

Canadians putting off retirement to help kids buy homes: survey

Parents are eager to provide financial assistance to their children — but at what cost?

By: [IE Staff](#) July 22, 2019 16:26



szefei/123RF

A new [survey](#) finds that almost half of Canadians with children under 18 plan to help their kids buy a home — and they could be postponing their retirement to do so.

The Leger poll, commissioned by FP Canada, found that 48% of these parents intend to help their children buy a home, up from 43% of parents surveyed in 2017.

But, along with parents' good intentions, the financial toll of helping their children has also increased over the past two years.

Thirty-nine per cent of respondents said they expect to postpone their retirement in order to help their kids buy a home (up from 27% in 2017), and 30% said they plan to use some of their retirement savings to help their children (up from 21%). Twenty-six per cent said they plan to tap into their home equity (up from 23%).

The financial strain of helping their children also led to 34% of parents saying they'd have trouble paying off debt — up from 22% in 2017.

The survey found that parents in urban areas were “significantly” more likely to use their retirement savings or home equity to help their children purchase a home.

“Even though it's natural to want to help your children, it's essential to carefully consider the impact on your own financial security before helping with such a huge purchase,” Kelley Keehn, a consumer advocate for FP Canada, said in a release.

One-quarter (24%) of respondents who had children older than 18 said they had already helped their kids buy a home. Parents older than 55 were more likely to have done so than younger parents (27% vs 15%, respectively). Thirty-two per cent of respondents in Atlantic Canada, Manitoba and Saskatchewan had helped their children purchase a home — a higher proportion than in any other region.

Parents also expect to provide financial assistance to their children so they can afford to rent — not buy — their homes, the survey found.

Thirty-six per cent of parents with children under 18 said they expect to help with rent costs, while 35% of parents with children older than 18 said they had already helped their kids pay the rent. Respondents in Atlantic Canada (48%) and Alberta (41%) were more likely to have helped with rent costs.

Leger conducted the survey of 1,557 Canadians between April 26 and 29 using its online panel. The margin of error for this study was +/-2.5%, 19 times out of 20.

Read FP Canada's [Housing Affordability Survey](#) and [Children and Financial Dependence Survey](#).