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Financial Literacy And Retirement Preparedness: A Review Of Literature

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Abstract
Retirement preparedness has been identified as a major issue on a global scale, with different nations having different levels of preparedness. Retirement preparedness has gained attention as a result of demographic and labor force transition patterns from several nations and regions across the globe. Despite the inevitability of retirement, many individuals remain inadequately prepared and financial literacy and awareness have emerged as a solution to retirement preparedness. This study sought to examine the relationship between financial literacy and retirement preparedness. The study adopted a systematic literature review methodology utilizing both theoretical as well as empirical literatures. The literatures used for the study covered different industry and different geographical context. The research was guided by Lifecycle Theory, Prospect Theory, and the Theory of Planned Behavior. Based on the results of the review it was discovered that financial literacy has a significant effect on retirement preparedness through enhanced financial knowledge, financial behavior, investment literacy, pension literacy, financial planning, as well as financial self-efficacy. The study concluded that financial literacy is a significant predictor of retirement preparedness. From the conclusions it can be recommended that there is a need for the implementation of a comprehensive financial literacy program that could include; retirement planning education as well as awareness campaigns that is aimed at improving retirement preparedness among employees and the general public.

Keywords: *Financial Planning, Financial Literacy, Retirement Preparedness, Retirement Planning, Pension Literacy.*

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I. Introduction

Retirement preparedness has been identified as a major issue on a global scale, and different nations have different levels of preparedness (Septia, Nirwana & Afdal, 2020). Mpuya and Isanzu (2025) also reported that retirement preparedness is a subject matter of worldwide importance, as indicated by demographics alongside labour force shift dynamics from numerous nations and areas around the entire globe. Reduced benefits, higher pension eligibility ages, and a culture of excessive spending during working years are issues that impede retirement readiness in industrialized countries like the US, Australia, and Germany. Based on the submission of Gallardo and Libot (2017) although retirement is inevitable, the extent of preparation varies significantly among the United States working populace and their families, leading to heightened concerns regarding financial security. This anxiety has triggered a tremendous shift in attitudes toward retirement preparation compared to the 1980s. According to Mengya and Bartholomae (2020), financial safety in the wake of retirement continues to be a major concern for a large number of Americans. This is because financial illiteracy is often associated with prevalent lack of preparation, and both financial literacy and retirement readiness levels are generally low throughout the United States, including among pre-retirees aged 55 to 64. Consequently, individuals are now more focused on proactive planning to ensure long-term stability.

In developing nations like Malaysia, Thailand, and Indonesia, a lack of professional financial literacy and physical burnout frequently drive anxiety and poor preparation regarding retirement (Abidin, Zainuddin & Rahim, 2023). Consequently, many individuals in these regions find themselves financially reliant on their children or are compelled to re-enter the workforce after retiring to meet basic living expenses (Isa, Mohd & Daukin, 2023). Retirement readiness is hampered by a variety of context-specific challenges throughout Africa. For instance, low- and middle-class public sector workers in Ghana frequently experience extreme financial hardships that makes it impossible for them to consistently save (Nutakor, 2023). Similarly, Kenyan public servants struggle due to insufficient retirement education and low salary levels, which limit the effectiveness of preparation programs (Maina and Kimani, 2020). In Tanzania, retirement readiness continues to be a significant concern. Many retired civil servants have expressed dissatisfaction with the imbalance between their pension contributions and the benefits they receive, as well as the inadequacy of pension payments and ongoing financial hardship (Amani, 2022).

As the economy becomes increasingly difficult, many individuals find it challenging to manage their current financial obligations while planning for the future and these economic pressures compounded by rising life expectancies, extend the period for which savings are required. As a result, a substantial share of the workforce remains financially vulnerable, with nearly 36% of workers aged 25 years and above having no retirement savings (Qi, Chatterjee & Liu, 2022). Many individuals now face difficult decisions about when to retire and how they will finance their retirement years. Poor retirement planning can reduce life satisfaction and overall well-being, influence retirement decisions, and contribute to broader economic challenges (Gathiira, Muathe & Kilika 2020). Given the growing problems of more adults become financially insecure, financial literacy and awareness have emerged as a global concern and people who are financially prepared are better equipped to deal with the numerous issues that people face today, including health issues, unemployment, early retirement, and insolvency, among others (Bautista, 2020). Financial education has been employed throughout the past few decades to address financial illiteracy issues and enhance workers' financial circumstances (Hannon, Covington, Frank-miller & Grinstein-weiss, 2017).

The ability to comprehend how money is made, managed, invested, and spent is known as financial literacy (Bautista, 2020). It can also be described as the ability to apply knowledge and skills to effectively manage financial resources for an extended period characterized by financial viability (Hannon et al. 2017). According to Kiptoo (2025), financial literacy refers to the knowledge and understanding of financial concepts and practices that enable individuals to make informed financial decisions. It encompasses skills such as budgeting, personal financial management, investment, and retirement planning. According to Will Kenton (2020), financial literacy is the ability to understand and apply a range of financial skills, including budgeting, investing, and personal financial management. Akims and Jagongo (2017) postulate that financial literacy is the degree by which individuals understand key financial concepts, have confidence and ability of undertaking appropriate investment decisions while considering the dynamic economic environment. Similarly, Eappen and Venugopal (2024) described financial literacy as the capacity to make sound financial judgments and informed decisions regarding the effective management of money. This skill needs a thorough comprehension of fundamental financial ideas, such as compound interest, the time worth of money, and strategic financial planning. Additionally, it includes effective savings strategies, a practical understanding of credit card operations, and the defence of consumer rights (Abd Rahim & Ali, 2025).

Employees that are financially literate are better at creating healthy financial habits and handling financial difficulties. People need to stay out of financial trouble (Khawar & Sarwar 2021). As financial transactions become increasingly complex, financial literacy has assumed greater importance because it equips individuals with the knowledge needed to make informed long-term financial decisions that support their future well-being (Kadoya & Khan, 2020). In this regard, Annamaria Lusardi (2019) argued that financial literacy is no longer a specialized skill reserved for a few but a fundamental life competency, comparable in importance to reading and writing, and essential for individuals and societies to achieve their full potential.

II. Theoretical Review

The Lifecycle Theory

According to the Lifecycle Theory, which was first presented by Modigliani and Brumberg in 1950, people make wise financial and spending choices based on their current stage of life and the resources available to them. It also emphasizes that individuals accumulate wealth over time and later utilize these assets to finance retirement. The lifecycle theory assumes that individuals make financial decisions with consideration for their entire lifespan. It suggests that people are able to foresee their future financial resources, recognize the resources they will require during various stages of life, and make informed decisions about managing and utilizing those resources (Agunga, 2016).

The lifecycle theory is the basis used by economics and other related professions to model people's saving decisions since it implies that people maximise their consumption throughout their active and retirement years (Holzmann, Holzmann, Ayuso, Estefania & Jorge, 2019). The model assumes that individuals accumulate both financial and non-financial assets during their working years and gradually draw down these assets after retirement to smooth consumption throughout their lifetime. Based on this assumption, it suggests that purchasing a life annuity at retirement is an optimal financial strategy because it provides protection against the uncertainty of lifespan (Martini & Luca 2023). A major criticism of the Life Cycle Hypothesis is the extent to which empirical evidence supports its predictions. Although the theory assumes that individuals accumulate savings during their working years and gradually deplete them in retirement, many studies show that older adults often retain their wealth and, in many cases, continue saving part of their income instead of drawing down their accumulated assets (Deaton, 2005).

Retirement planning decisions, such as portfolio allocation and retirement insurance purchases, are influenced by lifecycle theory. The fact that this research looks into whether individuals modify their saving and investment behaviours as they approach retirement makes the life cycle theory a fit. By analyzing financial habits as well as the resource management strategies people adopt shows the relevance of Life Cycle Theory in explaining retirement planning behaviour across different economic settings.

Prospect Theory

Daniel Kahneman and Amos Tversky (1979) developed Prospect Theory as a more psychologically grounded alternative to Expected Utility Theory. According to Daniel Kahneman (2003), the theory explains how individuals make decisions when confronted with choices involving risk and uncertainty. Instead of assessing outcomes in absolute terms, individuals evaluate decisions by comparing potential gains and losses against a reference point, such as the original purchase price of an asset. Prospect theory maintains that people tend to be strongly loss-averse when dealing with financial uncertainty. These behavioral biases can shape financial decisions relating to retirement, particularly investment choices (Yoo, Park & Kim, 2023).

The prospect theory explains how people are more affected by losses than by gains of an equivalent value. Furthermore, people tend to underestimate likely outcomes when compared to specific outcomes, and their responses to the same circumstances can vary according on whether the scenario is presented as a win or a loss (Kahneman & Perttunen, 2004). People experience regret when they commit mistakes. By refusing to sell shares whose values have dropped and being willing to sell shares whose prices have increased, investors avoid regret. Furthermore, keeping losing equities for too long causes investors to feel greater remorse than selling winning ones too quickly (Forgel and Berry, 2006). Prospect Theory was criticized by Rossiter for heavily referencing psychology without giving due credit, depending on mathematical computations that are too complicated for typical consumers, neglecting to look at how consumers process information when making decisions, and having a weak application to actual consumer choices (Rossiter, 2019).

The prospect theory’s perspective provides a very good lens for understanding the relevance of financial literacy to retirement preparedness as going by the theory, individuals with high loss aversion are more likely to choose low-risk investments with limited returns or avoid investments entirely because they fear losing money. According to Agnew, Bateman and Thorp (2012) retirement investment behaviour is heavily influenced by risk preferences developed through experiences of gains and losses. Hence, enhancing financial literacy among low-income groups is necessary to increase risk tolerance and support informed investment decisions involving higher risks and potential returns.

Theory of Planned Behavior (TPB)

The basic idea fundamental to Ajzen's (1985) theory of planned behaviour (TPB) is that a person's decision to engage in a given activity is governed by three aspects comprising attitude towards the conduct, subjective norm surrounding the behaviour, and perceived behavioural control determine behavioural intents. According to the Theory of Planned Behavior, individuals are more likely to develop the intention to perform a behaviour when they hold a favourable attitude toward it, perceive social support for the behaviour, and believe they have sufficient control over carrying it out. As La Barbera and Icek Ajzen (2020) explained, behavioural intention is the immediate precursor to action, and stronger intentions generally increase the likelihood that the behaviour will be performed. However, the capacity to execute this intention depends on an individual's actual control, which is influenced by their ability to overcome obstacles and the presence of facilitating factors, such as support from others or prior experience (Conner, 2020).

The Theory of Planned Behavior also argues that perceived behavioural control influences the extent to which intentions translate into actual behaviour. As perceived or actual control increases, individuals are more likely to successfully carry out their intended actions (Uturestantix, Purwanto & Andy 2022). According to Icek Ajzen (2020), the Theory of Planned Behavior has been widely applied to explain and predict behaviour across diverse social contexts, including substance use, physical activity, waste management, consumer purchasing, safe sexual practices, technology adoption, and privacy protection. Despite its widespread application, the Theory of Planned Behavior (TPB) has attracted considerable criticism. Paschal Sheeran, Peter Gollwitzer, and John Bargh (2013) argued that the theory places excessive emphasis on rational decision-making while overlooking unconscious influences on behaviour. Similarly, McEachan, Conner, Taylor, and Lawton (2011) contended that its relatively static framework does not adequately capture how behaviour influences subsequent beliefs and future actions. Furthermore, Conner, Gaston, Paschal Sheeran, and Germain (2013) questioned whether explaining voluntary behaviour using only four core constructs is sufficiently comprehensive, noting that the theory gives limited attention to emotional influences beyond anticipated affective outcomes.

The theory provides a useful framework for explaining the factors that shape individuals' intentions and subsequent behaviours relating to financial decisions and the use of financial products. According to Kennedy (2013), an individual's willingness to improve their financial literacy plays a significant role in influencing the decision to adopt financial products. This viewpoint is consistent with the Theory of Planned Behaviour, which contends that financial literacy plays a crucial role in decision-making. Individual attitudes towards risk and perceptions of retirement plans influence behaviour in the context of retirement planning. People are therefore more inclined to prioritise and adhere to these goals if they understand how crucial they are to safeguarding their future and upholding a desired level of living.

Empirical Review

Mndzebele and Kwenda (2020) investigated the influence of financial literacy on retirement preparedness among academic staff in higher education institutions in Eswatini. The study made use of a quantitative approach and adopted a descriptive research design. A proportionate sampling technique was used to select 144 respondents from a population of 612 employees. The findings revealed that knowledge of financial instruments had a significant positive effect on retirement financial preparedness. Consequently, the study recommended that strengthening awareness programmes on financial products can go a long way in enhancing retirement preparedness.

Agabalinda and Isoh (2020) investigated the effects of financial literacy on retirement readiness among employees of small and medium-sized enterprises (SMEs) in Uganda. The study collected primary data from 380 respondents drawn from the SME workforce. The Data was analysed using SPSS, validity and reliability was ascertained through satisfactory composite reliability and average variance extracted (AVE) values. The proposed hypotheses were subsequently tested using structural equation modelling (SEM). The analysis revealed that financial knowledge and financial skills significantly enhanced retirement preparedness, whereas financial attitude did not have a statistically significant effect.

Rodrigo (2021) investigated the relationship between financial literacy and retirement preparedness among private-sector employees in Sri Lanka. The research measured Retirement preparedness using metrices that included retirement planning, perceived adequacy of retirement income, and wealth accumulation. The findings of the analysis indicated that financial literacy was significantly associated with objective wealth accumulation only, whereas pension literacy had a positive and statistically significant relationship with both the subjective and objective indicators of retirement preparedness. Furthermore, the research indicated no synergistic effect between financial and pension literacy regarding overall retirement preparedness.

Akims, Abayomi, Akims, Avedi, Joseph, and Ouma (2023) employed a systematic review methodology to examine the relationship between financial literacy and investment decisions. The review also explored existing studies on investor awareness and its role in shaping investment behaviour. Based on the evidence synthesized, the authors concluded that financial literacy, investor awareness, and investment decisions are closely interconnected. They further found that financial literacy enhances investment decision-making by equipping investors with the skills needed to perform both technical and fundamental analyses.

Nchise and Akosso (2024) sought to determine how financial literacy affected the retirement readiness of individuals employed in Cameroon's informal sector. The study examined individual levels of investment literacy, cash-flow management literacy, credit management literacy, and the usage of formal and informal financial services. Using the geographic categories, 400 economically active financial service users from Yaoundé's seven subdivisions were proportionately selected for the study. To assess the statistical correlations, survey data were statistically evaluated using the Covariance-Based Structural Equation Model [CB-SEM] using SPSS and AMOS 24 statistical software. The findings demonstrated a statistically significant positive correlation between financial literacy and retirement preparation. The study recommends applying a dualist financial inclusion paradigm that recognises the need of both formal and informal financial services in order to increase people's retirement preparation in Cameroon's informal sector as well as in emerging countries.

Abd Rahim and Ali's (2025) study looked at a number of factors that affect retirement readiness, such as financial literacy, education, income, gender, and behavioural attitudes. The study utilised Scopus AI to support its systematic review and found that individuals with higher levels of financial literacy were more likely to save consistently, diversify their investments, and engage in effective retirement planning. Based on these findings, it was recommended that policies aimed at improving financial literacy while addressing gender and socioeconomic disparities should be given priority.

Apostol, Maitom, Manus, Ravelo, Saligumba, and Susada (2025) investigated retirement preparedness and financial literacy among senior government employees while examining whether these differed according to demographic characteristics, financial behaviour, self-efficacy, well-being, and retirement-related practices. The study adopted a quantitative descriptive-correlational design involving 73 government employees in Cateel who were approaching retirement, comprising 35 public school teachers and 38 local government unit (LGU) staff. Data were collected using standardized questionnaires and analysed with descriptive statistics, Pearson correlation, ANOVA, and independent-samples t-tests. The results demonstrated that respondents had high levels of financial literacy, especially when it came to financial behaviour, financial planning, self-efficacy, and financial well-being. In terms of financial behaviour and well-being in particular, the study found a moderate and statistically significant relationship between financial literacy and retirement readiness. The researchers recommended broader studies involving varied socio-economic and demographic groups to explore the factors influencing financial preparedness and perception. They also suggested future research should evaluate the long-term sustainability of retirement plans and develop interventions aimed at aligning financial perception with actual preparedness.

Kiptoo (2025) investigated the influence of financial literacy on retirement planning among employees of the Nakuru County Government. Theoretical foundations for the research included the Life Cycle Theory, Economic Theory of Retirement, and Theory of Planned Behaviour. An exploratory and descriptive research approach was employed. A purposive sample of 257 pre-retirement employees was taken from a population of 1,536 permanent and pensionable workers. Structured questionnaires were used to gather data from 161 respondents using the drop-and-pick approach. SPSS was used to conduct binary logistic regression analysis and diagnostic tests such as reliability, validity, normality, multicollinearity, and model fit tests. Findings indicated that economic status significantly affected retirement planning, whereas financial education, financial knowledge, and demographic factors did not. The study recommended the introduction of retirement planning programs targeting women and additional research on financial literacy and retirement planning.

Abad, Angelito, Arceno, and Sumicad (2025) looked into the connection between Generation X government workers' retirement readiness and financial literacy. The study employed a quantitative research design. Specifically, the descriptive-correlational design makes use of survey data. This makes it possible to investigate correlations between variables without manipulating them, providing information about how these variables interact and affect retirement readiness. A questionnaire sent via printed forms was used to conduct a survey. The result of the study indicated that Government workers from Generation X are very financially literate, yet their retirement readiness varies. Retirement preparation and financial literacy have a strong positive correlation.

Using a descriptive-correlational approach, Archell, Bernasa, and Manigo (2025) investigated the link between financial literacy, self-efficacy, and retirement readiness among academic and non-teaching personnel. Simple random sampling was used to choose the respondents, and regression analysis, correlation, and mean scores were used to examine the results. Findings of the study showed strong financial literacy and self-efficacy levels, with significant influence from financial skills, goals, behaviour, and all self-efficacy dimensions on retirement preparedness. The study encourages participation in institutional and government savings programs such as Pag-IBIG MP2.

Keryne and Jason (2025) examined the effect of financial literacy on retirement preparedness among academic staff in Uganda's public universities. The researchers collected data from 298 academicians using a structured questionnaire, and the responses were analysed with SmartPLS Structural Equation Modelling (SmartPLS-SEM). The results demonstrated that while financial abilities had little direct impact, financial conduct and knowledge greatly improved retirement readiness. In order to improve saving culture and lower early pension withdrawals, the study suggested financial counselling and retirement planning initiatives.

Mpuya and Isanzu (2025) conducted a qualitative study in Dodoma to examine the contribution of financial literacy to retirement preparedness among public primary school teachers. Data were gathered through interviews and focus group discussions involving 35 teachers and 5 key informants. The analysis identified three major themes: financial decision-making, financial management, and access to financial services. The findings demonstrated that financial institutions' lectures enhanced attendees' comprehension of saving, investing, and budgeting. However, because of personal attitudes and financial limitations, individuals found it difficult to use this knowledge successfully. Additionally, the study revealed a connection between financial literacy and the use of financial services, especially for instructors who have more years left until retirement. In order to promote financially responsible behaviour and enhance retirement readiness, the study suggested implementing financial literacy programmes for younger people.

Tyopev, Enang, and Obot (2026) sought to ascertain how financial literacy amongst librarians in public universities in North-Central Nigeria affects retirement readiness. The study used a descriptive survey research design and selected all participants by census sampling, focusing on 244 librarians from 15 public universities. The Financial Literacy and Retirement Preparedness Questionnaire (FLRPQ), a questionnaire created by the researcher, was used to collect data. The research instrument was validated by experts from the University of Uyo, while a pilot test involving 20 librarians produced a Cronbach's alpha coefficient of 0.84, confirming its reliability. With the support of 13 research assistants, the questionnaires were administered to participants. The data were analysed using simple regression at the 0.05 level of significance. The findings showed that financial planning and investment decisions exerted a positive but moderate influence on retirement preparedness. The study concluded that many librarians were insufficiently prepared for retirement and recommended regular workshops and training programmes on retirement planning and investment diversification.

Identification of Variables

The researcher was able to identify some important variables from the literatures that were reviewed. While there are those that can be classified under the independent variable others ca be classified under the dependent variable. Accordingly, these variables are discussed according to the category that they fall under:

The Independent Variable: Financial Literacy

Financial literacy, which is defined as the ability to understand, manage, and strategically make use of financial resources throughout a person's life, is the independent variable in this study. According to the studies that were reviewed, financial literacy is a multifaceted variable that is operationalized through the following quantifiable sub-dimensions:

Financial knowledge: refers to an individual's understanding of fundamental financial concepts, such as budgeting, compound interest, the time value of money, and credit management. Empirical evidence from Agabalinda and Isoh (2020), as well as Keryne and Jason (2025), identifies financial knowledge as a significant predictor of retirement preparedness, supporting its inclusion as a measurable sub-variable in this study**.**

Financial skills: has to do with the practical abilities individuals use to apply financial knowledge in managing their finances. Akims et al. (2023) found that financial literacy improves investment decision-making by strengthening both technical and fundamental analytical skills, supporting financial skills as a distinct and measurable sub-variable.

Financial behavior: is an individual's habitual patterns of saving, spending, borrowing, and managing personal finances. Empirical studies by Archell, Bernasa, and Manigo (2025), as well as Apostol et al. (2025), identified financial behaviour as a significant predictor of retirement preparedness, supporting its inclusion as a key behavioural dimension of the independent variable.

Financial planning: is the process of setting financial goals, preparing budgets, making long-term financial plans, enrolling in pension schemes, and undertaking activities aimed at ensuring retirement security. Empirical studies by Kiptoo (2025) and Tyopev, Enang, and Obot (2026) identified financial planning as a significant predictor of retirement preparedness, supporting its inclusion as a distinct sub-dimension of the independent variable.

Pension literacy: refers to an individual's understanding of how pension schemes operate, including contribution requirements, benefit structures, and eligibility conditions. Introduced as a distinct construct by Rodrigo (2021), pension literacy was found to have a stronger relationship with retirement preparedness than general financial literacy, supporting its inclusion as a separate and measurable sub-variable.

Financial self-efficacy, refers to an individual's confidence in their ability to make informed and effective financial decisions. Drawing on the studies of Archell et al. (2025) and Apostol et al. (2025), financial self-efficacy is recognised as both a dimension of financial literacy and a psychological factor that influences financial behaviour and retirement preparedness.

The Dependent Variable: Retirement Preparedness

Retirement readiness is the dependent variable, which is operationalized across three key outcome areas that are frequently seen in the research:

Wealth accumulation: is the objective stock of financial assets that are accessible at or close to retirement. This is the most empirically tractable result since Rodrigo (2021) operationalizes it as an objective metric separate from subjective judgments.

Perceived income adequacy: refers to an individual's assessment of whether their expected retirement income will be sufficient to maintain their desired standard of living. This dimension reflects the behavioural and psychological aspects of retirement preparedness, extending beyond the accumulation of financial assets.

Retirement planning behavior: refers to an individual's active participation in pension schemes, voluntary retirement savings, and the development of a formal retirement plan. Empirical evidence from Mndzebele and

Kwenda (2020) measures this construct through awareness and use of financial instruments, while Keryne and Jason (2025) emphasise regular saving habits and avoidance of premature pension withdrawals as key indicators.

Investment decision-making: refer to the quality and diversity of investment choices individuals make to secure their financial well-being in retirement. Studies by Akims et al. (2023) and Tyopev et al. (2026) identify investment decisions as an important outcome of financial literacy and a key indicator of retirement preparedness.

Financial security and life satisfaction: represents the long-term outcomes of effective retirement preparedness. Gathiira, Muathe, and Kilika (2020) found that inadequate retirement preparation is associated with a decline in retirees' quality of life, highlighting the importance of adequate financial preparedness for overall well-being.

Use of financial services: includes both formal and informal saving arrangements adopted to secure financial well-being after retirement. Nchise and Akosso (2024) identify retirement savings as a key behavioural outcome of financial literacy, particularly in settings where formal and informal financial systems coexist.

III. Methodology

The researcher utilizes a systematic literature review approach to make findings and draw conclusion. The researcher opted for this method to examine financial literacy and how it affects retirement preparedness with a focus on multiple disciplines, geographic regions, as well as institutional settings. The relevant literatures that were used for the review were identified through a systematic search of reputable academic databases and institutional repositories, including Google Scholar, Scopus, ResearchGate, and university repositories across Africa, Asia, and the Americas. The literatures that were selected were searched based on how they related to the study variables. The research combined theoretical literatures along with empirical studies try and identify the patterns within a broader explanatory framework. This process is what informed the findings, conclusions, as well as the recommendations.

IV. Findings

Following a thorough review of theoretical as well as empirical literatures it was found that financial literacy is a significant predictor of retirement preparedness. The findings of the study span across diverse national contexts, institutional settings, demographic groups, as well as research methodologies. However, the strength and nature of the relationships vary according to the specific dimension of financial literacy and the aspect of retirement preparedness being examined.

The reviewed literatures indicates that retirement preparedness remains a significant challenge across many countries, driven by rising life expectancy, evolving economic conditions, and the increasing responsibility placed on individuals to finance their retirement. Evidence consistently shows that financially literate individuals are more likely to plan for retirement, build wealth, participate in pension schemes, and make sound investment decisions. By strengthening knowledge of budgeting, saving, investment diversification, risk management, and retirement planning, financial literacy enhances individuals' ability to prepare for life after employment. The review further demonstrates that financial knowledge, financial behaviour, financial planning, investment literacy, and pension literacy each contribute positively to retirement preparedness. In addition, greater financial literacy promotes the effective use of financial services and encourages participation in retirement savings programmes, ultimately improving retirement preparedness and long-term financial security.

V. Conclusions

Based on the empirical evidence reviewed, the study concludes that financial literacy is a significant determinant of retirement preparedness. The study has equally drawn a conclusion that financial knowledge, financial behaviour, financial planning, investment literacy, and pension literacy positively influence individuals' readiness for retirement. These competencies enable people to make informed financial decisions, save regularly, invest prudently, diversify their assets, and participate in retirement savings schemes. Collectively, these behaviours enhance financial security and improve quality of life during retirement. The review therefore affirms that strengthening financial literacy is essential for improving retirement preparedness among employees and the wider population.

Recommendations

Based on the findings as well as the conclusions of this study, the following recommendations are made:

- To improve retirement readiness among employees and the general public, governments, businesses, financial institutions, and educational institutions should work together to create and implement comprehensive financial literacy programmes.
- Retirement planning education should be implemented early in a person's career to help them form sound investment and saving practices before they reach retirement age.
- Financial institutions must also step up their public awareness initiatives about retirement planning, pension plans, investment management, budgeting, and saving.
- To help employees make wise financial decisions, employers of labour have to routinely host financial counselling programmes and seminars on retirement readiness.
- Policymakers are encouraged to back programmes that advance financial inclusion and expand access to financial services and products that help people save for retirement and maintain long-term financial security.
- Educational institutions and financial sector regulators should collaborate to integrate financial literacy into school curricula and public awareness programme as such collaboration will go long long way to strengthen financial knowledge and improve retirement preparedness across different segments of the population.

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