

ABSTRACT

Financial literacy is an important component in financial planning and retirement planning. The study was aim to assess the impact of financial literacy to retirees on retirement planning, specifically; to determine the relationship between financial knowledge and retirement planning among retirees in Arusha pensioners, to investigate the effect of financial attitude on retirement planning behavior among Arusha pensioners retirees and to analyze the financial attitude on retirement planning decisions among retirees in Arusha pensioners. With the help of theories such as the life cycle theory, continuity theory, behavioural finance theory and theory of planned behaviour which was used to answer the objectives of the study. A total of 67 respondents were used for the study. The study identified that financial literacy has a significant positive influence on retirement planning, that is the financial education, financial knowledge and attitude towards financial product was most important among the retirees, people with more knowledge and education was able to save money for future after retirement likewise having the positive attitude among the retirees was likely to be statistically significant on retirement planning (provision on these factors has led to an improvement in retirement planning among the retirees). The study documented recommendations as employees are advised to partake in financial literacy seminars which are organized by their employers, improving knowledge will have a positive impact to retirees, it is important for self-organized pension schemes, Workers before retirement are advised to engage in self-learning through books or online education on personal finance.