of 10 intend to provide some financial support to family after they pass away.

The survey suggests the best way to ensure family members receive some financial support after one's passing is to have final expenses insurance or life insurance.

The survey finds that close to 4 in 10 Canadians don't have life insurance in spite of their desire to avoid leaving loved ones with financial burdens following their death. For this large segment of the population, it's critical they become more educated on the many benefits that result from final expenses insurance or life insurance coverage.





Greenstone Financial Services

was founded in 2007, with the bold ambition to deliver smart and affordable direct insurance solutions to meet the needs of everyday Australians. A decade later, we launched across the Tasman to help New Zealanders secure the cover they deserve, and now in 2023 – we have expanded into Canada to revolutionize insurance the same way we did in Australia and New Zealand.

[greenstonefs.ca](https://www.greenstonefs.ca)