



RETIREMENT PLANNING in Your 20s

Mirae Asset Mutual Fund
– SEBI/MF/055/07/03

Retirement Planning in Your Twenties:

THE ONE LONG-TERM MOVE GEN Z SHOULDN'T IGNORE

If you're in your twenties today, retirement probably feels like a distant planet. You're still figuring out your career, your city, your relationships, and your identity. You're navigating a world where job roles evolve faster than college courses can keep up, where rent eats half your salary, and where **"stability"** feels like a vintage concept. So why would anyone in this phase think about retirement?

Because life doesn't move in straight lines. It accelerates.

Retirement is like the car you spot in your rear-view mirror on a highway. It looks far away, almost irrelevant. Then suddenly, without warning, it's right behind you. That's how adulthood works. One moment you're celebrating your first salary, and the next you're juggling rent, EMI, health insurance, family responsibilities, and the rising cost of lifestyle inflation.

This is why retirement planning in your twenties isn't about age, it's about timing.

Gen Z's Reality: A Financial Landscape Unlike Any Before

Unlike previous generations, Gen Z is smarter about money. You've grown up watching recessions, layoffs, inflation spikes, and the gig economy rewrite the rules of employment. You've seen your parents' generation struggle with home loans, medical bills, and retirement gaps.

You know that depending on a single employer or a single income stream is risky.

But even with all this awareness, retirement still feels like a "later" problem.

The truth is, your twenties are the only decade where your financial life is relatively flexible. You may be paying rent, supporting your parents, or managing basic expenses, but you're not yet dealing with school fees, home loans, or major medical responsibilities.



This window, though it doesn't feel like it, is your biggest advantage.

The Real Reason to Start Early: Your Future Self Has More Bills Than You Think

Let's look at a real-life parallel.

Think about your school fees when you were in Class 1. Now compare them to what your younger cousins pay today. The numbers don't just increase, they multiply. That's inflation in action.

The same thing happens with everything else:



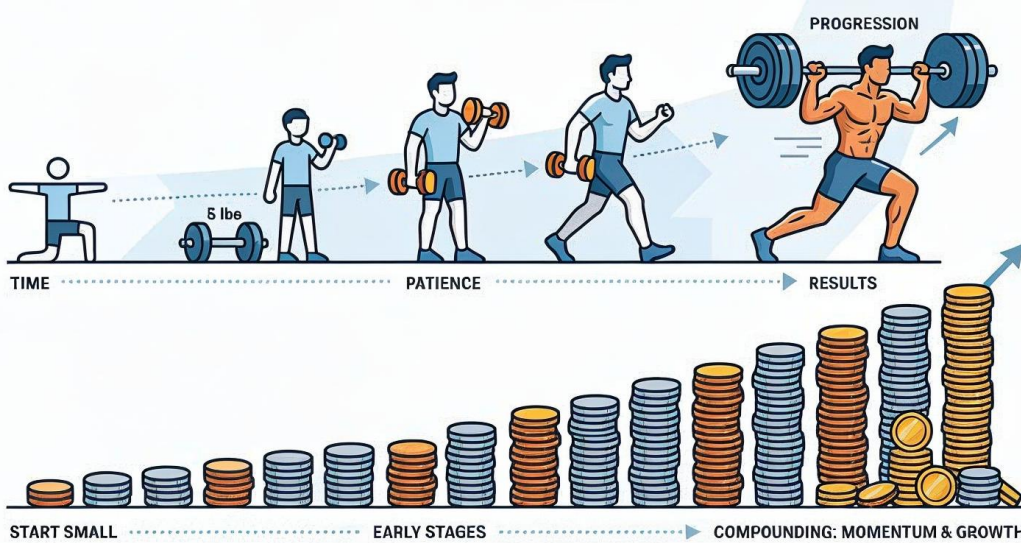
A lifestyle that costs ₹40,000 today could cost ₹1.5 lakh in twenty years. Medical costs may rise even faster. That's why starting early matters. The longer you wait, the more money you'll need just to maintain the same standard of living after retirement. And inflation doesn't wait for anyone.

This is why starting early isn't about being "responsible." It's about being realistic.

Compounding: The One Hack That Works Even When You're Not Paying Attention

Compounding is the closest thing finance has to a momentum. It's slow at first, almost invisible. Then suddenly, it takes off.

A 25-year-old investing ₹8,000 a month can build a corpus that a 35-year-old would need to invest three times more to match. Same discipline. Same amount. Completely different outcome.



Think of compounding like a fitness routine. If you start early, your body cooperates. If you start late, you're fighting your own habits. Money behaves the same way.

The Gen Z Twist: You Don't Want the Same Retirement as Your Parents

Here's something most retirement literature don't acknowledge: Gen Z doesn't dream of the same retirement lifestyle as previous generations.

You don't want to **"settle down quietly."** You want flexibility. You want the option to take a sabbatical. You want to travel without guilt. You want to switch careers without fear. You want to retire earlier or at least have the choice.

This isn't about old age.
It's about freedom.

And freedom needs
funding.



A retirement plan isn't just a plan for your sixties. It's a plan for your thirties, forties, and fifties - the decades where you want choices, not constraints.

The Behavioural Advantage: Starting Early Builds a Mindset, Not Just a Corpus

When you begin investing in your twenties, you're not just building wealth, you're building habits.

You learn to prioritise long-term goals. You learn to manage your spending. You learn to stay calm during market volatility. You learn to make decisions based on logic, not panic.

This mindset becomes your biggest asset as responsibilities grow.

It's the difference between someone who reacts to financial stress and someone who is prepared for it.

You Don't Need a Big Salary - You Need a Small Start

Most young earners assume they need a high income to start investing. That's not true. You just need consistency.

A small SIP, increased with every salary hike, can create a meaningful difference. Add a basic emergency fund and health insurance, and you've already built a safety net that many people only think about in their forties.

The goal isn't to become rich overnight.
The goal is to avoid panic later.

Retirement planning isn't about age. It's about timing.

Your twenties give you time advantage that no financial product can replicate. If you use it well, compounding does the heavy lifting for you. If you ignore it, you'll spend your thirties and forties trying to catch up.

**The future always arrives faster than expected.
And when it does, you'll be glad you started early.**

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