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Drivers for Retirement Planning and Saving of Women in Selected Private Secondary and Primary Schools in Nyeri County, Kenya

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Abstract
Failure to save for retirement can result in hardships not only for the individual but for society as well. While teachers in public school have a pension scheme under the Teachers Service Commission their counterparts in private schools do not enjoy such a benefit and have to plan for their own retirement. The purpose of this study was to examine the factors influencing planning and savings for retirement amongst women from selected private schools in Nyeri County. Specifically, the study aimed to assess the extent to which marital status affects retirement planning and saving of women; to analyze the extent to which age affects retirement planning and saving for women; to evaluate the extent to which one's income influences planning and saving for retirement for women and to examine the extent to which level of education influences planning and savings for retirement among women in selected private schools within Nyeri County. The research adopted a descriptive research design and targeted 482 teachers in privates' schools in Nyeri County. Stratified sampling was used to sample 241 teachers. The researcher used primary data for this research study which was obtained through self-administered questionnaire with closed and open ended questions. Descriptive statistics (frequencies and percentages) and a regression model were used to describe the findings. Age ($p=0.027$) and Income ($p=0.038$) were found to be statistically significant at a 95% confidence level. In addition, age had the greatest effect on financial performance with a unit change in the age of female teachers resulting to a 39.7% increase in retirement saving. The study concluded that age and income are strong predictors of retirement saving among women. With increase in age, women have more experience which qualifies them for better jobs. With higher pay, the women have more disposable income which enables them save for retirement. The study recommended that the government should create a policy which makes it mandatory for married couples to save for retirement. The study also recommended public education should be implemented to encourage women to save for retirement even at a young age.
Keywords: Retirement Planning and Saving,

ABBREVIATIONS AND ACRONYMS

DB	Defined Benefit
DC	Defined Contribution
LFC	Life Cycle Theory
NSSF	National Social Security Fund
PPP	Personal Pension Plan
RBA	Retirement Benefit Authority
GoK	Government of Kenya

1.0 INTRODUCTION

1.1 Background of the study

Poverty is both a social and political issue in developed and developing countries. Worldwide, old age poverty is widespread, informal old age support is coming under pressure from adverse economic conditions, migration, women's entry in paid employment, HIV and AIDS, and changes in household composition. Going by the 1999 World Bank statistics, only fifteen percent of the world's 6.6 billion people have access to any form of formal system of retirement income support (Retirement Benefits Authority (RBA), 2007). In Kenya only an estimated 15 percent of 12 million labour forces are covered under any retirement benefits arrangement. The 15 percent covered are in formal employment where cover is readily and easily made available either by their employer sponsored occupational schemes or because of the statutory requirement that employers with establishments employing more than five workers to provide access to retirement savings to their employees to the National Social Security Fund (NSSF).

A saving for retirement culture is largely absent in African countries due to the traditional systems of old age support by children and lack of knowledge on savings options (Odundo, 2003). This is exacerbated by the rapidly degenerating traditional social fabric safety net for old age, where children took care of the old, fueled by changes in social behaviour brought about by rural to urban migration, modernization and civilization. Further, government willingness to fund social security obligations, that continue to rise relative to revenues, is declining. As a result, parametric measures such as increasing retirement ages, and conversion of government only sponsored schemes to contributory schemes are being implemented to delegate the social security burden back to the citizens. All these put together and in the absence of any intervention, it is eminent that the majority of the world's population is significantly exposed to the risk of old age poverty. Today women, compared to men, face significantly greater chance of experiencing events that will dramatically reduce their economic well being divorce, separation or death of spouse leads to substantial decline in the economic well being of women Two-thirds of all women will spend some portion of their lives as single mothers (Whittelsey, 2007). An increasing number of households are headed by single females (Hayes, 2000). Other threats to the financial security of millions of women include low paying jobs, rising cost of food, housing and medical care and insufficient information with which to make economic condition decision.

A critical issue facing women today is the need for pre-retirement planning. The failure to save for retirement can result in hardships not only for the individual but for society as well. One measure of the economic burden working individuals will bear when calculating the full cost of retirement can be found in the old age dependency ratio. This ratio is the number of working adults relative to those who are retired and drawing social welfare payments. A study conducted in USA found that over the past half century the dependency ratio has shifted steadily downward. In 1950 it was 16:1, in 1998 it stood at 4:1 (U.S Social security Administration 1998) and some have estimated that it will drop to 2:1 by the year 2030 (World Bank, 2007) because of the baby boomers' exit from the workforce.

In a study conducted by Guariglia 2000, he identified several factors that influenced individuals to save for retirement. These factors include marital status, work history, age, education, income, family/household composition and occupation. A study of such factors can help address what has been identified as a critical factors in achieving millennium development goal by 2015 and Kenya's vision 2030(Strategic plan to achieve key economic milestone by 2030)

Kenya Vision 2030 is the country's development programme covering the period 2008 to 2030. One of the main sections in the programme is the social pillar. The objective of the Kenya Vision 2030 Social Pillar is investing in the people of Kenya in order to improve the quality of life for all Kenyans by targeting a cross-section of human and social welfare projects and programmes. Under the social pillar, gender mainstreaming is discussed. According to Government of Kenya (GoK 2007) this project aims to mainstream gender issues in the National Development Process by ensuring that the needs and interests of each gender (women and men, girls and boys) are addressed in all government policies, plans and programmes. This particular study is therefore in resonance with the Vision 2030 in that it focuses on women's retirement planning which is an unresolved need.

1.2 Statement of the problem

The current level of mandatory contribution to the NSSF of a maximum of Kshs 400 per month equating to an average of 1.3% of average earning in Kenya is not sufficient to provide any reasonable measure of income replacement and the level of benefit provided by them is woefully inadequate. For many workers in Kenya as indeed in other low income countries alternatives such as housing education and health care tend to be regarded as more important priorities than saving for retirement. An individual will require 80% of preretirement income to maintain the current standard of living when one stop working. In order to meet this level of income in retirement it is recommended that a proportion of at least 10% of the current income be set aside for retirement.
While teachers in public school have a pension scheme under the Teachers Service Commission their counterparts in private schools do not enjoy such a benefit and have to plan for their own retirement. It is against this background that the researcher sought to evaluate the factors influencing planning and savings for retirement of women in selected private schools in Nyeri County, Kenya.

1.3 Purpose of the study

The purpose of this study was to examine the factors influencing planning and savings for retirement amongst women from selected private schools in Nyeri County.

1.4 Objectives of the Study

(i) To assess the extent to which marital status affects retirement planning and savings of women in selected private schools in Nyeri County.

(ii) To analyze the extent to which age affects retirement planning and savings of women in selected private schools in Nyeri County

(iii) To evaluate the extent to which one's income influences planning and savings for retirement for women in selected private schools within the county.

(iv) To examine the extent to which level of education influences planning and savings for retirement among women in selected private schools within the county.

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter will contain the literature reviewed from other writers in the study area of planning and saving for retirement. The literature will be sought from books, journals, internet and other articles.

2.2 Empirical review

When it comes to retirement saving, the first important decision is whether or not to save. Research has shown that individuals tend to have positive attitudes towards retirement saving but have difficulties in its implementation. Several variables affect decision to save as discussed here below:

2.2.1.Marital status

Married household are more likely to save than singles households as a way of building up assets. Research in both economics and sociology has demonstrated significant differences in income, poverty, and wealth by marital status, with married individuals generally having greater economic resources than unmarried individuals, especially in later life (Waite and Gallagher, 2000; Wilmoth and Koso, 2002; Tamborini, Iams and Whiteman 2009).

Empirical analyses also have demonstrated relationships between marital status and savings behavior. Marital status is an economic factor in retirement decision. Married couples with both husband and wife working see retirement as more economic feasible. For example Ekerdt, Koloski and Deviney(2002) found that husband tended to retire early if their wives had along history of employment, which reflected wives benefit eligibility. Wives retirement was contingent on the couple's income, and for many women, retirement income was based primarily or exclusively on husbands earnings. Marital status also affects retirement investment decision.

Sunden and surette (1998) found that marital status significantly affects assets allocation in defined contribution plans. They also found that single men and married women have the least likelihood of having defined contribution plan among all groups (i.e single women, single men married women and married men) Using W-2 tax records matched to the Health and Retirement Study, Honig and Dushi (2010), for example, found that older married couples were more likely to participate in, and make larger contributions to, tax-deferred retirement plans than their unmarried counterparts.

Although the literature has identified a large range of economic benefits related to marriage, little empirical work has examined the potential relationship between retirement savings and marital status specifically among women. Nevertheless, there are a number of theoretical reasons why marriage and retirement savings may be positively linked to marital status. On the economic front, economies of scale and consumption—that is, the cost advantages associated with a two-person rather than a single-person household—lead to greater household efficiency and production among married couples. Marriage also allows for resource pooling and cost sharing, such as with health insurance and housing costs. To the extent that these characteristics allow young married couples to have more money available for saving earlier in the life course, they may lead to greater retirement-specific savings behavior.

Marital status and retirement savings behavior in women may be linked through psychological channels as well. For example, psychologists have emphasized a link between how individuals imagine the future and their current behavior Douglas and John (2000) . The long-term commitment implied by marriage, however, may introduce a context in which young adults can envision their old age and retirement needs more easily ("I want to grow old with my spouse"; "I want to travel through Europe once we retire"). Additionally, because married individuals often play supporting roles in household finances they have a stake in building their shared retirement resources and therefore may be more motivated to discuss retirement savings. Such discussions, in turn, could facilitate planning and actual retirement savings behavior.

In Nyeri County, women of different marital status are employed in the various private schools. Empirical evidence of the distribution of the women by marital status and its impact retirement planning is scarce.

2.2.2 Age

Research has shown that age has a strong positive correlation with saving for retirement. According to Employee Benefit Research Institute (EBRI, 2010) young person's typically have low incidence of retirement saving and may not perceive retirement as an important reason to save. Since retirement is temporally distant and intangible for young person, procrastination and time inconsistent preference may impede their planning and saving for retirement. Consistent with the life cycle theory Knoll and Thaler, (2010) found out that accumulating retirement savings early in the adult life course may be particularly difficult not only due to income constraints, but also due to the considerable self-control young person's must exhibit to engage in retirement saving. The necessity to keep old age savings for financial security in retirement becomes more vivid as individuals grow old.

According to Ekerdt, Deviney and Kosloski, (2000) as individual approach retirement age, they experience more concern and apprehension for their preparedness and financial security and as a result workers who considered themselves to be within 15 years of retiring showed extended involvement in retirement saving. They spoke more often about retirement and thought about retirement more frequently as well. In Nyeri County, women of different ages are employed in the various private schools. Empirical evidence of the distribution of the women by age and its impact retirement planning is scarce.

2.2.3 Income

The income level influences an individual ability to save and has a positive correlation to saving for retirement. Individuals with higher income and financial assets besides having the capacity to save place a higher discount factor for the future and would therefore save for retirement. On the other hand low income earner have a low capacity to save and low discount factor for the future. They would place higher present value to consumption.

According to Delpachitra and Beal (2002) the planned retirement age of an individual has a strong correlation to the probability of having/finding a suitable job. If people can find secure sources of income it encourages them not only to allocate sufficiently for current consumption but also to save for future consumption. In other words, its plausible to assume a strong relationship between the current amount of hours of working and planned retirement because individuals are likely to earn more than what is required for current consumption if they have a strong preference to work for longer hours. This means the surplus can be saved for future consumption or retirement. In Nyeri County, there is no standard salary scale that private schools use to pay their teachers. In some private schools, teachers earn higher than their counterparts in the public schools. Empirical evidence of the income on retirement planning in Nyeri is scarce.

2.2.4 Education

In general and in particular saving practices rise with education attainment. The more educated the individual the more appreciate of role of saving for retirement. Education attainment is specific to saving for retirement because the more educated individual the more appreciative and the more their understanding on importance of keeping saving for retirement. The amount of education obtained reflects occupation and resulting income which directly affects the amount of saving that can be achieved. The level of education has also been shown to positively affect employee decision regarding their retirement savings investment.

In a study concerning retirement and level of education, Mastin (1998) found that those who had less level of education were less knowledgeable about both general and specific retirement concept, such as investment return on bonds and stocks, mutual funds and specific benefit provider at their workplace. The 2000 Women's retirement confidence survey in USA showed education affects women's retirement confidence and saving. Those who have higher level of education reported higher level of retirement confidence. A college education appears to increase general economic literacy and to help develop the skills needed to process financial information. Lusardi & Mitchell(2008) found that the average college-educated person is likely to engage in more sophisticated financial planning than the average person without a degree and is likely to save more adequately for retirement. Studies also show that retirement education—employer-sponsored seminars, in particular—affects savings behavior.

A 1996 Employee Benefit Research Institute (EBRI) analysis reported that 39 percent of workers who have a pension plan said that using employer-provided materials or attending seminars led them to increase their contribution. In addition, individuals who make use of retirement education offered by their employer have an overall saving rate that is 2.2 percent higher than those who do not use educational material, and they accumulate more in retirement wealth (Bernheim and Garrett 1996). Thus it is reasonable to suggest that retirement education may an effect on saving behavior—specifically, on the choice of whether to save a pension distribution. In Nyeri County, private schools employ teachers of varying academic levels. The well to do schools prefers graduate teachers while the rest employ teachers from teacher training colleges. Empirical evidence of the academic qualifications of teachers in private schools and their impact on retirement planning in Nyeri is scarce.

2.3 Theoretical Orientations

Economists have developed three major theories of consumption and saving behaviour: The life cycle theory, The permanent income theory and The relative income theory. All the three theories have their conceptual roots in the micro economic theory of consumer choice

2.3.1 The life Cycle Theory

The life cycle theory posits that the main motivation for saving is to accumulate resources for late expenditure and in particular to support consumption at habitual standard during retirement (Modigliani and Brumberg, 1954 and 1980) . The basic idea in this theory is that individuals tend to distribute resources to smooth consumption over the life cycle. According to the model saving should be positive for household in their working span and negative for the retired ones and wealth therefore should be hump-shaped.

In the context of the current study, the life cycle theory is relevant in that it appreciates the importance of age in retirement planning. Age is one of the specific objectives in this study. The life cycle hypothesis has been utilized extensively to examine savings and retirement behaviour of older persons. This hypothesis begins with the observation that consumption needs and income are often unequal at various points in the life cycle. Younger people tend to have consumption needs that exceed their income. Their needs tend to be mainly for housing and education, and therefore they have little savings. In middle age, earnings generally rise, enabling debts accumulated earlier in life to be paid off and savings to be accumulated. Finally, in retirement, incomes decline and individuals consume out of previously accumulated savings.

2.3.2 The Permanent Income Theory

The permanent income theory states that people will spend money at a level consistent with their expected long term average income (Friedman, 1957). The level of expected long term income then becomes thought of as the level of "permanent" income that can safely be spent. A worker will only save if his or her current income is higher than the anticipated level of permanent income in order to guard against future declines in income. This theory is relevant to the current study because it considers a person's income as a determinant for their retirement planning. In Friedman's permanent income hypothesis model, the key determinant of consumption is an individual's real wealth, not his current real disposable income. Permanent income is determined by a consumer's assets; both physical (shares, bonds, property) and human (education and experience). These influence the consumer's ability to earn income. The consumer can then make an estimation of anticipated lifetime income.

2.3.3 Relative Income Theory

Relative income hypothesis states that the satisfaction (or utility) an individual derives from a given consumption level depends on its relative magnitude in the society (for example relative to the average consumption) rather than its absolute level (Duesenberry, 1949). It is based on a postulate that has long been acknowledged by psychologists and sociologists, namely that individuals care about status. Duesenberry claimed that an individual's utility index depended on the ratio of his or her consumption to a weighted average of the consumption of the others. From this he drew two conclusions: Aggregate saving rate is independent of aggregate income, which is consistent with the time series evidence.

Despite its intuitive and empirical appeal Duesenberry's theory has not found wide acceptance and has been dominated by the life-cycle/permanent-income hypothesis of Modigliani & Brumberg (1963) and Friedman (1957). These closely related theories implied that consumption is an increasing function of the expected lifetime resources of an individual and could account for both the cross-sectional and time series evidence previously mentioned. This theory is relevant to this study in that it takes into account the income of the individual. The theory complements the permanent income theory by stating that the propensity to save of an individual is an increasing function of his or her percentile position in the income distribution, which is consistent with the cross-sectional evidence.

2.4 Conceptual framework

The researcher put into consideration the key factors influencing planning for retirement among women in selected private schools within Nyeri County. They included marital status, age, and income and education level. The researcher assessed the association of the dependent and independent variable as illustrated in the conceptual framework depicted.

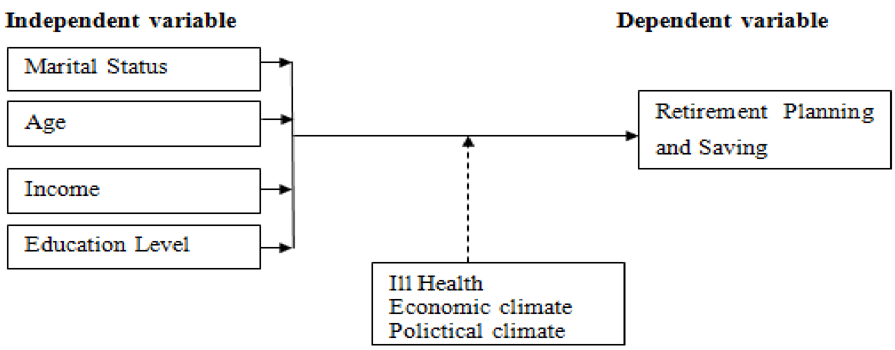

Figure 0.1 Conceptual framework

2.5 Operational framework
The research will be operationalized as illustrated in Figure 2.2 below

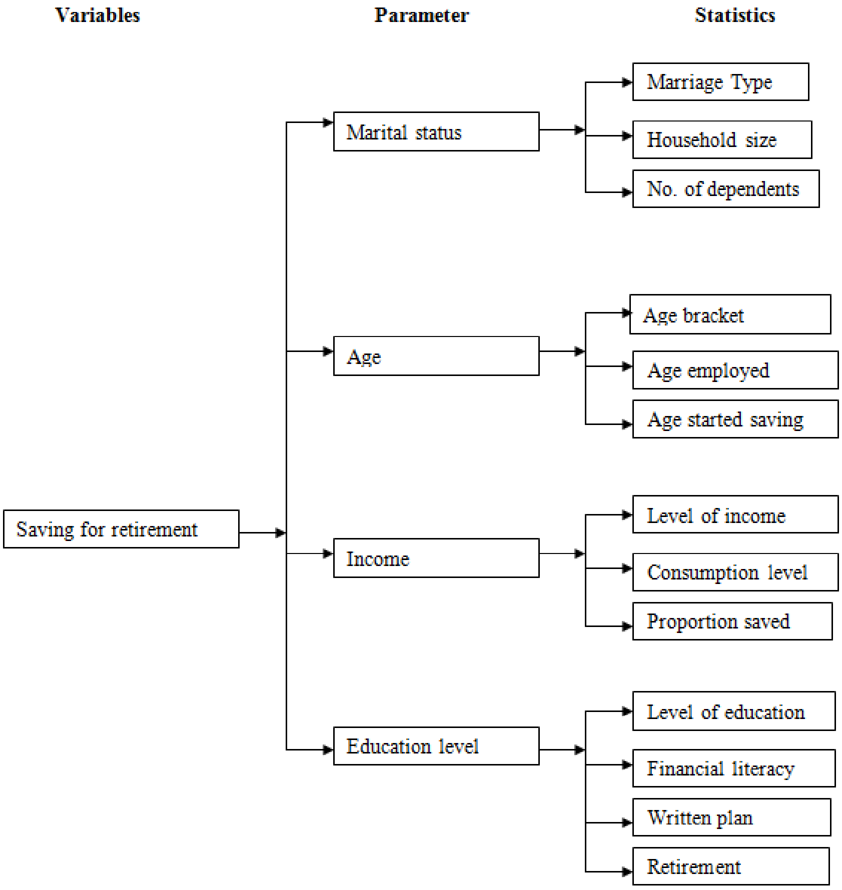

Figure 2.2 Operational Framework

2.6 Research gap
While many studies have been conducted in western countries to determine factors influencing planning and savings for retirement, limited studies particularly regarding women have been conducted in Africa. Africans have different orientation from western counterparts in many aspects including lifestyles, cultural beliefs, religion and habits. Against this backdrop their behavior, intentions and attitude towards planning and saving for retirement may not be alike. Therefore this study sought to establish the factors influencing planning and saving for retirement of women in the country.

3.0 METHODS
3.1 Introduction
This chapter discusses the research methods that ws employed by the researcher in carrying out the research in order to establish factors influencing saving for retirement among women. It will contain the following: Research design, Target population Sampling procedure, Data collection instrument and procedure, Validity and reliability Data analysis and reporting, Schedule of research activities, Research budget

3.2 Research Design
The research adopted a descriptive research design. According to Mugenda and Mugenda(2003) a descriptive research is carried out so as to establish the real life phenomenon's in a true social economic society in a given society. The research involved a study where questionnaire with structure and unstructured questions will be employed. The advantage of using both quantitative and qualitative research method is that the former was used to measure outcome and the latter provided a greater depth of understanding about complex interaction of processes and hidden beliefs and values.

3.3 Target population
There were 33 private primary schools and 15 private secondary schools in Nyeri County. The primary schools

had a total population of 594 teachers with 398 of them being women while the Secondary schools had a population of 156 teaches out of which 84 were women. Thus research population comprised 482 teachers in privates' schools in Nyeri County.

Table 0.1: Target Population

Strata	Population Size
Primary schools	398
Secondary schools	84
Total	**482**

Source: Ministry of Education 2011

3.4 Sampling procedure

Stratified sampling was used in the research since the population comprises two group of respondent one from the primary schools and the other from secondary schools . The study used a fifty percentage sample from each stratum that is primary school stratum and secondary school stratum. The random sampling technique was employed to select the sample from each stratum. This made sure that each member of the whole population has equal chance of being identified. The advantage of this method is that it saved the researcher's time as she was not able to study the whole population. It is also economical because only a part of the population was studied but it is representing the whole population.

Table 0.2 Sampling frame

Strata	Population	Sample size	Percentage
Primary	398	199	50%
Secondary	84	42	50%
Total	**482**	**241**	**100%**

3.5 Data Collection instrument and procedure

The researcher used primary data for this research study in order to get first hand information from the respondent. Primary data was obtained through self administered questionnaire with closed and open ended questions Quantitative data was obtained using closed ended questions and qualitative data was obtained using open-ended questions in the same questionnaire. The questionnaire was administered through drop and pick method to the respondents. The advantage of using questionnaire was to enable data to be collected in a standardized way so that data was internally consistent and coherent for analysis.

3.6 Validity of research instruments

Validity is defined as the degree to which a test measures what it purports to measure. Content validity was used in this study; content validity is the degree to which the instrument measures what the test is designed to measure. This is important in the establishment of accuracy and truthfulness of the research. In order to ascertain face validity, the instruments were designed and handed to the supervisors in the School of Business, Dedan Kimathi University for Technology for review. Instrument validity was further be established by undertaking pilot study

3.7 Reliability

Orodho (2004) states that reliability of a measurement concerns the degree to which a particular measuring procedure gives similar results over a number of repeated trials. To test the reliability of the instruments the study used test-retest technique. Test-retest reliability is measured by administering a test twice at two different points in time.

A pilot study was carried out two weeks prior to the data collection. Participants in the pretesting were not included in the main study. Data collected was analyzed using SPSS version 20. For each research variable, the reliability or the internal consistency was assessed by calculating the Cronbach alpha (KR20) coefficient. According to Miller (2010) a range of 0.6-1.0 is generally acceptable for research variables. The pilot data had a Cronbach alpha co-efficient of 0.68.

3.8 Data analysis and reporting

The collected data was thoroughly examined and checked for comprehensibility and completeness. The data was then summarized, coded and tabulated. Descriptive statistics such as frequencies and percentages were used to analyze data. Chi square tests were used to find relationships between individual variables and retirement saving among women. In addition, a regression model was adopted to explain the influence of each variable on retirement planning and saving.

The variable Y was defined as

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Where:-Y= retirement planning and saving
β_0= Constant
X_1 = Age
X_2 = Marital status
X_3 = Income
X_4 = Education Level
e =Error term of the model
$\beta_, \beta_{2,}$ and β_3 =Coefficients of independent variables
Statistical Package for Social Science (SPSS) version 20 was used to perform analysis as it helped in organizing and summarizing the data by use of descriptive statistic such as tables. Data presentation was done by the use of pie chart, bar charts and graphs, percentages and frequency tables for ease of clarity and understanding.

3.9 Ethical considerations
Authorization to conduct the study was sought from both Dedan Kimathi University of technology. Consent was sought from the participants before interview and questionnaires did not bear the names of the respondents. The questionnaires did not also bear any markers that link to the individual respondents. The data was stored securely in a password protected computer. Only the researcher had access to the data. Findings of the study will only be used for academic purposes.

4.0 RESULTS AND ANALYSIS

4.1 Introduction
This chapter presents the findings and discussion of the study. Data was analyzed using Microsoft Excel Suite 12 and SPSS version 19 both for windows and was presented in form of frequencies, means, modes and percentages. Presentation was done using tables, charts and graphs for easy yet effective communication. Data analysis aimed to answer the following questions:

(i) To what extent does marital status affects retirement planning and savings of women in private schools?
(ii) To what extent does age affects retirement planning and saving of women in private schools?
(iii) To what extent does income affects retirement planning and saving of women in private schools?
(iv) To what extent does education affects retirement planning and saving of women in private schools?

4.1.1 Response rate
The researcher distributed 241 questionnaires, 197 questionnaires were returned fit for analysis. This accounts for a response rate of 82% which is well above the 70% threshold recommended by Kothari (2004).

Table 0.3 Response rate

Strata	Distributed questionnaires	Returned questionnaires
Primary	199	159
Secondary	42	38
Total	**241**	**197**

4.2 Saving for retirement
The purpose of this study was to examine the factors influencing planning and savings for retirement amongst women. To achieve this, the researcher sought to establish whether the participants in the study were currently saving for retirement. Findings indicate that majority 62% (n=122) of the women were not saving for retirement.

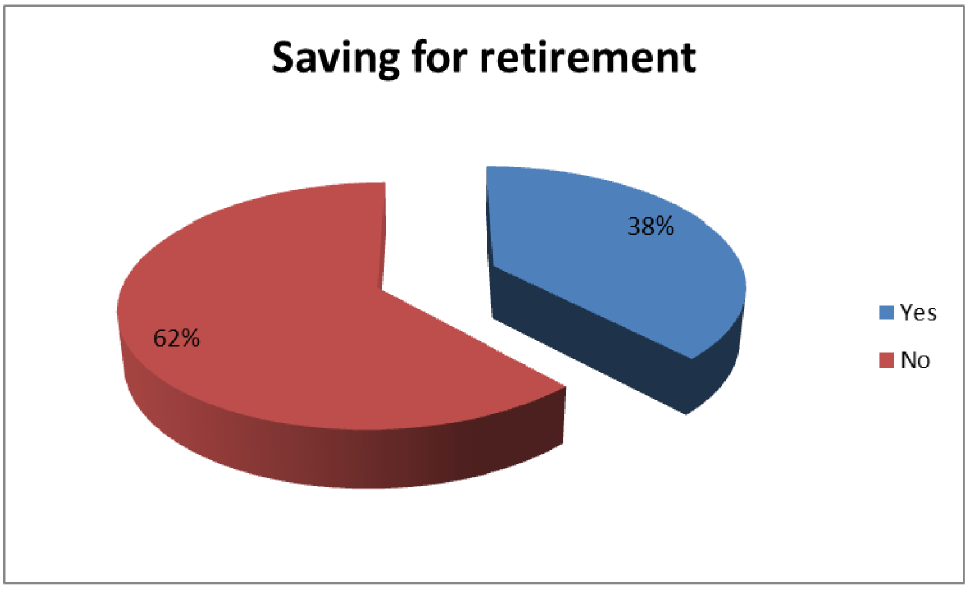

Figure 0.2: Saving for retirement

4.3 Marital status and retirement planning
The first objective of the study sought to assess marital status and its effect on retirement planning and savings of women in private schools in Nyeri County. The findings of the study are presented in this section.
4.3.1 Distribution of respondents by marital status
The study found that majority 51% (n=100) of the respondents were married whereas 38% (n=75) were single.

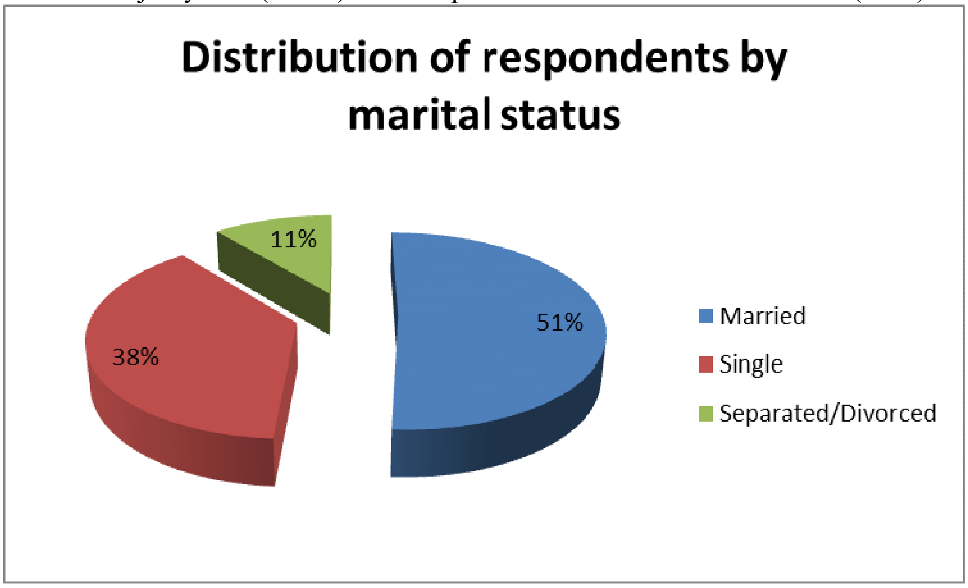

Figure 0.3: Distribution of respondents by marital status

4.3.2 Household size
In order to establish the effect of marital status on retirement planning and savings of women, the researcher sought to find out the participants' household size. Findings in Figure 4.3 indicate that majority 54% (n=106) had a household size of 5 people while those who had a household size of 4 people accounted for 23% (n=45).

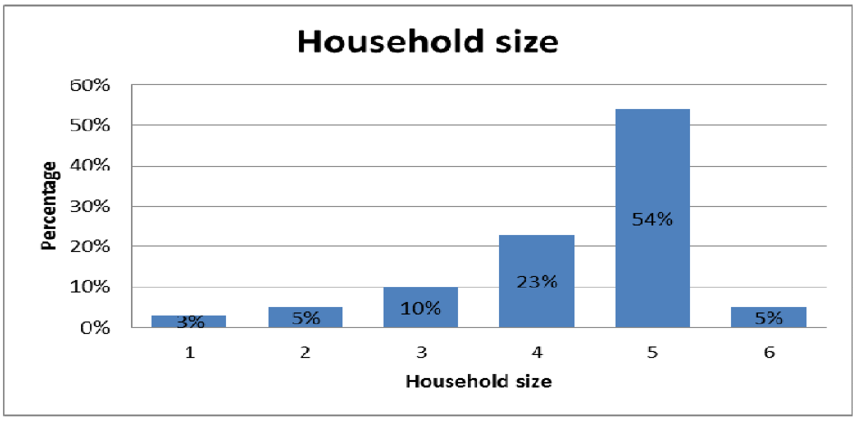

Figure 0.4: Household size

4.3.3 Primary financial decision maker in the household

Majority 51% (n=100) indicated that they were the primary financial decision makers in their households.

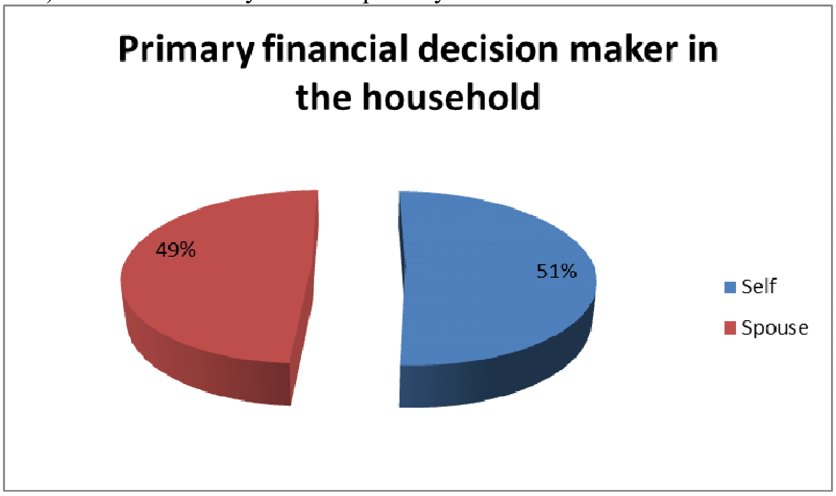

Figure 0.5 Primary financial decision maker in the household

4.3.4 Number of dependents

The researcher sought to find out the number of dependents that relied on the respondent for financial upkeep. Findings in Table 4.2 indicate that majority 51% had 4 dependents while 18% had 3 dependents.

Table 0.4: Number of dependents

Number of dependents	Frequency	Percentage
None	8	4%
1	18	9%
2	20	10%
3	35	17%
4	100	51%
5 and above	18	9%
Total	**197**	**100%**

4.3.5 Retirement saving by marital status

Findings in Table 4.3 indicate that majority (79%) of the women who were saving for retirements were married.

Table 0.5: Retirement saving by marital status

Marital status	Saving for retirement			
	Yes		No	
	F	%	F	%
Single	5	7	70	57
Married	59	79	41	34
Divorced/separated	11	14	11	9
Total	75	100	122	100

4.3.6 Marital status at which respondent commenced saving for retirement

For the respondents who indicated that they were currently saving for retirement the researcher sought to find out at what marital status they begun saving. Findings indicate that majority 64% (n=48) began saving when they were married.

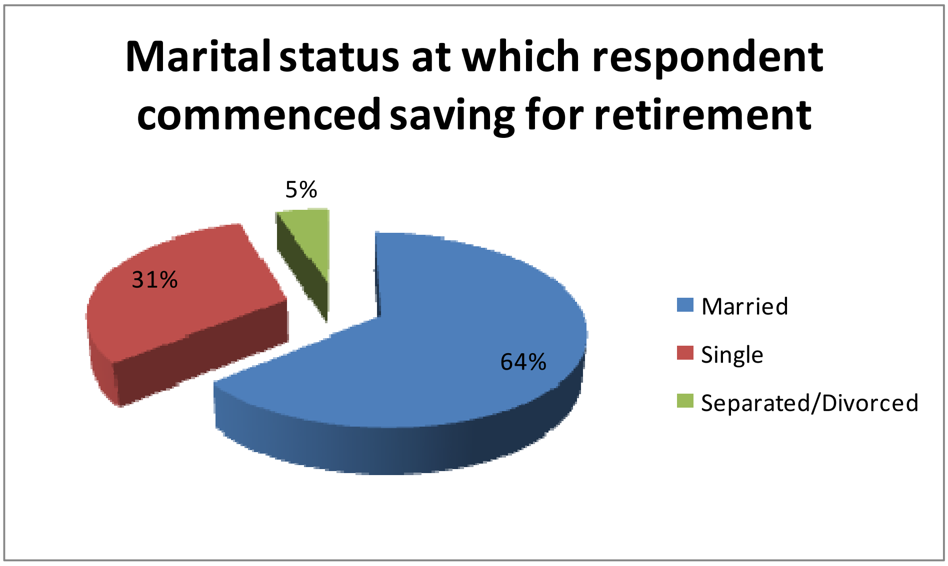

Figure 0.6: Marital status at which respondent commenced saving for retirement

4.3.7 Effect of marital status on retirement saving

A chi square test was carried out to establish the relationship between marital status and retirement saving. Findings in Table 4.4 show that the P value (0.0560) is greater that the critical value (0.05) indicating that there is no significant relationship between marital status and retirement saving.

Table 0.6: Chi square tests results for marital status and retirement saving

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.062[a]	3	.560
Likelihood Ratio	2.460	3	.483
Linear-by-Linear Association	.023	1	.880
N of Valid Cases	197		

4.4 Age and retirement planning

The second objective of the study sought to analyze age and its effect on retirement planning and savings for retirement of women in private schools in Nyeri County.

4.4.1 Distribution of respondents by age

Respondents aged between 31 and 40 years accounted for 38% (n=74) of the participants while those aged between 41 and 50 years accounted for 32% (n=63).

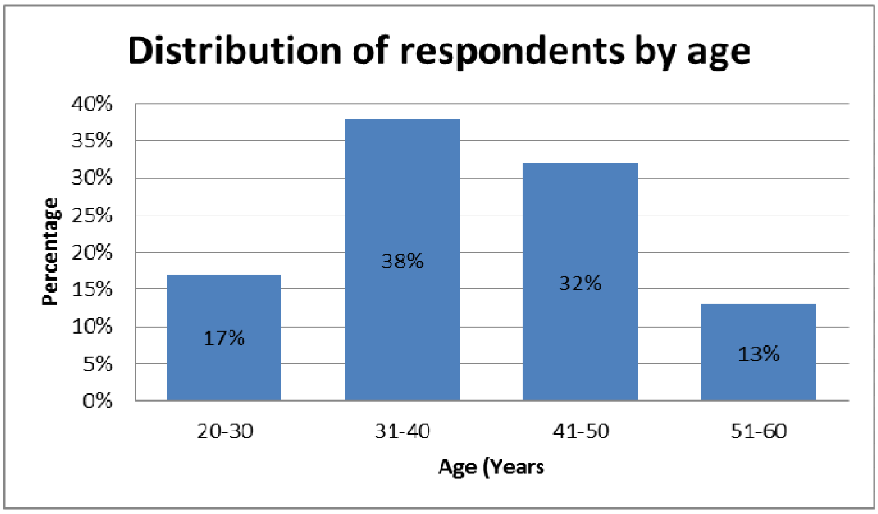

Figure 0.7: Distribution of respondents by age

4.4.2 Age at which respondents began saving for retirement

For the respondents who indicated that they were currently saving for retirement, the researcher probed further to find out at which age they began saving for retirement. Findings indicate that majority (75%) of the participants had started saving for retirement from the age of 41 years and above.

Table 0.7 Age at which respondents began saving for retirement

Age (Years)	Frequency	Percentage
20-30	7	10%
31-40	11	15%
41-50	22	29%
51-60	35	46%
Total	75	100%

4.4.3 Age at which respondent intends to start saving for retirement

For the respondents who indicated that they were not saving for retirement, the researcher probed further to find out at which age they intended to begin saving for retirement. Findings indicate that majority (68%) of the participants planned to begin saving for retirement when they attain the age of 41 years and above.

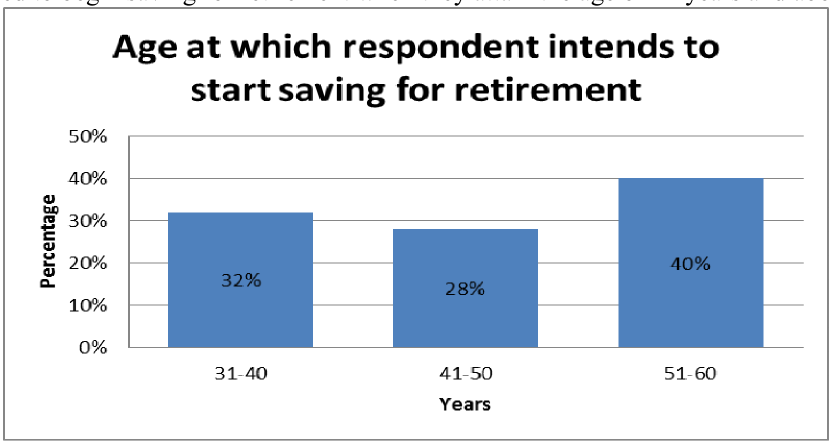

Figure 0.8: Age at which respondent intends to start saving for retirement

4.4.4 Effect of age on retirement saving

A chi square test was carried out to establish the relationship between age and retirement saving. Findings in Table 4.6 show that the P value (0.048) is less than the critical value (0.05) indicating that there is a significant relationship between age and retirement saving. Findings in Table 4.7 show that majority (52%) of those who saved were the more elder participants (Over 50 years).

Table 0.8 : Effect of age and retirement saving

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.096[a]	8	.048
Likelihood Ratio	11.588	8	.171
Linear-by-Linear Association	.297	1	.586
N of Valid Cases	197		

Table 0.9: Retirement saving by age

Age (years)	Saving for retirement			
	Yes		No	
	F	%	F	%
20-30	2	3	31	25
31-40	13	17	14	11
41-50	21	28	53	43
51-60	39	52	24	20
Total	75	100	122	100

4.5 Income and retirement planning

The third objective of the study sought to evaluate the extent to which one's income influences planning and savings for retirement for women in selected private schools within the county. The findings are presented in this section

4.5.1 Distribution of respondents by income

Findings in Figure 4.8 indicate that majority 80% (n=157) earned below KSHs 40,000. The findings show that only 5% (n=10) earned over KSHs 60,000

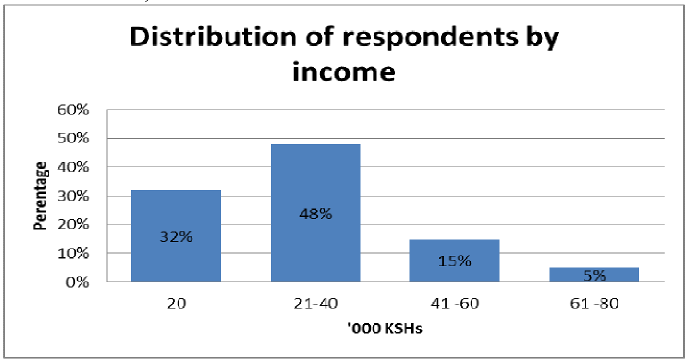

Figure 0.9 Distribution of respondents by income

4.5.2 Level of income at which respondent start saving for retirement

Findings indicate that 51% of the respondents started saving for retirement when they were earning between KSHs 21,000 – 41,000 while 32% started saving at an income of between KSHs 41, 000 – 60,000

Table 0.10: Level of income at which respondent start saving for retirement

Income (KSHs)	**Frequency**	**Percentage**
20,000	6	8%
21,000 – 40,000	38	51%
41,000 – 60,000 6	24	32%
61,000-80,000	7	9%
Total	**75**	**100%**

4.5.3 Proportion of income saved for retirement

For the respondents who indicated that they were currently saving for retirement, the researcher sought to find out what proportion of their income they committed to retirement saving. All (n=75) participants indicated that they committed below 10% of their income to retirement saving.

4.5.4 Proportion of income saved for retirement if income was increased

The researcher sought to find out what proportion of income respondents would commit to retirement saving if their current salary was increased by 10%. Findings indicated that majority 89% (n=175) of the participants would save below 10% of their income for retirement and 11% (n=21) would not commit any part of their income on retirement saving.

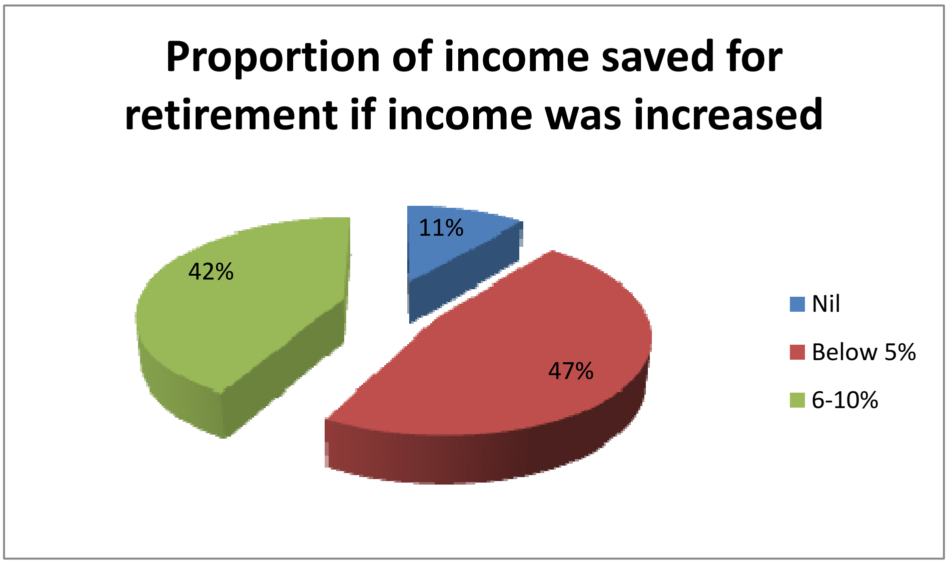

Figure 0.10: Proportion of income saved for retirement if income was increased

4.5.5 Effect of income on retirement saving

A chi square test was carried out to establish the relationship between income and retirement saving. Findings in Table 4.9 show that the P value (0.038) is less than the critical value (0.05) indicating that there is a significant relationship between income and retirement saving. Findings in Table 4.10 show that majority (53%) of those who saved for retirement earned between 21,000 and 40,000 Kenya shillings

Table 0.11: Chi square test results for income and retirement saving

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.426[a]	8	.036
Likelihood Ratio	10.406	8	.238
Linear-by-Linear Association	3.231	1	.072
N of Valid Cases	197		

Table 0.12: Retirement saving by income

Income (KES '000)	Saving for retirement			
	Yes		No	
	F	%	F	%
20 63	2	3	61	50
21-40 95	40	53	55	45
41-60 30	25	33	5	4
61-80 9	8	11	1	1
Total	75	100	122	100

4.6 Education level and retirement planning

The fourth objective aimed to examine the extent to which level of education influences planning and savings for retirement among women in selected private schools within the county. The findings are presented in this section.

4.6.1 Distribution of respondents by education level

Findings in Table 4.6 indicate that 48% of the participants had a bachelor's degree while 43% had a college diploma as their highest level of education.

Table 0.13: Distribution of respondents by education level

Level of education	**Frequency**	**Percentage**
College	85	43%
University	94	48%
Post graduate	18	9%
Total	**197**	**100%**

4.6.2 Level of education at which respondent start saving for retirement

Majority 52% (N=39) of the respondents who were currently saving for retirement began saving when their highest level of education was bachelor's degree.

Table 0.14: Level of education at which respondent start saving for retirement

Level of education	**Frequency**	**Percentage**
College	23	31%
University	39	52%
Post graduate	13	17%
Total	**75**	**100%**

4.6.3 Effect of education on retirement saving

A chi square test was carried out to establish the relationship between education and retirement saving. Findings in Table 4.13 show that the P value (0.416) is larger than the critical value (0.05) indicating that there is no significant relationship between education and retirement saving.

Table 0.15 Effect of education on retirement saving

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.179[a]	8	.416
Likelihood Ratio	8.455	8	.390
Linear-by-Linear Association	2.008	1	.156
N of Valid Cases	197		

4.7 Regression analysis

A regression model was adopted to explain the influence of each of the study variables on retirement planning and saving.

The variable Y was defined as

$Y = \beta 0 + \beta\ 1X1 + \beta\ 2X2 + \beta\ 3X3 + \beta\ 4X4 + e$

Where:-Y= retirement planning and saving

β0= Constant

X1 = Age

X2 = Marital status

X3 = Income

X4 = Education Level

e =Error term of the model

β, β2, and β3 =Coefficients of independent variables

Statistical Package for Social Science (SPSS) version 20 was used to perform analysis at a confidence level of 95%.

Table 0.16 Regression output

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.339	.449		0.933	.535
Marital status	.182	.156	.136	1.437	.061
Age	.397	.254	.205	1.933	.027
Income	.342	.139	.135	1.827	.038
Education	.225	.166	.296	2.555	.052
R-Squire = 0.729 , Adjusted R-Squire = 0.531, F = 22.63 , Sig. = 0.000					
a. Dependent Variable: Retirement _Saving					

Table 4.14 shows the contribution of each variable in explaining the retirement saving of women as shown by standardized beta values which assess the contribution of each variable towards the prediction of the dependent variable. The overall equation as suggested in the regression can be represented by use of unstandardized coefficients as follows:

Retirement saving = 0.339 + 0.182 Marital status + 0.397 Age + 0.342 Income + 0.225 Education

Table 4.14 also shows that R2 = 0.729; this means that 72.9% of the variability of retirement saving could be attributed to marital status, age, income and education of women. The F test indicates whether the model is statistically significant. With a significant level of less than 0.05 the equation is significant, in this case the value is 0.000 and thus the model is statistically significant. This means that the regression model adopted by the current study is ideal for predicting retirement saving among women.

4.7.1 Marital status and retirement saving

There was no significant relationship between marital status and retirement saving (P=0.61) at 95% confidence level. Marital status contributed only 18% to the decision by a woman to save for retirement.

4.7.2 Age and retirement saving
Age (p=0.027) was found to be statistically significant at a 95% confidence level. In addition, age had the greatest effect on financial performance with a unit change in the age of female teachers resulting to a 39.7% increase in retirement saving.

4.7.3 Income and retirement saving
Income (p=0.038) was found to be statistically significant at a 95% confidence level. The decision by a woman to save for retirement was influenced by 34% by the income she got.

4.7.4 Education and retirement saving
There was no significant relationship between education level and retirement saving (P=0.52) at 95% confidence level. Education contributed 22% to the decision by a woman to save for retirement.

SUMMARY OF FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction
This chapter presents a summary of the major findings from the results of the study and the conclusions made from them. It also presents the recommendations made by the researcher. This has been done in respect to the stipulated objectives in a bid to answer the research questions.

5.1 Summary of findings
The following are the major findings of the study as per the objectives:

5.1.1 Marital status and retirement planning
Majority 51% (n=100) of the respondents were married whereas 38% (n=75) were single. Majority 54% (n=106) had a household size of 5 people while those who had a household size of 4 people accounted for 23% (n=45). Majority 51% (n=100) indicated that they were the primary financial decision makers in their households. Majority 51% had 4 dependents while 18%. Majority (79%) of the women who were saving for retirements were married. Findings indicate that majority 64% (n=48) began saving when they were married.

5.1.2 Age and retirement planning
Respondents aged between 31 and 40 years accounted for 38% (n=74) of the participants while those aged between 41 and 50 years accounted for 32% (n=63). Findings indicate that majority (75%) of the participants had started saving for retirement after they attained the age of 41 years and above. Findings indicate that majority (68%) of the participants planned to begin saving for retirement when they attained the age of 41 years and above.

5.1.3 Income and retirement planning
Majority 80% (n=157) earned below Kshs 40,000. The findings show that only 5% (n=10) earned over KSHs 60,000. 51% of the respondents begun started saving for retirement when they were earning between KSHs 21,000 – 41,000 while 32% begun started saving at an income of between KSHs 41, 000 – 60,000. All (n=75) participants indicated that they committed below 10% of their income to retirement saving. Findings indicated that majority 89% (n=175) of the participants would save below 10% of their income for retirement and 11% (n=21) would not commit any part of their income on retirement saving.

5.1.4 Education level and retirement planning
Forty eight percent of the participants had a bachelor's degree while 43% had a college diploma as their highest level of education. Majority 52% (N=39) of the respondents who were currently saving for retirement at the time of the study began saving when their highest level of education was bachelor's degree.

5.2 Discussion of findings
Under this section, the study findings are discussed and criticized. The findings are also related to other studies and theories reviewed in the literature section.

5.2.1 Marital status and retirement planning
Majority of the participants in the study were married, findings indicated the bulk of those who were currently saving for retirement began when they were single. However, marital status was found not to be statistically significant. It could be that, when women get married in most cases the man becomes the financial decision maker in the house and therefore the decision to start saving for retirement is not in the hands of the female teachers. In addition, marriage comes with extra commitments such as paying children's school fees which takes up a significant amount of income making retirement saving more of a luxury than a necessity. These findings are in contrast to Sunden and surette (1998) who found that single men and married women have the least likelihood of having defined contribution plan among all groups (i.e single women, single men married women and married men). The findings are also in disagreement with Tamborini et al., (2009) who found that married couples with both husband and wife working see retirement as more economic feasible. The differences could be attributed to the cultural differences between the setting of the current study and reviewed studies which were carried out in the western world.

5.2.2 Age and retirement planning
The study participants were significantly old with 70% of the respondents being older than 36 years. Age was found to be statistically significant to retirement saving. This can be attributed to the fact that as women and men grow out of their youth they begin looking into the future in terms of investments and saving and start saving for retirement. The findings are therefore in agreement with the life cycle theory which postulates that Younger people tend to have consumption needs that exceed their income. Their needs tend to be mainly for housing and education, and therefore they have little savings. In middle age, earnings generally rise, enabling debts accumulated earlier in life to be paid off and savings to be accumulated. Finally, in retirement, incomes decline and individuals consume out of previously accumulated savings.
The findings are also in agreement with findings by Employee Benefit Research Institute (EBRI, 2010) that young person's typically have low incidence of retirement saving and may not perceive retirement as an important reason to save. The findings are also in agreement with Ekerdt, Kosloski, and Deviney (2000) who found that as individual approach retirement age, they experience more concern and apprehension for their preparedness and financial security and as a result workers who considered themselves to be within 15 years of retiring showed extended involvement in retirement saving.

5.2.3 Income and retirement planning
The study found that majority of the participants was middle class in terms of their earnings in salary. Income was found to be statistically significant to retirement saving. This can be attributed to the fact that as a person earns more they find themselves with more disposable income which they can invest or save. Also, as one grows older, their experience exposes them to jobs with higher salaries which increases their disposable income for retirement saving. The findings are therefore in line with the Permanent Income theory which postulates that a worker will only save if his or her current income is higher than the anticipated level of permanent income in order to guard against future declines in income. The findings are also in line with the relative income theory which complements the permanent income theory by stating that the propensity to save of an individual is an increasing function of his or her percentile position in the income distribution, which is consistent with the cross-sectional evidence. In addition, the findings are in agreement with Delpachitra and Beal (2002) who found that if people can find secure sources of income it encourages them not only to allocate sufficiently for current consumption but also to save for future consumption.

5.2.4 Education and retirement planning
The study found that most of the female teachers in the study had high levels of academic qualification with most of them being university graduates. However, education was found not to be statistically significant to retirement saving. This could be attributed to the fact that education does not always determine the amount of income one will get. Therefore even if a woman is highly educated and knows the importance of retirement saving, she may not be able to practice retirement saving owing to lack of a job commensurate to her qualifications. These findings disagree with a 2000 Women's retirement confidence survey in USA which showed that education affects women's retirement confidence and saving. According to the survey, those who have higher level of education reported higher level of retirement confidence. The findings are also in disagreement with Bernheim and Garrett (1996) who found that individuals who make use of retirement education offered by their employer have an overall saving rate that is 2.2 percent higher than those who do not use educational material, and they accumulate more in retirement wealth.

5.3 Conclusion
The study concludes that age and income are strong predictors of retirement saving among women. With increase in age, women have more experience which qualifies them for jobs with higher pay. With higher pay, the women have more disposable income. The disposable income enables them save for retirement. The study concludes that an old age, women are forced to save for retirement due to concerns for the future.

5.4 Recommendations
The government should create a policy which makes it mandatory for married couples to save for retirement. This will reduce the disadvantage that women hold in marital unions in terms of control of finances. Public education should be implemented to encourage women to save for retirement even at a young age. Public education should aim to remove the perception that retirements saving is for the old and learned.

5.5 Suggestions for further study
The current study focused on teachers in the private sector, future studies should look into other professions such as those employed in the medical field.

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