FREE GUIDE

5 Retirement Planning Mistakes That Quietly Cost Indian Families Lakhs

And the simple fixes that prevent each one — explained in plain language, no jargon.

Dhana Sankalpa Wealth Management

AMFI-Registered Mutual Fund Distributor • ARN: 89248

Retirement in India rarely fails because of one big mistake — it fails because of a handful of small, quiet ones that compound over 20-30 years. Here are the five we see most often, and what to do instead.

1 Starting "later" because retirement feels far away

Many people wait until their late 30s or 40s to start planning "seriously," assuming there's still plenty of time. But retirement corpuses are built primarily through the power of compounding — and compounding needs time far more than it needs large amounts.

The fix: Start with whatever amount you can manage today, even if it's modest. A smaller SIP started at 28 will typically outgrow a larger one started at 40, purely because it has more years to compound.

2 Confusing "saving" with "investing"

Money sitting in a savings account or low-yield recurring deposit is protected from loss, but it's not protected from inflation. Over 20-25 years, inflation quietly erodes the real value of money that isn't growing faster than it.

The fix: Keep 3-6 months of expenses as an emergency fund in something liquid and safe — but direct your long-term retirement savings into growth-oriented instruments suited to your risk profile and time horizon.

3 Not accounting for inflation in the target number

"I'll need ₹50,000 a month" makes sense today, but won't in 25 years. A monthly expense of ₹50,000 today could realistically be well over ₹2 lakh a month by the time someone retires, purely due to inflation.

The fix: Any retirement target should be calculated in future value, not today's value — factoring in a realistic inflation assumption (typically 6-7% for general expenses in India) over your remaining working years.

4 Treating health insurance as optional

A single major medical event without adequate health cover can undo a decade of disciplined saving. Many families rely solely on employer-provided health cover, which typically ends at retirement or job change — exactly when it's needed most.

The fix: Maintain an independent health insurance policy (not just employer cover), sized realistically for medical inflation, and reviewed as your family and age change.

5 Never reviewing the plan once it's made

Income, expenses, goals, and market conditions all change over the years — but many people set up a SIP once and never revisit it. A plan made at 30 rarely still fits perfectly at 45.

The fix: Review your retirement plan at least once a year, and after any major life event (job change, marriage, children, a home purchase) — not just when markets fall.

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Where to go from here

Reading about these mistakes is useful — but the real value comes from checking where your own plan stands today. A short conversation is usually enough to spot whether any of these five gaps apply to you.

Get a Free, No-Obligation Financial Plan Review

Talk to Vadlakonda Rajendher directly on WhatsApp — no forms, no sign-up.

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You can also explore free interactive calculators — SIP growth, retirement goal planning, and more — at **dhanasankalpa.in/calculators.html**

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