

Retirement Reimagined:

Asia's Retirement Divide



Executive summary

Asia is ageing: with more than 649 million people aged over 60, the region already accounts for more than 60% of the global over-60s population, a figure set to double to 1.3 billion in the next 25 years¹. However, as people live longer, healthier lives, the idea of retirement is evolving. No longer simply the end of one's working life, retirement is becoming a test of preparation, adaptability and financial resilience.

Our survey of 3,006 respondents from Hong Kong SAR, Indonesia, Malaysia, the Philippines, Singapore and Vietnam reveals a regional divide along two retirement paths: those who work longer **by choice**, and those who work **out of necessity**. Financial preparedness is the defining line between flexibility and pressure in retirement – a critical factor that shapes how people age, plan and participate in later life.

At the same time, technology is reshaping decision-making. As more people turn to generative AI (GenAI) for financial advice, new risks are emerging with the research highlighting a growing reliance on self-directed tools over professional guidance, potentially undermining retirement confidence across Asia.

Key Insights

A tale of two retirements – an option for some, an obligation for others

Retirement planning determines whether life in later years is full of choice or limited by financial pressures. The survey highlights two distinct groups, '**Gold Star Planners**', with well-developed retirement plans blending finances, health insurance, pensions and long-term foresight, and '**Stalled Starters**', who enter later life with limited financial security and shorter planning horizons.

For **Gold Star Planners**, continuing to work post-retirement is largely a matter of personal fulfilment and wellbeing (53%). Many point to staying physically or mentally active as a motivating factor (53%), while over three in ten cite enjoying the social aspects of work (34%). While the Gold Star group expects to stay active and participate in the workforce, this is an elective pursuit rather than a necessity.

For **Stalled Starters** who planned to retire later than expected or had already done so, delayed retirement is often driven by financial necessity, with 52% saying they postponed retirement to save more.

Gold Star Planners are also more optimistic about the future. Nearly half of Gold Star Planners (49%) say they are looking forward to retirement, underpinned by feelings of financial security. **Stalled Starters**, on the other hand, are more likely to feel uncertain or pessimistic (28%). Financial confidence has a clear impact on how psychologically equipped people are to navigate life after work.

This divide underscores the growing stakes of financial readiness: with adequate planning, later life work is empowerment; but without it, it becomes an obligation.

GenAI emerges as a risk factor in retirement planning

As generative artificial intelligence (GenAI) becomes part of our everyday lives, more people are turning to technology for critical financial advice, posing serious risks to their financial futures.

Respondents are relying less on professional advice as compared to last year's survey, with fewer individuals consulting banks (35%, down from 43%) or independent financial advisors (34%, down from 41%). However, DIY financial planning using GenAI tools such as ChatGPT and Google Gemini has nearly doubled from last survey 12% to 22%. While this shift in preference for digital and self-directed sources signal both curiosity and convenience, it suggests people are relying too heavily on technology for life-changing financial decisions.

Unlike trained financial advisors, AI and online-generated advice often provide generalised or incomplete information that lacks the nuance required for long-term financial decision-making. Expert, personalised advice remains crucial to help people make informed decisions that align with their financial goals, personal circumstances, and risk tolerance.

1. https://social.desa.un.org/sites/default/files/inline-files/Session%204_Shuzuo%20Li.pdf

Executive summary

Retirement mindset shift

Across Asia, retirement is increasingly viewed as a flexible life stage rather than a fixed endpoint. Nearly seven in 10 (69%) expect to work after reaching retirement age, often by choice: many want to stay in work due to a desire for purpose and fulfilment (49%), maintaining social connections (47%), and mental stimulation (41%).

A majority (81%) believe that retirement should be a personal choice rather than a mandatory age. This is most resonant among younger generations with nearly half of Gen Z respondents strongly agreeing with this sentiment (48%), compared to 36% of Baby Boomers. Three quarters are in favour of people working beyond their country's retirement age.

The overwhelming majority (97%) say their personal mindset drives their decision to retire. Emotional readiness and personal fulfilment are primary considerations (42%), especially among younger generations with over half (54%) citing mindset as a 'very important' in their decision to retire.

Health equals wealth in retirement

Current health status and future expectations shape people's aspirations for retirement. Rather than viewing retirement as a time to rest, many see it as an opportunity to stay physically, mentally, and socially engaged. Of those who plan to delay their retirement out of choice, 60% say they are doing so to remain active in old age – up sharply from 49% in the previous survey.

This 'stay active' mindset has overtaken the need to save more for retirement (54%) as the leading motivation for postponing work, highlighting a new and dynamic approach to ageing.

Physical and mental health are deeply tied to optimism about retirement. Of those who say their perspective on retirement has changed in recent years, the most commonly cited reason is better than expected physical health (49%) or mental health (43%).

Conversely, poor health continues to impact retirement timing and planning – of those who say they retired earlier than expected, 32% cite poor health as a leading reason.

Financial security correlates with retirement optimism

Turning retirement aspirations into reality can be challenging. Of the 69% who have continued to work after retirement, or expect to, a large proportion are doing so out of financial necessity. 62% say they need further income to support their daily living and long-term financial security, highlighting the lack of financial preparedness in Asia today.

Financial security is impacting retirement readiness: among non-retirees who say they are not looking forward to retirement (55%), financial security is cited by nearly half (45%), closely followed by being unable to provide financial support to family (43%).

Having financial security is at the heart of optimism about retirement. Among non-retirees who say they are looking forward to their golden years (45%), 59% cite financial security as a reason, followed by stability (38%) and greater freedom (27%). In contrast, a lack of security makes people pessimistic – 45% of people who are not looking forward to retirement cite financial insecurity as the primary reason.

Cost pressures continue to bite

Inflation may be easing globally, but economic pressures continue to impact recent retirees. Of those who have retired, almost a fifth (19%) say their monthly expenses exceed their initial expectations. In fact, only 14% say their retirement lifestyle is close to what they had planned or better.

Of those who feel their lifestyle has not met prior expectations, 42% say they did not account for inflation and rising living costs, while 32% overestimated how long their savings would last. The findings underscore the urgency of proactive, long-term planning to make financial lifestyle goals a reality.

Executive summary

Aspirations versus planning gaps

Freedom and flexibility in retirement requires years of careful financial planning. The findings reveal that people have various aspirations in later life, including prioritising their physical and mental health, pursuing hobbies, and learning new skills. Yet to achieve these goals, there remains a significant preparedness gap.

Planning horizons remain short, with 22% not making any plans before retirement, and a further 28% only drawing up plans within two years of leaving full time work. This reactive approach to making plans contrasts with people's aspirations for a varied and fulfilling life in their later years. Only 22% feel very confident in their retirement plans.

Sandwich generation pressures reshape retirement planning

Many working people in Asia today also face the additional financial strain of supporting elder relatives as well as young dependents. Caring for older and younger family has led many to downsize their lifestyle expectations (36%) or postpone retirement (26%).

Over three quarters of respondents (77%) expect to continue supporting their children or relatives in retirement, underlining the need for prudent financial planning that balances long-term needs, personal freedom, and family responsibilities.

Looking ahead: From aspiration to action

Asia's retirement landscape is being reshaped by longer lifespans, shifting attitudes, and growing financial pressures. People aspire to stay active, support their families, and lead fulfilling later lives – yet financial shortfalls risk constraining those goals.

This year's survey highlights a widening divide: those who can choose how to spend their later years, and those who must keep working because they cannot afford not to. Financial preparedness is what defines that difference – the factor that determines whether retirement is lived with freedom or constraint.

At the same time, new pressures are emerging. The rise of digital self-advice through GenAI tools, health uncertainties and the weight of intergenerational responsibilities are testing even the most optimistic. Without early and sustained planning, the line between choice and necessity will only deepen.

Only a strong financial foundation – supported by savings, investments, and protection – can give people the flexibility to make the most of the years they have worked towards, enabling them to live later life on their own terms.

In the new age of ageing, freedom in retirement is not given – it is prepared for.



Key findings

Prepared versus unprepared: A tale of two retirements



Gold Star Planners

- At least one life and health insurance policy
- Contributing to at least one pension plan
- Saving at least 10% of income toward retirement
- Intend to start planning expenses at least six years in advance before retirement



Stalled Starters

- No insurance or pension plan
- Saving 10% or less of income toward retirement
- Intend to start planning expenses five years or less before retirement

Looking forward to retirement

Gold Star Planners

Stalled Starters

49%

28%

Financial security cited as reason behind optimism towards retirement

77%

46%

Seek professional financial or insurance advisors

44%

12%

Reasons for retiring later than planned

Gold Star Planners

Stalled Starters

Need to save more

22%

52%

Enjoy social aspects of work

55%

31%

Stay physically and mentally active

62%

59%

GenAI use almost doubled as a source for information

Where retirees and pre-retirees turn for financial guidance:

Family and friends



Bank / other financial institution



Independent financial / insurance advisor



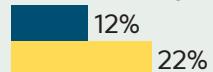
Social media / podcasts / blogs



Retirement calculator



Generative AI (e.g. ChatGPT, Google Gemini)



■ 2024 ■ 2025

Shifting retirement mindset



69%

expect to continue working beyond retirement age.

Reasons for expecting to work beyond official retirement age



62%

Financial necessity



51%

Health and wellbeing



48%

Desire for purpose and fulfilment



47%

Maintain social connections

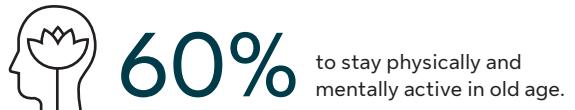


41%

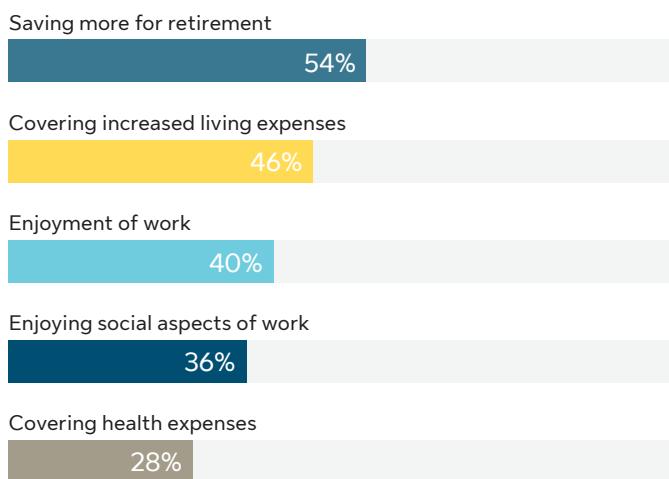
Mental stimulation

Key findings

Health equals wealth in retirement



Reasons for delaying retirement

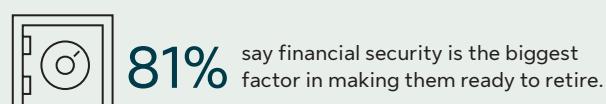
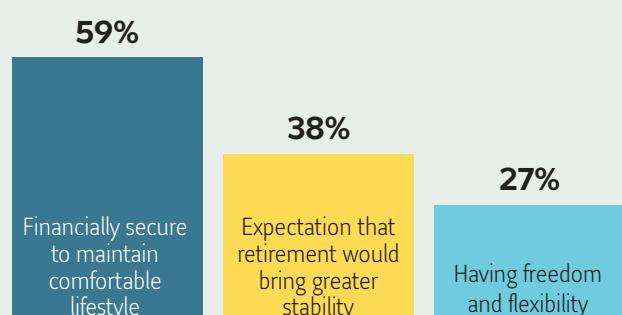


Of those who retired earlier than planned, **32%** cite poor health as a reason.

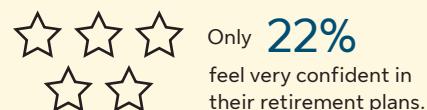
Financial security correlates with retirement optimism



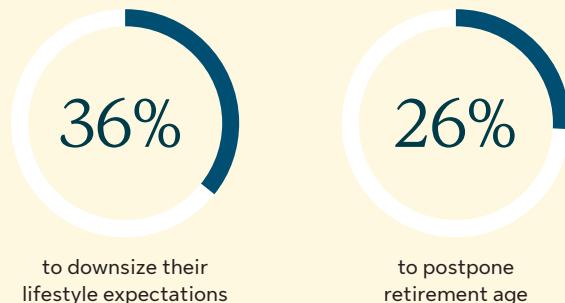
Top reasons behind retirement optimism



Aspirations versus planning gaps



Caring for older and younger family members has led:

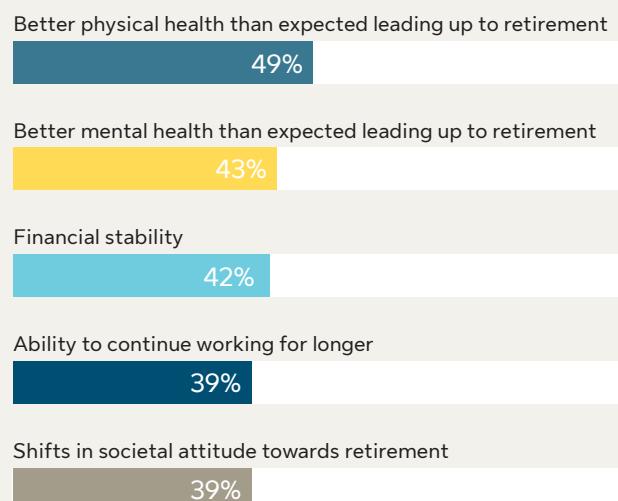


Factors changing views of retirement



48% of **Gen Z** strongly agree with this compared to **36%** of **Baby Boomers**.

Respondents desire agency over retirement



Eight Gold Star planning tips to help you thrive in retirement

How can you live your best life in retirement? Here are eight tips to help you learn the habits of a Gold Star Planner and face the future with confidence:

1. Start as early as possible

If you haven't started planning for retirement yet, the best time to start is now. Whether you're entering the workforce after education or decades into your working life, setting out a holistic retirement plan will give you the best chance to live life to the full in your later years.

Save early and save consistently to reap the benefits of compounding interest over time — your older self will thank you.

2. Match your employer's retirement contribution

Many people leave money on the table by failing to match their employer's pension contribution. Ask your employer how much they can contribute to your pension pot and match the maximum. Ensure you are making the most of your company's retirement policy to give yourself a financial boost in later life.

3. Diversify your portfolio

Don't chase the hottest investment trends. Ensure your portfolio is diversified by both asset class and geography to help you balance risk, reward, and volatility. Choose a diversified portfolio that suits your risk tolerance, retirement timeline, and lifestyle goals.

4. Have a rainy day fund

Making long-term investments is vital, but so is having a fund on hand in case of emergencies. Build an emergency fund cover three to six months of expenses as a financial buffer — you never know when you might need it.

An emergency fund can provide a financial lifeline in tough times and prevent you from dipping into your retirement money or taking on more debt.

5. Protect your household

Invest and save for the future, but don't forget about protecting your family. Life insurance is an essential product that can support your loved ones in the event of a worst-case scenario. Having protection in place provides peace of mind that if you are no longer here, your immediate family will be well looked after. Make sure your household is financially resilient.

6. Look after health as well as wealth

A retirement plan isn't all about money — also look after your mental and physical health. Health insurance can ease the stress of meeting sudden medical bills, help you tackle the inevitable health challenges of later life, and enable you to focus on living your best life.

Taking care of your physical and mental wellbeing will help you stay active and achieve your personal goals in old age.

7. Stick to the bucket strategy

Manage your retirement savings by separating them into three distinct buckets:

Short-term:

For immediate living expenses, such as daily spending on food and utilities.

Medium-term:

For mid-term retirement costs such as supporting family, travel, hobbies, and lifestyle spending.

Long-term:

For healthcare and other long-term needs such as aged care and estate planning.

8. Talk to an advisor

Work with a professional to develop a tailored financial plan suited to your long-term goals. A financial advisor can suggest strategies to help you achieve your dream retirement, make the most of your financial position, while factoring in your unique circumstances.

Enlisting an advisor ensures there is someone on your side looking out for you. They can help you understand your workplace pension plan, the impact of inflation, your budget, as well as health and critical illness coverage.

Eight Gold Star planning tips to help you thrive in retirement

What solutions are available?

- **An endowment plan** is a savings plan that provides you with a guaranteed annualised return upon policy maturity along with life protection.
- **An annuity plan** provides you with a guaranteed regular income for life or as long as the annuity contract specifies. An annuity helps you cover basic expenses in retirement and may protect you from the risk of outliving your money.
- **A workplace pension plan** is a workplace sponsored savings plan that you and your employer make regular contributions to.
- **Mutual funds** combine the money from many investors into a pool. These pools of money are invested in stocks, bonds or other securities. Each pool is managed by a professional investment manager.

- **Health insurance** provides you with the insurance coverage you need when uncertainties strike to help you meet medical bills.
- **Universal life insurance** combines permanent insurance protection with investment options for tax-preferred savings growth.

Speak to an advisor to decide the right solution for your needs.



Disclaimer: This report has been produced by Sun Life Asia for general information purposes only and does not constitute offers, product recommendations, endorsements or advice of any kind. While care has been taken in gathering the data and preparing this report, Sun Life Asia and its affiliates (collectively, "Sun Life") do not make any representations or warranties as to its timeliness, accuracy or completeness and excludes to the maximum extent permitted by law all those that might otherwise be implied. The views expressed in this report do not represent that of Sun Life's. Sun Life accepts no responsibility, and shall not be liable for any loss, damage or expense incurred by any person arising out of or in connection with him/her using, acting or refraining from action as a result of this report, including but not limited to any statements, facts, figures or expressions of opinion or belief referenced to.

Sun Life is not responsible for the content of any third-party websites contained herein and does not warrant or guarantee the hyperlinks will be uninterrupted or free from delay, errors, defects, viruses or other malicious programs. Any dispute arising out of or relating to this report shall be governed by the laws of Hong Kong and subject to the exclusive jurisdiction of the courts of Hong Kong.