

## The value of retirement savings for individuals and communities

PAGE 2

## Supporting economic activity across Ontario

PAGE 3

## Social Value: meaningful benefits for individuals and communities

PAGE 5

# Generating value across Ontario

As a pension plan that invests in high-quality assets and pays billions of dollars per year in stable, secure retirement benefits to members across Ontario, OMERS has an impact that reaches beyond payments to individual members and into their communities.

Two 2021 reports, developed for OMERS by the Canadian Centre for Economic Analysis (CANCEA), an independent socio-economic research firm, illustrate the economic contribution and social value generated across Ontario by pension plans such as OMERS.

This report provides highlights from their work.

For more information and the methodology behind the research, the full reports are available on the [Social and Economic Value of the Plan](#) pages of [www.omers.com](http://www.omers.com).



# The value of retirement savings for individuals and communities

The research conducted by CANCEA into the economic contribution and social value created by OMERS brings to light a range of benefits linked to retirement savings and a secure and stable retirement income. Moreover, there is additional value generated “beyond the cheque” that extends beyond the lives of individual retired members and has a positive impact on people, employers and communities across Ontario.

The findings show that we all benefit from the economic contributions and social value generated by making sure people have a secure source of income in retirement.

This impact, and the related benefits, underscore the importance of defined benefit pensions as part of a strong pension sector.

Moreover, the findings reinforce that retirement – and access to retirement savings opportunities that enable a healthy, secure retirement – are important conversations with implications for both pension recipients and the broader community.

The connections between dependable retirement income and demonstrable economic and social benefits

Secure Retirement Savings

## Economic Contribution

The direct and indirect economic activity generated by OMERS retirement spending in Ontario, and by OMERS Ontario-based investments and operations



## Social Value

The non-financial impacts for people and communities that occur, directly or indirectly, based upon the secure and stable income in retirement provided by OMERS



## Impact

A widespread economic contribution combined with social value for members and beyond creates impact in communities across Ontario



Direct and Indirect Benefits

# Supporting economic activity across Ontario

In 2020, OMERS activity supported more than 118,000 jobs and contributed in excess of \$11.9 billion to the province's GDP through a combination of business operations, investment activities, and goods and services purchased by 170,000 retired members living in Ontario.

OMERS is a global investor in high-quality assets that help fund pensions now and into the future. While OMERS portfolio is geographically diverse, in 2020, it included Ontario-based investments in over 300 locations across the province in sectors that include health services, energy, transportation, technology and real estate.

**\$11.9 billion**  
contributed to  
Ontario's economy

## Generating Tax Revenue

OMERS economic contribution generates more than \$3 billion of federal and provincial government tax revenues. This government revenue is generated through personal, corporate and consumption taxes. The tax revenue that OMERS generates helps to pay for programs and services that benefit all Ontarians.



Almonte, Ontario

## **\$5 billion**

generated by OMERS investments and operations in Ontario

## **\$6.9 billion**

generated as pension dollars were spent in communities throughout Ontario

### Supporting Businesses and Industry

OMERS pension and investment activities support a range of industries, most notably utilities and manufacturing, but also organizations and companies in healthcare, real estate, financial services and retail. Through its investments, OMERS helps to provide the infrastructure, real estate, logistics and services that help Ontario thrive. As an example, the Plan invests in Bruce Power, which produces 30% of the electricity used in the province. For more examples of the investments that OMERS makes in Ontario, across Canada and around the world, please visit the [Investing](#) pages of [www.omers.com](http://www.omers.com).

### Delivering Economic Benefits across Ontario

OMERS supports more than

**118,000 jobs**

across all regions,  
of which **28,700 jobs** are  
held by people under 30

Approximately

**39,000**

of these jobs are in rural  
communities

**1 in every 64**

jobs in Ontario

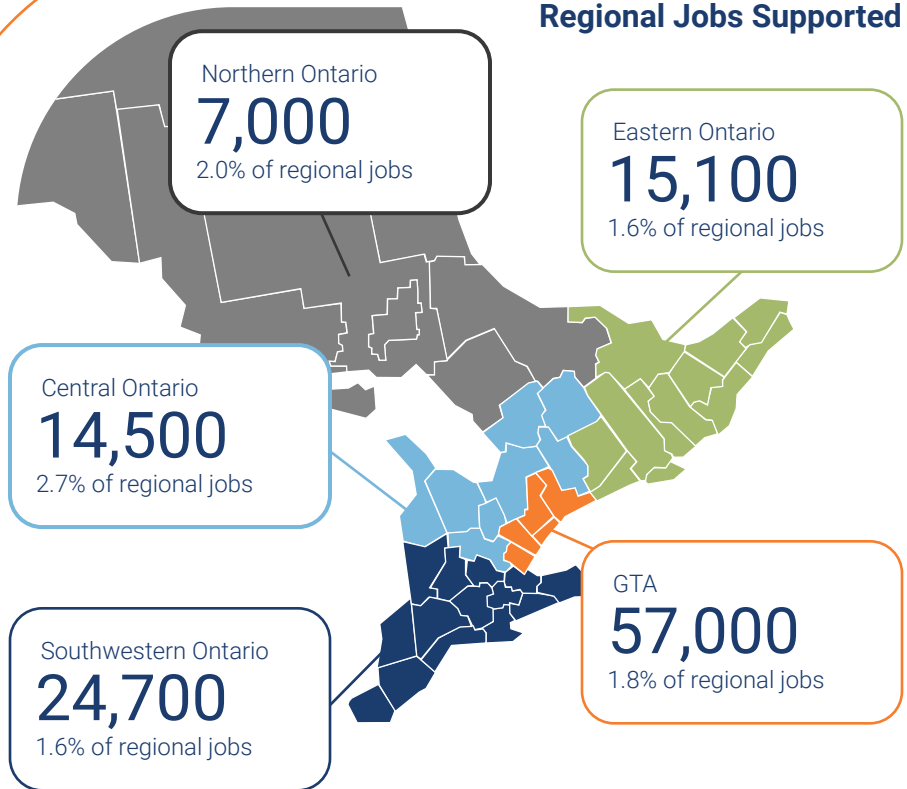
**1 in every 54**

health services jobs

### Rural Impact

While the impact of operations and investments reaches across Ontario, touching many industry sectors and every region, the retirement income generated by the Plan plays a notable role in supporting rural communities and economies. In rural areas with a smaller and more dispersed population base, the pensions received by retired OMERS members can, in some regions, account for up to 20% of the local populations' private retirement income. On a per capita basis, the economic contribution of OMERS retirees to rural economies is 6.4% greater than the comparable impact on urban economies.

### Regional Jobs Supported



# Meaningful benefits for individuals and communities

In 2017, OMERS commissioned social value research that looked at the value of the defined benefit pension plan to OMERS members and communities beyond pension payments to individual members. In 2021, we refreshed this research with CANCEA which also included a new metric to link satisfaction with life as a method to understand social value. Please refer to the [full report](#) on [www.omers.com](http://www.omers.com) for more on this methodology.

CANCEA's research shows that through direct and indirect impacts, having a secure and stable pension has a positive impact on the satisfaction of members and provides benefits to the wider community. CANCEA's study compared attitudes and activities of OMERS members to people who do not participate in a pension plan.



## For members

Both active members and retirees report higher life satisfaction, with retired members attributing that increased satisfaction to increased financial security, lower stress and better health.



## For communities

OMERS members with retirement security play an increased role in their communities through volunteering and charitable giving, and by supporting local employment and businesses.



## For employers

Facilitating access to a secure and stable pension provides a stronger bond between employees and employers that, in turn, supports retention and productivity.

**The research found that people with a pension plan are almost 50% more likely to report higher satisfaction with life than people who do not participate in a pension plan.**

"This is largely due to the reported positive impacts on their long-term financial security, positive impacts on physical and mental health, less stress, and higher community involvement and leisure time. It also demonstrates the potential value of extending access to pensions to more people across society."

— SOCIAL VALUE BENEFITS REPORT, 2021

SOCIAL VALUE

The social value study leveraged and compared survey responses of more than 4,000 Ontario-based OMERS members and more than 1,000 responses from the general Ontario public. Insights from OMERS retired members:

FINANCIAL SECURITY

20%

higher feeling of financial security

48%

more likely to feel they had saved well to meet their retirement needs



MENTAL AND PHYSICAL HEALTH

15%

higher satisfaction with their health

42%

rated their physical health as very good or excellent



54%

more likely to report higher satisfaction with life



90%

attributed higher life satisfaction to being part of a defined benefit pension plan



REDUCED STRESS

22%

more likely to report lower stress levels

29%

less likely to attribute stress to financial concerns

COMMUNITY INVOLVEMENT AND LEISURE

38%

more likely for OMERS retired members to volunteer time in their community

94%

donated to charities and not-for-profits



Source: Social Value Benefits Report, 2021



## Social Value for Communities

Financial security, and the peace of mind it brings, enables OMERS members to create social value in their communities. This includes elevated levels of volunteering and donations, reduced use of government services, and supporting Ontario jobs through retirement income spending and Ontario investments made by OMERS.

OMERS retirees are 38% more likely to volunteer than retirees who do not participate in a pension plan. In addition to time spent volunteering, over 90% of OMERS members donate financially to charities, not-for-profits and other causes.

Life satisfaction and a secure pension also correlated with a lower reliance on government programs and services. OMERS members aged 65 and above are 58% less likely to be dependent on the federal government's Guaranteed Income Supplement. The lower likelihood of relying on such programs saves costs for taxpayers and the government, freeing up resources to be redirected into other areas.

Physical and mental health also play a key role in life satisfaction. OMERS Plan retirees are more satisfied with their health than their peers, and report greater satisfaction with their level of stress compared to those who do not participate in a pension plan.



### Reduced

demand on healthcare system and government services and programs

**37%**

OMERS retirees are 37% less likely to have low satisfaction with health

**58%**

OMERS retirees are 58% less likely to be dependent on the federal government's Guaranteed Income Supplement

### Increased

community contribution through volunteering and donations

**Over 90%**

of OMERS active and retired members donated to charities and other causes

**30%**

more likely for OMERS retirees to volunteer their time in the community than before they retired

Source: Social Value Benefits Report, 2021

## Social Value Benefit and Employers

The study found that access to a secure and stable pension fosters a sense of belonging and trust, strengthening the bond between employees and employers, and supporting retention and productivity.



Source: Social Value Benefits Report, 2021



**91%** of active members said their OMERS membership is an important factor in their decision to stay with their employer



**87%** of active members under 35 said OMERS membership is an important factor in their decision to remain with their employer



**79%** of OMERS retirees agreed that their pension played a role in remaining in their job

## About OMERS

- More than 540,000 members
- Over 1,000 participating employers
- Engagement with more than 40 unions and associations
- Originates and manages a diversified portfolio of investments in public markets, private equity, infrastructure and real estate.

For more information about OMERS, please visit us at [www.omers.com](http://www.omers.com).

"About OMERS" figures are as at February 2022.

