PERCEPTIONS OF RETIREMENT SAVINGS: THROUGH THE LENS OF BLACK AMAXHOSA WOMEN IN SOUTH AFRICA

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I hereby declare that I have read and understood the regulations governing the submission of Master of Commerce dissertations, including those relating to length and plagiarism, as contained in the rules of the University, and that this dissertation conforms to those regulations.

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Abstract

Much research has been performed on the quantitative amount of formal savings held by various racial and gender groups. Such research has often concluded that Black women are the least prepared for retirement. Therefore, a narrative of scarcity has been perpetuated without fully understanding the underlying reason “why”. These traditional accounts erase and reduce social phenomenon to simplistic representations without recognizing the vast complexities of retirement for Black amaXhosa women in South Africa. This research aims to address this gap by providing first-hand accounts of why Black amaXhosa women believe they are the least prepared for retirement, as well as the alternative ways in which Black amaXhosa women save.

This research uses open-ended, face-to-face interviews to collect data. In analysing the interviews, the researcher used Thematic Analysis and the Theories of Intersectionality and Socialization to interpret and analyse the interview transcripts. The researcher specifically focused on the use of inductive, semantic analyzation. All interview participants understood the importance of having retirement savings and either have or had some form of retirement savings. However, low savings were often due to income covering the cost of living, the emergence of unexpected events, and Black Tax. Other themes that emerged are the distrust in the formal financial sector, lower levels of accumulated wealth, and the financial responsibility of motherhood. All participants, in some way, supplemented their savings through the use of informal savings.

This research is the first of its kind as it aims to create a “conversation” around retirement savings. It offers an introduction into “why” Black women could be seen by previously reviewed literature to save less for retirement, as well as to identify the alternative ways in which Black amaXhosa women prepare themselves for retirement. This “why” can assist further research and policymakers to better understand the complexity with regard to saving for retirement.

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Introduction

There has been much research conducted on the quantitative amount of retirement savings held by various racial and gender groups (Brown, 2012; Fisher & Yao, 2017; Green, 2005; Lee, 2009; Meschede & Sullivan, 2016; Yao & Cheng, 2017). Such research has often theorized that women and Black individuals are the least prepared for retirement, and in turn, concluded that Black women are the least prepared for retirement. However, the research has never been contextualized by understanding the Black woman's narrative. Therefore, a narrative of scarcity has been perpetuated without fully understanding the underlying reason "why". This research study aims to address this gap by providing first-hand accounts of why Black women believe they are the least prepared for retirement.

The saving behaviour in South Africa has decreased year on year (The World Bank, 2019a). This practice has resulted in individuals having to save considerably more money in order to retire with sufficient income to continue their current standard of living. It is not surprising, therefore, that only 5.17% of South Africans retire at the age of 61.13 years with sufficient retirement savings to live comfortably (Alexander Forbes, 2018). Furthermore, increased longevity has also put strain on the amount of retirement savings available to the individual throughout the retirement period (Whitaker & Bokemeier, 2018). In assessing the retirement savings of individuals within the South African landscape, it was found the Black women in South Africa were the least prepared for retirement (Willows, 2019a).

The saving behaviour of an individual can be explained by behavioural factors and the impact of having insufficient income. Sufficient earnings have been found to be a key determinant in how individuals plan for retirement and whether or not individuals will retire with sufficient retirement savings (Ameriks & Warshawsky, 2001). This fact is fuelled by the income inequality within South Africa as quantified by the latest measured Gini Coefficient[1] of 63% in 2014 (The World Bank, 2020). Due to this inequality, certain individuals may be disproportionately affected by insufficient income. Individuals are often further disproportionally affected on racial and educational lines (Wittenberg, 2017), as well as gender (Asongu et al., 2020), due to the racialized and gendered distribution of wealth.

[1] A Gini Coefficient is a measure used to statistically gauge income inequality. 0% represents complete equality and 100% represents complete inequality.

This inequality is a cause for concern because behavioural factors such as hyperbolic discounting, status quo bias and risk aversion are also prevalent. Hyperbolic discounting refers to individuals choosing a smaller immediate reward over a larger long-term reward, this decision then leads to individuals procrastinating putting money away for retirement because the reward is not immediate (Laibson, 1997). Status quo bias argues that individuals prefer to do what they have always done or to choose the default option, even if that is not the best selection for them (Ritov & Baron, 1992). Lastly, risk aversion argues that individuals may be less willing to take on risky investments, thus, resulting in lower retirement savings (Bernasek & Shwiff, 2001).

Although behavioural factors and insufficient earnings may explain the lack of retirement savings in South Africa as a whole, it does not explain why Black women are seen to be the least prepared for retirement. Gender tends to have an impact on women’s retirement savings due to differences in risk tolerance, life expectancies, dependency expectations and financial literacy between men and women. Men have a significantly higher risk tolerance to women and are, thus, more likely to take on a risky investment (Fisher & Yao, 2017). A riskier investment often results in a higher yield and, therefore, a higher return (Abraham et al., 2017). Women have longer life expectancies which increase the quantum of savings they would require at retirement (Meschede & Sullivan, 2016). Furthermore, women traditionally take on the role of caregiver and, thus, require their salary to cover a higher living cost (Whitaker & Bokemeier, 2018). Lastly, women in general are less financially literate than men (Willows, 2019a) which could negatively impact their financial decisions.

Race too plays an important role in understanding why Black individuals are the least prepared for retirement. The lack of opportunities provided to Black individuals, such as education, income, homeownership and inheritance results in decreased wealth accumulation (Meschede et al., 2013). As was the case with women, Black individuals were also found to have a lower degree of financial literacy when compared to other racial groups in South Africa (Willows, 2019a). However, most of the reviewed research does not consider that many Black individuals may have informal savings such as Stokvels[2] or the provision of Black Tax[3].

This research study, therefore, aims to answer two questions:

1. How do Black amaXhosa women in South Africa perceive retirement savings?
2. What are the unmeasurable items or circumstances which Black amaXhosa women in South Africa perceive as being an investment in the future?

To achieve these answers, this research draws on two theories: The Theory of Intersectionality and the Theory of Socialization. These theories aim to help contextualize the experiences of the participants who engaged in this study. Intersectionality theorizes that individuals are impacted by the intersection of their identities (Gopaldas & Fischer, 2012). Therefore, an individual's retirement savings may be impacted by being a woman, being of a specific race, having a specific level of education, and so forth. Socialisation on the other hand argues that social norms and processes are taught to people through a process of socialisation (Richardson, 2015). When viewed in unison, these two theories explain how retirement savings are viewed and why an individual may not have sufficient retirement savings.

This study drew on a qualitative approach consisting of a questionnaire, as well as face-to-face open-ended interviews. The research specifically focuses on the experiences of Black amaXhosa women in South Africa because culture has been seen to play an important role in individuals' saving behaviour (Fernandez, 2011). The participants were of various ages with disparate educational and working backgrounds. A thematic analysis was used to analyse the interviews. This analysis incorporated the use of coding through ATLAS.ti[4]. A five-phase approach was utilised when analysing the interviews. This process included the creation of both codes and themes in relation to these codes.

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[2] A Stokvel refers to a credit union in which a group of individuals agree to contribute a fixed amount of money to a savings pool (NASASA, 2020). Saving systems in the stokvel market are informal and can take on various shapes as required by the beneficiaries of the Stokvel.

[3] Black Tax is a term used to describe financial support given by black individuals to support their families. Black Tax is often experienced as a pressure to care financially for people in a broad family or kin network, while at the same time trying to build sustainable wealth (Mangoma & Wilson-Prangley, 2019). This could increase the retirement readiness of those receiving support and decrease the availability of funds for those who are providing support.

[4] ATLAS.ti is a software tool which stores all interview data in a centralized place. It provides researcher with the ability to highlight and code key pieces of information across all interviews. The researcher, therefore, is able to combine these codes in order to identify key themes.

The analysed results highlighted a number of themes that showed that participants had a positive view of retirement savings. However, it was not always easy for them to save for retirement due to the lack of availability of funds. Participants supplemented their traditional savings in some way, the most common being through a Stokvel. Education, wealth accumulation, Black Tax, and gendered behaviour all played a role in influencing how the individuals were able to save for retirement. These themes influenced each other in creating the experiences of the participants when saving for retirement. This view followed the theory of intersectionality because the individuals' total experience was the result of a number of factors which came together to impact their retirement saving practices. Importantly, some participants mentioned that they did not necessarily view success individualistically. Success and retirement readiness were viewed from a community perspective i.e. individuals cannot consider themselves prepared for retirement if their immediate and extended family did not have food, shelter, clothes and basic education. This perception is theorized through socialisation, participants may be influenced and taught how to provide support to their families through what they learn and what they observe taking place within their household and wider community from early childhood. This community perspective is not considered in prior research which draws conclusions on the retirement readiness of an individual.

This research study succeeds in providing a conversation around the factors affecting the ability of Black amaXhosa women in South Africa to save for their retirement. As mentioned previously, much research has been produced which theorizes that Black women are the least prepared for retirement, therefore, creating a narrative of scarcity. These theorizations often consider the quantitative amount of formalized savings, without fully understanding how participants prepare themselves for retirement, if they do not have substantial formalized retirement savings. Traditional accounts erase and reduce social phenomenon to simplistic representations without recognizing the vast complexities of retirement for Black amaXhosa women in South Africa. By drawing on interviews with the research participants, this study extends earlier premises by offering an introduction into "why" Black women could be seen by previous literature to save less for retirement. This research also aims to understand the alternative ways in which Black women prepare themselves for retirement. Therefore, disrupting the narrative of absolute scarcity and uncovering new understandings and meanings, following a legacy of critical research in commerce where accounting became an eminently suitable technology regarding "racialized populations because of its capacity to de-humanize them or render them invisible as people" (Annisette & Prasad, 2017, p. 9). The information gained by discovering this "why" can assist further research and policymakers to better understand the complexity behind saving for retirement.

This research study continues by reviewing key literature which looks at the importance of retirement savings and why individuals chose either to save or not to save. This discussion is followed with the methodological approach used in gathering the data for the study. Thereafter, the results from the interviews are analysed and evaluated. Lastly, this research dissertation concludes by answering the research questions posed and presenting possible areas for future research.

Literature Review

This literature review aims to explore existing literature on behavioural and socio-demographic factors influencing an individual's decision to save for retirement. First, it examines literature which interrogates the importance of retirement savings. Notwithstanding this fact, many individuals are still financially unprepared for their retirement. The reasons for this deficiency are explored by reviewing literature which discusses behavioural characteristics and sociodemographic factors. In particular, the influence of gender and race on the sufficiency of retirement savings is reviewed.

The importance of retirement savings

The extent of South Africans' saving behaviour has declined over the last few decades with gross domestic savings, as a percentage of GDP, decreasing from 36.19% in 1980 to 19.63% in 2017 (The World Bank, 2019b). This shrinkage has been synonymous with practices noted throughout the rest of the world (The World Bank, 2019b). Alexander Forbes (2018) identified that in order for individuals to live comfortably in retirement they would require their retirement savings to be at a replacement ratio[5] to their income of 75% or higher. Analysing just over one million South African customers, Alexander Forbes (2018) found that only 5.17% of their clients retire with sufficient wealth to live comfortably and that the average income replacement amongst their clients was only 28.81%. Old Mutual (2018) reiterated this concern in its Savings and Investment Monitor Report, stating that one in three retirees have no formal retirement fund. Most retirees, therefore, would need to rely on their personal savings when in retirement (Jacobs-Lawson & Hershey, 2005). Despite these findings, not only are individuals saving too little, but most South Africans who do save are only saving through their mandatory participation in their companies' saving plans (Alexander Forbes, 2019). This lack of retired preparedness means that individuals will be required to lower their standards of living in retirement, leading to 85% of retirees wishing they had saved more while employed (Schroders, 2017).

[5] The replacement ratio is a method used to calculate retirement preparedness, as an individual with a larger replacement ratio would be more likely to maintain their current living standards. It calculates the ratio of retirement savings to pre-retirement savings (Yuh, 2011). Pre-retirement savings is often considered to be the income of the individual immediately prior to retirement (Yuh, 2011). The rate of replacement is often considered lower than pre-retirement income because the assumption is that the retiree would pay less taxes, would no longer need to save for retirement or pay off a mortgage, and would no longer have expenses relating to working (Yuh, 2011).

These concerns regarding retirement savings are not only prevalent in South Africa. During a survey conducted on a sample of Americans it was found that one third of the respondents reported that they had no retirement savings and 23% reported that they had $10 000 or less in retirement savings (Kirkham, 2016). A second survey conducted on 2 003 American adults echoed a similar result: 21% of respondents had no retirement savings and a third of them only had $5 000 saved for retirement (Northwestern Mutual, 2018). State Street Global Advisors (2018) interviewed 9 451 people from Australia, Germany, Ireland, Italy, Netherlands, Sweden, United Kingdom and the United States (US), all of whom had a defined contribution plan[6]. The report found that less than half of Americans saved 10% or more of their salary and only one in four Americans are concerned about not saving enough for retirement (State Street Global Advisors, 2018). When surveying retirees' confidence as to whether their savings are sufficient to cover the duration of their retirement, only 8% and 11% of respondents in Italy and Netherlands felt confident. Slightly better, but still low, 39% and 35% of respondents in Germany and Australia felt confident (State Street Global Advisors, 2018). Thus, the lack of retirement preparedness is a global issue and not isolated to South Africa.

Retirement age and increased longevity are also placing additional strain on retirement savings. Most individuals who prepare for retirement, plan to retire at the age of 65 (Alexander Forbes, 2018). However, the actual retirement age is between 60 and 61.13 years (Alexander Forbes, 2018; Schroders, 2017). Thus, the investing window available is less than expected. Furthermore, the average lifespan of South Africans is increasing. The life expectancy of the average male has increased from 50.21 in 2006 to 59.87 in 2017 and the average life expectancy of a female has increased from 55.12 in 2006 to 66.98 in 2017 (The World Bank, 2019c). Therefore, an individual's retirement savings need to provide for a longer period than might have been originally planned for. However, individuals have the same amount of time as before to save for an increased retirement period which places more strain on retirement savings (Whitaker & Bokemeier, 2018).

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[6] A defined contribution plan is a retirement plan which stipulates the monthly contribution to be paid by the individual into the fund. This is different to a defined benefit plan where the benefit is defined ahead of time. There is no way for an individual to know, with certainty, what the benefit amount would be under a defined contribution plan. This could add a level of uncertainty when planning for retirement.

An increased decline in social security benefits and increased healthcare costs magnifies the need for individuals to save more for retirement because they will require more of their own savings in order to retire comfortably (Munnell, 2015). Boisclair, Lusardi and Michaud (2014) likewise state that it is especially important for those who earn an above-average salary to save for retirement because their employee or government based saving plans may not be sufficient to match the income they are earning prior to retirement. Lastly, the fall in real interest rates would also require individuals to save more (Munnell, 2015), because they would require more wealth to generate the same stream of income than would have been generated with a higher real interest rate.

In assessing the retirement savings of individuals at a South African university, Willows (2019b) found that African women in South Africa are the most at risk of having insufficient retirement savings. This is due to African individuals and women having a lower degree of accumulated wealth, the intersection of which results in African women being the most vulnerable in saving for retirement. This lack of retirement preparedness could require individuals, especially African women, to lower their standards of living in retirement, unless they are able to compensate for their financial needs in some other way.

The literature shows that individuals should be saving more to provide for a comfortable retirement and, thereby, maintaining their current living standards in retirement. However, this situation does not appear to be happening. Further consideration of potential behavioural factors which might influence an individual's decision to save for retirement are reviewed next.

Factors influencing retirement decisions

Jacobs-Lawson and Hershey (2005) argue that behavioural factors are at the centre of how individuals view their retirement savings' decisions. This section, therefore, aims to address the effect that behavioural factors have on retirement savings. These aspects include hyperbolic discounting, status quo bias and risk aversion. This section will also look at the effects of not having sufficient income to save for retirement and whether individuals' age has an effect on their retirement savings.

Insufficient income

When assessing the retirement preparedness of Americans, Ameriks and Warshawsky (2001) found that individuals retirement plan success rate significantly varied based on their earnings. Those with lower earnings had significantly less retirement savings which could indicate a reduced amount of retirement assets.

In assessing the effect student debt has on retirement preparedness, Elliott et al. (2013), unlike Ameriks and Warshawsky (2001), found that income is not the number one deciding factor, wealth[7] is. Although graduates have a longer lifetime of expected earnings, they are often unable to accumulate assets because they have a lower disposable income after paying off their student loans (Elliott et al., 2013). In assessing the retirement preparedness of members of the 'baby-boomer' generation[8] it was found that they had a higher ratio of wealth to income and, as a result, would enjoy a higher retirement income than retirees of today (Ameriks & Warshawsky, 2001). As an extension of this situation, race too was found to be an indicator of wealth because members of a White household were found to be able to translate a $1 in income to $5.19 in wealth. Black households were only able to translate the same $1 into $0.69 in wealth (Meschede et al., 2013). The value of wealth was determined by looking at the individual's income, inheritance, financial support, homeownership and marital status (Meschede et al., 2013). Meschede et al. (2013) concludes that even if Black and White individuals had equal access to income, Black employees are discriminated against in terms of hiring, training, promotion and accessing benefits, all of which has made it much harder for Black individuals to save and create assets, thereby making it more difficult for them to turn income into wealth.

Although income level is a significant factor in determining the level of retirement contributions, behavioural tendencies such as beginning investment early in life, understanding the importance of saving and reviewing financial information, all contribute to individuals maximizing their retirement savings (Hira & Rock, 2009). The sections below,

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[7] Wealth, in this case, relates to the accumulation of assets. An asset is different from income in that it represents ownership over a resource stored over a period of time (Elliott et al., 2013). These assets could be used for human development and passed on to the next generation (Elliott et al., 2013). This benefit is different to income which is an amount earned weekly or monthly (Elliott et al., 2013).

[8] The baby-boomer generation relates to individuals born between 1945 and 1964 following the end of World War II.

therefore, will investigate the impact age and behavioural biases, such as hyperbolic discounting, status quo bias and risk aversion, have on individuals' saving behaviour.

Age

Ng, Tay, Tan and Lim (2011) found that the older the individual, the more likely they are to save for retirement. This fact suggests that perhaps younger individuals are not seeing the value in saving for retirement because it is further away in the future (Ng et al., 2011). It has also been argued that younger individuals are less likely to save because they have a lower degree of self-control (Thaler & Shefrin, 1981). Alternatively, younger individuals might be burdened with student debt, dependent children and/or mortgages (Fry, 2014), as well as comparatively lower salaries, factors which together reduce the funds available to invest in the future. Younger individuals have also been found to be more impressionable.

In a study conducted by Robertson-Rose (2020) it was found that younger individuals are either positively or negatively influenced by their parents when making retirement decisions. This is due to younger individuals being encouraged by and/or reliant on their parents to give them advice on how to save for retirement. Their parents' attitude towards saving and their saving strategies therefore greatly influenced how the individual went about saving for retirement (Robertson-Rose, 2020). Therefore, the impressionable nature of younger individuals could see them replicating their parent's bad saving techniques.

Hanna, Montalto and Rha (2006) found that when individuals were older they were less likely to dissave, i.e. start to withdraw their savings, and thus they continue to increase the availability of funds to put away for retirement. The availability of funds in cases in which the financially active members of a household are between 45 and 54 years of age is further aggregated due to the teenage children within the household attending college and, consequently, increasing the household's financial obligations (Hanna et al., 2006). Households comprising younger members also tend to borrow more than those with older members, indicating greater financial needs. May, Tudela and Young (2004) found that individuals between the ages of 25 and 44 years old had a higher degree of debt to income distribution when compared to those who were older.

Therefore, based on the above findings, it is clear that older individuals are more likely to save for retirement due to the availability of funds to invest into retirement savings as well as the urgency of requiring such an investment. Thus, highlighting the generational differences in saving behaviour.

Hyperbolic discounting

Hyperbolic discounting refers to investors viewing assets as having a relatively high discount rate over a short period of time (Laibson, 1997). This practice means that instead of investors saving today, they would rather wait for tomorrow to save because they consider saving today to be less profitable than the benefits they would receive if they were to begin saving tomorrow (Laibson, 1997). Investors, therefore, struggle with self-control because they procrastinate and put off saving until tomorrow (Laibson, 1997), weighting current consumption more heavily than later consumption because consumers believe that their future activities are not as important as what they are currently doing (Thaler & Benartzi, 2004).

A defined-benefit plan is a pension plan taken out by an employer where the end pay-out is guaranteed. Differently, a defined contribution plan does not guarantee the pay-out amount. Instead the pay-out is based on the amount of contributions paid into the benefit plan and the investment return earned on these contributions. Those employees who participate in a defined benefit pension plan were found to be more likely to achieve retirement adequacy because there is no self-control required to ensure that the individual has sufficient savings, as it is the responsibility of the employer to ensure that the individual got their specified benefit. However, those who participated in defined contribution plans were required to select their own contributions and as a result were found to have lower retirement savings adequacy (Thaler & Benartzi, 2004). This speaks to a decrease in retirement readiness as research (Broadbent, Palumbo & Woodman, 2006), has shown a shift from the popularity of defined benefit plans to defined contribution plans. The above information shows the effect that individuals' low self-control could have on their retirement preparedness.

Furthermore, it is argued that those who implemented saving rules or a saving goal are more likely to practice self-control (Hanna et al., 2006; Thaler & Shefrin, 1981). At any time, individuals experience conflict between their short-term (*doer*) and long-term (*planner*) preferences which causes simultaneous self-control problems (Bentkowska, 2019). This clash could be resolved through the implementation of rules and incentives. Incentives are created through such actions as meeting weekly budgets. These findings indicate that meeting a saving goal incentivises individuals to practice self-control. Putting rules in place can limit the range of discretion the individual has and, thus, forces them to make good saving decisions. Effective self-control in terms of saving can also be cultivated by the saving behaviour taught to an individual by family members (Thaler & Shefrin, 1981).

The shape of the income individuals receive will also effect individuals' saving behaviour and level of self-control (Thaler & Shefrin, 1981). For example, an individual who receives a bonus will save more than an individual who receives the same annual income and no bonus. This practice occurs because both individuals will structure their expenditure behaviour around their monthly salary and the individual with a bonus will see the income as additional available income which could be added to their current savings.

Status quo bias

Status quo bias is another behavioural bias which impacts retirement savings (Mark et al., 2014). Status quo bias refers to individuals preferring to continue doing what they were always doing, or selecting the default option even if it is not the best choice for them (Mark et al., 2014). As an example, individuals who are automatically enrolled into a pension plan will often remain in that pension plan, even if a more advantageous pension option is available to them. This lethargy could result in individuals receiving a lower retirement income by choosing not to reinvest in a plan earning the highest return. However, automatic enrolment also succeeds in ensuring that individuals do participate and remain in their retirement plans (Thaler & Benartzi, 2004).

In discussing default options, Kahneman et al. (1991) explains that motorists were provided with two insurance options, a cheaper one that provides a limited right to sue (the default option) and a more expensive one which allows for the unlimited right to sue. Since its introduction in 1988, 83% of motorists have consistently chosen the default option (Kahneman et al., 1991). Similarly, when motorists were offered the more expensive option as the default option, 53% of motorists decided to remain with that default option (Kahneman et al., 1991). Ritov and Baron (1992) explain this behaviour as the result of individuals being more reluctant to move from the default option, due to perceiving the bad outcome resulting from moving options, as worse than the same bad outcome due to staying with their existing option.

Risk aversion

Behavioural factors which limit an individual from taking on risk include: fearing the financial asset system, a lack of financial knowledge, and an inability to consider long-term financial goals and accepting the associated risk (Finke & Huston, 2003). Risk aversion plays a crucial role in the in the choice of an investment due to the relationship between the risk and return on a financial instrument (O'Donoghue & Somerville, 2018). Investors look for the utility of each expected outcome, weighted by the probability of the event occurring, and then choose the option which they believe will yield the highest result (O'Donoghue & Somerville, 2018). Risk averse individuals would be less likely to take on a risky investment which, in turn, would lower the return on their investment (Bernasek & Shwiff, 2001). Whereas individuals who are more risk tolerant tend to commit to an investment with a higher risk, a choice that often allows them to be more financially independent (Jacobs-Lawson & Hershey, 2005).

Women are more risk averse than men (Fisher & Yao, 2017). In a study conducted by Jamil and Khan (2016), it was found that 79% of women either had a moderate or conservative risk appetite, with 42% having a conservative risk appetite. On the other hand 63% of men have a moderative or conservative risk appetite, with only 15% having a conservative risk appetite (Jamil & Khan, 2016). Risk aversion was also found to increase with age and poor health (Brooks et al., 2018). Thus, it is expected that both women and the elderly will invest in less risky financial assets. In turn, this behaviour results in their receiving a lower return on their investments (Bernasek & Shwiff, 2001; Fisher & Montalto, 2010). However, increase in risk aversion in the elderly is due to neurological change, therefore, this fear could be mitigated by their maintaining the information processing ability that they had when they were younger (Brooks et al., 2018).

The above reviewed literature has discussed the factors which influence an individual's retirement savings. These factors included age, having insufficient income, and behavioural biases. Older individuals were found to be more likely to save for retirement but were more risk averse and, therefore, would earn a smaller return on their investment. Insufficient income also played a factor as often individuals with a lower income would have less retirement savings. Lastly, an individual's retirement decisions were found to be affected by behavioural biases. These biases included hyperbolic discounting, status quo bias and risk aversion. Behavioural factors were found to be one of the key influences in whether, and how, an individual decides to save. The next section will deal with the practical actions individuals could implement to improve their saving behaviour.

Practical suggestions for improvement

Over the years, research has attempted to identify practical ways to encourage and improve individuals' retirement savings (Kyoung & Sherman, 2015; Lusardi & Mitchell, 2011, 2017; Willows, 2019a). Some of these suggestions include improving financial literacy, employing a financial planner, starting to save early in life, investing in funds which yield a higher return, planning appropriately and budgeting for retirement. Each of these suggestions will be discussed further below.

Employing a financial planner

As saving decisions can often be quite complicated, acquiring the services of a financial planner can help individuals navigate this situation because the financial planner has experience and knowledge in retirement savings (Lusardi & Mitchell, 2007). A financial planner is able to understand the individuals' needs and combine this with an expert's understanding of inflation and time value of money, in order to provide clients with suitable financial advice (Zeka, 2020). Financial planners are also able to manage an irregular income in a way that ensures that their client has sufficient savings for retirement (Zeka, 2020).

However, in a study conducted by Zeka (2020) on Black individuals residing in South Africa, it was found that access to a financial planner was limited. Zeka (2020) explains this deficiency as being due to the inability of low income earning individuals, who reside in townships, to acquire the services of a financial planner. Thus, the research respondents would not have had access to a financial planner's services and, therefore, could not have adequately assessed the impact of such services (Zeka, 2020). Despite this problem, Zeka (2020), believes that the inclusion of a financial planner's expertise is key to increasing retirement savings.

Kyoung and Sherman (2015), in their study of individuals based in the US who are the head of their household, found that individuals with a college degree or who heeded the advice of a financial planner were more inclined to be realistic about their retirement savings. This fact is partially due to a financial planner being able to assist in determining the appropriate amount of savings needed for individuals to maintain their required lifestyle during retirement (de Villiers & Roux, 2019). Bernasek and Shwiff (2001) also found that if an individual has a lower level of financial literacy or is innately risk averse then consulting a financial planner encourages the individual to engage with a more risky investment which, in turn, often results in higher yields and higher returns (Finke & Huston, 2003).

Starting early

Allan Gray (2019), an investment house based in South Africa, predicts that if an individual starts saving at the age of 25, they only need to save 17% of their salary to accumulate a reasonable "lump sum" for retirement purposes. This required percentage increases substantially the later an individual starts to save. For example, if only starting to save at the age of 45, 59% of the individual's salary would need to be saved to accumulate the same lump sum. Starting early would allow the individual to gain the benefit of compound interest which would result in the need to save less over the long term. However, many individuals lack the appropriate understanding on how compound interest works (Mckenzie & Liersch, 2011). Younger individuals see less value in saving (Ng et al., 2011). Thus, appropriate financial knowledge, together with heeding the advice of a financial planner, could encourage individuals to begin saving earlier.

Investing in funds which yield a higher return

Investing in a fund which returns a higher yield would ultimately result in a higher return being received on the investment. A yield represents the expected return from the fund the individual is investing in (Fidelity, 2019). Therefore, by placing savings in a fund which yields a higher return, individuals could practically increase their retirement income. This result is due to a higher yield generating a higher return on the same amount of funds that would have generated a lower return had it been invested at a lower yield (Abraham et al., 2017). Although a higher yield yields a higher return, a higher yield is often offered due to the investment holding a higher degree of risk (Stoffman, Woeppel & Yavuz, 2020). Therefore, the investor would need to assess the payoff between a higher yield verse a higher degree of risk.

Planning and budgeting

Appropriate planning and budgeting are fundamental to ensuring that all the factors already mentioned work together to achieve sufficient income during retirement. Financial planning could lead to households having greater wealth accumulation and better financial outcomes (Gale et al., 2012). This improvement occurs because planning enables individuals to save consistently over a longer period of time, a process which could yield a higher financial return (Hubbard & Skinner, 1996). However, many Americans are unable to prepare a proper budget because they lack the requisite level of financial literacy (Lusardi & Mitchell, 2011). Lusardi and Mitchell (2007) found that people who undertook any kind of planning for their retirement saved more than those who made no plans. Even limited planning resulted in retirees having saved considerably more than those without a set savings schedule (Lusardi & Mitchell, 2007). Ameriks, Caplin and Leahy (2003) found that differences in household financial planning contributed significantly to the wealth differentials between the households they assessed. Inefficient planning can also be linked to individuals not having sufficient financial knowledge and/or understanding of how investments and compound interest works (Lusardi & Mitchell, 2007).

Improving financial literacy

Education, particularly as it pertains to financial literacy, is an important factor when considering an individual's propensity to save (Aka, Hervani & Arnott-hill, 2015; Boisclair et al., 2014; Lusardi & Mitchell, 2011, 2017; Willows, 2019a). Boisclair, Lusardi and Michaud (2014) assessed the financial literacy of Canadians by asking three simple questions about compound interest, inflation and risk diversification. Lusardi and Mitchell (2017) conducted a similar study to assess the financial literacy of Americans. They found that less than half the respondents could correctly answer questions about compound interest and inflation. Lusardi and Mitchell (2017) suggest that individuals who lack basic financial knowledge about risk diversification, how stock markets operate and asset pricing, are less likely to save as they do not fully understand how financial markets work. Boisclair et al. (2014) also found that individuals' propensity to save is based on their financial literacy. Those individuals with a good financial literacy background are more likely to save because they understand how to diversify their investment portfolio, therefore, reducing their planning costs and increasing their incentive to save (Lusardi & Mitchell, 2017). Hauff, Carlander, Garling and Nicolini (2020), echo the above by arguing that financial literacy is important in increasing retirement savings, regardless of the retirement saving stage an individual find themselves in. The three notable stages include planning to save for retirement, deciding whether or not to save for retirement, and making decisions about the assets to hold within the individual's retirement portfolio (Hauff, et al., 2020). Thus, financial literacy increases the probability that an individual will save for retirement (Lusardi & Mitchell, 2017).

Willows (2019a) performed a similar study to that of Lusardi and Mitchell (2017) but with a sample of highly educated employees from a South African university. Willows (2019a) found that women had a lower level of financial literacy than men, and African Black respondents had a lower level of financial literacy to White respondents. These findings were similar to those of Boisclair et al. (2014) and Lusardi and Mitchell (2011) who also found that women were less likely than men to know the answer to the three basic financial literacy questions. These questions measured respondents' knowledge of compounding, inflation, and risk diversification (Boisclair et al., 2014). However, Boisclair et al. (2014) found that when controlling for personal characteristics, including education and financial literacy, women appeared to be more likely to save for retirement. Therefore, increasing financial literacy could result in women saving more for retirement.

Aka, Hervani and Arnott-Hill (2015) also argue that a lack of financial literacy is the reason why workers do not have retirement security. This fact is compounded when workers withdraw their retirement savings too early and make financial decisions that are not in their best interest. Therefore, providing workers with adequate financial literacy through education or training could be a tool used to change the mindset and saving behaviour of Americans (Aka et al., 2015).

The above reviewed literature discussed some of the practical ways in which individuals could improve their financial situation during retirement. Despite the limitation of certain behavioural biases discussed, these suggestions are largely within the individual's control. Further consideration should also be given to those factors which are not.

Factors beyond our control

There are other factors outside of people's control which also impact their ability to save for retirement. These includes gender, race, and culture. This section deals with the position an individual is placed in society (dependent upon gender, race, and/or culture) and how their social identities contribute to the likelihood of them being able and/or inclined to save for retirement.

Gender

An individual's gender has an impact on their inclination to save (Bannier & Neubert, 2016; Meschede & Sullivan, 2016; Whitaker & Bokemeier, 2018; Willows, 2019a). The literature reviewed has already shown differences in risk tolerance, life expectancy and financial literacy. Men had a significantly higher risk tolerance than women. As a result of this, women make more conservative investment decisions (Fisher & Yao, 2017) and, thus, are more likely to accumulate less wealth over time (Arano et al., 2010; Bannier & Neubert, 2016). In addition to women accumulating a lower amount of wealth than men, these reduced retirement savings are needed to cover a longer period of time due to women having higher life expectancies than men (Meschede & Sullivan, 2016; Watson & McNaughton, 2007). This difference in age results in women having an increased deficit in accumulated retirement savings when compared to what is needed by men because women have to save for a longer retirement period (Meschede & Sullivan, 2016). Women are also less financially literate than men (Hauser & Ruel, 2013; Willows, 2019a). Furthermore, women are more likely to be influenced only by their actual financial literacy, whereas men are influenced by both their actual and perceived financial literacy (Bannier & Neubert, 2016), the reason being that men tend to be overconfident about their degree of financial literacy, thus, believing it to be higher than it is. Therefore, women's investment decisions require actual applied education. In a study which controlled for financial literacy and risk tolerance, it was found that gender did not appear to have a major impact on investment decisions (Bannier & Neubert, 2016). This discovery suggests that if women had the same level of financial literacy and risk tolerance as men, they would make similar investment decisions. However, there are further factors which impact men and women different that require consideration. These include the presence of dependents, marital status and differential earnings.

Dependants

Whitaker and Bokemeier (2018) and Brown and Warner (2008) find that retirement tends to be a family decision. Family expectations influence the date of retirement because consideration needs to be given to providing for any dependent children or other family members (Whitaker & Bokemeier, 2018). Women have traditionally taken on the role of mother and caregiver, whereas men have accepted the role of father and "breadwinner" (Gaunt, 2012). These roles have been enforced by society and internalized by individuals and have often resulted in women being less committed to paid employment (Gaunt, 2012). This situation then influences retirement decisions because men are seen as the financial provider and are expected to take care of their families' retirement preparedness (Whitaker & Bokemeier, 2018).

Weller and Tolson (2020) assessed the impact of dependency on retirement savings by looking at the concept of "caregiver risk". Caregiver risk relates to the provision of unpaid caregiving and the resultant impact of lower earnings, reduced hours of paid work, and greater job instability (Weller & Tolson, 2020). This risk is present when living with children, parents, grandparents, and/or sick disabled spouses (Weller & Tolson, 2020). Women were found to be more significantly impacted by caregiver risk when compared to men, therefore resulting in women having lower retirement savings as a result of being a caregiver (Weller & Tolson, 2020).

Brown and Warner (2008) echoed this idea by arguing that married women with dependent children are more likely to retire early due to the care demands of their family and having a higher level of household "wealth". They, thus, reduce their income because they are no longer employed in the workplace. Black women were found to have more dependent children and, therefore, due to the cost of taking care of their children, would have a decreased amount of disposable income to invest in retirement savings (T. H. Brown & Warner, 2008).

Whitaker and Bokemeier (2018) agreed with the above findings by arguing that the presence of children impacts women and men's retirement decisions because it increases the financial pressure on the household which, in turn, enlarges the demand on the household's income and necessitates the breadwinners working for a longer period of time (Whitaker & Bokemeier, 2018). These researchers also state that, in addition to the presence of children, if a family member has poor health, women are more likely to leave their work earlier to take care of that person.

Marriage

Differences in savings also exist between single and married women. Durán-Santomil, Fernández-López, Vivel-Búa and Otero-González (2016) found that the probability of a single woman saving for her retirement is greater than that of a married woman. This finding could be because women who live alone are more aware of the retirement security challenges they face and that they are unable to depend on a male partner providing financial support when they reach retirement age (Durán-Santomil et al., 2016). Similarly, Knoll, Tamborini and Whitman (2012) agree that marital status is one of the most influential factors in retirement savings preparedness, particularly because it pertains to starting to save early. Knoll et al. (2012) found that young married couples tend to save earlier for retirement than their single peers because being married encourages couples to consider planning for their future. Among older married couples it was found that men are more likely to be more financially knowledgeable than their wives and, therefore, are the main financial planner within their relationship (Hauser & Ruel, 2013).

While married individuals were found to accumulate more wealth, marriage disruption had a negative effect on wealth accumulation (Hauser & Ruel, 2013). Quinn (1993) assessed how three unplanned events affect retirement savings, these include divorce, the death of a spouse, and the husband's retirement. Quin (1993) states that a change in marital status is the most significant differentiating factor in assessing how unplanned events change women's retirement readiness. However, men were hardly affected by a change in their marital status. Divorce lowered a woman's average income-to-needs ratio by nearly 40%, whereas men only experienced a 14% decrease (Quinn, 1993). In a more recent study by Meschede and Sullivan (2016), it was found that divorced women experience increased economic vulnerability after divorce due to their previous economic dependency on their husbands. Given that 40% of marriages end in divorce prior to the couple's 10 year anniversary (StatsSA, 2019), marriage is not a viable strategy to secure a woman's retirement savings (Meschede & Sullivan, 2016). However, it is not clear whether divorced women are indeed in a worse position than if they had remained single.

Differential earnings

Differential earnings between men and women also play a major role in retirement preparedness. This fact is because a lower degree of earnings could lead to less disposable income being available to save for retirement. This deficiency impacts women more significantly than men because on average women tend to earn less than men (Bernasek & Shwiff, 2001; Fisher, 2010; Fisher et al., 2015). This is an area which is widely studied and well documented because of the current focus on the gender wage gap (Bhorat & Goga, 2013; Casale et al., 2016; Espi et al., 2019; B. Fisher et al., 2020; Kollamparambil & Razak, 2016;

Mosomi, 2019; Posel & Casale, 2019). The gender wage gap globally impacts women who, on average, earn less than their male counterparts. As a result of this difference, women, on average, accumulate less wealth than men based on a lifetime of receiving lower earnings (Hauser & Ruel, 2013). Lower wealth accumulation amongst women could lead to wives depending on their husbands to financially prepare for their retirement (Hauser & Ruel, 2013).

Race

Another factor of interest to this study is the race of an individual. Race is a key determinant in how individuals have been seen to save for retirement (Meschede et al., 2013; Morrissey, 2016; Rhee, 2013). In the US, Rhee (2013) explored how retirement savings differ between the White, Black and Latino racial groups. Rhee (2013) found that Black and Latino individuals were less likely to be employed in an organisation which provided an employee pension plan, were less likely to have established pension coverage, and had lower retirement savings (Rhee, 2013). Morrissey (2016) confirms these findings by arguing that retirement income disparities continue to be differentiated along racial and ethnic lines.

The Great Recession of 2008 is an example of how a downturn in the economy affects the vulnerable members of a population most severely (Meschede & Sullivan, 2016). This economic event resulted in less available residual income for individuals and, consequently, eroded their ability to save for retirement or other events. However, Black individuals were the most severely impacted by this financial crisis. In a study conducted by McKernan, Ratcliffe and Zhang (2014) it was found that in the US, the wealth of White families fell by 26.2%, whereas the wealth of Black and Hispanic families fell by 47.6% and 44.3% respectively as a result of the Great Recession. Meschede and Sullivan (2016) also argue that there is a racial wealth gap between Black and White households due to the historically unequal distribution of wealth benefiting White households at the expense of Black households. Meschede and Sullivan (2016) argue that this wealth discrepancy is preserved through the existing barriers to long-term economic participation.

Shapiro, Meschede and Osoro (2013) explore the issue of a widening racial wealth gap in America. Tracing the same families over a period of 25 years, Shapiro, Meschede and Osoro (2013) found that the difference in wealth accumulation between White and Black families triples. This difference was not due to behavioural factors and personal attributes but rather due to the opportunities and barriers presented in the workplace, schools and community for

Black individuals as a result of entrenched racial dynamics (Meschede et al., 2013). These practices included barriers and limited opportunities in homeownership, income and inheritance (Meschede et al., 2013). Darity et al. (2015) argues that wealth accumulation is increased through the inheritance of wealth from previous generations. However, there is a discrepancy between the intergenerational wealth received by White and Black Americans (Darity et al., 2015); Willows (2019b) found that 92% of the African respondents had financial dependents and, in comparison to other racial groups, were the least likely to have a spouse with retirement savings.

Continuing the theme on the importance of financial literacy, Willows (2019a) found Black respondents were less likely to answer financial literacy questions correctly than White respondents. If financial literacy is a determining factor of sufficient retirement savings, the differences in financial literacy between individuals of different races is noteworthy. Black individuals are also more likely to experience poverty than White individuals, and women are more likely to live in poverty than men, therefore putting Black women at the highest risk of living in poverty (Meschede & Sullivan, 2016). It has been suggested in literature that this disparity could be remedied through improved financial literacy (Aka et al., 2015; Boisclair et al., 2014; Lusardi & Mitchell, 2008, 2011, 2017; Willows, 2019a). However, there is limited literature on why an improvement in financial literacy in itself is not sufficient to improve the retirement savings of both Black and female individuals. Furthermore, Darity, Hamilton, Price, Sridharan and Tippett (2015) argue that education alone is an insufficient explanation for the lack of wealth accumulation because their research has shown that White and Black individuals with similar educational backgrounds do not have the same wealth accumulation.

Informal savings

In order to understand the financial landscape in South Africa, consideration must be given to the popularity of informal savings. FinMark Trust (2018) found that the percentage of individuals in their sample using informal financial savings rose from 56% in 2017 to 63% in 2018. Of those who save informally, 86% of informal savers are Black (Old Mutual, 2018).

These informal savings take the form of Stokvels, Burial Societies and Grocery Schemes. Stokvels are a savings “pocket” to which a group of individuals regularly contribute an agreed amount of money and either receive a rotating lumpsum or the money is shared between members at the end of an agreed time frame, usually 6 months or a year (Mfeti, 2017). A

Grocery Scheme is a Stockvel with the end purpose of using the pooled funds to purchase groceries (Mfeti, 2017).

Similar to a Stokvel, a Burial Society is started by a group of people in which each member is required to contribute an agreed upon amount, but with the sole purpose of providing financial relief when a contributor's family member dies (Botes, 2016). Old Mutual (2018) found that in 2018, 61% of informal savings are in the form of Stokvels, 25% are in the form of Burial Societies and 13% are in the form of Grocery Schemes (Old Mutual, 2018).

An alternative informal method of preparing for retirement can take the form of elderly parents viewing their children as their support system. In the study conducted by Old Mutual (2018), 38% of respondents state that they will depend on their children for financial support during their retirement and 32% of respondents state that they will depend on the government for a retirement income. Viewed differently, 63% of respondents believe that they will have to support their family or parents in the future (Old Mutual, 2019). This view was expressed mostly amongst Black households with 77% of respondents planning to support their family in the future (Old Mutual, 2019). The average annual income per White individual in South Africa is R444 446 while the average annual income per Black individual is R92 983 (StatsSA, 2015), thus, it seems more likely that Black individuals will rely on intergenerational support due to the decreased availability of financial resources. These results highlight the reality of people's financial dependency in retirement. The additional money paid by Black professionals to support their families has been termed Black Tax, similar to that which is described by Butle and Falco (2011) as a family tax.

The rand value of the contributions to Stokvels has increased by 12% from 2017 to 2018 (Old Mutual, 2018) which shows a continually growing market for this product. However, the average contribution to Stokvels has fallen amongst the higher income households (Old Mutual, 2018) and 89% of participants in informal saving groups are Black (Old Mutual, 2018).

It is important to note that much of the literature reviewed for this study assessed retirement savings which were viewed as being within a traditional retirement saving plan or investment. These studies (McKernan et al., 2014; Meschede et al., 2013; Meschede & Sullivan, 2016; Mfeti, 2017; Morrissey, 2016; Rhee, 2013) found that Black individuals are less prepared for retirement than White individuals. However, there may be other ways in which Black individuals prepare themselves for retirement. While many studies have suggested ways to improve financial literacy as a means of enhancing retirement savings, there appear to be no studies investigating the disparity in retirement savings between gender and race.

Research has also not addressed the alternative ways through which individuals could save, for example, Black communities could value owning and selling livestock as their retirement savings or rely on Black Tax. Livestock was found to play an important economic and socio-cultural role in the wellbeing of rural households (Bettencourt et al., 2014). This fact is because livestock provides a source of food supply, income, asset saving, employment and transport (Bettencourt et al., 2014). In a study conducted by Bettencourt et al. (2014), many rural Black households ranked livestock as their most important source of income. This situation is echoed in a study by Khoabane and Black (2012), which found that household income is positively affected by the use of livestock assets. Therefore, as these forms of retirement savings have not been considered in previous studies, it may be possible that Black individuals do in fact have other sources income for retirement.

Culture

Culture has been found to be an important indicator in the way individuals choose to save. This approach is due to a correlation between social beliefs and economic outcomes (Fernandez, 2011). Fernandez (2011) presents a scenario in which two culturally different immigrant groups, have a varying number of females participating in the labour force. These groups were selected because they differ in culture but presumably share a common institutional and economic environment (Fernandez, 2011). Therefore, Fernandez was able to isolate the effect of culture by keeping most environmental factors constant, through this method he found that the requirement for women to be part of the labour force varied based on culture.

As culture is something which is taught, these social structures are maintained by being seen as the cultural norm. These norms include the roles women perform within the household, as well as their participation in the labour force, as presented by Fernandez (2011). These norms motivate the behaviour of individuals, therefore, aiding the way in which they view their economic environment (Shoham & Malul, 2012). Culture creates a unique pattern which frames individuals' values and beliefs, thus impacting their mental state (Shoham & Malul, 2012).

Although culture is fluid and can adapt or change when presented with new circumstances, history continues to play an important role in shaping how people view their culture (Fernandez, 2011). This interpretation extends to what individuals view as the appropriate "male" and "female" roles in society (Fernandez, 2008). Through interactions with others and the creation of norms, individuals learn what is an acceptable way to view finance and subsequently make financial decisions (Shoham & Malul, 2012).

Culture, therefore, plays an important role in how individuals interact with one another and create and maintain their social norms. Thus, further analysis is needed into how Blacks, as a racial group, can be culturally broken down. Within a South African context culture is broken into various ethnicities; Zulu, Xhosa, Swazi, Sotho, Tswana, Shangaan, Pedi and Venda (van Pinxteren, 2020). Members of these ethnicities all share their own unique history, perspective, cultural practices and characteristics. Therefore, when assessing the economic behaviour of Black South Africans, there needs to be a further enquiry into which cultural group the individuals belong because this fact may have an impact on their saving behaviour.

Theories

This section draws on existing gender and racial theories to contextualize research that argues that retirement saving behaviour could be influenced by the social identities that individuals hold. Two theories are discussed, namely, socialization and intersectionality. Socialization contextualizes why women may have a different saving behaviour to men and why Black individuals may have a different saving behaviour to White individuals. Intersectionality assesses the power relationships which could explain how Black women are discriminated against, a practice which could result in a decreased amount of retirement savings.

Socialization

The first mention of the process of socialization was through Beauvoir (1949). Beauvoir (1949) stated that what it means to be a man or a women is not fixed, rather it is acquired through a process of "*becoming gendered"* – one is not born a woman but becomes a woman (Beauvoir, 1949). Gender roles do not inherently come to us when born, it is developed through the process of learning what is expected of us as we carry out our gender (Richardson, 2015). Through observing, imitating, modelling, and differential reinforcement we become acquainted by what it means to be female or male and what personality traits are considered to be appropriate for our gender (Richardson, 2015). Although life expectancy and, to some extent, risk tolerance, is considered to be biological, other factors such as marriage, differential earnings, and financial literacy variances are institutionalized. These institutionalized factors could all be explained through the way in which women have been taught to behave and the way in which both males and females have been taught to behave towards women.

Differential gender roles taken on by men and women within their marriage are a result of the gender ideologies encouraged for that specific gender. For example, men have been socialized into the role of breadwinner and this practice could have been propagated as a result of a microstructure created in reaction to the economic relations between a husband and wife (Tang & Zuo, 2000). However, these researchers argue that the power relationship within marriages could become more egalitarian if women were employed in paid work because this practice could help to equalise the economic participation of both partners in the marriage. Seguino (2000) adds that women usually earn less than men because they have been socialized in terms of their gender roles to be less inclined than men to protest such income inequality. Stromquist (1990) further explains that low female financial literacy could be a result of women being socialized into having lower educational aspirations.

Intersectionality

Intersectionality is a term formulated by Kimberle Crenshaw (1989). This theory highlights that everyone is subject to being disadvantaged based on the interlocking of their social identities[9] (Gopaldas & Fischer, 2012). When theorizing about discrimination, race theory focuses on the experiences of Black males, while gender theory mainly examines the experiences of White women (Crenshaw, 1989). Thus, Black women often fall into the cracks (Davis, 2008). Black women experience double marginalisation because they often experience discrimination similar to White women, together with discrimination similar to Black men (Crenshaw, 1989). Therefore, without intersectionality, theorization falls into the paradigm of treating race and gender as mutually exclusive and, thus, not fully theorizing the experience of Black women (Crenshaw, 1989). This practice contradicts the fact that gender is racialized and race is gendered (Nash, 2008). Simply put, women are not just women, they are a

[9] Social identities refers to the various ways in which an individual can be classified; race, gender, class, age, citizenship, income, marital status, education, occupation, religion, sex, and sexual orientation, etc. (Gopaldas & Fischer, 2012).

particular category of women, such as Black women (Crenshaw, 1991). As a result, when hypothesizing about Black women, the theorizer would need to consider both race and gender and how the two intersect (referred to as double marginalisation above) in order to understand the experiences of Black women (Davis, 2008; Pattynama & Phoenix, 2006).

Intersectionality allows a multidimensional approach when theorizing about how gender and race interact simultaneously to create the lived experience of individuals (Nash, 2008). Although intersectionality was born out of a discussion of discrimination, this theory could be purported as explaining how the relationship between social identities could shape the saving behaviour of Black women (Gopaldas & Fischer, 2012). The reviewed literature discussed looked at the saving behaviour of men, women and different racial groups. However, in theorizing how Black women save, both sections should interrelate, because Black women's experiences are subjugated by their dual social identities of being Black and being a woman.

Conclusion

The literature reviewed shows that only a few South Africans will have sufficient retirement savings to adequately maintain their living standards in retirement. This is partly owing to behavioural factors such as being risk averse and, therefore, not investing in a financial asset which yields a higher return or as a result of having a lack of self-control and procrastinating with regard to putting money away for retirement. Also, a lack of education and low levels of financial literacy negatively impact retirement savings' decisions. Some of the ways in which these factors could be remedied are by improving the level of financial literacy, employing a financial advisor and properly planning for retirement.

The factors discussed do not affect all individuals equally. Women and Black individuals are more likely to not have adequate retirement savings than men and White individuals. Thus, Black women appear to be the most vulnerable in terms of their limited ability to save for retirement. Women are less likely to save because they are risk averse, have a lower degree of financial literacy, and often succumb to the care-giver gender role. Black individuals often have lower retirement income due to less inter-generational wealth and less access to opportunities. Most of the information provided in this Literature Review is based on international studies and there is limited research (Makiwane et al., 2012) dealing with how retirement saving behaviour could be gendered or racialized within the South African context. The environment in South Africa provides for savings being made informally, through the provision of Stokvels and other alternative forms such as owning livestock. Black Tax, although not a traditional form of savings, aids in retirement preparedness. Thus, there is a gap in the reviewed literature that assists researchers to identify and understand the alternative ways in which Black individuals ensure they are adequately prepared for retirement. Furthermore, while existing literature deals with the effect that race and gender separately has on an individual's propensity to save for the future, further research is needed which deals with the impact of the intersection of race and gender on an individual's inclination to save.

Methodology

From the literature reviewed it is notable that both Black individuals and women have been found to have the least retirement savings. As an extension of this condition, Black women are, therefore, the most vulnerable in relation to saving for retirement. This fact is underpinned by the theory of intersectionality which purports that a subject is discriminated based on the interlocking of their social identities (Gopaldas & Fischer, 2012). As such, Black women are found to be discriminated on the basis of being both Black and a woman (Davis, 2008). Thus, Black women are the least prepared for retirement (Meschede & Sullivan, 2016; Willows, 2019b).

Research Objective

The objective of this study is to assess the perception Black amaXhosa women have of retirement savings in order to better understand the research findings on this issue to date. This study has looked at the ways in which retirement saving behaviour could be gendered or racialized within a South African context. Also, this study has assessed whether there are other, non-measurable ways, in which Black women prepare for retirement as these schemes would aid in their retirement preparedness. These non-measurable ways consist of informal structures such as the provision of Black Tax (Falco & Butle, 2011), Stokvels (Old Mutual, 2018), and other tangible forms such as livestock (Bettencourt et al., 2014; Khoabane & Black, 2012). Thus, this study answers the following two research questions:

1. How do Black amaXhosa women in South Africa perceive retirement savings?
2. What are the unmeasurable items or circumstances which Black amaXhosa women in South Africa perceive as being an investment in the future?

In order to answer these questions a qualitative research approach was employed which comprises of face-to-face interviews. The research was conducted through conversations with Black amaXhosa women residing in Cape Town, South Africa. The reason for focusing on Black amaXhosa women only and not all Black women is that savings have been seen to be culturally influenced (Fernandez, 2011). Therefore, focusing this study on women from various cultural backgrounds would require an assessment of how their various cultures have played a role in how they view retirement and practice saving techniques, an evaluation which is beyond the scope of this study. AmaXhosa women were specifically selected because isiXhosa speaking people is the most prominent Black ethnic group within the Cape Town region in South Africa, where the author of this study resides.

Research Process

A qualitative approach has been used to collect the data. This has taken the form of requesting participants to complete a short questionnaire, followed by an open-ended, face-to-face interview. The short questionnaire which was given to each participant before the start of each interview, asks questions about their personal characteristics. The questionnaire is included in Appendix A. Personal characteristics include questions about the participants' gender, age, race, culture, highest academic qualification, work background, income bracket, relationship status, and whether they have any financial dependents. All these characteristics have been identified in the academic literature as factors contributing to retirees' lack of financial preparedness for retirement (Knoll et al., 2012; Morrissey, 2016; Ng et al., 2011; Whitaker & Bokemeier, 2018). Thus, understanding whether any of these factors are applicable to the participants might enable the researcher to identify whether these factors could have contributed to the participants' lived experiences (Nash, 2008). The interview questions were created based on the themes identified in the Literature Review as contributing to retirees' insufficient savings. These themes are relationship status (Knoll et al., 2012), types of retirement vehicles (Bettencourt et al., 2014), financial dependency relationships (Whitaker & Bokemeier, 2018), and intersectionality (Gopaldas & Fischer, 2012). The aim of both the questionnaire and the interview is to understand how the participants view retirement savings, the various ways in which they save for retirement, and whether their saving behaviour has been influenced by any of the identified themes.

The interview questions

The interview questions were based on four of the previously mentioned themes: retirement vehicles, financial dependence, relationship status and intersectionality. The interview questions are included in Appendix B.

The interview began with two broad open-ended questions, which asked the participants about their views on retirement and retirement savings. The aim of these questions was to allow the participants to become comfortable with the researcher and to encourage them to start thinking about retirement savings prior to answering the questions which directly related to the identified themes.

The retirement vehicles section of the interview questions is aimed at understanding how individuals have saved for retirement. These questions include retirement annuities but extend to understanding whether participants have informal savings. With the rise in the adoption of Stokvels, the prevalence of informal savings has increased (Old Mutual, 2018). Therefore, these schemes could be one of the alternative forms in which participants save. This section seeks to further understand whether participants who do belong to Stokvels view these as a means of contributing to their retirement savings, or if they only use the Stokvel as a forced savings method to provide for a specific period which requires more expenditure than is generally expected on a month-to-month basis – such as the December holiday period.

The section on financial dependence seeks to indicate whether participants rely on others to support them financially during retirement or if others rely on the participants to provide them with such support before or after retirement. This part of the interview also aims to enable the researcher to understand what participants view as dependency and whether participants provide, or intend to provide, their dependents with financial support. If participants are able to rely on others to support them during retirement, then this will increase their retirement readiness because they will have access to more resources. Conversely, if participants financially support their extended family, the questions aim to help the researcher understand whether the participants believe that this financial provision has hindered their retirement readiness, because the more people they support the greater the decrease in the availability of funds for retirement.

The section on relationship status aims to identify whether the participants' saving behaviour has been influenced or shaped by their relationship status. It assesses whether having a partner positively or negatively affects participants' willingness to save and whether the participants are dependent on their partner to help them during retirement. This section also assesses whether an event like divorce alters the participants' retirement readiness or whether being single has had any unique impact on how an individual saves.

Lastly, intersectionality is a theory which aims to tie all the above concepts together. The final interview question aims to assist the researcher to understand if the participants believe that any of their social identities have an impact on their retirement savings. This question aims to provide the most valuable feedback because participants are required to openly engage with the issue of whether they believe being Black and a female impacts their ability to save for retirement. Their response provides insight beyond what the previously reviewed literature has suggested as the reason for the lack of people's preparedness for retirement.

The structure of the interview questions

The interviews consist of semi-structured, face-to-face, open-ended interviews. Semi-structured interviews allow the researcher to enter the research space with prepared questions. However, the researcher is also able to follow a topical point that may arise during the interview (Cohen & Crabtree, 2006). This ability allows for a conversational space through which the researcher is provided with flexibility and the opportunity to further explore the responses to the interview questions (Horton et al., 2004). The interviewee on the other hand is allowed the freedom to tell their truth without being guided erroneously by the researcher (Horton et al., 2004). Face-to-face interviews also allow the interviewer to recognise any social cues that the interviewees may present; these signals include the tone of their voice and their body language (Opdenakker, 2006). Lastly, open-ended questions allow the research participant to express how they truly feel about the topic. The interviewer remains neutral and, as such, the interviewee's answers are not limited to the responses the researcher expects to receive (Rapley, 2001).

The participants

Purposeful sampling has been used to elect participants for this study. Purposeful sampling allows the researcher to select research participants who are able to provide the researcher directly with the information required to answer the research questions (Maxwell, 2008). This research focuses primarily on Black women residing in South Africa. However, because all the cultural factors within a single race group are too broad, the research will go further to focus on Black amaXhosa speaking women residing in Cape Town, South Africa. Access to these participants was found through professional and social contacts as well as referrals.

The number of research participants will depend on when saturation is reached. The saturation point occurs when no new themes or explanations can be found by increasing the sample size (Marshall, 1996) and introducing new research participants becomes redundant (Bowen, 2008).

The interview process

The researcher was present at every interview and personally conducted each interaction. The interviews took approximately 20 to 50 minutes. Ethical Clearance was obtained from the

University of Cape Town’s Commerce Faculty Ethics Committee prior to conducting interviews.

Before commencing the interviews, the researcher welcomed the participant and expressed their sincere gratitude to each participant for agreeing to share their experiences. Thereafter, the researcher explained to the participant what the research entailed and reminded the participant that their engagement in the research study is at their own will, that their responses are deemed confidential and that they can exit the research process at any point. In addition to the above, the researcher asked permission from each participant to record the interview and take brief notes while the interview was being conducted.

The participant then signed a consent form acknowledging that they will remain anonymous at all times and that they are allowed to withdraw from the study at any point during the research process, as well as detailing that they agree both to the interview being conducted and recorded. This consent form is included as Appendix C.

During the interview process the researcher took notes and electronically recorded the interview but did not use the participants’ name or any identifiable information during this process. The recorded interview was subsequently transcribed using an external transcription service. The transcription services guaranteed that all transcribers have signed confidentiality agreements and the researcher ensured that no identifiable information was shared with the transcription company. All interview recordings were labelled “Participant One”, “Participant Two”, and so forth. This method allowed the researcher to keep track of which interview related to which participant without using identifiable information relating to the participant.

Upon receiving the transcriptions, the researcher confirmed the accuracy of the transcription by simultaneously listening to the interview and reading the transcribed interviews. When there were discrepancies between what was said and what was transcribed, the researcher edited the transcription and made the appropriate changes.

Pilot study

A pilot study was conducted with three individuals prior to conducting the interviews. This process allowed the researcher to assess the flow, adequacy and appropriateness of the interview questions as a means for answering the research questions. The researcher assessed the ideas and the resultant implications of the method used (Maxwell, 2008). The pilot study also allowed the researcher to assess whether the questions were sufficiently open-ended, and the mode of presentation relaxed enough to allow for a semi-structured interview. This assessment was achieved by asking the individuals, upon completion of the pilot interviews, for feedback on their experience of being interviewed and whether they recommended any changes to the interview style and questions. This feedback resulted in an open-ended question being included at the beginning of the interview that asked all participants what they thought of when they heard the word retirement/retirement savings. This question allowed the researcher to begin a dialogue with the participant prior to getting into the detail of the interview[10]. A second question was added which asked participants, regardless of marital status, who would be most likely to provide financial support to an ill family member[11]. All of the information provided through the feedback process was incorporated into the interview questions which are included as Appendix B.

Research Participants

Participants were from varying backgrounds and occupations, including the nursing profession, the police force, teaching assistants, administrative assistants, lawyers and accountants. Each participant selected the option in the questionnaire that identified them as female, racially Black and culturally amaXhosa.

[10] The inclusion of an open-ended question at the beginning of the interview allowed the researcher to begin a dialogue with the participant. The research found that by including this question, the participant opened up to the research, and became comfortable, prior to getting to the more specific questions. This made quite a significant difference when compared to the interviews conducted during the pilot study, as often the participants during the pilot study only began speaking openly after answering one or two of the more specific questions.

[11] The researcher initially posed this question by asking which spouse would be more likely to provide financial support to an ill family member. However, during the pilot study the researcher found that this question was applicable to all participants in a long-term relationship, regardless of their martial status. This is because participants in a long-term relationship, could create a similar dynamic within their relationship, as is found amongst participants who are married.

Table 1: Personal Characteristics of Participants

	Pseudo Name	Age	Highest Academic Qualification	Relationship Status	Annual Income bracket (R)
1	Anathi	46	Bachelors Degree	Married	240 001 – 382 000
2	Babalwa	64	Bachelors Degree	Single	382 001 – 797 000
3	Khanyiswa	58	Honours Degree	Married	382 001 – 797 000
4	Zintle	33	High School	Long-term Relationship	111 001 – 240 000
5	Nandipha	47	Diploma	Single	240 001 – 382 000
6	Olwethu	41	Diploma	Divorced	111 001 – 240 000
7	Sisipho	27	Honours Degree	Single	382 001 – 797 000
8	Thandiwe	38	Masters Degree	Married	240 001 – 382 000
9	Buhle	32	Bachelors Degree	Married	382 001 – 797 000
10	Nceba	33	Masters Degree	Single	382 001 – 797 000

Thematic Analysis

In analysing the interviews, the researcher used Thematic Analysis to analyse and interpret the interview transcripts. The researcher specifically focused on the use of inductive, semantic analyzation. To do so, all interviews were loaded onto the ATLAS.ti software and coded using the first and second coding cycle methods (Saldaña, 2013).

Thematic analysis is a method used to systematically work through a data set with the purpose of understanding the themes across the data set. The researcher identifies the important themes as they relate to the research question (Fereday & Muir-Cochrane, 2006), and thus is able to make sense of the shared experiences communicated by the participant group (Braun & Clarke, 2012). An important aspect of thematic analysis is deciding between a deductive and inductive approach to data analysis. An inductive approach uses a bottom-up approach and derives its themes from what comes through in the data (Braun & Clarke, 2012). Thus, the codes are based on the data itself. On the other hand, a deductive approach refers to a top-down approach in which the researcher analyses the data, using a set of preconceived concepts and ideas (Braun & Clarke, 2012). The codes, therefore, are not directly linked to the data set. This research study utilised an inductive approach in analysing the interview transcripts, thereby allowing the researcher to be guided by the themes which emerged from the interviews.

A second important aspect of thematic analysis is the level at which themes are identified, that is whether the researcher identifies themes at a semantic or latent level (Braun & Clarke, 2006). The semantic level is more explicit and refers to identifying themes within the surface level, without looking beyond at what was said during the interview. The latent level refers to going beyond the transcriptions by theorizing the assumptions and ideas underlying the interview data (Braun & Clarke, 2006). In this study, the researcher drew on a semantic level of theory creation when analysing the data. However, this process was overlapped by a lens which drew on theories of socialization (Richardson, 2015) and intersectionality (Crenshaw, 1989) to better contextualize and understand the interconnectedness of the emerging themes.

Coding was carried out using ATLAS.ti, a computer-based qualitative data analysis software program. Data analysis software does not perform the coding itself, instead it is a tool used by the researcher to assist in the systematic management of the research project (John & Johnson, 2000). Although the software has a range of benefits, the most obvious overarching benefit is that it provides the researcher with a more effective way of managing the data (John & Johnson, 2000). Other benefits include the ability to deal with large projects, more timeous handling of data (Hwang, 2008), and increased flexibility and thoroughness. These advantages allow a more rigorous, accurate and transparent analysis of data (Jones, 2007). The fact that the analysing process is computerised, enables the researcher to easily assign codes and texts to information without encountering the laborious nature of doing so manually (John & Johnson, 2000; Jones, 2007). The researcher is able to define concepts, change codes and attach multiple codes to a ‘rich’ part of the interview text (John & Johnson, 2000; Saldaña, 2013). Data analysis software also allows for more validity and rigour during the analysis because it will, for example, search for all instances in which a particular code has been used, bypassing humans’ tendency to stop searching once they find a singular sufficient time in which that code or theme is used in the coding process (John & Johnson, 2000). ATLAS.ti allows the researcher to assign codes to the interview text, organize these assigned codes into common themes and delete or rename codes if the code becomes more fluid in meaning. The researcher is also able to define codes in order, at a later stage, to remember the exact interpretation of the code and to add multiple codes to a single body of text.

Assigning codes or coding relates to the words or short phrases assigned to a body of text which "assigns a summative, salient, essence-capturing, and/or evocative attribute" (Saldaña, 2013, p. 3) to the body of text. This type of code describes the link between what was said in the interview to what the researcher can explain about these questions and responses (Saldaña, 2013). Assigning codes to a text aims to assist the researcher to find repetitive patterns within the signal body of text and all related body of texts (Saldaña, 2013). When coding, the researcher assigns short words or phrases to the body of text that are either related to the identified themes or signal the fact that a completely new, previously unthought piece of information has arisen. The researcher assigns the same code to texts relating to the same theme or to a common issue, thus enabling the researcher to gather all the texts related to that theme under one code. For example, in this research study, when participants referred to family members being financially dependent on them, the researcher assigned the code "Black Tax", and thus could subsequently pull up all the areas in the text, across all the interviews, in which the participants referred to providing such Black Tax.

Five-phase analysis approach

The researcher used a five-phase approach in analysing the interview transcripts. This method included familiarization with the interview transcripts, first cycle coding, searching for themes, reviewing of themes, and the finalization of themes.

The familiarization phase, also known as pre-coding (Saldaña, 2013), is the first phase and the stage used in order to gain a deep familiarity with the interview transcripts (Braun & Clarke, 2012). In this phase the researcher read and reread the transcripts while re-listening to the recorded interview in order to become immersed within the interview texts. The researcher made notes on and highlighted the interview transcript if a certain passage appeared to be particularly significant to the researcher.

The second phase, the first cycle coding method, relates to splitting the text into individually coded data. This process takes place during the initial coding stages (Saldaña, 2013). The researcher coded each interview transcript individually before moving on to the next interview transcript. When passages that related to a similar phenomenon were identified, the same code was assigned to these passages. This process enabled the researcher to relate information within a single transcript and across multiple transcripts. Elemental coding, such as Descriptive and In Vivo coding was used in the creation of the codes. Descriptive coding refers to the summation of the passage, using a singular word or short sentence (Saldaña, 2013). In Vivo coding refers to labelling a passage of data using the words of the interview participant, thus, allowing the researcher to maintain terminology specific to the cultural group (Saldaña, 2013).

Attribute coding refers to the use of research participants' descriptive data (Saldaña, 2013). In this study, information including the participants' age, race, gender, occupation, annual salary and financial literacy knowledge was gathered in the questionnaire and used to contextualize the interview transcript. Simultaneous Coding refers to the use of two or more codes on a single passage (Saldaña, 2013). This coding technique was used when a passage of text was particularly rich, and the interpretation of the passage overlapped with several codes.

The third phase involved the use of second cycle coding. The second cycle of coding refers to reorganizing codes into categories which formulate the foundation from which the results and themes are drawn (Saldaña, 2013). In this stage, themes are created as a result of grouping together codes which drew on a similar topic within the literature. During this stage, the researcher was mindful of the themes which were present in creating the interview questions, such as: the nature of retirement savings and the nature of informal savings.

Phase four relates to the reviewing of the identified themes. In this phase the researcher ensures that all the themes produced were of sufficient quality (Braun & Clarke, 2012). The use of this process during the analysis of data gathered in this research study, guaranteed that all codes were accurately assigned to their designated code, and if not, the codes were reallocated to ensure the appropriate interpretation of the code.

The final phase, phase five, relates to defining the themes. This activity ensures that the themes relate to the research topic, do not overlap with other existing themes, and are focused on a singular issue or phenomenon (Braun & Clarke, 2012). This final phase also ensures that the research data can be easily communicated to the reader when presenting the research results.

Limitations

As this research relates to interpreting interviews, there remains a possibility that in the researcher's analysis there may be an element of bias. However, during the process of analysis and interpretation of the research results, coding was used in order to strengthen the elements of transparency and validity.

The research participants in this study all fell into the middle-income bracket and most had an advanced educational qualification. The research participants in this study were also selected through purposeful sampling, as this allowed the researcher to focus on a specific ethnic and geographical grouping, however, this may have resulted in selection bias. The results, therefore, are not expected to stratify the perceptions and experiences of all Black amaXhosa women in South Africa. Instead this research provides an introductory conversation surrounding the thoughts and perceptions of retirement savings among a specific group of Black amaXhosa women. Hence, this research still succeeds in answering how these Black amaXhosa women perceive retirement savings and what the unmeasurable items or circumstances are which such women perceive as being an investment in the future.

There may be other elements that contribute to the lack of retirement readiness that are not obvious as a result of the research process. However, the researcher has aimed to ask the questions in an open-ended manner which should allow for the elements that were not considered during the preparation process, to arise during the interview.

Analysis of Results

In this chapter the analysis of the interviews conducted during this research study will be presented. This analysis was formed through a thematic analysis of the five key themes identified that include the alternative ways in which participants save and the events or circumstances which impact their ability to save for the future. These themes will be presented and discussed below in the order in which they became apparent during the processing of the interview transcripts.

These themes are:

I. Retirement Vehicles and the Presence of Informal Savings
II. Education
III. Financial Dependents, Being Dependent, and the Role of Black Tax
IV. Gendered Behaviour
V. Wealth Accumulation

Theme I: Retirement Vehicles and the Presence of Informal Savings

The first theme is based on research participants' perception of and feelings towards retirement savings, whether they have formal savings, as well as the nature of their savings. It was found that all participants have some form of savings in place with varying degrees of formal and informal savings. When addressing informal savings, the most popular option was being a member of a Stokvel.

Although the idea of retirement either signalled joy or fear in the participants, only Babalwa felt that she was prepared for retirement stating that *"Savings, well I think I'm more than prepared for the savings of retirement, because...I've gathered a lot of policies and all that, so I exactly know where I stand with my retirement"*.

Despite not feeling prepared, all participants understood the importance of saving for retirement and were in some way preparing themselves financially for that point. Buhle recalled an example of involving her grandmother who was prepared for retirement and her mother who was not prepared, stating that *"Yes it's really hard for some, you can see where people have not planned properly...where my grandmother did plan properly and she has no* *debts and her house is fully paid…she's in a better [position], so I see that planning your retirement is very important, yes".* Zintle reiterated this by stating:

> *"Because you can't just think for now. You must think for the future. You understand, if you…spend your money like there's no tomorrow, then what will you do tomorrow? If you think today no, I'm only living for now and [therefore] I must...[only] save for now, [then when] something happen[s] you [will] have nothing in the bank or in your retirement saving account. Then…let's say you have a problem…[and you] need money, then what?" (Zintle)*

Zintle spoke to the importance of retirement savings, a practice that required saving in advance. However, there is still the possibility of an uncertain event occurring. Khanyisa experienced the effects of dealing with an unplanned event first-hand. She stated that she had retirement savings, however due to a lack of money, had to use her retirement savings to pay for her children's education: "*At the moment I don't have anything because…I had all the things (saving plans), but then when my children were going to school, I used it for their education*". Although, in Khanyisa's case there is a possibility that she did not plan for the payment of the school fees, it does seem more likely that funding her children's education in this way was necessary because she did not have alternative means to pay for their education at that time.

Babalwa explained that relying on one's job for retirement savings has not always been a successful plan. Babalwa, a nurse, recalls how the revisions to her current retirement plan at work has allowed her to prepare better for retirement. However, this was not common amongst everyone employed at her workplace, many of whom have worked for many years without any kind of formalized savings.

When asked about perceptions of a retirement annuity plan, Nceba expressed her contentment with the formal approach to retirement because there was *"more security and discipline with a formal investment"*. However, Anathi expressed dissatisfaction with formal savings saying *"everyone is like expecting to get high returns…you save for so long, but at the end, you are not getting [much]".* This dissatisfaction was reiterated when participants spoke about the low interest attached to formalized retirement savings which has resulted in the total retirement payout often being less than participants expected. When referring to retirement funds, Anathi, Nceba and Olwethu all expressed their concerns with the rate at which their funds will grow under a retirement plan. Anathi expressed concern by stating "*I always hear that it (retirement funds) doesn't have lots of interest*". Nceba expressed a similar concern by stating that "*the interest rates are quite poor in South Africa*", Nceba went on to add *"unless you save a large sum of amount, the interest rates are not that great"*. All these participants infer that the payments invested in a retirement annuity do not provide as high a pay-out as the participants would have expected.

All participants supplemented their retirement savings with some form of informal savings. These methods either related to a 32-day notice account[12], owning personal-use and investment property, a vehicle, and/or livestock. The most commonly used supplementary retirement savings related to some variation of a Stokvel. Anathi spoke of a lumpsum she received when resigning from her teaching job and stated that she is "*still very okay with it, because it is like an income*".

All participants besides Nceba and Babalwa belonged to one or more Stokvel. Nceba stated that while she was not a member of a Stokvel, she had a similar type of saving device with a friend; both Nceba and her friend contributed to a fund throughout the year and each received 50% of the fund in December.

While the majority of participants use a Stokvel as a saving mechanism, participants often stated that the Stokvel was not used for their retirement but instead as a forced saving tool for coping with increased expenditure experienced yearly during December. Zintle stated that "*no one will get the money or even if you decide to leave the Stokvel or you will only get the money when everybody's getting it, [w]hich is at the end of the year*". Buhle reiterated Zintle's statement by stating that "*we hold each other accountable, so that's the nice thing about it, so if I say, I'm going to put R1 000 away every month, I'll never do it but if I owe someone R1 000, I'll pay it"*.

When asked if a Stokvel could be considered as a retirement saving, participants responded by saying that it could be retirement savings if a portion of the Stokvel was put away in a

[12] A 32-day-notice account is a savings pocket offered by most banks. It provides the client with an interest rate above the rate offered on a general savings account (RMB, 2020). However, the individual is required to give the bank 32 days' notice prior to being allowed to withdraw funds from the savings pocket (RMB, 2020).

savings account and only used during retirement. However, generally this practice was not the case because the Stokvel money was either used for the "festive season" or to purchase school supplies. Thus, participants generally used the total amount of the Stokvel pay-out and did not put it away to accrue further interest – as would be required if using the Stokvel pay-out for retirement savings. Therefore, Stokvels could be considered to be more short-term. Olwethu recalls her use of the Stokvel: *"I buy the school uniform and [pay] school fees with that Stokvel money…then I know with school uniform I'm sorted".* Similarly, Sisipho recalls her mother using a Stokvel for a similar reason: *"That's the one thing, in the township you have to have a Stokvel…when [people]…have money they spend it…that is why my mom has a 'back to school'[13] one"*.

Zintle spoke about buying and subsequently selling livestock as an additional saving alternative. She stated that the use of cattle as a saving mechanism is most often practised within the Eastern Cape:

> *"In our culture most of the time they have ceremonies[14] and those ceremonies…use the cattle's, so let's say if I…invest in cattles, let[s]…say I buy ten cattle's, it's growing somewhere in the farm in the Eastern Cape, so I know when it's June and December month people they like to do ceremonies…so they…slaughter cows, sheep and goat. So…let's say I will buy the cow [for] 5 000 now…[then] let's say December month…I will sell the cow for 15 000. You see I will make a profit of ten thousand Rand" (Zintle)*

While Zintle had experience in cattle being used as savings, both Sisipho and Buhle stated that they have heard of someone who has used cattle as a means of saving. However, as per Zintle's statement, it appears that the use of cattle may be more popular in the Eastern Cape than the Western Cape. Xhosa people of Nguni descent are concentrated in the Eastern Cape province with a large population of Xhosa people residing in the Ciskei and Transkei (Cocks &

[13] "Back to school" is a period relating to the return to school in the January period. When children return to school, parents incur additional expenses such as purchasing stationary, books, school clothes etc. Therefore, spending is expected to increase over this period (NRF, 2020), and specific funds are required for the increased expenditure.

[14] These ceremonies include initiation and the provision of lobola. Initiation takes place when a male is of age and is sent to initiation school (South Africa Online, 2019). Generally initiation involves young men between the ages of 16 and 26 (Bottoman et al., 2009). Lobola is provided by the male's family as a token of appreciation and respect to the parents of the prospective bride (Ngale, 2019).

Dold, 2006). The mean goat herd size per household in the Eastern Cape is the highest when compared to all other provinces (Mdladla et al., 2017). Therefore, this situation could be the reason why the sale of cattle (more specifically goats) is most popular within the Eastern Cape.

Theme II: Education

This section speaks specifically about the role education plays in aiding retirement preparedness. Education in this section refers to formalized education such as a university degree, education received from parents or care givers, or the need for a financial advisor. As indicated earlier in this dissertation, the use of a financial adviser relates to education because it could indicate that further education would aid in preparing participants for retirement.

Sisipho, a qualified Chartered Accountant (CA(SA)), expressed that she believes education is a vital part of understanding retirement savings and how much to save. She herself only understood the importance of saving once she was completing her "articles"[15] as part of her CA(SA) traineeship:

> *"When I started working…[something] I've never thought about…was…retirement savings... No one taught me about savings. I had to learn through, like on my own. Like this [is] actually what you must do, you must save a certain amount of your income…so if you [for example] only have a matric and you live…you don't see beyond what you are living in now. [Therefore] you won't consider that (retirement savings). So [in that instance] you won't think…about retirement…you will just think okay what about tomorrow. Like, how am I going to make ends meet, you know? And unfortunately, that's life right now. I mean we are the least advantaged." (Sisipho)*

Although Sisipho's assessment may not apply to all individuals who do not have education beyond a matric level, she speaks to the important role of having insight into how retirement works. She also points out that education on retirement is not always readily available in every

[15] "Articles", in this instance, refers to the compulsory three-year long traineeship program required by the South African Institute of Chartered Accountants (SAICA), in order for trainees to qualify as a Chartered Accountant in South Africa. Over this period a trainee receives experience in their required competencies (SAICA, 2020). This traineeship program meets the requirements for a learnership agreement in terms of the Skills Development Act, 1998 (SAICA, 2020).

household. Therefore, some individuals are required to seek this knowledge outside of their household. Nceba spoke to the importance of education, and in particular financial education, but stated that often this type of education is only available to those who are already educated; *"I think there is education, but it's there for the educated people, and it's only the educated people that actually understand the benefit of it and not to the other people".* However, when seeking retirement knowledge elsewhere, sometimes the knowledge received from financial advisors is not adequate as per the below encounter.

When speaking about a financial advisor, Anathi indicated that she was interested in increasing her savings but was unaware of how to do so. However, she believed that receiving some sort of mentorship would aid her in her ability to save for retirement; *"if I could get a mentor, someone who could coach me and advise me how this thing is done…yes, I wouldn't say no to that".* On the other hand, Babalwa expressed her discontent with financial advisors due to their inability to advise correctly. Babalwa recalled a painful account of her aunt and nephew taking out a life plan and making Babalwa the sole beneficiary. Despite being told that it would be appropriate for Babalwa to receive all the money, Babalwa did not receive any of the money. This was because her aunt and nephew were not told that they would be required to draw up a will:

> *"Now I'm talking [about] the early eighties, because I lost an aunt where I was a beneficiary to all her policies. I never got a cent because it came up saying that there was supposed to be a… Will, and I mean it was only discovered when she died that the monies were not going to be issued because there was no Will and she was not married. She didn't have kids, she didn't have anything. So now what happened to those monies?... Five years ago, I lost a nephew who was a teacher. He, with all his policies which he took out, I was the…beneficiary and everything to him, he was trying [to ensure] that his kids will benefit [by making me the beneficiary] because [he knew] that I won't need the money, but when it comes, [to] the legal way, that was deprived. Although it's written in black and white because there was no Will [I did not get the money], so now can you see [what happens]…if a person is taking [out] a policy and there are some clause which is not explained to the person" (Babalwa).*

Although Babalwa's account is based on a lack of trust of financial advisors due to a family member being ill-advised previously, Nceba spoke to uncertainty around retirement annuities leading to a lack of retirement savings later:

> *"I think the ones that did take retirement annuity back then, there was uncertainty about where they (the retirement savings) would end up, but they were also interested to maybe have this money at retirement that they've never had, because sometimes you look at these products, they tell you, you'll have a million rand or two million at the end of the term. You think I've never seen that in my life, and maybe that's the goal, and that's the driving force behind taking that product, so I think it could be a lot of things, but it's not really fully understanding the purpose of a retirement." (Nceba)*

Nceba's account above spoke to the role the lack of appropriate education plays in misunderstanding the purpose of retirement. The individuals mentioned above may not have understood the extent to which the one million or two million rand pay-out could support them once in retirement and, therefore, potentially took out a policy which did not cover all of their financial needs during this period. Nceba went further to describe that it is not only the full monetary value that individuals misjudge, there is also a lack of understanding in terms of the annuity pay out and the tax on that pay-out. Therefore, there is a disconnect between how much money individuals believe they are going to collect compared to how much they actually receive during retirement. Sisipho spoke of a similar situation to that depicted by Nceba when describing how her family and community viewed retirement savings:

> *"I think, it's just, if I think like about like my community, my family, how they've dealt with not knowing about retirement savings and just having let's say a SASSA[16] grant. They just think this is what I have (the SASSA grant)… and I'm just going to try and make ends meet. And we'll live by that day by day let's*

[16] The SASSA grant referred to by Sisipho is a monthly income given by the South African Social Security Agency (SASSA) to South African residents, residing in South Africa, over the age of 60 years (Western Cape Government, 2019). The grant requires a means test and, therefore, is only available to residents who earn below a certain income level (Western Cape Government, 2019). As of 2019, the SASSA grant provides residents between the ages of 60 and 70 years with R1 780 per month, and residents over the age of 70 with R1 800 per month (Western Cape Government, 2019).

see what tomorrow brings. [If they] need money and then they hustle for more." (Sisipho)

As was recorded by Nceba, Sisipho's account talks of individuals who felt that the SASSA grant yielded enough savings to secure them financially during retirement and, therefore, they did not require further retirement savings. However, when addressing whether individuals would have taken out an additional retirement savings if they were recommended to do so, Sisipho further explains that not having any additional retirement savings was not about being insufficiently educated on the topic, it also related to the availability of funds:

"You have to have money to have [a retirement fund], so…you would be aware of it if you had money and if you are educated enough you would be aware of it, but if you didn't have those resources then why are you even thinking of it because you're struggling to make ends meet you know." (Sisipho)

Sisipho's point relates back to the theory of intersectionality. It does not appear to be sufficient to only consider education in one's assessment of the events and circumstances that impact retirement savings, there needs to be an awareness that other factors play a role alongside the availability of funds. Nceba reiterated this point by stating:

"I do try and educate those around me and share whatever I know… but… (their) means [the availability of funds] is sometimes, prevent[s] people from actually taking more retirement annuity, but hopefully it will change" (Nceba).

Education is not only influenced by means, Nceba spoke about how education is also influenced by age and, thus, people's view on retirement savings has shifted from one generation to the next:

"I had six aunts. Very few of them took retirement annuities. I think it was lack of education and uncertainty coming from their generation and their time and everything that was happening in South Africa then…Then you have…the people in their mid-forties. So, the ones that are educated, do know what retirement saving is and what it is about and what they should do. Then you

have our generation, the Millennials[17], which are very educated and that are taking these products that are on the market now to save money." (Nceba)

Despite this increase in education, Nceba warned that social circumstances still play a large role in whether an individual can afford to take up additional retirement savings. Therefore, education or the use of a financial advisor plays an important role in increasing an awareness of why and how to save, but these factors are isolated. Education plays part of the role in the intersection of women's ability to save. As per Nceba, education is not enough, an individual needs to have funds available in order to save for retirement.

Theme III: Financial Dependents, Being Dependent, and the Role of Black Tax

Having financial dependents and the provision of Black Tax was a strong theme throughout all the interviews. All participants in some way paid Black Tax and had a permanent or non-permanent dependent in some shape or form.

Anathi described that growing up she knew that one day she would need to take care of her mother:

> *"Because with us even when we were growing up, that's what you knew. That when I'm big, when I'm finished with my degree, get my employment, I'll take care of you mom, I'll do this. You have those dreams already that, and no one was pushing you, you were just like eager to help." (Anathi)*

Khanyiswa too recalled growing up and believing that it is important to take care of her parents:

> "*Because we grew up very, in a very, you know, difficult situation where parents, my parents were what's the word, labourers, so when I started working I had to go and help them…to make their house look smart and everything. I remember when I came from college there was not even electricity at home, so I had to, with my change[18] from the bursary, I had [to] install electricity." (Khanyiswa)*

[17] The term "Millennials" refers to the generation born between the 1981 and 1996 (Dimock, 2019).

[18] "Change" is a colloquial term referring to money which is left over after purchasing or paying for something.

When talking about providing parents with financial support, Nandipha stated that it was something she knew had to be done based on what she had observed others do. Sisipho reiterated this by saying:

> "*in my community like you don't just move forward in life and then just let the people behind you suffer, you know what I mean, like I can't be successful and have all these great things that I have in my life, I wouldn't have it if it wasn't for my family, so if I go home and there is no bread, like what am I actually achieving in life. It wouldn't make me comfortable*".

Financial help did not extend only to parents, but to siblings, nieces and nephews as well. Zintle, when describing this situation, stated that:

> *"When I started working it was very hard. I had to buy everything for everyone…food, Christmas clothing, everything…because they were all depending on me, so I decided to take [care of my] brother and [my] sister. The brother had to study at, I had to look for school at Northlink[19], so that's why I decided to, after matric I must go look for job because [of] the situation it was, but now we passed that." (Zintle)*

When explaining the nature of dependents and the provision of Black Tax, many participants emphasised that it is not something that is forced on them. It is something that they have chosen to do to ensure that those around them are financially secure.

Thandiwe explained why there could be a greater emphasis on taking care of others because "*culturally there's less emphasis on the self*". Thandiwe went further to explain that prior research puts too much emphasis on the self and individualism, whereas culturally there is a greater emphasis put on community and ensuring that all those in the community are uplifted. This belief, therefore, creates a disconnect between what research views as being prepared for retirement and what the individual views as being prepared for retirement:

> *"There's that conflict because when, as a Black person coming from the urban spaces, that (the urban spaces) tells us that you have to make it on*

[19] "Northlink" is the name of a technical college, Northlink College, based in the Western Cape, South Africa (Northlink, 2020).

your own, on your own, your own and when you come back to where you are raised and all, it's not about on your own, on your own, it's about this community. These extended beings that are part of you and continue to influence your life, so that's why we find ourselves in conflict in terms of identity because we are told that this is what is superior, whereas that in itself, it's not a means to an end, it can never be, you can never be whole as a human being without this, which we are told to disregard because when you disregard that, you play, you're kind of like breaking the essence of being, of that individual." (Thandiwe)

Therefore, when discussing retirement savings and whether or not one is prepared for retirement, researchers need to consider the cultural difference between individualism and communal development:

> *"That is, in itself, an investment, connections, family, community and all of those things…[T]hey also, to some extent, if not highly, can also be a make it or break it of you accumulating that financial wealth because you need those connections and the backing ups and the beliefs. [Through] word of mouth…[you will gain] credibility, so that the next person, when they hear about you, they can say that this is a person of good value. [S]o it (savings) doesn't [mean much], no matter how much you can put in the piggy bank, without those networks". (Thandiwe)*

Thandiwe explained that the communal sense of development and the provision of Black Tax could all be an investment into the future:

> *"It will automatically because once that person kind of like makes it in life…now that you've made it you [can't] just live off the benefits by yourself, you have to pay it forward to those who are (provided you with support), so that it continues the rewards". (Thandiwe)*

However, despite this expected norm of providing for Black Tax, most participants communicated that they would not expect their children to provide for them financially because they felt that it was too big of a burden to put on their children. Anathi explained the reason for this view by stating "*That's why I always say, if you guys [children] can just take* *care of yourselves, don't worry about me"*. This perception puts the participants in a difficult financial position, because all participants felt that they need to take care of their family financially but did not expect that support to be returned to them by the children. This situation could decrease the participants' accumulated wealth which, in turn, could decrease the amount of savings they are able to put away. It appears, therefore, that having family members, other than their children, who were financially able to take care of themselves played a vital role in whether a participant viewed it their responsibility to financial support their family members.

Theme IV: Gendered Behaviour

Gender roles are created through the process of socialization. Although these roles are fluid, they are still largely influenced by what an individual observes people of the same gender doing around them. Through data obtained from interviewing participants, it was found that these gender specific roles often influence a participant's saving behaviour or their availability of funds to save for retirement.

When participants were asked why they believed that men saved more than women, all of them met the question with disbelief because they have generally experienced that women are better savers: *"Which men are these? Have I met them? It is possible?" (Nceba).* After contemplating why they did not perceive men saving more than women, many of the participants related this response as being due to women having to do a lot more with their salary:

> *"Well I think Black women, their salary has a lot of work to do, a lot more work than man… so a woman always first thinks about the home, so she'll spend all of her money before ever even thinking of saving it you know? Whereas for a man, I'm not saying that they are selfish, but the first thing they think of is themselves." (Buhle)*

Anathi shared a similar sentiment by saying "*with males they go on working and go on doing their thing, but with you, there's more sacrifices that you do, more than him…I always think with us, I always say…it's like we are born with this thing*". Likewise, Khanyisa said "*because men, I don't know, they're not just like us. If there's a problem, if the problems not solved they don't go worry about that…for instance, if there is no food in the house, who's going to look* *for…food, it's us, women".* Olwethu shared the same view by saying *"I don't think that they care enough, they just live and don't think about the future…we women, we don't do the stuff the same as the man, like we always think for the future…then sometimes the man is just living for the moment".* Zintle responded by saying "*even though you're getting less that men, but we do things more than men even though they get…paid more than us"*. The above conversation explains women's reduced savings as being due to their taking on more responsibility in relation to the household. Because men spend less on their families, they have more residual income and, therefore, are able to save more which could result in men having higher savings.

Despite the views expressed in the previous paragraph, when asked about the participants' roles in their relationship, all of them communicated that they did not expect their husband or partner to help them save for retirement. Most participants only expected them to provide for their own retirement savings. This attitude appears to be a move away from some of the ideas expressed in prior literature where it was found that women did expect their husbands to provide for them during their retirement (Quinn, 1993). Women appear to be becoming more financially independent. Due to this financial independence, Olwethu communicated that her recent divorce has not had a major impact on her retirement savings because she had her own retirement savings prior to her divorce. This finding is also contrary to claims made by Meschede and Sullivan (2016) and Quin (1993). The change in saving behaviour when compared to that described in the reviewed literature could speak to a shift in gender roles. Women appear to now have a greater emphasis on financial independence when compared to women of an earlier generation.

All the participants who were involved in a relationship felt that being in a relationship has in some way helped them with their savings because they were encouraged through conversations with their partner to save more. Zintle spoke to her joint savings account with her partner and how this savings account was used for any joint expenses. Khanyiswa also expressed that her husband has encouraged her to save because he also saves. When asked if her husband will be responsible for helping her financially during her retirement Nandipha responded *"no, I mean we work together, we will share".*

Theme V: Wealth Accumulation

When participants were asked why they believed that retirement savings differed on a racial level, all participants spoke to wealth accumulation and not being afforded the same opportunities as other races when growing up. Wealth accumulation has been a consistent theme in discussing the events or circumstances that affect participants' retirement savings. The participants expressed that due to a lack of availability of funds, saving for retirement was often not their primary priority. Some participants stated that due to a lack of available funds, their parents prioritized taking care of them and, thus, were unable to save. This situation led to participants having to begin their own wealth accumulation without any financial help from their parents. Lastly, when participants decided to become permanent 'stay-at-home' mothers, their income stopped, and their employment service was broken. When this interruption occurred it stopped the payments they previously made to company pension funds and the subsequent benefits of these schemes, as well as their ability to save as they did not have their own source of income.

Anathi mentioned that marriage had a major impact on her ability to save for retirement due to her deciding to resign from her job to support her children: *"that decision it had an impact, because when I stopped [working], I didn't get any income".* This incident could be considered to be gendered behaviour, because Anathi decided to be a 'stay at home' mother due to her supposedly natural "motherly inclination" to take care of her children. However, this incident interrelates gendered behaviour and wealth accumulation because not being employed resulted in Anathi not receiving an income. A lack of income, therefore, impacted Anathi's wealth accumulation and her ability to save for retirement. Khanyiswa shared a similar statement when referring to a long period of service[20]: *"well, if you don't break your service you get a higher retirement pay out, but due to having responsibilities at home as a mother, you have to break that service".* Women in these instances may have had reduced retirement savings or no retirement savings at all as a result of embracing the responsibility of being a 'stay-at-home' mother.

[20] A "long period of service" refers to the participants being employed at the same institution for a long consecutive period of time. Khanyiswa did not specify how long of a period the period would be required to be.

Babalwa, in talking about her experience as a nurse, described the impact that being permanently employed has on potential retirement savings. Without permanent employment the employer did not deduct pension or UIF[21] from the employee's salary. Thus, many employees did not have the benefit of forced retirement savings:

> *"Women were not permanently employed, right. They were not permanently employed. Now meaning that, if you are not permanently employed, being educated or not educated, pensions were not deducted. It was only the UIF which was deducted from them. Now, come to permanent employment like as the laws are changing, saying if you are working for so long it's compulsory that you should be permanently employed. I'll give you an example. I was working in Eastern Cape and transferred to Western Cape. When I came [to] the post in Western Cape, remember I was already declared a permanent worker from the other side. So now I was a transferee. I found people who are working in my institution not permanently employed and those people that time I joined them, they were already fifteen to twenty years working [and] not permanent. You understand? So now there was this compulsory law which made people…permanent after some time. Only then do they (employers) start deducting their (employees) pensions…By the time they retired there was less money. That's why you'll find people more especially the female who have retired, they are still working. It's because they didn't get enough for the living. I'm talking about nurses, doctors and everyone. It affected everybody. Teachers and everyone". (Babalwa)*

Babalwa's account of her experience in the nursing profession speaks to the importance of being permanently employed by the organisation the participant works for. Without being permanently employed, the employer will not deduct a pension contribution, and therefore requires the individual to save for their own retirement funds. Although the laws have changed, many people who have reached retirement age are still facing the consequences of not having been permanently employed. Nceba brought up a similar concern with regard to

[21] The Unemployment Insurance Fund (UIF) provides an employee with brief financial relief when the employee ceases to be employed (SARS, 2019).

the South African context in which "baby boomers"[22] were born and the availability of retirement savings:

> *"I don't think anyone was talking to Black people in the 1950s, sixties or seventies about retirement or selling them even any retirement products. I think the only retirement they had was something that came through their employers. I think my mom's two saving plans were from the nineties." (Nceba)*

If this is the case, being permanently employed would have had a significant impact on an individual's retirement savings due to an individual being more likely to save for retirement if such a scheme was instigated through their employer. Buhle, when recalling her mother's employment experience, said that while her mother had worked her whole life as a domestic worker, she had had very little residual income available during this period to save for retirement, and, consequently, struggled financially when she could no longer work. Khanyiswa reiterated this point by stating: *"Because we've been struggling, the struggle that caused us not to save".* This view was reinforced by Nceba who stated that "*people don't have much [available], to save, it really is difficult for people to actually invest, it's hard".* Anathi too spoke about her experience of her mother being a domestic worker:

> "*My mom didn't have a retirement plan, so maybe their generation they were really dis-prepared because with her she was even always telling us that there no pension pay-outs when our dad passed away, she didn't get a cent, and she just had to stand up on her own feet and continue working as a domestic worker and selling stuff, so that's how she pulled through." (Anathi)*

Buhle spoke to the racial disparity between those who are Black and those who are White:

> *"Let's look at the income bracket you know. The earning potential of a White male compared to a Black male… you know, and it's easier when you have a lot. When you have a surplus, it's easy to save and put something away. When you have such a little then all of that money, you know, has a job. How, it's*

[22] The term "baby boomer" refers to individuals born between 1946 and 1964 (Colby & Ortman, 2014).

difficult to save, so I don't think it's that they don't want to or whatever, it's just they don't have enough to do so, yes, I think." (Buhle)

When Olwethu spoke about wealth accumulation, she referred to the high cost of living aiding in the inability to accumulate sufficient wealth for retirement:

"*Because I always think that I'm not going to get enough for retirement, as cost of living is too high, so, and I think about my kids and all that. … It is not easy to support like six people with one salary, it's not.*" *(Olwethu)*

Due to this high cost, Olwethu also said that it is imperative for her to save but often this leads to her not having sufficient income to save for retirement. Sisipho too spoke about the impact that not having sufficient residual income would have on retirement behaviour:

"*You have to have money to have one (retirement savings), so not being aware, you would be aware of it if you had money and if you are educated enough you would be aware of it, but if you didn't have those resources then why are you even thinking of it because you're struggling to make ends meet you know". (Sisipho)*

Zintle recalled her experience growing up:

"*When you're really struggling when you grow up from way back, so you tell yourself, when I have something I must make sure I put something aside, I must make sure, I must make means that there is something to fall on if anything happens at least I can be able to go and say, money's coming.*" *(Zintle)*

Zintle spoke about her aunt providing her with all that she could, her aunt sold fruit and vegetables to make a side income to ensure that Zintle, her siblings, nieces and nephews always had something to eat. Through this shared story, Zintle also spoke of her mother's resilience and the ability to always provide for Zintle, regardless of the financial situation. Although this meant that Zintle did not start with accumulated wealth, Zintle always planned on one day being able to put some money away as soon as she was employed in a job that allowed her to do so:

"*At least, you know okay when I pass grade twelve, I must go look for work, when you get work and when you get paid you make sure you must save for the future, because you know your parents didn't do it.*" *(Zintle)*

Nceba too recalled having to start from a zero base:

> *"I started on a zero balance when I started working…and started putting money away and investing and building assets or my wealth…So, you are obviously, going to find differences, so you need to take those things into consideration, and I don't think a lot of studies do that, because even though we born at the same time, but the circumstances under which we born under are quite different." (Nceba)*

Therefore, there was a strong sense amongst the participants that they had to work harder to increase their availability of funds because they started their savings from zero and without any help from their parents. Due to this fact, participants had to work very hard because they felt they must ensure that they earned sufficient income to pay for their cost of living, provide for the requirements of their families and only then save for retirement, using the residual of their income post expenses.

Summary

The analysis of the interviews conducted with the research participants aimed to answer two questions:

1. How do Black amaXhosa women in South Africa perceive retirement savings?
2. What are the unmeasurable items or circumstances which Black amaXhosa women in South Africa perceive as being an investment in the future?

Through the analysis of interviewees' responses, five main themes were identified; Retirement Vehicles and the Presence of Informal Savings; Education; Financial Dependents; Being Dependent and the Role of Black Tax; Gendered Behaviour; and Wealth Accumulation. Although each of these areas covered different reasoning in order to explain why the interviewees saved less, all themes came together to create the interviewees' full lived-experience and, therefore, can be interpreted through the theory of intersectionality. In addition to this specific theory, themes such as Gendered Behaviour and Being Dependent and the Role of Black Tax can be explained through the theory of socialization.

The theme of Retirement Vehicles and the Presence of Informal Savings shows that all interview participants understood the importance of having retirement savings and either have or had some form of retirement savings. Therefore, the participants viewed retirement savings as a required investment for the future. However, planning for retirement savings still remains an area for concern because some participants did not plan appropriately and, thus, are unlikely to have sufficient savings to cover their cost of living during retirement. This point was reemphasised when looking at the impact that education or/and the availability of funds has on people's, and in particular Black amaXhosa women's retirement savings.

Other points which emerged from within the first theme is that despite planning, there may be an uncertain event which arises which could alter the trajectory of the individual's savings. Again, this point arises when looking at the financial impact of unplanned events relating to having dependents, and the consequent paying of Black Tax, has on retirement savings. However, it should be considered that many interviewees expressed that they willingly supported their family and, therefore, planned for their financial support. Thus, not all cases of providing financial support to relatives could be considered an unexpected event.

All participants, in some way, supplemented their savings through the use of informal savings, the most common form being a Stokvel. This practice allowed participants to partake in forced savings so that they were better prepared for the end-of-year activities and financial obligations when their children return to school. The other ways in which the participants saved included a 32-day notice account, owning personal-use and investment property, a vehicle, and/or livestock. These saving techniques provided a short-term savings mechanism and therefore did not replace the need for retirement savings.

The second theme spoke to the importance of education. The common points that emerged from the data collected during the interviews is that in order to understand the need for retirement savings or the value of retirement savings, individuals need to be taught why and how to save for retirement. A financial advisor could aid in helping this educational process which aims to increase the individual's retirements savings. However, trust is required. If the professional advice is incorrect, there could be major consequences for the individual. Furthermore, education in itself is not enough. The individual required some sort of residual income in order to be able to save for retirement.

Understanding that one needs retirement savings is important. This understanding requires education. However, education becomes redundant if the individual does not have any funds available to save for retirement. The first two themes, therefore, are interconnected with wealth accumulation (the fifth theme) and affect the individual differently depending on their lived experiences. This difference highlights the role which intersectionality plays in the creation of individuals experiences, including their perception of retirement savings. The accumulation of wealth, thus, is an important theme in understanding the research participants' perception of retirement savings.

Wealth accumulation was impacted through unemployment due to a variety of reasons that included being a 'stay at home' mother. The high cost of living and not having sufficient income to cover these costs also played a major role in the lack of wealth accumulation. The participants recalled accounts of family members having to take on extra work to ensure that all their dependents were fed. The priority in these instances was on feeding the family, not saving for retirement. Wealth accumulation speaks to the gathering of wealth over a period of time. However, all participants started with a base of zero and had to work hard in order to accumulate the wealth that they have today. Employment also impacts savings, because often employers did not make workers permanent employees and, thus did not deduct contributions to either UIF or a pension fund from their wages.

The third theme spoke to financial dependents, being dependent, and the role of Black Tax. All participants in some way were financially assisting one or many of their family members. The participants communicated that providing financial support was something that they always knew that they had to do. For others, the provision of Black Tax was not forced but provided voluntarily to help needy family members. There was a strong sense of community and understanding that many people had helped the participants achieve their current position in society and, thus, they felt it was their responsibility to reciprocate such support. This sense of community could be learned behaviour because it is something the participants have seen practiced before and is unparallel to the more individualistic way of viewing one's success. Thus, cultural socialization could be seen to play a role in developing the nature of financial reciprocity and could explain why this behaviour is not innate in all individuals.

The provision of Black Tax also plays a role in wealth accumulation. The more money the individual gives away to others, the less they have available to accumulate as wealth. Thus, intersectionality plays a role in understanding how individuals are impacted in their ability to save for retirement. The role of providing Black Tax and the ability to save for retirement is interconnected.

Gender too, as per theme four, has an impact on retirement. Generally, women were seen to have to accomplish more with their money when compared to males. Women were expected to plan more for the future in order to take care of their families, whereas men were allowed greater freedom in terms of their spending. This view is often coupled to the idea that women earn less than men. Thus, men had an increased availability of funds to save for retirement. Socialization could explain why women feel a strong sense of responsibility towards their families, while not all men share the same sentiment. From an early age, girls learn that it is their role to ensure that family members are taken care of and, therefore, woman willingly take on the role of caregiver.

Therefore, as presented in this summary, all of the identified themes connect to shape the view that Black women in South Africa (specifically Black amaXhosa women) have of retirement savings. All participants viewed retirement savings as important and all of them had some form of additional savings. However, through the circumstances some of the participants faced, saving for retirement was not always their main priority.

Conclusion

This study aimed to understand how Black amaXhosa women in South Africa perceive retirement savings and the unmeasurable items or circumstances which these women perceive as being an investment in the future. The most common finding of this study is that all the research participants understood the importance of retirement savings but could either not save due to the unavailability of funds or did not save enough due to the occurrence of unexpected events. This study also found that all women interviewed supplemented their retirement savings somehow, the most common way being through membership of a Stokvel.

This study also used a lens of socialization and intersectionality to interpret and explain the analysis of the results. It was found that behaviour such as providing financial support and taking on the extended family responsibilities expected of the mother was all learned behaviour and, thus, was impacted by the theory of socialization. Intersectionality was seen to play a role in how an individual perceives retirement savings. There are many factors which come together to create the lived experiences of the individual and thus the interplay of these factors appears to determine the participants' perception toward retirement savings.

All participants communicated the importance of ensuring that their families were taken care of. This view moved away from the individualistic view of success and moved closer to the communal version of success. This move meant that individuals could not view themselves as being successful without ensuring that their families are taken care of. This community inspired view could be different to those seen in current retirement savings studies in which the emphasis lies on how much the individual has saved on retirement, instead of understanding a broader communal way of achieving success.

The emphasis on providing financial support to family members was further emphasised by the participants being women and how they were socialized as young girls to take care of their families. The participants expressed that women often have a stronger sense of responsibility to take care of their families than men and thus, despite in some instances earning less than their male partners, they accepted that there was more "work to be done" with their money. Both the roles taken up as women, as well as the provision of financial support to family, aided in the participants having higher costs and thus less accumulated wealth than men or White women.

Education is an integral aspect of understanding that it is important to save, how much to save, and how to save. However, if participants had a lower degree of accumulated wealth then it was often not possible for them to save, regardless of their education. All participants expressed a belief that the disbursement of an income involves priorities, and that feeding one's family always comes before retirement savings. Therefore, if individuals do not have sufficient residual income it is likely that that they would not consider saving for retirement.

This study has provided a contextualization to the many studies which speak to the lack of preparedness of Black women in relation to retirement savings. It creates a conversation around the unequal starting points individuals have and their various understandings of economic success. The conversation begins with the acknowledgement that not everyone has the same means with which to save for retirement. There are various informal ways in which Black amaXhosa women save, the most popular of which is the use of Stokvels. However, Stokvels are generally used for short term savings and, thus, do not translate into saving for retirement. Black Tax was also a common theme because most participants felt a responsibility towards financially helping their parents and extended family if the need arose. In turn, Black Tax could be seen as a form of support during retirement because younger family members help older family members who are struggling financially.

Themes such as Black Tax make reference to communal preparedness and steps away from the individualistic view of success as theorized in previous literature discussed in the Literature Review. Therefore, in determining whether an individual is prepared for retirement a broader understanding of retirement savings needs to be considered. This opens a dialogue on whether considering retirement preparedness purely via the quantitative amount of formulized savings is sufficient.

Areas for Future Research

This study has specifically looked at the perception of Black amaXhosa women. There is potential for future research to understand the perception of Black women from other cultural backgrounds. Most of the participants in this study also had some form of formalized education and fell into the middle-income earning bracket. Any differentiation of individuals would add to the current debate on this topic. While this research starts a conversation, it does not aim to extrapolate the results onto all Black women.

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Appendices:

Appendix A: Questionnaire

PART 1: Personal Characteristic

Q1 How old are you?

Q2 Which gender do you identify as:

☐ Female

☐ Male

☐ Transgender

☐ Non-Binary

☐ Other: ______________________________________

☐ Prefer not to say

Q3 Which race do you identify as:

☐ Black

☐ Coloured

☐ Indian

☐ White

☐ Other: ______________________________________

☐ Prefer not to say

Q4 If you selected that you identify as Black, which culture do you identify with:

☐ amaXhosa

☐ amaZulu

☐ amaSwati

☐ amaNdebele

☐ BaSotho

☐ BaPedi

☐ BaTswana

☐ VhaVenda

☐ VaTsonga

☐ Other: ___________________________________

☐ Prefer not to say

Q5 What is your highest academic qualification to date?

☐ I have no formal education

☐ Primary School

☐ High School

☐ Diploma/Certificate from a tertiary institution

☐ Bachelors Degree

☐ Honours Degree

☐ Masters Degree

☐ PHD

Q6 What is your occupation?

Q7 Which bracket does your annual income fall into?[23]

☐ R0 - R51 000

☐ R51 001 – R111 000

☐ R111 001 – R240 000

☐ R240 001 – R382 000

☐ R382 001 – R797 000

☐ R797 001 – R1 698 000

☐ R1 698 001+

[23] The annual income brackets are based on the brackets presented in the Standard Bank income estimates report (2017). The first two groups presented in the report have been condensed into one.

Q8 What is your relationship status?

☐ Single

☐ In a long-term relationship (more than four years)

☐ Married

☐ Divorced

☐ Widowed

☐ Prefer not to say

Q9 Do you have financial dependents of any kind? (i.e. children, parents, etc.)

☐ Yes

If yes, please specify: ____________________________________

☐ No

Appendix B: Interview Questions

Questions:	Themes
1. What do you think of when I say the word “retirement”?	Ice Breaker
2. What do you understand by the term “retirement savings”?	
3. Do you think it is important to save for retirement? Why?	Retirement Vehicles
4. Where have you placed your retirement savings? a. If they mentioned informal savings: i. How much of your savings are in a retirement fund versus in an informal savings fund (for example a Stokvel)? ii. Has the amount of savings you made informally increased over the years?	
5. Per the World Bank, women are expected to live on average 5 years longer than males. Has this played a role in your plan to save for retirement?	
6. Now that you are aware of the statistic, will it play a role in how you plan for your retirement going forward? Why?	
7. If answered yes to having dependents: a. What do you understand by having dependents? b. Who are your dependents and what is the nature of your support? i. Are you providing continual long-term support to your dependents, or do you expect to stop providing support at a certain point? c. Are you the sole support for your dependents? d. Has providing for your dependents impacted your ability to save for retirement in anyway?	Financial dependence

8. Is there a possibility that financial support will be provided to you?
9. If answered yes to having children, do you expect your children to support you when you are older?
10. Do you think providing support to your dependents or receiving support is something that is culturally influenced/encouraged?
11. If they are single: | Relationship status
    a. If you were to get married do you think your saving behaviour would change?
    b. If someone in your family were to fall ill, who would be more likely to take care of them?
    c. Who is most likely to provide a financial contribution to the family or make the key financial decisions?

    If they are married/in a long-term stable relationship:
    d. Do you think your husband has negatively or positively affected how much you save and why?
    e. If someone in your family were to fall ill, who would be more likely to take care of them?
    f. Who is most likely to provide a financial contribution to the family or make the key financial decisions?
    g. Do you expect your partners' retirement savings to cover you as well?
    h. Have the roles you and your husband chose to take in your relationship been influenced by the roles you have seen in other relationships? OR Were these roles taken on by you and your husband something that came naturally? OR How did you and your husband decide on these roles?

    If they are divorced:

i. How has your retirement savings changed since you and your husband parted ways?
j. If someone in your family were to fall ill, who would be more likely to take care of them?
k. Who is most likely to provide a financial contribution to the family or make the key financial decisions?

If they are widowed:

l. Has your feeling of retirement security changed since you lost your partner?
m. If someone in your family were to fall ill, who would be more likely to take care of them?
n. Who is most likely to provide a financial contribution to the family or make the key financial decisions?

12. Do you think being Black and/or being a woman has affected the availability of your resources to save? Intersectionality
    a. Key terms to address:
        i. Black Tax
        ii. Financial dependence of taking care of children and family members
        iii. Job availability
        iv. Potential workplace differential treatment

Appendix C: Consent Form

In this survey you will be asked questions to help the researcher understand your perception of retirement savings and the ways in which you save for retirement. The survey will consist of three parts; your personal characteristics, your view on retirement savings, and your general financial literacy. The survey will be followed by an interview. The interview will further unpack your views on retirement savings and the decisions leading up to saving or not saving for retirement.

The interview will be recorded and subsequently transcribed. The interviewer may on occasion take notes during the interview process. All information gathered will remain anonymous throughout this process.

This research has been approved by the Commerce Faculty Ethics in Research Committee. Your participation in this research is voluntary. You can choose to withdraw from the research at any time. All information gathered will remain anonymous.

If you have any queries please contact charne.october@uct.ac.za.

If you agree to participate, please sign the form below.

Acknowledgement by Participant

I have read and understood the above paragraphs.

I understood the purposes, procedures and risks of the research described in the project.

I have had an opportunity to ask questions and I am satisfied with the answers I have received.

I freely agree to participate in this research project as described and understand that all information is kept anonymous and I am free to withdraw at any time.

I understand that I will be given a signed copy of this document to keep.

Name of Participant_______________________________________	
Signature_______________________________	Date___________________

Declaration by Researcher

I have given a verbal explanation of the research project. Its procedures and risks and I believe that the participant has understood this explanation.

Name of Researcher_______________________________________	
Signature_______________________________	Date___________________