Assessing the determinants of retirement planning among public sector workers in Ghana

William Aduah Yorose[1]
Christopher S. Boatbil[2]
Godfrey Adda[3]

[1]wyorose@bolgatu.edu.gh
[2]chris.boatbil@bolgatu.edu.gh
[3]gadda@bolgatu.edu.gh

[1]https://orcid.org/0009-0003-4421-0114
[3]https://orcid.org/0000-0002-9118-0750

[1,2,3]Bolgatanga Technical University, Ghana

https://doi.org/10.51867/ajernet.6.2.35

ABSTRACT

The challenges of life in old age have become a global discussing because of the changes in the world's population demographics. These challenges are placed on individual households as well as governments globally. Life in old age is often associated with several challenges. Individual income at this stage of life usually reduces due to retirement from active work, retirees are seen to be isolated, while their expenditure surges owing to declining health conditions which require more financial commitment to manage. This study sought to assess the determinants of retirement planning among public sector workers in Ghana. The Planned Behaviour Theory guided this study. The target population for this study includes teachers teaching in the Kassena-Nankana West District. Cross-sectional study design was employed in the study. Quota and simple random sampling methods was applied in this study and a total of 212 teachers were selected from the various circuits of the district. Data was collected by the researchers and five field assistants. Structured questionnaire was administered to respondents face to face across the various circuits of the district. The research employs a quantitative methodology involving descriptive statistics and logit regression to analyse the data collected. Frequencies, percentages, and regression analysis were deployed to present the results. The study found that teachers with different socio demographic characteristics such as age, income level and launching of children influence their retirement planning. The study concludes that income has positive effect on retirement planning as individuals' income increases; they tend to save a higher proportion of their earnings for retirement. The study recommended that the District branch of the teachers union (GNAT) in collaboration with financial institutions in the District should educate teachers on the need to prepare adequately for their retirement.

Keywords: Determinants, Financial, Planning, Retirement, Teachers

I. INTRODUCTION

Decreasing mortality, good health care and lengthening life expectancy are some of the factors that contribute to the growing ageing population in the world. According to the World Health Organization (2020), a rise in the proportion of the aged in human population is a sign of higher life expectancy and lower fertility rates. The organization further indicated that since the year 2000, life expectancy in low and lower middle income countries has increased by six years while it has increase by four in upper middle and high income nations in the Asia-Pacific region. It was further submitted that the region rate of aging will be unmatched globally. There is a report of a shift in population demographics in both developed and developing countries. For example, Japan has one-third of its population being 60 years and above (Sasai et al., 2019).

A report from the United States suggested that the population of Americans 65 years and above is increasing fast and is projected to double to about 72 million in the next 25 years (Miner & Kryger, 2020). The Africa situation is no different as it is estimated that Africa aging population will rise in the next 20 years. The number of adults more than 60 years in sub-Saharan Africa countries will double from 34 million to over 67 million in 2030 (He et al., 2020). In Ghana, the statistics revealed that the aging population is growing at an increasing rate (Scott et al., 2020) a development that has been sustained over the past three decades.

With ageing population, there is a question of retirement, which is a main transition period in the life cycle of every individual (Anibueze, 2013; Earl & Collins, 2014). Retirement is the point in time when a person stops working because he or she has reached the standard retirement age, which is defined by a country's tax laws and or state old-age pension rules. Retirement is also considered a period that symbolises a novel phase in one life that has its own

name and institution devoted to it, and its own financial and legal infrastructure (Anibueze, 2013; Roncaglia, 2010). In the 21st century, the main source of old age income support is contributions to pension scheme which is one of the key mechanisms for preparing towards retirement, the importance of which cannot be overemphasised. Therefore, its importance has been largely recognised with respect to the nation's economic stability including the security of ageing populations (Holzmann & Hinz, 2005).

However, it has been established that several individuals are not willing to plan for their retirement. Many individuals usually do not even think about their future retirement conditions (Lusardi & Mitchell, 2007a), and even if they do, they are hesitant to change their planning and savings behavior accordingly (Thaler & Benartzi, 2004). In view of this, many individuals are considered at risk of preparing inadequately. According to the Retirement Confidence Survey, for example, more than 40 percent of American workers are not confident that they will have enough money to live meaningful live throughout their retirement (Helman et al., 2015). Similarly, in the Netherlands, more than 25 percent of Dutch workers are apprehensive they are not saving sufficient to sustain their standard of living on retirement (Geldzaken, 2014). Hence, there is a clear need for many individuals to take more active control of their retirement planning.

Magera (1999) describes retirement planning as a step by step way of setting aside resources (funds), business project and time for the purpose of providing income at the old age. The goal of social protection is not mere survival, but social inclusion and preservation of human dignity (Keizi, 2006). It is vital to engage in basic retirement planning activities throughout your working years and to update retirement plans periodically. While it is never too late to begin sound financial planning, you can avoid many unnecessary and serious difficulties by starting to plan early. Saving now for the future requires tackling the tradeoff between spending and saving (Kapoor et al., 1994).

Planning for retirement comprises diverse decisions. When someone plans for a comfortable retirement, they can employ several strategies to adjust their level of retirement income. One of the most noticeable strategies for individuals to follow is to adjust how much they contribute to their employer pension plan or individual retirement accounts. Economic well-being in retirement has been the subject of interest for researchers. The issue is more striking in the context of developing economies where pension benefits on retirement are not adequate to meet the basic need of the beneficiaries. For example, in Ghana a category of retirees received as low as GH₵300 (about US$50) per month as a pension from the Social Security and National Investment Trust (SSNIT, 2021). This definitely pushes the retiree into poverty bracket as defined by World Bank and United Nations. The burden on individuals to seek their financial well-being in retirement requires difficult choices and trade-offs long before retirement age (Boddy et al., 2015).

In Ghana the percentage of aged persons is about 6.7% (Ghana Statistical Service, 2021) and by the year 2050, this figure is projected to reach 10% (United Nations, 2017). The aging population in Ghana could be ascribed to a drop in fertility rates, better health care, and nutrition (Kwankye, 2013; Mba, 2010). The primary responsibility for caring for the aged persons in Ghana is members of the family especially adult children (Ofori- Dua, 2014). Nonetheless, owing to issues such as urbanization and the continuing nucleation of the family (Aboderin, 2004; Dovie, 2019), support for aged persons in the family has declined. This development has called for the execution of targeted state interventions to complement the prevailing kinship support for older persons (Coe, 2021), and also requires the strengthening of retirement planning activities among individuals so that they can adjust to retirement and preserve a considerable quality of life in old age (Ongoh et al., 2023).

1.1 Statement of the Problem

Available literature on retirement planning is mostly on pension contributions; pre-retirement planning and adjustment to retirement and adaptation to retirement (Maestas, 2009). The active work force in Ghana who make contributions to the public pension scheme called the Social Security and National Insurance Trust is over 1.6 million (SSNIT, 2021). The Social Security and National Insurance Trust is a three- tier pension scheme that includes both Defined Benefit and Defined Contribution pension plans. The first tier and second tier necessitate employees to have 13.5% and 5% contributions, respectively, made from their salaries on their behalf (Ofei-Kwapong, 2013). The third tier is non-compulsory provident fund managed by non-state licensed service operators, and it necessitates a payment of 16.5% of a worker's basic salary.

Additionally, some studies have concentrated solely on financial literacy and planning. Examples of such studies are; Dovie (2018) who reported on the use of digital literacy in retirement planning amongst Ghanaian formal and informal sector workers. Githui and Ngare (2014) also explored the relationship between financial literacy and retirement planning in Kenya. Similarly, Oteng et al., (2022) concentrated on retiring in the informal economy and its implications for social policy intervention for ageing workers in Ghana; whilst Collins-Sowah et al. (2013) examined the readiness to participate in micro pension schemes within the Ghanaian informal sector.

However, there seems to be little research available on the determinants of individual retirement planning. It is also noted that most organizations and companies, both public and private, do not prepare their workers at all for this

new phase of life. Even those who do prepare their workers, do so at the very later stages of their employment when things appear to have gone out of control and such workers are rushing to retire. It is therefore not surprising to see most retirees becoming destitute, with some living with their children and external relations or friends long after retiring. On like developed economies, one's letter of appointment clearly states one's date of retirement. This means that workers are better able to adjust towards retirement as they can plan and re-plan long before retirement catches up with them. Planning towards retirement must start very early in one's working life (Maestas, 2009).

The situation is quite different in developing countries where workers find it difficult to adjust their lifestyles as retirement approaches. There is no clear cut policy in Ghana concerning retirement planning. Many researchers found that inadequate personal retirement planning stems from behavioral factors like economic knowledge, risk attitude, time preferences, confidence, and saving behavior (Hanna et al., 2011; Mitchell & Utkus, 2003; Tanaka et al., 2010; Van Rooij et al., 2011). However, influential behavioral factors on personal retirement planning are still partially understood. According to the theory of planned behavior, the probability that a behavior will occurs dependent on the effect of behavioral factors on an individual to engage in that behavior (Sharma et al., 2003). With the rise of population aging in Ghana, coupled with the challenges of ill-health (Braimah & Rosenberg, 2021), psychological distress such as depression (Boima et al., 2020), financial constraints (Abekah-Carter et al., 2022), and social isolation (Issahaku, 2021) reported among some older persons in the country, it is significant for this study to assess the determinants of retirement planning among public sector workers and how they adjust towards retirement in the Kassena-Nankana West District.

1.2 Research Questions

The research addressed three main questions:

i. Do public sector workers think about retirement?
ii. Are public sector workers ready to go on retirement?
iii. What determines retirement planning?

II. LITERATURE REVIEW

2.1 Theoretical Framework

This study is supported by the Planned Behaviour Theory. The Planned Behaviour Theory was proposed by Ajzen (1991) to explain the behaviour patterns of individuals at every stage of human life including the period before retirement. This theory is usually used for predicting and understanding behavioral patterns in people. It evolved from the previous theory of reasoned action which emphasizes that human behaviours are governed not only by personal attitudes, but also by social pressures and a sense of control (Fishbein et al., 2001). As in the original theory of reasoned action, a central factor in the theory of planned behaviour is the individual's intention to perform a given behaviour. The TPB suggests that actual act is determined by behavioural intention and perceived behavioural control.

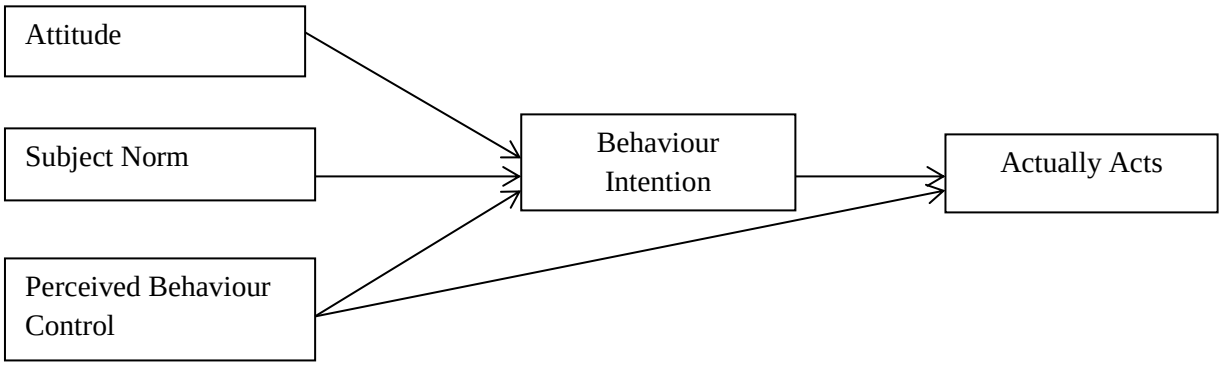

Figure 1
The structure of the Theory of Planned Behaviour

The TPB indicates that the precedence of any behaviour is the formation of an intention towards that behaviour. People's intentions or readiness to act is the most proximal determinant of behaviour. The intentions provide critical insights into behavioural processes, and robustly predict and explain behaviours. Intention means personal volition and the volition would influence customers final decisions. Behaviour is predicted using attitudes toward a specific behaviour and subjective norms to form a behavioural intention that determines the actual behaviour.

Behavioural intention is predicted, in turn, by three main determinants: attitude toward the behaviour, subjective norm, and perceived behavioural control. Each determinant is in turn generated by a number of beliefs and evaluations.

This theory has been used to explain and predict behaviour in a variety of behavioural contexts, including consumer behaviour, recycling, safer sex, drug use, technology adoption, and privacy protection, to name a few (Ajzen, 2020). Like other human behaviours, the TPB is an appropriate theory for studying determinants of retirement planning behaviour. The current study adopts the TPB theory to assess the determinants of retirement planning among the formal sector workers in Ghana.

2.1.1 Retirement

There is little agreement on the meaning of the term "retirement," how best to measure it and how to account for labour force re-entry (Maestas, 2009). For some, to be retired is to have left a career. Retirement may also be viewed as a state (no connection to the labour force or to a life-long occupation), or process of gradually reducing labour force activity. Inspection of written research and theory on retirement shows that the definition of retirement is somewhat elusive (Martin et al., 2015). There are many retirements, or at least many forms of retirement. Theory and empirical research give us forms of retirement concepts such as bridge employment or partial retirement, voluntary retirement, Social Security (or pension) eligibility or receipt, perceived retirement, and early retirement. Indeed, retirement was initially thought of as a straight forward concept until such a time that the dynamics of population growth and industrialization made the concept a broad spectrum that encompasses several factors and conditions (Maestas, 2009).

Rogers (2008) said retirement is a golden time in the life of a worker, where he or she stops working and does the things that he or she had always wanted to do but had never had the time. Thus, for the first time, the individual has the leisure and freedom to travel and do other things of interest freely. He added that retirement is the act of leaving one's service either voluntary or compulsorily where such an employee has completed a specified period of service years or is removed from office by way of compulsory retirement, lay-off, dismissal (for acts of insubordination or misconduct), death, illness, disability or by voluntary withdrawal from service. To Nwachukwu (2000), retirement is a socially accepted means of withdrawing from one's occupation or business in later life to enjoy leisure, freedom or simply to cope with health problems. In his definition, Cole (2002) refers to retirement as "a period when an employee reaches the end of his working life".

Jackson (2009) argued that retirement has two main things that are certain. They include the experience it brings and the ending part of it which is death. To Jackson, the experience retirement brings is measured by well-being, joy, fulfilment, activity, misery, loneliness, pain, or limitation. This experience is unique for every individual, but limited to financial status. The second aspect shows that, regardless of when or what circumstances retirement begins with, eventually it ends in death. Thus, even though retirement may be an exciting moment for the individual eventually, death can set in and end the process.

2.1.2 Planning

Planning is a good way for individuals to take hold of their own fate with regards to retirement. Individuals who do not plan for their retirement struggle to hold on to their working identity and lifestyle, and they often retire angry, frustrated, and role-less as compared to individuals who do plan for their retirement. Hence planning towards retirement is a must for everyone in order to free one from the negative experience in retirement.

Pinterest (2019) defined planning as the process of setting goals, developing strategies, and outlining tasks and schedules to accomplish the goal. Also, Blankson (1999) added that planning is a decision making which involves the identification of problems, ranking of needs, mobilization, allocation and utilization of resources to meet those needs. Kendie (1999) said that regardless of the levels of planning, it involves considering the existing situation in relation to the desired state which is in the future and making decisions regarding resources allocation and project types; the implementation, monitoring and evaluation of the investment programme to ensure that planned objectives are achieved. Therefore, in the researchers view, planning involves forecasting into the future and setting goals and objective to attain the target set for the future.

Planning towards retirement is the process of establishing a retirement income goal and gathering information about one's potential sources of retirement income (McKinney & McKinney, 2005). This information about one's potential sources of retirement income is then used in determining whether or not an individual expected retirement cash flow is adequate in order to sustain the person during retirement. According to (McKinney & McKinney, 2005), the tendency that people will live for several years after they have left active employment is high, hence the need for an individual to prepare adequately in order to support his or herself and their dependents. Therefore, individual's decision and commitment put in place in order to provide for income and enjoy a satisfactory lifestyle after leaving an active workforce is known as retirement planning.

Therefore, retirement planning encompasses all the arrangements put in place by workers in order to achieve contentment, reduce inhibitions, and promote health status and leisure. Also, it enables workers close to retirement to overcome physical, financial and psychological challenges when they exit from active service. Since every individual expects to retire one day from his/her work. Kroeger and Szinovic (1982) shared the view that, it is useful to critically examine the planning that precedes retirement. This implies that the individual should plan for his or her retirement before he or she is due.

2.2 Empirical Review

There is wide empirical literature regarding the determinants of retirement planning, from traditional and early studies that focused on economic factors, to non-economic factors such as behavioural, psychological, and the most popular one, demographics. Influenced by the Life-Cycle Model, age is recognized as one of the most central and researched predictors of retirement planning. Many studies show a positive relationship between age and retirement planning. The results from many researches showed that age and being older posit a strong relationship with retirement planning (Lusardi & Alessie, 2011).

According to De Tos Santos et al. (2019), retirement preparation is predicted by financial position of an individual, and financial literacy and complete planning are central constituents of employee readiness for retirement. Wanka, (2020) defined retirement readiness as a life course transitions and leisure in later life that follows several practises like housework, volunteer work, and media usage habits. In contrast, Turne et al. (2008) defined retirement readiness as possessing the financial means to safeguard one's quality of life after retirement. Retirement readiness is ensuring that an individual is prepared to enter a new phase of life that is not only financially sustainable but also satisfying and inspiring in terms of health, social connections, and personal happiness. Retirement Readiness is generally considered as a mediator between several factors (like financial knowledge, socio-economic status, health, etc.) and Life Satisfaction (Lan & Lee, 2024).

The overall retirement readiness of Americans was found to be better than that of the British and Australians (Jackson & Hohman, 2019). A research on developing countries, such as Turkey, has discovered that individuals who hold a more pessimistic outlook regarding future economic conditions tend to actively strive for better retirement readiness. However, they often believe that their efforts towards retirement readiness are insufficient, which ironically contrasts with the reality (Akben-Selcuk & Aydin, 2021). Another study in the Philippines found that people's psychological retirement readiness is derived from a sense of well-being in various aspects, with a sense of happiness related to wealth playing a decisive role (De los Santos et al., 2019).

One of the major demographic variable researchers has established its impact on retirement planning is age. For example, Githui and Ngare (2014) studied the relationship between financial literacy and retirement planning of Kenya informal sector workers. The study discovered that age has a significant positive relationship with retirement planning; suggesting that, the older the person, the likelihood of the person planning for retirement. Similarly, a cross-sectional study by Moorthy et al., (2012) of 300 working individuals in Malaysia between the age of 26 and 55 shown that different age groups have diverse perspectives on retirement planning behaviour. The studied indicated that people get to think and plan for retirement as they aged. Bokpin (2018) asserts that Ghanaian workers in active service need to be educated to plan for their retirement before the attainment of the retirement age of 60 years. This is attainable with the provision of retirement planning information, particularly by pension service providers (PSPs) as well as related organisations and/or institutions (Dovie, 2017, 2018a, 2018b).

III. METHODOLOGY

3.1 Study setting

The study took place in the Kassena-Nankana West District in the Upper East Region of Ghana. The Kassena-Nankana West District shares boundaries with Burkina Faso to the north, Bongo District to the north-east, Bolgatanga Municipal to east, Kassena Nankana Municipal to the south, Bulsa District south-west and Sissala East District to the west. The population of Kassena Nankana West District, according to the 2010 Population and Housing Census, was 70,667 representing 6.8 percent of the region's total population. Males constitute 50.8 percent and females represent 49.2 percent (GSS, 2021). The district has one banking institution, the Naara Rural Bank Limited located in Paga with branches at Navrongo, Chiana and Sirigu. There are also non-banking institutions in the district which collaborate with the financial institutions to offer credit to groups and individuals. Such institutions include Non-governmental Organizations, Community Based Rural Development Project and National Board for Small Scale Industries. In addition, non-formal credit arrangements such as "Susu" are available for traders and small-scale producers.

3.2 Study Design

The study adopted cross-sectional and descriptive study designs. The cross-sectional design was appropriate because it gave a snap shot of the determinants of retirement planning at a particular period (Kumar, 2011). Neuman (2006) indicates that a cross sectional study design entails observation of a subset of a population, description of the current nature and conditions that exists, studying of the relationship between different variables at a single point in time and showing how variables affect each other. The study therefore used the design to assess the determinants of retirement planning among teachers in the Kassena-Nnakana West District. A descriptive design begins with a well-defined subject and conducts a study to accurately describe the outcome in detailed (Neuman, 2007). The purpose is geared towards selecting teachers and had no influence over the factors relating to the study. The researchers' main purpose was to collect data to answer questions pertaining to the determinants of retirement planning. The merits of the design is that it gives clearer view of the situation and therefore gives accurate descriptions and enhances decision making concerning the problem under study. Manipulation of variables is curtailed in using this design (Neuman, 2007).

3.3 Sampling techniques

A sampling frame of 450 teachers was obtained from the Kassena-Nankan West District Education Office. The sample size of 212 teachers was determined by using Yamane's (1967) statistical method, which is:

$$n = \frac{N}{1 + N\ (e)^2}$$

Where: n = the desired sample size;

N = the population size (450); and

e = the acceptable sampling error (.05).

Teachers were selected using both quota and simple random sampling techniques. Quotas of teachers were taken from each of the eleven (11) circuits in the District. Simple random sampling was used to select the teachers for the study. Here, arbitrary numbers were assigned to teachers in each circuit based on a list obtained from the district education office and picked at random till the required number was obtained. This technique ensured equal chance of each teacher being selected and also eliminated any biases in the selection process. To ensure fairness, a proportional representation of the teachers within each circuit in the district was selected (Table 1).

Table 1

Selection procedure and sample size

Names of circuits	Total number of teachers	Sampled selected
Paga Central	55	26
Paga East	68	32
Paga West	50	24
Chiana Central	25	12
Chiana East	33	15
Chiana West	29	14
Sirigu East	34	16
Sirigu West	35	16
Kandiga	60	28
Mirigu	31	15
Nabango	30	14
Total	**450**	**212**

3.4 Data Collection Instrument

The primary data was collected using a questionnaire for the teachers. The items in the questionnaire were both open and close-ended items and were divided into three sections. The first section of the instruments covered the teacher's demographic characteristics. The second section involved the respondent's thinking of retirement planning, their readiness to retire and last section looks at the factors influencing retirement planning of teachers in the Kassena-Nankana West District.

3.5 Data Collection Procedures

Data collection instrument was pre-tested in Kassena-Nankana municipality where the district have similar demographic, economic and social characteristic. Results of the pre-test informed the level of appropriateness and validity of instrument thus ensuring accuracy. Primary data was collected by the researchers and five field assistants

who were recruited and trained to assist in the data collection exercise. Mode of recruitment was based on fluency in spoken and written English, and legibility of hand writing. The training ensured equal understanding and interpretation of questions, appropriateness and completeness in recording responses.

3.6 Data Analysis

The data gathered were analysed using quantitative method. The data were inputted into Statistical Package for Social Sciences (SPSS Version 21), now IBM-SPSS Statistics, and analysed through the generation of descriptive statistics and logit regression.

IV. FINDINGS & DISCUSSION

4.1 Findings

4.1.1 Thinking of Retirement

The economic well-being of every individual in retirement has been the topic of interest for academics. The concern is more prominent in Africa where pension benefits are not enough to meet the basic needs of the beneficiaries. For example, in Ghana a category of retirees received as low as GH¢300 (about US$50) per month as a pension from the Social Security and National Investment Trust (SSNIT, 2021). This certainly pushes the retiree into poverty bracket as defined by World Bank and United Nations. The burden on individuals to seek their financial well-being during retirement requires critical thinking, difficult choices and trade-offs long before retirement age (Boddy et al., 2015). As a result, this study sought to establish whether respondents think about their retirement. Based on the analysis, the table 2 below presents a detailed explanation from the respondents.

Table 2

Respondents' Perceptions on Retirement

Thinking of Retirement	Frequency	Percentage
A lot of thinking	95	45
Sometimes	32	15
Little thinking	42	20
Hardly think	21	10
Do not think about it	22	10
Total	**212**	**100**

As indicated in (Table 2 above), the results shows that 45% of the respondents which form the majority think “a lot” about retirement. Thus, majority of the respondents generally consider retirement in their decision phase. Additional, 35% of the total respondents acknowledge that they think about retirement, i.e. “a little thinking” (20%) and “sometimes” (15%), respectively. It is obvious that the majority of respondents (80%) from the study think about their retirement, which will likely have a helpful effect on their retirement planning. Informal approaches of retirement planning encompass having the intent to retire, thinking about retirement, and talking or reading about retirement (Boveda & Metz, 2016; Principi et al., 2020). Informal planning might play additional important role in retirement preparation and alteration than formal retirement planning. Notwithstanding the planning and thinking, outcomes related with retirement planning and thinking are consistently positive. Planning and thinking have been associated with a successful change to retirement (Dishon, 2019), higher levels of life satisfaction and social adjustment (Proctor et al., 2017), increased quality of life (Midão et al., 2018) and decreased psychological distress (Mannes et al., 2019). The result, therefore, reveals that workers in the public sector think a lot about retirement, but some hidden factors affect their decision towards their retirement

4.1.2 Readiness to go on Retirement

From the survey (Table 3), 52.15% of total respondents agree that they “cannot” afford to go on retirement. This reflected with a mean response of 2.47 with a standard deviation of 0.95. Various reasons that could account for these workers not willing to go on retirement include; inadequate preparation of health care towards retirement, majority of them not having health insurance and poor financial awareness. About 25.18% of the total respondents have not made financial provisions for retirement. Also, 14.16% of the respondents save for retirement and 8.51% do prepare or plan for retirement. Majority of the respondents have not attended any financial planning or retirement awareness program. The result, therefore, revealed that these reasons may account for the poor financial provision for retirement. This is supported by Rhee and Boivie (2015) and Knoef et al. (2016) when asserted that, many workers approach and enter retirement without sufficient savings, while some individuals delay retirement despite being financially prepared. Anderson et al. (2017) added that retirement preparation and planning play a more significant

role in retirement decisions than formal retirement planning. Especially, health insurance coverage reflects both financial and health-related domains on decisions to retire.

Table 3

Readiness of Public Sector Workers for Retirement

Variable	Yes		No		Total	
	Fr.	%	Fr.	%	Fr.	%
Can you afford to go on retirement	74	35	138	65	212	100
Did you make financial provision for retirement	85	40	127	60	212	100
Are you saving for retirement	42	20	170	80	212	100
Are you preparation and planning for retirement	64	30	148	70	212	100

4.1.3 Determinants of retirement Planning

The study assessed the determinants of retirement planning of teachers in the Kassena-Nankana West District. One of the most important aspects of the working lives of every population is retirement, and it demands that decision concerning it must be carefully made. In the few of the life-cycle hypothesis theory, income is a fundamental predictor of retirement planning. So, in exhibiting retirement planning behaviour, income is transformed into natural logarithm and included in the model. From Table 4, the study finding indicates that if all things are held constant, there is a positive relationship between income and retirement planning. That is, an increase in the income of the individual is likely to be associated with a higher probability that the individual will plan for his or her retirement. This suggests that income shows a positive and statistically highly significant influence on retirement planning. Our results corroborate the findings of previous studies on retirement planning in developing countries (Nwosu et al., 2020; Zwane et al., 2016). Theoretically, this result also validates the life-cycle hypothesis, which recommends that individuals aim to complement their patterns of consumption over their life time by borrowing during periods of low income and saving during periods of high income. Contrary to earlier studies on Ghana, the life-cycle of households is not accounted for in determining their saving behaviour; however, the present study bridges that gap by introducing a replica of an individual with launching children in their life.

Table 4

Logit Regression Results

Variables	(1) Logit Model	Average Marginal Effects	(2) Logit Model	Average Marginal Effects
Individual income (Log)	0.8826*** (0.104)	0.1477*** (0.016)	0.9141*** (0.108)	0.1493*** (0.016)
Age in Years	0.0010 (0.006)	0.0002 (0.001)	0.0004 (0.006)	0.0001 (0.001)
Individual with children	−0.3223* (0.181)	−0.0478* (0.028)	−0.2897* (0.186)	−0.0456* (0.028)
Constant	−2.8767*** (0.647)		−2.8704*** (0.684)	
District dummies	No		Yes	
Wald chi2 (22)	105.0***		107.0***	
Pseudo R^2	0.1390		0.1576	
AIC (df=14/23)	828.713		819.644	
Log pseudolikelihood	−407.1783		−398.411	
Observations	1.596		1.596	

Dependent Variable: Retirement planning (Binary).
Robust standard errors in parentheses
******* p<0.01, ** p<0.05, *p<0.1.

Thus, it's serves as a key contribution to the literature. This is consistent with the observation made by Capeau and De Rock (2015) that a family composition change is a key determinant of retirement planning. The outcome of this variable can differ extensively contingent on the individual circumstances, cultural norms, and financial priorities. In the present finding, we show evidence of a negative and statistically moderately significant relationship between an individual with launching children in their life and retirement planning. That is, if an individual with launching children in their life increase by an individual, the associated retirement planning is more likely to decrease. Undeniably, a parent who has children and endured all their financial weights wants to see their children's transition to independence and self-sufficiency. Therefore Parents continue to distribute resources to support their children's transition, leaving fewer funds for their retirement planning. Lugauer et al. (2019), establishes that in families where the whole family burden is less, there is a higher propensity to plan for retirement. This is consistent with the present study, where higher family burden decreases the probability for retirement planning.

4.2 Discussion

This study was conducted to assess the determinants of retirement planning using data from public sector workers in the Kassena–Nankana West District. Before the study delved into these determinants, the study initially considered how workers think about their retirement planning. This was important because the burden on individuals to seek their financial well-being in retirement requires critical thinking, difficult choices and trade-offs long before retirement age. It is also vital because retirement planning is cherished by global institutions such as the ILO, World Bank, Organization for Economic Cooperation and Development (ILO, 2021; OECD, 2011; World Bank, 2020). Retirement planning is appreciated by these organizations due to the crucial need to eliminate old age poverty which forms part of the Sustainable Development Goals (SDGs) one which demands ending poverty as part of the 2030 Agenda (ILO, 2021).

The study revealed that respondents think "a lot" about retirement. Thus, the respondents generally consider retirement in their decision phase and are also familiar with what retirement planning encapsulate. However, respondents were not willing to go on retirement due inadequate preparation, not having health insurance and poor financial awareness. It is imperative for every individual to enhance his or her healthcare as a requirement for the future. This finding supports prior study by Seidl et al. (2021) who apportioned sustainable retirement planning into financial, psychosocial, lifestyle and health care preparation,

The study further revealed that if all things are held constant, there is a positive relationship between income and individual with launching children and retirement planning in their life. This finding is consistent with the observation made by Capeau and De Rock (2015) that a family composition change is a key determinant of retirement planning. The outcome of this variable can differ extensively contingent on the individual circumstances, cultural norms, and financial priorities. The financial constituents enable formal sector workers to make informed financial decisions about the quantum of money they have at their disposal and how much they are willing to put aside for their retirements (Seidl et al., 2021). These methods used in accruing incomes are centred on individual financial safety rather than state own social protection.

V. CONCLUSIONS & RECOMMENDATION

5.1 Conclusions

The study seeks to assess the determinants of retirement planning among public sector workers in Ghana. The study revealed the determinants that have a significant effect on retirement planning. To add to knowledge, this study has uniquely identified three main factors that significantly affect retirement planning of public sector workers in Ghana, namely, income, age and having children which are a significant driving force in retirement planning by public sector workers. The positive effect of income on retirement planning endorses that as individuals' income increases; they tend to save a higher proportion of their earnings for retirement. This has substantial policy implications, and policy directions on employment creation opportunities and redistribution of income to limit income disparity can be pursued to reassure and support this positive effect. The inference for economic policy is that concentrating exclusively on disposable income may not be enough to support increase rates of saving for retirement. Policies need to reflect the wider socio-economic situation, comprising income distribution, education, financial literacy, and employment. By addressing these factors, an environment can be created by policymakers to inspire and supports individuals to save a higher proportion of their income.

This study contributes to knowledge by filling in the gap in research by looking at the level public sector workers thinks about retirement in Ghana. A study of this nature would have been very informative if the analysis was done at least across several regions in the country, but financial and time constraints would not allow such kind of analysis, and this limited the study to only to Kassena-Nankana West District in the Upper East Region of Ghana. The relevance of the outcome was not diluted.

5.2 Recommendations

Life after retirement is considered the most critical phase of the human existence. Taking notice of the findings, this study recommends that individual workers should initiate adequate plans by opening individual retirement accounts that will help them to accrue wealth and sidestep old age poverty in retirement. To realize this objective, the Ghana National Association of Teachers in collaboration with pension service providers should organise retirement planning programmes for teachers targeted at helping them plan over the life passage. Teachers can also plan better for retirement by increasing their contributions to the teacher's fund since it allows members to voluntary increase their contributions by any amount they so desire and therefore increase their savings. They can also join individual pension plans (IPP's) which are provided by several insurance companies in the country. The government and various policy makers have a role to play in fostering financial education to established institutions such as the Ghana National Association of Teachers (GNAT).The study also recommends that additional study

should incorporate other variables such as environment, institutional policies, education and psychological factor which will not only magnify the understanding of the retirement planning, but also broaden the understanding of the thought of retirement.

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