

ABSTRACT

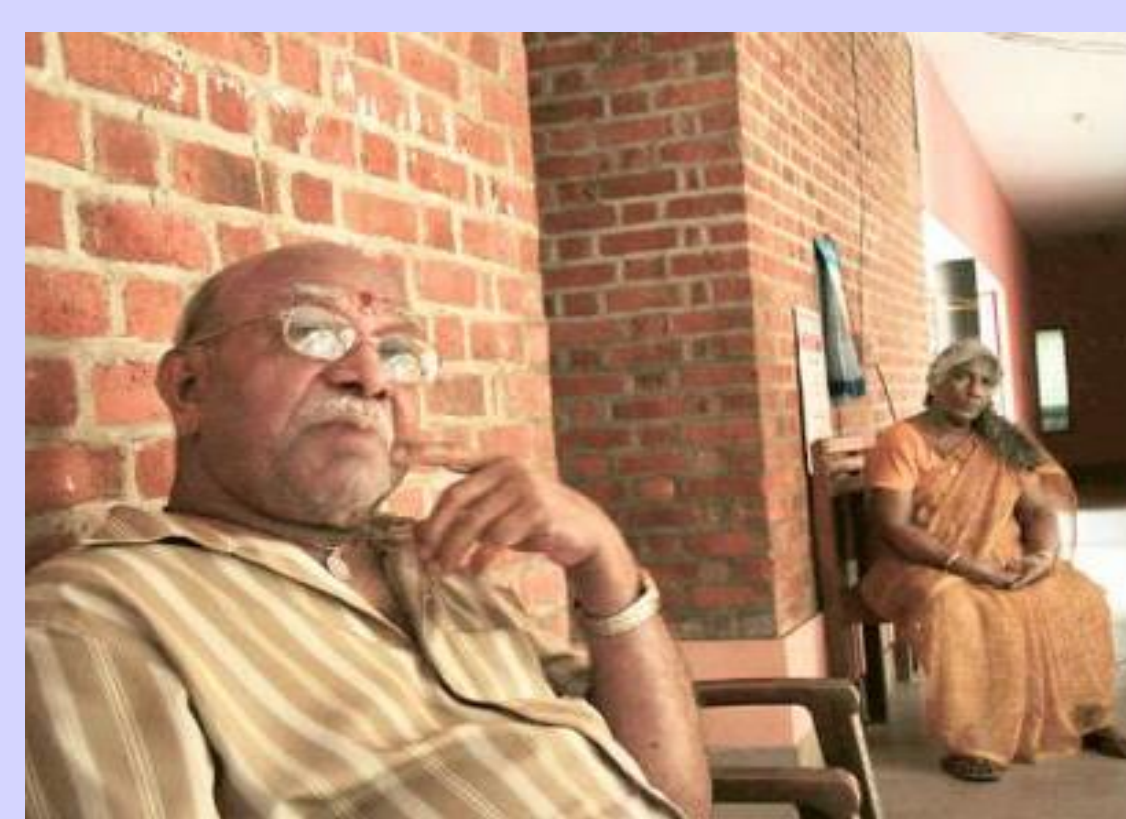
In India, retirement is rapidly moving in the direction of becoming a formal stage of life. That being the case, it is important to understand the nature of workers' goals for old age, in hopes of cultivating them in order to increase retirement satisfaction. This study was designed to explore the retirement goals of Indian adults, and to compare them to comparable goal data collected in the U.S.

INTRODUCTION

Traditionally in India, joint families have served to provide economic and social support to aging family members. But as we enter the 21st century, the family structure in India is undergoing a change. One important change is that more working adults have begun to move to urban areas to pursue job opportunities, which has served to fragment the structure of the extended family. A second important change is that there are fewer joint families than in the past, and adult children are shying away from taking responsibility for aging parents (Bhat & Dhruvarajan, 2001).

In light of what appears to be a more individualistic old age on the horizon, it is becoming increasingly important for Indian workers to plan for their own retirement. One key planning component is to set reasonable and achievable personal goals. Research has shown that doing so helps to ensure higher levels of life satisfaction and psychological well-being (Lapierre et al., 1997).

The literature on retirement has largely been written about individuals in more developed countries. The present study is designed to address this gap by examining the retirement goals of Indian working adults. We contrast these goals with those identified from members of an American sample.



Media portrayal of a retired Indian couple



Media portrayal of a retired American couple

Cross-Cultural Differences in Goals for Retirement: The Case of India and the United States

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SAMPLE

Participants	N = 158 Working Indian adults
Mean Age (range)	37.1 years (21-60)
Sex Distribution	53% M; 47% F

KEY FINDINGS

- Number of Goals.** Fig. 1 shows a significant difference in the number of retirement goals reported by workers in India (this study) and the U.S. (Hershey et al., 2002). This could be because retirement is not an institutionalized and normative process in India, which is why Indians have spent little time thinking about and formulating retirement goals.
- Goal Categories.** As seen in Table 1, nine categories of goals were identified, which were identical to the categories found among Americans (India % above diagonal; U.S. % below diagonal). Indians were found to focus more on "self" related goals, whereas Americans focused more on leisure activities.
- Goal Concreteness.** Fig. 1 also shows a trend, $p < .10$ in which the retirement goals of Indian workers were less concrete than those reported by Americans (3-point continuum from abstract [1] to concrete [3]). This likely has to do with the amount of time Americans have put into thinking about retirement relative to Indians.
- Gender Differences.** No differences were identified among Indians in the number and types of goals held as a function of gender. This is somewhat surprising, particularly in the area of financial stability, as Indian men are expected to manage family financial resources.

Table 1: Self-Reported Retirement Goals Sorted into Nine Different Coding Categories

Goal Category	% Respondents India / U.S.	Sample Goals
Self Goals	34% / 16%	Be happy; Have fun
Contact with Others	20% / 21%	Spend time with family; Ensure kids are settled
Financial Stability	17% / 12%	Financial independence; Sufficient money to retire
Exploration	10% / 14%	Go on a world tour; See all of India
Contributions to Others	8% / 7%	Teach part-time; Work towards education of poor
Attainment of Possessions	4% / 7%	Buy a holiday home; Buy a big house
Other	4% / 3%	Open my own restaurant; Retire at age 45
Leisure Activities	3% / 16%	Be a part of recreational activities; Pursue hobbies
Spiritual and/ or Transcendental	2% / 3%	Get closer to God; Have a spiritual connection

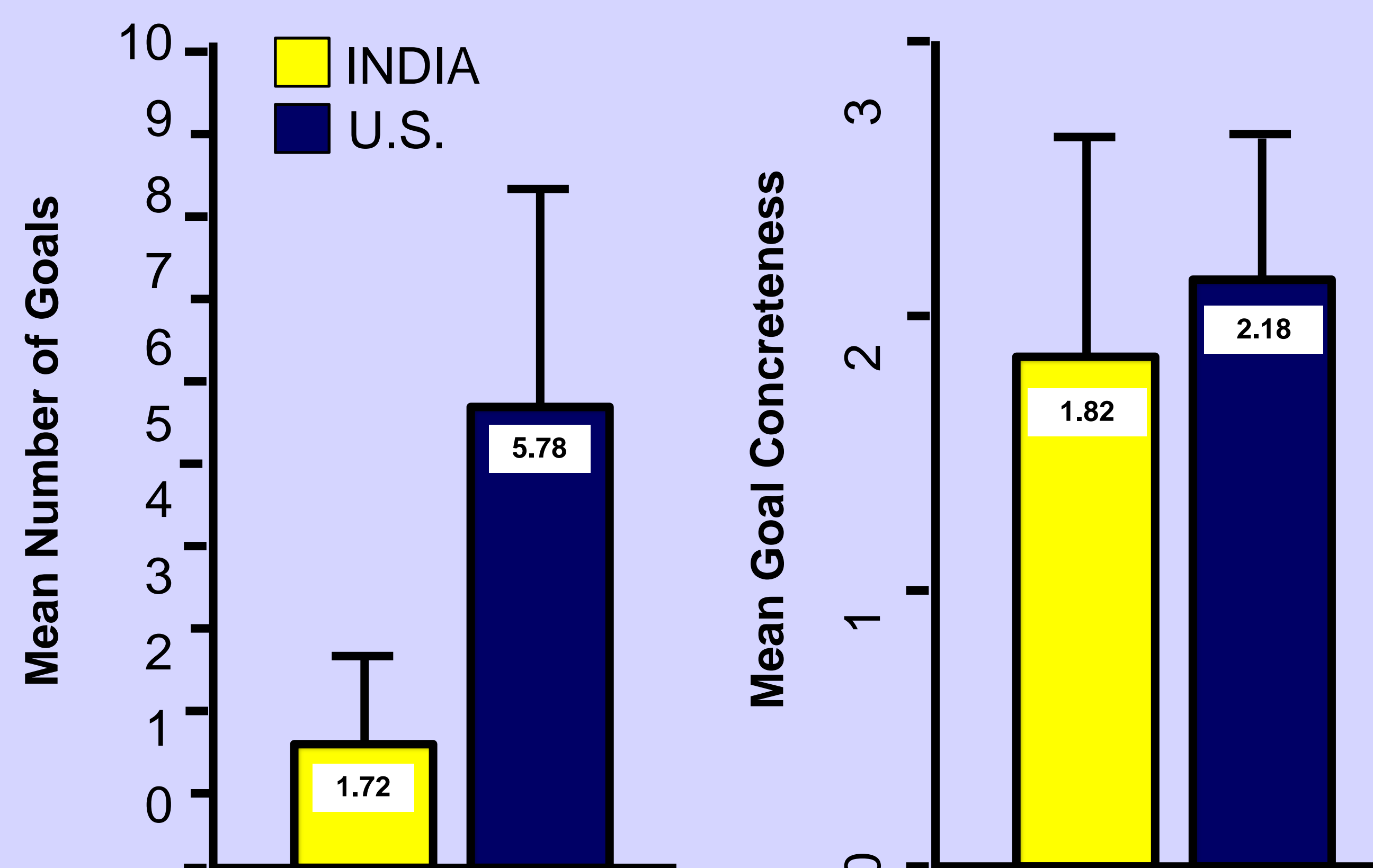


Figure 1. Mean number of goals and goal concreteness as a function of country.

DISCUSSION

Indians were shown to have fewer retirement goals than Americans, which could reflect the fact that their energies are focused on the few things they really want to achieve. One downside of having too few goals is that it may leave some individuals without suitable activities once they leave the workforce. However, as retirement becomes an institutionalized part of life in India, we would expect individuals to cultivate an increasingly diverse set of goals for old age.

Another consideration is that compared to the U.S., in India retirement only lasts for a short period of time. Therefore, thinking about goals for retirement is not something Indians dwell upon. In the U.S., retirement planning often begins shortly after individuals enter the workforce, and it may continue for a period of four or five decades.

This study is the first to document the types of retirement goals held by Indians. From an applied perspective, the findings stand to benefit financial practitioners and those who counsel older workers. Specifically, knowing how individuals expect to spend their time in old age should be beneficial when attempting to help workers with the life planning process.

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