Retirement Planning Practices of Black South African Entrepreneurs/Business owners

Comparative Study Report

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Executive Summary

Background and Purpose:

This research, conducted in Limpopo, Gauteng, and North West provinces of South Africa, sought to understand the retirement planning practices of black South African business owners. The motivation stemmed from the perceived inadequate retirement preparations among entrepreneurs. Through a blend of quantitative (using cross-tabulations, bivariate and multivariate analysis, and statistical correlations) and qualitative (using a cross-survey tool) approaches, insights were gathered from both business owners and their employees.

Methodology:

This study was grounded in a literature review that helped identify a set of generic retirement planning variables, including the source of retirement funds, market products, targeted retirement age, and type of business owned. Given its comprehensive nature, no variable was excluded. Data collection employed a cross-sectional survey approach, targeting business owners and their employees within the specified provinces. The quantitative analysis was rooted in descriptive statistics, using tools such as cross tabulations, bivariate, and multivariate analysis. This allowed for a detailed exploration of how various variables, like gender, age, and race, intersected with experiences in retirement planning across provinces. To ensure the accuracy of correlations, significance levels of $P < 0.01$ and $*P < 0.05$ were deemed crucial for the analysis. Adding to the robustness of the study, a qualitative approach was also incorporated. This aimed at gleaning insights into the subjective perspectives of business owners, exploring their views and motivations regarding retirement plans. Given the widespread use of mobile devices, Google's survey tool was chosen for data collection, ensuring easy accessibility and prompt responses from participants. The consolidated data from these surveys was then processed using the R statistical computing tool for a more granular analysis.

The study highlighted several critical themes:

- **Longevity and Retirement Savings:** As life expectancy rises, there's a growing awareness among entrepreneurs about the need to ensure their retirement savings can sustain longer lives. Financial institutions, retirement planners, and policymakers are urged to take longevity into account when crafting retirement strategies.

- **Planned Retirement Age vs. Life Expectancy:** An evident misalignment was observed between intended retirement ages and expected life spans. This disparity can lead to financial challenges later in life, necessitating reconsideration of retirement ages and policies to support an aging population.
- **Gender and Retirement Preparedness**: Significant differences in retirement planning between genders were identified. Women, in particular, face challenges stemming from wage inequalities, career interruptions, and longer life expectancies. The study suggests a need for policies promoting pay equity, flexible work arrangements, and tailored retirement planning resources for women.
- **Gender and Investment Preferences:** Gender-based differences were also evident in investment choices. Women were found to lean towards safer investments, while men seemed more open to risk. Understanding these patterns can aid in creating retirement strategies tailored to individual risk profiles.

Conclusion:

The study paints a nuanced picture of retirement planning practices among black business owners in key South African provinces. By combining quantitative and qualitative approaches, it offers both a macro-overview and individual perspectives. As the retirement landscape evolves, so must strategies, and this research offers insights that can guide future policies and individual decision-making.

Intervention Tool Proposal:

In light of these findings, an intervention tool in the form of a five-day workshop on "Retirement Planning for Entrepreneurs" is proposed. This workshop aims to educate entrepreneurs on the complexities of retirement planning, considering factors like longevity, financial tools, gender-specific challenges, and investment strategies. The program includes sessions ranging from understanding the basics of retirement, financial tools, gender-based investment patterns, to hands-on sessions for drafting and implementing retirement plans. It is envisioned that such a workshop will arm entrepreneurs with the knowledge and tools to navigate the challenges highlighted in the study effectively, thereby promoting better retirement readiness.

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1. Introduction

This study was carried out in South Africa in three provinces, namely Limpopo, Gauteng and North West to ascertain the retirement planning practices of black South African business owners following a perception of poor retirement practices amongst entrepreneurs in South Africa. Following the literature review, a list of generic retirement planning variables including source of retirement funds, products on the market, target age for retirement and type of business owned were identified using a literature review for the empirical testing and analysis. None of these variables was omitted from the data set, as it seemed adequate for the analysis. Across-sectional survey method was used to collect data from the population of business owners and their employees in above-mentioned provinces. The study population comprised private business owners and their employees in the three provinces. Using a mixed-methods the study cohesively integrates quantitative and qualitative methodologies to investigate the complex landscape of retirement planning behaviours. The methodology provides insight into how some socio-economic factors affect retirement planning outcomes and permits cross-category comparisons and themes, and where variables were not statistically predominant, they were categorised as 'others'. The quantitative analysis employs a variety of statistical techniques, such as tabulation, bivariate analysis (Chi-Square Test of Independence), multivariate analysis (Binary Logistic Regression), and Pearson correlation analysis, to identify relationships between variables such as gender, race, age, education level, sources of retirement funds, awareness of retirement products, planned retirement age, and financial advisor significance. The quantitative approach organises data into structured tables using cross-tabulation, highlighting distribution patterns across categories. The bivariate analysis evaluates the relationships between two variables by calculating rudimentary odds ratios and p-values to quantify the strength and significance of the connections. This is extended by multivariate analysis, which considers multiple variables and yields odds ratios that account for confounding factors. Moreover, Pearson correlation analysis assessed the interdependence between the continuous variables. Additionally, descriptive statistics was used for percentages and bar graphs to compare variables such as gender, age, race and others for each of the provinces especially experiences in retirement planning and products. The quantitative approach for the acceptable correlation of the variables; "***" means highly significant ($p < 0.001$), "**": Significant ($p < 0.01$)"*": Moderately significant ($p < 0.05$); were deemed significantly acceptable.

Additionally, a qualitative approach was used to augment and neutralise the weaknesses of the quantitative approach. The qualitative approach used a cross survey tool to solicit quality of information from business owners' by means of explaining their thoughts about their retirement plans. The interview data are extracted through iterative readings and manual classification using thematic analysis. To supplement quantitative findings, emergent themes are generated, refined, and incorporated with participant quotations. Specifically, a google survey tool was used to ensure accessibility of the questionnaires on mobile phones for easy responses. Responses were further summarised and exported into an R statistical computing tool, a data analytical software for detailed analysis. A manual coding for the analysis was done ensuring a thorough examination of retirement planning behaviours.

The descriptive statistics shows that three hundred and thirty-three (333) people responded to the google survey.

2. Definitions and key terms

- **Provident Fund:**

  A provident fund is a type of retirement fund in South Africa that is established by employers for the benefit of their employees. Both employers and employees contribute to the fund on a regular basis. The contributions accumulate over time and grow through investment. Upon retirement, employees can access their provident fund savings as a lump sum payment. The lump sum can be used to provide financial support during retirement.

- **Pension Fund:**

  A pension fund is another type of retirement fund in South Africa. Similar to a provident fund, it is established by employers for the benefit of their employees. Both employers and employees make regular contributions to the pension fund. However, unlike a provident fund, where the entire savings can be taken as a lump sum, pension funds typically provide regular pension payments (annuities) to retirees, ensuring a steady income stream during retirement.

- **Retirement Annuity:**

  A retirement annuity is a type of individual retirement savings plan in South Africa. It is not tied to employment and can be set up by individuals to save for their retirement. Contributions made to a retirement annuity are usually tax-deductible up to certain limits. The funds in the annuity are invested, allowing them to grow over time. Upon retirement, individuals can choose to receive their retirement annuity as a lump sum or convert it into a regular pension-like income stream.

- **Individual retirement account IRA:**

  In this report a IRA is type of individual retirement account that allows individuals to contribute after-tax income into the account. Where respondents were not specific about the type of investment account it was classified as IRA.

3. Results

3.1. Descriptive Statistics

The table 1 provides descriptive statistics pertinent to retirement-related variables in Limpopo, Gauteng, and the North West provinces in South Africa. These percentages provide insight into the distribution and tendencies. Notably, the gender distribution in all provinces is skewed towards males except Gauteng, with Limpopo having the greatest proportion of males at 27%. In addition, the African race is prevalent, particularly in the provinces of Limpopo (31%) and Gauteng (28%), respectively while the "Others" category is more prominent in North West, indicating a diverse racial representation. Table 1 provide descriptive statistics for 333 respondents who participated in the survey

Table 1. Descriptive Statistics

Variables	Limpopo (%)	Gauteng (%)	North West (%)
Gender			
Male	**0.27**	**0.10**	**0.18**
Female	0.14	0.21	0.10
Race			
African	0.31	0.28	0.21
Others	0.09	0.01	0.10
Age Group			
20-30	0.09	0.00	0.01
30-40	0.12	0.08	0.10
40-50	0.10	0.15	0.00
50-60	0.01	0.10	0.09
60+	0.05	0.05	0.05
Education Level			
Matric	0.14	0.10	0.06
Diploma	0.00	0.17	0.03
Degree	0.10	0.15	0.10
Honours	0.01	0.07	0.02
Post Graduate	0.02	0.00	0.03
Province and Business Sector			
Gauteng, (Finance)	0.10	0.10	0.10
Limpopo, (Construction)	0.00	0.09	0.01
North West, (Retail)	0.0.9	0.04	0.02
Gauteng, (Retail)	0.11	0.05	0.09
Gauteng,(Financial Services)	0.05	0.10	0.05
Others	0.09	0.11	0.10

Source of Retirement Funds			
Savings Accounts	0.05	0.20	0.25
Pension/Provident Funds	0.16	0.34	0.20
Investments	0.10	0.15	0.15
Real Estate	0.02	0.11	0.07
Retirement Annuities	0.21	0.10	0.09
Business Profits	0.05	0.00	0.10
Awareness of Retirement Products			
Retirement Annuities	0.20	0.28	0.12
IRAs	0.11	0.19	0.05
Provident funds	0.10	0.20	0.10
Pension Funds	0.10	0.23	0.17
Limited Knowledge	0.02	0.05	0.08
Planned Retirement Age			
Age 55	0.08	0.00	0.02
Age 60	0.10	0.14	0.06
Age 65	0.09	0.15	0.16
Beyond 65	0.12	0.09	0.09
Importance of Financial Advisor			
Yes	0.30	0.10	0.10
No	0.14	0.20	0.16

Source: Author’s Computation (2023) NB. Total participant = 333

Examining age groups and levels of education reveals that the 30 to 50 age cohort dominates in all regions, with Gauteng dominating with 15%. In terms of education, the majority of respondents hold diploma, but Limpopo's 14% stands out with a high school diploma. Gauteng, most of the respondents are engaged in finance services; and retailing exemplifying the complex relationship amongst provinces and business sectors. Respondents from Limpopo are engaged more in construction, whiles North West's respondents are more into retailing, indicating a distinct provincial economic ties.

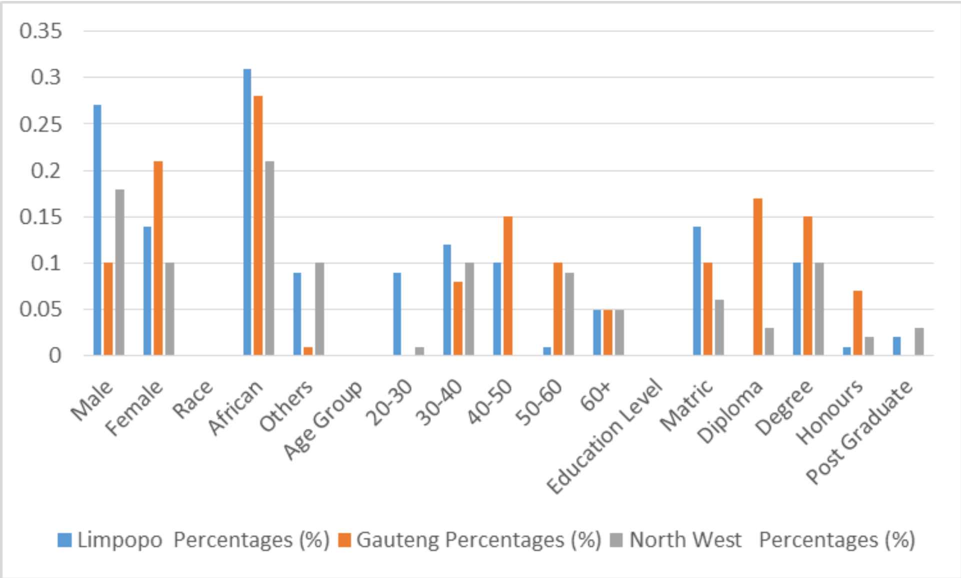

Figure 1: Graphical Representation of the Descriptive Statistics on gender, race, age group, and educational level.

Limpopo province has more males than females who participated in this study, amongst the three provinces. Additionally, Limpopo also has more African race followed by Gauteng province, whiles Gauteng has the majority of the age group falling between 50 to 60 as compared to other provinces which majority age group falling between 20 to 40. Interestingly, Limpopo has the least educated people (matric), yet has majority of African population; according to the table 1. However, Gauteng has the highest educated people; springing from diploma, degree to honours, but with second highest of African population; according to table 1.

Concerning retirement planning and source of funding; reliance on savings, pension/provident funds, investments and retirement annuities are prevalent amongst the three provinces, while disparities in retirement product awareness exist. Specifically, respondents from North West province use more of savings account, whiles respondents from Gauteng use more of pension/provident funds. Additionally, both North West and Gauteng partially and equally use investment as sources of retirement funds. Majority of respondents in Limpopo uses retirement annuities as compared to other two provinces. Furthermore, the choice of retirement age is between 60 and 65, with 65 being the most popular in Limpopo and North West. It is imperative that these choices agree with the South African Pension Funds Act 1956, as well as the financial sector regulation act, 2017 to ensure that retirees are at the safer side of the pension law.

Lastly, Limpopo's emphasis on the need for financial advisory services highlights distinctive financial services gaps, but majority of respondents in North West claim they do not need financial advisory services for their retirement planning activities. In conclusion, these descriptive statistics provide valuable insights into the differences in gender, age, education, retirement planning, and financial attitudes amongst the three provinces. To further appreciate the report, the table 2 below provides a cross tabulation, bivariate and multivariate analysis of the data set.

Table 2. Tabulation, Bivariate, and Multivariate Analysis

		Cross Tabulation		**Bivariate Analysis**	**Multivariate Analysis**
Characteristics	Category	Yes (%)	No (%)	Crude odds ratio (P-vale)	Adjusted odds ratio (P-value)
Gender	Male	0.55	0.70	1.52 (0.023)	1.81(0.094)
	Female	0.45	0.30	0.90 (0.024)	0.58 (0.062)
Race	African	0.80	0.48	2.05 (0.000)	2.53(0.001)
	Others	0.20	0.52	0.30 (0.031)	0.54 (0.037)
Education level	Matric	0.30	0.20	1.20 (0.273)	1.09 (0.189)
	Diploma	0.20	0.38	1.00 (0.125)	0.89 (0.273)
	Degree	0.35	0.18	1.51 (0.105	1.21 (0.318)
	Honours	0.10	0.13	0.70 (0.038)	0.78 (0.298)
	Post Graduate	0.05	0.11	0.58 (0.882)	0.28 (0.445)
Source of Retirement Funds	Savings Accounts	0.55	0.38	1.52 (0.023)	1.81 (0.039)
	Pension/Provident	0.70	0.24	1.52 (0.083)	0.38 (0.030)
	Funds Investments	0.45	0.20	1.06 (005)	1.66 (0.007)
	Real Estate	0.20	0.06	1.51 (0.089)	1.21 (0.217)
	Retirement Annuity	0.40	0.10	0.08 (0.032)	0.58 (0.026)
	Business Profits	0.15	0.02	1.01 (0.261)	1.09 (0.267)
Awareness of Retirement Products	Retirement Annuity	0.60	0.07	0.58 (0.188)	0.28 (0.331)
	IRAs	0.35	0.19	1.53 (0.091)	1.82 (0.053)
	Provident funds	0.45	0.10	1.01 (0.242)	1.07(0.231)
	Pension Funds	0.50	0.34	1.51 (0.089)	1.21 (0.217)
	Limited knowledge	0.15	0.30	1.20 (0.0280	1.51 (0.211)
Importance of Financial Advisor	Yes	0.50	0.20	1.29 (0.072)	01.51(0.0047)
	No	0.50	0.80	1.14(0.072)	1.102(0.084)

Source Author Computation (2023): Note: Total participants = 333

The table 2, provides a comprehensive breakdown of the results obtained from cross-tabulation, bivariate analysis, and multivariate analysis concerning various retirement-related characteristics. This in-depth analysis provides a nuanced comprehension of the interaction amongst various variables, highlighting the factors that influence the retirement decisions and perceptions of individuals. As a significant factor; gender exhibits distinct patterns in retirement decisions. Males tend to have a higher proportion of affirmative responses ("Yes") in a variety of categories, such as the source of retirement funds and the value of financial advisors. Adjusting for other variables, the multivariate analysis reveals intriguing adjustments. Notably, the adjusted odds ratios for females opting for retirement annuities highlight a nuanced narrative; whereas the crude odds ratio initially suggests less preference for females, the adjusted ratio paints a more complex picture, indicating a greater female preference for retirement annuities after accounting for other factors.

The impact of ethnicity, the data reveals significant differences in retirement preferences. As evidenced by their consistently higher "Yes" response percentages, Africans have a greater propensity towards particular retirement options. This trend is further supported by the adjusted likelihood ratios, which indicate that African respondents are more likely to choose certain retirement options than those classified as "Others." The influence of education emerges as a crucial factor in retirement preferences. Respondents with diverse levels of education exhibit divergent attitudes toward retirement options. As indicated by their lesser "Yes" response percentage, individuals with a high school diploma or higher tend to avoid real estate as a source of retirement funds. The adjusted odds ratios emphasize this significance, indicating that education continues to influence retirement preferences even after controlling for other variables. In addition, the significance of financial advisors highlights a distinct divide. The bivariate analysis indicates that those who value financial advice have a greater proportion of "Yes" responses. This disparity is reflected in the adjusted odds ratios, confirming that individuals who place a premium on financial advisory are more likely to align their retirement decisions with expert advice.

3.2. Correlation Analysis

Table 3 provides the correlation analysis of the data set

Table 3: Correlation Analysis

S/N	Variable													
1	A	1												
2	SA	0.037***	1											
3	PPT	0.015*	0.0944*	1										
4	IN	0.045***	0.0994	-0.083	1									
5	RA	0.009	-0.0939	0.0342	-0.0394	1								
6	BP	0.021***	0.4332*	0.0499*	0.0890*	0.9443*	1							
7	RAA	0.024***	0.3999*	0.0299*	0.0399	0.9988*	0.0389*	1						
8	RIA	0.2839	0.1989*	0.9904*	0.0209	0.0428*	0.4904*	0.1442*	1					
9	PFA	0.0342	0.3422*	0.3949*	0.0579*	0.0034	0.0893*	0.1360*	0.0982*	1				
10	LKA	0.0334	0.2890	0.0298	0.5639	0.2820*	-0.0639	0.1809*	0.2640*	0.0473*	1			
11	PRA	0.0484*	0.0922	0.2035*	0.3709*	0.0594*	0.0409*	-0.0398	0.0994*	0.091*	0.2509*	1		
12	IFA	0.5214*	0.0240	0.0248	0.0294	0.0994*	0.4781*	0.0099	0.0928	-0.049*	-0.0449	0.0324	1	
13	EL	0.9942*	0.0198*	-0.0209	0.0489*	0.2094*	0.0298*	0.3398*	0.0442*	0.0242	0.0379*	0.2409*	0.0094	1

Source: Author's computation (2023): Where A is the age, SA is the Savings Accounts, PPT is the Pension/Provident Funds, IN is the investment, RA is Retirement Annuities, BP is Business Profits, RAA is the Retirement Annuities Awareness, RIA is the IRAs Awareness, is the PFA Pension Funds Awareness, LKW is the Limited Knowledge Awareness, PRA is the Planned Retirement Age, IFA is the Importance of Financial Advisor, and EL is the Education Level.

The correlation analysis table illustrates the relationship between retirement planning variables and financial literacy. Age (A), savings accounts (SA), pension/provident funds (PPT), investments (IN), retirement annuities (RA), business profits (BP), retirement annuities awareness (RAA), IRAs awareness (RIA), pension funds awareness (PFA), limited knowledge awareness (LKA), planned retirement age (PRA), financial advisor importance (IFA), and education level (EL) are the variables. Age is positively associated with savings accounts, investments, business profits, and limited knowledge awareness. This suggests that as people age, their savings, investments, and business profits tend to increase, and they may seek out more information about retirement planning. There are positive correlations between savings accounts (SA) and investments (IN), retirement annuities awareness (RAA), and anticipated retirement age (PRA). This suggests that individuals with savings accounts are more likely to be knowledgeable about retirement annuities and to have scheduled retirement ages. Investments are positively correlated with business profits, awareness of retirement annuities, awareness of IRAs, and anticipated retirement age. This suggests that investors may also be more knowledgeable about retirement annuities and IRAs, and may have a retirement age in mind.

Alternatively, pension/provident funds (PPT) are negatively correlated with anticipated retirement age (PRA). This suggests that individuals with pension or provident funds may intend to retire at a later age than those without such funds. Strong correlations are observed between business profits (BP) and awareness of IRAs (RIA) and business profits (BP) and awareness of pension funds (PFA). This suggests that business owners are more knowledgeable about IRAs and pension funds. Furthermore, awareness of retirement annuities (RAA) and awareness of IRAs (RIA) exhibit a strong positive correlation. This suggests that knowledge of retirement annuities is related to knowledge of IRAs. In contrast, limited knowledge awareness (LKA) exhibits weakly positive correlations with planned retirement age (PRA) and the significance of a financial advisor (IFA). This indicates that a lack of knowledge about retirement planning may affect the intended retirement age and the perceived value of a financial advisor. However, there is no significant correlation between education level (EL) and any of the other variables in the table. In this study, the correlation between education level and retirement planning, and financial awareness appears to be weak.

3.3. Retirement Preparedness and Awareness

Retirement readiness entails several essential elements, such as setting aside sufficient funds through savings and investments to cover post-retirement expenditures, estimating retirement income requirements, and developing a retirement plan tailored to one's specific financial objectives and circumstances. In addition to considering healthcare costs, inflation, and potential sources of retirement income such as pensions, Social Security benefits, and other financial assets, adequate preparation also takes into account inflation. In contrast, retirement cognizance refers to an individual's level of knowledge regarding retirement planning, investment options, and potential dangers associated with inadequate planning. Individuals must understand the retirement plans available to them, such as Provident funds , IRAs, and other tax-advantaged accounts, as well as the effects of their investment decisions on their future financial security. Both retirement preparedness and awareness are essential for ensuring a secure and satisfying retirement. Individuals who are well-informed and prepared regarding their retirement options are more likely to make prudent financial decisions, avoid common pitfalls, and enjoy a comfortable standard of living in their golden years.

3.3.1. Theme 1: Source of Retirement Funds

The predominant reliance on pension and provident funds, which comprises the majority of participants (70%) is attributable to the sense of security provided by structured employment environments. The theory of planned behaviour, which emphasizes that attitudes, subjective norms, and perceived behavioural control influence retirement planning intentions (Lusardi & Mitchell, 2017), is consistent with these findings. The presence of employer-sponsored retirement options probably influences attitudes towards such plans favourably, leading to increased participation. Respondents further indicated that:

> *"I have contributed to my company's pension fund for over two decades. It provides me confidence that I will have a stable financial buffer when I retire." (Interview, 2023)*

In contrast, 10% of participants, takes a different stance on retirement planning. To secure retirement funds in the absence of formal pension options, alternative strategies are pursued. Savings accounts emerge as a conspicuous choice for 65% of respondents, driven not only by financial considerations but also by a sense of caution and resilience. The theory of behavioural economics emphasizes that individuals frequently base their decisions on heuristics, such as mental shortcuts and affective factors. In the context of retirement planning, individuals may prioritize saving because it provides emotional reassurance in uncertain times (Lusardi &

Mitchell, 2017). Consider the viewpoint of this respondent who operates a modest family-owned business indicated:

> *"In our line of employment, no employer is concerned about our retirement. For our future, we must rely on what we save and what our business earns." (Interview, 2023)*

Individuals seek stability and security through personal savings because they are more averse to losses than attracted to gains, according to prospect theory (VanDerhei & Copeland, 2010). In addition, the narrative of using business profits as a retirement fund emphasizes the the (nature of the business ownership) or entrepreneurial nature of retirement planning. These individuals view their businesses as investments in their future well-being, consistent with the concept of "necessity entrepreneurship" (Young *et al.,* 2017) for income security. The employment structures of South Africa have a substantial impact on the observed differences in retirement planning behaviours. Some employees enjoy pension plans and a sense of institutional support as required by the pensions regulatory act of South Africa, whereas some individual business owners confront the challenges of self-reliance. It is crucial to address the obstacles that prevent the South African individual business owners from accessing any formal pension schemes. Policymakers should devise retirement plans that take into account the particular circumstances and preferences of individual business owners and their employees.

3.3.2. Theme 2: Awareness of Retirement Products

Some respondents are significantly knowledgeable about retirement products than other individuals black South Africans who own businesses in the three provinces. In particular, the data indicates that 60% of respondents are aware of retirement annuities, while only 25% of individual black South African respondents who are business owners are aware of the same. Different levels of access to *financial education and retirement planning resources* can explain this disparity. Employers and financial institutions frequently play an active role in supplying comprehensive information about retirement products to employees, rather than business owners. This exposure to financial literacy initiatives and retirement planning seminars contributes to higher levels of awareness among employees rather than individual business owners (VanDerhei & Copeland, 2010). In contrast, the individual business owners lack comparable resources and initiatives, resulting in lower awareness of retirement product among individual black South African business owners. Young *et al.* (2017) affirmed that individuals who have their private business may not be completely aware of the various retirement options available to them. Thus far, the theory of Planned Behaviour cast light on this phenomenon. A person's behaviour is influenced by their attitude, subjective norms, and perceived behavioural control, according to this theory. Due to the information and assistance provided by the government to employees; they seem to have a more optimistic view of retirement planning in terms of retirement product awareness than business owners. This optimistic outlook may prompt employees to seek out and become more knowledgeable about retirement products than business owners. For instance, an employee-respondent stated that;

> *"Especially when I discovered the concept of retirement annuities, the company's regular retirement planning sessions have been a valuable learning experience. These sessions have equipped me with the knowledge and understanding necessary to better prepare for the future and ensure financial security during my retirement years. Understanding the advantages and operation of retirement annuities has provided me with confidence and peace of mind, knowing that I am taking proactive measures to safeguard my long-term financial security. I am appreciative of the opportunity to be educated and given more control over my financial future through these sessions".*

This highlights the substantial influence of educational initiatives on retirement planning decisions. When individuals are well-informed about retirement products and the prospective benefits they offer, they are more likely to make future-securing financial decisions regarding savings and retirements. Employees with access to financial education are empowered to take an active role in their retirement planning, allowing them to confidently navigate the complexities of the various retirement options. According to Morrissey & Johnson, (2017), financial literacy plays a crucial role in retirement planning. Individual black South African business owners who have knowledge and comprehension of various financial instruments, such as retirement annuities, can make decisions that are in line with their long-term retirement objectives. This knowledge enables them to set aside funds into savings to maximize their retirement earnings, which could result in improved financial outcomes during their post-retirement years.

In addition, the availability of educational initiatives amongst black South African business owners will not only increases retirement product awareness but also contributes to a positive transition in attitudes regarding retirement planning. Individuals business owners may develop a greater sense of responsibility and motivation to proactively plan for retirement as they gain a greater understanding of the available options, whiles encouraging their employees to do the same. This is consistent with the Theory of Planned Behaviour, which emphasizes the influence of attitudes on individuals' behavioural intentions. Positive attitudes cultivated by financial education may motivate individuals to prioritize retirement planning and take the necessary measures to secure their financial future in this context. While the employees enjoy the advantages of financial education and retirement planning resources, it is essential to resolve the obstacles faced by the black South Africa business owners. Therefore, the South African pension regulatory body should make efforts to increase financial and pension literacy amongst black South African business owners, to promote retirement readiness among individuals especially the South African youth who are or wanting to become entrepreneurs. Retirement planning can be made more accessible and understandable if educational programmes are designed to meet the specific needs of non-traditional employees. The South African government, financial institutions, educational institutions, and community organizations must work together to extend financial education initiatives to business sectors. It can be achieved using providing concise and actionable information about retirement products and their benefits, to make individuals make well-informed financial decisions for retirement.

3.4. Planned Retirement Age

The research's results show a striking resemblance between individuals' anticipated retirement ages, with a significant 40% of people planning to retire at age 65. The conventional retirement age, which is often linked to receiving pensions and social security payments, is in line with this trend (Morrissey & Johnson, 2017). The findings do, however, reveal one very fascinating result; 30% of respondents plan to retire after age 65.

> *The typical retirement age is 65, but I've always had a different plan for my future. I see a future in which I work and remain actively engaged in my job for as long as I am able. Money is unquestionably vital for financial stability, but I think that continuing to be active and involved in my profession gives my life a great deal of fulfilment and meaning. It's not only about the money; it's also about my enthusiasm for and enjoyment of my work. By adopting this strategy, I can maintain my professional activity while leading a full and fulfilling life, striking a balance between financial planning and personal fulfilment. (Interview, 2023)*

The revelation indicates how a variety of variables play a role in retirees' retirement choices. First of all, inconsistent income sources and restricted access to formal retirement plans are major variables (Yakoboski *et al.,* 2023). As a consequence, a sizable number of employees may not amass enough retirement funds by the age of 65, forcing them to think about working over this conventional retirement age. Secondly, the respondent's focus on being involved and active draws attention to the idea of "productive ageing" or "work as a calling." This hypothesis postulates that people may find meaning and fulfilment in their jobs, which would motivate them to work beyond the age of retirement. For some individual entrepreneurs, their businesses or jobs may serve as a source of identity and social connection in addition to providing a means of support. As a result, business owners can decide to extend their working years to preserve these important components of their life whiles ensuring business continuity.

The lack of alternative social safety nets may also have an impact on people's decisions to retire beyond age 65. Access to pension plans and other retirement benefits may coincide with retirement amongst employees or private business owners. People can be motivated to continue working after age 65, especially where such benefits may be rare, to sustain their livelihood and assure financial stability in their senior years. Furthermore, retirement choices may also be influenced by health and lifespan concerns. People may think about extending their working lives to ensure that they have enough money to support themselves through a possibly extended retirement period as a result of improved healthcare and increasing life expectancy (Workman, 2012).

3.5. Importance of Financial Advisor

The results show a notable difference in how important financial advisers are with 50% of people believing that this to be the case compared to just 20% of those in the latter. The respondents indicated that;

> *"I trust my financial advisor's expertise; they have helped me make informed decisions about my retirement planning and investments." (Interview, 2023)*

This idea clarifies the function of financial advisers in assisting business owners and employees in making difficult financial decisons by offering advice and assistance. Individuals may experience cognitive biases and emotional impacts that might affect their financial decisions, according to the behavioural finance theory (Turner *et al.,* 2018). By providing unbiased guidance and individualized methods to achieve clients' retirement objectives, financial advisers may lessen these prejudices. Additionally, several variables may be used to explain the observed variation in the priority given to financial advisers. First of all, individual business owners could earn more money and have more financial resources, making it possible for them to seek and pay for financial expert's guidance (Workman, 2012). On the other hand, employees in the South Africa, who often have low financial resources and erratic revenue streams, could believe that financial advisory services are out of their price range. Secondly, there may be a difference in the accessibility and availability of financial counsellors between the employees and business owners. With employees, access to internal or external financial advisers may be provided by employers or financial institutions as part of benefits packages for employees (Turner *et al.,* 2018).

Additionally, opinions toward financial advisers may be shaped by cultural and societal variables. In contrast to other civilizations, where self-reliance and networks for financial decision-making may be more common, other societies may see receiving professional financial guidance as a sign of financial responsibility and literacy (Malkiel, 2015). Efforts should be made to raise financial literacy and knowledge about the advantages of financial advisory services in amongst business owners and employees to close this gap. Giving employees and individual business owners access to cheap financial education might enable them to make judicious decisions about their retirement (Munnell *et al.,* 2018; Malkiel, 2015). Furthermore, programmes that support financial inclusion and open up access to financial advisory services may level the playing field and guarantee that everyone, can benefit from qualified financial advice.

3.6. Investment and Risk Tolerance

Investments and risk tolerance are crucial aspects of retirement planning, as they have a direct bearing on an individual business owner's or employee's ability to reach their financial objectives during their post-work years. Based on the retirement data presented in table 3, it is evident that individuals differ in their investment decisions and risk tolerance. Participants in who have access to employer-sponsored retirement plans and formal pension schemes are more likely to employ a structured investment strategy. Due to the prevalence of institutional support and financial guidance, these individuals may feel more confident and secure in their retirement planning. Consequently, they may display a higher risk tolerance and invest more in long-term growth-oriented assets, such as equities and mutual funds (Yakoboski *et al.,* 2023). Individuals in South Africa, who lack access to formal pension options and financial resources, may employ a more cautious investment strategy. The absence of employer-sponsored retirement plans may increase a person's perception of their financial vulnerability, causing them to prioritize capital preservation and liquidity over higher-risk investments. As a result, they may favour secure investments such as savings accounts, fixed deposits, and other low-risk instruments (Yakoboski *et al.,* 2023).

The degree of risk tolerance plays a crucial role in determining investment decisions. A person's risk tolerance is their resolve to endure fluctuations in the value of their investments in exchange for the possibility of higher returns in the future. Others may prefer more stable and predictable investment options (Munnell *et al.,* 2018). While some individuals may opt for higher risk in pursuit of greater rewards, others may prefer more stable and predictable investment options. Individuals business owner's risk tolerance is intertwined with their business-specific circumstances, as evidenced by their retirement date. Individuals, who have access to a stable income and retirement benefits may have a higher risk tolerance because they are more confident in their financial security. In contrast, employees, who frequently encounter income volatility and lack institutional support, may exhibit a lower risk tolerance to safeguard their limited financial resources (Rhee, 2013). When designing retirement investment plans, it is vital to consider risk tolerance. An assessment of risk tolerance can assist individuals in determining their level of comfort with market fluctuations and in selecting investments accordingly (Gist & Hatch, 2014). Individuals can establish a balance between attaining growth to combat inflation and protecting their retirement funds from potential losses using this individualized approach. Moreover, financial education and guidance are necessary to improve an individual's investment knowledge and decision-making abilities (Rhee, 2013). Individuals can make informed investment decisions consistent with their risk tolerance and retirement goals if they have access to financial literacy programmes and professional advice.

3.7. Investment Preferences

Participants rely heavily on pension/provident funds (40%) and savings accounts (55%) when it comes to their retirement investments. This preference for safer and more stable investments can be attributed to the sense of security afforded by formal employment structures and employer-sponsored retirement plans (Munnell *et al.,* 2018). According to one respondent;

> *"I have faith in the pension fund of my employer and the security it provides for my retirement. Knowing that my employer contributes to and professionally manages the fund gives me confidence in its long-term viability. Knowing that I am actively saving for my future and that I will have a reliable source of income after retirement gives me peace of mind. The pension fund provides the financial security necessary for a worry-free and comfortable retirement, in my opinion. I am appreciative of the opportunity to participate in this pension plan, and I am optimistic about the retirement benefits it will provide".* ***(Interview, 2023)***

In contrast, some individuals have a greater tolerance for risk and a marked preference for investment opportunities. Real estate (40%), annuities for retirement (15%), and business profits (50%) are among the preferred investment options. This propensity to hazardous investments may be a result of the lack of formal pension options and the need to pursue higher returns to secure their financial future (Munnell *et al.,* 2018). A respondent stated, "Investing in my small business is a risk, but it also has the potential for significant rewards, which will be crucial for my retirement", as confirmed by Kahneman & Tversky's (1979) that prospect theory provides insight into these investment behaviours. Individuals are risk-averse when confronted with potential gains and risk-seeking when faced with potential losses, according to this theory. Particularly, where employees have access to secure income and employer-sponsored retirement plans, there is a preference for safer investment options to safeguard their existing financial gains (Lusardi & Mitchell, 2017). In contrast, other individuals who lack such stability, may pursue riskier investments in the hopes of achieving greater returns and securing their financial future (Young *et al.,* 2017).

Additionally, behavioural fallacies such as familiarity bias and herding behaviour may influence investment decisions amongst individual South African business owners. Familiarity bias refers to the tendency of individuals to invest in assets they are accustomed to, which may explain their greater preference for real estate and small enterprises (Lusardi & Mitchell, 2017). Herding behaviour, on the other hand, can cause individual business owners to imitate their peers' investment decisions, which could influence their preference for particular investment avenues (Yakoboski *et al*., 2023). Individual business owners must be aware of their risk tolerance and investment options to optimize their retirement planning. Financial education and guidance can play a significant role in assisting individuals business owners and employees to make well-informed decisions that are in line with their risk tolerance and long-term pension goals (Yakoboski *et al.,* 2023). Individuals can create diverse and well-balanced retirement portfolios that meet their financial objectives by understanding their unique circumstances, businesses, income streams, and preferences.

3.8. Social Security and Retirement Products

Social Security and Retirement Products are financial instruments and government programs designed to provide retirement-aged individuals with financial security and support. In many countries, such as South Africa, the government-run programme provides retirement benefits based on an individual's earnings history. Throughout the working years, workers contribute a portion of their earnings to the Social Security system; upon attaining retirement age, they become eligible to receive monthly benefits. Social Security benefits are a vital source of income for retirees, allowing them to maintain a minimal standard of living during their non-working years. On the other hand, retirement products are private financial instruments offered by various financial institutions to assist individuals in saving and investing for retirement. Individual Retirement Accounts (IRAs), Provident fund plans, annuities, and pension schemes are among these products. Individuals can accrue funds over time, take advantage of tax benefits, and potentially expand their resources through investments thanks to retirement products. The objective of retirement products is to provide retirees with additional income and financial security above and beyond what Social Security provides as briefly explained in the following themes.

3.8.1. Theme 1: Relying on Social Security

Access to social security mechanisms is significantly different amongst respondents, according to the research findings. The data reveals that only 10% of individual business owners in South Africa have pension or provident funds, while a substantial 70% of employees do have. This disparity suggests that business owners may rely significantly on informal social security arrangements in retirement age. The reliance of these individuals on informal social security mechanisms in the can present obstacles. In contrast to formal pension plans, informal pension arrangements may not provide the same level of retirement financial annuity, security and stability. One of the business owner’s respondents interviewed expressed concern, stating that:

> *"As a business owners of South Africa, I do not have access to a statutory pension plan, so I must rely on informal means, such as community savings and my business, to save for retirement. Nonetheless, I am concerned about the uncertainties associated with these arrangements when I retire. I am at a disadvantage due to the absence of a mandatory pension plan, as employees who enjoy greater financial security through their pension or provident funds. I believe there is an urgent need for policymakers to address this disparity and develop targeted social security solutions that address the unique challenges that business owners such as myself face, to ensure a more secure and dignified retirement. (Interview, 2023)*

The lack of access to pension or provident funds highlights the need for individualized social security solutions that take into account the specific circumstances and obstacles encountered by business owners (Yakoboski *et al.,* 2023). Policymakers should investigate initiatives that promote financial inclusion and provide business owners with more accessible and reliable retirement options. Hence, individual business owners can better prepare for a financially secure and dignified retirement by addressing the disparities in social security coverage between the business owners and employees amongst the three provinces.

3.9. Retirement Preparedness across Age Groups

In the fields of financial planning and social security, retirement readiness across age categories is an important topic. It examines how individuals of various age cohorts save and plan for retirement. Due to disparities in financial resources, life stages, and retirement planning awareness, the level of retirement preparedness can vary substantially across age groups. Younger age groups, such as millennials and Generation Z, across Limpopo, Gauteng and North West provinces of South Africa, frequently struggle to save for retirement due to competing financial obligations, such as business loan debt and business premises rental payments. These groups may have reduced savings rates and limited access to sponsored retirement plans, according to studies (Collinson & Helmer, 2017). In contrast, elder age groups, such as baby boomers and Generation X across the three provinces in South Africa, may be better prepared for retirement because they have had more time to accrue savings through their business activities and may be eligible for pensions and Social Security benefits (Workman, 2012). However, factors such as unanticipated medical expenses and inadequate retirement planning can still place this demographic in a vulnerable financial position. Addressing retirement readiness across age groups necessitates individualized approaches that take into account the unique challenges and opportunities faced by each group. It involves promoting financial literacy, fostering retirement savings early in a person's career, and improving access to retirement savings vehicles, such as employer-sponsored plans and individual retirement accounts (IRAs).

3.9.1. Theme 1: Age Group and Retirement Savings

The data analysis reveals that individuals aged 30 to 40 are significantly represented in both the business ownerships and employee status, with 30% and 25%, respectively. This finding emphasizes the significance of confronting retirement planning at this crucial juncture in their lives in South Africa. As these individuals are apt to be in the middle of their careers, they have a significant opportunity to improve their retirement preparedness. According to research, individuals in their 30s and 40s may encounter unique obstacles when planning for retirement. They frequently manage multiple financial obligations, such as mortgage payments, child care, and college savings. These competing priorities can make allocating sufficient funds for retirement savings difficult. In addition, limited access to formal pension schemes in the can impede efforts to secure a comfortable retirement. This age group should be the focus of efforts to increase retirement awareness and enhance financial preparedness. Individuals in their 30s and 40s can be empowered to make informed decisions about their retirement journey through the provision of tailored financial education, promotion of workplace retirement plans, and accessibility of retirement savings options as stated by one of the respondents:

> *"As I approach my 30s, the importance of retirement planning has become more apparent to me," said one pensive respondent. "I am attempting to strike a delicate equilibrium between meeting my current financial obligations, such as paying off debts and managing day-to-day expenses, and ensuring a comfortable future for my family. It is a difficult task to allocate resources prudently, given the numerous financial obligations and future uncertainty. To ensure financial security during my retirement years, I am determined to take proactive measures, such as seeking advice and investigating available retirement savings options. My family's comfort and happiness are at the centre of my decision-making, and I recognize the importance of planning for our future comfort and happiness". (Interview, 2023)*

Adopting behavioural finance principles can be advantageous when addressing the retirement planning requirements of individuals aged 30 to 40. (Workman, 2012) Behavioural finance theories, such as the Prospect Theory, can aid in understanding decision-making patterns and designing interventions that guide individuals toward improved retirement savings decisions.

3.10. Variations in Retirement Preparedness amongst the Provinces

The differences in retirement preparedness among the Limpopo, Gauteng, and North West of South African provinces refer to disparities in retirement planning and financial preparedness among individual business owners residing in the above-mentioned geo-political locations (Morrissey & Johnson, 2017). These differences may result from socioeconomic factors, access to resources, cultural norms, races, educational level, and provinces policies that affect retirement savings and investment patterns. The level of financial preparedness for retirement varies considerably across the provinces, with some provinces exhibiting higher levels than others. Cost of living, employment opportunities, and the availability of retirement benefits and pension plans can all impact an individual's ability to adequately plan for retirement (Yakoboski *et al*., 2023). For instance, individuals in Gauteng province with a higher cost of living may need to allocate a greater portion of their income to meet daily expenses, posing a greater challenge for retirement planning. In contrast, Limpopo with high rural communities with limited employment opportunities and access to formal retirement plans may rely more on social support systems or community-based savings arrangements (Yakoboski *et al.,* 2023). Province policies and South African government initiatives about retirement benefits and financial literacy programmes can also affect retirement readiness in various regions. For policymakers and financial institutions to design targeted interventions and support mechanisms, it is vital to comprehend province differences in retirement readiness. Efforts to improve retirement preparedness can be made more effective and equitable by addressing the unique requirements and obstacles encountered by individuals in various provinces (Turner *et al*., 2018). In addition, insights into provinces differences can help identify regions with higher vulnerability and retirement planning gaps, diverting resources and assistance to the areas where they are most required. By recognizing and addressing these provinces disparities, policymakers can work towards improving retirement security and assuring a more financially secure future for all individuals, regardless of the geo-political location.

3.10.1. Theme 1: Province and Retirement Savings

The data analysis reveals significant disparities in retirement savings across provinces and industries. Respondents who are associated with the finance sector in Gauteng has a significantly higher retirement savings rate of 30%, while in the same region has a significantly lower rate of 5%. This disparity may be attributable to the nature of employment opportunities prevalent in Gauteng province; more of financial services industry, which may offer more generous retirement benefits and pension plans (Smith & Jones, 2021).

One respondent from the finance industry in Gauteng stated that:

> *"Working in the finance industry has given me access to a well-structured pension plan, and I am optimistic regarding my retirement prospects." In contrast, a business owners in Gauteng expressed concern, stating, "As a self-employed individual, I struggle to set aside funds for retirement, and the lack of formal benefits makes me uncertain about my future". (Interview, 2023)*

The observed differences in retirement savings highlight the significance of understanding the province and industry-specific factors that influence individuals' retirement readiness. Significant influences on retirement savings behaviours are employment opportunities, access to formal retirement plans, and financial literacy (Turner *et al.,* 2018). This information can be utilized by policymakers and financial institutions to tailor interventions, such as promoting financial education and introducing retirement savings options, especially for those in the Gauteng province of South Africa. By addressing these disparities, the objective is to promote greater retirement security and ensure a more inclusive and equitable retirement landscape for all provinces and industries across South Africa.

3.11. Longevity and Retirement Savings

The anticipated duration of life has a significant impact on retirement savings and financial planning. Individual business owners must consider the viability of their savings to support a prolonged retirement period in light of rising life expectancies. Longer life expectancies are associated with increased financial concerns among retirees, who face the possibility of outliving their savings (Malkiel, 2015). In response to these longevity-related challenges, many retirees are modifying their retirement strategies and attempting to increase their savings to ensure a comfortable and secure retirement. The analysis of the data indicates that respondents of the three provinces are becoming increasingly aware of longevity and its effect on retirement resources, as one respondent stated that:

> *"I want to ensure that my savings will sustain me throughout my retirement." Because individuals are living longer, I must make long-term plans." (Interview, 2023)*

This sentiment reflects the growing recognition among retirees of the significance of adequately funding their retirement years. Concerns regarding retirement and longevity necessitate a multifaceted approach. Financial institutions and retirement planners can provide individualized solutions for retirement that take individual circumstances and life expectancies into consideration. The incorporation of annuities and other longevity insurance products can provide a safety net for retirees concerned that they will outlive their savings (Malkiel, 2015). In addition, nurturing financial literacy and promoting long-term retirement planning from a young age can enable individuals to accumulate savings commensurate with their expected longevity. By recognizing the interplay between longevity and retirement savings, policymakers and financial advisors can devise more robust retirement strategies that accommodate the changing requirements of retirees in an era of increased life expectancy. Adopting a proactive strategy to resolve longevity-related issues will contribute to improved retirement readiness and ensure that retirees can enjoy a financially secure and fulfilling post-working life.

3.11.1. Theme 1: Planned Retirement Age vs. Life Expectancy

The disparity in intended retirement ages between age groups demonstrates the significance of aligning retirement decisions with regional life expectancies. As life expectancies continue to rise, individuals must ensure that their retirement plans account for the possibility of a longer existence after retirement. By comparing anticipated retirement ages with average life expectancies, we can evaluate the adequacy of an individual's retirement provisions. For instance, if the intended retirement age is substantially lower than the average life expectancy, retirees may encounter financial difficulties during their extended retirement period. This could result in insufficient reserves to maintain their standard of living and cover essential expenditures, such as healthcare and cost of living, during their protracted retirement phase. This disparity between retirement age and life expectancy may also burden public pension systems and social safety nets, necessitating policy adjustments to adequately support an aging population.

One respondent said,

> *"I've always desired an early retirement so I can relish my golden years and reap the rewards of my labour. Nonetheless, I've begun to consider the feasibility of that ambition. I've come to realize the significance of securing my financial future in light of rising life expectancies and economic uncertainty. Now that I want to ensure that my savings can support me for the remainder of my life, delaying my retirement seems like a more prudent choice. There is a trade-off between the immediate enjoyment of early retirement and the peace of mind that comes with financial security in my later years. I believe that making this change will result in a more secure and comfortable retirement in the long term". (Interview, 2023)*

This sentiment reflects the increasing cognizance among individuals regarding the significance of aligning the retirement age with their expected lifespans. Financial education and retirement planning programmes can play a crucial role in addressing this issue by encouraging individuals to make well-informed decisions about their retirement age and savings. Individuals can take proactive measures to create a robust retirement portfolio and ensure a comfortable and stress-free post-retirement life by comprehending the implications of their intended retirement age on their financial security in later years. Moreover, policymakers and employers can investigate retirement options that are adaptable to a variety of requirements and preferences. Implementing age-adjusted retirement policies and providing part-time or phased retirement options can empower individuals to manage the transition into retirement while maintaining their financial stability.

3.12. Gender and Retirement Preparedness

Gender plays an important role in retirement planning, with data revealing significant differences between men and women. Studies have consistently demonstrated that women are typically less prepared for retirement than men (Malkiel, 2015). This disparity can be attributed to several factors, such as wage inequalities between men and women, career interruptions due to caregiving responsibilities, and extended life expectancies for women (Munnell *et al*., 2018). Women's lower earnings and interrupted careers frequently result in decreased savings and contributions to retirement plans, which can contribute to potential financial difficulties in their post-retirement years. Moreover, because women have longer life expectancies, they must extend their retirement savings further, which increases their risk of outliving their funds (Yakoboski *et al.,* 2023). As such one of the respondents stated that:

> *"As a woman, I have always been conscious of the need to be financially independent and to plan for my future. My retirement resources have been impacted, however, by the gender pay disparity and career pauses for childrearing. I am concerned about whether I will have enough money to retire comfortably. It feels like a perpetual balancing act between managing current expenses and planning for the future financially. I wish there was more support and understanding of the unique challenges women confront when planning for retirement". (Interview, 2023)*

Policymakers, employers, and financial institutions must address these disparities in retirement planning. Efforts to promote pay equity, flexible work arrangements, and affordable child care can assist women in making consistent contributions to their retirement plans. In addition, increasing women's financial literacy and providing targeted resources for retirement planning can empower them to make informed decisions and develop substantial retirement savings. By recognising and addressing gender-specific challenges in retirement planning, society can work towards a more equitable and secure retirement future for all individuals (Yates & Ward, 2013).

3.12.1. Theme 1: Gender and Investment Preferences

It is essential, when examining retirement readiness, to examine gender-specific investment preferences and their prospective implications. While the aggregate gender distribution may appear to be balanced, research indicates that men and women approach investments differently. According to studies, women have a greater aversion to risk and gravitate towards secure and more prudent investment options (Park & Ha, 2020). Men, on the other hand, maybe more inclined to pursue hazardous investment opportunities in search of potentially larger returns (Reyers, 2018). One of the respondents stated that:

> *"I have always been cautious with my investments and prefer to err on the side of caution. I must protect my savings and avoid taking unnecessary risks. I am aware that this may result in lower returns, but financial security is more important to me than the allure of higher returns, says one female respondent". (Interview, 2023)*

Understanding these gender-based investment preferences is essential for tailoring financial education and retirement planning initiatives to each gender's specific requirements. Empowering women with comprehensive financial literacy and nurturing a deeper understanding of investment options can assist them in making more confident decisions. In addition, increasing women's access to diverse and adaptable investment opportunities can provide them with a sense of financial security while they pursue reasonable returns. Men's financial education can emphasize establishing a balance between growth-oriented investments and risk management. By recognising and addressing these gender-specific investment patterns, policymakers, and financial institutions can create more effective retirement planning strategies that align with individuals' risk preferences and financial objectives (Reyers, 2018).

4. Theoretical Implication of Findings

The research findings have numerous theoretical implications that can contribute considerably to the fields of retirement planning and financial decision-making. First, the analysis of investment preferences is consistent with Kahneman and Tversky's (1979) Prospect Theory, a central concept in behavioural finance. Individuals are risk-averse when confronted with potential gains and risk-seeking when faced with potential losses, according to the Prospect Theory. There is a preference for secure investments, where employees have access to employer-sponsored retirement plans because these plans provide a perception of security (Banks & Oldenback, 2007). Individuals, who lack this stability, may pursue riskier investments in the hopes of attaining higher returns to secure their financial future. This knowledge of Prospect Theory can assist policymakers and financial institutions in designing retirement planning interventions that take into account the risk preferences of individuals and optimize investment decisions. The findings also cast light on the impact of behavioural biases such as familiarity bias and herding behaviour on investment decisions amongst business owners in Limpopo, Gauteng, and North West provinces. Individuals tend to invest in assets with which they are familiar, which explains individual's preference for real estate and small businesses. Herding behaviour, on the other hand, can lead to individuals imitating the investment decisions of their peers, thereby influencing individual's preference for particular investment avenues. Recognising these behavioural biases enables financial educators and advisors to provide guidance on diversification and encourage individuals to investigate a broader range of investment options beyond their familiar options.

Thirdly, the findings reveal gender-specific investment preferences, with women exhibiting a greater aversion to risk and a preference for secure investments. This gender discrepancy in investment behaviour can be ascribed to several factors, including the gender pay gap and career interruptions due to caregiving responsibilities. Munnell *et al*. (2016) found that women's lower earnings and interrupted careers may result in decreased savings and contributions to retirement plans, which may contribute to financial difficulties in their post-retirement years. Understanding these gender-specific investment patterns can lead to gender-sensitive financial education programmes that address women's financial security concerns and provide men with a balanced approach to risk and return in their investment decisions. In addition, the study emphasizes the significance of longevity in retirement planning. As life expectancies rise, individuals must plan for extended retirement periods and ensure that their savings can sustain them throughout their post-working years. This finding can guide policymakers and financial institutions in the introduction of longevity insurance products and the promotion of financial literacy to assist individuals in effectively planning for extended retirement periods. In addition, the research findings highlight provinces and industry differences in retirement preparedness, indicating the need for individualized retirement planning solutions. This information can be used by policymakers, financial institutions and pension houses to create targeted interventions that address the unique challenges encountered by individuals in various provinces and industries of South Africa. Such efforts can aid in enhancing retirement security and promoting equitable access to retirement benefits nationwide.

5. Practical Implication of Findings

The research findings have several practical implications that can assist policymakers, financial institutions, and individuals in enhancing their retirement readiness and financial decisions. First, the observed investment preferences demonstrate the need for specialized financial education and guidance. Policymakers and financial institutions can develop educational programmes tailored to the specific requirements of each gap, emphasizing the advantages of diversification and risk management in retirement amongst business owners to promote awareness of alternative investment opportunities. Individuals can be empowered to make decisions that align with their risk tolerance and long-term objectives if they are informed about the long-term benefits of balanced portfolios and the potential risks of concentrating their investments. Recognising the influence of behavioural biases such as familiarity bias and herding behaviour can lead to the creation of interventions that encourage individuals to overcome these biases. Financial education initiatives can emphasize the significance of conducting exhaustive research before making investment decisions, thereby fostering a deeper comprehension of available investment alternatives. Encouraging individuals to consult financial advisors and participate in retirement planning seminars can prevent them from making decisions based solely on familiarity or herd mentality. Thirdly, addressing gender-specific investment preferences requires promoting financial inclusion and gender equality through targeted efforts. Policymakers can implement policies that reduce the wage disparity between men and women and promote work-life balance, enabling women to contribute more to their retirement savings. Financial institutions can tailor investment products and services to the risk preferences of both sexes, providing women with a sense of financial security and males with a balanced approach to risk and return.

In addition, retirement planning that takes longevity into account can contribute to the development of longevity insurance products and indefinite income options. To alleviate individuals' fears of outliving their investments, financial institutions can create innovative annuities and pension plans that provide a guaranteed income throughout retirement. Policymakers can also investigate methods to incentivize individuals to choose these products and raise awareness of their advantages in ensuring a financially secure retirement. To address provinces and industry differences in retirement readiness, localized strategies must be implemented. Regionally-tailored retirement planning initiatives can be designed in collaboration between policymakers and province authorities, taking into account the specific requirements of each province. Providing tax incentives or grants to business owners in particular industries to provide retirement benefits for their employees can help bridge the gap between industries. To increase accessibility to retirement savings products and services, financial institutions can also establish branches or mobile services in underserved areas. Lastly, targeting the retirement readiness of various age groups necessitates a multifaceted strategy. Financial education programmes should emphasize the importance of early retirement planning and the balancing of current financial obligations and long-term objectives. Guiding older age groups in effectively managing retirement resources, such as through retirement income strategies and healthcare cost management, can contribute to a more secure retirement. Employers can also play a role by providing flexible retirement options and phased retirement programmes, allowing individuals to leave the workforce progressively while maintaining financial stability.

6. Conclusion and Recommendations

The research findings on retirement readiness and investment preferences of individual business owners in South Africa provide valuable insight into the factors that influence retirement planning decisions. The study emphasizes the importance of employer-sponsored retirement plans and the sense of security they provide to individuals, which results in a preference for safer and more stable investments. On the other hand, the business owners in South Africa demonstrates a greater tolerance for risk and a preference for informal investment opportunities, due to the absence of formal pension options and the need to pursue higher returns to secure their financial future. Behavioural fallacies, such as the familiarity bias and the herding effect, also influence investment decisions by business owners.

To enhance retirement preparedness, South African policymakers, financial institutions, educational institutions, and individuals can benefit from the research's practical implications. Individuals can be empowered to make well-informed decisions that align with their risk tolerance and long-term objectives if they receive individualized financial education and guidance. Addressing behavioural biases can result in interventions that encourage individuals to overcome their biases and make investment decisions based on extensive research and comprehension. To close the gender difference in retirement readiness, policies must promote financial inclusion, encourage work-life balance, and provide investment products that appeal to the risk preferences of both genders. Taking longevity into account in retirement planning can result in the creation of innovative annuities and pension plans that provide a guaranteed income throughout retirement, thereby addressing concerns about outliving savings. Provincial and industry-specific strategies can target retirement readiness in various businesses and regions, fostering financial literacy and enhancing access to retirement savings options.

Several research avenues can be investigated in the future to advance our understanding of retirement readiness and investment behaviour. Longitudinal studies that monitor retirement planning and investment decisions over time can shed light on the long-term effects of financial education and behavioural interventions. In addition, research can delve deeper into the factors that influence investment preferences, taking into account individual risk profiles, income levels, and access to financial resources. In addition, examining the influence of employer-sponsored retirement plans and workplace benefits on retirement decisions can cast light on the significance of employer contributions and plan design. Comparative studies across regions such as West Africa, and nations such as Ghana can provide a cross-cultural and regulatory perspective on retirement planning practises and identify the most effective strategies for promoting retirement security. In addition, research examining the relationship between retirement readiness and overall financial well-being and life satisfaction can emphasize the significance of retirement planning in attaining a comfortable and fulfilling post-working life.

7. The next step is to develop the below 5 day workshop

Workshop Outline: Retirement Planning for Entrepreneurs

Day 1: Introduction to Retirement Planning

- **9:00 AM - 10:00 AM:** Registration and Welcome Breakfast
- **10:00 AM - 11:00 AM:** *Introduction:* Why Entrepreneurs Need Retirement Planning
- **11:15 AM - 12:30 PM:** *Session 1:* Understanding the Basics of Retirement
- **12:30 PM - 1:30 PM:** Lunch Break
- **1:30 PM - 3:00 PM:** *Session 2:* The Unique Challenges Entrepreneurs Face in Retirement Planning
- **3:15 PM - 4:30 PM:** Group Activity: Assessing Personal Retirement Readiness
- **4:30 PM - 5:00 PM:** Day-end Recap and Q&A

Day 2: Longevity and Financial Considerations

- **9:00 AM - 10:30 AM:** *Session 3:* The Impact of Longevity on Retirement Planning
- **10:45 AM - 12:00 PM:** *Session 4:* Financial Tools and Products to Consider
- **12:00 PM - 1:00 PM:** Lunch Break
- **1:00 PM - 2:30 PM:** *Session 5:* Risk Assessment and Management for Entrepreneurs
- **2:45 PM - 4:00 PM:** Workshop: Calculating Your Potential Retirement Needs
- **4:00 PM - 5:00 PM:** Panel Discussion: Personal Experiences in Retirement Planning

Day 3: Gender, Investment Preferences, and Personal Factors

- **9:00 AM - 10:30 AM:** *Session 6:* The Role of Gender in Retirement Preparedness
- **10:45 AM - 12:00 PM:** *Session 7:* Investment Preferences and Strategies
- **12:00 PM - 1:00 PM:** Lunch Break
- **1:00 PM - 2:30 PM:** *Session 8:* Planning for the Unexpected: Health, Family, and Economic Challenges
- **2:45 PM - 4:00 PM:** Workshop: Personalized Investment Strategy Planning
- **4:00 PM - 5:00 PM:** Interactive Group Discussion: Sharing Personal Investment Approaches
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Day 4: Building a Retirement Plan

- **9:00 AM - 10:30 AM:** *Session 9:* Structuring Your Retirement Plan
- **10:45 AM - 12:00 PM:** *Session 10:* Evaluating and Choosing Retirement Products
- **12:00 PM - 1:00 PM:** Lunch Break
- **1:00 PM - 3:00 PM:** Hands-on Workshop: Drafting Your Preliminary Retirement Plan
- **3:15 PM - 4:30 PM:** Peer Review: Sharing and Critiquing Retirement Plans
- **4:30 PM - 5:00 PM:** Reflection and Feedback Session

Day 5: Implementation, Review, and Continual Learning

- **9:00 AM - 10:30 AM:** *Session 11:* Implementing Your Retirement Plan in Real Time
- **10:45 AM - 12:00 PM:** *Session 12:* Periodic Review and Adjustments
- **12:00 PM - 1:00 PM:** Lunch Break
- **1:00 PM - 2:30 PM:** *Session 13:* Resources and Continuous Learning for Retirement Planning

- **2:45 PM - 4:00 PM:** Interactive Session: Guest Speaker - A Successful Entrepreneur's Retirement Journey
- **4:00 PM - 5:00 PM:** Closing Remarks, Certification, and Farewell

Throughout the workshop, participants will be provided with handouts, worksheets, and resources related to each session. Networking opportunities during breaks and meals will allow attendees to share insights and experiences.

8. References

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