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When are Impending Retirees Inspired to Save: The Role of Agreeableness and Future Clarity

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In the decade or so before they retire, many individuals do not save enough money to maintain their lifestyle after retirement. According to the self-continuity hypothesis, as individuals approach a transition in their life, such as retirement, they are not as willing to sacrifice pleasure now to benefit their future, impeding their tendency to save money judiciously and to manage their finances prudently. This longitudinal study, however, tested the hypothesis that impending retirees who are agreeable or perceive their future as vivid and certain, called future clarity, are more likely to manage their finances prudently, despite this looming transition. In particular, people who are agreeable tend to perceive their identity as more stable because the extent to which they value harmonious relationships does not abruptly escalate as retirement approaches. People who report future clarity tend to perceive the future as closer in time and, therefore, are more willing to sacrifice their pleasure to benefit this future. To assess these hypotheses, 597 impending retirees completed the same questionnaire twice, in consecutive years, to gauge their tendency to manage their finances prudently, called financial control, as well as their agreeableness and future clarity. As hypothesized, financial control tended to subside over time, but agreeableness and future clarity diminished this decline. As these findings imply, if impending retirees are exposed to opportunities they could pursue after they retire—clarifying their future goals and pursuits—they are likely to manage their finances more judiciously now.

Keywords: agreeableness; future clarity; retirees; savings

INTRODUCTION

Scholars continue to debate the level of savings that impending retirees need (Burnett, Davis, Murawski, Wilkins, & Wilkinson, 2017; Foster, 2015; Scholz, Seshadri, & Khitatrakun, 2006). Researchers have not reached a consensus on the percentage of impending retirees, in various nations, whose savings are inadequate (Foster, 2015). In this paper, impending retirees are defined as people who intend to initiate some change very soon to facilitate their retirement, consistent with the preparation stage of the transtheoretical model of change (Prochaska & Velicer, 1997).

Despite this diversity of opinions, financial commentators and researchers would acknowledge that, across the globe, many impending retirees have not saved enough to

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maintain their previous standard of living. Consequently, many government agencies, in concert with superannuation funds, tertiary institutions, and other organizations, have implemented programs that are designed to encourage impending retirees—as well as other vulnerable segments—to save more effectively (e.g., Braunstein & Welch, 2002; Hilgert, Hogarth, & Beverly, 2003; Lusardi & Mitchell, 2007). Even in Australia, in which residents must contribute some of their income to superannuation funds, a variety of interventions, such as retirement planning, have been shown to promote savings in impending retirees (Feng, 2018). For example, the Department of Human Services have established a financial information service in which individuals are granted access to free seminars, advisors, and resources, designed to help Australian residents manage their finances before or after they retire (Department of Human Services, June, 2019).

Nevertheless, according to the self-continuity hypothesis (Ersner-Hershfield, Garton, Ballard, Samanez-Larkin, & Knutson, 2009), as individuals approach a transition in their lives, their motivation to save actually subsides (Bartels & Urminsky, 2011). As this motivation to save wanes, these individuals are not as inclined to enact behaviors that boost savings. For example, they may not reach prudent decisions about money or plan their finances, adhere to budgets, and monitor their finances as diligently (cf., Hilgert et al., 2003). Hence, this diminished motivation to save will tend to decrease financial control, defined as cautious decisions about money coupled with the tendency to budget carefully and monitor finances assiduously (Gasiorowska, 2013a, 2013b, 2014). The aim of this study was to explore characteristics that may diminish the impact of this impending transition on financial control. In particular, this study explored the possibility that two inclinations in people—the pursuit of harmonious relationships and clarity about the future—could offset this problem and inspire these individuals to manage their finances judiciously.

The Self-Continuity Hypothesis

The self-continuity hypothesis, promulgated by Ersner-Hershfield, Garton, Ballard, Samanez-Larkin, and Knutson (2009), was formulated, at least partly, to explain why some people are disinclined to save money and to manage their finances judiciously (see also Ersner-Hershfield, Mikels, Sullivan, & Carstensen, 2008). According to this account, some people feel their identity in the future—their roles, goals, and values, for instance—is likely to diverge appreciably from their identity now (Ersner-Hershfield et al., 2009). These individuals conceptualize their future identity as, in essence, a distinct person altogether. Consequently, they are not as willing to sacrifice their pleasure now to benefit this other identity in the future (Bartels & Urminsky, 2011). They are hesitant, for example, to forego enjoyment now to save money that could benefit their future. Consistent with this premise, studies have shown that people who feel their identity in the future will overlap significantly with their identity now are more inclined to save money and to manage their finances prudently (Ersner-Hershfield et al., 2009; see also Bartels & Urminsky, 2011).

This research implies that impending retirees, as they contemplate their life after work, are likely to feel their identity in the future might diverge from their identity now. In particular, as Peetz and Wilson (2013) revealed, after individuals contemplate an impending transition in their lives, such as retirement, they are more inclined to assume their identity now will diverge from their identity after this transition. These individuals

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may thus feel somewhat disinclined to save money (Ersner-Hershfield et al., 2009), diminishing their tendency to reach prudent decisions about money, to budget carefully, and to monitor their finances carefully, thus decreasing financial control.

Hypothesis 1: As individuals approach retirement, their level of financial control will subside.

Consistent this premise, research has shown that involuntary retirement—usually as a consequence of physical impairments or illness—does indeed reduce the extent to which individuals experience a sense of control over their finances (Rhee, Mor Barak, & Gallo, 2016). Nevertheless, this effect of involuntary retirement could be ascribed to infringements on personal choice and autonomy instead of the self-continuity hypothesis.

The Value Attached to Harmonious Relationships

As these considerations imply, to motivate impending retirees to manage their finances judiciously, such organizations need to introduce strategies that inspire these individuals to sacrifice their immediate pleasure to benefit their future. In particular, they need to offset the problems that unfolds whenever individuals feel their identity in the future will diverge from their identity now.

One possible strategy emanates from socio-emotional selectivity theory (Carstensen, 1992, 1995). According to this theory, some individuals, particularly earlier in life, conceptualize their identity as unlimited in time (Carstensen, 1992). In this state, their prevailing motivation is to accrue knowledge, skills, and other resources that could benefit their future (Lang & Carstensen, 2002). They may, occasionally, even sacrifice friendships to accrue these resources (Penningroth & Scott, 2012; Zhang, Fung, & Ching, 2009).

However, as individuals age, they gradually appreciate their life is limited in time (Carstensen, 1992). In this state, their prevailing motivation is no longer to accrue resources that could benefit their future (Lang & Carstensen, 2002). Instead, they tend to prioritize harmonious relationships with trusted friends and close family (Betts Adams & Sanders, 2010; Penningroth & Scott, 2012; for the underlying mechanisms, see Moss & Wilson, 2017). To illustrate, relative to younger individuals, older individuals are more inclined to help other people (Ho, You, & Fung, 2012) than to compete with colleagues (Leen & Lang, 2013) or to seek more possessions (Betts Adams & Sanders, 2010). Older people gravitate to roles in which they can utilize their entrenched skills rather than roles in which they can extend their repertoire of skills (Zaniboni, Truxillo, & Fraccaroli, 2013; Zaniboni, Truxillo, Fraccaroli, McCune, & Bertolino, 2014).

Nevertheless, the extent to which individuals prioritize harmonious relationships is not entirely contingent upon age but also, for example, dependent on personality. That is, according to the five factor model (Costa & McCrae, 1992; Salgado, 2002) or the HEXACO model (Ashton & Lee, 2001; Ashton, Lee, & Son, 2000), the vast diversity of personality traits can be reduced to five or six overarching dimensions respectively. In both models, one of these dimensions revolves around the extent to which individuals are trusting, honest, cooperative, altruistic, compliant, and sympathetic, called agreeableness (Ashton & Lee, 2001; Costa & McCrae, 1992).

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Studies have shown that agreeableness may affect financial beliefs and behaviors. Nyhus and Webley (2001), for example, demonstrated that agreeableness is positively associated with savings in bank accounts and negatively associated with debt. In contrast, Matz and Gladstone (2018) showed that agreeableness tended to coincide with financial hardship whenever incomes were low, primarily because agreeable people do not attach significant importance to money. However, other attitudes that affect financial behavior, such as the motivation of individuals to save (Olson & Weber, 2004) or the capacity to negotiate effectively (Matz & Gladstone, 2018), were not significantly associated with agreeableness.

By definition, people who report elevated levels of agreeableness value harmonious relationships (Gleason, Jensen-Campbell, & Richardson, 2004). That is, agreeable people tend to cherish their close, lasting friendships rather than seek many superficial acquaintances (Laakasuo, Rotkirch, Berg, & Jokela, 2017). Similarly, because of the looming transition in their lives, impending retirees also tend to prioritize a few close friendships over many superficial relationships (Moss & Wilson, 2017). Accordingly, agreeable individuals and impending retirees share an important value—the primacy they attach to close friends or relatives.

As this similarity implies, when agreeable individuals approach retirement, the extent to which they value close friendships is unlikely to shift appreciably. In contrast, when disagreeable individuals approach retirement, the degree to which they value close friendships is likely to escalate. These disagreeable individuals, therefore, experience a marked shift in their values as retirement looms; they feel a sense of discontinuity with their past (Sadeh & Karniol, 2012). Because of this discontinuity with their past, these individuals tend to perceive their identity as unstable (Sadeh & Karniol, 2012); hence, they assume their identity in several years might diverge appreciably from their identity now (Sadeh & Karniol, 2012). In short, as they approach retirement, disagreeable people are especially likely to feel their future identity might deviate from their existing identity, diminishing their inclination to save (Ersner-Hershfield et al., 2009) and decreasing financial control.

Hypothesis 2: In people who are approaching retirement, agreeableness should diminish the usual decline in the level of financial control.

Clarity of the Future

To reiterate, agreeable individuals may be more inclined to feel their identity in the future might overlap with their identity now. Yet, even individuals who feel their identity might shift dramatically in the future do not invariably squander their money. Specifically, one state, called future clarity (McElwee & Haugh, 2010), might nullify this sense of dissociation from the future.

To illustrate, some people feel their future seems vivid and certain, called future clarity (McElwee & Haugh, 2010). They can imagine their future in some detail (McElwee & Haugh, 2010; Moss, Skinner, Alexi, & Wilson, 2018). As Amit, Algom, and Trope (2009) showed, a future that seems vivid—replete with sensory and emotional details—feels closer in time. In contrast, a future that seems hazy and vague feels more remote in time,

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partly because individuals associate the distant future with uncertain details. Indeed, research has shown that people who report future clarity perceive this future as closer in time (McElwee & Haugh, 2010).

As research on temporal discounting implies, when individuals perceive the future as vivid and thus closer in time, they are more inclined to save money judiciously, increasing financial control. To clarify, people tend to exhibit a tendency called temporal discounting, in which they discount the value of delayed rewards (Kirby & Marakovic, 1996). For example, $200 in the future may not seem as valuable as $100 now. Future clarity should thus offset this tendency. The future should seem near instead of remote (McElwee & Haugh, 2010). The perceived value of savings, and hence the utility of judicious financial management, will thus increase.

Hypothesis 3: In people who are approaching retirement, future clarity should diminish the usual decline in the level of financial control.

Arguably, if impending retirees are agreeable, this effect of future clarity may not be as pronounced. Agreeable individuals are not as likely to differentiate their identity in the future and their identity now: at both times, their activities primarily revolve around harmonious relationships. Consequently, the benefits of future clarity—in which the future seems closer in time and thus valuable—should subside.

Hypothesis 4: In people who are approaching retirement, the positive effect of future clarity on financial control should not be as pronounced in agreeable individuals.

Limitations of Previous Research and Aim of the Present Study

Previous research has explored the associations between personality, contemplation about the future, and retirement savings. For example, in one study of Arkansas residents conducted by Hershey and Mowen (2000), conscientiousness and emotional stability were positively associated with financial preparation—defined as the extent to which individuals had calculated whether they had saved enough money to furnish their retirement. The degree to which these individuals contemplate their future in general as well as their knowledge of finances mediated these associations. Furthermore, individuals who set precise retirement goals are more inclined to plan their retirement and to save money (Stawski, Hershey, & Jacobs-Lawson, 2007).

Similarly, individuals who are high in extraversion and conscientiousness, but low in neuroticism and openness, tend to experience considerable financial self-efficacy (Asebedo, Wilmarth, Seay, Archuleta, Brase, & MacDonald, 2019)—defined as the belief they can manage their finances effectively. This financial self-efficacy tends to foster behaviors that exemplify financial control, such as careful budgeting and prudent investments (Magendans, Gutteling, & Zebel, 2017; for a review, see Asebedo, Seay, Archuleta, & Brase, 2018). Past studies, however, have not explored whether personality in general, or agreeableness in particular, moderates the association between future clarity and financial beliefs or behavior. These relationships have also not been examined in impending retirees.

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Previous research has verified the association between future clarity and responsible behavior (e.g., Wilson, Moss, & Irons, 2017). When individuals perceive their future as vivid and certain, they are more likely, for example, to eat healthy food and abstain from cigarettes (Moss, Skinner, et al., 2018). Indeed, future clarity has been shown to be associated with behaviors that affect finances in impending retirees (Moss, Ghafoori, & Smith, 2018). Specifically, relative to other impending retirees, impending retirees who report future clarity were not as likely to feel anxious about their finances (Moss, Ghafoori, & Smith, 2018). Nevertheless, the studies that have explored the benefits of future clarity were cross-sectional and, therefore, did not establish the direction of causality. Arguably, people who are able to suppress their impulses and to save money are more inclined to feel they can shape their destiny. Thus, the tendency to manage finances judiciously might promote future clarity rather than vice versa.

To counteract this problem, the present study utilized a longitudinal design. We collected data from the same panel of impending retirees, aged 54 and over, on two occasions, separated by one year. Participants completed a survey that included measures of financial control, future clarity, and agreeableness embedded within a broader set of questions.

METHOD

Participants and Procedure

Online Research Unit, a company that specializes in organizing panels of participants who fulfill particular selection criteria, was engaged to recruit individuals to this study. The company has developed a panel of 350,000 Australian residents who are willing to participate in research. For this study, the company invited a random sample of members who were 50 or older to complete the survey. However, to limit our sample to impending retirees, we excluded participants who had already retired or were younger than 54. This age was chosen because, in Australia, residents cannot withdraw from their superannuation funds, even if they retire until age of 54 years. In addition, 54 years was the mode age in this sample. Therefore, if we had restricted the sample to individuals above 54, statistical power might have been compromised.

The first wave of surveys was administered during 2017. This sample comprised 285 women, 241 men, and 2 participants who indicated their gender was other. All participants were aged between 54 and 82, with a mean age of 60.5, about 45.8 % of whom had attained a Bachelor or postgraduate degree.

The second wave of surveys was administered during 2018. The same individuals were invited to respond, although some participants completed the survey in only one of these two years. This sample comprised 321 women, 276 men, and 2 participants who indicated their gender was other. All participants were aged between 54 and 83, with an average age of 60.8, about 46.6% of whom had completed a Bachelor or postgraduate degree. Overall, 597 impending retirees completed the survey during both years.

Qualtrics was utilized to construct and to distribute the survey. To initiate this survey, participants were invited to click a web link. The stated aim of this project was to explore the attitudes of impending retirees towards finances.

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Measures

The questionnaire comprised questions that assessed financial control, agreeableness, and future clarity. These questions were embedded within a broader survey that also measured existing assets and liabilities, physical health, mental health, locus of control, and social connectedness.

Agreeableness. Participants completed four questions that were designed to gauge the degree to which individuals value relationships and sympathize with other people. The questions were derived from the mini-International Personality Item Pool (Donnellan, Oswald, Baird, & Lucas, 2006)—a pool of items in which four items measure each of the five personality traits, as defined by the five factor model. In this study, responses to only agreeableness were included in the data analysis. A typical item is "I sympathize with others' feelings." As evidence of reliability, for each subscale, test-retest correlations over nine months exceeded .62 (Donnellan et al., 2006). For this study, Cronbach's alpha was .71 for 2017 and .76 for 2018.

Future clarity. Participants completed one subscale of the Future Self Thoughts Scale, called future clarity (McElwee & Haugh, 2010). This subscale comprised five items, including "When I picture myself in the future, I see clear and vivid images", designed to measure the extent to which individuals perceive their future as certain and vivid. This subscale is positively associated with positive mental states, such as positive affect and optimism (McElwee & Haugh, 2010). For this study, Cronbach's alpha was .92 for 2017 and .89 for 2018. The other subscale, called future frequency, was not included in the survey.

Financial control. Finally, participants completed six questions that gauge financial control—the tendency of individuals to reach prudent decisions about money coupled with the inclination to budget carefully and monitor finances diligently. These items comprise "I am proud of my ability to save money," "I choose to save money because you never know when a rainy day will come and you will need it," "I have close control over the state of my money and savings," "I put aside money for the future," "I firmly stick to my budget," and "I try to manage my money prudently and carefully."

We derived these six questions from the Money Attitudes Questionnaire (Gasiorowska, 2013a, 2013b, 2014). In particular, these six questions correspond to a subscale called, financial control. This subscale is positively associated with the value individuals attach to savings, diversification of savings, limited debt or liabilities, as well as conscientiousness (Gasiorowska, 2013a, 2013b). For this study, Cronbach's alpha was .87 for 2017 and .90 for 2018. This scale was chosen in lieu of measures that gauge actual behavior. Saving behavior is multidimensional and depends on both financial control as well as events that individuals cannot as readily control, such as availability of funds and knowledge about investment options (see Nyhus & Webley, 2001).

Data Analysis

To analyze the data, we conducted a linear mixed model analysis with SPSS 24. The year in which the survey was completed was designated as a repeated measures variable; the repeated covariance type was unstructured. Financial control was

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designated as the criterion variable. Therefore, to explore Hypothesis 1—the prediction that future control subsides over time—we included year as a fixed factor. To assess Hypotheses 2 and 3—the prediction that agreeableness and future clarity should limit this decline over time—we included the interaction between year and agreeableness and the interaction between year and future clarity, together with the corresponding main effects, as fixed factors. Finally, to assess Hypothesis 4—the prediction that agreeableness could affect the interaction between year and future clarity—we included the three way interaction between year, future clarity, and agreeableness as well.

Finally, we included three control variables: gender, assets, and liabilities. To code gender, 0 denoted female and 1 indicated not female. To estimate their assets and liabilities, participants answered a series of questions. For example, to gauge their assets, participants were prompted to estimate the value of real estate they owned outright or with a mortgage, as well as the value of their back accounts, term deposits, managed funds, superannuation, shares, motor vehicles, and other assets. To assess their liabilities, participants were prompted to estimate their unpaid home loans, other loans, leases, hire purchases, credit card debt, bank overdrafts, and other debts or liabilities. These estimates of assets and liabilities were included as control variables because economic resources could skew responses to the questions that gauge financial control. None of the measures of education, marital status, number of children, income, physical health, mental health, locus of control, or social connectedness were associated with financial control after controlling gender, assets, and liabilities and, therefore, were not included as control variables.

RESULTS

Table 1 presents the correlations, means, and standard deviations of variables entered into the multi-level model. While completing the survey, participants received warnings if they missed questions; hence, the percentage of missing data was below 1% and was missing completely at random. In addition, unlike repeated measures ANOVAs, all the data can be subjected to multi-level models, even if participants had not answered every question.

Table 1.

Correlations, Means, and Standard Deviations of Study Variables

	1	2	3	4	5
1 Agreeableness					
2 Future clarity	.11**				
3 Financial control	.07**	.30**			
4 Assets	.20**	.14**	.20**		
5 Liabilities	.10**	-.09**	-.20**	-.13**	
Mean	14.75	18.02	22.49	3.8	1.01
Standard deviation	3.09	6.06	4.70	2.50	1.37

NB. * p < .05, ** p <.01

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Table 2 presents the β coefficients associated with the fixed effects, as derived from the linear mixed model analysis. As Table 2 shows, year was inversely associated with financial control indicating that, consistent with Hypothesis 1, financial control subsided over time in impending retirees. However, both agreeableness and future clarity moderated this association between year and financial control. The positive values indicate that as agreeableness and future clarity increase, the negative association between year and financial control decrease. Finally, the three-way interaction between year, agreeableness, and future clarity was also significant.

Table 2.

Fixed Effects Generated by the Mixed Model Linear Analysis to Predict Financial Control

Variables	β	SE	t
Intercept	19828.67	5854.53	3.39 ***
Gender	0.34	0.31	1.10 ***
Assets	0.23	0.06	4.12 ***
Liabilities	-0.58	0.09	-6.60 ***
Year	-9.82	2.90	-3.38 ***
Agreeableness	-1209.57	377.10	-3.21 ***
Future clarity	-1019.62	330.29	-3.09 ***
Year x Agreeableness	0.60	0.19	3.21 ***
Year x Future clarity	0.51	0.16	3.09 ***
Agreeableness x Future clarity	61.54	20.91	2.94 ***
Year x Agreeableness x Future clarity	-0.03	0.01	-2.94 ***

* $p < .05$, ** $p < .01$, *** $p < .001$

The covariances corresponding to the random effects of 2017, 2018, and the correlation between 2017 and 2018 were 21.07 (se = 1.31), 14.50 (se = 1.15), and 21.31 (se = 1.25) respectively.

Figure 1 represents the three-way interaction. These interactions were estimated from equations that were generated from the standardized β values (see Aiken & West, 1991)—that is, the β values the linear mixed method analysis would have produced had the variables been standardized. In particular, each panel represents the association between year and financial control at high (z = 1) and low (z = -1) levels of future clarity. The top panel corresponds to high (z = 1) levels of agreeableness, whereas the bottom panel corresponds to low (z = -1) levels of agreeableness. As this figure shows, the observation that future clarity diminishes the negative association between year and financial control is not as pronounced when agreeableness is elevated.

Finally, another analysis was conducted to validate financial control. Specifically, this analysis explored whether financial control was associated with changes in assets, after controlling liabilities. A mixed model linear analysis was conducted in which the criterion was assets, and the fixed factors included year, financial control, the interaction between year and financial control, as well as liabilities. Year was represented as a repeated measures factor; the covariance across years was designated as unstructured.

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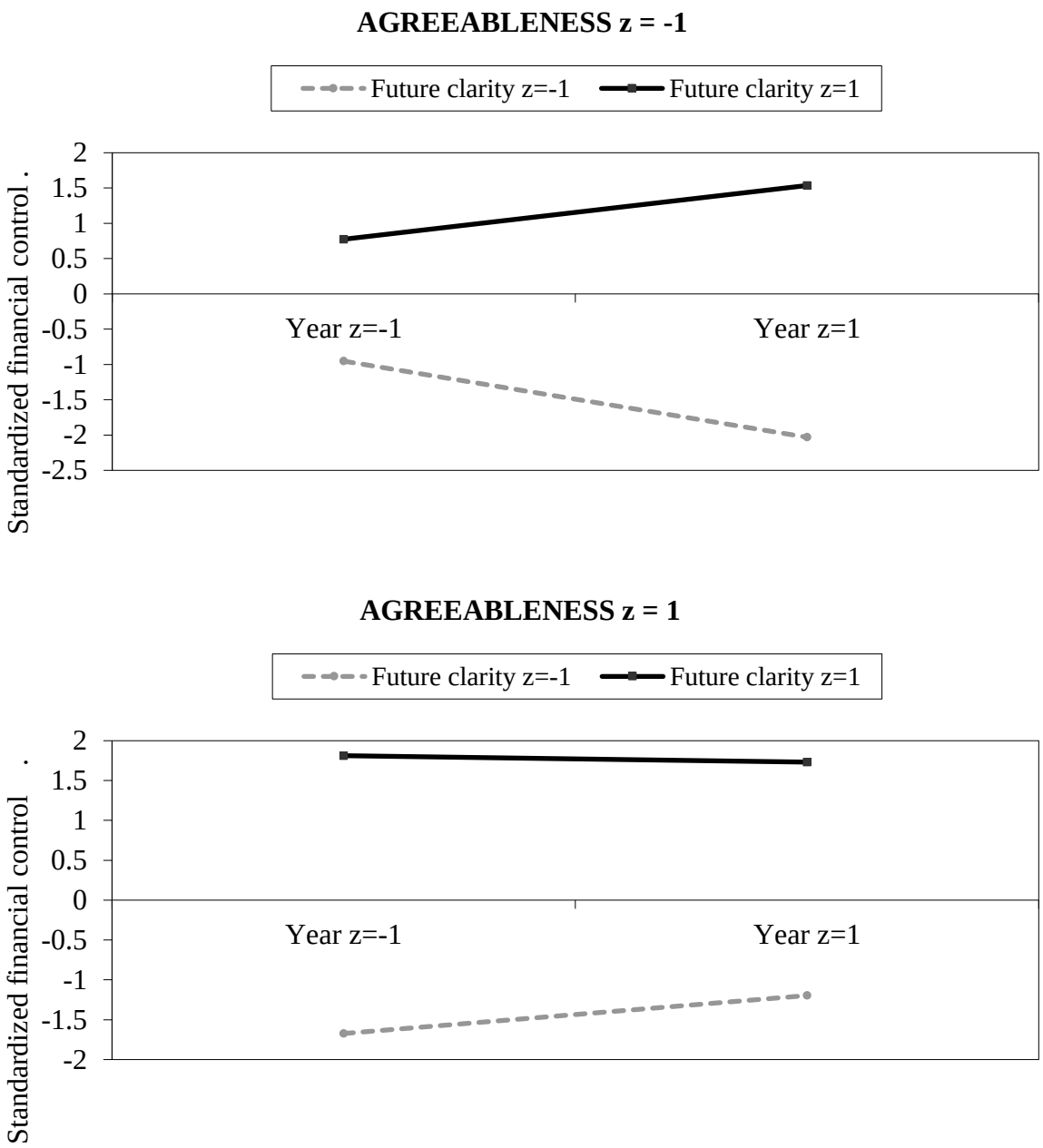
This analysis revealed that financial control diminished the inverse association between years and assets $\beta = .081$, $t(1, 279) = 3.31$, $p < .01$. Consequently, financial control does seem to coincide with savings.

Figure 1.

Extent to which future clarity affects the association between year and financial control—at low and high levels of agreeableness respectively.



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DISCUSSION

A sizeable, albeit debatable, percentage of impending retirees have not saved enough money to maintain their lifestyle after they retire (Burnett et al., 2017; Foster, 2015). Arguably, and consistent with the self-continuity hypothesis (Ersner-Hershfield et al., 2009), many impending retirees feel their identity in the future—such as their roles, goals, and values—will diverge from their identity now. They are not, therefore, as willing to sacrifice their pleasure now to benefit some future identify that feels like another person altogether (Ersner-Hershfield et al., 2009).

Agreeableness might nullify this reluctance to benefit a future identity and save judiciously. Specifically, as research into social-emotional selectivity theory indicates, immediately before people retire, they prioritize harmonious relationships over the acquisition of resources (Betts Adams & Sanders, 2010; Penningroth & Scott, 2012). Similarly, agreeable, but not disagreeable, people also tend to value these harmonious relationships before they retire (Gleason et al., 2004). Consequently, as retirement approaches, the identity of agreeable individuals, in contrast to disagreeable individuals, does not shift markedly. Because their identity seems more stable, these individuals assume their identity in the future might resemble their identity now (Sadeh & Karniol, 2012). They may, therefore, be more willing to sacrifice their pleasure to benefit this future identity (Ersner-Hershfield et al., 2009).

Similarly, future clarity might also override the reluctance of impending retirees to save money (see McElwee & Haugh, 2010). The future, when perceived as vivid and certain, tends to seem closer in time (Amit et al., 2009). Therefore, the usual inclination of people to discount the value of monetary rewards in the future, called temporal discounting (Kirby & Marakovic, 1996), will tend to dissipate, promoting the inclination to save and increasing financial control.

The results corroborate these predictions. Financial control—or the tendency of individuals to reach cautious decisions about money, as well as budget carefully and monitor finances diligently—tended to diminish over time in impending retirees—people 54 years or older who had not retired. Yet, agreeableness and future clarity limited this decline in financial control. Finally, when agreeableness was elevated, future clarity did not diminish this decline in financial control as extensively. Presumably, because of the value they attach to harmonious relationships throughout their life, agreeable individuals perceive their identity as stable and, therefore, are not as likely to differentiate their identity in the future and their identity now (Sadeh & Karniol, 2012). Hence, the benefits of future clarity—in which the future seems closer in time and thus valuable—should recede.

The findings underscore the multifaceted effects of agreeableness on financial behavior. When incomes are limited, agreeable people who do not attach significant importance to money are more susceptible to financial hardship in general (Matz & Gladstone, 2018). Yet, agreeableness also diminishes the usual decline in financial control as individuals approach retirement. Thus, the effects of agreeableness on financial behavior vary appreciably across settings and circumstances.

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Limitations and Future Research

Future research could address some of the limitations of this study. First, financial control was not assessed objectively. Some of the results do attest to the validity of this measure. For example, after controlling for liability, financial control was positively associated with assets. Nevertheless, as research on the restraint bias shows, people tend to overestimate their capacity to resist temptations (Nordgren, van Harreveld, & van der Pligt, 2009). They may overestimate their tendency to manage their finances judiciously. The magnitude of this bias might depend on agreeableness or future clarity and, therefore, could skew the results of this study.

Future studies could assess the behavioral manifestations of financial control. For example, researchers might implement an event sampling method (Csikszentmihalyi, 2014), in which participants monitor their purchases across the day. At regular times, such as every hour, individuals could be prompted to record every impulsive or discretionary purchase. The researchers could then determine more definitively whether agreeableness and future clarity affect financial control.

Second, in this study, we defined impending retirees as individuals who intend to initiate some action very soon to facilitate their retirement (cf., Prochaska & Velicer, 1997). However, we did not measure whether participants have initiated these actions. Future research could measure stages of change (see Prochaska, Velicer, DiClemente, & Fava, 1988) and restrict the sample to participants who have initiated these actions. In this study, age did not moderate the observed relationships, implying that stages of change in participants above 54 may not significantly affect the results.

Third, the design was longitudinal, but not a randomized control trial. Hence, further research is warranted to ascertain whether interventions that enhance future clarity do indeed improve financial control in impending retirees.

Practical Implications

This suggestion raises the question as to how practitioners could promote future clarity in impending retirees to encourage these individuals to save. To achieve this goal, practitioners could first invite these impending retirees to transcribe their true passions and interests—passions and interests they have seldom been granted the opportunity to pursue or even acknowledge before. After people acknowledge their true self, they experience a greater sense of meaning (Schlegel, Hicks, Arndt, & King, 2009), and this sense of meaning tends to promote future clarity (McElwee & Haugh, 2010).

Practitioners could then grant impending retirees opportunities to become more familiar with the activities, goals, and interests they might pursue after they retire—such as voluntary work, social events, or courses on personal development. Consequently, these individuals will be able to envisage their future more readily. As research on the fluency bias shows, a future that people can imagine readily will seem more favorable and feasible (e.g., Reber & Schwartz, 1999; Winkielman & Cacioppo, 2001), enhancing future clarity.

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Finally, practitioners should assemble a team of impending retirees who want to pursue similar goals and activities. In a supportive, social atmosphere, people tend to become more confident they can achieve their goals (Schnall, Harber, Stefanucci, & Proffitt, 2008); these activities thus seem more certain, promoting future clarity, and inspiring judicious financial behavior.

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