

A matter of time

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Have you ever wondered about why some people plan for retirement and other people don't?

We've been asking ourselves that question at the University of New South Wales, and we've been having a look at some interesting ideas around how people focus on the past, the present or the future – their Time Perspective – and how it influences their retirement behaviour.

Before reading further, it might be a good idea for you to better understand your own Time Perspective by [completing the Time Perspective survey](#). Just pause the video for a minute or so, go away and do the survey and then come back...

... So, by now you've completed the survey and you know a little bit more about your own Time Perspective.

What is time perspective? Two researchers, Zimbardo and Boyd, came up with the idea that people's behaviour in a whole range of different domains – everything from risk taking to health behaviours to how you drive and how long you'll wait in a queue – can all be explained in terms of Time Perspective.

According to Zimbardo and Boyd, there are five different time perspectives – past negative, past positive, present hedonistic, present fatalistic and future.

Let me explain to you a bit about what each of these are. I go in to a lot more detail [in my paper](#) – so read the definitions in it, and see how they're fully applied.

When we talk about those with a past negative Time Perspective, they are generally people who like to focus on things that went wrong in the past. They'll ruminate about past events, they'll be focused a lot on what's happened in the past and they'll find it difficult to talk about the future and move forward.

People who are past positive and think about all the things that went right in the past. Everything they look at is through rose coloured glasses. It

doesn't matter how things work out, they'll always have a very positive recollection of it.

Then there are people who are present fatalistic. They think that what they do doesn't matter, that everything is down to fate and they can do very little to influence outcomes.

Present hedonistic people like to live for the moment. They're not really thinking about the future, they're thinking about the here and now, having a good time and enjoying themselves.

Then there are the future focused people who are planning everything. They're planning their families, their careers, where they live and, unsurprisingly, they're planning for retirement.

So – how do all of these different Time Perspectives influence behaviour and how stable are they?

This is a really interesting question because up until recently, we thought it would be easy to get someone who is focused very much on the past to think more about the future.

We tracked people over 18 months – you can read about the sample that we used in the paper. In the survey, we tested people three times over 18 months and what we found was that Time Perspective was very stable over time. Most of the variance in people's behaviour could be explained by their Time Perspectives. What I mean by that is, those people who are past negative stayed past negative throughout the 18 month period. And it didn't matter what happened during that period. There were lots of things that would have changed in their lives and these could have been quite dramatic events but they didn't change their Time Perspective. It was relatively stable across time.

This leads us to believe that Time Perspective – that is, people's focus on the past, the present or the future – is pretty stable.

It's a difficult thing to change. If you've got someone who is very wedded to the past and likes to talk about the past, it might be really difficult to get them to start thinking about the future by saying things to them like "how much money do you need for retirement?" There'll be a whole lot of reasons why they might not want to plan relating to what's happened to them in the past.

While one of the important findings from the paper is that Time Perspectives remain stable over time, we also wanted to understand how this influences planning behaviour.

There are some types of Time Perspective for whom you would expect they would be planning – future time perspectives, for example. They're planning everything all the time and retirement is no different. But what about the other time perspectives?

Surprisingly, we found that those people who are past negative were planning for retirement. We think this is because they're trying to avoid past mistakes. They're trying to avoid not just their own past mistakes but past mistakes of people around them. They'll say things like "I don't want to end up like my parents."

Then there are people who are present hedonistic – they're planning for retirement too. We think that's to maintain their lifestyle. They're enjoying the sorts of things they do now – the holidays, dining out, membership for clubs and associations – and so their planning is really about maintaining that lifestyle as they go into older age.

If you have a look at table 3 in the paper, you'll see there that there are some significant relationships for those three but not the other two. So, those who are present hedonistic and past positive are unlikely to be planning for retirement. And this can create a problem. These are the people who have very strong positive associations with the past, everything goes right for them no matter what they do – and those people who are fatalistic think that what they do doesn't matter.

What we would encourage those people to do, after completing their Time Perspective survey, is to focus on the three scores that matter the most. Have a look at their next highest score and focus on either future, past negative or present hedonistic. The main reason being is that we think those other two Time Perspectives (present hedonistic and past positive) just create blockages for them.

Do you really want to sit down with someone and get them to do another survey? It could work with some clients but it may be overkill for others. If you listen hard enough to the sorts of stories that people tell you, you'll be able to hear quite clearly where their emphasis is.

For example, when you're talking about potential new investments, are they talking about the things that went wrong in the past, saying things like "stocks, I don't want to have anything to do with stocks. Stocks have never worked for me. I've lost a lot of money through stocks previously." That could be the sort of example of someone who has a past negative Time Perspective.

You could have a client who says things like "I'm really not interested in planning right now because planning doesn't seem to work for me. I'll just leave things to turn out the way they should. There's a bigger plan in place and I don't need to worry about that." That might be an example of someone with a present fatalist Time Perspective.

Or, there's the sort of person who thinks things will always work out for them in the end. So they'll say things like "I don't really need to worry about that sort of thing, it will all work itself out." That's probably a good example of a past negative Time Perspective.

Future focused people are the ones that come with a list of goals and they've already done their research and they'll sit down and talk to you about what their plans are. They're probably the people that you least need to concern yourself with in terms of getting them to think about retirement planning.

People who are present hedonistic are still planning for the future, but they'll be saying things like what they've done over the weekend, what they'll be doing in the short term, where they'll be spending their holidays and the sort of things they want to make sure that they put money aside for.

Time Perspective is a different way of looking at why some people plan for retirement and others don't. If you're not taking the time to try to identify the Time Perspective of a client, you could be trying to deliver a result for someone using your own Time Perspective – that just because you're future focused in your own Time Perspective, you're expecting everyone else to be similar.

Listening to client's stories, understanding whether their focus is on the past, the present or the future, will be a great way to gain better insight into your client but also your relationship with your client and how you communicate with them.

[Read "A Matter of Time: Why Some People Plan for Retirement and Others Do Not"](#)



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