



Analysis of Retirees' Investment Preferences for Financial Products and Physical Assets in Zanzibar, Tanzania from the Theory of Planned Behaviour Perspective

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ABSTRACT

Background: Retirement marks a critical life transition during which individuals must make investment decisions that shape their long-term financial security and well-being. Although investment behaviour has been widely studied in developed economies, existing research has focused predominantly on financial products such as stocks, bonds, mutual funds, and pension funds, with comparatively little attention given to retirees' preferences between financial products and physical assets. Furthermore, most comparative studies have been conducted in developed and emerging financial markets, leaving limited empirical evidence from Sub-Saharan Africa, particularly Zanzibar, where ownership of land and other tangible assets is deeply embedded in socio-cultural and economic practices. Consequently, little is known about how retirees in Zanzibar choose between financial products and physical assets or the extent to which their investment preferences are influenced by the behavioural factors proposed by the Theory of Planned Behaviour.

Objectives: The study assesses retirees' preferences for financial products and physical assets and examines gender-based differences in these investment preferences.

Methods: A quantitative descriptive research design was adopted, involving 283 retirees from the Urban West Region of Zanzibar. Data were collected using a structured questionnaire administered across the Urban, West A, and West B districts, covering 33 Shehias (ward units within constituencies). The data were analysed using the Statistical Package for the Social Sciences (SPSS).

Results: The findings reveal that retirees overwhelmingly prefer investing in physical assets, particularly land and residential housing, rather than financial products. Although investment patterns differ between male and female retirees, both groups demonstrate a stronger preference for land ownership than for financial investment instruments.

Conclusion: The study concludes that retirees in Zanzibar exhibit a stronger preference for physical assets than financial products, a pattern that differs from findings reported in many developed economies where financial assets dominate retirement investment portfolios. The findings further indicate that retirees' investment decisions are influenced by behavioural factors consistent with the propositions of the Theory of Planned Behaviour.

Specific Contribution: The study contributes to the literature by providing comparative evidence on retirees' investment preferences for financial products and physical assets within the socio-economic context of Zanzibar. It extends the application of the Theory of Planned Behaviour to retirement investment decisions in a developing economy and offers context-specific evidence that contrasts with findings from developed financial markets.



Key Recommendation: Financial institutions should develop retirement investment products that align with retirees' behavioural preferences while improving awareness of the long-term benefits of diversified financial investments. Policymakers and pension authorities should formulate investment policies and retirement education programmes that integrate behavioural factors influencing retirees' investment decisions and encourage balanced investment portfolios.

Keywords: Financial products, physical assets, retirees, Theory of Planned Behaviour, Zanzibar.

INTRODUCTION

Retirement marks a critical stage in an individual's financial life, during which investment decisions determine long-term income security and overall well-being. In Zanzibar, retirees receive lump-sum gratuity payments upon retirement and must independently decide how to invest these funds to generate sustainable income. They are presented with a wide range of investment opportunities, broadly classified into financial products and physical assets. Choosing between these alternatives is often challenging, particularly because the pension schemes operating in Zanzibar do not provide direct post-retirement investment arrangements that enable retirees to continue investing their retirement benefits under professionally managed schemes that guarantee capital preservation and sustainable returns (Juma & Mwakalobo, 2025).

Over the past decade, Tanzania has witnessed considerable growth in its financial sector. The expansion of the capital market, particularly through the Dar es Salaam Stock Exchange, which recorded investment securities worth approximately US\$1.4 billion (Bank of Tanzania [BOT], 2025), together with the availability of government securities, insurance products, fixed deposits, equities, and other financial instruments, has broadened investment opportunities for individuals. Despite these developments, many retirees remain uncertain about whether to invest in financial products or physical assets. Investment decisions are influenced not only by financial considerations but also by behavioural factors that shape individuals' perceptions of risk, expected returns, and investment security (Sundarasan et al., 2024; Mlowasa et al., 2025).

Income generation and capital preservation remain the primary objectives of investment among retirees. Following retirement, individuals rely heavily on returns from their investments to meet their economic and social needs. However, many retirees in Zanzibar fail to establish sustainable income-generating investments after retirement, making them financially vulnerable in later life. Although pension authorities invest employees' contributions during their active employment and credit investment returns to members' accounts, this investment arrangement ceases once retirees receive their lump-sum gratuity (Yakoboski et al., 2024). Thereafter, retirees are required to make independent investment decisions without institutional guidance or structured investment mechanisms.

Although a wide variety of financial products is available, participation in these investment options is often constrained by limited financial literacy and inadequate investment knowledge (Lusardi et al., 2017). Consequently, many retirees perceive physical assets, particularly land and residential property, as safer, more stable, transferable, and easier-to-understand investment



options. Such assets are commonly regarded as reliable stores of wealth that provide peace of mind and long-term economic security (Kyagara & Kilamlya, 2025).

The variation in retirees' preferences between financial products and physical assets raises important questions regarding investment behaviour and the rationality underlying these investment choices (Hamisi & Jilenga, 2024; Mlowasa et al., 2025). Guided by the Theory of Planned Behaviour (Ajzen, 1991), this study examines how behavioural factors—including attitudes, subjective norms, and perceived behavioural control—influence retirees' investment preferences for financial products and physical assets in Zanzibar.

OBJECTIVES

The study seeks to:

1. Examine retirees' investment preferences between financial products and physical assets.
2. Investigate gender differences in investment preferences among male and female retirees.

RESEARCH GAP

Existing studies have predominantly examined investment decisions relating either to financial products or to physical assets independently. Comparatively few empirical studies have simultaneously analysed retirees' preferences for both categories of investment, particularly within developing economies. Furthermore, although the Theory of Planned Behaviour has been widely applied to explain financial decision-making, its application to retirees' investment preferences in Zanzibar remains largely unexplored.

There is also limited empirical evidence on how behavioural factors interact with retirees' preferences when choosing between financial products and physical assets. This gap constrains understanding of the behavioural determinants of retirement investment decisions within the Zanzibar context. Therefore, this study applies the Theory of Planned Behaviour to comparatively examine retirees' preferences for financial products and physical assets, thereby extending the application of the theory to retirement investment behaviour in Zanzibar.

IMPORTANCE OF THE STUDY

This study provides practical and policy-relevant insights into retirees' investment preferences in Zanzibar. The findings will assist financial institutions in designing investment products that better align with retirees' preferences and behavioural characteristics. They will also provide policymakers and pension authorities with evidence to develop policies that encourage sustainable retirement investments while enhancing retirees' long-term financial security.

Furthermore, by applying the Theory of Planned Behaviour, the study contributes to understanding how behavioural factors influence investment decisions among retirees. The



findings will support the integration of behavioural considerations into retirement investment policies and financial product development aimed at ensuring sustainable income generation and capital preservation after retirement.

REVIEW OF KEY CONCEPTS

Investment Preference

Investment preference refers to the choices retirees make when allocating their financial resources among available investment alternatives, including financial products and physical assets. These decisions are critical because they influence retirees' long-term financial stability and economic well-being. Previous studies indicate that investment preferences are shaped by several factors, including perceived risk, financial literacy, expected returns, and behavioural characteristics (Sundarasan et al., 2024). In this study, investment preference refers to the investment option most frequently selected by retirees from the range of available alternatives.

Retirees

Retirees are individuals who have completed their statutory employment and exited the workforce. Following retirement, they primarily depend on gratuity payments, pension benefits, personal savings, and investment income to sustain their livelihoods (Mlowasa et al., 2025).

Financial Products and Physical Assets

Investment opportunities are generally classified into financial products and physical assets. Financial products include government securities, fixed deposits, insurance products, equities, mutual funds, and other financial instruments (Bodie et al., 2018). Physical assets comprise tangible investments such as land, residential and commercial real estate, gold, and other valuable properties (Bodie et al., 2018; Kapoor et al., 2020). These two categories differ in terms of liquidity, risk, return characteristics, and management requirements, making them important alternatives for retirees seeking long-term financial security.

EMPIRICAL REVIEW

A wide range of financial products is available in the market; however, the investment options most preferred by retirees in Zanzibar remain largely unknown and constitute the focus of this study. Retirees differ considerably in their investment preferences. While some invest primarily in physical assets, others prefer financial products. Previous studies indicate that investment preferences are influenced by several factors, including financial literacy (Lusardi & Mitchell, 2014), investment knowledge (Forbes & Kara, 2010), confidence in financial institutions (Wamae, 2013), social influence and individual perceptions (Juma & Mwakalobo, 2025), guarantees of investment returns (Seetharaman & Niranjana, 2017), and opportunities for portfolio diversification (Shinde & Ingale, 2023).

Previous studies conducted in Zanzibar have largely focused on institutional or corporate investment decisions. For example, Fadhil (2021) examined factors influencing real estate investment decisions within the Social Security Fund. However, few studies have comparatively



examined individual retirees' preferences for financial products and physical assets. Consequently, this study focuses on individual retirees rather than corporate investors by comparing preferences for financial products and physical assets. Specifically, it employs a descriptive analysis to determine retirees' investment preferences and to examine gender differences in these preferences. The findings are expected to provide useful evidence for policymakers, financial institutions, and retirees by informing investment policies and retirement financial planning.

Investment generally refers to the allocation of financial resources to generate future economic benefits. According to Anitha and Bhargavi (2014), investment involves committing money and other resources with the expectation of future returns. Similarly, Weizsäcker (2021) describes investment as sacrificing current consumption to obtain future benefits. He classifies investments into two broad categories: physical (fixed) assets and financial assets. Physical assets include machinery, buildings, and other tangible properties, while financial assets include stocks, bonds, and other marketable securities.

The financial sector provides numerous investment opportunities for retirees, including bank deposits, government securities, shares, stocks, exchange-traded funds (ETFs), mutual funds, insurance products, annuities, and commodities (Anitha & Bhargavi, 2014). Likewise, Bodie et al. (2018) identify a broad range of investment instruments, including tangible assets, bank deposits, pension products, equities, life insurance, personal trusts, mutual funds, business investments, debt securities, and other financial assets. Other scholars have also identified investments in retail businesses, education, health-related enterprises, and similar ventures as viable alternatives. Furthermore, Krishna et al. (2019) highlight precious metals such as gold, silver, and platinum, as well as non-marketable securities, including bank deposits and postal savings schemes. Collectively, the literature demonstrates that investment encompasses both financial products and physical assets as mechanisms for wealth creation and financial security.

The principal objectives of investment are to generate income, preserve capital, minimise financial risk, maintain liquidity, and protect wealth against inflation. The choice between financial products and physical assets often depends on investors' objectives, risk tolerance, financial knowledge, and prevailing market conditions.

Financial Product Preferences

The literature indicates that many retirees continue to invest in financial products such as stocks and mutual funds to achieve long-term capital growth and hedge against inflation. In many developed economies, equity investments remain attractive because of their long-term return potential (Bongini & Pelagatti, 2021). However, Ahmad and Wang (2018) suggest that retirees in Zanzibar are less likely to prefer equity investments.

Mutual funds are widely used in countries such as the United States and India because they provide diversified investment opportunities and are suitable for investors with limited capital



market expertise (Kaur, 2016). However, mutual funds remain largely unavailable in Zanzibar, limiting retirees' access to this investment option.

Government bonds and Treasury bills represent another category of financial products that provide predictable income streams, capital preservation, and relatively low investment risk because they are backed by government guarantees (Kandie et al., 2021). While these securities are widely preferred by retirees in many countries, they remain among the least preferred investment options in Zanzibar.

Fixed deposit accounts also provide relatively secure investment opportunities by offering guaranteed returns over specified periods. Such products are particularly attractive to risk-averse investors seeking stable income (Desmettre & Seifried, 2016). Fixed deposits are available in Zanzibar, and some retirees utilise them as part of their investment portfolios.

Physical Asset Preferences

Existing studies demonstrate that investors in many developing economies exhibit strong preferences for physical assets, particularly land and real estate (Liang et al., 2026; Rodriguez-Planas & Davoli, 2025). These investments are generally regarded as safe, durable, and effective long-term stores of value that provide protection against inflation (Hung et al., 2025). In Zanzibar, many retirees favour investments in land and housing because they perceive these assets as secure means of preserving wealth while enhancing their social status.

Similarly, investments in gold and other precious metals remain attractive because they are culturally regarded as safe assets that provide both financial security and psychological comfort (Agarwal et al., 2017). Some retirees in Zanzibar also invest in precious metals because they require relatively little management compared with financial products.

Unlike physical assets, financial products may be perceived as more volatile, particularly in environments characterised by economic uncertainty and relatively underdeveloped financial markets (Guiso & Sodini, 2013). These perceptions may partly explain retirees' stronger preference for tangible assets over financial instruments.

Overall, the literature suggests that investors generally seek diversified investment portfolios. However, diversification is often constrained by limited financial knowledge, inadequate financial literacy, restricted access to financial products, and institutional limitations. Although substantial literature exists on investment behaviour, empirical evidence specifically addressing retirees' investment preferences remains limited, particularly within the Zanzibar context. Moreover, previous studies have focused largely on the general investing population rather than retirees and have seldom compared preferences for financial products and physical assets. This study addresses this gap by examining retirees' investment preferences between financial products and physical assets in Zanzibar.



Theoretical Framework

This study is anchored on the Theory of Planned Behaviour (TPB) developed by Ajzen (1991). The theory provides a useful framework for understanding how retirees make investment decisions by explaining that an individual's behavioural intention is influenced by three key components: attitude, subjective norms, and perceived behavioural control. In the context of this study, the theory explains how retirees' attitudes toward investment, the influence of social norms, and their perceived ability to manage investments shape their investment preferences.

The Theory of Planned Behaviour posits that individuals make intentional decisions based on their attitudes toward a behaviour, perceived social expectations (subjective norms), and perceived behavioural control. These components are highly relevant to investment decision-making. Before making investment decisions, investors are expected to evaluate available investment opportunities through appropriate financial appraisal, as recommended by Lusardi and Mitchell (2014). Consequently, attitudes, financial knowledge, and investment behaviour contribute to individuals' competence and confidence in making investment decisions (OECD, 2017; Sobaih & Elshaer, 2023). Likewise, subjective norms explain how social influences shape investment choices. Therefore, retirees' financial attitudes, knowledge, behavioural control, and social environment collectively influence their investment preferences.

Attitudes and Retirees' Investment Decisions

Within the Theory of Planned Behaviour, attitude refers to an individual's favourable or unfavourable evaluation of a particular behaviour. In this study, the attitude component explains retirees' preferences for different investment options. Retirees often develop positive or negative attitudes toward investing in either physical assets or financial products based on their expectations of future benefits and risks.

Retirees who favour physical assets generally perceive them as tangible, secure, and easier to control. They often consider investments such as land and real estate as effective hedges against inflation and financial market uncertainty (Dzupire & Mutepuwa, 2024; Warsame & Ireri, 2016; Bodie et al., 2018; Poterba et al., 2012). Conversely, attitudes toward financial products are shaped by perceptions of expected returns, liquidity, institutional trust, and stock market performance. Financial products such as fixed deposits and insurance are commonly perceived as instruments for preserving wealth and generating stable income, whereas equities are often viewed as involving longer investment horizons and greater market uncertainty (Lusardi & Mitchell, 2014).

Subjective Norms and Investment Decisions

Subjective norms refer to the perceived social pressure to perform or avoid a particular behaviour. According to the Theory of Planned Behaviour, investment decisions are influenced not only by personal attitudes but also by social expectations and cultural values.



Among retirees, family members, peers, community members, and prevailing cultural beliefs may significantly influence investment choices (Juma & Mwakalobo, 2025). In many collectivist societies, social approval strongly favours investment in physical assets such as land and houses because they are considered secure, prestigious, and transferable across generations (Baker & Ricciardi, 2014; Raut et al., 2018). Such social expectations may discourage investment in financial products. However, previous studies suggest that individuals with higher levels of financial literacy are less likely to rely solely on social norms and are more likely to make investment decisions based on financial knowledge and objective evaluation (Patel et al., 2025).

Perceived Behavioural Control and Retirees' Investment Decisions

Perceived behavioural control refers to an individual's perception of their ability to perform a particular behaviour successfully. In investment decision-making, this includes retirees' confidence in their financial knowledge, prior investment experience, access to relevant information, and overall financial literacy (Patel & Nayak, 2023).

Retirees with higher levels of financial literacy and investment knowledge are generally more confident in investing in financial products (Lusardi et al., 2017). In contrast, retirees with limited financial knowledge are more likely to prefer physical assets because they perceive them as easier to understand, monitor, and manage (Finke et al., 2016).

According to the Theory of Planned Behaviour, attitudes, subjective norms, and perceived behavioural control jointly influence investment decisions. Retirees with favourable attitudes toward physical assets are more likely to invest in such assets, whereas those with positive perceptions of financial products are more likely to invest in financial instruments. Beyond the TPB constructs, previous studies have identified additional factors that influence investment decisions, including risk tolerance, income stability, health status, inheritance motives, and institutional trust (Chen & Sun, 2015; Poterba, 2014; Xiao et al., 2015; Yao et al., 2011). Nevertheless, this study focuses primarily on the constructs of the Theory of Planned Behaviour because they provide a comprehensive behavioural framework for explaining investment decision-making among retirees.

Overall, the Theory of Planned Behaviour explains retirees' investment behaviour by considering the interaction between personal attitudes, social influences, and perceived control over investment decisions (Bateman et al., 2013; She et al., 2024). The theory therefore provides a strong theoretical foundation for examining retirees' investment preferences. It enables the study to analyse how retirees' attitudes, subjective norms, and perceived behavioural control shape their investment choices (Tazkia & Tamanni, 2025).

In the context of this study, the Theory of Planned Behaviour offers a robust behavioural framework for explaining retirees' investment preferences and the factors influencing their investment decisions. Consequently, the theory directly supports the study's objectives of



identifying retirees' preferred investment options and examining the factors that influence their investment decisions.

METHODS

This study used a quantitative method under a descriptive design. In data collection, the study employed a cross-sectional survey, collected in one time by administering a questionnaire. The selected design was suitable because it allows for showing the intervention of theory and individual behaviour in a real situation (Creswell & Creswell, 2018). The TPB is applied in this study to show the implications of retirees' behaviour in investment. It became possible to relate the retirees' investment decision and the factors influencing their investment decision in the context of Zanzibar. Retirees were the study population and the unit of analysis. The sample size was determined from 7773 retirees, in the Urban West region in Zanzibar, which comprised three districts of Urban, West B and West A in 33 Shehias within the districts. Using the finite population table by Krejcie and Morgan (1970), the calculated sample size was 364, so 364 questionnaire were distributed to retirees. After data collection and management, the analysis was conducted on data from 283 retirees who returned a well-filled questionnaire.

RESULTS

This part presents the results and findings of the study. In Table 1, the study presents Demographic information of respondents. In Table 2, the study presents Retirees' preferred investment choices discussed in objective one. Table 3 presents the investment trends by gender among males and females, discussed under the second objective.

In Table 1, the study presents Demographic information, which shows that 283 respondents were involved in the study, among them 175 are males and 108 are females. The results show that the 85% of them were above the age of 60. This value makes the validity that many respondents have attained the retirement age of Tanzania.

Table 1: Demographic information of respondents.

Item		frequency	percent
Gender	Female	108	38.2
	Male	175	61.8
Total		283	100



Age	50-59	44	15.55
	60-and above	239	84.45
Marital Status	Married	220	77.7
	Divorced	49	17.4
	Single	14	4.9
Education	Primary	7	2.5
	Secondary	28	9.9
	Tertiary certificate	40	14.1
	Tertiary diploma	139	49.1
	Tertiary university	69	24.3

Table 2: Retirees' preferred investment choices

Preferred investment.	Frequency	Percent	Valid Percent
company stock	1.00	0.40	0.40
business in commodities	29.00	10.20	10.20
short-term fixed deposit	71.00	25.10	25.10
Retain forex	26.00	9.10	9.10
Treasury bills	1.00	0.40	0.40
life insurance	3.00	1.10	1.10
land and house	120.00	42.40	42.40
collection of gold and precious metals	5.00	1.80	1.80
machines and industries	5.00	1.80	1.80
Invest in health services	16.00	5.70	5.70
Invest in education services	6.00	2.10	2.10
Total	283.00	100.00	100.00

Table 3. Investment trends by gender.

	Male				Female				Total	
Preferred Investment	Male Count	% within	% within Investme	% of Tot	Female Count	% withi	% within Investme	% of Tot	Total Count	% of Tot



		Male		al		Fema le		al		al
Company stock	1.00	0.01	1.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
Business in commodities	15.00	0.09	0.52	0.05	14.00	0.13	0.48	0.05	29.00	0.10
Short-term fixed deposit	50.00	0.29	0.70	0.18	21.00	0.19	0.30	0.07	71.00	0.25
Retain forex	16.00	0.09	0.62	0.06	10.00	0.09	0.39	0.04	26.00	0.09
Treasury bills	0.00	0.00	0.00	0.00	1.00	0.01	1.00	0.00	1.00	0.00
Life insurance	2.00	0.01	0.67	0.01	1.00	0.01	0.33	0.00	3.00	0.01
Land and house	76.00	0.43	0.63	0.27	44.00	0.41	0.37	0.16	120.00	0.42
Gold & precious metals	2.00	0.01	0.40	0.01	3.00	0.03	0.60	0.01	5.00	0.02
Machines & industries	1.00	0.01	0.20	0.00	4.00	0.04	0.80	0.01	5.00	0.02
Health services	7.00	0.04	0.44	0.03	9.00	0.08	0.56	0.03	16.00	0.06
Education services	5.00	0.03	0.83	0.02	1.00	0.01	0.17	0.00	6.00	0.02
Total	175.00	0.62	—	—	108.0	0.38	—	—	283.00	1.00

DISCUSSION

Demographic information of retirees

In Table 1, the study presents Demographic information, which shows that 283 respondents were involved in the study, among them 175 are males and 108 are females. The results show that the 85% of them were above the age of 60. This value supports the validity that many respondents have attained the retirement age of Tanzania. The retiree has an education between primary education and a tertiary university, where a tertiary diploma leads by 49.1%

Objective One: Retirees' investment preferences between physical assets and financial products

Data was analysed and presented to examine retirees' investment preferences between physical assets and financial products. The results in Table 2 show that 41.6% prefer to invest in land and housing; the finding corroborates with Mayodomo (2022), suggesting that many investors prefer physical assets due to their secure nature and the ability to generate rent income over time. Also, 25.1% opted to invest in short-term fixed deposits. The findings support the study of Barnejee



(2013), who found that the short-term fixed deposit attracts many older investors due to the income generated in a short time, although in a lower amount, but stable. At the same time, 9.5% opt for retaining, forex choices, a decision. The finding supports the Balcilar et al (2021). This implies that forex attracts the attention of retirees in investment. Furthermore, 5.7% invested in health services. This indicates that there is an opportunity for investors to engage in productive service, such as a dispensary, pharmacy, and hospital. As suggested by Borsch-Supan & Weiss (2016). Meanwhile, 2.1% have invested in education services such as schools, stationery and other education materials. The result supports UNESCO (2020) that the growing sector of education has opened the door to improving social and economic impacts. So, retirees invest in education, furthermore, 1.8%. In addition, 1.8% retirees have invested in machinery; this finding is supported by the study of Akhtaruzzaman et al (2021), showing that retirees with a background in entrepreneurship are inclined to invest in small manufacturing or machinery, because they are stable in long-term expectations.

At the same time, 1.8% have invested in precious metals, which continues a long-standing strategy of using assets like gold as a store of value and inflation hedge, as explained by Lucey & Baur (2015). The study also finds that only (0.4%) has invested in stock, showing poor involvement in the stock market.

The research shows that a significant proportion of retirees have invested in land and housing, indicating that Land and housing are the most preferred investments among retirees, followed by short-term bank deposits, foreign exchange, and health services. Smaller proportions have invested in education services, gold and precious metals, machinery and industry, and company stock, with treasury bills being the least preferred.

Objective Two: Gender Trends in Investment Preferences among males and females

The result from Table 3 presents the investment preference for male and female genders, showing investment types and the preferences among retirees. The sample consists of 283 responses, of which 175 (61.8%) are male, and 108 (38.2%) are female. Overall, the results show that respondents strongly prefer physical Assets, while participation in financial instruments remains limited.

Land and housing are the most preferred investments among retirees in Zanzibar. 120 responses (42.4%). While 63.3% are male and 36.7% are female. Within gender groups, men cover 43.4%, and females cover 40.7%. This pattern suggests that both genders perceive land and houses as trustworthy investments for them. This investment type is culturally associated with economic security and long-term investment, mostly preferred and honoured as prestigious in Zanzibar and associated with economic security and long-term security (Allen & Santomero, 2001; Beckmann, 2013). Furthermore, behavioural finance literature highlights that investors often prefer tangible assets due to familiarity and perceived lower uncertainty (Barberis & Thaler, 2003).

The second-most-preferred investment is short-term fixed deposits, representing 25.1% of total responses. A clear gender difference is observed in this category, 70.4% of these investors are male compared to 29.6% female. Gender group-wise shows that 28.6% men and 19.4% preferred



to invest in a financial fixed deposit; this finding collaborates with Barber and Odean (2001) and Croson and Gneezy 2009), showing that retirees are engaged in direct financial deposits due to confidence in banks' assurance of security and income.

In commodities investment, the respondent shows that 10.2% involved in these investments, with 51.7% male and 48.3% female. This presents the idea that retirees engaged in the business with lower entry facilities, which commonly require lower capital and rely on local market networks (Minniti & Naudé, 2010).

Another notable category is retaining foreign currency, accounting for 9.5% of responses. The gender distribution is relatively balanced, with 59.3% male and 40.7% female investors. Holding foreign currency is used as a strategy to hedge against inflation and monetary fluctuations. Retiree Participation in health services investment accounts for 5.7% of responses, with women dominating in this category by (56.3%). Likewise, women constitute the majority of investors in precious metals (60%) and lead in machinery and industries (80%), by group. Though these categories involve small numbers of respondents, they indicate that female investors engaged selectively in specific productive or service-oriented investments.

The results show that investment in financial market instruments remains extremely limited. 0.4% of respondents reported investing in company stocks, similar to treasury bills (0.4%) and life insurance (1.1%). This shows lower engagement with capital market instruments and reduced participation in the financial market, which has often been attributed to low financial literacy, limited awareness, and low interest in financial services (Lusardi & Mitchell, 2014; Van Rooij, Lusardi, & Alessie, 2011).

Overall, the results indicate that investment preferences differ by gender in specific investment categories. However, both men and women mostly favour tangible assets over financial products. They concentrated on land, housing and fixed deposits, also denoting limited portfolio diversification. However, the perceived patterns suggest that respondents rely more on socially endorsed, familiar assets than on diversified financial portfolios.

It is important to note that some investment categories have very low frequencies, which limits the power of statistical comparisons across gender groups. Nevertheless, the descriptive patterns give useful contextual insight into investment behaviour. These outcomes complement the wider argument of this study that people in lower economy countries have lower financial literacy, which affects their financial investment decisions.

Implications of the Theory of Planned Behaviour from the findings perspective

The theory of planned behaviour provides a useful framework under three components: attitude toward behaviour, subjective norms and perceived behaviour control. In the context of this study, retirees' positive attitudes toward tangible assets shape their investment decisions. The choice of land and housing is widely regarded as a stable and secure investment by retirees. Also, they believe that they are offering long-term financial protection. Through this perception, retirees prioritise physical asset investments over financial instruments that may sometimes appear more complex and time-consuming.



Subjective norms appear to influence retirees' investment preference decisions. In Zanzibar society, property ownership is socially recognised and accepted as a sign of financial success. Retirees are encouraged by family members, peers, and the community to invest in land or housing. Such social advice, which strengthens retirees' intention to invest in physical assets, also discourages their engagement with certain familiar financial instruments on the market. The dominance of real estate investments observed in this study thus reflects retirees' attitudes and a desire to share wealth accumulation through physical assets.

In the perceived behaviour control, the study finds limited participation among retirees in investing in financial instruments. We are realising that stocks, treasury bills, and insurance investments require financial literacy, access to financial intermediaries, and trust for financial institutions. A lower rate of investment preference indicates that many retirees lack the necessary knowledge and capability to engage in this type of investment. When that happens, retirees prefer investments that allow greater personal control and require less specialised financial knowledge.

While the gender analysis provides additional insight into investment behaviour among retirees, the findings indicate that both male and female retirees strongly favour investing in tangible assets and are conservative in their approach to financial products. Therefore, Land and housing dominate retirees' investment preferences, regardless of gender. This preference reflects a common perception of property ownership as a stable and socially valued investment strategy for both genders.

However, in some investment patterns, Male respondents demonstrate slightly higher participation in formal financial products, such as short-term fixed deposits. Showing that in some situations, male retirees exhibit greater financial confidence in financial products. The findings collaborate with previous research suggesting that men often exhibit greater financial confidence and higher participation in formal financial markets (Lawrance et al,2024). The Expressing shows that male retirees may have greater exposure to financial information than females. So contribute to men's higher involvement in bank-based investment products.

Meanwhile, in terms of theory, retirees exhibit relatively high participation in commodity-based businesses. The findings show males have greater business interests and certain service-oriented investments, such as health-related services. These investment patterns may reflect women's greater involvement in small-scale entrepreneurial activities and local economic networks. Such investments typically require less capital and may be more accessible to individuals with limited exposure to formal financial markets. The considerably higher female participation in these sectors suggests that women prefer investment opportunities connected to everyday life and economic activities, particularly with community-based enterprises.



The observed gender differences can also be explained through the TPB framework. Attitude may influence men and women to pick desirable investments. A person can select one product because of the greater influence of family, which aligns with their economic experiences.

In general analysis, we find that both men and women favour tangible assets investments compared to financial products; there are differences in preferences in some investment categories. While male retirees have higher participation in short-term fixed deposits than women, women are more engaged in commodity-based businesses and related service investments. Like education and health services.

The relationship of the findings to the theory of planned behaviour suggests that investment preferences are influenced by positive attitudes towards investing in physical assets, and shaped by social norms around property ownership, and are limited by perceived behavioural control over complex financial products. These TPB factors are used to determine the retiree's investment preferences.

From a knowledge perspective, the findings contribute to behavioural finance by showing how psychological factors and social influences shape the investment preferences of retirees in a developing-economy context. The application of the TPB theory provides evidence of why individuals may prefer traditional tangible investments over financial products, even though financial literacy and theories recommend a diversified portfolio.

From a policy perspective, the results highlight the need to strengthen financial literacy and knowledge programs. When retirees are involved in financial training, it helps build financial confidence and supports long-term decision-making. So can engage in diverse financial markets.

CONCLUSION

In conclusion, this study demonstrates that retirees predominantly prefer Physical assets, particularly land and housing, as their primary investment preferences after retirement. Some investments, such as short-term fixed deposits, attract some investors. However, participation in more sophisticated financial instruments like company stocks, treasury bills, and life insurance remains extremely low and accounts for a very small proportion of total preferred investment choices by retirees. This pattern suggests that retirees tend to avoid financial assets that require specialised financial knowledge, institutional handling, or greater tolerance for uncertainty. The findings, therefore, highlight a strong preference for investments that are easy to familiarise with, to control and perceived as safe.

RECOMMENDATION

The study recommends that policymakers introduce policies that direct pension authorities and financial institutions to offer short-term financial products that strengthen capital protection for retirees and other investors with a regular moderate income. Financial institutions to guide



retirees into safe investment financial instruments that can increase retirees' confidence and reduce financial risks.

Based on the findings from objective two, the study recommends that financial and investment authorities expand affordable Financial Education and Advisory Services for retirees. This may encourage moderate reliance on financial consultation.

Similarly, integrating a retirement planning framework that handles attitudes, behaviour, and targeting can ensure retirees make holistic, well-informed investment decisions.

In consideration of factors related to Cultural and Religious Sensitivity among retirees and the community, the study recommends that the financial and investment authority introduce advisory schemes that incorporate religiously compliant options to align with normative expectations and increase retirees' willingness to participate in the formal financial investment market.

Ethical clearance

All participants were voluntarily involved in the study by their consent, and they were informed that this research was conducted for academic purposes.

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Conflict of interest

The author declares there is no conflict of interest with any person or organisation. The research was conducted without consideration of any commercial or financial interests that could constitute a conflict of interest.

Data availability statement

The dataset for this study may be available upon request. Citation at Juma, Juma Omar (2026) Investment Decisions Preferences among Retirees in Zanzibar: Comparison analysis of Financial Products versus Physical Assets under the Theory of Planned Behaviour

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