

**PERSONAL FINANCIAL PREPARATION  
FOR RETIREMENT**

**By**

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# Abstract

The research objective of this study is to investigate the relationship between an individual's involvement and their behaviour to prepare financially for retirement. More particularly, to determine if there is a significant positive relationship between involvement and their financial preparation for retirement, to establish whether the influence of involvement is moderated by an individual's age, income or gender, their level of education or the number of dependants they support, and to explore the role of involvement in how and why individuals form opinions about financial preparation for retirement.

The definition of involvement used states that involvement represents the degree of personal relevance based on inherent needs, values and interests (Zaichkowsky 1985b). The measure used for involvement is a tried and tested scale whilst the measure of financial preparation has been developed for this research and is based on questions used in previous studies of financial preparation for retirement.

A mixed methodology approach using a survey and a case study was adopted enabling the following two goals to be accomplished simultaneously:

- Determine whether increased involvement is positively related to the level of financial preparation undertaken.
- Address exploratory questions about 'how' and 'why' opinions about financial preparation are formed.

The results of the quantitative analysis revealed a substantial relationship between involvement and financial preparation, indicating that subjects who are involved in the decision making process to save for their retirement, will undertake significantly more

financial preparation than those who are not. The results also indicated that while the level of education and the number of dependants do not moderate the influence of involvement, age, gender and level of income do have a moderating affect.

The analysis of the rich descriptions provided by the case study subjects revealed a number of underlying themes in their attitudes towards preparing financially for retirement. The high involvement subjects expressed a firm desire to retain control over their lives in retirement, were aware of the need to act to ensure this occurred and understood the link between current actions and their future life in retirement. The low involvement subjects illustrated little awareness and indicated a willingness to defer action to a later (unspecified) date.

***Note: Referencing in this Thesis has been achieved via EndNote (v.9) using the Journal of Marketing referencing style.***

## **Certification**

This Thesis is submitted in fulfilment of the requirements of the degree of PhD, in the Macquarie Graduate School of Management, Macquarie University. This represents the original work and contribution of the author, except as acknowledged by general and specific references.

I hereby certify that this has not been submitted for a higher degree to any other university or institution.

Signed

Lester A. Wills

26<sup>th</sup> July 2006

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