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YOUNG FAMILY FINANCIAL PLANNING STRATEGIES TO ACHIEVE FINANCIAL FREEDOM IN RETIREMENT WITH FINANCIAL RISK AS A MODERATION VARIABLE

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Abstract
A stable financial life and achieving financial freedom in retirement is the dream of every family. This is becoming increasingly important for young families, where they need to prepare early to face various financial challenges and risks in the future. This research aims to analyze effective financial planning strategies for young families in achieving financial independence in retirement, taking into account the role of financial risk as a moderation variable. This research uses the Systematic Literature Review (SLR) method with data collection through literature studies. The collected data is then systematically analyzed by identifying key findings and patterns emerging from the literature investigated. The results showed that financial planning strategies significantly affect financial freedom in retirement. So by planning finances wisely and disciplined, individuals can build enough savings and investments to meet their financial needs in retirement. One can create adequate financial stability in retirement through budget setting, proper investments, and good debt management.
Keywords: Financial Planning, Financial Freedom, Retirement Plan

INTRODUCTION

Financial freedom is the desire of everyone in living their lives. Financial Freedom refers to the ability to live life as you wish without being burdened by financial problems. By this time, a person has accumulated a sufficient amount of assets, investments, and passive income sources to finance all financial needs, freeing them to pursue the things they love in life. A stable financial life and achieving financial freedom in retirement is the dream of every family (Kamsidah, 2023). Therefore, there is a need for a financial planning strategy, especially for young families to achieve financial freedom in retirement.

Financial freedom is becoming increasingly important for young families, where they need to prepare early to face the challenges and financial risks of retirement. In retirement, many families face a number of financial challenges and risks. The main challenge is to ensure the adequacy of pension funds to meet the needs of daily life without a fixed income from work. In addition, the increasing cost of health in old age is also a risk that needs attention, especially considering the cost of medical care that may increase with age. Other challenges include inflation that can reduce the purchasing power of retirement savings, lifestyle changes that require cost adjustments, as well as investment risks that can affect family financial stability in

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retirement. Thus, careful financial planning can reduce financial risks in retirement and ensure the sustainability of a comfortable life for the family.

In an effort to overcome these challenges, one of these family financial planning strategies can be done with financial risk or financial risk. Financial risk refers to the possibility of financial loss that can be measured by the value of money. There are two types of financial risks based on the time period, namely short-term risks and long-term risks. Short-term risk involves events that appear suddenly in a short time (Indrawati, 2019). Examples are illness or loss, as well as damage to assets that impact productivity, such as damaged or lost vehicles. This may result in the inability to work normally for a period of time or require additional costs such as medical expenses or repairs.

Based on the background description of the problem, researchers are interested in conducting research entitled "young family financial planning strategies to achieve financial freedom in retirement with financial risk as a moderation variable". This research can contribute to the understanding of the relationship between financial planning, financial risk, and the achievement of financial freedom. So by considering the role of moderation variables, such as financial risk, this research can help in the development of more comprehensive theories and frameworks in the context of family financial planning. The purpose of this study was to analyze effective financial planning strategies for young families in achieving financial independence in retirement, taking into account the role of financial risk as a moderation variable.

RESEARCH METHODS

This study applies the Systematic Literature Review (SLR) approach, which is a research approach that aims to identify, review, evaluate, and interpret all research relevant to a particular topic in a phen

omenon (Triandini et al., 2019). The research data was collected from literature published in reputable scientific journals. Literature is collected through searches in electronic literature databases, such as Google Schoolar and Scopus. The data used in this study has several inclusion criteria, including Indonesian or English with a publication period of 2014-2024. Based on the predetermined criteria, the flow and results of the research to be used in this study are represented in the PRISMA diagram presented below:

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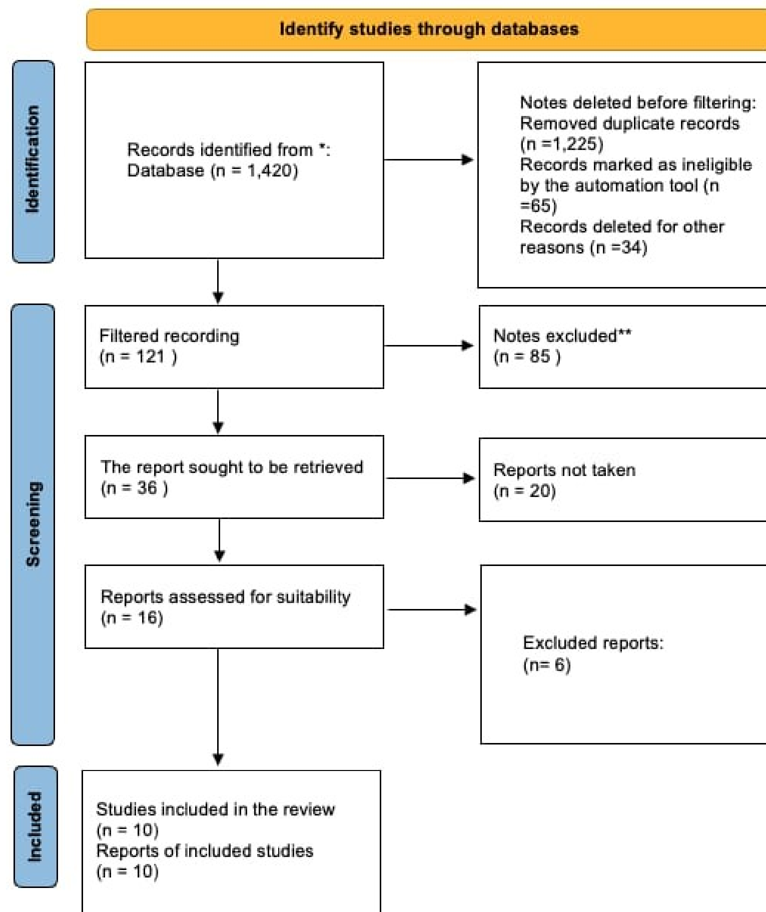

Figure 1. PRISMA Diagram, 2024

The collected data is then systematically analyzed by identifying key findings and patterns emerging from the literature investigated.

RESULTS AND DISCUSSION

Table 1. Research Results

No	Name and Year of Research	Research Results
1	Aulia, N., Yuliati, L. N., & Muflikhati, I. (2019).	The results showed that education, financial literacy, financial planning, and asset ownership affect retirement finance. That way, it is hoped that the community can increase their insight, especially in financial planning. The government can help in improving the insight of its people with various programs.
2	Komarudin, M. N., Nugraha.,	Research conducted found that the importance of financial literacy because it has an impact on financial behavior and financial

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	Hardadi, D., & Pasha, R. (2020).	management.
3	Husna, N., & Luthfi. (2022).	The results showed that high financial experience can affect family financial management. This means that the better the experience supported by his knowledge, the better his financial management. In this case, income has no impact on financial management behavior. However, income weakens the influence of financial insights on family financial behavior. So that with a high level of financial knowledge, eating improves financial management behavior.
4	Ikhsan, S., & Susdiani, L. (2022).	This research shows that financial well-being is influenced by financial management practices. So that the better the financial management carried out, the welfare of the retirement family will increase.
5	Ramadhanty, G., Rochim, M. A., astute, P., & Leon, F. M. (2022).	In this study, it was found that retirement plans are influenced by financial attitudes, financial behavior, and moderated by gender. Good knowledge of the right pension plan by the company helps in the welfare of employees, especially when entering retirement.
6	Ristati., Zulham., & Sutriani. (2022).	This research can be concluded that financial knowledge positively affects the behavior of financial management. So it can be interpreted that financial management behavior is influenced by financial knowledge, financial attitudes, and personality.
7	Anugrahani, I. S., Trisnawati, N., > Pradana, A. (2023).	The results showed that the importance of financial planning needs to be understood by every family member. The value of financial planning is trust in what is desired and needed. Thus, this understanding of financial planning means being able to distinguish between wants and needs. The difference in this case is determined by the value in financial planning must meet the SMART criteria (Specific, Measurable, Achievable, Relevant, and Time-Bound). So that financial goals become clear and measurable with various considerations such as resources, time, and energy in trying to achieve them. Goals must also be realistic and relevant to various situations and conditions and value the importance of the financial context to the goals to be achieved. Also keep in mind that goals need to have a clear timeline so that they do not contain challenges and will continue to delay in achieving them.
8	Assyifa, C., & Subagyo, H. (2023).	The results showed that lifestyle affects financial planning. Supported by financial literacy, lifestyle has a significant influence on employee financial planning.

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9	Wang, P. (2023).	Based on the results of the study, it can be concluded that pension fund planning is influenced by financial literacy, financial management, and financial attitudes. Retirement fund planning is a plan that has an important position in financial management so that retirement is more prosperous and there is no need to think about finances. Pension fund planning is related to financial literacy because with insight into financial management, it can manage its finances well. This means that financial management is one of many factors that are important in retirement fund planning activities.
10	Yulfiswandi., Eric., Lukito, I., Gest, R., Kelvin., & Lee, A. (2023).	Based on the research that has been done, it can be concluded that pension fund planning is influenced by financial management. Thus, financial management is one of many factors that affect retirement fund planning. So that the better the financial management, the better the financial planning of the pesiun fund.

Financial statements show success in personal financial management. Most individuals do not have financial statements due to lack of discipline in recording various expenses and evaluating the source and allocation of funds. So this is the weakness in controlling finances. Even though the importance of financial statements because they play a role in financial guidance. The financial check-up needs to be done to find out the condition of the problem or something that has the potential for financial health problems in the future. Checking financial health makes you aware that mistakes in various financial decisions are taken. This financial health check can also help in checking understanding of financial literacy and behavior (Yuliani et al., 2021).

Financial behavior helps a person in regulating his financial activities directly, especially in making decisions about money, both at the level of individuals, companies, and in financial markets. The presence of financial behavior marks an individual's step in action when faced with financial decisions. Some people also view financial behavior as a theory in psychology because it relates to how emotions and cognition affect investor behavior (Renata &; Saputra, 2021). This also needs to be supported by financial knowledge, the low level of financial knowledge related to financial activities, may have long-term effects (Harahap et al., 2022).

Financial management behavior refers to the actions and decisions taken by individuals or households in organizing, managing, and utilizing their financial resources. This includes the way individuals or households create budgets, manage debt, invest money, and take other financial decisions (Fauzi et al., 2023). Good financial behaviors, such as saving regularly, investing wisely, managing debt well, and making smart purchasing decisions, are important steps toward achieving financial freedom. The steps that can be taken to achieve financial freedom according to Afaf & Yendrawati (2021) are as follows:

1. Have a clear personal finance plan. Planning various allocations for the use of personal funds to achieve financial goals.

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2. Have no debts. This means adjusting consumptive behavior with income, distinguishing between needs and wants, using funds only for urgent things.
3. Having an emergency fund, in contrast to savings. Emergency funds are used when urgent and unexpected things happen.
4. Have a share of investments that are expected to have profits in the future.
5. Has properties that produce. Property that produces is property obtained from investment in the form of physical property.
6. Own and manage passive income. This means that the income earned without working a job.
7. Development of self-potential. This process begins with recognizing one's superiority and setting life goals. Financial freedom means not only achieving wealth, but also the ability to manage finances well in the long run.

Financial freedom is a condition where individuals can freely use their money to fulfill their lifestyle. Individual financial freedom also helps in managing macroeconomic balances related to seeing the potential for stable demand (Sumantyo et al., 2021). Individuals who have achieved financial freedom can balance the use of money with their income. This means that it has been able to manage its finances healthily. Thus, financial security in retirement has been guaranteed, and already have an emergency fund for various possibilities that will occur in the future, including the loss of family members or wealth. For this reason, the importance of insight and its implementation in personal finance so that it can achieve financial freedom (Silaya, 2020).

In order to achieve financial freedom, good financial planning is necessary. Make money quickly so as to save time to be used for other things you want. Financial freedom is also measured by its financial health, meaning that it is clear the use and purpose of its financial use (Zaki et al., 2023). Financial planning according to the Financial Planning Standards Board (FPSB) Indonesia is a process in achieving individual life goals by carrying out well-planned financial management. Various life goals such as preparing funds for education, for retirement, to own a house, and inheritance for the family. The importance of financial planning is because financial planning can drive and measure achievements (Rusmardiana, 2019).

Financial planning strategies for young families to achieve financial freedom in retirement by considering financial risk as a moderation variable involve a planned and disciplined set of actions. These steps include: first, developing a realistic family budget and saving regularly to build an adequate emergency fund to protect against unexpected events; second, allocating funds for diversified long-term investments, such as mutual funds, stocks, and property, taking into account the family's risk profile and financial goals; third, pay attention to insurance protection that covers life, health, and assets, in order to reduce unexpected financial risks; and fourth, periodically review and adjust financial plans to changing family situations and goals, while considering financial risk as a moderating factor influencing investment decision making and fund allocation. By following this strategy, young families can build a strong financial foundation to achieve financial freedom in retirement, while minimizing the impact of possible

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financial risks. Thus, based on the results of the systematic literature review that financial planning strategies have a significant influence on financial freedom in retirement.

Financial risk is inevitable in a series of business activities and transactions (Sriwahyuni &; Hamid, 2023). Financial risk is an additional risk imposed on ordinary shareholders as a result of the decision to obtain funding through debt (Marfuah &; Murti, 2018). Financial risk is also defined as the financial loss of consumers; due to the misallocation of investment, mismatch between prices and products obtained, unwisdom in spending goods, and the possibility of products needing repair or replacement. Including consumers lose their money because they buy incorrectly. When losing money is an important consideration, financial risk is said to be high (Hakim, 2019).

Thus, financial risk plays an important role in moderating young families' financial planning strategies to achieve financial freedom in retirement. In such planning, a deep understanding of financial risks, such as investment market fluctuations and economic uncertainty, becomes a key factor in determining appropriate asset allocation and portfolio diversification. By carefully considering risks and implementing appropriate protection strategies, such as insurance and emergency reserves, young families can mitigate the potential impact of market fluctuations and unforeseen events, thereby increasing the likelihood of achieving desired financial freedom in retirement.

CONCLUSION

Financial planning strategies have a significant influence on financial freedom in retirement. In this study, it was found that individuals who apply financial planning strategies wisely and disciplined tend to have sufficient savings and investments to meet their financial needs when entering retirement. This shows that with proper budget management, smart investment selection, and good debt management, one can achieve adequate financial stability in retirement. Thus, this study confirms the importance of planning finances systematically to achieve financial freedom in retirement and reduce the risk of financial instability in old age.

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