Retirement Financial Planning Among Working Women: A Conceptual Framework

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Abstract

The main purpose of this paper is to investigate factors that affect the retirement financial planning model in the case of women. In doing so, we explored and examined the existing literature on financial planning and identified several variables that were categorized under the following subheadings: demographic, psychological, circumstantial, social, economic and financial literacy. Along with this, a conceptual framework has also been proposed. This paper is based on a review and analysis of scholarly articles related to the financial and retirement planning of working women. For the purpose of conducting a search, various databases (e.g. Emerald Insight, Taylor and Francis, JSTOR, Elsevier, Springer and Google Scholar) were referred to, and based on relevant keywords (e.g. financial planning or retirement planning of working women, investment preferences, gender differences, saving pattern of working women), articles were selected. The study found that various factors have influence on the financial planning among working women's. Based on content analysis we have identified several variables that can be categorized under the following subheadings: demographic, psychological, circumstantial, social, economic and financial literacy. Clubbed together, these factors contribute to the model of women's retirement financial planning so as to construct a more robust, wider and multivariate framework. Besides this, the study opens up new avenues for further research.

Key words: *Retirement planning, working women, financial planning, conceptual framework, Socio-Demographic Factor.*

1. Introduction

Financial planning entails a comprehensive assessment of one's current and future financial status. It is an ever-evolving process of meeting one's life goals (be it buying a house, planning for children's higher education, setting up an enterprise, etc) through adequate management of finances. Financial planning is in itself a complex multidimensional task and includes a wide array of activities such as cash flow management, savings, investments, tax planning, real estate management, insurance planning and retirement planning.

From time immemorial, men and women have had clearly demarcated roles and were expected to function accordingly. Men have always been

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assigned the role of a breadwinner, and women have been assigned the role of a traditional housewife and homemaker. Thus, financial management has been considered to be fit only for males, which is why men have often felt the pressure of financial planning including retirement planning. The structure of society is gradually changing, and more and more women are stepping out of their traditional role of homemakers and participating in the earning workforce. As is evident from a report of International Labour Organization (2014), in 2013, the male employment-to-population ratio was 72.2%, whereas that for females stood at 47.1%.

At the global level, although the female workforce participation has increased up to 50%, their condition including their financial status has not improved accordingly. Despite women's increasing presence in the workforce, there is only little concern in women's financial planning (Kasworm and Wetzel, 1981; Hayes and Parker, 1993; Glass and Kilpartick, 1998; Richardson, 1999; Hershey, Jacobs-Lawson, McArdle and Hamagami, 2007; Perkins, 1995). Moreover, old age has specific implications on one's financial state, and women are more likely to suffer from poverty in old age as compared to men (UN Women, 2015). Women often outlive men, devote less time in the workforce because of their care giving roles, usually take up part time jobs/ less paid jobs / service positions that are not covered under pension plans, avail less pension benefits and lower wages because of gender differences, have less access to land and other assets, which could support them financially in their old age (UN Women, 2015). Therefore, it is crucial that women engage in more active retirement financial planning. Unfortunately, the majority of women fail to plan for the harsh realities that they would have to face inevitably in old age.

Female participation in the earning workforce has increased considerably. A major chunk of this female working population has reasonable financial means and resources, but they still have failed to plan for their retirement. The existing body of literature on conceptualization of women's retirement financial planning fails to capture all these constructs. The hurdles and motivations that drive a woman to engage in active retirement financial planning behaviour have to be analysed comprehensively.

In this paper, an attempt has been made to address this gap and determine the dimensions of women's retirement financial planning. Along with this, a conceptual framework has also been proposed. This takes into account not only psychological factors but also social, economic, circumstantial and financial literacy.

This paper is based on a review and analysis of scholarly articles related to the financial and retirement planning of working women. For the purpose of conducting a search, various databases (e.g. Emerald Insight, Taylor and Francis, JSTOR, Elsevier, Springer and Google Scholar) were referred to, and based on relevant keywords (e.g. financial planning or retirement planning of working women, investment preferences, gender differences, saving pattern of working women), articles were selected. Several different types of research papers, case studies, review papers, working papers and reports were downloaded. From this set, papers that focused either exclusively on women or were based on empirical studies carried out on mixed samples (which include both men and women) were shortlisted. There is one exception to the above criteria wherein a study by Phua and McNally (2008) was selected; this is based on men's planning for retirement.

This paper has been divided into seven sections: Section 2 deals with socio-demographic factors, savings and retirement planning. Section 3 studies the psychological factors that affect retirement financial planning behaviour. Section 4 is about other miscellaneous factors and retirement financial planning. Section 5 shows the association between financial literacy and financial planning. Section 6 provides the conceptual framework for further study and Section 7 concludes the study.

2. Socio-Demographic Factors, Savings and Retirement Planning

An extensive amount of research has been done, and evidence has been obtained on the significant association between socio-demographic characteristics of individuals and their investment patterns, savings and retirement planning behaviour. However, only a few studies have attempted to capture the influence of socio-demographic characteristics exclusively on women's retirement financial planning. Variables that potentially affect woman's retirement financial planning have been chosen from these studies.

"Age" is one of the most striking characteristics of an individual. Studies carried out by Phua and McNally (2008); Clark, Knox-Hayes and Strauss (2009); Hershey, Henkens and Van Dalen (2010); Turner, Bailey and Scott (1994) and Adams and Rau (2011) demonstrate that age has a direct and positive influence on retirement financial planning. Older pre-retirees were more actively involved in financial planning as compared to their younger counterparts. A possible explanation for this relationship is that at a younger age, retirement seems a distant event and presents a long-term timeline to think and plan for. However, at an older age, when people approach retirement, they often indulge actively in planning for it.

Age not only imparts a direct influence but it also interacts with other variables to render an indirect influence. One such factor is "Attitude towards retirement". This relationship was established way back in 1970 when Strei and Schneiders (1971) (as cited in Prentis, 1980) stated that the younger the individual, the more favourable is the attitude towards retirement. The development of a negative perception with progression in age had been attributed to the fact that as retirement approaches, one tends to critically evaluate one's financial status. Due to lack of sufficient time, during assessment, one often realizes the lack of proper financial planning and in a state of panic one develops a negative attitude towards retirement. Further, Brad *et al.* (1977) (as cited in Prentis, 1980) also observed that "as workers age they demonstrated a significant shift to a later PAR (preferred age of retirement)" (p.94). The probable reasons include their change in status from worker to non-worker, dependency, fear of health issues associated with growing age, lack of planning, etc. Prentis (1980) supported the study and also discovered that women look forward to retirement, when they are mostly in the age group of 40-49 years as compared to any other age range.

The question that now arises is whether this attitude of a woman towards retirement is by any means associated with financial planning for retirement. Turner, Bailey and Scott (1994) conducted a study on old university employees (40-65 years age group and comprising 36% female respondents) to establish the relationship between attitude towards retirement and financial planning for retirement. A significant but minimal correlation was found between attitude towards retirement and financial planning. Those who depicted a positive outlook towards retirement looked forward to it and were more actively indulged in it. As a result, from the financial point of view they were better prepared for the forthcoming future.

Wiggins and Henderson (1996) investigated registered nurses and identified that age also interacts with financial knowledge. The respondents reported an enhancement in knowledge regarding economic issues as they grew older and approached retirement. This enhancement in knowledge leads to an active involvement in financial planning for retirement.

Another indirect effect on financial planning of age was through risk tolerance level. Wang and Hanna (1997) and Grable (2000) conducted a study where 55% respondents were females. They investigated the association between risk tolerance and age and found that risk tolerance increases with age and that older individuals invest in more risky assets.

Another socio-demographic determinant of financial planning is retirement age. An increase in retirement age ensures an increase in the duration of a person's earning life to build up financial security and at the same time also decrease the postretirement years to be supported by such backups. Moreover, longer employee tenure also increases the type and the amount of retirement benefits. As is evident from a study by Kock and Yoong (2011), the expected retirement age affects one's personal orientation and financial preparations.

Gender is another significant demographic characteristic that influences retirement financial planning. As we know, in comparison to men, women are more vulnerable and susceptible to poverty in their old age. This is because they earn less, accumulate less, have interrupted work histories, live longer and have more chronic health issues as they age. They thus need to plan more aggressively for their postretirement years. There are two schools of thoughts regarding women's investment patterns: (1) one considers that women are more risk averse in selection of their entire portfolio of assets and (2) the other group emphasizes that if controlled for factors like income and education then this gender difference is insignificant.

The financial concept for risk and return emphasizes that it is always a tradeoff between risk and return. If women are less willing to take risks, then they are expected to accumulate less wealth as well. Several studies have found that women have relatively conservative investment strategies, and thus they allocate a smaller percentage of their wealth to stocks as compared to bonds (Bajtelsmit and Bernasek, 1996; Bajtelsmit, Bernasek and Jianakoplos, 1999). Other studies conducted by Croson and Gneezy (2009), Glass and Kilpatrick (1998), Clark, Knox-Haydes and Strauss (2009) and Charness and Gneezy (2012) also confirmed that women were more risk averse as far as financial investments were considered.

Sunden and Surette (1998) and Bernasek and Shwiff (2001) investigated cohabitating or married couples to study the risk aversive effect on household financial decisions. It was identified that their findings were similar to those in single women. Women irrespective of their spouse's risk tolerance choose less risky investment decisions. Fisher (2010) found that risk tolerance not only affects portfolios but also saving tendencies in both men and women. Women who were more risk averse were less prone to save over the short term and in addition were irregular savers.

Another school of thought advocates that if controlled for factors such as income and education then this gender preference in selection of risky portfolio is insignificant. Coleman (2003) analysed and discovered that when education and wealth were held constant, women owned the same level of stocks and mutual funds as a percentage of net worth as compared to what men owned. A possible explanation for such behaviour could be that a higher education enables one to have a higher source of income, which in turn provides a cushion or a financial backup to offset any possible loss. In another study by Atkinson, Baird and Frye (2003) that focused on mutual fund managers, the findings were consistent that there was no difference between funds managed by males and females, regardless of whether we talk about risk, performance or other fund characteristics. This further supports the fact that difference in behaviour is attributable to factors including investment knowledge and wealth consistency.

Another aspect of the gender influence on retirement financial management is the difference in spending pattern. Lee Mun (2003) discovered that females tend to devote their time in retirement planning activities such as living arrangements, daily activities, postretirement lifestyle and health issues. These issues are far away from the financial aspects of retirement planning. Men however focus on saving money for their retirement. Doda (2014) concluded that females are more sensitive and spend more money on materialistic objects such as remodelling of their house; gifts to relatives, coworkers, friends, donations and vacation. This tends to increase their cost of living and depletes their savings for retirement.

Noone, Alpass and Stephens (2010) discovered that in terms of informal planning and retirement perception, men and women were on the same level and showed no difference. Morgan and Eckert (2004) and Bucher-Koenen and Lusardi (2011) also found that gender did not have any significant effect on financial planning.

Rosplock (2010) analysed the perception of men and women on wealth and discovered that men were more knowledgeable in terms of tax and insurance planning and even considered themselves as being more affluent in financial decision making. In contrast, women were less confident and expressed a desire for gaining additional knowledge and were keenly interested in keeping a check on how socially responsible investments they were making.

Gender further interacts with variables including age and income in a manner such that older men with a higher income were most risk tolerant, followed by middle-aged men with a higher income, older women with a higher income and lastly young women with a lower income (Clark et al., 2009).

Income is another significant variable that significantly influences financial planning. Moorthy et al. (2012) indicated that "Earning or Income" level directly influences expenditures and savings of an individual. Hence, it is positively associated with retirement planning behaviour. As concluded in a study by Bucher-Koenen and Lusardi (2011), where 53% of the sample size comprises female participants, retirement planning was directly and positively proportionate to income. In particular, saving and investment needs were most frequently calculated by the top quartile of income distribution. Browning and Lusardi's (1996) study (as cited in Kock and Yoong, 2011) also concluded that income is the main determinant of savings and the asset holding of an individual. Moreover, income also has a positive influence on orientation towards retirement planning. Kock and Yoong (2011), Kilty and Behling (1986), Turner, Bailey and Scott (1994) and Jacobs-Lawson, Hershey and Neukam (2004) also suggested that higher income was associated with higher involvement in financial planning. In another study conducted by Bernasek and Bajtelsmith (2002), where particularly women's involvement in household financial decision making was analysed, it was found that women's say in financial decisions was directly and positively influenced by their share of household income and financial education.

Occupation of an individual affects many aspects of human life right from his/her financial income, to his/her financial exposure, status, lifestyle, etc. Many research studies have been conducted worldwide keeping occupation as the core theme, and a few of them have reflected its effect on financial planning. One such study is that of Foster (2012) where it was found that women who were in intermediate/professional or managerial roles were more proactive in their financial planning. They started planning early for retirement. Moreover, they were more risk tolerant in their financial investments, as identified by Corson and Gneezy (2009), Atkinson, Baird and Frye (2003). However, those in routine and manual jobs thought 40 years to be an appropriate age to start thinking about retirement. They were also less likely to have access to any sort of occupational pension schemes (Foster, 2012). Hence, profession directly affects through pension schemes and indirectly affects the orientation towards financial planning and risk aversive behaviour prevalent in women.

Another socio-demographic determinant is family structure. Women have been traditionally considered as the predominant gender responsible for upbringing of children, looking after the husband and providing care for all family members, relatives, parents, etc. This care giving role proves to be tremendously costly in terms of time, energy and money. This typical pattern has resulted in interrupted work histories for women. They randomly enter and exit from the labour market to fulfil their family responsibilities. All these factors have contributed towards women being in low paid jobs, part time jobs or in service sector positions, etc. As discovered by Turner, Bailey and Scott (1994), a greater number of dependent children in a family leaves less room for financial planning. The findings of Wang and Hanna (1997), Szinovacz, DeViney and Davey (2001), Chatterjee and Zahirovic-Herbert (2010) and Glass and Kilpatrick (1998) were consistent, where the number of children was negatively correlated with retirement planning. The reason for such an association is that the presence of children increases the current consumption while reducing the resources available for future household savings and investments. In another study by Kemp *et al.* (2005) (sample comprising 70% women) where the catalyst and constraints of financial planning were studied, it was found that one cannot focus on savings for retirement until one's financial responsibilities, be it launching one's children, marrying them off, supporting old age parents, buying a house, etc., have not been accomplished. Another study by Moorthy *et al.* (2012) explored potential conflicts in retirement planning (be it payment for a child's education or starting a new career or any financial loan obligation) and found it to be a significant factor influencing retirement planning behaviour in both the genders.

Marriage can also have a significant influence on women's retirement financial planning both directly and indirectly. Women with a working spouse can pool their incomes and can have better accessibility to enhanced financial resources. This enables them to prepare better for the future. Many unmarried women have expressed their inabilities both in terms of lack of resources and psychological support systems, as discovered by Noone (2010) and Noone, Alpass and Stephene (2010) Behling, Kilty and Foster (1983) and Damman, Henkens, and Kalmijn (2014). Moreover, such financial constraints are also reflected in the form of development of a negative perception towards retirement (Noone *et al.*, 2010). Grable (2000) and Schooley and Worden (1996) studied factors that affect risk tolerance and found that married individuals were more risk tolerant than those who were unmarried. Further, Richardson (1999) conducted a study that depicts that a spouse's retirement age also has its share of effect on women's retirement. Husbands who retire early in their lives often persuade their female counterparts to opt for early retirement, which ultimately affects their future financial planning.

The various socio-demographic factors along with their direct influence and their relationships with other variables are provided in table 1.

Table 1. Influence of Socio-Demographic Factors on Women's Retirement Financial Planning

Variable	Direct Influence on Retirement Financial Planning of Women	Relationship with other variables	
		Variables	**Influence**
Age	With progression in age, involvement in retirement financial planning increases.	Attitude towards retirement	As one grows older, there is a development of a negative attitude towards retirement. This hampers the financial planning for retirement.
		Financial knowledge	As one ages, there is an enhancement in the knowledge of economics.
		Risk tolerance	With an increase in age, risk tolerance also increases and people invest in more risky assets.
Retirement Age	An increase in retirement age leads to better financial planning for retirement.	Orientation towards retirement	As retirement age increases, the attitude towards retirement also tends to become positive.

Variable	Direct Influence on Retirement Financial Planning of Women	Relationship with other variables	
		Variables	Influence
Gender	Women are more risk averse in the selection of their portfolio and hence end up with low financial wealth on retirement.	Financial knowledge	Women are less confident regarding their financial decisions and express a desire for additional knowledge.
	If controlled for income and wealth, this gender difference in selection of portfolio is immaterial.		
	Women devote more time to the non-financial aspect of retirement planning.		
	Cost of living for women is high.		
Income	Directly and strongly influences retirement financial planning through savings and assets holding.	Attitude towards retirement	Higher income is associated with a positive attitude towards retirement.
Occupation	Professional and managerial women are better financial planners for retirement.	Risk tolerance	Professional and managerial women are more risk tolerant.
Family Structure	The number of children is negatively co-related with financial planning for retirement.		
Marriage	Married couples depict better financial planning for retirement.	Risk tolerance	Married couples are more risk tolerant
		Spouse retirement age	Husbands who retire early in life often urge their female counterparts to opt for early retirement, which negatively influences their retirement financial planning.

Source: Compiled by the researcher for the purpose of the proposed study.

3. Psychological Factors and Retirement Financial Planning

Relative to the work done in socio-demography, research in psychological factors underlying retirement financial planning behaviour is in a very nascent stage. Very few studies have attempted to capture the effect of psychological factors on retirement financial planning (Hershey, Jacob-Lawson, McArdle and Hamagami, 2007; Hershey, Henkens and Van Dalen, 2010). On further narrowing it down to exclusively on women's retirement financial planning leads to identification of a wide gap in the existing pool of literature. Despite this fact, a few important dimensions that have the potential to affect women's retirement financial planning have been determined. Based on the existing body of literature, these dimensions are Attitude towards retirement, Future time perspective, Locus of control and Retirement goal clarity.

Attitude as is defined is one's perception towards any person, object, situation or an idea. In a broader aspect, it is an approach towards life, and like many other spheres, it influences retirement planning behaviour as well. According to Ajzen (1991) (as cited in Griffin, Loe and Hesketh, 2012), one with a positive outlook towards a certain action has a greater tendency to follow that behaviour. In line with the above discovery, several studies have been conducted on samples including men and women by Moorthy *et al.* (2012), Turner, Bailey and Scott (1994), Noone (2010) and Noone *et al.* (2010) and Gordon(1994). Further, it has been identified that perception towards retirement is directly associated with retirement planning. Hence, it can be inferred that women who have a positive attitude towards retirement financial planning and consider it an interesting and worthy activity are more involved in it. However, in studies conducted by Wiggins and Henderson (1996) on registered female nurses, the findings were contradictory and the attitude variable failed to impart any significant effect on preretirement planning. Further, attitude is also influenced by factors, namely, age, income (Wiggins and Henderson, 1996; Turner *et al.*, 1994) and work involvement (Noone *et al.*, 2010; Kasworm and Wetzel, 1981). However, income has a positive influence, whereas age and work involvement have a negative relationship with attitude. As a woman grows older, she tends to develop a negative attitude and apprehension about retirement. Similarly, more involvement in work and orientation of social contacts towards occupational colleagues also result in a negative attitude. The reason for this is a woman faces a loss of identity and drifts aloof once she has retired or stepped out of the workforce. The degree of association or interaction varies, where income and age have a strong association but workforce involvement showed a weak indirect effect on attitude.

The next psychological factor is the future time perspective. This defines the extent or boundary of how far into the future one can visualize. Hershey, Henkens and Van Dalen (2010) characterized this as the “Central” personality trait and found that it directly influences future financial planning. It imparts its effect by affecting one’s knowledge and involvement in financial planning procedures, as indicated through studies carried out on an equal number of men and women (Hershey and Mowen, 2000; Hershey, Jacob-Lawson, McArdle and Hamagami, 2007; Jacob-Lawson, Hershey and Neukam, 2004). The emphasis on importance of planning was further found to be positively related to levels of savings (Glass & Kilpatrick, 1998) and pre-retirement planning (Phua & McNally, 2008).

Jacobs-Lawson and Hershey (2005) stated that when defining the future time perspective with respect to the economic literature, we often refer to characteristics such as patience, planning horizons and time preferences. Hastings and Mitchell (2011) conducted a study (with 51% of the sample size as females) to determine the effect of impatience on retirement wealth and investment behaviours. They discovered that impatient investors or those who choose current gratifications tend to make shortsighted investment choices. They concluded through their study that impatience is a significant predictor of retirement savings. Similarly, Griffin, Loe and Hesketh (2012) (with 58.6% sample size comprising females) also discovered that those individuals who were high in time discounting were less involved in retirement planning. A possible explanation is that such people focused more on current reward rather than on saving for the future. Farkas and Johnson (1994) (as cited in Glass and Kilpatrick, 1998) also identified barriers with respect to savings for retirement and observed “resistance to doing without luxuries and non-essentials to save for retirement” (p.600) as one of the obstacles.

The next psychological factor is Locus of Control. This represents a characteristic of human personality, whereby one associates his/ her success or failure with either oneself or the external environment. Depending on the nature of association, it can be the external locus of control or internal locus of control. People with the external locus of control believe that their lives are dominated by external factors such as fate, luck and destiny, whereas people with an internal locus of control perceive the positive and negative events of their lives as consequences of their own actions. They thus tend to step ahead and take charge of their lives. External loci of control personalities are dependent on others including their spouse, children, parents, friends and relatives to make decisions on their behalf. Women often tend to display an external locus of control as is evident in studies conducted by Glass and Kilpatrick (1998). This holds true with respect to their investments as well. Women rely more on others’ advice or formal programmes in contrast to men who use informal means as well to prepare themselves financially for retirement (McKeena's (1985) study as cited in Glass and Kilpatrick, 1998).

Morgan and Eckert (2004), Sumarwan and Hira (1993), Anderson Li, Bechhofer, Mc Crone and Stewart (2000) discovered that the external locus of control was negatively related to financial preparation and financial status. Perkins (1995) and Hayes and Parker (1993) opined that women often have a myth in their minds that through marriage they can find their life partner who will not only look after their present finances but will also simultaneously plan ahead for their future retirement and thus they will be taken care of in their old age.

The last psychological determinant of retirement financial planning is retirement goal clarity. Stawski, Hershey and Jacob-Lawson (2007) and Hershey, Jacobs-Lawson, McArdle and Hamagami (2007) determined the effect of goal clarity on retirement saving contributions and discovered that goal clarity is a significant predictor of planning activities and planning in turn affects savings contributions. Thus, via the planning construct, goal clarity influences savings. Similarly, Moorthy *et al.* (2012) discovered that goal clarity affects retirement planning such that individuals with clear goals tend to indulge in active retirement planning. Hershey, Henkins and Van Dalen (2010) also mentioned that establishment of clearer and realistic goals enhances financial planning activity and savings contributions. Goal clarity in turn is influenced by factors including age, early learning, support from spouse, support from friends and colleagues (Hershey, Henkings and Van Dalen, 2010; Stawski *et al.*, 2007).

Hershey, Mowen and Jacobs-Lawson (2003) carried out research to identify the effect of retirement seminars on financial planning and found that a combination of financial information and goal setting seminars showed the most promising effects.

The effect of psychological factors on women's retirement financial planning is summarized in table 2.

Table 2: Psychological Forces Influencing Women's Retirement Financial Planning

Variable	Direct Influence on Retirement Financial Planning of Women	Relationship with other variables	
		Variables	**Influence**
Attitude towards retirement	Women with a positive attitude towards retirement are more actively engaged in the financial aspect of retirement planning.	Age	As women age, they develop a negative attitude and apprehension about retirement.
		Income	Strongly and positively influences the attitude towards retirement.
		Work involvement	Too much involvement in work and orientation of social contact towards occupational colleagues result in the development of a negative attitude towards retirement.
Future time perspective	Directly and positively affects financial planning for retirement.	Financial knowledge and involvement in financial planning.	Positively influences the levels of savings and retirement financial planning.
Locus of control	Females display external locus of control and depend more on one another's advice and formal programmes. This at times negatively hampers their financial planning for retirement.		
Retirement goal clarity	Significantly affects financial planning activity and saving contributions for retirement.	Age	With an increase in age, one's retirement goal approaches and due to the lack of time, one develops a more aggressive approach towards them.

Source: Compiled by the researcher for the purpose of the proposed study.

4. Other Factors Affecting Retirement Financial Planning

a. Social Groups

Human beings are influenced by the social groups around them. Although the specific effect of social forces on women's retirement planning has not received much attention in the literature, there are studies like the one conducted by Griffin, Loe and Hesketh (2012) where it was identified that females were more strongly affected by cultural and social norms and were more likely to undertake any planning behaviour when their close ones were involved in any such act.

Lusardi (2003) also advocated the fact that any form of financial planning is partly shaped by the experience and learning of other individuals, be it siblings or parents. In addition, such planning affects wealth holdings and portfolio choices, for particularly high return assets like stocks.

Hershey, Henken and Van Dalen (2010) investigated the influence of support of friends and coworkers, spouse and parents on financial planning of an individual (where women comprised a little less than half the sample size) and suggested that social networks can influence directly or indirectly. Indirectly they can impart their effect through affecting time of women's departure from the workforce (Richardson, 1999) or through the level of satisfaction and adjustment postretirement. Directly they render an effect on the future time perspective and goal clarity (Hershey *et al.*, 2010).

b. Circumstances

Circumstances often shape up the behaviour of an individual. Kemp, Rosenthal and Denton (2005) carried out a study (where women formed >50% of the sample) to determine catalysts and constraints of financial planning. They discovered that employers' programmes and retirement courses are catalysts for retirement financial planning. However, jobless and unforeseen expenses are constraints of financial planning. Further, there were a few events such as death of spouse, divorce or remarriage, which served both the purposes.

Lusardi (2003) also discovered that financial planning is associated with financial shocks and health issues. Financial shocks could be either negative (e.g. unemployment) or positive (e.g. sudden inheritances, insurance settlements or any sort of financial assistance from relatives or friends). Chatterjee and Zahirovic-Herbert (2010) studied retirement planning in young baby boomers and found health to be positively associated with retirement planning.

c. Economic Factors

Economic factors such as cost of living in an area at a given period of time also play a role in retirement planning. Financial planning is dependent on time and geography, and it is often associated with state policies and practices. Each country is bound to develop its unique pattern of planning (Kemp, Rosenthal and Denton, 2005). For example, each country has its own fiscal policies that affect a nation's economy, right from interest rates to tax schemes. In America, the changes in the pension system and swift shift from Defined benefit to Defined Contribution Scheme influenced the level of retirement wealth (Lusardi, 2011). Canadians have universal access to the basic health care system, and they pay less of college tuition fees as compared to what Americans do. Moreover, they have universal flat benefits for seniors (Kemp *et al.*, 2005). In the United States, the focus is on personal liability of financing oneself in retirement, whereas in the Netherlands, the approach is more collective in nature of pension financing. These structural differences in pension schemes lead to different saving pressures on individuals (Hershey *et al.*, 2010). Hence, the literature suggests that retirement planning is directly influenced by the geography and the time period and that this factor is universally applicable to all working professionals worldwide.

5. Financial Literacy and Financial Planning

A key issue that engulfs modern households is why the majority fail to save for retirement, are too much in debt, have poor mortgage decisions and struggle with other day-to-day financial problems. A possible explanation as proposed by Hastings and Mitchell (2011) is financial illiteracy. According to their study, financial literacy is associated with retirement savings. Lusardi and Mitchell (2008) carried out a study specifically on women, and discovered that financial literacy is strongly and positively associated with retirement planning. Those giving correct answers to financial literacy questions turned out to be successful planners. Further, this also points to the lower level of financial literacy in women. In line with the above study, Bucher-Koener and Lusardi (2011) carried out research in Germany and concluded that financial planning and financial literacy were positively associated such that households that had planned for retirement tended to be more financially literate as compared to others. Moreover, financial literacy also interacts with other demographic variables such as gender (whereby females were found to be less financially literate as compared to males), lower education level and lower income also contributed towards lower financial literacy (Bucher-Koenen and Lusardi, 2011; Hastings and Mitchell, 2011; Lusardi and Mitchell, 2009). A tentative explanation for the association between income and financial literacy is that the higher the income, the more money will be available at one's disposal and this will probably accelerate one's effort to look around for investment opportunities and acquire more information. As far as association between educational level and financial literacy is considered, it is proposed that higher education boosts the chances of acquiring a higher financial status and high paying job opportunities. Lusardi and Mitchell (2007) reported that better retirement planning is associated with more wealth accumulation for the post-retirement period. Planning activity is in lieu affected by financial literacy and the association between planning and wealth accumulation holds strong, even after controlling for sociodemographic factors. Lusardi and Mitchell (2005), Lusardi and Mitchell (2009) and Hershey, Henkens and Van Dalen (2010) also conducted studies on this theme and concluded that financial knowledge and retirement planning were closely correlated and that this relationship further imparted a positive influence on saving for retirement. In addition to this, Lusardi and Mitchell (2005) discovered that those who planned for retirement relied more on formal means such as retirement calculators, seminars or on advice of financial experts.

The effect of financial literacy on women's retirement financial planning is given in table 3.

Table 3: Financial Literacy and Women's Retirement Financial Planning

Variable	Direct Influence on Retirement Financial Planning of Women	Relationship with other variables	
		Variables	**Influence**
Financial Literacy	Strongly and positively influences retirement saving	Gender	Females display a low level of financial literacy.
	and involvement in financial	Education	A low education level leads to lower levels
	planning for retirement.		of financial literacy as well.
		Income	Low income is associated with a lower level of financial literacy.

Source: Compiled by the researcher for the purpose of the proposed study.

6. Conceptual Model

The basic rationale behind the conceptual model is to logically integrate all the potential influential factors to deliver a framework that provides the most suitable explanation for occurrence of an event. As discussed above, women despite being more vulnerable are engaged in the least retirement financial planning. Moreover, this is one aspect of women's retirement that has been often overlooked. As more and more women are participating actively in the economy and sharing the financial burden of the society, it is imperative to design a blueprint/conceptual model of factors influencing women's retirement financial planning.

The conceptual model proposed in the current article is an extension of the retirement planning model developed by Hershey (2004). Retirement financial planning of women is influenced by many factors that can be classified under the following major qualitative set of attributes: Demographic, Psychological, Financial literacy and Others (e.g. social groups, circumstantial and economic factors). Taken together, these factors influence not only the intention but also the behavioural aspect of planning. Further, it has been suggested that planning activity varies under the influence of psychological forces. These psychological forces in turn are determined by resources and cultural factors (Hershey, 2004). The proposed framework has been drawn in line with the above conceptualization.

Demographic variables refer to the specific characteristics of women participants and usually serve as independent variables. These factors help in identifying the current financial status, resources, family background and educational level, of a woman. However, these factors cannot solely identify the retirement financial planning of a woman and further interact with psychological forces. Psychological

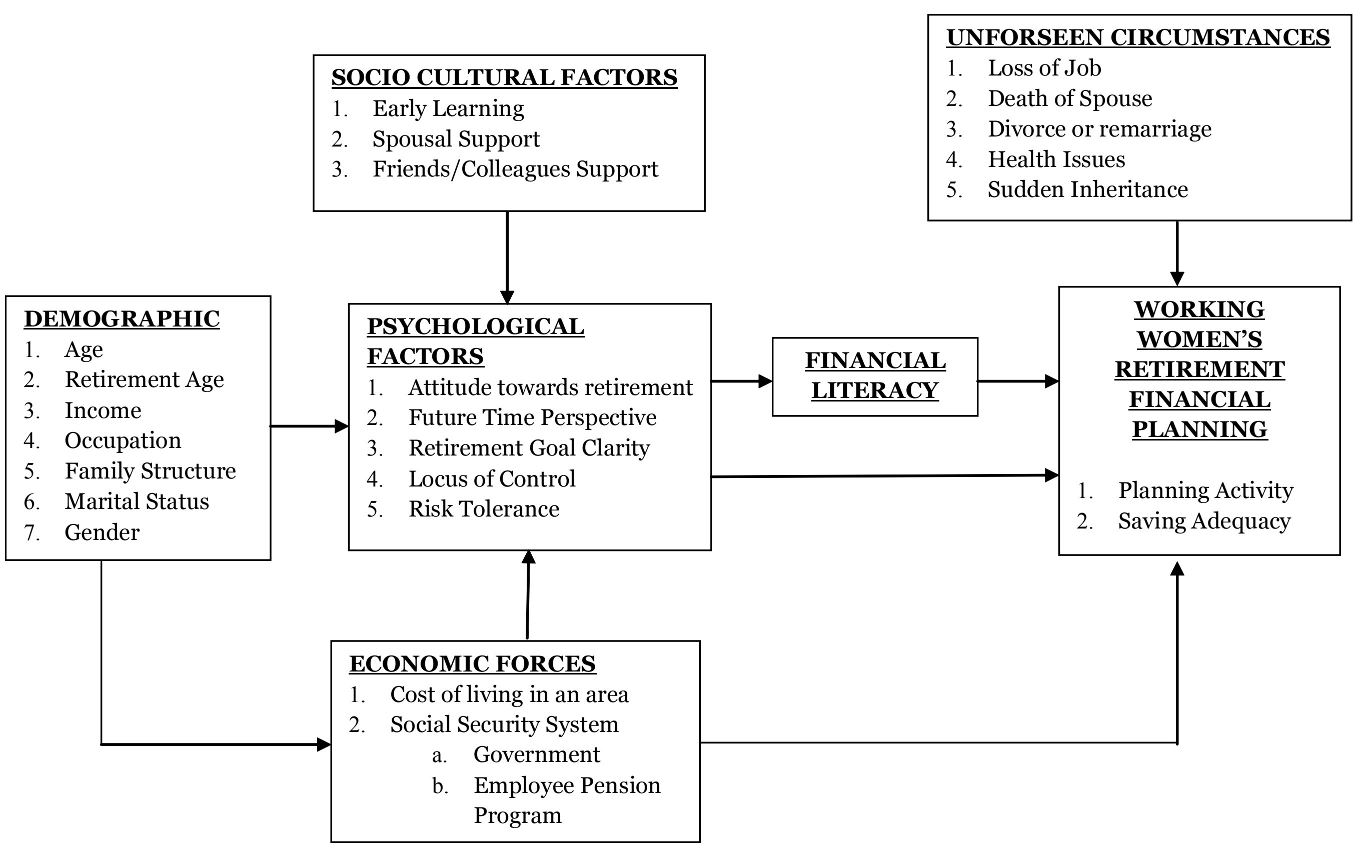

Figure 1. The Proposed Conceptual Framework for Retirement Financial Planning of Working Women

forces are individual characteristics that differ among women. They determine the difference in retirement financial planning amongst those women who have equivalent resources, responsibilities and status. The third set of attributes comprises circumstantial factors, social groups and economic forces. As discussed, these are events or conditions of life that influence personal characteristics and thus indirectly affect the commencement of retirement planning behaviour. No two women experience the same series of events in life, and therefore, their present and future planning is bound to differ. Lastly, financial literacy has been included as a separate determinant of women's retirement financial planning. Even if one possesses surplus resources, the right approach and conducive atmosphere and awareness regarding how, where and when to invest to reap maximum fruit /return are a must. Taken together, these forces render a direct influence and also interact amongst themselves to influence not only the intention but also the quality of retirement financial planning in women.

7. Conclusion

Financial planning is in itself a complex multidimensional task. There are various facets of financial planning, and one of them is retirement financial planning. It is an often overlooked aspect, and especially in the case of women, it is the last priority for the majority of the population. Globally, although the women labour force participation rate has increased to 50%, but the attitude of women towards finance and retirement is still embedded under traditional norms. Despite the fact that women are more susceptible to poverty postretirement, they fail to realize the importance of timely retirement financial planning. Hence, there is a grave need to study the reasons as to why despite having increased accessibility to financial and nonfinancial resources, being efficient managers in other aspects of life and still being so vulnerable in old age, the female population lacks in proper management of finance and fails to plan for their forthcoming retirement. The overarching aim of this study was to investigate factors that affect the retirement financial planning model in the case of women. In doing so, we explored and examined the existing literature on financial planning and identified several variables that were categorized under the following subheadings: demographic, psychological, circumstantial, social, economic and financial literacy. Clubbed together, these factors contribute to the model of women's retirement financial planning so as to construct a more robust, wider and multivariate framework. Besides this, the study opens up new avenues for further research. As stated above, the women's workforce participation rate is increasing and is expected to grow further especially in developing economies. Therefore, there is a wide scope to explore factors that influence women's retirement financial planning under various social, psychological, circumstantial and cultural norms. To extend this, we can also explore the interactions amongst these factors and the outcome of those interactions on women's retirement financial planning. From the application perspective, the findings from the study have important implications for financial planning professionals and financial advisors. The conventional approach of educational programmes or schemes is "one-size-fits-all" and such interventions often fail due to women's differences in personality traits, investment preferences, future time perspective, financial knowledge, retirement goals, family responsibilities, etc. The study will help in designing of customized programmes especially from women's point of view. This will not only increase the participation rate but will also promote retirement financial planning in women. Similarly, regulators and policy makers will also get a comprehensive view, which will help in the development of policies and promotional awareness programmes. At the individual level also, the study will be useful in analysing the importance of retirement financial planning in women and will help in introspection of one's current financial status and postretirement requirements.

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