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Opponent's Dissertation Report

Nguyen Thi Anh Nhu

Doctoral thesis

„Financial literacy and Its Impact on Retirement Investment Choice: An Investigation of Vietnamese Employees“

Supervisor: prof. Ing. Jaroslav Belás, PhD.
Degree programme: P6202 Economic Policy and Administration
Degree course: 6202V010 Finance
University and Faculty: Tomas Bata University in Zlin, Faculty of Management and Economics

Based on the request of Ing. Lubor Homolka, Ph.D., Vice-Dean for Doctoral Studies at the Faculty of Management and Economics, Tomas Bata University in Zlín, from 07.11.2018, I submit the following evaluation to the given doctoral thesis:

1. The up-to-datedness of a dissertation topic

The complexity of financial decisions that households now face has increased to unprecedented level. At the same time, households seem to lack the financial knowledge to cope with these decisions, including how to save and invest adequately for retirement.

Many countries have started reforming their pension systems in the past few decades. To meet the challenges emerging from an ageing population, and more recently, due to the economic and financial crisis, standard eligibility ages for state pensions have been increased; generous early retirement arrangements have been abolished; occupational pensions have become less generous; and a substantial part of the risk and responsibility for an adequate standard of living after retirement has been shifted from the government, employers and pension funds to individuals and private households.

From the above point of view, the topic of dissertation thesis can be considered as current and very significant.

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2. Achieving the goals stated in the dissertation

The main objective of the dissertation was: „The prime target of this study focuses on retirement investment choice decisions because retirement investment choice has a significant influence on the growth in accumulation of assets and financial well-being in retirement. In order to achieve the main objective, this research aims to develop a framework for retirement investment choice to explore and find out the main factors influencing these decisions.” After studying the thesis, I note that the PhD student conceived the main objective correctly and accomplished it.

3. Research methodology and dissertation outcomes, mentioned contributions and achievements made by the student

In order to achieve the main objective of this research, three research questions (RQ) are addressed and five hypotheses are proposed.

This research is an empirical quantitative-based research. In order to examine the study, a questionnaire survey has been selected as a research instrument. Primary data is collected from a survey of **427** respondents who are currently employed in the **private** and **public sectors** in Vietnam. The questionnaire of this research comprises six components including financial literacy, pension knowledge, retirement investment choice, financial risk tolerance, financial advice and socio-demographic factors. Both univariate and multivariate analyses are applied to address the research questions. More particularly, descriptive statistics is used to measure basic and advanced financial literacy levels. Then a **Two-Stage Least Squares (2SLS) regression** is employed to test the hypotheses. The findings show that implementing retirement investment choice is influenced by employees' basic financial literacy and pension knowledge while participating in or selecting growth investing option is affected by advanced financial literacy level and financial advice from experts.

The chosen methods of processing are adequate to the purpose of the work and the subject of the study. The author has shown good orientation in scientific methods of economic phenomena's investigation and the ability to actively use them in a given subject area.

He has applied a wide range of scientific methods such as methods of analysis and synthesis, comparison, mathematical-statistical methods and econometric modeling. I support the methodical approach to the given dissertation. The procedure is in accordance with the main objective of the dissertation work, too.

4. The importance for practice and development of the science itself

The dissertation makes significant contributions to the current level of knowledge by providing evidence showing the relationship between financial literacy and retirement investment option in emerging financial market context, specifically in Vietnam. In addition, this research has also expanded earlier studies by considering pension knowledge as a significant factor in relation to exercising **retirement investment choice decisions**. Finally, the findings from this research have considerable implications for policy-makers and financial institutions, particularly pension industry and financial advice services.

This research primarily explores the relationship between financial literacy and retirement investment choice decisions.

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The findings of this research should be interesting for financial advice providers because this research finds that employees who have consulted with advisers have a propensity for participating in growth investing option. This finding suggests that more pragmatic approaches and efficient education campaigns for those looking for financial advice should be developed by financial institutions.

The dissertation work research identify an insufficiency of financial literacy which negatively impacts investment decision-making. Finally, the findings from this research have considerable implications for policy-makers and financial institutions, particularly pension industry and financial advice services.

5. Formal aspects and the language level of the dissertation

The author used the appropriate style of expression; the work has a very good graphic layout. The dissertation is clearly elaborated and contains all prescribed requirements. The text is accompanied by appropriate graphs as well as pictures and tables.

6. Student's publishing

Publishing of doctoral student Nguyen Thi Anh Nhu correspond with the theme of the dissertation. I consider the number of titles to be acceptable (10 scientific articles, 6 scientific articles indexed in Scopus, 4 conference papers), Citation (7 in Scopus).

Conclusion

I comprehensively evaluate that the submitted doctoral dissertation has fulfilled its purpose. It has the potential to be used not only in practice, but also in pedagogical and scientific-research activities.

On this basis, I recommend the work to the final defense and after the work is successfully defended, in my opinion, the author **Mr. Nguyen Thi Anh Nhu** shall be awarded with the academic title **PhD.**

Banská Bystrica, 23. 11. 2018



doc. Ing. Hussam MUSA, PhD.

