

UNIVERSITY OF CAPE COAST

AN ASSESSMENT OF RETIREMENT PLANNING AND TEACHERS'  
WELL-BEING IN THE TAMALE METROPOLITAN PUBLIC SECOND  
CYCLE INSTITUTIONS

BY

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## **DECLARATION**

### **Candidate's Declaration**

I hereby declare that this thesis is the result of my own original work, and that no part of it has been presented for another degree in this University or elsewhere.

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### **Supervisors' Declaration**

We hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by the University of Cape Coast.

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## **ABSTRACT**

There is an unpopular belief among Ghanaian workers that proceeding on retirement, especially in the Ghana Education Service, connotes sentencing oneself to impecuniousness due to ill-preparation and poor condition of service. The problem is compounded by volatile capital markets, rising medical-care costs and low saving rates among the working populace, making retirement behaviour and policy a major concern. The main objective of the study was to assess the state of retirement planning among teachers in the Tamale metropolitan public second cycle institutions and how it guarantees their well-being after exiting from active employment.

Both probability and non-probability techniques were employed to select a total of 178 respondents made up of retired teachers, teachers in active service and officials of GES, teacher associations and SSNIT in an exploratory, cross-sectional, descriptive and evaluative study.

The study shows that although there were some kinds of activities aimed at planning for retirement among teachers in public second cycle institutions, the entire process was incomplete. Also, contributions of stakeholders to facilitate secured future for teachers were far less than desired. Other factors such as education on retirement planning and information on investment opportunities, fashioned the extent and nature of one's preparation towards exit from work. Shelter and sustainable inflow of funds were the major concerns of all and one's well-being in old age is virtually tied to the preparations made while in active service. Therefore, for a holistic human resource development to occur, measures such as periodic seminars on retirement planning for teachers and improvement of welfare packages were recommended for stakeholders so as to reassure teachers of belonging to a

noble profession. Workers, especially teachers are also expected to employ the study model for retirement planning to guarantee their well-being.

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Any errors, omissions and misrepresentations remain my responsibility.

## **DEDICATION**

To the memory of my late father Papa Christian Kumah Dzormeku.

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## **LIST OF ACRONYMS/ABBREVIATIONS**

ADB	African Development Bank
BISCO	Business Secondary School, Tamale
DABOTECH	Dabokpa Technical Institute
GAFS	Ghana Armed Forces Scheme
GES	Ghana Education Service
GHANASCO	Ghana Secondary School
GNAT	Ghana National Association of Teachers
GUSSS	Ghana University Staff Superannuation Scheme
HDR	Human Development Report
IDS	Institute for Development Studies
IRA	Individual Retirement Account
KALISCO	Kalpohin Secondary School
MADU	Metropolitan Development Unit (of Tamale Metropolis)
MEO	Metropolitan Education Office
MOEYS	Ministry of Education, Youth and Sports
NAB	National Accreditation Board
NAGRAT	National Association of Graduate Teachers
NEFE	National Endowment for Financial Education (American)
REO	Regional Education Office
SSNIT	Social Security and National Insurance Trust
TAMA	Tamale Metropolitan Assembly
TATCO	Tamale Training College
TEWU	Teachers and Educational Workers Union
TISSEC	Tamale Islamic Senior Secondary School

## **CHAPTER ONE**

### **INTRODUCTION**

#### **Background to the study**

Generally, the essence of development, whether planned or incidental, is to provide meaningful qualitative and quantitative changes in the lives of humankind through a set of activities. In this regard, the South Commission (1990) defined development as a process which enables human beings to realize their potential, build self-confidence and lead lives of dignity and fulfilment; it is a process which frees people from fear of want and exploitation. Similarly, Goulet (1971) advocates that for any meaningful development to occur anywhere in the world, three components of development, which he termed “core values”, should be present. These are life sustenance—the provision of basic needs such as food, housing, clothing and minimal education; self-esteem—the feeling of self-respect and independence, where no individual or nation remains in economic or political subjugation to another; and thirdly freedom—life devoid of the three evils of ‘want, ignorance and squalor’, so that people can and are able to determine their own destiny and possibly guarantee their well-being.

Inherent in these development concepts is the purposeful harnessing of tangible and intangible, natural or artificial resources, mankind inclusive. Capital and natural resources are passive factors of production; human beings are the active agents who accumulate capital, exploit natural resources, and

build social, economic and political organisations for development (Harbison, 1973). Moreover, three world phenomena have made life of people especially the elderly more challenging. These are the HIV/AIDS menace which is fast depleting the youthful population thereby endangering the survival of the elderly and the young (UNAIDS, 2000); the steady increase in life expectancy as a result of advancement in technology (United Nations [UN], 1990-1998; African Development Bank [ADB], 2000-2006) and the gradual shift of emphasis in the family system: from family of orientation (extended) to the family of procreation (nuclear). To achieve meaningful development therefore, key stakeholders do make conscious efforts to harness resources to that end. In the process, people are recruited, placed, retained, their skills developed, used and rewarded, and after attainment of a fixed age, they are retired. All over the world, these employers do make elaborate plans strategically to succeed. For instance employers have criteria for recruitment of the right calibre of personnel, plans for orientation, training, job placement, motivation and appraisal; all geared towards efficiency, effectiveness and maximal output. Thus, the emphasis on the quality of human capital in any establishment remains a priority.

In Ghana, the emphasis on the role of the human resource in the development of the country remains high. Successive governments since independence tried to formulate and implement, as much as possible, policies that would enhance the quality of life of the citizenry through capacity building of the human resource. As a developing nation, the state constitutes the single largest employer of workers in the formal sector of the economy. Both skilled and unskilled labour help the Ghanaian governments to execute development programmes at all levels.

When it comes to the development of resources of the nation, a particular group of workers which stand tall are teachers. Various governments agreed that educating the citizenry is of prime importance if various developmental targets are to be achieved. For that matter there has been continuous effort to make education more relevant to the world of work, rural development and modernization of the predominantly agriculture-based economy, as well as the need to promote national and cultural identity and citizenship (Ministry of Education, Youth & Sports [MOEYS], 2004). Teachers are therefore, employed to facilitate this educational drive at the basic, secondary and tertiary levels. The Ministry of Education, Science and Sports is responsible for the objectives, content, administration and the management of education in Ghana. The basic, secondary and teacher education divisions are under the Ghana Education Service (GES) headed by a Director-General.

With effect from 2007/2008 academic year a “new” educational structure and content was implemented. (MOEYS, 2004). The main agenda of this “new” structure is that as a country aspiring to great economic ambition, education should result in the formation of well-balanced individuals with the requisite knowledge, skills, values, aptitudes and attitudes to become functional and productive citizens (MOEYS, 2004). The implication is that the services of dedicated, motivated and devoted teachers would be needed if the programme is to succeed. Invariably, it also means that more teachers must be recruited, trained, placed and retained to do the job. There are training schemes already in place to equip non-professional teachers in the service. In-service training programmes are equally being carried out to rejuvenate the competencies of the teachers at post. The aspect which appears

to have failed to receive equal attention is the state of retirement preparedness of these teachers before exit from the service.

Just as any other public sector employees, teachers with time tend to cease working at one point in time or the other. This cessation of work could be as a result of death, dismissal, redundancy, retrenchment, redeployment, termination of appointment, resignation, or retirement. Under normal circumstances, the most common form of cessation of one's working life is by retirement. Retirement therefore constitutes an inevitable stage in every worker's life. Teachers are not exempted from this phenomenon. After all, when a worker is too old to work, it poses difficult moral and ethical dilemmas for employees, employers, and healthcare practitioners (Gillin, 2005). All workers who reach the prescribed age are therefore retired with benefits, in a way to curtail such a dilemma. Table 1 shows the number of teachers who retired from GES in the Northern Region from 2001 to 2007.

**Table 1: Number of teachers who retire annually from GES in the region.**

Year	Number of retired teachers
2002	63
2003	79
2004	78
2005	112
2007	117

Source: Regional Education Office, Tamale –2007.

Whilst there are elaborate plans for recruitment and re-training of teachers in the service, much cannot be said of those going on retirement.



Meanwhile, the future strength of any educational system depends upon the extent to which good teachers are recruited and retained in the profession (Richey, 1963). But if the future of the teacher looks bleak, then remaining in the service is not the best option. The worrying situation is that retirement is perceived to be ‘catching up’ with the retirees as both employers and employees make less effort at planning for it. Is it not possible that such a situation can serve as disincentives for potential teachers? Would it not possibly encourage attrition of teachers from the service?

### **Problem statement**

Teachers, like any other category of workers, retire after active service to the nation with great expectation that they would rest from their toils and enjoy the fruits of their labour. In this regard, various pensions and social security benefits are paid to them by the state. However, there is a speculative unpopular belief among teachers that proceeding on retirement in the GES connotes sentencing oneself to destitution, impecuniousness and socio-economic quagmire due to ill-preparation and poor condition of service. For instance, there are retired teachers who are unable to vacate at the stipulated period, official bungalows allocated to them at the time they were in active service. Others in rented premises could hardly sustain payment of rent thereby evoking the wrath and inhumane treatment of the landlords. Again, there are instances where retired teachers could not afford their medical and utility bills, wards’ school fees, and meet basic social obligations. It is even estimated that today’s retirees can count on corporate or government pensions and social security for only 56% of their income needs at retirement. The

remainder must come from other sources— personal savings, earned income, etc (American National Commission on Retirement Policy[ANCRP], 1997).

Retirement is a stage in every worker's life that needs to be prepared for. Unfortunately, there is hardly any evidence that potential teacher retirees are prepared toward retirement. According to Anyah (2000), studies have shown that retired teachers in Ghana do suffer from dissatisfaction for several subtle reasons. For example, spousal separation, lack of self accommodation, poor healthcare, etc. These teachers, he argues further, may see themselves as having joined the wrong profession since they were not prepared by their employers for retirement (Anyah, 2000). Others lay the blame of retired teachers' dilemma and disillusion to their own lack of preparations for retirement while in active service. On his part, Akuamoah-Boateng (1998) asserts that people who usually participate in retirement programmes in Ghana are between 55 and 58 years in age. This implies that, in most cases, participants will have between 2-5 years of work remaining to prepare for retirement. These few years may not possibly be sufficient to embark on detailed and 'successful' preparation towards retirement. Hence, there is obvious ill-preparation and its attendant despitful lifestyle that many retired teachers would encounter. Why should teachers use up their energies in shaping the lives of others for the needed human resource base for societal development only to end up as destitutes themselves? Does it mean that there are no retired teachers enjoying life after retirement? What might have accounted for their success?

As scientific information remains scanty, it is significantly necessary for an empirical assessment of the state of retirement planning among teachers in second cycle public institutions; processes and factors that influence their

preparation; and the adequacy or otherwise of the stakeholders' programmes for retirement preparation of teachers and how it affects their well-being.

### **Objectives of the study**

The general objective of the study was to assess the state of retirement planning among teachers in the Tamale Metropolitan second cycle institutions and how it guarantees teachers' well-being. Specifically, the study sought to:

- i) describe the state of retirement planning by teachers in second cycle institutions in the Tamale Metropolis;
- ii) examine promoting and/or constraining factors which affect retirement planning by teachers in these institutions;
- iii) evaluate the programmes set in place by stakeholders to facilitate teachers' retirement planning; and
- iv) establish implications of the findings for teachers' retirement planning and for future policy.

### **Research questions**

- i) What is the state of retirement planning by teachers in Tamale Metropolitan second cycle public institutions?
- ii) What factors affect retirement planning among teachers?
- iii) How effective are stakeholders (GES/GNAT/NAGRAT/TEWU/SSNIT) programmes to prepare teachers for retirement?
- iv) What implications of the findings on retirement planning among teachers have for policy and practice in that regard?

## **Significance of the study**

Ageing of the individual means growing old; and old people retire from active work. Ageing is a life-long process and should be recognized as such. Moreover, volatile capital markets, rising medical-care costs and low saving rates among the populace have made retirement behaviour and policy a moving target (Clark and Mitchell, 2005). Preparation of the entire population for the later stages of life should be an integral part of social policies and encompass physical, psychological, cultural, religious, spiritual, economic, health and other factors to guarantee their well-being (International Plan of Action on Ageing, [IPAA], 2001). Davidson and Kunze (1965) assert that only few retirees have had any formal preparation before retirement. Those who have had preparation tend to feel more certain and positive about it. A research into the retirement planning and teachers' well-being in the Tamale Metropolitan public second cycle institutions would therefore, provide first hand information on the state of retirement planning of teachers, extent of employer retirement policy adequacy and the factors that influence the planning or otherwise of teachers who retire or are about to retire. This would give stakeholders insight into the problem of ill-preparation and how policies and actions could be incorporated into the human resource development of GES to mitigate the rate of destitute retirees. It would also contribute to the academic discussions and serve as an added source of literature on the phenomenon.

## **Operational definitions**

Planning: A process of setting goals, developing strategies and outlining tasks and schedules to accomplish set goals.

Retiree: An individual who has withdrawn from his/her occupation or service as a result of attaining a prescribed age.

Retirement: Withdrawal from one's occupation, business or office.

Stakeholders: Five entities (namely GES/NAGRAT/TEWU/GNAT/SSNIT) connected with teacher recruitment, training, placement, motivation, welfare, and reward in public non-tertiary institutions.

Teacher: A person authorised to facilitate, mediate, counsel, or guide in the teaching and learning process; and the services are paid for by the state.

Well-being: A state of being healthy, happy, prosperous and contented.

### **Organisation of the study**

This study is presented in five chapters. Chapter One is the introduction to the entire study and contains the background to the study, problem statement, objectives of the study, research questions and the significant of the work. The second chapter contains discussions of the relevant literature on the concepts, theories, and the subject matter. A model for retirement planning is also presented in the chapter. The third chapter is dedicated to issues of methodology. It contains discussions on the study area, study design, study population, sampling size and sampling procedure. Other issues in this chapter are sources of data, data collection techniques, pre-testing of instruments and the actual fieldwork, and data processing and analysis. Chapter Four is devoted to the results of the fieldwork and the discussions thereof. The final chapter is where the summary of findings, conclusions drawn as a result of the findings, and recommendations made are written. It also contains suggested areas for further research.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **Introduction**

The chapter is a review of literature related to the topic under investigation. It hinges around retirement planning, well-being, and the teachers' environment, and how they affect their well-being in retirement. Areas such as the concept of retirement planning, historical perspectives, and theories of retirement planning and well-being were reviewed. In addition, models, elements and various approaches to retirement planning, which provided a fair knowledge about the conceptual intrigues on the topic, were reviewed. Also reviewed were theories of ageing and development, teachers' lifestyle and choices, financial commitments and retirement planning of the individual. The chapter ends with a model for retirement planning derived from these theoretical and empirical studies.

#### **Retirement planning**

Retirement is defined as withdrawal from one's occupation, business, or office (American Heritage Dictionary of English Language, 2000). Planning is the process of setting goals, developing strategies, and outlining tasks and schedules to accomplish the goals (Web Finance, 2005). Planning could also be defined as a decision making which involves the identification of problems, ranking of needs, mobilization, allocation and utilization of

resources to meet those needs (Blankson, 1999). According to Kendie (1999, p. 2), “planning regardless of the level, involves consideration of the existing situation in relation to the desired state which is in the future and making decisions regarding resource allocation and project types; the implementation, monitoring and evaluation of the investment programme to ensure that planned objectives are achieved.”

A retirement plan is an arrangement to provide people with an income, possibly a pension, during retirement when they are no longer earning a steady income from employment, or an asset from which a person may draw an income from as needed ([wikipedia.en...](https://en.wikipedia.org), 2006). McKinney (2005,p.1) defines retirement planning as “the process of establishing a retirement income goal and gathering information about one’s potential sources of retirement income.” The information so gathered is then used to help determine whether or not the individual’s projected retirement cash flow is adequate to fund one’s needs. Retirement planning also involves projecting individual needs and goals after one reaches an age when he/she can no longer be an active part of the work force (McKinney, Jnr, 2003). This planning involves the person’s future lifestyle, where to live, legal matters, financial matters, health concerns, and estate management. The chances are that people will live for several years after they leave active employment so they need to be sure of good preparation to support them and their dependants (McKinney, Jnr, 2003). Serious retirement planning and investment is much more than retirement savings plan, stock portfolio, and other investments. It is really about evaluating one’s retirement dreams, goals, and envisioning one’s financial future (McKinney, 2005). Thus, retirement planning is the thought and commitment that one puts into providing for income and a satisfactory lifestyle for later years after

leaving the active workforce. It is to do with all the processes that would enable an individual realize his/her aspirations in life which would guarantee one's well-being after withdrawal from active working life.

Retirement has three facets: the young workers are anxious to reach retiring age; the old ones are afraid to retire; and the retirees wish they never went (Addison, 2001). Thus, the traditional concept of retirement is often not sweet. According to a think tank assessment sponsored by the American National Endowment for Financial Education (NEFE- May, 1999), traditional retirement is a “miserable existence” model of retirement. The traditional vision sees retirement as representing a single “event”—a target date, typically around age 65 (in the Ghanaian teachers’ case it is age 60) in which one goes abruptly from full employment to full non-employment. Retirement in this context therefore, is a period of idleness and declining health, a time in which the retiree is “too sick to work yet too well to die” (NEFE, 1999).

Well-being of an individual on the other hand is the state of being healthy, happy, or prosperous. It is a state of being well, healthy and contented ( Rao, 2000). According to Rao (2000, p.1), "Well-being has three aspects - physical, mental and social, but without the first, the other two are unattainable. One does not know what it is to be ill unless it happens.”

For mental well-being, it is important to keep busy. One learns the pleasure of relaxing only after a good day's work. And social well-being includes your relationship with family, friends and others ( Rao, 2000). Well-being can also be considered as an environment in which a person is at his/her creative and productive best. “We live in an environment of constriction and repression - family, school, college, government - are all inhibiting factors. One has to rise above this to achieve well-being” (Madan, 2007, p. 7).



Rajaram (2000) asserts that status in society and a certain minimum level of material comforts are also essential for an individual's well-being. "Physical fitness and mental peace are important, but professional satisfaction is first. People tend to forget the material aspect but ultimately that plays a big role", he added. On her part, Geeta-Chandran (2000, p. 1), exclaims:

To me well-being means quality of life. First, I should be able to recognise my needs. Then, I should be able to give some time to meeting these needs; be it in terms of work, leisure or relationships. If there is any hindrance in meeting these needs, then my quality of life deteriorates. While trying to meet my needs, I should also be able to recognise my strengths and accept my limitations and use the former to overcome the latter.

Retirement planning for an individual's well-being therefore, encapsulates all arrangements that workers make to achieve contentment, reduce inhibitions and promote their health status. It also enables potential retirees to overcome physical, financial, and psychological challenges after they exit from active service.

### **Historical perspectives on retirement planning**

Retirement, for many, means old age. Normally retired people are old, and old people retire from active working life. According to McConnell and Usher (1980), although retirement is one of the big events in a person's life and contributes in an important way to the meaning of old age in modern society, it has not always been universal. On the contrary, it is holistically quite recent in origin. The authors assert that many people retire well before age 60, while others work well into their 8<sup>th</sup> decade. In addition, some people

retire and return to work numerous times throughout their lives. McConnell and Usher (1980) further contend that prior to industrialization in the mid 19<sup>th</sup> century, workers were tied to their job both because their labour was needed and also because they could not afford to retire. Retirement planning therefore was only the concern of the rich nobility.

In their work on “Adult Development and Ageing”, Perlmutter and Hall (1992), as cited in Addison (2001), wrote that the concept of retirement plan, which means withdrawal from labour force yet continuing to be paid, is a relatively new development. “It is a phenomenon that appears to be connected with industrialization” (Perlmutter & Hall, 1992,p.31). During the 19<sup>th</sup> century, they contend, only a minority of the population lived long enough to reach today’s retirement age and the average worker was still employed at the time of death. Those who survived continued to work as long as they were physically able, and in predominantly agricultural areas, there was always work for them to do.

Ward (1979) cites four reasons which he labelled ‘forces’ in his work “The Ageing Experience” as the genesis of formal retirement planning. He observed that as industrialization proceeded, several forces acted at once to create an atmosphere conducive to the emergence of retirement as an institution. These forces are:-

- decline in the demand for labour, a trend which began in the 1870s and reaching its peak in USA with 30% unemployment in 1930s;
- technological transformations of the economy which led to “accelerated obsolescent of the knowledge and skills of older workers”;
- growth of large scale bureaucracies with impersonal rules and regulations governing among other things, the retirement decision; and

-growth of private pensions and social security which provided the economic base to support retirement.

According to Meier and Dittmar (1979), the emergence of retirement plan as an officially sanctioned event is traced back to a German Chancellor Otto von Bismarck, who in 1891 legislated the Old Age and Survivors Pension Act. This act established retirement at the age of 70 years. On his part, Pratt (1976) notes that retirement planning came of age in USA with the development of economic programmes to support the aged outside the workforce. The early 1920's marked the beginning of the drive for old age security in the United States as aging based organizations sought a government sponsored national Pension system. The great depression however, forced the country to take notice of the economic plight of the aged. The result was the Social Security Act in 1935 which not only provided a degree of economic security to many persons aged 65 and over, but also set into motion a trend towards labour force exit at or before 65 (Pratt, 1976). Thus, while the various explanations offered above suggest that the phenomenon of retirement is relatively a 20<sup>th</sup> century happening in the world, one sure bet is that it is and would be a lasting phenomenon for which workers must adequately prepare for.

### **Theories of retirement planning and well-being**

“Theories on retirement planning abound; but few can say for sure what really works. This uncertainty may be the reason why it is difficult to engage a person in his/her 20s and 30s in a discussion on retirement planning” (Sriram, 2007, p.2). The two most commonly used retirement planning theories are the traditional retirement planning and reality retirement planning.

Traditional retirement planning theory assumes that a household's expenditures during retirement increase by certain percentage each year to reflect historical inflation rates. This, according to its proponents usually results in increasingly higher withdrawals from the retiree's nest egg to help sustain inflation-adjusted expenses throughout retirement.

The reality retirement planning on the other hand assumes that a household's real spending needs decrease incrementally throughout retirement. The theorist asserts that "retirement planning is like a tug-of-war match, with inflation pulling spending needs up and human nature's tendencies pulling spending back down" (Bernicke, 2006, p.4). Thus there is an inverse relationship between age and spending.

Well-being is mostly used to describe what is non-instrumentally or ultimately good for a person. It is also referred to as 'prudential value'. There are three distinguishable, yet related types of well-being theories. These are hedonist, desire, and objective list theories. According to Bentham (1996,p.1), "nature has placed mankind under the governance of two sovereign masters: pain and pleasure." Well-being (hedonists' perspective) therefore is the greatest balance of pleasure over pain. The hedonists assert that human beings always act in the pursuit of whatever will give them the greatest balance of pleasure over pain.

The desire theorists (welfare economists) on the other hand contend that pain and pleasure are difficult to measure. Therefore, one's well-being is rather the overall level of desire-satisfaction in their life as a whole. Thus, peoples' well-being is manifested in the satisfaction of preferences or desires, the content of which could be revealed by their possessors. This way, there is a

possibility of preferences, the development of utility functions for individuals and methods for assessing the value of preference-satisfaction.

The objective list theorists (intuitionists) usually prefer the listing of items, which in their assertion constitute well-being that consist of neither merely in pleasurable experience nor in desire-satisfaction alone. Examples are friendship, knowledge, happiness, and indeed everything 'good'.

These theoretical perspectives strongly suggest that if workers failed to make prudent decisions while still at work, they are likely to face difficulties in life after retirement. Desire satisfaction, which could lead to life fulfilment, is cardinal, if retired workers could have an appreciable level of balance of pleasure over pain.

### **Models of retirement planning**

Scholars from the two major schools of thought on retirement planning developed different models for retirement planning in an attempt to address the ill-preparedness of workers towards exit from active workforce. This study reviewed four distinct models as follows:

The standard retirement model was developed by Yuh, Montalto, and Hanna (1998). It assumes that a household should have constant contributions to retirement accounts between now and retirement. The approach also assumes that a household's goal should be to have the same real consumption in retirement as of now. Thus, the standard approach to the evaluation of retirement adequacy, suggests that a constant of real savings should be contributed each year to retirement account, between now and retirement. The result of Hanna et al (2002)'s work using this model is that household heads ranged in age from 22 to 59, with a median of 31. Of the working households,

only 33% were on track to achieve their desired level of living in retirement. The median age of those not prepared for retirement was 28, compared to 35 for those prepared for retirement. A possible conclusion one could draw is that preparation towards retirement increases with age. The limitation of the approach however is that the expected real rate of return on retirement asset is taken into account but could not control for the elasticity of marginal utility with respect to consumption, and did not take into account the personal discount rate.

In the 1990s, financial planners developed a model based on a person's life cycle to help people understand retirement planning and other financial planning issues (Wolters Kluwer Business Group, 2005). It is called life cycle approach to retirement planning. This model generally divides a person's life into five time-periods or stages for which specific concerns are paramount to the individual. These are ages of majority, responsibility, maturity, reflection and tranquillity. The age of majority starts from age 18 and ends at age 30. A person at this stage is generally still single and first begins earning money as an adult. There is no better period than this to start saving for retirement, but it is the most ignored period of retirement planning.

The age of responsibility is the period from age 30 to 45, which includes those with developing careers and growing families. At this point, the feeling that it is all downhill from here is true at least when it comes to saving for retirement. Ages 45 to 55 constitute the age of maturity where people are theoretically approaching the height of their careers and family development. The age of reflection starts at age 55 and ends at about age 65, where people are usually in the pre-retirement phase and have the "empty nest" syndrome to look forward to (in Ghanaian workers' case, it would be 55-60 years).

The last stage is the age of tranquillity, which is age 65 or above. At this stage in a person's life, hopefully finds the retiree enjoying the fruits of his or her labour and dealing with post-retirement issues. This model's greatest strength and its greatest weakness are the same: its simplicity. There is no model that could ever hope to neatly pigeonhole every major life event into tidy age compartments (Wolters Kluwer Business Group, 2005). People may start or change careers or families late in life. Any number of similar life events may occur at any point in a person's life. At the same time, retirement planning issues can become quite complex and a life cycle model could help a teacher to make sound planning decisions without being overwhelmed.

Wolters Kluwer Business Group (2005) posits that no matter where in the life cycle an individual is, he/she will always face unique challenges that may require different retirement strategies. On the other hand, there will always be retirement planning issues that come up again and again. As workers navigate through the life cycle stages, they ought to remember that most planning issues will involve answers to the following questions: How much time do I have left until I can retire? How much can I invest toward retirement? Will the magic of compounding work for me?

Another interesting model on retirement planning is the prescriptive life cycle model. This theoretical exposition holds that if a household faces zero real interest rate, and no discounting of the utility of the future consumption, it will be optimal to have constant consumption. With a non-zero real interest rate, optimal consumption will grow according to the equation:

$$\frac{C_{N+1}}{C_N} = \left[ \frac{(1+r)}{(1+\rho)} \right]^{(-1/\epsilon)}$$

Where  $r$  = real interest rate

$\rho$  = annual discount factor (related to risk of death plus a factor of changes in household size)

$\epsilon$  = elasticity of marginal utility with respect to consumption.

Developed by Ando and Modigliana (1963), the underlying assumption of the model is that consumers seek utility maximization from consumption over their lifetime. Hanna, Chang and Fan (1995) show that based on this model, the amount saved each year and the accumulation of investment assets will depend on expected income patterns and real interest rates. Their work explains that for a given income pattern over a household's remaining years, the lower the optimal growth rate of consumption, the lower will be optimal savings initially. Therefore, even households with identical situations today in terms of current income and household composition may have different optimal savings in a year.

Hanna et al. (1995) also show in their work that for younger households expecting increases in real income until retirement, the level of investment assets may be low or negative until age 35, and then rapidly increases as retirement approaches. In a similar work, Yuh, et al (1998) found that only 52% of American households were on track to achieve an adequate retirement. To the Ghanaian teachers who would like to maximize consumption over the rest of their lifetime upon retirement would therefore have to adequately prepare by making savings, investments, etc to guarantee their families' well-being.



The fourth model reviewed is the reality retirement planning. Reality retirement planning assumes that a household's real spending will decrease incrementally throughout retirement. The result is that potential retirees can make more realistic retirement saving assumptions and will be able to retire sooner than later (Bernicke, 2006). This is contrary to the traditional retirement planning which assumes that a household's expenditures will increase a certain amount each year throughout retirement. Data from the U.S. bureau of labour's consumer expenditure survey (2002) showed that household expenditures actually declined as retirees' age. For instance expenditure on apparel and services; entertainment; food and alcohol; healthcare; housing; transportation; personal insurance and pension; and miscellaneous decline from an average of \$48,748 for people aged between 45 to 55 years to \$32,243 for people aged 65 to 74 years annually.

Consequently, under traditional retirement planning, consumers tend to oversave for retirement, underspend in their early years of retirement, or postpone retirement. Using the Monte Carlo simulation, Bernicke (2006) run a hypothetical retirement income projections comparing traditional retirement planning and reality retirement planning. Under the traditional approach, the couple's nest egg would appear to be depleted by age 80. Under the reality approach, the nest egg at age 80 would be over \$2 million (Bernicke, 2006). Such dramatic differences have implications for retirement planning especially so for people in the developing world where income levels are generally low and assurances of one's well-being in old age is always a major challenge.

## **Approaches to retirement planning**

“You cannot go on dreams alone. You have to put some numbers behind your dreams” (Rowe & Kahn, 1987, p.143). A general social survey conducted in 2002 by Statistics Canada found that 60% of recent retirees who left the labour force early have had second thoughts, often because of financial constraints. This means that many have returned to work after their initial retirement often for financial reasons.

According to Mitchell and Utkus (2005), employees are being given more and more decisions to make to their pension and healthcare plans. Yet research in the social sciences increasingly shows that the decisions 'real' people make are not those of the thoughtful and well-informed economic agent often portrayed in economic research, but are often based on flawed information and made without full understanding of their financial implications. To forestall return to work and planning based on flawed information, McKinney, Jr (2003), proposes some ways an individual could prepare for retirement.

These ways include review of one's finances, retirement needs or goals, social security and benefit statements. It is estimated that one will need between 70% and 90% of the current income to maintain the same standard of living after retirement. In addition, the individual should hold discussions with the Human Resource representative of his/her department, talk to one's spouse and family at large. Finally, the potential retiree ought to develop a healthy lifestyle, open an individual retirement account (IRA), and think about how to spend time. Nothing is more frustrating than to have time but nothing to do (McKinney Jr., 2003). Although these approaches may not be blueprint for successful retirement planning, they offer useful guidelines. Workers in

Ghana, especially teachers could avoid financial difficulties in retirement if they planned properly.

### **Elements of retirement planning**

Retirement means different things to different people: for those in their 20s, it is a distant dream; for those in their 30s and 40s, it is a minor concern; and for those 50 and beyond, it is a reality that ought to be dealt with (Harmon, 2003). No matter the individual's age, sex or occupation, there are few elements that should be considered in retirement planning if one intends to safeguard his/her well-being. The most important element according to McKinney (2005) is financial matters, as it could make the difference between an enjoyable retirement and no retirement at all. One needs to estimate the amount of money that would be required and available at retirement. Regular and adequate inflow of financial resources could greatly enhance the retirees' well-being.

Another cardinal element is where to live. An abode does not only concern with types of accommodation, but the location as well. A retiree's abode should be chosen in a way that access to basic facilities such as water, light, healthcare, etc might not pose much difficulty. Other elements include legal matters, future lifestyle, health matters and estate management. For instance the future lifestyle of a retiree is very important as inactivity of the individual could result in placidity of the body tissues.

The last element in retirement planning is the process. Every effective retirement plan has to start with the individual's aims and objectives of life. Differences exist among people. It is therefore expected that preferences, would equally differ. Planning should be informed by the individual's

endowments and the environment since no one lives in a vacuum. The second stage in the process is to forecast and/or analyze factors, which could influence the realization of the objectives the individual set to achieve in life. It is worth noting that the process of retirement planning cannot be a simple linear event where a chain of events follow automatically. It might therefore be necessary to do revisions of objectives when one's circumstances are being analyzed or decisions are operationalized.

### **Theories of ageing, development, and retirement**

According to one school of thought, there are two types of theories on ageing. These are programmed theories and error/damage theories ( Stuart-Hamilton, 2000). The former holds that ageing follows a biological timetable. Human beings, once born would grow, mature, get old and eventually die off. Branches of the programme theory are endocrine and immunological theories. The latter holds that ageing is as a result of environmental assault that gradually causes things to go wrong. Branches of error or damage theories are wear and tear, rate of living, cross-linking, free radical, error catastrophe and somatic mutation theories. Things we get into contact with and the activities we carry out in one way or the other tend to have damaging effects on us. Invariably, we get exhausted and used up. To every worker therefore, no matter how long it takes, one cannot continue in employment forever. A time would come when the employer would be better off without old and aged workforce since their contribution to productivity would be low. And of course, a time would come when the hitherto strong and robust worker would be better off in rest due to fatigue and frail physique. The result would be retirement which must therefore be planned for.

Another school of thought on ageing posits that there are three major perspectives to ageing. These are biological/physiological, psychological, and sociological theories. Biologically, genetic mutation, cellular waste accumulation, and wear and tear are the processes that account for ageing. These negatively affect the functional ability of workers. For instance the theories explain the changes that occur in the ageing individual such as osteoarthritis, chondromalacia, greying of hair, reduced elasticity of skin, rigidity of the arteries, decline in kidney function, opacification of the lens of the eye, and decline in oxygen uptake and delivery throughout the body (Gillin, 2004). Most changes in the physiological function are all losses with a median slope of 0.5% per year of the initial value at age 30 years (Yates, 2002; Gall and Parkhouse, 2004).

Psychological theories of ageing include longevity, activity, disengagement, and continuity theories. Body reminders such as prostrate problems, calendar reminders such as birthdays, contextual reminders such as becoming the oldest at work, highest seniority and mortality reminders such as life-threatening illness, heart attack, etc evoke the sense of rapid ageing (Gillin, 2004). However, the individual worker can be motivated to remain active and engage in productive work. Hansen (2001) contends that theories on psychological ageing tend to study post-retirement, thus very little is known about the pre-retirement condition and ageing other than personality development.

The third perspective are the sociological theories of ageing. These include age stratification theory, ageing and society paradigm, political economy of ageing and the ambivalence theory. Thus, sociological ageing theories focus on its social construction uniquely perceived as depending on

diversity. They also generate ambivalence because positive and negative factors of ageing challenge the availability of resources to the employer and employee (Gillin, 2004).

On the development and functioning of a teacher, Erikson (a Freudian ego-psychologist)'s personality theory helps with an insight. According to Erikson (1966), human development functions by the epigenetic principle. This principle says that people develop through a predetermined unfolding of their personalities in eight stages. Progress through each stage is in part determined by success, or lack of success, in all the previous stages:

A little like the unfolding of a rose bud, each petal opens up at a certain time, in a certain order, which nature, through its genetics, has determined. If we interfere in the natural order of development by pulling a petal forward prematurely or out of order, we ruin the development of the entire flower.

Erikson (1966) further explains that each stage involves certain developmental tasks that are psychosocial in nature, and has a certain optimal time as well. If a stage is managed well, we carry away a certain virtue or psychosocial strength which will help us through the rest of the stages of our lives. On the other hand, if we don't do so well, we may develop maladaptations and malignancies, as well as endanger all our future development. The teacher, whether retired or in active service belongs to the last two stages. These stages labelled as "generativity versus self-absorption", "integrity versus despair" are characterized by "care and wisdom" as the desired virtues while "rejectivity and despair" are the maladaptations. The ability of teachers to plan successfully for their work and eventually for

retirement would therefore, be determined by where they find themselves on the divide.

### **Teachers' profession and retirement**

To teach, according to Chambers Pocket Thesaurus edited by Schwarz (1998), means to coach, accustom, counsel, direct, discipline, guide, tutor, inculcate, etc. A teacher, therefore, is the person who performs any of these duties; but for the purpose of this study, a teacher is defined as the person who is officially authorized to perform these duties in a school and the services are paid for. By the nature of their profession, teachers are required to have some basic academic and moral qualifications. Also some qualities like tolerance, patience, and perseverance are desired so that a meaningful impact could be made. Indeed, teachers are a unique class of workers who are responsible for the training of all other professionals. By GES standards, teachers in second cycle institutions are those posted and assigned to work in Senior High Schools, Training Colleges and Vocational and Technical Institutes. These teachers are expected to acquire at least Diploma Certificates in prescribed disciplines. Generally, the teachers' profession calls for total cognitive, affective, and psychomotor skills. It is, however, considered peaceful and less risky business compared with other professions like the military. With time, as with any other human beings, teachers age, grow old and weary, exhausted and fatigue-plagued, and eventually have to exit from the service on those grounds.

Teachers like other workers in Ghana have three ways by which they can retire from active service: compulsory retirement, voluntary retirement, and retirement on medical grounds. Compulsory retirement comes when the

employee attains the age sixty (60). Voluntary retirement is allowed when the employee attains the ages from 55 to 59 years. The retirement on medical grounds is applicable to any teacher during the working life when an employee is incapable by reason of infirmity of mind or body, of discharging the duties of his/her profession. In this case the declaration of incapacitation must be done by a medical board after the expiry of six months sick leave with pay (GES/GNAT, 1987).

Upon retirement, the Ghanaian government, as the largest employer in the formal sector has policies in place that caters for retirees' financial needs to some extent. There are four major public sector retirement schemes in Ghana. These are: the pension ordinance number 42 of 1950, popularly known as CAP 30; the Social Security and National Insurance Trust (SSNIT) scheme of 1965; Ghana University Staff Superannuation Scheme (GUSSS); and the Ghana Armed Forces Scheme (GAFS). There are other private pension schemes available to formal sector workers such as provident funds and the facilities provided by Insurance Companies.

Teachers under the Ghana Education Service (GES) fall under the two major schemes: CAP 30 and SSNIT pension. The CAP 30 operates upon "pay-as-you-go", where pension costs are met from current state revenue whilst SSNIT operates under the "pre-funding", where funds are set aside by both the employer and the employee and invested to meet future liabilities. Studies have shown that "teachers under CAP 30 do receive lump-sum retirement payments four times higher than those under the SSNIT scheme" (Bediako Commission, 2005, p. 16).

From 1950, all teachers were covered by the Pension Ordinance. With the introduction of SSNIT in 1965, teachers at the time had the choice to



belong to either scheme. By 31<sup>st</sup> December, 1971 however, all new entrants into GES fell under the SSNIT scheme. As of now, majority of teachers belong to the SSNIT scheme, which technically is less beneficial to the retirees. This seemingly insufficient benefit for teacher pensioners demands that effective planning is done before retirement. Even if the three-tier long-term scheme proposed by the Bediako Commission on pensions becomes operational and fruitful, significant preparations are necessary to make retirement life and one's well-being meaningful.

### **Teachers' lifestyle, choices and retirement**

The choices people make in life hugely depend upon the orientation, information, and preferences at their disposal. Indeed peoples' choices and lifestyles contribute to their personality which significantly manifests in their performance. One would also expect that teachers, just as any other individual lead lifestyles and make choices which affect their lives and the roles they play in active service and retirement. Boeree (1997), for example argues that the number of roles one can play in life was extremely limited for men, and even more so for women. Most people are generalists; very few can afford to be specialists. Roles are learned simply by being around other people in a family and community. One learns by living. Choice making is therefore limited.

In another dimension, the utility theory says that an individual faced with a decision chooses from a set of alternatives, say  $X$ . Among all elements of  $X$  the decision-maker weighs the merits and de-merits of each option and attempts to select the option that suits him/her "best." This requires a precise definition of "best." In more rigorous terms, there is a need to define an

ordering for the set of alternatives that makes it possible to compare every element of the set with every other element (Gupta and Murray, 2005). They denote this ordering by ' $\succeq$ '. If  $x, y \in X$ ,  $x \succeq y$  will imply that the decision-maker prefers  $x$  to  $y$  and  $x \succ y$  would imply that  $x$  is strictly preferred to  $y$ . The preference relation defined above is said to be rational if it satisfies the axioms of choice. These axioms are reflexivity, completeness and transitivity and are defined as follows:

Reflexivity - For all  $x \in X$  we have  $x \succeq x$ .

Completeness - For all  $x, y \in X$  we have either  $x \succeq y$ ,  $y \succeq x$  or both.

Transitivity - For all  $x, y, z \in X$ , if  $x \succeq y$ ,  $y \succeq z$ , then  $x \succeq z$ . (Varian, 1992).

According to Gupta and Murray (2005), the imposition of these axioms has enormous implications in practical terms although at first sight these axioms may look reasonable. Reflexivity is the weakest and most acceptable axiom. The completeness axiom implies that the decision maker has done the introspection of all the alternatives; however far removed they may be from ones realm of common experience. It is easy to imagine that this may need serious work and reflection on one's preferences and may in some cases be almost impossible. The transitivity axiom on the other hand implies that in a sequence of pairwise choices there is no possibility of cycles. This implies that irrespective of the manner in which the options are framed or presented, the decision-maker is mature enough to be able to rank all of them in an order that contains no cycles.

Another perspective from which choices people including teachers make could be explained by the descriptive/behavioural theory of choice. Many behavioural scientists and economists have attempted to understand the decision-making processes among ordinary people through experiments and

studies of various kinds. These attempts also try to quantify the choice making process, but try to be parsimonious in their assumptions. They therefore constitute what is called the descriptive theory of choice (Wright, 1985). Five major phenomena of choice are identified as framing effects, nonlinear preferences, source dependence, risk seeking and loss aversion. These are defined as follows:

**Framing effects:** Lack of description invariance implying that variations in the framing of options yield systematically different preferences.

**Nonlinear preferences:** The expectation principle of utility theory states that utility of risky prospects is linear in outcome probabilities. However, experimental evidence indicates that people tend to transform probabilities nonlinearly, overweighing small probabilities and underweighing moderate and high ones.

**Source dependence:** Willingness to bet on an uncertain event depends not only on the degree of uncertainty but also on its source.

**Risk seeking:** As opposed to the generally assumed risk aversion in economic analysis, in certain situations people prefer more risk to less. For instance, people prefer a small probability of winning a large prize over the expected value of that prospect.

**Loss aversion:** Carriers of value are gains and losses defined relative to a reference point and the losses loom larger than the gains. Implying that an amount of loss elicits more ‘unhappiness’ than the same amount of gain elicits ‘happiness.’

It is hoped according to (Gupta and Murray, 2005), that these descriptive studies will help in bridging the gap between the theories developed on the rationality hypothesis and what is observed in practice.

Bridging this gap will help stakeholders in providing better advice and 'educate' people to make better decisions. Teachers planning to retire would therefore benefit from such education.

### **Personal endowments and retirement**

Every human being is born with some amount of psychological, emotional, and physical endowments that are unique. These endowments play enormous roles in the development of the individual. Some of these endowments are also acquired as part of socialization, largely in their micro environment, while others are obtained through one's own effort in life. Personal endowments that play significant roles in the life of the teacher include knowledge, skills, health, age, assets, psychological strength, and income. For instance, the level of knowledge could influence the individual's way of life during active work and even in retirement. Low expenditure on healthcare could mean high saving towards retirement and vice versa.

An important endowment of every individual is psychological strength. This contributes to life satisfaction of the person involved. The fulfilments of one's needs, desires, or expectations in life depend largely upon the individual's psyche and what constitutes satisfaction. According to Atchley (1988), this fulfilment emanates in both internal and external construct of the individual. The internal adaptive process is successful if the person has a high degree of life satisfaction and if the person is able to remain relatively autonomous at least psychologically and able to maintain his/her sense of continuity. External adaptation is successful if the individual continues to receive rewards for participation. Thus if older people are satisfied with their

present and past lives, then it can be concluded that they have adapted to ageing.

Havighurst (1963) identifies five components of life satisfaction. These are:- (i) zest - showing vitality in several areas of life, being enthusiastic; (ii) resolution and fortitude- not giving up but taking the good with the bad and making the most of it, accepting responsibility for one's own personal life; (iii) completion – a feeling of having accomplished what one wanted to; (iv) self-esteem – thinking of oneself as a person of worth; and, (v) outlook – being optimistic, having hope.

In a work by Haris and Associates (1975) using scales developed upon these components, they found that when income is controlled, life satisfaction of the elderly was greater than or equal to that of younger age categories. But in a work by Parnes (1981), he found that retirement produces no significant change in life satisfaction. Almost half of the respondents did not expect retirement to reduce life satisfaction. Simpson and McKinney's (1966) work also show that morale and satisfaction were generally unconnected with work and retirement. They conclude that morale and satisfaction are rather influenced by health, family situation, and other personal factors. In a work done in the Agona district in the Central Region of Ghana, Addison (2001) asserts that financial security, accommodation, and health status relate positively to success in life. The work shows that the above factors are the key determinants of post-retirement satisfaction among Ghanaian workers. For a teacher to enjoy satisfactory retirement, therefore, physiological and psychological desires must be met.

## **Financial commitments and retirement**

Teachers in Ghana are paid regularly for their services, even though they always say it is insufficient. Just like any other formal sector workers, their financial commitments are many and varied. The major life sustenance and basic items on which teachers expend their income are food, clothing, housing and transportation (Maslow, 1954). Others include healthcare, utilities, and entertainments. The quantum of expenditure on each item normally depends upon the number of people forming the household and the conditions prevailing therein. Teachers' expenditure is also informed by lifestyle, taste, and future plans (McKinney Jnr., 2003). Spousal status, family size and structure, job location, and religious orientation also have the tendency to influence the teacher's financial commitment as well as preparing for retirement. For instance teachers with wards in school would have more financial demands towards fee payment than those without wards to care for. This would invariably affect the amount of financial resources that could be allocated for planning towards retirement. Therefore, the amount of money that could be used as investment or savings towards old age and retirement to a large extent depend upon plans made.

## **Relationship between and among concepts**

Retirement planning is about advance preparation in anticipation of exit from active work. This is necessary because as ageing theories explain, workers grow old and weary with time. Yates (2002) posits that functional ability of people declines with age. It is estimated that averagely, the capabilities of workers decline at 0.5% per annum, from what they usually have at the peak age of 30 years. Workers differ in their preferences and

perception of ‘good life’ which every one strives to achieve in his/her lifetime. Approaches to retirement planning and the various models provide some guidelines that workers could utilize for successful retirement planning.

The concepts discussed also bring to the fore the relationship between workers’ ability to prepare for retirement and the condition prevailing at their places of work. Favourable conditions like security, economic opportunities, and legal supports would positively influence the process. Thus, the physical and the socio-cultural environment in which the teacher works exudes enormous influence on his/her survival. Tamale Metropolis (the study area) is home to several economic activities with people of vast and diverse cultural background bringing variety to social life and commercial activities. Financial institutions are present in the city and several investment opportunities abound. In addition, all the elements of retirement planning could easily be obtained in the Metropolis. For instance there are five hospitals and twelve clinics to offer avenues for healthcare of everybody, teachers inclusive. Thus, teachers who are desirous to plan for their old age could capitalize on the resources and opportunities in the Metropolis to prepare for retirement if they are well informed about the issues. [Detailed profile of Tamale Metropolis would be discussed under ‘study area’ in the next chapter].

### **Study model for retirement planning**

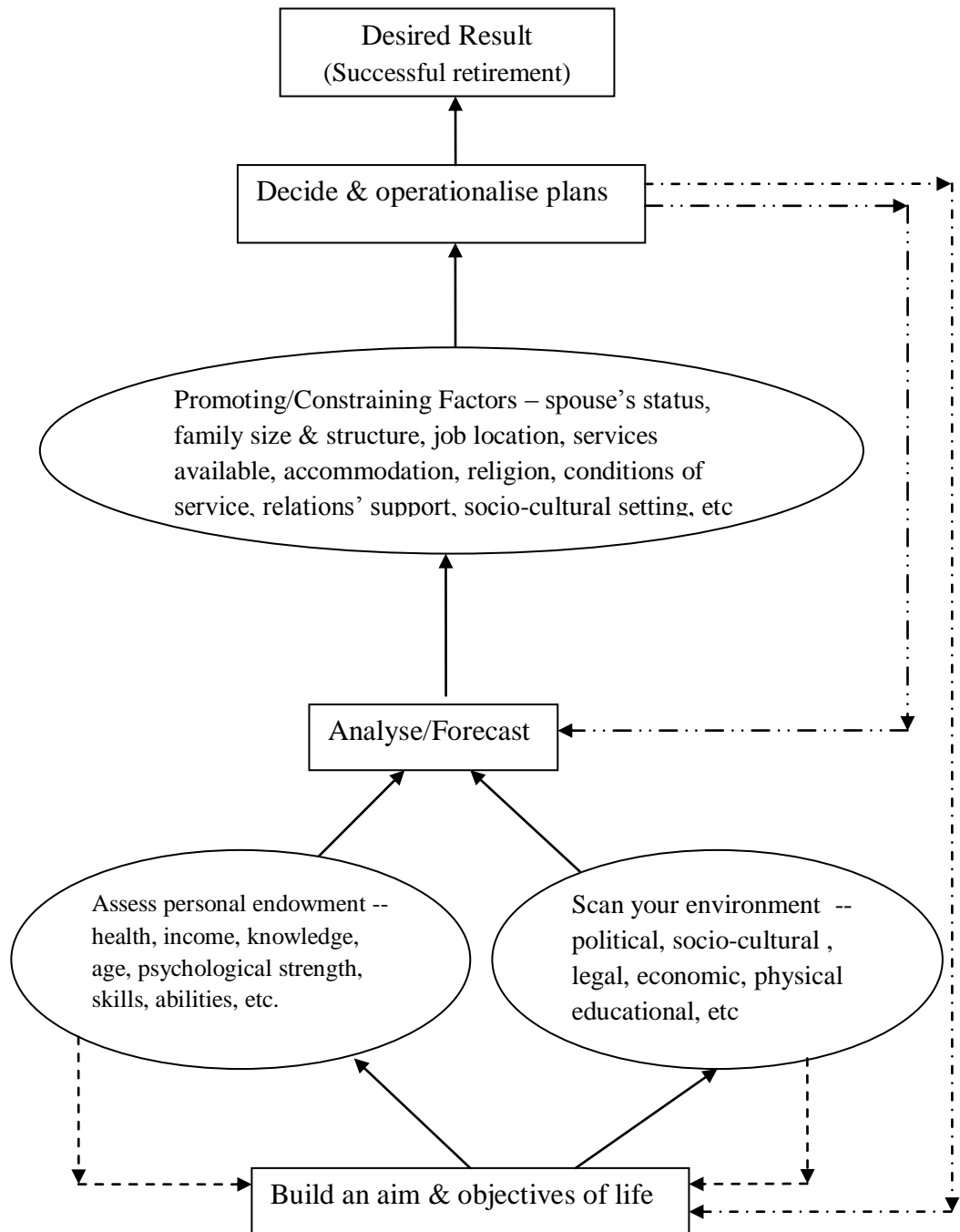
The premise of this thesis is that, a properly planned retirement would accord a retiree a meaningful and deserved rest. If one plans carefully, one would retire successfully, no matter the odds. This is based upon Darwin’s (1859) theory of Evolutions --“Survival of the fittest”. “Life is a competitive struggle to survive, often in the face of limited resources. Living things must

compete for food and space. They must evade the ravages of predators and disease while dealing with unpredictable shifts in their environment” (King and Scott, 2006, p.2). Thus within a given population in an environment, certain individuals possess characteristics that make them more likely to survive and reproduce than others. Careful examination of the concepts, theories and models discussed led to the formulation of the model for retirement planning which workers especially teachers could adopt and apply for their desired retirement.

Every effective retirement plan must start with the individual’s aim and objectives of the “good life”. Differences exist among people. It is therefore expected that preferences would equally differ. After the objectives are clearly set, the next important thing to do as shown in the model (Figure 1) is to identify and assess one’s personal endowments and scan the environmental factors that could influence one’s choice making. The factors in both internal and external arena could either promote or inhibit the process. For instance, factors such as age, health status, income, assets, and competencies in the personal endowment section are very crucial determinants of the individual’s preparation. For example, a young teacher would have more years to plan ahead of retirement than an older teacher would. Similarly, good health might facilitate retirement planning whereas poor health status might impede it.

The economic, political, and legal environments could influence one’s preparations towards retirement. For example in a country where rule of law, good governance, and democracy elude the citizenry; and in its place anarchy and jungle life prevails, it would be extremely difficult to plan towards the future. Daily survival would rather become the major concern of all the





**Figure 1: Study model for retirement planning**

Source: Constructed out of literature review, 2006.

citizens, including teachers. On the contrary, where the social environment is conducive, effective preparation for retirement could be done. It is worth noting that both personal endowments (inner field) and environmental factors (outer field) keep the individual's aim and objectives in shape. Thus feedback from these two "fields" informs the adjustment of objectives.

The next stage in the process is to analyse the existing conditions which could either be constraining or promoting factors. The planner could as well forecast such conditions that may exist in the future. The weight of these conditions would have implications for the individual, especially financial commitments. Whilst some of the conditions may lessen the burden, others would increase it. Having made enough analysis and forecasting, the potential retiree then decides upon what to do, and operationalise the plans as depicted in the model. This could be investment in goods and services, savings, contribution to private pension schemes, etc. The ultimate result would be a desired retirement when the teacher's time is due. The retiree then continues to review the decisions, implement them to keep the cycle of optimal benefit to whim on. As planning is not an exclusive linear operation, it is important to re-analyse or forecast promoting or constraining factors during operationalisation stage. It is also possible to revisit the set objectives; this way reality would be married to dreams.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **Introduction**

The chapter deals with issues related to the methods and procedures adopted and used in the study. The study area, study design and the study population are described. Other issues like sampling procedure, sources of data and data collection techniques are also discussed. In addition, there are discussions on data processing and analytical procedures used. The chapter ends with the statement of the time when the pre-testing of instruments and the main field work were carried out.

#### **Study area**

The study was carried out in the Tamale Metropolis in the Northern Region of the Republic of Ghana. Hitherto a municipality, Tamale attained Metropolitan status in 2005 by legislative instrument 1453. It has a human population of 293,881 made up of 146,979 males and 146,902 females (Ghana Statistical Service, 2000).

The study area constitutes the “outer field” or part of the macro environment in which the worker resides and to a very large extent therefore, significantly influences the decisions teachers make as far as planning for retirement is concerned. Tamale is also the capital of the Northern Region and therefore serves as the nodal point of all other districts in the region.

Geographically, Tamale Metropolis covers 13% (approximately 750 sq km) of the land area of Northern Region. The population density is 318.6 persons per square kilometre. It exhibits all the characteristics of urban, peri-urban and even rural settlements. It shares common boundaries with Savelugu/Nanton District to the north, Tolon / Kumbungu District to the west, Central Gonja District to the south-west, East Gonja District to the south and Yendi District to the east. Tamale experiences one major rainy season starting from April/May to September/October, with a mean annual rainfall of 1100mm. The dry season is usually from November to March. The mean day temperatures range from 33° C to 39° C while mean night temperature range from 20° C to 22° C (Metropolitan Development Unit [MADU], 2006).

Even though the native dagombas form the majority of residents, there is ethnic diversity. Almost all the ethnic groups in Ghana are represented in the metropolis. There is also religious diversity with Islam being the dominant.

Tamale could also be considered as the educational citadel of Northern Ghana. The Metropolis is home to several crèches and basic schools; both public and private. By the 2005/2006 academic year, the number of registered second cycle institutions was thirteen. This is made up of ten (10) Senior Secondary Schools, two (2) Training Colleges, and one Vocational/Technical Institute. There are equally a number of private, unregistered commercial and secretarial schools. University for Development Studies and Tamale Polytechnic are two tertiary Institutions in the Metropolis. Two health institutions: nurses training college and school of hygiene are also present in the city. For the 2005/2006 school year, there were 519 professional and non-professional teachers in the second cycle institutions. This comprises 101

females and 418 males taking care of 12,369 students (Tamale Metro Directorate of GES, 2006).

Socio-economic activities in Tamale Metropolis mirror the culture of Ghana and West Africa in general, although the specifics of Northern Ghana are more profound. This is exhibited in housing design and festivals. Tamale Metropolis, being the regional capital as well, enjoys a relatively good infrastructure: good roads and buildings. About 60% of residents have access to electricity, while 40% rely on kerosene as sources of lighting. Wells, boreholes, dugouts supplement pipe borne water supply for the city. There are six private clinics and two hospitals in addition to three public hospitals and six clinics, to cater for the health needs of the people.

The economy of Tamale Metropolis is dominated by agriculture, employing quite a large number of people. Crops such as maize, millet, sorghum, rice, groundnut, cowpea, soya beans, yam, and cassava are cultivated. Animals reared include cattle, sheep, goats, pigs and poultry. Tamale Metropolis is the commercial hub of northern Ghana and so always busy with commerce. The industrial sector is mainly agro-processing activities such as rice milling, vegetable oil -extraction, cotton ginning, and textile or smock making. Other small scale industries involve vehicle repairs, pre-fabrication of spare parts, and manufacturing of farm implements. Artisans also engage in leather works, wood works, weaving, dressmaking, etc. By 2005, there were two large, three medium, and 145 small scale industries in the metropolis (MADU, 2006).

Figure 2: Northern region of Ghana

Figure 3: Tamale metropolis

## **Study design**

Although various works have been done worldwide on retirement related issues, the topic under investigation exhibited variables which required a fact finding approach. The topic is therefore considered exploratory in the sense that it is probably the first of its kind in the Tamale Metropolis, if not the whole of Northern Ghana. Also, seeking the views of teachers (retired and those in active service) alongside officials of GES, GNAT, NAGRAT, SSNIT, and TEWU on retirement planning through systematic collection of data presented the study as being descriptive in nature.

In addition, the study is considered cross-sectional because it was conducted across all registered second cycle institutions within Tamale Metropolis. Different age groups, both sexes and the various programme areas were all simultaneously understudied. Above all, the study made an assessment of the stakeholders programmes put in place to prepare teachers for retirement hence the evaluative nature of the work. The study is thus designed as exploratory, descriptive, cross-sectional and evaluative.

## **Study population**

The study population consisted of all teachers (trained or untrained) practising in public second cycle institutions in the Tamale Metropolis. It also included all retired teachers who ever worked in a second cycle institution but not older than seventy (70) years by January 2007 and could be located within the Metropolis during the study. In addition, officials of GES, at district and regional office levels were included alongside officers of NAGRAT, GNAT, TEWU, and SSNIT.



As at 2005/2006 academic year, there were five hundred and nineteen (519) teachers working in the public second cycle institutions in the metropolis. This was made up of 418 males and 101 females. The regional and district GES staff numbered 81 and 65 respectively (REO, 2007). According to officials of pensioners association, there were about nine hundred and eighty (980) registered pensioners in the Tamale Metropolis. Three hundred (300) or more of this number were teachers. However, the exact numbers of retired teachers in the metropolis who ever worked in a second cycle institution was not readily available.

### **Sampling procedure and sample size**

“Large samples do not always guarantee a higher degree of precision, validity or, in general, success in a research study” (Sarantakos, 1998, p.159). According to Bluman (2004:349-350), in determining the sample size, ‘the size of the population is irrelevant’. Instead, the degree of confidence and the maximum error to be tolerated are necessary to make the determination. Bluman (2004), suggested that to determine the sample size for finding a confidence interval for a proportion in any population, the formula

$$n = p q \frac{[Z_{\alpha/2}]^2}{E} \quad \text{could be used.}$$

If p is unknown, then one should use p = 0.5 as that value would give sample size sufficiently large to guarantee an accurate prediction, given the confidence interval and the error of estimate. The reason, Bluman (2004, p.349) argues further is that “when p and q are each 0.5, the product p q is at maximum”. This study is planned to estimate with 95% confidence and accuracy within 5% of the true proportion of all results of the research.

$$\text{Thus sample size (n)} = \frac{p q [Z_{\alpha/2}]^2}{E}$$

$$\text{Where } p \text{ (sample population proportion)} = 0.5$$

$$q \text{ (1- p)} = 0.5$$

$$E \text{ (maximum deviation/error margin)} = 0.05$$

$$Z_{\alpha/2} \text{ (level of confidence @ 95\% )} = 1.96$$

$$\text{Therefore } n = [0.5 * 0.5] [(1.96/0.05)^2]$$

$$= [0.25] [1536.64]$$

$$= 384.16$$

$$\approx \underline{384}$$

That is, a sample size of 384 was proposed for the study. However, owing to resource constraints (time and money), the large sample size was scaled down by factor 2. ( $384/2 = 192$ ). It is worth emphasizing that the reduction in sample size did not affect the representativeness of the study sample because of the homogeneous nature of the study population (Sarantakos, 1998; Mason, et al., 1999). In fact, Taschereau (1998, p.33) argues that a “sample size depends upon what you want to know, purpose of the inquiry, what is at stake, what will be useful, what will have credibility, and what can be done with the time and resources available”.

To ensure equal representation of the targeted population, a combination of probability and non-probability sampling techniques were employed. Firstly, the selected sample size of one hundred and ninety-two (192) was distributed amongst officials, retired teachers, and teachers in active service as follows: six (6) sample units for the officials considered to have

invaluable information for the study, forty-five (45) sample units for retired teachers, approximately 15% of the estimated 300 teacher retirees in the metropolis, (as the ratio of teachers in second cycle institutions to the basic schools is 15:85; REO, 2007), and the remaining one hundred and forty-one (141) sample units were allotted to teachers in active service.

Specifically, purposive sampling was used to select six (6) officials: one each from GNAT, NAGRAT, TEWU, SSNIT, district and regional GES offices. Accidental and snowball sampling were used in reaching thirty-one (31) out of forty-five (45) targeted retirees. However, the thirty-one was considered representative enough as the retiree responses were becoming repetitive, suggesting saturation in the selected sample of retired teachers. The teachers in active service were selected using probability sampling (simple random, stratified sampling) and quota sampling, making the procedure both gender and institution sensitive. Firstly, the thirteen (13) second cycle institutions with a total staff population of 519 were put into three strata: senior high, training college and vocational/technical. Secondly, simple random probability sampling was used to select five out of the ten registered senior high schools, one out of the two teacher training colleges in addition to the only vocational/technical institute. The total staff population of the selected institutions was 292 out of which 141 sample units (about 48%) were selected providing quota for male and female staff in proportional manner. The individual respondents of each institution were also selected using the simple random probability sampling technique. Thus, the actual sample selected and used for the analysis was 178 (6 officials, 31 retired teachers and 141 teachers in active service) as against the initially targeted sample of 192 (Table 2).

**Table 2: Sample population**

Sample element	Method of sampling	Study population	Selected sample	Actual sample
Officials	Purposive sampling	-	One official each from GES/SSNIT/Teacher unions = 6	6
Retirees	Snowball/accidental sampling	300	15% of 300 (estimated retirees) = 45	31
Active teachers	Stratified/quota/simple random sampling	519	48% of 292 (population of selected schools) =141	141
				*M F T
-Training college	-	-	-	10 2 12
-Vocational /technical	-	-	-	14 7 21
-Senior High Schools	-	-	-	82 26 108
Total			192	178

\*M = male, F = female, T = total

Source: Fieldwork, 2007

### Sources of data

Both primary and secondary data were used in the study. Primary data were sourced through the use of questionnaires and interview schedules. With the help of two Field Assistants recruited for the study, data was collected

from teachers in active service, retired teachers and officials of GES, Teacher Associations and SSNIT. Secondary data was obtained from books, the internet, and the records of GES, GNAT, NAGRAT, SSNIT and TEWU.

### **Data collection techniques**

Instruments used for the study were questionnaires and interview schedules. The interview schedules were given to officials of GES, SSNIT and teacher association officials to study before the interview session. The questionnaires were in two modules A and B. Module A was administered to teachers in active service whilst module B was used for retired teachers. Both modules consisted of four sections labelled A-D.

Section A: Socio-demographic information.

Section B: Retirement planning by teachers in second cycle institutions.

Section C: Factors affecting retirement planning of teachers.

Section D: Stakeholders programmes on retirement planning.

### **Pre-test and fieldwork**

The pre-testing of instrument was carried out in December, 2006 at Bolgatanga. Bolgatanga Girls' Senior Secondary School [BOGISS] teachers responded to the pre-test instrument for teachers in active service, whilst some teacher retirees in town responded to the instrument for retired teachers. This pre-test was done for two reasons: to pre-test the research instrument, and to offer practical orientation to the field assistants. These enhanced the consistency, validity, and reliability of the instrument and the process in general. For instance questions irrelevant to the objectives of the study were deleted. It also offered the opportunity to determine the duration at which a

questionnaire could be administered and the period for which the entire field study could take. Also, Bolgatanga was selected because it exhibits similar characteristics of the study area.

The main study was carried out from 15<sup>th</sup> February to 20<sup>th</sup> March, 2007. Teachers in active service were given self-administered questionnaires which they responded to within fourteen days. In each of the selected institutions, a contact person was appointed to assist in the selection of respondents and distribution of questionnaires. This procedure was adopted to help in retrieving completed questionnaires as these contact persons were always available in the various institutions. The strategy contributed immensely to the total retrieval of the instruments. The officials of teacher associations, GES, and SSNIT were contacted in their offices where time was scheduled for the interviews. All the officials provided invaluable information and there was support, co-operation and interest in the study being carried out. Similarly, the retired teachers were contacted for their convenient time and place where the questionnaires were administered to them by the Researcher and Field Assistants. The last set of instruments were administered on the 20<sup>th</sup> March, 2007.

### **Data processing and analysis**

Information gathered from the field was edited, coded, summarized, analysed and presented in bar and pie charts, tables, graphs, and cross tabulations to exhibit frequencies, central tendencies, relational measures and associations. These were then used to determine rates, factors, trends, percentages, etc as regards retirement planning among teachers. The Statistical

Product for Service Solution (SPSS- version 15), Megastat (version 7), and Microsoft Office Excel (2007 edition) were used in analysing the data.

Specifically, the comparison framework of data analysis was used to describe the state of retirement planning by teachers in public second cycle institutions in the metropolis. That is, what was really happening on the ground being compared to what the various theorists suggested. On factors that enhance or constrain the retirement planning process, all the factors identified by respondents were categorised. Ranking of factors was then done to provide both descriptive and inferential statistics. Optimization framework was used in evaluating the stakeholders' programmes. The purpose of these programmes is to offer teachers the very best assistance in whichever form in their planning towards retirement. The descriptive statistics was then used to arrive at conclusions.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **Introduction**

This chapter contains the analyses of data gathered during the study. It is presented in two parts. Part one deals with the bio-data of thirty-one retired teachers and one hundred and forty-one teachers in active service. The second part focuses on the objectives of the study. These include the state of retirement planning by teachers in second cycle institutions in the Tamale metropolis; factors affecting retirement planning among teachers; and the stakeholders programmes on retirement planning. Official interviews by officers from GES, NAGRAT, TEWU, SSNIT, and GNAT were also issues included in the analyses and discussion of results.

#### **Socio-demographic background (bio-data) of respondents**

Of the 141 teachers who constituted the respondents in active service (module A), 75.2% were males and 24.8% were females. This gives a ratio of approximately 1:3 females to males. About nine percent (8.5%) of these respondents were teaching in Teacher Training Colleges, 14.9% in Vocational/Technical Institutions and the remaining 76.6% were teaching in Senior High Schools (SHS) as shown in Table 3.



**Table 3: Sex and institutional distribution of teachers in active service (%)**

	Teacher Training College	Vocational/ Technical Institution	Senior High School	Total
Male	7.1	9.9	58.2	75.2
Female	1.4	5.0	18.4	24.8
Total	8.5	14.9	76.6	100.0

Source: Fieldwork, 2007.

The retiree respondents were made up of seven females (22.6%) and twenty-four males (77.6%). Of these numbers, 54.8% reported that their last duty post was either GES or Educational Unit offices, 22.6% had worked in Senior High Schools before retiring, 12.9% in Teacher Training Colleges and 9.7% in Vocational/ Technical Institutions (Table 4).

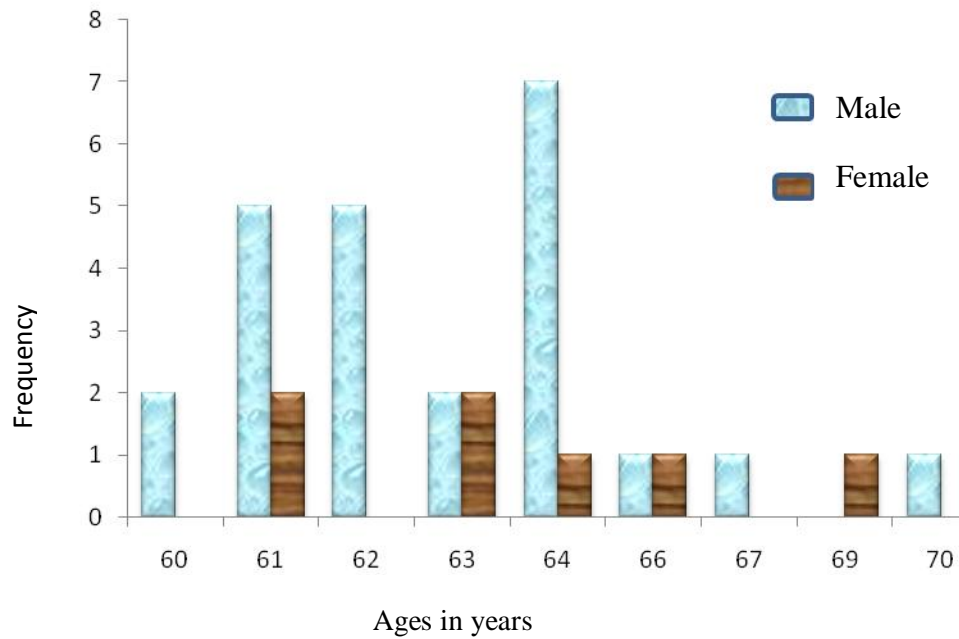
**Table 4: Sex and institutional distribution of retirees (in percentages)**

	Teacher Training College	Vocational/ Technical Institution	Senior High School	GES/ Educational Unit offices	Total
Male	9.7	3.2	19.4	45.2	77.4
Female	3.2	6.5	3.2	9.7	22.6
Total	12.9	9.7	22.6	54.8	100.0

Source: Fieldwork, 2007.

The ages of the retiree respondents ranged from 60 to 70 years. About 25.8% was aged 64. The modal age of the male retirees was 64 years (22.6%),

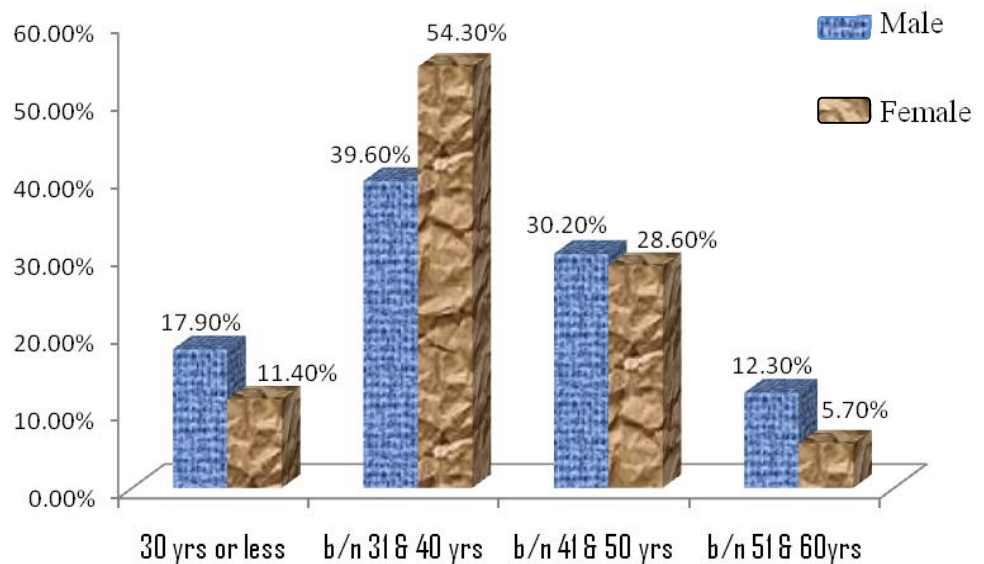
whereas those of the female retirees were bi-modal ages of 61 and 63 years (Figure 4).



**Figure 4: Age distribution of retirees**

Source: Fieldwork, 2007.

On their part, 43.3% of teachers in active service were aged between 31 and 40 years, and this constituted the modal age group for both males and females, depicting quite a youthful working class (Figure 5).



### Figure 5: Age distribution of teachers in active service

Source: Fieldwork, 2007

The respondents, whether retired or in active service, were highly religious. About sixty percent (60.3%) of the teachers in active service were Muslims whilst 39.7% were Christians. Similarly, 64.5% of the retirees were Muslims, 32.3% Christians and 3.2% traditionalists. Thus comparatively, 61.0% of all respondents were Muslims and 38.4% were Christians confirming the dominance of Islamic religion in the study area (Table 5).

**Table 5: Religious affiliation of respondents**

RELIGION	Teachers in Service		Retirees		All Respondents	
	Frequency	percentage	frequency	percentage	frequency	percentage
Islam	85	60.3	20	64.5	105	61.0
Christianity	56	39.7	10	32.3	66	38.4
Traditional	0	0.0	1	3.2	1	0.6
<b>TOTAL</b>	<b>141</b>	<b>100.0</b>	<b>31</b>	<b>100.0</b>	<b>172</b>	<b>100.0</b>

Source: Fieldwork, 2007.

The bio-data analysis also shows that married respondents outnumbered the bachelors and spinsters among the teachers in active service. About 76% were married and 24% were single, none was divorced or widowed. Among the retiree respondents on the other hand, 71.0% were still married, 19.3% widowed and 9.7% divorced. Table 6 shows the marital status of all respondents.

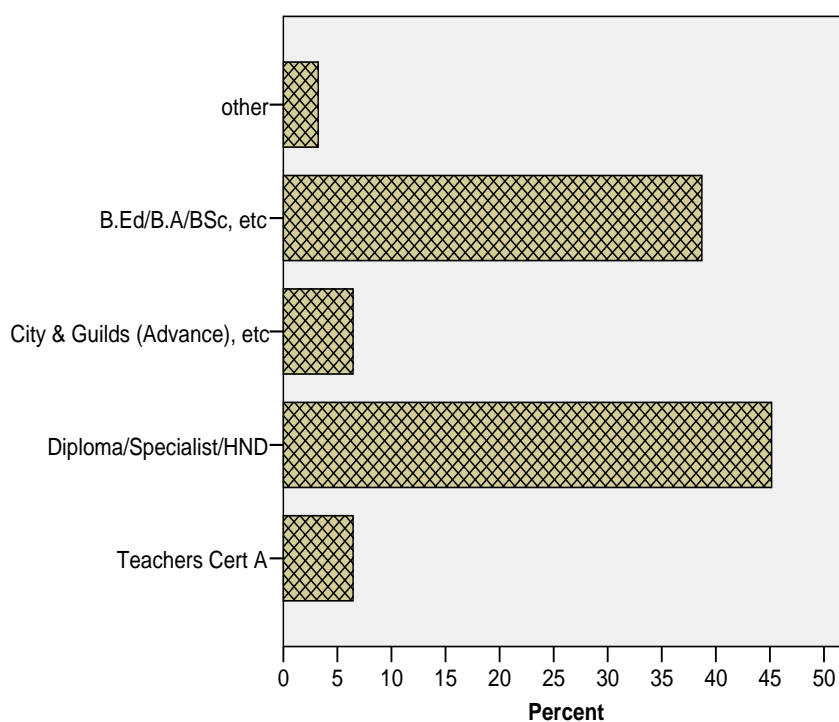
**Table 6: Marital status of respondents**

STATUS	Retirees		Teachers in Service	
	Frequency	Percentage	Frequency	Percentage
Single	-	-	34	24.1
Married	22	71.0	107	75.9
Divorced	3	9.7	-	-

widowed	6	19.3	-	-
Total	31	100.0	141	100.0

Source: Fieldwork, 2007.

The respondents obtained varied certificates, especially first degrees. Figure 6 shows the highest educational qualification obtained by retirees. About thirty-nine (38.7%) hold first degree, 45.2% hold diploma/specialist certificates, 6.5% each hold either 'Cert A' or City & Guilds and 3.2% have other qualifications.



**Figure 6: Highest educational qualification obtained by retirees**

Source: Fieldwork, 2007.

Approximately one percent (0.7%) of teachers in active service failed to disclose their highest educational qualifications and 1.4% others obtained qualifications that were unspecified. The most common certificate was first

degree; 77.3% (109), depicting highly qualified personnel base in the second cycle institutions in the Tamale Metropolis (Table 7).

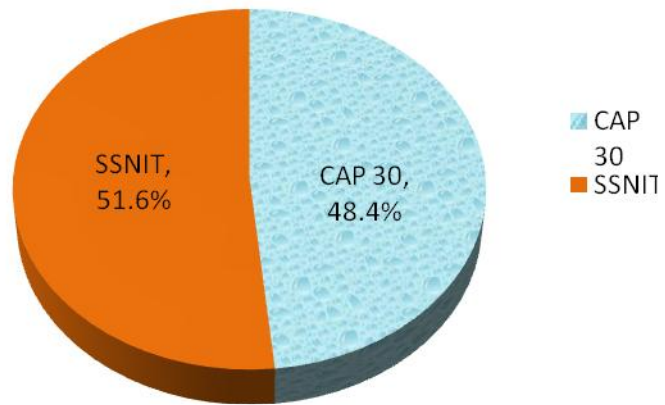
**Table 7: Highest educational qualification of teachers in active service**

Qualification	Frequency	Percentage
Teacher's Cert A	3	2.1
Diploma/Specialist/HND	14	9.9
City & Guilds/Advance	5	3.5
B.Ed/B.A/BSc,etc	109	77.3
PGDE/PGCE	3	2.1
M.Ed/MSc/Mphil/MBA	4	2.8
Other	2	1.4
No response	1	0.7
Total	141	100

Source: Fieldwork, 2007.

About fifty-three percent (52.5%) of the respondents in active service were affiliated to GNAT, 44.7% affiliated to NAGRAT, and 1.4% each for TEWU and Other (the respondents failed to specify). Ninety-five (95.2%) of NAGRAT members were in the Senior High Schools (SHS) and constituted 55.6% of all the respondents from SHS. The retiree respondents were 67.7% affiliates of GNAT, 29.0% of NAGRAT, and 3.2% of TEWU.

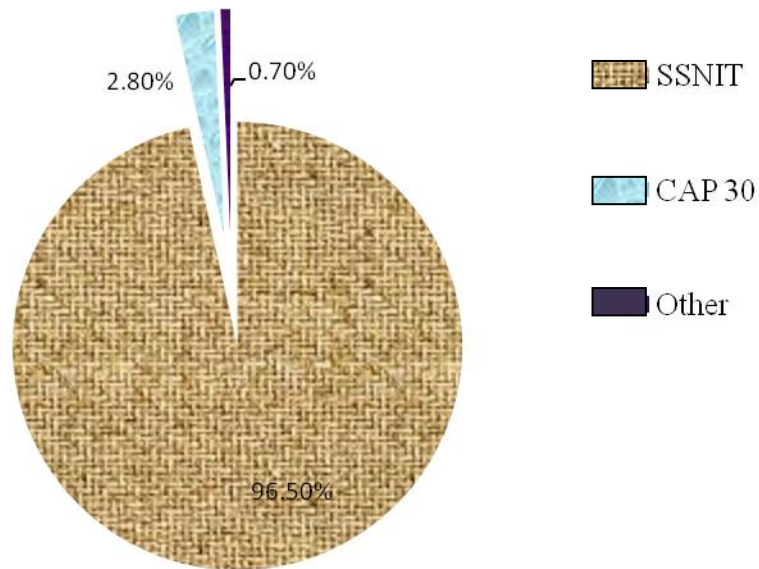
Retired teachers were almost equally divided between CAP 30 and SSNIT pension schemes. Figure 7 shows that 48.4% of the retirees were on CAP 30 scheme, whilst the remaining 51.6% were on the SSNIT scheme.



**Figure 7: Retirees' pension scheme**

Source: Fieldwork, 2007.

On the other hand, majority of teachers in active service, who were of a relatively younger generation, were placed on the less lucrative SSNIT scheme. The distribution was as follows: 96.5% on SSNIT scheme, 2.8% on CAP30, and 0.7% was a National Service personnel, yet to be placed on a pension scheme (Figure 8).



**Figure 8: Pension scheme of teachers in active service**

Source: Fieldwork, 2007.

**The state of retirement planning by teachers in public second cycle institutions in Tamale metropolis**

Retirement is the point where a person leaves employment completely upon reaching a determined age; when physical conditions do not allow the person to work any more (eg. illness or accident); or even for a personal choice (Rooney, 2007). McKinney Jnr. (2003) defined retirement planning as projecting individual needs and goals after one reaches an age when he/she can no longer be an active part of the workforce. Responses from both retirees

and teachers in active service in totality reflect similar thinking on the subject.

Three main definitions were assigned by respondents (Table 8).

**Table 8: Respondents' definition of retirement planning**

Definitions	Retirees		Teachers in service		All Respondents	
	Freq	%	Freq	%	Freq	%
Preparation for life after public/government service	11	35.5	25	17.7	36	20.9
Detail arrangements for old age	05	16.1	26	18.4	31	18.0
Plans towards life after attaining age sixty	15	48.4	67	47.6	82	47.7
No response	-	-	23	16.3	23	13.4
<b>Total</b>	<b>31</b>	<b>100.0</b>	<b>141</b>	<b>100.0</b>	<b>172</b>	<b>100.0</b>

Source: Fieldwork, 2007.

About half (47.6%) of teachers in active service and 48.4% of retirees defined retirement planning as arrangement for one's life after attaining old age (age sixty). Another 16.3% of teachers in service however gave no response. Thus, the teachers and the theorists hold similar view on what constitutes retirement planning. From the responses, it could be calculated that 96.8% of retiree respondents, including all the females, had planned towards their retirement from active service (Table 9).

**Table 9: Retirees preparation towards retirement planning**

Did you plan towards retirement?	Male		Female		Total	
	Freq.	%	Freq.	%	Freq.	%
Yes	23	74.2	07	22.6	30	96.8
No	01	3.2	-	-	01	3.2
<b>Total</b>	<b>24</b>	<b>77.4</b>	<b>07</b>	<b>22.6</b>	<b>31</b>	<b>100.0</b>

Source: Fieldwork, 2007.



However, the retiree responses showed that the age at which planning towards retirement started differ. Table 10 shows that the earliest age at which respondents started preparations before their subsequent exit from work is forty years.

**Table 10: Age at which retirees started planning for retirement**

Age of Retiree	Frequency	Percentage
40	3	9.7
45	2	6.5
48	2	6.5
50	8	25.8
53	1	3.2
55	11	35.5
56	3	9.7
Not applicable	1	3.2
<b>TOTAL</b>	<b>31</b>	<b>100</b>

Source: Fieldwork, 2007.

Thus, 9.7% had twenty years to plan. Majority, however started the process at age fifty-five (35.5%), making it the modal age of retirement planning. Cumulatively, half of the retiree respondents - 48.4% started from fifty-five years or above. This practical evidence supports the theoretical assertion that retirement planning is a minor concern for people aged forty years or less but a reality for those aged fifty years and beyond (Harmon, 2003). It also confirms Hanna et al (2002)'s assertion that retirement planning increases with age.

Among teachers in active service, 70.9% were planning towards exit from work, whilst 29.1% were yet to start. Among those aged thirty years or less, seventy percent (70%) were not planning towards retirement, whereas all those aged between fifty-one and sixty years were planning for retirement. This state of affairs confirms Sriram's (2007) assertion that persons in their

20s and 30s have little to do with issues concerning retirement planning (Table 11).

**Table 11: Serving teachers' preparation towards retirement**

Age of respondents	Are you planning towards retirement?	Are you planning towards retirement?		
		Yes	Not yet	Total
30 years or less	Frequency	7	16	23
	% within age	30.4	69.6	100.0
	% of total	5.0	11.3	16.9
Between 31 and 40 years	Frequency	39	22	61
	% within age	63.9	36.1	100.0
	% of total	27.7	15.6	43.3
Between 41 and 50 years	Frequency	39	3	42
	% within age	92.9	7.1	100.0
	% of total	27.7	2.1	29.8
Between 51 and 60 years	Frequency	15	-	15
	% within age	100.0	-	100.0
	% of total	10.6	-	10.6
Total	Frequency	100	41	141
	% within age	70.9	29.1	100.0
	% of total	70.9	29.1	100.0

Source: Fieldwork, 2007.

As shown in Table 12, 97.9% of teachers in active service opined that it was necessary to plan for retirement but differed in opinion on the necessity for a teacher to plan for retirement. Assigning reasons for their respective responses, 36.9% of those who answered 'yes' for example, opined that planning towards retirement guarantees one's well-being in the future. Another eighteen percent (17.7%) stated that such plans help one to avoid frustration and becoming liability to society in old age. Other reasons assigned were that retirement benefits are inadequate and so there is a need to plan

(9.9%); and retirement planning regulates one's lifestyle and financial management (11.3%). These opinions expressed by respondents reflect the argument by McKinney, Jnr. (2003) that retirement planning must involve the projection of individual needs and goals which include future lifestyle, financial matters, health concerns, and estate management.

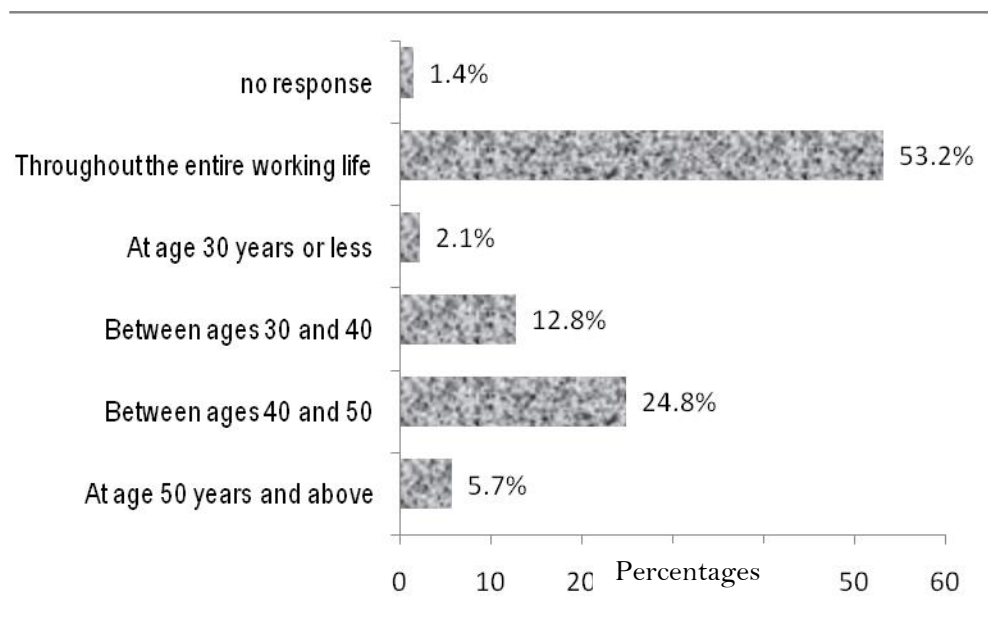
**Table 12: Serving teachers' reasons for the need to plan for retirement (%)**

Reasons for response	Whether a teacher should plan for retirement			
	Yes	No	Don't know	Total
Retirement benefits are inadequate so there is a need to plan.	9.9	-	-	9.9
Retirement planning guarantees one's well-being in the future.	36.9	-	-	36.9
To avoid frustration/social liability.	17.7	-	-	17.7
Retirement planning regulates one's lifestyle.	11.3	-	-	11.3
Retirement planning improves teachers' standard of living.	16.3	-	-	16.3
Stakeholders failed to help teachers plan for retirement.	1.4	-	0.7	2.1
Ageing affects the mind/performance so a need to plan.	0.7	-	-	0.7
Age limit is set why plan?	-	0.7	-	0.7
No response.	3.5	-	0.7	3.5
<b>Total</b>	<b>97.9</b>	<b>0.7</b>	<b>1.4</b>	<b>100.0</b>

Source: Fieldwork, 2007.

Respondents who said there was the need for teachers to plan towards retirement further suggested the most 'appropriate' age at which such preparation should start. Figure 9 shows that 1.4% gave no response. More

than one-half (53.2%) however, suggested that such planning should be throughout one’s working life. Another one-quarter (24.8%) suggested that planning against old age should start between ages forty and fifty. The remaining six percent (5.7%) said such planning should be done after fifty years. Whereas majority (53.2%) opined that planning towards retirement should be throughout one’s working life, they do not practise it. This confirms the assertion made by Akuamoah –Boateng (1998) that people who usually participate in retirement planning issues in Ghana aged around 55 to 58 years. Also, these findings support the life cycle retirement planning model ( Wolter Kluwer Group, 2005) with age compartments busy about different issues at different ages. It is only at the ‘Age of Reflection’ (55-65 years) that people’s attention is focused on retirement and empty-nest issues.



**Figure 9: Teachers’ (in active service) opinion on retirement planning age**

Source: Fieldwork, 2007.

The popular viewpoint among retired and in-service teachers was that planning towards retirement guaranteed one’s well-being when active service

ended. About thirty-seven percent (36.5%) of those in active service and nineteen percent (18.7%) of retirees identified shelter or accommodation as something teachers should plan for before retirement. Other areas of preparation include engaging in trading or business ventures, and farming – which could either be crop cultivation, vegetable production and/or animal husbandry. In addition, retirement plans by potential retirees should include investment in their wards, taking insurance policy, investment in treasure bills/bonds/shares, and even establishment of private schools. However, 10.3% of teachers in service and 6.3% of the retirees gave no response (Table 13).

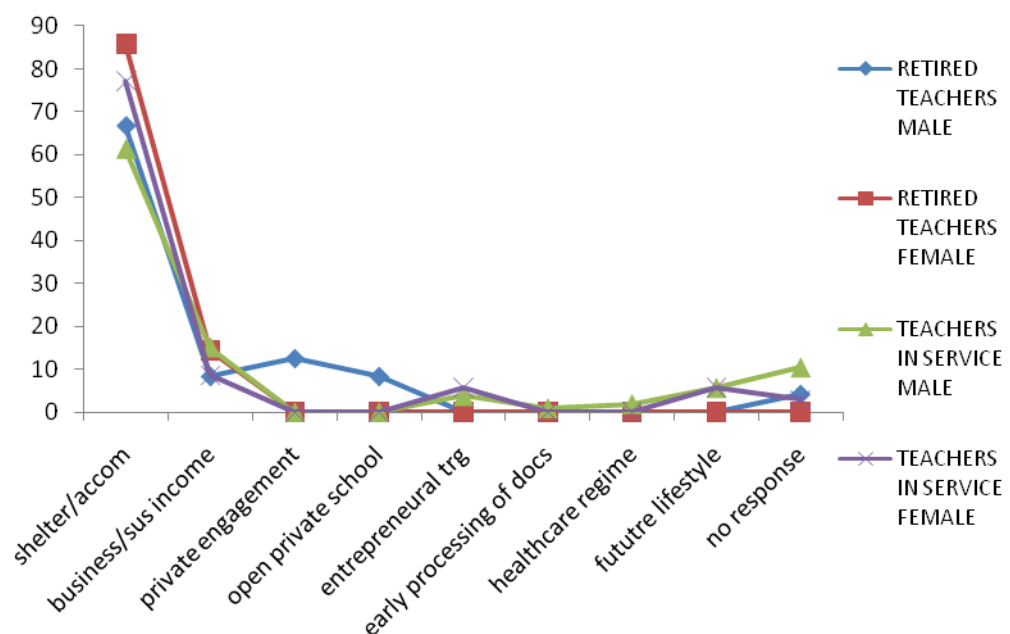
**Table 13: Things to plan for to guarantee retirees’ well-being**

RESPONSES	Teachers in Service		Retired Teachers		*Total	
	Freq.	%	Freq.	%	Freq.	%
Shelter/Accommodation	76	36.5	9	18.7	85	33.2
Engage in business/Trading	56	26.9	9	18.7	65	25.4
Farming (crop and animal rearing)	-	-	16	33.2	16	6.2
Invest in their Wards	21	10.1	2	4.2	23	8.9
Make enough savings	10	4.8	-	-	10	3.9
Acquire means of transport	7	3.4	-	-	7	2.7
Buy and operate transport business	-	-	3	6.3	3	1.2
Sustainable source of income	5	2.4	-	-	5	2.0
Take insurance policy	4	1.9	-	-	4	1.6
Invest in shares/bonds/bills	4	1.9	3	6.3	7	2.7
Private School business	-	-	3	6.3	3	1.2
Upgrade one’s skill/knowledge	1	0.5	-	-	1	0.4
‘Salary is scanty so no plan’	2	1.0	-	-	2	0.8
No response	22	10.6	3	6.3	25	9.8
<b>*Total</b>	<b>208</b>	<b>100.0</b>	<b>48</b>	<b>100.0</b>	<b>256</b>	<b>100.0</b>

\*More than the number of respondents because of multiple response

Source: Fieldwork, 2007

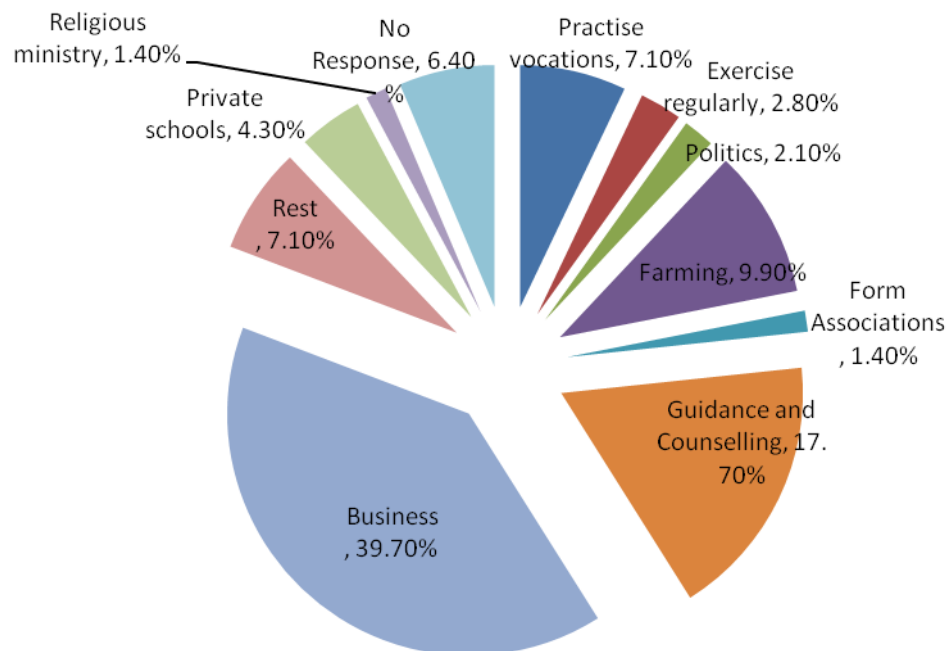
All respondents were further asked to state just one thing, despite individual preferences, that a teacher about to retire should plan for. Almost 85.7% female and 66.7% male retirees identified shelter or accommodation as that ‘important’ thing all preparing towards retirement should plan for. The next major item of importance identified by the retirees is a business venture that would serve as sustainable source of income (14.3% female and 8.3% male). On their part, 77.1% female and 61.3% male teachers in active service also identified shelter as that one ‘important’ thing depicting how necessary the issue of abode is to workers. 15.1% males and 8.6% females stated sustainable source of income as the most important thing which need to be planned for. Thus, majority of the retirees and those teachers still in service saw either shelter or sustainable source of income as the one all-important thing for teachers preparing towards retirement to consider (Figure 10). This agrees with McKinney Jnr. (2003) and Addison (2001)’s argument that financial security and shelter relate positively to success in life.



**Figure 10: Respondents' view on most important thing retirees should plan for.**

Source: Fieldwork, 2007.

Retirement marks the end of active service for all workers and might trigger boredom. So what exactly were the retirees in the metropolis using their time for? What do teachers yet to retire expect retirees to do? The commonest suggested activity by teachers in active service was that retirees should engage in business such as trading, part-time teaching, and consultancy services (39.7%). Others include providing guidance and counselling services (17.7%), farming – crop and animal husbandry (9.9%), practicing one's acquired vocation (7.1%), rest (7.1%), and establishment of private schools (4.3%) as shown in Figure 11.



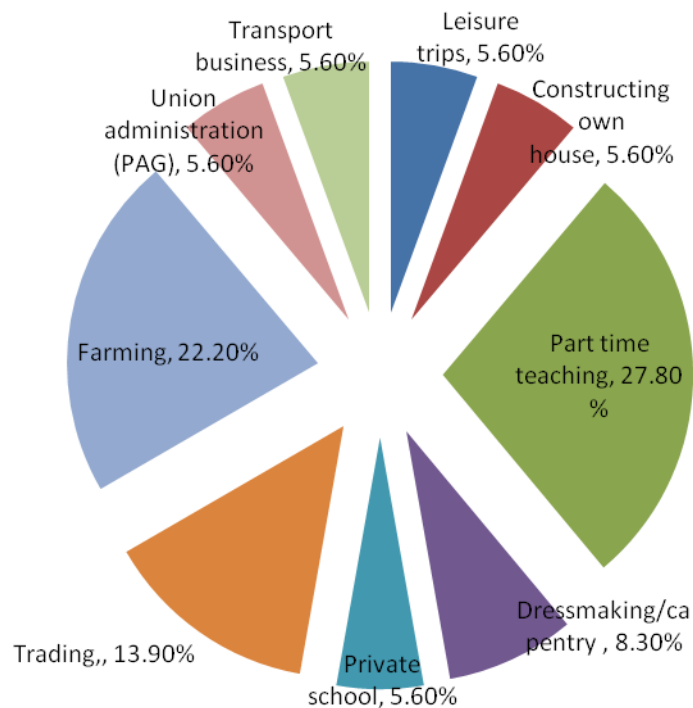
**Figure 11: Suggested activities for retirees by teachers in active service**

Source: Fieldwork, 2007.

Reasons assigned for suggesting such activities were that retirees could earn additional income (33.3%), minimise boredom by being active (27.0%),

share knowledge and experience (25.5%), and that ‘every worker deserves rest after work’ (1.4%). Other reasons were that retirees might be weak and would not be able to work (2.1%); and death follows retirement, so there is a need to engage in religious ministry for piety.

The retiree respondents on the other hand, gave nine different activities that they were engaged in. The most popular activities were part-time teaching (27.8%), farming (22.2%), trading (13.9%), and practising vocational skills like dressmaking and carpentry (8.3%). Others were engaged in transport business (5.6%), union administration (pensioners association of Ghana - 5.6%), establishment and running of private schools (Figure 12).



**Figure 12: Current activities of retirees**

Source: Fieldwork, 2007.

Reasons adduced for engaging in those activities were to earn additional income (48.8%), minimising boredom by keeping active (36.6%), to own accommodation (4.9%), and as a past time or hobby (2.4%). The



choices made by retired and in-service teachers are generally the same. This trend is not at variance with Boeree (1997)'s assertion that when it comes to lifestyles and choices, only few people are specialists. Many people follow general trends, just like the respondents in the study. Also, the retirees were inadvertently satisfying the axioms of choice in the utility theory (Gupta and Murray, 2005) as they engaged in activities that "best" suited them.

The study also showed that retired teachers had other source(s) of income aside their pension benefits. All the SSNIT pension beneficiaries had other sources of income aside their monthly pension accruals. The main sources of such incomes were teaching (56.2%), farming (18.8%), and practicing acquired vocational skills (18.8%). About 73.3% of retirees on CAP 30 pension scheme had additional sources of income. These additional incomes accrued from trading, transport business, allowances from association desk, and teaching. The remaining 26.7% of CAP 30 beneficiaries however, earned no additional income.

Although collectively 87.1% of all retirees have other sources of income apart from their monthly pensions, only a third (32.3%) said their annual income in retirement was more than as it was in active service. Indeed, majority (64.5%) stated that their estimated annual accruals was less than what it used to be while in active service, and 3.2% said it was the same. One would have thought that with additional sources of income, retirees' estimated annual income could have exceeded what pertains when they were in active service.

Again, making comparison between expenditure during service and retirement, almost a third of the respondents (32.3%) said expenditure in retirement was more than what it used to be whilst in active service. However, 41.9% mentioned that expenditure in retirement was less than what pertained

in active service. The remaining 25.8% spent as much as they did while they were in service (Table 14). This expenditure pattern supports Bernicke (2005)'s reality retirement planning model which assumes that a household's real spending will decrease incrementally throughout retirement. Thus, in practice, the traditional retirement planning theory of 'save more, spend less, and delay retirement' to ensure financial sufficiency, is no more very relevant to workers. Therefore, the standard retirement model of Yuh, Montalto and Hanna (1998) seems less ideal for workers to adopt.

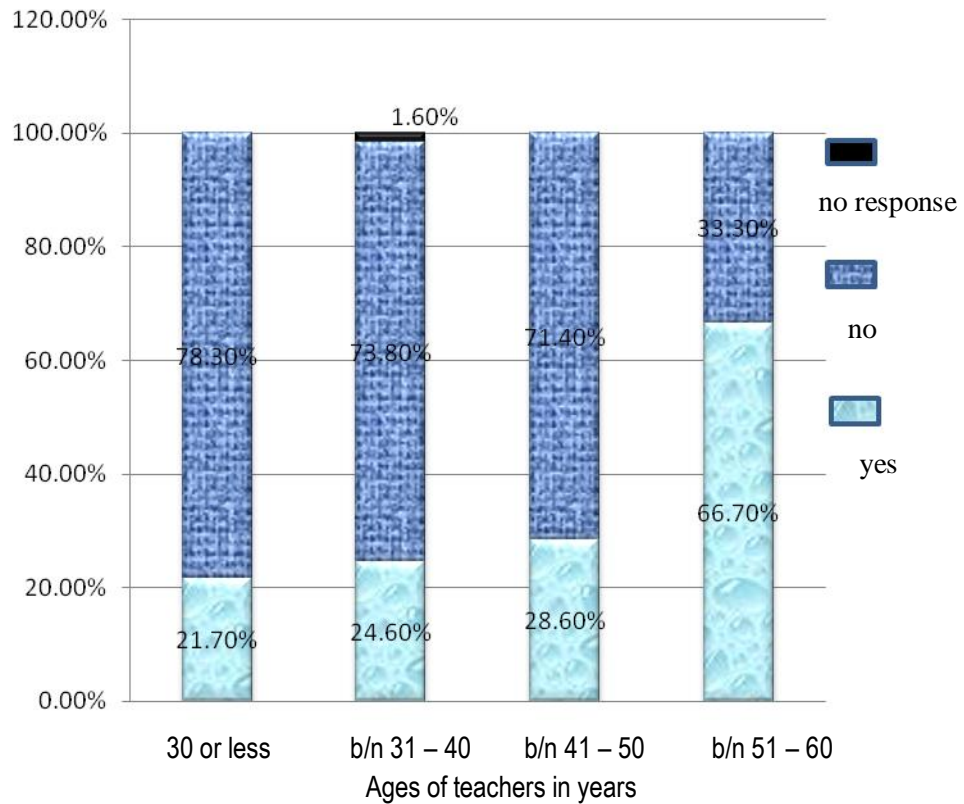
**Table 14: Estimated annual income and expenditure of retirees**

In general estimation, is your total annual income now:	Percentage (%)	Compared to your last two years in service, would you say your expenditure is now:	Percentage (%)
Same as in service?	3.2	Same as in service?	25.8
More than in service?	32.3	More than in service?	32.3
Less than in service?	64.5	Less than in service?	41.9
Total	100	Total	100

Source: Fieldwork, 2007.

On their part, some of the teachers in active service have additional sources of income apart from GES salaries and allowances. The responses showed that about a third of teachers have other sources of making a living. The other two-thirds (71.7%) male and (62.9%) female teachers have none and the remaining 2.9% female teachers gave no response. Using the age groupings as a basis for comparison, only two out of ten of those aged thirty years or less had other sources of income. Among those aged between forty-one and fifty, the rate was three out of ten, and of those aged fifty-one and sixty, the observed rate was seven out of ten. Thus, Figure 13 shows an

increase in finding additional sources of income to supplement salaries and allowances as the teacher aged. A correlation (Pearson's) of 0.85 [at a critical value of 0.5 –two tailed] therefore exists between teacher's age and sourcing for additional income.

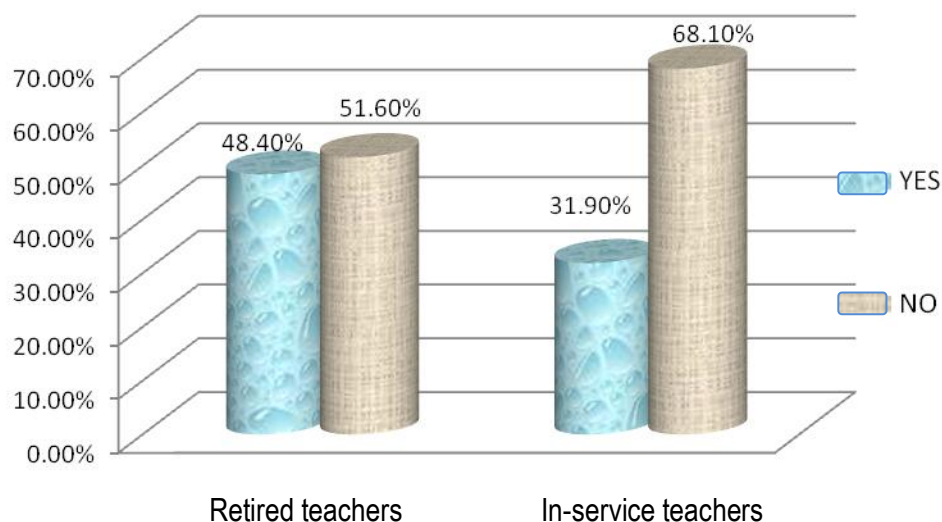


**Figure 13: Responses on other sources of income by teachers in active service**

Source: Fieldwork, 2007.

Investment in the securities market serves as an avenue for guaranteeing inflow of funds in the future. This information was gathered from some retirees and in-service teachers who had invested in shares, fixed deposits, treasury bills, and bonds. About forty-eight percent (48.4%) of the retiree respondents made such investments whilst 51.6% did not. Also, sixty percent (60%) of the retirees on CAP 30 and thirty-eight percent (37.5%) on SNNIT pension schemes invested in one or more shares or bills. Almost all (93.3%), of those who did invest, made investment in the financial market to

the value of five million cedis (GH¢ 500) or more. On their part, about a third (31.91%) of teachers in active service made such investments, whilst two-thirds (68.81%) did not (Figure 14).



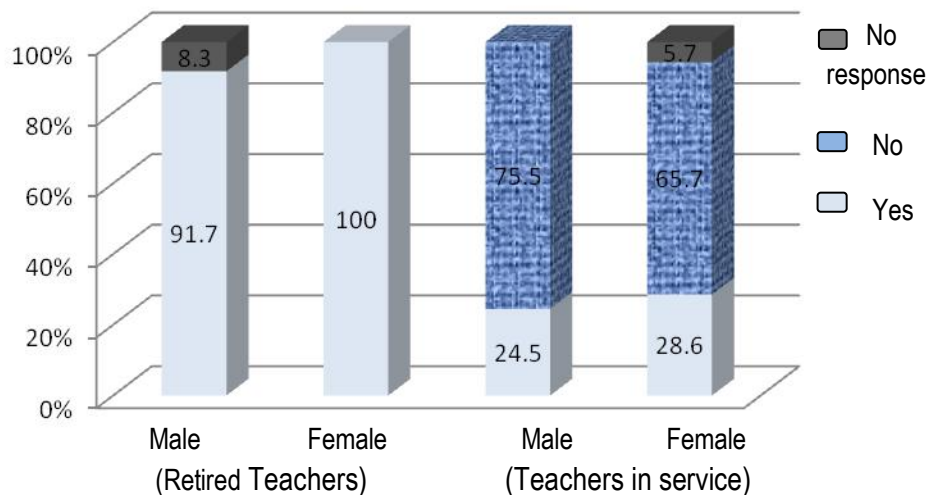
**Figure 14: Percentage of all respondents who invested in shares, etc.**

Source: Fieldwork, 2007.

It was also observed that the age group that did invest most in securities was those aged between 41 and 50 years (44.4%). Those aged between 31 and 40 years formed the majority (50%) of those who did not make any such investments. This confirms the Wolters' Group (2005), assertion in life cycle approach to retirement planning model that people in that age group are mostly concerned about career development and fending for growing families rather than investment towards retirement. Again, Hannah, Chang and Fan (1995) may be right in suggesting that, for younger households expecting increases in real income until retirement, the level of investible assets may be low or even negative until age 35. Among those teachers in service who invested in securities, 33.3% made an investment to the value of one hundred Ghana cedis (GH¢100) or less, 37.8% made between one and

five hundred Ghana cedis (GH¢100-500) and 28.9% made investment of more than five hundred Ghana cedis (GH¢500).

Shelter forms part of the basic physiological necessities of all persons (Maslow, 1954). As stated earlier, respondents had identified shelter as one most important item any worker, teachers inclusive, should plan for before exiting from active service. Teachers, both retired and those still in active service were, to some extent, satisfied with this basic necessity of life. That is, some respondents owned houses (either completed or construction still in progress). Apart from 8.3% male retirees who failed to respond, all others stated that they owned at least a house even though some were still at construction level. About 5.7% of female teachers in active service gave no response, 24.5% male and 28.6% female others owned a house. However, 75.5% males and 65.7% females did not own this basic necessity (Figure 15).

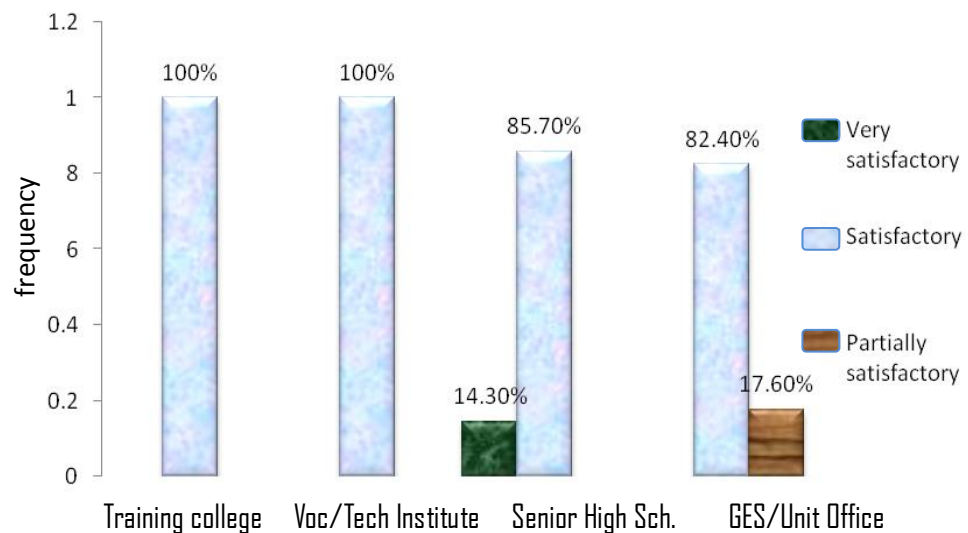


**Figure 15: Respondents stake on own accommodation**

Source: Fieldwork, 2007.

Lastly, the retired teachers were asked to assess their retirement plans in totality and state whether their plans could be described as very satisfactory, satisfactory, partially satisfactory, or unsatisfactory. Figure 16 shows that

about fourteen percent (14.3%) of respondents whose last place of work was Senior High school stated that their preparation was very satisfactory. Another 17.6% of GES/Unit officers assessed theirs to be partially satisfactory, while an overwhelming majority said their efforts towards retirement were satisfactory. With such responses, where majority assessed their preparation towards retirement as satisfactory, one possible conclusion is that teachers are epigenetically principled (Erikson, 1966). On the other hand, Gupta and Murray (2005)'s assertion that in utility theory precise definition of terms like "best" and "satisfactory" are important and necessary when discussing peoples lifestyles and choices can be justified.



**Figure 16: Retirees' assessment of their own retirement plans.**

Source: Fieldwork, 2007.

### **Factors affecting retirement planning amongst teachers**

Concerning factors which come into play when people are preparing towards exit from work, the retiree respondents were asked to identify situations/factors that made their preparation easy, or difficult. Teachers in

active service on the other hand were asked to suggest situations/factors which in their opinion could possibly make planning towards retirement easy or difficult. These generated multiple responses as shown in Tables 15 and 16.

**Table 15: Factors/situations which made retirement planning easy**

Factors/situations which made (or could make) retirement planning easy	Teachers in service		Retired teachers	
	Frequ- ency	percentage	Frequ- ency	Percen- -tage
Conditions of service	66	23.4	-	-
Access to bank/TMF loan facilities	9	3.1	10	21.3
Access to information on investment opportunities	21	7.5	-	-
Family size and structure	15	5.3	5	10.6
Support from family/co-workers	4	1.4	15	31.9
Education on retirement planning	36	12.8	2	4.3
Health status of the individual	8	2.8	4	8.5
Living in one's own house	7	2.5	4	8.5
Savings/investment/insurance	42	14.9	2	4.3
Age of the teacher	3	1.1	-	-
Teacher's educational qualification	-	-	1	2.1
No response	71	25.2	3	6.4
Not applicable	-	-	1	2.1
<b>*Total</b>	<b>282</b>	<b>100.0</b>	<b>47</b>	<b>100.0</b>

\*More than the number of respondents because of multiple response

Source: Fieldwork, 2007.

Significant factors or situations which could make retirement planning easy in the opinion of teachers in active service were conditions of service (23.4%), saving habits of the teacher (14.9%), education on retirement planning (12.8%), and access to information on investment opportunities

(7.5%). The retirees opined that access to loan facilities, one's family size and structure, support from family and friends, and one's health status were the most significant factors which had enhanced their planning towards retirement (Table 15).

Major situations and factors which made retirement planning difficult for retirees were poor condition of service (25.5%), volatile economic environment (23.4%), lack of information on investment opportunities (8.5%), and delays in the processing of pension benefits (8.5%). Other notable situations included pressure from family and friends, failure or inability of students' loan scheme beneficiaries to pay up so as to relieve the guarantors, and inadequate retirement policy by the GES.

Teachers in active service identified factors and situations similar to those of the retirees as possible hindrances to successful retirement planning. The main factor identified is the poor condition of service offered by the GES (30.9%). Other factors of significance were pressure from family and community (9.9%), inadequate information on retirement policies (9.9%), and the attitude of some teachers who live unplanned lifestyles (6.4%). Lack of information on investment opportunities, high interest rates charged by financial institutions, ill-health of some teachers and the monopoly enjoyed by SSNIT were equally situations which could impede smooth retirement planning process (Table 16).



**Table 16: Factors/situations which made retirement planning difficult**

Factors/situations which made (or could make) retirement planning difficult	Retired Teachers		Teachers in service	
	Frequency	percentage	Frequency	Percentage
-Poor conditions of service	12	25.6	87	30.9
-Pressure from family and community	4	8.5	28	9.9
-Delays in processing benefits	4	8.5	-	-
-Lack of information on investment opportunities	4	8.5	13	4.6
-Default by guarantees to pay up	2	4.3	-	-
-Inadequate information on retirement planning	1	2.1	-	-
-Inadequate information on retirement policies	3	6.5	28	9.9
-Volatile economic environment	11	23.4	-	-
-Job location	1	2.1	-	-
-Legal and political environment	1	2.1	-	-
-Erratic rainfall pattern	1	2.1	-	-
-Ill-health of the individual	1	2.1	12	4.3
-Living unplanned lifestyle	-	-	18	6.4
-Monopoly of SSNIT	-	-	10	3.5
-High interest rates by financial institutions	-	-	12	4.3
-Monthly deductions by Unions and Banks	-	-	4	1.4
-High cost of living	-	-	4	1.4
-No response	1	2.1	66	23.4
-Not Applicable	1	2.1	-	-
*Total	47	100.0	282	100.0

\* More than the number of respondents because of multiple response

Source: Fieldwork, 2007

Using the Likert's (1932) scale, a five point category of continuum response set ranging from strongly agree, agree, neutral (undecided), disagree, through to strongly disagree was offered respondents on selected factors and situations that could affect retirement planning. The retiree respondents were asked to state whether or not the suggested factors positively affected their preparation towards exit from work. Teachers still in service on the other hand, were to state whether such suggested factors could positively affect one's preparation towards exit from work (Tables 17 and 18). Although it appeared repetitive, it was strategically employed to achieve intra-method triangulation, which according to Crawford & Christensen (1995) and Sarantakos (1998) is useful in achieving a higher degree of validity and reliability of responses.

**Table 17: Factors which made Retirees retirement planning easy (in Percentages)**

Factors/situations	*SA	A	N	D	SD	NA
Age of the teacher	25.8	51.6	9.7	6.5	3.2	3.2
The teacher's health status	38.7	51.6	3.2	3.2	3.2	3.2
The size and structure of his/her family	12.9	38.7	25.8	16.1	3.2	3.2
Spousal status (health, economic, etc)	41.9	29.0	12.9	9.7	3.2	3.2
Teacher's job location	12.9	25.8	38.7	16.1	3.2	3.2
Utility services available to the teacher	0.0	41.9	29.0	16.1	9.7	3.2
Employer's condition of service	22.6	0.0	12.9	48.4	12.9	3.2
Legal and political work environment	0.0	6.5	71.0	16.1	3.2	3.2
Teacher's religious inclination	29.0	29.0	25.8	12.9	0.0	3.2
Teacher's educational qualification	25.8	54.8	6.5	9.7	0.0	3.2

\*SA= Strongly Agree A=Agree N=Neutral D=Disagree

SD=Strongly Disagree NA=Not Applicable.

Source: Fieldwork, 2007.

Table 17 shows that the retirees overwhelmingly (except for three factors) agreed that the suggested factors and situations positively affected their effort at planning for retirement. Thus, while some respondents strongly agreed to the factors suggested, others simply agreed but the two categories (strongly agree and agree), in all the seven cases summed up to more than 50% in each case. One's job location, legal and political work environment, and employer's condition of service were the three suggested factors that the retirees never saw as contributing positively towards their exit from work. Majority of the respondents saw no significant role played by the legal and political work environment (71.0%) in preparing for retirement. They therefore considered it as a neutral factor. Sixty-one percent (61.3%) however opined that their condition of service negatively affected their effort at preparing towards exit from active service.

It was also seen that five out of the suggested factors and situations were among those factors and situations respondents had already stated in preceding responses. These were the individual's health status, the size and structure of one's family, the job location, employer's condition of service, and one's educational qualification. This particular set of questions was not applicable to about 3.2% of the retiree respondents, as they never planned towards their retirement.

On their part, teachers in active service, except for one's religious inclination, agreed that all the suggested situations or factors could positively affect teachers' preparation towards exit from work (Table 18). Four suggested factors did tally with what they have stated when the question was put differently. These were the teacher's health status, age at which

preparation started, size and structure of one's family, and employer's condition of service.

**Table 18: Factors which could make retirement planning easy (in %)**

FACTORS/SITUATIONS	*SA	A	N	D	SD
Age of the teacher	39.7	29.8	8.5	19.9	2.1
The teacher's health status	41.8	36.9	7.1	12.1	2.1
The size and structure of his/her family	45.4	36.9	6.4	9.2	2.1
Spousal status (health, economic, etc)	27.7	48.2	10.6	10.6	2.8
Teacher's job location	12.1	36.9	17.0	29.8	4.3
Utility services available to the teacher	20.6	38.3	19.1	17.0	5.0
Employer's condition of service	68.1	18.4	2.1	7.1	4.3
Legal and political work environment	14.9	30.5	27.7	19.1	7.8
Teacher's religious inclination	3.5	14.9	17.0	36.2	28.4
Teacher's educational qualification	30.5	36.9	8.5	19.9	4.3

\*SA=Strongly Agree, A=Agree, N=Neutral, D=Disagree, SD=Strongly Disagree

Source: Fieldwork, 2007.

Respondents also expressed their opinion on the "ideal" age that a teacher should retire from active service. Among teachers in active service, 6.4% gave no response. However, 47.5% stated sixty years as the ideal age for retirement, but with four different reasons. About thirty-six percent (35.8%) of those who stated sixty years said "at sixty, teachers are still energetic enough to engage in other productive ventures for sustenance"; 46.3% said "at sixty, the teacher may become weak and so the need to take a deserving rest"; 3.0% stated that "teachers who are sixty years old have contributed enough, so they need to retire and make way for young/new

workers”; and the remaining 14.9% said “sixty years is a state policy or constitutional provision which should be adhered to” (Table 19).

**Table 19: Teachers in active service’s reasoned ‘ideal’ age for retirement (%)**

Suggested ages (in years)	Inter-group	Intra-group	Reasons
50	12.7	77.8	One needs strength to enjoy retirement
		22.2	For retirees to have time for family, etc
55	10.0	42.9	Still energetic enough to do other things
		57.1	Teachers may be weak and need rest
60	47.5	35.8	Energetic enough to engage in business
		3.0	To make way for new/younger workers
		46.3	Teachers may be weak by that age
		14.9	State policy/constitutional provision
65	20.6	31.0	To give teachers enough time to prepare
		69.0	Still energetic to teach up to this age
70	2.8	100.0	It would make teachers contribute more
No response	6.4	100.0	No response
Total	100	--	--

Source: Fieldwork, 2007.

Another 20.6% of teachers in active service gave sixty-five years as the “ideal” age, with two different reasons. Of these, 31.0% said “sixty-five years would afford teachers enough time to prepare for pension” whilst the remaining 69.0% said “teachers could still work effectively up to that age”. Those who identified fifty-five years as the “ideal” constituted 10.0% of the respondents in active service. Out of this percentage, 57.1% stated that teachers might be weak and exhausted by age fifty-five and therefore needed to rest. The other 42.9% argued that fifty-five years was ideal since teachers needed some level of strength and energy to undertake other projects.

About three percent (2.8%) of teachers in active service said the “ideal” age for retirement is seventy years as that age, by way of reason, would make teachers contribute more to education delivery in the country. Those who vouched for fifty years were 12.7% with two distinct reasons. About three-quarters (77.8%) of them argued that one needs some level of strength to settle and enjoy retirement whereas the last quarter (22.2%) said retiring at age fifty would allow retirees to have time for family, religion, and friends (Table 19).

Expressing their opinion on ideal age for retiring from active service, the retiree respondents, (as shown Table 20), stated ages fifty-five, sixty, and sixty-five. Approximately ten percent (9.7%) of the retirees said sixty-five years is “ideal” because even at that age teachers are still strong enough to work. Another 9.7% said the ‘ideal age’ is fifty-five years with the reason that retiring at such an age would give room for the retiree to do other things. 6.5% gave no response at all. The majority (74.1%) of the retirees however said the “ideal” age to exit from active service is sixty years. Three different reasons

**Table 20: Retirees’ reasoned ‘ideal’ age for retirement (in percentages)**

Suggested ages (in years)	Inter-group	Intra-group	Reasons
55	9.7	100	Still energetic enough to do other things
60	74.1	29.2	Energetic enough to engage in business
		45.8	State policy/constitutional provision
		25.0	No longer strong enough to teach
65	9.7	100.0	Still strong enough to work
No response	6.5	100.0	No response
Total	100	--	--

Source: Fieldwork, 2007.

were assigned. Of these, 45.8% said “sixty years is a state policy currently in place” and 29.2% opined that at sixty, “the teacher may still be energetic to engage in other projects to offset boredom and earn more income”. The remaining 25.0% of those who stated sixty years argued, “the teacher may no longer be strong enough to teach efficiently”.

The different ages suggested as the ideal age for going on retirement, and reasons adduced by the teachers lend credence to the ambivalence theory on ageing. In Gillin (2004)’s view, ageing debates always generate ambivalence because positive and negative factors of ageing challenge the availability of resources to employers and employees. Even though some respondents argued for the need to rest, which invariably supports Yates (2002)’s assertion of declining physiological functioning after a certain age, majority have other reasons for the ages suggested as ideal for retirement.

No one, it is said, is an island and decisions that people make most often than not affect others either negatively or positively. It is therefore good for people to necessarily confer and consult others when major decisions like retirement issues are at stake. Gupta and Murray (2005)’s ‘axiom of completeness’ suggests that every good decision maker must undertake an introspection of all alternatives, no matter how remote they may be from one’s realm of common experience. The opinions expressed by respondents as to whether it was necessary for a teacher about to retire to talk to the spouse about his or her retirement plans; discuss with employer about retirement benefits; discuss with the entire family about retirement plans; and review retirement needs or goals of life supported the axiom.

On the necessity for a potential retiree to discuss retirement plans with his/her spouse(s), more than half (51.1%) of teachers in active service were of

the opinion that it was necessary. The reason being that such discussions would lead to total support and co-operation from the spouse(s). Another quarter (25.5%) also saw the necessity but with the reason that such discussions would promote the acceptance of changes that may occur. These opinions support McKinney, Jnr. (2003)'s assertion that spouses play important roles in planning for retirement. For the purposes of knowing the details of one's benefits, and facilitation of pension document processing, 34.8% and 28.4% respectively of teachers in service argued that teachers should discuss retirement benefit issues with the employer. Another eighteen percent (17.7%) agreed on the need to hold discussions with employer but offered no reasons. Without assigning reasons, 8.5% saw no need for such discussions.

Almost two-thirds (61.0%) of teachers in service also opined that it was necessary for teachers about retiring from active service to review their retirement needs or goals of life to respond appropriately to changes in life. While 23.4% held the view that life's goal should be reviewed, they assigned no reasons. Almost one out of ten (9.9%) failed to respond. The most important reasons for which those about to retire should consult their entire families were to garner total support and cooperation; and also to help the families to accept and adjust to changes that might occur. Interestingly, 6.4% of the respondents saw no need for such consultations with the argument that it would rather generate pressure from these family members to have their share of pension benefits or even sabotage ones' effort in extreme cases (Table 21).



**Table 21: Teachers' view on the need for consultation by potential retirees**

Is it necessary for a Teacher about to retire to:	...talk to his/her spouse about retirement plans? Why?		...discuss with employer about retirement benefits? Why?		...review retirement needs or goals of life? Why?		...discuss with the entire family about retirement plans? Why?	
	count	%	count	%	count	%	count	%
Yes, ... for support and cooperation	72	51.1	-	-	-	-	35	24.8
Yes,...to accept changes that may occur	36	25.5	-	-	-	-	42	29.8
Yes,...to respond to changes in life	-	-	-	-	86	61.0	-	-
Yes,...to facilitate the processing of documents	-	-	40	28.4	-	-	-	-
Yes,...to know the details of benefits	-	-	49	34.8	-	-	-	-
Yes, ...[no reason assigned]	27	19.1	25	17.7	33	23.4	25	17.7
No,...already stated in the conditions of service	-	-	8	5.7	-	-	-	-
No,...may not be beneficial	-	-	-	-	5	3.5	-	-
No,...not necessary at all	-	-	-	-	-	-	13	9.2
No, ...for security reasons	-	-	1	0.7	-	-	-	-
No,...there would be pressure to share benefits or sabotage	-	-	-	-	-	-	9	6.4
No,...[no reason assigned]	1	0.7	12	8.5	3	2.1	11	7.8
No Response	5	3.5	6	4.3	14	9.9	6	4.3
<b>Total</b>	<b>141</b>	<b>100</b>	<b>141</b>	<b>100</b>	<b>141</b>	<b>100</b>	<b>141</b>	<b>100</b>

Source: Fieldwork, 2007.

The responses of the retirees were similar to those of teachers still in service. Seventy-four percent (74.2%) stated that talking to one's spouse about retirement plans would lead to support and cooperation from the spouse whereas to another 16.1%, talking to one's spouse would make them accept possible changes that may occur. However, 6.5% opined that it would be wrong to discuss retirement plans with one's spouse because some of them are not helpful but cheats. Retirees also agreed that it was necessary to discuss retirement issues with the employer as such discussions would help potential retirees to know details about the benefit regime and could facilitate the processing of documents. About a third (29.0%) of the retirees however, opined that it was not necessary to discuss retirement benefit issues with the employer because it was already spelt out in the conditions of service.

Almost all the retirees (96.8%) agreed that life goals should be reviewed to respond appropriately to changes in life. Three percent (3.2%) others gave no response. As to whether retirement plans should be discussed with the entire family, the argument was that such discussions would promote support and cooperation (35.5%), and acceptance of inevitable changes (29.0%). However, sixteen percent (16.1%) opined that such discussions were not necessary and another 16.1% said upon knowing the plans, family members may exploit or even harass the retiree (Table 22).

**Table 22: Retirees' view on the need for consultation by potential retirees**

Is it necessary for a teacher about to retire to:	...talk to his/her spouse about retirement plans? Why?		...discuss with employer about retirement benefits?Why?		...review retirement needs or goals of life? Why?		...discuss with the entire family about retirement plans? Why?	
	count	%	count	%	count	%	count	%
Yes, ... for support and cooperation	23	74.2	-	-	-	-	11	35.5
Yes,...to accept changes	5	16.1	-	-	-	-	9	29.0
Yes,...to respond to changes in life	-	-	-	-	30	96.8	-	-
Yes,...to facilitate the processing of documents	-	-	9	29.0	-	-	-	-
Yes,...to know the details of benefits	-	-	8	25.8	-	-	-	-
No,...already in the conditions of service	-	-	9	29.0	-	-	-	-
No,...plans differ	-	-	2	6.5	-	-	-	-
No,...not necessary	-	-	-	-	-	-	5	16.1
No,...some spouses are not helpful	2	6.5	-	-	-	-	-	-
No,...they may harass/exploit you	-	-	-	-	-	-	5	16.1
No Response	1	3.2	3	9.7	1	3.2	1	3.2
<b>TOTAL</b>	<b>31</b>	<b>100</b>	<b>31</b>	<b>100</b>	<b>31</b>	<b>100</b>	<b>31</b>	<b>100</b>

Source: Fieldwork, 2007

Perceptions and views have the propensity of being translated into realities. To elucidate the extent to which respondents believed that a successful retirement planning would ultimately guarantee a retirees' well-being, five issues were raised for which they have selected one of three options provided on a Likert scale. Table 23 shows that teachers in active service considered financial, physical, psychological, socio-cultural and moral issues as cardinal in guaranteeing one's well-being. Financial and psychological well-being were the most important issues in the respondents' opinion for which agreement levels were 90.8% and 86.5% respectively.

**Table 23: The views of teachers in active service on ways in which successful retirement planning ensures one's well-being (in percentages)**

Suggested Ways	Agree	Neutral	Disagree
Financially	90.8	05.7	03.5
Physically	75.9	19.1	05.0
Psychologically	86.5	12.8	00.7
Socio-culturally	69.5	19.9	10.6
Morally	66.0	26.2	07.8

Source: Fieldwork, 2007.

Except for higher degrees of agreement, responses from the retirees follow a trend similar to that of teachers in active service. There was a hundred percent (100%) agreement on financial and psychological issues, and the other issues were also agreed upon as shown in Table 24.

**Table 24: The views of retirees on ways in which successful retirement planning ensures one’s well-being (in percentages).**

Suggested Ways	Agree	Neutral	Disagree
Financially	100.0	-	-
Physically	96.8	3.2	-
Psychologically	100.0	-	-
Socio-culturally	71.0	12.9	16.1
Morally	87.1	9.7	3.2

Source: Fieldwork, 2007.

Respondents were further asked to rank suggested issues or situations in order of importance as they affect the well-being of retired teachers. Thus, respondents were expected to assign “1” as the most important issue and “6” as the least important issue. To majority of teachers in service, adequate and regular income was the most important issue which could guarantee the well-being of retired teachers. This was followed by decent accommodation, affordable and accessible medical facilities, supportive family and one’s condition of service. The least important issue from teachers’ perspective was the socio-cultural environment of the retiree (Table 25).

**Table 25: Teachers’ views on issues of importance for well-being (in frequencies)**

	Order of importance							*88
Issues	1	2	3	4	5	6		
i) Adequate regular income	38	34	11	5	1	0	52	
ii) Decent accommodation	37	27	12	6	4	3	52	
iii) Affordable medical facilities	4	13	37	21	12	2	52	
iv) Supportive family	2	10	16	27	27	7	52	
v) Socio-cultural environment	1	0	4	13	22	49	52	
vi) Existing condition of service	7	7	8	17	22	28	52	

\*88 = no response

Source: Fieldwork, 2007

On their part, majority of the retiree respondents also opined that adequate and regular financial inflow was the most important issue. This was followed by decent accommodation, supportive family, and affordable medical facilities. Past condition of service and socio-cultural environment were the least important issues as shown in Table 26. These responses proved that Addison (2001) and McKinney Jnr, (2003) were right by arguing that financial security and shelter relate positively to success in life.

**Table 26: Retirees' views on issues of importance for well-being (in frequencies)**

Order of importance	1	2	3	4	5	6	*88
Issues							
i) Adequate regular income	16	12	-	2	-	-	1
ii) Decent accommodation	13	11	5	-	-	1	1
iii) Affordable medical facilities	-	-	11	14	5	-	1
iv) Supportive family	-	5	12	2	9	2	1
v) Socio-cultural environment	-	-	1	6	7	16	1
vi) Existing condition of service	1	2	1	6	9	11	1

\*88 = no response

Source: Fieldwork, 2007.

### **Evaluation of stakeholders' programme on retirement planning**

Stakeholders included the employer (GES), teacher associations (GNAT, NAGRAT, TEWU) and social security management (SSNIT). These entities were responsible for teacher recruitment, training, placement, motivation, welfare, reward, insurance, etc. What specifically did these entities do so as to enhance the retirement planning of teachers?

On the question of whether the employer (GES) had ever organised any programme(s) to discuss with respondents issues on planning towards retirement, majority (97.2%) of teachers in active service responded in the negative. A negligible 2.1% however, responded in the affirmative, and 0.7% gave no response. Similarly, 93.6% of the retired teachers never benefited from such programmes, but 6.4% others did. Thus almost all teachers (retired or in service), were not privileged to have been part of such programmes.

Out of the two percent (2.1%) of teachers in active service who responded in the affirmative, 50% attended such programmes once whilst the other 50% attended twice. In both cases, the key issue addressed which in the opinion of the respondent was beneficial and useful was how to facilitate early payment of pension benefits. The six percent (6.4%) retiree respondents who benefited from such programmes also had 50% attending once and the other 50% twice. Issues of importance discussed were procedure for filling forms and/or regulations on CAP 30, and SSNIT benefit regimes.

In addition to retirement planning programmes, the GES (employer), had offered investment opportunities to 5.7% of teachers in active service but failed to offer 94.3% (a vast majority) the same opportunities. Those offered investment opportunities identified SSNIT contribution, Tamale Teachers' Credit Union and Salary advance as the sources of investment opportunities offered them. Out of this number, about a third (37.5%) had benefited from loan facilities. No investment opportunities were offered to the retired teachers as per their responses.

The Northern Regional Human Resource Management and Development (HRMD) officer of Ghana Education Service at the time of the survey indicated in an interview that teachers were offered avenues where

issues on retirement could be discussed. He explained that annually, officers from Guidance and Counselling Unit at GES headquarters do visit all regions and organise workshops for all District Directors of education, Guidance and Counselling Coordinators, and HRMD officers. At such fora, issues concerning teachers' welfare and retirement were extensively treated. Delegates were in turn expected to organise same for teachers in their respective districts. However, the last of such workshops organised in the Northern region was in 2004.

Another way the GES assists teachers to prepare for retirement was the periodic notifications about the date for retirement. All teachers were served periodic notifications via their payslips. For a year to retirement, however, every monthly payslip carries such notices. He further explained that teachers on SSNIT pension scheme were referred to the nearest offices of SSNIT for processing of documents three months prior to the date of retirement. Those on CAP 30 scheme were invited to the regional education office for the preparation of entitlements and forwarded to regional treasury for processing.

The Metropolitan Education Officer in charge of HRMD (Mr. Adam Mohammed Nashiru) said teachers about to retire were notified in writing six months ahead of the schedule date. They were also assisted in acquiring and filling the requisite forms to enable them access their entitlements.

The responses by teachers and the educational authorities suggested that, even though some form of information was given to teachers on retirement, it was mainly about processes for accessing benefits which comes at the later years of work. This remains largely inadequate to help them plan sufficiently towards exit from work. Also, only 6.4% of retirees and 2.1% of teachers in service actually admitted being part of such programmes which



suggested that publicity of such fora was not the best. Again, such interactions are supposed to be an annual affair, but the last one held was in 2004, which means that for three years, nothing of the sort took place. Therefore, the assertion of Anyah (2000) that retired teachers often see themselves as having joined the wrong profession since they were not prepared by their employers for retirement could be considered as factual. Majority (94.3%) of teachers could not identify SSNIT contribution as investment avenue provided by the employer for their benefit in retirement or incapacitation.

On the role played by the various unions (associations) in lieu of retirement planning, 12.2% of GNAT and 14.3% of NAGRAT members among teachers in service stated that their various associations had ever organised and discussed retirement planning issues with them. However, 100% of TEWU, 100% of Others (not specified), 87.8% of GNAT, and 85.7% of NAGRAT members were not beneficiaries of any such programmes (Table 27). The retirees never enjoyed any such programme from their associations.

**Table 27: Associations' retirement planning programmes for teachers in active service**

Has your association ever organised retirement planning programmes for you?	Yes		No		Total	
	Freq.	%	Freq.	%	Freq.	%
GNAT	9	12.2	65	87.8	74	100.0
NAGRAT	9	14.3	54	85.7	63	100.0
TEWU	-	-	2	100.0	2	100.0
Other	-	-	2	100.0	2	100.0
<b>TOTAL</b>	<b>18</b>	<b>12.8</b>	<b>123</b>	<b>87.2</b>	<b>141</b>	<b>100.0</b>

Source: Fieldwork, 2007.

Almost nine percent (8.5%) of respondents in active service ever attended such programmes once, 2.8% twice and 1.4% thrice. They identified retirement benefits – percentages at retirement and thereafter, teachers’ mutual fund, and NAGRAT retirement package as the core issues discussed.

On the question of whether teacher associations offered any form of investment opportunities, 69.5% of teachers in active service responded in the negative. Twenty-seven percent however, responded in the affirmative (Table 28).

**Table 28: Investment opportunities offered by associations to teachers in service**

Has your association offered you investment opportunities?	Yes		No		No response		Total	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%
GNAT	28	19.9	44	31.2	2	1.4	74	52.5
NAGRAT	10	7.1	50	35.5	3	2.1	63	44.7
TEWU	-	-	2	1.4	-	-	2	1.4
Other	-	-	2	1.4	-	-	2	1.4
<b>TOTAL</b>	<b>38</b>	<b>27.0</b>	<b>98</b>	<b>69.5</b>	<b>5</b>	<b>3.5</b>	<b>141</b>	<b>100.0</b>

Source: Fieldwork, 2007.

According to GNAT membership, investment opportunities offered were teachers’ mutual fund (13.5%), GNAT credit sales (2.1%), GNAT housing scheme (1.4%), and personal loan facility (0.7%). NAGRAT members on their part identified collective insurance scheme (3.5%), welfare contribution(1.4%) and personal loan facility to purchase car (1.4%), etc as

investment opportunities offered. However, TEWU and respondents who fell under ‘other’ never had such opportunities (Table 29).

**Table 29: Types of investment opportunities offered teachers in active service by associations**

Which opportunities were offered?	Teachers’ association affiliated to									
	GNAT		NAGRAT		TEWU		Other		Total	
	frequency	percentage	frequency	percentage	frequency	percentage	frequency	percentage	frequency	percentage
Teachers mutual fund	19	13.5	1	0.7	-	-	-	-	20	14.2
Collective life insurance	-	-	5	3.5	-	-	-	-	5	3.5
GNAT credit sales	3	2.1	-	-	-	-	-	-	3	2.1
GNAT housing scheme	2	1.4	-	-	-	-	-	-	2	1.4
Personal loan facility	1	0.7	2	1.4	-	-	-	-	3	2.1
Welfare contribution	-	-	2	1.4	-	-	-	-	2	1.4
No response	3	2.1	-	-	-	-	-	-	3	2.1
Not applicable	46	32.6	53	37.6	2	1.4	2	1.4	103	73.0
<b>Total</b>	<b>74</b>	<b>5.5</b>	<b>63</b>	<b>44.7</b>	<b>2</b>	<b>1.4</b>	<b>2</b>	<b>1.4</b>	<b>141</b>	<b>100.0</b>

Source: Fieldwork, 2007.

On the part of retired teachers, 35.5% of respondents have had investment opportunities offered them by their associations whilst majority-64.5% were not so fortunate (Table 30).

**Table 30: Investment opportunities offered by associations to retirees**

Has your association offered you investment opportunities?	Yes		No		Total	
	Freq.	%	Freq.	%	Freq.	%
GNAT	10	32.3	11	35.5	21	67.8
NAGRAT	1	3.2	8	25.8	9	29.0
TEWU	0	0.0	1	3.2	1	3.2
Total	11	35.5	20	64.5	31	100.0

Source: Fieldwork, 2007.

The opportunities offered as per the responses of the privileged few, were GNAT's teachers mutual fund and NAGRAT's welfare scheme. Fourteen percent (14.3%) of GNAT respondents stated that they have actually enjoyed loan facilities from teachers' mutual fund. Also, 33.3% of GNAT and 11.1% of NAGRAT membership have had their welfare contributions refunded in addition to dividends.

On his part, the Northern Regional President of NAGRAT at the time of the study (Mr. Lawson Afedo), explained that there was no definite programme organised for its members solely on retirement issues. However, there were welfare packages that promote teachers' well-being in and out of service. He further explained that members were offered opportunities to acquire vehicles on hire purchase, and personal loans up to five thousand cedis (GH¢5,000.00) repayable in five years. In addition, exit emolument of 'three times graduate salary entry point' was paid to members who retire or died while still at post.

In an interview, the Regional GNAT Secretary (Mr. Joseph Abu Bakpata), said the association has an elaborate programmes for teachers on retirement planning. For instance, a year prior to retirement, all GNAT members would be served with notification letters. Then about three months to the date due for retirement, regional level meetings would be organised for those involved where several issues would be discussed. These issues normally included how to source for benefits; how to relieve oneself from guarantorship; and investment opportunities like establishing private schools, writing textbooks, etc. In addition, GNAT had since April, 1998 instituted a provident fund called 'Teachers Mutual Fund' to which members had been contributing money and were eligible for housing or business start-up loans. Those about to retire were given an exit package of 125% of total contribution. Members were also encouraged to form and/or join Retirees' Guild.

TEWU as an entity at the time of the survey did not have elaborate retirement planning programmes for its members, though plans were being made to define some sort of package towards members exit from work (Zenabu Seidu, Northern Regional Vice President of TEWU).

Except TEWU, the other two teacher associations; GNAT and NAGRAT had packages in place which addressed issues of members' welfare in and out of service. For instance access to funds could help potential retirees to carry out projects that would be of immense benefit even in retirement. But the core issue of having a strategically planned programme to guide their members was absent. Additionally, the packages, from the teachers' responses suggested that they were either not properly communicated to their members or not available to many to take advantage of. For example, only

32.3% of GNAT and 7.1% of NAGRAT members in the study area had actually enjoined such packages.

Close to ninety-seven percent (96.8% ) of retiree respondents stated that the pension and social security management had never organised retirement planning related programmes for them. The remaining 3.2% however, have had such programmes organised for them of which they did attend on three occasions. The key issue, in the estimation of respondents who benefitted, was the advice that all workers should endeavour to contribute towards their retirement. However, all the retirees (100%) stated that SSNIT never offered them any opportunity for investment.

Nine percent (8.5%) of teachers in active service ever participated in retirement planning related programmes by SSNIT whereas 91.5% others did not. Out of those who benefited from retirement planning programmes by SSNIT, 75.0% attended such programmes once, 8.3% twice and 16.7% thrice. At such fora, key issues addressed were explanation of the SSNIT benefit regime and the incessant advice to all workers to contribute to SSNIT so as to ensure stress free financial inflow during old age.

On investment, 93.6% of teachers in service stated that such opportunities were not offered, 0.7% gave no response, whilst 5.7% stated that they were offered investment opportunities. The opportunities offered, according to the 5.7% who responded in the affirmative, were SSNIT contribution against old age and student SSNIT loan scheme.

The Tamale District Manager of SSNIT at the time of the study (Mr. Alex A. Dalaba), in an interview stated that there were three types of welfare packages available to workers in Ghana. These were the Universal SSNIT scheme, Organisational provident funds, and private insurance schemes. He

made it clear that SSNIT as an entity organises fora for workers periodically where issues concerning the package, processes and procedure were explained. No specific programmes were organised for workers (teachers inclusive) to discuss retirement planning. However, SSNIT, as a corporate entity, sometimes engages consultants to address retirement planning issues with its staff only.

Responses from teachers and SSNIT management underscore the fact that no specific programmes were organised for teachers on retirement planning. The role usually played by SSNIT was to periodically inform all workers to update their records, issue out statement of contribution to members, and assist in the processing of exit packages. Again, just like GES, and teacher associations, publicity on their role was not the best as majority- 96.8% of retirees and 91.5% of teachers in active service stated that they were not part of such programmes.

Table 31 depicts the opinion of respondents on the necessity or otherwise of the need for stakeholders to organise periodic programmes on retirement planning for teachers in second cycle institutions. All the retirees and teachers in active service (100% each), have stated that there was a need for such periodic programmes. Two reasons were assigned for the need. First, 95.0% of those still teaching and 90.3% of those retired stated that the essence of such programmes was to enable teachers prepare adequately towards retirement.

The second reason was that it is the responsibility of stakeholders (GES, GNAT, NAGRAT, TEWU &SSNIT), to educate the teachers on retirement planning issues - 9.7% retirees and 2.1% active service teachers. Another 2.8% of those in active service gave no response. On how often such

programmes should be organised in an academic year, the commonest response was twice. Thus 46.1% of teachers in service and 41.9% of retirees constitute the modal classes. These responses suggest that teachers were willing to be guided into a well-prepared life after active service. It can also be equally assumed that, so far, programmes and policies of key stakeholders fall far short of what is expected by the teachers.

**Table 31: The necessity for stakeholders to organise retirement planning programmes for teachers (in percentages)**

Questions*	Responses	Teachers in active service	Retiree respondents
*Is it necessary for stakeholders to organise periodic retirement planning programmes?	Yes	100.0	100.0
	No	0.0	0.0
*Please assign reason for your response.	-No. It is the responsibility of stakeholders to educate teachers on such issues.	2.1	9.7
	-Yes. To enable teachers prepare adequately towards retirement.	95.0	90.3
	-No response.	2.8	0.0
*How many should be organised in an academic year?	One	29.1	35.5
	Two	46.1	41.9
	Three	19.1	22.6
	No response	5.7	0.0

Source: Fieldwork, 2007



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

#### **Introduction**

This chapter contains the summary of findings made during the study. The summary contains the objectives of the study, study design and the main findings. Also included in the chapter are the conclusions drawn based upon the main findings. The chapter ends with the implications of the findings made and recommendations to the major stakeholders: GES, teacher associations, SSNIT management, and teachers. Areas for further research were also suggested as this study cannot be considered as exhaustive on the topic.

#### **Summary**

The main objective of the study was to assess the state of retirement planning among teachers in the Tamale metropolitan public second cycle institutions and how it guarantees teachers' well-being. Specifically, the study sought to describe the state of retirement planning amongst teachers in Tamale metropolis, examine promoting and/or constraining factors affecting retirement planning, and make an evaluation of stakeholders' programmes for teachers' retirement planning.

The design for the study was exploratory, descriptive, cross-sectional and evaluative in nature. In all, a total sample size of 178 made up of teachers in active service (141 respondents), retired teachers (31 respondents) and heads of some institutions (6 officials) were selected using probability and non-probability techniques.

The first objective focussed on the state of retirement planning by teachers in public second cycle institutions in the Tamale metropolis. Issues addressed under this objective included meaning and essence of retirement planning, the age at which planning started, activities undertaken by retirees, and areas of investment. The key findings were as follows:

- Respondents defined retirement planning as plans towards one's life after attaining a retiring age of sixty, arrangements for old age, or preparation for life after public service ends.
- 96.8% of the retiree respondents did plan towards retirement and 97.9% of teachers still in active service stated that it was necessary to plan towards retirement from active service.
- Reasons assigned were that it guarantees one's well being; help one to avoid frustration and becoming a social liability; and that retirement benefits are inadequate so planning is necessary. Others opined that retirement planning regulates one's lifestyle and financial management; and that ageing affects the mind and the individual's performance so advance preparations might be very helpful.
- 35.5% of the retirees started planning towards their retirement from work at age fifty-five. One out of ten retirees however started their preparation at age forty. Among teachers in active service, all those aged between 51 and

60 years were planning towards retirement whereas 70% of those age thirty years or below were not.

- Fifty-three percent (53.2%) of all respondent argued that retirement planning should be done throughout one's working life while 25 % opined that it should start after age forty.
- Necessities to plan for include one's own shelter/accommodation, business ventures, means of transport, and farming. In addition, the potential retirees should invest in their wards, take insurance policy, make enough savings, operate private school, and invest in bonds/shares/ treasury bills.
- Amidst all these necessities, the most important things teachers should plan for despite individual preferences are accommodation/shelter and an avenue for sustainable inflow of income.
- 87.1% of the retirees were engaged in one activity or the other to eke out their pension income. These sources being accruals from part-time teaching, transport business, trading, farming, and vocational skills.
- Although nine out of ten retirees have other sources of income aside pension benefits, only a third estimated that their annual income was more than what pertained while in active service. Another one out of three retirees also estimated that they spent more in retirement than what prevailed while in service.
- One-third of teachers in active service have additional sources of income alongside GES approved salaries and allowances. There was however, a trend, which shows that sourcing for additional income to supplement emoluments increases as the teacher grows.

The second objective dealt with promoting and/or constraining factors which affect retirement planning by teachers in these institutions. Key findings included the following:

- Factors which make retirement planning easy include access to information on investment opportunities, one's conditions of service, education on retirement planning, and saving habits of the teacher. In addition, access to loan facilities, one's family size and structure, support from family and friends, and one's health status.
- Factors or situations which could make such planning difficult include poor condition of service, volatile economic environment, lack of information on investment opportunities, and delays in the processing of pension benefits. Others include pressure from family and friends, failure or inability of students' loan scheme beneficiaries to pay up so as to relieve the guarantors, and inadequate retirement policy by the GES. In addition, high interest rates charged by financial institutions, the monopoly enjoyed by SSNIT, and the attitude of some teachers who live unplanned lifestyles were some other situations which could impede smooth retirement planning.
- The "ideal" age at which teachers should proceed on retirement in the opinion of the retirees ranges from 55 to 65 years (10 years interval), while teachers in active service suggested ages ranging from 50 to 70 years (20 years interval) but the commonest 'ideal' age suggested was sixty years.
- Reasons assigned included the perception that teachers may be weak by age 60 and no longer strong enough to work; and age 60 is a state policy or constitutional provision which should be adhered to. Others contended that people should retire at age 60 so as to make way for new/young workers.

- It is necessary for potential retirees to discuss their retirement plans with their spouse(s). Such consultations would elucidate support, and cooperation; and consequently, acceptance of changes that may occur.
- 76.2% of all respondents agreed that a discussion on retirement plans with one's employer is necessary. This would facilitate the processing of pension documents, and make one to know details of retirement benefits. A few however, said it was not necessary to discuss retirement planning issues with one's employer because it is already stated in the conditions of service.
- 'Due to changes that may occur in life, it is absolutely necessary to review retirement needs or goals of life'. This was the opinion of 84.4% teachers in active service and 96.8% of retired teachers.
- 70.9% of respondents stated that it is good and necessary to discuss one's retirement plans with the entire family. This would make relatives to support the retiree and accept changes that may be associated with life in retirement. However, 6.4% of teachers in service and 32.2% of retirees said 'no'. To them, some family members could exploit or even harass the retiree for negative motives. Also there could be pressure to share one's benefits among these relations or they may even sabotage one's efforts.
- Respondents also stated that retirement planning could ultimately guarantee one's well-being. Proper retirement planning could provide financial, physical, psychological, socio-cultural, and even moral well-being of the individual.

The third objective of the study focussed on the programmes put in place by stakeholders to facilitate teachers' retirement planning and the emergent issues were as follows:

- 93.6% of retirees and 97.9% of teachers in service stated that their employer (GES) had never organised any form of programme to discuss retirement planning issues with them. A few (6.4% of retirees and 2.1% of teachers in active service) however, said they had benefited from such a programme. To these few, the key issues discussed were the procedure for filling pension forms; regulations guiding CAP 30 and SSNIT pension schemes; and how to facilitate early collection of retirement benefits.
- On the contrary, GES officials stated that annually, a team from their headquarters specifically Guidance and Counselling Unit do visit all regions and organise workshops for all District Directors, HRMD officers, and district Guidance and Counselling officers on retirement related issues. These officials were in turn, expected to replicate such workshops in their various districts. In addition, periodic notification about retirement were served on all teachers vide their payslips. Whereas CAP 30 scheme beneficiaries were assisted in the Regional GES offices to process their documents, the SSNIT scheme beneficiaries were normally referred to the nearest SSNIT office for assistance. Teachers about to retire were also served six months notice and granted three months leave prior to compulsory retirement.
- The performance of teacher associations does not differ much from the GES. 87.2% of respondents stated that their respective associations had not organised any programme on retirement planning for them. However, a small percentage ( $\leq 12.8\%$ ) of teachers were beneficiaries of such programmes. These beneficiaries attended such programmes once, twice or thrice. Issues identified as important were retirement benefits regime, GNAT teachers' mutual fund, and NAGRAT retirement package.

- On investment opportunities offered by the associations, a minority (27.0%) of respondents identified teachers' mutual fund, credit sales of household appliances, housing loan, collective insurance scheme, welfare contribution, and personal loan facility. Some were beneficiaries of these investment opportunities. For instance 8.5% said they have enjoyed loan facility whilst some of the retirees said they have had a refund and dividend of their mutual fund contributions.
- GNAT officials stated that the association had in place plans which prepare its members for retirement and invest on their own. For instance they have mutual fund which provides loan to its members, housing and car loan facility, and handsome exit package. Also those about to retire were always invited for counselling as to what to do with their lives after retirement.
- NAGRAT officials explained that although there were no specific retirement planning programmes, the association had programmes which greatly enhanced members' well-being. For instances apart from packages for retired members and the families of the dead, there were avenues for member to acquire car and housing loans to the tune of five thousand cedis [GH¢ 5,000] payable in five years.
- Respondents under TEWU were neither offered investment opportunities or retirement planning programmes by their association. The official response equally suggested that no tentative plans were in place to either orient members on retirement planning related issues or provided investment avenues.
- According to the retired teachers, SSNIT did not offer them any form of investment opportunities. And except for three out of one hundred, SSNIT did not also organise a programme on retirement planning for them. The few

retirees who benefitted from such programmes identified the advice that all workers should endeavour to contribute towards their old age as the key issue discussed.

- 91.5% of teachers in active service also had not been offered any investment opportunities or made to attend any programme on retirement planning. However, 8.5% ever participated in retirement planning related programmes organised by SSNIT. Also another 5.7% of teachers in service acknowledged the contribution towards old age and SSNIT student loan scheme for which some were beneficiaries as investment opportunities.
- The official stand of SSNIT was that the Trust organises fora for all workers periodically to address issues pertaining to the package, processes and procedure of the SSNIT pension scheme, but not to discuss retirement planning issues.
- All the respondents overwhelmingly stated that there was the need for stakeholders to organise retirement planning related programme for teachers periodically. They also stated that such programmes should be organised twice in an academic year. The reason being that such programmes would enable teachers to adequately prepare towards retirement.

### **Conclusions of the study**

Based upon the findings made during the study, it can be concluded that retirement planning among teachers in public second cycle institutions is incomplete. Although teachers in the Tamale metropolis, especially those in second cycle institutions know the importance of retirement planning, some do not plan towards their exit from active service. Even majority of those who plan started after attaining 55 years in contrast to their own opinion that



retirement planning ought to be done throughout one's working life. In addition, not all the retirees were able to plan for, and acquired necessities like accommodation as they have identified as very important.

There are both promoting and constraining factors that affect retirement planning among teachers. Factors which positively influenced retirement planning included teachers' condition of service, access to information on investment opportunities, access to credit facilities, one's educational level, education on retirement planning, the age and health status of the teacher and one's family size and structure. Factors which negatively influenced retirement planning included poor condition of service, volatile economic environment, the low package and monopoly enjoyed by SSNIT, the extent of consultations made, and the attitude of the individual teacher towards retirement planning. Planning towards retirement could provide financial, physical, psychological, socio-cultural and even moral well-being of the individual.

Programmes by stakeholders to prepare teachers for retirement are largely inadequate and ineffective. Although the stakeholders have some structures in place purposefully to offer support to the teachers in the form of guidance and counselling, and financial avenues for teachers to acquire basic necessities of life, they are not operationally sufficient. Only few teachers were actual beneficiaries of such opportunities. Teachers are aware of the importance of preparation towards retirement and therefore yearning for programmes that would help them prepare adequately towards their exit from work.

### **Implications of the findings**

A careful perusal of the findings of the study and conclusions drawn lead to the following implications for all stakeholders. There is a gap between what the teachers identified as an 'ideal' way of protecting their future after service to the nation and concrete actions being employed to achieve it. This state of affairs could engender teacher attrition, disloyalty, and apathy to work, and ultimately tonnes of regret at the end of their active working life. Also, some factors identified as being crucial for effective retirement planning require collective attention and action of all stakeholders to overcome the problem of poor preparation towards retirement. In addition, the role of the GES, teacher associations and the management of SSNIT, even though well intended might not be totally appreciated by the beneficiaries as majority have clearly demonstrated in their responses.

### **Recommendations**

The following recommendations to all stakeholders and teachers to a very large extent, could serve as a panacea to the problems associated with retirement planning and teachers' well-being in and out of active service. It could also reassure teachers of a secured future and hence dedication to duty, and abating of teacher attrition.

- Ghana Education Service

As part of its human resource development policy, the Ghana Education Service (GES) could make cogent and conscious efforts at providing the enabling environment for teachers to plan towards exit from active service. The service should therefore:

- i). Introduce a topic on retirement planning in one of the course modules of teacher trainees. “The earlier, the better” so if such topics are introduced to the teachers while still in college, the chances of taking actions on retirement planning early enough in life are higher.
- ii). Make essential elements of retirement planning issues part and parcel of orientation programmes for newly recruited teachers. Such an opportunity would definitely help teachers to plan for their future as they enter the ‘world of reality’.
- iii). Organise annual programmes, preferably in the second term of the academic year when teacher movement is minimal; to re-orient, educate, and remind all category of teachers on retirement planning issues. This could be done through seminars, workshops, and lectures at least once a year. It could even be tied up to the regular in-service training programmes for teachers.
- iv). Improve the conditions of service of teachers and their supporting staff. For example teachers’ condition can be improved through the re-introduction of salary advances, vehicle loans, housing loans, and increased emoluments.
- v). Enter into special agreement with selected financial institutions where teachers could obtain concessionary loans with terms of payment and interest rates lesser than the commercial rates currently prevailing. Repayment should be done at source.

- Teacher Associations

Teacher association ie GNAT, NAGRAT, and TEWU could as a matter of priority and as part of enhanced welfare package for their members should:

- i). Periodically engage the services of consultants to take teachers through the cardinal elements and processes of retirement planning, investment

opportunities, tenets of entrepreneurial practices, financial management, etc. This would make members to prepare better for life in and after active service.

ii). Increase the monthly contribution of their members so as to increase and diversify the benefit regime for members. For instance GNAT's mutual fund of two cedis and fifty pesewas per member per month which guarantees a personal loan of up to five hundred cedis per year could be raised to ten cedis per member per month and for which one can enjoy a loan of two thousand cedis per year. Access to reasonable amounts of money could support teachers' investment ventures.

iii). Liaise with, and enter into mutually beneficial agreement with credible service providers such as estate developers, vehicle dealers, among others to provide these services en mass to their members, while they (associations) in turn, provide guarantee for the payments in affordable instalments.

- Social Security and National Insurance Trust

Aside from the three tiers pension scheme to be introduced, the SSNIT benefit regime should be reviewed so that contributors could have access to some lump sum amount ten years prior to retirement date (about 40% of ones estimated total benefit). This would enable individuals to take concrete financial measures at planning towards retirement. The present arrangement where workers would have to wait till all is done before accessing benefits which normally take months after cessation of active service appears to be 'too late' for retired teachers to implement their retirement plans.

- Teachers

Teachers, (all workers in general) should plan their lives in a way that they would not become social liability when they grow old and are retired from

active duty to the state. We live in an environment of constriction and repression (Madan, 2007). One therefore has to rise above all such factors to achieve well-being. In the face of individual differences and preferences, the conscious effort at planning for retirement need to be made by everybody. The model for retirement planning in this work therefore should be considered by all teachers.

Finally, the government, civil society, corporate bodies, and indeed everybody should make the necessary input tangible or otherwise to support workers especially teachers, to live, work and retire in dignity. For this is the only way the nation could achieve the much desired human resource development which would ultimately result in both qualitative and quantitative changes in the lives of all the citizenry.

#### **Areas for further research**

This study could not be deemed as very exhaustive on the subject of retirement planning. Researchers could therefore explore similar areas such as:-

- 1). Retirement planning and teachers well-being in the Tamale Metropolitan basic schools, and
- 2). Retirement planning among public sector workers in the Northern Region of Ghana.

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## APPENDIX A

UNIVERSITY OF CAPE COAST

CENTRE FOR DEVELOPMENT STUDIES

FM CODE

FO PIN


TOPIC: RETIREMENT PLANNING AND TEACHERS' WELL-BEING IN  
THE TAMALE METROPOLITAN PUBLIC SECOND CYCLE INSTITUTIONS  
MODULE A: QUESTIONNAIRE FOR TEACHERS IN ACTIVE SERVICE

*[I'm B.A. Lawoe, a Postgraduate student of CDS, UCC. I would be grateful if you could assist me academically by responding to this questionnaire. Please note that this study is purely for academic purposes and would therefore have no effect on you as a person or your institution. In addition, be assured that the confidentiality of information provided is guaranteed. Thank you.]*

SECTION A: DEMOGRAPHICS (BIO-DATA)

Please respond factually by ticking the appropriate column



- 1) Category of Institution presently working. 1. Teacher Training College [ ],  
 2. Voc/Technical [ ] 3. Senior Sec. School [ ] 4. Secretarial School [ ]
- 2) Sex: 1. Male [ ] 2. Female [ ]
- 3) Age: 1. 30 years or below [ ] 2. Between 31-40 years [ ]  
 3. Between 41- 50 years [ ] 4. Between 51- 60 years [ ] 5. Above 60 years [ ]
- 4) Religious Affiliation: 1. Islam [ ] 2. Christianity [ ] 3. Hinduism [ ]  
 4. Traditional Religion [ ] 5. Other (specify).....
- 5) Marital Status: 1. Single [ ] 2. Married [ ] 3. Separated [ ]  
 4. Divorced [ ] 5. Widowed [ ] 6. Other (specify).....
- 6) Highest Educational Qualification obtained. 1. Teachers' Cert 'A' [ ]  
 2. OND/HND [ ] 3. City & Guilds (Advance, etc) [ ] 4. B.Ed/B.A/BSc, [ ]  
 5. PGCE [ ] 6. MEd/ MA/MSc/MPhil, etc [ ] 7. Other (specify).....
- 7) Teachers' Association affiliated to: 1. GNAT [ ], 2. NAGRAT [ ],  
 3. TEWU [ ], 4. Other (specify) .....
- 8) Government Pension Scheme applicable to you: 1. CAP 30 [ ],  
 2. SSNIT [ ], 3. Other (specify) .....

**SECTION B: RETIREMENT PLANNING AMONG TEACHERS IN TAMALE**

- 9) Please what does retirement planning mean? .....
- .....
- 10) Are you planning towards retirement? 1 Yes [ ] 2 Not yet [ ]
- 11) Should a teacher plan for retirement? 1. Yes [ ] 2 No [ ] 3. Don't know [ ]
- 12) Please give reason for your response to Q 11 .....
- .....
- 13) If yes to Q 10, at what age should a teacher plan for retirement?  
 (Otherwise skip to Q 14)

- 1 At age 50 years and above [ ], 2 .Between ages 40 and 50 [ ],
- 3.Between ages 30 and 40[ ] 4. At age 30 years or less [ ],
- 5. Throughout the entire working life [ ] .

14) What should teachers plan for so as to ensure their well-being in retirement? .....

.....

15 )a. What should retired teachers do (use their time for)?.....

.....

15 )b. Why should they do as in 15 a.?.....

.....

16) Despite individual preferences, what do you consider as ONE important thing a teacher about to retire should plan for? .....

17) What should retired teachers invest in?.....

.....

18) Which of the following means of transport do you own? (Please tick all that apply) 1. Bicycle [ ], 2.Motorbike [ ], 3. Car [ ],

4.Cart/donkey [ ], 5. Canoe/boat [ ], 6. Truck/tractor [ ],

7.Bus/Van [ ] 8. Other (specify)..... 9. None [ ]

19) Do you invest in shares, fixed deposits, treasure bills,etc? 1Yes[ ] 2No[ ]

20) If yes to question 19, what is the threshold? 1. Below one million cedis[ ],

2. Between one and five million cedis [ ], 3. Above five million cedis [ ],

4. Not applicable [ ]

21) Do you own a house (complete or construction still in progress)?

1.Yes [ ], 2.No [ ]

22) Do you operate savings account purposely for retirement? 1Yes[ ] 2No [ ]

23 Please state investment projects you have carried out that could be of benefit in your old age.....

SECTION C: FACTORS AFFECTING RETIREMENT PLANNING  
AMONG TEACHERS

24) a. Please state any two factors/situations which could make retirement planning easy: i.....  
ii.....

24) b. Please state any two factors/situations that could make planning for retirement difficult: I.....  
II.....

25) Indicate the extent to which you AGREE or DISAGREE that the following factors could **positively** affect teachers' effort at planning for retirement: (Please tick)

<i>FACTORS/SITUATIONS</i>	<i>STRONGLY AGREE</i>	<i>AGREE</i>	<i>NEUTRAL</i>	<i>DISAGREE</i>	<i>STRONGLY DISAGREE</i>
Age of the teacher					
The teacher's health status					
The size and structure of his/her family					
Spousal status (health, economic, etc)					
Teacher's job location					
Utility services available to the teacher					
Employer's Conditions of Service					
Legal & Political					

work environment					
Teacher's religious inclination					
Teacher's educational qualification					

26) Ideally, at what age should a teacher retire from active service? .....

27) Explain why that age is appropriate (reference question 26)

.....

28) At what age would you like to retire from active service? .....

29) Do you think it is necessary for a teacher about to retire to:

a) -talk to the spouse about his/her retirement plans? 1. Yes [ ] 2. No [ ].Why?

.....

b) –discuss with employer about retirement benefits?1. Yes[ ] 2 No[ ]. Why?

.....

c) –review retirement needs or goals of life? 1. Yes [ ] 2 No [ ]. Why?

.....

d) –discuss with the entire family about his/her retirement plans?

1 Yes [ ], 2. No [ ]. Why?.....

.....

30) Should teachers regularly go for medical check-up? 1. Yes [ ] 2.No [ ]

31) Do you regularly check on your health? 1.Yes [ ] 2.No [ ]

32) Do you agree/disagree with the view that a successful plan for retirement would guarantee retired teachers' well-being in the following ways?

	AGREE	NEUTRAL	DISAGREE
Financially			
Physically			
Psychologically			



1. Yes [ ] 2. No [ ] if no, skip to Question 38

37. b) If yes to Q37.a, which opportunities were offered? .....

.....

37.c) Have you benefited from such investment opportunities?

1. Yes [ ] 2. No [ ] if no, skip to Q 38

37.d) If yes to Q37.c, please give details of benefits enjoyed .....

.....

38) Has your association (GNAT/NAGRAT/TEWU) ever organised a programme to discuss with you issues on planning for retirement?

1 Yes [ ] 2 No [ ]. If no, please skip to question 40a.

39 a) If yes, to Q 38, how many of such programmes have you ever attended?... ..

39. b) What key issues were addressed? .....

39. c) In your estimation, were the issues discussed important and beneficial?

1 Yes [ ] 2 No [ ]

39 d) Please explain your response to Q 39.c.....

.....

39. e) Have you put into practice issues that need action? 1 Yes [ ] 2 No [ ]

40.a) Has your association (GNAT/NAGRAT/TEWU) offered you investment opportunities? 1. Yes [ ] 2. No [ ] if no, skip to Question 41.

40. b) If yes to Q40a, which opportunities were offered? .....

.....

40.c) Have you benefited from such investment opportunities? 1. Yes [ ]

2.No [ ] if no, skip to Q 41

40.d) If yes to Q40c, please give details of benefits enjoyed .....

.....

41) Does the pension and social security management ever organise retirement planning related programmes for you? 1. Yes [ ] 2 No [ ]. If no, skip to question 43

42a) If yes, how many of such programmes have you ever attended? .....

42. b) What key issues were addressed?.....  
.....

42. c) In your estimation, were the issues discussed important and beneficial?

1 Yes [ ] 2 No [ ]

42. d) Please explain your response to Q 42.c .....  
.....

42. e) Have you put into practice issues that need action? 1 Yes [ ] 2 No [ ]

43) Does the pension and social security management offer you investment opportunities? 1. Yes [ ] 2. No [ ] if no, skip to Question 45.

44.a) If yes to Q43, which opportunities were offered? .....  
.....

44.b) Have you benefited from such investment opportunities?

1. Yes [ ] 2. No [ ] if no, please skip to Q 45

44.c) If yes to Q44.b, please give details of benefits enjoyed .....  
.....

45) Do you think it is necessary for stakeholders

(GES/GNAT/NAGRAT/SSNIT, etc) to organise periodic programmes on retirement planning for teachers in second cycle institutions?

1. Yes [ ] 2 No [ ] 3. Don't know [ ]

46) Please give reason for your response to Q 45 .....  
.....

47) If yes to Q. 45, how many should be organised in an academic year? .....

*[Thank you very much for your contribution towards a worthy academic exercise. Once again, confidentiality of this information is assured.]*

**APPENDIX B**

UNIVERSITY OF CAPE COAST

CENTRE FOR DEVELOPMENT STUDIES

FM CODE

FO PIN


TOPIC: RETIREMENT PLANNING AND TEACHERS' WELL-BEING IN THE  
TAMALE METROPOLITAN SECOND CYCLE INSTITUTIONS

MODULE B: QUESTIONNAIRE FOR RETIRED TEACHERS

*[I'm B.A. Lawoe, a Postgraduate student of CDS, UCC. I would be grateful if you could assist me academically by responding to this questionnaire. Please note that this study is purely for academic purposes and would therefore have*



*no effect on you as a person. In addition, be assured that the confidentiality of information provided is guaranteed. Thank you.]*

**SECTION A: SOCIO-DEMOGRAPHIC INFORMATION**

Please respond factually by ticking the appropriate column

- 1) Category of Institution last served. 1. Teacher Training College [  ]  
2. Voc/Technical [  ] 3. Senior Secondary School [  ] 4. Commercial /  
Secretarial School [  ] 5. GES/Unit office [  ]
- 2) Sex: 1. Male [  ] 2. Female [  ]
- 3) Age:.....
- 4) Religious Affiliation: 1. Islam [  ] 2. Christianity [  ] 3. Hinduism [  ]  
4. Traditional Religion [  ] 5. Other (specify).....
- 5) Marital Status: 1. Single [  ] 2. Married [  ] 3. Separated [  ]  
4. Divorced [  ] 5. Widowed [  ] 6. Other (specify).....
- 6) Highest Educational Qualification obtained. 1. Teachers' Cert 'A' [  ],  
2. OND/HND [  ], 3. City & Guilds (Advance, etc) [  ], 4.  
B.Ed/B.A/BSc, etc [  ] 5. PGCE [  ] 6. MEd/ MA/MSc/MPhil, etc [  ]  
7. Other (specify).....
- 7) Teachers' Association affiliated to: 1. GNAT [  ], 2. NAGRAT [  ],  
3. TEWU [  ], 4. Other(specify) .....
- 8) Government Pension Scheme applicable to you: 1. CAP 30 [  ],  
2. SSNIT [  ], 3. Other(specify).....

**SECTION B: RETIREMENT PLANNING AMONG TEACHERS IN TAMALE**

- 9) Please what does retirement planning mean? .....
- .....
- 10) Did you plan towards retirement? 1 Yes [  ] 2. No [  ] if no, skip to Q 12
- 11.a) At what age did you start planning for retirement? .....

11.b) What specifically did you plan for before retiring from active service?

.....

12) If you answered NO to Q 10, please give reason (otherwise skip to Q 13)

.....

13) At what age did you retire from active service? .....

14) a. What do you do presently (use your time for)? .....

.....

14) b. Why should you do as in 14 a.?.....

.....

15) Despite individual preferences, what do you consider as ONE important thing a teacher about to retire should plan for? .....

16) Aside your pension benefits, do you have other sources of income?

1. Yes [ ] 2. No [ ], if no skip to Q 18

17) If yes to Q 16, please list the sources .....

.....

18) In general estimation, is your total annual income now:

1. Same as in active service [ ] 2. More than as in active service [ ]  
3. Less than as in active service [ ] 4. Don't really know [ ]

19) Compared to your last two years in active service, would say your

- expenditure now is: 1. Same as in active service [ ] 2. More than  
as in active service [ ] 3. Less than as in active service [ ] 4. Don't  
really know [ ]

20) What should teachers invest in so as to ensure their well-being when they retire?.....

.....

21) Which of the following means of transport do you own? (Please tick all

- that apply)            1. Bicycle [    ], 2. Motorbike [    ], 3. Car [    ],  
 4. Cart/donkey [    ], 5. Canoe/boat [    ], 6. Truck/tractor [    ], 7. Bus [    ]  
 8. Other (specify.....) 9. None [    ]

22a) Do you invest in shares, fixed deposits, treasure bills, etc?

1. Yes [    ] 2. No [    ]. If no skip to Q 23.

22b). If yes to question 22a, what is the threshold/minimum level? 1. Below

- one million cedis [    ], 2. Between one and five million cedis [    ],  
 3. Above five million cedis [    ], 4. Not applicable [    ]

23) Do you own a house (complete or construction still in progress)?

1. Yes [    ], 2. No [    ]

24) Do you operate savings account purposely for retirement?

1. Yes [    ] 2. No [    ]

25) Please state investment projects you have carried out that is of benefit now  
 and the future.....

.....

**SECTION C: FACTORS AFFECTING RETIREMENT PLANNING**

**AMONG TEACHERS**

26) a. Please state any two factors/situations which made your retirement  
 planning easy: i.....

ii.....

26) b. Please state any two factors/situations that made your planning for  
 retirement difficult: I .....

II.....

27) Indicate the extent to which you AGREE or DISAGREE that the  
 following factors **positively** affected your effort at planning for  
 retirement: (Please tick)

FACTORS/SITUATIONS	*SA	A	N	D	SD
Your age at which planning started					
Your health status					
The size and structure of your family					
Spousal status (health, economic, etc)					
Your job location					
Utility services available to you					
Employer's Conditions of Service					
Legal & Political work environment					
Your religious inclination					
Your educational qualification					

\*SA= strongly agree A=agree N=neutral D=disagree SD=strongly disagree

28) Ideally, at what age should a teacher retire from active service? .....

29) Explain why that age is appropriate (reference question 28) .....

.....

30) Do you think it is necessary for a teacher about to retire to:

a) -talk to the spouse about his/her retirement plans? 1. Yes [ ] 2. No [ ]. Why?

.....

b) –discuss with employer about retirement benefits?1. Yes [ ] 2.No [ ]. Why?

.....

c) –review retirement needs or goals of life? 1. Yes [ ] 2 No [ ]. Why?

.....

d) –discuss with the entire family about his/her retirement plans?

1 Yes [ ], 2. No [ ]. Why?.....

.....

31) Should teachers regularly go for medical check-up? 1. Yes [ ] 2.No [ ]

32) Do you regularly check on your health? 1. Yes [ ] 2.No [ ]

33) Do you agree/disagree with the view that a successful plan for retirement would guarantee retired teachers' well-being in the following ways?

	AGREE	NEUTRAL	DISAGREE
Financially			
Physically			
Psychologically			
Socio-culturally			
Morally			

34) Please rank the underlisted situations which could ensure a retirees' well-being by assigning the numbers 1, 2, 3, 4, 5, and 6; (with "1" being the "most important" and "6" the "least important").

- i) adequate regular income [ .....]
- ii) decent accommodation [.....]
- iii) affordable medical facilities [.....]
- iv) supportive family [.....]
- v) socio-cultural environment [.....]
- vi) past condition of service [.....]

**SECTION D: STAKEHOLDERS PROGRAMMES ON RETIREMENT PLANNING**

35) Has your employer (GES) ever organised programme(s) to discuss with you issues on planning for retirement? 1. Yes [ ] 2 No [ ]. If no, please skip to question number 37.

36. a) If yes to Q35, how many of such programmes have you ever attended?  
 .....

36. b) What key issues were addressed? .....

36. c) In your estimation, were the issues discussed important and beneficial?  
 1 Yes [ ] 2 No [ ]

36. d) Please explain your response to Q36. c.....

.....  
36.e) Have you put into practice issues that need action? 1 Yes [ ] 2 No [ ]

37) Has your employer (GES) offered you investment opportunities?

1. Yes [ ] 2. No [ ] if no, skip to Question 39.

38.a) If yes to Q37, which opportunities were offered? .....

.....  
38.b) Have you benefited from such investment opportunities? 1. Yes [ ]

2. No [ ] if no, skip to Q 39.

38.c) If yes to Q38b, please give details of benefits enjoyed .....

.....  
39) Has your association (GNAT/NAGRAT/TEWU) ever organised a  
programme to discuss with you issues on planning for retirement?

1 Yes [ ] 2 No [ ]. If no, please skip to question 41.

40. a) If yes, how many of such programmes have you ever attended?.....

40. b) What key issues were addressed? .....

.....  
40. c) In your estimation, were the issues discussed important and beneficial?

1 Yes [ ] 2 No [ ]

40. d) Please explain your response to Q 40.c.....

.....  
40. e) Have you put into practice issues that need action? 1 Yes [ ] 2 No [ ]

41) Has your association (GNAT/NAGRAT/TEWU) offered you investment  
opportunities? 1. Yes [ ] 2. No [ ] if no, skip to Question 43.

42.a) If yes to Q41, which opportunities were offered? .....

42.b) Have you benefited from such investment opportunities?

1. Yes [ ] 2. No [ ] if no, skip to Q 43.

42.c). If yes to Q42.b, please give details of benefits enjoyed .....

.....

43). Does the pension and social security management ever organise retirement planning related programmes for you? 1. Yes [ ] 2 No [ ]. If no, skip to Q 45.

44a) If yes, how many of such programmes have you ever attended? .....

44. b) What key issues were addressed? .....

.....

44. c) In your estimation, were the issues discussed important and beneficial?

1 Yes [ ] 2 No [ ]

44. d) Please explain your response to Q 44.c .....

.....

44. e) Have you put into practice issues that need action? 1 Yes [ ] 2 No [ ]

45) Does the pension and social security management offer you investment opportunities? 1. Yes [ ] 2. No [ ] if no, skip to Question 47.

46.a) If yes to Q22, which opportunities were offered? .....

.....

46.b) Have you benefited from such investment opportunities?

1. Yes [ ] 2. No [ ] if no, skip to Q 47.

46.c) If yes to Q46.b, please give details of benefits enjoyed ... ..

.....

47) Do you think it is necessary for stakeholders (GES/GNAT/NAGRAT/SSNIT, etc) to organise periodic programmes on retirement planning for teachers in second cycle institutions? 1. Yes [ ] 2 No [ ] 3. Don't know [ ]

48) Please give reason for your response to Q 47 .....

49) If yes to Question 47, how many should be organised in an academic year?  
.....

50) On the whole, how would you describe your retirement plan?

- 1. Very satisfactory [    ]      2. Satisfactory [    ]      3. Partially
- satisfactory [    ]      4. Unsatisfactory [    ]

*[Thank you very much for your contribution towards a worthy academic exercise. Once again, confidentiality of this information is assured.]*

**APPENDIX C**

**UNIVERSITY OF CAPE COAST  
CENTRE FOR DEVELOPMENT STUDIES**

**TOPIC: RETIREMENT PLANNING AND TEACHERS' WELL-BEING IN THE  
TAMALE METROPOLITAN PUBLIC SECOND CYCLE INSTITUTIONS**

**INTERVIEW SCHEDULE FOR OFFICIALS**

*[I'm B. A. Lawoe, a Postgraduate student of CDS, UCC. I would be grateful if you could assist me academically by granting me an interview on the above topic. Please note that this study is purely for academic purposes and would therefore have no effect on you as a person or your institution. In addition, be*



*assured that the confidentiality of information provided is guaranteed. Thank you.]*

DEPT:..... LEVEL:.....

NAME OF OFFICIAL.....SEX.....

POSITION/DESIGNATION.....NO. OF YEARS AT POST.....

1. Do teachers plan for retirement?
2. Does your outfit have programmes in place to discuss retirement planning issues with teachers?
- 3a. If yes to no.2, are teachers aware of such programmes? Otherwise skip to Question 4.
- 3b. Do they participate (any evidence)?
- 3c. What issues are discussed/addressed?
- 3d. Do you evaluate such programmes?
4. If no to question 2, why not such programmes?
5. Does your outfit offer investment opportunities to teachers?
6. If yes, what form do they take? (if no, go to question 9)
7. Are teachers aware?
8. Do they take advantage of it and invest?
9. Do you think the teacher's condition of service sufficiently addresses retirement planning?
10. Do you think a successful retirement planning could ensure teachers' well-being?
11. What role is your outfit suppose to play towards the teacher?

