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RETIREMENT PREPAREDNESS AS AN ECONOMIC IMPERATIVE: SYSTEMIC IMPACTS OF GAMIFIED FINANCIAL EDUCATION

Abstract:

The retirement preparedness crisis presents significant challenges not only for individuals but also for broader economic stability. Millennials, the cohort born between 1981 and 2000, are currently the largest workforce in employment. They face increasing financial pressures, including student debt and volatile job markets, so the urgency to enhance retirement readiness is crucial. This study explores how gamified financial education can improve retirement preparedness and its subsequent impacts on business, finance, and economic systems.

A large percentage of millennials are inadequately prepared for retirement, and many lack the necessary financial literacy to make informed decisions. This shortfall in retirement preparedness for a large part of the workforce can exacerbate wealth inequality and place additional burdens on government welfare systems, as inadequate retirement savings could lead to increased reliance on government support, potentially costing taxpayers billions annually.

The process of incorporating game concepts into non-gaming contexts, such as retirement planning, has become a popular strategy for educating people about money. Gamified applications have demonstrated the potential to improve user engagement and comprehension by turning complex financial topics into interactive experiences.

One of the most important aspects of retirement preparedness is financial literacy. People who are more financially literate are more likely to plan for retirement successfully. In order to promote a culture of proactive financial planning, financial literacy must be incorporated into both workplace training programs and educational curricula.

The randomised controlled experiment was conducted in the form of a pre-test, intervention, and a post-test. The pre-test determined the financial literacy levels and retirement preparedness of the millennial participants. A gamified retirement planning education application was developed and tested for its effectiveness in increasing retirement preparedness.

A randomised control trial (n=90) with three different groups (control group, traditional educational group and the gamification group) revealed that gamification increased awareness of the need to save for retirement for both the traditional educational group and the gamification group. The gamification group was the only group that demonstrated an increase in their mean score for their interest in retirement planning. The data underscores gamification’s unique capacity to address behavioural barriers to retirement planning. Features like simulated ageing avatars and real-time savings visualisations increased the engagement of participants.

The implications of enhanced retirement preparedness extend beyond individual benefits; they encompass broader economic impacts that can drive sustainable growth and stability. Policymakers must prioritise initiatives that promote financial literacy and gamified education strategies within workplaces to ensure that future generations are equipped for financial independence in retirement.

Keywords:

Retirement preparedness, Gamification, Financial literacy, Millennial

JEL Classification: G23, D14, A20