



Recent trends in Management and Commerce

Vol:2(2),2021

REST Publisher

ISBN:978-81-936097-6-7

Website:<http://restpublisher.com/book-series/rmc/>



A Study on Awareness Level of Retirement Plans among Youngsters

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Abstract

The economy and the stock market shall undergo the same cycles. Retirees often think differently about these realities because they rely on their investment's support than their job. This study attempted to help them to invest wisely and select from different investment products available in the market and also the various investment preferences of the perception about retirement planning, their level of awareness and saving habit in the retirement planning avenues. The study reveals that a majority of the respondents are investing in traditional modes of life insurance, bank deposits, etc.

Key words: - Retirements, Planning, Youngsters, Awareness

Introduction

Life after retirement is very similar to life before it, the same monthly bills, car payments, and other regular expenses will continue to incur. The economy and the stock market shall undergo the same cycles. The past generations, retirements have a different view these days. Individuals now have varying expectations for how much they wish to spend their retirement years. With the changing social and economic environment making one's future secure by way of pension provides relief to retired persons and helps them live a financially secure and dignified life after retirement. Meticulous financial planning adds to the quality of life in the years to come and if the person further provides for healthcare he can add years to his life. 1.1 need for the study: This study benefits the society especially youngsters to realize the importance of the retirement in life and the factors that influence their behavior towards retirement planning. Many people are not aware about the availability of various retirement planning options. This study might help them to invest wisely and select from different products available in the market for retirement planning. One has to seek expert's advice and create balanced portfolio to suit post retirement needs. 1.2 scope of the study: This study is limited to the factors which influence youngsters in investing in different retirement planning avenues. The study analyses the various investment preferences and the perception about retirement, their level of awareness and saving habit in the retirement planning avenues. It is narrowed to the Chennai city. 1.3 objectives of the study: To study the level of awareness the retirement plans among youngsters. To the influence of the demographic factors on the level of awareness of the respondents. 1.4 research methodology. Data collection: - In this study used both primary and secondary sources. Primary data as collected using structured Questionnaire and it is circulated to the respondents through Google form. Secondary data collected by referring journal and articles related to study. sample size The sample size for this study was 100 samples within the Chennai city. Statistical tools: The data collected was analyzed through percentage, Chi-Square Tests and Friedman Test are applied for the analysis of data. Limitations of the study. The study is based on the response from youngsters in Chennai city and therefore the conclusion drawn may not be applicable to the other districts of Tamil Nadu.

Review of Literature

Tiziana Galea (2015) a study on "Analyzing retirement planning awareness among the future generation" in their research paper focusing on what criteria affect the level of awareness with particular reference to financial literacy and the view of the providers of retirement planning solutions on the level of awareness that they think is present among the future generation. M. N. NorZaihan (2012) a research on "Awareness of retirement planning: A case with international Islamic university Malaysia employees" the will be discussed based on theoretical framework set out in this study as mentioned above. A general awareness level based on claimed responses will then be expanded further to provide further justification on the awareness level. Shendkar Dines Basilar (2016) stated in their article titled "A study planning for retirement among individuals in select different age group in pune city" the study target on level of awareness among the individual in wealth creation stage with regard to financial planning for retirement, instrument for financial planning for retirement and about the institutions. Mahesh Kumar (2012) the study under the Punjabi university (Patiala) studied on the senior Retirement planning and Reverse mortgage in the context of providing financial security during life after retirement. The study found that many respondents were not interested in the scheme due to they wish to preserve their home equity for future medical emergency, they want to pass on the property to their children and they are feared of accumulation of the worth.

Analysis and Interpretation

3.1 level of awareness about retirement planning

TABLE 1. Level of awareness about retirement planning

Level of awareness	No. Of respondents	Percentage
Yes	74	74
No	26	26
Total	100	100

Source: primary data

Interpretation: In this table show that 74% are aware of about retirement planning and 26% are not aware of about retirement. This implied the majority of the respondents are aware of about retirement. 3.2 Relationship between the Gender and Awareness Level of the Avenues of Retirement Planning.

Ho – There is no association between genders with respect to awareness level of the avenue of retirement planning

H₁ - There is association between genders with respect to awareness level of the avenue of retirement planning

TABLE 2. Table Showing Chi-Square Tests Of The Avenues Of Retirement Planning

Awareness level Cross tabulation				
Gender	Awareness level			Total
	Low	Moderate	High	
Male	19	25	12	56
female	10	24	10	44
Total	29	49	22	100

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.578 ^a	2	.454
Likelihood Ratio	1.599	2	.450
Linear-by-Linear Association	.755	1	.385
N of Valid Cases	100		

Inference: The above table show the $\chi^2 = 1.578$ and p value = 0.454, which is more than 0.05. Therefore the null hypothesis is accepted at 5% significant level. The Implies that there is no relationship between the genders of the respondents with respect to the awareness level of the avenue of retirement planning. 3.3 Friedman Test Is Used to Show the Awareness Level of the Avenues of Retirement Planning

TABLE 3. Mean Rank of the Awareness Level of the Avenues Of Retirement Planning

Awareness level	Mean rank	Rank
Banking saving a/c/FD/RD	9.82	1
Mutual funds	7.45	2
Pension funds	7.36	3
New pension scheme	6.96	4
Provident fund	6.73	5
Real estate	6.69	6
Gold ETF	6.65	7
Public provident funds	5.66	8
Bonds	5.46	9
Equity share	5.30	10
(ULIP) unit insurance plan	4.99	11
(ETF) electronic traded funds	4.97	12

Inference: The above table shows the Bank Saving of the awareness level of the respondents on the avenues of retirement planning. Among them, mutual fund shows the highest mean rank. This implies that Bank Savings is the most preferred avenues of retirement planning. This implies that an electronic traded fund is the least preferred avenues of retirement planning among youngsters in this study.

Findings, Suggestion and Conclusion

Findings. In this study it is investigated that out of 100 respondents, 56% of the respondents were male and 44% were female. This denotes the male respondents are higher when compared to female. The study reveals that most of the youngsters belong to unmarried. Among the sample youngsters, majority of respondent are educated up to post graduated. This study 74% are aware of about retirement planning and 26% are not aware of about retirement. This implied the majority of the respondents are aware of about retirement.

Suggestion

Retirement planning still chooses traditional investment avenues like, Banking saving a/c/FD/RD, Mutual funds, etc. it fulfils their objective i.e. security of retirement life and safety of money. The awareness level about the modern investment avenues like Equity share, Bonds, electronic traded funds, etc are comparatively less. Organization must conduct programmers to educate the important of modern investment as it beneficial to both in dividable as well as economy

Conclusion

This study focuses on the level of awareness on early retirement savings within the working youngsters. It investigates the level of financial education present and what can be done for improvement, so that individuals are able to understand the concepts and importance of this matter. One has to keep in mind that apart from a natural predisposition not to think of what will happen 45 years into working life, there is also the reality that most working people will be paying a considerable percentage of what they earn in tax and loan repayments The study reveals that a majority of the respondents are investing in traditional modes of life insurance, bank deposits, etc and are not aware of the various other products. But a person needs to take challenging investment decision in order to optimally plan for retirement. Employed youngsters are more aware about retirement planning, but on bank savings, fixed deposits and insurance policies and are not aware of stocks, mutual funds, bonds, etc., since high risk is involved in these investment avenues.

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