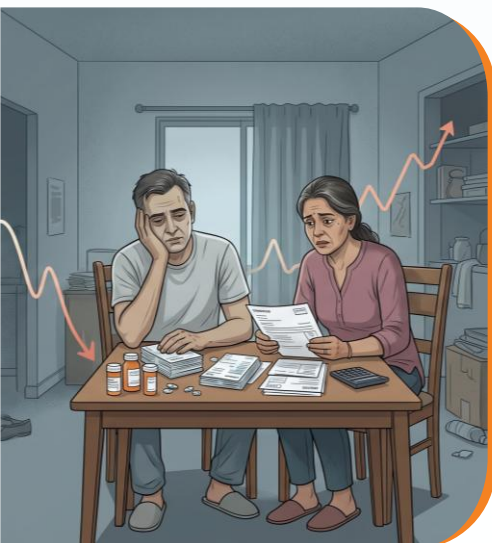




M-FinBytes

The Real Cost of Aging: What Nobody Calculates

Neeta had never considered that hardship could find its way into her carefully built world. She was a department head at one of the country's leading soap brands. Her husband, Vinod, was the CFO of an NBFC. Together, they had built a life that looked reassuring from every angle - an elegant home, generous comforts, regular holidays, disciplined savings, and investments that suggested they were doing everything right.



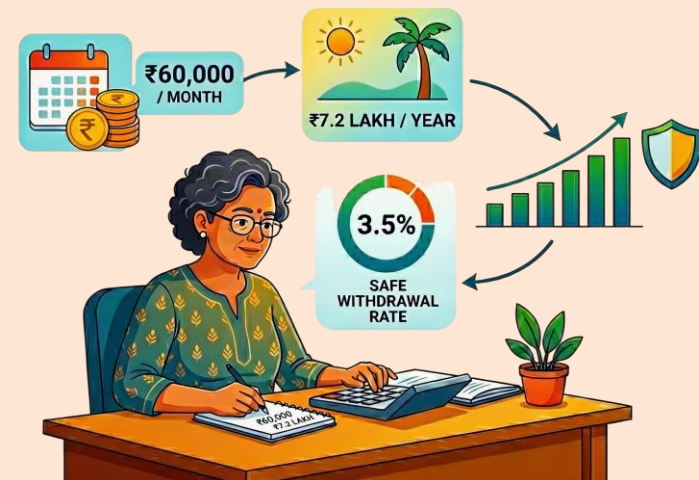
Then, **without warning, life rewrote their plans.** Vinod was diagnosed with a terminal illness. What followed was not just a medical battle, but a financial one - four years of surgeries, treatments, hospital visits, and impossible choices. The costs didn't arrive in one dramatic blow; they came steadily, month after month, draining not just their wealth, but their peace of mind. A household that once lived with abundance now had to survive on a single income. The luxuries disappeared first, then the comforts, and finally the illusion that saving and investing alone is enough. Because what Neeta and Vinod had not fully accounted for was this: during an unfortunate event, inflation does not pause, and the cost of aging can erase years of careful planning far faster than most people imagine.

The Number Everyone Thinks Is Enough

When the hardest years were behind her, Neeta did what many people do after life humbles them - she began counting. Not memories this time, not losses, but numbers. If a retired life needed ₹60,000 a month, that meant ₹7.2 lakh a year. It sounded manageable, almost comforting in its precision. And using a conservative safe withdrawal rate of 3.5%, the math seemed to offer something close to reassurance.



₹7.2 lakh ÷ 0.035 ≈ **₹2.1 crore**
(Using a 3.5% SWR)



On paper, it looked like a complete answer. A tidy corpus. A neat target. The kind of number people circle in financial plans and call peace of mind.

But life is rarely that tidy. Because this number only pays for the retirement people imagine - quiet mornings, familiar routines, perhaps a holiday or two. It does not pay for what aging actually brings with it. And that is where most calculations begin to fail. A more conservative 3%-3.5% withdrawal rate is often considered safer in the Indian context, especially when inflation and long retirements are taken into account.

The Number That Arrives Uninvited

Aging does not walk into your life dramatically. It slips in quietly - through regular check-ups that become more frequent, through medicines that become permanent, through the need for someone to help at home, through small changes made to a bathroom or a staircase so that everyday movement feels safe again. These are not extravagant costs. But they are relentless.



Routine and non-routine healthcare: ₹1 lakh/year



Medical tests, occasional emergencies: ₹50,000/ear



Domestic help or caregiving:
₹15,000/month → ₹1.8 lakh/year



Home modifications over time (grab bars, ramps, better lighting): ₹50,000/year averaged out

Taken together, these costs can quietly add another ₹3.8 lakh a year. Suddenly, the annual requirement is no longer ₹7.2 lakh. It becomes ₹11 lakh. And the retirement story changes with it.



New corpus

₹11 lakh ÷ 0.035 ≈ **₹3.14 crore**

That is more than a crore added to the plan - not because someone became reckless, but because the original number never included the reality of growing older.

And yet, this is not meant to frighten. It is meant to make room for honesty. Because once you see the full picture, retirement planning stops being a fantasy exercise and becomes something steadier, wiser, and far more useful.

Retirement Has Two Chapters, Not One

One of the gentlest mistakes people make is imagining retirement as one long, unchanging season. It isn't. It moves. It softens. It asks for different things at different times.

In the earlier years, retirement often feels like a reward. There is energy, curiosity, and the freedom to spend on experiences once postponed. But later, life becomes quieter. Outings become fewer. Priorities shift inward. And the money that once went toward leisure often begins to make room for care. That is why retirement is not one financial phase. It is two.



Phase 1 - Active Retirement (roughly 60-75):

These are the years people usually dream about. The body is still cooperative, routines are still expansive, and spending often goes toward living - travel, meals out, hobbies, family time, small indulgences that feel earned. Healthcare exists, but it has not yet taken centre stage.

Phase 2 - Later Retirement (roughly 75+):

Then, almost without announcement, the rhythm changes. Travel begins to feel tiring. Social plans become selective. Convenience starts to matter more than excitement. And slowly, the budget rearranges itself - toward medicines, caregiving, home support, and the quiet infrastructure of comfort and safety.



The total may not explode. But the purpose of the money changes.

What once paid for weekend getaways may one day pay for a caregiver. What once funded dinners out may be redirected toward tests, physiotherapy, or support at home. The categories change more than the overall spend. And while a serious illness can always alter the equation, the broader truth remains: retirement expenses often shift before they spike.

That matters, because it means retirement planning does not have to begin with panic. It begins with structure. You do not need to imagine the worst possible version of old age from the very first year. You need a plan that respects both chapters - one built for living first, and caring later.



What This Really Asks of You

Not a complete financial reinvention. Just three honest steps.



Recalculate with aging costs included Start by looking again at the number you have trusted for years. Add the costs that rarely appear in optimistic retirement conversations - healthcare, caregiving, home adjustments, recurring support. If the real requirement is closer to ₹10-11 lakh a year than ₹7 lakh, then that is not bad news. It is simply a more truthful place to begin.



Buy senior health insurance early, not when fear forces the decision Some protections only work if they are put in place before life demands them. A senior health cover or critical illness policy bought at 45 is considerably cheaper than one bought at 60, and far more likely to be useful before exclusions start to matter. It may not eliminate every shock, but it can soften the sharpest financial blows.



Build a separate aging reserve Try not to think of retirement as one undifferentiated pool of money. Give later life its own reserve - even ₹20-25 lakh set aside specifically for care, support, or medical needs. It is a small mental shift, but it creates dignity. It allows future decisions to be made with less fear and more choice.

The Truth Most Plans Leave Out

At its heart, retirement planning is not about building the largest number possible. It is about making sure life does not become smaller when you are least able to rebuild it.



A retirement corpus that ignores the cost of aging carries a hidden absence within it. That absence may stay invisible for years. But when it finally appears, it does so at a time when choices are fewer, emotions are heavier, and money is expected to do more than it was ever asked to do on paper.

The answer is not to become fearful. It is to become honest. To picture aging not as an abstract future, but as a phase of life with real needs, real costs, and a real claim on the money you are setting aside today.

The travel plans still matter. The hobbies still matter. The joy still matters. But the plan that truly holds is the one that makes room for both - the life you hope to live, and the quieter realities that may one day ask to be cared for.

SWR - Safe Withdrawal Rate

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