Chapter 5 –Psychological Characteristics and Retirement Financial Behaviour

5.1 Introduction

The financial behaviour of individuals retirement are influenced by an interplay of psychological factors, which play distinct roles in shaping their approaches to saving and preparing for the future (Tomar et al., 2021). Hershey (2004), observed that while demographic factors can influence retirement planning behaviour it is often the psychological constructs that have a more direct impact. With the growing field of behavioral finance, there is now a deeper emphasis on how psychological factors influence financial behaviour, as individuals frequently deviate from the purely rational decision-making model in their financial lives (Asebedo et al., 2019).

This chapter examines how psychological characteristics shape retirement financial behaviour among working individuals in BTR. This relates with second research objective "*To examine the impact of psychological factors on the retirement financial behaviour of working individuals in Bodoland Territorial Region*" and addressing the research question "**RQ 2:** Does the psychological factors influence retirement financial behaviour among working individuals in BTR?" This research integrates TPB and Mowen's 3M Theory of Motivation to analyze retirement financial behaviour. TPB emphasizes three factors influencing financial planning: attitudes toward retirement (e.g., goal clarity, risk tolerance), subjective norms (e.g., societal and peer pressures), and perceived behavioral control (e.g., financial literacy). The 3M Theory links personality traits to behaviour, highlighting the role of elemental traits (e.g., conscientiousness), compound traits (e.g., future orientation), situational traits (e.g., risk tolerance), and surface traits (e.g., goal clarity). Together, these frameworks provide a comprehensive guide for the psychological drivers of retirement financial behaviour in the BTR.

According to Mowen's 3M Theory of Motivation and Personality, individuals with a strong future time perspective are more likely to make sound financial decisions regarding retirement, as they can visualize and prioritize their future needs (Mowen, 2000). Research consistently highlights the importance of future time perspective in driving retirement planning behaviour.

Hershey et al. (2010) found that individuals with a high future time perspective tend to engage in long-term financial planning and saving behaviour, avoiding impulsive spending in favor of preparing for future financial stability. Similarly, Hastings and Mitchell (2011) emphasize that those with high future time perspectives are less likely to engage in short-sighted financial behaviors, prioritizing retirement savings instead.

Retirement goal clarity also plays a crucial role in shaping retirement financial behaviour. Individuals with clearly defined retirement goals are more likely to engage in planning activities and save for the future (Hershey et al., 2007; Moorthy et al., 2012). In contrast, those with limited goal clarity often struggle with procrastination and lower levels of financial preparedness. This clarity allows individuals to make financial decisions that align with their long-term aspirations, leading to better retirement planning.

The attitude individuals hold toward retirement impacts their behaviour. Ajzen's TPB (1991) posits that a positive attitude toward an outcome, such as retirement, fosters behaviors aligned with that outcome. However, as Rachlin (1995) noted, a positive attitude alone does not guarantee behaviour aligned with future planning. Poulter (2020) found that men, in particular, view retirement as an inevitable yet controllable event, while women often face greater apprehensions due to uncertainties regarding post-retirement life.

Financial risk tolerance influences individuals' investment choices, which directly impacts retirement savings. Bernasek and Shwiff (2001) found that individuals with lower risk tolerance tend to choose safer, lower-return investments, which can result in smaller retirement savings over time. Conversely, individuals with a higher risk tolerance are more likely to adopt aggressive saving strategies, investing in higher-risk, higher-return financial assets.

Social influences, particularly from family, peers, and co-workers, play a critical role in financial behaviors, including retirement. According to Bandura (1977), individuals often learn financial behaviors and attitudes from social interactions within families and communities. Lusardi (2003) also emphasized that social networks can impact financial behaviors, with individuals often influenced by the financial practices of those around them.

Rabinovich, Morton, and Postmes (2010) in their study found that attitude towards retirement serves as a partial mediator in the relationship between future time perspective and retirement financial behavior.

Jacob and Hershey (2005) explored how future orientation and risk tolerance affects retirement savings behaviour and results indicated that people with high levels of financial risk tolerance are connected with greater degree of savings profile. They found that financial risk tolerance partially mediates the relationship between future time perspective and retirement financial behavior.

Buss (1989) described three types of personality traits: cardinal traits, central traits, and surface traits. Cardinal and central traits are deeply rooted and shape the unique characteristics of an individual, while surface traits are more superficial and exist between these deeper levels. Similarly, Hershey et al. (2010) identified future time perspective as a key personality trait, comparable to cardinal or central traits, and suggested that it influences surface traits like goal clarity. This perspective also affects a person's knowledge and involvement in financial planning activities (Hershey et al., 2007).

Hershey et al. (2010) examined how support from friends, colleagues, and spouses influences financial planning, concluding that social networks play a significant role. This influence can be direct, by affecting future time perspective and the clarity of retirement goals (Hershey et al., 2010), or indirect, such as shaping the timing of women leaving the workforce (Richardson, 1999).

Guided by the above-mentioned literature and the related study Tomar et al. (2021), this research proposes the following hypotheses (H) regarding the relationship between psychological factors and retirement financial behaviour in the BTR:

H1: Attitude towards retirement has a significant positive influence on retirement financial behaviour.

H2: Financial risk tolerance has a significant positive influence on retirement financial behaviour.

H3: Future time perspective has a significant positive influence on retirement financial behaviour.

H4: Retirement goal clarity has a significant positive influence on retirement financial behaviour.

H5: Social group support has a significant positive influence on retirement financial behaviour.

H6: Attitude towards retirement mediates the influence of future time perspective on retirement financial behaviour,

H7: Financial risk tolerance mediates the influence of future time perspective on retirement financial behaviour

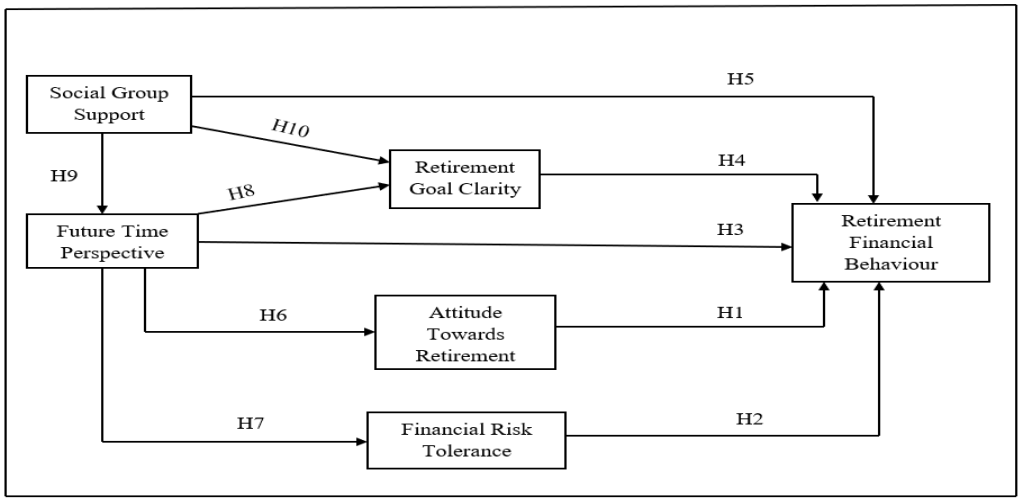
H8: Retirement goal clarity mediates the influence of future time perspective on retirement financial behaviour.

H9: Future time perspective mediates the influence of social group support on retirement financial behaviour.

H10: Retirement goal clarity mediates the influence of social group support on retirement financial behaviour.

The hypotheses in this study have been drawn from Tomar et. al., (2021) because it provides relevant theoretical and empirical insights into retirement financial behaviour. Tomar's study offers a well-established theoretical framework tailored to the Indian context, providing a robust basis for examining the psychological aspects of retirement financial behaviour, particularly in the context of the BTR. This approach ensures that the study is grounded in existing knowledge while also contributing new insights. Furthermore, the conceptual and empirical frameworks serve as a strong foundation for developing a comprehensive path analysis model, enabling the rigorous testing of relationships among key variables. These hypotheses form a comprehensive model as shown in Figure 5.1 that examines how different factors psychological factors interact to influence retirement financial behaviour.

Figure 5.1 The Conceptual Model



Source: Researcher's Analysis

The rest of this chapter is organized as follows: Section 5.2 discusses the data and methodology used for the research, Section 5.3 presents the model estimates, and Section 5.4 provides concluding remarks.

5.2 Data and Methodology

5.2.1 Constructs used for the study

Each construct in this study captures distinct aspects of retirement financial behaviour through well-defined items rated on a Likert-type scale, where participants indicate the extent to which they agree or disagree with each statement. One key construct is Financial Risk Tolerance (FRT), measured on a 7-point Likert scale. This construct evaluates an individual's inclination towards either secure or riskier investments, specifically within the context of planning for retirement. Items in this category prompt respondents to consider their preferences for investments with guaranteed returns versus those with higher risks but potentially greater returns. For example, respondents may indicate whether they favour a "sure thing" or are comfortable with a riskier portfolio that offers greater potential for growth. These items draw upon foundational studies by Tomar et al. (2021) and Jacobs-Lawson and Hershey (2005), which provide an empirical basis for understanding how individuals' risk tolerance impacts their retirement financial behaviour.

Future Time Perspective (FTP) is another critical construct, also measured on a 7-point Likert scale. This construct explores the extent to which individuals are inclined to consider and plan for their long-term futures, which is essential in retirement planning and savings. Items here assess respondents' future-oriented thinking, such as their interest in life years from now, importance placed on maintaining a long-term perspective, and motivation to plan for distant goals. This perspective is fundamental for those seeking financial security in later years, as retirement decisions requires a long-term approach to setting goals and saving. The items for this construct are adapted from Tomar et al. (2021), whose research emphasizes the positive role that future-focused thinking can play in effective retirement financial behaviour.

Retirement Goal Clarity (RGC), another construct measured on a 7-point Likert scale, addresses the clarity and specificity with which individuals approach their retirement goals. Items in this category measure how well individuals define their retirement objectives, such as setting precise savings targets, visualizing the quality of life they wish to maintain, and discussing their plans with family or friends. Clear goal-setting is a strong indicator of an individual's level of preparation for retirement, as well as their ability to meet specific financial targets. Studies by Tomar et al. (2021) and Stawski et al. (2007) are central to this construct, helping ensure the survey captures the nuances of retirement goal setting.

The Social Group Support (SGS) construct measures how social networks influence retirement financial behaviour, using a 7-point Likert scale. It considers the extent to which family, friends, and colleagues emphasize the importance of retirement savings and how early lessons in saving from childhood shape these attitudes. Social support can play a significant role in reinforcing positive financial behaviour, which, in turn, affect retirement readiness. The items here are based on Tomar et al. (2021), who highlight how social contexts contribute to financial decision-making.

Attitude Towards Retirement (ATR) is a construct that gauges respondents' overall outlook on retirement using a 7-point Likert scale. This scale captures a range of emotions and expectations, from optimism about retirement as a time to pursue dreams to concerns about potential challenges, such as feeling purposeless. Insights into these attitudes, based on Tomar et al. (2021), provide a fuller picture of respondents' psychological readiness for retirement.

Retirement Financial Behaviour is measured with an 8-item as discussed in Section 3.2 of Chapter 3, 5-point Likert scale that captures proactive retirement planning and savings habits. This includes behaviour such as regular savings contributions, comparing one's savings to that

of peers, and making a conscious effort to secure future financial stability. The construct draws from studies by Moorthy et al. (2012) and Jacobs-Lawson and Hershey (2005), combining insights through exploratory factor analysis to form a robust measure of financial behaviour. The table 5.1 provides an overview of variables, items, and sources for measuring constructs.

Table 5.1 Details of Constructs used in the Study

Variables	Items	References
Financial Risk Tolerance (FRT) (7-point Likert Scale)	FRT 1. I prefer a "sure thing" over a gamble when planning for retirement.	Jacobs-Lawson et al. (2005) and Tomar et al. (2021).
	FRT 2. I prefer those investments which have higher returns even if they are riskier.	
	FRT 3. The overall growth potential of a retirement investment is more important to me than the level of risk associated with the investment.	
	FRT 4. I am very willing to make risky investments to ensure financial stability in retirement.	
	FRT 5. As a rule, I would never choose the safest investment when planning for retirement.	
Future Time Perspective (FTP) (7-point Likert Scale)	FTP 1. I like to think about what the future will hold.	Tomar et al. (2021).
	FTP 2. I enjoy thinking about how I will live years from now in the future.	
	FTP 3. I look forward to life in the distant future.	
	FTP 4. According to me, it is important to have a long-term perspective in life.	
	FTP 5. My close friend would describe me as future-oriented.	
Retirement Goal Clarity (RGC) (7-point Likert Scale)	RGC 1. I set specific goals regarding how much I will need to save for my retirement.	Stawski et al. (2007) and Tomar et al. (2021).
	RGC 2. I think a great deal about the quality of life I want to lead after retirement.	
	RGC 3. I have a clear version of how my life shall be after retirement.	
	RGC 4. I have set clear goals for gaining information about retirement.	
	RGC 5. I have discussed retirement plans with my spouse, friends, and significant others.	
Social Group Support (SGS)	SGS 1. My spouse believes it's important to save for retirement.	Tomar et al. (2021).

(7-point Likert Scale)	SGS 2. My friends believe it's important to save for retirement.	
	SGS 3. My colleagues at work believe it's important to save for retirement.	
	SGS 4. Saving was an important lesson I learned as a child.	
Attitude Towards Retirement (ATR) (7-point Likert Scale)	ATR 1. Retirement will enable me to pursue my unfulfilled dreams.	Tomar et al. (2021).
	ATR 2. I look forward to retirement.	
	ATR 3. I am worried about my life after retirement.	
	ATR 4. I expect that being retired will make me feel useless.	
Retirement Financial Behaviour (RFB) (5-point Likert Scale)	RFB1. I am concerned about the state of my financial preparation for my retirement.	Moorthy et al. (2012) and Jacobs-Lawson and Hershey (2005). Adapted scale.
	RFB 2. I am confident that I will have a decent standard of living in my retirement.	
	RFB 3. At present, I rate my financial preparation for retirement as good.	
	RFB 4. Made meaningful contributions to a voluntary retirement savings plan.	
	RFB 5. Relative to my peers, I have saved a great deal for retirement.	
	RFB 6. Accumulated substantial savings for retirement.	
	RFB 7. Made a conscious effort to save for retirement.	
	RFB 8. Based on how I plan to live my life in retirement, I have saved accordingly.	

Source: Researcher's Compilation

Each variable is assessed with a Likert-scale set of items, allowing respondents to express agreement or preference on a scale from 1 (Strongly Disagree) to 7 (Strongly Agree), or from 1 to 5, where noted. Each construct highlights specific psychological dimensions that contribute to retirement financial behaviour. Together, these constructs provide a comprehensive framework for understanding retirement financial behaviour. These constructs measure aspects such as FRT, FTP, RGC, SGS, ATR, and RFB Each item assesses specific attributes of each construct, providing insights into the general tendencies and individual variations within each area.

Pilot studies, often considered smaller versions of full-scale studies or pre-tests of research instruments (Baker,1994 and Van Teijlingen & Hundley, 2001), are crucial for identifying

methodological issues and enhancing study design. It provides a robust foundation for future research phases while underscoring the importance of addressing constructs with lower reliability scores. The pilot study in this research aimed to assess the reliability of constructs using Cronbach's alpha (α) as a measure of internal consistency. Constructs with α values above 0.6 were considered reliable, with values above 0.7 categorized as good and those above 0.8 as excellent (Hair et al., 2019). The study sample included 77 respondents, with at least 10 participants from each occupational group (strata), ensuring diverse representation. Among the constructs, *Future Time Perspective* (α = 0.781), *Financial Risk Tolerance* (α = 0.649), *Retirement Financial Behavior* (α = 0.703), *Retirement Goal Clarity* (α = 0.827), *Social Group Support* (α = 0.802), and *Retirement Savings Behavior* (α = 0.862) demonstrated acceptable to excellent reliability, indicating consistent measurement of these domains. Constructs such as *Retirement Goal Clarity*, *Social Group Support*, and *Retirement Savings Behavior* displayed particularly strong internal consistency. Further, *Attitude Towards Retirement* (α = 0.653) may be considered reliable.

5.2.1 Descriptive Statistics

The table 5.2 presents descriptive statistics (Mean, Median, and Standard Deviation) for various items across different constructs based on the responses received in the survey. The dataset used for the analysis is described in section 3.1 of Chapter 3.

Table 5.2 Descriptive Statistics of Items

Item	Mean	Median	Standard deviation
FRT1	4.466	5.000	1.745
FRT2	3.646	4.000	1.935
FRT3	3.817	4.000	1.816
FRT4	3.293	3.000	1.810
FRT5	3.502	3.000	1.909
FTP1	5.030	6.000	1.650
FTP2	5.067	5.000	1.538
FTP3	5.137	6.000	1.516
FTP4	5.388	6.000	1.520
FTP5	4.087	4.000	1.598
RGC1	4.496	5.000	1.879
RGC2	4.491	5.000	1.902
RGC3	4.401	5.000	1.934
RGC4	4.248	4.000	1.938
RGC5	4.070	4.000	1.879
SGS1	4.393	4.000	1.879
SGS2	4.724	5.000	1.832

SGS3	4.721	5.000	1.769
SGS4	5.424	6.000	1.595
ATR1	4.246	4.000	1.706
ATR2	3.963	4.000	1.926
ATR3	3.789	4.000	1.954
ATR4	2.803	2.000	1.659
RFB1	3.148	4.000	1.272
RFB2	3.304	3.000	1.177
RFB3	3.147	3.000	1.182
RFB4	3.011	3.000	1.213
RFB5	2.888	3.000	1.132
RFB6	3.009	3.000	1.170
RFB7	3.429	4.000	1.156
RFB8	3.161	3.000	1.187

Note: Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB), Retirement Goal Clarity (RGC) and Social Group Support (SGS).
Source: Researcher's Analysis

Items FRT1 to FRT5 measure the level of comfort respondents have with financial risks. Mean values range from 3.293 to 4.466, indicating moderate risk tolerance among respondents, with FRT1 having the highest mean (4.466), suggesting a slightly higher comfort with risk in that aspect. Standard deviations are relatively high (around 1.7 to 1.9), showing considerable variability in risk tolerance across respondents.

Items FTP1 to FTP5 measure respondents' orientation towards future planning. Mean values are mostly above 5, with FTP4 having the highest mean (5.388), indicating that respondents generally have a strong inclination toward planning for the future. Medians for most items are close to or exactly 5 or 6, reinforcing a forward-looking perspective. Standard deviations, around 1.5 to 1.6, indicate some variation in how forward-thinking respondents are.

Items RGC1 to RGC5 measure the clarity of respondents' retirement goals. Mean values range from 4.070 to 4.496, suggesting that respondents have a fairly clear understanding of their retirement goals, although there may be room for improvement. Standard deviations are around 1.8 to 1.9, highlighting variability in how well-defined retirement goals are among respondents.

Items SGS1 to SGS4 assess the influence of social groups (e.g., family, friends) on retirement financial behaviour. Mean scores are high (4.393 to 5.424), with SGS4 having the highest mean (5.424), suggesting that social support plays a significant role in influencing retirement behaviour. Standard deviations are around 1.5 to 1.8, indicating moderate consistency in responses about social support.

Items ATR1 to ATR4 measure respondents' attitudes, including optimism and apprehensions, toward retirement. Mean scores range from 2.803 to 4.246, with ATR4 scoring the lowest (2.803), indicating some respondents may have concerns or negative feelings about retirement. Standard deviations are around 1.6 to 1.9, showing a considerable range in retirement attitudes among respondents.

Items RFB1 to RFB8 measure behaviour related to retirement planning and savings. Mean scores range from 2.888 to 3.429, indicating moderate levels of proactive RFB. Standard deviations are around 1.1 to 1.2, suggesting less variability in responses compared to other constructs, indicating that retirement financial behaviour is fairly consistent across respondents.

These descriptive statistics reveal several key trends. Respondents generally exhibit a forward-thinking perspective (high FTP scores), recognize the importance of social support (high SGS scores), and have moderate retirement goal clarity and financial risk tolerance. Attitudes towards retirement vary, with some showing apprehensions (lower ATR scores), and proactive retirement financial behaviour (RFB) appear moderate.

5.3 Discussion of Results

5.3.1 Measurement Model Assessment

As discussed in Section 3.1 of Chapter 3, the data was analyzed using SEM for examining the relationships between various variables guided by Hair et. al., (2019). SEM allows us to see and understand how each factor in our study interacts and contributes to retirement financial behaviour. This approach provides a clear, structured way to test and visualize these relationships, offering insights into the paths and connections that shape financial behaviour.
Firstly, we evaluate the outer measurement model to determine the reliability, convergent validity, and discriminant validity. As such we can ensure that the constructs, we used for our study to evaluate the inner model relations are accurately measured (Hair et al., 2014).

Secondly, we measured the inner structural model to establish the causal relationships using the significant path coefficient values among the hypothesized latent constructs (Hair et al., 2014).

Table 5.3 presents the result from preliminary measurement model analysis, including factor(item) loadings, Cronbach's alpha (α), Composite Reliability (CR), and Average Variance Extracted (AVE).

Table 5.3 Preliminary Construct Reliability and Convergent Validity Outcomes

Constructs	Items	Loadings	α	CR	AVE
FRT	FRT1	*0.297*	*0.600*	*0.671*	*0.424*
	FRT2	0.827			
	FRT3	0.797			
	FRT4	0.767			
	FRT5	*0.356*			
FTP	FTP1	0.775	0.828	0.826	0.594
	FTP2	0.823			
	FTP3	0.827			
	FTP4	0.791			
	FTP5	*0.616*			
RGC	RGC1	0.810	0.873	0.875	0.666
	RGC2	0.843			
	RGC3	0.860			
	RGC4	0.849			
	RGC5	0.710			
SGC	SGS1	0.798	0.724	0.777	0.568
	SGS2	0.846			
	SGS3	0.853			
	SGS4	*0.440*			
ATR	ATR1	0.786	*0.546*	*0.541*	*0.378*
	ATR2	0.825			

	ATR3	*0.451*			
	ATR4	*0.096*			
RFB	RFB1	*0.619*	0.884	0.888	0.555
	RFB2	0.802			
	RFB3	0.754			
	RFB4	0.729			
	RFB5	0.752			
	RFB6	0.815			
	RFB7	*0.656*			
	RFB8	0.809			

Note: Cronbach's Alpha (α), Composite Reliability (CR), and Average Variance Extracted (AVE). Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB), Retirement Goal Clarity (RGC), Social Group Support (SGS). Source: Researcher's Analysis

Factor loadings indicate how well each item represents its construct. The loadings for FRT2, FRT3, and FRT4 are above the 0.7 threshold, indicating they align well with the FRT construct. However, FRT1 (0.297) and FRT5 (0.356) fall below the acceptable 0.5 loading threshold and may need to be removed as they do not contribute meaningfully to the construct. α values assess the internal consistency of items within each construct, with values typically above 0.7 indicating reliability. The α (0.600), CR (0.671), and AVE (0.424) values are all below the recommended thresholds, suggesting weak internal consistency and a lack of convergent validity. Removing problematic items (FRT1 and FRT5) could enhance the construct's reliability.

The majority of items (FTP1 to FTP4) exhibit strong loadings above 0.7, while FTP5 has a slightly lower loading of 0.616, which remains acceptable. Both α (0.828) and CR (CR = 0.826) exceed 0.7, indicating good internal consistency and reliability. The AVE of 0.594 surpasses the 0.5 threshold, confirming convergent validity. Overall, FTP demonstrates strong reliability and validity, with only FTP5 potentially requiring a review due to its marginally lower loading.

All items (RGC1 to RGC5) exhibit loadings above 0.7, suggesting strong alignment with the construct. Both α (0.873) and CR (0.875) are well above 0.7, indicating robust reliability. The

AVE of 0.666 supports convergent validity. RGC is a highly reliable construct, with all items performing well without the need for modifications.

Items SGS1 to SGS3 have loadings above 0.7, but SGS4 has a low loading of 0.440, which may affect construct reliability and validity. α (0.724) and CR (0.777) meet the 0.7 threshold, indicating adequate reliability. The AVE of 0.568 supports convergent validity. SGC is largely reliable, but the low loading of SGS4 may require its removal to improve construct reliability.

While ATR2 has a strong loading (0.825), ATR1 and ATR3 have marginally acceptable loadings, and ATR4 (0.096) has an extremely low loading, suggesting poor alignment with the construct. The α (0.546) and CR (0.541) are significantly below 0.7, indicating weak internal consistency. The AVE of 0.378 is below the 0.5 threshold, indicating inadequate convergent validity. ATR's reliability and validity are compromised, particularly due to the very low loading of ATR4.

All items (RFB1 to RFB8) exhibit acceptable loadings, with most above 0.7. However, RFB1 and RFB7 have slightly lower loadings. Both α (0.884) and CR (0.888) are high, suggesting strong reliability. The AVE of 0.555 exceeds the 0.5 threshold, confirming convergent validity. RFB is a reliable and valid construct, with only minor concerns regarding the slightly lower loadings of RFB1 and RFB7.

Constructs FTP, RGC, and RFB demonstrate strong reliability and validity, while SGC requires modification, particularly by potentially removing SGS4. FRT and ATR show weak reliability and validity, due to multiple low loadings, low α, and poor AVE values, indicating a need for significant revisions. Items with low loadings, such as FRT1, FRT5, ATR3, and ATR4, should be removed to improve the strength of these constructs. This evaluation provides a foundation for refining the constructs to ensure more accurate and reliable measurements before advancing to structural model analysis. The final measurement model results are presented in Table 5.4. The remaining items for each construct demonstrate satisfactory reliability and validity metrics.

Table 5.4 Final Reliability and Convergent Validity Outcomes

Constructs	**Items**	**Loadings**	**α**	**CR**	**AVE**
FRT	FRT2	0.876	0.81	0.82	0.72
	FRT3	0.855			
	FRT4	0.813			
FTP	FTP1	0.769	0.83	0.83	0.59

	FTP2	0.821			
	FTP3	0.825			
	FTP4	0.79			
	FTP5	0.623			
RGC	RGC1	0.81	0.87	0.88	0.67
	RGC2	0.844			
	RGC3	0.861			
	RGC4	0.851			
	RGC5	0.705			
SGS	SGS2	0.9	0.78	0.79	0.82
	SGS3	0.914			
ATR	ATR1	0.813	0.62	0.62	0.67
	ATR2	0.828			
RFB	RFB1	0.617	0.88	0.89	0.56
	RFB2	0.801			
	RFB3	0.755			
	RFB4	0.73			
	RFB5	0.753			
	RFB6	0.816			
	RFB7	0.655			
	RFB8	0.809			

Note: Cronbach's Alpha (α), Composite Reliability (CR), and Average Variance Extracted (AVE). Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB), Retirement Goal Clarity (RGC), Social Group Support (SGS)
Source: Researcher's Analysis

This table 5.4 presents results from measurement model analysis, including factor loadings, α, CR, and AVE for various items under different constructs. The factor loadings for each item generally exceeded 0.5, indicating acceptable levels of indicator reliability across all constructs. For FRT construct, all the items FRT2, FRT3, and FRT4 have factor loadings above 0.8 which is above threshold of 0.7 hence indicating good reliability. For FTP construct, all item loadings are above 0.7 except for the FTP5 which has a loading of 0.6. All items of RGC construct have item loading above threshold of 0.7. And SGS construct item has loadings above 0.9 indicating good internal consistency. ATR items also have loadings above 0.7. And the item loadings of the dependent variable, RFB is between 0.617 to 0.816.

The Cronbach's Alpha (α) values assess the internal consistency of items within each construct, with values typically above 0.7 indicating reliability. The α values of all the constructs considered for the study is above 0.7 except for the ATR construct which is found to be 0.615. The ATR construct presents a lower α of 0.615, which is below the commonly accepted threshold of 0.7. It may be mentioned that according to Hair et al., 2017, Cronbach's alpha value greater than 0.6 is also acceptable.

CR evaluates the overall reliability of each construct, where values over 0.7 are generally acceptable. The CR value for FRT is found to be 0.820, for FTP it is 0.828, for RGC it is 0.877, for ATR it is 0.516, and for RFB it is 0.888. However, the Composite Reliability of ATR is 0.616.

AVE represents the average variance captured by the construct from its items, with values above 0.5 desired, indicating that the construct explains more than half of the variance in its items. In the above table 5.4, AVE values of all the constructs are above threshold i.e., 0.5 indicating convergent validity.

The ATR construct presents a lower α of 0.615, which is below the commonly accepted threshold of 0.7. However, its Composite Reliability is 0.616, which is also low. Despite these issues, the AVE is 0.674, which is above the threshold of 0.5, suggesting that the items within ATR do share a common underlying factor and that the construct is valid in terms of convergent validity. The ATR construct, despite its lower reliability scores, is retained due to its theoretical importance and acceptable AVE, contributing meaningfully to the overall understanding of retirement financial behaviour.

The part A and part B of table 5.5 provided represents the HTMT (Heterotrait-Monotrait Ratio) and Fornell-Larcker criterion evaluation of the measurement model for assessing discriminant validity.

Table 5.5 Discriminant Validity

Part A: HTMT evaluation						
Construct	**ATR**	**FRT**	**FTP**	**RFB**	**RGC**	**SGS**
ATR						
FRT	0.462					
FTP	0.566	0.183				
RFB	0.731	0.501	0.487			
RGC	0.851	0.577	0.497	0.825		
SGS	0.701	0.562	0.500	0.709	0.889	
Part B: Fornell-Larcker criterion						
Construct	**ATR**	**FRT**	**FTP**	**RFB**	**RGC**	**SGS**
ATR	0.821					
FRT	0.299	0.848				
FTP	0.390	0.174	0.769			
RFB	0.493	0.433	0.437	0.745		
RGC	0.571	0.492	0.447	0.726	0.816	
SGS	0.445	0.453	0.422	0.590	0.735	0.907

Note: Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB), Retirement Goal Clarity (RGC), Social Group Support (SGS)
Source: Researcher's Analysis

The part A of table 5.5 presents the discriminant validity results of the measurement model, specifically using the HTMT (heterotrait-monotrait) ratio, which assesses how distinct the constructs are from one another. HTMT values less than 0.9 (Hair et al., 2017) supports discriminant validity. Here all the HTMT values are found to be less than 0.9 hence satisfying the HTMT criterion indicating that the constructs considered for the study are distinct from one another.

The diagonal values in the part B of the table represent the square root of the AVE for each construct, indicating the extent to which the variance in its indicators is explained by the construct itself. To satisfy the Fornell-Larcker criterion, the diagonal values (e.g., 0.821 for ATR) must exceed the off-diagonal values in the corresponding column. For ATR, all correlations with other constructs are smaller than 0.821, confirming its discriminant validity. Similarly, FRT exhibits a diagonal value of 0.848, which is greater than its correlations with other constructs. FTP also maintains discriminant validity. For RFB, the diagonal value of 0.745 surpasses its correlations with constructs like RGC (0.726) and SGS (0.59), confirming its discriminant validity. RGC similarly demonstrates adequate discriminant validity with a diagonal value of 0.816, exceeding its correlations with SGS (0.735) and ATR (0.571). Lastly, SGS shows a strong discriminant validity, with a diagonal value of 0.907 that is greater than its correlations with other constructs, such as RFB (0.590) and RGC (0.735).

In conclusion, all constructs in the model satisfy the Fornell-Larcker criterion, ensuring that each construct is sufficiently distinct from the others with minimal overlap. These findings confirm the robustness and reliability of the measurement model in accurately capturing unique dimensions of the constructs.

The table 5.6 provided presents the VIF evaluation of the measurement model.

Table 5.6 VIF Evaluation

Construct	ATR	FRT	FTP	RFB	RGC	SGS
ATR				1.538		
FRT				1.364		
FTP	1.000	1.000		1.333	1.217	
RFB						
RGC				2.816		
SGS			1.000	2.295	1.217	

Note: Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB), Retirement Goal Clarity (RGC), Social Group Support (SGS).
Source: Researcher's Analysis

In this model, the VIF values for all constructs are within acceptable limits, with the highest observed at 2.816, affirming that multicollinearity does not pose a concern. In the table, ATR has a VIF of 1.538, indicating low multicollinearity. FRT and FTP show VIF values of 1.364 and 1.333, respectively, suggesting they are sufficiently independent within the model. RGC presents a slightly higher VIF at 2.816, which, while approaching the threshold, remains within an acceptable range. SGS has VIF values up to 2.295 in some instances, still under the recommended limit. Collectively, these VIF values demonstrate that collinearity is adequately managed within the model, supporting a reliable structural model evaluation.

5.3.2 Model Fit

According to Hussain et al., 2018, the SRMR is the average of the standardized residuals between the observed and the predicted covariance matrix and its value should be less than 0.08. The model fit measures presented in Table 5.7 offer valuable insights into the effectiveness of the estimated model in representing the data. In this study it evident from table 5.7 results that the estimated model has an SRMR of 0.070, revealing a good model fit. This also indicates that the estimated model is a good approximation of the data.

Table 5.7 Model Fit Results

Criteria	Saturated model	Estimated model
SRMR	0.069	0.070

Note: Standardized root mean residual
Source: Researcher's Analysis

5.3.3 R-square Values

The analysis of structural model begins with the assessment of co-efficient of determination (R^2) which measures the degree of variance explained in the dependent construct by structural model of the study (Hair et al., 2017). Henseler et al. (2009) recommends the R^2 value of 0.67 as substantial, 0.33 as moderate, and 0.19 as weak. The R^2 values in this model presented in Table 5.8 indicate the proportion of variance in each construct explained by the predictor variables, offering insight into the model's explanatory power. The R^2 value of the dependent variable retirement financial behaviour is found to be 55.9 which implies that the independent predictor variables of our model is able to explain 55.9% of the variance in dependent variable.

Hence R^2 value of our model is moderate and close to the substantial level, implying that the model has a strong explanatory capacity for retirement financial behaviour.

The model also explains 56.4% of variance in RGC, followed by 17.8 % of variance in FTP, 15.2% of the variance in ATR and 3% of variance in FRT. These results indicate that ATR, FRT and FTP have weak variance whereas RGC explains moderate variance.

Table 5.8 Model Estimates

Construct	R-square	R-square adjusted
ATR	0.152	0.151
FRT	0.030	0.029
FTP	0.178	0.177
RFB	*0.559*	*0.555*
RGC	0.564	0.562

Note: Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB) and Retirement Goal Clarity (RGC).
Source: Researcher's Analysis.

5.3.4 Effect Size

In this model, the f^2 values highlight the varying influences of predictors. For example, ATR has a minimal influence on RFB ($f^2 = 0.011$), while FRT also shows a small effect ($f^2 = 0.015$), indicating these predictors contribute modestly to explaining variance in RFB. FTP emerges as a more meaningful predictor, with a medium effect size on ATR ($f^2 = 0.179$) and weak but notable effects on FRT ($f^2 = 0.031$) and RFB ($f^2 = 0.026$). The impact of FTP on RGC ($f^2 = 0.052$) is also small-to-moderate, indicating some contribution to goal clarity. RGC itself has a significant effect on RFB ($f^2 = 0.217$), marking it as an important predictor of financial behaviour. SGS shows a moderate effect on FTP ($f^2 = 0.217$) and a very strong effect on RGC ($f^2 = 0.833$), identifying it as a dominant factor influencing goal clarity. Conversely, SGS impact on RFB is weak ($f^2 = 0.005$). Overall, SGS and RGC demonstrate strong predictive power, while other relationships, such as FRT and ATR on RFB, show limited explanatory value. This analysis of f-square values thus clarifies which constructs play central roles in the model and which have lesser impacts. The estimates are presented in Table 5.9.

Table 5.9 Effect Sizes

Path	f^2	Effect Size Interpretation
ATR → RFB	0.011	Weak Effect ($0.02 \leq f^2 < 0.15$)
FRT → RFB	0.015	Weak Effect ($0.02 \leq f^2 < 0.15$)
FTP → ATR	0.179	Moderate Effect ($0.15 \leq f^2 < 0.35$)
FTP → FRT	0.031	Weak Effect ($0.02 \leq f^2 < 0.15$)
FTP → RFB	0.026	Weak Effect ($0.02 \leq f^2 < 0.15$)
FTP → RGC	0.052	Weak Effect ($0.02 \leq f^2 < 0.15$)
RGC → RFB	0.217	Moderate Effect ($0.15 \leq f^2 < 0.35$)
SGS → FTP	0.217	Moderate Effect ($0.15 \leq f^2 < 0.35$)
SGS → RFB	0.005	Weak Effect ($0.02 \leq f^2 < 0.15$)
SGS → RGC	0.833	Strong Effect ($f^2 \geq 0.35$)

Note: Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB), Retirement Goal Clarity (RGC), Social Group Support (SGS)
Source: Researcher's Analysis

5.3.5 Predictive Performance

The LV Prediction Summary for this model shows varying Q^2predict values across latent variables. The predictive relevance (Q^2) values in Table 5.10 provide an assessment of how well the model's constructs predict the endogenous variables, with higher Q^2 values indicating stronger predictive power. Values greater than zero are meaningful. Values higher than 0 indicates small predictive accuracy, higher than 0.25 indicates medium predictive accuracy and higher than 0.50 indicates large predictive accuracy of the PLS path model (Hair et al., 2019). The estimates are presented in Table 5.10.

Table 5.10 Q^2 predict

Construct	Q^2 predict
ATR	0.119
FRT	0.061
FTP	0.173
RFB	0.341
RGC	0.539

Note: Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB), Retirement Goal Clarity (RGC), Social Group Support (SGS)
Source: Researcher's Analysis

For ATR (Q^2predict = 0.119), the model shows moderate predictive relevance, suggesting it can predict this variable to some extent, but with limited strength. The FRT (Q^2predict = 0.061) reveals a relatively low predictive relevance, indicating that the model has a weaker ability to predict this construct, possibly due to other unaccounted factors influencing financial risk tolerance. In contrast, the FTP (Q^2predict = 0.173) shows moderate-to-good predictive relevance, meaning the model predicts this latent variable with a stronger degree of accuracy compared to the other constructs. RFB (Q^2predict = 0.341) exhibits strong predictive relevance, suggesting that the model is highly effective in predicting individuals' retirement financial behaviour. Lastly, RGC (Q^2predict = 0.539) has the highest Q^2predict value, indicating excellent predictive relevance and a strong ability of the model to predict the clarity of retirement goals. In summary, these values indicate that the model is most effective at predicting RGC and RFB, while its predictive accuracy for FRT and ATR is more limited, pointing to areas where the model could potentially be improved.

5.3.6 Model Estimates

The path analysis results presented in Table 5.11 provide valuable insights into the direct effects of various predictor variables (independent variables) on outcome variables (dependent variable) within the model. The coefficient estimates represent the strength and direction of the relationship; positive values indicate a positive association, while negative values suggest a

negative relationship. The P values indicate the probability that the observed relationships are due to random chance, with values less than 0.05 suggesting significant effects.

Table 5.11 Path Analysis Results

Hypothesis	Path	β	P values	Results
H1	ATR -> RFB	0.087	0.013**	Supported
H2	FRT -> RFB	0.096	0.012**	Supported
H3	FTP -> RFB	0.123	0.001*	Supported
H4	RGC -> RFB	0.519	0.000*	Supported
H5	SGS -> RFB	0.074	0.148	Not Supported
	FTP -> ATR	0.390	0.000*	Supported
	FTP -> FRT	0.174	0.000*	Supported
	FTP -> RGC	0.166	0.000*	Supported
	SGS -> FTP	0.422	0.000*	Supported
	SGS -> RGC	0.665	0.000*	Supported

Note: Significance level of 1 percent (*) and 5 percent (**) respectively. Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB), Retirement Goal Clarity (RGC), Social Group Support (SGS)
Source: Researcher's Analysis

The path analysis results offer valuable insights into the direct relationships between various constructs and their impact on retirement financial behaviour, as outlined in the hypotheses. To begin with, ATR has a significant positive influence on RFB (H1). The path coefficient for this relationship is 0.087, and a p-value of 0.013, indicating a statistically significant effect at the 5% level. Hence H1 is supported. This suggests that individuals who have a more favorable attitude toward retirement tend to exhibit more positive retirement financial behaviour which aligns with the study findings of Noone et al. (2010) and Gordon (1994). And contrasts with the findings of Tomar et al. (2021). The result implies that enhancing an individual's perspective on retirement can lead to better financial planning and decision-making for their future.

Similarly, H2 hypothesized that FRT has a significant positive influence on RFB. The path coefficient here is 0.096, and a p-value of 0.012, confirming a significant positive relationship at the 5% significance level and thus supporting and accepting H2. This finding corroborates the findings of Jacobs-Lawson and Hershey (2005) and Grable and Joo (1997). This suggests that individuals who are more willing to take financial risks are more likely to engage in proactive retirement financial behaviour. Risk tolerance is often a key predictor of how individuals approach investments and savings, and this finding highlights its relevance in shaping effective retirement financial behaviour.

H3 is hypothesized as FTP has a significant positive influence on RFB. The path coefficient for this relationship is 0.123, and a p-value of 0.001, thereby supporting H3. A positive FTP means that individuals are more focused on their long-term future, which likely results in a stronger motivation to plan for retirement. The significant coefficient indicates that those who consider the future more seriously are more likely to exhibit responsible and planned financial behaviour regarding their retirement. This result inclines with the findings of Jacob and Hershey (2005) and Kimiyagahlam, Safari and Mansori (2019).

Additionally, the relation RGC positively influences RFB (H4) has a path coefficient of 0.519, and p-value of 0.000 as indicated from the table 5.11, which is highly significant. Hence H4 is supported which is consistent with the findings of Hershey, Henkens and Van Dalen (2010) and Tomar et al. (2021). This strong relationship suggests that having clear, defined retirement goals plays a crucial role in shaping how individuals approach retirement preparedness. Clear goals allow individuals to focus their efforts and resources more effectively, leading to better financial behaviour aimed at securing a comfortable retirement.

On the other hand, SGS has a significant positive influence on RFB (H5). The path coefficient for this relation is 0.074, and a p-value is 0.148, which is not statistically significant and thus rejecting H5. This finding is consistent to the findings of Hershey et al. (2010). This indicates that, while social support does not directly influence retirement financial behaviour but it may have indirect effects through other variables. It suggests that other factors, such as individual attitudes, financial tolerance, and future outlook, may be more influential in determining retirement financial outcomes than social group support alone.

In summary, the path analysis results demonstrate that ATR, FRT, FTP, and RGC all significantly contribute to enhancing retirement financial behaviour, while SGS does not appear to have a direct effect. The findings underline the importance of individual attitudes, financial risk-taking, long-term perspectives, and goal clarity in shaping positive financial behaviour for retirement.

Further, the path analysis results provide a deeper understanding of how different constructs are related. The path coefficient for FTP -> ATR is 0.390, and p-value is 0.000, indicating a highly significant positive relationship. This means that individuals with a stronger FTP—those who think more about their long-term future—tend to have a more positive attitude toward retirement. The result suggests that when people are more focused on the future, they are more likely to recognize the importance of preparing for retirement and develop a positive outlook toward the retirement process. The path coefficient for FTP -> FRT is 0.174, and p-value is 0.000, which is also statistically significant at the 1% level. This indicates that individuals who have a long-term perspective and are more attuned to future outcomes are also more likely to exhibit higher levels of risk tolerance. The finding implies that when individuals consider their future financial security, they may be more willing to take financial risks, such as investing in assets that have higher potential returns (but also higher risks) to secure their retirement goals. The path coefficient for FTP -> RGC is 0.166, and a p-value of 0.000, suggesting a significant positive effect. This means that individuals with a clearer focus on the future are more likely to develop clear goal clarity towards retirement. People who think about the long-term future may be better at setting specific retirement goals, understanding what they need to do now to achieve those goals, and taking steps to ensure a financially secure retirement. The significant relationship further highlights that a long-term focus enables individuals to define their retirement plans more effectively. The path coefficient for SGS -> FTP is 0.422, and a p-value of 0.000, indicating a strong and highly significant positive influence. This result suggests that SGS plays an essential role in shaping an individual's FTP. When individuals receive support from their social networks whether through family, peers, or community, they may be more likely to adopt a future-oriented mindset. Social support can provide the encouragement and resources needed to think about and plan for the future, including retirement, which can lead to more proactive planning. The path coefficient for SGS -> RGC is 0.665, and p-value is 0.000, indicating a very strong and statistically significant relationship. This suggests that social support has a substantial impact on RGC. Individuals who receive significant support from their social groups are more likely to have a clear understanding of their retirement goals. Social group support could provide the guidance, information, or motivation necessary to help individuals set specific, actionable retirement goals. This relationship highlights the critical role of social networks in shaping an individual's ability to develop clear and effective retirement plans.

In summary, these relationships suggest that FTP and SGS are pivotal factors in shaping important components of retirement planning and savings, such as ATR, FRT, and RGC. A stronger FTP leads to more positive retirement attitudes, greater financial risk tolerance, and clearer retirement goals, while social group support helps foster both a long-term perspective and clearer retirement goals. These findings underscore the interconnected nature of these constructs in shaping individuals' retirement preparedness and financial behaviour.

5.3.7 Indirect Path Analysis Results

The specific indirect effects in the path analysis illustrated in Table 5.12 shows the cascading influences that certain variables exert on retirement financial behaviour through intermediate variables. The findings from the analysis shed light on the intricate relationships between various predictors and outcomes, revealing the mediating roles of certain variables within the model.

Table 5.12 Indirect Path Analysis Results

	Path	**β**	**P values**	**Results**
H6	FTP -> ATR -> RFB	0.034	0.019**	Supported
H7	FTP -> FRT -> RFB	0.017	0.046**	Supported
H8	FTP -> RGC -> RFB	0.086	0.000*	Supported
H9	SGS -> FTP -> RFB	0.052	0.002**	Supported
H10	SGS -> RGC -> RFB	0.345	0.000*	Supported
	SGS -> FTP -> ATR	0.165	0.000*	
	SGS -> FTP -> FRT	0.074	0.000*	
	SGS -> FTP -> RGC	0.070	0.000*	
	SGS -> FTP -> RGC -> RFB	0.037	0.000*	

Note: Significance level of 1 percent (*), 5 percent (**) and 10 percent (***) respectively; ‘N’ is the number of events. Attitude Towards Retirement (ATR), Financial Risk Tolerance (FRT), Future Time Perspective (FTP), Retirement Financial Behaviour (RFB), Retirement Goal Clarity (RGC) and Social Group Support (SGS).

Source: Researcher's Analysis

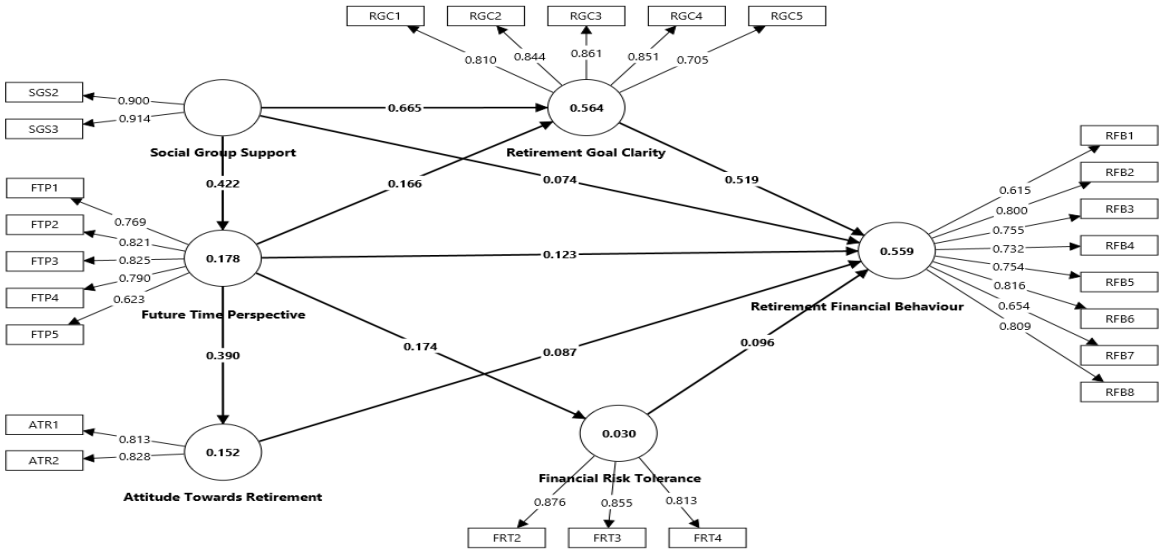
The indirect path analysis in Table 5.12 presents the relationships between various constructs and mediating variables that influence RFB. The results reveal that the path FTP -> ATR -> RFB (H6) is supported (β=0.034 and p=0.019) indicating that the attitude towards retirement partially mediates the effect of future time perspective on retirement financial behaviour. This is consistent with the findings of Rabinovich et. al., (2010). Thus, adopting a long-term perspective enhances the alignment between attitudes and intentions, promoting future-oriented behaviour such as planning and saving. Similarly, the indirect path. FTP -> FRT -> RFB (H7) is also supported (β=0.017 and p=0.046) as evident from the above table 5.12 which summarizes that financial risk tolerance partially mediates the effect of Future Time Perspective on retirement financial behaviour. This finding aligns with the findings of Jacobs-Lawson and Hershey (2005). Also, the path FTP -> RGC -> RFB(H8) is supported (β=0.086 and p=0.000), which shows a significant positive indirect effect of future orientation on financial behaviour through retirement goal clarity. This indicates that individuals with a stronger FTP tend to have clearer retirement goals, which, in turn, positively affect their RFB. Further, path SGS -> FTP -> RFB (H9) is also significant and supported (β=0.052 and p=0.002) indicating that future orientation mediates the effect of social group support on retirement financial behaviour. But since the direct path SGS->RFB is not significant from the direct path results, we can infer that future time perspective fully mediates the effect of social group support on retirement financial behaviour. And finally, the path SGS -> RGC -> RFB (H10) is also supported (β=0.052 and p=0.002) from the above table 5.12. This implies that goal clarity fully mediates the effect of social support on retirement financial behaviour.

Besides these framed hypotheses for the study, few more indirect effects have been documented. Future time perspective mediates the effect of social group support on attitude towards retirement (β=0.165 and p=0.000). It is also seen to mediate the impact of social group support on risk tolerance (β=0.074 and p=0.000) and goal clarity (β=0.070 and p=0.000). Another indirect path is the impact of Social Group Support on retirement financial behaviour, mediated through Future Time Perspective and the clarity of retirement goals (β=0.037 and p=0.000).

In summary, the findings emphasize the critical role of SGS and FTP in shaping RFB, primarily through their effects on RGC, ATR, and FRT. Multiple significant indirect paths highlight the

importance of future-oriented thinking and goal clarity in retirement financial behaviour. These results underscore the value of social support and time perspective in influencing individuals' financial behaviour concerning retirement. Figure 5.2 encapsulates the core findings of this research, visually representing the interconnections between the psychological factors that shape retirement financial behaviour.

Figure 5.2 Structural Equation Model Analysis



Source: Researcher's Analysis

5.4 Conclusion

The findings of this chapter underscore the significant role of psychological factors in shaping individuals' retirement financial behaviour, with FTP, RGC, FRT, ATR and SGS emerging as key influences. This research provides valuable insights into how psychological constructs such as attitudes, future outlook, and goal clarity directly affect retirement planning and financial decision-making, aligning with insights from behavioral finance literature (Brüggen

et al., 2017, Asebedo et al., 2019, Tomar et al., 2021). A central finding of this study is the profound impact of FTP on RFB. The results confirm that individuals with a future-oriented mindset are more likely to engage in proactive retirement planning and exhibit prudent financial behaviors (Mowen, 2000). As shown by the data, Future Time Perspective significantly influences both attitudes toward retirement and financial risk tolerance, which, in turn, shape retirement financial behaviour. This supports prior research by Hershey et al. (2010) and Hastings and Mitchell (2011), who emphasize that individuals with a strong future orientation are more inclined to make long-term financial decisions, prioritizing retirement savings over short-term spending. Additionally, retirement goal clarity was found to be the most influential predictor of retirement financial behaviour in this study. Having clear and well-defined retirement goals significantly enhances retirement financial behaviour. This highlights the importance of goal clarity in motivating individuals to take proactive steps toward securing their financial future. The findings align with the work of Hershey et al. (2007) and Moorthy et al. (2012), which indicate that individuals with clearly articulated retirement goals are more likely to engage in consistent and strategic retirement planning and savings. The study also shows that future orientation plays an essential role in shaping goal clarity for retirement, suggesting that a future-oriented perspective is crucial for setting clear retirement goals. Without such clarity, individuals may struggle with procrastination and fail to take the necessary actions to prepare for retirement.

Social group support was also found to have an indirect, but significant, influence on retirement financial behaviour. While the direct effect of social group support on retirement financial behaviour was not statistically significant, the study reveals that social support impacts FTP, ATR, and FRT, all of which are key determinants of retirement financial behaviour. These findings emphasize the role of social networks—such as family, peers, and colleagues—in shaping retirement financial decisions. This supports Bandura's Social Learning Theory (1977) and Lusardi's work (2003), which highlight that individual often learn financial behaviour from the people around them. Social support systems provide valuable encouragement, information, and resources that help individuals develop a more future-oriented mindset and set clearer retirement goals.

In practical terms, these findings suggest that interventions aimed at improving retirement preparedness should focus on fostering a future-oriented mindset and promoting clear, actionable retirement goals. Programs designed to enhance financial literacy, particularly in regions with limited resources, should emphasize long-term planning and goal-setting as core

elements of retirement preparation. Moreover, strengthening social support structures within communities could further encourage positive financial behaviour, as individuals are strongly influenced by the financial practices of those in their social circles.

Thus, to conclude, this research highlights that psychological factor—particularly FTP, RGC, FRT, ATR and SGS—play a pivotal role in shaping retirement financial behaviour. These insights contribute to the growing body of research in behavioral finance, emphasizing the need to understand the psychological drivers of financial decision-making.