

## **Predicting retirement preparation based on proactivity, time discounting and theory of planned behaviour (TPB)**

### **ABSTRACT**

Preparing for retirement is the key to a comfortable retirement. The purpose of this study is to analyze the factors that determine the retirement preparation of Gen Y in Selangor, Malaysia. A model was developed and tested from an extension of the theory of planned behavior, which included individual differences in proactivity and time discounting in retirement preparation. The study uses the TPB as its main overarching theory, along with the life cycle hypothesis and prospect theory to construct its exploratory conceptual framework. A convenience sample of Gen Y aged 24 to 41 is used for this study. The study collected data via an online survey and a total of 384 responses were collected. The structural equation model predicts that attitudes, perceived behavior control, proactive and time discounting positively predict preparation for retirement, whereas subjective norms do not correlate positively. The result of this study will encourage Gen Y and others to prepare towards retirement to maintain a standard of living upon retirement. Future researchers, the government, insurance industries, and investment firms will benefit from this research by gaining a better understanding of influencing factors on the preparation for retirement.