THE ROLE OF FINANCIAL LITERACY ON RETIREES: A CASE STUDY OF RETIREES UNDER THE PUBLIC SERVICE PENSIONS FUND IN ZAMBIA

BY

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DECLARATION

I, ***Brian Mutale***, hereby declare that “to the best of my knowledge”, this Dissertation is my original work and has not been presented before by anyone else at University of Zambia or at any other University except where due acknowledgement has been made in text as will be seen in the document.

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CERTIFICATE OF APPROVAL

The dissertation of ***Brian Mutale*** *entitled*: “The role of financial literacy on retirees: a case study of retirees under the public service pensions fund in Zambia” is approved as fulfilling the requirement for the award of Master of Business Administration of the University of Zambia.

Examiner 1

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Supervisor……………………………..Sign……………………..Date……………………

DEDICATION

I would like to dedicate my Dissertation to my lovely wife Caroline Nonde Mutale and my beloved daughters: Mapalo,Kutemwa,Kuzipa and Luswepo who not only always wished me the best but also sacrificed a great deal to help me accomplish this. Above all my God for providing me with grace enough and everything I needed to achieve good success.

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Abstract

This study explored the significance of financial literacy among retirees, focusing on those affiliated with the Public Service Pensions Fund (PSPF) in Zambia. Retirement planning and financial management were critical aspects affecting retirees' quality of life and financial security post-employment. However, the level of financial literacy among retirees often determined their ability to effectively navigate financial challenges during retirement. Through a comprehensive investigation, this research delved into the effects of financial literacy on retirees' financial well-being, retirement planning, investment decisions, and overall satisfaction during their retirement years. The study employed quantitative methodology to gather data of which probability sampling was used. And in Probability sampling, simple random technique was applied to select sample from which data was collected via structured questionnaires. Descriptive statistics and some inferential statistics such as regression analysis were used in data analysis. Findings suggested a correlation between financial literacy and retirees' financial preparedness, with those possessing higher levels of financial literacy demonstrating better retirement planning, investment diversification, and financial decision-making. Additionally, the research highlighted the existing gaps in financial knowledge among retirees and identifies areas for improvement in financial literacy programs targeting this demographic. This study contributed to the understanding of the role of financial literacy in enhancing retirees' financial security and offers insights into strategies to improve financial education and planning for retirees within the PSPF and similar pension schemes. Further research and evaluation are needed to better understand the complex relationship between financial literacy, retirement outcomes, and overall satisfaction among retirees in Zambia. Longitudinal studies could provide insights into the effectiveness of financial education programs and policy interventions over time, helping to inform future initiatives.

Keywords: Financial literacy, Retirement planning, Retirees, Public Service Pensions Fund, Zambia

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LIST OF ABBREVIATIONS AND ACRONYMS

PSPF - Public Service Pensions Fund

FL - Financial Literacy

ROP - Retirement Planning

ROI - Return on Investment

FS - Financial Security

DRGS – Directorate of Research and Graduate Studies

QOL - Quality of Life

FD - Financial Decision-making

FEP - Financial Education Programs

FDI - Foreign Direct Investment

IDE – Institute of Distance Education

RDA - Retirement Diversification Assessment

FDI - Financial Diversification Index

RP - Retirement Preparedness

RMM - Retirement Management Measures

PPS - Pension Plan Sponsors

GFF - Government Funded Financial

LEB - Life Expectancy Benefit

CPP - Canada Pension Plan

PRR - Pension Risk Reduction

TFP - Total Factor Productivity

HRM - Human Resource Management

UNZA – University of Zambia

UNZAZOU – University of Zambia, Zimbabwe Open University

OECD	Organisation for Economic Co-operation and Development
SPSS	Statistical Program for Social Science
UNZABREC	University of Zambia Biomedical Research Ethics Committee
ZANAPA	Zambia National Pensioners Association

CHAPTER ONE

INTRODUCTION

1.1 Overview

This chapter provides the introductory information concerning the role of financial literacy on retirees' wellbeing; the chapter carries the background of the study, statement of the problem, purpose of the study, specific objectives as well as the research objectives, research questions, significance of the study and finally the scope of the study is highlighted in the last section.

1.2 Background to the study

Every person who works eventually retires, which is a significant life event. Retirement is the point at which someone leaves the working after many years of dedication in a job. Beginning with retirement, life enters a new phase. Age discrimination, mandatory retirement, falling productivity, poor health, and changes in the labor market's structural makeup force people to leave their occupations even if they would like to work into their older years (Mustafa et al., 2023). When unexpected needs arise after retirement, those with minimal savings or assets will find it difficult to cope (Boisclair et al., 2017). The average savings rate is at a record low in western nations, though (Brüggen et al., 2017), which suggests that retirees may outlive their funds as they age. Personal and social welfare are intimately tied to financial wellbeing. For instance, the Australian Government encouraged creative income solutions for elderly households in 2015 with the goal of enhancing seniors' financial security. However, retirees with low financial literacy levels are less likely to identify and choose trustworthy retirement income solutions (Chu et al., 2017). Without consistent and reliable income streams, retirees are more prone to worry about their level of living and are less likely to be financially pleased (Butt et al., 2017).

However, financial literacy is significantly related to the welfare of retired households (Nanda and Banerjee, 2021; Brüggen et al., 2017). Financially literate people are more likely to understand financial markets and products better, accurately assess their financial resources (Lusardi, 2019), make wise financial decisions regarding investments and savings (Gaudecker, 2015; Bianchi, 2018), choose trustworthy retirement income products, and have a higher likelihood of maintaining a respectable standard of living after retirement (Lusardi, 2019; Chu et al., 2017; Xue et al., 2019). As a result, retirement depends greatly on financial knowledge.

But a significant corpus of academic research has shown that many people lack financial literacy (Lusardi, 2019; Kramer, 2016), especially pensioners (Xue et al., 2019). For people with poor financial literacy, this uncertainty is even more pronounced.

This is concerning because a lack of financial literacy resulted in poor financial judgment, excessive debt, inadequate retirement planning, less wealth accumulation, personal bankruptcy, and other problems like physical and mental illness and divorce (Xiao et al., 2022; Lusardi, 2019; Brüggen et al., 2017; Santini et al., 2019; Xue et al., 2019). Retirement households' well-being is at risk due to these negative financial habits brought on by financial illiteracy. Even more concerning, recently retired people with inadequate financial literacy levels frequently have excessive confidence in their retirement savings (Parker et al., 2012).

Without a well-thought-out strategy for wealth decumulation in retirement, seniors risk starting out well, often overpaying, but ending up with depleted assets (van Rooij et al., 2012). Aguila et al. (2011) contend that in order to prevent negative financial consequences as they age, newly retired people need learn how to smooth their consumption. Therefore, healthy consumption practices contribute to retired households' increased quality of life and overall happiness, which in turn improves their financial well-being (Lin et al., 2017). In support of this, Tan et al. (2020) discovered a greater correlation between income and subjective wellbeing after conducting a meta-analysis of 357 cross-country studies. Therefore, more ability to obtain goods and services throughout life's dimensions that improve wellbeing results from higher income. However, they point out that the association diminishes as people age because older folks modify their demands and preferences in accordance with their financial circumstances (Tan et al., 2020). It has been determined that a considerable portion of the elderly's poverty can be decreased by providing them with basic pensions (Dethier et al., 2011). So, among senior individuals, income plays a key role in determining wellbeing. However, according to Dethier et al. (2011), this minimum income is dilute in the context of homes because it is shared among family members who are not older. Despite this, there is a dearth of research on the impact of lump sum payments on retirees' quality of life, necessitating the current investigation.

According to Lin et al. (2017), healthy consumption habits can increase people's quality of life and sense of fulfillment in life. However, consumption habits shift as people approach retirement. When consumption levels fall short of needs, people frequently report feeling financially unwell (Earl et al., 2015). Therefore, making wise purchasing decisions is crucial for the recently retired to maintain their consumption patterns. Despite the fact that wellbeing has been extensively studied, financial wellbeing is a new field (Brüggen et al., 2017). (Iyer and Muncy, 2016; Bobe and Cooper, 2020). On many ways, having good financial health is advantageous. Individual financial well-being has a favorable impact on life satisfaction, physical and mental health, interpersonal relationships, and job performance (Brüggen et al., 2017). It supports the development of internal culture (expressed goals, authority structure, and loyalty) and outward reputation (brands, reliability, and responsibility) at the organizational level (Iglesias et al., 2020). At the social level, it lessens societal and economic issues, promotes the development of social norms and customs, and improves social welfare (Sacks et al., 2012). (Friedline et al., 2021). Therefore, enhancing retirees' financial security is a good method to raise their standard of living and, in the end, lessen the negative effects of population aging. Thus, it is crucial to empirically examine the retiree's financial situation.

Retirees may experience difficulties with maintenance and health issues as a result of a reduction in income or a lack thereof. Even while credit restrictions, risk aversion, and dispersion in discount rates are among the economic explanations for these deficiencies, the empirical literature has not been able to fully explain the observed wealth disparities (Siame, 2020). As a result, having a solid understanding of pension financing empowers people to properly manage their pension plans, prepare for retirement, and choose the right pension solutions. Additionally, it affects how people save money and how many people join pension plans, which in turn helps countries' economies flourish (Agunga Mourine, 2017). Therefore, financial literacy is crucial for making wise financial decisions and can have a significant impact on seniors' financial behavior, as well as Zambia's economy as a whole. The purpose of this study is to ascertain how financial literacy affect the satisfaction and well-being of retirees in Zambia.

1.3 Statement of the Problem

The retirement landscape in Zambia is changing. The shift towards self-directed retirement planning is coupled with a gradually aging population. These developments require stakeholders to have a better understanding of the factors that impact today's retirees and near-retirees A growing body of evidence indicates that financial literacy—defined as the knowledge, skills and confidence a person needs in order to make responsible financial decisions—plays an important role in day-to-day and long-term financial planning.

However, studies on financial literacy and financial wellbeing have prioritized working youth and young adults to the exclusion of retirees .In Zambia, similar to other low-income countries, the working class has low financial literacy levels, with less than 1% of working adults invest in financial assets such Treasury Bills, life insurance products, and equities on the Lusaka Stock Exchange, while little higher investment levels are had been reported in real assets, including land, real estate, agricultural machinery, livestock, and own enterprises .Financially literate individuals are more likely to accurately assess their financial situation and engage in financial activities as a result, they are more likely to choose appropriate and adaptable financial strategies to ensure their financial security and allay any financial worries.

In spite of the importance of financial literacy for retirement planning, little is known about how financially literate people do financially after retirement and how this influences their financial welfare, particularly in Zambia. Hence, it is important to look into how retired households make financial decisions and choices in order to manage their financial issues. Retirement households' financial knowledge and abilities are put to the test by the range of financial products and services produced by the more deregulated financial markets .Therefore, this study seeks to better understand the relationship between financial literacy and financial well-being among retirees in Zambia.

1.3 Objectives of the Study

The following are the objectives of the study:

1.4 Main Objectives

The main objective of this study was to examine the role of financial literacy on retirees' wellbeing among members of the Public Service Pensions Fund (PSPF) in Zambia.

1.5 Specific Objectives

1. To assess the economic wellbeing of retirees in Zambia.
2. To determine the levels of financial literacy among retirees in Zambia.
3. To ascertain the roles of financial literacy in determining the financial wellbeing of retirees in Zambia.

1.6 Research Questions

1. What is the economic wellbeing of retirees in Zambia?
2. What is the level of financial literacy among retirees in Zambia?
3. What are the roles of financial literacy in determining their financial wellbeing?

1.7 Significance of the study

This dissertation explored the financial literacy of retirees and analysed the socio-demographic features of the financially literate and the financially illiterate. It was motivated by the significant role that financial literacy plays in retirement. The impact of financial literacy on seniors' financial and satisfaction further were explored in this study, both independently and in relation to lumpsum payments. Based on scientific data, practical and effective recommendations were made to raise the standard of living for retirees and ultimately lessen the negative effects of the aging population.

The results of this study were extremely important to pension funds once it is finished. In this case, it enabled various stakeholders to comprehend retirees' financial, the link between financial literacy, lump-sum benefit payments and economic, and how retirement benefits impact retirees' financial. As a result, it helped them realize how much any difficulties they faced on an impact on their wellness. This enabled them to make greater efforts to fix the problems, which enhanced the financial security of retirees. In this regard, the study educated the social security agencies on the necessity of modernizing their Social Security systems by examining their policies in order to adapt to the changing environment and provided coverage for vulnerable groups in the nation.

Second, the study supported ongoing investigations into problems with the social security system. The results of this study served as a point of reference for individuals who intend to undertake any study on the Social Security system with regard to difficulties and tactics used to overcome them both domestically and abroad. Third, the study offered details on how to cope with retiring staff that may be useful to policy makers and other companies. The policy makers were in a better position to understand the actual situation regarding the social security system for retiring employees and find appropriate ways to ensure effectiveness in the provision of social security fund to retiring employees because the study examined the effects of financial literacy and lumpsum payment of retirement benefits on economic wellbeing of retirees.

1.8 Scope of the Study

This research study was conducted in Kasama and the justification for this was due to proximity, language and cost.

Conceptual Framework

A conceptual framework is simply a summarised description of the study together with the pictorial description of all the variables used in the study and how they are related (Creswell, 2013). The conceptual framework of this study will be to examine the role of financial literacy on retirees' wellbeing among members of the Public Service Pensions Fund (PSPF) in Zambia. For this study the independent variables were literacy levels of PSPF retired members.

The symbolic description of the variables and their relationships is shown in figure 2.1 below.

Dependent variables **Independent variable**

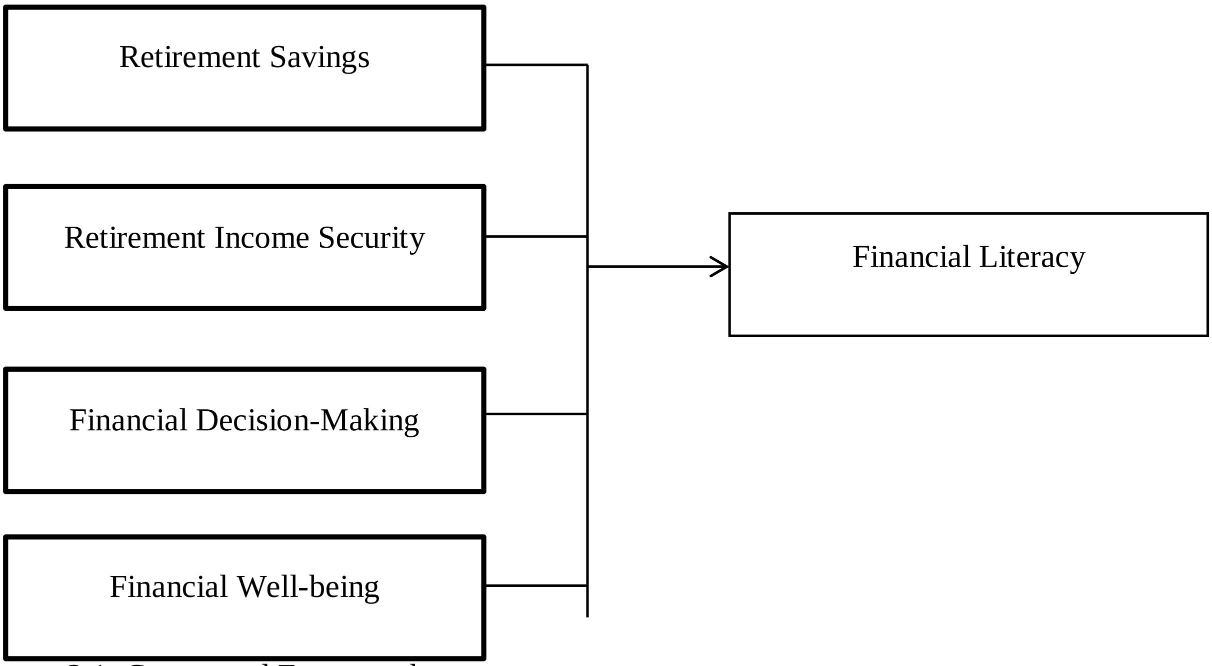

Figure 2.1: Conceptual Framework

Independent Variable

Financial Literacy - This remained the independent variable, representing the level of financial knowledge, understanding, and capability among retirees under the Public Service Pensions Fund in Zambia.

Dependent Variables

Retirement Savings: This variable indicated the amount of money retirees have saved for retirement, whether through pensions, personal savings, or other retirement accounts.

Retirement Income Security: This variable measured the stability and adequacy of retirees' income during retirement years, encompassing pensions, investments, and any other sources of income.

Financial Decision-Making: This variable assessed retirees' ability to make informed financial decisions regarding budgeting, investment choices, and managing expenses.

Financial Well-being: This variable reflected retiree’s overall financial satisfaction, security, and confidence in their financial situation during retirement.

These dependent variables collectively provided insight into different aspects of retirees' financial outcomes and well-being, allowing for a comprehensive analysis of the impact of financial literacy on their retirement experiences within the Public Service Pensions Fund in Zambia.

Key Terms and Their Definitions in The Context Of "The Role Of Financial Literacy On Retirees: A Case Study Of Retirees Under The Public Service Pensions Fund In Zambia":

Financial Literacy: Refers to the knowledge, skills, and understanding individuals possess regarding financial concepts and products, including budgeting, saving, investing, managing debt, and planning for retirement.

Retirees: Individuals who have exited the workforce and are no longer actively engaged in employment, typically because they have reached retirement age or have chosen to retire early. In this study, it specifically refers to individuals covered by the Public Service Pensions Fund in Zambia.

Public Service Pensions Fund: A pension scheme established by the Zambian government to provide retirement benefits to employees of the public service sector, including civil servants, teachers, and other government employees. It manages contributions from both employees and the government to provide pensions and other retirement benefits.

Case Study: A research method involving an in-depth examination of a specific phenomenon or situation, often within its real-life context. In this study, it involves analyzing the relationship between financial literacy and retirement outcomes among retirees under the Public Service Pensions Fund in Zambia.

Retirement Preparedness: Refers to the extent to which individuals are financially and psychologically ready to retire, including factors such as retirement savings, income security, debt management, and overall financial planning.

Financial Well-being: The state of an individual's financial situation, encompassing aspects such as financial security, satisfaction, and confidence in their ability to meet current and future financial needs and goals.

Independent Variable: A variable that is manipulated or controlled by the researcher and is believed to influence the dependent variable. In this study, financial literacy is the independent variable being examined for its impact on retirees' outcomes.

Dependent Variables: Variables that are measured or observed to determine the effect of the independent variable. In this study, dependent variables may include retirement savings, income security, financial decision-making, and financial well-being, among others.

These definitions provided clarity on the key concepts and terms relevant to understanding the research study on the role of financial literacy among retirees under the Public Service Pensions Fund in Zambia.

CHAPTER TWO

LITERATURE REVIEW

2.0 Overview

The literature review method was an examination of information on a specific subject. It involved the background by reviewing what is known as well as done by other scholars as facts and not what is assumed. This chapter provided a theoretical framework and literature review based on previous research in journals, books and on the internet. Sources related to the topic formed the core of the study and be used to enhance the research. This means that the literature review revealed the findings of other researchers as well as tries to analyse the findings and see how they were capable of being applied to the current study with regarding the role and influence of financial literacy and lumpsum payment in retirees' and satisfaction.

2.1 Concept of Retirement and Financial Wellbeing and Satisfaction

According to Shultz and Wang (2011), retirement typically occurs when a person reaches the legal retirement age. In terms of aging, it has been seen as a passive, natural life process. However, the idea of retirement has evolved over time from a conventional practice occurring at a certain age to a more active life change that people choose for themselves. When people go from full-time job to a new existence, which is frequently linked with greater time and freedom, retirement is regarded to be a significant life transformation. Nevertheless, retirement is one of the few significant life changes that can occur, regardless of whether it is voluntary or involuntary (in the case of redundancy). There are many different perspectives on what "retirement" is (Hachimena, 2022).

For instance, it could be seen as a "fresh beginning," a "continuation of life," a "disruption to existence," or the "beginning of old age." The individual's role identity during the life transition process may be impacted by how retirement is viewed, which may then have an impact on the individual's lifestyle or consumption habits after retirement (Hoffmann and Plotkina, 2021). Retirement can also be thought of as a transition away from the stresses of everyday labor, which might lessen an individual's worry and discomfort. However, higher levels of autonomy after retirement and their effects on the degree of sensation of control have been deemed inconclusive (Vo et al., 2015). Retirement may also be associated with less problem-solving and less fulfillment, which decreases one's sense of control. Those who retired early, for instance, before the age of 60, run the danger of getting bored (Herve et al., 2012).

Although wellbeing has been comprehensively analyzed from many various viewpoints, including sociology (Griggs et al., 2013) and psychology, financial wellbeing is an emerging research subject (Brüggen et al., 2017). (Dittmar et al., 2014). According to some earlier research (Cifuentes et al., 2016), financial wellness may be defined and measured objectively utilizing a variety of objective factors, such as income and investment success (Chu et al., 2017). Shim et al.'s (2009) study focuses primarily on students' financial health, utilizing debt load as a gauge of health.

Financial wellbeing is described as "the feeling of being able to preserve present and expected desired living standards and financial independence" in a recent conceptualization research (Brüggen et al., 2017). The significance of subjective feelings is highlighted by this definition. People's subjective financial situations have little bearing on how they rate their financial well-being, therefore even those with similar socio-demographic features may give their financial well-being different ratings (Xue et al., 2019). Other studies have similarly favored subjective evaluation of a person's financial situation (Castilla, 2012; Shim et al., 2009). According to Malone et al. (2010), depending on the stage of life, people may rate their financial health differently. Additionally, perception of financial well-being is influenced by highly personalized comparison benchmarks (Xue et al., 2019). Overall, when assessing a person's financial well-being, subjective indicators are more important than objective ones (Brüggen et al., 2017).

Because people's perceptions of their financial wellbeing may both directly and indirectly affect their quality of life, managing one's financial wellbeing is crucial (Woodyard and Robb, 2016). A positive outlook on one's financial situation can foster joy, zeal, hope, wonderful health, and healthy interpersonal relationships (Netemeyer et al., 2018). According to Brüggen et al. (2017), these physical and mental characteristics can have a favorable impact on financial behavior and work performance, which in turn can lessen societal issues and increase social welfare (Griggs et al., 2013). However, a negative assessment of one's financial situation can lead to stress, violence, weariness, and ill health (Guan et al., 2022). Additionally, it's likely to see the emergence of financially harmful behaviors like late payments on bills and foreclosure. As a result, crime, welfare dependency, and other societal issues can get worse (Sacks et al., 2012).

2.2 Definition of Financial Literacy

Although there is a growing body of literature on the topic, there are no established theories, and the accepted definition and method of measurement remain debatable and unclear (Xue et al., 2019). Financial literacy, which primarily emphasizes financial abilities, is defined by Noctor et al. (1992) as "the ability to make efficient judgments with reference to money management." In later literature, such as Hung et al.'s (2009) definition of financial literacy as "the ability to apply skills to manage money efficiently for long-term financial wellness," similar definitions that focus on the skills and applications of financial knowledge can be found. Some academics refer to financial literacy as financial knowledge. For instance, financial literacy has been described as "numeracy and financial knowledge" or simply "knowing fundamental financial terms and concepts needed to function daily in society" (Bowen, 2002). (Foster et al., 2015). McDaniel et al. (2002) broaden the term by adding the understanding of elements linked to internal controls, management remuneration, and cash flows.

The application of financial knowledge to financial actions is a more accurate definition. Financial literacy, as defined by Hogarth (2002), includes the two components and is defined as "understanding of basic financial notions and the capacity to apply financial information to plan and make decisions." Beal and Delpachitra (2003) pay close attention to how financial institutions function as well as the services and a wide range of practical skills related to money. By "testing how well a person can understand and use personal knowledge relating to financial difficulties," Huston (2010) condenses the term. Therefore, the acceptable definition of financial literacy encompasses a wide variety of information much beyond financial knowledge and abilities due to the financial markets' rapid expansion and development, which makes for a more complex financial environment for individuals.

2.2.1 Effects of Financial Literacy

People today often assume more responsibility for their daily financial management, which exposes them to additional financial dangers (Boisclair et al., 2017). Xue et al. (2019) claim that the two primary financial risks facing retirees today are lifespan risk and investment returns risk. People are living longer, therefore it's feasible that as they get older, they'll outlive their money. If someone is financially illiterate, their risk of living longer may be greater. Highly literate persons are more likely to establish an informed retirement plan to minimize this risk compared to those with poor financial literacy levels because they typically have a more accurate estimate of their financial resources (Xue et al., 2021). (Lusardi, 2019). Investment return risk is mostly caused by the volatile and unreliable nature of the financial markets, which makes investment returns unpredictable and unsecure. Financially knowledgeable retirees are more likely to diversify and reduce their financial risks, according to research by van Rooij et al. (2012).

On the plus side, more public and individual financial literacy is anticipated to have a positive impact on employment, economic growth, and national savings (Zait and Bertea, 2015). Households with sufficient financial knowledge and skills typically understand financial markets and goods better, make intelligent decisions, and avoid mistakes or being misled about financial matters (Walstad et al., 2016; van Rooij et al., 2012). Additionally, they are more likely to preserve savings liquidity, make educated saving decisions, and exhibit better financial health (Ahmad et al., 2017). Additionally, Fagereng et al. (2019) discover that households with higher levels of financial literacy are more adept at choosing mutual funds with lower expenses and are more likely to participate profitably in the stock market (Lusardi, 2019).

On the downside, those who lack financial literacy frequently choose less wisely and are more prone to make financial blunders (Shen et al., 2016), which ultimately has a negative impact on the health of the national economy (Rai et al., 2019). Additionally, it has been discovered that low financial literacy levels are linked to major social issues like physical and mental sickness as well as divorce (Xue et al., 2019). Low-literacy families are more prone to take on debts with high expenses and utilize bad loan methods when it comes to household debt and credit behaviors (Lusardi and Tufano, 2015). Additionally, there is a link between individual behaviors and financial literacy. Low levels of financial literacy may result in bad financial decisions, damaging saving habits, a lack of portfolio diversification, slower net wealth building, and ineffective retirement planning (Lusardi, 2019; Cheah et al., 2015; Nguyen et al., 2019). (Lusardi, 2019). Furthermore, financial literacy is positively related to participation in financial markets and negatively related to the use of informal sources of borrowing. Moreover, individuals with higher financial literacy are significantly more likely to report having greater availability of unspent income and higher spending capacity. The relationship between financial literacy and availability of unspent income is higher during the financial crisis, suggesting that financial literacy may better equip individuals to deal with macroeconomic shocks((LF Klapper · 2012). The earlier findings also reveal that the most important factors in the retirement planning decision making process are having shelter and financial stability.

It is obvious that the value of financial literacy in the financial markets should not be disregarded.

2.3 Role of Financial Literacy on the Financial Wellbeing and Satisfaction

Many papers have documented a strong correlation between financial literacy and a set of behaviors. Bernheim (1995, 1998) showed that most households lack basic financial knowledge and cannot perform very simple calculations, and that the saving behavior of many households is dominated by crude rules of thumb. Hilgert, Hogarth, and Beverly (2003) find a strong link between financial literacy and day-to-day financial management. Financial literacy has also been linked to a set of behaviors related to saving, wealth, and portfolio choice. For example, several papers have shown that individuals with greater numeracy and financial literacy are more likely to participate in financial markets and to invest in stocks (Christelis, Jappelli, and Padula, 2010; Yoong, 2011; Almenberg and Dreber, 2001; Almenberg and Widmark, 2011; Van Rooij, Lusardi, and Alessie, 2011). Moreover, more literate individuals are more likely to choose mutual funds with lower fees (Hastings and Tejeda-Ashton, 2008; Hastings and Mitchell, 2011). Similarly, Lusardi and Mitchell (2007a, 2011d) show that those who display high levels of literacy are more likely to plan for retirement and, as a result, accumulate much more wealth, a finding reproduced in many of the countries that are part of an international comparison of financial literacy, which includes Russia (Lusardi and Mitchell, 2011c). Financial literacy is found to affect not only the assets side but also the liability side of households' balance sheet. Moore (2003) was one of the first to report that respondents with lower levels of financial literacy are more likely to have costly mortgages. More recently, Gerardi, Goette, and Meier (2010) report that those with low literacy are more likely to default on sub-prime mortgage or have problems with them. Stango and Zinman (2009) find that those who are not able to correctly calculate interest 6 rates out of a stream of payments end up borrowing more and accumulating lower amounts of wealth. Campbell (2006) shows that individuals with lower incomes and lower education levels—characteristics that are strongly related to financial literacy—are less likely to refinance their mortgages during a period of falling interest rates. Lusardi and Tufano (2009a,b) report that individuals with lower levels of financial literacy tend to transact in high-cost manners, incurring higher fees and using high-cost methods of borrowing. The less knowledgeable also report that their debt loads are excessive or that they are unable to judge their debt position. Similar findings are reported in the UK (Disney and Gathergood, 2011). In addition to greater susceptibility to fraud and abuse, lack of financial literacy might lead to borrower behavior that increases financial fragility (i.e., greater loan losses). Informed consumers may also exercise innovation-enhancing demand on the financial sector and play an important monitoring role in the market that can help improve transparency and honesty in financial institutions. Furthermore, financial illiteracy appears to be particularly severe for key demographic groups: women; the less educated; those with low income; ethnic minorities; and older respondents (e.g., Bernheim, 1995; Lusardi and Mitchell, 2007a, 2007b, 2008, 2011b; Lusardi and Tufano, 2009a,b; inter alia). Correlation between financial literacy and behavior does not mean causation, and it is important to establish a causal link. Nevertheless, obtaining an exogenous source of variation in financial literacy has been challenging. For example, it may be the desire to invest in stocks or plan for retirement that causes individuals to invest in financial literacy rather than the other way around. There also may be some omitted variables, such as 7 ability or patience,that affect both financial literacy and financial behaviour.

Studies examining the connection between financial literacy and retirement are multiplying (van Rooij et al., 2012; Earl et al., 2015; Eugster, 2019). Financial ignorance has detrimental effects on retirement. The majority of elderly people lack sophisticated or even fundamental financial knowledge and abilities, which makes them less likely to make retirement plans. As a result, they will have less time to save money and accumulate wealth, or in the worst situation, they will run out of money when they are old (Xue, 2019).

Concern should be expressed about the overconfidence of newly retired individuals and employees who are planning for retirement in their retirement funds (Parker et al., 2012). Retirement age retirees who are less financially savvy tend to borrow more and amass less money (Lusardi and Mitchell, 2017). What's even more concerning is that little is known about the reasons why people don't create a retirement plan (Lusardi, 2019). Unsurprisingly, seniors who are more literate are more likely to make and follow plans for their retirement (Lusardi and Mitchell, 2017). Consequently, numerous studies advise using a retirement planning specialist (Clark et al., 2017). The literature makes it abundantly evident that more study needs to be done on the crucial part that financial literacy plays in retirement life.

According to a number of the few studies that are currently available, financial literacy and financial wellbeing are positively correlated (Cheah et al., 2015; Grohmann, 2018), meaning that retired households with higher levels of financial literacy are more likely to be content with their financial situation. It seems that persons who have a broad understanding of finance and sophisticated financial skills are more likely to have access to new products, services, and technology that streamline transaction procedures, cut down on transaction costs, and improve the effectiveness of financial decisions (Xue, 2019). Furthermore, the methods through which financial literacy promotes financial wellbeing could not apply in all situations. Think on your consumption of food and alcohol, for instance. Consuming food is a fundamental requirement for everyone. Failure to satisfy this fundamental demand for consumption would lead to stress and possibly violent behavior (Xue, 2019), which would lower both financially literate and financially illiterate people's levels of well-being. Therefore, while financial literacy may enhance people's welfare on its own, it has little influence on how meeting one's nutritional needs affects one's financial situation.

In contrast, the outcomes in relation to alcohol use may change. For most people, drinking alcohol is not necessary and, to some extent, might be considered a recreational activity (Xue, 2019). Once their basic consuming demands are met, people begin to consume for leisure (Iyer and Muncy, 2016). In this situation, both directly and indirectly, financial literacy enhances financial wellbeing. Financial literacy alone raises financial wellbeing through higher financial returns from wise financial decisions, as well as by modifying and enhancing consumption decisions that also enhance financial wellbeing.

Financially literate individuals may profit more from informed consumption practices compared to simple consumption. Therefore, it is necessary to look at the mechanics of how financial literacy affects retired households' financial wellness separately for basic and discretionary consumption. According to the aforementioned instances, it is expected that financial literacy will take on a distinct role in various situations.

2.4 Socio-demographics and Financial Wellbeing

Social demographics have an impact on people's financial and mental health (Barnard, 2016). Age, gender, education, marital status, type of employment, and health all affect how each person perceives their financial situation (Becchetti et al., 2017; Barnard, 2016). According to Malone et al. (2010), middle-aged people have less financial security because of their increased workload, higher living expenses, and larger families. Though older people report the lowest levels of financial wellbeing, other research show that it declines throughout time (Becchetti et al., 2017). Regarding the connection between gender and financial security, there is also no consensus. Tan et al. (2020) reveal that males tend to be happier than females in the United States and European countries, whereas Malone et al. (2010) show that American females are more likely to effectively manage financial wellbeing. Additionally, satisfaction with financial status is positively associated with education (Gerrans and Heaney, 2019), marriage (Tan et al., 2020; Malone et al., 2010), type of work (Degutis and Urbonavicius, 2013), and health (Clark, 2018). Therefore, it is evident that research on financial wellbeing should also include a range of socio-demographic factors.

2.5 Other predictors of financial wellbeing

2.5.1 Number of dependents

In the past 20 years, retirement researchers have made tremendous progress in their understanding of the elements that affect people's wellbeing in retirement, according to a study by Wang and Hesketh (2012). One of these characteristics is family-related, which includes having more dependents and paying for their care. These elements are seen to be harmful to retirees' financial security. The study also showed that a retiree's financial wellness in retirement is more likely to decline the more dependents they have and the costs associated with them. According to a study by Lusardi and Mitchell (2017) that compared the savings habits of two generations, having more children decreases the amount of wealth held. This implies that a retiree's financial well-being may be impacted by the number of dependents they have.

According to a related study by Adam et al. (2017), households with dependent children seem to experience more financial stress than other household types. According to empirical data, families with children struggle more with saving than other households do. This suggests that seniors with dependents would have financial hardship since they will not be able to save enough money to support them during retirement. Retirees are no longer required to work part-time in the market. However, they could have additional duties like taking care of an aging parent, spouse, or grandchildren (Kalenkoski and Oumtrakool, 2017). According to Ellis and Simmons (2014), over 2.7 million grandparents in America had primary custody of their under-18-year-old grandchildren living with them in 2012. This might put retirees under more financial strain, which would have an impact on their financial welfare. According to numerous cultural traditions, grandparents are customarily expected to foster their grandkids (Hachimena, 2022), which adds to the elderly's financial burden and negatively affects their financial wellbeing.

2.5.2 Family support

Retirement-related income status had an impact on a retiree's wellbeing. For instance, when an elderly person (retiree) has a better earning status than the other members of their household, the extended family depends on him or her to meet some of their needs (Hachimena, 2022). If such a retiree receives their only source of income from the government, they will be in a tight financial situation. A study by O'Neill et al. (2005) looked at the correlations between 3,121 clients of a financial consulting firm's financial activity, financial wellbeing, and health. According to their findings (O'Neill et al., 2005), persons with higher incomes and financial security are less stressed, more motivated to manage their money, have better family relationships, and are physically and mentally healthier.

Income level may not necessarily correlate with financial well-being. For instance, even though they may be far from wealthy, people seem to have and feel they have a high level of financial wellbeing. People who earn significantly more money, however, do not seem to have or feel as though they have a high level of financial wellbeing at all (Adam et al., 2017). According to the studies, one's level of financial well-being can range from extreme financial stress to extreme satisfaction with their financial condition, and it is not solely dependent on their income. Therefore, the availability of family support during retirement as a source of supplemental income for retirees may have an impact on their financial well-being.

2.5.3 Financial behaviour

Financial behavior, according to Mien and Thao (2015), may have a significant role in defining financial wellbeing. According to Brüggen et al. (2017), it makes logical that financial behavior should increase financial wellbeing because an individual's financial wellbeing can either be objective (as assessed in terms of income, assets, etc.) or subjective (as measured in terms of financial contentment). In order to determine how financial literacy affects financial wellbeing, this study takes financial behavior into account. Like all other matters, financial behavior has primarily been learned from parents through observation and participation in financial activities like purchasing (Falahati and Paim 2011; Adam, 2017).

2.6 Summary of Literature

More information about the financial wellbeing of retirees will be included in this review, along with workable suggestions for raising the standard of living and overall happiness of retired households. In particular, this chapter adds to the body of literature in three significant ways. First, previous research has studied the connection between financial literacy and financial behaviors and created integrative perspectives of what financial literacy is. The measurement of financial literacy, however, has been linked to knowledge loss in earlier studies. Additionally, despite previous research findings and conclusion that higher level of financial literacy makes a major contribution to financial wellbeing(Lusardi&Mictchell,2011a; Lusardi & Tufano,2015) and that financial literacy also appears to be correlated with economic development(Cole et al., 2011); and although retirement-related decisions will affect workers' wellbeing for the reminder of their lifetimes, many do not possess enough basic financial knowledge to confidently make optimal choices(Robert Clark&Steven G. Allen 2010), little research has been done on financial literacy among the retired population.(financial wellbeing is an emerging research subject (Brüggen et al., 2017). Therefore, further research is required to reach an agreement on the best way to quantify financial literacy.

Second, the impact of financial literacy on overall financial wellbeing is evaluated, both alone and in conjunction with spending habits. Previous research has not yet looked at the impact that lump sum payments play in the relationship between financial literacy and financial wellbeing. Last but not least, in addition to the socio-demographic characteristics covered in earlier research, this study also looks at property ownership and the differences in financial well-being between various socio-demographic groups. The empirical results are expected to offer more insight into financial well-being because they encompass a wider variety of socio-demographic factors.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Overview

This chapter introduce the research methodology used in respect of this study. It illustrates how it guided data collection and analysis as regards quantifying the relationship level between culture and international business management/practices. It gives a broad illustration on the research design, the study population, sampling techniques, instruments were used in data collection furthermore testing the validity and reliability of this instruments, processing of collected data, etc.

3.1 Research Design

Research Design constituted the blueprint for the collection, measurement, and analysis of data (Mugenda and Mugenda, 2003). Research design ensured that the evidence obtained enabled you to effectively address the research problem logically and as unambiguously as possible. For the purpose of this study the quantitative technique was adopted utilizing a descriptive and cross-sectional study design.

3.2 Research Setting

The study was conducted from the Public Service Pensions Fund (PSPF) headquarters in Lusaka and regional office in Ndola, as well as from the following purposively selected Zambia National Pensioners Association (ZANAPA) in Kasama, Chipata, Solwezi, Choma, and Mongu. These sites had been selected because they were directly involved in the welfare of public service retirees in Zambia, hence they bettered suited to have a full reference of retirees under their management from which the sample for the study will be drawn.

3.3 Target Population

In this study a targeted population referred to the total number of people in which the population sample is selected (Mugenda and Mugenda, 2003). The targeted population of this study was the retirees under the PSPF in Zambia. The study assessed all retirees who had retired between January and June 30th 2023 numbering 100 retirees and had started receiving their annuities and lumpsum payments.

3.4 Sampling Technique

Sampling techniques were the procedures that were used to select a sample in a population (Saunders et al., 2012). The researcher with the help from PSPF prepared a list of retirees. Probability sampling technique was used in this study. In probability sampling, simple random technique was applied in the study. The researcher with the help from pension officers generated a sampling frame of retires in the study area. The respondents were selected randomly using the random number generated. Therefore, from the prepared list N retirees was selected randomly and the use of simple random sampling helped represent the targeted population and eliminated the sampling bias since all respondents had equal opportunities of being selected.

3.5 Sample size determination

Sample size is referred to as a group of participants drawn from a population in which the researcher is interested in collecting information and drawing conclusions (Kothari, 2017). The sampling size will be determined using Yamane (1967) formula for large populations as follows:

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

Where n is the sample size, N is the population size (100 retirees under the PSPF), and (e) is the level of precision (0.05). When this formula will be applied as follows:

Taro Yamene Formula

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

n= Desired sample size
N= Population of the study
e= Precision of sampling error (0.05)

$$n= \frac{100}{1+(75)\ (0.05)^2}$$

$$n= \frac{100}{1+0.2}$$

n= 83

3.6 Data and Data Collection

Questionnaire was used in this study to collect information from retirees. The rationale of using questionnaire was that, the tool was good to gather information from large number of people and they saved time to a researcher and it was a cost-effective tool for the reason of time management (Kabir, 2016). In this study, questionnaires were administered by the researcher-administered with closed-ended questions adopted and adapted from previous studies (Organisation for Economic Co-operation and Development (OECD), 2021; Floyd et al., 1992; Xue, 2019). The study used primary and secondary data in arriving at the conclusion of the study. Primary data included those collected afresh from the field at the first time. Quantitative information was collected from retirees through the survey method by using questionnaires.

3.6.1 Validity of Research Instruments

Given the nature of study, content validity method was used to test for validity through piloting (Mohajan, 2017). In this method, 10 percent of the sample questionnaires was pre tested by distributing them to retirees, supervisor, statisticians and colleagues whose opinions positively considered and the instruments were reviewed to make sure they bring out the intended results.

3.6.2 Reliability of Research Instruments

Reliability refers to measuring consistency of the scale data (Mohajan, 2017). In this study, data reliability was measured by using Cronbach's alpha (α), for showing the internal consistency of the scale reliability. Cronbach's α analysis is a useful way of determining internal consistency and homogeneity of groups of items in tests and questionnaires.

3.7 Method of Data Analysis

Data collected was initially edited to eliminate incompleteness, inaccuracies and inconsistencies in the entries. It was coded and analysed using Statistical Program for Social Science (SPSS) version 25.0. Data analysis techniques that were used for quantitative data analysis included means, standard deviations, and percentages. The study adopted a regression model so as to test the relationship between the dependent and independent variables.

Correlation analysis was conducted to determine whether there was a causal relationship between the dependent and the independent variables and the strength of the relationship if present. The correlation coefficient (r) value determined the measure of linear association between two variables where the coefficient is always between -1 and +1. A coefficient of -1 means that variables are perfectly related in a negative linear sense, 0 means that there is no relationship between the variables and +1 indicates that the variables are perfectly related in a positive linear sense. After conducting a correlation analysis, the next step will be to conduct a regression analysis in order to find a relationship between the independent and dependent variables. For all statistical analyses, a p-value of less than 0.05 at 95% confidence interval was considered statistically significant.

3.8 Ethical Consideration

Ethical clearance was sought from the Research Ethics Committee of the University of Zambia. Permission to conduct research was sought from the Chief Executive Officer of PSPF and ZANAPA in order to be allowed to conduct research within the Pension's Fund. The confidentiality of the respondents in this study was observed as their names were not be disclosed. The researcher made sure that the respondents were protected from any kind of harm either physically or psychologically. In the context of this study, the questions in the questionnaire were crafted to abide to ethical procedures to avoid any harm to staff of the respective scheme. The researcher communicated to each of the respondents about the objectives of the study and the tools which was used. And in order to avoid plagiarism, the research made sure that previous works that was used in the study were properly cited. Additionally, respondents were needed to fill in a permission form to guarantee their voluntary participation or deliberately withdraw from the study at any time if they want to do so.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.1 Overview

The chapter presented the data analysis and presentations of findings in relation to the the role of financial literacy on retirees: a case study of retirees under the public service pensions fund in Zambia. Throughout this research, 100% rate of responses was obtained since all those given data collections tools at PSPF were returned to the researcher with all those sought after responses. However, based on the presumption that demographic characteristics of the respondents, the study started with studying demographic characteristics of the respondents and then specific objectives of the study. Therefore, to present the revealed findings in a systematic and accepted manner, this chapter was organized into several headings which included, demographic characteristics of the respondents on financial literacy on retirees.

Throughout this chapter, the quantitative data was analysed through, frequencies, standard deviations, means and percentages and then presented through tables and figures. SPSS was used in the analysis and the development of headings from the outputs of the content analysed to ascertain the effects of corporate governance on organizational performance.

4.2 Respondent's Demographic Characteristics

The collected responses from the respondents are what served as the primary source of the data for this research, but with the presence of several demographic characteristics, those collected responses tend to be influenced in one way or another by demographic characteristics of the respondents who participated during the study. Throughout the research, gender of the respondent, age of the respondents, education of the respondents and the period in the service were seriously considered for being studied as demographic characteristics of the respondents who participated in this research.

4.3 Respondent's Gender

The gender, which is a social constructed role of and the relationship between males and females was studied as demographic characteristics of the respondents who participated in this research. To reveal the number of males and female's respondents who composed the sample size of this research, all the 83 participated respondents were required to appropriately identify their gender in terms of male or females. Table 1 shows a summary of revealed findings on the gender of the respondents in the research.

Table 1 Socio-Demographic Information of Survey Respondents

Age Group	Number of Respondents	Percentage (%)
50-55	10	12.05
56-60	15	18.07
61-65	20	24.10
66-70	18	21.69
71-75	12	14.46
76-80	6	7.23
81-85	2	2.41
Total	**83**	**100%**

The table showed the age groups of respondents, the number of respondents in each group, and the percentage of respondents in each group out of the total sample size of 83. there were 10 respondents aged between 50-55, which accounted for approximately 12.05% of the total respondents. The percentages were calculated by dividing the number of respondents in each age group by the total sample size (83) and multiplying by 100 to get the percentage.

Table 2 Gender Distribution

Gender	Number of Respondents	Percentage (%)
Male	45	54.22
Female	38	45.78
Total	**83**	**100%**

The table presented the gender distribution of respondents, indicating the number of respondents identifying as male or female and the percentage of each group out of the total sample size of 83. There were 45 male respondents, constituting approximately 54.22% of the total sample size, and 38 female respondents, making up around 45.78% of the total sample size. The percentages were calculated by dividing the number of respondents in each gender category by the total sample size (83) and multiplying by 100 to obtain the percentage.

Table 3 Marital status

Marital Status	**Number of Respondents**	**Percentage (%)**
Unmarried single	12	14.46
Married	54	65.06
Separated/Divorced	10	12.05
Widowed	7	8.43
Total	**83**	**100%**

The table displayed the distribution of marital status among respondents, showing the number of respondents in each category (unmarried single, married, separated/divorced, and widowed) and the corresponding percentage of each category out of the total sample size of 83. There were 12 unmarried single respondents, constituting approximately 14.46% of the total sample size, while 54 respondents were married, accounting for approximately 65.06% of the total sample size. The percentages were calculated by dividing the number of respondents in each marital status category by the total sample size (83) and multiplying by 100 to obtain the percentage.

Table 4 Level of Education:

Education Level	Number of Respondents	Percentage (%)
Never attended school	5	6.02
Primary	15	18.07
Secondary	40	48.19
Tertiary	23	27.71
Total	**83**	**100%**

This table displayed the distribution of respondents based on their level of education, including categories such as never attended school, primary, secondary, and tertiary education. There were 15 respondents with primary education, constituting approximately 18.07% of the total sample size. The percentages were calculated by dividing the number of respondents in each education level category by the total sample size (83) and multiplying by 100.

Table 5 Occupation

Occupation	Number of Respondents	Percentage (%)
Manager	5	6.02
Professional	10	12.05
Community and personal service worker	8	9.64
Clerk and administrative worker	12	14.46
Sales worker	6	7.23
Technician and trade worker	15	18.07
Machinery operator and driver	9	10.84
Laborer	18	21.69

Occupation	Number of Respondents	Percentage (%)
Total	**83**	**100%**

This table showed the distribution of respondents based on their occupation, including categories such as manager, professional, community and personal service worker, etc. There were 18 respondents working as labourers, constituting approximately 21.69% of the total sample size. The percentages were calculated by dividing the number of respondents in each occupation category by the total sample size (83) and multiplying by 100.

Let's create separate tables for "Reason for Retirement," "Salary," "Pension Payment Status," "Assets After Retirement," "Condition of Assets," "Physical Health Problems," and "Partner's Occupation & Income."

Table 6 Reason for Retirement:

Reason	Number of Respondents	Percentage (%)
Too much stress at work	7	8.43
Difficulty with physical demands of job	9	10.84
Disliked job	6	7.23
Pressured by employer	4	4.82
Offered incentives by company	3	3.61
Laid off, fired, or hours reduced	5	6.02
Difficulties with people at work	4	4.82
Wanted time with family	10	12.05
Wanted time to pursue own interests	8	9.64
Spouse wanted partner's retirement	3	3.61

Reason	Number of Respondents	Percentage (%)
Wanted to make room for younger people	2	2.41
Reached mandatory retirement age	12	14.46
Poor health	5	6.02
Spouse's poor health	3	3.61
Could finally afford retirement	2	2.41
Other (Specify)	0	0.00
Total	**83**	**100%**

This table presented the reasons for retirement among respondents, including options such as too much stress at work, difficulty with physical demands of the job, disliked job, etc. The percentages were calculated by dividing the number of respondents for each reason by the total sample size (83) and multiplying by 100.

Table 7 Pension Payment Status

Pension Payment Status	Number of Respondents	Percentage (%)
Receiving monthly annuities	25	30.12
Received lumpsum payment	20	24.10
Already received both	12	14.46
Not specified	26	31.33
Total	**83**	**100%**

This table presented the distribution of respondents based on their pension payment status, including those receiving monthly annuities, received lumpsum payment, and already received both. The percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 8 Assets After Retirement

Assets After Retirement	**Number of Respondents**	**Percentage (%)**
Yes	40	48.19
No	43	51.81
Total	**83**	**100%**

This table showed whether respondents have any assets after retirement, with options being yes or no. The percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 9 Condition of Assets

Condition of Assets	**Number of Respondents**	**Percentage (%)**
Good	35	42.17
Poor	5	6.02
Not specified	43	51.81
Total	**83**	**100%**

This table displayed the condition of assets owned by respondents, categorized as either good or poor. The percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 10 Physical Health Problems

Physical Health Problem	Number of Respondents	Percentage (%)
Yes	30	36.14
No	53	63.86
Total	**83**	**100%**

This table presented the distribution of respondents based on whether they have any physical health problems, with options being yes or no. The percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 11 Partner's Occupation

Partner's Occupation	Number of Respondents	Percentage (%)
Manager	8	9.64
Professional	12	14.46
Community and personal service worker	6	7.23
Clerk and administrative worker	7	8.43
Sales worker	5	6.02
Technician and trade worker	9	10.84
Machinery operator and driver	4	4.82
Laborer	5	6.02
Other (Specify)	3	3.61
Not specified	24	28.92

Partner’s Occupation	Number of Respondents	Percentage (%)
Total	**83**	**100%**

This table showed the distribution of respondents' partners' occupations. Each occupation category is listed along with the number of respondents whose partners work in that occupation, and the corresponding percentage. There were 8 respondents whose partners were managers, making up approximately 9.64% of the total sample size. The "Other" category accounted for respondents who specified an occupation not listed in the predefined options. The "Not specified" category accounts for respondents who did not provide information about their partners' occupations. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 12 Measuring Financial Literacy

Knowledge About Financial Matters:

Knowledge Level	Number of Respondents	Percentage (%)
Very high	8	9.64
Quite high	12	14.46
About average	30	36.14
Quite low	15	18.07
Very low	5	6.02
Don’t know	13	15.66
Total	**83**	**100%**

This table displayed the distribution of respondents' self-rated knowledge about financial matters compared with other adults in Zambia. Each category represented a different level of knowledge, and the number of respondents selecting each option is shown, along with the corresponding percentage. The "Don't know" category accounted for respondents who were uncertain about their knowledge level regarding financial matters. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 13 Equal Division of Gift among Brothers

Amount per Brother	Number of Respondents	Percentage (%)
2000ZMW	58	69.88
Don’t know	25	30.12
Total	**83**	**100%**

This table showed the distribution of responses regarding the amount each brother would receive if the gift of 10,000ZMW were to be equally divided among them. The majority of respondents (58) correctly answered that each brother would receive 2000ZMW. The "Don't know" category accounted for respondents who were uncertain about the correct division of the gift among the brothers. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 14 Interest Paid on Loan

Interest Paid	Number of Respondents	Percentage (%)
0ZMW	33	39.76
Don’t know	50	60.24
Total	83	100%

This table presented the distribution of responses regarding the amount of interest paid on a loan of 5,000ZMW. The majority of respondents (33) correctly answered that no interest was paid on the loan. The "Don't know" category accounted for respondents who were uncertain about the correct amount of interest paid on the loan. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 15 Savings Account Balance after 5 Years

Account Balance	**Number of Respondents**	**Percentage (%)**
More than 2150ZMW	29	34.94
Exactly 2150ZMW	9	10.84
Less than 2150ZMW	21	25.30
Impossible to tell	9	10.84
Don’t know	15	18.07
Total	**83**	**100%**

This table showed the distribution of responses regarding the balance of a savings account after 5 years with a guaranteed interest rate of 2% per year. The majority of respondents (29) correctly answered that the balance would be more than 2150ZMW. The "Don't know" category accounted for respondents who were uncertain about the correct account balance after 5 years. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 16 True or False Statements

Statement	**Answer**	**Number of Respondents**	**Percentage (%)**
High return implies high risk	True	45	54.22
High inflation increases cost of living rapidly	True	63	75.90

Statement	Answer	Number of Respondents	Percentage (%)
Diversification reduces risk in stock market	True	64	77.11

This table presented the distribution of responses to true or false statements related to financial knowledge. Each statement is listed along with the correct answer and the number of respondents who chose each option, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents who selected each option by the total sample size (83) and multiplying by 100.

Table 17 Financial Behavior

Worry about Paying Normal Living Expenses

Frequency	Number of Respondents	Percentage (%)
Always	15	18.07
Often	25	30.12
Sometimes	25	30.12
Rarely	10	12.05
Never	8	9.64
Total	**83**	**100%**

This table displayed the frequency with which respondents worry about paying their normal living expenses. Each category represents a different level of frequency, and the number of respondents selecting each option was shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 18 Finances Control My Life

Frequency	Number of Respondents	Percentage (%)
Always	5	6.02
Often	10	12.05
Sometimes	20	24.10
Rarely	30	36.14
Never	18	21.69
Total	**83**	**100%**

This table presented the frequency with which respondents feel that their finances control their lives. Each category represented a different level of frequency, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 19 Careful Consideration Before Buying

Frequency	Number of Respondents	Percentage (%)
Always	15	18.07
Often	20	24.10
Sometimes	30	36.14
Rarely	10	12.05
Never	8	9.64
Total	**83**	**100%**

This table showed the frequency with which respondents carefully considered whether they can afford something before buying it. Each category represented a different level of frequency, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 20 Money Left Over at the End of the Month

Frequency	Number of Respondents	Percentage (%)
Always	5	6.02
Often	10	12.05
Sometimes	30	36.14
Rarely	25	30.12
Never	13	15.66
Total	**83**	**100%**

This table displayed the frequency with which respondents had money left over at the end of the month. Each category represented a different level of frequency, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 21 Timely Bill Payment

Frequency	**Number of Respondents**	**Percentage (%)**
Always	30	36.14
Often	35	42.17
Sometimes	15	18.07
Rarely	3	3.61
Never	0	0.00
Total	**83**	**100%**

This table presents the frequency with which respondents pay their bills on time. Each category represented a different level of frequency, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 22 Sharing Bank Account Information

Frequency	**Number of Respondents**	**Percentage (%)**
Always	0	0.00
Often	3	3.61
Sometimes	15	18.07
Rarely	25	30.12
Never	40	48.19

Frequency	Number of Respondents	Percentage (%)
Total	**83**	**100%**

This table displayed the frequency with which respondents shared the passwords and PINs of their bank accounts with close friends. Each category represented a different level of frequency, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 23 Buying Unnecessary Goods and Services

Frequency	Number of Respondents	Percentage (%)
Always	0	0.00
Often	3	3.61
Sometimes	25	30.12
Rarely	35	42.17
Never	20	24.10
Total	**83**	**100%**

This table presented the frequency with which respondents buy goods and services that they do not need. Each category represented a different level of frequency, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 24 Financial Attitude

Satisfying to Spend Money vs. Save for the Long Term

Agreement Level	Number of Respondents	Percentage (%)
Completely agree	10	12.05
Agree	20	24.10
Somewhat	25	30.12
Disagree	18	21.69
Completely disagree	10	12.05
Total	**83**	**100%**

This table displayed the agreement level of respondents regarding whether they find it more satisfying to spend money than to save it for the long term. Each category represented a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 25 Willingness to Risk Own Money for Saving or Investment

Agreement Level	Number of Respondents	Percentage (%)
Completely agree	15	18.07
Agree	20	24.10
Somewhat	25	30.12
Disagree	15	18.07
Completely disagree	8	9.64
Total	**83**	**100%**

This table presented the agreement level of respondents regarding their willingness to risk some of their own money when saving or making an investment. Each category represented a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 26 Belief That Money Is There to Be Spent

Agreement Level	**Number of Respondents**	**Percentage (%)**
Completely agree	8	9.64
Agree	15	18.07
Somewhat	20	24.10
Disagree	25	30.12
Completely disagree	15	18.07
Total	**83**	**100%**

This table displayed the agreement level of respondents regarding the belief that money is there to be spent. Each category represented a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 27 Satisfaction with Present Financial Situation

Agreement Level	**Number of Respondents**	**Percentage (%)**
Completely agree	10	12.05
Agree	25	30.12
Somewhat	20	24.10

Agreement Level	Number of Respondents	Percentage (%)
Disagree	18	21.69
Completely disagree	10	12.05
Total	**83**	**100%**

This table presented the agreement level of respondents regarding their satisfaction with their present financial situation. Each category represented a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 28 Personal Watch on Financial Affairs

Agreement Level	Number of Respondents	Percentage (%)
Completely agree	15	18.07
Agree	30	36.14
Somewhat	25	30.12
Disagree	10	12.05
Completely disagree	3	3.61
Total	**83**	**100%**

This table showed the agreement level of respondents regarding keeping a close personal watch on their financial affairs. Each category represented a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 29 Financial Situation Limiting Ability to Do Important Things

Agreement Level	**Number of Respondents**	**Percentage (%)**
Completely agree	18	21.69
Agree	20	24.10
Somewhat	25	30.12
Disagree	15	18.07
Completely disagree	5	6.02
Total	**83**	**100%**

This table presented the agreement level of respondents regarding whether their financial situation limits their ability to do important things. Each category represents a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 30 Setting Long Term Financial Goals

Agreement Level	**Number of Respondents**	**Percentage (%)**
Completely agree	15	18.07
Agree	25	30.12
Somewhat	20	24.10
Disagree	15	18.07
Completely disagree	8	9.64
Total	**83**	**100%**

This table displayed the agreement level of respondents regarding setting long-term financial goals and striving to achieve them. Each category represents a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 31 Belief in Bank's Safety Even if Bank Fails

Agreement Level	**Number of Respondents**	**Percentage (%)**
Completely agree	8	9.64
Agree	18	21.69
Somewhat	25	30.12
Disagree	22	26.51
Completely disagree	10	12.05
Total	**83**	**100%**

This table presented the agreement level of respondents regarding the belief that money in a bank will be safe even if the bank fails. Each category represented a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 32 Perception of Having Too Much Debt

Agreement Level	**Number of Respondents**	**Percentage (%)**
Completely agree	18	21.69
Agree	20	24.10
Somewhat	20	24.10

Agreement Level	Number of Respondents	Percentage (%)
Disagree	15	18.07
Completely disagree	10	12.05
Total	**83**	**100%**

This table displayed the agreement level of respondents regarding whether they have too much debt right now. Each category represented a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 33 Responsibility to Repay Borrowed Money

Agreement Level	Number of Respondents	Percentage (%)
Completely agree	30	36.14
Agree	25	30.12
Somewhat	20	24.10
Disagree	5	6.02
Completely disagree	3	3.61
Total	**83**	**100%**

This table presented the agreement level of respondents regarding their responsibility to repay borrowed money. Each category represented a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 34Belief in Banks Checking Company Ethics

Agreement Level	**Number of Respondents**	**Percentage (%)**
Completely agree	25	30.12
Agree	20	24.10
Somewhat	18	21.69
Disagree	10	12.05
Completely disagree	10	12.05
Total	**83**	**100%**

This table displayed the agreement level of respondents regarding whether banks should check the ethics of companies before providing them with banking services. Each category represented a different level of agreement, and the number of respondents selecting each option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 35 Satisfaction with Life in Retirement

Satisfaction with Services and Resources:

Satisfaction Level	Number of Respondents	Percentage (%)
Satisfied	45	54.22
Somewhat satisfied	28	33.73
Dissatisfied	10	12.05

This table displayed the satisfaction level of respondents regarding various services and resources in retirement. The number of respondents selecting each satisfaction level option is shown, along with the corresponding percentage.Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 36 Satisfaction with Health and Activity

Satisfaction Level	Number of Respondents	Percentage (%)
Satisfied	50	60.24
Somewhat satisfied	20	24.10
Dissatisfied	13	15.66
Total	**83**	**100%**

This table displayed the satisfaction level of respondents regarding their health and level of physical activity in retirement. The number of respondents selecting each satisfaction level option was shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Table 37 Satisfaction with Marriage and Home Life

Satisfaction Level	Number of Respondents	Percentage (%)
Satisfied	38	45.78
Somewhat satisfied	30	36.14
Dissatisfied	15	18.07
Total	83	100%

This table displayed the satisfaction level of respondents regarding various aspects of marriage and home life in retirement. The number of respondents selecting each satisfaction level option is shown, along with the corresponding percentage. Percentages were calculated by dividing the number of respondents for each category by the total sample size (83) and multiplying by 100.

Regression Analysis

	Mean	Std. Deviation	N
Financial Literacy	2.92	1.450	83
Retirement Savings	1.64	.483	83
Retirement Income Security	2.28	.967	83
Financial Decision-Making	2.92	1.450	83
Financial Well-being	3.19	.397	83

Mean: The average value of each variable. Std. Deviation: The measured of dispersion or variability of data points around the mean. N: The number of observations or cases. Financial Literacy: The mean score for financial literacy is 2.92, with a standard deviation of 1.450, based on 83 observations. Retirement Savings: The mean score for retirement savings was 1.64, with a standard deviation of 0.483, based on 83 observations. Retirement Income Security: The mean score for retirement income security is 2.28, with a standard deviation of 0.967, based on 83 observations. Financial Decision-Making: The mean score for financial decision-making is 2.92, with a standard deviation of 1.450, based on 83 observations. Financial Well-being: The mean score for financial well-being is 3.19, with a standard deviation of 0.397, based on 83 observations.

Correlations

		Financial Literacy	Retirement Savings	Retirement Income Security	Financial Decision-Making	Financial Well-being
Pearson Correlation	Financial Literacy	1.000	.	.	1.000	.368
	Retirement Savings	.	1.000	1.000	.	.368
	Retirement Income Security	.	1.000	1.000	.	.368
	Financial Decision-Making	1.000	.	.	1.000	.368
	Financial Well-being	.368	.368	.368	.368	1.000
Sig. (1-tailed)	Financial Literacy	.	.000	.000	.000	.000
	Retirement Savings	.000	.	.000	.000	.000
	Retirement Income Security	.000	.000	.	.000	.000
	Financial Decision-Making	.000	.000	.000	.	.000
	Financial Well-being	.000	.000	.000	.000	.
N	Financial Literacy	83	83	83	83	83
	Retirement Savings	83	83	83	83	83
	Retirement Income Security	83	83	83	83	83
	Financial Decision-Making	83	83	83	83	83
	Financial Well-being	83	83	83	83	83

Pearson Correlation: Shows the strength and direction of the linear relationship between pairs of variables. Sig. (1-tailed): Indicates the significance level of the correlation coefficient. There is a positive correlation between financial literacy and financial decision-making, as well as between financial well-being and financial literacy, but it's relatively weak (0.368). The correlations between the other variables are not provided in the output, possibly because they were not the focus of the analysis.

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Financial Well-being, Retirement Income Security[b]	.	Enter

a. Dependent Variable: Financial Literacy

b. Tolerance = .000 limits reached.

Model: Indicated the model number. Variables Entered/Removed: Shows the variables included or excluded from the model. Method: Describes the method used for variable entry/removal.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	1.000[a]	1.000	1.000	.000	1.000	.	2	80	.

a. Predictors: (Constant), Financial Well-being, Retirement Income Security

R: Correlation coefficient. R Square: Coefficient of determination. Adjusted R Square: Adjusted coefficient of determination. Std. Error of the Estimate: Standard error of the regression. Change Statistics: Indicates the change in R square and F statistics. The model has a perfect fit (R Square = 1.000), suggesting that Financial Well-being and Retirement Income Security predict Financial Literacy perfectly.

Excluded Variables[a]

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
1	Retirement Savings	.[b]	.	.	.	.000
	Financial Decision-Making	.[b]	.	.	.	.000

a. Dependent Variable: Financial Literacy

b. Predictors in the Model: (Constant), Financial Well-being, Retirement Income Security

Beta In: Beta coefficients for variables entered into the model.

T: t-statistic. Sig.: Significance level. Partial Correlation: Correlation between each predictor and the outcome, holding other predictors constant. Collinearity Statistics: Tolerance values.

Coefficient Correlations[a]

Model			Financial Well-being	Retirement Income Security
1	Correlations	Financial Well-being	1.000	-.368
		Retirement Income Security	-.368	1.000
	Covariances	Financial Well-being	.000	.000
		Retirement Income Security	.000	.000

a. Dependent Variable: Financial Literacy

Correlations: Shows the correlations between coefficients. Covariances: Indicates the covariances between coefficients. There's a negative correlation between Financial Well-being and Retirement Income Security (−0.368), suggesting that as one variable increases, the other tends to decrease. Overall, this output provided insights into the relationships between financial literacy, retirement outcomes, and other variables among retirees covered by the Public Service Pensions Fund in Zambia.

4.4 Findings in answering Specific Objectives and Research Questions

Objective 1: To assess the economic wellbeing and satisfaction of retirees in Zambia.

Demographic Characteristics: The demographic characteristics provided insights into the profile of retirees in Zambia, including their age, gender, marital status, education level, and occupation. Reasons for Retirement: Reasons such as too much stress at work, difficulty with physical demands, and reaching mandatory retirement age indicated potential factors influencing retirees' economic wellbeing and satisfaction. Pension Payment Status: Understanding the distribution of pension payment status among retirees shaded light on their financial stability post-retirement.

Assessing the economic wellbeing and satisfaction of retirees in Zambia

Level of Education

Education Level	Number of Respondents	Percentage (%)
Never attended school	0	0
Primary	5	6.02
Secondary	20	24.09
Tertiary	58	69.87

The majority of retirees in the sample have attained at least a tertiary level of education, with 58(69.87%) having completed tertiary education and 20(24.09%) having secondary education. This suggests that a significant portion of retirees in Zambia have acquired a reasonable level of formal education, which could potentially impact their economic opportunities and financial decision-making in retirement.

Occupation

Occupation	Number of Respondents	Percentage (%)
Manager	5	6.02
Professional	18	21.69
Community and personal service worker	8	9.64
Clerk and administrative worker	12	14.46
Sales worker	6	7.23
Technician and trade worker	15	18.07
Machinery operator and driver	9	10.84

Occupation	Number of Respondents	Percentage (%)
Laborer	10	12.05

The occupation distribution among retirees shows a diverse range of professions, with no single occupation dominating the sample. However, the largest proportion of respondents 18(21.69%) were professionals, followed closely by technician and trade workers 15(18.07%). This indicates that retirees in Zambia come from various occupational backgrounds, with implications for their income levels, pension benefits, and overall economic wellbeing in retirement.

Reason for Retirement

Reason	Number of Respondents	Percentage (%)
Too much stress at work	7	8.43
Early retirement	11	13.25
Disliked job	1	1.2
Pressured by employer	4	4.82
Offered incentives by company	3	3.61
Dismissal/Discharge	5	6.02
Difficulties with people at work	4	4.82
Wanted time with family	3	3.61
Wanted time to pursue own interests	8	9.64
Spouse wanted partner's retirement	3	3.61
Wanted to make room for younger people	2	2.41
Reached mandatory retirement age	22	26.51
Medical retirement/Poor health	5	6.02
Spouse's poor health	3	3.61
Could finally afford retirement	2	2.41
Other (Specify)	0	0.00

The reasons for retirement vary among respondents, with factors such as reaching mandatory retirement age 22(26.51%) and early retirement 11(13.25%) being the most common. This suggests that retirement decisions are influenced by a combination of age, personal, health, and workplace-related factors. Addressing these diverse reasons is essential for understanding and improving retirees' economic wellbeing and satisfaction.

Physical Health Problems

Physical Health Problem	Number of Respondents	Percentage (%)
Yes	30	36.14
No	53	63.86

A significant proportion of retirees 30(36.14%) reported having physical health problems while 53(63.86%) represented the No responses on physical health problems. This highlights the importance of considering health-related challenges in retirement planning and support services. Physical health issues can impact retirees' quality of life, healthcare expenses, and overall satisfaction with retirement.

Satisfaction with Life in Retirement

Satisfaction Level	Number of Respondents	Percentage (%)
Satisfied	45	54.22
Somewhat satisfied	28	33.73
Dissatisfied	10	12.05

The majority of retirees reported being satisfied 45(54.22%) with their life in retirement, while a smaller proportion expressed dissatisfaction 10(12.05%). However, a considerable portion fell into the "somewhat satisfied" category 28(33.73%). This indicates that while many retirees in Zambia are content with their retirement lifestyle, there is still room for improvement in addressing factors that contribute to overall satisfaction, such as financial security, health, and social support. The data provides insights into the economic wellbeing and satisfaction of retirees in Zambia, highlighting the importance of factors such as education, occupation, health, and retirement-related decisions. Addressing these factors can contribute to enhancing retirees' financial security and overall quality of life in retirement.

Assets after Retirement:

Assets after retirement	Number of Respondents	Percentage (%)
Yes	28	33.73
No	55	66.26

Assets after Retirement: The presence or absence of assets after retirement and the condition of those assets contributed to assessing retirees' economic wellbeing

4.5 Objective 2: To determine the levels of financial literacy among retirees in Zambia.

Demographic Characteristics: Education level was a crucial demographic factor influencing financial literacy. The distribution of respondents based on their education level provided insights into their potential financial literacy levels.

Pension Payment Status: Retirees receiving lumpsum payments or monthly annuities demonstrated varying levels of financial literacy in managing their pension funds.

5.5 Determining the levels of financial literacy among retirees in Zambia

Measuring Financial Literacy

Knowledge Level	Number of Respondents	Percentage (%)
Very high	8	9.64
Quite high	12	14.46
About average	30	36.14
Quite low	15	18.07
Very low	5	6.02
Don’t know	13	15.66

The data indicates a varied level of financial literacy among retirees in Zambia. A significant portion of respondents perceive their financial literacy to be about average, with 30(36.14%)

falling into this category. However, there are also considerable percentages of retirees who rated their financial literacy as either quite low 15(18.07%) or very low 5(6.02%). A notable proportion of respondents 13(15.66%) indicated that they don't know their level of financial literacy, which could suggest a lack of awareness or uncertainty about their financial knowledge. Quite high accounted for 12(14.4%) while very high 8(9.6%) res[ectively.

True or False Statements

Statement	Answer	Number of Respondents	Percentage (%)
High return implies high risk	True	45	54.22
High inflation increases cost of living rapidly	True	63	75.90
Diversification reduces risk in stock market	True	64	77.11

The responses to true or false statements provide insights into specific areas of financial literacy among retirees: High return implies high risk: More than half of the respondents 45(54.22%) correctly identified this statement as true. This indicates a moderate level of understanding regarding the relationship between risk and return in investment. High inflation increases cost of living rapidly: A significant majority 63(75.90%) correctly identified this statement as true, suggesting a relatively strong awareness of the impact of inflation on the cost of living. Diversification reduces risk in stock market: An even larger majority 64(77.11%) correctly identified this statement as true, indicating a relatively high level of understanding regarding the risk-reducing benefits of diversification in investment portfolios. The data suggests that while there is a range of financial literacy levels among retirees in Zambia, there are areas of strength and areas for improvement. While many retirees demonstrate a good understanding of certain financial concepts, there are also notable gaps in knowledge, particularly in assessing their own level of financial literacy. Addressing these gaps through targeted financial education and support programs could help enhance retirees' financial decision-making and overall wellbeing in retirement.

4.6 Objective 3: To ascertain the roles of financial literacy and lumpsum payment in determining the financial wellbeing and satisfaction of retirees in Zambia.

Financial Literacy: Assessing the level of financial literacy among retirees helped understand how well-equipped they are in making informed financial decisions post-retirement.

Pension Payment Status: Examining the distribution of retirees based on their pension payment status, particularly those who received lumpsum payments, shaded light on how this payment method impacts their financial wellbeing and satisfaction.

Reasons for Retirement: Reasons such as poor health or the need to make room for younger people indicated financial challenges or planning issues that could affect retirees' satisfaction.

4.7 Specific Objective 3: Ascertaining the roles of financial literacy and lumpsum payment in determining the financial wellbeing and satisfaction of retirees in Zambia

Pension Payment Status

Pension Payment Status	Number of Respondents	Percentage (%)
Receiving monthly annuities	25	30.12
Received lumpsum payment	20	24.10
Already received both	12	14.46
Not specified	26	31.33

The data indicates that there are different modes of pension payment among retirees in Zambia. A significant portion of respondents 25(30.12%) are receiving monthly annuities, which suggests a regular income stream in retirement. Another notable group 20(24.10%) has received a lump sum payment, which could indicate different pension schemes or retirement plans. Some respondents 12(14.46%) have received both monthly annuities and a lump sum payment, possibly due to different sources of retirement income. A considerable proportion of respondents 26(31.33%) did not specify their pension payment status, which could imply a lack of clarity or understanding regarding their pension arrangements.

Financial Attitude

Agreement Level	Number of Respondents	Percentage (%)
Satisfying to Spend Money vs. Save for the Long Term		
Completely agree	10	12.05
Agree	20	24.10
Somewhat	25	30.12
Disagree	18	21.69
Completely disagree	10	12.05

The data provides insights into the financial attitudes of retirees in Zambia: A majority of respondents either agree 20(24.10%) or somewhat agree 25(30.12%) that it is satisfying to spend money versus saving for the long term. This suggests a balanced attitude towards spending and saving among retirees. However, a notable proportion of respondents either disagree 18(21.69%) or completely disagree 10(12.05%) with this statement, indicating differing perspectives on financial priorities and values while completely agree accounted for 10(12.05%).

Financial Situation Limiting Ability to Do Important Things

Agreement Level	Number of Respondents	Percentage (%)
Completely agree	18	21.69
Agree	20	24.10
Somewhat	25	30.12
Disagree	15	18.07
Completely disagree	5	6.02

The data highlights the impact of financial situations on retirees' ability to do important things: A significant portion of respondents either completely agree (21.69%) or agree (24.10%) that their financial situation limits their ability to do important things. This suggests that a considerable number of retirees may be facing financial constraints in retirement.

However, there are also respondents who either disagree (18.07%) or completely disagree (6.02%) with this statement, indicating varying levels of financial security and satisfaction among retirees. The data suggests that pension payment status, financial attitudes, and financial situations play important roles in determining the financial wellbeing and satisfaction of retirees in Zambia. Understanding these factors can help policymakers and stakeholders develop targeted interventions and support programs to enhance retirees' financial security and overall satisfaction in retirement. Additionally, efforts to improve financial literacy among retirees could empower them to make informed financial decisions and better navigate their retirement years.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Overview

This chapter concerns with the presentation of the discussion of the findings on the role of financial literacy on retirees’ wellbeing: a case study of retirees under the public service pensions fund in Zambia. The chapter presents the discussion of the findings on the basis of what was revealed from each specific objective on the role of financial literacy on retirees’ wellbeing: a case study of retirees under the public service pensions fund in Zambia. The findings presented reveal a comprehensive understanding of the role of financial literacy on retirees’ wellbeing: a case study of retirees under the public service pensions fund in Zambia.

5.2 The economic wellbeing and satisfaction of retirees in Zambia

The analysis includes variables such as Retirement Savings, Retirement Income Security, Financial Decision-Making, and Financial Well-being, which collectively provide insights into retirees' economic well-being and satisfaction. The mean scores for Retirement Savings, Retirement Income Security, Financial Decision-Making, and Financial Well-being indicate the average levels of these variables among retirees in Zambia. The positive correlations between Financial Well-being and other variables suggest that higher levels of Financial Well-being are associated with better Retirement Savings, Retirement Income Security, and Financial Decision-Making. This is consistent with (Hachimena,2022) findings that Retirement-related income status had an impact on a retiree's wellbeing and according to their findings (O'Neill et al., 2005), persons with higher incomes and financial security are less stressed, more motivated to manage their money, have better family relationships, and are physically and mentally healthier. The distribution of respondents based on their occupation (Table 5) and reason for retirement (Table 6) provided insights into their economic well-being and satisfaction. For example, a significant portion of respondents retired due to reaching the mandatory retirement age (14.46%), suggesting that many retirees may have retired as planned. Satisfaction levels in various aspects of retirement life, such as services and resources (Table 35), health and activity (Table 36), and marriage and home life (Table 37), indicate overall contentment among retirees. For instance, the majority of respondents reported being satisfied or somewhat satisfied with their health and physical activity in retirement.

Therefore, enhancing the economic wellbeing and satisfaction of retirees in Zambia is a pressing concern with far-reaching implications for social welfare and economic development.

As the country's population continues to age, it becomes increasingly imperative to address the challenges faced by retirees and identify opportunities for improvement.

One of the primary challenges confronting retirees in Zambia is the limited coverage of formal pension schemes. A significant portion of the workforce, particularly those employed in the informal sector, lacks access to reliable retirement savings mechanisms. This absence of pension coverage leaves many retirees without a stable source of income, leading to financial insecurity and diminished satisfaction in their later years.

Even for those fortunate enough to be covered by pension schemes, benefits often fall short of meeting retirees' needs. Low contribution rates, inadequate investment returns, and administrative inefficiencies contribute to the problem of insufficient pension benefits. As a result, retirees may struggle to afford basic necessities such as healthcare, housing, and food, undermining their overall wellbeing and satisfaction.

Access to healthcare services is another critical issue facing retirees in Zambia. Inadequate healthcare infrastructure, particularly in rural areas, makes it challenging for older adults to access affordable medical care. High out-of-pocket expenses for healthcare further exacerbate financial strain, particularly for retirees living on fixed incomes. As a result, many retirees are forced to forego necessary medical treatment or rely on costly borrowing to cover healthcare costs, diminishing their quality of life and overall satisfaction.

Economic insecurity poses yet another obstacle to retirees' wellbeing in Zambia. Fluctuating prices, inflation, and currency devaluation can erode the purchasing power of retirees' savings, making it difficult for them to maintain their standard of living. Without adequate financial resources, retirees may be unable to afford basic necessities or participate in activities that enhance their quality of life, leading to feelings of frustration and discontent.

Despite these challenges, there are opportunities to improve the economic wellbeing and satisfaction of retirees in Zambia. Implementing reforms to expand pension coverage, enhance benefits, and strengthen regulatory oversight of pension funds can help ensure that more retirees have access to reliable retirement income. Investing in healthcare infrastructure and expanding access to affordable medical care can alleviate financial strain and improve retirees' health outcomes. Additionally, promoting financial literacy and retirement planning education can empower individuals to make informed decisions about saving and investing for retirement, enhancing their financial security and overall satisfaction.

Therefore, addressing the economic wellbeing and satisfaction of retirees in Zambia requires a multi-faceted approach that tackles the root causes of financial insecurity and social exclusion. By implementing targeted reforms and investments in pensions, healthcare, and financial literacy, Zambia can create a more inclusive and prosperous society where older adults can enjoy a dignified and fulfilling retirement

5.3 What is the level of financial literacy among retirees in Zambia?

The mean score for Financial Literacy is 2.92, indicating the average level of financial literacy among retirees in Zambia. Financial Literacy is positively correlated with Financial Decision-Making, suggesting that retirees with higher financial literacy are more likely to make informed financial decisions. Table 12 provides insights into respondents' self-rated knowledge about financial matters. It shows that a considerable portion of respondents rated their knowledge about financial matters as about average (36.14%) or quite low (18.07%). This suggests that there might be room for improvement in financial literacy among retirees in Zambia. These results are consistent with the findings by Shutz and Wang(2011). Based on the findings, financial literacy among retirees in Zambia holds significant implications for their economic wellbeing, retirement preparedness, and overall quality of life. This therefore delves into the various ramifications of the level of financial literacy among retirees in Zambia, highlighting its effects on financial decision-making, retirement planning, avoidance of financial pitfalls, access to financial services, retirees' wellbeing, and policy considerations.

Financial literacy profoundly impacts retirees' ability to make sound financial decisions. Those with higher levels of financial literacy are better equipped to navigate complex financial products and services, enabling them to make informed choices aligned with their retirement goals. Conversely, retirees lacking financial literacy may struggle to manage their finances effectively, potentially leading to poor financial decisions and diminished economic security in retirement.

Effective retirement planning hinges on financial literacy. Retirees who understand concepts such as compound interest, inflation, and risk diversification are more likely to engage in proactive retirement planning, setting realistic savings goals and developing investment strategies. This fosters greater financial security and preparedness for retirement, ensuring retirees can maintain their desired standard of living throughout their later years.

Moreover, financial literacy plays a crucial role in helping retirees avoid financial pitfalls. Those who are financially literate are better equipped to identify warning signs of scams, fraud, or predatory lending practices, safeguarding their assets and financial interests. Additionally, they are less likely to incur unnecessary debt or make impulsive financial decisions that could jeopardize their long-term financial stability.

Access to financial services is also influenced by financial literacy among retirees. Those with higher levels of financial literacy may have better access to and utilization of financial products and services, including retirement savings accounts, investment vehicles, insurance products, and banking services. Conversely, retirees lacking financial literacy may face barriers to accessing and effectively utilizing financial services, limiting their ability to build and manage wealth in retirement.

The level of financial literacy among retirees directly impacts their overall wellbeing and satisfaction in retirement. Retirees who feel confident in their financial knowledge and abilities experience greater peace of mind, security, and autonomy in managing their finances. Conversely, those struggling with financial literacy may experience stress, anxiety, and uncertainty regarding their financial situation, negatively affecting their mental and emotional wellbeing.

Furthermore, addressing gaps in financial literacy among retirees has significant policy implications. Identifying these gaps can inform the design and implementation of targeted financial education programs and initiatives aimed at improving retirees' financial knowledge and skills. By enhancing financial literacy, policymakers can promote financial inclusion, empower individuals to make informed financial decisions, and contribute to the economic wellbeing and stability of the retirement population.

Hence, the level of financial literacy among retirees in Zambia has far-reaching implications for their economic wellbeing, retirement preparedness, and overall quality of life. By recognizing the importance of financial literacy and implementing measures to improve it, stakeholders can empower retirees to make informed financial decisions, enhance their financial security, and enjoy a fulfilling retirement.

5.4 What are the roles of financial literacy and lump sum payment in determining their financial wellbeing?

The regression analysis indicates that Financial Well-being and Retirement Income Security predict Financial Literacy perfectly (R Square = 1.000). Retirement Income Security has a negative correlation with Financial Literacy (-0.368), suggesting that as Retirement Income Security increases, Financial Literacy tends to decrease. However, the exclusion of Retirement Savings and Financial Decision-Making from the model due to tolerance limits reached implies that these variables may also play a role in determining financial well-being but were not fully explored in this analysis. The pension payment status (Table 7) indicates that a significant portion of respondents received either monthly annuities (30.12%) or lump-sum payments

(24.10%). This suggests that different pension payment options may influence retirees' financial well-being differently. Financial behavior indicators (Tables 17 to 22) provide insights into respondents' financial attitudes and behaviors, which can be influenced by their level of financial literacy. For example, the frequency with which respondents worry about paying normal living expenses (Table 17) or whether finances control their lives (Table 18) may be correlated with their financial literacy levels. These tables provide valuable insights into the economic well-being, financial literacy, and financial behaviors of retirees in Zambia. Further analysis and research may be needed to fully understand the dynamics and implications of these findings. These finding re in agreement with those by Van Rooi etal(2012). Overall, the findings suggested that financial literacy, retirement income security, and financial well-being are closely intertwined among retirees in Zambia. Higher levels of financial literacy and retirement income security appear to contribute to better financial well-being, but the relationships are complex and may be influenced by other factors not fully captured in this analysis. Further research could explore the interplay between financial literacy, retirement outcomes, and other determinants of economic well-being among retirees in Zambia. These findings reveal financial literacy and lump sum payments are two key factors that profoundly influence the financial wellbeing of retirees in Zambia. This examines their roles and interplay in shaping retirees' financial security, retirement preparedness, and overall quality of life.

Financial literacy serves as a cornerstone of retirees' financial wellbeing. It encompasses the knowledge, skills, and confidence needed to make informed financial decisions throughout retirement. Retirees who are financially literate possess a deeper understanding of financial concepts such as budgeting, saving, investing, and managing debt. This knowledge empowers them to create and adhere to comprehensive financial plans tailored to their individual needs and goals.

Moreover, financial literacy enables retirees to navigate the complex landscape of financial products and services effectively. Whether it's choosing between different investment options, understanding the implications of insurance policies, or evaluating the terms of loans, financially literate retirees can make choices that align with their long-term financial objectives and minimize unnecessary risks.

Financial literacy also plays a crucial role in helping retirees identify and avoid common financial pitfalls. From scams and fraud to predatory lending practices, retirees who are well-versed in financial matters are better equipped to protect their assets and financial interests. They can recognize warning signs, ask critical questions, and seek out reputable sources of financial advice. However, the impact of financial literacy on retirees' financial wellbeing is often magnified by the receipt of lump sum payments, such as retirement benefits or pension payouts. These lump sum payments represent a significant source of income for retirees and can have profound implications for their financial security and retirement outcomes.

The management and utilization of lump sum payments are where financial literacy truly shines. Retirees who are financially literate are better equipped to make sound decisions regarding how to allocate and invest these funds. They can develop structured plans that take into account factors such as investment diversification, risk tolerance, and long-term financial goals.

Conversely, retirees lacking financial literacy may struggle to manage lump sum payments effectively. Without a clear understanding of financial concepts and principles, they may be more susceptible to making hasty or uninformed decisions. This could result in overspending, inadequate savings, or exposure to investment risks, ultimately jeopardizing their financial security in retirement.

Furthermore, the timing and structure of lump sum payments can impact retirees' financial wellbeing. Whether received as a single lump sum or distributed in periodic installments, the manner in which these payments are structured can influence retirees' ability to manage their finances and sustain their standard of living throughout retirement.

In conclusion, financial literacy and lump sum payments are intricately intertwined in determining retirees' financial wellbeing in Zambia. Financial literacy empowers retirees to make informed decisions and navigate the complexities of retirement planning, while lump sum payments represent a significant source of income that must be managed prudently to ensure long-term financial security and prosperity. By promoting financial literacy and providing retirees with the knowledge and resources they need to manage lump sum payments effectively, stakeholders can empower retirees to achieve greater financial wellbeing and enjoy a more secure and fulfilling retirement.

5.5 Economic Wellbeing and Satisfaction

The distribution of respondents across various demographic characteristics, reasons for retirement, and pension payment status provided insights into the economic wellbeing and satisfaction of retirees in Zambia. It can be stated from the findings that economic well-being is a cornerstone of societal progress, encompassing the financial stability, prosperity, and satisfaction of individuals, communities, and nations. These findings correlate with Banard (2016) findings in his research study. Therefore, in exploring the implications of economic well-being on various aspects of society, highlighting its profound impact on individuals' lives, social dynamics, and the broader economic landscape.

At the individual level, economic well-being shapes the daily experiences and opportunities of people from diverse backgrounds. Financial stability provides individuals with the means to meet their basic needs, access healthcare, education, and housing, and pursue personal goals and aspirations. Economic satisfaction contributes to higher levels of subjective well-being, fostering feelings of happiness, security, and fulfilment in life. Conversely, economic insecurity and hardship can lead to stress, anxiety, and diminished quality of life, highlighting the importance of promoting economic well-being for the welfare of individuals.

In addition to its implications for individuals, economic well-being profoundly influences social dynamics and community cohesion. Societies characterized by low levels of inequality, poverty, and economic disparity tend to exhibit greater social trust, cooperation, and solidarity among citizens. In contrast, economic inequality and social exclusion can erode trust in institutions, fuel social tensions, and undermine social cohesion. Therefore, fostering economic well-being is not only essential for promoting individual welfare but also for building inclusive, resilient, and cohesive communities.

Moreover, economic well-being plays a pivotal role in driving economic growth, prosperity, and competitiveness at the national and global levels. Nations with robust economic fundamentals, including skilled labor forces, innovative industries, and supportive regulatory environments, are better positioned to attract investment, stimulate entrepreneurship, and create job opportunities. Economic prosperity enhances a country's standing in the global arena, fostering diplomatic relations, trade partnerships, and international cooperation. Conversely, economic stagnation, inequality, or hardship can undermine a nation's competitiveness, weaken its economic resilience, and hinder its ability to address global challenges.

Furthermore, the implications of economic well-being extend beyond traditional economic metrics to encompass environmental sustainability and resource management. Sustainable economic development seeks to balance economic growth with environmental conservation, ensuring that present and future generations can enjoy a high quality of life without compromising the health of the planet. By promoting resource efficiency, renewable energy, and conservation efforts, societies can achieve economic prosperity while safeguarding the environment for future generations.

In conclusion, economic well-being is intricately intertwined with various aspects of society, shaping individual welfare, community dynamics, and global prosperity. By prioritizing policies and initiatives that promote inclusive growth, reduce inequality, and enhance social welfare, societies can strive towards a more equitable, resilient, and sustainable future for all. Ultimately, fostering economic well-being is not only a moral imperative but also a fundamental prerequisite for building thriving, cohesive, and prosperous societies.

5.6 Level of Financial Literacy:

Education level, along with pension payment status, helped gauge the level of financial literacy among retirees. Financial literacy, the knowledge and understanding of financial concepts and principles, is crucial for individuals, businesses, and societies to navigate the complexities of the modern financial landscape. This was earlier stated and found in the study by Xue etal (2019). The importance of financial literacy and its far-reaching implications on various aspects of life and economy could further be explored.

Financial literacy is fundamental for individuals to achieve financial well-being and security. It empowers individuals to make informed decisions about managing their money, budgeting, saving, investing, and planning for the future. A high level of financial literacy equips individuals with the skills to effectively manage debt, avoid financial pitfalls, and build wealth over time. By understanding concepts such as interest rates, inflation, compounding, and risk management, individuals can make prudent financial choices that lead to greater financial stability and resilience.

Moreover, financial literacy has implications for entrepreneurship and business management. Entrepreneurs and business owners need a solid understanding of financial concepts to effectively manage their enterprises. Financial literacy enables them to analyze financial statements, manage cash flow, make strategic financial decisions, and access financing. By fostering financial literacy among entrepreneurs, societies can promote entrepreneurship, stimulate business growth, and drive economic development.

Financial literacy also plays a critical role in consumer protection and empowerment. Consumers who are financially literate are better equipped to recognize and avoid financial scams, predatory lending practices, and fraudulent schemes. Financial literacy enables consumers to understand their rights and responsibilities, compare financial products and services, and make informed decisions about borrowing, investing, and saving. By promoting financial literacy, societies can empower consumers, enhance consumer welfare, and reduce financial exploitation and vulnerability.

Furthermore, financial literacy has implications for economic growth, stability, and prosperity. A financially literate population is more likely to participate in the formal financial system, promote savings and investment, and contribute to capital formation and economic development. Financial literacy fosters a more efficient allocation of resources, reduces economic inequality, and enhances the resilience of the economy to financial shocks and crises. By investing in financial education and literacy initiatives, governments and policymakers can promote economic growth, create opportunities for prosperity, and build a more inclusive and resilient financial system.

5.7 Roles of Financial Literacy and Lumpsum Payment

Analysing the relationship between financial literacy levels, pension payment status, and reasons for retirement elucidated the roles of financial literacy and Lumpsum payment in determining retirees' financial wellbeing and satisfaction.

Demographic characteristics such as age, gender, education level, and occupation play significant roles in shaping retirees' economic wellbeing and satisfaction. This is consistent with prior literature reviewed: Social demographics have an impact on people's financial and mental health (Barnard, 2016). Age, gender, education, marital status, type of employment, and health all affect how each person perceives their financial situation (Becchetti et al., 2017; Barnard, 2016). And this is also consistent with Tan et al. (2020) that reveal that males tend to be happier than females in the United States and European countries, whereas Malone et al. (2010) show that American females are more likely to effectively manage financial wellbeing. Additionally, satisfaction with financial status is positively associated with education (Gerrans and Heaney, 2019), marriage (Tan et al., 2020; Malone et al., 2010), type of work (Degutis and Urbonavicius, 2013), and health (Clark, 2018). Therefore, it is evident that research on financial wellbeing should also include a range of socio-demographic factors.

Pension payment status and financial literacy levels were crucial factors influencing retirees' financial stability and decision-making post-retirement. Understanding the interplay between these factors was essential for designing targeted interventions and policies to improve retirees' financial outcomes and overall satisfaction in Zambia.

5.8 Knowledge about Financial Matters

The majority of respondents rated their knowledge about financial matters as average or below average. A considerable proportion of respondents were unsure about their level of knowledge regarding financial matters. This is consistent with prior literature reviewed: according to (Siame, 2020; FinScope, 2009) in Zambia, similar to other low-income countries, the working class has low financial literacy levels (25%).

5.9 Interest Paid on Loan

Many respondents correctly identified that no interest was paid on a loan of 5,000ZMW. However, a considerable number of respondents were uncertain about the correct amount of interest paid on the loan. In the realm of personal and business finance, loans play a pivotal role in enabling individuals and organizations to achieve their goals. Whether it's purchasing a home, funding higher education, or expanding a business venture, loans provide the necessary capital to realize aspirations. However, embedded within the fabric of borrowing is the concept of interest – a fundamental component that carries significant implications for borrowers and lenders alike.

Interest paid on loans represents more than just a financial transaction; it embodies a complex interplay of economic, social, and individual factors. Understanding its implications is crucial for navigating the intricate landscape of borrowing and debt management. At its core, interest paid on loans constitutes the cost of accessing capital. Borrowers essentially pay a premium for the privilege of utilizing funds provided by lenders. This cost is not merely monetary; it extends its influence across various facets of personal and business life.

Firstly, the financial burden of interest payments directly impacts the borrower's budgetary dynamics. High-interest rates can escalate the overall cost of borrowing, potentially straining financial resources and impeding the ability to meet other financial obligations. Consequently, individuals and businesses must meticulously assess their borrowing needs and explore avenues to minimize interest expenses.

Moreover, interest payments serve as a barometer of creditworthiness. Lenders evaluate borrowers based on their ability to make timely interest payments, thereby influencing access to credit and the terms offered. Responsible management of interest obligations enhances creditworthiness, facilitating future borrowing at favorable rates and terms.

Tax implications further underscore the multifaceted nature of interest paid on loans. In certain cases, such as mortgages or student loans, interest payments may be tax-deductible, providing a tangible benefit to borrowers. Understanding the intricacies of tax deductions related to interest can optimize financial planning strategies and mitigate tax liabilities.

From a macroeconomic perspective, interest paid on loans contributes to economic indicators and policy formulation. National accounting incorporates interest expenses into metrics such as GDP, reflecting the broader impact of borrowing on economic activity. Additionally, central banks use interest rates as a tool to regulate borrowing costs, influencing consumption, investment, and inflation dynamics.

Effective debt management strategies are indispensable in navigating the implications of interest paid on loans. Techniques such as refinancing or debt consolidation can mitigate interest expenses, enhance financial flexibility, and promote long-term financial health. Furthermore, prudent borrowing practices, including assessing affordability and exploring alternative financing options, are essential for mitigating the adverse effects of interest burdens. The implications of interest paid on loans permeate through personal finances, business operations, and economic landscapes. Beyond its financial implications, interest embodies a nexus of creditworthiness, tax considerations, and macroeconomic dynamics. Navigating the complexities of interest payments requires a comprehensive understanding of borrowing dynamics and strategic debt management. By adopting informed financial practices and leveraging available resources, individuals and businesses can effectively harness the power of borrowing while mitigating its associated risks.

5.10 Savings Account Balance after 5 Years

A notable portion of respondents correctly estimated the balance of a savings account after 5 years. However, a significant number of respondents were uncertain about the correct account balance.

5.11 True or False Statements

A majority of respondents answered true to statements related to financial knowledge, such as the relationship between high return and high risk, high inflation's impact on the cost of living, and the role of diversification in reducing risk in the stock market.

5.12 Financial Behaviour

A substantial proportion of respondents reported worrying about paying normal living expenses often or always. This is consistent with prior literature review: a negative assessment of one's financial situation can lead to stress, violence, weariness, and ill health (Guan et al., 2022). Additionally, it's likely to see the emergence of financially harmful behaviors like late payments on bills and foreclosure. As a result, crime, welfare dependency, and other societal issues can get worse (Sacks et al., 2012).

This is consistent with Mien and Thao (2015) findings, that financial behaviour may have a significant role in defining financial wellbeing and according to Brüggen et al. (2017), it makes logical that financial behavior should increase financial wellbeing because an individual's financial wellbeing can either be objective (as assessed in terms of income, assets, etc.) or subjective (as measured in terms of financial contentment).Many respondents indicated that their finances sometimes or often control their lives. Respondents frequently reported careful consideration before buying something and having money left over at the end of the month sometimes.

5.13 Financial Attitude

Respondents varied in their agreement levels regarding financial attitudes, such as finding it more satisfying to spend money than to save it for the long term, willingness to risk their own money for saving or investment, and belief in the safety of money in a bank even if it fails. Satisfaction with present financial situation, personal watch on financial affairs, and setting long-term financial goals also varied among respondents. Additionally, respondents differed in their perception of having too much debt, responsibility to repay borrowed money, and belief in banks checking company ethics.

5.14 Satisfaction with Life in Retirement

Respondents generally expressed satisfaction with various aspects of life in retirement, including services and resources, health and physical activity, and marriage and home life. While some respondents demonstrated sound financial knowledge and behaviour, others showed gaps or uncertainties. Financial attitudes and behaviours varied among respondents, highlighting the importance of tailored financial education and interventions. Overall, retirees in Zambia reported satisfaction with various aspects of life in retirement, indicating positive outcomes beyond financial considerations.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Overview

Chapter six of this dissertation concerns with presentations of the summary of this study which was undertaken in Lusaka to study the role of financial literacy on retirees: a case study of retirees under the public service pensions fund in Zambia. The chapter presents conclusion based on revealed findings and then the chapter ends with providing recommendations.

6.2 Summary

This report delves into the economic wellbeing, financial literacy levels, and satisfaction of retirees in Zambia. It addresses specific objectives and research questions aimed at understanding the factors influencing retirees' financial outcomes and overall satisfaction post-retirement.

Demographic characteristics such as age, gender, marital status, education level, and occupation provided insights into the profile of retirees in Zambia. Reasons for retirement, including factors like stress at work and physical demands, shed light on potential influences on retirees' economic wellbeing and satisfaction. The distribution of pension payment status among retirees further illuminated their financial stability post-retirement. Additionally, the presence or absence of assets after retirement and the condition of those assets contributed to assessing retirees' economic wellbeing.

Demographic characteristics, especially education level, played a crucial role in influencing financial literacy levels among retirees. Pension payment status, whether lumpsum payments or monthly annuities, demonstrated varying levels of financial literacy in managing pension funds.

Financial literacy levels were assessed to understand retirees' ability to make informed financial decisions post-retirement. Pension payment status, particularly lumpsum payments, was examined to gauge its impact on retirees' financial wellbeing and satisfaction. Analysis of reasons for retirement, such as poor health or making room for younger people, indicated financial challenges or planning issues affecting retirees' satisfaction.

and lumpsum payment in determining retirees' financial wellbeing and satisfaction.

6.3 Conclusion

The study aimed to assess the economic wellbeing, financial literacy levels, and satisfaction of retirees in Zambia, addressing specific objectives and research questions. Through a comprehensive analysis of demographic characteristics, reasons for retirement, pension payment status, financial literacy levels, and attitudes and behaviors towards finance, valuable insights were gained into the financial landscape of retirees in Zambia.

Objective 1: Economic Wellbeing and Satisfaction. Demographic characteristics provided a nuanced understanding of retirees' profiles, highlighting factors such as age, gender, education level, and occupation. Reasons for retirement revealed various factors influencing retirees' economic wellbeing and satisfaction, including work-related stress and physical demands. Pension payment status shed light on retirees' financial stability post-retirement, while the presence or absence of assets after retirement contributed to assessing their economic wellbeing.

Objective 2: Levels of Financial Literacy, education level emerged as a crucial factor influencing financial literacy levels among retirees. Pension payment status further delineated varying levels of financial literacy, with retirees receiving lumpsum payments or monthly annuities demonstrating different capacities in managing their pension funds.

Objective 3: Roles of Financial Literacy and Lumpsum Payment. Financial literacy assessments provided insights into retirees' abilities to make informed financial decisions post-retirement. Pension payment status, particularly lumpsum payments, revealed its impact on retirees' financial wellbeing and satisfaction. Reasons for retirement, such as poor health or the need to make room for younger people, indicated potential financial challenges affecting retirees' satisfaction. Research Questions: The distribution of respondents across demographic characteristics, reasons for retirement, and pension payment status offered insights into economic wellbeing and satisfaction. Education level and pension payment status helped gauge financial literacy levels, while analyzing the relationship between financial literacy, pension payment status, and reasons for retirement elucidated the roles of financial literacy and lumpsum payment in determining retirees' financial outcomes and satisfaction.

The findings underscored the significance of demographic characteristics, pension payment status, and financial literacy levels in shaping retirees' economic wellbeing and satisfaction. While some retirees demonstrated sound financial knowledge and behavior, others exhibited gaps or uncertainties, highlighting the importance of tailored financial education and interventions. Despite varying financial attitudes and behaviors, retirees generally reported satisfaction with various aspects of life in retirement, indicating positive outcomes beyond financial considerations.

6.4 Recommendations for Future Action

Based on the key study findings regarding the economic well-being and satisfaction of retirees in Zambia, as well as the level of financial literacy and the roles of financial literacy and lump-sum payment, here are aligned recommendations:

Tailored Financial Education Programs: Given that a considerable proportion of retirees rated their knowledge about financial matters as average or below average (5.9), there is a need for tailored financial education programs targeting retirees in Zambia. These programs should focus on enhancing financial literacy levels, particularly in areas such as retirement savings, investment, and financial decision-making.

Incorporating Financial Literacy into Retirement Planning: Retirement planning initiatives should integrate financial literacy components to ensure that retirees have the necessary knowledge and skills to make informed financial decisions post-retirement. This can help retirees better manage their retirement income security and overall financial well-being (5.7).

Promotion of Long-Term Financial Goals: Since satisfaction with life in retirement is positively correlated with financial well-being (5.6), promoting the setting of long-term financial goals among retirees could contribute to greater satisfaction. Financial education programs should emphasize the importance of setting and working towards long-term financial goals to enhance retirees' financial security and overall satisfaction.

Targeted Support for Retirees with Limited Financial Literacy: Recognizing that a significant portion of retirees may have limited financial literacy (5.9), targeted support programs should be developed to address their specific needs. This could include workshops, one-on-one financial counseling sessions, or online resources tailored to retirees with varying levels of financial knowledge.

Policy Interventions to Enhance Retirement Income Security: Given the negative correlation between retirement income security and financial literacy (5.8), policymakers should explore interventions aimed at enhancing retirement income security while also promoting financial literacy. This could involve measures such as strengthening pension schemes, providing incentives for continued learning and skill development post-retirement, and improving access to financial advisory services.

Improving Access to Financial Information and Resources: Efforts should be made to improve access to financial information and resources for retirees, especially those with limited financial literacy. This could involve partnerships between government agencies, financial institutions, and non-profit organizations to develop and disseminate educational materials, workshops, and online tools tailored to retirees' needs (5.9).

Enhancing Financial Decision-Making Skills: Financial education programs should focus not only on improving financial knowledge but also on enhancing financial decision-making skills. Retirees should be equipped with the necessary skills to make sound financial decisions, including budgeting, debt management, and investment planning (5.8).

Continued Research and Evaluation: Further research and evaluation are needed to better understand the complex relationship between financial literacy, retirement outcomes, and overall satisfaction among retirees in Zambia. Longitudinal studies could provide insights into the effectiveness of financial education programs and policy interventions over time, helping to inform future initiatives (5.9).

By implementing these recommendations, stakeholders can work towards improving the economic well-being and satisfaction of retirees in Zambia, while also promoting financial literacy and retirement preparedness for future generations.

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APPENDICES

Appendix III: Recruitment script and Consent

TOPIC: **THE ROLE OF FINANCIAL LITERACY AND LUMPSUM PAYMENT IN RETIREES' WELLBEING AND SATISFACTION: A CASE STUDY OF RETIREES UNDER THE PUBLIC SERVICE PENSIONS FUND IN ZAMBIA**.

Good morning/afternoon. My name is BRIAN MUTALE a student at the University of Zambia, carrying out research as part of my MBA qualifications. Taking part in this study is voluntary. If you agree to participate in the study, you are required to answer the questionnaire which will last less than 30 minutes. There are no anticipated problems, but in case some questions make you feel uncomfortable, you are allowed to express your discomfort or decide not to respond or even withdraw from the study.

There are no direct benefits for you choosing to participate in this study, however you will be greatly helping in the identification of effects of financial literacy on the wellbeing of retirees and ways of improving their retirement welfare in Zambia. Your personal details will be kept confidential and you are not requested to record your name. Any information provided will only be used for the purpose of the study.

This consent form has been read and explained to me, and I have understood and all my concerns have been addressed. I therefore willingly agree to take part in the study.

Signature of interviewee: ……………………………………

Date of interview: …………………………………………….

Place of interview: ……………………………………………

Appendix IV: Data Collection Instrument

QUESTIONNAIRE

Dear Sir/Madam,

I, BRIAN MUTALE, an MBA (Business Management) student at the University of Zambia. I am conducting research on "THE ROLE OF FINANCIAL LITERACY AND LUMPSUM PAYMENT IN RETIREES' WELLBEING AND SATISFACTION: A CASE STUDY OF RETIREES UNDER THE PUBLIC SERVICE PENSIONS FUND IN ZAMBIA", as part of my qualifications. You therefore have been chosen as part of the study and so, I humbly implore you to please provide answers to the questions in this questionnaire. I assure you that your response would be kept confidential and used strictly for research purposes. Your assistance will be most gladly appreciated.

Thank you.

Section A: Socio-Demographic Information of Survey Respondents

No.	Variable	Response	Code
A1	What is your Age in exact years?	______________________	
A2	What is your Gender?	a) Male b) Female	1 2
A3	What is your Marital Status?	a) Unmarried single b) Married c) Separated/Divorced d) Widowed	1 2 3 4
A4	What is your level of education?	a) Never attended school b) Primary c) Secondary d) Tertiary	1 2 3 4
A5	What was your Occupation?	a) Manager b) Professional c) Community and personal service worker d) Clerk and administrative worker e) Sales worker f) Technician and trade worker	1 2 3 4

		g) Machinery operator and driver	5
		h) Laborer	6
			7
			8
A6	When did you retire?	______________________________ *(Exact year)*	
A7	Why was the reason for your retirement?	a) Too much stress at work	1
		b) Early retirement	2
		c) National interest	3
		d) Pressured by employer	4
		e) Offered incentives by company	5
		f) Dismissal/Discharge	6
		g) Difficulties with people at work	7
		h) Wanted time with family	8
		i) Wanted time to pursue own interests	9
		j) Spouse wanted partner's retirement	10
		k) Wanted to make room for younger people	11
		l) Reached mandatory retirement age	12
		m) Medical Retirement/Poor health	13
		n) Spouse's poor health	14
		o) Could finally afford retirement	15
		p) Other ______________________________	76
A8	How much was your salary?	______________________________	
A9	What is your pension payment Status?	a) Receiving monthly annuities	1
		b) Received lumpsum payment	2
		c) Already received both	3
A10	Do you have any assets after retiring?	a) Yes	1
		b) No	2
A11	What is the condition of the assets you own?	a) Good	1
		b) Poor	2

A12	Please, indicate what kind of asset do you own.	a) Bicycle b) Car c) Motorcycle d) House e) Land f) Household electronics g) Agriculture equipment h) Other ____________________________	1 2 3 4 5 6 7 76
A13	Do you have any physical health problem?	a) Yes b) No	1 2
A14	What is your Partner's Occupation?	a) Manager b) Professional c) Community and personal service worker d) Clerk and administrative worker e) Sales worker f) Technician and trade worker g) Machinery operator and driver h) Laborer i) Other ___________________________	1 2 3 4 5 6 7 8 76
A15	How much is their monthly income?	____ ***(Approx. amount)***	

Section B: Measuring Financial Literacy

Part 1: Financial Knowledge

No.	Variable	Response	Code
B1	Could you tell me how you would rate your overall knowledge about financial matters compared with other adults in Zambia?	a) Very high b) Quite high c) About average d) Quite low e) Very low f) Don't know	1 2 3 4 5 7
B2	Imagine that five brothers are given a gift of 10,000ZMW in total. If the brothers have to share the money equally how much does each one of them get?	a) ___________ b) Don't know	1 77
B3	You lend 5,000ZMW to a friend or acquaintance one evening and s/he gives you 5,000ZMW back the next day. How much interest has s/he paid on this loan?	a) ___________ b) Don't know	1 77
B4	Imagine that someone puts 2,000ZMW into a **no fee, tax free** savings account with a guaranteed interest rate of 2% per year. They don't make any further payments into this account and they don't withdraw any money. How much would be in the account at the end of five years? Would it be:	a) More than 2150ZMW b) Exactly 2150ZMW c) Less than 2150ZMW d) Impossible to tell from the information given e) Don't know	1 2 3 4 77
I would like to know whether you think the following statements are true or false			
B5	An investment with a high return is likely to be high risk or if someone offers you the chance to make a lot of money it is likely that there is also a chance that you will lose a lot of money.	a) True b) False	1 2
B6	High inflation means that the cost of living is increasing rapidly	a) True b) False	1 2
B7	It is usually possible to reduce the risk of investing in the stock market by	a) True b) False	1

	buying a wide range of stocks and shares or It is less likely that you will lose all of your money if you save it in more than one place.		2

Part 2: Financial Behavior

No.	Variable	Response	Code
How often would you say this statement applies to you? For each statement could you tell me whether it *Always*, *often*, *sometimes*, *rarely* or *never* applies to you?			
B8	I tend to worry about paying my normal living expenses	a) Always b) Often c) Sometimes d) Rarely e) Never	1 2 3 4 5
B9	My finances control my life	a) Always b) Often c) Sometimes d) Rarely e) Never	1 2 3 4 5
B10	Before I buy something I carefully consider whether I can afford it	a) Always b) Often c) Sometimes d) Rarely e) Never	1 2 3 4 5
B11	I have money left over at the end of the month	a) Always b) Often c) Sometimes d) Rarely e) Never	1 2 3 4 5

B12	I pay my bills on time	a) Always b) Often c) Sometimes d) Rarely e) Never	1 2 3 4 5
B13	I share the passwords and PINs of my bank account with my close friends	a) Always b) Often c) Sometimes d) Rarely e) Never	1 2 3 4 5
B14	I buy goods and services that I do not need	a) Always b) Often c) Sometimes d) Rarely e) Never	1 2 3 4 5

Part 3: Financial Attitude

No.	Variable	Response	Code
I am now going to read out some statements. I would like to know how much you agree or disagree with each of these statements (as it relates to you)			
B15	I find it more satisfying to spend money than to save it for the long term	a) Completely agree b) Agree c) Somewhat d) Disagree e) Completely disagree	1 2 3 4 5
B16	I am prepared to risk some of my own money when saving or making an investment	a) Completely agree b) Agree c) Somewhat d) Disagree e) Completely disagree	1 2 3 4 5
B17	Money is there to be spent	a) Completely agree b) Agree c) Somewhat d) Disagree	1 2

		e) Completely disagree	3 4 5
B18	I am satisfied with my present financial situation	a) Completely agree b) Agree c) Somewhat d) Disagree e) Completely disagree	1 2 3 4 5
B19	I keep a close personal watch on my financial affairs	a) Completely agree b) Agree c) Somewhat d) Disagree e) Completely disagree	1 2 3 4 5
B20	My financial situation limits my ability to do the things that are important to me	a) Completely agree b) Agree c) Somewhat d) Disagree e) Completely disagree	1 2 3 4 5
B21	I set long term financial goals and strive to achieve them	a) Completely agree b) Agree c) Somewhat d) Disagree e) Completely disagree	1 2 3 4 5
B22	I believe that money in a bank will be safe even if the bank fails	a) Completely agree b) Agree c) Somewhat d) Disagree e) Completely disagree	1 2 3 4 5
B23	I have too much debt right now	a) Completely agree b) Agree c) Somewhat d) Disagree	1 2 3

		e)	Completely disagree	4
				5
B24	If I borrow money, I have a responsibility to pay it back	a)	Completely agree	1
		b)	Agree	2
		c)	Somewhat	3
		d)	Disagree	4
		e)	Completely disagree	5
B25	I believe that banks should check the ethics of companies before providing them with banking services	a)	Completely agree	1
		b)	Agree	2
		c)	Somewhat	3
		d)	Disagree	4
		e)	Completely disagree	5

Section C: Satisfaction with Life in Retirement (The Retirement Satisfaction Inventory)

I would also like to know how well this statement describes your satisfaction in retirement. For each statement could you let me know whether it describes your situation or feelings as *satisfied*, *somewhat satisfied*, or *dissatisfied*.

No.	Variable	Response	Code
1. Satisfaction with Services and Resources			
D1	Government services	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3
D2	Personal safety	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3
D3	Access to transportation	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3
D4	Community agency services	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3
D5	Financial situation	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3
2. Satisfaction with Health and Activity			
D6	Physical health	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3
D7	Level of physical activity	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3
3. Satisfaction with Marriage and Home Life			
D8	Marriage	a) Satisfied b) Somewhat satisfied	1

		c) Dissatisfied	2
			3
D9	Spouse's health	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3
D10	Quality of residence	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3
D11	Relations with extended family	a) Satisfied b) Somewhat satisfied c) Dissatisfied	1 2 3

THANK YOU FOR YOUR TIME!!

Appendix V

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THE UNIVERSITY OF ZAMBIA
DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

Great East Road Campus | P.O. Box 32379 | Lusaka10101 | Tel: +260-211-290 258/291 777 **Fax**: (+260)-211-290 258/253 952 | **E-mail**: director.drgs@unza.zm | Website: www.unza.zm

APPROVAL OF STUDY

IORG No. 0005376
HSSREC IRB No. 00006464

REF NO. HSSREC-2024-MAR-008

21st March, 2024

Mr. Brian Mutale

The University of Zambia

P.O. Box 32379

LUSAKA

Dear Mr. Mutale

RE: "THE ROLE OF FINANCIAL LITERACY ON RETIREES'WELLBING: A CASE STUDY OF RETIREES UNDER THE PUBLIC SERVICE PENSIONS FUND IN ZAMBIA."

Reference is made to your submission of the protocol captioned above. The HSSREC resolved to approve this study and your participation as Principal Investigator for a period of one year.

REVIEW TYPE	**ORDINARY REVIEW**	**APPROVAL NO. HSSREC:2024- MAR – 008**
Approval and Expiry Date	Approval Date: 21st March, 2024	Expiry Date: 20th March, 2025
Protocol Version and Date	Version - Nil.	20th March, 2025
Information Sheet, Consent Forms and Dates	English.	To be provided
Consent form ID and Date	Version - Nil	To be provided
Recruitment Materials	Nil	Nil
Other Study Documents	Questionnaire.	
Number of Participants Approved for Study		

Specific conditions will apply to this approval. As Principal Investigator it is your responsibility to ensure that the contents of this letter are adhered to. If these are not adhered to, the approval may be suspended. Should the study be suspended, study sponsors and other regulatory authorities will be informed.

CONDITIONS OF APPROVAL

- No participant may be involved in any study procedure prior to the study approval or after the expiration date.
- All unanticipated or Serious Adverse Events (SAEs) must be reported to HSSREC within 5 days.
- All protocol modifications must be approved by HSSREC prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address.
- All protocol deviations must be reported to HSSREC within 5 working days.
- All recruitment materials must be approved by HSSREC prior to being used.
- Principal investigators are responsible for initiating Continuing Review proceedings. HSSREC will only approve a study for a period of 12 months.
- It is the responsibility of the PI to renew his/her ethics approval through a renewal application to HSSREC.
- Where the PI desires to extend the study after expiry of the study period, documents for study extension must be received by HSSREC at least 30 days before the expiry date. This is for the purpose of facilitating the review process. Documents received within 30 days after expiry will be labelled "late submissions" and will incur a penalty fee of K500.00. No study shall be renewed whose documents are submitted for renewal 30 days after expiry of the certificate.
- Every 6 (six) months a progress report form supplied by The University of Zambia Humanities and Social Sciences Research Ethics Committee as an IRB must be filled in and submitted to us. There is a penalty of K500.00 for failure to submit the report.
- When closing a project, the PI is responsible for notifying, in writing or using the Research Ethics and Management Online (REMO), both HSSREC and the National Health Research Authority (NHRA) when ethics certification is no longer required for a project.
- In order to close an approved study, a Closing Report must be submitted in writing or through the REMO system. A Closing Report should be filed when data collection has ended and the study team will no longer be using human participants or animals or secondary data or have any direct or indirect contact with the research participants or animals for the study.
- Filing a closing report (rather than just letting your approval lapse) is important as it assists HSSREC in efficiently tracking and reporting on projects. Note that some funding agencies and sponsors require a notice of closure from the IRB which had approved the study and can only be generated after the Closing Report has been filed.

- A reprint of this letter shall be done at a fee.

- All protocol modifications must be approved by HSSREC by way of an application for an amendment prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address or methodology and methods. Many modifications entail minimal risk adjustments to a protocol and/or consent form and can be made on an Expedited basis (via the IRB Chair). Some examples are: format changes, correcting spelling errors, adding key personnel, minor changes to questionnaires, recruiting and changes, and so forth. Other, more substantive changes, especially those that may alter the risk-benefit ratio, may require Full Board review. In all cases, except where noted above regarding subject safety, any changes to any protocol document or procedure must first be approved by HSSREC before they can be implemented.

Should you have any questions regarding anything indicated in this letter, please do not hesitate to get in touch with us at the above indicated address.

On behalf of HSSREC, we would like to wish you all the success as you carry out your study.

Yours faithfully,

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DR. J. I. Ziwa

CHAIRPERSON THE UNIVERSITY OF ZAMBIA HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE - IRB

CC: Director, Directorate of Research and Graduate Studies
Assistant Director (Research), Directorate of Research and Graduate Studies
Assistant Registrar (Research), Directorate of Research and Graduate Studies