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The Role of Future Time Perspective, Attitude Towards Retirement, and Risk Tolerance Towards Financial Planning Behaviour Among Malaysians: A Quantitative Research Based in Malaysia

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Abstract

Amid global economic challenges, as individuals and families contend with sustaining their living standards, the significance of financial planning has surged. Hence, exploring the financial planning behaviours of Malaysians is a relevant research topic that merits investigation from various perspectives. The aim of this research is to examine how these three factors, namely future time perspective, attitude towards retirement, and risk tolerance are correlated with the financial planning behaviour of working adults in Malaysia. Employing a quantitative approach, a total of 189 respondents from the Klang Valley were selected. Data in this study were obtained by utilizing questionnaire-based surveys in a cross-sectional study, analysed using SmartPLS 4 software. This study discovered that there is a significant positive relationship between attitude towards retirement and financial planning behaviour among Malaysians, suggesting that Malaysians who have a positive attitude towards retirement tend to engage in financial planning endeavours. However, in this study, future time perspective and risk tolerance were not found to be significant predictors of financial planning behaviour. The implications, which resonate with Malaysian financial planners and policymakers, highlight the necessity of encouraging Malaysians to adopt positive retirement attitudes for increased financial planning engagement.

Keywords: *Financial Planning, Future Time Perspective, Attitude Towards Retirement, Risk Tolerance, Malaysia*

1.0 Introduction

Financial planning is a crucial tool for achieving long-term goals like retirement and wealth creation. It is more than just saving or cutting expenses. Amidst global economic challenges, managing debt becomes crucial, especially with educational loans burdening many aged 30 to 40 (AKPK, 2022). High debt levels adversely affect credit scores and hinder savings, underscoring the necessity of effective financial planning. Creating a budget, allocating income

for debt repayment, and establishing a comprehensive financial plan are essential behaviours to avoid excessive debt.

The **FCI** survey by Bank Negara Malaysia (2022) highlights income reductions during the COVID-19 pandemic, despite improved ability to cover living expenses. However, dependency on pandemic aid and depleted **EPF** savings raise sustainability concerns for Malaysians' retirement. The Malaysia Economic Monitor by the World Bank (2021) indicates a pandemic-induced rise in household debt, impacting children's education, emphasising the need for poverty reduction and financial literacy.

Research demonstrates that insufficient funds and knowledge impede investments, particularly among younger generations and men (Anderson, 2018). However, financial literacy diminishes investment fear by highlighting the difference between investing and gambling – latter being chance-based. It empowers informed investment choices, boosting confidence in risk-taking. Central to this is its role in promoting prudent financial planning behaviours. Financial literacy connects to future time perspective, attitude towards retirement, and risk tolerance, all crucial factors revolved around enhancing financial planning (Tomar et al., 2021). The question remains whether this is valid in the context of Malaysia.

Financial planning's importance has surged due to COVID-19, increasing demand of financial services (Boston, 2022). However, many Malaysians lack sufficient savings, as emphasised by Kuek & The Edge Malaysia (2019), revealing prevalent financial illiteracy. To address this, awareness and effective use of financial tools are crucial, especially given the accessibility of online information. Despite existing research on financial behaviour determinants, gaps remain in understanding the roles of future time perspective, attitude towards retirement, and risk tolerance in Malaysian financial planning behaviour. With this study, the researcher hopes to advance the understanding and promoting financial literacy and stability.

This research significantly advances financial planning by exploring key determinants in Malaysians, including Future Time Perspective, Attitude Towards Retirement, and Risk Tolerance. The insights have vital implications for enhancing financial planning awareness and practice in Malaysia across theoretical, academic, and managerial domains. Theoretical contributions address unique cultural and societal influences, filling knowledge gaps. Academically, the research deepens understanding, aiding the identification of individuals

inclined towards financial planning for targeted interventions. Managerially, it empowers experts to devise effective initiatives, promoting wise financial planning and fostering financial consciousness in Malaysia.

This study aims to explore these links, advancing understanding and promoting financial literacy and stability in Malaysia, benefitting both the government and private sector efforts. Through a better understanding of the factors that influence financial planning behaviour, individuals and policymakers can take steps to promote financial literacy and stability, which can ultimately benefit the entire Malaysian economy.

Hypotheses

H_1: Future Time Perspective is related to the Financial Planning Behaviour among Malaysians.

H_2: Attitude Towards Retirement is related to the Financial Planning Behaviour among Malaysians.

H_3: Risk Tolerance is related to Financial Planning Behaviour among Malaysians.

2.0 Literature Review

Though financial literacy has been extensively explored globally, research on financial planning behaviour in Malaysia is scarce. This study aims to bridge this gap by conducting a thorough review of existing literature for a comprehensive understanding.

2.1 Definition of Financial Planning Behaviour (DV)

Financial planning, in its broadest sense, involves the intricate process of identifying the most effective path toward realising an individual's life aspirations through adept management of their financial assets (Cull, 2009). Warschauer (2002) offers an even more comprehensive definition, highlighting that financial planning takes into account a client's personality, financial standing, socio-economic context, and legal circumstances to formulate strategic approaches and utilise financial tools for the achievement of specific financial objectives. The term "financial planning behaviour" precisely refers to the deliberate actions, decisions, and strategies adopted by individuals or households for the proficient handling of their finances. This encompasses a gamut of activities, including budgeting, saving, investing, retirement planning, and debt management, all aligned with the pursuit of enduring financial goals. While the term "financial behaviour" is a common label in most studies, it's worth emphasising that

financial planning behaviour constitutes a specific subset within this broader category (Rahman et al., 2021).

2.2 Future Time Perspective (IV1)

Future Time Perspective (FTP), a psychological factor, has garnered considerable interest in the research that pertains to financial planning. **FTP** gauges an individual's belief in foreseeing the future, as opposed to the past of the present. A high **FTP** suggests confidence in predicting the future, while a low **FTP** suggests uncertainty. This terminological disparity exists between psychology, where it's known as **FTP** or future orientation, and economics, where it's termed time preference, patience, or planning horizon. Research has established **FTP** as a predictor of saving and planning tendencies, notably impacting retirement preparedness. Hershey & Mowen (2000) correlated a strong **FTP** with retirement financial readiness among a broad age range.

Lusardi (1999) highlighted how a limited planning horizon correlates with reduced net worth and anticipated retirement income from savings. Patience, linked to retirement propensity, was affirmed by Burtless (1999) and supported by Hasting & Mitchell (2018), underscoring that impatience leads to shortsighted investment choices and inadequate future savings. Recent psychology studies, like Kooij et al. (2018), noted a positive link between **FTP** and financial knowledge for retirement planning. Cumulatively, existing research suggests a strong connection between **FTP** and financial planning. However, this is lacking in the current situation, and there is the question of whether this link is applicable towards the individuals of Malaysia.

2.3 Attitude Towards Retirement (IV2)

Attitude encompasses one's perspective or outlook towards an idea, object, situation, or person, shaping intentions and actions. In the context of retirement, attitude towards retirement (ATR) represents an individual's beliefs about retirement that significantly influence saving intentions. Past research on the relationship between **ATR** and financial behaviour presents rather contradicting views. According to Ajzen (1991), people are more likely to follow a certain behaviour if they have a positive opinion of it. This was further supported by several studies that identified that there is a relationship between an individual's perception towards retirement and retirement planning. (Topa et al., 2009; Noone et al., 2010; Zeka et al., 2020).

Meanwhile, a strong yet minimal correlation was found between attitudes toward retirement planning from a study by Rameli & Marimuthu (2018). Turner et al. (1994) strong but minimal correlation between **ATR** and retirement planning as a result of the respondents' higher child dependency rates. Rachlin (1995) found that people's actions do not always correspond to their beliefs, particularly when it comes to behaviours that are geared towards the future, such as saving money. People's preferences shift with time, and people end up making decisions that are at odds with their attitude toward implementation. Poulter (2020) found that women had a tendency to be more anxious about unexpected obstacles, which hinder both their attitude and behaviour when confronted with such a situation.

2.4 Risk Tolerance (IV3)

Risk tolerance (RT), indicating an individual's comfort level with risk in their investment portfolio, varies from person to person. Those with high-**RT** display a greater inclination to take substantial risks in their investment portfolios compared to those who are risk-averse (Hanna et al., 2011). Methods to gauge **RT** include questionnaires asking how much risk the individual is comfortable taking on and get an estimate of a person's **RT** and examining an individual's investment history and reactions to portfolio changes (Dalton, 2009). While **RT** has been extensively studied in gambling and financial investments, particularly in general investments decisions, there is a considerably few research analysing how **RT** impacts financial planning behaviour. Jacobs-Lawson & Hershey (2005) discovered a propensity for individuals with higher **RT** to adopt aggressive retirement savings strategies, shedding light on the linkage between **RT** and financial planning. Fisher & Yao (2017) highlighted how **RT** influences portfolio decisions and savings behaviour, especially in women. Interestingly, Tomar et al. (2021) revealed that **RT** doesn't directly correlate with retirement planning behaviour in women.

3.0 Methodology

This research adopted a mono-method quantitative approach, primarily gathering primary data through a meticulously designed questionnaire distributed among research participants. The questionnaire was structured into four distinct sections: Demographic Characteristics, Future Time Perspective (FTP), Attitude Towards Retirement (ATR), and Risk Tolerance (RT). For the Demographic Characteristics section, questions were adapted from the Department of Statistics Malaysia (2020) and were assessed using a nominal scale. In the subsequent sections,

questions were sourced and adapted from well-established studies such as Jacobs & Hershey (2005), Tomar et al. (2021), and Lim (2003). **FTP**, **ATR**, and **RT** were evaluated using a Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), providing a nuanced understanding of participants' perspectives on future time, retirement, and risk. This thoughtfully structured questionnaire aimed to acquire comprehensive and insightful data essential for achieving the research objectives.

The major focus of this investigation will be on the individuals with a profession in the Klang Valley, Malaysia. Only individuals who are residing in Malaysia and hold Malaysian citizenship will be the respondents of this study. This focused demographic approach ensures that the data collected precisely represents the population to align with the study's objectives. This is to maintain the integrity and accuracy of the findings, avoiding any potential deviation from the intended scope and purpose of the study. During the survey period, a total of 208 responses to the questionnaire were received. However, out of the 208 responses, only 189 responses were deemed valid for analysis after screening. The 19 responses were discarded due to them not fitting the criteria of working adults.

In examining the relationship between Financial Planning Behaviour and the set of independent variables – Attitude Towards Retirement, Future Time Perspective, and Risk Tolerance – a Structural Equation Model (SEM) was employed. SmartPLS 4 was utilised to analyse the model, while **SPSS** was used to conduct essential descriptive analyses. The investigative process began with an analysis of measurement scales of the research data by using metrics like composite reliability, convergent validity, and discriminant validity. Once the measurement model met established criteria, the structural model of the data underwent evaluation for prediction accuracy and hypothesis testing. Evaluation of prediction accuracy was carried out using the R-square value as a metric (Hair et al., 2019). To assess the fit between variables, various fit indices, including the Chi-square, **NFI**, and **SRMR** were utilised (Hox & Bechger, 1999; Hooper et al., 2008). Path coefficients were then used to determine the strength of the relationship between variables (Wong, 2019).

4.0 Results and Discussion

There are a total of 208 responses to the questionnaire received. However out of the 208 responses, only 189 responses were deemed valid for analysis after screening. This results in a

response rate of 90.87% from employed Malaysian individuals, which exceeds the commonly accepted response rate benchmark of 30% recommended by Sekaran (2016). Therefore, the sample size of 189 responses is considered sufficient for further analysis.

Table 1 – Participants' Gender

Gender	Count	Percentage
Male	71	37.57%
Female	118	62.43%

Source: Prepared by the authors (2023)

Table 2 – Participants' Age Group

Age Group	Count	Percentage
18-25	30	15.87%
26-39	100	52.91%
40-64	59	31.22%
65 and above	0	0.00%

Source: Prepared by the authors (2023)

Table 3 – Participants' Highest Academic Qualification

Age Group	Count	Percentage
Primary	0	0.00%
Secondary	10	5.29%
Certificate	16	8.47%
Diploma	30	15.87%
Bachelor's Degree	79	41.80%
Master's Degree	45	23.81%
Doctorate Degree	9	4.76%

Source: Prepared by the authors (2023)

Table 4 – Participants' Marital Status

Age Group	Count	Percentage
Single	101	53.44%
Married	80	42.33%
Divorced	6	3.17%
Widowed	2	1.06%

Source: Prepared by the authors (2023)

Table 5 – Participants' Income Classification

Age Group	Count	Percentage
B40 (earning less than RM 4,850 per month)	68	35.98%
M40 (earning RM 4,851 - RM 10,970 per month)	94	49.54%
T20 (earning RM 10,970 per month and above)	27	14.29%

Source: Prepared by the authors (2023)

Table 6 – Participants' Employment Status

Age Group	Count	Percentage
Employed	189	100%
Unemployed	0	0.00%

*Since the study was focused on working Malaysian individuals, all data of unemployed participants were excluded from the study.
Source: Prepared by the authors (2023)

The descriptive analysis revealed the participant distribution: 71 (37.57%) male and 118 (62.43%) female respondents. In terms of age, 30 (15.87%) were 18-25, 100 (52.91%) were 26-39, and 59 (31.22%) were 40-64, with none above 65. It is likely that individuals aged 65 and above were excluded during data screening as they are retired. Education-wise, none has a primary degree, 10 (5.29%) had a secondary degree, 16 (8.47%) had a certificate, 30 (15.87%) had a diploma, 79 (41.80%) had a bachelor's degree, 45 (23.81%) had a master's degree, and 9 (4.76%) had a doctorate. In terms of marital status, 101 (53.44%) are single, 80 (42.33%) are married, 6 (3.17%) are divorced and 2 (1.06%) are widowed. In terms of income, 68 (35.98%) were **B40**, 94 (49.54%) were **M40**, and 27 (14.29%) were **T20**. All 189 participants were employed in various sectors because of the study's requirement for participation.
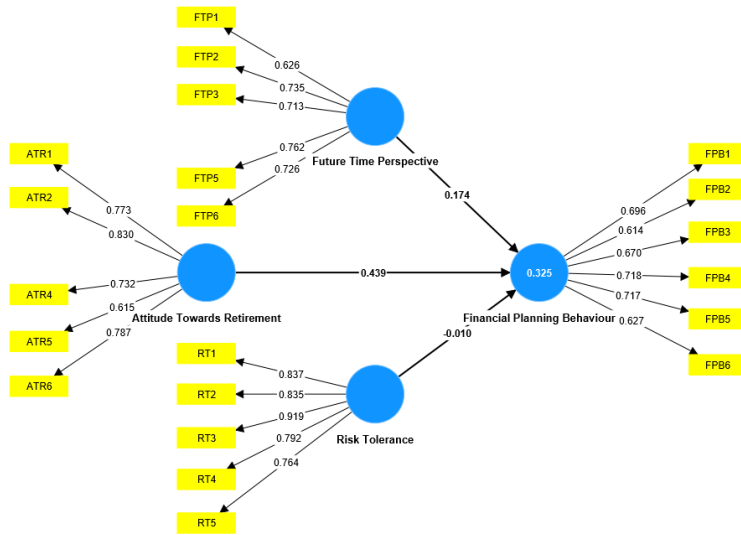
Figure 1 – Factor Loading Before Deletion
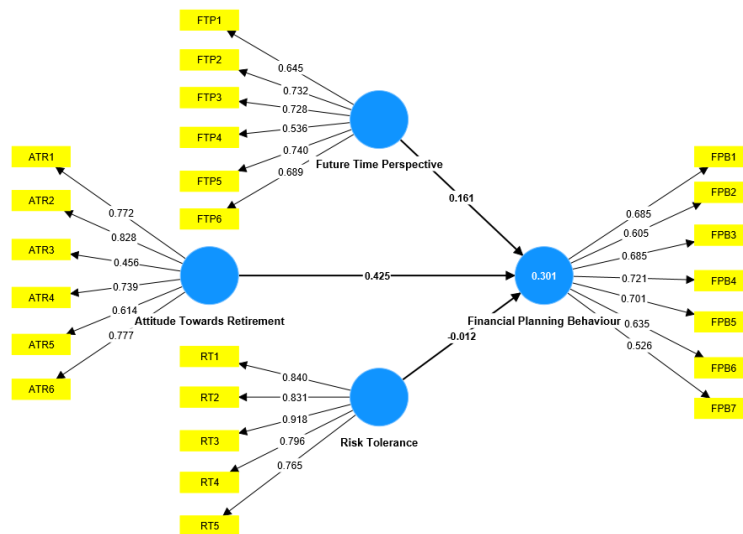
Source: Prepared by the authors (2023)

Figure 2 – Factor Loading After Deletion

Source: Prepared by the authors (2023)

Table 7 – Cronbach's Alpha

	Value
Attitude Towards Retirement	0.806
Future Time Perspective	0.766
Risk Tolerance	0.889
Financial Planning Behaviour	0.763

Source: Prepared by the authors (2023)

Table 8 – Composite Reliability (rho_ c)

	Value
Attitude Towards Retirement	0.865
Future Time Perspective	0.838
Risk Tolerance	0.917
Financial Planning Behaviour	0.833

Source: Prepared by the authors (2023)

Table 9 – Average Variance Extracted (AVE)

	Value
Attitude Towards Retirement	0.564
Future Time Perspective	0.510
Risk Tolerance	0.690
Financial Planning Behaviour	0.455

Source: Prepared by the authors (2023)

Table 10 – Fornell-Larcker

	ATR	FPB	FTP	RT
Attitude Towards Retirement	0.751			
Financial Planning Behaviour	0.554	0.675		
Future Time Perspective	0.647	0.460	0.714	
Risk Tolerance	-0.303	-0.179	-0.205	0.831

Source: Prepared by the authors (2023)

Table 11 – Cross-Loading

	ATR	FPB	FTP	RT
ATR1	0.773	0.425	0.465	-0.143
ATR2	0.830	0.454	0.603	-0.271
ATR4	0.732	0.355	0.485	-0.252
ATR5	0.615	0.291	0.366	-0.091
ATR6	0.787	0.509	0.490	-0.329
FPB1	0.378	0.696	0.376	-0.092
FPB2	0.341	0.614	0.303	-0.135
FPB3	0.337	0.670	0.273	-0.122
FPB4	0.390	0.718	0.300	-0.098
FPB5	0.482	0.717	0.366	-0.196
FPB6	0.258	0.627	0.197	-0.044
FTP1	0.316	0.264	0.626	0.006
FTP2	0.426	0.228	0.735	-0.063
FTP3	0.471	0.313	0.713	-0.019
FTP5	0.508	0.344	0.762	-0.280
FTP6	0.531	0.424	0.726	-0.272
RT1	-0.196	-0.085	-0.101	0.837
RT2	-0.306	-0.174	-0.223	0.835
RT3	-0.345	-0.188	-0.191	0.919
RT4	-0.168	-0.136	-0.142	0.792

RT5	-0.170	-0.116	-0.150	0.764

The Reflective Measurement Model involves confirmatory factor analysis, internal consistency using Cronbach's alpha and composite reliability, construct validity, and discriminant validity. Notably, during confirmatory factor analysis, items FTP4, ATR3, and FPB7 demonstrated low reliability (below the acceptable threshold of 0.6) and were removed to improve the model fit. Internal consistency was assessed via Cronbach's alpha and composite reliability, indicating strong consistency across latent variables (**ATR**, **FPB**, **FTP**, **RT**). Construct validity was confirmed through the average variance extracted (AVE) values (0.564, 0.455, 0.510, and 0.690 for **ATR**, **FPB**, **FTP**, **RT**, respectively). The study demonstrated discriminant validity as per the Fornell-Larcker criterion and cross-loading analysis, affirming the uniqueness and independence of the variables.

Table 12 – Collinearity Statistics

	VIF
ATR1	1.719
ATR2	1.972
ATR4	1.683
ATR5	1.387
ATR6	1.618
FPB1	1.498
FPB2	1.393
FPB3	1.508
FPB4	1.641
FPB5	1.367
FPB6	1.604
FTP1	1.869
FTP2	2.257
FTP3	1.553
FTP5	1.684
FTP6	1.554
RT1	2.688
RT2	2.052
RT3	3.450
RT4	1.916
RT5	1.871

Table 13 – R-square

	R-square	R-square adjusted
Financial Planning Behaviour	0.325	0.314

Table 14 – Model fit

	Saturated model	Estimated model
SRMR	0.091	0.091
d_ULS	1.932	1.932
D_G	0.509	0.509
Chi-square	552.862	552.862

NFI	0.703	0.703

Source: Prepared by the authors (2023)

Table 15 – Path coefficients

	FPB
Attitude Towards Retirement	0.439
Future Time Perspective	0.174
Risk Tolerance	-0.010

Source: Prepared by the authors (2023)

Table 16 – Summary of Hypotheses

	T-statistics	p-value	Result
H$_1$: Future Time Perspective is related to the Financial Planning Behaviour among Malaysians.	1.649	0.099	Do not reject H$_0$. There is insufficient evidence that Future Time Perspective is related to Financial Planning Behaviour among Malaysians.
H$_2$: Attitude Towards Retirement is related to the Financial Planning Behaviour among Malaysians.	5.172	0.000	Reject H$_0$. We can conclude that Attitude Towards Retirement is related to the Financial Planning Behaviour among Malaysians.
H$_3$: Risk Tolerance is related to Financial Planning Behaviour among Malaysians.	0.105	0.916	Do not reject H$_0$. There is insufficient evidence that Risk Tolerance is related to Financial Planning Behaviour among Malaysians.

Source: Prepared by the authors (2023)

In this research, the Structural Equation Model (SEM) was utilised to evaluate the relationship between Financial Planning Behaviour and the independent variables (**ATR**, **FTP** and **RT**). The analysis encompassed metrics such as R-square, model fit, and path coefficients. Multicollinearity was also explored through the **VIF**, affirming a moderate correlation among predictors and ruling out collinearity issues.

The findings of this research indicated a satisfactory R-square value (0.325) and adjusted R-square value (0.314), falling within the range of weak to moderate. The model's fit was deemed adequate, supported by the **NFI** value at 0.703 and **SRMR** at 0.091. Path coefficients revealed a positive relationship between **ATR** and **FTP** with **FPB**, in which **RT** had a marginal impact. Upon hypothesis testing, only H$_2$ was validated, emphasising the significant influence of **ATR** on **FPB**. Conversely, H$_1$ and H$_3$, positing substantial effects of **FTP** and **RT** on **FPB**, were negated.

4.1 Relationship between Future Time Perspective towards Financial Planning Behaviour

The findings of this study present a perspective that contrasts with previous research. It suggests that there is no relationship between Future Time Perspective and Financial Planning Behaviour among Malaysians. In contrast to the findings of past research, which have consistently demonstrated a link between future time perspective and financial preparedness for retirement, as well as the tendency to save and plan, this particular research fails to replicate these established patterns in the Malaysian context.

A possible explanation for the lack of relationship between the future time perspective and financial planning behaviour among Malaysians may be related to the economic conditions and their perceptions of financial security. Socioeconomic factors, such as income levels and overall economic stability, play a crucial role in shaping financial behaviours. Consequently, the economic circumstances emerge as a potentially influential factor impacting their capacity to engage in comprehensive financial planning endeavours, regardless of their future time perspective. Supplementing this perspective, the influence of perceived financial security amplifies the complexity of this relationship. Particularly pertinent in light of events like the COVID-19 pandemic, the uncertain terrain of economic stability can cast a shadow over Malaysians' proclivity for long-term financial planning. This evokes a scenario wherein the anticipation of an uncertain financial future of Malaysians, stemming from economic instability or other factors, might temper the inclination to engage in long-term financial planning, even among individuals inherently inclined toward a future-oriented mindset.

4.2 Relationship between Attitude Towards Retirement towards Financial Planning Behaviour

The outcomes of this research suggest that there is a substantial positive association between Attitude Towards Retirement and Financial Planning Behaviour among Malaysians. This conclusion is consistent with prior studies that demonstrated a relationship between an individual's perception towards retirement and retirement planning (Topa et al., 2009; Noone et al., 2010; Zeka et al., 2020). The idea of attitude is important since it could greatly impact an individual's decision-making process. When a person has a positive attitude towards a certain action or a particular behaviour, such as saving for retirement, they are more likely to engage in that action or behaviour. The findings of this study indicate that it is the same for Malaysians and financial planning behaviour.

The positive relationship between Malaysians' Attitude Towards Retirement and Financial Planning Behaviour could be explained by cultural factors. Malaysians have a strong cultural heritage of saving for the future, including retirement, which may have an impact on their retirement views and financial planning practice. Furthermore, the Malaysian government has put in place laws and programmes to encourage retirement savings. **EPF** is one example of a programme that may have helped to a favourable attitude towards retirement planning and financial planning in general.

Furthermore, the conclusions of this study might have significant implications for Malaysian financial planners and policymakers. They could utilise the findings of this study to design and implement policies that encourage Malaysians to have a positive attitude towards retirement planning, which could lead to increased levels of financial planning activity. This might have a big influence on Malaysians' financial well-being in retirement, which is critical for the country's long-term economic stability.

4.3 Relationship between Risk Tolerance towards Financial Planning Behaviour

The findings of this research suggest that there is little to no relationship between Risk Tolerance towards Financial Planning Behaviour among Malaysians. This contrasts with past research that has identified a positive relationship between risk tolerance and retirement planning. One possible explanation for the lack of relationship between risk tolerance and financial planning behaviour among Malaysians may be related to cultural differences in how risk is perceived and managed. For instance, Malaysians may be more risk-averse and cautious in their investment due to cultural factors, which may impact their financial planning behaviour. It is important to note that the findings of this research are consistent with other studies that have also reported no direct relationship between risk tolerance and retirement planning behaviour, particularly among women. For instance, Tomar et al. (2021) found that risk tolerance has no direct relationship with retirement planning behaviour among women. Similarly, Fisher & Yao (2017) discovered that an individual's risk tolerance affects their portfolio decisions and tendencies to save but not their retirement planning behaviour.

Through this research, it was learned that while risk tolerance may have a role in some parts of financial decision-making, such as investment decisions, it may not have a large influence on

financial planning behaviour. There may be other factors, such as income level, financial knowledge, and an individual's projected retirement desires, that may be more influential in determining people's financial planning behaviour. When analysing the relationship between risk tolerance and financial planning behaviour, it is critical to include the larger context of financial decision-making. Therefore, in order to get a more thorough knowledge of the factors that impact financial planning behaviour among Malaysians, future research should explore the other possible predictors of financial planning behaviour and its interactions with risk tolerance.

5.0 Conclusion

This research examined the relationship between Future Time Perspective (FTP), Attitude Towards Retirement (ATR), and Risk Tolerance (RT) with Financial Planning Behaviour (FPB) among Malaysians. The key results of this study were a positive and strong correlation between ATR and FPB on the contrary FTP and RT did not correlate to FPB. This evidence emphasises the need to nurture positive attitudes towards retirement ideally culminating in the financial planning practices among Malaysians.

The study has demonstrated that ATR is a solid correlation FPB, validating H2 and emphasising the role of a positive retirement outlook in fostering financial planning engagement. On the other hand, FTP and RT do not significantly predict FPB, challenging H1 and H3, suggesting that financial planning behaviours are shaped by a complex interplay of factors.

This research highlights the cultural and societal factors which affect financial planning in Malaysia. The study emphasises on the determinative impact of retirement mindset and offers workable solutions for the financial advisors and policymakers. THese illuminations can be helpful to form specific interventions, which may include providing financial literacy and positive attitudes towards retirement. As a result, it will lead to more financial planning engagement.

The FTP and RT seem to play a role in financial decisions in other contexts, however their minimal impact on FPB in the study suggests a need for a more comprehensive approach on financial education. Such comprehensive intervention may minimise as well as simplify financial choice. Future research should be further conducted to understand more complicated factors that influence financial thinking, such as feelings, society, and economy, in order to

provide an all-rounded plan that will be trusted by the people of Malaysia. The importance of this research is to highlight more on the details of Malaysian financial behaviour therefore providing a foundation for other studies to build and add on to the initially laid foundation which strengthens the nation's financial stability.

Abbreviations

ATR: Attitude Towards Retirement

B40: Bottom 40%

EPF: Employees Provident Fund

FCI: Financial Capability and Inclusion Demand Side

FPB: Financial Planning Behaviour

FTP: Future Time Perspective

M40: Middle 40%

NFI: Normed Fit Index

RT: Risk Tolerance

SPSS: Statistical Package for Social Sciences

SRMR: Standardised Root Mean Square

T20: Top 20%

VIF: Variance Inflation Factor

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