

STUDY CALLS FOR PARADIGM SHIFT IN PREPARING FOR RETIREMENT

By Moses Kigongo

A growing body of research is challenging one long-held assumption; that a pension/social security schemes are enough to guarantee a comfortable life after retirement.

Evidence now shows that retirement stability goes far beyond social security (pension); requiring emotional preparedness, social connections and alternative sources of livelihood.

A recent study by Zakiya Karungi, a graduate of the Master of Human Resource Management programme at Makerere University Business School, paints a sobering but insightful picture of retirement in Uganda.

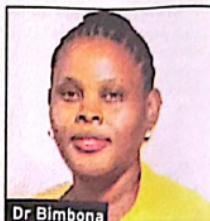
Her research, titled "External Continuity, Internal Continuity and Sustainable Retirement of Civil Servants in Uganda," reveals that many retirees



Karungi



Dr Onyoin



Dr Bimbona

struggle not just financially, but socially and psychologically.

THE HIDDEN STRUGGLE

The study discovered widespread financial illiteracy among people who retire, with many retirees unsure about pension calculations, investment decisions or how to stretch their savings over time.

Faith-based organisations have emerged as unexpected support systems, providing emotional stability and a sense of belonging.

Gender differences were also evident. Men often struggle more with loss of identity after retirement, while women tend to adapt more easily due to ongoing roles in family and community life.

Globally, retirement systems are under strain. Karungi's research report indicates that the United Nations projects estimate that by 2050, more than 2 billion people will be aged 60 and above. Yet across Africa, Karungi says, only about 10% of the workforce is enrolled in formal retirement schemes, according to the African Development Bank.

"Uganda reflects this reality. Data from the Uganda Bureau of Statistics shows that fewer than 20% of Ugandans contribute to formal retirement savings. Among civil servants, about 90% rely entirely on pensions as their sole income source thus leaving them highly vulnerable when payments are delayed or insufficient," Karungi states.

Even with structures, such as the Public Service Pension Scheme and the National Social Security Fund, Karungi says many people who retired report difficulty meeting basic living costs. Compounding the problem, only 29% of civil servants receive any form of pre-retirement counselling.

BEYOND THE PAYCHECK

According to her findings, 63% of retirees who maintained a strong sense of identity after leaving formal employment

BETWEEN THE LINES

A pension alone is not enough. Sustainable retirement requires financial security, emotional readiness and strong community ties.

adjusted better to retirement. Those who had mentally prepared for life beyond work, by planning how to spend their time and maintain purpose, reported smoother transitions.

Equally important are social connections. The study found that 67% of retirees who remained active in community groups, religious institutions or family leadership roles experienced more stable and fulfilling retirements.

"When personal identity and social engagement are maintained, retirees are far more likely to thrive," the research notes, adding that these factors together explain more than half of what determines retirement stability.

EXPERTS' COMMENTS

The findings reinforce the need for a shift in how Ugandans approach retirement.

"The standard work-life cycle of join, work and exit is often known to everyone. But for exits, in particular, the reality is that readiness is often low.

This is usually down to either internalised fears or actual absence of alternative ways of engagement, economic and social insecurities," said Dr Moses Onyoin, a senior lecturer of Management and Organisational Research at Makerere University Business School.

Onyoin argues that the strategic retirement concern of Karungi's study is important as it develops key considerations for building retirement readiness in ways that maintain and/or redefine purpose and worth for a retiree.

While making a presenting to members of Makerere University Retirement Benefits Scheme recently, Dr Sarah Bimbona, the director of Makerere University Entrepreneurship and Outreach Centre, advised civil servants to rethink retirement planning altogether.

She emphasised the importance of starting side businesses or alternative income streams early in one's career, rather than waiting until retirement approaches.

"Relying solely on a pension exposes retirees to unnecessary stress. Civil servants should build additional sources of income while still employed to ensure a smoother transition," she advised while presenting her research paper.

RECOMMENDATIONS

From her research findings, Zakiya Karungi recommends that retirement planning must start early, not a few months before exit.

"Financial literacy training should be mandatory throughout a civil servant's career. Pre and post-retirement counselling should be standard practice, not a privilege for a few. Partnerships with religious and community institutions can strengthen social support systems at minimal cost. Gender-sensitive programmes are needed to address the different ways men and women experience retirement," Karungi suggests.

She advises the Government and other stakeholders, including employers, to treat retirement as a social transition, not just a payroll event.

"A pension alone is not enough. Sustainable retirement requires financial security, emotional readiness and strong community ties. If Uganda is to guarantee dignity for those who have served the nation, retirement policy must reflect the full reality of life after work," Karungi suggests.

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