

# Retirement well – being: A Kenyan perspective



# Reason for study



## 1. Progress from 2<sup>nd</sup> research output – confidence in retirement

- Limited to pre-retirement with no reality of retirement
- Focusing on planning with finance as the measurable amount

## 2. Global alarm on governments to fix pension plans

- People are living longer – by 2050 those aged over 60 will nearly double
- Majority are not covered – under 20% of Kenyans have formal pension plans

## Research gap



- The voice of retirees' in understanding the retirement experience.
- Retirement has changed!
  - Retirement is more likely a midlife psychosocial transition as opposed to an old age exit.
  - Most retirees are now receiving a Defined Contribution (“shilingi kwa shilingi”) payoff as opposed to a Defined Benefit (inflation proof) payoff.

Variables explaining retirement have significantly changed!

A qualitative approach suitable

## Research Objective



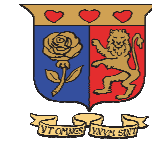
**Identifying** and **describing** the general meaning of well-being in retirement with a particular focus on the place and value of financial resources in retirement.

# The concept of well-being



*Figure 1: Defining wellbeing from (Dodge, Daly, Huyton, & Sanders, 2012)*

## Description of study and participants



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20 Semi structured telephone and one – to – one interviews were conducted and transcribed between 22<sup>nd</sup> June and 18<sup>th</sup> July 2018

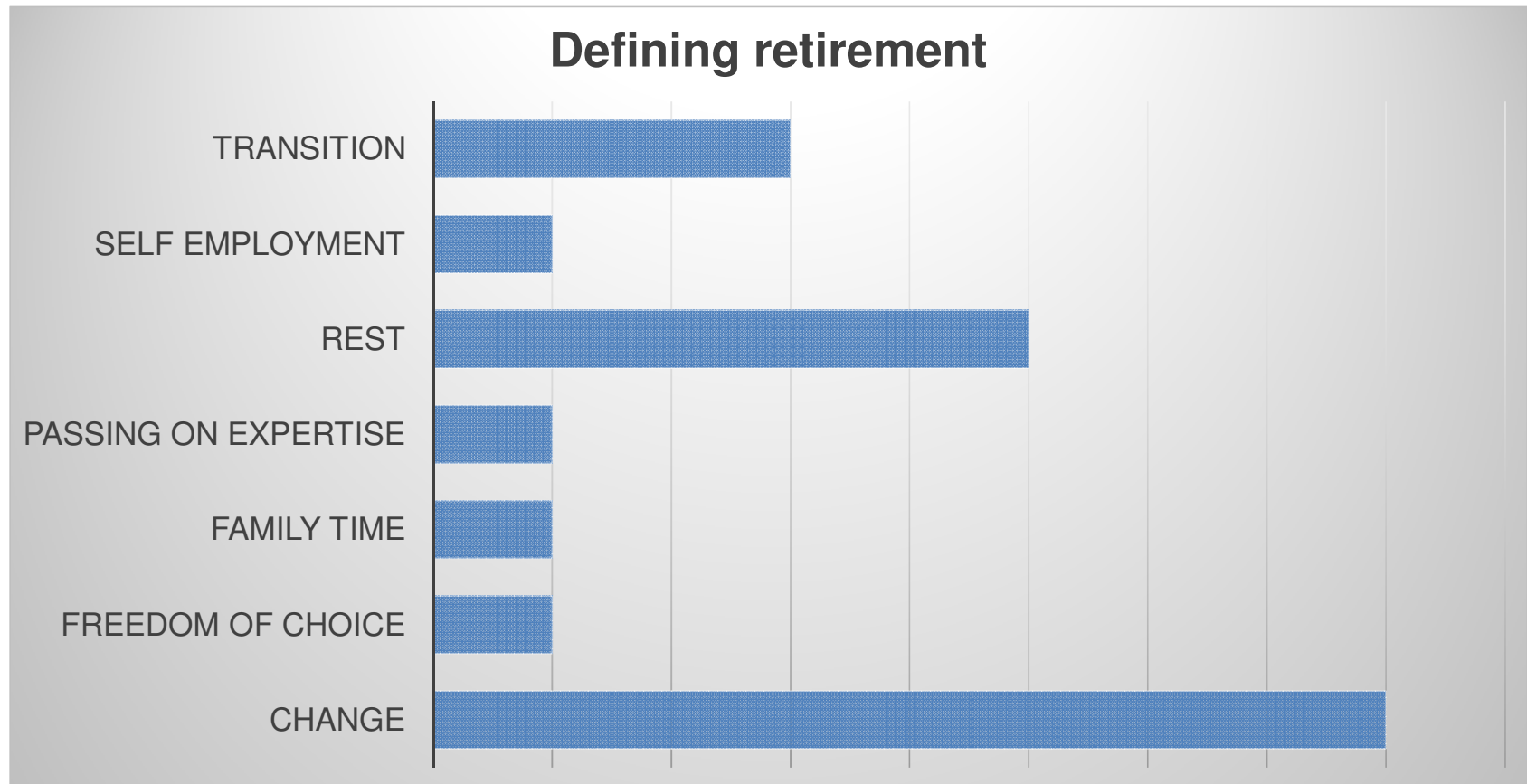
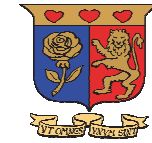
Description	Total	Average monthly pension	Average of Est. age today
Female	21	77,500.48	65
Annuity	2	13,518.50	62
Kesho Hela	7	109,659.50	63
Milele	12	69,404.72	66
Male	49	75,778.75	66
Annuity	5	10,363.00	65
Kesho Hela	13	83,924.59	65
Milele	31	82,913.68	67
<b>Grand Total</b>	<b>70</b>	<b>76,295.27</b>	<b>66</b>

## Results - five key themes



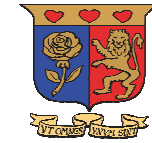
1. The perspective of retirement as a transition into a self-managed active life.
2. The need for multiple sources of income for adequacy and de-risking
3. Heightened concern of lack of adequate medical insurance to cater for the increasing risk of poor health
4. The significance of social and family networks as a financial coping mechanism
5. The need to leave a legacy and financial base for children.

# Transition into a self - managed active life





## Transition into a self - managed active life



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*“ ..what I have now seen or experienced first-hand – retirement does not mean you go out there and just sit around. It is a different type of active life.”* Interview 17 quotation 12.

*“I am retired but am not tired, am an active person.”* Interview 9 quotation 13.

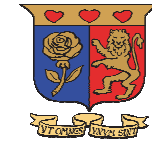


## Multiple sources of income



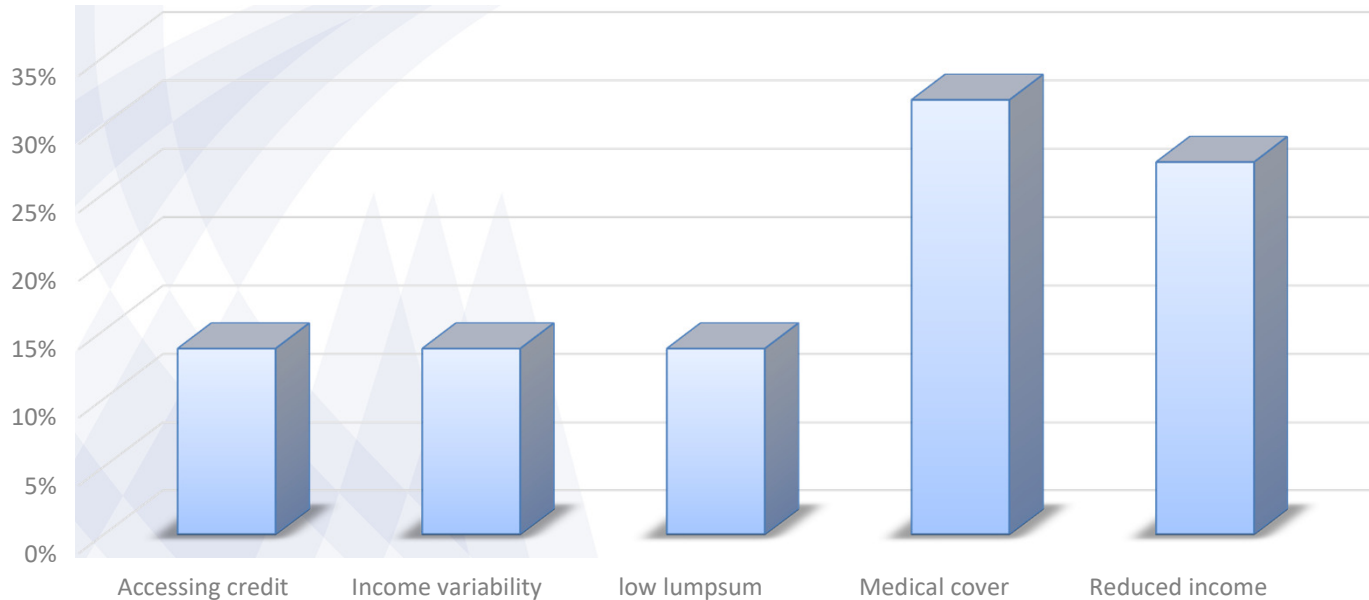
*“The most useful for me is the one that is permanent. We’ve got the rental because it is there forever. Even if you have a problem with the tenant that one you can always do something about it. So with those you can survive.”* Interview 16 quotation 16

# Financial concerns in retirement



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## Financial concerns in retirement



## Health and nutrition concern



*“The area of health needs a lot of attention. I have colleagues who retired earlier than me have suffered health wise and the money can’t be enough. Some homework need to done to save more for the health insurance to avoid effects of illnesses that spring up during old age.”*

*Interview 10 quotation 28*

*“..I grow a number of things for myself. But I still find food extremely expensive. As you retire, there are things you have to eat and you can’t grow everything. So you have to buy them at the supermarket. You may probably need a lot more veggies, fruits there are certain things you can’t eat and you can probably only find them at the supermarket. So food has become quite expensive. So you find I spend quite a huge amount of money on food.”* Interview 4 quotation 33

## social and family networks



*“Welfare group? I belong to many. With wazees... my age mates and others. Like where I stay we have one which we formed 2 years ago. And I am the chairman and It’s a welfare group. Those ones I’m in many. But not SACCO, they’re welfare groups. You save some little money, you invest there but the main goal for such is welfare.” Interview 2 quotation 18*

## Leaving an inheritance



- All participant expressed a desire to leave some financial asset for their children
- A third of those who responded had a formal will

*“....Your children – if God wishes – they will outlive you. So even this [rental units under construction] is theirs. ...And then it is some plots of land I have here and there, as much as I am encouraging them to get theirs, what I have is also theirs.” Interview 17 quotation 26*

## Conclusion



1. “Retired but not tired”: Evidence of “honeymoon” stage of an active self managed retirement
2. Major concern: Adequacy of medical insurance in retirement
3. Strong need for alternative source of income to bridge the gap of pension income
4. A friend in need: The use of social and family networks for coping with catastrophes
5. “A place to live in; and a place to live on”: Rental income considered permanent and inheritable





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Thank you!

Any Questions?