A RESEARCH ON FINANCIAL PLANNING FOR RETIREMENT AMONG WORKING WOMEN

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Abstract

Financial security after retirement is a critical aspect of personal wellbeing, especially for working women who often face career breaks, wage disparities, and longer life expectancy. This research aims to assess the level of awareness, financial literacy, planning behavior, and retirement preparedness among working women in Thane and Mumbai districts of Maharashtra, India. A structured questionnaire was administered to 101 respondents, and the results indicate that although most women possess partial or full awareness of retirement planning, a significant gap persists in actual investment behavior. Income limitations, insufficient exposure to financial schemes, and lack of professional guidance contribute to lower engagement in retirement investments. The study highlights the urgency to strengthen financial literacy programs, workplace education, and policy frameworks to support better retirement planning for women.

Introduction

Financial planning is a comprehensive and dynamic process that individuals, families, and businesses undertake to manage their financial affairs and achieve specific financial goals. It involves evaluating the current financial situation, setting realistic objectives, and developing strategies to attain those objectives over time. A well-structured financial plan considers income, expenses, investments, risk management, retirement planning, tax optimization, and estate planning, among other factors. The aim is to create a roadmap that guides financial decisions, maximizes resources, and ensures long-term financial well-being. Financial planning is a process of setting goals, assessing the current and future resources and needs, and making plans to achieve those goals.

Financial planning can help individuals and businesses to manage their finances effectively, save for the future, and cope with uncertainties and risks. Financial planning can also involve various aspects such as budgeting, investing, tax planning, retirement planning, estate planning, and insurance planning.

A brief overview of what financial planning is and why it is important. This could include some examples of common financial goals and challenges that people face. A discussion of the main steps and components of financial planning, such as setting SMART (specific, measurable, achievable, relevant, and time- bound) goals, analyzing the current and future financial situation, developing and implementing a financial plan, and monitoring and reviewing the plan regularly. A description of the benefits and outcomes of financial planning, such as improved financial literacy, increased savings and wealth, reduced debt and stress, enhanced security and confidence, and better quality of life and a conclusion that summarizes the main points and provides some tips or recommendations for effective financial planning, such as seeking professional advice, using reliable tools and resources, and being flexible and adaptable to changing circumstances.

Objectives of the Study

The primary objectives of this study are as follows:

- To assess the level of financial management awareness among working women.
- To understand the impact of socio-demographic factors on retirement planning.
- To identify psychological constructs affecting financial decision-making.
- To explore the role of financial literacy in retirement preparedness.
- To examine economic and circumstantial forces influencing retirement planning.

Research Design

Study Type

This research will be analytical and cross-sectional in nature. It involves collecting data at a specific point in time to understand the current state of retirement planning among working women.

Data Collection

- **Sampling**: A purposive sampling technique will be used to select working women across different age groups, income levels, and professions.
- **Data Sources**: Primary data will be collected through structured interviews, questionnaires, and focus group discussions. Secondary data will be obtained from existing literature and reports.

Variables

- **Dependent Variable**: Retirement planning behaviors among working women.

- **Independent Variables**: Socio-demographic factors (age, income, education), psychological constructs (risk tolerance, attitudes), and financial literacy.

Data Analysis

Descriptive Analysis

1. Descriptive statistics will summarize the demographic characteristics of the sample.
2. Frequency distributions will show the prevalence of different retirement planning behaviors.

Regression Analysis

1. Multiple regression models will assess the impact of independent variables on retirement planning.
2. Hypotheses will be tested to determine significant predictors of retirement preparedness.

Review of Literature

Prior studies also highlight an important long-term implication: women are at a higher risk of financial vulnerability later in life due to limited pension access, career breaks for caregiving, and lower personal savings and investment activity compared to men. This increases the likelihood of dependency during retirement, especially when combined with inadequate awareness of formal social security schemes. Research by Lusardi & Mitchell (2014) emphasizes that individuals with higher financial literacy are significantly more proactive in retirement planning, wealth accumulation, and managing financial risks. Therefore, improving women's understanding of investment products, pension plans, and digital financial tools becomes critical to strengthening long-term financial security.

To address these challenges, the Government of India and regulatory bodies have launched several initiatives. Notable among them are NISM-led financial education programs aimed at enhancing capital market awareness, and the RBI's nationwide campaign "RBI Kehta Hai," designed to inform citizens about secure banking practices, consumer rights, and fraud prevention. However, despite their good intent and broad outreach strategies, the current study suggests that penetration and effectiveness of these programs remain limited. Many respondents were either unfamiliar with these initiatives or did not perceive them as major sources of financial literacy improvement, pointing to a gap between policy formulation and on-ground impact. Increasing accessibility, localized delivery, and targeted content for women could substantially improve the outcomes of such programs.

Results and Data Interpretation

Demographic and Employment Characteristics

Many respondents fall within the economically active age bracket of 25–45 years, indicating strong potential for engagement in financial planning. Women employed in the education sector form the largest occupational group, followed by those in private and informal sectors. Over half of the respondents earn below ₹2,50,000 annually, signaling limited financial surplus for longterm investments.

Financial Knowledge and Behaviour

Although 55% of respondents demonstrate adequate awareness of financial planning, a substantial proportion still exhibits only partial or minimal understanding. This highlights the continued presence of knowledge gaps that can hinder informed financial decision-making. While 44% have invested in retirement schemes, the majority remain non-participants despite having basic awareness, suggesting barriers related to risk perception, product complexity, or insufficient guidance.

Retirement Expectations and Preparedness

Most participants expect to retire between 56–60 years and recognize the need for a significant retirement corpus, with 62% estimating ₹20 lakhs or more as adequate. However, awareness of formal retirement instruments remains low, as 78% are unfamiliar with employer-linked schemes. Notably, 67% have considered healthcare costs in future planning, reflecting growing concern about medical expenses.

Financial Advisory Engagement

Professional financial guidance remains underutilized, with less than one-third expressing intent to seek advisory support. Confidence in self-management, limited exposure to advisory services, and cost concerns may contribute to this reluctance.

Discussion

The analysis shows promising awareness levels but insufficient execution of retirement planning. Younger women show better financial knowledge yet hesitate to invest, possibly due to low income, limited job security, or lack of confidence in financial products.

The lack of awareness of institutional retirement schemes indicates a communication gap between financial organizations and target beneficiaries. The dominance of education sector employees suggests employer-sponsored retirement benefits could be emphasized more.

Healthcare awareness is encouraging, but professional consultation remains low — implying women often rely on informal sources for financial decisions. Overall, progress exists, yet behavioral transformation is needed to convert awareness into consistent retirement investments.

Findings

1. Working women exhibit high awareness but lower practical involvement in retirement planning.
2. Income constraints act as a major barrier to long-term investments.
3. Awareness of government and employer retirement schemes is significantly low.
4. Majority expect to require high retirement funds but lack structured investment planning.
5. Healthcare costs are considered by most, signaling positive future-oriented behavior.
6. Professional financial guidance is underutilized despite its importance.

Suggestions

Suggestions Encourage women to begin saving for retirement as early as possible. The power of compound interest means that even small contributions made early on can grow substantially over time.

1. Help women define their retirement goals, including desired lifestyle, retirement age, and estimated expenses. Having specific goals can motivate them to save and plan effectively.
2. Encourage women to take advantage of employer-sponsored retirement plans such as 401(k)s and IRAs. They should aim to contribute enough to receive any employer matching contributions and consider increasing their contributions over time.
3. Educate women about the importance of diversification in their investment portfolios. Diversifying across different asset classes can help manage risk and potentially improve returns over the long term.

4. Provide information about Social Security benefits and strategies to maximize them, such as delaying claiming benefits to increase monthly payments or coordinating benefits with a spouse.
5. Help women estimate and plan for healthcare expenses in retirement, including premiums for Medicare and potential long-term care costs. Consider options such as health savings accounts (HSAs) to save for healthcare expenses tax-efficiently.
6. Encourage women to factor in major life events such as marriage, divorce, childbirth, or career changes when planning for retirement. These events can impact financial needs and goals.
7. Encourage ongoing education about personal finance and retirement planning through books, articles, workshops, or online resources. Women should stay informed about changes in tax laws, investment options, and retirement planning strategies.
8. Recommend seeking advice from qualified financial advisors or planners who can provide personalized guidance based on individual circumstances and goals. Look for advisors who specialize in working with women or have expertise in retirement planning.
9. Emphasize the importance of regularly reviewing and adjusting retirement plans as circumstances change. Women should revisit their goals, investment strategy, and savings contributions periodically to ensure they stay on track to meet their retirement objectives.

By following these suggestions, working women can take proactive steps to improve their financial preparedness for retirement and achieve greater peace of mind about their financial future.

Conclusion

The study concludes that while working women in Thane and Mumbai demonstrate substantial awareness of retirement planning, many are still not adequately financially prepared for their post-retirement life. Factors such as lower income, limited knowledge of available schemes, and delayed investment actions contribute to this gap. Immediate improvements in financial education and workplace-based advisory programs are essential to empower women to achieve financial security in retirement. Strengthening retirement planning behavior among women will not only improve their economic independence but also support broader social and economic progress.

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