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Assessment of the Pre-Retirement Planning of Academic Staff in Alvan Ikoku Federal University of Education, Owerri

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Abstract

This study assessed the pre-retirement planning of academic staff at Alvan Ikoku Federal University of Education, Owerri. Five research questions and one research hypothesis were formulated and tested at 0.05 level of significance. Literature was reviewed according to the variables of the study. A quantitative descriptive–explanatory survey design was adopted, and data were collected from 361 academic staff using a structured questionnaire. Reliability was assessed using Chronbach's Alpha with internal consistency ranging from 0.70 to 0.83. Descriptive statistics and multiple regression analysis were employed. Findings revealed that financial planning, housing preparation, investment planning, financial literacy, and institutional support significantly predicted pre-retirement planning, with financial planning exerting the strongest influence. The study concludes that pre-retirement planning among academics is moderate but structurally weak, particularly in investment engagement and institutional support. The study recommends institutionalized pre-retirement programmes and targeted financial literacy interventions to enhance retirement preparedness.

Keywords: Academic staff, Financial literacy, Housing preparation, Institutional support, Nigeria, Pre-retirement planning

Introduction

Retirement is a significant phase in the career lifespan of employees, particularly for academic staff in universities, where long-term service culminates in disengagement from active professional roles. Pre-retirement planning refers to the activities and strategies individuals undertake to prepare financially, psychologically, socially and professionally for life after retirement (Siwer, 2025).

In Nigeria, the introduction of the contributory pension scheme (CPS) under the Pension Reform Act (PRA) 2004, amended in 2014, was intended to address long-standing issues of pension arrears, mismanagement, and retirees' welfare. Despite this reform, empirical evidence suggests that many public sector employees – including university academics remain inadequately prepared for retirement due to low pension contributions weak savings culture, inflationary pressures, limited financial literacy and inconsistent institutional support (Ogunlana & Adebayo, 2023; World Bank, 2022). Recent studies across Africa indicate that inadequate pre-retirement planning among academic is associated with post-retirement poverty, psychological distress, dependence on extended family networks and declining quality of life (Mensah et al, 2022; Nwankwo & Okeke, 2023). These outcomes contradict the expectations of retirement as a period of rest, fulfilment and continued societal contribution.

Some academics continue to work informally after retirement through consultancy, part-time teaching or research supervision, sometimes as a coping strategy for inadequate financial planning. While such engagement may be beneficial, it should ideally be a choice rather than a necessity driven by poor pre-retirement preparation. Financial planning remains a central component of pre-retirement planning. Pension schemes, gratuities, personal savings and investments options are expected to provide income security after retirement. However, delays in pensions payments, inflation and limited financial literacy have been reported as major challenges affecting retirees, especially within public university systems (Fapohunda, 2013). These challenges underscore the need to assess how academic staff plan financially for retirement and the extent to which institutional mechanisms support such planning. Financial planning refers to the deliberate allocation and management of income, savings, pension contributions, and insurance Instruments to achieve long-term financial security (OECD, 2023). In retirement studies, financial planning is often operationalised through indicators such as voluntary savings, pension contribution regularity, budgeting behaviour, and debt management. Empirical evidence consistently shows that financial planning is a significant predictor of retirement preparedness. Adebayo and Ogunieve (2022) found that Nigerian public servants who engaged in structured financial planning exhibited significantly higher retirement confidence and post-retirement income adequacy.

Similarly, Mensah et al. (2023), in a study of Ghanalan university lecturers, reported that proactive financial planning significantly predicted overall retirement readiness for academic staff, financial planning is complicated by delayed career entry, relatively modest salary progression, and inflationary erosion of savings. These realities make voluntary savings and supplementary pension contributions essential complements to statutory pension schemes Failure to plan financially often results in post-retirement dependency, asset liquidation, and declining living standards. Beyond financial contributions, housing is a critical dimension of retirement wellbeing, particularly in developing economies where rental markets are unstable and housing costs rise faster than pension income (UN-Habitat, 2022). Housing preparation refers to the acquisition, development, or securing of suitable residential accommodation for post- retirement life. Studies indicate that retirees without secure housing face heightened financial stress, social instability, and reduced quality of life. Nwankwo and Okeke (2023) found that Nigerian retirees who owned residential housing before retirement reported significantly higher post-retirement satisfaction than those dependent on rental accommodation. For academics, housing preparation often competes with other financial obligations such as child education, extended family responsibilities, and professional development costs. Consequently, delayed or inadequate housing planning increases retirement vulnerability. Housing preparation therefore constitutes a non-liquid but crucial component of comprehensive pre-retirement planning.

Investment planning involves the strategic allocation of resources into income-generating assets such as real estate, equities, bonds, mutual funds, agribusiness, or small enterprises with the objective of income diversification and risk mitigation (World Bank, 2022). Given the limited replacement ratios of public pensions in Nigeria, investment planning has become an essential mechanism for retirement income supplementation. Empirical studies demonstrate that retirees with diversified investment portfolios experience greater income stability and reduced post-retirement poverty risk (Oladipo et al., 2022). Among academic staff, Investment planning is often constrained by limited financial literacy, risk aversion, and lack of institutional investment guidance Nonetheless, evidence suggests that academics who engage in structured investment planning demonstrate higher retirement preparedness and financial resilience (Akinwale & George, 2024). Financial literacy refers to the knowledge, skills, and confidence required to make informed financial decisions regarding saving investments, pensions, and risk management (OECD, 2023), Financial literacy is widely recognized as a foundational driver of retirement planning behaviour, Topa et al. (2022) argue that financial literacy enhances individuals' capacity to evaluate retirement options, assess risk, and commit to long-term planning. In Nigeria, Adebisi and Lawal (2024) found that financial literacy significantly predicted voluntary pension contributions and investment participation among public sector employees. For academic staff, high educational attainment does not necessarily translate into financial literacy. Studies show that many academics possess limited understanding of pension mechanics, investment instruments, and inflation risks, thereby undermining effective retirement planning.

Institutional support refers to organisational policies, programmes, and resources provided to assist employees in preparing for retirement. These include pre-retirement seminars, financial counselling, pension advisory services, and flexible retirement transition arrangements Institutional Theory posits that organisational structures and norms significantly shape individual behaviour (Scott, 2014). Empirical evidence supports this proposition in retirement contexts. Kim and Moen (2023) found that employees exposed to institutional retirement programmes demonstrated significantly higher retirement preparedness than those without such support In Nigerian universities, institutional support for pre-retirement planning remains weak and largely informal, where present, programmes are often irregular and non-mandatory. This institutional gap shifts the burden of retirement planning entirely to Individuals, exacerbating inequalities in retirement outcomes.

Universities and government agencies are expected to provide structured pre-retirement programmes including seminars, workshops and counselling services, to prepare staff for retirement. However, evidence suggests that such programmes are either inadequate, irregular, or poorly attended in many institutions. Consequently, many academic staff rely on personal initiative which may be insufficient due to limited access to accurate information and professional guidance.

Given these concerns, assessing the pre-retirement plans of academic staff in Alvan Ikoku Federal University of Education, Owerri is essential. Such an assessment provides empirical insight into the level of preparedness, the type of plans in place and the factors influencing retirement planning behaviour among university academic staff. It also helps identify institutional gaps in institutional support and inform policy recommendations at improving retirement outcomes for academic staff. This study, therefore seeks to assess the pre-retirement plans of academic staff in Alvan Ikoku Federal University of Education Owerri, Imo State with a focus on financial planning, housing preparation, investment planning, financial literacy and institutional support dimensions.

Statement of the Problem

Despite statutory pension reforms and increasing awareness of retirement risks, a significant proportion of Nigerian academics approach retirement with limited preparedness, resulting in financial hardship, psychological stress, and diminished post-service wellbeing. Empirical studies have consistently reported low levels of voluntary savings, inadequate housing arrangements, weak investment portfolios and poor retirement information among university staff (Oladipo et al., 2022; Adebisi & Lawal, 2024). At Alvan Ikoku Federal University of Education, anecdotal evidence and informal staff narratives suggest growing concerns over pension sufficiency, delayed access to retirement benefits and limited institutional support structures for pre-retirement planning. However, these concerns remain largely undocumented and unquantified creating a critical evidence gap for administrators, policymakers and staff unions. The problem is further compounded by the absence of structured pre-retirement programmes limited financial literacy intervention, and weak integration of retirement planning into staff welfare policies. Without empirical assessment, it is difficult to determine whether academic staff are adequately preparing for retirement, which dimensions of planning are most deficient and which factors significantly influence preparedness. Failure to address these issues risks producing a cohort of retirees vulnerable to post-retirement deprivation, thereby undermining the welfare objectives of pension reforms and eroding the long-term sustainability of academic careers in Nigeria. This study therefore seeks to empirically assess the pre-retirement planning status of academic staff of Alvan Ikoku Federal University of Education, Owerri, with a view to identifying gaps, determinants and policy relevant interventions.

General Objective

To assess the pre-retirement planning of academic staff in Alvan Ikoku Federal University of Education, Owerri.

Specific Objectives

1. To examine the level of financial planning for retirement among academic staff.
2. To assess the extent of housing preparation for retirement among academic staff.
3. To evaluate the level of investment planning undertaken by academic staff for retirement.
4. To examine the influence of financial literacy on pre-retirement planning among academic staff.
5. To determine the relationship between institutional support mechanisms and pre-retirement planning among academic staff.

Research Questions

The following research questions are answered in the study

1. What is the level of financial planning for retirement among academic staff?
2. To what extent have academic staff prepared housing for retirement?
3. What is the level of investment planning for retirement among academic staff?
4. How does financial literacy influence pre-retirement Planning?
5. What relationship exists between institutional support and pre-retirement planning among academic staff?

Research Hypotheses (Null)

A null hypothesis was stated and tested at 0.05 level of significance

Financial planning, housing preparation, investment planning, financial literacy and institutional support do not jointly predict pre-retirement planning.

Methodology

The study adopted a quantitative descriptive – explanatory survey design. The Population of the study comprised all academic staff of Alvan Ikoku Federal University of Education, Owerri. Although the exact numerical population fluctuates due to retirements new appointments and sabbaticals, the academic staff population is sufficiently large to justify the assumption of a large (approaching infinite) population for sampling purposes. This approach is consistent with social science research practice where an exact population frame is unavailable or unstable (Kothari & Garg, 2022). The sample size was determined using Cochran's (1977) formula for large populations. Thus, a minimum sample size of 384 academic staff was considered statistically adequate, 361 valid responses analyzed. A stratified random sampling technique was employed. Data were collected using a structured self-administered questionnaire titled: Academic Staff Pre-Retirement Planning Questionnaire (ASPRPQ). The instrument was subjected to expert validation by experts in measurement and evaluation and a pension/development studies scholar. A pilot study was conducted and internal consistency reliability was assessed using Cronbach's Alpha. Data analysis was conducted using descriptive statistics and multiple regression analysis at 0.05 significant level.

Result

Research Question One: What is the level of financial planning for retirement among academic staff? To answer this research question, mean and standard deviation were used and the result is presented in table 1.

Table 1: Descriptive Statistics on Financial Planning

S/N	Items	Mean	Std. Deviation
1	Regular personal savings	3.41	0.88
2	Voluntary pension contributions.	3.12	0.91
3	Budgeting for retirement	3.36	0.85
4	Insurance coverage	2.94	0.97
	Cluster Mean	**3.21**	

The result in table 1 showed that the cluster mean of 3.21 indicates a moderate level of financial planning among academic staff. While personal savings and budgeting are relatively common, insurance coverage and voluntary pension contributions remain weak suggesting partial rather than comprehensive financial preparedness.

Research Question Two: To what extent have academic staff prepared housing for retirement?
To answer this question, mean and standard deviation were used and the result is presented in table 2.

Table 2: Descriptive Statistics on Housing Preparation.

S/N	Items	Mean	Std. Deviation
1	Ownership of residential house.	3.08	1.02
2	Ongoing housing construction.	2.89	0.94
3	Clear retirement housing plan.	3.15	0.90
	Cluster Mean	**3.04**	

The result in table 2 showed that the cluster mean of 3.04 suggests a moderate but fragile level of housing preparation. Many respondents have plans but have not fully secured retirement housing, exposing them to potential post-retirement housing insecurity.

Research Question 3
What is the level of investment planning for retirement among academic staff?
To answer this question, mean and standard deviation were used and the result is presented in table 3

Table 3: Descriptive statistics on investment planning.

S/N	Items	Mean	Std. Deviation
1	Investment in Real Estate	2.87	0.96
2	Business/Entrepreneurial Investment	2.76	0.93
3	Financial Market Investment	2.68	0.99
	Cluster Mean	**2.77**	

The result in table 3 showed that the cluster mean of 2.77 reflects a low level of investment planning. This finding underscore overreached on statutory pensions and limited diversification of retirement income sources.

Research Question 4
How does financial literacy influence pre-retirement Planning?
To answer this question, mean and standard deviation were used and the result is presented in table 4

Table 4: Descriptive Statistics on Financial Literacy.

S/N	Items	Mean	Std. Deviation
1	Understanding of Pension Scheme.	3.09	0.87
2	Knowledge of Investment Options.	2.84	0.92
3	Ability to assess financial risk.	2.91	0.90
	Cluster Mean	**2.95**	

The result in table 4 reveal that financial literacy among academic staff is moderate to low, indicating that high academic qualification does not automatically translate into financial competence.

Research Question Five: What relationship exist between institutional support and pre-retirement planning?
To answer this research question, mean and standard deviation were used and the result is presented in table 5.

Table 5: Descriptive Statistics on institutional support.

S/N	Items	Mean	Std. Deviation
1	Pre-retirement seminars.	2.41	0.95
2	Financial counselling services.	2.33	0.91
3	Pension advisory support.	2.48	0.89
	Cluster Mean	**2.41**	

The result in table 5 showed that the cluster mean of 2.41 means institutional support is low, continuing the absence of structured pre-retirement programme within the university.

Test of Hypothesis
Financial planning, housing preparation, investment planning, financial literacy and institutional support do not jointly predict pre-retirement planning. To test this hypothesis, multiple regression statistical analysis was used and the result is shown in table 6

Table 6: Regression model summary of all pre-retirement planning variables

Model	R	R Square	Adjusted R Square	Std error of the Estimate
1	.742	.551	.544	.412

Source of Variance	Sum of Squares	DF	Mean Square	F	Sig
Regression	76.382	5	15.276	87.291	.000
Residual	62.225	355	.175		
Total	138.607	360			

Variable	B	Std. Error	Beta (β)	t-value	Sig
(constant)	0.614	0.182		3.374	.001
Financial planning	0.298	0.041	.312	7.268	.000
Housing preparation	0.184	0.038	.219	4.842	.000
Investment planning	**0.146**	0.036	.187	4.056	.000
Financial literacy	**0.221**	0.039	.241	5.667	.000
Institutional support	**0.097**	0.034	.104	2.853	.005

The model explains 55.1% of the variance in pre-retirement planning. This represents a substantial explanatory power, which is considered strong for behavioural and social science research.
The regression model in statistically significant (F=87.291, P<0.05) indicating that the independent variables jointly predict pre-retirement planning.

Discussion of Findings
The regression result revealed that financial planning significantly influences pre-retirement planning among academic staff (B = 0.312, p<0.05). This finding led to the rejection of the null hypothesis. The strong beta coefficient indicates that financial planning is the most powerful Predictor of pre-retirement preparedness among the variables examined.
Empirically, this finding corroborates earlier studies by Adebayo and Ogunleye (2022) and Mensah et al (2023) Who found that structured savings, voluntary pension contributions and budgeting behavior significantly enhance retirement readiness among public sector employees and academics. The implication is that although academic staff in Alvan Ikoku Federal University of Education demonstrate moderate financial planning, existing efforts are insufficient to guarantee long-term retirement security, especially in the face of inflation. and pension replacement shortfalls.

Housing preparation was found to have a significant positive relationship with pre-retirement planning a (B=0.219, P<0.05) resulting in the rejection of hypothesis. This funding reflects the structural realities of retirement in developing economies where housing security is a major determinant of post-retirement wellbeing. The result supports the findings of Nwankwo and Okeke (2023) who observed that retirees with secure housing experience lower financial stress and higher life satisfaction. The analysis showed that investment planning significantly influences pre-retirement planning (B= 0.187, P<0.05), leading to the rejection of the hypothesis. The result aligns with Oladipo et al (2022), who found that retirees with diversified investment portfolios demonstrate greater resilience to pension inadequacies. The low level of investment engagement among respondents suggests a critical gap in retirement strategy, largely attributable to risk aversion and limited financial literacy

Financial literacy was found to have a significant influence on pre-retirement planning (B= 0.241, P<0.05), resulting in the rejection of the hypothesis. Consistent with Tope et al (2022), and Adebisi and Lawal (2024), the study demonstrate that educational attainment alone does guarantee financial competence, underscoring the need for targeted financial education even within academic communities. Institutional support was found to have significant but weak influence on pre-retirement planning (B=0.104, P<0.05) leading to the rejection of the hypothesis.

The low beta coefficients reflect the absence and inadequacy of format pre-retirement programmes within the university. This result aligns with Kim and Moen (2023), who emphasized that institutional retirement interventions enhance employee preparedness. The weak institutional effect observed suggests that pre-retirement planning at Alvan Ikoku Federal University of Education is largely individualizer rather than systematically supported.

Conclusion
The study assessed the pre-retirement planning of academic Staff of Alvan Ikoku Federal University of Education, Owerri, using a quantitative survey design and robust statistical techniques. The findings reveal that while academic staff demonstrate moderate levels of financial and housing planning, significant gaps exist in institutional support. The study concludes that effective pre-retirement planning among academics is multidimensional, requiring not only individual financial discipline but also institutional frameworks that promotes retirement preparedness. Without deliberate intervention, many academies risk entering retirement inadequately prepared, with implications for personal wellbeing and national human capital sustainability.

Recommendations

Academic staff should engage in early and structured financial and investment planning.

Institutional retirement policies should move from adhoc to formalized structures.

Regular seminars, counselling and pension advisory services should be provided.

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