



**DETERMINANTS OF FINANCIAL GROWTH OF RETIREMENT
BENEFITS IN KENYA: A CASE OF OCCUPATIONAL RETIREMENT
SCHEMES**

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Abstract

Pension fund is a pool of resources contributed by the employees with the aim of having enough resources to cater for their needs after retirement. Therefore, pension fund needs to be invested so as to meet the aim of the contributors. The study sought to investigate the determinants of financial growth of retirement benefits in Kenya, with a focus on occupational retirement schemes. The specific objectives were to examine the influence of the investment strategy, members' contribution, regulatory framework and demographics on the financial growth of retirement benefits in Kenya. The study adopted a descriptive research methodology. The study targeted the occupational pension schemes which included both defined contributions and defined benefits. The unit of analysis was the fund managers; the target population was 1216 while the sample was 291. Stratified random sampling was applied. Data was collected with the aid of questionnaires. Data was analyzed through descriptive and inferential statistics, through help of SPSS version 20. The study found out that investment strategy, members' contribution and regulatory framework were key determinants of financial growth of occupational retirement schemes in Kenya. The three determinants were found to have a positive and significant relationship with the financial growth of occupational retirement schemes. The study concludes that investment strategies employed by the schemes have the potential to enhance financial efficiency and generate the highest possible returns in the pension fund. Members' contributions are also a major determinant to financial growth of retirement benefits. The study recommends that there is also need to put the contributions of pensioners to more productive investments other than just keeping the funds safely for the pensioners. There is also need to utilize assets and members contributions to generate income for the pension funds. The pension funds should use the increasing value of their funds to generate returns for the pensioners.

Key Words: *Retirement Benefits, Financial Growth, Occupational Retirement Schemes, investment strategy, members' contribution, demographics, regulatory framework*