



UNIVERSITI PUTRA MALAYSIA

***PROFILING OLDER MALAYSIANS USING THREE-TIER
ECONOMIC WELLBEING MEASURE BASED ON
NETFLOW-NETWORTH TYPOLOGIES***

BENJAMIN CHAN YIN FAH

IG 2012 1

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**DOCTOR OF PHILOSOPHY
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Abstract of thesis submitted to the Senate of Universiti Putra Malaysia in fulfilment of requirement for the degree of Doctor of Philosophy

PROFILING OLDER MALAYSIANS USING THREE-TIER ECONOMIC WELLBEING MEASURE BASED ON NETFLOW-NETWORTH TYPOLOGIES

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December 2011

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The study aims to profile older Malaysians using three-tier economic wellbeing measure based on netflow-networth typologies. The study utilized secondary data from an IRPA Project titled “Economic and Financial Aspects of Ageing in Malaysia (2005)”, one of the research project under the Quality of Life of Older Malaysians research program. A total of 2,327 older persons in Malaysia were interviewed in this cross-sectional study. The study found that 77 per cent of the respondents had positive net flow (mean monthly income of RM 574 and mean expenses of RM 213). Eighty-two percent of them has a positive net worth (mean assets = RM 90,993; mean liabilities = RM 15,302). For perceived income adequacy, 63 percent of them perceived their income as adequate while the remaining 37 per cent perceived their income was not adequate for daily expenses. The economic wellbeing of older Malaysians in this study was determined by combining both objective

measures (net flow, net worth) and subjective measures (perceived income adequacy). Three levels of economic wellbeing were identified namely, (1) economically advantaged, (2) at risk and, (3) economically disadvantaged. In this study, 26 per cent of them were grouped into economically disadvantaged group, 49 per cent in at risk group and 25 per cent in economically advantaged group. Multinomial Logistics Analysis revealed that male was 1.25 times more likely than female to be in the advantaged group over the at risk group. Those who were working, financial prepared, good self-rated health were 1.3 times more likely to be in the advantaged group over the at risk group.

Since the economically disadvantaged group has been taken care by many poverty eradication programs in Malaysia, efforts should be focused on the at risk group, with is in lines with the Malaysia Economic Transformation Programme (ETC) to uplift the quality of life of lower income households. In order to increase the level economic wellbeing, financial education programs should be introduced to both older and younger persons to enable them to make effective financial decisions for present and future needs.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Doktor Falsafah

**MEMPROFIL WARGA EMAS MALAYSIA DENGAN MENGGUNAKAN
TIGA PENDEKATAN PENGUKURAN BERDASARKAN ALIRAN BERSIH
DAN NILAI BERSIH**

Oleh

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Kajian ini bertujuan untuk memprofil warga emas Malaysia dengan menggunakan tiga pendekatan pengukuran berdasarkan aliran bersih dan nilai bersih. Kajian ini menggunakan data sekunder daripada projek IRPA berjudul "*Economic and Financial Aspects of Ageing in Malaysia (2005)*" di bawah program penyelidikan kualiti hidup warga emas Malaysia. Seramai 2,327 warga emas Malaysia terlibat dalam kajian keratan rentas ini. Kajian ini mendapati sebanyak 77% daripada responden memiliki aliran bersih positif (purata pendapatan bulanan sebanyak RM 574 dan purata perbelanjaan bulanan sebanyak RM 213). Lapan puluh dua peratus daripada jumlah responden memiliki nilai bersih positif (purata aset sebanyak RM 90,993; purata tanggungan sebanyak RM 15,302). Kajian mendapati sebanyak 63 peratus responden merasakan pendapatan mereka mencukupi untuk membiayai perbelanjaan harian mereka, tetapi sebanyak 37 peratus melaporkan tidak mencukupi untuk perbelanjaan harian mereka. Tahap

kesejahteraan ekonomi warga emas Malaysia dalam kajian ini ditentukan dengan menggabungkan pengukuran objektif (aliran bersih, nilai bersih) dan pengukuran subjektif (tanggapan kecukupan pendapatan). Tiga tahap kesejahteraan ekonomi yang telah dikenalpasti ialah (1) Kumpulan ekonomi kelebihan relatif, (2) berisiko, dan (3) kumpulan ekonomi terdedah. Dapatan kajian mendapati golongan lelaki adalah 1.25 kali lebih berkemungkinan berbanding dengan golongan wanita untuk berada dalam kumpulan ekonomi kelebihan relatif kepada kumpulan berisiko. Golongan yang bekerja, mempunyai perancangan kewangan dan taraf kesihatan yang baik adalah 1.3 kali lebih berkemungkinan untuk berada dalam kumpulan ekonomi kelebihan relatif kepada kumpulan berisiko.

Memandangkan kerajaan telah melaksanakan banyak program demi membasmi kemiskinan dalam golongan ekonomi terdedah di Malaysia, usaha harus ditumpukan kepada kumpulan yang ekonomi berisiko, di mana ini selari dengan haluan Program Transformasi Ekonomi Malaysia untuk menaikkan kualiti hidup dalam kalangan isirumah yang berpendapatan rendah. Demi meningkatkan tahap kesejahteraan ekonomi, program pendidikan kewangan haruslah diperkenalkan kepada generasi muda dan tua supaya mereka boleh membuat keputusan kewangan yang efektif untuk keperluan mereka kini dan untuk masa depan mereka.

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I certify that a Thesis Examination Committee has met on (16 December 2011) to conduct the final examination of (Benjamin Chan Yin Fah) on his thesis entitled "Profiling Older Malaysians Using Three-Tier Economic Wellbeing Measure Based On Netflow-Network Typologies" in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1998. The Committee recommends that the student be awarded the Doctor of Philosophy

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DECLARATION

I declare that the thesis is my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously, and is not concurrently, submitted for any other degree at Universiti Putra Malaysia or at any other institutions.



BENJAMIN CHAN YIN FAH

Date : 16 February 2012

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