

The Mediating Effect of Financial Literacy among Financial Behavior, Future Orientation and Retirement Planning in Malaysia

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The purpose of this study is to examine the mediating effect of financial literacy among financial behaviour, future orientation and retirement planning in Malaysia. Data were collected from 300 working adults who are in their prime working years. Using Baron and Kenny's approach, a series of regression equations for mediation revealed that financial literacy is partially mediates the relationship between financial behaviour and retirement planning. Findings also showed that financial literacy is partially mediates the relationship between future orientation and retirement planning. Understanding the relationship among financial literacy, financial behaviour, future orientation and retirement planning is important for the development of retirement planning scheme which will help to reduce the burden on social welfare system of the aging population that now grips many countries.

Keywords: *Financial Behaviour, Financial Literacy, Future Orientation, Mediating Effect, Retirement Planning*