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Behavioral Finance and Retirement Planning: Understanding Why People Make Suboptimal Saving Decisions

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Abstract

Retirement planning is a key component of financial well-being, but many inefficient saving decisions are made on behavioral grounds. Economic models assume rational choice, but the research of behavioral finance highlights psychological factors such as present bias, procrastination, loss aversion, and overconfidence that prevent effective retirement planning. Many individuals defer saving, underestimate future cash requirements, or avoid risk-suitable investments, ultimately leading to limited retirement resources. This study investigates the psychological, demographic, and financial factors influencing retirement savings behavior. Using survey data collected from 102 participants of varying age, income, and working status, the study investigates how individuals perceive and prioritize retirement planning. Topics investigated include financial knowledge, frequency of saving, investment choices, affective factors, and barriers to effective retirement saving. Statistical examination such as demographic profiling, descriptive statistics, ANOVA, t-tests, and regression modeling are applied to indicate the key trends and associations. The findings determine that economic knowledge confidence, psychological biases, and socio-economic determinants play a key role in impacting retirement savings decisions. The study indicates towards the impact of emotional financial decision-making and financial literacy on savings behavior. The result offers insights into possible interventions for improved financial planning like intensive financial education and policy recommendations to encourage active retirement savings behaviors.

Keywords: Behavioral Finance, Financial Literacy, Loss Aversions, Retirement Planning, Savings

Introduction

Planning for retirement is one of the most important elements for financial security. Retirement age individuals are usually at risk of being under-saved. Traditional economics assumes an agent will act in a rational manner, meaning people decide to save and invest according to their lifetime income, meanwhile behavioural finance found a challenge to this theory by identifying the various mental,

psychological and emotional models which affect financial behavior. Specific to retirement savings decisions are such influences as: present-bias, procrastination, overconfidence, loss aversion and status quo bias. Furthermore, an overall upward trend in the cost of living, a generally increasing complexity of financial decision making relative to the wider impact of unfamiliar and complex systems, decisions being dictated by market and economic variables; and limited or no financial literacy have further compounded behavioral biases towards retirement planning.

Nevertheless, cultural influences have a part to play when thinking about savings towards retirement. Finances in emerging economies are influenced by family dependence regarding finances; limited financial products (both societal and institutional) relating to a structured pension system and inflation, are some of the complexities inhibiting effective retirement planning. Recently, digital based financial decision making opportunities, such as retirement calculators, robot-advisors or bespoke investment recommendations have provided some interventions in the savings complement to mitigate against biases to improve financial readiness.

The paper will address themes through emphasizing the key behavioral determinants limiting citizens from undertaking positive behaviors to plan for retirement. Moreover, a review of existing literature will be offered in wrapping emerging themes into possible solutions. By defining behavioral biases, we may offer financial institutions and policy maker's particular interventions like auto enrolment, financial literacy programs, or a behavioral nudge, which will encourage more from citizens to save for their retirement.

Review of Literature

Prospect Theory was introduced by Kahneman and Tversky (1979) and proposes an alternative framework to conceptualize the irrationalities of individuals making financial choices. Prospect Theory identified loss aversion (i.e., people look at losses more than they do at equivalent gains) as a significant behavioral bias affecting investor decisions (Kahneman and Tversky, 1979). In terms of future-value retirement planning, this particular bias can discourage individuals from purchasing stocks or other high-yield assets. This barrier can arise if investors see their investment declining, even temporarily, and would be risk-averse based on their disappointment of a lost possibility of appreciation for short-term loss, as opposed to considering the long-term value of that asset. Additionally, Kahneman and Tversky noted the framing effect. The framing effect is described as still another behavioral bias to which individuals are subject, which can affect financial choices. Nest, a hypothetical retirement plan for an individual, is framed to prevent an individual from facing financial hardship in the future as opposed to merely participating in a retirement plan as an action to invest.

Laibson (1997) explored the idea of hyperbolic discounting and using procrastination as a behavior/objective factor creating a rationalization to not fully invest for retirement (or in retirement vehicles). Simply put, individuals often prefer to make immediate decisions with financial incentives, than planning for financial security in the future the notion of hyperbolic discounting implies inertial bias despite allowing individuals to be unconscious of the calibration they were making not contributing. Essentially, a bias toward spending now, decisions and procrastination to defer a plan to save for retirement led to a consistent delay and later contribution, despite their verbal agreement that they should be saving for the future.

When considering this solution, Laibson advised automatic enrollment in retirement savings plans so that people could save without the requirement to make a decision. ThisGatekeepers pruebaately greater than contemplated since automatic enrollment has been implemented across plans causing individuals confronted with procrastination to be retirement ready.

Marian and Shea (2001) stated and illustrated that when 401(k) retirement plans were

implemented, participation was considerably higher when employees were defaulted into the plan rather than taking the action necessary to opt into the plan. Their study demonstrated the impact of status quo bias, as all employees are pulled by inertia to remain at their opt in choice, especially if the pre-set option is the default. When employees are automatically enrolled in retirement plans, employees are less likely to opt out, and savings is improved. However, they also pointed out that most employees continue to remain at the pre-set option to contribute to 401(k), meaning they tend not to move their contribution rate up to the actual appropriate amount of savings they require.

Benartzi and Thaler (2004) presented the Save More Tomorrow™ (SMarT) program as a behavior change program to increase retirement contributions gradually. What their study showed was that contribution rates improved significantly when employees could commit in advance to contribute a percentage of their future salary increases to their retirement savings. This tapped into self-control mechanisms and decreased psychological resistance to immediate reductions in take-home pay. As individuals did not have to sacrifice their take-home pay today, the program was successful. Commitment to the future was easier than acting in the present which is consistent with behavior manifesting less resistance when individuals do not have to sacrifice anything now. Their work and the SMarT program showed that changes in retirement savings.

Lusardi and Mitchell (2007) studied financial literacy and retirement planning, and noted that those with lower levels of knowledge had better odds of making poor savings decisions for retirement. They found that poor savings decisions were due to a lack of understanding of compound interest, inflation, and investment risk that lead to under-saving. A number of people did not understand that small consistent contributions to their retirement accounts could compound and grow over an extended period. They suggested implementing more financial education programs at the workplace and school level to provide people with the tools to make good decisions regarding retirement. Their research conveyed the notion that behavioral biases are not the only explanation for poor savings behaviors, and that gaps in knowledge about retirement planning were not inconsequential either.

Thaler and Sunstein (2008) identified the concept with respect to “nudges” which illustrate how small, thoughtful interventions can enhance decision making with no restrictions on choice. Their work also emphasized that a form of choice architecture, specifically the default structuring of the retirement plan, simplified investment choices, and the automatic escalation feature, can improve the overall savings behavior of employees. By making the optimal decision, the easiest decision, employees have better opportunities to save for retirement and reach appropriate financial security.

Their references and studies have impacted policy and default strategies like employer-sponsored pension plans, as well as using personal financial choices in retirement planning, in support of individuals encountering behavioral barriers around money and savings.

Financial behaviours and attitudes are impactful in every decade of retirement planning. A study in the Journal of General Management Research, (2021), finds that variables such as financial knowledge and attitudes, continue to impact an individual’s approach to retirement planning; and highlight a mediating effect of financial behaviour on the relationship connecting financial attitude to retirement process, and in general that positive financial behaviours can enable retirement planning preparedness.

Another important consideration for retirement planning is cultural and financial attitudes. Retire wise (2022) suggested that overconfidence in financial decision-making could lead to chronic under-saving for retirement. They noted that individuals need to reflect on their financial behaviors and obtain professional financial advice to meet their future retirement needs.

Even with the rising number of financial instruments available at their disposal, many Indians do not proactively plan for retirement. Bandha Mutual Fund (2023) suggested that while financial

literacy has improved among many segments, it is not contributing to active retirement investing. They suggested that instead of creating more retirement products mass financial literacy campaigns, there is need for better retirement education programs that are not just product promotion based. Such programs must cultivate habits of long-term financial planning within the culture.

Using financial planners can also have a significant impact on retirement outcomes. Baulkaran and Jain (2023) identified behavioral biases of financial planners in India, and suggested that overconfidence bias and familiarity bias can impact retirement funding recommendations. They argued that there is a need to continue training and awareness programs for financial planners regarding these behaviors in order to improve adviser quality for clients.

A study by Vijayalakshmi, Subashini, and Reddy (2024) investigates the retirement planning behavior of private sector employees in Andhra Pradesh. The study illustrated that cognitive biases such as overconfidence and present bias affected employees' ability to proactively save for retirement and could delay their savings or lead to insufficient investments in retirement savings. The study concludes recommending financial literacy education, be specific about limitations which may limit the impact of cognitive bias on retirement behaviors.

Financial literacy is an important factor in retirement planning decisions. Kapoor (2024) points out that adequate financial literacy will help support sound retirement savings decisions. The article suggests implementing retirement planning in advance so that time in compounding will be significantly increased to develop a sizable corpus for retirement.

The article identifies the opportunity to build financial literacy skills that can lead strongly to pathways of behaviors such as deciding between investment options and identifying realistic retirement savings goals.

Cognitive biases make retirement planning more complex. Mohan Sai et al. (2025) explore cognitive and emotional biases influencing retirement planning behaviors in the Tirupati district. This study indicates that although there is a self-reported adequate level of financial literacy by the participants, factors such as immediate consumption desires and losing money influenced the participants from achieving financial rewards.

The National Pension System (NPS) is a foundational element of retirement planning in India. Launched by the government to provide a viable retirement income, it has substantial tax implications (and benefits), and promotes a rational approach to retirement saving; however, challenges around selling the system, particularly awareness and understanding are endemic to the customer base. There is an urgent need to promote the NPS benefits and simplify any complexity in NPS systems to maximize engagement with government employees.

The National Institute of Securities Markets (NISM) plays a critical and strategic role in promoting financial literacy in India and improving the financial literacy of investors, so they can make sound investment decisions. NISM is promoting the financial literacy of the populace through various educational campaigns providing skills and edging the public towards better financial decision making associated with retirement planning.

Along these lines, recent initiatives from the Government of India around policy initiatives and certain products have been directed at creating a state-planned assurance pension scheme to, at least in part, ahead plan some form of financial security in retirement. The approved assured pension scheme now results in all federal government employees who had 18 months (or more) remaining prior to retirement from their public sector employee career, will now receive a pension of 50% of the last laid salary as an assured payout, and as we know markets tend to default to returns based on retail market performance, so to counter that compulsory systems will see more workers being dependent on pension's for their retirement planning finances, therefore overriding the government safety net supporting maintenance of baseline living standards.

In closing, retirement/future planning behavior and engagement can be influenced in India by an even broader range of factors than already mentioned, including financial literacy, behavioral biases.

Research Methodology

This study is based on the theoretical foundations of Behavioral Finance, which study how cognitive bias and emotions affect financial decision-making with an indication towards retirement planning decisions. Many traditional economic theories presume that individuals make rational purchasing decisions and preferences based on complete information, however, in reality, observations of individuals' choices indicate that they also demonstrate present bias, status quo bias, overconfidence and loss aversion when faced with saving decisions, which can lead to less than optimum saving behaviors. Moreover these biases can lead people to implicitly postpone saving and/or be inadequately prepared financially for retirement. These biases can lead to a reliance on short-term financial decisions instead of long-term sustained financial security and health generally and through retirement, in particular. By understanding these behaviors and cognitive tendencies better, I aim to produce data to provide a better understanding of why individuals struggle with retirement planning even if they know it is the right thing to do.

This study will analyses the psychological and behavioral elements influencing individual decisions on how much to save for retirement while identifying the influence of major demographic variables (age, income, education and employment status) on individuals confidence in retirement savings. Furthermore, investigate whether and how financial confidence skills, knowledge and emotional biases influence retiring saving behavior. Furthermore, in addition to these research objectives it will also determine whether employment status and level of education has a statistically significant effect on retirement savings confidence through the use of ANOVA, t-tests and other statistical tests. The results will seek to provide information that might be helpful for improved awareness and preparedness for retirement planning and backbone for suggestive policy recommendations and future financial literacy programming.

The research used non-probability convenience sampling because survey responses were taken online from individuals who chose to participate in the study. This type of sampling is helpful because it allows data collection to happen quickly and easily, however, it does not provide generalizable results. The sample size was n=102 with a variety of demographics including different age groups, employment groups, education levels, and income levels. This demographic variance allows for comparisons in financial confidence among sub-groups.

The survey respondents had a small range of ages and employment statuses, however, education level and income groups incorporated a wide range of diversity. A demographic categorization and descriptive statistics reported that the overall confidence level in being able to understand retirement savings options was 3.19/5.00, indicating a moderate degree of financial confidence. The respondents reported an average score of 3.49 on how important is to have a distinct retirement plan which reflects a strong level of consciousness about retirement planning. The standard deviation of responses related to financial risk taking revealed variability when it came to risk appetite (some individuals are willing to take high risk for greater returns, while others preferred safer investments).

Data Analysis

Demographic Summary

The survey captured responses from a diverse and varied group of individuals. Furthermore, Most of the participants—around 60—are under the age of 25, with another 20 falling in the 25

to 34 age group. Furthermore, The number of respondents gradually decreases in the older age brackets. Furthermore, In terms of gender, there's a fairly balanced mix, with 64 identifying as female and 38 as male.

When it comes to educational background, a majority of respondents (58%) hold a bachelor's degree, followed closely by 42% with a master's degree. Furthermore, Only a small number—about 2%—have a doctorate or professional degree.

The participants represent a range of employment statuses. Furthermore, Students make up the largest group (32%), closely followed by self-employed individuals (30%). Furthermore, The rest include 20 people employed full-time, 10 working part-time, 8 currently unemployed, and 2 who are retired.

Looking at income levels, about 30% of the respondents earn between ₹5–10 lakhs annually, while 24% fall into the ₹2–5 lakh bracket. Furthermore, A smaller portion, around 12%, report earning over ₹20 lakhs a year.

Geographically, the majority live in urban areas (82%), with a smaller share residing in suburban (18%) and rural (2%) settings.

As for marital status, most of the respondents (84) are single, while 14 are married and 4 are divorced. Furthermore, When asked about dependents, 66 individuals said they have dependents, while 36 said they do not.

Variable	Category	Count
Age	Under 25	60
	25-34	20
	35-44	14
	45-54	4
	55-64	2
	65 and older	2
Gender	Female	64
	Male	38
Education	Bachelor's degree	58
	Master's degree	42
	Doctorate/professional degree	2
Employment Status	Student	32
	Self-employed	30
	Employed full-time	20
	Employed part-time	10
	Unemployed	8
	Retired	2

Annual Household Income	Less than ₹2,00,000	18
	₹2,00,000 - ₹5,00,000	24
	₹5,00,000 - ₹10,00,000	30
	₹10,00,000 - ₹20,00,000	18
	More than ₹20,00,000	12
Region of Residence	Urban	82
	Suburban	18
	Rural	2
Marital Status	Single	84
	Married	14
	Divorced	4

Psychological Barriers to Retirement Savings

The survey results indicate that several psychological barriers prevent individuals from saving more for retirement. Furthermore, The most commonly reported barrier is a fear of investing, cited by 36 respondents. Furthermore, This suggests that many individuals may lack confidence in financial markets or perceive investment risks as too high. Furthermore, Additionally, 28 respondents reported a lack of motivation, which could stem from a tendency to prioritize short-term financial needs over long-term savings. Furthermore, Some respondents (10 individuals) mentioned experiencing both fear of investing and lack of motivation, highlighting the interconnected nature of these psychological hurdles. Furthermore, A smaller portion of participants (8 individuals) cited feeling overwhelmed by financial information, indicating that the complexity of retirement planning discourages them from taking proactive steps. Furthermore, Procrastination was another barrier, affecting 6 respondents, suggesting that some individuals recognize the importance of saving but continuously delay taking action. Additionally, a subset of participants reported multiple barriers simultaneously, such as fear of investing, lack of motivation, and feeling overwhelmed (4 respondents). Furthermore, These overlapping concerns suggest that addressing psychological factors in financial literacy programs could be crucial in improving retirement savings behaviour.

Confidence in Knowledge of Retirement Savings Options

The survey results indicate that many respondents feel relatively confident in their knowledge of retirement savings options. Furthermore, A majority, 46 respondents, rated their confidence at level 3 (on a 1–5 scale), while 32 respondents rated their confidence at level 4, showing a higher degree of self- assuredness. Furthermore, However, a notable portion (12 respondents) felt less confident, rating their knowledge at level 2, and 6 respondents rated their confidence as very low (level 1), suggesting that a significant portion of the population may benefit from enhanced financial education. Furthermore, Only 6 respondents felt highly confident, rating their knowledge at level 5, which implies that few individuals feel truly comfortable with their understanding of retirement savings options.

Setting Specific Savings Goals for Retirement

When it comes to setting specific savings goals for retirement, the survey revealed that a majority (76 respondents) have set a concrete goal, while 26 respondents reported they had not. Furthermore, This information indicates that while many individuals do have specific savings targets, a substantial

minority may not be taking this crucial step in retirement planning. Furthermore, The lack of goal-setting could be a potential obstacle to achieving financial security in retirement, underscoring the need for awareness and planning.

Frequency of Reviewing Retirement Savings Plans

The frequency with which individuals review their retirement savings plans varies. Furthermore, Quarterly reviews were the most common, with 42 respondents indicating they assess their plans every few months. Furthermore, A smaller group, 20 respondents, review their plans annually, while 18 respondents review their plans on a monthly basis. Furthermore, However, 22 respondents reported never reviewing their retirement savings plan, which highlights a significant gap in proactive retirement planning behaviours. Furthermore, These findings suggest that while a good number of individuals are diligent about their savings reviews, a notable proportion may not be engaging with their plans frequently enough to make timely adjustments.

Seeking Advice from Financial Advisors

The information suggests that just over half of the respondents (52 individuals) have sought advice from a financial advisor regarding retirement planning, while 50 individuals have not. Furthermore, This nearly even split reflects a tendency for some individuals to rely on professional guidance, while others may attempt to navigate retirement planning on their own or may not see the value in seeking external advice. Furthermore, Those not consulting a financial advisor may benefit from resources to improve financial literacy or gain confidence in making retirement planning decisions.

Scale of Emotions in Saving Decisions

Emotions play a significant role in retirement saving decisions for many respondents. Furthermore, The largest group (64 respondents) rated the influence of emotions at a moderate level (3 on a 1–5 scale). Furthermore, Eighteen respondents rated the impact of emotions at a higher level (4), while 16 rated it lower at level 2. Furthermore, Only 4 respondents indicated that emotions had a very high influence (level 5). Furthermore, These results suggest that while emotional factors do affect decision-making for many individuals, the degree of impact varies, with most respondents recognizing a moderate influence of emotions on their financial choices.

Likelihood of Changing Saving Habits Based on Education

When asked how likely they would be to change their saving habits if they learned more about the benefits of saving for retirement, majority that is forty eight respondents expressed a moderate likelihood (rating 3 on a 1–5 scale). Thirty respondents indicated a higher likelihood (rating 4), while 18 rated their likelihood as lower (rating 2). Only six (6) respondents said they would be highly likely to change their habits (rating 5). These results suggest that while additional education may motivate some individuals to adjust their saving behaviour, for others, it may not significantly change their habits.

Frequency of Discussing Retirement Planning with Family or Friends

The survey results show that the majority of respondents (48 individuals) rarely discuss retirement planning with family or friends. Furthermore, Thirty-six respondents indicated that they occasionally engage in such discussions, while only 6 respondents reported discussing retirement planning very often. Furthermore, Twelve respondents indicated that they never discuss this topic. Furthermore, These findings highlight that retirement planning is not a frequent topic of

conversation for many individuals, which may reflect either a discomfort with financial discussions or a lack of focus on long-term planning in social settings.

Primary Source of Information on Retirement Planning

When asked about their primary source of information regarding retirement planning, respondents provided a range of answers. Furthermore, Books and articles were the most frequently mentioned sources (32 respondents), followed closely by online resources (28 respondents). Furthermore, Friends and family served as the primary source of information for 24 respondents, while financial advisors were the source for 16 individuals. Furthermore, Only 2 respondents indicated that they primarily relied on their own knowledge. Furthermore, This distribution suggests that a variety of information sources are being used, though professional advice from financial advisors may be underutilized.

Feeling Overwhelmed by Financial Planning for Retirement

A substantial number of respondents (54 individuals) reported that they occasionally feel overwhelmed by financial planning for retirement, while 36 respondents indicated that they rarely experience this feeling. Furthermore, Eight respondents reported feeling very often overwhelmed, while 4 respondents said they never feel overwhelmed. Furthermore, These results indicate that while many individuals experience some level of stress related to retirement planning, it is not a constant burden for most.

Belief in the Impact of Government Policies on Retirement Savings

The majority of respondents (70 individuals) believe that government policies, such as social security, will somewhat affect their retirement savings. Furthermore, Twenty-six respondents believe that such policies will not significantly impact their savings, while 6 respondents indicated that they expect a significant impact. Furthermore, These findings suggest that while many individuals recognize the role of government policies in their financial future, few expect these policies to have a dramatic effect on their retirement savings.

Willingness to Take Financial Risks to Increase Retirement Savings

A moderate level of willingness to take financial risks was observed in the survey. Sixty-six respondents rated their willingness at level 3 (on a 1–5 scale), indicating a cautious approach. Eighteen respondents rated their willingness higher, at level 4, while 16 respondents rated it lower, at level 2. Only 2 respondents reported a very low willingness to take financial risks, rating it at level 1. These results suggest that while some individuals are open to taking risks to boost their retirement savings, most prefer a more conservative approach.

Importance of Having a Clear Retirement Plan

The importance of having a clear retirement plan was emphasized by the majority of respondents. Furthermore, Fifty-six individuals rated its importance at level 3 (on a 1–5 scale), indicating moderate importance. Furthermore, Twenty-four respondents rated it higher, at level 4, and 16 rated it at the highest level of importance (level 5). Furthermore, Six respondents rated it lower, at level 2, suggesting that while having a clear retirement plan is considered crucial by most, some individuals may not view it as a top priority.A One-Way ANOVA test was conducted to examine whether education level significantly affects retirement savings confidence. Furthermore, The results indicated an F-statistic of 1.009 and a p-value of 0.368. Furthermore, Since the p-value is greater than 0.05, we fail to reject the null hypothesis, suggesting that there is no statistically

significant difference in savings confidence across different education levels.Additionally, a t-test was performed to compare retirement savings confidence between employed and non-employed individuals. Furthermore, The findings revealed a t-value of 4.15 and a p-value of less than 0.0001, indicating a highly statistically significant difference. Furthermore, Employed individuals reported significantly higher confidence in their knowledge of retirement savings options compared to non-employed individuals.The ANOVA results suggest that education level alone does not significantly impact retirement savings confidence. Furthermore, This may be due to varying financial literacy levels within each education group. Furthermore, On the other hand, the t-test findings strongly indicate that employment status plays a critical role in financial confidence. Furthermore, Employed individuals may have better access to employer-sponsored retirement plans, financial advisors, and consistent income sources, contributing to their higher confidence in retirement planning. Furthermore, These findings highlight the need for targeted financial literacy programs, particularly for non-employed individuals, to ensure they receive adequate guidance on retirement savings strategies. Furthermore, Additionally, policymakers and financial institutions should focus on providing accessible retirement planning resources to individuals across all education levels, as formal education alone does not guarantee financial preparedness for retirement.

Conclusion

Behavioural finance helps explain why people often make poor decisions about saving for retirement. Furthermore, While traditional theories assume people plan their finances logically, in reality, biases like loss aversion, hyperbolic discounting, status quo bias, and low financial knowledge lead to delays in saving or overly cautious investment choices. Furthermore, Tools like automatic enrolment, financial education, and nudges have been effective in improving saving behaviour.

However, these answers don't fully guarantee that people will save enough for retirement. Furthermore, Biases remain, and factors like complicated investment options, changing economic conditions, and unequal access to financial advice still affect how well-prepared people are for retirement. Furthermore, To fix this, we need strategies that encourage steady savings and keep people engaged in retirement planning throughout their careers.

Limitations and Suggestions

This study has a few important limitations. Furthermore, First, it mainly relies on secondary information, which may not fully capture the latest trends or the personal factors that affect retirement savings. Furthermore, While the study highlights key biases like loss aversion, other important factors—such as overconfidence and the impact of social influences, haven't been deeply explored. Additionally, primary information was collected through a Google Form survey. Furthermore, However, the sample size was small, and the respondents were self-selected, which may not represent the wider population. Furthermore, Some answers may also reflect what respondents think they should say, rather than their actual behaviours. Furthermore, The study also assumes that people's financial habits stay the same over time, but in reality, personal circumstances and economic conditions (like inflation or recessions) can change how people save.Another issue is that not everyone has equal access to financial tools and advice. Furthermore, Wealthier individuals often benefit more from financial planning resources than those with lower incomes. Furthermore, Finally, while strategies like automatic enrolment and nudging look promising, more long-term studies are needed to see if these approaches continue to work. Furthermore, To address these gaps, future research should focus on how savings behaviours differ across countries, especially in developing economies. Furthermore, Studies that follow people's saving habits over time could

also help us better understand how financial behaviours change. Furthermore, Governments and companies should explore personalized tools using smart innovation to give people tailored savings plans. Furthermore, More financial education in schools and workplaces is also important, along with policy updates to reflect changing economic trends.

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