

CHAPTER 5

CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

In this chapter contains the results and recommendations from the analysis chapter, an explanation of what has been tested, including the reliability test, normality test, regression test which includes t test (partially), Anova test, and coefficient of determination test, suggestions from researchers for employees and future researchers, limitations of this research, and conclusions from this chapter.

5.2 Summary of Research Findings

Based on hypothesis testing, it was found that financial literacy variables had a significant positive effect on retirement preparation in Palembang, and lifestyle variables had a significant positive effect on employee retirement preparation in Palembang. The discussion of the results of the analysis carried out using SPSS 28 are:

5.2.1 The Effect of Financial Literacy on Retirement Preparation

The findings demonstrated that financial literacy (X1) had a considerable favourable impact on retirement preparation (Y). Based on the results of evaluating the research hypothesis about the effect of financial literacy on consumer behaviour, $t_{table} = 1.96$ and $t_{count} = 7.628$, indicating that $t_{count} > t_{table}$ with a significance level of $0.000 < 0.05$. According to research findings, the greater the financial literacy of Palembang employees, the greater the impact on their retirement preparation. Financially literate employees will be able to make prudent financial decisions, control spending, set aside a portion of their income for unexpected expenses, and plan for the future, so empowering them to better manage their finances and prepare for retirement.

5.2.2 The effect of Lifestyle on Retirement Preparation

Results indicated that lifestyle (X2) had a strong favourable influence on retirement preparation (Y). Based on the findings of evaluating the research hypothesis on the effect of lifestyle on retirement preparation, the t_{table} is 1.96 and the t_{count} is 4.012, indicating that $t_{count} > t_{table}$ with a significance level of $0.000 < 0.05$. This concludes This is a substantial relationship between the Lifestyle variables and the Retirement Preparation variables for Palembang employees. A conclusion might be drawn that a lavish lifestyle while still employed can hinder retirement preparations because, upon retirement, income declines while needs remain the same or increase. With the conclusion that respondents do not place lifestyle as a top priority in their daily lives, such as liking to buy branded goods and feeling proud when using them and not believing that using expensive products will increase their level of self-confidence, respondents are not concerned with lifestyle in their daily

lives. In addition, hobbies, family vacations, and travel are normal activities as long as they are not excessive. As a result, as an employee, you should know what the priority is by understanding the distinction between needs and desires. If the necessities have been covered, then the want or need can be supplied with any remaining finances. In order for the pre-retirement lifestyle to be easily maintained during retirement.

5.3 Recommendations

The suggestions that can be given based on the conclusions that have been presented in this study are:

- Employees are urged to participate in socialisation and briefings regarding initiatives that help increase their financial literacy more frequently. Employees will be better prepared for retirement if they have a solid financial education.
- Employees are required to know how to live a healthy lifestyle and avoid living like hedonists in order to carefully plan for retirement.

5.4 Limitations of Study

This study has limitations due to the fact that the target respondents are employees, and employees who work are sometimes unable to fill out questionnaires, and there is limited time to collect respondents, which is accomplished in roughly two weeks, so that the data collected, which should collect 384 samples, collected only 250 respondents. And secondly, researchers have trouble utilising the SPSS software because it is still relatively new to them and they require time to learn it.

5.5 Future Research

For future researchers to add independent factors and develop a new study model that may influence retirement preparation. To include independent variables and develop a new research model that can influence retirement preparation, given that the model in this study can only explain the retirement preparation variable by 26.9% and the remainder is explained by variables not stated in this study. For future research, hopefully this will be a reference for further research in the same field

5.6 Conclusion

This study aims to examine the effect of Financial Literacy and Lifestyle on the preparation for retirement of employees in Palembang. The data analysis method used in this research is using SPSS 28 software. The model proposed in this study can explain the retirement readiness variable by 26.3% and the rest is explained by other variables. Thus, based on the results of the analysis and discussion that have been presented, the following conclusions are obtained:

1. Financial literacy affects employee retirement preparation in Palembang. Thus, the better financial literacy provided to employees, the better their retirement readiness will be. Where individuals with good financial literacy will be able to make appropriate financial decisions and will be better prepared to face retirement.
2. The lifestyle of employees in Palembang affects their retirement preparation. In this case the lifestyle in question is a hedonic lifestyle that can cause not preparing for retirement properly.