FNB Retirement Insights Survey 2026

Understanding South Africans' Retirement Preparedness

June 2026

Context

Now in its fourth year, the FNB Retirement Insights Survey is a comprehensive, ongoing study of how South Africans across the income spectrum think about, plan for and experience retirement.

This fourth iteration of the research combines both qualitative and quantitative findings obtained from adults aged 18 and older. The result is a rich, nuanced picture of retirement attitudes and behaviours in 2026.

The study is built around a single core question:

'How prepared do South Africans really feel for retirement – and what gets in the way of that preparedness?'

Three audiences, one story

To tell that story fully, we listened to three distinct groups:

Under 60s

Exploring how they view retirement, how prepared they feel and what separates those with a retirement plan from those without one.

Over 60s

Describing what life is like at retirement, and reflecting on how well their planning matched the reality.

Retirees

Finding out whether the expectations of retirees have been met, and what surprised them most.

Key themes

Four ideas shaping retirement in 2026

Across thousands of conversations and survey responses, four themes emerged as the defining forces shaping how South Africans approach and experience retirement today.

Artificial vs. human intelligence

AI is opening doors to financial education that were previously closed – giving people access to clear, judgement-free information at any time of day. But access to information is not the same as taking action. Most South Africans still need a trusted human adviser to contextualise what they've learned and help them translate it into a real plan.

Products drive readiness

Retirement readiness is not the result of a single product or decision. It relies on a mix of products built up over time, which shapes how prepared someone feels, and how well they actually fare in retirement. Certain product combinations consistently produce better outcomes than others.

Breaking the cycle of dependency

South Africans approaching retirement are increasingly focused on achieving a retirement in which their children do not need to rely on them, while also being able to retire without having to rely on their children. This desire for mutual financial independence is a growing and consistent theme, but the lived reality of family obligations often tells a different story.

Two pots: borrowing from tomorrow

The two-pot retirement system is becoming a bigger part of how many consumers manage their finances. While awareness of the rules is growing, withdrawals continue to be driven mainly by immediate financial needs like covering day-to-day expenses, purchasing appliances and paying down debt. So, the two-pot system is being used mainly as a short-term lifeline rather than a long-term strategy.

Lytania Johnson

CEO, FNB South Africa
and CEO of FNB Retail and
Business Banking Segment

From intent to action

The importance of helping South Africans take the next retirement step

The meaningful shift in retirement plan ownership gives us confidence that the retirement conversation is gaining ground. It is particularly encouraging to see stronger planning behaviour among lower-income consumers, where the number of respondents with a plan has risen significantly.

But intention, and even action, are not the same as readiness. Many South Africans want to save, but the path still feels unclear. There is a clear signal that people want to plan and save, but they need simpler, clearer and more accessible support.

We have to help customers understand where to start, what to prioritise and how to make retirement planning part of everyday financial life.

So, the opportunity is there to help more South Africans move from intention to informed action. A better retirement outcome starts with a first step, but it is sustained through guidance, appropriate products and advice that meets people where they are.

The retirement reality check

The real cost of retirement is often shaped by what people did not plan for

Sizwe Nxedlana

CEO, FNB Private Banking and Wealth Management Segment

Retirement is often imagined as a time of independence. After decades of work, people hope to enter a stage of life where they have greater freedom, fewer obligations and the financial flexibility to live on their own terms. But FNB's Retirement Insights Survey continues to show that the reality of retirement for many people, across all income segments, is often more complicated than the vision.

The findings provided a valuable lesson that retirement planning cannot merely be built around an idealised end state – it has to make room for real life like rising food prices, medical aid and insurances. For any retiree, these are not small surprises. They are cost shocks that can reshape even a carefully considered retirement plan.

A sound retirement strategy needs to consider not only investment growth, but also liquidity, future healthcare expenses, estate planning, family support, tax efficiency and the possibility that retirement may need to include continued work, business interests or phased income.

What is becoming abundantly clear from these FNB Retirement Insights Surveys is that true financial freedom in retirement is not just the absence of work – it is the ability to absorb change without losing control of the life you have planned.

About this survey

Samukelo Zwane

Product Head, FNB Wealth and Investments

Now in its third year, the FNB Retirement Insights Survey continues to build a deeper understanding of how South Africans think about, prepare for and experience retirement. When we launched this research, the intention was to create a consistent body of insight that could help us, and our industry, track how retirement behaviour changes over time and identify where individuals need better support.

With three waves of research now complete, we can begin to see which shifts may be short-term responses to economic pressure, and which may point to more lasting changes in the way South Africans approach retirement.

Encouragingly, the 2026 findings show a retirement landscape that is both encouraging and complex. More people are thinking seriously about retirement and more under-60s say they have a plan in place. Retirement planning is also becoming more evident in everyday financial conversations.

However, despite this growing awareness, for many people having a plan does not always mean feeling ready. The responses show that many South Africans remain uncertain about whether they are saving enough, which products are appropriate for their needs, how to respond to unexpected financial pressure and whether the retirement they imagine will match the reality they eventually experience.

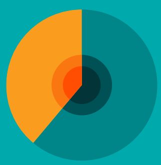
New in 2026:
Understanding decision making and money psychology profiles

Understanding how South Africans think about and choose savings and investment products reveals the psychological drivers behind retirement readiness. A mixed-mode clustering analysis was conducted using the component scores derived using two PCA models. This segmentation provides a robust quantitative foundation for understanding mindsets within the market.

1. Alternative Wealth Chasers

- Driven to grow wealth. Open to new ways of investing. Looking for guidance they can trust.
- Alternative Wealth Chasers are typically middle-aged South Africans (36–54 years old), who are ambitious and financially curious, actively seeking advice from multiple sources as they look for better ways to build long-term wealth.
- Unlike traditional savers, this segment is more willing to explore alternative investment opportunities .
- While highly motivated to grow wealth, they often feel uncertain about which products, strategies and providers to trust. As a result, they value guidance that feels practical, empowering and easy to understand.

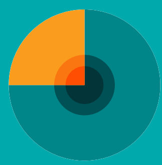
39%



2. Financial Nonchalants

- Comfortable today. Relaxed about tomorrow. Wealth growth with minimal effort.
- Financial Nonchalants are typically higher-income consumers across younger (18–35) and older (61+) age groups. While financially comfortable and often entrepreneurial or professionally employed, they take a more hands-off approach to managing money and retirement planning.
- They engage with fewer advice sources, hold broadly average financial products, and favour simpler wealth structures. Despite feeling financially secure today, their long-term retirement readiness tends to lag behind.

25%



3. Traditionalists

- Confident investors. Trusted relationships. Focused on long-term wealth.
- Traditionalists are younger, affluent consumers who value credibility, stability and expert financial guidance. Typically employed full time or running established businesses, they prefer reputable providers and trusted advisory channels such as financial planners and investment companies.
- They are financially sophisticated and hold a wide range of financial products, reflecting actively managed and more complex wealth needs. With strong financial confidence and high retirement readiness, they are focused on building sustainable long-term wealth.

20%

4. Financially Constrained

- Focused on getting through today. Looking for simple ways to build stability tomorrow.
- Financially Constrained consumers are typically lower-income and often older, nearing retirement or already retired. Many work part-time or are self-employed and maintain a smaller financial footprint. Affordability, accessibility and day-to-day financial needs shape their financial decisions far more than long-term wealth creation. With limited capacity to save or invest, they tend to rely on short-term coping strategies rather than formal financial planning.

17%

Retirement readiness is built layer by layer

Many South Africans are already doing something about retirement. On paper, that may look like progress, but in practice, it can still leave major gaps.

There is a strong shift in retirement plan ownership, which reveals that retirement is becoming more visible, more urgent and more present in everyday financial decision-making.

Contributing to a retirement fund, owning your own home, having emergency savings or a business or side hustle may be part of the plan, but none on its own is a complete retirement strategy.

The 2026 research shows a clear relationship between the products people hold and how prepared they feel for retirement. Consumers with more structured and diversified financial arrangements tend to report stronger levels of preparedness.

Of course, no two people will need exactly the same combination of these products. A young professional, a business owner, a parent supporting children and someone approaching retirement all have different priorities. So, a good retirement plan needs to change as life progresses and changes; and the products underpinning that plan may need to change too.

In 2026, 24% of under-60s without a retirement plan said they did not know where to get savings and investment products. So, people clearly need simpler pathways to the right products and better guidance on how to use and combine them.

With all that in mind, the strongest retirement strategies are ones that balance growth with access, flexibility with discipline, and today's needs with tomorrow's security. They are not built around a single solution, but rather through a series of informed decisions that work together over time.

Bheki Mkhize

CEO, FNB Wealth and Investments

Current reality: under-60s

The gap between intention and action

Something encouraging is happening among South Africans under 60. Financial confidence is rising, retirement planning is becoming more common, and more people now say they are taking their future seriously.

However, a closer look at the findings shows that there's a stubborn gap between wanting to prepare and knowing how to do that.

20%

improvement in claimed financial comfort among under-60s.

A meaningful and positive shift.

24%

of under-60s without a retirement plan say they don't know where to get savings and investment products – **nearly double the 13% who said the same in 2025.**

This rise in uncertainty about where to start is one of the most significant findings of this year's survey. More people want to save for retirement, but they feel increasingly lost when it comes to finding the right products. The path to action remains unclear.

The intent to save is there – but the barriers are real. Unexpected emergencies, the rising cost of living and day-to-day expenses continue to crowd out long-term planning.

36% unexpected emergencies

35% the cost of living

31% day-to-day living expenses

Key insight

41% of under-60s wish they knew more about financial matters. **26%** say they feel out of their depth. Yet these same under-60s are value-conscious and goal-oriented with **43%** saying they always look for the best price, and **36%** actively setting financial goals and tracking their progress.

Barriers to retirement

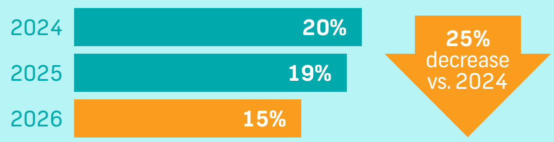
- Lack of product knowledge
- Reliance on assets
- Reliance on business income

Current reality: under-60s

How interviewed under-60s are allocating their money

Retirement savings: rising to 10% of disposable income

Grocery spend:



Debt servicing: driven by lower-income segments

More planning, but is it enough?

It is encouraging that nearly three quarters (73%) of under-60s surveyed in 2026 report having a retirement plan – up significantly from **60%** in 2025. This growth is particularly prevalent among lower-income consumers, where the number of respondents with a plan jumped from **19%** to **48%**, and among 36- to 54-year-olds, where it rose from **67%** to **85%**.

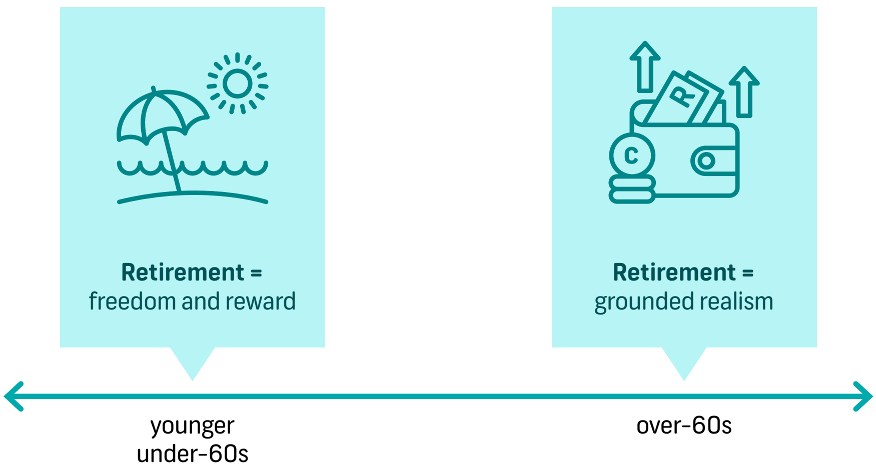
Having a plan and being truly ready for retirement are not the same thing. Despite the increase in planning, the feeling of overall retirement readiness has remained relatively stable. Many under-60s still expect to keep working in retirement, and a significant proportion worry about whether they will have enough to live on.

Despite all the financial pressure that is still evident from the research, the share of disposable income that under-60s say they are putting toward retirement savings has risen by around **42%** since 2024 – from **7%** to **10%**. This rise is being driven largely by lower-income consumers, which is both remarkable and encouraging. At the same time, however, the rising cost of debt servicing – up from **5%** in 2024 to **8%** in 2026 among lower-income under-60s – is quietly eroding the room available for long-term savings.

Retirement remains an optimistic vision

For younger South Africans, retirement is still associated with freedom, flexibility and the reward for a life of hard work. But as people age and observe what retirement actually looks like for the generation ahead of them – including the financial strain, the unexpected costs and the ongoing family obligations – that optimism tends to become more measured.

'Retirement looks different when you're watching your parents live it.'



Current reality: over-60s

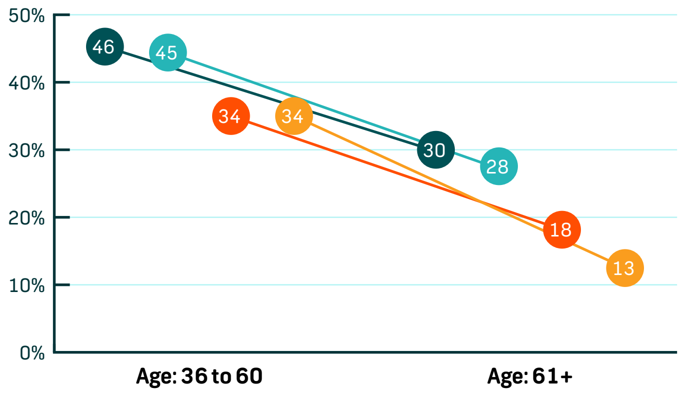
More settled, more intentional

The 2026 survey findings show that South Africans over 60 share many of the financial concerns of their younger counterparts – but they carry those concerns differently. The data reveals a group that is more financially settled, less anxiety-driven and more deliberate in its financial behaviour.

The same desire to understand, handled differently

Like under-60s, over-60s want to secure the best retirement deal and wish they understood financial matters better. But the emotional charge around money is noticeably lower. Where younger consumers often feel overwhelmed or avoid dealing with money issues, older consumers tend to feel more in control.

Financial attitudes by age

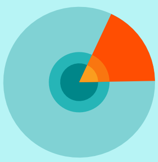


Always look for the best price 46% vs. 30%

Wish I understood financial matters more 45% vs. 28%

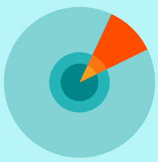
Long-term finances make me feel stressed/overwhelmed 34% vs. 18%

I spend to reward myself even if not in budget 34% vs. 13%



18%

of interviewed over-60s say thinking about long-term finances makes them feel stressed (compared to 29% of 36- to 60-year-olds).



11%

of interviewed over-60s say they focus on enjoying money now rather than saving for later (vs. 22% of 36- to 60-year-olds).

This relative calm is not complacency. It reflects a generation that has made its peace with its financial situation. The key decisions have largely been made. What remains is managing within the reality of retirement, not preparing for a future that is still abstract.

* Key insight

Compared to 36- to 60-year-olds, far fewer over-60s say they avoid thinking about their finances or have short-term financial mindsets. Only **12%** say they avoid checking their finances (vs. **27%** of younger adults). **Financial anxiety appears to ease with age; but financial pressure does not.**

Current reality: over-60s

When retirement meets reality

Over-60s have moved past the planning phase, and it's not what they imagined it would be like. In many cases, the reality is more complex than expected.

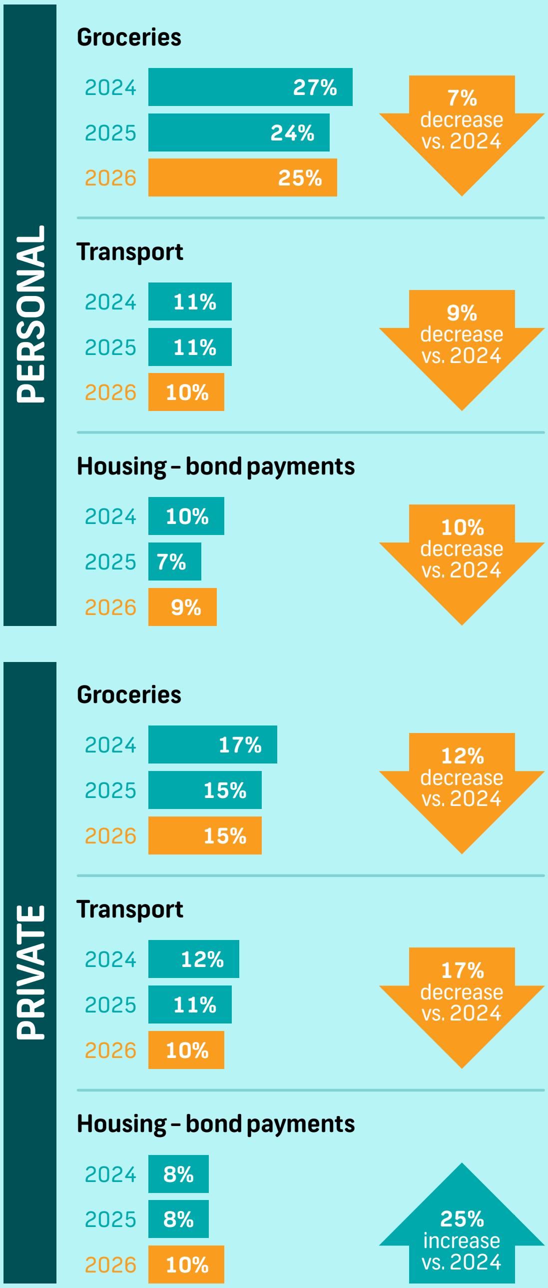
Side hustles are becoming the new normal

One of the clearest signals in the data is that continuing to work in retirement is becoming normal. Among under-60s without a retirement plan, **40%** intend to run a side business or income-generating activity to support themselves financially in retirement. The same proportion (40%) of those with a plan include income from an additional business as part of their retirement strategy.

For over-60s, this is already a lived reality. Running a small business, doing part-time work, or generating additional income is increasingly how South Africans supplement their retirement income. **It's not a plan B; it's their plan A.**

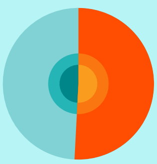
'Side hustles have become the new normal – not a fallback, but a feature of modern retirement.'

How interviewed over-60s are allocating their money



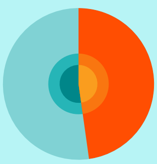
The weight of family

One of the most striking findings for over-60s is the financial weight of family obligations. Despite planning to reach retirement independently – and hoping their children will be independent too – many over-60s find themselves continuing to support adult children, grandchildren, or elderly parents.



51%

of over-60s from the **FNB Personal Banking** segment have been surprised by the **unforeseen financial implications of family commitments.**



47%

of over-60s from the **FNB Private Banking** segment say the same.

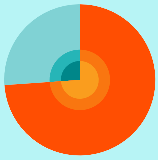
This tension **between the desire for independence in retirement and the reality of ongoing family responsibility** is one of the defining dynamics of retirement in South Africa today.

Retirement realities contrasted

What people expected vs. what they found

The gap between retirement expectation and retirement reality is wide – and it tends to widen the longer an individual has been retired. Across multiple dimensions, what retirees anticipated and what they actually encountered are very different.

The cost of living hits hardest



74%

of retirees say the **cost of living has been higher than they expected in retirement** – the single largest financial surprise.

In addition to rising living costs, medical expenses have caught many retirees off guard. Across all retirees interviewed, **46%** say healthcare costs have been higher than expected. Housing costs **(37%)** and emergencies **(29%)** have also been significant unexpected expenses.

Family obligations defy planning

Unexpected family responsibilities are a major financial shock for South Africans over 60. These responsibilities include supporting adult children who have not yet become financially independent, having grown children move back home, supporting grandchildren and caring for elderly parents. These obligations are rarely budgeted for – and they are proving costly.

Family commitments related unexpected expenses for over-60 year olds	Personal	Private
Unexpected family responsibilities affected my finances	27%	28%
Supporting grandchildren financially	15%	18%
Supporting adult children financially	15%	12%
Adult children have moved back home	12%	7%
Caring or supporting elderly parents	9%	9%

* Key insight

The desire for mutual independence, where parents don't rely on children and children don't rely on their older parents, is sincere. However, the data shows that this is often difficult to sustain in retirement. Family remains a significant and often unexpected financial obligation.

Side businesses: intentional, not accidental

Among under-60s without a formal retirement plan, running a side business is the most common strategy for funding retirement, with **40%** of these respondents saying they intend to rely on business income. This mirrors the over-60 experience, where continued work is already the norm.

Importantly, the incidence of people reliance on business income as a reason for not having a retirement plan has grown significantly in 2026 – suggesting that more South Africans are treating entrepreneurship as a substitute for structured retirement planning, rather than something that complements it.

A growing divide between expectation and reality

Retirement outcomes are diverging

Retirement experiences in South Africa are becoming uneven. For some, retirement is unfolding broadly as expected – with financial flexibility, diverse income streams and the ability to absorb unexpected costs. For others, retirement has arrived harder, more expensive, and more constrained than anything they had imagined.

The difference often comes down to products, planning and income.

1 Rising confidence before retirement contrasts with the lived reality after 60

- Under-60s report increasing confidence in their retirement preparation, particularly as access to information and tools such as AI improves engagement. However, the experience of those already over 60 suggests retirement is often more complex than expected.
- This raises an important question: whether younger cohorts will genuinely be better prepared, or whether rising confidence today may not fully translate into readiness later.

2 Retirement outcomes increasingly diverge by income segment

- Higher-income retirees tend to enter retirement with diversified assets, multiple income streams and greater financial flexibility.
- Lower-income retirees face greater financial pressure, relying more on government grants, continued work and difficult trade-offs to manage rising costs.

3 Financial pressure continues to shape behaviour long after retirement

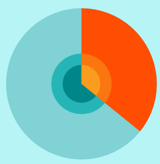
- Cost-of-living increases, healthcare expenses and family responsibilities remain significant pressures in retirement.
- Personal segments often make more fundamental trade-offs such as reducing healthcare cover, while Private segments retain greater flexibility in how they adjust spending and income.

4 Structured retirement products remain the strongest predictor of better outcomes

- The data shows that retirees who do not hold legacy retirement or retirement capital products are significantly more likely to report worse-than-expected financial outcomes.
- Declining participation in these products within Personal segments may therefore contribute to the widening gap in retirement readiness.

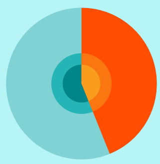
Income shapes every outcome

The retirement experience is not equal. Higher-income retirees tend to enter retirement with diversified assets, multiple income streams and the financial flexibility to absorb shocks. Lower-income retirees face greater pressure, rely more on government grants and continued work, and are more likely to make difficult trade-offs like reducing healthcare cover, downsizing their homes or dipping into savings that were meant to last.



36%

of retirees across income ranges say their retirement is going worse than they expected.



44%

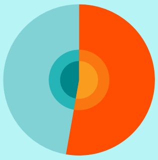
of lower-income retirees say their retirement is going worse than expected.

Barriers to having a plan

Why so many South Africans still don't have a retirement plan

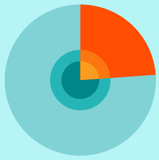
Despite genuine intent and growing awareness, a significant proportion of South Africans under 60 do not have a retirement plan. Understanding why – and what specifically is holding people back – is critical to closing the gap.

The three biggest barriers in 2026



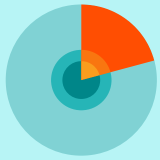
53%

can't afford to save because all disposable income is spent elsewhere. Down from 61% in 2025, but still by far the most common barrier.



24%

don't know where to get savings and investment products for retirement. Up sharply from 13% in 2025, nearly double in one year.



21%

rely on assets they can sell at retirement (property, businesses, etc.) instead of formal retirement products.

Beyond the numbers

In qualitative conversations, consumers described a mix of feeling overwhelmed, limited financial literacy, distrust of financial institutions, and the simple daily pressure of debt. Retirement planning is not front of mind when this month's bills are the priority.

The intention to start saving is widespread – but so is the tendency to defer it. Two thirds of those without a current plan say they intend to start at some point. The challenge is that the 'right time' keeps moving ahead, and seldom translates into action.

Lytania Johnson, CEO, FNB South Africa and CEO of FNB Retail and Business Banking Segment

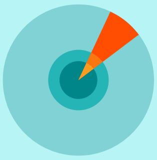
'The right time to start is always now – no matter how many years have already passed.'

Top 3 barriers to retirement

- I can't afford to save or invest money for retirement (all my disposable income is spent elsewhere
- I don't know where to get saving and investment products that will allow me to save for retirement
- I invest in other assets for retirement that I can sell should I need money

* Key insight

The rise in knowledge-based barriers, like not knowing where to get the right products, suggests there is a growing opportunity for financial education and guidance. Simplifying the path to a first retirement product could have a meaningful impact.



8%

of disposable income is going to debt servicing among lower-income under-60s – up from 5% in 2024. **A 60% relative increase in three years.**

The effect of debt

Debt is reshaping the retirement picture

For millions of South Africans, debt is not simply a short-term financial problem, it is a long-term threat to retirement security – quietly crowding out savings, forcing them to defer planning, and resulting in them arriving in retirement unprepared and financially burdened.

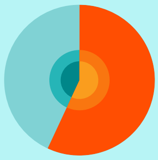
Debt crowds out saving

In qualitative conversations, debt and day-to-day expenses consistently emerge as the primary reasons why retirement saving does not get prioritised. When every Rand is committed before it arrives, there is nothing left for the future. This dynamic is most acute among lower-income consumers; but it is not limited to them.

The effect also tends to compound. As debt servicing takes a larger share of disposable income, the room available for retirement savings shrinks. As a result, the consumers who are most constrained by debt today are often the same ones who will be most exposed in retirement.

Debt follows people into retirement

One of the more sobering findings in this year's survey is how often debt arrives uninvited into retirement. Among over-60s, 27% of lower-to-middle-income respondents say they are surprised to still have debt at their age. For them, it was not part of their plan, and it continues to constrain their financial freedom.



57%

of lower-income consumers say that paying off debt before retirement is important for retirement readiness.

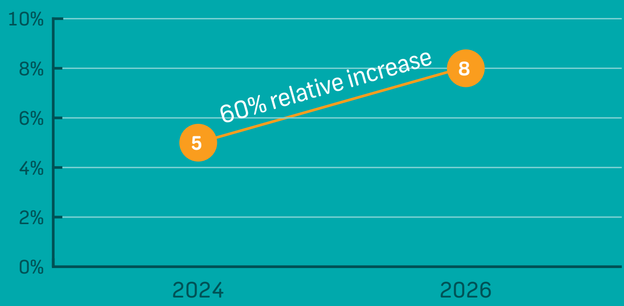
The debt-retirement link

There is a clear and consistent connection in the data between debt management and retirement outcomes. Over-60s say that they would be more likely to prioritise paying off debt if they received additional income. Many explicitly associate being debt-free with their ability to retire comfortably.

The data suggests that helping consumers manage and exit debt earlier could have a significant effect on improving their retirement readiness.

'Being debt-free isn't just a financial milestone – for many South Africans, it's the precondition for retirement.'

Debt-servicing trend



The role of products in retirement readiness

Not one product, a combination

One of the clearest, data-driven messages from the 2026 survey is that retirement readiness is not the result of any single financial product. It is cumulative, and it is built layer by layer, with each additional **PRODUCT** improving the odds of a comfortable retirement.

Shares/Investment: Higher risk, return-driven assets linked to markets and capital growth. Includes property, shares, offshore investments and crypto.

Protect: Insurance products designed to protect dependents against life events. Includes funeral cover and life insurance.

Structured Saving: Structured vehicles focused on disciplined saving and retirement provision. Includes tax-free savings, pension/provident funds, stokvels and wills.

Capital Preservation: Low-risk, structured products aimed at preserving wealth and funding retirement income. Includes fixed deposits and retirement annuities.

The foundational role of capital preservation

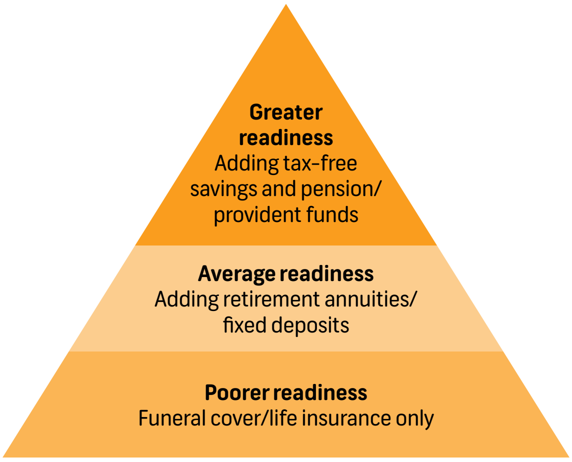
Consumers who hold capital preservation products – retirement annuities and fixed deposits in particular – are much more likely also have a retirement plan and feel prepared for the future.

6x

Those with capital preservation products (RAs and fixed deposits) are six times more likely to report having a retirement plan than those without.

2x to 3x

Over-60s without long-term retirement vehicles are two to three times more likely to experience worse-than-expected outcomes in retirement.



Retirement annuities: necessary, but not sufficient

Retirement annuities appear to be a critical first step toward feeling prepared – but they are not enough on their own. The data shows that consumers with poorer retirement readiness are significantly less likely to hold a retirement annuity (42%), or any form of structured saving.

As readiness improves, retirement annuities become more common (69% among those with average readiness). But true readiness – the sense of genuine financial security for retirement – is only achieved when retirement annuities are combined with additional structured savings such as tax-free savings accounts or pension and provident funds.

A shift in how people are saving

The 2026 findings show a notable shift in product preferences among under-60s with a retirement plan. For most, there is a move away from traditional retirement annuities as the centrepiece of retirement planning toward more flexible, accessible products. **Among lower-income consumers, fixed deposits, tax-free savings accounts and unit trusts are gaining traction. Among middle- and higher-income consumers, preservation funds are growing. The underlying driver appears to be a preference for products that feel accessible, liquid and lower risk – even if formal retirement vehicles offer stronger long-term protection.**

* Key insight

The shift toward perceived flexibility and accessibility could leave many consumers underprepared for retirement. Structured retirement vehicles like annuities, pension funds and preservation products remain the strongest predictors of positive outcomes. The challenge is making them feel as accessible as the alternatives.

The role of AI in financial advice

AI is changing how South Africans engage with money

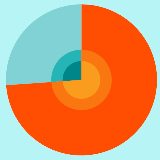
Artificial intelligence is transforming the way South Africans seek financial information – particularly among younger and lower-income consumers. But it is doing more than just answering questions. The data suggests AI may be acting as a genuine financial activation tool, nudging people toward more structured financial engagement and, ultimately, retirement planning.

What AI is actually doing

In qualitative conversations, consumers described AI as offering something that many felt they could not get elsewhere, namely unbiased, easy-to-understand, non-judgemental financial information that is available at any time, without the pressure of a sales relationship. For people who feel out of their depth in financial conversations, AI removes the anxiety of asking a 'stupid question'.

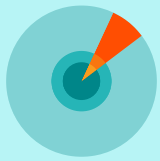
The effect is not just informational.
AI appears to do the following:

- **Encourage people to seek information**
  AI users don't just use AI – they seek out more sources of financial guidance overall. Among lower-income consumers, AI users consult an average of 6.4 sources of financial advice, compared to just 2.8 among non-users.
- **Drive engagement with formal financial products**
  Lower-income consumers who use AI are more likely to hold investment products such as unit trusts and tax-free savings accounts – suggesting that AI is helping people move from gathering information to taking action.
- **Increase the likelihood of formal retirement planning**
  The link between AI use and having a retirement plan is striking. While correlation is not causation, the strength of the relationship suggests AI is playing a meaningful role in prompting people to start planning for retirement.



74%

of lower-income consumers use AI as a source of financial information – either occasionally or regularly.



8%

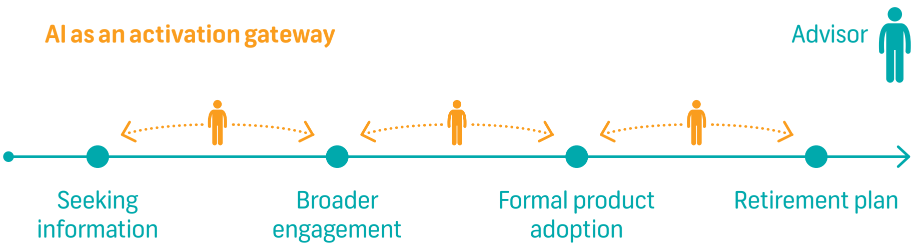
of lower-income consumers who use AI are nearly eight times more likely to have a retirement plan than those who do not.

The limits of AI

AI reduces the information gap – but it does not fully close the gap between understanding options and taking action. Concerns about credibility and accuracy remain. And while AI can explain products, it cannot yet replace the role of a trusted adviser who understands an individual's full financial picture and can provide personalised, contextual guidance.

'AI creates the access. The adviser creates the plan. Both matter.'

AI as an activation gateway



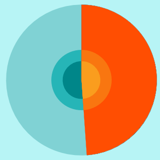
The two-pot system: borrowing from tomorrow, today

A safety net that's being used as a wallet

The two-pot retirement system was designed to give South Africans access to a portion of their retirement savings in genuine emergencies, without destroying their long-term financial security. One year on, the picture is mixed.

Awareness is improving – but gaps remain

Half of the sample surveyed now report being fully aware of the two-pot rules. But one in four say they partly know and understand the rules, and **15%** are unaware of them altogether. As the system becomes more established, closing these awareness gaps is increasingly urgent.



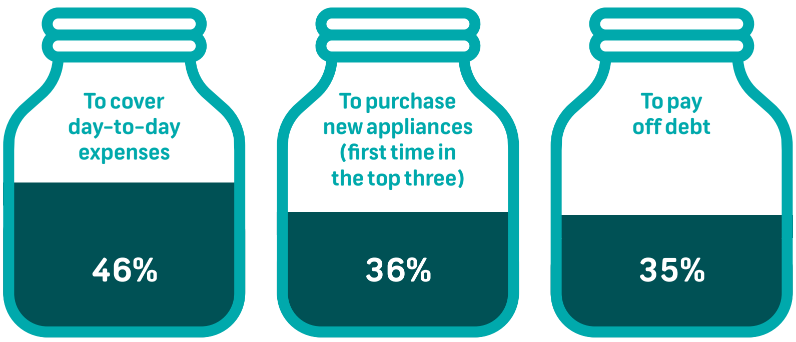
49%

of under-60's with retirement products have made a two-pot withdrawal since its inception – equating to 28% of under-60's.

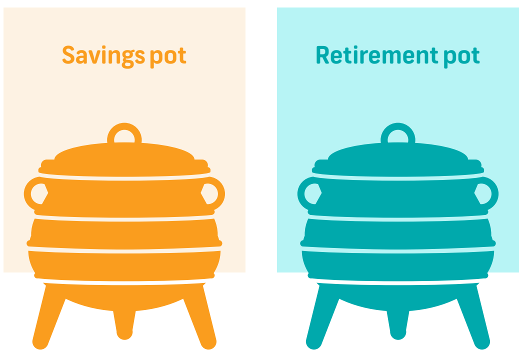
Why people are withdrawing

The reasons behind two-pot withdrawals are revealing.

The top three reasons given for making a withdrawal are:



These findings suggest that the short-term mindset the two-pot system was designed to limit is still quite firmly in place. In other words, the system is providing access, but it is not yet changing the underlying behaviour that drives withdrawals. Borrowing from tomorrow to meet today's needs (and wants) remains the dominant dynamic.



'The two-pot system gives people a choice. Most are choosing now over later – and the data suggests that will have consequences.'

Bheki Mkhize, CEO,
FNB Wealth and Investments

Lessons learned

What the data teaches us

Three years of research have produced a body of evidence that points clearly to four valuable lessons. These are not abstract recommendations – they are drawn directly from the lived experience of South Africans who are planning for, approaching, and living through retirement.

Start with capital preservation

A very strong predictor of retirement readiness is holding a capital preservation product – specifically, a retirement annuity. Consumers with an RA are six times more likely to report having a retirement plan. Those without long-term retirement vehicles are two to three times more likely to experience worse-than-expected outcomes in retirement.

The lesson is that a retirement annuity should be one of the first products that consumers serious about retirement planning seek out. Then they should layer in additional products – shares, unit trusts, offshore assets, rental property, structured savings – to diversify and improve long-term outcomes. Each additional layer is important to the eventual outcome achieved.

Enter retirement light

The data consistently shows that retirement usually costs more than people expect. Medical expenses, cost of living, family obligations – all of these tend to be larger, not smaller, than anticipated. The best preparation is to arrive at retirement with as little financial burden as possible.

Clear as much debt as early as possible. Build a buffer for unexpected costs. And if working in retirement – whether part-time or through a side business – approach it with intention. Choose work that offers not just income, but satisfaction, purpose, community and independence.

Diversify, don't simplify

There is a growing trend toward simpler, more flexible products like fixed deposits, preservation funds and tax-free savings. This is understandable, but it carries a risk. Consumers who do not hold traditional retirement vehicles such as pension funds, provident funds, or retirement annuities are nearly three times more likely to report worse retirement outcomes.

Flexibility and liquidity are important, but they should complement structured retirement savings, not replace them. Work with a financial adviser to understand the role each product plays in your specific situation.

Use your bank as a partner, not just a provider

Nearly half of South African consumers now use their bank as a source of financial advice for reasons of trust, convenience, and the expectation of personalised guidance. This is an opportunity that financial service providers need to respond to in a meaningful way.

A partner creates accessible spaces for honest financial conversations and helps consumers understand the connection between their retirement outcomes and their financial decisions. While AI serves as a useful tool, the role of the advisor is to tailor the advice to specific needs and circumstances for a better retirement.

'The most important conversation about retirement is the one that hasn't happened yet – because it felt too complicated, or too far away, or too exposing to start.'

Sizwe Nxedlana, CEO, FNB Private Banking and Wealth Management Segment

First National Bank

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