
The Arbitration Role of Retirement Terminal Benefits on Cost of Living and Welfare among Retired Clergy in Church of Uganda Central Region Dioceses

Paul Kakooza^{1*} and Samuel A. Mbabaali²

¹School of Social Science, Nkumba University, Kampala, Uganda.

²Church of Uganda, Nkumba University, Kampala, Uganda.

*Corresponding author email id: kakoozap@yahoo.com

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Abstract – Using mixed methodology, this study assessed the contribution of terminal benefits (pension and gratuity) to the cost of living and welfare amongst Church of Uganda retired clergy in the six central region dioceses. Following a descriptive analysis that yielded an aggregate (Mean = 2.85, SD = 1.05), an average variation in the cost of living among retired clergy was revealed. This evidenced that Church of Uganda’s diocesan varying terminal benefits barely met retirees’ cost of living, who then resorted to other means of income for survival. The study, therefore, concluded that there is a positive relationship between cost of living and welfare, which in the case of retired clergy were greatly influenced by received terminal benefits. And thus, it suggested that dioceses ought to regularly revise retirees’ terminal benefits according to cost of living dynamics, apart from dealing with the funding constraints which greatly hindered the effective performance of retirement schemes.

Keywords – Retirement Planning, Family Budget, Pension, Gratuity, Retired Clergy.

I. INTRODUCTION

The objective of this study was to analyse the effect of cost of living on welfare of retired clergy. In the perspective of this study, cost of living refers to the amount of money required by an individual to sustain a certain acceptable standard of living. In this study, cost of living concerned with basic necessities of life. The higher the cost of living, the more difficult it is to survive in terms of being able to afford ones basic needs.

The term may as well imply the average cost of basic necessities of life to maintain an accepted standard of living. In the context of this study, it refers to a person’s or family’s average expenditure over a given period of time. In order to live comfortably, therefore, every household needs to balance its monthly expenditure towards meeting the two major welfare expenditures namely; food and nonfood items. Some non-food items are non-indispensable, and so, every family must manage its budgets to ensure that such indispensable items are purchased in order to be able to sustain an appropriate standard of living.

II. STATEMENT OF THE PROBLEM

Although Church of Uganda’s retirement policy provides for gratuity and pension – as major terminal benefits, retired clergy cannot cope up with the cost of living, and hence find it hard to maintain basic standards of living due to inadequate retirement packages. This view is based on the observations of Mbabazize (2014), Ntagali, (2019) and Bukenya and Ebitu (2017), among other observers. This greatly lowers the purchasing power of these retirees, hence exposing retired clergy to challenges like poor accommodation, malnutrition, illnesses, immobility and boredom, and so on, as postulated by Gao, Zhai, Yang, & Li (2014).

And, while retirement terminal benefits were meant to promote the welfare of the retired clergy, by providing

a considerable and financial sustainability that can enable retired clergy to meet costs of basic goods and services, evidence reveals that dioceses do not only offer meager benefits but the pension itself is not given on a regular (monthly) basis in all the dioceses. For example, apart from the dioceses of Mukono, Luweero, Namirembe, Mityana and West Buganda offer pension ranging between UGX50,000 to UGX150,000, these are paid quarterly or annually. (*Namirembe Diocese Financial Guidelines, 2015; Mityana Diocese Financial Report 2018; Mukono Diocese House of Clergy Report, 2012; Luweero Diocesan Board of Finance Report 2018*) This implies that retired clergy do not get monthly payments and has raised many serious questions on their welfare. This has been summed up by Kazimba, (2020) who contended that Church of Uganda (CoU) clergy serve honorably but retire miserably. It is clear, hence, that the problem this study sought to solve is the arbitration role of retirement terminal benefits on cost of living and welfare of the clergy.

A. Cost of Living and Welfare

According to Pollak (1989), cost of living is always related or compared to minimum expenditure required to achieve the same level of wellbeing. According to a study on welfare income by Gao, Zhai, Yang, & Li (2014), there is a relationship between welfare income and expenditure. Specifically, families that receive welfare income prioritize spending on health, education, and maintenance needs for residence relative to their non-recipient peers. Thus welfare income helped recipient families to enhance their standards of living

Price levels vary not only across, but also within countries. A number of studies highlight the price differences between urban and rural areas. To say, the urban-rural price patterns are rather complex; some items may be more expensive in urban areas, while others may be more expensive in rural areas (Asra, 1999). Given the rapid urbanization in Sub-Saharan Africa (SSA), clarifying this is a pressing issue. Higher prices relative to income levels, or higher costs of living, not only affect household welfare, but also the economic functions and competitiveness of such higher costs are evident in urban Africa. Urbanization pattern, among other factors, may have played a key role in this phenomenon (World Bank Group, 2016). Turvey, (1999) explains that cost of living framework serves as guiding framework to control operational decisions about the construction of the price indices. Such an index is a comparison of the minimum expenditure required to achieve the same level of wellbeing. As a measure of the standard of living, the inclusion of imputed user costs obviously makes sense; for we judge how well-off people are by looking at both their service-yielding possessions as well as their spending.

Mercer, (2015) asserts that when retirement policies are underfunded retirees are exposed to poor welfare. A similar notion is reiterated in a Malaysian study which observes that the older Malaysians currently are unguarded from poverty due to forced retirement, lack of saving during younger years, limited Social Security coverage, and coupled with changing family structure and lifestyles. Increased cost of living becomes another factor for the need to have good financial practices. Good financial planning and practices during younger years can be a factor to ensure financial security in old age, since one of the recommended financial goals is savings for old age (Khan, Shereen, Olivia, Tan, & Rossane, 2017). The common idea among the above scholarship is that sustaining welfare among old persons necessitates them having an income which they ideally get through retirement schemes.

The Orthodox demand theory, according to Pollak, (1989), asserts that welfare evaluation and the cost-of-living index in the household production model is defined as the financial ability to access goods and services is

based on specific preferences. Whereas Pollak, (1989) defines cost-of-living index as the ratio of the minimum expenditures required to attain a particular indifference curve of this preference ordering under two price regimes; Diewert, (1990) understands the concept as the minimum cost of achieving a certain standard of living during a given period divided by the minimum cost of achieving the same standard of living during a base period. Both studies consent that cost of living relates to achieving a minimum expenditure over a defined period of time.

Nonetheless, Diewert, (1990) further shows that there is relationship between the two variables of cost of living and welfare, and in cases when the latter is varying, then the former will become cumbersome to determine. Boskin, et al., (1998) also urges that it is difficult to measure cost of living for the reason that: There are literally millions of goods and services available in modern market economies. However, despite the above factors, cost of living remains a key variable for CoU retired clergy as far as welfare is concerned (Mbabazize, 2014). This study has therefore measured cost of living in the context of the retired clergy of CoU which can enable them maintain apt levels of welfare with an aim of improving their standards of living.

On the other hand, retirement can be seen as an advantage or gain, especially in terms of additional time available for performing and developing other projects and adopting a new lifestyle (Nalin & Franca, 2015). Therefore, if retirees adequately use their time in retirement by venturing into developmental projects and income generating skills like farming, business and others, it can directly assist them in meeting day-to-day costs of living thus improving on their welfare. However Cummings and Henry’s disengagement theory (1961) supposes that in many cases employees spend most of their lifetime working for their former organizations and by the time they retire they are physically incapacitated to either set up new investments or be re-employed elsewhere and thus disconnecting from society remains the sole alternative. This means that an arrangement in form of a policy is very vital to protect the retirees from cost of living challenges at the time when they cannot support themselves through working.

III. RESEARCH METHODOLOGY

The study used both qualitative and quantitative approaches to analyze CoU terminal benefits on cost of living and welfare. Most mixed studies include both quantitative and qualitative questions and indicate the logic of design. If both types of data are collected concurrently, it gives equal opportunity to each (Schumacher, 2014).

As illustrated in Table 1 below, the study considered a total population of 380, inclusive of both retired clergy and administrators from the six dioceses of the Central region, that is, Luweero, Kampala, Namirembe, Mukono, West Buganda and Mityana. From this population an estimate of 240 participants was derived, comprising of 216 retired clergy and 24 administrators - selected from sitting bishops, retired bishops, Archdeacons and Diocesan Secretaries (*Church of Uganda Churchman’s Pocket Book and Diary, 2018; Church of Uganda Directorate of Education Report, 2018*).

Table 1. Sample frame showing category of respondents.

No	Category of Respondents	Target Population	Sampling Technique
1	Retired clergy	216	Random

No	Category of Respondents	Target Population	Sampling Technique
2	Administrators	24	Purposive
	Total	240	

Pertaining to data collection methods, the study used a set of three data collection methods for accumulation of the required data. The three methods were; documentary review, interviews and questionnaires, in order to guarantee the research principle of triangulation. Table 2 below illustrates such data collection methods and instruments that this study employed to collect data from both quantitative data from the retirees and qualitative data from the diocesan administrators.

Table 2. Data Collection Methods and Instruments.

Method	Instrument
Survey	Questionnaire
Interview	Interview guide
Documentary review	Document checklist

In regards to data collection from the field, this was done by means of a questionnaire which was distributed and filled by the retired clergy in the six dioceses. The self-administered questionnaire had 69 items. Of these, 8 were on nominal scale while the remaining 61 were on a five-point Likert scale of: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. The questionnaire was the main tool for data collection alongside the interview guide. These tools were in line with the survey method which were deemed the most appropriate for the study.

And as illustrated in Figure 1 below, the conceptual framework expresses that there is a mediating role played by retirement terminal benefits on both cost of living and welfare variables of the retired clergy in CoU central dioceses. When the terminal benefits are adequately and appropriately provided, retirees tend to have a higher purchasing advantage which enables them to meet the prevailing cost of living which eventually turns to improve their welfare, and the reverse is true.

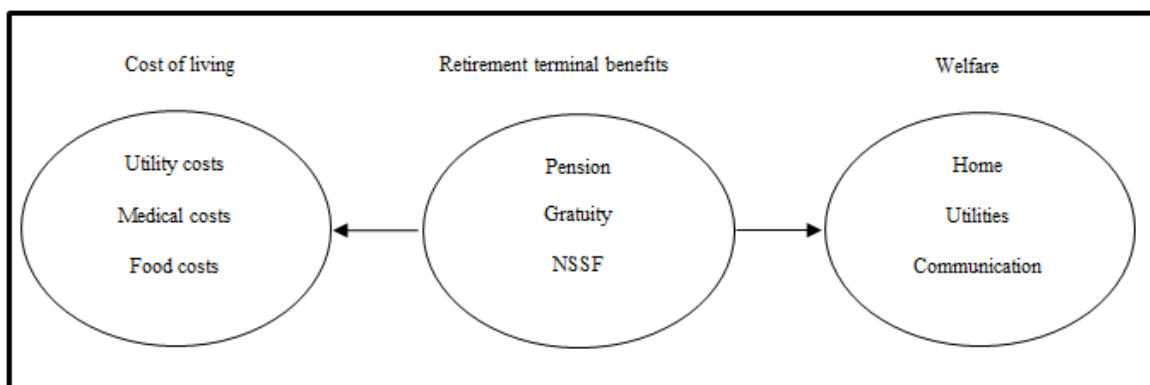


Fig. 1. Conceptual Framework.

IV. FINDINGS

A. Terminal Benefits and Variances per Diocese

To understand the variations in terminal benefits per diocese, it is imperative to first consider the CoU Provincial Financial Procedural Guidelines. These guidelines state that at retirement a staff is entitled to arrears, gratuity and pension. Nevertheless, they do not explicitly explain how dioceses ought to implement this (*Church of Uganda Financial Policies and Procedures Manual, 2016; Church of Uganda Human Resource Manual, 2009*). This leaves an operational gap in the financial guidelines. This permits dioceses with the discretion on determining of terminal benefits. This could have resulted in the discrepancies noted in Table 3 below.

Table 3. Terminal benefits per diocese.

Diocese	Level at Retirement	Pension (Ugx)	Gratuity
Mukono	Archdeacon	80,000	Not issued
	Clergy	60,000	
Kampala	Clergy that served for over ten years	450,000	Every parish contributes 80,000 UGX per month to the diocese
Luweero	Clergy	50,000	600,000 UGX
Mityana	Clergy	50,000	Not issued
West Buganda	Clergy	70,000	Not issued
Namirembe	Archdeacon	180,000	Not issued
	Clergy	150,000	Not issued

Source: *Diocesan Financial Guidelines – Mityana, Luweero (2018), West Buganda and Kampala; Namirembe Salary Circular for Clergy and Lay readers (2016), and Mukono House of clergy Report (2012)*.

The variances that are shown in Table 3 above can be explained by a number of factors: (i) dioceses never cater for arrears because according to their common practice, clergy receive stipends unlike other employees who receive salaries. Hence they cannot claim arrears. In the long run, these dioceses have also not come up with a system aimed at realizing the payment of arrears; (ii) pension varies per diocese mainly because the Province has not come up with a definite pension framework particularly on the amount of money that dioceses should give retirees; and (iii) The variation can also to a lesser extent be attributed to income disparities in dioceses, something which causes them to give, or commit to give, what they feel that they can afford. However, despite such disparities, if the Province had a definite pension framework, dioceses would have stretched themselves in order to realize the set general guideline.

It is worth noting that gratuity is an award for meritorious service that is given without claim or obligation. As reflected in the table above, among the six bishoprics only Kampala and Luweero offer gratuity as a sign of appreciating the service of a retiring staff. Since gratuity is given once and in lump sum, under normal circumstances it facilitates retirees to purchase capital assets (that require huge amounts of money) like land, personal vehicles and houses. In comparison to other sectors that benefit from the National Social Security Fund (NSSF) scheme and the Public Service Pension Fund scheme, retired clergy in dioceses apart from Luweero and Kampala do not have this benefit. This is among the factors that make it hard or deter retired clergy in those dioceses that do not pay pension from having an ability to meet their cost of living. Although clergy in the aforementioned two dioceses get gratuity, it does not facilitate the cost of living because it is a recurrent cost yet gratuity is both fixed and minimal compared to the estimated cost of living. This leaves most retired clergy,

irrespective of whether they have received gratuity or not, in a wanting situation since they cannot meet their needs.

But apart from gratuity, retiring clergy often get freewill gifts. These gifts are from generous parishioners in appreciation of the services of the individual clergy. Such gifts can be in form of money and other tangible items like real estates, animals, household commodities, and cars. The value of these gifts usually depends on where one has been serving (his parishioners’ general affluence) and his relationship with the parishioners. Albeit the fact that these gifts are not official, it is becoming a popular practice for churches to extend such gifts to the clergy. These gifts significantly help retiring clergy to cope with the cost of living.

B. Retirees’ Cost of Living as Per Area of Retirement

Upon retirement, clergy are required by policy to leave church premises and move to retirement homes which they are presumed to have prepared. Those who have such homes within the dioceses where they have been serving stay in those dioceses (areas) contrary to those with homes in other dioceses who relocate to other dioceses (areas) where their retirement homes are located. The different reasons that attract retired clergy to settle in urban or rural areas have a great impact on their cost of living as portrayed in the Table 4 below.

Table 4. Retirees’ cost of living per area of retirement.

Rural areas		Urban areas	
<i>Pros</i>	<i>Cons</i>	<i>Pros</i>	<i>Cons</i>
Cheap and available land	Inaccessible medical services	Accessible transport services	Expensive real estate prices
Locally produced food	Poor quality education services	Quality and available medical services	Food stuff is bought from stores or markets
Cheap and available human capital	Poor transport services	Quality and available education services	Expensive and unavailable human capital
Availability of social network	Generally poor utility services	Generally good and accessible utility services	Unavailability of social network
	Scarcity of goods	Availability of goods	
	Low income	Access to ministerial opportunities	
	Lack of ministerial engagements	Better earning	

Source: Uganda Bureau of Statistics (2019), Uganda Consumer Price Index: 2009/10 = 100; Mukwaya, et al. (2012).

The study revealed that 73% of the retirees retired in rural and semi-rural areas against 27% that retired in the urban, that is, in Kampala City and the various municipalities within Central region (Namirembe Diocese Retired Clergy Report, 2017). This implies that most clergy prefer to retire in the rural because of the benefits listed in Table 4 above and as explained below. It has been commonly observed that land is cheap in the rural where clergy usually get it through inheritance, bequeathal- even through parishioners, and/or purchase. Hence they later retire in the rural since during service they acquire land therein which is in most cases is spacious compared to that within the urban. It is on this expansive land that retirees cultivate and rear majorly for consumption. They can also cheaply get food that they have not personally cultivated but through other local farmers. Cultivation is also here at easy, given the fact that human capital is largely available in the rural compared to the urban. Among the other advantages which retirees in the rural have is social network (s). Rural

areas tend to permit bonding between their dwellers, by availing a multitude of socialization opportunities and/or events, and hence retirees can easily and at no cost get what is not within their reach from their neighbors and acquaintances.

However, retirees in rural areas have a number of challenges. To begin with, services (medical, education, transport, among others) and goods are generally poor and inaccessible. Poor medical services is a key challenge during retirement age which in most cases requires regular medical services due to increasing need for health care that comes with old age. In addition, income in such area is often low due to the nature of economy - subsistence economy - that is characterized by these places.

As opposed to the 73%, the 27% who retire in the urban are attracted to such areas due to a number of benefits that are related to town life as shown in Table 4. Particularly, urban places have referral hospitals, stocked drug stores, experienced medical personnel particularly those that specialize in conditions of the elderly such as diabetes and hypertension. In this way, the urban is a place that is more preferred by those that seek excellent medical services. Transport services are also good in the urban compared to the rural. The urban is known for good roads together with accessible and cheap means of transport, such as, taxis, *bodabodas*, and trains. Retired clergy in the urban often own personal cars while those in the rural use *bodabodas* which are either personal or hired. In reference to Table 3, what a clergy gets as pension is very insufficient to cater for public transport both in the village and the urban. This implies that retirees have to use other means to afford transport costs. Churches in the urban are also known for having busy programs hence demanding ministerial services, even from extra-staff clergy. In this case, retirees are engaged and this comes with facilitation tokens which boosts urban retirees towards having a better earning even during retirement. Besides, retired clergy in the urban have housing with vital utilities like water supply and electricity unlike those in the rural with housing that lacks such services. Most retirees own personal houses, which are built by themselves, family, friends, and/or parishioners, although many of these houses are sub-standard, especially due to lack of construction finances. And, as highlighted above, retirees in the rural have access to land and food much as they do not have access to services and goods compared to their urban counterparts.

Table 5 below shows cost of living as per a number of Ugandan towns as a way of painting a picture of the country's cost of living index levels within selected towns. Cost-of-living index refers to the minimum expenditures required to attain a particular indifferent living standard (Pollak, 1989).

Table 5. Cost of living (Items prices in dollars) in different cities of Uganda as indexed.

Item	Kampala High Income	Kampala Middle Income	Kampala Low Income	Masaka	Mbarara	Jinja	Mbale	Gulu	Arua	Fortportal
Food and non-alcoholic beverages	264	262	260	247	261	270	270	268	267	248
Housing, water and electricity	152	151	153	142	145	152	141	148	153	137
Health	21	21	22	22	21	23	22	22	22	24
Transport	80	73	73	70	73	72	71	71	74	53
Communication	24	25	25	26	25	25	25	25	26	25

Item	Kampala High Income	Kampala Middle Income	Kampala Low Income	Masaka	Mbarara	Jinja	Mbale	Gulu	Arua	Fortportal
Personal effects	27	26	25	28	28	27	27	28	26	27

Source: Uganda Bureau of Statistics, Uganda Consumer Price Index, May 2019.

The cost of living, as portrayed in Table 5 above, gives a reflection about the consumer price indices of different major towns in Uganda with the purpose of comparing different levels of cost of living per area. The table confirms that cost of living varies from one area to another due to different variables. This analysis captured key cost of living indicators, specifically: Food and non-alcoholic beverages, Housing, Water and electricity, Health, Transport, Communication, and Personal effects. This study directed its attention on Kampala and Masaka because its geographical scope (the dioceses of focus) fall within the vicinity of these two towns. This implies that inferences made by the study are likely to follow suit. It is evident from the above Table that irrespective of area of residence, Food and non-alcoholic beverages have the highest consumer price index followed by Housing, Water and electricity, and Transport. Furthermore, personal effects are categorized under the major items of cost of living, hence showing the importance for one to have an income at hand if at all he is to access goods and services that have not been mentioned in the Table yet are crucial in determining one’s welfare. But although health has the lowest consumer price index, it is a key determinant of cost of living for a person above 65 years (retirement age). In addition, sometimes due to old age sicknesses, it tends to be more expensive among persons post that age compared to other classes of people.

C. Cost of Living in Kampala in 2018-2019

In this study, cost of living was measured as the ability to afford housing, food, electricity, medical treatment, transport, communication and personal effects. This was measured to ascertain whether retirement benefits meet the cost of living. These were captured using both parameters measuring difficulty to afford acceptable welfare as well as finding out what dioceses provided to retired clergy as terminal benefits in comparison with the cost of living. Figure 2 below shows a monthly expenditure on the basic needs that one requires to survive in areas of Kampala metropolitan.

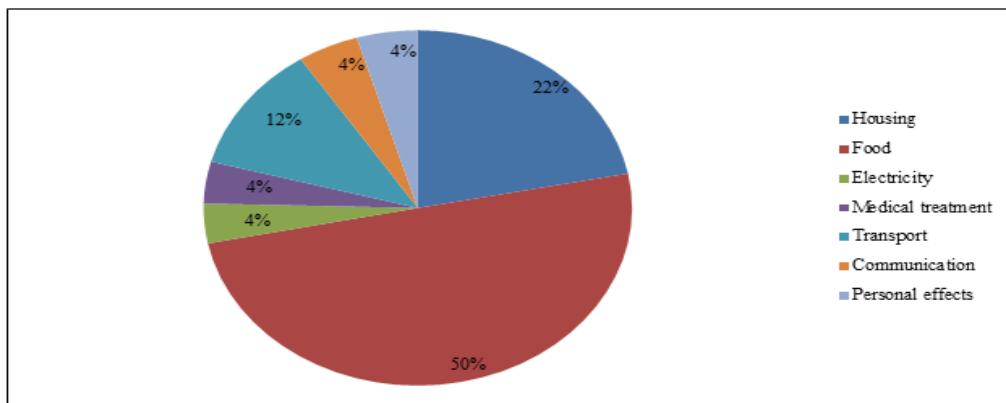


Fig. 2. A Pie chart showing cost of living expenditure on basic items in Kampala metropolitan.

Source: WageIndicator.org.

The items in the above pie chart figure are rated as follows: one, Accommodation, the expenditure considered a three bed roomed house that is installed with water and electricity supply and is situated in a semi urban place.

Two, Food is the most expensive item among all given. This is the case when a family observes all meals in a day. For an average sized family to enjoy a balanced diet, the commonest types of food on the Ugandan market include: bread, milk, sugar, tea/coffee, maize flour, *matooke* (green bananas), cassava, millet flour, rice, beans, meat, ground nuts, potatoes, fish, tomatoes, cooking oil, fruits, salt, and drinks. These are estimated at 32,700 UGX per day and 981,000 UGX per month.

Three, apart from Electricity installation there is always a monthly subscription fee which from calculations amounts to 2,300 UGX per day and 70,000 UGX per month that is if the family consumes not less than three units a day.

Four, Medical treatment is a fundamental and recurrent expenditure item for a retired person. If a person does not have chronic health conditions like diabetes, he or she would still need an average amount of 2,500 UGX per day and 75,000 UGX per month to treat trivial cases like malaria, headache, wounds, stomach aches, cough and many others.

Five, considering Transport, the calculations above are based on public not private modes of transport. The most popular public means of transport in Uganda are *bodabodas* and taxis. A retired clergy would need to continue a normal ambulant life. He will need and/or be expected to attend church services, public occasions like funerals, weddings, and introductions, thus needs transport fares. One would spend an estimated amount of UGX 7,600 daily and UGX 230,000 monthly as transport fares.

Six, Communication is vital in order to remain connected and relevant to society. It may include television service subscriptions, airtime for phone calls, messaging, and data. One is required to spend an average of UGX 3000 daily and UGX 90,000 monthly on communication services such as airtime.

And seven, Personal effects entails items like shoe polish, clothes, tooth brush and tooth paste, toilet papers, vaseline, shoes and many others some of which are needed on weekly and monthly basis were calculated at UGX 3,000 daily and UGX 90,000 monthly.

An average family takes 71.8% on foods and housing which shows that most of the income earned is spent on these two items whereas 28.2% is spent on other necessities including electricity, medical, transport, communication and personal effect. Considering the monthly pension paid by dioceses in Central Uganda, as shown in Table 3, this is an obvious major deficit on the monthly budget on basic needs estimated at UGX 1,967,850; a sign of inability to even meet the projected expenditure for a single day.

D. Key Indicators of Cost of Living

Table 6 below gives an overview of cost of living indicators and their variances presented in a hierarchical order after categorizing and gauging them.

Table 6. Indicators of cost of living.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.992	46.096	46.096	5.992	46.096	46.096	3.911	30.087	30.087

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
2	1.834	14.108	60.204	1.834	14.108	60.204	3.193	24.563	54.651
3	1.084	8.339	68.542	1.084	8.339	68.542	1.806	13.892	68.542
4	.819	6.303	74.846						

Extraction Method: *Principal Component Analysis.*

The thirteen indicators of cost of living were loaded in the factor analysis to determine the classification and arranged into three components in quest of reduction on the number of variables to be dealt with and were arranged as explained below.

Household necessities are items that are required to keep a family running smoothly. These items provide for basic human needs, such as; food, water and shelter. In addition, these items are essential for providing comfort and attainment of basic life. The items that a family considers to be of necessity tend to vary basing on family income. Household necessities with coefficient of housing, food, electricity, water, communication/telephone and church dues, which are particularly included, are offered because these are retired priests with special affection to church affairs. This is represented by 46% of variance, indicating that these are indispensable items that one cannot do without. It is worth noting that most retired clergy indicated that they have people whom they are taking care of thus showing their need for facilities under household.

Health care is understood as the maintenance of health via prevention, diagnosis, and treatment of diseases, illnesses, injury and other physical and mental impairments in people. In this study, health care entails medical treatment, transport costs and personal effects. These are strong factors to determine one’s cost of living. It was found out that health care contributes 14% of cost of living. However, due to old age, health care components are key to retiree’s life due to the fact that retired clergy and their spouses are on average over the age of 65. They are prone to illness especially due to the nature of their working conditions involving riding motorcycles, working long hours and being prone to dietary deficiency due to inability to afford the recommended diet among others. Therefore, by the time they retire, observation has shown that a number of them have succumbed to non-communicable illnesses such as diabetes, hypertension, ulcers and pneumonia. In such situations, retired clergy are desperately in need of apt health care that can prevent, screen and /or treat ailments. Against this, it has always been very costly to treat such cases when diagnosed. And given the kind of pension received, it becomes difficult to cope up with the health care costs. It is important to note that 73% of the retired clergy choose to settle in rural areas where health and transport facilities are not adequate, calling for provisions that can cater for their health needs.

Economically, personal income refers to an individual’s total earnings from wages, investments, enterprises and other personal ventures. It is the total sum of all the income received by all individuals or households during a given periods of time. This earning is significant because it enables an individual to afford basic needs and other requirements on the market. Although retired clergy are relinquished from administrative duties, they remain human beings with needs and requirements such as transport/ fuel for social gatherings, money for social

contributions, communication bills and food. Without this income, it becomes difficult for them to match with the cost of living thus affecting their welfare.

Income with coefficients of retirement benefits, area cost of living, regular income and payment of all dues on time. This includes what the retired clergy get in terms of pension and gratuity; the market levels in the areas where they are settled and other opportunities besides pension that help earn a living for the retired clergy. In order to meet the cost of living it's a requirement for one to have a sustainable income that enables accessibility to goods and services, for example utility costs. In reference to Table 6, income has a percentage variation of 8% to cost of living. It is imperative therefore to ensure that retirees have a source that can enable them to survive with fewer struggles.

Unfortunately in this study findings have revealed that pension that is provided by dioceses cannot be sufficient to meet cost of living. In dioceses like Luweero, West Buganda, Mityana, Namirembe and Mukono the pension offered is not even enough for personal effects like clothes, tooth paste and shoe polish, and apart from Kampala and Luweero dioceses, the rest of the dioceses in Central Uganda do not provide gratuity hence rendering the retired clergy in a vulnerable situation where they cannot be able to afford goods and services unless he or she has an extra income. One would also expect a sound gratuity to enable a retiree to establish an income generating project but this is far from reality for CoU retired clergy in Central Uganda dioceses apart from Kampala.

The components taken contribute 69% to the cost of living as shown by Table 6 in the row of cumulative percentage. The first component accounts for the most variance that is to say 5.992 which is the highest value indicated in the table and the second component accounts 1.834 of the remaining variance.

E. Retiree's Survival Skills/Strategies

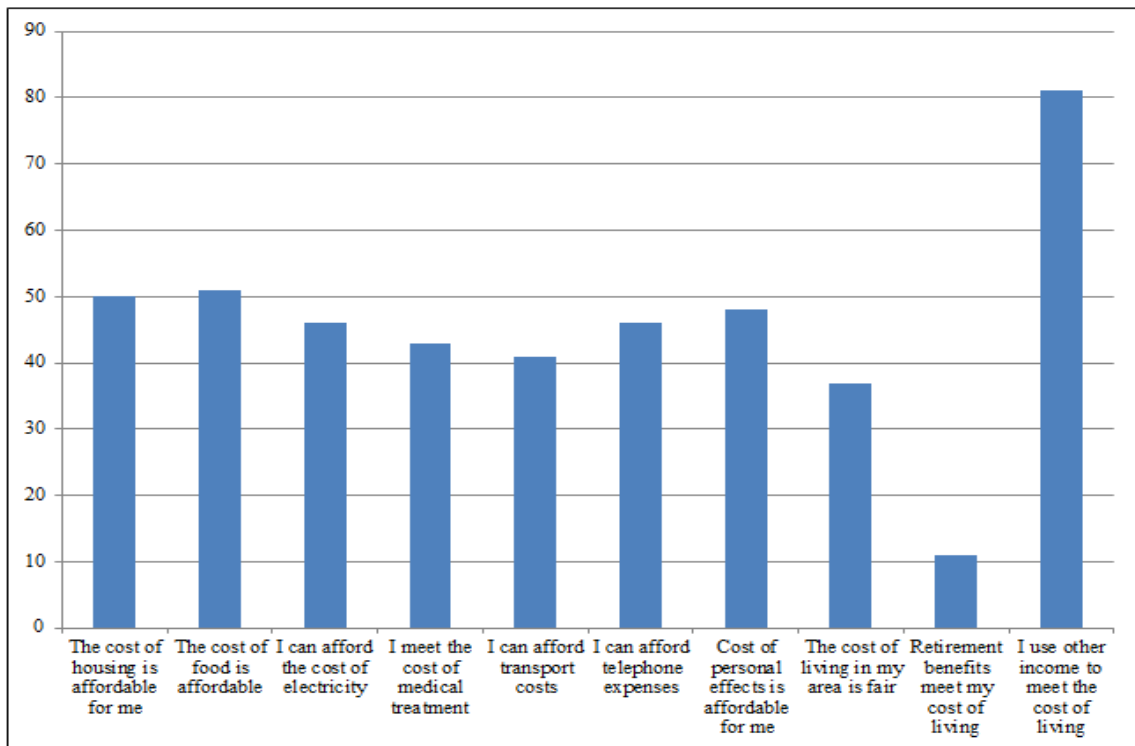


Fig. 3. A Bar graph showing retiree's responses on various ways of survival.

As portrayed in Bar graph figure above, this study discovered that 81% of retired clergy survive on incomes that are earned through means other than retirement benefits, particularly pension. This notion was supported by coefficients under in Pie chart Figure 2, which indicated that income only had a percentage variation of 8% to cost of living among the retired clergy. This implies, therefore, that most retired clergy survive by generating income elsewhere apart from pension and gratuity despite their old age. Some of these survival mechanisms include: (i) resorting to personal savings on Bank accounts and Saving and Credit Co-operations (SACCOs); (ii) engaging in activities like commercial farming, small scale businesses such as retail trading and offering professional services that generate money (iii) relocating to rural areas where food is cheaper and can also be produced at home; (iv) providing occasional services to Church where some facilitation-appreciation tokens are given. Specifically, at the will of the presiding bishop or clergy, retirees conduct services of baptism, thanksgiving, confirmation and Holy Communion upon which such tokens are extended. However, such informal arrangements mainly depend on the relationship between the retired and sitting clergy; (v) carrying out fundraising drives for completion of retirement houses and raising medical bills, like in the case of the late retired archbishop Livingstone Mpalanyi Nkoyoyo when the sitting archbishop spearheaded a fundraise in the CoU aimed at raising money for Nkoyoyo’s medical bills in London; (vi) taking up ministerial contracts as a means for continued earning despite having retired formally, and (vi) depending on children, relatives and well-wishers, especially in case where these have the capacity and will to cater for the retired clergy.

F. Measurement and Testing of the Hypotheses on Cost of Living and Welfare

Tackling the third objective of this study entailed setting two hypotheses, the null hypothesis - which stated that “The cost of living was not significantly related to the welfare of the retired clergy in Church of Uganda Central dioceses” and the alternative hypothesis - that stated that “The cost of living was significantly related to welfare of retired clergy in church of Uganda Central dioceses.” And before the hypothesis test results, the welfare status amongst the respondent retired clergy of CoU was first established and the descriptive results were as presented in the table below.

Table 7. Descriptive results on the cost of living among retired clergy in CoU, Central Uganda Dioceses.

Cost of Living Aspects	Mean	Std. Deviation
The cost of housing is affordable for me	2.98	1.16
The cost of food is affordable	2.99	1.11
I can afford the cost of electricity	2.84	1.12
I meet the cost of medical treatment	2.73	1.08
I can afford transport costs	2.69	1.07
The cost of water is affordable	2.95	1.08
I can afford telephone expenses	2.87	1.03
The cost of personal effects are affordable to me	2.94	0.95
The cost of living in my area is fair	2.72	0.96
Retirement benefits meet my cost of living	1.72	0.94
I use other income to meet the cost of living	4.03	1.19

Cost of Living Aspects	Mean	Std. Deviation
I pay my church dues without fail	3.04	0.99
I pay all dues on time	2.51	1.01
Aggregate Mean & SD	2.85	1.05

Legend: 4.20-5.00 Very High, 3.40-4.19 High, 2.60-3.39 Average, 1.80-2.59 Low, 1.00-1.79 Very Low.

Table 7 indicates an average cost of living among retired clergy in CoU, Central Uganda Dioceses which equally varies from high to very low levels across the retired clergy (Mean = 2.85, SD = 1.05). The results show that whereas retirement benefits very rarely meet the cost of living, retired clergy often make use other income to meet the cost of living. Results show a fair cost of housing, food, electricity, medical treatment, transport and water is on average affordable to the retired clergy. The findings also show that telephone expenses, personal effects and the cost of living in the respective areas of retired clergy is fair. Findings in addition show that the retired clergy are fairly able to pay church dues without fail, though such payment of all dues is sometimes on time. The above results which shows the cost of living as being sometimes high but covered through some other sources, which demonstrates the need for the retired clergy to always have side sources of income to meet costs beyond retirement benefits.

On the other hand, the findings in Table 7 are not supported by Khan, Shereen, Olivia, Tan, & Rossane, (2017) who posited that pension and annulations become the source of income for the retirees. This is due to the fact that the mean of 4.03 confirm that the retired clergy obtain their income from other sources other than pension.

The submissions so far made, however, required a quantitative analysis to be conducted in order to verify existence of any relationship between the two variables before such sentiments could be implemented, hence the necessity to make correlations and regression.

The correlational results for the relationship between cost of living and welfare were presented as below.

Table 8. Correlations.

		Cost of Living	Welfare of Staff
Cost of living	Pearson Correlation	1	.641**
	Sig. (2-tailed)		.000
	N	94	94
Welfare of staff	Pearson Correlation	.641**	1
	Sig. (2-tailed)	.000	
	N	94	94

** Correlation is significant at the 0.01 level (2-tailed).

The correlation table above reveal that there is a moderate positive relationship between cost of living and welfare of staff $r [94] = .641, p < 0.01$. This statistic indicated that cost of living and welfare affects one another. If retired clergy do not receive adequate retirement packages, especially pension and gratuity which can enable a retiree to set up a project (s) that can generate monthly income which is commensurate to the commodity and

service prices on market, they find it difficult to access market and thus a negative effect in their welfare. The moderate relationship implies that cost of living ought to be put in consideration when welfare benefits are considered. This implies that dioceses should consider cost of living variances while setting pension and gratuity packages. Similarly the changes in cost of living call for dioceses to always review packages at least every 5 years to match with the prevailing cost of living, a practice which dioceses were not adhering to adequately hence rendering retirees prone to cost of living challenges and compelling a number of them (81%) to supplement their sources of income by involvement in other economic activities for survival albeit their advanced age.

The relationship was further tested using a simple linear regression which was also executed in order to determine the effect of cost of living on welfare of staff. The result indicated the following; a model summary produced results that showed that cost of living affected welfare at [$r^2 = .411$]. This signified that the cost of living was about 41% impacting welfare of the retired clergy:

a. Predictors: (Constant), cost of living $R^2 = .411 = 41\%$.

This implies that cost of living only impacts 35% on the welfare of a retired clergy. There is a linear relationship between the cost of living and welfare. This view is based on the results of [$F(1, 92) = .64.292, P < 0.01$]. This meant that a change in the cost of living causes a proportionate change in welfare of retired clergy.

Table 9. Regression.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.320	.230		5.739	.000
	Cost of living	.629	.079	.641	8.018	.000

a. Dependent Variable: welfare of staff

The result of beta = .641, $p < 0.01$. The null hypothesis that there was no relationship was rejected and the alternative hypothesis was accepted. The results therefore showed that cost of living was a good predictor of welfare since the findings showed a significant relationship between the two variables.

G. Implication of the Statistical Output

The statistic leading to the acceptance of the alternative hypothesis that stated that there was a significant relationship between cost of living and welfare of CoU retired clergy in central dioceses had various implications drawn from respondents. The findings revealed that retired clergy could not cope up with the cost of living, retirees expressed difficulties to survive since both respective dioceses and the Province were not providing adequate retirement packages. This greatly lowered the purchasing power of the retirees. The retired clergy expressed strain to survive; several of them reported that they were depending on their children, generous people, personal or individual projects, and small scale businesses while others had resorted to hard chores like agricultural farming despite their old age.

No diocese was found to be providing medical schemes much as retirees highlighted health as one of their major concerns. The majority of the respondents were married, implying that they had family members to take

care of even health-wise. It was actually revealed that some of them resort to cheap local herbs to treat their health complications. This meant that in order to improve welfare among the retired clergy there is need to ensure that what retirees get as retirement package should enable them to meet the cost of living.

The findings from the Pie chart captioned as Figure 2 are in agreement with Pollak, (1989) who contends that cost of living is related to the minimum expenditure required to attain the same levels of wellbeing. This is because access to basic requirements like food, accommodation, and health, comes with expenditure.

As it is portrayed in the Pie chart Figure 2, the study also concurs with Pollak, (1989) that household, health and income necessities are key cost of living determinants. This implies that CoU ought to improve on retirees' income if they are to meet cost of living expenditures thus improving their welfare.

Although Boskin, et al.,(1998) urge that due to several factors, such as: the multiplicity and novelty of available products, frequent changes in product prices and consumers patterns, among others make it quite difficult to measure cost of living in regards to welfare; the findings of this study reveal that cost of living strongly impacts welfare.

In respect to this study, cost of living indicators were clearly measured basing on household necessities, health care and income. Out of these indicators, income was at only 8%. This confirms the relevancy of retirement benefits in supporting retired clergy towards meeting cost of living.

H. Perceptions of Administrators and Retired Bishops

The qualitative data here below, presented in supplementation of the quantitative data above, was generated through one on one interviews with diocesan administrators (sitting bishops, diocesan secretaries and archdeacons) plus retired bishops as shown below:

All the six Diocesan Secretaries who were interviewed agreed that what dioceses gave as retirement benefits could not commensurate to the cost of living. Hence, it was observed that cost of living is not a factor considered when dioceses are determining what to offer. Dioceses depend on what can be available to determine the pension, since the Province does not stipulate specific figures. One of the Diocesan secretaries stated that:

I know that the cost of living in Kampala is high and much as some dioceses and parishes gave some little support to their retired clergy, they cannot give them what is enough. For example in spite of the pension that ranges from 350,000/= to 450,000 /= in my diocese depending on one's period of service, the retired clergy cannot cater for utilities. (Key Informant One, 2019).

Another diocesan secretary reiterated regrets that:

Most retired clergy especially in rural areas have tried to put up some small houses with the help of their children and generous Christians, but these houses are substandard with no electricity, water supply or modern kitchens. Food is accessible to many since they are living in rural areas, they do cultivate and get food, however, medical and transport costs are still very challenging. Actually, most of them often fall sick and there is no help at all yet due to age they are prone to challenges of illnesses. (Key Informant Two, 2019).

The connotation further calls for a robust retirement policy entailing key life dimensions designed by the Province in order for dioceses to know what they can consider offering to their retirees hence improving welfare.

In the same vein, two retired bishops echoed that health expenses and transport are some of the major challenges encountered in retirement. In one's words:

Many bishops by the time they retire are already contracted with diseases like diabetes and pressure as a result of the nature of the job of a bishop. These are very expensive complications to contain; sometime we need medical attention from abroad. As I speak to you now one of our comrades is in India for cancer treatment, unfortunately what we get as pension cannot meet this. Secondly when we retire in most cases we are given cars, but where is no money for fuel and service? So we have to park them. (Key Informant Three, 2019).

And in another's words: *"Let the Church plan for our transport sustainability and health expense."* (Key Informant Four, 2019).

However, another administrator who happened to be a bishop argued that no money is enough and that retired clergy should appreciate what the dioceses offer to them. He added that they also have the responsibility to prepare for the cost of living by saving and making some investments while still active.

All in all, all the respondents interviewed were in agreement that cost of living affected welfare of the retired clergy. They argued that there was big rift between the pension rewards and the level of inflation. Retired clergy, therefore, cannot afford to buy goods and services, despite a significant decrease of utilities to a percentage of 3.8 by the downing of 2019, as per Uganda Bureau of Statistics (2019). The situation leads to challenges like poor accommodation, malnutrition, illnesses, immobility and boredom among the retired clergy, hence affecting their welfare.

V. CONCLUSION

In short, this study confirmed that retirement terminal benefits, specifically gratuity and pension, play a catalytic role between cost of living and welfare of CoU retired clergy. It was further revealed that there is a positive relationship between cost of living and welfare. This implies, therefore, that dioceses need to improve the retirees' terminal benefits so as to meet or commensurate with the dynamical cost of living; since resources from terminal benefits were confirmed to play a vital role in cost of living standard and thus an improved retirees' welfare. It is also imperative to periodically review packages and improve them in view of the prevailing economic situation. But this calls for ingenuity on the side of the dioceses to ensure that avenues - such as running income generating projects, operating endowment programs, partnering with likeminded retirement benefits organization, among others -are crafted towards enhancing funding of diocesan retirement schemes.

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AUTHOR'S PROFILE



First Author

Paul Kakooza, Ugandan. BDiv (Uganda Christian University), PGDE (Ndejje University), MHRE (Uganda Christian University), PhD in Business Administration, Management (Nkumba University). Clergy in Church of Uganda, Provincial Director of Education Services of the Church of Uganda, Part-time Lecturer at Ndejje University, Member of the National Council for Higher Education (NCHE), and a Board Member of Mengo Hospital, chairing the Training Committee. Author: Retirement policy and implementation. A case of Church of Uganda Buganda Dioceses. *Direct Research Journal of Social Science and Educational Studies*, 7 (5), 70-78, Church of Uganda Retirement Policy Funding and its Implementation: A Case of Church of Uganda Buganda Dioceses, *Scholars Journal of Arts, Humanities and Social Sciences*, etc.



Second Author

Samuel A. Mbabaali, DES (Kyambogo University), BIT (Nkumba University), MDiv (Uganda Christian University). Clergy in the Church of Uganda. [email id: 1samwiri@gmail.com](mailto:1samwiri@gmail.com)