

A STUDY ON RETIREMENT PREPAREDNESS OF PRIVATE SECTOR EMPLOYEES

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Introduction

According to Department of Economic and Social Affairs, United Nations, Malaysia will become an “aged nation” by 2030; where at least 14 percent of the population will be senior citizens, which also means they are above 60 year. This percentage is almost double the number of elderly in 2010 which was 7.8 percent of the 28 million population. Men are expected to live until the age of 72.5 and women until the age of 77.4 (Statistics Department of Malaysia, 2016). With the social and medical advancements, Malaysians are now living longer and the trend of these indicators is in line with the transition of age structure towards a looming baby Boomer crisis. With these information, it is clear that an individual is expected to live approximately between 12 to 20 years more after retiring at 60. This statement indicates people are living longer and will result in more plans and funds needed after retirement. Other than population aging, Joo and Grable (2005); Siti Zaharah and Foo (2013) stressed that, investment uncertainty, baby Boomer, and different retirement policies, unpredictable economic changes, increased cost of living and inflation have all heightened the significance of retirement preparedness.

Formulating good policies and research on retirement preparedness is crucial to manage and reduce the burden of poverty among retirees and the elderly population in the future by ensuring senior citizens have protection and sufficient incomes to cover their needs after retirement. Although policies are available, problems with this issue still arise and identified that private sector employees’ EPF (Employees Provident Fund) savings are low and inadequate (Thillainathan, 2004). Inadequacy in EPF savings happens because of two reasons whereby the first one is that the salary is not enough to generate the minimum benchmark of EPF which is RM 950 per month. Secondly, it might not be adequate if the EPF contribution percentage is not fulfilled at a maximum level which is 23 or 24 percent

Early withdrawal is another problem contributing to the inadequacy of EPF savings during retirement. EPF is giving the opportunity for their members to withdraw money from the “1st account” for reasons such as withdrawal to reduce housing loan, incapacitation withdrawal, education withdrawal, withdrawal to purchase a house, death withdrawal, health withdrawal, Hajj withdrawal and many more. Moreover, 99.9 percent of EPF members have the tendency to withdraw their savings in one lump sum from EPF once they reached 55 years old and this amount will wear off in three to five years and that could cause inadequacy for the whole retirement period (Hunt, 2009). Ideally, the accumulated EPF must be able to sufficiently finance at least the same level of pre-retirement consumption (Yuh, Montalto, & Hanna, 1998).

Apart from EPF saving inadequacy, people with poor retirement planning behaviour are totally not aware of their own retirement, thus it can lead to worst retirement experience in the future. They also insisted that individuals who are aware of their planning and saving behaviour are able to control their current position to keep their future position from financial disaster (O’Donoghue & Rabin, 1999). The percentage of those planning during pre-retirement and post-retirement is still minimal. Consequently, poor planning behaviour will result in lack of preparedness and eventually will cause socioeconomic problems in Malaysia.

According to a research report, 28 percent of the early Baby Boomers have not thought about retirement planning at all. Older employees are not well-informed about their retirement benefits and only few of them are alert of this situation (Lusardi & Mitchell, 2007). Employees who wish to retire early need to plan their retirement ahead. From all the above scenarios, we can conclude that many factors influence one’s retirement savings (EPF). Although good retirement planning behaviour is implemented, retirement preparedness of employees is still a question and is it adequate enough to fund their entire retirement phase confidently with relatively strong and stable financial position?

As summary, to be able to retire in a financially stress-free manner, people must have sufficient savings to support themselves during the post-retirement period. Those in their fifties and early sixties have found that savings levels are insufficient and are not incongruent with their expected retirement age. In order to have sufficient funds, an individual should be able to have control of their own retirement planning. Negligent in retirement planning can cause people to experience financial issues during their retirement phase. Other than retirement planning, insufficient retirement funds will also cause a disastrous golden year, especially when the life expectancy increases. Although it is critical to make a general statement about how much savings is

enough for retirement because everyone has different lifestyles and different expectations for their old age, however, there are some approach can be accepted on the adequacy of retirement savings and preparedness (Lusardi & Mitchell, 2007).

Literature Review

Retirement planning behaviour

Retirement planning behaviour is one issue of growing concern everywhere. Retirement may seem to be far away in the future, but it needs planning now to make sure that retirees have enough to support themselves. Some of the basic needs of retirees will include a place to live, money to cater for day-to-day expenses, medical bills and emergencies. The one taboo thing retirees need to avoid is having outstanding loans by the time they retire from the workforce (Wiener & Doescher, 2008). This is all the more reason why the world population needs to plan early for their retirement.

Apparently, there is little individual involvement in the process of planning and savings for the old age. Every public policy encourages people to save in order to accumulate wealth for their retirement. Most people save based on their expected lifetime income. Nevertheless, a majority of households do not save enough for retirement to maintain their pre-retirement standard of living. Those who plan enough for retirement normally are highly educated and from the high income bracket (Zhong & Xiao, 1995). Ignorant in retirement decision can lead to individuals having difficulty to understand why planning for retirement is imperative importance. Learning is a process whereby knowledge is created through experience (Kolb & Kolb, 2005).

Consequently, to be able to plan successfully for retirement, individuals have to be involved actively in the decision making process. If the individuals are unwilling to get involved, knowledge attainment on retirement planning will not be enough.

The Malaysian economic which always fluctuates, makes individuals feel it is difficult to make a retirement planning and adding up with lack of knowledge in financial planning, their materialistic attitude, luxurious lifestyle and environmental influences, led the people to take debt as a key solution to fulfil their wants (Siti & Foon, 2013). This will eventually get them in trouble during retirement as returning debt will be higher than retirement savings.

Poor retirement planning and debts made many retirees in Malaysia concerned about the burden of living and 63 percent of those concerned are worried they are not going to be able to support the family financially after retirement (HSBC report, 2015). Malaysians are also worried if situation forced them to rely on family and friends for financial help after retirement. Moreover, according to the HSBC report titled 'The Future of Retirement Choices for later life', although retirees no longer receive a salary, but the report stated 86 percent of retiree's in Malaysia will continue to bear at least one member of their family and spouse, including adult children (over 16 years), grandchildren or elderly parents.

Retirement preparedness

According to a Survey of Consumer Finances, younger individual, females and households with relatively low incomes, and self-employed individuals are less likely to perceive having adequate retirement income and results in not prepared for retirement. A report from Global Ageing (Nielsen, 2012) shows that 35 percent of the employees are not prepared for retirement, 44 percent are unsure about their own preparation and 21 percent are prepared and aware about their retirement issues.

Financial planning and adequate savings are two interrelated issues. As preparing for retirement, habits of saving and managing good investment is important. Employees should start preparing for retirement as soon as they start working. Elder and Rudolph (2000) determined that retirement preparedness is influenced by savings of a person. Therefore, it is important that employees have accurate assessments of their financial status in their retirement planning process.

Financial preparedness is an action taken to fulfil a shortage of funds for the future and is a long-term goal. In addition, it is also a plan to provide contingency for emergency situations. All employees will eventually think about financial preparedness when approaching retirement age (Hershey, Jacobs, McArdle, & Hamagami, 2007). Some employees may think that during retirement, the cost of living will reduce as there will be no more eating in restaurants frequently, petrol, toll, parking and many more. However, this is not the whole picture because as time passes, cost of living is even higher. Expenditure increases during retirement because of macroeconomic factors such as inflation (New Straits Times, 2014).

Wiener and Doescher (2008) noted that serious efforts were taken to encourage savings for retirement, namely structural approach and communication technique. The first approach aims to change the conditions

to make people save while the latter changes employees' knowledge and perceptions about retirement savings. Although the approach differs, but the objective remains the same about bringing positive transformation in retirement preparedness for every single employee.

Researchers concluded that age, marital status, and income level tend to have a significant impact on the amount of money saved for retirement. Furthermore, higher income, longer years of employment, better education and having a skilled occupation are positively related with the accumulated retirement fund levels (Tuan, Tay, Tan, & Lim, 2011).

A person or household is considered to be prepared for retirement when accumulated savings is sufficiently high to generate income at least equal to a given pre-retirement level of consumption (Yao, Hanna, & Montalto, 2003).

As a conclusion, it is clear that there are some factors influencing an individual's retirement preparedness but the reason of why individuals are not taking any action for being prepared for retirement had never been discussed. Therefore, there is a research gap identified as insufficient information that limits the ability to reach a conclusion for a research question.

Methodology

Qualitative data analysis was carried out to explore in detail the experiences and views of the informants on retirement preparedness. The aim was to find the extent to which the financial expert views a more comprehensive and detailed understanding of the issues in retirement preparedness by answering the research question of "Why some people are prepared and some are not prepared to face retirement and how to determine the retirement fund is sufficient?"

The research question is developed to understand why certain phenomena is taking place; because according to an empirical study, Malaysians are still very far behind and lacking of retirement preparedness (Jamaludin & Gerrans, 2015). To know the problems faced by employees that affects their preparedness were discussed and few suggestions were suggest for future improvement.

Purposive sampling method was chosen as samples are intentionally selected to understand the central phenomenon (Fraenkel & Wallen, 2006). The central phenomenon in this study is the issues in retirement preparedness. A total of six (6) participants were purposefully identified from various

financial firms as the potential FGD informants for the qualitative analysis. According to Glaser and Strauss (1967), six (6) informants were enough to achieve the saturation concept. The FGD reached data saturation after the fifth informants where no new information regarding the themes or the categories emerged (Patton, 1990). Therefore only six (6) informants were selected for qualitative data analysis.

Research instrument

The research instrument for the qualitative data collection was a set of questions. This instrument consists of four (4) open ended semi structured questions. FGD lasted approximately 1 hours and 30 minutes and were audio tape recorded. A detailed report was prepared after the session is finished. Observations during the session were noted and included in the report (Morgan, 1988).

Demographic Description of Qualitative Respondents

A total of six purposefully selected financial experts from various financial fields consented to join the FGD to complete the qualitative part of this study. Among the six, five were females and one was male. The difference in number of female and male does not affect the FGD process as they are all experts and the feedback given are evaluated according to their expertise and not gender. Table 1 shows a detailed description of the demographics of those six FGD informants. All participants were given pseudonyms to protect his or her identity in this study.

Table 1: Demographic Description of Respondents

Pseudonyms	Ethnicity	Gender	Age	Occupation
“Lisha”	Indian	F	58	Financial Officer
“Samantha”	Malay	F	38	FOMCA officer
“Joshua”	Malay	M	43	EPF officer
“Helen”	Chinese	F	40	Certified Financial Planner
“Jean”	Chinese	F	39	Certified Financial Planner
“Sarah”	Chinese	F	42	MFPC Chief Editor

The FGD informants had a mix of all ethnic groups with a ratio of 2:1:3 respectively for Malay, Indian and Chinese. The difference in ethnic ratio does not affect the FGD process as the feedback given are evaluated according to their expertise and not ethnic. The age range of these financial experts was from 38 to 58 years old. Three of these informants were above

the age of 40 years old, only one participant was above 50 years old and the remaining two were in their 30's.

Analysis

Thematic analysis is a widely-used qualitative analytic method within the social studies and beyond (Boyatzis, 1998; Roulston, 2001). A theme is a method for identifying, analysing, and reporting patterns (themes). It captures something important about the data in relation to the research question and represents some level of patterned response or meaning that repeats within the data set.

Thematic analysis was chosen as it best fits the aim of the study to evaluate the retirement preparedness of the participants. The decision to use thematic analysis was in line with the pragmatism research paradigm and research strategy that gave the freedom to choose from a variety of data analysis techniques to answer the research question.

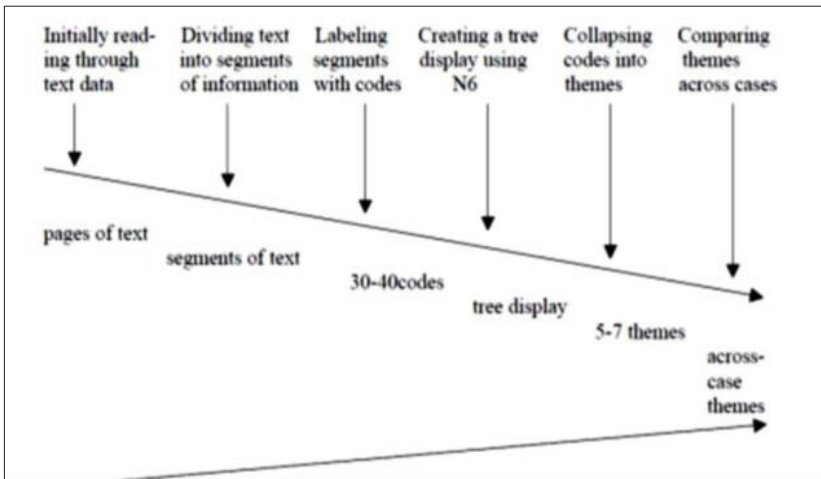


Figure 1: Visual Model of Qualitative Data Analysis

The above figure explains the Visual Model of Qualitative Data Analysis as outlined by Creswell (2002) to show the steps taken to analyse the qualitative data using thematic analysis. Following the steps above, the verbatim transcription of FGD was read through thoroughly before dividing them into segments of information. This segmentation was done manually to give guidance to the coding process. Once this was established, the labelling

segments into codes was done by using the online computer aided qualitative analysis software, the NVivo 11 Pro for Windows.

The auto code function (interpretive coding) of the NVivo 11 software explores the verbatim transcription of the FGD to see the most frequently appearing words. This identifies the emerging patterns and ideas to build the thematic content to answer the research questions of this study. The data (transcript verbatim) was cleansed before it was imported into NVivo 11 Pro software. This was done by formatting the transcripts into paragraph style to facilitate auto coding. Relevant information was coded and placed into node references (code frequencies). The coding notes were then categorised into themes based on word similarities.

Results and Discussions

Why some people are prepared and some are not prepared to face retirement and how to determine the retirement fund is sufficient?

Five main common emergent themes were identified from the extensive computer assisted coding and categorizing process. The identified five (5) emergent themes were retirement, preparation, EPF, income and method as the themes for retirement preparedness in this study.

Theme 1: Retirement

The first significant theme that emerged for retirement preparedness from the thematic codes (aggregated word similarities) was 'retirement'. Specific initial emergent under the retirement theme were work, income, finance, age, and contribute.

...whether it's at age 60 which is.. umm.. when we enter retirement age, umm.. or when we actually stop working altogether... umm.. personally for me is like I take it as when you stop earning any form of income, because after let's say age 60, you may still want to work part time, you may still have some kind of income..

Umm.. retirement shouldn't be understood as something related to age. Ok we may retire early, if circumstances permits, or we have enough financial resources for that purpose, and umm.. retirement also secondly umm.. doesn't mean doing anything. Contribute positively in the society, not in the sense of gaining employment, but contributing to the society, in the sense that

doing voluntary work. Umm.. and then contributing probably in educating the younger generation, umm.. I mean contributing in a positive way...

...retirement I will say like “are you qualified to retire?”. This does not say that “how old” but “are you qualified to retire”? So what are the process or the steps to qualify for retirement. So in order to have the qualification to qualify to retire, you need to have financial education. This is my personal point of view. I understand that a lot of people they give a lot of financial motivation, you know, motivate how to make money fast this and that, but they don't have a basis...

For me I think retirement means different things to different people. Those who are prepared. It's fun, they want to go golf, they want to go to holiday. For those who are not prepared, they feel scared. What are they going to do during retirement? This morning when I “grab” a car, this person who took me, the driver was an elderly man, close to 70 years old. So just chat with him and he said “I'm in my retirement”. So I said “why are you driving?”. Then he said “well I got nothing to do”. Then I asked him few things then he said “well I'm retired, I got nothing to do, so I better drive, I can talk to people, and he says he has finished all his money. He was in the construction, he saved and he says, you can save as much as you want, but when it comes to retirement, it is not enough. Nobody teaches us how much to save. So he says it's scary, according to him its very scary retirement. That people are not planning, people are not preparing.

Theme 2: Preparation

The second significant theme that emerged for retirement preparedness from the thematic codes (aggregated word similarities) was ‘preparation’. Specific initial emergent under the preparation theme were financially, mentally, health, age, and social support.

...preparation doesn't mean only financial, whether you are mentally prepared, when you are physically prepared, health wise. Some people can financially be prepared by when you come to tell they might spend all their money in their health. So three things, health wise, financial and mentally.. umm when you are ready. Sometimes when you are staying at home alone, doing nothing ar..

...for those baby boomer they have different perception on retirement. When you talk about Gen-Y, they don't talk about retirement.. Gen-Y's in their early 30's now... when I do a hands on.. like doing calculation with them, how much you need in retirement, looking at the inflation. The amount of

money needed for retirement is.. very very big, and then they can't believe it and said "my whole life when I earn, I also don't earn that money, how do you expect me to save that amount of money"..

...mentally.. and then the exposure on the umm.. the awareness, the awareness of people in Malaysia, they don't know what is retirement... the people's mindset here for retirement.. "if I got no money, I'll open a shop lah... I just do a catering business lah at home... my daughter will support lah. We still have that mentality...

...when we talk about preparedness right, it is a very individual thing, because everyone has different preferred lifestyle... And I look at preparedness for retirement as a different life stage. That is another stage of life and while here all the concern about financial right. Also look at it financial is incidental. It is not the main thing that they need to concern of... So once I come out to work, this is my life. So when you look at retirement, oh ok this stage of life this is how I'm going to live my life, this is what I need to do, how I'm going to live my life. Then we can plan what are the things is required. During that process they also have to understand their physical changes, to their life, to their mental, physical, social support...

Theme 3: Employee Provident Fund (EPF)

The third significant theme that emerged for retirement preparedness from the thematic codes (aggregated word similarities) was 'EPF'. Specific initial emergent under the 'EPF' theme was force, save, education, current consumption and advisory.

...some of the EPF members, they do not understand the function of EPF... They understand EPF as force saving, not for retirement. So, in a sense that they feel they are forced to save and they prefer current consumption than.. umm.. I mean postponing the consumption for later period...

...we need to educate this people, collect their perception upon EPF, although they know EPF is for retirement but they still can't accept the understanding that this is for their retirement. Their preference is current consumption, so that's why we receive many appeal from members for withdrawal, for marriage, to pay debt...

...if you want to give them education, so that they can come prepared for their retirement.. umm.. probably when they come to EPF at the initial stage, we can give some kind of briefing... some kind of information kit to explain to them. The purpose of EPF savings and umm.. and then later on we may

provide them with financial advisory umm.. how to manage their income, how to manage their savings...?

...back to the goals they set. So initially we have to ask them to set what they want. They know what they want and at what age they want. But there are incidental things like phones you know, latest TV or even the channel promotion, like Astro is throwing the promotion "oh I give you discount like this". I haven't changed my financial goals because when they look at financial goals, they look at the biggest picture. you know, I'll buy a house, I'll buy a car, this and that. But this are small tiny things along the way that actually that take up the money from them...

...one-time education is not enough... they have to follow up. Very minimal individual prepared for retirement according to EPF...

Theme 4: Income

The fourth significant theme that emerged for retirement preparedness from the thematic codes (aggregated word similarities) was 'income'. Specific initial emergent under the 'income' theme was low, assets, up skill, lifestyle and educate.

...when we look at Malaysian income level. Most of Malaysian earn less than RM6000... and when u look at the average savings of EPF, it's also very low. Because the majority of the employees earn very low. And based on the report they say that majority has no financial assets and this one excludes EPF. So if we put everything together right, this group of people, no financial asset... and if let's say these ones with no financial assets and so very little EPF then they actually don't have much to live on.

...if this all the resources I have now, what am I going to do with the next phase of life. So education is ongoing... This is all u going to have, so if you are ready to do it, it will increase your resources. If u can't, then how are you going to get prepared for the next phase of life?

...I think education is not so important. We have talked a lot on income is not enough, savings are not enough. Given that what can you control to help u to prepare. Either u work longer or u upskill yourself and earn more, then if not u have to look at your own expenses and lifestyle. Can u actually live this kind of lifestyle? Or should u now actually change your lifestyle and I think changing lifestyle should not happen when your 55 or 60. It has to happen now. Just once you're used to certain lifestyle right, then ask u to change at 60 years old is going to be very tough...

...probably u have to educate people I think, that's where the consumer education comes in. Making the right choices, how to spend the money? how to prioritize expenses? do we need to change the phone every time there is a new launch? But when u say retirement education nobody wants to come... and they thought when they about to retire, then they come.

...nobody actually taught you like what you need to know for retirement. They just assume that u will just gradually follow the nature process and then just go...

...I can see another wave coming in... EPF is considered safe because they are employed. Now a lot of Gen-Y's they don't want to get employed. They have their own business. They come out to be entrepreneurs. So when they are entrepreneurs, retirement is not an issue for them in a way. Like "Uber" or "Grab" drivers. So u may think that I will continue to earn up to 45 or 60 but not taking into consideration that something may happen to you when this earning capacity is no longer there. So that's why I see the shift is even more riskier now...

Theme 5: Method

The last significant theme that emerged for retirement preparedness from the thematic codes (aggregated word similarities) was 'method'. Specific initial emergent under the 'method' theme was risk management, retirement planning, blueprint, time value money, SWOT, DOME, liquidation method, expenditure method, satisfied and medical advancement.

...we can implant risk management into retirement planning as well...

...everything will be ok if you're healthy, but let's say if suddenly you're not healthy, then everything changes. So I think another thing u have to consider apart from financial it's also health and physical issues...

...blueprint like I say, blueprint it has to be visual. I must see my blueprint every time. Let's say like market expense, I need to see my blueprint every time... at what age, how much do I get. If I were to take out like withdrawals for house, for children's education, there goes. So I must have like real life goals at our fingertips. I need to prepare myself this, if let's say I want to put in another portfolio inside, will it grow my portfolio even bigger, u know. Then they say how much more to work...

...sometimes "how much" is a question... yes, how much I need? People are not satisfied with what they have... I know this lecturer, she had 3 million in

her retirement fund, single, she adopted a son, that's all. And she said it's not enough. So what is enough now? So she keeps on arguing, she said "no, u see I will live maybe another 30 years, so that money is not enough. So what is enough?..."

...D, O, M, E. DOME analysis, D stands for diagnosis... means u diagnose his retirement... after that, O is objective. Why do you want? What is the objective in your retirement? M is method. What is your method of doing to achieve your retirement? E is evaluation. How do u evaluate your retirement? These are the four areas that I will use to diagnose a person in the way umm... like very specifically...

...must have a platform for people to evaluate their retirement u know... ok 23%, deduct deduct deduct... at the end I have this much only... so probably with my savings method, maybe I can change few mechanisms in my investment portfolio, then it can help u to achieve even faster. Or achieve a better return at the end...

...three daily meals concept. A three daily meals or a roti canai concept. Ok. Let's say for example, how much is it for a plate for economy rice now? For example, RM5, RM5, RM5. RM15 now... times with 31 days, times time value money, future value, and this and that... basic means daily meals... and then that figure can become a starting point.

...One is liquidation method and one is expense method. Liquidation method is when once u have enough money and you credit your money. Liquidation method is when u have lump-sum money and cover for the 40 years. Most will use expense method. Then from there we will know ok these are my fixed due...

...savings behavior... demographically I think the Chinese are different than the other two races. I notice that when I did this. The Chinese stands away higher compared to the other races. The worst off are the Indians. The savings rate comparing different ethnic groups are also different.

...consistency and persevere. Discipline...

...understanding your next phase of life better, let's assume you are the CEO of the company, you earn a lot, and you also have to live a very stressful lifestyle, and health wise... "ok now im still young, I don't see any impact". But health consideration and foresee yourself, the hereditary diseases I will get from my family members, also understanding aging process, how will it impact this person...

...you can use the SWOT analysis. U know this is how we diagnose issues. U know S is the strength, let's say u want to assess certain people's strength, ok retirement, what are the characteristics or factors, like what u mention, what are the strength. W is weaknesses in this area of people. O is the opportunity. What will be the opportunity of this people, of achieving their retirement and so forth. T is their threat, what will be the threat to them if they don't do all this...

...I think they must consider time value and money. Then other assumption will be the average Malaysian now lives up to 70. But as time goes, if u look at mortality, mortality increases. By the time we reach 70, people will be living up to 80. Because the difference is, baby born now, they are expected to live until 90. But if someone is 60 years old, their average will be 75 or 78. So the younger you are, the longer you live...but I've just gave examples, because of the medical advancement...

Conclusions

Retirement preparedness is an emerging issue in Malaysia as it is given minimal care by individuals but the financial experts have different views towards retirement. Financial experts know how retirement mechanism works financially and problems that might arise regarding retirement. The qualitative findings showed five (5) emergent themes from financial experts FGD; retirement, preparation, EPF, income and method identified as the domains of retirement preparedness through this study. The experts were able to give suggestions and solutions on how to improve employees' savings towards retirement and make themselves well prepared. Possible and easy steps will be having a simple blueprint of our own retirement plans. Its shows a full and clearer picture of the entire retirement plans. Other calculation suggestions were using Time Value of Money, DOME analysis, SWOT analysis and many more. The informants were asked about the preparedness level and why certain people are prepared and why some are not. All the six (6) informants established that guidance in managing money is important. They acknowledged that the key feature in planning ahead and achieving retirement target is their financial behaviour.

Implications

This article attempted to understand the importance of retirement preparedness as people behave in different manners. Along with this, the results of the study helps to explain that retirement preparedness is influenced by uncertainties and private sector employees' savings for retirement. In most cases of B40 and some in M40's, EPF fund is not sufficient to cover for 25

years if the salary is not sufficient and if there are withdrawals. Other than that, retirement preparedness of Gen-Y's are uncertain as they prefer freelance jobs such as "Grab" drivers, online business and many more in which they may not contribute to EPF. The shift is even riskier now as we know humans have life uncertainties. Employees must take into consideration that something may happen to them and this earning capacity is no longer there. Other implications for being unprepared will be relying and living on loans and credit cards. Employees cannot survive on their retirement for a long period of time and eventually heavy loans will make their financial status very much tackled during retirement.

Moreover, the Malaysian government should also be aware that the nation is facing an increase in baby boomers crisis. Hence, this study also attempted to suggest that the government should concentrate more on retirement preparedness now so that they do not fall into the poverty category during their retirement age which will cause serious problems to the nation. The government should focus on improving the retirement preparedness methods to produce a well prepared employee to face their retirement by producing an effecting medium of retirement preparedness awareness, affordable retirement savings programs and actively give talks on "life after retirement" to improve employees' behaviour towards retirement preparedness at a young age.

Suggestions

Some suggestions for individuals to survive longer and things that could be controlled to get well prepared is considering of working longer. For example, after retiring at 60, they will consider doing business, work or doing other free-lance jobs. Up skill yourself, earn more, reduce own expenses and lifestyle. Having good consumer education such as making the right choices, know how to spend the money and prioritize expenses will help them survive longer (Helen).

Majority of experts agree that the best time to start preparing for retirement is when an employee enters working force or when they start earning money. Approximately we can estimate an individual's retirement preparation by observing their parents' behaviour towards retirement because parents acts as a role model for their children. Apart from that, people that do not go lavish is also considered as prepared. "People that earn more and spend minimal will eventually have better savings and better excess in the future" (Samantha).

Thirdly, mental preparedness of people will make them happier in a way. For example, if an individual has the mind set to live an intermediate lifestyle, this means having a certain level of intermediate income is adequate for him to live happily. Being healthy, understanding medical cost, taking care of their own health, healthy lifestyle and good eating habits are also considered as being adequately prepared (Jean).

Finally, matching their financial ability to their lifestyle and able to see the need and passive future income are also the indicators that show a person is prepared for retirement (Lisha).

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