

**CONSTRAINTS TO PENSION PARTICIPATION AMONG INFORMAL SECTOR  
WORKERS**

**(A SURVEY OF INFORMAL SECTOR WORKERS IN NYERI COUNTY)**



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## ABSTRACT

This study was carried out to establish constraints to pension participation by workers in the informal sectors. Some of the constraints discussed and analysed are awareness, attitude toward pension, pension products characteristic, saving attitude and pension policies. What other researchers have done in the area of pension was captured in the literature review which goes further to provide for researcher point of entry for adding to this knowledge area. The research was developed on life cycle model. The study utilized survey research design and the research target population was 2,686 informal sector workers in Nyeri county. The researcher obtained response from 241 respondent from a sample of 268 which was selected using simple stratified method which was drawn from each strata at random. Data was collected using questionnaire and has been analyzed by use of descriptive, inferential statistics and with use of SPSS. The research findings indicate that the pension participation is too low among informal sector workers. The study concludes that pension participation is mainly constrained by lack of awareness on the pension, negative attitude toward pension, inadequate characteristic of pension products, absence of saving culture among the workers and pension policies that discourage the workers from joining pension schemes. Informal sector expects that the Government to be a major player in formulating appropriate policies that will encourage the workers to participate in pension and more so provide incentives to entice the workers to save for pension. The study also revealed that more awareness campaigns should be conducted to promote the knowledge on pension and create more understanding on the benefits of participating in pension. Pension service provider will also require to tailor their products to make them appealing to the informal sector. Pension policies will require to be reviewed to fit with the current reality.