Relationship between financial literacy and retirement planning among Nigerian civil servants

Adaobi Jennifer Iloakasia

Department of Educational Psychology Guidance and Counselling, Nwafor Orizu College of Education, Nsugbe Anambra State, Nigeria

*Corresponding author, email: jenniferadaobiiloakasia@gmail.com

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Abstract
Retirement planning is one of the most major challenges faced by a significant percentage of civil servants in Nigeria, which can often be explained by the lack of financial literacy and absence of financial management skills. Poor financial literacy can create suboptimal savings behaviour, limited investment options and inadequate life post-retirement. The research adopted a descriptive survey research design to determine the level of financial literacy and retirement planning among civil servants in Nigeria. A sample of 100 respondents was purposively selected, focusing on experienced employees nearing retirement. Data were collected via a structured questionnaire, validated by experts and confirmed reliable with Cronbach's alpha. Descriptive statistics summarized demographics and variable levels, while regression analysis with bootstrapping assessed the relationship between financial literacy and retirement planning. Diagnostics ensured model validity, confirming a significant positive relationship between financial literacy and retirement preparedness. The results indicate that Nigerian civil servants exhibit high levels of financial literacy (mean = 35.52, SD = 4.89) and retirement planning (mean = 34.89, SD = 5.39) based on (100) respondents and (1000) bootstrap samples. Regression analysis revealed a strong positive relationship between financial literacy and retirement planning ($R = .882$, $R^2 = .778$, $F(1,98) = 344.04$, $p = .000$). The unstandardized coefficient ($B = .973$, $SE = .052$, $t = 18.54$, $p = .000$) shows that a one-unit increase in financial literacy leads to a 0.973 increase in retirement planning. Bootstrapping and collinearity diagnostics confirmed model reliability, while casewise analysis identified minimal influence of outliers, ensuring robust results. The study concludes that improving financial literacy is crucial for effective retirement planning and recommends structured financial education programs to enhance civil servants' preparedness for retirement.

1. Introduction

The problem of inadequate financial literacy and retirement planning is widely recognized in Nigeria, particularly among workers whose financial well-being after retirement is often uncertain. Many Nigerian public sector employees lack sufficient knowledge and skills to make informed long-term financial decisions, which can lead to poor retirement preparedness and anxiety in later life (Ugwu & Idemudia, 2023). This concern has led researchers to examine the level of financial literacy, the level of retirement planning, and whether a significant relationship exists between these constructs among Nigerian civil servants. Financial literacy forms part of the cornerstone of effective retirement planning and especially so in the case of Nigerian civil servants who must work in a contributory system of pension which requires them to make financial decisions in advance. A stronger financial literacy enhances the budgeting, saving, investing, and risk-evaluating financial capacities of individuals, which improves financial security in the long term.

The significance of informed decision-making has been highlighted by empirical evidence in the literature on educational management. To illustrate the point, Egwu and Ekwe (2024) clearly define the significance of strategic knowledge in achieving sustainable results in any organizational setting-which equally applies to personal finance. Similarly, Ezugoh et al. (2023) note the central role of quality information in successful management, which supports the idea of better financial decisions being made by well-informed people. The literature that investigates resource constraints, including Ikegbusi et al. (2025), also indicates how low levels of knowledge can hamper performance, which is reflective of how low financial literacy can hinder retirement preparedness. In addition, Ofozoba et al. (2025) demonstrate that better learning mechanisms can enhance comprehension and decision-making, which is why it is urgent to focus on financial education.

Egwu (2022) also highlights the importance of managerial capacity in ensuring successful results, which resonates with the assumption that financially literate civil servants are more skilled to make strategic plans. In turn, financial literacy should be increased to enhance the effectiveness of retirement planning among Nigerian civil servants. Financial literacy and financial consultation have been found to positively influence retirement planning decisions, though planning likelihood may be reduced by other factors, including family size (Kofarmata and Adhama, 2024). These results indicate a moderate, but significant, level of financial literacy among educated public servants in Nigeria, in comparison with contexts with homogenously low financial literacy levels, as other studies in the literature show that financial literacy can be influenced by occupational and educational status, with workers of higher education being more financially literate (Ajemunigbohun and Azeez, 2024).

Risk of financial insecurity, dependence, and low quality of life in old age are avoided by planning. Retirement planning becomes inevitable to civil servants because their pensions are predictable; nevertheless, personal contributions and investment are essential. Finally, strategic planning facilitates financial autonomy, stability, and tranquility, which allows retirees to cover expenditures and fulfill personal dreams after retirement. Saving, investing, and information acquisition are behaviours that fall under retirement planning to ensure financial stability after retirement. As the literature shows, retirement planning among the civil servants in Nigeria is being recognized with increasing recognition but is still not enough to support the long-term needs of many workers. To illustrate, a study into retirement planning and life-insurance demand among academic personnel has found evidence of a positive but imperfect interest in planning activities, with some members of the staff showing doubtingness in regard to the integration of life insurance in retirement plans (Amani et al., 2023). Also, research that has focused on financial literacy and retirement planning repeatedly states that although a significant proportion of employees in Nigeria engage in simple planning (e.g., savings, pension contributions), the amount and breadth of planning seem to take place, and formal retirement plans are not ubiquitous.

Pension schemes often favor civil servants, in comparison with larger populations; however, much of the literature indicates that most of them do not engage in long-term planning (Ugwu & Idemudia, 2023; Ajemunigbohun & Azeez, 2024). This result correlates with studies in similar emerging markets, where retirement planning is reasonably developed, but is often below optimal preparedness (Sunday, 2024). The human capital theories underpin this relation by suggesting that financial knowledge helps to achieve high quality long-term financial performance (Wuttaphan, N., 2017). The shift in Nigeria to contributory pension plans increases the need to actively plan retirement, and thus financial literacy becomes even more important (Kofarmata and Adhama, 2024). Without proper literacy, civil servants will not take full advantage of the available retirement equipment and face difficulties with achieving financial security after retirement.

This study was necessitated by the fact that there have always been concerns about retirement preparedness among Nigerian employees especially among the civil servants where pension scheme changes are shifting more burden on individuals to take care of themselves in the coming years. Despite the introduction of a contributory pension scheme that shifts risk of retirement savings to workers in Nigeria, a significant number of civil servants are still poorly prepared because of lapses in financial knowledge and saving habits (Ugwu & Idemudia, 2023). Available literature suggests that financial literacy is associated with retirement planning, although the majority of studies focus on particular populations, including lecturers or middle-aged adults instead of civil servants in the general context (Kofarmata & Adhama, 2024). Consequently, the research aims at addressing a significant gap by empirically evaluating both financial literacy and retirement planning levels and their correlation among Nigerian civil servants. The expected results would guide policy interventions and financial education initiatives that are specific to improve retirement preparedness among this important group of workforce. Research Questions is

a. What is the level of financial literacy among Nigerian civil servants?

b. What is the level of retirement planning among Nigerian civil servants?

c. Is there a significant relationship between financial literacy and retirement planning among Nigerian civil servants?

2. Method

The study adopted descriptive survey design. The design allowed the systematic gathering of primary information about Nigerian civil servants to determine the level of their financial literacy, their retirement planning, and the correlation between the two variables. The sample was the entire populace of civil servants working in a purposively selected sample of federal and state ministries in Nigeria. Seasoned workers formed the target population such that 80% of them were between the ages of 57 and 65 years and had a service record of 10 to 35 years. A final sample of 100 respondents was obtained. Purposive sampling adopted included civil servants that were close to retirement age, as they were of greater relevance to the research of retirement-planning.

A structured questionnaire made up of Likert-scale items was used to collect data on constructs of financial literacy and retirement planning. It was a self-administered instrument. Construct validity was determined through expert review whereas reliability was determined using Cronbachs alpha that was above the traditional level 0.70, thus signifying acceptable internal consistency. The method used to convey questionnaires was electronic and thus easy to access and fit respondent schedules. The objectives of the study were explained to respondents; their participation was voluntary with anonymity guaranteed. Finished instruments were gathered and checked before being entered in the database.

Both descriptive and inferential statistics were applied to analyze the data. The frequency counts, percentages, means and standard deviations were used to provide the descriptive statistics summarizing the demographic profiles, financial literacy-levels and retirement-planning behaviors of the respondents. The inferential analyses included regression modeling to study the relationship between financial literacy and retirement planning. Also, bootstrapping was undertaken using 1,000 resamples to strengthen the estimates and ANOVA, model summary, and coefficients analyses were conducted to determine the level of statistical significance and the effect sizes. To ensure that regression assumptions were met and to identify outliers, diagnostic tests, including Durbin Watson statistics, Collinearity diagnostics, and casewise analyses, were used.

3. Results and Discussion

3.1. Results

The characteristics of respondents in this study were reviewed based on age to obtain a general demographic picture of the participants. The age distribution of respondents is presented in Table 1.

Table 1. Age Distribution of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-25 years	2	2.0	2.0	2.0
	46 -56 years	18	18.0	18.0	20.0
	57-65 years	80	80.0	80.0	100.0
	Total	100	100.0	100.0	

Table 1 shows that respondents were predominantly older adults. Only a small portion (2%) were between 0–25 years. Those aged 46–56 years represented 18% of the sample, while the majority (80%) fell within the 57–65 years category. This indicates that most participants were nearing retirement age, making them suitable for studies on retirement-related issues. Next, years of service of respondents can be seen in Table 2.

Table 2. Years of Service of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<5 year	4	4.0	4.0	4.0
	6–9 years	21	21.0	21.0	25.0
	10–14 years	28	28.0	28.0	53.0
	15 -25 years	23	23.0	23.0	76.0
	26-35 years	24	24.0	24.0	100.0
	Total	100	100.0	100.0	

Table 2 shows that respondents had varied lengths of service. Those with less than 5 years formed only 4%. Staff with 6–9 years (21%) and 10–14 years (28%) were moderately represented. Meanwhile, employees with 15–25 years (23%) and 26–35 years (24%) made up nearly half. This indicates a workforce largely composed of experienced civil servants. Next, gender distribution of respondents can be seen in Table 3.

Table 3. Gender Distribution of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	46	46.0	46.0	46.0
	Female	54	54.0	54.0	100.0
	Total	100	100.0	100.0	

Table 3 reveals a fairly balanced gender distribution among respondents. Males constituted 46%, while females accounted for 54%, showing a slight female majority. With both genders well represented, the sample provides a reliable basis for examining financial literacy and retirement planning without significant gender bias influencing the results.

3.1.1. Research Question 1: What is the level of financial literacy among Nigerian civil servants?

The level of financial literacy among Nigerian civil servants was examined using descriptive statistics, as summarized in Table 4.

Table 4. Descriptive Statistics on the Level of Financial Literacy Among Nigerian Civil Servants

		Statistic	Bootstrap			
			Bias	Std. Error	95% Confidence Interval	
					Lower	Upper
I have sufficient knowledge to make financial decisions.	N	100	0	0	100	100
	Mean	3.73	.00	.05	3.62	3.82
	Std. Deviation	.529	-.003	.055	.426	.636
	Variance	.280	.000	.058	.182	.404
I understand how savings, investments, and pensions work.	N	100	0	0	100	100
	Mean	3.70	.00	.06	3.58	3.80
	Std. Deviation	.577	-.001	.056	.462	.683
	Variance	.333	.002	.064	.214	.467
I am confident in managing my personal finances.	N	100	0	0	100	100
	Mean	3.67	.00	.06	3.56	3.77
	Std. Deviation	.570	-.002	.050	.468	.665
	Variance	.324	.000	.057	.219	.442
I am aware of the financial products available to prepare for retirement.	N	100	0	0	100	100
	Mean	3.66	.00	.06	3.54	3.76
	Std. Deviation	.590	-.003	.069	.463	.737
	Variance	.348	.001	.083	.215	.543
I regularly make informed financial decisions.	N	100	0	0	100	100
	Mean	3.64	.00	.05	3.53	3.74
	Std. Deviation	.560	-.003	.045	.473	.643
	Variance	.314	-.002	.050	.224	.413
I can calculate interest, returns, and financial growth accurately.	N	100	0	0	100	100
	Mean	3.61	-.01	.07	3.46	3.73
	Std. Deviation	.695	-.003	.078	.534	.846
	Variance	.483	.002	.109	.285	.716
I understand the impact of inflation on my savings and investments.	N	100	0	0	100	100
	Mean	3.61	-.01	.07	3.46	3.72
	Std. Deviation	.665	-.003	.078	.514	.819
	Variance	.442	.001	.104	.264	.670
I seek professional advice before making important financial decisions.	N	100	0	0	100	100
	Mean	3.01	.00	.10	2.81	3.20

		Statistic	Bootstrap			
			Bias	Std. Error	95% Confidence Interval	
					Lower	Upper
	Std. Deviation	.937	-.007	.057	.813	1.048
	Variance	.879	-.009	.106	.660	1.098
I can distinguish between good and risky investment options.	N	100	0	0	100	100
	Mean	3.38	-.01	.08	3.21	3.53
	Std. Deviation	.776	-.002	.051	.673	.869
	Variance	.602	-.001	.079	.453	.755
I am aware of the consequences of poor financial planning.	N	100	0	0	100	100
	Mean	3.51	.00	.07	3.35	3.64
	Std. Deviation	.745	-.002	.073	.601	.886
	Variance	.555	.002	.109	.362	.786
Valid N (listwise)	N	100	0	0	100	100

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Table 4 shows that Nigerian civil servants exhibit a generally high level of financial literacy, with most mean scores ranging between 3.51 and 3.73. Respondents strongly agreed that they possess adequate financial decision-making knowledge (3.73) and understand savings, investments, and pensions (3.70). Confidence in managing personal finances was also high (3.67). Awareness of financial products (3.66) and making informed decisions (3.64) further support strong literacy. Moderate scores appeared in calculating financial growth (3.61) and understanding inflation (3.61). The lowest rating was seeking professional advice (3.01).

3.1.2. Research Question 2: What is the level of retirement planning among Nigerian civil servants?

The level of retirement planning among Nigerian civil servants was examined using descriptive statistics, as presented in Table 5.

Table 5. Descriptive Statistics on the Level of Retirement Planning Among Nigerian Civil Servants

		Statistic	Bootstrap[a]			
			Bias	Std. Error	95% Confidence Interval	
					Lower	Upper
I have a retirement plan or pension scheme in place.	N	100	0	0	100	100
	Mean	3.60	.00	.06	3.48	3.72
	Std. Deviation	.620	-.004	.063	.494	.732
	Variance	.384	-.001	.078	.244	.535
I regularly contribute to my retirement fund.	N	100	0	0	100	100
	Mean	3.56	.00	.06	3.44	3.68
	Std. Deviation	.641	-.004	.062	.520	.758
	Variance	.411	-.002	.079	.270	.575
I have knowledge of the amount I need to retire comfortably.	N	100	0	0	100	100
	Mean	3.56	.00	.06	3.44	3.69
	Std. Deviation	.641	-.003	.061	.514	.758
	Variance	.411	-.001	.078	.264	.574
I set aside money specifically for retirement.	N	100	0	0	100	100
	Mean	3.47	.00	.07	3.34	3.61
	Std. Deviation	.703	-.009	.066	.572	.825
	Variance	.494	-.008	.092	.327	.680
I actively seek information to improve my retirement planning.	N	100	0	0	100	100
	Mean	3.53	.00	.07	3.39	3.66
	Std. Deviation	.688	-.006	.067	.555	.821
	Variance	.474	-.004	.093	.307	.674
I review my retirement plan periodically to make improvements.	N	100	0	0	100	100
	Mean	3.62	.00	.06	3.49	3.74

		Statistic	Bootstrap[a]			
			Bias	Std. Error	95% Confidence Interval	
					Lower	Upper
	Std. Deviation	.648	-.006	.079	.490	.809
	Variance	.420	-.001	.103	.240	.655
I discuss retirement planning with family or financial advisors.	N	100	0	0	100	100
	Mean	3.16	.00	.08	3.00	3.31
	Std. Deviation	.825	-.006	.044	.730	.907
	Variance	.681	-.008	.073	.533	.823
I have diversified sources of income for retirement.	N	100	0	0	100	100
	Mean	3.54	.00	.06	3.41	3.66
	Std. Deviation	.658	-.005	.060	.535	.771
	Variance	.433	-.004	.079	.286	.594
I make long-term financial decisions with retirement in mind.	N	100	0	0	100	100
	Mean	3.44	.00	.08	3.29	3.59
	Std. Deviation	.756	-.006	.063	.627	.877
	Variance	.572	-.004	.094	.394	.769
I feel confident about achieving my retirement goals.	N	100	0	0	100	100
	Mean	3.41	.00	.08	3.27	3.55
	Std. Deviation	.767	-.007	.068	.627	.895
	Variance	.588	-.007	.103	.394	.802
Valid N (listwise)	N	100	0	0	100	100

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Table 5 indicates a generally high level of retirement planning among Nigerian civil servants, with mean scores ranging from 3.16 to 3.62. Respondents strongly agreed that they review their retirement plans periodically (3.62) and have existing pension schemes (3.60). Regular contributions and knowledge of required retirement funds both scored 3.56, suggesting active engagement in planning. Seeking information (3.53) and diversifying income sources (3.54) were also well rated. Lower scores were observed in discussing retirement with family or advisors (3.16) and confidence in achieving retirement goals (3.41).

3.1.3. Research Question 3: Is there a significant relationship between financial literacy and retirement planning among Nigerian civil servants?

The relationship between financial literacy and retirement planning among Nigerian civil servants was examined using bootstrapped descriptive statistics, as shown in Table 6.

Table 6. Descriptive Statistics for Retirement Planning and Financial Literacy (Bootstrapped Results)

		Statistic	Bootstrap[a]			
			Bias	Std. Error	95% Confidence Interval	
					Lower	Upper
Retirement Planning	Mean	34.8900	-.0194	.5371	33.8205	35.8795
	Std. Deviation	5.38966	-.03005	.55605	4.28595	6.44949
	N	100	0	0	100	100
Financial Literacy	Mean	35.5200	-.0192	.4852	34.5305	36.3900
	Std. Deviation	4.88758	-.02857	.56266	3.78332	5.93611
	N	100	0	0	100	100

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Table 6 shows that retirement planning has a mean score of (34.89) with a standard deviation of (5.39), while financial literacy has a slightly higher mean of (35.52) and a standard deviation of (4.89). The 95% confidence intervals for both variables (33.82–35.88) and (34.53–36.39) respectively indicate stable estimates based on (100) respondents and (1000) bootstrap samples. Next, model summary showing the influence of financial literacy on retirement planning can be seen in Table 7.

Table 7. Model Summary Showing the Influence of Financial Literacy on Retirement Planning

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.882a	.778	.776	2.55064	.778	344.037	1	98	.000	2.089

a. Predictors: (Constant), Financial Literacy
b. Dependent Variable: Retirement Planning

Table 7 shows a strong positive relationship between financial literacy and retirement planning with an R value of (.882). Financial literacy explains (77.8%) of the variance in retirement planning (R^2 = .778). The model is statistically significant (F(1,98) = 344.04, p = .000). The Durbin–Watson value of (2.089) indicates no autocorrelation, confirming a reliable regression model. Next, bootstrapped durbin–watson model summary can be seen in Table 8.

Table 8. Bootstrapped Durbin–Watson Model Summary

Model	Durbin-Watson	Bootstrap[a]			
		Bias	Std. Error	95% Confidence Interval	
				Lower	Upper
1	2.089	-.812	.222	.840	1.751

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Table 8 presents the bootstrapped Durbin–Watson statistic of (2.089) with a bias of (-.812) and a standard error of (.222). The 95% confidence interval ranges from (.840 –1.751), indicating that the estimate remains stable across 1000 bootstrap samples. Overall, the results suggest acceptable independence of residuals, supporting the reliability of the regression model. Next, ANOVA results for the effect of financial literacy on retirement planning can be seen in Table 9.

Table 9. ANOVA Results for the Effect of Financial Literacy on Retirement Planning

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2238.225	1	2238.225	344.037	.000[b]
	Residual	637.565	98	6.506		
	Total	2875.790	99			

a. Dependent Variable: Retirement Planning
b. Predictors: (Constant), Financial Literacy

The ANOVA results examine the overall significance of the regression model predicting retirement planning from financial literacy. The regression sum of squares (2238.23) is substantially larger than the residual sum of squares (637.57), indicating that the model explains a considerable portion of the total variation in retirement planning (total sum of squares = 2875.79). The calculated F-value of 344.04 is very high, and the associated p-value (.000) is below the 0.05 significance threshold, demonstrating that the model is statistically significant. This confirms that financial literacy has a strong and meaningful effect on retirement planning among Nigerian civil servants. Next, regression coefficients of financial literacy on retirement planning can be seen in Table 10.

Table 10. Regression Coefficients of Financial Literacy on Retirement Planning

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
(Constant)	.335	1.880		.178	.859	-3.397	4.066					
Financial Literacy	.973	.052	.882	18.54	.000	.869	1.077	.882	.882	.882	1.000	1.0

a. Dependent Variable: Retirement Planning

Table 10 shows that financial literacy has a strong positive effect on retirement planning. The unstandardized coefficient (B = .973, SE = .052) indicates that a one-unit increase in financial literacy

leads to a 0.973 increase in retirement planning. The effect is highly significant (t = 18.54, p = .000), confirming a robust and meaningful relationship among Nigerian civil servants. Next, bootstrapped coefficients of financial literacy on retirement planning can be seen in Table 11.

Table 11. Bootstrapped Coefficients of Financial Literacy on Retirement Planning

Model		B	Bootstrap[a]				
			Bias	Std. Error	Sig. (2-tailed)	95% Confidence Interval	
						Lower	Upper
1	(Constant)	.335	.148	1.405	.805	-1.987	3.609
	Financial Literacy	.973	-.004	.039	.001	.881	1.039

a. Unless otherwise noted, bootstrap results are based on 1000 bootstrap samples

Table 11shows the bootstrapped regression results, confirming the strong positive effect of financial literacy on retirement planning. The unstandardized coefficient for financial literacy is (.973) with a negligible bias (-.004) and a standard error of (.039). The relationship is statistically significant (p = .001) and the 95% confidence interval (.881–1.039) excludes zero, reinforcing a reliable and meaningful influence. Next. collinearity diagnostics for financial literacy and retirement planning can be seen in Table 12.

Table 12. Collinearity Diagnostics for Financial Literacy and Retirement Planning

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions	
				(Constant)	Financial Literacy
1	1	1.991	1.000	.00	.00
	2	.009	14.676	1.00	1.00

a. Dependent Variable: Retirement Planning

Table 12 indicates minimal multicollinearity between financial literacy and retirement planning. The eigenvalues (1.991 and .009) and the condition index (14.676) are within acceptable limits (below 30). Variance proportions show that variance is concentrated appropriately, with financial literacy accounting fully for the second dimension (1.00). This confirms that multicollinearity does not distort the regression results. Next, casewise diagnostics for retirement planning regression can be seen in Table 13.

Table 13. Casewise Diagnostics for Retirement Planning Regression

Case Number	Std. Residual	Retirement Planning	Predicted Value	Residual
94	-3.647	28.00	37.3026	-9.30264

a. Dependent Variable: Retirement Planning

Table 13 finds an outlier in the regression analysis. Case 94 has a standardized residual of -3.647, which implies that the actual retirement-planning value (28.00) falls significantly below the planned value (37.30), which results in a big negative residual value -9.30. This observation is very different than the fitted model, however, its presence allows researchers to assess its impact on the overall results of the regression.

3.2. Discussion

The analysis indicates that the relationship between financial literacy and retirement planning among the Nigerian civil servants is strong and statistically significant. The average retirement planning (34.89) and financial literacy (35.52) imply that the sample has fairly high scores on both constructs. The regression findings (R = .882, R2 778, p = .001) indicate that financial literacy explains 77.8% of the variability in retirement planning, which is a strong predictive factor. The regression coefficient (B = .973, p < .001) attests to the reality that increase in the financial literacy correlates with significant changes in the retirement-planning behaviours. The stability of these effects is supported by bootstrapping procedures, and diagnostic tests show that all the assumptions of the model are met.

This result is consistent with the current literature which indicates that financial literacy is strongly positively correlated with retirement planning. To illustrate, Mustafa et al. (2023) found that greater financial literacy is strongly related to retirement financial planning, meaning that more

financially literate people have better financial knowledge and management skills that predispose them to undertaking retirement preparation. In the same way, studies have also shown that financial literacy has a positive impact on retirement-planning behaviours of informal sector workers in South Africa by Gutura and Chisasa (2024), which supports the significance of financial knowledge in planning in various socioeconomic settings.

Sunday (2024) similarly found in a related study in Oyo State that the use of financial literacy programmes had a great impact on retirement planning and preparedness, finding that a significant segment of the variance is due to the intervention and that financial education programmes are capable of enhancing planning initiatives. These findings support the current research, as they show that more financially literate civil servants are more equipped to retire.

On the other hand, there is some recent evidence indicating that context and measurement can differ in the strength and nature of the relationship. Jiang and Shimizu (2024) discovered that the boosting of financial literacy does not necessarily directly correlate with augmented retirement-planning engagement, depending on cultural and institutional frameworks; this points out the need to have a specific practice in the specific national context. However, this is not the general rule, and the prevailing mass of empirical work in recent years is pointing to a positive correlation. Further evidence of the main result can be found in the studies of the digital or extended financial literacy. One of the studies, by researchers examining digital financial literacy (2025), affirmed a positive association between digital literacy and retirement-planning behaviours, with the secondary observation that technology-related financial knowledge can support individuals (even more) in their confidence and planning behaviours.

4. Conclusion

The study concludes that financial literacy has a very significant and positive impact on retirement planning among civil servants in Nigeria. Results reveal that, in general, civil servants are more than averagely financially literate, which contributes to their better ability to plan, contribute, and manage retirement funds. According to the regression analysis, greater financial literacy is associated with better retirement planning with 77.8 -percent of the variance accounted. Although there are still small gaps in the process of professional consultation, the general findings emphasize the importance of financial literacy in promoting proactive and informed retirement planning, and thus, the necessity of specific financial education programs.

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