

IMPACT OF FINANCIAL KNOWLEDGE ON RETIREMENT PLANNING & CONFIDENCE WITH FINANCIAL BEHAVIOUR AS A MEDIATOR

Ms. Kavitha Manikandan, Ph.D.

Research Scholar, Department of Commerce,
Ethiraj College for Women (Autonomous), Chennai, India

Dr.A.S.Gayathri,

Associate Professor and Head, Department of Commerce,
Ethiraj College for Women (Autonomous), Chennai, India

ABSTRACT

Retirement is an important event that every working individual experiences in life. It is imperative to provide for a secured foundation for the future financial requirements which demand for a planning at the present. This is possible based on the financial awareness and wise behavior of an individual. Financial Knowledge is a vital determinant of retirement planning and confidence. It deals with knowledge of financial products, financial concepts including the ability to apply analytical skills for financial decision-making. Financial Behavior refers to an individual's approach to effectively manage their finances to lead a financially secured life. The main aim of the current study is to determine the impact of Financial Knowledge on Retirement Planning & Confidence with Financial Behaviour as a mediator among 160 women teachers working in various disciplines across universities/colleges in Chennai. Survey method was used to collect data. Weighted Mean, t-test, ANOVA, Karl Pearson's Correlation, Multiple Regression and Mediation Analysis were used for the purpose of analysis. Findings revealed that, Financial Knowledge and Financial Behavior were positively and significantly correlated. A significant positive relationship was also found to exist between Financial Behavior and Retirement Planning & Confidence. Further, Financial Knowledge was found to have a significant positive impact on Retirement Planning & Confidence with Financial Behavior as a Mediator.

KEYWORDS: Financial Knowledge, Financial Behavior, Financial Literacy, Savings and Investments, Financial Planning, Retirement Planning, Retirement Confidence.

INTRODUCTION

Financial knowledge is the awareness of the core financial and economic principles as well as the practical application of those concepts to the management and allocation of financial resources. People who are financially knowledgeable resolve issues, analyse logically and are

aware of key financial facts and concepts in order to make informed financial choices. Financial behavior refers to the ability of a person or household in managing their financial resources, including their plan to make money, their management and control over their finances, and their approach towards handling credits and cash. Saurabh et al. (2018) explained that financial behavior is the way a person manages his or her money and personal finances, as well as how an individual handles prevalent problems with finances.

Retirement is the phase when a person permanently withdraws from work life. This means that the income of the retirees will come to a close instantly upon retirement, their expenses will persist and they will need to carry on their lives depending exclusively on their accumulated savings (Russell, 2011).

In the modern era, the retirement environment has seen a major shift in accountability from group pension plans to individual decisions, making sound personal financial management crucial to obtaining sufficient retirement resources and achieve overall well-being during retirement. This transformation has made it significant to focus attention on possessing adequate financial knowledge and awareness to enable successful retirement planning. Thus, the consistent use of financial knowledge through sensible financial behaviour drives an individual towards productive retirement planning and confidence.

REVIEW OF LITERATURE

Several studies have supported the positive relationship between Financial Knowledge and Retirement Planning world over. Existing studies prove that higher Financial Knowledge facilitated sound financial decision making. Further, individuals with sound Financial Knowledge showed a higher Retirement Confidence (Lusardi & Mitchell, 2007), had higher participation in the share market (Yoong, 2010), and intended to have better asset accumulation (Stango & Zinman, 2009; Hilgert et al. 2003). According to Huston, (2010), financial literacy is a skill that can help people to make financial decisions effectively. Individuals who are financially literate are expected to possess basic understanding of the financial concepts such as interest rate, inflation rate, compound interest, and risk (Huston, 2010). People who are financially literate tend to be more confident of their retirement preparation as compared to those who are financially illiterate (Mullock & Turcotte, 2012).

Financial Knowledge and Financial Behavior were found to be positively related (Hilgert et al. 2003). Healthy financial management encouraged higher retirement confidence (Kim, 2005). Parrotta (1998) opined that various financial practices such as cash management, credit

management, retirement planning should be included in good financial management. Individuals who applied financial management in their daily life had the propensity to display more positive retirement confidence (Kim, 2005). Ali et al. (2013) through their study in Malaysia, narrated that positive financial behavior is of utmost importance in planning finances during retirement and that financial behavior is positively related to retirement planning.

Retirement planning was considered a complex process that required a certain level of financial knowledge. Moorthy et al. (2012) in his study found age, education level and income level to be significant predictors of retirement planning behavior along with goal clarity, attitude towards retirement and potential conflict in retirement. Lusardi & Mitchell, (2009) and Hershey et al. (2010) also stated that financial knowledge was connected to retirement savings, along with the planning process.

Retirement confidence is based on the individual's attitude and planning for future retirement. It was proven that financial literacy and retirement confidence were highly correlated in studies conducted by Lusardi, (2009); Lusardi & Mitchell, (2008); Lusardi & Mitchell, (2011); Mullock & Turcotte, (2012) and Alessie et al. (2012).

NEED FOR THE STUDY

Financial Preparations and planning for the future is a complex process which requires wide financial knowledge and resources (Lusardi & Mitchell, 2006). It is important that an individual must possess sound financial knowledge in order to develop good financial behavior which will help them in achieving long term retirement goals. Bosworth & Bruke (2012), in their study, showed that a proper retirement preparation during pre-retirement stage is highly needed to increase the confidence regarding post-retirement life. Historically, studies have proved that men have dominated the fields of investing, money management and financial planning with exhibiting higher retirement confidence (Malroux & Xiao, 1998; Quick & Moen, 1998). Despite rising success of women in all spheres of life and independence, they tend to neglect financial planning and their behaviour towards handling money effectively. Women have not been encouraged all times to actively manage their finances, thus, with diverse life experiences, it is significant for all women to understand the importance of retirement preparation and planning to have a secure future.

Savings and Investments are considered important in developing countries like India due to the

absence of institutional post-retirement benefits. Financial Knowledge and a planned Financial Behavior for retirement is critical for every woman to become financially independent and have sufficient savings to live the lifestyle they want upon retirement with satisfaction and confidence.

Most women in developing countries choose their career in the field of education so that the work pressure is lesser and they are able to maintain a proper family and work life balance. The women faculty employed in the higher education sector play a leading role in influencing the financial behaviour of the students studying in universities or colleges due to their consistent interactions with students, potential to serve as role models, ability to mentor students based on trust and instil positive financial attitudes into both formal and informal learning settings. Women teachers who make appropriate financial planning for retirement can inspire future generations to consider early retirement financial preparation for leading a happy life in the future. Keeping in view the above, the present study is an attempt to measure the level of financial knowledge of female faculty working across disciplines in the higher education sector in Chennai. Further, the influence of Financial Knowledge on Retirement Planning & Confidence with Financial Behaviour as a mediator is also sought to be determined.

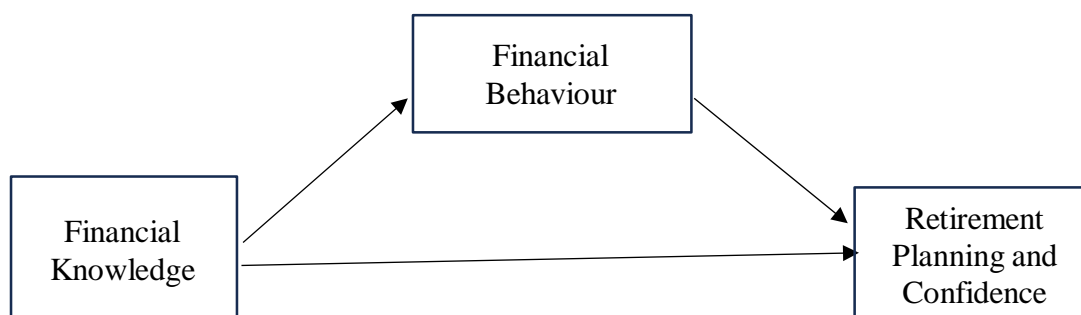
CONCEPTUAL MODEL OF THE STUDY

The proposed model of this study is based on the model of Jeun & Sabri (2014); Joo & Pauwels (2002) and Harahap et al. (2022). The aim of the current study is analyzing the influence of Financial Knowledge on Retirement Planning & Confidence with financial behaviour as the mediator. Retirement Planning & Confidence is the dependent variable whereas Financial Knowledge is the independent variable and Financial Behaviour is the Mediator.

The conceptual model proposed for this study is given below in Figure 1.

Figure 1

Conceptual Model



OBJECTIVES OF THE STUDY

To assess the Financial Knowledge, Financial Behaviour and Retirement Planning and Confidence.

To determine group differences that may exist amongst the respondents with respect to Financial Knowledge and Financial Behaviour based on chosen demographics (Marital Status, varied Disciplines of Work and Income).

To determine the relationship between:

Financial Knowledge and Financial Behaviour

Financial Behaviour and Retirement Planning & Confidence.

Financial Knowledge and Retirement Planning & Confidence.

To analyse the impact of Financial Knowledge on Retirement Planning & Confidence with Financial Behaviour as a mediator.

HYPOTHESES OF THE STUDY

The Hypotheses framed and tested is that:

Null Hypothesis 1: There exists no significant difference amongst the respondents with respect to Financial Knowledge based on varied Disciplines.

Null Hypothesis 2: There exists no significant difference amongst the respondents with respect to Financial Behaviour based on Marital Status.

Null Hypothesis 3: There exists no significant difference amongst the respondents with respect to Financial Behaviour based on Income.

Hypothesis 4: There is a significant relationship between Financial Knowledge and Financial Behaviour.

Hypothesis 5: There is a significant relationship between Financial Behaviour and Retirement Planning & Confidence.

Hypothesis 6: There is a significant relationship between Financial Knowledge and Retirement Planning & Confidence.

Hypothesis 7: There is a significant impact of Financial Knowledge on Retirement Planning & Confidence with Financial Behaviour as a mediator.

RESEARCH METHODOLOGY

The study is empirical and analytical in nature. Primary data was collected using a standardized structured questionnaire from a sample of 160 women faculty in Chennai. Purposive Sampling was used to determine the sample wherein women faculty working across various disciplines such as Commerce, Management, Humanities and Arts and Sciences and Applied sciences under different divisions of the Higher Education Sector namely State University, Deemed University, State Private University, Affiliated Colleges and Autonomous Colleges have been selected for the study. The questionnaires were administered using Google Forms. The factors of the study were measured on a Five Point Likert Scale ranging from “Strongly Agree” (5) to “Strongly Disagree” (1). Percentage Analysis, Weighted Mean, t-test, ANOVA, Karl Pearson’s Correlation and Multiple Regression with Mediation Analysis were used for the purpose of analysis using SPSS Version 21. The reliability of the questionnaire was tested using Cronbach’s Alpha Reliability Test and the overall reliability was found to be 0.84 indicating that the questionnaire is highly reliable.

DEMOGRAPHIC PROFILE

The demographic profile of the respondents is depicted in Table 1:

Table 1

Demographic Profile

S.No.	Age (Completed Years)	No.	Percentage (%)	Educational Qualification	No.	Percentage (%)
1.	21-30	52	32.50	Post-graduate	10	6.25
2.	31-40	81	50.62	Post-graduate with Net/Slet	25	15.62
3.	41-50	7	4.38	Post-graduate with M.Phil/Net/Slet	66	41.25
4.	51-60	20	12.50	Ph.D.	59	36.88
S.No.	Type of University/College employed in	No.	Percentage (%)	Work experience (Completed Years)	No.	Percentage (%)

1.	State University	72	45	0 – 5 years	14	8.75
2.	Deemed University	10	6.25	6 years - 10 years	72	45.00
3.	State Private University	11	6.88	11 years - 15 years	47	29.37
4.	Affiliated College	18	11.25	16 years - 20 years	7	4.38
5.	Autonomous Institutes/ College	49	30.63	21 years and above	20	12.50
S.No.	Type of Institution employed in	No.	Percentage (%)	Work Status	No.	Percentage (%)
1.	Aided	38	23.76	Permanent	145	90.62
2.	Government	77	48.12	Temporary	9	5.62
3.	Self-Financing	45	28.12	Guest Lecturer/ Consolidated Pay (Management)	6	3.76
S.No.	Marital Status	No.	Percentage (%)	Family type	No.	Percentage (%)
1.	Married	136	85.00	Nuclear Family	127	79.38
2.	Unmarried	24	15.00	Joint Family	33	20.62
S.No.	Discipline of Work	No.	Percentage (%)	Annual Income	No.	Percentage (%)
1.	Commerce	27	16.87	Less than Rs 5 lakhs	20	12.50
2.	Management	16	10.00	Rs 5 lakhs upto Rs 10 lakhs	69	43.13
3.	Humanities and Arts	55	34.37	Rs 10 lakhs upto Rs 15 lakhs	60	37.50
4.	Sciences and Applied Science	62	38.76	Rs 15 lakhs and above	11	6.87
S.No.	In which options do you prefer to	No.	Percentage (%)	How much do you save and invest	No.	Percentage (%)

	save and invest			every month		
1.	Bank Deposits	55	34.38	Nil	-	-
2.	Post Office Savings	11	6.88	Less than Rs 5,000	78	48.75
3.	Life Insurance	8	5.00	Rs 5,000 upto Rs 10,000	44	27.50
4.	Mutual Funds	8	5.00	Rs 10,000 upto Rs 15,000	18	11.25
5.	Gold	40	25.00	Rs 15,000 upto Rs 20,000	12	7.50
6.	Provident Funds (PF)	17	10.60	Rs 20,000 and above	8	5.00
7.	Government Securities (Both Central and State)	5	3.13			
8.	Real Estate	5	3.13			
9.	Stock Market	8	5.00			
10.	Chit Funds	3	1.88			

Source: Primary data

It can be seen from the above Table 1, majority (50.62%) of the respondents belong to the Age group of 31-40 years; 41.25% of the respondents are Post-graduates with M.Phil./Net/Slet qualification, followed by 36.88% of them who have a Ph.D. degree.

It can be further seen that, 45% of the respondents are employed in a State University and 30.63% of them are employed in Autonomous Institutes or College. 48.12% of the respondents are employed in the Government Institutions. 38.76% of the respondents are from the Science and Applied Sciences, 34.37% of them are from Humanities and Arts, 16.87% of them from Commerce and 10% of them are from the Management disciplines.

Majority (90.62%) of the respondents are Permanent women faculty. A large number of respondents (45%) have 6 years – 10 years of work experience, followed by 29.37% of them who have 11 years – 15 years of work experience.

It is inferred that a majority of 85% of the respondents are married and 15 % of them are unmarried. 43.13% of the respondents have an annual income of Rs 5 lakhs upto Rs 10 lakhs, followed by 37.50% of them having an annual income of Rs 10 lakhs upto Rs 15 lakhs. Majority

of the respondents (79.38%) belong to a Nuclear Family while 20.62% of them live in a Joint Family.

It is also found 48.75% of the respondents save and invest less than Rs 5,000 per month followed by 27.50% of them who save and invest Rs 5,000 upto Rs 10,000. The preferred options to save and invest for 34.38% of the respondents are in Bank Deposits while 25% of them preferred to save and invest in Gold.

DATA ANALYSIS AND INTERPRETATION

The first part of the analysis deals with examining the Financial Knowledge, Financial Behavior and Retirement Planning & Confidence using Weighted Mean, results of which are given in Table 2 below.

Table 2

Financial Knowledge, Financial Behavior and Retirement Planning & Confidence

S. No.	Factors	Weighted Mean
1.	Financial Knowledge	3.85
2.	Financial Behaviour	4.00
3.	Retirement Planning & Confidence	3.93

Source: Primary Data

From the above Table 2, Financial Behaviour (4.00) has a weighted mean score of above 3 indicating that the respondents have agreed to all the statements measuring the aforesaid factors. This may be because the respondents may keep aside small amounts of money from their salary for their needs post-retirement and thereby managing their savings and investments accurately.

Further, Retirement Planning & Confidence (3.93) has a weighted mean score of above 3 indicating that all of the statements measuring the aforementioned factors are agreed by the respondents. This could be for the reason that the respondents may keep a track of their monthly budget to ensure that the expenses are within their planned budgets. The respondents seem to be confident of being well planned for retirement by making the required financial provisions for meeting their retirement needs.

Also, it can be inferred that Financial Knowledge (3.85) has a weighted mean score of above 3 indicating that the respondents have moderately agreed to all the statements measuring Financial Knowledge. This may be because the respondents seem to have knowledge of the various concepts of personal finance such as savings and investments thereby helping them to

make investments that would give them tax benefits and meet their long-term objectives. They also seem to have knowledge on preparing monthly budgets and using credit cards wisely. The next part of the analysis deals with determining the group differences amongst the respondents with respect to Financial Knowledge and Financial Behaviour based on chosen demographic variables using t-Test and ANOVA.

FACTORS OF THE STUDY AND CHOSEN DEMOGRAPHICS

Financial Knowledge based on varied Disciplines of Work

An attempt has been made to determine the group differences amongst the respondents with respect to Financial Knowledge based on varied disciplines of work that they belong to using ANOVA.

The Null Hypothesis framed and tested is that:

Null Hypothesis 1: There exists no significant difference amongst the respondents with respect to Financial Knowledge based on varied Disciplines.

Table 3

Financial Knowledge based on varied Discipline of Work

Discipline of Work						
Factor	Commerce	Management	Humanities and Arts	Science and Applied Science	f value	Sig.
	Mean	Mean	Mean	Mean		
Financial Knowledge	4.05	4.00	3.89	3.61	3.24	0.02*

Source: Primary Data

Note: * denotes significance at 5% level

From the above Table 3, it can be inferred that, $p < 0.05$ for Financial Knowledge at 5% level of significance. The Null Hypothesis 1 is therefore, rejected indicating that there exists a significant difference among the respondents with respect to Financial Knowledge based on the various discipline they belong to. The mean value (4.05) is the highest for respondents

belonging to the Commerce department. This may be because respondents from the departments of Commerce may have knowledge of financial concepts and principles since it is their core areas of expertise and may form part of their curriculum. Respondents from the departments of Sciences and Applied Sciences, Humanities and Arts however, might not have the necessary basic financial knowledge because finance may not be a major subject covered in their field of study.

Financial Behavior based on Marital Status

An attempt has been made to determine the group differences amongst the respondents with respect to Financial Behaviour based on Marital Status using t-test.

The Null Hypothesis framed and tested is that:

Null Hypothesis 2: There exists no significant difference amongst the respondents with respect to Financial Behaviour based on Marital Status.

Table 4

Financial Behaviour based on Marital Status

Factor	Marital Status		T value	Sig.
	Married	Unmarried		
	Mean	Mean		
Financial Behaviour	3.99	4.00	0.84	0.93 (NS)

Source: Primary Data

Note: NS – Not significant

From the above Table 4, it can be inferred that, $p > 0.05$ for Financial Knowledge at 5% level of significance. Thus, the Null Hypothesis 2 is accepted indicating that there exists no significant difference with respect to Financial Behaviour amongst the respondents who are married and unmarried. This may be because both married and unmarried respondents might consider savings and investments to be equally important. The respondents' behaviour towards making investments would be to satisfy their personal and long-term needs which remains unaffected despite their marital status.

Financial Behavior based on Income

An attempt has been made to determine the group differences amongst the respondents with respect to Financial Behaviour based on Income using ANOVA.

The Null Hypothesis framed and tested is that:

Null Hypothesis 3: There exists no significant difference amongst the respondents with respect to Financial Behaviour based on Income.

Table 5

Financial Behaviour based on Income

Annual Income						
Factor	Less than Rs 5 lakhs	Rs 5 lakhs upto Rs 10 lakhs	Rs 10 lakhs upto Rs 15 lakhs	Rs 15 lakhs and above	f value	Sig.
	Mean	Mean	Mean	Mean		
Financial Behaviour	4.05	4.03	3.93	4.07	0.44	0.72(NS)

Source: Primary Data

Note: NS – Not significant

From the above Table 5, it can be inferred that, $p > 0.05$ for Financial Knowledge at 5% level of significance. Null Hypothesis 3 is thus accepted indicating that there exists no significant difference with respect to Financial Behaviour of respondents based on income. This could be because the respondents may be managing their personal finances accurately and also could set aside small amounts of money from their salary irrespective of their income levels.

The next part of the analysis deals with determining the relationship amongst the factors of the study using Karl Pearson's Correlation.

Relationship amongst the Factors of the Study

An attempt has been made to determine the relationship amongst the Factors of the study. The Hypotheses framed and tested include:

Hypothesis 4: There is a significant relationship between Financial Knowledge and Financial Behaviour.

Hypothesis 5: There is a significant relationship between Financial Behaviour and Retirement Planning & Confidence.

Hypothesis 6: There is a significant relationship between Financial Knowledge and Retirement Planning & Confidence.

Table 6: Relationship amongst the Factors of the Study

Factors	“r value”
Financial Knowledge and Financial Behaviour	0.56**
Financial Behaviour and Retirement Planning & Confidence	0.68**
Financial Knowledge and Retirement Planning & Confidence	0.57**

Source: Primary Data

Note: ** denotes significant at 1% level

It can be inferred from the above Table 6 that, $p < 0.01$ at 1% level of significance, thus **Hypothesis 4** is accepted suggesting a significant positive relationship between Financial Knowledge and Financial Behaviour. This means that, the respondents may be aware of the various avenues of savings and investments and might also know how to prepare monthly budgets. This knowledge would help them to make investments that satisfy their long-term needs. The knowledge on the financial concepts might also aid the respondents to take adequate health insurance policies, house property insurance and other general insurance policies thus, regulating their savings and investments carefully to meet their financial goals.

Further, it can also be seen from the above table that, $p < 0.01$; thus **Hypothesis 5** is accepted. Therefore, a significant positive relationship was found to exist between Financial Behaviour and Retirement Planning & Confidence. This may be because, respondents might have a prudent behaviour towards setting aside small amounts of money from their income to meet their long-term retirement goals. They may prepare monthly budgets and may have a planned spending pattern. They could manage their personal finances well in order to develop good retirement plans. They might have organized their savings and investments wisely to make them confident during retirement. Therefore, the wise financial behaviour of respondents would help them in being confident about maintaining the current standard of living even after retirement.

Additionally, the table reveals that, $p < 0.01$ at 1% level of significance, thus **Hypothesis 6** is accepted suggesting a significant positive relationship between Financial Knowledge and Retirement Planning & Confidence. This implies that, the respondents could be aware and knowledgeable about financial matters which might improve their capacity to assess long-term requirements and make wise investment and savings choices. They might be likely to make

more effective planning with a greater understanding of the retirement requirements, hazards and long-term savings approaches gained through their financial knowledge. Moreover, appropriate knowledge of finance could lessen the respondents' behavioural biases that could otherwise discourage them from planning for retirement by instilling stronger confidence and assisting in understanding risk, assessing financial products characteristics and identifying their future needs. The results are consistent with previous studies of Rooij et al. (2012) and Hauff et al. (2020).

The next part of the analysis deals with determining the impact amongst the factors of the study using Multiple Regression with Mediation Analysis.

IMPACT OF FINANCIAL KNOWLEDGE ON RETIREMENT PLANNING AND CONFIDENCE WITH FINANCIAL BEHAVIOUR AS A MEDIATOR

An attempt has been made to determine the impact of Financial Knowledge on Retirement Planning and Confidence with the mediating effect of Financial Behaviour.

The Hypothesis framed and tested includes:

Hypothesis 7: There is a significant impact of Financial Knowledge on Retirement Planning and Confidence with Financial Behaviour as a mediator.

Table 7

Impact of Financial Knowledge on Retirement Planning and Confidence with Financial Behaviour as a Mediator

Factors	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1.(Constant)	2.16	0.21		10.25	0.000*
Financial Knowledge	0.45	0.05	0.56	8.51	0.000*
2. (Constant)	0.77	0.24		3.13	0.000*
Financial Knowledge	0.21	0.05	0.25	3.85	0.000*
Financial Behaviour	0.58	0.07	0.54	8.05	0.000*
R ²	0.31				
	0.51				

F Value	72.51
	83.33
P Value	For both 1 and 2 - 0.000*

Source: Primary Data

Note: * denotes significant at 5% level

Table 8

Coefficient Values - Financial Behaviour on Financial Knowledge

Predictor	Coefficient (B)	SE	t	p	LLCI	ULCI
Constant	2.38	0.19	12.15	<0.001	1.98	2.76
FK → FB	0.42	0.04	8.49	<0.001	0.32	0.52

Source: Primary Data

Table 9

Coefficient Values - Retirement Planning & Confidence on Financial Knowledge and Financial Behaviour

Predictor	Coefficient (B)	SE	t	p	LLCI	ULCI
Constant	0.77	0.24	3.14	0.002	0.28	1.26
FK (Direct effect, c')	0.21	0.05	3.85	<0.001	0.10	0.31
FB (Path b)	0.58	0.07	8.05	<0.001	0.44	0.72

Source: Primary Data

Table 10

Bootstrapped Indirect Effect

Mediator	Indirect Effect	Boot SE	Boot LLCI	Boot ULCI
FB	0.24	0.04	0.16	0.33

Source: Primary Data

Note: - Dependent Variable Y: Retirement Planning and Confidence (RPC)

Independent Variable X: Financial Knowledge (FK)

Mediating Variable M: Financial Behaviour (FB)

N = 160

Bootstrapping = 5000 samples, 95% Confidence Interval

From the above, it can be inferred that Financial Knowledge significantly predicted Financial Behaviour (B = 0.42, SE = 0.04, p < 0.001) by accounting for 31 % of the variance. When

predicting Retirement Planning & Confidence, both Financial Knowledge ($B = 0.21$, $SE = 0.05$, $p < 0.001$) and Financial Behaviour ($B = 0.58$, $SE = 0.07$, $p < 0.001$) were significant predictors, and the overall model explained 51 % of the variance in Retirement Planning & Confidence.

The Regression Equation is Y,

1. Retirement Planning and Confidence = 2.16 (Constant) + 0.45 Financial Knowledge
2. Retirement Planning and Confidence = 0.77 (Constant) + 0.21 Financial Knowledge + 0.58 Financial Behaviour

It can be inferred that, Financial Knowledge (0.45) with $p < 0.01$ at 5% level of significance depicted a significant positive impact on Retirement Planning and Confidence. It is also inferred from the above that, Financial Knowledge (0.21) through the mediating effect of Financial Behaviour (0.58) $p < 0.01$ at 5% level of significance showed a higher significant impact on Retirement Planning and Confidence. The above findings reveal that Bootstrapping with 5000 samples has a significant indirect effect of Financial Knowledge on Retirement Planning & Confidence through Financial Behaviour (Effect = 0.24, 95% CI [0.16, 0.33]). As the direct effect of Financial Knowledge on Retirement Planning & Confidence remained significant after including the mediator, the findings support a partial mediation.

Thus, the above results in the acceptance of the **Hypothesis 7**. It shows that there is a significant positive impact of Financial Knowledge on Retirement Planning with Financial Behaviour as the mediator. This indicates that, the respondents have knowledge on the financial aspects such as savings, investments, insurance, budgeting and debt management. It has helped the respondents in creating a planned savings, investments and money management behaviour by ensuring that their personal finances are faultless. The financial behaviour of the respondents towards savings and investments is such that it helps them in meeting their retirement needs by setting aside funds out of their salaries on a regular basis for making investments. Hence, the financial awareness of respondents and their wise financial behaviour make them well planned for their retirement and make them confident that their current investments would yield sufficient returns to serve their basic and medical expenses during retirement and serve as an aid to maintain their current standard of living post their retirement too.

LIMITATIONS OF THE STUDY

The sample comprised female faculty working across universities/colleges only in Chennai. The study considered only the influence of Financial Knowledge and Financial Behaviour on Retirement planning and confidence.

Limitations of the questionnaire method of data collection is applicable for this study.

SCOPE FOR FURTHER RESEARCH

Further research could be undertaken for different countries and regions.

Research can be conducted covering both male and female respondents.

Other dimensions of Financial Knowledge and Financial Behavior such as risks associated with investment decisions and spending patterns affecting Retirement Planning with respect to larger population sizes could also be considered for research. Moreover, the effects of psychological factors like financial self-efficacy, risk tolerance, locus of control and time preferences on retirement planning and confidence can be considered for future research.

Comparative studies among people in different sectors and regions with respect to their levels of Financial Knowledge and Financial Behavior resulting in good Retirement Planning can be conducted for prospective research studies.

CONCLUSION

Financial Knowledge and Financial Behaviour are significant to women because it equips them with confidence to make financial decisions to achieve long term well-being and overcome financial vulnerabilities. An inclusive world where every woman has the means to prosper is created through financial knowledge and education as it spreads throughout the families and communities. A prudent financial behaviour is developed with a strong understanding of the financial concepts and principles thereby helping the individuals achieve their retirement goals. This study shows that Financial Knowledge has a significant positive relationship and impact on Retirement Planning and Confidence through the mediating effect of Financial Behaviour. This means that, knowledge on savings, investments, insurance, budgeting and credit management leads to stronger financial behaviors which would help in being better prepared and confident towards retirement.

Retirement awareness for women is an area that requires careful consideration since the financial status has an impact on the future retirement life of women. The study further showed that women teachers employed in Humanities, Arts, Sciences and Applied Sciences discipline were found to have lesser financial knowledge when compared to their counterparts in Commerce and Management disciplines. Therefore, it is suggested that financial management education seminars and programs should be conducted for teachers employed in non-commerce disciplines to equip them with the required financial knowledge that would aid in establishing effective financial behaviour. Moreover, Government and Policymakers can enhance pre-

retirees' awareness levels on Retirement Planning and Confidence which would help them to fulfil their needs post-retirement. This would in fact ensure a hassle-free post-retirement life.

REFERENCES

- [1.] Alessie, R. J., Van Rooij, M., & Lusardi, A. (2011). Financial literacy, retirement preparation and pension expectations in the Netherlands (Working Paper No. w17109).
- [2.] Ali, Azwadi & Abd Rahman, Mohd Shaari & Bakar, Alif. (2013). Financial Literacy and Satisfaction in Malaysia: A Pilot Study. *The International Journal of Applied Economics and Finance*. 4. 319-324. 10.7763/IJTEF. 2013.V4.309.
- [3.] Almenberg, Johan & Gerdes, Christer. (2011). Exponential Growth Bias and Financial Literacy. *Applied Economics Letters*. 19. 10.1080/13504851.2011.652772.
- [4.] Annamaria Lusardi & Olivia Mitchell, (2006). "Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education Programs," Working Papers wp144, University of Michigan, Michigan Retirement Research Center.
- [5.] Bosworth, Barry and Burke, Kathleen, Changing Sources of Income Among the Aged Population (November 1, 2012). Center for Retirement Research at Boston College Working Paper No. 2012-27.
- [6.] Harahap, Subur, Armanu Thoyib, Sumiati Sumiati, and Atim Djazuli. (2022). The Impact of Financial Literacy on Retirement Planning with Serial Mediation of Financial Risk Tolerance and Saving Behavior: Evidence of Medium Entrepreneurs in Indonesia. *International Journal of Financial Studies* 10: 66.
- [7.] Hauff, S., et al. (2020). Retirement Financial Behaviour: How Important Is Being Financially Literate.
- [8.] Hershey, Douglas & Henkens, Kene & Van Dalen, Hendrik P. (2010). Aging and Financial Planning for Retirement: Interdisciplinary Influences Viewed Through a Cross-Cultural Lens. *International journal of aging & human development*. 70. 1-38. 10.2190/AG.70.1. a.
- [9.] Hilgert, M.A., Hogarth, J.M. and Beverly, S.G. (2003) Household Financial Management: The Connection between Knowledge and Behavior. *Federal Reserve Bulletin*, 89, 309-322.

- [10.] Huston, S.J. (2010), Measuring Financial Literacy. *Journal of Consumer Affairs*, 44: 296-316.
- [11.] Joo, So-Hyun and Pauwels, Vanda, Factors Affecting Workers' Retirement Confidence: A Gender Perspective (2002). *Journal of Financial Counseling and Planning*, Vol. 13, No. 2, 2002, Available at SSRN: <https://ssrn.com/abstract=2442928>
- [12.] Kim, J., Kwon, J., & Anderson, E. A. (2005). Factors Related to Retirement Confidence: Retirement Preparation and Workplace Financial Education. *Financial Counseling and Planning*, 16(2), 77–89.
- [13.] Lusardi, Annamaria & Mitchell, Olivia. (2007). Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education. *Business Economics*. 42. 35-44. 10.2145/20070104.
- [14.] Lusardi, A., & Mitchell, O. S. (2008). Planning and financial literacy: How do women fare? *American Economic Review: Papers & Proceedings*, 98(2), 413-417.
- [15.] Lusardi, A. (2009). Planning for retirement: The importance of financial literacy. *Public Policy & Aging Report*, 19(3), 7-13.
- [16.] Lusardi, A., Mitchell, O. S., & Curto, V. (2010). Financial literacy among the young. *Journal of Consumer Affairs*, 44(2), 358-380.
- [17.] Lusardi, A., & Mitchell, O. S. (2011). Financial literacy and planning: Implications for retirement wellbeing (Working Paper No. w17078).
- [18.] Malroux, Y. & Xiao, Jing Jian. (1998). Perceived Adequacy of Retirement Income. *Financial Counseling and Planning*. 6.
- [19.] Moorthy, M. K., Chelliah, T. D., Chiau, S. S., Lai, C. L., Ng, Z. K., Wong, C. R., & Wong, Y. T. (2012). A study on the retirement planning behavior of working individuals in Malaysia. *International Journal of Academic Research in Economics and Management Sciences*, 1(2), 54-72.
- [20.] Mullock, K., & Turcotte, J. (2012). Financial Literacy and Retirement Saving. Working Paper 1, Department of Finance, Canada.
- [21.] Parrotta, J. L., & Johnson, P. J. (1998). The impact of financial attitudes and knowledge on financial management and satisfaction of recently married individuals. *Financial Counseling and Planning*, 9(2), 59-74.

- [22.] Quick, H. E., & Moen, P. (1998). Gender, employment and retirement quality: A life course approach to the differential experiences of men and women. *Journal of Occupational Health Psychology*, 3(1), 44–64.
- [23.] Russell, K., & Stramoski, S. (2011). Financial management practices and attitudes of dental hygienists: A descriptive study. *American Dental Hygienists Association*, 85(4), 340-347.
- [24.] Sabri, Mohamad Fazli & Juen, Teo. (2014). The Influence of Financial Literacy, Saving Behaviour, and Financial Management on Retirement Confidence among Women Working in the Malaysian Public Sector. *Asian Social Science*. 10. 10.5539.
- [25.] Saurabh, Kumar & Nandan, Tanuj. (2018). Role of financial risk attitude and financial behavior as mediators in financial satisfaction: Empirical evidence from India. *South Asian Journal of Business Studies*. 7. 10.1108/SAJBS-07-2017-0088.
- [26.] Schellenberg, Grant & Ostrovsky, Yuri. (2008). Retiring together, or not. *Perspectives on Labour and Income*. 9.
- [27.] Van Dalen, H. P., Henkens, C. J. I. M., & Schippers, J. J. (2009). Dealing with older workers in Europe: A comparative survey of employers' attitudes and actions. *Journal of European Social Policy*, 19(1), 47-60.
- [28.] Van Rooij, M., Lusardi, A., & Alessie, R. (2012). Financial Literacy, Retirement Planning and Household Wealth.
- [29.] Yoong, Joanne, Financial Illiteracy and Stock Market Participation: Evidence from the RAND American Life Panel (October 11, 2010). Pension Research Council Working Paper No. 2010-29.
- [30.] Yuh, Yoonkyung & Hanna, Sherman & Phillips Montalto, Catherine, (1998). "Mean and pessimistic projections of retirement adequacy," *Financial Services Review*, Elsevier, vol. 7(3), pages 175-193.