CHAPTER – VIII

FINDINGS, SUGGESTIONS AND CONCLUSION

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SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSIONS

An increase in life expectancy associated with a reduction in fertility rates constitutes a phenomenon called demographic transition. However, the quality of life perceived by a person or group reaches beyond physical health, necessitating a broad and complex analysis considering factors such as socio-economic level, emotional state, social interaction, intellectual activity, cultural values, life styles, employment, daily activities, satisfaction and the living environment. Retirement can be seen as an event wrapped by a series of interconnected critical situations interfering in the quality of life of the elderly.

The transition from active to retired life and the inherent adjustment processes may create situations which may precipitate psychological change in the life of the individual. For the majority, retirement does not only mean a end to a professional activity but also an end to a long period of adult life that has influence habits, defined priorities and conditional wishes. At the same, retirement can be a period of renewal in order to establish new goals, invest in leisure activities and adaptation to a new condition of life.

The purpose of this qualitative study aims to analyze the level of savings, investment and consumption pattern of the retired households and their role and involvement in the family decision making. Hence the study is progressed with multidimensional focus with the following objectives.

- To study the socio economic profile and employment aspects of the retired households.

- To analyze the saving, investment and consumption pattern of the retired households.

- To examine the role and involvement of the retired households in family decision making process.

- To study the level of satisfaction of the retired households towards their saving, investment, consumption and decision making process.

- To investigate the relationship between the effect of expenditure and investment on retired life satisfaction mediated by purchase behaviour using structural equation modeling.

The sample size of 375 respondents which consists of both private and government retired households whose retirement is either regular or voluntary retirement in Coimbatore city have been taken as the sample for the study, applying snow ball sampling method.

The data of the study is mainly primary in nature. The primary data have been collected through structured interview schedule. Secondary data have been collected from many sources. Statistical tools namely, percentage analysis, Descriptive statistics, Chi-square, ANOVA, T-test, correlation, Factor analysis, multiple regression analysis, cluster analysis have been used to analyze the data wherever necessary. The data analysis methods (t test, ANOVA, regression) is used in the study depend on the assumption the data were sampled from a normal distribution. The Anderson-Darling Normality test and D'Agostina – Pearson Normality test are used to test the assumption of normality of the variables taken for the study.

Chapter I of the study deals with the introduction and design of the study.

Chapter II of the study deals with the review of literature which has been undertaken to establish the validity of the research topic.

The overview of the retired household's life after retirement and the study related concepts have been discussed in chapter III.

8.1 FINDINGS OF THE STUDY

From the analysis conducted for the objectives set, the following observations are made.

Chapter IV analyses the socio economic profile, employment aspects, saving, investment and consumption pattern of the retired households.

Demographic and socio economic status

The demographic characteristic of the respondents reveals that majority 72.3 per cent of the respondents are male and 34.9 per cent of the respondents belong to the age category of 62-65 years. It has also observed that 76.8 per cent of the respondents are married. Regarding the educational qualification 37.9 per cent completed under graduation while 16 per cent are professionals. The result shows that maximum numbers of respondents are graduates.

Out of 375 respondents 62.9 per cent live in urban areas, 83.5 per cent are residing in own residence, 53.6 per cent living along with their family (spouse and children). The similar results have been reported by Fon Sim Ong (2012). 45.9 per cent of the households family size is 3 to 5 members and majority 63.5 per cent of them are heading the family.

Further it is identified that, 34.9 per cent of the respondents' monthly income after retirement is above Rs.30, 000.It have been inferred that 41.1 per cent of the respondents' monthly expenditure after retirement ranges between Rs.5001 to Rs.10, 000 and 40.8 per cent of them save up to Rs.5000 per month after retirement.

Employment aspects

Regards to the occupation held by the respondents before retirement, 56.3 per cent of them are government employees, 67.7 per cent of the respondents retired under the scheme of regular retirement where as 32.3 per cent voluntarily retired from the job.

The study indicates that 38 per cent of the respondents have been retired from job less than 5 years, 70 per cent of them received the retirement benefits, 53 per cent are not employed and 29.1 per cent of them are full time employed after retirement. The result shows that the retired households need to continue working in order to prevent a major decline in living standards.

Out of 375 respondents, 176 are employed after retirement. 50.6 per cent are self employed, 34.6 per cent are private employees and 73.1 per cent continuing their professional work after retirement.

As revealed by the Descriptive analysis, the highest average rating for the motivational factors for working after retirement has been found for "want to lead an active life" with a mean values of 3.19. The result also indicated that for many people financial concerns are the primary reason for returning to the work place. The findings are accordance with the results of Victoria Busch, Dennis Dittrich, Lieberum (2010). The main source of financial income after retirement is found for "Bank deposits" since it come with low default risk and offer security to the capital.

For the purpose of the study personal factors, namely gender, age, marital status, educational qualification, area of residence, kind of living arrangement, type of residence, monthly income, expenditure and savings after retirement and the employment related factors, namely, occupation held, years since retired from job, retirement benefits received, present employment status have been considered.

Present savings habit

The empirical result of the study indicates that, with regards to savings, a significant number of respondents with a percentage of 45.3 per cent save at a medium level ranging between 40 to 70 per cent of the money at their disposal. In association to this findings, the results of chi-square test infer that there exists significant association with personal factors, namely marital status, education, kind of living arrangement, type of residence, monthly income, expenditure and savings after retirement and employment related aspects such as occupation held, years since retired from job, retirement benefits received and present employment status.

Factors motivated to save

It is inferred from the analysis that the lowest mean rank is found for "I save for medical emergency". It shows that the respondents give highest importance for this item. The results also indicate that there is less similarity among the respondents in the order of assigning importance to the factors which motivated them to save. The findings are similar to the findings of Manasseh Edison and Sphraim Kumah (2012).

Level of investment on preferred investment avenues

The overall investment score indicated by the descriptive statistics reveals that the bank deposits is the most important factor to invest and the lowest mean rating was given to the industrial securities, since there is a lack of knowledge about the technicalities of the capital market. The results are in line with the findings reported by Bhardwaj, Nisha Sharma and Pipankar Sharma (2013). ANOVA and T-test have been applied with a null hypothesis to study the variance in the level of investment score based on the selected personal factors and employment related factors.

The results of ANOVA indicate that there has been a significant variance in the level of investment score of the retired households based on their age, education, monthly income, savings per month and the present savings habit.

The results of t-test reveals that the mean score vary significantly with regard to the type of residence.

Influencing factors on preferred investment

The influence score indicates that extent of influence on the preferred investment. The highest mean value (4.19) has been found for the factor "safety of money". The results gained support from the studies conducted by **V.**R.Palanivelu and K.Chandrakumar (2013).

- The ANOVA results indicate that the influence score significantly varies in respect of the selected personal factors except kind of living arrangement.

- In respect of t-test no significant difference has been found in the average score of the gender and type of residence.

- With regards to employment related aspects there is a significant difference between the influence score with the years since retired from job and retirement benefits received.

The factor analysis techniques have been applied to find out the statements relating to the factors that influence the preferred investment of the respondents.

As per the Barlett's test of sphericity all the variables have correlated with other variables and there exists correlation between the variables. The Kaiser-Meyer-Olkin (KMO) test (the value 0.887) has inferred that the factor analysis for the selected variables has been found to be very appropriate.

The analysis reveals two model factors, namely dependability and risk & return. Risk and return have been considered as an important element, since it is essential to successfully manage one's finance for achieving life's goal.

Changes in expenditure pattern after retirement

As revealed by the Descriptive analysis, the spending on health care increased, since the health care expenditure has been positively correlated with age. The similar results have been reported by Rose M.Resbin and Michael Nieswiadomy (1994).

ANOVA and t-test results exhibits that there is a significant difference in the expenditure pattern and the personal factors and employment aspects, namely, education, monthly income, savings per month, present savings habit, type of residence and present employment status.

The statements related to the consumption and expenditure pattern were factor analyzed. All the variables have correlated with other variable and there exists correlation between the variables. This has been confirmed with Barlett's test of sphericity. The Kaiser-Meyer Olkin (KMO) test (the value 0.830) has inferred that the factor analysis for the selected variables have been found to be very appropriate. Two model factors, namely standard and essential have been evolved.

Correlations have been employed to determine the relationship between the variables on investment score, influence score and the expenditure score. There is a moderate correlation between the level of investment, level of influence on investment and the expenditure scores. The lowest correlation lies between level of influence and expenditure score and the highest correlation lies between the level of investment and expenditure score. All the factors are positively correlated.

Present purchase behaviour

It has been observed from the Descriptive statistics that the highest mean score (4.10) is given for "quality is the main criteria for my purchase" followed by "I am financially independent to purchase any products or services" with a mean value of 4.08. The least score has been found for "I prefer online shopping" (2.62).

It is inferred that the respondents focuses mainly on the quality of the products and they are financially independent in their purchase process. The result also reveals that they are less aware of the technological innovations like online shopping.

The factor analysis techniques have been applied to find out the underlying dimensions in the set of statements relating to the present purchasing behaviour of the respondents. All the variables have correlated with other variables and there exists correlations between the variables. This has been confirmed with Barlett's test of sphericity. The Kaiser-Meyer-Olkin (KMO) test (the value 0.788) is inferred that the factor analysis for the selected variables have been found to be very appropriate. A 5 factor model, namely, 'prudent buying', 'Product awareness', 'Quality conscious', 'Family involvement', and 'buying dependency' have been evolved. Similar results have been found by Barbara Oats and Bobby Vaught (1996).

Chapter V deals with the role and involvement in family decision making of the retired households.

Role in making financial decisions

From the elaborate data discussion it have been observed that, 43.5 per cent of the respondents have said that they are the primary decision makers in connection with the financial matters and plays a significant role in making financial decisions.

Chi-square test have been applied to find out significant relationship if any, between the respondents role in making financial decisions with the personal factors, employment aspects and the present savings habit by framing a null hypothesis to the association.

The findings are

- The role in making financial decisions is significantly associated with the personal factors, namely, gender, marital status, kind of living arrangement, monthly income, expenditure and savings after retirement, leading to a conclusion that the influence of a person on the decision process depends on the importance of that person.

- The chi-square test indicted that the employment aspects such as occupation held, retirement benefits received and the present employment status significantly related to the role in making financial decisions.

- There is no significant relationship between the role in making financial decisions and the present savings habit.

The result shows that the respondents have the strongest influence in making decisions on financial matters in their family.

Involvement in family decision making

To access the involvement in family decision making, focus is made on five sub decision processes such as involvement in investment, purchase of land and building, purchase of jewellery, purchase of durable goods and non-durable goods. ANOVA and t-test has been applied with the null hypothesis considering the mean and the standard deviations values for the socio economic factors.

The findings are:

Involvement in decision making – Investment

As revealed by the Descriptive statistics the respondents have a powerful involvement in the family decision making very often in the initial stage with regard to the investment related issues.

The results have shown that the respondents have significantly differed in the mean scores among the factors namely, education, kind of living arrangement, savings per month, years since retired from job and the present savings habit.

Involvement in decision making – Purchase of Land and Building

There is a significant variation in the involvement in purchase of land and buildings related decisions of the respondents who are classified based on gender, education, kind of living arrangement, head of household, savings per month, years since retired from job, present savings habit.

Involvement in decision making – Purchase of Jewellery

The results of t-test and ANOVA indicate that there is a significant variance in the level of involvement in the purchase of jewellery decision and the personal factors such as education, kind of living arrangement, years since retired from job and the present employment status. In gender wise analysis the average score of involvement in decision making does not vary, hence the null hypothesis is accepted.

Involvement in decision making – Purchase of durable goods

The study shows that the retiree's involvement is expected to be higher for the family products that involve substantial financial outlays for the durable goods such as TV's cars etc. The results concluded that due to the financial risk associated with the purchase of durable goods, the family members will more like to prefer to influence the elderly in making a decision.

Involvement in decision making – Purchase of Non-durable goods

The result infers that the retirees excise a quite strong influence on family decision making process in connection with purchase of non-durable goods, particularly in case of the products relevant to them.

Overall score on involvement in decision making

The results of ANOVA indicates that there is a significant differences in the overall involvement score based on the personal factors namely, education, kind of living arrangement, head of household, savings per month, year since retired from job and the present savings habit.

The paired t-test result shows that there is no significant difference between gender and the overall involvement score.

It has been observed from the results that the retirees have a powerful role in family decision making, very often they initiate potential purchases. They are the greater degree initiators rather than influencers in their family purchase decisions.

Chapter VI reveals the level of satisfaction of the retired households towards their saving, investment, consumption and decision making process

Level of satisfaction

It is observed from the Descriptive statistics for the satisfaction level, that the factor " financial independency" have been rated as the highest level of satisfaction with a mean value of 4.1893, followed by satisfaction in " own status" (3.9), "savings and investment" (3.89), "utilization of time after retirement" (3.86), "involvement on family decision making" (3.85). The least score is found for "usage of modern technologies" (3.31).

The result infers that the retired households are financially independent and they are very much satisfied with their financial income and are not much aware of the recent technological innovations.

ANOVA and t-test is applied to find out whether there is any significant difference in the mean scores among the level of satisfaction on various statements in respect of selected personal factors and employment aspects. The findings are,

- In respect of personal factors, namely, age, education, area of residence, monthly income after retirement, savings per month after retirement, present savings habit and the type of residence the respondents are significantly differed in the association with the level of satisfaction. The findings are in conformity with the findings as reported by Lachlan Heybraek (2011).

- In case of employment aspects, there is a significant difference between the level of satisfaction with years since retired from job, present employment status, occupation held, retirement status and the retirement benefits received.

Multiple regression analysis is applied to find the effect of several purchase behaviour factors, decision making factors and the level of investment, expenditure and influence scores along with personal and job related variables on the overall satisfaction of the respondents after retirement. The findings are.

- Purchase behaviour factors, namely, product awareness, prudent buying have positive influence of the satisfaction score and quality conscious has negative influence on satisfaction score.

- Among the decision making factors, purchase of land and building and involvement in decision making are positively influencing variables on satisfaction score.

- Investment, savings and expenditure related factors are also having positive effect of their overall satisfaction scores.

- Years worked in the occupation have negative effect on the satisfaction score.

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The result infers that the consumption and expenditure score has more effect on overall satisfaction scores compared to other variables. Occupation held is more negatively contributing to satisfaction score than quality conscious factor, which is also affecting the satisfaction score negatively.

Factor analysis is employed to identify and factorize the statements in the level of satisfaction of the respondents after retirement. KMO and Barlett's test has been applied. The KMO measure being 0.876 and the Barlett's test of sphericity significant at 1 per cent level indicates that the data are more appropriate for analyzing the factors. The results reveal 2 factor models, namely, personal attention and personal enjoyment.

Cluster Analysis technique is employed to segment the retired households into two or more similar groups. The factors developed for the study in relation to purchase behaviour, involvement in decision making, investment, consumption, expenditure and level of satisfaction. After repeated iterations and increasing the cluster groups one by one, finally 3 cluster groups were formed. ANOVA is applied to find whether the cluster groups differ significantly among themselves based on the variables selected.

The result reveals that the cluster procedure had differentiated the group significantly on all the factors.

Chi-square test is employed to find the significant relationship if any, between the cluster groups and the personal and job related variables. The results exhibits that the cluster groups significantly associated with all the variables related to personal and employment aspects except gender. The findings are supported by Schindier (2007).

Life activity after retirement

With respect to the life activity after retirement, 57 per cent of the respondents have a moderate life activity and 19.7 per cent felt that their life activity s heavy after retirement since some of the them are engaged in some form of paid employment and may work because they want to live longer and stay healthier.

Success in life after Retirement

From the elaborate data discussion, it is observed that 58 per cent consider their retired life successful one but 12.5 per cent of the retirees' loss their role identity in life after retirement.

Chapter VII investigates the relationship between the effect of expenditure and investment on retired life satisfaction mediated by purchase behaviour using structural equation modeling.

Structural Equation Model

A structural equation model has been developed to find the effect of consumption expenditure and investment on satisfaction mediated by purchase behaviour.

The following points are observed in the construction of the model.

- There is a significant direct and positive effect on satisfaction by purchase behaviour.

- There is a mediating significant effect of purchase behaviour between investment, consumption expenditure and satisfaction.

- There is an indirect effect on satisfaction by investment and consumption expenditure dimensions.

- The total effect of all independent and mediating variables shows positive effect on satisfaction.

Finally, it is clear that all the model fit statistics used for goodness of fit of the model are within the admissible levels.

Therefore the standardized regression coefficients indicate that purchase behaviour has more positive effect on satisfaction compared to investment and consumption expenditure, and the least effect by investment. The total effect of consumption expenditure on the latent factors of satisfaction namely personal enjoyment and personal attention are positive and comparatively have more positive effect on satisfaction factors than investment has on these latent factors. The indirect effect of investment is more on satisfaction compared to its direct effect. The results further show that consumption expenditure has more direct effect on satisfaction, where as investment has more indirect effect on satisfaction.

8.2 SUGGESTIONS

Based on the findings of the study, the following suggestions are offered

- Working after retirement is a great idea as it not only provides financial security but also gives great enthusiasm and energy. Retired households can initiate a consultancy business in their field of expertise to train the new and inexperienced persons.

- Mass awareness programmes can be organized for the retirees to create awareness about the new services offered by the banks, post office and other investment avenues.

- The elderly in every family should be given importance in all the stages of family decision making process since they have rich experience and knowledge in all the aspects of life.

- Realizing the high net worth values of retired officials companies should come forward to include them in the advisory panel for the development of the company and the economy.

- Unlike shops segmented for newly born, women, men etc., retail outlets exclusively for elderly can be started by the traders and business houses which will satisfy all their needs under one roof. This will motivate the elderly consumers to go in for exclusive purchases.

8.3 CONCLUSION

Retirement is a departure event in an individual's life from the occupational course towards retirement course in the life cycle. Rather than a mere withdrawal from paid work, retirement in contemporary social context is a complex process linked with social structure in individuals life adjustments. Understanding the factors that determine the well-being of retirees is an economic and social concern. Although most previous studies look at only economic well-being, this study analyses the retired households socio-economic profile, employment aspects, savings, investment and consumption pattern, their role and involvement in family decision making and the level of satisfaction towards life after retirement.

From the empirical study it has been observed that, people who have retired are healthier than preceding generations, have a higher level of education, and are enjoying their retired life. Most of the retired households are employed after retirement since their jobs play an important role in their life, for they see work as a way to keep them socially integrated, to contribute to the society and to achieve self-actualization. To lead an active life and to trustfully employ the skills and ability are the main motivational factors for them to work after retirement

The investment and savings habit of the retired households is determined by their expectations from various preferred avenues. As far as savings is concerned, they save for medical emergency, since they give importance to their health. Most of them save up to 40 to 70 per cent of the money at their disposal. Bank deposits is the most important investment avenue preferred by them as the influencing factors such as safety of money, future security, easy withdrawals, high interest rate etc., makes a significant impact while deciding the investment avenue. Although expenditure pattern varies to some extent over time, the composition of spending does not change. Spending on health care increased over the period but still represented a relatively small portion of their total expenditure. Conversely they spent less on clothing, personal care items, gifts and cash contributions. With the ever-increasing penetration of internet and social media, the purchasing behaviour of the retired households has changed considerably. They focus mainly on the quality of the products and are financially independent to purchase any products or services. On the other hand few of them are still traditional and brand conscious and less aware of the technological innovations like online shopping.

The study also indicates that, the retired households exercise a strong influence in family decision making process, in connection with purchases, particularly in case of products relevant to them. Most of them are primary decision makers in financial matters. They also have a powerful role and involvement in family decision making very often in the initial stages with regards to the investment related issues, purchase of land and buildings, jewellery, durable and non-durable goods. The factors such as financial independency, own status, saving and investment, utilization of time after retirement, involvement in family decision making strongly influence satisfaction with life after retirement.

Due to ever-changing socio-economic and demographic scenario of the country, role of elder persons in country's economy has increased vehemently. Studies must be continued on this population in order to learn more about the feelings and perceptions of the elderly, understand the changes in their life style, resulting from the experience of retirement and provide quality of life improvement.

SCOPE FOR FURTHER RESEARCH

- Research can be carried out to compare the spending and savings habit of non-retired and the retired households. A gender wise spending and saving habits can also serve as an interesting topic of study for the researchers.

- A study can be undertaken to analyze the purchasing behaviour and expenditure pattern after retirement.

- A study on elderly involvement in family decision making process can also be undertaken.