

*Review Article*

## **Financial Planning for Retirement Models: An Integrative Systematic Review**

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### **ABSTRACT**

Hundreds of financial planning literature reviews exist; only a few papers discuss the context of retirement. This paper aims to give researchers clarity and confidence on financial planning for retirement (FPR) by incorporating diverse perspectives, including theories, methodologies, and determinants of FPR. Given the importance of conceptual models to test hypotheses and predict information in a scientific study, the literature illustrated a dearth of model adoptions in examining the determinants that shape individuals' perceptions of FPR behaviours. This paper highlights the pertinent gaps in the literature regarding the significant outcomes of empirical and theoretical contributions that relate to cognitive, psychological, and external variables influencing FPR. This review consists of two steps. The first step contains database searches, whereas the second step retrieves and screens all pertinent

articles extensively covered over nearly 20 years between 2000–2019. In addition, this paper provides researchers with primary key features in prior publications, such as publication trends in years and countries, sample types, and statistical techniques employed.

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## INTRODUCTION

Financial planning is a distinct professional practice that appeared in the late 1960s. It is a process of thinking to predict and perform the actions to achieve desired future financial goals. Meanwhile, an individual's financial planning for retirement (FPR) determines the financial requirements. This process involves carrying out specific procedures and decisions to achieve these needs. Among these decisions is determining the sources and amount of retirement income that retirees will receive and the underlying expenditures, such as the cost of living and health care expenses (Topa & Herrador-Alcaide, 2016), as well as determining predictors of FPR behaviour.

Earlier work on FPR concentrated on the economic and demographic aspects (Lusardi & Mitchell, 2007), while later work delved into psychological determinants (Petkoska & Earl, 2009). However, more recent work tended to examine FPR based on a multi-perspective approach (Dolinski et al., 2016; Kiso & Hershey, 2017). They, for example, employed the Social, Personal, Occupational, and Familial Model (Dan, 2004), Planning Decisions and Behaviours Model (Hershey, 2004), and FPR Model (Smith, 1999). This later approach leads this study to examine the conceptualisation of FPR given the various theories and methodologies adopted and ultimately to identify existing gaps in the literature.

## THE NEED FOR A SYSTEMATIC REVIEW

This study performs a systematic literature review (SLR) to contribute to the literature by examining existing studies that have examined FPR behaviour from multiple perspectives. It allows the study to assess theories, methodologies, and determinants of FPR to highlight the pertinent gaps in the literature. It provides researchers with a bird's eye view of what has been done so far by systematically evaluating the current literature, specifically understanding the substantial empirical and theoretical contributions to cognitive, psychological, and external influences.

Further, the scope of the review is broader than previous studies as it examined the studies on FPR sourced from more than one database, which included Scopus, ProQuest, EBSCO, Emerald, Web of Science, and Google Scholar. Similar attempts have been made to a lesser extent, such as by Kumar et al. (2019), who investigated women's FPR from four databases: ProQuest, Emerald, EBSCO, and Google Scholar. Likewise, Jantan (2020) examined retirement savings issues faced by households on literature from Scopus and Web of Science alone. Another instance is Tomar et al. (2021), who conducted a bibliometric analysis to examine existing retirement financial planning studies only in the Scopus, Web of Science, and EBSCO databases.

**SYSTEMATIC REVIEW PROTOCOL**

An SLR follows specific systems to collect extensive data from different databases to be critically evaluated and sorted qualitatively or quantitatively (Denyer & Tranfield, 2006; Kumar et al., 2019). This study applies the SLR protocol that was applied by Denyer and Tranfield (2006) and Kumar et al. (2019), known as the standard of “The Preferred Reporting Items for Systematic Review and Meta-Analysis Protocols (PRISMA)” (Moher et al., 2009) for the aim of standardising SLR and writing style.

**Methodology**

The study selected Scopus, ProQuest, EBSCO, Emerald, Web of Science, and Google Scholar as sources of literature based on their reliability. In addition, the scope of the research included any related work that examined retirement models in the financial, economic, psychological, and social fields. Table 1 summarises the journals, publishers, and research areas in which the reviewed articles were published.

The protocol was limited using the database’s search boxes mentioned above to keywords of (“retirement planning” OR “retirement financial planning” OR “financial preparation for retirement” OR “financial planning for retirement” OR “retirement preparation”) AND “model” in the titles, abstracts, and keywords. Given the extensive coverage of existing articles on retirement planning models, a more targeted search chain has been established to extract entire articles from the search lines. Some filters have been applied in research to ignore reports, lectures, and book chapters, and the emphasis was only on peer-reviewed scholarly journal articles. See Figure 1 for the query text.

**Taxonomy Analysis**

The guideline of PRISMA has four phases: identification, screening, eligibility, and inclusion of articles. In the identification phase, as shown in Figure 1, the search for articles dated 2000–2019 with other mentioned filters resulted in a total of

Table 1  
*Years and countries of research*

Country	Years					Total
USA	2000	2007	2014	2014	2017	5
Dutch & American	2010	x	x	x	x	1
Europe Countries	2012	x	x	x	x	1
Spanish	2017	2018	2019	2019	x	4
Brazil	2018	2019	x	x	x	2
Malaysia	2018	x	x	x	x	1

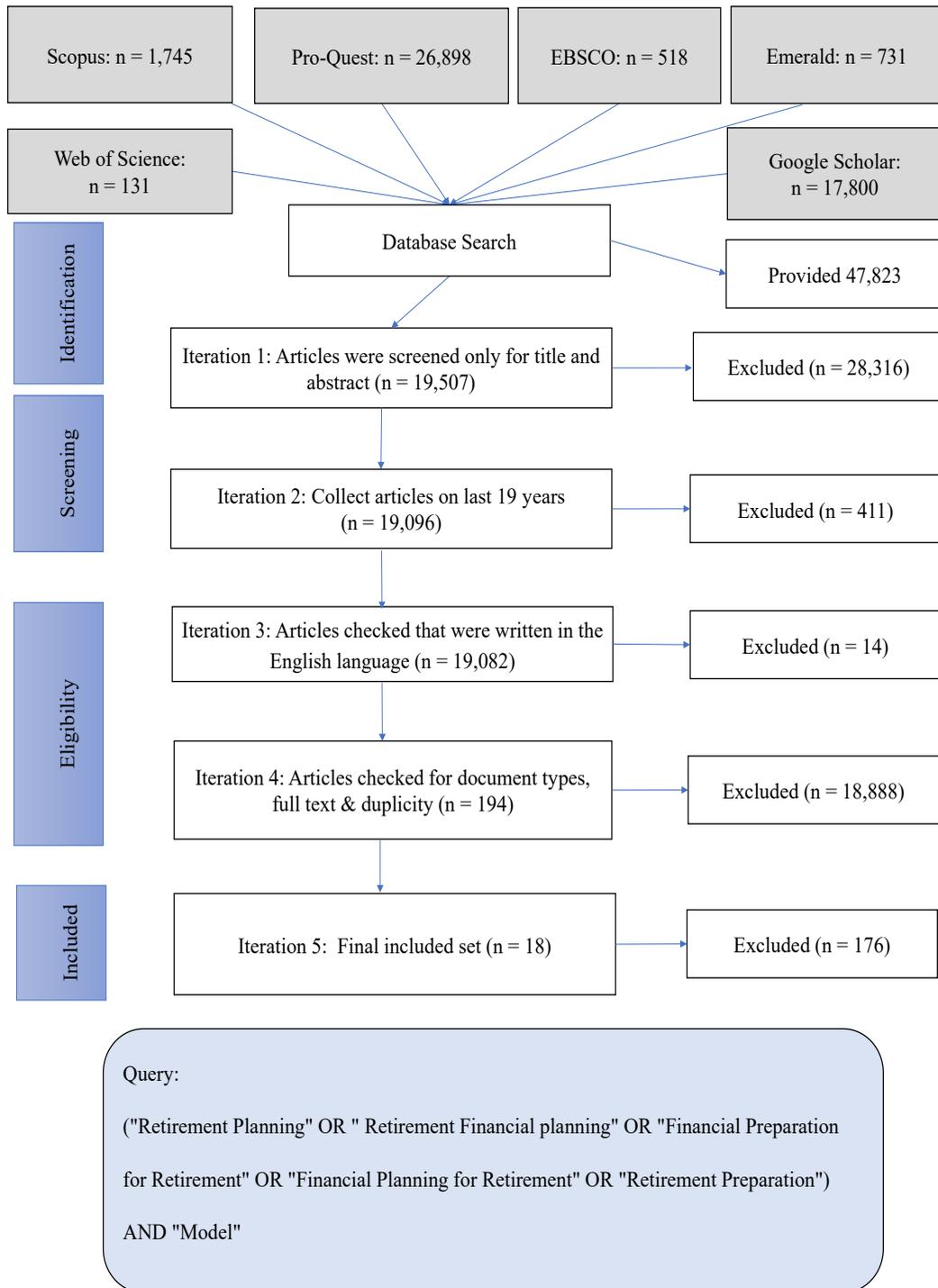


Figure 1. Literature search outcome

47,823 papers distributed among the five databases as follows: 1,745 (Scopus), 26,898 (ProQuest), 518 (EBSCO), 731 (Emerald), and 17,800 (Google Scholar). During the screening stage, two iterations were performed. The first iteration initially gathered data after the titles and abstracts were scanned, resulting in the exclusion of 28,316 documents. Then, after selecting documents dating from 2000 until 2019, the second iteration excluded 411 other documents.

Regarding the eligibility phase, the third iteration dealt with articles written in English and excluded further 14 articles. The fourth iteration, which examined the types of documents, full texts, the removal of duplicity, and relevance for study, excluded 1,888 articles, leaving 194 remaining. Finally, the last iteration included a duplicate screening to exclude articles that did not include FPR models. The balance is 18 articles, excluding 176 unrelated to the fields. These 18 articles were carefully examined to provide a comprehensive conceptual framework for the study.

### **Risk of Bias and Additional Analysis**

This paper examines the general methodological content of the selected studies rather than their funding. Therefore, it requires no meta-analysis and is free of any biased assessment.

## **PUBLICATION TRENDS**

### **Year and Country of Publication**

The SLR began in December 2019 and found that FPR researchers have been using multi-disciplinary conceptual models since 2000. However, during this period, only two articles were published prior to 2010, while the rest were published from 2010 to 2019. Moreover, the literature search revealed that using theoretical models to examine FPR was a methodological approach adopted only recently as in 2012, regardless of the field of study.

Notably, the literature on the methodologically applied conceptual models mainly hailed from industrialised countries, though of late, as shown by Table 1 above, have also been the chosen approach in some developing countries such as Malaysia and Brazil (Jiménez et al., 2019; Palací et al., 2018).

### **Scope and Field of Studies**

The 18 selected papers come from different journals and focus on various areas such as neuroscience, agriculture and biological sciences, finance, economics, and psychology. The results revealed that applying conceptual models to FPR has become the choice not only through studies in business and management but also in medicine and psychology. Table 2 summarises the journals, publishers, and research fields in which the reviewed articles were published.

Table 2

*Articles, publishers and field of studies*

No.	Journal Title (n)	Publisher	Field of Studies
1	Journal of Career Development (1)	SAGE Publications	
2	International Journal of Bank Marketing (2)	Emerald Group Publishing Ltd.	Business, management, and accounting
3	Work, Aging and Retirement (1)	Oxford University Press	
4	International Journal of Business and Society (1)	University Malaysia Sarawak	Business, management, accounting, finance, economics, and econometrics
5	Journal of Vocational Behavior (1)	Elsevier Inc.	Business, management, accounting, psychology, and social sciences
6	Journal of Personal Finance (1)	International Association of Registered Financial Consultants	Economics, Econometrics, and Finance
7	Journal of Economic Psychology (1)	Elsevier Inc.	
8	Certified Senior Advisors (1)	Society of Certified Senior Advisors	Health, social, legal, finance, and ethics
9	Frontiers in Aging Neuroscience (1)	Frontiers Media S.A.	Neuroscience
10	International Journal of Aging and Human Development (1)	SAGE Publications Inc.	Biochemistry, Genetics and Molecular Biology
11	PLoS ONE (1)	Public Library of Science	Agricultural and Biological Sciences
12	Journal of Adult Development (1)	Kluwer Academic Publishers	Psychology
13	Frontiers in Psychology (2)	Frontiers Media S.A.	
14	Journal of Cross-Cultural Gerontology (1)	Kluwer Academic Publishers	
15	The Gerontologist (1)	Gerontological Society of America	Medicine
16	Journal of Women and Aging (1)	Haworth Press Inc.	

*Note:* n = number of articles

## TRENDS IN RESEARCH DESIGNS

### Research Design and Study Types

Regarding trends in research designs, only four of these papers were conceptual papers dealing with SLR, meta-analysis, or theoretical studies. Instead, most articles were quantitative empirical studies, with 12 using questionnaires and surveys, while the other two relied only on secondary data. However, qualitative methods were not popular, implying that FPR is still a developing personal financial planning field.

### Statistical Tools and Sampling Techniques

The studies are classified according to the analytical tools used. As can be seen from the quantitative studies, the most

effective standard quantitative analysis methods used were exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and structural equation modelling (SEM). EFA and CFA are factorial analytics techniques used in scale development and scale adaptation research (Orcan, 2018). As for the software used to analyse the data, MPlus and Amos were the most popular programmes. Table 3 presents all sampling and the programmes used in the included studies. As far as sampling techniques are concerned, the studies have applied different sampling approaches, such as snowball sampling, convenience sampling, probabilistic sampling, and multi-model sampling.

Table 3

*Sampling types and software programs used*

No.	Sampling	Software program
1	Snowball	MPlus
2	Convenience	Amos
3	Probabilistic	SPSS
4	Multi-model	PLS

## CONTENT ANALYSIS

For content analysis, the study reviews the conceptual models adopted and the underlying theories behind the examined articles before examining the determinants chosen in understanding the FPR behaviour.

### Conceptual Models

The body of literature has proposed various conceptual models to study financial planning behaviours, where most of these models have been built based on previous models. Among those used include the Huston Model (2010), which was based

on the behaviour of financial management, the Hodges Model (2004) on the financial planning process (cited in Jiménez et al., 2019), and the Retirement Spending Models, such as Age Banding Model (ABM) in 2005, Changing Consumption Model (CCM) in 2013, the Life-Cycle of Spending Model (LSM) in 2014, and Reality Retirement Planning (RRP) model in 2005 (Welch, 2015).

Further, the SLR of the 18 papers noted two distinct approaches for the conceptual models. The first approach of conceptual models focused on a specific sample and context. These conceptual models are not flexible, so they are not easy to apply, expand, and develop with future studies because they have been developed for a given condition and need. For example, Nga and Yeoh (2018) proposed a multi-disciplinary conceptual model to examine specific variables in Malaysian retirement saving behaviours. Similarly, Kiso and Hershey (2017) proposed a conceptual model of retirement planning metacognition to appraise individual disparities in perceptions of how Americans think about or predict engaging in FPR activities.

Meanwhile, the second approach of conceptual models focused on determining predictors. These conceptual models are flexible so that researchers can examine, develop and expand them in the future. For example, Hershey and Mowen (2000) developed the first comprehensive financial knowledge and personality factor model based on a personal level of retirement planning advanced by Mowen (2000) to

identify differences among workers in financial decision-making for retirement. In addition, this model introduced other psychological variables that could influence financial planning behaviour. Later on, Schuabb et al. (2019) expanded the model by establishing a mediation and moderation relationship to identify individuals' knowledge of FPR. Four years later, Hershey (2004) introduced the second multi-perspective model, the psycho-motivational model, advanced by Friedman and Scholnick (1997) as the underlying theory of the consumption function (TCF) to be appropriate for FPR. This model incorporates four dimensions: psychological, cultural, environmental influences, and task considerations, as appears in Figure 2.

Combining these dimensions impacts hard work and readiness to plan for retirement (Hershey et al., 2007b), saving time for retirement and gerontological counsellors and financial services professionals. The model has been applied in three different contexts: the USA (Hershey et al., 2007b), a comparison between the USA and Netherlands (Hershey et al., 2010), and Brazil (França & Hershey, 2018).

Hershey et al. (2012) subsequently developed a modified model called the "Capacity-Willing-Opportunity Model" (CWO) for work performance, as advanced by Blumberg and Pringle (1982) to be suitable for FPR studies. The CWO model is structured based on three dimensions. The first dimension is capacity, which includes perceptual variables and skills

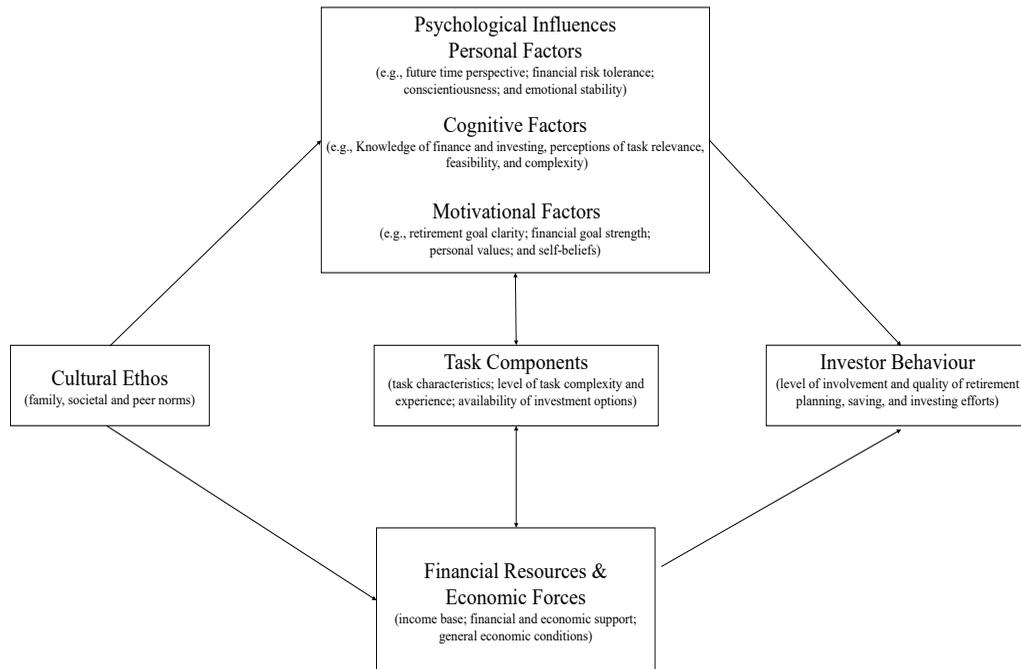


Figure 2. Second conceptual model (Hershey, 2004)

that allow planning and savings for retirement (Topa et al., 2018a), such as an individual's knowledge, experience, and skills (Hershey et al., 2012). These variables help differentiate people's abilities in terms of knowledge and skills needed to save, invest and plan for retirement. The second dimension is willingness, including the psychological, emotional, and motivational variables that drive people to plan and save for retirement. Retirement goal clarity, level of retirement anxiety, perception of social customs and norms, and financial risk tolerance are some of the factors that represent this dimension. The third dimension is the opportunity which

consists of external variables that affect workers' performance during FPR (Topa et al., 2018a). Examples of opportunity factors that affect FPR for individuals are environmental factors and constraints, such as financial advisors, social support, and the retirement savings programme, as shown in Figure 3 (Topa et al., 2018a). Empirically, the CWO model was employed only by Jiménez et al. (2019) and Palací et al. (2017, 2018) only in Spain.

There are several reasons why the CWO model is more compatible with FPR studies. Firstly, it is specifically designed to interpret FPR. Secondly, the three dimensions introduced by the model

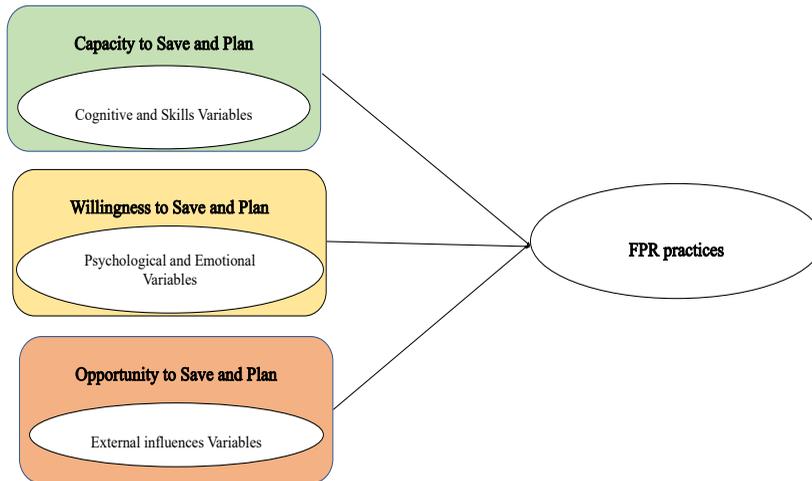


Figure 3. CWO conceptual model for Hershey developed by Blumberg and Pringle 1982 (Topa et al., 2018)

enable a detailed understanding of workers’ behaviour in their FPR by incorporating additional variables to understand better the motivating effects of the determinants (Topa et al., 2018a). Further, this model is procedural because it has a temporal dimension, analyses age and stage of retirement, and how these interact with variables in the model (Topa et al., 2018a). Moreover, this model is appropriate for examining diverse economies with different cultural, social, and political environments due to the model’s ability to change based on the lives of individuals that change over time, which represents the continuity of predispositions to change through adulthood (Hershey et al., 2012). Finally, this model overcomes other limitations of the FPR model and simultaneously evaluates the association between the variables of various fields and FPR.

Table 4 provides more specific information about the authors, samples, and country of origin, as well as the types

of models and underlying theories of the selected articles.

### Underlying Theories

In empirical studies on FPR behaviours, scholars commonly used various theories from different disciplines to support each variable in the proposed conceptual models (Hershey et al., 2010; Nga & Yeoh, 2018). The theories employed included the Theory of Planned Behaviour (TPB), Life Cycle Hypothesis (LCH), and Image Theory, which is the most important. The theory was proposed by Beach and Mitchell (1987), who suggested several predictions, including personality traits, knowledgeable constructs, and perceptual and behavioural variables that belong to future events (França & Hershey, 2018). Psychological researchers usually use this theory in their studies to predict the participants’ future goals, such as perceived adequacy of savings and levels of FPR.

Table 4

*Authors, samples and country of origins, types of models and underlying theories*

No.	Authors	Sample (Country of Origin)	Type of Model	Theory
1	Topa et al. (2012)	1272 immigrants (Europe)		Theory of Planned behaviour, Theory of Human Capital
2	Koposko, A Hershey (2014)	722 college students (USA)		Image theory
3	Orel et al. (2014)	138 middle-aged females (USA)		---
4	Kiso, Hershey (2017)	988 adults (USA)	Fixed FPR Models	---
5	Nga Yeoh (2018)	160 (Malaysia)		(Theory of planned behaviour, Continuity Theory, Social identity theory)
6	Vivl-Bua et al. (2019)	165,791 (Spain)		(General theory of employment, Life cycle theory of saving)
7	Hershey and Mowen (2000)	230 households (USA)	Hershey Model 1	---
8	Schuabb et al. (2019)	319 health workers (Brazil)		---
9	Hershey et al. (2007)	265 middle-aged working adults (USA)		(Image theory & M3 theory of personality)
10	Hershey et al. (2010)	Working adults - 419 (American) and 556 (Dutch)	Hershey Model 2	(Social learning theory, Life cycle theory, Image theory, 3M theory)
11	Franca and Hershey (2018)	167 working adults (Brazil)		(Image theory & M3 theory of personality)
12	Palaci et al. (2017)	280 adults (Spain)		-
13	Palaci et al. (2018)	296 workers (Spain)	Hershey Model 3 (CWO)	Theory of Planned Behavior
14	Jiménez et al. (2019)	948 workers (Spain)		-
15	Topa et al. (2009)			-
16	Topa et al. (2018)	-	Conceptual Papers	Intentional Change Theory
17	Hershey (2004)			-
18	Kumar et al. (2019)			-

Ajzen (1991) proposed that TPB links attitudes and behaviour intention. In this regard, the theory helps academics explain the intent of saving and planning for retirement among study participants. LCH is an economic theory proposed by Franco Modigliani and Richard Brumberg in the early 1950s. It provides valuable information on people's spending and saving behaviours throughout their lives. For example, Vivel-Búa et al. (2019) used LCH to analyse the critical role of financial resources in saving decisions for retirement.

In contrast, Hershey et al. (2010) applied LCH to explain the role of social forces influence on saving and investing behaviour. Some other theories used included Continuity Theory, Social Identity Theory, and Social Learning Theory. Finally, Topa et al. (2018a) went a step further by proposing that the Intentional Change Theory be applied in future studies on FPR. Table 4 summarises the theories underlying the reviewed studies.

### **Determinants of FPR Models**

A thorough review of the selected studies found that FPR behaviour differs across cognitive, psychological, socio-demographic, and external variables. The following paragraphs focus on reviewing selected studies to describe these variables.

**Knowledgeable and Skill Variables.** One of the most crucial cognitive factors in retirement planning is financial literacy (FL) (Hershey et al., 2010). The studies showed that financial literacy is essential in financial

decision-making (Koposko & Hershey, 2014) for knowledge and numeracy skills, leading to better planning and saving for retirement. However, financially illiterate people cannot save and plan for retirement, leading to poor mortgage decisions, poor financial security for seniors, and high debt loads. Consequently, researchers have applied financial literacy to FPR models with different roles.

First, França and Hershey (2018), Hershey and Mowen (2000), Hershey (2004), and Palaci et al. (2017) applied FL, besides psychological variables, as a mediator to explain the relationship of the independent variables to the FPR. On the contrary, Jiménez et al. (2019), Palaci et al. (2018) employed FL as the independent variable. However, Koposko and Hershey (2014) and Nga and Yeoh (2018) used FL as the independent and mediator variable. The results of the studies indicated that FL is an excellent predictor of participants' perception of FPR, even though the role of FL in the studies was different. Moreover, several studies in FPR have illustrated that FL interacts with various variables, such as parental influence in their adolescence (Gutierrez & Hershey, 2014) and university students (Thung et al., 2012). Also, FL was found to interact with gender (Kumar et al., 2019), income, and education level (Bucher-Koenen & Lusardi, 2011; Hastings & Mitchell, 2020).

**Psychological Variables.** Notwithstanding that the included studies have examined psychological variables and demonstrated

a significant relationship with FPR, Kumar et al. (2019) showed that they were still at the new stage. Selected studies confirm the importance of certain psychological variables: retirement goal clarity, confidence in retirement, retirement planning activity level, retirement relevance, and future time perspective.

On the one hand, selected studies showed that the most widely acknowledged predictor of financial planning for retirement is retirement goal clarity. Therefore, their relationship played a significantly positive role in planning activities. Also, they confirmed its influence directly (França & Hershey, 2018; Hershey et al., 2007b, 2010) and indirectly (Koposko & Hershey, 2014) on FPR. However, on the other hand, the selected studies also revealed that age and future time perspective were the most common but debatable predictors for retirement goal clarity (França & Hershey, 2018; Hershey et al., 2007b, 2010). Furthermore, they demonstrated that young people did not have clear retirement goals like adults, but these goals would develop over time and become more pronounced as they became older (Hershey et al., 2010). For this reason, it is not wrong to conclude that retirement goals are accordingly changing to people's age and needs (Zhu & Chou, 2018).

The second psychological determinant of FPR covered in the SLR is the future time perspective. This variable is a personality trait factor that measures what individuals think, believe, or do, not in the past or the present, but in the distant future (Hershey et al., 2010). In the experimental studies,

researchers have shown that future time predicts the preference of people to plan and save for retirement. Following Hershey's (2004) modification of the Life Planning Model as advanced by Friedman and Scholnick (1997), subsequent authors have noted that the future time perspective was a good indicator of the financial readiness of seniors. For example, Hershey et al. (2010) indicated that among participants aged 25–64, young adults were less motivated by FPR than older people by early learning experiences as part of the associated savings. Consequently, financially educated parents generally teach their children financial lessons early to motivate them to save and plan for their future (França & Hershey, 2018).

Retirement planning activities level is another critical psychological factor influencing FPR. It consists of several behaviours that motivate people to improve their financial knowledge, mainly saving and investing practices (Schuabb et al., 2019). Such behaviours differ from other psychological patterns (Hershey et al., 2007b). They encourage people to search for new information by attending courses or lectures in FPR. Examples of retirement planning activities include psychological preparation for retirement, financial management, retirement relevance, and personal saving practices examined in FPR studies. On an empirical basis, Jiménez et al. (2019) mentioned that psychological preparation for retirement has an explanatory role in FPR as financial self-efficacy (Zyphur et al., 2015). Also, Schuabb et al. (2019)

reported that planning behaviours and the level of personal savings practices had a positive relationship to retirement saving behaviour. It means that for individuals who used to plan for every aspect of their lives, their level of savings will be high, indicating a positive and significant relationship with FPR (Hershey et al., 2007b; Palaci et al., 2017).

**Socio-Demographic Variables.** The SLR identifies significant socio-demographic factors (age, gender, work and job-related, income, family structure, and marital status) that consider different individual backgrounds in planning and saving for retirement.

Young people were less involved in FPR than pre-retirees, except those who were well-educated Jiménez et al. (2019) and Kumar et al. (2019) concluded that individuals might not start planning financially for retirement before 40 years old. One possible reason is that young people usually lack financial literacy and experiences considered motivating keys to planning and saving for retirement (Taylor & Geldhauser, 2007). Meanwhile, older adults can plan and save for retirement because they have more financial resources that help them use financial counselling services (Hirschi et al., 2017; Jiménez et al., 2019) to meet their post-retirement needs. However, França (2018) and Kopusko and Hershey (2014) demonstrated no appreciable differences. Apart from these findings, Hershey et al. (2004, 2007a, 2010) and França (2018) concluded that retirement

goal clarity, financial planning knowledge, planning activities level, income, and future time perspective mediated the relationship between age and FPR.

Another socio-demographic factor that is important to FPR is gender. Even though França and Hershey (2018) and Vivel-Búa et al. (2019) found that gender was not a significant driver of retirement planning activities, Heilman and Kusev (2017) and Jiménez et al. (2019) documented that gender analysis was crucial given that males were more likely to be highly skilled experts (Glass & Kilpatrick, 1998; Topa et al., 2018b). However, Palaci et al. (2017) reported that gender occupational career levels do not affect FPR. Furthermore, empirical studies showed that women had less concern about their retirement (Fabre et al., 2016; Jiménez et al., 2019) and were incapable of planning to retire. Most probably because of poor financial literacy (Kiso & Hershey, 2017; Kumar et al., 2019) and discrimination in the labour force (Orel et al., 2004; Vivel-Búa et al., 2019). Along the same lines, studies recognised that women have less investment and savings in retirement (Fontes, 2011; Lum & Lightfoot, 2003). However, this result was contradicted by Vivel-Búa et al. (2019), who concluded that women were risk-averse, helping them raise more money to protect themselves and save for retirement.

Work and job-related variables that have a significant and positive impact on FPR include job requirements, employment status, years of experience, and job category. They influence several aspects of life,

including financial exposure, lifestyle, and financial income (Kumar et al., 2019). Job category, for example, impacts individual financial decisions on how much to save and invest in pension plans (Vivel-Búa et al., 2019). Vivel-Búa et al. (2019) concluded that the probability of self-employed persons saving a life after leaving the labour market was higher than that of people who worked for the government, were unemployed, or were not in the labour market. It is given that work independence means lower replacement rates. In contrast, Topa et al. (2012) concluded that people with permanent contracts and stable jobs had more control over work procedures. They, therefore, have a greater ability to plan and invest in pension financing products.

Income as a socio-demographic factor is no less important than age and gender in FPR because, by nature, people generally aim at a higher level of economic well-being (Palací et al., 2018). Wealth or high incomes help individuals to have reasonable control over their short- and medium-term financial resources. It also makes it possible to face unforeseen financial problems, achieve financial goals efficiently and allow people to make decisions to enjoy their lives. For example, people whose economic welfare was higher than the norm were more involved in saving and investing for financial preparation. In this respect, having a high-income level from various sources is a recognised predictor of financial planning for retirement (Palací et al., 2018). According to the SLR, Hershey et al. (2007a) showed that income

significantly impacted FPR and indirectly on psychological variables. Consistent with this study's result, Palací et al. (2018b), Schuabb et al. (2019), and Topa et al. (2012) confirmed that financial well-being, family income, and salary were significant and positively linked with FPR. Furthermore, they pointed out that the income level was highly associated with FPR. The results of those studies included a recommendation that the relationship between income and FPR is strong.

Family structure is another major factor that influences FPR. Typically, men and women play different critical roles within the family. In terms of women, especially mothers, are responsible for raising their children and taking care of their husbands and other family members or even neighbours. On the other hand, as a father and head of a family, men are more likely to be caregivers, protectors, leaders, and teachers. They both play a significant role in the lives of their children and their families. As children grow up, their needs increase, discouraging parents from planning to invest in pension schemes. According to selected studies, Kopusko and Hershey (2014) showed that learning experiences from parents and families play a significant role in increasing children's participation in financial planning. Also, Palací et al. (2017) showed that the economic behaviour of the parents influenced the economic behaviour of their children. However, empirical evidence showed that the relationship between the number of children and FPR was negative in the sense that financial

assistance is increasing in a home with many children, and hence the allocation of financial resources for FPR will be reduced (Chatterjee et al., 2010; Vivel-Búa et al., 2019).

According to the financial planning literature, marital status may not be a critical factor affecting men's FPR, but the opposite is true for women. In other words, it determines financial security once a woman leaves the labour market. Studies demonstrated that marital status influences FPR (Orel et al., 2004; Schuabb et al., 2019) and could be one of the drivers of retirement savings (Vivel-Búa et al., 2019). Fontes (2011) stated that married individuals had a strong interest in saving for retirement to ensure the family's economic stability when income declines after leaving work and dependent on retirement income. More specifically, married women were relatively more impacted by their investment decisions than divorced and single women (Orel et al., 2004). However, single women displayed that they could not deal with critical events because of financial resources (Damman et al., 2014; Noone et al., 2010) or financial illiteracy.

**External Variables.** External factors influence individual performance and are generally grouped into three broad categories: social-environmental, economic, and circumstantial factors (Hershey et al., 2012). In general, these variables are essential because they influence employee decision-making, particularly when it comes to FPR. For example, the impact of social

network factors (e.g., support of spouse, friends, and parents) on human beings has been documented in the financial planning literature (Hershey et al., 2010; Kopusko & Hershey, 2014; Kumar et al., 2019). Typically, people receive advice on their retirement from people who are educated, knowledgeable, and whom they trust. According to selected studies, Hershey et al. (2010) demonstrated that individuals could be influenced by the people closest to them, such as family, friends, and work colleagues, on their future financial goals and retirement planning for post-retirement life. In addition, Kopusko and Hershey (2014) showed that parental experience is a crucial factor in influencing the process of financial socialization, shaping the attitudes and behaviour of their children. Nga and Yeoh (2018) also stated that the views of friends and spouses were seen as necessary in retirement decision-making.

Despite the impact of the social network variables on the financial planning of retirement, the role of economic variables (e.g., financial resources, economic socialization of parents, and saving) cannot be ignored. They are an essential driver of financial planning for retirement. Financial resourcing, for example, is a critical factor that impacts employees' retirement decision-making and the timing of decisions that will allow them to stay employed or retire from the workforce. Having sufficient financial resources helps employees feel economically secure by providing them with adequate income to meet their financial needs after retirement. Likewise, it helps

them face contemporary challenges, such as an increase in life expectancy and cost of living, which decreases workers' confidence in the sustainability and adequacy of their pensions. Therefore, employees have to increase their financial resources throughout their professional careers to have sufficient economic resources to meet their needs after retirement, as indicated by Palací et al. (2017). Moreover, they must prepare themselves for unexpected financial difficulties (Palací et al., 2018).

The economic socialization of parents is another critical economic variable that helps address the economic challenges that children and adolescents face in their daily lives (Palací et al., 2017). This variable improves children's financial decisions and skills, enabling them to adopt more responsible financial behaviour in adulthood. In terms of savings, it is considered one of the most critical economic variables widely examined among individuals, which is seen as the primary starting point for describing financial behaviour (Palací et al., 2018). For example, it was made clear by the disparity of saving-related opportunities between the American and Netherland pension systems (Hershey et al., 2007a). The scholars revealed that the American employees had greater participation in a wide range of financial tools of FPR than the Dutch since employer pension programs were not as common in the USA. Due to this, the workers are more ready to accept the financial burden of investing and save for post-retirement in America.

Circumstantial variables frequently influence people's financial behaviour. Kumar et al. (2019) indicated the catalysts and financial planning constraints identified by Kemp et al. (2005). The authors revealed that the catalysts of financial planning were employer programs and retirement courses. They also showed other factors (e.g., divorce, spousal death, and remarriage), which are considered catalysts and constraints that depend on the individual's circumstances. In conclusion, social network, economic, and circumstantial variables are examples of how critical external variables influence financial planning for retirement behaviour.

## CONCLUSION

The study reviews 18 papers to assess theories, methodologies, and determinants of FPR to highlight the pertinent gaps in the literature. Based on Robinson et al. (2011), who identified seven possible research gaps, this review shows three significant gaps in the existing literature: knowledge, empirical, and population.

Research on FPR behaviour that developed definite conceptual models remains relatively ambiguous, especially in emerging countries. The first two conceptual models of Hershey (2000, 2004) examined FPR in the USA and compared a study between Brazil and the Netherlands. Meanwhile, the CWO model dominantly investigated Spanish adults. Although these studies shed light on various predictors like psychological, cultural, financial, and task characteristics factors, as indicated by Topa et al. (2018a), there is still a lack of

empirical studies to examine the complete model to understand the determinants of FPR behaviour. Hence, applying these conceptual models in developing countries may provide more interesting findings given the different work cultures and environments besides being demographically diverse.

It can be inferred from the SLR that a range of variables, namely, psychological variables underlying FPR, need to be studied more in-depth (Kumar et al., 2019). Retirement goals have been examined in numerous papers, but only a few researchers studied working-age people's goals. Notably, some other known significant psychological factors that shape people's financial behaviour, like self-control, have yet to be included in the selected studies. Accordingly, it will be beneficial to conduct further studies on retirement goal clarity and self-control in various samples.

Similarly, a set of economic variables, namely financial resources, has positively influenced FPR (Palací et al., 2018; Schuabb et al., 2019; Topa et al., 2012). However, other studies such as Blake (2004), Feldstein (1974, 1976, 1982), and França and Hershey (2018) proved that financial resources did not influence the retirement decision. It is another gap to consider. Likewise, despite the impact of social network factors on the financial planning of retirement, some studies investigated their interaction with FPR (Tomar et al., 2021). However, the results are still inconsistent (Murari et al., 2021). Therefore, additional studies are needed to assess whether the previous results correspond to future studies by applying different research methods.

Although numerous selected studies have examined social (for example, support of parents, spouses, and friends) and economic (for example, financial resources, salary, and financial well-being) variables that affect FPR behaviour, it is preferable to look beyond these variables to consider the influence of certain other external variables (for example, cultural and social norms, cost of living, pension schemes, health issues, and unexpected inheritance) and the effects of this interaction on FPR. Moreover, the interaction of the proposed variables is not limited to the inclination toward FPR but also the quality of retirement savings, the behaviour of investors, their choices of different retirement schemes, and the level of retirement wealth among individuals. These deserve further exploration in future research.

Moreover, most studies on FPR models have been conducted based on a quantitative approach. Therefore, there is a need for more clarity on FPR behaviour by applying qualitative or mixed-method in future research to provide comprehensive insights and valuable information regarding the relationship between cognitive, psychological, and external variables and financial planning for retirement. Since researchers did not draw attention until recently, this area needs a robust theoretical framework (Kumar et al., 2019).

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