



# From any plan, to a better plan

FNB Retirement Insights Survey 2025

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# Introduction

We launched the FNB Retirement Insights Survey in 2023 with a call to action: **Make ‘one day’ your day one.**

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**Now, we are building  
on that momentum  
by encouraging  
consumers  
to move from simply**

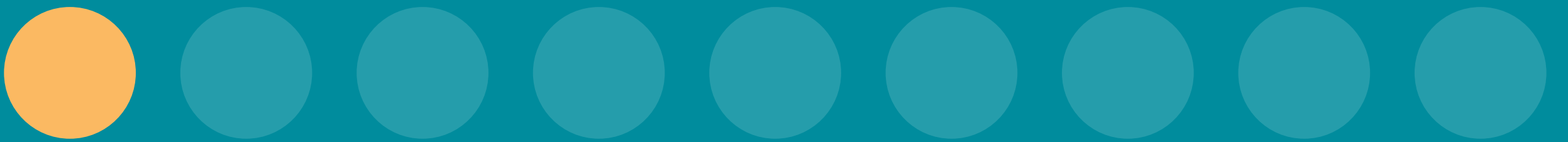
**‘Having a plan’  
to ‘having  
a good plan.’**

This year, we’re also placing greater emphasis on balancing the qualitative and quantitative aspects of retirement planning. While financial preparedness is critical, emotional readiness and physical well-being are just as vital. Without these, the dream of retirement can become a reality too difficult to face.

In 2025, we’ve seen a greater awareness on planning, particularly on retirement planning. These changes appear to be driven by better financial education, communication from advisors and institutions, and a sense of motivation rooted in taking small, consistent steps that lead to meaningful progress.

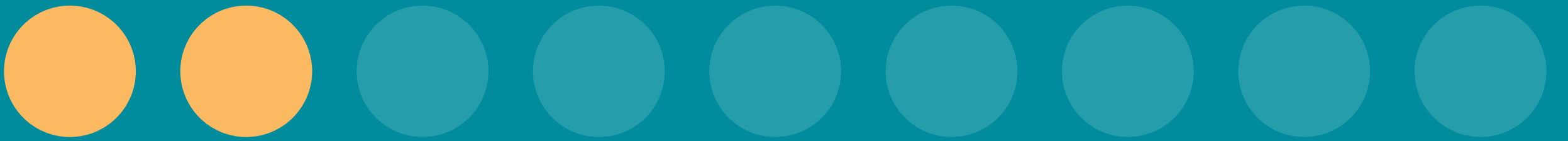
This forward momentum, no matter how small, is what drives ongoing action. Progress breeds motivation, and motivation inspires further progress.

Despite ongoing uncertainty in the political and economic landscape, we’ve been heartened to see more South Africans taking tangible steps toward preparing for a better retirement.



## 2023 One day

Need to convert the 'one day' attitude of retirement planning to a 'day one' attitude.



## 2024 Day one

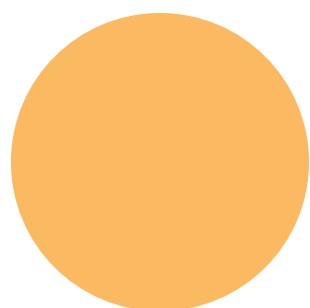
Greater levels of preparedness and confidence in retirement planning evident, indicating that the market is starting to shift to a 'day one' mindset. Despite residual anxiety, a plan does create greater hope and urgency.



## 2025 A better plan

This opens the door to try and create a further shift from any plan to a better plan.

# About this survey



**Samukelo Zwane**

*Product Head, FNB Wealth and Investments*

South Africa faces a retirement savings problem, with statistics indicating that less than 10% of individuals can retire comfortably.

FNB is committed to becoming a meaningful player in the retirement investment savings landscape in order to assist more clients to retire comfortably. To achieve this, we strive to become thought leaders in the realm of retirement, understanding the specific needs of retirement savings and gaining deeper insights into our banked clients' requirements.

With this survey, we aim to raise awareness and position FNB as a leading destination for retirement savings and investments. It is the first survey of its kind, meticulously designed to unpack the retirement behaviour of a broad based research group but also our of banked clients in line with our segmentation strategy. By examining their interaction with retirement education, financial wellness, and financial products, we can better serve their needs as financial institutions.

Our ultimate goal is to track movements in the findings of this annual survey over time. By identifying opportunities to enhance confidence levels in retirement preparedness across different segments, we can proactively influence positive change. Through this survey, we seek to empower individuals, foster financial well-being, and pave the way for a more secure retirement future.

Join us on this journey of understanding and transformation as we work towards a brighter retirement landscape for all. Together, we can make a difference and address the retirement savings challenge that affects so many South Africans.

This is the third year data was collected, with comparisons possible between 2023 and 2025 findings.

In this wave of the 2025 study, the segment classification changed. Given this, historic segment data is updated to new segment classification, allowing for year-on-year comparisons (previous segment data reports will thus be different as it is based on 'old segment' classifications).

## Quantitative component

Sample design is aligned to 2023 and 2024, noting the segment changes in 2025.

Total sample base of 1041 collected between 15 Jan – 8 Feb 2025.

A mix of quantitative online surveys and face to face interviews were conducted. Face to face – CAPI (Computer Assisted Personal Interviewing) includes hard-to-reach online consumers (older individuals and consumers in either the bottom-most or top-most income brackets).

Respondents were aged 18+ and had to have financial decision-making authority.

	Total	Entry Wallet	Entry Banking	Middle Market	Emerging Affluent	Affluent	Wealth
n=	PMI	<R4 000	R4 000 - R20 000	R20 000 - R40 000	R40 000 - R60 000	R60 000 - R150 000	R150 000+
18 - 35 years	<b>287</b>	41	125	40	31	32	18
36 - 54 years	<b>276</b>	32	119	40	33	38	14
55 - 60 years	<b>185</b>	29	44	29	31	29	23
60+	<b>293</b>	35	113	34	40	39	32
Total	<b>1041</b>	<b>137</b>	<b>401</b>	<b>143</b>	<b>135</b>	<b>138</b>	<b>87</b>

In this third wave of the study, a supplementary qualitative component has been added to support the quantitative survey findings with rich texture and additional insights.

## Qualitative component

We also conducted an in depth discussion of the retirement planning journey, unearthing implicit and explicit needs and a more thorough understanding of the emotional landscape consumers are navigating. This supports the quantitative findings – getting to the underlying challenges and how consumers are finding ways to overcome them.

Six focus groups (3–5 respondents for a 2-hour discussion)

	Entry Market	Middle and Emerging Market	Private Banking	Total Groups
Under 60 years old	1x group Johannesburg	1x group KZN	1x group Cape Town	3
60+ years old	1x group Johannesburg	1x group KZN	1x group Cape Town	3
Total groups	2	2	2	6

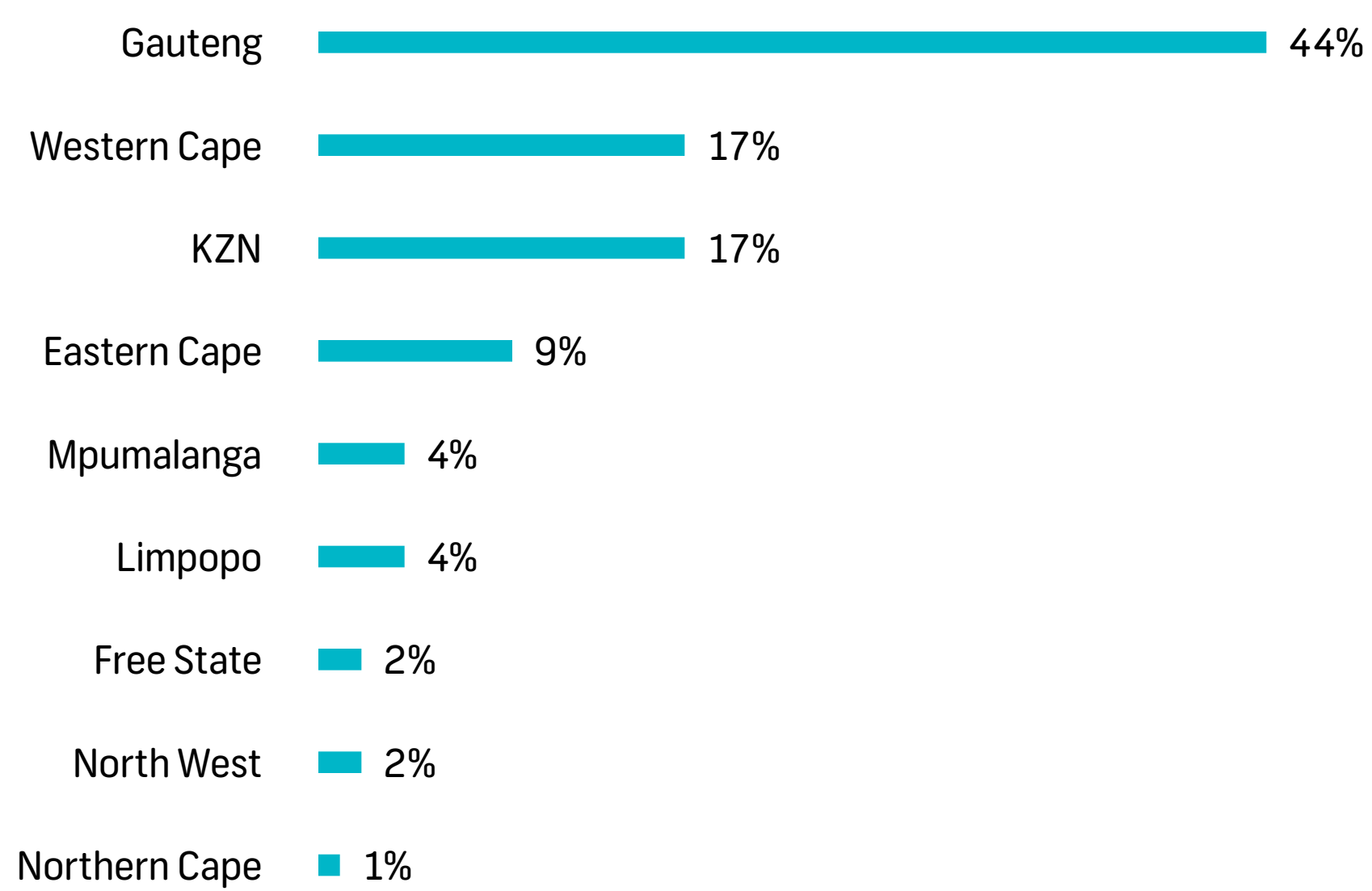
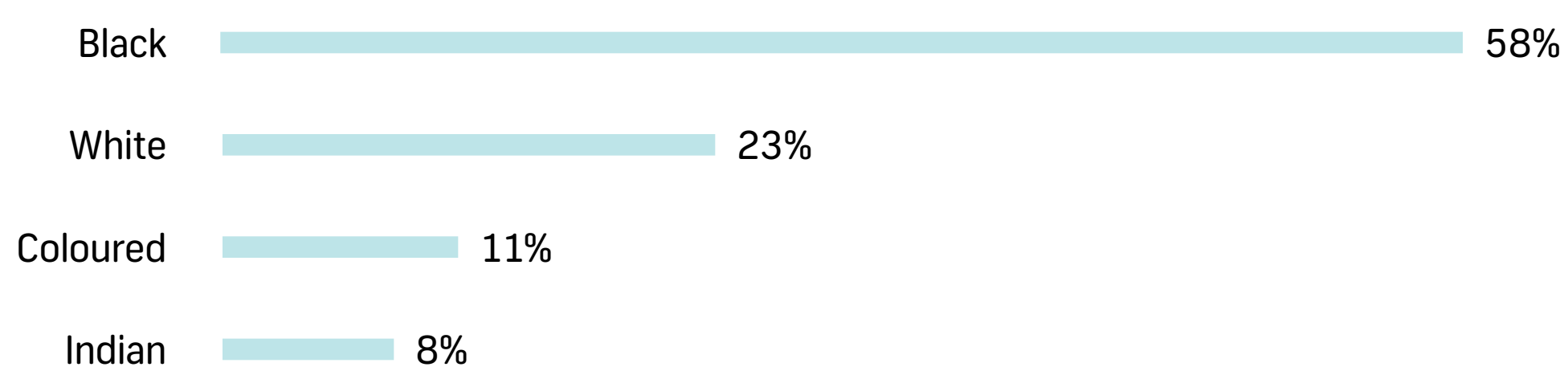
In 2023, our sampling method ensured equal representation across income groups. However, this meant that any figures reported for the total population were not nationally representative (as the total was rather an average across all income groups weighted equally).

In 2024, a sample adjustment was made to enable reporting of nationally representative figures, while still preserving the integrity of the views expressed within each income group.

We can extrapolate our findings to the working population for 2024 and 2025\*, but not directly compare the total population figures to 2023. Importantly, we are able to track year on year changes within the segments themselves – and these differences have been noted throughout the report where applicable.

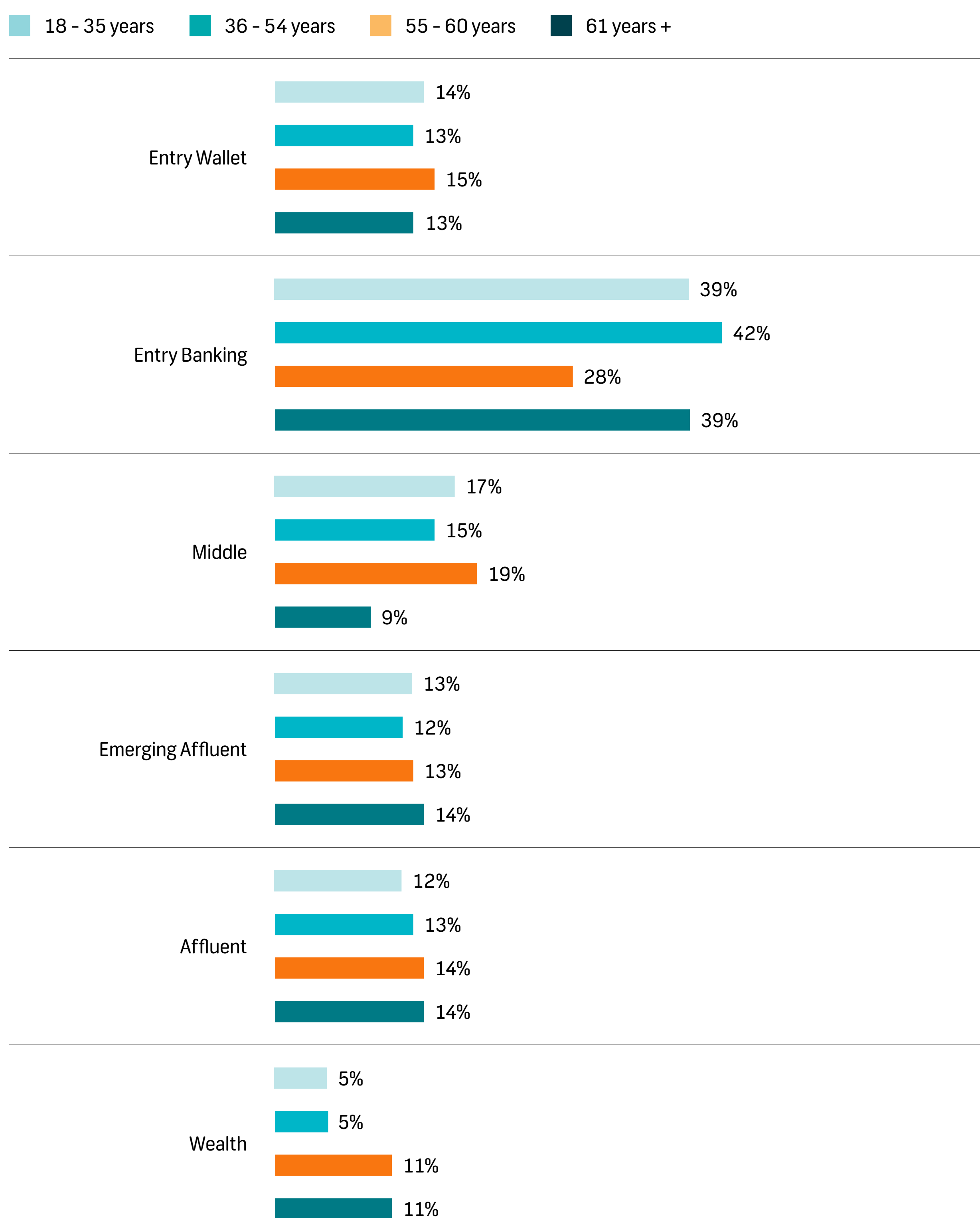
## Report findings are explored within two markets

Total market: based on the core sample of South African nationally representative working consumers (under-60s) n= 728



Segment or age differences: not representative of the market.

The full n=1041 sample is analysed to look for differences across income or age groups





## Section 1

# Project context and objectives



## The retirement survey was designed to meet three main objectives

### One

To understand consumers' perceived preparedness for retirement and their experiences in planning for it.

### Two

Explore the role of the bank in how to best support consumers this process. The answers to these questions will allow FNB to position the brand as a thought leader in this space and engage both the category and consumers on how to prepare for retirement.

### Three

Exploring key themes of interest regarding retirement preparedness and goals.

## Three distinct viewpoints were captured

**Under-60s:** exploring their view of retirement and how prepared they feel for their retirement years. Two distinct groups emerge – those with and without a retirement plan.

**Over-60s:** describing what life is like at retirement age and capturing their retrospective views of their experience planning for retirement.

**Retirees:** consumers who have already retired, understanding their experience as a retiree and to what extent this was in line with their expectations.

# Changes from 2024

## For the under-60s

- Increased awareness in retirement preparedness and confidence
- More consumers claim they have a retirement plan in place
- But most acknowledge their plans are unlikely to get them there, with anxiety around being able to reach the 'ideal' retirement vision that they have

## For the over-60s

- The full reality of retirement has begun to sink in. In addition to financial challenges, the physical and emotional realities of being older are now a real factor

## Retirees

- The number of fully retired people over 60 is decreasing over time as many are continuing to work in order to supplement their income
- Mandated retirement is a reality that many are not adequately prepared for

## Positive sentiment towards retirement

Sentiment seems to have improved towards retirement planning. Relative to last year we see a more positive attitude towards retirement planning between those who have a plan and those who do not.

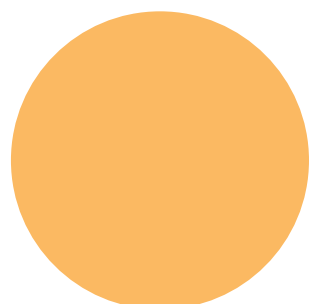
**Those with a plan are more positive, highlighting the importance of having some sort of plan in driving positive momentum and a sense of urgency.**

## Higher usage of products

Quantitatively we see that confidence in the ability to plan for retirement is reinforced by an increase in retirement product holdings, as well as additional products and services.

Savings accounts, retirement annuities and pension / provident funds increasingly form the basis of people's retirement portfolios. However, particularly within the Private segment, there is an increase in the range of products and services being used to plan for retirement.

# The imperative for relevant, personalised retirement advice



**Lytania Johnson**

*CEO, FNB Personal Segment*

Over the past three years, FNB's Retirement Research has helped shape a deeper understanding of how South Africans engage with one of the most complex aspects of their financial lives, namely planning for life after work. The findings from our 2025 study once again confirm what the financial services sector has long suspected but must now act upon with greater urgency – our role is not simply to provide access to financial products, it is to provide and facilitate relevant, personalised, and sustained guidance that meets people where they are and takes them forward to the retirement they deserve. The improvements shown in this year's survey around retirement and general savings – particularly within the Entry Wallet segment – are very encouraging. When people are given the right tools and education, they respond well. However, the findings also serve as a reminder of how important it is that these retirement tools are accessible, easy to understand and built around people's real-life circumstances rather than abstract models of financial behaviour.

A promising signal this year is the earlier engagement with retirement planning evident among younger people and lower-income consumers. Many South Africans appear to be starting their retirement journey well before the age of 30, with growing use of diverse savings and investment products. This behavioural shift shows that planning is no longer the preserve of those closer to retirement – it is becoming more mainstream, more intentional and more proactive. This holds another important lesson for retirement providers and financial advisors. It is no longer enough to encourage people to start the journey as early as possible; we must support them through it, with financial advice that is dynamic, empathetic and responsive to their evolving needs.

The fact that more people are starting to plan earlier, and that interest in retirement remains consistently high across the board signals a clear appetite for guidance. But this must be the right kind of guidance, rooted in education, aligned to the realities of each individual and income segment, and responsive to the emotional and practical challenges people face.



**FNB is committed to playing that role. The opportunity to improve retirement outcomes is clearly evident and it starts with making advice more relevant, more personal and more present in the lives of our customers.**

# Redefining realistic financial freedom in retirement



**Sizwe Nxedlana**

*CEO, FNB Private Segment*

Everyone has a version of what they want their retirement to look like. For many, it's the dream of freedom from work-related responsibilities and the frenetic pace of daily life. For others, it's the idea of having the time and money to travel, to be with family and to enjoy the fruits of decades of hard work. Unfortunately, as FNB's 2025 Retirement Research in this report clearly shows, these visions of retirement are often at odds with the reality experienced by South Africans in retirement today.

Across all our customer segments, we continue to see a marked disconnect between expectations of retirement and the current lived experience reported by those who are already retired. Their stories are not just about financial shortfalls, but about the emotional and psychological adjustment that comes with realising that the retirement they planned for has not materialised in the way they hoped and imagined.

Sadly, while the assumption that retirement brings stability, freedom and financial ease is deeply rooted in the South African psyche, it is not always accurate. Of course, this misalignment between aspiration and reality is not unique to South Africa, but the scale and nature of it here demands our attention as an industry. Many retirees are working longer than they had planned – some by choice, but most out of necessity. Others are drawing on retirement savings earlier than expected, dealing with unexpected expenses, or supporting extended family. All of this erodes the financial freedom they anticipated and fundamentally changes the reality of retirement for them.



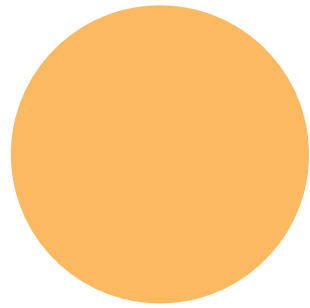
With this gap between expectations and reality in mind, if we want to meaningfully support South Africans on the path to financial freedom, we need to re-frame the conversations around retirement as well as the way people plan for it. Retirement planning needs to become less about an idealised end state and more about building flexibility, resilience and realism into long-term financial strategies. That means educating consumers not only on how to save, but on how to adjust and adapt to life events, economic conditions and shifting family roles.

We recognise that retirement is no longer a ‘final destination.’ It is a dynamic next chapter in people’s lives that requires honest discussions, practical planning and workable solutions that help create a post-career reality that is comfortable and as carefree as possible. The earlier we start talking about this retirement reality, the better we will be able to equip our customers to plan for it – and the closer we can bring the ideal of financial freedom into alignment with the reality of retirement that most people will experience.

It’s not a compromise, nor is it an attempt to destroy people’s retirement dreams. On the contrary, taking such a realistic approach is the only real way of ensuring that those dreams are achievable and that we are providing South Africans with the means and support they need to live their best possible lives in retirement.



# Key themes in the 2025 results



**Bheki Mkhize**

*CEO, FNB Wealth and Investments*

Now in its third year, FNB's 2025 Retirement Research offers a layered and evolving view of how South Africans are thinking about, preparing for, and experiencing retirement. While it may still be premature to label the shifts observed since 2023 as established trends, the themes evident in the research and the direction of movement within these themes, are clear and meaningful. These themes and shifts provide valuable insight into changing behaviours and mindsets. They also provide important guidance for those looking to improve long-term retirement outcomes for South Africans.

As with the previous years' research, the 2025 findings reaffirm the emotional, behavioural and financial complexity of retirement planning. What has become increasingly evident is that retirement is not a one-off financial scenario, but a long-term, multi-stage process that requires constant action and support.



## The following key themes and movements illustrate the most important developments across the three years in which this research has been conducted

### 1 Increased priority on retirement planning

In 2025, 60% of respondents under 60 report having a retirement plan in place.

Importantly, those with a retirement plan report feeling more empowered and hopeful, but also more confident in their ability to manage their future. Overall interest in retirement planning remains high across all segments, suggesting that the main obstacles to planning are not attitudinal, but financial and structural.

### 2 Deepening economic strain prompts more emergency planning

Concerns about inflation, day-to-day costs and unexpected emergencies remain top barriers to saving for retirement. Encouragingly, despite this backdrop, the number of respondents with emergency funds covering at least six months has increased. However large gaps remain, particularly among Entry Wallet households. These disparities highlight the importance of targeted financial education and support mechanisms that respond to real-life financial volatility.

### 3 Growing awareness of the two-pot system

Awareness of the two-pot retirement system is now widespread, with 69% of respondents indicating they are familiar with it. The good news is that actual withdrawal rates from retirement savings pots remain relatively low at just 26% of survey participants. Among those who did access funds, the main reasons were to cover daily living expenses and manage debt. This cautious approach is positive given the potential damage that early withdrawals can do to long-term retirement savings. The findings suggest that many South Africans are demonstrating restraint, which is crucial to protecting long-term retirement outcomes. Continued education will be vital to reinforce the value of such preservation.

## 4 Shifting sentiment and faltering confidence

The presence, or absence, of a retirement plan appears to have a direct influence on financial sentiment and confidence levels. Respondents with a plan report some positivity, while those without a plan are largely anxious and feel disempowered. Interestingly, confidence in the Wealth segment has declined, whereas Entry and Middle segments show modest improvements.

Among over-60's, the proportion of those who feel off track suggests growing difficulty in adapting to economic shifts later in life.

## 5 Increasing need for post-retirement income

The 2025 findings show that more South Africans are anticipating the need to work well beyond the formal retirement age. Almost 50% of respondents expect to continue working, either part-time, full-time or through side hustles. This is reinforced by over-60s, many of whom remain in the workforce, often out of necessity. These trends point to the importance of supporting income diversification strategies and creating solutions for later-life entrepreneurship.

## 6 From thinking, to planning to execution

There is a growing recognition that having a product does not equate to having a plan. Many respondents report still lacking clarity on how much they need to save or how to build a robust, long-term strategy. These figures highlight the importance of breaking down barriers – whether perceived or real – to professional guidance and structured advice.

## 7 The persistent gap between expectations and reality

Across all segments, particularly over-60s, there is a clear disconnect between what people expect retirement to be and what retirees actually experience. Many under-60s assume they will be able to work indefinitely, start a business or reduce living expenses – but stories by over-60s about health issues, forced retirement and ongoing financial responsibilities show that these assumptions are often thwarted.

## 8 The need for accessible, simple and phased planning

The 2025 research reinforces the value of small, achievable steps. Many people appear to be moving beyond product acquisition and turning to broader financial behaviours like budgeting, education and debt avoidance – all of which are essential parts of a good retirement plan. Among those with a plan, 50% report educating themselves about retirement, while 48% actively work to stay out of debt. As South Africans shift their mindsets in this way, there is a clear opportunity (and more so a responsibility) to support them with accessible, phased planning tools that make retirement feel less overwhelming and more within reach.

➤ **While it's true that small shifts may not yet qualify as formal trends, the direction of change in the South African mindset about retirement is unmistakable. With better plans and products, more personalised advice and simpler engagement tools, the industry can help bridge the gap between hopes and reality and enable more people to achieve the retirement outcomes they deserve.**



# The two-pot perspective



**Samukelo Zwane**

*Product Head, FNB Wealth and Investments*

South Africa's two-pot retirement system, which came into effect late in 2024, has already triggered shifts in consumer behaviour when it comes to retirement saving. Introduced to balance long-term preservation with limited pre-retirement access to funds, the system divides new contributions into the two distinct components of a 'retirement pot' that remains locked until retirement, and a 'savings pot' from which individuals can withdraw money under specific conditions.

FNB's 2025 Retirement Research offers a glimpse into how this particular reform has landed with consumers. The findings show that awareness of the two-pot system is relatively widespread, with 69% of survey participants indicating they are aware of it, and 47% of those claiming to be fully informed. However, the depth of understanding varies by income groups, with affluent having greater awareness than Entry Wallet customers. Despite this disparity in awareness, actual withdrawal rates under the two-pot system are fairly uniform, with around 26% of those saying they are aware of it also indicating that they have accessed funds since the system's implementation.

What consumers are doing with these withdrawals reveals a lot about the current economic realities and the financial pressures many South Africans are facing. According to the FNB study, the most common reasons for withdrawal were to cover day-to-day expenses (48%) and pay off debt (46%). Secondary motivations included education fees (30%), unforeseen expenses (26%) and, for a still notable minority, discretionary spending on holidays (23%) and new appliances (25%). A small but also meaningful group (20%) reported reinvesting their withdrawn funds elsewhere, suggesting either that they are unhappy with the performance of their retirement investments, or that they are simply trying to leverage the system as a liquidity tool.

These FNB findings are echoed in national trends. Within six weeks of implementation, the South African Revenue Service (SARS) reported more than 1.1 million approved withdrawal applications, with R22 billion paid out. By January 2025, over 2.6 million withdrawals had been processed, pushing total disbursements past R43 billion. The South African Reserve Bank has projected that total withdrawals in the initial months could range from R40 billion to R100 billion. This suggests a short-term financial boost for a great many households, but it also raises the potential for negative long-term consequences, especially when it comes to retirement savings adequacy.

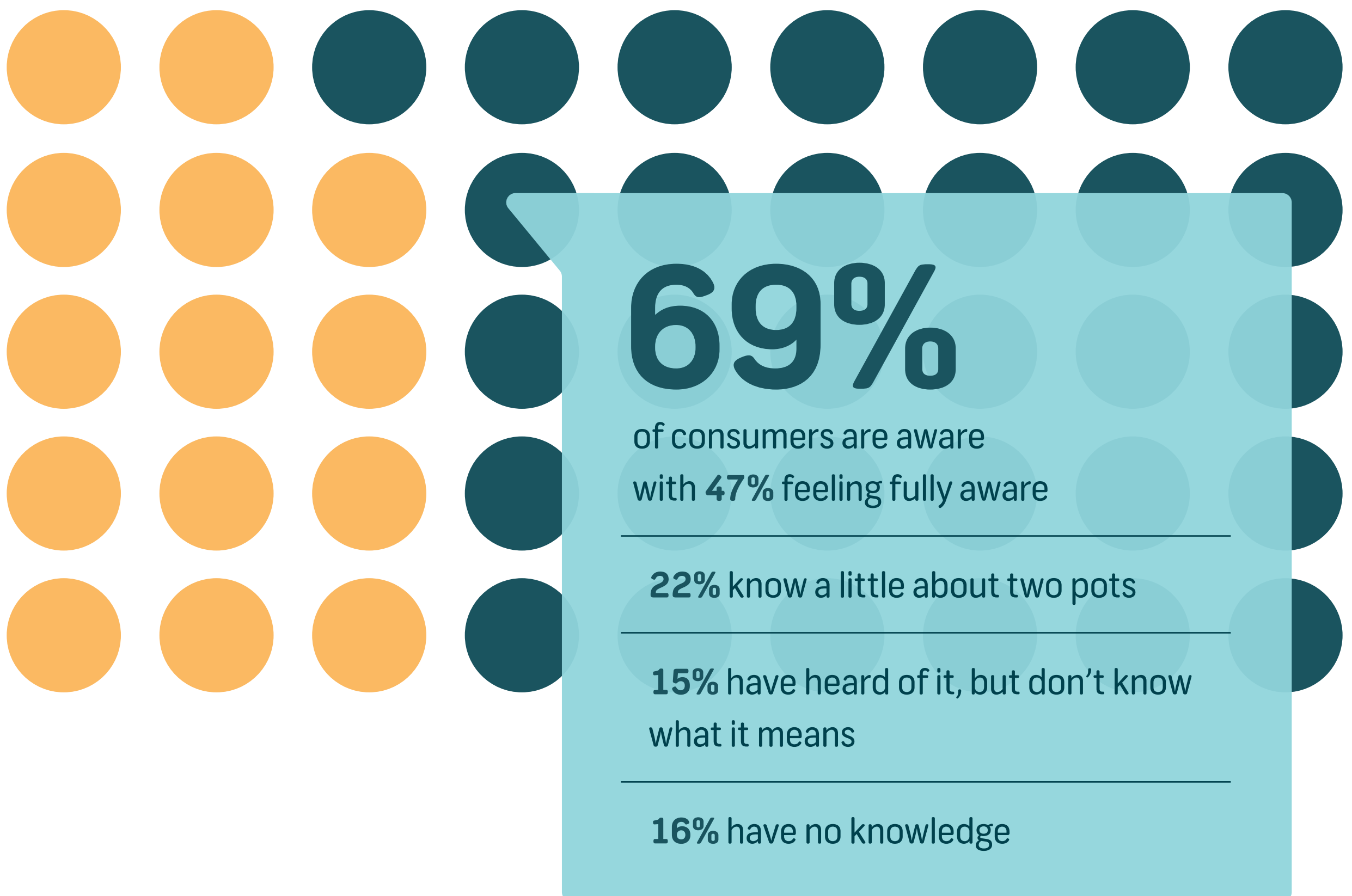
From a behavioural perspective, FNB's data shows that withdrawal decisions were not only a consequence of immediate needs, but were also shaped by life stage and income levels. Among those under 60 who hadn't withdrawn, 43% said they wouldn't consider doing so in future, while 31% indicated they likely would. The majority of those in Entry-level segments expressed the intention to withdraw if necessary (38%), whereas Affluent and Wealth respondents were the most resistant to tapping into their savings (65% and 51%, respectively). This aligns with external findings that the bulk of withdrawals have come from individuals with fund credits below R250 000, which typically translates to people and families that are most likely facing immediate financial pressures.

What is abundantly clear is that the success of the two-pot system over time will depend massively on education and behavioural guidance. It is concerning that FNB's research points to a lack of awareness in lower-income groups and confusion about long-term impacts amongst many of those that are aware. This highlights the fact that financial institutions, retirement fund administrators and financial advisors have a key role to play in helping consumers understand not just how to access their money, but whether they should.

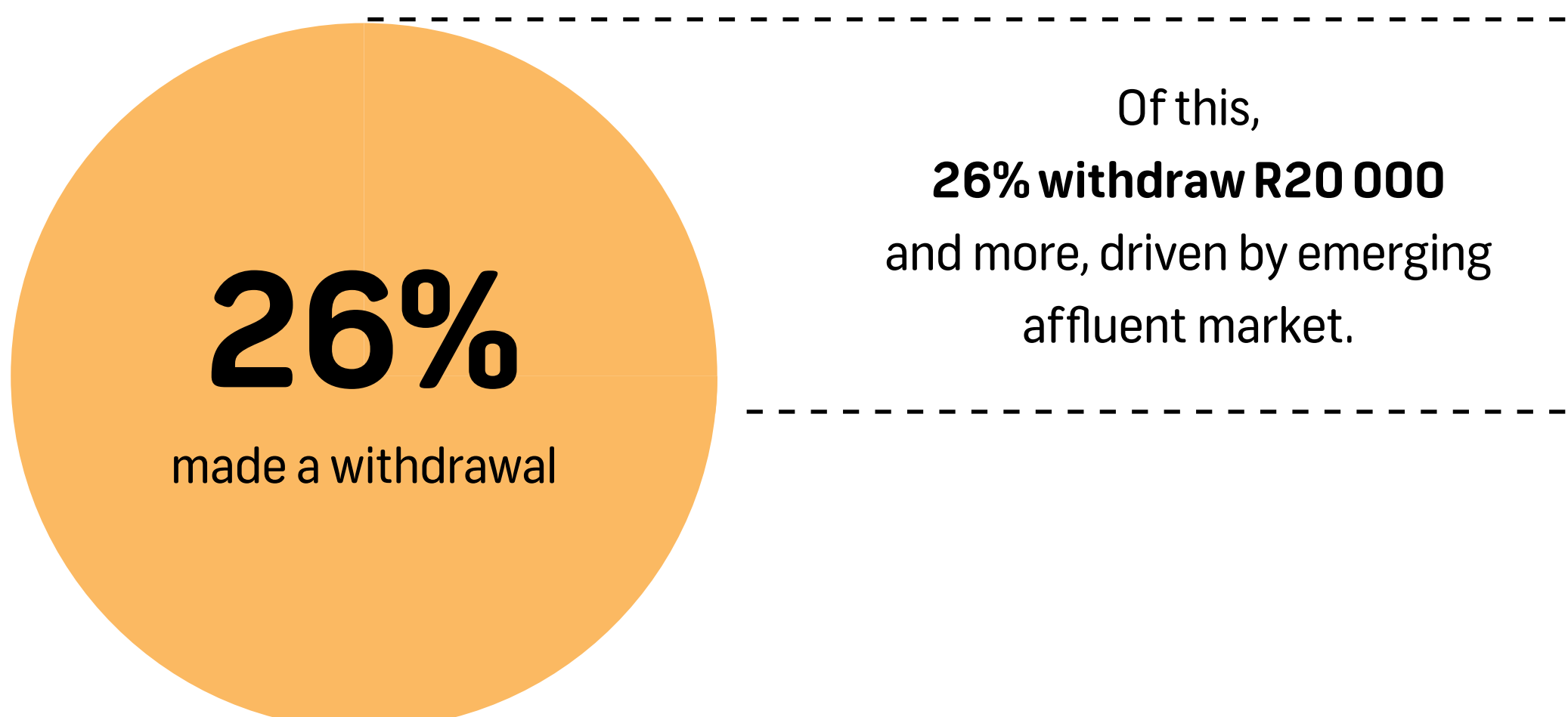


Consumers are generally aware of the 'two-pot' rule applied to retirement funds, however, our findings indicate that less than one-third of consumers made a withdrawal, with the primary motivations being to cover daily expenses and manage debt.

## Of the total market



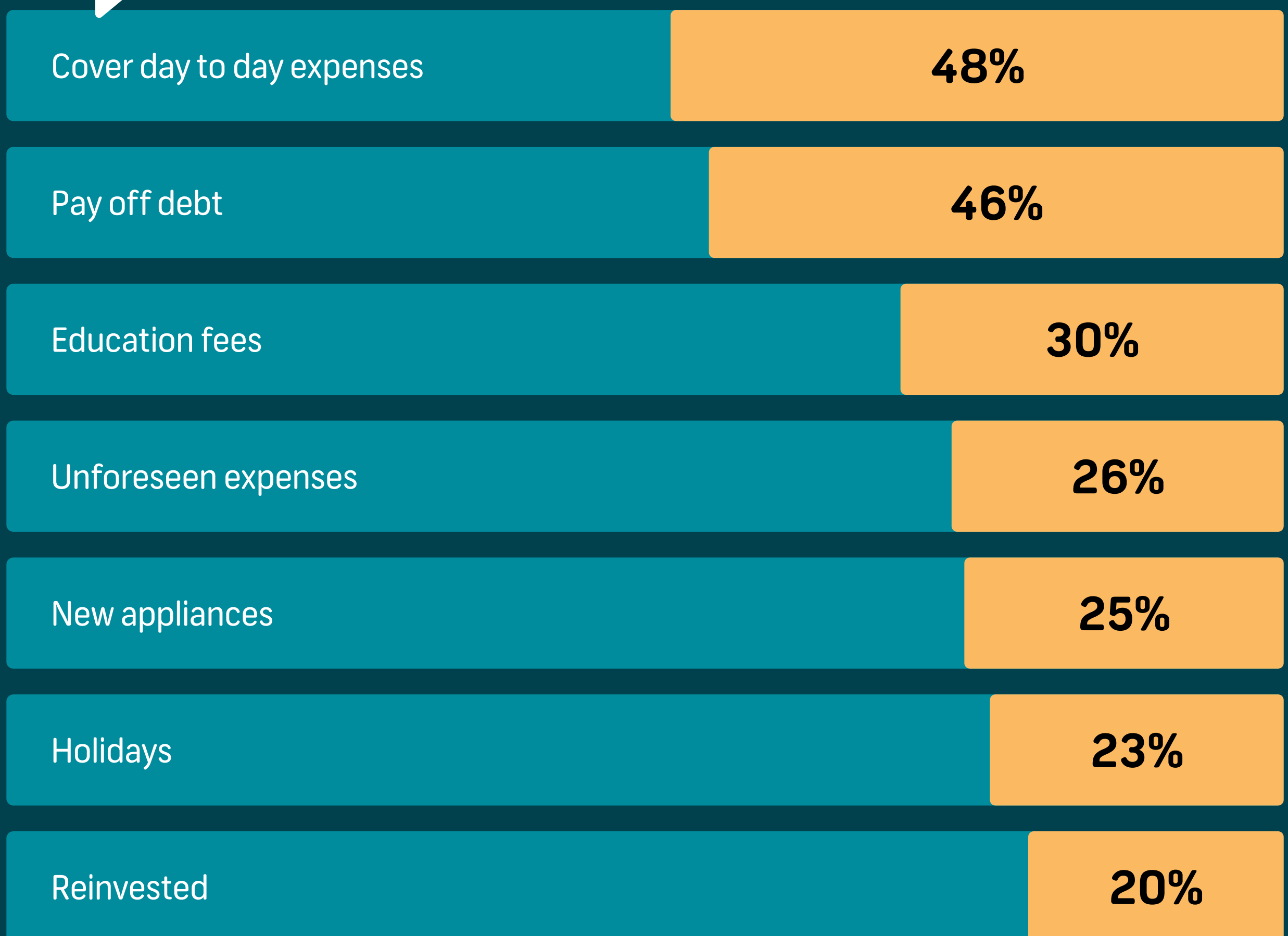
## Of those aware



While consumer awareness of the 'two-pot' retirement fund rule is widespread, actual withdrawal rates remain relatively low.

Besides covering daily expenses and debt, people are also withdrawing funds for education fees, unexpected expenses, holidays, and even to reinvest.

Top use of the withdrawal was to pay off debt  
(across all segments)



### Under-60s and two-pots

- Looking ahead, out of the 74% of consumers who didn't withdraw anything, 43% said they wouldn't in the future either and 31% say they would in the future
- Affluent and Wealth feel most strongly about not withdrawing (65% and 51%)
- Entry Wallet and Entry Banking note the highest propensity to withdraw (38%)

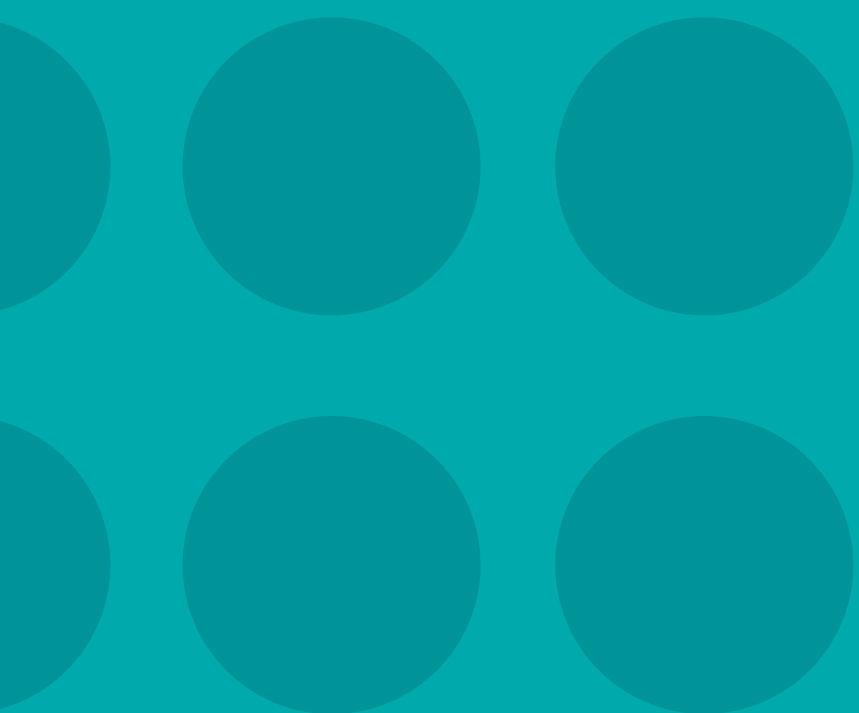
### Over-60s and two-pots

- Overall withdrawal rates remain consistent at about 30% across the over 60's market
- With debt repayment the primary motivator for potential future withdrawals must be considered.



## Section 2

# Retirement preparedness



What we aim to achieve is to understand the confidence and preparedness of the market for retirement of the under and over-60s and identify nuances seen by income segments regarding their confidence and preparedness for retirement. Let's start with how this is evolving.

## Evolution of retirement planning

### 2023

#### **Retirement planning is not isolated**

- Ability to plan for retirement is heavily connected with other financial responsibilities and as a result, discussions around retirement planning need to take these factors into account
- Retirement planning comes with emotional challenges
- There was a great need to take into consideration the emotional context
- We also saw that the conversation needed to be re-framed and that there was a need to convert a 'one day' attitude to retirement planning to a 'day one'

### 2024

- The emotional context remained incredibly challenging with the emotional burden of planning for retirement becoming even more evident, necessitating a shift in mindset
- Procrastination results from not knowing what to do, leads to doing nothing at all
- Prioritising the present because of the fear of the unknown and a sense that the worst could happen avoidance and rejection of future planning
- Hyperbolic/temporal discounting – shorter term gains valued more highly than longer term, larger ones prioritise immediate returns

### 2025

**It is not about having a plan,  
but having a good plan**



Part 1

The perspective  
of the under-60s

## Qualitative survey: the vision of retirement for under-60s

Qualitatively, let's understand how people see retirement. There is a dynamic tension between what you want retirement to be and how you will actually get there, with the notion of an ideal retirement still existing for most and the ideal retirement being one of relaxation and enjoying the rewards of a lifetime of work.

### This ideal retirement includes

**Not working** – being able to stay home and relax without employment.

**Financial stability** – able to reap the benefits of years of working.

**Travel and leisure** – experiencing life in ways that weren't possible while working?

**Time with family** – spending more quality time with loved ones.

**A sense of freedom** – fewer expectations and greater flexibility.

However, this ideal image requires a level of financial security that may not be feasible for many.

### The barriers to the ideal retirement includes

Most feel like they're doing what they can, but they're unsure if it will be enough.

With rising costs of living, increasing inflation, economic downturns, potential job losses, and multiple, more immediate financial responsibilities, many question whether an ideal retirement is achievable, no matter what steps they take.

Financial stability is not guaranteed and often feels beyond their control. In addition, there is a perception that so much could change before they reach retirement age, making them feel like they are chasing a moving target.

# Aging and retirement preparation – an imperfect walk through time



## Tracey Want

*Head of Corporate Employee Investment  
and Risk Based Solutions, RMB*

At 35, many people are considered mid-career. They're experts in their field, building businesses, advancing in the workplace and often, raising young children. It's a time when confidence runs high, and energy feels limitless. A spontaneous hike or hoisting a heavy suitcase off the airport conveyor belt is second nature. Life is full of movement, ambition, and possibility.

By 60, things look quite different. Skin a little thinner, hair a touch greyer and pace a bit slower. Children may have grown up and moved out. Grandchildren might be on the horizon. Retirement is around the corner, and the dream of more time to enjoy the things you love begins to feel real.

For most older people looking back on their savings journey, it's often clear that it wasn't perfect. But most people can say they did their best to prepare. Perhaps they took out a retirement annuity in their forties to supplement an employer's pension plan. By their late forties, they might have started saving into a unit trust, building another layer of financial security. Maybe they worked hard to pay off a home loan and car and, with most debts behind them and children out of the house, they are now ready to explore a small side hustle to keep them active and fulfilled – and bring in some pocket money in retirement.

Not everyone followed the same path of course. Some started saving earlier, like that friend or colleague who always seemed ahead of the financial game. For others, priorities at the time, like school fees, medical bills or urgent family needs, meant delaying their financial planning. In hindsight, maybe some of the choices they made should have been different.

However, with age comes the wisdom to appreciate that life isn't about perfection – it's about doing your best with what you have. A journey that may have felt disjointed or delayed often leads to a place of meaning and pride. Visualising a retirement end state like this can be helpful at any age. It sharpens our focus, aligns our actions with long-term goals and gives us clarity. Even if the reality doesn't end up matching the vision perfectly, it can still be something great.

In the 2025 FNB Retirement Survey, over a thousand South Africans shared their retirement hopes and plans. The responses revealed a wide range of aspirations. Some viewed retirement as a chance to embrace experiences that once felt out of reach. Others looked forward to simple joys like spending time with loved ones, tending to a garden or enjoying the peace of a beach. Each vision was unique, yet three priorities stood out, namely: having enough money; maintaining good health; and sharing life with others.

In the retirement industry, we often focus on the money; but the true equation for a healthy retirement is broader than that. Sure, it includes savings, but also discipline, wellness and strong relationships.

Here's how to make this healthy retirement equation work at any stage of life:

**Save + Preserve + Be healthy + Maintain relationships  
= A happy, fulfilling retirement**

**> Save**

Saving is essential. The sooner you start, the more time you have to build a solid foundation. The savings journey doesn't have to be perfect - just consistent. Regular contributions matter more than timing. Whether through a retirement annuity, an employer's pension plan, or unit trusts, what counts is forming disciplined financial habits.

**> Preserve**

Preserving savings is just as important as building them. Avoid withdrawing your retirement funds unless it's absolutely necessary. If circumstances require it, recommit as soon as you can. Stay focused, and don't give up on your financial goals. Remember that momentum matters.

**> Be healthy**

Health is often left out of retirement planning, yet it plays a critical role. After the age of 60, people begin to lose as much as 3% to 5% of their lean muscle mass per decade. Over a lifetime, that adds up to a loss of about 30% of the muscle that once felt effortless in youth. This decline affects strength, balance and stamina, increasing the risk of falls and limiting independence. That's why it's important to begin building strength now. A regular resistance training routine, at home or in a gym, helps preserve muscle mass. Lift weights often and as heavily as safely possible. Increase protein intake to support muscle maintenance. While it won't prevent every health issue, greater strength and fitness can go a long way toward keeping retirement aspirations on track.

**> Maintain relationships**

Life without meaningful connection can feel empty, no matter how much has been saved. Studies from longevity hotspots like Okinawa in Japan and Sardinia in Italy, show that strong social bonds are linked to longer, healthier lives.

# Retirement preparedness for under-60s

## 1 Allocation of disposable income (under-60s)

Looking at disposable income, consumers attribute 20% of income to groceries and 9% to retirement savings with no notable differences from 2024.

### Day-to-day expenses

Increasing pressure on Middle and Emerging Affluent.

### Groceries

Increased spend for Middle and Emerging affluent, yet Entry still carries the burden of disproportionate spend to groceries. This potentially reflects rising food costs or evolving consumption patterns.

### Insurance and medical aid

Contribute highly to the spend of the more affluent.

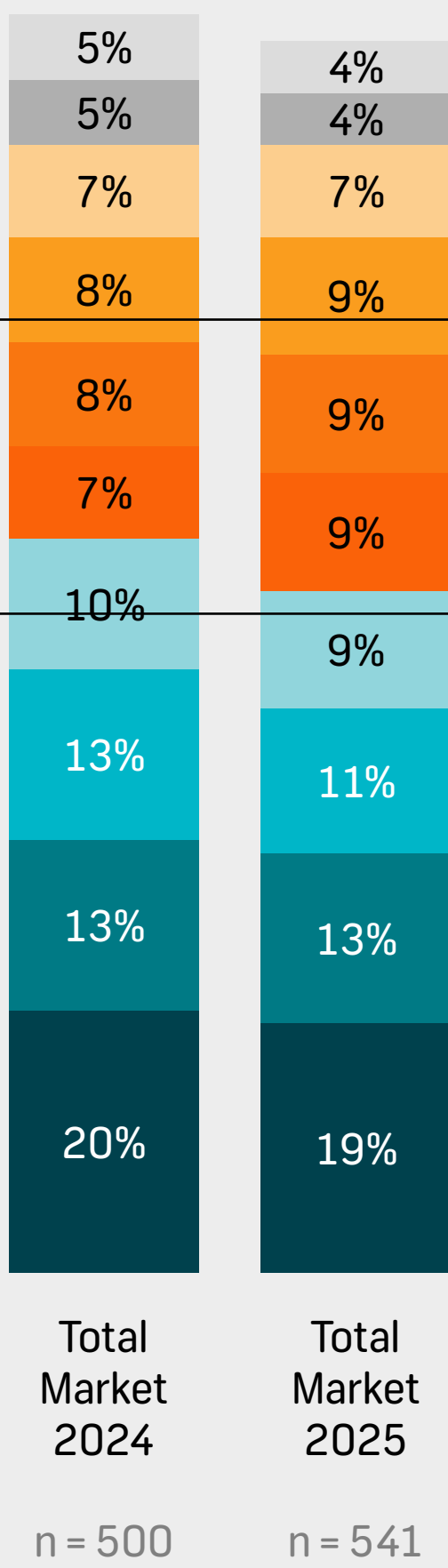
### Savings and investments

Positive increase in Entry Wallet.



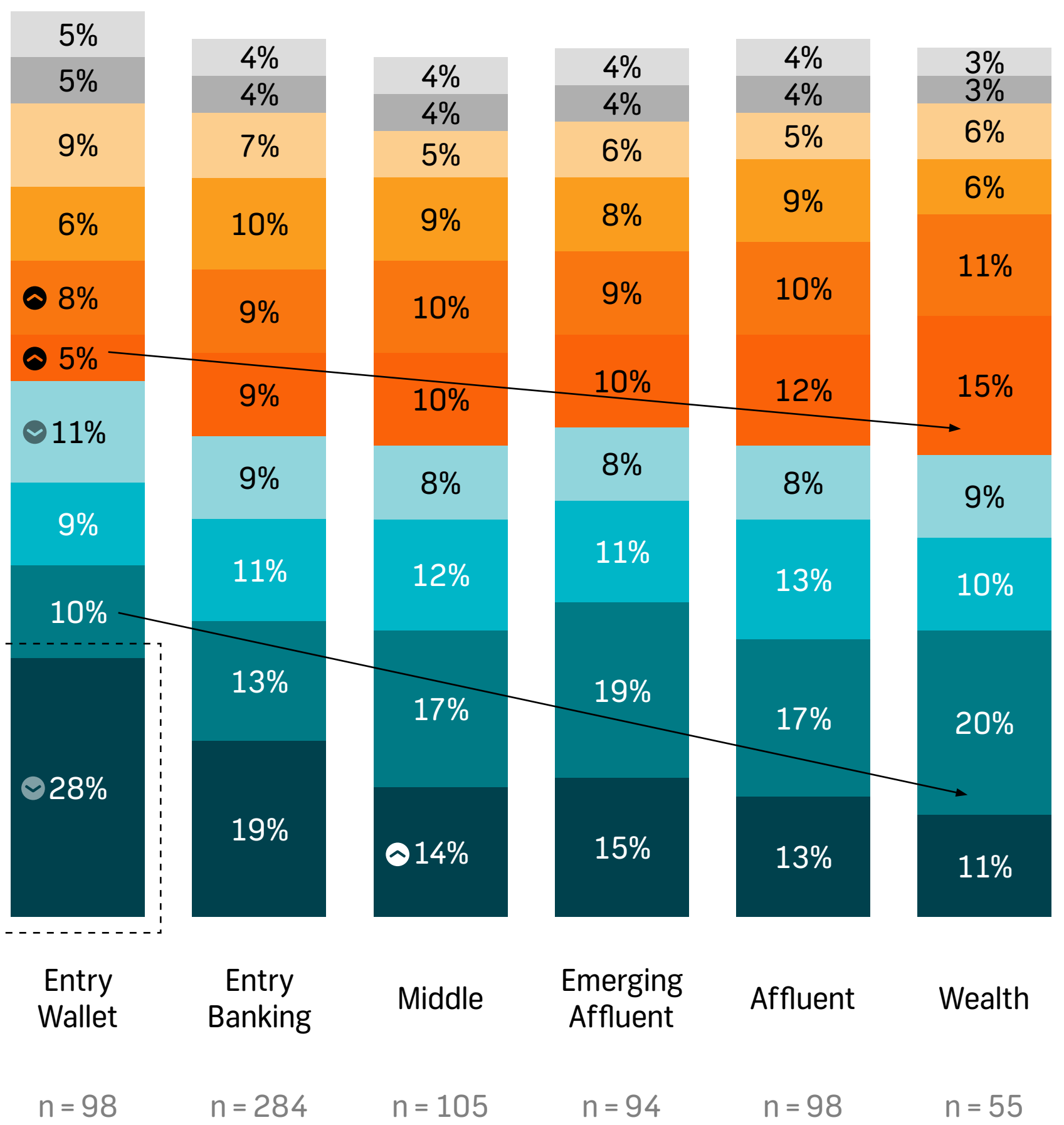
Looking at disposable income, consumers attribute 20% of income to groceries and 9% to retirement savings

No notable difference versus 2024

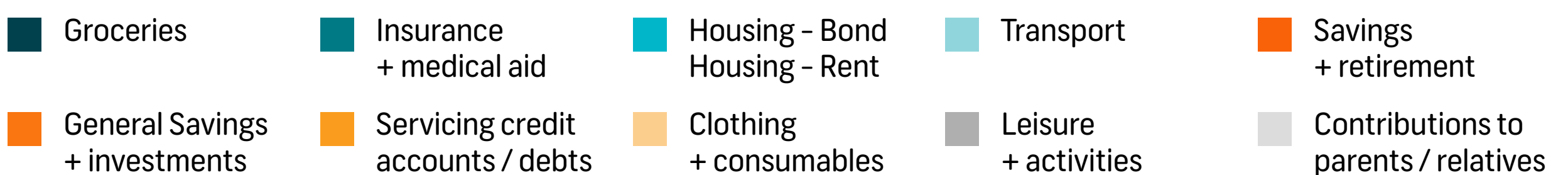


We see some increase in retirement and savings in general amongst the Entry Wallet segment versus the previous year, although relative to the rest of the market this segment continue to be disproportionately burdened by everyday essentials.

While directionally Middle and Emerging Affluent are experiencing pressure on their income from day to day expenses, more affluent consumers are less burdened by everyday essentials, insurance and medical aid take up a considerable proportion of their monthly spend.



B1. Thinking about your total disposable income (the amount of money left to spend after income tax has been deducted) what proportion of your disposable income (%) would you say you currently allocate to each of the below each month.

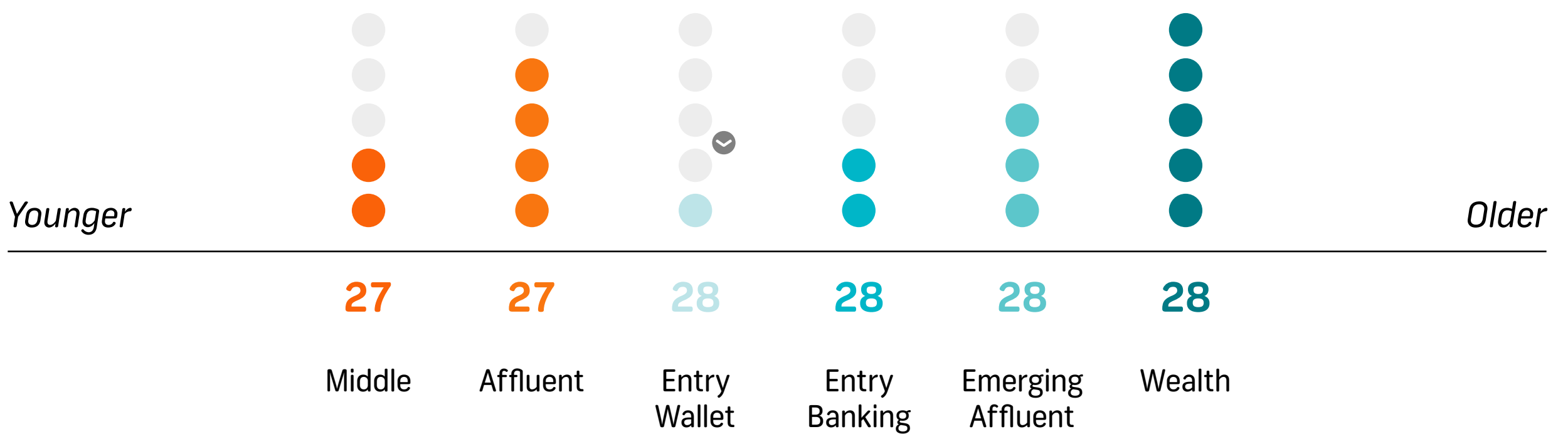


Arrows show values higher or lower than in 2024.

Generally, people are allocating their income in a relatively consistent manner compared to the previous year with Entry Wallet demonstrating a positive shift, prioritising long-term financial security with a marked increase in retirement and general savings.

## 2 Starting ages (under-60s total market)

Overall, there is no notable change in when consumers begin to save for their retirement years with the average age being 27 (versus 28 in 2024).

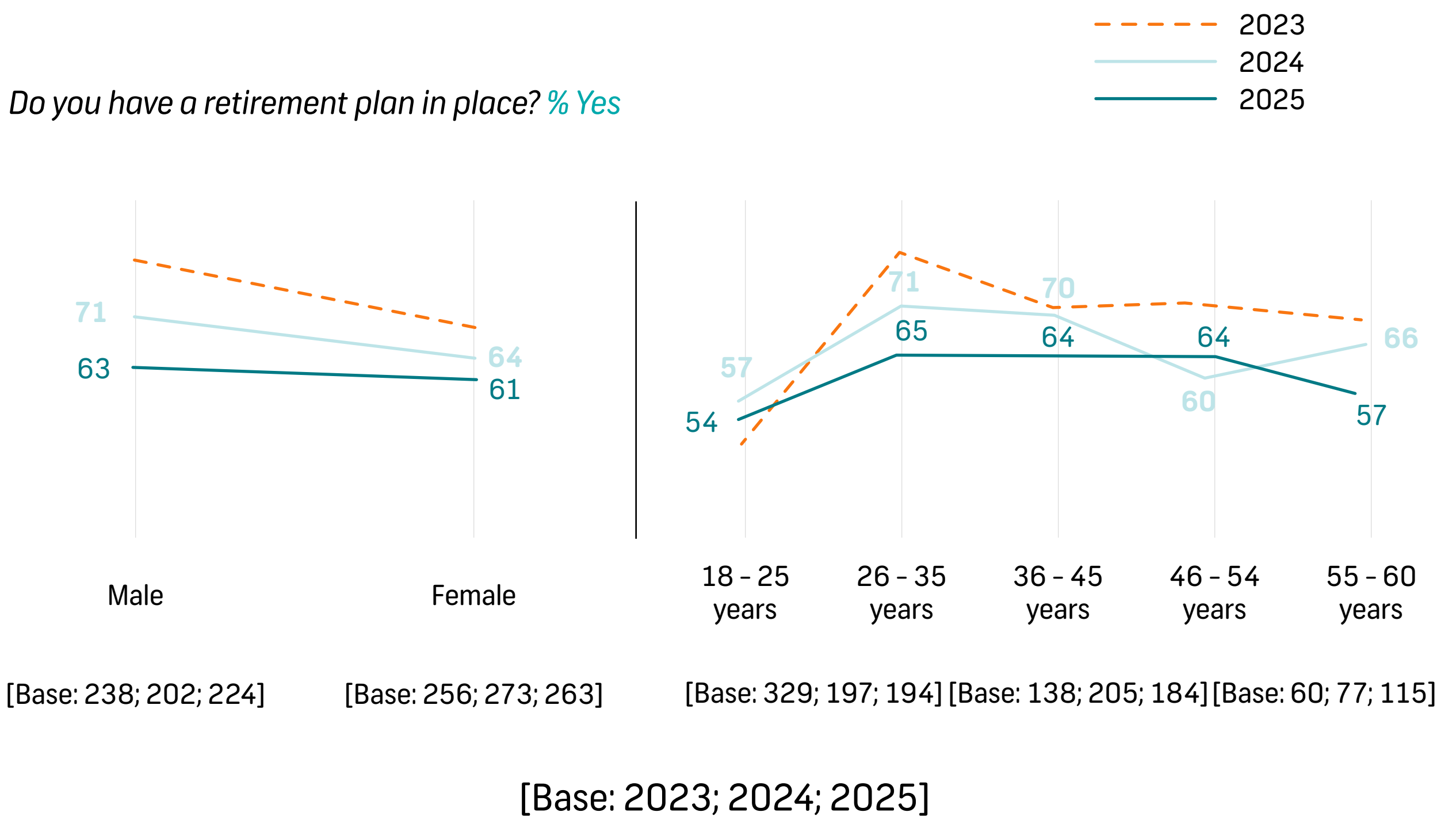


B7b. At what age did you start saving for retirement?

Only change from 2024 was Entry Wallet.

## 3 Retirement plan ownership (under-60s)

The increase in retirement plan ownership versus 2024 is noted across both genders and most age groups. A possible concern is the continued drop in retirement planning from 2023 amongst 46 to 54-year-olds.



## What constitutes a retirement plan?

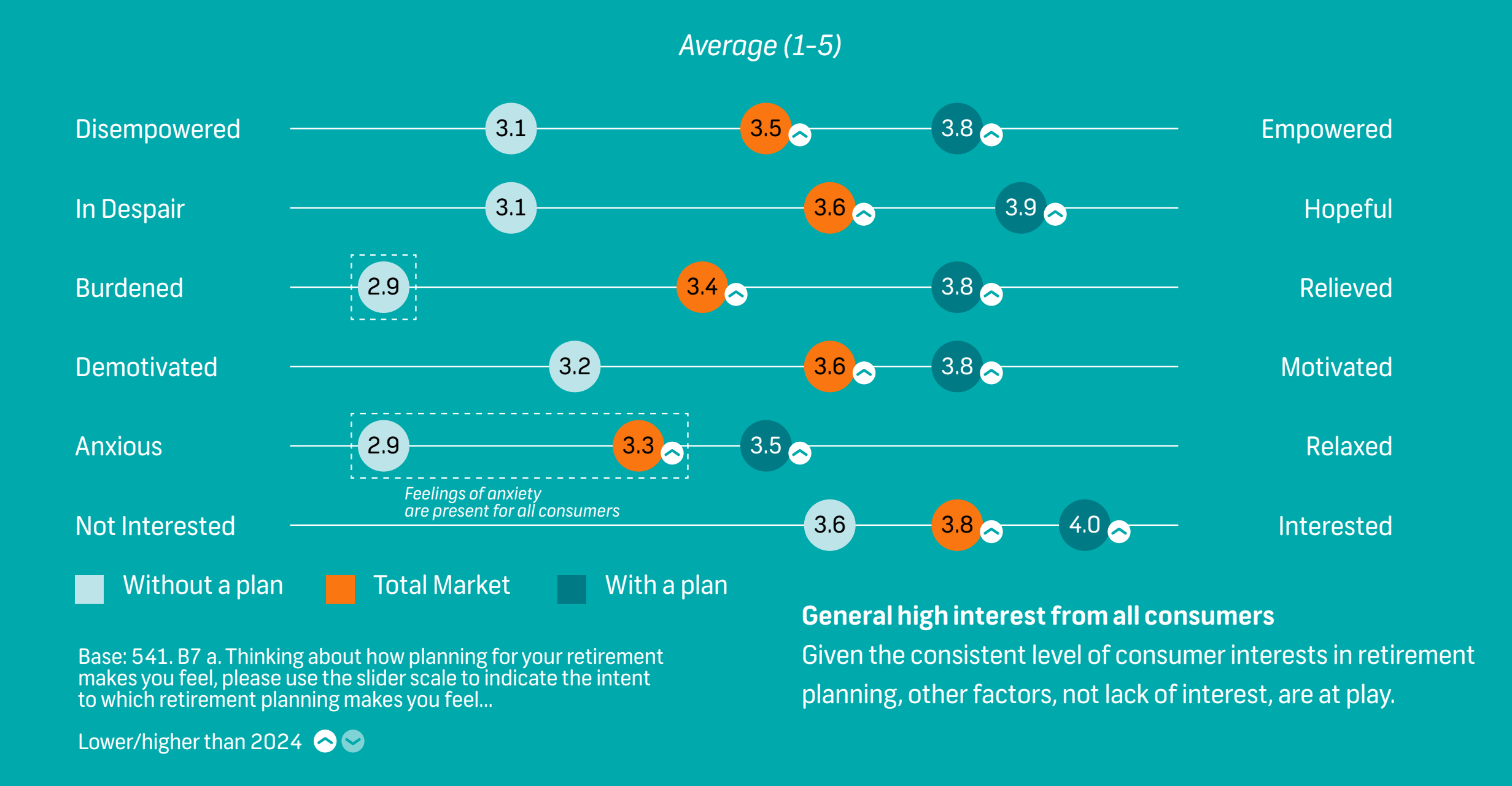
It is also important to consider what a plan constitutes.

- Many people say they have a plan for retirement, but in reality, it's often not a well-defined roadmap. It's just having one small thing in place.
- Simply taking some action can feel like a plan, but this can create a false sense of security.
- For most, there's a lack of real clarity about what's truly required. Retirement planning is filled with unknowns, and so much is beyond one's control. Even the best-laid plans can be derailed at any time, leaving a lingering sense of uncertainty.
- A plan doesn't guarantee security, and that underlying anxiety never fully disappears.
- Having a product can provide some security but it's often not clear what it will deliver and if it will be enough.

### 4 Retirement planning sentiment improvements (under-60s)

Those with a plan are increasingly more positive highlighting the importance of having some sort of plan in driving positive momentum and a sense of urgency.

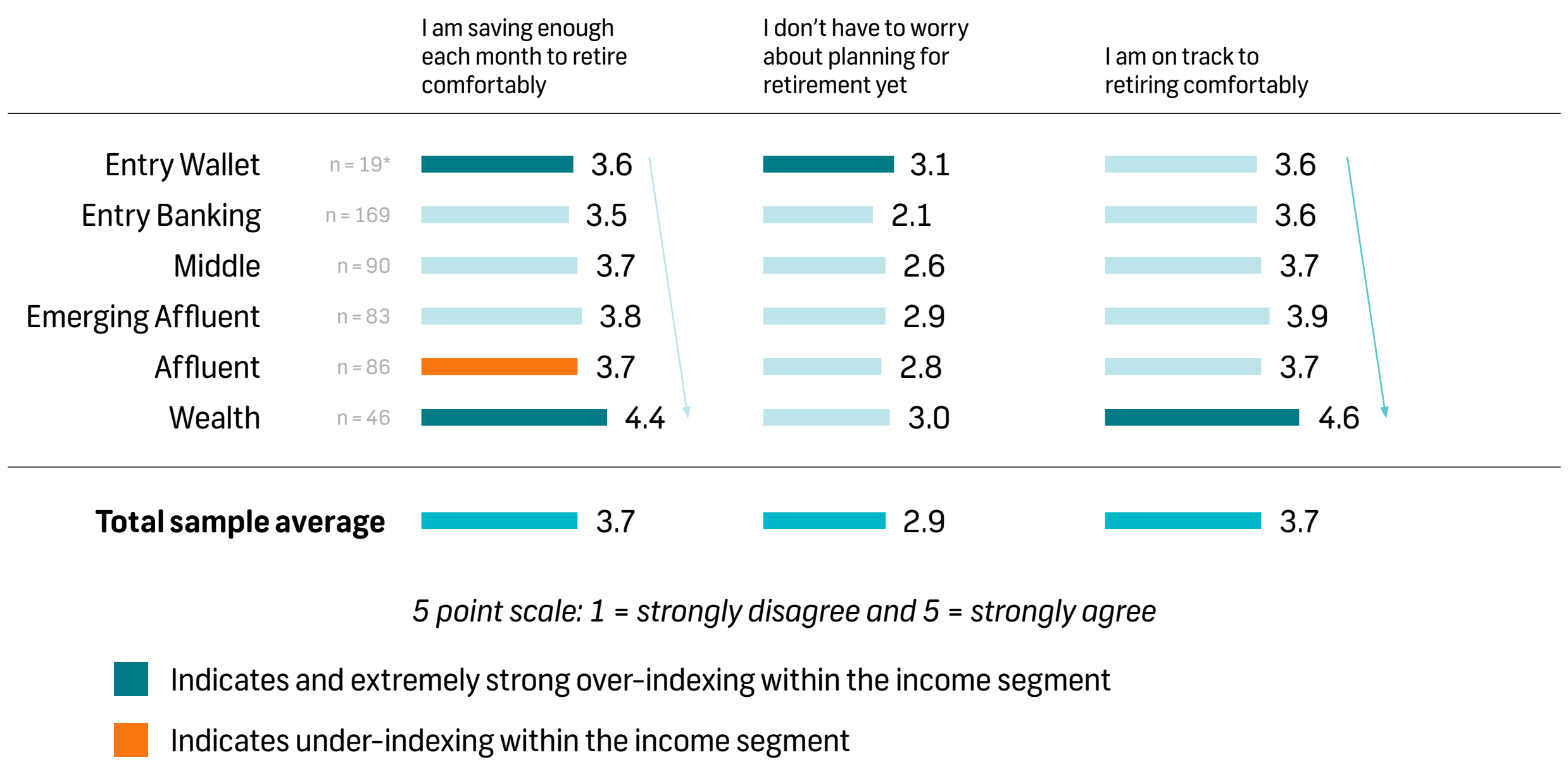
## Retirement planning sentiment: total market versus those with and without a plan



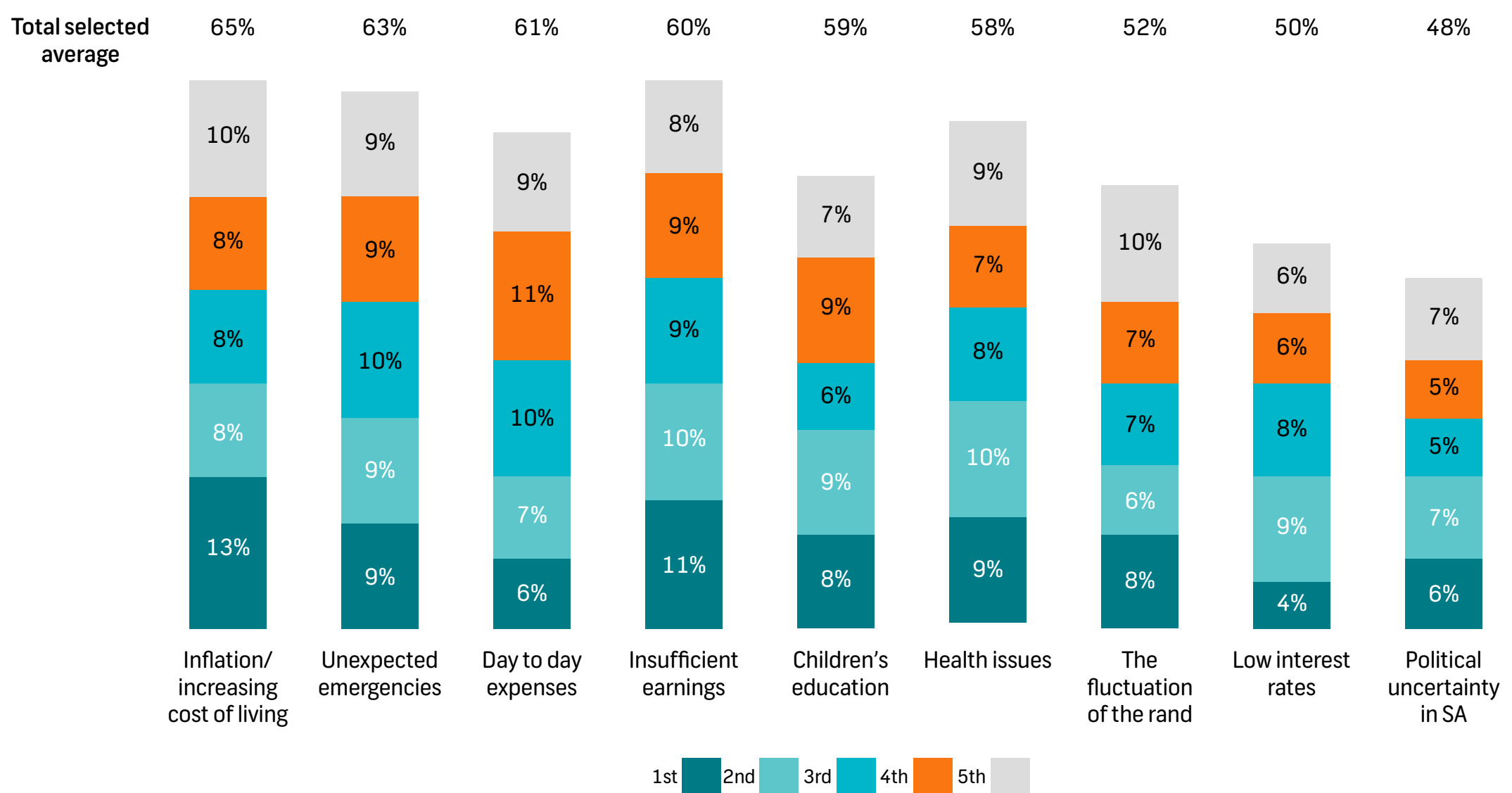
## 5 Execution strategies (under-60s with a plan)

Of those with a plan, higher-income consumers remain better positioned to carry out retirement strategies, but retirement planning anxieties are shared across all market segments. Entry Market and Wealth indicate improved confidence of being on track and saving adequately. However, this is not reflected in the Middle to Affluent segments, which are experiencing a relative decline in executing their plans.

### Are consumers able to execute retirement strategies?



The primary barriers are prioritising basic living expenses, unforeseen expenses, cost of education, health issues and the current economic climate. 58% cite Health issues as a major barrier.



Base:327.B13\_closed. Which of the below, if any, make it difficult to save sufficiently for retirement? Please rank these from most to least relevant to you.

## 6 Challenges to planning (under-60s)

Qualitatively we see that despite having good intentions, challenges to plan sufficiently remain.

### Day-to-day costs

Essential expenses often take priority, making consistent retirement savings difficult, regardless of financial discipline.



‘If the cost of living and everything wasn’t so high then I would have liked to take an extra maybe two more retirement annuities’ (30-45/M&E/KZN)

‘There’s only so much, you can’t every month struggle because all your money is going towards retirement.’

(46-59/PB/CPT)

### Job insecurity

Unforeseen job loss or layoffs can derail retirement plans.



‘I was in a very secure job for 30 years. I worked for a very big insurance company. I had a pension, group provident. It was all fruity. Company was paying 50. I was in management, I was paying 50. My friends have all gone on pension already. But we got retrenched, the division that I was in, at that stage, I think I was 39. To go from the salary that I was earning then, to the private sector for other insurance companies, wasn’t feasible. My salary was a third of what I was earning. And obviously I lost my company portion of my pension and provident fund. So I had to start on my own from that. And that was too late for me.’

(46-59/PB/CPT)



### Unexpected expenses

Emergencies and unplanned family responsibilities can disrupt retirement savings plans.



**'You could tell yourself that you are saving R50k for rainy days but you have an emergency before the rainy day. Then what? You use that R50k.'**

(46-59/EB/JHB)

### Lack of knowledge and access

Complexity of retirement planning can be discouraging, especially for entry-level groups who may not have access professional guidance.



**'I think, if we could get financial advisors to advise us. We were not taught how to save money at a very young stage. They never trained us about that thing. If we had been taught that thing, I don't think we would be where we are.'**

(46-59/PB/CPT)

## In their own words

**'The problem is money, the economy has cost us. We still have a long way to go.'**

(46-59/EB/JHB)

**'The ever-changing economy. Everything reflects, the rand/dollar exchange, your interest, what you earn on your investments.'**

(46-59/PB/CPT)

**'I mean there's a small bank balance when you retire, but the way things are going. I mean the cost of living just is. I mean who's to say. I could live another 20/30 years. Would that money keep me going?'**

(30-45/M&E/KZN)

**'Because the cost of living is just escalating fast. You can never catch up because it's always something, always the next thing that kills you.'**

(46-59/PB/CPT)



# From having a plan, to having a good plan

Advisors and retirement investment providers can (and should ) help pre-retirees with a plan that transforms their futures.

According to the 2025 FNB Retirement Insights Survey, growing numbers of South Africans are actively thinking about retirement, with 60% of under-60s saying they now have a plan. The increased awareness around the importance of having a plan shows the importance of acting now and not someday in the future.

However, merely having a plan isn't necessarily enough. What matters is the quality of that plan - how well it's built, whether it's realistic and whether it's fit for the individual's financial and lifestyle goals. This is where retirement advisors and product providers play a crucial role, not just in encouraging planning, but in helping people shape those plans into blueprints that truly deliver the retirement South Africans want.

## Start with action, not perfection

The number one obstacle to effective retirement planning isn't apathy, it's inertia. For many people, getting retirement-ready feels overwhelming. The role of the advisor is to shift the focus away from perfection towards steady progress. Encouraging clients to start with one simple step, like increasing their retirement contribution by just 1%, reviewing a policy or accurately listing their expenses, can help them break through that initial barrier. These small, achievable actions are often the catalyst for deeper engagement.

The industry can support this by offering their retirement clients easy access to tools and content that reinforce these incremental steps, like checklists, digital dashboards, nudges through banking apps or SMS reminders tied to payday. The aim is to make good planning feel doable instead of daunting.

The next two pages show you how.



## Use tools that personalise and visualise

For many clients, retirement still feels too far off to prioritise good planning, especially when current financial pressures are high. Bridging this gap requires tools that make the future feel concrete. What often proves very effective is showing people the implications of inaction or poor planning in a way that is personal and understandable. Interactive ‘what-if’ scenarios allow individuals to model how today’s decisions might affect tomorrow’s outcomes. By using these tools, advisors can demonstrate the impacts of trade-offs in real time, for example showing a client what delaying saving for retirement by two years could mean, or demonstrating the long-term impact of not increasing their retirement contributions for a year. Used well, these visual models can help shift planning from abstract theory to practical decision-making.

## Break the long-term into micro goals

Helping clients see retirement planning as a series of smaller, manageable goals – rather than a single, overwhelming target – can increase motivation and follow-through. This approach, sometimes called micro planning, works especially well for mid-career clients who may feel behind and unsure how to catch up. Advisors can help clients break down the journey by prompting their clients to improve the quality of their plan by focusing on one goal per quarter, or one theme per year. For example, they could start with contribution levels, then move to investment reviews, and then debt reduction, and so on. Each goal becomes a stepping stone to a better plan and improved retirement outcomes.

## Go beyond advice to build better behaviours

Helping clients plan for retirement isn’t just about offering the right products or forecasts, it’s about shifting day-to-day behaviours in a way that makes those plans achievable. Advisors have a critical role to play in shaping these behaviours over time. That means moving beyond once-off consultations to creating environments that encourage consistent action, like embedding savings nudges into everyday banking, using personalised alerts to prompt contributions or designing solutions that reward regular financial discipline. For many clients, especially those approaching retirement, the challenge isn’t awareness but follow-through. Building trust, offering empathetic check-ins, and translating complex concepts into simple, actionable steps can make the difference between having a plan and living it.

## > Focus on overconfidence and readiness gaps

One of the most important interventions advisors can have with their clients is to challenge false confidence. Many South Africans believe their plan is sufficient, but they haven't factored in future challenges like rising healthcare costs, inflation or potential longevity. As a result, they don't have a realistic idea of how long their money needs to last, or how much they'll actually spend. Advisors are best placed to help clients test their assumptions and spot the gaps early - before they become problems. Gap analysis tools, income modelling and annual reviews all help to ground planning in real-world outcomes instead of assumptions.

While the FNB 2025 Retirement Research results show that there is a growing awareness in consumer mindset, the retirement industry has a responsibility to help them translate that intent into action, and lasting outcomes. That means building planning journeys that are personal, practical and flexible. It means supporting clients with real-time data, low-friction tools and advice they can act on. And it means recognising that the emotional side of planning, including confidence, control and clarity, is as important as the financial side. Helping someone have a plan is step one. Helping them turn it into a good one is where lasting impact really happens.



# Under-60s: having a plan versus not having a plan

Over time consumers are feeling more prepared for retirement.

## Claim to have a plan in place (at a total level)



## Don't have a retirement plan in place for the future

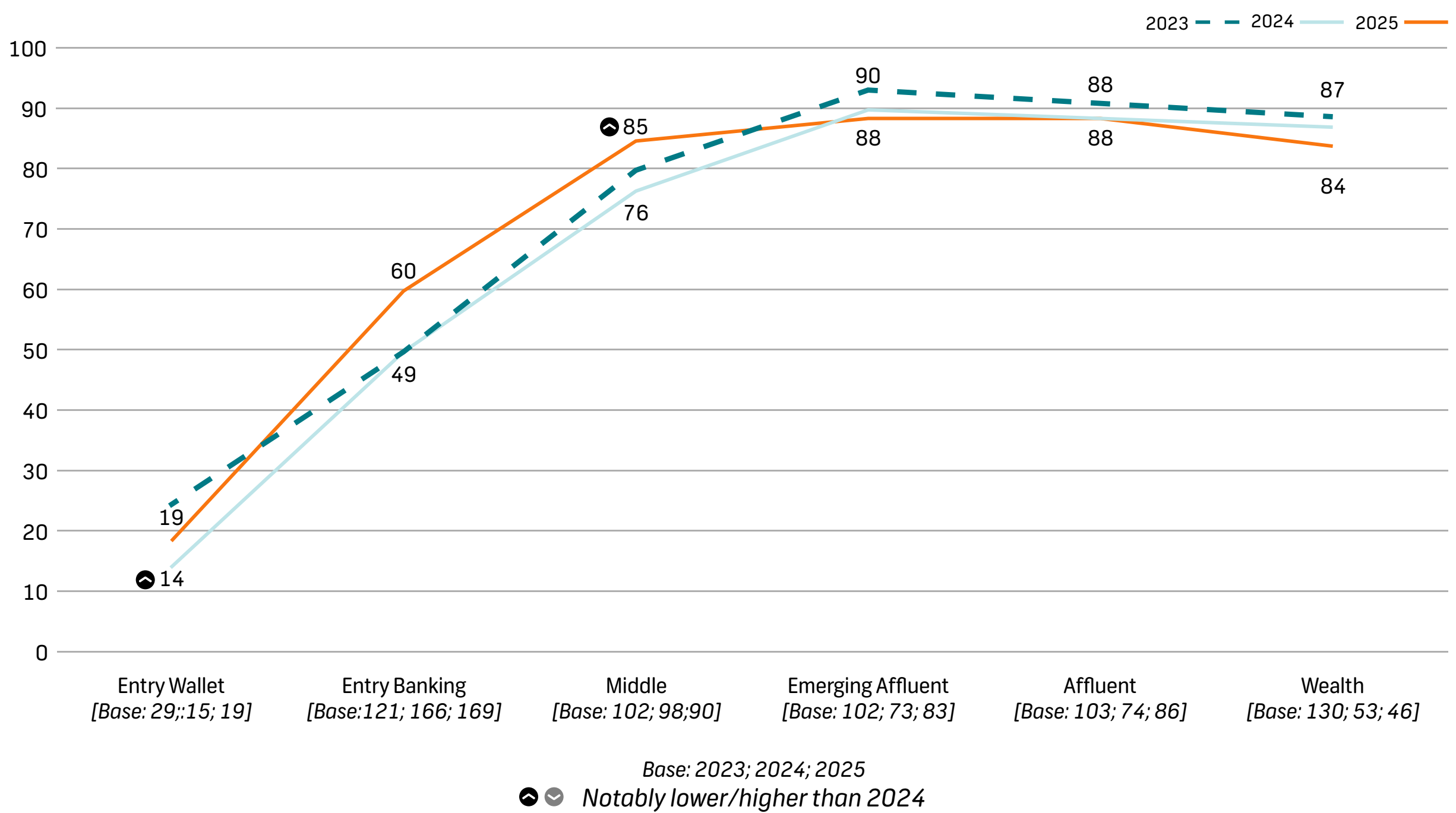


## Don't know if they have a plan in place



The market is feeling more prepared for retirement in general.

## Do you have a retirement plan in place? % Yes



B6. Do you currently have a retirement plan in place, either in your personal capacity or through your employer (such as a separate retirement savings scheme). Here, a retirement plan means a saving and investing plan that will enable you to accumulate money for your retirement.

## Having a quality plan

The quality of the plan is what truly matters, being overconfident in a plan that isn't suitable can lead to failure. When people don't feel properly equipped, their planning often shifts toward uncertain or unreliable options, which increases the risk of falling short.

### In their own words

'Because at an early age I started with retirement plans and all that there. But in all honesty I will say I'm 0% there.'

(30-45/M&E/DBN)

'I want to achieve a lot of things and the responsibility is on you, you think it will come later.'

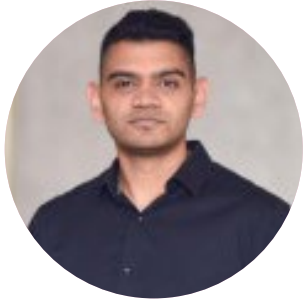
(46-59/EB/JHB)

'For me, we had a session with a financial planner who was telling us that if by 25 you haven't started, you're already late. I'm obviously going to start late in that situation. So those are the things that are also discouraging, when you get to it.'

(46-59/PB/CPT)



# Who's responsible for your retirement?



**Deepesh Desai**  
*CEO of FNB Life*

## Rethinking employer vs. personal retirement planning ownership.

For many South Africans, the idea of retirement has long been tied to a familiar belief that their company pension will take care of all their financial needs once they stop working. It's a comforting thought, but it's outdated and growing numbers of people are reaching retirement age only to discover that what they've saved in their employer provided pension fund's plan isn't enough to support them for the rest of their lives. This shortfall forces many prospective retirees to make tough decisions around working longer, selling assets, or having to rely on family.

The shift started years ago when companies moved away from defined benefit (DB) funds, where the employer carried the risk and guaranteed your payout when you retired, to defined contribution (DC) funds, where the payout depends on what you (and your employer) put in, and how well it's invested. That means the responsibility for securing your retirement - and the risk of not doing so - now sits squarely with you.

### **Why relying only on your employer's pension plan is risky**

If you're depending solely on your employer's retirement fund, it's worth stepping back and looking at the bigger picture. These plans aren't always flexible. If you change jobs, you could lose momentum in your savings. Many employees have no clear idea of what their retirement payout will look like, and are shocked when they find out it falls short. Employer plans also tend to focus only on your retirement income, without factoring in other needs like tax planning, medical expenses or leaving something behind for your family. That's not to say employer plans are bad - they are essential and very valuable. But they simply aren't designed to carry the responsibility for your retirement on their own.

### **Rather take a blended approach**

If you combine your employer fund with additional personal retirement savings, like retirement annuities, tax-free savings accounts or unit trusts, you will put yourself in a much stronger financial position to enjoy the retirement you want. This mix of investments allows you to be more flexible in the way you save and invest for your retirement. It also gives you more control over how your money is invested, and allows you to adjust things as your life changes or as you get closer to retirement and protecting your savings becomes more important than growing them.

Taking control of your retirement savings also allows you to plan for more than just financial survival after you stop working. You can proactively work towards goals like retiring earlier, funding a side hustle, securing proper healthcare and even looking after your family. This kind of future-focused thinking can be the difference between just managing to retire and retiring well.

### **Employers – you still have a role to play**

While employees need to take greater ownership of their retirement, employers also need to step up. Just offering a pension savings fund isn't enough anymore. Companies must help their employees understand how these plans work, give them realistic retirement savings projections, and make sure they have access to the tools they need to manage their contributions and expand their retirement planning approach. Retirement education shouldn't be something that only happens during employee onboarding and induction; it needs to be ongoing throughout their careers.



The 2025 FNB Retirement Survey findings point to a big gap here, with many employees feeling their employers aren't doing enough to support their planning. That needs to change.

### **What employees should do right now**

If you have an employer-provided retirement plan, take some time to look at it very carefully and ask some key questions, like:

Do I know exactly how my fund works?

Do I have an accurate idea of how much I will have saved by retirement age?

What does that amount mean in terms of a monthly income when I'm retired?  
And is it going to be enough?

Can I add more to my fund contributions now, and what difference will that make to my benefit when I retire?

What happens to my retirement savings if I get retrenched or change jobs?

If you don't like the answers to some or all of these questions, now is the time to act and take control of your retirement planning and saving. If you're not sure how to do that, speak to a financial advisor about how to set up a personal savings plan, or ask your employer for more information.

Of course, the point isn't to leave your employer-provided pension fund; it's to stop thinking of it as all the retirement planning you need to do. Remember that retirement isn't something that just happens to you. It's a time of your life that you have to consciously work towards and plan for. And the sooner you take control, that time of your life will be.

# Qualitative survey: goals for retirement for the under-60s

From our interviews, people see retirement as overall wellness, not just financial, but also physical and mental. Even strong financial plans can fall apart if you're not healthy and mentally ready. Many also hope to lower their living costs, with the areas below seen as key to a successful retirement.

**Physical + Mental + Financial = Holistic 'Wellness'**

## Limit debts and pay off what I can

- Paying off a bond is a top priority for many
- Pay off my car or other big items while I have the income to do so
- Clearing my debts before retirement

## Legacy for family – now and in future

- Ensure children complete school or university, setting them up for success – this provides peace of mind that they will be independent and that the legacy lives through them
- Have savings and policies in place to provide financial support for family, ensuring a better life for grandchildren and future generations

## Sustainable source of income

- Have an established business to generate a continued source of income when no longer working

## Look after myself physically

- Getting older means declining health, and current disability policies may not cover me
- As such, I need to stay in good health to avoid health costs and remain fit and active when I reach retirement, especially if I still need to work

## In their own words

'You are getting old and everything is starting to be sore and, you know, health-wise and then, ja, you one foot there and the other foot there.'

(30-45/M&E/KZN)

'Good health is important, because if you're not healthy you can't be sustainable.'

(46-59/PB/CPT)

# Of those without a plan: 38%

## Under-60s: of the 38% without a plan

Quantitatively, for those that don't have a plan, lack of finances followed by product information and retirement information remain the biggest barriers to retirement planning.

Less affluent consumers are displaying an ongoing defeatist mindset – 'I don't plan to retire' (Entry Banking) or will rely on government grants (Entry Wallet) versus more affluent relying on other wealth generation mechanisms (business, assets, etc.) for retirement. However, even for Affluent consumers, not having a plan can result in relinquishment of control to others (spouse/family).

**61%**  
[63%]

### Financial barrier

61% [63%]: can't afford to save- all disposable income spent on other financial priorities

**29%**  
[33%]

### Knowledge barrier

21% [26%]: I don't have enough information about how to plan for retirement: 36 -45  
13% [15%]: I don't know where to get saving and investment products.

**11%**  
[8%]

11%: I don't need to save for retirement at this stage of my life: 18 -25 ↑

**29%**  
[27%]

### But also relying on

17% [13%]: government grants will provide for me when I retire. *Entry Wallet*

12% [9%]: I invest in other assets for retirement, that I can sell should I need money  
*Middle & Affluent*

6% [9%]: my spouse or wider family will provide for me when I retire, *Wealth*

3% [4%]: my business will provide for me when I retire, *Private Banking: 55-60*

**9%**  
[5%]

9%: I don't plan on retiring so having a retirement plan is not necessary: *EB* ↑



## Key findings

- The 36 to 45 year olds show a lack of information on retirement planning which highlights the need for targeted interventions
- The 46 to 54 year olds skew towards relying on other mechanisms outside of a retirement plan to finance their retirement (other assets versus government grants)
- Segment nuances show a strong over indexing on Entry Wallet expecting to retire on government grants and Entry Banking feeling that they don't plan on retiring, because they probably know that they cannot retire in reality
- For those who don't have a plan, it's not because they don't feel it is important but as we saw last year, financial constraints are the biggest barrier (Entry Banking/Middle and Emerging)



## Mental: the vicious cycle

Not having a plan also negatively impacts their mental well being creating a vicious cycle.



### Anxiety

There is increased anxiety – don't feel mentally prepared for retirement as it creeps closer (Entry Banking/Over 60)



### Failure

Ongoing worry that there is no back-up – if they lose their job or if something happens, they have no plan B fail to provide for family



### Personal pressure

Increased personal pressure – conscious they haven't achieved what they wanted to by this stage of life, yet others are also depending on them

### In their own words

**'How can I even start when I can't keep afloat now.'**

(under-60s/O/EB/JHB)

**'We are in survival mode now. You just living month to month, goes there, goes there, and it would have been nice to have a plan if there was more funds.'**

(under-60s/Y/ME/KZN)



# Having a Will



**Carin Meyer**  
Product Head Wills

## When it comes to Wills, 'later' could be too late

Most South Africans agree that having a will is important. Yet only four out of every 10 actually have a signed Will in place; and a third of South Africans haven't even considered drafting one. This gap between intent and action isn't just a personal oversight, it's a dire situation that demands a proactive response from the country's financial and retirement industries to reshape perceptions and integrate wills into everyday planning.

The 2025 FNB Retirement Survey shows that even among those nearing, or in, retirement, wills largely remain an afterthought. No less than 12% of retirees over 60 say they've never considered drafting one. For FNB Entry Wallet consumers, that number jumps to 62%. The problem is that, while people mostly understand the risks of not having a will, they often don't feel the urgency – with many citing lack of time, the need to talk to family first or the belief that wills are only for the wealthy. All of which suggests the problem isn't awareness; its inertia – and industry players need to do more to overcome it.

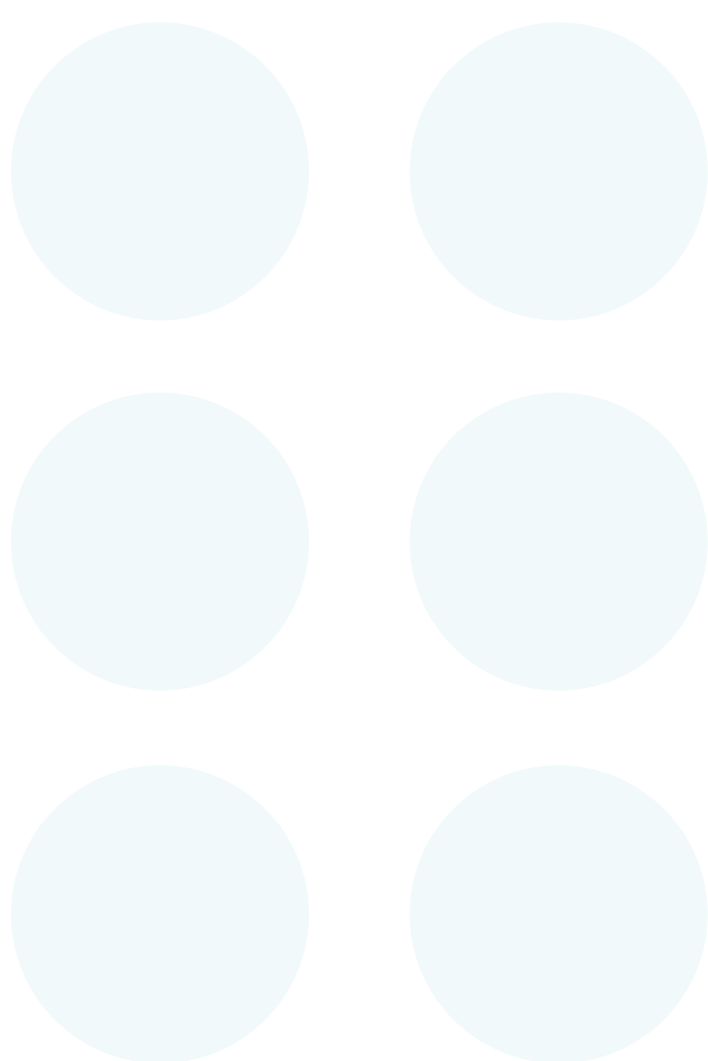
A big part of the action required is to grow understanding that a Will isn't just a legal document; it's a vital part of any robust retirement or financial plan. It protects assets, provides clarity and gives individuals a say in what happens after they have passed on. Without one, families are left navigating delays, confusion and potential conflict – all at a time when they should be grieving, not managing chaos.

So, the obvious question then is '*why don't more people act?*' The survey findings offer some clues. Many find the process intimidating with 15% of respondents without a Will saying it's too complex or time-consuming. Others are uncertain about who should inherit their assets (17%), or assume a Will isn't necessary if beneficiaries are already named in their policies. And for younger South Africans aged between 18 and 35 the unfamiliarity of estate planning makes it feel like something they can put off until later in life.

Clearly the financial services industry must take the lead to address these misperceptions. Financial advisors, banks and insurers are already central to how people plan for their futures. This places them in a unique position to be able to position Wills as a standard, non-negotiable component of that planning, rather than an optional 'bolt-on'. The industry can, and must, help normalise the conversation, build trust and demystify the process.

➤ More flexible ways to draft a Will are also imperative. While the research points to more than half of South Africans still preferring face-to-face engagement around Wills, one in five people say they're open to digital options. Younger clients especially want convenience and speed - but they also want support. The ideal solution, then, is a hybrid incorporating digital access with human advice when needed. FNB is already moving in this direction, helping clients combine secure online tools with the kind of personalised guidance that builds confidence.

Of course, irrespective of how client chooses to draw up their Will, trust matters deeply. When asked who they'd choose to manage their estate, most respondents named a family member or friend. Fortunately, banks and attorneys follow closely behind. Either way, more than half of the survey respondents cited trust and reliability as the top qualities they would look for in an executor. That's a strong mandate for banks to step up, not just as service providers, but as partners in responsible planning, including Wills creation. The reality that few people choose to think about is that death doesn't wait for any of us to get our paperwork in order. The absence of a Will can turn a difficult time for loved ones into a legal and emotional mess. So, it's time we help South Africans to stop treating Wills as a 'later in life' task, and instead embed them into their financial planning from the start. And the retirement industry has both the expertise and reach to lead this shift.



# Of those with a plan: 60%

## Under-60s: of the 60% with a plan

But for those with a plan (60%), can we say that they are necessarily prepared for retirement and is having a retirement plan in place a sufficient measure of preparedness?



### Overconfidence versus reality

A concerning disconnect exists between consumers' confidence in their retirement savings. There's a big gap between how much they think they'll save and how much they expect to spend, creating substantial risks



### Impact of uncontrollable elements

Economic uncertainty and rising costs are squeezing disposable income and savings across all segments



### Main barriers to planning

The main barriers to retirement planning for those without a plan, including lack of finances, lack of product information, and reliance on government grants or other assets. Consumers often do not know where to find the right products or how to start planning for retirement. These barriers create a risky position for those without a plan



### Focus on the plan

Having a retirement plan, even if it is not perfect, reduces anxiety and provides a sense of control to manage their finances and are more likely to take proactive steps towards their retirement goals. It helps with the emotional and psychological side of planning, even if it's not foolproof









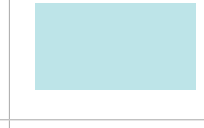
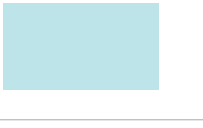
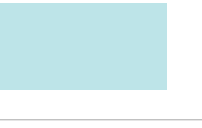
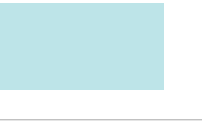
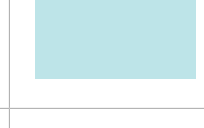
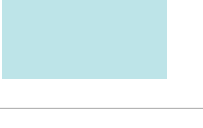
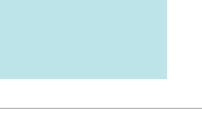
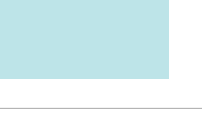
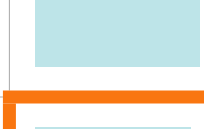
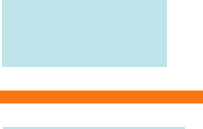
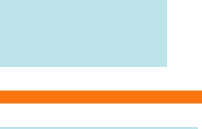
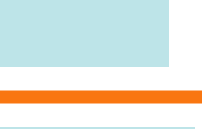

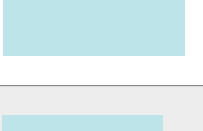



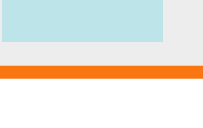




## Confidence levels of those with a plan (total market)

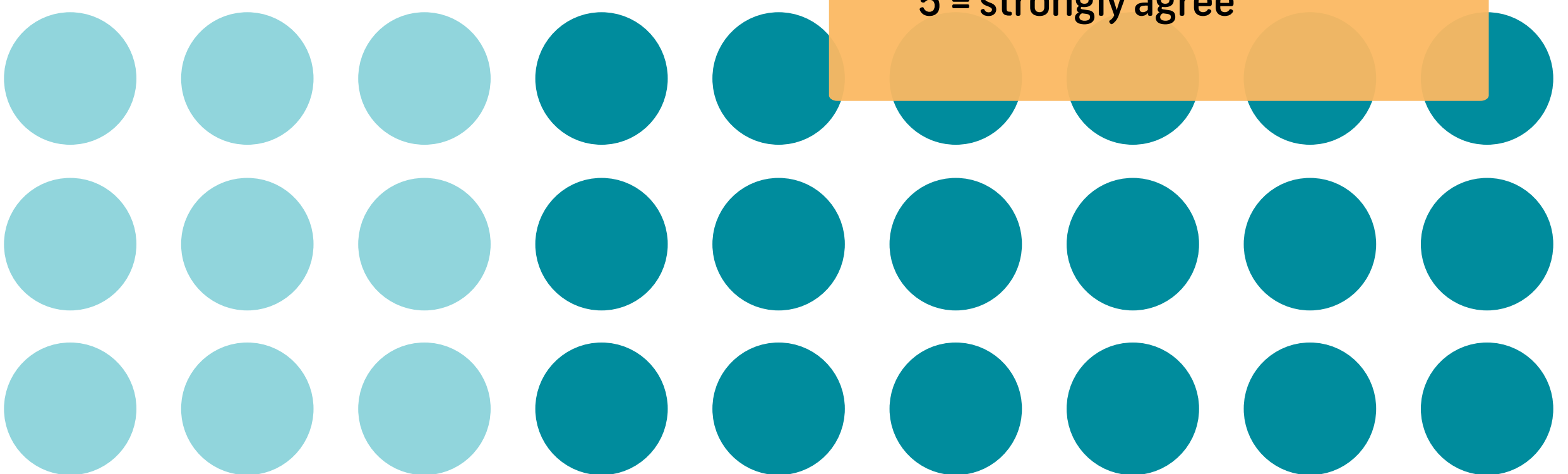
Consumers rate their confidence in their ability to plan for retirement highly across all segments with Wealth being the highest at 4.6 on a scale of 5.

There is still a plea from the Entry segments in that they wish they knew more about how to plan for retirement.

## Do consumers know how to plan for retirement?

	I wish I knew more how to plan for retirement	I know how much I need to save to retire comfortably	I am confident in my ability to plan for retirement	My retirement plan is well thought through
Entry Wallet <i>n = 19*</i>	 3.9	 3.4	 3.7	 3.6
Entry Banking <i>n = 16*</i>	 3.8	 3.8	 3.8	 3.7
Middle <i>n = 90</i>	 3.7	 3.6	 3.9	 3.9
Emerging Affluent <i>n = 83</i>	 3.7	 3.8	 3.9	 4.0
Affluent <i>n = 86</i>	 3.8	 3.8	 3.9	 4.0
Wealth <i>n = 46</i>	 3.6	 4.2	 4.6	 4.6
<b>Total market average:</b> <i>n=327 [252]</i>	 3.8	 3.7	 3.9	 3.8

A 5-point scale  
1 = strongly disagree  
5 = strongly agree



# Qualitative survey: success factors in planning for under-60s

Consumers continue to cite the need for multiple income streams.

## 1. Multiple income streams

This includes maximising savings and using diverse products and methods to ensure preparedness.

### These methods include

#### ➤ Retirement annuities/ Retirement accounts

##### Benefits include the following

- Can pay into multiple annuities
- Offer more structured approach to saving because the funds are locked in for retirement, preventing access for other purposes
- Assurance a sense of knowing where the money is, and it feels more official

Retirement annuities are popular across income groups.

#### ➤ Investments

##### Popular retirement investments vary by income group

- Shares: investing in shares seen as a good investment (Entry Banking)
- Property: rental income from renovated properties (Private Banking)
- Unit trusts: a common investment, though returns may be quickly spent (Private Banking)

#### ➤ Savings plans

Generally saving money wherever possible is seen as key.

##### This includes

- more formal saving like savings accounts where money is saved
- less formal like stokvels and saving schemes

However, this is more likely to be used when needed rather than saved specifically for retirement.

## 2. Increase in retirement products

Quantitatively we see that confidence in their ability to plan for retirement is reinforced by an increase in retirement products, as well as additional products and services.

Savings accounts, retirement annuities and pension/provident funds increasingly form the basis of most people’s retirement portfolios. However, particularly within the Private segment, there is an increase in the range of products and services being used to plan for retirement.

	Entry Banking n=169 2.5	Middle n=90 3.1	Emerging Affluent n=83 2.9	Affluent n=68 4.0	Wealth n=46 3.3
Entry Wallet n=19 1.9	Savings account <b>54%</b>	Savings account <b>61%</b>	Savings account <b>48%</b>	Savings account <b>57%</b>	Retirement annuity <b>82%</b>
	Pension/provident fund <b>48%</b>	Pension/provident fund <b>52%</b>	Retirement annuity <b>47%</b>	Retirement annuity <b>56%</b>	Savings account <b>41%</b>
	Retirement annuity <b>40%</b>	Retirement annuity <b>38%</b>	Pension/provident fund <b>40%</b>	Pension/provident fund <b>55%</b>	Pension/provident fund <b>39%</b>
n/a Base size limited	Fixed deposit <b>20%</b>	A Will <b>30%</b>	Fixed deposit <b>28%</b>	A Will <b>30%</b>	Fixed deposit <b>30%</b>
	Tax free savings account <b>16%</b>	Fixed deposit <b>22%</b>	A Will <b>25%</b>	Tax free savings account <b>30%</b>	Rental property <b>30%</b>
	Stokvel <b>15%</b>	Tax free savings account <b>20%</b>	Tax free savings account <b>16%</b>	Rental property <b>20%</b>	A Will <b>20%</b>
	A Will <b>10%</b>	Stokvel <b>19%</b>	Stokvel <b>12%</b>	Fixed deposit <b>23%</b>	Tax free savings account <b>13%</b>
	Cryptocurrency <b>11%</b>	Rental property <b>14%</b>	Rental property <b>12%</b>	Notice accounts <b>10%</b>	Stokvel <b>10%</b>
	Portfolio of shares <b>10%</b>	Online share trading account <b>11%</b>	Portfolio of shares <b>11%</b>	Cryptocurrency <b>10%</b>	Notice accounts <b>13%</b>
	Unit Trusts <b>8%</b>	Unit Trusts <b>10%</b>	Unit Trusts <b>8%</b>	Preservation fund <b>16%</b>	Unit Trusts <b>11%</b>

⬆️ Higher than 2024

Base: 493. B10a. Which of the following products and services, if any, are part of your retirement plan?

### 3. Reliance on available resources

Beyond relying on products, people across income groups are increasingly relying on their available resources to improve their financial futures.

Starting or investing in a business or side hustle remains a major income source for many.

### 4. Small business, big dreams

Starting or investing in a business or side hustle remains a major income source with different levels of business involvement being a consideration to generate retirement income.

#### Different levels of business involvement for retirement income

Own an existing business, that could be sold or handed over to employees and still generate an income.

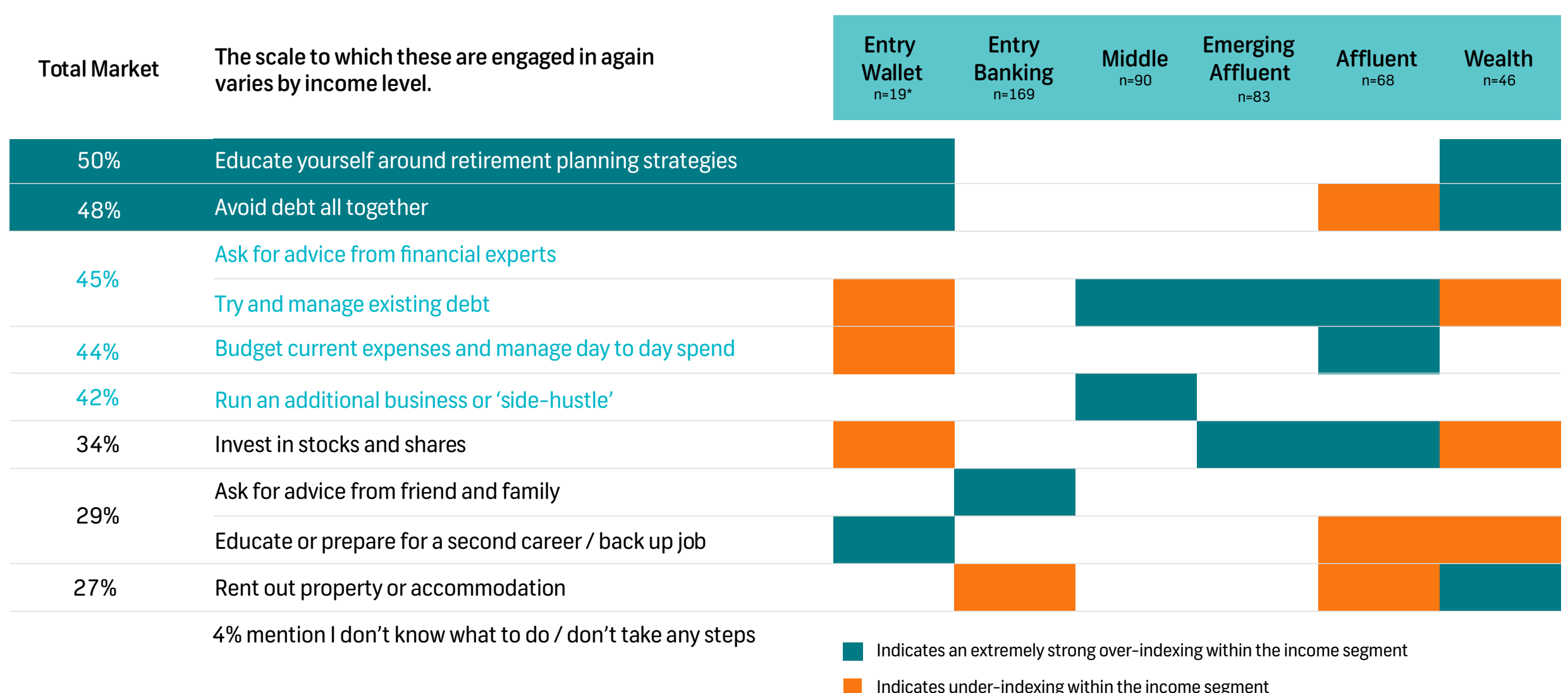
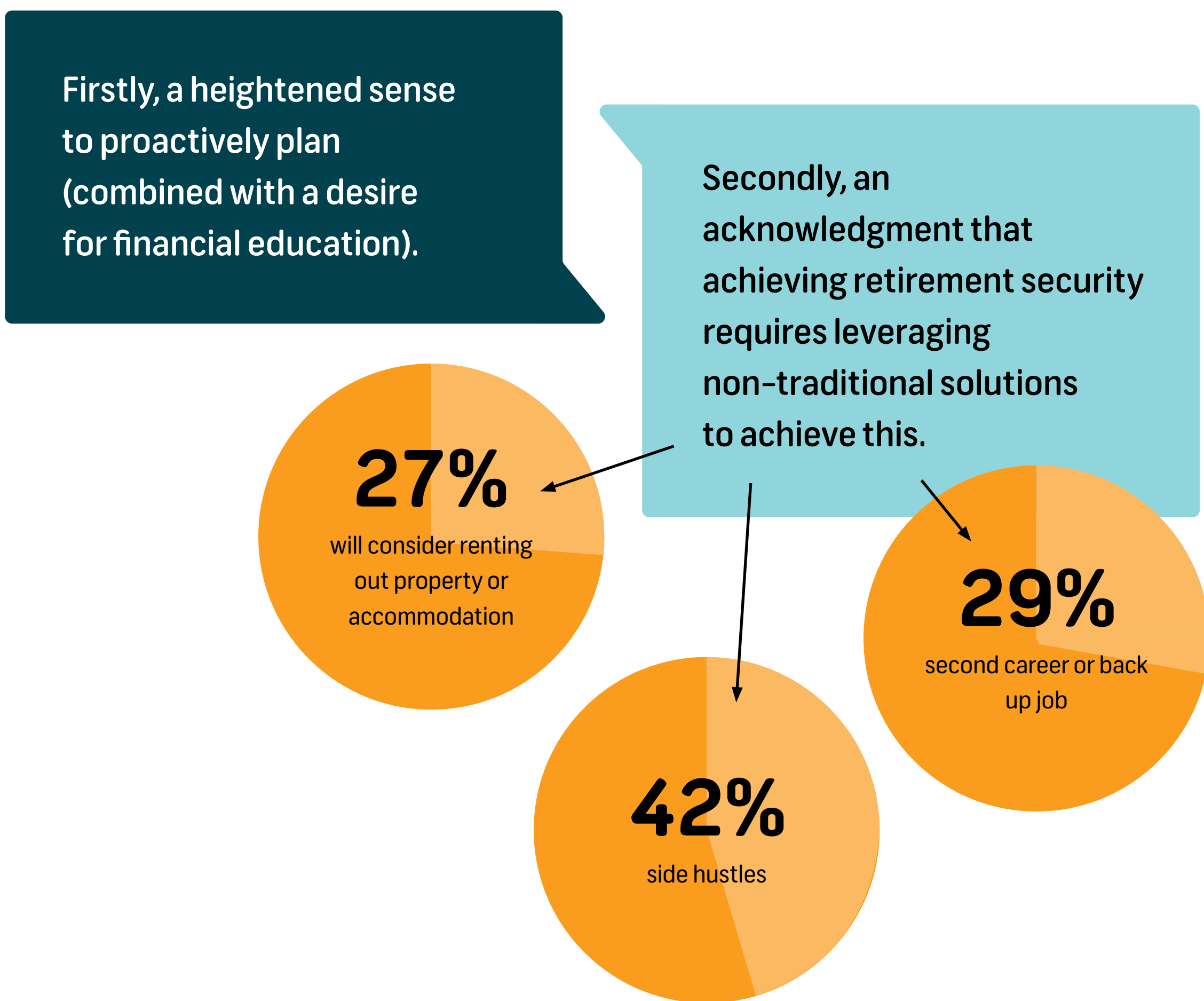
Invest in a small scale business, either work themselves or hire someone.

Expand a side hustle in to a fully fledged business.

# Of the 60% with a plan: two key trends

Quantitatively it corroborates these findings, revealing that product holding, financial education and debt avoidance are as key mechanisms that consumers are using to plan for retirement. Looking to other types of income generators (business, investments and rent) is also an important part of their plan

The evolving perception of retirement is characterised by two key trends

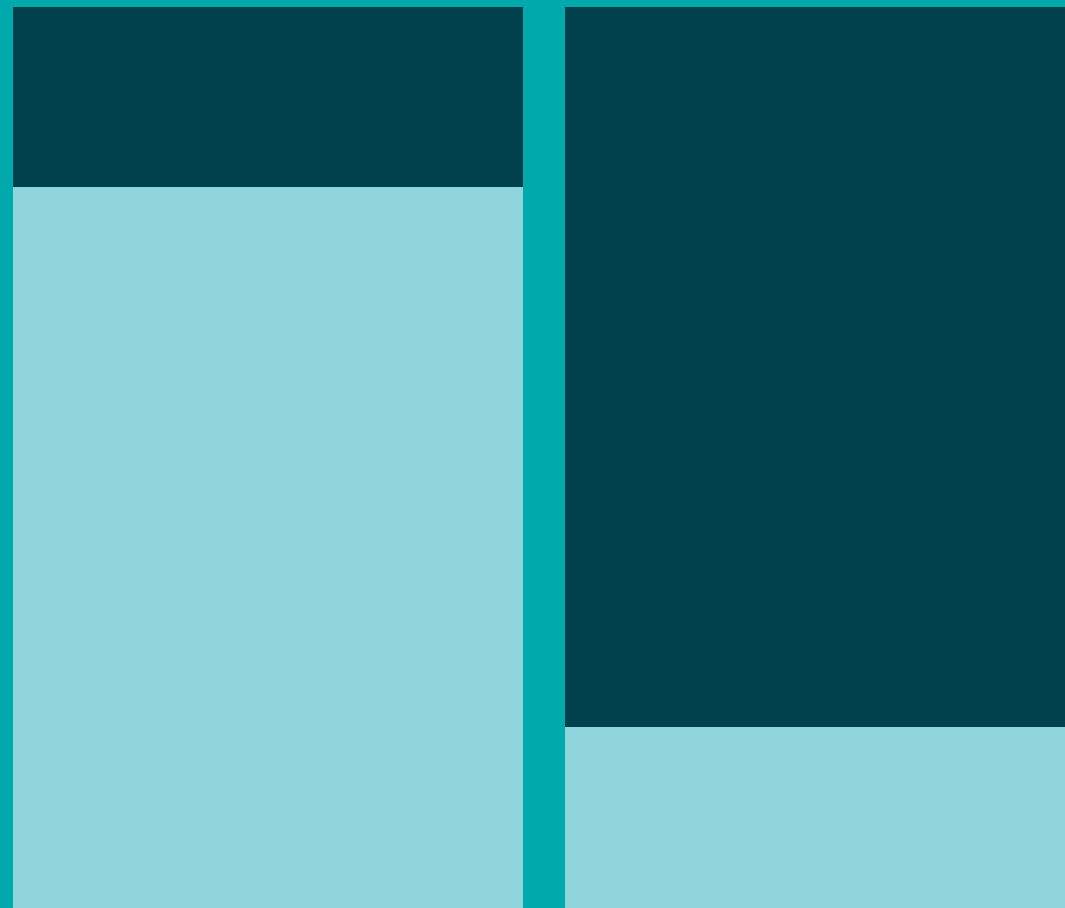


Base: 327. B12 closed. We know that there are products and services available to assist individuals in planning for retirement. Apart from taking out some of these products and services, which of the following have you done in the past or are currently doing to prepare for retirement?

# On track versus not on track: under-60s

80%

With a plan,  
on track



20%

With a plan,  
not on track

What factors are leading to feeling on track versus not on track?

## Not on track: under-60s

For those that don't feel like they are on track, the long-term nature of retirement can be a psychological barrier.

- **Too distant, decades away**  
Some don't feel on track as it feels too distant. With more immediate financial priorities to manage and paying off debt, saving for something decades away often takes a back seat
- **Hesitation, uncertainty and unpredictability**  
There is also hesitation around long-term investments. These feel intimidating for Entry Banking, especially those that come with penalties for early withdrawal. When life feels uncertain and income is unpredictable, the idea of locking money away can create anxiety
- **Now versus the future**  
Sometimes flexibility to better manage the unexpected is at odds with the desire for financial security in the future

In their own words

'We don't want long-term investments. We want short-term like 32 days so we can access it. Don't like it if we need it but then we have to forfeit it if we take it out.'

(under-60s/O/EB/JHB)

## Barriers

Relative to those that are not on track, their barriers to planning are predominantly driven by a lack of resources, with unexpected emergencies featuring as major barriers that can derail retirement planning.

Not feeling on track n=67	Feeling on track n=260
Inflation/increasing cost of living 77% ↻	Inflation/increasing cost of living 65%
Insufficient earnings 74% ↻	Unexpected emergencies 64%
Unexpected emergencies 71%	Day to day expenses 62%
Day to day expenses 65%	Health issues 58%
Children's education 65%	Children's education 57%
Low interest rates 48%	The fluctuation of the rand 57%
Health issues 44%	Insufficient earnings 55%
Job instability 44%	Low interest rates 52%
Prioritise support to extended family 44%	Political uncertainty in SA 50%
The fluctuation of the rand 43%	Job instability 46%

Higher than 2024 ↻



## Mental and psychological barriers

Anxiety and uncertainty are key drivers of those who feel that they are not on track creating a vicious cycle of inertia. Heightened anxiety and uncertainty is felt by those who feel that they are not on track, driven by insufficient financial knowledge, inconsistent savings habits, lack of alternate income streams, and rising living costs.

### Uncertain

Despite having a plan, earning capacity and unforeseen events are barriers to a more effective plan.

### Burden

61% can't afford to save as all disposable income is spent on other financial priorities.

### Stress

77% of consumers cite financial constraints as a barrier to retirement planning.

### Confusion

21% of consumers feel they don't have enough information about how to plan for retirement.

### Vulnerable

Health issues and the costs of health care leave many vulnerable (lower levels of medical insurance).

### Insecure

39% of consumers claim to regularly save for retirement, down from 45% in 2024.

### Disempowered

Only 1% of those who feel unprepared engage a retirement fund consultant.

# For the 60% on track (under-60s)

## Success factor #1: product usage

For those that are on track, financial products help provide a sense of security (Private Banking and some Middle Emerging).

For most, products include unit trusts, retirement annuities plus a pension make up their retirement portfolios. For some, retirement products e.g. retirement annuities offer a safety net as the money is automatically deducted from your account and it feels like something is being done to prepare for the future.

For Private Banking consumers, having a range of products combined with an intentional approach to spending, helps them feel on track.

### In their own words

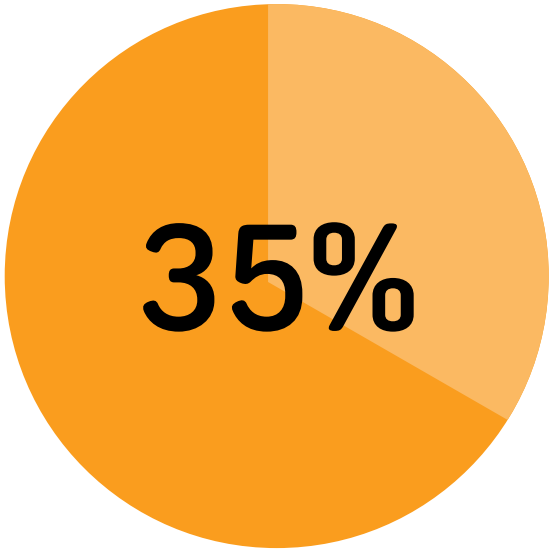
**'I feel I am comfortably  
on my way. I feel on track like  
I will be ok.'**

(under-60s/PB/O/CPT)



## Success factor #2: discipline, knowledge and alternate incomes

Confidence and security in retirement planning is driven by discipline, knowledge and alternate income. Consumers who feel on track with their retirement planning experience a sense of confidence, security, and empowerment, driven by proactive financial planning, early savings efforts, diversified income streams, and consistent contributions. Their peace of mind and optimism reflect the success of disciplined financial strategies.



35%

### Confidence

Have post-retirement income sources in place, up from 28% last year.



42%

### Empowerment

Started planning for retirement before the age of 35, up from 38% last year.



41%

### Reduced anxiety

Have managed and paid off their debts before retirement, up from 36% last year.



33%

### Pride

Continuously seek information and education on retirement planning, up from 30% last year.



48%

### Security

Have retirement policies and employer benefits, up from 42% last year.



60%

### Peace of mind

Claim to have disciplined spending and saving habits, up from 55% last year.



50%

### Optimism

Seek financial advice as a common strategy across the market, no change from last year.

# Overcoming challenges to investing (under-60s)

So despite these challenges, is there any scope to save and invest more? Faced with financial pressures, consumers are prioritising essential expenditures. Housing and insurance (short-term, long-term, and medical aid) remain protected, while leisure activities are being reduced and reinforces some degree of sacrifice now for future gain.

The deep inertia for those not on track is reinforced by the fact that they are less likely to see any way to reduce their expenditure.

## In conclusion: insights from the under-60s

More people are prepared, and this does drive a greater sense of confidence. Despite improved planning, confidence and more 'start today' attitude to retirement planning, the dynamic tension between meeting the needs of today versus the needs of tomorrow is still evident.

Across all segments, consumers recognise the need to generate income during retirement, but consumers are looking for alternate ways to achieve their objectives – some of which may not be setting them up for success like

- relying on others
- having to work
- government grants



## Human psychology continues to create a tension

Temporal/hyperbolic discounting (prioritising short-term gains over longer term goals) is still in evidence and appears to be exacerbated by a few additional factors. Human psychology is naturally structured to maximise outcomes in the here and now, rather than in the uncertain future. This hinders our ability to plan for retirement, a longer-term benefit.

### > Logically

Rationally we know we should be preparing for retirement, but that requires short term sacrifices for longer term goals, and emotionally that is not always easy to achieve.

### > Emotionally

Because retirement rewards happen so far in the future (for most) this value is discounted, in favour of more immediate gains which are augmented we therefore choose shorter term gains.

## In addition, this year (2025) we see

Many people have unclear goals, which makes it difficult to know exactly what to do and when to do it. Constant changes and an unpredictable environment add to the uncertainty, leaving people unsure of how much is truly enough to achieve their objectives.

Having a plan creates a sense of control

This results in an over-inflated sense of confidence in ability to achieve stability in retirement.

# Life insurance vs. funeral cover: Why it's vital to understand the difference.



**Cornel Basson**  
*Product Head, FNB Life*

In the 2025 FNB Retirement Survey, 78% of respondents South Africans over 60 said that they have funeral cover, 38% (of the total market) confirmed having life insurance. The gap says a lot. Most South Africans see funeral policies as essential because of the rising costs of burial and the deep cultural expectation to give loved ones a dignified send-off. Life insurance, on the other hand, is less understood despite its role in securing long-term financial stability for those left behind.

**It's important to understand the functions of these two types of cover, and how they can work together to protect your finances and the people you care about.**

## **Funeral cover – quick help with immediate needs**

Funeral cover is designed to pay out quickly, usually within 24 to 48 hours of a valid claim – to meet immediate funeral-related expenses. These costs are significant in South Africa, often ranging from R30 000 to R100 000, depending on catering, travel, cultural rituals and the preferences of loved ones. Expenses can begin even before the funeral, with preparations and gatherings that happen before the event.

Considering these costs, it's a good thing that, 78% of over-60s surveyed in the 2025 FNB Retirement Research have funeral cover, with 75% of those people saying it the cover will reduce the financial burden on their families. The appeal is not just financial. Funeral cover offers peace of mind, a sense of dignity, and the ability to care for extended family members. Importantly, this kind of cover is popular across income groups, as many South Africans take responsibility for funeral expenses beyond their immediate households.

## **Life insurance – for long-term financial security**

Life insurance, on the other hand, provides a larger lump sum payout designed to help families cope with financial challenges after a loved one passes away. This could include paying off debt, supporting a spouse, funding a child's education or leaving behind an inheritance. The 2025 FNB Retirement Survey shows that only 38% of respondents have life insurance. The biggest motivator for those who do is the desire to leave a legacy. In addition to the inheritance aspect, life cover can also help maintain a family's standard of living after the funeral – something that is often overlooked.

### A shift in attitudes and value perception

The research also shows that attitudes toward life cover change with age. For younger consumers – particularly those under 60 with financial dependants – life insurance is seen as critical. There is a clear understanding that a sudden death at this life stage could cause serious hardship for surviving family members, especially when there are children and debt involved. Among retirees, however, sentiment becomes more fragmented. As families become a bit more financially independent in some segments, many older members question the value of retaining their life cover. The desire to *‘rather benefit from my money while I’m still alive’* is becoming more common, with 34% of retirees saying they would prefer to convert life cover to cash, and 31% indicating a preference for rewards or benefits that can fund retirement directly.

This behavioural shift presents an opportunity for insurers to innovate more with the design of their life insurance policies so that they continue to add value to customers throughout their lives. An example could be hybrid solutions that balance protection with retirement income or liquidity benefits.

### Cost, trust and transparency

The research also highlights some ongoing frustrations. Older consumers are wary of long-term premium increases without corresponding boosts in cover. This affects trust and raises concerns about fairness. While this sentiment persists across the industry, efforts by insurers like FNB Life to offer clients a choice of premium and cover growth options are helping to shift perceptions by creating a better match between product structure and individual needs.

But the issues are broader than just costs versus benefits. Many people say they don’t have cover because they don’t understand it, don’t see the benefit, or feel it’s not for them. Others say that they feel the underwriting process invades their privacy, or that they lack access to personalised advice, which they believe is still more readily available to high-income earners.



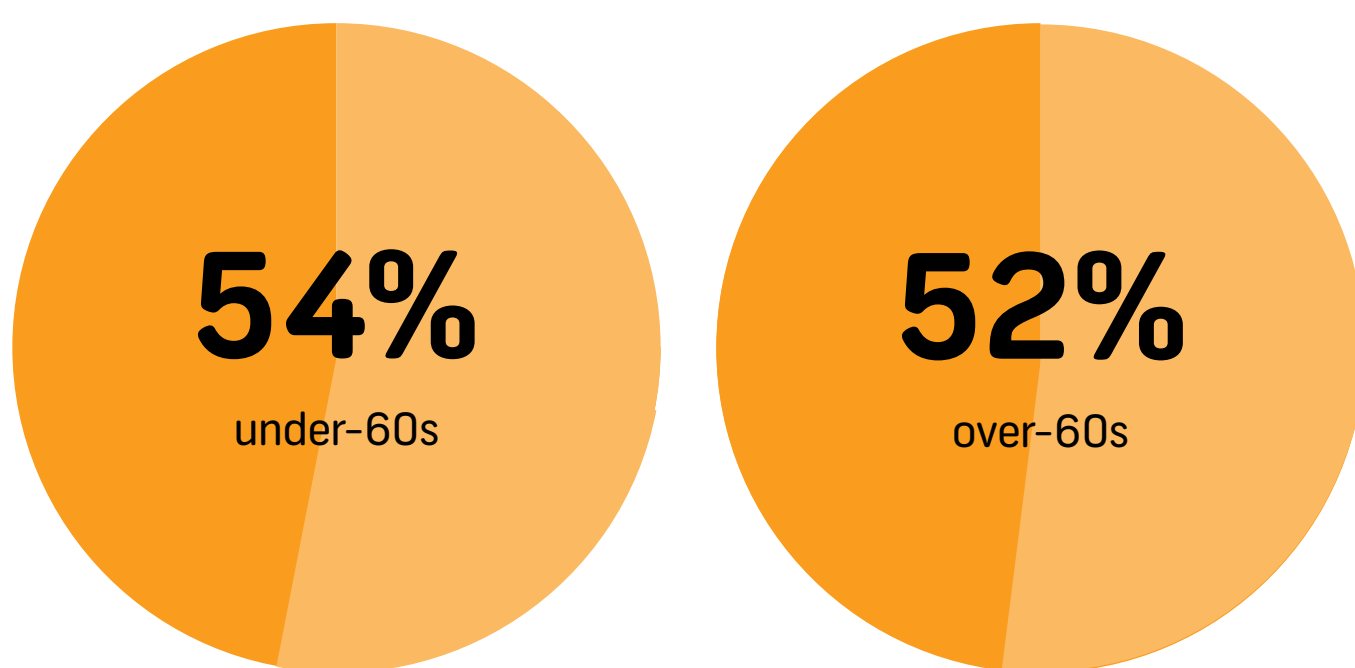
Financial advisors have a big role to play here in helping people understand that life insurance isn’t just about death benefits. It can also include extras like disability and critical illness cover, which add value well into retirement if properly understood.

While life and funeral cover are very different products, the 2025 FNB Retirement Survey shows us that, for many people, that difference isn’t clear. For financial services professionals, this presents a responsibility to engage with their clients and provide the insights they need to make

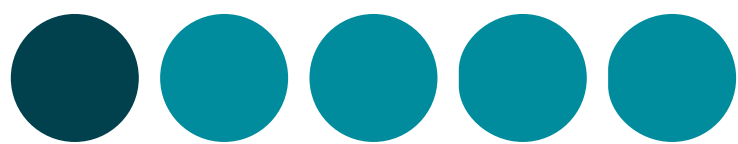
## 2025 research findings: Wills and estate planning

Wills are not a priority for many. Those with higher incomes are more likely to have one due to their assets. Even though people understand the risks of not having a Will, they often lack the motivation to create one.

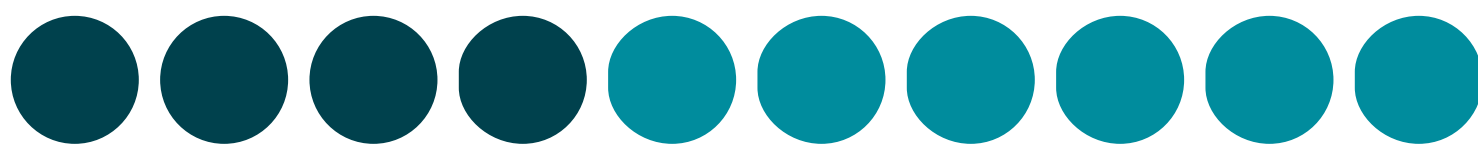
### Under- and over-60s prefer to draft a Will in person



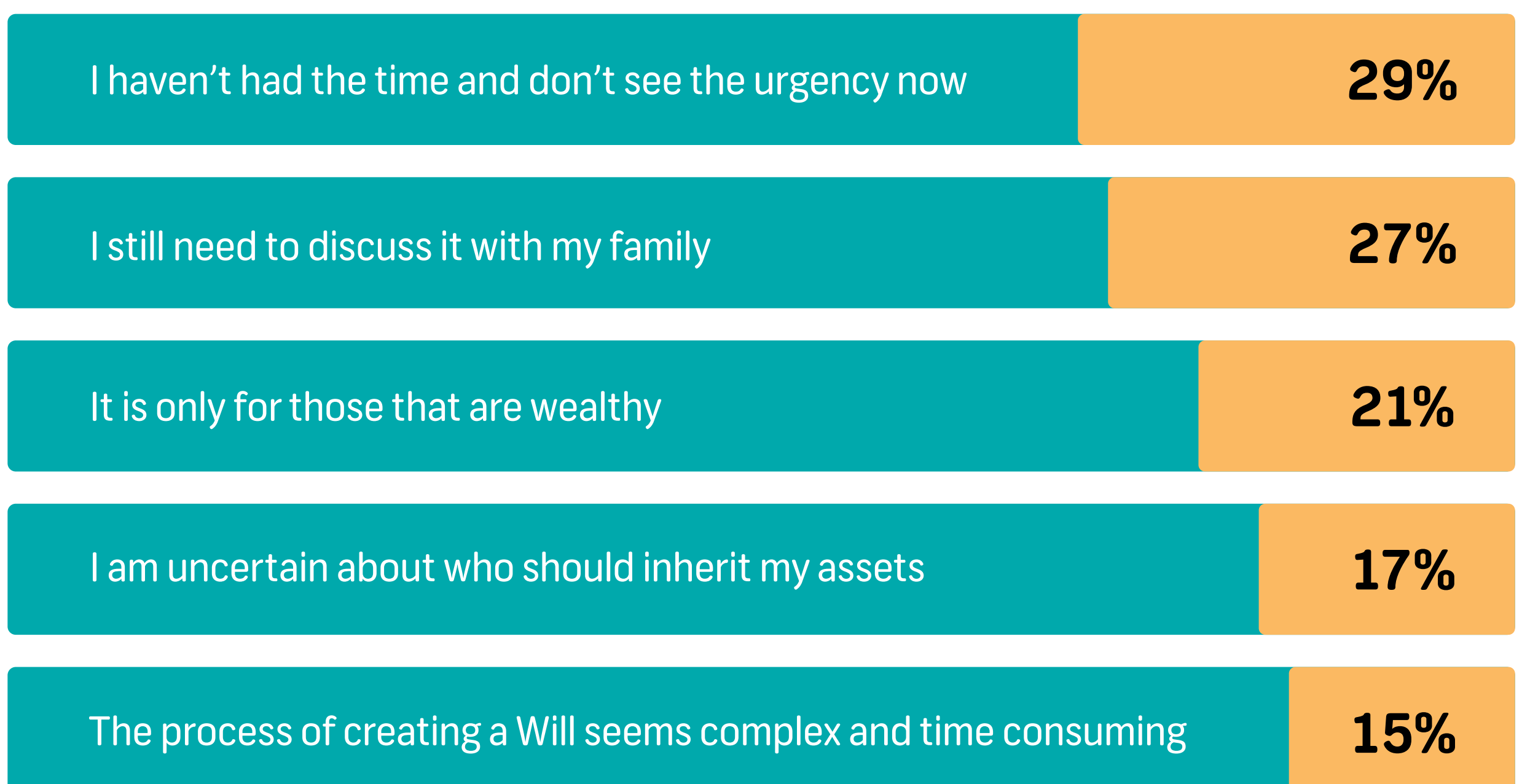
### But around 1 out of 5 (around 20%) will do it digitally (qualitative group)



Only four in ten people having a signed Will and third of the market hasn't even considered drafting one. This low rate is primarily driven by Entry consumers, as the majority of middle-market consumers have already established a Will.

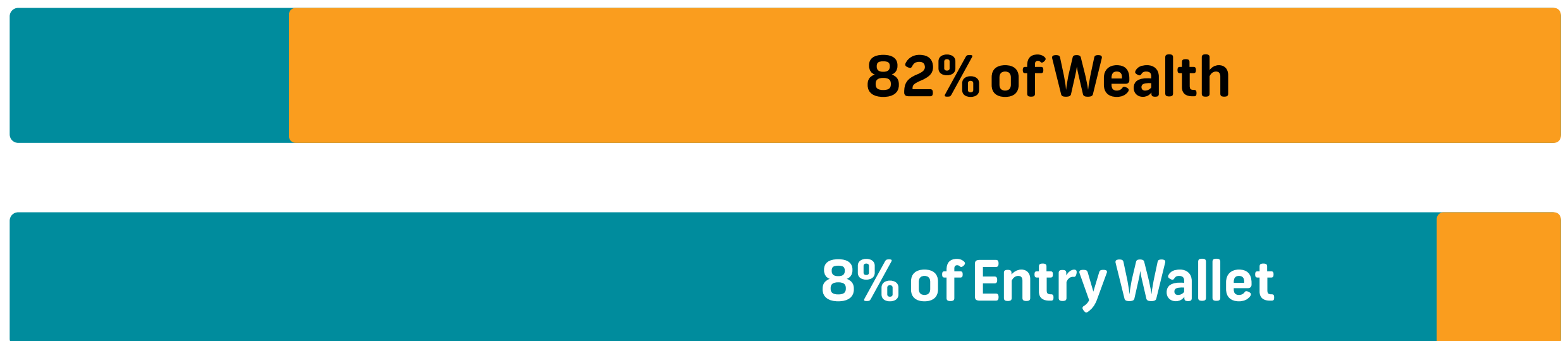


### What is keeping them from signing a Will? (Total market)

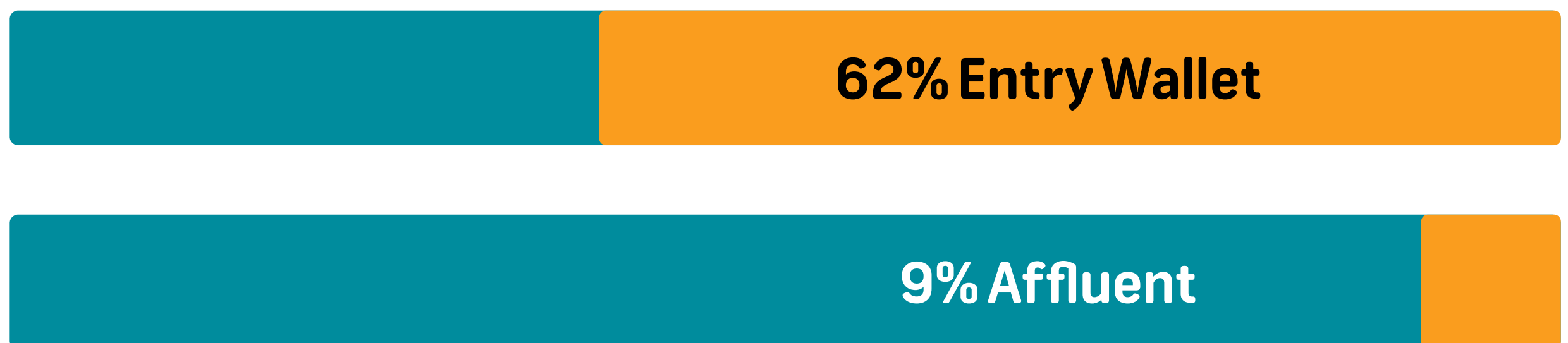


Entry Wallet and Affluent segments share a similar view that Will creation is primarily for the wealthy. The perception of complexity is more prevalent among those that are younger (18 to 35). This could be due to a lack of knowledge or feeling that its something to worry about later in life.

### Have a valid signed Will in place



### Have not thought about drafting a Will



12% of over-60s retired haven't thought about drafting a Will. Barriers for retirees is the perception that Wills are for the wealthy, they need to discuss the Will with family.



### Barriers to having a Will in place include

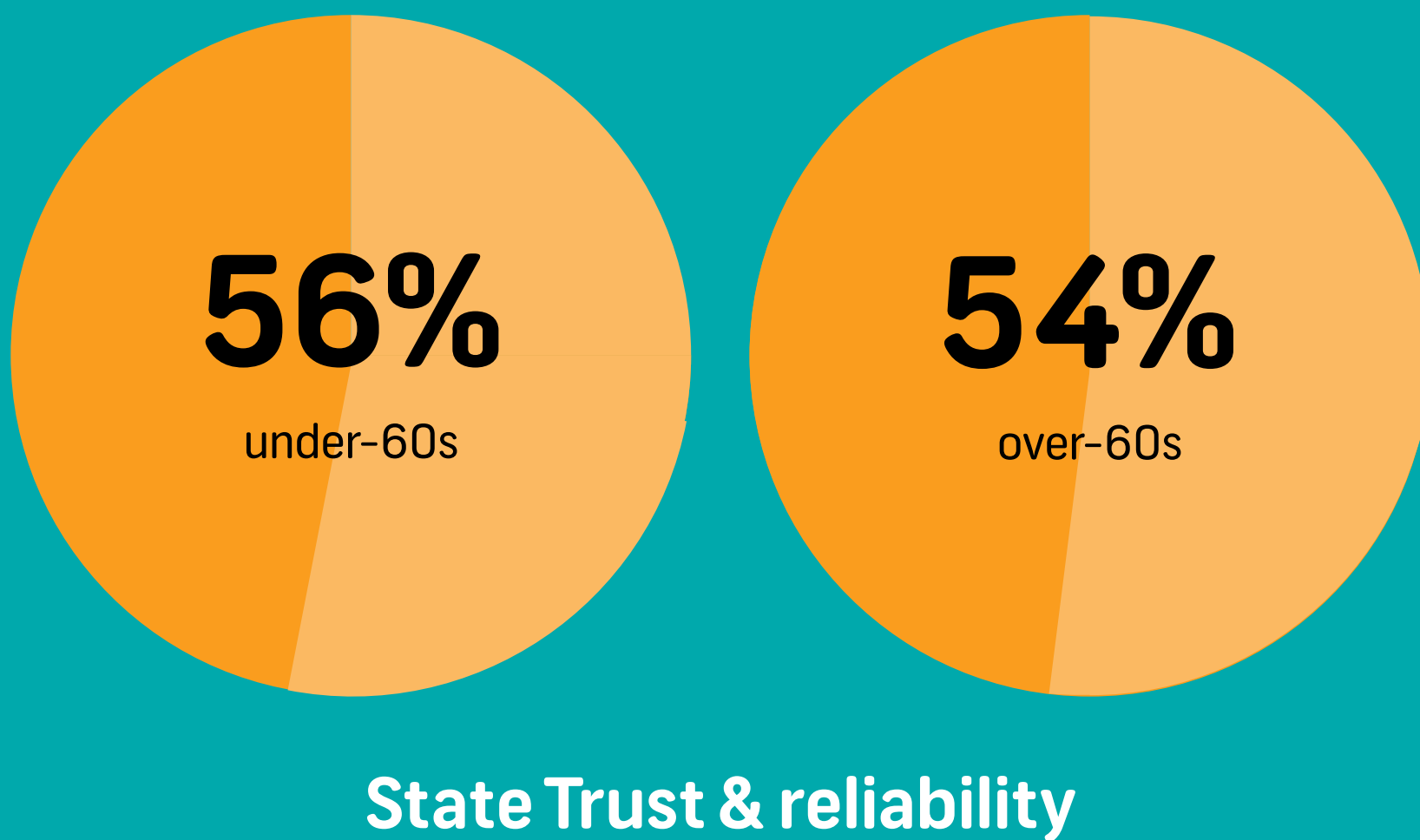
- Not thinking that I need one (nothing to bequeath)
- Family is aware of my wishes, beneficiaries noted in policies already and I don't have dependents to leave my assets to
- I don't know enough about them (lack of understanding the process of drafting Wills versus don't understand my estate so Wills feels overwhelming)
- Costs associated with Wills (monetary and time, only for rich people)
- I haven't thought about it (not sure what to do about assets)
- I know it's important but haven't gotten around to getting it done

## Executors

Despite some qualitative indications of confusion regarding the executor's role, quantitatively, preference for family members or friends as executors highlights the importance of trust and personal connection in this decision. Banks are next best solution.

	Under-60s	Over-60s
Family member or friend	32%	29%
Bank	22%	26%
Attorney	22%	17%

More than 50% of under-60s and over-60s state trust and reliability as a key factor in appointing an executor. The top three estate executors remain consistent across the market.





Part 2

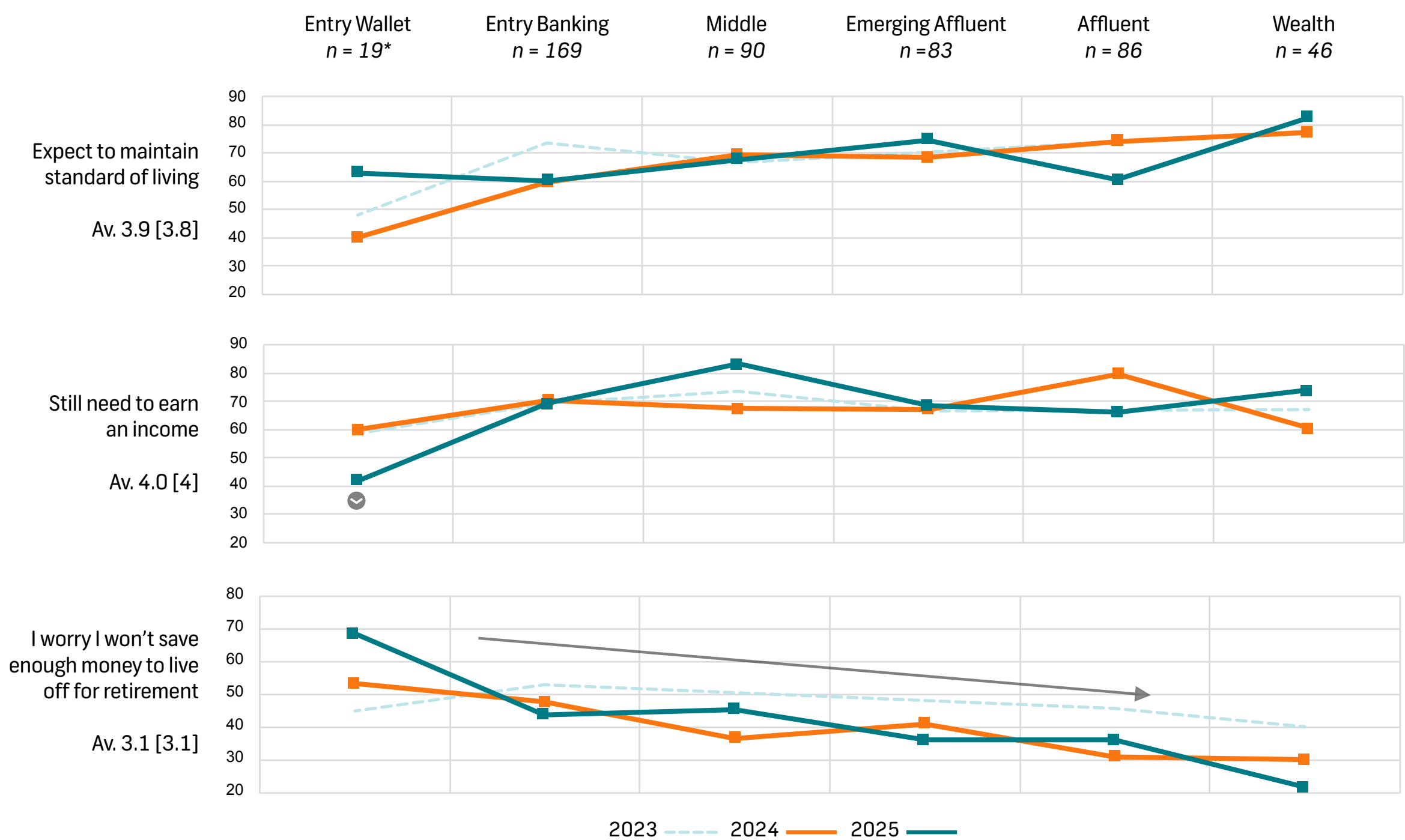
# Under-60s expectations for retirement years

# 1. Standards of living (of the 60% under-60s with a plan)

Consumers across all segments expect to maintain their standard of living in retirement. While Entry Wallet consumers show increased year-on-year confidence in achieving this, there is an increased feeling of them not being able to have enough to retire with whilst still expecting to maintain their living standard – this highlights the burden and anxiety this segment faces with the pressures of a lower income.

All segments are relatively confident in maintaining their living standards post-retirement. However, consumers also acknowledge the necessity of generating income during retirement.

Entry Wallet confidence in maintaining a standard of living with earning an income or saving sufficient funds is likely driven by their anticipated reliance on other forms of income (grants, family etc.)



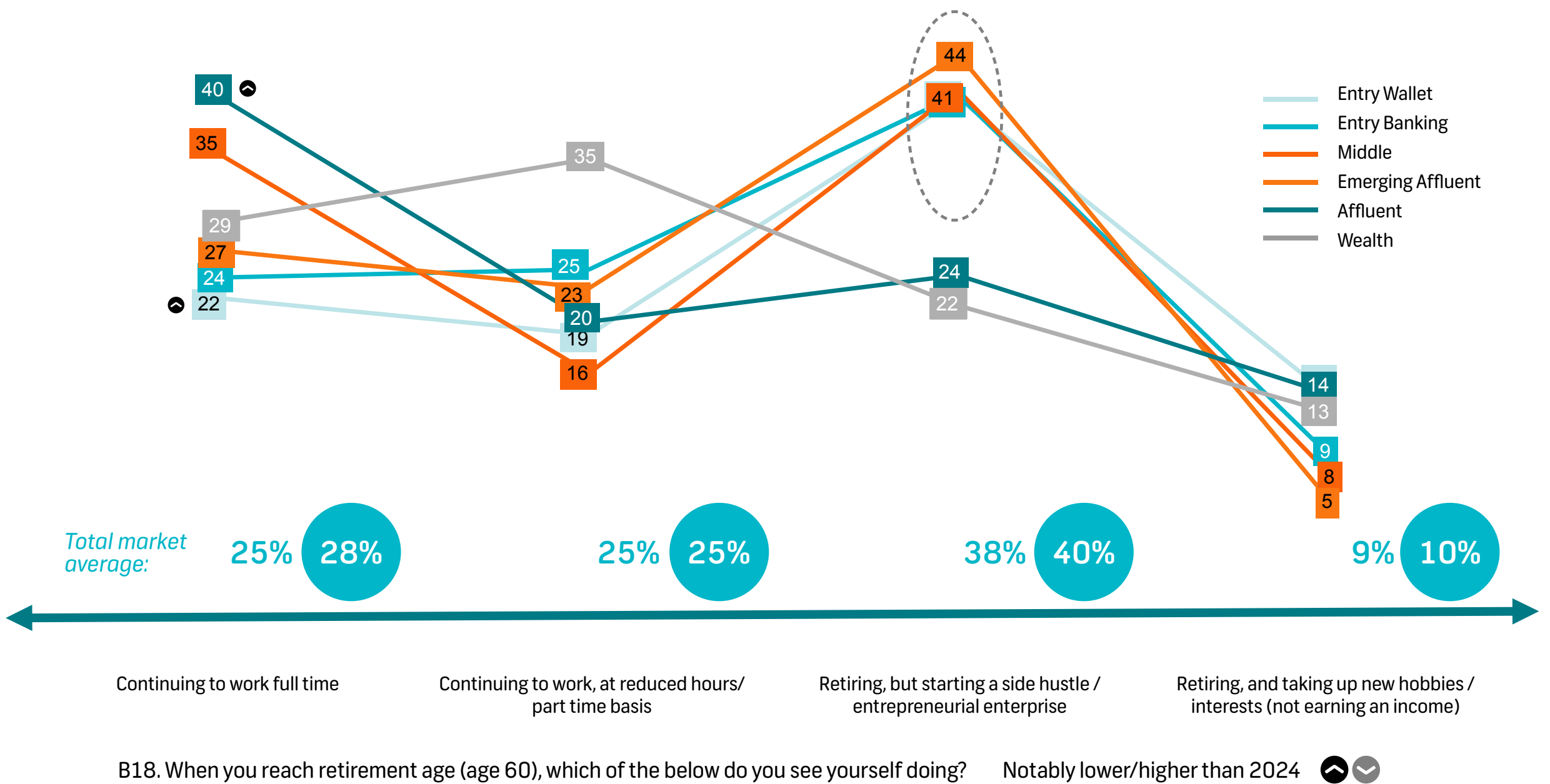
Base: 579. B11. For each of the below statements, please indicate to what extent you agree / or disagree. Notably lower/higher than 2024

## 2. Expectation of continued working (under-60s)

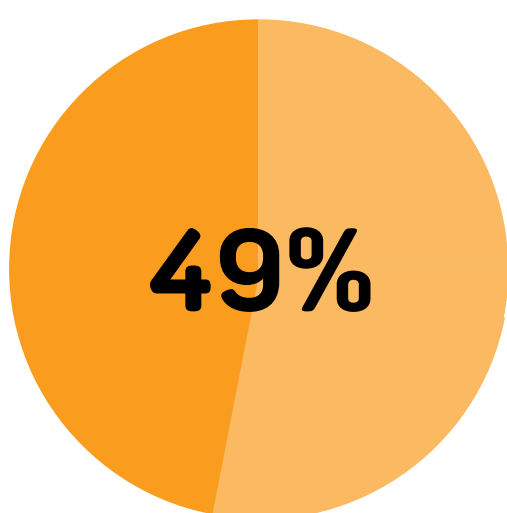
Despite all efforts, most consumers acknowledge that they will likely have to continue working in some capacity in their old age or supplement their income in some way. Consistent with trends from the past two years, higher-income consumers expect to continue working past the age of 60. The proportion of consumers still working full-time falls out in line with income, with lower income more inclined to start a new business. Wealth expresses a consistent preference for part-time work (reduced hours), likely driven to continue existing pursuits rather than generate supplemental income.

### When reaching retirement age, what consumers see themselves doing

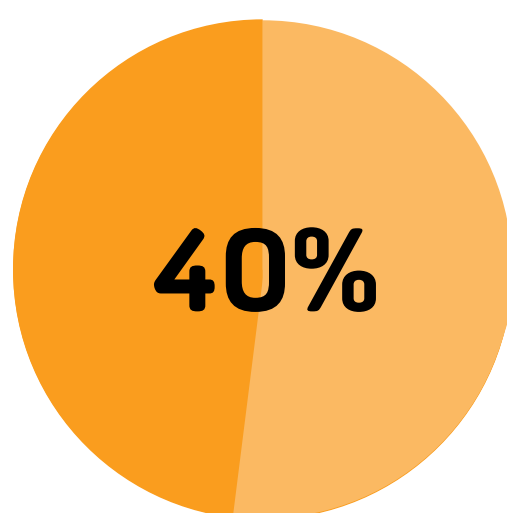
49% of total market expect to continue working, either full or part time, similar to last year. Affluent is more likely to continuing working full time. and less starting a side hustle.



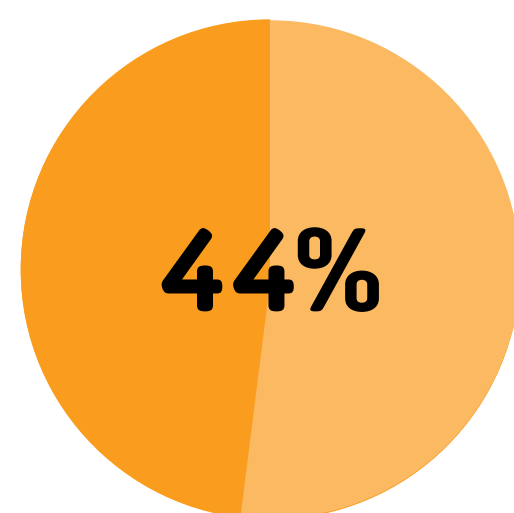
### No notable differences compared to 2024



49% of total market expect to continue working, either full or part time, similar to last year.



Affluent is more likely to continuing working full time (40%) and less likely starting a side hustle which is higher than 2024.



With Emerging Affluent (44%) retiring with side hustle/other enterprise.

Continuing to work full time

28%

Continuing to work, reduced hours/ part time

25%

Retiring, side hustle/other enterprise

40%

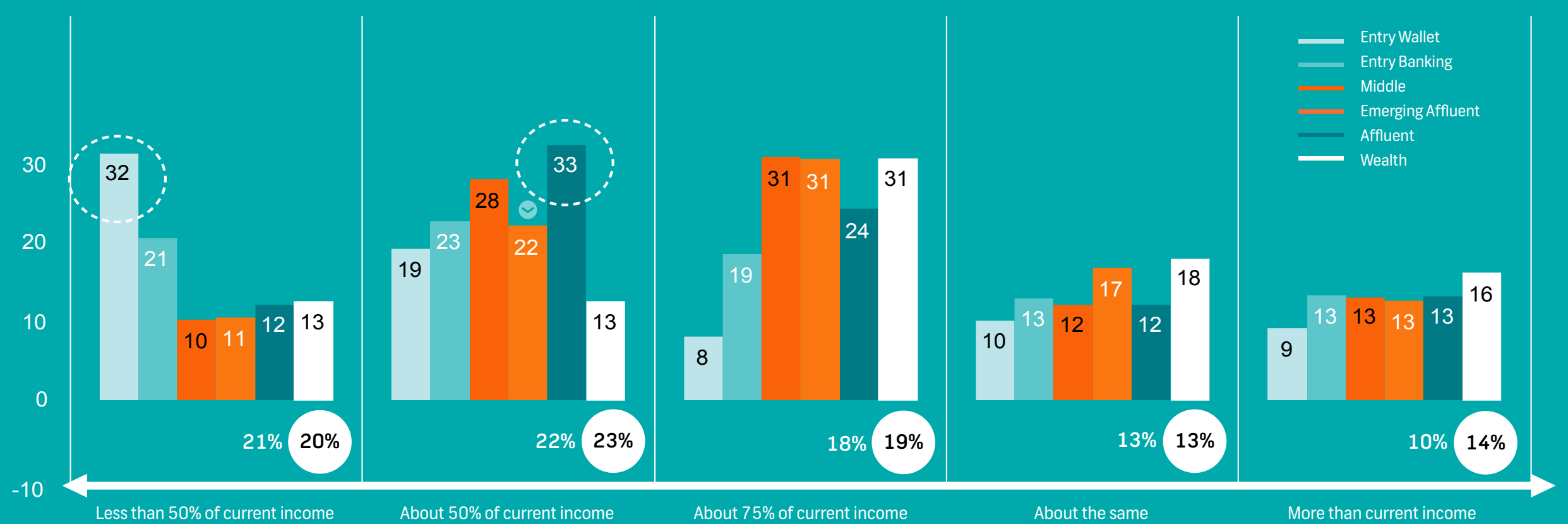
Retiring fully

10%

### 3. Expectation of maintaining earnings (under-60s)

Despite the increase in planning and confidence, only 27% of consumers anticipate maintaining or exceeding their current earnings once they retire. Almost half expect to earn 50% or less of their current income.

‘Thinking of your current monthly income, including your monthly salary, how much do you think you will be able to earn or draw on a monthly basis when you retire?’

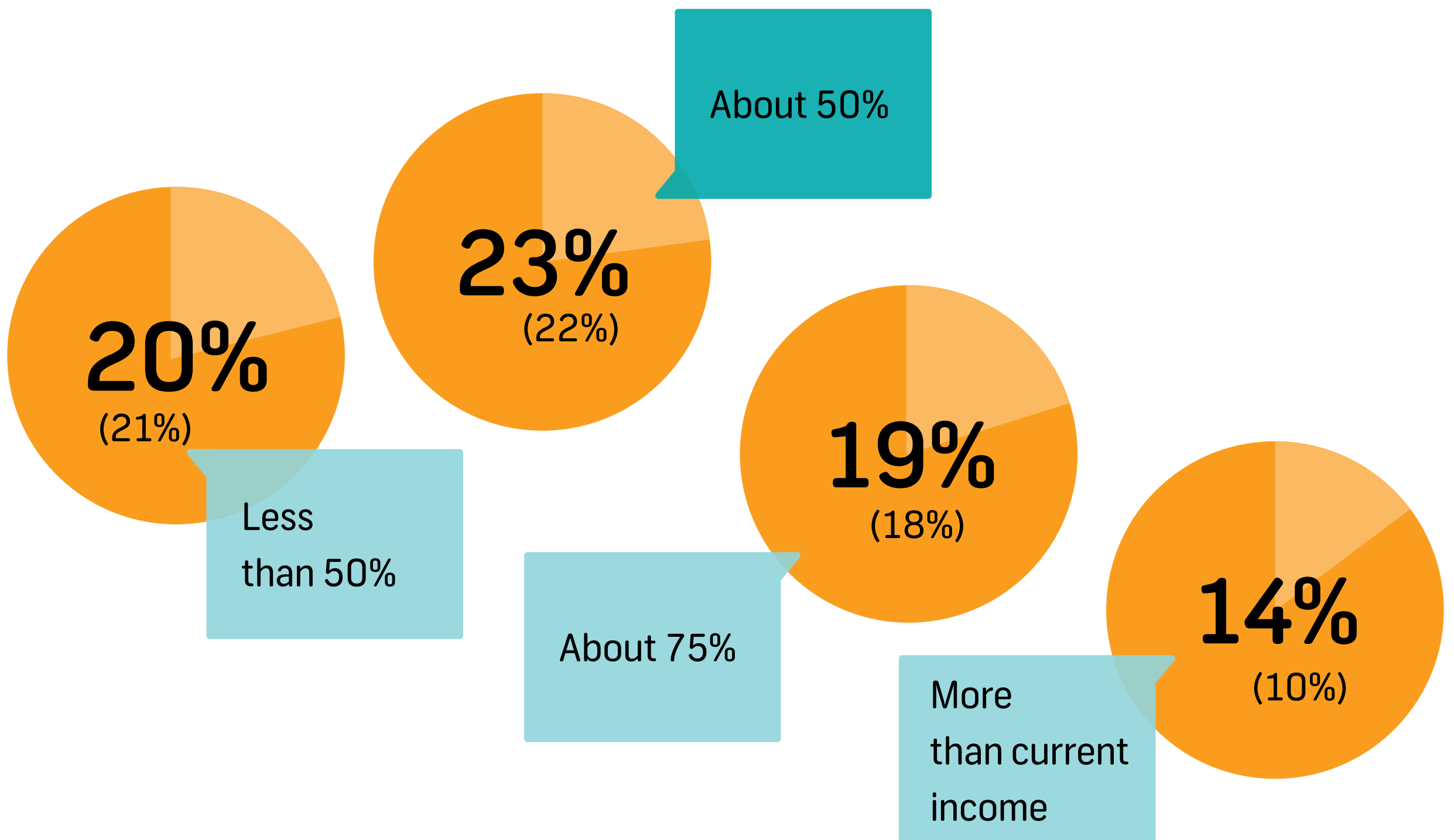


No notable differences compared to 2024

B19. Thinking of your current monthly income, including your monthly salary, how much do you think you will be able to earn on a monthly basis when you retire?

Notably lower/higher than 2024  

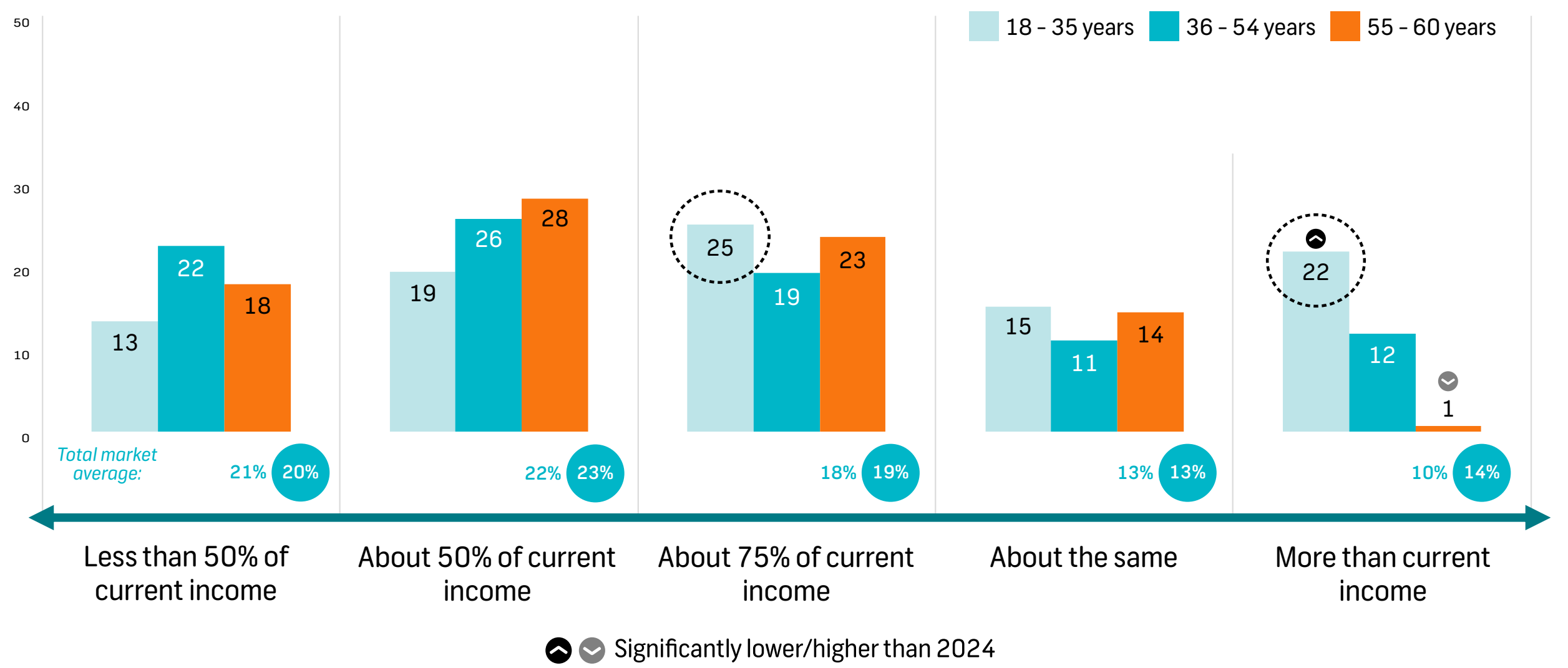
Entry Wallet (32%) specifically is expecting less than 50% of their current earnings. Increase from 2024 of consumers expecting more than current income (from 10% to 14%).



## 4. Age disparity in expectations (under-60s)

A clear disparity exists in retirement income expectations between younger and older age groups. Younger individuals (18 to 35 years) are more optimistic, expecting mostly 75% or more of their current earnings. Older consumers are less confident, painting a more concerning picture of their financial future.

Younger consumers may be underestimating the need for retirement savings whereas the older consumer, may be more realistic. It could also indicate a need for immediate adjustments to their retirement plans.



No notable differences compared to 2024

B19. Thinking of your current monthly income, including your monthly salary, how much do you think you will be able to earn on a monthly basis when you retire?

## 5. Perception versus reality (under-60s)

Despite planning efforts, a disconnect exists between consumers' perceived retirement readiness and the actual financial realities they will likely face. This overconfidence, driven by the mere presence of a plan, may be setting them up for failure.



## Perception

## Reality

### Expect to maintain current lifestyle



Consumers express confidence in their retirement plans, believing their retirement savings will be enough to live on.

However, a large portion of consumers overestimate their ability to maintain their current lifestyle and spending habits in retirement. They believe their plans will provide sufficient income, leading to a false sense of security.

### Reliance on continued work



Consumers anticipate bridging potential income gaps by working during their retirement years. The proportion of consumers still working full-time falls out in line with income, with lower income more inclined to start a new business, but overall half of consumers expecting to work full or part-time.

This reliance on continued employment introduces notable uncertainty. Factors like health, job market conditions, and family obligations can hinder their ability to work as planned.

### Anticipated income reduction



Consumers generally accept that their retirement income will be lower than their current earnings.

However, the vast majority anticipate living on less income than they currently survive on, often while already facing financial constraints. This underestimation of future costs, proves to be a challenge and likely the reason that their vision for a relaxed and financially secure retirement seems distant.

# Key take outs: under-60s

In summary, consumers under-60 face financial barriers and knowledge gaps, with many struggling to afford retirement savings and lacking information. Proactive steps, like avoiding new debt and seeking financial advice, have become more common, yet anxiety about financial security remains high. Many anticipate needing to work during retirement to maintain their standard of living.

## ➤ Financial and knowledge barriers

A large portion of consumers face financial constraints and a lack of information, hindering their retirement planning. Entry Wallet and Entry Banking segments particularly struggle with affordability and understanding the benefits of early saving. There is a critical need for targeted interventions to educate consumers about retirement planning, especially for under-60s and lower-income segments.

## ➤ Preparedness and confidence

Consumers' readiness for retirement varies greatly across income groups, with higher-income individuals being better equipped. While 60% claim to have a retirement plan, many still feel anxious about their financial security and adequacy of savings. Although retirement planning sentiment has improved due to the availability of planning tools and financial advisors, anxiety remains high, especially among lower-income and younger consumers.

## ➤ Expenditure priorities and sacrifices

Consumers prioritise essential expenditures like housing and insurance while greatly reducing spending on leisure activities to save for retirement. This reflects a sacrifice now for future financial security. Different segments face unique challenges, with lower-income groups highlighting health issues and day-to-day expenses, while higher-income groups focus on unexpected emergencies and inflation.



Part 3

# Retirement preparedness of over-60s

## What can we learn from the perspectives of over-60s

The over-60s are reflective of the under-60s when it comes to their aspirational or ideal retirement.

### Heightened mental state of anxiety

For over-60s there is an even heightened sense of anxiety linked to retirement. Much of the anxiety is linked to financial concerns .

As costs continue to escalate, there is increased panic as to how these will be met in the longer-term.

#### Contributing factors

- › Loss or decline of income yet consistent needs remain › conscious adapting of spend
- › Increasing cost of essential items e.g. food, fuel, medical
- › Tax deductions often mean that what was expected is not delivered
- › Despite having made a concerted effort to save, there are no guarantees of return or the ability to predict potential unforeseen costs › ongoing uncertainty

#### In their own words

‘You don’t realise how much you actually need to live.’

(Over 60s/PB/JHB)



## Social and emotional impacts

In addition to financial concerns, there are other social and emotional impacts to deal with.

- Loss of purpose**  
No longer working disrupts daily routine – after so many years, query, ‘what’s next?’ No longer have career goals to pursue.
- Physical ageing**  
Undermines confidence and ability to do things at the same level especially when used to doing manual labour (↑ Entry).
- Sleep patterns change**  
Experiencing physical aches and pains.
- Loneliness**  
Loss of partners, family members, friends leaves a gap. Lack of mobility and for some, limited means, hampers extensive social connection.
- Fear**  
End of life is closer. After seeing others close to them pass on, death becomes more of a reality.

These feel harder to plan for as no one can really tell you how you will react or adapt when it happens.

### In their own words

‘Retirement is not for the faint of heart.’  
(Over-60s/ME/CT)

‘It’s a big change. You’ve worked your whole life and now it just stops.’  
(Over-60s/PB/JHB)

‘You plan for it then when you get to retire, you die. This has happened to a lot of people.’  
(Over-60s/E/KZN)

# Qualitative survey: financial, physical and mental wellbeing

In our qualitative survey we saw the desire for financial security as well as physical and mental wellness when it came to retirement goals.

When planning financial goals there was an inherent assumption that in retirement, they would achieve a degree of stability (Entry Banking) and freedom (Middle and Emerging/Private Banking). Additional sources of income would stem from interests rather than necessity.



## Financial goals

- To be free of debt
- Achieve passive income or a source of income to keep busy
- Establish small business
- Rental income
- Creative outlets (↑ Private Banking)
- Cut costs by consolidating, downsizing your lifestyle, and removing unnecessary expenses
- To have sufficient funds in retirement to do whatever it is you wanted with what is left of life (Private Banking)
- To fix up home (Entry Banking)



## Health goals

- To keep healthy
- To keep physically fit
- Keep mentally stimulated
- To retain medical aid



## Mental goals

- To travel
- To keep having interesting experiences



Part 4

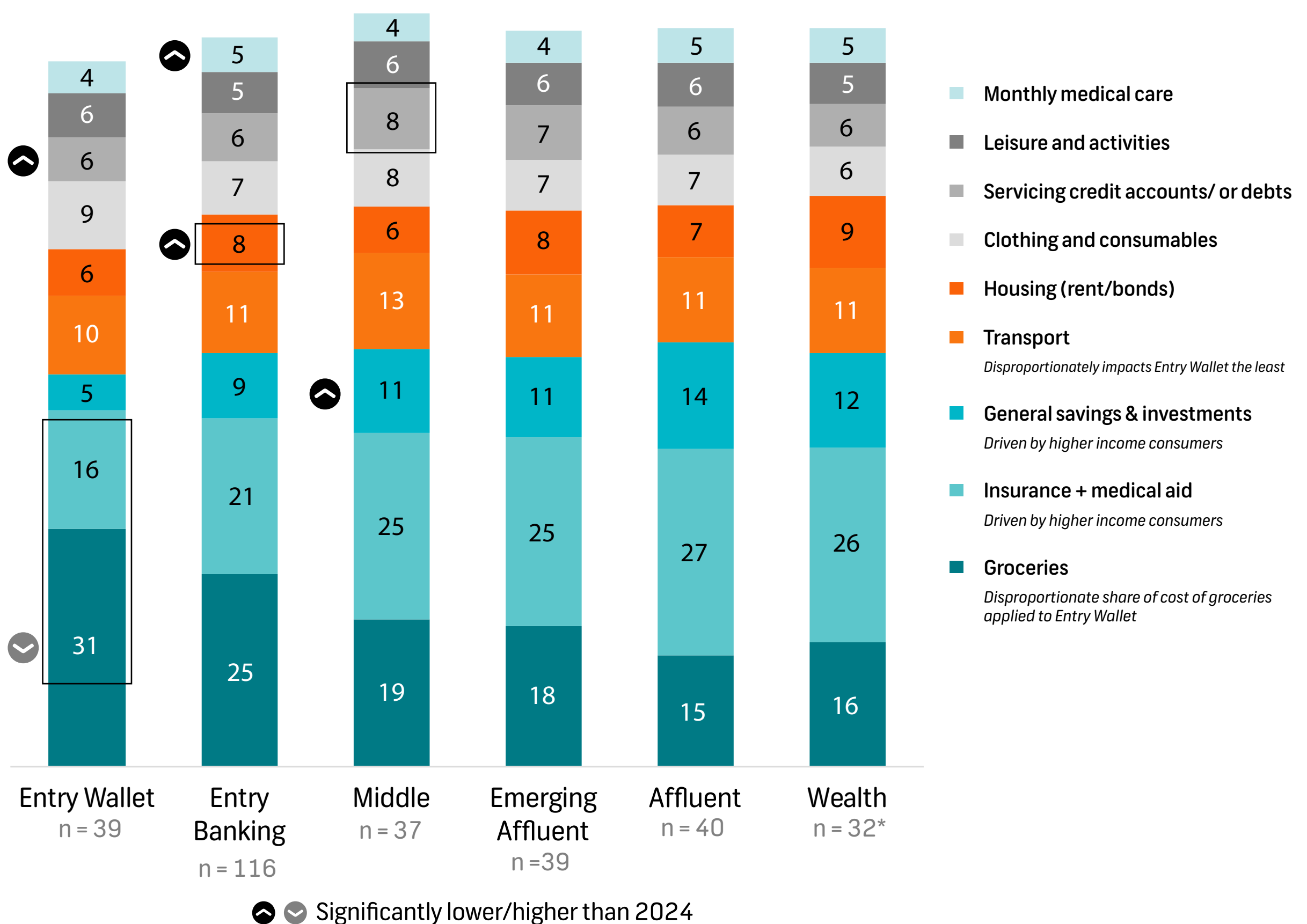
# Over-60s preparedness for retirement years



# 1. Allocation of income (over-60s)

Over-60 expenditure remains consistent with 2024 and falls out similarly across segments. Debt burdens appear relatively consistent across all segments but are increasing over time for Entry Wallet.

After 60, disposable income is as pressured by day to day living expenses. Groceries strain entry-level budgets, healthcare and insurance dominates higher income consumers.



Base: 303. C1c.Thinking about your total disposable income (the amount of money left to spend after income tax has been deducted) what proportion of your disposable income would you say you currently allocate to each of the below each month

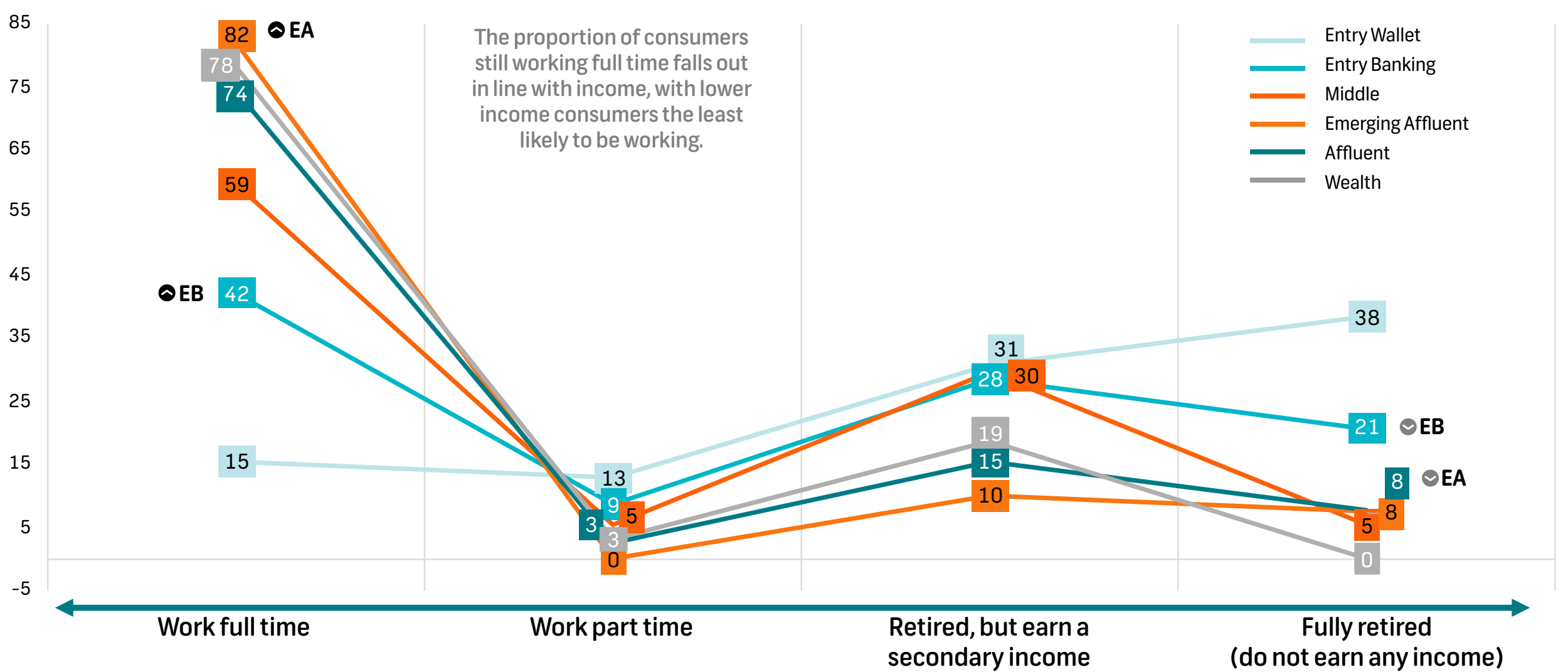
Lower than 2024 is the grocery spend for Entry Wallet over-60s with marked increases from 2024 of housing for Entry Banking (8%). Middle are carrying a high debt burden against the other segments (8%) which is a concern.

## 2. Continued working (over-60s)

As we've seen over the past two years, most consumers continue working past age 60. This trend is becoming more prevalent for Emerging Affluent and Entry Banking where their employment status has shifted from full retirement to full-time employment. Lower-income consumers are most likely to fully retire, aligning with their pre-retirement expectations.

The proportion of consumers still working full time falls out in line with income, with lower income consumers the least likely to be working.

### Which of these best describes your employment status?



While there are no notable changes to last year, the Entry Wallet group continues to depend heavily on government grants and children's financial support. In contrast, the Private segment draws income from living annuities, investment returns, or salaries.



### 3. Product usage: savings and funeral plans

Products held by over-60s reflect the harsh reality of lack of planning, with savings accounts and funeral cover being the most common financial products across all income segments. A clear correlation exists between income level and product ownership, with private segment consumers having a slightly broader product range. Entry Banking savings and pension fund, slightly increased compared to last year, with stokvel also rising since 2023.

#### Over-60s product holding

	Entry Wallet n=39 (2.5)	Entry Banking n=116 (4)	Middle n=37 (4.9)	Emerging Affluent n=39 (5.8)	Affluent n=40 (5.9)	Wealth n=32* (6.8)
1.	Funeral cover policy <b>90%</b>	Savings account <b>83%</b>	Savings account <b>95%</b>	Savings account <b>92%</b>	Life insurance policy <b>93%</b>	Life insurance policy <b>97%</b>
2.	Savings account <b>64%</b> ⬇️	Funeral cover policy <b>78%</b>	Funeral cover policy <b>73%</b>	Funeral cover policy <b>79%</b>	Savings account <b>80%</b>	A Will <b>88%</b> ⬆️
3.	Life insurance policy <b>38%</b>	Life insurance policy <b>48%</b>	Life insurance policy <b>62%</b>	Life insurance policy <b>79%</b>	Funeral cover policy <b>73%</b>	Savings account <b>84%</b>
4.	A Will <b>13%</b>	A Will <b>42%</b>	A Will <b>41%</b>	A Will <b>56%</b>	A Will <b>65%</b>	Funeral cover policy <b>72%</b>
5.	Stokvel <b>13%</b> ⬇️	Pension/ provident fund <b>31%</b>	Pension/ provident fund <b>41%</b>	Pension/ provident fund <b>51%</b>	Pension/ provident fund <b>57%</b>	Retirement annuity <b>59%</b>
6.	Life annuity income <b>8%</b>	Life annuity income <b>24%</b>	Retirement annuity <b>35%</b>	Retirement annuity <b>44%</b>	Fixed deposits <b>53%</b>	Fixed deposits <b>56%</b>
7.	Notice accounts <b>5%</b>	Retirement annuity <b>19%</b>	Fixed deposits <b>30%</b>	Fixed deposits <b>44%</b>	Retirement annuity <b>35%</b> ⬇️	Notice accounts <b>41%</b>
8.	Living annuity income <b>5%</b>	Stokvel <b>16%</b>	Notice accounts <b>24%</b>	Tax free savings <b>23%</b>	Notice accounts <b>33%</b>	Pension/ provident fund <b>38%</b>
9.	Tax free savings <b>5%</b>	Fixed deposits <b>13%</b> ⬇️	Life annuity income <b>19%</b>	Life annuity income <b>21%</b>	Life annuity income <b>20%</b>	Life annuity income <b>31%</b>
10.	Property (investments) <b>5%</b>	Notice accounts <b>12%</b>	Tax free savings <b>19%</b>	Notice accounts <b>18%</b>	Living annuity income <b>20%</b> ⬇️	Unit Trusts <b>31%</b>

Lower/higher than 2024 ⬆️/⬇️

Base: 303.C4. Please indicate which of these products and services you currently have?

\*Low base size. Results indicative only.

## 4. Execution strategy ratings (over-60s)

A common theme across all segments is the recognised need for greater retirement planning knowledge. As seen in the under-60 sample, upper-income consumers rate their retirement planning knowledge and confidence higher.

Notably, Entry Banking and Middle consumers show improvements in confidence and plan development compared to last year, while Wealth shows a notable decline in confidence across key areas, potentially signalling a growing awareness of the complexities of retirement planning or perhaps reflecting recent market volatility sentiment.

### Did consumers know how to plan for retirement?

	I wish I knew more how to plan for retirement	I know how much I need to save to retire comfortably	I am confident in my ability to plan for retirement	My retirement plan is well thought through
Entry Wallet <i>n</i> = 39	3.9	2.5	2.5	2.6
Entry Banking <i>n</i> = 116	3.9	3	3.2	3.2
Middle <i>n</i> = 37	3.8	3.1	3.7	3.7
Emerging Affluent <i>n</i> = 39	3.9	3.4	3.9	3.8
Affluent <i>n</i> = 40	3.2	3.6	4.2	4.2
Wealth <i>n</i> = 32	3.3	3.6	4	4.3

5 point scale; 1 = strongly disagree 5 = strongly agree

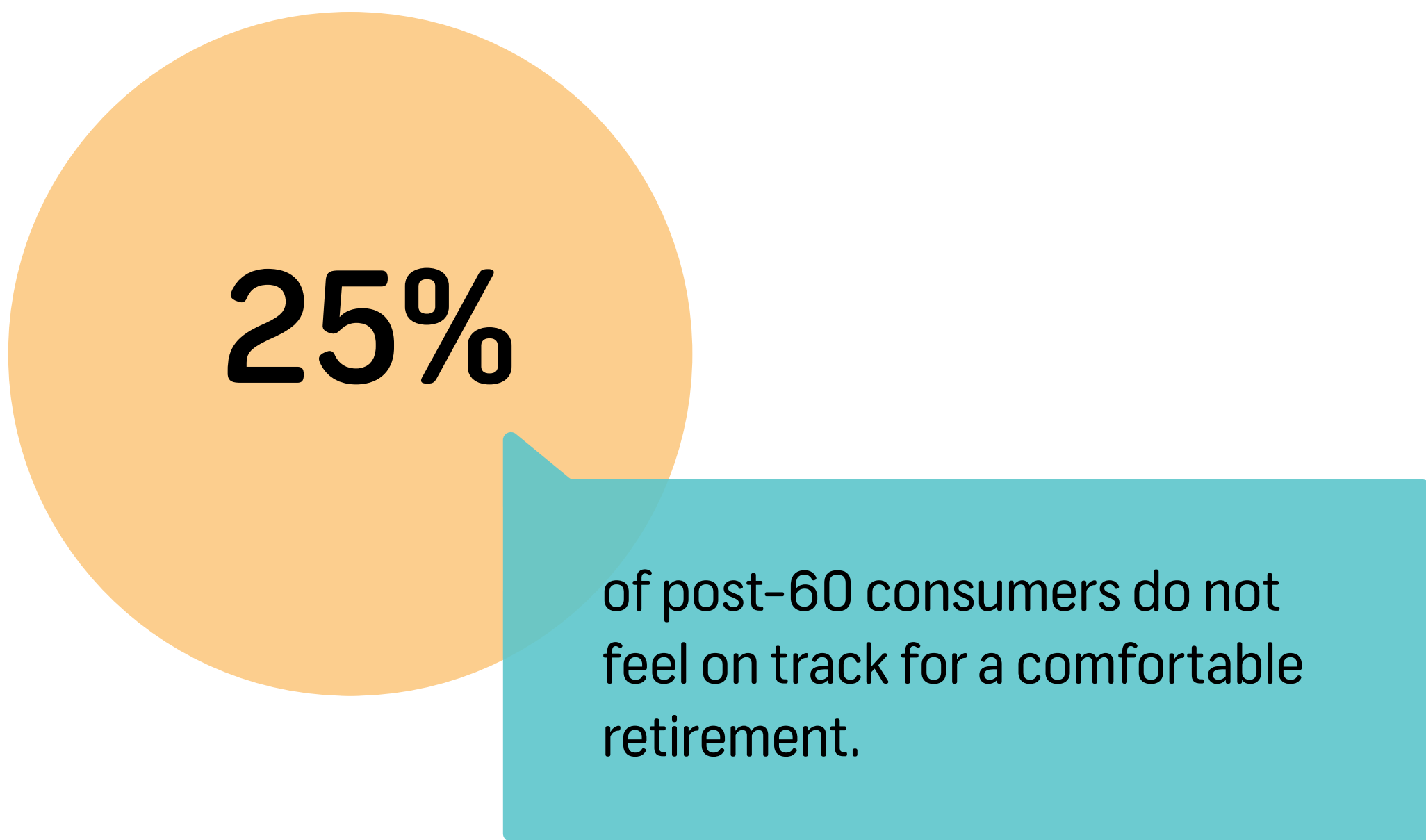
Higher than 2024

Lower than 2024

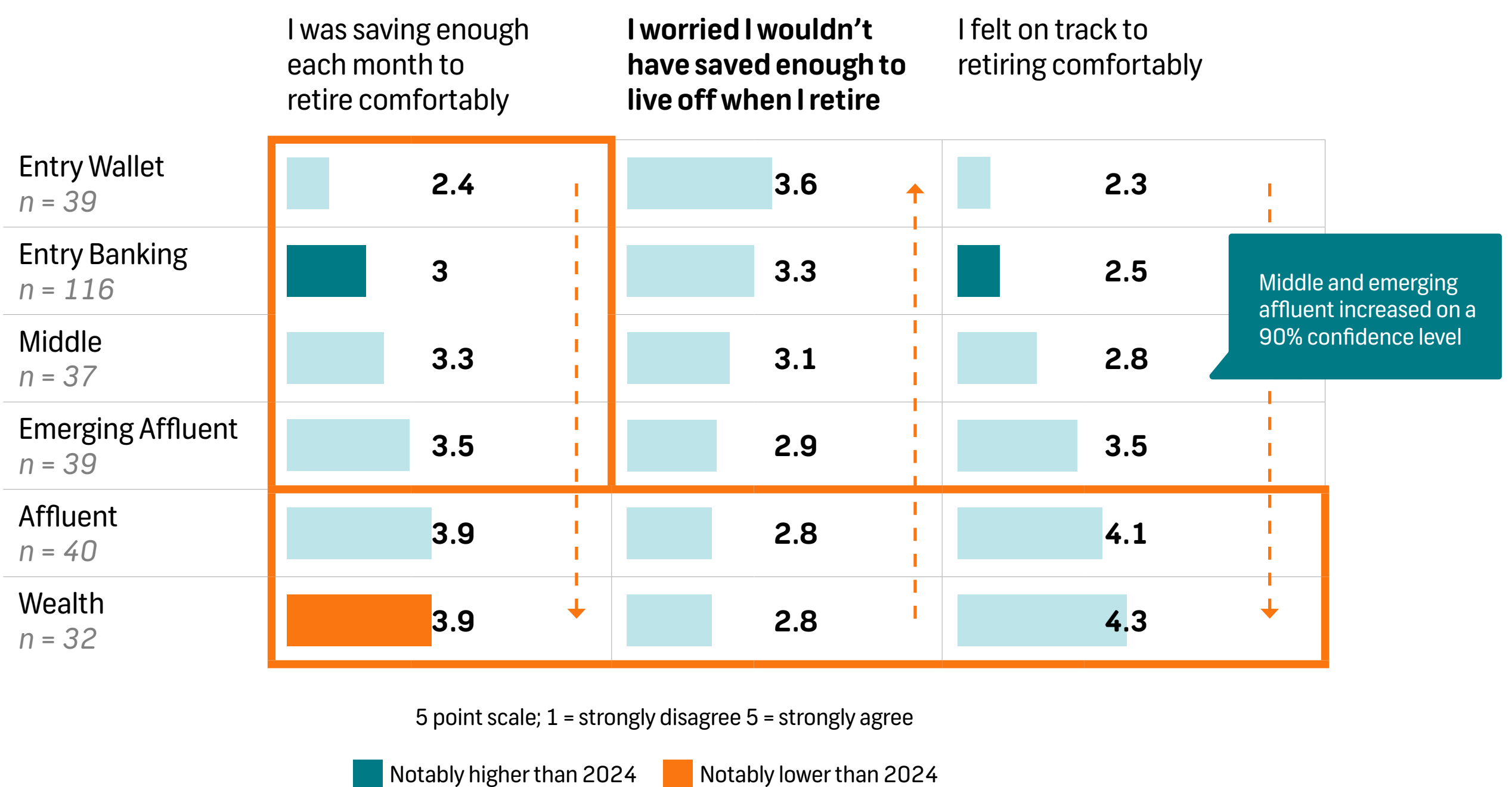


# Comparison of those on track versus those not on track

Of those not on track (over-60s)



## Were consumers able to execute retirement strategies?



# Qualitative survey: mind the gap (over-60s)

## The dream is an illusion

**For those over the age of 60, there is a shocking gap between what they expected their golden years to be like, and the reality.**

Over-60s rate their knowledge and planning of retirement lower than their younger counterparts. Although this is more evident in the less affluent segments, there is a decline in the Wealth segment as well. In contrast, the post-60 Affluent segment show improved confidence, potentially highlighting improved awareness of retirement planning.

These findings reinforce the idea that financial acumen and discipline has a greater impact on retirement planning than income. There is a disconnect with the expectation of retirement versus the reality.

The 'dream' feels like an illusion, with the experience being very different. Family issues, failing health, changing life circumstances as well as dwindling funds impact the different outlook.

## For our Entry Banking segment

### Imagined

- Rosy picture of retirement – imagining the 'good life', one of contentment, ease of living nurtured and supported by family
- Expectation that money put away and worked hard for would be available complemented by support of their children
- They would have the freedom to pursue a small business, increased community engagement or stop work entirely

### Reality

- Children/grandchildren still need support, 'family issues crop up'
- Physical health prevents pursuit of odd jobs
- Still have debt to pay off, so have to close the gap on finances
- Escalation of costs means income vs. outlay equation is misaligned
- Forced to keep working to retain an income

## For our Middle and Emerging and Private Banking segments

### Imagined

- Anticipated free time to pursue passion points e.g. creating art in own studio, writing
- Travel more
- Dedicated time with partner
- Stay fit by walking, hiking, exercising

### Reality

- Divorce or loss of a partner changes the dynamic
- Free time taken up taking care of grandchildren
- Lack of funds to invest in passions or travel and pension is not sufficient, so forced to source additional income
- Physical and mental health concerns undermine confidence and capability
- Social life is diminished › loneliness

### In their own words

The view of retirement is fractured

'I'm forced to do additional work.'

(Over-60s/PB/JHB)

'I thought I would take walks twice a week and now I am looking after a baby.'

(Over 60s/ME/CPT)

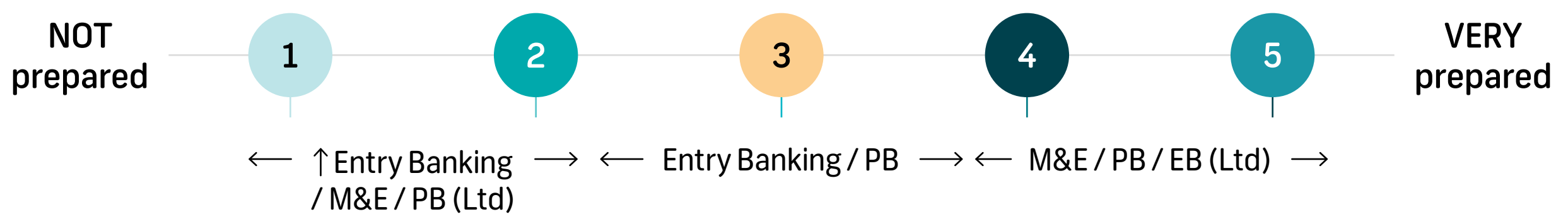
'You have an image of the house you want to live in. You will fix it up to how you want it but you don't have money for the renovations and physically can't do the work.'

(Over 60s/EB/KZN)

## Preparedness

And as with under-60s levels of feeling being prepared for retirement vary.

This is not necessarily linked to income. It can also be related to financial acumen, discipline and the impact of the unexpected. Higher levels of confidence linked to long-term planning.



**For some, the unpredictable nature of life means you can never fully feel prepared**

#### Barriers include

- Forced to cash in policies when retrenched
  - Forced to retire earlier than expected  
loss of additional income

*'I did not feel ready for it. It felt like a smack in the face.'* (Over 60s/PB/JHB)

- Still having to support children and extended family (+ EB)

*'I'm helping a lot of people in the family.'*

(Over 60s/E/KZN)

*'I'm responsible for my mother's smallholding in Mossel Bay.'*

(Over 60s/ME/CPT)

*'I only realised once I had retired what I had in place wasn't enough. I only focused on one thing. Not enough varied investments.'*

(Over 60s/EB/KZN)



**They have put some measures in place, but it doesn't feel enough**

#### Efforts include

- Been prudent with money - lived within means
- Paid off most things but still have some debt
- Lost money through poor investment advice so had to start over

*'Too many bad investments with a Financial Advisor I trusted so educated myself and became my own advisor.'*

(Over 60s/ME/CPT)



**A practical, long-term approach to planning provides some security and confidence**

#### Actions include

- Saved from an early age - mix of stokvel savings (EB) / tax free savings (ME) / stocks and investments (PB)
- Made a conscious effort to pay off debt e.g. paid extra off bond payments - paid up, bought new vehicles while still earning and closed store accounts
- Worked a few years beyond retirement - helped pay medical aid and increase pension

*'I would buy unit trusts every time I was given an increase. It builds up so I can now live off what I have.'*

(Over 60s/PB/JHB)

## Challenges in preparation

Living with uncertainty and the unpredictable nature of life makes it hard to plan and challenges are experienced at every level.

### Managing finances

Escalating costs make it hard to make ends meet and, in some cases, spend is higher than income.

Inconsistent nature of income or unexpected events impact ability to save.

It's a challenge finding ways to reduce costs. Trade-offs often have to be made - e.g. prioritise medical aid over other savings.

### Policies/ Investments fail to deliver

Premiums increase per year but cover or return remains static / poor investments > loss.

Erratic income or loss of job can make it a challenge to meet monthly commitments.

Sold policies by agents purely driven by commission with limited explanation of terms and conditions or implications of no payment > loss.

### Complexity of category

Making sense of information to make informed decisions can feel overwhelming.

With so many people trying to persuade you to hand over your money it is difficult to know who to trust.

'They're like hungry wolves. They harass you.' (Over 60s/ME/CPT)

It's hard to know what is right. for you.

### Low levels of financial literacy (TEB)

Hampered by limited knowledge and low awareness of different short-term versus long-term options.

Don't always understand what is being sold, how it will benefit and implications of failure to pay feel cheated when payout is not delivered.

Influenced by negative WOM stories further erodes trust reluctance to hand over hard-earned money.

### Tax deductions

This is not always factored into calculations so what is paid out is often much less than anticipated.

Change in government policies can complicate and impact plans.

'Living standards change. So, what you planned is not the same. You are not able to put way as much as you wanted.'

(Over-60s/E/KZN)

## In their own words

'Despite trying to save, it gets used up. There is no extra money to save.'

(Over-60s/E/KZN)

'No matter how much you save, I don't think it will ever be enough. Everything increases. You cannot plan for this unless you have million.'

(Over-60s/ME/CPT)

# Key findings in the over-60s

## Over-60s: declining confidence and knowledge

The reality continues to be worse than expected for retirees.

Retrospectively, this is most felt by both Entry segments, who rate their retirement plan confidence and quality lower than what under-60s rate themselves, a trend consistent over the past two waves.

## Over-60s: ability to execute

There is slightly less misalignment present in consumers perceptions of how well they're able to execute their retirement strategies – with Emerging Affluent and Affluent consumers feeling more on track in hindsight.

While Entry, Middle and Emerging Affluent currently feel that they are able to execute their retirement planning strategies to some extent, over-60s in these segments retrospectively rate their ability to save sufficiently as lower than under-60s.

The decline in savings knowledge among the wealthy segment, despite their typically greater resources, underscores the complexity of retirement planning and the need for ongoing guidance, driven by the uncertainty of the economic environment and what is out of their control.



## Over-60s: standards of living

The higher income segments expect to maintain their quality of living when retired, however less feel the need to keep earning.

There is a widespread belief that retirement income may be insufficient to cover expenses, regardless of income level. This could be driven by various factors, such as rising living costs, longer lifespans, or inadequate savings. This calls more for a proactive approach to retirement planning, even with the anticipation of continued work.

### Key findings

Entry Wallet consumers are increasingly less likely to expect to earn income during retirement. This belief combined with low savings knowledge further reinforces their need for targeted financial education and support. Despite the expectation of needing to work, these segments are becoming more confident in their ability to save for retirement and could indicate that they are taking steps to improve their retirement preparedness, such as developing alternative income strategies.

## Success factors for over-60s

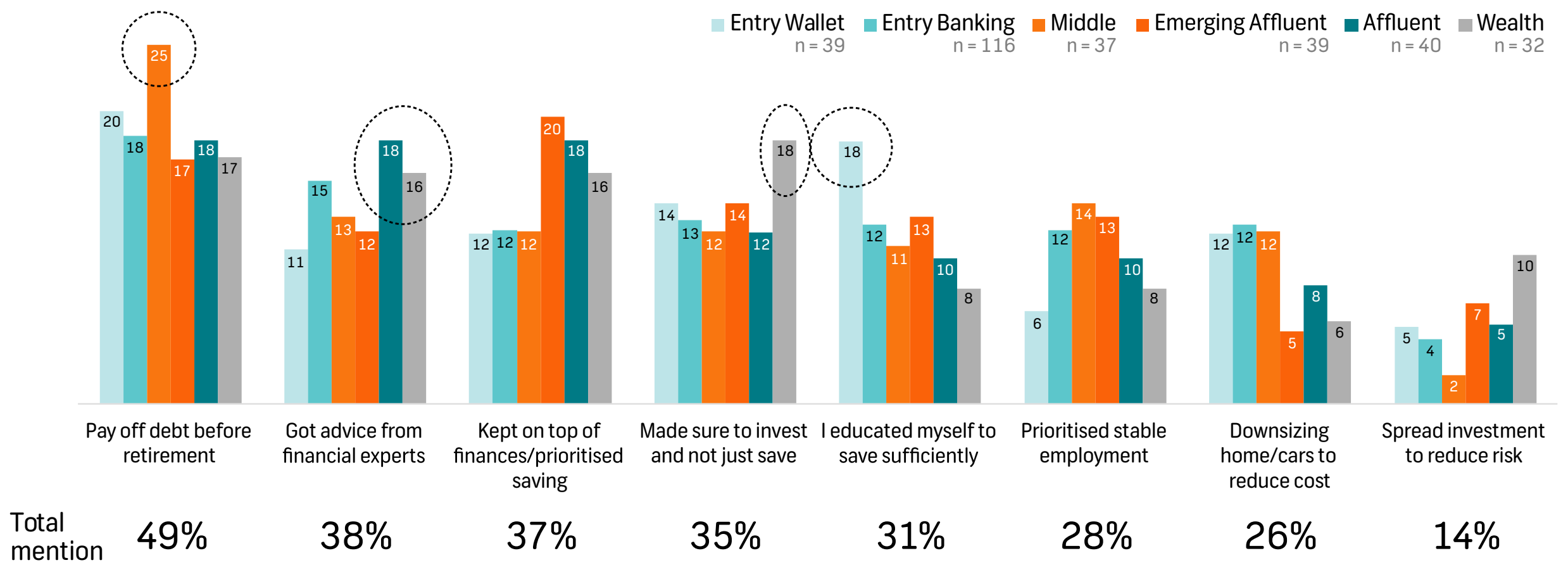
### Holistic financial management

Actions that improve ability to retire well reflect the need for holistic financial management, with a combination of debt management, advice, saving and investing the most helpful formula.

### Key findings

- Middle Market strategy is skewed more towards paying off debt, having stable employment and downsizing
- Affluent rely more on expert advice in combination with debt management and saving
- Wealth rely differentially on investments and diversified risk

**Apart from the most common piece; to start saving sooner and to save more. What made a positive difference to your ability to retire?**

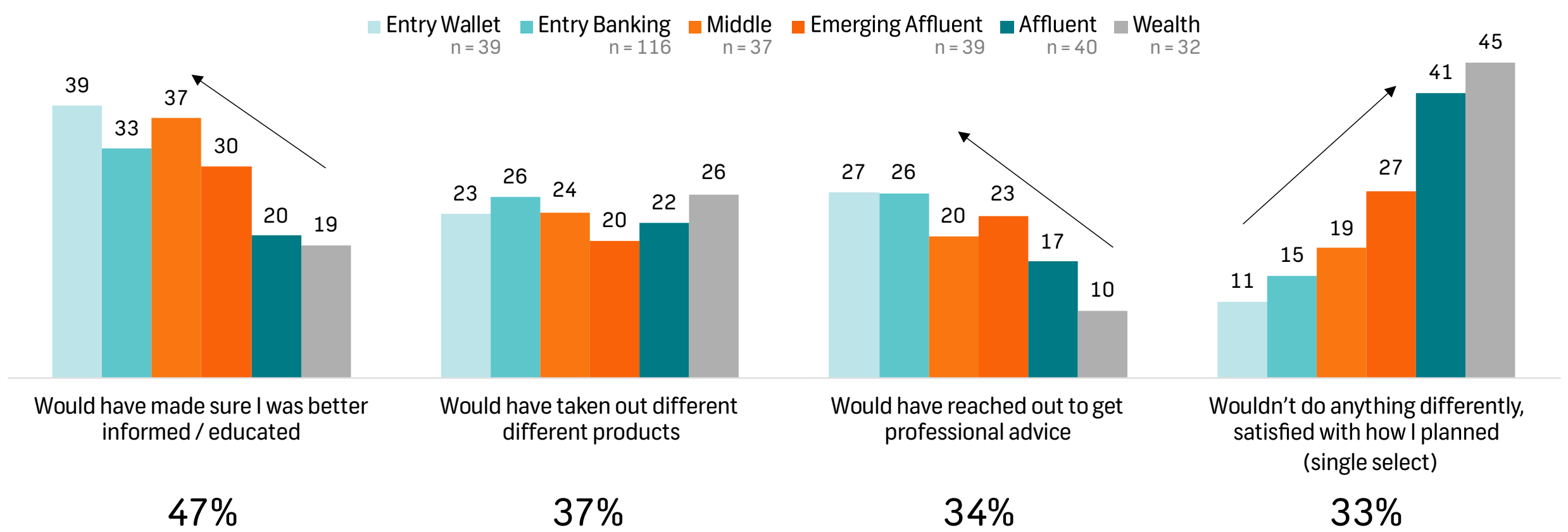


Base: 303. C1 4a\_closed Apart from these two things, which of the below, if any, made a positive difference to your ability to retire? Please select top 3 actions that you feel made the biggest difference to your ability to retire.

## Over-60s: looking back

Looking back, consumers identify financial education as the key to better retirement preparedness. A practice already prevalent among those with a retirement plan.

### Would have done differently looking back that would have helped you prepare better for retirement



No difference between retirees and those that are still working

Base: 303.C14b\_closed. Apart from these two things (to start saving sooner and to save more), is there anything that you would have done differently looking back that would have helped you prepare better for retirement? Please select the top 3 actions that you would have done differently.

# Over-60s: three things they wished they had done differently

## > Paid more attention to policies (PB/M&E)

- Listened more closely to broker's advice and followed it
- Reviewed policies earlier, at 40 not 55, while still time to make adjustments or consolidate
- Looked for alternatives to funeral cover – could have invested the money spent over time and achieved greater return

## > Managed debt more carefully (EB)

- Avoided poor credit scores

## > Learnt more about investments earlier (M&E/EB)

- Been more alert to opportunities
- Greater diversification of savings

# Over-60s: advice to their younger selves

## Make provision for a pension

### Be tax savvy

'You can claim money from tax with your policies. It's worth paying for a tax consultant who can advise you.'

(Over 60s/ME/CT)

### Educate yourself

If you are financially savvy, you can be more empowered and in control of your own finances. Teach yourself about investing.

### Invest

in an asset e.g. house or land – this can be source of income or sold to make a profit. Don't rely on one source of income on retirement.

### Do your homework

Source reputable companies and advisors you can trust  
Check their track record – look for those that pay out and deliver the best returns.

### Be disciplined

Prioritise how you spend your money.  
Have goals and have a plan to achieve them.

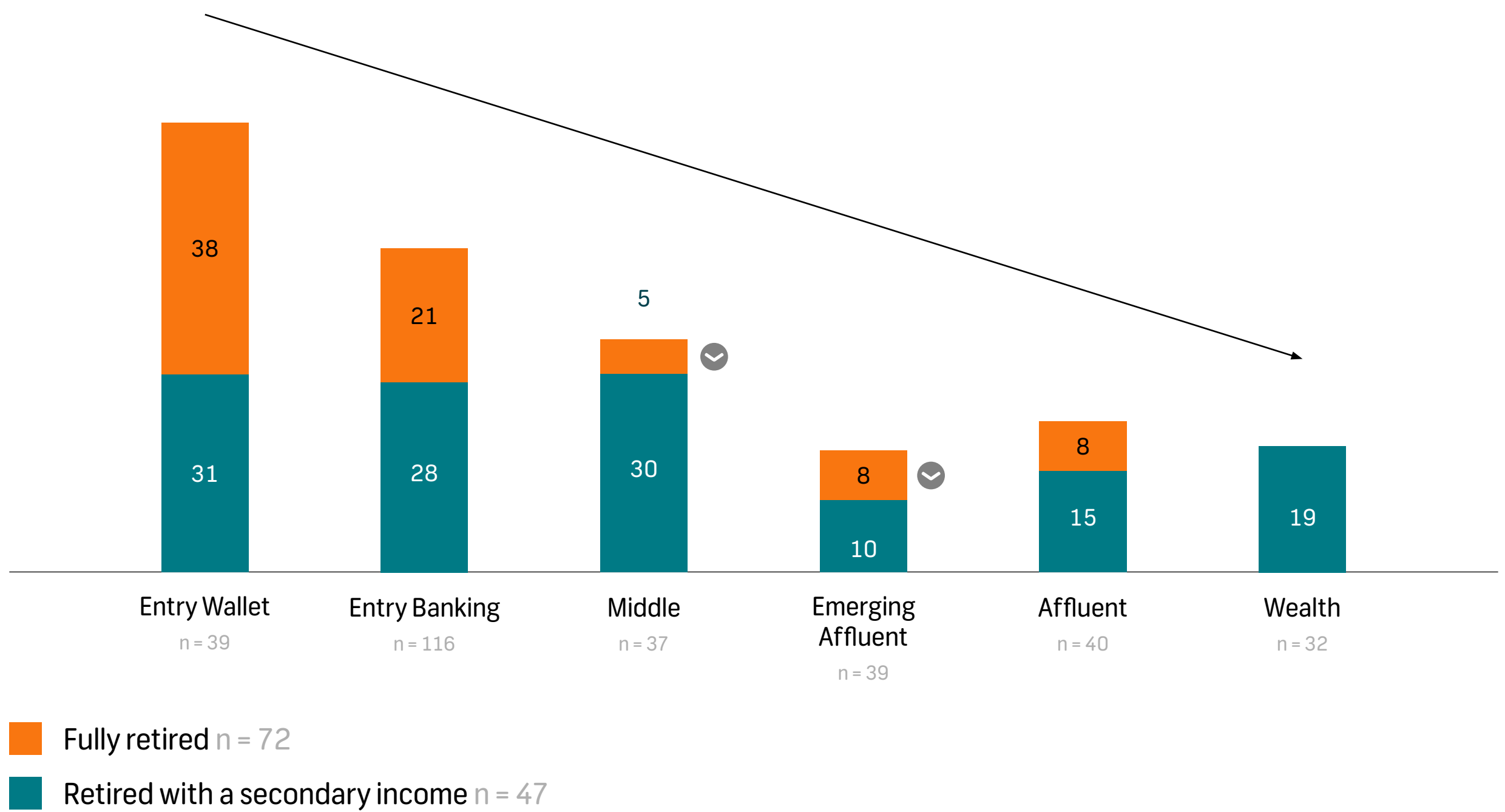


Part 5

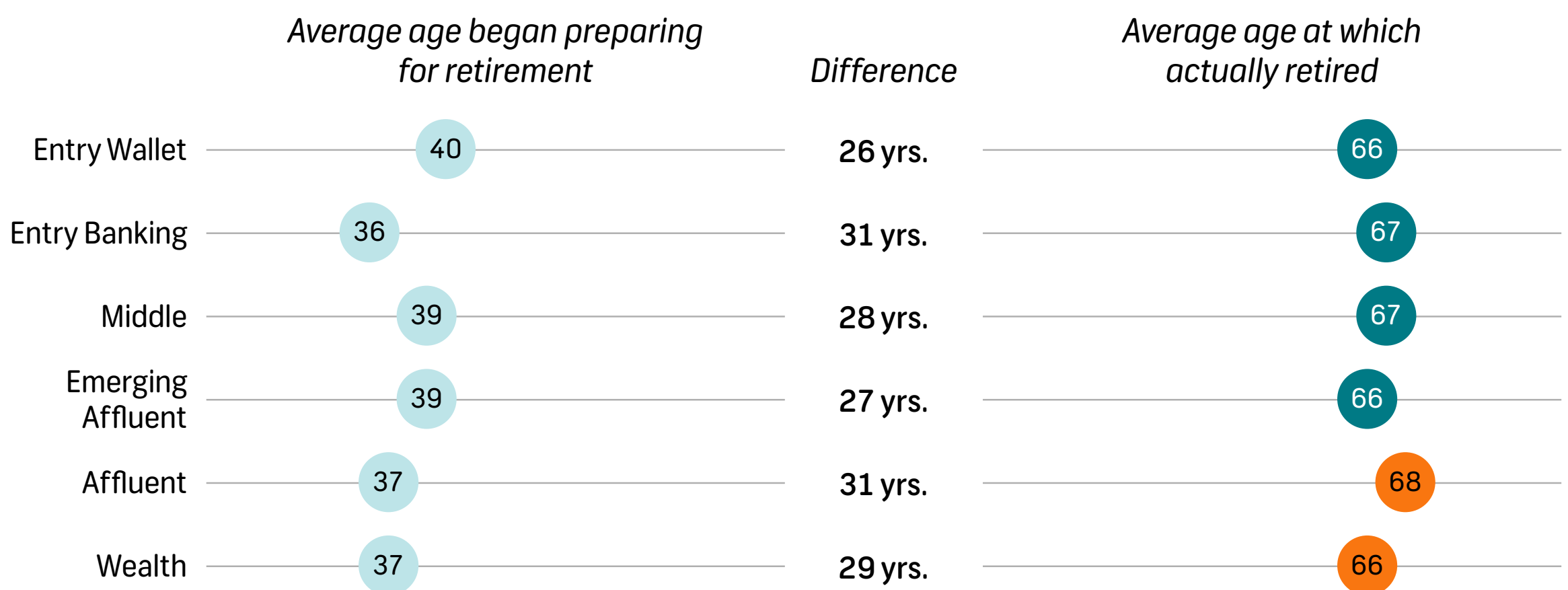
# The retiree experience

## The journey to retirement (over-60s)

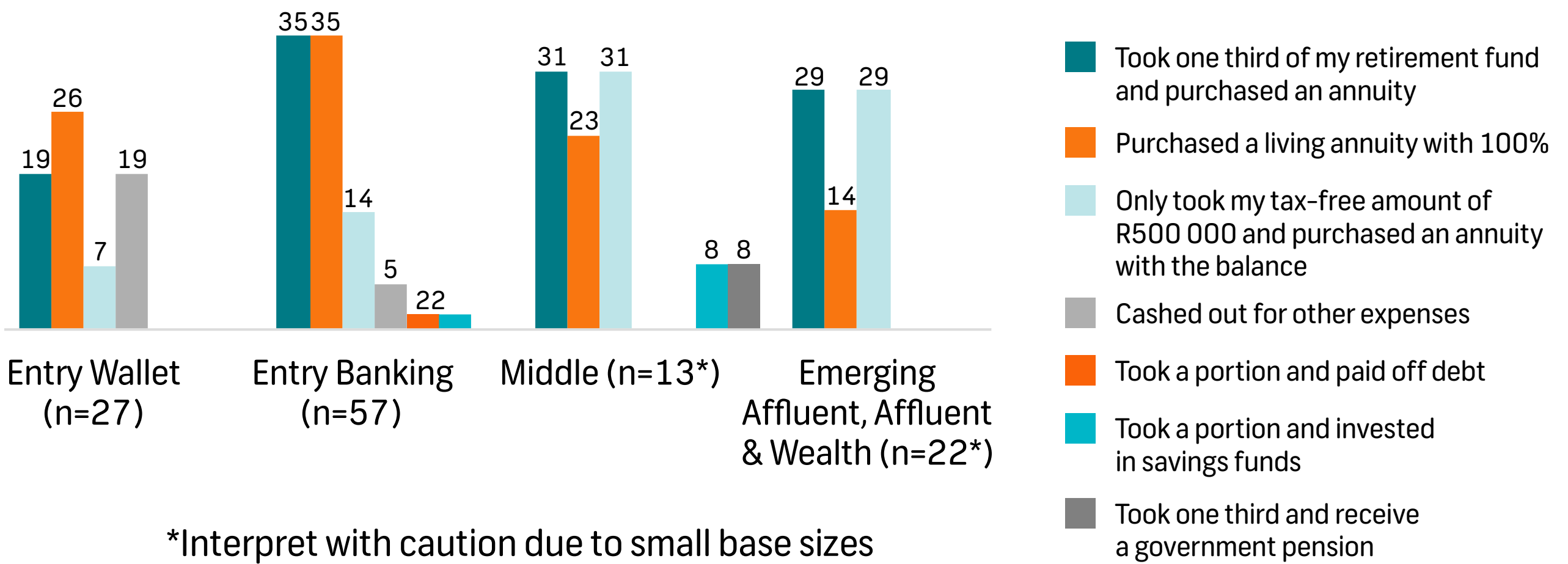
The trend toward continued employment is evident, with fewer consumers choosing full or partial retirement and more opting for full-time or part-time work compared to 2024. As we saw earlier, less Affluent consumers over 60 are more likely to be retired, with full retirement virtually non-existent in more affluent with Entry Wallet starting their retirement planning slightly later than the Private Banking segment.



### Age at retirement



### Option selected on retirement fund



C1a. Please indicate which of these statements best describe your employment status? C2. At what age did you retire? C6a. At what age did you start to prepare for retirement? C6c. At retirement date, what options did you select on your retirement fund?

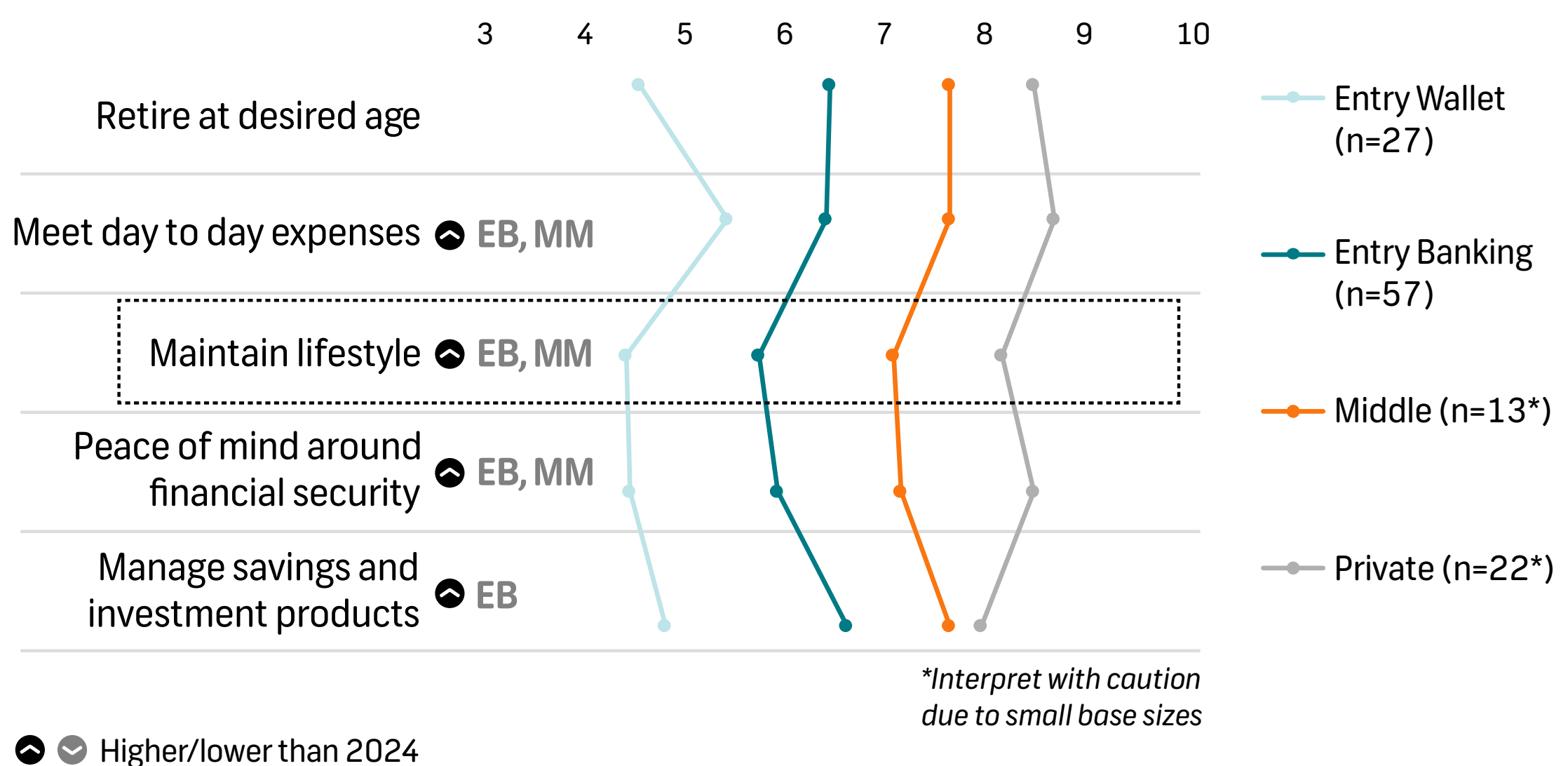
## Fully retired or not?

Full or partial retirement continues to be much easier for more affluent consumers. The ability to plan and execute retirement plans is especially true for Affluent and Wealth consumers. These more affluent consumers have effectively secured their financial futures, enabling them to confidently navigate their retirement years with stability. While Entry Banking and Middle Market consumers experienced an improvement in their perceived security regarding retirement transition, Entry Wallet consumers continue to face the greatest challenges.

Overall, consumers' perceived confidence in their preparedness for retirement has increased compared to 2024, yet they report greater difficulty in maintaining their current standard of living throughout their retirement years reinforcing the gap between expectation and reality.

### Satisfaction with aspects related to retirement

Mean score (1 - 10)



# Embracing a more global view of retirement

As the world becomes more connected and digital tools lower investment barriers to entry, South Africans are increasingly embracing a more global mindset and approach to retirement. This shift is evident not only in how people invest in preparation for retirement, but also in where they plan to spend their retirement years. Whether it's diversifying assets internationally or considering life in another country post-retirement, the retirement journey is definitely not confined by borders.

## Investing with a global lens

Offshore investing is no longer the preserve of the ultra-wealthy. New platforms, evolving regulations and rapidly advancing technology have opened international markets to a much broader base of retail investors. Investors are also getting younger. The World Economic Forum's 2024 Global Retail Investor Outlook shows that 30% of Gen Z investors began investing in university or early adulthood, compared to just 6% of Baby Boomers. This earlier entry point, combined with greater access to global markets, is rapidly reshaping how retirement portfolios are being constructed around the world.

This growing interest in global investing is clearly visible in South Africa too. According to FNB's 2025 retirement research, offshore investments are becoming more common among Affluent and Wealth segments, with 13% and 9% of respondents in these categories respectively holding offshore assets. The use of direct share portfolios and online trading accounts is also on the rise, reflecting a shift in financial sophistication, a desire for greater control, and a more global orientation among upper-income consumers.

The motivations for these shifts are clear. Offshore diversification helps to contain risk and protects against local currency volatility, while also enabling investors to tap into economic growth beyond South Africa's borders. However, this evolution is not without its challenges. The same WEF report found that 21% of investors avoid certain asset classes due to perceived unpredictability, while 40% cite fear of loss as their main reason for not investing at all.

With all this in mind, education, guidance and access to tools that offer personalisation, like AI-enabled advice platforms, are now essential in building trust and confidence, and enabling investors to harness the power of offshore exposure in a secure, risk-managed way. In fact, according to the WEF, 42% of global investors say they would invest more if they were better supported by AI chatbots.

## Considering retirement abroad

This global mindset is not limited to pre-retirement investment strategies. A growing number of South Africans are exploring retirement abroad; not just for the lifestyle offered by many international destinations, but also because socio-political developments in South Africa have made many global destinations more affordable, more secure in terms of healthcare, and more tax efficient for pensioners. Countries like Portugal, Spain, Thailand and Mauritius have become particularly attractive destinations for South African retirees, offering a mix of safety, favourable residency options and lower living costs.

However, retiring abroad is not without its complexities. In addition to language and cultural adjustments, retirees have to navigate foreign property laws, varying healthcare standards and rapidly shifting immigration policies. Managing healthcare – particularly for chronic conditions – can also be more complicated than expected; and the availability of state-sponsored care varies widely from country to country.

The legal requirements for residency, access to public services and estate planning across jurisdictions also add further layers of administrative and financial complexity that must be carefully managed by retirees looking for the proverbial greener pastures overseas.



## The need for a new definition of retirement planning

Together, these global retirement considerations demand a new understanding of the retirement planning needs of many people in South Africa – one that is globally informed, digitally supported and built on personal goals rather than traditional fixed assumptions about how people want to retire. For many, the path to a secure retirement now involves global investing as a strategy and retiring overseas as a lifestyle choice and the retirement industry has a responsibility to provide proper guidance, planning and professional support to South Africans with this more global perspective.

For advisors, this means stepping into a more expansive role. It's no longer enough to provide product recommendations or portfolio rebalancing. Clients need informed guidance on tax residency, cross-border income structuring, foreign exchange management and the regulatory nuances of holding and withdrawing retirement savings across borders. Advisors also need to be able to help their clients anticipate risks, plan for healthcare contingencies and structure investments for long-term flexibility to meet money and lifestyle needs that could be vastly different from what they would have experienced had they retired in this country.

The bottom line is that, as this global mindset becomes more mainstream, financial institutions and advisors have to adapt. Clients are not just asking 'how much do I need to retire?' but 'where will my money work best?' and 'where can I live well?' And the retirement industry needs to equip itself to provide answers to these questions that embrace the full potential of a global retirement.

Of the under-60s, offshore investing featured relatively low on the product usage list.



Please indicate which of these products and services you currently have:

Column % n=	Entry Wallet	Entry Banking	Middle Market	Emerging Affluent	Affluent	Wealth
Retirement annuity	13% 13	31% 89	39% 41	50% 47	61% 60	75% 41
Savings account	69% 68	90% 257	88% 93	87% 82	92% 90	85% 47
Fixed deposits	8% 8	29% 82	36% 38	44% 41	45% 44	56% 31
Notice accounts	7% 7	18% 52	22% 23	28% 26	37% 36	31% 17
Tax free savings	8% 8	27% 78	32% 34	30% 28	38% 37	22% 12
Unit Trusts	3% 3	8% 23	17% 18	18% 17	22% 22	24% 13
Share portfolio	4% 4	12% 33	15% 16	20% 19	21% 21	15% 8
Online share trading	5% 5	18% 50	27% 29	17% 16	24% 24	11% 6
Pension/provident fund	9% 9	42% 119	59% 63	57% 54	64% 63	42% 23
Preservation fund	2% 2	6% 16	13% 14	12% 11	22% 22	16% 9
Property portfolio/ rental property (investment)	5% 5	12% 35	27% 29	23% 22	35% 34	38% 21
Property portfolio/ rental property (investment)	5% 5	12% 35	27% 29	23% 22	35% 34	38% 21
Offshore investments	1% 1	3% 9	7% 7	11% 10	13% 13	9% 5
Cryptocurrency (e.g. Bitcoin)	8% 8	15% 42	19% 20	17% 16	22% 22	7% 4
Stokvel	31% 30	32% 90	32% 34	32% 30	31% 30	20% 11
A Will	8% 8	21% 59	40% 42	45% 42	56% 55	62% 34
None of these	3% 3	0% 0	1% 1	0% 0	0% 0	0% 0
Funeral cover policy	57% 56	61% 173	65% 69	67% 63	69% 68	64% 35
Life insurance policy	22% 22	35% 98	54% 57	65% 61	68% 67	76% 42
Column n	98	284	106	94	98	55

# Expectation versus reality

The discrepancy between what is expected and the reality of retirement remains great. Despite an improvement in preparedness and confidence in retirement planning amongst under-60s, the reality that over-60s are faced with makes them retrospectively less confident in the quality of their retirement planning.

In addition, key factors that they perceive to have resulted in a reality that is disconnected from their expectation further highlights the flaws in the under-60s planning processes.

**The most notable ones are:**



## **Assuming one will be able to work**

Most under-60s assume that their saving deficit will be taken care of by working. While an increasing number of over-60s are having to work, the reality is that forced retirement is the number one reason for retirement and increasing over time – and health reasons another sizeable reason.



## **Assuming support**

Many under-60s, especially those without a plan, assume that they will be able to rely on others to support them in their retirement. And for those with a plan, there is often an assumption that they will no longer be looking after dependants. The post 60 reality spouses have passed on and children are still requiring support from them.



## **Assuming the ability to start a business/side hustle**

Many under-60s are banking on being able to find an additional source of income by starting a business/side hustle. While these strategies are helpful when executed, failing to plan for them properly diminishes the likelihood of them coming to fruition, often requiring more resources to get going than expected.



## **Assuming fewer expenses and a lower cost of living**

Many under-60s assume that they will be able to live off a substantially lower income than they currently earn. However, the post 60 reality is that the cost of living is higher than expected, exacerbated by not having been able to pay off debt ahead of retiring as expected.

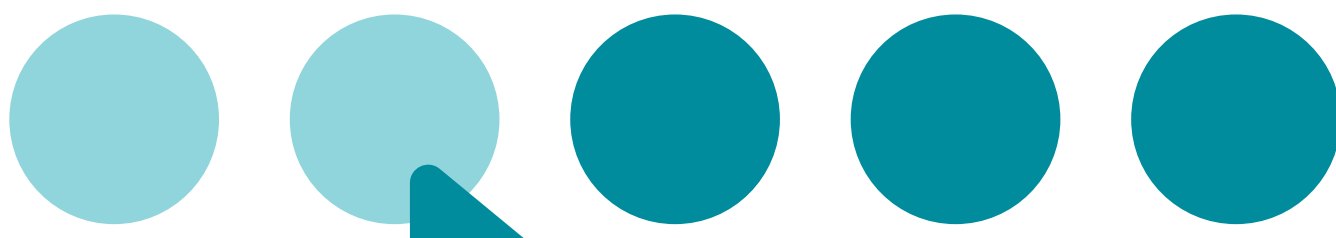


## Section 3

# Exploration of key products



# 1. Overall financial wellness

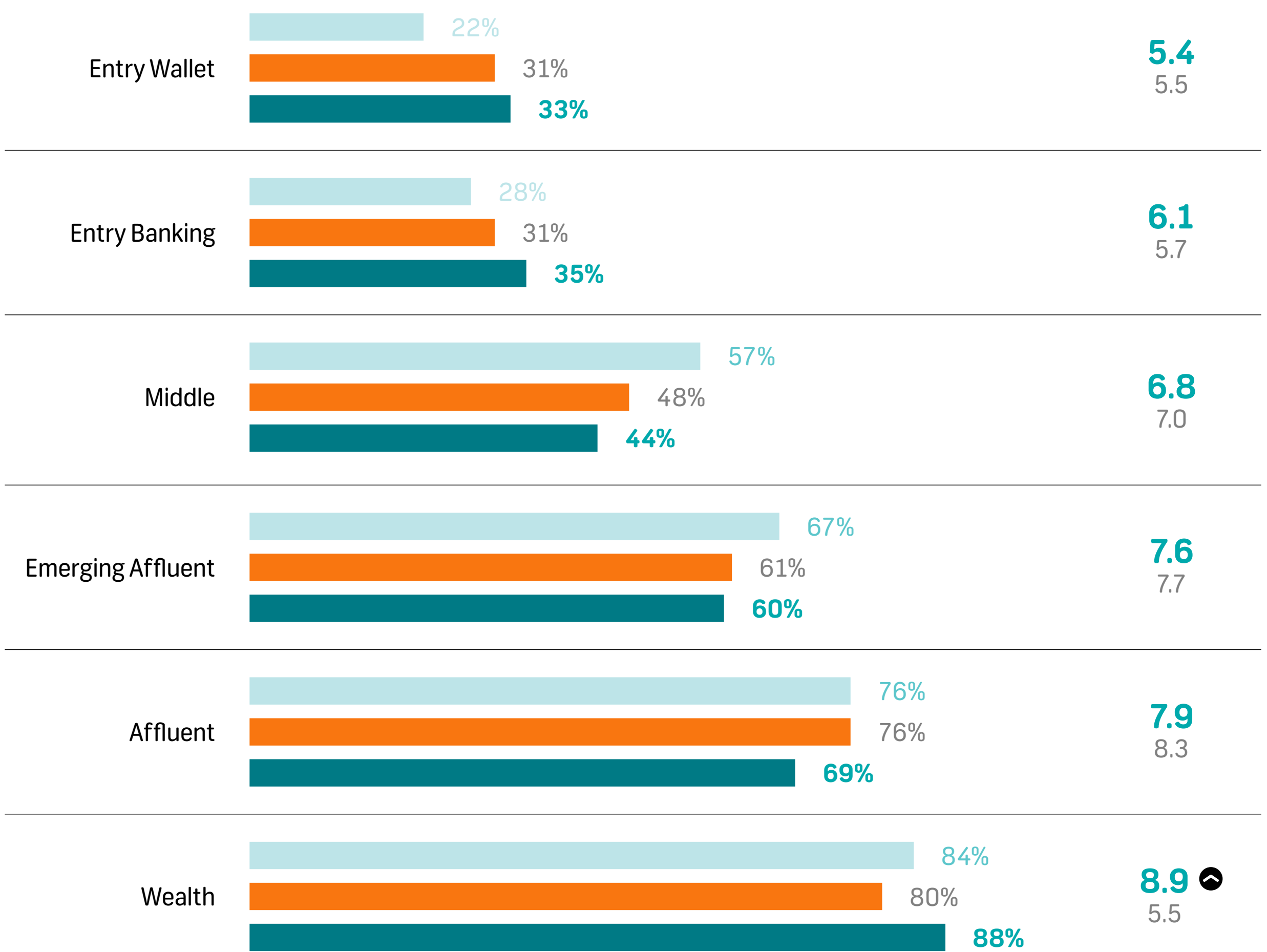


**2 out of 5**  
 consumers feel comfortable with their financial position

2023 2024 2025

Top box (scoring 8-10)

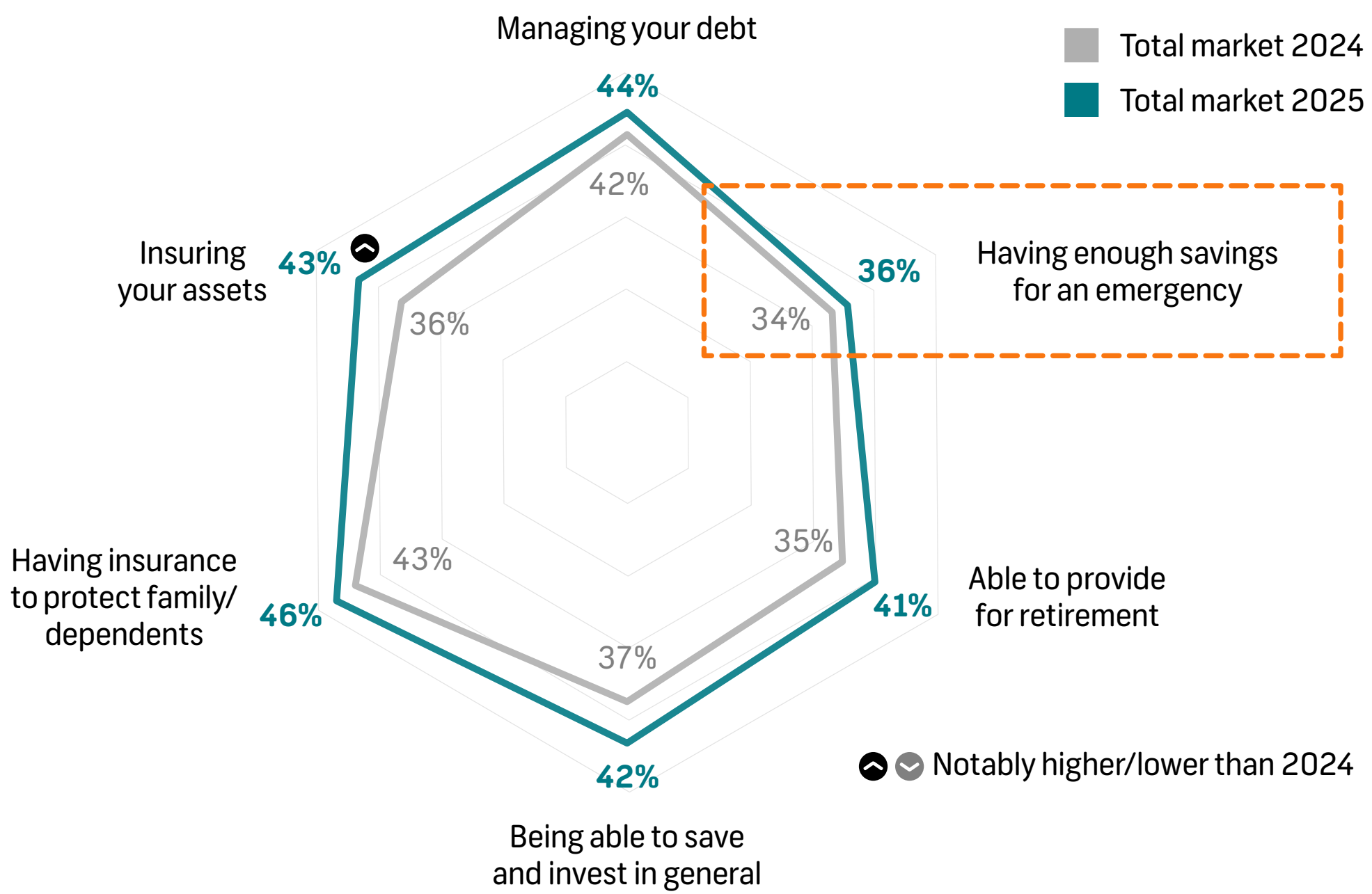
Avg./10



Higher/lower than 2024

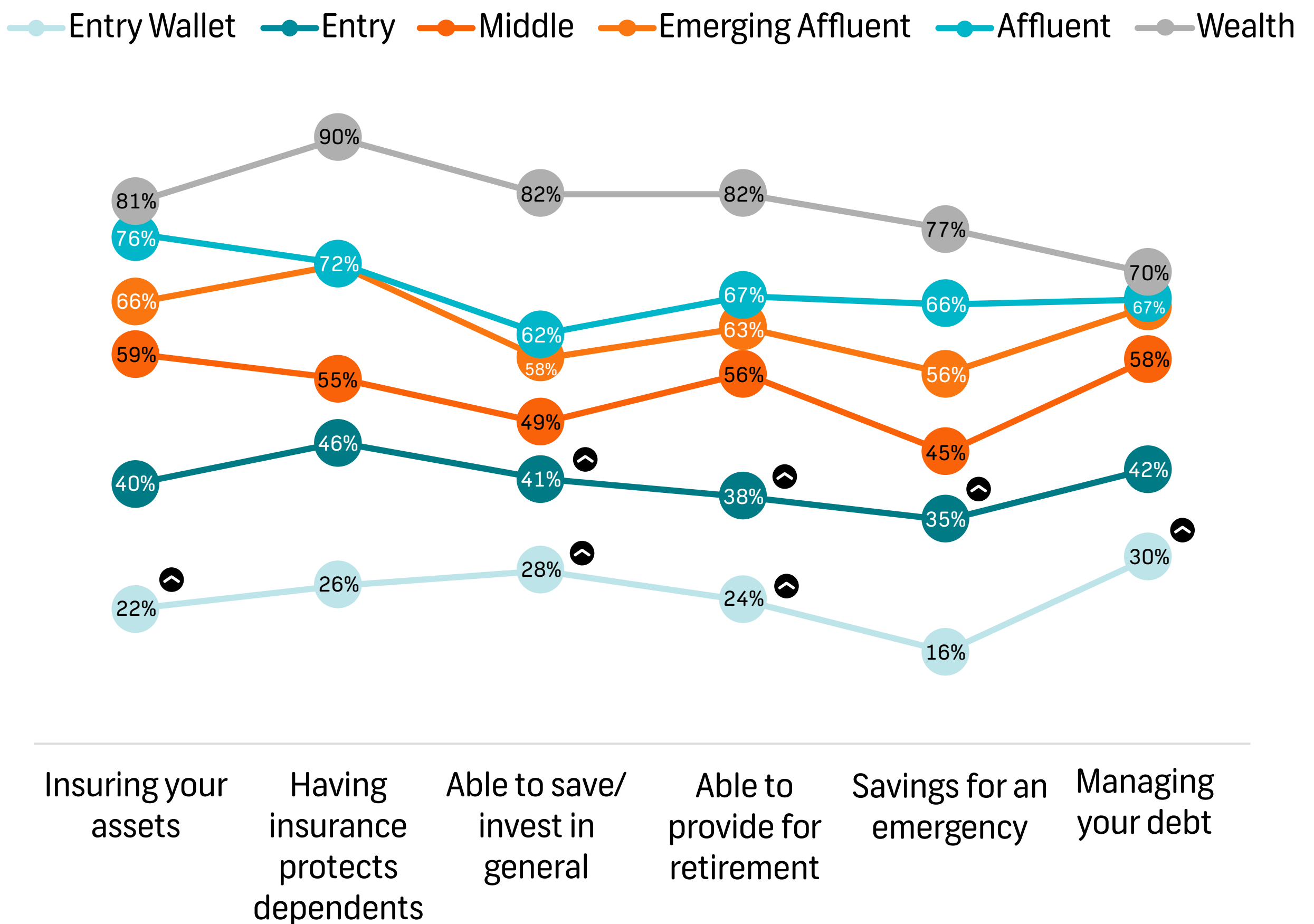
Both Entry segments depict a much less prepared picture to the higher segments.

Directionally, the middle of the market (Middle, Emerging Affluent and Affluent) all show softening over time. Wealth are more comfortable with their financial position versus a year ago.



Base: 728. A4. Thinking about all areas of your finances such as debt, insurance, investments and retirement products

There's a sense of improved preparedness compared to 2024, however, the underlying concern about the future persists, particularly regarding saving enough for emergencies. The market is most prepared for having long term insurance products and are better prepared on insuring assets.

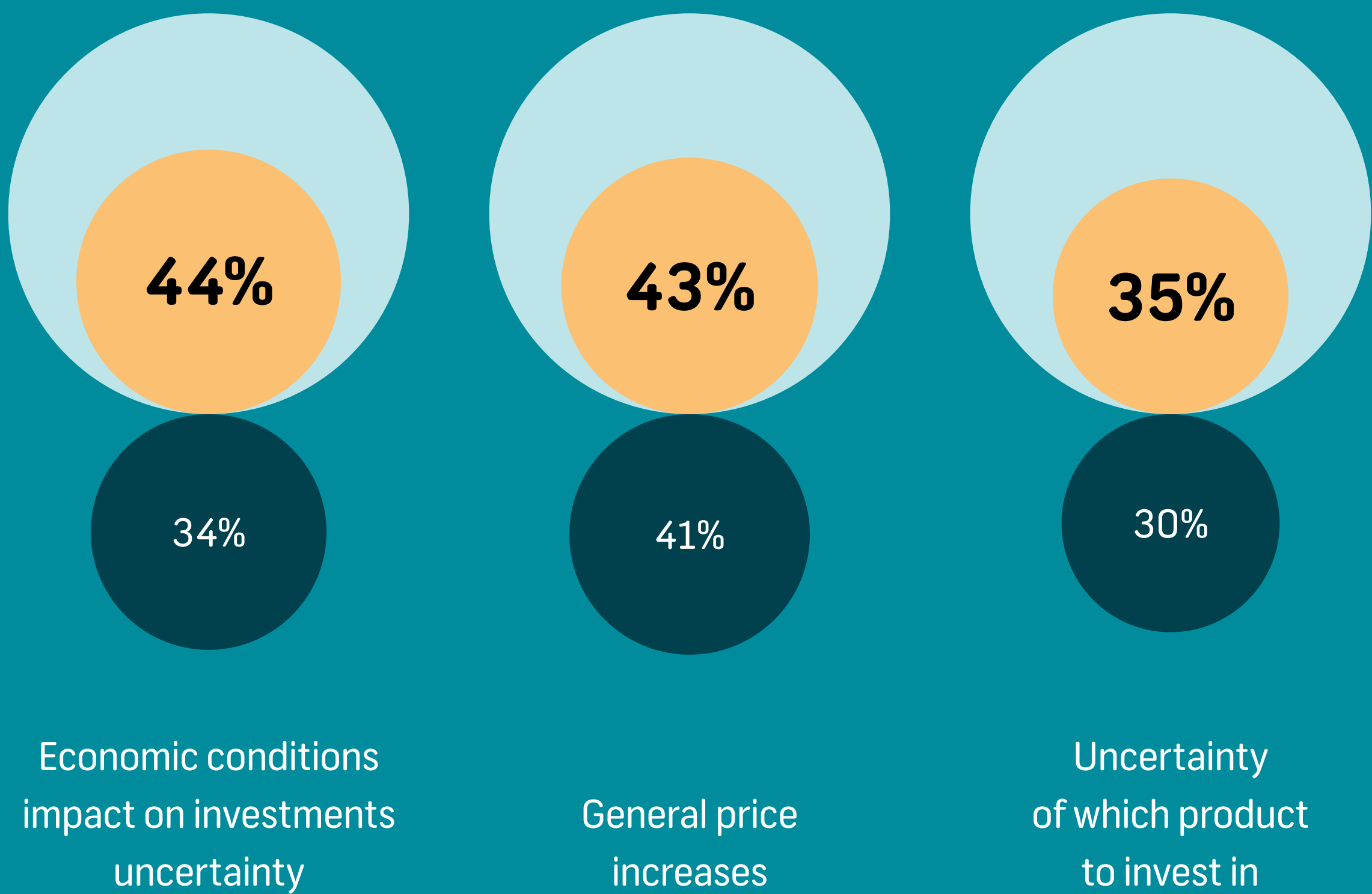


# Financial management: under-60s

There is a conscious effort being made to manage finances, with growth in those being able to provide for retirement particularly in the Entry segments. The Middle, Emerging Affluent and Affluent markets note a decline in preparedness compared to 2024, indicating the heightened financial strain being felt.

## Challenges to investing

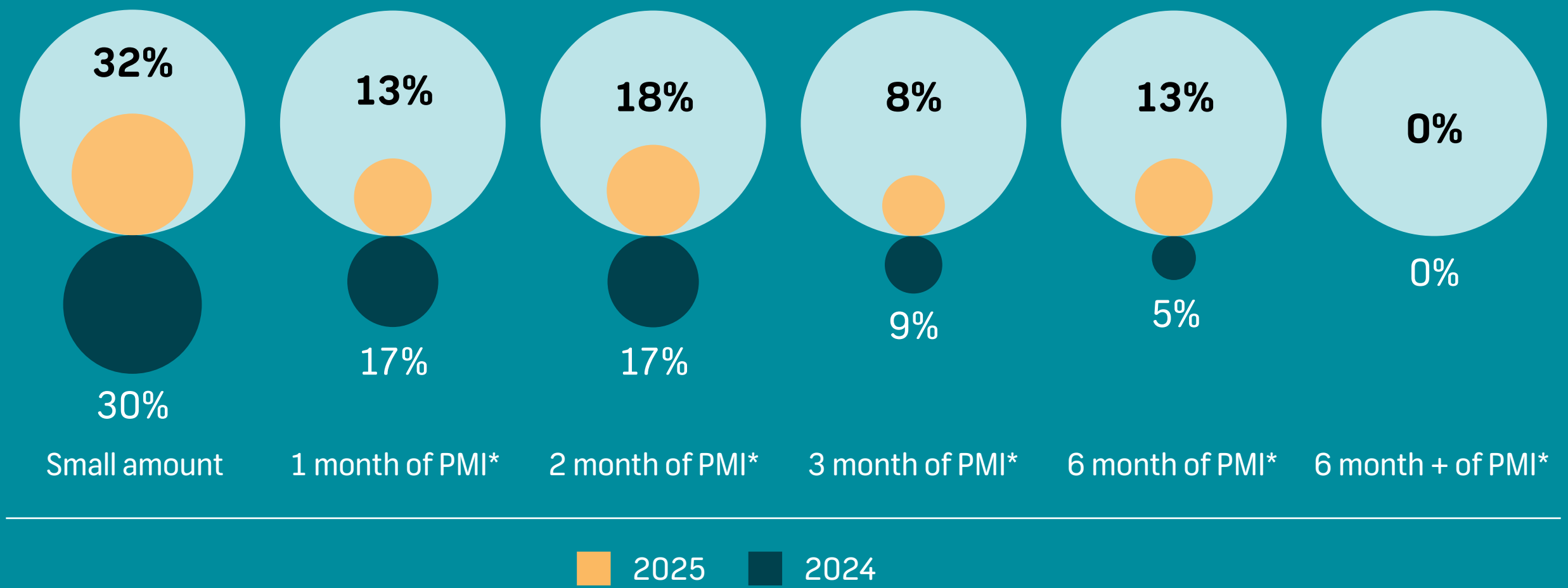
The top three reasons given for challenges to investing are



■ 2025 ■ 2024

General price increases and economic uncertainty are a concern for all segments, while impacts of returns due to exchange rates concern the Middle and Affluent segments the most. However, the upper income segments note a shift in trend with Affluent concerned about the impact on their immediate expenses as opposed to Wealth who are concerned about managing their investments.

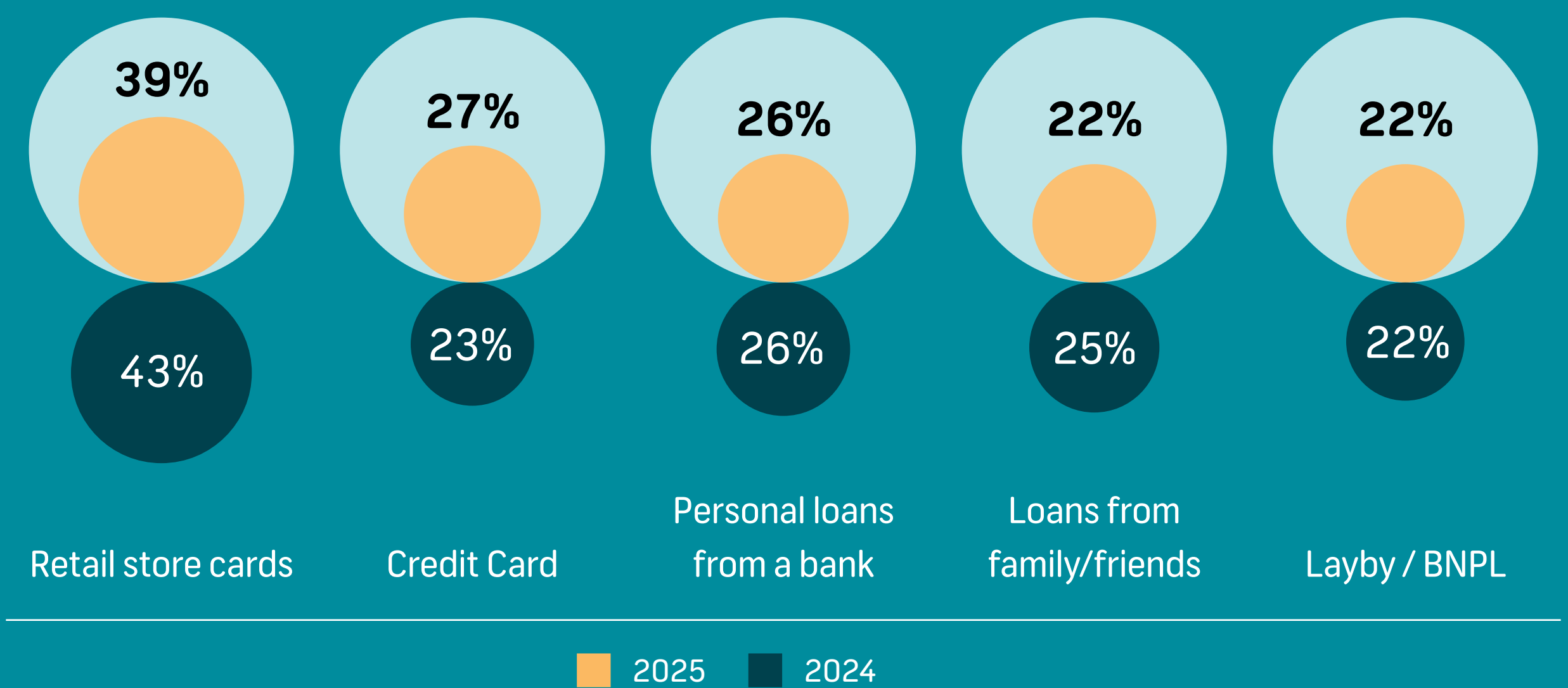
## Emergency funds



PMI = personal monthly income  
 15% have none (2024: 22%)

Both entry segments, especially Entry Wallet, continue to show a gap from the rest of the market in the amount of readily available emergency funds. Emerging Affluent, as well as Entry Banking, typically has enough funds to cover three months of expenses, while Affluent and Wealth is most likely to have 6 months or more saved for emergencies.

## Debt portfolio



17% have no debt (no change YoY)

Retail store cards are a common source of debt, and is one of the only sources of debt for Entry Wallet, who otherwise do not have any credit products. Credit cards are also commonly held, with Car finance featuring from Middle onwards, and house bonds ranking third for Emerging Affluent, Affluent and Wealth.

Entry Wallet n=98	Entry Banking n=284	Middle n=106	Emerging Affluent n=94	Affluent n=98	Wealth n=55
Retail store card <b>39%</b>	Retail store card <b>39%</b>	Credit card <b>48%</b>	Credit card <b>54%</b>	Credit card <b>61%</b>	Credit card <b>62%</b>
None of these/ I have no debit <b>37%</b>	Credit card <b>33%</b>	Retail store card <b>40%</b>	Retail store card <b>35%</b>	House bond <b>53%</b> ⬆️	Car finance <b>56%</b>
Loans with family/ friends <b>27%</b>	Buy on layby/ buy now <b>27%</b>	Car finance <b>40%</b>	Car finance <b>33%</b>	Car finance <b>48%</b>	House bond <b>44%</b>
Personal loans from the bank <b>14%</b>	Personal loans from the bank <b>25%</b> ⬇️	Personal loans from the bank <b>37%</b>	House bond <b>30%</b>	Retail store card <b>47%</b> ⬇️	Retail store card <b>35%</b> ⬇️
Credit card <b>12%</b> ⬆️	Loans with family/ friends <b>20%</b>	House bond <b>28%</b>	Personal loans from the bank <b>27%</b>	Personal loans from the bank <b>26%</b>	Personal loans from the bank <b>20%</b> ⬆️
Buy on layby/ buy now <b>11%</b>	None of these/ I have no debit <b>16%</b>	Buy on layby/ buy now <b>25%</b>	Buy on layby/ buy now <b>15%</b> ⬇️	Monthly overdraft <b>24%</b>	Monthly overdraft <b>15%</b>
Microloans/ Pay day loans <b>6%</b>	Car finance <b>12%</b>	Monthly overdraft <b>24%</b>	None of these/ I have no debit <b>14%</b>	Buy on layby/ buy now <b>16%</b>	Buy on layby/ buy now <b>13%</b> ⬆️
Car finance <b>4%</b>	Microloans/ Pay day loans <b>11%</b>	Loans with family/ friends <b>22%</b>	Monthly overdraft <b>14%</b>	Microloans/ Pay day loans <b>10%</b>	Loans with family/ friends <b>7%</b>
Monthly overdraft <b>3%</b>	Monthly overdraft <b>10%</b>	Microloans/ Pay day loans <b>8%</b>	Loans with family/ friends <b>11%</b> ⬇️	Loans with family/ friends <b>7%</b>	None of these/ I have no debit <b>7%</b>
House bond <b>1%</b>	House bond <b>7%</b>	None of these/ I have no debit <b>8%</b>	Microloans/ Pay day loans <b>5%</b>	None of these/ I have no debit <b>6%</b>	Microloans/ Pay day loans <b>4%</b>

Higher/lower than 2024 ⬆️ ⬇️

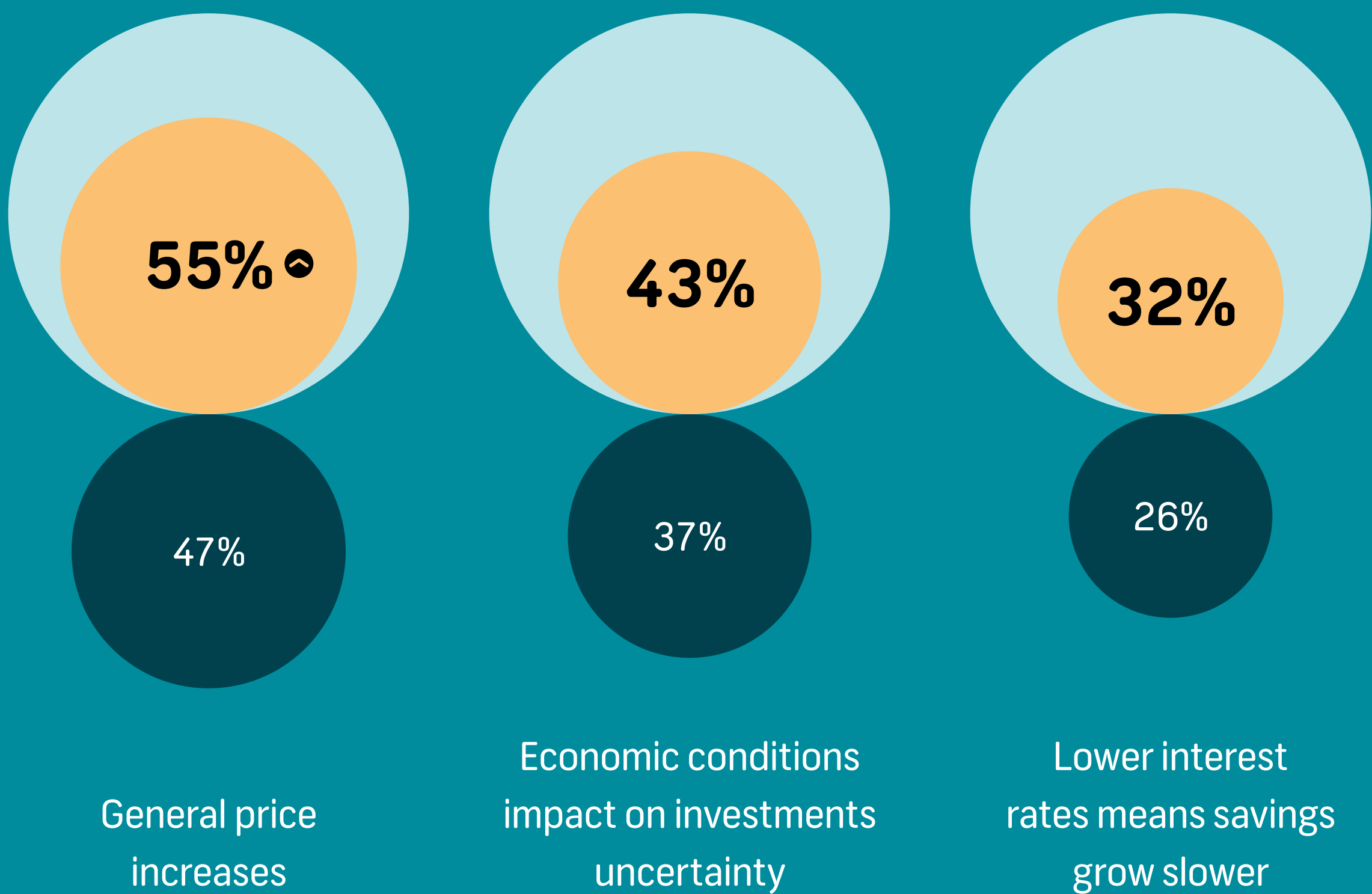


# Financial management: over-60s

The over-60s age group note growing concerns compared to 2024 with increases across the board. Whilst there seems to be a marginally lower debt portfolio, emergency funds are growing with most having between 3-6 months of monthly income in their emergency savings.

## Challenges to investing

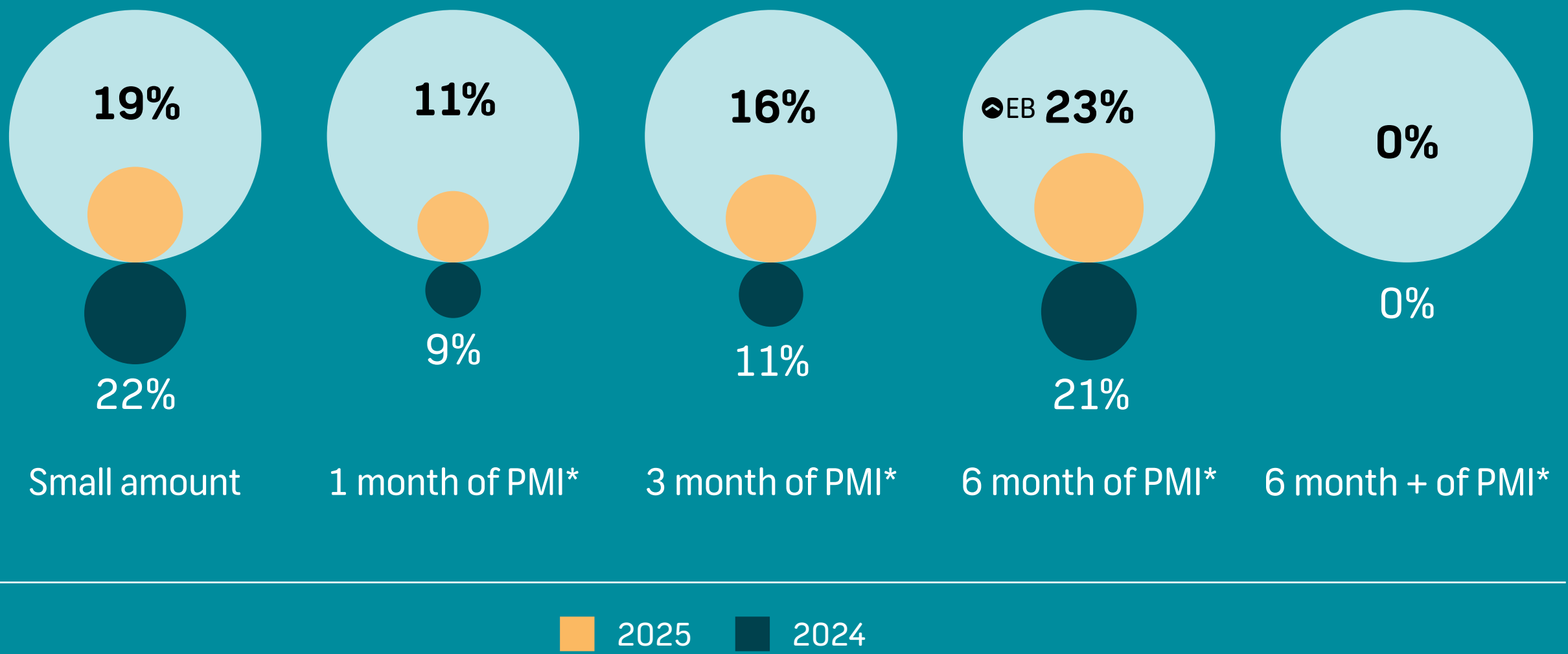
Economic uncertainty and general price increases are also top concerns for the over-60s.



■ 2025 ■ 2024

The over-60s also noted an increased uncertainty of which products to invest in, particularly in the lower segments indicating a lack of knowledge even past retirement age. The Wealth segment note an increased concern around fluctuating interest rates impact to returns.

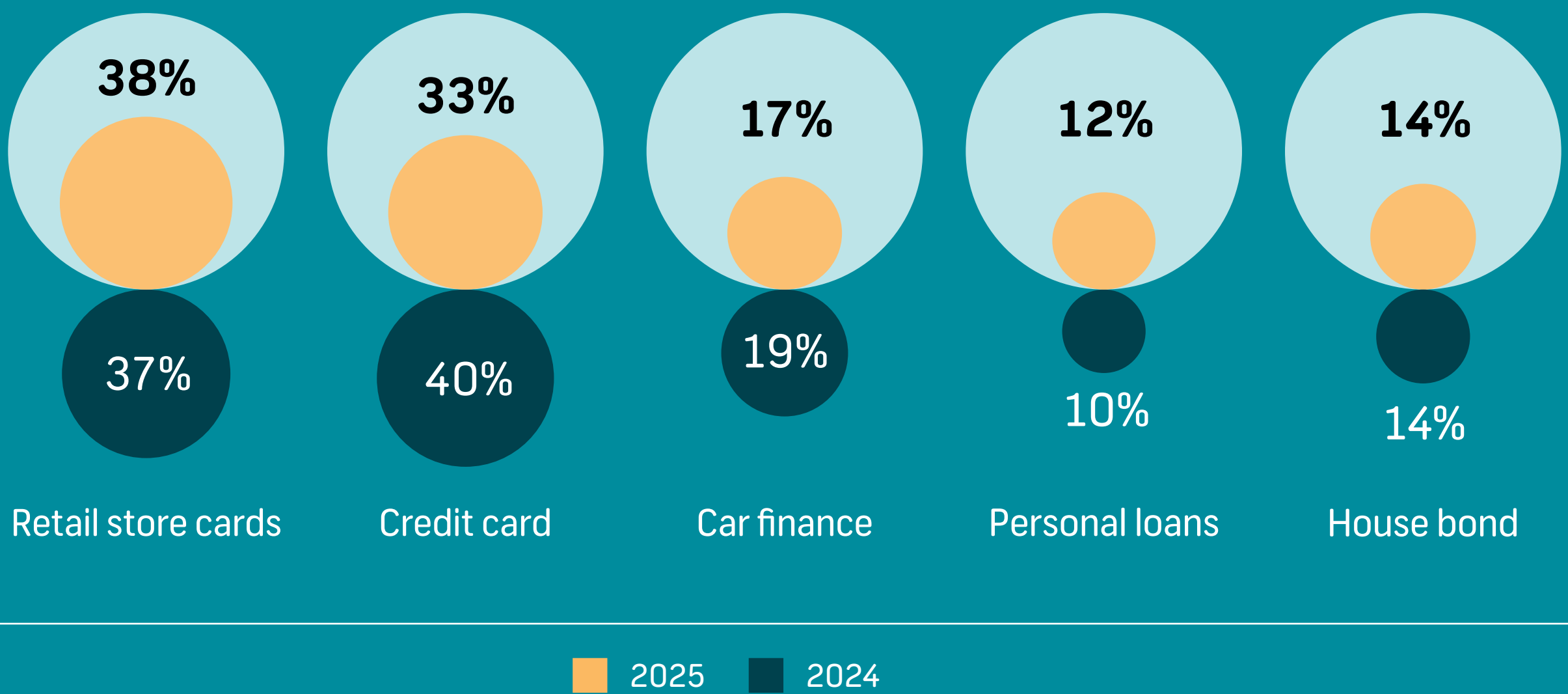
## Emergency funds



PMI = personal monthly income  
 10% have none (2024: 20%)

Both entry segments, especially Entry Wallet, continue to show a gap from the rest of the market in the amount of readily available emergency funds, even with the over-60s.

## Debt portfolio



29% have no debt (2024: 32%)

42% of retired customers over-60 have no debt versus 21% of working customers over-60.

Both entry segments, especially Entry Wallet, continue to show a gap from the rest of the market in the amount of readily available emergency funds, even with the over-60s.

### Debt position and types of debt

Entry Wallet	Entry Banking	Middle	Emerging Affluent	Affluent	Wealth
None of these - I don't have any debt	Retail store cards for store credit	Credit card	Car finance	Credit card	Credit card
Retail store cards for store credit	None of these - I don't have any debt	Retail store cards for store credit	Credit card	Retail store cards for store credit	Car finance
Buy on layby/ buy now and pay monthly	Credit card	Car finance	Retail store cards for store credit	House bond	Retail store cards for store credit
Loans I owe to family / friends/other people	Personal loans from the bank	Monthly overdraft	None of these - I don't have any debt	Car finance	House bond
Credit card	Loans I owe to family / friends/other people	None of these - I don't have any debt	House bond	Personal loans from the bank	None of these - I don't have any debt
Personal loans from the bank	House bond	Personal loans from the bank	Personal loans from the bank	None of these - I don't have any debt	Monthly overdraft
Car finance	Buy on layby/ buy now and pay monthly	Buy on layby/ buy now and pay monthly	Buy on layby/ buy now and pay monthly	Monthly overdraft	Personal loans from the bank
House bond	Car finance	Loans I owe to family / friends/other people	Monthly overdraft	Buy on layby/ buy now and pay monthly	Buy on layby/ buy now and pay monthly
Monthly overdraft	Monthly overdraft	House bond	Loans I owe to family / friends/other people	Loans I owe to family / friends/other people	Loans I owe to family / friends/other people



## The understanding of debt and the role it plays is layered

In addition to financial concerns, there are other social and emotional impacts to deal with.

### > Debt to achieve desired lifestyle (↑ Private Banking/Middle and Emerging)

- For some, loans for homes and cars are seen as strategic investments that preserve savings and help build a positive credit score
- Using the bank's money instead of depleting their own offers financial flexibility
- Manageable monthly payments make these loans feel like planned commitments rather than debt

### > Debt to survive (↑ Emerging Banking)

- For Entry segment, there is reliance on credit to survive – it is less about creating future wealth and more about meeting basic needs
- There is a constant juggling and prioritising what needs to be paid versus what can be skipped for a month or two – mentally exhausting

## In their own words

Escalating costs can be a contributing factor across – may not lead directly to debt but does impact disposable income and ability to save.

'You see and you don't sleep thinking that the month is coming to an end and 1, 2, 3 has to be paid.'

(under-60s/O/EB/JHB)

'Because things keep going up, it's like debt. All these hidden costs. You can't control it.'

(under-60s/O/EB/JHB)

## Debt management

A pragmatic approach to managing debt is taken but its impact is emotionally experienced. Different approaches are used depending on income capacity, levels of discipline and priorities.



### Save before you spend

- Use cash where possible (Middle and Emerging/Private Banking)
- Avoid having store accounts (Middle and Emerging)



### Stick to a budget

- Avoid the temptation to spend on credit - especially online shopping (under-60s/Private Banking)
- Make sacrifices - cut back on entertainment and non-essential spending 'You can't braai every weekend like you used to' (Over-60s/Middle and Emerging/CT)
- Don't spend above your means
- Don't miss payments
- Multiple income stream / side hustle to help cover costs
- Use credit card responsibly - used to earn rewards but pay it up at the end of each month (Private Banking)



### Prioritise payments

- 'Rob Peter to pay Paul' mentality - necessary as not able to pay everything
- But this is a recurring cycle that never ends - it's not a sustainable solution



### Pay off debt before retirement

- Pay off and close store accounts
- Purchase vehicles and settle payments while still employed
- Make extra payments on your home loan to pay it off earlier
- Avoid taking on any new debt in retirement

Despite having practical plans in place, for some, debt is unavoidable, and it is a deterrent to saving for retirement. For some already retired, they still have debt to cover and this adds pressure, anxiety and affects standard of living.

Now that we've determined how confident the market is with regards to retirement, we note the market's interaction with products, to see what the market prioritises and their sentiments around these products.

## 2. Funeral cover

### The value attributed to the product

- > Financial burden to family**  
Funeral cover ensures that the family is not left with the financial burden of burial expenses after your passing. The high cost of funerals and cultural expectations lead people to perceive funeral cover as a necessity.
- > Clear benefits that applies to everyone**  
Using funeral cover is seen as inevitable—everyone will eventually pass away, and it could happen at any time.
- > Seen as a need**  
While life cover provides a financial boost and advantage for the family, funeral cover is viewed as a need.





### Helps with unexpected costs

It ensures that loved ones are not left struggling with the unexpected costs of a funeral, acknowledging that many families may not have the money readily available.



### Peace of mind

Funeral cover also provides peace of mind, guaranteeing a respectable burial that reflects well on both them and their family and meets their cultural expectations. However, it is not necessarily seen as part of retirement planning, as death can happen at any time, making it essential to have the funds to cover funeral costs regardless of life stage.

## In their own words

'When my father in law passed away about a year and a half ago it was about R50 000. That's why I say 50, you need it. How are you going to quickly get 50K, especially for your dependants?'

(46-59/PB/CPT)



### Clear and personal benefit

Funeral cover also offers a clearer and more personal benefit. Funeral cover feels more real and tangible because many people have direct experience with death and funerals.

Attending or arranging funerals for family gives consumers a direct touchpoint. Seeing how a funeral is managed, experiencing trusted brands, or witnessing a well-run service helps clarify what you'll receive.

Funeral cover is also more likely to be talked about, as people share positive experiences or encounter ads at services, reinforcing its value. How people manage their funeral cover reflects this desire for personal connection.

Many prefer direct interaction, speaking to real people or making manual payments to build trust that their policy will deliver, even after they've passed.

## Other benefits related to funeral cover include

### Current benefits

#### **Comprehensive coverage**

Funeral cover is often included as part of other insurance policies, such as death and disability, providing added value.

#### **Accidental death benefit**

Provides a higher payout for accidental deaths, ensuring extra financial support in unexpected situations.

#### **Funeral benefit payout**

Some life policies include a funeral benefit, offering quick payouts (e.g. R50 000 within 24 hours) without diminishing the policy's value.

#### **Cashback and additional perks**

Policies may offer cashback every five years, which can be reinvested into unit trusts, providing financial flexibility and support for emergency costs.

#### **Extended family support**

Funeral cover can extend to cover the costs for extended family members, ensuring comprehensive protection for loved ones.



## Desired benefits

### **School fees coverage**

Financial support for children or spouse, covering school fees for up to six months or more.

### **Extended food benefit**

Cover funeral-related food expenses, including catering and groceries.

### **Assistance with paperwork**

Help with death-related paperwork, easing the burden on families.

### **Accredited vendor partnerships**

Access to trusted funeral service providers for a smoother process.

### **Counselling services**

Provide bereavement counselling to support family members emotionally.

### **Travel allowance**

Cover transportation costs related to funeral arrangements.

### **Paid-up option**

Allow cessation of payments after a certain age or number of years, while keeping benefits.

### **Bundle options**





Combine life and funeral cover for a single payment and multiple benefits.

## Concerns around funeral cover

There are however, many concerns around funeral cover, this is true especially for those over-60. There is scepticism about the benefits of funeral cover, with concerns about affordability, perceived value, and the potential misuse of payouts.

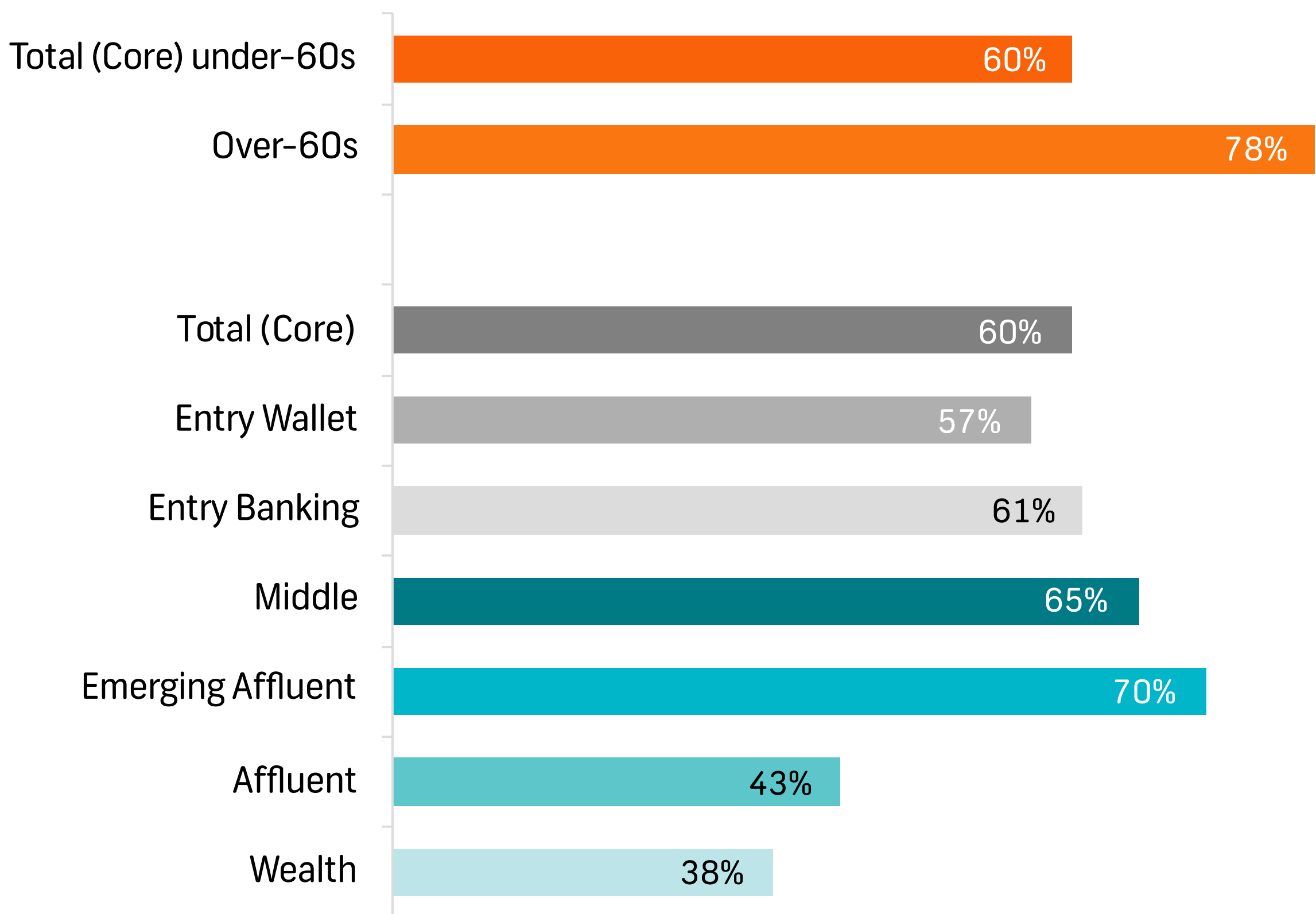
An option for some is to invest their money rather than paying for cover.

### Some reasons include

-  **Admin**  
Perceived effort? Not having gotten around to getting cover.
-  **Children can pay for it**  
'No, kids can pay because they're going to get enough.' (46-59/PB/CPT)
-  **Affordability**  
Questioning the value when premiums increase every year, but cover remains static—believe they could get a better return by investing the money.
-  **Misuse of cash payout**  
Concerns that the cash given may be abused and not used for its intended purpose

The over-60s have a higher likelihood of owning funeral cover, inline with their demographic. Key motivators for the older segment is to ease the financial burden, ensure a dignified funeral for loved ones and also the flexibility with premiums are an added advantage for the older segment. The under-60s primary motivator beyond financial and dignified funerals is to plan ahead and allow for peace of mind.

## Funeral cover penetration

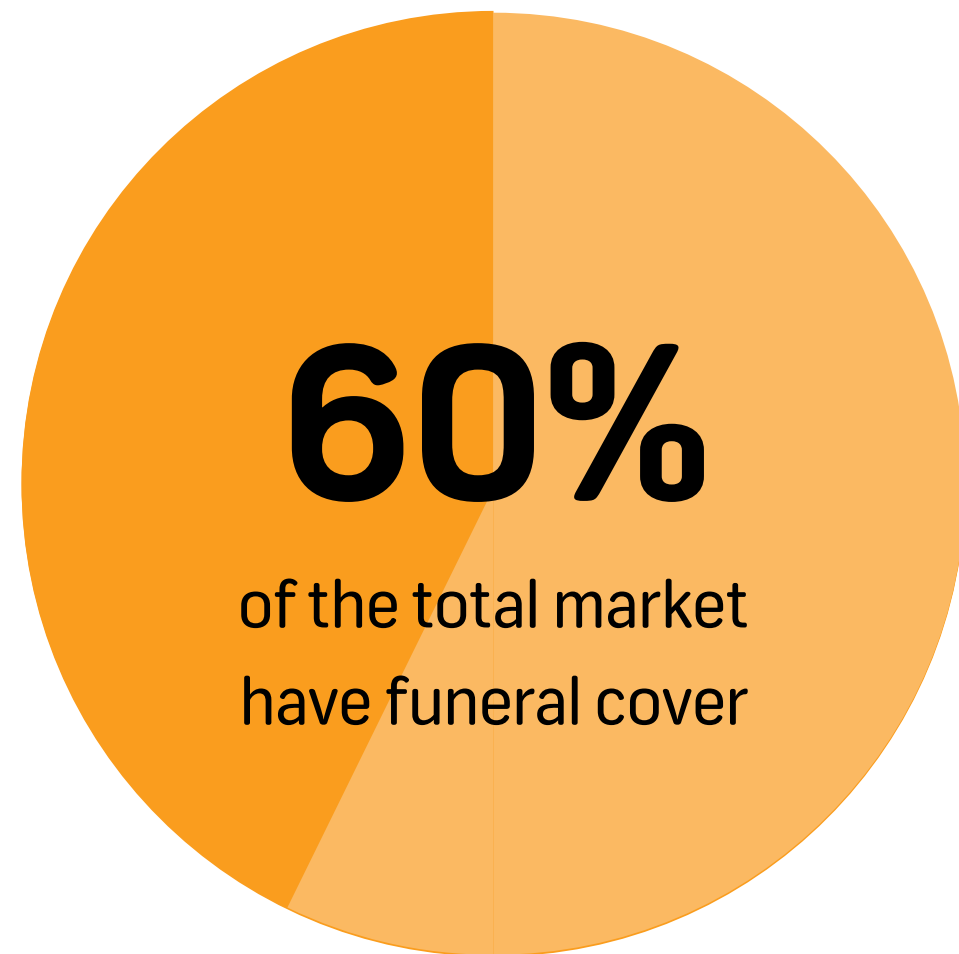
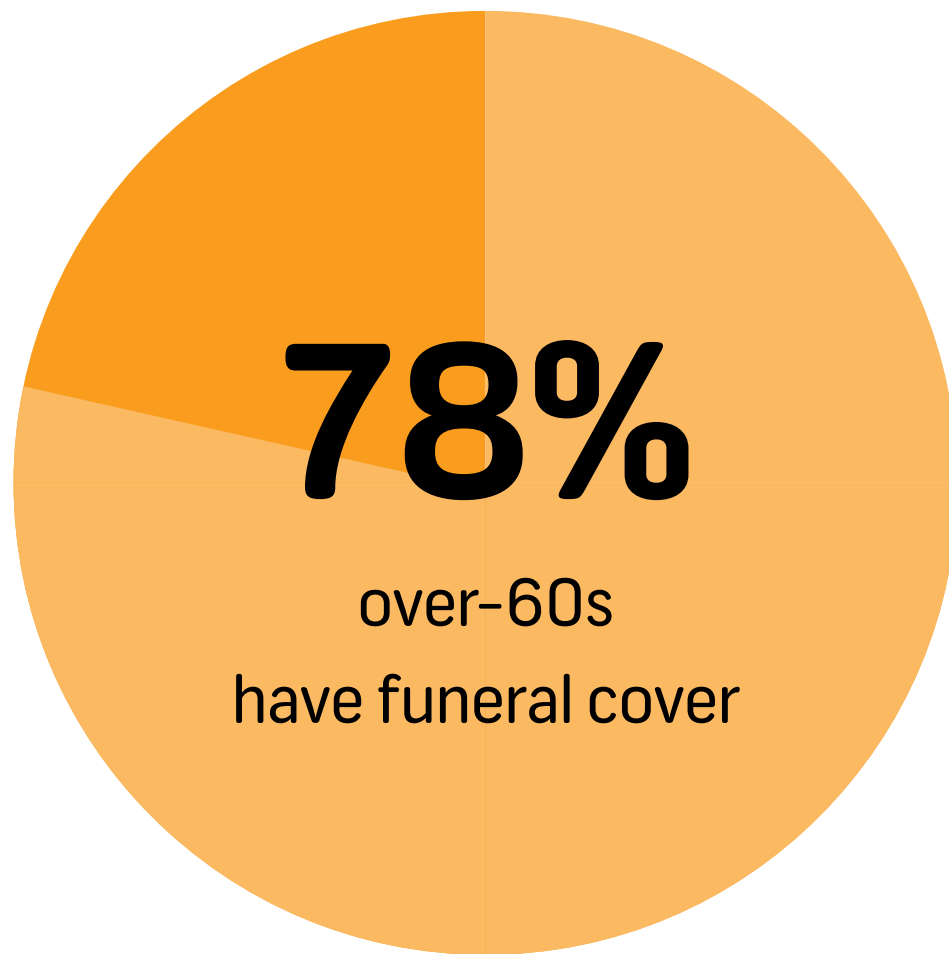


## Reasons for taking out funeral cover

	Under 60's	Over 60's
	2025 n=465	2025 n=236
Ease the financial burden on my family	61%	75%
Ensure dignified funeral for loved ones	59%	47%
Plan ahead for unexpected expenses	53%	41%
Provides peace of mind	55%	44%
Provide quick access to funds when needed	21%	16%
Because it is affordable	35%	19%
Leave a legacy or financial support for family	13%	16%
Comply with cultural or family expectations	44%	42%
Recommended by family or friends	20%	16%
Because premiums are flexible	54%	49%
Part of my employee benefits	21%	8%

■ Top 3 scoring statements per segment

## Key findings



Top reason for under- (61%) and over-60s (75%) is to ease the financial burden on family. Interestingly, the Wealth segment note a lower uptake of funeral products – this is likely to have been taken care of in the estate planning and administration. Entry Wallet also note a low uptake primarily due to affordability. Accessibility to funds is a key driver for the middle income segments, with peace of mind for the higher income segments.

The older segment of the market (55 to 60) have higher funeral product penetration – again a trend probably linked to affordability.



## 2025 research findings

The high cost of funerals and cultural expectations lead people to perceive funeral cover as a necessity.

'I took a funeral policy in 1995 for R75 for R10 000 cover. The price has increased to R325 last year, but cover is still R10 000. It made me think it might have been better to invest the money'

(Over 60s/PB/JHB)

Key motivators for the over-60s is to ease the financial burden, ensure a dignified funeral for loved ones and also the flexibility with premiums are an added advantage for the older segment.



### Over-60s

Have a higher likelihood of owning funeral cover, in line with their demographic.



### Under-60s

Primary motivator beyond financial and dignified funerals is to plan ahead and allow for peace of mind.

**75%**

of over-60s believe funeral cover will minimise the financial burden on family

Overall, a funeral policy is not just financial but provides certainty, peace of mind and a dignified burial (average stats).

### Over-60s with funeral cover

**78%**

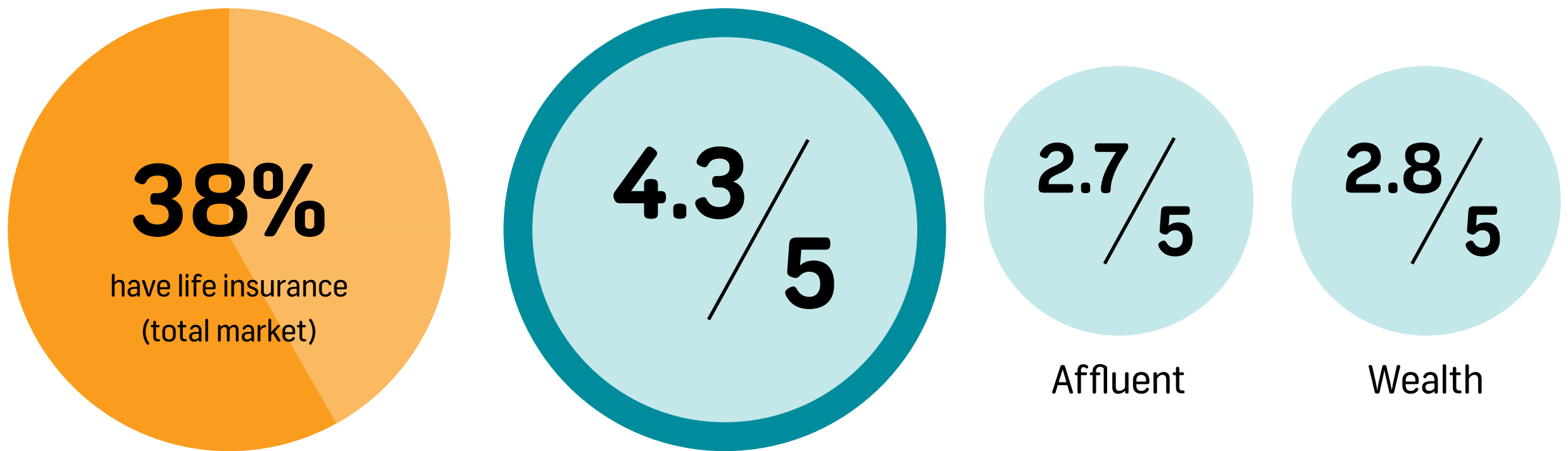
### Of all respondents have funeral cover

**60%**

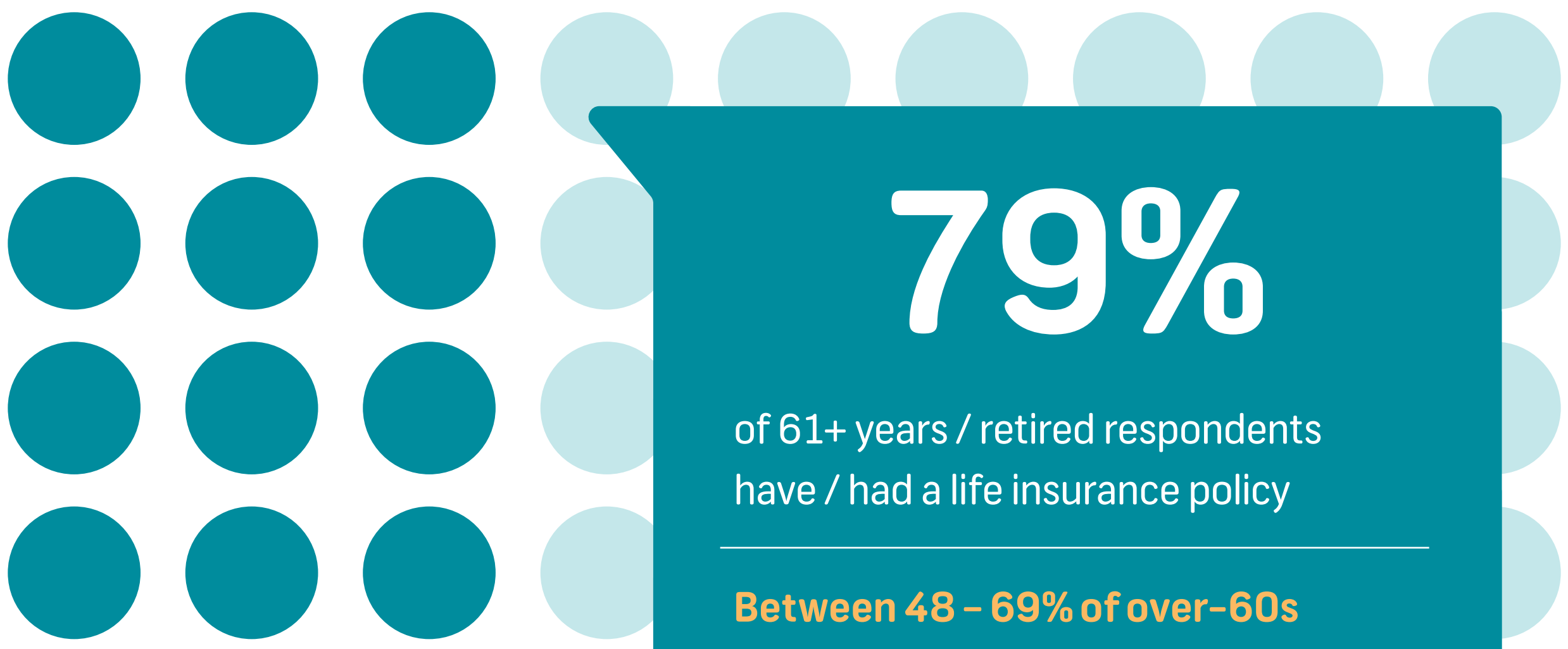
Across all segments, using life insurance to leave an inheritance for beneficiaries receives the highest average rating, indicating it's a notable motivator.

The anticipation of scaling down or cancelling life insurance policies is not preferred.

Most believe it is importance to leave an inheritance (4.3 score). At a segment level, Affluent and Wealth show higher prioritisation to think about scaling down or cancelling their life insurance (2.7 and 2.8 score).



The majority of those who had a life policy kept it as is across segments, with intentions of leaving an inheritance and financial security for beneficiaries and family members. This aligns with the stated intentions of pre-retirees.



**79%**

of 61+ years / retired respondents have / had a life insurance policy

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**Between 48 – 69% of over-60s kept their life insurance**

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**12%** of Emerging Affluent adjusted the policy at retirement

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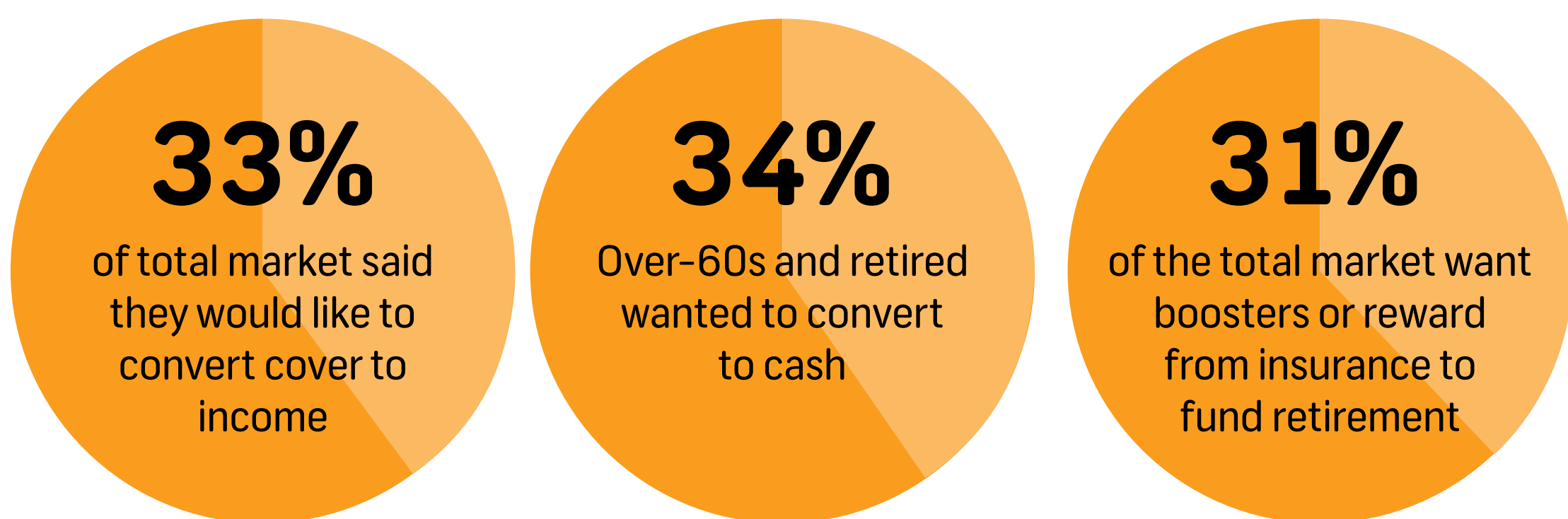
**16%** of Entry Banking cancelled the policy at retirement

Primary intentions for keeping life insurance was to leave an inheritance for family or beneficiaries and to provide financial security for a spouse or dependents across segments.

The appeal of earlier rewards is clear: consumers are drawn to the idea of benefiting from their policies sooner rather than later. The perception that they are ‘not getting anything from it now,’ coupled with the ongoing financial burden of premiums as children age, contributes to this preference.

But the preference exists for converting retirement funds to an income or savings, reflecting consumers’ desire to personally benefit from their funds rather solely providing for beneficiaries and to possibly provide a buffer/ cushion during retirement, where in most instances, the funds aren’t enough.

**‘Life cover should be enjoyed by those that are still alive.’**





### Attitudinal shifts between age groups


For those under-60, especially with young children, life insurance is crucial. A sudden death at this stage would create challenges for their loved ones. Life insurance is seen as a way to support their families, ensuring they have some financial stability after they are gone.

For those over-60, attitudes toward life insurance are mixed. As people age and their families become independent, it often feels less essential. While they’d like to support their family, they see less direct benefit for themselves and worry the money could be wasted after they’re gone.

### I don’t have life insurance because

- 

I don’t know enough about it
- 

I don’t see the benefit to me
- 

I don’t trust insurance

# 3. Wills and Estate planning

While many consumers recognise that death can happen at any time and emphasise the importance of life insurance and funeral cover, they still do not have a Will. Wills are not a priority for many. Those with higher incomes are more likely to have one due to their assets. Even though people understand the risks of not having a Will, they often lack the motivation to create one.

## Value attributed to the product

- For those with a Will, it is key in preventing conflict and uncertainty after death
- A Will provides clear instructions on assets, preventing confusion or disputes after death
- Many have seen firsthand the difficulties that arise when a loved one passes without a Will and want to avoid the same for their own families
- A Will provides financial security for the family by ensuring assets are distributed as intended and preventing illegitimate claims on their property
- For those with children, a Will also ensures they can control when their kids receive their inheritance, allowing access only when they are mature enough to handle it responsibly
- Importantly, there is very little understanding of the tax implications of not having a Will (Govt. taking assets)

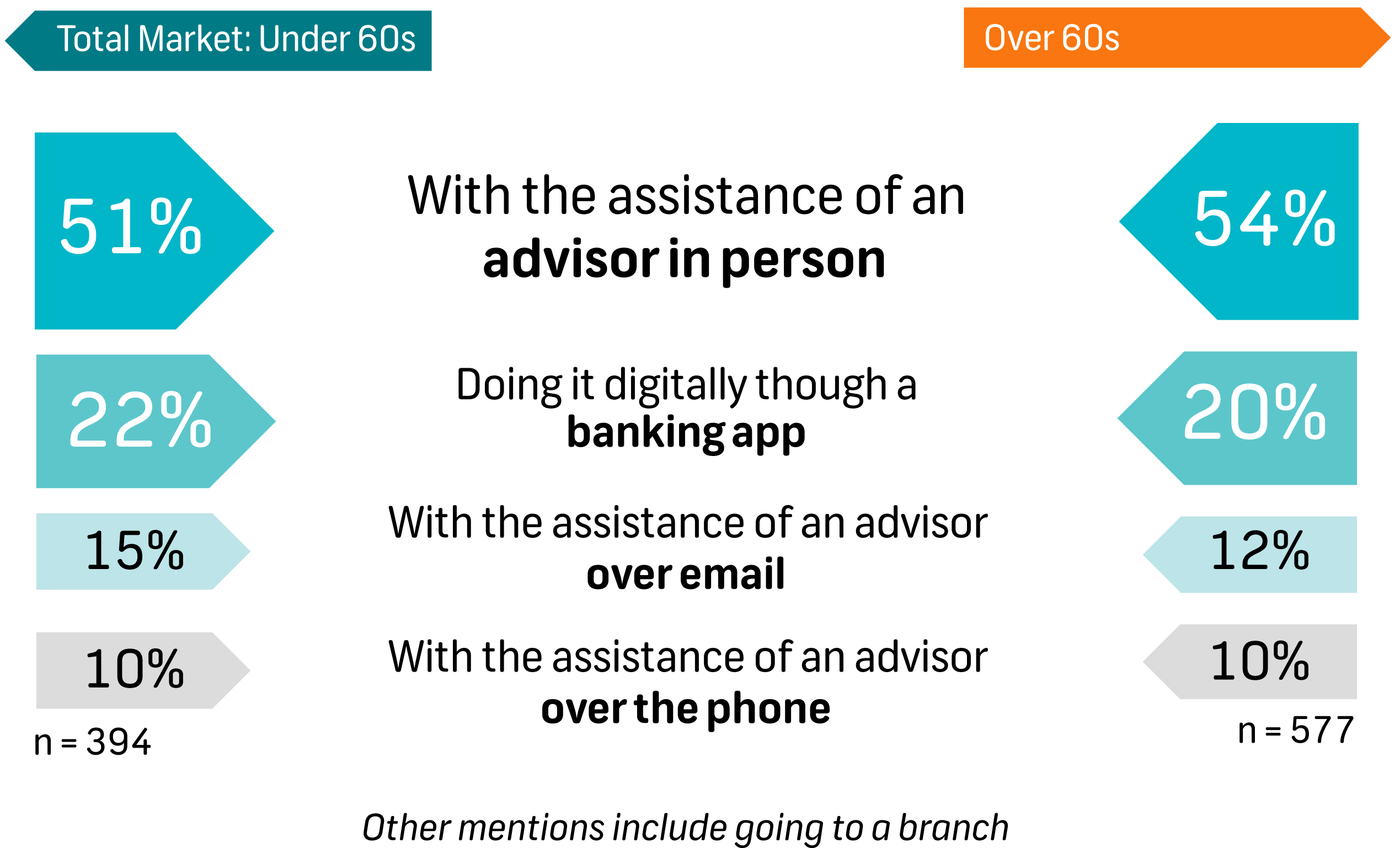


**Even those without a Will recognise its benefits, yet they still haven't put one in place.**

## Preferences in drafting a Will

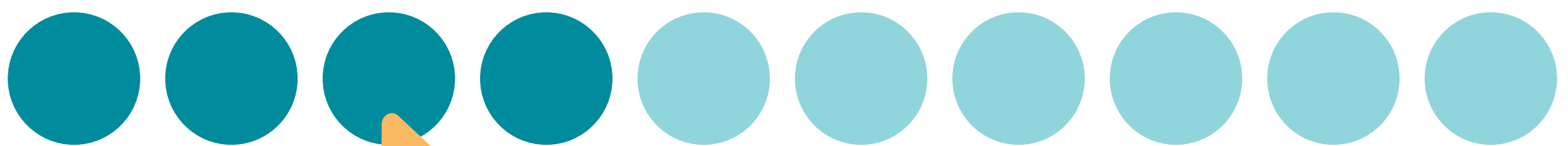
When asked about the method of drafting a Will, the majority are not comfortable with creating a Will online and prefer handling it face-to-face. They feel it is too personal and prefer dealing with someone in person when making decisions about their Will. Additionally, it feels less secure to them, as they worry it could be more susceptible to manipulation or unwanted edits. While they do want access to information online, they don't want to complete the entire process in this way. However, some are comfortable with managing their Will online if they already handle their finances and purchases digitally.

Quantitatively, this is supported with more than half of consumers preferring personal assistance with this process, regardless of age.



## Low uptake of Wills

Only four in ten people have a signed Will and third of the market hasn't even considered drafting one. This low rate is primary driven by Entry consumers, as the majority of middle-market consumers have already established a Will.



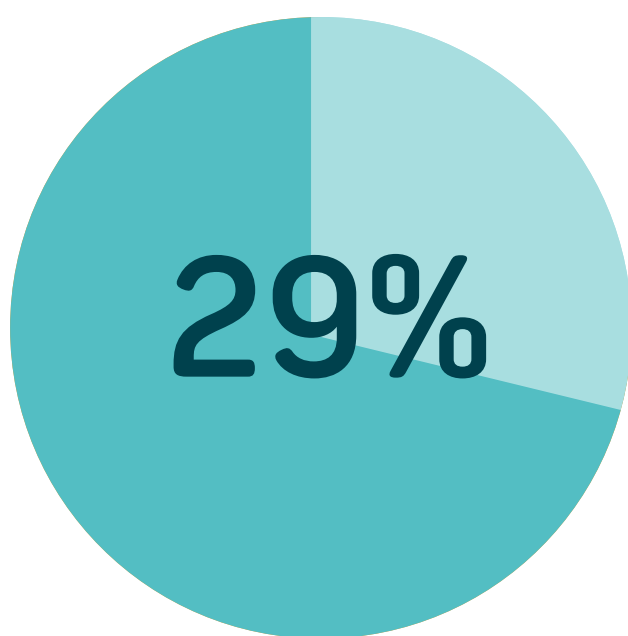
**4 out of 10**

people have a signed Will,  
a third haven't even considered  
drafting one.

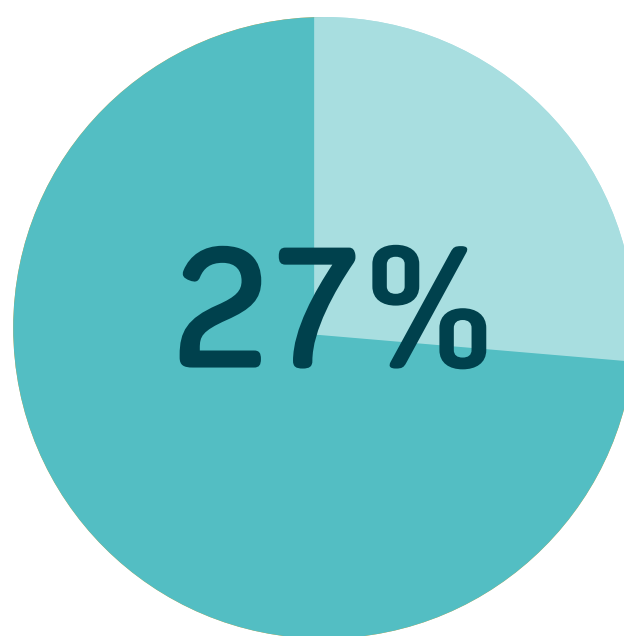


## What is keeping you from signing the Will?

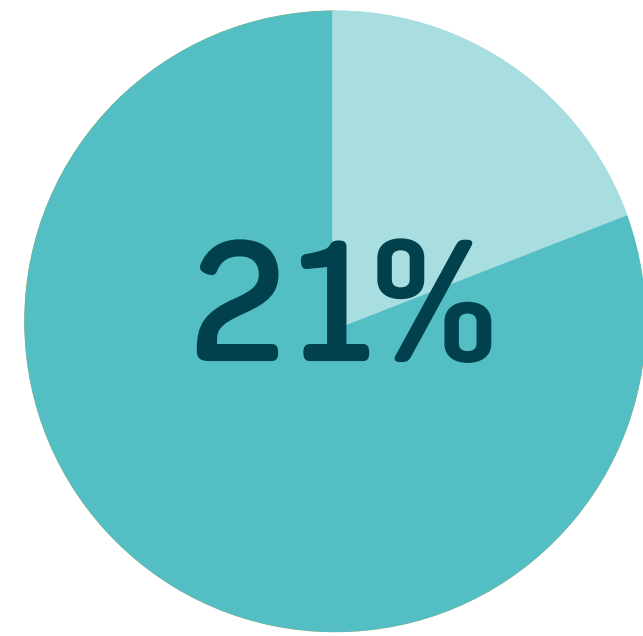
### Total market



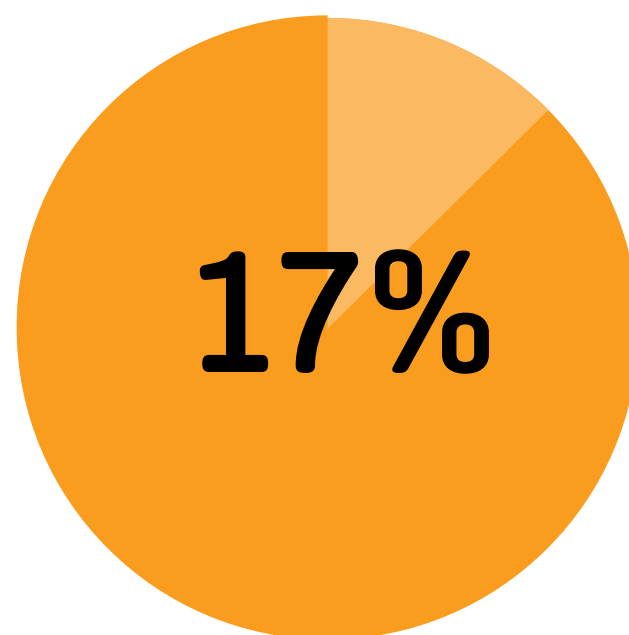
I haven't had the time and don't see the urgency right now



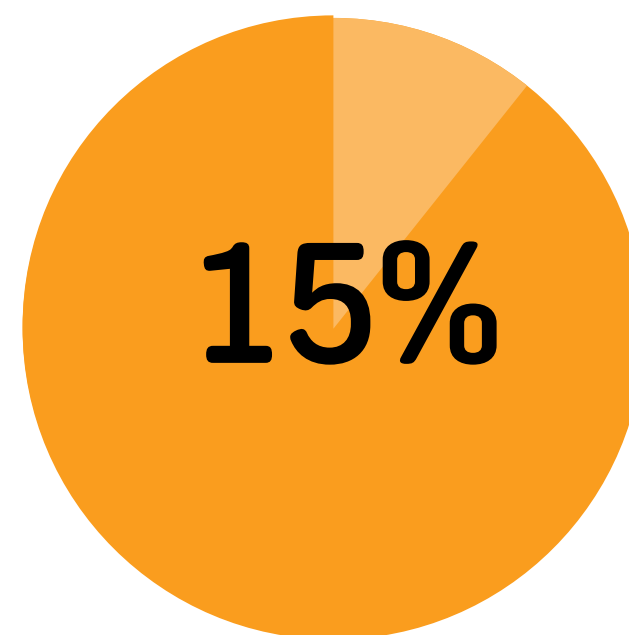
I still need to discuss it with my family



It is only for those that are wealthy



I am uncertain about who should inherit my assets

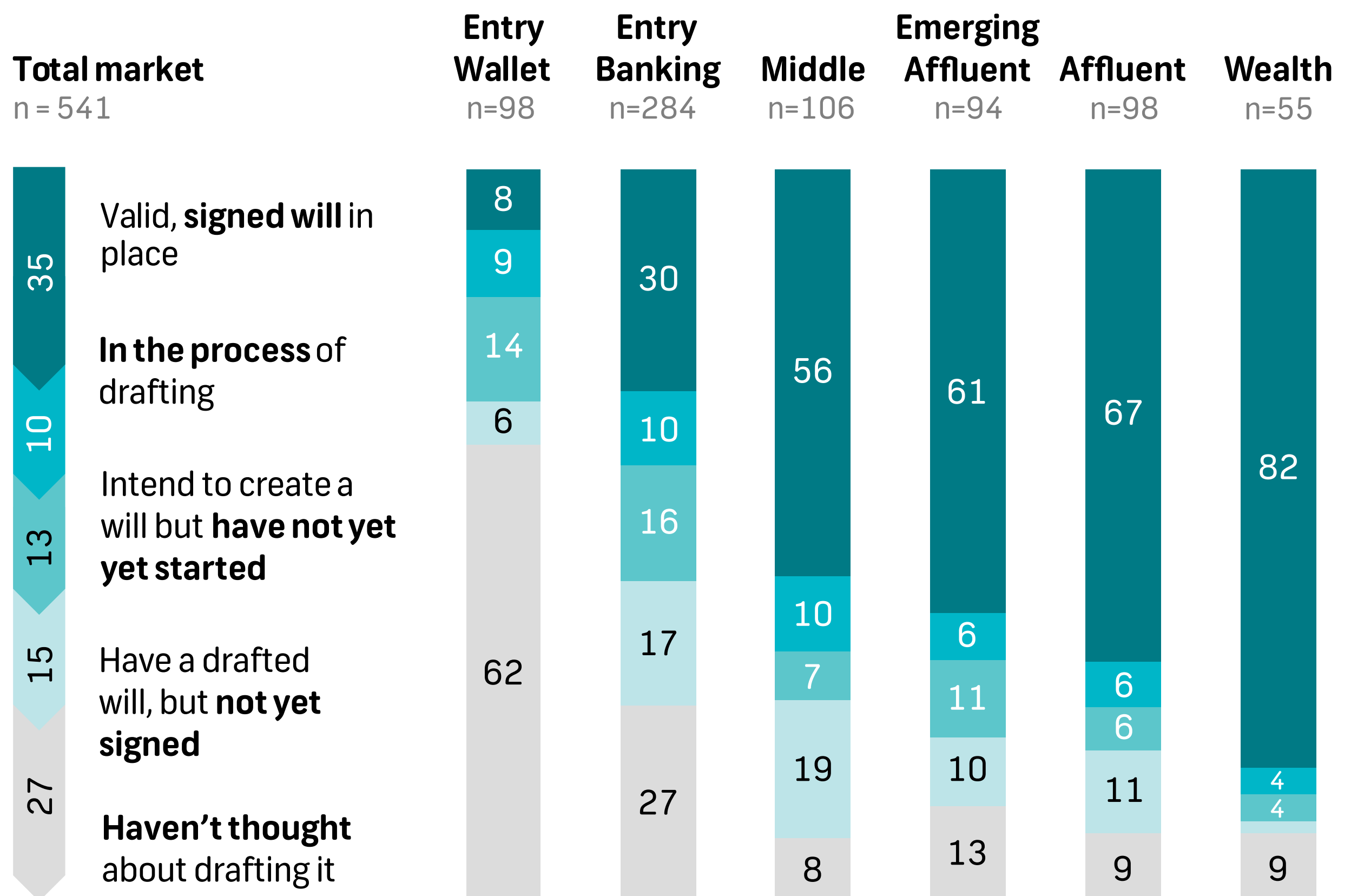


The process of creating a Will seem complex and time-consuming

Similar reasons are seen across consumer segment, except for

- Entry Wallet and Affluent segments share a similar view that will creation is primarily for the wealthy (those aged 55-60)
- The perception of complexity is more prevalent among those that are younger (18-35). This could be due to a lack of knowledge or feeling that it's something to worry about later in life

## Will status



## What is keeping you from signing the Wil?

### Total market

### Segment nuance

- I haven't had the time and don't see the urgency right now (29%)
- I still need to discuss it with my family (27%)
- It is only for those that are wealthy (21%)
- I am uncertain about who should inherit my assets (17%)
- The process of creating a Will seem complex and time-consuming (15%)

#### Similar reasons are seen across consumer segment, except for

- EntryWallet and Affluent segments share a similar view that Will creation is primarily for the wealthy (those aged 55 to 60)
- Younger people (18 to 35) are more likely to see it as complicated, possibly because they don't know much about it or think it's something to worry about later

Even among working individuals over-60, a large number have not considered drafting a Will, often due to the misconception that it's only necessary for the wealthy. Another contributing factor is the desire to first discuss it with their family.

## For those without a Will, respondents cite several reasons for not having one

- > 'I don't think I need one'**

I don't have any major assets to bequeath anyone. I have informed my family where I want my assets to go. Don't need a document to tell them. I have beneficiaries identified on my investments and policies already. I don't have any dependents to leave my assets to.
- > 'I don't know enough about them'**

I don't really know enough about Wills and the process of drafting one. Need more education e.g. Free Wills Week. I don't know the specific details of my own estate, and the process of drafting a Will feels overwhelming.
- > 'It costs money and takes effort'**

It can be too expensive, requires lawyers fee, bank charges etc. Seen as something for rich people - not really for me. It feels like a lot of effort—having to go through multiple channels and gather so much information can be overwhelming and daunting.
- > 'I haven't really thought about it'**

Haven't really thought about what would happen to my assets after death I just haven't got around to creating my Will, despite people telling me it's important.

## In their own words

'I actually don't know. I don't know. Maybe I didn't think of dying. I mean that's an interesting question. I don't know. I just never got there.'

(30-45/M&E/KZN)





'I don't have a Will. That's actually one thing my finance guy told me and I need to sort it out.'

(46-59/PB/CPT))



## The role of the executor

When asked about who they would appoint as an Executor, many struggle to understand their responsibilities or know who to choose. Trust is a key factor when selecting an executor, as they will be responsible for managing the estate and ensuring that your wishes are carried out.

	Pro's	Con's
<b>The bank</b> 	<p>Helps prevent family disputes over who is named as the executor. More cost effective than a lawyer. Trusted to keep documents secure and ensure they are stored safely.</p>	<p>Others less trusting of the bank, see them as just after your money. But would consider the bank if they offered lower rates.</p>
<b>Broker or financial advisor</b> 	<p>Make the process easy and convenient, taking care of everything for you. Already controlling my other assets so it makes it easier to consolidate.</p>	<p>Not everyone can afford to see a financial advisor.</p>
<b>Lawyers</b> 	<p>They feel legitimate because they are experts in law and inheritance. May have a lawyer in the family that can help.</p>	<p>More expensive.</p>
<b>Family member – child, spouse, sibling</b> 	<p>Can trust a family member to understand your interest and execute your wishes. A spouse can be trusted to control the assets in the best interest of the children until they are old enough to take over the funds. If there's only one child, it seems logical for them to inherit everything and take charge.</p>	<p>It can place a burden on that family member, as they would have to handle a lot of admin, stress and deal with potential family drama.</p>

Despite some qualitative indications of confusion regarding the executor’s role, quantitatively, preference for family members or friends as executors highlights the importance of trust and personal connection in this decision. Banks are next best solution.

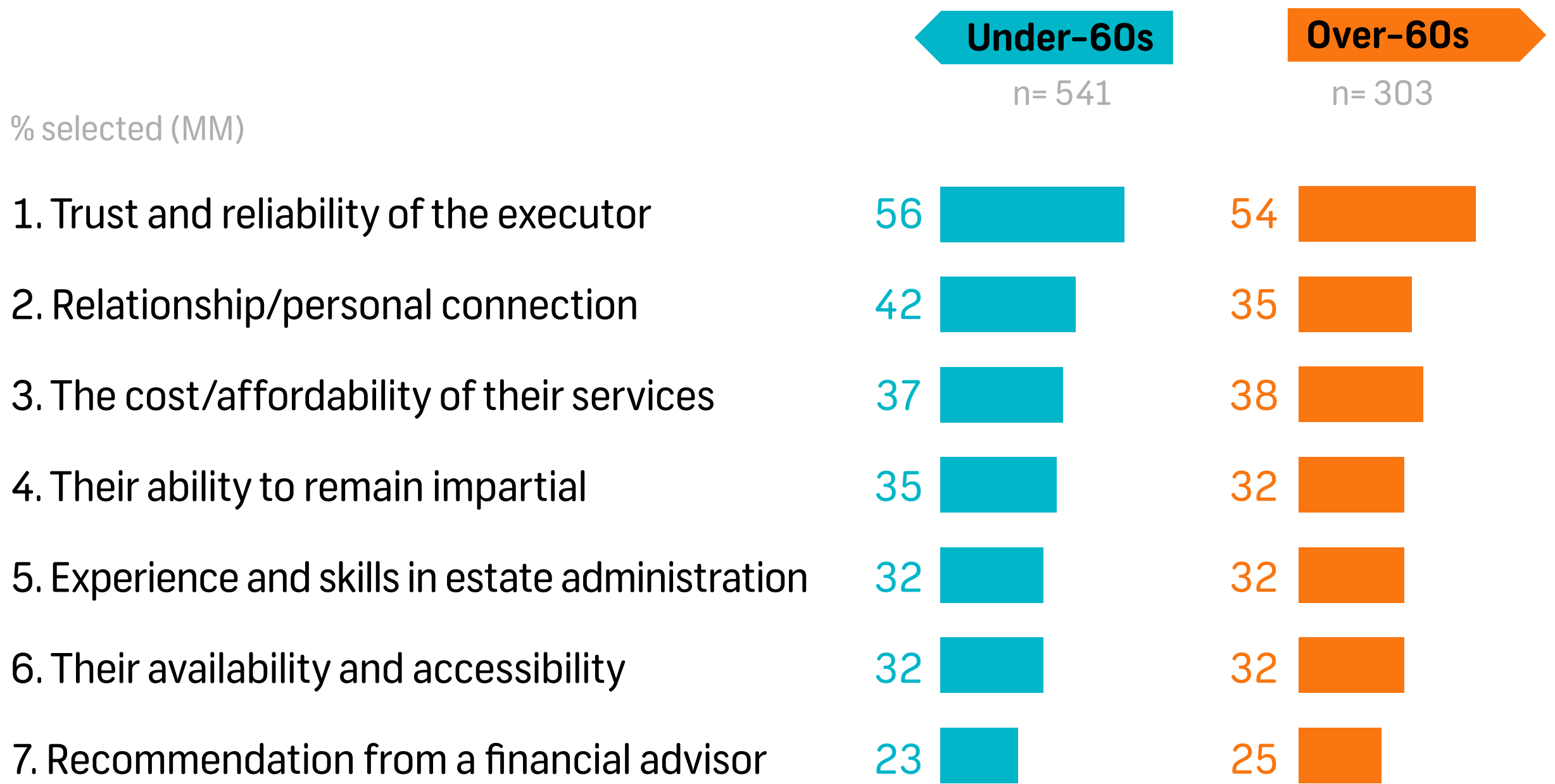
**The top three estate executors remain consistent across the market**

Top nominations for executor of Will  
Life insurance company or accountant are least preferred



While impartiality ranks fourth in importance overall, it is less of a priority for the Entry Market consumers compared to other segments. Private segment consumers, on the other hand, place a higher value on experience and skills, ranking them second, thus, they are more focused on technical competence.

**What is important when selecting an executor?**

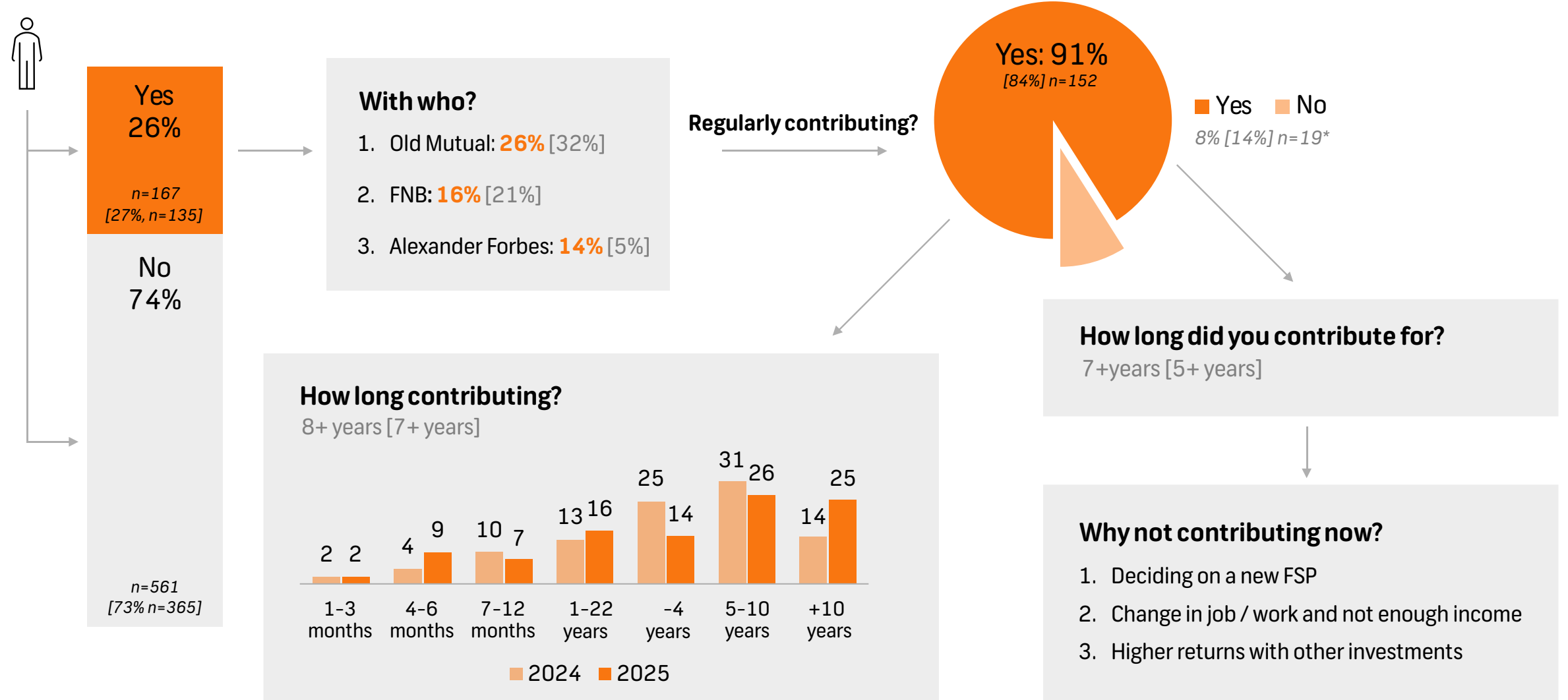


# 4. Retirement annuities

Just 1 in 4 consumers have a retirement annuity, but those who do have one are contributing to it regularly and have been for 8 years on average.

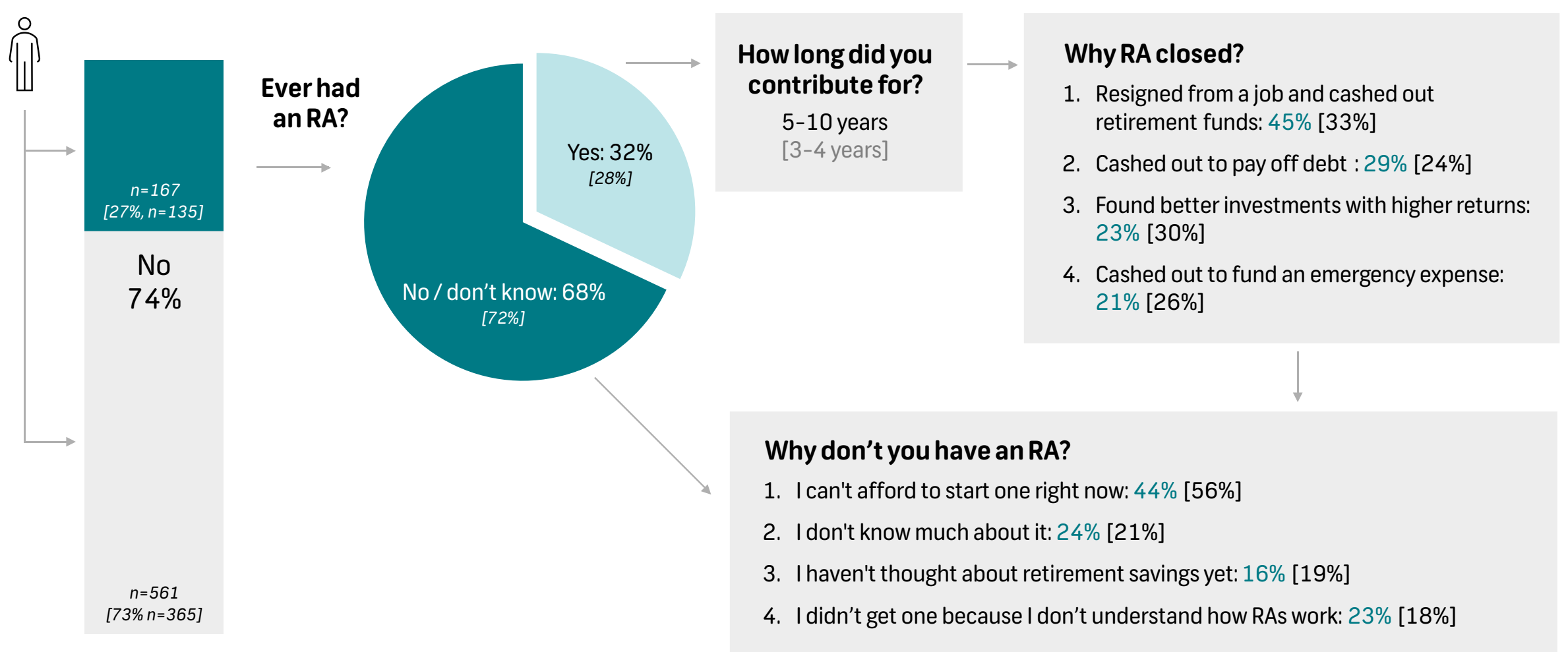
## Holds a retirement annuity

Total market under-60s  
2024



## Holds a retirement annuity

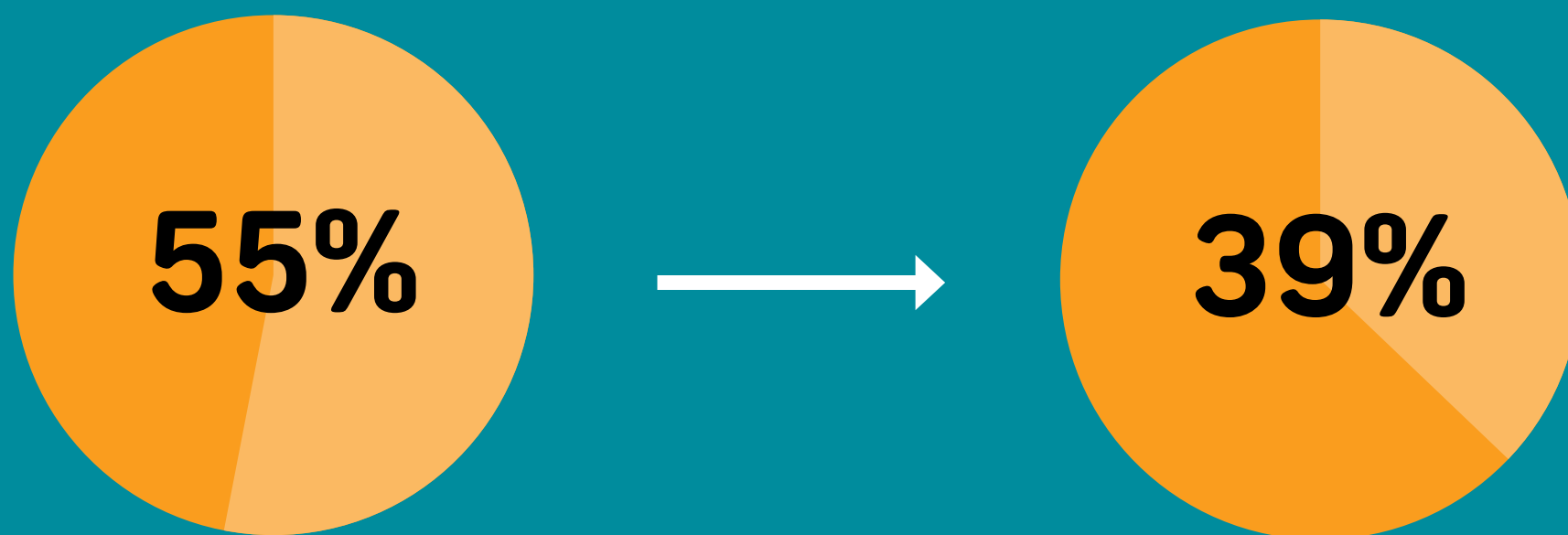
Total market under-60s



A clear income-based disparity exists in having a retirement annuity with affluent consumers (Emerging Affluent and above) not only showing higher adoption rates but also longer average product tenure.

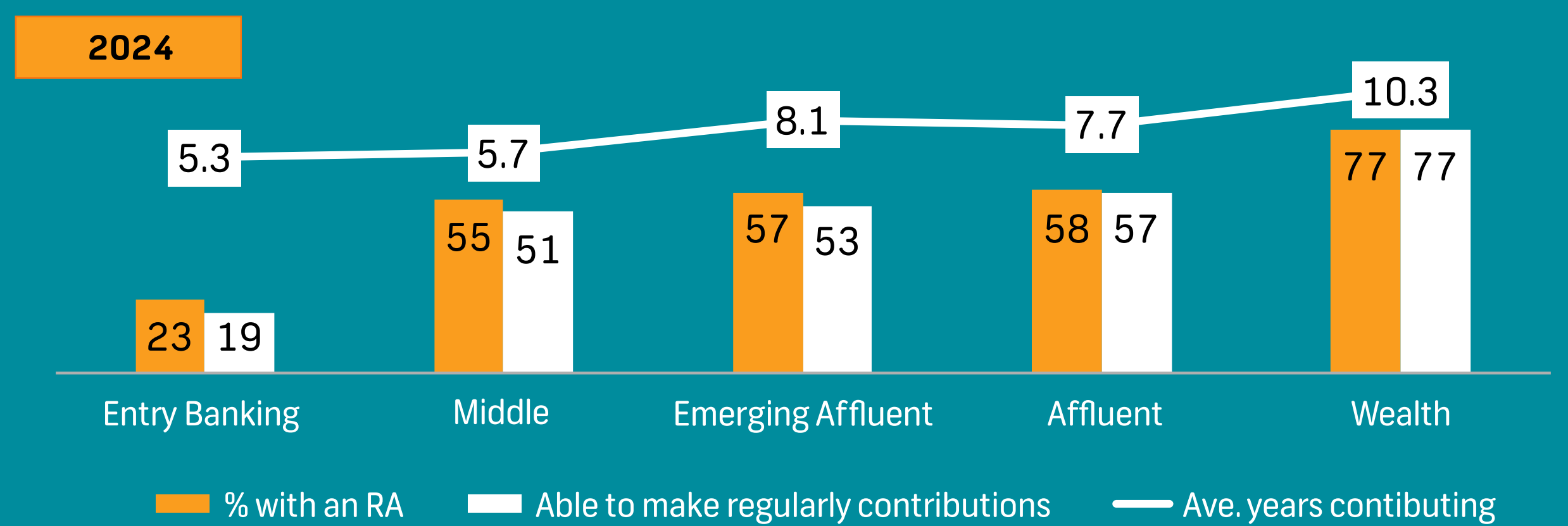
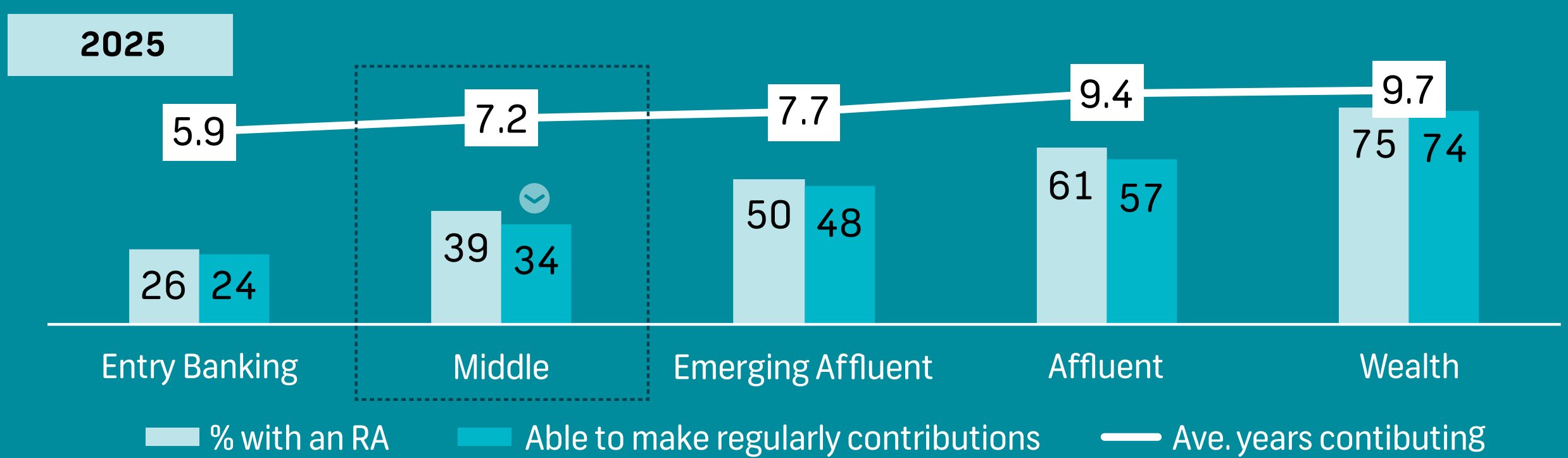
The Middle segment demonstrates a notable decline in both retirement annuity ownership and consistent contributions, despite an observed upward trend in contribution duration.

All data points remain unchanged from 2024, except for Middle, where retirement annuity usage decreased from 55% to 39%.



We see a trend indicating that the Middle feels less confident in their ability to save enough and stay on track with their plan. The decision to forgo an retirement annuity is driven by the need to repay debt and to have funds available for unforeseen emergencies.

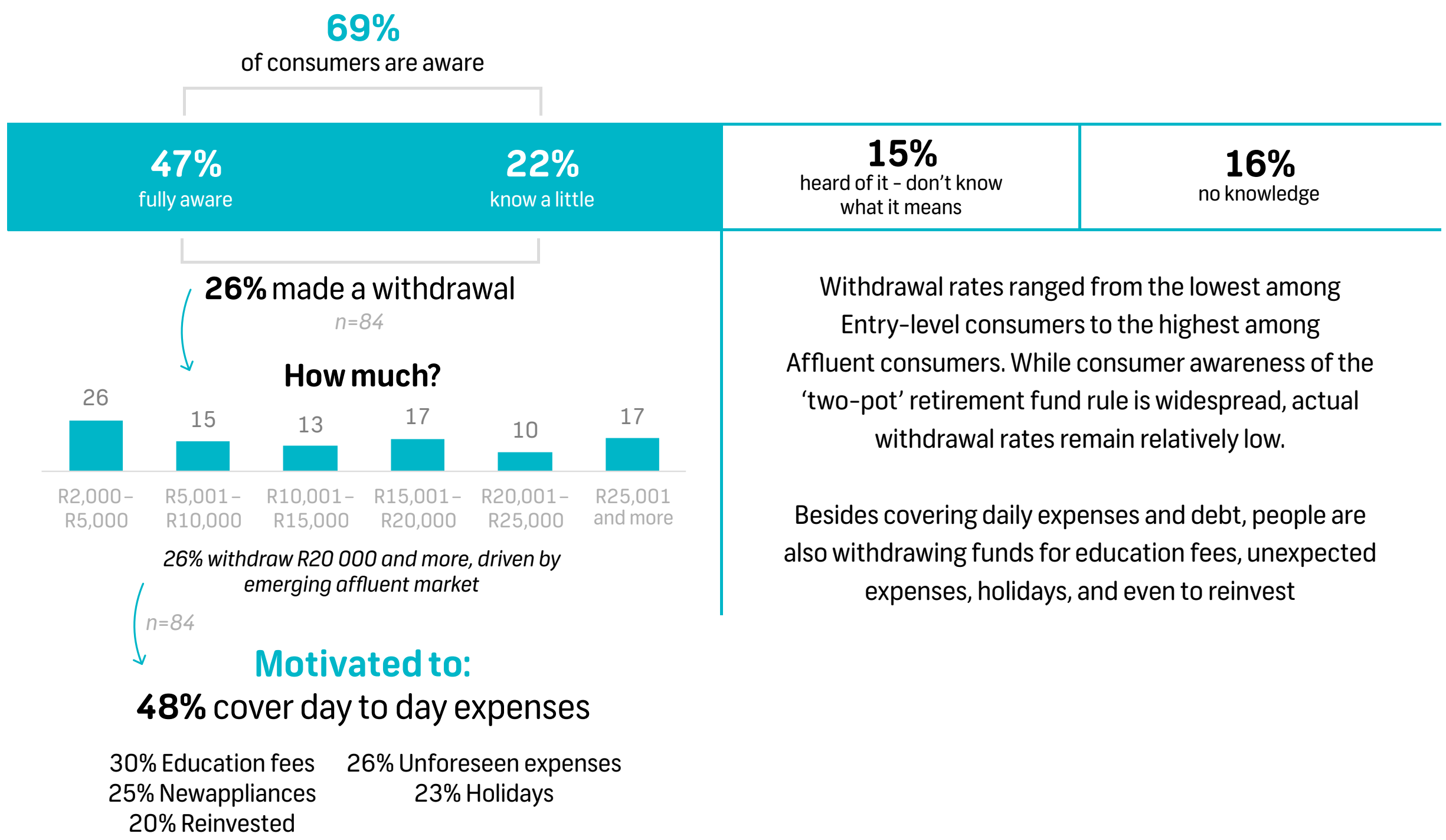
In the limited instances when Entry Banking does have a retirement annuity, they are the least able to make regular contributions. Entry Wallet excluded due to limited base.



B4. Please indicate which of these products and services you currently have? NQ3A. Are you currently making regular, monthly contributions to your Retirement Annuity product? NQ4A. For approximately how long have you been regularly contributing to you Retirement Annuity?

# 5. Two-pot

Consumers (Total market) are generally aware of the ‘two-pot’ rule applied to retirement funds. However, our findings indicate that less than one-third of consumers made a withdrawal, with the primary motivations of those that did being to cover daily expenses and manage debt.



## Under-60s

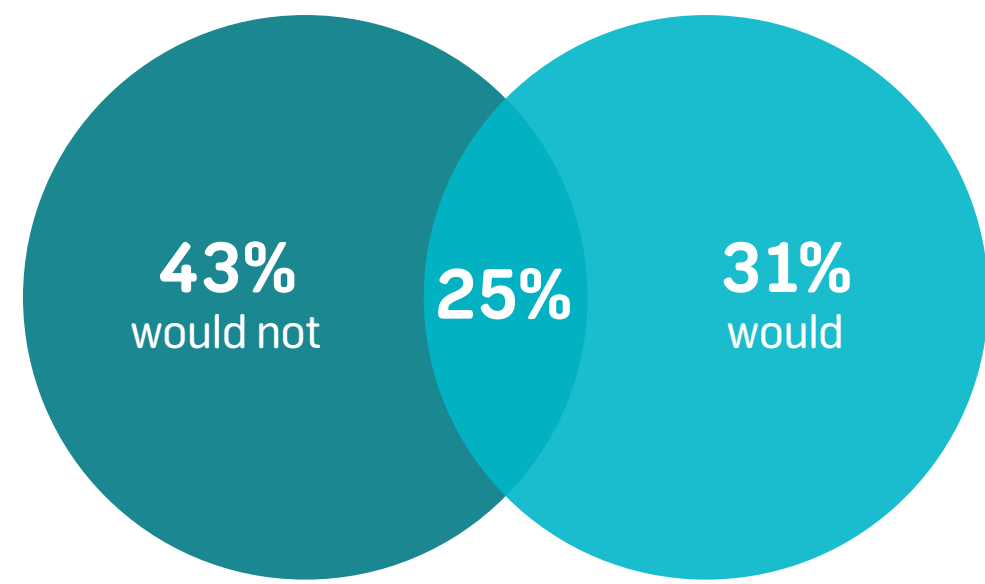
Looking ahead, out of the 74% of consumers who didn't withdraw anything, 43% said they wouldn't in the future either.

The likelihood of future withdrawals was notably higher among Entry Wallet and Entry Banking consumers, while Emerging Affluent and Wealth consumers demonstrated a lower inclination to withdraw.



### What about withdrawing in the future?

Of the 74% of consumers that did not make a withdrawal



	Entry Wallet & Banking n = 129	Middle n=56	Affluent n=49	Affluent & Wealth n=103
Would	38	20	20	19
Would not	36	50	65	51

### Over-60s

The Affluent segment shows greater awareness of the ‘two-pot’ rule compared to any other market segment, whereas Entry-level consumers demonstrate a lack of knowledge. Despite this disparity in awareness, overall withdrawal rates remain consistent at about 30% across the market. Debt repayment stands as the primary motivator for potential future withdrawals.

Awareness of two pot rule	Entry Wallet n=39	Entry Banking n=117	Middle n=37	Emerging Affluent n=40	Affluent n=40	Wealth n=32	
Aware (fully & know a little)	44%	64%	73%	78%	83%	81%	Affluent is significantly more aware compared to any market segment
Heard of it – don't know what it means	10%	15%	11%	5%	13%	6%	
No knowledge	46%	21%	16%	18%	5%	13%	
Would have made a withdrawal if available	35%	25%	30%	23%	30%	12%	No significant changes between segments
Motivated to...(Top 3)	Pay off debt Reinvest money Education fees	Pay off debt Unforeseen cost New appliances	Pay off debt Holiday / travel Reinvest money	Pay off debt Unforeseen cost Education fees	Unforeseen cost Pay off debt	Pay off debt Unforeseen cost Reinvest money	

Higher/lower than 2024

NQC15. Have you heard of the new two pot rules that apply to retirement funds? NQC19. If this had been available to you in the lead up to your retirement, do you think you would have made a withdrawal? NQC20. Which of the below, if any, do you think would have motivated you to make a withdrawal?

### Overall sentiment

There is mostly a negative sentiment towards the two-pot system as it is seen as a short-term fix that will have longer-term implications. While there is a basic understanding of it, details of how it actually works, tax percentages and full implications are not that clear. A general understanding of it is that you can take a certain portion of your pension (up to R30 000) in cash but there will be tax implications. While there was some understanding of why some people may be tempted to do so, the consensus was that you should avoid it.

## Key concerns



### Tax implications

Consumers do not fully understand the tax implications and have a sense of mistrust.



### Future implications

Many consumers see the two pots rules as a short term solution for some, but with a long term impact for many.

## Scenarios that could influence decisions

- In an emergency: if there was risk of losing your home or dire situation where there was no other solution
- To facilitate growth: invest in business with the goal of generating more income

## In their own words

'I don't think it's a good idea...you going to go out and take that money...so, what's going to happen now when you actually retire? Then there's not enough money.'

(Under 60/Y/ME/KZN)



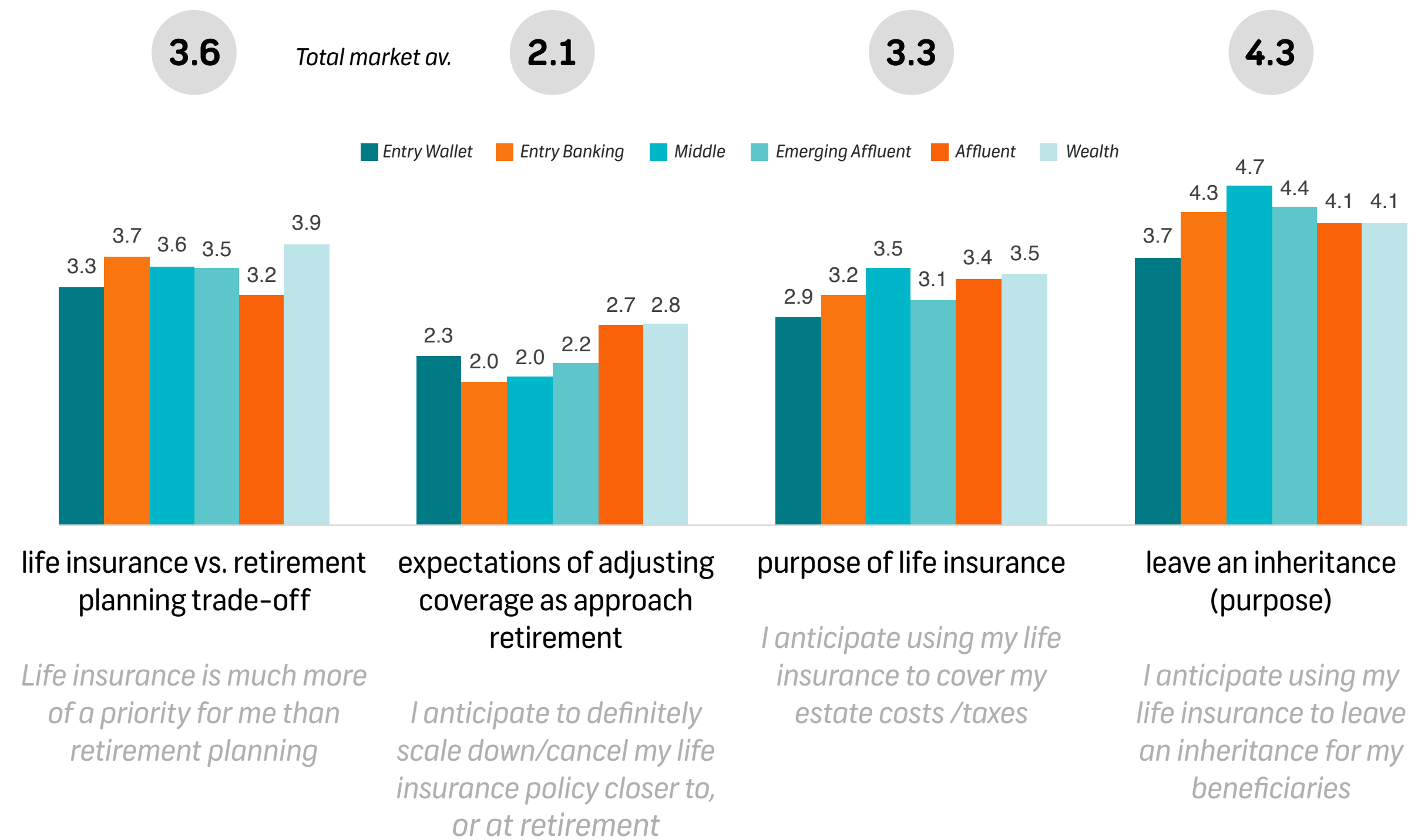
# 6. Life Insurance

Of the total market, 38% have a life insurance policy



Across all segments, using life insurance to leave an inheritance for beneficiaries receives the highest average rating, indicating it's a notable motivator. At a segment level, Affluent and Wealth show higher prioritisation to think about scaling down or cancelling their life insurance.

What are consumers' view of life insurance



The majority of those who had a life policy kept it as is across segments, with intentions of leaving an inheritance and financial security for beneficiaries and family members. This aligns with the stated intentions of pre-retirees.

Of the 61+ years / retired respondents, 79% have had a life insurance policy



Primary intentions for keeping life insurance was to leave an inheritance for family or beneficiaries and to provide financial security for a spouse or dependents across segments.

	Entry Wallet n=25	Entry Banking n=82	Middle n=28	Emerging Affluent n=34	Affluent n=39	Wealth n=32
Kept life insurance policy as is	48	50	50	59	69	59
Adjusted the policy to reduce coverage or premiums	4	7	4	12	8	6
Converted my life insurance policy to another type of finance	16	7	14	9	15	6
Cancelled my life insurance policy	8	16	7	3	3	3
Took out a new life insurance policy tailored for retirees	12	1	11	3	3	13
Policy automatically ended at retirement age	12	16	14	15	3	9

## What should insurance companies offer?

The appeal of earlier rewards is clear: consumers are drawn to the idea of benefiting from their policies sooner rather than later. The perception that they are 'not getting anything from it now,' coupled with the ongoing financial burden of premiums as children age, contributes to this preference.

### When asked what life insurance companies should offer as consumers get closer to retirement

	Post 60		Under 60
	Retired	Working	Total market
<b>Convert cover into savings or income</b>	38%	42%	33%
Offer the ability to withdraw from life insurance to get <b>cash back</b>	34% ↑	26%	35%
Offer boosters or rewards to fund retirement	28%	30%	31%

But the preference exists for converting retirement funds to an income or savings, reflecting consumers' desire to personally benefit from their funds rather solely providing for beneficiaries.

Other mentions include, 'I honestly think life cover should be enjoyed by the person while we are alive, not given to kids to fight over' and 'Convert into investments that pay out regular dividends.'

## Perceived benefits of life insurance

- Life insurance ensures that a person's family, particularly their children, has something to rely on after they are gone
- It provides an opportunity to leave a financial legacy, offering support and helping to prevent loved ones from being burdened by outstanding debts
- Since death can happen at any time, not just during retirement, life insurance offers peace of mind, knowing that your family will be supported even in your absence

**However, this perspective shifts at different stages of life.**

For those under 60, especially with young children, life insurance is crucial. A sudden death at this stage would create challenges for their loved ones.

Life insurance is seen as a way to support their families, ensuring they have some financial stability after they are gone.



For those over 60, attitudes toward life insurance are mixed. As people age and their families become independent, it often feels less essential.

While they'd like to support their family, they see less direct benefit for themselves and worry the money could be wasted after they're gone.



With dependants relying on them for longer, ensuring their future becomes a priority, makes life insurance a crucial safety net.

While leaving something behind to support them is ideal, life insurance is seen as a bonus rather than a necessity.

## Additional benefits of life insurance included

- Some plans offer added benefits, including cash back, critical illness cover, continued cover after 65
- Will cover any debts you leave behind e.g. bond
- Helpful if you struggle to save

'I struggle with savings and I decided for life insurance (because) Instead of saving it, I use it for the things I need.'

(under-60s/46-59/EB/JHB)

'Life insurance, it covers if you bond is not paid off or car instalment and such things.'

(under-60s/46-59/EB/JHB)

## I don't have life insurance because...



### 'I don't know enough about it'

- Knowledge about life insurance and its benefits is limited, especially among lower- and middle-income groups
- Advertising increases interest among some groups, making them more likely to seek out information (LI)



### 'I don't see the benefit for me'

- Some people don't see the benefit, as their children will inherit everything and may not use it wisely
- They may prefer to invest their money elsewhere



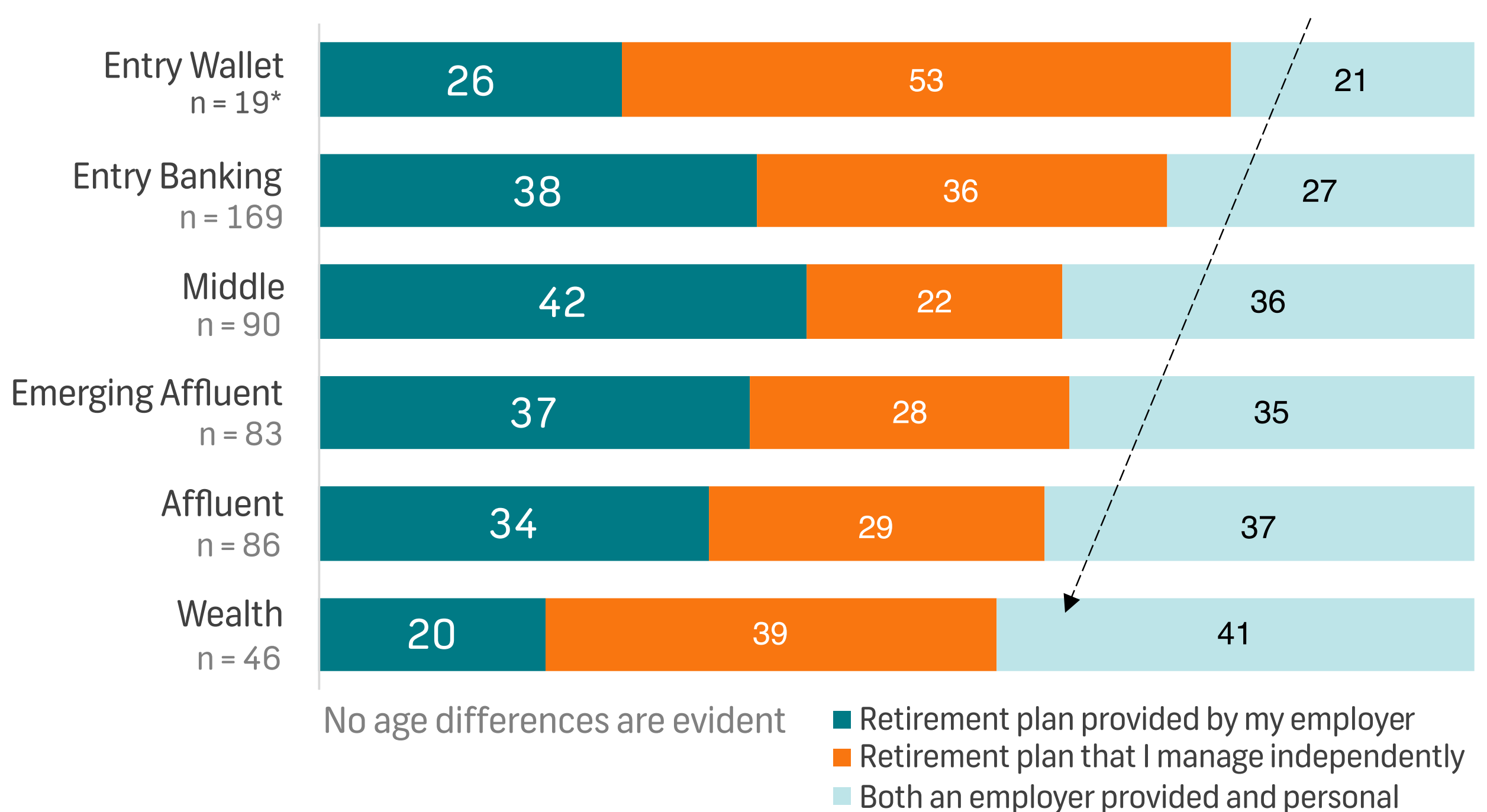
### 'I don't trust insurance' (over-60s)

- There are low levels of trust in insurance, with many believing providers prioritise profit over customers' best interests

## 7. Employee benefits

Retirement plans show a correlation between income groups and financial capacity, access to employer benefits, and retirement planning strategies.




Entry Wallet and Entry Banking rely on independently managed plans and Middle and Emerging Affluent segments, employer-provided plans and combined approaches become more prevalent. Affluent and Wealth segments show the greatest portion opting for a combination of employer-provided and personal plans, suggesting a desire for greater control and potentially more complex financial planning.



### Value attributed to the product

The role of employee benefits to support retirement is inconsistent – they can help but the benefits are not seen as a guarantee of successful retirement. There is a sense Employers are not doing enough, with consumers stating that more support is needed, especially in the planning stage.

## For those who have benefited

-  **Pension/provident fund**  
Employer contributes % to the pension which is deducted off payslip.
-  **Medical aid**  
Company subsidised payments, but for some lower income, this still made it inaccessible.
-  **Housing subsidy (government employees)**  
This helped pay off house quicker.

### But there are some concerns

- Sustainability of retirement funds linked to economic factors – *‘I’ve read in the media that some companies are starting to default in paying pension contributions to the pension funds’* (Under-60s/O/PB)
- Amount of the contribution is lower than expected and it’s not mandatory for them to offer benefits or they can offer the bare minimum
- It is not applicable for those who work part-time
- Lack of understanding and transparency – not always clear how it works, how it is growing and what you will actually get when retire
- Most feel there is insufficient information and resources available to support retirement planning

## Key hurdles to overcome



### Trust

- Low levels of trust in financial institutions have potentially led to less consumers engaging with retirement funds
- Distrust driven by a commission-based sales approach rather than a genuine willingness to understand context and help members of funds
- They fail to explain how things work, your options and the implications of your choice



### Lack of education

- Financial planning is not an inherently learnt skill. For many, it was not a focus when young and exposure to practical examples or discussions limited beyond 'Save 10% of earnings'
- Companies often don't take the time to explain options
- It's not always clear what type of information you need, what questions to ask or where to go to get answers – 'you don't always know what you don't know'



# 8. The role of the bank

Consumers believe that it is important to seek advice about retirement from multiple sources.



## In their own words

- Talk to those around me (friends/family) for ideas and advice including talking to them about financial planning more generally and how they can assist you in saving
- Look for someone financially successful in your circle and ask for advice
- Asking kids for advice (older) can offer helpful tips on managing money



## Financial advisor/broker

- Have a financial advisor who invests my money for me and guides in my retirement decisions
- May not have access to but would like to have their guidance. Some put off seeing a financial advisor due to related costs (EB)
- Some may not access through formal channels e.g. may have a financial advisor in the family



## Banks

- Can access a financial advisor through the bank
- More accessible for EB/M&E
- Some would only go if it was part of their existing banking services



## Own research

- Have had to do my own research and have created my own plan may need a financial advisor to sign off
- Have done my own research and am now advising friends and family



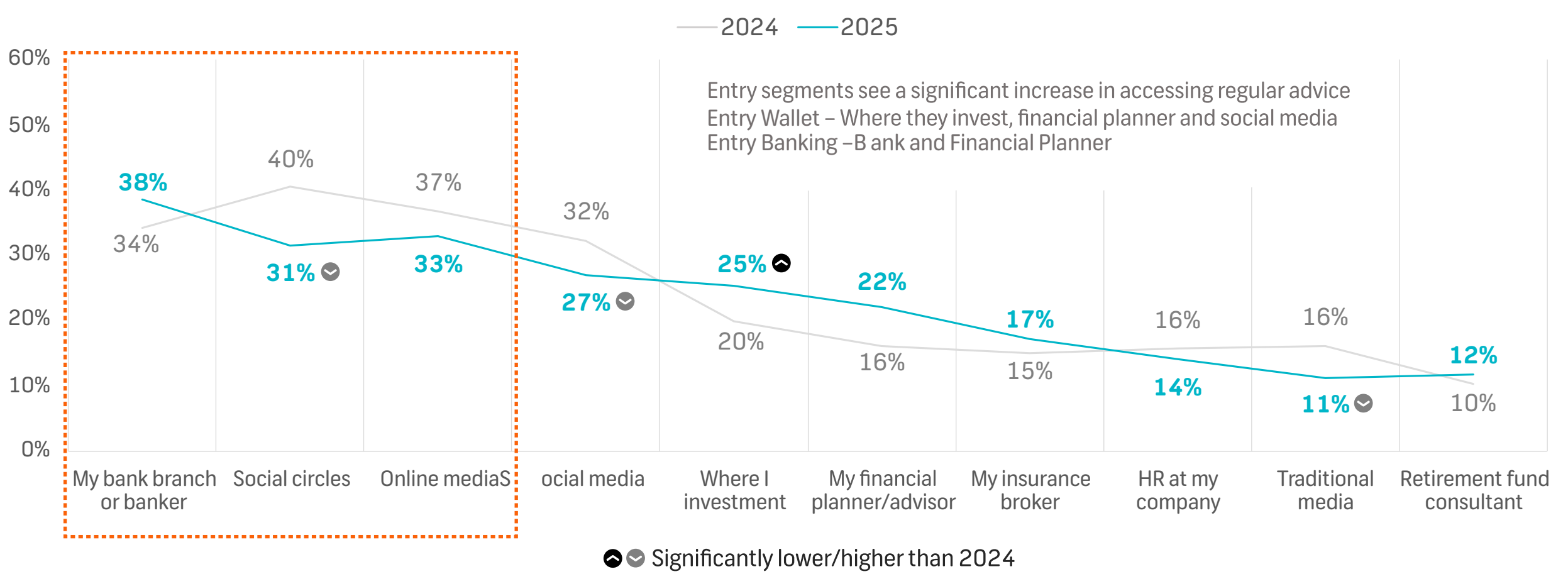
Quantitatively, the bank remains a key point of engagement for advice, followed by social circles, which have seen a decrease compared to last year.

We see a positive movement to seeking out formal advice (bank, investment house, financial planner and broker) which aligns with increases in claimed advice seeking.

At the segment level, the top three sources of advice remain consistent across all groups. However, the Private segment demonstrates a higher preference for using multiple channels and, specifically, relying on sources where they already hold investments.

### Entry segments see an increase in accessing regular advice

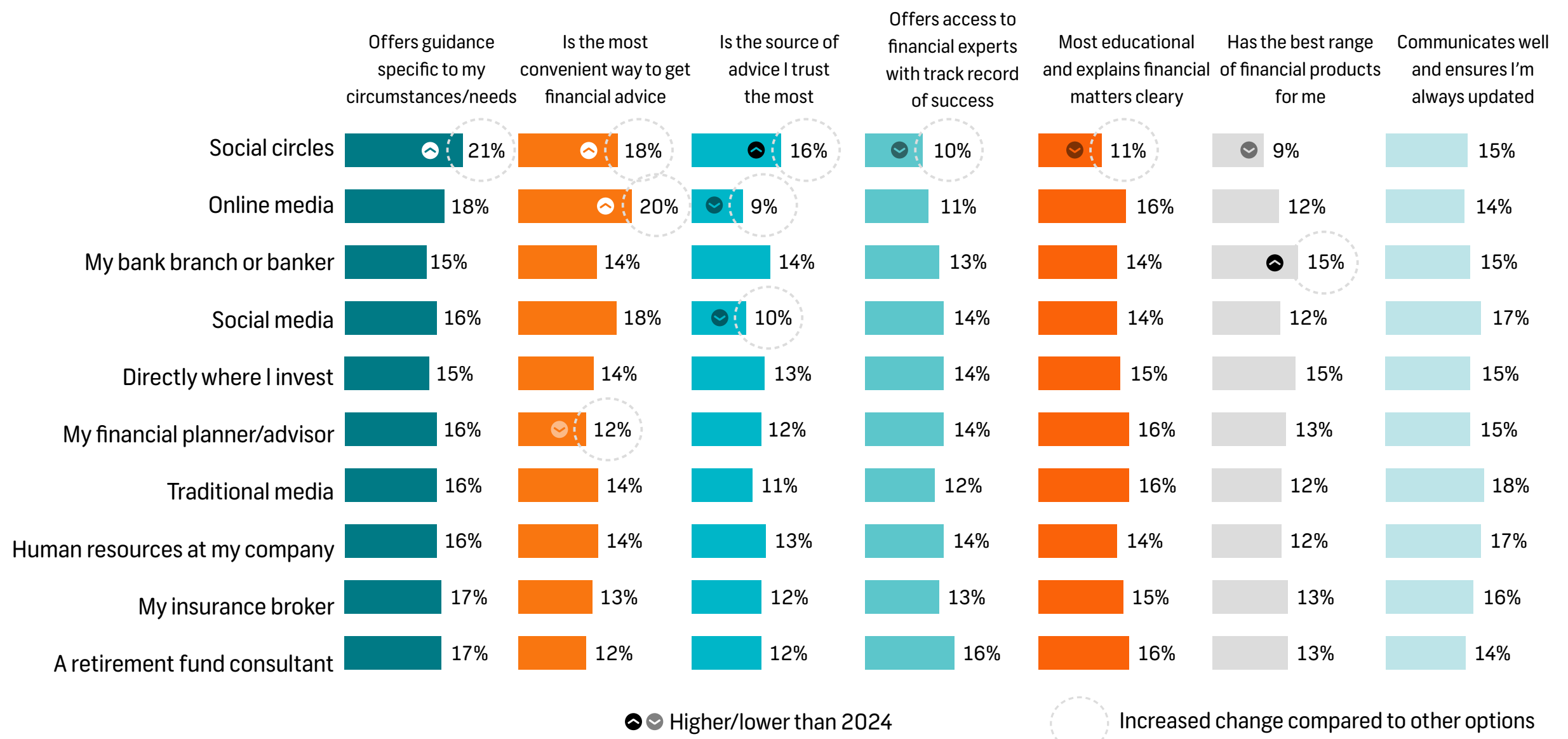
Trended % using each channel regularly



Base: 728. A3. Below are some people or places that people turn to when they're looking for financial advice. Please indicate the extent to which you use each of the possible sources of advice.



No matter the source for financial information, the benefit offered is universal: relevant and personalised guidance.



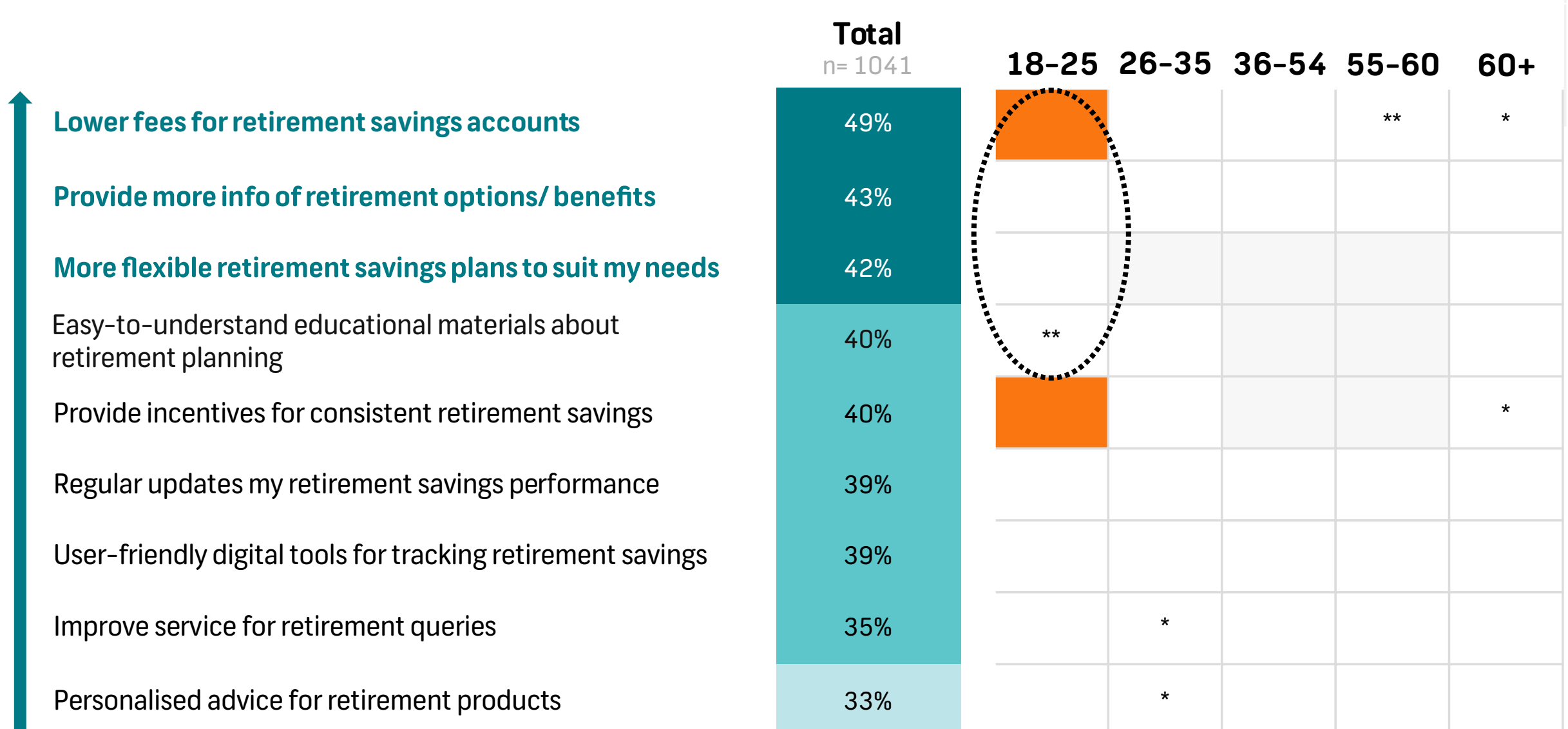
### What more?

When asked how their financial services provider could better support them, consumers often cite lower fees, driven by those aged 55 years and above. Additionally, increased information on options and flexible solutions remain consistent priorities, mirroring last year's data, showing a consistent need for these.

Consumers aged 18 to 25 value access to easy-to-understand educational materials, indicating a greater need of education and empowerment.

### Ranked on market preference on support needed

### Indexing based on age



At a core market level and within segments, the Middle segment are more open to flexible retirement savings plans while Entry Wallet customers seek financial providers who offer comprehensive information on retirement options and benefits.

### Areas where the bank can support



#### Education

Provide relevant information that is easy to digest regarding savings / investments / financial planning / pensions and easy access to financial advice that is affordable.



#### Partnerships of trust

People are doing what they can with what they have but need guidance and reassurance that they're making the best choices for their situation. They need a partner in this process, groups to provide them with the right information and help them make better financial decisions.

### In their own words

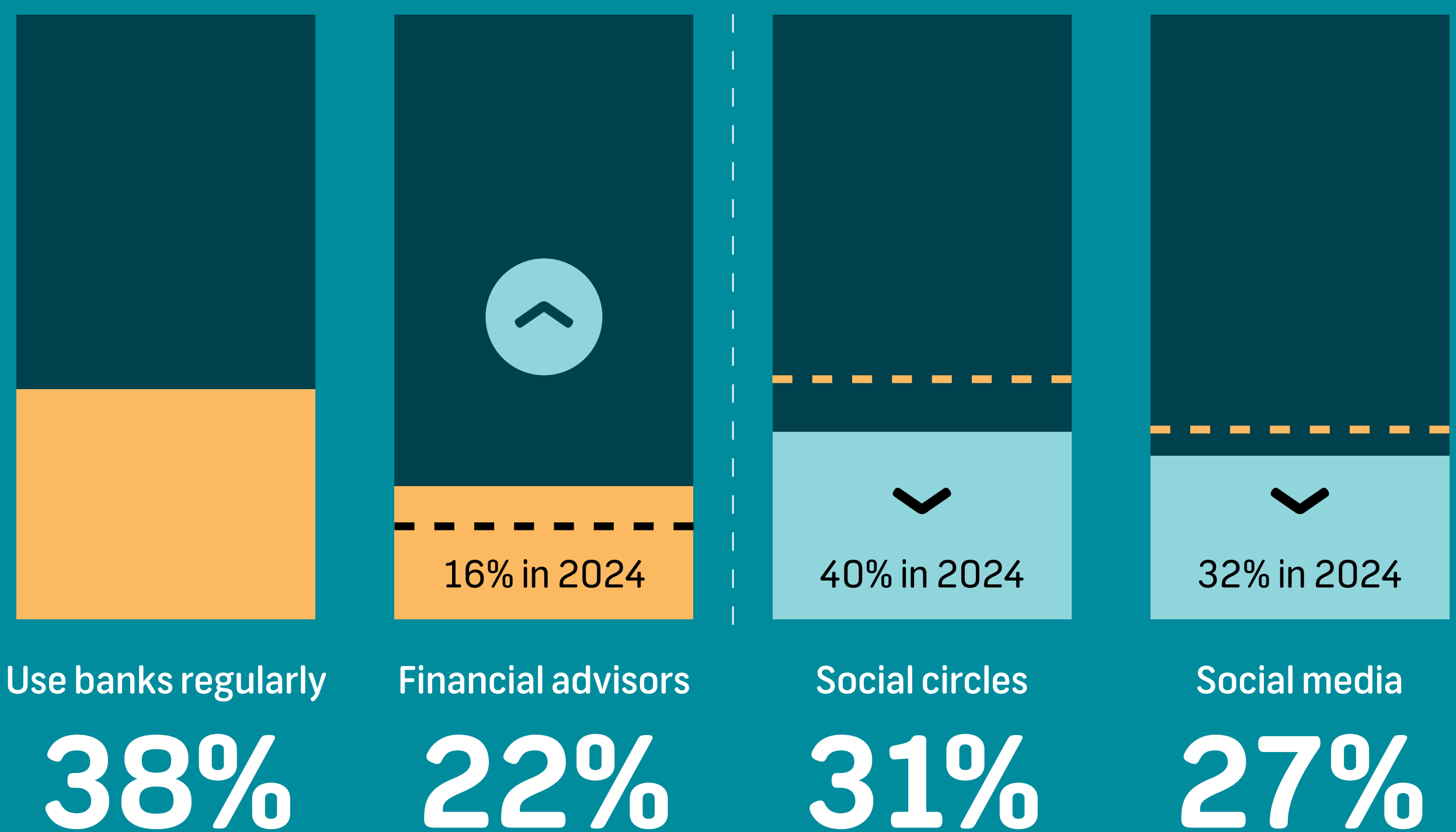
'When I think about my retirement the information that I want to get from the bank is for them to explain everything. It is like they must teach us everything about investments. About savings and fixed term, long and short term.'

(46-59/EB/JHB)

## Sources of advice

Quantitatively, the bank remains a key point of engagement for advice, followed by social circles, which have seen a decrease compared to last year.

Private segment is still showing multi- and omni-channel preferences with Entry showing an increase in accessing regular advice.



**No matter the source for financial information – the benefit offered is universal**

**Relevant and personalised guidance.**

## What more should institutions be doing to influence better outcomes

### > **Small shifts, for big results**

Too often the enormity of the task of retirement planning creates inertia and the research shows that some action is enough to create momentum. Democratising advice and access to advice could prove effective in unlocking action – a simple ‘how to’.

Bring planning into the present – As an organisation we need to continue to bring planning into the present to help combat hyperbolic/temporal discounting as today becomes increasingly challenging.

### > **Beyond advice**

Support needs to go beyond advice – combining the traditional and non-traditional product offerings to build off current behaviours rather than trying to change behaviours.

### > **Turning dreams into achievable realities**

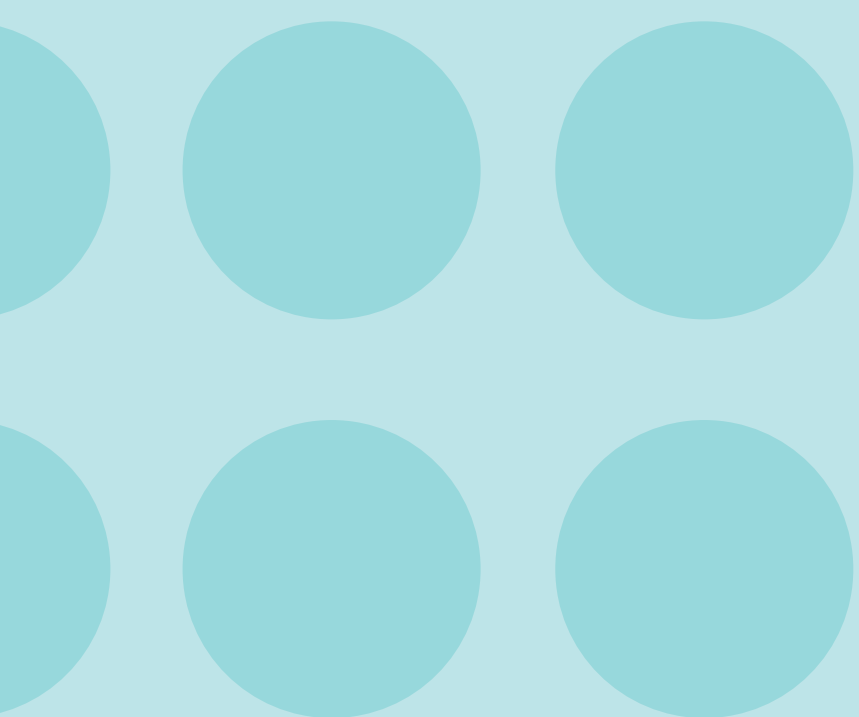
Actionable and bite-sized steps – To address the disconnect between perceived and actual retirement readiness, the bank must provide actionable, bite-sized steps, and impactfully illustrate the potential gap, fostering a shift from simply having a plan to having a successful plan.





## Section 4

# Concluding thoughts



# The retirement context remains fraught with anxiety

## Trapped in the 'defeatist' attitude

For those without a plan, feelings of impotence and defeat keep them trapped in a short-term mindset.

## Trapped in the 'apathetic' space

For those that are not feeling on track, constant setbacks and unclear end-states lead to resignation and a high degree of apathy. Even for those that are feeling on track, the constantly evolving context means that the goal posts keep moving so you can never really be sure if you are on track.



**Escalating uncertainty  
= increased anxiety**



# The shift in market dynamics

With preparedness and planning levels improving and the greater priority being given to planning, we should see the movement from 'one day' to 'day one and on to a better plan.

## From 'one day' to day one

Need to convert the 'one day' attitude to retirement planning to a 'day one' attitude.

## To the emotional context

Greater levels of preparedness and confidence in retirement planning evident indicating that the market is starting to shift to a 'day one' mindset. Despite residual anxiety, a plan does create greater hope and agency.

This opens the door to try and create a further shift from any plan to a better plan.

More effective plans increasingly demand an holistic approach that goes beyond just retirement offerings, setting the bank up as an ideal partner to meet consumer's needs. In addition to helping, this includes thinking more broadly about how to get people to start taking any type of action that will support future financial wellness.



**The bank's role is in transforming retirement dreams into achievable realities.**

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