

Retirement Planning Strategies and Financial Literacy: A Case Study of Food Reserve Agency (FRA) Employees

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Abstract

This study investigates retirement planning strategies and financial literacy among formal sector employees at Zambia's Food Reserve Agency (FRA). Using a quantitative approach, the research examines the relationships between demographic factors, financial literacy, attitudes, and wealth components (assets, income, and expenditure) in influencing retirement preparedness. The findings reveal that despite moderate levels of financial literacy, most respondents rely on low-risk strategies such as Treasury Bills and Bonds for retirement planning, while comprehensive approaches integrating multiple investment methods remain limited. Age and investment experience emerge as significant predictors of retirement planning, whereas other demographic and attitudinal factors show marginal influence. The study underscores the need for targeted financial literacy programs and structured retirement planning initiatives to enhance economic security among Zambia's formal workforce.

Keywords

Retirement Planning, Financial Literacy, Demographics, Investment Strategies, Zambia

1. Introduction

Retirement planning is a crucial aspect of financial security. In Zambia, many formal employees rely on pension schemes, but financial literacy levels significantly impact their preparedness. This study assesses the relationship between financial literacy, demographic factors, and retirement planning strategies among FRA employees. Achieving a comfortable retirement necessitates thoughtful planning. In

many countries, including Zambia, those who neglect retirement planning may struggle to amass sufficient wealth for their post-work years. Consequently, the increasing aging population has underscored the importance of retirement planning, prompting government attention to financial retirement planning.

This study endeavors to assess the retirement planning strategies adopted by Zambian formal sector workers, their financial literacy and their implications for retirement income security and seeks to identify key factors influencing retirement preparedness and propose effective financial literacy interventions.

Zambia, like many other countries, faces challenges related to the financial preparedness of its retirees. With an aging population and evolving retirement systems, understanding the impact of retirement planning on demographic factors, individual financial literacy, financial attitude and financial components (assets, income and expenditure) is of increasing importance. A study conducted in Malaysia on financial literacy in retirement planning indicated that financial literacy education along with demographic factors, financial attitude and financial behaviour factors play a crucial role in retirement planning (Selvadurai, Kenayathulla, & Siraj, 2018).

Various financial education initiatives have been undertaken in Zambia by the government, financial sector, and civil society organizations. However, these efforts have often been uncoordinated and have had limited reach and impact (World Bank, 2012). For example, the Bank of Zambia has taken the lead in developing a national financial education strategy and has published some information on financial charges. The Pensions and Insurance Authority (PIA) has conducted consumer awareness campaigns through roadshows, trade fairs, and media outreach. Financial sector entities like the Bankers Association of Zambia, the Zambian Cooperative Federation, and individual providers such as Zanco, Barclays Bank, and Finca have implemented various initiatives, particularly targeting micro and SMEs and workplace employees. Non-governmental organizations such as Junior Achievement, Children International, and Camfed have primarily focused on financial education for school children. Additionally, Microfinance Opportunities included a Zambian mobile payment provider (Mobile Transactions) in a three-year, multi-country project aimed at developing financial education programs to encourage the adoption and sustained use of branchless banking among low-income populations.

Recognizing the need for a more coordinated approach, Zambian authorities began developing a comprehensive financial education strategy under the Financial Sector Development Plan (FSDP) in 2010 (World Bank, *ibid*). The Bank of Zambia (BoZ) commissioned the development of this strategy, which was overseen by the FSDP's Financial Education Working Group, with technical support from FinMark Trust. The strategy was shaped by input from stakeholders across the public, financial, private, and civil society sectors. The National Strategy on Financial Education was finalized and approved by the government in the third quarter of 2012. The strategy's primary objective was to "empower Zambians with

knowledge, understanding, skills, motivation, and confidence to help them achieve positive financial outcomes for themselves and their families by 2017,” with a long-term goal of achieving “a financially educated Zambian population by 2030” (World Bank, *ibid*). Against this backdrop, this researcher explored the impact of retirement planning strategies and financial literacy on formal employees in Zambia, specifically focusing on a case study of Food Reserve Agency (FRA) employees.

Research Objectives

- 1) To identify retirement strategies used among formal employees in Zambia.
- 2) To identify significant factors that influence retirement planning among formal sector employees in Zambia.
- 3) To highlight how demographic, financial literacy and attitude, and financial components impact retirement planning among formal sector employees in Zambia.
- 4) To devise effective strategies that support comfortable retirement among formal employees.

Research Questions

- 1) What retirement strategies are used among formal employees in Zambia?
- 2) What are the determinants (demographic, financial literacy, financial attitude, financial literacy) that significantly influence retirement planning?
- 3) How do demographic factors, financial attitude factors and financial literacy factors impact financial retirement planning among formal employees in Zambia.
- 4) How can we devise effective strategies that support comfortable retirement among formal employees in order to improve employees post work livelihood?

1.1. Literature Review

Recent empirical studies have underscored the critical role of financial literacy in influencing individual retirement planning behavior across diverse socioeconomic contexts. [Aektananawakul \(2023\)](#) highlights how demographic factors and financial knowledge intersect to shape retirement planning strategies among factory workers in Thailand. Similarly, [Kulondwa, Njoka, and Munkwa \(2023\)](#) emphasize a socioeconomic approach, demonstrating that financial literacy not only enhances retirement preparedness but also contributes to financial inclusion, particularly in underserved populations. In India, [Kumar, Tomar, and Verma \(2019\)](#) found that demographic elements such as age and income significantly impact retirement planning, a conclusion echoed by [Rankfurt \(2021\)](#), who links financial literacy to household wealth accumulation and long-term financial security. In Latin America, [Hernandez and Moreno-García \(2023\)](#) reveal that context-specific financial education programs are instrumental in improving retirement decisions, especially among informal workers. In the African context, [Sichivula \(2018\)](#) identifies financial literacy as a key driver of financial inclusion in rural Zambia, indirectly enhancing retirement preparedness through improved financial behaviors. Complementing this, [Selvadurai, Kenyathulla, & Siraj \(2018\)](#) demonstrates that financial education among the urban elderly in Malaysia leads to greater adoption

of retirement strategies. Collectively, these studies affirm that while demographic characteristics set the context, financial literacy remains a pivotal determinant of effective retirement planning globally.

While prior studies (Lusardi & Mitchell, 2011; Brown & Graf, 2013) emphasize the role of financial literacy in shaping retirement outcomes, recent research (Kekana, 2022; Noviarini & Coleman, 2023) shows mixed results, especially in developing economies. Some studies suggest that financial behavior and attitude often mediate the impact of knowledge. This study aligns with such findings, observing that financial literacy alone was not a significant predictor of planning strategy choice. Moreover, African studies (Githui & Ngare, 2014; Achari et al., 2020) underscore the influence of informal social structures and economic constraints on planning behaviors, which are important contextual elements for Zambia. Thus, this study contributes to a growing body of region-specific evidence.

Retirement planning in Zambia involves a collaborative effort by several government agencies and regulatory bodies to ensure income security for retirees and promote financial literacy among the population. Planning for retirement refers to preparing for a phase of life without regular employment income, and effective systems must support individuals through pensions, financial education, and investment opportunities.

1.2. Retirement Planning Regulatory Framework

National Pension Scheme Authority (NAPSA): Established by the National Pension Scheme Authority Act No. 40 of 1996 and operational since 2003, NAPSA manages the national public pension system. It ensures income security for retirees and enforces compliance with pension laws.

Ministry of Labour and Social Security: This ministry oversees labor and social protection policies, including retirement benefits. It coordinates retirement initiatives across sectors.

Pensions and Insurance Authority (PIA): Formed under Act No. 27 of 1996, the PIA regulates both pension schemes and insurance providers. It ensures compliance, safeguards pension fund sustainability, and protects members' interests.

Public Service Pensions Fund (PSPF): Governed by the Public Service Pensions Act of 1996, PSPF manages retirement benefits and contributions for public servants.

Zambia Revenue Authority (ZRA): The ZRA handles the taxation aspects of pension and retirement income, ensuring compliance with fiscal regulations.

1.3. Oversight of Financial Literacy and Consumer Protection

Bank of Zambia (BoZ): As the central bank, BoZ promotes financial literacy through guidelines and educational programs aimed at enhancing consumer financial awareness and rights.

1) PIA (Financial Literacy Mandate): In addition to regulating pensions, PIA also leads educational initiatives related to financial planning and consumer protection in the insurance sector.

2) Securities and Exchange Commission (SEC): The SEC regulates capital markets and promotes investor education and awareness.

3) Competition and Consumer Protection Commission (CCPC): CCPC protects consumer rights and promotes fair practices in the financial sector.

4) Ministry of Finance: It formulates national strategies on financial literacy in collaboration with other institutions.

5) Financial Sector Deepening Zambia (FSDZ): A nonprofit organization that works with regulators and financial institutions to expand financial access and promote inclusive literacy programs.

6) Commercial Banks and Financial Institutions: Many institutions conduct financial education for customers to improve financial management and retirement planning awareness.

Zambia's retirement ecosystem involves multiple institutions and faces ongoing challenges that necessitate stronger financial literacy efforts and policy-driven solutions. Broader empirical research is vital to better understand and improve retirement outcomes in the country.

1.4. Empirical Studies and Economic Context

Studies show that financial behavior—particularly saving and investing—is a stronger predictor of retirement readiness than financial knowledge alone (Brown & Ivković, 2018). For instance, Siame (2020) identified a strong correlation between financial knowledge and preparedness among civil servants under PSPF. However, the study was limited to Lusaka, prompting a need for broader research.

Research also highlights the importance of pension systems in reducing old-age poverty (Yohane, 2021) and stresses Zambia's struggle with high poverty levels, debt, and inefficient public investment (Malilwe, 2018). Recent surveys reveal that many households face reduced income, particularly from non-agricultural activities and wages (World Bank, 2021).

The 2021 Labor Force Survey recorded 3.16 million employed individuals out of a working-age population of over 10 million. Mubanga (2017) linked the government's decision to raise the retirement age to its limited fiscal ability to meet pension obligations, with many public workers expressing a preference for retiring at age 55 rather than the official age of 65.

While the economic context shapes retirement outcomes, there is a notable gap in empirical research linking financial literacy and retirement planning in Zambia. This gap highlights the need for targeted studies to understand how financial knowledge, attitudes, and systemic structures influence retirement preparedness.

1.5. Key Influencing Factors on Retirement Planning

Demographic Factors: Age, education, income level, and employment status influence retirement planning. These factors vary across populations and are essential for tailored policy interventions (Mansor et al., 2015).

Financial Attitudes and Behaviors: Individual values and beliefs about saving

significantly affect financial literacy. Positive attitudes promote financial learning and preparation, while negative attitudes hinder long-term financial planning (Chowa et al., 2012).

Financial Literacy Knowledge: Financial education—beginning in early education and continuing into the workplace—is critical for effective retirement planning. It equips individuals with skills to manage finances and make informed decisions about savings, investments, and pensions (Ekerdt & Hackney, 2002; OECD, 2012).

2. Research Design

This study employed a quantitative research design data collection and analysis. The selection of the research design for a study is typically guided by the research problems at hand (Lavrakas, 2015). In this research, a predominantly quantitative approach was adopted to support the findings. A structured questionnaire was distributed to FRA employees, collecting data on demographic characteristics, financial literacy levels, and retirement planning strategies. Descriptive statistics and multinomial logistic regression analysis were used to assess the relationships among variables. The Statistical Package for the Social Sciences (SPSS) was employed for data analysis.

The structured questionnaire used in this study was developed based on prior literature on financial literacy and retirement planning (e.g., Lusardi & Mitchell, 2011; Ntalianis & Wise, 2011). A pilot test was conducted with 10 FRA employees not included in the final sample to ensure the clarity, relevance, and reliability of the instrument. Feedback from the pilot led to refinements in question wording and structure. Content validity was ensured through expert review by three academics in economics and finance. The final instrument achieved a Cronbach's alpha of 0.766, indicating acceptable internal consistency.

2.1. Population of the Study

Population is the entire aggregation of items from which samples can be drawn for a study (Opoku, 2009). The study population consisted of formal employees from Food Reserve Agency. According to the 2021 labor force survey report Zambia total labour force population is 3,164,748, however, due to time and resources limitations, a case study on Food Reserve Agency (FRA) employees was undertaken as a representation of formal employees. FRA had a total of 716 employees (all staff) at the time of the study. A total of 63 FRA employees participated in the study. Slovin's formula was used to determine the sample size, ensuring statistical significance. The questionnaire covered demographic information, investment habits, and retirement strategies.

2.2. Theoretical Framework

The theories underpinning this study are the Theory of Life-Cycle Saving and Investing, the Theory of Mental Accounting and Maslow's hierarchy of Needs.

Theory of life-cycle saving and investing (Modigliani & Brumberg, 1954)

The theory of life-cycle saving and investing, as proposed by Franco Modigliani and his contemporaries in the early 1950s, provides valuable insights into how individuals make financial decisions over the course of their lives (Modigliani & Brumberg, 1954). This theory is rooted in the notion that individuals plan their financial actions based on their expected lifetime income, life stage, and their desire to maintain a consistent standard of living throughout their lifetime.

At different stages of life, individuals exhibit varying saving and investment behaviors. During the early career stage, when incomes are relatively lower, individuals often allocate a smaller portion of their earnings toward savings and investment. However, as their careers progress and incomes rise, they tend to save more, laying the foundation for their financial future.

Middle age marks a significant phase in the life-cycle theory. Here, individuals typically experience an increase in income along with the added financial responsibilities of homeownership, raising children, and saving for their education. This period is characterized by heightened levels of saving and investment, with many individuals considering investments in assets like real estate (Blanchard, 1985).

Pre-retirement is another critical juncture. As retirement age approaches, individuals shift their focus toward ensuring financial security during retirement. They continue to save but also explore investment options that generate income and preserve wealth, such as bonds, annuities, and dividend-paying stocks.

Upon reaching retirement, individuals rely on their accumulated savings and investments to cover living expenses. It becomes paramount to maintain a diversified investment portfolio that can provide a reliable source of income while safeguarding the principal (Modigliani & Brumberg, 1954).

In conclusion, the theory of life-cycle saving and investing underscores how individuals adapt their financial decisions throughout their lives to meet evolving needs and sustain their desired standard of living. It emphasizes prudent planning, effective saving, and wise investment choices at each life stage to achieve long-term financial security and well-being.

Theory of mental accounting (Thaler, 1980)

The Theory of Mental Accounting is a psychological and behavioural economics concept that was first introduced by economist Richard H. Thaler in 1980 (Thaler, 1980). This theory delves into how individuals mentally categorize and compartmentalize their financial resources, expenditures, and assets, and how these mental accounting processes can influence their financial decisions and behaviours.

In the Theory of Mental Accounting, individuals are seen as engaging in a form of mental bookkeeping, where they segregate their financial resources into distinct categories or “accounts” based on various criteria, such as the source of income, the purpose of the funds, or the time horizon for expenditure. These mental accounts can include everyday expenses, savings for specific goals (e.g., vacations, retirement, emergencies), and windfalls (e.g., bonuses, tax refunds).

Maslows hierarchy of human needs Theory (Maslow, 1943)

Theory Maslow’s Hierarchy of Needs is a psychological theory developed by

Abraham Maslow in 1943 that describes a hierarchical model of human motivation and needs (Maslow, 1943). This theory suggests that individuals have a set of hierarchical needs that drive their behaviors and aspirations. These needs are often depicted as a pyramid, with the most basic needs at the bottom and higher-level needs at the top. The hierarchy consists of five levels, and individuals must satisfy lower-level needs before progressing to higher-level ones.

An overview of Maslow's Hierarchy of Needs, starting from the most basic needs at the bottom of the pyramid and moving upward:

Physiological Needs: At the base of the pyramid are physiological needs, which are the most fundamental and necessary for survival. These include air, water, food, shelter, clothing, and sleep. Until these basic needs are met, individuals are primarily motivated to satisfy them.

Safety Needs: Once physiological needs are met, individuals seek safety and security. This includes physical safety (e.g., protection from harm or danger) and emotional security (e.g., financial stability, a stable job, and a safe environment). Safety needs are essential for providing stability and reducing anxiety.

Love and Belongingness Needs: The third level involves social needs, such as the need for love, friendship, and a sense of belonging. This includes forming relationships, and being part of a family, social groups, or a community. Meeting these needs fulfills an individual's desire for social interaction and support.

Esteem Needs: Esteem needs encompass two categories: self-esteem (confidence, self-worth) and the esteem of others (respect, recognition). Individuals seek to gain a positive self-image, achieve personal goals, and earn the respect and recognition of others. These needs are crucial for developing self-confidence and a sense of accomplishment.

Self-Actualization Needs: At the top of the hierarchy is self-actualization, representing the desire to reach one's full potential, pursue personal growth, and achieve self-fulfillment. This level involves the realization of individual talents, creativity, and a sense of purpose. It signifies the need for personal growth and the realization of one's unique potential.

According to Maslow's theory, it is difficult to pay attention to higher needs when lower needs are threatened and that can happen pretty easily in our retirement years if we don't have sufficient retirement income or retirement savings to satisfy our basic needs for shelter food health.

Maslow's Hierarchy of Needs has been widely influential in psychology, education, and other fields, providing a framework for understanding human motivation and the factors that drive human behaviour and aspirations.

2.3. Conceptual Framework

According to the conceptual framework above, the four independent variables—demographic factors, financial literacy, financial attitude, and financial components—were tested for their relationship with the dependent variable retirement planning (Figure 1).

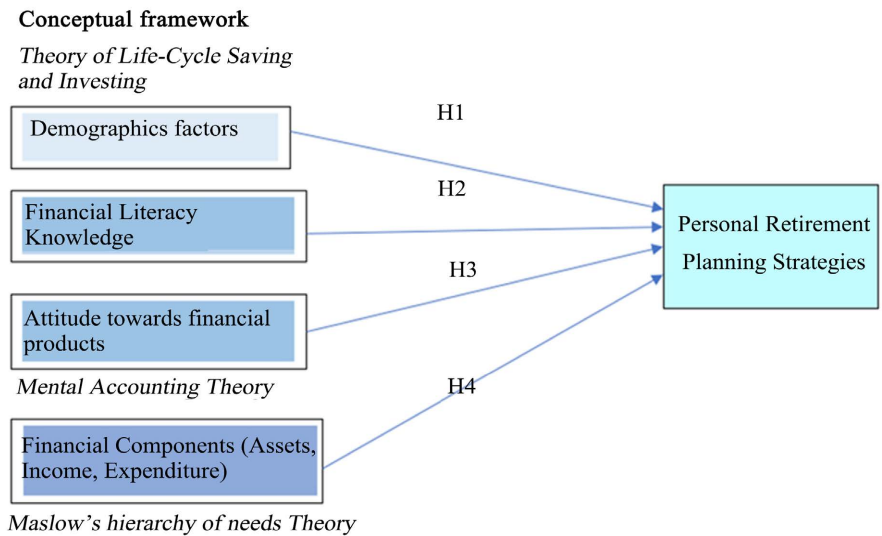


Figure 1. Conceptual framework.

2.4. Research Hypothesis

The following hypothesis were used:

- H1: There is a significant relationship between Demographics and Personal Retirement Planning.
- H2: There is a significant relationship between financial literacy and Personal Retirement Planning.
- H3: There is a significant relationship between financial Attitude and Personal Retirement Planning.
- H4: There is a significant relationship between Financial Components or Wealth (Assets, Income, expenditure) and Personal Retirement Planning.

3. Results and Discussion

The main objective of our analysis is to provide or find out answers to the research questions as to whether there exists a significant link between demographic factors, financial attitudes, and financial literacy, financial components and their impact on retirement planning.

3.1. Demographic Factors

- The sample included individuals aged 31 - 65 years, with a majority aged 41 - 50.
- 67.2% of respondents were married, while 42.2% were female.
- 71.9% had at least a diploma, indicating a relatively well-educated workforce.

As shown in **Table 1**, the demographic profile of the respondents reveals a diverse age distribution, with the majority falling within the middle-age brackets. Most respondents (44.6%) were aged between 41 and 50 years, followed by 35.7% in the 31 to 40 years category. A smaller proportion (19.7%) comprised individuals in the 51 to 65 years age range, indicating a lesser representation from older age groups.

In terms of gender, the sample was predominantly male (57.8%), while female respondents accounted for 42.2% of the total. This suggests a modest gender imbalance in favor of male participants.

Regarding marital status, the majority of the respondents were married (67.2%), with single individuals making up 23.4% of the sample. This indicates that a significant proportion of the respondents are in stable family settings, which may influence their perspectives and responses within the context of the study.

Overall, the demographic data highlights a respondent base that is largely middle-aged, predominantly male, and mostly married. These characteristics may have implications for the interpretation of subsequent findings.

Table 1. Summary of respondents' demographic characteristics.

Variable	Category	Frequency (%)
Age	31 - 40	35.7
	41 - 50	44.6
	51 - 65	19.7
Gender	Male	57.8
	Female	42.2
Marital Status	Married	67.2
	Single	23.4

3.2. Financial Literacy and Retirement Planning

- Over 50% of respondents had moderate knowledge of financial products.
- The most common retirement strategies included real estate investments and Treasury Bills.
- Regression analysis showed that age and years of investment experience significantly influenced retirement planning decisions.

The retirement methods used by the dataset of respondents were: Real Estate, Treasury Bills and Bonds, Pension Funds and Annuities and A Combination of Real Estate, TBs & Bonds, Pensions and Annuities. The table below shows the mode of methods used (**Figure 2** and **Table 2**).

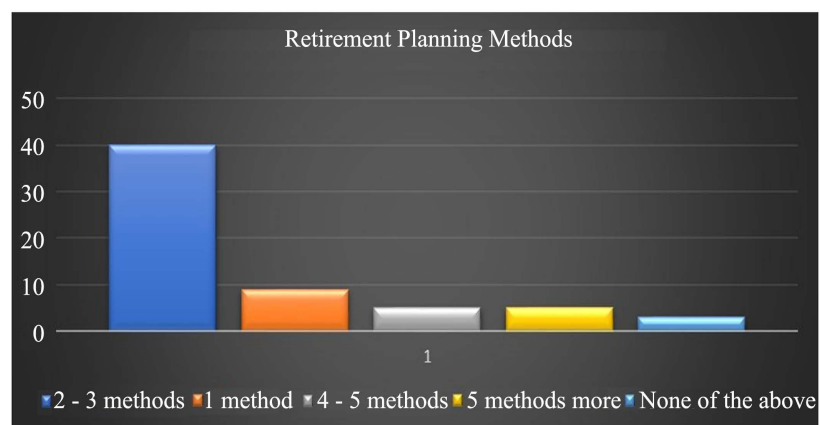


Figure 2. Methods of retirement planning.

Table 2. Frequency distribution test.

	Frequency	Percent	Valid Percent	Cumulative Percent
Real Estate	9	11.8	14.3	22.2
Treasury Bills and Bonds	39	51.3	61.9	84.1
Pension Funds and Annuities	5	6.6	7.9	92.1
A Combination of Real Estate, TBs & Bonds, Pensions and Annuities	5	6.6	7.9	100.0
None of the Above	5	6.6	7.9	7.9
Total	63	82.9	100.0	
Missing System	13	17.1		
Total	76	100.0		

As the Cronbach coefficient is 0.766, the research instrument has an acceptable internal consistency and passed reliability test (**Table 3**).

Table 3. Reliability.

Cronbach's Alpha	Cronbach's Alpha	
	Cronbach's Alpha Based on Standardized Items	N of Items
0.766	0.803	49

The frequency distribution test on types of retirement planning used revealed that Treasury Bills and Bonds were the most preferred method for retirement planning, chosen by 61.9% of respondents. Real Estate followed at 14.3%, while Pension Funds and Annuities, as well as a combination of investment methods (Real Estate, Treasury Bills & Bonds, and Pensions), each accounted for 7.9%. A small proportion (7.9%) reported using none of the listed methods. Out of the total sample of 76 participants, 13 (17.1%) did not provide valid responses.

3.3. Barriers to Effective Retirement Planning

Barriers to Effective Retirement Planning (**Table 4**).

Table 4. Investment strategy.

Investment Strategy	Percentage of Respondents (%)
Real Estate	30.2
Treasury bills & Bonds	27.5
Pension Funds	22.3
Combination of Strategies	15.0
No Retirement Plan	5.0

- Limited awareness of diversified investment opportunities.
- Lack of structured financial literacy programs.
- Cultural reliance on family support post-retirement.

3.4. Hypothesis Test Results

See [Table 5](#).

Table 5. Test hypothesis.

No.	Hypothesis test	Results
1	<p>H₁: There is a significant relationship between Demographics and Personal Retirement Planning. Age: The chi-square test shows a significant relationship between age and retirement planning methods ($p = 0.021$). Individuals in the 31 - 50 age range prefer Treasury Bills and Bonds. Gender and Marital Status: No significant relationships were found ($p > 0.05$) between these demographics and retirement planning choices. Education Level: There was no significant relationship ($p = 0.369$). Conclusion: The hypothesis is partially supported, as age demonstrates a significant effect on retirement planning, but gender, marital status, and education level do not.</p>	Partially Reject H ₀ , H1
2	<p>H₂: There is a significant relationship between Financial Literacy Knowledge level and Personal Retirement Planning. While the chi-square test for financial literacy did not indicate significant relationships ($p = 0.767$), the descriptive data showed that individuals with “Good” financial literacy tended to select Treasury Bills and Bonds. The multinomial regression model suggests financial literacy as a non-significant predictor ($p > 0.05$). Conclusion: The hypothesis is not supported, as financial literacy knowledge level did not significantly influence retirement planning choices.</p>	Fail to Reject H ₀ , H2
3	<p>H₃: There is a significant relationship between Attitude and Personal Retirement Planning. The multinomial regression results indicate that attitude is not a significant predictor of retirement planning ($p = 0.584$). No other analyses provided strong evidence linking attitude to method preferences. Conclusion: The hypothesis is not supported based on the results provided.</p>	Fail to Reject H ₀ , H3
4	<p>H₄: There is a significant relationship between Wealth (Assets, Income, Financial Components) and Personal Retirement Planning. The multinomial regression suggests wealth is not a significant predictor ($p = 0.906$). Conclusion: The hypothesis is not supported, as wealth variables did not significantly influence retirement planning decisions in the model.</p>	Fail to Reject H ₀ , H4

3.5. Discussion of Results

The statistical insignificance of financial literacy, wealth components, and financial attitude in predicting retirement strategy choice may reflect deeper systemic issues—such as access to financial instruments, risk aversion, and institutional trust. According to Mental Accounting Theory, individuals may earmark pension savings separately from other investments, leading to narrow financial planning. Similarly, Life-Cycle Theory suggests that younger employees should ideally invest in higher-return instruments, but in this study, a preference for low-risk Treasury Bills suggests risk-averse behavior. This could be attributed to economic uncertainty or lack of confidence in financial markets. Practically, these findings indicate that merely improving knowledge is insufficient without concurrent behavior change strategies and improved access to diversified investment platforms.

4. Conclusion

The literature highlights the growing importance of financial literacy and retirement planning in Zambia. With an increase in labor force participation in this demographic—from 20.0% in 2020 to 21.7% in 2021 (Labor Force Survey Report, 2021)—there is a demonstrated reluctance to retire. This behaviour is further driven by external challenges such as high poverty levels, job losses, and income reductions, (Malilwe, 2018; World Bank, 2021; Naik & Tiwari, 2023).

This study builds on this context by probing into the specific factors that influence retirement planning among formal employees in Zambia. It successfully identifies age and investment experience as significant drivers of retirement planning decisions, aligning with the increased financial responsibilities faced by middle-aged individuals.

The study concluded that: Age and years of investment experience were statistically significant predictors of retirement planning choices, while gender, marital status, and education level show no notable influence. The multinomial regression model confirms the role of investment experience as a key determinant in selecting retirement planning strategies. The study highlights that Treasury Bills and Bonds are the most popular method for retirement planning. Other factors like financial literacy, attitude, and wealth showed no significant effects. Years of Investment significantly influences retirement planning choices.

The findings reveal a gap between the perceived importance of financial literacy and its limited practical impact, highlighting the need for targeted interventions suited to Zambia's workforce. The study highlights the need for targeted financial literacy programs to improve retirement preparedness among formal employees. Employers and policymakers should promote diversified investment strategies to reduce over-reliance on pensions and low-risk assets. Encouraging structured savings plans and increasing financial literacy education can significantly improve the financial security of employee's post-retirement.

This study acknowledges its limitations due to the small sample size ($n = 63$) and the use of a single organization (FRA) as the unit of analysis. Consequently, the findings may not be generalizable to all formal sector employees in Zambia. Future studies should consider larger and more diverse samples across multiple organizations or industries to validate and broaden the applicability of the results.

Recommendations

The study put forth the following recommendations:

Improve Financial Literacy: Since financial literacy did not significantly impact retirement planning, there is an opportunity to enhance financial education. Government and employers should focus on training programs and workshops to improve understanding of different retirement options, including the benefits and risks of real estate investments, pension funds, and more sophisticated instruments like stocks or mutual funds (Menard, 2002).

In line with research by Agresti (2013), such initiatives could lead to better-in-

formed employees who can make more diversified and sustainable retirement plans.

Targeted Retirement Planning Programs: Given the significant role of age and investment experience, tailored retirement planning programs could be beneficial. For example, younger employees could be encouraged to start saving and investing early, while older employees could receive advice on transitioning from riskier investments to more secure ones as they near retirement (Greene, 2012). These programs should also take into account the years of investment experience, encouraging more seasoned employees to consider diversification strategies that align with their risk tolerance and retirement goals.

Policy and Regulatory Support: Policymakers could consider introducing or expanding retirement saving incentives to encourage employees, particularly those with limited knowledge of retirement planning, to invest in pension funds or other retirement schemes (Long & Freese, 2014). Further, tax incentives or government-backed pension plans could be introduced to encourage employees to start saving earlier in their careers, which has been shown to significantly improve financial outcomes in retirement (Hosmer, Lemeshow, & Sturdivant, 2013).

Demographic-Specific Retirement Education: As age was found to significantly influence retirement planning, it would be prudent to focus retirement education programs on younger employees to cultivate good saving habits early in their careers. Similarly, more targeted interventions can be designed for older employees to help them with transitioning their investments to secure options as they approach retirement.

This study highlights the need for better education and tools to support retirement planning in Zambia. Financial literacy and proactive retirement strategies could significantly improve employees' financial security in retirement, particularly as life expectancy and retirement age expectations evolve.

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Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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Abbreviations and Acronyms

Abbreviation	Full Meaning
FRA	Food Reserve Agency
UNZA	University of Zambia
GSB	Graduate School of Business
BoZ	Bank of Zambia
NAPSA	National Pension Scheme Authority
PSPF	Public Service Pension Fund
PIA	Pensions and Insurance Authority
ZRA	Zambia Revenue Authority
CCPC	Competition and Consumer Protection Commission
FSDP	Financial Sector Development Plan
IMF	International Monetary Fund
NSFEZ	National Strategy on Financial Education Zambia
BIS	Bank of International Settlements
SPSS	Statistical Package for the Social Sciences
SME	Small and Medium Enterprises
EFCIZ	Financial Capability and Inclusion Survey in Zambia.