Studying the Psychological and Financial Aspects of Retirement Planning

Sneha Mishra

Manyata Dua

Harji Singh Malhotra

Dhawal Agrawal

Supervised By

Dr. B. Udaya Bhaskara Ganesh

DEPARTMENT OF MANAGEMENT MITTAL SCHOOL OF BUSINESS

LOVELY PROFESSIONAL UNIVERSITY

2023-25

CHAPTER 1

1.1ABSTRACT

Social and economic changes associated with retirement influence the lives of both individuals and families. The authors conduct research to study retirement planning obstacles by evaluating how financial literacy combines with psychological aspects together with population-based variables. A critical challenge emerges from the retirement consumption problem which causes household spending to decline when the main breadwinner exits the workforce. Financial preparedness for retirement is examined through the research of mismatched perceptions about financial knowledge especially overconfidence and underestimation. The financial vulnerability of people between 24 to 45 years old intensifies because of rising debt levels and increasing interest rates thus underscoring the need for custom financial planning assistance. The retired life depends on gender identity and social status and unsteady career paths and economic forces which lead to greater life uncertainty for women and working-class individuals.

Future time perspective and retirement receive analysis as part of this study along with psychological and cognitive aspects. A person's ability to reach clear retirement goals while having strong social backing will generate better retirement planning outcomes. Financial literacy serves as the moderator between elements while future time perspective together with goal clarity function as moderation elements. The study extends its literature review with pension plans while examining financial tension and institutional backing to create a full perspective of retirement preparations. Financial experts and politicians alongside individuals can use the findings to enhance retirement planning according to these results which create significant contributions to improved retirement outcomes.

1.2 INTRODUCTION

Retirement is one of the most significant economic and social transitions in the lives of most people and their families. Most people suddenly retire from full-time employment in circumstances in which they no longer participate in paid work[1]. The economics literature has stressed the stylized fact that household consumption expenditures decline significantly following the retirement of the primary breadwinner, known as the retirement consumption problem[1]. The study looks into how effectively people plan for retirement when their perceptions of their financial knowledge do not match reality[2]. Overconfident individuals who overestimate their financial knowledge (thinking they know more than they do) do not take actions to increase their knowledge and end up as unprepared for retirement as those with true low understanding[2]. Unsure individuals who underestimate their financial knowledge (believe they know less than they do) may have high financial knowledge but have inferior retirement results. However, they are eager to learn more[2]. Economic incentives, class, and gender influences all have an impact on workers' retirement[3]. There are many other factors that also influence retirement decisions, such as macro-level variables including economic cycles, occupational shifts, and labour market institutions, which have a greater influence on older workers than younger ones [3]. This study looks at how psychological and financial stability among younger generation (aged 24-45) have evolved over time. The data indicate that younger cohorts have greater debt and are more financially susceptible than older cohorts. Rising interest rates may exacerbate this susceptibility[4]. The pension system can impact poverty rates, thereby making people financially secure to make more sound decisions about their retirement, but total assets decreased upon contractual retirement[5]. A greater chance of being financially unprepared for retirement. In contrast, unstable career pathways, such as regularly transferring between temporary employment or being forced into retirement, are more common among women and those with lower education levels. These unsteady routes are associated with reduced financial security in later life. The authors suggest personalized financial planning programs for middle-aged people to improve their retirement security[7]. Retirement planning research spans a wide range of studies that try to better understand and manage the transition from working to retirement. Research has shed light on a variety of aspects of this intricate process, ranging from the understanding of retirement guidelines among university staff to the gender perspectives of customers on retirement planning [8, 9]. Furthermore, studies on the relationship between retirement planning practices and financial stress as well as the interaction of retirement planning, time management, and psychological adjustment [10, 11, 12] have highlighted the complex dynamics involved. Further study enhancing our understanding focuses on the impact of financial literacy on retirement planning behaviour's and the importance of economic considerations in retirement decision-making[13, 14]. Additionally, research has examined the normative character of retirement planning, the sufficiency of retirement benefits, and the significance of financial literacy in retirement readiness[15, 16, 17] . This thorough analysis covers retirement planning practices among populations, physician retirement trends, institutional support for retirement planning, retirement definitions and stages, and theoretical developments in retirement psychology[18, 19, 20, 21, 22]. When taken as a whole, this research adds to a more complex knowledge of retirement planning that benefits practitioner, policymakers, and individual. This study explores the elements that influence, by considering both cognitive (financial literacy) and psychological features. The study discovers that future time perspective, retirement goal clarity, and social group support all have a favourable impact on retirement planning behaviour, with financial literacy moderating the link. Additionally, future time perspective and retirement goal clarity act as mediators. The findings have significance for financial professionals, advisers, and consumers to improve retirement planning.

1.3. LIMITATIONS

- Sample Size: The sample of 82 may not constitute the whole population, making the generalizability of the results somewhat limited.

- Geographical scope: The study would only be applicable to one geographical region, which cannot be generalized to other regions and countries.

- Cross-Sectional Design: The nature of the cross-sectional design makes it possible to capture the snapshot in time, hence may not consider the attitudes and behaviours changes with time.

- Subjectivity in Health Status: The characterization of health status is subjective and can differ from individual to individual based on personal perspectives, thus possibly influencing the research on how health status determines retirement planning.

- Economic Conditions: The study does not account for the differences in economic conditions, which could impact retirement planning behaviours, including inflation rates, market volatility, and trends in employment.

- Self-reported data: As the study relies on the self-reported data from the questionnaire, it may be susceptible to bias because respondents could overestimate or underestimate their own financial behaviors and future planning

1.4. SCOPE AND SIGNIFICANCE

This study explores the complex interplay between psychological and financial factors in retirement planning. It delves into several key areas, beginning with the psychological dimensions, examining the impact of retirement on mental health, life satisfaction, and the challenges of these transitions. It also investigates behavioral biases, such as overconfidence and loss aversion, and their influence on risk tolerance in financial decision-making. The study further analyzes financial preparedness, focusing on savings behaviors, debt management, and income diversification strategies, including investments and pensions. It also addresses the role of financial literacy and the impact of mismatched self-perceptions on retirement readiness. Additionally, the research considers demographic and socioeconomic factors, including the influence of gender, career stability, and institutional support systems like pension programs. It also provides cross-cultural comparisons of retirement trends, contrasting early retirement patterns in Europe with the trend of extended work life in Asia. The methodology employed is a mixed-methods approach, utilizing surveys and non-parametric tests, with a sample of 82 professionals primarily focusing on India, while also drawing insights applicable to similar emerging economies.

The significance of this study is multifaceted. For individuals, it underscores the importance of early and personalized retirement planning to achieve a balance between financial security and overall well-being. It emphasizes the need to address psychological barriers, such as present bias, and to bridge financial literacy gaps. For policymakers, it advocates for the development of tailored retirement programs, particularly for vulnerable groups like women and low-income workers. It also calls for institutional reforms aimed at enhancing pension systems and financial education initiatives. For financial advisors, the study provides frameworks to integrate health, social connections, and risk management into retirement strategies and highlights the value of diversified income streams beyond traditional pensions, such as investments and rentals. The study makes an academic contribution by bridging gaps in existing literature through the combination of psychological and financial perspectives. It also offers empirical data on retirement behaviors in India, thereby complementing global studies. Finally, in terms of societal impact, the study addresses the increasing financial vulnerability among younger cohorts due to debt and inflation and promotes holistic retirement models that aim to ensure both economic stability and a high quality of life for aging populations. Knowing all details about retirement planning remains indispensable for personal lives. The fundamental reason behind early retirement preparation involves creating better financial stability and reducing the risk of resource shortages. After retirement people encounter several hurdles that include the reduction of spending levels by households. Accurate financial expertise evaluation is vital due to overconfident people who fail to notice important measures. Public programs must include economic benefits and class and gender provisions because macroeconomic characteristics impact older workers differently. Proper debt management stands as an essential requirement for preparing a successful retirement and strong financial stability derives from better pension systems. The financial results improve when people continue working steadily while future research needs to explore additional subjects regarding retirement planning such as gender perspectives and psychological adaptations. People need policies offering appropriate retirement benefits since financial expertise increases retirement readiness.

CHAPTER 2

RESEARCH METHODOLOGY

2.1 INTRODUCTION

The research adopts a mixed-methods design to provide complete evaluation of retirement financial planning together with psychological considerations. Mixed-methods research implements surveys along with non-parametric tests alongside interviews to create a comprehensive understanding of the examined subject.

2.2. CURRENT SCENARIO

According to Census.gov article about the covid 19 impact on early retirement statistics the U.S. Census Bureau's 2021 Survey of Income and Program Participation found that about 2.9% of adults aged 55-70 employed in January 2020 retired early or planned to retire early because pandemic[23]. Around 2.3% of the same group are either delayed or planned to delay it because of covid-19[23]. The article published by the World Bank stated that some European countries have the earliest retirement ages. For instance, Italy and the Netherlands have relatively low effective retirement ages, with only a little over half of 55–59-year-old men still active and very few men in their early 60s are still working in the workforce[24].

On the contrary, according to the article published in the World Economic Forum agenda in 2023, Asian countries like China, India and South Korea have official minimum retirement ages in the early 60s and late 50s. However, workers in these countries often stay in the workforce well into their late 60s and also stated that there will be “Effective Retirement Age Projection that the average effective retirement age will increase by two years by the mid-2060s globally[2]

2.3. RESEARCH DESIGN

Quantitative Analysis

Survey Design:

Target Population: The study targets professional workers of different business sectors who belong to different age ranges.

Sample Size: A total of 82 respondents participated in the study through stratified random sampling in order to represent various age groups combined with occupational types and professional experience levels.

Survey Instrument: Professional researchers used a structured questionnaire to gather information about how respondents wanted to structure their retirement years and their current financial savings and their state of health together with their confidence in handling unplanned expenses during retirement.

2.4. RESEARCH OBJECTIVES

This research examines different psychological elements together with financial factors in retirement planning by evaluating mental wellness and changes that retirees go through as well as their sense of life satisfaction. This research outcome explores which variables related to risk tolerance along with behavioural biases shape critical decision-making processes. The research creates an extensive retirement planning approach through a combined analysis of psychological well-being and financial security element. Apart from the calculations the framework works to determine retirement necessities by including life expectancy assessments alongside considerations for cost of living increases together with healthcare and related significant elements.

1. **Psychological Aspects of Retirement**: Examine the impact of retirement on mental health, life satisfaction, and the psychological transitions retirees commonly experience.

2. **Risk Tolerance and Behavioural Biases**: Assess how individual risk tolerance and biases like overconfidence and loss aversion affect retirement planning decisions.

3. **Comprehensive Planning Framework**: Develop an integrated framework that balances psychological well-being with financial security for holistic retirement planning.

4. **Estimating Retirement Needs**: Calculate retirement requirements considering lifestyle expectations, inflation, healthcare costs, and other financial factors

2.5. DATA COLLECTION & SAMPLING METHOD

Survey Administration: The survey distributed through an online secure system protected participant privacy by maintaining survey receivers' anonymity in addition to their responses.

Response Rate: To maximize the response rate project team members distributed reminder messages with additional participation incentives to stakeholders.

Data Analysis:

Descriptive Statistics: Mean and median together with mode and frequency distributions served as descriptive statistical methods for presenting respondent demographic data and retirement choice information.

Non-Parametric Tests: The Chi-square test together with other non-parametric analyses were executed with SPSS software for detecting significant variable connections. The analysis studied how health status affected retirement expenditure management confidence.

CHAPTER 3

3.1. LITERATURE REVIEW

The article investigates worldwide retirement planning practices which people use to prepare for their retirement years. Multiple international studies offer evidence to understand fundamental aspects that guide people's retirement planning strategies. Successful retirement planning heavily depends on financial literacy which acts as its basic foundation. The studies demonstrate that people who understand financial principles succeed better at making proper choices for their retirement funds along with investment choices. Financial literacy improvement efforts are described in the article through educational programs launched by employers together with government agencies. The act of preparing for retirement extends further than monetary preparation alone. Workplace policies together with pension systems operated by social institutions control how individuals can plan for their future. The research demonstrates that individual preferences play a vital role because studies confirm distinct planning approaches between men and women. Women tend to consider retirement as part of their life course framework since they evaluate its impact on their overall life timeline yet men concentrate on personal decisions to reach their desired financial security targets. Early retirement planning starts are vital according to the main points presented in the article. The ability to plan investments using compound interest enables people to transform their savings through time while adapting their strategies based on their developing careers and financial profiles. The relevant research demonstrates that personalization must become the foundation for all retirement planning strategies. Post-retirement planning depends on individual risk tolerance and career paths as well as economic conditions of the nation.

The research paper identifies an information shortage related to preparing for retirement. Several research studies show that employees lack basic knowledge about usual retirement savings protocols. Clear communication together with educational programs are necessary to deliver the power needed for people to choose wisely. The article gives essential information that helps people planning for retirement and serves both retirement support designers in government and advisors who help their clients with financial decisions. Knowledge about diverse retirement factors enables us and everyone to build a future where individuals experience secure and satisfactory retirement.

3.2 RESEARCH GAP

The study of retirement planning lacks important research because previous studies demonstrated multiple shortcomings. Better methodological approaches in psychological sciences must be employed to determine the effectiveness of such programs because financial studies seem to progress more slowly. This research synthesizes previous reports and statistical findings regarding retirement planning results along with longitudinal studies to evaluate long-term effects while analyzing psychological elements and socio-cultural and economic factors and retirement planning's complete influence on psychological outcomes and societal and health-related results to make better targeted interventions for different populations regarding their retirement outcomes.

CHAPTER 4: DATA COLLECTION AND ITS ANALYSIS

4.1. SPSS ANALYSIS

Age to retire v % income savings

Statistics

		% income savings in retirement plan?	age you want to retire
N	Valid	82	82
	Missing	0	0
Mode		3	4

% income savings in retirement plan

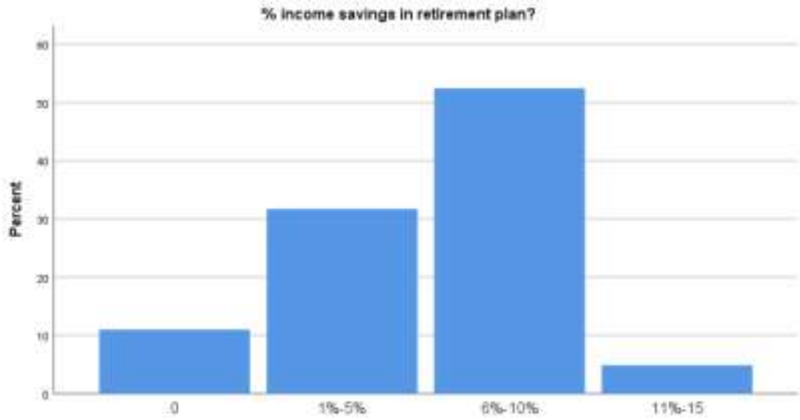
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	9	11.0	11.0	11.0
	1%-5%	26	31.7	31.7	42.7
	6%-10%	43	52.4	52.4	95.1
	11%-15	4	4.9	4.9	100.0
	Total	82	100.0	100.0	

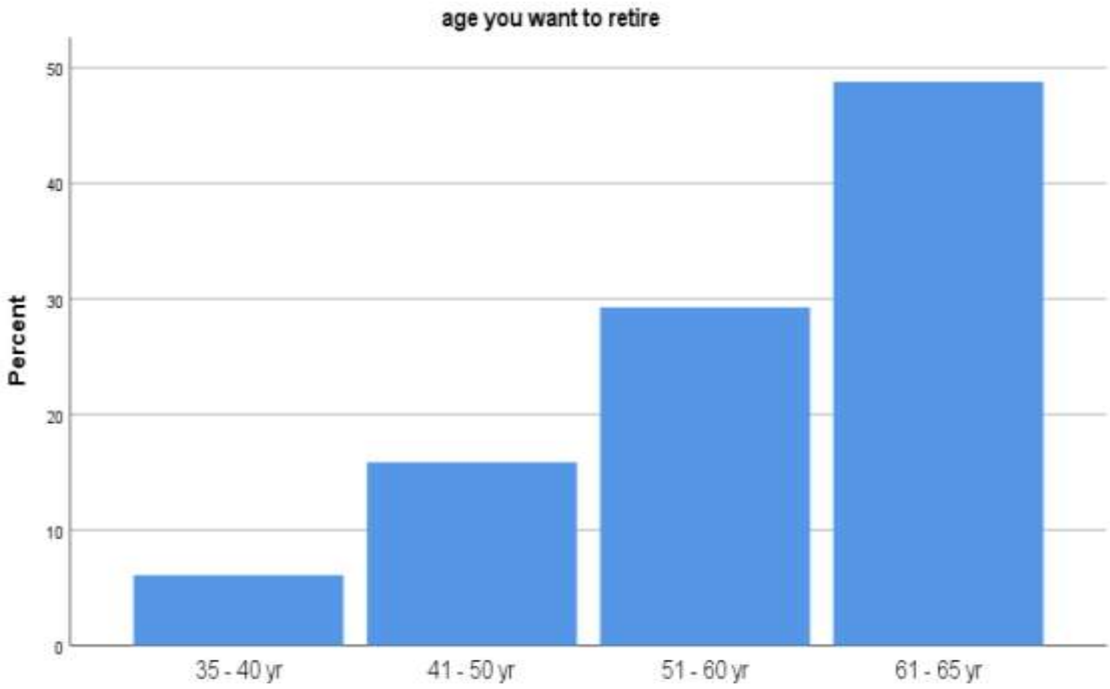
Interpretation: Most people save 6%-10% of their income for retirement, but around 1 in 10 aren't saving anything. It seems like most are aiming for moderate savings rather than going all in.

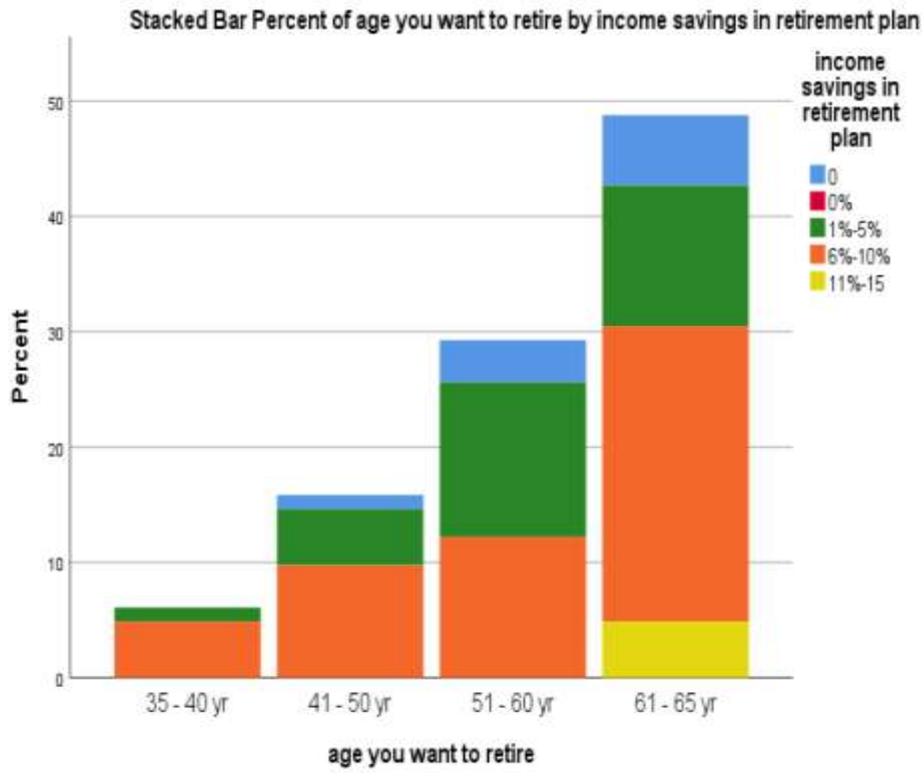
Volume: 09 Issue: 04 | April - 2025 SJIF Rating: 8.586 ISSN: 2582-3930

age you want to retire

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	35 - 40 yr	5	6.1	6.1	6.1
	41 - 50 yr	13	15.9	15.9	22.0
	51 - 60 yr	24	29.3	29.3	51.2
	61 - 65 yr	40	48.8	48.8	100.0
	Total	82	100.0	100.0	







Interpretation: The results reveal that emerging adults who chose to retire have decided in favour of ages ranging from 61 to 65 years (48.8%) while 29.3% selected retirement at 51 to 60 years. The population which aims to retire between 61 and 65 years establishes savings at the rate of 6-10 percent of their current income predominantly due to their retirement plan timing. Only a little percentage of individuals does not save for retirement. People who plan their retirement for an earlier period tend to conserve less money for retirement whereas individuals planning delayed retirement ages tend to save more.

Profession and work ex

Statistics

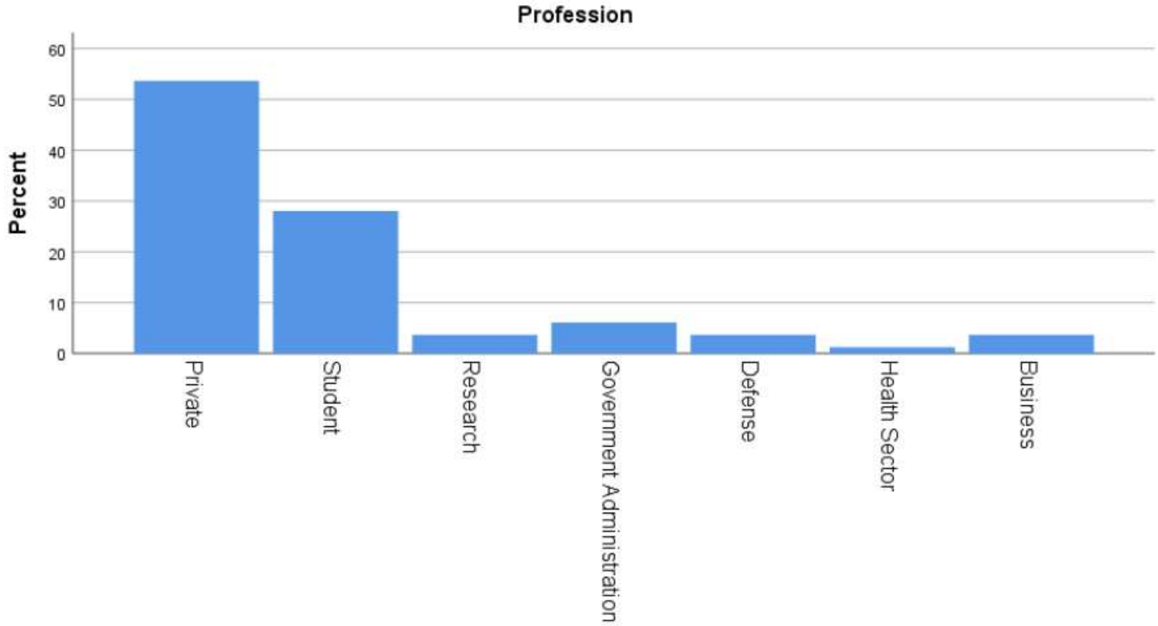
		Profession	work experiences contributing to your retirement satisfaction
N	Valid	82	82
	Missing	0	0
Mode		1	2

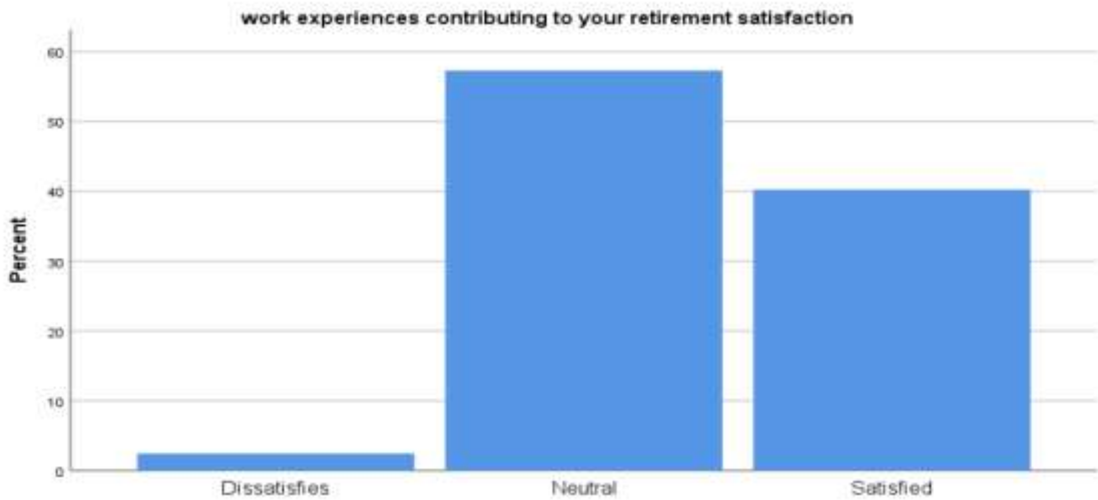
work experiences contributing to your retirement satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dissatisfies	2	2.4	2.4	2.4
	Neutral	47	57.3	57.3	59.8
	Satisfied	33	40.2	40.2	100.0
	Total	82	100.0	100.0	

Profession

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Private	44	53.7	53.7	53.7
	Student	23	28.0	28.0	81.7
	Research	3	3.7	3.7	85.4
	Government Administration	5	6.1	6.1	91.5
	Defense	3	3.7	3.7	95.1
	Health Sector	1	1.2	1.2	96.3
	Business	3	3.7	3.7	100.0
	Total	82	100.0	100.0	





Interpretation: Most workers from the private sector constitute 53.7% of our sample group alongside 28% of students while professional groups remain scarce. The majority of individuals (60%) view their work experience as neutral regarding their retirement satisfaction satisfaction and 40% express satisfaction with it.

Profession %income

Statistics

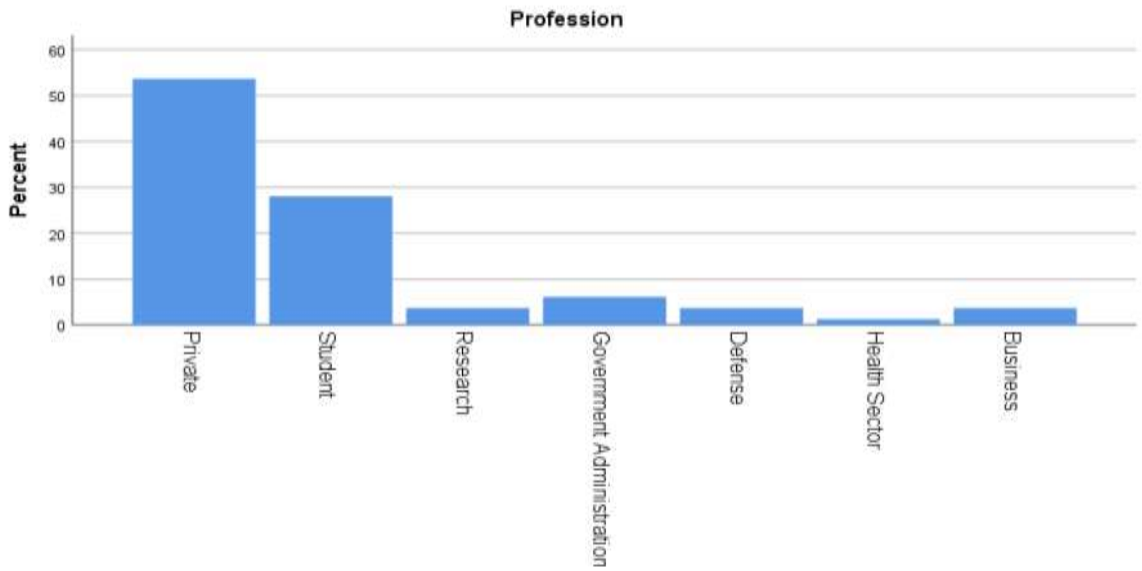
		Profession	% income savings in retirement plan
N	Valid	82	82
	Missing	0	0
Mode		1	3

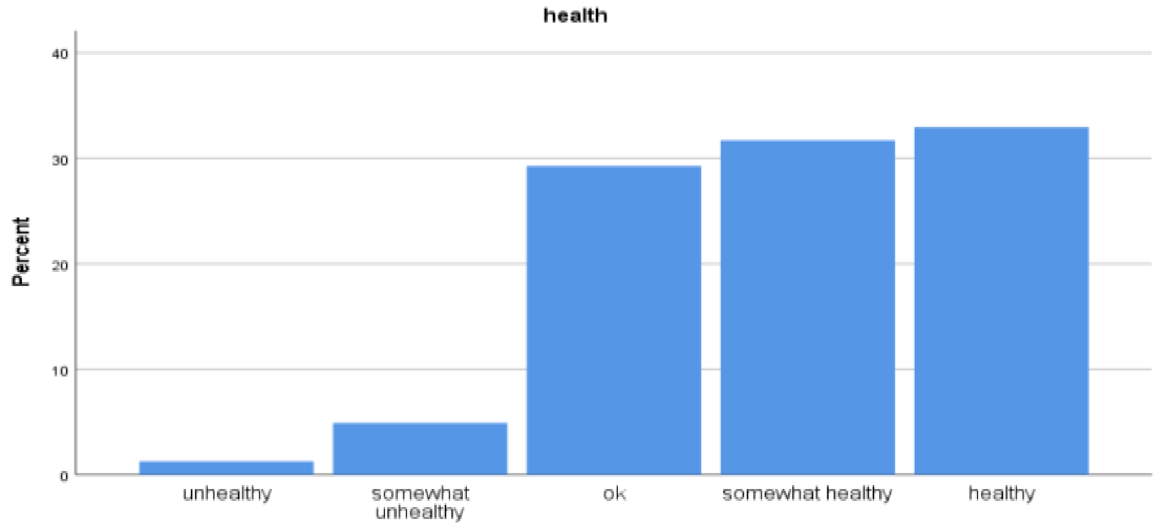
Profession

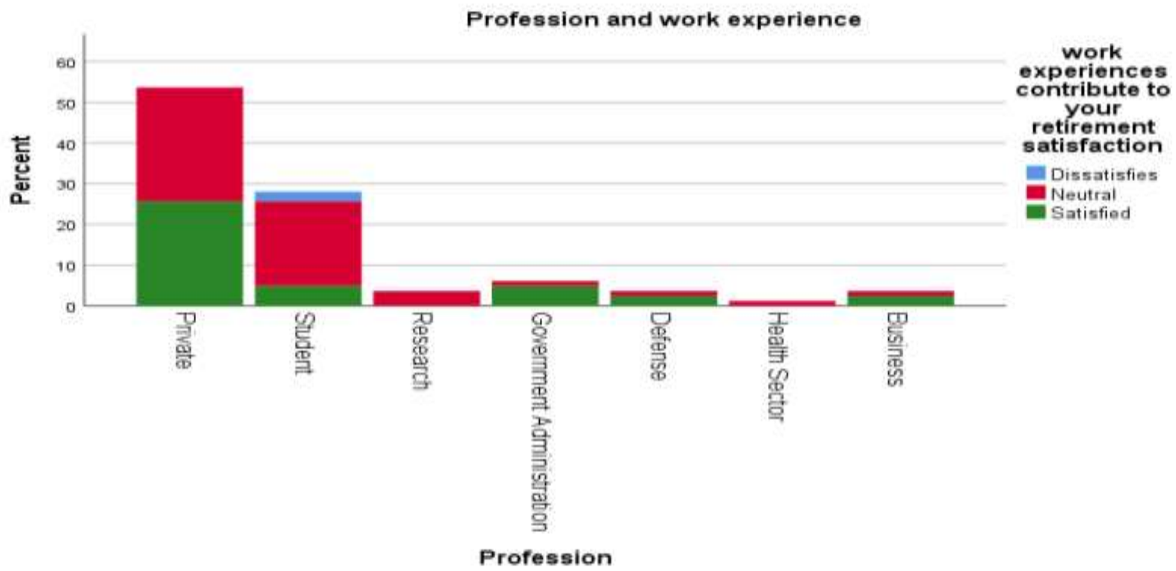
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Private	44	53.7	53.7	53.7
	Student	23	28.0	28.0	81.7
	Research	3	3.7	3.7	85.4
	Government Administration	5	6.1	6.1	91.5
	Defense	3	3.7	3.7	95.1
	Health Sector	1	1.2	1.2	96.3
	Business	3	3.7	3.7	100.0
	Total	82	100.0	100.0	

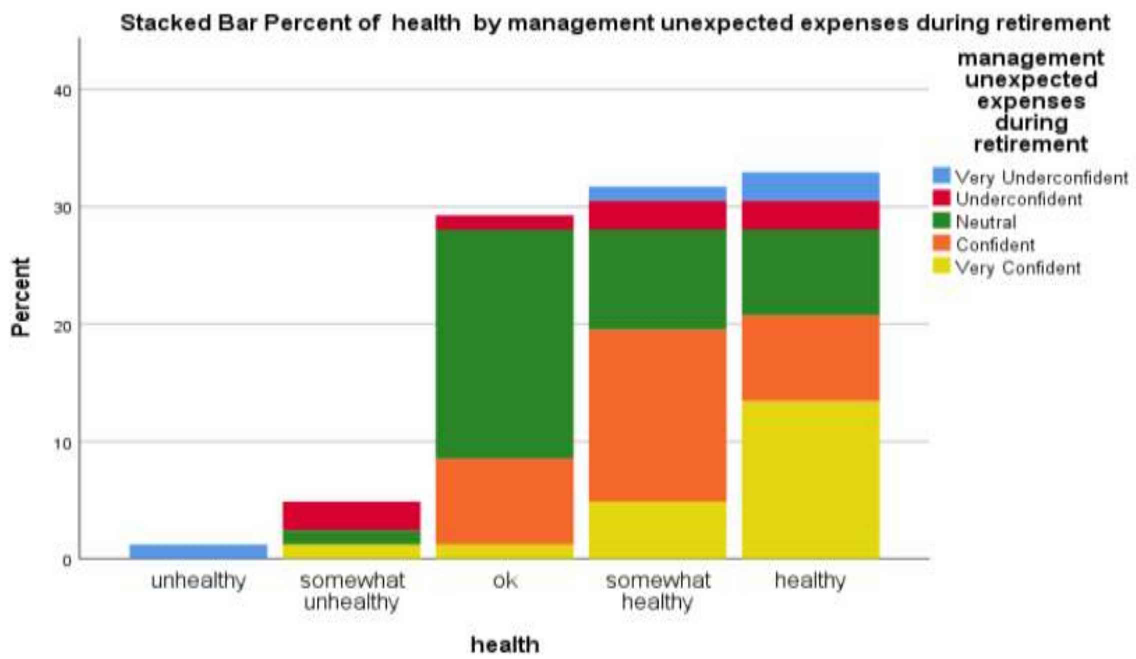
% income savings in retirement plan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	9	11.0	11.0	11.0
	1%-5%	26	31.7	31.7	42.7
	6%-10%	43	52.4	52.4	95.1
	11%-15	4	4.9	4.9	100.0
	Total	82	100.0	100.0	




health
Percent
40
30
20
10
0
unhealthy
somewhat unhealthy
ok
somewhat healthy
healthy


Profession and work experience
Percent
60
50
40
30
20
10
0
Private
Student
Research
Government Administration
Defense
Health Sector
Business
Profession
work experiences contribute to your retirement satisfaction
Dissatisfies
Neutral
Satisfied


Stacked Bar Percent of health by management unexpected expenses during retirement
Percent
40
30
20
10
0
unhealthy
somewhat unhealthy
ok
somewhat healthy
healthy
health
management unexpected expenses during retirement
Very Underconfident
Underconfident
Neutral
Confident
Very Confident

Interpretation: Most participants (52.4%) save between 6% to 10% of their income for retirement, which is a common savings range.

A notable portion (31.7%) saves only 1%-5%, possibly indicating lower income levels or fewer resources for retirement planning.

11% of respondents save nothing, which may suggest a lack of financial planning awareness.

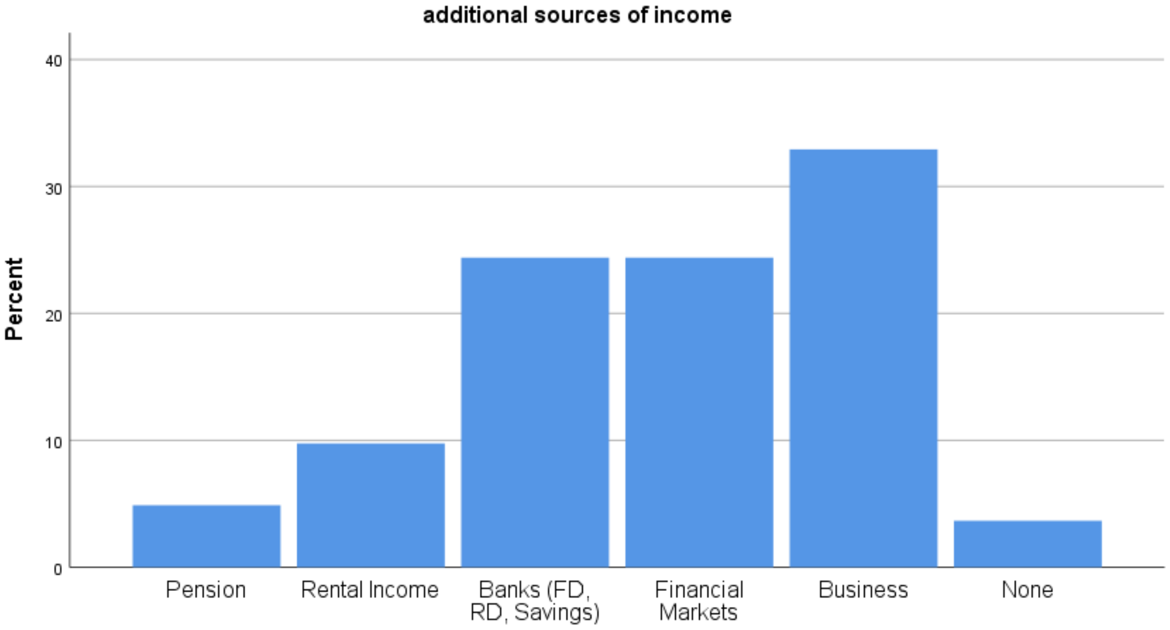
In the analysis, it was found that the majority of individuals prefer to retire at the age of 61-65, with more than 50% of respondents selecting this age range. Additionally, most individuals plan to save 6% to 10% of their income in a retirement plan. The analysis was conducted using SPSS software through non-parametric tests.

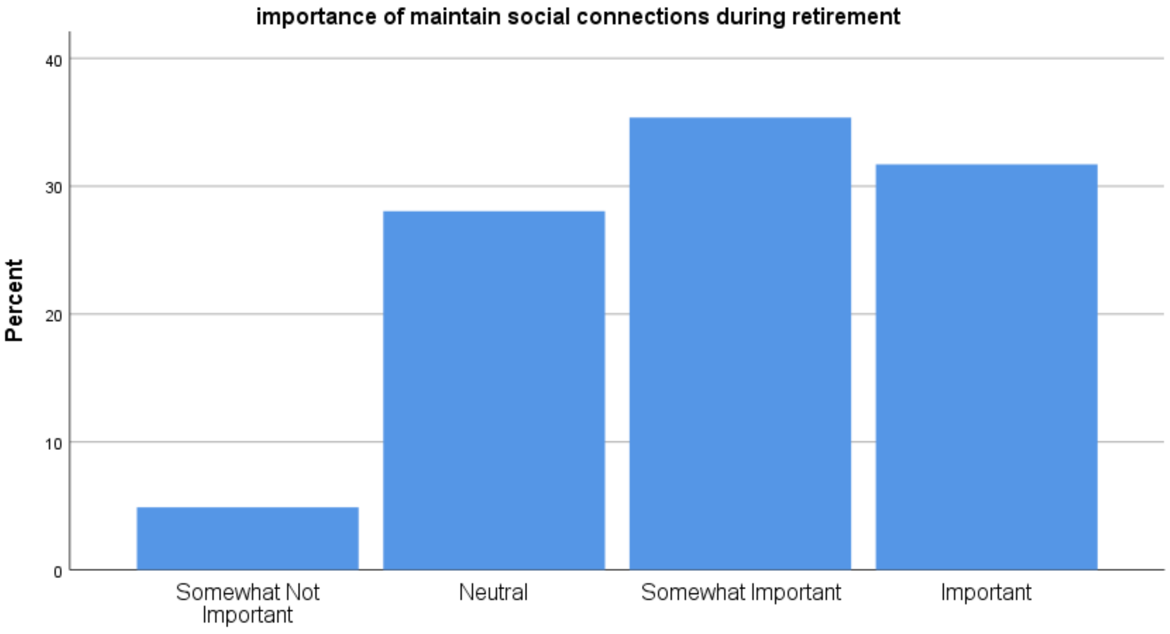
additional sources of income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pension	4	4.9	4.9	4.9
	Rental Income	8	9.8	9.8	14.6
	Banks (FD, RD, Savings)	20	24.4	24.4	39.0
	Financial Markets	20	24.4	24.4	63.4
	Business	27	32.9	32.9	96.3
	None	3	3.7	3.7	100.0
	Total	82	100.0	100.0	

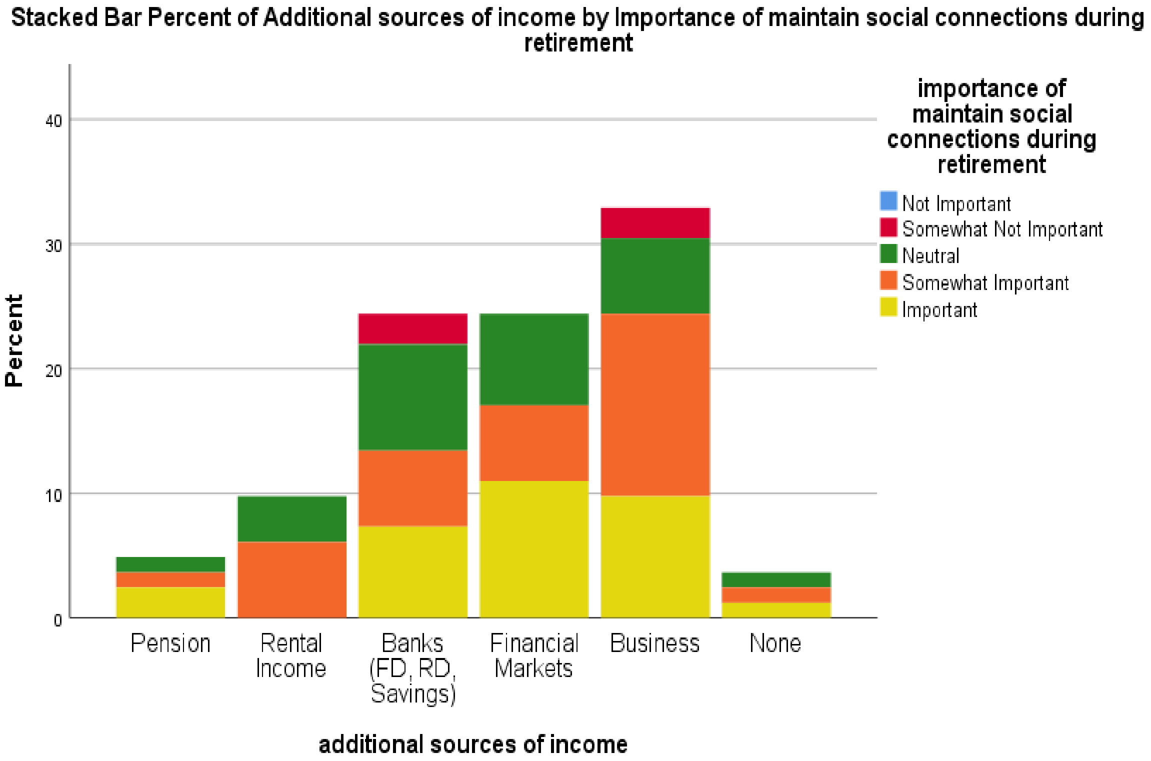
Statistics

		additional sources of income	importance of maintain social connections during retirement
N	Valid	82	82
	Missing	0	0
Mode		5	4





Interpretation: The majority of respondents use business operations and financial market investments alongside regular earnings to increase their income streams based on active income methods. People receive their income primarily from pensions (4.9%) as well as rental income (9.8%). Financial dependence and minimal investment opportunities seem to be present among those who do not receive additional income (3.7%).



Additional source of income and family support

Statistics

		additional sources of income	financially support family members during their retirement
N	Valid	82	82
	Missing	0	0
Mode		5	2

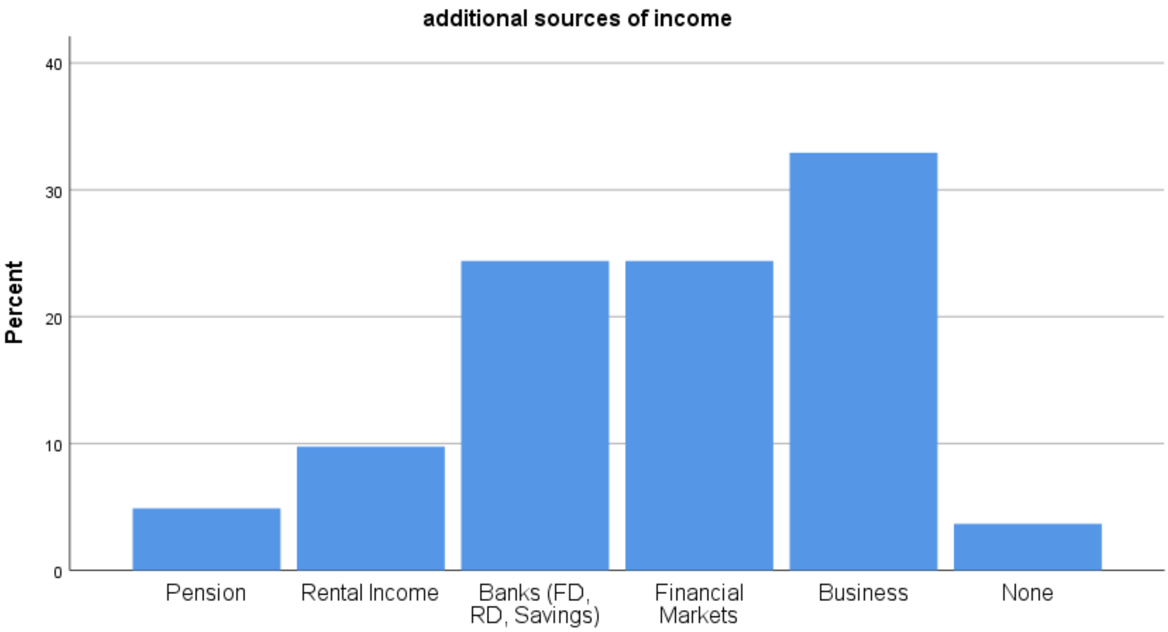
additional sources of income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pension	4	4.9	4.9	4.9
	Rental Income	8	9.8	9.8	14.6
	Banks (FD, RD, Savings)	20	24.4	24.4	39.0
	Financial Markets	20	24.4	24.4	63.4
	Business	27	32.9	32.9	96.3
	None	3	3.7	3.7	100.0
	Total	82	100.0	100.0	

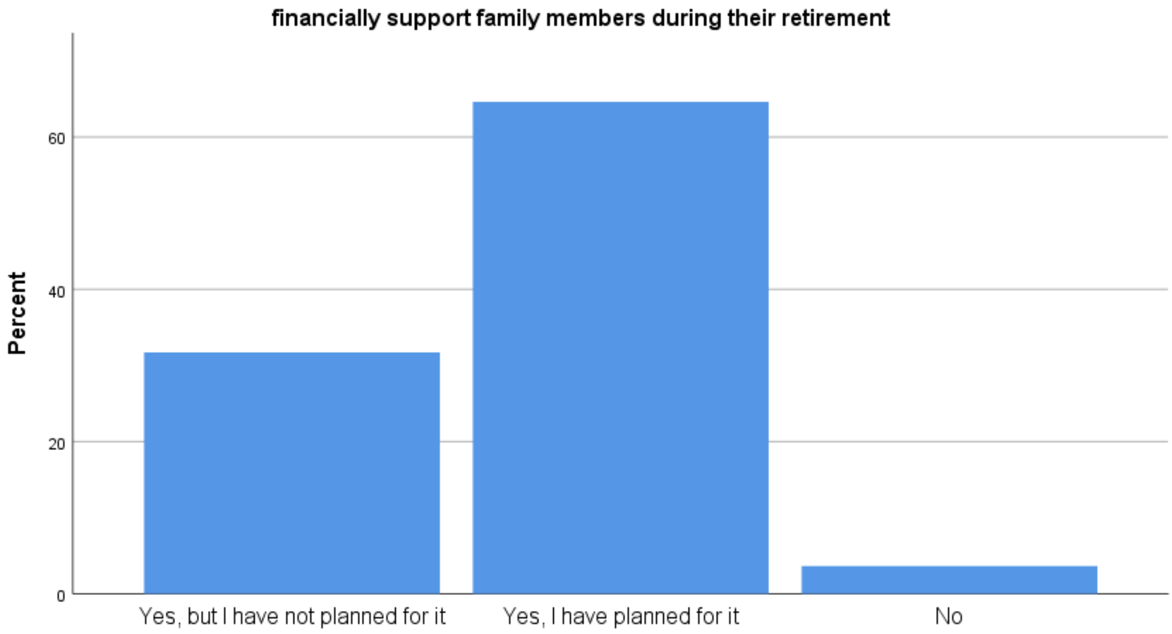
Interpretation: Additional income sources from business and financial markets stand dominant during retirement as retirees value social connections most. Retirees place equity between financial safety and preserving important personal connections as their primary aging priorities. Pension usage remains minimal as older adults pursue multiple sources of income to fund their retirements.

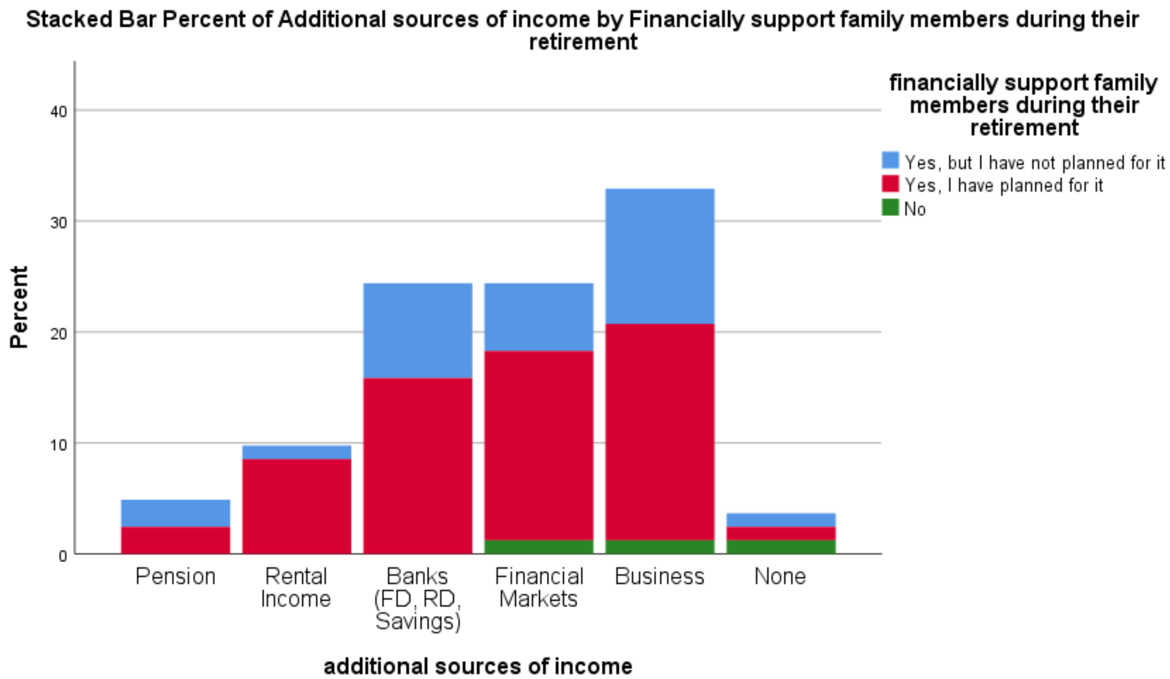
Do you plan to financially support family members (e.g., children, elderly parents) during your retirement?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, but I havenâ€™t planned for it	26	31.7	31.7	31.7
	Yes, I have planned for it	53	64.6	64.6	96.3
	No	3	3.7	3.7	100.0
	Total	82	100.0	100.0	



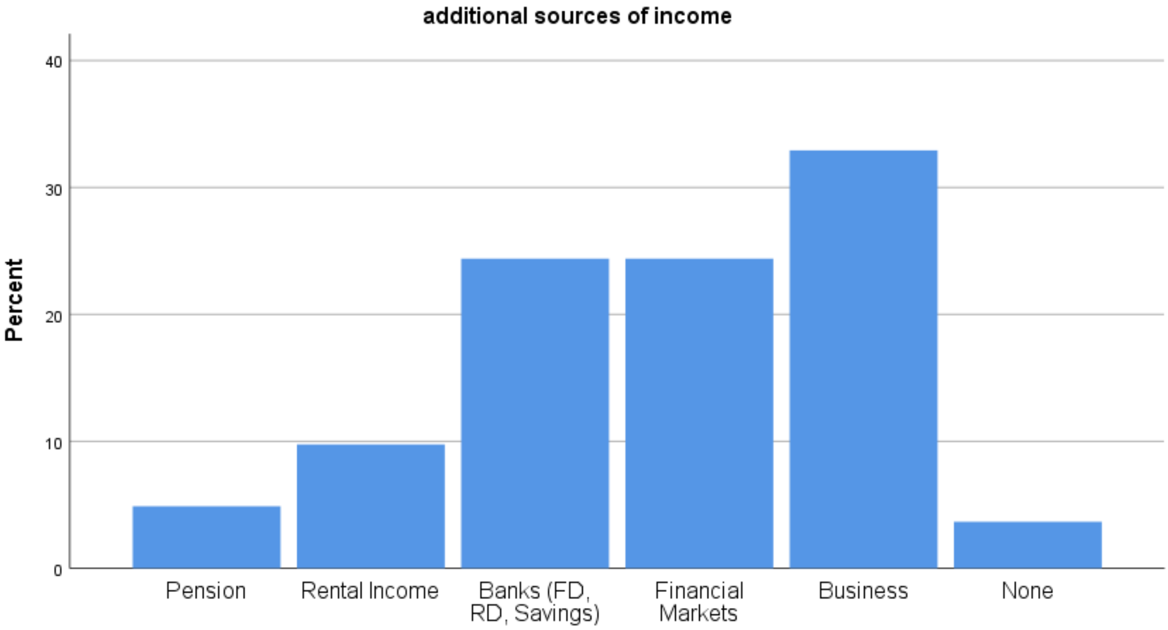
Interpretation: The data shows that a significant majority (64.6%) have planned to financially support family members during retirement, while 31.7% intend to but lack planning. Only a small percentage (3.7%) do not plan to provide such support, highlighting the importance of family financial responsibilities in retirement planning.





Interpretation: The data indicates that a majority (64.6%) have planned to financially support family members during retirement, while 31.7% intend to but lack planning. Only a small percentage (3.7%) do not plan to provide such support, emphasizing the importance of family financial responsibilities in retirement planning. The additional income sources, such as business and financial markets, likely play a key role in enabling this support**.**

Additional source of income and inflation



Age and Risk Avernus

Statistics

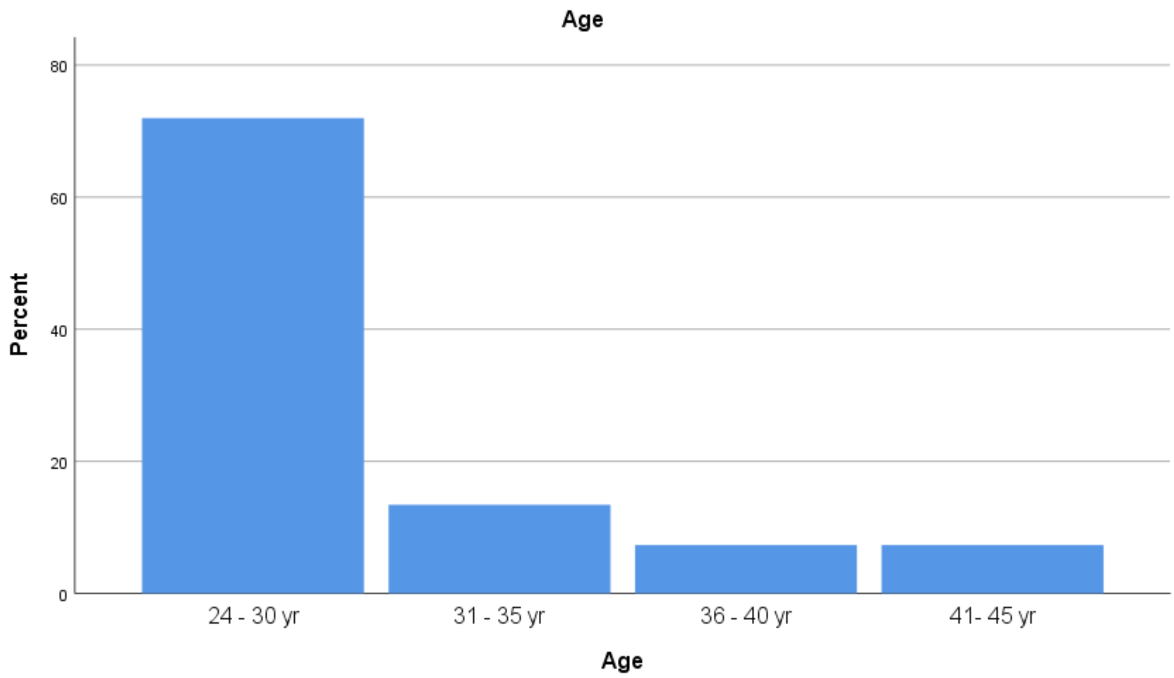
		Age	How risk averse are you?
N	Valid	82	82
	Missing	0	0
Mode		1	1

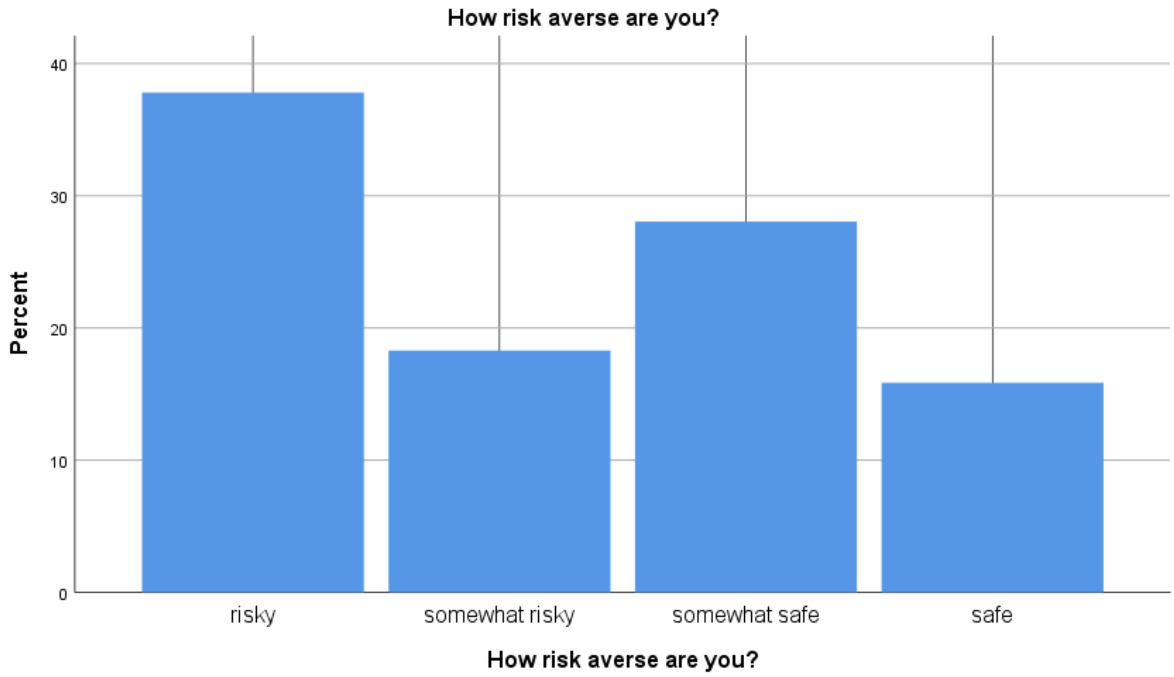
Age

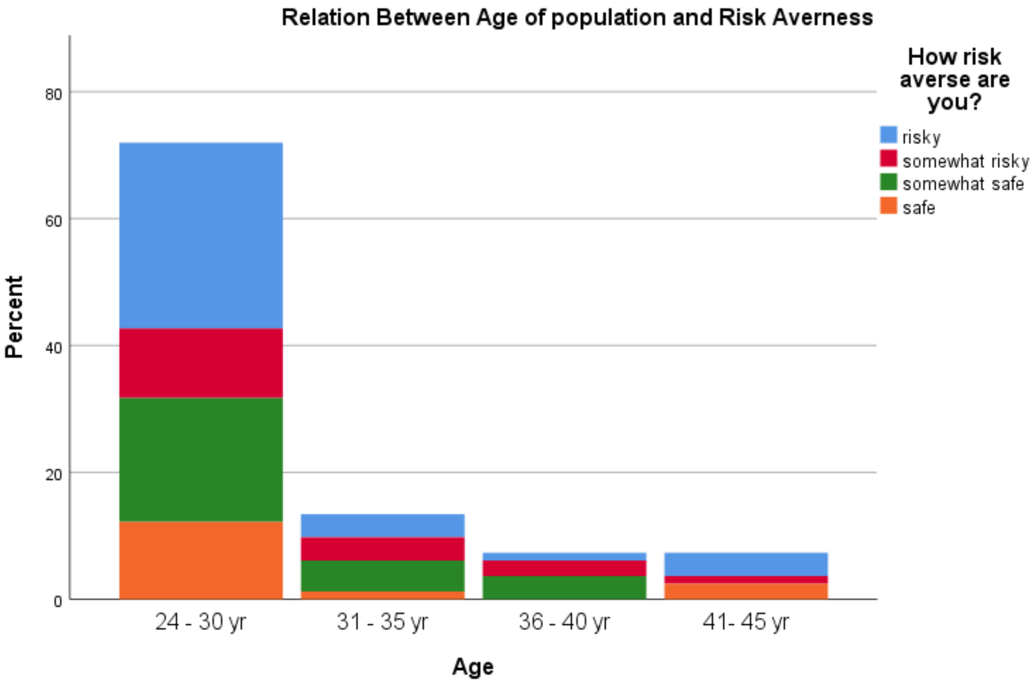
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	24 - 30 yr	59	72.0	72.0	72.0
	31 - 35 yr	11	13.4	13.4	85.4
	36 - 40 yr	6	7.3	7.3	92.7
	41- 45 yr	6	7.3	7.3	100.0
	Total	82	100.0	100.0	

How risk averse are you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	risky	31	37.8	37.8	37.8
	somewhat risky	15	18.3	18.3	56.1
	somewhat safe	23	28.0	28.0	84.1
	safe	13	15.9	15.9	100.0
	Total	82	100.0	100.0	


Age
Percent
80
60
40
20
0
24 - 30 yr
31 - 35 yr
36 - 40 yr
41- 45 yr
Age


How risk averse are you?
Percent
40
30
20
10
0
risky
somewhat risky
somewhat safe
safe
How risk averse are you?



Interpretation: The data reveals that the majority of the population (72%) is aged 24-30 years, with a smaller representation in older age groups. Regarding risk aversion, 37.8% identify as risky, while 28% consider themselves somewhat safe, and 15.9% as safe. This suggests that younger individuals (24-30 years) may be more inclined to take risks, while older age groups tend to lean towards safer or more cautious financial behaviors. The relationship between age and risk aversion highlights how risk tolerance may decrease with age.

Age and Work Experience

Statistics

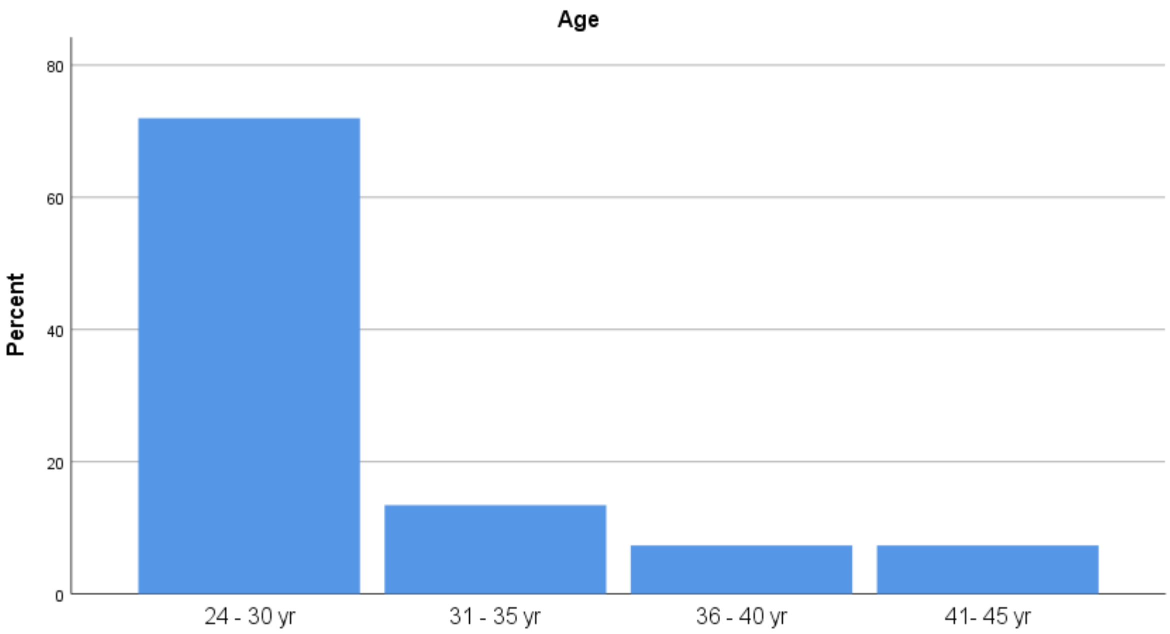
		Age	Work Experience
N	Valid	82	82
	Missing	0	0
Mode		1	2

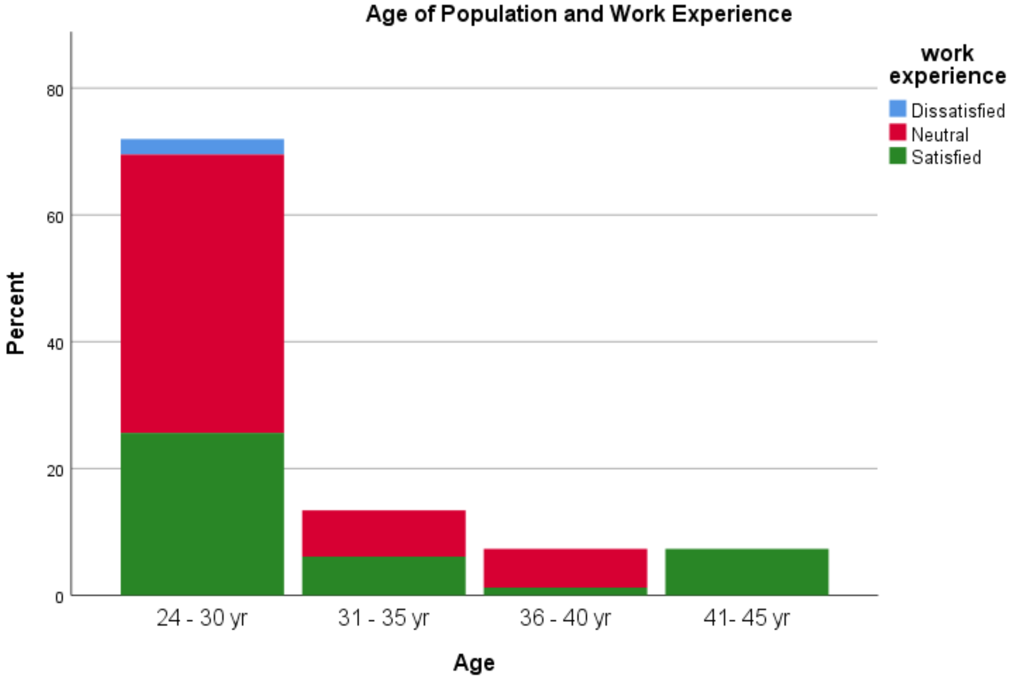
Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	24 - 30 yr	59	72.0	72.0	72.0
	31 - 35 yr	11	13.4	13.4	85.4
	36 - 40 yr	6	7.3	7.3	92.7
	41- 45 yr	6	7.3	7.3	100.0
	Total	82	100.0	100.0	

Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Dissatisfied	2	2.4	2.4	2.4
	Neutral	47	57.3	57.3	59.8
	Satisfied	33	40.2	40.2	100.0
	Total	82	100.0	100.0	





Interpretation: The research data demonstrates that people from 24 to 30 years old make up 72% of the total while age groups beyond 30 represent a small minority. Regarding work experience 57.3% feel neutral and 40.2% express satisfaction but only 2.4% show dissatisfaction. Most individuals in the age range of 24-30 years represent the sample data, but the surveyed population mainly responds neutrally or positively about their professional experiences.

4.2. DESCRIPTIVE AND PERCENTAGE ANALYSIS

Age to Retire

- Out of 82 respondents:

48.8% (40 individuals) want to retire between the ages of 61-65.

6.1% (5 individuals) want to retire between the ages of 35-40.

15.9% (13 individuals) want to retire between the ages of 41-50.

29.3% (24 individuals) want to retire between the ages of 51-60.

Percentage of Income Savings in Retirement Plan

- Out of 82 respondents:

52.4% (43 individuals) plan to save 6% to 10% of their income.

11.0% (9 individuals) plan to save 0% of their income.

31.7% (26 individuals) plan to save 1% to 5% of their income.

4.9% (4 individuals) plan to save 11% to 15% of their income.

Statistical Summary

- Number of Valid Responses (N): 82
- Missing Responses: 0
- Mode (Most Frequent Response):

% Income Savings in Retirement Plan: 6%-10%

Age You Want to Retire: 61-65 years

Visual Representation

The data is visually represented through two bar charts, highlighting the distribution of the percentage of income savings in the retirement plan and the preferred age to retire.

Bar Chart 1: Age You Want to Retire

- 35-40 years: Approximately 6% (5 respondents)
- 41-50 years: Approximately 16% (13 respondents)
- 51-60 years: Approximately 30% (24 respondents)
- 61-65 years: Approximately 49% (40 respondents)

Bar Chart 2: Percent of Age You Want to Retire by Income Savings in Retirement Plan

This chart shows the distribution of income savings for each retirement age group.

- 35-40 years: Predominantly in the 6% - 10% and 11% - 15% savings categories.
- 41-50 years: A mix of all categories, with significant portions in the 6% - 10% and 11% - 15% savings categories.
- 51-60 years: A mix of all categories, with significant portions in the 6% - 10% and 11% - 15% savings categories.

- 61-65 years: A mix of all categories, with significant portions in the 6% - 10% and 11% - 15% savings categories, and a noticeable portion in the 0% savings category.

Work Experiences and Professions

From the image details, here are the insights:

Work Experiences Contributing to Retirement Satisfaction

- Dissatisfied: 2.4% (2 respondents)
- Neutral: 57.3% (47 respondents)
- Satisfied: 40.2% (33 respondents)

Professions of Respondents

- Private Sector: 53.7% (44 respondents)
- Students: 28.0% (23 respondents)
- Research: 3.7% (3 respondents)
- Government Administration: 6.1% (5 respondents)
- Defense: 3.7% (3 respondents)
- Health Sector: 1.2% (1 respondent)
- Business: 3.7% (3 respondents)

4.3. PSYCOLOGICAL AND FINANCIAL ANALYSIS

Health Categories and Confidence Levels

A large number of individuals demonstrate significant doubt when it comes to handling unpredicted financial expenses. The distribution shows diverse patterns among these groups because both Underconfident and Neutral elements represent substantial parts of the population. Most people are Neutral about the practice but both Confident and Very Confident groups make up significant areas. The group of individuals demonstrating confident and very confident stands as a notable segment in the somewhat healthy category. Healthy financial status shows the most participants being Very Confident yet also contains groups who are Confident and Neutral.

Tailored Retirement Plans:

Staff members from private industries need retirement plans built to reflect the inconsistent pensions and advantages in their sector. Focus on individual financial contributions and multiple investment choices since more than fifty percent of respondents belong to private business occupations. Financing retirement savings to maximum advantage requires students to invest through time rather than rush their money into the market since compound interest magnifies early contributions. The demographic requires targeted financial educational materials so young individuals learn financial basics plus saving practices at an early age. Defense employees and government sector workers should receive information about their pension plans and relevant extra savings opportunities which enhance retirement income. Government pensions provide reliable income but employees should strengthen their retirement plan by making investments across different sectors. Professional researchers and healthcare professionals need to include retirement benefit assessment in their strategies and use this understanding to optimize their retirement benefits. Professionals should provide unique guidance to handle research grants and healthcare incomes as retirement funds.

Personalized Health Assessments

The relationship between health status and confidence in handling unpredictable expenses shows to be very significant. Wellbeing among clients tends to generate a higher degree of assurance in their financial abilities. Performing health assessments at regular intervals helps to improve the process of developing retirement plans. The retirement plan for clients with worse health should prioritize protecting their health by strengthening emergency savings and expanding health insurance coverage together with medical spending.

Customized Retirement Age Plans

The majority of people prefer to retire between age range 61-65 so plans need to provide flexibility for early retirement to healthier individuals and late retirement to those intending to work longer periods. Clients should have access to phased retirement options which let them decrease their work schedule progressively. The approach enables people to transition smoothly while supporting their mental and emotional state.

Income Savings Strategy

Costumers should initiate savings at 6% to 10% yet you should direct them towards additional savings if possible. Clients should invest their money across conservative and aggressive options while designers consider both risk tolerance and planned retirement period

Risk Management

An emergency fund should be established for every client but especially for those who demonstrate very low confidence and poor health. Risk management dictates which insurance policies the advisor should recommend for their clients as well as coverage types like life protection and medical care and long-term assistance insurance.

Regular Review and Adjustments

The planners perform annual reviews to modify strategies which account for health changes alongside modification of income and expenses and changes in market conditions. Individuals should evaluate their strategies once important life events occur which include modifications to their medical condition or family structure or major financial adjustments.

Education and Awareness

The institution should launch education programs which teach financial intelligence and cover topics including retirement planning with investments along with healthcare cost management. A series of events such as workshops and seminars should focus on pre-retirees to provide both mental and financial readiness for their retirement.

Satisfaction-Based Planning:

The 40.2% satisfied group requires reinforcement of their positive financial aspects with recommendations to sustain or boost their retirement contentment. Successful approaches should be highlighted for pre-retirees who should continue savings and investing their funds.

The evaluation reveals that neutral individuals who total 57.3% should identify shortcomings in their current retirement initiatives along with providing solutions.

Sources of Additional Income

Only a small minority (10%) uses pension benefits as an extra revenue stream. Out of the total participants around 10% have discovered financial benefits through renting their properties to others. Market investments and bank savings share equal weight as 25% each of all sources for additional income. The driving force behind additional income streams in business exceeds other income sources by a significant margin**.**

Attitudes Towards Social Life Maintenance

Most survey participants rate the importance of keeping up social activities after retirement at "Somewhat Important" and "Important". People who generate their additional income from business operations spend the most money on social maintenance activities yet those who keep savings in their bank accounts come in second. People who receive pension benefits allocate the least financial resources to social activities.

Responsibility of Financial Support

A major percentage of people between 20 and 40 years old considers being the primary family breadwinner and more than sixty percent are actively preparing for this responsibility. A large proportion of 30% within this age bracket remains unclear about the way they will provide financial assistance to their family members.

Risk Awareness and Work Experience

This age range from 24 to 30 demonstrates the most awareness regarding potential risks. People in this demographic group accept risks as a means to boost their revenue levels without strong opinions about their employment background. People in the 41-45 age range hold satisfaction with work experience although they demonstrate less risk aversion than younger groups do.

CHAPTER 5

5.1 KEY FINDINGS

- Retirement financial security comes from diverse revenue streams which include conducting business operations and making stock market investments and maintaining bank savings.
- People place high significance on social interaction during retirement, so professionals need complete retirement plans which address both financial stability and social connection.
- Such young individuals actively plan for their retirement because they take seriously their responsibility to provide financial support to their families.
- Ender individuals demonstrate greater awareness about risks which leads them to follow aggressive investment approaches while older adults show more reluctance toward risk.
- Most people save 6%-10% of their income for retirement, but around 1 in 10 aren't saving anything. It seems like most are aiming for moderate savings rather than going all in. Comparing with the general consensus, a report by PwC India Retirement Readiness Report, 2023, found that average contributions to retirement plans are 12-15% of income. Formal sector workers contribute more (12-18%), while self-employed and informal workers save less (5-8%) Higher-income groups save 15-20%, while lower-income groups struggle to save beyond 5-8% from Deloitte India Retirement Survey (2022)
- The majority of population which aims to retire between 61 and 65 years establishes savings at the rate of 6-10 percent of their current income predominantly due to their retirement plan timing. Only a little percentage of individuals does not save for retirement. People who plan their retirement for an earlier period tend to conserve less money for retirement whereas individuals planning delayed retirement ages tend to save more.
- Most workers from the private sector constitute 53.7% of our sample group alongside 28% of students while professional groups remain scarce. The majority of individuals (60%) view their work experience as neutral regarding their retirement satisfaction and 40% express satisfaction with it. Complementing this study, A report by McKinsey & Co. (2022) suggests that corporate India is playing a larger role in retirement planning, with 70% of employees in organized sectors participating in employer-sponsored retirement schemes

- The majority of respondents use business operations and financial market investments alongside regular earnings to increase their income streams based on active income methods. People receive their income primarily from pensions (4.9%) as well as rental income (9.8%). Financial dependence and minimal investment opportunities seem to be present among those who do not receive additional income (3.7%).
- Additional income sources from business and financial markets stand dominant during retirement as retirees value social connections most. Retirees place equity between financial safety and preserving important personal connections as their primary aging priorities. Pension usage remains minimal as older adults pursue multiple sources of income to fund their retirements. A study by An ICICI Securities named “Trends in Market-Linked Retirement Products” (2023) noted a rise in market-linked retirement planning, with mutual funds, annuities, and ULIPs gaining traction over traditional savings instruments like fixed deposits. BSE-SBI Retirement Report “Growth of Retirement Investment Instruments in India” (2022) showed that mutual funds under retirement schemes grew by 22% year-on-year
- a significant majority (64.6%) have planned to financially support family members during retirement, while 31.7% intend to but lack planning. Only a small percentage (3.7%) do not plan to provide such support, highlighting the importance of family financial responsibilities in retirement planning. Complementing this study, The RBI survey found that only 25% of Indians have adequate retirement savings, and the average Indian retiree relies heavily on family support. The central bank suggests an ideal savings rate of 30-40% of annual income for a secure retirement (Reserve Bank of India (RBI) Household Savings Report (2023))
- majority of the population (72%) is aged 24-30 years, with a smaller representation in older age groups. Regarding risk aversion, 37.8% identify as risky, while 28% consider themselves somewhat safe, and 15.9% as safe. This suggests that younger individuals (24-30 years) may be more inclined to take risks, while older age groups tend to lean towards safer or more cautious financial behaviors. The relationship between age and risk aversion highlights how risk tolerance may decrease with age.
- people from 24 to 30 years old make up 72% of the total while age groups beyond 30 represent a small minority. Regarding work experience 57.3% feel neutral and 40.2% express satisfaction but only 2.4% show dissatisfaction. Most individuals in the age range of 24-30 years represent the sample data, but the surveyed population mainly responds neutrally or positively about their professional experiences.

5.2 RECOMMENDATIONS

Create retirement planning approaches specifically designed for different sources of income which individuals earn in retirement. Teach clients about distributing investments between different financial assets because it reduces risks and guarantees monetary stability.

Social Life Integration:

Strategically include social life expenditures and community participation costs when creating retirement plans for clients. Present the ways that engagement in social activities successfully boosts mental along with emotional wellness in retirement lifestyles.

Family Support Preparation:

Teach younger clients how they should manage their objectives alongside their duties to look after their families Present educational resources and financial planning tools which become accessible to them for effective preparation.

Risk Management:

Clients between 24 and 30 should receive investment portfolios which optimize risk-taking potential through dependable risk mitigation strategies. The financial strategy should protect capital and generate income because older clients accept less investing risk.

Holistic Health and Wellness:

Your clients should practice living healthily as this practice builds their ability to handle unexpected costs in retirement. Health advisors should supply information about wellness programs along with health insurance recommendation options.

5.3 CONCLUSION

The studies about the financial and psychological sides of retirement planning show substantial understanding of the behaviour and attitude of individuals in retirement age. Retired persons depend within their retirement income mainly on their business activities and market investments and bank savings yet pension and rental income remains minimal. The majority of respondents favour retiring between 61-65 years old. Our saving percentage ranges from 6% to 10% which demonstrates an average investment level.

This research demonstrates that social life support after retirement requires diverse financing levels depending on retirement income streams. The risk profile and family financial responsibility attitudes of younger generations differ from those of older adults as younger people display a cautious approach to investment risks but prepare to support their families while older people maintain a positive outlook on work experience yet maintain a risk-conservative investment nature.

Retirement planning models offered to clients should include the results of this research according to financial planner recommendations. Professionals producing customized plans will deliver solutions which address individual health needs and social requirements together with risk management and multiple sources of revenue. Clients will achieve a complete approach to their retirement security through this methodology which enables them to find satisfaction in their retirement.

5.4 REFERENCE

1. Bonsang É, Van Soest A. Time devoted to home production and retirement in couples: A panel data analysis. *Labour Economics*. 2020;65:101810. doi:10.1016/j.labeco.2020.101810.

2. Angrisani M, Casanova M. What you think you know can hurt you: under/over confidence in financial knowledge and preparedness for retirement. *Journal of Pension Economics & Finance*. 2019;20(4):516-531. doi:10.1017/s1474747219000131.

3. Kuitto K, Helmdag J. Extending working lives: How policies shape retirement and labour market participation of older workers. *Social Policy & Administration/Social Policy and Administration*. 2021;55(3):423-439. doi:10.1111/spol.12717.

4. Lusardi A, Mitchell OS, Oggero N. Debt and financial vulnerability on the verge of retirement. *Journal of Money, Credit, and Banking/Journal of Money, Credit and Banking*. 2019;52(5):1005-1034. doi:10.1111/jmcb.12671.

5. Henkens K, Van Solinge H. The changing world of work and retirement. In: *Elsevier eBooks*. ; 2021:269-285. doi:10.1016/b978-0-12-815970-5.00017-6.

6. Jeong SJ, Choi SJ, Hawley JM. Middle-aged adults' career trajectories and later-life financial security: evidence from Korea. *Longitudinal and Life Course Studies*. 2023;14(4):566-591. doi:10.1332/175795921x16843342371110.

7. Ganguly AK, Prakash P. Investment and Retirement Planning – A Conceptual analysis. *International Journal of Professional Business Review*. 2023;8(8):e03645. doi:10.26668/businessreview/2023.v8i8.3645.

8. Mayer RN, Zick CD, Glaittli M. PUBLIC AWARENESS OF RETIREMENT PLANNING RULES OF THUMB. | Journal of Personal Finance | EBSCOHost. https://openurl.ebsco.com/EPDB%3Agcd%3A13%3A12462205/detailv2?sid=ebsco%3Aplink%3Ascholar&id=ebsco%3Agcd%3A91577514&crl=f. Published March 1, 2011

9. Grace DA, Weaven S, Ross M. Consumer retirement planning: an exploratory study of gender differences. *Qualitative Market Research*. 2010;13(2):174-188. doi:10.1108/13522751011032601.

10. Fan L, Stebbins R, Kim KT. Skint: Retirement? Financial hardship and retirement planning behaviors. *Journal of Family and Economic Issues*. 2021;43(2):354-367. doi:10.1007/s10834-021-09779-z.

11. Liu C, Bai X, Knapp M. Multidimensional Retirement planning Behaviors, Retirement Confidence, and Post-Retirement Health and Well-Being among Chinese Older adults in Hong Kong. *Applied Research in Quality of Life*. 2021;17(2):833-849. doi:10.1007/s11482-020-09901-7.

12. Rosenkoetter JMGMM. RETIREMENT PLANNING, USE OF TIME, AND PSYCHOSOCIAL ADJUSTMENT. *Issues in Mental Health Nursing*. 2001;22(7):703-722. doi:10.1080/0161284012043.

13. Janposri P. The role of financial literacy in retirement planning and wealth accumulation among self-employed Thai workers. *Journal of Population and Social Studies*. 2020;29:177-194. doi:10.25133/jpssv292021.011

14. Lal T, Singh V, ARF INDIA, Academic Open Access Publishing. *Examining the Impact of Economic Factors on Retirement Planning Behaviour of Salaried Employees*. Vol 1–1.; 2022:117-136. https://www.arfjournals.com/image/catalog/Journals%20Papers/AJEF/2022/No%201%20(2022)/8_Tarsem%20Lal.pdf.

15. Moffatt S, Heaven B. 'Planning for uncertainty': narratives on retirement transition experiences. *Ageing and Society*. 2016;37(5):879-898. doi:10.1017/s0144686x15001476

16. Society of Actuaries' Pension Section and Pension Section Research Committee, Bajtelsmit V, Rappaport A, Foster L. *Measures of Retirement Benefit Adequacy: Which, Why, for Whom, and How Much?* Society of Actuaries; 2013. https://www.soa.org/globalassets/assets/Files/Research/Projects/research-2013-measures-retirement.pdf.

17. Lusardi A, Mitchell OS. Financial Literacy and Retirement Planning: New Evidence from the Rand American Life Panel. *Social Science Research Network*. January 2007. doi:10.2139/ssrn.1095869

18. Trivedi JC. Retirement planning: an Indian study. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4004999. Published January 10, 2022.

19. Silver MP, Hamilton AD, Biswas A, Warrick N. A systematic review of physician retirement planning. *Human Resources for Health*. 2016;14(1). doi:10.1186/s12960-016-0166-z

20. Oliveira IC, Megier ER, Halberstadt BMK, Beck CLC, Santos JLGD, Soder RM. Preparação para aposentadoria de docentes universitários: revisão integrativa. *Revista Brasileira De Geriatria E Gerontologia*. 2021;24(1). doi:10.1590/1981-22562021024.200286

21. Akinade E. Basic features of effective retirement planning. https://www.ajol.info/index.php/coun/article/view/73042. Published 2011.

22. Wang M, Shi J. Psychological research on retirement. *Annual Review of Psychology*. 2014;65(1):209-233. doi:10.1146/annurev-psych-010213-115131

23. U.S. Census Bureau. Pandemic disrupted labor markets but had modest impact on retirement timing. Census.gov. https://www.census.gov/library/stories/2022/09/did-covid-19-change-retirement-timing.html. Published June 13, 2023.

24. World Bank. *World Bank Pension Reform Primer*. World Bank; 2021. https://documents.worldbank.org/curated/en/976921468137393357/pdf/333860ENGLISH0PRPNoteRetirement.pdf.

25. Retirement age trends around the globe. World Economic Forum. https://www.weforum.org/agenda/2023/10/retirement-age-trends-around-globe/. Published October 9, 2023.