

The Process of Retirement Planning Scale (PRePS): Theoretical Foundations and Preliminary Findings.

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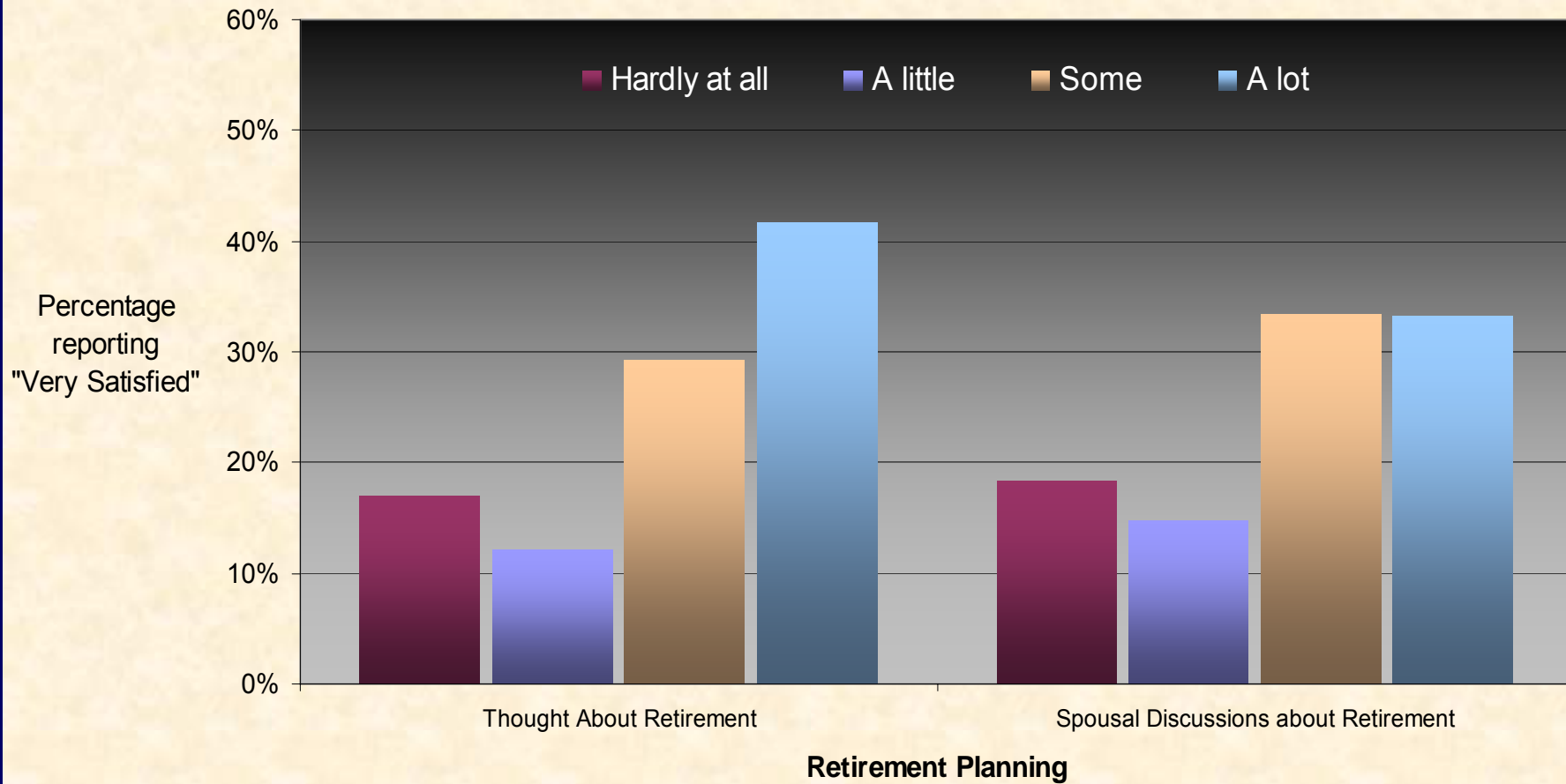
Why study retirement planning?

- A number of theories provide explanations for these findings
 - Role theory
 - Shocks
- Research suggests that retirement planning predicts well-being in later life

Is planning good for your future well-being?

Results from an American study

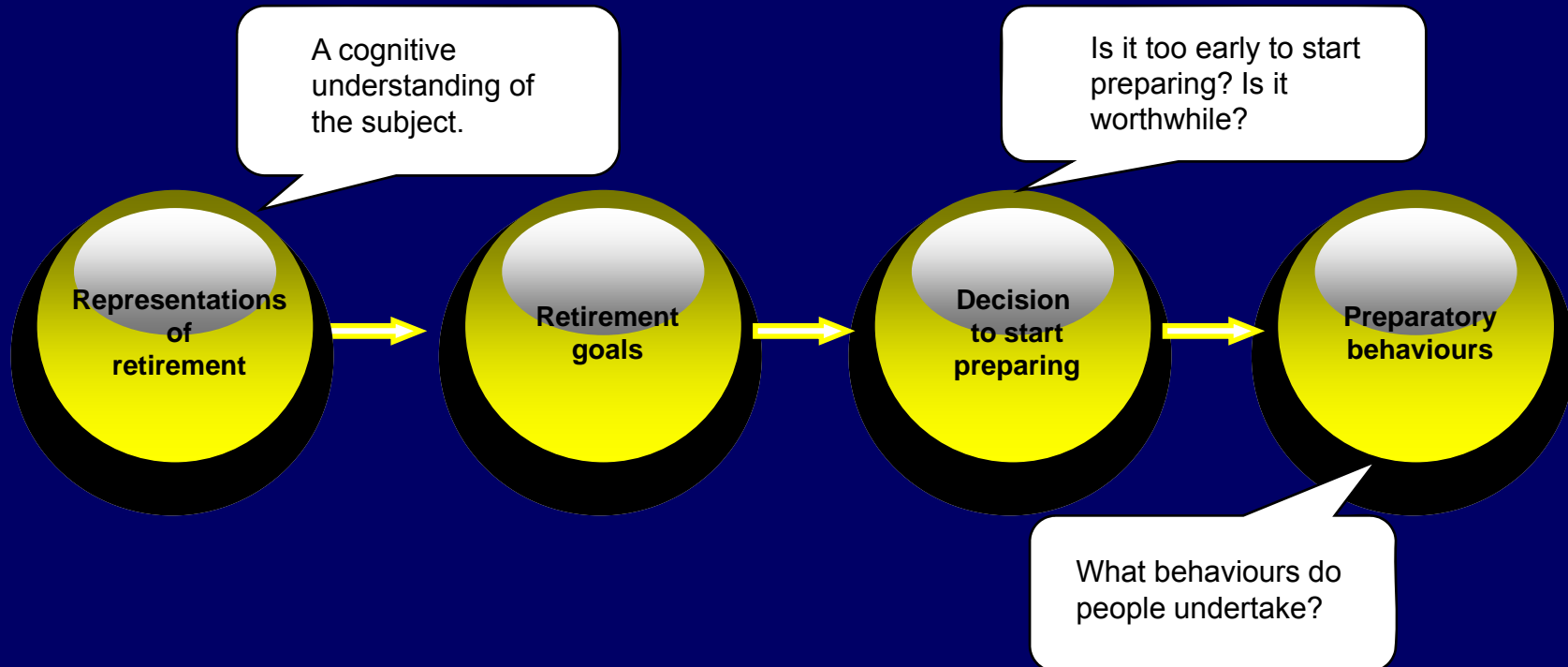
Levels of Retirement Planning for Those Very Satisfied With Retirement



Some problems with this research

- What aspects of retirement are people thinking about and discussing with their spouse and others?
Finances? Health? lifestyle? Psychosocial?
- Does thinking about retirement equate to worry?
- How and why do people plan?
- What does planning actually constitute?

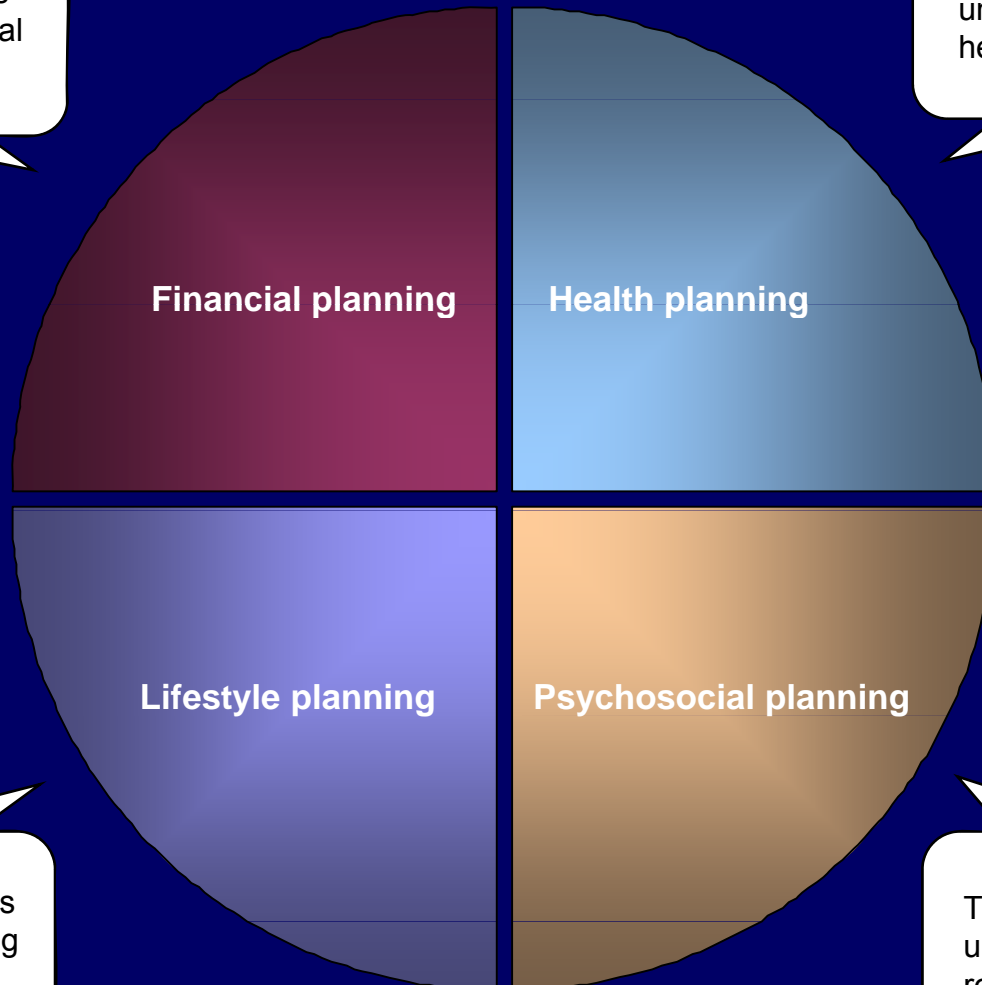
A theory on how people prepare for retirement.



Types of retirement planning

The thoughts and behaviours undertaken to ensure financial security.

The thoughts and behaviours undertaken to ensure future health.



The thoughts and behaviours undertaken to ensure fulfilling lifestyles in retirement.

The thoughts and behaviours undertaken to ensure fulfilling roles in retirement.



Who were the participants?

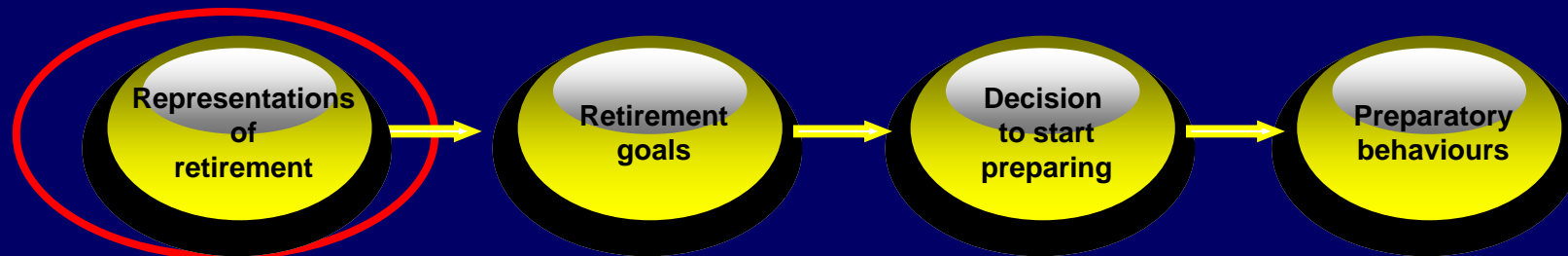
- 1,532 people drawn randomly from the electoral roll
- Aged 49 – 60
- 55% female, 45% male
- 72% European, 16% Māori, 12% Pasifika, Asian, or Other

How were the responses scored?

- A five-point scale ranging from “not true for me at all” to “definitely true for me”

How was it funded?

- Massey University
- The Ministry of Social Development
- The Retirement Commission



I have a clear understanding of...

- the importance of health for older people (**health planning**)
- how people's roles can change when they retire (**psychosocial planning**)
- how retired people spend their time (**lifestyle planning**)
- financial issues for retired people (**financial planning**)

I often compare.....

- my current health to how it may be in the future
- my roles as a worker compared to my roles as a retired person
- how I spend my time now compared to how I would like to spend my time in retirement
- my current financial position compared to my financial position when I retire

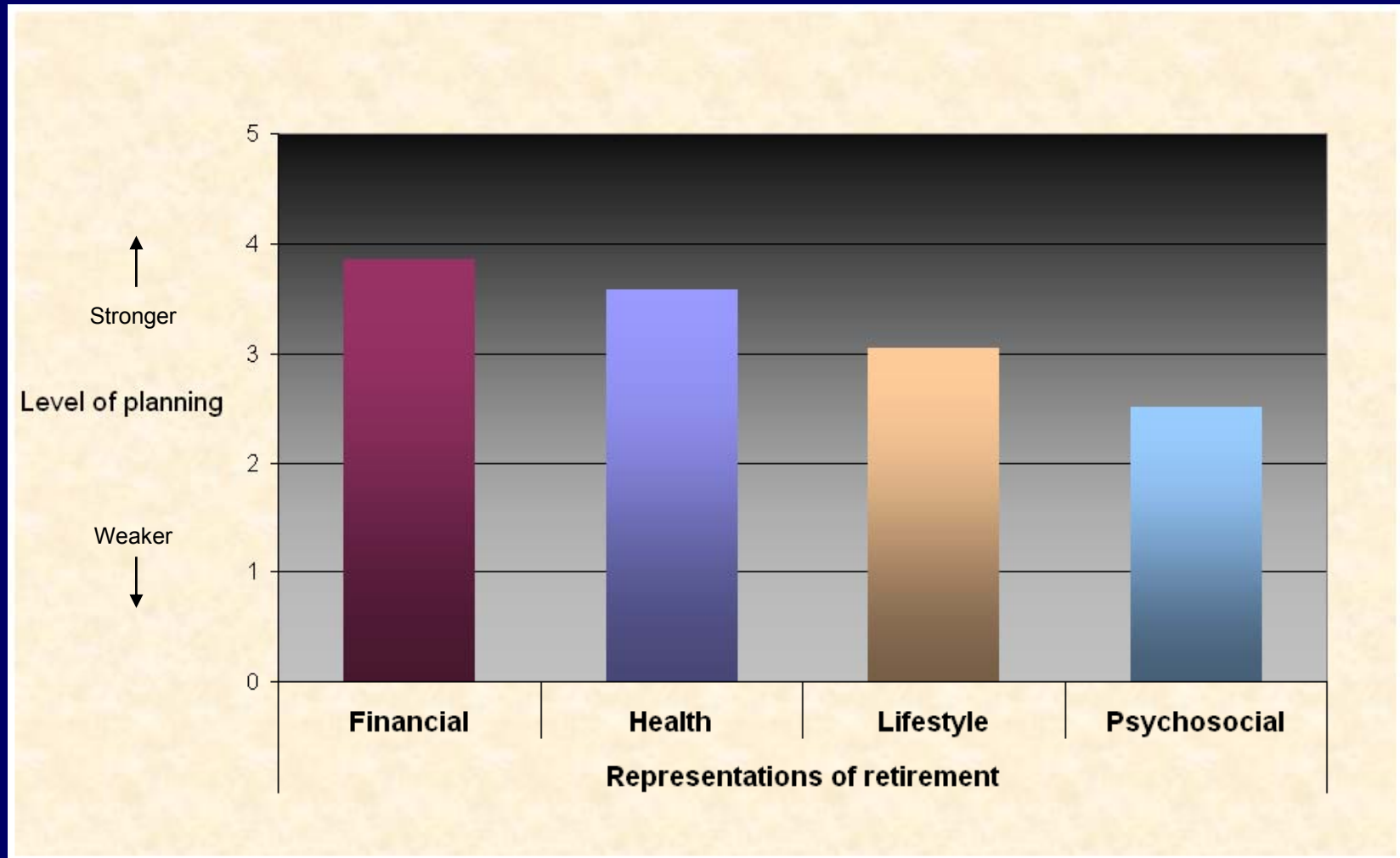
I have thought a lot about.....

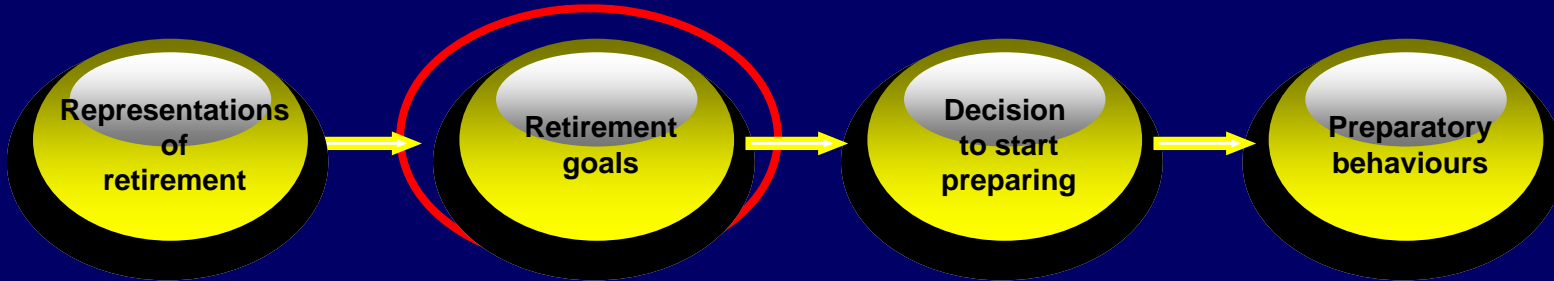
- my long-term health
- the types of roles I would like to have as a retired person within my family/community
- how I will spend my time when I retire
- my retirement finances

I often talk to my family and friends...

- about our future health
- about the roles of retired people
- about how retired people spend their time
- about financial issues for retired people

How strong are pre-retirees' representations of retirement?





I have specific goals regarding.....

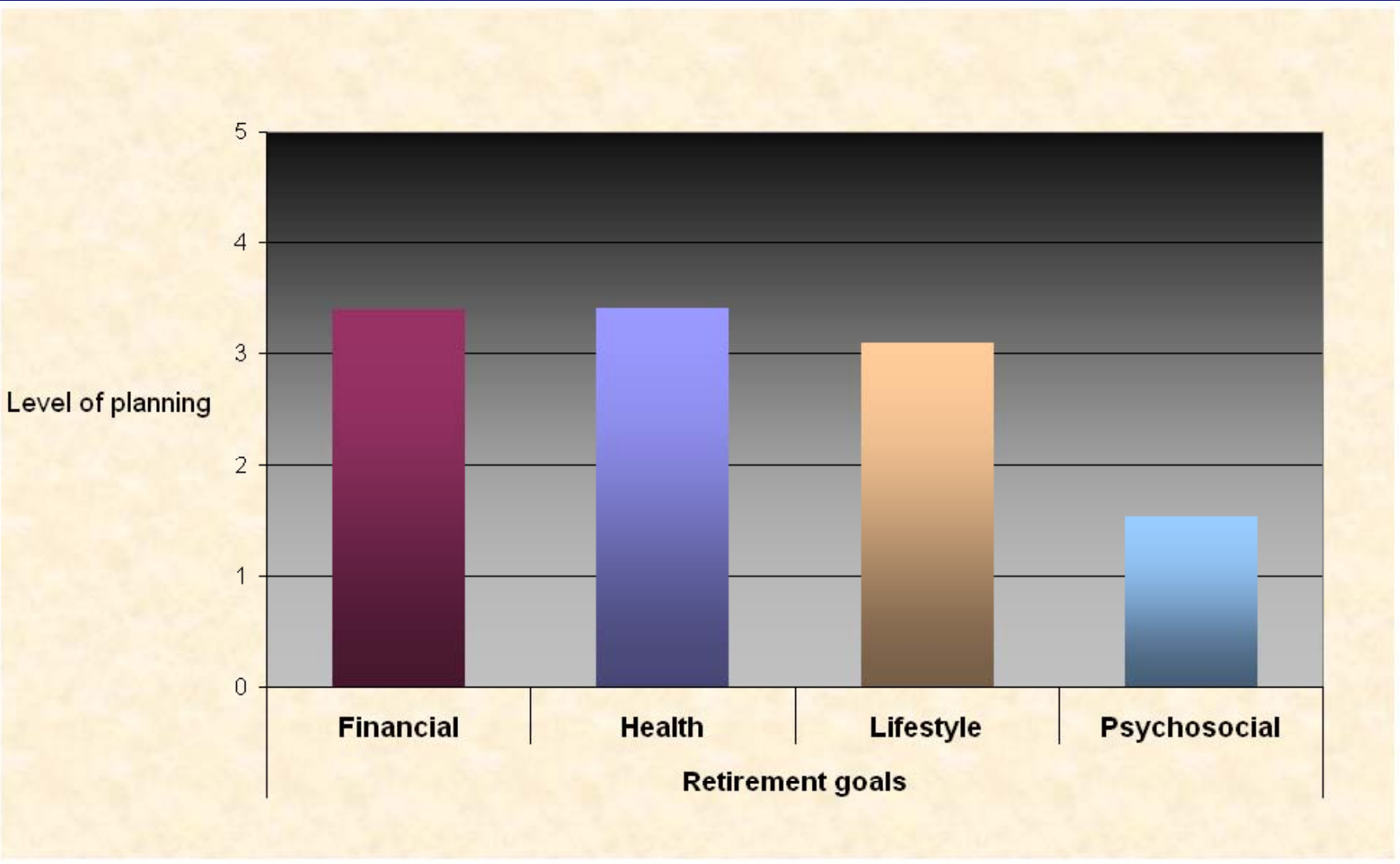
the status of my long term health

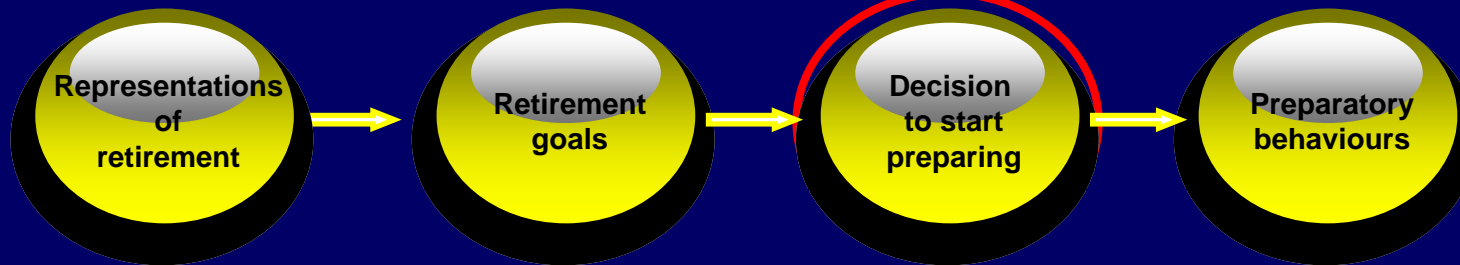
the types of roles I would like to have as a retired person

how I want to spend my time in retirement

the financial position I want to be in when I retire

How clear are pre-retirees' goals for retirement?





It's too early for me to.....

- consider my long-term health
- consider my role(s) as a retired person
- think about how I will spend my time when I retire
- start thinking about my finances

I know that people in my age group are.....

- taking steps to ensure their future health
- preparing for potential changes to their role(s) when they retire
- developing other ways to spend their time
- making financial preparations for retirement

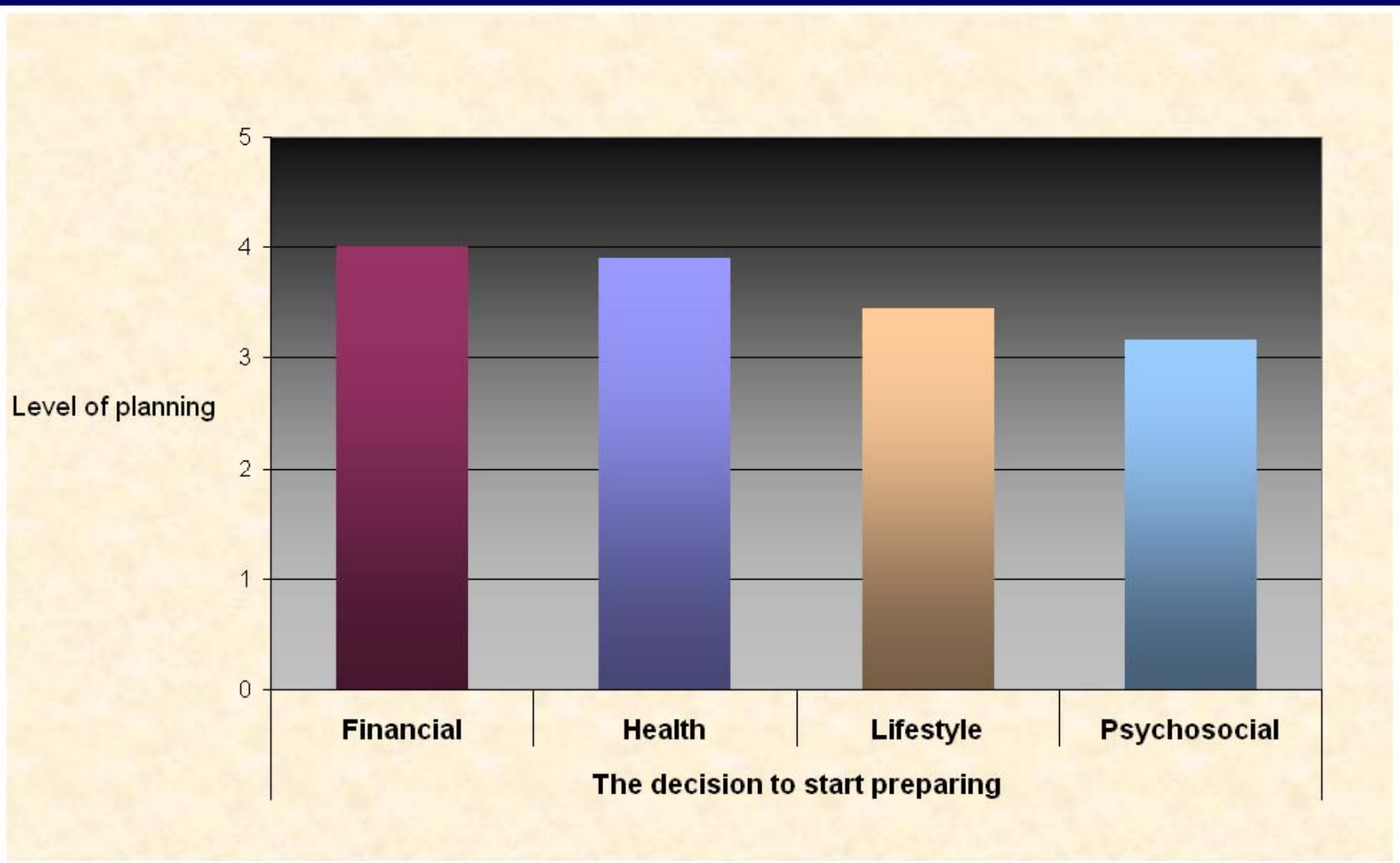
I think it's worthwhile to.....

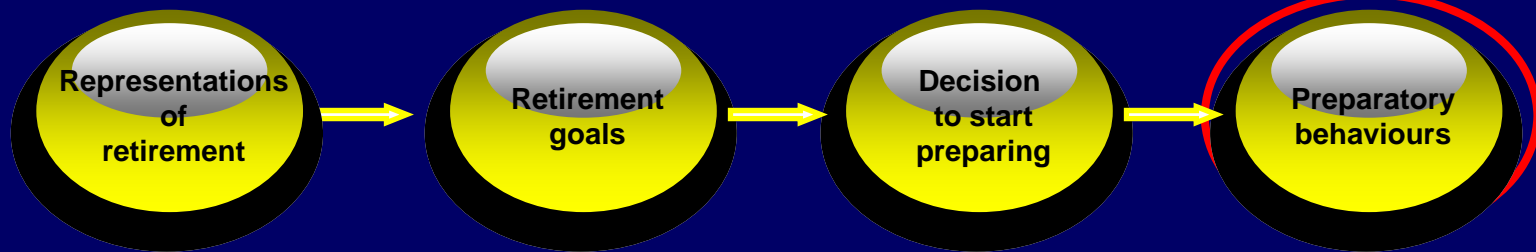
- keep a healthy lifestyle now, so that my future health will be good
- prepare for potential changes to my role(s) as a retired person
- develop new activities for retirement
- make financial provisions for retirement

I'd rather deal with any.....

- health issues when they arise, rather than prepare for them now
- issues regarding my future roles when they arise, rather than preparing for them now
- issues regarding how I will spend my time when I retire, rather than think about them now
- financial issues when they arise, rather than make provisions now

Do pre-retirees think it is time to start preparing?





Health planning

- I try to keep physically active
- I avoid all unhealthy behaviours such as....
- I only eat food that will benefit my long-term health
- I get regular medical screening
- I have regular medical check ups

Lifestyle planning

- I am actively developing ways to spend my time when or if I retire
- There are many things I could do if I was forced to retire today
- I have recently taken up new interests, activities, or hobbies
- I have joined or recently joined an organisation or club

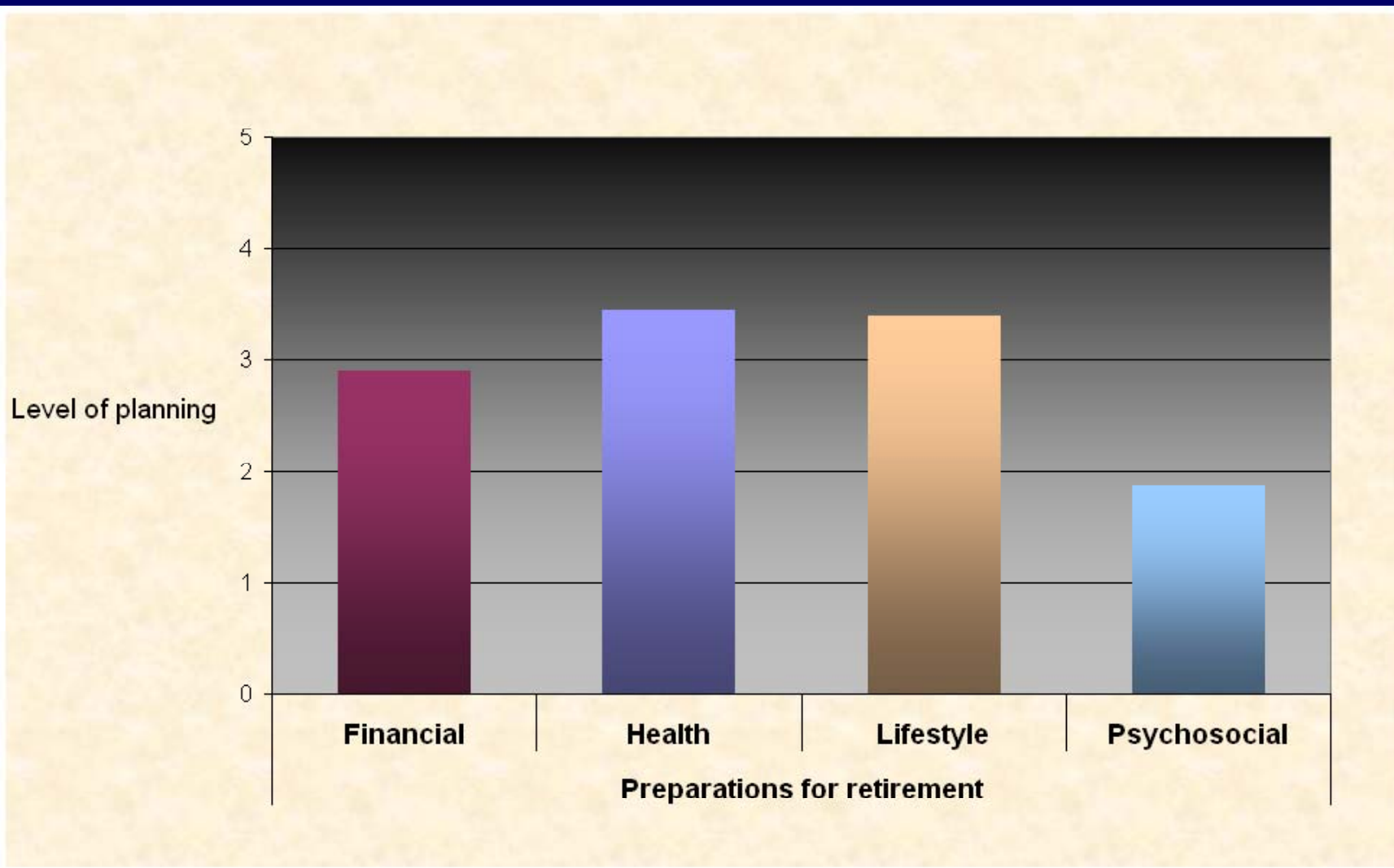
Psychosocial planning

- I often talk to retired people about their experiences with retirement
- I am in the process of separating my self from work
- I plan to undertake some other job before I retire
- I am reducing or will soon reduce my work hours

Financial planning

- By the time I retire I will have sufficient investments to ensure the standard of living I want in retirement
- I will own a house without a mortgage
- I will have enough money to pay for unexpected expenses
- My household puts aside a sufficient amount of its income each month
- If I had to stop work today I would have enough money to cope well with retirement

How prepared are pre-retirees for retirement?

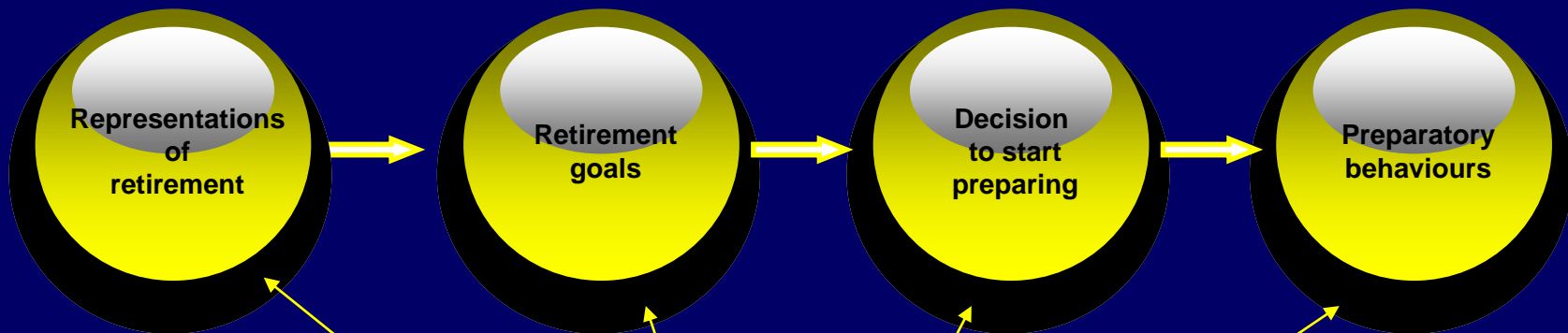


Summary

- Levels of psychosocial planning appear relatively low.
- For financial planning, levels of preparedness are lower compared to representations, goals, and the decision to prepare.
- Levels of health and lifestyle planning are higher across the board.

Other findings

- Planning is positively associated with:
 - the tendency to look to the future (future time perspective)
 - locus of control
 - economic living standards index (Ministry of Social Development)
 - time to retirement.
- No gender differences.
- Planning is not strongly associated with income (especially not health, lifestyle, and psychosocial planning).
- Worry may be motivating planning activities.



+ve

+ve

+ve

-ve

Worry about retirement

Policy implications

- At which stage of the planning process are people getting stuck?
- Do different groups of people get stuck at different places?
- What domains of retirement planning predict well-being in later life (longitudinal)?
- How do perceived levels of financial preparedness relate to estimations of wealth?

The End

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