CHAPTER – III

PROFILE OF THE STUDY

CHAPTER III

RETIRED HOUSEHOLDS – AN OVERVIEW

India has emerged as an attractive market for many reasons, one of them being its huge population. The country's senior population, which is currently around 80 million is expected to increase to 137 million by 2021.According to the National Commission on Population the age group of >60 years will increase from 62.3 to 112.9 million in India between 1996-2016. The 50-plus generation also defined as the silver generation is the wealthiest and fastest growing group of consumers in India (Adya Sharma, 2010). Schiffman and Sherman (1991), have defined the new age elderly as those who see themselves as younger in age and outlook, who feel more self confident and are less concerned with the accumulation of possessions and more involved in seeking new experiences, challenges and adventures. The authors also confirmed that the new age elderly think of themselves as younger than their chronological age. New age elderly in contrast to traditional elderly are more adventurous, continue to find new challenges and interests and they are more likely to value doing different things each day. They also like to perceive themselves to be financially more well off and at the same time, they are less likely than the traditional elderly to equate wealth with happiness and success. They are more responsive to acquiring lots of information.

3.1 RETIREMENT

Retirement is defined broadly as the departure event in an individual's life course from a phase of the occupational life cycle. Rather than a mere withdrawal from paid work, retirement in contemporary social contexts is a complex process inextricably linked with social structures and individual life adjustments. Typically, retirement involves reliance on pension instead of salary as the primary means of financial support and adapting to new options in later life such as leisure pursuits, voluntary activities and second careers. Retirement research has developed four conceptual categories of retirement behaviour based on the observed patterns and trends. The four conceptual categories are (a) partial retirement, (b) bridge employment, (c) unretirement, and (d) joint retirement.

Partial retirement is a generic term broadly referring to the process of reduced work hours and job responsibilities, which may even involve changing one's workplace and occupation. Bridge employment, a growing labour force participation pattern among older workers, refers to work between their career jobs and complete retirement, which is either part-time or lasts fewer than 10 years, or both. Although used as a form of partial retirement, bridge employment is considered a distinct category of retirement because it involves an exit and reentry to the labour force, rather than a mere gradual reduction of hours or days worked. The term unretirement refers to workers who reenter the labour force because of unwarranted optimism about their financial security, which had led them to retire too early or because of unexpected financial shocks in retirement. Unretirement usually involves jobs similar to bridge employment. They generally require fewer work hours, pay lower wages than a career job, and are more likely to involve a shift from being an employee to being self-employed. Joint retirement is a pattern of retirement that involves a simultaneous sequence of work and final withdrawal from the workforce by a working couple. Research has suggested that availability of employer-provided retiree health insurance is an important factor in the retirement decision, particularly for older workers.

3.2 WORKING AFTER RETIREMENT

Elderly people can keep being active in many different ways after retirement, since there is currently great concern for formulating public and social policies that will promote healthy aging of the population. One way to pursue such activity is through stimulating volunteer work. Currently, volunteer work is considered as a mutual way of help in which volunteer elders help other people and at the same time consider themselves useful participants in society. This exchange also positively affects the health and quality of life of volunteer workers.

In times of demographic change, with the associated challenges for social security systems and the looming lack of skilled workers, extending working life becomes increasingly significant. People are living longer and relying on savings longer, there are genuine concerns about having enough money to pay for retirement. Terms for continued employment after reaching retirement age such as "bridge employment" and "silver work" have become established. Bridge employment is understood as the transitional phase between leaving ones previous full-time job and full retirement, for example, in which a person works part time or undertakes a new type of work, such as self employment. Silver workers are active retirees aged between 60 and 85 years.

There are a large number of influencing factors for working after retirement

- Personal factors
- Work and organization- related factors
- Objective factors
- Subjective factors

a) Personal factors

Personal factors such as health and age play major roles in the decision to continue working. Positive feelings in junction with the workplace have great explanatory force for the reasons people consider continuing work after reaching retirement age. Gender is considered an important explanatory factor for differing attitudes, such as the attitude towards retirement. Skills are another central factor in the decision to retire. Employees with higher levels of education are more willing to continue working in the same field that to train for work in other fields.

b) Work and organization-related factors

Some work and organization related factors that have proven relevant for the decision to continue working refer to enterprise size, position, and income. Furthermore, recognition and the support of co-workers and senior management play central roles in the desire for continued employment as motivating factors for vocational work in old age.

c) Objective factors

The objective factors are additionally broken into personal and organization related factors. The objective personal factors include age, gender and skills and the objective organization related factors include enterprise size, position within the enterprise and income. The objective factors are therefore quantifiable quantities that are usually clearly definable regardless of subjective assessments. Lastly financial aspects are relevant to the explanation of a desire for continued employment, because they can have existential significance. In extreme cases, employees could be forced to continue working for financial reasons. Salary aspects tend to play a role and they also depend of family situations.

d) Subjective factors

By contrast, the subjective assessments of the workers with regard to the enterprise are always dependent on the individual. Besides actual circumstances, subjective perceptions are also important with regard to continued employment in retirement age. The following five aspects are taken into consideration, namely, demands of the work, management and/or recognition, assessment of the meaningfulness of the work, and solidarity with the enterprise.

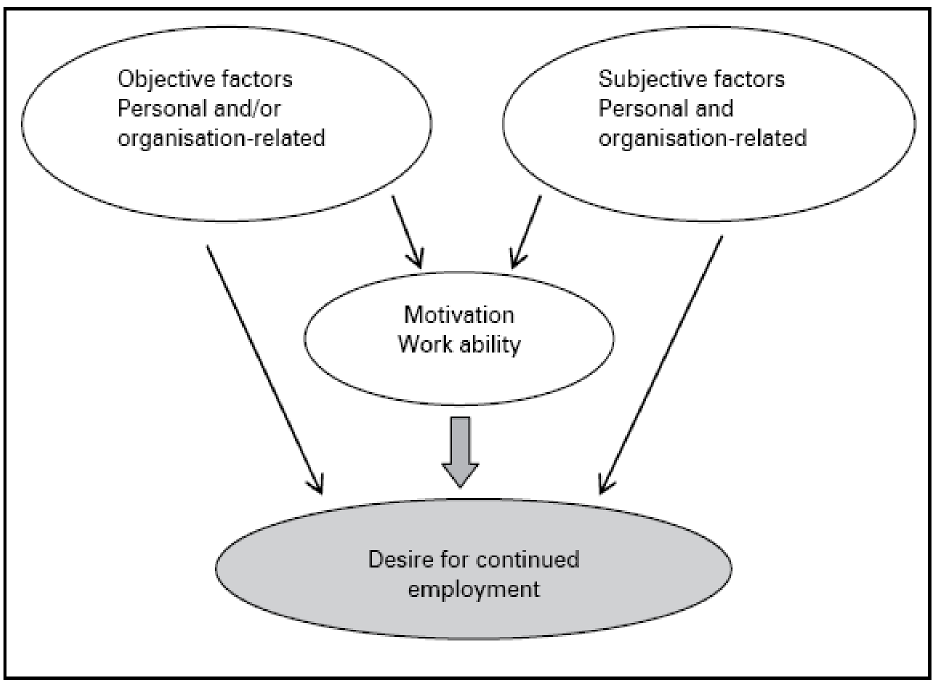

Fig 3.1: Model explaining the desire for continued employment

Source: Comparative Population studies, Vol.35, 4 (2010).

3.3 SAVINGS AND INVESTMENT

With the revolution in the retail sector in India and advent of mall culture, the spending and saving habits of the retired households have changed over the years. An over exposure to marketing communication activities of the companies, retirees turned to be more brand conscious and also spend a considerable amount of their income on entertainment and gadgets (small mechanical tool or instrument). The developing countries like India need funds for economic development and growth.

The three variables that measure the growth of an economy are income, saving and investment. While investment is the single most factors for the development of an economy, it is savings which provides the basis for investment. Savings appears to be crucial variable indicating the capacity or willingness of an economic unit to forego current consumption by channeling a part of the resources to capital formation. Investment in its broadest sense means the sacrifice of certain present value for future value. A distinction is often made between investment and savings. Savings is defined as foregone consumption, whereas investment increases national output in the future. Thus the three main elements of the investment are environment-securities (also known as financial investment), security markets (also known as financial institutions) and financial intermediaries (also known as financial institutions). Money saved is of no use if it is not invested in some productive assets or capital goods. After investment in productive areas, it enhances the national product or per capita income and raises the standards of living of the investor.

For making proper investment, involving both risk of principal and return the investor has to make a study of the alternative avenues of investment, their risk and return characteristics and make proper projection or expectation if the risk and return of the alternative investment under consideration. The saving in financial form include savings in currency, bank and non-bank deposits, LIC funds, Provident funds, pensions fund, claims on government, share and debentures, units of Unit Trust of India and trade debts etc.

The investment pattern and saving habits is determined by the expectations from the various preferred avenues. Preference may vary due to various considerations i.e. safety, Liquidity and Marketability, returns, tax benefits, risk involved etc. Investment also depends upon the awareness about investment opportunities, level of knowledge and how these investment opportunities are evaluated and selected. The appropriate investment decisions requires a comprehensive understanding of various subjects like finance, tax, economics, accountancy, business laws etc**.** (Bhawana, Nishaa & Dipanker)

Increasing proportions of persons 65 and over, declining labour force participation rates of persons 55 and over and increasing life expectancies all portend strains on both public and private resources supporting retirees. Of the major sources of retirement income, social security and earnings generally change with changing price levels. The fixed nature of most current pension benefits implies that their purchasing power can diminish considerably over time. Financial educators and advisers know the importance of careful asset management to the economic well-being of retired households. Assets, and the income they generate, are essential to retirees' abilities to buffer retirement incomes against the effects of inflation. Although on average, assets generate about one-fifth of the income retirees receive, this percentage varies greatly by income class. Income from assets ranges from zero percent for the lowest income retirees to about 30% of income for the highest income retirees.

3.4 MODEL FOR INVESTMENT DECISION MAKING

Based on the behaviour of investor, a model for investment decision making is formulated and presented in the Flow chart. The model consists of several stages. In the first stage, the investor has to determine the practice of savings. Therefore the investor must create the capacity to save, secondly the investors should acquire knowledge about various saving and investment channels. Then they have to outline their objectives. Stage three is to execute the plan. Based on the knowledge acquired, coupled with investment goal, they has to decide the mode to invest. In this process, they may also decide not to invest at all. Again, they may prepare to wait or search for a suitable opportunity. In stage four, the investor must exercise proper care to withdraw the benefits in time. Savings and investment are a continuous process and hence, the investors must repeat the model again and again.

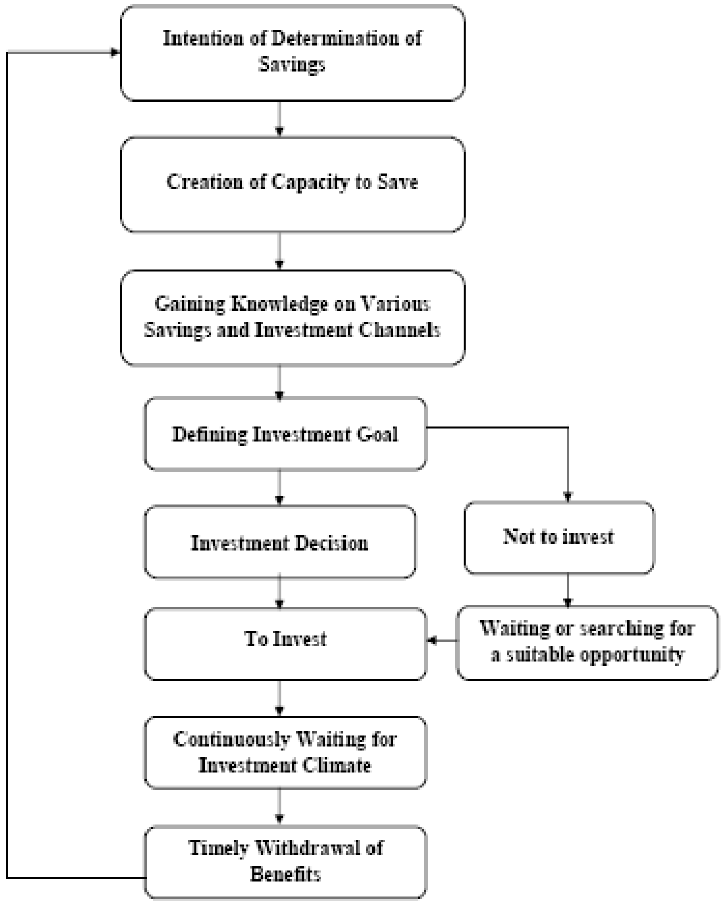

Fig 3.2: Model for Investment Decision Making

Source: A Study on Investment behaviour of women entrepreneurs, March 2012.

3.5 CONSUMPTION PATTERN OF RETIRED HOUSEHOLDS

Adjustment to retirement and the consequent economic changes make "the golden years" one of the more difficult, yet interesting phases of the entire life cycle. Increasing numbers of people are retiring earlier in life and, at the same time, many are living longer. Although the elderly are commonly referred to as if they were one group, they are as diverse as the general population. The elderly population can be viewed as several distinct market groups. The young old (65-74) who are generally active and still married. The old (75–84) who are slowing down and often widowed, and the very old (85 and older) who often need help in daily activities. The income and expenditures of the young-old and the older age group are quite different. Thomas Mochrle (1990) used the consumer expenditure survey to analyze the spending patterns of the older households by income level and also by work status for those aged 62 to 74. He found that nonworking elderly spent more on food at home and health care, while working elderly spent more on retirement pensions and social security.

Wealth is a crucial factor for explaining or understanding the consumption level and the well-being of retired elderly households, because wealth is assumed to be the major source of funds to finance consumption in retirement. Therefore, it is useful to investigate the relationships between the various wealth components held by retired elderly households and their consumption expenditures as a way comprehending and predicting well-being among retired elderly households. The economic well-being of the elderly is usually believed to be associated with levels of consumption to a certain extent. This belief is limiting because the well-being of the retired elderly is considered only in terms of their total wealth or wealth levels. Viewing economic well-being this way does not take into consideration whether or not the elderly will use various wealth components to pay for consumption

3.6 EXPENDITURE AND CONSUMPTION

The financial well-being of the elderly seniors have been the subject of many recent studies. The proportion of elderly in the population is increasing. Many elderly are living to an advanced age. Expenditure and consumption are two separate concepts. Consumption can be broken down into its components to determine how much households' spending on particular items changes over time. In the survey of family Expenditures (FAMEX) and the Survey of Household Spending (SHS), total household expenditures are the sum of some separate components.

Food Clothing and Care - The sum of money spent on food (including restaurants), clothing, personal care and health care (Except public health care spending)

Transportation – including vehicle expenses, car repairs and maintenance, and all spending on public transportation.

Residence and Properties – including all expenditures related to home and property ownership, rental, maintenance, utilities, and household operations.

Gifts – This can be broadly defined as money transfers to charities and individuals outside of the house hold.

Personal Security – including public and private pension plans, employment insurance, annuities, insurance payments, and similar items

Other items – mainly comprising items that may be less essential for the health, safety or security of household members (spending on recreation, reading and printed material and miscellaneous expenses are included in this category).

3.7 PURCHASE BEHAVIOUR OF THE ELDERLY CONSUMERS

Elderly consumers are often overlooked in the retail marketplace; however, evidence suggests that the elderly population has a considerable amount of discretionary time and purchase power. Unlike past generations, this consumer group is relatively healthy, active, and demands a wide array of products and services. The behavior and interests of the elderly population have changed over the years. In the past, the entire population was characterized as having similar health, living conditions, patterns of behavior, and spending habits. This was a stereotype, and perhaps was not true. Unlike past generations, today's elderly demand a wide range products and services.

Elderly consumers are relatively healthy and active and do not want to be portrayed as frail or sedentary (May & Hartranft, 1992). According to Shim and Bickle (1993), elderly persons engage in several activities outside the home, such as travel, hobbies, sports, physical fitness, and volunteer work. Two-thirds of those 65 and over rate their health as good or excellent compared to others their age. This creates an extremely heterogeneous group of consumers, and thus presents challenges for retailers. If retailers are to successfully serve this target market of elderly consumers they must understand elderly shopping needs and preferences.

Purchase Behaviour is the study of individuals, groups, or organizations and the process they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology, marketing and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups such as how emotions affect buying behaviour. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, sports, reference groups, and society in general.

It can be defined as “the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services”. According to Webster, “Buying behaviour is all psychological, social and physical behaviour of potential customer as they become aware of evaluate purchase consume and tell other people about the product and services. In other words of Walter and Paul, “consumer behaviour is the process whereby individual decide what, when, how and from where to purchase goods and service”. Thus the buyer behaviour may be defined as that behaviour exhibited by people in planning, purchasing and using economic goods and service in the satisfaction of their wants.

3.8 PURCHASE BEHAVIOUR PROCESS

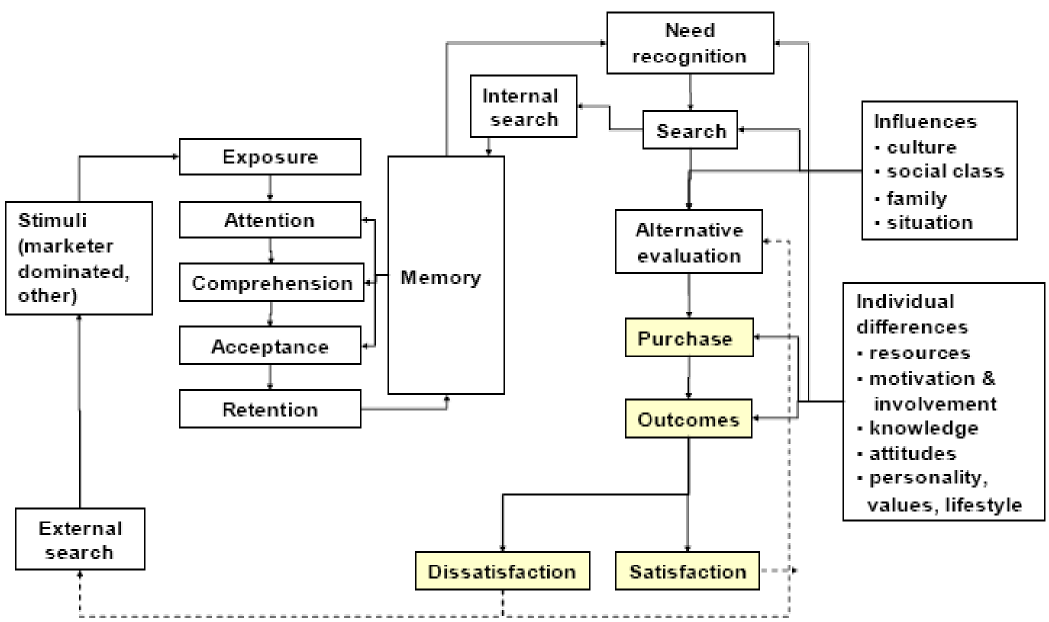

Fig 3.3: Purchase Behaviour Process

Source: Adopted from Swarna Bakshi, “

Impact of gender on consumer buying behaviour”

3.9 LIFESTYLE AND PURCHASE BEHAVIOUR

The Lifestyle of individuals has always been of great interest to marketers. They deal with everyday behaviourally oriented facets of people as well as their feelings, attitudes, interests and opinion. A lifestyle marketing perspective recognizes that people sort themselves into groups on the basis of the things they like to do, how they like to spend their leisure time and how they choose to spend their disposable income. Lifestyle marketing perspective recognizes that people group themselves into segments based on what they like to do and how they choose to spend their disposable income. Consumers often choose products, services and activities over other, because they are associated with a certain lifestyle. For this reason, lifestyle-marketing strategies attempt to position a product by fitting it into an existing pattern of consumption. The relationship between the product used by the consumers and their lifestyle has been extensively studied in the past. According to Cosmas (1982) there is a relationship between one's lifestyle and ones total product assortment. Knowledge of the lifestyle patterns helps the marketer to explain as to why certain segments use or do not use certain brands Reynolds and Darden (1974) concluded that a person makes a choice in a consumption environment in order to actualize his life style pattern. An individual's brand choice has been conceived as a function of his life style (Alpert and Gatty 1969).

3.10 ROLE AND INVOLVEMENT IN FAMILY PURCHASE DECISION MAKING

Knowledge about behaviour is necessary for the development of effective marketing strategies. The members of a family influence the decision-making process in the purchase of different products, therefore the real target for the marketer is not an individual member but the family as a whole. While there have been several studies on family dynamics in decision-making, very few pertain particularly to the Indian context, where the traditional family is different from its Western counterpart in that the 'empty nest' stage of the family life cycle is not very common. A large number of Indian families still have three generations staying together (Verma and Kapoor, 2003). Research on family decision making has developed in several ways. To assess the role of the family members in the decision process, many studies have focused on the influence of the family members and how the influence varied with the type of decision, decision stage or sub decision (Davis 1970).

3.11 ROLES IN FAMILY DECISION MAKING

The family and the family decision making processes have been a focus of consumer research, as families provide a contextual framework for understanding consumers' economic and social well-being. While decision role structure may change over the course of the family life cycle, another important reason for the role changes is that the macro-level environment in which consumers operate may change (e.g. economic, social or cultural forces), which in turn may provide impetus for decision role structure to change. Davis and Rigaux (1974), examined shifts in decision role structures across stages of decision making (problem recognition, search and final decision).While decision role structure has been found to change with stages of one decision episode, it can be argued that the framework has never been examined for changes over time. The roles played by the elderly have been shown to change over stages of the family decision-making process, a gap exist in the literature with respect to whether and how decision role structure may change over time.

Elders are generally respected for the value of their cultural knowledge, leadership abilities and for making decisions on behalf of the community (McIntyre, 2001). They are particularly valued for helping children to understand the practical aspects of life, society and culture. As Walker (1993) describes "The role of elders is difficult for outsiders to understand. We rely strongly on them as key decision makers within families. They are the people we hold the greatest respect for because many of them went through so much, so that now we do not have to suffer the injustices they experienced. Their guidance is often illustrated through everyday life and their teachings are often done subconsciously; we follow, we observe and we go on to teach our own families. It is through our Elders that the spirit of Aboriginal people is kept alive".

The question of elderly people's dependence on their families can be approached from a number of angles. Most obviously, elderly people's need for material or practical support has to be investigated rather than assumed. If most elderly people work and are in good health, dependency is likely to be low. In addition, actual availability of family members to provide support is a key precondition that cannot be taken for granted.

Finally, it may be illuminating to investigate social norms surrounding intergenerational and familial relations to gauge the extent to which elderly parents expect to rely on families for support.

Family Decision Making

Family decision making is the process by which decisions that directly or indirectly involve two or more family members are made. Decision making by a group such as family differs in many ways from decisions made by an individual. Family purchases are often compared with organizational buying decisions. Although this comparison can produce useful insights, it fails to capture the essence of family decision making. Organizations have relatively objective criteria, such as profit maximization, that guide purchases. Families generally lack such explicit, overarching goals. Most industrial purchases are made by strangers or have little impact on those not involved in the purchases. Most family purchases directly affect the other members of the family. Most important, many family purchases are inherently emotional and affect the relationship between the family members.

The Nature of Family Purchase Roles

How family members interact in a purchase decision is largely dependent on the culture and subculture in which the family exists, the roles specialization of different members, the degree of involvement each has in the products area of concern, and the personal charactertics of the family members. It is important to note that individuals will play various roles for different decisions.

- **Initiator(s):** The family member who first recognizes a need or starts the purchase process.
- **Information gatherer(s):** The individual who has expertise and interest in a particular purchase. Different individuals may seek information at different times or on different aspects of the purchase.
- **Influencer(s):** The person who influences the alternative evaluated, the criteria considered, and the final choice.

- **Decision Maker(s):** the individual who makes the final decision. Of course, joint decisions also are likely to occur.
- **Purchases(s)**: the family member who actually purchases the product. This is typically an adult or teenager.
- **User(s)**: the user of the product. For many products there are multiple users.

Decision Making Process

Decision making is a term used to describe the process by which families make choices, determine judgments, and come to conclusions that guide behaviours. The process is called family decision-making implies that it requires more than one member's input and agreement. The family decision-making process is a communication activity – it rests on the making and expression of meaning. The communication may be explicit (as when families sit down and discuss a prospective decision) or implicit (as when families choose an option based on their past decisions or some other unspoken rational).

Purchase Decision making process

Family as a primary decision making unit of society have a significant role in purchase decision making processes of individuals. There are different steps in a decision to buy a product or service. The consumer decision process model captures the activities that occur when decisions are made in a schematic format and shows how different internal and external forces interact and affect how consumers think, evaluate and act. The decision making process includes

- Need/Problem Recognition
- Information search
- Evaluation of alternatives
- Purchase Decision
- Purchasing evaluation

Problem Recognition

Problem recognition is the first stage in the decision making process. It is the result of a discrepancy between a desired state and an actual state that is sufficient to arouse and activate the decision process. An actual state is the way an individual perceives his or her feelings and situation to be at the present time. A desired state is the way an individual wants to feel or be at the present time. The kind of action taken by consumers in response to a recognized problem relates directly to the problem's importance to the consumer, the situation, and the dissatisfaction or inconvenience created by the problem.

Information Search

Once a problem is recognized, relevant information from long-term memory is used to determine if a satisfactory solution is known, what the characteristics of potential solutions are, what are appropriate ways to compare solutions, and so forth. This is internal search. If a resolution is not reached through internal search, then the search process is focused on external information relevant to solving the problem. This is external search, which can involve independent sources, personal sources, marketer based information, and product experience.

Evaluation of Alternatives

Once the information collected, the consumer will be able to evaluate the different alternatives that offer to him, evaluate the most suitable to his needs and choose the one he think it's best for him. In order to do so, he will evaluate their attributes on two aspects. Most decisions involve an evaluation of the likely performance of the product or service on one or more dimensions. Evaluative criteria are the various dimensions, features or benefits a consumer looks in response to a specific problem.

Purchase Decision

After evaluating the different solutions and products available for respond the consumer will be able to choose the product or brand that seems most appropriate to his needs. His decision will depend on the information and the selection made in the previous step based on the perceived value, product's features and capabilities that are important to him. But his consumer buying decision process and his decision process may also depend or be affected by such things as the quality of his shopping experience or of the store (or online shopping website), the availability of a promotion, a return policy or good terms and conditions for the sale.

Post purchase Evaluation

Once the product is purchased and used, the consumer will evaluate the adequacy with his original needs and whether he has made the right choice in buying this product or not. If the product has brought satisfaction to the consumer, he will then minimize stages of information search and alternative evaluation for his next purchases in order to buy the same brand which will produce customer loyalty.

Elderly involvement in family decision making

According to Peter and Olson (1987) involvement is the degree of personal relevance which is a function of the extent to which the product or brand is perceived to help achieve consequences and values of importance to the consumer. Bloch (1981), defines “involvement is an unobservable state reflecting the amount or interest, arousal, or emotional attachment evoked by a product in a particular individual.

Involvement always has some direction. Consumers differ not only in terms of level of involvement (low versus high), but also in terms of type of involvement. There are several types of involvement like media involvement, message involvement, product involvement and purchasing involvement for studying different facets of choice situation. Involvement is thus generally used with some qualifier indicating the type of involvement. The knowledge of type of involvement as such adds richness to the concept and makes it more comprehensive. Depending upon the direction, each involvement type has its own idiosyncratic results of state of being involved with. Besides, the unevenness of variables/ antecedents creates different types of situations, where each type of involvement leads the consumer to specific modes of problem solving and communication behaviour.

Stages of family life cycle and purchase involvement

The family life cycle acts as a summary variable capturing the combined effects of income, age and important events like marriage, birth and eventual departure of children, retirement, and death of spouse. While a person's age and income tend to be related, neither of these explains the level and nature of their needs as well their stage in family life cycle. The potential relationship between the family life cycle and purchasing involvement is apparent when the general characteristics of the stages of the life cycle are examined. The stages which are expected to lead to the greatest purchasing involvement are those in which children are present. This is true partially because discretionary income is low in these stages and the act of purchasing becomes more personally relevant since wise (value oriented) buying is necessary to achieve the family's expected standard of living. Discretionary income is also low for many retirees, so it is logical to assume that they might turn some of their thoughts and free time to work towards obtaining greater value in their purchases. This does not imply, however that low discretionary income necessarily leads to high purchasing involvement. (Mark an Armen).

3.12 CONSUMER INVOLVEMENT MODEL

Over the last few years any researchers have developed certain models of consumer involvement taking cognizance of differences in their perspective and domain of involvement. Based upon the works of Peter and Olson (1984) and Engel and Blackwell (1982) a model of consumer involvement for product purchase is presented in the figure 2.4. The model positions involvement in the middle as a reactive variable which mediates between its antecedents and consequences. In the model, involvement is evoked by the interaction of various variables grouped as personal, physical and situational factors. In the high involvement situation, the interacting effects of situational factors are supposed to be less because rich cognitive structures underlie such high involvement products. On the other hand, when involvement is on the lower side, a consumer may more readily rely on extrinsic charactertics produced by various situational factors other than product itself. In each case, however the object (both product and situation) itself is not involving. It is rather the consumer's interpretations are based upon their needs, values and goals. Because of difficulties involve in their direct measurement, the model proposes the use of consumer demographics and life style characteristics as surrogates for consumer's needs, values and goals.

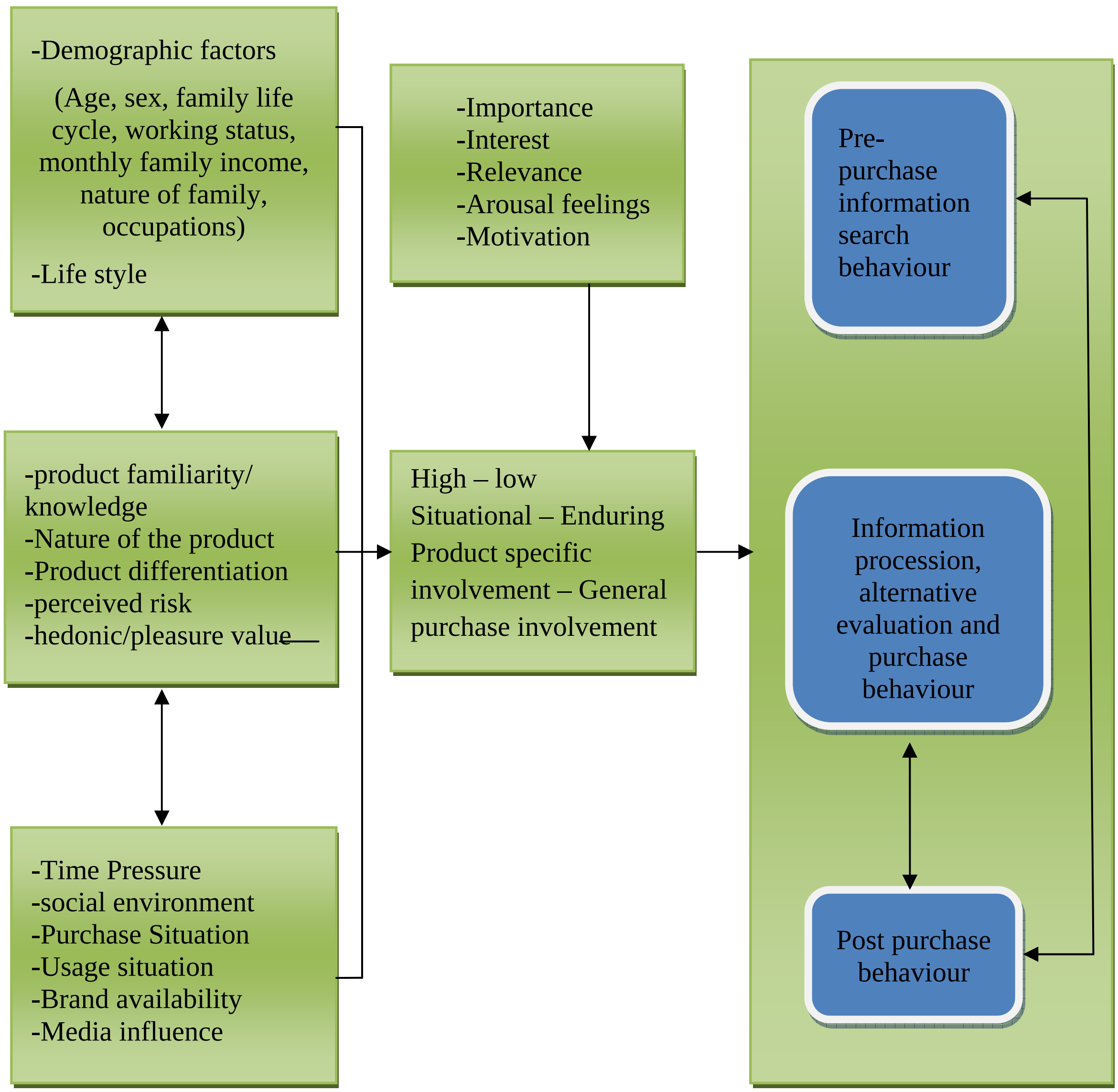

Fig: 3.4 : Consumer Involvement Model

Source: Adapted from Engel and Blackwell (1982) and Peter and Olson (1987)

3.13 LIFE SATISFACTION ACROSS THE RETIREMENT TRANSITION

For many life events, people can be expected to experience a common reaction. The effect of retirement on life satisfaction differs for a range of reasons, depending on the individual circumstances surrounding the retirement transition. The associated change may be negative or positive, or there may be no change at all. Retirement usually entails changes to economic circumstances. The loss of paid employment may lead to lower life satisfaction due to financial insecurity and a lower standard of living. On the other hand, for people with substantial financial resources these factors may not be of concern, while for others moving from unemployment to retirement may entail greater financial security if eligible for the aged pension or superannuation funds. The negative effect of retirement due to financial insecurity may be particularly marked if the retirement is involuntary. There are many social circumstances which may change at retirement. The end of working life may be associated with the loss of a role fundamental to personal identity and social status. This can result in disengagement from society due to the loss of social support and networks. Retirees may also experience low motivation and boredom if they are unable to replace the lost role with new activities. Maintaining prior life style and activities after retirement may bring continuity between working life and retirement (Atchley, 1999). Retirees may have more free time for leisure activities and the development of interests and hobbies. They may find satisfaction in contributing to the community in ways other than paid employment such as by volunteering their time and skills.

Predictors of Change in Life Satisfaction across the Retirement Transition

The experience of retirement may vary with differing levels of access to social, cultural and economic resources that are important to life satisfaction. These factors include gender, age at retirement, social support, being in a relationship, general health, and employment status before retirement, income levels after retirement and education.

Gender

Retiring men and women may experience different life course transitions and trajectories. Research has principally seen retirement as a predominantly male transition. However, increases in women's labour force participation suggest that this does not reflect the current situation (Kim and Moen, 2001: 85). Women may spend many years out of the workforce caring for others and may move in and out of the workforce more frequently as they juggle work and family roles. Therefore the transition from employment to retirement may not have a clearly defined effect on life satisfaction for women because they may have already adapted to changes in employment status earlier in the life course. But the effects may differ by age. Older women have lower rates of economic participation than similarly aged men and less chance to plan for retirement because they have generally held caring roles within the family leading to employment interruptions.

This results in lower levels of financial security and a higher reliance on government pensions in retirement due to lower superannuation savings. These lower levels of financial security may lead to lower levels of life satisfaction for women in retirement. Additionally, women have more time in retirement because of increased longevity compared to men. This suggests that women may spend additional years in retirement with associated financial concerns, possible health problems and the loneliness of living alone in old age.

Finally women are disproportionately responsible for domestic labour in retirement compared to men and are disproportionately assigned a careers' role assisting sick or frail family members after retirement. Therefore women may have lower levels of life satisfaction than men due to having less autonomy over their free time in retirement.

Age at Retirement

People can retire earlier or later and retirement is not mandatory in most organizations. The flexibility in retirement timing may mean that people have to make individual decisions about when they retire. Retirement may be more detrimental to life satisfaction if it occurs unexpectedly, or "off-time" regarding either the institutionalized retirement age or an individual's own expectations and preferences. Early retirement may be associated with lower life satisfaction because of increased financial pressures and the overrepresentation of involuntary retirement and health problems among early retirees.

Social Support at Retirement

Social networks and support have been found to be predictors of positive well-being across the life course. Social support and integration in the form of contact with family and friends have been found to facilitate a high level of life satisfaction after retirement. The composition of social networks with family members, friends, former co-workers and retired friends may change with retirement. These new interactions with different people may offer retirees social support that may improve life satisfaction. Research has found that women may be more likely than men to use retirement as an opportunity to increase their social activity (de Vaus and Wells, 2004).

In a Relationship at Retirement

Relationships are important to life satisfaction. Research has found that people who are married have higher levels of life satisfaction in retirement than those who are unmarried. With retirement there are changes to family structure, roles and responsibilities. Life satisfaction in retirement may be associated with an “empty nest”, change of residence and the possible ill health and death of family members and friends. Research has found that retired men and women may become more involved with the lives of their children and grand children. Caring for sick or frail parents or partners may become necessary and this may be detrimental to postretirement plans and life satisfaction.

Health at Retirement

Health status is important to life satisfaction at all life stages, including in retirement. For people at retirement age, health problems are common and a great deal of unhappiness is the direct or indirect result of illness. People who are healthier can make retirement adjustments more easily. Being healthy may allow a greater diversity of activities and opportunities for access to social support. Ill health may be very disruptive to leisure and other satisfying social activities.

Being Employed before Retirement

One of the pre-retirement influences affecting how people adapt to the retirement transition is employment status. Retiring from paid work may be different from the transition to retirement while unemployed. Many people transition to retirement from unemployment due to the large proportion of unemployed people. Older people may have difficulties in finding work because of employer preference or because of rapid changes in technology. Being forced into involuntary retirement, may lead to low levels of life satisfaction. On the other hand, transitioning from unemployment to retirement may have a positive effect on life satisfaction due to the possible increase in income and feelings of security after becoming eligible for government or private pensions. The transition from unemployment to retirement may mean a positive role change after leaving the negatively experienced ‘unemployment’ status.

Income Levels

Retirees with higher incomes, or at least adequate finances, report being more satisfied with life in retirement. Self funded retirees are people who have accumulated a certain level of superannuation in their working life. Welfare-reliant retirees are eligible for a means-tested aged pension. Ong (2009) found, in a study on prospective retirees who are approaching retirement age that self-funded retirees are more likely to have high educational qualification levels, to have experienced stable employment and to have a higher level of wealth while welfare-reliant retirees are likely to be older women who have gone through marital dissolution (Ong, 2009).

Highest Level of Education

Higher education is related to being employed and earning more. A high level of education may provide individuals with high levels of social skills and self-direction. Retirement can be an opportunity to follow meaningful and intrinsically satisfying activities. However, the loss of status from being in a highly professional job before retirement may make the retirement adjustment more difficult.

ANALYSIS AND INTERPRETATION

ANALYSIS AND INTERPRETATION

The chapter IV to VII deals with the analysis and interpretation of the study. The data collected are classified and tabulated and the statistical measures are employed in fulfilling the objectives of the study.

- **Chapter IV** analyses the socio economic profile, employment aspects, saving, investment and consumption pattern of the retired households.
- **Chapter V** deals with the role and involvement in family decision making of the retired households.
- **Chapter VI** reveals the level of satisfaction of the retired households towards their saving, investment, consumption and decision making process
- **Chapter VII** investigates the relationship between the effect of expenditure and investment on retired life satisfaction mediated by purchase behaviour using structural equation modeling.

Statistical tools namely, Percentage Analysis, Descriptive Statistics, Chi-square, ANOVA, T-Test, Kendall's Coefficient of Concordance, Factor Analysis, Correlation, Multiple Regression Analysis, and Cluster Analysis have been used to analyze the data wherever necessary. Normality test are used to test the assumption of normality of the variables taken for the study.

NORMALITY TEST

The data analysis methods (t test, ANOVA, regression) used in this study depend on the assumption that data were sampled from a normal distribution. The normality tests are conducted to test the assumption that the variables studied follow normal distribution. The methods of arriving at these variables are discussed elsewhere in this chapter.

The Anderson-Darling test for normality is one among the several normality tests designed to detect all departures from normality. Sometimes it called as the most powerful test, however the test is severely affected by ties in the data due to poor precision. When a significant number of ties exist (A tie is when identical values occurs more than once in the data set), the Anderson-Darling will frequently reject the data as non-normal, regardless of how well the data fits the normal distribution. The test rejects the hypothesis of normality when the p-value is less than or equal to 0.05. Failing the normality test allows us to state with 95% confidence the data does not fit the normal distribution. Passing the normality test allows you to state no significant departure from normality was found.

D'Agostino-Pearson normality test first computes the skewness and kurtosis to quantify how far the distribution is from Normal in terms of asymmetry and shape. It then calculates how far each of these values differs from the value expected with a Normal distribution, and computes a single P value from the sum of these discrepancies. It is a versatile and powerful normality test.

Both these tests are used to test the assumption of normality of the variables taken for the study.

The table 4 gives Anderson-Darling and D'Agostino Omnibus tests of normality to test the hypothesis that the observed values follow normal distribution. The test results show that Anderson-Darling test rejected the hypothesis that it is sampled from normal population, whereas D-Agostinao Omnibus test accepted the null hypothesis.

For the variable Overall score on involvement in decision making D'Agostino Omnibus rejected the null hypothesis, whereas Anderson-Darling accepted the null hypothesis. However, when the samples are large, normality tests have tendency to reject the normality assumption even though the deviation from normality is minor and may not affect the results of t-test or ANOVA. Hence the test results may be taken as indicators of the observed variables not deviating much from normality and regular parametric tests can be applied.

Table 4 – Normality Test

Variable	Mean	S.D	Normality Test	Test Value	Probability Level	5% Critical value	Decision
Level of Investment Score	20.355	6.163	Anderson-Darling	0.6286	0.097		Accept
			D'Agostino Omnibus	5.7514	0.056	5.991	Accept
Level of Influence Score	50.336	7.765	Anderson-Darling	0.5526	0.149		Accept
			D'Agostino Omnibus	4.8702	0.088	5.991	Accept
Consumption Expenditure Score	34.355	6.176	Anderson-Darling	0.4276	0.307		Accept
			D'Agostino Omnibus	2.3788	0.304	5.991	Accept
Involvement in Decision Making-Investment	19.131	5.031	Anderson-Darling	0.6854	0.071		Accept
			D'Agostino Omnibus	3.9110	0.141	5.991	Accept
Involvement in decision making-Purchase of land or building	19.189	5.346	Anderson-Darling	0.7139	0.062		Accept
			D'Agostino Omnibus	4.0975	0.129	5.991	Accept
Involvement in decision making-Purchase of jewellery	19.131	5.352	Anderson-Darling	0.6915	0.070		Accept
			D'Agostino Omnibus	5.0947	0.078	5.991	Accept
Involvement in decision making-Purchase of durables	18.827	5.153	Anderson-Darling	0.7728	0.044		Reject
			D'Agostino Omnibus	5.0984	0.078	5.991	Accept
Involvement in decision making-Others	17.88	5.724	Anderson-Darling	0.7298	0.057		Accept
			D'Agostino Omnibus	5.8402	0.054	5.991	Accept

Variable	Mean	S.D	Normality Test	Test Value	Probability Level	5% Critical value	Decision
Overall score on involvement in Decision Making	94.157	20.158	Anderson-Darling	0.6936	0.070		Accept
			D'Agostino Omnibus	7.9710	0.019	5.991	Reject
Satisfaction Score	44.723	7.487	Anderson-Darling	0.6751	0.077		Accept
			D'Agostino Omnibus	4.9080	0.086	5.991	Accept
Prudent Buying	22.104	3.66	Anderson-Darling	0.5934	0.121		Accept
			D'Agostino Omnibus	5.7356	0.057	5.991	Accept
Product Awareness	16.891	3.653	Anderson-Darling	0.4069	0.348		Accept
			D'Agostino Omnibus	2.0933	0.351	5.991	Accept
Quality conscious	10.003	1.97	Anderson-Darling	0.4153	0.332		Accept
			D'Agostino Omnibus	4.5674	0.102	5.991	Accept
Family involvement	10.971	2.588	Anderson-Darling	0.4353	0.298		Accept
			D'Agostino Omnibus	4.8887	0.087	5.991	Accept
Buying dependence	10.832	1.986	Anderson-Darling	0.5466	0.159		Accept
			D'Agostino Omnibus	4.1239	0.127	5.991	Accept

Source: Computed