

**AWARENESS ANALYSIS OF RETIREMENT PLANNING IN FINANCE
PROFESSIONAL – A STUDY OF PERSONNEL IN THE AGE GROUP 25-40 YEARS
WORKING IN PUNE CITY**

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**In Management
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Year (2021)**

DECLARATION

I hereby declare that the thesis entitled “**Awareness Analysis of retirement planning in finance professional – A study of personnel in the age group 25-40 years working in Pune City**” is completed and written by me has not formed earlier the basis for the award of any degree or similar title of this or any other university or examining body. Further, I declare that I have not violated any of the provisions under Copyright and Piracy/Cyber/IPR Act amended from time to time.

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(Prof.) Dr. Mukesh Kanaskar
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Abstract

Introduction

This research is aimed solely at exploring how finance professionals in the Pune area were able to influence their retirement plans in line with their age, gender, employment, and particularly their financial knowledge.

It was found that lifestyles and income had exceeded a primary criterion (high buying power), and with technology coming into being, their level of know-how was observed among the millennials. The study looks forward to exploring the views of the millennials because at present, we are at such a stage where baby boomers in our country are declining, and generation X people approach their retirement.

Nonetheless, the average life expectancy has decreased in the same period. This research seeks to analyse their understanding and developments and behaviours of retirement planning throughout the millennials job in the finance industry.

When retirement plans are inadequate, they may affect the quality of living after people age. Retirement plans allow you to have a sense of control in preparation over the future.

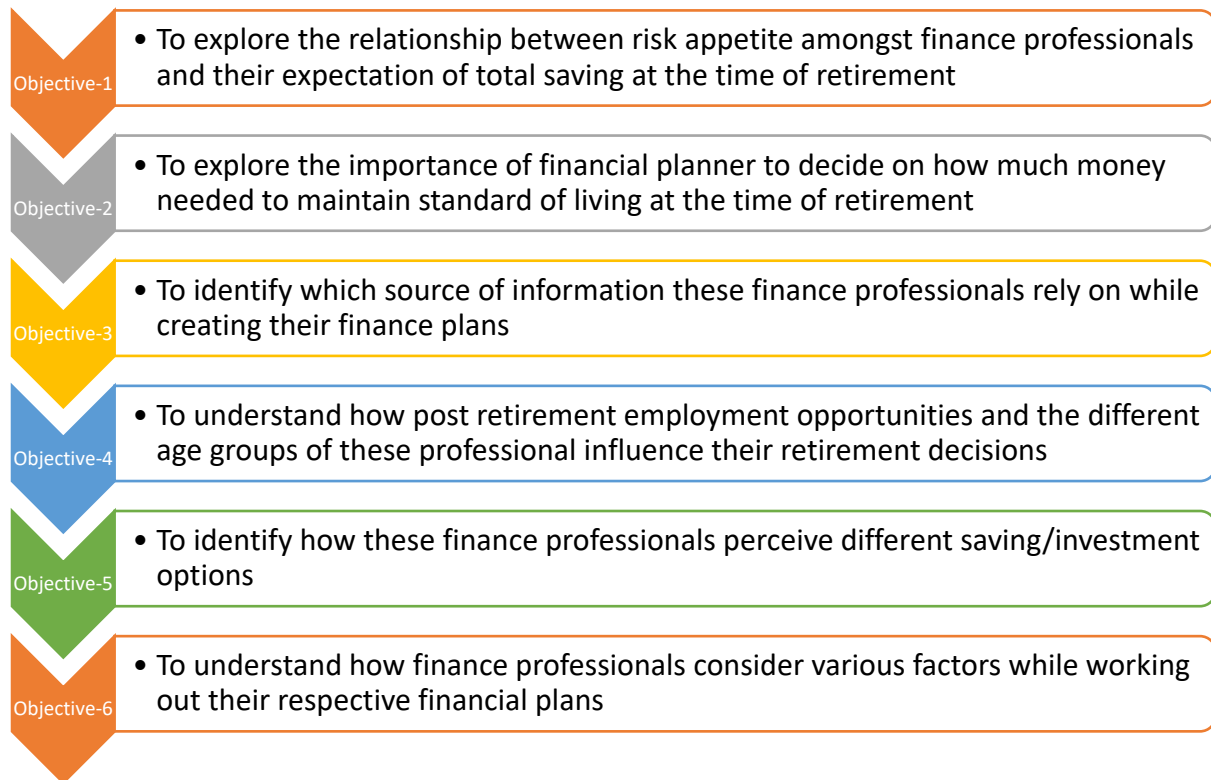
Millennials have a digital lifestyle to makes them even more financially liable. Increasing market habits and ease of access to personal debt services lead in losing financial stability through youth bankruptcy. There is great concern about the inadequacy of research specifically related to financial knowledge by financial professionals employed in Pune, especially how to save and invest, the form of financial products to be preferred and how to plan for retirement.

The above question led the researcher to undertake the study to evaluate their knowledge and understanding of finance professionals and to make useful recommendations to increase financial awareness and prepare which ultimately help with retirement planning in general.

Many people want a high standard of living and expect a comfortable retirement. Most people, however, believe that retirement planning is necessary only after retirement. Current lifestyles involve financial obligations and promote consumption. People choose current satisfaction,

leaving insufficient investment or concern for future safety. The priority would logically be survival for those in the Lower Income Bracket and those only just beginning their careers.

Research Objectives



The Retirement Concept

The traditional retirement paradigm is evolving. The earlier notion of life was divided into three distinct periods: schooling, years of work, and retirement. Today retirees may choose to continue their work, either at the same location or at different pace and venue. To some, retirement will mean part-time employment. Most older workers go on to work after retirement, either working in the same position or taking on alternate employment. Pension is commonly defined as giving up full-time employment.

Whether it is Feldman or Gustman, all have described the retirement as an exit from the full-time time job and this decision to exit is generally made after middle age, and it has some economic perspective. Retirement is often considered as a new life without the individual's identity, social image.

Some studies suggest that retirement can be seen as one of many changes in people's life-course rooted in historical, social, and personal contexts. That is, retirement is influenced by the macro-social phenomena, such as how pension systems work and laws in society about the right timing of retirement and spouses and other family members' job trends. The theory states that retirement should be seen as a gradual process in which individuals, engaging with societal norms, may experience well-being breakup or continuity as a result of retirement.

The Research Method

This research has taken a quantitative approach which is descriptive in nature. The study focused on probability sampling which is random sampling is chosen. The focus was on the finance professionals having age group between 25-40 years old chosen as sample. The sample size was 267. The research instrument has been designed to gather the data on the required concepts involved into the study to prove the hypotheses. The questionnaires reliability was good and validated for the research purpose.

The questionnaire was divided into five parts:

1. Part-1: Demographics.
2. Part-2: Expenditures (consumption).
3. Part-3: Financial Planning.
4. Part-4: Savings and Investments.
5. Part-5: Retirement Expectations.

Conclusions

After the detailed analysis of the data, the researcher has reached certain conclusions which are given in this chapter.

From the analysis, we can conclude that the millennials which are work as finance professionals are maximum in the age group of 25-30 years and male respondents mostly dominated them. Even industry has the same scenario where male finance professionals are more than females.

Also, we can conclude that the respondents were married, and most of them were graduate, followed by postgraduate and sample who have professional certifications like diploma in banking, etc..

The data also highlights and lead to concludes that the respondents are in the excellent health status and expecting the life about 60-65 years of age positively. This makes them work well and in positive spirits.

Considering their expenditure patterns, we can conclude that respondent's significant money goes into accommodation whether its rental or EMI, food or outings and regular investments/savings in LIC or some other financial options.

The highlight is we can also conclude on another side that least of their money goes into Car or Bike EMI's as well as Personal Development / Education.

Also, we can conclude that there is minimal money expenditure considering the above options on regular miscellaneous things such as Telephone/Light Bill/ Subscriptions digital vs nondigital. The millennials also not very keen on spending much on travelling.

The financial planning aspect of millennials also leads to the conclusion that they have estimated the income and expenses they will need at retirement and hence considering this they have figured out how much money they need at their retirement.

The kind of savings/investment they need we can conclude that they are clear that they will be saving through EPF and other government schemes and also they have understood the long term health coverage plans and making arrangements for the same as they have planned.

For making retirement plan another angle has been explored which suggests that millennials in their parent's comparison believe that they are in much better health and also they are more independent as they were and ultimately they will have more money at the time of retirement as compared to their respective parents. Also, they believe that they will be more involved in their life as compared to their parents.

The same millennials also believe that in coming years the cost of education will at least get doubled which leads to the conclusion that whatever financial planning they have expected this parameter they have studied while making their own decisions.

While considering the retirement planning the awareness of millennials about their surrounding has been understood and it leads to the conclusion that the parents of these millennials are financially well to do hence they do not have to depend on them which give them more independence what we have seen in our earlier conclusions.

Also, the parent's background makes these millennials to think least worried about financial or health worries and with diverse learning and independence make them to work well with others and hence they do not feel neglected at their workplace.

While on the other side, it has been noticed that they have a fear of getting separated from the family with all these independence and financial well offs.

When the data has been analysed about how these millennials are considering there saving and investments options, we can conclude that everybody is expecting to retire with a handsome amount of money also the kind of classification they are considering for saving and investment is they believe in investing more in property and other saving options available from the private as well as government organisations like PPF, Mutual Funds, Insurance which can also give them some relief in their tax deductions.

Also, we can lead to the conclusion that millennials still are not much keen on investing money into stocks and commodities since the majority of them come from the middle class where investing in such options is still considered as a taboo or rich man's job.

Also, findings lead to the conclusion that today's millennials are ready to take the risk and with this approach they should consider their savings/investments options while doing so they are considering their primary source of information as to their company colleagues and friends but considering the help of financial planners.

So we can say that in coming years financial planners will have to play a significant role in shaping the retirement of these millennials especially considering the landscape of the gig economy and the way jobs are shaping up.

Since we have seen earlier in our conclusion that the millennials are considering the life expectancy around 60-65 years, but their hunger to work seems to look more since they are expecting their retirement after 65 plus of years.

The kind of awareness and information these millennials have to lead to the conclusion that they are going to make their retirement decisions based on their health status as well as how

financially well they are. Also, we can see how much the work pressure these millennials have in today's time and hence the time they got to spend with their respective families is of the great question, but this same question millennials are considering for making their retirement planning.

Also, we can conclude that the hobby or passion what millennials are considering as an option of retirement so that they can pursue these and make a living out of that at the same time.

The other conclusion we can draw from the data is the millennials who have high-risk appetite they are more ambitious about their savings for retirement, and hence we can say the if millennials pick up this trait they will land up with the handsome amount of money for their retirements.

Also, we can conclude that who have not estimated and just thought of money needed for retirement there is no role played financial planner in their doing so. While on the other side, these millennials are considering to have a proper financial planner so that their planning does not get failed in the long term.

The millennials whose parents are well to do they are more worried about getting separated, and the majority of millennials, especially between the age group of 25-30 years, want to retire by working on their passion.

Recommendations

1. The millennials should develop their awareness about retirement planning by making the best use of financial planners, financial magazines instead of only relying on colleagues and friends.
2. The risk appetite of millennials is very high, and hence they should consider investing in stocks and commodities where the risk is high but returns are also equally high compared to other saving/investment options.
3. They should develop the ability to explore the passion or hobby as their employment which makes them feel happy about their respective jobs and also plans their retirement accordingly.

4. Since most of the millennials have shown interest to work for longer age, it is better if they hire a financial planner considering their respective family as well as kids education needs where the data shows that they believe that education cost will get double.
5. The millennials should figure out the option to spend more time with family and friends, especially with parents so with the bonding they will not develop a feeling of getting separated and will also have an opportunity to have a regular dialogue with them.
6. Also from data and conclusion, we suggest that these millennials should develop a financial plan on curbing the food and outing expenses and also considering the accommodation factor whether to purchase the house or high rental apartment since both demands big money. It is better to be on rent and have strategic investment option so while purchasing a house, it will not be a great deal for them and financially also they will be in a good state.
7. No one is spending money on personal education and development, and hence these millennials should plan a fixed amount of money to take on some courses which will help them to upskill themselves and also it will help them to grab the new opportunities where the income will be higher than the existing one and ultimately contribute to their retirement funds.
8. A plan should be put in place by these millennials for holiday travels which will be financially feasible since it will enrich their knowledge and will make them more confident about their approaches based on the learning they will have from their travelling experiences.

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Chapter-1: Introduction

1.1 Background

This research is aimed solely at exploring how finance professionals in the Pune area were able to influence their retirement plans in line with their age, gender, employment, and particularly their financial knowledge.

It was found that lifestyles and income had exceeded a primary criterion (high buying power), and with technology coming into being, their level of know-how was observed among the millennials. The study looks forward to exploring the views of the millennials because at present, we are at such a stage where baby boomers in our country are declining, and generation X people approach their retirement.

Nonetheless, the average life expectancy has decreased in the same period. This research seeks to analyse their understanding and developments and behaviours of retirement planning throughout the millennials job in the finance industry.

When retirement plans are inadequate, they may affect the quality of living after people age. Retirement plans allow you to have a sense of control in preparation over the future.

1.2 Problem Statement

Millennials have a digital lifestyle to makes them even more financially liable. Increasing market habits and ease of access to personal debt services lead in losing financial stability through youth bankruptcy. There is great concern about the inadequacy of research specifically related to financial knowledge by financial professionals employed in Pune, especially how to save and invest, the form of financial products to be preferred and how to plan for retirement.

The above question led the researcher to undertake the study to evaluate their knowledge and understanding of finance professionals and to make useful recommendations to increase financial awareness and prepare which ultimately help with retirement planning in general.

1.3 Scope of study

This research is focused on evaluating the ability of finance professionals towards their retirement planning. A study methodology has been evaluated to define several variables impacting the financial planning results, such as age, current financial status, parental retirement plans, gender and retirement aspirations.

1.4 The rationale behind the study

Many people want a high standard of living and expect a comfortable retirement. Most people, however, believe that retirement planning is necessary only after retirement. Current lifestyles involve financial obligations and promote consumption. People choose current satisfaction, leaving insufficient investment or concern for future safety. The priority would logically be survival for those in the Lower Income Bracket and those only just beginning their careers.

Financial Planning and Aging of Population

The aging of the population is now a growing phenomenon, especially in developing countries. If we look at India's demographic structure as follows:

Population	1,296,834,042 (July 2018 est.)
Age structure	0-14 years: 26.98% (male 185,736,879 /female 164,194,080) 15-24 years: 17.79% (male 122,573,662 /female 108,109,968) 25-54 years: 41.24% (male 276,283,581 /female 258,563,835) 55-64 years: 7.6% (male 49,334,703 /female 49,197,817) 65 years and over: 6.39% (male 39,184,523 /female 43,654,994) (2018 est.)
Dependency ratios	total dependency ratio: 52.2 (2015 est.) youth dependency ratio: 43.6 (2015 est.) elderly dependency ratio: 8.6 (2015 est.) potential support ratio: 11.7 (2015 est.)
Median age	total: 28.1 years (2018 est.) male: 27.5 years female: 28.9 years
Population growth rate	1.14% (2018 est.)
Birth rate	18.7 births/1,000 population (2018 est.)
Death rate	7.3 deaths/1,000 population (2018 est.)

The statistics suggest that India is still seen as young in terms of age, given the current population. However, there has been a clear trend towards aging populations in India in terms of the aged population (55 years and older). EOLBREAK Given the current status of elderly individuals, it is inevitable that they are on the rise and that a large young population will diminish daily and so research of this kind is of crucial importance for India to understand or manage retiring poorness. Ageing demographics are necessary because of several factors, which include:

1. the increasing aged dependency ratio
2. increased longevity
3. increased costs to government of age-related spending
4. the impact upon the ageing workforce.

A trend towards old age would lead to a decline in the 'ageing dependency ratio,' i.e. in those between the ages of sixty-five and sixty-four. The high-reliability ratio means that fewer people work for the elderly who no longer work and pay taxes. Increased life expectancy means that older people are growing, which helps increase healthcare costs significantly for individuals, healthcare organizations and government.

It will also increase government costs for other costs related to age such as healthcare and social welfare. The result is that an ageing population is essential to the demographic profile of the country's employees. The population age composition of a country affects its overall savings, which are affected by growth in investment.

In turn, growth is influenced by other effects of age structures and feeds back into aggregate savings through the life cycle process. The potential structure of the population's age will have significant consequences for social and economic growth. Many planning programs still need, i.e. education, college and other social services to meet the needs and expectations of younger age groups. The gradual fall in mortality, the steady decline in fertility, leading to a subsequent reduction of family size, are among the facts that specific demographic changes affect the elderly.

The fall in fertility in India and the rate of mortality was in line with rapid economic growth in India. As care for older people has historically been part of the family system, the number of family members will possibly be reduced further by a further reduction in family size. Older

people are increasingly concerned about the family system because the nuclear family is gradually getting active in the extended family network. Such issues are exacerbated by the fact that more people are involved in the labor market and young families are travelling.

1.5 The Banking Landscape of India

Introduction

The Indian banking sector is well-capitalized and well-governed in line with the Reserve Bank of India (RBI). The country's economic and financial conditions are much higher than any other country in the world. Studies of cost of credit, economy and liquidity indicate that Indian banks are relatively stable and well faced with the global downturn.

Recently the Indian banking industry witnessed the development of innovative banking models such as payments and small finance banks. New RBI actions can contribute significantly to domestic banking restructuring.

Throughout India, the digital payment technology advanced fastest across 25 nations, the only category five programs in the Faster Payments Technology Index being India's Instant Payment Service (IMPS).

Size of Market

As of September 2019 the Indian Banking System contained 18 public-sector banks, 22 private-sector banks, 46 foreign banks, 53 rural regional banks, 1.542 urban cooperatives and 94.384 co-operative rural banks. In FY07-18, gross CAGR loans grew by 10.94%, and the overall CAGR deposits grew by 11.66%. Within emerging countries, the India retail financing industry is the fourth largest. In December 2017, it rose to 281 billion dollars, from 181 billion dollars in December 2014.

Investments and Developments

Indian banking sectors important investments include:

The Post Department launched the mobile banking facility for all CBs (core banking solutions) postal office post office postal savings account holders in October 2019. In October 2019, the Government of the e-market (GeM) signed an Enlargement Agreement with Union Bank of India to facilitate the cashless, paper-free and clear payment system for a variety of services. Deposits under the Pradhan Mantri Jan Dhan Yojana (PMJDY) amounted to Rs 1.06 lakh crore (\$15.17 billions). EOLBREAK Unified Payment Interface (UPI) purchases contributed to Rs 1,91 lakh crore (US\$ 27,33 billion) at Rs 1,15 billion in October of 2019. In August 2019, Allahabad Bank, which will be amalgamated with India Bank and Andhra Bank and the Corporation Bank with the Union Bank of India will be consolidated, announced primary fusions among public sector banks including the United Banking of China and the Oriental Bank of Trade with the Punjab National Bank. Commercial banks ' non-performance NPAs (Non-Performing Assets) has registered a recovery in the last four years of 400,000 crores (57.23 billion dollars) of the Rs 156,746 (22.42 billion dollars) in the FY19. In order to consolidate ten state-run banks with large-scale borrowers, the Board of Allahabad Bank approved the merger with Indian Bank. Since September 2018, India Post Payments Bank (IPPB) has been launched by the government of India and branches opened in six50 districts to reach the goal of financial inclusion. For NBFC diversified financial services and finance, the total value of mergers and acquisitions for 2017 was \$2 564 billion, \$103 million and \$79 million, respectively. Total micro-finance equity funding increased to Rs 14,206 Crore (US\$ 2.03 billion) in 2018-19 at a rate of 42 year-on-year.

Initiatives by Government of India

The government also introduced an integrated GST refund platform and an online invoicing method, which would remove the need for a separate e-way account according to the 2019-20 Union budget. According to the Budget 2019-20, Rs 70,000 crore (USD 10.2 billion) to the bank. In order to reduce the number of public sector banks by eight, the State carried out restructuring smoothly. The Pradhan Mantri Jan Dhan Yojana (PMJDY) program was made an open scheme by the Government of India in September 2018, with additional incentives. By March 2019, the Government of India plans to ship the banks of public sector Rs 42,000 crore (USD 5.97 billion) and will be infusing the next refinancing tranche by December 2018.

The Achievements

The government's achievements in 2017-18 are as follows:

As of March 31, 2019,, 925 million and 47 million debit and credit card cards were released. RBI reported that, by 25 October 2019, India had dedicated around \$442.58 billion to foreign exchange reserves. India ranks among the seventh-largest economies with a US\$ 2.73 trillion GDP in 2018 and a 7.3percent increase in the economy in 2018. 204000 point of sale (PoS) terminals were agreed to by the National Bank for Agriculture and Rural Development (NABARD) to improve infrastructure in villages through the Financial Inclusion Fund. As of 28 November 2018, Jan Dhan Yojana (PMJDY) has opened the total number of bank accounts for Pradhan Mantri at 333.8million.

Going ahead Route

Enhanced infrastructure expenditure, speedy project delivery and further reforms are expected to boost growth further. All these factors suggest that the banking sector in India is also prepared for healthy growth, as fast-growing companies turn banks into credit-based institutions. Technological advances have also enhanced Phone and internet banking systems. In order to enhance customer experience, as well as to give banks competitiveness, the banking sector places greater importance on improving services and upgrading their technology infrastructure. The Indian Digital Lend was estimated to reach US\$ 75 billion in 18FY, with the increase of five-fold in digital disbursements estimated at US\$ 1 billion in FY2023.

Research Objectives

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- Objective-1** (Orange arrow) • To explore the relationship between risk appetite amongst finance professionals and their expectation of total saving at the time of retirement
 - Objective-2** (Grey arrow) • To explore the importance of financial planner to decide on how much money needed to maintain standard of living at the time of retirement
 - Objective-3** (Yellow arrow) • To identify which source of information these finance professionals rely on while creating their finance plans
 - Objective-4** (Blue arrow) • To understand how post retirement employment opportunities and the different age groups of these professional influence their retirement decisions
 - Objective-5** (Green arrow) • To identify how these finance professionals perceive different saving/investment options
 - Objective-6** (Orange arrow) • To understand how finance professionals consider various factors while working out their respective financial plans

Chapter-2: Review of Literature

Introduction

This chapter focuses on two major research-related areas. The first section discusses literature related to retirement and how previous studies perceived retirement. The second part discusses various kinds of literature that focus on the concepts and theories of post-retirement financial planning related to life-cycle theories of consumption, saving, and investing.

2.1 The Retirement Concept

The traditional retirement paradigm is evolving. The earlier notion of life was divided into three distinct periods: schooling, years of work, and retirement. Today retirees may choose to continue their work, either at the same location or at different pace and venue. To some, retirement will mean part-time employment. Most older workers go on to work after retirement, either working in the same position or taking on alternate employment. Pension is commonly defined as giving up full-time employment⁽¹⁾.

Whether it is Feldman or Gustman, all have described the retirement as an exit from the full-time time job and this decision to exit is generally made after middle age, and it has some economic perspective. Retirement is often considered as a new life without the individual's identity, social image⁽²⁾.

Some studies suggest that retirement can be seen as one of many changes in people's life-course rooted in historical, social, and personal contexts. That is, retirement is influenced by the macro-social phenomena, such as how pension systems work and laws in society about the right timing of retirement and spouses and other family members' job trends. The theory states that retirement should be seen as a gradual process in which individuals, engaging with societal norms, may experience well-being breakup or continuity as a result of retirement⁽³⁾.

The Atchley developed the continuity theory, which posits that if individuals have the financial resources to maintain their preferred lifestyle, they will voluntarily retire. Retirement was also defined as a phase, a state, an occurrence, a function, and a process involving a life-transition

from income employment. Previously it was seen as an end rather than a beginning-something that should be delayed as long as possible. Miller ties the identity of a person to work and sees retirement as an opportunity for an identity crisis, followed by a loss of self-respect and uselessness feelings⁽⁴⁾.

Lower working hours for older people also proxy the need for leisure. When people move from the standard, highly organized, and routine of work to retirement, they may have to take on more personal responsibility for preparing their daily living and new lifestyle and ongoing relationships. Changes that come with retirement are self-identity, sense of significance and value as an individual and community member, relationships with family and friends, day-to-day activities, financial status and living arrangements⁽⁵⁾.

It is expected that people will make their plans and schedules, enjoy their own company, establish new connections, form new relationships, and be accepted for who they are as individuals, rather than for a title and position in an organization. Among other things, adequate retirement planning should also include psychological and social aspects⁽⁶⁾.

According to Munnell, the span of retirement has been classified into two parts, where one is called the age of retirement, and the other one is called life expectancy. According to the concept of life-cycle of saving this age of retirement predicts the period for saving or not saving⁽⁷⁾.

The responsibility of the individual for retirement security includes estimating one's life span, apart from other important factors such as –returns on retirement investment, future expenses in later years, and increases in living costs. Citizens now face the prospect of having to support themselves on their combined pension savings for a long time.

A general perspective is that most of the developed countries have a retirement age of 65 years. In India, we have 58 years of age for retirement amongst state government employees, while for central government employees, its 62 years; the same is the story with corporate also, most of them also have 62 years of retirement.

According to Hansson and others, they have identified three main aspects which can influence the decision of retirement, which are as follows:

1. Financial Status of the person
2. Physical Challenges
3. Health-related problems

If the factors mentioned above are not in a positive manner, it can lead to more disengagement to the job, low satisfaction on career achievements, and also the anxiety deriving from the thought of separating from the job⁽⁸⁾.

Considering retirement, there are various options available. It may call retirement planning programs. Many retirement planning services concentrate on the practical aspects of transitioning from employment to retirement. The psychological factors which are increasingly important have not been given sufficient attention. Pensioners, who made a gradual transition to retirement rather than immediate retirement, were found to be more pleased with the retirement⁽⁹⁾.

In today's world, where maximum people are employed in the private sector, there is a sudden retirement trend going on as compared to government employees who gradually retire⁽¹⁰⁾. Also, it has been observed that today's millennials have a positive approach towards retirement so they can pursue their passion or hobbies or for that matter, have leisure life.

Retirement age is crucial because it defines the length of a person's working life and hence how many years he has to earn income and build up the financial stability for the future. It, in effect, determines the duration of the post-retirement period and the number of years that the individual will need to support himself after he retires.

2.2 The Life-Cycle Theory

According to Modigliani, people do consider to maximize their savings in order to have a secure post-retirement life as they are seeking a stable life where their standard of living can be maintained⁽¹¹⁾.

The model of life-cycle suggests that this is a period between a period in which saving occurs. This model hypothesizes that how people spend, save, and borrow.

The standard age-income profile form over the life-cycle starts with low income during early working life, then earning rises until it hits a peak before retirement. The standard life-cycle model is depicted by a "hump-shaped" pattern that indicates that a person creates his accumulation of assets during his working years and spends those assets during his retirement.

This theory implies that saving is high when income is high (relative) to average lifetime income; saving is small when income is low, vice versa. Once people are young, and when they are old again, they usually have much lower incomes, it is natural that they save for retirement when earnings are high.

This particular model suggests that when people are young and employed, they do save money, which is exactly opposite in old age or after retirement. This phenomenon suggests that if we have older people in that case, savings will be low.

According to Bloom, Where the population's age structure is unbalanced (by population growth), or the economy is rapidly growing and youth wage earnings are substantial compared to older people's old-age retirement incomes, various cohorts' savings may not be offset and overall saving or decline may occur⁽¹²⁾.

Each family and individual may encounter unforeseen events that are difficult to tell when and how they can occur and are not scheduled for in their cycle of financial lives, although there may be a typical financial life cycle pattern for most people. Lifestyles and Various life contexts will affect the financial situation and the needs at various stages in life.

The 2009 global economic meltdown, which resulted in a downfall in the majority of the world's stock exchanges led to the confidence crisis for millions of people around the world who have their investments administered.

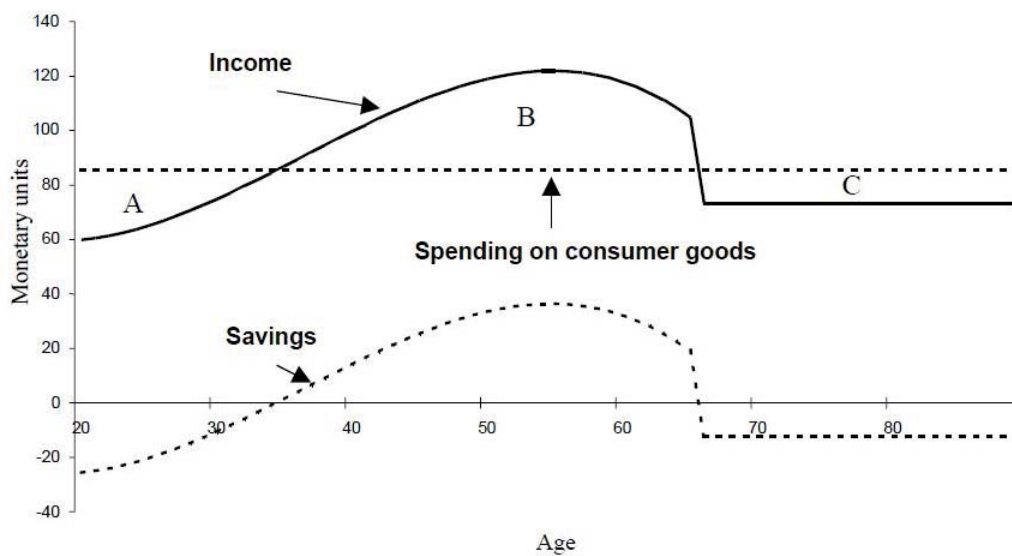
The traditional households generating savings (actives) during mature working years will be saved, while savings will be unfavorable to young people and pensioners, according to the life cycle model. In light of the variations in employment income throughout life, these findings suggest that saving rates are unequal across life. According to Milton Friedman's theory of permanent income, people spend a fixed proportion of their income on consumption⁽¹³⁾.

The hypotheses imply that people think about long-term consumption and help to explain the future income of saving and consumption. Because consumption is based on lifetime resource expectations (rather than on actual resource), short-time savings (e.g., one year) are expected to reflect deviations from average lifetime resources from current incomes.

When income falls under the projected livelihood income of the average, saving cuts can lead to borrowing, so individuals and households can fund their consumption. If the present income meets the projected livelihood level, people and households can save. As a result, early adult

savings are small, and it will increase with age as income increases and a decrease in pension coverage and become negative as earnings decline⁽¹⁴⁾.

According to Borsch, Consumption smoothing is the principal savings motive for the life cycle model as a result of increasing marginal utility and a generally lower income after retirement than before. The picture below explains this life-cycle profile of saving⁽¹⁵⁾.



With relatively little earnings at the start of the career, borrowing (via financial markets or a family loan) smooths the consumption (area A). -income allows for investment (area B), which is the after retirement (area C). This profile, however, is based on several simplifying premises, such as the establishment of instability and imperfections in the industry. Borrowing limitations may prevent the smoothing of consumption by young households before a symbolic age of 35. In the face of tighter borrowing constraints, increased saving levels (particularly at younger ages) are expected.

The philosophy of the life cycle is one in which the richness of the country passes away; young people have little richness, people with medium years have more, and the peak richness is reached just before retirement. Pensioners sell their resources to guarantee food, housing and leisure in retirement while they live in their golden years.

The property of the aged is accumulated by the young who are still in the process of accumulation. There are more young people than older with population growth, more people saving than dissolving, so that the overall demise of the older people will be less than the total saved of the young, and net positive savings⁽¹⁶⁾.

As incomes rise, young people save more than old ones and disappear so that economic growth, such as population growth, results in actual savings, and the higher the saving rate, the faster the growth. Regardless of whether it is population growth or per capita income growth, the savings are simply the rate of total income growth. Wealth is passed over in a no-growth economy; no new wealth is created.

The total economic wealth depends on the retirement time, and, in simple cases, the proportion of the wealth of a country to its income is half the retirement rate, which is a remarkable calculation for its accuracy, simplicity and lack of unknown parameters. Most commonly, the rate of economic growth is lower than the income ratio and is higher when the growth rate is negative⁽¹⁶⁾.

The theories of behavior do not suppose that people have perfect information and can be 'irrational. These theories suggest that sometimes people have problems avoiding spending temptations. Therefore, individuals may create incentives and constraints of their actions⁽¹⁷⁾.

Behavioral theories suggest that saving and asset accumulation are likely to increase when contract saving mechanisms or other pre-commitment constraints are available. These mechanisms complicate choosing current consumption at the expense of future consumption.

Psychological and sociological theories do not believe that consumer preferences are set but adjust with economic and social incentives. The most fundamental challenge to the life-cycle model was its basic underlying assumption that people make rational, consistent, intertemporal decisions, that they behave as if they optimize a utility function established over time, according to the consumer choice theory obtained over time.

As already mentioned, the time effects can not be isolated from the effects of aging and cohort in this research. The way of life links both proximal and distal powers to the experiences of individuals. While current circumstances, trends and causes are necessary to study, people are also a result of the past and the future. Therefore, financial retirement plans are regarded as long-term processes requiring both immediate and more distant forces to be taken into account.

This work integrated key principles from the viewpoint on the life-course adapted from the theory of the life-cycle, which placed retirement planning in a social and historical context.

2.3 The Consumption Theory

According to the theory of life cycles, individuals and households choose a path that maximizes the usefulness of lives subject to their budgetary constraint. By reassigning specific consumptions from working life to the period after retirement, the utility could be increased. One important prediction is that households will earn savings during their working life, spending some of the savings after retirement to finance consumption. On average, employees save at high rates over the 50s, when their earnings usually reach maximum levels and their expenses are down from childhood.

Several contributions made through the life-cycle framework. First, it introduces the maximization of utilities and therefore introduces an agency in a consumer agency. This treatment combined the theory of macroeconomic consumption with the theory of microeconomic choice. Secondly, lifecycle consumption theory also looks to the future as the lifetime budget constraint includes income expectations. Thirdly, the limited framework for maximizing utilities credits, borrowing and credit markets. Fourthly, this also presents the impact on consumption of interest rates and time preference. Fifth, the theory of the lifecycle incorporates a sociological dimension, which explicitly recognizes that consumer expenses may vary by stage of life⁽¹⁸⁾.

The retirement activity within the life cycle is known as a consequence of the decision on consumption and labor: division of time between leisure and market labor, income and the structure of the family. The decision to save depends on the expectations between the current and future consumption. The simple assumption is that people have an optimal retirement age and level of use to optimize their utility in a lifetime. The life cycle principle also suggests that, after reaching a peak, the amount of wealth declines at an average age. In many ways, the life-cycle concept of Modigliani and Brumberg can be seen as a compromise between Keynes and Friedman's theories. The lifecycle method, therefore, produces a permanent income consumption function where:

1. The borrowing rate, loan rate and the preference rate are zero
2. Borrowing does not place limitations.

When households are reduced in liquidity, their low consumption tendency is unity. The explanation is that loans limited households want to borrow, but they can not. According to the life cycle principle, people choose a consumption strategy that maximizes their lifetime use based on their budgetary constraints. The theory of life-cycle consumption looks ahead as it involves lifetime earnings projections in the budgetary constraint. The theory also includes a sociological element, which acknowledges explicitly that consumption costs can differ across life as described before⁽¹⁹⁾.

The theory of the life cycle and permanent income hypothesis assume that current income is not the primary indicator of current consumption, because the marginal propensity for consumption from permanent incomes is high, while the marginal propensity to consume from transient incomes is low⁽²⁰⁾.

According to Duesenberry's differential principle of spending, income was another critical hypothesis. The theory of Duesenberry maintains that "relative" consumption concerns drive consumer choice. An additional claim is that patterns of consumption are habitual and slow to decline, given money cuts⁽²¹⁾.

The theory of cautionary savings is an enhancement to the Life Cycle Fixed Profits model; investments not only act as a reallocation of income over the life cycle, but also as a protection from income shocks. Precautionary measures result in cuts in consumption and accumulation of wealth to ensure that there is volatility or probability, particularly profit risk. Houses keep liquid capital to secure themselves against potential situations, with personal income volatility and prudence. The idea that households can save for early life for safeguarded purposes and reduce these savings at retirement because of lower levels of insecurity and an increase in the risk of mortality⁽²²⁾.

Gourinchas and Parker discover that usage increases with the age, until it drops around 45 years old. Smoothing consumption ensures that families try to spread their cost power over time and over time –good and bad times. It arises from the presumption that aggregate utility is declining; that investment progressively generates less and less actual enjoyment at any given time, which economists call beneficial. Credit limitations will render households unable to completely harmonize their living standards by borrowing more money than they can or want. Around two thirds of young and older households seem to be affected by the credit limit. These

households usually have either elevated mortgage rates, education costs, repayment of loans, or other costs.

It was noticed that young people became comparatively much wealthier than old ones in more rapidly growing economies. If the life-cycle theory is correct, for the youth, in more rapidly growing economies, the age of consumption profile should be relatively higher than old so that higher growth will reverse the clockwise cross-cutting age profile of consumption⁽²³⁾.

It is assumed that improvements in lifetimes lead to proportional rises in market during all lifetimes, for each individual (of right preference assumptions). As a result, consumption is proportional to the lifelong income or, more or less, to the average lifetime earnings. Workers will build plans at retirement and simply adapt their purchasing preferences to their needs at all levels, regardless of their income for any level by creating and running down properties.

One of the most significant challenges to the theory of the life cycle is whether the evidence supports people saving while young and running down when aged. If the life cycle hypothesis is correct, even in part, the customer age profile should be relatively higher for young people than old in the fastest growing economies so that the cross-sectional age-profile of the consumption rotates in the clockwise direction with higher growth⁽²⁴⁾.

Borrowing constraints seem to concern younger families; usually, these households have large debts, bills for college, loan payments, or other off-top expenditures. For starters, a typical middle-class family whose children graduate from college would probably be limited before they graduate. It suggests that before the children graduate, the household needs both a plan to achieve a reasonable standard of living and a different proposal for a better yet higher living standard.

2.4 The Savings Concept

The life cycle saving philosophy of Modigliani also shown that one of the most significant reasons to save is that the need for retirement coverage. In the context of saving, it means moving resources from good times, when people work and earn money, to bad times when people retire and earn nothing. In the context of investment, it requires diversifying your resources to eat not only when the stock exchange booms, but when they crash. Gourinchas defined a saving equivalent to a liquid and illiquid investment income plus labor income minus

consumption. It defines life cycle saving as the difference between total income and consumption in the life cycle.

The saving life cycle theory predicts that the consumption and saving behavior of an individual changes significantly in the different stages of the life of the individual with income, wealth, age, marital status, and other socioeconomic conditions⁽²⁵⁾.

According to Thornton, individuals save in young days and run down their total savings in retirement while on the other hand, Stewart suggested that the age of the population has a significant effect on savings habits.

Saving is a result of two separate pillars, according to Katona: saving power and saving will. The highlights of the savings potential agree, because of limited economic resources, special consumption conditions or other circumstances, that some people find it more challenging to delay use than others. The psychological philosophy centers on the preference of people who have to delay their consumption⁽²⁶⁾.

There are eight motives for anyone to save which is mentioned below:

1. Precaution which requires the creation of a reserve under unexpected conditions;
2. Prevision of a predicted future relationship between income and expenditure (motivation in life cycles)
3. Calculation corresponding to the ability to gain a profit and value
4. Change, indicating a gradual change of living standards over time
5. Independence referring to independence and the power to do things
6. A company that has the liberty to invest money where and when it is favorable
7. The pride that consists of leaving money to the heirs (motif of legacy); and
8. Just avarice or suffering.

There is a ninth incentive for paying down according to Lusardi. This is to raise funds for the purchasing of homes, vehicles and other agricultural products. He emphasized that there are other opportunities to save except for pension schemes. Households can save future generations a reputation and a cautionary motive for saving money. Households have earned little according to him, because they can depend on family and friends for serious financial problems in the future. Homes with a high level of education also improved savings. Households with negative shocks have ultimately had less income, but inheritance transfers or other transactions

can reach higher savings. Households with a good reason build up higher, while those who are frustrated build up lower. Houses with big pensions retain more than less wealthy, which indicates that households with a high level of pensionable assets also have higher in other ways of investment.

Investing is classified by the Katona into three categories: residual investing; statutory saving. No aggressive savings judgment is needed for residual savings, since saving reflects whatever money remains. Contract benefits are the usual investments, such as a pension plan and the procurement of protection for life. For contract reductions, a certain amount of money must be saved at least one decision once the income is earned. Budgetary savings relate to the free-spending or saving of the money available following costs or needs. Such saving happens when the individual decides beforehand that any money is left at the end of a certain period of time. The economists are involved in budgetary saving as people make saving and spending decisions on their budget returns.

Saving ensures that a saving judgment and a saving intervention are necessary if we are to consider the future. Saving offers a way to ensure that families and people will spread their wealth in the course of their lives and provide financial security in times of difficulty and retirement.

Katona indicated that individual decisions to save or spend the money directly impact the economy as personal savings are a major source of investment funds. He proposed a direct measure of the desire to save for an individual that disposable income was. The potential to save was indicated by the way the person felt optimistic or pessimistic about the economic situation. He points out that most citizens save for emergency, insurance, children and family needs and other things as house purchases, long term, or for a holiday. Warneryd suggests that most explanations of saving are focused on the psychological concept of self-control: the ability to resist the temptation to spend results in investments and this potential is seen as stronger in older more trained and middle-class people. Gasparski considers saving as the outcomes of decisions shaped by individual expectations, understandings, and beliefs. The use of the income, decumulation of the former savings and inheritances is financing before retirement. Consumption is funded after retirement through savings/assets already accrued, and after-retirement profits.

The typical conclusions for the principle of life cycle savings are: (1) the spending ratio at any period depends on the present value about the total lifetime earnings, and (2) the proportionate exchange rate at any time of the marginal utility rate is proportional to the gap between the subjective rate of discount and the objective rate of discount or interest rate. Katona suggested that saving needs two separate functions: savings potential and ability to save. The desire to invest acknowledges that it is difficult for other people to delay consumption owing to the restricted economic wealth or specific usage needs. Another individual who postpones consumption has to determine this, which involves a certain amount of readiness. Households, for example, are likely to defer spending and conserve for inherent stability if their views are negative of household finance, interest rates, unemployment, and inflation.

Considerable behavioral savings theories indicate that individuals have trouble withstanding temptation of spending when they want to save. Market economists describe consumer savings in terms of mental accounting, a collection of cognitive tasks used in the enterprise, measurement and tracking of financial activities by individuals and households⁽²⁷⁾.

The concept of mental accounting includes social, cultural and experiential powers, not only demographic and economic factors. In explaining saving behavior, it emphasizes both the level and the composition of revenue and wealth⁽²⁸⁾.

Policies that rely on employees to decide on pension savings and investment appear sensible if the majority of employees make these choices wisely and competently. However, the same policies seem less attractive in terms of retirement and spending choices based on herd behavior, faulty logic or defective information. Recent empirical research on saving behavior has examined whether employees typically save enough to live during retirement comfortably? This has caused considerable controversy because of discrepancies about what constitutes sufficient retirement savings. When the retired person discovers that he has aged too long or has saved too little, he might not be able to remedy the error by saving more or returning to work⁽²⁹⁾.

Concerning the macroeconomics, the model life cycle forecasts that the total national growth rate will progressively rely on aggregate savings rates. The theory is that the lifetime earnings of young people are high compared to the age group, while economic growth is good⁽¹⁴⁾.

Savings ' life cycle concept is based on the assumption that people are aware of their future needs and can respond to these predictions using their preparation and abilities. To accurately estimate insurance demands and how much people should save yearly, individuals have to

foresee their future earnings, how much they will live, how much they can benefit from their savings and how long their life expectancy will last⁽⁷⁾.

The current activities in behavioral finance research, which incorporate sociology, finance and psychology, have tried to identify some factors that lead to inadequate retirement planning. The problems identified are:

1. Myopia
2. Hyperbolic Discount
3. self-control

Myopia

The idea that saving choices or investment decisions becomes complex strengthens this myopia and according to Thaler, indicates that investors prefer the portfolios selected by others instead of the portfolios they have chosen, implying that job problems prevent people. They have to wonder about their generation and do not realize what is going to be the future⁽³⁰⁾.

Hyperbolic Discount

A second issue is the low value that many citizens have for the future. Psychologists and analysts relate it to "hyperbolic" discounters, as their limited-term rate of discount is much higher than their long-term rate of discount. In the case of Ringgit saved today, the value of the gains over a short period is seen as multiplying in the short term, albeit gradually afterward.

Self-Control

Most citizens realize they can invest for retirement, but this information is very complicated to use. Inertia and declines are major components of the saving behaviour preparation problem. The research on retirement suggests that decision-making is an environment throughout which individuals are likely to be delayed. There is no immediate penalty to postpone the start of

saving. When dedication is lacking, people also require communication tools to ensure sure capital is set aside. Throughout the lack of institutionalized saving arrangements, most people do not have opportunities and discipline to save and raise wealth when employed to sustain themselves in retirement.

2.5 Relation of Retirement and Consumption

After retirement, spending could be even higher early as retirement aspirations, such as travel and new recreational activities, are pursued. Consumption levels can also shift-people with larger houses might like to reduce the cost and issue of caring for larger homes later in life although not for economic reasons. During retirement, medical costs and the need for longer-term care should rise.

In order to determine a financially sound retirement plan and guarantee retirement economic stability and safety, it is essential to understand shifts in intake (changes in household expenses) upon retirement from the labor force. Despite people living longer, we wonder if pensioners can hold their consumption before they retire. Pensioners may be able to consume when they age quickly but they can maintain that level of consumption over the remaining lives?

The numerous studies put forth a point that the cohort of baby boomers is not investing enough to sustain current consumption in their retirement years. Studies have found that retirees' tendency to purchase leisure-related services multiplied with increased life expectancy and better health. Health care costs were positively correlated with age, as the number of older pensioners relying on healthcare increased significantly. Households will every their consumption due to financial planning ineffective. Demand is gradually starting to decline under the life-cycle paradigm⁽³¹⁾.

Popular financial advice indicated that the retirement income of the households should be reduced by between 65% and 85%. Retirees have reduced usage needs than employees because they are not costly for jobs. Housing costs tend to fall as homeowners repay their debts in older ages. Therefore, older adults need no longer save for their retirement, usually charging less than younger incomes. On the other side, healthcare costs tend to increase at an older age, and many seniors without private healthcare are experiencing catastrophic medical costs⁽³²⁾.

During a transition from work to retirement, the life cycle theory indicates that demand stays sluggish. Empirical evidence, though, has shown that retirement customers eat less. One potential explanation is that rising mortality risk in older age renders it less desirable. This reduction was alluded to as a retirement consumption paradox. The downturn reported raises questions about whether the life cycle hypothesis is right or whether retirement requirements are misunderstood⁽³³⁾.

Knowing demographic shifts amongst freshly retired people is also important for people who want to measure their retirement earnings, what the history with generations has been older than themselves, and what else they have to do until retirement so that they can continue to enjoy the level of economic well-being they now have⁽³⁴⁾.

It has been noticed that early retirement consumption was 14 percent higher than their pension income, causing them to reduce early retirement consumption. The retirement findings reported by Burtless are between 14 per cent reduction in food consumption before retirement.. The reduction in intake was even higher for employees who were forced to leave their jobs due to unemployment or decline in their health—about 9 percent in food consumption before retirement. Burtless also reported that usage has fallen to retirement, with the total decline in consumption being about 15 to 20 percent. Employees with substantial spending cuts after their retirement can mean that their investments are short-sighted or that their incomes have poorly dropped after their retirement. The reason for expenditure decreases is that after quitting employment workers have a lower spending demand. The decrease in demand can not be related to a fall in benefits⁽²⁹⁾.

New studies also shown that, in fact, all retirement expenses are decreasing in two areas of consumption: labour based spending (such as apparel and transport costs) and food (food at home and meals away from home). It is not all shocking when retirement job costs decline. Hurst formalized the definition of consumption as the contribution of a production process, mixing consumer commodities with often. Such a home output function allows households to substitute time with expenditure in reaction to relative time variations. They observed that whole food, clothing and excessive transport costs all fell between the start of the 60s and end of the 1960s at 10, 22 and 20 percent respectively in a research focussing on the distinct lifecycle trends of consumption for different categories.

In comparison, lodging, benefit, charitable donations, net receipts for gaming and entertainment expenditures remain constant or rise in years of retirement. They demonstrate that older adults enjoy lower prices for daily items by buying more time. They emphasize that food, a strong need, declines in the second half of the lifecycle relative to entertainment (and a variety of other categories)⁽³⁵⁾.

Why do households ignore food and at the same time increase their expenses for recreation and charitable activities? Hurst concludes that time-complementary goods use (such as entertainment) will increase in retirement when period replacement spending on goods (such as food production) would decrease while retiring. The reduction in food spending can be clarified by an increase in retired household food production; the time allocated among food production decreases removal and the overall intake of food can not change. The study carried out found: in general, all households, despite their pre-seat wealth and income substitution levels, have seen food expenditure decline after retirement and spending declines are highest for households with the lowest pension capital⁽³⁵⁾.

The literature suggests that retirees spend much more time preparing meals and shopping for foodstuffs than their counterparts who do not retire. Total consumption of foodstuffs (as determined by the volume of foodstuffs and consistency of their diet), while food spending decreases, remains constant during retirement.

Declines in expenditure are the highest in families with low pre-retirement income. The literature often suggests that the rise in expenses associated with retirement is relatively heterogeneous across families. Houses who depart involuntarily due to deteriorating health will explain a large part of the heterogeneity. Hospitals forced to retire earlier than expected may be facing a drastic decline in their wellbeing. Wellbeing shock may influence the optimum consumption option. Wellbeing shocks can cause the spending package to be re-allocated away from other groups for wellbeing spending. A person who has a chronic disease that affects his ability to work may also have reduced appetite and spend less on food. The findings of his study found that those experiencing a poor health shock causing them to retire are more likely to report decline expenditure after retirement.

As retirement savings goals are too high, families are advised to save too much and consume too little before retirement than the appropriate standard of living. When the goals are set too low, it is said that families save enough and consume too much before retirement. In any scenario, the living standard of families will shift dramatically as they reach retirement age-

rather than smoothing; their intake will be interrupted. Kotlikoff has shown that achieving 15% errors will easily cause 30% life-standard, pre and post-retirement damage. Regrettably, the aim errors linked to the omnipresent 75-85% thumb-related replacement rate are not 15% but well over 50%. The thumb laws can easily be used to save households several times as possible⁽²⁴⁾.

2.6 Rating Replacement Rates

As suggested by Modigliani's life-cycle model and Friedman's permanent income theory, a rate of replacement is (post-retirement income divided by pre-retirement income) would be less than 100 percent only because of tax considerations and reduced need to save out of post-retirement income.

A study was carried out to equate the post-retirement income levels with the poverty rates of the elderly to gauge the adequacy of pension income. Second, the definition of poverty is different, identifying as poor persons all citizens whose earnings (typically wages) are below the average income of 50 to 60%. As stated in the Guidelines, they used 60% of mean domestic income as the poverty threshold. The median definition has the benefit over the average value with the best figures by eliminating vast numbers of incomes⁽³⁶⁾.

A 75 percent earnings replacement will allow someone in good health to retire comfortably and possibly in the early years of their retirement. However, if the pensioner's health deteriorates, the same cost of replacement may be severely insufficient to pay for medical conditions and expenditures. Additional studies on the question of insurance adequacy typically focus on one of two measures 1) the rate of replacement of income or 2) the rate of substitution. The rate of income replacement measures the adequacy of employment as the ratio of income from post-pension to pre-pension. The substitution ratio of demand takes account of the allocation of pension income to expected retirement consumption⁽³⁷⁾.

The target replacement rates are calculated in reverse engineering fashion. Researchers start with the pre-retirement income of households, then they get to the spending being done before retirement, and assume the income needs to be replaced. They calculate the pre-retirement income needed to cover that spending⁽³⁸⁾.

The research on the life-cycle is focused on the use of the intake replacement rate to calculate retirement adequacy. Several studies have found that over a person's lifetime, the intake increases. The theory that shifts in pension consumption arise primarily as a result of a decline in the costs of various factors: loss of labor, dependent, and home costs, removal of pension savings costs and potential reduction in taxes paid. Intake calculation was reported to be problematic; that unanticipated shocks at retirement periods would impact the amount of the pensioner's demand when most people seem to expect their future pension earnings to be higher than the adequate pension entitlements. The problem is that the use of replacement ratios in lump sum settlements.

Empirical studies have found that retirement demand increases. These results encourage the use of the alternate market pricing method as a feasible way of determining if a family is ready for retirement. In fact, by taking into consideration the rate of market replacement (rather than income replacement) as an indicator of retirement appropriateness, research indicates that as retirement consumption falls, the family may have a consumption rate of about 85 to 90 percent to sustain a similar standard of living during retirement.

Kotlikoff explains the replacement rate methodology's five major problems. 1) the calculation assumes that the household expenses following benefit include precisely the same as their pre-retirement expenses. 2) The pre-retirement spending interventions include all family expending, i.e. use, mortgage payments, child support, schooling, medical expenses, etc. This is widely suspected. Additionally, the preferred cost approach lacks new retirement expenditure criteria. Types are caring for parents who live longer than expected, wellness and home care. 3) the replacement rate presupposes that the ethnic makeup of the household remains constant during the entire retirement period, ignoring the fact that children leave the household and that one partner can be significantly younger than the other. 4) the replacement rate strategy assumes that seniors don't use a cent of their pension savings ' principal assets to fund their insurance consumption. The theory is that pensioners can invest their profits just. Ultimately, the replacement rate method assumes that household's existing investing behavior, that is, that the household includes retained its inherent living standard per person over time, is compatible with consumption smoothing. Nevertheless, as households still save adequate amounts of commodity fluid, they do not need a replacement target. Traditional management has young and middle-aged families that have pension investment targets, used to promote saving and fund. As families retires, traditional strategy loses their prior goal and proposes that they spend only 4 percent of the amount of assets they have on retirement each year.

2.7 The Life-Cycle Investing

Bodie saw as a metaphor for the life-cycle of investment "the health of a person depends not only on its income at the end of the life but also on its consumption of goods and leisure during existence." The uncertainties have shifted in the composition of household investments. Pension assets include how their portfolio can be distributed across asset classes and a variety of financial products⁽³⁹⁾.

Decisions on asset allocation have significant effects on the development of retirement wealth. The threats associated with various investment options may not be fully understood by investors and are therefore vulnerable to investment risk. Conventional guidance on investments suggests that working homes participate in life-cycle securities, the allotment of which gradually changes over time from mostly merchandise to shares⁽⁴⁰⁾.

The Merton also modified this provision to account for the fact that the majority of young and middle-aged houses have nontradable present and future profits in their economic resources. Younger families will invest in stocks a limited to moderate share of their financial assets. In the middle ages, the percentage of late retirement should be significantly increased, and should then be dramatically reduced. At any age, though, they will focus their shareholdings on their risk aversion. For every individual, no pension economics plan works. Each individual must decide the correct balance for his or her role. The choice of the portfolio will reveal a lot about household behavior. A retiring person must choose in an optimal way how much to consume (spending decision) together with an investment strategy (investment decision) to encourage it consumption. This covers the question of a fair proportion of pension assets, i.e. how much pensioners should invest in equities, commitments and other investments⁽⁴¹⁾.

While it is generally accepted that returns on stocks have outperformed bonds, only a relatively small fraction of households hold stocks. Most participants of the defined contribution saving program have been found to equally divide their contributions among the funds provided in the scheme. Lusardi reports that households who have high education and permanent income are more likely to invest in stocks. Respondents reporting excellent or good health are also more likely to invest in stocks. The lack of planning has been identified as a strong determinant of portfolio choice⁽⁴²⁾.

Investment in the life cycle, especially in retirement, is a matter of great concern today for millions around the world. The hypothesis behind this is the principle in "work selection" for

optimum allocation of resources under volatility. Everybody chooses the combination of straightforward time-state claims, that maximizes its intended utility, in this imaginary world of complete markets for all contingencies. The ongoing time function theory of Merton is much more comprehensive than that of the old portfolio concept of mean-variance from Markowitz. The Markowitz hypothesis assumes that people agree in a rigid one-period setting. The structure of Merton contains many separate horizons of time. The strategy period is the length of the decisions to update the portfolio that the person manages within certain constraints. Many people regularly check their holdings—once a month or once a year. A sudden increase or decline in the price of an asset held by an investor may trigger a portfolio review. Those with significant investments in stocks and bonds will check their portfolios regularly or more often.

Bodie and Merton introduced a third choice option—the amount to work for people. In this model, people begin with an original financial wealth endowment and labor (human capital) capacity. All financial and human capital elements change constantly and stochastically, their market values. The wage cost (return on human capital) is well connected with the return on trading assets on the economy. Consumption, income, and return values are all described in the consumer goods units.

Individuals are, at every point, deciding how much they buy, the proportion of their financial wealth they spend in risky assets (as compared to safe assets), and their share of their potential maximum profits to job for leisure and optimize their desired value for a reduced lifespan. The findings of the model suggest that the fraction of the financial wealth of an individual optimally invested in equities will "normally" decrease with generation for two reasons. First, the idea that human capital is inherently less risky than equity and that the value of human capital typically falls as they age as part of the total resources of a person. Furthermore, at any given age, the more freedom a person has to adjust his or her work supply, the more she invests in risky assets. Individuals may account for shifts in the value of their financial wealth by altering their working style. You may work longer hours, take additional positions, or postpone the payout. If younger workers have more chance for change in their employment supply than older workers, they should decrease their share of assets held as risky equity by age. The best way to start early in the life, though, is for individuals with risky human capital, such as traders and financial analysts, not to introduce the stock market into their investment portfolio and through that exposure by age⁽³⁹⁾.

The significant results of habit formation have been incorporated in other model life-cycles over time. Habit development provides a strong rationale for financial products, which ensures that future consumption shall not be less than a minimum acceptable standard of living defined with previous consumption. One of Bodie's critical insights into modern financial research is:

1. The health of an individual depends not only on his income at the end of the term but also on commodities and leisure use during his or her lifetime;
2. To order to ensure optimum portfolio option at each point of the life cycle, the interest, riskiness, and versatility of the working income of an individual are important
3. The creation of ecosystems will create a demand for protection against a reduction in the income of production.

2.8 Strategies for Investment and Portfolio Allocation

Poterba is studying how different portfolio allocation approaches in the life cycle which influences pension assets; they note that the expected investment return has a substantial impact on the distribution of pension assets under other asset allocation laws. Greater inventory exposure leads to higher overall benefit returns. As an investment resistance rises, the ideal part of the retirement portfolio invested in stocks reduces⁽⁴³⁾.

Regarding portfolio theory, one crucial question is: should the share of wealth vary according to age? According to Samuelson, there is no age change in portfolio shares under the commonly assumed preference requirement if capital income is the sole source of income for a person. This contradicts other financial experts who alert older people that the interest held in stocks will be that. Bodie argues that if younger workers have a better ability to adapt their supply of labour, the ability to reduce income shocks should result in older people having fewer stocks.

The general investment advice allows individuals to reduce their exposure for risky assets, when their investment horizon coasts or, more specifically, with age. Canner cite a thumb-back law of 100 minus age half. The so-called lifecycle funds typically decrease the stock share as owners mature⁽⁴⁴⁾.

The increased popularity of lifecycle funds and associated investment strategies goes against Samuelson's central claim that the investment horizon should be invariant on the portfolio allocation. Samuelson questions the conventional wisdom that a long-term investor would

spend a more significant portion of his investments in dangerous properties since he can achieve reasonable returns over a long period.invariant concerning income. Samuelson challenges the common knowledge that a long-term investor should invest more of his portfolio in risky assets, given that he can make average returns in the long term⁽⁴⁵⁾.

Samuelson addresses the need to consider human resource resources in determining the distribution of total wealth. Era variations of the optimum distribution of the financial wealth rely primarily on labor market benefit variability and the returns of financial markets. Bodie, Merton and Samuelson also suggest that younger buyers should be more pragmatic with their judgments on labor supply and thus risk appetite. We say that younger investors may choose to store a higher proportion of their portfolio than older investors rationally. A lifecycle investment strategy has a stronger rationale for the likelihood of a workplace reaction for financial market achievement as a means of shelter. Such facets of prospective labor market sales continue to be overlooked by traditional investment advisors, relying solely upon risk tolerance, valuation horizons and the nature of the historical threats, such as labor income hazards⁽⁴⁶⁾.

Gollier defines the terminology under which portfolio preference is influenced by the right to revalorize a portfolio in the future. We propose that the optimum portfolio share of equities should decline with age under different assumptions regarding the composition of utility functions⁽⁴⁷⁾.

The empirical evidence on age-specific models in the distribution of household assets suggests low stock risk decreases as householder mature. The Americas and Zeldes offer empirical evidence as to how equity, debt, and other assets ' portfolio shares differ throughout the life cycle. The stock is diminishing quite low at an early age, although it is shown by specific households who cash out their equity assets when it comes to retirement or annuities through defined contribution plans with their cumulative shares⁽⁴⁸⁾.

When investors are aggressive with age, then the ideal distribution of their investments will become cautious as the investor ages. Recent behavioral finance studies suggest that investors do not make optimal portfolio allocation choices irrespective of their choice, anticipation, and context risks. Investors tend to take their initial selection choices by using heuristics or basic judgment rules⁽⁴⁹⁾.

Dominitz and Hung take into account three forms of retirement investment plans: lifecycle investment, lifestyle spending, and basic heuristics. The lifecycle strategy reflects the

investment priority of the lifecycle client. The lifestyle strategies are compatible with the effects of Samuelson's select portfolio option and simply maintain a set portfolio allocation overtime before retirement. The behavioral finance literature presents the $1/n$ decision-making method which is a simple heuristic to incorporate pension benefits. Dominitz and Hung found the investment strategy of a life cycle to be relatively conservative: that is, aggressive early investment in existence, where pension funds are low and investment is increasingly conservative with wealth growth. A simple $1/n$ formula can offset this involvement in the life cycle. Dominitz and Hung, though, find that investments in the lifecycle that are generally conservative will lead certain investors to take more chances than otherwise and spend more successfully than they would when left to their simple strategies⁽⁴⁹⁾.

Financial planners give three common reasons. Firstly, by adopting a long-term ownership program, one can eliminate a significant portion of the risk of mutual investment and since older people have not so many years to go as younger people. Second, financial planners stress that allocating assets is frequently shaped by the need to meet relatively large Midlife obligations, such as college training for children; investments in stocks can be needed for a while, but not after sufficient resources are accumulated, to fulfill these financial goals. " Finally, some financial planners point out that young people" can use wages to cover risks, "while older people can not. They demonstrate that if investors can rebalance their portfolios over time, the long term is basically the same as the short time horizon; the time between the re-balancing period and the investment horizon itself matters for an investment decision.

In the allocation of assets, whether investors actually switch to bonds or move away from bonds at age (mid-life) is crucially influenced by the size of their financial goals and their initial wealth and the loss that the objectives do not achieve. Again, that justifies the general recommendation by financial planners to reduce risk as investors age. Lastly, in explaining the impact of the life cycle behavior of labor income on investor behaviour, they suggest that investors move their financial wealth risk composition so that they can replace lost labor income (i.e. compensate for the decrease in the value of human capital). As young investors, they have a long stream of future revenue. As the stream grows old, the value of its human capital falls⁽⁵⁰⁾.

According to Merton and Bodie, risk-averse persons will save so that their lifelong intake uncertainty is reduced. If you have a risk-free investment for life, you can purchase the home.

The general principles for saving pensionable money offered by the financial services sectors are:

1. Investors should diversify their total portfolio across asset classes;
2. Equity portion should be diversified across industries and companies; and
3. The longer your time horizon, the more one should invest in equities.

A popular thumb rule says that 100 minus the age should be a portion of the fund that is used to invest in stocks. Under this rule, 70% if you are 30 years old, 50 percent in stock if you are 50 years old and 30% in stock if you are 70 years old, should be in stock. This means that the higher the time horizon, the shares are a better choice. Conventional business analysis suggests that working households engage in life cycle spending, the composition of which differs slowly, mainly from stocks to bonds. In 1969, the two economic Nobel Prize-winners, Paul Samuelson and Robert Merton, jointly showed that stocks do not bottom out the longer they keep, despite better risk rewards. They are not offering a worse offer, either. As a consequence, economists advocate the same differentiation between long-term (young) and short-term (old) investors' risky and safe capital.

How should an individual allocate his investments to different asset class categories: high-risk investments, high-risk assets, low-risk assets, low-risk investments? Capital management is the common investing approach that decides the overall volatility between risk and return. The decision on asset allocation is based on people's objectives, time horizon, and risk tolerance, from conservative to aggressive. The findings are shown in the structure of the distribution of the investment portfolio to various asset classes. The three main aspects of assets are equities, bonds and cash (money market instruments). Equities historically offer the most significant opportunity for growth; equities currently pose the highest risk among the three asset classes. Investment in bonds will typically provide a steady stream of income with moderate risk. Cash and cash equivalents in the short term are highly liquid and safe, although cash and equivalents can not match inflation due to the low expected return.

The pensioner is facing two dangers: if he invests in low-income securities, he loses the survival of income generated by such an investment. If he invests in high-income properties, defaults are likely to lower the asset base and raising its survival. Investors will choose equity or other high-return portfolios early in the life cycle and gradually move on to bonds and other fixed-income securities in the later life cycle through the Portfolio Management literature.

Moreover, they should keep more than half of their portfolios in shares so near-cash instruments by retirement age.

2.9 The Risk Mitigation for Retirement

Adverse events and risks have a significant impact on financial choices and individuals' well-being before and after retirement. Risk management is essential in life cycle saving and investment in the retirement planning sense in regards to lifetime income, post-retirement costs and risk management issues. Maurer identifies three significant risk factors for post-retirement management:

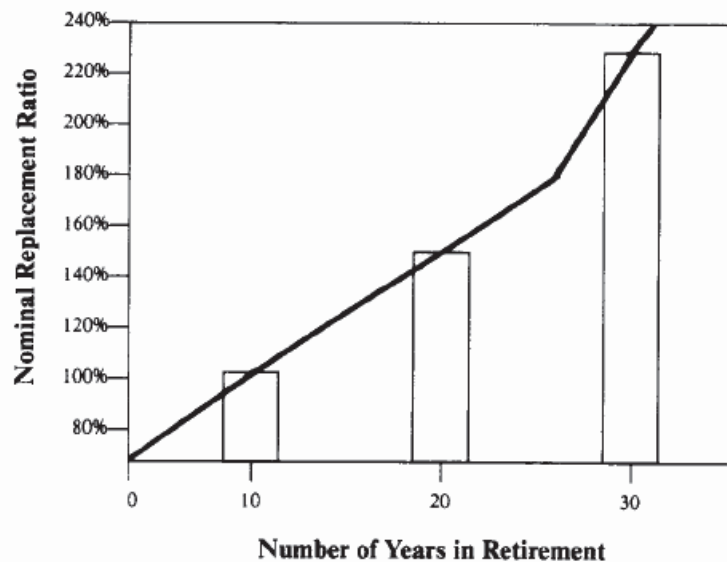
1. Inflation poses a danger by allowing prices to rise too fast, loss of the true value of pension payments and/or other post-retirement wages and thus decline in the ability to buy the retirement benefits or profits.
2. The possibility of investing that stochastic returns on investment can trigger pension investments to change over time and decrease value. Functional market theory means a greater risk for higher returns.
3. The probability of death. The risk of mortality can have two separate adverse effects from lifelong consumption and the point of view of saving.

If the pensioner lives longer than expected, he may lack money. In this case, retired people would later in their lives reduce consumption and face the risk of poverty in their post-retirement age. In the literature, this is related to as longevity risk, i.e. the danger of approaching a period when all investments during the retirement period (the risk of capital exhaustion) are already exhausted. If the retired person dies too early, though, without adequate funds, he will leave behind a bequest unintended (shortness risk). The possibility of high healthcare expenses, long-term medical conditions and availability are additional risks.

Inflation is a significant factor in the adequacy of retirement income and benefits. Inflation-triggered depreciation of retirement assets and income in real terms is of great importance for old-age savings and the long time horizons associated with them.

As an example, the below picture depicts, even a relatively mild 4 percent annual inflation rate severely erodes the replacement ratio over 20 years of retirement. For example, a ratio of 70 percent at age 65 years must rise 104 percent at age 75 years and to 153 percent at age 85 years to maintain the same standard of living⁽⁵²⁾.

EFFECT OF INFLATION



The fluctuating returns of the numerous investment assets (for retired people) simultaneously draw a higher potential and represent an annoyance from the risk of loss of money due to adverse capital and financial market changes. The literature suggests that the yield on stocks is better than debt, but this could require more instability. The average life-expectation investment horizon is around 20 years for retirement-aged 60 years even in the decumulation process. Retiree investors who make wise choices will pursue opportunities for diversification not only among specific shares within a particular class of assets but across different categories of assets—inventories, bonds and real property, as well as recurring income streams from labor income and formal pension claims. The uncertainty of the lifespan of the adult, the predicted retirement life, will lead to a significant difference in the statistical mean. Vulnerability is a consideration in the economic effects of mortality risk in individual lives. In addition to that risk of volatility, an additional risk element, an expected risk, is the concern about the possible nature of the average lifetime itself caused by changes in population death rates.

With Mitchell, five different risk categories posed by retired workers have been identified: employee risk, company risk, investment risk, country risk and foreign risk. There are a number of reasons why individual risk occurs. Individuals are unaware of their own wealth during their working years due to factors such as homelessness, out - of-age training, poor health, social conflicts and premature deaths. We are also in question as to their food requirements when they are aged and do not realize what they need due to the risks of poor health and incapacity or how they work. While individuals can try to follow the build-up trend of the life-cycle model, they want to save enough when they are young and to work to be able to keep spending when they are retired, yet uncertainty regarding their earning power may contribute to economies in contrast to the no-certainty definition⁽⁵³⁾.

The liability for the employer exists if the company fails, and any benefit commitment of the employer is priceless. Enron, Lehman Brothers, and many more have seen the commonly seen failure of businesses in the US in recent years. The businesses containing Standard & Poors 500 index and DB pension schemes were projected to have pension schemes worth over US\$ 1 trillion in 2002, representing just US\$ 900 billion in assets, resulting in a shortfall of over US\$ 200 billion. This is the most significant figure in the year⁽⁵⁴⁾.

Mitchell's investment risk applies to the sponsored pension scenario. In order to earn a higher rate of return, the money paid during working years is spent by a pension fund. All those who have participated in a specific pension fund miss out if the contributions are not sufficient. State or domestic risk is a concern as pensioners want and need to secure themselves from global and other financial disruptions affecting the economy as a whole⁽⁵⁵⁾.

Eastern Europe inflation, for instance, has significantly reduced the affordability of actual pensioners' pensions; inflation has also eroded pension benefits in Argentina that lead to social instability. External government threats can also seriously threaten the economic security of retirees. For example, China's patronage for state-owned companies has dramatically reduced without a coherent substitution of the former emerging social support system provided by these outmoded economic institutions. The old-age scheme in China then struggles without addressing the safety problem. The Chinese protection system is inadequate⁽⁵⁶⁾.

Researchers suggest investing in a globally diversified equity portfolio that is free of the economic and political establishment to further protect against these country-specific macroeconomic and political dangers. The retirement age may also be determined by the future threat or by unexpected global events. These shocks may ultimately be triggered by global or

regional unemployment, global weather fluctuations, or environmental pollution or foreign epidemics. When an accident like this happens, none is affected and therefore not all risks can be protected.

Bodie and Kotlikoff find that carrying currency is not automatically safe in terms of uncertainty threats since the real return of cash is inflation-dependent. This can have a very negative output. The result was also significant in favor of stocks when compared investments in its safe commodity with investments in stocks. In the United States, investing in TIPS is an acceptable tool to evaluate secure investments, rather than cash, but this hardly appears to be used. Secondly, families with poorly invested investments are not making any changes to their retirement investment targets. It is unrealistic; if a family retires with half of the wealth they hoped to have accumulated, it would invest twice the amount they would have expended according to the economy.

2.10 Financial Literacy Landscape of India

India is among the 16 Asia-Pacific countries with 59 index points in financial education in general, according to the annual financial literacy report of the MasterCard (Kumar, 2013). A global survey conducted by Standard & Poor's Financial Services LLC showed that almost 76 percent of Indian adults did not adequately grasp vital financial concepts. The Global Services Financial Literacy Study of S&P finds that this is below the world average in Financial Literacy but is roughly in line with other BRICS (Brazil, Russia, India, China and South Africa). According to the report, not financially literate three quarters of Asian adults and two-thirds of adults in the world (S&P survey, 2015).

For different factors and intentions, the Millennial generation was challenging to categorize and understand. The definition of the adult as a "Millennial" was developed at any point during the era starting in the late 1970s and finishing in the early 2000s. Generally speaking, the Gen-Ys is subject to intense examination. We were born between 1980 and 2000.

Generation Gen-Y is the newest group. Different people with birth years from 1977-1997 classified into several categories. This cohort is also identified as millennials and it has many titles that also reflect its properties: internet generation

Gen -Y's sheer scope and specific features are more critical to the economy than any other birth generation for its influence and impact on financial matters. It is, therefore, necessary to examine the aspirations and social behaviors of this generation that differ significantly from past generations and from the economic environment in which they work. Millennials have also been recognized as the "instant age of satisfaction" and have high expectations for professional life and personal life.

The literature referred to a change in the social ideals of children and families the vast degrees of happiness, loyalty, and success of Gen Y. Of fact, Gen-Yer grew up "in a child-like age," in which parents gave preference to personal development and love of their offspring. His generation's faith has shaped his attitudes toward professional performance.

The Bresiger (2011) study revealed that 3-quarters of Gen-Y participants were optimistic that their goals would be met, and 80 percent showed high expectations for themselves. GenY is also vulnerable to higher deterioration than average with such persuasive and perhaps unrealistic expectations.

JumpStart Coalition for Personal Financial Literacy first coined financial literacy as a construct. According to it, it is defined as the opportunity for lifelong financial security to use knowledge and skills to manage the financial resources effectively.

Another study of Hogarth states that the financially literate individuals are:

1. Knowledgeable, educated and informed on capital and asset management, finance, savings, loans, insurance and taxation concerns;
2. Understand the fundamental principles behind wealth and asset management, and
3. Use this information for financial decision-making and execution.

Throughout his research, Agarwalla noticed that Indians have very little financial knowledge than international standards. But workers and older people's financial conduct/disposition remains positive. Females have slightly high financial knowledge than males. The financial behavior of young employees has been affected by greater access to consumer credits⁽⁵⁷⁾.

In a report by Singh, greater financial literacy can be an important factor in efforts to increase savings rates and loans to the lowest and most at-risk customers. Higher financial literacy and increased recorded excessive debt have to do with higher household savings⁽⁵⁸⁾.

Bhushan and Medury's research suggests that India's overall level of financial literacy is minimal. Health, class, salary, jobs and place of work affect the level of financial literacy, although age and geography are not influenced in the area⁽⁵⁹⁾.

Throughout his research, Ambarkhane argues that financial literacy must be low given the educational system throughout India. India also has a large population without banks and financial literacy would allow them to formalize their financial situation. Not only economic dimensions of people but also social aspects would positively be impacted⁽⁶⁰⁾.

Research findings from Aggarwal and Gupta found that the level of education and discipline (commerce, non-commerce) influence the literacy of youth financially. Men are more conscious of their financial situation than women.

Chapter-3: Methodology of Research

Introduction

This chapter addresses the architecture and techniques used, which include the sampling structure, data collection procedures, and sample representativeness, the measures employed in the instrument of inquiry, including validity and reliability tests.

3.1 The Research Design

The research tried by utilizing questionnaire surveys to collect primary knowledge to answer the questionnaires through objective methods. Random sampling was the survey form used. Questionnaire surveys were used to include primary sample community evidence on topics relating to the degree to which financial experts recognize and prepare their retirement strategies as well as perceptions and preparation for personal financial planning, EPF, new pension funds, and retirement programs in the country. For many reasons, Questionnaire inquiries have been selected. Firstly, questionnaires may be performed easily by the respondents. Since the issue of personal finance is susceptible, respondents are more likely than a face-to-face personal interview or telephone survey to have more faith in the survey practice. Secondly, surveys are flexible since they make it easy to catch several specific issues of the same document and require structured information to capture concepts. Third, surveys in questionnaires are an efficient means of collecting quantitative data from a large number of respondents.

3.2 Questionnaire Design

The first step is planning and designing the correct survey questions before conducting a questionnaire test. Questions should be easy to understand, and respondents should be able to comprehend it. The problem was formulated based on the literature review and reading in

several articles and reports on life cycle theory, investment and use, financial planning, and pension plans.

The questions in the questionnaire are organised and consistent, intending to eliminate inconsistencies, such as the arrangement of questions in such a manner as to maintain precision, generalisation, and relevance, and to ensure that the questions are not affected by the response to the following questions.

The questionnaire was divided into five parts:

1. Part-1: Demographics.
2. Part-2: Expenditures (consumption).
3. Part-3: Financial Planning.
4. Part-4: Savings and Investments.
5. Part-5: Retirement Expectations.

3.3 The Collection of Data

While the questionnaire is used in the research, the focus has been kept on maintaining the accuracy and honesty and integrity of the participants. The questions mentioned in the questionnaire have been tested for bias, clarity and face validity has been checked.

Since the study involves the questions or points which deal with the sensitive information which deals with the financial aspect of the respondents and hence the confidentiality and respect of information have been communicated to the participants. Furthermore, by no means, this information will be shared with anyone.

3.4 The Population Sampling

Sample Element

The sample item in this study is a financial professional working with a bank in the front-line sales department.

Sample Unit

The analysis unit in this study is the bank.

Sampling Criteria

The following was included in the sampling criteria

- The bank should be operating in Pune
- The age of the respondent should be between 25-40 years
- The sample should be front line sales professional of bank

Sample Size

Sample Size = $(Z)^2 * Std. Dev *(1-Std. Dev) / (ME)^2$
Here we are assuming a 95% confidence level, 0.5 standard deviations, and a margin of error for a current research study (confidence interval) of +/- 6%.
$= ((1.96)^2 * 0.5(1-0.5)) / (0.06)^2$
$= (3.8416 * 0.25) / .0036$
266.7777778
=267 respondents are needed

Finally, we have interviewed 267 finance professionals for the study.

3.5 The Pilot Study

A Pre-test of the initial questionnaires was carried out, and all positive input and suggestions from the responses were integrated into the final questionnaire with the intent that they could offer clarification and convey guidance and sample to respondents with survey instruments, to strengthen structure, content, and consistency, in order to enhance comprehension and interpretation.

In the pilot test, issues were identified and tested. Completion of questionnaires, evaluations, and input from the survey respondents was obtained. The input was used to assess the degree to which the questionnaire was modified to obtain data, to check testing conclusions and to

verify the survey data. The pilot also discussed questions of complicated and unclear existence and the input received from 30 survey respondents

The suitability of the questionnaire established was checked in a pilot study. The pilot study was performed with a suitable set of various personal attributes and backgrounds. Upon finishing the survey, personal interviews were carried out to determine how respondents perceived and viewed the various questions and to figure out whether there were any queries, things, or recommendations for improving the quality and interpretation of the survey questionnaire. The pilot study has proven useful in refining the final test, which is more comfortable for respondents to use.

The Data Preparation

The data were obtained in the form of a survey which was imported into SPSS so that we can code it and use the proper marking method. In doing this, each query is called a column, and each row is known as the respondent.

3.6 Research Instrument

A survey research questionnaire will be used to collect the data for this report. During the creation of this survey, the subject under investigation was strictly considered. The questions in the survey are chosen or omitted depending on the subject in particular. Precisely for this questionnaire, direct questions have been established that allow proper statistical analysis.

Reliability Test

It addresses the reliability of the instrument used in the present research study and allows us to understand the statements of the standardized questionnaires that were repeatedly evaluated by the respondent.

The reliability is described using the Alpha coefficient of Cronbach. The reliability was developed based on the key data of this study:

α	N of Items
.682	52

Considering the reliability of this instrument, the reliability is good and hence we can consider using the same instrument for the research purpose of this study.

3.7 Statistical Tools Applied for the Study

The results were statistically analyzed using a range of tools such as the Friedman test, descriptive statistics and the Chi-square test.

The Chi-square test is useful for finding correlations between any two separate category variables because it represents a non-parametric test.

This non-parametric test is used to assess differences between different related samples. The Friedman test will illustrate and explain all major inconsistencies between the medians of two or more categories. Variables that vary considerably from each other are shown with a table.

The descriptive statistics help us to understand more thoroughly each variable involved in the study, which can enable us to reach the right result.

3.8 Limitations of the Study

1. In view of the nature of the job, time spent on financial professionals was very difficult. It provided a hard situation for the investigator to cover the entire region geographically. The researcher tried hard to interview financial professionals in every corner of the city.
2. The subject of study is very sensitive and objective in nature. Most questions centered on the analytical compilation of the information. The researcher have to give them some time to digest the underlying meaning of questions.

3. Since the subject includes a opinion on various aspects of financial planning amongst the finance professionals, the researcher convinces them that the data collection will be used for educational purpose only under the ethical guidelines.
4. The study was based on first hand data focussing on samples in this case these are front line sales professionals in banking industry belonging to age range from 25-40 years and hence to generalize the results both banking and NBFC industry has to be considered since these professionals switch from banking to NBFC and vice a versa quite often.

Chapter-4: Data Analysis and Findings

1. Which age group you belong to

Statistics	
Mean	1.57
Median	1.00
Std. Deviation	.789

Table 1- Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	25-30	165	61.8	61.8	61.8
	30-35	52	19.5	19.5	81.3
	35-40	50	18.7	18.7	100.0
	Total	267	100.0	100.0	

Table 2- Age

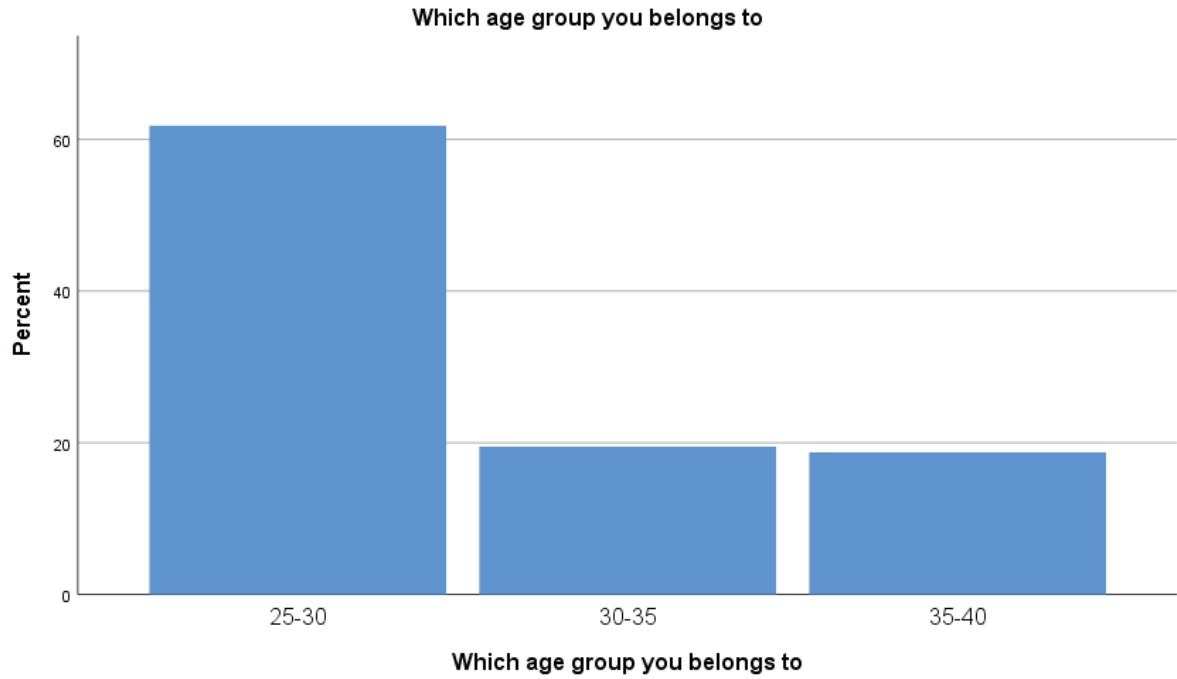


Figure 1- Age

Findings: - From the above table and figure we can say that maximum samples are in the age group of 25 to 30.

2. Please mention your Gender

Statistics	
Mean	1.60
Median	2.0
Std. Deviation	.490

Table 3- Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	106	39.7	39.7	39.7
	Male	161	60.3	60.3	100.0
	Total	267	100.	100.0	

Table 4- Gender

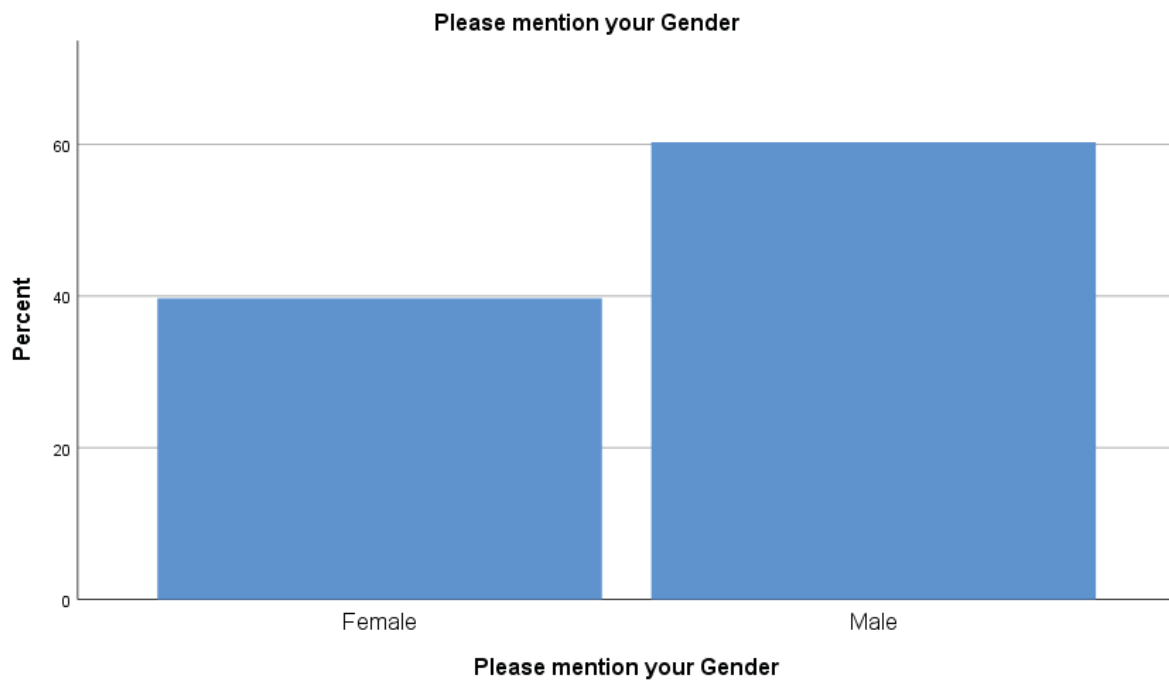


Figure 2- Gender

Findings: - From the above table and figure we can say that maximum samples are male.

3. Your present marital status

Statistics	
Mean	1.32
Median	1.00
Std. Deviation	.467

Table 5- Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	182	68.2	68.2	68.2
	Unmarried	85	31.8	31.8	100.0
	Total	267	100.0	100.0	

Table 6- Marital Status

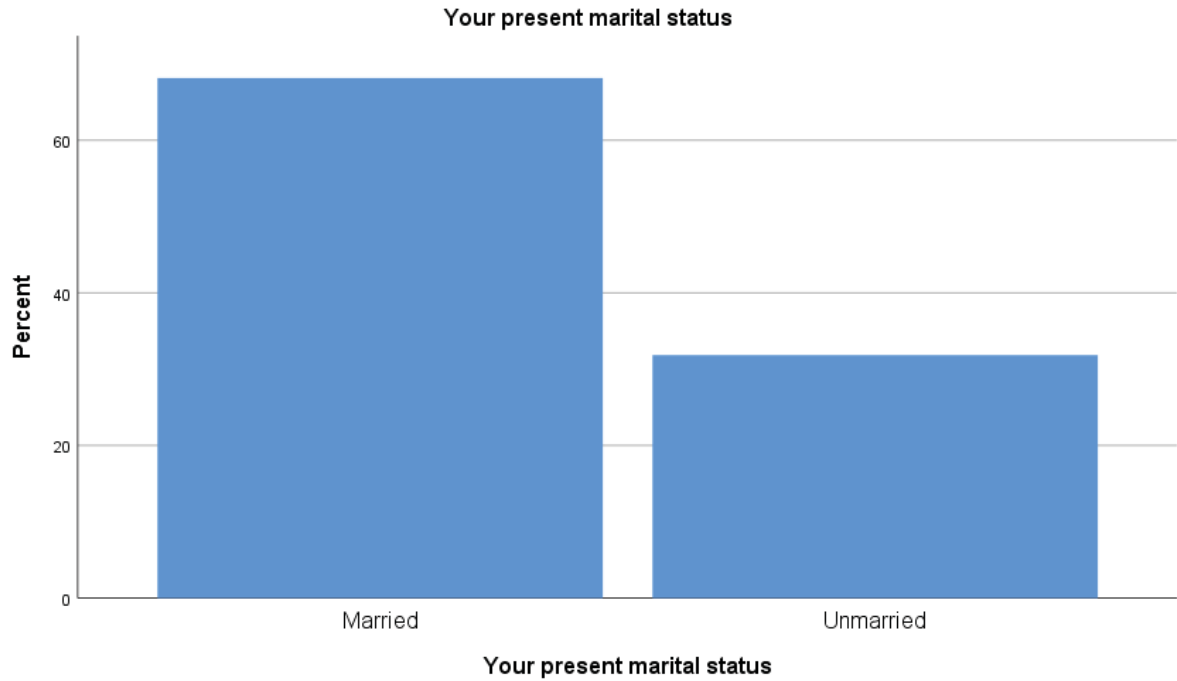


Figure 3- Marital Status

Findings: - From the above table and figure we can say that maximum samples are married.

4. Your educational qualification

Statistics	
Mean	1.57
Median	1.00
Std. Deviation	.789

Table 7- Educational Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Graduate	165	61.8	61.8	61.8
	Postgraduate	52	19.5	19.5	81.3
	Professional Certification	50	18.7	18.7	100.0
	Total	267	100.0	100.0	

Table 8- Educational Qualification

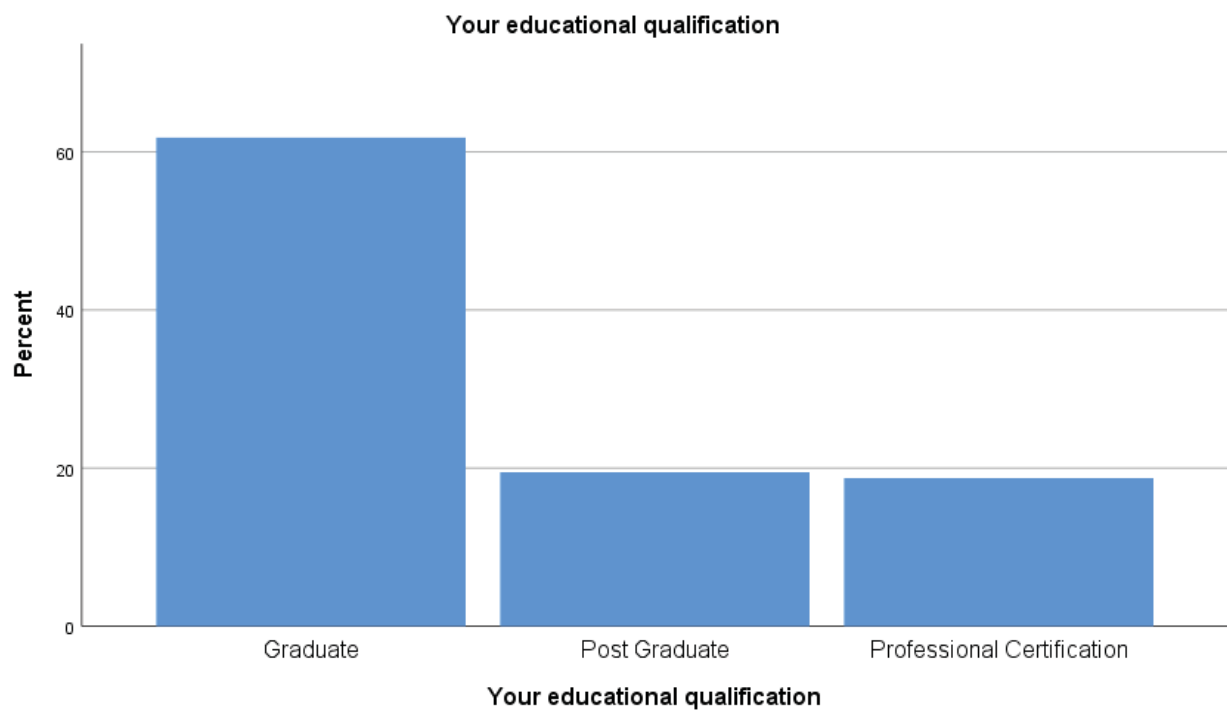


Figure 4- Educational Qualification

Findings: - From the above table and figure we can say that maximum samples are graduate.

5. How will you describe your health status?

Statistics	
Mean	4.87
Median	5.00
Std. Deviation	.376

Table 9- Health Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fair	4	1.5	1.5	1.5
	Good	26	9.7	9.7	11.2
	Excellent	237	88.8	88.8	100.0
	Total	267	100.0	100.0	

Table 10- Health Status

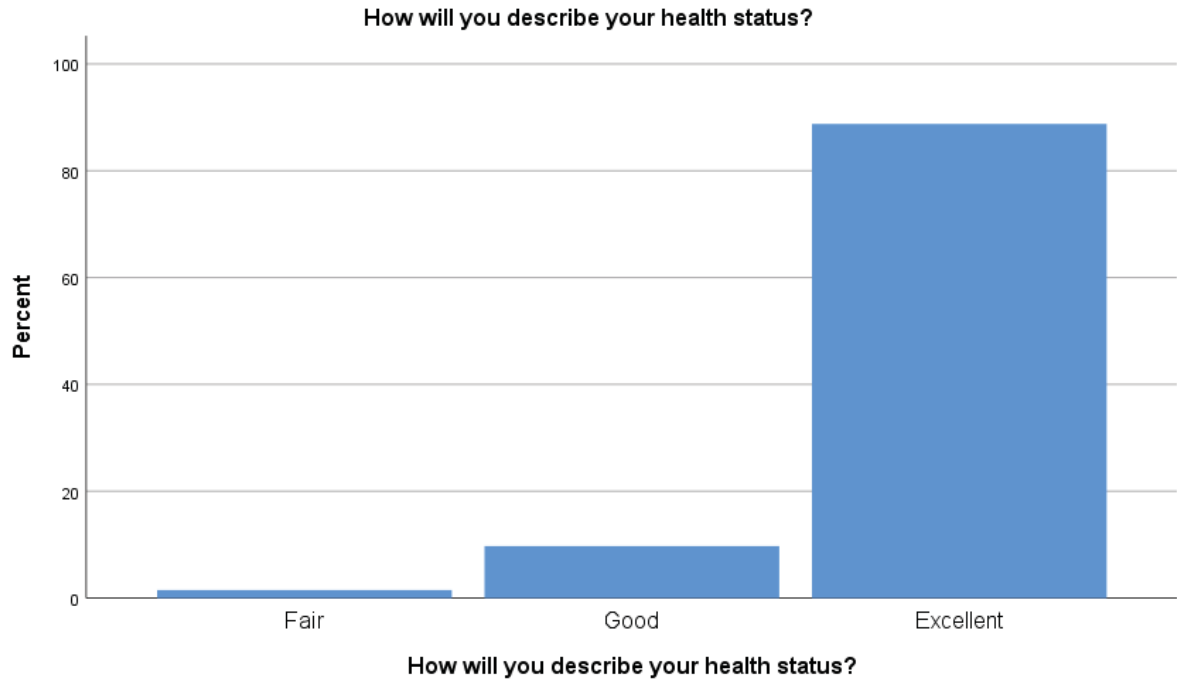


Figure 5- Health Status

Findings: - From the above table and figure we can say that maximum samples health status is in excellent state.

6. How much life expectancy you consider for yourself considering your age and gender?

Statistics	
Mean	2.06
Median	1.00
Std. Deviation	1.465

Table 11- Life expectancy considering age and gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	60-65 years	138	51.7	51.7	51.7
	65-70 years	72	27.0	27.0	78.7
	70-75 years	3	1.1	1.1	79.8
	75-80 years	11	4.1	4.1	83.9
	80+ years	43	16.1	16.1	100.0
	Total	267	100.0	100.0	

Table 12- Life expectancy considering age and gender

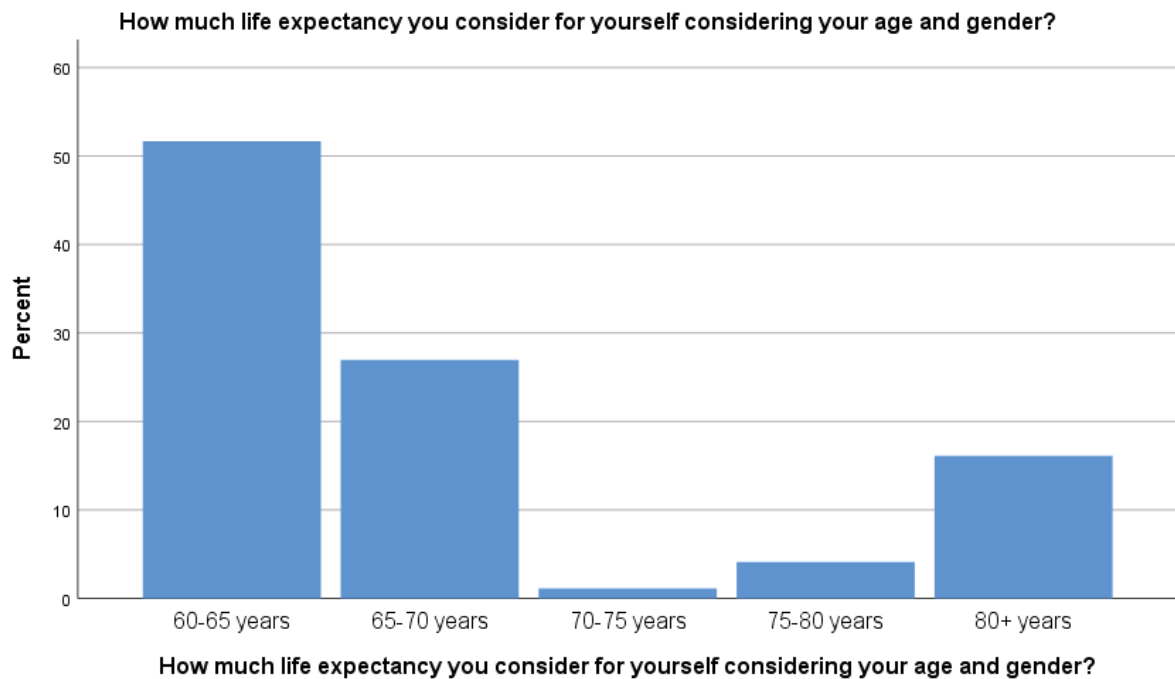


Figure 6- Life expectancy considering age and gender

Findings: - From the above table and figure we can say that maximum samples are expecting life till the age 60 to 65 years followed by 65 to 70 years.

7. Do you think your health limits your ability to work well?

Statistics	
Mean	1.92
Median	2.00
Std. Deviation	.270

Table 13- Ability to work well

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	21	7.9	7.9	7.9
	No	246	92.1	92.1	100.0
	Total	267	100.0	100.0	

Table 14- Ability to work well

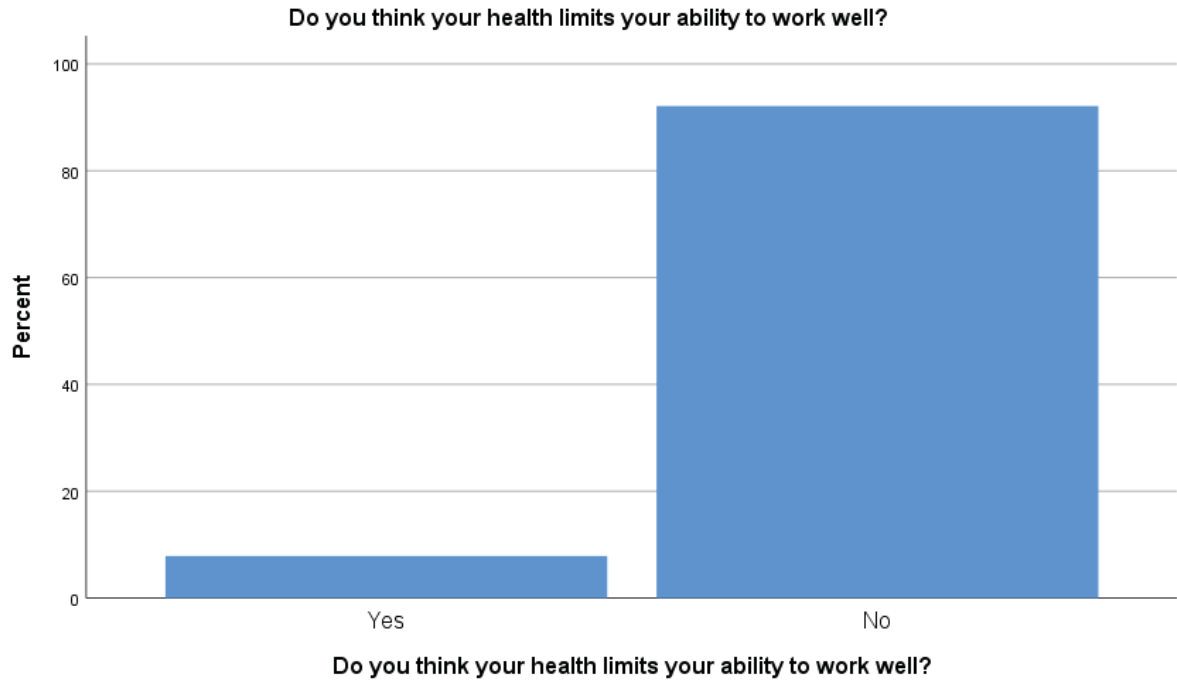


Figure 7- Ability to work well

Findings: - From the above table and figure we can say that maximum samples say that their health is good enough to work well.

8. Accommodation EMI/Rental

Statistics	
Mean	3.77
Median	4.00
Std. Deviation	1.286

Table 15- Accommodation EMI/Rental

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	30	11.2	11.2	11.2
	Very Less	18	6.7	6.7	18.0
	Moderate	24	9.0	9.0	27.0
	Substantial	107	40.1	40.1	67.0
	Huge	88	33.0	33.0	100.0
	Total	267	100.0	100.0	

Table 16- Accommodation EMI/Rental

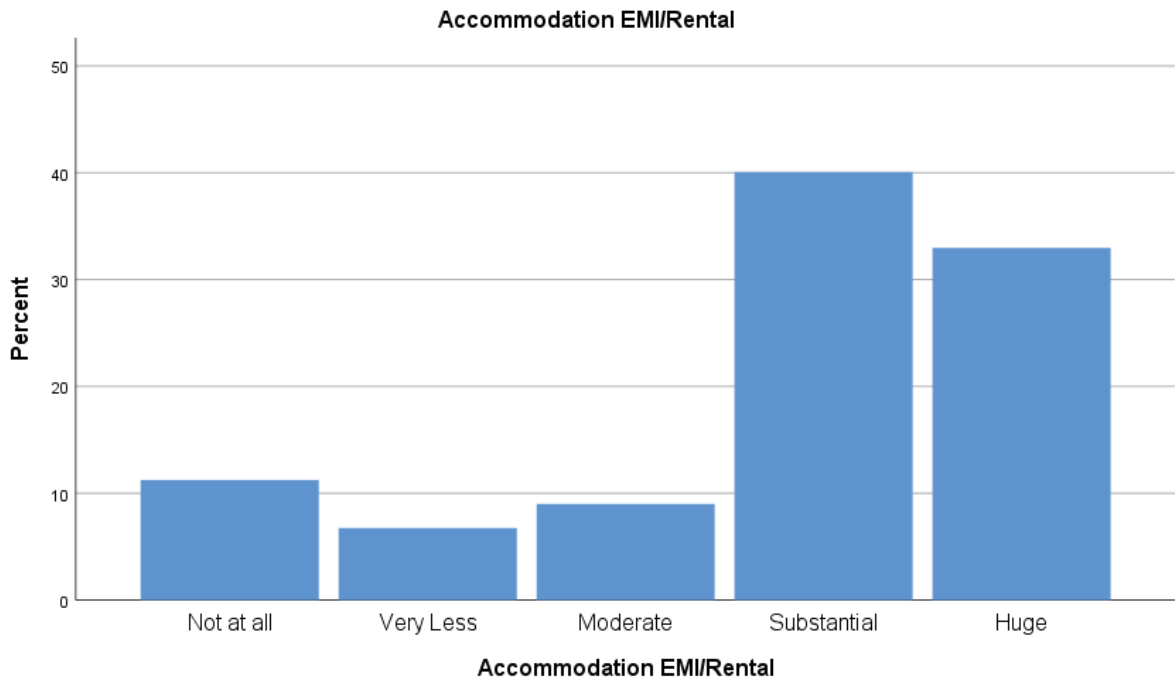


Figure 8- Accommodation EMI/Rental

Findings: - From the above table and figure we can say that maximum samples say that most of their salary income goes into EMI or rental.

9. Car/Bike EMI

Statistics	
Mean	1.68
Median	1.00
Std. Deviation	1.371

Table 17- Car/Bike EMI

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	208	77.9	77.9	77.9
	Very Less	5	1.9	1.9	79.8
	Moderate	14	5.2	5.2	85.0
	Substantial	11	4.1	4.1	89.1
	Huge	29	10.9	10.9	100.0
	Total	267	100.0	100.0	

Table 18- Car/Bike EMI

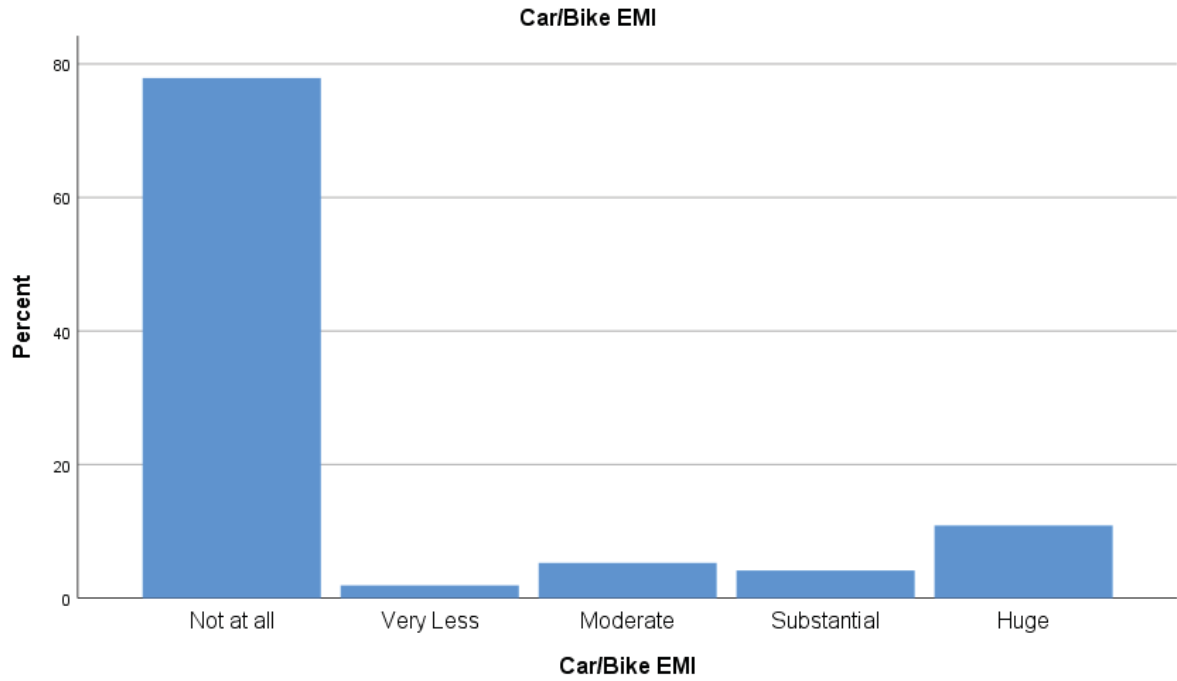


Figure 9- Car/Bike EMI

Findings: - From the above table and figure we can say that maximum samples say that most of their salary income doesn't go into Car/Bike EMI.

10. Personal Education Development

Statistics	
Mean	1.79
Median	1.00
Std. Deviation	1.541

Table 19- Personal Education Development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	209	78.3	78.3	78.3
	Very Less	1	.4	.4	78.7
	Moderate	3	1.1	1.1	79.8
	Substantial	11	4.1	4.1	83.9
	Huge	43	16.1	16.1	100.0
	Total	267	100.0	100.0	

Table 20- Personal Education Development

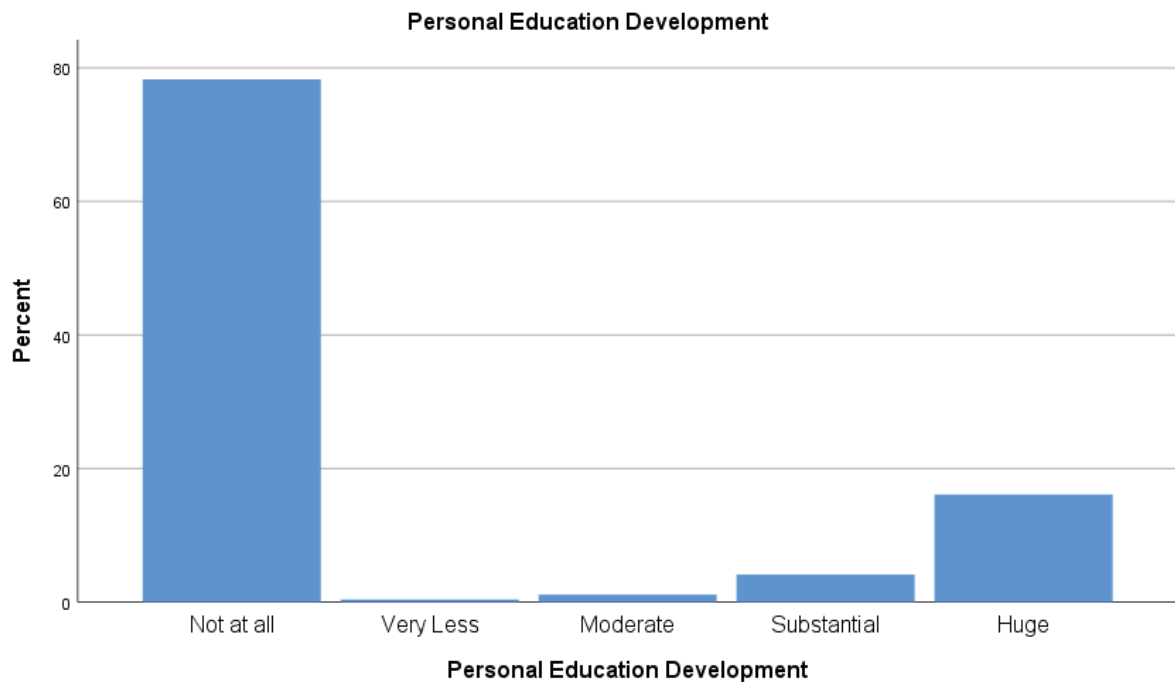


Figure 10- Personal Education Development

Findings: - From the above table and figure we can say that maximum samples say that most of their salary income doesn't goes into educational development.

11. Financial Instruments like LIC/Mutual Funds/PPF etc.

Statistics	
Mean	4.60
Median	5.00
Std. Deviation	1.030

Table 21- Financial Instruments

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	16	6.0	6.0	6.0
	Very Less	3	1.1	1.1	7.1
	Moderate	4	1.5	1.5	8.6
	Substantial	27	10.1	10.1	18.7
	Huge	217	81.3	81.3	100.0
	Total	267	100.0	100.0	

Table 22- Financial Instruments

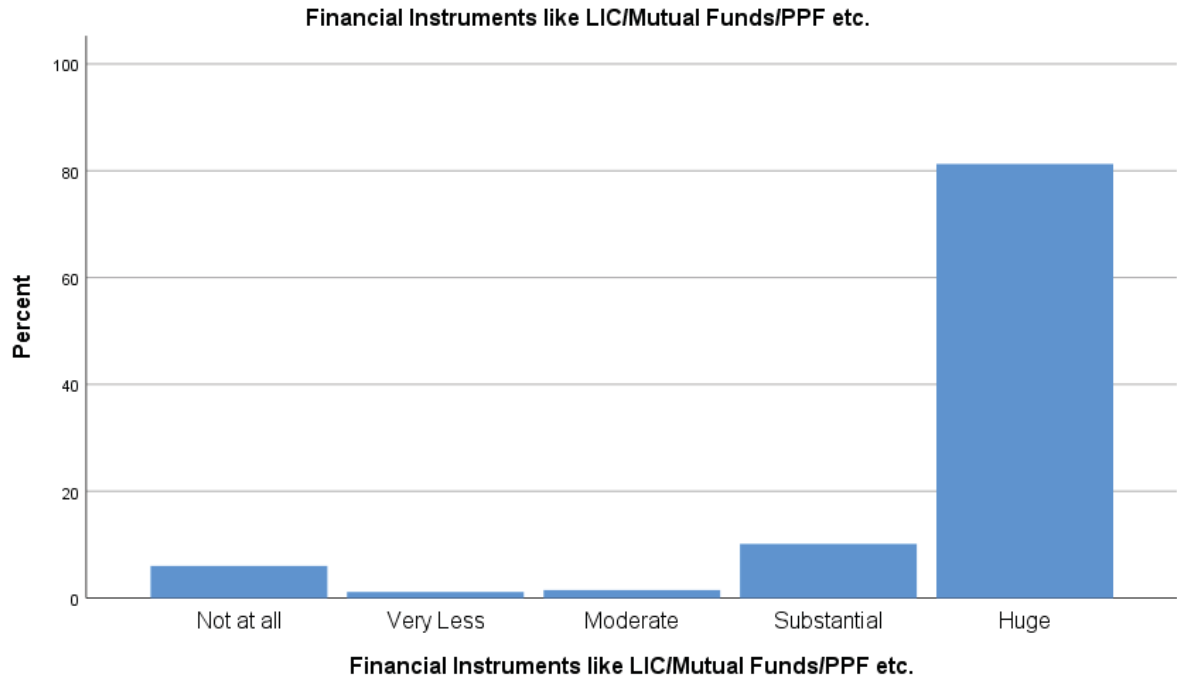


Figure 11- Financial Instruments

Findings: - From the above table and figure we can say that maximum samples say that most of their salary income goes into LIC/Mutual Funds/PPF etc.

12. Food/Drinks and Outings

Statistics	
Mean	4.72
Median	5.00
Std. Deviation	.614

Table 23- Food/Drinks and Outings

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	1	.4	.4	.4
	Very Less	4	1.5	1.5	1.9
	Moderate	5	1.9	1.9	3.7
	Substantial	50	18.7	18.7	22.5
	Huge	207	77.5	77.5	100.0
	Total	267	100.0	100.0	

Table 24- Food/Drinks and Outings

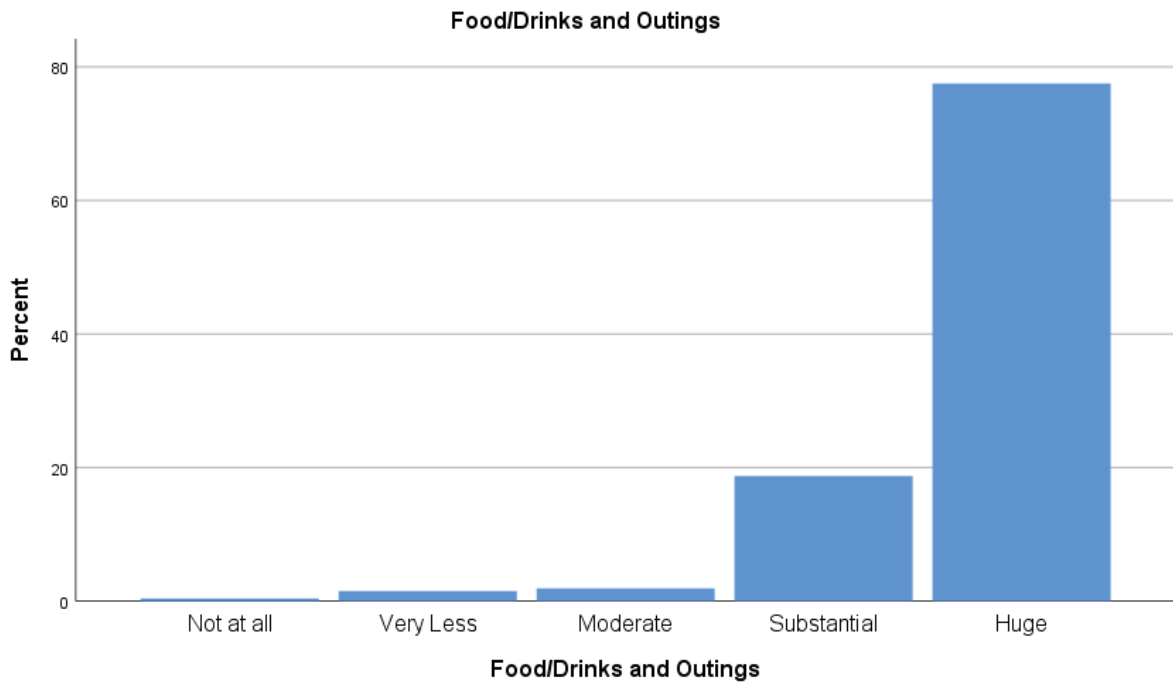


Figure 12- Food/Drinks and Outings

Findings: - From the above table and figure we can say that maximum samples say that most of their salary income goes into Food/Drink and Outings.

13. Monthly Fix Expenditures like Telephone/Light Bill/ Subscriptions digital vs. nondigital

Statistics	
Mean	1.62
Median	1.00
Std. Deviation	1.339

Table 25- Monthly expenditures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	214	80.1	80.1	80.1
	Very Less	6	2.2	2.2	82.4
	Moderate	12	4.5	4.5	86.9
	Substantial	5	1.9	1.9	88.8
	Huge	30	11.2	11.2	100.0
	Total	267	100.0	100.0	

Table 26- Monthly expenditures

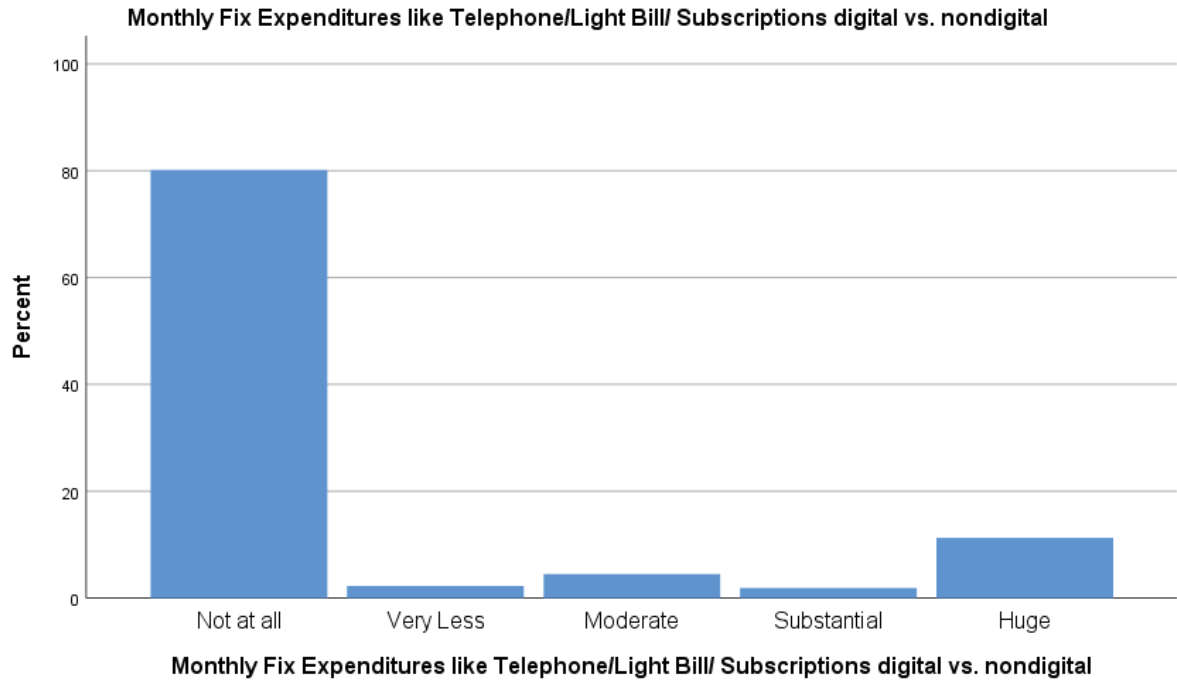


Figure 13- Monthly expenditures

Findings: - From the above table and figure we can say that maximum samples say that most of their salary income doesn't goes into Telephone/Light Bill/ Subscriptions digital vs. nondigital.

14. Holiday Travel (Short as well as Long)

Statistics	
Mean	1.73
Median	1.00
Std. Deviation	1.520

Table 27- Holiday Travel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	216	80.9	80.9	80.9
	Moderate	2	.7	.7	81.6
	Substantial	5	1.9	1.9	83.5
	Huge	44	16.5	16.5	100.0
	Total	267	100.0	100.0	

Table 28- Holiday Travel



Figure 14- Holiday Travel

Findings: - From the above table and figure we can say that maximum samples say that they don't spend much on travelling.

15. Figured out how much money you would need in retirement to be able to maintain the standard of living you want

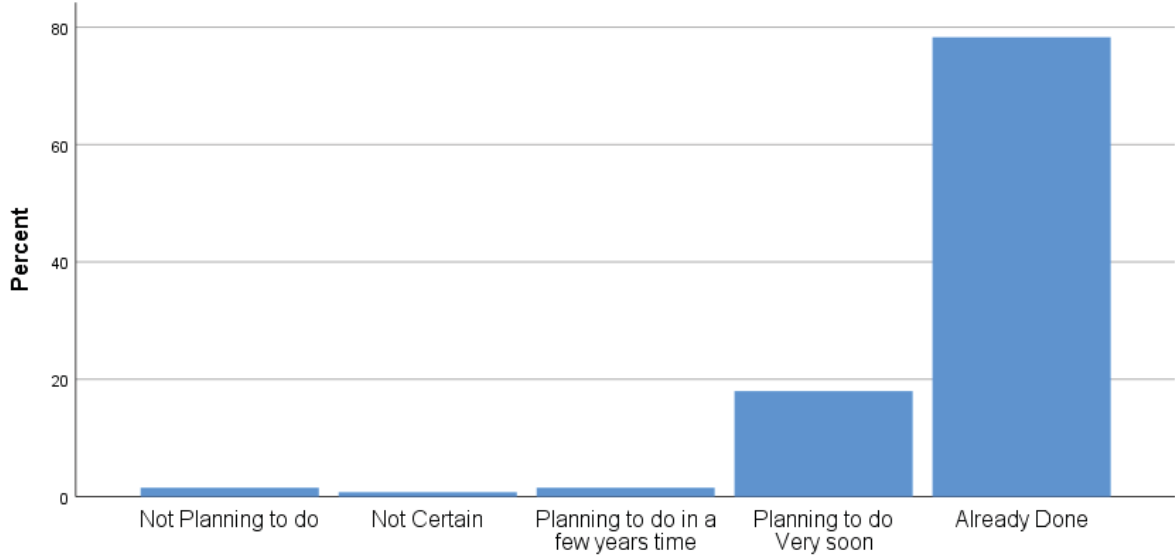
Statistics	
Mean	4.71
Median	5.00
Std. Deviation	.681

Table 29- Money need in retirement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Planning to do	4	1.5	1.5	1.5
	Not Certain	2	.7	.7	2.2
	Planning to do in a few years time	4	1.5	1.5	3.7
	Planning to do Very soon	48	18.0	18.0	21.7
	Already Done	209	78.3	78.3	100.0
	Total	267	100.0	100.0	

Table 30- Money need in retirement

Figured out how much money you would need in retirement to be able to maintain the standard of living you want



Figured out how much money you would need in retirement to be able to maintain the standard of living you want

Figure 15- Money need in retirement

Findings: From the above table and figure we can say that maximum samples have figured out how much money they need at the time of retirement to maintain their std. of living.

16. Prepared an estimate of likely retirement income and expenses

Statistics	
Mean	4.85
Median	5.00
Std. Deviation	.434

Table 31- Retirement income and expenses

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Certain	1	.4	.4	.4
	Planning to do in a few years time	5	1.9	1.9	2.2
	Planning to do Very soon	27	10.1	10.1	12.4
	Already Done	234	87.6	87.6	100.0
	Total	267	100.0	100.0	

Table 32- Retirement income and expenses

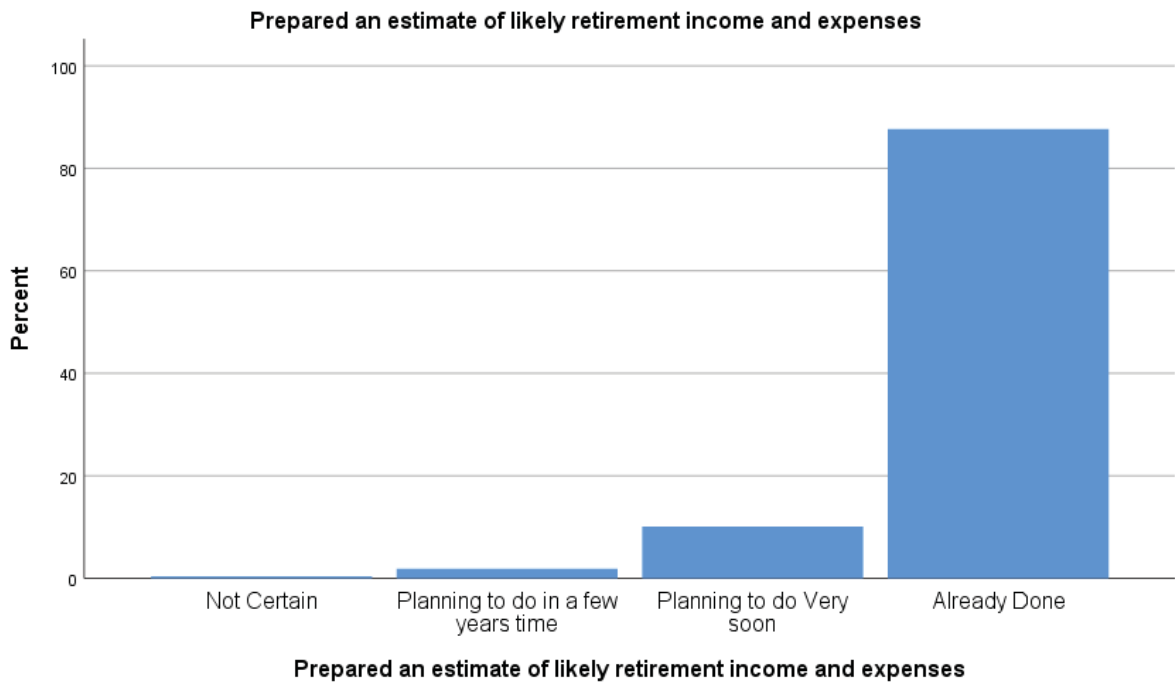


Figure 16- Retirement income and expenses

Findings: From the above table and figure we can say that maximum samples have prepare an estimate about the income and expenses likely to happen in retirement.

17. Established a program to save for retirement (other than EPF & Government pensions)

Statistics	
Mean	4.21
Median	5.00
Std. Deviation	1.390

Table 33- Established a program to save for retirement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Planning to do	30	11.2	11.2	11.2
	Not Certain	15	5.6	5.6	16.9
	Planning to do in a few years time	10	3.7	3.7	20.6
	Planning to do Very soon	27	10.1	10.1	30.7
	Already Done	185	69.3	69.3	100.0
	Total	267	100.0	100.0	

Table 34- Established a program to save for retirement

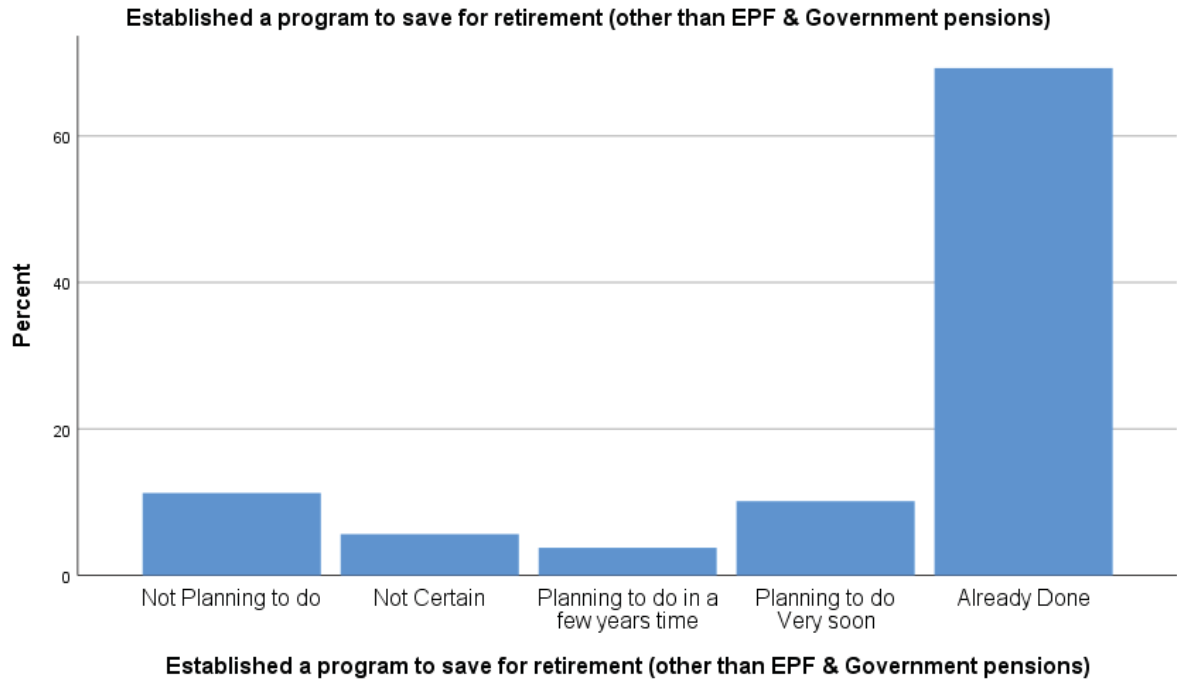


Figure 17- Established a program to save for retirement

Findings: From the above table and figure we can say that maximum samples are saving through EPF and other government pension schemes.

18. Looked into health-care coverage you will have during retirement

Statistics	
Mean	4.66
Median	5.00
Std. Deviation	.714

Table 35- Health-care coverage during retirement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Planning to do	3	1.1	1.1	1.1
	Not Certain	4	1.5	1.5	2.6
	Planning to do in a few years time	8	3.0	3.0	5.6
	Planning to do Very soon	50	18.7	18.7	24.3
	Already Done	202	75.7	75.7	100.0
	Total	267	100.0	100.0	

Table 36- Health-care coverage during retirement

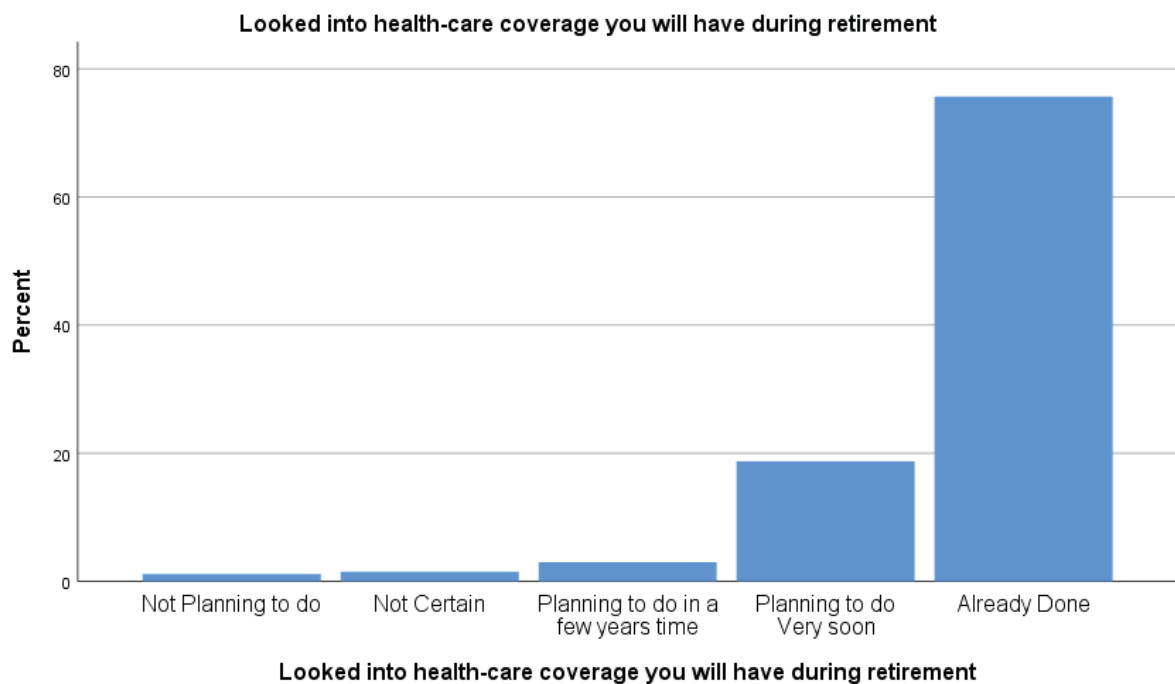


Figure 18- Health-care coverage during retirement

Findings: From the above table and figure we can say that maximum samples have understood the healthcare coverage they might need during their retirement.

19. Decide where to live in retirement

Statistics	
Mean	4.54
Median	5.00
Std. Deviation	.902

Table 37- Where to live in retirement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Planning to do	10	3.7	3.7	3.7
	Not Certain	3	1.1	1.1	4.9
	Planning to do in a few years time	6	2.2	2.2	7.1
	Planning to do Very soon	63	23.6	23.6	30.7
	Already Done	185	69.3	69.3	100.0
	Total	267	100.0	100.0	

Table 38- Where to live in retirement

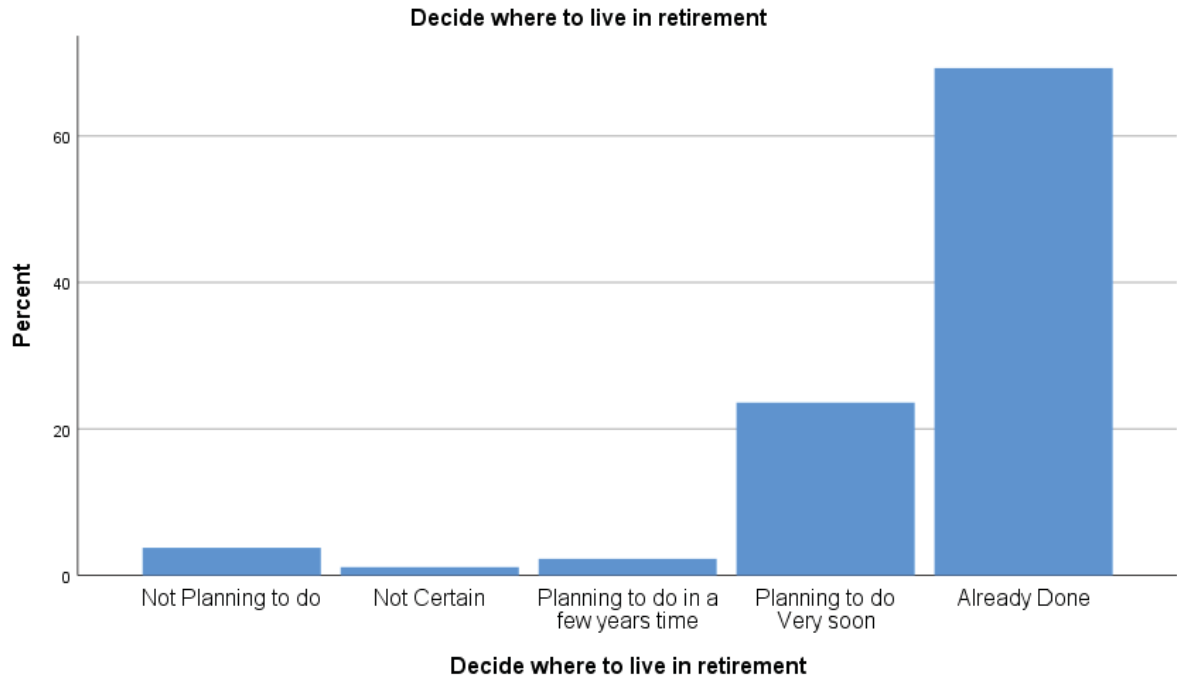


Figure 19- Where to live in retirement

Findings: From the above table and figure we can say that maximum samples have decided where they will make their stay after the retirement.

20. Purchased long-term-care insurance

Statistics	
Mean	4.71
Median	5.00
Std. Deviation	.530

Table 39- Long-term-care insurance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Planning to do	1	.4	.4	.4
	Planning to do in a few years time	4	1.5	1.5	1.9
	Planning to do Very soon	65	24.3	24.3	26.2
	Already Done	197	73.8	73.8	100.0
	Total	267	100.0	100.0	

Table 40- Long-term-care insurance

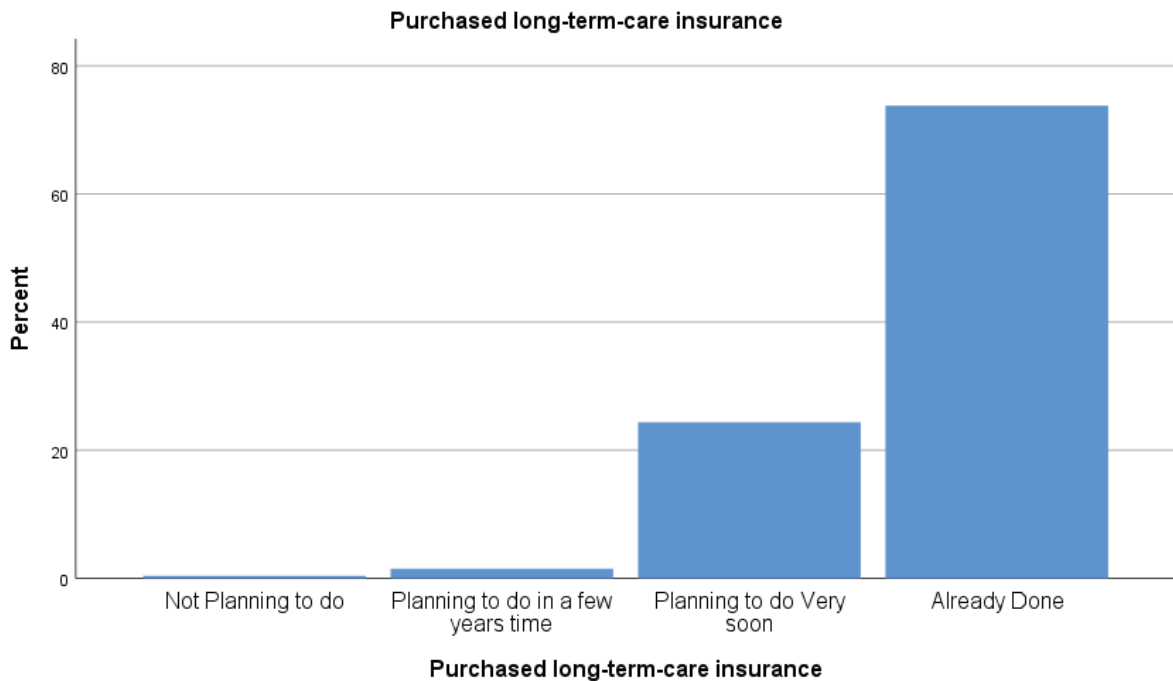


Figure 20- Long-term-care insurance

Findings: From the above table and figure we can say that maximum samples have taken a long-term care insurance.

21. Have a formal financial plan prepared by a professional financial planner

Statistics	
Mean	4.60
Median	5.00
Std. Deviation	.716

Table 41- Professional financial planner

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Planning to do	1	.4	.4	.4
	Not Certain	5	1.9	1.9	2.2
	Planning to do in a few years time	15	5.6	5.6	7.9
	Planning to do Very soon	59	22.1	22.1	30.0
	Already Done	187	70.0	70.0	100.0
	Total	267	100.0	100.0	

Table 42- Professional financial planner

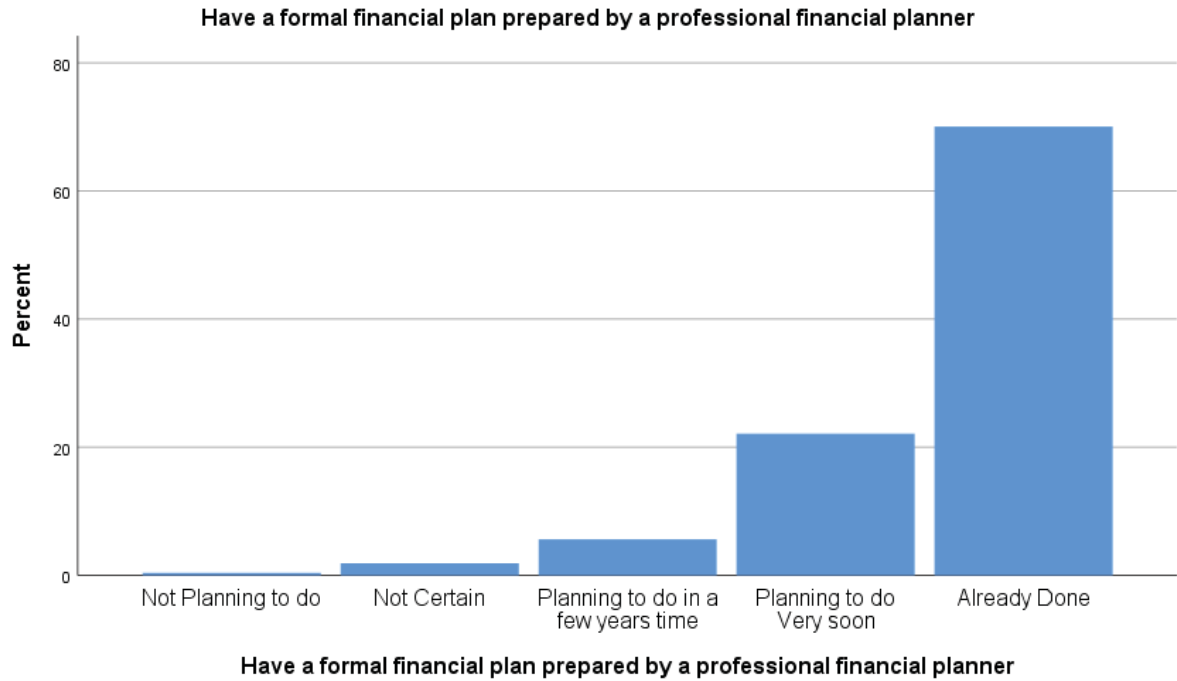


Figure 21- Professional financial planner

Findings: From the above table and figure we can say that maximum samples have understood the healthcare coverage they might need during their retirement.

22. Compared to your parents' generation, do you expect to be worse off or better off in healthcare

Statistics	
Mean	4.66
Median	5.00
Std. Deviation	.693

Table 43- Comparing generation healthcare

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Bad	4	1.5	1.5	1.5
	Uncertain	10	3.7	3.7	5.2
	Little Better	54	20.2	20.2	25.5
	Much Better	199	74.5	74.5	100.0
	Total	267	100.0	100.0	

Table 44- Comparing generation healthcare

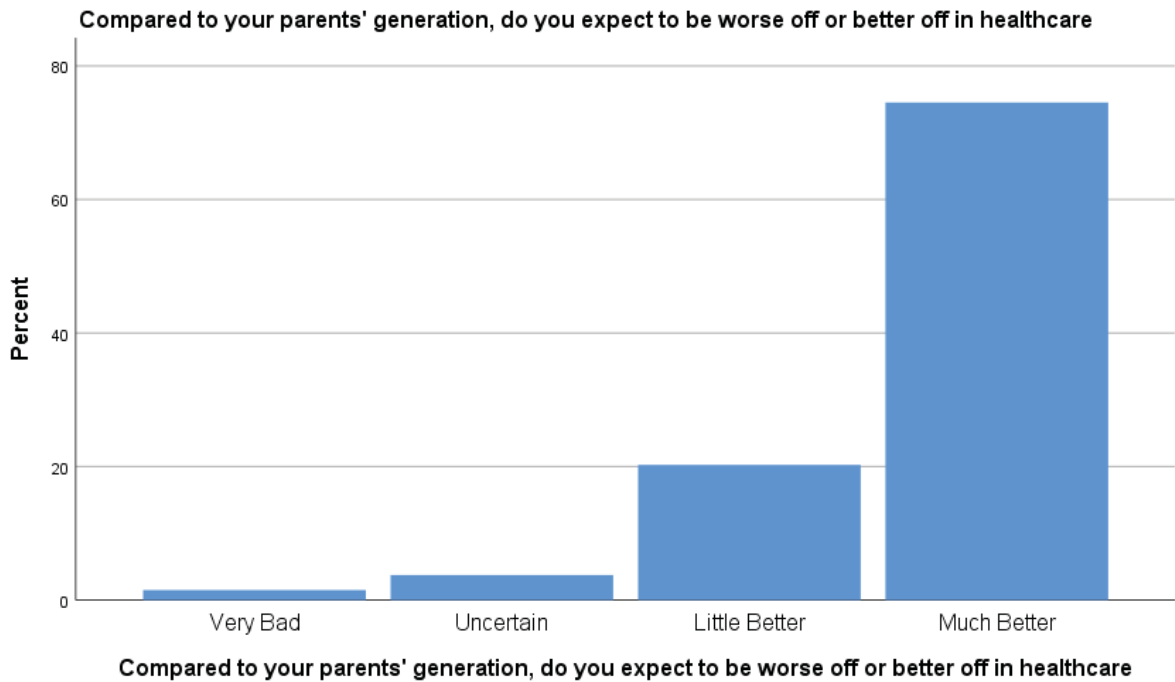


Figure 22- Comparing generation healthcare

Findings: From the above table and figure we can say that maximum samples have to say that as compare to their parents their health is much better.

23. Compared to your parents' generation, do you expect to be worse off or better off in being Independent

Statistics	
Mean	4.72
Median	5.00
Std. Deviation	.614

Table 45- Comparing generation independent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Bad	1	.4	.4	.4
	Little Worse	4	1.5	1.5	1.9
	Uncertain	5	1.9	1.9	3.7
	Little Better	50	18.7	18.7	22.5
	Much Better	207	77.5	77.5	100.0

Total	267	100.0	100.0	
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Table 46- Comparing generation independent

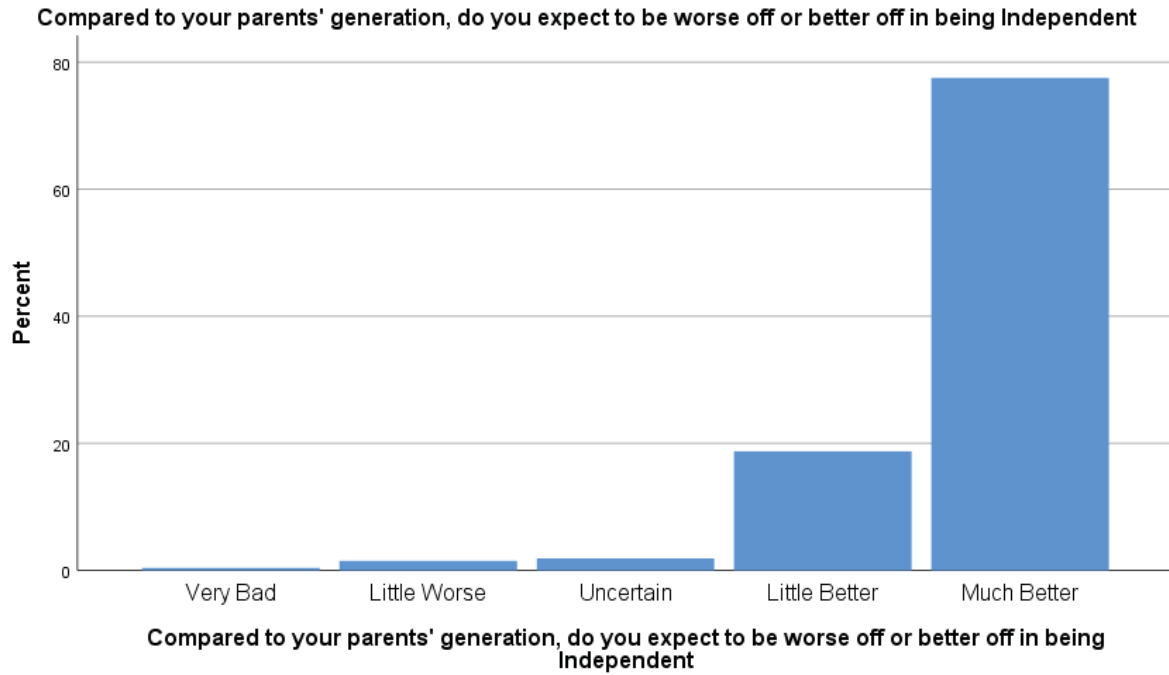


Figure 23- Comparing generation independent

Findings: From the above table and figure we can say that maximum samples say that as compare to their parents time they feel more independent.

24. Compared to your parents' generation, do you expect to be worse off or better off in having enough money

Statistics	
Mean	4.74
Median	5.00

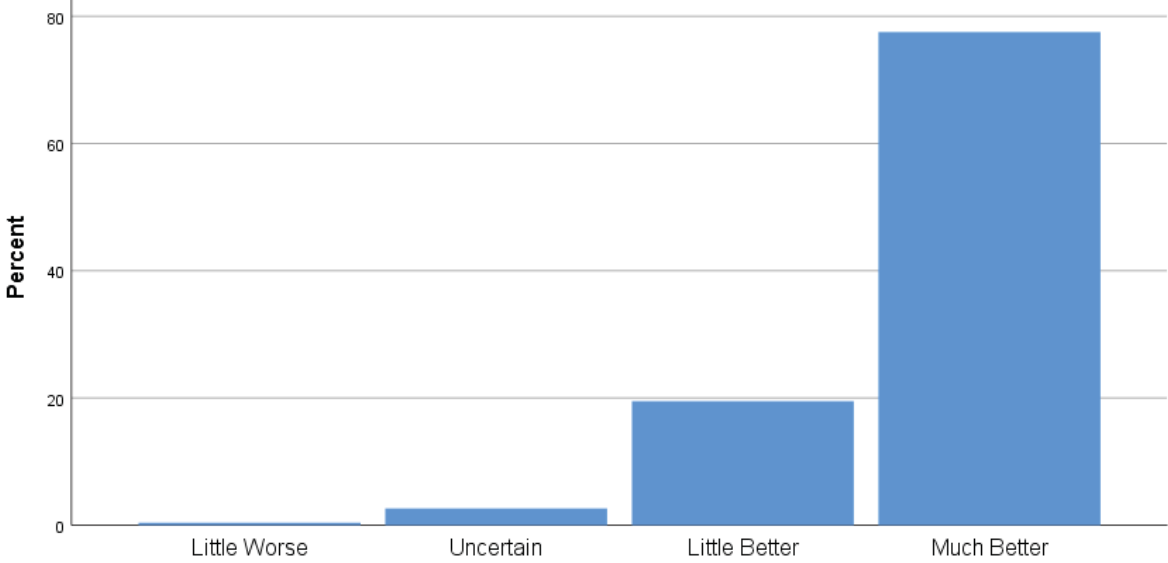
Std. Deviation	.517
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Table 47- Comparing generation having money

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Little Worse	1	.4	.4	.4
	Uncertain	7	2.6	2.6	3.0
	Little Better	52	19.5	19.5	22.5
	Much Better	207	77.5	77.5	100.0
	Total	267	100.0	100.0	

Table 48- Comparing generation independent

Compared to your parents' generation, do you expect to be worse off or better off in having enough money



Compared to your parents' generation, do you expect to be worse off or better off in having enough money

Figure 24- Comparing generation independent

Findings: From the above table and figure we can say that maximum samples say that they will have enough money as compare to their parents.

25. Compared to your parents' generation, do you expect to be worse off or better off in personal health

Statistics	
Mean	4.81
Median	5.00
Std. Deviation	.461

Table 49- Comparing generation health

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Bad	1	.4	.4	.4
	Uncertain	2	.7	.7	1.1
	Little Better	42	15.7	15.7	16.9
	Much Better	222	83.1	83.1	100.0
	Total	267	100.0	100.0	

Table 50- Comparing generation health

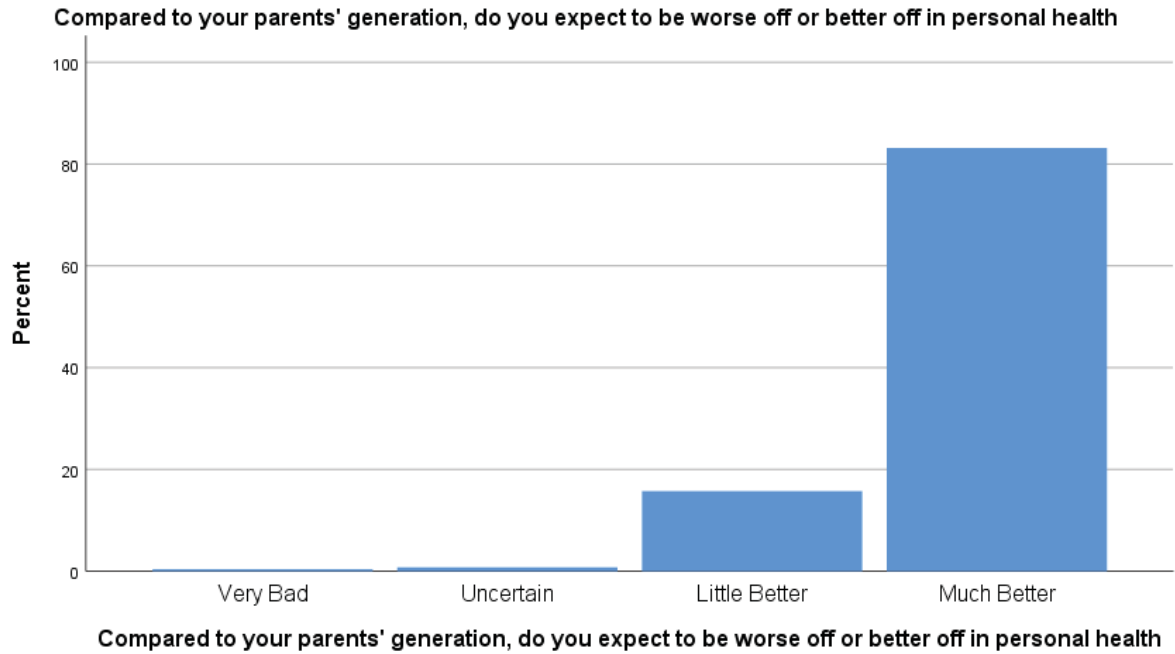


Figure 25- Comparing generation health

Findings: From the above table and figure we can say that maximum samples say that they will have much better personal health as compared to their parents.

26. Compared to your parents' generation, do you expect to be worse off or better off in ability to stay involved

Statistics	
Mean	4.60
Median	5.00
Std. Deviation	1.030

Table 51- Comparing generation involvement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Bad	16	6.0	6.0	6.0
	Little Worse	3	1.1	1.1	7.1
	Uncertain	4	1.5	1.5	8.6
	Little Better	27	10.1	10.1	18.7
	Much Better	217	81.3	81.3	100.0
	Total	267	100.0	100.0	

Table 52- Comparing generation involvement

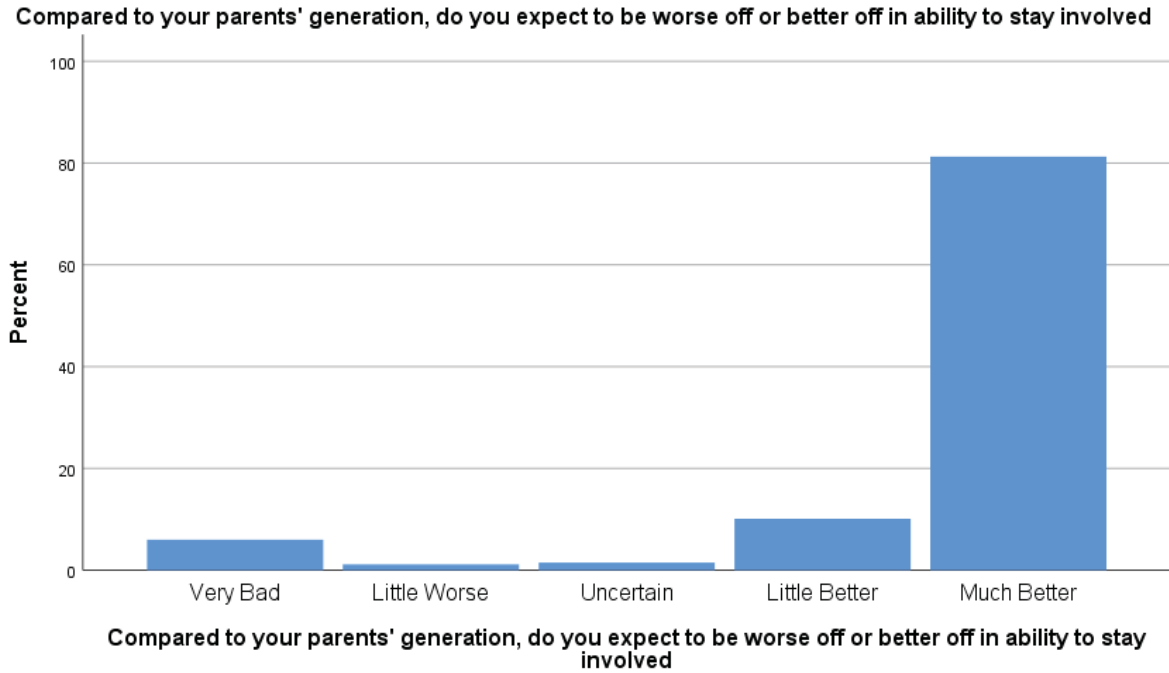


Figure 26- Comparing generation involvement

Findings: From the above table and figure we can say that maximum samples say that they believe that after retirement they will be much involved in their day to day tasks as compared to their parents.

27. In ten years, do you think the cost of a college education would have increased?

Statistics	
Mean	4.45
Median	5.00
Std. Deviation	1.004

Table 53- Cost of a college education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Same	13	4.9	4.9	4.9
	Uncertain	2	.7	.7	5.6
	Increased less than half	17	6.4	6.4	12.0
	Increased more than half	54	20.2	20.2	32.2
	At least increased double	181	67.8	67.8	100.0
	Total	267	100.0	100.0	

Table 54- Cost of a college education

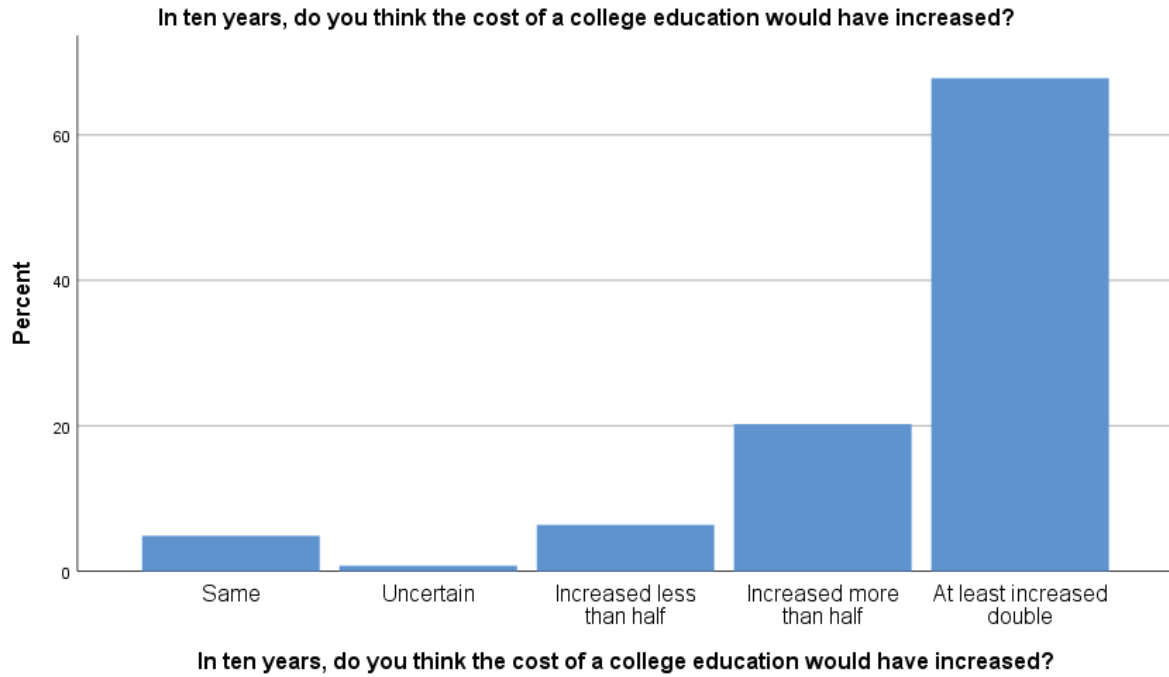


Figure 27- Cost of a college education

Findings: From the above table and figure we can say that maximum samples believe that in coming ten years the cost of education will at least get doubled from now what it is.

28. How financially well-off do you think your parents are and need not depend on you for financial support?

Statistics	
Mean	4.54
Median	5.00
Std. Deviation	1.077

Table 55- Parents depend on financial support

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Poor	15	5.6	5.6	5.6
	Poor	6	2.2	2.2	7.9
	Neutral	13	4.9	4.9	12.7
	Good	20	7.5	7.5	20.2
	Very Good	213	79.8	79.8	100.0
	Total	267	100.0	100.0	

Table 56- Parents depend on financial support

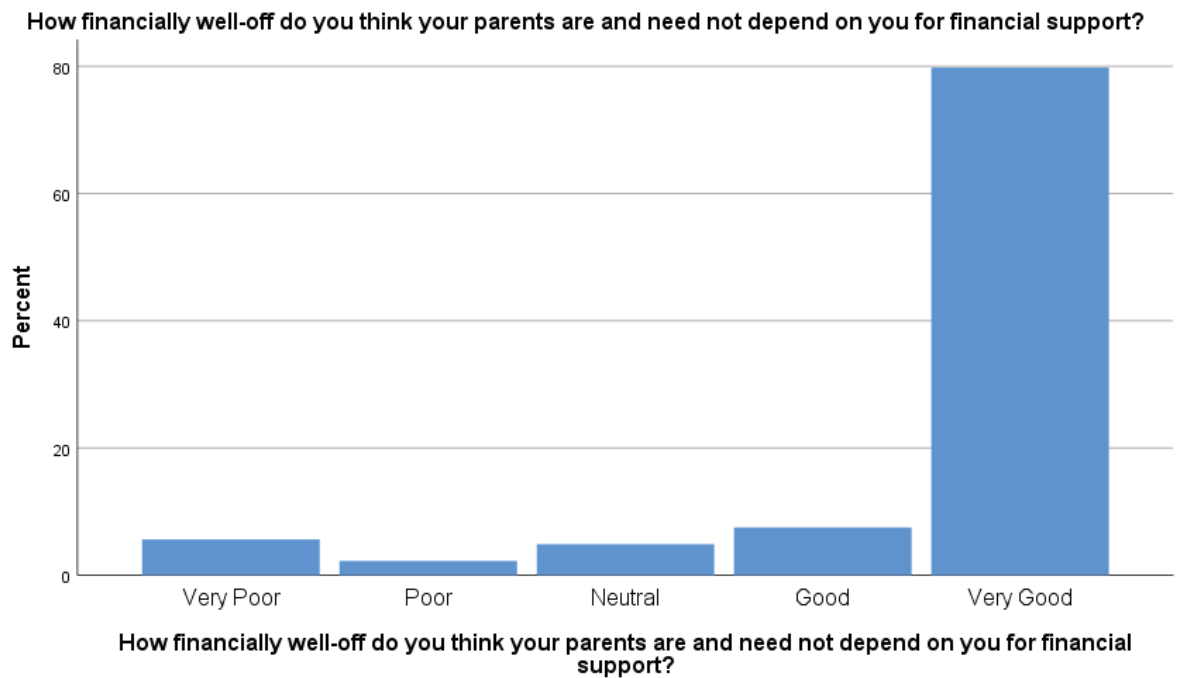


Figure 28- Parents depend on financial support

Findings: From the above table and figure we can say that maximum samples say that their parents are financially well to do, and they don't have to depend on them for financial support.

29. Poor Health Worries

Statistics	
Mean	1.19
Median	1.00
Std. Deviation	.729

Table 57- Poor Health Worries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Least Worried	245	91.8	91.8	91.8
	Somewhat Worried	9	3.4	3.4	95.1
	Neutral	2	.7	.7	95.9
	Much Worried	6	2.2	2.2	98.1
	Most Worried	5	1.9	1.9	100.0
	Total	267	100.0	100.0	

Table 58- Poor Health Worries

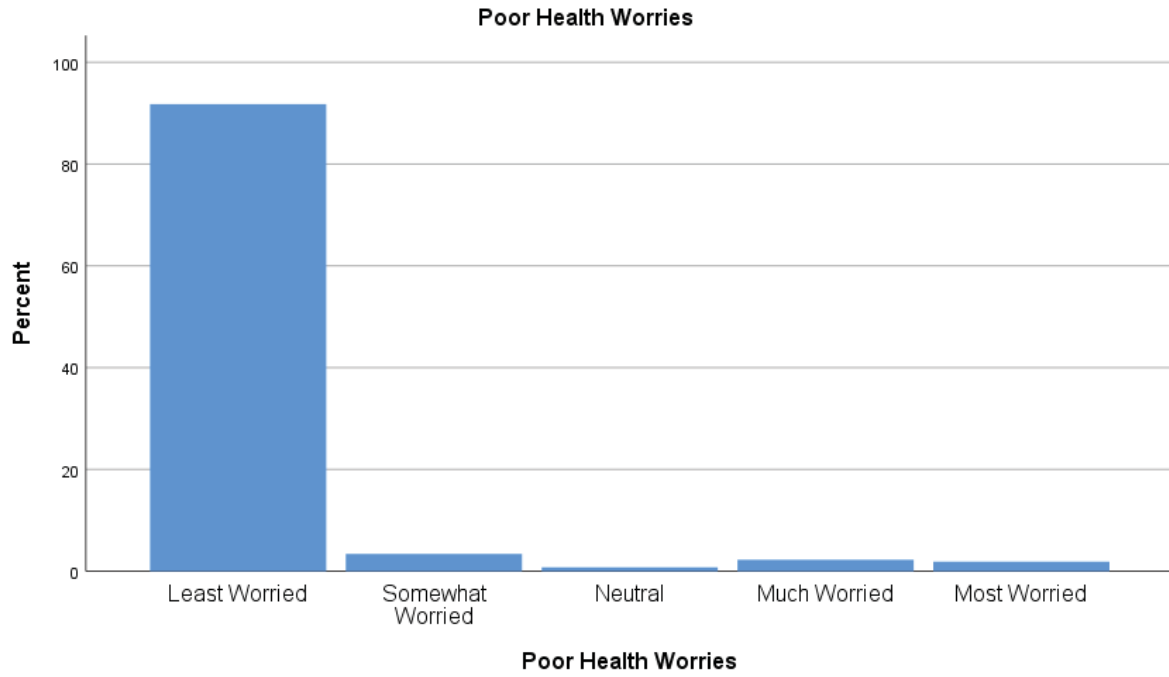


Figure 29- Poor Health Worries

Findings: From the above table and figure we can say that maximum samples are least worried about their health.

30. Financial Worries

Statistics	
Mean	1.18
Median	1.00
Std. Deviation	.764

Table 59- Financial Worries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Least Worried	251	94.0	94.0	94.0
	Somewhat Worried	3	1.1	1.1	95.1
	Neutral	1	.4	.4	95.5
	Much Worried	5	1.9	1.9	97.4
	Most Worried	7	2.6	2.6	100.0
	Total	267	100.0	100.0	

Table 60- Financial Worries

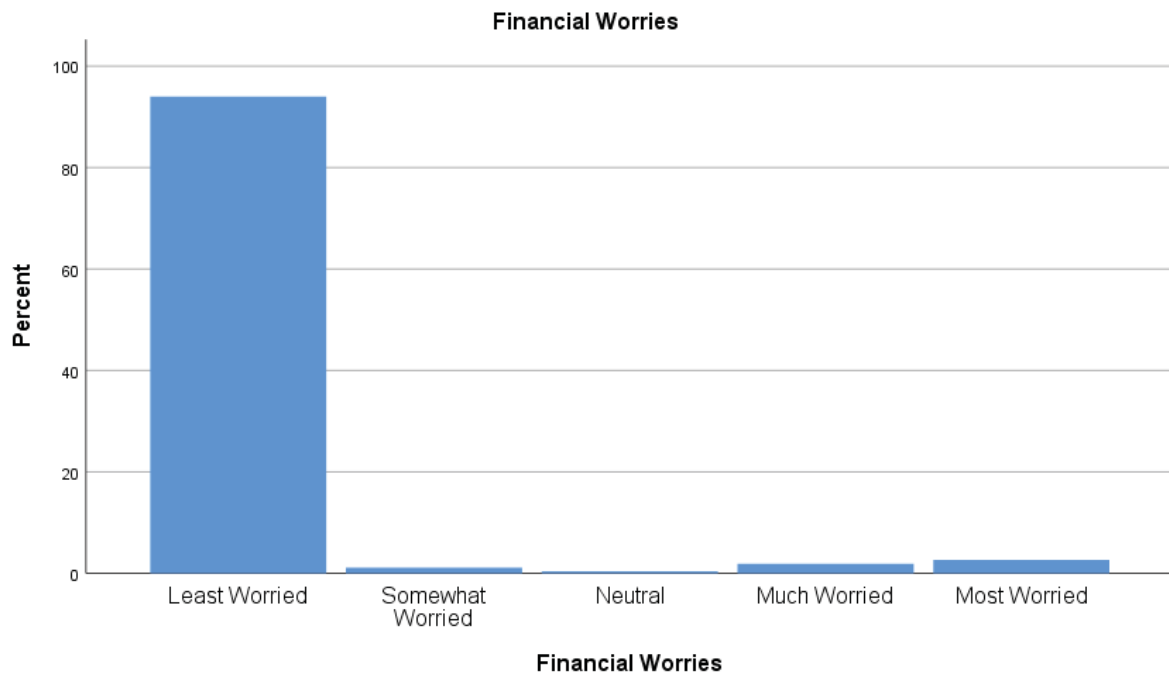


Figure 30- Financial Worries

Findings: From the above table and figure we can say that maximum samples are not having financial worries or even if it is there it will be least.

31. Boredom Worries

Statistics	
Mean	1.26
Median	1.00
Std. Deviation	.945

Table 61- Boredom Worries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Least Worried	247	92.5	92.5	92.5
	Neutral	3	1.1	1.1	93.6
	Much Worried	4	1.5	1.5	95.1
	Most Worried	13	4.9	4.9	100.0
	Total	267	100.0	100.0	

Table 62- Boredom Worries

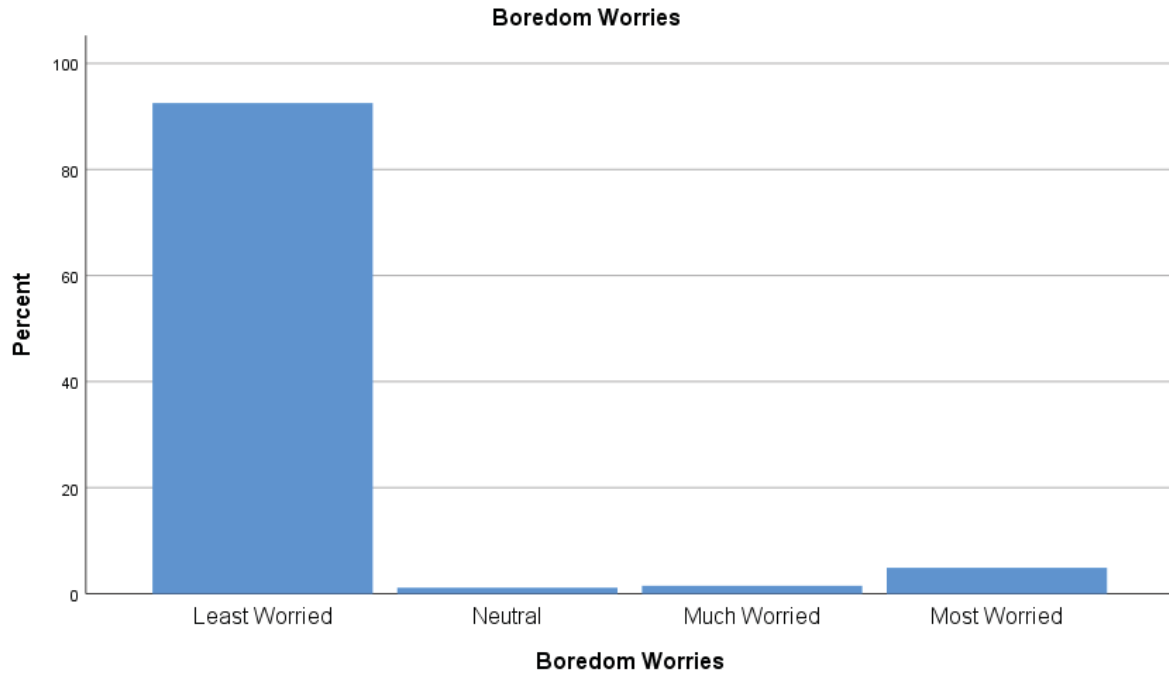


Figure 31- Boredom Worries

Findings: From the above table and figure we can say that maximum samples have to say that they are not having an anxious feeling where they will believe to run away.

32. Alienation Worries

Statistics	
Mean	3.90
Median	5.00
Std. Deviation	1.528

Table 63- Alienation Worries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Least Worried	46	17.2	17.2	17.2
	Somewhat Worried	11	4.1	4.1	21.3
	Neutral	17	6.4	6.4	27.7
	Much Worried	44	16.5	16.5	44.2
	Most Worried	149	55.8	55.8	100.0
	Total	267	100.0	100.0	

Table 64- Alienation Worries

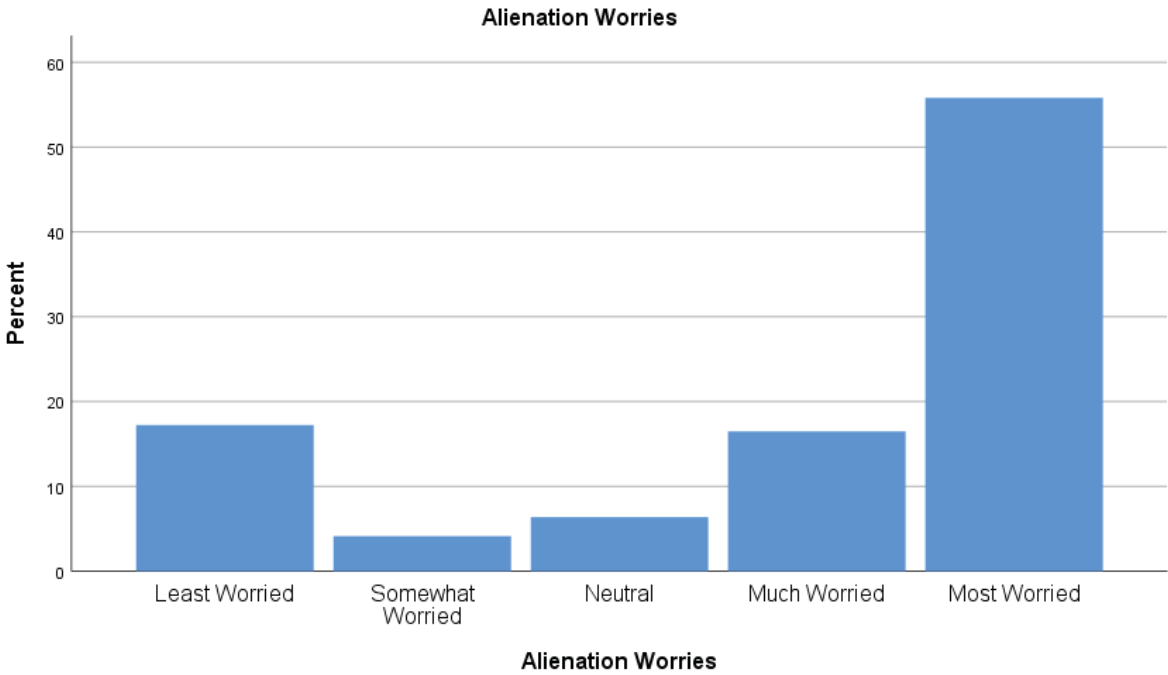


Figure 32- Alienation Worries

Findings: From the above table and figure we can say that maximum samples are worried of separation from the family.

33. Neglected Worries

Statistics	
Mean	1.27
Median	1.00
Std. Deviation	.805

Table 65- Neglected Worries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Least Worried	237	88.8	88.8	88.8
	Somewhat Worried	6	2.2	2.2	91.0
	Neutral	6	2.2	2.2	93.3
	Much Worried	18	6.7	6.7	100.0
	Total	267	100.0	100.0	

Table 66- Neglected Worries

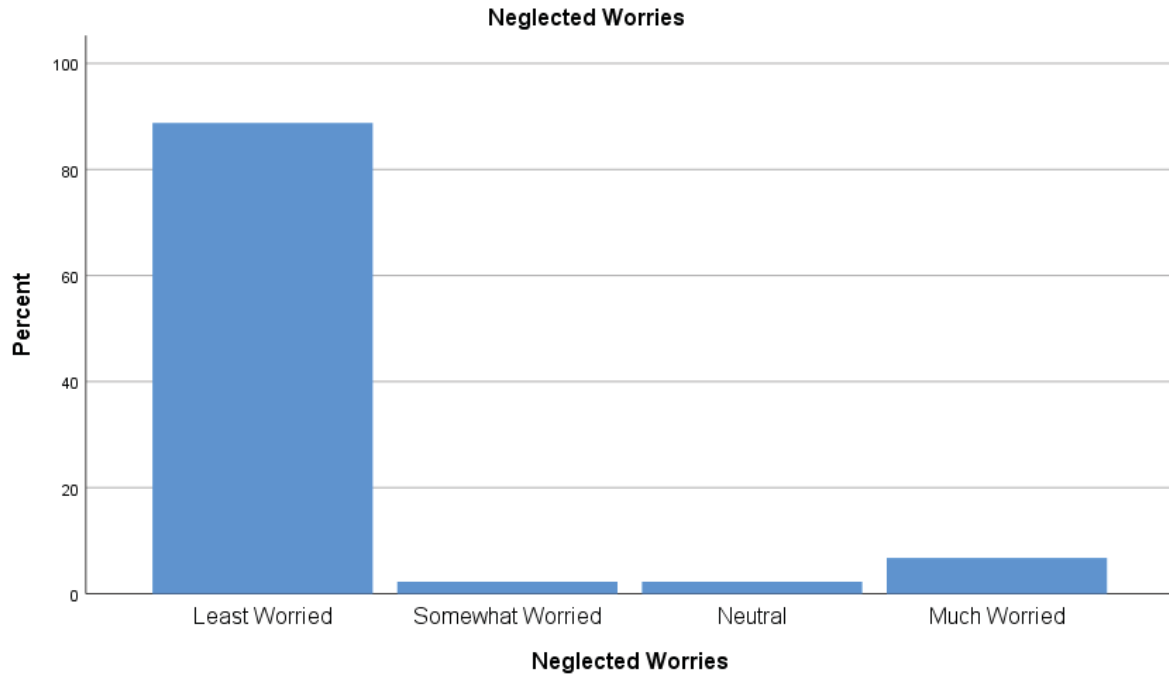


Figure 33- Neglected Worries

Findings: From the above table and figure we can say that maximum samples believe that people do give attention to them and they are least worried to feel to be neglected.

34. Giving your best approximation, what do you expect the total value of all your savings and investments to be when you retire? Please do not include the accumulated value of your retirement fund(s) through an employer. (in Lakhs)

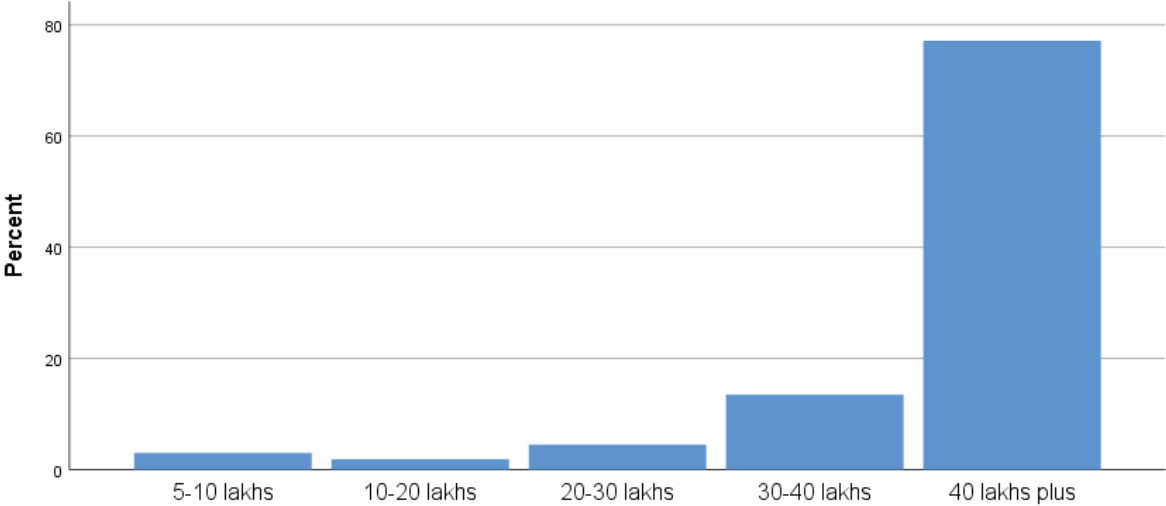
Statistics	
Mean	4.60
Median	5.00
Std. Deviation	.897

Table 67- Savings and investments when you retire

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5-10 lakhs	8	3.0	3.0	3.0
	10-20 lakhs	5	1.9	1.9	4.9
	20-30 lakhs	12	4.5	4.5	9.4
	30-40 lakhs	36	13.5	13.5	22.8
	40 lakhs plus	206	77.2	77.2	100.0
	Total	267	100.0	100.0	

Table 68- Savings and investments when you retire

Giving your best approximation, what do you expect the total value of all your savings and investments to be when you retire? Please do not include the accumulated value of your retirement fund(s) through an employer. (in Lakhs)



Giving your best approximation, what do you expect the total value of all your savings and investments to be when you retire? Please do not include the accumulated value of your retirement fund(s) through an employer. (in Lakhs)

Figure 34- Savings and investments when you retire

Findings: From the above table and figure we can say that maximum samples want to have more than 40 lakhs as their retirement saving/investments in this the they haven't considered the amount they will get from various employers during their work tenures in terms of EPF etc.

35. Approximately how are your current savings and investments distributed (besides your pension plan)?-Property

Statistics	
Mean	4.60
Median	5.00
Std. Deviation	.897

Table 69- Current savings and investments distributed-Property

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-20%	8	3.0	3.0	3.0
	20-40%	5	1.9	1.9	4.9
	40-60%	12	4.5	4.5	9.4
	60-80%	36	13.5	13.5	22.8
	80-100%	206	77.2	77.2	100.0
	Total	267	100.0	100.0	

Table 70- Current savings and investments distributed-Property

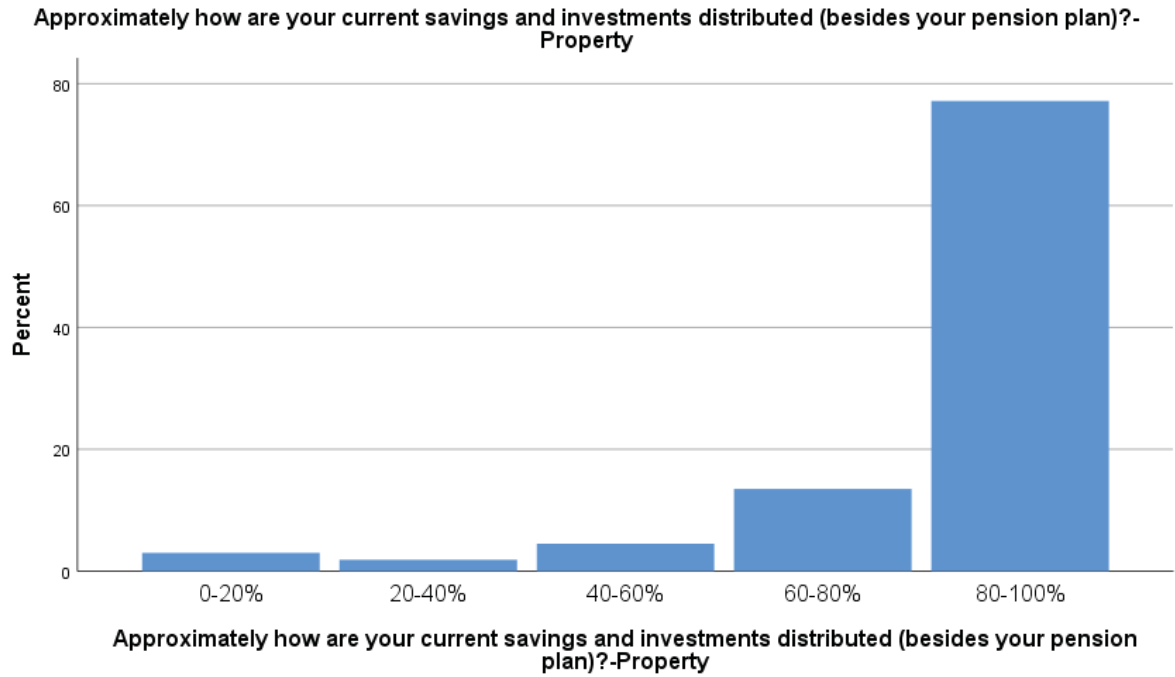


Figure 35- Current savings and investments distributed-Property

Findings: From the above table and figure we can say that maximum samples say that when it comes to investment and saving maximum money goes into property.

36. Approximately how are your current savings and investments distributed (besides your pension plan)?-Stocks

Statistics	
Mean	1.18
Median	1.00
Std. Deviation	.764

Table 71- Current savings and investments distributed-Stocks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-20%	251	94.0	94.0	94.0
	20-40%	3	1.1	1.1	95.1
	40-60%	1	.4	.4	95.5
	60-80%	5	1.9	1.9	97.4
	80-100%	7	2.6	2.6	100.0
	Total	267	100.0	100.0	

Table 72- Current savings and investments distributed-Stocks

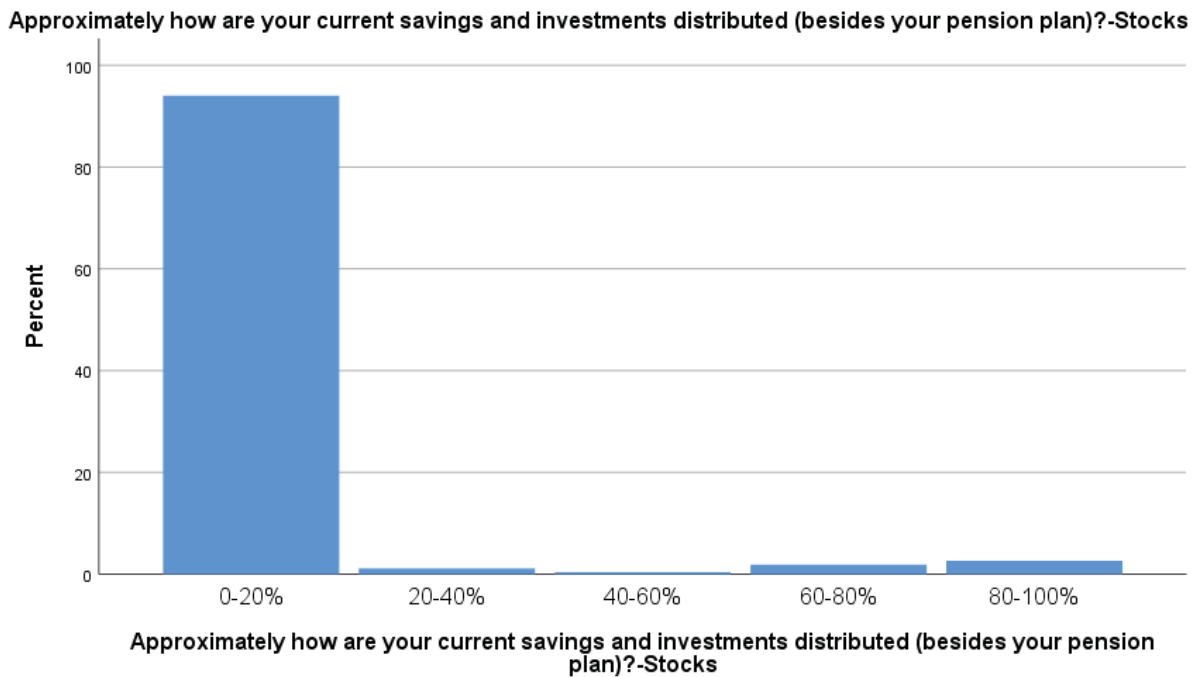


Figure 36- Current savings and investments distributed-Stocks

Findings: From the above table and figure we can say that maximum samples say that when it comes to investment and saving least money they put into stocks.

37. Approximately how are your current savings and investments distributed (besides your pension plan)?-Commodities

Statistics	
Mean	1.26
Median	1.00
Std. Deviation	.945

Table 73- Current savings and investments distributed-Commodities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-20%	247	92.5	92.5	92.5
	40-60%	3	1.1	1.1	93.6
	60-80%	4	1.5	1.5	95.1
	80-100%	13	4.9	4.9	100.0
	Total	267	100.0	100.0	

Table 74- Current savings and investments distributed-Commodities

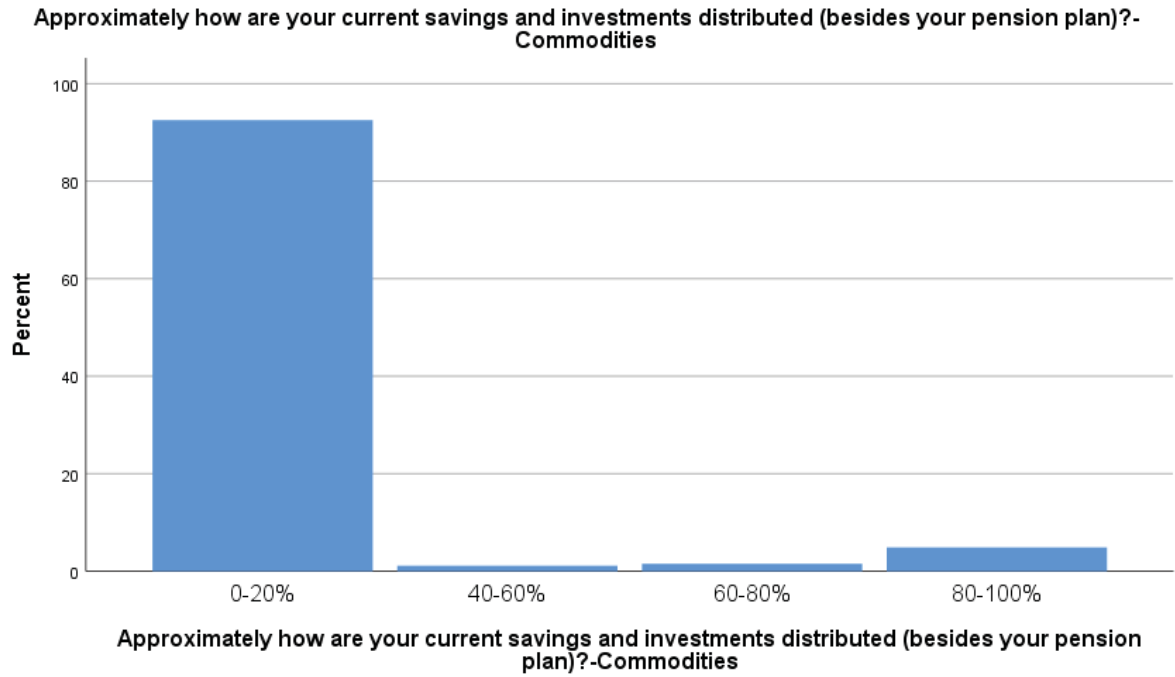


Figure 37- Current savings and investments distributed-Commodities

Findings: From the above table and figure we can say that maximum samples say that when it comes to investment and saving least money to invest in commodities like gold silver etc.

38. Approximately how are your current savings and investments distributed (besides your pension plan)?-Government Saving Options (PPF/Postal Savings)

Statistics	
Mean	4.45
Median	5.00
Std. Deviation	.946

Table 75- Current savings and investments distributed-Government Saving Option

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-20%	11	4.1	4.1	4.1
	20-40%	3	1.1	1.1	5.2
	40-60%	11	4.1	4.1	9.4
	60-80%	72	27.0	27.0	36.3
	80-100%	170	63.7	63.7	100.0
	Total	267	100.0	100.0	

Table 76- Current savings and investments distributed-Government Saving Option

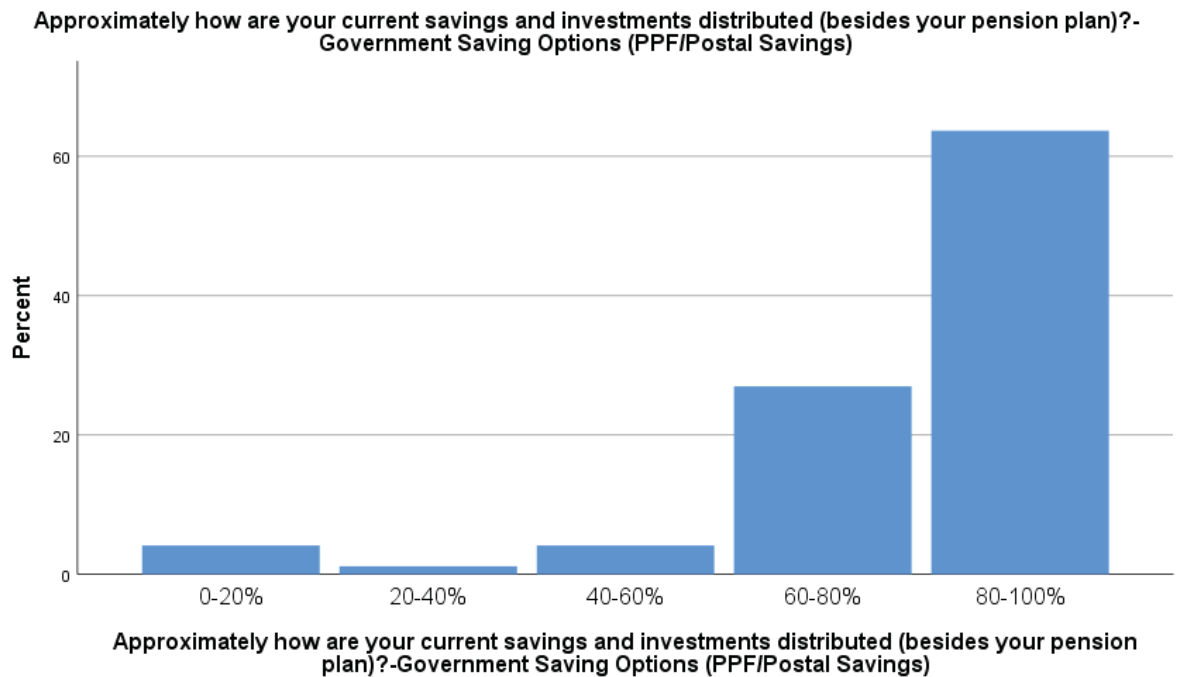


Figure 38- Current savings and investments distributed-Government Saving Option

Findings: From the above table and figure we can say that maximum samples say that they do put maximum money they can into PPF or other government saving options.

39. Approximately how are your current savings and investments distributed (besides your pension plan)?-Insurance

Statistics	
Mean	4.80
Median	5.00
Std. Deviation	.566

Table 77- Current savings and investments distributed-Insurance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-20%	2	.7	.7	.7
	20-40%	1	.4	.4	1.1
	40-60%	6	2.2	2.2	3.4
	60-80%	31	11.6	11.6	15.0
	80-100%	227	85.0	85.0	100.0
	Total	267	100.0	100.0	

Table 78- Current savings and investments distributed-Insurance

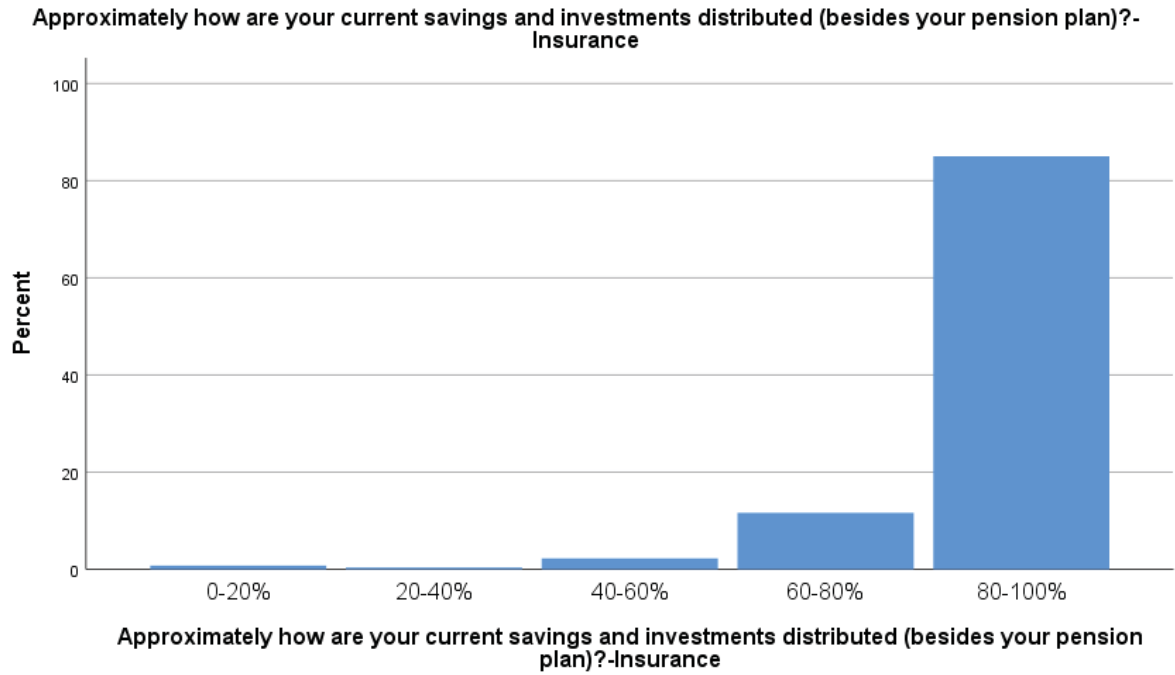


Figure 39- Current savings and investments distributed-Insurance

Findings: From the above table and figure we can say that maximum samples say that when it comes to investment and saving maximum money they can invest goes into insurance also

40. Approximately how are your current savings and investments distributed (besides your pension plan)?-Others

Statistics	
Mean	4.63
Median	5.00
Std. Deviation	.549

Table 79- Current savings and investments distributed-others

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-40%	1	.4	.4	.4
	40-60%	6	2.2	2.2	2.6
	60-80%	83	31.1	31.1	33.7
	80-100%	177	66.3	66.3	100.0
	Total	267	100.0	100.0	

Table 80- Current savings and investments distributed-others



Figure 40- Current savings and investments distributed-others

Findings: From the above table and figure we can say that maximum samples say they also have some other savings and investment plans which they don't want to share.

41. How do you rate your risk appetite?

Statistics	
Mean	4.66
Median	5.00
Std. Deviation	.683

Table 81- Risk appetite

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Low	7	2.6	2.6	2.6
	Neutral	11	4.1	4.1	6.7
	High	48	18.0	18.0	24.7
	Very High	201	75.3	75.3	100.0
	Total	267	100.0	100.0	

Table 82- Risk appetite

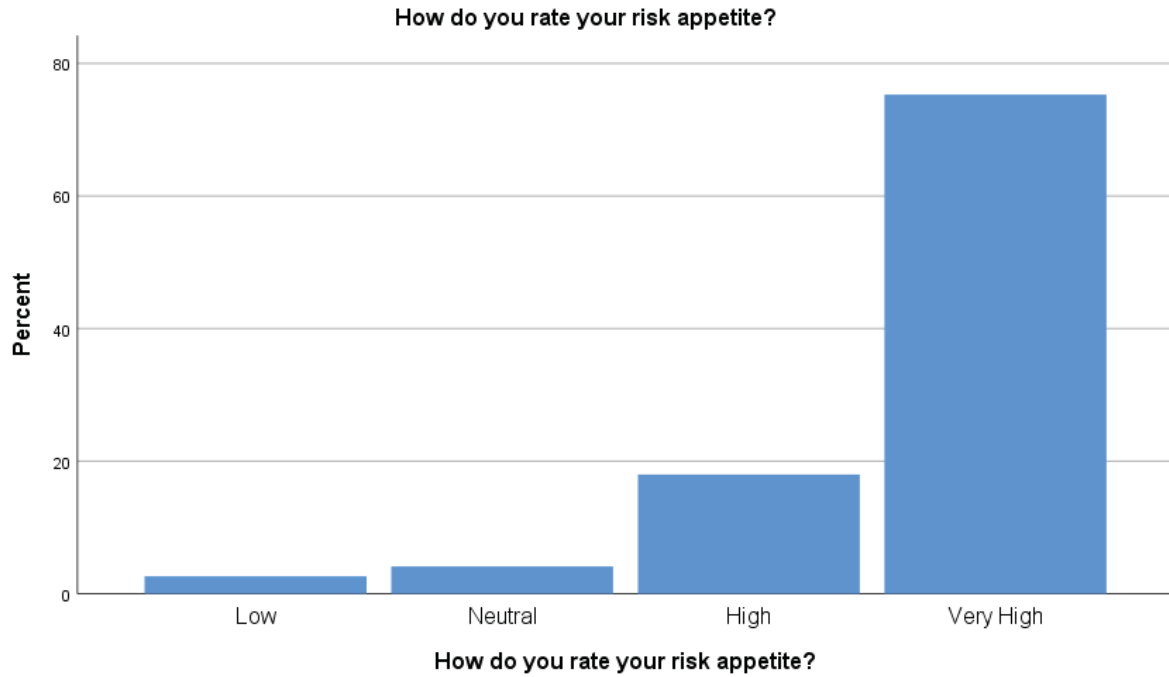


Figure 41- Risk appetite

Findings: From the above table and figure we can say that maximum samples say that they have a very high-risk appetite and its true being a millennial.

42. What is your major source of investment/retirement information? - Company Colleagues

Statistics		
N	Valid	267
	Missing	0
Mean		1.08
Median		1.00
Std. Deviation		.270

Table 83- Source of investment/retirement information-Company Colleagues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	246	92.1	92.1	92.1
	No	21	7.9	7.9	100.0
	Total	267	100.0	100.0	

Table 84- Source of investment/retirement information-Company Colleagues

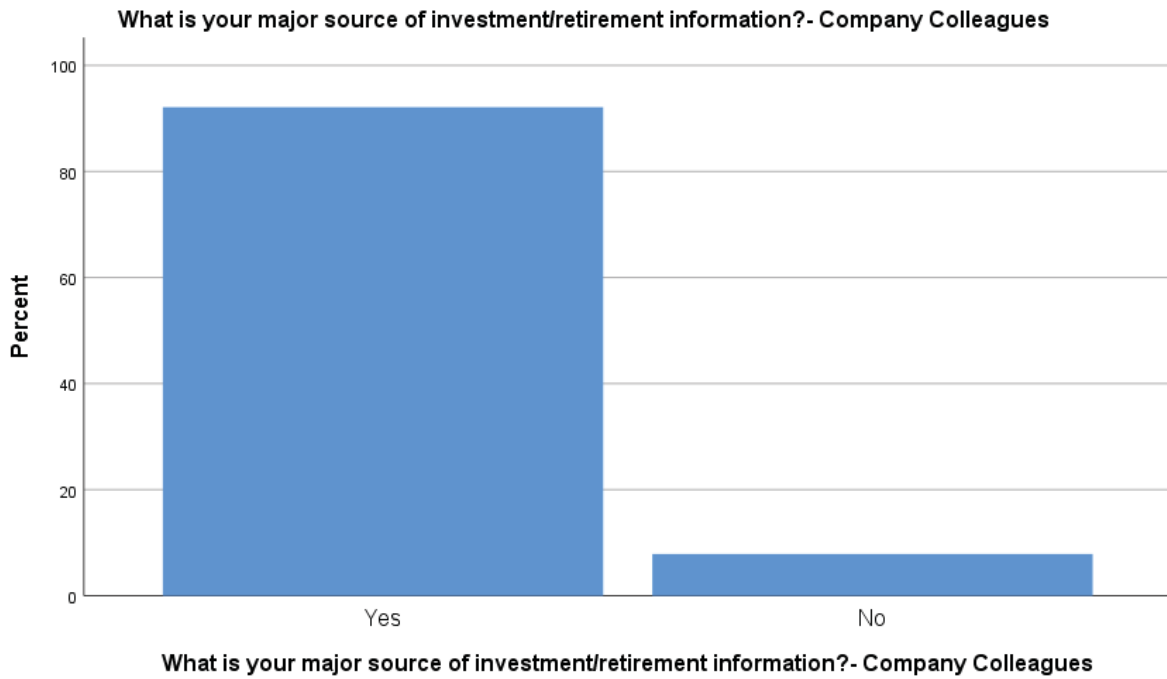


Figure 42- Source of investment/retirement information-Company Colleagues

Findings: From the above table and figure we can say that maximum samples say that they get maximum saving/investment information from their company colleagues.

43. What is your major source of investment/retirement information?-Friends

Statistics	
Mean	1.58
Median	2.00
Std. Deviation	.494

Table 85- Source of investment/retirement information-Friends

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	111	41.6	41.6	41.6
	No	156	58.4	58.4	100.0
	Total	267	100.0	100.0	

Table 86- Source of investment/retirement information-Friends

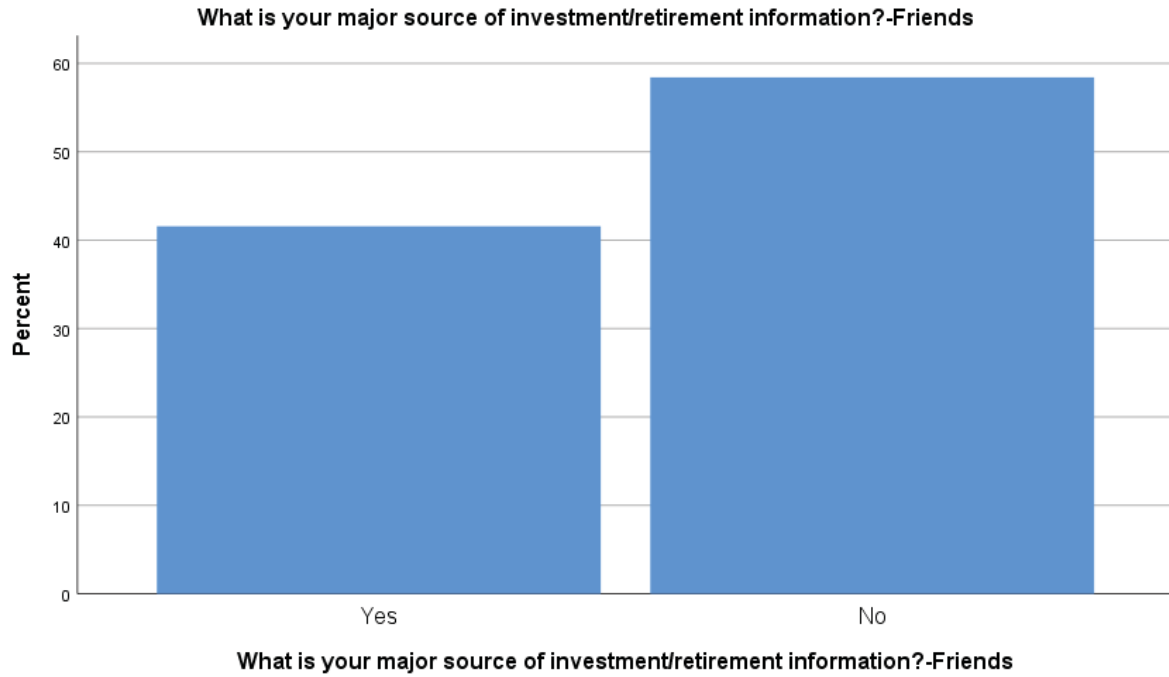


Figure 43- Source of investment/retirement information-Friends

Findings: From the above table and figure we can say that maximum samples say that they didn't get much information about savings/investments from their friends as which is more in company colleagues.

44. What is your major source of investment/retirement information?-Financial Magazines / Reports

Statistics	
Mean	1.95
Median	2.00
Std. Deviation	.223

Table 87- Source of investment/retirement information-Financial Magazines / Reports

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	14	5.2	5.2	5.2
	No	253	94.8	94.8	100.0
	Total	267	100.0	100.0	

Table 88- Source of investment/retirement information-Financial Magazines / Reports

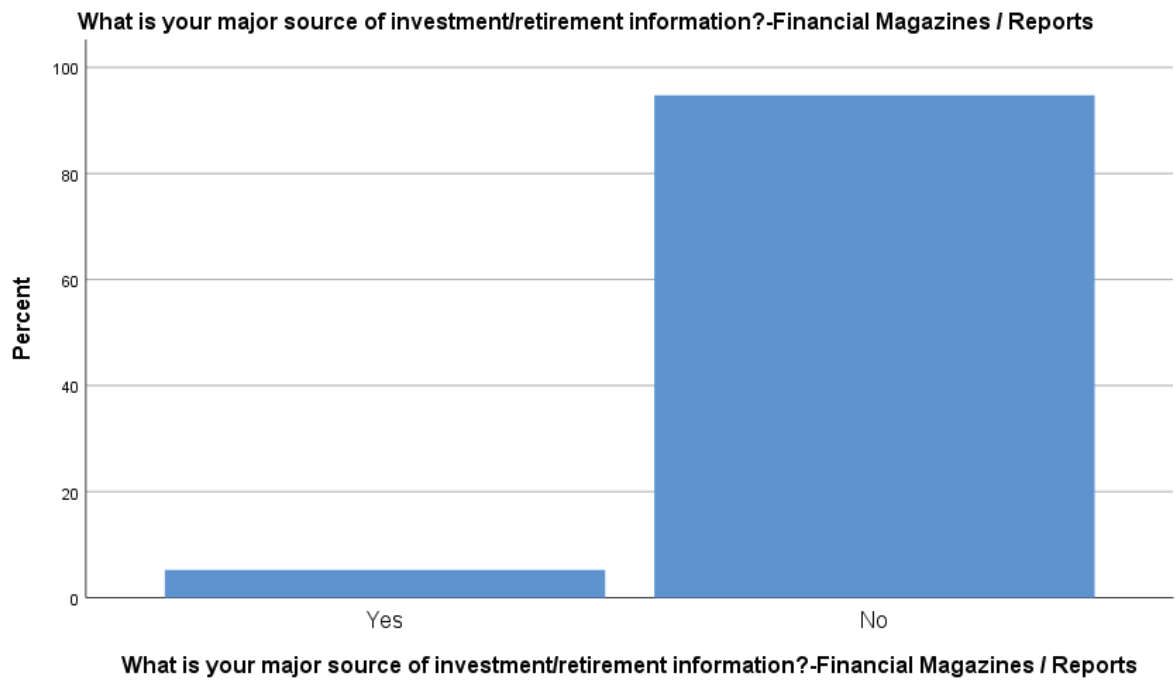


Figure 44- Source of investment/retirement information-Financial Magazines / Reports

Findings: From the above table and figure we can say that maximum samples say the source of information for savings/investment they didn't get it from financial magazines.

45. What is your major source of investment/retirement information?-Financial Planners

Statistics	
Mean	1.56
Median	2.00
Std. Deviation	.497

Table 89- Source of investment/retirement information-Financial Planners

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	117	43.8	43.8	43.8
	No	150	56.2	56.2	100.0
	Total	267	100.0	100.0	

Table 90- Source of investment/retirement information-Financial Planners

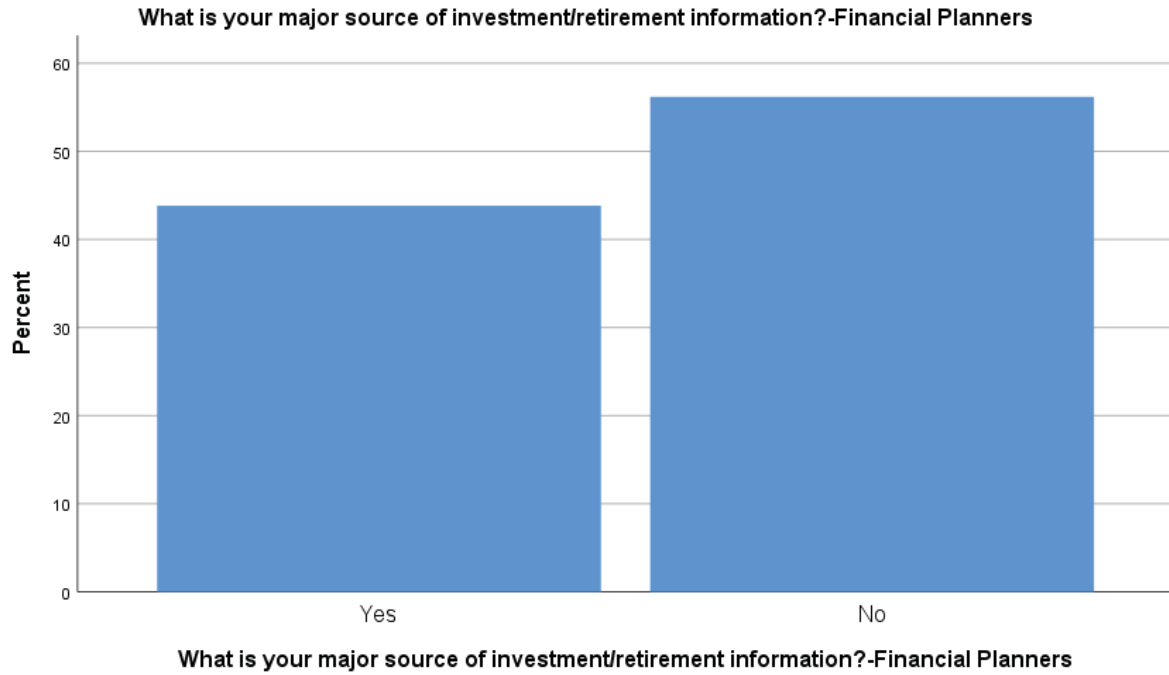


Figure 45- Source of investment/retirement information-Financial Planners

Findings: From the above table and figure we can say that maximum samples say the source of information for savings/investment they didn't get it from financial planner even if he is there.

46. What is your major source of investment/retirement information?-Others

Statistics	
Mean	1.81
Median	2.00
Std. Deviation	.391

Table 91- Source of investment/retirement information-Others

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	50	18.7	18.7	18.7
	No	217	81.3	81.3	100.0
	Total	267	100.0	100.0	

Table 92- Source of investment/retirement information-Others

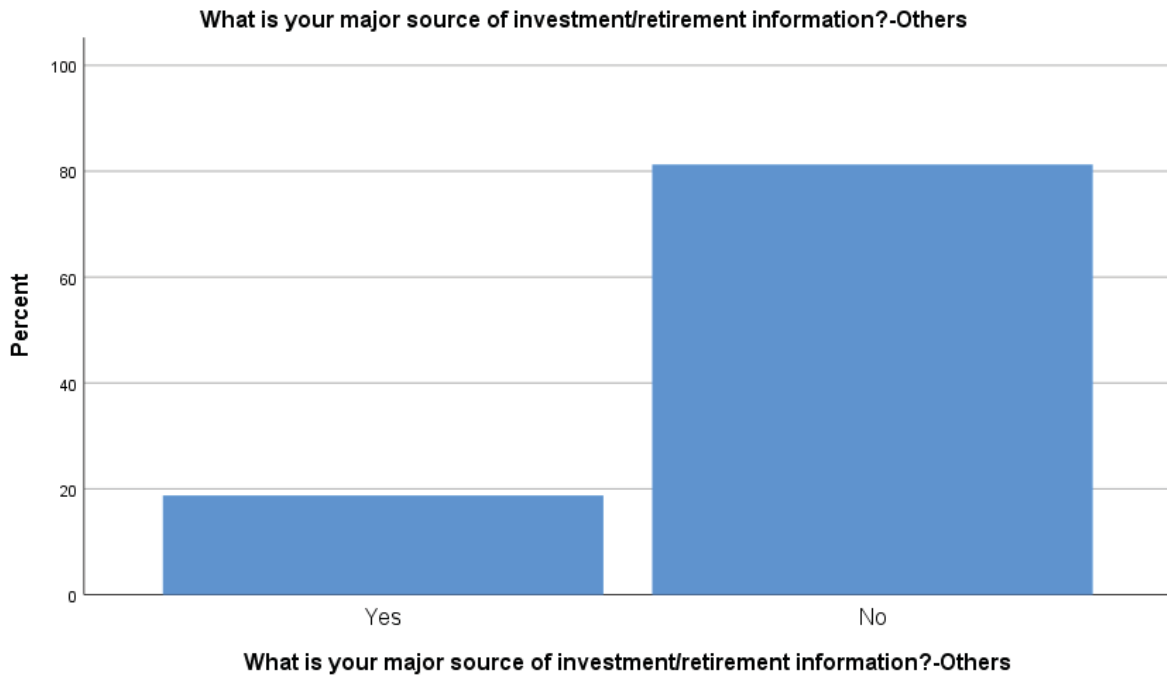


Figure 46- Source of investment/retirement information-Others

Findings: From the above table and figure we can say that maximum samples say the source of information for savings/investment they didn't have any other sources than company colleagues, financial magazines, financial planners and friends.

47. At what age do you plan to retire?

Statistics	
Mean	4.58
Median	5.00
Std. Deviation	.697

Table 93- Age of retirement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	55-60 year	32	12.0	12.0	12.0
	60-65 year	49	18.4	18.4	30.3
	More than 65 year	186	69.7	69.7	100.0
	Total	267	100.0	100.0	

Table 94- Age of retirement

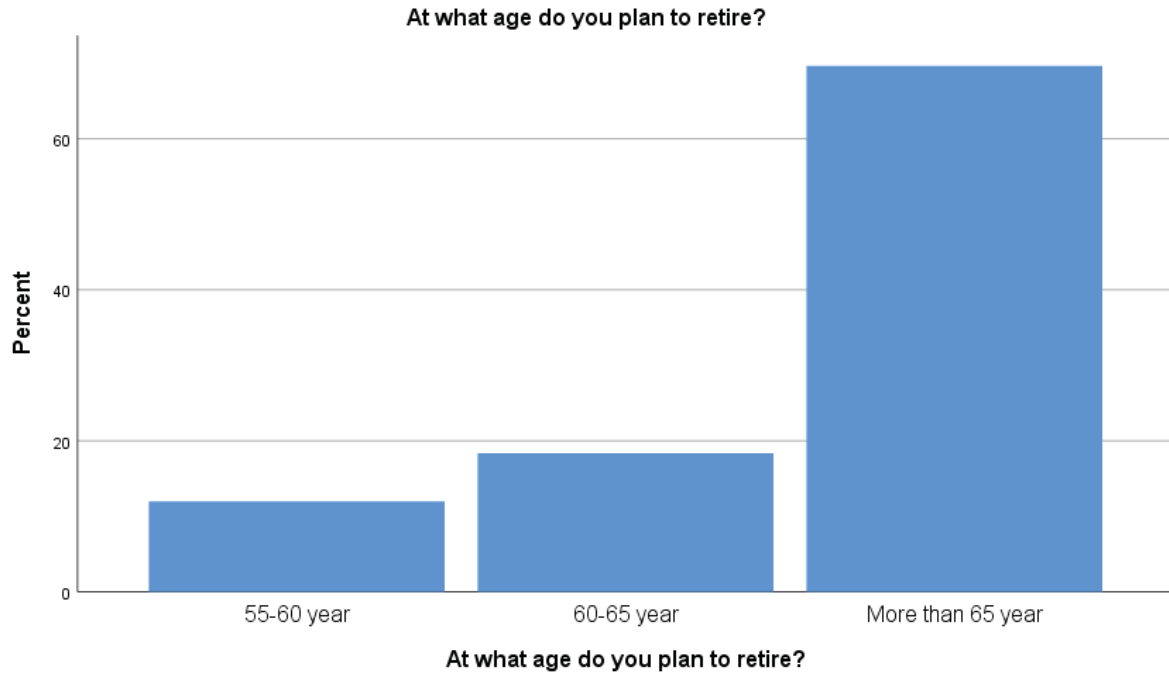


Figure 47- Age of retirement

Findings: From the above table and figure we can say that maximum samples say that they want to get retire after the age of 65 years.

48. Please rank the following important factors in your retirement decision,-Health Status

Statistics	
Mean	4.63
Median	5.00
Std. Deviation	.631

Table 95- Factors in retirement decision-Health Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Somewhat Important	3	1.1	1.1	1.1
	Neutral	13	4.9	4.9	6.0
	Important	63	23.6	23.6	29.6
	Most Important	188	70.4	70.4	100.0
	Total	267	100.0	100.0	

Table 96- Factors in retirement decision-Health Status

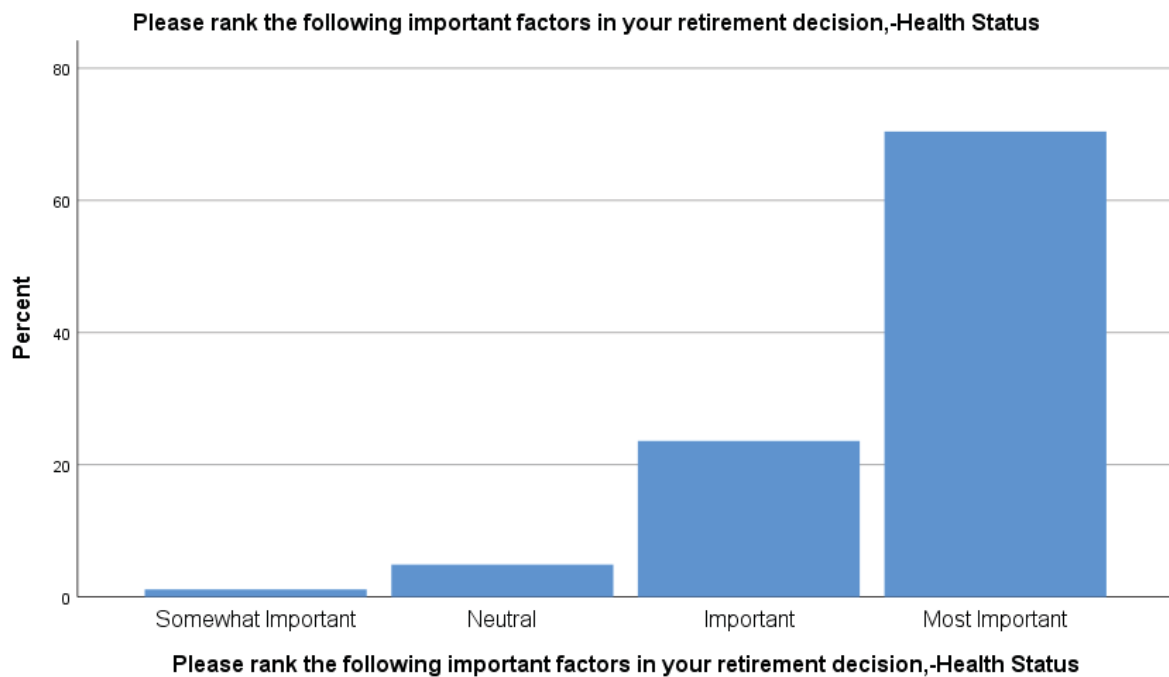


Figure 48- Factors in retirement decision-Health Status

Findings: From the above table and figure we can say that maximum samples say that the health status will be an important aspect to make the decision on retirement.

49. Please rank the following important factors in your retirement decision,-Dissatisfaction with job/superiors

Statistics	
Mean	1.17
Median	1.00
Std. Deviation	.698

Table 97- Factors in retirement decision-Dissatisfaction with job/superiors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Least Important	248	92.9	92.9	92.9
	Somewhat Important	8	3.0	3.0	95.9
	Neutral	1	.4	.4	96.3
	Important	5	1.9	1.9	98.1
	Most Important	5	1.9	1.9	100.0
	Total	267	100.0	100.0	

Table 98- Factors in retirement decision-Dissatisfaction with job/superiors

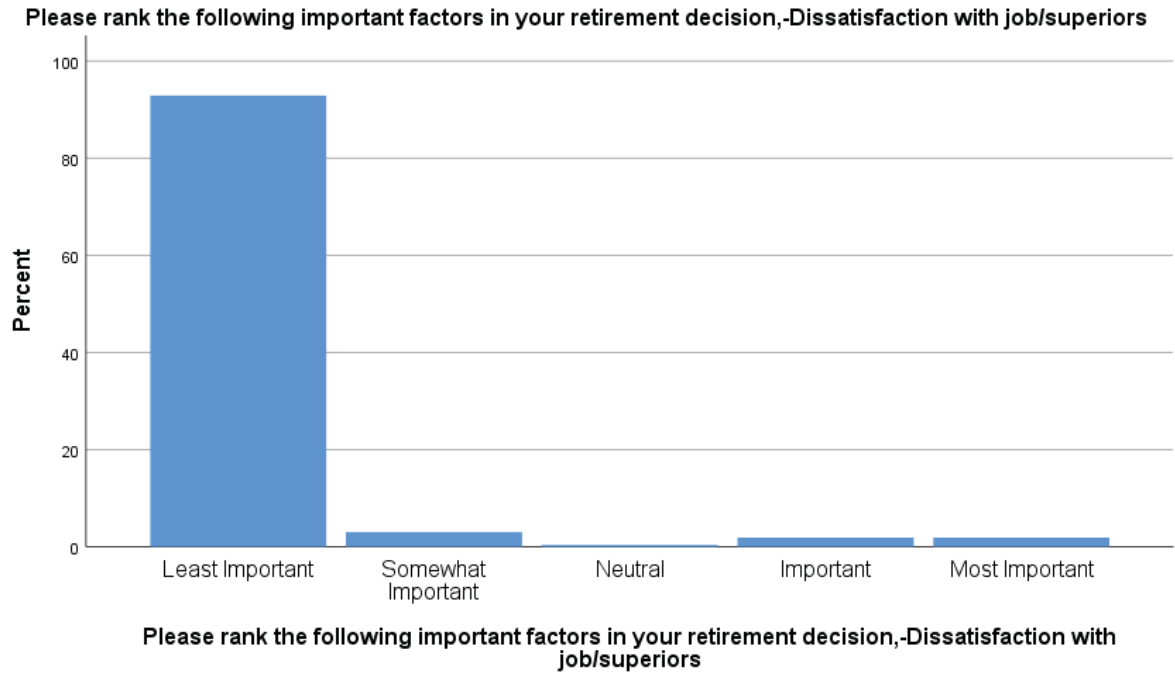


Figure 49- Factors in retirement decision-Dissatisfaction with job/superiors

Findings: From the above table and figure we can say that maximum samples say that the if they are not satisfied with the job or colleagues or superiors this will not form a base to consider retirement decision.

50. Please rank the following important factors in your retirement decision,-Financial ability to retire

Statistics	
Mean	4.61
Median	5.00
Std. Deviation	.642

Table 99- Factors in retirement decision-Financial ability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Least Important	1	.4	.4	.4
	Somewhat Important	2	.7	.7	1.1
	Neutral	11	4.1	4.1	5.2
	Important	72	27.0	27.0	32.2
	Most Important	181	67.8	67.8	100.0
	Total	267	100.0	100.0	

Table 100- Factors in retirement decision-Financial ability

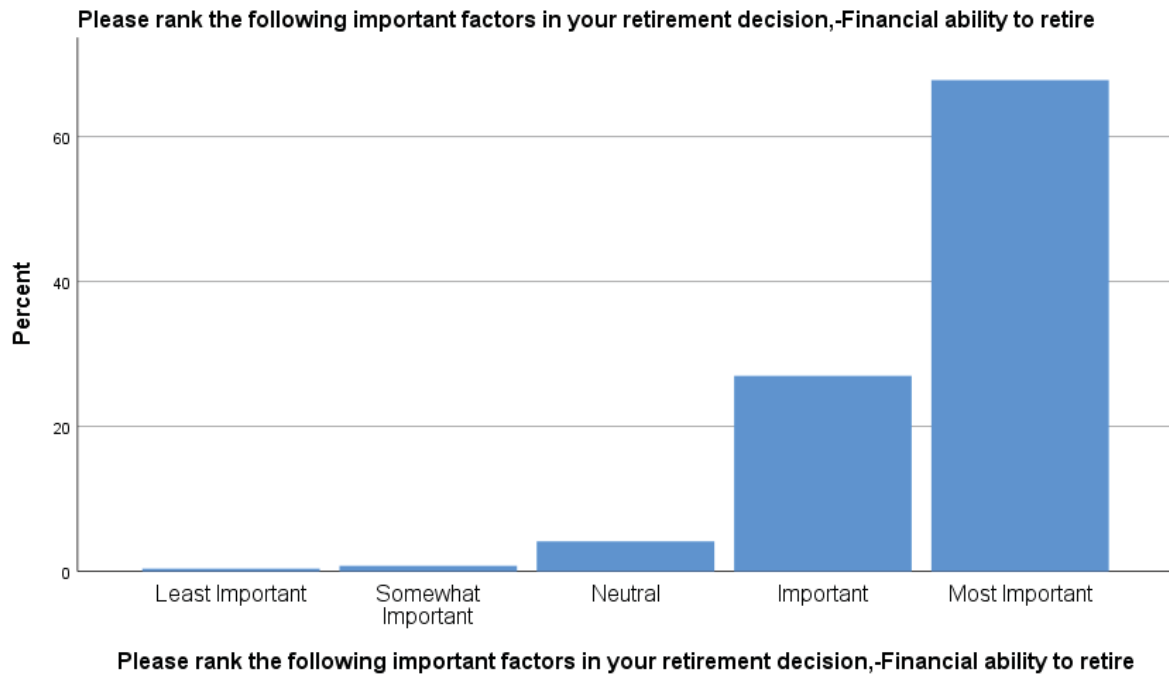


Figure 50- Factors in retirement decision-Financial ability

Findings: From the above table and figure we can say that maximum samples say that the financial ability will be an important aspect to make the decision on retirement.

51. Please rank the following important factors in your retirement decision,-More leisure time/time for family

Statistics	
Mean	4.73
Median	5.00
Std. Deviation	.571

Table 101- Factors in retirement decision-More leisure time/time for family

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Somewhat Important	3	1.1	1.1	1.1
	Neutral	8	3.0	3.0	4.1
	Important	47	17.6	17.6	21.7
	Most Important	209	78.3	78.3	100.0
	Total	267	100.0	100.0	

Table 102- Factors in retirement decision-More leisure time/time for family

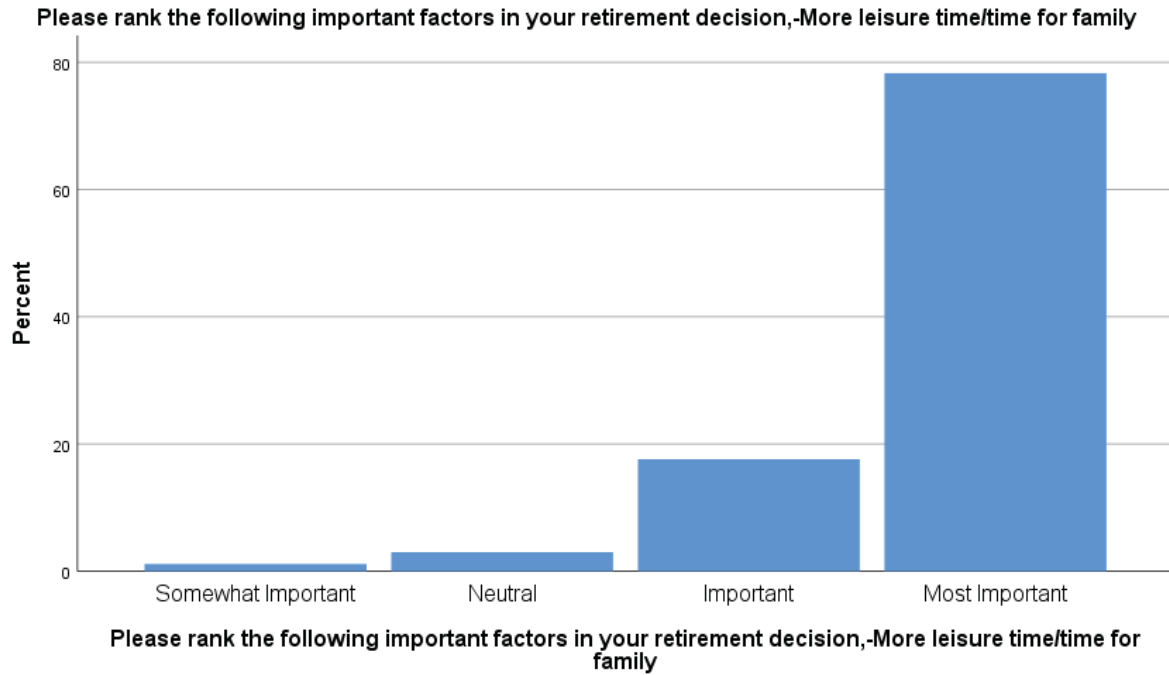


Figure 51- Factors in retirement decision-More leisure time/time for family

Findings: From the above table and figure we can say that maximum samples say that the leisure time with family will be an important aspect to make the decision on retirement.

52. Please rank the following important factors in your retirement decision,-Pursue other employment activity

Statistics	
Mean	4.83
Median	5.00
Std. Deviation	.465

Table 103- Factors in retirement decision-Pursue other employment activity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Somewhat Important	1	.4	.4	.4
	Neutral	7	2.6	2.6	3.0
	Important	28	10.5	10.5	13.5
	Most Important	231	86.5	86.5	100.0
	Total	267	100.0	100.0	

Table 104- Factors in retirement decision-Pursue other employment activity

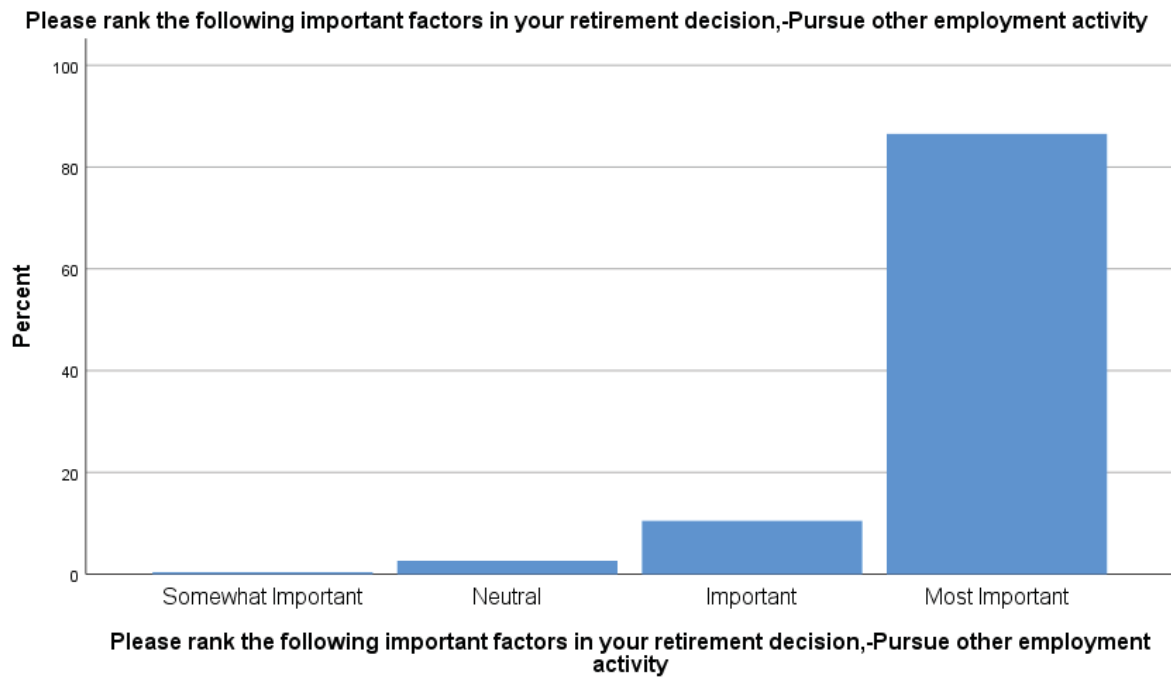


Figure 52- Factors in retirement decision-Pursue other employment activity

Findings: From the above table and figure we can say that maximum samples say that pursuing other employment opportunities such as passion or hobby will be an important aspect to make the decision on retirement.

Hypothesis Testing

Research Question No.-1

Whether there is a relationship between the risk appetite of finance professionals and the expectation of total savings at the time of their retirement?

Statistical Test: Chi-Square test of contingency

Hypothesis:

H0: There is no relationship between the risk appetite of finance professionals and the expectation of total savings at the time of their retirement

H1: There is a relationship between the risk appetite of finance professionals and the expectation of total savings at the time of their retirement

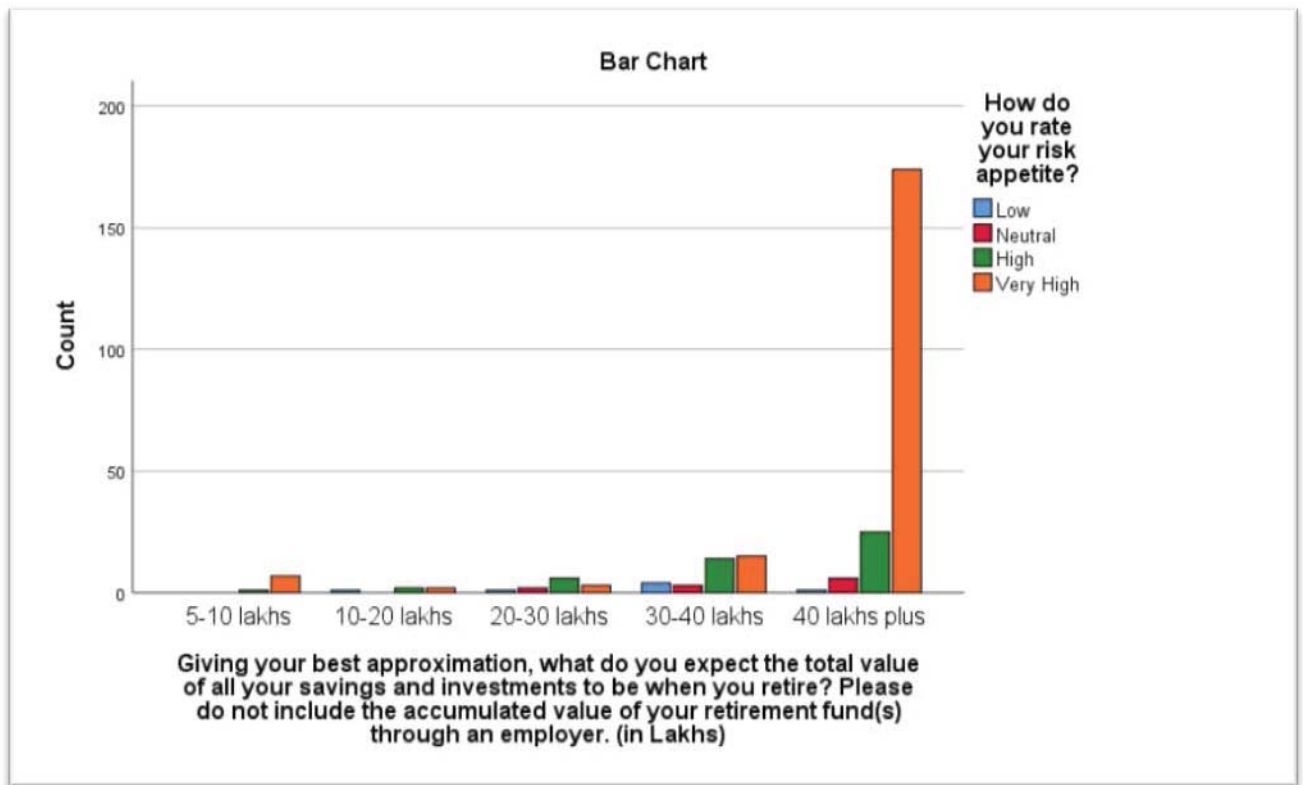
Level of Significance $\alpha = 0.05$

Chi-Square Tests

	Value	Df	p-value
Pearson Chi-Square	62.067	12	Less than 0.01

Observation: $X^2 (12) = 62.067$, p-value<0.01

Conclusion: Since P value (0.000) is less than level of significance (0.05), alternate hypothesis is accepted hence it is concluded that there is relationship between the risk appetite of finance professionals and the expectation of total savings at the time of their retirement. To see the relationship the below mentioned figure will help us to understand it:



The exact count is given below for more understanding.

		How do you rate your risk appetite?				Total
		Low	Neutral	High	Very High	
Total value of all your savings and investments at retirement	5-10 lakhs	0	0	1	7	8
	10-20 lakhs	1	0	2	2	5
	20-30 lakhs	1	2	6	3	12
	30-40 lakhs	4	3	14	15	36
	40 lakhs plus	1	6	25	174	206
Total		7	11	48	201	267

Findings: We can say that the people who have high risk appetite are more ambitious about their total savings at the time of retirement.

Research Question No.-2

Whether there is a relationship between the thought of money needed to maintain the standard of living at the time of retirement and do so the source of information will be a financial planner among the samples?

Statistical Test: Chi-Square test of contingency

Hypothesis:

H0: There is no relationship between the thought of money needed to maintain the standard of living at the time of retirement and do so the source of information will be a financial planner among the samples

H1: There is a relationship between the thought of money needed to maintain the standard of living at the time of retirement and do so the source of information will be a financial planner among the samples

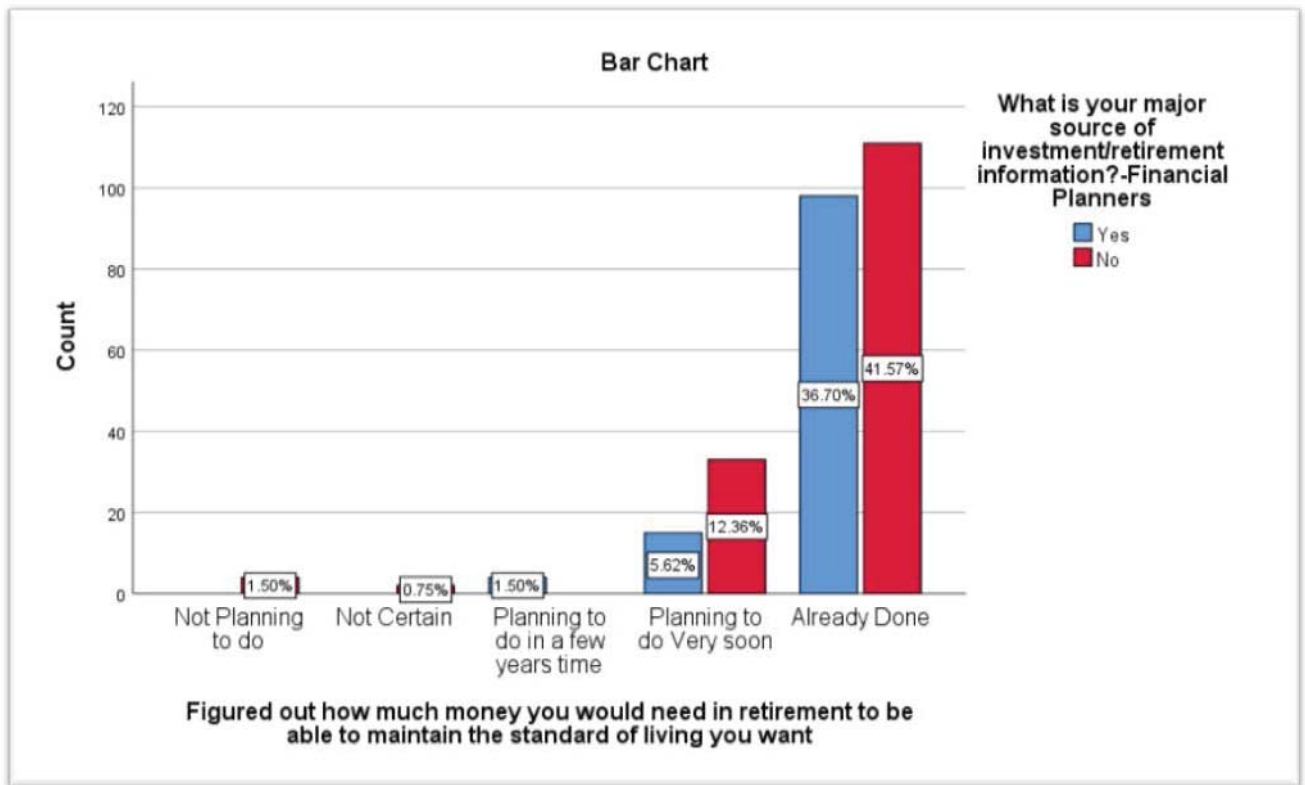
Level of Significance $\alpha = 0.05$

Chi-Square Tests

	Value	Df	p-value
Pearson Chi-Square	13.689	4	Less than 0.01

Observation: $X^2(4) = 13.689$, p-value < 0.01

Conclusion: Since P value (0.000) is less than level of significance (0.05), alternate hypothesis is accepted hence it is concluded that there is relationship between the thought of money needed to maintain the standard of living at the time of retirement and do so the source of information will be a financial planner among the samples. To see the relationship the below mentioned figure will help us to understand it:



The exact count is given below for more understanding.

		What is your major source of investment/retirement information?-Financial Planners		Total
		Yes	No	
Thought of money needed to maintain the standard of living at the time of retirement	Not Planning to do	0	4	4
	Not Certain	0	2	2
	Planning to do in a few years time	4	0	4
	Planning to do Very soon	15	33	48
	Already Done	98	111	209
Total		117	150	267

Findings: We can say that the maximum people are thought of money needed to maintain the std. of living at retirement and their source of information is not a financial planner.

Research Question No.-3

Whether there is a relationship between the thought of having financial planner to formally create financial plan and the source of information to do so is their company colleague's?

Statistical Test: Chi-Square test of contingency

Hypothesis:

H0: There is no relationship between the thought of having financial planner to formally create financial plan and the source of information to do so is their company colleague's

H1: There is a relationship between the thought of having financial planner to formally create financial plan and the source of information to do so is their company colleague's

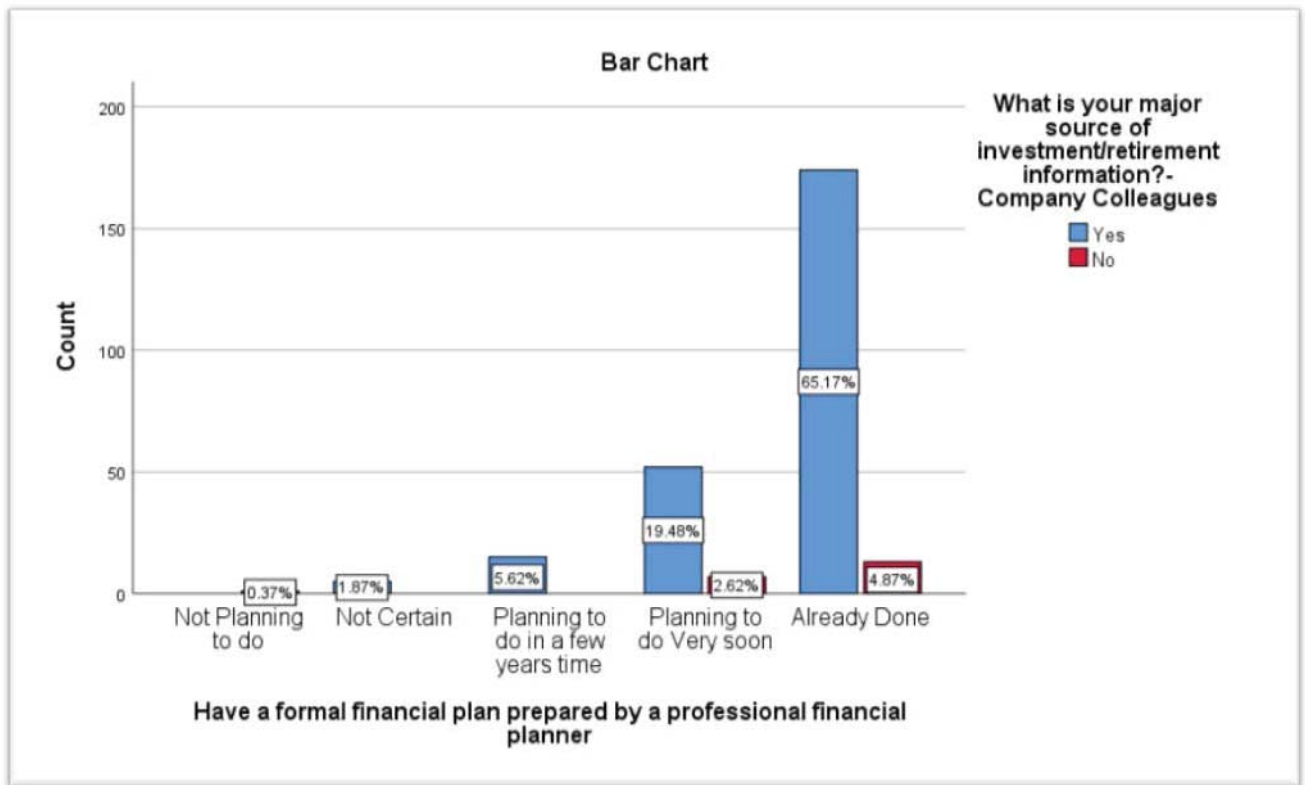
Level of Significance $\alpha = 0.05$

Chi-Square Tests

	Value	Df	p-value
Pearson Chi-Square	14.939	4	Less than 0.01

Observation: $X^2 (4) = 14.939, p\text{-value} < 0.01$

Conclusion: Since P value (0.000) is less than level of significance (0.05), alternate hypothesis is accepted hence it is concluded that there is relationship between the thought of having financial planner to formally create financial plan and the source of information to do so is their company colleague's. To see the relationship the below mentioned figure will help us to understand it:



The exact count is given below for more understanding.

Have a formal financial plan prepared by a professional financial planner		What is your major source of investment/retirement information? - Company Colleagues		Total
		Yes	No	
Have a formal financial plan prepared by a professional financial planner	Not Planning to do	0	1	1
	Not Certain	5	0	5
	Planning to do in a few years time	15	0	15
	Planning to do Very soon	52	7	59
	Already Done	174	13	187
Total		246	21	267

Findings: We can say that the maximum people have given a thought that they need the financial planner to plan their finance and do so their respective colleagues information was taken.

Research Question No.-4

Whether there is a relationship between the retirement decision based on pursuing other employment opportunity and age groups of the samples?

Statistical Test: Chi-Square test of contingency

Hypothesis:

H0: There is no relationship between the retirement decision based on pursuing other employment opportunity and age groups of the samples

H1: There is a relationship between the retirement decision based on pursuing other employment opportunity and age groups of the samples

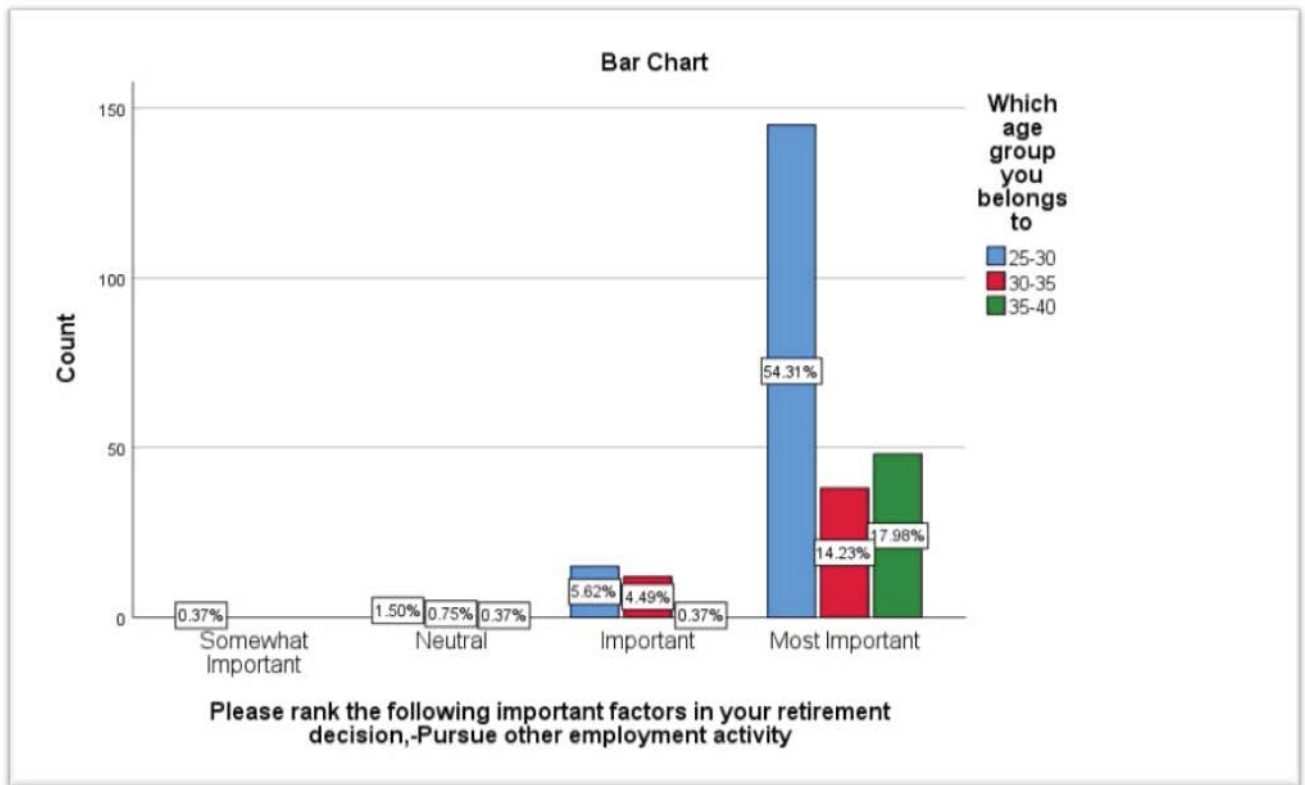
Level of Significance $\alpha = 0.05$

Chi-Square Tests

	Value	Df	p-value
Pearson Chi-Square	14.255	6	Less than 0.05

Observation: $X^2(6) = 14.255, p\text{-value} < 0.05$

Conclusion: Since P value (0.000) is less than level of significance (0.05), alternate hypothesis is accepted hence it is concluded that there is relationship between the retirement decision based on pursuing other employment opportunity and age groups of the samples. To see the relationship the below mentioned figure will help us to understand it:



The exact count is given below for more understanding.

		Which age group you belongs to			Total
		25-30	30-35	35-40	
Please rank the following important factors in your retirement decision,-Pursue other employment activity	Somewhat Important	1	0	0	1
	Neutral	4	2	1	7
	Important	15	12	1	28
	Most Important	145	38	48	231
Total		165	52	50	267

Findings: We can say that the people in the age group of 25-30 years are more interested to make their retirement decision based on pursuing other employment option.

Research Question No.-5

Whether there is a difference in perception of savings/investments in various options among the finance professionals?

Statistical Test: Friedman test

Hypothesis:

H0: There is no difference in perception of savings/investments in various options among the finance professionals

H1: There is a difference in perception of savings/investments in various options among the finance professionals

Level of Significance $\alpha = 0.05$

Test Statistics

Chi-Square	992.795
Df	5
p-value	0.000

Observation: $X^2(5) = 992.795$, p-value < 0.01

Conclusion: Since P value (0.000) is less than level of Significance (0.05), alternate hypothesis is accepted hence it is concluded that there is significant difference in perception of savings/investments in various options among the finance professionals. To find out whether difference lies we refer to Ranks table.

	Mean Rank
Approximately how are your current savings and investments distributed (besides your pension plan)?- Insurance	4.69
Approximately how are your current savings and investments distributed (besides your pension plan)?- Property	4.46
Approximately how are your current savings and investments distributed (besides your pension plan)?- Others	4.35
Approximately how are your current savings and investments distributed (besides your pension plan)?- Government Saving Options (PPF/Postal Savings)	4.17
Approximately how are your current savings and investments distributed (besides your pension plan)?- Commodities	1.69
Approximately how are your current savings and investments distributed (besides your pension plan)?- Stocks	1.63

From Ranks table it can be seen that Insurance, Property are top most saving/investment options considered by samples.

Research Question No.-6

Whether there is a difference in perception of financial planning options among the finance professionals?

Statistical Test: Friedman test

Hypothesis:

H0: There is no difference in perception of financial planning options among the finance professionals

H1: There is a difference in perception of financial planning options among the finance professionals

Level of Significance $\alpha = 0.05$

Test Statistics

Chi-Square	49.052
Df	6
p-value	0.000

Observation: $X^2(6) = 49.052$, $p\text{-value} < 0.01$

Conclusion: Since P value (0.000) is less than level of Significance (0.05), alternate hypothesis is accepted hence it is concluded that there is significant difference in perception of financial planning options among the finance professionals. To find out whether difference lies we refer to Ranks table.

	Mean Rank
Prepared an estimate of likely retirement income and expenses	4.48
Figured out how much money you would need in retirement to be able to maintain the standard of living you want	4.11
Looked into health-care coverage you will have during retirement	4.05
Purchased long-term-care insurance	4.02
Have a formal financial plan prepared by a professional financial planner	3.85
Decide where to live in retirement	3.79
Established a program to save for retirement (other than EPF & Government pensions)	3.7

From Ranks table it can be seen that preparing estimate of income of retirement and money needed to maintain std. of living followed by health coverage are top options considered by samples.

Chapter-5: Conclusions, Recommendations and Scope for Future Research

Conclusion

After the detailed analysis of the data, the researcher has reached certain conclusions which are given in this chapter.

From the analysis, we can conclude that the millennials which are work as finance professionals are maximum in the age group of 25-30 years and male respondents mostly dominated them. Even industry has the same scenario where male finance professionals are more than females.

Also, we can conclude that the respondents were married, and most of them were graduate, followed by postgraduate and sample who have professional certifications like diploma in banking, etc..

The data also highlights and lead to concludes that the respondents are in the excellent health status and expecting the life about 60-65 years of age positively. This makes them work well and in positive spirits.

Considering their expenditure patterns, we can conclude that respondent's significant money goes into accommodation whether its rental or EMI, food or outings and regular investments/savings in LIC or some other financial options.

The highlight is we can also conclude on another side that least of their money goes into Car or Bike EMI's as well as Personal Development / Education.

Also, we can conclude that there is minimal money expenditure considering the above options on regular miscellaneous things such as Telephone/Light Bill/ Subscriptions digital vs nondigital. The millennials also not very keen on spending much on travelling.

The financial planning aspect of millennials also leads to the conclusion that they have estimated the income and expenses they will need at retirement and hence considering this they have figured out how much money they need at their retirement.

The kind of savings/investment they need we can conclude that they are clear that they will be saving through EPF and other government schemes and also they have understood the long term health coverage plans and making arrangements for the same as they have planned.

For making retirement plan another angle has been explored which suggests that millennials in their parent's comparison believe that they are in much better health and also they are more independent as they were and ultimately they will have more money at the time of retirement as compared to their respective parents. Also, they believe that they will be more involved in their life as compared to their parents.

The same millennials also believe that in coming years the cost of education will at least get doubled which leads to the conclusion that whatever financial planning they have expected this parameter they have studied while making their own decisions.

While considering the retirement planning the awareness of millennials about their surrounding has been understood and it leads to the conclusion that the parents of these millennials are financially well to do hence they do not have to depend on them which give them more independence what we have seen in our earlier conclusions.

Also, the parent's background makes these millennials to think least worried about financial or health worries and with diverse learning and independence make them to work well with others and hence they do not feel neglected at their workplace.

While on the other side, it has been noticed that they have a fear of getting separated from the family with all these independence and financial well offs.

When the data has been analysed about how these millennials are considering there saving and investments options, we can conclude that everybody is expecting to retire with a handsome amount of money also the kind of classification they are considering for saving and investment is they believe in investing more in property and other saving options available from the private as well as government organisations like PPF, Mutual Funds, Insurance which can also give them some relief in their tax deductions.

Also, we can lead to the conclusion that millennials still are not much keen on investing money into stocks and commodities since the majority of them come from the middle class where investing in such options is still considered as a taboo or rich man's job.

Also, findings lead to the conclusion that today's millennials are ready to take the risk and with this approach they should consider their savings/investments options while doing so they are considering their primary source of information as to their company colleagues and friends but considering the help of financial planners.

So we can say that in coming years financial planners will have to play a significant role in shaping the retirement of these millennials especially considering the landscape of the gig economy and the way jobs are shaping up.

Since we have seen earlier in our conclusion that the millennials are considering the life expectancy around 60-65 years, but their hunger to work seems to look more since they are expecting their retirement after 65 plus of years.

The kind of awareness and information these millennials have to lead to the conclusion that they are going to make their retirement decisions based on their health status as well as how financially well they are. Also, we can see how much the work pressure these millennials have in today's time and hence the time they got to spend with their respective families is of the great question, but this same question millennials are considering for making their retirement planning.

Also, we can conclude that the hobby or passion what millennials are considering as an option of retirement so that they can pursue these and make a living out of that at the same time.

The other conclusion we can draw from the data is the millennials who have high-risk appetite they are more ambitious about their savings for retirement, and hence we can say the if millennials pick up this trait they will land up with the handsome amount of money for their retirements.

Also, we can conclude that who have not estimated and just thought of money needed for retirement there is no role played financial planner in their doing so. While on the other side, these millennials are considering to have a proper financial planner so that their planning does not get failed in the long term.

The millennials whose parents are well to do they are more worried about getting separated, and the majority of millennials, especially between the age group of 25-30 years, want to retire by working on their passion.

Recommendations

1. The millennials should develop their awareness about retirement planning by making the best use of financial planners, financial magazines instead of only relying on colleagues and friends.
2. The risk appetite of millennials is very high, and hence they should consider investing in stocks and commodities where the risk is high but returns are also equally high compared to other saving/investment options.
3. They should develop the ability to explore the passion or hobby as their employment which makes them feel happy about their respective jobs and also plans their retirement accordingly.
4. Since most of the millennials have shown interest to work for longer age, it is better if they hire a financial planner considering their respective family as well as kids education needs where the data shows that they believe that education cost will get double.
5. The millennials should figure out the option to spend more time with family and friends, especially with parents so with the bonding they will not develop a feeling of getting separated and will also have an opportunity to have a regular dialogue with them.
6. Also from data and conclusion, we suggest that these millennials should develop a financial plan on curbing the food and outing expenses and also considering the accommodation factor whether to purchase the house or high rental apartment since both demands big money. It is better to be on rent and have strategic investment option so while purchasing a house, it will not be a great deal for them and financially also they will be in a good state.
7. No one is spending money on personal education and development, and hence these millennials should plan a fixed amount of money to take on some courses which will help them to upskill themselves and also it will help them to grab the new opportunities

where the income will be higher than the existing one and ultimately contribute to their retirement funds.

8. A plan should be put in place by these millennials for holiday travels which will be financially feasible since it will enrich their knowledge and will make them more confident about their approaches based on the learning they will have from their travelling experiences.

Scope for Future Research

1. The study can be conducted for millennials spending pattern during the weekends and weekdays and how does it contribute to their saving plans.
2. The long term study on the psychology of savings and expenditures amongst the millennials can yield more generalisable results.
3. Experimental research can be conducted where the millennials upskill and their income gets improvised as compare to the earlier one.
4. A generation study where the baby boomers, millennials approach towards each other's financial saving options could be studied so how baby boomers are thinking in this digital age will be more evident which might contribute to the success of these millennials or baby boomers can learn from the millennials.

Appendix

Part-1: Demographics

1. Which Age Group You Belongs To

25-30 years	30-35 years	35-40 years
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2. Please Mention Your Gender

Male	Female
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3. Your Present Marital Status

Married	Unmarried
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4. Your Educational Qualification

UG	Graduate	PG
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5. How Will You Describe Your Health Status?

Very Poor	Poor	Fair	Good	Excellent
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6. How Much Life Expectancy You Consider for Yourself Considering Your Age and Gender?

60-65 years	65-70 years	70-75 years	75-80 years	80+ years
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7. Do You Think Your Health Limits Your Ability to Work Well?

Yes	No
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Part-2: Expenditures (Consumption)

Considering your past one year, estimate how much you spent of your salary by ticking the appropriate box below:

	Not at all	Very less	Moderately	Substantial	Massive
Accommodation EMI/Rental					
Car/Bike EMI					
Personal Education Development					
Financial Instruments like LIC/Mutual Funds/PPF etc.					
Food/Drinks and Outings					
Monthly Fix Expenditures like Telephone/Light Bill/ Subscriptions digital vs. nondigital					
Holiday Travel (Short as well as Long)					

Part-3: Financial Planning

1. Listed below are some specific retirement planning actions. Please tick the appropriate box.

	Not Planning to do	Not Certain	Planning to do in a few years time	Planning to do Very soon	Already Done
Figured out how much money you would need in retirement to be able to maintain the standard of living you want					
Prepared an estimate of likely retirement income and expenses					
Established a program to save for retirement (other than EPF & Government pensions)					
Looked into health-care coverage you will have during retirement					
Decide where to live in retirement					
Purchased long-term-care insurance					
Have a formal financial plan prepared by a professional financial planner					

2. Compared to your parents' generation, do you expect to be worse off or better off in the following areas during your retirement?

	Very Bad	Little Worse	Uncertain	Little Better	Much Better
Healthcare					
Being Independent					
Having Enough Money					
Personal Health					
Ability to stay Involved					

3. In ten years, do you think the cost of a college education would have increased?

Same	Uncertain	Increased less than half	Increased more than half	At least increased double

4. How financially well-off do you think your parents are and need not depend on you for financial support?

Very Poor	Poor	Neutral	Good	Very Good

5. Please rank the following of what worries you most about retirement. Starting from 1-least worried to 5=being the most worried.

	1	2	3	4	5
Poor Health					
Financial Problems					
Boredom					
Alienation					
Neglected					

Part-4: Savings & Investments

1. Giving your best approximation, what do you expect the total value of all your savings and investments to be when you retire? Please do not include the accumulated value of your retirement fund(s) through an employer. (in Lakhs)

5-10 lakhs	10-20 lakhs	20-30 lakhs	30-40 lakhs	40 lakhs plus
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2. Approximately how are your current savings and investments distributed (besides your pension plan)?

Type of Investment /	0-20%	20-40%	40-60%	60-80%	80-100%
Saving					
Property					
Stocks					
Commodities					
Government Saving Options (PPF/Postal Savings)					
Insurance					
Others					

3. How do you rate your risk appetite?

Very Low	Low	Neutral	High	Very High
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4. What is your major source of investment/retirement information?

	Yes	No
Company Colleagues		
Friends		
Financial Magazines / Reports		
Financial Planner		
Others		

Part-5: Retirement Expectations

1. At what age do you plan to retire?

Less than 50 year	50-55 year	55-60 year	60-65 year	More than 65 year

2. Please rank the following important factors in your retirement decision, starting from 1= Least Important to 5= Most Important

	1	2	3	4	5
Health Status					
Dissatisfaction with job/superiors					
Financial ability to retire					
More leisure time/time for family					
Pursue other employment activity					

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