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Financial Literacy, Retirement Planning, and Demand for Life Insurance: Evidence from Lagos State-owned Tertiary Institutions

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ABSTRACT

Financial literacy is a protective tool for ensuring quality retirement life through annuity life insurance policy. The study assessed how financial literacy measures and retirement planning impact the demand for life insurance among university instructors at tertiary institutions owned by Lagos State. The research study used a cross-sectional survey research design, incorporating multiphase sampling approaches. Completed structured questionnaire from two hundred and seventy-three respondents were gathered from university lecturers in Lagos State-Owned tertiary institutions, and data were analysed using simple frequency percentages and multiple regression technique. Although there is a positive correlation between financial attitude, financial knowledge, and financial behaviour with the demand for life insurance, the variable of financial confidence shows an inverse correlation. The demand for life insurance is positively and significantly influenced by retirement planning. Therefore, it is recommended that ongoing endeavours be made to educate the general population on the significance of life insurance for improved financial planning. This, in turn, helps insurers to understand and serve suitable insurance plan that fits their clients' financial plan.

1. Introduction

Financial literacy is a key to choosing the right retirement plans for an individual. Previous studies (such as Chen & Chen, 2023; Cupak, et al. 2019; Harahap, et al. 2022; Lusardi & Mitchell, 2017) stressed the relation amid financial literacy, financial decision, and retirement planning. They highlighted the need for individual readiness for retirement and choices of lifespan security to managing longevity risks. According to Homa (2020), longevity risk of an individual person can be of adverse consequence to the policyholders, but it does not pose financial threat to insurers' stability. Despite the longevity risks, policyholders can still experience flexible features in life insurance that allows the policyholders receive tax free accumulation benefits that guarantee cash value, as retirement income, for one's family (Russel & Wade, 2023). Sang, et al. (2020) stressed that while life insurance serves as tool to make provision for financial safety in the

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occurrence of death, a life insurance retirement plan, serves as a strategy to guarantees long-term accumulation of assets that may have additional retirement income.

Studies (such as Ajemunigbohun, et al. 2018; Gamade, 2017; Mahdzan & Victorian, 2013) had found that individual persons with highly financial literacy skills have more tendency to practice financial planning like life insurance on the basis of trust. It is thus claimed further that life insurance is core to individual financial planning hence it serves as a financial saving while safeguarding against personal risks in retirement (Dovie, 2018). Retirement planning reflects a person's intentions that aims to prepare for life in retirement (Ugwu & Idemudia, 2023). Life insurance is a risk protection mechanism against disability, mortality, and loss of income (GrundI, et al. 2016).

Most insurers concur that financial wellbeing should be deeply pondered upon by placing emphasis on retirement. However, to improve financial wellness, life insurance should go beyond saving and risk solution. It should include retirement security with a blend of financial literacy and general savings (Bhattacharya-Craven et al., 2022). Financial literacy creates huge efforts on retirement planning because the more financial literate an individual appears to be, the more effort is given in planning towards his/or her retirement (Anderson, et al. 2017; Safari, et al. 2021). The primary aim is to analyse the correlation between financial literacy, retirement planning, and the desire for life insurance among teachers in Lagos State-owned tertiary institutions. The precise aims of this study are to evaluate the influence of financial literacy on the prevalence of life insurance among lecturers in Lagos State-Owned Tertiary institutions, as well as to examine the relationship between retirement planning and the demand for life insurance among lecturers in the same institutions.

2. Literature Review

2.1 Financial Literacy

Financial literacy has been perceived over time as an integral element which assists individuals to successfully make sound judgements and informed decisions in the aspect of their financial management by demonstrating either positive or negative behavioural decisions. Financial literacy is the most paramount component towards achieving a successful adult life. This is due to its crucial and active role in the development of not just individuals' attitudes to managing their finances, but also an attitude about life generally. An investigation by Clark, et al. (2017) purported that financial literacy goes to a large extent to influence the appropriate attitude dissipated into being financially prepared towards making retirement life enjoyable and stress-free. Baker, et al. (2018) opined that financial literacy is a veritable mechanism for improving the capability of individuals to properly assess their risk appetite and understand statistics and information underpinning financial instruments to be used. In buttressing this argument, Wahyuni, et al. (2021) claimed that financial literacy signifies a form of educational attainment which assists in building up wealth through pre-defined and arranged behaviour. The Organization for Economic Cooperation and Development, (OECD, 2022) asserted that financial literacy can be perceived to contain the combination of attitude, behaviour, confidence and knowledge required to show frugality in spending and demonstrate sound decisions that help in guaranteeing financial well-being for individuals.

2.2 Financial Attitude

Financial attitude significantly influences an individual's tactic to handling finances, encompassing their saving, spending, and allocation of funds (Potrich, et al. 2016). It embodies a somebody's inclination towards particular financial behaviours and reflects their preferences, usefulness, or perceived characteristics associated with their spending habits. Azib, et al. (2022) thus emphasized that financial attitude serves as a reflection of how individuals grip their finances, encompassing decisions on spending,

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saving, and investment practices. Amagir, et al. (2020) define financial attitude as an individual's position or orientation towards monetary concerns, including attitudes towards saving, emergency fund planning, and the establishment of long-term financial plans. The alignment amid an individual's financial behaviour and their attitude is evident, suggesting that attitudes reflect specific preferences or dispositions regarding financial management (Renaldo, et al. 2020).

2.3 Financial Behaviour

Financial behaviour encompasses the systematic and methodical approach individuals adopt in handling their financial resources and making choices regarding expenditure, borrowing, saving, investing, and overall financial strategies (Lusardi, 2019). It encompasses a spectrum of actions, including prudent or impulsive spending habits, effective or burdensome debt management, the inclination towards savings, investment choices, and the ability to align financial decisions with long-term goals (Ananda & Mikhratunnisa, 2020). Financial behaviour is strongly influenced by an individual's level of financial literacy, encompassing their understanding of financial concepts, their confidence in managing finances, and their knowledge in navigating complex financial landscapes. Positive financial behaviour typically involves responsible and informed decision-making that promotes financial stability and supports the achievement of short and long-term financial objectives, whereas negative financial behaviour often results from inadequate financial understanding and may lead to detrimental financial outcomes (Babajide, et al. 2023; Widyastuti, et al. 2020; Chong, et al. 2021).

2.4 Financial Confidence

Financial confidence refers to an individual's belief in their ability to effectively navigate and manage various financial matters (Ayse, & Alper, 2023) It encompasses a sense of assurance, self-trust, and conviction in making financial decisions, handling investments, managing expenses, and planning for the future (Karakara, et al., 2022)). This confidence extends to one's comfort level in dealing with financial complexities, such as understanding financial instruments, assessing risks, and adapting strategies in response to economic changes. Financial confidence empowers individuals to approach financial challenges with resilience and optimism, enabling them to make informed decisions and take proactive steps toward achieving their financial goals and securing their financial well-being in the short and long term (Atlas, et al. 2023).

2.5 Financial Knowledge

It encompasses an individual's comprehension, consciousness, and competence in the realm of many financial concepts, principles, tools, and practices (Fessler et al., 2020). It encompasses a broad spectrum of financial literacy, including but not limited to, comprehension of budgeting, investing, savings, debt management, risk assessment, and the ability to make informed and prudent financial decisions (Abdul Rashid, et al. 2020). A person with sound financial knowledge comprehends the intricacies of financial systems, grasps fundamental economic principles, and can navigate the complexities of personal and business finance, enabling them to effectively manage resources, mitigate risks, future plans, and financial goals attainment (Morris, et al. 2021).

2.6 Retirement Planning

Retirement planning captures the process where employees are no longer physically capable of contributing to organisational tasks. It also symbolises the long-term habits of individuals in the aspect of making investments in preparation for life after retirement (Seidl, et al. 2021). Additionally, retirement planning deals with having to take and make several decisions that are conscious, which in the end calls for

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apt knowledge of alternatives, which thus establishes the capability for the estimation of both the propensity and possibilities as well as outcomes inherent in each of the available options with the said alternatives (Rostamkalaei, et al. 2022). Engaging in effectual retirement planning offers individuals the opportunity to achieve financial independence, ensure a comfortable standard of living, and cultivate the capacity to attain retirement objectives (Hansson, 2019). Therefore, Retirement planning is an essential business procedure that is vital in ensuring that individuals (academic staff) have savings that are adequate enough to accommodate the required lifestyle desired upon retirement.

2.7 Demand for Life Insurance

Life insurance is a contractual synergy that subsists between the insurer and the insured whereby the later concurred to recompense premium regularly in exchange for the insurers' pecuniary protection in cases of loss situations such as death, disability, and damages within the policy period (Hagos & Kebede, 2019). Life insurance is normally decided upon under risk (i.e., protective net) or uncertainty (i.e., investment decision) for futuristic circumstances; whose ambiguity is strengthened by exogenous risky milieu which invariably increases the extent of risk aversion (Grischchenko, 2019). According to Schanz (2020), factors to promoting life insurance penetration is said to include accelerated efforts to rethink subsisting and launching new products, culminating price sensitivity via value increase, seize potential for improved cost-competitiveness, and facilitating insurance awareness and education. However, life insurance advantageous hence it guarantees payment for a stipulated sum for family on the death of its oncome earners; provides cash value that serves as financial strength via constant savings; helps through annuity as a means through which individual workers can have monetary provisions for retirement; and permits for favourable credit borrowings (Segodi & Sibindi, 2022; Soye & Agboola, 2019). Life insurance benefits, as a protective function, are paid not only at the time of death event but when an individual worker lives to the age specified in the work contract close to retirement age.

Based on the above conceptual clarifications, the study hypothesised as follows:

H_{o1}: Financial literacy (financial attitude, financial behaviour, financial confidence and financial knowledge) has a significant effect on demand for life insurance among lecturers in Lagos State-Owned Tertiary institutions.

H_{o2}: Retirement planning (Financial planning, lifestyle planning, and health planning) has no significant relationship with the demand for life insurance among lecturers in Lagos State-Owned Tertiary institutions.

2.8 Expected Utility Theory

The idea is credited to Bernoulli in 1738 and later elaborated and crystallised in the mid-20th century by Von Neumann and Oskar in 1944. This theory elucidates decision-making processes in situations including uncertainty, arising from fundamental contradictions in the presumed foundational principles of Expected Utility Theory (EUT). It suggests that an individual agent seeks to maximise their expected pleasure (utility) while deciding whether or not to seek insurance products. Nevertheless, the shape of their utility function, which is consistently computed based on risk aversion, drives these individual choices (Zweifel & Eisen, 2012).

Moreover, the principles of EUT largely focus on risk avoidance and the application of linear probability analysis. When an individual's marginal utility decreases under a concave function, they demonstrate risk aversion. If an individual engages in risk-seeking activity, the rise in marginal utility above income (wealth) indicates a convex function. A linear function is derived when an individual agent exhibits risk neutrality

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and the marginal utility remains constant (Ali, et al. 2020). The notion of linearity has been clarified with regard to probability, highlighting the constant patterns of changes that arise from a positive shared origin, and depending on the extreme income at each step of the natural growth process (Kulawik, 2023). This theory serves as the fundamental basis for the development of a conceptual framework. It elucidates certain elements of financial literacy and the need of obtaining life insurance plans.

2.9 Empirical Review

In order to evaluate decision making in personal insurance, Weedige, et al. (2019) undertook an empirical study of insurance literacy in Sri Lanka. The objective of the study was to investigate the direct and indirect effects of consumers' insurance literacy on their decision-making process while acquiring personal insurance. The study used a well-designed questionnaire to collect data from a sample of three hundred participants selected as middle-class consumers. The data analysis in this study used a variance-based structural equation modelling approach. The findings revealed a direct linkage of financial literacy (via moderating factors such as perceived benefits, trust, and favourable attitudes) and behavioural intention towards insurance decision. There existed a significant variance between those who possessed and those who do not possess insurance on the bases of their literacy level. The study also advised that academia and policymakers to take insurance as instrument for financial security and desirable wellbeing.

Murugesan and Manohar (2020) examined financial literacy as a determining factor for investing in health insurance among citizens in India. This study conducted a literature review to confirming the strong linkage among financial literacy, financial services adoption, and consumer welfarism.

The study found that life insurance and pension funds, when combined with short-term bank loans and long-term financing, strongly contribute to the substantial progress of the Indian economy. Evidence demonstrated that the existence of a robust insurance system may effectively meet all the needs and so create a competitive insurance environment, protecting the interests of citizens and fostering trust in the system.

The study conducted by Wang, et al. (2021) examined the relationship between financial literacy and the demand for life insurance in China using empirical testing. Out of the total population of one billion, four hundred million individuals in China who have life insurance policies, this study was carried out among a sample of one hundred and fourteen million persons. The low participation rate of the Chinese among the overall population has been ascribed to their limited financial knowledge. Two unique micro datasets, selected for their local representation, were used to establish a correlation between financial literacy and the demand for life insurance. Empirical evidence demonstrated a direct correlation between many aspects of financial literacy and the frequency of individuals possessing insurance and making insurance premium payments. The research findings suggest that enhancing financial literacy could be a potential development strategy for China's expanding agenda.

Tian (2022) did an empirical study examining the correlation between financial culture and financial literacy in connection to the level of involvement in commercial life insurance among individuals. The analysis utilised the datasets from the China Household Finance Survey conducted from 2013 to 2019. The results indicated that there was a substantial and favourable influence of financial literacy on the family commercial life insurance market. The combination of health status, educational level, family size, and total assets as metrics for financial literacy on family commercial life insurance engagement. Furtherance to the analysis of these influencing factors, it was discovered that individual risk attitude was vital channel of financial literacy in relations to family commercial life insurance.

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Hadi and Abdullah (2023) evaluated the dimensions of financial culture and financial literacy with empirical samples taken from selected insurance companies in Iraq. Financial literacy mechanisms, including financial knowledge, financial attitude, and financial behaviour, were found to be connected with financial culture dimensions such as saving, spending, and entrepreneurial ideas. In the data analytical measures, a set of statistical tools were employed to the correlates between the numerous indicators. In the end, findings showcased a significant association between the financial mechanisms.

2.10 Conceptual Model

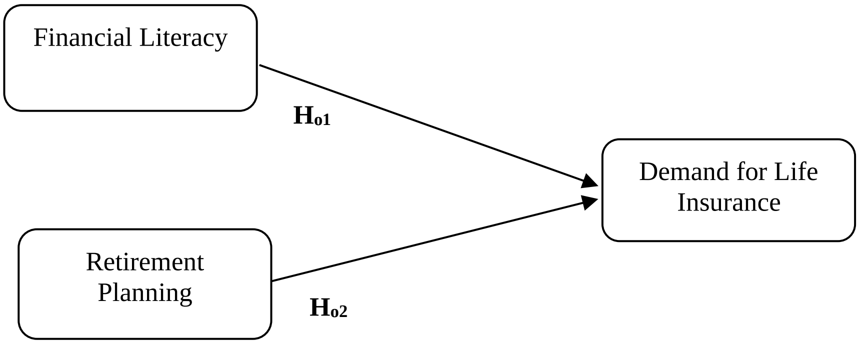

Fig.1: Conceptual model that elucidates the interplay of financial literacy, retirement thinking, and the demand for life insurance.

3. Research Methods

The research design employed in this study was a descriptive survey. The research philosophy adopted was positivist attributable to the use of surveys as instruments for data collection in the study. As shown in Table 1, the population for the study consisted of all lecturers in Lagos State-Owned Tertiary institutions, totaling 2,110 persons.

Table 1: Total Numbers of Academic Staff in each Research Ground

Research Grounds	Sample Population	Sample Size
Lagos State University (Ojo)	813	130
Lagos State University of Science and Technology (Ikorodu)	678	108
Lagos State University of Education, (Ijanikin)	618	98
Total	**2110**	**336**

Source: Annual Reports, 2022

With the sample determination formulae developed by Taro Yamane as cited in Israel (2013), the sample size was determined as follows:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{2110}{1 + 2110\,(0.05)^2} = 336$$

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Three hundred and thirty-six (336) copies of questionnaires were distributed to the lecturers, as indicated in Table 1. Of the total number of questionnaires given, three hundred and twelve (312) copies were collected and two hundred and seventy-three (273) copies were selected for data analysis following careful examination. This represents a response rate of 81%. The study employed a multiphase sampling method including both quota and convenience sampling stages. A quota sampling method was employed to choose participants from the three public universities under the ownership of the Lagos State Government in 2022. The selection was based on the proportional representation of employed academic staff members in each university. In order to conduct convenience sampling, academic staff members were assessed for their preparedness and accessibility. A structured questionnaire served as the data collection tool. The questionnaire was internally developed to explicitly target the significant topics and factors under investigation. The choice of the survey method was determined by its appropriateness for the selected research design, its cost-efficiency, and its simplicity of dissemination (Sallies, et al., 2021). Through a comprehensive examination and certification of the suitability of face, construct, and content validities, the study established the validity and reliability. Following the completion of the pilot study, it was ascertained that the items consistently yielded findings that surpassed the global research criterion of 0.70, thereby showing a high level of reliability. Descriptive and inferential statistics were employed to examine the data, using the Statistical Package for the Social Sciences (SPSS) version 21. The study included Likert scale instruments that included response choices in the range of strongly disagree (SD) to strongly agree (SA).

Table 2: Reliability Coefficient of the Confirmed Dimensional Constructs

Constructs	**Cronbach's Alpha**	**Cronbach's Alpha Based on Standardized Items**	**No of Items**
Financial literacy	.803	.791	4
Retirement planning	.795	.774	3
Demand for life insurance	.712	.697	4

Source: Researchers' Computations, 2023

4. Results and Discussion

The information reported in Table 3 offers valuable insights into several demographic characteristics. These statistics provide insight into the makeup of the questioned population, enabling valuable observations and implications. The gender distribution indicates a minor imbalance in favour of males, who make up 56.8 percent of the sample, while females constitute 43.2 percent. The gender disparity could potentially impact viewpoints on several areas, potentially influencing replies and attitudes towards the subject matter of the survey. The data demonstrates a gradual decrease in participation as age increases, indicating age-related differences in engagement. The bulk of respondents belong to the age bracket of 40-50 and above, suggesting a somewhat mature sample group. The age distribution could indicate specific generational inclinations or viewpoints, influencing decision-making, consumer habits, and openness to societal shifts in retirement planning. The examined population is predominantly composed of married individuals (94.8 percent), whereas singles and divorced individuals are significantly less represented. This statistic suggests that there may be variations in the duties, priorities, or financial habits of married individuals compared to those who are single or divorced. These variances can influence decision-making when it comes to the need for life insurance. The distribution of educational qualifications is significant, with the majority (51.3 percent) possessing a Master's Degree. The substantial percentage implies that the sample population is well-educated, which may indicate a greater degree of experience or financial literacy abilities among the respondents. Furthermore, the data shows that a significant percentage of participants, specifically 62.6 percent, have an annual income ranging from 1 million to 5 million. This information is

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relevant when considering the need for life insurance. This middle-income bracket dominance within the surveyed population might suggest varying capacities for demand for life insurance and investment opportunities. Those with higher incomes might have more resources to allocate towards annuity funds or investment portfolios via life insurance policies, while those with lower incomes might face challenges in saving adequately for the purchase of life insurance.

Table 3: Participants' Bio-Data Information

Variable	Response Label	Frequency	Percentages (%)
Gender	Female	118	43.2
	male	155	56.8
Age	30 but less than 40	100	36.6
	40 but less than 50	126	46.1
	50 but less than 60	37	13.6
	60 & above	10	3.7
Marital Status	Single	10	3.7
	Married	259	94.8
	Divorced	04	1.5
Educational Qualification	BSc/HND	28	10.3
	Master's Degree	140	51.3
	Doctorate	105	38.4
Annual Income	Less than 1 million	37	13.6
	1 million but less than 5 million	171	62.6
	5 million but less than 10 million	56	20.5
	10 million but less than 15 million	09	3.3

Source: field survey (2023)

Table 4: Demographic information of the participants

Variable	Response Label	Frequency	Percentages (%)
Do you have insurance policy?	Yes	45	16.5
	No	228	83.5
Do you have a life insurance policy?	Yes	36	13.2
	No	237	86.8
How often do you show interest in insurance?	Not at all	193	70.7
	Rarely	23	8.4
	Sometimes	21	7.7
	Quite often	18	6.6
	Always	18	6.6
Do you think life insurance scheme is a reliable instrument for your retirement plan?	Yes	101	37.0
	No	172	63.0
How sure are you with life insurance scheme as a reliable retirement plan?	Not very sure	35	12.8
	Not sure	96	35.2
	Averagely sure	54	19.8
	Sure	44	16.1
	Very sure	44	16.1

Source: field survey (2023)

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Table 4 provides further elucidation of certain demographic variables. These figures offer a concise understanding of the demographic composition of the surveyed individuals, enabling the extraction of significant insights and consequences. The survey results indicate that the majority of participants, specifically 83.5 percent, did not have insurance policies, while only 16.5 percent reported having such plans. As to the proportions of the participants who owned life insurance policies, 86.8 percent said 'No' while 13.2 percent indicated 'Yes'. As to the interest of the participants in insurance, while majority indicate non-interest (70.7 percent), 84 percent rarely interested, 7.7 percent sometimes interested, 6.6 percent were quite often and always interested respectively. As for the reliability of life insurance scheme as a retirement plan, 63 percent expressed dissenting views while 37 percent indicated supporting opinions. As to the assurance of life insurance scheme as reliable retirement plan, while 48 percent of the participants expressed their uncertainty of the instrument, 32.2 percent showed their level certainty regarding it. Only 19.8 percent were averagely sure of it.

Table 5: Financial Literacy

Variables	**Scale Level**					**Mean**	**Std Dev.**
	SD	**D**	**U**	**A**	**SA**		
	1	**2**	**3**	**4**	**5**		
Financial Attitude	16.6	23.9	25.5	22.6	11.4	3.35	1.301
Financial Behaviour	16.5	27.2	23.6	27.2	5.5	3.28	1.241
Financial Confidence	20.4	27.0	24.6	21.0	7.0	3.76	1.304
Financial Knowledge	17.0	24.6	21.6	26.4	10.4	3.22	1.295

Source: Researchers' Computations, 2023

The financial literacy survey items collected data from all participants in Table 5 (Fig. 1), including financial attitude, financial behaviour, financial confidence, and financial knowledge. The participants responded to the various items, with 40.5 percent do not agree in terms of financial attitude, 25.5 percent being neutral, and 34.0 percent agreed. In terms of financial behaviour, 43.7 percent of participants voiced their lack of support for this item, while 23.6 percent were undecided about it. Subsequently, 32.7 percent expressed their support. With respect to financial confidence, 47.4 percent of the participants voiced their dissent, 24.6 percent were unsure, and 28.0 percent concurred. In relation to financial literacy, 41.6 percent of respondents expressed dissent, 21.6 percent were uncertain, and 36.8 percent claimed agreement. The mean and standard deviation scores give empirical support for the findings of all the assessed items. This indicates that the lecturers' evaluations of the survey questions followed a normal distribution and were focused around the average. The descriptive statistics analysis of financial literacy reveals that all the measures exhibit consistent evaluations regarding the distribution of the participants' judgements on the subject matter.

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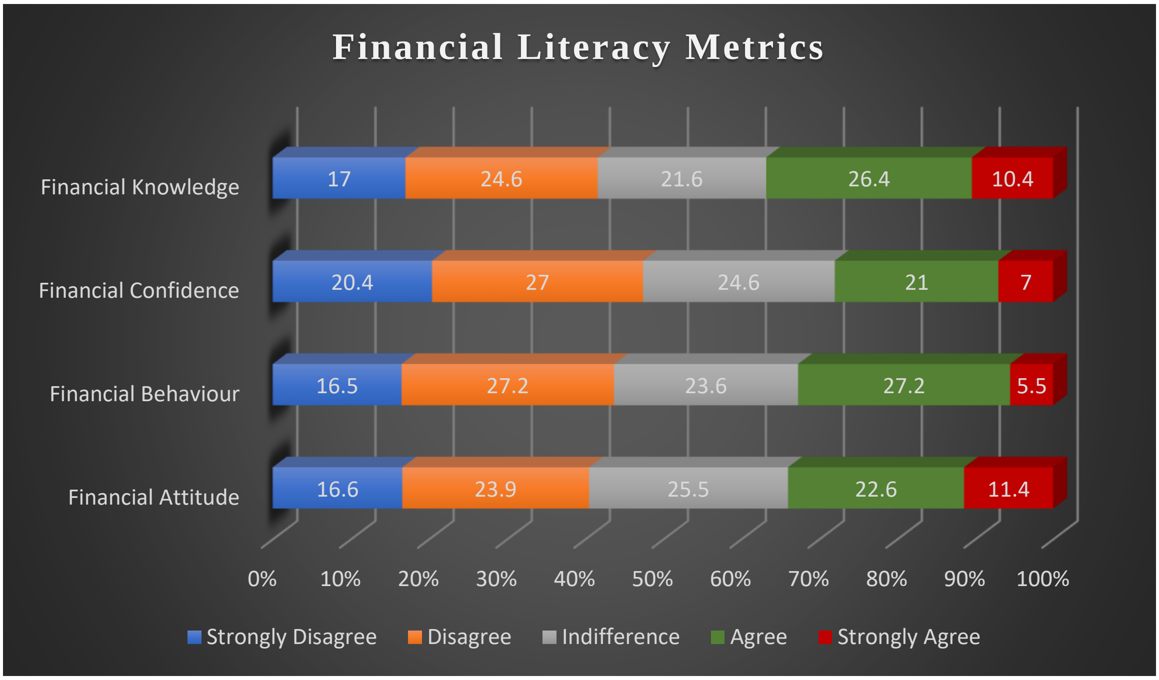

Fig. 1: This study presents a Graphical Model that explains the Financial Literacy Metrics among Lecturers in State-Owned Tertiary Institutions in Lagos
Source: Researchers' Computations (2023)

Table 6: Retirement Planning

Variables	**Scale Level**					**Mean**	**Std Dev.**
	SD	**D**	**U**	**A**	**SA**		
	1	**2**	**3**	**4**	**5**		
Financial Planning	15.4	19.1	27.9	19.2	18.4	3.45	1.232
Lifestyle planning	16.0	20.7	26.3	27.2	9.8	2.89	1.242
Health planning	15.3	21.4	24.2	25.3	13.8	3.31	1.271

Source: Researchers' Computations, 2023

Data for financial planning, lifestyle planning, and health planning were collected from all participants in Table 6 (Fig. 2) of the retirement planning survey. The participants responded to the various items, with 34.5 percent do not agree with the need of financial planning. 27.9 percent expressed indifference, while 37.6 percent expressed agreement. Regarding lifestyle planning, 36.7 percent of participants acknowledged their lack of support; while 26.3 percent remained neutral towards it. Subsequently, there was a 37.0 percent level of support. In terms of health planning, 36.7 percent of the participants expressed their dissatisfaction, 24.2 percent were undecided, and 39.1 percent agreed. The mean and standard deviation scores substantiated the findings of all the analysed items. This indicates that the lecturers' evaluations of the survey questions followed a normal distribution and were focused around the average. The descriptive statistics analysis of the retirement planning reveals that all metrics provide consistent assessments of the distribution of participants' judgements on the subject matter.

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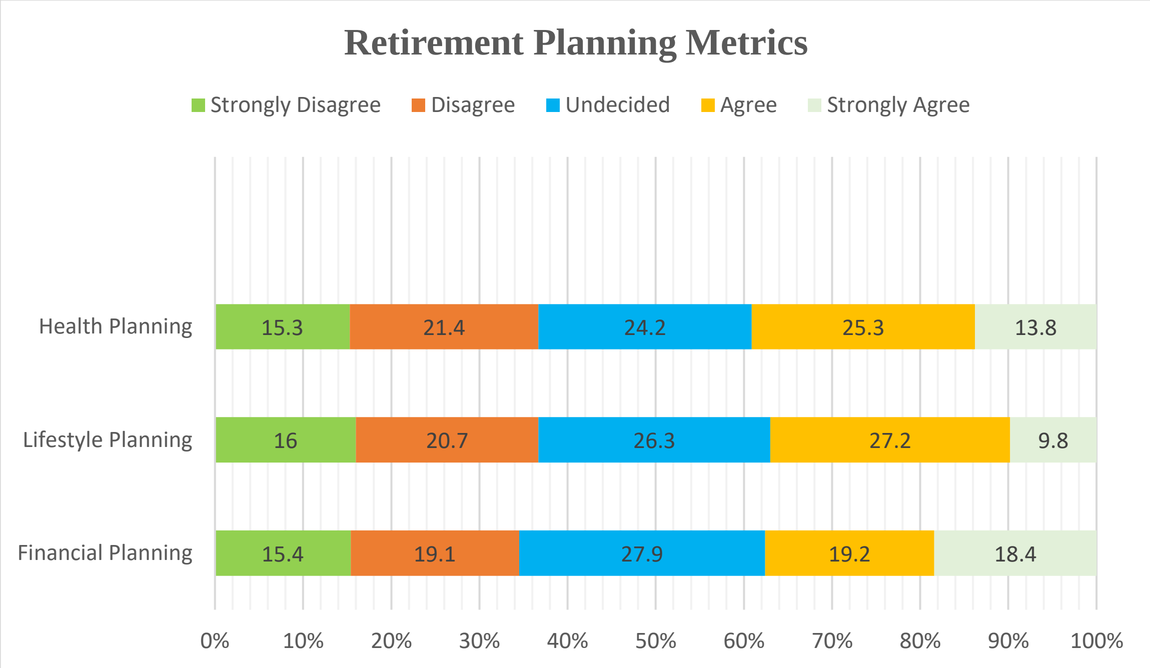

Fig. 2: The Graphical Model provides a clear explanation of the Retirement Planning Metrics among Lecturers in Lagos State-Owned Tertiary Institutions
Source: Researchers' Computations (2023)

Table 7: Demand for Life Insurance

Variables	**Scale Level**					**Mean**	**Std Dev.**
	SD	**D**	**U**	**A**	**SA**		
	1	**2**	**3**	**4**	**5**		
Clams Settlement	19.4	26.8	23.4	20.5	9.9	2.75	1.260
Government Regulation	15.0	24.5	27.5	23.8	9.2	2.88	1.200
Financial Ability	11.4	16.5	31.5	25.6	15.0	3.16	1.206
Risk Consciousness	17.2	17.0	21.6	31.9	12.3	3.02	1.283
Reasonable Premium payment	7.7	20.2	29.7	24.5	17.9	3.25	1.190

Source: Researchers' Computations, 2023

The survey in Table 7 (Fig. 3) collected data from all participants regarding their demand for life insurance. The survey items included claims settlement, government regulation, financial capabilities, risk consciousness, and fair premium payment plans. 46.2 percent of the participants do not agree with claims settlement. 23.4 percent were neutral, and 30.4 percent expressed their approval. With regards to government regulation, 39.5 percent of participants admitted their lack of support, while 27.5 percent were uncertain. Conversely, 33.0 percent express agreement. Regarding financial capacity, 27.9 percent of the participants voiced their dissent, 31.5 percent were undecided, and 40.6 percent agreed. 34.2 percent of respondents expressed disagreement, 21.6 percent were undecided, and 44.2 percent indicated agreement about risk consciousness. With respect to the premium payment plan, 27.8 percent of the participants

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expressed disagreement, 29.7 percent expressed agreement, and 27.9 percent expressed indifference. The mean and standard deviation calculations validated the findings for all the evaluated items. This indicates that the lecturers' evaluations of the survey questions followed a normal distribution and were focused around the average. An analysis of descriptive statistics on the demand for life insurance shows that all measures consistently reflect the distribution of participants' opinions on the topic.

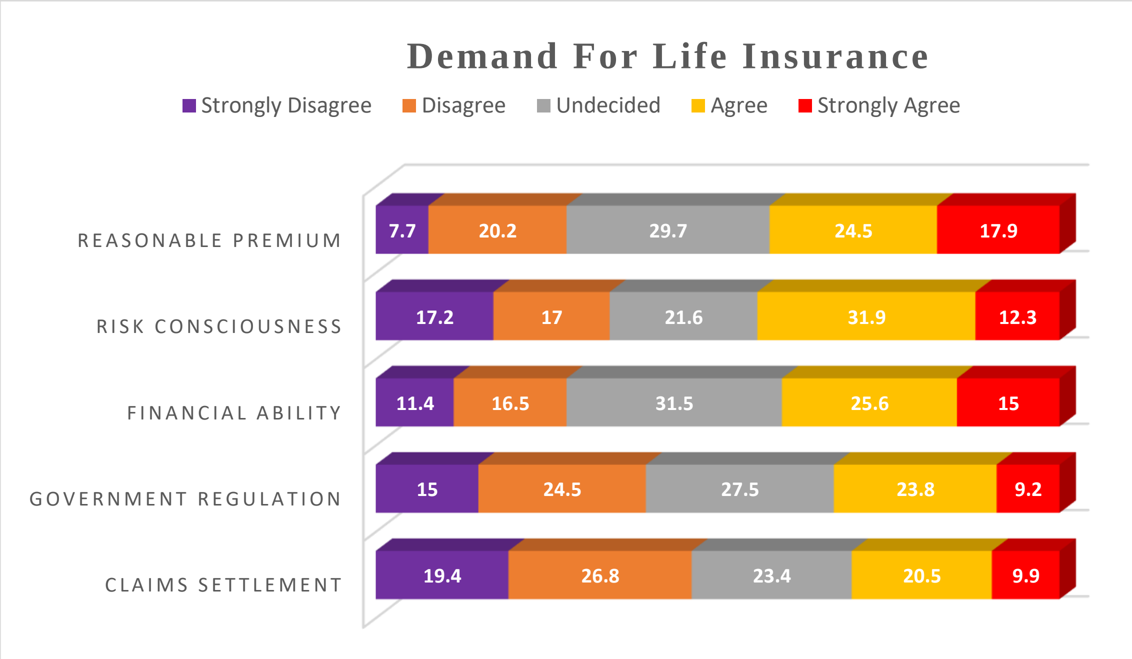

Fig. 3: A graphical model is used to clarify the measurements of life insurance demand among lecturers at Lagos State-owned tertiary institutions
Source: Researchers' Computations (2023)

Test of Hypotheses

H_{01}: Finance literacy, including financial attitude, financial behaviour, financial confidence, and financial knowledge, significantly influences the demand for life insurance among academics in Lagos State-Owned Tertiary institutions.

Table 8: Multiple Regression Results for Financial Literacy vs. Demand for Life Insurance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.800[a]	.640	.635	2.52119	.640	119.154	4	268	.000

a. Predictors: (Constant), Financial Knowledge, Financial Attitude, Financial Confidence, Financial Behaviour
b. Dependent Variable: Demand for Life Insurance

ANOVA[a]

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Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3029.551	4	757.388	119.154	.000[b]
	Residual	1703.511	268	6.356		
	Total	4733.062	272			

a. Dependent Variable: Demand for Life Insurance

a. Predictors: (Constant), Financial Knowledge, Financial Attitude, Financial Confidence, Financial Behaviour.

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B Lower Bound	95.0% Confidence Interval for B Upper Bound
1	(Constant)	1.777	.667		2.666	.008	.465	3.089
	Financial Attitude	.539	.061	.412	8.818	.000	.419	.659
	Financial Behaviour	.117	.086	.089	1.366	.173	-.052	.285
	Financial Confidence	-.043	.063	-.032	-.667	.499	-.167	.082
	Financial Knowledge	.538	.076	.432	7.041	.000	.388	.689

a. Dependent Variable: Demand for Life Insurance

Source: Researchers' computations, 2023

The objective of the conducted multiple regression analysis was to investigate the influence of financial literacy, encompassing financial attitude, financial behaviour, confidence, and knowledge, on the demand for life insurance among lecturers in Lagos State-Owned Tertiary Institutions. A significant correlation between the predictors (financial attitude, behaviour, confidence, and knowledge) and the response variable, demand for life insurance, is shown in the model summary (R =.800, R^2 =.640, Adjusted R^2 =.635). This finding indicates that the collective impact of these financial literacy measures accounts for 63.5 percent of the variation in demand for life insurance. Further evidence of the regression model's relevance is provided by the ANOVA findings, which show a very significant F-statistic (F = 119.154, p <.05). The regression study reveals that the collective impact of financial attitude, behaviour, confidence, and knowledge shows a strong predictive relationship with the demand for life insurance among lecturers in Lagos State-Owned Tertiary Institutions. Analysis of the coefficients in Table 8 reveals that financial knowledge (β=.432, p<.05) had the greatest impact on the change in the response variable, with financial attitude (β=.412, p<.05) following closely behind. All of these characteristics have statistically significant correlations with the demand for life insurance. Nevertheless, the response variable is not significantly influenced by financial behaviour (β=.089, p>.05) and financial confidence (β= -.032, p>.05). The findings regarding the correlation between financial knowledge and financial attitude and the demand for life insurance corroborate prior studies undertaken by Capricho et al. (2021) and Sang et al. (2020). Significant and favourable correlations were discovered between financial knowledge, financial attitude, and the demand for life insurance in this research. The results of the investigations conducted by Ajemunigbohun and Ipigansi (2022), Lee (2012), and Mudzingiri, et al. (2020) agree on the observation that there exists an adverse correlation between low-level insurance confidence and the corresponding policyholders. Lee (2012) further substantiated that the intricacies of insurance contract languages and the inaccurate understanding of contract conditionality can lead to diminished confidence among individuals in investment plans, thereby reducing the demand for insurance.

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H_{02}: Retirement planning, including financial planning, lifestyle planning, and health planning has a significant effect on the demand for life insurance among academics in Lagos State-Owned Tertiary institutions

Table 9: Multiple Regression Results for Retirement Planning vs. Demand for Life Insurance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.840[a]	.705	.702	2.27873	.705	214.166	3	269	.000

a. Predictors: (Constant), Health Planning, Lifestyle Planning, Financial Planning
b. Dependent Variable: Demand for Life Insurance

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3336.247	3	1112.082	214.166	.000[b]
	Residual	1396.815	269	5.193		
	Total	4733.062	272			

a. Dependent Variable: Demand for Life Insurance
b. Predictors: (Constant), Health Planning, Lifestyle Planning, Financial Planning

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.573	.517		4.978	.000	1.556	3.591
	Financial Planning	.118	.058	.131	2.048	.042	.005	.232
	Lifestyle Planning	.229	.056	.240	4.113	.000	.119	.339
	Health Planning	.485	.056	.525	8.644	.000	.374	.595

a. Dependent Variable: SMEs' performance

Source: Researchers' computations, 2023

The objective of the presented multiple regression analysis was to assess the impact of retirement planning, which includes financial planning, lifestyle planning, and health planning, on the demand for life insurance among lecturers in Lagos State-Owned Tertiary Institutions. A significant correlation between the predictors (financial planning, lifestyle planning, and health planning) and the response variable, demand for life insurance, is shown in the model summary (R =.840, R^2 =.705, Adjusted R^2 =.702). The findings indicate that the collective impact of these retirement planning measures accounts for 70.2 percent of the observed variation in demand for life insurance. Further evidence of the regression model's relevance is provided by the ANOVA findings, which show a very significant F-statistic (F = 214.166, p <.05). The regression analysis indicates that the combined effect of financial planning, lifestyle planning, and health planning significantly predicts demand for life insurance among academics in Lagos State-Owned Tertiary Institutions. Upon examining the coefficients in Table 9, it is evident that health planning ($\beta=.525, p<.05$) contributed the most to the change in the response variable, followed by lifestyle planning ($\beta=.240, p<.05$) and financial planning ($\beta=.131, p<.05$) respectively. These variables all have statistically significant

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relationships with demand for life insurance. This research outcome confirmed the thoughts of Li (2021) and Kurdys-Kujawska and Sompolska-Rzechula (2019) who suggest that policyholders may choose to subscribe to life insurance plan for its protection against uncertainty especially during post-retirement period. Li (2021) claimed that lifecycle savings plan helps individual workers towards maintaining original consumption level even after retirement through the life insurance purchase at the early stage of work life to ensure stable cash flow in the retirement period; hence it ensures health, lifestyle, and financial balance. For Kurdys-Kujawska and Sompolska-Rzechula (2019), life insurance is a financial instrument that ensures retirement income protection as a consequence of an unexpected death, accident, or accidents of an insured person.

5. Conclusion, Recommendations and Research Implications

The research findings have demonstrated the importance of financial knowledge, financial attitudes, and retirement planning in influencing the demand for life insurance among a specific group of academics in tertiary institutions owned by Lagos State. The findings indicated that financial knowledge and financial attitudes had a positive and statistically significant impact on the demand for life insurance. However, financial confidence and financial behaviour did not provide any meaningful influence on the demand for life insurance. Retirement planning has been shown to have a significant and positive correlation with the need for life insurance among university instructors. Importantly, life insurance benefits, as a protective function, are paid not only at the time of death event but when an individual worker lives to the age specified in the work contract close to retirement age.

On recommendations, the insurers should take concrete steps to enlightening the University lecturers on the benefits of life insurance to ensuring protective future on their retirement. Government, on the other hand, should make effort to organising workshops, seminar, and conferences that can help literate University lecturers further on financial matters in terms of knowledge, confidence, attitudes, and behaviour for better retirement age. Research implication is that it contributes to policy formulation for the insurance companies in Nigeria in that National University Commission is encouraged to include compulsory life insurance as benefit package for academics in the tertiary institutions.

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Conflict of interest statement

The authors assert that there are no ongoing conflicts of interest.

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