

October 2025

# The longevity revolution: Preparing for a new reality

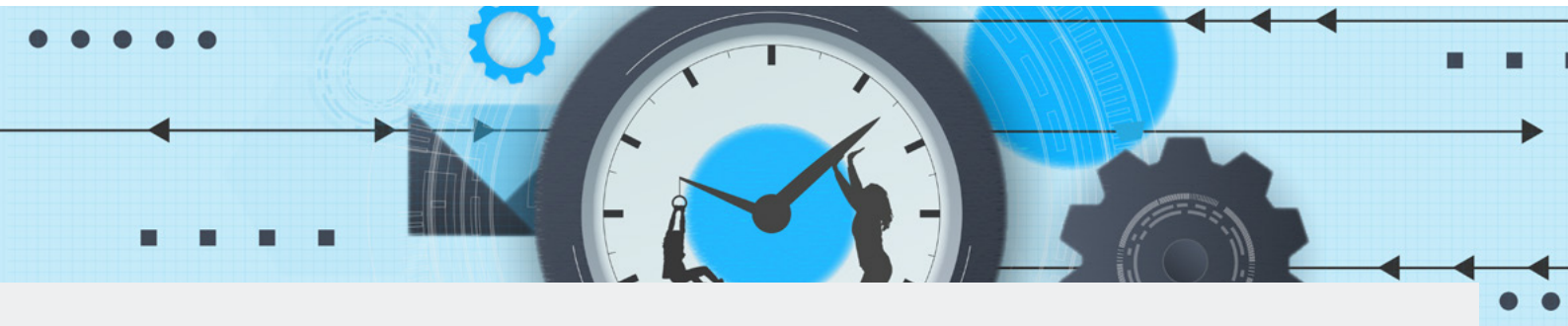


We know that retirement readiness is about more than saving. It's about confidence that money will last, that people can stay active and connected, and that they can live with purpose.

- **Keith Metters,**  
President,  
Fidelity International

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## Foreword

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Longevity is one of the best challenges society can have. It gives us more time to learn, to connect, to contribute, and to enjoy life. But it also forces us to rethink assumptions we've held for generations. The traditional model of education, work, then retirement no longer fits the reality in front of us. Retirement is being redefined as a stage of life that can stretch across thirty years or more. That makes planning, preparation, and support more important than ever.

At Fidelity International, helping our clients prepare for that future has always been at the heart of what we do. Since 1969, we've been building better financial futures through long-term investing, innovative retirement solutions, and trusted partnerships. Today, we manage more than £74 billion in workplace retirement assets, serving 1.3 million members across nearly 1,000 plans worldwide.

We know that retirement readiness is about more than saving. It's about confidence that money will last, that people can stay active and connected, and that they can live with purpose. When finances feel secure, people are better equipped to thrive emotionally, socially, and physically.

Our research shows why this matters. Too many people are underprepared for longer lifespans. A third have done no retirement planning. Fewer than one in three have thought about how to pay for care. These gaps risk undermining not just financial stability, but wellbeing in every sense.

Fidelity International is uniquely placed to help close those gaps. With decades of global investment and retirement expertise, and a commitment to innovation, we work with individuals, employers, and institutions to deliver solutions that are practical, flexible, and built for a 100-year life. Our aim is simple: to give people the confidence to make the most of their time, however long it may be.

This report is part of that mission. In partnership with the National Innovation Centre for Ageing, we aim to challenge old assumptions and shine a light on what a longer life can mean. My hope is that it inspires people to plan sooner, act with confidence, and embrace longevity as one of society's greatest opportunities. And at Fidelity International, we are proud to help make that possible.



**Keith Metters**  
President, Fidelity  
International



# Retirement in the longevity society

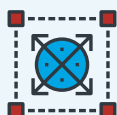
There is a quiet revolution happening. It is not about climate change, market cycles or artificial intelligence. It is about time - more specifically, how much more of it we have, and the ability to do what we want with that extra time.

For the first time in human history, older populations are growing at a faster pace than the youngest cohorts, ushering in an unprecedented demographic shift worldwide. By 2050, 2.1 billion people - nearly 22% of the global population - will be over 60, including 426 million over 80. In contrast, 50 years ago just 8.38% of the total population were over 60.<sup>1</sup>

To understand the implications of this shift so that we can better support our clients to make the most of the longevity dividend - the economic and social value created by longer, healthier lives, Fidelity International partnered with the National Innovation Centre for Ageing (NICA), integrating a global survey of 11,800 individuals aged 50 and over.

In this report, we will first discuss why longevity demands reframing. Second, we share our research findings, organised within the four pillars of longevity preparedness - financial stability, physical health, emotional wellbeing, and social connectivity, focusing on the financial pillar due to its crucial role in supporting the others. We also consider ways to reduce longevity risk. Third, we suggest how collaborative adjustments by governments, society, corporations - including the financial sector - and individuals can bring about a transition from an ageing society to a longevity society.

## Our findings show:



### Four pillars for a longer life

Financial stability, physical health, emotional wellbeing, and social connectivity are all vital elements in longevity readiness. And financial stability is the bedrock that supports the rest.



### The longevity literacy gap

Around two in five people aged 50+ are underpreparing for retirement by 10 years or more when measured against the average life expectancy in their location. This shortfall leaves many at risk of running out of money later in life.



### Planning and trust deficit

Over a third have done no retirement planning, and just 15% seek financial advice. Nearly half cite financial worries as their top retirement concern, yet optimism grows after retirement (68% vs 56% pre-retirement).



### The decumulation challenge

The shift from the stability of regular wages in working years to drawing down savings during retirement is a complex concept for individuals. About 36% of pre-retirees are unsure if their money will last, and only 23% have mapped out income sources.



### Work redefined

The traditional three-stage model of education-work-retirement is fading. About 70% of pre-retirees aged 50+ expect to work longer, primarily to stay mentally and physically active (38%) rather than as a financial necessity (26%).



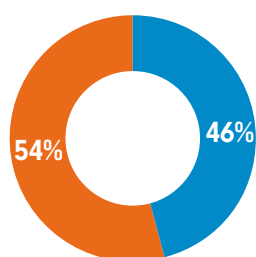
### Legacy revolution

Intergenerational wealth transfer patterns are shifting as people live longer. About half of those who plan to pass on their wealth are planning to do so before they die, demanding new approaches to financial planning.

# About our longevity research

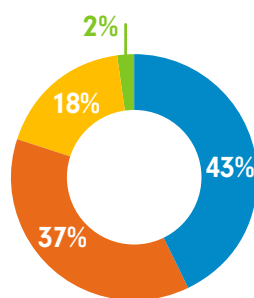
Opinium surveyed 11,800 individuals aged 50+ across 13 locations, including 6,500 pre-retirees and 5,300 retirees, on behalf of Fidelity International conducted between between 11 August and 1 September 2025.

## Gender



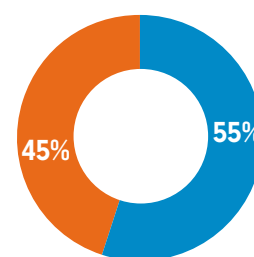
Men Women

## Age



50s 60s 70s 80s

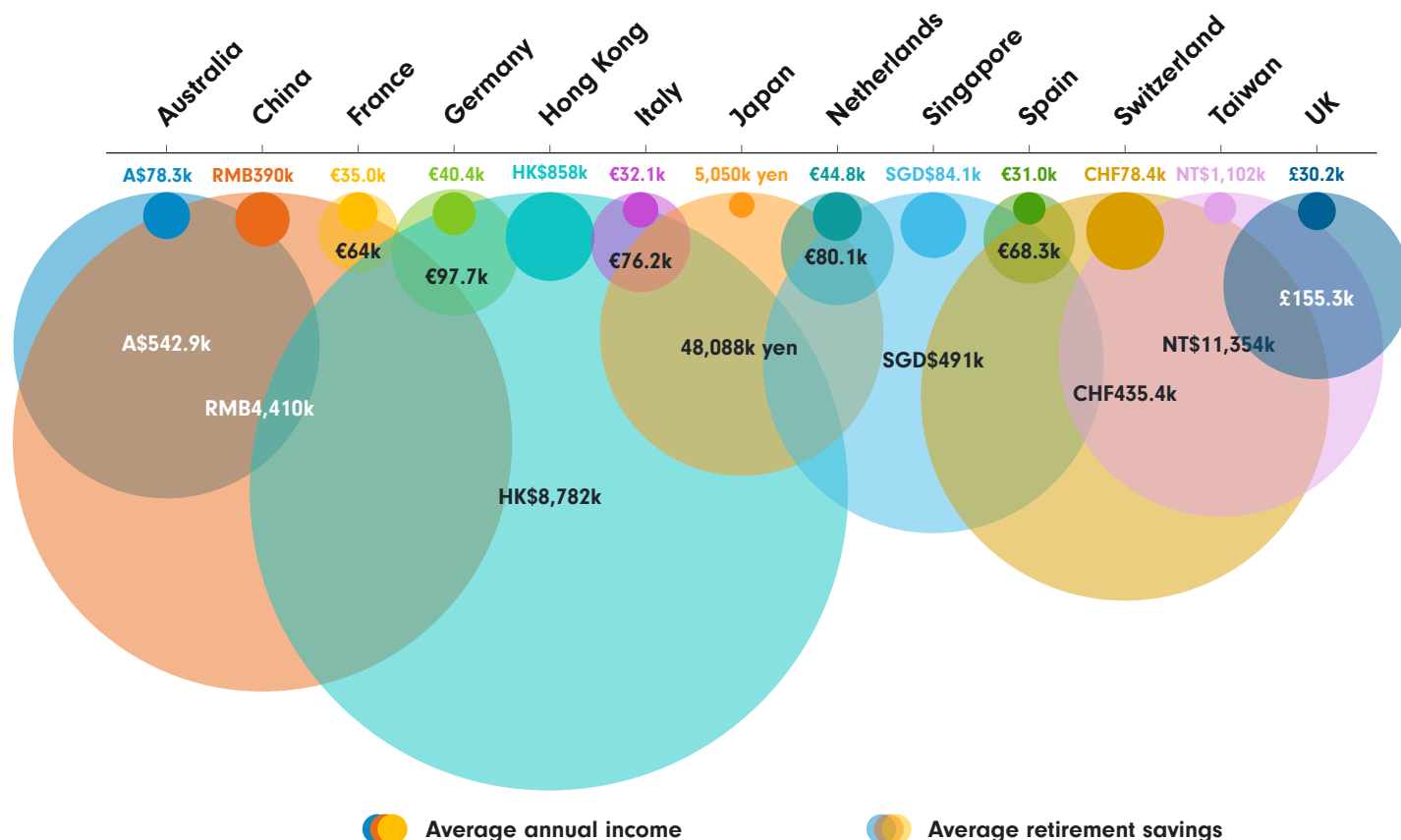
## Working status



Pre-retirees Retirees

Focus groups of between 10 and 12 retirees and pre-retirees were conducted from August 12, 2025 to September 15, 2025 by the National Innovation Centre for Ageing in Germany, Singapore and the UK. 'Portrait of a new reality' profiles within the report reflect individuals who participated in the focus groups.

## Respondents' average annual income vs. average retirement savings, by market



Source: Fidelity International, NICA, Opinium, October 2025.

Note: Size of circles reflect relative size of the local currency amounts when converted into US dollars.

# Imagining a new future

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Never have five generations found themselves simultaneously sitting around the same dinner table, nodding along to the same songs (played by bands of octogenarian rockers) or standing in line at the same supermarket checkouts. It may not be the norm just yet, but with longer lives, it's a future we can all increasingly imagine.

Extended lifespan is an emerging reality. The orderly progression from education to career to retirement - a structure that seemed as permanent as it was universal - is changing its shape before our eyes.

These factors suggest we must radically revise retirement's meanings and impacts. The issue of a longevity society is not only demographic - it's a question of awareness, culture, preparation and adaptation.

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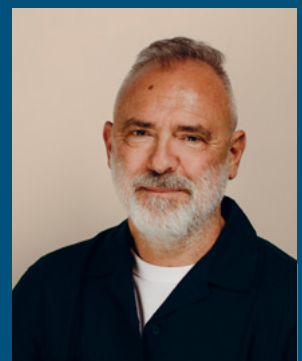
As individuals, we are rethinking what it means to age meaningfully. And for organisations, this presents a pivotal opportunity - and responsibility - to understand, and support, a decisive shift: helping people become 'longevity relevant' - relevant for themselves, to those they love, and to the society they are a part of. If we started asking ourselves, "Who and what will our future self be?", we would realise this is more than a rhetorical question asked to our inner self; it's central to the sustainability of future pension systems too.

The answer may seem obvious: be healthy and autonomous, surrounded by meaningful connections, and play an active role in society. Who wouldn't want this for themselves?

Fidelity's research highlights the four key pillars that underpin those answers: emotional wellbeing and social connectivity enabled through our physical health and sustained by financial stability. When finances are secure, the other pillars are easier to sustain. When they are not, the entire structure is weakened.

Building this architecture, which supports and nourishes our future self, is a journey of continuous micro and macro transitions and adaptations. Balancing and understanding our economic, social and physical dimensions should be an everyday exercise that we must learn to infuse into our lives much earlier.

With a longer future ahead, we also have more options, but only if we start building them today. Longevity represents an unprecedented opportunity calling for innovative design. Now is the time to design thoughtfully, act deliberately, and make this extra time count.



**Nic Palmarini**  
Director, National Innovation  
Centre for Ageing

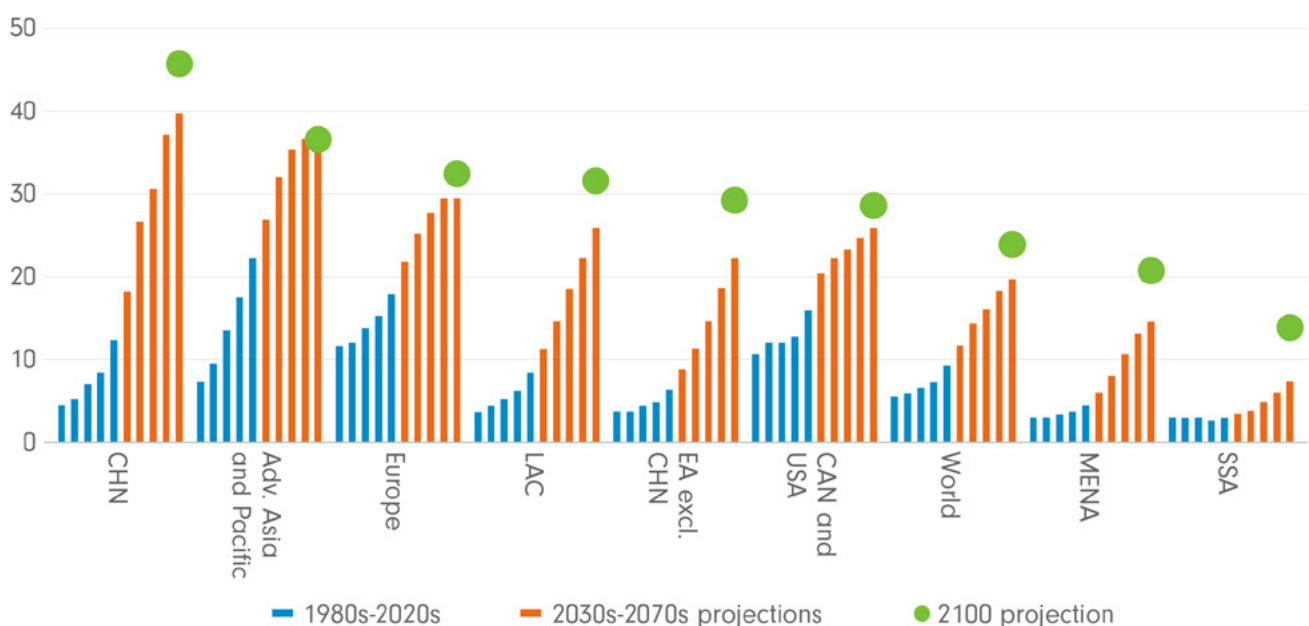
# Section 1 Longevity readiness: Mapping our new reality

Where previous generations followed a predictable path of education, work, and retirement, today's demographic, medical and technological realities demand a new roadmap, one that focuses not on ageing as a burden but on longer lives that open up new possibilities for meaningful work, social connections and personal progression.

We're experiencing the most dramatic transformation in demographics ever recorded. In 2018, for the first time, there were more people over 60 than under 5.<sup>3</sup> The global population is getting older (see Chart 1), with the median age rising from about 31 years old in 2020 to 36 years old in 2050.<sup>4</sup> Living to 100 is becoming more common.

Interestingly biological age is also diverging from chronological age. In other words, we are staying healthier for longer both physically and mentally. According to the International Monetary Fund, a 70-year-old in 2022 had the cognitive ability of a 53-year-old and the physical ability of a 56-year-old from two decades earlier.<sup>5</sup>

**Chart 1: Share of individuals aged 65 and above (% of total population)**



Source: International Monetary Fund, April 2025. Data is based on United Nations World Population Prospects and IMF calculations. Note: the bars denote the share of the older population (ages 65 and above) in the total population by the end of the respective decade. Data labels in the figure use International Organization for Standardization (ISO) country codes. AEs = advanced economies; Adv. Asia and Pacific = advanced Asia and Pacific; EA = emerging Asia; EMMIEs = emerging market and middle-income economies; excl. = excluding; LAC = Latin America and the Caribbean; LIDCs = low-income and developing countries; MENA = Middle East and North Africa; SSA = sub-Saharan Africa.



However, we are navigating this gift of extra time without a compass or directions. How do we want to use it? What support do we need to get there? When should we begin preparing?

In terms of longevity preparedness, our research findings highlight a tension between aspiration

and reality. With powerful forces such as medical and technological advances significantly extending healthy lifespans, people are optimistic about the time they have. But as systemic shocks such as the COVID-19 pandemic introduce higher uncertainty, they are unclear how to plan for a longer lifespan, and importantly, how they will pay for it.

## Powerful forces driving the longevity revolution

### Medical and technological advancements

Advances in science, medicine, and technology - increasingly powered by AI - are shifting the focus from managing age-related decline to preventing illness and extending healthy years, with broad social and economic benefits.



### Changes in lifestyle

As individuals make lifestyle changes that allow them to stay healthy for longer, retirement is no longer a fixed point in time, but a flexible and evolving life stage.



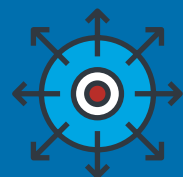
### Systemic shocks

Events such as the pandemic and subsequent inflationary pressures and labour market disruptions highlight how external factors can rapidly alter retirement plans and aspirations.



### Multiple financial demands

Supporting children, grandchildren and older relatives, alongside career breaks for unpaid care (especially for women), is putting pressures on financial security.



### Financial knowledge divide

As retirement becomes more complex, financial literacy will be essential. Technology - including artificial intelligence - can help bridge that gap with the right guard rails, and access to the appropriate digital tools will be key.





## Section 2 The four pillars of longevity readiness

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Despite dramatic shifts in life expectancy, many people still approach retirement with outdated assumptions. Our research reveals a persistent disconnect between aspirations for a longer life and preparedness to support it.

Longevity readiness depends on four interconnected pillars: **financial stability**, **physical health**, **emotional wellbeing**, and **social connectivity**. Each pillar is essential, and gaps can undermine the others.

Among the most pressing challenges to support these pillars are a lack of financial planning and limited understanding of the implications of longevity, leaving many feeling uncertain and unprepared for their future.

### Financial stability: The foundation that enables everything else

Financial stability is the bedrock of longevity readiness. It not only enables access to care, greater social opportunities, but also underpins emotional wellbeing and peace of mind.





When finances are secure,  
the other pillars - health,  
emotional wellbeing and  
social connectivity -  
are more stable.

Our research shows a direct link between financial planning and overall preparedness across all pillars (see Charts 2A and 2B). Furthermore, the correlation is consistent within the countries surveyed as well as across nations, and when compared to other financial metrics such as the relative amount of retirement savings. Perhaps unsurprisingly, those who have saved more generally felt more physically, emotionally and socially prepared for retirement.

Among all pre-retirees surveyed in 13 markets who had done some retirement planning:

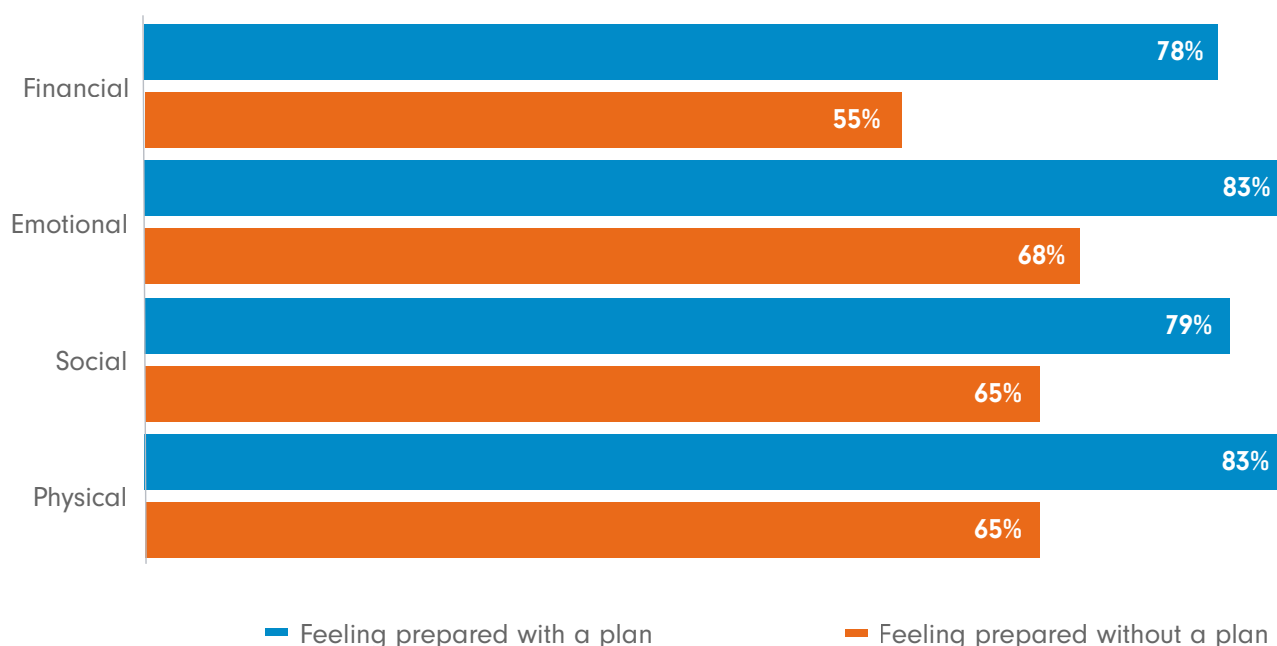
- 83% felt physically and emotionally prepared
- 79% felt socially prepared
- 78% felt financially prepared

For those respondents who had not done any planning, the preparedness figures dropped significantly:

- Only 65% felt physically prepared
- 68% felt emotionally prepared
- 65% felt socially prepared
- Just 55% felt financially prepared

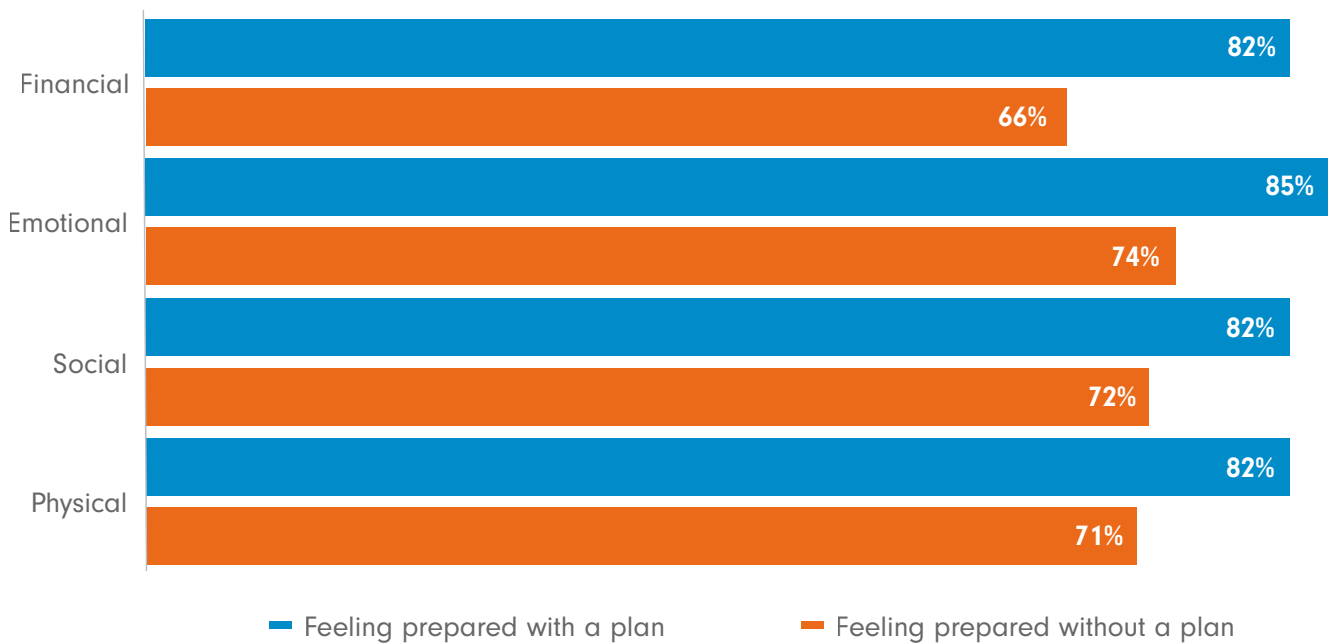
### Chart 2A: Retirement preparedness among pre-retirees, with plan vs. without plan

Question: How well-prepared for retirement do you feel?



## Chart 2B: Retirement preparedness among retirees, with plan vs. without plan

Question: How well-prepared were you for retirement?

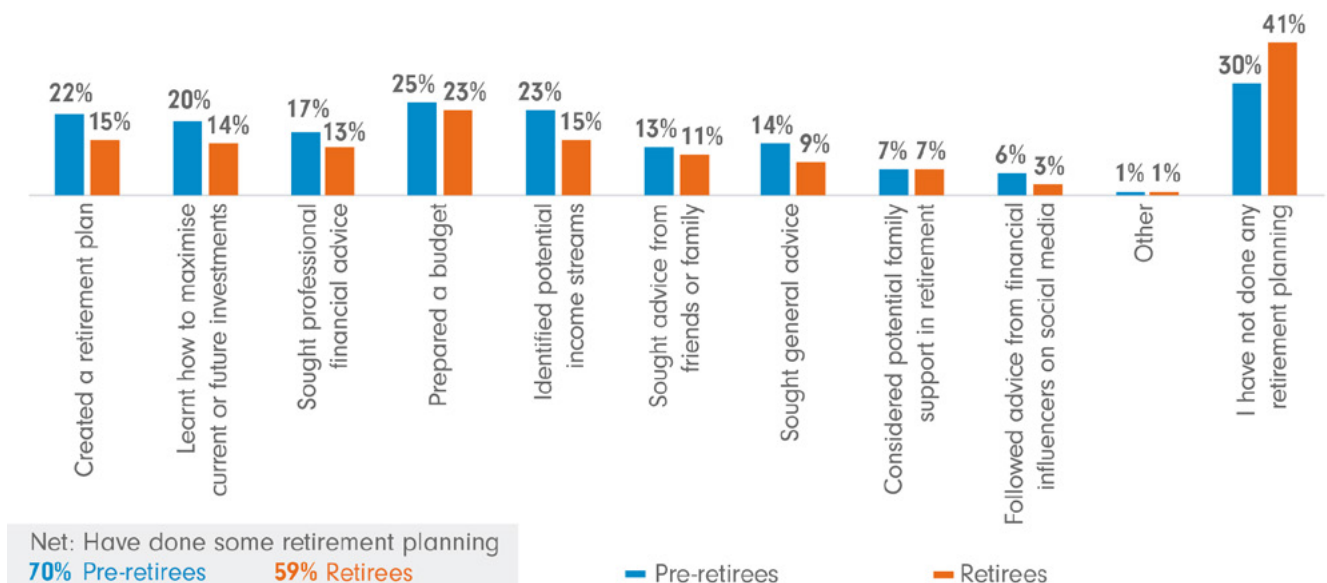


Source: Fidelity International, Opinium, October 2025. 'With plan' and 'without plan' refers to retirement planning. For the survey, the following definitions apply - financial stability refers to income and resilience to meet needs (including emergency costs), manage risks and preserve autonomy; physical health pertains to strength, mobility and vitality to remain independent; social connectivity maintains a sense of belonging and support through relationships, community and other shared activities; and emotional wellbeing sustains purpose, identity, and peace of mind.

Financial planning is about maximising the options available to enable a more confident, connected, and healthy life. And while most people aged 50+ say they have done some form of retirement planning, 35% of all respondents have done none. Drilling down among pre-retirees and retirees, a quarter or less have prepared a budget, created a retirement plan or identified potential income streams in retirement (see Chart 3). Furthermore, nearly a fifth of pre-retirees have either lost track, have never reviewed all their retirement assets or just don't know whether they even have retirement savings.

## Chart 3: Retirement planning actions, pre-retirees vs. retirees

Question: Which of the following have you done as part of your retirement planning?



Source: Fidelity International, Opinium, October 2025.



## Longevity literacy gap

Our research also shows that many over 50s underestimate how long, and for what, they may need savings for. Most plan for average life expectancy, without understanding nuanced longevity risk. Retirement savings are typically planned for 15 to 20 years, which would last until 80-85 if they retire at 65, but many may need an income for much longer. This 'longevity literacy gap' could lead to underfunded retirements and heightened anxiety.

- Around two in five people aged 50+ are underpreparing for retirement by 10 years or more when measured against the average life expectancy in their location, according to new analysis from NICA. This shortfall leaves many at risk of running out of money later in life.
- For married couples, the chances that at least one will live beyond the average life expectancy are even higher due to the added potential emotional, social and financial support that also can manifest in better physical health.<sup>6</sup>
- As life expectancy continues to rise, with the global average life expectancy likely to increase by 4.9 years in males and 4.2 years in females

between 2022 and 2050,<sup>7</sup> the gap between retirement planning and reality is widening. According to Pew Research Center, by 2050, 3.67 million people globally are expected to reach 100, an eightfold increase from about 451,000 in 2015. Many of us will live far beyond national averages, making longer-term financial and lifestyle planning essential.

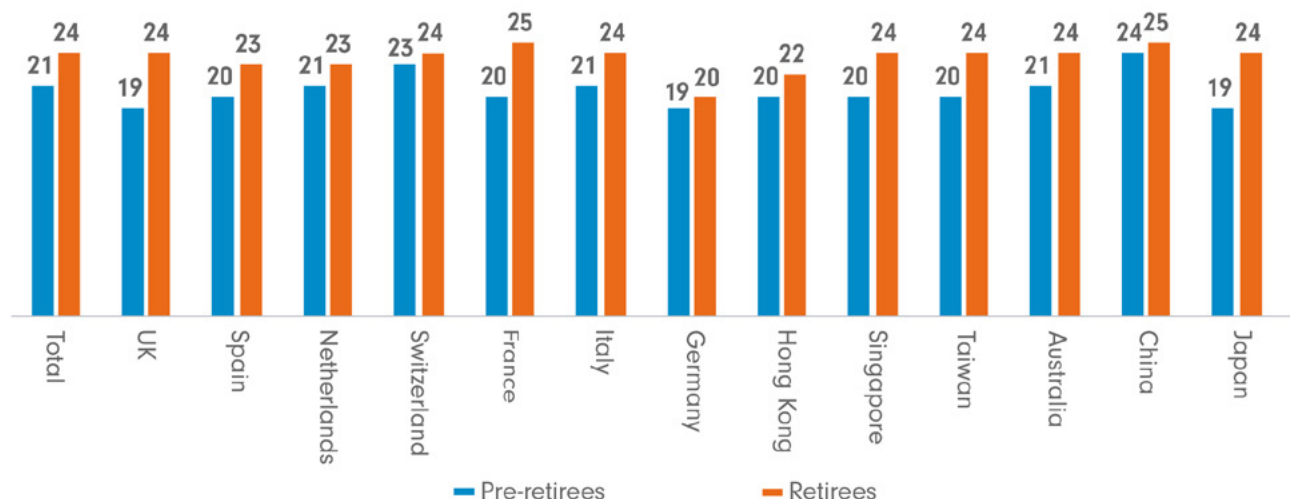
- When measured against a potential 100-year lifespan, about four in five aged 50+ are underprepared by 10 years or more, NICA research shows.
- Conversely, some may also be overpreparing financially. According to NICA analysis, about 4% of the respondents aged 50+ are planning for retirements beyond a 100-year life by 10 years or more.

## Savings vs. lifespan

On the surface, people's expectations for their savings and lifespan are fairly aligned: pre-retirees expect their retirement savings to last an average of 19 years and to live about 21 years after retirement on average, with retirees reporting slightly higher figures (see Chart 4).

**Chart 4: Average number of years expected in retirement, pre-retirees vs. retirees**

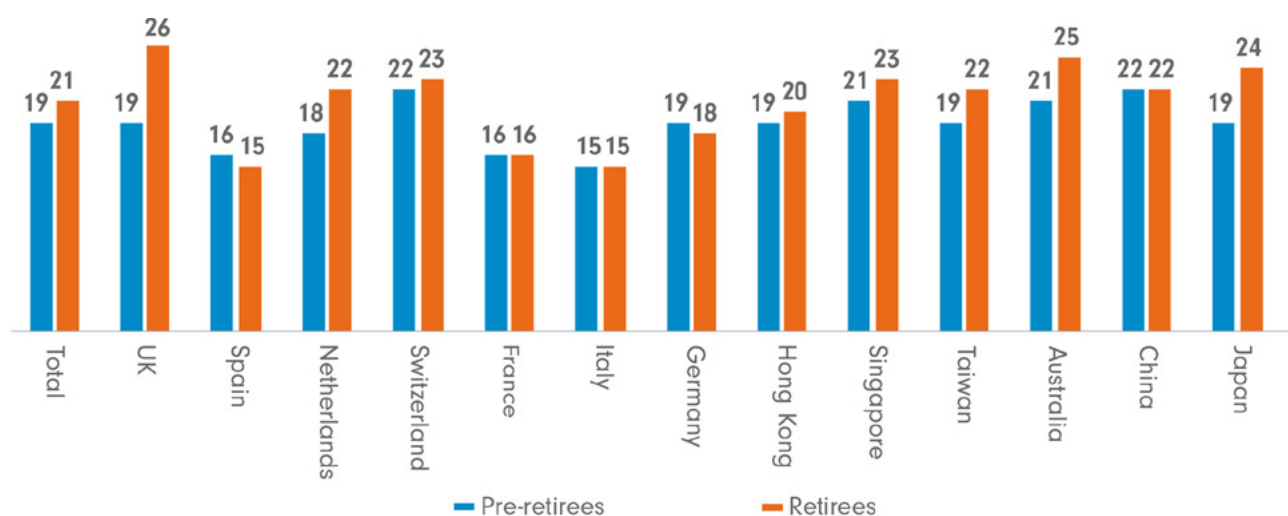
Question: How long do you think you will live for after retirement?



Source: Fidelity International, Opinium, October 2025. Note: Value = average number of years you think you will live for after retirement

## Chart 5: Average number of years savings expected to last, pre-retirees vs. retirees

Question: In retirement plans, how long did/do you expect your retirement savings to last?



Source: Fidelity International, Opinium, October 2025. Note: Value = average number of years retirement savings expected to last

In Asia, respondents tend to give clear estimates for both savings and life expectancy. Among pre-retirees, only 9% in Singapore, 10% in Taiwan, 11% in Hong Kong, and 10% in China said they did not know how long their money would last. Uncertainty over lifespan was similarly low.

By contrast, in Europe, uncertainty is much higher: among pre-retirees, 28% in the UK, 33% in Spain, 48% in the Netherlands and 46% in France say they do not know how long their savings will last and around a third of pre-retirees in these markets also do not know their average life expectancy. These differences could reflect their respective retirement systems, with those in Asia more likely to place greater responsibilities on individuals and families.

### The decumulation dilemma

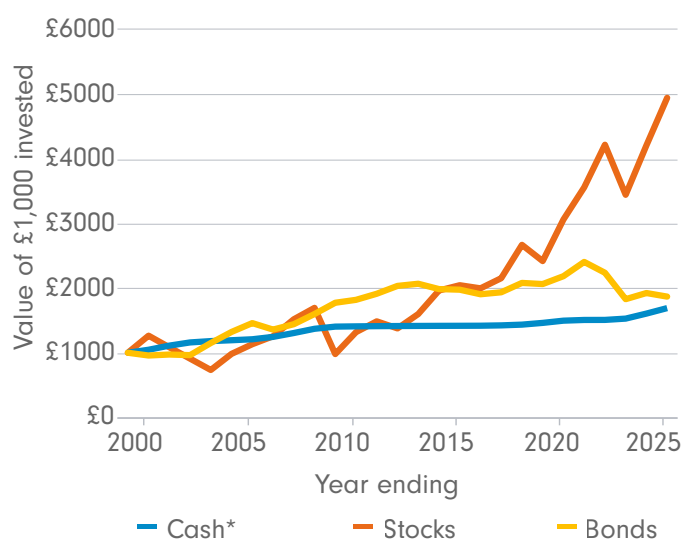
During their adult working lives, most people grow accustomed to the comfort of regular wages. But as they approach retirement, this begins to shift. The challenge is not simply in stopping work but transitioning from building savings to strategically drawing them down.

This new reality means people are having to make financial decisions for a retirement that could last 30+ years, balancing the risk of outliving their savings versus the risk of being unnecessarily frugal and missing out on fulfilling their aspirations for retirement.

Furthermore, governments and companies are increasingly shifting financial risks related to retirement savings to individuals. For businesses, the evolution from defined benefit to defined contribution or hybrid schemes means that individuals are shouldering more of the responsibilities to ensure they have an adequate income stream during retirement.

On average, respondents expected an annualised investment return of 4.9%. In terms of investments, nearly two-thirds of the respondents say they are invested in cash or cash equivalents (see Charts 6 and 7). In comparison, a third are invested in equities while a fifth have some exposure to bonds.

**Chart 6: Growth by asset class**



Past performance is not a reliable indicator of future returns.

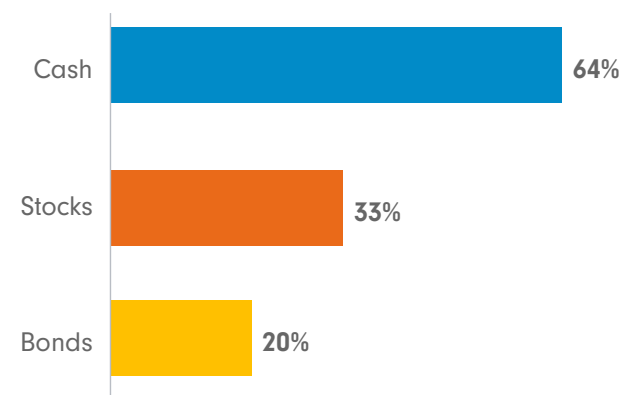
Source: Refinitiv, MSCI World Index, FTSE World Government Bond Index and ICE BofA US Treasury Bill Index (GOBA), total returns from 31.12.99 to 31.12.24. \*ICE BofA US Treasury Bill Index (GOBA) used as a proxy for cash.

The single most powerful determinant of retirement wealth is time - specifically, the time that savings are left to compound. Early contributions, even modest ones, create a foundation that grows exponentially, while delayed savings demand ever higher rates of return to meet a specific goal. So the longer someone saves and the higher the amount they save regularly - the greater their range of options are at retirement.

This is especially salient at a time when people worry more about whether they will be able to rely on state support. The stagnation or decline of public pension benefits have raised out-of-pocket costs in retirement, including health-related expenses. Globally, only 28% of people feel assured that their government will provide adequately for them in later life. In the UK, 60% are not confident. In Japan, the figure rises to 65%. China is the only country where doubt is notably lower, at 11%.

**Chart 7: Investment exposure, by asset class**

Question: Which, if any, of the following savings and investment products do you currently have?



Source: Fidelity International, Opinium, October 2025.

To reduce longevity risk, there are essentially four options: spend less; save more; increase investment returns; or work longer.

### Purpose beyond a pay cheque

Working longer - even part-time - shortens the retirement horizon, increases savings, and delays withdrawals. As lifespans stretch, the question of working longer and differently becomes a reality. People are increasingly moving between education, work and retirement multiple times throughout their lives. For many, working longer is not a reluctant extension but an opportunity for continued growth and engagement (see Chart 8).

## In our survey:

**51%**

expect or want to work longer due to increased longevity

**70%**

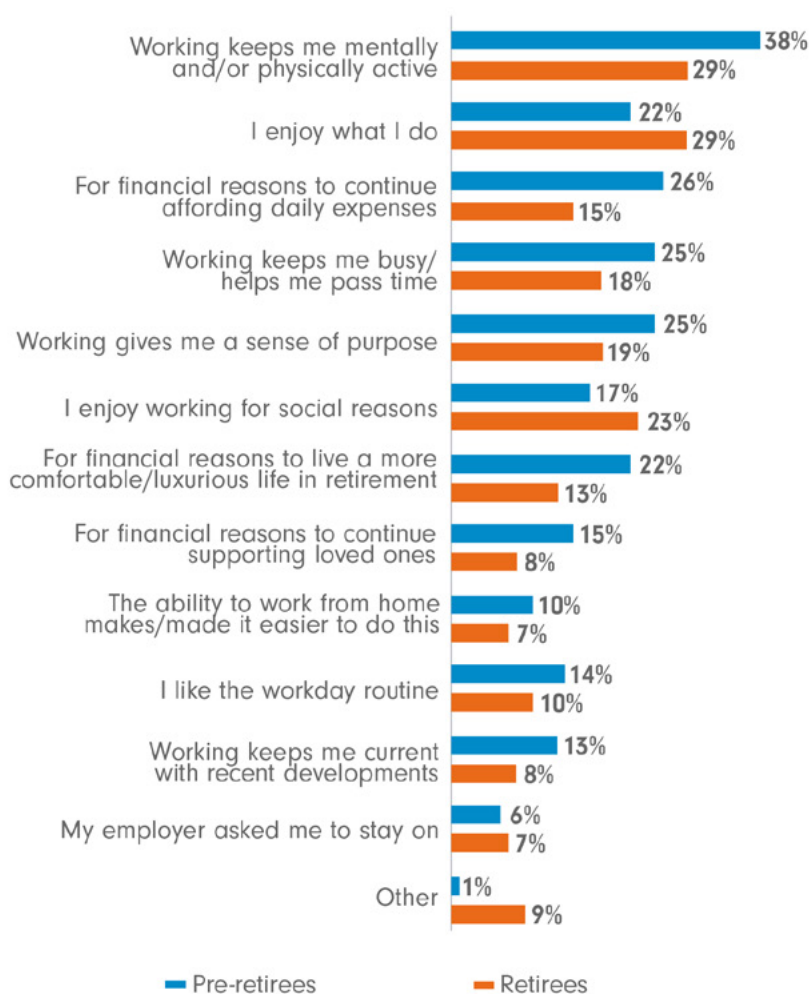
of pre-retirees want to remain in some sort of work after they begin drawing retirement benefits

**89%**

of Singapore residents want to continue working. In Taiwan, the figure is 87%, and in Switzerland, 79%

**Chart 8: Reasons to continue working after drawing retirement benefits**

Question: Why did/might you continue to work?



Source: Fidelity International, Opinium, October 2025.

Note: Darker shades: higher percentage of respondents and lighter shades: lower percentage of respondents



# Portrait of a new reality

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**Name:** Paul

**Age:** 67

**Sex:** Male

**Status:** Pre-retiree in the UK

**Outlook & Motivations:**

Paul enjoys the mental stimulation that work provides and is not eager to give it up. He finds purpose and structure in his working life and associates retirement with potential stagnation. He is looking forward to remaining a volunteer after retirement.

For Paul, staying mentally active is both a personal value and a protective strategy. Dementia is a hot topic, and he fears the impacts it could have and the loss of independence. He sees work as a way to maintain vitality and meaning in everyday life, not a financial necessity.

**Worries & Barriers:**

While financially secure today, Paul carries a quiet concern about the unpredictability of later life. His biggest fear is losing control. He worries about being forced to sell his home to cover future care costs, especially as he wants to pass it on to his nieces.

Paul fears a post-retirement drift, where routine is replaced by repetition and lack of purpose. He is wary of the life adopted by retired peers, who now spend most of their time in the pub.

Note: Profiles were sourced from focus groups conducted by NICA from August 12, 2025 to September 15, 2025. The individual's name was changed for privacy protection purposes.



# Longevity and the two stages of retirement savings

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In addition to working longer, people have two other options to mitigate longevity risks: saving more and investing to optimise retirement assets. Longer lifespans have increased the risk of individuals outliving their savings. At the same time, they are carrying more of the financial burden of both saving and investing for retirement.

Given the complexity, we believe the way you accumulate retirement assets shapes the options during the drawdown stage in what's known as decumulation, and vice versa. In the following, Katie Roberts, Fidelity's Global Head of Client Solutions, answers three key questions asked by clients, showing how longevity risk is intertwined during the two stages of accumulation and decumulation.

## **How much should I be saving?**

During working life, many people might set a target for their retirement portfolio, such as a million euros. However, longevity risk shows why this might be a flawed approach. What if inflation, market movements or low interest rates at the time of retirement (or during retirement) does not provide the expected monthly income for retirement?

The two central questions should be: how to save given the longevity risks; and how should the portfolio be drawn down in retirement. The issue is the income that the investment portfolio can provide for a lifetime. Framing retirement savings in this way connects accumulation and decumulation.

## **How can I invest for retirement when there are so many uncertainties?**

Maximising the options you have when you retire is immensely valuable. The larger the retirement pot, the more freedom you have to choose, whether it be to work or not to work, to invest in healthcare, or to support your children and grandchildren.

This is why we believe the choices you make to save and invest retirement assets should give you the most options during pension drawdown. And you need to think about these things early. If you wait until you are near retirement, that is too late and many of your options may no longer be available. Retirement also requires confronting trade-offs, for example, compromising by leaving a smaller inheritance in exchange for greater financial flexibility elsewhere. The precise goals may be unknowable today, but the need for financial resources will not be.

## **How should my investment strategy during the accumulation stage reflect decumulation risks?**

Most people are aware that saving for retirement calls for a diversified portfolio that includes growth assets such as stocks, property and higher-yielding bonds. Pension drawdown, in contrast, comes with a different set of risk. For example, one distinction is that withdrawals during market downturns can be devastating, so you need to mitigate that risk. Equally, withdrawals do not need to be a fixed amount throughout retirement. Spending typically peaks early as travel and leisure dominates and may decline later in life.

The glide path to retirement cannot be based only on age. It must be linked to factors such as spending needs, health risks and family responsibilities. If paying off a mortgage is a priority, then retirement savings should include assets that can be liquidated flexibly. If legacy is a concern, then savings should include illiquid, longer-term assets that deliver capital growth. Effective planning therefore requires flexibility, maximising the pot size as early as possible. Once you get closer to retirement, start to think about withdrawals, taking into account factors such as market conditions and lifestyle.



**Katie Roberts**  
Global Head of  
Client Solutions

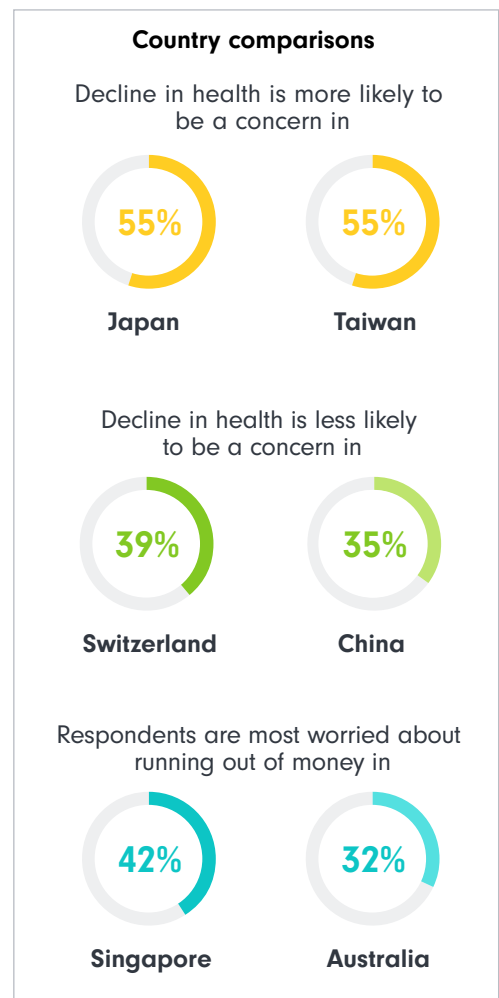
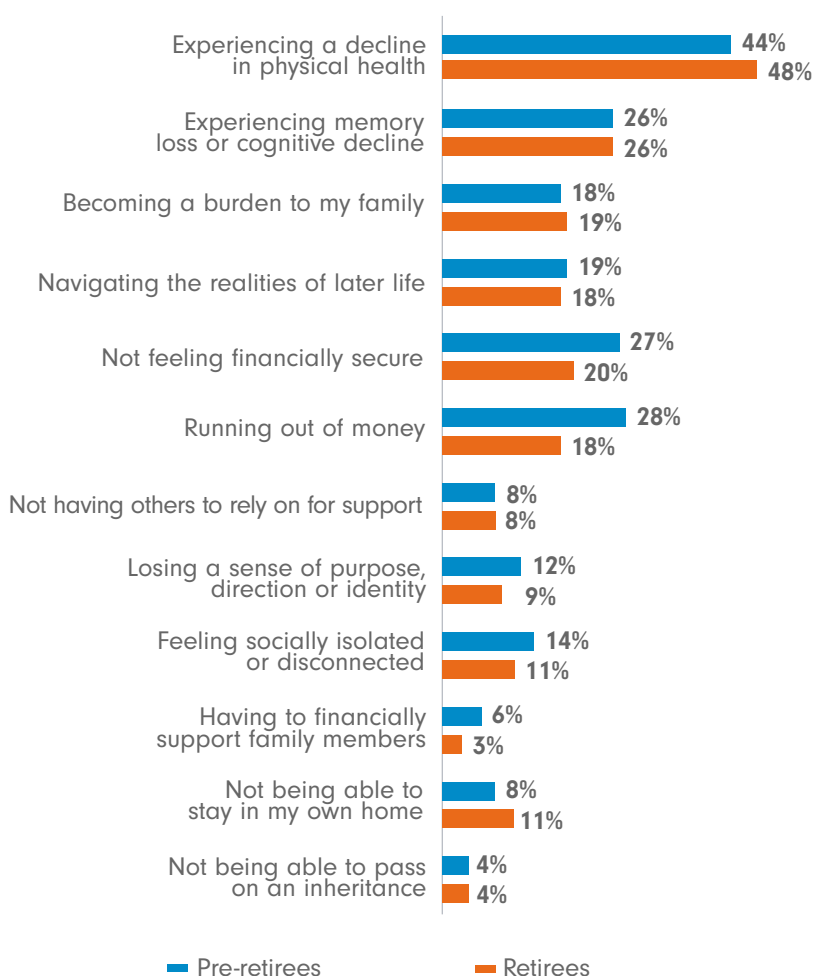
## Physical health: The enabler of independence

Physical health is the ultimate enabler of independence and fulfilment in later life. It determines whether people can travel, pursue hobbies, care for loved ones, or continue working. Almost half (46%) of people aged 50+ say experiencing a decline in physical health is a top concern, with this being slightly more of a worry for retirees (see Chart 9), followed by memory loss or cognitive decline (26%). And 48% of respondents want more support for health and wellbeing.

Health and wealth are deeply intertwined. Globally, 24% of respondents say their biggest fear is a lack of financial security, after physical decline, and the same percentage fear the risk of running out of money. Significant differences exist by location. In the Netherlands, only 13% worry about not feeling financially secure, and 11% about running out of money. By contrast, in Singapore, 35% highlighted financial insecurity, and 42% feared their money would not last.

### Chart 9: Factors of most concern in retirement, pre-retirees vs. retirees

Question: Thinking about retirement, what are you most concerned about?



Source: Fidelity International, Opinium, October 2025.

Note: Darker shades: higher percentage of respondents and lighter shades: lower percentage of respondents

Our research highlights the link between financial security and perceived health preparedness. Retirees with higher incomes are more likely to feel ready for the physical demands of later life, while those with

fewer resources are more vulnerable to health shocks and care costs. In Taiwan for example, 74% of those on a lower income say they feel physically prepared compared to 97% on a higher income.

## Portrait of a new reality

Name: Michelle

Age: 71

Sex: Female

Status: Retiree in Singapore

### Outlook & Motivations:

Michelle retired after a cancer diagnosis became more serious, prompting her to re-evaluate how she wanted to spend her time. Health became a clear priority, leading her to adopt a more active lifestyle and build structure into her days. She now values having a clear routine, which keeps her grounded and helps her avoid drifting through the days.

Retirement was meant to be a time of travel and hobbies, and she made plans accordingly. But as her parents aged, she took on a caregiving role that reshaped those dreams. Even so, Michelle remains deeply engaged with life through volunteering and charity work, finding purpose in helping others.

### Worries & Barriers:

Loneliness and isolation sit quietly in the background of Michelle's thoughts. She fears falling sick again, particularly the pain and loss of independence that can come with it. While she feels financially secure, owing to early savings prompted by financial advisers and insurance planners, she has continued to occasionally invest in stocks and shares.

She is grateful for Singapore's efforts in promoting active ageing, from the design of parks to the public information around nutrition and movement, all of which help her feel more in control of her wellbeing.

Note: Profiles were sourced from focus groups conducted by NICA from August 12, 2025 to September 15, 2025. The individual's name was changed for privacy protection purposes.





### Care costs: The blind spot

Despite this focus on physical wellbeing, care costs remain a significant blind spot in retirement planning. During focus group discussions in Singapore, Germany and the UK to support our research, most participants remained vague when questioned about out-of-pocket healthcare and care costs, with many expressing confidence in their health and family longevity patterns.

Underestimating care costs can lead to devastating financial consequences. According to Organisation for Economic Co-operation and Development (OECD) data in 16 countries, more than half of an older person's income goes towards home care.<sup>8</sup> In Germany, residential care costs have increased by 54%<sup>9</sup> since 2018, and in Singapore 27%.<sup>10</sup>

### Emotional wellbeing: The inner resource

In the context of retirement, emotional wellbeing is the internal strength to navigate one of life's most profound changes as work recedes. Of all the retirement pillars, it is also perhaps the most subjective to the individual.

Global variations in our study reveal this complexity: 88% of retirees in China and Taiwan reported feeling emotionally prepared for retirement, while in Germany and Italy, nearly one in three (27%) acknowledged they don't feel emotionally ready. The data exposes retirement's central emotional challenge: the search for meaning beyond career identity.

Emotional and financial health are deeply interconnected. Emotional stability enables clearer judgement, more prudent spending and long-term planning - the characteristics needed to support financial wellbeing. Conversely, chronic financial anxiety can erode emotional wellbeing by eroding a sense of control and optimism.<sup>11</sup>

In Australia, 94% of retirees with high savings reported feeling emotionally ready for retirement, compared to just 72% of those with low savings - a 22-percentage-point confidence gap. Having an emotional foundation supported by financial wellbeing enables choice, the health status that preserves autonomy, and the sense of purpose that transforms retirement from an ending into a beginning.



## Social connectivity: The longevity multiplier

Social readiness and support networks are fundamental to human wellbeing and longevity, according to the Harvard Study of Adult Development. Relationship quality in midlife predicts life satisfaction at age 80 more strongly than traditional health markers. Social isolation and loneliness increase mortality risk by 26-32%, comparable to smoking or obesity.<sup>12</sup>

While financial resources create opportunities for social engagement, sustained connection requires active participation. Social connectivity also amplifies the benefits of other retirement dimensions: socially engaged older adults have half the incidence of long-term care needs and a one-third reduction in dementia onset.

One example is Japan's community salon programmes, which are state-backed neighbourhood

clubs where older adults support each other in sustaining health, purpose and social network. The programmes reached 86.5% of municipalities, according to 2017 World Health Organization data, showing that systematic social engagement creates measurable health dividends while reducing healthcare costs. In the US, social isolation is linked to an estimated \$6.7 billion in additional Medicare spending annually,<sup>13</sup> while the economic cost of loneliness in the UK ranges from £1,700 to £6,000 per person.<sup>14</sup>

Social preparedness  
remains retirement  
planning's most  
underestimated  
dimension.



# Portrait of a new reality

---

**Name:** Joanne

**Age:** 70

**Sex:** Female

**Status:** Retiree in the UK

## **Outlook & Motivations:**

Joanne is a natural problem-solver who thrived in her scientific career. She retired early to care for her mother and has since struggled to return to her professional field. Although she still hopes to re-engage with this profession, she feels that both her age and the pace of change in the industry are standing in the way. Outdated procedures, lost confidence, and the perception that her time has passed weigh heavily.

Despite these setbacks, Joanne remains purpose-driven. She volunteers regularly, stays physically active, and is committed to ageing well on her own terms. She recently became a grandmother, a moment that re-centred her focus on family, even if they now live overseas.

## **Worries & Barriers:**

Joanne always knew her pension would be modest, but she's frustrated by how part-time work late in her career reduced her final salary calculation. A lack of transparency around pensions and policy changes has left her feeling let down by the system.

Her greatest fears, though, are not financial. She worries about the social fabric fraying, rising crime, reduced policing, and antisocial behaviour in her community. These anxieties sit alongside a sense of missed opportunities in her life.

Note: Profiles were sourced from focus groups conducted by NICA from August 12, 2025 to September 15, 2025. The individual's name was changed for privacy protection purposes.

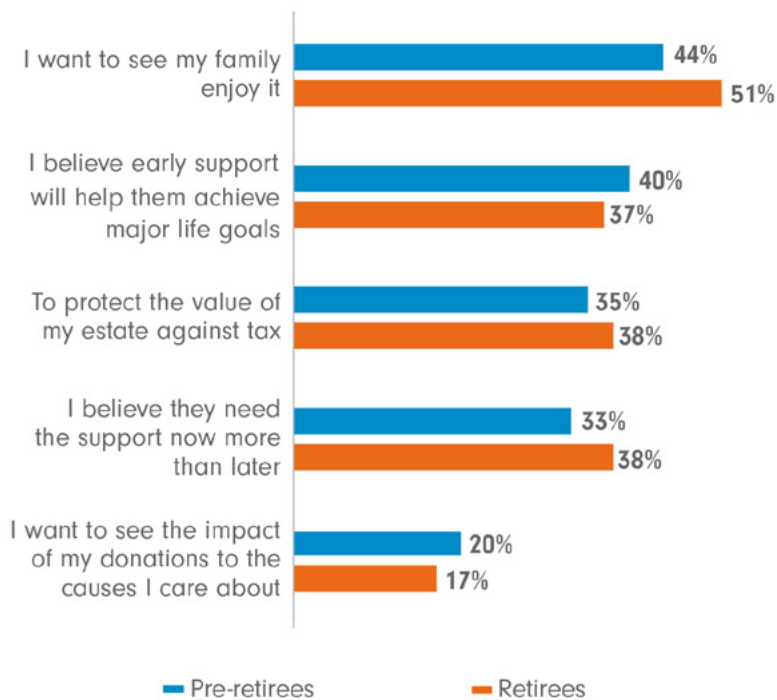
## **Legacy revolution: Giving while living**

Legacy isn't just about wealth. It's deeply connected to relationships and social connection. Longer lives allow more time to shape other people's lives directly, sometimes emphasising impact during one's lifetime over traditional inheritance after death.

Globally, nearly half of the respondents hope to pass on their wealth during their lifetimes. For many, the ultimate luxury is seeing their money make a difference in the lives of loved ones (see Chart 10). Nearly two-thirds would rather retire with less money but be surrounded by loved ones they have supported.

As people live longer,  
the comfortable notion of  
legacy - wealth transferred  
after death - is being  
redefined.

**Chart 10: Reasons for passing down wealth while alive, pre-retirees vs. retirees**



Source: Fidelity International, Opinium, October 2025.



Note: Darker shades: higher percentage of respondents and lighter shades: lower percentage of respondents

Traditional models assume wealth would flow from dying parents to thriving, career-building children in their 30s and 40s. However, for today's 65-year-old couple, there's an 89% chance one partner will live to age 85, and a 45% chance one will survive to at least 95 in the UK, according to the Office for National Statistics calculations based on Census 2021 data. At the point of wealth transfer, their children may already be approaching retirement when wealth finally arrives.

As people live longer, it is not uncommon to see wealth transfer from centenarians to septuagenarians, from the very old to the merely old, or skipping children altogether to support grandchildren. Longevity is a factor leading more people to pass on wealth while still living. Instead of seeing inheritance as a one-time postmortem event, families are now looking towards 'staged wealth transfer' strategies, moving assets when it is needed and appropriate.



# Portrait of a new reality

---

**Name:** Kurt

**Age:** 66

**Sex:** Male

**Status:** Retiree in Germany

## **Outlook & Motivations**

Kurt is embracing retirement with an open and optimistic mindset. After years of shift work and missed social occasions, he now fills his time with hiking, group travel, and regular socials with friends and former colleagues. With his wife soon to retire, they plan to travel more extensively, something he sees as a reward for their decades of work.

He lives without unnecessary worry, preferring to take life as it comes. Financially, he feels secure. His combination of state and company pensions provides enough to support his lifestyle and allow for occasional support to his children. He isn't concerned with strict budgeting, nor is he actively trying to spend down his wealth. He's simply enjoying it, and if there's anything left over, it will go to his children.

## **Worries & Barriers:**

Kurt carries a few day-to-day worries, but past experiences have shaped his approach to planning. After managing the complexities of his father's estate and witnessing the strain it caused among family members, he took a proactive approach. He created a living will over a decade ago and updates it regularly to avoid leaving uncertainty behind.

He feels fortunate to have found a rental bungalow that meets his changing needs, renovated by chance to be age-appropriate. It is now an ideal long-term home. He has no plans to move.

Note: Profiles were sourced from focus groups conducted by NICA from August 12, 2025 to September 15, 2025. The individual's name was changed for privacy protection purposes.



## Section 3 Seizing the longevity dividend

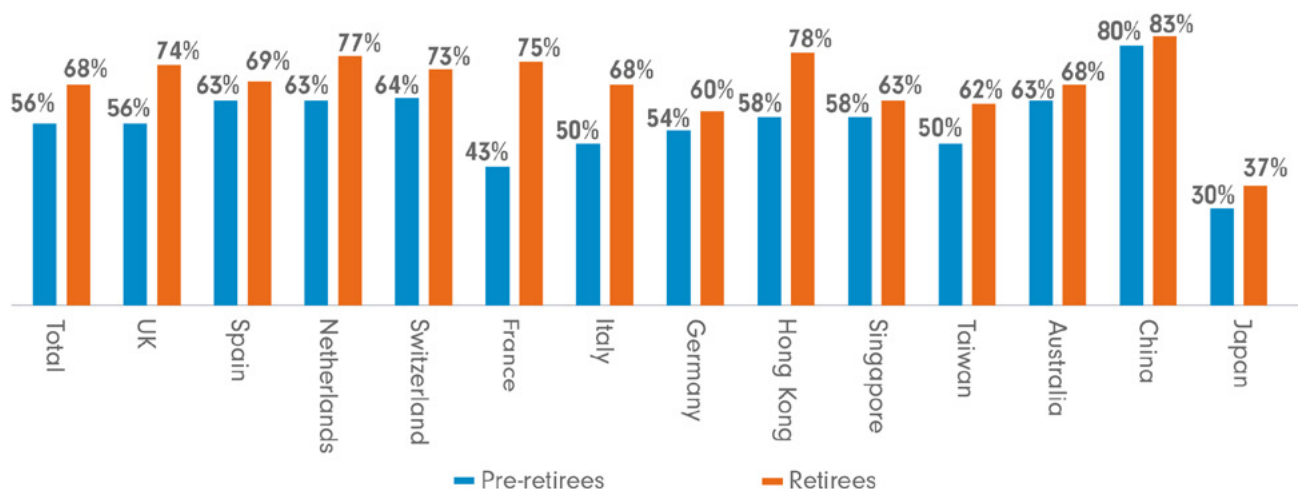
For most of modern history, society was designed for the young. Education systems absorbed children in great numbers, labour markets assumed decades of full-time work, and retirement was a brief afterthought at life's end. That model reflected a population pyramid that is expanding - broad at the base and narrow at the top. But today, the pyramid has a narrower base with fertility rates falling.<sup>15</sup> The fastest-growing demographic groups are the older populations.

The challenge – and the opportunity – is how to reconfigure a society designed for the young to one that also caters for longevity. As people live longer, the traditional boundaries between work and retirement are dissolving. This shift is not a challenge to be feared. The longevity dividend can be realised through innovation across public policy, business, health, and financial services.

Encouragingly, our research shows that most people do not approach retirement with fear. And optimism increases with experience, with 56% of pre-retirees and 68% of retirees globally feeling positive about how life will be once they stop working (see Chart 11). This suggests that, with the right support, people can look forward to longer retirements with confidence.

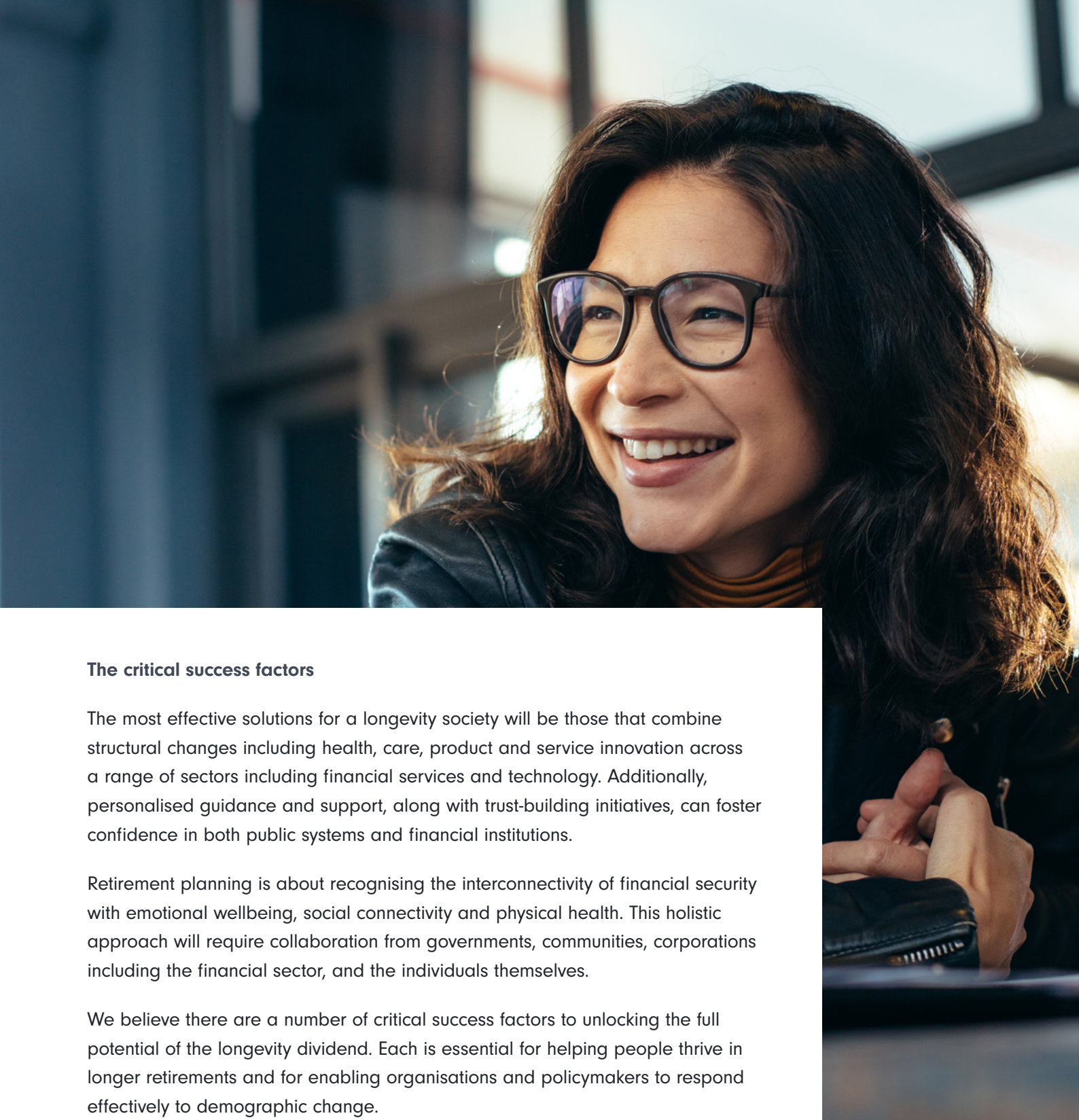
**Chart 11: Outlook on life in retirement (% responding very or somewhat positive)**

Question: Thinking about retirement, which of the following statements reflects your outlook?



Source: Fidelity International, Opinium, October 2025.





### **The critical success factors**

The most effective solutions for a longevity society will be those that combine structural changes including health, care, product and service innovation across a range of sectors including financial services and technology. Additionally, personalised guidance and support, along with trust-building initiatives, can foster confidence in both public systems and financial institutions.

Retirement planning is about recognising the interconnectivity of financial security with emotional wellbeing, social connectivity and physical health. This holistic approach will require collaboration from governments, communities, corporations including the financial sector, and the individuals themselves.

We believe there are a number of critical success factors to unlocking the full potential of the longevity dividend. Each is essential for helping people thrive in longer retirements and for enabling organisations and policymakers to respond effectively to demographic change.

## Address financial anxiety early

Helping people plan ahead can reduce uncertainty and stress. Early financial guidance and education enables individuals to make informed choices, build resilience, and feel confident that their resources will last. They also need clear, accessible information about where they stand financially, what options are available and be equipped to pivot if circumstances or plans change. Combined with simplified, actionable advice, individuals are better positioned to make informed decisions with confidence.

## Champion innovation in technology

Digital platforms, AI-powered guidance, and personalised tools are making it easier for individuals to access information, model scenarios, and make confident decisions about their future. Technology bridges gaps in financial literacy, supports wellbeing, and fosters connections - empowering people to take control of their longevity journey. For organisations, investing in technology in a way that effectively manages related risks means reaching more people, delivering tailored support, and driving efficiency.

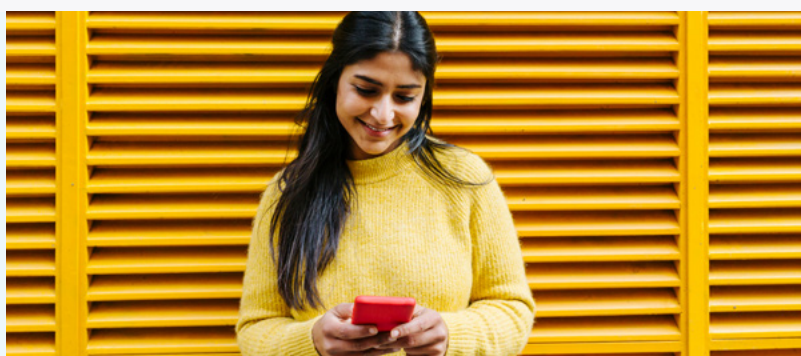


## Prioritise health and care

Addressing concerns about wellbeing and autonomy is essential. By focusing on health and care provisions, and helping people plan for it, we remove major uncertainties and empower people to maintain independence and quality of life. This not only benefits individuals but also reduces pressure on public systems and families.

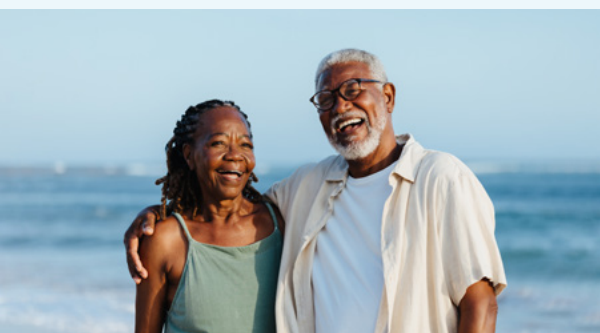
## Trust in public systems and institutions

Confidence in government support and financial institutions is vital. Transparent communication, reliable products, and accessible guidance help rebuild trust and encourage engagement. Predictability and stability in government pension rules are also essential, as people need assurance that the framework supporting their retirement will not shift unexpectedly, enabling individuals to plan with greater certainty and peace of mind. When people trust the systems and organisations that support them, they are more likely to seek help, follow advice, and participate in planning for their future.



## Support holistic wellbeing

Timely interventions across all four pillars—financial, physical, emotional, and social—make a difference. A holistic approach enables individuals to enjoy longer, healthier, and more connected lives. For society, this means a more resilient, engaged, and productive population.



Longer lives are not merely a statistic. It is an opportunity to create the conditions for people to live well and to enjoy more fulfilling retirements. Organisations and policymakers who embrace longevity wisely will not only support individuals in achieving security and purpose, but also establish a society that is wealthier, healthier and more cohesive than the one before it.

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Unless otherwise stated, all data in this report is derived from research conducted by the National Innovation Centre for Ageing or Fidelity.

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<sup>3</sup>For the first time ever, there are more people over 65 than under 5, World Economic Forum, March 19, 2019.

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<sup>5</sup>[The Rise of the Silver Economy: Global Implications of Population Aging](#), International Monetary Fund, April 2025.

<sup>6</sup>Laura L. Carstensen, ‘A Long Bright Future: Happiness, Health, and Financial Security in an Age of Increased Longevity’, PublicAffairs, Sept. 27, 2011.

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<sup>12</sup>Holt-Lunstad, J., Smith, T. B., Baker, M., Harris, T., & Stephenson, D. (2015). [Loneliness and Social Isolation as Risk Factors for Mortality: A Meta-Analytic Review](#). Perspectives on Psychological Science, 10(2), 227-237.

<sup>13</sup>Lynda Flowers, Ari Houser, Claire Noel-Miller, AARP Public Policy Institute, Jonathan Shaw, Jay Bhattacharya, Lena Schoemaker, Stanford University & Monica Farid, Harvard University, ‘Medicare Spends More on Socially Isolated Older Adults’, AARP, Nov. 27, 2017.

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<sup>15</sup>[Populationpyramid.net](#), based on United Nations data, 2024.

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