

# A Study on Retirement planning and matching of monthly earnings with living standards and expenses by retired employees

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## ARTICLE DETAILS

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## ABSTRACT

We all face different challenges and resistance to change during different phases of life right from birth, first day of play group, first day of school, college, marriage, job and so on. Because it is a natural human tendency to resist the change. All these phases are characterized by positive excitement or nervousness of future or different mind sets. Every individual is different. Everybody has their own strengths and weaknesses. So it differs how person tackles with these transitions. This paper will specially highlight on retirement transition. What are different aspects involved in it. What are the challenges faced by individual passing through this phase. How to cope up with this transition phase successfully. What are the common factors applicable to everyone? What are different ways available to ease the retirement? There are persons who took their career at top at the age of 60. What are the motivational factors & leanings behind it? If it is possible to few of them then why not to others? This paper deals with bridging a gap between these two personalities.

## 1. Introduction

There are different reasons because of which there is separation of employees from organization like discharge, dismissal, lay-off, retrenchment, Voluntary retirement, non renewal of previous employment contract, Superannuation etc. Out of all these superannuation is retirement because of age. The word retirement seems like relieved, relaxed, sleeping late, taking trips, happy, no tight schedules like on vacations and free to do whatever he wants. But in most of the cases there is big gap between what you thought before and reality faced after retirement though they have enough money and being healthy. They end with feeling uninterested and blocked.

Like all life changing events retirement transition also psychological process has certain stages. As person phases different transitions in life like first day of school, last day of college i.e. ending with education then we have rest of the life for ourselves. Retirement is considered as final transition where person ends with his career and work is done. Each one who is working on job has to face this transition, while working there is one weekly holiday from busy work on the other hand retirement is longer holiday from structured work is finally done. It is a time when all demands are over and you are finally remained with the time for yourself.

Like all other phases in life this is also emotional process. This transition has six phases. Each retired person experiences this. Period of the phases depends for every person and the ability of his to adapt with changes

1. Prior to retirement: Each individual understands this stage of his life is coming and he is going to complete items which he maintained aside for retirement. It's time that is perfect for retirement planning. Most of the moment does not get serious attention or perhaps constantly delayed as it produces strain on individual

for upcoming changes. They're constantly interested in fulfilling current requirements of the loved ones of theirs and preparation is postponed.

2. Day of retirement: It is the last day of person from organization. Formal ceremony, memories, thanks giving best wishes by colleagues, bosses and whoever is a part of programme. It is truly last day of employment.
3. Subsequent to retirement: This is a time where retired person is absolutely free from busy scheduled work activities, free from burden of being in time for all activities. A person experience holiday feel. Retired person can explore all other things which he has kept aside to do on retirement.
4. Conclusion: When retired person is done with activities which he kept for retirement. Person faces reality of after work life. After all it is not permanent happy experience of being on holiday. It brings different challenges to retired person like feeling of loneliness, identity crisis etc
5. Adoption: Whenever there is disappointment it doesn't last for longer time. Person accepts difficulties and eventually learns to overcome challenges or adverse situations. Darvins theory of survival of the fittest is applicable over here. Person needs make constructive efforts for himself and action plan. Frame themselves according to new requirement. Stabilize themselves with new identity
6. Implementation: This is win-win situation. Designed action plan against variety of challenges faced by a person is implemented. New counter strategies are implemented where person can be happy.

Compromises are done at emotional level. According to implementation changes in action plan can be done. Finally they can enjoy wisely the last transition of life with its purpose.

**2. Literature Review**

Positive Psychological Attributes and Retirement Satisfaction 2014 by Sarah D. Asebedo<sup>1</sup>, Martin C. Seay<sup>2</sup>

Positive psychology Seligman’s (2012) wellbeing theory is used theoretical build for this study. It includes five key factors: Positive emotion; Engagement; Positive relationships; Meaning; and Accomplishment. Research study supports hypotheses statements a. There is a positive association between an individual’s level of positive emotion and retirement satisfaction. b. There is a positive association between an individual’s perceptions of positive relationships and retirement satisfaction. c. There is a positive association between an individual’s level of meaning and retirement satisfaction. d. There is a positive association between an individual’s level of accomplishment and retirement satisfaction. This study doesn’t support the hypothesis that there is a positive association between an individual experiencing engagement and retirement satisfaction

Psychological Effects of the Transition to Retirement Effects psychologiques de la transition vers la retraite 2012 by John W. Osborne

Researcher studied psychological effects of retirement & phases in retirement transition. Retired person faces different losses friendships in the workplace, various fringe benefits and perks, work-life structure. Retirement can generate both a looking back at one’s life and a looking forward to its last chapter. Continuity theory (Atchley, 1989) suggests that much of what constitutes a

Retiree’s being in the world prior to retirement is carried forward like identity crisis, self trust, level of aspiration, and motivation. Research shows that a variety of preretirement values, patterns of living, customs, and worldviews continue into retirement. Depending upon the toughness of retiree personality, aging can be a considerable influence upon self-confidence, and ability to take decisions hence they face decision dilemma. There is extensive conviction that seniors are not likely to be involved in abiding to work unless it is as a volunteer person at home can lead to lack of self-confidence and nervousness unless the finds worth engagement with others in a joint activity. They can spend much time on individual interests & hobbies. It gives them experience of approaching to the end of life concurrent with aging.

Principals’ Perception of Coping Strategies for Retirement in Enugu State 2012 by Ejionueme L. K., Ugwoke S. C., Etonyeaku E. A. C., Anyanwu J. I.

Researcher found out that there is significant difference between the mean ratings of urban and rural principals on the coping strategies for retirement. The strategies agreed upon by the principals as coping retirement strategies include investing in transport business, investing in large scale farming, and organizing private lessons. Becoming involved in stock broking businesses ,engaging in small scale company, like water that is clean and also soap making, getting involved in piggery,

chicken plus fishery farming, doing cyber cafe company, doing photocopying company, saving in fixed deposit accounts in banks, and training one’s kids adequately.

The impact of retirement on the quality of life of the elderly 2009 by Alvarenga LN, Kiyan L, Bitencourt B, Wanderley KS

Researcher examined how retirement makes effect on worth of life by groping emotional and dietary quality. How it affects on eating habits .Giving up work period can cause tension when related with reduction in buying power. Poverty is enhanced, making it hard to fulfill basic needs. Individual lifestyle, is a complex of beliefs, values and attitudes of daily life, it impacts on person’s general health which decides he will be ill or healthy.

The Association Between Retirement And Emotional Well-Being: Does Prior Work-Family Conflict Matter? Sept 2008 by Kathryn M. Coursolle, Megan M. Sweeney, James M. Raymo, Jeong-Hwa Ho

Researcher found out that Retirement is associated with a relatively greater reduction in depressive symptoms among individuals previously experiencing high levels of work stress interfering with family life. Retirement tends to bring greater improvements in emotional well-being among men than women. Retirement may come more as a relief than a stressor for individuals previously experiencing high amounts of job requires interfering with family life. Nevertheless, especially among females, retirement might not ease the burdens of family living stressors

**3. Research Methodology**

This is descriptive type of research; Primary data is collected by interacting & interviewing 30 retired employees from different fields. Questionnaire is circulated among 30 retired employees who got retired because of age i.e. superannuation. Sample size is 30.Type of sampling is convenience and purposive. Secondary data is collected from research articles from internet websites, books. Data collected through questionnaire is analyzed using pie charts and findings are drawn.

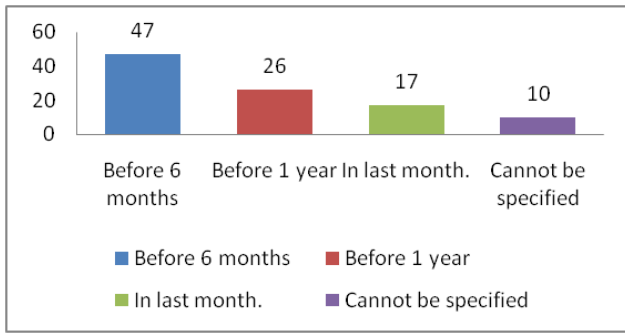
**4. Objectives**

- 1) To identify when employees starts thinking seriously for their retirement.
- 2) To study about the financial planning done by retired employees.
- 3) To find out living expenses and standards matches with monthly earnings after retirement.

**5. Data Analysis**

Q1How many years before you started giving serious thought about how to deal with retirement?

Responses	Before 6 months	Before 1 year	In last month.	Cannot be specified	Total
Number	14	8	5	3	30
Percentage	47	26	17	10	100

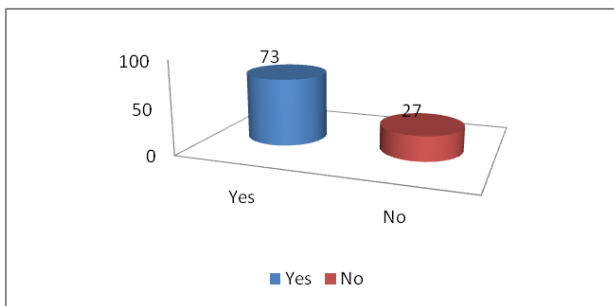


**Interpretation:**

47% retired employees said that they started thinking about how to deal with retirement 6 months before, 27% said 1 year before, 17% said in last month, 10% said that it can not be specified.

Q2 Have you done financial planning for retirement?

Responses	Yes	No	Total
Number	22	8	30
Percentage	73	27	100

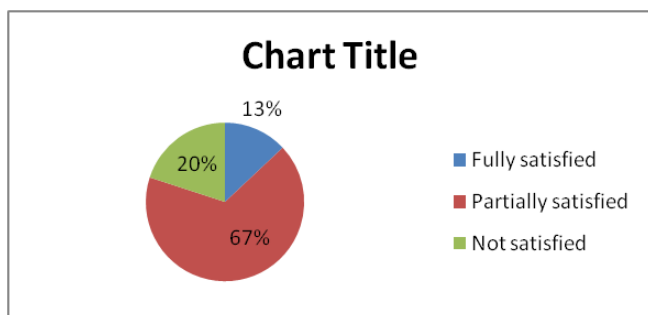


**Interpretation:**

73% of retired employees said that they have done financial planning. 27% employees said that they have not done financial planning.

Q3 Are you satisfied with your financial planning?

Responses	Fully satisfied	Partially satisfied	Not satisfied	Total
Number	4	20	6	30
Percentage	13	67	20	100

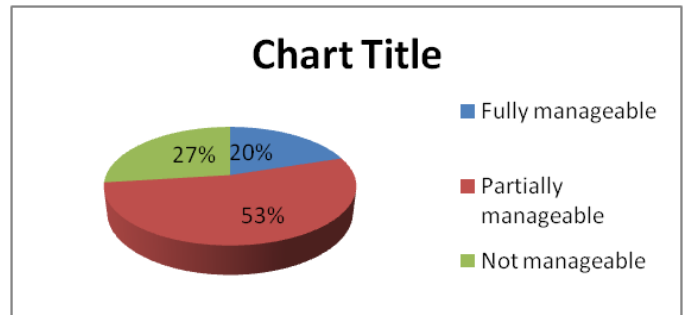


**Interpretation:**

13% of retired employees said that they are fully satisfied with their financial planning. Maximum i.e. 67% of retired employees said that they are partially satisfied with their financial planning. 6% of retired employees said that they are not satisfied with their financial planning.

Q4 Are you able to match your living standard and expenses with your monthly earnings after retirement?

Responses	Fully manageable	Partially manageable	Not manageable	Total
Number	6	16	8	30
Percentage	20	53	27	100



**Interpretation:**

6% of retired employees said that their living standard & monthly expenses are full manageable with their monthly earnings, 53% said that it is partially manageable & 30% said that it is not manageable.

**6. Findings**

- a) 47% retired employees said that they started thinking about how to deal with retirement before 6 months, 27% said before 1 year, 17% said in last month, and 10% cannot be specified it.
- b) 73% of retired employees said that they have done financial planning for retirement.
- c) 13% of retired employees said that they are fully satisfied with their financial planning. Maximum i. e. 67% of retired employees said that they are partially satisfied with their financial planning. 6% of retired employees said that they are not satisfied with their financial planning.
- d) 6% of retired employees said that their living standard & monthly expenses are full manageable with their monthly earnings, 53% said that it is partially manageable & 30% said that it is not manageable

**7. Suggestions**

- 1) Individual thought process about dealing with retirement should start at early age of career. Late thinking creates more issues, feeling of insecurity & confusion which makes it more difficult to adjust.
- 2) Retirement phase is unavoidable; everyone has to pass through this phase hence it is must to do financial planning for retirement. Every Organization should keep the sessions on financial planning explaining its importance, process & need.

- 3) Every individual should take the professional help of financial planner who will suggest according to your needs & including the inflation rate at that time.
- 4) There should be back up investments excluding the regular one which can give fixed monthly income to match up with living standard & monthly income as it was before retirement.

## 8. Conclusion

It is probable to make retirement process happy, healthy & fruitful –only person is required to approach things in their own

way. Copying someone will not work it has to be tailor-made plan and it will be different from person to person

Tackling the phase of retirement is just a psychological game & to win this game one should be mentally strong & confident about their abilities & potential. As people doesn't stop when they go to college from school, from college to job in the same way one should not stop or put a mental block. Getting retired doesn't mean getting expired. There is live example of Mr. Amitabh Bachchan who is voted as youth icon at the age of 60.

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