HDFC Life Ready for Life Index 2025

A Thought Leadership Research with Ipsos

on perceived consumer confidence and actual financial readiness

HDFC Life

Sar utha ke jiyo!

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Study Design & Target Group Composition: Ensuring a Representative View of Urban India's Readiness

The Ready for Life Index (RLI) is built on a robust, 1836 quantitative face-to-face interviews across India, designed to capture the realities of urban India's preparedness.

Respondent Composition

Profile
Working males and females

Age
25–55 years

Socio-Economic Class
SEC A & B

Financial Ownership
Owns at least 2 financial products

Income
₹5 lakhs+ (metros) / ₹2.5 lakh+ (non-metros)

Gender

74% Male

26% Female

Age Groups

25-30 years
18%

31-40 years
35%

41-50 years
33%

51-55 years
15%

Tier Distribution

Tier 1
39%

Tier 2
29%

Tier 3
33%

Regional Split

North
25%

East
25%

South
26%

West
24%

Occupation

Business/Self-Employed: 42%

Salaried: 58%

This diverse sampling ensures the RLI findings accurately reflect urban India's preparedness, across regions, demographics, and socio-economic classes.

The Ready for Life Index: Bridging Perception and Preparedness

The Ready for Life Index quantifies the critical gap between perceived confidence and actual preparedness to handle uncertainties of life across different financial aspects.

Life's Unpredictable Challenges

Individuals constantly face uncertainties like medical emergencies, job losses, or retirement planning, yet often overestimate their preparedness. A significant disconnect exists between their perceived confidence and actual actions.

Introducing the Ready for Life Index (RLI)

Developed by HDFC Life in collaboration with Ipsos, the RLI measures India's true readiness by identifying this critical gap.

RLI's Purpose

It serves as a powerful reality check, highlighting vulnerabilities and encouraging proactive planning for a more secure financial future.

Four Foundational Pillars

The RLI holistically evaluates preparedness across four vital pillars serving as a comprehensive tool to assess overall resilience and guide future planning.

The Ready for Life Index

Financial Planning
Long-term stability and diversification

Emergency Preparedness
Readiness for sudden shocks

Health & Well-being
Physical fitness and mental resilience

Retirement Strategy
Comfort and self-sufficiency post-retirement

Two Lenses of Measurement

Each pillar is assessed in two ways:

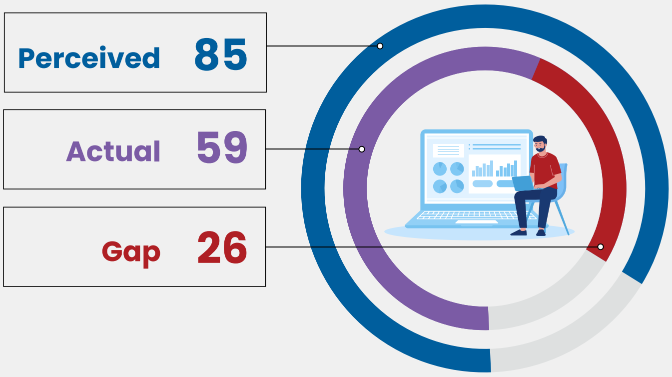
Perceived Readiness
How confident people feel

Actual Readiness
The concrete steps they've taken

India's Ready for Life Index: The Shortfall of Action vs. Perception

India’s Ready for Life Index (RLI) stands at 59/100, a modest level of preparedness. Beneath this number lies a sharper insight: a 26 point gap between how prepared people feel and action they have taken.

The Perception-Reality Gap



The Index shows a 26 point gap, highlighting a clear disconnect between consumer confidence and readiness. Health & Well-Being is the strongest pillar while Retirement Strategy is the weakest. Financial Planning and Emergency Preparedness also highlight critical vulnerabilities in preparedness for life.

Readiness Across the Four Foundational Pillars and Their Contributions

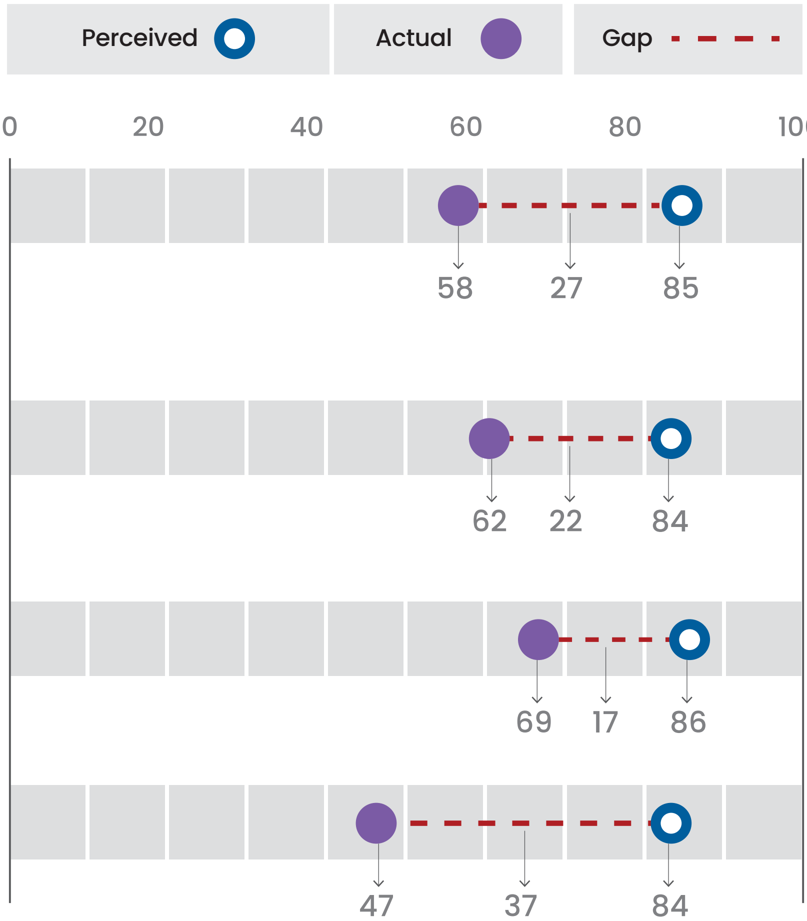
Index & Pillars

Financial Planning
- Basic saving is common, but long-term investment is limited.
- Focus stays on short-term needs over wealth creation.

Emergency Preparedness
- Over 50% feel confident, but less than 40% can sustain 4+ months of expenses.

Health & Well-being
- Over half hold health insurance, but 50% have coverage below ₹5 lakhs, indicating inadequate protection.

Retirement Strategy
- Two in three expect financial support from children/family.



India’s RLI score of 59 masks deeper vulnerabilities. The widest gaps lie in Retirement and Financial Planning, both critical for long-term financial security. The findings highlight a consistent pattern: perception outpaces action, leaving individuals exposed to life’s uncertainties.

Cohort-Wise Readiness: Understanding Diverse Consumer Groups

The Ready for Life Index (RLI) uncovers how various consumer groups perform, revealing critical nuances in preparedness across different demographics.

Regional Disparities (Zones)

The North lags due to weak emergency and retirement preparedness. The East performs better with realistic self-assessment while the West leads in health but falters in retirement. The South is relatively better in financial and retirement planning.

	Perceived	Actual	Gap
North	86	56	30
East	81	61	20
South	85	60	25
West	88	59	29

Tier Performance

Tier 1 cities are stronger overall but weaker in emergency preparedness, Tier 2 shows lower readiness, and Tier 3 records the lowest scores and widest gap.

	Tier 1	Tier 2	Tier 3
Perceived	84	85	85
Actual	61	59	57
Gap	23	26	28

Gender Parity in Preparedness

Males score slightly higher in health, but overall readiness remains at near parity with females with a gap of **26 points**.

Males
(Perceived: 85, Actual: 59) 26

Females
(Perceived: 84, Actual: 58) 26

Marital Status and Parental Responsibilities

Singles show a lower gap of **20 points** reflecting more realistic expectations, while married ones tend to lag, possibly due to family responsibilities.

Single consumers
(Perceived: 81, Actual: 61) 20

Married consumers
(Perceived: 85, Actual: 59) 26

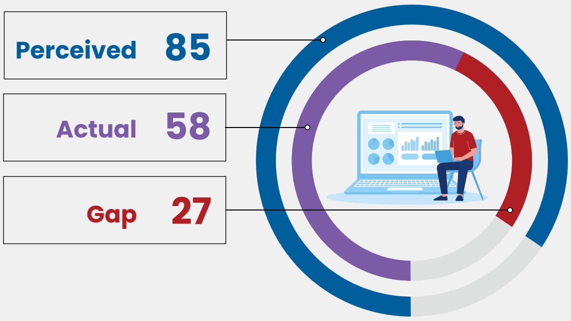
Age Group

Readiness gaps remain consistent across age groups: **26 points** for ages **25–30, 31–40, 41–50,** and **51–55,** indicating that age has little impact on improving preparedness.

Socio-Economic Groups (SEC)

SEC B shows a **27 point perception gap**, slightly higher than **SEC A's 25 points**, primarily driven by lower scores in emergency preparedness and retirement strategy, indicating a greater lack of readiness to manage life events.

Pillar 1 – Financial Planning: Balancing Tradition with Modern Growth



Definition

Evaluates long-term financial stability through portfolio diversification and adoption of instruments like term insurance.

Short-Term Bias: Absence of systematic investing reflects a focus on immediate saving over long-term wealth creation.

Key Highlights

Traditional Dominance

Endowment/ money-back plans, fixed deposits, and gold remain core drivers.

Shift Toward Growth

Mutual funds attract rising interest, signalling an appetite for higher returns.

Regional Diversification by West

The West leads with diversified portfolios including term, health, endowment, and mutual funds.

Key Observations

Low Focus on Long-Term Security

Retirement planning ranks lower, reflecting a focus on present needs over future security.

Beyond Tax Benefits

Consumers are planning with their financial objectives in mind, not just tax breaks.

Reasons To Save Money: Balancing Aspiration with Essential Needs

Savings reflect a mix of family priorities, lifestyle aspirations, and entrepreneurial goals, with clear variations across consumer groups.

Top Reasons to Save Money:

Children's education — 36%
emerges as the top savings priority, reflecting a universal parental focus.

Home purchase — 34%
stands out as a long-term aspiration for financial security.

Exigency planning — 32%
highlights a practical approach to unforeseen circumstances.

Business expansion — 30%
signals a strong entrepreneurial mindset.

Children's marriage — 29%
remains a significant goal, especially for older age groups.

Lifestyle upgrades — 28%
are more prominent among younger consumers seeking comfort and aspiration.

Retirement planning — 26%
acknowledged but kept on hold.

Supporting ageing parents — 26%
represents a notable responsibility, particularly among singles.

Cohort Priorities

Zone-Based

- **East:** Strong emphasis on exigency planning.
- **North:** Higher aspiration for home purchase.

Age-Based

- **25–40 yrs:** More inclined toward lifestyle upgrades.
- **41–55 yrs:** Prioritises children's marriage.

Life Stage-Based

- **Singles:** Saving for home ownership and parental support.
- **Married:** Focused on children's education.

Occupation-Based

- **Salaried:** Prioritises exigencies.
- **Non-salaried:** Prioritises business growth.

While financial discipline is evident, savings remain dominated by traditional products and short-term goals. The real opportunity lies in encouraging systematic, long-term investing to build sustainable wealth and reduce over-reliance on low-growth instruments.

Financial Products Ownership: A Preference for Stability and Security

Consumers show a strong tilt toward traditional, low-risk products for safety and liquidity, while growth and retirement tools remain lower in focus.

Financial Instrument Ownership

High Ownership (30%+) – Trusted & Secure

Trusted instruments for safety, liquidity, and protection.

- Life Insurance
- Fixed Deposit
- Health Insurance
- Gold

Medium Ownership (15–30%) – Emerging Growth Focus

Emerging options reflecting a shift toward growth and long-term savings.

- Mutual Funds
- Recurring Deposits
- Public Provident Fund
- Real Estate
- Stocks

Low Ownership (0–15%) – Retirement & Long-Term Tools

Limited adoption due to low awareness and complexity; retirement products remain yet to be leveraged.

- NPS
- NSC/Small Savings
- Bonds/Debentures
- Retirement Plans

Cohort Highlights

North

Similar to the India average, life insurance is most preferred, followed by fixed deposits and health insurance.

East

Highest FD and life insurance ownership which reflects a conservative, risk-averse approach.

South

Preference for tangible assets like gold and real estate above all-India averages.

West

More diversified portfolios indicating stronger adoption of health insurance, mutual funds, and stocks.

Females

Show lower ownership in health insurance and mutual funds , but higher inclination toward gold.

Overall, consumers lean toward traditional, low-risk products such as life insurance and fixed deposits, while growth-oriented and retirement tools remain underutilised, reflecting a persistent short-term savings bias.

Term Insurance: Gap Between Intent and Action

Despite being the most cost-effective protection tool, term insurance still has significant potential for growth, particularly in Tier 2 & 3 cities. Overall, the ownership is modest, with most covers in the ₹50 lakhs–1 crore range & only 6 in 10 policyholders believe this would be adequate for their family's needs, signaling low confidence.

A pronounced intention–action gap persists while many plan to buy term cover before turning 30, actual uptake lags especially among females, consumers aged 41–55, business owners, and residents of lower-tier cities.

Key Triggers for Purchase

Protecting family's future	44%
Affordable high cover	39%
The need for peace of mind	38%

Top Reservations & Barriers

Low awareness and limited understanding	41%
Belief that premiums are "wasted" if outlived	39%
Fear of claim rejection	38%

Regional Motivators and Barriers

Regional Triggers

In the South, medical emergencies are the primary trigger for taking action (42%), while in the East, emotional security and peace of mind are the strongest motivators (49%).

Regional Reservations

In the South, discomfort with mortality and lack of immediate benefit remain key barriers (43%), while in Tier 1 cities, reluctance to discuss death and low product understanding persist (41%).

Power of Influence

- Trusted advice is a critical driver of adoption.

North

42%

Recommendations from advisors and trusted sources.

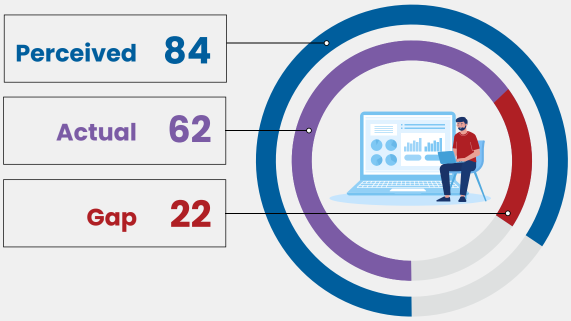
Tier 3 & Females

39–41%

Strongly influenced by trusted sources.

By tackling awareness gaps, coverage adequacy, and emotional barriers, term insurance can be repositioned as an essential, affordable foundation for family security, unlocking growth across demographics.

Pillar 2 – Emergency Preparedness: A Critical Weak Spot



Definition

Assesses financial resilience—how well individuals can withstand sudden shocks such as a health crisis, family exigency, or job loss. Readiness is measured by the presence, adequacy, and accessibility of emergency funds.

Critical Vulnerability: Emergency Preparedness is a weak link across demographics wherein funds are either absent, inadequate, or not easily accessible, leaving households exposed to financial shocks.

Key Highlights

Adequacy is Weak

- Fewer than 2 in 5 have sufficient funds to cover expenses for 4+ months.
- In the South, despite higher ownership (60%), one-third can only sustain a month.
- Tier 1 cities show a lower presence (43%) of emergency funds, but stronger adequacy when funds exist (2 in 3 last 4+ months).

Accessibility is Uneven

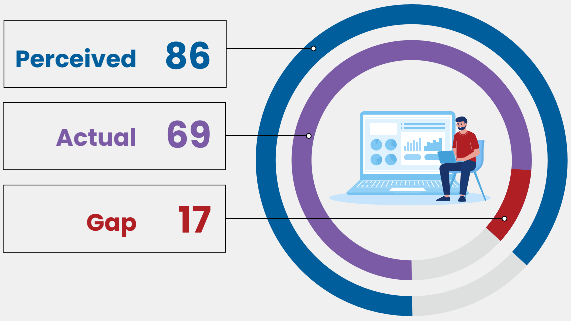
- East performs the best, wherein 71% can access their emergency funds within 48 hours.
- North lags as 19% would need over a week to access their emergency corpus.

Regional & Demographic Variations

- North has lowest ownership (47%) and poor liquidity.
- East has the strongest readiness due to preference for liquid assets like FDs.
- SEC A consumers and higher-income groups are more resilient, but preparedness gaps persist across all segments.

Emergency Preparedness is a work in progress. While many households are building emergency buffers, adequacy and accessibility remain areas for strengthening especially in the North and lower-tier cities.

Pillar 3 – Health & Well-Being: High Confidence, Limited Action



Definition

Assesses overall wellness covering physical health, mental resilience, and stress management. Readiness is measured through health insurance ownership, proactive check-ups, and emotional support systems.

A Significant Disconnect: The 17 point gap indicates that while people feel confident about their health, their actions, particularly concerning the adequacy of health insurance coverage, don't fully support this belief

Key Highlights

Health Insurance

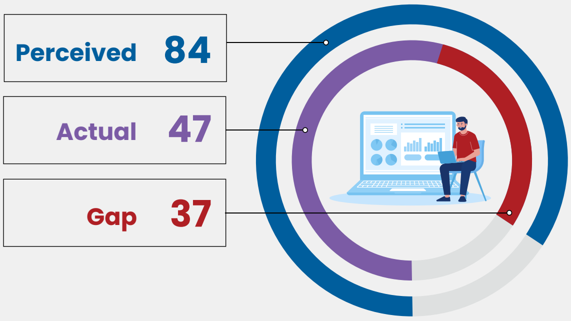
- Ownership is widespread, but 2 in 5 have a cover of less than ₹5 lakhs.
- Coverage is below ₹5 lakh for 52% in Tier 3 cities and 49% in SEC B.
- West leads in ownership (60%), while females (44%) and 25–30 yr olds (45%) lag.

Preventative Care & Wellness

- 2 in 3 get annual check-ups, rising to 76% among those aged 41–55 years.
- 4 in 5 actively engage in physical activities to maintain their overall physical and mental well-being.

Confidence in health is high but true resilience requires adequate insurance coverage and greater openness to professional support. Strengthening these areas can ensure wellness strategies match people's optimistic outlook.

Pillar 4 – Retirement Strategy: A State of Critical Unpreparedness



Definition

Assesses how well individuals are preparing for financial independence post-retirement, comparing aspirations like target age and corpus with actual steps taken.

Widespread Limited Long-Term Planning: The 37 point gap highlights limited long-term planning, with 2 in 3 people expecting to rely on their children or family for post-retirement support.

Key Highlights

Regional Differences

- North is severely unprepared, with 93% expecting family support and only 5% being self-reliant.
- West appears more optimistic, with most expecting their retirement corpus to last over 20 years.

Tier Differences

- Despite better access, only 1 in 5 individuals in Tier 1 cities expect to be self-reliant.
- Tier 3 cities show a wide gap of 42 points, reflecting weak financial planning in smaller towns.

Marital & Socio-Economic Divide

- Married consumers have a wider gap of 39 points, with greater reliance on children for support.
- 71% of SEC B consumers expect family assistance, reflecting higher vulnerability compared to SEC A.

Delay and Miscalculation in Planning

Nearly half of consumers have not started saving for retirement, with procrastination highest in the North (55%) and West (64%). Even among those aged 41–55, 40% remain unprepared, highlighting late starts as a major concern.

Retirement is India's most critical preparedness gap. Procrastination, modest planning, and heavy reliance on family support highlight the urgent need for greater awareness, timely action, and stronger financial independence strategies.

Retirement Strategy: Misaligned Corpus Expectation

While consumers hold clear ideal retirement goals, their financial actions and product choices suggest these goals may be severely difficult to reach. This section highlights the dangerous disparity in retirement corpus expectations (underestimation) and the muted intent, compounds to India's retirement vulnerability.

Key Retirement Expectations

~31 Years
is the ideal age consumers aim to start saving for retirement.

2 in 3
plan to build a retirement corpus of ₹50 lakhs–₹1 crore.

~17 Years
is the duration most expect their retirement corpus to last.

The Ultimate Consequence: 2 in 3 people expect to rely fully or partially on their children or family for financial support after retirement, highlighting limited financial independence in later life.

Retirement Corpus - The Danger of Under-planning

- The achievable retirement corpus (₹50 lakhs - ₹1 crore) largely remains consistent across cohorts:

2 in 3
consumers in the East believe it to be a sufficient retirment corpus.

1 in 2
consumers in Tier 3 cities share the same belief.

2 in 3
males also find it adequate for their post-retirement expenses.

2 in 3
SEC B consumers also view it as sufficient.

- This suggests many may be under-planning for the realities of long-term inflation and rising living costs.

Financial Products Preferred for Retirement Planning

When consumers do plan, they tend to favour traditional and tangible assets to mitigate risk & volatility.

Top 3 preferred financial products for retirement (based on ownership) are fixed deposit, endowment/money-back insurance plans and gold.

In contrast, modern wealth-creation tools like mutual funds rank lower.

Regional Preferences

The **North** is defined by **widespread procrastination** and **reliance on family support**.

The financial approach of the **East** is defined by **fixed deposits /life insurance** ownership and low corpus goals.

In the **South, gold** is the most preferred retirement asset, reflecting a strong cultural affinity for tangible investments.

The **West** shows heightened awareness of rising medical costs, driving a stronger focus on **health insurance** as a key component of their retirement strategy.

Key Insights

The Ready for Life Index reveals a key paradox: while self-perceived readiness is high, actual preparedness lags across vital areas – Emergency Planning, Financial Awareness & Protection Adequacy, and Retirement Action.

Health and wellness shows narrower gap, driven by growing focus on physical fitness and wider adoption of health plans.

Married consumers often overestimate readiness, Tier 1 cities are slightly better prepared than Tier 2 and 3, and the North records the widest gap due to weaker emergency and retirement planning.

Potential Action Areas for Life Insurers

- Targeted interventions, stronger financial literacy, and industry collaboration are essential to bridge these gaps.
- Life insurers can drive meaningful change by embedding protection into financial journeys, offering accessible solutions, and helping consumers turn readiness from aspiration into measurable progress.

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