UNIVERSITY OF CAPE COAST

EFFECT OF FINANCIAL LITERACY ON PENSION PLANNING AND STYLE OF INVESTMENT AMONGST TEACHERS IN PUBLIC BASIC SCHOOLS WITHIN THE ABLEKUMA CENTRAL MUNICIPALITY IN THE GREATER ACCRA REGION OF GHANA

RAYMOND KWAME DZILAH

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BY

RAYMOND KWAME DZILAH

Dissertation submitted to the Department of Finance of the School of Business, College of Humanities and Legal Studies, University of Cape Coast, in partial fulfillment of the requirements for the award of Master of Business Administration degree in Finance

SEPTEMBER 2021

DECLARATION

Candidate's Declaration

I hereby declare that this dissertation 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.

Candidates Signature:…………………………….Date:……………………..

Name:……………………………………………………….……………………

Supervisor's Declaration

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

Supervisors' signature……………………………. Date:……………………

Name:…………………………………………………………..………………

ABSTRACT

The study was conducted to determine the effect of financial literacy on pension planning, style of investment and the level of financial literacy amongst public basic school teachers within the Ablekuma Central Municipality in the Greater Accra Region of Ghana. Pension reforms necessitate the development of novel mechanisms for augmenting income in retirement, boosting coverage, and maintaining the financial viability of pension plans Holzmann (2013). According to Mitchell and Lusardi (2007), the likelihood that those with poor financial knowledge will be less likely to plan for retirement is higher and as a consequence, acquire significantly less wealth. Quantitative data is usually used by positivists to perform analysis, measure objectively, and generate unprejudiced verifiable research that is unaffected by socio-cultural influences (Neuman 2006). The study therefore, used a mixed approach of descriptive and explanatory research designs for the study. The span of data collection and coverage; using questionnaires, from 171 respondents using the Yamane sample size formula was from 1st October, 2020 to 31st January, 2021. The study revealed that the level of financial literacy amongst the respondents is moderate because most of them were identified to be degree holders. The study also examined that financial literacy has a positive effect on pension planning amongst the respondents. Again, the work pointed out that financial literacy has no effect on the style of investment amongst the response units. The study recommends that the government provides a comprehensive financial education for public basic school teachers. It finally suggests introducing financial literacy from the basic to senior high levels as well as the colleges of education.

KEYWORDS

Literacy

Financial Literacy

Financial Education

Pension Planning

Investment Style

Pension Scheme

Retirement

Decumulation

Decision Theory

Prospect Theory

Theory of Mental Accounting

The Conversional Micro-Economic

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DEDICATION

To my sons: Jeremiah Mawunyo Dzilah, Jerome Selorm Dzilah.

Mother: Janet Yawo Tessu (Late)

Sister: Suzzy Dzifa Agbanyo

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LIST OF ACRONYMS

SSNIT	-	Social Security and National Insurance Trust
OECD	-	Organization for Economic Co-operation and Development
NPRA	-	National Pensions Regulatory Authority
PNDC	-	Provisional National Defense Council
UNESCO	-	United Nations Educational Scientific and Cultural Organization
USA	-	United States of America
NCEE	-	National Council on Economic Education
USHERS	-	United States Health and Retirement Study
MDAs	-	Ministries departments and agencies
GNAT	-	National Association of Teachers
TEWU	-	Teachers and Educational workers of Ghana
TUC	-	Trades Union Congress
SPSS	-	Statistical Package for the Social Sciences
CSR	-	Corporate Social Responsibility

CHAPTER ONE

INTRODUCTION

Individual workers in the public sector of Ghana are increasingly taking on responsibility for securing retirement. Even before the enactment of the new pension Act in 2008, it became obvious that public servants had expressed reservations and discontent about the deficiencies in the previous level of pensions for retired public sector workers to enable them live a decent life. To most worker organizations, the crux of the problem has been the meager retirement benefits earned by workers under the Social Security and National Insurance Trust (SSNIT) Pension Scheme as opposed to those continuing under Chapter 30 of the 1950 British Colonial Ordinance, Pension number 42, usually referred to as CAP 30. Financial literacy is a necessity for those who want to plan for retirement owing to the fact that the habit of preparing can strengthen and rejuvenate their financial situation (Lusardi 2015).

People with financial expertise, according to Lusardi and Mitchell (2011), had a higher probability to plan for retirement. This illustrates the life path perspective proposition, which states that prior life events might impact one's retirement experience. Financial well-being was also associated with financial knowledge and pension planning, according to the study. This research, therefore, examines the effect of financial literacy on pension planning and style of investment amongst public basic school teachers within the Ablekuma Central Municipality in the Greater Accra Region.

Background to the Study

Employer-sponsored pensions and Social Security systems throughout the globe are being stretched by rising life expectancies and plummeting fertility rates (Lusardi & Mitchell, 2011). According to Lusardi and Mitchell (2007), there was a link between financial literacy, pension planning and retirement asset building. To date, the vast majority of studies on this subject concentrated on the degree of financial ignorance in the United States (Lusardi & Mitchell, 2007, 2011). The goal of this research however, was to determine how financial literacy affected pension planning amongst public basic school teachers in the Ablekuma Central Municipality in the Greater Accra Region.

Andoh (2019) argued that his investigations agreed with the need for retirement income policy initiatives in Africa, specifically for low-income retirees. The study found that the respondents' personal attributes such as sex, age, marital status, number of years worked and highest education attained, aided or hindered their capacity to convert their earnings into life satisfaction. As a result, financial literacy has been studied in relation to retirement planning and investing style by scholars and research organisations. These include the Organization for Economic Co-operation and Development, (OECD) (2005), Bernheim (1998), Lusardi and Mitchell (2007), Maticone and Chaira (2010) who identified and examined the level of financial literacy amongst their respondents and the effects on retirement and saving style.

The traditional microeconomic approach to saving and consumption decisions is the theoretical framework for financial knowledge, which asserts that in times of high wages, a purely reasonable, experienced and educated individual will expend less than his income, thereby saving to cover expenditure when earnings diminish, mostly after retiring from active service or work. According to Modigliani and Brumberg (1954) and Friedman (1957), the consumer is considered to adjust his voluntary saving and decumulation tactics during his lifespan to smooth marginal utility.

However, in recent years, a couple of articles have commenced investigations into the decision to undergo financial education as well as the connection between financial knowledge, savings, and investment practice (Delavande, Rohwedder, & Willis, 2008; Jappelli & Padula, 2013; Hsu, 2011; Boisclair, David, Lusardi & Michaud, 2017). People may create and carry out savings and spending plans, all of which need knowledge of financial markets, net wealth and the necessary technical acumen to execute complicated financial calculations, according to theoretical models that integrate essential features of customer behaviour and the economic environment (Lusardi & Olivia, 2013).

In the real world, the aforementioned theory is not factual, according to their research. They said that only a small percentage of people had the vast financial expertise required to create and implement complicated programmes. Pension planning and style of investment by workers have become imperative and the Ghanaian teacher, whether in the private sector or public sector is no exception. This renewed interest stems from the fact that the standard of living of most retirees from the teaching fraternity, specifically teachers from the basic and second cycle schools is quite low. A Daily Graphic investigation published on graphiconline.com on 5th October, 2020, revealed that amongst Tiers I and II benefits paid to people who retired within the year, teachers were the worst paid.

The deplorable conditions under which most retired teachers live, ranging from housing problems to daily household income or remuneration and expenditure as found by Ghana National Association of Teachers' teacher attrition report (2009), were the main drive behind this study. Different governments in Ghana have made tremendous efforts towards the proper regulation of the National Pension Act, Act 766, which was duly passed on 12th December; 2008.As a result, the new Pension Act of 2008 ordered the creation of a new contributory Three-Tier Pension Scheme, with the National Pensions Regulatory Authority (NPRA) supervising the combined scheme's proper implementation.

The revised Pension Act of 2008 has the three aims:

1. To offer pension benefits to assure retirement income stability.
2. To guarantee that all employees get their retirement benefits timeously.
3. To formulate a unified set of procedures and standards for the governance of retirement and associated benefits, as well as their payments.

The Third Tier which includes all Provident Funds and all Pension Funds outside Tiers I and II is a voluntary scheme as outlined in Social Security and National Insurance Trust (2018), SSNIT Investment Series 10th Edition.

The drive to delve into the influence of financial literacy on pension planning and style of investment especially with regards to the voluntary Tier III scheme of teachers within the Ablekuma Central Municipality in Greater Accra was the preoccupation of this study. This was necessitated by the fact that, the third Tier, even though voluntary, is directly within the purview and control of the individual worker. It is in this vein that financial literacy and education have become relevant if not indispensable.

A lot of studies have established the fact that the approach to saving and consumption decisions depend largely on financial literacy. As a consequence, numerous studies have looked at financial knowledge from differing viewpoints. A few papers (Delavande, Rohnwedde & Willis 2008; Jappeli & Padula 2013; Hsu 2011; Lusardi Michaud, & Mitchell 2013) have explored why people choose to pursue financial literacy training and the link between financial knowledge, savings, and investment habits. Again, different research organizations and researchers have undertaken researches to determine the level of financial literacy of investment decision makers.

A research by Organization for Economic Co-operation and Development, (OECD) (2005) examined the level of financial literacy in 12 countries including the United Kingdom, United State of America, Japan, Australia and other European countries. The research concluded that there was a low degree of financial literacy amongst a greater proportion of the interviewees. Financial education has profound repercussions for family finances; investment strategies, and pension planning. Bernheim (1998) found that when household were bereft of fundamental financial awareness, simple rules of thumb influenced their savings behaviours.

According to Bernheim and Garret (2003), those who obtained financial education in high school or at work had a higher saving propensity than those who did not. Lusardi and Mitchell (2007) concluded that persons who exhibited limited financial literacy possessed a lesser propensity of planning against retirement and consequently, accrued relatively little assets. Investors participating in online trading, according to Monticone and Chiara (2010), should be more informed than other investors in order to succeed in the stock market since they are strategically and deliberately deprived of the requisite conditions prevailing within the financial markets. As such, they are prone to being exposed to information asymmetry. It was in this vein that the investigators determined the financial knowledge of close to 5,006 online trading investors.

They also delved into the degree of financial expertise among various groups of investors who transacted business online via e-commerce, using demographics and online trading history as factors. According to the findings, the level of financial literacy varied depending on demographic characteristics. The nexus between financial literacy and pension preparedness was also investigated by Lusardi and Mitchel (2006c). They examined that those with financial experience had a higher probability of making use of organized approaches like retirement calculators, seminars, and financial professionals, rather than depending on family or fellow employees. The link between financial knowledge and pension planning, coupled with investment style, is skewed when people have formal education but have little or no understanding of financial education and pension planning.

Statement of the Problem

According to Ofori-Abebrese, Pickson and Abubakari (2017) and Bongaarts (2016), countless nations have sought to evaluate their pension systems in the last twenty years in order to make them more receptive to the requirements of pensioners. Finding new ways for augmenting retirement savings, extending accessibility, and guaranteeing financial viability and stability of the plans is critical to the modifications. This is an increasing problem in retirement income plans and systems throughout the world Holzmann (2013).

The relevance of a comprehensive pension planning and investment style has culminated in the passing of a new Pension act in Ghana – Act 766 in 2008. This is to ensure retirement income security by the provision of pension benefits to all employees in the country's private and government or public organizations in the form of Tier I, Tier II and Tier III schemes, Social Security and National Insurance Trust (2018), SSNIT Investment Series 10th Edition. Unfortunately, recent reports from the Ghana Statistical Service (Ghana Statistical Service, 2013) and a Daily Graphic report published on graphiconline.com on 5th October, 2020 on retirees in Ghana painted a gloomy and debilitating picture with respect to the quantum of benefits received by those retired workers with its associated over-dependency ratio.

The well-being of a pensioner is influenced by his or her income level. When elderly people or retirees, for example, had a higher economic level than the rest of their household, they were heavily relied upon by their extended family to meet part of the expenses they incurred (Ghana Statistical Service, 2013). A Daily Graphic investigation published on graphiconline.com on 5th October, 2020, revealed that amongst Tiers I and II benefits paid to people who retired within the year, those who received their benefits under the National Pension Act, 2008 (Act 766), got an average of three times lower than their counterparts who retired under PNDC law 247.

These lower benefits affected teachers, nurses, media practitioners and staff of the Ministries departments and agencies (MDAs). An instance given by the investigation above, was a teacher; who retired as Assistant Director II within the Jaman South District of the Ashanti Region, after working for 34 years and contributing for 405 months, was paid a meager GH¢10,644.31 as benefit. These developments motivated the study because one wonders why with the array of investment and portfolio instruments available for workers in the financial market; a section of them after working for several years, should retire on insufficient retirement benefits thus undergoing excruciating poverty.

This study was to examine the effect of financial literacy on pension planning and style of investment amongst teachers in public basic schools within the Ablekuma Central Municipality in the Greater Accra region of Ghana. A large proportion of public sector workers in Ghana is represented by teachers in both basic and second cycle levels of education. These workers teach throughout their working life span but often go home with meager pension benefits. It is an established fact that majority of these teachers live miserably with no financial or retirements benefit guarantee due to the low wages they earn, a situation that has a debilitating effect on retirement planning and prudent style of investment Osei-Owusu (2014).

According to Osei-Owusu, low remuneration was pinpointed as being one of the motives why teachers abandoned the teaching fraternity for more lucrative jobs elsewhere according to the survey. Several researchers and literature including Obago (2014), Van Rooij, Lusardi, and Alessie (2012), attempted investigating the problem of financial literacy, investment style and pension planning. They did not focus on teachers in basic schools but rather on workers in the financial institutions, insurance industry, and university teachers.

Therefore, the methods applied cannot be used to hypothesize the problem at the level of teachers due to the population involved in their studies. That is to say that, the information at hand on financial literacy for someone in a higher institution or finance and insurance industry cannot be compared to someone at the basic school level on the same scale. This presupposes that the environment determines how an individual plans and chooses investments for retirement. Moreover, the results and conclusions from the aforementioned studies cannot be generalised to include teachers in basic schools since the population of their study was on individuals in other institutions who may have different behavioural finance orientations due to the environment in which they find themselves. This makes the problem still worthy of investigation and creates imbalance in literature.

There is therefore, the need to delve deeper into this problem concerning basic school teachers, particularly those in basic schools within the Ablekuma Central Municipality on financial literacy, retirement planning and investment style and suggest ways by which they can maximise their retirement wealth. The Ablekuma Central Municipality was chosen for this study owing to the fact that the researcher has been teaching within the Municipality which was hitherto a Sub-metropolis under the Accra Metropolis, as a professional teacher for the past 14 years. Furthermore, my interaction with other teachers including both current and retired ones, has given rise to the urge to research into the impact of financial literacy on retirement planning and style of investment amongst the respondents thus the driving force behind the conduct of this research.

Purpose of the Study

The purpose of this study is to determine the effect of financial literacy on pension planning and style of investment amongst teachers in public basic schools within the Ablekuma Central Municipality.

Research Objectives

The study specifically sought to:

1. Examine the level of financial literacy amongst public basic school teachers within the Ablekuma Central Municipality in the Greater Accra region.
2. Determine the effect of financial literacy on pension planning amongst basic school teachers within the Ablekuma Central Municipality in the Greater Accra region.
3. Determine the effect of financial literacy on the style of investment amongst public basic school teachers within the Ablekuma Central Municipality in the Greater Accra region.

Research Questions

The study seeks to answer the following questions:

1. What is the level of financial literacy amongst public basic school teachers within the Ablekuma Central Municipality?
2. What is the effect of financial literacy on pension planning among public basic school teachers within the Ablekuma Central Municipality in the Greater Accra region?
3. What is the effect of financial literacy on the style of investment among public basic school teachers within the Ablekuma Central Municipality in the Greater Accra region?

Significance of the Study

The findings and conclusions of the study will be relevant as a reference point for further research in academia and will also come in handy for other institutions, departments and agencies that may want to rely on them in determining the major aspects of financial knowledge application in the management of finance. Furthermore, teachers can also use the findings to strategize and plan for their pension and make prudent and rational investment decisions. Finally, scholars in finance may find the work to be enlightening and pertinent to current knowledge and they may be able to recognize research needs for future studies.

Delimitation of the Study

The study was undertaken in the Ablekuma Central Municipality in the Greater Accra region of Ghana. This location was chosen owing to the fact that most of the basic schools within the Municipality are close to each other hence facilitating data collection from the respondents. Even though there is currently one public Senior High School within the Ablekuma Central Municipality, the focus was on the basic schools because the researcher teaches at the basic level in the municipality and was interested in studying the level of financial literacy amongst respondents in the same fraternity and how financial literacy impacts their pension planning and style of investment. Private basic school teachers were also excluded due to the difficulty with accessibility.

Limitations of the Study

This includes that of the self-reported data used. This data collection approach contained potential sources of bias such as

i. Exaggeration of responses that has the tendency of affecting the validity of the study.

ii. Selective memory – in which the respondents might not have either remembered or not remembered experiences or events that occurred at some point in time.

iii. Telescoping refers to people remembering events that transpired at one moment as though they happened at a different period.

iv. Attribution is the act of assigning good occurrences and results to one's own activity while external factors are blamed for bad events and consequences

v. Response and non-response errors where respondents failed to answer some of the questions completely or refused to respond to the entire questionnaire or providing wrong answers or responses to some of the questions.

Also, it was difficult contacting the response units owing to the obvious debilitating effects of the deadly Covid-19 pandemic, a situation that brought about the closure of all schools. The potential sources of bias were mitigated through the explanations the researcher provided to the respondents during the data collection stage. The inevitable impact of Covid-19 was also alleviated eventually as schools were re-opened making it possible for the response units to be contacted.

Definition of Terms

Literacy

Literacy has historically been described as the ability of reading and writing.

The capacity to recognize, understand, comprehend, produce, converse, compute, and utilise printable and codified documents is described as literacy in a range of settings by the United Nations Educational, Scientific, and Cultural Organization (UNESCO).

Financial Literacy

(i) Understanding how money is generated, consumed, and invested, as well as the capacity to make better financial decisions, is all part of financial literacy.

(ii) The Financial Awareness Foundation defines financial literacy as the ability to comprehend and apply the fundamental concepts of smart money management - the foundation of personal finance knowledge – to make educated decisions about money on a daily basis.

Pension planning

Pension planning is a kind of retirement planning in which an employer invests into a portfolio of investments reserved for a employee's future benefit. The earnings are invested in the interest of the employee, and the investment return provides retirement income to the employee. A pension plan, according to the Cambridge Dictionary, is a financial plan that permits you to collect money after you or your employer has paid money into it for a number of years.

Investment style

Style of investment, according to the financial dictionary, is the method that investors, including experts and money managers, adopt when picking individual investments and putting together portfolios in order to accomplish their investment objectives.

Pension scheme

According to the Pensions Advisory Service, a pension scheme is just a type of savings plan that allows you to save money for retirement. When compared to other forms of savings, it also receives preferential tax status. According to the Cambridge Dictionary, it is a method of saving money for retirement.

Retirement

According to the Cambridge Dictionary, retirement is the moment at which a person ceases working, usually due to reaching a certain age or bad health, or the length of time after that person has ceased working.

Decumulation

Decumulation is the process of converting pension assets acquired over the course of an employee's working years into pension income to be expended after retirement.

Organisation of the Study

This research was divided into five chapters. The first chapter comprises a background to the study, problem statement, the study's purpose, research objectives, research questions, the study's significance, delimitations, limitations, definitions of terms and the study's organization. Chapter Two entails literature review which encompasses theoretical framework/conceptual base of the study. The research methods section of Chapter Three is composed of the design used for the study, study area, population, procedure used for sampling, instruments employed for data collection, procedures deployed for data collection, processing of data and analysis, and a summary of the entire chapter. The results and discussions are covered in Chapter four;

whilst summary, conclusions and recommendations are contained in Chapter five.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The theories pertinent to the study are discussed in this chapter. Relevant literature associated with the study is then examined to determine and identify any existing gaps that are inherent in them.

Theoretical Framework

Decision Theory, Prospect Theory, Mental Accounting Theory and the Conventional Micro-Economics Approach to Savings and Consumption have been adopted as the key theories on which the study has been built. They will provide insight into the effect of financial literacy on pension planning and style of investment.

Decision theory

Decision theory was propounded by Warner (1968). People's perceptions and actions are at the center of this philosophy. The prescriptive version (also known as normative decision theory) and the descriptive version are the two forms of decision theory. The focus of normative decision theory is to find the best decisions and optimality is usually ascertained by supposing an ideal decision maker who can undertake computations with pinpoint precision and is in some respects perfectly logical. This prescriptive approach's practical application is how individuals should make decisions.

This is referred to as decision analysis and it incorporates selecting tools, techniques, and decision support systems or software to empower individuals in making better judgments (MacCrimmon & Keneth, 1968). Descriptive theory, on the contrary, is preoccupied with characterizing behaviours, generally under the assertion that the decision-making individuals are acting in accordance with some set of rules. This prescriptive model suggests that an individual should carry out the assignment that optimizes expected utility. According to the descriptive model, a person chooses the option which yields the most utility. In these scenarios, a decision support system comes in handy in mitigating the risk of probable losses owing to erroneous investment decisions (Kamau, 2011; Kariuki, 2013; Musundi, 2014).

The investment decision-making process is a critical one that is influenced by a variety of variables that differ from person to person due to the distinctive character of individuals Musundi (2014).The variation in investment decision making is purely the concept of individual difference that comes into play when decision making becomes critical. Certain individuals make judgments taking into cognizance good reasoning; whereas different people take into account a number of other variables, such as free riding, which occurs when people make financial decisions based on the success of others who have made similar selections.

Akims and Jagongo (2017) found out that the challenges that investors and financial analysts are generally confronted with are extremely sophisticated factors which include risks, decision saturation ambiguity and information asymmetry. The decision theory is vital to this study because it sought to examine the extent of financial literacy amongst teachers in public basic schools within the study area and how their level of financial education has affected their planning towards retirement and investment decision making. This was determined by Akims and Jagongo, where they found that investors and financial gurus are unavoidably faced with highly complicated confrontations including information asymmetry, risks, moral hazards and investment dilemmas.

Prospect theory

This theory, also referred to as the loss aversion theory, was propounded by Kahneman and Tversky (1979). This theory opposes the expected or anticipated theory, which forms the foundation of standard finance. Prospect theory focuses on the many behavioral patterns that investors exhibit when in a quandary with respect to future profits and losses. Investors are much more disturbed and thrown into a state of confusion by the prospect of losing than they are by the possibility of returns. Though negative or positive consequences, an investor believes that implications of losing or the possibility of losing is greater than the ramifications of a profit (Jordan & Miller, 2009; Baker & Nofsinger, 2010).The theory is based on the axiom that investors are risk averse while considering earnings but risk desiring when assessing losses.

However, when confronted with a decision to choose either from a guaranteed gain or a gamble that might raise or reduce the guaranteed gain, investors will apparently choose the guaranteed gain. When faced with an awful dilemma of certain loss and a chance that might decrease or increase the certain loss, investors are more inclined to pick the gamble (Musundi, 2014). The prospect theory relates to this study because the research sought to determine the style of investment of the respondents and how they react to the various investments and portfolio decisions they are faced with as they plan for their retirement income security based on their level of financial literacy.

These decisions are occasioned by a dilemma with respect to sure gains and losses and the possibility to be risk-averse towards gains and risk-seeking regarding losses which the study set out to determine amongst the selected teachers.

Mental accounting theory

Theory of Mental Accounting was propounded by Thaler (1985). This theory proposes that a person retains an asset with some type of mental framing. Farming refers to how someone interprets a transformation and as a result, an investment. This determines the utility they expect to obtain from the said transaction. Investors maintain a variety of mental accounts for each asset and inadvertently, establish a close connection with each investment (Jordan & Miller, 2009). This subsequently culminates in the quandary of selling those assets at a given price compared to the higher price they paid to acquire such assets especially when a lower price is offered as juxtaposed with the higher price they paid to acquire such assets (Sehfrin & Statman, 1985; Van Rooij; Lusardi & Alessie 2011; Musundi, 2014).

The Theory of Mental Accounting is important to the study because it clarifies why investors consider closing a psychological account at losing to be a cause of remorse and closing one at a return to be a source of pleasure. As remorse is stronger than pleasure, traders strive to make profit in all situations. (Van Rooij et al., 2011). Investors sell assets only when the market value surpasses the asset's cost, but keep their assets when the reverse occurs. Investors' profit orientation is greater than pride as described by that remorse, as a result, investors will constantly endeavour to earn profits or returns on their investments. Investors habour self-reproach upon disposing of an asset and then discovering that the price has gone up. They then feel they should hold their assets a bit longer because they sold them prematurely (Akins & Jagongo, 2017). The theory is relevant to this study as it has the aim of finding out the kind of investment decisions the respondents make and how they feel when they dispose of an asset, only to learn that the price has gone higher.

The Conventional Micro-economic Approach to Savings and Consumption

The conventional microeconomics approach to saving and spending decisions is another theory that underpins this research. According to the concept, a completely rational and well-informed person will spend less of his income while it is greater, thereby saving to sustain consumption when wages decline, such as after retirement. The consumer, according to Modigliani and Brumberg (1954) and Friedman (1957), is hypothesized to arrange his optimal savings and decumulation practices to smoothen utility across his lifespan. This theory believes that people can plan, execute, and retrieve assets in their retirement years. This necessitates their ability to do complicated economic calculations as well as the necessary knowledge of financial markets and organizations.

Individual employees usually turned a blind eye to their pension plan specifics in the past, when pension planning was devised and executed by governments. Today, however, more employees are realizing that they have a key role to play in their retirement planning, thanks to the enactment and implementation of the new pension Act, Act, 2008 in Ghana. As mentioned earlier on, a Daily Graphic investigation published on graphic online.com on 5th October, 2020, revealed that amongst Tiers one and two benefits paid to people who retired within the year, those who received their benefits under the National Pension Act, 2008 (Act 766), got an average of three times lower than their counterparts who retired under PNDC law 247.

Delavande, Rohwedder, and Willis (2008) developed a two-period savings and portfolio allocation model that allowed for the building of human capital in the form of financial experience across safe bonds and volatile stocks (Ben-Porath, 1967, Berker, 1975).They postulated that individuals will preferentially invest in financial expertise in order to obtain access to higher-yielding assets. In an intra-household scenario, Hsu (2011) utilized a similar strategy in which males specialized in financial knowledge learning and wives enhanced their financial knowledge acquisition primarily when it became important.

However financial knowledge is a pre-requisite and a panacea to financial decision making irrespective of the gender of the worker because whether husband or wife, they will one day retire and would have to fall on their pension benefits for retirement income security. This theory is imperative with regards to the study because retirement planning aims to equip individuals for retirement spend-down owing to the diverse decumulation and expenditure or withdrawal of assets strategies that retirees will have to choose from. This retirement spend-down requires an individual to possess the financial literacy needed to be able to perform sophisticated economic calculations during their working years as found by (Lusardi & Mitchell, 2014).

The foregoing theory, according to Annamaria et al, is far from reality in the real world. Therefore, the study aimed at examining the level of financial literacy amongst the response units and how their financial literacy strength or otherwise influences their style of investment particularly when dealing with stocks and other assets.

Conceptual Framework

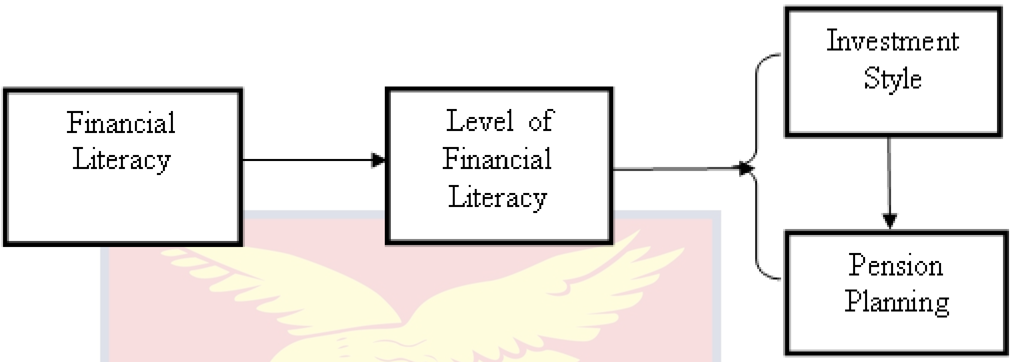

Figure 1: Conceptual model

Source: Field Survey, (2020)

The figure above illustrates the link between financial literacy, pension planning and style of investment. It demonstrates financial literacy as an independent variable, pension planning and style of investment the dependent variables respectively.

Empirical Review

Financial literacy and retirement planning

Several studies have tried to make financial literacy and retirement planning information more accessible. Regarding the question on retirement, a study by Lusardi and Mitchell (2006a) determined that almost 60 percent of respondents in the United States of America (U.S.A.) managed to estimate the quantum of money expected for retirement, but less than half of the respondents sought to develop a retirement plan. Only 14 percent of those who had plans were extremely sure that they will have enough resources in retirement. However, 40 percent of those who had plans fulfilled their goals.

The consolidation of economic understanding and financial skill sets; which can be obtained through economics training in high school or retirement seminars provided to the citizenry in the United States, is a significant driver of retirement planning Lusardi and Mitchell (2008). The causation is complicated, however, because it is difficult to rule out the idea that desiring to plan for retirement inspires people to augment their financial knowledge Lusardi (2009). Financial knowledge has also been linked to a variety of prudent financial practices, including retirement savings plans' membership (Tang & Baker, 2016).

Financial Literacy and style of investment

Guiso and Jappelli (2005), considered lack of asset awareness whilst (Kimball & Shumway, 2006), took into consideration financial sophistication. Chen and Volpe (2002) were of the opinion that an internet investor was more educated than other investors and would have a better likelihood of succeeding in the financial market. This is because such investors are seldom confronted with manipulation, misinformation and information asymmetry. 530 online investors were employed in the study to assess investing literacy among various groups of people based on factors such as age, income, previous online trading experience, gender, and education.

Investors' financial literacy varied depending on their age, gender, experience, education, and income, according to the study. Specifically, men were more financially knowledgeable than women, and older individuals performed better than younger people. Online investors, in particular, were more sophisticated than other investors. Investors with higher incomes were also identified as having better investing expertise than those with lower incomes. Graduates with a bachelor's degree or above surpassed those with less education regarding investment.

Mirshekary and Saudagaran (2005) investigated how various consumers of financial statements made financial decisions based on different key items in the financial statements. They did it by analyzing the opinions and ideas of various financial statement consumers in Tehran utilizing a questionnaire. Among the response units were institutional investors, stock brokers, and bank investment officials. In general, the respondents regarded annual reports as the most essential mechanism of gathering knowledge. It was also considered as the most valuable information source. Oral information and share prices were the other lesser ranked sources of financial information respectively.

Furthermore, the least ranked were advice from friends and acquaintances, tips and rumors and stockbrokers' advice in that order.
Annual reports were routinely utilized in Iran as a source of investment decision-making, according to Mirshelary and Saudagaran. Furthermore, according to a research by Lusardi and Mitchell (2006c), many families were oblivious of even the simplest concepts in economics required to make savings and investment decisions. This study used questionnaire to examine financial literacy and retirement planning in Puerto Rico.

The results demonstrated that most of the respondents lacked financial knowledge and retirement issues. Most of those interviewed said they had been preparing household budgets; however, the results suggested that they were not using them appropriately. Several of the respondents were not conversant with basic economic concepts which are the pre-requisites for making savings and investment decisions.

Level of financial literacy

Lusardi and Mitchell (2006a) devised a module questionnaire on financial literacy for the 2004 United States Health and Retirement Study (USHRS). The questions were meant to measure financial knowledge in the field of risk diversification, accumulating interest, and inflationary ramifications. Financial illiteracy was pervasive and acute among particular sections in the country's population such as women, the less educated and the elderly according to their research. Given the fact that the financial knowledge questions were not only short and basic but that the sample comprised respondents aged fifty or older, the findings were stunning.

People in this age cohort possessed bank accounts, credit cards, and had even invested in mortgage intended for construction. The findings of Lusardi and Mitchell (2006b) were supported by studies conducted by Cameron, Calderwood, Cox, Lim and Yamaoka (2013) which focused on financial knowledge among high school students and adults. Using a smaller sample of persons of all ages to study financial literacy, Hilgert and Hogarth (2002) found comparable results. Findings on pervasive financial illiteracy were further reported in researches on smaller samples of the population (Agnew & Szykman 2005; Berheim 1995, 1998; Mandell 2004; Moore 2003).

Despite the fact that all of these studies used data from the United States, identical outcomes were reported in investigations from other nations. The degree of financial education in 12 major nations across the world, including the United Kingdom, the United States of America, European countries, Japan, and Australia, was investigated by the Organization for Economic Cooperation and Development (OECD). As per the findings, majority of the respondents had a low degree of financial literacy. Lusardi and Mitchell (2007) conducted further research on financial literacy in various countries and established that financial illiteracy prevailed even in wealthy nations. This includes Japan, Australia and fifteen European countries. The outcomes of these studies corroborated the findings of the USHERS, which showed that the majority of European respondents scored poorly on numeracy measures.

Chapter Summary

Financial decision making has become a sine qua non of acquisition of wealth and retirement planning. As a result, investors would have to analyze or review the success of their selected investment portfolio on a regular basis, and then determine whether to move to another alternative or diversify. It is imperative to note that to achieve maximum outcomes and return on investment in this sophisticated environment, decision makers are required to have an appreciable level of financial expertise. The clarion call and ever-increasing complexity of financial markets and products have prompted a global need for increased and expanded financial literacy among prospective consumers and investors.

This literature review has brought to the fore, studies addressing the link between financial literacy and demographic characteristics such as gender, age, and household income management. The majority of studies revealed that a number of their interviewees had a poor degree of financial literacy. Some of the studies discovered that people with financial knowledge and complication were more tilted towards depending on formal techniques including retirement calculators, seminars and financial gurus instead of relatives or fellow workers.

Again, some of the earlier researchers were also focused on households and workers in the formal sector of the economy without investigating whether teachers in basic schools, who have acquired formal education, were also equipped with financial knowledge and how that affects their preparation towards pension and style of investment. This study focused on examining the level of financial literacy among teachers in basic schools within the Ablekuma Central Municipality in the Greater Accra region of Ghana.

Secondly, one of the purposes of the New Pension Act, 2008 is to ensure retirement income security with the third tier being a voluntary contribution by individual workers. This requires a certain level of financial knowledge. Therefore, this study endeavoured to determine the effect of financial literacy on pension planning and style of investment on the part of teachers in public basic schools within the Ablekuma Central Municipality in Greater Accra.

CHAPTER THREE

RESEARCH METHODS

Introduction

The research methodology adopted in the study is the focus of this chapter. There are demonstrations of the research design, demographic and sampling technique, data gathering tools and procedure in addition to data analysis. This chapter's aim is to offer an assessment of the researcher's study design and data collection technique in order to answer the research questions and objectives.

Research Approach

According to Creswell (2014), research approaches are study methods and modalities that encompass everything from broad assumptions to in-depth data collection strategies, analysis, and interpretation procedures.

There are three approaches to a research namely: quantitative, qualitative and mixed approach according to Creswell. The qualitative method focuses on the narrative since it aims to communicate the tale of a certain group's feelings in their own words. The majority of qualitative studies take an interpretive philosophy hence the inductive approach in which the researcher gathers data before striving to infer interpretations from it.

Quantitative research is a form of research that focuses on evaluating data gathering and analysis. It is inspired by empiricist and positivist philosophies and is predicated on a logical technique that stresses theory validation (Bryman & Alan, 2012). As posited by Given 2008; Babbie and Earl 2010, this research method, which is linked to the natural, applied, formal, and social sciences, emphasizes objective empirical study of observed occurrences in order to discover and explain correlations or associations. This is achieved using a number of quantitative methodologies and approaches, reflecting the motive behind its widespread utilisation as a research approach across many academic fields.

The target of quantitative research is to develop and deploy mathematical models, ideas and hypotheses in an attempt to elucidate occurrences. In quantitative research, the measuring method is critical because it creates the link between actual data and mathematical descriptions of quantitative associations. A mixed approach is a method that integrates qualitative and quantitative methods. It is a research strategy that entails collecting, evaluating and combining quantitative and qualitative surveys and interviews. The objectives require that a quantifiable data be obtained to determine the effects.

Thus, a cause-and-effect relationship should be established and model(s) required to determine whether the effect(s) is/are quantitative in nature. They require numerical data to function and give the maximum results. Owing to this, the quantitative approach was adopted for the study. According to Queiros, Faria and Almeida (2017), the quantitative method is focused on numerical representations and obtaining knowledge of the topic thus, this technique will give a better study platform to assess the perspectives, attitudes and comprehension of teachers in public basic schools within the Ablekuma Central Municipality through self-administered of questionnaires. To this end, the researcher can better comprehend and get deeper insight into the topic under study by using a quantitative method that provides in-depth and demonstrative information.

Research Design

Research paradigm underpinning the study

The selection of an acceptable research philosophy or paradigm for a study informs the research's aim, drive, and intentions (Mackenzie & Knipe, 2006). According to Rao (2019), most financial researches tend to favour the application of accurate and very detailed data for analysis, as well as systematic observation, data collection, theory formulation, and hypothesis testing for inferences which are all part of the scientific process and that may explain the popularity of positivism. Objective ontology usually aligns well with positivist epistemology O' Gorman and Macintosh (2015). This study has been underpinned by positivism. Positivists embrace quantitative methods such as sociological surveys, structured questionnaires, and official statistics since they are trustworthy and the findings are of good representativeness (Thompson 2015).

Positivists believe in objectively analyzing and measuring quantitative data and presenting real worth scientific proof that is unaffected by socio-cultural influences (Neuman, 2006). The research posited that positivists rationally relate abstract knowledge to particular measures of social world and assume independence and neutrality during the interpretation of evidence and replicating other researches. The study adopted the positivists' paradigm since it sought to objectively determine the degree of financial knowledge and its effect on both pension planning and style of investment amongst then respondents by deploying approaches that can be replicated.

The comparative approach is used by sociologists in positivist research to seek for links or correlations between two or more factors. As a result, this study has the positivists' philosophy as its underpinning paradigm as it sought to demonstrate the connection between financial literacy and pension planning and style of investment amongst teachers in public basic schools within the Ablekuma Central Municipality. Furthermore, studies aligned to positivism are primarily concerned with discovering explanatory associations through quantitative approaches where findings from empirical data, collected from large sample sizes are preferred. This study has drawn large sample size of 171 hence the choice of a positivist philosophy. Positivists seek to discover generally accepted causal laws to enhance control and predictability (Sekaran & Bougie 2016).

Research design refers to the method and processes that are adopted in collecting and analysing data (Babie & Earl, 2010). It can also be defined as the network of research methods and techniques selected and deployed by a researcher. The research design permits researchers to concentrate on the research methods appropriate for the topic under study and set their works for success. A research design, according to Burns and Groove (2003), is a framework for conducting research with the most control over variables that might affect the results' validity. The objectives of the study necessitated the collection of a quantifiable data to assess and explain the level of financial knowledge and how it relates with retirement planning and style of investment amongst the respondents.

As a result, the study employed a combination of descriptive and explanatory research designs. The descriptive design was adopted to investigate and describe the level of financial literacy amongst the respondents whilst the explanatory design was utilised to analyze the influence of financial literacy on pension planning and style of investment. Descriptive research design is the one that describes a population, situation or phenomenon under study. It focuses on the how, what, when and where questions rather than why. This design was deployed to ensure that the situation under study is painstakingly described; guaranteeing that there is a minimum or no bias in the collection data, thus errors are curtailed considerably.

Gall, Gall and Borg (2007), posited that a descriptive research is concerned with describing a phenomenon and its characteristics, and as a result, observational and assessment approaches are commonly employed to conduct a research. Again, according to Baht (2020), descriptive design is a philosophy design that is developed by acquiring, evaluating, and presenting data gathered; hence, the researcher decided to use it in conjunction with the explanatory design for the study. This is because the positivist paradigm underpinning the study is a scientific method which also deals with systematic collection of data, testing hypothesis, analyzing the data and making deductions or inferences.

Explanatory research also known as causal research on the other hand is undertaken for the purposes of examining the level and nature of cause-and-effect relationships (Yousaf, 2018). The work posits that explanatory design focuses on the analysis of a phenomenon or situation or a particular problem to ascertain and describe the complexion of the linkage between the variables. Explanatory research endeavours to examine the validity of a theory or principle; investigate which of the contesting explanations is outstanding, propound ideas about a fundamental procedure, compare and contrast issues by generalization, construct and expatiate a theory to either refute or confirm an explanation (Neuman 2006).

Study Area

The Ablekuma Central Municipality is doubling as a constituency in the Greater Accra Region. The municipality was previously a sub- metropolis under the Accra Metropolitan Authority but recently gained an elevation to a municipal status. It has an estimated population of 294, 022, available on the website of Ghana statistical service as at 26th September, 2020. Schools in Ablekuma Central Municipality are predominantly owned by the government with a few private ones. Moreover, as a result of the population of Accra coupled with the struggle for land and settlement, most of the public basic schools are clustered around the study area for which collection of data is not such a herculean task. Additionally, the study area was chosen due to proximity and accessibility of teachers.

Population

According to Babie (2010), population refers to elements or people. It is the complete sequence of events pertaining to a group (Saunders & Thornhill, 2009). Zikmund (2012) defines population as consisting of a whole group that shares a common characteristic. Based on this, it is believed that all persons or things in a certain geographical region exhibit common qualities or features for which the descriptions of its members are the same. The population of the study consists of all teachers in public basic schools within the Ablekuma Central municipality. The population size of the teachers is estimated to be 300 teachers made up of 21 Basic Schools and independent Junior High Schools in the municipality. This information was obtained from the municipal education directorate of the Ablekuma Central Municipality by the researcher upon a request. The study therefore, focused on the population size and drew the required sample size from it.

Sampling Procedures

Kraska and Neuman (2011a) describe sampling as the method of drawing a subgroup from a specific population. Again, it is the phenomenon or process of selecting an appropriate sample that will serve as a representative proportion of the research population with the goal of identifying parameters or characteristics of the complete population (Lenth, 2011). Lenth added that sample size has an implication on the findings of the research. Considering the nature of the study and in the interest of obtaining enough data, the simple random sampling technique is appropriate to sample from the population. The simple random technique is used when the population is homogeneous. In this research, the population is composed of all teachers in public basic schools within the Ablekuma Central Municipality and the list of staff in the various schools under consideration can be made available as the sampling frame from which random numbers can be generated for selection.

The identified sampling strategy can protect against an unrepresentative sample and ensure that there are adequate sampling units to enable a careful and varying examination of each subset. Using the simple random sampling technique, each object or respondent in the sample has an equal chance of being selected and this prevents biasness in the data hence averting spurious analysis and results. The sample size is calculated using the Yamane sample size calculation formula, which is shown below, based on the aforementioned population size.

$$N = \frac{N}{1 + Ne^2} = \frac{300}{1 + 300\,(0.05)^2} = 171$$

Where: n = sample size

N= Population size

e = the acceptable sampling error or Error margin

95% confidence level and p = 0.5 are assumed.

From the formula and the calculation above, the minimum required sample size for the study was 171 teachers. Thus, this is the sample size, below which the study could not go. The participants were provided with the opportunity to complete the questionnaires with their total number constituting the sample. The sample above represents a proportion of more than 50 percent of the population and according to Conway, Miller, O'Brien, and Cohen (2012), a sample size of more than 50 percent provides reliable results since it reflects a large percentage of the population.

Data Collection Instruments

One of the most vital aspects of any research is having to decide on the data gathering technique. This is contingent on the research question(s) and the focus of the study. Primary data, as defined by Hague, Kung, and Suter (2006), are raw data gathered by the researcher from particular response units for the aim of the study. For this reason, questionnaires were designed and developed to collect data from the field. A questionnaire, according to Amedahe (2002), is an outline of questions about the aims of the study, hypotheses, and research questions that interviewees must reply to by scribbling, checking, indicating, or circling their replies.

Owing to the above statements, the researcher adopted the use of questionnaires and a method of checking the detail on the relevant features of the research methods. Amedahe continued that questionnaires are composed of a variety of inquiries about the purpose of the survey, assumption and research questions that need to be verified and answered, which respondents must answer by checking the right answers. The instrument was chosen for data collection because it is economical and captures a wide range of questions that can answer the research objectives and questions.

The data collection instrument also supports both the research design and approach because in both cases, numerical data needs to be obtained in order to quantify and describe the research characteristics. Hawkes and Rowe (2008) maintained that a well-constructed questionnaire was effective for gathering information about the specific components of the information needs such as conditions and opinions of the subjects. As a result of the above proposition, the researcher adopted a method of checking the details on the relevant features of the research methods. Respondents were given elaborated instructions as to how the questionnaires are to be answered and returned.

Moreover, a clear instruction for ensuring confidentiality of data was made known to the respondents in order to minimize bias in the data collected. The questionnaire was separated into three categories or sections (A, B and C) and the variables (financial literacy, pension planning and investment style) were ranked on a Likert scale of '1' to '5' using some constructs from literature including (Monticone & Chiara 2010); (OECD) (2005), Bernheim (1997), Lusardi and Mitchell 2006a, 2006b, 2007, 2013). The background of the interviewees was asked in the Section A of the questionnaire. Questions on investment styles of teachers were asked in Section B and then the Likert scale measurement of the above variables was done in Section C.

Pilot Testing

Pilot testing was employed to examine the reliability of the questions and internal consistency or validity of the scale. As said by Bird and Howes (2008), pilot testing is a valuable method that gives researchers the assurance that they have captured the specified information among a smaller subset of targeted respondents. In view of this, pilot testing was done to enhance the reliability and internal consistency of the questions. The questionnaires were personally administered by the researcher to the respondents after prior notification and thorough briefing and the data collated was then analyzed in terms of reliability and validity.

Reliability and Validity Test

The reliability and validity test conducted for the internal consistency of the items measuring financial literacy, pension planning and style of investment on the Likert or nominal scale was done using the Cronbach's alpha and correlates of each variable respectively. Cronbach's alpha of 0.7 and above demonstrates a tolerant reliability and validity was checked by comparing correlates with Spearman's rank validity value (which is the table value, 0.312). A value greater than 0.312 shows a valid measure.

Table 1: Reliability Test Results

Financial Literacy		Pension Planning		Investment style	
Cronbach's alpha	No of items	Cronbach's alpha	No of items	Cronbach's alpha	No of items
0.820	8	0.760	10	0.872	9

Source: Field Survey (2020)

From Table 2 the Cronbach's alphas indicate an acceptable reliability. The Table shows that the internal consistency of the scale is reliable enough to use the scale for measuring the variables to analyse the results.

Table 2: Validity Test Result for Pension Planning

	Financial Literacy			Pension planning		
Variables	r_{xy}	r_{table}	Results	r_{xy}	r_{table}	Results
1	0.882	0.312	Valid	0.459	0.312	Valid
2	0.408	0.312	Valid	0.471	0.312	Valid
3	0.809	0.312	Valid	0.474	0.312	Valid
4	0.390	0.312	Valid	0.730	0.312	Valid
5	0.474	0.312	Valid	0.562	0.312	Valid
6	0.630	0.312	Valid	0.492	0.312	Valid
7	0.736	0.312	Valid	0.853	0.312	Valid
8	0.459	0.312	Valid	0.882	0.312	Valid
9	0.461	0.312	Valid	0.385	0.312	Valid
10	0.512	0.312	Valid	0.512	0.312	Valid
11	0.235	0.312	Not valid	0.431	0.312	Valid
12	0.459	0.312	Valid	-	-	-

Source: Field Survey (2020)

Table 3: Validity Test Result for Investment Style

	Investment Style		
Variables	r_{xy}	r_{table}	Results
Passive (0)	0.644	0.312	Valid
Active (1)	0.781	0.312	Valid

Source: Field Survey (2020)

From Tables 3, the items were compared with the table value (0.312). It was realised that all the constructs were measuring financial literacy greater than the table value except item 11 on the questionnaire so it was deleted and all the items measuring pension planning were greater than the table value so they were valid and therefore, used to analyse pension planning. Likewise, investment style was measured on a nominal scale and the result obtained in Table 4 show that the dummies were correlated to investment style comparing their values to the table value 0.312. Thus, the items and the scale were valid in measuring their respective variables. Based on this, the questionnaires were distributed finally for data collection.

Data Collection Procedures

The most crucial element of research methodology is the procedure. Additionally, the most delicate and essential aim of data collection is to guarantee that a reliable data is collected for statistical analysis in order to avoid spurious analysis Baht (2016). We simply will not be able to come to any conclusions without a process. Following the choosing and completion of the instruments, the investigator personally submitted a letter seeking prior approval from the managers of the schools contacted within Ablekuma Central Municipality.

Subsequently, the researcher addressed his inquiry in-depth with the instructors of the schools concerned and obtained their consent to collate the required data. To eliminate response and non-response errors, a solid trust with the teachers of the chosen schools was established. The guidelines for each test utilized in the study were made explicit before administering the questionnaires. In order for the respondents to respond comfortably and fairly to the questions, they were informed there was no right or wrong answers to the questions, that their professional career would not be endangered as this was only an exercise for academic research purposes and that their responses would be kept in strict confidence.

They were given a suitable time interval between assessments in order to keep them from becoming fatigued. As a result, the questionnaires were given out under controlled settings. Each testing session finished with a vote of gratitude to the respondents. The period for administering the questionnaire spanned almost four months, commencing from 1st October, 2020 to29th January, 2021. The duration was attributable to the manner in which basic schools were reopened after their closure due to Covid-19 restrictions, with the Junior High Schools resuming first in 2020 before the Primary and Pre-schools came back on-stream in January, 2021. The researcher was very instrumental in the administration of the questionnaire as he deliberately set out to investigate the topic under study and ensure originality and first hand insight into the research.

After collecting data from the sample, the collected data was scored and edited with the aid of SPSS.

Data Processing

Following the pilot testing to ensure validity, the study also employed other techniques to test reliability since the study depends on instrument construction. Therefore, after pilot testing to ensure validity, the study also employed SPSS's reliability test to check the reliability of the scale. According to Barch, Mitropoulou, Harvey, News, Silverman and Siever (2004), the measure to which the research findings are devoid of random events is termed as reliability. One tool to test reliability generally is the use of Cronbach alpha coefficient which is also used in this study. The Cronbach alpha coefficient is a popular method deployed for determining how well different variables were positively linked (Sekaran & Bougie, 2016). When the alpha of the scale for measuring a variable is 0.7 and above, then it is more reliable, however, a lesser alpha below 0.7 has reliability in doubt (Santana, Mengod, & Artigas, 2009).

Data Analysis

Data analysis is the technique of deriving conclusions and elucidating the results of the study in words (Creswell, 2013).The rationale behind data analysis is to summarise data so that it provides answers to research questions in a manner that is easily understood. The approach and method used can therefore have influence on the results and for that matter, prudent utilisation of the right data analysis techniques can have great impact on the outcome of the research. In this regard, the data was coded in excel and exported to SPSS.

Thereafter, the data was then summarized using both descriptive and explanatory statistics to identify errors in the data. Incomplete responses were deleted entirely from the data. The appropriate statistical methods used to analyze the objectives were percentages, measures of central tendency and regression analysis. The first objective was analyzed using percentages; measures of central tendency measures, one-sampale t-test and measures of dispersion whilst the second and the third were analyzed by adopting the regression analysis.

Ethical Considerations

Partington (2003) defines an ethic as a materialist philosophy which emanates from the Greek word ethos, which implies attitude or tradition and denotes a social code that transmits moral integrity and consistent ideals.

As a result, while conducting a survey, the two most essential ethical considerations are confidentiality and informed permission. Therefore, the respondent's right to privacy should always take precedence and be honored. Again, any legal requirements on data should also be taken into consideration accordingly. The researcher explained the aim of the research and stressed that involvement was entirely optional.

All participants were guaranteed of their privacy and that the information gathered would be kept private. To maintain anonymity, the data obtained was not shared with anybody other than the researcher's supervisor. The researcher did not either impede or influence the administration of the questionnaires, thus the respondents answered the questionnaires in the most reasonable time. The study also took account of ethical issues in reporting. Under no situation did the researcher formulate data to support the conclusions arrived at.

Chapter Summary

The study used primary data for its analysis. For the study, a self-administered questionnaire was utilized as the fundamental data gathering tool. For the purposes of simplicity in terms of the results, the data was analyzed using the statistical tool, SPSS, and Microsoft Excel. The research approach utilized by the researcher in performing the study was expatiated in this chapter. The researcher's aim for selecting the study tools he utilized was also elucidated and as well as some avoidable weaknesses. The population under study was also defined in addition to the sampling technique and its justification. Techniques for data gathering were also described and justified.

Data analysis, presentation, and interpretation will be covered in the next chapter.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chatter highlights the study's findings and discusses the ramifications of the outcomes in relation to literature and the teaching profession. Financial literacy is very key in pension planning. The results are presented according to the research objectives. The background information of respondents is presented before the outputs on the research objectives.

Background Information of Respondents

The respondents were asked to give background information about themselves to enable the researcher to know whether the research questions can be understood and answered correctly. Demographic characteristics such as gender were taken to check on the distribution of the data. The length of service in terms of teaching, and the level of education among others were verified. All these were preliminary checks on the respondents to ensure that responses did not deviate from the objectives of the study.

Table 4: Background Information of Respondents

	Frequency	Percent	Mean age	Std. deviation
Gender				
Male	81	47.4	-	-
Female	90	52.6	-	-
Length of teaching				
Below 5 years	8	4.7	-	-
6-10 years	34	19.9	-	-
10 years and above	129	75.4	-	-
Level of education				
Secondary	1	0.6	-	-
Diploma	14	8.2	-	-
Tertiary	156	61.2	-	-
Have any idea of investment and financial planning?				
Yes	166	97.1	-	-
No	5	2.9	-	-
Have any idea of investment styles?				
Yes	137	80.1	-	-
No	34	19.9	-	-
Age	-	-	18.31	5.274
Total	**171**	**100**		

Source: Field Survey (2020)

From Table 4 above, it was realised that majority (52.6%) of the respondents were females whilst the minority (47.4%) were males. Although the females were more in terms of percentage, the margin between the males and females was small. This suggests that the female respondents dominated the research. More female teachers were employed into the teaching profession than males. Moreover, majority (75.4%) of the respondents had been teaching for 10 years and above. This indicated that, the respondents had more experience in the teaching field and may have enough plans for pension.

Their level of education was realised to be tertiary. This was evidenced by the majority (61.2%) reported in Table 4 above. Furthermore, to be more convinced that respondents were conversant with the subject under investigation, they were asked whether they had any idea about investment and financial planning. The majority (97.1%) responded yes to that question. The researcher went further to ask whether they had an idea of investment styles and most (80.1%) answered yes to this question. Also, the respondents were asked about the age at which they were exposed to financial activities and for that matter becoming a financial literate.

The responses showed that on the average, they were exposed to financial activity at the age of 18 years with a standard deviation of 5.3 years. This suggested that the respondents were exposed to financial activities in their stage in life when they turned adults under the constitution of Ghana. Therefore, they really had some level of knowledge about what financial literacy, investment and pension planning meant. The results can be relied upon to make further decisions in answering the objectives.

Level of Financial Literacy amongst Basic School Teachers within the Ablekuma Central Municipality in the Greater Accra Region

The first objective was to determine the level of financial literacy amongst basic school teachers within Ablekuma Central municipality. The objective was to investigate if the respondents had a high or low level of financial education. The hypothesis was tested using the average level of financial literacy.

One sample t – test was used as a statistical tool for the analysis. The results are presented in Table 5 and 6. Discussion of the results is done below the tables respectively.

Table 5: Mean Financial Literacy

	Mean	Std. Deviation	Std. Error Mean
Financial Literacy	1.9220	1.09743	0.08392

Source: Filed Survey (2020)

From Table 1, on the Likert scale of 1 to 5, the average score for financial literacy level was 1.9220 with a standard deviation of 1.09743. This showed that the average level of financial literacy of public basic school teachers in Ablekuma Central Municipality was dispersed from the central location of the data collected. From literature, an average of less than 2 shows a low level of financial literacy, from 2 to 3 inclusive shows a moderate level and above 3 to 5 shows high level of financial literacy. From the information on the sample mean in Table 1, the level of financial literacy was tested at a mean value of 3.0. The table below presents the result.

Table 6: Test of the Level of Financial Literacy

	Test Value = 3.0			
	t	df	Sig.(2-tailed)	Mean difference
Financial literacy	-30.719	170	0.000	-2.57797

Source: Field Survey (2020)

From Table 5, for (t = -30.719, df = 170), the level of financial literacy is significant at 0.5 significance level since the p – value = 0.000 < 0.05. Thus, the level of financial literacy of public basic schoolteachers was moderate. The finding seems to be true in literature but contradicts with the findings of Mbarire and Ali (2014) who found that financial literacy is generally low for people in the public sector. According to Mbarire and Ali, gender explained financial literacy level and most especially females are more financially literate than men which refuted the findings of Lusardi and Mitchell (2008) that showed that men were more financially literate than females. Thus, making inferences from the findings of Mbarire and Ali and relating it to the findings of the research, a factor of the moderate level of financial literacy among public basic school teachers was gender and one driver of gender is the female counter. From Table 4, a higher proportion of females than males displayed moderate financial literacy.

Mbarire and Ali found that financial literacy level was moderate among middle aged respondents (41 to 50 years) and considering the average age (18.31) of respondents from Table 4, it was found that the findings in Table 9 contradicted with that of Mbarire and Ali. Thus, the moderate financial literacy level was associated with respondents who were exposed to financial literacy in their early youthful ages. According to Lusardi and Mitchell (2008), education and financial literacy had a positive linkage. This was most prevalent among individuals with a bachelor's degree or more and modest financial literacy among those with a college or secondary education. With the case of basic school teachers in the public sector, it is rather those with tertiary level of education who exhibited moderate financial literacy level. This was evidenced by the results in Tables 4 and 6. According to Almenberg and Save-Soderbergh (2011), one's extent of education influences their financial literacy.

Effect of Financial Literacy on Pension Planning amongst Public Basic School Teachers within the Ablekuma Central Municipality in the Greater Accra Region

The second objective was to examine how financial literacy affects pension planning among public basic school teachers in Ablekuma Central Municipality. This objective requires that a cause and effect relationship be established. This gave rise to the use of regression analysis. One of the key assumptions of regression analysis is that there should be a linear relationship between the independent variable and dependent variable. The variables for the study were constructed through factor analysis to arrive at the correlates. The constructs in each case were combined to constitute the various variables involved in the study by the researcher. To fulfill the aforementioned assumption, a correlation test was done. Table 7 presents the results below.

Table 7: Correlation Analysis

	Pension planning	Financial literacy
Pension planning	1	
Financial literacy	0.247 (0.001) *	1

*Significant at 0.05 level
Source: Field Survey (2020)

From Table 7, the linear relationship was tested at 0.05 significance level. It can be realised that there was a weak positive linear relationship between pension planning and financial literacy and since the p – value = 0.001 < 0.05 the relationship was significant statistically at a significance level of 0.05. Therefore, regression analysis was carried out and the results presented in Table 8 below:

Table 8: Regression Analysis of the Effect of Financial Literacy on Pension Planning

Model	R-square	F	B	Std. Error	t	Sig.
Regression	0.061	10.992	-	-	-	0.001
(Constant)	-	-	4.177	0.130	32.059	0.000
Financial Literacy	-	-	0.195	0.059	3.315	0.001

Dependent variable: Pension planning
Independent variable: Financial literacy
Source: Field Survey (2020)

From Table 8, R – Square suggests that 6.1% of the variations in pension planning can be explained by financial literacy. The rest of the variations are explained by other factors. From Table 8, it was realised that the model was significant at 0.05 significance level since F = 10.992 the p – value = 0.001 < 0.05. As a result, it is fair to assert that the model is significant and that financial literacy affects pension planning. The constant and financial literacy are significant at 0.05 significance level since their p – values are less than 0.05. From Table 8, it is concluded that financial literacy has a positive effect on pension planning. Therefore, a unit change in financial literacy will lead to a 0.195 change in pension planning. The constant indicated that when there was no financial literacy, pension planning did not change and it is equal to 4.177. The 4.177 value on the Likert scale of 1-5 shows that the respondents agreed very well that pension planning is constant when there is no financial literacy.

The results above depict the various behavioural patterns of investors when in a dilemma. Thus, an increase or decrease in financial literacy leads to a positive increase in pension planning. With the results of Lusardi and Mitchell (2006a) a little change in the level of financial literacy of less educated people can lead to a positive effect in pension planning. This in a way reduces poverty rate at old age or over reliance on external families or children. Perhaps most teachers might have undergone financial literacy at some point in time but may not know how to plan for pension.

Most of them might think that Social Security and National Insurance Trust Fund, which constitutes tiers I and II of the new pension scheme is the only pension plan available. Pension planning includes buying of assets in terms of investment that have long term span. A little increase in the financial literacy of teachers affect generations, since there is always a transfer of knowledge from them to their households and students in one way or the other. This causes a positive change in pension planning and gradually eradicating or reducing poverty rate amongst retired teachers from public basic schools in Ghana. The significance of financial literacy will be demonstrated by how basic school teachers are able to interpret various financial statements.

This will go a long way to affect pension planning in a positive way. This is understood properly from the study of Mirshekary and Saudagaran (2005). The challenge to this finding is what Lusardi and Mitchell (2006a) concluded on that many households were bereft of even the most fundamental theories in economics required to settle on informed choices relating to investment towards pension. This study is also linked with the findings by Bernheim, Garret and Maki (2001) and Bernheim and Garrett (2003), who demonstrated that financial literacy (either in high school or through workplace seminars) had a favourable effect on savings in the United States.

Nonetheless, there is a continuous and raging discussion about how to improve the efficacy of financial education and saving initiatives (Lusardi, 2009). High degrees of financial knowledge were typically linked to financial household behaviour that was compatible with advised retirement planning techniques, according to the study (Hilgert, Hogarth & Beverley, 2003; Van Rooij, Maarten, Lusardi & Alessie, 2011b). Furthermore, it supports the rationale for investing in economics education for Ghanaian public basic school teachers, since this may be a significant incentive to improve general financial literacy.

Effect of Financial Literacy on the Style of Investment amongst Public Basic School Teachers within the Ablekuma Central Municipality in the Greater Accra Region

Objective three was to analyse the effect of financial literacy on the style of investment amongst public basic school teachers within the Ablekuma Central Municipality. The aim was to investigate whether having knowledge in finance or financial activities makes one become a passive or an active investor. The dependent variable here was investment style and the independent variable was financial literacy. The dependent variable has two levels or outputs hence categorical. Therefore, the logistic regression model is binary. As a result, one can be either an active or a passive investor. Consequently, the dependent variable was coded in a binary mode as “0 = passive” and “1 = active”. The binary logistic regression was then used to analyse this objective. The results are presented in the Table 4 and 5 below.

Table 9: Omnibus Test of Relationship between Investment Style and Financial Planning

Likelihood ratio chi-square	Df	Sig.
0.270	1	0.604

Source: Field Survey (2020)

The purpose of this table was to determine whether or not there was a link between the independent and dependent variables. This was to satisfy the regression analysis that, there should be a relationship between the two variables mentioned above. All tests of significance were tested at 5% significance level. From Table 4 above, given (chi-square value = 0.270) the p – value = 0.604 >0.05. This implies that there was no linear association between investment style and financial literacy of basic school teachers. The researcher then moved on to test whether the relationship caused an effect in a linear form in Table 10 below:

Table 10: Logit Regression Analysis between Investment Styles and Financial Literacy

Model	Wald Chi-square	Df	B	Std. Error	Sig.
Regression					
(Constant)	48	1	-2.761	0.3952	0.000
Financial Literacy	0.279	1	0.09	0.1699	0.597

Dependent variable: Investment styles
Independent variable: Financial literacy
Source: Field Survey (2020)

From Table 10, the logistic regression wald test was used to show whether the dependent variable was significant or not. The Wald test on financial literacy showed that financial literacy was not relevant at 0.05

significance level thus financial literacy did not contribute to investment style amongst public basic school teachers in Ablekuma Central. Irrespective of the financial literacy of an individual teacher, one does not need to assess his or herself in terms of being a passive or active investor in order to plan for investment and retirement plans. Moreover, from Table 10, the constant was significant at 0.05 significance level since the p – value = 0.000 < 0.05. This implied that investment style remained constant irrespective of the changes that may occur in the financial literacy.

The constant here was in the negative direction (-2.761). It was therefore deduced that without any variable causing an effect on investment style, basic school teachers who were passive or active were likely to make wrong choices when it came to investment decisions concerning their preferred pension plans. That notwithstanding, the results above could imply that there were other variables that could have an effect on investment style other than financial literacy. However, the basic assumption is that for one to know more about investment and pension or retirement, one must have some financial literacy or education at a certain level.

As a matter of fact, these results were at variance with the conventional micro-economic approach to savings. When investment style is constant and in the negative direction, savings is discouraged and consumption is rather encouraged. Furthermore, investment in financial knowledge to gain access to higher return assets has been proven futile by the results because irrespective of financial knowledge, there was no effect on investment style. However, the remedy to this is to rely on experts to plan their investment at old age for them. From literature, the results partially agreed with the findings of Baker and Nofsinger (2010). As a consequence, the impact of a loss, or the prospect of a loss, is not a major concern for the teachers in this area. They chose other factors to having impact on their investment style over financial literacy.

The findings also refuted the works of Lusardi and Mitchell (2006a), Hogarth and Hilgert (2002), Bernheim (1995), and Moore (2003) who identified that most people did not comprehend basic fundamental financial theories, especially those pertaining to stocks, bonds, mutual funds, and compound interest. They also observed that many people had misconceptions regarding lending, especially mortgages. Calvert, Campbell, and Sodini (2006) in contrast revealed that families with better financial complexity and experience had the likelihood of participating in volatile asset markets and invest more economically. The study contradicted the findings of Hilgerth et al. (2003), who discovered a strong association between financial education and financial decisions.

Chapter Summary

The chapter presented results of the objectives that were analysed. These results were presented and discussed according to the research objectives. Some of the findings discussed in this chapter include a positive effect of financial literacy on pension planning. Financial literacy has no effect on style of investment among public basic school teachers in the Ablekuma Central Municipality and a moderate level of financial literacy found among the teachers. All these results were achieved through the use of regression, correlation and measures of central tendency and one-sample t-test respectively.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter summarised all the chapters of the research and concluded on the research findings of the study. Conclusions and inferences were drawn from the findings of the study and then related to the government, stakeholders and literature. Recommendations and suggestions made for consideration. Suggestion for future studies also outlined under this chapter.

Summary of the Study

The rationale behind this research was to assess the influence of financial literacy on pension planning and style of investment amongst teachers in public basic schools within the Ablekuma Central Municipality in the Greater Accra Region of Ghana.

The study specifically sought to answers the following questions.

1. What is the level of financial literacy amongst public basic school teachers with the Ablekuma Central Municipality?
2. What is the effect of financial literacy on pension planning amongst public basic schools teachers within the Ablekuma Central Municipality?
3. What is the effect of financial literacy on the style of investment amongst teachers in public basic schools within the Ablekuma Central Municipality?

However, a combination of descriptive design and explanatory research designs were adopted for the study. The descriptive design was deployed to determine and describe the level of financial literacy amongst the respondents whilst the explanatory design was adopted to examine the effect of financial knowledge on pension planning and style of investment.

Summary of the Findings

The aim of the study was to determine the effect of financial literacy on pension planning and style of investment among teachers in public basic schools within Ablekuma Central Municipality in the Greater Accra Region of Ghana. The findings were that majority of the interviewees were females and had a teaching experience of more than 10 years. Majority, who had tertiary educational background; had an idea about investment and financial planning, also had knowledge of investment styles and were exposed to financial activities at the age of 18 years. Analysing the objectives, it was realised that the level of financial literacy among the public basic school teachers in Ablekuma Central Municipality was moderate.

According to literature, socio-demographic characteristics like gender, education level, and the age at which one is introduced to financial knowledge contributed to this level. It was again found that there was a positive relationship between pension planning and financial literacy thus, financial literacy had a positive effect on pension planning. There was no association between style of investment and financial planning.

Furthermore, financial literacy had no effect on style of investment. Style of investment was constant but in the negative direction.

The study also answered the research questions as follows:

Firstly, the question on the level of financial literacy amongst public basic school teachers was determined. It was deduced that the level of financial literacy amongst the respondents was moderate and associated with respondents who are exposed to financial literacy in their youthful ages. Secondly, the study revealed that there was a significant effect of financial literacy on pension planning amongst the teachers in public basic schools within the Ablekuma Central Municipality in the Greater Accra Region of Ghana. Therefore, financial literacy explains how the respondents plan towards retirement. Thirdly, the question on whether financial literacy has an effect on the style of investment amongst the respondents was answered by the study as it was determined that financial literacy does not necessarily contribute to their style of investment.

Conclusions

Pension planning and financial literacy is a global issue and of a tremendous interest. The results suggested that the moderate level of financial literacy may differ within the respondents due to their demographic characteristics such as gender and the age at which one was exposed to financial literacy. On this basis, it can be established that gender and age had an impact on financial literacy. Financial and insurance products make the study of financial literacy, pension planning and investment style very significant. This calls for studying the relationship and the effect of these variables in order to shape the right financial products for old age. This makes the results of the study very important.

This provides adhesive foundation for conducting more surveys to gather scientific proof that can help people better understand financial literacy, retirement planning and style of investment. The findings that financial literacy had a positive effect on pension planning is useful for investment and insurance companies who aim to improve on their pension schemes to fit the pension needs of teachers especially those in the public basic schools. Also, the finding that financial literacy had no effect on style of investment amongst public basic school teachers concluded that government policies on improving financial education to increase the level of financial literacy amongst workers in order to plan their choice of pension through investment will be futile.

Recommendation

The study revealed that there was a moderate level of financial literacy amongst teachers in public basic schools within the Ablekuma Central Municipality. However, the level of financial literacy amongst the respondents can be significantly improved and augmented. The study therefore, recommends that the government should provide rigorous and comprehensive financial education for public basic school teachers. This education can be implemented by introducing seminars and financial literacy workshops for the concerned teachers. Financial education is imperative in the lives of every individual worker due to the fact that people with a significant level of financial literacy are able to make prudent financial decisions be it retirement planning or investment decisions.

Moreover, notwithstanding the fact that the study found that financial literacy had a significant effect on pension planning amongst the respondents, the study suggests that authorities and other stakeholders concerned with the financial lives and status of teachers in public basic schools, undertake financial education programmes for them on a regular basis. This would go a long way to augment financial decision making abilities amongst the respondents.

The study further recommends that the ministry of education should as a matter of urgency, consider the introduction of financial literacy at the basic and secondary levels of education and also inculcate same in the core courses of colleges of education in the country. This policy should include investment as a contingency mechanism for planning towards pension.

Furthermore, irrespective of the finding of the study that showed that financial literacy had no effect on style of investment, the basic assumption is that a sine qua non for one to be abreast with investment decisions is the acquisition of a considerable level of financial literacy and that is non-negotiable. Additionally, the study also recommends that financial institutions and insurance companies should design their financial products to suit the financial literacy level of public basic school teachers within the Ablekuma Central Municipality as well as other workers in the society as a whole.

These financial institutions should endeavour to embark upon financial education programmes and workshops in collaboration with the Ghana Education Service for teachers in basic schools within the Ablekuma Central Municipality as part of their corporate social responsibility (CSR).

Suggestion for Future Study

The study looked at pension planning, financial literacy and investment style of public basic school teachers. Future studies should look at the interaction between expenditure patterns and differences in perception of financial literacy among male and female teachers in Senior High Schools. Furthermore, future studies should look at effect of financial literacy on financial performance of students.

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APPENDIX

UNIVERSITY OF CAPE COAST

COLLEGE OF HUMANITIES AND LEGAL STUDIES

SCHOOL OF BUSINESS

DEPARTMENT OF FINANCE

Effect of Financial Literacy on Pension Planning and Style of Investment amongst teachers in public basic schools within the Ablekuma Central Municipality in the Greater Accra Region of Ghana

Dear Sir/ Madam,

The purpose of this is to examine the Effect of Financial Literacy on Pension Planning and Style of Investment amongst Teachers in public basic schools within Ablekuma Central Municipality.

This questionnaire will only be used for academic reasons, and all submissions will be kept secret and anonymous to the greatest extent possible.

Your voluntary participation in this study will be duly appreciated. Thank you.

SECTION A: Background Information of Respondent

1. Gender Male [ ] Female [ ]
2. How long have you been employed as a teacher?

   Below 5 years [ ] 6-10 years [ ] 10 years and above [ ]
3. What is your level of education?

   Secondary [ ] Diploma [ ] Tertiary [ ] others, please specify……………………………….
4. At what age were you exposed to financial activities?..........................
5. Do you have any idea of investment and financial planning?

   Yes [ ] No [ ]

SECTION B: FINANCIAL LITERACY AND PENSION PLANNING

The following information relates to financial literacy and pension planning of teachers in public schools within the Ablekuma Central Municipality. Please rate your degree of agreement with the statements below on a scale of 1 to 5. 1 denotes a strong disagreement, whereas 5 implies a strong agreement.

	Financial Literacy	**1**	**2**	**3**	**4**	**5**
1	Before purchasing anything really, I take into consideration if I can finance it.					
2	I am a person who prefers to live in the now and let the future take care of itself.					
3	Spending money rather than saving it for the future gives me more pleasure.					
4	My bills are always paid on time.					
5	I am prepared to risk a portion of my own income when it comes to saving or investing.					
6	I maintain a careful eye on my own finances.					
7	I establish long-term financial objectives for myself and work hard to meet them.					
8	Because money is available to be spent, I seldom plan ahead of time.					
9	I have some understanding of the Ghana Stock Exchange (GSE) Market's securities market activity.					
10	At least once every three months, I go to the Ghana Stock Exchange website.					
11	I work with licensed brokers and intermediaries when I need financial guidance.					
12	I am well-versed in the role of brokerage companies in the Ghana Stock Exchange.					

	Pension Planning	1	2	3	4	5
1	I am the sort of person that needs a steady stream of income without the risk of losing money in the long run. I would like to know how much money I will make in my lifetime.					
2	For the remainder of my life, I am satisfied to commit to the same retirement income stream.					
3	Maintaining control over my retirement income is unimportant to me.					
4	I would like to be able to assess my situation later in retirement to determine whether the funds I have accumulated are still adequate for my requirements or not.					
5	To satisfy my total retirement needs, I would be open to consider a combination of different approaches.					
6	I appreciate that my earnings will most certainly change in the future, either positively or negatively.					
7	I am worried about inflation's influence on my retirement savings. To assist restrict or decrease the danger of inflation, I would be ready to take an investment risk.					
8	To fulfill my total retirement needs, I explore a variety of choices.					
9	I would be ready to take on a high level of risk in retirement in order to profit from the prospect of good investment success.					
10	I am someone who wants to optimize my income right now, but recognizes that the worth of that money will diminish over time owing to the effect of inflation on my retirement.					
11	I am not scared of losing control of my pension savings.					

SECTION C: STYLE OF INVESTMENT

1. Do you have any idea about the styles of investments?

   Yes [ ]   No [ ]

2. Which of the investment styles fits for your financial plans?

   Passive [ ]   Active [ ]

NB: The passive investor believes that merely investing in a market index fund might result in better long-term outcomes.

Active investors think that by choosing stocks that they feel will do well, they may beat the market.

THANKS FOR YOUR PARTICIPATION

UNIVERSITY OF CAPE COAST,

COLLEGE OF HUMANITIES AND

LEGAL STUDIES,

SCHOOL OF BUSINESS,

DEPARTMENT OF FINANCE.

28TH SEPTEMBER, 2020.

Tel: 0243981414

THE MUNICIPAL DIRECTOR OF EDUCATION,

GHANA EDUCATION SERVICE OFFICE,

ABLEKUMA CENTRAL DIRECTORATE,

ACCRA.

PERMISSION TO ADMINISTER QUESTIONNAIRES FOR MY DISSERTATION

I write to humbly seek permission from your outfit in order to administer questionnaires for my dissertation the titled; Effect of Financial Literacy on Pension Planning and style of Investment amongst Teachers in Public Basic Schools within the Ablekuma Central Municipality, in partial fulfillment to the requirements for the award of Master of Business Administration degree in Finance. I also want information on the number of basic schools and the numerical strength of teachers in the basic schools within your municipality.

I count on your candid co-operation.

Yours Faithfully,

…………………

(RAYMOND KWAME DZILAH)