## Investor Survey: Tax Free Savings Accounts

Insights into the investing behaviour of Canadians

2024



# Introduction

The team at Lysander Funds is curious about the investing behaviour of Canadians, especially regarding Tax-Free Savings Accounts (TFSAs).

We wanted to know about the key factors driving the funding of TFSAs and what investment options Canadians consider for these accounts.

Lysander researched statistics from the Government of Canada and engaged in a direct-to-consumer survey to find out more about how Canadians use their TFSA accounts.

Using an established third-party vendor, Lysander conducted an anonymous online survey with a randomized mix of Canadian participants.

Our questions were focused on three key areas:

- Investment knowledge
- Current financial obligations
- Investment behaviour and goals

For the survey results, we have separated the data into two sections:

Aggregate Survey Results –all respondents to the survey High-income Earners Results –individuals indicating an annual income over \$100,000

The results of this survey have helped Lysander better understand the priorities and needs of Canadians when it comes to investing.

We believe that this information can help advisors, and their clients make more informed decisions along their investment journey.

If you have any questions, please reach out to the Lysander sales team or visit our website at www.lysanderfunds.com/tfsa for more information.



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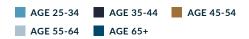
## **High-income Earners Survey Results**

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## Aggregate Survey Results

## What is your knowledge level regarding personal finance?



#### Poor Knowledge

25.00%
17.86%
14.29%
21.43%
21.43%

### Limited Knowledge

4.91%
3.51%
2.81%
4.21%
4.21%

## Good Knowledge

2.07%
1.48%
1.19%
1.78%
1.78%

## Sophisticated Knowledge

7.33%
5.24%
4.19%
6.28%
6.28%

## Expert Knowledge

33.33%
23.81%
19.05%
28.57%
28.57%

## What comfort level do you have with taking on investment risk?

AGE 25-34	AGE 35-44	AGE 45-54
AGE 55-64	AGE 65+	

Low

11.15%
14.86%
17.03%
26.32%
30.65%

Medium 21.11% 20.78% 21.79% 18.75%

High

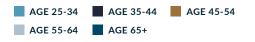
32%
26.22%
20.44%
12.44%
8.89%

## No Investment

16.67%
18.52%
18.52%
24.07%
22.22%



## After your bills are paid, what do you generally do with your remaining money?



l spend it	
	25.73%
	24.48%
	21.99%
	14.94%
	12.86%

21.74% 19.22%

I save it

	18.96%
	19.09%
	20.99%

Inv	est	t it	t

26.65%
24.29%
19.10%
16.04%
13.92%

## I donate it

24.56%
21.05%
17.54%
21.05%
15.79%

## I don't have money remaining after bills are paid

	14.53%
	17.88%
	21.79%
	28.49%
	17.32%

## Do you have dependents?

AGE 25-34	AGE 35-44	AGE 45-54
AGE 55-64	AGE 65+	

No	
	18.57%
	13.50%
	13.78%
	25.04%
	29.11%

### Yes - I have children under the age of 18

25.44%
35.26%
28.97%
8.06%
2.27%

## Yes - I have adult children who are dependent

7.69%
6.92%
33.85%
31.54%
20%

## Yes - I support my parents/other relatives

23.44%
26.56%
21.88%
15.63%
12.50%



## What type of personal debt do you have?



#### I do not have any personal debt

19.70%
10.10%
17.24%
21.43%
31.53%

## Credit card debt

20.28%
24.38%
20.82%
19.57%
14.95%

## Personal Line of Credit

19.70%
23.11%
23.86%
20.08%
13.26%

### Mortgage

14.37%
31.67%
24.05%
19.06%
10.85%

## Other loans

28.95%
15.79%
23.68%
16.45%
15.13%

## Do you have a monthly spending budget?

AGE 25-34	AGE 35-44	AGE 45-54
AGE 55-64	AGE 65+	

No	
	16.07%
	16.96%
	23.21%
	21.13%
	22.62%

### Yes - I always stay within my monthly budget

19.67%
19.19%
18.72%
19.67%
22.75%

## Yes - I sometimes go over my monthly budget

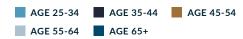
21.23%
23.29%
19.18%
19.86%
16.44%

## Yes - I always go over my monthly budget

40.38%
19.23%
17.31%
17.31%
5.77%



## What are your primary sources of income?



#### **Employment earnings**



## Personal business income

25.42%
22.88%
19.49%
21.19%
11.02%

## Investment Income

21.74%
18.39%
16.05%
18.06%
25.75%

## Passive Income (ie rental property income etc)



## Family support or inheritance



## Government support (EI, disability, CPP, OAS etc)





# What is your personal income level from all sources per year?



### I currently do not have an income

32.65%
12.24%
14.29%
34.69%
6.12%

## \$1 - \$50,000

15.94%
17.13%
18.70%
19.88%
28.35%

## \$50,001 - \$75,000

21.55%
19.79%
19.08%
21.55%
18.02%

## \$75,001 - \$100,000

25.68%
20.22%
20.22%
21.86%
12.02%

## \$100,001 - \$150,000

19.44%
23.61%
27.08%
14.58%
15.28%

## \$150,001 - \$250,000

20.31%
37.50%
21.88%
14.06%
6.25%

## \$250,001 - \$500,000

33.33%
33.33%
25.00%
8.33%
0%

## \$500,001

20.00%
40.00%
20.00%
0%
20.00%



## What do your assets consist of right now?



## Cash (Chequing, Savings)

20.09%
19.81%
19.81%
20.28%
20.00%

### Personal property (home, personal vehicles)

14.12%
19.45%
22.05%
20.89%
23.49%

### Secondary or investment property (ie cottage or rental property)

(le cottage of rental property)	
2	27.19%
2	24.56%
1	14.91%
2	21.05%
1	12.28%

## Investment in financial securities

## (ie stocks, bonds, mutual funds, ETFs, etc)

16.84%
20.27%
20.27%
20.27%
22.34%

### Cryptocurrencies

27.42%
37.10%
21.77%
10.48%
3.23%



Including savings, investments, properties and other assets; what is your approximate net worth (i.e. assets less liabilities such as line of credit, mortgages or other debt)?

> 19.77% 20.62% 16.38% 13.56%

AGE 25-34	AGE 35-44	AGE 45-54	
AGE 55-64	AGE 65+		
l don't know			
			14.15%
			21.95%
			21.46%
			23.41%
			19.02%
\$0 - \$50,000			
			29.66%

\$500,001 - \$1,000,000

12.00%
16.00%
19.20%
24.00%
28.80%

#### \$1,000,001 and above

3.06%
12.24%
18.37%
28.57%
37.76%

\$50,001 - \$100,000

32.52%
22.09%
19.63%
14.11%
11.66%

#### \$100,001 - \$200,000

19.23%
17.69%
20.00%
24.62%
18.46%

### \$200,001 - \$500,00

	12.14%
	25.43%
	19.08%
	17.92%
	25.43%



# What account types, if any, do you use to save/invest your money?



### I do not have savings/investment accounts

16.23%
18.83%
18.83%
22.08%
24.03%

#### Savings Account

21.08%
20.73%
19.70%
19.47%
19.01%

## Tax Free Savings Account (TFSA)

19.52%
19.67%
19.97%
19.52%
21.32%

## Registered Retirement Savings Plan (RRSP)

17.30%
19.28%
22.27%
25.65%
15.51%

## Registered Education Savings Plan (RESP)

		16.30%
		34.81%
		31.85%
		11.85%
		5.19%

## Retirement Income Fund (RIF)

14.58%
12.50%
9.03%
15.28%
48.61%

### First Home Savings Account (FHSA)

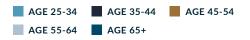
43.48%
23.91%
17.39%
8.70%
6.52%

Open Investment Accounts (ie non-registered investment accounts)

13.25%
19.28%
20.48%
19.28%
27.71%



## What account type is your first priority to fund?



TFSA	
	20.66%
	21.07%
	16.74%
	18.60%
	22.93%

RRSP	
	17.05%
	20.93%
	27.91%
	23.26%
	10.85%

RESP

31.25%
28.13%
23.44%
12.50%
4.69%

FHSA

1115/1	
	61.90%
	19.05%
	9.52%
	4.76%
	4.76%

## Open Investment Accounts

21.00	)%
18.00	אנ
21.00	)%
12.00	)%
28.00	אנ

I do not have money to fund accounts

•	16.51%
	16.82%
	18.38%
	24.61%
	23.68%



## What do you use your TFSA for?



#### I do not have a TFSA

14.96%
18.70%
20.45%
23.19%
22.69%

### **Emergency Fund**

25.80%
24.73%
21.55%
15.19%
12.72%

## Short Term Savings

(ie money to be withdrawn in less than 12 months)

30.73%
19.51%
21.95%
14.63%
13.17%

## Medium Term Investments

(ie saving towards the purchase of a car or home)

29.39%
26.75%
19.30%
12.72%
11.84%

## Long Term Investments (ie retirement savings)

17.17%
16.89%
19.62%
23.43%
22.89%

# What are your investment objectives for your TFSA?

AGE 25-34	AGE 35-44	AGE 45-54
AGE 55-64	AGE 65+	

### I do not have a TFSA

13.26%
18.04%
20.95%
24.67%
23.08%



0	
	25.98%
	23.31%
	19.04%
	17.08%
	14.59%

## **Capital Preservation**

27.22%
19.62%
18.35%
13.29%
21.52%

## **Income Generation**

23.93%
19.66%
18.38%
17.52%
20.51%

## Growth

19.14%
23.05%
21.09%
17.19%
19.53%



## How would you rate your understanding of the rules and functions of a TFSA?



## I am not familiar with the rules of TFSAs

16.07%
16.39%
22.95%
24.26%
20.33%

### Limited understanding

22.46%
21.85%
18.77%
18.77%
18.15%

## Good understanding

20.76%
20.56%
18.76%
18.16%
21.76%

## Strong understanding

21.37%
22.22%
21.37%
20.51%
14.53%

## How often do you fund your TFSA?

AGE 25-34	AGE 35-44	AGE 45-54
AGE 55-64	AGE 65+	

#### I do not have a TFSA

15.27%
18.97%
20.69%
22.91%
22.17%

#### When I receive extra income (bonus, gift, etc.)

29.18%
20.66%
20.98%
14.10%
15.08%

### On a consistent basis (every paycheck, monthly, etc.)

27.21%
22.30%
20.66%
18.69%
11.15%

### Sporadically throughout the year

	21.51%
	24.42%
	18.60%
	22.67%
	12.79%

#### Annually once per year

9.70%
11.52%
16.97%
23.03%
38.79%



## How often do you withdraw from your TFSA?



#### I do not have a TFSA

	15.20%
	18.87%
	21.08%
	23.04%
	21.81%

## Sporadically to cover unexpected costs

23.95%
23.19%
20.53%
15.97%
16.35%

## As needed for large planned expenses

33.94%
18.81%
19.72%
16.51%
11.01%

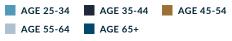
## On a consistent basis

35.71%
21.43%
14.29%
15.71%
12.86%

### I have never withdrawn from my TFSA

12.87%
20.66%
20.36%
21.26%
24.85%

## Based on the annual contribution limit, how much money do you deposit into your TFSA?



## I do not have a TFSA

15.10%
18.81%
20.79%
23.02%
22.28%

## It changes dependent on my financial situation at the time

Indicial situation at the time	
	23.35%
	22.29%
	20.81%
	16.56%
	16.99%

## I deposit some funds annually

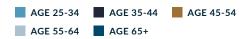
26.05%
20.00%
20.93%
21.86%
11.16%

### I always deposit the maximum amount annually

15.19%
16.46%
14.56%
20.25%
33.54%



## What type of investments do you have in your TFSA? Select all that apply



#### Cash/High Interest Savings

20.89%
22.19%
20.32%
19.74%
16.86%

### Stocks/Equities

22.58%
23.23%
21.29%
15.81%
17.10%

## Exchange Traded Funds (ETFs)

23.65%
25.00%
19.59%
16.89%
14.86%

## Alternative Investments

	-	-	
			15.38%
			15.38%
			20.00%
			20.00%
			29.23%

## Bonds

30.17%
20.69%
19.83%
15.52%
13.79%

## Guaranteed Investment Certificates (GICs)

19.76%
15.32%
18.15%
18.15%
28.63%

### **Mutual Funds**

18.52%
18.15%
20.37%
21.85%
21.11%



# What is your knowledge level of the different tax rates for investment products? (ie. income, dividends, capital gains/loss, etc.)

AGE 25-34	AGE 35-44	AGE 45-54
AGE 55-64	AGE 65+	

#### I have poor knowledge

13.38%
14.08%
21.83%
22.89%
27.82%

### I have limited knowledge

	19.78%
	21.10%
	21.10%
	19.12%
	18.90%

## I have good knowledge

22.72%
22.47%
18.52%
19.75%
16.54%

## I have sophisticated knowledge

30.59%
20.00%
16.47%
20.00%
12.94%

### I am an expert

26.32%
31.58%
15.79%
5.26%
21.05%



## Where do you get personal financial advice, if any?



### I do not look for personal financial advice

14.96%
16.79%
18.25%
23.72%
26.28%

## Personal interest/knowledge

21.95%
24.66%
20.60%
18.70%
14.09%

## Friends or family

27.29%
24.47%
22.82%
13.18%
12.24%

## Employer/Industry Associations/union

46.84%
24.05%
12.66%
10.13%
6.33%

## Online research or industry publications

25.78%
27.53%
20.56%
14.98%
11.15%

## Online brokerage (Robo-Advisor, Discount Brokerage)

27.52%
25.69%
22.94%
13.76%
10.09%

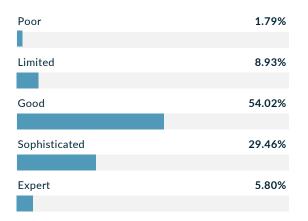
## My investment advisor/financial planner

14.02%
16.17%
18.87%
24.80%
26.15%



## High-income Earners Survey Results

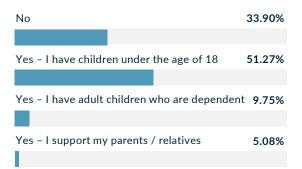
## What is your knowledge level regarding personal finance?



## What comfort level do you have with taking on investment risk?

Low	14.29%
Medium	49.55%
High	35.71%
l do not invest	0.45%

## Do you have dependents?



## After your bills are paid, what do you generally do with your remaining money?

Spend	13.01%
Save	42.01%
Invest	38.48%
Donate	4.07%
No money remaining	2.44%

## What type of personal debt do you have?

l do not have personal debt	17.63%
Credit card	26.14%
Personal line of credit	17.33%
Mortgage	34.65%
Other	4.26%



## Do you have a monthly spending budget?

No	25.89%
Yes - I always stay within my monthly budget	27.68%
Yes - I sometimes go over my monthly budget	41.07%
Yes - I always go over my monthly budget	5.36%

# What is your personal income level from all sources per year?

I currently do not have an income	0%
\$50,001 - \$75,000	0%
\$75,001 - \$100,000	0%
\$100,001 - \$150,000	63.84%
\$150,001 - \$250,000	28.57%
\$250,001 - \$500,000	5.36%
\$500,001.00	2.23%

## What is your primary source of income?

Employment earnings	46.39%
Personal business income	9.02%
Passive Income (ie rental property income etc	) 22.94%
Family support or inheritance	11.08%
Government support (EI, disability, CPP, OAS)	6.44%
Other (please specify)	1.55%

## What do your assets consist of right now?

Cash (Chequing, Savings)	29.90%
Personal property (home, personal vehicles)	27.49%
Secondary or investment property (ie cottage or rental property)	7.40%
Investment in financial securities (ie stocks, bonds, mutual funds, ETFs, etc)	27.81%
Cryptocurrencies	7.40%



Including savings, investments, properties and other assets; what is your approximate net worth (i.e. assets less liabilities such as line of credit, mortgages or other debt)?

I don't know	4.02%
\$0 - \$50,000	5.36%
\$50,001 - \$100,000	7.14%
\$100,001 - \$200,000	13.84%
\$200,001 - \$500,00	26.79%
\$500,001 - \$1,000,000	25%
\$1,000,001 and above	17.86%

## What account type is your first priority to fund?

TFSA	42.86%
RRSP	31.70%
RESP	8.48%
FHSA	2.68%
Open Investment Accounts	10.27%
I do not have money to fund accounts	4.02%

# What account types, if any, do you use to save/invest your money?

I do not have savings/investment accounts	1.39%
Savings Account	25.81%
Tax Free Savings Account (TFSA)	24.73%
Registered Retirement Savings Plan (RRSP)	23.18%
Registered Education Savings Plan (RESP)	10.66%
Retirement Income Fund (RIF)	4.79%
First Home Savings Account (FHSA)	2.32%
Open Investment Accounts (ie non-registered investment accounts)	7.11%

## What do you use your TFSA for?

I do not have a TFSA	9.73%
Emergency Fund	19.80%
Short Term Savings (ie money to be withdrawn in less than 12 months)	13.76%
Medium Term Investments (ie saving towards the purchase of a car or home)	23.15%
Long Term Investments (ie retirement savings	<sup>)</sup> 33.56%



## What are your investment objectives for your TFSA?

I do not have a TFSA	7.19%
Savings	36.23%
Capital Preservation	14.67%
Income Generation	20.36%
Growth	21.56%

## How would you rate your understanding of the rules and functions of a TFSA?

I am not familiar with the rules of TFSAs	8.04%
Limited understanding	17.41%
Good understanding	55.80%
Strong understanding	18.75%

## How often do you fund your TFSA?

l do not have a TFSA	10.67%
When I receive extra income (bonus, gift, etc.)	21.74%
On a consistent basis (every paycheck, monthly, etc.)	37.15%
Sporadically throughout the year	18.97%
Annually once per year	11.46%

## How often do you withdraw from your TFSA?

I do not have a TFSA	11.98%
Sporadically to cover unexpected costs	21.07%
As needed for large planned expenses	27.27%
On a consistent basis	8.26%
_	
I have never withdrawn from my TFSA	31.40%



## Based on the annual contribution limit, how much money do you deposit into your TFSA?

l do not have a TFSA	12.95%
It changes dependent on my financial situation at the time	41.07%
I deposit some funds annually	23.21%
l always deposit the maximum amount annually	22.77%

## What is your knowledge level of the different tax rates for investment products? (ie. income, dividends, capital gains/loss, etc.)

l have poor knowledge	8.04%
I have limited knowledge	23.21%
I have good knowledge	46.88%
I have sophisticated knowledge	17.41%
l am an expert	4.46%

## What type of investments do you have in your TFSA? Select all that apply

Cash/High Interest Savings	31.95%
Stocks/Equities	30.77%
Bonds	9.17%
Guaranteed Investment Certificates (GICs)	19.53%
Mutual Funds	20.71%
Exchange Traded Funds (ETFs)	16.86%
Alternative Investments (Private Equity or Credit, Hedge Funds)	2.96%

## Where do you get personal financial advice, if any?

I do not look for personal financial advice	3.92%
Personal interest/knowledge	24.26%
Friends or family	18.41%
Employer/Industry Associations/union	5.64%
Online research or industry publications	20.34%
Online brokerage (Robo-Advisor, Discount Brokerage)	10.78%
My investment advisor/financial planner	20.83%



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