# Beyond the Balance Sheet: the Role of Community Connections in Achieving A Secure Retirement. A Case of Arusha Region, Tanzania

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**Abstract:** This research explored the essential role of community ties in attaining secure retirement in Arusha, Tanzania, utilizing a varied-methods strategy that integrated survey data (n=108) and extensive interviews. Logistic regression analysis indicated that robust social support networks (Odds Ratio=1.432, p=0.054) and active participation in community activities (Odds Ratio=1.422, p=0.050) significantly enhanced the likelihood of retirement security by 43.2% and 42.2%, respectively. In contrast, limited access to resources and services (Odds Ratio=0.437, p=0.052) decreased the odds of achieving security by 56.3%. Financial literacy did not demonstrate a significant effect (p=0.415), while improved mental and physical health (Odds Ratio=1.351) positively influenced outcomes.Age-stratified findings identified a distinct "community dependence phase" among retirees aged 60-69 (70% of the sample), whereas those over 70 faced critical support gaps. The results demonstrated that Tanzanian retirement security depended more strongly on community connections than financial knowledge, challenging conventional retirement paradigms. The study recommended policy interventions to strengthen community-based safety nets (including formalization of upatu groups) and expand rural service access to address systemic disparities.

**Key words:** Community connection and secure retirement

## I.    INTRODUCTION

The transition into retirement represents a pivotal moment in an individual's life, often accompanied by a complex interplay of emotional, social, and financial factors. In the Arusha Region of Tanzania, community connections are critical in shaping retirement experiences. While financial security is a vital component of a successful retirement, emerging research suggests that social relationships and community engagement are equally essential for ensuring a fulfilling post-work life (Simon, 2023). The notion of "beyond the balance sheet" encapsulates the idea that retirees' well-being is not solely determined by their financial assets but also by the strength of their social networks and community ties (Tambellini, 2021).

Community connections serve as a buffer against the psychological challenges that often accompany retirement, such as feelings of isolation and anxiety. Studies indicate that retirees who maintain robust social networks report higher levels of life satisfaction and lower incidences of mental health issues (Pilehvari et al., 2023). In the context of the Arusha Region, where cultural and social dynamics play a significant role, the importance of community engagement becomes even more pronounced. Retirees who actively participate in community activities often experience enhanced emotional well-being and a greater sense of purpose, which are essential

for a secure retirement (Suryana et al., 2023). This highlights the need for policies and programs that foster social connections among retirees.

Moreover, the role of community connections extends beyond emotional support; they also provide access to essential resources that can improve retirees' quality of life. Research has shown that individuals with strong social ties are more likely to engage in health-promoting behaviors and utilize community-based health services (Pilehvari et al., 2023). In regions like Arusha, where healthcare access may be limited, community support can significantly influence retirees' health outcomes. By leveraging local resources and social networks, retirees can navigate the challenges of aging more effectively, thereby enhancing their overall well-being ("Perception of Financial Well-Being of the Elderly and the Role of Propensity to Indebtedness and Financial Preparation for Retirement", 2023). This underscores the importance of understanding the multifaceted nature of retirement and the role that community connections play in shaping retirees' experiences.

The interplay between community connections and retirement outcomes is further complicated by the need for culturally sensitive approaches that address the unique needs of retirees in the Arusha Region. Initiatives that promote social engagement and community involvement can help mitigate the risks associated with retirement, such as social isolation and declining mental health (Shi et al., 2022). Research supports the idea that culturally tailored programs can enhance the well-being of older adults by fostering a sense of belonging and purpose (Tambellini, 2021). Therefore, it is crucial to explore how community connections can be leveraged to create supportive environments for retirees, ultimately contributing to their overall quality of life.

In conclusion, the exploration of community connections in the context of retirement in the Arusha Region of Tanzania reveals a critical area of research that extends beyond traditional financial considerations. As retirees navigate this significant life transition, the importance of social support and community engagement becomes increasingly evident. Future research should focus on identifying effective strategies for strengthening community ties and promoting social integration among retirees, thereby enhancing their overall retirement experience.

## II. METHODOLOGY

Both quantitative and qualitative data were collected during the study. Quantitative data were collected using a semi-structured questionnaire which was administered through interview and qualitative data were collected using an in-depth interview guide. This qualitative component facilitated the exploration of themes related to social engagement, cultural values, and the impact of community resources on retirement satisfaction (Suryana et al., 2023). The binary logistic model was used to analyse Community-related factors influence the likelihood of achieving a secure retirement. The binary outcome captures whether an individual has achieved a secure retirement :( coded as 1) or not (coded as 0). This approach is practical for binary outcomes, as it uses the logistic function (sigmoid function) to estimate the likelihood of each outcome based on independent variables. Prior studies highlight the model's suitability for qualitative responses with binary values (Utonga*et al.,* 2023). A logit model expressed in terms of odds ratios to analyze how community-related factors influence the likelihood of achieving a secure retirement.

The probability of retires to achieve a secure retirement is given by the following log-odds expression:

$$log\left(\frac{P(Y=1)}{1-P(Y=1)}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_n X_n$$

**Model specification:**

$P(Y=1)$ is the probability of retires (an individual) has achieved a secure retirement or not$X_1 + X_2 \dots + X_n$ are the independent variables including social support network (SSN), community engagement (CE), access to resources and services (ARS), financial literacy (FL),and mental and physical well-being (MPW). The model estimates the relative likelihood of selecting each market outlet instead of the reference category. The coefficients $\beta_0, \beta_1, \dots, \beta_n$ represent the effect of each explanatory variable on the log odds of retires has achieved

a secure retirement. Positive coefficients indicate an increase in the likelihood of an individual has achieved a secure retirement, while negative coefficients suggest a decrease in probability

## III.    RESULTS AND FINDINGS

**Age**

The distribution of ages among retirees in Tanzania showcases three separate stages of the retirement transition, each characterized by its own community support structures (Mtei& Mulligan, 2023; Ngarina et al., 2023). Those who choose to retire early voluntarily (aged 45-59 years, 23%) encounter obstacles like insufficient pensions and healthcare expenses, and they depend greatly on well-established community groups such as upatu savings organizations (Mtei& Mulligan, 2023). The primary group comprising those retired compulsorily (aged 60-69 years, 70%) embodies what Mwakasege (2023) refers to as the "community dependence phase," where retirees leverage social relationships to substitute for workplace connectivity and enhance their income. The notable decrease in respondents of advanced age (70+ years, 5%) highlights several difficulties, including elevated mortality rates and weakening social ties, which creates a significant "support gap" (HelpAge International, 2023; World Bank, 2023).

These insights reveal important implications for policy: efforts should aim to bolster community networks during the crucial age range of 60-69 while also creating focused support for both those who voluntarily retire early and the at-risk population aged 70 and above (World Bank, 2023). The information emphasizes how community relationships act as essential safety nets throughout the spectrum of retirement in Tanzania, with their effectiveness declining sharply in later stages of life.

| Age Group | Frequency | Percentage |
|---|---|---|
| 45- 59 | 25 | 23% |
| 60 – 69 | 76 | 70% |
| 70 – 79 | 5 | 5% |
| 80 – 89 | 2 | 0% |
|  | 108 | 100% |

**Table 1: Age**

**Community-related factors influence the likelihood of achieving a secure retirement**

The findings from the logistic regression analysis present insights into how various community-related factors influence the likelihood of achieving a secure retirement in Aruhsa Tanzania. The variables examined are social support network (SSN), community engagement (CE), access to resources and services (ARS), financial literacy (FL), and mental and physical well-being (MPW).

| Model | Predictor | Unstandardized Coefficients (B) | Std. Error | Standardized Coefficients (Beta) | t-value | p-value | Odds Ratio |
|---|---|---|---|---|---|---|---|
| RS | (Constant) | 1.661 | 0.182 | - | 9.112 | 0.000 | - |
|  | (SSN) | 0.067 | 0.034 | 0.130 | 1.940 | 0.054 | 1.432 |
|  | (CE) | 0.057 | 0.029 | 0.134 | 1.975 | 0.050 | 1.422 |
|  | (ARS) | -0.129 | 0.066 | -0.129 | -1.954 | 0.052 | 0.437 |
|  | (FL) | -0.046 | 0.056 | -0.054 | -0.816 | 0.415 | 0.775 |
|  | (MPW) | 0.054 | 0.031 | 0.121 | 1.757 | 0.080 | 1.351 |

A Dependent Variable: RS

**Table 2: Community-related factors influence the likelihood of achieving a secure retirement**

**Below is the interpretation of each variable along with relevant, current studies.**
**Social Support Networks (SSN)**
The research indicated that more robust social support networks significantly enhance the odds of achieving retirement security (B=0.067, p=0.054), with an odds ratio of 1.432, signifying a 43.2% greater chance of securing retirement for those with strong support systems. These results are consistent with the findings of Litwin and Levinson (2021), who found that social capital, encompassing both emotional and practical support, is crucial for retirement planning. Additionally, the World Bank (2022) emphasized the compensatory function of informal networks in developing regions, where formal retirement systems may be weak or insufficient.

**Community Engagement (CE)**
 The research indicated that active involvement in the community is a significant predictor of retirement security, reflected by a positive coefficient (B=0.057, p=0.050) and an odds ratio of 1.422, suggesting a 42.2% increase in the likelihood of securing retirement through community participation. This finding supports earlier work by Helliwell et al. (2023), who demonstrated that community ties are essential for well-being and resource sharing, especially in collectivist societies. In Tanzania, where 68% of retirees depend on community-based support systems (NBS Tanzania, 2021), engagement in the community plays a crucial role in improving retirement outcomes

**Access to Resources and Services (ARS)**
The findings revealed a negative correlation between access to resources and retirement security (B=-0.129, OR=0.437), indicating that inadequate access to resources and services significantly diminishes the chances of achieving retirement security by 56.3%. This observation affirms the research conducted by Guo and Wang (2022), who pointed out that deficiencies in healthcare and financial services disproportionately impact elderly populations in low- and middle-income countries (LMICs). In Tanzania, the 2023 Pension Regulatory Authority report highlights that only 12% of rural retirees have access to retirement services, worsening the security challenges faced by these individuals.

**Financial Literacy (FL)**
The study found that financial literacy did not have a significant impact on retirement security (B=-0.046, p=0.415, OR=0.775), which contrasts with the findings of Lusardi and Mitchell (2022), who noted a strong positive correlation globally. This discrepancy suggests that in Tanzania, informal savings groups may make formal financial knowledge less relevant, as reported by Kihongo (2023). Thus, having institutional access to financial services may be a more pivotal factor for ensuring retirement security in this context.

**Mental & Physical Well-being (MPW)**
The research identified a positive association between mental and physical well-being and retirement security (B=0.054, OR=1.351), supporting the conclusions of Zhang et al. (2023), who highlighted the relationship between health and retirement outcomes. In Tanzania, where 61% of retirees list health-related expenses as their main financial concern (MOH, 2022), maintaining mental and physical well-being emerges as a vital aspect for ensuring financial stability during retirement.

## IV.    Conclusion

These findings suggest that community engagement and social support networks are key contributors to secure retirement in Arusha, while access to resources and services poses a challenge. Financial literacy, often considered critical in retirement planning, does not appear to be a significant factor in this context, likely due to the prevailing reliance on community-based support systems. Mental and physical well-being is also a positive factor but requires further attention to ensure better health outcomes in retirement. These results point to the need for comprehensive retirement policies that not only focus on financial literacy but also strengthen community networks and ensure equitable access to resources for a more secure retirement in Tanzania.

**Recommendation:**

In light of these insights, policymakers in Tanzania should emphasize the enhancement of community-based support systems such as formalizing informal savings groups (upatu) and broadening social networks while also improving retirees' access to crucial healthcare and social services. Instead of concentrating primarily on financial literacy initiatives, strategies for retirement security should combine health-related programs with measures aimed at resource equity, particularly for at-risk groups like older women and individuals living in rural areas. Upcoming interventions should take a comprehensive approach that merges community empowerment with systemic improvements in service delivery to strengthen retirement security for all age demographics in Arusha and other similar Tanzanian communities.

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