

The Factors Influencing Retirement Preparation Among Gen Y In Malaysia

ABSTRACT

Preparing for retirement is one of the most important elements of a comfortable post- retirement life. The purpose of this study is to investigate the factors that influence the preparation towards retirement among Gen Y in Malaysia. In particular, this research investigated the relationship between demographic variables, attitude, subjective norms, perceived behavioral control, individual differences, and preparation towards retirement. This study used a convenience sampling method and involved Gen Y who are aged between 24 and 41 years old. Questionnaires were used as an instrument in this study. All the data was gathered from 384 respondents through an online survey. The questionnaire included the demographic profile of respondents and variable-related questions. This study uses the TPB as its main overarching theory, as well as life cycle hypothesis, symbolic interaction theory and prospect theory to frame its exploratory conceptual framework that explains the retirement preparation. The structural equation model predicts that attitudes, perceived behavioral control, and individual differences are positively correlated with preparation towards retirement among Gen Y, while demographic variables and subjective norms have no positive correlation. As a result of this study, Gen Y and other parties involved will realize that early preparation is crucial to sustaining after retirement. This research will benefit future researchers, government, insurance industries, and investment companies in gaining a better understanding of the factors that influence the preparation towards retirement. Finally, the article discusses the implications of the study to theory and practice; limitations, and recommendations for future research.