

**A SOCIOLOGICAL ANALYSIS OF TEACHERS PREPAREDNESS FOR  
RETIREMENT FROM THE TEACHING SERVICE IN KABOMPO DISTRICT OF  
NORTH-WESTERN PROVINCE, ZAMBIA**

**BY**

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**A dissertation submitted to the University of Zambia in partial fulfillment of the  
requirements for the award of the Degree of Master of Education in Sociology of  
Education.**

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## DECLARATION

I, **Chombo Chinyemba**, do hereby declare that this dissertation represents my own original work as it does not contain any work that has ever previously been submitted for the award of a degree at the University of Zambia or any other University.

I further declare that all sources cited are indicated and fully acknowledged through a detailed list of references.

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## **CERTIFICATE OF APPROVAL**

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## ABSTRACT

This study was designed to analyse the preparedness of teachers for retirement in Kabompo District of North-western Province in Zambia. The study was anchored on the ‘activity’ and the ‘continuity’ psychosocial theories which describe how people develop in old age. A mixed methods approach, specifically a concurrent embedded design, was used to carry out the study. The target population comprised approximately 350 serving teachers aged 40 years and above. A sample of 162 teachers was purposively and conveniently drawn from 15 schools to participate in the study. Structured questionnaires were used to collect quantitative data from 150 participants while a focus group discussion guide was used to collect qualitative data from the two focus group discussions comprising six (6) participants each. The quantitative data were analysed using the Statistical Package for Social Sciences (SPSS) to generate frequencies and percentages. Cross tabulations and chi-square analysis were used to check for significant associations between the demographic factors (gender, age and education) and preparedness for retirement in the observed and expected frequencies at the significance level or alpha ( $\alpha$ ) =0.05. Qualitative data on the other hand were analysed manually and thematically.

The findings of the study were that the teachers nearing retirement in Kabompo District were not prepared for retirement. Most of them indicated that they did not have alternative means of covering living expenses in retirement apart from the pension benefits. The monthly salary was the only source of income and that they could not make ends meet if a salary was no longer available. Cross tabulation of demographic factors and preparedness for retirement showed that gender and education did not have significant association with preparedness for retirement. Instead age had an association with the participants’ preparedness for retirement as the participants aged 46 -50 years old appeared to be more prepared than those above 50 years and those below 46 years old. The major challenges established included: inability to save money monthly for retirement; too many loans to service; kinship obligations; low salaries; lack of positive attitudes towards saving and investment; inadequate business knowledge and lack of vision for their future.

The study thus recommended that: the government should ensure that all teachers, upon their confirmation in appointment, are entitled to a house loan so as to help them have decent accommodation before the actual retirement time; teacher unions to ensure that their teacher members are periodically educated and updated on the conditions of service and retirement policies and procedures so as to help the prospective retirees make effective retirement plans. Further, through Future Search Zambia, the government should ensure that teachers are exposed to compulsory pre retirement education aimed at equipping them with various coping skills in retirement.

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## ACRONYMS

DEBS	District Education Board Secretary
FGD	Focus Group Discussion
FSZ	Future Search Zambia
GRZ	Government of the Republic Zambia
IRA	Individual Retirement Account
MOGE	Ministry of General Education
PTA	Parents, Teachers Association
SHG	Self Help Groups
SPSS	Statistical Package for Social Science
TCRS	Transamerica Centre for Retirement Studies
ZNBS	Zambia National Building Society

# CHAPTER ONE

## INTRODUCTION

### 1.1 Overview

This chapter presents the background to the study, the statement of the problem, the purpose of the study, the research objectives and questions, the significance of the study, the theoretical framework, limitation and delimitation of the study, definition of operational terms and the organisation of the remaining chapters.

### 1.2 Background to the Study

Retirement from full-time paid employment is a defining moment that marks the beginning of a life transition. Mullar cited by Osuji (2014) points out that retirement, as a social phenomenon, signified the detachment by an individual from active service as full time employee. Asuquo and Maliki (2007) observe that retirement was characterized by changes in a variety of ways such as change in values, habits, daily routine, self concept, lifestyle, living arrangement, financial adjustment and adjustment in terms of age.

In Zambia, the concept of retirement is viewed as a colonial legacy. According to Mkandawire (2004), the pre-colonialisation period was purely traditional and characterized by a mutual aid system where each one was his brother's keeper. There were no such things as retirement, pension benefits and formal employment which were characteristic of the modern time. Society served as the social security/social protection where the family was the main provider (Nooyo, 2000). However, Chongo (2013) observes that Zambia was affected by its former colonial master's way of life in many ways. Formal wage employment which ideally culminated into on-time retirement was among the western practices that diffused into the Zambian society. It was embedded in the western economic system that was introduced in the country mainly by the British colonial power and it has since remained a colonial legacy (Chongo, 2013).

After independence, the Zambian Government had enacted a number of reforms on the retirement age and policies. In 1986, the Government reduced the retirement age from 65 years to 55 years for males and from 60 years to 50 years for females. Furthermore, officers who had served for 20 years were allowed to go for early retirement (voluntary separation).

The changes were intended to make the public service lean, efficient and highly motivated and effective. This was also partly a response to the IMF/World Bank conditionality on economic assistance to Zambia (Kamwengo, 2004 as cited by Chongo, 2013).

In 2013, the Government of the Republic of Zambia made upward adjustments on the retirement age where three options were provided. According to the Public Service Pensions Act (2015), an officer was expected to retire on the sixtieth anniversary of the date of the officer's birth (mandatory) or may, on giving twelve months' notice, and subject to the approval of the President, retire on attaining the age of fifty-five or sixty-five years (early or late retirement respectively). Quoting the Secretary to the Cabinet, Mr. Roland Msiska, [lusakatimes.com](http://lusakatimes.com) (2015) states, "the government was prompted to adjust the retirement age of civil servants from 55 to 65 years in order to secure the welfare of public service workers as the current pension schemes needed revision in order to meet the retirement needs for civil servants in the country".

Chongo (2013) states that the dawn of inadequacies in the pension scheme system arrived in 1991 when the Government of the Republic of Zambia failed to remit contributions to the pension schemes that catered for employees in the public sector and government-aided institutions. As a result, for those civil servants who opted to retire before or at 55 years, retirement became problematic to them in the sense that receipt of their terminal benefits used to delay, a situation which placed many retirees in destitute positions. In extreme cases, Chongo (2013) observes that some retirees died prior to receiving their terminal benefits.

Chongo (2013) further points out that it was common knowledge that when the retirees were not paid their pension benefits promptly, they encountered difficulties in accessing basic needs such as food, shelter and health care, especially that pension benefits were their only hope for survival. In fact, at 55 years of age, Zambian retirees then did not qualify for free health services until recently when the new government abolished user fees in government health centres for all age groups. The net result was that many retirees resorted to go for cheaper traditional medicine and self-treatment or hoped that their natural immunity would fight the diseases. This, in part, explains why some retirees died before receiving their pension benefits (Chongo, 2013).

In addition, Zimba (2013) observes that destitution and lack of decent accommodation were reported to be some of the social problems that characterised retirement in Zambia today. To many, it may be termed as lack of planning, while others argue that it was due to circumstances beyond their control and most of such people ended up without any decent shelter or means of income to sustain their livelihoods after losing employment.

Kulyabantu (2007) states that in an effort to reduce on poverty among the retirees, the Zambian government endeavoured to establish various social security schemes such as the Zambia National Provident Fund, the Public Service Pension Fund and the National Pension's Scheme. Sadly, however, was the fact that the majority of these schemes had been plagued with significant weaknesses occasioned by deficiencies in their design, financing, administration and legislation and so the benefits available from these schemes were inadequate for individuals who wished to maintain a reasonable standard of living in circumstances of old age (Ndazy, 2013).

Apart from the pension schemes, the Zambian government instituted an organisation in 1995 called Future Search Zambia to train those leaving employment from both public and private sectors to engage in various business ventures. Future Search was established as one of the Government's Social Safety Nets under the purview of the Public Service Management Division whose idea at inception was to target retirees but later extended their programmes to train even those in formal employment so that by the time they retired, they would have an idea of what investment or business venture they would engage in (<http://www.future-search.org>).

However, Future Search Zambia observed that people working in the formal sector, teachers inclusive had no interest in engaging in entrepreneurship activities. The organisation cited the tendency of over-dependence on formal jobs as the only source of income as a challenge that was there among the working class. To this effect, the organisation called on all civil servants to avoid depending on salaries alone but to be creative and engage in small businesses, which would enable them to save and consequently, lead decent life styles in retirement (<http://www.future-search.org>).

According to the educational statistics, the total number of teachers in Zambia had been increasing steadily every year since independence. The increase in the employment figures

therefore meant that the number of teachers retiring every year also had been increasing. For example, in the year 2010, the total number of teachers in the country was 79,874 and in the same year, 968 teachers retired from the teaching service. On the other hand, in 2013 the total number of teachers rose to 93,164 and the number of teachers who retired in that year also rose to 1017 (MoGE, 2013). Table 1 below shows the trends in the employment and retirement figures for teachers in Zambia since 2010.

Table 1: Teacher Employment and Retirement Figures in Zambia

Year	Total number of Teachers Working	Total number of Teachers Retired
2010	79874	968
2011	77961	1116
2012	91606	846
2013	93164	1017
2014	100,813	716
2015	98,035	-

Source: Educational Statistical Bulletin (2010), (2011), (2012), (2013), (2014) and (2015).

It is therefore observed that whether voluntary, compulsory or mandatory, retirement was known to have a lot of social, physiological, psychological and financial effects on retirees (Asuquo, 2002). In view of the dreaded negative consequences occasioned by this period of transition, near-retirement teachers needed to be readily prepared to manage these changes in the most effective and efficient manner before coming to grips with these realities. People who planned for their retirement well in advance, adjusted well to retirement and they were likely to go through it as rest and relaxation phase of recovering from the stresses and strains of employment (Odu, 1998). Nevertheless, those who failed to make adequate preparations during active employment period, found it difficult to cope with the socio-economic hurdles. It is therefore against this backdrop that the researcher sought to undertake this study aimed at analysing the social and economic preparedness of teachers for retirement in Kabompo District of North-western Province in Zambia.

### 1.3 Statement of the Problem

It is a well known fact that an individual teacher, like any other public service worker, must retire from active employment and that teachers should plan and prepare adequately for it (Kwesi and Munkua, 2012). Museya (2014) observes that in Zambia, the civil service teachers placed much confidence in the Public Service Pension Fund, a fund whose

administrative and financial challenges were bound to be problematic for them when they retired.

It is therefore important that immediately one is employed, they must start planning and making alternative preparations for retirement to enable them meet the basic and essential needs in retirement with or without the pension benefits (Kwesi and Munkua, 2012). Nevertheless, most civil servants, teachers inclusive, in Zambia failed to plan and prepare for it adequately while still working and so they faced many social and economic challenges after retirement (Future Search Zambia, 2015).

Although some studies conducted in Zambia had clearly established the challenges retirees faced to access their pension benefits and the consequences of such challenges on their livelihood (Chingezhi, 2008; Ndazye, 2013 and Museya, 2014), little had been done to analyse the extent to which teachers prepared themselves socially and economically as they approached retirement to avoid the challenges faced by retirees, hence this study.

#### **1.4 Purpose of Study**

The purpose of this study was to analyse the preparedness of teachers for retirement in Kabompo District of North-western Province.

#### **1.5 Research Objectives**

The objectives of the study were to:

- a) Examine the social and economic preparedness of teachers for retirement in Kabompo District.
- b) Determine the social and economic challenges which the teachers in Kabompo District face in their preparation for retirement.
- c) Establish ways of minimising the challenges which the teachers in Kabompo District face as they prepare for retirement.

#### **1.6 Research Questions**

The following research questions were examined:

- a) How socially and economically are the teachers prepared for retirement in Kabompo District?

- b) What are the social and economic challenges which the teachers in Kabompo District face in their preparation for retirement?
- c) What are the ways of minimising the challenges which the teachers in Kabompo District face, as they prepare for retirement?

### **1.7 Significance of the Study**

The study assumes that retirement as an experience had far reaching implications on human behaviour and social roles in society. As more people were anticipating retirement and seeking assistance in negotiating this transition, the findings of this study may have significant implications across a variety of fields. Generally, the findings may enhance change in practice and enrich the existing literature. Specifically, the findings may help teachers and other Public Service workers to change their attitudes towards retirement and retirement preparedness.

The results may assist in the area of financial planning as individuals seek ways to adequately prepare financially for later life. They may be enlightened on when, what and how to plan and prepare for retirement so as to minimise the syndrome of over dependence on the pension package and ultimately, lead to successful retirement where individuals can lead decent life styles with or without the pension package.

The findings of the study may also guide teacher employers, Teacher Unions, supervisors and other stakeholders on how to help teachers to make effective preparations for their retirement to overcome the social and economic challenges faced by most retired teachers. This can be done through a deliberate policy to introduce compulsory pre-retirement education/counselling for teachers nearing retirement so as to equip them with coping skills in retirement. In addition, the findings may be of importance to counsellors and therapists who assist individuals in preparation for the role changes that were part of retirement.

Finally, since the studies conducted in Zambia on retirement focus mainly on the challenges retirees faced, the findings presented by this study may shed more light on the existing theoretical perspectives on retirement preparedness and its social and economic implications on the prospective retirees in the Zambian context.

## **1.8 Theoretical Framework**

According to Kombo and Tromp (2006), a theoretical framework is a collection of interrelated ideas based on theories. The purpose of a theoretical framework to a study was to account for and explain phenomena. It provided tentative answers to questions, issues and problems being addressed in the research problem.

Although few vocational theorists directly addressed retirement concerns in their models, other fields such as sociology and gerontology had focused more attention on the needs of older adults and so their theories of aging often included issues around retirement (Vern, Bengtson and Norella, 2009 as cited by Kerubo, 2014). This study was guided by two micro ageing theories namely, the ‘activity theory’ and the ‘continuity theory’ because they offered explanations which were in line with the focus of this study.

The ‘activity theory’ is one of the three major psychosocial theories which described how people developed in old age. The theory proposes that older adults were happiest when they stayed active and maintained social interactions. These activities, especially when meaningful, helped the elderly to replace lost life roles after retirement and, therefore, resist the social pressures that limit an older person's world (Hess and Markson, 1980 as cited by Kerubo, 2014). The theory was developed by a Gerontologist, or, scholar of aging, Robert Havighurst in 1961, and was originally conceived as a response to the disengagement theory of aging which suggested that it was natural for the elderly/retired to disengage from society as they realised that they were ever nearer to death.

The ‘activity theory’ however, assumes a positive relationship between activity and life satisfaction as it maintained that active middle age roles and norms were still appropriate in the older years, although to a lesser degree (Bengtson and Haber, 1975 as cited by Turner, 1989). The theory centred on middle age, holding that maintenance of the activity level of middle age was the best way to cope with ageing (Havighurst, 1963). In short, the norms for old age were in some ways not very different from that of middle age.

In this study, the activity theory was used to project the life of the teachers in retirement by analysing the social and economic activities that these teachers were currently engaged in. This is so because the theory suggests that a person's standards and expectations of middle age should be projected to older age and that their self-concept in retirement was related to

the roles held by that person (Miller, 1995). It is thus assumed that if a teacher nearing retirement had positive social and economic activities, retiring may not be so harmful especially if they actively maintained other roles, such as familial, recreational and community roles.

The 'continuity theory' of aging, on the other hand, is a modification and an elaboration of the 'activity theory'. It was first proposed in 1971 by Robert Atchley in his article "Retirement and Leisure Participation: Continuity or Crisis?" Later, in 1989, he substantially developed it as a theory. It is also a psychosocial theory which states that as middle-aged and elderly adults adapt to changes associated with the normal aging process, their past experiences, decisions, and behaviours formed the foundation for their present and future decisions and behaviours (Atchley, 1989). This means that older adults usually maintained the same activities, behaviours, relationships as they did in their earlier years of life. According to this theory, older adults tried to maintain this continuity of lifestyle by adapting strategies that were tied to their past experiences of themselves and their social world (Atchley, 1989).

In this study, the continuity theory is applicable in the sense that it offered an explanation on how retirees were likely to maintain the same life style they established when they were still working. This therefore means that if teachers were currently engaged in various income generating activities, then we can comfortably assume that they were likely to continue with the same spirit even in retirement. Conversely, if they were unable to carry out meaningful activities to enhance their standard of living apart from a salary, then it is most likely that they would have social and economic challenges when they retire. This is derived especially from the theory's assertion that a person's coping strategies in old age or retirement were in place long before he or she started to age or enter into retirement (Menec, 2003 as cited by Kerubo, 2014). To this effect, the best way to predict how a person would adjust to ageing or retirement was by examining how that same person had adjusted to situations throughout his or her life while still in employment (Feldman and Beehr, 2011).

## **1.9 Definition of Terms**

**Employment** refers to formal work where one was entitled to a full monthly salary whether or not they worked for all the days in that particular month.

**Active employment** refers to pensionable formal work with well defined conditions of service and a consistent annual or monthly salary.

**Retirement** refers to age-related disengagement from active employment.

**Retirement preparedness** refers to a state in which an individual is socially and economically well-prepared for disengagement from active employment, should it happen as planned or unexpectedly, and can continue generating adequate income to cover living expenses throughout his/her lifetime.

**Social preparedness for retirement** refers to the ability for one to meet their social needs, such as acceptance, appreciation, belonging and companionship so as to prevent anxiety, depression and loneliness in retirement. It is also the ability to adapt and adjust smoothly to different social settings and social roles or responsibilities through positive interactions and relationships with others.

**Economic preparedness** refers to the ability for one to generate adequate income through different fundraising ventures, other than a formal salary so as to enable them meet all the essential financial obligations and continue to lead a decent lifestyle in retirement with or without the pension benefits.

**Successful retirement** refers to the retirees' ability to lead a decent life style.

**Decent life style** refers to an acceptable standard of living where an individual has access to the essential socio-economic, cultural, political, environmental and technological needs and services for themselves and their families without difficulties.

**Social exclusion** refers to the inability for one to have a decent income during retirement and the possibility of participating in the life of the community.

**Pension** refers to a benefit payment which a retiree receives at regular intervals throughout their lifetime and usually it is passed onto the survivors who include the spouse and children.

**Pension benefits** refer to all the entitlements due to a retiree which includes retirement lump sum, monthly pensions, leave benefits and repatriations.

**Retirement package/ lump sum** refers to a benefit payment which is one off payment and no other payment will accrue to such a member once this payment is made.

**Social security** refers to interventions undertaken by the public or private institutions to provide affordable access to healthcare and certain minimum income security and other support in case of old age, sickness or disability and death of a member.

**Teacher** refers to any person who is professionally trained to teach regardless of the organisational status (positions held).

**Teachers nearing retirement** refers to the serving teachers aged 40years and above.

### **1.10 Limitations of the Study**

There are some threats to the validity of this study which must be taken into consideration when interpreting findings and making conclusions. Firstly, the schools included in this study were taken from a list of many schools in Kabompo District. This “selective” sampling may decrease the generalisability of its findings. Secondly, although the study sampled 162 participants, the views of these informants may not be fully representative. Therefore, generalisations of the findings on the analysis of teachers’ preparedness for retirement ought to be done with caution. Finally, since the study was restricted to teachers in Kabompo District only, its findings may not be generalised to other districts in Zambia.

### **1.11 Delimitation of the Study**

The study had the following delimitations; firstly, it focused on the analysis of the teachers’ preparedness for retirement from the teaching service in Kabompo District only. Secondly, it was restricted to teachers aged 40 years and above only and finally, the study was restricted to 15 schools that were within the radius of 10 km from the office of the DEBS.

## **1.12 Organisation of the Remaining Chapters**

The next chapter (chapter two) reviews the related literature on preparedness for retirement from the teaching service. The main thematic areas under this chapter include literature related to; the meaning of retirement, retirement preparations, challenges faced when preparing for retirement, the remedies to the challenges faced and finally a summary of the reviewed literature.

Chapter three describes the research methodology. This comprises a description of the research design; the population; sample and sampling techniques; data collection instruments and procedure and data analysis in addition to issues of validity, reliability and research ethics.

Chapter four deals with the presentation of the research findings and these are divided into various themes derived from each of the research questions. Findings on sub themes emerging from the main ones have also been presented. Chapter five discusses the research findings and has been organised following the pattern in chapter four. Finally, chapter six presents the summary, conclusion, recommendations and suggestions for future research.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Overview**

In Zambia, retirement is a new phenomenon associated with the modern time. As a result, there have not been many studies conducted on the phenomenon of retirement and its consequences in Zambia. However, there were several studies conducted elsewhere that had revealed information that was relevant to the understanding of the nature of the retirement process. This chapter presents a review of the related literature on the main themes derived mainly from the research objectives. The themes discussed under each sub section were literature related to the meaning of retirement, retirement preparations (social and economic preparedness, strategies for retirement preparations and checklist for preparedness); the challenges which teachers nearing retirement faced when preparing for retirement; the remedies to these challenges; summary of the reviewed literature and a critique of the literature to show the gaps.

#### **2.2 Meaning of Retirement**

Retirement can be defined subjectively and objectively. Subjectively, retirement is a self-defined notion that can mean different things to different people. In itself, it is a broad word which encompasses a number of different elements. For many workers, retirement was seen as an opportunity of long awaited freedom from the responsibilities and stress of employment (Richardson, 1999). It brought change and marked a transition into the later life stages. It is a time of recreation and travel, and an opportunity to develop new mental and physical routines. For some, retirement may mean reducing the amount of work hours per week from full-time to part-time status, while for others it may mean working on a voluntary basis. For still others, it may mean ceasing from all work activity paid or unpaid (Rosenkoetter and Garris, 2001 as cited by Kwesi and Munkua, 2012).

Objectively, retirement can be defined simply as disengagement from business or public life. According to Denton and Spencer (2009: 89), the Oxford English Dictionary defines retirement as follows: "To withdraw from office, or an official position; to give up one's business or occupation in order to enjoy more leisure or freedom (especially after having made a competence or earned a pension)." From a more traditional view, retirement from an

economic perspective is “the institutionalised separation of an individual from his/her occupational position with entitlement to a continuation of income based on prior years of service” (Atchley, 1988 as cited by Kwesi and Munkua, 2012: 758).

Denton and Spencer (2009) further observe that retirement can be voluntary or involuntary; gradual or sudden; temporary or permanent. Hence, there was no one clear definition which embodied all the possible situations. In contrast, Banks and Smith (2006), argue that retirement was made up of the following characteristics: it was a sudden, rather than a gradual process, it was a permanent and voluntary choice, it equaled to drawing a pension, and it was a decision made by the individual rather than cooperatively with household members. This is the concept of retirement that was adopted by most economists. In addition, retirement is a state of mind in the sense that the individual recognises him/herself as being retired. Therefore, planning and anticipating retirement played an essential part in the lives of many workers and their families. In this study however, the working definition adopted by the researcher is that of Shaw and Hill (2002) who defined retirement as an age-related withdrawal from active working life.

Retirement, like any other life process, had phases or stages. Omoresemi (1987) as cited by Kwesi and Munkua (2012:759) points out:

*Three major stages of retirement are identifiable namely: preparation stage (36–45 years), period of immediate retirement (46–55 years), and real retirement stage (56–65 years). It is therefore critical for all prospective retirees to understand the features associated with these stages so as take appropriate steps as they make retirement preparations. The preparation stage is characterised by the need to educate all the children, acquire a piece of land and start building a house, having a life insurance policy and recognising the fact of ageing. At the immediate retirement stage, the individual undergoes physical and psychological changes like wrinkles on the face and skin, growth of grey hair, and familiarisation with retirement regulations and procedures. Finally, at the real retirement stage, the individual is expected to have completed all necessary arrangement on retirement and can now decide on what to do with life, setting up a small business or enjoying leisure.*

### 2.3 Retirement Preparedness

This section of literature is a review of the social and economic preparedness for retirement. Many studies defined and measured preparation for retirement in various ways. As cited by Kerubo (2014: 3), the measurements included:

*Pre-retirement involvement scales such as talking with family members and reading articles (Evans et al., 1985); knowledge of retirement issues (Glamser, 1976); retirement planning such as financial planning, home equity planning, location planning and employment planning (Turner, et al., 1994); planning including health insurance, social security, and pension contributions (Behling and Merves, 1995); and retirement fund calculation and retirement savings (Helman and Paladino, 2004).*

On the other hand, the Transamerica Center for Retirement Studies(TCRS) (2013) identified five key elements of ‘retirement preparedness’: A clear vision of retirement which includes retirement dreams, expected retirement age, and any plans to continue working in retirement, a retirement strategy, that incorporated savings needs, potential risks, and a back-up plan if forced into retirement sooner than expected, retirement income which included saving and investment, pension benefits, and government benefits, Knowledge to make informed decisions about retirement investments, government benefits, and healthcare and finally, a family understanding including an open dialogue about finances and agreement on any expectations of support.

Mutran et al, (1997) as cited by Kerubo (2014:3) defined retirement preparation with questions addressing topics such as, “discussing retirement with others; reading about retirement; attending a pre-retirement programme, lecture, or seminar; and actively planning for retirement such as calculating retirement expenses and income”. In their view, if an individual took an active stance in addressing the above outlined questions, he/she was rightly preparing for their retirement.

In this study, ‘retirement preparedness’ is used to describe one’s ability to sustainably meet the social and economic needs and lead a decent life style in retirement with or without the pension benefits. In other words, it is the ability to continue leading the same life style in retirement as though they were still in active employment. This working definition for retirement preparedness was in line with other scholars such as Evans et al. (1985); Turner,

et al. (1994); Behling and Merves, (1995); Mutran et al. (1997); Helman and Paladino,(2004) and TCRS (2013).

Kwesi and Munkua (2012) states that retirement did not occur suddenly in one's working life; rather it involved a series of steps to be taken by the individual during the active working years when they were young. To support this view, Woodruff and Birren (1983) as quoted by Kwesi and Munkua (2012) also stated that, the employment set the stage for growing old. Therefore, anyone who entered employment had a belief that, he/she would one day grow old, and when the aging process begun, there would come a time when they would be called upon to retire from active service. Before withdrawing from active service, there was a need to prepare towards retirement to help the individual overcome possible shock. In addition, Jorgensen and Henderson (1990) as cited by Kwesi and Munkua (2012:758) are of a view:

*People can benefit from their efforts of retirement preparations, if they were able to identify activities that play important roles in their lives. Among other things, they suggest that people should eliminate the feelings that they have nothing to contribute to society. Secondly, individuals must be helped to develop an identity in addition to work identity.*

This implies that, one should not be pre-occupied with their work only, but rather there should be time for other activities in order to maintain a positive self-image in retirement years.

In other words, Jorgensen and Henderson were for the view that regardless of one's current formal employment, it was also important that they should engage themselves in other gainful social and economic activities during their spare time. For example, they can take up some responsibilities in community social work such as PTA, co-operatives, church or community based non-governmental organisations. Nevertheless, it was not clear as to whether the teachers nearing retirement in Kabompo were also engaged in other social and economic activities to enhance their retirement preparations, hence this study.

Dennis (1984) cited by Chongo (2013) contends that retirement planning should not be limited to financial considerations but rather should address aspects of the entire retirement experience including the role, phases, and events of retirement. She further suggests that

adequate preparation was achieved when pre-retirees increased their awareness and understanding of retirement issues, when they developed a retirement plan, implement that plan, and/or have a positive attitude toward retirement. In line with Dennis' view, it was also found important for the current study to include such questions as: Did the teachers nearing retirement in Kabompo District understand the policies governing retirement? Did they have well defined retirement plans? If they had, did they have positive attitudes to implement such plans?

Some researchers have attempted to determine the characteristics that differentiate individuals who make concrete plans for their retirement from those who do not. These studies explore a variety of domains related to retirement planning including timing of retirement, post-retirement work, housing concerns, use of leisure, and other issues related to the retirement experience (Mutran et al. 1997 and Kwesi and Munkua , 2012). Similarly, in this study, some of the social variables examined include: seeking counselling services, housing, engagement in community activities, family discussions, settlement plans, independence of children and knowledge on retirement policies and procedures.

Additionally, Di Vito and Pospiech (2012) as cited in Kerubo (2014: 1) assert:

*To ensure one is adequately preparing for retirement, a behavioural preparation process ought to occur. First, an individual must be excited about the prospects of retiring, to be motivated enough to seek information and advice, and to finally take action to save for retirement. The final step generally involves choosing to save in personal retirement savings account, an employer retirement savings programme, or both.*

Kerubo (2014) also established that the attributes that positively influenced the levels of financial preparedness for retirement among the International non-governmental organisation workers in Kenya were time to retirement, gender, financial literacy, household income and levels of education. The attributes that negatively influenced financial preparedness for retirement were employees' attitude, number of financial dependants and marital status which commits their financial resources.

Busse and Preiffer (1977) as cited by Tembo (1991) conducted a study on the relationship between planning for retirement and exposure to information. Their study findings revealed that the individuals who had more exposure to information were also more likely to have

plans for retirement ahead of time. It is also observed that most people did not want to think of their retirement. Apparently, the closer workers approached retirement, the more the thought of retirement was repressed (Tembo, 1991).

Donahue and Tibbitts as cited by Tembo (1991) also contend that when retirement was considered not merely as a state of being retired but as a process which went on over a period of time, it is clear that problems pertaining to inadequate preparations for retirement do not necessarily arise after an employee has stopped work. This implies therefore that the attitudes and behaviour of individuals prior to retirement had a definite relationship to successful retirement. These findings were in congruent with those of Hendricks (1981) as cited by Tembo (1991) who established that successful retirement depended on the workers' attitude prior to the event or process of retirement. If the individual, for example, perceived retirement negatively, feared the loss of the work or friends from the job and was probably uncertain for some reasons about the future, social and economic adjustment to retirement would be problematic for such individuals.

Kwesi and Munkua (2012), citing Atchley (1988) state that it was very important to expose workers to the fact of life about retirement income as to enable them prepare themselves for retirement. They further stated that exposure would be best for those just entering the job and that in preparing for retirement; society needed to alert them to the financial prerequisites of retirement early enough so as to be effective. He also explained that to enable the employee to know their stand, they should be helped to make direct comparison between the average salary of a mature employee in a given occupation and the social security benefits they would probably receive on retirement.

Conversely, Buckley (2002) as cited by Kwesi and Munkua (2012:758) stated: "the social security and pension income could not help solve all the problems faced in retirement. Instead, during the pre-retirement period, workers needed to be put in a position to see the need to make additional individual financial preparation to facilitate a happy and productive life in retirement." However, what was not known was whether the situation described by Buckley was also obtaining for teachers nearing retirement in Kabompo District and so the study.

According to Bowling et al (2002), the foundations for good quality life in retirement included: having good social relationships with family, friends and neighbours; having social roles and participating in social and voluntary activities, plus other activities/hobbies performed alone; having good health and functional ability; living in a good home and neighbourhood; having a positive outlook and psychological well-being; maintaining independence and control over one's life. In order to enhance the social and economic preparedness for retirement, the proceeding section of this review shall focus on some strategies employed.

### **2.2.1 Pre-retirement Education/Counselling**

Pre-retirement education/counseling is the process of providing prospective retirees with factual information needed to make a pleasant transition from world of work into the world of less rigorous occupational schedules. The concept includes a review of all insurance policies, management of personal income during retirement, explanation of the retirement process, general information about social security, medicare coverage and acquisition of life skills needed for optional adjustment to retirement roles (Kwesi and Munkua, 2012). Preparing for retirement is a process that involves the past, present and future; to review current and past understanding. As we are aware, this requires a remarkably complex intellectual knowledge to identify areas for exploration, purpose and outline for action and hence the need for pre-retirement education/counseling (Kwesi and Munkua, 2012).

Accordingly, some scholars argue that pre-retirement education/counselling was a basic necessity if near retirement workers were to be equipped to plan effectively for the demands of the future (Hunter, 1968, Ekpo, 1995 and Adeloje, 1999). In a study by Omoresemi (1987) as cited by Kwesi and Munkua (2012), it was discovered that retirement affected the income, residence, family structure, or relationship between members of the family as well as the economic viability of retirees. The implication is that after retirement, the retiree might experience feelings of guilt, anger, denial, fatigue, or a blurred future, and so he/she should be assisted to cope with his/her new experience. The focus of pre-retirement education/counselling at this stage or period is to assist the retiree and all family members who are equally victims to gain insight into their feeling concerning retirement, so that they can explore alternative ways that could help to enhance their emotional stability (Kwesi and Munkua, 2012).

It must be acknowledged, however, that pre-retirement education/counselling as a strategy for mediating retirement's effect and planning for future depended to a large extent on the availability and accessibility of the service to the would be retirees. It was therefore assumed that if people were exposed to the pre-retirement education/counseling early enough, the chances were high that those nearing retirement would be adequately prepared for it even if it happened unexpectedly.

In Zambia, a study by Tembo (1991) on the relationship between financial security, occupational background and pre-retirement attitudes established that retirees adjusted poorly to retirement. In order therefore to help workers adjust positively to retirement, Tembo's study recommended that pre-retirement counselling education programme be put in place in organisations to prepare workers for retirement. Similarly, Chongo (2013), in a study on teachers' vocational aspirations in retirement, recommended the formulation or refinement of pre-retirement counseling and education programmes in government institutions or schools to re-orient and prepare workers for life in retirement and post-pensionable vocations.

In their studies, Tembo (1991) and Chongo (2013), emphasis was placed on the formation of pre-retirement education/counselling programmes so as to help would be retirees to retire successfully. Their recommendations (Tembo and Chongo), concur with Ekpo (1995), Adeloye (1999) and Kwesi and Munkua (2012) who argued that pre-retirement education/counseling was a necessity to enhancing the teachers' preparedness for retirement. Although the studies by Tembo (1991) and Chongo (2013) recommended the introduction of pre-retirement education to prepare workers for retirement, their studies did not focus on the preparedness of the serving teachers for retirement and the challenges which teachers nearing retirement faced when preparing for retirement. For instance, Tembo focused on the challenges faced by the retired civil servants while Chongo focused on the Vocational aspirations of Teachers in retirement.

### **2.2.2 Retirement Savings and Investments**

Household and individual savings for retirement literature is based on two hypotheses. The first is the permanent income hypothesis and the second is the life cycle hypothesis (Muradoglu and Taskin, 1996 cited by Mususu, 2006). Accordingly, Muradoglu and Taskin

contend that the permanent hypothesis assumed that a person's spending decisions were guided by what they thought in their life time would be their average (known as permanent) income. It suggests that people would save unexpected income also known as windfall gains (Economist.com, 2005). On the other hand, the life cycle hypothesis assumed that individuals spread their life time consumption evenly over their lives by accumulating savings during the earning years and maintaining consumption levels during retirement (Muradoglu and Taskin, 1996 cited by Mususu, 2006).

Keizi (2006) as cited by Kerubo (2014:3) observed that, "most of the people who had retired then did not have the opportunity to save enough for their old age due to fewer financial instruments available to them. Most people started engaging in business while they were just about to retire or when they had retired". Consequently, Kapoor et al (1994) as quoted by Kerubo (2014) add that most of such ventures usually did not survive which implies that the little hard- earned retirement savings went down the drain. In another study, Keating and Marshal (1980) as cited by Kerubo (2014) concluded that on average, individuals did not become interested in retirement finances until they were 48 years of age.

Ferraro and Su (1999) cited by Kerubo (2014) advance that the delayed involvement in financial planning translated into too little savings for retirement thereby leading the retirees into psychological distress. In addition, Kerubo (2014) observes that only a small fraction of households reaching retirement age had accumulated assets worth more than twice their pre-retirement annual income. Inasmuch as we acknowledge the findings of Keize (2006); Kapoor et.al (1994); Keating and Marshal (1980); Ferraro and Su (1999) and Kerubo (2014) what was not clear in the current study was whether what was obtaining in their studies was also the case with the subjects under this study.

Financial knowledge as a determinant of financial preparedness was advanced by Greenspan (2002) in the argument that financial literacy helped to inculcate individuals with the knowledge necessary to create household budgets, initiate savings plans, and make strategic investment decisions. Mwangi and Kihui (2012) also point out that proper application of financial knowledge helped households to meet their financial obligations through wise planning, and resource allocation so as to derive maximum utility. In addition, Kwesi and Munkua (2012) established that secure income had critical influence on one's post

retirement life. They further contend that financially secure and independent individuals tended to adjust better to retirement than those who were not.

In the United States, for example, patterns of individual saving for retirement had dwindled to the point where most left the workforce with insufficient resources to maintain their financial independence (Gokhale, Kotlikoff, and Sabelhaus 1996 as cited by Kerubo, 2014). Indeed, Americans had done a poor job of planning for their financial futures, but they were not alone. Insufficient pre-retirement planning practices had been identified as major economic problems in a number of developed countries around the globe (Walker 1996 cited by Kerubo, 2014). This overall lack of financial preparedness, combined with the fact that half of all Americans were not covered by a private pension programme would result in many retirees living at or below the poverty threshold during retirement (Kerubo, 2014). As noted above, it was clear that if people did not save enough during the period they were in active employment; it is most likely that they will be faced with economic challenges in retirement.

Chowa (2006) in his study on savings performance among rural households in sub-Saharan Africa (SSA) found that both women and men saved successfully, however, women saved better than their male counterparts across levels of education, marital status and type of work. Conversely, Phipps and Woolley (2008) also found that an increase in male earnings had a much larger effect on total savings into a retirement plan than an equivalent increase in female earnings. Correspondingly, Kibet et al. (2009) and Salam and Kulsum (2000) adopted a microeconomic approach in investigating the factors that influenced savings among teachers, entrepreneurs and farmers. The study concluded that high income had positive effect on savings of teachers, businessmen and farmers.

The literature reviewed above suggests that one's knowledge of the financial planning process can strongly influence the quality of one's retirement savings decisions (Gokhale et al. 1996; Kerubo, 2014 and Chongo 2013).

### **2.2.3 Checklist for Retirement Preparedness**

Retirement preparedness begins with retirement planning which means, ensuring one has an adequate income after they retire, as well as crafting a plan to stay active, relevant, and

connected. This section highlights strategies one can easily incorporate into their life to ensure a strong financial future (Women's Institute for a Secure Retirement, 2011).

### **2.2.3.1 Examine your Future Income Sources**

According to the Center for American Nurses (2011), the first step in building a retirement plan was to examine your future income sources. Three general sources exist: Social Security benefits; employer-based retirement plans, such as 401(k) or 403(b) plans; and individual retirement accounts (IRA).

### **2.2.3.2 Determine how Long your Income Must Last**

In the second step of retirement planning, determine how long your retirement income will have to last by estimating your longevity. In general, retirees might live 20 to 40 years after they retire (Women's Institute for a Secure Retirement, 2011). You must ensure you have income throughout this period. Thereafter, estimate your income needs during retirement by considering questions such as: 1) what do you anticipate you'll pay for housing? 2) What do you expect to pay for health care? 3) What taxes will you have to pay? 4) Do you expect to have car payments? 5) How much do you think you'll spend on future hobbies, travel, entertainment, and other leisure activities (Center for American Nurses, 2011)?

### **2.2.3.3 Get Financially Literate**

A higher level of financial literacy is associated with a higher incidence of retirement planning. According to Center for American Nurses (2011) resources are available to help nurses understand common financial practices, such as saving, borrowing, and investing. A little planning goes a long way. People who participate in financial planning can nearly double their net worth. Therefore it is important to spend a few moments while working to plan for your retirement.

### **2.2.3.4 A Checklist by Decade**

According to the Center for American Nurses (2011), the earlier one starts long-term financial planning, the better prepared they'll be for retirement. Below are savings strategies for every decade.

**In the 20s:**

In their twenties, an employee must endeavour to do the following so as to enhance retirement preparedness: Learn about their job benefits, get into the habit of saving, start saving for retirement (no matter how small the amount could be) and strive for a debt-free life.

**In the 30s:**

The employee, during this period, is expected to: keep on saving and focusing more on investing, keep debt under control and also do an insurance check-up.

**In the 40s:**

One is expected to set a specific retirement savings goal, take a close look at how they are investing their 401(k) and individual retirement account (IRA) assets, seek professional financial advice and do an insurance checkup.

**In the 50s:**

Revisit their retirement savings goal, take advantage of higher employee contribution limits, explore how they are investing their 401(k) and IRA assets and do an insurance checkup.

**In the 60s:**

Review one's retirement spending strategy, compare pension payout options, consider one's health requirements and examine their options if they can't afford to retire.

**In the 70s:**

One can start withdrawing from traditional IRAs by age 70½ and start drawing Social Security benefits at age 70 if they have delayed them.

The key to developing a secure financial future is having enough income to cover expenses. But the earlier one starts saving, the better (Center for American Nurses, 2011). Since everyone expects to retire one day from their work, it is therefore useful to critically examine the planning that precedes retirement. This implies that the individual should plan retirement before the day comes. However, this was not the case with many people who were in active service. In reality, only a few people made concrete plans for retirement and very few people were exposed to retirement preparation programmes (Center for American Nurses, 2011).

### **2.3 Challenges Faced when Preparing for Retirement**

Poterba (1996) cited by Kerubo (2014) had offered a number of different explanations for why individuals might fail to save for retirement. Among others, some households may be myopic and fail to accumulate assets because they did not recognise the value of providing for their future. Some may be unlucky and experience lower earnings or higher expenses than they expected before reaching retirement. Others may have high discount rates and therefore choose to consume a high fraction of income while working at the expense of lower consumption when retired. Still others may have incorrect expectations about their retirement income from Social Security, private pensions, and other sources, or about life expectancy and post-retirement consumption needs. Other scholars are of the view that the lack of retirement preparedness stems from insufficient educational opportunities aimed at cultivating positive attitudes toward saving (Bernheim, Garrett, and Maki 1997).

Doherty (1983) as cited by Tembo (1991) adds that some individuals seemed to forget that they would one day relinquish their work role and so they did not act early enough to mitigate the obvious retirement challenges. It is for this reason that Mwangilwa (1984) as cited by Tembo (1991) contends that for some people, retirement was abrupt and involved moving out of the houses belonging to employers. This experience thus was said to be psychologically, socially and physically traumatic to the retiree and the family members.

Hills et.al (2002) as cited by Museya (2014), argue that retirement was not a risk but that, retirement brought with it a number of associated risks and challenges which required the state to get involved in this part of the life cycle. Accordingly, two risks were identified in this life-cycle model of retirement and pension provision as being: the investment risk and the information risk. The investment risk is the risk by which the assets acquired during ones working life would either appreciate in value below the owners' expectation or depreciate in value overtime. The information risk, on the other hand, refers to the fact that the individual would not save enough for old age through ignorance or misfortune (Hills et.al 2002 cited Museya, 2014).

However, there were some people, even with the required information and desire to save, they earned so little that even if they saved during their working days their retirement income would still remain lower than acceptable levels. Also, the drop in value of retirement

income earned overtime would push the elderly into situations of poverty. Both of these reasons justify the fact that the retired faced a poverty risk which would ultimately lead them to social exclusion (Mwangilwa, 1984 cited Tembo, 1991).

Tembo (1991) quoting Jacobson (1974) argues that retirement was faced with many challenges usually because the expected retirement income was too low to meeting certain standards that some individual had set. This therefore, explains the reason why some individuals would want to continue working even after attaining the customary retirement age. It was established that many people in Zambia tried to save for their old age/ post retirement period but sadly, was the fact that they only managed to save a little. This was exacerbated by the fact that what they managed to save did not really grow in relation to the escalating consumer price index (Tembo, 1991).

Banda (1993) conducted a study in Zambia on the implementation of the retrenchment exercise and its effects on the organisation and the affected individuals. Among others, his findings indicated that most of the former employees faced challenges in accessing their terminal benefits which resulted into most of them being reduced to beggars.

Chingezhi (2008) also carried out a study on the plight of pensioners in Zambia and his findings reveal that: 1) the pension benefits due to the retirees were in most cases delayed and so exposed the retirees into a state of social and economic vulnerability. 2) The standard of living for retirees drastically reduced after attaining retirement age due to the fact that their pension entitlements were much less than their final pensionable salaries at the time of termination of their employment. 3) The average pensioner was not knowledgeable enough with the details of their pension arrangements so much so that their pension expectations were invariably much different and generally higher than what was reasonably expected to be yielded. 4) The pension schemes failed to maintain the real values of pension benefits once they matured and so over the year, pension benefits continued to be eroded in value.

Museya (2014) in a study on the livelihood impact of challenges in accessing pension benefits by retired teachers in Kapiri-Mposhi district revealed that, the resultant pension system inefficiencies translated into challenges faced by all study participant retirees in accessing pension benefits. It was discovered that these challenges, especially delayed payments of pension benefits, yielded social exclusionary effects on the retirees and their

families as their livelihoods were disrupted by inability to provide for some basic needs. For example, the participants' (retirees) complaints included insufficient amount of pension received, lack of access to information on retirement processes and procedures due to poor publicity, mishandling of documentation before and during retirement which sometimes contributed to delayed payments, transport costs associated with the then centralized system that required for people to travel to the capital city of Lusaka where the civil service pension office was located and the lump-sum payment method of gratuity which was viewed as inappropriate as it attracted many extended family members hence making it difficult for retirees to make appropriate personal planning.

A kinship obligation is yet another challenge many African employees face when it comes to making appropriate retirement preparations. Museya (2014) argues that kinship obligations were quite demanding upon those who were working and who appeared to have more material things than their kinsmen and women; and it is no wonder that many African young men had ended up in goals because they wanted to fulfill their family obligations. The more material things one had, the greater the help one's relatives expected from him/her. Everyone rejoices when a "home-boy" attains high education and a responsible job because they know he/she will help them in one way or another. To some people in Zambia, for example, a relative's attainment of a responsible job was seen as an access to schooling and job opportunities for relatives who might otherwise not have had these opportunities.

The main impact of these challenges on the lives of the retirees is the inability to access basic social and economic services. For example, inability to access education for their children and dependents, the inability to afford access to quality health/ medical services for themselves and their family members, debt/bill accumulation and inability to access water and electricity services. Due to these and many other incapacities, some retirees would end up living in the shanty compounds/slums where the standard of living was highly compromised (Tembo, 1991, Banda, 1993, Chingezhi, 2008, Chongo, 2013 and Museya, 2014).

From the above literature, we may safely conclude that the challenges faced by retirees were twofold: Those that stemmed from the Civil Service Pension Schemes inherent structures of operation (Banda, 1993, Chingezhi, 2008 and Museya, 2014) and those that stemmed from individual teacher inadequate preparations for retirement while still in active employment (Poterba, 1996 and Bernheim, Garrett, and Maki 1997).

Banda, Chinezhi and Maseya's study findings point at the challenges retirees faced in accessing their pension benefits and how these challenges had affected the quality of their lives. In short, their interest was on the welfare of the already retired civil servants. Nevertheless, the current researcher was prompted to establish the challenges faced by serving civil service teachers when preparing for their retirement so as to fill the gap in the existing literature. Besides, their studies were qualitative in nature; the current study took the mixed methods approach which was more of the quantitative nature.

#### **2.4 Remedies to Challenges Faced by Teachers when Planning for Retirement**

There are three major ways in which retirement risk management can be done. According to World Bank (2000) as cited by Museya (2014:20) these include: "Risk reduction, where there is lessened likelihood for the occurrence of a shock, mitigation measures that require reduction of the shock impact and coping measures which focus on relieving occurrence of a shock." Withdrawing from savings, selling of assets, borrowing and calling on support networks are some of the usually employed coping measures. It is from this stage that most developing countries ought to shift focus onto the first two strategies. Coping measures ideally ought to be residual backup should risk reduction and mitigation strategies fail (Museya, 2014).

As stated above, there are three approaches to risk management mechanisms. There are a number of ways which can fall under any of the three risk management mechanisms above, that the retirees choose to respond to the challenges which they faced. In a study by Museya (2014), the most frequently mentioned strategy for responding to challenges by retired teachers of Kapiri-Mposhi District, was that of engagement into subsistence/small scale farming in order to grow food enough for the household and for sale should any surplus remain. The type of small businesses, which were run as a form of coping, included mechanic activity (fixing bicycles and other smaller machines) based on generally, obtained knowledge and selling at the market. Borrowing was mentioned as one form of coping hence the impact of debt accumulation. The constant pursuit of information as a way of tracking the response to complaints and following benefits was a common response. Going by the earlier established risk management approaches, these all represent the coping aspect as opposed to risk reduction or risk mitigation options. This thereby renders them unsustainable in the long run.

In addition, Museya (2014:36) contends:

*Since individual saving for retirement was found to be impossible for most people, perhaps the creation of groups within professions, in which the main activity is saving, would be one way to tackle the risk of falling into a level of poverty when people retired. Savings and Credit focused groups would be used by professionals in their time of employment as motivation for savings. Members of small groups of between five to ten people would be formed where an agreed sum of money would be contributed and a rotation cycle approach would be taken in accessing the agreed upon amount, from accumulated contributions, after period of time as agreed by the members.*

In fact according to Mukuka et.al (2002) as cited by Museya (2014:36), “informal social security schemes such as these were already practiced by mostly the rural and urban poor in Zambia called *Chilimba*.” These began as a substitute for mutual-aid among poor male labour miners during the colonial period to cover contingencies such as personal items, funeral, education transport and medical expenses (ibid). Such an approach may be like that of Self Help Groups (SHGs), associated with micro-financing schemes, largely promoted in rural India. Advantages of SHGs included increase in the members’ living standards, household income, asset ownership, borrowing capacities, income generating activities and savings for the poor who were members (Varman, 2005 as cited by Museya, 2014).

The promotion and adoption of this approach in social security may lessen the risk of falling into poverty during retirement as the increase in acquired assets would be shock absorber should the impact of challenges faced in benefit access hit. With such an approach, rather than waiting on the state to act via some sort of government interventions, potential and existing retirees would take action by using available resources in view of maintaining sustainable livelihoods. This would make for a good micro level approach towards risk mitigation and reduction which may also served as a coping strategy in livelihood sustainability of a retiree (Museya, 2014).

Kwesi and Munkua (2012), state that in a study carried in 1997; it was found that retirement planning correlated with positive attitudes towards retirement. By participating in pre-retirement education/counseling programmes or courses, one can start assessing his or her attitudes and preparedness towards retiring. These courses would be most successful if they

managed to address financial and health matters. Since retirement may prove a new meaning and value to one's life, pre-retirement counseling assisted individuals in their preparation.

Apart from the pre-retirement programmes, Coni et al., (1992) also observe that individuals should all be planning their own retirement throughout their lives, and that even school-aged children should receive some form of instruction about the topic. This would enable younger people to have a better understanding of what ageing is and learn about some complexities of being old. Having hobbies and leisure pursuits at a young age may introduce them to activities that they enjoy. Hence, once retired, one would be able to revert to these activities.

## **2.5 Summary of the Literature Reviewed**

In summary, the literature above has established that there was no single universal definition of the concept of retirement as it carried both subjective and objective meanings. Retirement could mean different things to different people depending on the context in which it was being used. Different scholars had used different parameters to define the concept of retirement (Atchley, 1988; Richardson, 1999 and Denton and Spencer, 2009). It has also been established that retirement did not happen suddenly but rather gradually as a process. Since it was a process, some scholars argue that it happened in notable stages thus, the preparation (36-45 years); the immediate (46-55 years) and the real (56-65 years) retirement stages (Omoresemi, 1987).

In addition, the literature has also established that retirement preparedness was a multi-dimensional phenomenon which could be measured through various variables. These variables could be social, economic, political and cultural in nature (Glamser, 1976; Evans et.al, 1985; Tunner, et.al, 1994; Mutran, et.al, 1997; Helman and Paladino, 2004 and TCRS, 2013). To enhance retirement preparedness, it is noted that individual needed to take a series of steps during their youthhood so as to overcome the possible retirement shocks. It is therefore important that apart from one's formal job, they must get involved into other social and economic activities if their life in retirement was to be desirable (Birren, 1983; Jorgensen and Henderson, 1990 and Kwesi and Munkua , 2012). To help individuals determine their retirement preparedness progress, the Centre for American Nurses (2011) had provided a comprehensive checklist of what ought to be put in place in a chronological

order, in one's working life, from the preparation through the immediate to the real retirement stage.

The literature has further established the retirement challenges faced by retirees as well as those who were still working as they prepare for retirement. Among the many challenges, most retirees faced the social exclusionary challenges caused by, on one hand, delayed payment of the pension benefits and on the other hand, inadequate retirement preparations during their youthful period. Consequently, they were forced to reside in shanty and rural areas where the standard of living was compromised and in some extreme circumstances, others died prematurely due to psychological, social and physical distress (Banda, 1993; Chingezhi, 2008; Chongo, 2013 and Museya, 2014).

Among the challenges faced by those who were still working included: kinship obligations, a situation where some individuals were forced to spend more money and other material things to support their kinsmen and women, as this was deemed appropriate in the African context if an individual was to command more respect from their home men and women. Apart from the kinship obligations, some individuals had negative attitudes towards saving for retirement; others were myopic and lack financial and business skill, lower earnings which culminated into poor or no savings at all, inadequate information/ education on retirement policies and procedures and finally over dependence on the formal job to an extent of forgetting that one day they would retire (Doherty, 1983; Proterba, 1996 and Museya, 2014).

The final section of this chapter reviewed literature on how the retirement challenges could be minimised. It has been established that some retired individuals adopted some coping skills such as engaging in subsistence farming and small scale businesses while those who were still working were encouraged to formal some credit saving groups, seek pre-retirement education/ counseling programmes and develop the attitude of saving for retirement early enough during their active working life (Coni, et.al, 1992; Mukuka, et.al, 2002 and Museya, 2014).

In conclusion, from the literature above, we observe that it is important that people engage in basic retirement planning activities throughout their working years and to update retirement plans periodically. Though it is never too late to begin sound financial planning,

one can avoid the unnecessary difficulties by starting to plan early. In Zambia, for example, it is true that most people, teachers inclusive, wait until nearing retirement or just after retirement that is when they tend to show some signs of investments. This situation is dangerous and usually leads the retiree into serious financial mismanagement and later lapse into poverty. It is against this background that the current study attempted to analyse the preparedness of serving teachers for retirement.

## **2.6 A Critique on the Literature**

Related literature to the study on the analysis of teachers' preparedness for retirement from the teaching service was reviewed. This section presents a critique on some of the literature reviewed from the African and Zambian context.

A study by Asuquo and Maliki (2007) was on the Nigerian Public School Workers' Perception and Attitude to Pre-Retirement Counselling whose purpose was to investigate the perception and attitude of selected Nigerian public school workers to pre-retirement counselling. The subjects for this study were 360 public school workers selected basically from teaching (primary and post primary). The stratified random sampling was adopted to ensure that the selection was representative of the diversity of the population in a typical Nigerian School system. Their study however, focused only on the perceptions and attitudes of the public school workers to pre-retirement counseling and how perception and attitude were influenced by some demographic characteristics such as age, sex and professional status. It did not analyse the preparedness of teachers for retirement, it did not also bring out the challenges teachers nearing retirement face when preparing for retirement and finally, the study employed only the quantitative methods of data collection thereby generating only surface information.

Kwesi and Munkua (2012) conducted a study whose purpose was to explore retirement planning, challenges, and counseling among teachers of public schools in the Sekondi Circuit in the Western Region, Ghana. A sample of 50 teachers was selected through convenience sampling. Only teachers who expressed interest in participating in the study were sampled. The main instrument for collecting the data was questionnaire. Although the study by Kwesi and Munkua was similar to the current study, it differs significantly from the current one in terms of the design, sample size and data collection tools. Kwesi and Munkua

employed a quantitative approach with only 50 teachers conveniently sampled while the current study sought a mixed methods approach and involved 162 teachers purposively selected.

Another study by Kerubo (2014) focused on the effects of demographic characteristics on financial preparedness amongst employees of international non-governmental organisations in Kenya. The study adopted the use of descriptive design. A sample of 60 employees was conveniently selected and administered with questionnaires. Kerubo's study focused only on the effects of demographic characteristics on financial preparedness for retirement. She did not however, consider the social preparedness aspect for retirement. In addition, her study targeted only 60 participants whose views might not have been very representative of the population. The current study sought to target 162 participants in order to increase the representativeness of the entire study population.

In addition, Osuji (2014) conducted a study to determine teachers' perceptions and attitudes towards retirement in Secondary School in Rivers State, Nigeria. The study adopted descriptive survey design. The population of the study consisted of all the 990 teachers in 21 Government owned Senior Secondary Schools in Port-Harcourt Metropolis. The sample size was made up of 400 teachers' representing 40% of the total population in 10 randomly selected Government Senior secondary schools in Port Harcourt Metropolis. The instruments used for the study data collection was a structured questionnaire to elicit information on perception of teachers on retirement. While Osuji's study involved a huge sample to make it more representative of the population, it only collected surface information on the perception and attitudes of teachers towards retirement because of its quantitative design. It did not however, consider detailed information on the social and economic preparedness of teachers for retirement.

In Zambia, Tembo (1991) conducted a study which focused on the socio-economic factors influencing adjustment in retirement among civil servants in Lusaka. In his study, 90 retired civil servants were randomly sampled using a survey method. In the current study, the researcher sought to analyse the preparedness of prospective teacher retirees for retirement in which the social and economic aspects of retirement preparations were analysed; the relationship between retirement preparedness and demographic factors such as gender, age

and education and challenges teachers preparing for retirement faced were also determined to add new knowledge to the previous study.

Secondly, Chingezhi (2008) also conducted a study whose focus was on the plight of pensioners in Zambia, more essentially to establish and confirm the existence of the difficulties faced by pensioners from NAPSA, PSPF, LASF and Mukuba pension scheme. The study by Chingezhi was concerned with the challenges of the pensioners in accessing their benefits from the Social Security Pension organisations while the current study focused on the analysis of alternative preparations for retirement for the teachers nearing retirement apart from the expected retirement package from the Pension Schemes whose dependency has proved to be unsustainable in enhancing a decent life style for retiree.

In addition, Chongo (2013) conducted a study in Lusaka District and the purpose of the study was to determine and compare the vocational aspirations of retiring teachers of high and basic schools. A descriptive survey design was employed to collect a set of qualitative and quantitative data. The data were collected using semi-structured questionnaires and unstructured interviews. Chongo's study did not go further to analyse the extent to which teachers were socially and economically prepared to retire from the teaching service hence this study.

Finally, Museya (2014) carried out a study to establish the livelihood impact of the challenges in accessing the pension benefits by the civil service retired teachers from social security pension system in the Zambian Kapiri-Mposhi District. The sample population was composed of teachers who retired ranging from 2004 till 2014. The study employed a technique of qualitative data collection where data were collected by conducting a survey of 20 civil service teacher retirees. While Museya's study highlighted the effects of delayed payment of pension benefits on the quality of the retirees' life styles, in the current study, the researcher sought to analyse the retirement preparation strategies employed by teachers while still working bearing in mind that there existed a number of challenges in accessing ones' pension benefits and that this had adverse effects on the retirees' life styles.

Generally, all the studies reviewed above were either quantitative or qualitative in approach, focused only on retired teachers and other civil servants and/ or workers in NGOs. None of them took a mixed methods approach to establish empirical information on the social and

economic preparedness of teachers for retirement while still in active formal employment. This study was therefore carried out to fill the gaps in the existing literature. The next chapter looks at the methodology employed in this study.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Overview**

The previous chapter was a review of literature related to the study. This chapter is a discussion on the methodology employed to conduct the study. It discusses the research design, the population, sample and sampling techniques that were adopted, the research instruments used, data collection procedures, the data analysis procedures, issues of validity and reliability and ethical considerations.

#### **3.2 Research Design**

Research design refers to the plan and structure of the investigation used to obtain evidence to answer research questions (Bulmer and Warwick, 1993). It indicates how the research is set up and explains what happens to the participants and methods of data collection used. In this study, a concurrent embedded design of the mixed methods approach was used to carry out the study. According to Creswell (2009: 214),

*...a concurrent embedded design is a strategy characterised by one data collection phase during which both quantitative and qualitative data are collected simultaneously. A concurrent embedded approach has a primary method that guides the project and a secondary database that provides a supporting role in the procedures. Given less priority, the secondary method (quantitative or qualitative) is embedded, or nested, within the predominant method.*

In this study, the qualitative method (secondary) was embedded in the quantitative (primary) as being the main one so as to help in describing some aspects of the study which could not be quantified. In short, the qualitative method helped to address some study questions that could not be adequately addressed using the quantitative method alone (QUAN + qual.). Generally, this design (concurrent embedded) was preferred in order to allow the researcher to collect the two types of data simultaneously, during a single data collection phase.

#### **3.3 Study Population**

The study's target population comprised approximately 350 serving teachers aged 40 years and above in Kabompo District. These were targeted with the view that they were nearing

retirement and with an assumption that they would have done something already or were doing something in preparation for their retirement.

### 3.4 The Study Sample

Participants for the study sample were 162 drawn from 15 schools as follows:

Table 2: Study Participants by School and Gender

S/N	Name of School	Males	Females	Total
1.	Chikata Primary School	5	7	12
2.	Chiweza Secondary School	10	12	22
3.	Indeco Primary School	9	1	10
4.	Kabompo Secondary School	15	9	24
5.	Kalambo Primary School	6	2	8
6.	Kamafwafwa Primary School	4	1	5
7.	Kamashila Primary/Secondary School	8	2	10
8.	Kamisombo Primary School	6	1	7
9.	Katendwa Primary School	3	3	6
10.	Kavinyonde Primary School	4	2	6
11.	Ndeko Primary School	4	1	5
12.	Phakasa Primary School	4	3	7
13.	Pokola Primary School	5	14	19
14.	Pokola Secondary School	8	8	16
15.	Samununga Primary School	3	2	5
	<b>Total</b>	<b>94</b>	<b>68</b>	<b>162</b>

Table 2 above shows the number of participants sampled from the 15 Primary and Secondary schools. In total, the sample comprised ninety- four (94) male and sixty-eight (68) female participants aged 40 years and above. Table 3 below is a description of the participants by age and academic qualifications.

Table 3: Participants' Age and Academic Qualifications by Gender

<b>Age bracket</b>	<b>Males</b>	<b>Females</b>	<b>Total</b>
40-45 years	62 (38%)	42 (26%)	104 (64%)
46-50 years	20 (12%)	17 (11%)	37 (23%)
Above 50 years	12 (7%)	9 (6%)	21 (13%)
<b>Total</b>	<b>94 (58%)</b>	<b>68 (42%)</b>	<b>162 (100%)</b>
<b>Academic qualifications</b>			
Primary Certificate	12 (7%)	13 (8%)	25 (15.4%)
Diploma in Education	46 (28%)	34 (21%)	80 (49.4%)
Bachelors Degree	34 (21%)	21 (13%)	55 (34%)
Masters Degree	2 (1.2%)	-	2 (1.2%)
<b>Total</b>	<b>94 (58%)</b>	<b>68 (42)</b>	<b>162 (100%)</b>

With regard to the participants' age as shown in table 3, there were sixty-two (62) male and forty-two (42) female, in total one hundred and four (104) participants in the age group 40-45 years, twenty (20) male and seventeen (17) female, in total thirty-seven (37) participants aged 46-50 years and twelve (12) male and nine (9) female participants above 50 years of age. In relation to academic qualifications, twelve (12) male and thirteen (13) female participants were Primary Certificate holders, forty-six (46) males and thirty-four (34) females were Diploma holders, thirty-four (34) male and twenty-one (21) female participants were Bachelors Degree holders and only two (2) male participants were Masters Degree holders.

### 3.5 Sampling Procedure

Purposive and convenience sampling procedures were used in this study. Purposive sampling is based on the judgment of a researcher regarding the characteristics of a representative sample. The strategy in purposive sampling is to select elements that are deemed to be typical of the population under investigation. The researcher purposely chooses subjects who, in their opinion, are thought to be relevant to the research topic (Cohen and Manion 1998).

The use of purposive sampling in this study was to ensure that only teachers nearing retirement (40 years and above) were allowed to take part in answering the questionnaires and taking part in focus group discussions. The assumption was that this category of participants was more likely to be prepared for retirement as they were remaining with fewer years to retire. Convenience sampling was used to select the 15 schools from which the participants for the study were drawn, because the researcher targeted only schools that were within the radius of 10 kilometers from the District Education Board Secretary's (DEBS) offices for easy accessibility. One hundred and fifty (150) questionnaires were then conveniently administered only to participants who were found present at the research sites and were more willing to take part in the study. The twelve participants for the two focus groups were also conveniently arranged with teachers from *Chiweza* and *Pokola* schools because it was easy to access and mobilize the participants. The researcher obtained a staff establishment list from the school management from which teachers aged 40 years and above were identified. From the identified potential participants, the researcher administered questionnaires and or focus group discussions only to those who were readily available and were willing to participate in the study.

### **3.6 Research Data Collection Instruments**

In this study, questionnaires and focus group guides were used as data collection instruments. Questionnaires were the main research instruments which were used to collect quantitative data from one hundred and fifty (150) of the sampled participants and this resulted in 100% response rate. Focus group discussion guides were used as supporting data collection instruments to collect qualitative data from the remaining twelve (12) participants who were divided into two equal groups consisting of two (2) males and (4) four females in each.

#### **3.6.1 Questionnaire**

A questionnaire is a research instrument used in the gathering of data over a large sample in a more accurate manner (Kasonde-Ng'andu, 2013). In this study, a questionnaire was used to assess the participants' social and economic preparedness for retirement. The questionnaire was also used to establish the social and economic challenges that the participants faced as they made preparations for their retirement. The questionnaire was

divided into four sections namely: the participants' demographic characteristics; the participants' social preparedness for retirement; the participants' economic preparedness for retirement and finally the social and economic challenges faced by participants when preparing for retirement (Appendix A).

Likert-type items were used to solicit responses aimed at measuring the degree to which the participants agreed or disagreed to a statement on their retirement preparation practices. The Likert response format requested participants to indicate whether they strongly agreed, agreed, disagreed or strongly disagreed with the statement posed in the questionnaire item. This format was selected because of its ease of understanding to the participants to answer since they had only to choose a category. In addition, chances for irrelevant responses were limited to the minimum, because appropriate answer categories were provided.

### **3.6.2 Focus Group Discussion Guide**

A focus group guide is a series of questions for the facilitator to use. Typically, the facilitator asks questions to the group and allows time for participants to respond to each other's comments. A focus group discussion (FGD) is a rapid assessment, semi-structured data gathering method in which a purposively selected set of participants gather to discuss issues and concerns based on a list of key themes drawn up by the researcher/facilitator (Kumar 1987). It provides insights into how people think and provide a deeper understanding of the phenomena being studied.

FGDs in this study provided another important source of information on the challenges teachers encountered as they prepared for their retirement. The FGDs also sought to suggest remedies to the challenges faced by teachers when preparing for their retirement. The FGD guide had three parts namely: the introductory remarks on the topic; possible social and economic challenges faced by teachers as they prepare for retirement and the last part on the possible ways of enhancing successful retirement preparations (Appendix B).

FDGs were preferred to individual interviews because conducting interviews could have been an expensive proposition that could exceed the available resources to the researcher. FDGs, therefore, being group interviews, gave the researcher the ability to capture deeper information in a shortest period of time more economically than would have been with individual interviews. Further, the FGDs offered the researcher an opportunity to study the

ways in which individuals collectively made sense of the phenomenon under discussion and constructed meaning around it.

The researcher facilitated all the group discussions. This arrangement made it possible for the researcher not only to ask questions where clarifications were needed during the discussion, but also to pay more attention to what was being said both verbally and by non-verbal communication such as facial expressions and gestures, which could indicate levels of approval or disapproval. The participants were requested to answer certain questions and the researcher noted down the answers given. The researcher used semi structured FGD questions which made it possible for the researcher to ask broad questions in any order considered appropriate. The questions also gave the participants room to answer freely and amplify their responses. The participants were able to bring to the fore issues in relation to a topic that they deemed to be important and were able to argue by challenging each other's views.

### **3.7 Data Collection Procedure**

Data collection refers to gathering specific information for the research problem and aimed at proving or refuting some facts. Data collection is important in research as it allows for dissemination of accurate information and development of meaningful programmes.

In this study, both quantitative and qualitative data sets were collected simultaneously in one phase, in November and December 2016. The data collection procedure involved administering questionnaires and conducting focus group discussions. The process was preceded by adequate preparation in terms of developing questions, instruction guidelines, seeking permission and making appointments for completion of questionnaires and FDGs. The researcher presented an introductory letter from the University of Zambia to the District Education Board Secretary (DEBS) who in turn served the researcher with another introductory letter to the head teachers of schools. Permission was then granted by head teachers to carry out the study with their teachers. Appointments were then made with the identified teachers to complete the questionnaires and conduct the FDGs.

### **3.8 Data Analysis Procedure**

Data analysis refers to examining what has been collected in the field and making deductions and inferences. It involves uncovering underlying structures; extracting important variables, detecting any anomalies and testing any underlying assumptions. It involves scrutinizing the acquired information and making inferences (Kombo and Tromp, 2006).

Both quantitative and qualitative methods were used in analysing data allowing easy processing and interpretation. Data gathered were first edited, serially numbered, and coded. The quantitative data were analysed using the Statistical Package for Social Sciences (SPSS) to generate frequencies and percentages which were used in describing the distributions of summated variables. Cross tabulations and chi-square analysis were used to check for significant associations between the demographic factors (gender, age and education) and preparedness for retirement in the observed and the expected frequencies at the significance level or alpha ( $\alpha$ ) =0.05. Where the Pearson's chi-square test could not apply, the Fisher's exact test was used to interpret the results. To analyse data on the teachers' social and economic preparedness for retirement, a 4 point ordinal scale was used and all items were structured on a 2.5 Likert-type mean scale with the arbitrary weighting as: SD=1; D=2; A=3 and SA=4.

Therefore,  $1+2+3+4=10$  and 10 divided by 4 equals 2.50. The analysis thus was based on the mean response score of 2.50 on the 4 point scale. Any mean score of less than 2.50 represented disagreement. Therefore, the analysis of the participants' views was presented in the tables showing frequencies, percentages and the mean response.

Qualitative data on the other hand were analysed manually and thematically. Questions employed in the FGDs formed the central themes on which the analysis was based. The responses on each question were grouped according to the emerging themes. From the information recorded, the researcher identified major themes and sub-themes and critically analysed various expressions with a view to gaining deeper insights into the subject matter. The processed data were then descriptively narrated according to the major themes.

### **3.9 Validity and Reliability**

Validity is a measure of the degree to which various items in the instrument cover the materials needed to be collected from fieldwork (Cohen and Marion, 1998). In other words, validity is the extent to which a test measures what it purports to measure. Validity in this study therefore, is the degree to which the questionnaire and focus group questions accurately solicited the views of the respondents. In order to enhance validity of the findings, the data collected were verified by using triangulation and member checking. Patton (1990) defines reliability as a measure of the degree to which a data collection instrument is able to provide consistent results or data after repeated trials with the same or similar respondents and in a controlled environment.

In ensuring the reliability of the questionnaire in this study, during the pilot study, the test–retest method was used to determine the reliability of the questionnaire items. The questionnaires were administered to some teachers and two weeks later, the same questionnaire items were administered to the same teachers again. The responses of the teachers on the two occasions were correlated using the Pearson’s Product-Momentum Correlation to determine the degree of consistency. This yielded a coefficient ( $r$ ) of 0.81 which confirmed that the questionnaire items had a very high consistency, and therefore deemed reliable.

### **3.10 Pilot Study**

The study was piloted in three schools in Mufumbwe district on fifteen (15) participants to perfect the study instruments regarding reliability and validity as explained above. Specifically, the instruments were pilot-tested in order to determine the degree to which the data collection instruments were able to provide consistent results after repeated trials with the same respondents and also to ensure that the words, phrases, expressions and sentences in the instruments were clear to the respondents so as to enhance their understanding of the meaning of each and every question. In the process, all corrections, omissions, grammatical errors, and other forms of ambiguity were rectified.

### **3.11 Ethical Considerations**

The study took into account all measures to ensure compliance with all possible and potential ethical issues of concern. In order to adhere to research ethics, the researcher took the following measures; firstly, permission was sought from the District Education Board Secretary (DEBS) to conduct this study in the selected schools. Secondly, at the study sites, the relevant school authorities were briefed on the importance of the research and the procedures the researcher would use to collect data and permission was granted to interact with the study participants.

Thirdly, anonymity and confidentiality were ensured by not allowing participants to write their names on the questionnaires. This helped to minimise fears of victimisation and promoted honesty among participants in the way they responded to the questions. Hence, the participants felt more secure with this approach of data collection. In addition, the participants were also informed in advance that the questionnaires and FGDs were intended to collect information for a specific academic purpose and not for other purposes which were likely to infringe on the rights of individuals or groups of people participating in the study. This measure helped to ensure confidentiality during the data collection and reporting of the findings of the study.

### **3.12 Summary**

In summary, this chapter discussed the methodology used to collect the required data for this study. It has provided highlights on the research design, population, sample and procedure used to generate the information required to support the study. A justification and description of the research instruments, data collection procedure and how analysis of data was done, has also been given in order to help the reader understand how the findings of the study were arrived at. The chapter has ended by providing ethical considerations which were made with regard to this study. In the next chapter, the findings of the study are presented.

## CHAPTER FOUR

### FINDINGS OF THE STUDY

#### 4.1 Overview

The findings of the study are presented in this chapter. The findings from the questionnaires are presented by use of frequency tables. On the other hand, findings from the focus group discussion are presented in a descriptive form according to the questions posed during the discussion. The findings are organised under the following themes: social and economic preparedness of teachers for retirement; association between demographic factors and preparedness of teachers for retirement; the challenges faced by teachers nearing retirement and the teachers' recommendations to improve their preparedness for retirement.

#### 4.2 Questionnaire Findings

This section presents findings generated from the questionnaires in form of tables. The questionnaire addressed questions on the social and economic preparedness of teachers for retirement and the challenges faced by teachers nearing retirement.

##### 4.2.1 Social and Economic Preparedness of Teachers for Retirement

**Research Question 1:** How is the social and economic preparedness of teachers for retirement in Kabompo District? This section presents findings on this research question in three parts. The first part is an analysis on the general preparedness of teachers for retirement, the second one is on the social preparedness and the last part is on the economic preparedness for retirement.

Table 4: General Preparedness for Retirement (N=150)

Response	Frequency	Percent	Sum	Mean
Strongly disagree	58	38.7	274	1.83
Disagree	67	44.7		
Agree	18	12.0		
Strongly agree	7	4.7		
<b>Total</b>	<b>150</b>	<b>100</b>		

Table 4 above shows the participants' responses on the social and economic preparedness for retirement from the teaching service. The participants were asked to either agree or disagree to the statement: "Given an opportunity to retire today from the teaching service, do

you feel prepared enough to do so”? The results indicate that 58 (38.7%) of the participants strongly disagreed to the statement, 67 (44.7%) disagreed, 18 (12%) agreed and 7 (4.7%) of them strongly agreed that they were prepared to retire at any time. Generally from the results, the majority of the participants (83.4%) felt that they were not prepared enough to retire from the teaching service and only about 16.7% of them felt that they were prepared enough to live a decent life style in retirement.

#### 4.2.1.1 Social Preparedness for Retirement

This section presents findings on the participants’ social preparedness for retirement. Social preparedness is further divided into sub sections namely: settlement plans, social networks and retirement knowledge and health issues. A four (4) point Likert scale was used to rate the degree to which the participants agreed or disagreed with the statement or the variable in the questionnaire. All the items were structured on a 2.5 Likert-type mean scale with:

Strongly Disagree (SD) =1; Disagree (D) =2; Agree (A) =3 and Strongly Agree (SA) =4  
Therefore;  $4+3+2+1 =10$  and  $10/4= 2.50$

This means that any variable or item, whose mean score was at 2.50 or above, was positively considered as agreed upon by the participants. Conversely, any item whose mean was below 2.50 was negatively considered.

Table 5: Participants’ Social Preparedness for Retirement with Regard to Settlement (N=150)

Item	SA	A	D	SD	Mean	Overall mean
You are already decided as to when to retire (at 55yrs, 60yrs or 65yrs).	64 (42.7%)	75 (50%)	11 (7.3%)	0 (0%)	<b>3.35</b>	<b>2.80</b>
You already know where to settle after retirement.	28 (18.7%)	48 (32%)	65 (43.3%)	9 (6%)	<b>2.63</b>	
You already built or bought your own house.	26 (17.3%)	40 (26.7%)	56 (37.3%)	28 (18.7%)	<b>2.43</b>	

Table 5 shows an analysis of the teachers’ social preparedness for retirement in terms of their settlement plans. From the analysis, 64 (42.7%) participants strongly agreed that they had already decided as to when to retire, 75 (50%) agreed and 11 (7.3%) disagreed.

Therefore, the majority of the participants (92.7%) were in agreement that they had already decided as to when to retire. Similarly, on the item whether they had already decided where to settle in retirement, 28 (18.7%) participants strongly agreed that they had already decided, 48 (32%) agreed, 65 (43.3%) disagreed and 9 (6%) strongly disagreed. The resultant mean score was 2.63. Therefore, this means that the majority of the participants had already decided where to settle in retirement. Nevertheless, on the item as to whether the participants had already built or bought their own houses, 26 (17.3%) of them strongly agreed, 40 (26.7%) agreed, 56 (37.3%) disagreed and 28 (18.7%) strongly disagreed giving a result mean score of 2.43. This means that the majority of the participants (56%) had not built/bought their own houses.

Generally, out of the three (3) items associated with settlement plans, 2 of them had a mean score above 2.50 and only 1 item had a mean score below 2.50. The overall mean score for all the three items was 2.80. This means that the teachers nearing retirement in Kabompo District were prepared for retirement in terms of settlement plans.

Table 6: Teachers' Social Preparedness for Retirement in Social networks and Interactions (N=150)

Item	SA	A	D	SD	Mean	Overall Mean
You discuss your retirement plans with your family and friends.	5 (3.3%)	54 (36%)	72 (48%)	19 (12.7%)	<b>2.30</b>	<b>2.45</b>
Your family and friends support your retirement plans.	7 (4.7%)	47 (31.3%)	75 (50%)	21 (14%)	<b>2.27</b>	
You perform other social roles in the community such church or NGOs	31 (20.7%)	64 (42.7%)	35 (23.3%)	20 (13.3%)	<b>2.71</b>	

Table 6 is an analysis of the teachers' social preparedness for retirement in terms of their social networks and interactions. From the analysis, 5 (3.3%) participants strongly agreed that they discussed their retirement plans with their families and friends, 54 (36%) agreed, 72 (48%) disagreed and 19 (12.7%) strongly disagreed resulting in a mean score 2.30. Therefore, the majority of the participants (60.7%) had not yet discussed their retirement plans with family members and friends. On the item as to whether family members and friends supported their retirement plans, 7 (4.7%) participants strongly agreed that they were supported, 47 (31.3%) agreed, 75 (50%) disagreed and 21 (14%) strongly disagreed

resulting in a mean score of 2.27. This means that the majority of the participants (64%) did not have their retirement plans supported by family members and friends. Finally, on whether the participants held other social roles and responsibilities in the community, 31 (20.7%) of them strongly agreed that they had other social roles and responsibilities, 64 (42.7%) agreed, 35 (23.3%) disagreed and 20 (13.3%) strongly disagreed giving a resultant mean score of 2.71. Since the majority of the participants (63.3%) were in agreement, it means that the participants were prepared to work with others in the community even after retirement.

Generally, out of the three (3) items associated with social networks and interactions, 2 of them had a mean score below 2.50 and only 1 had a mean score above 2.50. The overall mean score for all the three items was 2.45, which is below the mean score 2.50. This means that the teachers nearing retirement in Kabompo District were not adequately prepared for life in retirement with regard to social networks and interactions with other members within the community.

Table 7: Analysis of Participants' Retirement Knowledge and Health Issues (N=150)

Item	SA	A	D	SD	Mean	Overall Mean
You have read a lot on retirement policies and procedures.	4 (2.7%)	20 (13.3%)	75 (50%)	51 (34%)	<b>1.85</b>	<b>2.02</b>
All your children will be independent at the time you will retire.	11 (7.3%)	45 (30%)	65 (43.3%)	29 (19.3%)	<b>2.25</b>	
You have a medical insurance policy for yourself and the family.	10 (6.7%)	30 (20%)	55 (36.7%)	55 (36.7%)	<b>1.97</b>	

Table 7 is an analysis of the teachers' social preparedness for retirement in terms of knowledge on retirement issues and medical insurances. Three items associated with knowledge on retirement and medical insurance were used to measure the teachers' degree of preparedness in this area. From the analysis, the first item on whether the participants had read a lot on retirement policies and procedures, 4 (2.7%) participants strongly agreed that they had read a lot, 20 (13.3%) agreed, 75 (50%) disagreed and 51(34%) strongly disagreed resulting in a mean score of 1.85. Therefore, the majority of the participants (84%) had not read a lot on the retirement policies and procedures. The second item on whether all their

children would be independent at the time of retirement, 11 (7.3%) of them strongly agreed that all their children would be independent, 45 (30%) agreed, 65 (43.3%) disagreed and 29 (19.3%) strongly disagreed, giving a total of 56 (37%) participants in agreement and the majority 94 (62.7%) in disagreement with the questionnaire item. The third item asked the participants as to whether they had medical insurance policies for themselves and their families in retirement, 10 (6.7%) of participants strongly agreed that they had, 30 (20%) agreed, 55 (36.7) disagreed and 55 (36.7) again strongly disagreed giving a total of 40 (26.7%) participants in agreement and the majority 110 (73.3%) in disagreement with the questionnaire item.

Generally, each of the items associated with knowledge on retirement issues and medical insurances had a mean score below 2.50 and the overall mean score for all the three items was therefore still below 2.50. Therefore, since the majority of the participants were in disagreement with the questionnaire items and the mean score being below 2.50, it means that the teachers nearing retirement in Kabompo District did not have adequate knowledge on retirement issues and did not have medical insurance policies to cover their medical expenses in retirement.

#### **4.2.1.2 Economic Preparedness for Retirement**

This section presents findings on the participants' economic preparedness for retirement. Economic preparedness is further divided into sub sections namely: savings, investments and skills. A four (4) point ordinal scale was used to rate the degree to which the participants agreed or disagreed with the statement or the variable. All the items were structured on a 2.5 Likert-type mean scale with:

Strongly Disagree (SD) =1; Disagree (D) =2; Agree (A) =3 and Strongly Agree (SA) =4  
Therefore;  $4+3+2+1 =10$  and  $10/4= 2.50$

This means that any variable or item, whose mean score was at 2.50 or above, was positively considered as agreed upon by the participants. Conversely, any item whose mean was below 2.50 was negatively considered.

Table 8: Teachers' Economic Preparedness for Retirement with Regard to Savings (N=150)

Item	SA	A	D	SD	Mean	Overall Mean
You have a personal retirement savings account apart from the pension's contributions.	0 (0%)	12 (8%)	61 (40.7%)	77 (51.3%)	1.57	1.52
You can meet basic needs without a salary at the moment for up to 12 months.	1 (0.7%)	10 (6.7%)	47 (31.3%)	92 (61.3%)	1.47	

Table 8 is an analysis of economic preparedness in the area of savings. Two questionnaire items were used to analyse the degree of preparedness in the area of savings. The first was on whether the participants had opened up retirement savings accounts apart from the monthly pension's contributions, 12 (8%) of them agreed; 61 (40.7%) disagreed and 77 (51.3%) strongly disagreed giving a total of 12 (8%) participants only in agreement while the majority 138 (92%) of them in disagreement. The second questionnaire item was on whether the participants could manage to make ends meet without a salary for a period up to twelve months, 1 participant strongly agreed, 10 (6.7%) agreed, 47 (31.3) disagreed and 92 (61.3%) strongly disagreed giving a total of 11(7.3%) participants only in agreement while the majority 139 (92.7%) of them in disagreement. Generally, the analysis reveal that the two items associated with savings had mean scores below 2.50 and the overall mean score was 1.52. This means that the teachers nearing retirement in Kabompo District were not prepared for retirement with regard to savings.

Table 9: Participants' Economic Preparedness for Retirement through Investments (N=150)

Item	SA	A	D	SD	Mean	Overall Mean
You are currently running your own business.	2 (1.3%)	22 (14.7%)	63 (42%)	63 (42%)	1.75	1.96
Your business is self sustained and loan/debt free.	0 (0%)	20 (13.3%)	70 (46.7%)	60 (57.1%)	1.73	
You have some piece of land for economic activities such as rental rooms, shops or houses.	19 (12.7%)	48 (32%)	58 (38.7%)	25 (16.7%)	2.41	

Table 9 is an analysis of economic preparedness in the area of investments. Three questionnaire items were used to analyse the degree of preparedness for retirement in terms of investments. The first item was on whether the participants were currently running their

own businesses, 2 of them strongly agreed that they were running own businesses, 22 agreed, 63 disagreed and 63 again strongly disagreed giving a total of 24 participants only in agreement and the majority 126 (84%) in disagreement with the questionnaire item. Similarly, the second item which was on whether the participants had loan free businesses, 20 of them agreed that their businesses were loan free, 70 disagreed and 60 strongly disagreed giving a total of 20 participants only in agreement and the majority 130 (86.7%) in disagreement. Finally, the third item was on whether the participants had some pieces of land for economic activities, 19 participants strongly agreed, 48 agreed, 58 disagreed and 25 strongly disagreed giving a total of 57 participants in agreement and the majority 93 (62%) in disagreement.

Generally, the analysis reveal that all the three items associated with investments for retirement had mean scores below 2.50 and the overall mean score for the 3 items was 1.96. This means that the teachers nearing retirement in Kabompo District were not adequately involved in some investments to secure their livelihoods in retirement.

Table 10: Participants' Preparedness for Retirement through Additional Skills (N=150)

Item	SA	A	D	SD	Mean	Overall Mean
You have knowledge and skill on how to run a sustainable business.	12 (8%)	59 (39.3%)	59 (39.3%)	20 (13.3%)	<b>2.42</b>	<b>2.29</b>
You have an alternative job to earn you money in case you retired today.	6 (4%)	34 (22.7%)	68 (45.3%)	34 (22.7%)	<b>2.03</b>	
You have some practical skills to earn you income in retirement.	15 (10%)	51 (34%)	64 (42.7%)	20 (13.3%)	<b>2.41</b>	

Table 10 is an analysis of economic preparedness for retirement in terms of participants' additional skills for generating income. On the first questionnaire item, 12 (8%) participants strongly agreed that they had knowledge and additional skills on how to run a sustainable business, 59 (39.3%) agreed, 59 (39.3%) again disagreed and 20 (13.3%) strongly disagreed giving a total of 71 (47.3%) participants in agreement and 79 (52.7%) in disagreement with the questionnaire item. On the second questionnaire item, 6 (4%) participants strongly agreed that they had alternative jobs to earn them some income in retirement, 34 (22.7%) agreed, 68 (45.3%) disagreed and 34 (22.7%) strongly disagreed giving a total of 40 (26.7%) participants in agreement and 110 (73.3%) in disagreement with the questionnaire item. Finally, the last item asked whether the participants had some practical skills to earn them

income in retirement, 15 (10%) participants strongly agreed, 51 (34%) agreed, 64 (42.7%) disagreed and 20 (13.3%) strongly disagreed giving a total of 66 (44%) participants in agreement and 84 (56%) in disagreement with the questionnaire item.

Generally, the analysis in table 9 shows that the majority of the participants were not in agreement with the questionnaire items. Each of the three items associated with additional skills for generating income had a mean score below 2.50 and the overall mean score for the 3 items was 2.29. This means that the teachers nearing retirement in Kabompo District did not have additional skills to enable them generate some income in retirement.

#### 4.2.2 Demographic Characteristics and Retirement Preparedness

Three variables, gender, age and education were each cross tabulated with a questionnaire item on general preparedness for retirement to establish the degree of association with one's preparedness for retirement. The Pearson Chi-square test was run to establish the degree of association between the demographic factors and preparedness for retirement at significance level or alpha ( $\alpha$ ) = 0.05 and on condition that if the calculated Chi-square (P) value is greater than the significance level ( $P > 0.05$ ), then there was no significant association between the variables. Nevertheless, if the calculated 'P' value was less or equal to 0.05 ( $P \leq 0.05$ ), then there was a significant association.

Table 11: Retirement Preparedness and Gender (N=150)

Given an opportunity, are you prepared to retire now?(N=150)		Sex of participants		Total
		Male	Female	
Disagree	Count	76	49	125
	Expected Count	75.0	50.0	125.0
	% within the unprepared	60.8%	39.2%	100.0%
	% within gender	84.4%	81.7%	83.3%
Agree	Count	14	11	25
	Expected Count	15.0	10.0	25.0
	% within the prepared	56.0%	44.0%	100.0%
	% within gender	15.6%	18.3%	16.7%

Table 11 shows a cross tabulation of participants' gender and preparedness for retirement showing the observed and the statistically expected counts. The results indicate that 76 (84.4%) of the males were not prepared for retirement and only 14 (15.6%) were prepared. Meanwhile, statistically, 75 (83.3%) was the expected proportion of the male participants who were not prepared for retirement and 15 (16.7%) was the expected proportion of those

who were prepared. Similarly, of the 60 sampled females, 49 (81.7%) of them were not prepared for retirement and only 11 (18.3%) were prepared. Statistically, 50 (83.3%) was the expected proportion of those female participants who were not prepared while 10 (16.7%) was the expected proportion of those who were prepared. Table 12 below shows the Chi-square results of the above narrations.

Table 12: Chi-square test Results between Gender and Retirement Preparedness (N=150)

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.200 <sup>a</sup>	1	.655	.824	.408
Continuity Correction	.050	1	.823		
Likelihood Ratio	.198	1	.656	.824	.408
Fisher's Exact Test				.661	.408
Linear-by-Linear Association	.199 <sup>c</sup>	1	.656	.824	.408
N of Valid Cases	150				

Table 12 shows the results of the Chi-square test of association between the participants gender and retirement preparedness. From the table above, the results were:  $\chi^2 = 0.200$ ;  $df = 1$  and  $P = 0.655$ . Since  $P > 0.05$ , this does not represent a statistically significant association between the two variables in the above cross tabulation. Therefore, there is no significant association between gender and the teachers' preparedness for retirement from the teaching service. From table 11 above, it is clear that 84.4% of the male participants who were not prepared for retirement compares to the 81.7% of the female counterparts who were not also prepared. This difference is not large enough to be statistically significant. This means that gender had nothing to do with the teachers' preparedness for retirement in Kabompo District.

Table 13: Retirement Preparedness and Age (N=150)

Given an opportunity, are you prepared to retire now?		Age of participants			Total
		40-45years	46-50years	Above 50years	
Disagree	Count	86	24	15	125
	Expected Count	80.8	28.3	15.8	125.0
	% within age of participants	88.7%	70.6%	78.9%	83.3%
Agree	Count	11	10	4	25
	Expected Count	16.2	5.7	3.2	25.0
	% within age of participants	11.3%	29.4%	21.1%	16.7%

Table 13 is a cross tabulation of participants' age and retirement preparedness showing the observed and the expected number of counts. The results reveal that 86 (88.7%) out of 97 participants in the age range 40 to 45 years; 24 (70.6%) out of 34 of those who were in the age range 46 to 50 years and 15 (78.9%) of the 19 participants aged above 50 years, were not prepared for retirement. Statistically, the expected counts for the age groups 40 to 45 years, 46 to 50 years and above 50 years were 81 (83.3%); 28 (83.3%) and 16 (83.3%) respectively. Table 14 below shows the Chi-square test results.

Table 14: Chi-Square Test Results between Age and Retirement Preparedness (N=150)

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6.221 <sup>a</sup>	2	.045	.043	
Likelihood Ratio	5.825	2	.054	.066	
Fisher's Exact Test	6.154			.045	
Linear-by-Linear Association	3.413 <sup>b</sup>	1	.065	.088	.049

In table 14 gender and retirement preparedness were cross tabulated to establish any degree of association. Since the expected count in one (1) of the cells was 3.2 (less than 5), the Fisher's exact test was used instead of the Pearson Chi-square to interpret the results on the degree of association. From the table therefore, the test results were:  $\chi^2 = 6.154$ ;  $P = 0.045$ . Since the calculated  $P < 0.05$ , this represents a statistically significant association between age and preparedness for retirement.

This means that there is an association between age and the teachers' preparedness for retirement in Kabompo District. Statistically, from the results in table 13 above, the difference in the degree of preparedness among the three age groups is visible. The results were 11.3%, 29.4% and 21.1% for the age groups 40-45 years, 46 – 50 years and above 50 years respectively. This implies that the teachers aged 46-50 were more likely to be prepared for retirement than those who were below 46 years and those above 50 years.

Table 15: Retirement Preparedness and Education (N=150)

Given an opportunity, are you prepared to retire now?		Professional qualification			Total
		Certificate	Diploma	Degree	
Disagree	Count	14	67	44	125
	Expected Count	13.3	64.2	47.5	125.0
	% within the unprepared	11.2%	53.6%	35.2%	100.0%
	% within qualifications	87.5%	87.0%	77.2%	83.3%
Agree	Count	2	10	13	25
	Expected Count	2.7	12.8	9.5	25.0
	% within the prepared	8.0%	40.0%	52.0%	100.0%
	% within qualifications	12.5%	13.0%	22.8%	16.7%
Total	Count	16	77	57	150

Table 15 is a cross tabulation of participants' academic qualifications and retirement preparedness showing the observed and the expected counts. The results indicate that 14(87.5%) of the participants with Primary Teaching Certificate; 67 (87%) of those with Diplomas and 44 (77.2%) of the bachelors' Degree holders were not prepared for retirement. Mean while statistically, the expected counts for those who were not prepared for retirement for the participants with Primary Teaching Certificate, Diploma and Degree were 13 (83%), 64 (83%) and 48 (83%) respectively. Table 16 below shows the Chi-square test results.

Table 16: Chi-Square Test Results between Education and Retirement Preparedness (N=150)

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-Square	2.498 <sup>a</sup>	2	.287	.311		
Likelihood Ratio	2.436	2	.296	.303		
Fisher's Exact Test	2.336			.311		
Linear-by-Linear Association	2.009 <sup>b</sup>	1	.156	.176	.105	.051
N of Valid Cases	150					

Since the expected count in one of the cells in table 15 above was 2.7 (less than 5), the Fisher's exact test was used to interpret the test results and the results were:  $\chi^2 = 2.336$  and  $P = 0.311$ . Since  $P > 0.05$ , this does not represent a statistically significant association between education and preparedness for retirement in the above cross tabulation. Statistically, there is no significant association between one's academic qualification and preparedness for retirement from the teaching service. This means that academic qualifications had nothing to do with the teachers' preparedness for retirement in Kabompo District.

### 4.2.3 Challenges Faced by Teachers when Preparing for Retirement

**Research Question 2:** What are the social and economic challenges which teachers in Kabompo District face as they prepare for their retirement?

A four (4) point ordinal scale was also used to rate the degree to which the participants agree or disagree with the suggested challenges in the questionnaire and all the items were structured on 2.5 Likert-type mean scale.

Table 17: An Analysis of the Participants' Social and Economic Challenges (N=150)

Item	SA	A	D	SD	Mean
You find it difficult to save money monthly.	41 (27.3%)	67 (44.7%)	32 (21.3%)	10 (6.7%)	<b>2.93</b>
You have too many loans to service.	31 (20.7%)	45 (30%)	57 (38%)	17 (12%)	<b>2.6</b>
Your only source of income is a monthly salary.	49 (32.7%)	65 (43.3%)	28 (18.7%)	8 (5.3%)	<b>3.03</b>
You are the bread winner in your family.	75 (50%)	47 (31.3%)	23 (15.3%)	5 (3.3%)	<b>3.28</b>
You feel your life span is shorter.	14 (9.3%)	73 (48.7%)	52 (34.7%)	11 (7.3%)	<b>2.60</b>
You feel your retirement package will carter for all needs.	14 (9.3%)	45 (30%)	68 (45.3%)	23 (15.3%)	<b>2.33</b>
You have lower income than expected before retirement.	21 (14%)	74 (49.3%)	48 (32%)	7 (4.7%)	<b>2.73</b>
You lack business skills	13 (8.7%)	58 (38.7%)	53 (35.3%)	26 (17.3%)	<b>2.39</b>
You lack positive attitude towards savings and investment	9 (6%)	73 (48.7%)	54 (36%)	14 (9.3%)	<b>2.51</b>

Table 17 above, is an analysis of the mean responses on the social and economic challenges which the teachers in Kabompo District face when preparing for their retirement. From the analysis, out of the nine (9) items expressing the possible challenges, seven (7) items had mean scores of 2.50 and above. This means that the majority of the participants were in agreement with the questionnaire items expressing these possible challenges. Therefore the results clearly indicate that the teachers nearing retirement in Kabompo District face the following social and economic challenges when preparing themselves for retirement: Difficult to save money for retirement monthly, the majority (108 or 72%) of the

participants were in agreement; too many loans to service, 76 or 51% agreed; monthly salary as only source of income, the majority (114 or 76%) agreed; as bread winners in their families (kinship obligations) the majority (122 or 81.3%) were in agreement; a feeling of having shorter life span, 87 or 58% agreed; lower income than expected before retirement, 95 or 63.3% were in agreement and finally, lack of positive attitudes towards savings and investments, 82 or 54.7%) participants agreed.

### **4.3 Focus Group Discussion Findings**

This section presents findings generated from the two FGDs. Each FGD had six (6) participants comprising two (2) males and four (4) females in each. The main questions addressed were on the challenges faced by teachers nearing retirement and the teachers' recommendations to improve their preparedness for retirement. From the focus group discussions (FGDs), the participants were asked to discuss the challenges teachers nearing retirement faced when preparing for retirement. The findings from both FGDs were harmonized and presented descriptively according to the questions posed. Related issues outside the focus of the question being addressed were sorted out and so not included in this presentation. The following were the findings on the social and economic challenges faced by teachers when preparing for retirement:

The participants identified one challenge as teachers being in a habit of waiting for too long until they were reminded that they were due for retirement that is when they began to prepare themselves and that such preparations were inadequate. For example, one participant said:

*In my view, many of us have a tendency of waiting until you are notified by the DEBS' office that you are due retirement in a few months to come that's when we think of, for example, building a house, acquiring a farm land and or get engaged in some form of business. ...because of this delay, we do not have enough time to finish our intended projects. As a result, most of us retire without even a simple shelter for accommodation.*

Another participant added:

*Sometimes due to this failure to have own accommodation, such individuals may decide to remain in the GRZ quarters for many years in the name of waiting to be paid their repatriation and other retirement related payments thereby inconveniencing the serving teachers who have no institutional*

*accommodation. All this is as a result of inadequate preparations for retirement. We need to change if things are to be put straight.*

When asked as to why they thought teachers were behaving the way they did, it was established that most teachers lacked exposure due to the fact that they had served at one station for many years without going on transfer. For example, one female participant had this to say:

*For many, it is lack of exposure, especially as a result of over staying at one station. People who over stay at one station, especially those stations that are rural by definition, where the cost of living is cheaper and no competitors or role models around you, chances are high that such teachers can forget about preparing for their retirement in good time and these are the ones who come to realise that they are about to retire upon receipt of a letter to go on leave pending retirement. For some, due to higher interest rates on loans their salaries are heavily deducted and so remaining with too little money to be used for meaningful retirement preparations.*

The challenge of teachers lacking exposure due to over staying at some stations came out so strongly that one male participant also had this to say:

*... I had served at a particular station for 13 years. Imagine from my first appointment in the year 1997 to 2010. What I have done in the four years while at my current station is more than what I had done in the 13 years at my first station which was relatively rural. The reason is simple, I was a star that side and thought all was well with me and yet nothing meaningful was being done with regard to preparations for retirement.*

It was also established that many teachers had a habit of over borrowing of loans even without proper plans on how they would use that money, thereby ending up with zero net pays, a situation which then made it more difficult to prepare for retirement. This was emphasised by one female participant when she said:

*...and in most cases, teachers lack adequate knowledge on how to put their money to good use. For example, they may get a loan quite alright but then embark on a project that they may not be able to finish due to inadequate funds or because it was a wrong project. When this happens, they quickly go for another loan from a different lending institution and this made some teachers in the recent past, before the current control measures to have zero net pay.*

Other challenges included inadequate salaries for teachers as compared to the other workers for example, from the corporate world. It was established that a teachers' salary was just enough to buy food, pay house rent, pay children's school fees and buy clothes. In other

words, it was not easy to invest and or save some money for retirement from a salary. For example, one participant observed:

*“In short, the income for a teacher is not good enough to carter for living costs as well as for example, to construct lodges as investment for our lives in retirement as it is the case with many colleagues in the corporate world”.*

Apart from the above challenges, participants also observed that many teachers could not make meaningful retirement preparations due to lack of knowledge on retirement policies and procedures. It was established that the teachers nearing retirement in Kabompo District were not exposed to pre-retirement education to equip them with coping skills in retirement. For instance one male participant explained:

*“...even lack of knowledge on retirement policies and procedures has greatly contributed to the many inadequacies in retirement preparations because many of us do not know as to when we are expected to retire and how much would be our expected retirement package hence making it difficult to plan”.*

Still others argued that upgrading teacher academic qualifications in old age was yet another drawback when it came to saving money for retirement preparations. It was observed that for some teachers, the system compelled them to upgrade their qualifications for them to maintain the positions they held. This situation then put them in an awkward situation because it would be difficult for them to save money for their school fees, home costs and also save and or invest for retirement. One participant had this to say:

*You see! I spend over K30,000 per academic year for the bachelors’ degree programme I am pursuing with some university here in Zambia just to try by all means to get this paper and defend my position as head teacher. For four years, can you imagine how much money will be spent on upgrading my qualification?*

Finally, lack of business skills, poor saving cultures and lack of well defined visions or goals in teachers’ lives were discussed as other challenges that were faced by teachers when preparing for retirement. One experienced male participant in service observed that most of the challenges discussed above were as a result of lack of vision or goal in many teachers’ lives and summed up the situation as follows:

*...the majority lack vision and end up being victims of following others blindly. For example, a certain work mate followed me blindly and ended up in serious problems. I sold maize to FRA and bought a car; he went to get a loan and bought a car also without knowing how I got the money to buy mine. Another season I sold more maize again and started constructing a*

*house, he got another loan to start building a house too. Unfortunately, his salary became too small to manage school fees for his school going children, fuel for his car and other domestic costs. Eventually, the unfinished house was sold to raise money to supplement on the family's essential domestic needs and fuel costs for his car. Months later, the car was sold and bought a bare piece of land to start building another house. Meanwhile, my house got completed and my car was still running.*

In summary the participants brought out the following as social and economic challenges the teachers nearing retirement were facing when preparing for retirement: people started planning for retirement just when they were about to retire or mostly, after they received their retirement packages; lack of exposure; higher interest rates on loans hence their salaries were heavily deducted; lack of adequate knowledge on how to put their money to good use; lack of vision upgrading one's academic qualifications when they are about to retire and lack of knowledge on retirement policies and procedures.

#### **4.3.1 Remedies to the Challenges Faced by Teachers Nearing Retirement**

**Research Question 3:** What are the ways of minimising the challenges which teachers in Kabompo District faced, as they prepared for retirement?

This question was addressed through the FGDs. Having looked at the social and economic challenges faced by teachers when preparing for retirement, the researcher asked the participants as to what needed to be done in order to enhance adequate preparations for all teachers nearing retirement? A good number of remedies and recommendations were discussed. Among others, it was discussed that teachers' minds needed to be transformed so that retirement preparation and planning were viewed as ongoing processes which should start at a time one was employed and end when they finally retired. During this process, teachers needed plan to accomplish everything before reaching the intended retirement age. For example, one participant said:

*First and for most, teachers' mind sets must be transformed so that retirement planning should begin as soon as they are employed. For example, people can set targets to be accomplished before retirement. ...in short plan to build a house, obtain academic credentials and educate all your children before reaching retirement age. Why do I say this? For me, it does not make sense, for example, to continue producing children up to one's retirement time. Then when do you educate them and with what resources?*

One female participant asked: “*How do you think the mind sets would be transformed*”? In response, the male participant added to say:

*Quite simple, the government can formulate a deliberate policy to introduce pre-retirement education for all teachers so as to begin discussing retirement issues as early as possible. For teachers nearing retirement, it must be mandatory to seek pre-retirement education so as to enhance their mental, social, economic and physical preparedness. For the other teachers, retirement preparedness can be introduced as a course or topic in colleges and universities to remind everyone that retirement preparations should start from day one in one’s active employment.*

In fact when asked as to whether there was a pre-retirement education/counseling programme for teachers nearing retirement in Kabompo District or not, all the participants confirmed that pre-retirement education/counseling programmes were not available for teachers nearing retirement in Kabompo District. It was established that some teachers had not even heard of such programmes aimed at helping prospective retirees to make effective retirement preparations. One participant, for example, commented as follows:

*I am 16 years old in service now but I have never heard of the existence of such a programme even outside Kabompo District. Instead, I have heard of Future Search Zambia, as an organisation aimed at helping retirees on how to put their money to good use but I am not too sure if they even educate those who are still working.*

Another participant added:

*Yes, initially Future Search Zambia was focusing on how to help retirees to live productively in retirement but of late their mandate has been extended to train even those who are still working so as to transform their mind sets and also equip them with some entrepreneurship skills. Nevertheless, why they do not come here nobody knows.*

When asked as to whether they were more willing to seek pre retirement education to help them plan and prepare for their retirement effectively, all the participants expressed willingness to do so. When asked to bring out other remedies apart from pre-retirement education, participants brought out the following: teachers should learn to invest their money in some livelihood activities that may give them some income than just depending on a monthly salary as the only source of income. Others felt that in order to help teachers nearing retirement to make meaningful preparations, the government should consider putting all teachers nearing retirement in better scales so as to enhance their retirement preparations. Still others were for the view that all teachers nearing retirement should be entitled to house

loans at lower interest rates so as easy their preparations for retirement as lack of decent accommodation was seen as a major problem faced by earlier retirees. For example, one participant had this to say:

*I think teachers should not just sit back and wait for a monthly salary only; there are many other income generating activities that they can engage themselves in. As teachers, we are privileged to have many holidays as compared to our friends in the other ministries, but we fail to make use of our spare time to generate more income.*

One male participant countered and said: “You mean all of us should do business, who then will be buying from others”? A female participant answered and said the following:

*It does not mean that everyone must do the same thing, for example I grow vegetables, and the other person can be selling second hand clothes while others can sell groceries. I have also observed that when people retire, before they are paid their lump sum, they struggle to make ends meet because they are removed from the payroll. I feel if teachers can begin to save early enough for retirement, for example, by opening up accounts with the Zambia National Building Society (ZNBS) so that this money can help them cover for living cost as they wait for the lump sum.*

In addition, another female participant seconded and said:

*I concur with the previous speaker. Some retirees look like they had never worked before, because everything completely changes, the dressing, food and just the general appearance. Therefore, as teachers, we can do well to save bit by bit so that at the time of retirement, we have something good enough in the accounts to enable us manage bread and butter as we wait for the lump sum which usually comes after two to three years. There is need also to give ourselves time to have children and educate them before we retire so that the retirement money is not spent on school fees for our children.*

A female participant asked, “What about those who continue upgrading their academic papers even with very few years more to retire”? In attempting to respond to this question, one male participant reminded the others to say:

*In fact, as someone earlier indicated, we need to set targets for everything in our entire working life. If anything, we should ensure that we are done with school issues say 15 years before retirement time. Nevertheless, I think above all, the government should find a way of helping teachers who are about to retire. For example, the government through the National Housing Authority can give all the teachers nearing retirement house loans at reduced interest rate and or place all teachers nearing retirement in better salary scales so that they have enough money to prepare*

*adequately for retirement. Otherwise our current salaries scales ladies and gentlemen are not good enough to support meaningful preparations for retirement.*

In summary, the remedies discussed in the FGDs were summarised as follows:

Planning for retirement should begin immediately one was employed and that teachers needed to build their own houses and acquire a piece of farm land before reaching the retirement age. Secondly, teachers should be setting targets and dates by which the set targets must be accomplished in their entire working life. In line with this, teachers must avoid taking on projects or programmes that were not part of their set targets. They should also ensure that they upgraded their academic credentials before reaching 45 years of age so as to have ample time for making preparations for their life in retirement.

Thirdly, teachers must avoid over borrowing of loans meant for non capital projects. They should also avoid getting loans that may run for over five years especially if the loan may not accomplish the intended project. Fourthly, teachers should open up retirement savings accounts especially with the Zambia National Building Society immediately they were employed as this money could help them make ends meet before they were paid the lump sum in retirement. In the same line, teachers should engage themselves into other income generating activities such as farming, buying and selling of goods and services so as to minimise the salary dependency syndrome. They can also join cooperatives and other income generating associations in the community where they worked from. In order to make extra income, teachers should learn some vocational skills such as carpentry and bricklaying other than teaching only to strengthen their income base thereby making it easier to prepare for retirement.

Further, teachers should plan to have children early enough and ensure that the last born child completed grade twelve (12) before one retired to avoid spending retirement package on children's school fees. In short, one should avoid bearing children 15 years before retiring. Finally, teachers should share their retirement plans with family members and close friends and open up for advice. Teachers should ensure that they decide on where to settle permanently in retirement at least 15 years before the actual retirement time.

#### **4.4 Summary of the Study Findings**

In this chapter, findings related to research questions were presented. Firstly, the findings from the questionnaires were presented in form of tables and data interpreted. Secondly, the findings generated from the FGDS were presented descriptively. The first research question was on the social and economic preparedness of teachers for retirement in Kabompo District. From the analysis of the results obtained from the 150 participants administered with questionnaires, generally, 76 (50.7%) males and 49(32.7%) females, total 83.3% of the participants were not socially and economically prepared for retirement. Specifically, social preparedness was divided into three sub categories namely: settlement plans; social networks and interactions and retirement knowledge and health issues. Although the participants were not adequately prepared with regard to social networks and interactions and also with regard to retirement knowledge and health issues, they were generally prepared for retirement with regard to settlement plans as the majority of them had already decided when to retire and where to settle in retirement.

With regard to economic preparedness, three sub categories, savings, investments and skills, were also analysed. Generally, the overall mean score for the items associated with savings was 1.52, implying that the participants did not save adequately for retirement. The analysis on the items associated with investment for retirement also revealed that the overall mean score was 1.96 (less than 2.50 mean score) and this means that the participants did not adequately invest for their retirement. Finally, on the analysis on participants additional skills for generating income also revealed that the majority of them did not possess extra skills apart from teaching.

Cross tabulation to check for significant associations between gender, age and education as demographic factors and preparedness for retirement were also conducted. The Chi square results revealed that gender and education had no significant associations with the participants' preparedness for retirement. Nevertheless, age had a significant association with retirement preparedness. The participants in the age group 46-50 years were more likely to be prepared for retirement than their counterparts who were below 46 years and those above 50 years of age.

The second research question addressed the social and economic challenges which teachers faced as they prepared for their retirement. The major challenges determined included: inability to save money monthly for retirement; too many loans to service; kinship obligations; low salaries; late upgrading of academic credentials; retirement package dependency syndrome; lack of exposure due to over staying at the same station; inadequate business knowledge; poor saving culture, lack of knowledge on retirement policies and procedures and lack of vision for their future.

Finally, the third research question sought to establish ways of minimising the challenges faced by teachers preparing for retirement. To overcome retirement preparation challenges, The following were suggested during the FGDs: teachers must start planning for retirement immediately they are employed; set targets to be accomplished in their entire working life; upgrade their academic credentials before reaching 45 years; avoid over borrowing of petty loans; open up retirement savings accounts immediately they were employed; engage themselves into other income generating activities such as farming, buying and selling of goods and services and learn additional vocational skills, for example, carpentry as back up skills to teaching.

In conclusion, this chapter presented the research findings according to the research questions; the next chapter discusses these findings according to the objectives.

## **CHAPTER FIVE**

### **DISCUSSION OF RESEARCH FINDINGS**

#### **5.1 Overview**

This chapter discusses the findings of the study presented in the previous chapter and the implications of these findings to the understanding of retirement preparedness. The discussion is guided by the three specific objectives of the study namely: To examine the social and economic preparedness of teachers for retirement in Kabompo District; to determine the social and economic challenges which the teachers in Kabompo District faced in their preparation for retirement and to establish ways of minimising the challenges which the teachers in Kabompo District faced as they prepared for retirement.

#### **5.2 Social and Economic Preparedness for Retirement**

The first objective of the study was to examine the social and economic preparedness of teachers for retirement in Kabompo District. The objective was sub divided into two parts. The first part had items associated with social preparedness and the second one comprised items associated with economic preparedness.

##### **5.2.1 Social Preparedness**

Social preparedness was further divided into sub sections namely: settlement plans, social networks and retirement knowledge and health issues. Generally, the findings of the analysis on the social preparedness showed that teachers nearing retirement were not prepared for life in retirement especially with regard to social networks and interactions and retirement knowledge and health issues. Nevertheless, with regard to the settlement plans, the teachers were prepared for retirement as the majority of the participants were in agreement that they had already decided as to when to retire and where to settle in retirement although only about 54% of the participants had already built or bought their own houses.

These findings were in congruent with the research findings by Tembo (1991) who observed that most people didn't want to think of their retirement while working and that the closer workers approached retirement, the more the thought of retirement was repressed. Similarly, in Kenya, Githui (2012) carried out a study on the perception of retirement by teachers and established that the majority of the teachers were not prepared for retirement

and that retirement caused stress and anxiety to the retiree especially if not prepared. Nevertheless, the current study findings did not agree with Omoresemi (1987) cited by Kwesi and Munkua (2012: 759) who observed:

*The preparation stage for retirement (36–45 years) was characterised by the need to educate all the children, acquire a piece of land and start building a house, having a life insurance policy and recognising the fact of ageing and that at the immediate retirement stage (46–55years), the individual ...familiarises with retirement regulations and procedures.*

From the operational definition of social preparedness, this implies that if they (teachers) were to retire today, they would not be able to meet their social needs, such as acceptance, appreciation, belonging and companionship which prevented anxiety, depression and loneliness in retirement. It also implies that they would not be able to adapt and adjust smoothly to different social settings and social roles or responsibilities and maintain positive interactions and relationships with others. Literature reviewed shows that to be well prepared for retirement socially, an individual was expected to discuss retirement with friends and family members; read about retirement policies; attend a pre-retirement programme, lecture, or seminar and actively plan for retirement such as settlement and health plans (Kerubo, 2014). Nevertheless, the majority of the participants in this study, for example, did not discuss their retirement plans with friends and family members, they did not read and understand policies that governed retirement, they did not have medical insurance plans and they did not have their own accommodation.

Indeed retirement affected the social wellbeing of an individual if teachers, for example, did not take positive steps to prepare adequately for it. In line with this assertion, Kwesi and Munkua (2012), citing Omereseemi (1987) also observed that retirement affected the residence, family structure, or relationship between members of the family and friends as well as the psychological well being of a retiree. The implication in this case, was that after retirement, the retiree might experience feelings of guilt, anger, denial, fatigue, or a blurred future if they did not take the appropriate steps to get socially prepared for it.

The situation obtaining in Kabompo District shows that if the teachers were to retire unexpectedly, chances were high that they would face the challenges established above by Omereseemi, as the majority of them had not adequately prepared themselves for retirement socially. In order to help teachers nearing retirement to avoid the above social vices in

retirement, Bowling et al (2002) point out that the foundations for good quality life in retirement included: having good social relationships with family; friends and neighbours; having social roles and participating in social and voluntary activities; having good health and functional ability; living in a good home and neighbourhood; having a positive outlook and psychological well-being; maintaining independence and control over one's life.

In addition, for teachers to retire socially prepared, they must ensure that they open up and discuss their retirement issues with family members and friends; read adequately articles on retirement preparedness; seek knowledge on retirement issues and health insurance; understand the role of the social security and pension contributions (Kerubo, 2014). This is so because retirement was not only a normative life transition but also a complex social institution involving the interaction of the individual and the family. It was an event that required adaptation by the individual (Thompson, 1986). However, for them (teachers) to actualise the above steps, there must be total transformation of the mind sets as observed by Hendricks (1981) when he established that successful retirement depended on the workers' attitude prior to the event or process of retirement. If the individual teacher, for example, perceived retirement negatively, feared the loss of the work or friends from the job and was probably uncertain for some reasons about the future, social adjustment to retirement might be problematic for such a teacher.

It is for this reason that some scholars such as Hunter (1968); Ekpo (1995) and Adeloje (1999) as cited by Kwesi and Munkua (2012) argued that pre-retirement education/counselling was a basic necessity if near retirement workers were to be equipped to prepare themselves effectively for the demands of the future. Nevertheless, from the current study findings, teachers nearing retirement in Kabompo District did not have pre-retirement education/counseling programmes to help them make appropriate retirement decisions. In part, it may be viewed as the most contributing factor to the unpreparedness of teachers for retirement. It is assumed that given an opportunity to access the pre-retirement education in good time, all teachers approaching retirement in Kabompo District would enter into it adequately prepared and remain happier for the rest of their life time in retirement.

According to the activity theory used in this study, older adults were happiest when they stayed active and maintained social interactions. These activities, especially when

meaningful, helped the elderly to replace lost life roles after retirement and, therefore, resist the social pressures that limited an older person's world (Hess and Markson, 1980). It is therefore important that the teachers nearing retirement must be helped to remain happier in retirement by exposing them to education programmes that were tailored towards transforming their minds so that they can embark on social activities which if maintained in retirement, chances were high that they would lead decent social life styles thereby enhancing their happiness. In view of this theory, it can be concluded that the teachers nearing retirement in Kabompo may not be happier in retirement and would likely face social pressures because they would have not socially prepared for the event.

### **5.2.2 Economic Preparedness**

The second aspect of the first objective was an analysis of the economic preparedness for retirement. Indeed economic preparedness, as operationalised in this study, refers to the ability for one to generate adequate income through different fundraising ventures, other than a formal salary so as to enable them meet all the essential financial obligations and continue to lead a decent lifestyle in retirement with or without the pension benefits. The study findings from the analysis of the economic preparedness of teachers for retirement indicate that teachers nearing retirement in Kabompo District were not economically prepared for retirement.

The implication here is that given an opportunity to retire, the teachers may not be able to generate adequate income to cover for their essential living expenses such as food, water, health, shelter and education. To this effect, they were more likely to depend on pension benefits as the only source of income to carter for the above expenses. Meanwhile studies by Tembo (1991); Chingezhi, (2008); Ndazye (2013); Chongo (2013) and Museya (2014) indicate that payments of such pension benefits to retirees were usually delayed thereby forcing the retired officers to lead miserable life styles. It was for this reason that Osuji (2014) argued that retirees faced bleak future and most workers felt very uncomfortable when getting closer to retirement because they were to wait for a long time and experience various hardships before receiving their entitlements. They are also not prepared for retirement and therefore felt reluctant about retiring from service.

The study findings on economic preparedness of teachers for retirement in Kabompo District were in agreement with Keating and Marshal (1980) as cited by Kerubo (2014) who concluded in their study that on average, individuals did not become interested in investing and saving for retirement until they were 48 years of age or above. They added that most people started engaging in business while they were just about to retire or when they had already retired and that such ventures usually did not survive and consequently the little hard-earned retirement savings went down the drain.

Similarly, a study by Poterba (1996) as cited by Kerubo (2014), on retirement preparedness established that only a small fraction of households reaching retirement age had accumulated assets worth more than twice their pre-retirement annual income. This situation however, where people failed to prepare adequately for their life in retirement or old age, came with countless number of economic challenges when the individual finally retired from active employment. This assertion was also justified by Kerubo (2014) that the delayed involvement in financial planning translated into too little savings for retirement and the onset of psychological distress.

Indeed retirement might be distressful if teachers entered into it with no alternative sources of income apart from the pension benefits. Generally speaking, even if opted to depend largely on the pension benefits, usually, the package was not enough to carter for all their living costs in retirement. Against this backdrop, Buckley (2002) also argued that the social security and pension income could not help solve all the problems faced in retirement. Instead, during the pre-retirement period, workers (teachers inclusive) must be put in a position to see the need to make additional individual financial preparation to facilitate a happy and productive life in retirement.

Although some scholars such as Keizi (2006) observe that most of the people who had retired then did not have the opportunity to save enough for their old age due to fewer financial instruments available to them, this study did not agree with this position, knowing that in Zambia for example, civil servants had access to getting loans from various financial institutions thus creating an enabling environment for them to invest and save money for retirement. The current study findings however, were in agreement with Mwangi and Kihiu (2012) who argued that proper application of financial knowledge helped individuals to

meet their financial obligations such as household budgets through wise planning, strategic investment decisions and resource allocation so as to derive maximum utility.

In addition, Lusardi and Mitchell (2007) observe that economists were beginning to investigate the causes and consequences of financial illiteracy to better understand why retirement planning was lacking and why so many households arrived close to retirement with little or no wealth. It was established that many households were unfamiliar with even the most basic economic concepts needed to make saving and investment decisions. Such financial illiteracy was widespread: the young and older people, for example, in the United States and other countries appeared woefully under-informed about basic financial concepts, with serious implications for saving, retirement planning, mortgages, and other decisions.

This was clearly the case with the teachers nearing retirement in Kabompo District. They had insufficient financial knowledge, to an extent that they failed to make strategic investment decisions and put their money to good use even if sources of money were made available to them. In response, it was important that through relevant bodies such as the government, Teacher Unions, Head teachers' Associations and Future Search Zambia, teachers were exposed to financial education so as to equip them with some basic financial skills.

It was thus assumed that with the acquisition of these financial skills, teachers would be able to make meaningful financial preparations for their life in retirement (old age). It was for this reason that Atchley (1981) as cited by Kwesi and Munkua (2012) established that secure income had critical influence on one's post retirement life. He further contended that financially secure and independent individuals tended to adjust better to retirement than those who were not.

The 'continuity theory', as used in this study, explains the current situation of teachers nearing retirement in Kabompo District. The theory states that as middle-aged and elderly adults adapt to changes associated with the normal aging (retirement) process, their past experiences, decisions, and behaviours formed the foundation for their present and future decisions and behaviours (Atchley, 1989). This means that older adults would usually maintain the same activities, behaviours, relationships as they did in their earlier years of life. In this case, teachers would maintain the same attitude of over reliance on the salary

and the pension benefits as their only source of income, even in retirement. It can also be interpreted that since the majority of the teachers nearing retirement in Kabompo did not have other livelihood activities to help them generate extra income while still working; they could not afford to go for a few months without a salary; they lacked business skills; this condition was likely to be maintained even in retirement where the teachers would be expected to depend largely on the retirement package and that without the retirement package then no doubt they would become destitute. This simply means that their life in retirement was determined by their present economic activities and or life style.

It may also be argued that to ensure that the retired teachers led happy life styles; they can continue teaching even in retirement as a way of maintaining their youthful activities. For example, after retiring in government, they can get a job in the private schools and or colleges and Universities where they would continue to generate income for their living. Nevertheless, the argument here is that what is the sustainability of these jobs that they may get in retirement? Secondly, what is the possibility that they can secure such jobs in retirement and if they did, to what extent can all their needs be met?

What is critical therefore is that teachers who intended to continue with their skills of teaching in retirement should establish their own learning centres while still in active employment and then continue to run such centres even in retirement. Alternatively, while still in active employment, teachers could establish stable businesses and then continue with them even in retirement. In this way, such income generating activities established while still in active employment may be sustainable and ultimately give them a stable income for their living.

If what was obtaining in Kabompo District, regarding teachers' economic preparedness for retirement did not change, it can safely be predicted that the teachers would go into retirement with the same activities and behaviours of not having alternative ways of generating income and consequently lead miserable life styles. It is assumed therefore that with this information, on teachers' economic preparedness for retirement, provided, concerned parties (teachers themselves especially) would take appropriate steps to address the situation. The next section of this chapter is a discussion on whether gender, age and education had an association with teachers' preparedness for retirement or not.

### **5.3 Demographic Factors and Retirement Preparedness**

Gender, age and education as demographic factors were each cross tabulated to check for significant association with preparedness for retirement. The results revealed that gender and education had no significant associations with the participants' preparedness for retirement. Nevertheless, age had a significant association with retirement preparedness. The participants in the age group 46-50 years were more likely to be prepared for retirement than their counterparts who were below 46 years and those above 50 years of age.

These findings were not in agreement with the findings by Kerubo (2014) who explained that financial literacy, gender, household income and levels of education had an impact on retirement planning. She observed that the above attributes positively influenced the levels of preparedness for retirement. In this study, it was established that teachers' preparedness for retirement was not influenced by either gender or the level of education but rather age.

One possibility for age having an influence on the preparedness for retirement could be that those teachers who were aged 40-45 years were reluctant with regard to retirement plans bearing in mind that they still had many more years to retire than their counterparts aged 46 years and above. This situation may also be related to the immediate demands of midlife individuals because of their place in the family life cycle. Midlife individuals were likely to focus their financial resources on immediate concerns such as the support of children, support for their children's college education, or support of aging parents. The measure used in the study did not obtain information concerning current financial obligations of the respondents except as related to the number of dependents and children.

However, it is logical to assume that such concerns could be considered more of a financial priority for the respondents aged 40 -45 years than planning for retirement, which may be seen far in the future for many of the respondents and therefore less of a priority. The findings of this study were in line with Turner (1989) who established that Midlife workers (40-45years) participated in a minimal amount of retirement planning even though most of them would spend one-quarter of their life span in retirement.

Conversely, it was also interesting to note that the teachers aged above 50 years were also less prepared for retirement than those aged 46-50 years. This difference may be attributed to the fact that mostly, the teachers aged above 50 years had limited access to bank loans

since they were remaining with fewer years to retire as compared to their counterparts aged below 50 years. They only had access to smaller loans that could not be used for meaningful preparations for retirement. Secondly, it may also be attributed to the fact that the teachers aged above 50 years were still glued to the old culture of beginning to prepare for retirement when one receives a letter for retirement. This assumption was in part justified by the study's findings on the challenges faced by teachers preparing for retirement as it was clearly pointed out that most of the teachers waited for too long before they could start making preparations for retirement as observed by one participant:

*In my view, many of us have a tendency of waiting until you are notified by the DEBS' office that you are due retirement in a few months to come that's when we think of, for example, building a house, acquiring a farm land and or get engaged in some form of business.*

The best measure to address this situation was to transform the attitudes of these teachers so that retirement preparation was viewed as a process which starts from the time one was employed. This is also in line with Kerubo (2014) who explained that attitudes and behaviours could be strong predictors of economic preparedness for retirement, and the earlier these could be shaped, the better prepared individuals could be for retirement.

## **5.4 Challenges Faced by Teachers when Preparing for Retirement**

The third objective of the study sought to determine the social and economic challenges which the teachers in Kabompo District faced when preparing for their retirement. From the study findings, the major challenges may be classified into three broad categories namely; personal, institutional and cultural challenges.

### **5.4.1 Personal Challenges**

Under this category, it was established that the teachers had challenges with their retirement preparations due to factors such as over borrowing of loans from both the registered financial lending institutions and unregistered small scale credit schemes locally, in Zambia, known as 'kaloba' or 'lundalunda'. Other factors on personal challenges included: poor saving attitudes; over dependency on a salary as the only source of income, a feeling that the pension money would cover living costs in retirement and a feeling that they may not have a longer life span.

These findings were justified by the findings by Poterba (1996), whose explanations for why individuals might fail to save for retirement included: Some households may be myopic and fail to accumulate assets because they did not recognise the value of providing for their future. Some may be unlucky and experience lower earnings or higher expenses than they expected before reaching retirement. Others may have high discount rates and therefore choose to consume a high fraction of income while working at the expense of lower consumption when retired. Still others may have incorrect expectations about their retirement income from Social Security, pensions, and other sources, or about life expectancy and post-retirement consumption needs.

Similarly, Doherty (1983) as cited by Tembo (1991) adds that some individuals seemed to forget that they would one day relinquish their work role and so they didn't act early enough to mitigate the obvious retirement challenges. Keating and Marshal (1980) as cited by Kerubo (2014) also in another study concluded that on average, individuals did not become interested in retirement finances until they were 48 years of age. It is for this reason that Mwangilwa (1984) as cited by Tembo (1991) contends that for some people, retirement was abrupt and involved moving out of the houses belonging to employers. This experience thus was said to be psychologically, socially and physically traumatic to the retiree and the family members. It is against these and other vices that the researcher was motivated to undertake this study so as to provide information on what the situation on teachers' preparations for retirement in Kabompo District was. It is assumed that with this information provided, teachers as victims may take appropriate steps, as outlined in the literature on checklist for retirement preparations (Center for American Nurses, 2011 and Women's Institute for a Secure Retirement, 2011), to secure their quality of life in retirement.

#### **5.4.2 Institutional Challenges**

Under this category, the teachers had challenges in meeting their retirement preparation obligations due to the following factors: lack of a deliberate pre-retirement education programme aimed at helping teachers to develop positive attitudes towards retirement savings and investments. Through this pre-retirement education, the teachers would also be enlightened on the policies and procedures that governed the process of retirement starting from the employer up to the pension schemes. Other factors included: high bank interest rates on loans leading to heavy deductions for the loan recoveries; lower bank interest rates

on savings; lower salaries; lack of exposure to different environments and cultures due to over serving at one station.

Finally, on the institutional challenges, there were such demands as related to continuing professional development. For example, all teachers, whether teaching at primary or secondary, were expected to have a minimum professional qualification of a diploma. This implies that those who initially held certificates in Primary teaching must upgrade their qualifications, if they were to remain relevant to the system. For this reason, teachers were compelled to spend money on school fees when in fact they should have been preparing themselves for retirement.

Indeed, if this officer was to build a medium cost house in the four years period, the house would be almost or completely done depending on the type of building materials used. To support the findings above, some scholars such as Bernheim, Garrett, and Maki (1997) were of the view that the lack of retirement preparedness by most employees stemmed from insufficient educational opportunities aimed at cultivating positive attitudes toward saving. This implies that for as long as employees including teachers, were not exposed to pre-retirement education aimed at transforming their minds so as to take positive strides towards retirement preparations, the status quo, for example of over reliance on the pension benefits, would continue. This obviously may lead the retirees into social exclusionary thereby leading undesirable life styles if the pension money was delayed or mismanaged as observed by other scholars (Tembo, 1991; Banda, 1993; chingezhi, 2008; chongo, 2013; Ndazy, 2013 and Museya, 2014).

However, Mwangilwa (1984) as by cited Tembo (1991) argues that in some situations, there were some people, even with the required information and desire to save, they earned so little that even if they saved during their working days, their income in retirement would still remain lower than acceptable levels. It was also established that many people in Zambia tried to save for their old age/ post retirement period but sadly, was the fact that they managed to save a little. This was exacerbated by the fact that what they managed to save did not really grow in relation to the escalating consumer price index (Tembo, 1991). From the above, it may be safely concluded that for as long as the salary scales for teachers nearing retirement (40 years and above) were not significantly adjusted upwards, saving and or investing for retirement would continue to be a very big challenge and this justifies the

fact that the retired faced a poverty risk which would ultimately lead to social exclusion (Museya, 2014).

### **5.4.3 Cultural Challenges**

Under cultural challenges, teachers making retirement preparations were faced with challenges of kinship obligations. When asked as to whether the participants were faced with a challenge of kinship obligations or not, 122 (81.3%) of the participants agreed they were bread winners in their families and so they held bigger responsibilities of providing for their kinsmen and women. These findings were in agreement with Museya (2014) who also established that kinship obligations were quite demanding upon those who were working and who appeared to have more material things than their kinsmen and women; and it was no wonder that many African young men had ended up in goals because they wanted to fulfill their family obligations. The more material things one had, the greater the help one's relatives expected from him/her. This was usually done so with the view also that kinship obligation was a type of investment where when one became old, the kinsmen and women who received assistance from him/her also look after them. Nevertheless, there was no guarantee that the people you helped would adequately take care of you when you become too old to help yourself.

The implications of kinship obligations were that one may not have enough money to manage the affairs of their own families, kinsmen and women as well as saving or investing for retirement. Consequently, such teachers were more likely to depend largely on the pension benefits for their social and economic needs in retirement, a situation which some scholars argue that it was not sufficiently helpful and so people who did depend on the pension benefits easily got into psychological distress (Buckley, 2002). With the kinship obligations, as part of the African and Zambian culture in particular, teachers ought to diversify their income sources so as to sustain the many financial and material demands which ranged from personal to kinship.

Despite the many challenges that the teachers nearing retirement faced, there were positive signs of improvement in retirement preparations especially for the teachers aged 50 years of age and below. A good number of them had either already built or were building their own houses. In addition, most of the teachers also were trying to move away from the tradition of

over dependency on the salary as the only source of income by establishing their own businesses.

It should however, be noted that all these efforts were individual driven without any government intervention to try and help teachers to make meaningful retirement preparations. It was thus hoped that with government intervention in this area of teacher preparedness for retirement, positive strides towards effective preparations may be recorded thereby reducing on the negative effects that came with retirement unpreparedness. In the next section, the remedies to the challenges faced by teachers when preparing for retirement as presented in the previous chapter are discussed.

### **5.5 Remedies to the Challenges that Teachers Faced**

The study established a number of remedies to the many challenges which teachers in Kabompo District faced when preparing themselves for retirement. During the FGDs, it was established that planning for retirement should begin immediately one was employed. This implies that teachers should avoid the habit of beginning to think of retirement a few years before they actually retired. This remedy was in line with findings by Coni et al., (1992) who observed that individuals who were in active employment should be planning their own retirement throughout their lives, and that even school-aged children should receive some form of instruction about the topic to enable the younger people to have a better understanding of what ageing was and learn about some complexities of being old. In addition, Kwesi and Munkua (2012) state that retirement did not occur suddenly in one's working life; rather it involved a series of steps to be taken by the individual during the active working years when they were young. This implies that before withdrawing from active service, there was need to prepare towards retirement to help the individual overcome possible shock.

Ideally, teachers, upon employment, needed to set targets and dates by which the set targets must be accomplished in the entire working life. This would help them to avoid taking on projects or programmes that were not part of their targets. In addition, teachers should ensure that upgrading of their academic credentials was done before reaching 45 years of age so as to have ample time for making preparations for their life in retirement. It was assumed that if teachers were able to set and follow their targets strictly, chances were high

that they could manage, for example, to build their own houses, establish their businesses, acquire their desired academic credentials, educate all their children and acquire pieces of farm land before reaching the retirement age.

For example, a teacher who decides to set targets throughout their time of active employment may retire and lead a decent life style with or without the pension benefits. Imagine one is employed at the age of 25 years and that they would retire at 60 years, they would have 35 years of active employment. Assuming that they intended to build houses in the 35 years of active employment, they qualified to get seven-five year payable loans which could see them construct seven houses within a salary by the time they would retire. These houses thus can give them income to cover all their living expenses even without getting the pension benefits. Clearly, it can be seen that it was possible to live well in retirement even without the retirement lump sum if an individual started planning and preparing for retirement early enough in their career journey.

The second remedy was that teachers nearing retirement must seek pre-retirement education/ counseling early enough to enhance their mental, social, economic and physical preparedness. When asked as to whether they were more willing to seek pre retirement education to help them plan and prepare for their retirement effectively, 145 (96.7%) of the 150 participants were in agreement and only 5 (3.3%) of them were against. This is justified by the findings of Kwesi and Munkua (2012) who assert that the concept of pre-retirement education/counseling included a review of all insurance policies, management of personal income during retirement, explanation of the retirement process, general information about social security, Medicare coverage and acquisition of life skills needed for optional adjustment to retirement roles. Therefore it is important that individuals nearing retirement be exposed to such programmes to help them make rational decisions that would enhance a decent life style in retirement.

The third observation was that teachers had several loans running on their pay slips thereby making it difficult to prepare for retirement as the salaries were heavily deducted. To overcome this challenge, teachers must avoid over borrowing of loans which only increased their liabilities. For example, teachers should avoid loans meant for school fees, food, taking holidays abroad and buying a non income generating car. Instead, they should get loans that were likely to enhance their assets such as buying or building a house and or investing in

some income generating ventures. Kerubo (2014) established that the attributes that positively influenced the levels of financial preparedness for retirement were time to retirement, financial literacy, household income and levels of education. Therefore teachers' attitudes towards loans should be transformed if they were to manage their retirement preparations positively.

Apart from the pension contributions that they made monthly, teachers should open up retirement savings accounts especially with the Zambia National Building Society (ZNBS) immediately they were employed. Such an account should not be tampered with but rather leave it to accumulate for the entire working life of an individual. This money can be helpful in covering living costs especially at a time when one was removed from the payroll and still waiting for payments of the pension lump sum. A slight departure from opening up a retirement account, Museya (2014) contends that since individual saving for retirement was found to be impossible for most people, perhaps the creation of groups within professions, in which the main activity was saving, may be one way to tackle the risk of falling into a level of poverty when people retire.

Savings and Credit focused groups may be used by professionals in their time of employment as motivation for savings. Members of small groups of between five to ten people would be formed where an agreed sum of money would be contributed and a rotation cycle approach would be taken in accessing the agreed upon amount, from the accumulated contributions, after some period of time as agreed by the members. In fact, Varman (2005) as cited by Museya (2014) observes that such an approach may be like that of Self Help Groups (SHGs), associated with micro-financing schemes, largely promoted in rural India. Advantages of SHGs included increase in the members' living standards, household income, and asset ownership, borrowing capacities, income generating activities and savings for the poor who were members.

In addition, it was also established that teachers should engage themselves into other income generating activities such as farming, buying and selling of goods and services so as to minimise the salary dependency syndrome. To support this view, Buckley (2002) in his study stated that the social security and pension income could not help solve all the problems faced in retirement. Instead, during the pre-retirement period, workers must be put

in a position to see the need to make additional individual financial preparation to facilitate a happy and productive life in retirement.

Similarly, Jorgensen and Henderson (1990) as cited by Kwesi and Munkua (2012:758) have a view:

*People can benefit from their efforts of retirement preparations, if they were able to identify activities that play important roles in their lives. ...among other things, individuals must be helped to develop an identity in addition to work identity.*

This implies that, one should not be pre-occupied with their work only, but rather there should be time for other activities in order to maintain a positive self-image in retirement years. In other words, Jorgensen and Henderson were for the view that regardless of one's current formal employment, it was also important that they should engage themselves in other gainful social and economic activities during their spare time. In this case, for example, teachers could learn some vocational skills such as carpentry and bricklaying to supplement and strengthen their income base thereby making it easier to prepare for retirement.

Further, it was established that teachers needed to share their retirement plans with family members and close friends and open up for advice. They should also ensure that they decided on where to settle permanently in retirement at least 15 years before the actual retirement time. Mutran et al. (1997) as cited by Kerubo (2014) defined retirement preparation with questions addressing topics such as discussing retirement with others...and actively planning for retirement such as making decisions on where to settle in retirement. In their view, if an individual took an active stance in addressing the above outlined questions, he/she was rightly preparing for their retirement. Nevertheless, if individuals did not want to share their retirement plans with others, chances were high that they may not come up with concrete and realistic plans that would enhance their quality of life in retirement.

Finally, it was also established that teachers should plan to have children (if any) early enough and ensure that the last born child completed tertiary education before one retired to avoid spending retirement package on children's school fees. In short, one should avoid bearing children 15 years before retiring. Kerubo (2014) asserts that the attributes that negatively influenced financial preparedness for retirement were employees' attitude,

number of financial dependants and marital status which committed their financial resources. Indeed, assuming that a particular teacher did not have other sources of income apart from a salary, it was important that they avoided having children after the age of 45 years. This is simply to avoid spending the last money (retirement package) on education for children. Instead, this money was intended to help an individual cover living expenses at a time when their income declined in old age. Nevertheless, some people were forced to have children in old age due to circumstances sometimes beyond their control. For example, it might have taken years for them to start bearing children. In such cases, it may be helpful to have a smaller and manageable number of children only, for example, two or three.

## **5.6 Summary of the Discussion of Findings**

The purpose of the study was to analyse the social and economic preparedness of teachers for retirement in Kabompo District of North-western Province in Zambia. The study findings showed that the teachers were not socially and economically prepared for retirement. This implies that if these teachers were to retire one day, chances were high that they could face social and economic challenges in their life in retirement. Scholars such as Asuquo (2002) point out clearly that whether voluntary, compulsory or mandatory, retirement was known to have a lot of social, physiological, psychological and financial effects on retirees. To this effect, near-retirement teachers needed to be readily prepared to manage these changes in the most effective and efficient manner before coming to grips with these realities.

Other scholars also such as Odu (1998) as cited by Kwesi and Munkua (2012) contend that when people plan for their retirement well in advance, they adjusted well to retirement and they were more likely to lead decent life styles where as for those who failed to make adequate preparations during active employment period, found it difficult to cope with the socio-economic hurdles and so their post retirement life style left much to be desired. Similarly, from the ‘activity’ and the ‘continuity’ theories used in this study, it was established that as near-retirement teachers adapted to changes associated with the retirement process, their past experiences, decisions, and behaviours would form the foundation for their present and future decisions and behaviours. This means that retired teachers would usually maintain the same activities, behaviours, relationships as they did in their earlier years of life (Atchley, 1989). The theories further, suggest that a person’s

standards and expectations of middle age should be projected to older age and that their self-concept in retirement was related to the roles held by that person (Miller, 1995).

Following findings by Odu (1998); Asuquo (2002) and the explanations from the two theories, it can be concluded that the near-retirement teachers in Kabompo District will entirely depend on the pension benefits for their living if no positive measures were taken to address the current state of affairs. Should the pension money be delayed or mismanaged, it was certain that these teachers would lead undesirable life styles. Many factors were established as to why teachers found it difficult to prepare for retirement while still in active employment. Among them were the factors associated with personal, institutional and cultural challenges. Suggestion on what teachers should do to overcome personal and cultural challenges were discussed and recommendations were made in the next chapter on what the government and or the Ministry of General Education ought to do to help teachers overcome institutional challenges.

In conclusion, this chapter was a discussion of the study findings presented in the previous chapter. It discussed findings on the specific objectives of the study and ended up with a summary of the discussion. The next chapter gives a comprehensive summary for the whole study, the conclusion and the recommendations made by the study.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **6.1 Summary of the Study**

This study analysed the teachers' social and economic preparedness for retirement from the teaching service in Kabompo District of North-western Province in Zambia. The study collected views from teachers nearing retirement (40years of age and above) on the extent to which they were socially and economically prepared for retirement.

The study established that teachers nearing retirement in Kabompo District were not socially and economically prepared for retirement. Most of them did not have alternative means of covering living expenses in retirement apart from the pension benefits; they did not have their own accommodation, farm lands and did not have adequate information on retirement procedures and policies. The monthly salary was the only source of income and that they could not make ends meet if a salary was no longer available. This means that if they retired today, they would not be able to meet their social and economic needs in a desirable manner and consequently lead miserable life styles in retirement.

It was predicted that these teachers were more likely to depend on the retirement package for their living in retirement, a situation described by some scholars as dangerous and likely to cause psychological, social and economic distress due to the fact that this money was never enough to meet all their living costs during the post retirement period (Buckley, 2002). Research findings on the consequences of inability to plan and prepare for retirement in advance for retirees in Zambia had also clearly indicated that most retirees faced social and economic challenges especially that payment of their retirement package was usually delayed and that in some extreme cases some retirees died due to compromised life styles (Tembo, 1991; Banda, 1993; Kamwengo, 2004; Chingezhi, 2008; Chongo, 2013; Ndazye, 2013 and Museya, 2014). Therefore the information provided in this study is intended to help prospective retirees to check and balance themselves on their retirement preparation process so as to avoid the social, psychological, physical and economic distress that come along with inadequate preparations for retirement as explained above.

It was also established that most teachers found it difficult to plan and prepare for retirement while still working due to factors associated with personal, institutional and cultural.

Personal factors included over borrowing of loans from both the registered financial lending institutions and unregistered small scale credit schemes locally Known as *Kaloba*, poor saving attitudes; over dependency on a salary as the only source of income, a feeling that the pension money would cover living costs in retirement and a feeling that they may not have a longer life span.

Institutional challenges the teachers faced in their retirement preparations included: lack of a deliberate pre-retirement education programme, high bank interest rates on loans obtained, lower bank interest rates on savings; lower salaries; lack of exposure to different environments and cultures due to over serving at one station and institutional demands to update and or upgrade staff qualifications such as certificates to diplomas which had several cost implications. Under cultural challenges, the study established that teachers making retirement preparations were faced with kinship obligations, where they were expected to provide for their kinsmen and women and at the same time save and invest money for their life in retirement.

Finally, the study determined some possible remedies to the personal and cultural challenges which the teachers faced when preparing for retirement. Among others, the following were highlighted: teachers should start planning for retirement immediately they were employed to avoid panic when left with few years to retire. The second remedy was that teachers nearing retirement must seek pre-retirement education/ counseling early enough to enhance their mental, social, economic and physical preparedness.

To overcome the challenge of over borrowing, teachers must avoid getting loans which were likely to increase their liabilities. For example, loans meant for school fees, food and taking holidays abroad must be avoided at all cost. Instead, they should go for loans that were meant for capital projects and or assets such as buying or building a house. In addition, it was established that teachers needed to open up retirement savings accounts especially with the Zambia National Building Society (ZNBS) immediately they were employed. These savings are meant to help the individual to cover for living costs at a time when they are removed from the payroll and still waiting for payments of the pension lump sum.

Further, it was also established that teachers needed to diversify their income generating activities so as to minimise the salary dependency syndrome bearing in mind that salaries for

civil servants may not be sufficient to cover for all the living costs including kinship obligations. Finally, it was established that teachers should plan to have children (if any) early enough and ensure that the last born child completes at least the secondary education before one retires to avoid spending retirement package on children's school fees.

## **6.2 Conclusion of the Study**

The findings of the study indicated that the majority of the teachers nearing retirement in Kabompo District were not adequately prepared for retirement. Although many reasons could be given to justify this situation, most importantly, it can be concluded that the expected retirement income from sources such as employee retirement Pension Scheme limited the amount of alternative income generating activities in which individual teachers were expected to participate in. Most teachers were complacent with what they expected to receive as retirement package, forgetting that such a package was never enough to carter for all their living costs in retirement.

Additionally, despite the literature being inconclusive concerning what factors differentiated between those who planned for retirement and those who did not, one consistent factor that came out significantly was financial illiteracy. There had never been any form of education tailored towards the enhancement of teachers' financial management skills to be used before and after retirement in Kabompo District. This in part served as a lacuna with regard to financial knowledge. This for example, was evident in the manner in which teachers obtained and spent loans accessed from the financial lending institutions.

However, as highlighted in this study, retirement preparedness needed to encompass more than just planning for a retirement savings or income target to be successful. Understanding and preparing for the physical and engagement aspects of retirement were also critical components of a successful retirement preparedness process. Retirement preparedness therefore needed to incorporate three broad dimensions of retirement planning namely:

**Wealth/Financial Security:** Are workers adequately planning to support the lifestyle they want throughout retirement? Have they established realistic income goals for their future and considered potential risks to their income that can negatively affect their retirement years? Do they understand how much of their income is guaranteed to be there for their lifetime, and can they really afford to retire as soon as they want?

**Healthy Living:** Do workers recognise and understand their potential personal longevity and that of their spouse? Are they maintaining good health habits in order to remain active in retirement? Have they considered their personal health situation in relation to their retirement lifespan and the number of years their money will likely need to last?

**Happiness and Engagement:** What are workers' life plans for retirement; what are they retiring "to?" What type of activities are they planning for? Will they work or volunteer? Do they have a network of friends outside of work? Should they relocate, or stay where they are? If married, does the spouse or partner have the same retirement goals and dreams?

Retirement was said to be a threat to many workers who did not know what to do with their lives after retiring from active service because it often came with a reduced income and sometimes at a time when one's monthly expenditure was far in excess of what was received in wages. What about children who were still in school and old age infirmities which demanded high medical bills from health delivery systems? Added to this was the problem of accommodation, because some employees lived in government houses their whole working lives just to discover that they were to vacate such premises immediately when the retirement letter was served to them. Some suddenly become destitute after the retirement even to the extent of begging from their former students. Against such vices, serving teachers were expected to learn lessons from the previous teacher retirees. Many of them retired from their full-time job before making adequate retirement plans for their lives and so location and housing planning occurred just prior to or shortly after retirement rather than in midlife. As a result, the majority of them lived in abject poverty.

Indeed retirement brings change and commands a new routine which requires a new repertoire for its reinforcement. It brings about adjustment which can pose a significant problem depending on the perception and attitude of the retiree towards the retirement change. Generally, it is concluded that retirement if not well planned for can have adverse effects on the post retirement life for the retirees and their families. Therefore teachers and other employees in the formal sector whose jobs were pensionable should not simply wait until the last minute for them to start preparing for their life in retirement.

It was important that individual teachers take a different approach where retirement planning and preparation for retirement would be perceived as an ongoing process which should start

immediately one is employed and end when they finally retire. It may also be helpful for prospective retirees to make approximate calculations of their living costs in retirement per annum and then make comparisons with their expected retirement package, for example, assuming that they were to live for the next 25 years in retirement. This can definitely help them to mobilise additional resources to supplement on their expected retirement package so as to secure a stable quality of life. In this way, prospective retirees may lead decent life styles with or without the pension benefits and the negative media reports of retirees becoming destitute may be a thing of the past.

In addition, in order to respond to the needs of the growing numbers of individuals approaching the retirement years, greater understanding must be gained about factors contributing to the successful negotiation of the transition out of the labour force. Indeed, retirement was an expected life event for every worker in formal employment, but it was frequently not a prepared for stage of the life cycle. To this effect, financial planners, individual and family counsellor and educators can benefit from expanded understandings of factors contributing to the development of positive attitudes towards retirement and retirement planning. It is only through appropriate preparation, across a variety of domains that individuals can expect to live out the last quarter of their lives in a productive and satisfying manner.

It was therefore hoped that through this study, teachers would be provided with information to enhance checks and balances on their retirement attitudes and preparations so as to avoid the adverse effects of retirement in old age. In this case, teachers were expected to start preparing for their retirement as soon as they were employed. It was also hoped that through the information provided by this study, education administrators, policy makers and other stakeholders interested in teacher retirement programmes may utilise it to come up with programmes such as pre-retirement education aimed at improving the teachers' attitudes and or approaches towards retirement preparations while still in active employment. It may be argued that such programmes already existed but in reality such programmes were non operational. Teachers were more than ready to have, for example, an educational programme deliberately designed to help them on how to effectively prepare for retirement.

It was assumed that if the situation on teacher preparedness for retirement was left unchecked, firstly, at individual level, teachers may continue to depend on the pension

benefits which are not paid in time and work for many years without making alternative retirement plans that would help them save and invest enough to lead decent lifestyles in retirement with or without the pension benefits. Secondly, at national level, the poverty level for the retired population may remain high making it difficult for Zambia to attain the vision 2030 of becoming a prosperous middle-income nation through the reduction of the national poverty head count to less than 20 percent of the population by 2030 (Zambia Vision 2030, 2006).

In the next segment of this chapter, recommendations on how to help teachers plan and prepare for retirement in the most efficient and effective manner by the government are provided. Suggestions for future research undertakings in the same area are also made in the proceeding segment.

### **6.3 Study Recommendations**

The study made the following recommendations:

- i. Through the Ministry of General Education, the government should ensure that teachers do not serve at one station (especially rural) for more than ten (10) years so as to enhance their experience with different life styles in different communities.
- ii. Through the National Housing Authority, the government should ensure that all teachers, upon their confirmation in appointed, are entitled to a house loan at a reduced interest so as to help them to have decent accommodation before the actual retirement time.
- iii. Through Future Search Zambia, the government should ensure that teachers, generally, are exposed to compulsory pre retirement education aimed at equipping them with various skills ranging from financial management to coping skills in retirement. This then implies that Future Search Zambia's mandate should be broadened to all districts in Zambia so that its services can be benefited by all teachers and other civil servants.
- iv. The government should introduce a component on retirement preparedness in tertiary institutions of learning so as to help teachers understand that retirement preparations start immediately one is employed and not waiting until the last minute for them to start preparing for their life in retirement.

- v. Since most teachers did not have adequate knowledge on retirement policies and procedures, teacher unions should ensure that their teacher members are periodically educated and updated, through workers education, on the conditions of service and retirement policies and procedures so as to help the prospective retirees to make informed decisions on their retirement plans.

### **6.3 Recommendations for Further Research**

Since the issues raised in this study are many and it was not possible to exhaustively deal with all of them, the following could be considered for further research:

- i. A comparative study on the social and economic preparedness of urban and rural teachers for retirement from the teaching service.
- ii. A comparative study on the social and economic preparedness of teachers and other civil servants for retirement from the civil service.
- iii. An analysis of the determinants of teachers' preparedness for retirement from the teaching service.

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## APPENDICES

### Appendix A: Questionnaire for Participants

Dear participant,

My name is Chinyemba Chombo, a post graduate student pursuing a Master of Education degree programme in Sociology of Education at the University of Zambia. I am carrying out a study on the extent to which teachers are prepared for retirement. You have been purposively selected to participate in this study by providing information sought for. You are also assured that the information you will give is specifically for academic purpose and it will be treated with confidentiality.

Your co-operation will be highly appreciated.

#### Instructions:

Mark with a cross 'x' in the box provided [x] for an appropriate response for each question in this section.

#### SECTION A: DEMOGRAPHIC DATA

##### 1. What is your Sex?

- I. Male [ ]
- II. Female [ ]

##### 2. What is your age?

- I. 40-45years [ ]
- II. 46-50years [ ]
- III. Above 50 years [ ]

##### 3. What is your highest academic qualification?

- I. Certificate [ ]
- II. Diploma [ ]
- III. Bachelors degree [ ]
- IV. Masters degree [ ]

##### 4. What is your current Position?

- I. Class/subject teacher [ ]
- II. H.O.D/Senior teacher [ ]
- III. D/Head teacher [ ]

IV. Head teacher [ ]

**5. Whose house are you currently occupying?**

I. Own house [ ]

II. GRZ/PTA house [ ]

III. Rented house [ ]

**SECTION B SOCIO-ECONOMIC PREPAREDNESS FOR RETIREMENT**

Mark with a across ‘X’ in an appropriate box for each question for either SA, A, D and SD.

(SA=Strongly Agree, A=Agree, D=Disagree and SD= Strongly Disagree).

Q#	NARRATION	SA	A	D	SD
<b>SOCIAL PREPAREDNESS</b>					
6.	There is pre-retirement education/counselling programme to help teachers prepare themselves for a happy and effective retirement in your district.				
7.	You are aware of the existence of pre-retirement education/counseling elsewhere aimed at helping workers retire effectively and happily.				
8.	You have been attending a pre-retirement education/counselling programme.				
9.	You are more willing to seek pre-retirement education/counseling to enhance your retirement preparations.				
10.	Given an opportunity to retire now, you feel prepared enough to do so?				
11.	You are decided already on when to retire (at 55, 60 or 65yrs).				
12.	You already know where to settle after you retire.				
13.	You have read more on retirement policies and procedures.				
14.	You discuss freely, your retirement plans with workmates and family members.				
15.	Your family members and friends are supportive with your retirement plans.				
16.	Apart from your current job, you have other social roles to perform in the community e.g. at church, NGOs and cooperatives.				
17.	All your children will be independent at the time you will retire.				
18.	You have a medical/life insurance policy for yourself and your family.				
19.	You have already built/bought your own house.				
20.	You are currently building your own house.				
<b>ECONOMIC PREPAREDNESS</b>					
21.	You have a retirement savings account apart from the pension’s contributions.				
22.	You can meet the basic needs up to 12 months without getting a salary.				
23.	You are currently running your own business.				
24.	Your business is self sustained and loan/debt free.				
25.	You plan to start up some business in the next 12 months.				
26.	You are knowledgeable enough to run a sustainable business.				

27.	You have an alternative job in case you retired unexpectedly.				
28.	You have other skills to earn you some income in retirement.				
29.	You have some piece of land for economic activities such as farming or rental houses.				
<b>CHALLENGES</b>					
30.	You find it difficult to save money monthly.				
31.	You have too many loans/debts to service.				
32.	Your only source of income is a monthly salary.				
33.	You are a bread winner in your family.				
34.	You have unrealistic expectations about life expectancy (e.g. shorter life span).				
35.	You have unrealistic expectations about your retirement package (e.g. my package will solve all my problems so why worry now).				
36.	You have lower earnings than expected before reaching retirement.				
37.	You do not have business skills to help you run one.				
38.	You have limited knowledge to cultivate positive attitude towards savings.				

**THANK YOU FOR YOUR COOPERATION**

## **Appendix B: Focus Group Discussion Questions**

### **A. Introduction**

Dear participants,

My name is Chinyemba Chombo, a post graduate student pursuing a Master's degree in Sociology of Education at the University of Zambia. I am carrying out a study on the extent to which teachers are prepared for retirement. You have been purposively selected to help with the findings of this study. You may also wish to know that the research is purely for academic purposes and so you are assured that the information provided will be for this purpose only and treated with confidentiality. In this discussion, there are no wrong answers but rather differing points of view. Please feel free to share your point of view even if it differs from what others have said. Keep in mind that I am just as interested in negative comments as positive comments, and at times the negative comments are the most helpful. Your co-operation will be highly appreciated.

### **B. Socio-economic preparedness**

1. Are our retired teachers able to lead decent life styles in terms of meeting their social and economic needs?
2. Give reasons for the answer given in (1).
3. What about us who are still working, are we prepared if we were to retire even today?

### **C. Challenges Teachers Face**

4. Why do most teachers fail to plan and prepare for their retirement while still working?
5. What are the major challenges as you prepare for retirement?

### **D. Remedies to the Challenges Faced**

6. How can these challenges be minimised to enable teachers prepare effectively for retirement?
7. What else needs to be done so as to help teachers lead decent life styles in retirement

**THANKS FOR YOUR COOPERATION**