View metadata, citation and similar papers at core.ac.uk

brought to you by CORE

provided by Walden University

Walden University
ScholarWorks

Walden Dissertations and Doctoral Studies

Walden Dissertations and Doctoral Studies Collection

2015

Consumer Reactions to Diminishing Retirement Funds: A Financial Crisis By-Product

Erika J. Eason
Walden University

Follow this and additional works at: https://scholarworks.waldenu.edu/dissertations

Part of the Finance and Financial Management Commons

This Dissertation is brought to you for free and open access by the Walden Dissertations and Doctoral Studies Collection at ScholarWorks. It has been accepted for inclusion in Walden Dissertations and Doctoral Studies by an authorized administrator of ScholarWorks. For more information, please contact ScholarWorks@waldenu.edu.

Walden University

College of Management and Technology

This is to certify that the doctoral study by

Erika Eason

has been found to be complete and satisfactory in all respects,
and that any and all revisions required by
the review committee have been made.

Review Committee
Dr. Romuel Nafarrete, Committee Chairperson, Doctor of Business Administration Faculty

Dr. William Stokes, Committee Member, Doctor of Business Administration Faculty

Dr. Peter Anthony, University Reviewer, Doctor of Business Administration Faculty

Chief Academic Officer
Eric Riedel, Ph.D.

Walden University
2015

Abstract

Consumer Reactions to Diminishing Retirement Funds: A Financial Crisis By-Product

by

Erika Jewel Eason

MBA, Strayer University, 2008

BS, State University of New York, College at Brockport, 1994

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

December 2015

Abstract

The shift to defined contribution plans from defined benefit plans have left future retirees concerned about having the necessary funds to retire. The purpose of this phenomenological study was to explore how investment behaviors have changed due to losses in retirement accounts because of the global financial crisis of 2008. Building upon the conceptual framework of attribution theory and risk perception theory, this study explored what might encourage future retirees to use the stock market for retirement. A purposeful sample of 20 Hampton Roads, Virginia residents who held retirement accounts prior to the financial crisis of 2008 consented to interviews about their retirement planning. Through open coding of the interview data, themes emerged on the need for financial education and a fear of losing retirement savings. Increasing education regarding retirement accounts and reducing the fear of losing retirement savings encourages the use of the stock market in retirement planning. The findings suggested social change implications as future retirees increase use of retirement plans and reduce their reliance on public assistance programs.

Consumer Reactions to Diminishing Retirement Funds: A Financial Crisis By-Product

by

Erika Jewel Eason

MBA, Strayer University, 2008

BS, State University of New York, College at Brockport, 1994

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

December 2015

Dedication

This is dedicated to my mother and grandmother, Patricia McCue-Gizzo and Sara McCue, both posthumously. Thank you for always believing in me and showing me that with hard work I can do anything.

Acknowledgments

I would like to thank Dr. Gayle Grant, Dr. Freda Turner, Dr. Romuel Nafarrete, my committee, and the Walden writing center for their continued guidance throughout this process. I would also like to thank my classmates, Gloria Flores, Amy Gajewski, Diana Roman, and Daniel Calvo, as well as the members of DBA Intensive Cohort 1 for their continuous motivation.

Table of Contents

List of Tables iv

Section 1: Foundation of the Study 1

Background of the Problem 1

Problem Statement 2

Purpose Statement 3

Nature of the Study 3

Research Question 4

Conceptual Framework 5

Definition of Terms 7

Assumptions, Limitations, and Delimitations 8

Assumptions 8

Limitations 8

Delimitations 9

Significance of the Study 9

Reduction of Gaps 9

Implications for Social Change 9

A Review of the Professional and Academic Literature 10

The History of Defined Benefit Retirement Planning 10

Types of Retirement Accounts 17

Other Avenues for Retirement Income 24

The Stock Market 26

The 2008 Financial Crisis 27
Investment Strategies 32
Impact of Inadequate Planning 36
Summary and Transition 42
Section 2: The Project 43
Purpose Statement 43
Role of the Researcher 43
Participants 45
Research Method and Design 46
Method 46
Research Design 47
Population and Sampling 48
Ethical Research 50
Data Collection 51
Instruments 51
Data Collection Technique 52
Data Organization Technique 52
Data Analysis 53
Reliability and Validity 54
Reliability 54
Validity 55
Summary and Transition 55

Section 3: Application to Professional Practice and Implications for Change 56
Introduction 56
Presentation of the Findings 56
Themes…… 56
Applications to Professional Practice 61
Implications for Social Change 62
Recommendations for Action 62
Recommendations for Further Research 63
Reflections 64
Summary and Study Conclusions 64
References 66
Appendix A: Interview Questions 87

List of Tables

Table 1. Themes from Interview Question 1 57

Table 2. Themes from Interview Question 2 57

Table 3. Themes from Interview Question 3 58

Table 4. Themes from Interview Question 4 59

Table 5. Themes from Interview Question 5 59

Table 6. Themes from Interview Question 6 60

Table 7. Themes from Interview Question 7 61

Section 1: Foundation of the Study

Employer-sponsored retirement plans have improved the lives of many retirees. Traditional pensions, also known as defined benefit plans, combined with Social Security, have provided the foundation of retirement income (Clark, 2009; Pratt, 2008). Unfortunately, employees can no longer count on defined benefit plans, and Social Security's future is uncertain under current legislation (Crooks, Tully, & Burbridge, 2012). As a result, employees must find alternatives to fund their retirement. One option is the use of retirement saving plans, also known as a defined contribution plan, such as 401(k) and individual retirement accounts (IRAs). Using defined contribution plans affords retirees the necessary income to maintain their desired quality of life during retirement (Crooks et al., 2012).

Background of the Problem

Social security, employer sponsored defined benefit plans, and personal savings have traditionally provided economic security during retirement (Brady, 2013). Over the last 3 decades, a significant shift in these plans has occurred. During the 1990s and into the early 2000s, employers began withdrawing from offering defined benefit plans (Brady, 2013; Weierich, Ensinger, Munnell, Dickerson, Wright, & Barrett, 2011). This change occurred at a time when accumulating adequate retirement income had become more difficult (Weierich et al., 2011). There was also a shift from reliance on defined benefit plans to self-directed plans, or defined contribution plans, such as 401(k) plans. In defined benefit plans, employers promised employees a specified annuity and were responsible for the asset management and funding of the plan (Wise, 2013). Retirees now

had to rely on cash from their own resources to pay for their retirement, such as personal savings, 401k(s), and IRAs (Wise, 2013). Retirees must acquire sufficient resources to generate the cash flow. This self-reliance on funding retirement transferred the retirement saving risk to workers to the employer (Wise, 2013). Shifting the risk to workers influenced saving behaviors, including retirement planning, and reduced confidence in whether lifestyle maintenance in retirement was achievable (Wise, 2013). Because of the shift in risk, many current and future retirees had their retirement accounts invested in the stock market, which were lost when the stock market fell because of the global credit crisis of 2008. The problem faced by investors is that the collapse of the stock market changed consumer investment strategies and behaviors with respect to their use the stock market as an investment tool to maintain a desired quality of life.

Problem Statement

Between 2007 and 2008, Standard and Poor's 500 Index (S&P 500) decreased over 33%, which was the largest decline in over 35 years, and the stock market lost over 40% of its value, approximately $2.8 trillion in retirement accounts alone (Bishop, Fitzsimmons, & Officer, 2011). The general problem now facing investors is how the collapse of the stock market has changed investment strategies (Liu & Wang, 2010). The specific business problem is that future retirees may not know the most effective stock market investment strategies in the wake of the 2008 financial crisis. Because of poor retirement planning, 52% of working Americans surveyed in 2009 believed that they would be unable to afford retirements; therefore, they would have to continue working or increase their dependency on government programs (Ulivieri, 2009).

Purpose Statement

The purpose of this qualitative phenomenological study was to explore ways to encourage increased use of the stock market in retirement planning. I interviewed a purposive sample of residents, in Hampton Roads area of Virginia. The social impact of the study was a reduction in the reliance of retirees on welfare programs and a reduction in the need to work during retirement. Proper retirement planning is important, as currently 45% of retirees have to continue to work to maintain their lifestyle (MacBean, 2007).

Nature of the Study

Three types of research methods are available to researchers: qualitative, quantitative, and mixed methods (Yin, 2012). I chose a phenomenological methodology as it allows the researcher to answer *how* and *what* questions while exploring the research topic (Howitt & Cramer, 2011). The qualitative method provided an understanding of a central phenomenon and allowed the participants to reflect and provide detailed information. Using a phenomenological design allows researchers to understand the participants' experiences (Bernard, 2013). I chose a qualitative research method as I queried 40 to 50 year olds in Southeast Virginia about their retirement planning activities. I did not choose a quantitative or a mixed methods study because I did not want to test a theory or explanation or develop theories that explain the phenomena (Maxwell, 2012). Quantitative research allows the researcher to examine relationships between variables to explain, predict, or control a phenomenon (Lugtig, Boeije, & Lensvelt-Mulders, 2012) through numerical data (Myers, 2013). But the quantitative method cannot measure

important aspects of human behavior and day-to-day life experiences, participants' feelings, and observations (Maxwell, 2012; Myers, 2013). Mixed methods, which uses both qualitative and quantitative methodologies (Van Griensven, Moore, & Hall, 2014), was not chose because it was not appropriate to glean the thoughts and feelings of individuals and the combination of qualitative and numerical data was not appropriate for the topic (Maxwell, 2012; Yin, 2012). Before deciding on a phenomenological design for this research project, I examined the case study and constructivist grounded theory. In the section on research method and design, I will discuss why these methods were not appropriate for this study.

To obtain data in a qualitative study, researchers may use grounded theory, or a phenomenological, narrative, ethnographical, or case study design (Yin, 2012). The phenomenological design allows researchers to develop themes by targeting individuals who have experienced a phenomenon through their personal experiences (Marshall & Rossman, 2011; Maxwell, 2012). Phenomenological researchers study what is not necessarily obvious in an attempt to uncover lived truths (Bernard, 2013). By employing a phenomenological design, it is assumed that the study will add to the body of knowledge on consumer behaviors in using the stock market for retirement planning.

Research Question

Using one-on-one interviews in the qualitative study helped to show how the collapse of the stock market altered investors' habits and opinions with respect to retirement planning. The central research question for this study was as follows: What

will change the attitude of future retirees to encourage the use of the stock market investment for retirement? The interview questions were as follows:

1. How has the 2008 financial crisis altered the way you invest in the stock market?
2. How has your mix of investment changed since the financial crisis of 2008?
3. How has your confidence in the stock market as a tool for retirement planning changed since the financial crisis of 2008?
4. What would increase your confidence in the stock market as a retirement planning tool?
5. How did the financial crisis of 2008 affect your opinion of 401(k)s and IRAs as a way to accumulate the funds needed for retirement?
6. How do you see your opinions changing over the next 5 years? Ten years? Fifteen years?
7. What would restore your faith in the stock market as a valuable tool to gain the necessary funds for retirement?

Conceptual Framework

Understanding why investors act as they do is paramount to understanding how they can change their behaviors (Harvey, Madison, Martinko, Crook, & Crook, 2014). Within retirement planning, two of the theories that drive consumer behavior are attribution theory and risk perception theory. Attribution theory posits that an individual's behavior depends on how information is perceived and interpreted, and that perception provides the information needed for the perceiver to formulate a decision (Weiner, 2010).

Attribution theory explains a person's individual perceptions, the perception of the event by the population as a whole, and attitude changes—all of which leads individuals to influence their own self-esteem and level of anxiety (Savolainen, 2013). The attributing cause of events in a person's life explains why people behave in a manner that motivates them to make decisions that are relevant to their well-being and beneficial to their financial success. Harvey et al. (2014) noted that an individual's innate desire determines the events and their causes that are relevant. Individuals are concerned with financial success in the stock market because the financial success directly affects their own lifestyle. Negative financial outcomes may lead to a decline in investing in the stock market. Attribution theory seeks to explain an individual's behavior and reasoning regarding why they behave in different ways (Weiner, 2010).

Within risk perception theory, consumers who experience a high perception of risk are less likely to engage in a behavior or remain loyal to a particular company (Brown, 2010). Culture and culturally learned assumptions help individuals understand risks and how those risks affect the socio-cultural process (Brown, 2010). Scholars identify risk as a distinctive element of modern societies that influences individual choices and the future developments of the society (Brown, 2010). Investing in the stock market involves some risk. The perception of risk influences investors' decisions and attitudes about current and future investments. Investors tend to examine companies on their performance and are more likely to favor investments with a small percentage of losses (Walia & Kiran, 2012). Perception of risk is determined only after information has

been provided to investors (Carpenter, 2013). Without that information, investors run the risk of losing their investments.

Definition of Terms

401(k): A provision for retirement savings that allows an employee to invest a percentage of pretax income in a work-sponsored retirement plan (Purcell & Whitman, 2007).

403(b): A provision for retirement savings that allows an employee to invest pretax income in a work-sponsored retirement plan. The plan is for educational institutions, nonprofit organizations, and their employees (Peller, 2014).

Defined benefit plan: A plan that provides a fixed payment of pension income at prescribed intervals of time, i.e., pension (Johnson, 2013; Phan & Hegde, 2013).

Defined contribution plan: A plan in which a participant puts aside a set amount into a retirement savings program. There is not a guaranteed payout, and benefits from the account are dependent on the performance of the investment, i.e., 401(k) and 403(b) plans (Phan & Hegde, 2013).

Employee Retirement Income Security Act (ERISA): A federal law that set minimum standards for voluntary pension and health plans (Flores, 2011).

Keogh Retirement Plan: A retirement plan for the self-employed. This plan can be set up for the self-employed individual or the individual and their employees (Kilgour, 2013).

Individual retirement account (IRA): A tax-preferred saving program in which virtually all working taxpayers can contribute. High-income taxpayers with employer-

provided pensions are not able to make tax-deductible contributions (Purcell & Whitman, 2007).

Assumptions, Limitations, and Delimitations

Assumptions

I assumed that the participants responded truthfully based on their experiences. The researcher assumed that the investors incurred a loss in their retirement plan during the 2008 financial crisis and that those losses had an effect on the participants' retirement strategy. In addition, I assumed that the participants planned to work at least 10 additional years before retiring. There was an assumption that the respondents were able to articulate their responses.

Limitations

The scope of the study included a small population in the Mid-Atlantic region, specifically, the Hampton Roads area of Virginia. I conducted one-on-one interviews with each participant to gather insight on his or her perceptions of the use of the stock market in retirement planning. A limitation of the study was the amount of time available to conduct each interview and the participants' individual experience with retirement plan losses. Validity of the study was limited due to the reliability of the interview questions asked. An additional limitation of this study was the lack of research available on consumer reactions to the financial crisis of 2008. To overcome the lack of research, I reviewed additional research regarding investment behaviors.

Delimitations

Researchers use delimitations to narrow the scope of the study by identifying whom to exclude from the study, the choice of the problem, population, sample size, and location (Bernard, 2013). This study included men and women between the ages of 40 and 50 who had retirement plans in place before the financial crisis of 2008. The participants were also working outside the home full-time and had at least 10 years until retirement. Generalizing the findings to other areas of the country would be inappropriate as all the participants live in the Hampton Roads area of Virginia.

Significance of the Study

Reduction of Gaps

Investigating the effects of the 2008 global financial crisis is still in its infancy. Although researchers have studied what happened to investments, little to no research indicates how consumers reacted to the downturn in the stock market or how consumers' reactions affected their investment behaviors with respect to retirement planning. Adequate retirement planning is important in that it prevents the dependency of retirees on government programs, thereby reducing their dependence on taxpayers and businesses to finance their needs.

Implications for Social Change

The current literature has been available for many years and gives basic strategies on how to plan for retirement. Although researchers have discussed the advantages of compounding interest, the present research does not take into consideration the current state of the economy or how consumer opinions and consumer reactions have altered

individual investment behaviors when it comes to using the stock market as a tool for increasing retirement wealth. This study revolved around consumer reactions. The results provided direction both in avoiding a loss in another stock market collapse and maximizing wealth for retirement.

A Review of the Professional and Academic Literature

To establish a foundation for my research, the literature review discussed the current research on the history of defined benefit plans, defined contribution plans, avenues of retirement income, types of retirement accounts, the 2008 financial crisis, factors affecting investment behavior, investment strategies, and the impact of inadequate planning. It also included the limited research available on the cause the stock market crisis of 2008. My strategy in using these research terms was to find articles from a broad perspective that narrowed to focus on investment behaviors post the 2008 financial crisis.

The following databases were used: Business Source Premier, ABI, ProQuest Dissertations and Thesis, and Sage. Some of the key words searched were *retirement planning, retirement strategies, retirement plan participation, stock market, real estate as an investment, pension plans, 2008 financial crisis, mortgages, subprime lending, bonds, 401k,* and *Individual Retirement Accounts*. My objective was to have 85% of the articles reviewed be peer-reviewed articles published within 5 years of my study completion.

The History of Defined Benefit Retirement Planning

This section contains a review of the factors that led to the increase in defined contribution and defined benefit pension plans in the United States. This section includes an exploration into how the types of plan switched from defined benefit plans to defined

contribution plans, specifically the factors that drove that switch, as well as the number of consumers who actually utilized retirement plans. The section also involves looking at how consumers have reacted to the changes in the legislation that affect retirement plans.

The history of retirement plans in the private sector of the United States dates back to the late 19th century. Defined benefit plans initially dominated both the public and the private sectors. The spread of these plans was slow and from 1900 to 1930, only 10% to 12% of the labor force had any pension coverage (Ogums, 2012). By 1940, 15% of the labor force had a retirement plan (Clark, 2009). The growth increased to approximately 50% by 1975, which was primarily defined benefit plans or traditional pension plans (Clark, 2009). The increase in retirement plans resulted from increasing tax rates, wartime wages, and collective bargaining power (Clark, 2009). In addition, employers discovered it was in their interest to retain employees and adopted plans to encourage loyalty and reduce turnover (Clark, 2009). The retirement needs of individuals have increased because of increased life spans while keeping retirement ages constant (Clark, 2009). Despite this, personal savings, which includes retirement savings, has shown a declining trend, dropping from 10.2% in the 1982 to 1.4% in 2005 (Samavati, Adilov, & Dilts, 2013). Immediately following the financial decline of 2008, the saving rate rose to 5.9% in 2009 and 5.7% in 2010 (Samavati et al., 2013).

The passage of the Employee Retirement Income Security Act of 1974 (ERISA) changed the rules for both defined contribution and defined benefit plans (Clark, 2009). The passing of ERISA increased the costs of offering a defined benefit plan and changed the tax code by allowing for employee contributions to a defined contribution plan made

with pretax dollars (Clark, 2009). The initial intention of defined contribution plans was to supplement traditional defined benefit plans and the tax savings to encourage participation (Clark, 2009). However, lower unionization and increased mobility led to a decline in the demand for defined benefit plans (Clark, 2009). The Pension Protection Act of 2006 (PPA) brought the most significant changes in over 30 years (Zurlo, 2012). PPA strengthened funding rules, investment advice for participants, and automatic contribution arrangements (Zurlo, 2012).

Corporations quickly abandoned traditional pensions and promoted the use of defined contribution plans (Clark, 2009). They sold 401(k)s using three arguments. First, workers would receive more from 401(k)s than traditional pensions. Second, workers would own their retirements. Third, 401(k)s followed employees if they changed jobs (Clark, 2009). The portability of 401(k) reduced employee loyalty and increased turnover, which in turn allowed employees an opportunity to remove money from the 401(k)s (Hausknecht & Trevor, 2011). Before 1980, about 83% of private sector workers had defined benefit plans (Johnson, 2013). In 1980, this amounted to 30.1 million workers in defined benefit plans (Pratt, 2008). By 1996, only 50% of pension plans in the private sector were defined benefit plans (Johnson, 2013). By 2003, employers offering defined benefit plans had declined to
21.3 million (Pratt, 2008). Between 2000 and 2002, defined benefit plans decreased to $400 billion (Pratt, 2008). By 2007, 25% of corporations had closed their pension plans to new hires, and 13% had frozen the plan for all members (Pratt, 2008). In addition, another 19% expected to close their pension plans to new hires within the next 2 years,

and 14% planned to freeze the plan for all participants (Pratt, 2008). The surviving pensions, which include hybrid plans, were less generous (Pang & Warshawsky, 2014). This shift was a direct result of funding pressures, as employers needed to control costs (Pang & Warshawsky, 2014). In 2013, 53% of private-sector workers reported that their employers offered defined contribution retirement plans (Brady & Bogdan, 2014). In the public sector, 91% of employees had a defined benefit plan in 1990 (Johnson, 2013). By 2007, this dropped to 83% suggesting that many municipalities are eliminating their plans (Johnson, 2013).

The changes resulted in placing the burden of accumulating income for retirement on individuals rather than companies and have increased employees desire for financial security (Johnson, 2013; Thierry, Lam, Harcourt, Flynn, & Wood, 2014). Many of the same employers who stopped or froze defined benefit plans intend to increase employer contributions to defined contribution plans, id est, 401(k) and 403(b) plans (Pratt, 2008). The shift from defined benefit plans to defined contribution plans left many pension plans underfunded (Herman & Laumakis, 2013). The increased reliance on 401(k)-type plans, and their wealth accumulation, depends on investment outcomes (Pang & Warshawsky, 2014). Purcell and Whitman (2007) found that only 48% of all employees have a defined benefit plan, whereas 93% have the availability of a defined contribution plan. Despite the option of participating, only 20% of all private sector workers are in pension plans and 43% are in defined contribution plans in 2007 (Purcell & Whitman, 2007). Helman, Copeland, and VanDerhei (2011) disagreed with this percentage and found the percentage of workers in defined contribution plans to be at 69%, with 60% of those

people still contributing in 2010.Pang and Warshawsky (2014) found an increasing number of workers covered solely by defined contribution plans, from 36.9% in 2007 to 39.4% in 2010.However in terms of actual savings, 53% have total savings less than $25,000 and of those 55 and older, 28% have less than $10,000 (Helman, Copeland, & VanDerhei, 2012).McGowan's (2013) findings differed and showed 43% of Americans have less than $10,000 saved and that the median account was only $2,000. Helman, Greenwald, Adams, Copeland, and VanDerhei (2014) found that 36% of workers had less than $1,000 saved in 2014.This increased to 68% with households who earn less than $35,000 (Helman et al., 2014).

Pang and Warshawsky (2014) looked at the education rather than income and found that better education households have a better understanding of retirement plans; thus took advantage of the retirement accounts. Fifty percent of workers without a bachelor degree, 41% of college graduates, and 35% of those with a master's degree or higher, although utilizing retirement plans, are falling short of their retirement goals (Pang & Warshawsky, 2014). Defined contribution plans offer the potential for wealth at retirement, but do not focus retirement at any particular age like a defined benefit plan (Johnson, 2013). Defined benefit plans continue to be the prominent plan in the public sector (Clark, 2009). However the plan type in the public sector is changing, many government pension programs are being transitioned to defined contribution plans to manage costs (Johnson, 2013). Despite the shift, public sector defined benefit plans had assets of $4.6 trillion in 2012 (Brady, 2013). The change from defined benefit to defined contribution plans in government is complicated and politically charged as employees

possess collective bargaining rights and laws governing government employees vary (Forman, 2009; Johnson, 2013). The final retirement value of a defined contribution plan is dependent on the employee contributions, a possible employer match of contributions, and investment choices of the retiree (Johnson, 2013). Some of the drawbacks to defined contribution plans are market volatility due to investments in mutual funds (Salter, 2013) and, at retirement, the money is available in a lump sum (Bishop, 2012). In contrast, defined benefit plans are not subject to market volatility and payment is a life annuity (Bishop, 2012).

Since the mid-1980s, employees have looked for alternatives to fund their retirement. The alternatives included purchasing stocks, bonds, and real estate (Hartman, 2007). Purchasing stocks provided investors the opportunity to earn significant monetary rewards (Hartman, 2007) and allowed individuals a way to assume responsibility for their own retirement. In 2000, two thirds of 45–55-year-olds surveyed regarded a portfolio of marketed securities as a retirement supplement income that was essential to meeting their future income needs (Christman, 2010). However, there is much risk associated with investing in the stock market. Given that the stock market is cyclical, it is often the choice of investment for people who have time on their side when planning for retirement (Hartman, 2007). As retirement approaches, it is paramount to reduce an investor’s exposure to risky assets, such as stocks, and to move those funds to less risky income investments (Hartman, 2007).

Employees with defined contribution plans that leave the employer may have the option of leaving their retirement account with the former employer if their account

balance is above the company's preset threshold; if below that threshold, the employee must chose to transfer the funds, either to an Individual Retirement Account (IRA) or another employers plan, or cash them out (Turner & Klein, 2014). Unfortunately, some employees take the lump-sum distribution to cover current living expenses instead of being concerned about their retirement income (Turner & Klein, 2014). In taking a cash distribution, employees under the age of 59 ½ incur a 10% penalty tax on all funds that are not transferred or rolled over to a tax-qualified plan within 60 days in addition to having to pay income tax on the distribution (Burman, Coe, Dworsky, & Gale, 2012; Scherpf, 2010). Given that people are living longer after retirement, and few people have the discipline to save adequately, many people do not realize that any financial arrangements they make now will influence how much funds are available in the future, as well as how those funds will need to be split during retirement (Christman, 2010). Of those who are saving, 56% are unsure if they are saving enough (Christman, 2010). Similarly, a study by Helman, Greenwald, Adams, Copeland, and VanDerhei (2013) reported 52% of workers as very confident or somewhat confident that they were saving enough. Retirees face a complex dilemma: How can their financial resources, which include pensions, personal savings, and government-provided benefits, be allocated to maximize financial security during retirement? Insufficient planning combined with longer life spans, market volatility, and rising health care costs compound the problem (Christman, 2010).

Employees can avoid taxation on their retirement plan balance, both the penalty and the income tax, by transferring their account to another tax-deferred savings account

or by keeping the money in their old plan (Burman, Coe, Dworsky, & Gale, 2012). Scherpf (2010) found that employees cash out their retirement accounts when leaving an employer from two primary reasons: a lack of willpower and a lack of knowledge. For many, the opportunity to receive a large sum of money when leaving a job was a temptation that is hard to resist (Scherpf, 2010). For others, it was the lack of understanding of how tax-deferred compounding works as well as the amount of savings needed to maintain their standard of life in retirement (Scherpf, 2010). Scherpf (2010) found that households that suffer an unanticipated income shock, job loss, or who anticipate having difficulty obtaining credit during unemployment are more prone to liquidate any assets. A cash distribution provided a safety net for these households and allowed asset-poor workers a smooth transition following a job loss (Scherpf, 2010). Employees are twice as likely, 50% versus 25%, to take cash out of their retirement plan at separation from a company if they do not have another job (Scherpf, 2010).

Types of Retirement Accounts

This section involved examining the various types of individual retirement plans, 401(k)s, 403(b)s, IRAs, Keogh, and Simplified Employee Pensions, as well as who is eligible for the various types of plans. Discussed in the literature was the lack of households participating in retirement plans as well as the limited equity in those plans. The section included reviewing the recommendations from industry experts regarding how much retirement savings is necessary to maintain a retiree’s quality of life and why some people chose not to utilize a retirement plan.

The two most common retirement plans are 401(k) and 403(b) plans. Both types of plans are retirement plans offered in the workplace and have the ability to provide adequate retirement income. However, in 401(k) and 403(b) plans, individuals are responsible for their own saving and often make mistakes, in amounts contributed, allocated, and investment diversification (Weierich et al., 2011). This was a change in that defined benefit plan take those decisions out of the employees' hands (Scherpf, 2010). The volume of plans available and the various levels of sophistication within them complicated retirement saving decisions (Weierich et al., 2011). Households lacking financial knowledge find retirement decisions a challenge (Finke, Huston, & Winchester, 2011). Most of the working-age population saved little or nothing outside of their work-sponsored plans towards retirement (Purcell & Whitman, 2007). Only 45% of working households participated in 401(k) plans in 2004 (Purcell & Whitman, 2007). Although some households that did not participate in 401(k) plans did participate in IRA, data showed that most households that do not participate in 401(k) plans also do not own an IRA (Purcell & Whitman, 2007). With 401(k) and 403(b) plans, the initial contribution is tax deferred. Both the contribution and the earnings are taxed when the money is withdrawn (Schauer, 2013). The advantage was most retirees are in a lower marginal tax bracket than while working (Purcell & Whitman, 2007; Scherpf, 2010). In addition, time is the biggest ally when saving for retirement due to the compounding interest (Ellen, Weiner, & Fitzgerald, 2012). For many 401(k) participants, the assets in their 401(k) are their only source of retirement funding (Scherpf, 2010).

Within 401(k) plans, there are multiple plans from which to choose. Approximately 20% of plans offer self-directed brokerage accounts in addition to mutual funds (Kasten, 2005). The investment performance of self-directed brokerage accounts was inferior to managed model portfolios (Kasten, 2005). The lower performance translated into lower returns and increased the probability of having an inadequate retirement fund (Kasten, 2005). Although brokerage accounts offered the widest range of investment choices, they did not allow the purchase of futures, commodities, or derivatives (Kasten, 2005). Additionally, investors could not buy and sell on margin. Despite the problems with these brokerage accounts as part of a 401(k) plan, companies offered them as a way to meet the fiduciary requirement of ERISA (Nestico, 2014; Scialabba, 2011). Participation in 401(k) plans varied by age. Fifty-three percent of participants are in their 30s and 40s, 13% are in their 20s, and only 9% are in their 60s (Holden & VanDerhei, 2010). Despite the median age of participants being 44, 38% of participants had accounts for less than five years (Holden & VanDerhei, 2010). As of 2012, the average defined contribution account had $50,000; however, since over 43% of participants had less than $10,000, the median account balance was only $2,000 (McGowan, 2013).

IRAs became available for the first time in 1974 (Hubbard & Skinner, 1996). Although half of all workers at the time were eligible to participate due to no pension plan at work, fewer than 3% participated (Hubbard & Skinner, 1996). The Economic Recovery Tax Act of 1981 expanded eligibility and increased contribution limits (Hubbard & Skinner, 1996). By 1986, IRA contributions were over $170 billion. The

passage of the Tax Reform Act of 1986 eliminated tax-deductible contributions for higher income taxpayers who had employer-provided pension plans (Hubbard & Skinner, 1996). As a result, contributions fell by 62% in 1987 and never recovered (Hubbard & Skinner, 1996). IRAs are not work-related retirement plans so taxpayers make an active choice to participate (Knoll, Tamborini, & Whitman, 2012). Instead, they are personal retirement accounts that can be set up for most individuals at almost any bank or credit union. IRA accounts can be set up for a nominal amount and an account owner can choose to make a lump sum contribution or elect to make monthly contributions (Purcell & Whitman, 2007). Contributions to an IRA are tax deductible for most individuals. There is a limit as to how much an individual can contribute in a year; the limit was $4,000 in 2006 (Purcell & Whitman, 2007) and increased to $5,500 for 2013, with a limit of $6,500 for individuals over the age of 50 (Internal Revenue Service, 2013) .

The Tax Relief Act of 1997 created a different type of retirement account, Roth IRAs (Huber & Law, 2011). Like the traditional IRA, Roth IRAs are available at most financial institutions. However, unlike most defined contribution plans, funds invested in a Roth IRA are not tax deductible. As such, both contributions and interest withdrawn at retirement are tax-free basis (Kilgour, 2013). To determine whether a Roth IRA is better than a traditional IRA, an individual needs to look at the potential tax savings of the IRA at the time of the contribution versus the tax-free earnings of the Roth IRA. For individuals who want to take advantage of a Roth IRA, the Small Business Jobs Act of 2010 sets forth how funds can be rolled over from a traditional IRA to a Roth IRA (Melcher, 2011). With proper planning, years of tax-free growth in a Roth IRA can result

in a large accumulation of tax-free interest income (Kilgour, 2013). In addition, there is no mandatory age at which the retiree must take withdrawals from the fund (Kilgour, 2013). Contributions have income limitations restricting who can contribute (Huber & Law, 2011; Kilgour, 2013).

Keogh and Simplified Employee Pension plans are available to the self-employed. The self-employed can chose from classic defined benefit plans, fully insured pension plans, and cash-balance plans (Kozol, 2012). These plans offer the self-employed similar tax savings as the traditional IRAs offer traditional employees; both are deductible from federal taxable income and can be set up for either the individual or the individual and his or her employees (Kilgour, 2013). Small business owners also have the availability of a comparability plan. A comparability plan is a profit-sharing retirement plan in which different groups of employees receive a different percentage of compensation (McKinney, 2012). The percentage of compensation is usually derived from the wages earned by the employee as well as years of service and is designed to allow business owners to contribute more money on a pretax basis, for either themselves or their employees, than is allowed under the rules of a 401(k) (McKinney, 2012).

The types of retirement plans chosen, as well as the amount contributed, can be an emotional decision for many. The emotions can either enhance a financial plan or inhibit one (Ellen, Wiener, & Fitzgerald, 2012). Defined contribution plans allowed investors to self-direct their investment. Higher returns meant that individuals needed to save less money. However, it also meant there was more risk (Schleef & Eisinger, 2011). Most individuals lack confidence in their ability to plan for retirement and few have spent time

putting together a long-term financial plan (Scherpf, 2010). Investors must find their personal risk level. Regardless of the type of retirement plan chosen, the factors that drove its success are the length of contributions, amount contributed, management costs, and investment strategy, and disposal of the plan assets (Scherpf, 2010; Wurster, 2011). Financial planning literature recommends having enough postretirement income to replace 70 to 80% of preretirement income (Hershey & Jacobs-Lawson, 2012). To achieve such a goal, financial planners suggested taking advantage of compounding interest and starting to save early in their working career (Ellen, Wiener, & Fitzgerald, 2012). Financial planners also recommended not borrowing or cashing in any type of retirement plan. Over two thirds of baby boomers ready to retire only have a replacement rate of 50% (Butrica et al., 2010). A 50% replacement rate represented a shortfall that created economic challenges and required a lifestyle adjustment (Butrica et al., 2010). Pfau and Kariastanto (2012) contended that Americans needed to save 16.3% over 30 years to obtain a 50% replacement income and 23.7% for an 80% replacement rate. The saving rate increased to 41.2% for a 50% replacement rate when only saving for 20 years (Pfau & Kariastanto, 2012).

Some defined contribution plans contained poorly managed mutual funds with high fees. Contribution rates ranged from 0% to approximately 15% (Waring & Siegel, 2007). Participants often borrowed against their plans and many cashed out the plan when they switched employers (Brady, 2012). The failure of defined contribution plans resulted from poor allocation decision-making skills that are a result of participants not building a complete portfolio consisting of global equities, fixed income, inflation-indexed bonds,

real estate, and commodities (Waring & Siegel, 2007). Because of poor allocation, defined benefit plans show poorly against other Wall Street investments (Goldsmith & Cyboran, 2013; Waring & Siegel, 2007). Consequently, investment returns have been disappointing. The combination of poor management, low returns, and high costs made it difficult for participants to accumulate retirement wealth (Goldsmith & Cyboran, 2013; Waring & Siegel, 2007). Wu, Kou, Peng, and Ergu (2012) argued that personal experience adds to the difficulty of participants to accumulate retirement wealth. Cordell, Grange, and Langdon (2012) found that financial planning and research on retirement increased retirement savings.

Successful defined contribution plans have several components to assist non-planners navigate, such as default options to increase participation and contribution rates (Scherpf, 2010). First, enrollment was automatic (Waring & Siegel, 2007; Wurster, 2011). Employers cannot mandate participation in defined contribution plans. However, they could enroll all new hires upon becoming eligible. Once enrolled, participants of these plans have to consciously stop their contributions. Automatic enrollment increased participation in 401(k) and 403(b) plans to 92% (Waring & Siegel, 2007). The second component was defaulting to a diversified portfolio. A diversified portfolio helped to provide acceptable risk to participants (Waring & Siegel, 2007). The last component, auto escalation, increased the saving rates over time. Plans with auto escalation have significantly increased participants' saving rates (Waring & Siegel, 2007; Wurster, 2011). Active retirement planning activities increased overall retirement savings (Eccles, Warf, Goldsmith, & Arsai, 2013; Wurster, 2011).

Payouts upon retirement are also different with defined contribution plans than defined benefit plans. Defined benefit plans are paid out as life annuities (Bishop, 2012). Currently, the option of an annuity payout is only offered in 20% of defined contribution plans, and only 10% of those employees offered an annuity chose one (Frolik, 2010). Some retirees reject an annuity, as they do not want to lose control of their money (Frolik, 2010). For others, choosing an annuity limits the opportunity to leave a legacy to their heirs (Frolik, 2010). Lastly, some retirees are concerned that the insurers will be unable to make the annuity payments throughout retirement should the insurance company fail (Frolik, 2010). An alternative to a life annuity is longevity insurance (Turner & McCarthy, 2013). Longevity insurance is a deferred annuity that starts at an advanced age, such as 80 or 85 (McCarthy, 2013; Wurster, 2011). It provides retirees with insurance against outliving their assets, while at the same time maintaining control of the bulk of their retirement assets (McCarthy, 2013).

Other Avenues for Retirement Income

Other avenues for retirement income included two common alternatives, bonds, and real estate, to using retirement accounts such as 401(k) and IRAs as investment tools. This subsection involved exploring why some people chose these alternatives and why both investors and financial advisors considered these alternatives safe. The literature reviewed also discussed why these once safe options are no longer safe retirement choices.

Although the use of retirement accounts is the preferred method of retirement saving, some people preferred to invest in what they perceive as safe alternatives, such as

bonds and real estate (Hartman, 2007; Tokic, 2007). Bonds, purchased at a discounted rate from their face value, pay their face value on their maturity date. However, there are also income-producing bonds. With income-producing bonds, an investor purchases a bond for a set face value (Tokic, 2007). Bonds provide a stream of predictable income while minimizing risk (Lynott, 2014). The bond has a coupon rate, or interest rate, and a maturity date. As the bond matured, the investor receives the coupon rate annually. After the bond hits its maturity date, the face value is then paid. Purchasing bonds is a safe investment (Tokic, 2007). However, since long-term interest rates are low, any unanticipated inflation could cause an investor to sell a bond before its maturity date, which would result in significant losses (Tokic, 2007).

Historically, purchasing real estate as an investment tool has been an avenue that provided a controllable and predictable source of wealth generation (Tokic, 2007). For many years, purchasing real estate was a way to accumulate wealth (Clark, 2013) and both homeowners and investors held their housing assets for a longer time period than any other investment (Huang, 2013). People afraid of the fluctuations of the stock market often utilized real estate investment (Tokic, 2007). Real estate investing has tax benefits and can provide large cash flows (Hartman, 2007). First, depreciation generated a tax savings with no out-of-pocket costs. Second, investors who participate in the management of their properties were entitled to deductions for property taxes, mortgage interest, insurance, maintenance, and repairs (Hartman, 2007). Third, the Internal Revenue Service regulations allowed investors to avoid taxes if taxpayers meet certain provisions (Hartman, 2007). Renting the property often resulted in a positive monthly

cash flow (Hartman, 2007; Tokic, 2007). Prior to the financial crisis of 2008, the down payment needed was only 5–10% of the purchase price and real estate was historically appreciating 6% annually, and thus real estate investment became a popular investment choice (Hartman, 2007).

Before the financial crisis of 2008, investors often saw their return on investment in the triple digits after only 5 years (Hartman, 2007). At the time, low long-term and short-term interest rates increased the return on investment, making real estate investing even more attractive and affordable (Tokic, 2007). The key was for real estate investors to allow appreciation to work for them. Real estate investors were able to use their profits to enhance their lifestyle, pay off debts, build retirement savings, or invest in additional properties (Hartman, 2007). The financial crisis of 2008 changed the way investors profited from real estate. Real estate values are down, and many real estate investors are finding themselves upside-down on their mortgages, despite the recent stabilization in home prices (Papagianis & Gupta, 2012). The sale of single-family homes, once looked as an investment, remains slow (Rose, 2011). Rose (2011) contends that the Federal Reserves has reduced interest rates to their lowest point in 50 years as a way to breathe life into the economy.

The Stock Market

This section looked at the available literature that discusses why the stock market was an integral part of retirement planning. It discussed why individuals changed their investment behaviors at various points of their lives. The section also looked at why people switched between stock accounts and savings accounts.

The stock market experienced growth and loss over the years. In the 1980s and early 1990s, it was common to experience one or two years of 10 to 20 percent growth followed by a year of no growth or negative returns (Coile & Levine, 2011). The late 1990s to the mid 2000s brought prolonged booms and busts, which included five-year rallies and a multi-year bear market (Coile & Levine, 2011). Market conditions over a long period, as well as a boom or bust in the period leading up to the traditional retirement age, played an important decision in when someone retires (Coile & Levine, 2011). This was a result of income increasing when the stock market is booming (Hsu, Lin, & Wu, 2011). As such, the stock market has provided a valuable tool to obtain the funds needed to retire comfortably for many individuals (Coile & Levine, 2011).

The stock market allows individuals and investors to direct funds from their individual resources to investment funds and stocks (Rehman, Yousaf, Ejaz, & Sardar, 2011). To promote wealth, financial planners stressed the mantra *buy low, sell high* (Savov, 2013). There is an asymmetrical relationship between stock market returns and stock return volatility. When stock return volatility is high, interest rates tended to increase which lead to less investment in the stock market. Investors utilized saving accounts to take advantage of the higher interest rates, rather than invest in a volatile stock market. As the risk decreased and the interest rates went down, investors switched back to the stock market (Rehman et al., 2011).

The 2008 Financial Crisis

This section included a review of the events that led up the 2008 financial crisis and the subsequent downturn of the stock market. The section also included the initial

implications of the downturn of the economy. The section contained the amount lost in retirement plans as a direct result of the financial crisis of 2008.

On September 15, 2008, one of the largest global financial firms in the world, Lehman Brothers Holdings, filed for bankruptcy protection due to problems in their subprime mortgage division (Prager, 2013). The bankruptcy filing was the beginning of a downward spiral among Wall Street firms (Prager, 2013). In the days that followed, American International Group, Washington Mutual, and J.P. Morgan all faced their own crises requiring government intervention (Prager, 2013). The crises of these companies were swift, and, for most investors they were unforeseen. The crisis had global repercussions and spread rapidly from country to country (Yamani, 2011; Shohan & Pelzman, 2011; Shahrokhi, 2011). The role of the United States as a major financial center led to a global financial crisis due to the strong correlation between the stock markets (Mohsen, 2011; Horvarth & Poldauf, 2012). As a result, the investors' confidence in Wall Street diminished (Prager, 2013). The lack of consumer confidence was strengthened by the uncertain fiscal position held by most industrial countries (Allen, 2011; Horvarth & Poldauf, 2012). The financial events affected the integration between the markets. Asian markets integrated more, while European markets became less integrated (Rim & Setaputra, 2012).

The roots of subprime lending roots are intertwined with the housing boom of the 1990s (Prager, 2013; Shachmurove, 2011). Legislation such as the Depository Institutions Deregulatory and Monetary Control Act of 1980 and the Community Reinvestment Act of 1980 changed mortgage practices to encourage minorities,

immigrants, and people previously considered poor risks to apply for and receive loans (Obi, Choi, & Sil, 2011). This change in the law, combined with a favorable economy, caused house values to rise and home ownership to increase (Klock, 2013; Obi et al., 2011). The improved economy between 1998 and 2005 led to more homes sold, both to first time homebuyers and as second homes (Agnello & Schuknecht, 2011). Homebuyers took advantage of low interest rates and creative financing packages to benefit from tax breaks (Sowell, 2010). However, at the time, two thirds of mortgages made were resold by the original lenders (Sowell, 2010). Buyers of the mortgages had no information on how risky, or creative, the original loan was (Kowalski & Shachmurove, 2011; Prager, 2013; Sowell, 2010). The change in behavior by mortgage companies was due to reduced regulation in lending standards brought on by the belief that financial institutions could operate with a thin capital cushion (Klock, 2013; Sowell, 2010). Obi et al. (2011) argued that the emergence of subprime credit, combined with insufficient regulations, contributed to the development of a new kind of financial fragility. Included in the resold loans were a large number of adjustable rate mortgages (ARMs). Initially ARM loans were attractive, with interest rates below 2% (Sowell, 2010). However, the payments on the loans rose substantially as the market interest rates increased (Sowell, 2010). Although Obi et al. (2011) agreed, they went one-step further argue two additional contributors. First, household debt grew double the rate of personal disposable income; and secondly, stock market values rose even as the credit risk premium rose (Obi et al., 2011).

As a result of the sale of mortgages, Wall Street produced complex new securities based on bundles of mortgages (Prager, 2013). Buyers of these securities, as well as Fannie Mae and Freddie Mac, expanded their purchases as their profits increased (Sowell, 2010). The rise in the sale of subprime mortgages was the cause of the housing boom in the 1990s (Phillips, 2012). The housing boom of the 1990s ultimately led to the housing bust (Phillips, 2012). In 2007, the stock market reached its highest close ever, only to end the year with a 40% drop, the lowest in the 126-year history of the market (Bishop et al., 2011). Excessive debt and optimism caused the credit system to collapse, which led to the stock market decline (Obi, 2011). Phillips (2012) argued that the rise in sales of subprime mortgages initially created an increase in home sales, yet eventually led to the loss of those same homes due to high interest rates. During this time, the higher rate of default on subprime mortgages resulted in foreclosures leading to the financial instability of the lending institutions (Klock, 2013). Obi et al. (2011) stated that excessive debt and over-optimism played a critical role in igniting the financial crisis. By May of 2009, the loss of assets in retirement accounts was $2.7 trillion, approximately 31%, from their peak in September 2007 (Dushi, Iams, & Tamborini, 2013).

The U.S. economy's free fall has stopped as of 2010; however, the bottom of the real estate market remains to be seen as of the time of this study. Sowell (2010) argued that a significant part of the real estate and financial meltdown in the United States resulted from the U.S. government intervention. Sowell (2010) showed several instances where the government attempted to intervene and instead further dismantled the market. In an attempt to counter the crisis, banks pumped money into the economy and slashed

interbank lending rates. Despite this, banks were unable to ward off the crisis (Sowell, 2010). The 2008 financial crisis had implications for all Americans who hold stocks in their retirement accounts and personal savings as many households experienced value losses in their assets (Pang & Warshawsky, 2014). Market declines have erased decades of wealth accumulation by investors who are approaching retirement age (Ulivieri, 2009). As a result, 52% of working Americans did not believe they could afford a comfortable lifestyle in retirement (Ulivieri, 2009). Investors hoped for a market rally in an attempt to achieve pre-bear market levels in their portfolios (Ulivieri, 2009). In total, the U.S. stock market lost 49% of its value from May 19, 2008, to November 20, 2008 (Scherpf, 2010). Pang and Warshawsky (2014) found the median loss to retirement accounts during this time to be 30%, in which the median account balance fell from $71,000 in 2007 to $51,000 in 2010. All types of retirement accounts, with the exception of the federal employee system, experienced significant declines (Clark, 2009). In 2008, investors were unable to find a safe shelter for any of their investments. As a result, pension plans decreased by 27%, IRAs decreased by 24%, and 401(k)s fell by 22% (Brady, 2010).

Given the instability of the market since 2008, achieving adequate retirement savings depends on more savings contributions than in the past (Salisbury, 2009). Investors have lost a decade of their retirement investing (Bishop et al., 2011). They now face a 10-year holding period with little to no years of additional savings available (Salisbury, 2009). The hardest hit were those people closest to retirement age, as they will have little time to regain their losses (Brady, 2010). Optimistic estimates show that even when the market fully recovers, 40% of preboomers will have lost an additional 2%

of their income, while 12.5% will have lost at least 10% (Butrica, Smith, & Toder, 2010). Employers need to help counteract the losses by fulfilling the education and guidance needs of their employees so employees can develop a customized plan to meet their financial retirement goals (Salisbury, 2009).

Investment Strategies

This topic looked at the most common investment strategies, life-cycle, life-style, value, growth, style rotation, and dynamic risk budgeting, as well as why some investors chose one particular strategy over another type. Because perceptions of risk change, many investors incorporate more than one strategy over their lifetime. Initial investment decisions are important as many investors exhibit inertia after their initial allocation decision (Morrin, Broniarczyk, & Inman, 2011). No single strategy worked for everyone, and investors choose their investment choice based entirely on their perceived risk (Schleef & Eisinger, 2011).

Over the past 25 years, retirement planning has shifted from being institutional to individual responsibility (Mardsen, 2011). Mutual funds account for a large portion of retirement assets (Schleef & Eisinger, 2011). The number of funds is important as Morrin, Broniarczyk, and Inman (2011) found that offering a large amount of mutual fund reduced overall participation rates. Investors now had to make choices, such as whether to use a financial advisor and what type of investment strategy to use. Kramer (2009) found that there is a direct correlation between financial wealth and using a professional financial planner.

Choosing what type of strategy to invest in is often difficult for future retirees and understanding the characteristics of the various funds is crucial. Investors of any age can err in choosing which way the stock market will fluctuate or if interest rates will rise or fall (Frolik, 2010). A loss of capital due to a wrong choice results in long-term financial consequences (Frolik, 2010). Life cycle mutual funds, also known as target date, use the principle of time diversification, whereas the risk level is set according to the length of time before planned retirement (Booth & Chang, 2011). In general, the life-cycle allocation promoted *your age in bonds*, where at age thirty an investor should have 30% bonds and 70% securities (Booth & Chang, 2011). The life-cycle allocation, or target date, consisted of a diversified mix of stocks and bonds that initially allocated a higher percentage to equities and gradually shifts to more conservative assets as retirement approached (Booth & Chang, 2011; Lipton & Kish, 2011). Life-cycle allocation was a simple choice for a sophisticated retirement approach (Booth & Chang, 2011). As the investor approached retirement, the allocation shifted away from equities toward bonds and cash (Schleef & Eisinger, 2011). This left the typical life-cycle fund with a huge cash fund at retirement, which retirees may use to purchase of an immediate annuity (Chalmers & Reuter, 2012). The life-cycle strategy aimed to reduce the impact of severe market fluctuations (Berstein, Fuentes, & Villatoro, 2013) which allowed investors to safeguard wealth in a down market while still allowing them to build wealth in a boom market (Chalmers & Reuter, 2012). The Pension Protection Act of 2006 added the life-cycle option as a default choice, thereby increasing its popularity and assets from $8.2 billion to $183 billion by the end of 2007 (Booth & Chang, 2011). By 2008, 58% of

401(k) plans offered a target date investment option (Booth & Chang, 2011). Despite being advertised as a solution to the rebalancing problem that faced investors as they near retirement, many plans failed to protect investors near retirement during the Stock Market Crisis of 2008 (Booth & Chang, 2011).

Basu, Byrne, and Drew (2011) contended that maintaining a high allocation to stocks near retirement improved the chances of increasing wealth accumulation to enjoy retirement. Chalmers and Reuter (2012) concluded that the safety was more important to people that select the life-cycle funds. Investors in life-cycle funds tended to choose other life-cycle funds when they changed their allocations (Holden & VanDerhei, 2010). While the lifecycle investment strategy looked at the years until retirement, the lifestyle strategy targeted a risk level (Holden & VanDerhei, 2010). A lifestyle approach maintained a predetermined risk level and kept this risk level (Holden & VanDerhei, 2010). The rebalancing done maintained the risk (Holden & VanDerhei, 2010). At the end of 2008, 72% of 401(k) plans offered a lifecycle or lifestyle investment strategy as an option (Holden & VanDerhei, 2010).

The value strategy is for investors looking for low-risk long-term growth (Liu & Wang, 2010). Stability of the investment portfolio was through a combination of bonds and equities (Liu & Wang, 2010). The value strategy diversified across all available investments to minimize risk (Bhattacharya & Galpin, 2011). The growth strategy was for investors looking for large profits in a short time. Growth based mutual funds may be more profitable in the short-term than other strategies, but investors who used it have a higher risk and must be mindful of market fluctuations (Liu & Wang, 2010). A style

rotation strategy was a simple rotation strategy that has periods in which it used the value strategy and periods that use the growth strategy. The purpose was to provide a higher return and lower risk than a purely growth or value strategy (Liu & Wang, 2010). However, Liu, and Wang (2010) contended that in the short term, value stocks exhibited a greater risk than growth stocks. Dynamic risk budgeting was a strategy that allowed for multiple changes in the allocation of investments dependent upon the investor's current acceptable risk level (Liu & Wang, 2010).

In addition to the value strategy, growth strategy, and life-cycle strategy, there is also the balanced fund strategy. The balanced fund strategy invested in a mix of cash, stocks, and bonds. However, a balanced fund does not reallocate as retirement approaches (Holden & VanDerhei, 2010). The balanced fund does not accommodate an individual's risk. Instead, it allocated its assets toward to an average investors' risk tolerance (Holden & VanDerhei, 2010). Investors with large balances invested in balanced funds tend to stay away from life-cycle funds when they change their investments, which Holden & VanDerhei (2010) purported is often a result of the investors in balanced funds not realizing that life-cycle funds are also a mixture of stocks, bonds, and cash.

The effectiveness of any one strategy is dependent upon an investor's goals as well as the length of time until retirement. All investment strategies carry some risk. With a life-cycle strategy, the level of risk decreased as the investor ages (Liu & Wang, 2010). The life-cycle strategy was often the choice of companies that have auto-enrollment features in their plans (Berstein, Fuentes, & Villatoro, 2013). The growth strategy carried

the highest risk but can also provide the best returns if the investors could target their fund movement to coincide with market fluctuations (Liu & Wang, 2010). If investors are unable to weather the fluctuations of the market, the value strategy allowed them to invest and let their investment grow (Liu & Wang, 2010). In times of instability, the value strategy provided higher returns than the growth strategy (Liu & Wang, 2010). Trading securities on the stock market remained the most attractive investment option for individuals planning their retirement (Herman & Laumakis, 2013). Mutual funds were one of the popular ways for individuals to invest in securities as it allowed a diversification of the investment between stocks, bonds and cash equivalents, thereby reducing the risk exposure (Herman & Laumakis, 2013). Despite having various investment choices, many investors ignored the benefits of diversification since they could not clearly see the benefits until educated about them (Baltussen & Post, 2011). The success of any retirement plan was whether retirees outlived their money or needed to make significant changes to their lifestyle to live during retirement (Schauer, 2013). Eccles et al. (2013) showed a correlation between increased savings and increased spending in retirement.

Impact of Inadequate Planning

This section includes a discussion on what happens when a retiree has not planned properly for retirement. It looked at the choices that the retiree must make to survive: continued employment, reliance on the government and family, tapping into accumulated wealth, and excessive medical costs. Some choices, even those made in haste, could

negatively influence any attempt to save wealth to the retiree's heirs. The section also involved exploring the effects of poor retirement planning on family members.

Initially the three-part system, Social Security, private pensions and personal savings, allowed the possibility of an early retirement and led to a decline in the poverty rate of older population (Schwartz, 2012; Tacchino, 2013). Nearly one in four retirees depends on Social Security as their primary source of income (McGowan, 2013). However, the uncertainty of Social Security for future retirees, which law required people to contribute with the promise of retirement age distributions, compounded the need to provide adequate retirement income (Ellen, Wiener, & Fitzgerald, 2012). Purcell and Whitman (2007) found that 68% of Americans aged 65 and older received more than half of their income from Social Security. Currently, individuals can retire as early as 62 and receive Social Security at a permanently reduced rate (Martin, Rose, & Beach, 2012). However, retirees that extended their retirement past the normal retirement see increased benefits (Martin et al., 2012). The actual amount depended on the retiree's income generating history (Martin et al., 2012). However, sometime between 2017 and 2019, the Social Security taxes received from workers will no longer exceed the paid benefits (Seipel, 2013). As a result, the reserve will be depleted by 2033 (Tanner, 2011). The level of retirement income needed to maintain one's lifestyle varied depending on the source. Adams and VanDerhei (2014) suggested 75% of preretirement income. However, Hershey and Jacobs-Lawson (2012) stated that a replacement rate was dependent on the preretirement income with higher earners requiring a higher percentage. For those who have saved, the current saving rate measures at only 60%, which is well below all

adequacy rates (Brady, 2010). For those people who have saved, 40% of near retirees did not have a solid understanding of how to convert their retirement savings into income (Yakoboski, 2011). An annuity is the only way for retirees to guarantee a consistent income and only one third of defined contribution participants annuitized any of their retirement savings (Yakoboski, 2011).

For retirees who did not plan appropriately for retirement, welfare programs such as Supplemental Security Insurance and Medicaid, designed to aid the poor regardless of age, can assist (Hubbard & Skinner, 1996). In addition, the federal and state governments also provided noncash benefits such as food stamps and the Low Income Home Energy Assistance Program (Purcell & Whitman, 2007). As of 2000, 34% of retirees continued to work into retirement on at least a part-time basis. Retirees often work to compensate for lower wages in retirement as well as to reduce stress, or guilt, that was often associated with the withdrawal from the labor force (Cahill, Giandrea, & Quinn, 2011). For 44% of working retirees, working was a necessity due to the needed income (MacBean, 2007). However, 53% of these same retirees did so either to maintain their lifestyle or to enjoy the extras that they became accustomed to while working. As of 2007, 45% of working retirees said they never plan to stop working (MacBean, 2007). Some had chosen a gradual reduction to their workforce commitments by taking bridge jobs; others have chosen phased retirement such as working with the same employer to supplement retirement benefits (De Lange, Bal, Van der Heijden, De Jong, & Schaufeli, 2011). Cahill, Giandrea, and Quinn (2012) found that 60% of retirees selected a bridge job when leaving their full-time career. A bridge job allowed some retirees successfully transition

to post-retirement life, both psychologically and financially (Muller, DeLange, Weigl, Oxfart, & Van der Heijen, 2013; Shultz & Wang, 2011). Women were more likely to accept retirement employment, often a result of gaps in their work history, later entry into the workforce, raising a family, lower savings and longer life expectancy (Trewin & Curatola, 2010). Consequently, pensions covered fewer women than men, 40% versus 47%, and those that were covered tended to have smaller pensions (Tang, Choi, & Goode, 2013). Women reentering the workforce also resulted from their spouses not selecting survivor benefits when they began receiving their pension (Cahill, Giandrea, & Quinn, 2011). For many people, late-life work transitions included multiple work exits and reentries, partial retirement, and part-time employment (Tang, Choi, & Goode, 2013). Of the retirees that left the work force completely, Cahill, Giandrea, and Quinn (2011), found that 15% reentered the workforce.

Another complication of inadequate retirement planning was the need to tap into assets, and sometimes exhaust them, to maintain the standard of living. There are multiple ways to achieve the desired standard of living (Salter, 2014). The most common ways are through reverse mortgages, home equity lines of credit, and selling the home. All three options could be beneficial under the right circumstances (Salter, 2013). An increasing number of retiree households took advantage of this by borrowing against their home's equity (Salter, 2013). However, some retirees tapped the home's assets without being completely knowledgeable about the consequences of doing so (Salter, 2014). A reverse mortgage, which became more commonplace in the early 2000s, used the home as collateral and allowed homeowners to take funds in a lump sum, a line of credit,

monthly payments for life, or monthly payments for a specified fixed time frame. The loan had no payback requirement while the retiree was alive and living in the house. However, if the retiree moved away from the home, ownership passed to the mortgage company unless the family can pay it off. The downside to reverse mortgages was that the retiree's heirs had a limited time, up to 360 days, to sell or refinance the home after the heir's death, and there was a limit to the amount a person could borrow, regardless of the equity in the home (Salter, 2014).

With home equity lines of credit, retirees are responsible for monthly payments. This payment could be interest only or principal plus interest. For most retirees, the line of credit meant that within a few years of the initial home equity loan, the balance will be due, and retirees then need to either refinance or sell the house to repay the loan. Selling the home initially provided retirees with a large influx of cash. However, the uncertainty of renting often caused additional stress to retirees. Depending on the built-up equity, there could be additional tax implications to consider (Salter, 2013).

One component of a complete retirement plan often overlooked, even by those with plans, was the failure to plan for a retiree's health. Although most retirees' had Medicare to cover basic medical expenses, Medicare did not cover everything. Two thirds of people about to retire did not have a realistic idea of the health care expenses during retirement (Yakoboski, 2011). Only 22% of current workers are confident they have saved enough to pay for medical expenses in retirement (Helman, Greenwald, Copeland, & VanDerhei, 2012). As a result, any significant medical event could derail any plan, regardless of the time that went into it. Cancer, Type 2 diabetes, heart problems,

osteoporosis and the effect of lifetime habits (i.e., smoking) all emerged at a higher rate during retirement (Van Holle, McNaughton, Teychenne, Timperio, Van Dyck, De Bourdeaudhui, & Salmon, 2014). Any one of these health problems could cause retirees to become unable to care for themselves (Van Holle et al., 2014). Without having purchased a long-term care policy during the planning stages, either retirees will need to hire someone out of pocket to do the tasks they are no longer able to complete or they will need to rely on family to do so (Hopkins, 2014). Both having an illness and caring for an ill family member will consume the significant financial resources of both retirees and their family (Batsell, 2013). Additionally, should a retiree need to go into a home later in life, any assets accumulated cover the cost associated with the facility, thereby eliminating any previous plans (Batsell, 2013).

A higher percentage of older workers remained in the labor force in 2007 than in the period from 1975 to 2000 (Helman, Copeland, & VanDerhei, 2011). In 2011, 36% of U.S. workers expected to continue working after the age of 65, which is an increase from 11% in 1991 (Helman, Copeland, & VanDerhei, 2011). Hurd and Rohwedder (2011) concluded that the change from defined benefit plans to defined contribution plans had a direct correlation to changes in retirement rates. Individual retirement decisions depended on the size of the worker’s retirement fund accumulation (Cutler, 2012). Other factors that contributed to the retirement decision included employer sponsored health benefits and less physically demanding jobs (Cutler, 2012).

Summary and Transition

This section contained a review of the literature available regarding why there was a switch from defined benefit plans to defined contribution plans. This section also included a review of the research on the types of retirement plans available as well as the initial cause of the collapse of the stock market that led to the downturn of the economy. Although the research existed about what was occurring prior to the 2008 financial crisis, there was limited data on the cause of the crash and its implications. Section 2 contains a discussion on the project undertaken, and Section 3 will review the research obtained within the project.

Section 2: The Project

This phenomenological study involved exploring consumer behaviors and how the use the stock market to plan for retirement. The central question for the study was how influences encouraged consumer behaviors in the use of the stock market in retirement planning. This section includes a discussion on the research methodology, research design, sample selection, research instrument, data collection, and data analysis.

Purpose Statement

The purpose of this phenomenological study was to explore how to encourage the use of the stock market in retirement planning after the global financial crisis of 2008 by interviewing a purposive sample of residents in Hampton Roads area of Virginia, between the ages of 40 and 50. The data was analyzed using NVivo software to understand the perceptions of investors, and how their perceptions determined their participation in retirement plans. I utilized the data to determine how the participants' attitudes changed in an effort to increase the use of the stock market in retirement planning. The social impact of the study was a reduction in the reliance of retirees on welfare programs and a reduction in the need to work during retirement. Proper retirement planning is important, as currently 45% of retirees have to continue to work to maintain their lifestyle (MacBean, 2007).

Role of the Researcher

The role of the researcher is to use his or her strengths to explain the perspective of the respondents through a written research report (Maxwell, 2012) while minimizing researcher bias and opinions (Rubin & Rubin, 2012). Maxwell (2012) described the rich

data and detailed feedback respondents provide to be the strength of qualitative research. In this qualitative study, I was the data collection instrument (Yin, 2012). For this reason, my role was to minimize any form of researcher bias (Rubin & Rubin, 2012). To reduce any personal bias, I used interview protocols while administering the interview questions, recorded all participants' responses, and overcame any unexpected situations (Yin, 2012). Thus, in qualitative studies, researchers must use a systematic approach in sampling, data collection, and interpretation to reduce bias (Maxwell, 2012; Smith & Noble, 2014). As the researcher, I had no relationship with the participants. To build rapport, I did explain my interest in the topic as a future retiree living in the geographic area (Rubin & Rubin, 2012). With respect to the Belmont Report on ethical principles for human rights, my role was to avoid causing harm to the participants (Cseko & Tremain, 2013).

For this study, I conducted interviews, compiled response data, researched organizational documentation, analyzed the data, and interpreted the researched data (Hanson, Balmer, & Giardino, 2011). I contacted and scheduled the interviews at the participants' convenience. The location and time was appropriate to prevent any interview disruptions. The participants agreed to the rationale of the study, the intended use of the study, interview proceedings, the privacy of the participant and institution, and the opportunity to review the completed interview. Following introductions, I asked the interview questions. All interview sessions were recorded the session to simplify the transcription process and notes were made for all personal observations.

Participants

I obtained Institutional Review Board (IRB) approval (No. 03-01-12-0156716) to conduct interviews while ensuring ethical compliance. The targeted population consisted of 20 men and women between the ages of 40 and 50 who reside in the Hampton Roads area in southeastern Virginia. I chose Hampton Roads due to its significant military population. Due to the large military population, the area was fortunate not to suffer the loss of any industries, as did many other regions during the global credit crisis. To be eligible for inclusion in the study, all potential participants met the age criteria and worked outside the home on a full-time basis. A personalized letter emailed to potential participants asked them for their participation. According to Bernard (2013), a sample of 10 to 30 participants was sufficient when seeking lived experiences. Walden University required the use of 20 participants in a phenomenological study. The method and design utilized a purposeful nonrandom sample to meet the specified criteria and followed by a snowball sampling, if necessary. Purposive samples enabled researchers to find participants with the required experience (Olsen, Orr, Bell, & Stuart, 2013). According to Wester (2011), an acceptable code of conduct, legal requirements, and social responsibility maintain ethical requirements. There was no foreseeable risk of harm to the potential participants. Prior to the start of the research, I informed the participants in writing and required them to provide informed consent to participate in the study. A signed consent form (Appendix B) was obtained from all participants and will be kept in a locked cabinet for 5 years. Participants were assured of anonymity and confidentiality. No information compromised their identity, financial data, or well-being. The researcher

kept all recording tapes and transcriptions in a locked cabinet; destruction will occur in 5 years. A separate secure locked cabinet held the consent forms and all other identifying information. After 5 years, destruction of all consent forms and electronic data will occur. At that same time, shredding of all transcriptions and consent forms will occur.

Research Method and Design

The two most common types of research are quantitative and qualitative methods. The research method and design used for this study consisted of a qualitative methodology using a phenomenological design. The use of qualitative interviews allows a researcher to understand how and why an event occurs (Bernard, 2013). Qualitative data allows the discovery of a broader range of material from sources such as literature, previous research, case studies, and interviews (Englander, 2012). The study's design was to find out how investment behaviors have changed because of the financial crisis of 2008. A qualitative method allowed for a deeper understanding of the phenomenon as it allows researchers to probe the attitudes, beliefs, and experiences of the participants.

Method

Scholars classify numerical studies as a quantitative method and other studies as a qualitative method (Lund, 2012). A third method that combined the two is a mixed methods study (Lund, 2012). All three methods received consideration for the proposed study. I selected the qualitative research method for the study, as phenomenologists do not believe that statistics quantify knowledge (Sousa, 2014). The term phenomenology refers to a philosophy, a research methodology, and a method (Sousa, 2014). This qualitative study involved exploring how investment behaviors have changed due to

losses sustained in retirement plans during the 2008 financial crisis. According to Sousa (2014), a qualitative approach was best when a concept lacks understanding due to limited research. Exploring life experience is important to phenomenological research (Sousa, 2014). Phenomenological research may be empirical, reflective, or rely on evidence (Sousa, 2014). I did not choose a quantitative approach, as it would not show why and how investors' behaviors have changed.

Research Design

According to Zikmund (2010), a research design is a plan used to collect and analyze data. The research design is a plan that provides structure to obtain answers to research questions and is the basic layout of the research (Zikmund, 2010). Before deciding on a phenomenological design, I examined other research designs including (a) case study and (b) constructivist grounded theory. I chose a phenomenological study as the study involved exploring the behaviors of individuals. Case theory, grounded theory, and phenomenological approaches are all research methods for inquiry into a decision (Maxwell, 2012). With a case study, the focal point was a specific occurrence (Maxwell, 2012). Because the study was not limited to a single experience, a case study not appropriate. Although the constructivist approach explains the feelings of individuals who have experienced a phenomenon (Bernard, 2013) and the grounded theory study is a systematic and sequential analysis of data used to develop a new theory when existing theories cannot explain the phenomena (Stanley & Nayar, 2014), the process is based on having no relevant theories. The grounded theory, which studies lived experiences from the participant's perspective, would have been appropriate for the general phenomenon of

retirement planning (Bernard, 2013). However, as Pohlen (2012) noted, the grounded theory was a design used to generate theory where little known and additional research adds to the body of knowledge. Because the proposed study design was to understand specific perceptions, the use of a grounded theory was not a viable option. The purpose of the qualitative phenomenological study was to explore the behaviors of 20 investors in utilizing the stock market in retirement planning, as well as how their perceptions influenced their future investment behavior. Given the individual nature of consumer behavior in using the stock market for retirement planning, a phenomenological approach to gain insight from specific participants that have invested their retirement plans in the stock market and lost money during the 2008 financial crisis was the best approach. The phenomenological design used a participant's words as the only source of data (Bernard, 2013).

Population and Sampling

A population is a group of individuals with similar characteristics (Bernard, 2013). The study included a sampling process to select the participants for the study. Sampling participants was a strategy that allows researchers the opportunity to gather information from a small number of elements from a larger defined and targeted group (Bernard, 2013; Englander, 2012). The responses received allow the researcher to make judgments about the larger group (Englander, 2012). A sample is a subgroup of the target population for the study used for generalizing about a target population (Bernard, 2013). For the study, the population consisted of 20 individuals who utilized the stock market in their retirement planning and resided in the Hampton Roads area of Virginia. According

to Bernard (2013), a sampling size of between 10 and 30 is suitable for qualitative research.

All the participants, consisting of both men and women, ranged between the ages of 40 and 50 years old. In addition, all the participants had lost money in their retirement funds because of the 2008 financial crisis. I used a purposeful study technique, followed by a snowball sampling technique. To locate participants for the study, the researcher sent e-mails to individuals who met the basic criteria and have previously signed a consent form with their financial advisor that allowed the release of their contact information to third parties for research. Upon their agreement to participate, the researcher asked prospective interviewees if they knew of other individuals who would be interested in being a part of the study. This process design allowed the largest diversity among the population.

From all possible interviewees, the researcher selected random participants. A follow-up e-mail sent to the interviewees contained available interview times over 2-week period. Additionally detailed information provided to each participant contained information about the study, including how he or she can withdraw from the study. During the consent process, I advised all participants of the fact that there was no identifying information used during the study, and copies of their individual data would remain in a secured location for 5 years. I provided no incentives for participating in the study. I conducted each interview in a secure location to protect the participants' identities. I intentionally selected individuals to learn or understand a central phenomenon (Bernard, 2013). The snowball sampling technique uses a purposeful

sampling technique that occurs when a researcher asks participants to recommend other individuals to the study (Bernard, 2013; Suri, 2011). Data saturation occurs when no new themes emerge (Hanson, Balmer, & Giardino, 2011).

Ethical Research

Collecting data for research requires high ethical considerations for researchers in obtaining participant informed consent, protecting the participant's rights, and securing participant privacy (Yin, 2012). The researcher has an ethical obligation to not deceive the participant, respect the participant, and honor any promises made to the participant (Rubin & Rubin, 2012). All participants willing participated in the study. After they had agreed to participate, the researcher requested the participants provided sign informed consent documents that state that their participation was voluntary and that they consented to being audio tape-recorded (see Appendix B). If an individual agreed to participate but did not agree to be audio tape-recorded, the researcher proceeded with the interview and took thorough notes. Information provided to the participants advised that they could withdraw from the study at any time before final submission by contacting the researcher directly. There were no incentives to entice participation in the study. To ensure confidentiality, the researcher was the only person who knew the identities and responses of all participants. To reduce the possibility of bias, I asked all participants the same questions and probed the responses as appropriate. In the written research report, general classifications, such as Participant 1, Participant 2, and so forth, replaced names. The general categorizations allowed discussion about the participants without compromising ethical and privacy guidelines. Identifying information of the participants

was stored in a separate location than the raw data and is only accessible to the researcher..

Data Collection

Instruments

The study included an unstructured interview approach to collect data from the participants (Draper & Swift, 2011). As the researcher in a qualitative study, I am the data collection instrument (Yin, 2012). The interview session, comprised of researcher-developed interview questions, located in Appendix A. This study was composed of individual interviews with each participant and a comparison of themes that surfaced from the interviews. Reliability was obtained by listing all the interview questions on an outline to ask the same questions in the same order (Yin, 2012). The unstructured interview approach allowed the participants the opportunity to elaborate on their responses without forced selection from a specific group of answers (Draper & Swift, 2011). Hunt, Chan, and Mehta (2011) recommended interviews should collect the experiences and perspectives of the research participants to obtain data. The approach also allowed the researcher the opportunity to follow up on a response. The interviews with the participants were conducted one-on-one in a face-to-face setting. The location was private so that the participants felt comfortable revealing their thoughts without retaliation from the outside world. The structure of this study served to expand the depth of knowledge regarding the phenomenon and allowed for a broad analysis of the research. To maintain validity, reliability, and consistency, the interview questions focused on the experiences of the research participants and remained consistent among all

participants. The assessment of the reliability and validity relied on consistency in presenting the interview questions.

Data Collection Technique

Three local independent financial planners provided a list of potential participants. The list contained the names and contact information for potential participants who have previously signed a consent form allowing their information released for research purposes. Permission was obtained from participants to use a digital recorder to audio tape-record the interviews. Responses from the participants were audio tape-recorded digitally to capture all information. Twenty participants were interviewed and the digital recording was transcribed immediately following the interviews..

Data Organization Technique

The interview questions, located in Appendix A, served as the script for the interview sessions. The interview process reinforced confidentiality and anonymity. The researcher thanked the participants for their participation and offered the participants and opportunity to receive a copy of the final study. I coded the identities of the participants to ensure anonymity. In addition to the digital recording, I maintained a journal detailing the responses as well as the body language of all respondents. The aim of safekeeping the transcribed interview, the recording, and the journal were to avoid the loss of any data due to circumstances beyond the researcher's control. The signed consent form (Appendix B) will be kept in a locked cabinet for five years. The researcher kept all recording tapes and transcriptions in a locked cabinet; destruction will occur in five years. A separate secure locked cabinet held the consent forms and all other identifying

information. After 5 years, destruction of all consent forms and electronic data will occur. At that same time, shredding of all transcriptions and consent forms will occur.

Data Analysis

According to Bernard (2013), data analysis has three parts: data reduction, data analysis, and drawing a conclusion. Data reduction is the process of simplifying and transforming the data (Bernard, 2013) and includes segregating the literature and choosing data relevant to the study. The analysis of the data included clustering the data into similar responses. I used NVivo, a computer software program designed for qualitative research, to assist in coding the interviews. From this analysis, I expected to see several theories emerge on how investment behavior has changed.

The interview questions, also located in Appendix A, were as follows:

1. How has the 2008 financial crisis altered the way you invest in the stock market?

2. How has your mix of investment changed since the financial crisis of 2008?

3. How has your confidence in the stock market as a tool for retirement planning changed since the financial crisis of 2008?

4. What would increase your confidence in the stock market as a retirement planning tool?

5. How did the financial crisis of 2008 affect your opinion of 401(k)s and IRAs as a way to accumulate the funds needed for retirement?

6. How do you see your opinions changing over the next 5 years? Ten years? Fifteen years?

7. What would restore your faith in the stock market as a valuable tool to gain the necessary funds for retirement?

The data analysis of the interview responses enabled an emergence of codes and themes (Katre & Salipante, 2012). I used the computer generated software program NVivo™ to document, code the data, and develop the themes to compare the interview collections (Leech & Onwuegbuzie, 2011). Following the theme development, I offered a copy of the interview transcription to each participant to verify transcription accuracy (Mero-Jaffe, 2011). The use of NVivo™ allowed the researcher to explore the smallest trends in the most efficient manor using words, tables, figures, and models. Using open-ended interview questions allowed the researcher the opportunity explore the attribution theory, which posits that an individual's behaviors resulted from how that individual perceives and interprets the information (Weiner, 2010). It also allowed the researcher to explore the risk perception theory, as consumers who experience a high perception of risk are less likely to engage in a behavior or remain loyal to a particular company (Brown, 2010). The perception of risk influenced investors' decisions and attitudes on current and future investments. Investors judge companies on their performance and were more likely to favor investments with a small percentage of losses (Walia & Kiran, 2012).

Reliability and Validity

Reliability

A researcher addresses threats to the reliability of research to ensure consistency and minimize error in the observations. To be reliable, a study must be repeatable and stable (Simon & Goes, 2011; Yin, 2012). A researcher ensures reliability by using a

combination of documentary analysis, nonparticipant observation, and interviews (Simon & Goes, 2011; Yilmaz, 2013). The use of triangulation ensures trustworthiness and credibility.

Validity

To ensure internal validity, developing a foundation for the study and setting the expectations creates harmony of expression. In phenomenological research, ensuring reality matches research findings adds to the value of internal validity (Simon & Goes, 2011). Researchers need to take steps to ensure the sample, the setting, and the representative population are true to the population to be generalized (Bernard, 2013).

Summary and Transition

Section 2 provided the research methodology, design, and analysis used in the proposed study. I justified the method of examination against the research question. In this instance, I studied how experiences have changed consumer behaviors regarding the use of the stock market for retirement planning using in-depth interviews to explore patterns. The participants, selected using a purposeful sample, reside in the Hampton Roads area of Virginia. The researcher ensured credibility, neutrality, and transferability through the design of the study. Section 3 will include a discussion of the findings from the study.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this qualitative phenomenological study was to explore investment behaviors have changed after the financial crisis of 2008. Evaluation of the data determined how to change the participants' attitudes to increase the use of the stock market in retirement planning. The central research question was as follows: what will change the attitude of future retirees to encourage the use of the stock market for retirement?

Presentation of the Findings

The central research question that guided this study was as follows: What will change the attitude of future retirees to encourage the stock market use for retirement? The researcher guided the research through the research question by exploring the lived experiences of men and women and their investment behaviors.

Themes

There were seven interview questions; they are presented according to interview question.

Themes for Interview Question 1. In the first question, I asked participants: How has the 2008 financial crisis altered the way you invest in the stock market? I asked the question to determine how the 2008 financial crisis caused retirement plan investors to change their investment strategy. Eighteen of the 20 participants responded that they did change their strategy after the losses associated with the financial crisis of 2008. The two participants who did not change their strategy kept their investments as is upon the

advice of their financial planners. The illustration in Table 1 reflects the themes that surfaced from Question 1.

Table 1

Themes from Interview Question 1

Themes	Frequency	Percentage of total
Changed investment strategy	18	90.0
No change to strategy	2	10.0

Note: N = 20.

Themes for Interview Question 2. In the second question, I asked participants: How has your mix of investments changed since the financial crisis of 2008? I asked this question to explore the experiences of how the participants' investment strategies have changed. Of the 18 participants who previously stated that they *did* change their strategy, sixteen reported that they switched to the more conservative stocks. Two participants reported that they switched their investment portfolio to bonds. Both of the participants that maintained their strategy were invested in life-cycle plans. Table 1 reflects all of the themes that arose from Interview Question 2.

Table 2

Themes from Interview Question 2

Themes	Frequency	Percentage of total
More conservative	16	80.0
Bonds	2	10.0
Stayed in life-cycle	2	10.0

Note: N = 20.

Themes for Interview Question 3. In the third question, I asked participants: How has your confidence in the stock market as a tool for retirement planning changed since the financial crisis of 2008? The purpose of this question was to explore how the

financial crisis of 2008 has caused participants to lose faith in the use of the stock market for retirement planning. Twelve of the 20 respondents have lost confidence that the use of the stock market will provide them with the funds necessary to retire. Two respondents stated that they have not lost any confidence in the stock market and understood that the stock market is known to have its ups and downs. The remaining six respondents reported that although they have not lost complete confidence in the stock market, they have become more cautious in their investing. Table 3 reflects all of the themes that surfaced from Question 3.

Table 3

Themes from Interview Question 3

Themes	Frequency	Percentage of total
Lost all confidence	12	60.0
Lost some confidence, more cautious	6	30.0
Lost no confidence	2	10.0

Note: N = 20.

Themes for Interview Question 4. In the fourth question, I asked participants: What would increase your confidence in the stock market as a retirement planning tool? I asked this question to examine the ways, if any, to increase the use of the stock market by these participants. Two of the respondents had no suggestion on what would increase their confidence in the stock market. Fifteen respondents felt that a complete understanding of how the stock market works would help. Two stated that consumer confidence could be restored by providing a minimum rate of return. One respondent suggested *capping* losses. Table 4 reflects all of the themes that surfaced from Question 4.

Table 4

Themes from Interview Question 4

Themes	Frequency	Percentage of total
No suggestion	2	10.0
Complete understanding	15	75.0
Minimum rate of return	2	10.0
Capping losses	1	5.0

Note: N = 20.

Themes for Interview Question 5. In the fifth question, I asked participants: How did the financial crisis of 2008 affect your opinion of 401(k)s and IRAs as a way to accumulate the funds needed for retirement? I asked this question to explore investor perceptions to determine if investing in the stock market is still the primary choice for retirement planning, or are consumers looking into other avenues to build wealth for retirement. Seventeen of the respondents stated that they were unsure they would be able to accumulate enough fund for retirement using a retirement plan. The remaining three felt confident that their continued participation would allow them to be able to retire. Table 5 reflects all of the themes that surfaced from Question 5.

Table 5

Themes from Interview Question 5

Themes	Frequency	Percentage of total
Unsure if able to retire	17	85.0
Confident can retire	3	15.0

Note: N = 20.

Themes for Interview Question 6. In the sixth question, I asked participants: How do you see your opinions changing over the next 5 years? Ten years? Fifteen years? I asked this question in order to determine how the participants see their behaviors changing, as they get closer to retirement age. Four respondents did not see

their opinions changing over the next several years. The remaining respondents stated they believe they will be less tolerable to risk and will believe their investments will be more conservative than they are at present. Table 6 reflects all of the themes that surfaced from Question 6.

Table 6

Themes from Interview Question 6

Themes	Frequency	Percentage of total
No change in opinion	4	20.0
Less tolerable to risk	16	80.0

Note: N = 20

Themes for Interview Question 7. In the seventh question, I asked participants: What would restore their faith in the stock market as a valuable tool to gain the necessary funds for retirement? This question was asked to determine what needed to be done to encourage the use of the stock market in retirement planning with the public. All of the respondents included education as key to restoring faith. The education responses included both education about the stock market as well as being educated on the government and corporate America's plan to prevent another financial crisis (two respondents). Three of the respondents would also like to see a government guarantee on their accounts should there be a significant loss, or if the company goes out of business, similar to the guarantee on bank accounts. The illustration in Table 7 reflects all of the themes that surfaced from Question 7.

Table 7

Themes from Interview Question 7

Themes	Frequency	Percentage of total
Education only	15	75.0
Education plus plan	2	10.0
Education plus government guarantee	3	15.0

Note: N = 20.

The study's findings are consistent with the larger body of literature on the topic of investment education. Salisbury (2009) argued that employers needed to help counteract the losses by fulfilling the education and guidance needs of their employees, thus allowing employees a customized plan to meet their financial retirement goals. I found that the reactions and fears of the participants at the time of initial loss are consistent with the literature. Investors have lost a decade of their retirement investing (Bishop et al., 2011). As a result, 52% of working Americans do not believe they can afford a comfortable lifestyle in retirement (Ulivieri, 2009).

Applications to Professional Practice

The study's findings have practical applications to professional business practice. The participants identified (a) education and (b) fear of more loss as two items that need to be addressed to encourage the use of the stock market in retirement planning. Business leaders and the government can utilize the findings to improve consumer confidence in the use of retirement plans. Business leaders can use the study's results to develop a plan to educate the general population on the benefits of using the stock market in retirement planning as well as making sure participants are aware of the cyclical nature of the stock market so they are better prepared mentally for any future stock market shifts that may arise.

Business leaders can use this information to develop a program on financing retirement through education. Business leaders can apply the results of the study in order to help future retirees find a balance in their retirement plans that they are comfortable maintaining. In addition, government officials may utilize the findings to implement safeguards and regulations to prevent another financial collapse of the stock market.

Implications for Social Change

The implication for positive social change includes the potential to reduce future retirees reliance on government programs in retirement. Education and government interventions can have a positive impact on consumers in that the increased use of retirement plans will help to reduce the reliance on public assistance programs. At present, less than 37% of 45- to 55-year-olds are saving enough for retirement (Christman, 2010). In addition, without government intervention, Social Security taxes collected will stop exceeding benefit amounts between 2017 and 2019, and by 2033 deplete the reserve (Tanner, 2011). As a result, businesses, individuals, and the government need to act to prevent reliance on public assistance during retirement.

Recommendations for Action

I recommend the following actions be taken as a result of this study's findings. First, business leaders need to educate consumers on the importance of retirement planning. Understanding the benefits of early planning, as well as potential tax implications, is an important step in increasing the number of people that are saving adequately for retirement. In addition, business leaders should educate consumers on investment strategies. Understanding investment strategies and their associated risk levels

is an important step in preventing early withdrawals from retirement plans. By understanding investment strategies, future retirees are better able to choose a level of risk. Lastly, business leaders should educate consumers on stock market functions. Understanding the fluctuations of the stock market provides consumers with a baseline in what investors can expect. Understanding market fluctuations will also minimize rash reactions when there is a significant loss in the stock market. The education of consumers can be accomplished through mandatory once-a-year training, with various sessions available based on the age of the consumer, as well as new hire training. A professional that either is licensed or has an advanced degree with an emphasis on finance and who understands how the stock market works, the importance of early planning, and investment strategies, should conduct the training. In addition, literature should be made available to all consumers emphasizing early planning, investment strategies, particularly different strategies for various ages, and the inner workings of the stock market.

Recommendations for Further Research

There are several recommendations for further study pertaining this topic. First, future research should address a different geographical area and a different age grouping. The perspectives of individuals may change in different areas of the country. In addition, individuals at different stages in their life, either nearer or further from retirement, may have a different perspective. Another opportunity for future research is to focus on individuals with specific educational backgrounds such as (a) no college education, (b) associate or technical degree, (c) bachelor degree, and (d) graduate or post-graduate

degree to determine whether their college education has affected their perspectives. The perspective of individuals may change based on their own lived experiences.

Reflections

As a working adult, with a retirement plan, that hopes to one day retire, I had some preconceived bias. I began this study with the preconceived idea that businesses and the government fail to encourage the use of retirement plans as a way to minimize the reliance on government programs in retirement. I learned through the study that the lack of knowledge regarding how retirement plans work is a key hindrance in proper planning for future retirees. Throughout the study, I made a deliberate effort to avoid influencing the participants' responses and shaping the data to align with her preconceptions. I revealed no bias with any of the participants.

Personal reflections on the findings of the research did not alter my thoughts on the topic of this study. Education on both the risks and benefits of utilizing the stock market for retirement planning is an importance component in reducing the reliance of retirees on public assistance programs. The attitudes presented by participants indicate a desire to maintain their lifestyle in retirement without having to rely on government intervention.

Summary and Study Conclusions

The shift from defined benefit plans to defined contribution plans have left future retirees concerned if they will have the necessary funds to retire. The purpose of this phenomenological study was to explore how investment behaviors have changed due to losses in retirement accounts because of the global financial crisis of 2008. The

overarching research question was what will change the attitudes of future retirees to encourage the use of the stock market for retirement. Two themes morphed from the study (a) education and (b) fear of loss are inhibitors in the use of the stock market in retirement planning. Business leaders can apply the findings to help future retirees find and maintain a level of risk with which they are comfortable. Future research studies should include different geographic areas and various education levels. The implications for positive social change include the potential to reduce retiree reliance on public assistance during retirement.

References

Adams, N. & VanDerhei, J. (2014). Closing the retirement expectations "gap:" Variations in demographics, sources of information, and the implications of a "bad guess". *Journal of Financial Service Professionals, 68*(1), 59-71. Retrieved from https://www.financialpro.org

Agnello, L. & Schuknecht, L. (2011). Booms and busts in housing markets: determinants and implications. *Journal of Housing Economics, 20*(3), 171-190. doi:10.1016/j.jhe.2011.04.001

Allen, M. (2011). Fiscal policy options in light of recent IMF research. *CASE Network Studies and Analyses, 421*, 3-30. Retrieved from https://ideas.repec.org/s/sec/cnstan.html

Baltussen, G. & Post, G. (2011). Irrational diversification: An examination of individual portfolio choice. *Journal of Financial and Quantitative Analysis, 46*(5), 1463-1491. doi:10.1017/S002210901100041

Barratt, M., Choi, T., & Li, M. (2011). Qualitative case studies in operations management: Trends, research outcomes, and future research implications. *Journal of Operations Management, 29*, 329-342. doi:10.1016/j.jom.2010.06. 002

Basu, A., Byrne, A., & Drew, M. (2011). Dynamic lifecycle strategies for target date retirement funds. *The Journal of Portfolio Management, 37*(2), 83-96. doi:10.3905/jpm.2011.37.2.083

Batsell, M. (2013). The role of long-term care in planning for retirement. *Journal of Financial Service Professionals, 67*(5), 39-40. Retrieved from

https://www.financialpro.org

Bernard, H. (2013). *Social research methods: Qualitative and quantitative approaches* (2nd ed.). Thousand Oaks, CA: Sage.

Berstein, S., Fuentes, O., & Villatoro, F. (2013). Default investment strategies in a defined contribution pension system: a pension risk model application for the Chilean case. *Journal of Pension Economics & Finance, 12*(4), 379-414. doi:10.1017/S1474747213000073

Bhattacharya, U. & Galpin, N. (2011). The global rise of the value-weighted portfolio. *Journal of Financial and Quantitative Analysis, 46*(3), 737-756. doi:10.1017/S0022109011000044

Bishop, J. (2012). Current challenges for employees in private employer sponsored retirement plans. *Proceedings for the Northeast Region Decision Sciences Institute (NEDSI)*, 129-136. Retrieved from http://www.nedsi.org

Bishop, S., Fitzsimmons, M., & Officer, B. (2011). Adjusting the market risk premium to reflect the global financial crisis. *Journal of Applied Science in Southern Africa*, 1, 8-14. Retrieved from http://vaassociates.com.au

Bluhm, D., Harman, W., Lee, T., & Mitchell, T. (2011). Qualitative research in management. A decade of progress. *Journal of Management Studies, 48*, 665-695. doi:10.1111/j.1467-6486.2010.00972.x

Booth, L. & Chang, B. (2011). Target-date funds: Good news and bad news. *Journal of Risk, 13*(3), 55-82. Retrieved from http://www.thejournalofrisk.com

Brady, P. (2010). Measuring retirement resource adequacy. *Journal of Pension*

Economics & Finance, 9, 235-262. doi:10.1017/S1474747208003806

Brady, P. (2012). Can 401(k) Plans Provide Adequate Retirement Resources? *Public Finance Review, 40*(2), 177-206. doi:10.1177/1091142111426275

Brady, P. (2013). The success of the U.S. retirement system. *Pension Benefits, 22*(4), 2-4. Retrieved from http://hr.cch.com/pensionBenefitseLibrary

Brady, P. & Bogdan, M. (2014). Who Gets Retirement Plans and Why, 2013. *Pension Benefits, 23*(11), 1-3. Retrieved from http://hr.cch.com/pensionBenefitseLibrary

Brown, S. (2010). Changes in risk perceptions prospectively predict changes in self-reported speeding. *Risk Analysis: An International Journal, 30*(7), 1092-1098. doi:10.1111/j.1539-6924.2010.01406.x

Burman, L., Coe, N., Dworsky, M., & Gale, W. (2012). Effects of public policies on the disposition of pre-retirement lump-sum distributions: rational and behavioral influences. *National Tax Journal, 65*(4), 863-888. Retrieved from http://www.ntanet.org/publications/national-tax-journal.html

Butrica, B., Smith, K., & Toder, E. (2010). What the 2008 stock market crash means for retirement security. *Journal of Aging & Social Policy, 22*(4), 339-359. doi:10.1080/08959420.2010.507623

Cahill, K, Giandrea, M., & Quinn, J. (2011). Reentering the labor force after retirement. *Monthly Labor Review, 134*(6), 34-41. Retrieved from http://www.bls.gov/opub/mlr/2011/06/art2full.pdf

Cahill, K., Giandrea, M., & Quinn, J. (2012). Older workers and short-term jobs: patterns and determinants. *Monthly Labor Review, 135*(5), 19-31. Retrieved from

http://www.bls.gov/opub/mlr/2012/05/art2full.pdf

Carpenter, M. (2013). Help investors make better risk/reward decisions. *Journal of Financial Planning, 26*(5), 22-23. Retrieved from http://www.FPAnet.org/Journal

Chalmers, J. & Reuter, J. (2012). How do retirees value life annuities? Evidence from public employees. *Review of Financial Studies, 25*(8), 2601-2634. doi:10.2130/ssrn.1571372

Christman, B. (2010). The next retirement hurdle: Why today's employees need more than a savings plan. *Benefits Quarterly, 26*(2), 30-35. Retrieved from http://www.iscebs.org/resources

Clark, R. (2009). How will the stock market crash affect the choice of pension plans? *National Tax Journal, 62*, 477-496. Retrieved from http://ntj.tax.org

Clark, W. (2013). The aftermath of the general financial crisis for the ownership society: what happened to low-income homeowners in the US? *International Journal of Housing Policy, 13*(3), 227-246. doi:10.1080/14616718.2013. 796811

Coile, C. & Levine, P. (2011). The market crash and mass layoffs: How the current economic crisis may affect retirement. *The B.E. Journal of Economic Analysis & Policy, 11*(1), 1-40. Retrieved from http://www.bepress.com/bejeap/vol11/iss1/art22

Cordell, D., Grange, E., & Langdon, T. (2012). Useful financial planning concepts from academic research. *Journal of Financial Service Professionals, 66*(6), 82-92. Retrieved from https://www.financialpro.org

Crooks, D., Tully, C., & Burbridge, J. (2012). Social Security: Restoring solvency.

Academy of Business Research Journal, 1, 73-86. Retrieved from www.aobronline.com

Cutler, N. (2012). Midlife experiences and the complexities of early retirement. *Journal of Financial Service Professionals, 66*(2), 21-25. Retrieved from http://www.financialpro.org

Cseko, G. & Tremaine, W. (2013). The role of the institutional review board in the oversight of the ethical aspects of human studies research. *Nutrition in Clinical Practice*, *28*(2), 177-181. doi:10.1177/0884533612474042

De Lange, A., Bal, P. M., Van der Heijden, B., De Jong, N., & Schaufeli, W. (2011). When I'm 64: Psychological contract breach, work motivation and the moderating roles of future time perspective and regulatory focus. *Work and Stress, 25*, 338–354. doi:10.1080/02678373.2011.632610

Draper, A. & Swift, J. (2011). Qualitative research in nutrition and dietetics: data collection issues. *Journal of Human Nutrition & Dietetics, 24*(1), 3-12. doi:10.1111/j.1365-277X.2010.01117.x

Dushi, I., Iams, H., & Tamborini, C. (2013). Contribution dynamics in defined contribution pension plans during the great recession of 2007-2009. *Social Security Bulletin, 73*(2), 85-102. Retrieved from http://www.ssa.gov/policy/docs/ssb

Eccles, D., Ward, P., Goldsmith, E., & Arsai, G. (2013). The relationship between retirement wealth and householders' lifetime personal financial and investing behaviors. *Journal of Consumer Affairs, 47*(3), 432-464. doi:10.1111/joca. 12022

Ellen, P., Wiener, J., & Fitzgerald, M. (2012). Encouraging people to save for their future: Augmenting current efforts with positive visions of the future. *Journal of Public Policy & Marketing, 31*(1), 58-72. doi:10.1509/jppm.09.089

Englander, M. (2012). The interview: Data collection in descriptive phenomenological human scientific research. *Journal of Phenomenological Psychology, 43*, 13-35. doi:10.1163/156916212X632943

Finke, M., Huston, S., & Winchester, D. (2011). Financial advice: who pays. *Journal of Financial Counseling and Planning, 22*(1), 18-26. Retrieved from http://www.afcpe.org/publications

Flores, J. (2011). New ERISA fiduciary definition... smoke and mirrors or a meaningful assignment of accountability? *Journal of Pension Benefits, 18*(3), 37-45. Retrieved from http://hr.cch.com/pensionBenefitseLibrary/

Forman, J. (2009). Funding public pension plans. *John Marshall Law Review, 42*(4), 837-875. Retrieved from http://lawreview.jmls.edu/

Frolik, L. (2010). The right of a retiree to convert a 401(k) account into a federally guaranteed annuity. *Journal of Pension Benefits, 17*(4), 7-13. Retrieved from http://hr.cch.com/pensionBenefitseLibrary/

Goldsmith, C. & Cyboran, S. (2013). Reducing Suboptimal Employee Decisions Can Build the Business Case for Employee Benefits. *Benefits Quarterly, 29*(1), 15-31. Retrieved from www.benefitsquarterly.com

Hanson, J., Balmer, D., & Giardino, A. (2011). Qualitative research methods for medical educators. *Academic Pediatrics, 11*, 375-386. doi:10.1016/j.acap. 2011.05.001

Hartman, J. (2007). Real results through real estate investment. *Real Estate Finance, 24*, 20-22. Retrieved from http://www.aspenpublishers.com

Harvey, P., Madison, K., Martinko, M., Crook, R., & Crook, T. (2014). Attribution theory in the organizational sciences: the road traveled and the path ahead. *Academy of Management Perspectives, 28*(2), 128-146. doi:10.5465 /amp.2012.0175

Hausknecht, J. & Trevor, C. (2011). Collective turnover at the group, unit, and organizational levels: evidence, issues, and implications. *Journal of Management, 37*(1), 352-388. Retrieved from http://jom.sagepub.com/

Helman, R., Copeland, C., & VanDerhei, J. (2011). The 2011 retirement confidence survey: Confidence drops to record lows, reflecting the new normal. *EBRI Issue Brief, No. 355*, Washington, DC: Employee Benefit Research Institute. Retrieved from http://www.ebri.org/publications/ib/index.cfm?fa=ibDisp&content_id=4772/

Helman, R., Greenwald, M., Copeland, C., & VanDerhei, J. (2012). The 2012 retirement confidence survey: job insecurity, debt weigh on retirement confidence, savings. *EBRI Issue Brief 369*, Washington, DC: Employee Benefit Research Institute. Retrieved from http://www.ebri.org

Helman, R., Greenwald, M., Adams, N., Copeland, C., & VanDerhei, J. (2013). The 2013 retirement confidence survey: perceived savings needs outpace reality for many. *EBRI Issue Brief 384*, Washington, DC: Employee Benefit Research Institute. Retrieved from http://www.ebri.org

Helman, R., Greenwald, M., Adams, N., Copeland, C., & VanDerhei, J. (2014). The 2014

retirement confidence survey: confidence rebounds—for those with retirement plans. *EBRI Issue Brief 397*, Washington, DC: Employee Benefit Research Institute. Retrieved from http://www.ebri.org

Herman, M. & Laumakis, P. (2013). The mathematics of retirement investing. *Mathematical Scientist, 38*(1), 43-49. Retrieved from http://www.appliedprobability.org

Hershey, D. & Jacobs-Lawson, J. (2012). Bridging the gap: anticipated shortfalls in future retirement income. *Journal of Family & Economic Issues, 33*(3), 306-314. doi:10.1007/s10834-012-9281-8

Holden, S. & VanDerhei, J. (2010). Recent trends in 401(k) participants' asset allocations. *Journal of Financial Service Professionals, 64*(4), 76-88. Retrieved from http://www.financialpro.org

Hopkins, J. (2014). Long-term care financing reform: Leveraging existing tax incentives for employer-sponsored plans. *Journal of Financial Service Professionals, 68*(2), 59-70. Retrieved from https://www.financialpro.org

Horvath, R. & Poldauf, P (2012). International stock market co-movements: What happened during the financial crisis? *Global Economy Journal, 12*(1), 1-19. Retrieved from http://esciencecentral.org/journals/global-economics.php

Howitt, D. & Cramer, D. (2011). *Introduction to Research Methods in Psychology* (3rd ed.). UK: Pearson.

Hsu, C., Lin, H., & Wu, J. (2011). Consumer confidence and stock markets: The panel causality evidence. *International Journal of Economics and Finance, 3*(6), 91-98.

doi:10.5539/ijef.v3n6p91

Huang, M. (2013). The role of people's expectation in the recent US housing boom and bust. *Journal of Real Estate Finance and Economics, 46*(3), 452-479. doi: 10.1007/s11146-011-9341-0

Hubbard, R. & Skinner, J. (1996). Assessing the effectiveness of saving incentives. *Journal of Economic Perspectives, 10*(4), 73-90. doi:10.1257/jep.10.4.73

Huber, A. & Law, L. (2011). Roth IRA recharacterizations: It's 2011 – now what? *Florida Bar Journal, 85*(4), 26-30. Retrieved from http://www.floridabar.org/DIVCOM/JN/JNJournal01.nsf

Hunt, M., Chan, L., & Mehta, A. (2011). Transitioning from clinical to qualitative research interviewing. *International Journal of Qualitative Methods, 10*(3), 191-201. doi:10.1002/j.1556-6678.2011.tb00092.x

Hurd, M. & Rohwedder, S. (2011). Trends in labor force participation: How much is due to changes in pensions. *Journal of Population Ageing, 4*(1), 81-96. doi: 10.1007/s12062-011-9042-8

Internal Revenue Service. (2013). *Publication 17: Tax guide 2013*. Retrieved from http://www.irs.gov

Johnson, B. (2013). The golden goose in the crosshairs: The transition to defined contribution pension plans in the public sector: Unintended consequences. *Journal of Health and Human Services Administration, 35*(4), 414-468. Retrieved from http://www.spaef.com/jhhsa.php

Kasten, G. (2005). Self-directed brokerage accounts tend to reduce retirement success

and may not decrease plan sponsor responsibility. *Journal of Pension Benefits: Issues in Administration, 12*(2), 43-49. Retrieved from http://hr.cch.com/pensionBenefitseLibrary/default.asp

Katre, A. & Salipante, P. (2012). Start-up social ventures: Blending fine-grained behaviors from two institutions for entrepreneurial success. *Entrepreneurship: Theory and Practice, 36*, 967-994. doi:10.1111/j.1540-6520.2012.00536.x

Kilgour, J. (2013). Why Are Retirement Benefits in the United States So Complicated? An Overview of How We Got Here. *Compensation & Benefits Review, 45*(1), 34–39. doi:10.1177/0886368713485035

Klock, M. (2013). The virtue of home ownership and the vice of poorly secured lending: the great financial crisis of 2008 as an unintended consequence of warm-hearted and bone-headed ideas. *Arizona State Law Journal, 45*(1), 135-182. Retrieved from http://arizonastatelawjournal.org/

Knoll, M., Tamborini, C., & Whitman, K. (2012). I do…want to save: marriage and retirement savings in young households. *Journal of Marriage and Family, 74*(1), 86-100. doi:10.1111/j.1741-3737.2011.00877.x

Kowalski, T. & Shachmurove, Y. (2011). The financial crisis: What is there to learn? *Global Finance Journal, 22*(1), 238-247. doi:10.1016/j.gfj.2011.10.014

Kozol, G. B. (2012). Tax-subsidized retirement plans for business owners. *Journal of Financial Service Professionals, 66*(5), 27-30. Retrieved from http://www.financialpro.org

Leech, N. & Onwuegbuzie, A. (2011). Beyond constant comparison qualitative data

analysis: Using NVivo. *School Psychology Quarterly, 26*, 70-84. doi:10. 1037/a0022711

Lipton, A. & Kish, R. (2011). Life cycle funds: lack of disclosure and lack of return. *Financial Services Review, 20*(2), 75-94. Retrieved from http://academyfinancial.org/financial-services-review

Liu, Z. & Wang, J. (2010). Value, growth, and style rotation strategies in the end. *Journal of Financial Service Professionals*, *64*(6), 66-74. Retrieved from http://www.financialpro.org

Lugtig, P., Boeije, H. R., & Lensvelt-Mulders, G. (2012). Change? What change? An exploration of the use of mixed-methods research to understand longitudinal measurement variance. *Methodology: European Journal of Research Methods for the Behavioral and Social Sciences, 8*, 115-123. doi:10.1027/1614-2241/a000043

Lund, T. (2012). Combining Qualitative and Quantitative Approaches: Some Arguments for Mixed Methods Research. *Scandinavian Journal of Educational Research, 56*(2), 155-165. doi:10.1080/00313831.2011.568674

Lynott, W. (2014). Are bonds still a good investment. *Podiatry Management, 33*(2), 71-72. Retrieved from http://www.podiatrym.com

MacBean, E. (2007). Retirement realities: Retirement just ain't what it used to be. J*ournal of Financial Service Professionals, 61*, 40-50. Retrieved from http://www.financialpro.org

Marshall, C. & Rossman, G. (2011). *Designing qualitative research* (5th ed.). Thousand Oaks, CA: Sage.

Martin, D., Rose, C., & Beach, S. (2012). Early retirement decisions and the returns on social security for the average U.S. wage earner. *Journal of Financial Service Professionals, 66*(3), 36-42. Retrieved from http://www.financialpro.org

Maxwell, J. (2012). *Qualitative Research Design: An Interactive Approach*. Thousand Oaks, CA: SAGE Publications.

McGowan, J. (2013). The financial health of defined benefit pension plans – An analysis of certain trade unions pension plans: 2012 update. *Journal of Pension Planning & Compliance, 39*(1), 48-60. Retrieved from http://www.financialpro.org

McKinney, J. (2012). 401(k) Plans: How Do You Safe Harbor? *Journal of Pension Benefits: Issues in Administration, 19*(4), 79-85. Retrieved from http://hr.cch.com/pensionBenefitseLibrary/

Melcher, P. (2011). In-plan Roth conversions: Planning and administrative considerations. *Journal of Accountancy, 211*(5), 48-50. Retrieved from http://www.journalofaccountancy.com

Mero-Jaffe, I. (2011). 'Is that what I said?' Interview transcript approval by participants: An aspect of ethics in qualitative research. *International Journal of Qualitative Methods, 10*, 231-247. Retrieved from http://ejournals.library.ualberta.ca/index.php/IJQM/index

Mohsen, A., Abdulla, M., & Jalal, A. (2011). How financial organizations can overcome the global business crisis. *International Journal of Business and Management, 6*, 101-111. Retrieved from http://www.ccsenet.org/journal/index.php/ijbm/article/view/9169/6719

Morrin, M., Broniarczyk, S. & Inman, J. (2011). Fund assortments, gender, and retirement participation. *The International Journal of Bank Marketing*, *29*(5), 433-450. doi:10.1108/02652321111152927

Muller, A., DeLange, A., Weigl, M., Oxfart, C., & Van der Heijden, B. (2013). Compensating losses in bridge employment? Examining relations between compensation strategies, health problems, and intention to remain at work. *Journal of Vocational Behavior, 83*(1), 68-77. doi:10.1016/jvb.2013.03.002

Myers, M. (2013). *Qualitative research in business and management* (2nd ed.). Thousand Oaks, CA: Sage.

Nestico, J. (2014). Hot topics in ERISA litigation and fiduciary responsibility. *Benefits Law Journal, 27*(3), 34-43. Retrieved from http://hr.cch.com/BenefitsELibrary

Obi, P., Choi, J., & Sil, S (2011). A look back at the 2008 financial crisis: The disconnect between credit and market risks. *Finance a úvěr-Czech Journal of Economics and Finance, 61*(1), 400-413. Retrieved from https://ideas.repec.org/s/fau/fauart.html

Ogums, R. (2012). Living and working in retirement, a new paradigm in the US exploring retirees' attitudes and beliefs toward working. *Journal of Economic & Social Studies, 2*(1), 21-50. Retrieved from http://jecoss.ibu.edu.ba

Olsen, R., Orr, L., Bell, S., & Stuart, E. (2013). External validity in policy evaluations that choose sites purposively. *Journal of Policy Analysis and Management, 32*(1), 107-121. doi:10.1002/pam.21660

Pang, G. & Warshawsky, M. (2014). Retirement savings adequacy of U.S. workers. *Benefits Quarterly*, *30*(1), 29-38. doi:10.2139/ssrn.2263379

Papagianis, C. & Gupta, A. (2012). Making the housing market work again. *Policy Review, 171*, 3-20. Retrieved from http://www.hoover.org/publications/policy-review

Peller, T. (2014). The paradox of 403(b) vesting schedules. *Journal of Pension Planning & Compliance, 39*(4), 130-143. Retrieved from http://www.financialpro.org

Pfau, W. & Kariastanto, B. (2012). An international perspective on "safe" savings rates for retirement. *Journal of Financial Service Professionals, 66*(5), 62-71. Retrieved from https://www.financialpro.org

Phan, H. & Hegde, S. (2013). Pension contributions and firm performance: Evidence from frozen defined benefit plans. *Financial Management, 42*(2), 373-411. doi:10.1111/j.1755-053X.2012.01218.x

Phillips, S. (2012). The subprime mortgage calamity and the African American woman. *Review of Black Political Economy, 39*(2), 227-237. doi:10.1007/ s12114-011-9107-1

Pohlen, I. (2012). A reviewer's guide to the grounded theory methodology in logistics and supply chain management research. *International Journal of Physical Distribution & Logistics Management, 42*(8/9), 784-803. doi: 10.1108/ 09600031211269758

Prager, J. (2013). The financial crisis of 2007/8: Misaligned incentives, bank mismanagement, and troubling policy implications. *Economics, Management & Financial Markets, 8*(2), 11-56. Retrieved from http://econ.as.nyu.edu/docs/IO/22946/Prager_04302012.pdf

Pratt, D. (2008). Focus on...making retirement savings last a lifetime. *Journal of Pension Benefits: Issues in Administration, 15*(2), 49-57. Retrieved from http://opac.brookes.ac.uk

Purcell, P. & Whitman, D. (2007). Retirement savings: How much will workers have when they retire? *Journal of Pension Planning & Compliance, 33*(2), 1-40. Retrieved from http://www.financialpro.org

Rehman, A., Yousaf, U., Ejaz, A., & Sardar, S. (2011). Relation of stock market return with interest rates. *Interdisciplinary Journal of Contemporary Research in Business, 3*(3), 1020-1026. Retrieved from http://www.ijcrb.webs.com

Rim, H. & Setaputra, R. (2012). The impacts of the U.S. financial crisis on financial markets in Asia and Europe. *International Business & Economics Research Journal, 11*(1), 45-50. Retrieved from http://www.inderscience.com/ijebr

Rose, C. (2011). Qualifying for a home mortgage in today's mortgage environment. *Journal of Financial Service Professionals, 65*(2), 70-76. Retrieved from http://www.financialpro.org

Rubin, H. & Rubin, I. (2012). *Qualitative interviewing: The art of hearing data*. Thousand Oaks, CA: Sage.

Salisbury, D. (2009). Implications of the financial crisis on retirement savings and planners. *Journal of Financial Service Professionals, 63*, 13-16. Retrieved from http://www.financialpro.org

Salter, J. (2013). Home equity and retirement distribution risk management. *Journal of Financial Service Professionals, 67*(2), 15-17. Retrieved from

http://www.financialpro.org

Salter, J. (2014). The home equity conversion mortgage: An overdue introduction. *Journal of Financial Service Professionals, 68*(2), 15-18. Retrieved from http://www.financialpro.org

Samavati, H., Adilov, N., & Dilts, D. (2013). Empirical analysis of the saving rate in the United States. *Journal of Management Policy & Practice, 14*(2), 46-53. Retrieved from http://www.na-businesspress.com/jmppopen.html

Savolainen, R. (2013). Approaching the motivators for information seeking: The viewpoint of attribution theories. *Library & Information Science Research, 35*(1), 63-68. doi:10.1016/j.lisr.2012.07.004

Savov, A. (2013). The price of skill: Performance evaluation by households. *Journal of Financial Economics, 112*(2), 213-231. doi:10.1016/j.jfineco.2013.11.005

Schauer, P. (2013). The fallacy of the Roth. *Academy of Accounting & Financial Studies Journal*, *17*(3), 57-70. Retrieved from http://www.alliedacademies.org/public/Journals/JournalDetails.aspx?jid=21

Scherpf, E. (2010). *Three essays on the disposition of employer-sponsored retirement plan balances* (Doctoral dissertation). Available from ProQuest Dissertations and Theses database. (UMI No. 3452206)

Schleef, H. & Eisinger, R. (2011). Life-cycle funds: International diversification, reverse glide paths, and portfolio risk. *Journal of Financial Planning, 24*(1), 50-58. Retrieved from http//:www.fpanet.org/journal

Schwartz, J. (2012). Rethinking 401(s). *Harvard Journal on Legislation, 49*(1), 53-86.

Retrieved from http://www.harvardjol.com

Scialabba, A. (2011). DOL final rule on participant-level fee disclosure. *Journal of Pension Benefits: Issues in Administration, 18*(3), 49-59. Retrieved from http://hr.cch.com/pensionBenefitseLibrary/default.asp

Shachmurove, Y. (2011). A historical overview of financial crises in the United States. *Global Finance Journal, 22*(3), 217-231. doi:10.1016/j.gfj.2011.10.012

Shahrokhi, M. (2011). The global financial crises of 2007-2010 and the future of capitalism. *Global Finance Journal, 22*(3), 193-210. doi:10.1016/j.gfj.2011.10.010

Shoham, A. & Pelzman, J. (2011). A review of the crises. *Global Economy Journal, 11*(2), 5. doi:10.2202/1524-5861.1781

Shultz, K. & Wang, M. (2011). Psychological perspectives on the changing nature of retirement. *American Psychologist, 66*, 170–179. doi:10.1037/a0022411

Simon, M. & Goes, J. (2011). *Dissertation and scholarly research: Recipe for success: 2011 edition*. Dubuque, IA: Kendall/Hunt.

Smith, J. & Noble, H. (2014). Bias in research. *Evidence Based Nursing, 17*(4), 100-101. doi:10.1136/eb-2014-101946

Sousa, D. (2014). Validation in qualitative research: General aspects and specificities of the descriptive phenomenological method. *Qualitative Research in Psychology, 11*(2), 211-227. doi:10.1080/14780887.2013.853855

Sowell, T. (2010). *The housing boom and bust* (rev. ed.). New York, NY: Basic Books.

Seipel, M. (2013). Social security: strengthen not dismantle. *Journal of Sociology &*

Social Welfare, 40(3), 69-84. Retrieved from http://www.wmich.edu/hhs/newsletters_journals/jssw_institutional/institutional_subscribers/40.3.JSSW.pdf#page=69

Stanley, M. & Nayar, S. (2014). Methodological rigour: Ensuring quality in occupational therapy qualitative research. *New Zealand Journal of Occupational Therapy, 61*(1), 6-12. Retrieved from http://www.nzaot.com/publications/journal/index.php

Suri, H. (2011). Purposeful sampling in qualitative research synthesis. *Qualitative Research Journal, 11*(2), 63-75. doi:10.3316/QRJ1102063

Tacchino, K. (2013). Planning for a successful retirement: overcoming conventional wisdom. *Journal of Financial Service Professionals, 67*(5), 7-11. Retrieved from http://www.financialpro.org

Tang, F., Choi, E., & Goode, R. (2013). Older Americans employment and retirement. *Ageing International, 38*(1), 82-94. doi:10.1007/s12126-012-9162-3

Tanner, M. (2011). Social Security, Ponzi schemes, and the need for reform. *Policy analysis (Washington, DC: Cato Institute, 689*. Retrieved from http://www.cato.org/pub_cat_display.php?pub_cat=2

Thierry, E., Lam, H., Harcourt, M., Flynn, M., & Wood, F. (2014). Defined benefit pension decline: the consequences for organizations and employees. *Employee Relations, 36*(6), 654-673. doi:10.1108/ER-02-2013-0020

Tokic, D. (2007). Baby-boomers and financial markets: A relationship in the making. *Journal of Investing, 16*(2), 77-84. doi:10.3905/joi.2007.686414

Turner, J. & Klein, B. (2014). Retirement savings flows and financial advice: Should you

roll over your 401(k) plan? *Benefits Quarterly, 30*(4), 42-54. Retrieved from www.benefitsquarterly.com

Turner, J. & McCarthy, D. (2013). Longevity insurance annuities in 401(k) plans and IRAS. *Benefits Quarterly, 29*(1), 58-62. Retrieved from http://www.iscebs.org/resources

Ulivieri, W. (2009). The future of retirement investing. *Journal of Financial Planning, 22*(9), 36-37. Retrieved from http://www.fpanet.org/journal

Van Griensven, H., Moore, A., & Hall, V. (2014). Mixed methods research – The best of both worlds? *Manual Therapy, 19*(5), 367-371. doi:10.1016/j.mayj. 2014.05.005

Van Holle, V., McNaughton, S., Teychenne, M., Timperio, A., Van Dyck, D., De Bourdeaudhui, I., & Salmon, J. (2014). Social and physical environmental correlates of adults' weekend sitting time and moderating effects of retirement status and physical health. *International Journal of Environmental Research and Public Health, 11*, 9790-9810. doi:10.3390/ijerph110909790

Walia, N. & Kiran, R. (2012). Understanding the risk anatomy of experienced mutual fund investors. *The Journal of Behavioral Finance, 13*(2), 119-125. doi:10.1080/15427560.2012.673517

Waring, B. & Siegel, L. (2007). Wake up and smell the coffee: DC plans are not working: Here's how to fix them. *Journal of Investing, 16*(4), 81-99. doi:10.3905/joi.2007.698967

Weierich, M., Kensinger, E., Munnell, A., Sass, S., Dickerson, B., Wright C., & Barrett, L. (2011). Older and wiser? An affective science perspective on age-related

challenges in financial decision making. *Social Cognitive & Affective Neuroscience, 6*(2), 195-296. doi:10.1093/scan/nsq056

Weiner, B. (2010). The development of an attribution-based theory of motivation: A history of ideas. *Educational Psychologist, 45*(1), 28–36. Retrieved from http://www.tandfonline.com

Wester, K. (2011). Publishing ethical research: A step-by-step overview. *Journal of Counseling & Development, 89*(3), 301-307. doi:10.1002/j.1556-6678.2011. tb00093.x

Wise, J. (2013). Pension portfolio choice and peer envy. *Journal of Risk and Insurance, 80*(2), 461-489. doi:10.1111/j.1539-69732042.0147

Wu, W., Kou, G., Peng, Y., & Ergu, D. (2012). Improved AHP-group decision making for investment strategy selection. *Technological and Economic Development of Economy, 18*(2), 299-316. doi:10.3846/20294913.2012. 680520

Wurster, R. (2011). DC 20/20: pathways to a secure retirement. *Rotman International Journal of Pension Management, 4*(2), 54-59. doi:10.3138/rijpm.4.2.54

Yakoboski, P. (2011). Worries and plans as individuals approach retirement. *Benefits Quarterly, 27*(2), 34-37. Retrieved from www.benefitsquarterly.com

Yamani, E. (2011). Stock market crashed and integration: Empirical evidence from G5 countries. *Academy of Business Journal, 1*, 1-13. Retrieved from http://academyofbusinessresearch.com/academy_of_business_research_journal

Yilmaz, K. (2013). Comparison of quantitative and qualitative research traditions: epistemological, theoretical, and methodological differences. *European Journal of*

Education, 48(2), 560-566. doi:10.1111/ejed.12014

Yin, R. K. (2012). *Applications of case study research*. Thousand Oaks, CA: Sage.

Zikmund, W. (2010). *Business research methods* (7th ed.). Orlando, FL: Harcourt.

Zurlo, K. (2012). Private pension protections since ERISA: the expanded role of the individual. *Journal of Sociology & Social Welfare, 39*(4), 49-72. Retrieved from http://www.wmich.edu/hhs/newsletters_journals/jssw/index.htm

Appendix A: Interview Questions

1. How has the 2008 financial crisis altered the way you invest in the stock market?

2. How has your mix of investment changed since the financial crisis of 2008?

3. How has your confidence in the stock market as a tool for retirement planning changed since the financial crisis of 2008?

4. What would increase your confidence in the stock market as a retirement planning tool?

5. How did the financial crisis of 2008 affect your opinion of 401(k)s and IRAs as a way to accumulate the funds needed for retirement?

6. How do you see your opinions changing over the next 5 years? Ten years? Fifteen years?

7. What would restore your faith in the stock market as a valuable tool to gain the necessary funds for retirement?