

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

COLLEGE OF HUMANITIES AND SOCIAL SCIENCE

SCHOOL OF BUSINESS

KNUST

**FINANCIAL LITERACY AND RETIREMENT PREPAREDNESS: A CASE STUDY OF
WORKERS AT TAKORADI TECHNICAL UNIVERSITY**

SAMUEL BOAKYE AMOAKO

(BSC. ACCOUNTING)

A THESIS SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE,
KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, SCHOOL OF
BUSINESS IN PARTIAL FULFILLMENT FOR THE AWARD OF

MASTER OF SCIENCE IN ACCOUNTING AND FINANCE

DECEMBER 2020

DECLARATION

I hereby declare that this submission is my own work toward the award of the Master of Science in Accounting and Finance and that to the best of my knowledge, it contains no material previously published by another person, nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

Samuel Boaky Amoako

(PG PG7221219)

.....
Signature

.....
Date

Certified by

Kwadwo Ankomah

(Supervisor)

.....
Signature

.....
Date

Certified by

Dr. Daniel Domeher

(Head of Department)

.....
Signature

.....
Date

DEDICATION

I dedicate this thesis to my mum Mad. Vida Adjei for her constant encouragement to climb the academic ladder I hope this will complete her joy. I also dedicate this to my kids Samuel Kofi Amoako and Salem Kwabena Amoako, I hope this would challenge them to achieve more in life.



ACKNOWLEDGEMENT

First of all, I would like to express my gratitude to Almighty God for enabling me to achieve this academic milestone and completion of this thesis on Financial Literacy & Retirement Preparedness. Successful completion of any milestone requires help from several persons and for that, I convey my gratitude to the KNUST Institute of Distance Learning for the opportunity to pursue my master's degree program. I also thank my thesis supervisor Mr. Ankomah, without his direction and guidance this project would have been unsuccessful. I would also like to thank my friend Mr. Michael Appiah for his help on this project. Also big thanks to my colleagues (group study mates) for their immense help in and out of the lecture room and on this project.

Last but not the least, my profound gratitude goes to my supportive wife Mrs. Salomey Amoako for her constant support through my pursuit of this academic milestone and this project.

ABSTRACT

The main objective of the study was to assess the financial literacy and retirement preparedness of this study was to examine the effect of financial literacy on retirement planning among workers in the Takoradi Technical University of Ghana. The study adopted quantitative research approach. The main populations would comprise the workers at the Workers at Takoradi Technical University. Primary data was the main source of data for the study. Structured questionnaires were used to obtain primary data. SPSS version 23 was utilized for the data analyses. The study found a significant difference between respondent's financial knowledge and having a retirement plan. There was significant difference between respondent's household expenses and having a retirement plan. This suggests that decision to have retirement plan rather varies on house hold expenses. There was significant no difference between having bank account and having a retirement plan. There was significant difference between number of time respondents reconcile their bank activities and having a retirement plan. There was significant no difference between having personal budget and having a retirement plan. The study found no significant difference between respondent's gender and having a retirement plan. The study concludes that public universities workers have working knowledge on financial literacy which could be enhanced. The study therefore recommends that the university's workers should be educated through workshops/seminars to enhance their academic curriculum financial literacy in their current financial status. The level of workers knowledge on finances was moderately low as noticed from the study's results, which restricts them from taking critical financial decisions. The university must assist workers in acquiring foundational skills that will improve on their financial wellbeing and hence financial literacy education must be treated as a dynamic construct.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
ABSTRACT	v
TABLE OF CONTENTS.....	vi
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ABBREVIATIONS.....	xi
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Problem statement	4
1.3 Objective of the Study	6
1.4 Research Questions	6
1.5 Significance of the Study	7
1.6 Scope of the study	7
1.7 Research Methodology.....	7
1.8 Limitation of the study	8
1.9 Organization of the study	8
CHAPTER TWO	9
LITERATURE REVIEW	9
2.1 Introduction	9
2.2 Overview of Constructs.....	9
2.2.1 Financial Literacy.....	9
2.2.2 Savings and expenditure.....	11
2.2.3 Money Management.....	12
2.2.4 Investment	13
2.2.5 Retirement Preparedness	14
2.2.6 Historical Background of Pensions in Ghana	16
2.3 Theoretical Review	18
2.3.1 Behavioural finance Theory	18

2.3.2 Prospect Theory.....	19
2.3.3 The Life Cycle Theory	20
2.4 Empirical Literature Review	21
2.5 Conceptual Framework	26
CHAPTER THREE	27
RESEARCH METHODOLOGY.....	27
3.1 Introduction	27
3.2 Research Design.....	27
3.3 Study Population	28
3.4 Sample Size and Sampling Technique	28
3.5 Instrument of Data Collection.....	29
3.5.1 Pre-test of Questionnaires	29
3.6 Data Analysis	30
3.7 Ethical Considerations of the Study.....	30
3.8 Reliability of the Data Collection Instrument	31
3.9 Validity of the Data Collection Instrument	31
CHAPTER FOUR.....	32
DATA PRESENTATION, ANALYSES AND DISCUSSIONS	32
4.1 Introduction	32
4.2 Demographic Information	32
4.3 Financial Literacy.....	37
4.4 Retirement Planning.....	44
4.5 Savings towards Retirement.....	45
4.6 Financial Preparedness.....	46
4.7 Asset Acquisition	47
CHAPTER FIVE	51
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	51
5.1 Introduction	51
5.2 Summary of findings.....	51
5.2.1 Workers knowledge in finance and retirement planning decision	51
5.2.2 Level of financial preparation towards retirement	52
5.2.3 Level of financial literacy	52

5.2.4 Avenues through which financial literacy and retirement planning can be improve.....	53
5.3 Conclusions	53
5.4 Recommendations	53
5.4.1 Recommendation for future studies	55
REFERENCES	56
APPENDIX.....	59

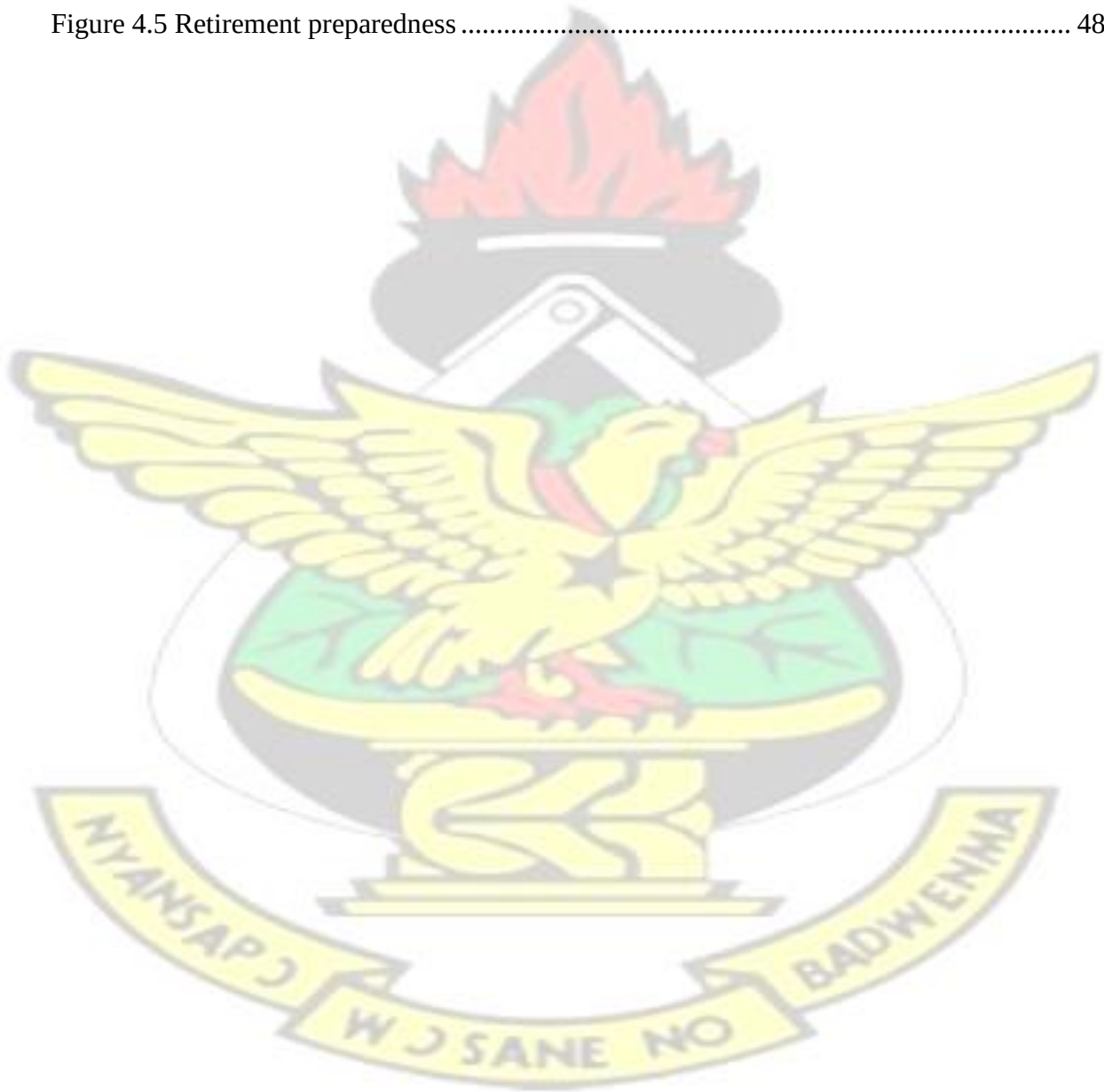


LIST OF TABLES

Table 4.1: Demographic Characteristics	32
Table 4.2: Corporation having Option of early Retirement.....	35
Table 4.3: Early Retirement Option	36
Table 4.4: Reasons for early Retirement Option	36
Table 4.5: Covering household expenses	38
Table 4.6: Tracking bank accounts.....	38
Table 4.7: Frequency of reconciling with bank activities	39
Table 4.8: Personal budget help	40
Table 4.9: Frequency on keeping track on household bills	40
Table 4.10: Money in account after GHC200 on 10% interest rate for 2 years	41
Table 4.11: Awareness of existence of financial instruments	42
Table 4.12: Purchasing financial instruments.....	42
Table 4.13: Financial Literacy.....	43
Table 4.14: Risk Reaction	44
Table 4.15: Retirement Planning	44
Table 4.16: Savings towards Retirement.....	45
Table 4.17: Financial Preparedness	46
Table 4.18: Asset Acquisition	47
Table 4.19: Association between Retirement Plans and Financial Knowledge	48
Table 4.20: Association between Retirement Plan and Socio-Economic Characteristics.....	49

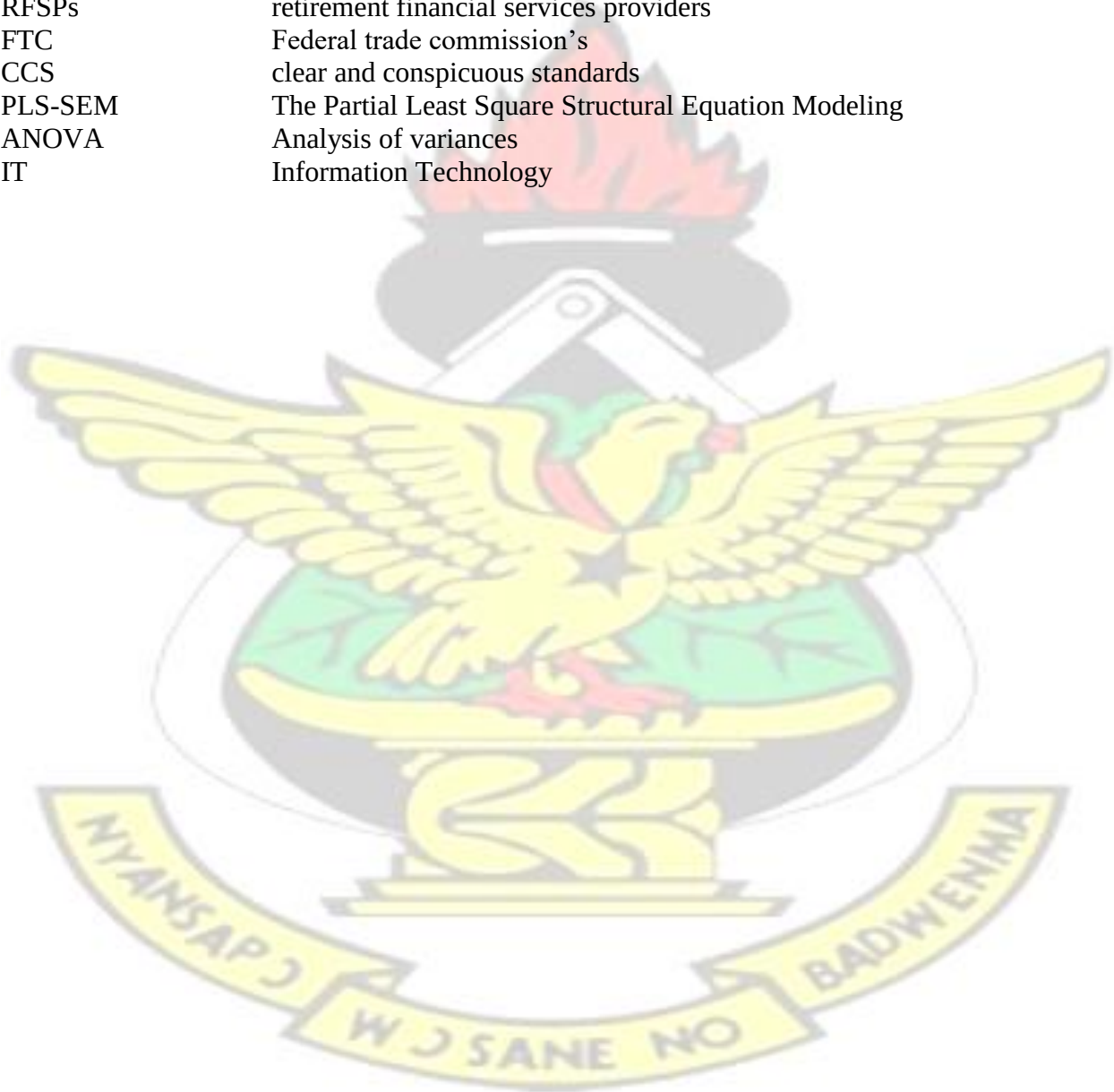
LIST OF FIGURES

Figure 2.1 Conceptual Framework	26
Figure 4.1 Seminar/workshop attendance on retirement planning	35
Figure 4.2 Personal Finance Literacy can help.....	37
Figure 4.3 Personal Budget	39
Figure 4.4 Being able to buy due to 10% interest rate on savings account per year and inflation 12.5% per year	42
Figure 4.5 Retirement preparedness	48



LIST OF ABBREVIATIONS

SPSS	Statistical Package for Social Sciences
OECD	Economic Co-operation and Development
ASIC	Australian Securities and Investment Commission
DCP	Defined Benefit Plan
SSNIT	Social Security & National Insurance Trust
TTU	Takoradi Technical University
RMR	Recurring Monthly Revenue
FINRA	Financial Industry Regulatory Authority
RFSPs	retirement financial services providers
FTC	Federal trade commission's
CCS	clear and conspicuous standards
PLS-SEM	The Partial Least Square Structural Equation Modeling
ANOVA	Analysis of variances
IT	Information Technology



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Unarguably, retirement is an essential life event which is experienced by every individual. Comfortable retirement requires a sensible planning. Retirement Preparedness is one of the essential areas considered by most researchers in contemporary research. It is the process of saving ones' money for the purpose of future use such as spending after retiring from work. Retirement is also an inevitable service to most employees. Many people experience life changes during their lifetime. Transition from work to non-work is one of the main hopes of employees. This is where the individual retires from work or service and stay as non-working individual so that retirement incentives can be enjoyed (Moiseeva et al., 2020; Moray et al., 2019; Aloudi et al., 2017).

According to Moiseeva et al. (2020) retirement planning is the act of saving part of ones' financial resources to serve for future use. Specifically, is the process of making sure that resources are accumulated for future life after one has retired from job career to live a personal life. The non-financial aspect of retirement planning includes everyday choices in life such as choosing where to live or spend time in retirement. Retirement planning plays a vital role in the life of a worker hence the need for the individual to plan for retirement. Retirement planning would help the individual to improve standard of living, become cautious on resource management and also enable the individual improve financial reserves (Saeed et al., 2016; Moiseeva et al., 2020).

Financial literacy as an essential element in financial management has received much attention from various stakeholders including financial institutions, governmental bodies, consumers and

other international entities, for instance the Economic Co-operation and Development (OECD), World Bank and other organizations. In regard of this, various studies have explained financial literacy in different perspectives. Generally, financial literacy is ones' ability to manage financial resources in efficient manner (Australian Securities and Investment Commission (ASIC), 2003; Adam et al., 2018). It can also include the knowledge, skills and abilities possessed by the individual towards financial management (Salleh et al., 2020).

Recent extant literatures suggest that there are numerous studies on the relationship between financial literacy and retirement preparedness. For instance, Salleh et al. (2020) investigated the retirement concerns in Brunei and how financial literacy contributed in managing those concerns. The paper classified 700 government workers under Contribution Plan (DCP) workers (retiring in 10–15 years to come), DCP workers (retiring in next 20–30 years) and Defined Benefit Plan (DBP) workers (retiring in the next 10 year). The findings established that the comparatively younger DCP class was more liable to be financially educated relative to senior groups.

Again, Kumar et al. (2019) explored the existing literature on women's financial planning for retirement using sample of 151 articles established in various peer-reviewed journals published from 1980 to 2017. Inadequate financial literacy among women and their post-retirement vulnerability to poverty were revealed in almost all literature regarding women's retirement financial planning. After a thorough assessment, socio-demographic factors, psychological constructs, financial literacy, economic and circumstantial forces were suggested as key factors of women's retirement financial planning.

More recently, Tan et al. (2019) evaluated the Malaysian government officials comprising 320 workers incorporated in the Putrajaya and Kuala Lumpur administrative centers of the Federal Government to ascertain the level of financial literacy, financial behavior and retirement planning behaviour and its complexities among them. The results indicated that financial literacy is high to some extent, strong financial conduct while behavior in retirement planning exhibited was poor however, education and personal income had a positive impact on financial literacy.

In Ghana, retirement age is said to be the age of sixty and fifty-five years. At this age government expects the worker or employee to exit work for retirement. Exiting from profession implies that one would not work for the rest of lifetime which means there should be retirement resources for the worker. Workers normally rely on the mandatory tier 1 and tier 2 pension contribution funds for personal finances. However, it has been proven that retirement monies financed by the government is woefully inadequate for lifetime retirement. This compelled the Government of Ghana to implement the National Pensions Act, 2008 (Act, 766) to help create reform in the Ghanaian Pension System & Administration system to help promote retirement funding. This initiation was administered by the Social Security & National Insurance Trust (SSNIT) with the main goal of improving retirement income security.

However, the challenges facing the Tier 2 Occupational Pension Scheme Management and by SSNIT with the Tier 1 Management makes very critical to predict the performance of the pension pay system. In effect, most workers adopt some strategies to make sure that they maintain their retirement income security so that less reliance can be given to the government's system plan for retirement income. This is sometimes done undertaken profitable projects and

other beneficial initiatives. Prior to this, study deemed to assess retirement planning extent among workers in Takoradi Technical University so that one can denote whether financial literacy and retirement planning is sufficient Takoradi Technical University employees. The main objective though is to evaluate workers' level of financial knowledge and skills on finance and how it affects their financial decisions and retirement plans.

1.2 Problem statement

Financial decision plays a significant role in the lives of individuals. Most people make financial decisions without consulting financial experts. Having financial knowledge is very essential for achieving efficiency in ones' financial resources. Financial literacy helps individuals to manage their financial resources efficiently and by so doing they are able to achieve value for money and adequate expenditure. It is observed that, people who have less knowledge on how to manage ones' own monies end up wasting their resources thus accumulates higher deficit rates (Lusardi Tufana, 2015).

Financial literacy has several benefits and advantages for both individuals and organizations. Individuals with higher financial knowledge are able to make effective decisions with relate to their resources. Significantly, people with higher financial knowledge are able to plan well with their resources than individuals with little financial knowledge. Such financial literate individuals plan and save for their retirement stage (Abreu, Mendes 2010; Behrman et al., 2012). Also, investors with financial knowledge are able to create dynamism in their investment processes. Financial literacy is therefore important in the financial decision-making process of individuals

as it helps individuals with financial resources to make effective financial plans including retirement planning (Oppong-Boakye & Kansanba, 2013; Mireku, 2015).

Adam et al. (2018) explored retirees' gender difference in financial literacy in Ghana. Pearson χ^2 and independent sample t-test were adopted to test the data collected from 334 respondents (183 males and 151 females) using financial literacy questionnaires which included respondents' general knowledge on budgeting, use of automated teller machine, time value of money, account types, cheque handling and insurance. According to the results of the nominal scores, males were successful in financial literacy than females thus they were found efficiently with 7 of the 10-scale made to measure financial literacy, with only 3 for the females. The χ^2 test revealed that only inquiries made on interest loan assessment among the males were relevant.

Lusardi and Mitchell (2007, 2009); Andrade, Bazelaïs and Das (2014); Bucher-Koenen and Lusardi (2011); Uppa (2016); and Arrondel, (2014) explained that, financial literacy is one of the essential criteria that helps the individual increase transparency, efficiency and effectiveness in financial management. The authors further opined that, people who are financially wise would plan for retirement, make proper planning before utilizing resources.

Inversely, an individual with financial literacy might not have the capacity to plan for retirement which could affect the standard of living of the individual should financial crisis occur. In Ghana, most studies on financial literacy and well-being have been focused on only the youth and young adult (Lee, 2017; Farrar et al., 2018; Tan et al., 2019; Kumar et al., 2019). Although, there have been studies on financial literacy and retirement planning yet there is less literature on

financial literacy and retirement preparedness in Universities in Ghana. In light of this, study deems to explore financial literacy and its effect on retirement preparedness.

1.3 Objective of the Study

The broad objective of the study is to examine the effect of financial literacy on retirement preparedness among Workers at Takoradi Technical University (TTU). The sub objectives are as follows:

1. To examine the level of financial literacy among TTU workers in the Takoradi metropolis.
2. To examine the level of financial preparation of TTU workers towards retirement.
3. To determine how the university workers knowledge in finance influences their retirement planning decision.
4. To determine the avenues through which financial literacy and retirement planning can be improve among TTU workers.

1.4 Research Questions

1. What is the level of knowledge of TTU workers in some fundamental financial concepts?
2. What is the level of financial preparation of TTU workers towards retirement?
3. What effect does financial knowledge have on TTU workers retirement planning decisions?
4. What avenues and channels are available to TTU workers to learn or improve their financial knowledge?

1.5 Significance of the Study

The study will contribute significantly to the following primary stakeholder; workers at the university Level specifically TTU workers, financial management advisors, Ghana Education Service and the minister of finance and economic planning particularly management of Social Security & National Insurance Trust. Moreover, the study will assist teachers and policy makers in decision making processes regarding financial literacy programmes implementations. Furthermore, the financial institutions with the aid of this study will be enabled to device best strategies to reduce students default rate and possible future bad debts. The results of the study will inform the finance directorate the worker's level of financial literacy knowledge and related effects on their financial decision-making processes. With such knowledge gathered from this study, the management of financial institutions can device appropriate mechanisms that can better serve the purpose of both themselves and the traders at large. Finally, the study shall serve as reference source to future researchers in financial literacy.

1.6 Scope of the study

There are contextual scope, geographical scope and time scope of this study. Contextually, the study to examine the effect of financial literacy on retirement preparedness among Takoradi Technical University workers. Geographically, the study will focus on Takoradi Metropolis of Ghana.

1.7 Research Methodology

This study will adopt quantitative research approach to examine the effect of financial literacy on retirement preparedness among Workers at TTU. The main populations would comprise the

workers at the Workers at Takoradi Technical University Campus. Primary data would be the main source of data for the study. Structured questionnaires would be used to obtain primary data. SPSS version 23 would be utilized for the data analysis. Validity and reliability of the instruments would be ensured. All ethical issues would be professionally handled. The following analyse would be performed; frequency, means, standard deviations, Chi-square test of association. The results would be presented using tables and charts.

1.8 Limitation of the study

As previously reported no single study is without blemish. In terms of study sample size, 150 workers in Takoradi Technical University would be selected which is considered relatively small given the size of Takoradi Technical University. The study would be limited since the researcher was unable to cover all the workers in the University. Also, study would be limited in terms of finances. Since the researcher was self-employed, income would be very critical for carrying out the study. Despite this, study would be successfully undertaken in that there is no negative impact on validity, purpose and findings of the study.

1.9 Organization of the study

The study was grouped into five main chapters. Chapter one dealt with the background of the study, problem statement research objectives, significance, research questions, scope and limitations of the study. Chapter two embodied the literature review of the various concepts and theories. Chapter three covered the methodological approach used in carrying out the study. Chapter four also covered the data analyses and presentation and Chapter five provided the summary of findings, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter offers assessment of similar studies. The chapter has been grouped into four main section, thus overview of construct, theoretical review, empirical review and the conceptual framework were the identified and described issues in this section.

2.2 Overview of Constructs

2.2.1 Financial Literacy

The experience and knowing the concept of money in essence, how many is made or extracted, used, and saved, and also as the functionality to control decisions with monetary resources can be referred as financial literacy from the dictionary of accounting. The chosen topic presents an overview of the capabilities of a person to control his or her personal affairs financially in an effective technique, and it entails the view of creating vital requirement in terms of finance in their opinion such as developing in terms of investment, coverage, real estate, college payments, budgeting, pensions and planning of taxes.

The notion financial literacy of an economy is discerned by means of the growth of the economy, as within the growing world financial literacy might be viewed by folks who know how to use complicated financial instruments and products such as derivatives, bonds, shares, fiscal structures, and credit card utilization are recognized fundamental safe money, shrewd, account borrowings, and budgeting. Financial literacy has been described in much paperwork by various researchers, Mandell, (2008) in his analysis called out that the capability to evaluate new

equipment of finances issued as complicated and also make decision uninformed in the two choices and expand the usage

OECD (2005) indicated that a combination of purchaser/investor understanding of and the capacity and trust of economic products to measure monetary risks and opportunities, create informed decisions, realize where to source for assistance, and accept other efficient activities to their successful financially also can be termed as financial literacy. A person with financial understanding is known to be socially knowledgeable (Hilgert, Hogarth and Beverley 2003). Lusardi and Mitchell (2007) regard financial education as a comprehension of the greatest essential economic reasons to make meaningful selections on lending and expenditure. Monetary literacy is likewise described as ponder on equity literacy by Lusardi and Tufano (2009). RMR (2003) as well illuminated financial literacy as "the ability to make informed selections on the use and control of cash." FINRA (2003) supposed that "the expertise of enterprise values, tools, organisations, legal guidelines amongst usual shareholders" can be termed as financial literacy.

For persons and businesses the perception of financial literacy is applicable. The personal income taxes need to be understood; the perception of budgeting has to be understood, to make sure that we are able to make correct selections with cash. Those skills are decisive, however many people do not have this fundamental knowledge and hence cannot reach their everyday costs. Aluodi et al, (2017) of their studies stipulated on three ideas thus, financial literacy, financial well-being, and also interest of finance which demonstrated that financial literacy said to be better can cause a well-being of a superior finance. Sabri, cook, & Gudmunson (2012) revealed that social alphabetization had a considerable effect on the monetary welfare of learners. Financial literacy is consequently vital to gain financial well-being. In a review

measuring economic literature, Huston (2010) tested that a person with a monetary background is unable to show needed behaviors or improve monetary prosperity due to some elements. Such influences can revolve from behavior / cognitive distortions, issues of self-control, household, financial system, society and organizational variables.

2.2.2 Savings and expenditure

The practice of retaining or storing a quantity of cash for future choices or use is named as saving (Atkinson and Messy, 2012). The idea of saving devalues certain limit of money that cannot be used within the purchasing of goods and services but also stored for a time period or allowed to grow in terms of investment within a specific organization for use in the future. In investing, the character stands a likelihood of losing or gaining greater of his or her fund from the business. In a precise, the practices of saving are especially performed because of a concern or recognizing the needs of an individual in particular. For instance, an individual may save with the aim of purchasing a wish or needed item such as telephone, vehicles, fridge and other similar items in the future. Moreover, saving allows a character benefit a bonus by means of becoming free or mindless when there is a financial disaster in the economy and in effect the person has a tendency to be financially well or independent.

With this notion, a person may not have the thought of borrowing fund from financial corporations like banks, microcredit and other loan lending groups or any individual. In effect, it encourages the person to truly make payments physically on each item that's been bought. With the act of savings independently, there may be a habit or mind-set of saving personally than also saving for a corporation. There are numerous ways a man or woman can save: for instance purchasing of stocks from agencies, partnering with savings groups and clubs and other methods

which could boost saving. The impact on saving and monetary learning was investigated by Lusardi where both the illiterates and literates as probed. In his investigation, it was uncovered that either the literates or the illiterates have the same rate for saving. Financial savings is performed at a minimum rate from the earning of both groups. William-Harold & Smith (1999) revealed that several individuals are affected with the management of money which few of the individuals are affected to interact in banking. A study performed to see the expenditure flow of a certain individuals which consist of 102 married couples been inquired collectively and definitely on food areas and every day expenses, expenditures in the course of leisure times and regular rate revealed that, in terms of records men do interact themselves in the economy compared to the women, and on the other hand, higher consumption of income are from the women and in finally it shown that women devour more of the personal income.

2.2.3 Money Management

Capuano & Ramsay (2011) suggested some vital competence that can be obtained from financial literacy: basics of money, saving and planning, borrowing and literacy of debt. In terms of association, cash fundamentals are identified with the knowledge, strategy or skills and summary demanded for the reckoning on habitually basic. In this context, examples may also consist of numeracy and skills existed in money management. The exceptional options thus the numeracy, permit individuals to evaluate the cost that could be appropriate for themselves.

Moreover, calculation is showed to play a significant role in saving and budgetary effect. Better numeracy was related to higher own family wealth and large financial selections, whilst meager numeracy was associated with inutile cost (Van Rooij et al., 2012). Money management abilities are suffering from three essential elements: fiscal manage, a decent way to live and financial

management. Financial running is primarily based on budgeting, record retaining and the coaching of daily operating and payment costs.

A person's capability to count on and cure times whilst budget is low can be referred to as “making ends meet”. This also includes regulating the capacity to sustain expenditure. Budgeting and living within few supports to mitigate vain expenditure. An urgent acquisition by way of money and insurance; monetary scheduling mentalities; pension recycling and controlling; and saving and managing of predicted expenditure can be illuminated as financial savings and planning (Atkinson and Kempson, 2004). The adaptation of weak economical friendly strategies enables’ households or corporations to fulfill or meet their financial obligations by smartly scheduling and allocating belongings or price range to the finest benefit (Mwangi & Kihui, 2012).

2.2.4 Investment

The act of adding resource materials into businesses with the reason of accomplishing a beneficial advantage or earnings in the future to come for options can be called investment (Brealey et al, 2011). In the context of investment, it could be performed in several means and they may comprise: buying and selling in foreign money with local currencies, proudly owning stocks, investment within a business, stock and properties with the intention of gaining an extensive range of profit after a time period. Asamoah (2012) showed and added the truth that younger people understand more than aged people concerning financial savings. The studies also found that men have greater expertise of equity than ladies. Investments in businesses’ purchase of stocks, and so forth, with strong expectation of gaining yields in the closest future are the premise of the principles of investment.

Fatoki (2014) measured the level of financial literacy via a survey, extract from learners inside a company or a non-business of organization universities in the province of Gauteng and Limpopo in South Africa and indicated that the rate financial literacy affects character's financial selections, in particular on the subject of the money, bonds, pension plans or belongings choices. This assessment was surveyed or performed in South Africa. It was appeared by means of many individuals that, money is the definite foundation or the core factor of pension finances (Russell & Stramoski, 2011).

2.2.5 Retirement Preparedness

Retirement planning is the process of gathering financial data, lifestyle information and insight into the three major activities at retirement: leisure, volunteer work and full or part-time paid work. Retirement preparedness is considered an ongoing process of setting aside resources and time so as to provide income at old age with the goal of not just survival but also social inclusion and preservation of human dignity (Keizi, 2006). It requires an individual to analyse current financial situation; identify future financial need, compute the gap and fill by creating asset allocation plan through saving that will generate regular income upon retirement. This process therefore if well planned and carefully executed ensures lots of financial security, peace of mind, relaxation and gain of sense of control over the future (Kapoor, Dlabay, & Hughes, 1994). Several studies have suggested different ways to measure preparation for retirement including; proximity (Atchley, 1976; Stawski et al. 2007), pre-retirement involvement scales (Evans et al., 1985), knowledge of retirement issues, retirement fund calculation and retirement savings (Helman & Paladino, 2004). Using income replacement rate, Yuh, Montalto, and Hanna (1998) described retirement preparedness as the ability to maintain the pre-retirement level of

consumption with retirement resources measured with the income replacement rate. The ratio indicates whether retirees can maintain a reasonable approximation of their pre-retirement consumption level. Mutran, Reitzes and Fernandez (1997) also measured retirement preparedness by use of questions addressing several topics such as discussing retirement with others; reading about retirement; attending a pre-retirement program, lecture, or seminar; and calculating retirement expenses and income. Lusardi and Mitchell (2008) on the other hand indicate that retirement planning can easily be measured by asking how much respondents have thought about retirement. Equally, Van Rooij et al (2011) relate the amount of thought one has given to retirement to actual and planned saving behaviour and conclude that people who spent more time thinking about retirement are also more likely to plan for future savings.

The understanding of superannuation as a focus of the superannuation expenses, charges and assertion, mutual and obligatory existence of the extra worker and spouse responsibilities was defined by Worthington (2008). Insurance permits people to swap threat through charging a premium now so as to avoid a bigger fall at a next date. Insurance costs are affected by a completely unique behaviour. A heightening obligation put on personal staff to address their pension earnings requires them to have suitable knowledge of finances and investments.

A study was undertaken within the towns of Netherlands, and in the conclusions the researcher demonstrated that people with the understanding concerning finances are more interested about their plan after retirement (Rooij et al, 2011). Irrespective of the reality that men have greater financial competencies than women, pension is observed to be an extraordinary motion of existence (Grace, et al. 2010). Often men ignore the prerequisite to set up a pension and for this reason end them up in the equal level of ineptitude as their women counterparts. Further, they showed a great connection with weak financial techniques and pension scheduling. Numerous

studies have discovered that financial literacy and retirement planning are strongly related to this (Lusardi & Mitchell; 2011 Arrondel et al., 2013).

2.2.6 Historical Background of Pensions in Ghana

In Ghana pension was actually approved as a scheme with the mindset of helping old civil workers, and was illustrated as a non-contributory scheme legitimately in Ghana. In 1995 also, the scheme was known as “CAP 30” with the extension of including approved teachers. At some point of the same duration both private firms of trading as well as commercial firms had been manipulating schemes of funds, in a way that gained benefits from the trade were used to pay personnel at their stage of retirement (Adjei, 1999). An obligatory scheme for saving was approved in 1960 which was apprehended to be the first to aim at designing a scheme for social security, nationally.

As a replacement for all previous schemes aside from employees who are already captured by “Cap 30” Scheme, a social security Act of number Act No. 279 was introduced in 1965. The presentation of Act was advanced to all for implementation. Thus, implementing the policy if your firm has five or above workers or employees. During and after January 1st, 1972, the scheme was able to include almost all of the civil or government workers been employed within that period. Furthermore, civil servants who were member of the “Cap 30” scheme were given the opportunity to join the schemes of social security or nevertheless continue to be in the scheme. At a rate of 5% for the workers with a rate of 12.5% additionally for the organization, with total of 17.5% on the salary of workers month-to-month, the rate of contribution was retained with respect to the NRCD. 2% out of the total of the contribution was issued for life

insurance and also Unemployment. Merely, 15.5% was left in the account of participants as an effect.

There was a conversion from the prudent fund scheme of social security to a pension scheme with the promulgation of social security law (P.N.D.C.L. 247) as at 1991. A proposal was made to enforce an agent of trust called SSNIT which as suggested by way of the social safety law (1991), with the role to regulate the pension scheme of the state. Inasmuch as 1991, the trustee thus SSNIT were adjusted in numerous forms and as last the prevailing SSNIT we have. In the monitoring that every worker in the country gain a welfare for retirement whilst their time period of office is ended, a brand new National Pension Scheme was applied by using the National Pension Act of the, Act 766 that once more introduced on 12th December, 2008. A three-tier or steps of pension Scheme was hooked up by the Act. It became aware that, the three-tier or steps secured all workers involving both employees in the private and public sectors. And essentially it was a choice for the self-employed to agree on. So that it will assure the safety of the pension funds and to acquire a standardized number of hints and norms in the management of the system, this scheme offers pension benefits to its employees.

The lowest input duration in general or 15 years will be 180 months. The system is a minimum generation of 15 years and the new entrant's maximum generation is forty five years. Employees had reached the age of 55 years and more were exempted from new scheme before Act 766 was introduced, but yet they were included in the participation of the scheme. Almost every pension device in the country is contained in the system. The Act excluded officials and people of the Ghana Army from the 1992 Constitution classifications of individuals, for example Commissioner for Elections, Commissioner of the CHRAJ, Chief Justice, and more. The

management of the scheme for pension is identified to be in threetiers or steps and they encompass;

The First Tier: The initialstage of social security for all Ghana employees is the basic national system for social security. It is a designated reward system and compulsory for employees to get hold of 13.5% of their parents' donations on their account. This input is due within 14 days after the month had begun. The National Health Insurance Authority for the coverage of the member is sent 2.5% out of 13.5% yearly. SSNIT is in charge for the input.

The Second Tieris a specific due occupational pension scheme that is needed on the premise of employees with 5% input. Approved and certified trustees' regulate their input autonomously or on their very own. The sum of lump is set to the pensioners out of this scheme.

The Third Tier comprising all the provisioning funds and all other pension funds outside Tier I and Tier II which is an obligatory scheme. The Act offers the workersfour (4) varieties of benefit issued under the SSNIT scheme, which depends on the emergency. Superannuation, pension of ancient era, invalidity, lump sum of the survivor, emigration benefit do exist.

2.3 Theoretical Review

Here, the reviewillustrated the recommended theories, which includes; behaviour finance theory, prospect theory and life cycle theory.

2.3.1 Behavioural finance Theory

The Behavioural finance attempts to clarify and increase understanding of investments'thinking habits, inclusive of their intellectual processes and their influence on decision-making. The growingsector of behavior finance probes cognitive variables and mental affairs that have an

effect on humans, organizations, and firms in their choice making methods. Behavioural finance is a manner to recognize how prices manipulate the securities markets no matter corporate actions, corporate cultural and psychological principle with financial theory. The psychological tendency to guide financial habit is authorized by using institutional conduct. Lusardi and Mitchell (2014) trusted the usual judgment in terms of calculating the lengthy-term yields from assets as unlikely and also due to the lack of trust in their very own judgment. Primarily based on the actuality that financial savings and investment are critical economic choices, this study indicates that investment conduct depends on different traits that are not surely judged by the decision-maker. The demographic and economic variables are the ones attributes. This study therefore tried to assess the moderating impacts of demographics on monetary retirement planning. This principle was used to evaluate the impact of financial literacy on retirement planning since it offers comprehensive knowledge on the issues established in the study.

2.3.2 Prospect Theory

The theory of Prospect claims that individuals assume more closely concerning injury suffering than satisfaction of equivalent earnings. Unfortunately it is sentiment following errors. By reluctant to buy stocks that have declined rates and are organized to purchase for those that have value, investors put off regret. Further, the losses that organizations should have avoided seem to be even more regrettable. This concept is a psychologically practical solution to expected utility theory, designed by Daniel Kahneman and Amos Tversky, teacher of psychology in 1979. Prospect concept refers the attitude of the person, consisting of guilt aversion and loss aversion (Kahneman, 2003). In keeping with Kahneman (2003), one great element of the prospect theory is that the subjective framing of the end result or operation by the financial agents affects their

expediency. The existing studies explored the decision-making between current utilization and future usage profits. The study reviewed the measuring results of economic considerations on the relation of financial literacy and pension economic readiness that have notified the precise goal of the study. This principle was used to evaluate the impact of financial literacy on retirement planning since it presents accurate understanding on the issues raised within research.

2.3.3 The Life Cycle Theory

Ando and Modigliani (1963) designed the life cycle principle with the view that, financial literate individuals commonly are rational and proactive in buying activities, which includes consuming much less to make certain there is balance between profits and purchases. They ensure that provisions are set up for financial savings with a view to achieve an opportunity even when profits fall (after retirement). By means of reaching that, the person is able to retain higher standard of living during the person's life cycle. The life cycle principle was used in this study to facilitate in giving explanation for the motives for people's decision making towards savings and investments. Additionally, study discussed the effect of financial factors on individuals' financial planning for retirements. More, this concept was utilized to assess the influence of financial literacy on retirement making plans since it gives vivid knowledge on the problems heightening in the study. By making use of this principle, it enable the author to give detail on the intents for people choices on financial management, particularly when it comes to financial planning for retirement.

2.4 Empirical Literature Review

Adam et al (2018) explored retirees' gender distinction in financial literacy in Ghana. Pearson χ^2 and independent sample t-test have been employed to analyze the data extracted from 334 respondents (183 males and 151 ladies) adopting financial literacy questionnaires which protected respondents' general understanding on budgeting, use of automated teller machine, time value of money, account sorts, cheque usage and insurance. Per the outcomes of the nominal scores, males had been a hit in financial literacy as compared to female as a result they had been discovered effectively with 7 of the 10 questions asked to measure economic literacy, with just three for the women. The χ^2 test discovered that only inquiries made on interest loan appraisal among men were applicable. In step with the independent sampled t-test, a huge gap was mounted amongst males and females; however males appeared as greater impactful. As a result, computation of females must be severely considered in choice taking to clear up gender differences in financial literacy.

Salleh et al (2020) probed the retirement issues in Brunei and how financial literacy impact on handling those issues. The paper categorized seven hundred government employees under Contribution Plan (DCP) workers (retiring in 10–15 years yet to come), DCP workers (retiring in subsequent 20–30 years) and Defined Benefit Plan (DBP) employees (retiring within the next 10 years). The significant correlation was analyzed through adopting Pearson's chi-square test and logistic regressions. The results revealed that the relatively younger DCP category was of higher liable to be financially educated comparative to senior groups, but at this point in time these respondents were more interested in depending on private ownership. In addition, the significance of financial counseling is factored in identifying the quantity to be invested for retirement and in preserving more pension fund. The paper ought to support policymakers to

reflect on strategies for reinforcing the level of financial counseling and imparting sound information in the assessment of the quantity needed for retirees.

Kumar et al (2019) reviewed the prevailing literature on women's financial planning for retirement approving sample of 151 articles mounted in diverse peer-reviewed journals published from 1980 to 2017 in the study. The paper defined its relevance by measuring the publishing activities of the selected papers relying at the year of publication and location, citation evaluation, study methods, data collection strategies and conclusions. Poor financial literacy among girls and their post-retirement susceptibility to poverty were indicated in nearly all literature concerning women's retirement financial planning. After an intensive investigation, socio-demographic elements, psychological constructs, financial literacy, economic and circumstantial forces had been cautioned as the driven forces of women's retirement financial planning.

Lee (2017) measured the retirement financial services providers (RFSPs) business websites operation and their conformity with modern formulated and organized regulations within 2013-2015 using a quantitative method. Federal trade commission's (FTC) clear and conspicuous standards (CCS) were explored to uncover procedures over the 3-year period. This study assessed the rate of financial literacy packages issued on the websites of 164 RFSPs over a 3 year period. The paper discovered that RFSPs have been regularly presenting information about the disclosure via their medium to made customers become aware. Even though there had been troubles with the delivery of the content despite the FTC's visibility recommendations, numerous reforms were made in line with the proximity of disclosures. Moreover, just a quarter of the general RFSPs on their websites ensure correct techniques and services to successfully help in the improvement and renovation of essential financial literacy and good judgment. Subsequently,

financial services companies, regulators, activist corporations and policymakers ought to address various levels of financial literacy practices and support media-extensive deliberation and debate of retirement interests and subjects, whilst encouraging the apparent and visible gathering and sharing of financial information and data.

Tan et al (2019) evaluated the Malaysian government officers involving 320 employees inclusive in the Putrajaya and Kuala Lumpur administrative centers of the Federal Government to check the level of financial literacy, financial conduct and retirement planning habit and its complexities amongst them. The data were collected via questionnaire method. The Partial Least Square Structural Equation Modeling (PLS-SEM) in smart-PLS was included to check the reliability and validity of the extent of financial. Results demonstrated that financial literacy in high level, positive financial behavior whilst habit in retirement planning showed was negative however, education and personal earnings had a high quality effect on financial literacy. Nevertheless, financial literacy was not influenced by age and gender of officials; had no connection with retirement making plans; and had no mediating influence on financial habit and retirement planning connection.

Farrar et al (2018) focused on two-stage logistic regression model understand the factors of retirement planning behavior. A dataset of 516 UK retirement-age women and men was set to explain interdependencies amongst gender, retirement preparation, and financial literacy, contemplating mind-set and expectation variables. Results confirmed the adversely rates of planning amongst women, but it was determined that financial literacy was not notably connected to planning. Similarly, as behavioral and expectation variables are used as independent variables, gender statistically insignificant as a preparation determinant. The paper

discovered the extensively prescribed interventions geared toward excelling financial literacy by way of handling movements that could have moderate effect. Besides, the findings favored initiatives (by government, the financial services industry, and employers) to provide correct counseling on the pension climate, which include pension entitlements and regulatory adjustments, to the pre-retirement society.

Saeed et al (2016) mentioned the effect of social and financial issues on life after retirement of educational body of workers of public sector universities. Convenient sampling approach was used as the primary device to accumulate primary data from a pattern of 254 public educational universities' staff. Descriptive evaluation and factor analysis was employed. T-test and ANOVA were used to check the organize variations among diverse demographic characteristics with social and financial elements. In accordance the results from the regression assessment, post-retirement planning was extremely influenced by financial affairs. It was observed that several retirees tend to invest greater in gold, highly-priced metal and real property investment. The paper showed insignificant correlation amongst socio-demographic variables (including gender and marital reputation) and social and financial elements. But, universities and employment status significantly have an effect on social and financial elements while age and month-to-month salary had no enormous correction.

Aloudi et al (2017) measured how financial literacy impacts employee retirement plans in the Kenyan insurance sector. The paper was explanatory study and the respondents were included using stratified proportionate random sampling technique. ANOVA and Pearson correlational evaluation were employed to test data extracted via questionnaires. Also, multiple linear regression and multinomial logistic regression were involved to check the hypotheses. Findings confirmed that financial literacy had no tremendous contribution to retirement preparedness. The

paper confirmed that due to adequate accessibility of diverse financial services and products among the employees inside the insurance agencies, they make smart financial choices to improve their retirement confidence. The study outcomes would enable policy makers to broaden and undertake adapted literacy strategies that not arithmetically measure standard financial selection-making but as well in particular on long-term financial preparation. These structures might additionally motivate workers to make extra financial savings and spend, in addition to incentives posed by their job surroundings.

Moray et al (2019) recognized the demographic factors and behavioral biases which have an effect on the Millennials' monetary planning. Employing the Retirement WellnessRanking, retirement planning of the Millennials' investing habit within the IT industry was tested. Logistic regression evaluation was conducted to evaluate the chance that the Millennials had been prepared for retirement with the primary goal of showing the correlation among the simple variable. A model was developed to verify the Millennials' preparedness for retirement such as their demographic variables and dominant bias presence. It was discovered that maximum of the Millennials were underprepared for retirement in the IT organisation. Elements influencing Millennials' education were: marital status, number of financial dependents, incidence of prevailing prejudices of remorse avoidance, overconfidence, and many others., which posed a limited chance of preparation for retirement, however the longer the period of service before retirement, the excessive profits, the high percentage of annual donations to the retirement pool, the more the possibility of preparation for retirement by Millennials.

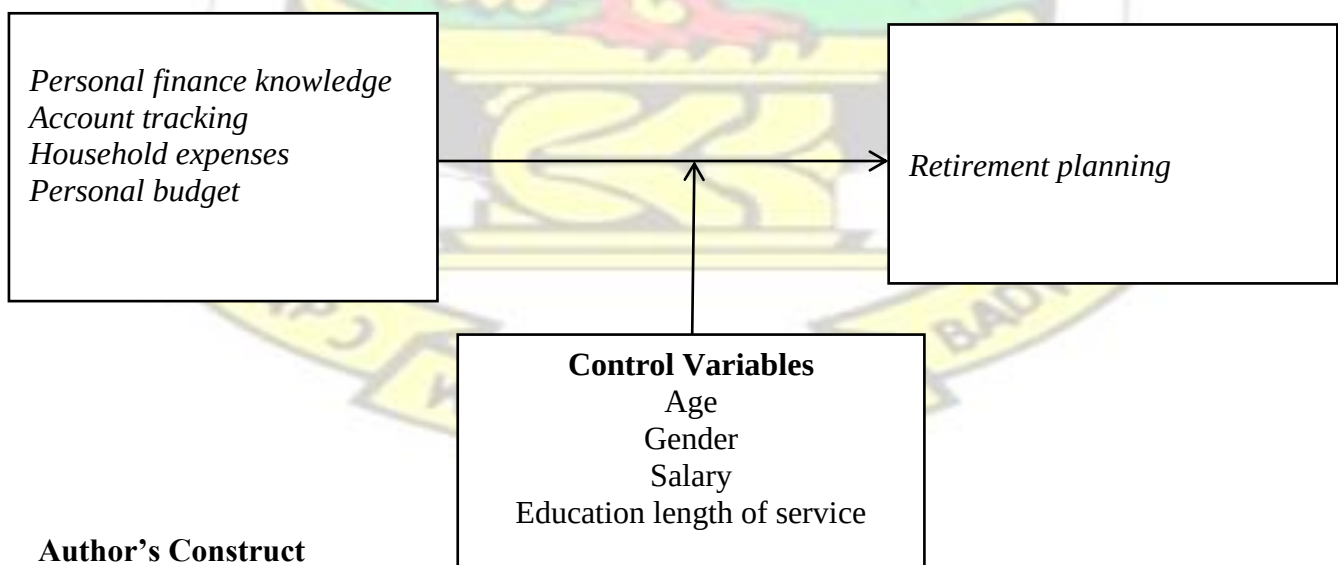
Moiseeva et al. (2020) demonstrated the peculiarities of modern Russian pensioners' economic conduct. The paper presents an overview of the research on selected topics by foreign and Russian scientists. The sample of the analysis was mainly folks who were pensioners and on the

pre-pension age residing in Volgograd. On the materials of the All-Russian analysis, the identification of the peculiarities of monetary conduct amongst pensioners was undertaken through correlating the answers to the twogroups' questions: "pensioners" and "non-pensioners". Comparative evaluation was performed to pinpoint the significant variations. It wasrevealed that Russian retirees were not a homogenous group in terms of financial pastime, literacy and is drastically distinguished through financial behaviour models. In order to ensure that retirees are accurately involved in educational packages that improvefinancial literacy, it is essential to make certain that those services are taken into consideration.

2.5 Conceptual Framework

In this concept, the framework attempts to illustrate and examine the impact financial literacy has on planning of retirement. The traits of financial literacy is the important determinant which entails know-how of financial work tools and accounting for advantage of pensions, as depicted in the figure below,

Figure 2.1 Conceptual Framework



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the overall methodological approach of the study. It focused on the research design, population target for the study, the sample size, data collection method, data analysis and data reliability and validity as well as ethical considerations.

3.2 Research Design

Descriptive research design was adopted as it seeks to determine the effect of financial literacy on retirement planning among TTU staff. Descriptive research design according to Cooper and Schindler (2003), is used to find out about who, what, where, why, and how of a phenomenon and also utilizes elements of both quantitative and qualitative research approaches. This design is preferred because it is able to give detailed information about a situation that is in existence and it facilitates description of trends, attitudes or opinion of large groups and thus, enable the study achieve its objectives. On the basis of research strategies survey design was employed. A survey involves a process of obtaining information from section selected from a survey through self-report, thus the sample of people provide answers to questions that have been formulated by the researcher with regards to the topic under study (Polit and Hungler, 1999). The effects of the study were to be estimated through numerical means hence this led the researcher to utilize the above research methods.

3.3 Study Population

The population of a study according to Saunders et al (2007) is the full set of cases from which a sample is taken. It is the collection of all possible individuals, objects or measurement of interest (Mason et al, 1999). According to Creswell (2003) a population is defined as inclusions of all constituents (individuals, objects and events) that have the required characteristics needed for a particular study. For this study, the population consists of all staff of Takoradi Technical University Campus. TTU is a one of the public universities in Ghana. TTU has staff population of about 3500 of which 968 are teaching staff and 2532 are non-teaching staff.

3.4 Sample Size and Sampling Technique

To ensure that all levels of employees are represented, the study used stratified random sampling technique. According to Mugenda and Mugenda (2003), stratified sampling technique is advantageous since it enables variability within strata to be minimized in case of heterogeneous population. Thus, the goal of stratified random sampling is to achieve the desired representation from various sub-groups in the population. Stratified sampling technique has the advantage allowing the use of different sampling techniques for different subpopulations, hence, improves the accuracy of representation. The population was stratified into different job groups from which a sample size of 150 employees was selected.

Population Sub Groups	Sample Size
Senior Members (Teaching Staff)	30
Senior Members (Non-Teaching Staff)	30
Senior Staffs	30
Junior Staffs	30
Casual Staffs	30
Author's Compilation	

3.5 Instrument of Data Collection

Questionnaire was utilized as a suitable method for gathering information for the research study which was designed to cover major aspects of financial literacy and retirement planning, including general knowledge in savings and borrowing, investments, and insurance, was used to collect the data. The questionnaires were tailored to directly respond to the variables raised in the specific objectives of the study. The idea of the questionnaire approach was used to enhance confidentiality among respondents in order to create a comfortable atmosphere for answering of questions to be comfortable. The researchers employed questionnaires in order to make analysis very accurate and an easy process. And therefore a sample of a large number was used at a very low cost for the study. Questionnaires have unique features in terms of administration since it is very quick and accessible thus it gives respondents more ease and make answers provision so unique and hence analysis is done without complications. Researcher adopted and modified the questionnaires from previous studies to suit the established objectives of the study (Osei-Mensah, 2015, Nuerter, 2015).

3.5.1 Pre-test of Questionnaires

Pre testing of instrument was performed in this study. The purpose of the pretest conducted in the study was to measure the understanding of variables used in the questionnaires to ensure face validity of the collected data instrument is achieved in the study. The pretests determines the accuracy of the information gathered for the analysis and also makes visible the errors that were in the data and hence the researcher is able to make corrections as well as get rid of inappropriate data.

3.6 Data Analysis

Data analysis is the most vital process that is involved in a research study. Sullivan (2001) suggested that quantitative data analysis comprises statistical approaches used to, codify, analyze and summarize the data to obtain proper definition for the topic under study. For further analytical processes the researcher reduced the data collected therefore the data was manipulated into an appropriate structure and edited to enhance its quality. Completeness, accuracy and consistencies were achieved through the process of transforming data into meaningful information. Data were analysed through Statistical Package for Social Sciences (SPSS) version 23.0 software and Microsoft Excel. The following analyses were performed; frequency, means and standard deviations. The results were presented using tables and charts.

3.7 Ethical Considerations of the Study

Ensuring that there were no contradictions on the ethical issues was very necessary. The researcher strictly obeyed the ethical rules through the following measures: The research designed questions that were convenient to prevent respondents from feeling embarrassed when administering to the questionnaires. In ensuring confidentiality, respondents were properly guided by the researcher and hence kept their identities secured from a third party. Data derived were properly handled with maximum confidentiality. Maximum tolerance was assured since respondents were made to answer questions willingly. A great deal of circumspection was exercised in the entire research period by means of seeking participants' views before distributing the questionnaires to them.

3.8 Reliability of the Data Collection Instrument

According to Polit and Hungler (1999), the level of consistency in the ability of an instrument to measure what it was intended to measure is known as reliability. Erroneous information was highly reduced to accurate information through reliability test conducted in a study. The researcher's acted as the administrator to ensure that the questionnaires were standardized as well as possessed same characteristics of the entire participants such as ensuring friendliness and prevent being partial. Privacy, confidentiality and general physical comfort were made available in the physical and psychological environment where questionnaires were distributed to participants. Confidentiality was achieved since names of respondents were not required on the questionnaires they administered to.

3.9 Validity of the Data Collection Instrument

The validity of an instrument refers to an amount of measurement intended for a specific instrument in measuring variables with exceeding its measurable capability (Polit and Hungler, 1999). Content validity refers to the level to which an instrument validates variables under study. Questions generated for the study were derived from the literature review to serve the purpose of representing the knowledge respondents seek for. Consistency ensured in the questionnaires was made possible through content validity. The researcher purposively distributed the questionnaires to participants. Simple language was used to design the questionnaires to give a clear meaning of the questions. Guidelines were provided for those who had issues in reading and hence researcher was available during the administration processes (Creswell, 2003).

CHAPTER FOUR

DATA PRESENTATION, ANALYSES AND DISCUSSIONS

4.1 Introduction

The chapter outlines analyses and discussions of the study based on the main purposes of the study which was fundamentally to assess the financial literacy and retirement preparedness. Overall, 175 questionnaires were shared using the google forms out of which 150 useable feedback was received representing 85.7% response rate. The chapter has been grouped according to the various section; demographic, financial literacy, retirement planning, savings towards retirement, financial preparedness and asset acquisition. The analyses comprised of frequencies, percentages, means, standard deviations and chi-square test of association.

4.2 Demographic Information

Table 4.1: Demographic Characteristics

Demographics	Frequency	Percentage
Gender		
Male	90	60.0
Female	60	40.0
Age		
Below 24 years	9	6.0
25 - 30 years	27	18.0
31 - 34 years	29	19.3
35 - 40 years	34	22.7
41 - 44 years	30	20.0
45 - 50 years	21	14.0
Length of Service		
Less than 5 years	35	23.4
6 - 10 years	52	34.7
11 - 15 years	38	25.3
16 years and more	25	16.7
Level of Education		
Certificate / Diploma / HND	30	20.0
First Degree	30	20.0
Master Degree	38	25.3

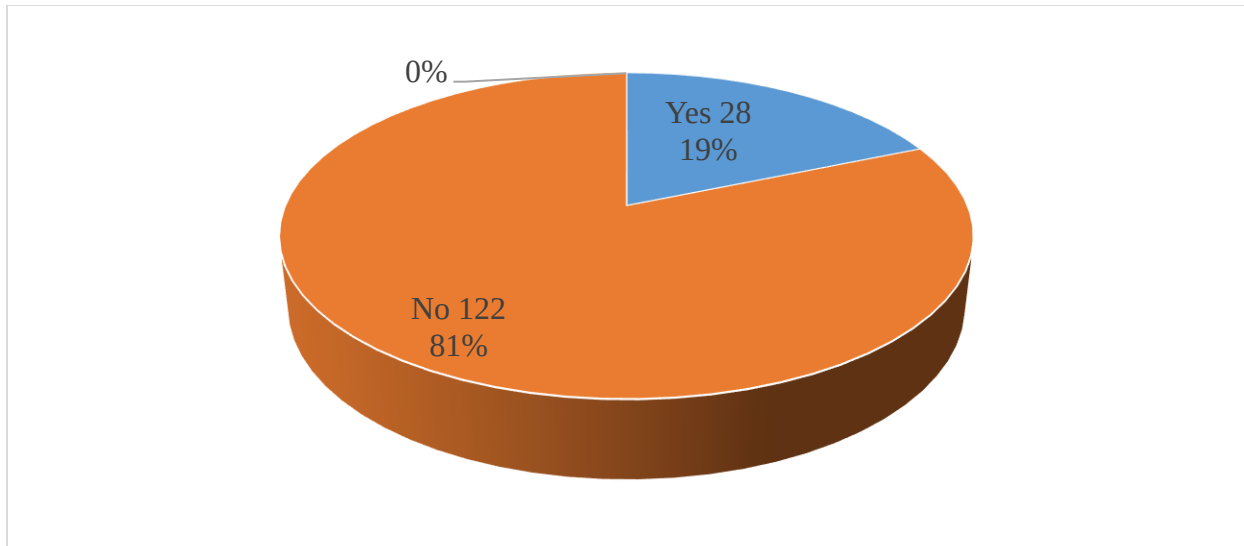
BECE / SSCE / WASSCE	12	8.0
PHD	16	10.7
ICAG/ ACCA/ Other Professional Certificate	24	16.0
Current Status		
Senior Member	61	40.7
Senior Staff	36	24.0
Junior Staff	35	23.3
Casual Staff	18	12.0
Role in the University		
Teaching Staff	25	16.7
Non-Teaching Staff	125	83.3
Salary range		
Under GHS 400	1	.7
GHS 400 - GHS 1499	34	22.7
GHS 1500 - GHS 4999	63	42.0
GHS 5000 - GHS 14999	39	26.0
Above 15000	13	8.7

Source: Field Data, 2020

Table 4.1 presents the demographic characteristics of the respondents. The results from the study showed that the male respondents were the majority, i.e. 60% of the total respondents and the females were 40% of the total respondents. Based on the findings from the table, the larger number of the total respondents which is corresponding to 22.7% of the total respondents were falling within the ages of 35 to 40 years, 30 of the respondents corresponding to 20.0% of the overall respondents were between the ages of 41 to 44 years, those of the respondents who were falling within the ages of 31-34 years were 29 of the respondents which is corresponding to 19.3% of the overall respondents, 27 of them too which is corresponding to 18.0% were of ages ranging from 25-30 years, 21 of the respondents corresponding to 14.0% of the total respondents were aged between 45 to 50 years and the remaining 9 respondents corresponding to 6.0% of the overall respondents were below 24 years of age. The study found out that majority of the respondents (34.7%) had serve for between 6 to 10 years, 25.3% of them as well were within their 11th to 15th years of their services in the institution, 22.7% of the respondents were less than

5 years after they begin their services in the institution whilst 16.8% of the total respondents had serve for 16 years and above in the institution.

With regards to respondent educational qualification, the larger percentage (25.3%) of the sampled respondents were master's degree holders, 20.0% of the sampled respondents were with first degree certification, the respondents with ICAG, ACCA or other professional certificate were 16.0% of the overall sampled respondents, 10.7% Of them as well were holding the PHD certification whereas only 8.0% of the respondents were having just the BECE certification, SSCE or WASSCE. The study discovered that majority (40.7%) of the respondents were senior members, 24.0% of the respondents too were senior staff, the percentage of junior among the sampled respondents were 23.3% and the remaining 12.0% of the total respondents were casual workers. Again, almost all of the respondents (83.3%) which is equal to 125 of the total respondents were non-teaching staff whilst the remaining 16.7% which is equal to 25 of the total respondents were among the teaching staff. Also, nearly half of the respondents (42.0%) earned between GHS 1500 - GHS 4999 as their salary, 26.0% of the respondents were earning between GHS 5000 and GHS 14999, 22.7% of the total respondents were earning salary that ranges from GHS 400 to GHS 1499, 8.7% of the respondents were earning above 15000 and the remaining 0.7% of the respondents less than GHS 400 as their salary.



Source: Field Data, 2020

Figure 4.1 Seminar/workshop attendance on retirement planning

Figure 4.1 showed the descriptive results on whether the respondents have ever attended any seminar/workshop on retirement planning for the past two years. The results from the Table discovered that for the past two years, majority (122) of the respondents representing 81.3% of the total percentage of the respondents had not attended to any seminar/workshop on retirement planning whereas few of them (28) representing 18.7% of the total respondents had attended seminar/workshop on retirement planning.

Table 4.2: Corporation having Option of early Retirement

Variables	Frequency	Percent
Yes	127	84.7
No	23	15.4
Total	150	100.0

Source: Field Data, 2020

The study 4.2 was again aimed at identifying whether the corporation where the respondents were working has option of early retirement. As indicated in the Table 4.2 almost all of the respondents (127) which is equivalent to 84.7% were working in a corporation that have option

of early retirement and 16 of the respondents which is equivalent to 10.7% of the total respondents were in a corporation that is without an option on early retirement.

Table 4.3: Early Retirement Option

Variables	Frequency	Percent
Pre-maturely	25	10.0
At the mandatory age	125	83.3
Non-response	10	6.7
Total	150	100.0

Source: Field Data, 2020

The Table 4.3 presents the kind of option that those respondents who were working in a corporation with option on early retirement will go for. The study revealed that majority of the respondents (83.3%) took the mandatory age whilst 10.0% of the respondents too took the pre-mature option.

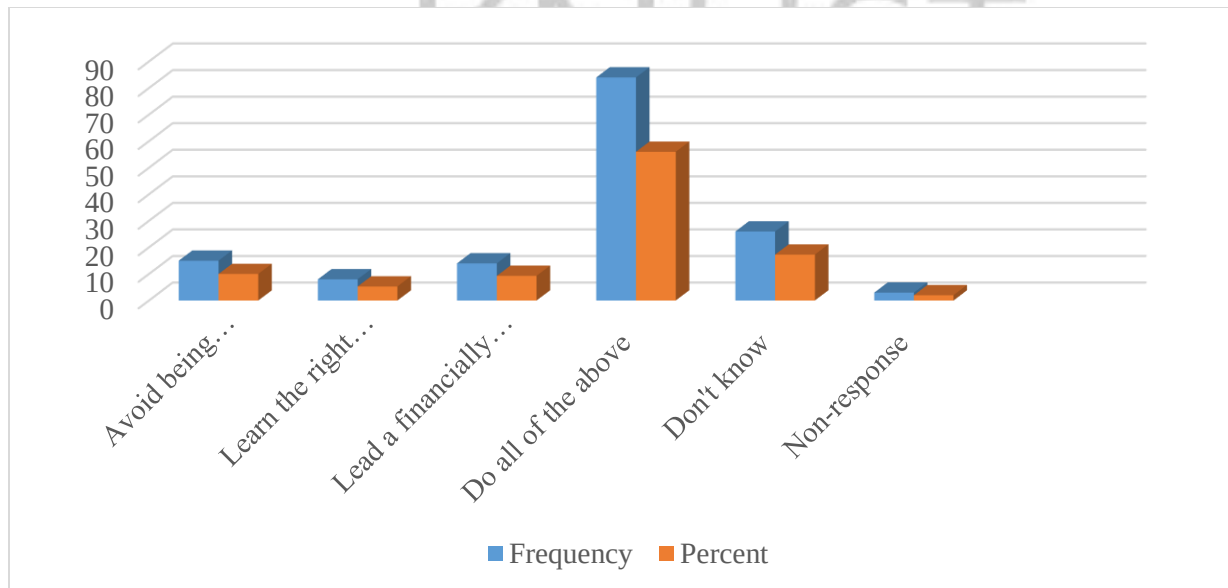
Table 4.4: Reasons for early Retirement Option

Variables	Frequency	Percent
Non-response	145	96.7
I want to make more money	1	.7
More time for my family	1	.7
To adequately prepare before retirement	1	.7
To gather enough money before retirement	1	.7
To prepare well for retirement	1	.7
Total	150	100.0

Source: Field Data, 2020

The Table presents reasons that the respondents gave to support the answers above. Majority (96.7%) of these respondents did not made any indication on this statement, 1 of the total respondents corresponding to 0.7% wanted to make more money, 0.7% of the respondents also wanted to have more time for their family, 0.7% as well wanted to adequately prepare before retirement, 0.7% of them too wanted to gather enough money before retirement and 0.7% of the respondents furthermore wanted to prepare well for retirement.

4.3 Financial Literacy



Source: Field Data, 2020

Figure 4.2 Personal Finance Literacy can help

Figure 4.2 presents the descriptive analyses on how the respondents can be supported through personal finance literacy. The study showed that more than half (56.0%) of the respondents considered that personal finance literacy can help do all the above suggested items, 17.3% of the respondents don't know, 10.0% of them too suggested that personal finance literacy helped them to avoid being victimized by financial scams, 9.3% of the respondents also suggested that it help them to lead a financially secure life through forming healthy spending habits whilst 5.3% of the respondents as well made it clear that personal financial literacy enable them to learn the right approach to invest for your future needs and buy the right kind of insurance

Table 4.5: Covering household expenses

Variables	Frequency	Percent
Very easily	33	22.0
Fairly easily	81	54.0
Great difficulty	23	15.3
Barley	12	8.0
Total	149	99.3
Non-response	1	.7
Total	150	100.0

Source: Field Data, 2020

The Table 4.5 shows how the respondents at the expense financial literacy find it easy in covering their household costs. The survey uncovered that 54.0% of the respondents viewed it as fairly easily in terms of covering their household expenses, 22.0% seen it to be very easy when covering their household expenses, 15.3% of them also considered it to be greatly difficulty whilst 8.0% of the respondents seen it as barley when it comes to covering up their household expenses.

Table 4.6: Tracking bank accounts

Variables	Frequency	Percent
Yes	113	75.3
No	37	24.7
Total	150	100.0

Source: Field Data, 2020

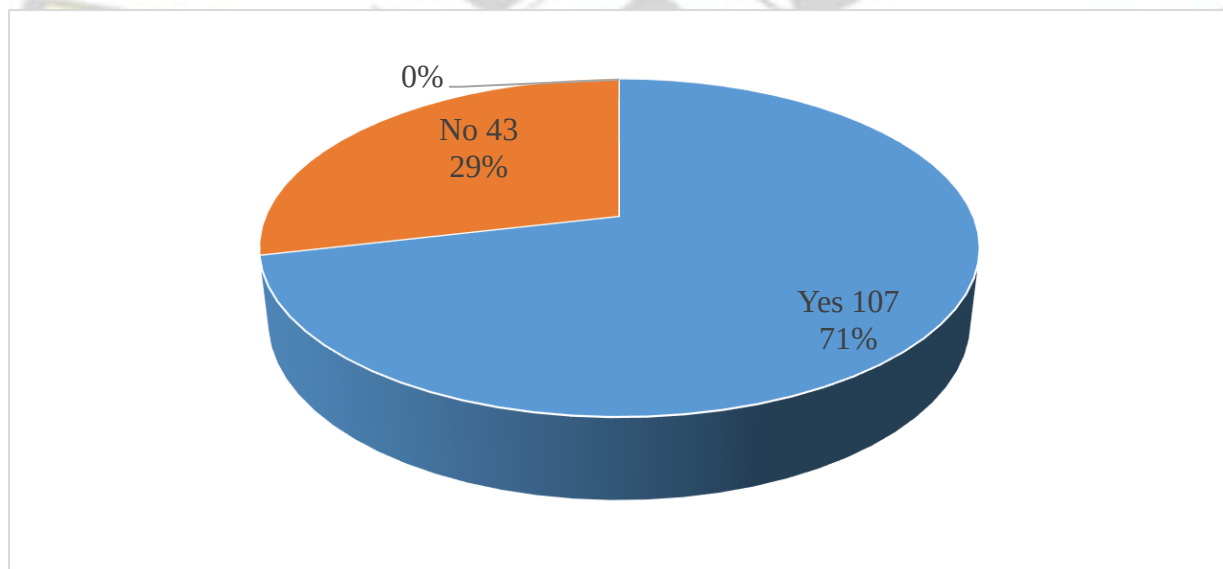
Table 4.6 shows whether the sampled respondents keep track of their bank accounts. Form the results in the Table, slightly above three-third of the respondents (75.3%) which is equivalent to 113 of the total respondents were keeping track of their bank accounts and however the remaining 24.7% of the respondents which is equivalent to 37 of the total respondents were not keeping track of their bank accounts.

Table 4.7: Frequency of reconciling with bank activities

Variables	Frequency	Percent
Weekly	27	18.0
Monthly	52	34.7
Yearly	46	30.7
Never	23	15.3
Non-response	2	1.3
Total	150	100.0

Source: Field Data, 2020

Table 4.7 presents how often the respondents do reconcile with their banking activities. Majority (34.7%) of the respondents, according the findings from the Table, reconcile their banking activities on monthly basis, 30.7% of the respondents also do it every year, 18.0% of them moreover weekly reconcile with their banking activities and however 15.3% had never reconcile with their bank activities before.



Source: Field Data, 2020

Figure 4.3 Personal Budget

Figure 4.3 shows whether the respondents were having their personal budget or not. The study found out that the greater number of the respondents (71.4%) indicated yes they do have personal budget and the remaining 28.6% indicated they have no personal budget.

Table 4.8: Personal budget help

Variables	Frequency	Percent
Allocate future personal income towards expenses	9	6.0
Prioritise your spending	32	21.3
Monitor the sources of your income	10	6.7
All of the above	87	58.0
Don't know	10	6.7
Non-response	2	1.3
Total	150	100.0

Source: Field Data, 2020

The Table 4.8 presents how helpful the personal budget is to the respondents. The study showed that having a personal budget facilitates more than half (58.0%) of the respondents in doing all the stated items, 21.3% of the respondents seen it as a facilitator in terms of prioritizing their spending, 6.7% of the respondents are enabled to monitoring the sources of their incomes as a results of them having a personal budget, 6.7% of them too don't know and 6.0% of the respondents were enabled to allocate their future personal income towards expenses.

Table 4.9: Frequency on keeping track on household bills

Variables	Frequency	Percent
Weekly	30	20.0
Monthly	52	34.7
Every few months	41	27.3
Yearly	14	9.3
Never	11	7.3
Non-response	2	1.3
Total	150	100.0

Source: Field Data, 2020

The Table 4.9 presents the results on how often the sampled respondents keep track of their household bills. According to the results, keeping track of household bills were mostly done every month by majority (34.7%) of the respondents, 27.3% of the respondents also done it every few months, 20.0% of the respondents were usually doing it on weekly basis, whereas 9.3% of

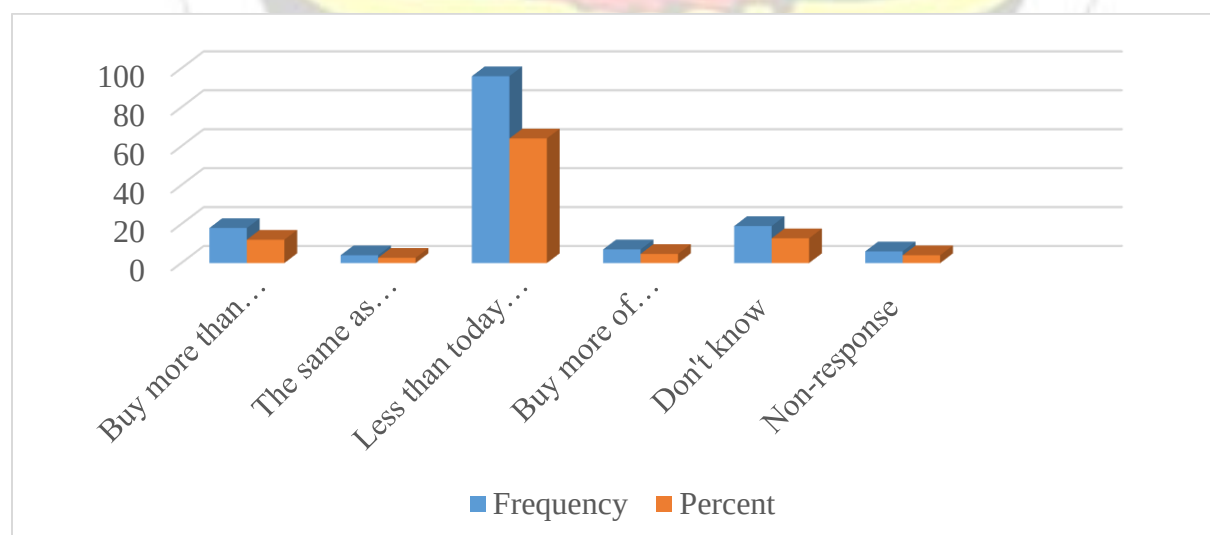
them too were yearly checking their household bills and those of the respondents who had never keep track of their household bills were rated at 7.3%.

Table 4.10: Money in account after GHC200 on 10% interest rate for 2 years

Variables	Frequency	Percent
More than GHS200	117	78.0
Exactly GHS200	4	2.7
Less than GHS200	12	8.0
Do not know	16	10.7
Non-response	1	.7
Total	150	100.0

Source: Field Data, 2020

The researcher was also interested in finding out the total amount the respondents were expecting if they had GHS200 in a savings account with an interest rate of 10% per year and they had keep the money for 2 years in the account without any withdrawal. The results from the table 4.10 showed that, more than three-third of the sampled respondents (78.0%) were expecting to have more than GHS 200 in their accounts, 10.7% of the respondents don't know any about that, 8.0% of the respondents perceived to have less than GHS 200 whereas few respondents (2.7%) were expecting to have exactly GHS 200.



Source: Field Data, 2020

Figure 4.4 Being able to buy due to 10% interest rate on savings account per year and inflation 12.5% per year

Again, the researcher sought to understand how the sampled respondents after one year are able to purchase goods with their account if interest rate on the respondents' savings account was 10% and inflation was 12.5% per year. According to the findings in the figure 4.4, more than half of the respondents (64.0%) were claiming that they will be able to buy less than today with the money in the account after one year, 12.7% of the respondents don't know, 12.0% of them too will buy more than today with the money in the account, 4.7% of the sampled respondents will be able to buy more of some goods and less of others goods and 2.7% of the respondents as well will be able to buy the same as today with the money in the account after a year when the interest rate on their savings account was 10% per year and inflation was 12.5% per year.

Table 4.11: Awareness of existence of financial instruments

Variables	Frequency	Percent
Yes	122	81.3
No	28	18.7
Total	150	100.0

Source: Field Data, 2020

The Table 4.11 presents the findings on whether the respondents were aware of the prevalence of the financial instruments. Based on the findings from the Table, almost all of the respondents (122) which are accordingly 81.3% of the total respondents were familiar with the existence of the financial instruments whilst few of the respondents (28) which is accordingly 18.7% of the total respondents were unaware about the existence of the financial instruments.

Table 4.12: Purchasing financial instruments

Variables	Frequency	Percent
------------------	------------------	----------------

Derivatives	4	2.7
Stocks	25	16.7
Mutual funds	27	18.0
Bonds	7	4.7
Treasury Bills	45	30.0
Hard Currencies	5	3.3
None	33	22.0
Non-response	4	2.7
Total	150	100.0

Source: Field Data, 2020

The researcher also was interested to knowing whether those of the respondents who are familiar with the financial instruments' existence had ever partaken in any financial instrument and the kind of such financial instrument they bought. The results in the Table 4.12 showed that treasury bills is the most financial instrument that majority (30.0%) of the respondents had buy, 22.0% of the respondents had never buy any financial instrument, 18.0% of them too had purchased the mutual funds, 16.7% of the respondents also had purchase the stocks as a financial instrument, 4.7% of the sampled respondents had partaken in purchasing financial instruments by purchasing bonds whereas 2.7% of the respondents had buy the derivatives.

Table 4.13: Financial Literacy

Statements	Mean	Std. D
I know how to calculate interest on my investments	3.29	1.53
Investing in the stock market by buying a wide range of stocks and shares can help to reduce risks	3.12	1.30
Investing in ordinary shares yields a higher long term growth as compared to treasury bills	2.91	1.28
Treasury bills is a zero risk investment	3.62	1.38
I use financial knowledge to make personal financial decisions	3.47	1.33
I understand investment options for pension schemes	3.07	1.23

Source: Field Data, 2020

Table 4.13 presents the descriptive analyses on how the respondents can be supported through personal finance literacy. The study showed that more than half (56.0%) of the respondents considered that personal finance literacy can help do all the above suggested items, 17.3% of the

respondents don't know, 10.0% of them too suggested that personal finance literacy helped them to avoid being victimized by financial scams, 9.3% of the respondents also suggested that it help them to lead a financially secure life through forming healthy spending habits whilst 5.3% of the respondents as well made it clear that personal financial literacy enable them to learn the right approach to invest for your future needs and buy the right kind of insurance.

Table 4.14: Risk Reaction

Variables	Frequency	Percent
Avoid risks	48	32.0
Take risks to a less extent	33	22.0
Take risks to a moderate extent	34	22.7
Take risks to a large extent	22	14.7
Take risks to a very large extent	13	8.7
Total	150	100.0

Source: Field Data, 2020

The researcher moreover was interested to knowing how the respondents see their selves, i.e. whether they classified themselves as fully prepared to take risks or trying to avoid taking risks. The results from the Table 4.14 showed that majority of the respondents (32.0%) were trying to avoid taking risks, 22.7% of the respondents were taking risks to a moderate extent, 22.0% of them were taking risks to a less extent, 14.7% of the respondents too were taking risks to a large extent whilst 8.7% of the respondents were fully prepared to take risks to a very large extent.

4.4 Retirement Planning

Table 4.15: Retirement Planning

Statements	Mean	Std. D
I have made my retirement plan	3.01	1.38
I can calculate benefits due to me on retirement	3.08	1.53
Calculations have been done to estimate how much money I will have to save for retirement	2.39	1.27
I know how much money I will need for retirement	2.56	1.42

I know how much money I have to save every month in order to retire at a comfortable level.	2.81	1.25
I am saving enough each month to retire comfortably	2.84	1.26

Source: Field Data, 2020

The Table 4.15 shows the descriptive results regarding the respondents' retirement planning. The study revealed that majority of the respondents somewhat agreed that they have made their retirement plans (M=3.01 & 1.38), majority of the respondents (M=3.08 & 1.53) too were uncertain that they could calculate the benefits due to them on retirement and on the contrary, with regards to whether calculations had been made to estimate the amount to be save for retirement as part of the measures in retirement planning, the larger number of the respondents disagreed on that (M=2.39 & 1.27). Also, the study showed that in relations to the respondents knowing the amount of money they will need for retirement majority of the respondents (M=2.56 & 1.42) however disagreed, the respondents group with the highest number as well disagreed on that they know the amount of money they have to save every month in order to retire at a comfortable level indicating a mean of 2.81 and a standard deviation of 1.25 and again majority of the respondents disagreed on whether they saving enough every month to retire comfortably (M=2.84 & 1.26).

4.5 Savings towards Retirement

Table 4.16: Savings towards Retirement

Statements	Mean	Std. D
Cash savings in a bank account	2.37	0.67
Investment in stocks, bonds, mutual funds	2.26	0.60
Land and buildings (real estate)	2.58	0.63
SSNIT Contribution / GUSS	2.49	0.68
Organizational pension scheme	2.40	0.66
Provident fund Contribution	2.24	0.74
Insurance Companies pension scheme	2.16	0.72

Source: Field Data, 2020

The Table 4.16 shows the findings on how the respondents were saving towards retirement. From the findings in the Table, majority of the respondents ($M=2.37$ & 0.67), were disagreeing on cash savings in bank accounts as a way if savings towards retirement, in relations to investment in stocks, bonds or mutual funds the greater number of the respondents as well disagreed ($M=2.26$ & 0.60), majority of them also disputed on whether they make savings towards retirement via land and building (real estate) and furthermore majority of the total respondents disagreed on SSNIT contribution/GUSS as a way of making savings towards retirement with a mean of 2.58 and standard deviation of 0.63 . With regards to whether they make savings towards retirement through organizational pension scheme, majority of the respondents however disputed such statement ($M=2.49$ & 0.68), majority ($M=2.24$ & 0.74) of the also disagreed on provident fund contribution whilst majority of the total respondents also were disagreeing on insurance companies pension scheme as a way of making savings towards retirement ($M=2.16$ & 0.72).

4.6 Financial Preparedness

Table 4.17: Financial Preparedness

Statements	Mean	Std. D
Involvement in my retirement plan matters to me	3.98	1.08
My involvement in my retirement plan is very relevant.	3.93	1.02
My involvement in my retirement plan is of great concern to me	4.08	1.06
Involvement in my retirement planning is appealing	3.61	1.03
Involvement in my retirement planning is interesting.	3.60	1.00
Involvement in my retirement planning is exciting.	3.42	1.13
Involvement in my retirement planning is dull.	1.20	0.66

Source: Field Data, 2020

The researcher was additionally interested on identifying the how prepared the respondents were in financially. The results in the table 4.17 showed almost all of the respondents were indecisive on whether the involvement in their retirement planning matters to them ($M=3.98$ & $SD=1.08$),

regarding to their involvement in their retirement plans as relevant majority of the respondents were not sure ($M=3.93$ & $SD=1.02$) and the majority of the respondents ($M=4.08$ & $SD=1.06$) however agreed that their involvement in a retirement plan is of great concern to them. Moreover, the study revealed that the large percentage of the respondents were undecided on whether their involvement in a retirement planning seems appealing with a recorded mean of 3.61 and standard deviation of 1.03, majority of them also were uncertain on if their involvement in retirement planning is interesting ($M=3.60$ & $SD=1.00$), the greater number of the respondents somewhat agreed that their involvement in retirement planning is exciting ($M=3.42$ & $SD=1.13$) whilst majority of the respondents however strongly disagreed that their involvement in retirement planning is not dull with a mean of 1.20 and standard deviation of 0.66.

4.7 Asset Acquisition

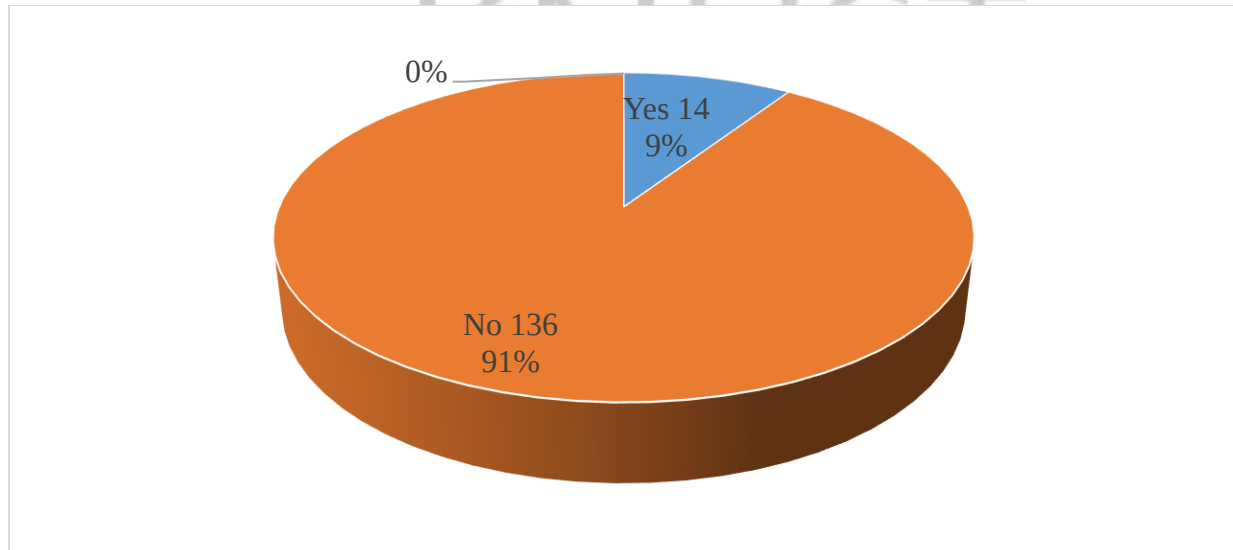
Table 4.18: Asset Acquisition

Statements	Mean	Std. D
I have acquired financial assets to assist me in my retirement	1.49	0.50
I have acquired physical assets to assist me in my retirement	1.48	0.50
I have invested in private pension schemes to assist me in my retirement	1.64	0.47
I have subscribed to an insurance policy to assist me in my retirement	1.56	0.49

Source: Field Data, 2020

The Table presents the nature of asset that the respondents had acquired to support them in their retirements. From the results of the Table, majority of the respondents strongly disagreed that in terms of asset acquisition they have not secured any financial assets to support them in their retirement ($M=1.49$ & $SD=0.50$), with regards to acquiring physical assets majority of the respondents ($M=1.49$ & $SD=0.50$) strongly disagreed on that and majority of them also strongly disagreed that they have not invested in private pension schemes to assist them in their retirement ($M=1.64$ & $SD=0.47$) whilst the larger were also highly disagreeing that they have not

subscribed to any insurance policy as a form of an asset acquired to support them in their retirement ($M=1.56$ & $SD=0.49$).



Source: Field Data, 2020

Figure 4.5 Retirement preparedness

The researcher moreover was interested in finding out whether the respondents will feel financially prepared in case they were to retire today. The results in the figure 4.5 showed that almost all of the respondents (136) which is equivalent 90.7% of the entire sampled respondents were not feeling financially prepared whilst the remaining 14 of the respondents which is equivalent to 9.3% were feeling financially prepared if they supposed to retire today.

Table 4.19: Association between Retirement Plans and Financial Knowledge

Demographics	Chi-square (χ^2)	Likelihood Ratio	df	P-value
Personal finance	31.876 ^a	29.972	1	0.010
Household expenses	29.143 ^a	26.033	1	0.004
Account Tracking	5.524	5.944	1	0.238
Reconciling bank activities	27.650 ^a	26.538	1	0.006
Personal budget	7.740 ^a	6.945	1	0.459

Source: Field Data, 2020

There is significant difference ($p\text{-value} < 0.05$) between respondent's personal finance and having a retirement plan. There is significant difference ($\chi^2 = 26.033$, $p\text{-value} < 0.05$) between respondent's household expenses and having a retirement plan. This suggests that decision to have retirement plan rather varies on house hold expenses. There is significant no difference ($p\text{-value} > 0.05$) between having bank account and having a retirement plan. There is significant difference ($p\text{-value} < 0.05$) between number of time respondents reconcile their bank activities and having a retirement plan. There is significant no difference ($p\text{-value} > 0.05$) between having personal budget and having a retirement plan.

Table 4.20: Association between Retirement Plan and Socio-Economic Characteristics

Demographics	Chi-square (χ^2)	Likelihood Ratio	df	P-value
Gender	4.849 ^a	4.887	1	0.303
Age	31.555 ^a	35.974	1	0.001
Length of Service	21.063 ^a	20.398	1	0.049
Level of education	39.914 ^a	41.986	1	0.005
Employment status	35.280 ^a	37.147	1	0.000
Salary range of respondents	29.428 ^a	33.021	1	0.021

Source: Field Data, 2020

There is no significant difference ($\chi^2 = 4.849$, $p\text{-value} > 0.05$) between respondents' gender and having a retirement plan. This suggests that decision to have retirement plan does not vary on a gender line. There is significant difference ($\chi^2 = 31.555$, $p\text{-value} < 0.05$) between respondents age and having a retirement plan. This suggests that decision to have retirement plan rather varies on age grouping. There is significant difference ($\chi^2 = 21.063$, $p\text{-value} < 0.05$) between respondent's length of service and having a retirement plan. This suggests that decision to have retirement

plan rather varies on length of service. There is significant difference ($\chi^2 = 39.914$, $p\text{-value} < 0.05$) between respondents education and having a retirement plan. This suggests that decision to have retirement plan rather varies on educational qualifications. There is significant difference ($\chi^2 = 35.280$, $p\text{-value} < 0.05$) between respondent's current status and having a retirement plan. This suggests that decision to have retirement plan rather varies on current status. There is significant difference ($\chi^2 = 29.428$, $p\text{-value} < 0.05$) between respondent's salary range and having a retirement plan. This suggests that decision to have retirement plan rather varies on salary range.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter consists of the key findings of the results followed by the conclusions. The recommendations of the study and areas for future study have also been discussed under this section.

5.2 Summary of findings

5.2.1 Workers knowledge in finance and retirement planning decision

The study found that respondents personal finance significant difference between retirement planning. The study further found that respondent's household expenses influence their retirement planning. The study again found that account tracking has nothing to do with their retirement planning. The study also found that, reconciliation of banking activities has something to do with retirement planning. The study found that personal budgeting is for individual benefit not for retirement planning.

The study found significant difference between age and retirement planning; however, there was no significant difference between gender and retirement planning. The study further found significant difference between length of service and retirement planning, educational level and retirement, current status and retirement planning and salary range and retirement planning.

5.2.2 Level of financial preparation towards retirement

The study found that respondents have prepared towards retirement thus, saved in the bank, contributed towards SSNIT, invested in stocks, bonds and mutual funds, contributed in provident fund, organisational pension scheme, and insured in the various insurance companies. The study further found that respondents' retirement involvement is a priority, relevant, appealing, interesting and excitement to them even though they have not retired. The study also found that respondents have acquired various asset “financial, physical, pension schemes and insurance policy” towards their retirement and still thinking and planning towards it.

5.2.3 Level of financial literacy

The study found that, minority of the respondent was not financially literate. The study further found that when it comes to managing household's expenses and tracking households' bills respondents do without any difficulties and do on time. The study also found that respondents know how to track their account, interest rate on a given period of time and reconciling with banking activities.

The study again found that respondents were having knowledge on personal budget, benefits of personal budget, existence of financial instruments and types of financial instruments. The study further found that due to respondents' knowledge on financial instruments, “stocks”, “derivatives”, “mutual funds”, “bonds”, “treasury bills”, “hard currencies” were been purchase by them on their preferences.

5.2.4 Avenues through which financial literacy and retirement planning can be improve

The study found that seminar and workshop attendance can help improve respondent's retirement planning. The study further found that respondents giving early retirement option can help improve their retirement planning. The study again found that early retirement choice can improve their retirement planning.

5.3 Conclusions

The main purposes of the study was fundamentally to assess the financial literacy and retirement preparedness of this study was to examine the effect of financial literacy on retirement planning among workers in the Takoradi Technical University of Ghana. The study found a significant difference between respondent's financial knowledge and having a retirement plan. There was significant difference between respondent's household expenses and having a retirement plan. This suggests that decision to have retirement plan rather varies on house hold expenses. There was significant no difference between having bank account and having a retirement plan. There was significant difference between number of time respondents reconcile their bank activities and having a retirement plan. There was significant no difference between having personal budget and having a retirement plan. The study found no significant difference between respondent's gender and having a retirement plan.

5.4 Recommendations

The study outlines the following recommendations based on the findings derived from the study. These recommendations are as follows: the university's stakeholders must be educated through

workshops/seminars to enhance their academic curriculum financial literacy in their current financial status. The level of workers knowledge on finances was relatively low as noticed from the study's results, which restricts them from taking critical financial decisions. The university must assist workers in acquiring foundational skills that will improve on their financial wellbeing and hence financial literacy education must be treated as a dynamic construct.

Also, the university stakeholders are recommended to involve foundational personal financial practices to their academic syllabus so that workers can value financial issues, which will help them live comfortably without finding difficulties in handling financial problems. Furthermore, financial institutions and the Ministry of Education must form a team to educate the University as being practiced in the most developed nations through internship grants to financial institutions to enhance their basic financial knowledge. Workers through these encounters will be able to have practical experiences too. Financial institutions must ensure that the future feel very salient to the workers in order to effectively sparks workers interest in retirement planning as well as highlight on the benefits of planning towards retirement.

Additionally, crucial method for improving financial literacy amongst workers is through financial activities such as stock market game or other simulations carried out by financial institutions through personal finance interactions. More, so workers must be given a clear picture of how the future looks like and hence encouraged to make serious preparation towards it to make it more comfortable for them. Financial institutions must display the merits of savings through financial workshops, seminars to encourage the rate of savings among the workers towards retirement.

The study recommended again the university must encourage workers to set goals towards their retirement and also invest most of their resources towards their retirement as well as providing effective educative programs to ensure workers are able to acquire all the necessary financial resources before they retire.

5.4.1 Recommendation for future studies

University workers were the prime focus of the study's population. The study was conducted in the Takoradi Metropolis. The researcher selected a sample of 150 workers for the study. This simply denotes that; generalization cannot be made from the study since not all the population was involved in the sample. In order to achieve generalization, future studies must engage a wider population to determine the financial literacy level of University workers in Ghana. Therefore, the knowledge on true state of affairs with respect to the subject matter in Ghana will be broadened.

REFERENCES

- Adam, A., Boadu, M. and Frimpong, S. (2018). Does gender disparity in financial literacy still persist after retirement? Evidence from Ghana. *International Journal of Social Economics*, vol. 45 No. 1, pp. 18-28. <https://doi.org/10.1108/IJSE-06-2016-0159>
- Adjei, E. N. A. (1999). Pension Schemes in Africa: The National Experience of Ghana. Social Security Documentation, African Series No. 21, International Social Security Association.
- Aluodi, E. Njuguna, A. and Omboi, B. (2017). Effect of Financial Literacy on Retirement Preparedness among Employees in the Insurance Sector in Kenya. *International Journal of Business and Management*, Vol. 12, No. 17
- Aluodi, E., Njuguna, A., & Omboi, B. (2017). Effect of Financial Literacy on Retirement Preparedness among Employees in the Insurance Sector in Kenya. *International Journal of Business and Management*, vol. 12 No. 10, 242-251. <https://doi.org/10.5539/ijbm.v12n10p242>
- Ando, A. and F. Modigliani (1963). The “Life Cycle” Hypothesis of Saving: Aggregate Implications and Tests. *The American Economic Review*, (53), p. 55-84.
- Arrondel, L., Debbich, M. & Savignac, F., (2013). Financial Literacy and Financial Planning in France. *Numeracy*, Vol.6, Issue 2, Article No. 8.
- Asamoah, N. (2012). Adjustment towards retirement (Unpublished master’s thesis, Kwame Nkrumah University of Science and Technology).
- Atchley, R. (1976). The sociology of retirement. Cambridge, M.A.: Schenkman Publishing Co.
- Atkinson, A. & Kempson, E. (2004). Young people, money management, borrowing and saving: a report to the Banking Code Standards Board.
- Atkinson, A. and Messy, F-A. (2012). Measuring financial literacy: Results of the OECD/ International Network on Financial Education (INFE) Pilot Study, OECD Working Papers on Finance, Insurance and Private Pensions, No. 15, OECD Publishing. <http://dx.doi.org/10.1787/5k9csfs90fr4-en>
- Brealey, R.A., Myers, S.C & Allen, F (2011). Principles of Corporate Finance, 10th ed. McGraw-Hill, Irwin
- Capuano, A., & Ramsay, I. (2011). What Causes Suboptimal Financial Behaviour? An Exploration of Financial Literacy, Social Influences and Behavioural Economics. University of Melbourne Legal Studies Research Paper, (540).
- Evans, L., Ekerdt, D., & Bosse, R. (1985). Proximity to retirement and anticipatory involvement: Findings from the normative aging study. *Journal of Gerontology*, 40, 368-374.
- Farrar, S., Moizer, J., Lean, J., & Hyde, M. (2018). Gender, financial literacy, and preretirement planning in the UK. *Journal of Women & Aging*, vol. 31 No. 4, pp. 319-339. <https://doi.org/10.1080/08952841.2018.1510246>
- Fatoki, O., (2014). “The Financial Literacy of Non-Business University Students in South Africa” *International Journal of Education and Science*, 7(2): 261-267.
- FINRA Foundation. (2003). Financial fraud and fraud susceptibility in the United States: Research Report from a National Survey. Research Report Prepared for FINRA Investor Education Foundation.

- Grace, D. Weaven, S. & Ross, M. (2010). Consumer retirement planning: an exploratory study of gender differences. *Qualitative Market Research: An International Journal*, Vol. 13, Issue 2, pp. 174-188
- Helman, R., & Paladino, V. (2004). Will Americans ever become savers? The 14th Retirement Confidence Survey, Issue Brief 268. Washington D.C.: Employee Benefit Research Institute. Retrieved from <https://www.ncbi.nlm.nih.gov/pubmed/15101234>
- Hilgert, M., Hogarth, J., & Beverly, S. (2003). Household financial management: the connection between knowledge and behavior. *Federal Reserve Bulletin*, 309-322
- Huston, S., (2010). Measuring Financial Literacy. *The Journal of Consumer Affairs*, Vol. 44, No. 2. ISSN 0022-0078.
- Kahneman, D. (2003). Maps of bounded rationality: psychology for behavioural economics. *American Economic Review*, 93, 1449-1475
- Kapoor, J., Dlabay, L., & Hughes, R. (1994). *Personal Finance; Retirement Planning*. Woodland Hills, Calif.: McGraw Hill/Glencoe.
- Keizi, L. K. (2006). Barriers to Pension Scheme Participation by Workers in the Informal Economy. *International Organisation of Pension Supervisor*, (1) 12-20
- Kumar, S., Tomar, S. and Verma, D. (2019). Women's financial planning for retirement: Systematic literature review and future research agenda. *International Journal of Bank Marketing*, vol. 37 No. 1, pp. 120-141. <https://doi.org/10.1108/IJBM-08-2017-0165>
- Lee, T. (2017). Clear, conspicuous, and improving: US corporate websites for critical financial literacy in retirement. *International Journal of Bank Marketing*, vol. 35 No. 5, pp. 761-780. <https://doi.org/10.1108/IJBM-01-2016-0010>
- Lusardi A, & Tufano P. (2009). Debt literacy, financial experiences, and over-indebtedness. NBER Work. Pap. 14808
- Lusardi, A. & Mitchell, O (2011). Financial Literacy and Retirement Planning in the United States. *Journal of Pension Economics and Finance*, 10(4), pp. 509-525
- Lusardi, A. & Mitchell, O. S., (2007). Financial literacy and planning: Implications for retirement wellbeing. Working Paper, Pension Research Council, Wharton School, University of Pennsylvania.
- Lusardi, A., & Mitchell, O. S. (2008). Planning and financial literacy: How do women fare? *American Economic Review: Papers & Proceedings*, 98(2), 413-417. <https://doi.org/10.3386/w13750>
- Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature*, 52(1), 5-44.
- Mandell, L. (2008). Teaching young dogs old tricks: The effectiveness of financial literacy intervention in pre-high school grades. In T. A. Lucey and K. S. Cooter (Eds.), *Financial literacy for children and youth* (pp. 221-36). Athens, GA: Digitaltextbooks.biz.
- Moiseeva D.V., Dulina N.V. (2020). Financial Behavior of Russian Retired Persons. *Advances in Intelligent Systems and Computing*, vol. 1100, pp. 858-871. https://doi.org/10.1007/978-3-030-39319-9_95
- Moray, R., Pzbalkar, V. and Buch, N. (2019). Investing behaviour of the IT Millennials with respect to retirement planning. *Asian Journal of Empirical Research*, vol. 9 No. 8, pp. 188-201. <https://doi.org/10.18488/journal.1007/2019.9.8/1007.8.188.201>

- Mutran, E. J., Reitzes, D. C., & Fernandez, M. E. (1997). Factors that influence attitudes toward retirement. *Research on Aging*, 19, 251-273. <https://doi.org/10.1177/0164027597193001>
- Mwangi, I. W. & Kihui, E. N. (2012). Impact of Financial Literacy on Access to Financial Services in Kenya. *International Journal of Business and Social Science*, Vol. 3 No. 19;
- Organization for Economic Co-operation and Development (2005). Improving Financial Literacy: Analysis of Issues and Policies. OECD
- Ray Morgan Research (RMR; 2003). ANZ Survey of Adult Financial Literacy in Australia: Final Report, May 2003. Melbourne: Ray Morgan Research.
- Russell, K. & Stramoski, S., (2011). Financial management practices and attitudes of dental hygienists: A descriptive study. *American Dental Hygienists Association*, 85(4), 340-347.
- Sabri, M. F., Cook, C. C. and Gudmunson, C. G. (2012). Financial well-being of Malaysian college students. *Asian Education and Development Studies*, 1(2), 153-170.
- Saeed, S., & Sarwar, A. (2016). Perception about social and financial issues of life after retirement: A case study of academic staff of public sector universities in Lahore Pakistan. *Cogent Business & Management*, vol. 3 No 1. <https://doi.org/10.1080/23311975.2016.1236432>
- Salleh, P. and Baha, R. (2020). Retirement concerns and financial literacy in Brunei. *International Journal of Sociology and Social Policy*, vol. 40 No. 3/4, pp. 342-365. <https://doi.org/10.1108/IJSSP-09-2019-0193>
- Stawski, R. S., Hershey, D. A., & Jacobs-Lawson, J. M. (2007). Goal clarity and financial planning activities as determinants of retirement savings contributions. *International Journal of Aging and Human Development*, 64(1), 13-32. <https://doi.org/10.2190/13GK-5H72-H324-16P2>
- Tan, S. and Singaravello, K. (2019). Financial literacy and retirement planning among government officers in Malaysia. *International Journal of Public Administration*, vol. 43 No. 6, pp. 486-498. <https://doi.org/10.1080/01900692.2019.1672078>
- Van Rooij, M. Alessi, R. and Lusardi, A. (2012). Financial literacy, retirement planning and household wealth. *Economic Journal*, Vol. 122 (May), pp.449-478.
- Van Rooij, M., Lusardi, A., & Alessie, R. (2011). Financial Literacy, Retirement Preparation and Pension Expectations in the Netherlands. Working Papers. Center for Research on Pensions and Welfare Policies, Turin, Italy. Retrieved from https://www.dnb.nl/en/binaries/working%20paper%20313_tcm47-257145.pdf
- Williams-Harold, B. & Smith, E.L. (1999). "Saving is Fundamental", *Black Enterprise*, 29, pp. 30
- Worthington, A. C. (2008). Debt as a source of financial stress in Australian households, *International Journal of Consumer Studies*, 30, 2-15.
- Yuh, Y., Montalto, C. P., & Hanna, S. (1998). Are Americans prepared for retirement? *Financial Counselling and Planning*, 9(1), 1-12. <https://doi.org/10.1.1.41.3277&rep=rep1&type=pdf>

APPENDIX

The main purpose of this study is to examine the effect of financial literacy on retirement preparedness among Workers at Takoradi Technical University (TTU). The study is mainly for academic purposes. Participants are assured of utmost confidentiality regarding information provided by them. Instructions: (Please read the instructions given and answer the questions as appropriately as possible).

Section A: Demographic Information

1. Gender: Male ☐ Female ☐

2. Please indicate your age bracket:

Below 24 Years ☐ 25 - 30 Years ☐ 31 - 34 years ☐ 35 – 40 years ☐ 41 – 44 years ☐ 45 – 50 years ☐ Over 51 years ☐

3. For how long have you served in employment?

Less than 5 years ☐ 6 – 10 years ☐ 11 – 15 years ☐ 16 years and more ☐

4. What is your highest level of education?

Certificate/ Diploma/HND ☐ First Degree ☐ Masters Degree ☐ Others (Please specify).....

5. What is your current status?

Senior member ☐ Senior staff ☐ Junior staff ☐ Casual staff ☐

6. What role do you play at the university?

Teaching staff ☐ Non-teaching staff ☐

7. Which of the following best describes your salary range?

Under GH¢400 ☐ GH¢400 - GH¢1,499 ☐ GH¢1,500- GH¢4,999 ☐ GH¢5,000- GH¢14,999 ☐

Above GH¢15,000 ☐

8. Have you ever attended any seminar/workshop on retirement preparedness in the last two years?

Yes ☐

No ☐

9. Does the Corporation where you work have the option of early retirement?

Yes ()

No ()

10. If the response to question (9) is YES which option would you take?

Pre-maturely () At the mandatory age ()

a) Give reason for the answer above.....

Part B. Financial literacy

11. Personal finance literacy can help you

- A. avoid being victimized by financial scams.
- B. learn the right approach to invest for your future needs and buy the right kind of insurance.
- C. lead a financially secure life through forming healthy spending habits.
- D. do all of the above.
- E. don't know

12. How easy is it for you to cover your household expenses?

Very easily [] Fairly easily [] Great difficulty [] Barley []

13. Do you keep track of your bank accounts?

Yes [] No []

14. How often do you reconcile your bank activities?

Weekly [] Monthly [] Yearly [] Never []

15. Do you have a personal budget?

Yes [] No []

16. A personal budget will help you

- A. allocate future personal income towards expenses
- B. prioritise your spending
- C. monitor the sources of your income
- D. all of the above
- E. don't know

17. How often do you keep track of your household bills?

Weekly [] Monthly [] Every few months [] Yearly [] Never []

18. Suppose you had GHS200 in a savings account and the interest rate is 10% per year and you never withdraw money or interest payments. After 2 years, how much would you have on this account in total?

- (A) More than GHS200
- (B) Exactly GHS200
- (C) Less than GHS200
- (D) Do not know

19. Imagine that the interest rate on your savings account was 10% per year and inflation was 12.5% per year. After a year you will be able to

- A. buy more than today with the money in this account
- B. the same as today with the money in this account

- C. less than today with the money in this account
D. buy more of some goods and less of others
E. don't know

20. Are you aware of the existence of the financial instruments?

Yes [] No []

a) If (Yes) above, have you ever participated in purchase of any financial instrument and which one of the following instruments did you buy?

Derivatives [] Bonds []
Stocks [] Treasury Bills []
Mutual funds [] Hard Currencies []

21. Please indicate to what extent you agree or disagree with the following statements under each category below, where:

Not at all (1) ; To a less extent (2) ; To a moderate extent (3) ; To a large extent (4);
To a very large extent (5)

RESPONDS	1	2	3	4	5
I know how to calculate interest on my investments					
Investing in the stock market by buying a wide range of stocks and shares can help to reduce risks.					
Investing in ordinary shares yields a higher long term growth as compared to treasury bills.					
Treasury bills is a zero risk investment					
I use financial knowledge to make personal financial decisions					
I understand investment options for pension schemes					

22. How do you see yourself: Are you a person who is fully prepared to take risks or do you try to avoid taking risks? (Scale from 1 to5).....

Where: Avoid risks [1]; Take risks to a less extent [2]; Take risks to a moderate extent [3]; Take risks to a large extent [4]; Take risks to a very large extent [5] .

C. RETIREMENT PLANNING

23. Computation Capability of Retirement Benefits

Please indicate the extent to which you agree or disagree with the following statements under each category below, where:

Not at all [1]; To a less extent [2]; To a moderate extent [3]; To a large extent [4];

To a very large extent [5]

RESPONDS	1	2	3	4	5
I have made my retirement plan.					
I can calculate benefits due to me on retirement					
Calculations have been done to estimate how much money I will have to save for retirement.					
I know how much money I will need for retirement.					
I know how much money I have to save every month in order to retire at a comfortable level.					
I am saving enough each month to retire comfortably.					

24. Savings towards retirement

What are you doing and is of importance to prepare yourself for retirement so as to retain your lifestyle in case you are no longer able to work? (1) Not important (2) Important (3) Very important

RESPONDS	1	2	3
Cash savings in a bank account			
Investment in stocks, bonds, mutual funds			
Land and buildings (real estate)			
SSNIT Contribution			
Organizational pension scheme			
Provident fund Contribution			
Insurance Companies pension scheme			
Others (Specify)			

25. Financial Preparedness

Please indicate to what extent you agree or disagree with the following statements under each category below regarding your retirement planning where:

Not at all [1]; To a less extent [2]; To a moderate extent [3]; To a large extent [4]; To a very large extent [5]

RESPONDS	1	2	3	4	5
Involvement in my retirement plan matters to me.					
My involvement in my retirement plan is very relevant.					
My involvement in my retirement plan is of great concern to me.					
Involvement in my retirement planning is appealing.					
Involvement in my retirement planning is interesting.					

Involvement in my retirement planning is exciting.

Involvement in my retirement planning is dull.

26. Asset Acquisition

Please indicate to what extent you agree or disagree with the following statements under each category below regarding your assets acquisition:

RESPONDS	YES	NO
I have acquired financial assets to assist me in my retirement		
I have acquired physical assets to assist me in my retirement		
I have invested in private pension schemes to assist me in my retirement		
I have subscribed to an insurance policy to assist me in my retirement		

27. If you were to retire today, do you feel financially prepared?

Yes [☐]

No [☐]

Thank you for your kind participation

