UNIVERSITY OF CAPE COAST

FINANCIAL LITERACY AND RETIREMENT PLANNING OF WORKERS IN MFANTSEMAN MUNICIPAL ASSEMBLY

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BY

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DECLARATION

Candidate's Declaration

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

Candidate's signature……………….… Date……………………………

Candidate's Name: Ibrahim Abubakari

Supervisor's Declaration

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

Supervisor's Signature……………….… Date…………………………

Supervisor's Name: Prof. Siaw Frimpong

ABSTRACT

For both rich and developing nations, including Ghana, financial literacy is critical in retirement planning. As a result, the economic and social climate in which individuals make financial choices has changed. This has enhanced individual employee financial responsibility and financial independence. The research focused on financial literacy and retirement planning for Mfantseman Municipal workers. The study used a quantitative research method. The research sampled 201 people using stratified random sampling. 96.71 percent responded. A systematic questionnaire was used to gather primary data. In terms of the study's issue, the questionnaire met all research goals. Inferential analysis was done using resgression analysis, whereas descriptive analysis utilized percentage distributions to explain phenomena. The research found that employees in Mfantseman Municipality were highly financially literate. The research also showed a gender difference among pensioners in the town. The research also found a link between financial literacy and retirement planning. Finally, financial knowledge influences employees' retirement planning. This implies that as workers' financial knowledge grows, so does their desire to prepare for retirement. The research suggests that workers be reminded of the significance of financial understanding by social welfare and other financial specialists and analysts during meetings.

KEY WORDS

Financial Knowledge

Financial Literacy

Mfantseman Municipal Assembly

Retirement Planning

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DEDICATION

To my family for their support and encouragement for the successful completion of my course.

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FL	Financial Litercy
RP	Retirement Planning

CHAPTER ONE

INTRODUCTION

Ghana's banking sector has lately struggled to make profit. As a result, many financial organizations have been downgraded, merged, or closed due to the problem in an attempt by Bank of Ghana to clean up the sector. However, financial literacy affects saving behaviour of worker and as well, statistics from both developed and developing countries show a lack of financial literacy, as well as basic personal financial management concepts and banking practices among workers. The study focuses on workers in the Mfantseman Municipal Assembly to assess their financial literacy and retirement planning.

Background to the Study

Financial literacy has become an essential topic in retirement planning for both developed and developing countries, including Ghana. Hung, Parker and Yoong (2009) defined financial literacy as the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial well-being. Atkinson and Messy (2011) described financial literacy as a combination of awareness, knowledge, skills, attitude, and behaviors necessary to make sound financial decisions and ultimately achieve individual financial well-being. Based on this definition, individuals and households use financial knowledge and skills to make a saving, investment, retirement, mortgage, and other vital decisions affecting their day-to-day life. On the other hand, retirement planning, in a financial context, refers to the allocation of savings or revenue for retirement. The goal of retirement planning is to achieve financial independence (Yuh, Montalto & Hanna, 1998).

Butcher-Koenen and Lusardi (2011) found that there was a positive correlation between financial knowledge and retirement planning. Individuals with higher education levels were more likely to have basic financial knowledge in retirement preparedness than those without. Brown and Graf (2013) found that financial literacy had a strong correlation with voluntary retirement. People who retire voluntarily are more likely to have a higher financial literacy level than those who do not, resulting in sound retirement planning. Lusardi and Mitchell (2011) observed that financial literacy was higher for those exposed to economics in schools and company-based financial education programs. According to Arrondel, Debbich and Savignac (2013), people who scored higher on financial literacy questions were more likely to have a defined financial plan for retirement than those who did not.

Similarly, Carlo de Bassa (2013) noted that people who had higher financial literacy were more likely to plan for retirement or cultivate the habit of savings for emergencies. In their study conducted in Canada, Boisclair, Lusardi and Michaud (2017) found that retirement planning is strongly associated with financial literacy. Those who responded correctly to the financial literacy questions were more likely to have a retirement savings plan. Scheresberg (2013) noted that respondents who displayed higher financial literacy were more likely to plan for retirement or set aside savings for emergencies.

Conversely, several studies conducted across the world indicate that lack of financial literacy was still a constraint to retirement planning. Boisclair, et al., (2017) discovered that the young, the old, women, minorities, and those with lower educational levels had little or no financial knowledge, which affected their retirement planning. Inaja and Rose (2013) noted that lack of financial literacy among public servants in Nigeria had brought untold hardships and trauma to most of them at retirement. Klapper, Lusardi and Oudheusden (2015) found that despite the variations in age, education, income, and country, women had weaker financial skills than men, making it difficult to plan for retirement. Fatoki (2017) observed that non-business students had a low level of financial literacy, which might negatively impact their retirement planning once they start working. Githui and Ngare (2014) noted that the probability of a financially illiterate person having no retirement plan was significantly high, calling for increased financial awareness programmes to enhance the situation.

The composition and level of retirement savings affect the lives of individuals after retirement. Difficulties encountered in financing retirement may cause some to become a burden on their families and community, as well as on the public welfare system (Meir, Mugerman & Sad, 2016). Therefore, there is a need to examine the effect of financial literacy on the retirement planning of workers in Ghana, particularly among Mfantseman Municipality.

Statement of the Problem

When it comes to retirement planning, having a good understanding of finances is critical. Researchers Lusardi and Mitchell (2011) discovered a link between financial literacy and retirement planning. Investors planning to use formal techniques like retirement calculators, seminars, and financial advisors to expand their investing horizons. When it comes to retirement planning, financial literacy and private pension funds go hand in hand, as Klapper and

Panos (2011) observed. However, according to Rooij, Lusardi, and Alessie (2011), retirement planning was hampered by disparities in family economic knowledge and a lack of financial literacy.

Despite a well-designed pension system in Sweden, Almenberg and Save-Soderbergh (2011) showed that many families lacked the knowledge and skills to make complicated financial choices. Also, according to Sekita (2011), a lack of financial literacy has resulted in many Japanese families failing to save for retirement. Githui and Ngare (2014) found that poor retirement planning in Kenyan households was due to a lack of financial knowledge. Klapper and Panos (2011) conducted research on financial literacy and retirement planning in Russia and discovered a strong link between financial literacy and retirement planning. They came to the conclusion that people's ability to prepare for their private pension funds needed to be improved via increased financial literacy. Americans discovered that those who scored higher on financial literacy questions were also significantly more likely to prepare for retirement, which is anticipated to put them in a better financial position when they become older (Lusardi and Mitchell, 2011). According to Lusardi and Mitchell (2011), financially experienced individuals are significantly more likely to make retirement plans.

This shows that things like gender have an impact on how happy elderly people are. When it comes to policy targeting financial literacy, one size does not fit all approaches present a challenge. Consumers of all income levels are less likely to be taken advantage of by dishonest salespeople and buy goods or services that are not in their best interests when they have more financial expertise and use this information (Atia, 2012).

Some research have shown that in Ghana and other parts of Africa, financial literacy is still a problem for people preparing for retirement because of gender disparities and poor financial literacy (Dovie, 2018; Atakora, 2013). To find out whether financial literacy plays a role in retirement planning, researchers in Mfantseman Municipality conducted this study.

Purpose of the Study

The study aims to determine financial literacy's role in the retirement planning of employees in Mfantseman Municipality.

Research Objectives

To achieve the purpose of the study, the following objectives are set;

1. To assess the level of financial literacy among employees in Mfantseman Municipality.
2. To examine gender disparity in financial literacy among employees in Mfantseman Municipality.
3. To examine the relationship between financial literacy and retirement planning among employees in Mfantseman Municipality.

Research Questions

The following questions were formuatted based on the objectives

1. What is the level of financial literacy among employees in Mfantseman Municipality?
2. Is there a gender disparity in financial literacy among employees in Mfantseman Municipality?

Research Hypothesis

Regarding the objective three, a hypothesis was formulated as:

H0: There is no relationship between financial literacy and retirement planning among employees in Mfantseman Municipality.

H1: There is a relationship between financial literacy and retirement planning among employees in Mfantseman Municipality.

Significance of the study

Personal finance experts disagree on the best age to teach ideas, but the majority of experts agree that financial literacy instruction should begin as early as possible to avoid children from establishing bad habits and growing up to be financially illiterate. These studies are being conducted with the goal of informing instructors on the importance of FL topics like money management in retirement planning as well as budgeting and inflation.

A recent study found that individuals with less financial knowledge were more likely to struggle with debt management, saving and credit as well as be unprepared for the future (Zimmerman and Holmes, 2011). For these reasons, the authors of Prawitz and Garman (2009) propose that workers receive financial education and information on FL, such as how to set financial goals, make a budget and use credit responsibly as well as how to save money for unexpected expenses and learn not to spend more than they earn. To that end, the results of this study may be used as a model for the development of in-service training programs for teachers to improve their knowledge and money management abilities.

Through this research, government officials and other educational stakeholders in Ghana would be better informed on the fluency level (FL) of teachers. Using the study results, the government and other stakeholders may design and implement initiatives to raise the FL levels of classroom teachers and other school personnel. The findings would then be put to use by the government in order to tailor educational programs to meet the unique needs of instructors. People who can manage their financial affairs successfully are less reliant on the government to provide social benefits after retirement since some of these services are provided by insurance companies.

It is hoped that the results of this research would help teachers make better financial decisions, such as saving and investing, retirement planning, and how to avoid accruing debt while they are still employed.

Delimitations

The study is concentrated on Mfantseman Municipal Assembly. This area is chosen due to the accessibility of the data. Certain variables may be listed, which may affect workers' financial literacy and retirement planning, but may not be discussed in depth.

Limitation

The system of survey research would follow the use of questionnaires as a means of data collection. Some hitches may be experienced by the questionnaire to be used in this study, which may impact the results obtained. The respondents may interpret the questions differently, no matter how precise the wording might be, and some of the respondents might not understand a problem and leave it blank. Yet, steps are being taken to ensure that outcomes are not compromised.

Definition of Conceptual Terms

Financial literacy: Financial literacy refers to the combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

Retirement Planning: Retirement planning is defined as the age at which the individual plans to stop working full-time.

Organization of the Study

The study is organized into five sections. The first chapter contains the study's background, then the problem statement, summary of the study's objective, study significance, delimitation, and justification, including limitation. Chapter two will focus on analyzing related literature on financial literacy and the retirement planning of workers. Chapter three will discuss the different methodologies or methods used and a detailed review of the study's processes. Chapter four will provide the data analysis that describes the study's observations and outcomes. Chapter five will consist of the study overview and findings that are considered helpful in bridging the research gap and supporting future studies. It also offers some guidelines on financial literacy and retirement planning for subsequent studies.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter is dedicated to a review of the concepts and theories of financial literacy. It presents financial literacy, financial skills, financial attitudes, the importance of financial literacy, measurement of financial literacy, factors that influence financial literacy, financial knowledge, and financial behaviour. The chapter is structured based on the objectives and questions of the research. The first section would consider the theoretical context, setting out the basic principles on which the study is established and then reviewing literature based on the concepts set out in the objectives.

Theoretical Review

Financial literacy and retirement planning are critical for growth, but their micro determinants are not well understood. Cognitive, emotional, and environmental impacts, all play a role in the understanding of financial literacy (Ormrod, 2012). The study adopts the social learning theory (Bandura, 1977), human capital theory (Schultz, 1961), cognitive theory (Piaget, 1983), and choice theory (Glasser, 1998).

Social Learning Theory

According to Goldhaber, education theory (behaviorism) offers a systematic study of the observable impacts on behavior as well as how people acquire habits (2000). According to the social learning theory, a person's level of financial literacy is defined by his or her level of financial knowledge, skills, and attitude toward money management, among other factors.

According to Bandura (1977), observational learning and modeling are two techniques that may be used to demonstrate how a person's socialization development impacts his or her norms and preferences. Skinner's research from 1953, which demonstrated that once a behavior is connected to a result, whether it be reward or punishment, the likelihood of the activity continuing changes, was a significant breakthrough in learning theory at the time. This notion is used to evaluate whether or not someone continues to spend money rather than save it because they get an immediate advantage as a result of doing so. It is possible for people to understand, grasp, and make effective financial decisions such as paying off debt or investing if financial literacy is broken down into discrete skills that can be practiced sequentially and reinforced over time. To become financially educated according to social learning theory, one method of being financially educated is to model your behavior and attitudes after those who are already financially literate in your community.

Choice theory, internal control psychology, as defined by Glasser (1998), states that all human behavior is motivated by five basic needs: the physiological need for survival, and four psychological needs that can be represented by the terms love/ belonging/ acceptance, power/ recognition/ achievement, freedom/ independence/ choice, and fun/ learning/ excitement, among others. A choice theory approach is used to examine and comprehend many variables that may be used in order to encourage people to exercise their choice in a variety of commercial behaviors in the context of retirement investment decision-making. For the sake of this paper, choice theory may be divided into four categories: the emphasis on conspicuous characteristics of choice, the context in which the option is considered, the time horizon in which the decision is made, as well as the reversibility of the decision (Ambler et al., 2004). The particular difficulty in retirement investment selection is the broad variety of complex option choices that people must make, namely, where to invest the retirement income they would get.

Human Capital Theory

Financial literacy and financial planning are closely linked, according to the work of economist Milton Schultz (1961). Investing in financial knowledge is critical to ensuring that people are financially literate and well-prepared for the future. People's confidence and awareness are increased as a result of financial education, according to the human capital hypothesis. People are thus better equipped to make sound financial choices in the future, extending their financial security (Becker, 1964). Human capital, according to Jump Start Coalition (2008), is defined as the ability to prepare financially and to be financially literate.

The theory goes something like this: Investing in financial literacy is an investment in human capital. It is based on the human capital idea that financial education is very important and required to increase financial capability (Becker, 1962, 1964). Financial literacy and financial well-being are linked, according to research by Huston (2010). General education is different from financial literacy, according to this theory. According to Agarwal and Mazumder (2010), financial literacy may be improved through increasing one's financial knowledge and behavior.

Cognitive Theory

Piaget's (1983) cognitive theory is concerned with the mental processes that take place between the observable cause and the impact on behavior that results from it. Individuals acquire knowledge via contact with things, first physically and later intellectually, according to this hypothesis. It is the cognitive theory that is being used in this research to clarify how people arrange their contemplating financial literacy problems in order to have an impact on their following financial choices and behavior in their lives. It also contributes to the study of people's knowledge of economic literacy and how that understanding manifests itself in their daily lives. A study conducted by Byrnes (2008) stated that an individual's cognitive capacity is a motivating factor in achieving high levels of financial literacy. Continuing, Brynes said that those who are cognitively well organized had a high degree of financial literacy.

Choice Theory

Developed by Glasser (1998), choice theory, internal control psychology states that all human behavior is motivated by five basic needs: the physiological need for survival, four psychological needs that the terms may represent, love/belonging/acceptance, power/recognition/achievement, freedom/independence/choice, and fun/learning and excitement. Choice theory is used to investigate and understand the variables that may be used to encourage people to exercise their choice in a broad variety of commercial behaviors in the context of retirement investment decision-making, such as saving for retirement. For the sake of this paper, choice theory may be divided into four categories: the emphasis on conspicuous characteristics of choice, the context in which the option is considered, the time horizon in which the decision is made, as well as the reversibility of the choice (Ambler et al., 2004). Furthermore, the particular difficulty in retirement investment selection is the broad variety of complex option choices that people must make, namely, where to invest the retirement income they would get.

Empirical Review

Lusardi and Mitchell, (2011) opine that one reason workers fail to plan for retirement or do so unsuccessfully could also be because they are financially illiterate. During this case, they will fail to understand the role of interest, inflation, and risk. They conclude by stating that first, financial literacy is strongly and positively related to planning. Also, they said, knowledge about risk diversification best differentiates between sophisticated and unsophisticated planners. Lastly, the lack of data also matters. Abubakar (2009) defines financial planning as the use of business documents and to communicate its strategic objectives in financial terms. A financial planning exercise typically contains detailed plans and budgets, and analysis capabilities to point out how the goals are to be realized. Thus financial planning is essential for the survival of any organization. It is often said that if you fail to plan, you propose to fail. Financial Planning and forecast are not limited to companies, institutions, or organizations. Individuals like organizations plan too.

However, few individuals have a written budget. For an individual, financial planning is the process of meeting their life goals through the correct management of their finances. Life goals can include buying a house, saving for your child's education, or planning for retirement. The method involves gathering relevant financial information, setting life goals, examining current financial status, and springing up with a technique or plan for the way to meet goals given the current situation and objectives. How often do people plan for their retirement? This is often a matter that needs to be answered because it is a facet of monetary literacy. It affects not only individuals but also society at large. It is also in line with Mitchell (1988) and Gustman and Steinmeier (1999), who found that workers seem to grasp little about their Social Security and pension benefits, two of the significant essential components of retirement wealth.

Uko (2013) observed that some always remain broke no matter their income levels. As their income increases, they increase their spending. They always make sure that the rise in expenditure is often over the rise in income. This ensures that they are in a perpetual state of deficit. Thus, if we wish to maneuver ahead financially we need to manage our expenditure and increase our savings when our income goes up. One should endeavor to create and maintain his financial house.

Furthermore, financial teaching programmes and initiatives have to enhance objective knowledge and financial confidence in our workers. Educational and support programmes have to specialize in improving confidence to develop good planning and saving habits.

Not all workers have the financial sophistication and access to information to make optimal decisions about retirement savings, therefore actual households savings may differ from the optimal savings plan. Antonio, Saayman and Vooslo (2020) posited that poorer and less educated households are more likely to make serious investment mistakes. Moreover, less literate households are more likely to stay under-diversified investments and completely switch aloof from the securities market (Van Rooij, Lusardi & Alessie, 2011; Tan & Singaravelloo, 2020). Financial literacy is a fundamental concept to consider concerning retirement planning. Even after controlling for several socio-demographic factors, financial literacy influences retirement planning and, in turn, increases future wealth.

Nui, Zhou and Gan (2020) assessed the relationship between financial literacy, retirement planning, and household wealth and argued that financial literacy incorporates a positive effect on wealth accumulation. In keeping with Sirisakdakul (2020), financial literacy might increase wealth accumulation through two channels. First of all, financial literacy increases the likelihood of investing in stocks, enabling people to take advantage of increases in stock prices. Secondly, financial literacy positively affects retirement planning because it reduces barriers to amass information, makes calculations, and develops a retirement program. In line with Baker, Tomar, Kumar and Verma's (2020) studies, prime quality financial education will help change the pension saving process and is an excellent mechanism to enhance personal pension saving goals. Financial education improves understanding of economic markets and the risk-return properties of investment and, therefore, understanding pension saving goals.

Setyawan and Wijaya (2020) found that individuals showing high levels of financial literacy when young are more likely to plan for retirement. In 2005 the United Kingdom Financial Services Authority (FSA) analyzed if people collected any information before purchasing complex financial products like insurances, mortgages, and investment products. Just over half of the sample (54%) indicated that they collected information themselves or used an advisor. The primary source of knowledge was the regular product information (42%); only 7% actively looked for the most practical buy. A recent survey within the Netherlands regarding pension awareness indicated that, on average, 30% of the Dutch proletariat does not use any source (e.g., magazines, newspapers, unions, pension funds, etc.) to amass additional information concerning retirement planning. Among the respondents with the lowest pension awareness, this figure rises to 49%, against 9% for the most aware respondents.

Research by Graber (2020), indicated that financial illiteracy is widespread, and most people cannot design their pension account. This lack of financial knowledge lacks knowledge, costly information, or workers' shortcoming to process the ability. Research within the United States indicates that people are sadly under-informed about basic financial concepts, with severe implications for saving, retirement planning, mortgages, and other financial decisions (Graber, 2020). Similar results are found outside the U.S. The FSA indicated that the English population was not planning for future expenditures and retirement plans were insufficient (FSA, 2006). Even though individuals do not plan for their retirement, research among the Dutch population showed that almost all people feel that retirement planning is their responsibility.

In 2009, on average, 39% of the Dutch labour force indicated their responsibility to take care of their pension. This percentage rose to 54% in

2010. Within the UK, the FSA (2006) analyzed if people with investment products monitored the value development of their holdings. About a quarter (24%) of the sample group indicated that they explored the value development once a month or more; on the other hand, 22% indicated that they never monitored their investments' performance. Furthermore, 9% indicated that they observed their investment but once a year (FSA, 2006). From 2008 onwards, pension funds within the Netherlands were obliged to tell their participants annually about their retirement investments' value development through a yearly retirement overview (TNS NIPO, 2011).

According to Dovie (2018), fewer pension-aware individuals spend less time studying their annual retirement overview. On average, 33% of the Dutch labour force questioned themselves if the amount presented in their yearly retirement overview will be sufficient after retirement, which suggests 67% did not. Among the respondents with the lowest rank for pension awareness, less than one-fifth asked themselves if their current pension arrangement will meet future expenditures, and 16% did not read the annual overview (TNS NIPO 2011). In 2007 and 2009, Lusardi and Mitchell used the Rand American Life Panel (ALP) dataset to investigate the relationship between financial literacy and retirement planning within the US. In 2007 the expected age of their sample was nearly 53, and over 40% earned $75,000 or more.

Furthermore, the sample is relatively well educated as over 52% held a bachelor's degree or higher. In their 2009 data sample, the average age was 45, and only 30% earned $75,000 or more. 46% of the model held a bachelor's degree or higher. In both cases, financial literacy has a positive and significant impact on retirement planning after controlling for multiple demographic factors like age, income, and education.

Barbić, Palić and Lučić (2020) analyzed the relationship between financial literacy and retirement planning within the Netherlands using data from the Household Survey. The average age of the dataset was about 50 individuals. 13% held a university degree, and 26% had completed higher education. Furthermore, 55% were men, and 31% were married or were living together. The results showed that again after controlling for multiple demographic factors, financial literacy positively and significantly affects retirement planning.

Conceptual Review

Concept of Financial Literacy

Several definitions of financial literacy show that researchers are yet to agree on a typical definition and measurement of this idea. OECD (2005) defines financial literacy as a mix of awareness, knowledge, skills, attitude, and behaviors fundamental to devise sound financial decisions and achieve individual financial wellness. This definition clarifies that financial literacy is not just knowledge, but it also includes attitudes, behaviors, and skills. It stresses the importance of higher cognitive processes applying knowledge and skills to world processes, indicating that the impact should improve individuals' financial wellbeing. Remund (2010) broadly defined financial literacy as a measure of the degree to which one understands critical financial concepts and possesses the flexibility and confidence to manage personal finances through appropriate, short-term decision-making and reliable, long-range financial planning. According to Mandell (2007), financial literacy is the ability to gauge the new and complicated financial instruments and make informed judgments in both choices of devices and extent of use that might be in their own best long-run interests.

Lusardi and Tufano (2008) target debt literacy, a component of financial literacy, and highlights individuals' ability to create simple decisions regarding debt contracts, particularly how one applies basic knowledge about interest compounding, vital to the situation of everyday financial alternatives. Australia and New Zealand Banking Group (2008) indicate that financial literacy is the ability to create informed judgments and require effective decisions regarding the utilization and management of cash. One of the foremost authoritative definitions is provided by the President’s Advisory Council on Financial Literacy (PACFL, 2008), which defines financial literacy as the ability to use knowledge and skills to manage financial resources effectively for a lifetime of financial wellness. This definition stresses knowledge and skills as critical components of financial literacy. In contrast, other institution's and students' intentions merely emphasize some elements or have a somewhat different focus. However, it is unclear how widely the PACFL definition is accepted. At its most elementary level, Remund (2010) related financial literacy to a person’s competency for managing money and is often measured at the individual level, so aggregated by groups. He defines financial literacy as the knowledge and understanding of financial concepts, which leads to the power to create informed, confident and effective decisions regarding money.

Capuano and Ramsay (2011) put financial literacy into three distinct but dependent components, which are (1) the critical competencies, (2) the proficiencies of a financially literate, and (3) the chance and enabling environment necessary for those competencies and proficiencies to be realized. Capuano and Ramsay's definition of financial literacy, therefore, highlights the three components. Financial literacy is consequently proficiency within the critical competencies in an environment that allows them to become proficient within the competencies and appreciate financial goals. Several terms are not to operationalize financial literacy. Remund (2010) used such indicators as budgeting, saving, borrowing, and Investing. OECD (2013) uses domains of cash and transactions, planning and managing finances, risk and reward, and financial landscape. Huston (2010) viewed it in terms of cash basics, borrowing, investing and saving, and protecting resources.

Jumpstart National coalition for financial literacy (2007) used indicators like spending, saving, credit and debt, income, investing, risk management and insurance, financial deciding. Capuano and Ramsay (2011) have applied the scale of numeracy and money management, budgeting and living within means, saving and planning, borrowing and debt literacy, choosing financial products, and recourse. A financially literate must be proficient within the key competencies and tend to appreciate financial literacy and its benefits while having the motivation to act. Financial literacy increases as more links are established between the competencies and proficiencies and as long as an inclusive financial environment exists.

Financial knowledge

Whereas financial knowledge is commonly considered central to financial literacy, it should be distinguished from public knowledge. Financial knowledge is a crucial aspect of the proficiency of the buyer. It refers to a consumer's knowledge or the competencies that incorporate inflation, the worth of cash over time, whether a product will retain its value and cost (World Bank, 2009). Sobhesh, Samir, Joshy and Jayanth (2012) developed a thought that financial knowledge is a component of financial literacy that help to live to the understanding of interest calculations, the relationship between inflation and return, inflation and costs, risk and return, and therefore the role of diversification in risk reduction. They recommend that individuals need at least a fundamental level of economic knowledge to ensure their financial literacy best.

Braunstein and Welch (2002) provide a comprehensive review of issues arising from poor financial knowledge. Braunstein and Welch emphasize the importance of financial literacy in response to deceptive and predatory lending practices and understand the sheer complexity and accessibility of financial products now available.

Hilgert, Hogarth and Beverley (2003) found that individuals with more financial knowledge are more likely to interact in an extensive selection of recommended financial practices. In line with Bernheim and Garrett (2003), knowledge of how financial markets operate should end in individuals making more straightforward borrowing decisions. Huston (2010) advises that financially knowledgeable consumers plan, find and use information, know when to hunt advice and may understand and act on this recommendation, resulting in greater participation within the financial services market.

Financial skills

Financial literacy levels are seen by Murray (2011) to involve or rely upon the employment of the individual's unique skills allied together with his expressive style, document literacy, numeracy, problem-solving, scientific literacy, and oral fluency. Murray further opines that financial literacy levels must correspond with knowledge of the involved subject material and correspond to financial literacy components. It goes contrary to the belief of perceived financial experience being a basis with which financially successful behavior is feasible. Conventional measures of skills, like years of schooling and academic attainment, are ineffective indicators of an individual's exact ability to house financial literacy tasks (Murray, 2011; Statistics Canada & OECD, 1995). However, detailed analysis into educational attainments has proven a correlation between financial skills and the individual's mathematical skills at school-going age (Jappelli & Padula, 2011).

There is generally available literature indicating that well-developed financial skills are necessary for effective money management (Braunstein &Welch, 2002; Hilgert et al., 2003; Scott, 2010; Parker et al., 2011). Thus, addressing the financial literacy demands of life involves the activation of a constellation of underlying skills that are themselves fundamental. Parker et al. (2011) emphasised that managing financial literacy tasks depends upon how individuals apply, among others, oral fluency, prose literacy, document literacy, numeracy, problem-solving, and scientific literacy skills. Therefore, Lusardi and Mitchell (2011) cautioned that adults' financial literacy will improve reckoning on the teaching and learning the constituent skills upon which financial literacy proficiency depends instead on financial literacy skills directly.

Financial Behavior and Financial attitude

Several factors will explain financial behavior. The primary is the individual's behavior himself. The attitude and behavior of somebody in the financial field are named financial behavior. Financial behavior may be a person's attitude and behavior in managing his/her finances. Financial behavior is also defined as how well a household or individual manages financial resources, including saving, budget planning, insurance, and investment. A person's financial attitude will be seen from how well he manages resources, cash, debit, savings, and other expenses. Financial behavior is relevant to how someone treats, manages, and uses his mind to effectively use money, like making money, managing and controlling spending, investing, and paying consuming fees on time. It is essential to differentiate financial literacy from financial attitudes, which logically derive partly from underlying preference.

Eagly and Chaiken (1993) defined an attitude as "a psychological tendency that is expressed by assessing a specific entity with a point of favour or disfavor." To the extent that self-reports include endorsements of particular behaviour or concepts that are a minimum of partially preference-based, this could be distinguished from knowledge, skills, or behaviour that will be judged against a normative standard. Sobhesh et al. (2012) measured financial attitude in terms of agreement or disagreement towards statements about the extent of belief in planning propensity to avoid wasting resources. Sobhesh et al. (2012) found that several young employees and retirees have a highly positive attitude towards financial planning and do not seem to indicate a high propensity for consumption.

Financial literacy in Ghana

Atia (2012) reported that financial literacy is usually low in Ghana. He indicates that Ghanaians do not have adequate financial knowledge and skills to make informed judgments and decisions on managing their finances, still understanding financial products and services. There is an outsized section of individuals who know little or nothing about investing, mutual funds, and private pensions. Atia (2012) pointed out that lack of data on economic and investment opportunities was preventing the majority of individuals from accessing benefits from the economy, adding that when people are enlightened about the varied opportunities within the financial sector; it could help increase savings and investment to support the growth of the economy. Anane (2009) mentioned that results of two surveys conducted in 2007 and 2009 to determine the depth of financial literacy amongst urban and rural adult Ghanaians established that 43 percent of those surveyed didn't have complete or correct information on what they needed for successful financial planning. Therefore, Ghana's government believed in promoting financial literacy to empower consumers and little businesses to raise understand and manage financial risk, deal effectively with market complexity, and make the most of skyrocketing competition within the financial sector towards a more robust economic process. The government. of Ghana approved the National Financial Sector Strategic Plan in 2003. The strategic plan aims, among other things, to:

1. Create awareness and enlighten people on how to access financial Services
2. Make consumers understand their rights and responsibilities as clients of economic services
3. Change attitudes to translate knowledge into behavior

The strategic plan suggests that Ghanaians should know and understand financial literacy anticipated to impact behavioral change in them. Anane (2009) stipulated that the foremost important and prudent lessons of life border on the way to achieve and maintain financial security, yet too few Ghanaians have had the chance to find out the fundamentals of cash management at school, at work, and reception**,** which behooves on us as individuals and a nation to avail ourselves of opportunities to find out about personal financial skills.

Public Sector Workers in Ghana

Efficient governmental administration is essential to a country's development. The broad public sector covers everything from the assembly and ownership of products and services to the sale and supply of goods and services to the government or its people, independent of size (Boachie-Danquah 2006). Broadbent and Guthrie (2008) define the public sector as any entity funded, controlled, and managed by the state. The public sector is essential to the effective functioning of both the state and society, according to Peters (2008). Lusardi and Mitchell say there's more to learn about saving, investing, and responsibilities (2014). Employees are more responsible for their own financial well-being. They claim that financial literacy affects key outcomes in both the working and retirement years.

According to Attridge (2009), employees' financial issues stem from a lack of fundamental financial skills such as saving and investing. Lusardi and Mitchell (2009) claim that financially illiterate employees don't save for retirement, while financially intelligent workers do. Mokhtar et al. (2015) found that public employees' overall financial well-being is moderate. Financial security in retirement is increasingly reliant on employees' capacity to successfully manage their savings and assets both throughout their working lives and after retirement, according to Maximilian et al. (2011). According to Zaimah et al. (2013), many public workers don't save and instead spend all of their salary.

Retirement Planning

According to Kalenkoski and Oumtrakool (2017), retirement planning can be defined as a broad set of cognitions and behaviors toward the event of withdrawal from work. Allen, Clark and Ghent (2004) posit that traditional retirement planning models usually focus on the economic and monetary aspects of retirement planning: the social insurance programmes within a country, pension plans of the individual, and personal savings. They continued that, due to the increase of defined contribution plans, retirement planning's financial aspect is the dominant factor resulting from this focus the definition of retirement planning shifts towards investment planning (Dennis, 2002). Although the foundation of retirement planning is finance, Dennis (2002) indicates that retirement planning includes more than just investment planning and that retirement planning had essential topics such as; career planning, relationships, health, and life after retirement. This is supported by Taylor-Carter, Cook and Weinberg (1997), who indicated that besides financial planning, leisure planning is also an essential aspect of retirement planning. Leisure planning refers to retirement goals after retirement.

According to Taylor-Carter et al. (1997), retirement planning may happen formally or informally. The term informal is used to escalate the unconstrained nature of this type of planning. Individuals gather retirement information in an unstructured way, as opposed to formal planning in which participants decide to attend structured retirement seminars to plan for retirement. Beehr (1986) also indicated that retirement planning is the beginning of the retirement process. This planning process begins years before the actual retirement point and is often more complex than expected (Phua & McNally, 2008). Because the present study's objective is to analyze the role of financial literacy in retirement planning, it seems sensible to focus on retirement planning's financial aspect. Furthermore, retirement planning's formal process is left out of scope because it seems unlikely to find workers attending retirement seminars. This means that retirement planning is limited to informal financial planning to ensure adequate finances in retirement within the present study.

According to Benartzi and Thaler (1999), when employees are allowed to make their own asset allocation decisions concerning retirement planning, most employees fail to do a good job. Many pension participants choose the least resistant path and are driven by the menu of investment funds presented to them (Choi, 2001). Waggle and Englis (2000) concluded that large parts of Individual Retirement Accounts are concentrated in one asset category and that a surprisingly large fraction is held in cash. They continued that it is particularly noteworthy to see that cash outweighs bond investments. In contrast, traditional finance theory recommends long-term retirement accounts to invest mainly in long-term bonds and equity. In the U.S., less than one in three women (30.9%) has ever tried to make a retirement saving calculation. This means that close to 70% did not make an effort to determine how much they should keep maintaining their current living standard. Furthermore, 58.5% of women who made a calculation developed a plan but only a third could commit to it (Lusardi & Mitchell, 2007).

In the United Kingdom, the Financial Service Authority (FSA, 2006) wanted to capture peoples' attitudes concerning planning, including retirement planning. They formulated four statements to analyze peoples' attitudes and behaviour. According to the FSA (2006), it was encouraging to see that 75% of the respondents indicated that they save some money for a rainy season. On the other hand, 44% said that they find it more satisfying to spend money today than to save it for the long term, and 42% would rather have a good living standard today than a retirement plan. To find out how people allocate their resources among different asset classes within a retirement account.

Benartzi and Thaler (1999) conducted a series of experiments providing different sets of information. They found that respondents allocated 63% of their resources to equity when they are equipped with one-year stock returns.

When respondents received 30-year stock returns, they raised their investments in equity to 81%. In their actual retirement account, respondents invested 66% in stocks because they only received monthly and annual performance figures (Benartzi & Thaler, 1999). The above statement indicates that most respondents just read the information provided by vendors and do not make an effort to collect additional information. When people have to decide how to allocate their resources, most people do not spend much time analyzing the different possibilities. Van Rooij et al. (2007) posited that because employees find retirement planning decisions difficult and are afraid that they cannot control their pension, most of the employees in the Netherland prefer the mandatory aspect of pension savings prefer the defined benefit system.

Conceptual Framework

The conceptual foundations of this argument are shown in the picture to the right. There were a total of 10 distinct dimensions for the independent parameters, as shown in the illustration (Knowledge in Investment, Knowledge in Savings and Borrowing, Knowledge in Insurance, Personal Financial Management Practices, General Knowledge in Personal Finance and Personal Finance Opinion).

The knowledge of retirement planning that the participants have will be the dependent variable that will be examined. Following the conceptual structure of this research, which is shown in Figure 1, the topics covered in this study include general personal finance information, management of personal finance practices, information on investment, savings, and borrowing, insurance knowledge, and personal finance opinions. This study team discovered that these factors may predict financial literacy after reviewing different academic literatures, according to the researcher.

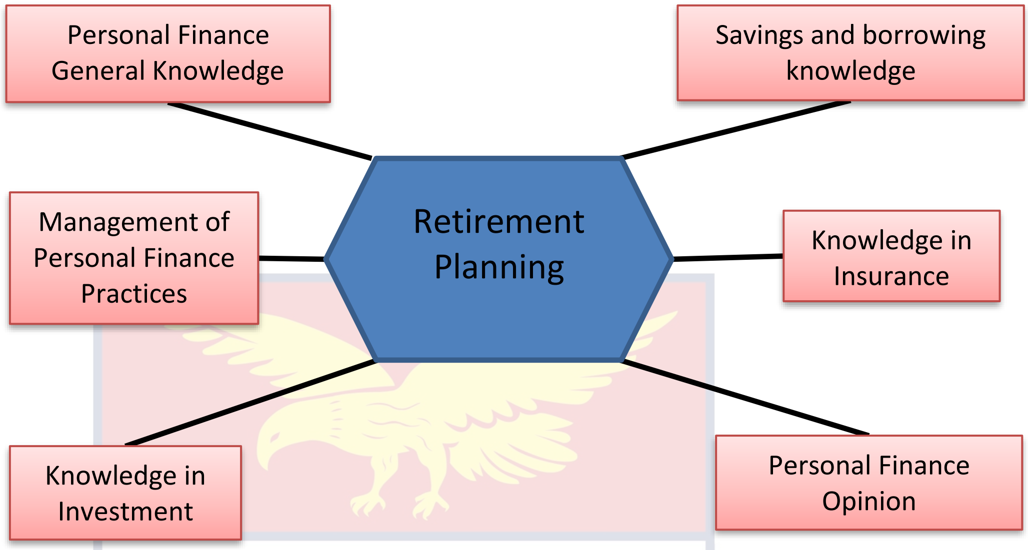

Figure 1: Conceptual Framework

Source: Author’s construct

Chapter Summary

The study noted some relationship between financial literacy and retirement planning, but the study verified the impact of financial literacy on public sector workers' retirement planning. The theoretical review looked at the social learning theory, human capital theory, cognitive theory, and choice theory and how they play a role in acquiring an understanding of financial literacy. The study also identified the impact of financial literacy programs and tools on the workers' retirement planning. The empirical review discussed the findings of researchers on financial literacy and financial well-being and financial literacy and retirement planning.

CHAPTER THREE

RESEARCH METHODS

Introduction

This study is about the financial literacy and financial well-being of retirees in Mfantseman Municipality. The chapter entails a thorough and organized process that the study adopted to realize the research objectives. The chapter's discussions include research philosophical perspectives or paradigm, research design, research approach, study area, target population, sampling technique and procedure, data collection instruments, data collection procedures, data processing analysis, ethical consideration, and chapter summary.

Research Paradigm

Philosophical perspectives are defined as the frameworks in which all academic researchers are involved. On the other hand, the research paradigm is characterized as a general organizing structure for theory and study that includes fundamental theories, key issues, and quality research models and methods for finding answers (Neuman, 2006). In line with this view, ignoring the philosophical questions and paradigms of research will affect research quality (Amaratunga, Baldry, Sarshar & Newton, 2002).

There are two main philosophical positions of social research: epistemology and ontology (Bryman, 2004). Ontology regards the researcher’s opinions concerning the global community and what could be identified from it. Ontology comprises two extreme positions namely: realism and relativism.

The acknowledgment of knowledge in a discipline is Epistemology. Epistemology also comprises two extreme positions, namely: positivism and interpretivism. Positivist research only views objective statements as valid and scientific. The Positivist model seeks accurate results through a value-free approach and makes sure the researcher is separate from the respondent (Malhotra & Birks, 2007). Also, the positivist paradigm is associated with the quantitative approach to research in literature. Interpretivist research, on the other hand, only considers the ideas and thoughts of the subject to be valid. The interpretivist paradigm follows an inductive approach, which seeks to generate research theory through various research methods. Interpretivist research is also linked to a qualitative research approach in literature. The philosophy behind this study at the level of epistemology is the positivist paradigm.

Research Design

The adopted research design can influence the entire study's choice of the research approach. The research design forms the conceptual structure within which the research is conducted and forms a blueprint for data collection, measurement, and analysis (Kothari, 2004). According to Saunders et al. (2012), there are three basic research designs: descriptive, exploratory, and explanatory research design.

The research relies on a field survey to collect appropriate data, utilizing a descriptive template. The survey is preferred because, by completing the structured instrument, it took a comparatively short time frame and is measurable and can be generalized to the whole population if the population is correctly sampled. A field survey is utilised to obtain information from respondents well-thought-out to be main informants. A survey was conducted and questionnaires were used to collect data used to analyze the data using inferential statistics quantitatively.

Research Approach

According to Creswell (2014), there are three main types of research: quantitative, qualitative, and mixed research. Qualitative study focuses on natural occurrences and natural environments. It generalizes intuitive and perceptual phenomena that cannot be quantified. Mixed-method research combines qualitative and quantitative research techniques. It offers a quantitative and qualitative understanding of the research issue (Creswell, 2013). Before determining a phenomenon's behavior, the mixed method of study combines qualitative and quantitative components (Clark & Creswell, 2011).

The quantitative research approach seeks to determine the effect between the main study variables. The quantitative approach places focus on measurement and to provide explanations, data is analyzed in numeric form. Using the standard statistical methods, the data obtained from the respondents using questionnaires can be easily analyzed with the help of the quantitative method. Similarly, the quantitative approach has techniques, measures, and designs that come up with numerical and quantifiable data (Simon, Lee, Cottrell, &Verleysen, 2007). For these reasons, the study adopted the use of a quantitative research approach.

About the Mfantseman Municipal Assembly

Mfantseman Municipal Assembly, with Saltpond as its administrative capital, is one of 22 MMDAs in Ghana's Central Region. The Municipal sits on the Atlantic coast of Ghana's Central Region. It has an area of 612 square kilometers and stretches from 5* T to 5* 20' north of the Equator to 0* 44' to 1* 11' west of the Greenwich Meridian. Ajumaku-Enyan-Essiam District to the north, Gomoa West District to the east, Ekumfi District to the west, and the Gulf of Guinea to the south.

Mfantseman was created as a district in 1988 by LI 1374. In January 2008, the District was granted Municipality status by Executive Instrument 10 and Legislative Instrument 1862. The municipal assembly consists of 54 members: the Mayor, 1 MP, 36 elected officials, and 16 government appointees. The Assembly's Executive Committee and subcommittees carry out their duties. Electoral Areas and Unit Committees (Mfantseman Municipal Assymbly, 2021).

According to its mandate, the Mfantseman Municipal Assembly is the highest political and administrative body in the Municipality tasked with developing, implementing, and initiating initiatives for efficient resource mobilization. This Municipal Assembly's goal is to be a developed Municipal Assembly that serves its people well. As stated in its mission statement, the Mfantseman Municipal Assembly exists to enhance the quality of life for the people under their authority by using all available resources for the complete development of the Municipality. The Assembly must also ensure Good Governance, security, and law and order" (Ghana Statistical Service, 2010).

Population

According to Mouton (1996), a population is a grouping of objects, events, or people that share particular characteristics. The target population is the group of individuals the researcher is interested in researching. This study will assist the following departments: Central Administration, Education, Youth and Sports, Social Welfare and Community Development, Works, Physical Planning and Parks and Gardens, Disaster Management, Health, Agriculture, and Finance. The population was estimated at 420.

Sampling Procedure and Sample Size

This study used a stratified random sampling technique to select the respondents. According to Groebner, Shannon, Fry and Smith (2000) stratified random sampling is a statistical sampling method in which the population is divided into homogeneous subgroups called strata. Each population item belongs to only one stratum. This was done based on gender in this study.

Stratification ensures that the sample is well spread out among the relevant subgroups. It also ensures that the model will accurately reflect the population based on the stratification criteria (Zikmund, Babin, Carr & Griffin, 2010).

The stratified sampling technique is an example of a probability sampling technique. According to Saunders, Lewis and Thornhill (2009), probability sampling is most commonly associated with survey-based research strategies so as to make inferences from your sample about a population to answer a research questions. This confirms the appropriateness of the probability sampling for the study since it is survey-based.

When determining the sample size, it is important to remember that the bigger the sample size, the lesser the likelihood of mistake in generalizing to the whole population (Saunders et al. 2009). According to the target population and the sample determination table developed by Saunders et al. (2009), a minimum sample size of 201 participants was needed for the research. The sample size was raised from 100 to 210 in order to solve the problem of non-response. The sample composition chosen from the necessary sample size of 210 individuals comprised of 101 men and 100 females, who were picked using simple random selection from both categories.

Data Collection Instrument

This research used primary data from a self-administered questionnaire. In terms of the study's issue, the questionnaire met all research goals. The questionnaire was created after reading the issue literature. The questionnaire was based on current financial literacy and behavior measurements (Lusardi & Mitchell, 2007; OECD INFE, 2011).

Changes were made to account for the various settings. For example, the study's questions on ATM usage and retirement planning were unique. The questionnaire's format was chosen by the respondents. The questions were simple and obvious, avoiding complicated inquiries that might tire the elderly responders. Experts were consulted to help construct the questionnaire.

The questionnaire included five parts, A-E, and addressed all of the research's goals. Section A included the respondents' gender, marital status, educational level, and job position. Questions on financial literacy were asked in B2. This section reflects how workers handled their money, whether they were financially savvy or not.

Section C asked about budgeting. Section D asked about the employee's retirement savings and how they will be utilized after retirement. The data collecting instrument was chosen based on its validity and dependability. This is an essential idea in any study (Oteng-Abayie 2011). Experts in financial management and financial literacy were approached to carefully evaluate the questions to guarantee their authenticity and dependability. A Cronbach's Alpha coefficient was used to evaluate dependability. A reliability coefficient of 0.70 or above is acceptable (Lloyd, Streiner & Shannon, 1998; Van Saane, Sluiter, Verbeek & Frings-Dresen, 2003).

A questionnaire is convenient, organized, and official. However, distributing them when people are distracted may lead to mistakes. So the time for distributing the questionnaire was verified to ensure workers weren't busy. Pretesting was done once the questionnaire was developed and expertly vetted. Some workers requested that the questions on the questionnaire be spaced apart, which was done. So the final instrument reflected the respondents' wishes.

Data Collection Procedure

To collect reliable data, respondents were briefed on the purpose of the study. Respondents were assured of the confidentiality of their responses and were expected to be sincere, factual, and honest in answering the questions. Permission of respondents was sought at all times before the questionnaires were handed to them. A problem encountered was that the respondents were sometimes reluctant to answer the questionnaires, but they were very supportive.

Data Processing and Analysis

The quantitative information is collected via surveys and coded for subsequent analysis and interpretation. Before they were made public, they were subjected to a thorough review for completeness and correctness. The coding procedure is designed to sort the responses into appropriate categories in order to detect a pattern. Following the decoding procedure, the information was transferred to computer files with the assistance of the SPSS data analysis software. Descriptively, summed-up data were presented using concise and inferential statistics, which comprised, among other things, frequencies, percentages, the mean, and the standard deviation. The analysis of correlation and regression were carried out in order to determine the relationship between the independent and dependent variables in the experiment, respectively. Tables have been developed to help readers grasp and comprehend the information given in the research (Sharma, 2018).

Model Specification

Following the objective of investigating the effect of literacy (FLT) on workers preparedness for retirement (PRT), a simple linear regression was formulated as:

$$\mathrm{PRT}_i = \alpha + \beta \mathrm{FLT}_i + \varepsilon_i$$

From this equation, ε_i is the error ter for the ith worker, α is the intercept parameter and the β is the slope parameter that shows the magnitude of effect of FLT on PRT.

Reliability and Validity

The researcher tested measuring scales' accuracy. Heale and Twycross (2015) define validity as how well each idea evaluated the desired result. The researcher emphasized the study's reliability aspects. The scale's convergent validity was assessed. A refinement step was needed before evaluating the relationship between variables. This was to test the scales' accuracy, dependability, and resilience. Scale reliability and convergent validity were assessed using confirmatory factor analysis (CFA). They were reliable and valid. The Cronbach's Alpha test is one example. Taber states a Cronbach's Alpha of 0.70 or above is required for internal consistency (2018). Across all constructs tested, Cronbach's Alpha values are 0.70 or higher (Table 1).

Table 1: Reliability and Validity Test Results

Variable	No. of Item	Cronbach's Alpha
Financial literacy	8	0.892
Retirement planning	10	0.771
Preparation towards retirement	6	0.806

Source: Field survey (2021)

Ethical Considerations

The researcher ensures that research is conducted to a high ethical standard, protocols are placed to conduct research responsibly, which is all about. The researcher must ensure that the way the research is designed in both research methods is sound and ethically justifiable to all involved (Sobočan, 2019).

The researcher sought the consent of the clients and their voluntary participation. They were told the information they had received was confidential. In protecting the confidentiality of data received by the organizations and their employees and their anonymity, the researcher took appropriate measures.

Chapter Summary

The study adopts a descriptive research study design alongside positivist and realist research paradigms to enable the precise depiction of respondents' characteristics and findings of the analysis. The mixes of these methodologies are made possible using a questionnaire as the data collection instrument. The study area is the Mfantseman Municipal Assembly. The study will employ data from both primary and secondary sources. The target population for the survey comprises the entire employees of the Mfantseman Municipal Assembly. However, the study will employ a stratified random sampling technique to sample only 201 employees. Data collected for the study will be edited, coded, entered, and analyzed using SPSS version 20. The main ethical principles to be observed in this study are confidentiality, informed consent, and anonymity.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter analyse the demographic characteristics of workers in the Mfantseman Municipal Assembly. These characteristics comprised of gender, age of respondents, Educational level, status in the organization, retirement time, number of dependent were analysed using frequencies and percentages as analytical tools. Afterward, descriptive statistical tools (mean, standard deviation, minimum value, and maximum value) were used to achieve objective one that sought to determine the extent of financial literacy of the employees at Mfantseman Municipal Assembly.

More so, inferential statistics, particularly Pearson's correlation coefficient, were employed to answer objectives two and examine the relationship between financial literacy and retirement planning among Mfantseman Municipal Assembly employees.

Finally, inferential statistics, particularly regression analysis, were employed to answer objectives three, which sought to assess the effect of physical workplace conditions on employees' performance at examining the effect of financial literacy on employees' preparedness for retirement among employees Mfantseman Municipal Assembly.

The researcher distributed 210 questionnaires; out of that, 208 questionnaires were returned. Out of the 208 returned questionnaires, 201 questionnaires were completed and valid for data analysis purposes and therefore used by the researcher. Therefore, a response rate of 95.71% (201/210*100%) was attained.

Demographic Characteristics of Respondents

Demographic characteristics of the respondents are discussed in the next section since some of the objectives of this study are based on these demographics. Also, the choice of these demographics is based on their relevance to the objectives of this study.

Table 2: Demographic Characteristics of Respondents

Item description	Frequenccy	Percentage
Gender		
Male	100	49.3
Female	101	50.7
Age		
20 - 25years	40	19.9
26-30years	24	11.9
31-36years	35	17.4
37-40years	39	19.4
41-50years	45	22.4
Above 51years	18	9.0
Educational level		
Diploma	42	20.9
First Degree	154	76.6
Master’s Degree	5	2.5
Doctorate Degree	0	0.0
Status in the organization		
Top Management	45	22.4
Middle Management	70	34.8
Lower Management	86	42.8
Time for retirement		
Two years but less than 5 years	63	31.3
Five to ten years	70	34.8
Ten years and above	68	33.8
Children and/or dependents		
Yes	117	58.2
No	84	41.8

Source: Field Survey (2021)

With regards to the gender of respondents, results from (table 2) showed that females were 50.7% (n= 101) whereas males were 49.3% (n= 100), indicating that female-dominated the respondents.

Table 2 shows the age range of respondents. Out of 201 respondents, 45 respondents (representing 22.4%) fell within an age category of 41-50 years, 40 respondents (representing 19.9%) fell within the age category of 20-25 years, 39 respondents (representing 19.4%) fell within the age category of 37-40 years, 35 respondents representing (17.4%) fell within the age category of 31-36years, 24 representing (11.9%) fell within the age category of 26-30years and the remaining 9.0% (18) were 51 years and above.

Results on the educational level of respondents showed that out of 201, the majority of the respondents (n=154, representing 76.6%) had had first degree certificates, 5 respondents (representing 2.5%) have had a master degree, 42 respondents representing (20.9%) have attained diploma certificate. However, no respondent representing (0.0%) has acquired a doctorate at the Municipal Assembly. These results showed that respondents at the Mfantseman municipal assembly have high and good educational background needed to make informed contributions to the study.

Results from table 2 also depict that out of 201 respondents, 86 representing (42.8%) worked as low-level staff, 70 representing (34.8%) worked as middle-level staff or supervisors, and 45 representing (22.4%) worked as senior-level staff. Out of 201 respondents, 63 respondents representing (31.3%) have two years but less than 5 years to go on retirement, 68 respondents representing (33.8%) have ten and more years to retire while the majority of respondents (70) meaning (34.8%) will retire in the next five to ten years. Finally, table 2 portrayed that out of 201 respondents, 117, representing 58.2%, had people depending on them, whiles 84 respondents representing 41.8 had no dependents.

Level of Financial Literacy

To ascertain the level of financial literacy of the employees at Mfantseman Municipal Assembly, eight indicators were measured on a five-point Likert scale with a score of 1 indicating *not at all true of me* to score 5, signifying *very true of me*. These scores were generalised based on the extent to which respondents indicate their level of agreement to each of the positive statements provided under "financial literacy" on the questionnaire. Before achieving this objective, the eight indictors' descriptive statistics were determined (Table 3).

Table 3: Descriptive Statistics

Statements	Min	Max	Mean	Std. Dev.
I keep track of my income and expenditure every month	1.00	5.00	4.0398	1.08093
My spending is always based on prior planning	1.00	5.00	4.2189	.81966
I assess the conditions given by financial institutions	1.00	5.00	4.1244	.89970
I compare interests and other benefits when deciding to save my money	1.00	5.00	4.3234	.98990
I seek financial advice before making major financial commitments or decisions	1.00	5.00	4.3134	.95722
I ask my bankers about investment opportunities available in order to make an investment	1.00	5.00	4.0995	1.08169
I take insurance policy for my investments by myself	1.00	5.00	3.9950	1.10679
I cross-check the interest paid either to me or by me on my account	1.00	5.00	4.0199	1.13561

Note: Number of observation is 201

Source: Field Survey (2021)

Specifically, the data for each of the eight indicators were analysed into means on a scale of 1.00 to 5.00 with 1.00 to 2.90 indicating *not at all true of me* and 3.00 to 5.00 indicating *very true of me* as used in prior studies (Phakiti, & Li, 2011). Mean scores were preferred over the median because the dataset was not characterised by extreme scores (Adam, 2015).

As represented in Table 3, the average value of "I keep track of my income and expenditure every month," as an indicator, is 4.04, signifying *very true of me* from respondents with a degree of variability from a standard deviation of 1.08. Subsequently, the mean value of "My spending is always based on prior planning," as an indicator, is 4.22, suggesting *very true of me* from respondents with a degree of reliability from a standard deviation of 0.820. Successively, "I assess the conditions given by financial institutions," as an indicator, attained an average score of 4.12, indicating *very true of me* from respondents with a degree of variability from a standard deviation of .899.

Following this, the mean score of "I compare interests and other benefits when deciding to save my money," as an indicator, is 4.32 showing *very true of me* from respondents with a degree of reliability from a standard deviation of 0.990. Afterward, "I seek financial advice before making major financial commitments or decisions," as an indicator, achieved an average value of 4.31, indicating *very true of me* from respondents with a degree of variability from a standard deviation of 0.957. Also, the average score of "I ask my bankers about investment opportunities available to invest," as an indicator, is 4.01, signifying *very true of me* from respondents with a degree of reliability from a standard deviation of 1.082.

Finally, the mean score "I take an insurance policy for my investments by myself as an indicator, is 3.92, signifying a *very true of me* from respondents with a degree of reliability of 1.12. Again, the mean score of "I cross-check the interest paid either to m or by me on my account" as an indicator, is 4.02 signifying a *very true of me* from respondents with a degree of reliability of 1.13.

The results in table 3 suggest that workers of Mfantseman Municipal Assembly highly consider financial literacy and such attitude can help them make plans for the future. This is evident from a mean score of eight indicators within the ranges of 3.00 to 5.00. Results from the finding in Table 3 are in line with the literature. For example, Arrondel, Debbich, and Savignac (2013), people who scored higher on financial literacy questions were more likely to have a defined financial plan for retirement than those who did not. Similarly, Carlo de Bassa (2013) noted that people who had higher financial literacy were more likely to plan for retirement or cultivate the habit of savings for emergencies.

Gender Disparity in Financial Literacy

The second objective of this study examines the gender disparity in financial literacy among retirees. In the demographic characteristics section, the respondents being used for the analysis consist of 100 (49.3%) males and 101 (50.7%) females. This is examined by first looking at the differences that exist between males and females at various percentiles. Table 4 shows the correct score for each percentile and the number of respondents in each category by gender.

Table 4: Minimum to maximum correct score by gender

Correct	Freuency		Percentage	
scores (%)	Males	Females	Male	Female
10	1	0	0.5	0.0
20	2	4	1.0	2.1
30	5	4	2.3	2.1
40	7	9	3.4	4.5
50	43	65	21.3	32.3
60	22	14	10.9	7.0
70	14	4	6.9	2.1
80	3	1	1.5	0.6
90	2	0	1.0	0.0
100	1	0	0.5	0.0
Total	100	101	49.3	50.7

Source: Field Survey (2021)

The raw data show that there are disparities in the proportion of accurate scores between men and girls in all scores. One man represented 0.5 percent of the total men of 100, while no female had a minimum score of 10%. 43 men (21.3%) and 65 females (32.3%) achieved 50%.

After 50%, both men and females scored lower, but females scored lower than males. Two men got 90% and one 100%, but no females scored 90% or 100%. So, although the statistics show a gender difference between men and girls, this is not statistically proved. As a consequence, the following part uses inferential statistics to assess each financial literacy question's proper score. Table 5 shows the results of the Chi-Square test for independence. Table 5 shows the number of respondents by gender, the number of accurate and incorrect answers, the p-value for the Chi-Square, and the phi value for the impact size.

Table 5 shows that females scored somewhat higher (88.2%) than men (85.0%) on the issue of budgeting. The difference was not statistically significant [2 (n = 201) = 0.000, p = 1.000, Phi = -0.009]. Using Cohen's (1988) criterion, the effect size of -0.009 is considered modest. Cohen defines a minor impact as 0.10, a medium effect as 0.30, and a big effect as 0.50. So, in terms of knowledge, men and girls are equal. The small change has no statistical significance.

While ladies scored (51.6%) somewhat higher than men (22.0%) on the issue of tracking your income and expenses, knowledge displayed was very poor. Although not statistically significant at the 5% level [2 (n = 201) = 0.193, p 0.660, Phi = -0.032]. The impact of the change is minor. As a result, neither men nor women adequately monitor their income and expenses.

Table 5: Percentage of questions answered by sex

	MaleN(%)	FemaleN(%)	Total	χ^2	pvalue	Phi (ϕ)
Is your spending always based on prior planning?						
Wrong	15 (15.0%)	12 (11.8%)	27 (13.4%)			
Correct	85 (85.0%)	89 (88.2%)	174 (86.6%)	.000	1.000	-.009
Total	100	101	201			
Do you keep track of your income and expenditure every month?						
Wrong	78(78.0%)	49(48.5%)	127(48.5%)			
Correct	22(22.0%)	52(51.6%)	74(36.8%)	.193	.660	-.032
Total	100	101	201			
Do you assess the conditions given by financial institutions?						
Wrong	12 (12.0%)	9 (8.9%)	21(10.4%)			
Correct	88(88.0%)	92(91.1%)	180 (89.6%)	.645	.422	.064

Table 5 Continue

Total	100	101	201			
Do you compare interests and other benefits when deciding to save my money?						
Wrong	2 (82.0%)	93 (92.1%)	175(87.1%)			
Correct	18 (18.0%)	7 (7.9%)	25 (12.9%)	2.524	.112	-.098
Total	100	101	201			
Do you seek financial advice before making major financial commitments or decisions?						
Wrong	65 (65.0%)	90 (89.1%)	155 (77.1%)			
Correct	35 (35.0%)	11 (10.9%)	46 (22.9%)	8.796	.003	-.171
Total	100	101	201			
Do you ask your bankers about investment opportunities available in order to make investment?						
Wrong	72 (72.0%)	88 (87.1%)	160 (79.6%)			
Correct	28(28.0%)	13(12.9%)	41(20.4%)	2.847	.092	-.101
Total	100	101	201			
Is it important to take insurance policy for your investments by yourself?						
Wrong	9(9.0%)	9(8.91%)	18 (9.0%)			
Correct	91(91.0%)	92 (91.09%)	183 (91.0%)	.000	1.000	.001
Total	100	101	201			
Do you cross check the interest paid either to you or by you on your account bank?						
Wrong	74 (74.0%)	83 (82.2%)	157 (78.1%)			
Correct	26 (26.0%)	18 (17.8%)	44 (21.9%)	.205	.651	-.034
Total	100	101	201			

Note: Test-statistic of Chi-Square, p-value associated Chi-Square and Phi

Source: Field Survey (2021)

Females scored (91.1%) which is higher than the male's score of (88.0%) on the financial literacy measure on assessing the conditions given by financial institutions. The difference is not statistically significant at 5% [χ^2 (n = 201) = 0.645, p = 0.422, Phi = 0.064] and the effect according to the Phi value is considered as small effect. In the response on comparing interests and other benefits when deciding to save money, males scored 18.0% whilst females scored 7.9%. Yet, a test of significance of the observed difference with Chi-square showed that there was no significant difference between males and females at 5% significance level [χ^2 (n = 201) = 2.524, p = 0.112, Phi = -0.098]. The effect per the Phi value is very small. It could be concluded that both males and females performed in the same manner in answering this question although there are differences in statistical terms.

Studies by Purohit (2015) revealed a significant difference in the ownership of bank accounts between males and females with males holding a higher number of bank accounts. According to Xu and Zia (2012), there is a correlation between the use of financial services such as having a bank account and exposure to financial information. This possibly suggests that males are more knowledgeable with issues on bank accounts than females as evident in this study in nominal terms and in other studies li that of Adam, A. M., Frimpong, S., & Boadu, M. O. (2017).

Moreover, males scored higher (35.0%) than females (10.9%) on the financial literacy measure which is on seeking financial advice before making major financial commitments or decisions. This difference is statistically significant at 5% level [χ^2 (n = 201) = 8.796, p = 0.003, Phi = -0.171]. The effect of the difference concerning the Phi value is small.

The score for males on their response on the implication of enquiring from bankers about investment opportunities available in order to make the investment was 28.0% whilst females scored 12.9%. Though there is a difference in the scores, this difference is not statistically significant at 5% level [χ^2 (n = 201) = 2.847, p = 0.092, Phi = -0.101] and the effect of the difference is small effect. Thus statistically there is no gender difference as far this financial literacy measure is concerned. Interestingly, both males and females had the same score of 91.0% regarding their responses to the question on taking up an insurance policy. There was no observed difference in this measure at 5% significance level [χ^2 (n = 201) = 0.000, p = 1.000, Phi = 0.001]. In conclusion, both males and females performed equally in responding to this question.

In the response to the question on cross-checking the interest paid on bank accounts, males scored 26.0% whereas females scored 17.8%. Although there is a difference in nominal terms, this is not statistically significant at 5% level [χ^2 (n = 201) = 0.205, p = 0.651, Phi = -0.034] and the effect is small effect. Hence, there is no gender disparity concerning this measure of financial literacy.

It is evident from the above table that, gender disparity exists in financial literacy among retirees in Mfantseman Municipality. These differences were examined concerning the individual questions used to measure financial literacy as per this study. From Table 5, males scored higher than females in four of the questions. Females on the other hand scored higher than males in three of the questions. It can be concluded from the comparison that, males are more financially literate than females. To further examine the gender disparity in financial literacy among retirees, the independent samples t-test was conducted using the aggregate financial literacy to ascertain the composite effect.

Independent samples t-test, comparing the mean scores of financial literacy between males and females is also used to further examine the gender differences in financial literacy. All the assumptions underlying this test were met except the assumption of normality. The Central Limit Theorem removes the condition that the variable is normally distributed in the population. Whenever the sample size is large, it can be assumed that the sampling distribution is normal. The issue remaining, of course, is to define what is meant by a large sample. A good rule of thumb is that if the sample size (*N*) is 100 or more, the Central Limit Theorem applies (Healey, 2010).

Table 6: Group Statistics on gender disparity using financial literacy index

	Gender	N	Mean	Std. Deviation	Std. Error Mean
FinancialLiteracy	Male	100	56.3632	8.733	.69384
	Female	101	42.7525	8.509	.57439

Source: Field Survey (2021)

The table above highlights the group statistics of the financial literacy between males and females. Financial literacy can be described concerning the mean and standard deviation from the results in Table 6. The average scores for financial literacy for males from a sample size of 100 is a mean of 56.3632 and a Standard deviation of 8.733. The average scores of financial literacy for females from a sample size of 101 with the mean value of 42.7525 and Standard deviation of 8.509. Table 7 shows the results of the Independent samples t-test conducted to test whether significant differences in the mean scores between males and females.

Table 7: Independent Samples Test using the financial literacy index to examine gender disparity

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
FinancialLiteracy	Equal variances assumed	5.984	.008	2.187	325	.006	2.55674	1.03489	.46783	3.78347
	Equal variances not assumed			2.023	321.384	.002	2. 55674	1.01343	.69854	3.72348

Source: Field Surve (2021)

Table 7 is used to test for the assumption of homogeneity of variance and this it is concluded using Levene's Test for Equality of variance. The null hypothesis for this test is "there is the homogeneity of variance". The result from Levene's test shows that there is the heterogeneity of variance between males and females (*F-statistic = 5.984*, *p-value = 0.008*). Where there is the heterogeneity of variance, Welch corrected t-test is preferred. Therefore it could be concluded from the Welch t-test that, there is a significant difference in financial literacy between males and females. The gender disparity observed in this study is similar to the findings of Al-Tamimi and Bin Kalli (2009) whose findings illustrated a significant difference between the financial literacy level based on gender. The findings are also consistent with the findings of Klapper, Lusardi and Oudhensden (2015) who revealed that financial literacy differs concerning gender. They added that the gender gap is found in both advanced economies and emerging economies.

A study conducted by Bucher-Koenen and Lusardi (2011) showed that women perform significantly worse than men regarding financial literacy. Whereas there was a strong gender difference in West Germany, the study further exposed that there was no significant gender difference among respondents who lived in East Germany. Thus, in East Germany women and men know equally little.

The Independent samples t-test confirms that there is gender disparity in financial literacy between retirees in Mfantseman Municipality as earlier shown in the Chi-Square test for the difference. Since the life course perspective theory posits that gender influences well-being, it is presumed that males will be better off financially than females since the males are more financially literate.

Relationship Between Financial Literacy and Retirement Planning

The third objective of this research was to evaluate financial literacy and retirement planning among Mfantseman Municipal workers. This study used inferential statistics, namely Pearson's correlation. Correlation analysis is used to describe the direction and degree of the connection between the variables of interest (financial literacy and retirement planning) (Pallant, 2007). In this study, the relationship between financial literacy and retirement planning was examined using SPSS version 21's simple bivariate correlation. It passed a two-tailed statistical significance test. A p0.01 correlation is deemed significant (Nair, & Chung, 2015; Sarpong-Kumankoma, 2021).

As recommended by Pallant (2007), correlation values (r) were interpreted according to Cohen’s (1988) guidelines: Very weak (r = .10 to .29

or r = -.10 to -.29); weak (r = .30 to .49 or r = -.30 to -.49); moderate (r = .50 to .69 or r = -.50 to -.69); and large (r = .70 to .99 or r = -.70 to -.99). The result obtained indicated that financial literacy had a positive and significant association on retirement planning among employees at Mfantseman Municipality (r = .611, sig value < 0.01) as shown in Table 8.

Table 8: Correlation Analysis

		Financial literacy	Retirement preparedness
Financial literacy	Pearson Correlation	1	
	Sig. (2-tailed)		
Retirement preparedness	Pearson Correlation	.611**	1
	Sig. (2-tailed)	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Field Survey (2021)

Results from table 8 are consistent with prior studies in the field. Butcher-Koenen and Lusardi (2011) found a positive relationship between financial knowledge and retirement planning. They further asserted that individuals with higher education levels were more likely to have basic financial knowledge in retirement preparedness than those without.

A study conducted in Canada by Boisclair, et al., (2017) found that retirement planning is strongly associated with financial literacy. Those who responded correctly to the financial literacy questions are more likely to have a retirement savings plan.

Similarly, Scheresberg (2013) noted that respondents who display higher financial literacy are more likely to plan for retirement or set aside savings for emergencies. Van Rooij et al. (2011) analyse the relationship between financial literacy, retirement planning, and household wealth and argue that financial literacy positively affects wealth accumulation. He further asserted that financial literacy might increase wealth accumulation through two channels. First, financial literacy increases the likelihood of investing in stocks, enabling people to take advantage of increases in stock prices. Second, financial literacy has a positive effect on retirement planning because it reduces barriers to a) acquire information, b) make calculations, and c) develop a plan.

The effect of financial literacy (FLT) as an independent variable on preparedness for retirement (PRT) as a dependent variable was established using linear regression. The findings were presented Table 8, 9, 10 and 11. Regarding the prestimation estimation test, the study conducteda correlation analysis to first establish if there is a correlation between the variables especially between financial literacy and preparedness for retirement. This correlation analysis shows a positive significant relations (Table 8) and hence necessary to investigate the its magnitude by employing Ordinary Least Square regression. The Corresponding Durbin Watson test of 1.689 which is a post estimation test confirms that there is no autocorrelation among the variables used (Table 9).

Table 9: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.716[a]	.401	.596	3.08639	1.689

a. Predictors: (Constant), FLT, b. Dependent Variable: PRT

Source: Field Survey (2021)

From Table 9, a joint correlation between the predictors of financial literacy and the dependent variable preparedness for retirement was computed. The explanation of the correlation outcomes is based on the following cut-off points projected by Cohen (2013) in that respect: r = 0.10 to 0.29 or r = -0.10 to -0.29 (Very weak); r = 0.30 to 0.49 or r = -0.30 to -0.49 (Weak); r = 0.50 to 0.69 or r = -0.50 to -0.69 (Moderate); r = 0.70 to 0.99 or r = -0.70 to -0.99 (Large). It was revealed that there was a statistically strong positive correlation between the independent variable, which is financial literacy, and the dependent variable, which is preparedness for retirement (R= 0.716). This means that when a slight effort of resources is committed to the independent variable, it will lead to a positively strong chance of efficiency. It is worth emphasizing that this could be one reason why most social welfare organizations entreat workers to have adequate financial literacy knowledge. Discovery from the study also supports the collective views expressed by some empirical studies that financial literacy has a positive relationship with preparedness for retirement (Niu, Zhou & Gan, 2020).

The R-square has been recognized as the most common effect size measure in path models (Garson, 2016). Hock and Ringle (2006) further prescribed some tentative cut-off points for describing R-square are as follows: Results above 0.67 (Substantial), 0.33 (Moderate), and 0.19 (Weak).

Regarding the model's predictive capacity, it was discovered that financial literacy accounted for 40.1% positive variance in preparedness for retirement among employees at Mfantseman Municipal Assembly (R^2=0.401). Thus, given all the other factors that affect preparedness for retirement among employees at Mfantseman Municipal Assembly, financial literacy accounts for a strong positive change in readiness for retirement.

Table 10: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	212.957	1	212.957	22.356	.000[b]
	Residual	1895.640	199	9.526		
	Total	2108.597	200			

a. Dependent Variable: PRT, b. Predictors: (Constant), FLT

Source: Field Survey (2021)

To confirm as to whether the 40.1% variance in effect preparedness for retirement among employees at Mfantseman Municipal Assembly is accounted for by variance in the predictor's financial literacy as a variable was statistically significant or not, an ANOVA report was generated alongside the model summary. It was established financial literacy is a statistically significant positive predictor of preparedness for retirement at the assembly ($p=0.000$: $p<0.05$). Thus, it can be proposed that users of this study's results can depend on the model to forecast changes in preparedness for retirement given the same conditional changes in indicators that were used to financial literacy. This discovery also supports the collective views expressed by some empirical studies that; financial literacy is a statistically positive predictor of preparedness for retirement (Mourine, 2017).

Table 11: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	Constant	18.843	1.103		17.084	.000
	FLT	.554	.033	.716	4.728	.000

a. Dependent Variable: PRT

Source: Field Survey (2021)

In (Table 11), financial literacy as an independent variable causes a significant positive change in readiness for retirement as a dependent variable (R2=0.401; p=0.000: p0.05) among workers of Mfantseman Municipal Assembly. Financial literacy improved retirement readiness (Beta=.554: p=0.000: p0.05). Increasing financial knowledge increases retirement planning by 55.4 percent. A unit reduction in financial literacy reduces retirement readiness by 55.4 percent.

Chapter Summary

This chapter provided the findings and examined them in light of the evaluated literature. We began by presenting and discussing the demographic features of respondents. Then, the descriptive statistical technique of mean and standard deviation was employed to characterize variables of interest. As a result, the study's objectives were to assess financial literacy among Mfantseman Municipal Assembly employees, examine the relationship between financial literacy and retirement planning, and assess the impact of financial literacy on retirement readiness among Mfantseman Municipal Assembly employees. The findings of a comprehensive analysis were as follows::

1. workers of Mfantseman Municipal Assembly highly consider financial literacy;
2. workers of Mfantseman Municipal Assembly highly regard financial literacy; and
3. financial literacy had a significant effect on workers' preparation towards retirement at 5% level.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Introduction

The study determines the influence of financial literacy on the retirement planning of workers in Mfantseman Municipality. This chapter presents the summary of the findings of the study and the conclusions drawn from them. The chapter further gives recommendations based on the study's key findings and outlines suggestions for further research.

Summary of the Study

This study was designed to determine the impact of financial literacy on the retirement planning of workers in Mfantseman Municipality. The objectives that guide the study includes:

1. To assess the level of financial literacy among employees in Mfantseman Municipality.
2. To examine gender disparity in financial literacy among employees in Mfantseman Municipality.
3. To examine the relationship between financial literacy and retirement planning among employees in Mfantseman Municipality.

In line with the objectives, the study found answers to the following questions;

1. What is the level of financial literacy among employees in Mfantseman Municipality?
2. Is there a gender disparity in financial literacy among employees in Mfantseman Municipality?

3. What is the relationship between financial literacy and retirement planning among employees in Mfantseman Municipality?

The research examined the following theories to assist understand the issues: social learning, human capital, cognitive, and decision theories. Quantitative research was judged acceptable and implemented. The study used a descriptive research methodology and included 420 Mfantseman Municipal workers. The research utilized random sampling. After visiting the research organization, it was discovered that only 208 of the 210 questionnaires given were returned. The researcher utilized 201 of the 208 returned surveys that were completed and valid for data analysis. Thus, the answer rate was 95.71 percent (201/210*100%).

Again, a systematic questionnaire was utilized to gather data. The surveys were gathered within two weeks. The researcher created the questionnaire using empirical research.

(4) Sections: A, B, C, and D. Section A was intended to collect demographic data. Section B asked about financial literacy. Section C asked about budgeting. Section D asked about retirement planning. Items from sections B and D were scored on a Likert scale of 1 to 5 (1=not true of me, 5=very true). An excellent way to measure respondents' opinions regarding a characteristic, the likert scale was used. The Likert scale is user-friendly, according to Zimeras et al. (2016).

Continuous data were described using descriptive statistics (mean, standard deviation, minimum and maximum values) and inferential statistics (Pearson's correlation coefficient and regression analysis). Frequency charts with percentages were utilized for categorical data. To ensure rigorous adherence to research ethics, the questionnaire's opening line includes a provision guaranteeing respondents' anonymity and confidentiality. The time needed to complete the questionnaire was also agreed upon both the participants and the researcher. The study's results were arranged in accordance with the study's goals.

Summary of Key Findings

1. The results revealed that workers of Mfantseman Municipality are highly considered financial literates. This was because the mean values for all indicators used to measure financial literacy were between (3.0 to 5.0).
2. Again, the study highlighted whether there exists gender disparity in financial literacy between retirees in Mfantseman Municipality. The results revealed that males are better off financially than females since males are more financially literate. Moreover, the study looked at the relationship between financial literacy and the retirement planning of workers. Pearson correlation coefficient of (R = 0.611) showed a strong positive relationship between financial literacy and retirement planning.
3. Further, the linear regression model specified revealed that financial literacy significantly affected workers' preparation towards retirement at a 5% alpha level. The value (0.554) of the unstandardized coefficient (β) also showed a positive effect of financial literacy on retirement preparedness. Thus, as employees in Mfantseman

Municipality's financial literacy increases, their preparedness towards retirement also increases.

Conclusions

1. Workers in Mfantseman Municipality were asked to participate in the research in order to find out how financial literacy affects their retirement planning. Upon completion of the research, it was shown that employees in the Mfantseman Municipality had a high degree of financial literacy.
2. Additionally, the research showed that there is a gender difference among retirees in the municipality, which was previously unknown. The findings of the research also showed that financial literacy has a favorable connection with retirement preparation.
3. Finally, financial literacy has a favorable and statistically significant impact on the retirement planning of employees. Therefore, when workers' financial literacy skills rise, they are more likely to pursue retirement planning activities at a faster rate.

Recommendations

After determining the role of financial literacy on the retirement planning of workers in Mfantseman Municipality, it is appropriate to make recommendations to promote the survival, growth and performance of workers within the municipality.

1. The study recommends that employees should periodically be advised by management of social welfare and other financial experts and analysts during meetings on the importance associated with financial

knowledge since it impacts their preparation towards retirement and planning. Owing to this, management of the assembly should design programmes and policies targeted at educating workers about the benefits associated with financial literacy. This can help employees to be well abreast with current trends.

2. Finally, the researcher suggests that further research be done to determine the degree of fianancial literacy in different professions throughout the country in order to identify, comprehend, and adopt legislation that will ensure that everyone is financially educated.

Suggestion for Further Research

The limitation of the study arises from the generalisation of the results to cover just a municipal assembly. Therefore, it would have been more rigorous to have carried out a comparative study to examine the relationship between workers' financial literacy and retirement planning in other assemblies. Thus, the researcher recommends further studies to concentrate on Mfantseman Municipality and other municipal/metropolitan assemblies across Ghana.

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APPENDIX

QUESTIONNAIRE

UNIVERSITY OF CAPE COAST

DEPARTMENT OF FINANCE

QUESTIONNAIRE ON FINANCIAL LITERACY AND RETIREMENT PLANNING OF WORKERS AT MFANTSEMAN MUNICIPAL ASSEMBLY

Dear Respondent, this is a survey on financial literacy and retirement planning of workers at Mfantseman Municipal Assembly. This survey is solely for academic purposes. Please be assured that all of your responses will be completely ANONYMOUS and CONFIDENTIAL. Thank you for accepting to participate in this research.

DIRECTION: Please indicate your response to the question by selecting the most appropriate answer for each question.

Socio Demographic Data

Demographics

1. What is your age?

   [ ] 20 – 25 years [ ] 26 – 30 years [ ] 31 – 40 years [ ] 37- 40 years [ ] 41- 50 years [ ] Above 51 years

2. What is your Gender?

   [ ] Male [ ] Female

3. What is your highest level of education?

   [ ] Diploma [ ] First Degree [ ] Masters Degree [ ] Doctorate Degree

4. What is your status at the institution?

[ ] Top Management [ ] Middle Management [ ] Lower Management

5. Do you want to retire at the statutory age or ealier?

[ ] Statutory age [ ] Voluntary retirement

6. When do you want to retire?

[ ] Two years but less than 5 years [ ] Five to ten years [ ] Ten years and above

7. Do you have any children or dependents that you cater for?

[ ] Yes [ ] No

FINANCIAL LITERACY

On a scale of 1 to 5, rate the extent to which the following describes your level of financial behaviour. Where 1= not at all 5 = Always

	1	2	3	4	5
I keep track of my income and expenditure every month					
My spending is always basd on prior planning					
I assess the conditions given by financial institutions before I decide to take a loan or credit					
I compare interests and other benefits when deciding to save my money					
I seek financial advice before making major financial commitments or decisions					
I ask my bankers about investment opportunities available in order to make investment					
I take insurance policy for my investments and/or myself					
I cross check the interest paid either to me or by me on my account					

8. What is the first thing to be considered when preparing monthly personal budget?

[ ] The number of dependents you have

[ ] Your monthly income

[ ] The number of people you owe

[ ] None of the above

9. What is the first thing you do when you want to withdraw money the Automated Teller Machine (ATM)?

[ ] Go to the banking hall and ask for a withdrawal form

[ ] Insert your card in the ATM and wait for your money

[ ] Insert your card and wait for the response

10. If you realize that an amount of money has been wrongly debited to your bank account, what will be the first thing to do?

[ ] Go to the bank and discuss the issue with the security man on duty for advice

[ ] I go to the ATM and check my account balance

[ ] I will go to the bank and make an official complaint with the appropriate

11. Which type of bank account usually pays the most interest?

[ ] Savings account

[ ] Current account

[ ] Certificate of deposit

[ ] Cheequing account

12. The interest on loan is calculated on:

[ ] The principal amount taken

[ ] On your monthly income

[ ] On the principal and the monthly income

[ ] None of the above

13. If you co-sign a loan for a friend, then you..

[ ] Become eligible to receive prt of the loan amount

[ ] Guarantee for the friend's reliability but have no legal oblidation for theloan

[ ] Are responsible for repaying theloan if your friend defaults

14. When a cheque bounces, who,if anyone, is usually charged a fee?

[ ] The one who issued the cheque

[ ] The one to whom the cheque is issued

[ ] None of the above

15. Suppose you had GH¢100 in a savings account and the interest rate is 20% per year and you never withdraw some of the money or interest payment. After 5 years, how much would you have on this account in total?

[ ] More than GHS 200

[ ] Exactly GHS 200

[ ] Less than GHS 200

[ ] Do not know

16. If five (5) friends have a gift of GH¢1,000 to share equally and they have to wait until next year to get their share of the money. If the rate of inflation increases, will they be able to buy?

[ ] More with their share of the money

[ ] The same amount

[ ] Less than they could buy today

[ ] It depends on the types of things that they want to buy

17. Thw main reason to purchase insurance is to?

[ ] Protect you from a loss already incurred

[ ] Provide you with excellent investment returns

[ ] Provide you from sustaining a catastrophic loss

[ ] Protect you from small incidental losses

[ ] Improve your standard of living

PREPARATION TOWARDS RETIREMENT

Ona scale of 1 to 5, rate the extent to which the following describes your preparation towards retirement. Where 1= not at all true of me 5= very true of me

	1	2	3	4	5
Apart from the SSNIT contribution, I had investments in stocks, bonds, and mutual funds to cushion my pension					
I established my own business as preparation towards retirement					
I invested in my children so that they would take care of me when I retire					
I took a health insurance policy to cover me whiles working and after retirement					
I did a special life time savings, specifically to be assessed after retirement					
Putting away money each month for savings or investments was important and necessary for me					