

**QUEBECERS ARE COMPROMISING THEIR RETIREMENT:
*Solidarity Fund QFL Launches an Urgent Appeal for Workers to Save***

Montréal, February 23, 2010 – Culminating a regional tour that took him to Québec’s resource regions and urban centres, Yvon Bolduc, president and chief executive officer of the Solidarity Fund QFL (the “Fund”), expressed growing concern about Québec’s low savings rate at a meeting with the members of the Jeune Chambre de Commerce de Montréal. The fact is that Quebecers are not preparing themselves adequately for retirement and risk finding themselves in a precarious financial situation during their golden years. This will have serious repercussions on the Québec economy since experts predict that in less than 15 years, there will be just 2.5 workers for every retiree, compared to four today.

The latest data from the Institut de la statistique du Québec reveals that in the third quarter of 2009, 3.1% of Quebecers set some money aside, down from 3.5% recorded in the second quarter. Moreover, Québec has one of the lowest personal savings rates in the country: 2.1% in 2008, versus 3.7% for Canada as a whole.¹ In fact, the national rate is now one tenth of the 1982 figure (20.2%).²

The Fund sounds the alarm

“We have to educate Quebecers more about the importance of saving for retirement. The answer is financial products that allow them to begin saving regularly from the time they start working so that they don’t have to rely on the small pensions provided by the government,” explained Mr. Bolduc, president and chief executive officer of the Solidarity Fund QFL.

Many Quebecers do not have any long-term savings. The Régie des rentes du Québec reports that one out of three has no money put away for retirement, not even a personal RRSP.³ As a result, many of them will have to work much longer than they would have liked to ensure a decent standard of living when they leave the workplace.

Another study, conducted by Léger Marketing, shows that six out of ten Québec SMEs⁴ do not have an employee pension plan. What’s more, 84% do not expect to be able to offer one in the next three years because of their financial situation. Most affected are retail and distribution businesses, which employ many thousands of workers.

Driving the regional economy

“Saving for retirement through the Fund’s RRSP not only helps foster a decent standard of living in retirement, it also allows us to make investments across Québec that create and preserve jobs,” added Mr. Bolduc, citing as examples the money invested by the Fund and its network of regional and local funds in cranberry processor **Fruit d’Or**, in the Bixi bike maker **Cycles Devinci**, and in **Gestion Juste pour Rire**.

The Fund RRSP: an accessible saving solution

As Québec households find themselves with less and less disposable income, the Fund’s RRSP offers an easy way to save. The 30% in tax credits combined with payroll deduction and the immediate tax reduction make it easier to set some money aside each week. For instance, a

worker with an annual taxable income of \$40,000 who signs up for payroll deduction and an immediate tax refund would pay just \$7.21 per week and end up with net savings of \$1,000 per year.

Saving with the Fund RRSP pays off

A shareholder who invested the same amount every year for the last five years through payroll deduction would have earned a compounded annual return of 14.9%.

According to Globefund, for the same period, Canadian neutral balanced funds returned 4.0%. A comparison can also be made with a 5-year non-redeemable GIC, which currently yields about 2%.

Annual compounded return calculated based on the same amount invested each year	5-Year Return	7-Year Return	10-Year Return
Factoring in the 30% tax credits, a shareholder who invests the same amount every year through payroll deduction would earn a compounded annual return of:	14.9%*	11.5%*	7.6%*

**Does not take into account RRSP tax deductions.*

Putting savings to work for the economy and Québec SMEs

A contribution to the Fund RRSP is a direct capital injection into the economy. Although 2009 was a tough year from an economic and financial perspective, the Fund continued to forge ahead, investing a hefty \$848 million. Including the network of regional and local funds, these investments allowed 2,000 businesses to continue growing. And since 1990, the initiatives of the Fund and its network have helped create, maintain and preserve nearly 390,000 jobs in Québec.

About the Solidarity Fund QFL

The Solidarity Fund QFL helps drive our economy. With net assets of \$7.0 billion as at November 30, 2009, the Fund is a development capital company that through its RRSP channels the savings of Quebecers into investments in all sectors of the economy to help create and maintain jobs and to further Québec's economic growth. The Fund is a partner, either directly or through its network members, in 2,000 companies. It currently has nearly 571,000 shareholders and has helped, on its own or with other financial partners, to create, maintain and protect nearly 143,000 jobs. For more information, visit www.fondsftq.com.

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Note: The telephone number provided below is for the exclusive use of journalists and other media representatives.

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References:

- ¹. Statistics Canada, *Perspectives on Labour and Income: Personal Debt, 2007-2008*.
- ². OECD Economic Outlook, No. 86, *Household Saving Rates*, Table 23.
- ³. Régie des rentes du Québec, *Portrait du marché de la retraite au Québec*, December 2008, p. 47.
- ⁴. Léger Marketing Survey, November 2009.