

# How digital innovations can help you plan better for retirement

Kayzad Hiranek

With over half a billion active internet users, the demand for digital services in India is ever growing. Digital technologies are transforming every aspect of our lives, including how we manage our finances. In fact, India exceeds the global average in the adoption of fintech services, with technology-driven financial planning services expected to see the highest increase in demand. Retirement planning is an essential component of any financial strategy, especially in a country like ours where the pension coverage is woefully low - only 9-10% of the population estimated to have some kind of pension benefits. However,

digital advancements can help bridge this gap with automation, better decision-making and personalisation. And some of the leading insurance providers were quick to jump on the digital bandwagon, which has resulted in improved accessibility, flexibility and affordability of retirement planning services for our young and increasingly aspirational millennials, particularly in smaller cities and villages.

There are a number of online planning tools that can help us understand our retirement funding needs and track progress towards our life goals. As we live longer and spend more time in retirement, the challenge is to get the best out of those

years. So how can we use technology to demystify retirement investing and simplify the process, making savings much easier?

## Digital tools and calculators

Any income replacement plan, whether for our retirement goal or for taking care of our family's life goals, is incomplete if it does not factor in the long-term cost of living, potential healthcare costs and provision for unexpected events. With online assessment and comparison tools, and artificial intelligence-backed advisory services, you can make sure that you are well covered for a long and comfortable retirement.

In a recent survey by a

leading multinational banking and financial services firm, 55% of the respondents believed that using technology will help give future retirees a better standard of living as more-sophisticated data

analysis allows a new level of personalisation specific to your needs. By taking into account your financial condition and information about your life goals, insurers can provide better plans while



## FUTURE PLANNING

■ There are a number of online planning tools that can help us understand our retirement funding needs and track progress towards our life goals

■ A recent survey found that retirement related life goals are becoming a priority, especially for Indian millennials

simplifying the options to improve your decision-making.

## Innovative products

In a recent survey to understand the life goals of India, it was found that retire-

ment related life goals are becoming a priority, especially for Indian millennials. 42% millennials consider it as their life goal. In such a situation, it becomes necessary for millennials to balance savings and investments in a way that spread their risks, maximises investment and protect their funding for retirement goals. New age investment products, which offer online onboarding and portfolio management, such as Unit Linked Insurance Plans (ULIPs) can help individuals secure their retirement income, in addition to providing market-linked returns on their investments.

ULIPs have an inbuilt life insurance component and provide several ways to spread

your investments between high-risk stocks and low-risk bonds based on your unique requirements and risk appetite.

## Automated savings

With all of the responsibilities and distractions of day-to-day life, it can be difficult to remember to add money to our retirement plan on a regular basis. That is why it makes sense to automate our retirement savings. Individuals can schedule all their retirement transactions on self-servicing online customer portals or mobile apps so that they are automatically deducted from their paycheck or bank account.

*The writer is chief - operations & customer experience, Bajaj Allianz Life Insurance*