



Financial Literacy, Future Orientation, and Retirement Planning: The Mediating Role of Consumptive Lifestyle among Public Employees

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Abstract: This study examines the influence of financial literacy and future orientation on retirement planning, with a consumptive lifestyle as a mediating variable among public employees in Tarakan City. This issue is increasingly relevant as individuals face rising life expectancy and financial uncertainty in retirement. A quantitative approach was employed using a survey method. The population consisted of employees from subdistrict government agencies, with a sample of 220 respondents selected using proportionate stratified random sampling. Data were collected through a structured questionnaire using a four-point Likert scale and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results indicate that financial literacy and future orientation have a positive and significant effect on retirement planning, while both variables negatively influence consumptive lifestyle. Furthermore, consumptive lifestyle has a negative and significant effect on retirement planning and plays a significant mediating role in the relationship between financial literacy, future orientation, and retirement planning. This study contributes to the behavioral finance literature by integrating cognitive (financial literacy), psychological (future orientation), and behavioral (consumptive lifestyle) factors into a unified model. Practically, the findings provide insights for policymakers in designing financial education programs to improve retirement readiness among public sector employees.

Keywords: Financial Literacy; Future Orientation; Consumptive Lifestyle; Retirement Planning

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INTRODUCTION

Retirement planning is the process of preparing for an individual's financial needs when they no longer have a steady income. This has become increasingly important due to rising life expectancy, economic uncertainty, and reduced reliance on the public pension system. Individuals without proper retirement planning are at risk of facing financial difficulties in old age, making retirement planning a crucial component of ensuring long-term well-being (Lusardi & Mitchell, 2011). In addition to income levels, retirement readiness is also influenced by saving habits, access to financial information, and an individual's ability to make sound financial decisions (OECD, 2016).

Recent empirical evidence highlights the urgency of retirement preparedness. According to the OECD (2023), more than 40% of individuals in emerging economies lack adequate financial readiness for retirement. In Indonesia, the Financial Services Authority (OJK) reported

that the national financial literacy index reached only 49.68% in 2022, indicating that a significant proportion of the population still has limited financial capability in long-term planning. This condition suggests that retirement planning remains a critical issue, particularly among public sector employees who rely heavily on fixed income structures.

One factor believed to influence pension planning behavior is a consumerist lifestyle. A consumerist lifestyle refers to consumption behavior that tends to be excessive in order to satisfy short-term desires rather than basic needs (Engel et al., 1995). Individuals with a consumptive lifestyle tend to prioritize immediate gratification, thereby reducing their ability to set aside income for savings or long-term investments, including pension funds (Hartawan et al., 2024). Therefore, a consumptive lifestyle is believed to act as a mediating variable in the relationship between financial literacy and future orientation regarding pension planning.

Nevertheless, previous research has yielded inconsistent findings regarding the influence of financial literacy and future orientation on retirement planning. Some studies found that financial literacy and future orientation have a significant effect on retirement fund planning (Baskoro & Aulia, 2019; Maharani & Sari, 2023; Martini et al., 2024; Sandra & Kautsar, 2021; Sari et al., 2023; Zumara & Dai, 2024). However, other studies have shown non-significant results (Ariyanti & Silvy, 2020; Rizi & Lutfi, 2021; Jiang & Shimizu, 2024; Prabowo et al., 2024; Prastya et al., 2024; Wuryaningtyas, 2024). This inconsistency in findings suggests the possibility of other variables influencing the relationship.

Although prior studies have examined the role of financial literacy and future orientation in retirement planning, the findings remain inconsistent. More importantly, limited studies have integrated behavioral factors such as consumptive lifestyle as a mediating mechanism within a unified framework. Therefore, this study offers a novel contribution by incorporating consumptive lifestyle as a behavioral mediator, providing a more comprehensive explanation of retirement planning behavior, particularly in the context of public employees in developing regions.

Based on the above discussion, this study aims to analyze the influence of financial literacy and future orientation on retirement planning, with a consumptive lifestyle serving as a mediating variable, among employees of sub-district government agencies in Tarakan City. This study is expected to make a theoretical contribution to the development of research on financial behavior and to provide practical implications for government agencies in enhancing financial literacy and awareness of retirement planning among civil servants.

LITERATURE REVIEW

Theory of Planned Behavior

The Theory of Planned Behavior (TPB), proposed by Ajzen (1991), explains that individual behavior is influenced by three main factors: attitude toward the behavior, subjective norms, and perceived behavioral control. This theory states that a person is more likely to engage in a particular behavior if they have a positive attitude toward it, receive support from their social environment, and believe that they are capable of performing it. In the context of financial behavior, TPB is often used to explain how individuals make decisions regarding financial management, including when planning for retirement.

From the perspective of the Theory of Planned Behavior (Ajzen, 1991), financial literacy can be associated with perceived behavioral control, as individuals with higher financial knowledge tend to feel more capable of managing financial decisions. Future orientation

reflects attitude toward behavior, as individuals who value long-term outcomes are more likely to engage in retirement planning. Meanwhile, a consumptive lifestyle represents behavioral tendencies that may weaken the intention to save. Thus, integrating these variables provides a stronger theoretical basis for explaining retirement planning behavior.

Retirement Planning

Retirement planning is the process of preparing for an individual's financial needs during the period when they no longer have a steady income. The primary goal of retirement planning is to ensure that individuals can continue to meet their living expenses after entering retirement. From the perspective of life-cycle theory, individuals strive to allocate their income throughout their life cycle to maintain a balance in consumption between their productive years and retirement (Modigliani & Brumberg, 1954). Therefore, decisions regarding saving, investing, and effectively managing financial resources are crucial components of the retirement planning process.

Financial Literacy

Financial literacy is an individual's ability to understand financial concepts and apply that knowledge to make sound financial decisions. Lusardi and Mitchell (2014) explain that financial literacy encompasses an understanding of basic financial concepts such as inflation, compound interest, and investment risk. Individuals with a high level of financial literacy tend to be better able to manage their finances rationally, create a budget, and plan for long-term financial needs, including preparing for retirement.

Future Orientation

Future orientation refers to an individual's tendency to think about, plan for, and consider the long-term consequences of current actions. Zimbardo and Boyd (2015) explain that individuals with a high future orientation tend to have better planning skills and are able to delay immediate gratification in order to achieve long-term goals. In the context of financial management, future orientation can encourage individuals to be more disciplined in saving, investing, and preparing for their financial needs in retirement.

Consumptive Lifestyle

A consumptive lifestyle is a pattern of consumption behavior characterized by a tendency to make excessive purchases to satisfy wants rather than needs. Engel et al. (1995) state that consumption behavior is often influenced by an individual's desire for short-term gratification. Individuals with a consumptive lifestyle tend to prioritize spending on consumption over saving or investing. This can reduce an individual's ability to set aside income for long-term needs, including retirement savings.

Based on the theoretical integration above, financial literacy enhances individuals' capacity to make rational financial decisions, while future orientation strengthens long-term planning attitudes. However, consumptive lifestyle may act as a behavioral constraint that reduces the effectiveness of these factors. Therefore, the relationships among these variables can be systematically formulated into the following hypotheses.

H1: Financial Literacy → Retirement Planning

Individuals with higher financial literacy are more capable of understanding financial risks, investment instruments, and long-term financial planning strategies. This capability strengthens their ability to allocate financial resources efficiently to meet future needs, including retirement. From the perspective of the Theory of Planned Behavior, financial literacy reflects perceived behavioral control, where individuals with better knowledge feel more confident in managing their financial decisions. Consequently, they are more likely to engage in retirement planning (Lusardi & Mitchell, 2014).

H1: Financial literacy has a positive effect on retirement planning.

H2: Future Orientation → Retirement Planning

Future orientation reflects an individual's tendency to consider long-term consequences and prioritize future goals over immediate gratification. Individuals with a strong future orientation are more likely to develop structured financial plans and demonstrate disciplined saving behavior. Within the TPB framework, future orientation represents a positive attitude toward long-term financial behavior, including retirement planning. Therefore, individuals with higher future orientation are more motivated to prepare financially for retirement.

H2: Future orientation has a positive effect on retirement planning.

H3: Financial Literacy → Consumptive Lifestyle

Financial literacy enhances individuals' ability to evaluate financial decisions rationally and avoid unnecessary expenditures. Individuals with higher financial knowledge tend to distinguish between needs and wants, thereby reducing impulsive and excessive consumption behavior. From a behavioral finance perspective, financial literacy helps mitigate cognitive biases such as impulsive spending and short-termism. As a result, higher financial literacy is expected to reduce the tendency toward a consumptive lifestyle.

H3: Financial literacy has a negative effect on consumptive lifestyle.

H4: Future Orientation → Consumptive Lifestyle

Future orientation encourages individuals to prioritize long-term benefits over short-term satisfaction. Individuals who are more future-oriented tend to delay gratification and exercise greater self-control in their consumption behavior. In contrast, a lack of future orientation may lead to impulsive consumption patterns. Therefore, individuals with strong future orientation are less likely to adopt a consumptive lifestyle.

H4: Future orientation has a negative effect on consumptive lifestyle.

H5: Consumptive Lifestyle → Retirement Planning

A consumptive lifestyle is characterized by excessive spending driven by short-term desires rather than long-term needs. Individuals with such behavior tend to allocate a larger portion of their income toward consumption rather than savings or investment. This reduces their financial capacity to prepare for retirement. From a behavioral perspective, high consumption tendencies weaken financial discipline and hinder long-term planning. Therefore, a consumptive lifestyle is expected to negatively influence retirement planning.

H5: Consumptive lifestyle has a negative effect on retirement planning.

H6: Financial Literacy → Consumptive Lifestyle → Retirement Planning

Financial literacy not only directly influences retirement planning but also indirectly affects it through consumption behavior. Individuals with higher financial literacy tend to exhibit more controlled spending patterns, which allows them to allocate more resources toward long-term financial goals. In this context, a consumptive lifestyle acts as a behavioral mechanism through which financial literacy influences retirement planning. Thus, financial literacy is expected to improve retirement planning by reducing consumptive tendencies.

H6: Consumptive lifestyle mediates the effect of financial literacy on retirement planning.

H7: Future Orientation → Consumptive Lifestyle → Retirement Planning

Future orientation encourages individuals to adopt forward-looking financial behaviors, including saving and investment. At the same time, it reduces the tendency for excessive consumption by promoting delayed gratification. As a result, individuals with strong future orientation are less likely to engage in consumptive behavior, which in turn enhances their ability to prepare for retirement. Therefore, consumptive lifestyle is expected to mediate the relationship between future orientation and retirement planning.

H7: Consumptive lifestyle mediates the effect of future orientation on retirement planning.

METHOD**Research Design**

This study employs a quantitative approach using a survey method. The quantitative approach is used to objectively measure the relationships among the research variables through numerical data analyzed using statistical techniques. The survey method involves collecting primary data from respondents via a questionnaire containing structured questions designed to measure the research variables.

To improve transparency and replicability, the structural relationships among variables in this study are expressed in the form of structural equations within the Partial Least Squares Structural Equation Modeling (PLS-SEM) framework. The model consists of two endogenous variables, namely consumptive lifestyle (Z) and retirement planning (Y), and two exogenous variables, namely financial literacy (X1) and future orientation (X2).

The structural model can be formulated as follows:

$$Z = \beta_1 X_1 + \beta_2 X_2 + \varepsilon_1 \dots \dots \dots (1)$$

$$Y = \beta_3 X_1 + \beta_4 X_2 + \beta_5 Z + \varepsilon_2 \dots \dots \dots (2)$$

where:

- Z = Consumptive Lifestyle
- Y = Retirement Planning
- X1 = Financial Literacy
- X2 = Future Orientation
- β = Path coefficients
- ε = Error terms

The first equation explains the influence of financial literacy and future orientation on consumptive lifestyle. The second equation explains the direct effects of financial literacy and future orientation on retirement planning, as well as the indirect effect through consumptive

lifestyle as a mediating variable. This specification allows for the simultaneous estimation of both direct and indirect relationships among variables.

In addition, the mediation effect in this study is evaluated using the indirect effect approach through bootstrapping procedures. A variable is considered to have a mediating role if the indirect effect is statistically significant. This approach is consistent with the recommendations in PLS-SEM literature for testing mediation in complex models.

Research Location and Timeframe

The study was conducted at the District Government Agencies (OPD) in Tarakan City, North Kalimantan Province. The research location was selected based on the consideration that OPD employees constitute a group with a fixed income who have the potential to engage in financial planning, including retirement planning. The study was conducted from August through October 2025.

Data Analysis Techniques

Data analysis in this study utilized the Partial Least Squares Structural Equation Modeling (PLS-SEM) method with the assistance of SmartPLS software. This method was used to analyze the relationships among latent variables in the research model. The stages of data analysis in this study include:

1. Outer Model Testing
Used to test the validity and reliability of indicators for each latent variable.
2. Inner Model Testing
Used to evaluate the structural relationships among variables in the research model.
3. Hypothesis Testing
Conducted using the bootstrapping technique to determine the significance level of the relationships among variables.
4. Mediation Test
Used to determine the role of the consumptive lifestyle variable as a mediating variable in the relationship between financial literacy and future orientation regarding retirement fund planning.

ANALYSIS AND DISCUSSION

RESULT

This study involved 220 respondents who are employees of sub-district government agencies in the city of Tarakan. The respondents came from four sub-districts: East Tarakan, North Tarakan, West Tarakan, and Central Tarakan. The data collected from the questionnaire were then analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method with the assistance of SmartPLS software.

Results of Construct Validity and Reliability Testing

Construct validity and reliability testing was conducted to ensure that the indicators used in the study were capable of measuring latent variables consistently and accurately. This testing was performed by examining the Average Variance Extracted (AVE), Composite Reliability, and Cronbach's Alpha for each research variable.

Table 1. Results of Construct Validity and Reliability Testing

Variable	AVE	Composite Reliability	Cronbach's Alpha
Financial Literacy (X1)	0,585	0,875	0,822
Future Orientation (X2)	0,628	0,893	0,851
Retirement Planning (Y)	0,639	0,898	0,858
Consumptive Lifestyle (Z)	0,595	0,911	0,887

Source: Analysis of primary data, 2026

Based on Table 1, the financial literacy variable has an AVE of 0.585, a composite reliability of 0.875, and a Cronbach's alpha of 0.822. The future orientation variable has an AVE of 0.628, a composite reliability of 0.893, and a Cronbach's alpha of 0.851. Furthermore, the pension planning variable has an AVE of 0.639, a composite reliability of 0.898, and a Cronbach's alpha of 0.858. Meanwhile, the consumptive lifestyle variable has an AVE of 0.595, a composite reliability of 0.911, and a Cronbach's alpha of 0.887. These values indicate the results of the convergent validity and construct reliability tests for each variable used in the research model.

Inner Model Test Results

The inner model test was conducted to determine the ability of the independent variables to explain the dependent variable in the research model. Two measures used in the inner model test are the R-Square (R^2) and Adjusted R-Square values. The results of the R-Square test in this study are presented in Table 2.

Table 2. R-Squared Value

Variable	R-Square	R Square Adjusted
Consumptive Lifestyle (Z)	0,374	0,369
Retirement Lifestyle (Y)	0,617	0,611

Source: Analysis of primary data, 2026

Based on Table 2, the consumptive lifestyle variable has an R-Square value of 0.374 and an adjusted R-Square value of 0.369. Meanwhile, the retirement planning variable has an R-Square value of 0.617 and an adjusted R-Square value of 0.611. These values indicate the extent to which the variation in the endogenous variables can be explained by the variables in the research model.

Hypothesis Testing Results

Hypothesis testing in this study was conducted using the bootstrapping method in Partial Least Squares Structural Equation Modeling (PLS-SEM) to determine the significance of the relationships among the variables in the research model. The results of the hypothesis testing are presented in Table 3.

Table 3. Hypothesis Testing Results

No	Relationships Between Variables	Path Coefficients	P-Values	Direction of Influence
1	Financial Literacy (X1) → Retirement Planning (Y)	0,337	0,000	Positive
2	Future Orientation (X2) → Retirement Planning (Y)	0,337	0,000	Positive
3	Financial Literacy (X1) → Consumptive Lifestyle (Z)	-0,388	0,000	Negative
4	Future Orientation (X2) → Consumptive Lifestyle (Z)	-0,302	0,000	Negative
5	Consumptive Lifestyle (Z) → Retirement Planning (Y)	-0,263	0,003	Negative

Source: Analysis of primary data, 2026

H1: Financial Literacy → Retirement Planning

The findings indicate that financial literacy has a positive and significant effect on retirement planning. This result suggests that individuals with higher financial knowledge are better able to understand financial risks, investment opportunities, and long-term financial strategies, enabling them to prepare more effectively for retirement.

From the perspective of the Theory of Planned Behavior, this finding reinforces the role of perceived behavioral control, where individuals with higher financial literacy feel more capable of managing their financial future. This aligns with behavioral finance theory, which emphasizes that knowledge reduces cognitive biases in decision-making.

This result is consistent with prior studies such as Lusardi and Mitchell (2011), which highlight the importance of financial literacy in improving retirement readiness. However, it contrasts with Ariyanti and Silvy (2020), who found no significant effect. This discrepancy may be explained by differences in respondent characteristics. In this study, respondents are public employees with relatively stable income, allowing financial knowledge to be more effectively translated into actual planning behavior.

H2: Future Orientation → Retirement Planning

The results show that future orientation positively influences retirement planning, indicating that individuals who prioritize long-term goals are more likely to prepare financially for retirement. Within the TPB framework, this reflects a positive attitude toward future-oriented behavior, where individuals evaluate retirement planning as beneficial for their long-term well-being. Future-oriented individuals tend to engage in goal-setting and long-term thinking, which are essential for effective financial planning.

This finding supports previous research (Sari et al., 2023) but also extends the literature by demonstrating that psychological orientation plays a crucial role alongside financial knowledge. The implication is that improving retirement readiness requires not only financial education but also strengthening individuals' long-term mindset.

H3: Financial Literacy → Consumptive Lifestyle

The findings reveal that financial literacy has a negative and significant effect on consumptive lifestyle. This indicates that individuals with higher financial knowledge tend to exhibit more rational consumption behavior and are less likely to engage in excessive spending. From a behavioral finance perspective, financial literacy helps individuals overcome impulsive behavior and cognitive biases such as present bias. Individuals with sufficient financial understanding are better able to evaluate the long-term consequences of their spending decisions. This finding is consistent with recent studies showing that financial literacy reduces consumptive tendencies. It highlights the role of knowledge as a control mechanism in financial behavior, particularly in limiting excessive consumption.

H4: Future Orientation → Consumptive Lifestyle

The results indicate that future orientation negatively affects consumptive lifestyle, suggesting that individuals who focus on long-term outcomes are less likely to engage in impulsive consumption. This finding reflects the concept of delayed gratification, where individuals with strong future orientation are willing to sacrifice short-term pleasure for long-term benefits. Within the TPB framework, this represents a strong behavioral intention shaped by long-term attitudes. This result strengthens the argument that psychological factors play a critical role in financial behavior. Individuals who think ahead are more likely to control their spending and prioritize financial stability.

H5: Consumptive Lifestyle → Retirement Planning

The analysis shows that consumptive lifestyle has a negative and significant effect on retirement planning. This suggests that excessive consumption reduces individuals' ability to allocate financial resources for long-term needs. From a behavioral perspective, a consumptive lifestyle reflects a dominance of short-term preferences over long-term planning. This condition weakens financial discipline and reduces saving behavior, which is essential for retirement preparation. This finding confirms the mediating role of behavioral factors in financial decision-making and supports the view that improving retirement readiness requires controlling consumption patterns.

Results of the Indirect Effect Test

In addition to testing the direct effects between variables, this study also examined indirect effects to determine the role of a consumerist lifestyle as a mediating variable in the relationship between financial literacy and future orientation regarding retirement planning. The results of the indirect effect test are presented in Table 4,

Table 4. Results of the Indirect Effect Test

No	Relationships Between Variables	Indirect Path Coefficients	P-Values	Direction of Influence
1	Financial Literacy (X1) → Consumptive Lifestyle (Z) → Retirement Planning (Y)	0,102	0,010	Positive
2	Future Orientation (X2) → Consumptive Lifestyle (Z) → Retirement Planning (Y)	0,079	0,013	Positive

Source: Analysis of primary data, 2026

Based on Table 4, the indirect effect of financial literacy on retirement planning through a consumptive lifestyle has an indirect path coefficient of 0.102 with a p-value of 0.010. Furthermore, the indirect effect of future orientation on retirement planning through a consumptive lifestyle has an indirect path coefficient of 0.079 with a p-value of 0.013.

H6: Financial Literacy → Consumptive Lifestyle → Retirement Planning

The results indicate that consumptive lifestyle significantly mediates the relationship between financial literacy and retirement planning. This suggests that financial literacy not only directly influences retirement planning but also indirectly through its effect on consumption behavior. This finding provides important theoretical insight by showing that financial literacy works through behavioral mechanisms. Individuals with higher financial literacy tend to control their consumption, which in turn allows them to allocate more resources toward retirement planning. This extends previous studies by demonstrating that the impact of financial literacy is not purely cognitive but also behavioral in nature.

H7: Future Orientation → Consumptive Lifestyle → Retirement Planning

The findings show that consumptive lifestyle mediates the relationship between future orientation and retirement planning. This indicates that individuals with strong future orientation tend to reduce consumptive behavior, which ultimately improves their retirement planning. This result highlights the role of psychological orientation in shaping financial behavior through indirect pathways. Future-oriented individuals are more likely to exhibit self-control and delayed gratification, which reduces excessive consumption and supports long-term financial goals. This finding strengthens the integration between psychological and behavioral factors in explaining financial decision-making.

These results indicate an indirect relationship between the independent and dependent variables through the mediating variable in the research model.

DISCUSSION

H1: Financial Literacy → Retirement Planning

The findings confirm that financial literacy has a positive and significant effect on retirement planning. While this result is consistent with established literature (Lusardi & Mitchell, 2011), its significance in this study requires deeper interpretation. From the perspective of the Theory of Planned Behavior, financial literacy enhances perceived behavioral control, enabling individuals to feel more capable of managing long-term financial decisions. However, the strength of this relationship may depend on contextual factors such as income stability and institutional support.

Notably, this finding contrasts with Ariyanti and Silvy (2020), who reported a non-significant effect. This inconsistency suggests that financial literacy alone may not always translate into financial behavior unless supported by favorable conditions. In the context of this study, public employees with stable income may have greater opportunity to apply financial knowledge, thereby strengthening the observed relationship. Thus, this study contributes to the literature by indicating that the effectiveness of financial literacy is context-dependent rather than universally deterministic.

H2: Future Orientation → Retirement Planning

The positive effect of future orientation on retirement planning supports the argument that psychological factors play a critical role in long-term financial behavior. However, beyond confirming prior findings, this result highlights the importance of temporal perspective in shaping financial decisions. While previous studies (Sari et al., 2023) emphasize the direct influence of future orientation, this study suggests that its impact may be more complex, as it interacts with behavioral tendencies such as consumption patterns. In this sense, future orientation does not merely influence planning directly but also shapes how individuals regulate their financial behavior over time. This finding contributes theoretically by reinforcing the role of attitude within the TPB framework, while also extending it by incorporating behavioral mediation mechanisms.

H3: Financial Literacy → Consumptive Lifestyle

The negative relationship between financial literacy and consumptive lifestyle suggests that financial knowledge can act as a moderating force against excessive consumption. However, this relationship should not be interpreted as purely linear. Behavioral finance literature indicates that individuals may still engage in irrational consumption despite having adequate knowledge, due to emotional and social influences. Therefore, while financial literacy reduces consumptive tendencies, it does not eliminate them entirely. This partially explains why some previous studies report weaker or inconsistent relationships. The current findings suggest that financial literacy is a necessary but not sufficient condition for controlling consumptive behavior.

H4: Future Orientation → Consumptive Lifestyle

The findings indicate that future orientation significantly reduces consumptive lifestyle, reinforcing the concept of delayed gratification. However, this result also reveals an important behavioral dynamic: individuals who are future-oriented are not only planners but also regulators of their own consumption. This aligns with psychological theories suggesting that future orientation enhances self-control. Nevertheless, the strength of this relationship may vary depending on external pressures such as social norms and lifestyle expectations. Thus, this study adds nuance to existing literature by emphasizing that future orientation functions both as a cognitive and self-regulatory mechanism in financial behavior.

H5: Consumptive Lifestyle → Retirement Planning

The negative effect of consumptive lifestyle on retirement planning confirms that excessive consumption undermines long-term financial preparedness. However, this relationship also reflects a deeper behavioral conflict between short-term satisfaction and long-term security. Unlike purely economic models that assume rational decision-making, this finding supports behavioral theories that highlight the dominance of present bias in financial behavior. Individuals may prioritize immediate consumption even when they are aware of future risks. This insight strengthens the argument that retirement planning cannot be fully explained by knowledge or intention alone but must consider behavioral constraints.

H6: Financial Literacy → Consumptive Lifestyle → Retirement Planning

The mediation analysis reveals that consumptive lifestyle partially mediates the relationship between financial literacy and retirement planning. This finding suggests that the impact of financial literacy is not solely direct but operates through behavioral pathways. Importantly, this challenges the traditional assumption that increasing financial literacy will automatically improve financial outcomes. Instead, the findings indicate that behavioral factors, such as consumption patterns, play a crucial intermediary role. Thus, this study contributes by demonstrating that financial literacy must be complemented by behavioral interventions to effectively influence retirement planning.

H7: Future Orientation → Consumptive Lifestyle → Retirement Planning

The mediating role of consumptive lifestyle in the relationship between future orientation and retirement planning highlights the indirect mechanisms through which psychological factors influence financial outcomes. While previous studies primarily focus on direct effects, this study shows that future orientation shapes retirement planning by first influencing consumption behavior. This suggests that self-control and delayed gratification are key pathways linking psychological orientation to financial decisions. This finding extends existing literature by integrating psychological and behavioral perspectives into a unified framework, providing a more comprehensive explanation of retirement planning behavior.

CONCLUSION

This study examines the influence of financial literacy and future orientation on retirement planning, with consumptive lifestyle as a mediating variable among public employees in Tarakan City. The findings suggest that financial literacy and future orientation are positively associated with retirement planning, while both variables are negatively associated with consumptive lifestyle. In addition, consumptive lifestyle is found to be negatively related to retirement planning and plays a mediating role in the relationship between the independent variables and retirement planning.

However, these findings should be interpreted with caution. The results are based on data collected from public sector employees in a specific regional context, which may limit the generalizability of the findings to other populations or settings. Furthermore, the cross-sectional design of this study restricts the ability to draw causal inferences, as the relationships identified reflect associations rather than definitive cause-and-effect relationships.

This study also has several limitations. First, the scope of the sample is limited to subdistrict-level government employees, which may not fully represent broader workforce characteristics. Second, the study focuses on a limited set of variables, excluding other potentially relevant factors such as income level, financial experience, institutional support, and cultural influences. Third, the use of self-reported data may introduce response bias, particularly in measuring financial behavior and consumption patterns.

Despite these limitations, the study provides important insights into the role of cognitive, psychological, and behavioral factors in shaping retirement planning. Future research is recommended to expand the sample across different sectors and regions, employ longitudinal designs to better capture causal relationships, and incorporate additional variables that may influence financial behavior. In addition, future studies may explore the effectiveness

of integrated interventions that combine financial education with behavioral and psychological approaches to improve retirement preparedness.

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