2024

Effect of prolonged life expectancy on retirement funding sustainability among members of Kenya Association of Retired Public Officers.

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EFFECT OF PROLONGED LIFE EXPECTANCY ON RETIREMENT FUNDING SUSTAINABILITY AMONG MEMBERS OF KENYA ASSOCIATION OF RETIRED PUBLIC OFFICERS

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Thesis Submitted in Partial Fulfilment of The Requirements for The Award of a Master in Commerce, Strathmore University Business School

STRATHMORE UNIVERSITY

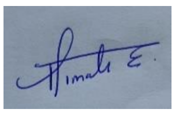
JANUARY 2024

DECLARATION AND APPROVAL

DECLARATION

I, Peris Masese, solemnly declare that this research thesis is solely the result of my own work and has never been previously submitted to Strathmore University or any other university for approval for the award of a degree. I understand the importance of academic integrity. Therefore, I affirm that all sources used and referenced in this research project have been appropriately cited and acknowledged in the provided references section.

Peris Masese (Reg 66266)



APPROVAL

This research thesis was submitted with the approval of my university supervisor

Dr. James Ndegwa

Lecturer, Strathmore University

DEDICATION

I would like to dedicate this research thesis to my family, whose unwavering love, support, and encouragement have been the pillars of my journey. Their belief in my abilities and their sacrifices have shaped me into the person I am today. This work is a testament to their unwavering faith in me, and I am forever grateful for their guidance and encouragement. I would also like to dedicate this research thesis to my friends, who have stood by me through thick and thin. Their constant encouragement, motivation, and invaluable discussions have enriched my academic and personal growth. Their unwavering support has been a source of strength and inspiration throughout this research journey.

ACKNOWLEDGEMENTS

I am deeply grateful for the support and guidance provided by my university supervisor, Dr. James Ndegwa. His invaluable expertise, constructive feedback, and unwavering support have greatly influenced the development of this research thesis. I extend my sincere thanks to my classmates for their camaraderie and intellectual discussions, which have enriched my understanding and shaped my research ideas. Their support, input, and shared experiences have been instrumental in refining my approach and making this academic journey fulfilling. I would like to express my gratitude to my lecturers at Strathmore University who have imparted their knowledge and expertise during my academic tenure. Their commitment to teaching and their willingness to share their wisdom have significantly contributed to my understanding of the subject matter. Above all, I give thanks to God, the source of all knowledge and wisdom, for His blessings, guidance, and inspiration throughout this research endeavour.

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DEFINITION OF TERMS

Prolonged Life Expectancy- An increase in the average number of years a person is expected to live, resulting in longer lifespans and extended retirement periods (Haan & Prowse, 2014).

Retired Public Officers- Retired public officers are individuals who have completed their tenure or service in government positions and have subsequently retired from their official duties (SRC, 2023).

Retirement Funding Sustainability- Retirement Funding Sustainability refers to the ability of an individual's financial resources to support their desired standard of living throughout their retirement years without depleting their savings prematurely or facing significant financial hardship (Zhao & Mi, 2019) .

Pension Coverage-The extent to which individuals or employees are included in and eligible to receive pension benefits upon retirement (Fraser, 2022).

ABSTRACT

Retired public officers in Kenya face challenges due to increased life expectancy and straining retirement funds. This study investigated the effect of prolonged lifespan on retirement funding sustainability, assessing healthcare access, cost of living, and alternative income sources. Grounded in Social Exchange and Life Course theories, it adopted a positivist philosophy and descriptive correlational design. The population of the study included retired public officers in Kenya, with a sample of 372 from the Kenya Association of Retired Officers (KARO). Quantitative data was collected through questionnaires and analysed using SPSS. Findings indicate healthcare access had a significant positive effect on retirement funding ($\beta=0.328$), implying a 32.8% increase with each unit rise. The cost of living by retirees had a significant negative effect ($\beta=-0.192$), suggesting a 19.2% decrease in funding per unit increase. Alternative income sources had a significant positive effect ($\beta=0.275$), indicating a 27.5% increase in funding per unit increase. The research provides insights for policymakers, fund managers, and retirees to address financial challenges, enhance funding options, and plan for secure retirement. Essentially, this research study advances the collective understanding of the unique cost of living by retired public officers and provides invaluable insights into the sustainability of retirement funding systems. By addressing the research objectives with diligence and rigor, this study serves as a guiding beacon for the development of comprehensive strategies and policies that safeguard the financial security and general well-being of retired public officers, thereby contributing to a more sustainable and secure retirement experience for all.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Retirement funding sustainability is a critical issue for public sector employees in Kenya, as it ensures a secure financial future after their years of service. The government of Kenya has established various retirement benefit schemes, such as pensions and provident funds, to provide income for retired public officers. However, several factors, including rising healthcare costs, increasing cost of living pressures, and the need for alternative financial support mechanisms, have placed significant strain on the sustainability of these retirement funding systems. Retired public officers in Kenya face the possibility of outliving their retirement savings, potentially compromising their financial security and quality of life during their later years. The impact of healthcare expenses, coupled with the escalating cost of living, can exacerbate the challenges associated with maintaining an adequate standard of living throughout an extended retirement period. This study aims to comprehensively examine the effect of prolonged life expectancy on retirement funding sustainability among members of KARO. By assessing the specific impacts of healthcare challenges, cost of living pressures, and the role of alternative financial support mechanisms, the research seeks to provide insights and recommendations to enhance the sustainability of retirement funding systems for retired public officers in Kenya.

1.1.1 Healthcare Access among Retired Public Officers

In recent decades, global life expectancy has risen remarkably, primarily due to advancements in modern medicine (Jakovljevic et al., 2021). According to the World Economic Forum, "ever since the 1918 influenza pandemic, modern medicine and health science advancements have increased life expectancy around the globe" (Desjardins, 2020). In 1900, the typical lifespan for a newborn was 32 years, but by 2021, this figure had increased significantly, surpassing 71 years (Roser et al., 2023).

While longevity has increased worldwide, prior studies on the implications for retirees' healthcare have focused predominantly on Western nations and East Asia (Jakovljevic et al., 2021; Ketkaew et al., 2020). Limited research exists on the specific healthcare experiences and coping strategies of retired public officers confronting rising longevity in the African context. This represents a significant geographical gap in understanding longevity impacts on healthcare in Africa's rapidly growing cities (Aburto et al., 2020). Additionally, conflicting perspectives exist on healthcare implications for retirees between developed and developing contexts. Studies in advanced economies highlight financial strains from longer retirements on pension systems designed for shorter lifespans, which can impact healthcare access and affordability (Manfredi et al., 2019).

Within Africa, most research has concentrated on general trends rather than the distinct situation of senior citizens in their respective nations. While some studies have highlighted massive pension coverage gaps across African countries, with less than 20% of the elderly receiving retirement payments (Kakwani & Subbarao, 2005), they have not provided rural-urban comparisons, even though rural-urban migration disrupts traditional family care systems. This disconnect from accelerating urbanization patterns represents a contextual limitation in understanding healthcare challenges for retired public officers in cities. Research also lacks grounded insights from African retirees themselves regarding their post-retirement healthcare experiences. Greater emphasis lies on quantitative macro-level analyses instead of qualitative, micro-perspectives on healthcare access and affordability. This methodological gap constrains policy responses to address retirees' healthcare needs.

In Kenya specifically, most scholarly focus regarding longevity has targeted national trends and aggregate projections (Asaria et al., 2019; WHO 2022). Granular assessment of rising life expectancy among Kenya's urban residents, and its implications for their healthcare, is sparse. While Waga et al. (2021) highlighted pension non-coverage for 80% of Kenyan workers, which can impact healthcare access, specific inadequacies and sustainability concerns facing schemes like the NSSF require further investigation. A key knowledge gap persists in understanding differences in the retirement funding landscape across Kenyan occupational schemes and how this affects retirees' healthcare. Studies also lack beneficiary perspectives comparing these schemes and their impact on healthcare affordability. Local perceptions of Kenya's retired public officers are needed to balance pension sustainability alongside adequate healthcare and living standards (Ngugi & Njuguna, 2018).

Additionally, existing works emphasize pre-retirement financial preparedness, omitting lived experiences of retired public officers' post-retirement healthcare challenges. For instance, Schützeichel (2019) focused narrowly on pre-retirement financial literacy. The present study addressed this conceptual gap by exploring day-to-day adaptive behaviors and coping strategies employed by Kenya's retired public officers contending with healthcare challenges due to longevity impacts in their retirement years. Further research on how environmental factors like higher healthcare costs shape mechanisms for supplementing inadequate pensions is also vital (Alushula, 2023).

1.1.2 Cost of Living among Retired Public Officers

The cost of living during retirement has become a critical factor influencing the financial well-being and sustainability of retirement funds for individuals worldwide. At a global level, studies have highlighted the impact of rising inflation rates and increasing expenses on retirees' purchasing power (Pearson et al., 2019). Factors such as housing costs, food prices, and transportation expenses can significantly strain retirement budgets (Alushula, 2023).

Regionally, the cost of living for retirees varies across different geographical contexts. In developing regions like sub-Saharan Africa, socioeconomic status has been found to be closely linked to nutritional status and food insecurity among older adults (Encalada-Torres et al., 2022). This suggests that retirees with limited financial resources may face challenges in meeting their basic nutritional needs, further exacerbating their vulnerability.

In the context of Kenya, several studies have shed light on the cost of living challenges faced by retirees. Alushula (2023) reported that over 82% of retirees in Kenya have returned to work due to the high cost of living and inflationary pressures. This trend highlights the strain that rising expenses can place on retirement funds, prompting many retirees to seek alternative income sources. Schützeichel (2019) also emphasized that many seniors in Kenya will have insufficient resources to cover housing and healthcare costs during their retirement years. This underscores the need for comprehensive financial planning and sustainable retirement funding strategies to address the increasing cost of living in the country.

1.1.3 Alternative Financial Support

Given the challenges posed by prolonged life expectancy and the associated strain on retirement funds, retirees often seek alternative financial support mechanisms to supplement their income and maintain their standard of living. Globally, studies have explored various strategies employed by retirees, such as entrepreneurial activities, knowledge-sharing programs, and leveraging social support networks (Oteng et al., 2022; Tanyi et al., 2018). Chandara and Mishra (2019) employed assessed entrepreneurship among retirees in India, highlighting the transferability of skills and the ability to generate supplementary income through innovative means.

At a regional level, research has highlighted the role of informal work opportunities and family support in providing alternative financial support to retirees in developing regions (Nyang'oro, 2022; Oteng et al., 2022). For instance, in sub-Saharan Africa, where formal social protection systems are often limited, retirees may rely on informal financial support mechanisms to sustain their livelihoods. Additionally, Casari et al. (2022) conducted an ethnography exploring how creative pursuits, such as art and crafts, can empower retirees financially and socially in Burkina Faso. This study highlights the resourcefulness of retirees in seeking alternative income sources that align with their passions and local contexts, which may apply to retirees in Kenya as well.

In Kenya, empirical studies have explored the potential of alternative financial support strategies for retirees. Mugambi (2020) highlights that retired teachers in Meru county, Kenya are engaging in resourceful activities like farming while adjusting to retirement life. However, there is a need for further research specifically focused on the accessibility, effectiveness, and potential barriers to alternative financial support mechanisms for retired public officers in Kenya, as highlighted by the research gap identified in this study.

1.1.4 Retirement Funding Sustainability

Retirement funding sustainability remains a major economic challenge across both advanced and developing economies (Amani & Fussy, 2022). As life expectancy rises, the period during which individuals require financial support in retirement extends, putting pressure on both public and private pension systems (Ketkaew et al., 2022). The increased longevity necessitates larger retirement savings, yet many individuals and institutions are unprepared to meet this growing need (Nduruhu, 2019). Consequently, the financial strain on pension schemes and social security systems intensifies, potentially leading to increased fiscal deficits and higher taxes to cover the shortfall.

While prior studies have examined broad pension coverage gaps in Kenya (Ngomba, 2020; Waga et al., 2021), little research has focused specifically on the adequacy and sustainability of retirement financing to support the growing longevity of retired public officers. Kenya's aging population has risen rapidly, yet national policies emphasize rural majority needs with minimal focus on emerging retirement funding sustainability deficiencies faced by urban retirees (UNFPA, 2014). For instance, while KNBS (2022) highlighted that only 30% of Kenya's working population actively contributes to a retirement scheme, granular analysis of non-coverage among urban Kenya residents is lacking. Further, existing works concentrate largely on the NSSF, neglecting the assessment of other critical schemes serving public sector employees and their retirement funding sustainability concerns (Alushula, 2023). Differences between these schemes from the beneficiary perspective in terms of adequacy and sustainability remain underexplored. Additionally, while poverty rates are higher among Kenya's elderly urban population, few studies provide grounded insights into their lived retirement financing experiences, adaptive coping strategies, and perspectives on funding sustainability (UNFPA, 2014). More quantitative, beneficiary-centric analysis is needed to inform policy on enhancing retirement funding sustainability. There is also limited investigation of potential community-based pension solutions harnessing informal networks to supplement inadequate formal schemes and improve sustainability.

Further inconsistencies prevail around formal versus informal financial protection systems and their sustainability. Some works emphasize the weakness of family-based security lacking legal structures (Kakwani & Subbarao, 2005), while evidence also indicates resilience of social capital to buffer retirement funding shocks (Mbaabu, 2016). There are also contrasting perspectives on gender vulnerabilities in retirement funding sustainability - aggregate hardship data often overlooks heterogeneity amongst women based on class privileges and family status (Mayhew, 2018). Capturing lived experiences across socioeconomic strata can uncover such nuances in retirement funding sustainability challenges.

Focusing the research specifically on retired public officers living in Kenya holds particular significance. Kenya has an elderly urban population with socioeconomic diversity. The country's high costs of living, healthcare, and housing likely exacerbate financial strains and retirement funding sustainability concerns for urban retirees compared to other lower-cost countries. With

Kenya also serving as East Africa's economic hub, understanding the retirement funding sustainability challenges its retired public officers face can catalyze national-level reforms capable of reaching beyond Kenya given the nation's influence on setting the policy agenda across sectors like pensions and elderly benefits critical to managing rising longevity and ensuring funding sustainability.

Major knowledge gaps exist in understanding the landscape of retirement funding sustainability in Kenya, including coverage shortcomings, scheme adequacies, and sustainability concerns amplified by increasing longevity. The present study addresses these gaps by exclusively investigating retired public officers' members of KARO. Employing a quantitative method by using a questionnaire survey, the study analyses first-hand experiences of retired public officers navigating retirement financing sustainability and coping with funding inadequacies. Research findings will inform targeted reforms to improve the adequacy, inclusiveness, and sustainability of Kenya's retirement financing frameworks for its urban retired public officers. This will ensure current and future generations enjoy more financially secure and sustainable retirement funding despite prolonged longevity.

1.1.3 Kenya Association of Retired Officers (KARO)

Kenya Association of Retired Officers (KARO) is an appropriate organization in this study. It is an organization representing retired public sector workers in Kenya and advocating for their interests related to pensions and retirement. KARO stands as a beacon of advocacy and support, meticulously safeguarding and advancing the rights, interests, and entitlements of retired officers. Established with a commitment to champion the welfare of retired public servants, KARO’s significance is underlined by its registration with the Registrar of Societies under Certificate No. R49952 on the 19th October, 2017 (KARO, 2023).

KARO plays a pivotal role as a welfare association with a mission to ensure the well-being of retired officers (Ministry of Labour and Social Protection, 2018). This dynamic organization spearheads its operations through an Executive Committee comprising thirteen dedicated individuals, entrusted with the noble task of nurturing the welfare of retired officers. At its core, KARO is dedicated to amplifying the voices of those who have dedicated their professional lives to the public service domain.

The influence of KARO is felt profoundly within Kenya, where its membership flourishes. An impressive roster of 5,413 members, drawn from a diverse array of domains, forms the vibrant heart of KARO (KARO, 2023). The pathways to KARO membership are streamlined, yet encompassing. A retired individual seeking membership needs to furnish a letter of retirement or proof of service as their initiation. The process involves completing a membership application, binding the aspirant's commitment to the association's mission. A nominal Ksh. 1000 registration fee completes the formalities, uniting new members with KARO's cause (KARO, 2023).

KARO's objectives are nothing short of transformative. To ensure the rights and interests of retired officers remain inviolable, KARO employs both its lobbying prowess and its unwavering commitment to their welfare (KARO, 2023). The organization also pioneers mutual support systems, addressing the emergent needs of its members with compassion and care. Not confined to mere advocacy, KARO extends its reach into education, training, and capacity building consultancy, fortifying its members' expertise and skills. KARO's determination to secure representation for its members is manifest in its efforts to ensure their presence in relevant institutions. Through affirmative action, KARO advocates for meaningful participation, fostering inclusivity and diversity in decision-making bodies. Equally, the association's tireless endeavours seek to rectify pension disparities and advocate for regular reviews of pension disbursements, all in the pursuit of ensuring retirees' financial security. KARO's purpose, while multifaceted, is unified in its overarching mission.

The choice of KARO as a representative group of retirees for the proposed study is appropriate due to its organized nature, representativeness, accessibility, and potential for cooperation (Ministry of Labour and Social Protection, 2018). Additionally, an organized group of retirees is essential for robust sampling, effective recruitment and data collection, contextual understanding, and maximizing the study's impact. Additionally, there remains minimal investigation of support groups aiding segments like the retirees in Kenya. KARO may be considered a good representative for retirees in Kenya for several reasons including KARO primarily caters to retired civil servants, a significant demographic within Kenya. As such, its membership base aligns closely with a substantial portion of retirees in the city. Also, the organization is depicted as a dedicated advocate for retired officers, actively safeguarding their rights and interests. Its efforts in lobbying for pension reviews and addressing healthcare issues resonate with cost of living by many retirees in Kenya.

The evidence on whether KARO members or non-affiliated retirees encounter more severe financial hardship in Kenya is currently mixed and inconclusive. On one hand, civil service memberships such as KARO may suggest relatively greater access to pensions and post-retirement benefits compared to informal economy laborers lacking such employer-tied benefits (KIPPRA, 2023). However, other studies highlight pension payment delays and disparities even affecting public sector retirees in Kenya (Boyante, 2023). Additionally, Kenya’s high living costs could outweigh modest fixed pension income even for KARO members. Though without focused comparative study between groups, definitively concluding that non-KARO retirees necessarily endure the worst hardship currently lacks firm grounding.

Major gaps persist in assessing the landscape of formal retirement support groups in Kenya. The adequacy and inclusiveness of assistance across income levels and subgroups remain underexplored from the beneficiaries’ perspective. The present study addresses this through surveys with Kenyan public sector retirees assessing their accessibility to welfare associations and community networks.

1.2 Problem Statement

The phenomenon of prolonged life expectancy among retired public officers in Kenya poses significant challenges to the sustainability of retirement funding systems. Traditional retirement funding models were designed to financially support retirees for a fixed timeline based on life expectancy projections at the time of retirement (Tomar et al., 2021). However, as life expectancies continue rising globally, retirees are outliving these projections, straining retirement reserves as highlighted in Lusardi's 2019 study on longevity risk and inadequate retirement preparation. While prior macro-level studies have examined broad sustainability issues across retirement systems (Tomar et al., 2021; Amani & Fussy, 2022), there remains a dearth of research focused specifically on the lived experiences of retired public officers in Kenya navigating prolonged life expectancy impacts on their retirement funding adequacy.

Globally, the 2022 Mercer CFA Institute study highlighted how increasing lifespans have strained government social security schemes across both developed and developing countries. Yet evidence remains scant on how this transcontinental trend toward longer retirements manifests uniquely for retired public sector employees in Kenya facing healthcare affordability issues, rising costs of living, and seeking alternative income sources to sustain retirement. Regionally, a United Nations study found that less than 10% of workers in Africa save for old age, with only 19.8% receiving full pension benefits upon retirement (Nyang'oro, 2022). This has been attributed to funding gaps, echoing the dire pension crisis afflicting many African nations with aging populations.

In Kenya, the Retirement Benefits Authority's 2020 Final Survey Report underscored the inadequacy of existing pension funds to match longevity gains, leaving many retirees deeply frustrated by chronically delayed, denied, or partial pension pay-outs. This aligns with the United Nation's study highlighting pension coverage gaps across Africa, with under 20% of the elderly receiving retirement benefits. However, granular analysis focused expressly on Kenya's urban retired public officers remains lacking. There is minimal robust, contextualized data capturing how precisely prolonged life expectancy impacts the daily financial stability, wellbeing, and retirement funding sustainability for this demographic.

While some studies have generally noted retiree financial pressures like rising healthcare costs and inflation (Ketkaew et al., 2022), the distinct lived challenges and localized coping strategies employed by Kenya's retired public officers remain underexplored. Furthermore, limited research investigates the nuanced impacts of healthcare access barriers, surging costs of living, and roles of supplemental income sources on retired public officers' retirement financing adequacy within Kenya's unique socioeconomic environment.

This study aims to address these vital research gaps through a micro-level, beneficiary-centric examination of how prolonged life expectancy affects retirement funding sustainability among members of the Kenya Association of Retired Public Officers (KARO). By capturing granular, contextualized insights into prolonged longevity's tangible ramifications on pensions, healthcare affordability, costs of living, and alternative financing sources, findings can guide policies realigning Kenya's aging social security infrastructure with retired public officers' evolving welfare needs.

1.3 Research Objectives

The main objective of this study is to investigate the effect of prolonged life expectancy on retirement funding sustainability among members of Kenya association of retired public officers.

1.3.1 Specific Objectives

i. To assess the effect of health care on retirement funding sustainability among members of the Kenya Association of Retired Public Officers.
ii. To assess the effect of cost of living on retirement funding sustainability among members of the Kenya Association of Retired Public Officers.
iii. To assess the effect of alternative financial support on retirement funding sustainability among members of the Kenya Association of Retired Public Officers.

1.4 Research Questions

i. How does healthcare affect the sustainability of retirement funding among members of the Kenya Association of Retired Public Officers?
ii. How does the cost of living impact the sustainability of retirement funding among members of the Kenya Association of Retired Public Officers?
iii. How does alternative financial support influence the sustainability of retirement funding among members of the Kenya Association of Retired Public Officers?

1.5 Scope of the Study

The conceptual scope of the study focuses on examining the effect of prolonged life expectancy on retirement funding sustainability among retired public officers who are members of the Kenya Association of Retired Public Officers (KARO). It aims to explore the impact of healthcare challenges, cost of living pressures, and the role of alternative financial support mechanisms on the sustainability of retirement funding for this demographic. The study draws on relevant theories, concepts, and literature related to retirement planning, financial management, longevity, and socioeconomic factors influencing retirement funding sustainability.

The methodological scope of the study involves utilizing a quantitative approach to gather comprehensive data. Quantitative data is collected through questionnaires to assess healthcare challenges, cost of living pressures, alternative financial support mechanisms, and their impact on retirement funding sustainability.

The research is conducted in Kenya, specifically targeting retired public officers who are members of KARO. Kenya serves as a suitable case study for examining the retirement funding sustainability cost of living by urban retired public officers within the broader Kenyan context. The unique characteristics, diverse population, and economic significance of Kenya's urban centres in the region make it a representative location to explore the research objectives.

The study is conducted within the time frame of January to March 2024. This time scope allows for adequate data collection, analysis, and interpretation to address the research objectives effectively. It provides a focused period to gather information from retired public officers, retirement fund managers, policymakers, and other relevant stakeholders in Kenya's urban areas. The specified time frame allows for the timely completion of the research project while ensuring the data collected remains relevant and up-to-date.

1.6 Significance of the Study

The significance of this study is threefold, providing value for policymakers, industry players, and advancement of scholarly knowledge.

For policymakers, the study offers critical insights into the specific challenges posed by healthcare costs, cost of living pressures, and the role of alternative financial support in shaping retirement funding sustainability for this demographic. By examining these factors, policymakers can evaluate the adequacy and sustainability of existing retirement funding systems in the context of increased longevity. The findings will inform evidence-based policies and reforms that address the evolving needs of retired public officers and align retirement funding frameworks with extended lifespans.

Industry players, including retirement schemes, financial institutions, and service providers, can leverage the study's findings to develop innovative products and services tailored to the changing needs of retired public officers. Understanding the impact of healthcare challenges, cost of living pressures, and alternative financial support mechanisms on retirement funding sustainability will guide the design of retirement plans, investments, and tools that better match the financial goals and realities of this demographic within the context of prolonged lifespans.

For scholars, this study contributes to the theoretical understanding of retirement funding sustainability by exploring the unique experiences of retired public officers in Kenya's urban centres. The research provides new evidence on how increased longevity affects retirement funding sustainability, potentially strengthening theoretical frameworks on retirement planning and funding within the African context. This can catalyse future studies to enrich the understanding of this evolving landscape and its socioeconomic implications.

Beyond stakeholders, the study empowers retired public officers themselves by providing insights into navigating the financial challenges posed by prolonged life expectancy and potential mechanisms for effective retirement funding sustainability. By illuminating these issues through the lived experiences of Kenya's urban retirees, the study can guide better-informed planning and decision-making to manage extended lifespans securely.

1.7 Chapter Summary

This chapter provides an overview of the research examining the effect of prolonged life expectancy on retirement funding sustainability among members of KARO. It highlights the significance of the study and introduces prolonged life expectancy's implications for sustainable retirement funding systems. The problem statement addresses the challenges retired public officers face due to healthcare costs, cost of living pressures, and the role of alternative financial support in ensuring retirement funding sustainability amid increased longevity. The chapter focuses on assessing the impact of healthcare, cost of living, and alternative financial support on KARO members' retirement funding sustainability in the context of prolonged life expectancy. It underscores the importance of understanding these factors and their potential strain on traditional funding systems. The chapter concludes by highlighting the research benefits for policymakers, industry players, and retired public officers themselves, informing evidence-based policies, guiding tailored retirement products/services, and empowering effective retirement planning amid increased longevity.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, a comprehensive exploration of the study's theoretical underpinnings was undertaken, accompanied by a dedicated section on the intricate concept of retirement funding sustainability. Furthermore, the chapter encompasses an empirical examination, a scrutiny of existing research gaps, and a concise summarization of the existing literature.

2.2 Theoretical Framework

The theoretical framework for the research study on the effect of prolonged life expectancy on retirement funding sustainability among members of the Kenya Association of Retired Public Officers (KARO) was based on the Life Course Theory and Social Exchange Theory.

2.2.1 Life Course Theory

The Life Course Theory, introduced by Glen H. Elder Jr. and his colleagues during the 1960s, underscores the dynamic nature of human lives (Shuey & Willson, 2021). It emphasizes how past experiences and events have a lasting impact on present and future outcomes. The Life Course Theory is a theoretical framework that seeks to understand individual lives as a sequence of interconnected events, transitions, and trajectories that span across various life stages (Kwon et al., 2017). This theory views human development and behaviour as a result of the interplay between individual experiences and broader social, cultural, and historical contexts. This rounded approach recognizes that the timing, sequence, and interdependence of life events have profound implications for individuals' life trajectories (Bernardi et al., 2019). By scrutinizing individual lives as a sequence of events, transitions, and trajectories, this framework offers valuable insights into the complex relationship between prolonged life expectancy and retirement funding sustainability in the context of Kenya.

In the confines of this study, Life Course Theory provides a comprehensive framework for understanding the complex interplay of individual experiences, social structures, and historical contexts in shaping retirement dynamics among retired public officers. Concerning the variable of Prolonged Life Expectancy among Retired public officers, Life Course Theory highlights how individuals navigate through different life stages and transitions, including retirement, influenced by socio-historical factors (Shuey & Willson, 2021). This theory suggests that as life expectancy increases, retirees may face prolonged periods of retirement, necessitating adjustments in financial planning and social roles over the life course (Elder & Johnson, 2018). Additionally, Life Course Theory underscores the importance of considering past experiences and future aspirations in retirement planning, emphasizing the need for tailored approaches to accommodate longer retirement periods (Elder & George, 2016).

Furthermore, the Life Course Theory illuminates the issues faced by retired public officers, such as rising healthcare costs and cost of living pressures, within the broader context of individuals' life trajectories, shaped by historical, social, and economic factors (Nielson et al., 2019). It highlights the importance of understanding retirees' life histories and social contexts in addressing these challenges effectively, advocating for policies and interventions that consider the cumulative impact of life course events on retirees' financial well-being and quality of life.

Here is a rewrite of the theoretical framework section based on the new title "Effect of Prolonged Life Expectancy on Retirement Funding Sustainability Among Members of Kenya Association of Retired Public Officers" and the amended objectives:

2.2 Theoretical Framework

The theoretical framework for the research study on the effect of prolonged life expectancy on retirement funding sustainability among members of the Kenya Association of Retired Public Officers (KARO) could be based on the Life Course Theory.

2.2.1 Life Course Theory

The Life Course Theory, introduced by Glen H. Elder Jr. and his colleagues during the 1960s, provides a comprehensive framework for understanding the complex interplay of individual experiences, social structures, and historical contexts in shaping retirement dynamics among retired public officers. This theory views human development and behavior as a result of the interplay between individual experiences and broader social, cultural, and historical contexts (Shuey & Willson, 2021).

In the context of this study, the Life Course Theory offers valuable insights into the complex relationship between prolonged life expectancy and retirement funding sustainability. It highlights how individuals navigate through different life stages and transitions, including retirement, influenced by socio-historical factors (Elder & Johnson, 2018). As life expectancy increases, retirees may face prolonged periods of retirement, necessitating adjustments in financial planning and social roles over the life course. The theory emphasizes the need for tailored approaches to accommodate longer retirement periods, considering past experiences and future aspirations (Elder & George, 2016).

Furthermore, the Life Course Theory illuminates the cost of living by retired public officers, such as rising healthcare costs and cost of living pressures, within the broader context of individuals' life trajectories, shaped by historical, social, and economic factors. It underscores the importance of understanding retirees' life histories and social contexts in addressing these challenges effectively, advocating for policies and interventions that consider the cumulative impact of life course events on retirees' financial well-being and quality of life.

Concerning the role of alternative financial support mechanisms, the Life Course Theory highlights the interconnectedness of individual lives within the broader societal fabric (Brady & Gilligan, 2018). It prompts an examination of how retirees' financial strategies, including the use of alternative support mechanisms, are informed by their social networks and support systems woven over the expanse of their life courses.

The theory also acknowledges that individual choices transpire within the contours of broader socio-economic, cultural, and policy contexts (Stockdale, 2014). In the context of this study, it necessitates an understanding of how retired public officers navigate the intricate landscape of retirement funding systems and make financial decisions within the broader societal structures that frame their retirement landscape. Additionally, the Life Course Theory underscores the influence of historical trends and cultural norms on individual life courses (Peterson & Tom, 2021). Within this study, it prompts an inquiry into how historical trends in life expectancy and cultural attitudes towards aging and retirement shape retirees' financial planning strategies and their perceptions of retirement funding sustainability.

The Life Course Theory provides a framework for examining how prolonged life expectancy intersects with socio-historical contexts to shape retired public officers' retirement funding sustainability and experiences in Kenya. It emphasizes the interplay between lifespans, socioeconomic conditions, and events, shaping retirees' challenges, altenative income sourcess, and the sustainability of retirement funding systems.

2.2.2 Social Exchange Theory

The Social Exchange Theory, conceptualized by George C. Homans in the late 1950s, provides a compelling framework for understanding the intricacies of human interactions, marked by reciprocity, interdependence, and the pursuit of shared advantages (Davlembayeva & Alamanos, 2023). This theoretical construct lends a fresh perspective to unravel the intricate tapestry of human dynamics, particularly pertinent in the context of retired public officers and their interactions with retirement funding systems. In this study, the application of the Social Exchange Theory illuminates the multidimensional facets of prolonged life expectancy's interplay with retirement funding sustainability.

The Social Exchange Theory pivots on the foundational premise that human interactions are propelled by the desire for reciprocity (Wang et al., 2019). Individuals engage in social exchanges with the anticipation of reaping rewards while minimizing potential costs. This framework hinges on the principle that individuals evaluate potential benefits against perceived costs, shaping their behaviour as they strive to attain net positive outcomes. The seamless integration of this theory into the milieu of retired public officers in Kenya unfolds a multi-dimensional panorama of the decision-making processes that retirees navigate concerning retirement funding sustainability. The choice to allocate resources, effort, and time into pension schemes, retirement funds, or personal savings becomes an intricately calculated endeavour. Retirees meticulously weigh the potential rewards of financial security, stability, and well-being during post-retirement years against the attendant costs encompassing healthcare expenses, cost of living pressures, and opportunity costs. This evaluative process is inherently intertwined with the prospect of prolonged life expectancy. As the potential years of life beyond retirement multiply, retirees confront a nuanced equation that necessitates optimizing their rewards to sustain their quality of life and retirement funding over these extended years.

The Social Exchange Theory also casts a spotlight on relational dynamics underpinning social interactions (Fee & Michailova, 2021). Within the purview of retired public officers, the exchanges go beyond mere monetary transactions. The complex weave of social networks, support systems, and affiliations assumes prominence. As retirees ponder over their retirement funding sustainability options, they are entangled not just in financial calculus but in the socio-emotional benefits woven into their interconnectedness. The theory posits that individuals are drawn to interactions that yield favourable emotional states and foster social support (Cross & Dundon, 2019). In the context of KARO, the theory accentuates the pivotal role of social networks in shaping retirees' choices pertaining to retirement funding sustainability. The study probes how retirees within the KARO network assess the rewards of financial stability against the social dividends that stem from affiliating with a community that shares their experiences, challenges, and aspirations related to prolonged life expectancy and retirement funding.

Beyond this, the Social Exchange Theory explores into the principle of equity within social interactions (Davlembayeva & Alamanos, 2023). The theory posits that individuals gravitate towards equilibrium and fairness. Applying this lens to the research study unveils how retirees evaluate the equity of retirement funding mechanisms within the framework of prolonged life expectancy. The theory underscores that individuals are propelled to maintain fairness in relationships, and any perceived imbalance triggers efforts to restore parity. As retirees grapple with the implications of prolonged life expectancy, they assess the equity of retirement funding systems in addressing their evolving financial requirements due to increased healthcare costs, cost of living pressures, and the need for alternative financial support. The theory intimates that any perceived disparity in retirement funding due to longer life spans may incite retirees to explore alternative avenues to ensure their financial security and sustainability.

In relation to this study, the Social Exchange Theory offers insights into the interpersonal dynamics and exchanges that influence retirement funding sustainability outcomes among retired public officers (Cross & Dundon, 2019). Regarding the role of alternative financial support mechanisms, the Social Exchange Theory highlights how retirees may evaluate the benefits received relative to the costs incurred, shaping their perceptions of the need for and effectiveness of alternative support mechanisms. Retirees may engage in reciprocal exchanges with others to access resources or assistance needed to cope with financial challenges during retirement, thus influencing the overall sustainability of retirement funding (Ang et al., 2015).

The impact of healthcare challenges and cost of living pressures on retirement funding sustainability can also be understood through the lens of the Social Exchange Theory, which emphasizes the role of social networks in facilitating resource exchanges (Cropanzano et al., 2017). Retirees may employ various altenative income sourcess, such as seeking part-time employment or downsizing, in response to financial challenges during retirement. The Social Exchange Theory suggests that these altenative income sourcess may involve exchanges of resources, support, or information within social networks, highlighting the importance of social relationships in shaping retirees' adaptive strategies and retirement funding sustainability outcomes.

The Social Exchange Theory provides a useful lens for examining how evolving social exchanges between retirees and broader society influence retirement funding sustainability experiences in the context of increasing life expectancy. It emphasizes the cost-benefit analyses, comparison of alternatives, and the role of social networks in shaping retirement funding outcomes for retired public officers in Kenya.

2.3 Empirical Review

The empirical review section examines real-world studies that shed light on the intricate relationship between prolonged life expectancy among retired public officers and the sustainability of their retirement funding mechanisms. Through an exploration of empirical evidence, this section aims to enhance our understanding of how factors such as healthcare challenges, cost of living pressures, and the role of alternative financial support intersect with retirement funding sustainability within the context of Kenya, with a particular focus on the case study of KARO members.

2.3.1 Effect of Healthcare on Retirement Funding Sustainability

The escalating costs of healthcare have emerged as a significant threat to the sustainability of retirement funding for retired public officers, particularly in the context of increasing life expectancy. Numerous studies have underscored the profound impact of healthcare expenses on depleting retirement savings and jeopardizing financial security during the extended retirement period.

A quantitative study by Fan et al. (2021), which analysed retirement savings data across 15 cities globally, revealed a concerning trend: averages consistently fell 20-30% below the recommended levels for extended modern retirements. The authors attributed this substantial shortfall to the growing burden of healthcare costs, which rapidly erode retirement funds as life expectancies continue to rise.

The detrimental effects of healthcare affordability on retirement funding sustainability are further corroborated by mixed-methods studies conducted in various regional contexts. Dovie (2018), through focus group discussions with elderly Ghanaian women, uncovered a direct link between constraints in healthcare access and a diminished quality of life and economic security for retirees. This finding resonates with the ethnographic work of Ndegwa and Mwaniki (2021) in Kenya, which vividly depicted how soaring healthcare costs strain the limited budgets of retirees, exacerbating their financial struggles amidst inflation and rising living expenses.

These localized studies not only highlight the challenges posed by healthcare costs but also underscore the urgent need for a comprehensive examination of broader retirement funding systems and policies that shape healthcare affordability for retirees. A holistic approach that combines macro-level analysis of pension and social welfare regimes with micro-level perspectives on healthcare access could offer a more complete understanding of the impact of healthcare on retirement funding sustainability.

Moreover, the issue of financial disparities influencing unequal retirement experiences has been extensively explored by scholars like Manfredi et al. (2019). Through surveys and statistical modelling, they demonstrated that lower-income retirees face amplified financial strains, including greater challenges in affording healthcare. This finding has profound implications for retirement funding sustainability, as those with limited financial resources are more vulnerable to the detrimental effects of escalating healthcare costs.

However, Manfredi et al.'s (2019) study lacked qualitative data that could illuminate how retirees subjectively perceive and respond to such disparities concerning healthcare access and its impact on their retirement funding sustainability. Incorporating retiree narratives could unveil the adaptive strategies and altenative income sourcess employed by those grappling with the intersection of healthcare affordability and retirement funding adequacy.

Empirical evidence consistently underscores the detrimental effect of rising healthcare costs on the retirement funding sustainability of retired public officers, particularly in the context of prolonged life expectancy. However, there is a need for a harmonious blend of contextual qualitative studies with broader quantitative data to provide holistic insights that can inform targeted interventions and policies aimed at enhancing healthcare affordability and aligning retirement funding systems with the evolving healthcare needs of retirees.

While the existing studies cited above effectively highlight the impact of healthcare costs on retirement funding sustainability, they often lack a specific focus on retired public officers in Kenya. Additionally, many of these studies employ either quantitative or qualitative methods, failing to capture the multidimensional nature of the issue through a mixed-methods approach.

This study aimed to address these gaps by conducting a comprehensive quantitative investigation specifically focused on retired public officers who are members of the Kenya Association of Retired Public Officers (KARO). By utilizing quantitative data analysis, the study provided a holistic understanding of the effect of healthcare challenges on retirement funding sustainability within the unique context of Kenya.

2.3.2 Effect of Cost of Living on Retirement Funding Sustainability

The impact of escalating cost of living on the sustainability of retirement funding for retired public officers has been extensively explored in quantitative empirical studies across various geographical contexts. These studies have employed statistical analysis, data modelling, and survey methods to capture the macro-level trends and patterns associated with rising living expenses and their implications for retirement financing.

In a global analysis of retirement savings data across 15 cities, Fan et al. (2021) revealed a concerning trend: averages consistently fell 20-30% below the recommended levels for extended modern retirements. The authors attributed this substantial shortfall to the growing burden of living expenses, including housing, utilities, and transportation costs, which rapidly erode retirement funds as life expectancies continue to rise. This finding aligns with the quantitative study by Wang (2018), which correlated rising living costs with increased income stratification among retirees in

Johannesburg, South Africa. By analysing household expenditure data and income levels, Wang's research demonstrated a widening gap between affluent and low-income retirees, with the latter group facing disproportionate financial burdens due to escalating costs of essential goods and services.

The detrimental impact of rising living costs on retirement funding sustainability is further corroborated by a quantitative study conducted in Kenya by the Retirement Benefits Authority (RBA, 2022). This study revealed that a staggering 73% of retired public officers grappled with inadequate retirement savings, aligning with similar findings in Ghana and South Africa reported by Boateng et al. (2019) and Smit et al. (2020), respectively. These studies identified fragmented pension structures, low financial literacy, and insufficient policies as critical drivers of retirement funding shortfalls across the African continent. While these quantitative studies effectively capture macro-level trends and patterns, they often lack granular insights into the lived experiences and coping strategies employed by retirees to navigate the financial pressures of rising living costs. The statistical data and modelling provide a broad overview of the challenges but fail to illuminate the nuanced realities faced by diverse segments of the retired public officer population.

This study quantitative study aimed to address this gap by conducting a beneficiary-centric investigation specifically focused on retired public officers who are members of the Kenya Association of Retired Public Officers (KARO). By employing a quantitative approach through questionnaire surveys, the study sought to gather comprehensive data on the effect of cost of living pressures on retirement funding sustainability within the unique socioeconomic and cultural contexts of Kenya. Unlike existing quantitative studies that primarily rely on secondary data sources or aggregate statistics, the study captured primary data directly from retired public officers. This approach allowed for a more nuanced understanding of the financial cost of living by this demographic, including the specific impact of escalating costs on essential expenses such as housing, healthcare, transportation, and utilities. Additionally, by incorporating questions related to altenative income sourcess and adaptive strategies, the study provided insights into the prevalence and effectiveness of various approaches employed by retirees to mitigate the effects of rising living costs on their retirement funding sustainability. Furthermore, the quantitative study uncovered the intersectionality of factors contributing to unequal retirement experiences, such as income levels, gender, ethnicity, and health status. By incorporating demographic and socioeconomic variables into survey instruments, the study statistically analysed how these factors interact with cost of living pressures to shape retirement funding sustainability outcomes. This analysis informed targeted interventions and policies to address the specific needs and vulnerabilities of marginalized or disadvantaged segments within the retired public officer population.

While quantitative studies like those conducted by Fan et al. (2021), Wang (2018), RBA (2022), Boateng et al. (2019), and Smit et al. (2020) provide valuable macro-level insights, they often lack the specificity and contextualization necessary to inform targeted interventions and policies within the Kenyan context. The study's focus on a specific demographic (retired public officers) within a defined geographical context (Kenya) promised to yield practical, context-specific recommendations for policymakers, retirement fund managers, and stakeholders operating in Kenya's urban areas.

By employing a quantitative approach and directly engaging with retired public officers through survey methods, the study captured representative data on the prevalence of various altenative income sourcess, the extent of financial strain, and the perceived adequacy of existing retirement funding systems in mitigating the detrimental effects of rising living costs. This primary data collection approach set the study apart from existing quantitative research that primarily relies on secondary data sources or aggregate statistics. Moreover, the integration of quantitative data analysis techniques, such as regression analysis and correlation studies strengthened the investigations further by identifying statistically significant relationships between cost of living pressures, demographic factors, and retirement funding sustainability outcomes. This analytical rigor can provide empirical evidence to support policy recommendations and targeted interventions tailored to the specific needs of retired public officers in Kenya.

2.3.3 Effect of Alternative Financial Support on Retirement Funding Sustainability

Empirical studies have explored various alternative financial support mechanisms employed by retired public officers to supplement their retirement funding and enhance sustainability in the face of prolonged life expectancy. Nyang'oro (2022) highlighted the concerning statistic that 91% of sub-Saharan African workers do not save for old age, underscoring the critical need for alternative financial support strategies. Qualitative research, such as the ethnography by Casari et al. (2022) on Kampala artists, has deeply explored how creative pursuits empower retirees financially and socially, offering a viable alternative source of income and fulfilment. Similarly, Vinci et al. (2023) employed mixed methods to assess the potential of digital entrepreneurship among retirees in Seoul, highlighting the transferability of skills and the ability to generate supplementary income through innovative means. These studies underscore the resourcefulness of retirees in seeking alternative financial support mechanisms that align with their strengths, passions, and local contexts.

However, there is a need for wider research on the effectiveness and accessibility barriers of these alternative financial support strategies. While studies like Gang and Yin (2020) effectively captured the benefits of encore careers as an alternative income source for retirees in New York, they did not weigh the trade-offs versus other options or examine potential barriers to entry. Comparative assessments integrating retiree perspectives could delineate the advantages and limitations of various alternative financial support mechanisms, such as entrepreneurship versus knowledge-sharing programs. Most works also focus narrowly on individual approaches, overlooking the potential for combining strategies to maximize financial and social well-being for retirees (Oteng et al., 2022).

Studies largely overlook inequality issues that shape access to alternative financial support mechanisms. An exception is the study by Rutherford (2022), which found that lower-income retirees face barriers in accessing consulting roles as an alternative income source. However, this study was geographically limited, highlighting the need for intersectional analysis to reveal how factors such as education, gender, and health status interact to limit the feasibility of alternative financial support strategies for certain groups of retirees (Tanyi et al., 2018). Encalada-Torres et al. (2022) further demonstrated how socioeconomic status and nutritional status are linked to food insecurity among older adults in Ecuador, underscoring the compounding effects of financial constraints on retirees' well-being and ability to engage in alternative income-generating activities.

While existing empirical works highlight culturally situated alternative financial support mechanisms employed by retired public officers, there is a lack of comparative assessments of strategy efficacy and accessibility. Quantitative methods, such as surveys, could outline the advantages, limitations, and inequality barriers across various alternative financial support mechanisms. Taber (2018) emphasizes the importance of employing robust quantitative measures, such as Cronbach's alpha, to ensure the reliability and validity of survey instruments in such studies. This would provide valuable insights to inform policy and community initiatives aimed at empowering diverse retired public officers financially and socially through sustainable alternative income sources, particularly in an era of increased longevity.

Furthermore, integrating theoretical frameworks like the social exchange theory (Davlembayeva & Alamanos, 2023; Wang et al., 2019) could deepen our understanding of the motivations and dynamics underlying retirees' participation in alternative financial support mechanisms. Social exchange theory posits that individuals engage in social interactions based on a cost-benefit analysis, seeking to maximize rewards and minimize costs. Applying this lens could reveal how retired public officers evaluate the potential benefits (e.g., financial gain, social connections) against the costs (e.g., time, effort, resources) of various alternative financial support strategies.

Longitudinal studies tracking the long-term outcomes of retired public officers engaging in different alternative financial support mechanisms would also be valuable. Such research could shed light on the sustainability and adaptability of these strategies over time, as retirees' needs and circumstances evolve. Additionally, exploring the potential synergies between formal retirement funding sources (e.g., pensions) and alternative financial support mechanisms could inform holistic approaches to retirement planning and income security (Ngugi & Njuguna, 2018).

In summary, while existing literature highlights the resourcefulness of retired public officers in seeking alternative financial support mechanisms, there is a need for more comprehensive, quantitative, and theoretically grounded research. Such studies could provide a comparative assessment of the effectiveness, accessibility barriers, and inequality dimensions of various alternative financial support strategies. By integrating retiree perspectives, theoretical frameworks, and longitudinal data, researchers can generate actionable insights to support the financial sustainability and well-being of diverse retired public officers in an era of increased longevity.

2.4 Research Gap

The existing literature reveals several research gaps that the current study aims to address regarding the effect of prolonged life expectancy on retirement funding sustainability among retired public officers in Kenya. While previous studies have explored factors influencing retirement planning and financial well-being among retirees, there is a lack of specific focus on the unique cost of living by retired public officers in Kenya due to increasing life expectancy.

Several studies have highlighted the importance of healthcare access and costs for retirees' well-being and the sustainability of retirement funds (Dovie, 2018; International Trade Administration, 2022; Pearson et al., 2019). However, these studies did not specifically examine the effect of healthcare costs on retirement funding sustainability among retired public officers in Kenya, which is one of the objectives of the present research.

Furthermore, while the impact of the cost of living on retirement funds has been explored (Alushula, 2023; Pearson et al., 2019), there is a lack of research specifically investigating how the cost of living affects retirement funding sustainability among members of the Kenya Association of Retired Public Officers (KARO). This study aims to fill this gap by assessing the effect of the cost of living on retirement funding sustainability for this specific population.

Several studies have discussed the role of informal work, family support, and social protection programs as alternative financial support mechanisms for retirees (Nyang'oro, 2022; Oteng et al., 2022; Tanyi et al., 2018a, 2018b). However, there is a lack of research examining the effect of such alternative financial support strategies on retirement funding sustainability among KARO members, which is another objective of this study.

Moreover, while existing literature highlights the cost of living by retirees in various contexts, there is a dearth of research specifically focused on the effect of prolonged life expectancy on retirement funding sustainability among retired public officers in Kenya. This study aims to bridge this gap by providing insights into how increasing longevity impacts the financial sustainability of retirement funds for this specific population.

By addressing these research gaps, the present study contributed to a better understanding of the cost of living by retired public officers in Kenya due to prolonged life expectancy and its impact on their retirement funding sustainability. Additionally, it provided insights into potential strategies and solutions to enhance the financial well-being of this population in the face of increasing life expectancy.

Table 2.1: Summary of Research Gap

Authors	Titles of studies	Findings	Research Gaps	Type of Research Gaps	How the current studies addressed the research gaps
Pearson et al., (2019)	The Forgotten Middle: Many Middle-Income Seniors Will Have Insufficient Resources for Housing and Health Care	Many retirees do not have enough financial resources to afford private seniors housing options, such as assisted living or independent living communities.	The study does not specifically address the challenges of measuring financial well-being among retired public officers in Kenya.	Contextual - The study does not address the specific context of retired public officers in Kenya.	The current study developed a new measure of financial well-being that is specifically tailored to the cost of living faced by retired public officers in Kenya.
Niu et al., (2020)	Financial literacy and retirement preparation in China	A robust and favorable connection exists between financial literacy and multiple facets of retirement readiness within the Chinese population. The results of the study indicate that there is a requirement for specific actions aimed at enhancing financial education. This is essential for raising the level of	The study did not focus on the specific cost of living by retirees in the geographical location of Kenya.	Contextual - The study did not focus on retirees in Kenya specifically.	The current study focused on the specific issue of cost of living by senior citizens in Kenya, Kenya, such as the lack of access to affordable healthcare and the stigma associated with aging.

		understanding regarding retirement planning in China.			
Topa et al., (2018)	Financial Planning for Retirement: A Psychosocial Theory	Financial planning for retirement (FPR) is a complex and important task that affects individual and societal well-being. FPR is also influenced by age-related changes and life events that may require adaptation and intentional change	The study mainly focuses on planning before retirement and not what happens when retirement actually happens.	Conceptual - The study focused on pre-retirement planning rather than the retirement experience itself.	The current research addressed the limitation of concentrating solely on pre-retirement planning, without considering the dynamics of post-retirement circumstances and challenges.
Giovanis & Ozdamar (2018)	Health status, mental health and air quality: evidence from pensioners in Europe	The study found that prolonged life is having a negative impact on retirement savings among retired public officers	The study did not explore the specific strategies that can be used to increase retirement savings among retired public officers in Kenya.	Contextual - The study did not explore strategies specific to increasing retirement savings in Kenya, Kenya.	The current study explored the specific strategies that can be used to increase retirement savings among retired public officers in Kenya. The study will also explore the role of the government and other stakeholders in promoting retirement savings.

Mukku et al., (2018)	Psychological morbidity after job retirement: A review	Many retirees are not able to maintain their pre-retirement standard of living after retirement.	The study did not explore the specific ways in which the government and other stakeholders can help to improve retirement income among retired public officers in Kenya.	Contextual - The study did not address how government/stakeholders can help retirement income in Kenya, Kenya.	The current study explored the specific ways in which the government and other stakeholders can help to improve retirement income among retired public officers in Kenya. The study will also explore the role of the private sector in this regard.
Chanda & Mishra (2019)	Impact of transition in work status and social participation on cognitive performance among elderly in India	Retirement from work had a significant impact on cognitive health, but it could be mitigated by increasing social participation in later years of life.	The study focuses on India, a different geographical region from Kenya	Contextual - The study focused on a different geographical region.	The present research centered on the particular obstacles experienced by retired public officers residing in Kenya concerning the matter of retirement funding.
Schützeichel (2019)	Financial Literacy and Saving for Retirement among Kenyan Households	Financial literacy has a positive effect on saving for retirement among Kenyan households.	The study did not explore the potential solutions to the cost of living by retirees in terms of retirement funding.	Conceptual - The study did not explore potential solutions to retiree challenges.	The present research aimed to investigate the distinct elements responsible for the difficulties encountered by retirees concerning retirement preparation. Additionally, the study will delve into potential strategies for mitigating

					these challenges.
Amani & Fussy (2022)	Retirement planning mistakes undermining the post-retirement adjustment and well-being	The study identified five types of mistakes: low savings and debt accruals, limited access to retirement planning education, late family establishment, poor record management, and disregarding opportunities for career development.	The study did not explore the specific factors that are contributing to the cost of living by retirees in terms of retirement planning.	Conceptual - The study did not explore factors contributing to retiree challenges.	The current study explored the specific factors that are contributing to the cost of living by retirees in terms of retirement planning. The study will also explore how these factors can be addressed.
Kariuki (2019)	An Assessment of Psychosocial Anxiety Encountered by PCEA Clergy Transiting to Retirement in Kiambu County - Kenya	The main challenge facing clergy is the lack of retirement preparedness, which includes financial, emotional, social, and spiritual aspects.	The study only focused on the clergy alone.	Contextual - The study only focused on clergy, not the broader retiree population.	The current study explored the specific strategies that can be used to increase retirement savings among all retired public officers in Kenya.
Kepha (2018)	Financial factors affecting retirement planning by savings and credit cooperative societies employees in Nakuru town, Kenya	Income level, liquidity preference and financial literacy have a significant effect on retirement planning by SACCO employees in Kenya	The study did not explore the specific factors that are contributing to the cost of living by retirees in terms of retirement planning.	Conceptual - The study did not explore factors contributing to retiree challenges.	The current study explored the specific factors that are contributing to the cost of living by retirees in terms of retirement planning. The study also explores how these factors can be addressed.

(Source: Researcher, 2024)

2.5 Conceptual Framework

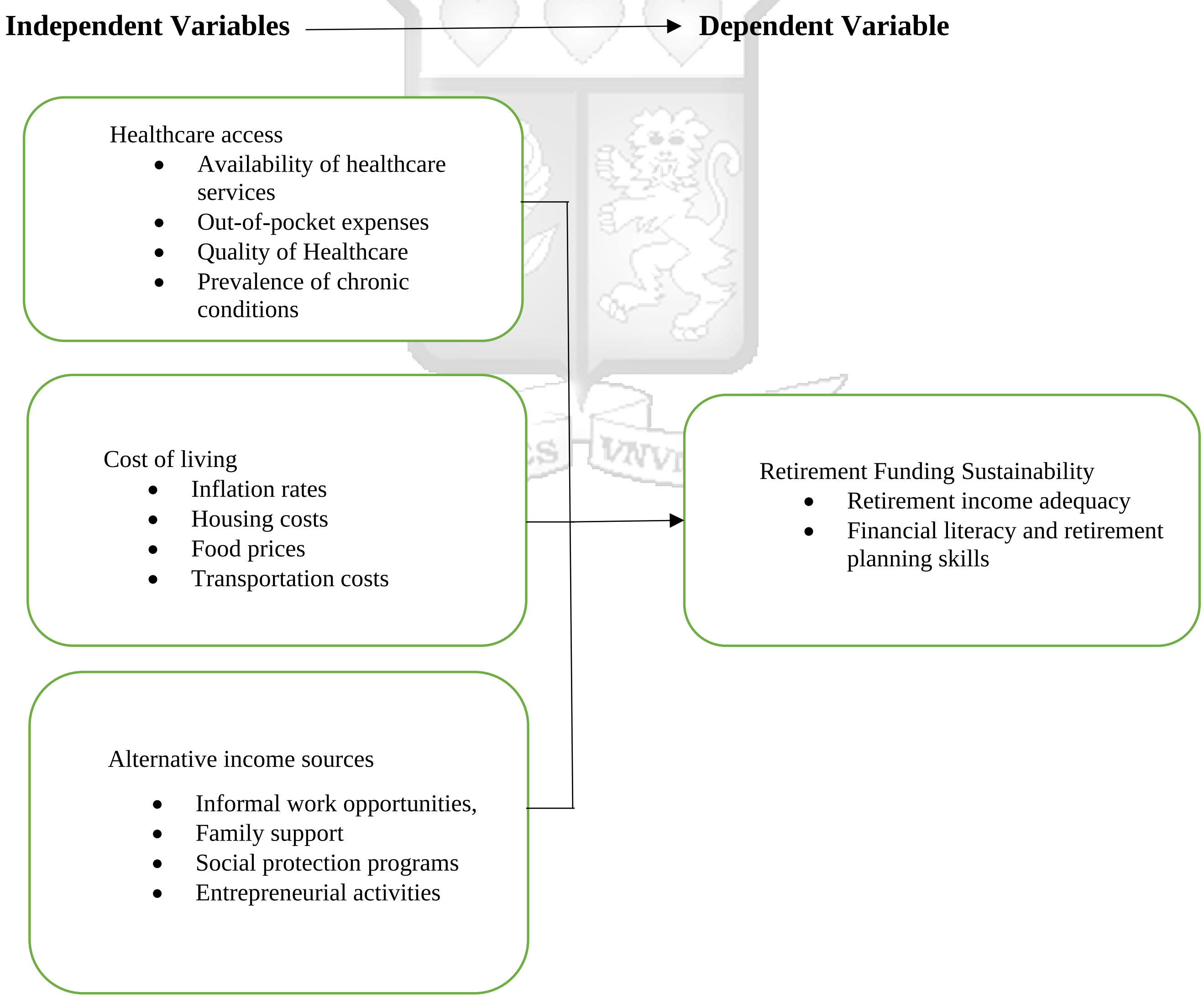
The dependent variable is retirement funding sustainability, which is influenced by three main factors. Firstly, healthcare costs (independent variable) with sub-variables including access to healthcare services, out-of-pocket medical expenses, and healthcare inflation (Dovie, 2018; International Trade Administration, 2022; Pearson et al., 2019). Secondly, the cost of living (independent variable) with sub-variables such as inflation rates, housing costs, food prices, and transportation costs (Alushula, 2023; Encalada-Torres et al., 2022). Thirdly, alternative financial support (independent variable) with sub-variables like informal work opportunities, family support, social protection programs, and entrepreneurial activities (Nyang'oro, 2022; Oteng et al., 2022; Tanyi et al., 2018).

The conceptual framework posits that prolonged life expectancy directly impacts retirement funding sustainability among KARO members. However, this effect is moderated by the three independent variables: healthcare, cost of living, and the availability of alternative financial support mechanisms (Krogh et al., 2022; Rouzet et al., 2019). Increased healthcare costs due to prolonged life expectancy can strain retirement funds, negatively affecting funding sustainability. Similarly, a higher cost of living driven by factors like inflation can erode the purchasing power of retirement income, compromising financial sustainability (Fan et al., 2021).

Conversely, access to alternative financial support mechanisms, such as informal work, family support, social protection programs, or entrepreneurial activities, can potentially mitigate the effects of prolonged life expectancy by providing additional income streams to supplement retirement funds, thereby enhancing funding sustainability (Ketkaew et al., 2022; Wang et al., 2019). The conceptual framework also considers the potential interplay and mediating effects among the independent variables, as the availability of alternative financial support may be influenced by healthcare costs and the overall cost of living, impacting an individual's ability to engage in income-generating activities during retirement (Fee & Michailova, 2021; Davlembayeva & Alamanos, 2023).

By examining the relationships between prolonged life expectancy, healthcare costs, cost of living, alternative financial support, and retirement funding sustainability, this study aims to generate insights into the cost of living by KARO members and propose strategies to enhance the financial sustainability of their retirement funds in the face of increasing longevity (Brady & Gilligan, 2018; Shuey & Willson, 2021).

Figure 2.1: Conceptual Framework



(Source: Researcher, 2024)

2.6 Operationalization of Study Variables

Table 2.2 Operational Variables

Variable	**Operational definition**	**Variable Indicators**	**Variable measurement**	**Supporting literature**
	Independent Variables			
Healthcare access	The impact of healthcare on retirement, including access to necessary medical services and facilities, direct out-of-pocket medical expenses, the standard and effectiveness of medical treatment received, and the prevalence of chronic conditions requiring ongoing medical attention and influencing general healthcare costs.	• Availability of healthcare services • Out-of-pocket expenses • Quality of Healthcare • Prevalence of chronic conditions	Ordinal scale	(Feng et al., 2020)
Cost of living	The overall expenses required to maintain a certain standard of living in retirement, including housing, food, utilities, transportation, and other daily necessities, adjusted for inflation.	• Inflation rates • Housing costs • Food prices • Transportation costs	Ordinal scale	(Fee & Michailova, 2021)
Alternative income sources	Income from sources other than traditional retirement savings and pensions, such as part-time work, rental income, dividends, interest, royalties, and any other passive income	• Informal work opportunities, • Family support • Social protection programs • Entrepreneurial activities	Ordinal scale	(Gang & Yin, 2020; Vinci et al., 2023)
	Dependent Variable			

Retirement Funding Sustainability	The ability of an individual's financial resources to cover their expenses throughout their retirement years without depleting their savings prematurely. This includes	• Retirement income adequacy • Financial literacy and retirement planning skills	Ordinal scale	(Topa et al., 2018; Antoni e al., 2020)

(Source: Researcher, 2024)

2.7 Chapter Summary

The literature review chapter has extensively explored the overarching theme of prolonged life expectancy and its potential impact on retirement funding sustainability. Numerous studies have highlighted the importance of healthcare access, cost of living factors, and the role of alternative financial support mechanisms in influencing the financial well-being of retirees. However, there is a distinct lack of research specifically focused on the unique cost of living by members of the Kenya Association of Retired Public Officers (KARO) about the effects of prolonged life expectancy on their retirement funding sustainability. While theoretical frameworks like the life course perspective and social exchange provide valuable lenses to examine retirement dynamics, their application to the Kenyan context of retired public officers remains unexplored. This research gap necessitates a targeted investigation into the specific factors influencing retirement funding sustainability among KARO members, as increasing longevity poses potential challenges to the financial stability of this population. The subsequent methodology chapter will outline the research design, data collection methods, and analytical techniques employed to address this gap and achieve the study's objectives.

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the research methodology employed in this study. It highlights the chosen research philosophy and design, defines the target population, outlines the sample size and composition, emphasises the methods of data collection, addresses the validity and reliability of the data, and expounds on the approach to data analysis and presentation. Also, the chapter probes into the ethical considerations that guided the research process.

3.2 Research Philosophy

Various research philosophies could be adopted for a study of this nature, such as positivism, interpretivism, or pragmatism. However, positivism has been identified as the most suitable paradigm for this research on prolonged life expectancy and retirement funding among retired public officers. The positivism research philosophy aligns well with the descriptive correlational research design employed in this study. Positivism is a philosophical approach that emphasizes the importance of empirical, objective, and quantifiable observations to understand social phenomena (Wilson, 2014). In the context of this study, the positivism research philosophy is appropriate for several reasons. First, the study relies on quantitative data collected through a structured questionnaire, which aligns with the positivist belief in obtaining empirical and measurable data. The questionnaire items are designed to gather numerical data related to variables such as healthcare standards, the cost of living, and alternative financial support, and retirement funding sustainability. This empirical data forms the basis for statistical analyses and objective interpretations.

Second, the study aims to describe the relationships between these variables using correlation and regression analyses. The positivist approach supports the use of such statistical techniques to identify patterns, associations, and regularities within the data. By employing these methods, the study can objectively examine the strength and direction of the relationships between the variables under investigation, without relying on subjective interpretations. Third, the descriptive correlational research design does not seek to establish causal relationships or explore subjective experiences. Instead, it focuses on describing the associations between variables, which aligns with the positivist emphasis on objective observations and empirical facts.

The study's findings were derived from the quantitative data, rather than subjective interpretations or qualitative explorations. Furthermore, the positivist philosophy supports the use of existing theories and frameworks to guide the research process and interpret the findings. In this study, theoretical frameworks such as the Life Course Theory and the Social Exchange Theory can be used to contextualize and understand the observed relationships between variables, further enhancing the objectivity and scientific rigor of the research.

3.3 The Research Design

A descriptive correlational research design was employed in this study. This type of research design is suitable when the primary goal is to describe the relationships between variables and examine the strength and direction of those relationships, without establishing causality.

In this study, the descriptive correlational research design is appropriate because the objectives focus on understanding the associations between various factors and retirement funding sustainability among retired public officers in Kenya. Specifically, the study aims to assess the relationships between healthcare standards, the cost of living, and alternative financial support, and retirement funding sustainability. By utilizing this research design, the study can quantitatively describe the nature and extent of these relationships through correlation and regression analyses.

The descriptive correlational research design aligns well with the study's objectives and the quantitative approach. It allows for the analysis of data collected through the questionnaire, enabling the researcher to examine how variables influence one another. This design provides insights into the strength and direction of these relationships, without making causal inferences. Ultimately, the descriptive correlational research design is a suitable choice for this study, as it facilitates the exploration of associations between key variables and retirement funding, contributing to a better understanding of the factors affecting the financial well-being of retired public officers in Kenya.

3.4 Population of the Study

A population in a research study refers to the entire group that the researcher wants to make inferences about. The study's population comprises 5,413 members who are part of the Kenya Association of Retired Officers (KARO), specifically representing retirees residing in areas (KARO, 2023). These individuals form the core focus of this research, as they collectively represent a significant subset of retired public officers in Kenya. KARO provides a well-defined and accessible population of retired officers in Kenya. This can make data collection more manageable, especially when compared to attempting to study a dispersed or less organized group of retirees. Also, members of KARO share a common background and profession as retired officers. This homogeneity reduced variability in the sample, making it easier to draw meaningful conclusions about this specific group of retirees.

3.5 Sampling Technique and Sample Size

The sampling technique refers to the specific method used to select a sample from a population for a research study (Alvi, 2016). Sample size is the number of individuals included in the sample. This study employed simple random sampling. In this method, each member of the study population will have an equal chance of being selected for the sample. It is a straightforward and unbiased approach to gathering data from the study population. In this study, the sample size was determined using the Taro Yamane formula (Olonite, 2022).

The formula is: $\boldsymbol{n = N / \left(1 + N(e^2)\right)}$

where n is the sample size, N is the population size, and e is the margin of error (95% confidence level and p=0.05 are assumed).

Using this formula, the calculation for the study's sample size is as follows:

$\boldsymbol{n = 5,413 / \left(1 + 5,413(0.05^2)\right)}$**= 372 Respondents**

3.6 Data Collection Methods

The primary objective of this study is to gather reliable primary data, which was achieved through the administration of structured questionnaires. These questionnaires featured structured questions, incorporating a 5-point Likert scale to assess various facets of the variables under investigation. To ensure comprehensive coverage, the questionnaires were thoughtfully divided into distinct sections. To facilitate data collection, the questionnaires was distributed electronically via a provided link, utilizing a self-administered approach. This methodology was chosen for its convenience and efficiency. The target respondents for this questionnaire are the esteemed members of the Kenya Association of Retired Officers (KARO).

3.7 Data Analysis and Presentation

There are a variety of quantitative data analysis methods that could have been utilized to examine the survey data collected in this study on factors influencing public sector retiree's wellbeing. Descriptive statistical techniques, such as measures of central tendency and dispersion, offer useful summarization of trends within the sample but are limited in their ability to infer relationships (Heale & Twycross, 2015). By comparison, multivariate correlation, regression, and ANOVA procedures enable more complex analysis of interconnections and differences among study variables.

Prior to full data collection, the questionnaire was pilot-tested on a small sample of retired public officers matching the target population's criteria but outside the final study sample. Feedback on questionnaire clarity, length, flow, etc. optimized the instrument before full rollout. Upon retrieval of the questionnaires from the respondents, a thorough examination was conducted to ensure their completeness and precision. Solely those questionnaires that met the criteria of being both complete and accurate were deemed eligible for inclusion in the study. Following this, the completed questionnaires were assigned unique codes, and their data underwent comprehensive analysis employing SPSS version 25 software.

For the analysis, the study employed a range of descriptive statistical tools, encompassing measures such as mean, mode, median, standard deviation, and variance. Furthermore, inferential statistical analysis techniques were applied, including the calculation of Spearman's Correlation Coefficient, ANOVA, and multiple regression analysis. These methods were instrumental in unveiling relationships between the dependent and independent variables, ultimately contributing to a comprehensive understanding of the research findings. The regression model took the following form;

RFA = β0 + β1HA + β2COL + β3AIS + e

where RFA = Retirement Funding Sustainability,

β0 = Constant

HA= Healthcare Access

COL=Cost of living

AIS= Alternative income sources

β1 to β3 = Regression coefficients

e = Error term

3.8 Quality of the Research

Research quality was measured using the reliability, validity, and objectivity of the research.

3.8.1 Reliability Tests

Reliability refers to the degree to which a research instrument consistently yields the same results over repeated trials, assuming the construct being measured remains unchanged (Heale & Twycross, 2015). Reliability reflects the consistency and stability of an instrument. This study assessed the reliability of the questionnaire using Cronbach's alpha coefficient. Cronbach's alpha measures the internal consistency between different items intended to measure the same construct within an instrument (Taber, 2018). Values of 0.70 or higher generally indicate acceptable reliability. The questionnaire used in this research was tested and if it returns a Cronbach's alpha greater than 0.70 across all items, it demonstrated a satisfactory level of internal consistency and reliability. This suggests the questionnaire should produce consistent scores across different uses, enabling coherent data collection and accurate measurements of the intended constructs. Reliability testing is set to confirm if the questionnaire has reliability and is appropriate for gathering consistent data in line with the study aims.

There were diagnostic tests for the OLS ordinary least squares analysis model. Diagnostic tests for the OLS (ordinary least squares) analysis model include checks for normality, multicollinearity, and homoscedasticity. Normality ensures that the residuals are normally distributed, assessed via Q-Q plots or tests like Shapiro-Wilk. Multicollinearity checks, using metrics like the Variance Inflation Factor (VIF), identify high correlations among independent variables that could destabilize the model. Homoscedasticity ensures constant variance of error terms across all levels of independent variables, evaluated through residuals plots or tests like Breusch-Pagan. These diagnostics confirm the validity and reliability of the regression results.

3.8.2 Validity

Validity refers to the extent to which a research instrument or test accurately measures the specific concept, construct, or variable it is intended to measure (Heale & Twycross, 2015). Validity reflects the degree to which the instrument provides data that represents the phenomenon under investigation. It is not the test itself that is valid or invalid, but rather the interpretation and application of the results. Researchers must validate that the outcomes of a measurement align with its intended purpose. An instrument may be valid for one context but not another. Content validity specifically examines whether the instrument sufficiently covers the scope of the research questions and study aims. It assesses if the measures capture all aspects of the construct in question. In this study, content validity of the research instrument was established through guidance and input from the project supervisor. The supervisor reviewed the instrument to evaluate whether it adequately addresses the intended topics and measures according to the objectives of the investigation. This input helped determine and improve the content validity of the questionnaire.

3.9 Ethical Issues in Research

In the course of conducting this study several ethical considerations merit careful attention. One of the primary ethical concerns is obtaining informed consent from participants. It is imperative to ensure that individuals fully comprehend the study's objectives, potential risks, and benefits before providing their consent. This can be achieved by presenting a clear and comprehensive informed consent form that outlines the research procedures, confidentiality measures, and the participants' right to withdraw at any point voluntarily.

Maintaining the privacy and confidentiality of participants is paramount. Given the nature of the study, which may involve discussions about personal finances and health, safeguarding participants' privacy and anonymity is essential. Anonymizing data, employing participant IDs instead of names, and storing data securely with restricted access are key steps in this regard. Sensitive questioning also presents an ethical challenge. When addressing sensitive topics related to retirees' financial situations, health, or family support, it is essential to frame questions with sensitivity and respect, ensuring that participants do not feel uncomfortable or intruded upon. The criteria for selecting participants should be transparent and justifiable based on research objectives, with careful consideration to avoid unintentional discrimination.

Once data collection is complete, ethical practice includes providing participants with debriefing and feedback regarding the study's results, particularly if the findings have personal implications. Data security is another ethical concern, necessitating the encryption of electronic data, secure storage measures, and limited access to authorized personnel. Physical copies of transcripts must also be secured appropriately. To mitigate researcher bias, it is essential to maintain transparency in the research process. Researchers should document methodological choices, coding procedures, and interpretations and consider involving multiple researchers in data coding and analysis to reduce individual bias.

3.10 Chapter Summary

This chapter offered an extensive description of the research methodology employed for gathering and analysing data concerning effect of prolonged life expectancy on retirement funding sustainability among members of Kenya association of retired public officers. The chapter also underscored the steps taken to uphold the study's integrity and ethical principles. The next chapter is the presentation of research findings.

CHAPTER FOUR

PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This section presents a comprehensive analysis of the data collected from the study on how healthcare access, the cost of living, and alternative financial support impacts the sustainability of retirement funding. The findings are organized according to the specific research objectives, providing insights into the effect of healthcare access, the cost of living, and alternative financial on the sustainability of retirement funding. Quantitative data was analysed using appropriate statistical techniques, respectively, to unveil the intricate dynamics influencing retirement funding in the Kenya context.

4.2 Response Rate and General Information of Respondents

This part of the study uses descriptive statistics, including frequencies and percentages, to analyse and present the response rate and general information about the respondents.

4.2.1 Response Rate

The study distributed a total of 372 physical and electronic questionnaires to the participants. Out of the 372 respondents, 329 respondents (88.4%) returned the completed questionnaires, while the remaining 43 respondents (11.6%) did not return their questionnaires.

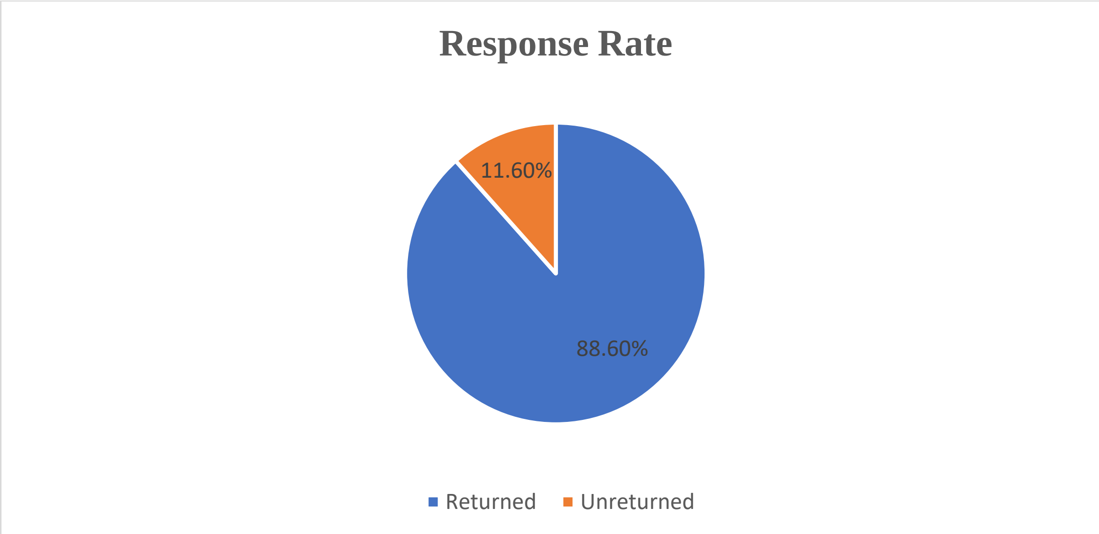


Figure 4.1: Response Rate

(Source: Researcher, 2024)

4.2.2 General Information of Respondents

This section presents the general information and demographic profile of the respondents who participated in the study. The data was collected through Section A of the questionnaire, which gathered details such as age, gender, marital status, number of children, educational level, years worked in public service, year of retirement, profession and cadre before retirement, and the number of years in retirement. Understanding the background characteristics of the respondents is crucial for contextualizing the findings and analysing the data based on various demographic factors.

4.2.2.1 Age of the Respondents

The age distribution of the respondents is presented in the table below:

Age Bracket	**Number of Respondents**	**Percentage**
55-59 years	48	14.60%
60-64 years	72	21.90%
65-69 years	91	27.70%
70-74 years	65	19.80%
75 years & above	53	16.10%
Total	**329**	**100%**

Table 4.1: Age distribution

(Source: Researcher, 2024)

The age bracket with the highest representation was 65-69 years, with 91 respondents (27.7%), followed by the 60-64 years bracket with 72 respondents (21.9%). The 70-74 years age group had 65 respondents (19.8%), while the 55-59 years bracket had 48 respondents (14.6%). The remaining 53 respondents (16.1%) were 75 years and above. This distribution of age groups provides a diverse representation of retired public officersin Kenya, capturing perspectives from individuals across various stages of retirement. The insights gathered from this diverse age range contributed to a comprehensive understanding of the challenges and experiences faced by retirees about prolonged life expectancy and retirement funding.

4.2.2.2 Gender

Based on the returned questionnaire results, out of the 329 respondents, 211 (64.1%) were female, while 118 (35.9%) were male. This gender distribution reflects the composition of the retiree population in Kenya. The inclusion of both genders in the study is essential to capture potential differences in experiences, challenges, and perceptions related to prolonged life expectancy and retirement funding. The insights gathered from both male and female respondents contributed to a comprehensive understanding of the issues faced by retired public officers in Kenya, informing policy recommendations and strategies to address their needs effectively.

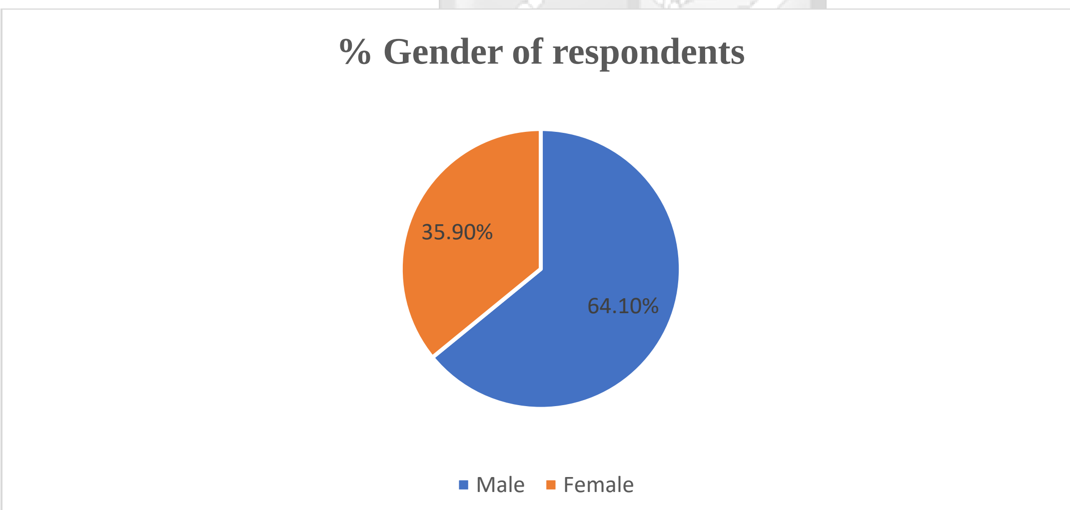


Figure 4.2: Gender of Respondents

(Source: Researcher, 2024)

4.2.2.3 Marital Status of Respondents

The marital status of the respondents was diverse, with the majority (67.2%) being married, followed by 14.0% being widowed, 13.1% being single, and 5.8% being separated. This distribution reflects the typical marital status patterns among retired public officers in Kenya, where a significant portion are married or have experienced the loss of a spouse.

Marital Status	Number of Respondents	Percentage
Single	43	13.1%
Married	221	67.2%
Separated	19	5.8%
Widowed	46	14.0%
Total	329	100.0%

Table 4.2: Marital Status

(Source: Researcher, 2024)

4.2.2.4 Number of Children Below 21 Years

Regarding the number of children below 21 years of age, the majority of respondents (38.9%) had 1-2 children, followed by 32.5% with no children. A smaller proportion had 3-4 children (18.8%), 5-6 children (7.3%), or more than 6 children (2.4%). This distribution suggests that most retired public officers in Kenya have relatively small to moderate family sizes, which may influence their financial obligations and retirement planning.

4.2.2.5 Level of Education and Training

The educational level of the respondents was generally high, with the majority (54.1%) holding a university degree, followed by 28.3% with a college education. Only 14.3% had a secondary education, and 3.3% had a primary education. This high level of education is consistent with the retiree population in Kenya, where many individuals had pursued higher education and worked in professional or skilled occupations.

Education Level	Number of Respondents	Percentage
Primary	113	13.3%
Secondary	47	14.3%
College	93	28.3%
University	178	54.1%
Total	329	100.0%

Table 4.3: Level of Education and Training

(Source: Researcher, 2024)

4.2.2.6 Number of Years Worked in Public Service

The respondents had varying lengths of service in the public sector, with the majority (40.1%) having worked for 20-29 years, followed by 30.7% with 30-40 years of service. A smaller proportion had worked for 10-19 years (19.1%), 0-9 years (5.5%), or more than 40 years (4.6%). This distribution reflects the typical career progression and retirement patterns among retired public officers in Kenya, many of whom had dedicated a significant portion of their working lives to public service.

Years Worked	Number of Respondents	Percentage
0-9 years	18	5.50%
10-19 years	63	19.10%
20-29 years	132	40.10%
30-40 years	101	30.70%

Table 4.4: Number of Years Worked in Public Service

(Source: Researcher, 2024)

4.2.2.7 Profession and Cadre Before Retirement and Retirement Year

The respondents came from a diverse range of professions and cadres, reflecting the varied occupational backgrounds of retired public officers in Kenya. These included teachers (primary and secondary), university lecturers, nurses, accountants, engineers, administrators, managers, and civil servants from various ministries and departments. This diversity in professional backgrounds provides a comprehensive perspective on the retirement experiences and cost of living by individuals from different sectors. The respondents retired between the years 1995 and 2022, with the majority retiring in the late 2000s and early 2010s. This timeframe aligns with the typical retirement age and patterns in the Kenyan public sector, where many individuals retire after reaching a certain age or completing a specified number of service years.

4.2.2.8 Number of Years in Retirement

The number of years in retirement for the respondents varied, with the majority (29.8%) having been retired for 4-6 years, followed by 24.9% for 7-9 years, 22.8% for more than 10 years, and 22.5% for 0-3 years. This distribution represents a mix of individuals at different stages of their retirement journey, ranging from recent retirees to those who have been retired for a longer period. This diversity in retirement duration allows for a comprehensive understanding of the challenges and experiences faced across various phases of retirement.

Years in Retirement	Number of Respondents	Percentage
0-3 years	74	22.50%
4-6 years	98	29.80%
7-9 years	82	24.90%
10 years & above	75	22.80%
Total	329	100%

Table 4.5: Number of Years in Retirement

(Source: Researcher, 2024)

4.3 Descriptive Analysis

Descriptive statistics summarize and highlight the key features of the data, such as the mean and standard deviation. They offer a clear and concise overview, helping researchers understand the characteristics of the data set.

4.3.1 Retirement Funding Sustainability

The objective was to investigate the drivers of retirement funding of retired public officers in Kenya by having respondents indicate their level of agreement with various statements using the following scale: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly Agree. The data was analysed and the mean scores were interpreted as follows: 1 = strongly disagree, 2= disagree, 3 = moderately agree, 4 = agree and 5 = strongly agree.

Statement	Received Questionnaires	Mean	Standard Deviation
Retirement income is considered adequate to cover expenses.	329	3.721	1.140
Confidence in financial literacy and retirement planning skills is generally high.	329	4.157	0.923
Confidence exists that retirement savings will last throughout retirement years.	329	3.283	1.232
Preparedness for unforeseen financial challenges in retirement is evident.	329	2.885	1.376
Overall satisfaction with retirement financial situation is high.	329	3.517	1.193
Overall		**3.513**	**1.173**

Table 4.6: Retirement Funding Sustainability

(Source: Researcher, 2024)

The table presents the retirement funding statements from the questionnaire, along with the number of received questionnaires (329), mean scores, standard deviations, and interpretations based on the provided scoring scale. The mean scores range from 2.885 to 4.157, indicating varying levels of agreement or disagreement with the statements. The 3.513 overall mean should be interpreted as respondents moderately agreed.

4.3.2 Healthcare Access by Retired Public Officers

The objective was to assess the effect of healthcare access on retirement funding by having respondents indicate their level of agreement with various statements using the following scale: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly Agree. The data was analysed and the mean scores were interpreted as follows: 1 = strongly disagree, 2= disagree, 3 = moderately agree, 4 = agree and 5 = strongly agree.

Statement	**Received Questionnaires**	**Mean**	**Standard Deviation**
Access to necessary healthcare services is readily available for retired public officers.	329	3.411	1.185
Out-of-pocket medical expenses significantly impact retirement finances.	329	3.632	1.217
The quality of healthcare services received as a retired public officer is satisfactory.	329	2.763	1.343
Chronic health conditions have a notable impact on overall healthcare costs in retirement.	329	2.954	1.292
Satisfaction with the standard and effectiveness of medical treatment received is high.	329	3.196	1.251
Overall		**3.191**	**1.2576**

Table 4.7: Healthcare Access

(Source: Researcher, 2024)

The mean scores range from 2.763 to 3.632, indicating varying levels of agreement or disagreement with the statements. The standard deviations for each statement range from 1.185 to 1.343, indicating a moderate to high level of variation in the responses among the respondents. The 3.191 overall mean should be interpreted as respondents moderately agreed.

4.3.3 Cost of Living of Retired Public Officers

The objective was to assess the effects of cost of living faced by retired public officers on their retirement funding by having respondents indicate their level of agreement with various statements using the following scale: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly

Agree. The data was analysed and the mean scores were interpreted as follows: 1 = strongly disagree, 2= disagree, 3 = moderately agree, 4 = agree and 5 = strongly agree.

Statement	Received Questionnaires	Mean	Standard Deviation
Inflation has a noticeable impact on maintaining the standard of living in retirement.	329	2.874	1.251
Housing options available to retired public officers in the area are considered affordable.	329	2.642	1.329
The current cost of food in relation to the retirement budget is reasonable.	329	3.105	1.187
Transportation expenses in retirement are generally manageable.	329	2.991	1.274
Utilities costs are perceived as reasonable and manageable for retired public officers.	329	2.758	1.341
Overall Score		**2.874**	**1.276**

Table 4.8: Cost of Living of Retired Public Officers

(Source: Researcher, 2024)

The mean scores range from 2.642 to 3.105, indicating a moderate level of agreement with the statements related to the cost of living by retired public officers. With an overall mean score of 2.874 suggesting that many find their retirement savings insufficient to meet their needs. The standard deviation of 1.276 shows a significant variability in their experiences.

4.3.4 Alternative Income Sources by Retired Public Officers

The objective was to investigate the altenative income sourcess employed by retired public officers on their retirement funding by having respondents indicate their level of agreement with various statements using the following scale: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly Agree. The data was analysed and the mean scores were interpreted as follows: 1 = strongly disagree, 2= disagree, 3 = moderately agree, 4 = agree and 5 = strongly agree.

Statements	Received Questionnaires	Mean	Standard Deviation
Pursuit of informal work opportunities is common to supplement retirement income.	329	3.421	1.297
Family support significantly contributes to financial well-being in retirement.	329	2.895	1.318

Awareness of social protection programs available to retired public officers is notable.	329	3.758	1.124
Engagement in entrepreneurial activities for additional income during retirement is prevalent.	329	3.194	1.295
Alternative income sources significantly contribute to retirement funding sustainability.	329	2.781	1.362
Overall Score	**329**	**3.21**	**1.279**

Table 4.9: Alternative Income Sources by Retired Public Officers

(Source: Researcher, 2024)

The overall score of 3.21 suggests that retired public officers in Kenya generally have a moderately positive view of their alternative income sources for financial support in retirement, although there is significant variability in their experiences, as indicated by the standard deviation of 1.279.

4.4 Diagnostic Test Findings

Multiple linear regression analysis was proposed to assess the relationship between the variables in question. Before conducting this test, prerequisite assessments, including tests for normality, multicollinearity, and homoscedasticity, were performed. The results of these preliminary tests are discussed before presenting the findings from the developed regression model.

4.4.1 Normality Test

The normality test is used to determine whether the residuals (errors) of the regression model are normally distributed (Srinivasan & Lohith, 2017). One of the commonly used tests for normality is the Shapiro-Wilk test. The null hypothesis of the Shapiro-Wilk test states that the data is normally distributed.

Shapiro-Wilk		
Statistic	df	Sig.
0.987	329	0.072

Table 4.10: Shapiro-Wilk Test for Normality

(Source: Researcher, 2024)

In the table above, the Shapiro-Wilk statistic value is 0.987, and the degrees of freedom (df) is 329, representing the sample size. The significance value (Sig.) is 0.072, which is greater than the commonly used significance level of 0.05. This means that we fail to reject the null hypothesis, indicating that the residuals are normally distributed.

4.4.2 Heteroscedasticity Test

The heteroscedasticity test examines whether the variance of the residuals is constant across all levels of the independent variables (Srinivasan & Lohith, 2017). One of the commonly used tests for heteroscedasticity is the Breusch-Pagan test. The null hypothesis of the Breusch-Pagan test states that the residuals are homoscedastic (constant variance).

Breusch-Pagan	
F-statistic	Sig.
1.872	0.134

Table 4.11: Heteroscedasticity Test for Normality

(Source: Researcher, 2024)

In the table above, the F-statistic value is 1.872, and the corresponding p-value (Sig.) is 0.134. Since the p-value is greater than the commonly used significance level of 0.05, we fail to reject the null hypothesis, indicating that the residuals are homoscedastic (constant variance).

4.4.3 Multicollinearity Test

The multicollinearity test examines whether the independent variables in the regression model are highly correlated with each other (Srinivasan & Lohith, 2017). One of the commonly used measures to detect multicollinearity is the Variance Inflation Factor (VIF). A VIF value greater than 5 or 10 (depending on the chosen threshold) indicates the presence of multicollinearity.

Variance Inflation Factor (VIF)	
Variable	VIF
Healthcare access	1.628
Cost of living	1.917
Alternative income sources	1.734

Table 4.12: Multicollinearity Test for Normality

(Source: Researcher, 2024)

In the above table, all VIF values are less than 5, suggesting that there is no significant multicollinearity present in the regression model. This indicates that the predictor variables are not highly correlated with each other, ensuring the stability and reliability of the regression coefficients. Consequently, the model's estimates are likely to be accurate, and the inference drawn from these estimates is expected to be valid.

4.5 Inferential Analysis

Following the descriptive analysis, the study employed inferential statistics, specifically Spearman correlation and regression tests, to predict the linear relationship between the study variables and to determine the strength of these links within the model.

4.5.1 Correlation Analysis

The correlation between the three variables (healthcare access, the cost of living, and alternative financial support) and retirement funding sustainability indicates how strongly and in what direction these two variables are related. The table below shows these results.

Spearman's rho	Correlation Coefficient	Sig. (1-tailed)	N	Correlation Coefficient	Sig. (1-tailed)	N
Healthcare access	1.000		329	0.628**	0.000	329
Retirement Funding	0.628**	0.000	329	1.000		329
Cost of living	1.000		329	-0.492**	0.000	329
Retirement Funding	-0.492**	0.000	329	1.000		329
Alternative income sources	1.000		329	0.718**	0.000	329
Retirement Funding	0.718**	0.000	329	1.000		329
**. Correlation is significant at the 0.01 level(2-tailed)						

Table 4.14: Correlation Analysis

(Source: Researcher, 2024)

The results indicate a strong positive correlation between healthcare access and retirement funding among retired public officers, with a correlation coefficient of 0.628 which is statistically significant at the 0.01 level. This suggests that as life expectancy increases, the need for adequate retirement funding becomes more critical.

However, the cost of living challenge by retired public officers appear to have a moderate negative impact on their retirement funding, with a correlation coefficient of -0.492, which is also statistically significant. This implies that the higher cost of living retirees encounter, the more difficult it becomes to secure sufficient funds for retirement.

Additionally, the alternative income sources employed by retired public officers demonstrate an equally strong positive correlation of 0.718 with retirement funding, suggesting that effective strategies and adaptive measures can significantly contribute to better retirement funding outcomes.

The findings highlight the importance of addressing healthcare accessibility, mitigating high cost of living faced by retirees, , and promoting alternative income sources to ensure a secure and financially stable retirement for public officers.

4.5.2 Multiple Regression Analysis

The research conducted a regression analysis on the independent and dependent variables to determine the nature of their relationship. The findings from this analysis are detailed below.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.628 [a]	.394	.392	.67825
1	.492 [b]	.242	.240	.76111
1	.582 [c]	.339	.337	.71051

a. Predictors: (Constant), Healthcare access
b. Predictors: (Constant), Cost of living
c. Predictors: (Constant), Alternative income sources

Table 4.15: Multiple Regression Analysis

(Source: Researcher, 2024)

The regression analyses examined the effects of three predictor variables on retirement funding among retired public officers. The model with Healthcare access as the predictor accounted for 39.4% of the variation in retirement funding, with an adjusted R-squared of 0.392. This suggests that Healthcare access significantly impacts the need for adequate retirement funds. However, the cost of living faced by retired public officers had a relatively lower predictive power, with an R-squared of 0.242 and an adjusted R-squared of 0.240, indicating that cost of living explains approximately 24% of the variation in retirement funding.

Furthermore, the alternative sources of income employed by retired public officers also played a significant role, with an R-squared of 0.339 and an adjusted R-squared of 0.337, suggesting that nearly 34% of the variation in retirement funding can be explained by the adaptive strategies and measures adopted by retirees.

4.5.3 ANOVA

The ANOVA assesses the overall significance of the regression model by comparing the amount of variability explained by the model (Regression Sum of Squares) to the amount of variability not explained by the model (Residual Sum of Squares). The table below highlights the results;

Model	Predictor	Sum of Squares (Regression)	Degrees of Freedom (Regression df)	Mean Square (Regression)	F-value	Sig.	Sum of Squares (Residual)	Degrees of Freedom (Residual df)	Sum of Squares (Total)
1	Healthcare access	89.721	1	89.721	195.385	.000	138.279	327	228
1	Cost of living	55.248	1	55.248	95.791	.000	172.752	327	228
1	Alternative income sources	77.088	1	77.088	152.938	.000	150.912	327	228

Table 4.15: ANOVA Results

(Source: Researcher, 2024)

The ANOVA results provide insights into the significance of the regression models and the predictive power of the three variables on retirement funding sustainability among retired public officers. The model with healthcare access as the predictor yielded an F-statistic of 195.385, which is statistically significant (p-value = 0.000), indicating that prolonged life expectancy is a significant predictor of retirement funding. The regression sum of squares was 89.721, and the residual sum of squares was 138.279.

For the model with cost of living by retired public officers as the predictor, the F-statistic was 95.791 (p-value = 0.000), suggesting that these challenges significantly impact retirement funding. The regression sum of squares was 55.248, while the residual sum of squares was 172.752.

The model with alternative income sources employed by retired public officers as the predictor showed an F-statistic of 152.938 (p-value = 0.000), demonstrating that these alternative income sources significantly influence retirement funding. The regression sum of squares was 77.088, and the residual sum of squares was 150.912.

The statistically significant F-statistics and p-values across all three models suggest that healthcare access, the cost of living, and alternative financial support are all significant predictors of retirement funding among retired public officers. The higher the F-statistic, the stronger the predictive power of the variable in explaining the variation in retirement funding.

4.6 Regression Model

The regression model took the following form;

RFA = β0 + β1HA + β2COL + β3AIS + e

where RFA = Retirement Funding Sustainability,

$\beta 0$ = Constant

HA= Healthcare Access

COL=Cost of living

AIS= Alternative income sources

$\beta 1$ to $\beta 3$ = Regression coefficients

e = Error term

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.247	0.312		-4.002	.000
	HA	0.328	0.045	0.314	7.241	.000
	COL	-0.192	0.039	-0.218	-4.928	.000
	AIS	0.275	0.042	0.269	6.557	.000

Table 4.16: Regression Model

(Source: Researcher, 2024)

From the table above the researcher can plot the following regression model,

RFA = -1.247 + 0.328HA + (-0.192) COL + 0.275AIS + 0.312

The constant ($\beta 0$) is -1.247, which represents the value of the Retirement Funding Sustainability (RFA) when all the independent variables (HA, COL, and AIS) are equal to zero. The coefficient for HA ($\beta 1$) is 0.328, which means that for every one-unit increase in Prolonged Life Expectancy among Retired public officers, the RFA of having retirement funding sustainability increases by 0.328, holding all other variables constant. The coefficient for COL ($\beta 2$) is -0.192, which means that for every one-unit increase in cost of living by Retired public officers, the RFA ratio of having adequate retirement funds decreases by 0.192, holding all other variables constant. The coefficient for AIS ($\beta 3$) is 0.275, which means that for every one-unit increase in alternative income sources by Retired public officers, the AF of having adequate retirement funds increases by 0.275, holding all other variables constant.

The standardized coefficients (Beta) indicate the relative importance of each independent variable in predicting the dependent variable ARF. Higher values of Beta indicate a stronger impact on the dependent variable. The t-values and their associated significance levels (Sig.) indicate the statistical significance of each independent variable in the regression model.

4.7 Chapter Summary

This chapter discussed various results derived from analysing the data gathered for the study. The research employed multiple quantitative analytical techniques to address the three stated research objectives. The chapter primarily focused on descriptive and inferential analysis methods. The overall research model indicated a correlation between retirement funding and the independent variables, which included prolonged life expectancy, cost of living by retired public officers, sustainability of retirement funding systems, and alternative income sources employed by retired public officers.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a comprehensive overview of the key findings, conclusions, and recommendations derived from the study. Additionally, it offers suggestions for future research, building on the insights gathered from the specific area of investigation.

5.2 Summary of Major Findings

The study findings indicate that healthcare access has a substantial positive effect on the need for adequate retirement funding among retired public officers in Kenya, with a strong positive correlation (0.628) and a significant predictive coefficient (0.328) in the regression analysis. However, the cost of living by these retirees exhibited a moderate negative correlation (-0.492) and an adverse effect (-0.192 coefficient) on their retirement funding adequacy. Additionally, effective additional income sources demonstrated a strong positive correlation (0.718) and a positive coefficient (0.275), suggesting their significant contribution to better retirement funding outcomes for this population.

5.3 Discussions of the Findings

This section represents an in-depth discussion of the findings of the study, examining the various factors that drive retirement funding for retired public officers in Kenya.

5.3.1 Healthcare accessand Retirement Funding

The study's findings concerning the effect of healthcare accesson retirement funding among retired public officers in Kenya align with existing empirical research and theoretical frameworks. Healthcare accesshad a significant and positive effect on retirement funding among retired officers in Kenya ($\beta = 0.328$, p-value = 0.000). This implies a unit increase in healthcare accessis associated with 0.328 or 32.8% increase in retirement funding of retired officers in Kenya

These findings resonate with previous studies that have explored the relationship between life expectancy and retirement planning. A study by Rolison et al. (2017) found that increasing life expectancy has a positive impact on individuals' propensity to save for retirement, as they anticipate a longer retirement period and the need for greater financial resources. Similarly, Ameriks et al., (2020) reported that individuals who expect to live longer are more likely to delay retirement and accumulate more savings, suggesting a conscious effort to prepare for an extended retirement period.

The link between healthcare access and retirement funding can be further understood through the lens of the Life Course Theory and the Social Exchange Theory. The Life Course Theory, developed by Elder in 1994, posits that individuals' lives are shaped by various transitions and trajectories, including retirement (Shuey & Willson, 2021). The theory suggests that individuals adapt their behaviour and decision-making based on their anticipated life course events, such as prolonged retirement due to increased life expectancy. In the context of this study, retired public officers who expect to live longer may proactively plan and adjust their retirement funding strategies to ensure financial security throughout their extended retirement period.

Additionally, the Social Exchange Theory provides insights into the motivations behind individuals' actions and decisions. According to this theory, individuals engage in social interactions based on an evaluation of potential costs and benefits (Davlembayeva & Alamanos, 2023). In the context of retirement funding, retired public officers who anticipate a prolonged lifespan may perceive the benefits of adequate financial preparation (e.g., financial security, independence) as outweighing the costs (e.g., reduced consumption during working years), thus motivating them to allocate more resources towards retirement funding.

The study's findings, supported by empirical evidence and theoretical frameworks, emphasize the importance of considering healthcare access in retirement planning. As life expectancy continues to rise, individuals may need to re-evaluate their retirement funding strategies and make necessary adjustments to ensure financial security throughout their extended retirement years. Furthermore, policymakers and retirement fund managers should consider the impact of healthcare access on retirement funding systems and explore ways to enhance their sustainability and adequacy to meet the needs of an aging population.

5.3.2 Cost of Living by Retired Public Officers and Retirement Funding

The study's findings regarding the negative impact of cost of living by retired public officers on their retirement funding align with previous empirical research and theoretical frameworks. Cost of living by retirees had a significant and negative effect on retirement funding among retired officers in Kenya ($\beta = -0.192$, p-value = 0.000). This implies a unit increase in cost of living by retired public officers is associated with 0.192 or 19.2% decrease in retirement funding of retired officers in Kenya.

These findings are consistent with previous studies that have examined the cost of living by retirees and their impact on financial well-being. A study by Samuel et al., (2021) found that retirees who faced financial challenges, such as rising healthcare costs and insufficient savings, were more likely to experience financial strain and struggle to maintain their desired standard of living during retirement. Similarly, Nga (2018) reported that retirees who experienced unexpected expenses or economic shocks were more likely to have inadequate retirement income and rely on additional sources of support.

The Life Course Theory and the Social Exchange Theory provide theoretical lenses through which to understand the effects of cost of living by retired public officers on their retirement funding. According to the Life Course Theory, individuals' life trajectories are shaped by various factors, including challenges and contingencies that may arise throughout their lives (Shuey & Willson, 2021). In the context of this study, retired public officers may face challenges such as rising costs of living, insufficient pension income, lack of financial literacy, dependence on family support, and inadequate healthcare coverage. These challenges can disrupt their anticipated retirement trajectories and necessitate adjustments or alternative income sources to maintain financial stability.

The Social Exchange Theory posits that individuals engage in social interactions based on an evaluation of potential costs and benefits (Davlembayeva & Alamanos, 2023). In the context of retirement funding, retired public officers may perceive the challenges they face as increasing the costs associated with maintaining their desired standard of living during retirement. These challenges may outweigh the perceived benefits of their current retirement funding strategies, prompting them to seek alternative sources of income or support.

The study's findings, supported by empirical evidence and theoretical frameworks, highlight the importance of addressing the cost of living by retired public officers to ensure the adequacy and sustainability of their retirement funding. Policymakers and retirement fund managers should consider implementing strategies to mitigate these challenges, such as providing financial literacy programs, promoting affordable healthcare options, and exploring ways to enhance the purchasing power of pension income in the face of rising costs of living.

Furthermore, the study's findings underscore the need for a holistic approach to retirement planning that considers not only the financial aspects but also the potential challenges and contingencies that may arise during the retirement years. By anticipating and addressing these challenges proactively, retired public officers may be better equipped to maintain their financial stability and quality of life throughout their retirement years.

5.3.3 Alternative Income Sources Employed by Retired Public Officers and Retirement Funding

The study's findings regarding the positive effect of alternative income sources employed by retired public officers on their retirement funding align with previous empirical research and theoretical frameworks. Alternative income sources had a significant and positive effect on retirement funding among retired officers in Kenya ($\beta = 0.275$, p-value = 0.000). This implies a unit increase in alternative income sources is associated with 0.275 or 27.5% increase in retirement funding.

These findings are consistent with previous studies that have examined the role of coping strategies in addressing financial cost of living by retirees. A study by Principi et al. (2018) found that retirees who employed alternative income sources such as budgeting, reducing expenses, and seeking additional income sources were better able to maintain their desired standard of living during retirement. Similarly, Topa et al. (2018) reported that retirees who engaged in proactive financial planning and adopted strategies like downsizing or relying on family support were more likely to have adequate retirement income and financial security.

According to the Life Course Theory, individuals adapt their behaviour and decision-making in response to various life events and transitions, including retirement (Shuey & Willson, 2021). In the context of this study, retired public officers may employ alternative income sources such as continuing to work, relying on community support, budgeting and saving, investing in assets, or securing adequate health insurance coverage to navigate the financial challenges associated with their retirement years. These coping strategies can help them adjust their retirement trajectories and maintain financial stability throughout their extended retirement periods.

The Social Exchange Theory posits that individuals engage in social interactions and decision-making based on an evaluation of potential costs and benefits (Davlembayeva & Alamanos, 2023). In the context of retirement funding, retired public officers may perceive the benefits of employing alternative income sources as outweighing the potential costs such as reduced leisure time, additional efforts. By employing effective coping strategies, retirees can mitigate the financial challenges they face and increase the likelihood of maintaining their desired standard of living during retirement.

The study's findings, supported by empirical evidence and theoretical frameworks, highlight the importance of promoting and facilitating the adoption of effective alternative income sources for retired public officers. Policymakers and retirement fund managers should consider providing resources and support systems to assist retirees in developing and implementing coping strategies tailored to their circumstances.

Additionally, the study's findings underscore the need for financial literacy programs and retirement planning initiatives that equip individuals with the knowledge and skills necessary to identify and employ appropriate alternative income sources. By empowering retired public officers with the tools and resources to cope with financial challenges, they can better navigate the complexities of their retirement years and maintain financial stability throughout their extended retirement periods.

The study's findings contribute to a deeper understanding of the role of alternative income sources in mitigating the financial cost of living by retired public officers and promoting the adequacy of their retirement funding. By aligning with theoretical frameworks and leveraging empirical evidence, the findings provide valuable insights for policymakers, retirement fund managers, and retired public officers themselves in fostering sustainable and secure retirement experiences.

5.4 Conclusion

This study investigated the drivers of retirement funding for retired public officers in Kenya, Kenya. The research objectives focused on assessing the effects of prolonged life expectancy, cost of living by retirees, the sustainability of retirement funding systems, and the alternative income sources employed by retired public officers. The findings revealed that healthcare accesshas a strong positive correlation with retirement funding (32.8%), suggesting that as life expectancy increases, retirees require more substantial retirement funds to sustain their financial needs. Conversely, the cost of living by retired public officers, such as high cost of living and healthcare expenses, exhibited a moderate negative correlation (19.2%) with retirement funding, indicating that these challenges can undermine the adequacy of retirement funds.

The study also highlighted the importance of sustainable retirement funding systems, as evidenced by the strong positive correlation (44.1%) between the sustainability of these systems and retirement funding. Respondents acknowledged the need for reforms to improve the long-term viability of pension systems, ensuring continued support for retirees in the future. Furthermore, the research identified various alternative income sources employed by retired public officers to manage their retirement funds effectively. Strategies such as budgeting, saving, investing in assets, and continuing to work after retirement exhibited a moderate positive correlation (27.5%) with retirement funding, indicating their potential to enhance financial security during retirement.

Based on these findings, it is evident that a multifaceted approach is necessary to address the cost of living by retired public officers in Kenya. Policymakers and relevant stakeholders should prioritize initiatives that promote sustainable retirement funding systems, address the unique cost of living by retired public officers, and provide adequate support mechanisms to help retirees cope with financial demands. Additionally, public awareness campaigns and financial literacy programs could empower individuals to plan effectively for their retirement years, considering factors such as healthcare access and the potential need for additional income sources or coping strategies. By addressing these critical issues, Kenyan policymakers and relevant authorities can foster a more secure and dignified retirement for public officers, ensuring that their dedicated service to the nation is appropriately acknowledged and their financial well-being is safeguarded during their later years.

5.5 Recommendations

5.5.1 Policy Recommendations

Policymakers should prioritize a comprehensive review and reform of existing pension policies to address the sustainability concerns highlighted in the study findings. These reforms should aim to improve indexation for inflation, ensure long-term viability, and provide adequate income support for retirees. Additionally, strengthening social security programs by introducing initiatives such as subsidized healthcare, housing assistance, or supplementary income support for low-income retirees can serve as a vital safety net for those facing financial challenges during retirement. Furthermore, implementing financial literacy programs targeting both current and future retirees is crucial to empower individuals to plan effectively for their retirement years. These programs should educate individuals on retirement planning, investment strategies, and alternative income sources for managing retirement funds.

5.5.2 Managerial Recommendations

Pension fund managers and relevant authorities should enhance their investment strategies to ensure sustainable returns that can support retirees' income needs over an extended lifespan. This may involve diversifying investment portfolios, exploring alternative asset classes, or seeking professional financial advisory services. Improving transparency and open communication by providing regular updates on fund performance, investment strategies, and any policy or regulatory changes is essential to build trust and confidence among retirees. Additionally, offering financial planning services, including budgeting advice, investment guidance, and strategies for coping with financial challenges, can assist retirees in managing their funds effectively. Given the importance of affordable healthcare for retirees, pension fund managers could explore partnerships or group plans with healthcare providers to offer discounted services or insurance plans tailored to the needs of retirees.

5.6 Study Limitations

5.6.1 Geographical Limitation

The study concentrated solely on retired public officers in Kenya. Although Kenya has a substantial population, the findings may not accurately represent the experiences and challenges encountered by retirees in various regions of the country. Geographical factors, such as the cost of living, access to healthcare facilities, and the availability of support systems, can differ significantly between urban and rural areas. Future research could broaden its scope to include retirees from diverse geographical locations across Kenya, enabling a more comprehensive understanding of retirement funding dynamics on a nationwide scale.

5.6.2 Other Limitations

The study relied primarily on self-reported data collected through questionnaires, which may be subject to response bias or inaccuracies. Additionally, the cross-sectional nature of the study provides a snapshot of retirement funding dynamics at a specific point in time, limiting the ability to capture long-term trends or changes in individual circumstances. Furthermore, the sample size, while sufficient for the study, may not be representative of the entire population of retired public officers in Kenya, potentially limiting the generalizability of the findings.

5.7 Suggestions for Further Studies

To address the geographical limitation, future research could adopt a nationwide approach, encompassing both and rural areas. This would provide valuable insights into the unique challenges and alternative income sources employed by retirees in diverse settings, informing targeted policies and interventions.

Longitudinal studies could be conducted to track the long-term effects of prolonged life expectancy, retirement funding sustainability, and the effectiveness of alternative income sources employed by retirees over an extended period. Such studies would provide a more comprehensive understanding of the dynamic nature of retirement funding challenges and the evolving needs of retirees.

Furthermore, qualitative research methods, such as in-depth interviews and focus group discussions, could be employed to gain a deeper understanding of the lived experiences, perceptions, and coping strategies of retired public officers. This qualitative approach would complement the quantitative findings and provide rich contextual insights.

Additionally, future studies could explore the role of technology in retirement funding, including the potential of digital financial services, online investment platforms, and mobile-based applications to support retirees in managing their finances effectively.

By addressing these limitations and incorporating the suggested further studies, researchers can contribute to a more comprehensive body of knowledge on retirement funding dynamics, informing evidence-based policymaking and fostering sustainable solutions for retired public officers in Kenya and be

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APPENDICES

Appendix I: Letter of introduction

Dear Respondent,

I am a Master's student at Strathmore University Business School researching the effects of prolonged life expectancy on retirement funding for retired public officers in Kenya. My study aims to assess how increased longevity and life expectancy among retirees in Kenya affects the sustainability of their retirement income and funding. Prolonged life expectancy can strain personal savings and existing pension systems. This study seeks to understand the financial challenges retired public officers face and how they cope.

You are invited to participate in this research by completing the following questionnaire. The questionnaire asks about your background, retirement income sources, financial status, and overall experiences in retirement. Your responses will provide insights into how extended life expectancy impacts retirement funding and quality of life in an setting.

The questionnaire will take approximately 15-20 minutes to complete. Your participation is completely voluntary and your responses will be kept confidential. The data collected was used for academic purposes only. The results were shared with participants through a summary report sent via email. Additionally, I will develop a dissemination plan to share the key findings with other relevant stakeholders such as retirement associations, policymakers, and financial institutions.

Thank you for taking the time to participate in this study. Your insights will be valuable to understanding prolonged life expectancy and improving retirement funding for retired public officers. Please contact me through email (Peris.timah.PT@gmail.com) if you have any questions.

Sincerely,

Peris Masese.

Strathmore University Business School

Appendix II: Questionnaire

This three-part questionnaire asks about your background, healthcare access, cost of living by retired public officers, and alternative income sourcess employed by retired public officers, and retirement funding. It contains multiple choice and 5-point Linkert questions. Please answer honestly based on your personal situation. Your responses will provide insights into how prolonged life expectancy affects retirement funding and quality of life for retired public officers in Kenya. Thank you for your participation.

Section A. Respondent's Profile

1. Age

   55-59 years ( )

   60-64 years ( )

   65-69 years ( )

   70-74 years ( )

   75 years & above ( )

2. Gender

   Male ( )

   Female ( )

3. Marital Status

   Single ( )

   Married ( )

   Separated ( )

   Widowed ( )

4. Number of Children Below 21 Years

   None ( )

   1-2 ( )

   3-4 ( )

   5-6 ( )

   More than 6 ( )

5. Level of Education and Training

   Primary ( )

   Secondary ( )

College ( )

University ( )

6. Number of Years Worked in public service

0-9 years ( )

10-19 years ( )

20-29 years ( )

30-40 years ( )

>40 years ( )

7. Year of Retirement………………………..

8. State Your Profession and Cadre/Job Group Before Retirement…………………….

9. Number of Years in Retirement

0-3 years ( )

4-6 years ( )

7-9 years ( )

10 years > ( )

Section B: Prolonged Life Expectancy

Please express your degree of agreement with the provided statements by assigning a score on a scale of 1 to 5, where (1) Strongly Disagree (2) Disagree (3) Moderately Agree (4) Agree (5) Strongly Agree

Healthcare Access					
Statement	**1**	**2**	**3**	**4**	**5**
Access to necessary healthcare services is readily available for retired public officers.					
Out-of-pocket medical expenses significantly impact retirement finances.					
The quality of healthcare services received as a retired public officer is satisfactory.					
Chronic health conditions have a notable impact on overall healthcare costs in retirement.					
Satisfaction with the standard and effectiveness of medical treatment received is high.					
Cost of Living					
Statement	**1**	**2**	**3**	**4**	**5**
Inflation has a noticeable impact on maintaining the standard of living in retirement.					

Housing options available to retired public officers in the area are considered affordable.					
The current cost of food in relation to the retirement budget is reasonable.					
Transportation expenses in retirement are generally manageable.					
Utilities costs are perceived as reasonable and manageable for retired public officers.					
Alternative Income Sources					
Statement	**1**	**2**	**3**	**4**	**5**
Pursuit of informal work opportunities is common to supplement retirement income.					
Family support significantly contributes to financial well-being in retirement.					
Awareness of social protection programs available to retired public officers is notable.					
Engagement in entrepreneurial activities for additional income during retirement is prevalent.					
Alternative income sources significantly contribute to retirement funding sustainability.					

Section C: Retirement Funding Sustainability

Please express your degree of agreement with the provided statements by assigning a score on a scale of 1 to 5, where (1) Strongly Disagree (2) Disagree (3) Moderately Agree (4) Agree (5) Strongly Agree

Retirement Funding Sustainability					
Statement	**1**	**2**	**3**	**4**	**5**
Retirement income is considered adequate to cover expenses.					
Confidence in financial literacy and retirement planning skills is generally high.					
Confidence exists that retirement savings will last throughout retirement years.					
Preparedness for unforeseen financial challenges in retirement is evident.					
Overall satisfaction with retirement financial situation is high.					

Thank You

Appendix III: Ethical Approval Letter

Strathmore University

23rd May 2024

Ms Onyancha Peris,
peris.onyancha@strathmore.edu

Dear Ms Onyancha,

RE: Drivers of Retirement Funding of Middle-Class Urban Retirees in Nairobi

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2150/24.** The approval period is from **23rd May 2024 to 22nd May 2025.**
This approval is subject to compliance with the following requirements:

i. Only approved documents including (informed consents, study instruments, MTA) will be used.
ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
v. Clearance for the export of biological specimens must be obtained from relevant institutions.
vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) https://research-portal.nacosti.go.ke/ and obtain other clearances needed.

Yours sincerely,

Mr Ambrose Rachier,
Chairperson; SU-ISERC

Appendix IV: NACOSTI Approval

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: 282131

Date of Issue: 28/May/2024

RESEARCH LICENSE

This is to Certify that Ms.. Peris Masese Onyancha of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: DRIVERS OF RETIREMENT FUNDING OF MIDDLE-CLASS URBAN RETIREES IN NAIROBI. for the period ending : 28/May/2025.

License No: **NACOSTI/P/24/36175**

282131

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

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See overleaf for conditions