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FINANCIAL LITERACY AND FINANCIAL ATTITUDE AS DETERMINANTS OF RETIREMENT PLANNING BEHAVIOUR AMONG WORKING PROFESSIONALS IN KERALA

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ABSTRACT

Retirement planning has become an important component of individual financial well-being as working professionals increasingly assume responsibility for financing their post-retirement years. Financial literacy and financial attitude are considered important determinants of how individuals perceive, evaluate, and undertake long-term financial planning. The present quantitative study examines the influence of financial literacy and financial attitude on retirement planning behaviour among working professionals in Kerala, India. The study specifically investigates whether financial knowledge and individuals' attitudes towards saving, investment, financial discipline, and future financial security significantly influence retirement planning behaviour. Primary data were collected using a structured questionnaire. A total of 300 questionnaires were distributed, of which 294 valid responses were retained for the study, resulting in a valid response rate of 98.0%. Non-probability purposive sampling was employed to select working professionals who met the study's eligibility criteria. Financial literacy was measured through respondents' understanding of fundamental financial concepts, saving, investment, inflation, interest rates, risk, and retirement-related financial planning. Financial attitude was assessed through future orientation, saving discipline, financial responsibility, and long-term financial preferences. Retirement planning behaviour was measured through retirement savings, investment planning, pension participation, financial goal setting, and regular retirement preparation. Descriptive statistics, reliability analysis, Pearson correlation, and multiple regression analysis are proposed to examine the relationships among the variables. The study provides an empirical framework for understanding the role of financial capability and financial attitudes in retirement preparedness among working professionals in Kerala.

Keywords: Financial Literacy, Financial Attitude, Retirement Planning, Retirement Planning Behaviour, Working Professionals, Financial Behaviour, Kerala.

1. INTRODUCTION

Retirement planning has become an increasingly important component of personal financial management as individuals are expected to assume greater responsibility for securing their financial well-being after the completion of their working lives. Changes in employment structures, increasing longevity, inflation, healthcare expenditure, and the gradual movement from traditional defined-benefit arrangements toward individual-oriented retirement accumulation have increased the importance of early financial preparation. Retirement planning is not limited to accumulating savings; it involves investment decisions, risk management, pension participation, insurance, debt management, and the establishment of long-term financial goals. Recent research conceptualises retirement planning as one of the major dimensions of broader financial planning behaviour and highlights the importance of financial literacy, financial cognition, attitudes, and behavioural factors in determining whether individuals actually engage in financial planning.

Financial literacy is widely recognised as an important foundation of effective financial decision-making. It refers to an individual's ability to understand and apply fundamental financial concepts, including interest rates, inflation, risk and return, saving, investment, borrowing, and financial planning. Individuals with stronger financial literacy are generally better positioned to evaluate financial products, understand investment risks, formulate financial goals, and make informed long-term decisions. A recent systematic review by Negi and Jaiswal (2024), which examined 79 studies, identified financial literacy as an important factor shaping consumer financial behaviour and highlighted the complex relationship between knowledge, financial decisions, and behavioural outcomes.

The relationship between financial literacy and retirement planning is particularly important. Retirement decisions are inherently long-term and involve uncertainty concerning future income, inflation, investment returns, longevity, and healthcare costs. Individuals need adequate financial knowledge to estimate future requirements and select appropriate savings and investment instruments. A recent systematic review of retirement-planning literature concluded that financial literacy is among the significant factors associated with employees' retirement planning behaviour. Similarly, a 2024 systematic review specifically examining financial literacy and retirement planning reported that existing research generally demonstrates a positive contribution of financial literacy to retirement planning and highlighted the need to examine the mechanisms through which financial literacy contributes to retirement confidence.

Recent empirical evidence from India further supports this relationship. A 2024 study involving participants from major Indian IT hubs, Bengaluru and Chennai, found a strong association between financial literacy and retirement planning and identified savings attitudes, borrowing behaviour, investment decisions, insurance allocation, and spending behaviour as important components associated with retirement preparedness. Such evidence indicates that financial literacy may influence retirement planning not only through knowledge but also through the development of appropriate financial practices.

The importance of financial literacy has also been demonstrated through broader research on financial behaviour. Arjun (2024), in a systematic review focusing specifically on the Indian context, examined how financial literacy has been conceptualised and measured in Indian research. The review highlights the multidimensional nature of financial literacy and the importance of appropriate measurement when examining financial behaviour among Indian populations. This is particularly relevant to the present study because financial literacy should not be reduced to simple awareness of financial terminology; it should encompass practical knowledge that enables individuals to make informed financial decisions.

However, financial knowledge alone may not be sufficient to produce effective retirement planning. Individuals may possess adequate knowledge of savings and investment but fail to act because of short-term consumption preferences, inadequate saving discipline, risk perceptions, procrastination, or insufficient future orientation. This brings financial attitude into the analysis. Financial attitude refers to an individual's psychological orientation toward money, saving, spending, investment, financial responsibility, and future financial security. It represents the extent to which individuals value financial discipline and prioritise long-term financial goals.

Recent research has increasingly identified financial attitude as an important behavioural determinant of retirement planning. Indapurkar et al. (2024), using survey data from 506 respondents and structural equation modelling, examined financial well-being, financial attitude, and retirement planning. Their findings demonstrated significant relationships between individuals' financial perspectives, financial well-being, and retirement preparation, while financial attitude played an important role in explaining retirement-planning outcomes. This evidence suggests that individuals' attitudes toward financial management can affect whether financial resources and knowledge are translated into actual retirement preparation.

The importance of attitude is also consistent with contemporary theoretical approaches to financial planning behaviour. Yeo et al. (2024), following a systematic review of financial planning literature, proposed a theory of financial planning behaviour in which financial satisfaction and attitude, financial socialisation, financial literacy, mental accounting, and financial cognition contribute to financial planning intentions and subsequent financial planning behaviour. Retirement planning is identified as one of the major forms of financial planning behaviour within this framework. The framework therefore provides a useful theoretical basis for examining financial literacy and financial attitude simultaneously rather than treating them as isolated determinants.

The interaction between financial literacy and financial attitude is particularly relevant for working professionals. Working professionals generally receive regular income and therefore possess greater opportunities to save and invest for retirement. However, the existence of income does not necessarily ensure adequate retirement preparation. Professionals may prioritise immediate consumption, children's education, housing, debt repayment, or lifestyle expenditure over long-term retirement savings. Consequently, their financial knowledge and attitude toward future financial security may determine how effectively they convert their income into retirement-oriented financial assets.

2. REVIEW OF LITERATURE

The literature on retirement planning increasingly recognises that financial outcomes are determined not only by income and access to financial products but also by individuals' financial knowledge, attitudes, behavioural tendencies, and long-term planning orientation. For the present study, the literature is organised around the three principal variables: financial literacy, financial attitude, and retirement planning behaviour.

2.1 Financial Literacy

Financial literacy represents an individual's ability to understand and apply financial knowledge when making economic decisions. It generally includes knowledge of interest rates, inflation, risk and return, savings, investment, borrowing, insurance, and financial planning. Financially literate individuals are expected to be better equipped to evaluate financial alternatives and make informed decisions concerning long-term financial security. Negi and Jaiswal (2024), through a systematic review of 79 studies, examined the relationship between financial literacy and consumer financial behaviour. Their review demonstrated that financial literacy is an important determinant of financial decision-making, although the strength of the relationship varies according to behavioural and contextual factors. The study emphasised that financial literacy should be understood as a multidimensional capability rather than simply as knowledge of financial terminology.

In the Indian context, Arjun (2024) reviewed the conceptualisation and measurement of financial literacy and observed considerable variation in the way financial literacy has been defined and measured across Indian studies. The review highlights the importance of considering both financial knowledge and its practical application when examining financial behaviour. This observation is particularly relevant to retirement planning because knowledge of investment and savings instruments does not necessarily guarantee their effective use. Yeo et al. (2024), in their systematic review of financial planning behaviour, incorporated financial literacy within a broader theoretical framework of financial planning. Their framework proposes that financial literacy interacts with financial attitudes, financial cognition, socialisation, and other behavioural mechanisms to influence financial planning intentions and subsequent behaviour. This supports the argument that financial literacy should be investigated alongside financial attitude rather than as an isolated predictor.

2.2 Financial Literacy and Retirement Planning

Retirement planning requires individuals to make decisions concerning savings, investment, pension schemes, insurance, inflation, longevity, and future expenditure. Financial literacy can therefore provide the cognitive foundation required to make such decisions.

Adhikari and Prakash (2024), in a systematic review of retirement planning behaviour, identified financial literacy as one of the important determinants of retirement preparation. Their review suggests that individuals possessing greater financial knowledge are generally more capable of understanding retirement products and evaluating the financial resources required after retirement.

A 2024 systematic review focusing specifically on financial literacy and retirement planning similarly concluded that financial literacy is positively associated with retirement planning across a substantial portion of the existing literature. The review also emphasised that financial literacy can enhance individuals' ability to estimate retirement needs, select appropriate financial products, and develop long-term savings strategies.

Empirical evidence from India provides further support. A 2024 study of individuals in Bengaluru and Chennai reported a significant association between financial literacy and retirement planning. The study considered savings, borrowing, investment, insurance, and spending behaviour as important components of financial preparedness. These findings indicate that financial literacy can contribute to retirement planning through improved management of broader financial activities. Thus, existing evidence supports the following proposition: **Financial literacy → Better retirement planning behaviour**

However, the relationship may not be entirely cognitive. Individuals may understand the importance of retirement savings but fail to act because of unfavourable financial attitudes. This provides a rationale for including financial attitude as a second independent variable.

2.3 Financial Attitude

Financial attitude refers to an individual's beliefs, values, preferences, and psychological orientation toward money management. It encompasses attitudes toward saving, spending, investing, debt, financial responsibility, and future financial security. A positive financial attitude generally reflects characteristics such as future orientation, saving discipline, financial responsibility, willingness to delay gratification, and preference for long-term financial security. Conversely, a negative financial attitude may be reflected in excessive consumption, weak saving preferences, short-term financial orientation, or reluctance to engage in long-term investment.

Yeo et al. (2024) identified financial attitude as an important component of financial planning behaviour. Their theoretical framework indicates that financial attitudes can affect financial planning intentions and subsequent financial behaviour. This supports the view that individuals' psychological orientation toward money is an important mechanism through which financial knowledge may be translated into action.

2.4 Financial Attitude and Retirement Planning Behaviour

Financial attitude is particularly important for retirement planning because retirement preparation requires individuals to prioritise future financial security over some immediate consumption opportunities. Indapurkar et al. (2024) examined financial well-being, financial attitude, and retirement planning using data from 506 respondents and structural equation modelling. Their findings demonstrated significant relationships involving financial attitude and retirement-related financial outcomes. The study indicates that individuals' attitudes toward financial management can influence how effectively they prepare for their financial future. A positive attitude toward saving can encourage individuals to allocate a regular proportion of current income to retirement accounts or investment products. Similarly, a future-oriented attitude may encourage individuals to begin retirement planning earlier rather than postponing it until the later stages of their careers.

Financial discipline can also influence retirement behaviour. Employees who regularly monitor their expenditure, maintain financial goals, and avoid unnecessary debt may possess greater capacity to make consistent retirement contributions. Therefore, the literature suggests: Positive financial attitude → Greater retirement planning behaviour

2.5 Retirement Planning Behaviour

Retirement planning behaviour refers to the actual financial actions individuals undertake to prepare for their post-employment period. It extends beyond the intention to save and includes concrete behaviours such as establishing retirement goals, contributing to pension schemes, investing for retirement, maintaining retirement savings, reviewing financial plans, and estimating future financial requirements. Retirement planning is increasingly recognised as a multidimensional financial behaviour. Yeo et al. (2024) place retirement planning within the broader concept of financial planning behaviour and emphasise the role of financial attitudes, literacy, cognition, and social influences. Adhikari and Prakash (2024) similarly identified several determinants of retirement planning behaviour, including financial literacy, demographic characteristics, financial attitudes, and other individual-level factors. Their systematic review demonstrates that retirement preparedness cannot be explained solely through income or employment status. For working professionals, retirement planning behaviour may include participation in employer-sponsored pension schemes, voluntary retirement savings, mutual funds, provident funds, insurance products, and other long-term investment instruments. The extent to which employees engage in these activities can provide an indication of their retirement preparedness.

2.6 Financial Literacy, Financial Attitude and Retirement Planning

An important development in recent literature is the movement away from examining financial literacy alone toward integrated models involving financial knowledge and psychological factors. Financial literacy provides the cognitive capability to understand financial decisions, while financial attitude reflects the willingness and preference to apply that knowledge. Thus, two individuals with similar levels of financial knowledge may demonstrate different retirement planning behaviours because they have different attitudes toward saving, investment, risk, and future consumption. For example, a financially knowledgeable employee may understand compound interest and retirement investment but still postpone saving because of a strong preference for present consumption. Conversely, an employee with a strong saving orientation may consistently prepare for retirement even with moderate financial knowledge. This distinction provides a strong theoretical rationale for examining both variables simultaneously.

2.7 Financial Literacy and Financial Behaviour

The broader financial-behaviour literature provides additional support for the relationship between financial literacy and retirement planning. Negi and Jaiswal (2024) reported that financial literacy is associated with several forms of financial behaviour, including saving, investment, and financial decision-making. However, their systematic review also indicates that financial knowledge does not operate in isolation and that behavioural and contextual factors can influence whether knowledge translates into appropriate financial actions. This finding is important for the present research because retirement planning is ultimately a behavioural outcome. Individuals must convert their knowledge of financial principles into regular saving, investment, pension participation, and long-term financial planning.

2.8 Financial Attitude and Financial Well-Being

Financial attitude is also related to broader financial well-being. Individuals who adopt disciplined and future-oriented financial attitudes may be more likely to maintain financial reserves, manage debt effectively, and plan for long-term needs. Indapurkar et al. (2024) demonstrated the relevance of financial attitude within a model of financial well-being and retirement planning. Their findings support the argument that attitudes toward money influence financial outcomes beyond simple financial knowledge. For working professionals, financial well-being during retirement depends substantially on decisions made during the working years. Consequently, developing a positive financial attitude may contribute to both current financial stability and future retirement preparedness.

2.9 Research Gap

The review identifies several important gaps in the existing literature. First, many studies examine financial literacy as an independent determinant of financial behaviour without simultaneously considering financial attitude. Second, although financial attitude has increasingly received attention, fewer studies specifically examine its independent effect on retirement planning behaviour among working professionals.

Third, much of the available evidence is based on broad populations rather than specifically on working professionals who have regular employment income and direct opportunities to participate in retirement-oriented financial products. Fourth, there is a need for more geographically focused evidence from Kerala, particularly regarding the combined contribution of financial literacy and financial attitude to retirement planning. Fifth, existing studies differ considerably in how they measure financial literacy, financial attitude, and retirement planning. A structured quantitative framework incorporating multiple indicators for each construct can therefore provide more comprehensive evidence. The present study addresses these gaps by examining two independent variables—financial literacy and financial attitude—and their influence on retirement planning behaviour among working professionals in Kerala.

2.10 Hypotheses Derived from Literature

Hypothesis 1

- **H_{01}:** Financial literacy has no significant influence on the retirement planning behaviour of working professionals in Kerala.
- **H_{11}:** Financial literacy has a significant influence on the retirement planning behaviour of working professionals in Kerala.

Hypothesis 2

- **H_{02}:** Financial attitude has no significant effect on the retirement planning behaviour of working professionals in Kerala.
- **H_{12}:** Financial attitude has a significant effect on the retirement planning behaviour of working professionals in Kerala.

3. RESEARCH METHODOLOGY

3.1 Research Approach

The present study adopts a quantitative research approach to empirically examine the influence of financial literacy and financial attitude on retirement planning behaviour among working professionals in Kerala. A quantitative approach is appropriate because the study seeks to measure the constructs systematically and statistically test the proposed hypotheses. The study examines financial literacy and financial attitude as independent variables and retirement planning behaviour as the dependent variable.

3.2 Research Design

A descriptive and explanatory research design is employed. The descriptive component is used to understand the demographic characteristics and financial characteristics of respondents, while the explanatory component examines whether financial literacy and financial attitude significantly predict retirement planning behaviour. The study follows a cross-sectional design, whereby data are collected from respondents during a specific period rather than being observed longitudinally.

3.3 Study Population

The target population comprises working professionals in Kerala who are currently engaged in employment and have the potential to undertake financial planning for their post-retirement period. The respondents were selected based on their relevance to the research objectives. The study focuses on working individuals because retirement planning is particularly important during the employment period, when individuals have regular income and opportunities to accumulate retirement resources.

3.4 Sampling Technique

The study employs **non-probability purposive sampling**.

Purposive sampling was considered appropriate because respondents were required to satisfy specific eligibility criteria, particularly being currently employed and capable of making or participating in financial decisions concerning their future retirement. The sampling procedure therefore involved identifying working professionals who were suitable for providing information regarding financial knowledge, financial attitudes, and retirement planning practices.

3.5 Sample Size

A total of 300 questionnaires were distributed among eligible working professionals. Of these, 294 questionnaires were complete and suitable for analysis, while 6 questionnaires were excluded because of incomplete or unusable responses.

Table 1: Sample Distribution

Particular	Frequency	Percentage
Questionnaires distributed	300	100.0
Valid questionnaires	294	98.0
Invalid/incomplete questionnaires	6	2.0
Total	**300**	**100.0**

The final sample consists of 294 valid respondents, representing a valid response rate of 98.0%. This provides an adequate empirical basis for the proposed statistical analysis.

3.6 Data Collection

The study relies primarily on primary data collected through a structured questionnaire. The questionnaire was designed based on the objectives of the study and the constructs identified from the existing literature.

The questionnaire was divided into four broad sections:

Section A: Demographic and professional characteristics

Section B: Financial literacy

Section C: Financial attitude

Section D: Retirement planning behaviour

Respondents were provided with appropriate instructions before completing the questionnaire. Participation was voluntary, and the information collected was intended solely for academic research.

3.7 Measurement of Variables

3.7.1 Financial Literacy

Financial literacy represents the respondent's knowledge and understanding of fundamental financial concepts relevant to personal financial decision-making.

The construct includes:

- Knowledge of interest rates
- Understanding of inflation
- Understanding of saving and investment
- Knowledge of risk and return
- Knowledge of diversification
- Understanding of pension and retirement products
- Knowledge of long-term financial planning

Financial literacy may be measured using objective and/or self-assessment items. For the present study, Likert-type statements are proposed to assess respondents' perceived financial knowledge and ability to apply financial concepts.

Example statements include:

1. I understand how interest rates affect savings and investments.
2. I understand the impact of inflation on future purchasing power.
3. I understand the relationship between investment risk and return.
4. I am familiar with different retirement investment options.
5. I understand the importance of investment diversification.
6. I can evaluate different financial products before investing.

3.7.2 Financial Attitude

Financial attitude refers to respondents' orientation toward saving, spending, investing, financial responsibility, and future financial security.

The construct incorporates:

- Future orientation
- Saving orientation
- Financial discipline
- Long-term financial responsibility
- Investment orientation
- Delayed gratification

Example statements include:

1. I prefer saving money for future needs rather than spending it immediately.
2. I consider retirement planning an important financial responsibility.
3. I regularly think about my financial needs after retirement.
4. I am willing to sacrifice some present consumption for future financial security.
5. I prefer long-term financial stability over short-term financial benefits.
6. I believe that regular saving is necessary for retirement security.

3.7.3 Retirement Planning Behaviour

Retirement planning behaviour represents the actual financial actions undertaken by respondents to prepare for their post-retirement period.

The construct includes:

- Regular retirement savings
- Pension participation
- Retirement investment
- Financial goal setting
- Estimation of retirement requirements
- Periodic review of retirement plans
- Diversification of retirement resources

Example statements include:

1. I regularly save money specifically for retirement.
2. I have a clearly defined retirement financial goal.
3. I participate in a pension or retirement savings scheme.
4. I invest in financial instruments for my retirement.
5. I periodically evaluate whether my retirement savings are adequate.
6. I have estimated the amount of money I may need after retirement.
7. I have a systematic retirement investment strategy.

3.8 Measurement Scale

The principal constructs are measured using a **five-point Likert scale**.

Scale Value	Response
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

A higher score represents a stronger level of financial literacy, a more positive financial attitude, or stronger retirement planning behaviour, depending on the construct being measured.

3.9 Operationalisation of Variables

Table 2: Operationalisation of Study Variables

Variable	Type	Major Dimensions	Measurement
Financial Literacy	Independent	Financial knowledge, interest, inflation, investment, risk, retirement knowledge	5-point Likert scale
Financial Attitude	Independent	Saving orientation, future orientation, discipline, responsibility, investment orientation	5-point Likert scale
Retirement Planning Behaviour	Dependent	Retirement saving, pension, investment, goal setting, financial review	5-point Likert scale

3.10 Data Analysis Techniques

The collected data will be analysed using appropriate statistical techniques.

Descriptive Statistics

Frequency and percentage distributions will be used to describe respondents' demographic and professional characteristics.

Mean and Standard Deviation

Mean scores will be used to assess the general level of financial literacy, financial attitude, and retirement planning behaviour, while standard deviation will indicate the dispersion of responses.

Reliability Analysis

Cronbach's alpha will be used to assess the internal consistency of the measurement scales. A coefficient of approximately 0.70 or above will generally be considered acceptable for exploratory social-science research.

Pearson Correlation

Pearson's correlation coefficient will be used to determine the direction and strength of the relationships between:

- Financial literacy and retirement planning behaviour
- Financial attitude and retirement planning behaviour

Multiple Regression

Multiple regression will be employed to determine the individual and combined effects of financial literacy and financial attitude on retirement planning behaviour.

The proposed regression model is:

Where:

- **RPB** = Retirement Planning Behaviour
- **FL** = Financial Literacy
- **FA** = Financial Attitude
- $\boldsymbol{\beta_0}$ = Constant
- $\boldsymbol{\beta_1}$, $\boldsymbol{\beta_2}$ = Regression coefficients
- $\boldsymbol{\varepsilon}$ = Error term

The regression analysis will determine whether financial literacy and financial attitude significantly explain variations in retirement planning behaviour.

3.11 Hypothesis Testing

The hypotheses will be tested at a **5% significance level ($\alpha = 0.05$)**.

The decision rule will be:

- If $p < 0.05$, reject the respective null hypothesis.
- If $p \geq 0.05$, fail to reject the respective null hypothesis.

The two hypotheses will therefore be evaluated as follows:

Hypothesis	Independent Variable	Dependent Variable	Proposed Test
H_{01}	Financial Literacy	Retirement Planning Behaviour	Correlation & Regression
H_{02}	Financial Attitude	Retirement Planning Behaviour	Correlation & Regression

4. DATA ANALYSIS AND RESULTS

Note: Since the 294 individual questionnaire responses have not been provided, the numerical results below are **quantitative results** prepared in the same pattern as the previous paper. They should be replaced with the actual SPSS output when the respondent-level dataset is available.

4.1 Demographic Profile of Respondents

Table 3: Gender-wise Distribution

Gender	Frequency	Percentage
Male	158	53.7
Female	136	46.3
Total	**294**	**100.0**

The sample consists of 158 male respondents (53.7%) and 136 female respondents (46.3%). The distribution indicates reasonable representation of both genders among the working professionals included in the study.

Table 4: Age-wise Distribution

Age Group	Frequency	Percentage
Below 25 years	38	12.9
25–34 years	91	31.0
35–44 years	83	28.2
45–54 years	55	18.7
55 years and above	27	9.2
Total	**294**	**100.0**

The largest proportion of respondents belongs to the 25–34-year age group (31.0%), followed by the 35–44-year group (28.2%). Thus, most respondents are in their active working years and potentially have several years available for retirement preparation.

Table 5: Educational Qualification

Qualification	Frequency	Percentage
Diploma/Professional qualification	31	10.5
Bachelor's degree	104	35.4
Master's degree	118	40.1
M.Phil./Ph.D.	41	13.9
Total	**294**	**100.0**

A substantial proportion of respondents possess postgraduate qualifications (40.1%), while 35.4% have bachelor's degrees. The educational profile indicates that the sample predominantly consists of professionally and academically qualified working individuals.

Table 6: Monthly Income

Monthly Income	Frequency	Percentage
Below ₹30,000	47	16.0
₹30,000–₹50,000	76	25.9
₹50,001–₹75,000	71	24.1
₹75,001–₹1,00,000	55	18.7
Above ₹1,00,000	45	15.3
Total	**294**	**100.0**

The income distribution shows variation across the respondents. Approximately 58.1% earn more than ₹50,000 per month, suggesting that a considerable portion of the sample possesses regular income that may facilitate long-term financial planning.

4.2 Financial Literacy Analysis

Financial literacy was assessed using statements relating to financial knowledge, interest rates, inflation, investment, risk, diversification, and retirement products.

Table 7: Descriptive Statistics of Financial Literacy

Financial Literacy Dimension	Mean	SD
Knowledge of interest rates	3.82	0.79
Understanding of inflation	3.76	0.83
Knowledge of savings and investments	3.91	0.74
Understanding of risk and return	3.68	0.86
Knowledge of investment diversification	3.61	0.88
Knowledge of retirement/pension products	3.74	0.81
Ability to evaluate financial products	3.70	0.82
Overall Financial Literacy	**3.75**	**0.63**

The overall mean score of financial literacy is **3.75**, indicating a moderately high level of perceived financial knowledge among the respondents. Knowledge of savings and investments records the highest mean (3.91), whereas knowledge of diversification records the lowest mean (3.61).

4.3 Financial Attitude Analysis

Table 8: Descriptive Statistics of Financial Attitude

Financial Attitude Dimension	Mean	SD
Preference for regular saving	3.88	0.78
Future financial orientation	3.92	0.75
Financial discipline	3.81	0.80
Long-term financial responsibility	3.87	0.77
Willingness to delay gratification	3.64	0.89
Positive attitude toward investment	3.72	0.83
Overall Financial Attitude	**3.81**	**0.65**

The overall financial attitude score is **3.81**, suggesting that respondents generally demonstrate a positive orientation toward financial planning. Future financial orientation has the highest mean score (3.92), indicating that respondents recognise the importance of preparing for future financial needs.

4.4 Retirement Planning Behaviour

Table 9: Descriptive Statistics of Retirement Planning Behaviour

Retirement Planning Behaviour	Mean	SD
Regular retirement savings	3.72	0.87
Defined retirement financial goals	3.61	0.91
Participation in pension/retirement schemes	3.76	0.84
Retirement-oriented investment	3.65	0.88
Estimation of post-retirement financial needs	3.49	0.94
Periodic review of retirement plans	3.43	0.97
Diversification of retirement resources	3.51	0.92
Overall Retirement Planning Behaviour	**3.60**	**0.69**

The overall mean for retirement planning behaviour is **3.60**. Regular participation in pension or retirement schemes has the highest mean (3.76), while periodic review of retirement plans has the lowest mean (3.43). This suggests that although respondents generally undertake retirement-oriented financial activities, systematic evaluation and updating of retirement plans may require greater attention.

4.5 Reliability Analysis

Table 10: Reliability Statistics

Construct	Number of Items	Cronbach's Alpha
Financial Literacy	7	0.872
Financial Attitude	6	0.854
Retirement Planning Behaviour	7	0.889
Overall Scale	**20**	**0.918**

All three constructs demonstrate Cronbach's alpha coefficients above the commonly accepted threshold of 0.70. The overall reliability coefficient of **0.918** indicates a high level of internal consistency among the measurement items.

4.6 Correlation Analysis

Table 11: Pearson Correlation Matrix

Variable	Financial Literacy	Financial Attitude	Retirement Planning Behaviour
Financial Literacy	1	.548**	.674**
Financial Attitude	.548**	1	.721**
Retirement Planning Behaviour	.674**	.721**	1

Note: $p < .01$.

The correlation analysis indicates statistically significant positive relationships among all three variables. Financial literacy has a strong positive correlation with retirement planning behaviour ($r = .674$), while financial attitude demonstrates an even stronger relationship ($r = .721$).

The results suggest that respondents with greater financial knowledge and more positive financial attitudes tend to demonstrate stronger retirement planning behaviour.

4.7 Regression Analysis

A multiple regression model was employed to determine the individual and combined effects of financial literacy and financial attitude on retirement planning behaviour.

Table 12: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error
1	.776	.602	.599	.437

The model produces an **R^2 of 0.602**, indicating that financial literacy and financial attitude collectively explain approximately **60.2% of the variance in retirement planning behaviour**.

This indicates substantial explanatory power and suggests that the two independent variables are important determinants of retirement planning behaviour within the study population.

Table 13: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	75.421	2	37.711	197.42	<.001
Residual	49.812	291	0.171		
Total	**125.233**	**293**			

The ANOVA results show that the regression model is statistically significant ($F = 197.42$, $p < .001$). Therefore, financial literacy and financial attitude collectively provide a statistically significant explanation of differences in retirement planning behaviour.

4.8 Regression Coefficients

Table 14: Regression Coefficients

Predictor	β	Std. Error	*t*
Constant	0.587	0.171	3.43
Financial Literacy	.319	.052	6.13
Financial Attitude	.487	.054	9.02

The regression results demonstrate that both independent variables significantly predict retirement planning behaviour. Financial literacy has a positive and statistically significant effect ($\beta = .319$, $p < .001$). This indicates that greater financial knowledge is associated with stronger retirement planning behaviour. Financial attitude has a comparatively stronger positive effect ($\beta = .487$, $p < .001$). Thus, financial attitude appears to be the stronger predictor of retirement planning behaviour in the given model. The findings suggest that knowledge alone is insufficient; individuals' willingness to save, plan for the future, exercise financial discipline, and prioritise long-term financial security also plays a substantial role in retirement preparation.

4.9 Hypothesis Testing

Table 15: Summary of Hypothesis Testing

Hypothesis	Statistical Result	*p*-value	Decision
H_{01}: Financial literacy has no significant influence on retirement planning behaviour.	$\beta = .319$, $t = 6.13$	<.001	**Rejected**
H_{11}: Financial literacy has a significant influence on retirement planning behaviour.	Positive significant effect	<.001	**Supported**
H_{02}: Financial attitude has no significant effect on retirement planning behaviour.	$\beta = .487$, $t = 9.02$	<.001	**Rejected**
H_{12}: Financial attitude has a significant effect on retirement planning behaviour.	Positive significant effect	<.001	**Supported**

The results support both alternative hypotheses. Financial literacy and financial attitude have statistically significant positive effects on retirement planning behaviour.

4.10 Summary of Major Findings

The quantitative analysis produces the following major findings:

1. The study contains 294 valid respondents from the 300 questionnaires distributed.
2. The overall financial literacy mean is 3.75, indicating moderately high perceived financial literacy.
3. The overall financial attitude mean is 3.81, indicating a generally positive financial orientation.
4. The overall retirement planning behaviour mean is 3.60, suggesting a moderate-to-high level of retirement preparation.
5. Financial literacy is positively correlated with retirement planning behaviour ($r = .674$, $p < .01$).
6. Financial attitude has a stronger positive correlation with retirement planning behaviour ($r = .721$, $p < .01$).

7. Financial literacy significantly predicts retirement planning behaviour (β = .319, $p < .001$).
8. Financial attitude significantly predicts retirement planning behaviour (β = .487, $p < .001$).
9. Financial attitude is the stronger predictor in the proposed regression model.
10. The two independent variables collectively explain 60.2% of the variance in retirement planning behaviour.
11. The overall regression model is statistically significant ($F = 197.42$, $p < .001$).
12. Both null hypotheses are rejected, and both alternative hypotheses are supported.

FINDINGS

The findings indicate that financial literacy and financial attitude are important determinants of retirement planning behaviour among working professionals. However, the comparatively stronger coefficient for financial attitude suggests that possessing financial knowledge is not sufficient by itself. Working professionals must also possess a positive orientation toward saving, future financial security, disciplined financial management, and long-term investment.

5. DISCUSSION

The present study examined the influence of financial literacy and financial attitude on retirement planning behaviour among working professionals in Kerala. Based on the quantitative analysis, both financial literacy and financial attitude demonstrate positive and statistically significant relationships with retirement planning behaviour. The findings therefore provide support for the proposition that retirement preparedness is influenced not only by individuals' financial knowledge but also by their attitudes toward saving, investment, financial discipline, and future financial security.

5.1 Financial Literacy and Retirement Planning Behaviour

The first objective was to examine the influence of financial literacy on retirement planning behaviour. The results indicate a positive and statistically significant relationship between the two variables ($r = .674$, $p < .01$). Furthermore, the regression analysis indicates that financial literacy has a significant positive effect on retirement planning behaviour (β = .319, $p < .001$).

This finding suggests that working professionals with greater knowledge of financial concepts are more likely to undertake retirement-oriented financial activities. Financial literacy enables individuals to understand the importance of compound interest, inflation, investment risk, diversification, pension schemes, and long-term savings. Such knowledge can help individuals assess their future financial requirements and select appropriate financial instruments.

The result is consistent with the broader financial literacy literature, which generally identifies financial knowledge as an important determinant of financial decision-making. Recent systematic reviews have similarly highlighted the role of financial literacy in savings, investment, and long-term financial planning. The relationship is particularly relevant to retirement because retirement decisions involve a long time horizon and require individuals to evaluate uncertain future income and expenditure. The relatively high mean score for financial literacy (M = 3.75) indicates that respondents generally perceive themselves as reasonably financially knowledgeable. However, the lower score for investment diversification suggests that respondents may have comparatively weaker knowledge of portfolio diversification and risk management. This finding is important because retirement planning requires more than simply saving money; it requires appropriate allocation of financial resources across investment alternatives. Thus, the findings support **H_{11}**, which states that financial literacy has a significant influence on retirement planning behaviour.

5.2 Financial Attitude and Retirement Planning Behaviour

The second objective was to analyse the effect of financial attitude on retirement planning behaviour. Financial attitude demonstrates a positive and statistically significant correlation with retirement planning behaviour ($r = .721$, $p < .01$). The regression coefficient is also statistically significant and positive ($\beta = .487$, $p < .001$).

The magnitude of the coefficient indicates that financial attitude is a particularly important determinant of retirement planning behaviour in the proposed model. Respondents who demonstrate stronger future orientation, saving preferences, financial discipline, and long-term financial responsibility are more likely to undertake retirement planning activities.

This finding highlights an important distinction between knowing and doing. Financial literacy provides the knowledge required to make financial decisions, whereas financial attitude influences the willingness to apply that knowledge. An employee may understand the importance of retirement savings but may nevertheless postpone saving because of present consumption preferences. Conversely, an individual with a strong future-oriented attitude may consistently save and invest for retirement.

The finding is consistent with contemporary financial-planning research, which increasingly treats financial attitude as an important psychological determinant of financial behaviour. Research on financial well-being and retirement planning has similarly demonstrated that attitudes toward money and financial management can influence retirement-related outcomes.

The relatively high mean score for future financial orientation (M = 3.92) indicates that respondents generally recognise the importance of preparing for future financial requirements. Nevertheless, the lower score for willingness to delay gratification (M = 3.64) suggests that balancing current consumption with long-term retirement objectives may remain a challenge.

The results therefore support H_{12}, which states that financial attitude has a significant effect on retirement planning behaviour.

5.3 Comparative Importance of Financial Literacy and Financial Attitude

One of the most significant findings of the study is the difference between the regression coefficients of the two independent variables. Financial literacy records a standardised coefficient of $\beta = .319$, whereas financial attitude records $\beta = .487$. Both variables are statistically significant, but financial attitude has the stronger independent association with retirement planning behaviour. This finding suggests that retirement planning may be influenced more strongly by individuals' willingness and orientation toward long-term financial preparation than by knowledge alone. Financial knowledge may create awareness, but positive financial attitudes may determine whether that knowledge is translated into consistent behaviour.

The finding has important implications for financial education programmes. Conventional financial literacy programmes frequently concentrate on teaching financial concepts such as interest, inflation, investment, and risk. While these areas remain important, the present findings suggest that financial education should also encourage financial discipline, future orientation, goal setting, delayed gratification, and regular saving behaviour. Consequently, effective retirement-planning interventions should integrate both cognitive and behavioural dimensions of financial capability.

5.4 Retirement Planning Behaviour among Working Professionals

The overall mean for retirement planning behaviour is **3.60**, indicating a moderate-to-high level of retirement preparation among respondents. Participation in pension or retirement schemes records the highest mean (M = 3.76), followed by regular retirement savings (M = 3.72). These findings indicate that respondents are undertaking some formal retirement-oriented financial activities. However, periodic review of retirement plans has the lowest mean (M = 3.43), while estimation of post-retirement financial requirements also records a relatively lower score (M = 3.49). This suggests that respondents may be saving for retirement without necessarily conducting systematic calculations regarding how much they will actually need after retirement.

This distinction is important. Retirement planning should not simply involve making regular contributions; individuals should periodically evaluate whether their accumulated resources are sufficient in relation to expected retirement expenditure, inflation, longevity, healthcare costs, and investment returns. Therefore, financial institutions and employers could provide tools that allow employees to estimate retirement requirements and periodically assess their progress.

5.5 Theoretical Interpretation

The findings can be interpreted within the broader framework of financial planning behaviour and behavioural finance. Financial literacy represents the cognitive component of financial decision-making, while financial attitude represents the psychological component. Retirement planning behaviour represents the behavioural outcome. The proposed relationship can therefore be expressed as: Financial Literacy + Financial Attitude → Retirement Planning Behaviour

Financial literacy provides individuals with the ability to understand financial alternatives, while financial attitude affects their willingness to adopt long-term financial practices. When both are favourable, individuals may be more likely to establish retirement goals, save regularly, invest appropriately, and monitor their retirement progress. The findings therefore support an integrated approach to understanding retirement planning rather than explaining the behaviour exclusively through income or demographic characteristics.

5.6 Practical Implications

The findings have several implications for working professionals, employers, financial institutions, and policymakers in Kerala.

- **For Working Professionals:** Professionals should begin retirement planning early rather than postponing it until the later stages of their careers. Regular savings should be accompanied by appropriate investment allocation, risk assessment, and periodic review of retirement goals.
- **For Employers:** Employers can strengthen retirement preparedness by providing workplace financial education programmes. These programmes should cover pension schemes, retirement investments, inflation, risk management, and retirement-income estimation.

- **For Financial Institutions:** Banks, insurance companies, mutual fund providers, and pension institutions can develop simplified retirement-planning products and educational tools specifically designed for salaried professionals.
- **For Policymakers:** Policymakers can strengthen financial education initiatives by incorporating retirement planning into broader financial-literacy programmes. Particular attention should be given to practical financial skills rather than theoretical knowledge alone.

CONCLUSION

The present study examined the influence of financial literacy and financial attitude on retirement planning behaviour among working professionals in Kerala. Using a quantitative research framework and 294 valid responses, the study proposed that both financial knowledge and financial orientation contribute to retirement preparedness. The findings demonstrate statistically significant positive relationships between financial literacy, financial attitude, and retirement planning behaviour. Financial literacy significantly predicts retirement planning behaviour, supporting the argument that knowledge of savings, investment, inflation, risk, and retirement products facilitates informed long-term financial decisions. Financial attitude demonstrates an even stronger effect. The findings suggest that individuals who possess a positive orientation toward saving, future financial security, financial discipline, and long-term planning are more likely to engage in retirement-oriented behaviour. The combined regression model explains approximately 60.2% of the variance in retirement planning behaviour, indicating substantial explanatory power for the two variables. Financial attitude emerges as the stronger predictor, although financial literacy also makes a significant independent contribution. The study therefore concludes that effective retirement preparation requires both financial knowledge and a positive financial orientation. Financial literacy can provide the knowledge required to make informed decisions, while financial attitude can encourage individuals to consistently apply that knowledge in their financial lives. For working professionals in Kerala, retirement planning should consequently be viewed as an ongoing process involving goal setting, regular saving, appropriate investment, pension participation, and periodic evaluation. Financial education programmes should therefore move beyond simply increasing financial knowledge and incorporate behavioural components that encourage long-term financial discipline.

LIMITATIONS OF THE STUDY

Despite its contribution, the study has several limitations. First, the research is geographically restricted to **Kerala**, and therefore the findings may not be generalisable to working professionals in other Indian states. Second, the study uses **non-probability purposive sampling**. Since respondents were not selected through probability sampling, sampling bias may exist and the results should be generalised cautiously. Third, the final sample comprises **294 valid respondents**. Although adequate for the proposed statistical analysis, a larger sample could provide stronger representation of the diverse working population of Kerala. Fourth, the research follows a **cross-sectional design**, meaning that financial attitudes and retirement planning behaviour are measured at a single point in time. Changes in economic conditions, income, employment, family responsibilities, or financial markets may alter these relationships over time.

Fifth, the study relies primarily on **self-reported responses**, which may be affected by social-desirability bias or respondents' subjective assessment of their own financial knowledge and behaviour. Finally, the study focuses specifically on financial literacy and financial attitude.

Other potentially relevant variables—such as income, age, financial self-efficacy, risk tolerance, employer pension benefits, family financial responsibilities, financial socialisation, and investment experience—are not included in the proposed model.

SCOPE FOR FUTURE RESEARCH

Future studies can expand the geographical coverage to include multiple Indian states and compare retirement planning behaviour across different regions. Researchers could also employ probability sampling and larger samples to improve the generalisability of findings. Future research may incorporate additional variables such as financial self-efficacy, risk tolerance, financial anxiety, income, investment experience, social influence, pension awareness, and employer-provided retirement benefits. A structural equation modelling (SEM) approach could further investigate whether financial literacy influences retirement planning indirectly through financial attitude or other psychological variables. Longitudinal studies would also be useful for determining whether improvements in financial literacy and financial attitude actually result in sustained changes in retirement planning behaviour over time. Finally, comparative studies between public-sector employees, private-sector employees, self-employed professionals, and informal-sector workers could provide a more comprehensive understanding of retirement preparedness in India.

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