

Anchored in the future: How parental influence, goal clarity, and saving behavior alleviate retirement anxiety



Authors:

Lawrence E. Ugwu^{1,2}
Wojujutari K. Ajele¹
Erhabor S. Idemudia¹

Affiliations:

¹Department of Social Sciences, Faculty of Humanities, North-West University, Mafikeng, South Africa

²Department of Psychology, Faculty of Social Sciences, Renaissance University Ugawka, Enugu, Nigeria

Corresponding author:

Lawrence Ugwu,
law.ugwu@gmail.com

Dates:

Received: 16 Jan. 2024
Accepted: 11 July 2024
Published: 28 Aug. 2024

How to cite this article:

Ugwu, L.E., Ajele, W.K., & Idemudia, E.S. (2024). Anchored in the future: How parental influence, goal clarity, and saving behavior alleviate retirement anxiety. *SA Journal of Industrial Psychology/SA Tydskrif vir Bedryfsielkunde*, 50(0), a2183. <https://doi.org/10.4102/sajip.v50i0.2183>

Copyright:

© 2024. The Authors.
Licensee: AOSIS. This work is licensed under the Creative Commons Attribution License.

Read online:



Scan this QR code with your smart phone or mobile device to read online.

Orientation: This study investigates retirement planning complexities among pre-retirees in Nigerian universities, focusing on parental guidance and individual financial strategies.

Research purpose: The aim is to examine the impact of parental influence, retirement goal clarity and saving behaviour on retirement anxiety among Nigerian university pre-retirees.

Motivation for the study: Considering Nigeria's economic and pension challenges, this study explores key factors in retirement planning, particularly parental influence and individual financial strategies and their role in alleviating retirement anxiety.

Research approach/design and method: A quantitative approach was used to analyse data from 926 participants (695 males and 231 females) through structural equation modelling. The study utilised measures for Parental Influence, Retirement Goal Clarity, Retirement Saving Behaviour and Nigerian Pre-retirement Anxiety.

Main findings: Parental influence was found to be a significant predictor of retirement anxiety. Contrary to expectations, retirement goal clarity and saving behaviour serially mediated the relationship between parental influence and retirement anxiety.

Practical/managerial implications: The results underline the need for comprehensive financial education programmes and robust pension schemes. Incorporating parents in financial literacy initiatives and offering retirement planning support in workplaces, particularly in academic settings, is essential.

Contribution/value-add: This research enriches retirement planning literature in developing countries by showcasing the intricate mix of cultural, socio-economic and familial factors. It expands the Financial Socialisation Theory, highlighting parental influence's role in Nigeria and saving behaviour's significance in diminishing retirement anxiety. The findings offer broader implications for improving financial security in retirement beyond Nigeria, applicable to similar socio-economic environments.

Keywords: retirement anxiety; parental influence; retirement goal clarity; retirement saving behaviour; civil servants; Tertiary institutions in Nigeria.

Introduction

As the years of retirement approach, this may evoke fear, anxiety and uncertainty. The experience is more of the uncertainty for an average retired civil servant in Nigeria. For an average retired civil servant in Nigeria, the experience is predominantly marked by anxiety and uncertainty because of several factors, including irregular pension payments, inadequate financial planning resources and the unstable economic environment. Research indicates that irregular pension payments significantly affect retirees' financial security and planning (Akpan, 2017; Gambo & Fasanmi, 2019). Additionally, the lack of accessible financial planning resources exacerbates the anxiety and uncertainty faced by retirees (Ekwunife et al., 2019; Fiiwe, 2020). The broader unstable economic environment further compounds these issues, making it challenging for retirees to sustain a basic living standard (Adebite et al., 2008; Lawal et al., 2021). Consequently, this has taught the new generation of pre-retirees to adopt an unprecedented degree of responsibility for their retirement (Akpan, 2017; Fiiwe, 2020; Olatomide & Fashiku, 2015). Various Contributory Pension Schemes in government-owned institutions have enabled and encouraged workers to participate actively in saving (Ekwunife et al., 2019), but what needs to be considered is how much is saved eventually. Cooperative Societies exist in most institutions where workers authorise specific deductions from their salaries to enable them to access loans with minimal interest rates

without the bottlenecks of commercial banks (Azeez & Mogaji-Allison, 2017). However, this strategy is not free from challenges in economic society. The regular non-payment of salaries and internal mismanagement of the funds (Gambo & Fasanmi, 2019) eventually make it an unreliable means of saving or planning for the future. As a result of the unstable economic and political situation in the country, a basic living standard cannot be sustained with the supposed savings for a minimum of 17 years (Abu et al., 2014; Adegbite et al., 2008; Ebito et al., 2021; Obeh & Brotoboh, 2021).

In addition, the rising cost of living and the unsustainable nature of public pension funds highlight the importance of having adequate financial resources to support one's retirement. This highlights the critical nature of making the right decisions regarding individual savings and investments for a comfortable ageing experience in present-day Nigeria (Lawal et al., 2021; Lytle et al., 2015).

Okechukwu and Ugwu (2011) outlined three types of retirement in Nigeria: voluntary, where the employee leaves their job; compulsory, where the employer forces the employee to retire and mandatory, the standard form of retiring by regulations. Employees in tertiary institutions must retire after 35 years of service, except for professors, who can retire at 70, like judges in the Supreme Court and Court of Appeal. However, the rest of the judges must retire at 65 years. Public sector employees retire at 60 or after 35 years of service, whichever comes first (Federal Republic of Nigeria, 2014). As retirement is inevitable for employees, it is essential to plan for it to ensure a smooth transition into retirement life.

The imminent nature of retirement necessitates a viable retirement plan. Retirement planning includes identifying sources of income, estimating expenses, implementing a savings programme and managing assets and risks (Cupák et al., 2019). The main reason for retirement planning is to provide financial security for individuals and their families or significant others. In addition, an excellent financial retirement plan eliminates stress and allows individuals to achieve their goals, freeing up their money to work for them instead of hindering them (Newmeyer et al., 2021).

Despite the growing evidence of the impact of parenting on adult outcomes, there is still a gap in understanding how parents of retirees specifically shape retirement anxiety in sub-Saharan Africa. This paucity of research makes it difficult to fully understand the extent and dimensions of the influence of parental factors on retirement anxiety and how to develop behavioural interventions that could support individuals to have a better transition to retirement. Therefore, it is crucial to investigate further the role of some extant precursors of retirement anxiety that a significant parental influence could have mitigated. This will likely inform better intervention strategies to help individuals navigate the transition to retirement. This study, therefore, examines the mediating roles of retirement goal clarity and saving behaviour between parental influence and retirement anxiety under a mediation-based approach.

Literature review

This study's theoretical framework incorporates financial socialisation and goal-setting theory to analyse retirement planning among pre-retirees in Nigerian universities, particularly considering the impact of observing parents' retirement struggles because of poor planning.

Financial Socialisation Theory by Gudmunson and Danes (2011) and Kim and Torquati (2019) underlines the role of parental influence in shaping financial behaviours and attitudes. It suggests that parents' approaches to financial management, including retirement planning, significantly influence their children's financial literacy and retirement planning behaviours.

Goal Setting Theory (Locke & Latham, 1990) emphasises the importance of clear retirement goals in motivating effective retirement planning behaviours. It posits that well-defined retirement objectives are crucial for reducing retirement anxiety and encouraging proactive retirement-saving behaviours.

Financial socialisation and goal setting theories explain how positive and negative parental influence and precise goal setting shape retirement planning behaviours among pre-retirees in tertiary institutions. It acknowledges the complex interplay of inherited financial attitudes, personal goal formation and learning from parents' retirement experiences in shaping an individual's approach to retirement planning and subsequent retirement anxiety.

Parental influence and retirement anxiety

The most reliable retirement plans are those observed to have worked for older retirees (Von Nordheim & Kvist, 2022). Studies have revealed that the closest examples are those learned from retired parents (e.g. Kimiyagahlam et al., 2019; Robertson-Rose, 2020). This implies that following a plan that has worked for others in the past might as well be an excellent plan to emulate.

Parents' role in shaping their children's beliefs and behaviours around money and retirement planning is significant (Pahlevan Sharif et al., 2020; Tomar et al., 2021). It can have a lasting impact on their financial literacy and decision-making skills in adulthood.

Comon (2022) states that parents are the child's first role models and that children behave, react and imitate their parents. Parents can instil valuable financial habits and attitudes in their children by setting an example and teaching them about budgeting, saving and investing.

Peisch et al. (2020) explain that parents provide children with cognitive, affective and behavioural strategies for coping with stress, which either redirects or reinforces their children's coping behaviours. In the case of financial planning and retirement, parents can provide their children with the skills

and knowledge they need to make informed decisions and plan for their financial futures.

Jorgensen and Savla (2010) have indicated that parents should improve their children's financial literacy to enhance their financial behaviours and learn good economic decision-making. An earlier Canadian study by Macewen et al. (1995) established that parental socialisation had a significant influence on retirement planning, thereby reducing retirement anxiety; this is also supported by recent studies (e.g. Jorgensen et al., 2019; Palaci et al., 2017). However, a study in the United States by Allsop et al. (2021) found the opposite result, where individuals with responsible parental influence ended up being lower in financial independence than individuals with irresponsible parents who later developed higher financial independence. Based on existing relevant empirical research, we propose the following hypothesis:

H1: Parental influence will negatively predict retirement anxiety among pre-retirees in Nigerian universities.

The mediating role of retirement goal clarity

Retirement goal clarity refers to an individual's understanding and certainty about their desired retirement outcomes (Schuabb et al., 2019). It assesses an individual's expectations for the quality of their life after retirement, as determined by their age and time perspectives. Having clear and well-defined retirement goals is crucial in reducing retirement anxiety. When individuals have a clear vision of their retirement, they can create an overall plan and set specific retirement goals to help them make decisions and feel more secure about their financial future. Research has shown that individuals with higher levels of retirement goal clarity tend to have lower levels of pre-retirement anxiety (Ghafoori et al., 2021).

In addressing the complex interplay between parental influence, retirement goal clarity and retirement anxiety, a significant knowledge gap emerges within the existing body of research. While studies have explored various facets of retirement planning, there is a notable shortfall in understanding how retirement goal clarity influences the relationship between parental influence and retirement anxiety, particularly in less researched contexts such as Nigeria (Ujoatuonu et al., 2024; Yeung et al., 2023).

This study's contextual backdrop is rooted in sub-Saharan Africa's unique socio-economic and cultural landscape. In this developing country, retirement planning is influenced by distinct factors compared to Western models. In such settings, familial dynamics and cultural norms are critical in shaping individuals' perceptions and preparations for retirement. This research explores these dynamics, focusing on how parental guidance impacts retirement anxiety through the lens of retirement goal clarity.

Research on the potential mediating role of retirement goal clarity in the relationship between parental influence and pre-retirement anxiety could provide valuable insights into

how to promote better retirement outcomes for individuals. This study, therefore, hypothesises it as follows:

H2: Retirement goal clarity would mediate the relationship between parental influence and retirement anxiety.

The mediating role of retirement saving behaviour

In recent decades, research on retirement savings has expanded dramatically (Nguyen et al., 2022). Retirement savings have raised a significant discussion among employees, employers and governments, particularly as employees approach retirement age (Wilson et al., 2020). The discussions primarily focus on finance and economics.

However, the research has evolved into an interdisciplinary field, encompassing areas such as the impact of life expectancy on the retirement framework, the effects of current policies on extending the retirement age, strategies for prolonging retirement savings without increasing investment risk, and factors influencing employees' decisions to extend their working years (Jantan, 2020).

However, there is a discernible knowledge gap in understanding the specific influence of parental guidance on retirement savings behaviour and its subsequent impact on retirement anxiety. While some studies have touched upon aspects of financial socialisation and cultural influences, the direct link between parental influence and retirement savings behaviour, consequently, retirement anxiety, is less explored, particularly across diverse cultural contexts (Kimiyağhalam et al., 2017; Robertson-Rose, 2020; Schuabb et al., 2019).

The context of this study is grounded in the critical area of retirement planning, which is influenced by a complex interplay of socio-economic, cultural and familial factors. Retirement planning is a crucial aspect of financial security, yet parental influence in shaping an individual's approach to retirement savings is not sufficiently understood. This study aims to bridge this gap by examining how parental behaviours and attitudes towards finances impact their children's retirement savings behaviour and, subsequently, their anxiety about retirement.

Financial socialisation theory may be employed to understand the transmission of financial attitudes and behaviours from parents to children. This explores the role of retirement savings behaviour in the relationship between parental influence and retirement anxiety. Based on this gap in existing literature, the study argues that:

H3: Retirement saving behaviour will mediate the relationship between parental influence and retirement anxiety.

Serial-mediating role of retirement goal clarity and retirement saving behaviour

Existing studies have focused on direct factors affecting retirement planning, such as individual financial behaviour and psychological readiness. However, there remains a

significant gap in understanding the mediating effects of retirement goal clarity and saving behaviour in the context of parental influence and retirement anxiety. This is particularly evident when considering diverse cultural and socio-economic backgrounds (Grinstein-Weiss et al., 2012; Schuabb et al., 2019).

The retirement planning process is complex and influenced by cultural, socio-economic and familial dynamics. Parental influence plays a critical role in shaping financial behaviours, but how this translates into retirement anxiety, mediated by retirement goal clarity and retirement savings behaviour, is not fully understood. The reviewed studies indicate that financial education and goal-setting practices, often initiated by parental guidance, are crucial in shaping an individual's approach to retirement planning (Grinstein-Weiss et al., 2012; Stawski et al., 2007).

The complexity of the relationship between parental influence, retirement goal clarity and retirement saving behaviour highlights their potential impact on retirement anxiety. It suggests more exploration of these relationships across different cultural contexts, contributing to the broader understanding of retirement planning dynamics. Understanding these serial mediations can aid in developing more effective retirement planning strategies that address both financial and psychological aspects of retirement preparation (see Figure 1). Based on the conceptual model, we proposed the following hypothesis:

H4: Retirement goal clarity and retirement saving behaviour would serially mediate the relationship between parental influence and retirement anxiety.

Method

Participants

A total of 1016 participants, comprising 695 males (75.1%) and 321 females (24.9%), were recruited from tertiary institutions in Nigeria's five southeastern states. The inclusion criteria were 5 years or less to retirement (Maurer & Chapman, 2018). Their mean age was 58.01 (S.D. = 3.31), ranging from 55 years to 69 years. The majority of the participants were married: 688 (74.3%), 131 (14.1%) were single, divorced and separated 59 (6.4%) and 48 (5.2%) were widowed. The educational levels of the participants were as follows: Senior School Certificate holders ($n = 21$, 2.3%), Ordinary Diploma or BSc holders ($n = 116$, 12.5%), Master's

degree holders ($n = 665$, 71.8%) and PhD holders ($n = 124$, 13.3%) (See Table 1).

Measures

Parental influences

The study utilised the Parental Influence on Saving Scale (Koposko & Hershey, 2014) to measure parental influence. This scale consists of four items that examine the extent to which participants received advice from their parents regarding saving. A higher score on this scale indicates a greater level of parental involvement. For instance, 'Growing up, my parents helped me to imagine situations when I might need extra money to fall back on'. Participants respond on a 7-point Likert-type scale, ranging from 'strongly disagree' (1) to 'strongly agree' (7). This scale has demonstrated good reliability and validity in previous research (Akben-Selcuk & Aydin, 2021; Gist & Johnson, 2019; Palaci et al., 2017).

Retirement goal clarity

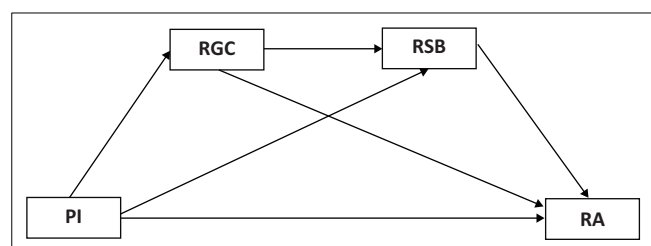
Retirement goal clarity was assessed using the Retirement Goal Clarity Scale developed by Hershey et al. (2007). This scale measures the extent to which individuals have thought, considered and set goals for their retirement, particularly regarding the quality of life in retirement. The scale consists of five items (e.g. 'I have thought a great deal about the quality of life in retirement').

Retirement saving behaviour

Retirement saving behaviour was measured using the Retirement Saving Behaviour Scale developed by Jacobs-Lawson and Hershey (2005) to assess individuals' attitudes towards saving. This scale consists of five items, with responses rated on a 5-point Likert-scale ranging from 'very unfavourable' (1) to 'very favourable' (5). For instance, 'Making meaningful contributions to a voluntary retirement savings plan'. Higher scores on this scale indicate more positive attitudes towards retirement planning. The scale has shown good reliability and validity in previous research.

Retirement anxiety

The Nigerian Pre-retirement Anxiety Scale (NPAS) was employed in this study to evaluate the anxiety levels of



PI, Parental Influence; RGC, Retirement goal clarity; RSB, Retirement Saving behaviour; RA, Retirement anxiety.

FIGURE 1: Conceptual framework of the chain mediation of retirement goal clarity and retirement saving behaviour in the relationship between parental influence and retirement anxiety.

TABLE 1: Frequency table of demographic variables.

Variable	Category	Frequency	%
Gender	Female	231	25.0
	Male	695	75.0
Marital status	Single	131	14.0
	Married	688	74.0
	Divorced/separated	59	6.0
	Widowed	48	5.0
Educational level	WAEC	21	2.0
	NCE/HND/BSc	116	12.0
	Masters	665	72.0
	PhD	124	13.0

WAEC, West African Examination Certificate; NCE/HND/BSc, National Certificate in Education/Higher National Diploma/Bachelor of Science; PhD, Doctor of Philosophy.

individuals before their retirement. The NPAS was developed by Ugwu et al. (2019) and consists of 15 items that assess three dimensions of pre-retirement anxiety: financial preparedness, social obligation and social alienation. The composite score was used in this study. Respondents were asked to rate their agreement with each statement on a 5-point scale, ranging from 'strongly disagree' to 'strongly agree'. Five items (8, 9, 10, 11 and 14) were reversely scored. A higher score on the NPAS indicates higher anxiety before retirement, while a lower score indicates lower anxiety levels. The NPAS has shown good reliability and validity in previous studies with Nigerian samples.

Procedure

The study, approved by the Faculty Internal Review Board, adhered to strict ethical standards, ensuring informed consent from all participants. Recruitment was conducted through university social media platforms, particularly WhatsApp groups, with the necessary permissions from community administrators. This approach aimed to reach a diverse demographic of pre-retirees across various faculties and departments. However, efforts were made to minimise potential selection biases in social media recruitment.

Participants were informed about the study's purpose, duration and rights, including confidentiality and voluntary participation, as part of the informed consent process. The study was designed to be longitudinal, with questionnaires distributed in three phases over 3 months. Each phase focused on different scales: initially on Parental Influence and Retirement Goal Clarity, followed by Retirement Saving Behaviour and Goal Clarity, and finally, Retirement Anxiety.

Email addresses provided during the initial survey were used to ensure consistency and track participant responses across different phases. This method also facilitated sending reminders and follow-up messages to encourage complete participation and reduce dropout rates. The response rate was closely monitored, with 926 out of the initial 1301 participants completing all survey phases correctly. Non-respondents and incomplete responses were analysed to identify potential biases or patterns.

Data were collected using Google Forms to maintain the confidentiality of respondents' details. The collected data were securely stored and accessible only to the research team, ensuring data security and participant privacy. The data were then analysed using structural equation modelling, a method chosen for its methodological rigour.

The study's approach to demographic representation aimed to enhance the generalisability of its findings. Strategies were employed to mitigate potential biases because of the online nature of the survey and the use of social media for recruitment. By addressing these areas, the study's procedure enhanced its clarity, ethical rigour and methodological

soundness, ensuring robust and reflective findings of the diverse experiences of pre-retirees in Nigerian universities.

Data analysis

This study used IBM SPSS 28.0 and AMOS statistical analysis software for data entry and sorting analysis. The goodness of the model fit was evaluated using Covariance-based Structural Equation Modelling (CB-SEM) because of the exploratory nature of our research. Pearson correlation was employed to determine the relationship between parental influence, clarity of retirement goals, retirement saving behaviour and retirement anxiety (see Table 2). To examine the mediation effects, the SPSS PROCESS macro (model 6) was applied according to the procedures outlined by Hayes (2017) to identify both direct and indirect effects in the model.

Ethical considerations

Ethical clearance to conduct this study was obtained from the Renaissance University Ugawka Faculty of Social Sciences Research Ethics Committee (No. RNU- NHREC/ 11/01/2022AR-FWA00002458-FIRB00002322).

Result and discussion

Measurement model

The confirmatory factor analysis (CFA) conducted on the measurement model resulted in an acceptable fit, as evidenced by the model fit indices ($\chi^2/\text{degree of freedom (df)} = 2.82$, CFI = 0.99, TLI = 0.98, RMSEA = 0.06), which fall within the recommended range according to Hair et al. (2014). The analysis extracted four factors: parental influence, retirement goal clarity, retirement saving behaviour and retirement anxiety. The validity and reliability values were also found to be satisfactory. All the constructs demonstrated convergent validity, as the factor loadings, composite reliability and average variance extracted (AVE) values were above the minimum threshold of 0.7 and 0.5, respectively (Hair et al., 2014) (see Table 3).

Hypotheses testing

The process result showed that there was a negative association between PI and RA ($b = -1.11$, $p < 0.001$), as presented in Table 4 (model 3) (H1). In addition, there was a direct positive association between PI and RGC, as shown

TABLE 2: Descriptive statistics and correlation values among the studied variables.

Variables	M	S.D.	1	2	3	4	5
Age	58.01	3.31	1.00	-	-	-	-
PI	22.49	3.67	-0.05	1.00	-	-	-
RGC	21.03	5.95	0.01	0.08*	1.00	-	-
RSB	21.50	6.22	0.00	-0.30**	-0.21**	1.00	-
RA	47.78	10.22	0.02	-0.31**	0.02	-0.11**	1.00

PI, Parental influence; RGC, Retirement goal clarity; RSB, Retirement saving behaviour; RA, Retirement anxiety; M, Mean; S.D., Standard Deviation.

*, $p < 0.05$; **, $p < 0.01$.

TABLE 3: Loading, reliability and validity of retirement goal clarity, retirement saving behaviour, parental influence and re-retirement anxiety scales.

Items	Loading	α	CR	AVE
PI 1	0.743	0.755	0.771	0.530
PI 2	0.748	-	-	-
PI 3	0.673	-	-	-
PI 4	0.778	-	-	-
RGC 1	0.713	0.761	0.813	0.687
RGC 2	0.811	-	-	-
RGC 3	0.728	-	-	-
RGC 4	0.756	-	-	-
RGC 5	0.679	-	-	-
RSB 1	0.738	0.762	0.788	0.650
RSB 2	0.797	-	-	-
RSB 3	0.727	-	-	-
RSB 4	0.682	-	-	-
RSB 5	0.783	-	-	-
RA 1	0.799	0.773	0.837	0.636
RA 2	0.731	-	-	-
RA 3	0.715	-	-	-
RA 4	0.665	-	-	-
RA 5	0.827	-	-	-
RA 6	0.777	-	-	-
RA 7	0.791	-	-	-
RA 8	0.709	-	-	-
RA 9	0.732	-	-	-
RA 10	0.726	-	-	-
RA 11	0.799	-	-	-
RA 12	0.634	-	-	-
RA 13	0.778	-	-	-
RA 14	0.718	-	-	-
RA 15	0.877	-	-	-

α , Cronbach's alpha; CR, Composite reliability; AVE, Average Variance Extracted; PI, Parental influence; RGC, Retirement goal clarity; RSB, Retirement saving behaviour; RA, Retirement anxiety.

in model 1, Table 4 ($b = 0.12, p < 0.05$). Parental influence negatively predicted RSB ($b = -0.50, p < 0.001$). Similarly, RGC negatively predicted RSB ($b = -0.20, p < 0.001$), as shown in Table 4 (model 2). Retirement goal clarity was not a significant predictor of RA ($b = 0.01, p > 0.05$), as presented in Table 4 (model 3). Finally, RSB negatively predicted RA ($b = -0.37, p < 0.001$), as shown in Table 4 (model 3).

Mediation analysis

The mediation analysis aimed to investigate the impact of RGC and RSB on the relationship between PI and RA. The analysis was carried out using the PROCESS macro's Model 6, and 5000 bootstrap samples were used to establish a 95% bias-corrected confidence interval (CI). The results were reported in Table 4 and showed that only RSB was a significant mediator in the relationship between PI and RA, with an indirect effect of 0.186 (standard error (s.e.) = 0.035, 95% CI [0.122, 0.257]) (H3). On the other hand, RGC did not sufficiently mediate the association (indirect effect = -0.001, s.e. = 0.007, 95% CI [-0.017, 0.013]) (H2). The RGC and RSB were considered mediators, and they were found to significantly impact the relationship between PI and RA (indirect effect = 0.009, s.e. = 0.005, 95% CI [0.001, 0.021]) (H4). In addition, the direct effect of PI on RA was found to be statistically significant ($b = -1.11, p < 0.001$), which suggests partial mediation.

TABLE 4: Results of serial mediation analysis.

Model summary	RGC	RSB	RA	SE	R ²	LLCI	ULCI
Dependent variables							
Model 1							
PI	0.12*	-	-	0.05	0.02	-	-
Model 2							
PI	-	-0.50***	-	0.05	0.13	-	-
RGC	-	-0.20***	-	0.03	-	-	-
Model 3							
PI	-	-	-1.11***	0.09	0.16	-	-
RGC	-	-	0.01	0.05	-	-	-
RSB	-	-	-0.37***	0.05	-	-	-
Direct and indirect effects of PI on RA							
Model 4							
PI (direct effect)	-	-	-1.11***	0.091	-	-1.284	-0.930
PI→RA (total effect)	-	-	-0.913***	0.092	-	-1.086	-0.741
PI→RGC→RA (indirect effect)	-	-	-0.001	0.007	-	-0.017	0.013
PI→RSB→RA (indirect effect)	-	-	0.186**	0.035	-	0.122	0.257
PI→RGC→RSB→RA (indirect effect)	-	-	0.009*	0.005	-	0.001	0.021

PI, Parental influence; RGC, Retirement goal clarity; RSB, Retirement savings behaviour; RA, Retirement anxiety; SE, Standard Error; R, R-Square; LLCI, Lower Limit Confidence Interval; ULCI, Upper Limit Confidence Interval.

*, $p < 0.05$; **, $p < 0.01$; ***, $p < 0.001$.

Discussion

The findings of this study contribute significantly to the understanding of retirement planning among pre-retirees in Nigerian universities, particularly in the context of parental influence, retirement goal clarity and retirement saving behaviour. The results highlight the complex interplay of these factors in shaping retirement anxiety, offering insights into potential intervention strategies to improve retirement preparedness.

The study's results underline the significant role of parental influence in shaping retirement planning behaviours and attitudes. Consistent with the first hypothesis, parental influence was found to predict retirement anxiety among pre-retirees. This aligns with the findings of Pahlevan Sharif et al. (2020) and Tomar et al. (2021), who emphasised the lasting impact of parents' financial behaviours on their children's financial literacy and decision-making skills.

This also aligns with the Financial Socialisation Theory, which suggests that parents are primary agents in imparting financial knowledge and behaviours to their children. This theory highlights the role of parents in influencing their children's attitudes towards money management, savings and planning for the future. Parents' financial practices, attitudes and discussions about money significantly shape their children's financial behaviours and literacy, affecting their ability to effectively plan for and manage retirement anxieties. In the context of Nigerian pre-retirees, strong parental influence appears to foster a sense of financial security and preparedness, thereby reducing retirement-related anxiety. The negative association between parental influence and retirement anxiety indicates that positive financial behaviours and attitudes instilled by parents can

lead to reduced anxiety about retirement among their children.

Contrary to the second hypothesis and the findings of Schuabb et al. (2019), retirement goal clarity did not mediate the relationship between parental influence and retirement anxiety. This finding suggests that while retirement goal clarity is essential for effective retirement planning, it may not indirectly influence the impact of parental influence on retirement anxiety. This could be because of the complex nature of retirement planning, where other factors such as financial literacy, personal experiences and socio-economic conditions also play a significant role. Also, the effect of retirement goal clarity on retirement anxiety might be influenced by cultural and contextual factors unique to Nigeria. In Nigeria, economic instability and unique pension challenges could lead to different financial behaviours and attitudes compared to more stable economies. Strong familial bonds and cultural expectations might also reduce the urgency for individuals to focus solely on goal clarity, as immediate economic survival often takes precedence over long-term planning.

The study found that retirement saving behaviour significantly mediated the relationship between parental influence and retirement anxiety, supporting the third hypothesis. This finding aligns with Nguyen et al.'s (2022) and Wilson et al.'s (2020) research. It highlights the importance of positive retirement saving behaviours in reducing retirement anxiety. It suggests that parental influence on financial behaviours, particularly saving habits, can significantly impact individuals' preparedness for retirement, thereby reducing anxiety.

The positive influence of parental behaviours on retirement saving habits underlines the importance of early financial socialisation. However, the negative association between parental influence and saving behaviour suggests that in the Nigerian context, strong parental support might lead to a sense of financial security that reduces the urgency to save independently. This over-reliance on parental support might diminish the individual's motivation to engage in proactive saving behaviour.

The study also explored the serial-mediating role of retirement goal clarity and retirement saving behaviour in the relationship between parental influence and retirement anxiety. The results indicated a significant serial mediation, supporting the fourth hypothesis. This finding suggests a sequential influence where parental guidance shapes retirement goal clarity, which influences retirement saving behaviour, ultimately affecting retirement anxiety. This serial mediation emphasises the importance of a holistic approach to retirement planning that encompasses both psychological (goal clarity) and behavioural (saving behaviour) aspects. It aligns with the broader research on financial education and goal-setting practices in retirement planning, as indicated by Grinstein-Weiss et al. (2012) and Stawski et al. (2007).

The negative associations observed between parental influence and retirement saving behaviour and between

retirement goal clarity and saving behaviour can be explained by cultural expectations and economic conditions in Nigeria. Strong parental guidance might create a sense of security, reducing the perceived need for independent saving. In addition, individuals with clear retirement goals might feel confident in their plans and, therefore, less pressured to save aggressively. These factors highlight the complex dynamics of retirement planning in different cultural contexts.

Practical and managerial implications

The study on retirement planning among pre-retirees in Nigerian universities offers practical implications that extend beyond the immediate context of the research. The findings highlight the critical need for comprehensive financial education programmes. These programmes should cater to those nearing retirement and engage younger generations, emphasising the importance of early and consistent saving behaviours. Implementing such programmes could take various forms, including workshops, seminars and online courses, all aimed at educating individuals about financial planning, savings and investment strategies.

Another critical implication is the involvement of parents in financial literacy initiatives. Given parental influence's significant role in shaping financial behaviours, integrating parents and families into financial education could be a game changer. This approach might involve family-oriented financial workshops and resources, encouraging open discussions about financial planning and savings strategies within families and fostering a culture of financial responsibility from a young age.

On the policy front, the study underlines the importance of developing robust and reliable pension schemes well suited to Nigeria's unique socio-economic conditions. Policymakers should consider these findings while creating or reforming pension schemes, ensuring they encourage effective retirement saving behaviours, reduce anxiety and secure financial stability in retirement.

In the workplace, especially within academic institutions, there is a clear need for retirement planning support for employees. This could include offering retirement planning services, financial advising and tools to help employees effectively manage their retirement savings and investments.

Community-based financial support systems, such as cooperative societies or saving groups, also emerge as a practical approach to enhancing retirement preparedness. These systems can provide platforms for shared learning, mutual financial support and collective investment strategies, benefiting individuals in their journey towards a financially secure retirement.

Theoretical implications

The study extends the financial socialisation theory by illustrating the impact of parental influence on retirement

anxiety. This finding suggests that parents' influence during early life stages can shape financial behaviours and attitudes towards retirement, indicating a need for further exploration in different cultural settings.

The research also adds to the existing literature on retirement planning by examining the roles of retirement goal clarity and saving behaviour. It highlights the importance of these factors in developing countries, suggesting that the dynamics of retirement planning can vary significantly across different socio-economic and cultural environments.

In behavioural economics, the study illustrates how psychological factors, such as parental influence and goal clarity, interact with economic behaviours such as retirement savings. This emphasises the need for models that incorporate cultural and familial influences.

Furthermore, the study provides a foundation for future retirement planning and financial literacy research. It highlights the need to explore how parental influence shapes financial behaviours in different cultural contexts and how these behaviours impact long-term financial security.

Lastly, the study emphasises the importance of cultural factors in financial planning research. It suggests that cultural norms and family dynamics play a crucial role in financial decision-making processes, especially in contexts such as Nigeria, which may differ significantly from Western models.

Limitations and future research

While this study provides valuable insights, it has limitations that should be addressed in future research. The study focused on pre-retirees in Nigerian universities, which may limit the generalisability of the findings to other sectors and regions. Future research could explore similar dynamics in different occupational sectors and cultural contexts to enhance the understanding of retirement planning across diverse populations.

In addition, the study's reliance on self-reported measures may introduce response biases. Future studies could incorporate more objective measures of financial behaviour and retirement preparedness, such as actual savings amounts or investment portfolios.

Another potential area for future research is the exploration of other factors that may influence retirement planning and anxiety, such as socio-economic status, health concerns and the availability of social support systems. Understanding these factors could provide a more comprehensive view of the challenges and needs of individuals approaching retirement.

Finally, longitudinal studies could offer deeper insights into how retirement planning behaviours and attitudes evolve

and how early parental influence impacts retirement outcomes in the long term.

Conclusion

This study offers a novel contribution to understanding retirement planning among pre-retirees in Nigerian universities, addressing the critical issue of retirement anxiety. It stands out for exploring how retirement goal clarity and saving behaviour mediate the relationship between parental influence and retirement anxiety, a topic less explored in the sub-Saharan African context.

The findings significantly extend the Financial Socialisation Theory, highlighting the profound impact of parental influence on retirement planning behaviours and attitudes in Nigeria's challenging economic and pension landscape. The study reveals that positive financial behaviours and attitudes instilled by parents play a crucial role in mitigating retirement anxiety, offering a new perspective on the family's role in financial planning.

Contrary to expectations, retirement goal clarity did not mediate the relationship between parental influence and retirement anxiety, suggesting that financial literacy and socio-economic conditions might be more influential. This opens new avenues for research into diverse factors affecting retirement planning in various cultural and socio-economic contexts.

The study emphasises the importance of positive saving behaviours in reducing retirement anxiety and calls for comprehensive financial education programmes targeting both near-retirees and younger generations. It also highlights the need for robust pension schemes and workplace retirement planning support, particularly in academic institutions.

Theoretically, the research deepens the understanding of retirement planning dynamics in developing countries, particularly the interplay of cultural, socio-economic and familial factors. Practically, it underlines the need for family-oriented financial education and policy development to enhance financial security in retirement.

While focused on Nigerian universities, the study's insights have broader implications. They suggest the need for future research in different sectors and cultural contexts and consider other factors such as socio-economic status and health concerns. This study contributes uniquely to the literature on retirement planning, providing valuable insights for research and practice in enhancing financial security in retirement in Nigeria and similar socio-economic contexts.

Acknowledgements

The authors would like to acknowledge the support of Renaissance University Ugbawka Enugu, Nigeria, for their pivotal role in the approval process, which significantly

facilitated the smooth execution of our research. Their cooperation and timely assistance have been crucial to the realisation of this project.

Competing interests

The authors declare that they have no financial or personal relationships that may have inappropriately influenced them in writing this article.

Authors' contributions

L.E.U. contributed in the conceptualisation, methodology, formal analysis, writing of the original draft, data curation, reviewing and editing. W.K.A. also contributed in methodology, writing of the original draft, validation and data curation. E.S.I. contributed in the methodology, investigation, validation, writing, reviewing, editing and supervision.

Funding information

This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

Data availability

Data will be made available by the corresponding author, L.E.U., on reasonable request.

Disclaimer

The views and opinions expressed in this article are those of the authors and are the product of professional research. It does not necessarily reflect the official policy or position of any affiliated institution, funder, agency or that of the publisher. The authors are responsible for this article's results, findings and content.

References

- Abu, N., Abd Karim, M.Z., & Azman Aziz, M.I., (2014). Low savings rates in the Economic Community of West African States (ECOWAS): The role of the political instability-income interaction. *South East European Journal of Economics and Business*, 8(2), 53–63. <https://doi.org/10.2478/jeb-2013-0010>
- Adegbite, E.O., Ayadi, F.S., & Ayadi, F.O., (2008). The impact of Nigeria's external debt on economic development. *International Journal of Emerging Markets*, 3(3), 285–301. <https://doi.org/10.1108/17468800810883693>
- Akben-Selcuk, E., & Aydin, A.E. (2021). Financial planning for retirement: An integrative literature review of the Hershey model. *Journal of Business Economics and Management*, 22(2), 482–502. <https://doi.org/10.3846/jbem.2020.13978>
- Akpan, M.J. (2017). Retirement planning in Nigeria: Issues and challenges of law and pension policy objectives. *Danish Journal of Law and Conflict Resolution*, 3(1), 18–24.
- Allsop, D.B., Boyack, M.K.N., Hill, E.J., Loderup, C.L., & Timmons, J.E. (2021). When parenting pays off: Influences of parental financial socialization on children's outcomes in emerging adulthood. *Journal of Family and Economic Issues*, 42(3), 545–560. <https://doi.org/10.1007/s10834-020-09716-6>
- Azeez, T., & Mogaji-Allison, B. (2017). Constraints of affordable housing through cooperative societies in tertiary institutions in Lagos State, Nigeria. *Journal of Geography and Regional Planning*, 10(3), 39–46. <https://doi.org/10.5897/JGRP2016.0599>
- Comon, J. (2022). Social support and financial literacy for senior high school learners. *Psychology and Education: A Multidisciplinary Journal*, 2(4), 346–354.
- Cupák, A., Kolev, G.I., & Brokešová, Z. (2019). Financial literacy and voluntary savings for retirement: Novel causal evidence. *The European Journal of Finance*, 25(16), 1606–1625. <https://doi.org/10.1080/1351847X.2019.1641123>
- Ebitto, I.N., Umoh, V.A., & Effiom, M.B. (2021). An examination of the influence of retirement planning on retirement adjustment and retirement well-being in Nigeria. *International Journal of Business Marketing and Management (IJBM)*, 6(2), 32–39.
- Ekwunife, F.C., Egunlusi, F.B., & Chikwe, G.C. (2019). Contributory pension scheme and academic staff commitment in private tertiary institutions in South-East, Nigeria. *International Journal of Academic Research in Progressive Education and Development*, 8(2), 349–360. <https://doi.org/10.6007/IJARPE/v8-i2/5988>
- Federal Republic of Nigeria. (2014). *Pension Reform ACT*. National Pension Commission.
- Fiwe, J.L. (2020). Analysis of retirement benefits in Nigeria: A case study of some selected federal establishment. Retrieved from SSRN 3571473.
- Gambo, O.O., & Fasanmi, S.A. (2019). Funding university education in Nigeria: The challenges and way forward. *Bulgarian Journal of Science and Education Policy*, 13(1), 80–91.
- Ghafoori, E., Mata, F., Borg, K., Smith, L., & Ralston, D. (2021). Retirement confidence: Development of an index. *INQUIRY: The Journal of Health Care Organization, Provision, and Financing*, 58, 00469580211035732. <https://doi.org/10.1177/00469580211035732>
- Gist, E., & Johnson, B. (2019). When I first learned about retirement: Financial and retirement concept recognition among college students. *Current Psychology*, 38(2), 305–315.
- Grinstein-Weiss, M., Spader, J.S., Yeo, Y.H., Key, C.C., & Freeze, E.B. (2012). Loan performance among low-income households: Does prior parental teaching of money management matter? *Social Work Research*, 36(4), 257–270. <https://doi.org/10.1093/swr/svs016>
- Gudmunson, C.G., & Danes, S.M. (2011). Family financial socialization: Theory and critical review. *Journal of Family and Economic Issues*, 32, 644–667. <https://doi.org/10.1007/s10834-011-9275-y>
- Hair, J.F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V.G. (2014). Partial least squares structural equation modelling (PLS-SEM): An emerging tool in business research. *European Business Review*, 26(2), 106–121. <https://doi.org/10.1108/EBR-10-2013-0128>
- Hayes, A.F. (2017). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach* (2nd ed.). Guilford Press.
- Hershey, D.A., Henkens, K., & Van Dalen, H.P. (2007). Mapping the minds of retirement planners: A cross-cultural perspective. *Journal of Cross-Cultural Psychology*, 38(3), 361–382. <https://doi.org/10.1177/0022022107300280>
- Jacobs-Lawson, J.M., & Hershey, D.A. (2005). Influence of future time perspective, financial knowledge, and financial risk tolerance on retirement saving behaviors. *Financial Services Review*, 14, 331–344.
- Jantan, M.S. (2020). *The improvement in life expectancy: Systematic literature review of retirement saving*. Retrieved from SSRN 3582234.
- Jorgensen, B.L., & Savla, J. (2010). Financial literacy of young adults: The importance of parental socialization. *Family Relations*, 59(4), 465–478. <https://doi.org/10.1111/j.1741-3729.2010.00616.x>
- Jorgensen, B.L., Allsop, D.B., Runyan, S.D., Wheeler, B.E., Evans, D.A., & Marks, L.D. (2019). Forming financial vision: How parents prepare young adults for financial success. *Journal of Family and Economic Issues*, 40(3), 553–563. <https://doi.org/10.1007/s10834-019-09624-4>
- Kim, J.H., & Torquati, J. (2019). Financial socialization of college students: Domain-general and domain-specific perspectives. *Journal of Family and Economic Issues*, 40(2), 226–236. <https://doi.org/10.1007/s10834-018-9590-7>
- Kimiayahlam, F., Safari, M., & Mansori, S. (2019). Influential behavioral factors on retirement planning behavior: The case of Malaysia. *Journal of Financial Counseling and Planning*, 30(2), 244–261.
- Kimiyahalam, F., Mansori, S., Safari, M., & Yap, S. (2017). Parents' influence on retirement planning in Malaysia. *Family and Consumer Sciences Research Journal*, 45(3), 315–325.
- Koposko, J.L., & Hershey, D.A. (2014). Parental and social influences on retirement planning. *Journal of Personal Finance*, 13, 17–27.
- Lawal, N.A., Osinusi, K.B., & Bisiriyu, S.O. (2021). Inflation and life expectancy in Nigeria: A causal analysis. *Acta Universitatis Danubius. Aconomica*, 17(5), 52–67.
- Locke, E.A., & Latham, G.P. (1990). *A theory of goal setting & task performance*. Prentice-Hall, Inc.
- Lytle, M.C., Clancy, M.E., Foley, P.F., & Cotter, E.W. (2015). Current trends in retirement: Implications for career counseling and vocational psychology. *Journal of Career Development*, 42(3), 170–184.
- Macewen, K.E., Barling, J., Kelloway, E.K., & Higginbottom, S.F. (1995). Predicting retirement anxiety: The roles of parental socialization and personal planning. *Journal of Social Psychology*, 135(2), 203–213. <https://doi.org/10.1080/00224545.1995.9711424>
- Maurer, T.J., & Chapman, E.F. (2018). Relationship of proactive personality with life satisfaction during late career and early retirement. *Journal of Career Development*, 45(4), 345–360.
- Newmeyer, C., Warmath, D., O'Connor, G.E., & Wong, N. (2021). Is savings automation helpful to liquid savings? It depends on whether you have a savings habit. *Journal of Public Policy & Marketing*, 40(2), 285–297. <https://doi.org/10.1177/0743915620950216>
- Nguyen, L.T.M., Nguyen, P.T., Tran, Q.N.N., & Trinh, T.T.G. (2022). Why does subjective financial literacy hinder retirement saving? The mediating roles of risk tolerance and risk perception. *Review of Behavioral Finance*, 14(5), 627–645. <https://doi.org/10.1108/RBF-03-2021-0036>
- Obeh, H.O., & Brotoboh, D.E. (2021). Impact of interest rate spread on savings in Nigeria. *ESUT Journal of Social Sciences*, 6(3), 283–294.
- Okechukwu, E., & Ugwu, S.C. (2011). The law and Administration of Retirement in Nigeria: A historical approach. *Kuwait Chapter of Arabian Journal of Business and Management Reviews*, 1(2), 1–10.

- Olatomide, O.O., & Fashiku, C.O. (2015). Workers' knowledge of prospects and challenges awaiting retirees at retirement in Nigeria. *Asian Pacific Journal of Education, Arts and Sciences*, 2(1), 44–52.
- Pahlevan Sharif, S., Ahadzadeh, A.S., & Turner, J.J. (2020). Gender differences in financial literacy and financial behaviour among young adults: The role of parents and information seeking. *Journal of Family and Economic Issues*, 41(4), 672–690. <https://doi.org/10.1007/s10834-020-09674-z>
- Palaci, F., Jiménez, I., & Topa, G. (2017). Economic cognitions among older adults: Parental socialization predicts financial planning for retirement. *Frontiers in Aging Neuroscience*, 9, 376. <https://doi.org/10.3389/fnagi.2017.00376>
- Peisch, V., Dale, C., Parent, J., & Burt, K. (2020). Parent socialization of coping and child emotion regulation abilities: A longitudinal examination. *Family Process*, 59(4), 1722–1736. <https://doi.org/10.1111/famp.12516>
- Petkoska, J., & Earl, J. K. (2009). Understanding the influence of demographic and psychological variables on retirement planning. *Psychology and Aging*, 24(1), 245–251. <https://doi.org/10.1037/a0014096>
- Robertson-Rose, L. (2020). "Because my father told me to": Exploratory insights into parental influence on the retirement savings behavior of adult children. *Journal of Family and Economic Issues*, 41(2), 364–376. <https://doi.org/10.1007/s10834-019-09643-1>
- Schuabb, T.C., França, L.H., & Amorim, S.M. (2019). Retirement savings model tested with Brazilian private health care workers. *Frontiers in Psychology*, 10, 1701. <https://doi.org/10.3389/fpsyg.2019.01701>
- Stawski, R.S., Hershey, D.A., & Jacobs-Lawson, J.M. (2007). Goal clarity and financial planning activities as determinants of retirement savings contributions. *The International Journal of Aging and Human Development*, 64(1), 13–32. <https://doi.org/10.2190/13GK-5H72-H324-16P2>
- Tomar, S., Baker, H. K., Kumar, S., & Hoffmann, A. O. (2021). Psychological determinants of retirement financial planning behavior. *Journal of Business Research*, 133, 432–449. <https://doi.org/10.1016/j.jbusres.2021.05.007>
- Ugwu, L.E., Enwereuzor, I.K., Mefoh, P.C., Ugwu, L.I., & Onyishi, I.E. (2019). Pre-retirement anxiety: Development and validation of a measurement instrument in a Nigerian sample. *Journal of Psychology in Africa*, 29(1), 43–48. <https://doi.org/10.1080/14330237.2019.1568054>
- Ujoatuonu, I.V., Ike, O.O., Amazue, L.O., & Kanu, G.C. (2024). Financial self-efficacy, retirement goal clarity, and preretirement anxiety among nurses in southeast Nigeria: The mediating role of job embeddedness. *Innovation in Aging*, 8(4), igad067.
- Von Nordheim, F., & Kvist, J. (2022). Regulating the retirement age—Lessons from Nordic pension policy approaches. *Regulation & Governance*, 17(3), 644–657. <https://doi.org/10.1111/rego.12475>
- Wilson, D.M., Errasti-Ibarondo, B., Low, G., O'Reilly, P., Murphy, F., Fahy, A., & Murphy, J. (2020). Identifying contemporary early retirement factors and strategies to encourage and enable longer working lives: A scoping review. *International Journal of Older People Nursing*, 15(3), e12313. <https://doi.org/10.1111/opn.12313>
- Yeung, D.Y., Ho, A.K., Lam, A.H., & Lam, A.C. (2023). An integrated model on purchase intentions of typical and tax-deductible saving products: The roles of retirement goal clarity and age. *Journal of Behavioral and Experimental Economics*, 104, 101995.