FACTORS INFLUENCING POST RETIREMENT FINANCIAL PLANNING: A STUDY OF WORKING EMPLOYEES IN DELHI NCR

SANAMPREET KAUR KAPOOR

Research Scholar, PCJ School of Management, Maharaja Agrasen University, Baddi (Himachal Pradesh) India.
Email Id: sanam.maims@gmail.com

Dr. SANGEETA

Assistant Professor, PCJ School of Management, Maharaja Agrasen University, Baddi (Himachal Pradesh) India.
Email Id: sangeeta@mau.edu.in

Abstract

The term "basic financial planning" refers to having a fundamental understanding of a variety of financial topics, including but not limited to: budgeting; interest rates; the time value of money; inflation; debit-credit; money management; investment; banking products; risk-return; and so on. A lack of fundamental financial knowledge can lead to inefficient decision making, which can then result in losses. The demographic factor, socio-economic factors, educational level, workplace activity, and other factors all have an impact on the fundamental level of financial planning. In some instances, one or more of these factors might be the most important, while in others, they might not be relevant at all. For effective policy making, it is essential to have a solid understanding of the impact that such factors have on the basic financial awareness level of the general population. As a result, the purpose of this study is to investigate the level of basic financial planning practised by people living in Delhi and the National Capital Region. A non-parametric test of independent samples known as the Kruskal-Wallis test and a Mann-Whitney U test were used to conduct the analysis on the data that was collected. According to the findings of the study, there is a discernible gap in the level of fundamental financial knowledge between the various age groups. On the other hand, the study discovered that the fundamental financial planning level did not vary significantly according to gender, employment status, or educational level.

Keywords: Financial planning, interest rates, debit-credit

INTRODUCTION

It is possible that an ageing population will have a negative impact on economic growth. On the other hand, it is possible that economic growth could be boosted if those extra years of life were spent working rather than retiring. The age at which a person is able to retire is obviously the most important factor that plays a role in determining the proportion of a person's life that is spent participating versus being dependent. On the other hand, very little information is available in India regarding the factors that led to the decision to retire.

The purpose of this paper is to provide readers with an understanding of the factors that influence retirement decisions among Indians by reporting on four different aspects of decisions to retire. [This paper's] goal is to accomplish this by providing readers with an understanding of the factors that influence retirement decisions among Indians. In the first place, it gives a description of the planned retirement age decision that the sample has made in terms of and forgives. Second, it identifies the factors that influence the decisions to retire made by retirees and compares those factors to those that are important to those who are not yet

retired. Third, it analyses the factors that influence the decisions to retire made by those who have already retired. Thirdly, it analyses the planned retirement age of individuals who are not yet retired in India and investigates further the factors that determine planned retirement ages. This is because those who find full-time employment are in a better position not only to plan for their retirement but also to have a secure income when they retire. Lastly, it investigates the factors that determine planned retirement ages by analyzing the planned retirement age of individuals in India who are not yet retired.

The key factors affecting the decision to retire can be classified as:

- External or work-related factors

- Personal factors

- Financial factors

- Lifestyle factors

Examples of external impacts include the ease with which suitable employment may be located, the atmosphere of the workplace, and the amount of enjoyment one derives from their work. The personal factors consist of things like getting married, having children, and making sure that both you and your family continue to keep a healthy lifestyle. Accumulating a sufficient quantity of assets to finance retirement or qualifying for an adequate pension scheme is two of the financial issues that need to be taken into account. Examples of lifestyle factors are the necessity to retire at the same time as one's husband or partner and the desire to spend the balance of one's life indulging in recreational and leisure activities. Another example is the need to retire at the same time as one's spouse or partner.

The estimation of future earnings, expenditures, and other topics pertaining to money are the key building blocks that go into financial planning. A plan that specifies how cash will be obtained to cover future expenses, such as by earning money, taking out loans, or spending money that has been saved, is an example of a financing plan, which is also known as a financial plan. There are many different types of plans that fall under this category. Increasing one's income, taking out further loans, or spending some of the money that has been saved are all examples of such strategies. A financial plan may also contain an estimate of the amount of cash that will be required by the company as well as a choice about how the cash will be raised. This may be included alongside the decision about how the cash will be raised. This can involve taking out loans or issuing more shares in the firm as a way to raise capital. According to Hogarth and Hilgert (2002), retirement is defined as "the employee's conclusion of service with the employer referred to." In the meantime, it does not imply or include a change in the method in which an employee offers service to an employer. Rather, it remains the same. Therefore, this is the period at which the worker officially stops participating in any form of active labour or employment. Age discrimination is defined as "the rejection of an older worker because of assumptions about the influence of age on the worker's capacity to perform," according to a report that was commissioned by the government of the United States of America. This definition holds true regardless of whether there is any factual foundation for the beliefs

(Gregory, 2001). Since the beginning of its existence, the relatively new profession of financial planning has prioritised the preparation of retirement plans as one of its key areas of specialisation. According to research conducted by the Certified Financial Planner Board of Standards in 1999, the major reason people seek out the assistance of a financial planner and engage the assistance of a professional is so that they may gain direction with their retirement plan. People in Malaysia used to be able to rely on the pension plans or retirement funds provided by their employers to see them through their golden years, but now there is no longer a set age at which they are required to retire from their jobs. They can choose to continue working until they reach whatever age they want. On the other hand, it has been noticed that people frequently outlive the amount of money that they have put aside for their retirement. This is something that has been observed. In point of fact, the percentage of retirees who are dedicated to leading lifestyles that are good for their health, good for the environment, clean, and relaxing is on the rise. This is something that has never happened before in the annals of history, and on top of that, retirees today are younger than they have ever been in many respects. This is something that has never happened before in the annals of history. This predicament makes the bulk of circumstances more challenging than they would have been otherwise.

Retirement Plan

When people first start working, one of their primary financial priorities is to begin saving for retirement as soon as possible. People should create a retirement plan in order to "Enjoy their retired life and to take care of family," as these are the two reasons that are considered to be the most important. The age of 25, when most people would have started working, is the best time to start planning for retirement, as this is the age when most people would have started saving. One has to check up on his fitness to see if he is suffering from any disorder, and if so, he needs to plan out keeping in mind by setting as side the necessary amount that is needed for his treatment. Before planning, an individual has to gather up his own financial data such as his income, debt level, commitments, etc. In this study, investment options such as buying a house to rent or lease out, investing in mutual funds, equity shares, NPS, PPF, APY, and insurance policies are considered. Additionally, the amount of money that working individuals have invested in these types of vehicles is analyzed. When people reach an age when they no longer have a steady source of income, pension plans offer a source of financial security and stability for them. A pension plan enables one to make investments, build up savings, and, upon reaching retirement age, receive a lump sum as well as a regular income through an annuity plan. The United Nations Population Division projects that the life expectancy of people across the world will rise to 75 years by the year 2050, up from the current level of 65 years. The life expectancy of people in India has increased as a result of improvements in health care and sanitation. As a direct consequence of this, the total number of years spent in retirement grows. Because of this, preparation for retirement has become an essential part of modern life due to factors such as rising costs of living, inflation, and life expectancy.

OBJECTIVES OF THE STUDY

1. To analyse and compare the fundamental financial planning practises of people living in the Delhi-National Capital Region (NCR), taking into account gender and age as demographic factors.

2. To analyse the fundamentals of people's financial plans in the Delhi-National Capital Region in relation to their employment situation.

RESEARCH METHODOLOGY

Methodology

The plan for the research and the samples

A sample of 60 participants in the study was chosen systematically from the Personnel office's list of pensioners. Retirement planning, the independent variable, was assessed in terms of financial planning, lifestyle, and saving habits. Household spending, access to healthcare, and the standard of housing were used to measure socioeconomic status, which was the dependent variable.

Location of the research and the sample unit

Following a convenience sampling plan, this study used a questionnaire survey to gather information on 50 pensioners from the Delhi NCR region of India. Only 50 pensioners provided data, and the analysis was based on their responses because it was challenging to find the physical addresses of pensioners. To report the impact of demographic factors on retirement planning and socioeconomic status, the study used a correlational design.

In this particular investigation, demographic data such as age, gender, marital status, greatest level of education attained, and monthly income were taken into consideration. The researchers employed demographic characteristics as a confounding variable in order to evaluate the influence of retirement planning and socioeconomic standing. The research utilised multiple regression in order to determine the aspects of retirement planning that are the most accurate in predicting the socioeconomic standing of retirees. In addition, using multiple regression, the researchers were able to identify the demographic parameters that were predictive of government officials' retirement plans and their social and economic standing. To investigate the relationship between demographic characteristics and socioeconomic standing as well as retirement planning, multiple regression analysis was used.

DATA ANALYSIS

The research used multiple regression in order to evaluate the influence of predictor factors on the variable being studied (the dependent variable). The strength of the influence that each independent variable's predictor variables have on the dependent variable is reflected in the beta coefficients of the model. The Standardised Beta coefficients were explicitly employed in the research so that comparisons could be made. In the first place, the research examined retirement preparation as the dependent variable, while demographic characteristics served as

the independent variables. Second, the researchers employed socioeconomic standing as the dependent variable and demographic characteristics as the independent variable in their research. Third, the dependent variable in the research was the participants' socioeconomic position, and the independent variable was their retirement preparation, which included their saving culture, financial planning, and lifestyle.

Table 1: Age of the Respondents

Age of the Respondents					
		Frequency	%	Valid Percent	Cumulative %
Valid	60-70	40	84	83.9	83.9
	70-80	20	16	16.3	16.3
	Total	50	100. 0	100. 0	100. 0

The ages of the respondents are shown in table 2, which can be found further down this page. According to the information that is displayed in the table that is located above, 84 "percent of the respondents fell into the age bracket of 60 to 70 years old, and 16 percent of the respondents fall into the age bracket of 70 to 80 years old.

Table 2: Displays the Respondents' Average Monthly Incomes

Monthly Income of the Respondents					
		Frequency	%	Valid %	Cumulative %
Valid	Below 9000	30	60	59.3	59.5
	11000-20000	7	15	16.3	75.7
	Above 31000	7	14	13.3	89.3
	21000-30000	6	11	10.9	100. 0
	Total	50	100. 0	100. 0	

The table 2 that you see here provides specific information regarding the monthly incomes of the respondents. It is clear from the table that sixty percent of the respondents earn less than one thousand rupees per month, sixteen percent of the respondents earn between one thousand and twenty thousand rupees per month, and fourteen percent earn more than thirty thousand rupees per month. Furthermore, the table reveals that ten percent of employees earn between twenty thousand and thirty thousand rupees respectively".

Table 3: Educational of the Respondents

"Educational Qualification of the respondents"					
		Frequency	Percent	Valid %	Cumulative %
Valid	Graduate	30	70	70.3	70.3
	PG	10	16	16.3	86.5
	Professional	5	11	10.9	97.3
	Other	5	3	2.7	-
	Total	50	100. 0	100. 0	100. 0

The respondents' levels of educational attainment are detailed in table 3, which may be seen below. According to the data presented in the table above, seventy percent of the respondents have completed their undergraduate degrees, 16 percent of the respondents have completed their postgraduate degrees, 12 percent of the respondents have professional qualifications, and 2 percent of the respondents belong to other categories respectively.

Table 4: Ranked Reasons for Planned/Executed Retirement

Factors	Most relevant (%)		Second most relevant % Non-retired most(%) Retired		Aggregated first and second rankings (%) Non- retired	
	Non-retired	Retired	Non- retired	Retired	Non- retired	Retired
work place related						
Inability to find work	16	3	16	5	32	6
Working environment	5	6	17	6	23	13
Job satisfaction	11	16	19	5	31	21
Personal						
Ill health	31	9	16	2	56	
Marriage of pregnancy	6	7	6	3	12	11
Need to cart for others	15	15	15	11	29	26
Financial						
Accumulated sufficient assets	52	19	23	5	65	23
Qualified for age pension	12	15	11	6	22	21
Reached superannuation preservation age	23	13	19	11	52	25
Lifestyle						
Fewer financial dependents	19	16	26	5	56	22
Spouse reached retirement	12	5	19	2	3	6

Differences in how those who have not yet retired and those who have already done so ranked the significance of the various factors offer a window into how people feel about the option of retirement. The greatest difference between the highly-ranked reasons was in the extent to which one had amassed sufficient assets. Retirees, despite the fact that they still ranked this as important, thought it was less so, possibly because they found it to be a goal that was largely unattainable. Those who had not yet reached retirement ranked this as very highly important. As more people who have experienced the revolution in compulsory superannuation and personal financial planning decide to retire in the coming decades, this result is likely to shift somewhat over the course of the next few decades. Reasons such as not being able to find work, the possibility of being sick, having fewer financial dependents, and one's spouse having reached retirement age all showed large contrasts in importance, possibly as a result of the fact that they posed either threats or opportunities that retirees had discovered were not realized. Age, gender, marital status, highest level of education attained, and monthly income were some

of the demographic factors that were taken into consideration in this research. The researchers decided to measure the influence of demographic factors on retirement planning as well as socioeconomic status using these factors, which they used as the founding variable in their study. The research utilised multiple regression in order to identify the aspects of retirement planning that are most accurate in predicting the socio-economic standing of retirees. The next step of the research involved using multiple regression to identify the demographic factors among civil servants that were predictive of their retirement plans and their social and economic standing. The findings of multiple regression were used to investigate the impact of various demographic aspects on the preparation for retirement and the socioeconomic standing of individuals.

Table 5: Beta coefficients for retirement planning and demographic factors

Variable List	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	26.693	2.578		10.766	. 000
Gender	1. 041	1.102	. 05	0.945	.344
Marital status	-1.582	1.328	-. 093	-1.390	.197
Highest level of education	2.310	0.542	.341	4.987	. 000
Monthly income bracket	1. 058	0.522	.135	2. 022	. 043
Age categories	-0.574	0.572	-. 52	-0.928	.507
R	.552				
R Square	.303				
Adjusted R Square	.186				
Std. Error of the Estimate	6.346				

a. Predictors: (Constant), Age categories, Gender, Monthly income bracket, highest level of education, marital status
b. Dependent Variable: Retirement Planning

Table 6: Beta coefficients for socioeconomic status and demographic factors

Variable List	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	23. 012	1.360		18.367	. 000
Gender	1.552	.560	.192	2.595	. 010
Marital status	-1.119	.624	-0.133	-1.794	. 074
Highest level of education	.637	.325	.302	2.927	. 005
Monthly income bracket	.510	.366	.135	1.917	. 057
Age categories	-.521	.391	-0.114	-1.790	. 075
R	.371				
R Square	.138				
Adjusted R Square	.119				
Std. Error of the Estimate	3.326				

a. Predictors: (Constant), Age categories, Gender, Monthly income bracket, highest level of education, marital status
Dependent Variable: Socio-economic Status

Education level and monthly income are factors that should be considered while making retirement plans. This is due to the fact that government workers with higher education levels were more likely to receive higher monthly wages than those with the least amount of education. As a direct consequence of this, a greater portion of their regular income would be set away for the purpose of retirement planning. According to the data, government officials with higher levels of education are more likely to establish retirement plans than civil servants with lower levels of education. In a manner analogous to this, those with greater monthly incomes in the public sector are more likely to have retirement plans than those with lower monthly incomes in the public sector. On the other hand, neither one's gender (Beta =. 067; sig. >. 05), nor one's marital status (Beta = -. 092; sig. >. 05), nor one's age (Beta = -. 051; sig. >. 05) had any detectable impact on one's ability to prepare for retirement. These figures provide some evidence that, among public officials, factors like as gender, marital status, and age do not play a significant role in the decision-making process for retirement planning. According to the findings of the regression analysis (R Square =.138), demographic considerations accounted for 13.9% of the overall socioeconomic level of retired federal officials. To be more specific, an individual's gender (Beta =.192; sig... 05) and degree of education (Beta =.302; sig.. 05) were shown to have a substantial impact on their socioeconomic situation in retirement. It was observed that gender (19.3%) and education (20%) are significant determinants of socioeconomic position. [Citation needed] Persons who have completed additional levels of education are more likely to have retirement plans than people who have completed less levels of education. According to the available data, highly educated public workers have a far better chance than their less educated peers of retiring with a healthy socioeconomic status. This shows that inequalities in socioeconomic position during retirement are linked to differences in degrees of education. [Cause and effect] In a manner comparable to this, inequalities between the sexes have a greater potential to explain major gaps in socioeconomic position once reaching retirement age. There was not a significant relationship between a person's marital status (Beta = -.133; sig. >. 05), monthly income (Beta =.135; sig. >. 05), or age (Beta = -.114; sig. >. 05), which all had an impact on the individual's socioeconomic standing in retirement. According to these findings, factors such as age, marital status, and monthly salary are not trustworthy markers of socioeconomic position in retirement.

CONCLUSION

Retirement planning has a minimally meaningful predictive impact on the socioeconomic standing of retirees because of the insignificance of the impacts of financial planning and saving behaviours. A pensioner's propensity to save money and engage in responsible financial planning are two factors that have a direct bearing on the chance that they would be classified as impoverished retirees. Civil workers are unable to set aside a sufficient portion of their monthly pay for retirement savings or investments because of their low earnings, enormous dependent burdens, unfavourable economic conditions, and decreasing health. On the other hand, the retiree's style of life is a significant factor in determining whether or not they will fall into the category of retirees who are quite rich. Retirement planning and socioeconomic standing are not significantly impacted by demographic parameters like gender, age, or marital

status because of the negative implications that these factors have. On the other hand, one's monthly salary and degree of education have a substantial impact on their socioeconomic standing as well as their ability to plan for retirement. Those government employees with a higher level of education than those with a lower level of education are more likely to invest and save a percentage of their monthly wage for retirement. Civil servants with advanced education have a higher retirement age due to their financial planning and decision-making skills. Highly educated people have easier access to resources they desire, such as material possessions, money, power, a strong social network, healthcare, and free time, which increases their retirement comfort. The educated can take advantage of circumstances. This study overstates the importance of educational attainment and monthly income as determinants of retirement readiness and quality of life in retirement. This study provides a strong foundation for raising civil servant pay in India. Second, the Indian government ought to think about finding funding sources to support civil servants' ongoing education.

REFERENCES

1. Adetunde, C. O., Imhonopi, D., Tayo, O. G., & Derby, C. N. (2016). Socioeconomic adjustment among retired civil servants of Kwara and Lagos States: A Theoretical Analysis. 3rd International Conference on African Development Issues (pp. 468-471). Covenant University Press.

2. Arosanyin, G. T., Olowosulu, A. T., & Mobolaji, H. I. (2014). An evaluation of saving culture among commercial motorcyclists in Nigeria: A case study. ResearchGate, 15(2), 229-249.

3. Boisclair, D., Lusardi, A., & Michaud, P.-C. (2014, July). Financial Planning and Retirement Planning in Canada. Working Paper Series 20297. Cambridge: National Bureau of Economic Research. Retrieved from http://www.nber.org/papers/w20297

4. Borella, M., Nardi, M., & Yang, F. (2018). The effects of marriage-related taxes and social security benefits. NBER Working Paper Series: No. 23972. Cambridge: National Bureau of Economic Research. Retrieved fromhttp://www.nber.org/papers/w23972

5. Bukuluki, P., & Mubiru, J. B. (2014). The status of social security systems in Uganda: Challenges and opportunities. Kampala:Konrad-Adenauer-Stiftung.

6. Burdsall, T. D. (2013). The effects of race, socioeconomic status, and religion on formal end-of-life planning. Dissertation Paper 976. https://doi.org/10.15760/etd.976

7. Campbell, A. D. (2013). Socioeconomic status, social relationships, and higher weight status. Alabama: The University ofAlabama at Birmingham. Retrieved from: https://www.researchgate.net/publication/263854642

8. Cardella, E., Kalenkoski, C. M., & Parent, M. (2021). Less is not more: 401(k) plan information and retirement planning choices.Journal of Pension Economics and Finance, First View, 1–21. doi:https://doi.org/10.1017/S1474747221000445

9. Demirguc-Kunt, K. L., & Panos, G. A. (2016, June). Saving for old. Policy Research Working Paper 7693. World Bank Group.

10. https://openknowledge.worldbank.org/bitstream/handle/10986/24532/Saving0for0old0age.pdf?sequence=1&isAllowe

11. Doorley, K., & Stancanelli, E. (2019, April). Marital status and retirement: An empirical study for France. Discussion Papers.No. 12299. IZA Institute of Labor Economics. Retrieved from https://www.econstor.eu/bitstream/10419/196797/1/dp12299.pdf

12. Eismann, M., Henkens, K., & Kalmijn, M. (2019). Why singles prefer to retire later. Research on Aging, 41(10), 936–960. https://doi.org/10.1177/0164027519873537

13. Etienne, T. M. (2018). Multidimensionality of socioeconomic status and its effect on health outcomes in contemporary Estonia.

14. Lund University, School of Economics and Management. Retrieved from https://www.lunduniversity.lu.se/lup/publication/8950148

15. Grace, D., Weaven, S., & Ross, M. (2010). Consumer retirement planning: An exploratory study of gender differences.

16. Qualitative Market Research: An International Journal, 13(2), 174–188. https://doi.org/10.1108/13522751011032601

17. Gutierrez, H. C. (2015). Financial planning for retirement: Spousal communication and collaboration. Carson: Oklahoma State University. Retrieved from https://core.ac.uk/download/pdf/215288426.pdf

18. Hennessey, S. (2004). A practical approach to retirement. FMI Journal, 15(3), 26 - 29.

19. Hentzen, J. K., Arvid, O. I., & Dolan, R. M. (2021). Which consumers are more likely to adopt a retirement app and how does it explain mobile technology-enabled retirement engagement? International Journal of Consumer Studies. https://doi.org/10.1111/ijcs.12685

20. Hocking, C., & Meltzer, P. (2016). Theoretical Models Relevant to Gerontological Occupational Therapy. In Occupational Therapy with Aging Adults (pp. 41 - 51). Mosby. https://doi.org/10.1016/B978-0-323-06776-8. 00013-X

21. Hooks, A. R. (2015). The psychological impact of resource gains and losses in an aging population from the perspective of conservation of resource theory. Palmerston North: Massey University. Retrieved from http://hdl.handle.net/10179/7414

22. Hung, A. A., & Knapp, D. (2018). Impact of divorce on retirement security. Santa Monica, Califonia: RAND Labor & Population. https://doi.org/10.7249/WR1201 Hyde, M., Cheshire-Allen, M., Damman, M., & Henkens, K. (2018). The experience of the transition to retire better: Rapid

23. evidence review. Center for Ageing Better. Retrieved from https://www.researchgate.net/publication/335422215