
A Study on The Factors Impacting Retirement Planning Among Low-Income Workers in The Northern Region, Malaysia

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Abstract – Since the world's aging population is expanding quickly, retirement planning has been identified as one of the top concerns of all nations. As a developing country, Malaysia has also been touched by this issue. Particularly, retirement planning among low-income earners is frequently contested because of a lack of available financial resources among them. Therefore, this study aims to investigate the factors influencing the retirement planning among low-income workers in the Northern Region, Malaysia. This study anticipated that saving attitude, financial socialisation, financial literacy, and demographic characteristics could all have an impact on retirement planning. A quantitative method with convenience sampling was applied in this study. This study used an online questionnaire to collect primary data from working adults with limited financial resources. Using SPSS, the data that was gathered was examined. Multiple linear regression and Pearson Correlation Analysis were both used in the analysis. The findings demonstrate that ethnicity and state, as well as financial socialisation, saving attitudes, and financial literacy, have a substantial impact on retirement planning among low-income employees in Malaysia's Northern Region. This study will give researchers, policymakers, governments, and the Employee Provident Fund a detailed picture of retirement planning among low-income workers in Malaysia's Northern Region (EPF).

Keywords: Retirement Planning, Low-income workers, financial literacy, financial socialisation, saving attitude, Northern Region and Demographic Factors.

1. Introduction

The ageing of the population is a global phenomenon that affects both developed and developing countries. It occurs when a country's median age grows, changing the population's age distribution towards older ages. Malaysia is seeing a significant growth in the number of senior citizens. Malaysians have a greater life expectancy as a result of recent medical advances and improvements in hygiene and food supply (Mohd, Fathi & Amaratunga, 2018).

According to Ismail, Wan, Hamjah & Astina (2021), population ageing is defined as a growth in the number and percentage of older people aged 60 and up, with a decrease in the number and percentage of young people aged 15 and under.

Ageing populations, which started in wealthier nations, are now an unique demographic phenomenon in developing nations. In Malaysia, pre-retirement and post-retirement planning are becoming increasingly essential factors for both government and private sector personnel as they approach retirement. In Malaysia, an employee's minimum retirement age is 60 years old. According to the Department of Statistics Malaysia, the present retirement age equates to a life expectancy of 74.5 years (Mansor, et al, 2019). As a result of advancements in healthcare, 60 years old is currently regarded as a reliable retirement age.

Many Malaysians have experienced substantial financial hardship as a result of the COVID-19 pandemic, according to the Pandemic Sized Caveat issued by Daud S (2021). One in three workers reported a pay decrease of more than 30% last year. As of April 2021, the unemployment rate is 4.6%. This is higher than the 5.3 % recorded in May 2020, but the most recent Movement Control Order (MCO), which was enforced in June of this year, could lead to another increase in unemployment. B40 and M40 households are significantly more vulnerable to job loss than T20 households, thus enlarging the income difference even more.

Covid-19 effect has caused the unemployment rate to rise to 5.3% in May this year, up from 3.3% the previous year. According to the World Bank Group, Malaysia's bottom 40% (B40) population is still struggling to cope with the effects, citing their insecurity to economic crises, rising living costs, and rising expenses. The government recently increased the national poverty threshold income from RM980 to RM2,208 per month. Mustapa Mohamed, Minister in the Prime Minister's Department, claimed the national poverty rate in 2019 was 5.6 percent, or 405,441 households. Malaysia's poverty rate in 2016 was 0.4 percent (24,700 homes), based on the then-poverty line income of RM980, however it would be 7.6% (525,743 households) if the new RM2,208 low-income was used (Durgahyeni.MP, 2020). In line to that, according to Kaur and Hassan (2018), individuals or groups with low-income levels are unable to do retirement planning because they only have enough money to keep going on a daily basis. Because of the low-income level of individuals or groups, only enough money is available to keep them going, but not enough to save for retirement. This may be due to governmental factors such as minimum wages and inflation, which force significant daily expenditures to rise, allowing low-income individuals and groups to save a percentage of their income for retirement planning.

Therefore, this research aims to explore further on possible the factors influencing retirement planning among low-income workers in the Northern region, Malaysia. This study adds to the growing knowledge on retirement preparation among Malaysian workers in facing their old age life. Furthermore, the findings will give helpful information on the variables studied and better understand how these variables influence retirement planning in general and allowing government as well as policy maker to assists the low income workers in planning their retirement accordingly.

2. Literature Review

2.1 Retirement Planning

According to the Mohd Talib and Abdul Manaf (2017), retirement is the final stage of a person's career, and everyone who works in the public or private sectors will eventually retire. Retirement has been defined by Johnson and Williamson (1987) as "an event, a formal departure from paid labour that occurs on a specific day, a status with new rules to learn, and a process that begins the day an employee recognizes that the worker function will cease." As a result, retirement should be considered as a significant life transition that will result in feelings of emptiness, loneliness, and a decrease in life satisfaction.

Preparing for retirement is never simple, as it necessitates the implementation of a savings plan, the creation of a diverse investment portfolio, and the estimation of future expenditures. More than half of Malaysians, according to a recent survey by the Credit Counselling and Debt Management Agency (AKPK), may not be financially prepared for retirement. Michael Lai, Vice President of Wealth Management Research at OCBC Bank (Malaysia) Berhad, outlines the top three best practices to follow and the top three common mistakes to avoid in order to attain a decent lifestyle (Edge, 2021). Young workers with relatively modest incomes, especially non-standard workers and the self-employed, are likely to find it challenging to contribute to their own retirement planning and their parents' retirement preparation due to growing concerns about employment insecurity and volatility. The interpersonal compact may be broken because young people in lower socioeconomic categories have even fewer alternatives and power when it comes to planning for their own retirement and helping their parents (Chan, K. K., & Au-Yeung, T. C. 2021).

There are a few strong reasons to plan for retirement. On the one hand, retirement planning encompasses a portion of government spending. More specifically, it requires an allocation of tax revenue or a considerable budget to care for citizens' well-being, such as aged healthcare maintenance. Years of money have been spent on this protection, which may explain why public policymakers are taking proactive steps to hold corporations more responsible for employee retirement spending shortages (Tuan et al., 2011). According to, Liu.C, Bai.X, and Knapp.M (2021), Retirement planning, defined as "a goal-oriented behaviour in which individuals spend effort to prepare for their retirement life" (Yeung and Zhou, 2017), can effectively reduce retirement fear, stress, and confidence.

2.2 Financial Literacy

According to Rai, K., Dua, S., & Yadav, M. (2019), financial literacy is defined as a combination of knowledge, education, ability, competence, and responsibility. Financial literacy is a path to long-term sustainability, and it plays a critical role in assuring the

financial well-being of individuals, families, businesses, and nations. Financial literacy is the capacity to use information and skills to properly manage financial resources over the course of one's life. The majority of prior research has provided various insights into the reasons why people do not plan for retirement, which may be useful in the future. Working people failed to construct a retirement savings strategy, according to the research. Financial illiteracy is the fundamental cause of this poor planning.

The global COVID-19 outbreak has wreaked havoc on the economy across the United States. Efforts to halt the spread of the coronavirus have resulted in a wave of layoffs. Stocks in the United States have dropped for the first time since the financial crisis of 2008. There are more unemployed Americans now than there were during the Great Recession or in the event of natural disasters (Friedline, T., Chen, Z., & Morrow, S. P. (2021). Controlling for cognitive changes that occur in the aging population is especially crucial when it comes to financial literacy. For example, Han et al. (2014, 2016) follows senior Rush Memory and Aging Project participants for up to a decade, tracking their responses to financial literacy questions and cognitive assessments. "Financial literacy and cognitive performance may be at least somewhat separate categories with some different neuroanatomical connections," concluded by the authors (Han et al., 2014, 226; Mitchell & Lusardi, 2022).

Hong and Fraser (2021) highlights the financial difficulties faced by retired high-performance athletes due to a lack of financial literacy and self-management abilities. Financial literacy and self-financial management of high-performance athletes have been under-studied, according to the authors, despite mental health issues being frequently investigated and publicised (Chang et al. 2020; Hong & Fraser, 2022).

2.3 Financial Socialization

According to Clinton Gudmunson, Sara K. Ray, Jing Jian Xiao (2016), financial socialization in the development of youngsters into capable producers, consumers, and financial socialisation agents. Although all of these factors have a part in financial socialisation, the newest study shows that parents have a greater influence than educators, peers, media, and self-learning in fostering healthy financial behaviour and experiencing financial wellbeing. According to Shanmugam, A., Abidin, F.Z, and Tolos, H. (2017), financial socialisation is an individual's process of gaining information about money and fund management, such as saving, credit card uses, budgeting, and banking. Parents have been identified as a key socialisation agent in teaching their children about money planning and management.

People received advice from a wide range of sources, including their spouse and children, as well as relatives, friends, and co-workers, and they frequently consider this advice while planning their retirement. Furthermore, workers consider the personal circumstances of their social network, particularly the spouse and, to a lesser extent, the children. Second,

the social network's retirement age has an impact on workers. Respondents delay their intended retirement age by an average of 3 months if their co-workers' or relatives and friends' retirement age increase by one year (Vermeer, N., van Rooij, M., & van Vuuren, D. (2019).

In fact, according to Kim and Torquati (2019), explicit financial socialisation may compensate for the harmful effects of implicit financial socialisation. Explicit financial socialisation has been linked to increased financial responsibility (Kim and Torquati 2019), financial confidence (Jorgensen and Savla 2010; Shim et al. 2015), financial literacy and knowledge (Sundarasan, S. D. D., Rahman, M. S., Othman, N. S., & Danaraj, J. (2016), savings (Buccioli and Veronesi 2014; Webley and Nyhus 2013), and asset ownership (Buccioli and Veronesi 2014; Webley and Nyhus 2013). Explicit financial socialisation, on the other hand, was found to be negatively connected with student loan stress (Fan and Chatterjee 2019) and unfavourable financial behaviours in adulthood (Fan and Chatterjee 2019).

Parents were revealed to be the most influential financial socialisation agents in the lives of their children in a sample of African American individuals (Hudson et al. 2017). Only a few research, however, have looked into the impact of racial and ethnic disparities on explicit financial socialisation (Fulk and White 2018; White, Watkins, McCoy, Muruthi & Byram, 2020). The development of children's financial attitudes, knowledge, and talents is also influenced by family socialisation and parental financial socialisation. When faced with financial issues (e.g., job loss, a housing crisis), children learn what their parents' model to them in everyday life (e.g., paying the mortgage, buying groceries, managing credit cards). It suggests that the kids are "learning" basic financial knowledge from their parents. As children get older and leave home for college, they begin to learn how to manage their own finances (for example, managing a bank account and tracking monthly payments, paying student loans, and managing credit card debt) (Li, Zuiker, Mendenhall & Montalto, 2020).

2.4 Saving attitude

As long as their savings grow every year, the majority of working people have trusted the EPF to select what or where to invest their contributions. Some people are unwilling to confront the financial system's complexity and difficulties, and as a result, they are inactive in their investment decisions. Because the EPF often invests in secure investment options, people typically receive poor investment returns. As a result, their retirement income will not be sufficient to support their living expenses during their senior years (Afthanorhan, et al.,(2020).

Both financing and saving habits are related concerns. Employees should start saving for retirement as soon as they start working by allocating a decent part of their earnings to the cause. Many previous studies have discovered that saving attitude is positively related to retirement planning, demonstrating that many people, particularly low-income workers,

have poor savings habits. Planning for retirement is a difficult task, and people frequently regret it when they reach retirement age and discover they don't have enough money (Lim, S. M., Tenk, T., Teoh, M., & Lee, T. H. (2021).

2.5 Demographic Factors

Demographic factors, including gender, age, marital status, education level and ethnicity, provide a general indication of those groups in the general population that are at the highest risk in the retirement planning. Variables that assess characteristics of persons relevant to their aims are used in demography of financial services consumers, which can be used alone or in combination with other methods of segmentation. Demographic characteristics, such as "gender," "age," "income level," "educational level," "occupation," and "marriage status," are observable and hence easy to gather, according to Makgosa et al. (2016). These characteristics influence consumer behaviour and can thus be utilised as "proxies" for analysing their direct demands (Deccax and Campani, 2021).

Age. According to Chan. (2021), over a 22-year period, the retirement age will rise from 65 to 67, with an 11-year break when the retirement age will remain at 66. The original Social Security Act of 1935 set a retirement age of 65 as the minimum age for receiving full benefits. The required Employee Provident Fund (EPF) for private-sector workers in Malaysia's public pension system provides lump-sum old-age, survivors, and disability payments; EPF members can take funds at age 55 and work until age 75. The administration has stated that there are no plans to raise the EPF withdrawal age to 60 in the near future. For low-income workers, a voluntary social insurance system provides disability and work-related injury compensation (Vostatek, J., 2020). According to the analysis, Malaysia's population aged 65 and more is predicted to double from 7% to 14% by 2044, a span of just 24 years. Only 12 years later, the number will have risen to 20%. As a result, Malaysia's ageing process is comparable to that of Japan. Malaysians would have to work longer due to rapid ageing process. Malaysia's employment rate for individuals aged 55 to 64 is currently quite low, especially among women, when compared to other upper lower middle- and high-income countries ("A Silver Lining: Productive and Inclusive Aging for Malaysia", 2022).

Gender. In terms of financial preparation for retirement, gender makes a significant difference. According to Puteh, F., and Jody, J.M. (2020), men are better prepared than women in terms of retirement planning. Men, on average, are better financially prepared to quit the employment than women. Men were more likely than women to have defined retirement goals. The key issues that require male workers to consider retirement planning are their responsibilities to their families, healthcare, and the fact that their spouse does not work. The previous study shows on how gender will influence retirement planning. The findings of the study demonstrate that the influence of retirement on cognition differs significantly by gender, with a stronger effect on men. After retirement, male blue-collar workers may embrace a more active lifestyle, which may have a bigger positive impact on

recognition (Lei and Liu, 2018). Gender inequality is a big issue that Malaysia has yet to address adequately. Malaysia ranks 97th out of 153 nations for economic participation and opportunity (index score of 0.639), lower than all other ASEAN countries save Myanmar, according to the World Economic Forum's Global Gender Gap Index (GGGI) for 2020. According to preliminary data on COVID-19's impact, women's economic and productive lives will be impacted differently and differently from men. Men have tended to be the biggest losers in prior economic crises due to their specialization in cyclical industries like manufacturing and construction, but women have tended to lose less since they dominate fewer cyclical services like healthcare and education (Lim, S. M., Tenk, T., Teoh, M., & Lee, T. H. (2021).

Marital Status. Spousal influence or marital status could be another explanation for the link between financial knowledge and retirement planning. Because a spouse's choice should be supported by their partner, spousal influence is a key factor in retirement decision-making. Even when they have achieved retirement age, retirement life without proper planning necessitates ongoing work. In the golden years, a lack of retirement planning might generate family problems. (Afthanorhan, 2020). There was no significant difference in the dimensions of lifestyle planning and health planning, which are sub-dimensions of the retirement planning process, as per the marital status variable. The attitudes of married and widowed teachers regarding psychosocial planning were shown to be much more positive than those of single instructors when it came to retirement preparation. It was discovered that married and widowed teachers had much more positive attitudes toward financial planning in retirement than single teachers (Murari, K., Shukla, S., & Adhikari, B. (2021).

Education Level. The highest level of schooling a person has finished is referred to as educational achievement. The attainment of a level's learning objectives, which are often validated through the evaluation of acquired knowledge, skills, and competences, is referred to as successful completion of a level of education. According to Baihaqqy, M. R. I., & Sari, M. (2020), formal education does not prepare children for real life, and good grades alone do not guarantee success. The current educational system permits students to graduate without a financial base. In Brazil, show that the government views public policies and MEC guidelines as a multidisciplinary foundation that would be sufficient for individuals to develop knowledge to manage their financial resources, even if financial education is not considered a requirement for population development (Silva, Magro, Gorla & Nakamura, 2017).

3. Methodology of Study

This study is based on a quantitative approach that employs data gathered through self-administered questionnaires. The study's goal is to look into the importance of low-wage workers' retirement planning habits. Workers from Kedah, Penang, Perak, and Perlis are participating in this study. A set of questionnaires consisting of 32 statements were adapted in measuring retirement planning. Besides eight questions items for each variable, there were also questions on demographic characteristics since it is also one of the predictor

variable. The demographic section covered gender, race, marital status, education level, and working experience. A total of 200 questionnaires were distributed randomly at both the private and government based organisation limited company in Northern region of Malaysia. A response rate of 80% was obtained consisting of 160 datasets. The data was cleaned from any missing values and outliers before analyzing them using SPSS Version 22.

4. Findings and Discussion

4.1 Descriptive Analysis

Descriptive analysis describes the data sets such as respondents' demographic factors. The demographic factors that can be find from this research are: Gender, Age, Ethnicity, Education Level, Marital Status and State. The low-income group who are receiving the B40 are the selected respondents to do this e-survey. The collected data are very important to study the factors influencing the retirement planning among low-income workers in Northern Region, Malaysia.

Table 4.1: Demographic Profile of Respondents

Variable	Categories	Frequency	Percentage (%)
Gender	Male	85	52.5
	Female	75	46.3
Age	15-30	59	36.4
	31-46	51	31.5
	47-62	41	25.3
	63 & above	11	6.8
Ethnicity	Malay	41	25.3
	Chinese	69	42.6
	Indian	51	31.5
Education	PMR	7	4.3
	SPM	36	22.2
	STPM	12	7.4
	Certificate	10	6.2
	Diploma	31	19.1
	Bachelor Degree	62	38.3
	LCE	1	0.6
Marital status	Married	94	58.0
	Unmarried	67	41.4
	Divorcee	1	0.6
State	Kedah	45	27.8
	Perak	36	22.2
	Perlis	42	25.9

From the above demographic table 4.1, male participants made up a majority portion compare to female participants, with 85 individuals made up for 53% of the total. Female participants, on the other hand, contribute for 47% of the total respondents, or 75 out of 160. In terms of age group, there were 59 respondents in the survey who were between the ages of 15 and 30, made up for 36.4% of the total respondents. Following that, 51 respondents (or 31.5% of the total respondents) belong to the age group of 31-46 years of age. Besides that, 41 respondents (or 25.3% of the total respondents) belong to the age group of 47-62 years of age and 11 respondents (or 6.8% of the total respondents) belong to the age group of 63 and above.

Meanwhile, the ethnicity of the respondents was divided into 3 which was Malay, Chinese, and Indians. Indians made up the majority of the participants in this study, making up for 42.6% which are 69 respondents out of 161. Chinese respondents came in second, with 51 respondents made up for 31.5% of the total. The third best would be Malay respondents with 41 respondents out of 161 made up for 25.3% of the total. From the education background, there were 7 respondents who only studied until Penilaian Menengah Rendah (PMR) responded to the survey, making up for 4.3% of the total respondents. One respondent is studied until Lower Cambridge Education (LCE), made up for 0.6% of all respondents. Besides, 36 out of 162 respondents and 12 out of respondents, which is made up for 22.2% and 7.4% of all respondents' education level was Sijil Pelajaran Malaysia (SPM) and Sijil Tinggi Persekolahan Malaysia (STPM). Next, 10 out of 162 respondents and 31 out of respondents, which is made up for 6.2% and 19.1% of all respondents' education level was Certificate and Diploma. Other than that, 62 respondents are bachelor's degree holder which made up for 38.3% of the total respondents.

Based on the details of marital status, there were 67 respondents who are unmarried, whereas 94 who are married and only 1 respondent who are divorced, which represents 41.4%, 58.0% and 0.6%, respectively. From the aspect which state that these respondents are belongs to, are divided into 4 different state in the northern region of Malaysia. There were 45 respondents who are from Kedah, 42 respondents who are from Perlis, 39 respondents from Penang and 36 respondents who are from Perak, which represents 27.8%, 25.9%, 24.1% and 22.2% respectively.

4.2 *Correlation Analysis*

Pearson correlation test were used to test the associations between the variables. The effect of correlation is to scale back the range of uncertainty. Forecasts supported correlation analysis are more volatile and should be closer to reality. This research aims to identify any

relationship between the dependent variable (retirement planning) and the independent variable (financial literacy, financial socialisation and savings attitude).

Table 4.2: Correlations Analysis on Variables.

		Retirement Planning	Financial Literacy	Financial Socialization	Saving Attitude
Retirement Planning	Pearson	1	.603**	.483**	.481**
	Correlation				
	Sig. (2-tailed)		.000	.000	.000
	N	162	162	162	162
Financial Literacy	Pearson	.603**	1	.684**	.606**
	Correlation				
	Sig. (2-tailed)	.000		.000	.000
	N	162	162	162	162
Financial Socialization	Pearson	.483**	.684**	1	.601**
	Correlation				
	Sig. (2-tailed)	.000	.000		.000
	N	162	162	162	162
Saving Attitude	Pearson	.481**	.606**	.601**	1
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	
	N	162	162	162	162

***. Correlation is significant at the 0.01 level (2-tailed).*

Refer to Table 4.3.1, where RP stands for retirement planning, FL for financial literacy, FS for financial socialisation, and SA for saving attitude. The strength of the linear relationship between the variables in this study is investigated using Pearson correlation analysis. According to Table 4.3.1, all variables are significantly positively correlated at the 0.01 level. Financial literacy, financial socialisation, and saving attitude all have positive correlation coefficients of 0.603, 0.483, and 0.481, respectively, with retirement planning. Meanwhile, with a correlation coefficient of 0.684, financial literacy and financial socialisation have the strongest relationship between each independent variable. Overall, financial literacy, followed by financial socialisation and saving attitude, has the strongest significant relationship with retirement planning among low-income people.

4.3 Multiple Regression Analysis

The most commonly used type of linear regression analysis is multiple linear regression. Multiple linear regression is a predictive approach that explains the

relationships between one dependent variable (retirement planning) and two or more independent variables (demographic determinants, financial literacy, financial socialisation, and saving attitude). In a regression model, R-Squared is a statistical measure of fit that shows how much variance in a dependent variable is explained by the independent variables.

Table 4.3.1 Roscoe's Rule of Thumb

R ²	Strength of Association
0.00 < R ² < 0.25	Weak or no relationship
0.26 < R ² < 0.49	Weak relationship
0.50 < R ² < 0.69	Moderate relationship
0.70 < R ² < 0.89	Strong relationship
0.90 < R ² < 1.00	Very strong relationship

Table 4.3.2 The Result of Multiple Linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.657 ^a	.431	.397	.54796

a. Predictors: (Constant), State, SA, Gender, Ethnicity, Education, Marital Status, FL, Age, FS

a. Dependent Variable: RP

Refer to Table 4.3.1 for the R² value of the analysis, which is 0.431, showing a weak relationship. This suggests that the independent factors can explain 43.1 percent of the dependent variable. As a result, additional characteristics such as gender, age, ethnicity, education level, marital status, state financial literacy, financial socialisation, and saving attitude can have a greater impact on retirement planning that can affect retirement planning in a more intense way than gender, age, ethnicity, education level, marital status, state financial literacy, financial socialization and saving attitude.

4.3.3 Coefficients level for all independent variables

Coefficients ^a					
Model		Unstandardized Coefficients B	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.967		1.817	.071
	FL	.558	.461	5.089	.000
	FS	.080	.064	.680	.498

SA	.189	.117	.141	1.621	.107
Gender	-.192	.086	-.143	-2.241	.026
Age	-.052	.066	-.069	-.791	.430
Ethnicity	.089	.058	.097	1.548	.124
Education	-.031	.026	-.081	-1.161	.248
Marital Status	-.166	.111	-.120	-1.494	.137
State	.007	.040	.012	.188	.851

Financial literacy, financial socialisation, saving attitude, ethnicity, and state all have positive beta coefficients, indicating that these variables have a positive relationship with retirement planning among low-income workers in Malaysia's Northern Region. Gender, age, education, and marital status all have a negative beta coefficient, indicating that they have a negative impact on retirement planning among low-income workers in Malaysia's Northern Region. Financial socialisation has the highest beta coefficient of 0.498 among the independent variables when it comes to retirement planning.

5. Discussions

This study sought to examine the relationships among low-income workers in Malaysia's northern region in terms of financial literacy, financial socialisation, saving attitudes, and retirement planning. Demographic factors examined included gender, age, ethnicity, education, marital status, and state. A total of 160 out of 200 issued questionnaires were received for this study and all these full data sets that were utilized in the data analysis. Demographic parameters (gender, age, ethnicity, education, marital status, state), financial literacy, financial socialisation, and saving attitude are the independent variables in the study, whereas retirement planning among low-income employees in Malaysia's Northern Region is the dependent variable.

Additionally, all of the variables exhibit a strong positive correlation with one another at the 0.01 level according to the Pearson Correlation test. Of all the independent components, financial literacy had the highest correlation (0.603) with the dependent variable, retirement planning. Financial literacy has the strongest link with financial socialisation among the independent variables, with a correlation coefficient of 0.684. All of the factors, including financial literacy, financial socialisation, saving attitude, and retirement planning, had a positive and significant connection.

The study's R-squared value is 0.431, which indicates that the independent factors had a 43.1 percent influence on low-income workers in Malaysia's Northern Region's retirement planning, according to an analysis of multiple linear regressions. This can be explained by the fact that other factors affect retirement planning more significantly. According to the study's beta coefficient, ethnicity, state, financial socialisation, saving attitude, and financial literacy all have positive relationships with retirement planning. The study's R-squared of 0.431 is thus acceptable and has no influence on how important factors should be interpreted.

6. Conclusions and Recommendations

Overall, financial literacy and gender were found to have a considerable impact on retirement Planning. 0.000 and 0.026 respectively were the significance levels for the two independent variables. Based on the overall findings, a retirement plan is intended to assist individuals plan for having a good post-retirement year and live a stress-free lifestyle. A retirement savings plan, for example, can help each and every individual to maintain their money stability and provide a steady income for the rest of their life. These pre-retirement programmes let them to invest money up a little bit for their retirement while they are still working. Based on this research, the low-income workers, who are going to receive their Pension and EPF, need to be wise in focusing on these three important factors when it comes to retirement preparation.

The factors influencing retirement planning among low-income workers in Malaysia's Northern Region will be difficult to overcome due to the elderly's lack of financial stability, which will take a multi-pronged strategy. The majority of potential solutions will be recognisable to those who worked in the company, but they are worth repeating. Malaysia has to follow the lead of many other countries in raising the retirement age to ensure financial security. Increased work duration allows for a better build-up of retirement savings, and considering that incomes typically peak around the age of 50, every Ringgit earned after this age has a greater impact on retirement savings. In 2012, the statutory retirement age was raised to 60, however it is already due for a review. Given the continued growth in life expectancy, the mandatory retirement age should, by rights, be adjusted to match that increase, or roughly one year every four calendar years.

7. Suggestions for Future Research

Future research should address the study's limitations, with a bigger sample size being recommended because it would be more representative of Malaysia's general population of low-wage workers. To improve accuracy, the study area and number of contributing factors influencing retirement planning among low-income employees should be expanded. Aside from that, it is also recommended that future research be conducted in various areas throughout Malaysia.

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