

Financial Satisfaction of Older Person in Bukit Cerakah Selangor, Malaysia

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Abstract

The aging of human society is rapidly becoming a worldwide phenomenon, and now the world as a whole is ageing. The number of the world's older persons has increased dramatically from only 205 million persons aged 60 years and older in 1950 to 2 billion by 2050. Research on financial satisfaction of older people outside Malaysia has been well documented, but our understanding of this issue in Malaysia remains limited. The present paper presents the result of a cross-sectional survey conducted in rural Selangor, Malaysia, to analyze the financial satisfaction of older people. More specifically, the present paper analyzes: (1), demographic and socioeconomic profiles of older persons in rural Selangor Malaysia; (2), income status of older people in rural Selangor Malaysia; (3), level of financial satisfaction of older person, and (4), the importance of financial support from children among older people in rural Selangor Malaysia. This study was conducted in the village of Bukit Cerakah, one of the rural areas in the state of Selangor. This paper is basically employed a descriptive research design. It is used when a researcher seeks a better understanding and measure how variables are naturally distributed. There were 70 older persons aged 50 years and older were chosen through convenience sampling. Data were collected through structured and unstructured interviews with research participants, coupled with observations on their daily lives. Data were analyzed using descriptive and thematic approach. Results of the study revealed that: (1), older persons in this survey are 41 female, and 29 male, young old, aged between 69 or below. 60 of them reported as having primary or secondary school certificate and above, not working and still married; (2), there is substantial variation in their monthly income; from RM200 up to RM3000 per month. Only 44 of them have a monthly income of more than RM870, above poverty line income; (3), the number of older persons who satisfied and not satisfied with their financial situation are almost the same; and (4), there are 55 of older persons perceived financial support from children are important, or very important. To conclude, adult children are very important to older persons. The responsibility of adult children in the study area to support their elderly parents financially is still observed in the study area.

Keywords: population ageing; older persons; rural areas; financial satisfaction; well-being

1. Introduction

While there are researchers who argue that a positive relationship between age and financial satisfaction is seemingly paradox (Hansen, Slagsvold, and Moum, 2008), and believe this satisfaction paradox is typically attributed to elders' supposed psychological accommodation to poor financial circumstances, most of the analysis on financial satisfaction has consistently documenting that older people, despite their lower levels of income, are more satisfied financially than younger people (Hansen, Slagsvold, and Moum, 2008). Despite information on financial satisfaction of older people outside Malaysia has been well documented, our understanding of this issue in Malaysia remains limited. Although a wide range of research on older persons in Malaysia has been conducted, and many aspect of older person has been well documented, little is known about financial satisfaction of older people in rural Malaysia.

The present paper presents the result of a cross-sectional survey conducted to analyze the financial satisfaction of older people in rural Malaysia. This research is particularly important as the general perception that older people are generally more satisfied with their financial situation as compared to the young. It means that we tend to conclude that older adults is financially satisfied than younger adults. It needs, however, empirical data to answer this perception. Thus, empirical information on financial satisfaction of older people is especially important policy issue. Because of the relative importance of information on financial satisfaction of older people to policy makers, it is felt necessary, therefore, for the paper to explore the issue so that policy makers could use the information to improve the life of older person in rural areas.

2. Objectives

This present article analyzes financial satisfaction of older person in rural Selangor, Malaysia. More specifically, it analyzes; (1), demographic and socioeconomic profiles of older person in rural Selangor, Malaysia; (2),

income status of older people; (3), level of financial satisfaction of older person; and (4), the importance of financial support from children among older people in rural Selangor, Malaysia.

3. Literature Review

The aging of human society is rapidly becoming a worldwide phenomenon (Myers, 1985; Kinsella and Velkoff, 2001; United Nations, 2001), and the world as a whole is ageing (Kinsella and Wan He, 2009; United Nations, 2015). The number of the world's older persons has increased dramatically since 1950. In 1950 there were only 205 million persons aged 60 years and older throughout the world. In 2000, the number of persons aged 60 years and older has increased to about 606 million (United Nations, 2001). It is projected that there will be more than 1 billion people aged 60 years and above by the year 2025. This figure will reach 2 billion by 2050 (United Nations, 2002; United Nations, 2007). It is projected the world's older population is increasing by 1 000 000 persons every month (Troisi and Kutsal, 2006).

Following the dramatic increase in older population at the global level, research on older population has long become a critical agenda for most of developed countries (Kinsella and Wan He, 2009). In United Nations itself, the Population Division, Department of Economic and Social Affairs of the United Nations is responsible for providing the international community with up-to-date and information on population and development. The Division also undertakes regular studies on levels, trends and dynamics of population ageing, prepares national, regional and global estimates and projections of older populations, as well as collects and analyses information on the relationship between population ageing and development (United Nations, 2013).

In Malaysia, research on older persons has started to become an important area of academic research. It is so because in recent years Malaysia has been showing signs of ageing (Chan Kok Eng, 1994). Malaysia's population, however, although it has been showing signs of ageing, is in fact still in a youthful category. According to the 2000 Census, it was recorded only 6.3% of the population aged 60 years and above (Pala, 2005). While at the global level, research on older person is not a new effort; in Malaysia, research on older population is rather a new endeavor. This is because, among other things, besides population aging itself is not yet become a distinct phenomenon in Malaysia, most of the local demographers have been concentrating their research on other aspects of population such as fertility, mortality, migration, urbanization, marriage, and the interaction of these aspects with the national development (Wan Ibrahim W. A., Fuziah S., Jamaluddin M., Ahmad Syukri A. H. & Rusimah S., 2015). In parallel with Malaysia which has been showing signs of ageing, only recently has research on this category of population been seen as important focus of studies by local scholars (Wan Ibrahim Wan Ahmad and Zainab Ismail, 2011; Wan Ibrahim Wan Ahmad, Zainab Ismail and Asyraf Hj. Ab. Rahman, 2011).

Since Malaysia gained independence 50 years ago, the average age of the population has increased markedly (Wan Ibrahim Wan Ahmad, Zainab Ismail and Ma'rof Redzuan, 2012). In 1957 at the time Malaysia gained independence, the number of population aged 65 years and older in numbered around 175 500 persons, that constituted 2.7 percent of the population of Peninsular Malaysia at that time. In 1970, it was estimated to be 316,852 persons, and in 1991 there were 657 401 persons aged 65 and above. The number of older persons almost doubled over twenty years' time between 1970 and 1991 (Wan Ibrahim Wan Ahmad and Zainab Ismail, 2011).

The relationship between age and financial satisfaction is rather complex (Hayes, 2014). In everyday life we are likely to accept that there is an inverse relationship between age and financial satisfaction. In other words, older person is likely to be less satisfied with their financial situation. Outside Malaysia research on financial satisfaction of older adults has received considerable attention since the last several decades (e.g. see, Liang and Fairchild, 1979; Liang, Kahana and Doherty, 1980). Most of such research has consistently documenting that there is a positive relationship between age and financial satisfaction (Hayes, 2014). Hayes, in an analysis on 56 countries included in the first stage of his research shows that there is a statistically significant relationship between increasing age and increasing financial satisfaction. It is found 60 per cent of the aged 80 and over was satisfied with their household's financial situation, compared to only 55 per cent of those aged 50 and above. Evidence from the U.S. and Europe also correlates age positively with financial satisfaction (Stoller and Stoller, 2003). 85 per cent of older Americans and Norwegians are satisfied or very satisfied with their financial situation as compared to the proportions of nonelderly Norwegians are 5-15% lower (Hansen, Slagsvold, and Moum, 2008).

Although older persons are likely to be satisfied with their income, the family should not neglect its elderly members. Family is the primary caregiver to the older persons, and this social fact transcends culture, politics, and economic circumstances (Kendig, Hashimoto and Coppard, 1992). Family will continue to be a major source of interpersonal support (Chappell, 1990). Because family is important, Wenger (1992) shows that in the United States and Canada, the rural older persons are likely to live nearer to members of their families to help them easier to get support. Support is aid rendered to meet specific needs of older persons in terms of financial, instrumental, and emotional (Kendig, Hashimoto and Coppard, 1992). Especially in developing countries where

the coverage for social and financial security of older persons is limited, family-based support is extremely crucial for financial satisfaction of older persons. In Malaysia, as in other parts of the world, the family nowadays faces challenges from within and outside to fulfill the task (Masitah and Nazileh, 1988). Recognizing the family in Malaysia are facing challenges to fulfill the task; it is likely that older person will be facing problems in financial satisfaction.

4. Materials and Method

This study was conducted in Bukit Cerakah, one of the rural areas in the state of Selangor. Bukit Cerakah is situated in the central area of Klang Valley, where Klang Valey is the most developed are in Malaysia. The accessibility of the study area to the surrounding areas has been very easy, particularly via four main highway links. The area was chosen for this study because it is a famous recreational area in Malaysia. Although the area is rapidly developing, older people in this area is still exhibits rural life and represents characteristics of traditional Malay life. The study is designed with the aim to have a better understanding of financial satisfaction of older persons.

This paper is basically employed a descriptive research design. Descriptive research design is used when a researcher seeks a better understanding and measure how variables are naturally distributed (Yegidis and Weinbach, 2002). We applied this design as to see how older persons perceive their financial situation in midst of the developing surrounding areas. The design suitable to meet this aim is descriptive design (Newman, 2006). There are 70 older persons aged 50 years and older. They are selected through convenience sampling. Data were collected through structured and unstructured interviews with research participants, coupled with participant observations conducted in selected households. Data were analyzed using descriptive approach.

5. Results and Discussion

Following the objectives of the paper, this section analyzes; (1), profiles of older persons in rural Selangor, Malaysia; (2), income status of older people in rural Selangor, Malaysia; (3), level of financial satisfaction of older person; and (4), the importance of financial support from children among older people in rural Selangor, Malaysia.

5.1 Profiles of Older Persons

From 70 older persons selected for the study, the majority of them are female. The majority of respondents are female because they are selected through convenience sampling which at the time of survey, their husband may be are not at home. They are aged between 69 years and below. Only nine out of 70 are aged between 70 – 79 years (Table 1).

Table 1: Profiles of Older Persons

Profiles of Older Persons	Number	Per Cent
Gender		
• Male	29	41.4
• Female	41	58.6
Age		
• 69 and below	61	87.1
• 70 – 79	9	12.9
Education		
• Never Attended School	10	14.3
• Primary	32	45.7
• Secondary and above	28	40.0
Working Status		
• Working	31	44.3
• Not Working	39	55.7
Marital Status		
• Widowed/Divorced	14	20.0
• Married	56	80.0

The number of older persons who reported never attended formal school is small, but the number of older persons who completed primary and secondary school is nearly the same. In terms of working status, the difference between older persons who are still working and not working are also is not significant. It is because the majority of older persons selected as respondents are female; and the majority of female older persons in Malaysia do not work. They are full time housewives. Observing on their marital status, the majority of them are still married.

5.2 Income Status of Older Persons

In this survey, it is found that the financial level of respondents varies. There are respondents who have financial, or in particular, income up to RM3000 a month, while other respondents have only RM200 a month. When this absolute income has categorized into two categories, the majority of older persons have a monthly income of above the national poverty line income. National poverty line income which still been used for rural areas nowadays is RM870 a month. Only one-third has a monthly income below the national poverty line income. Thus, what can be said from the income level of older persons in the study areas is that the majority of older persons are not poor. Their income is considered above the poverty line income. Older person is considered as poor when he or she has a monthly income of lower than the poverty line income. But when asked whether this income is adequate or otherwise, the majority of them perceived their income as not enough. Out of 70 older persons interviewed in the survey, 38 perceived their income as not enough. Older persons who perceived their income as enough, or very enough are only 32 older persons, or 45 per cent out of all older persons, although older persons receive remittances from their children. Consequently, because they perceived their income is not enough, 89 per cent are using all of their income for basic necessities (Table 2).

Observing on how older persons using their monthly income, particularly on basic necessities, showing that the majority of older persons in the study area are having a low standard of living. This is because a large portion of income used for basic necessities, an indicator of older persons in the study area are having a low standard of living. Older persons who are living in poverty will always not enough money for daily expenses, and indeed, it is a major problem facing older people in rural Malaysia. Most of older people in other parts of rural Malaysia are also facing the same problem ((Wan Ibrahim Wan Ahmad, 1999; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014a; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014b; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014c; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014d).

Table 2: Income Status of Older Persons

Income Status	Number	Per Cent
• 870 and below	26	37.1
• 871 and above	44	62.9
Remittance from Children		
• 870 and below	66	94.00
• 871 and above	4	6.00
Income Adequacy		
• Not Enough	38	54.3
• Enough	25	35.7
• More than Enough	7	10.00
Income Used		
• All	62	88.6
• Half	6	8.6
• Less than Half	2	2.8

This is, among other things, as stated in various empirical researches in Malaysia, because of the majority of older persons in Malaysia are self-employed. They have never involved in formal labor force, or in a government sector which gives them an opportunity to have a retired allowance after they reach 60 years. Most of them are working as rubber tapper, small farmers or small fisherman. All these kind of economic activities do not guarantee them a secure income. Because the majority of older persons in Malaysia are living in rural areas, so that the majority of them are living under poverty level. Older persons who have attended formal school normally have an opportunity to be involved in the government sectors, and have a retired allowance after they reach 60 years. These older persons are normally considered as not poor. There are also older persons who have never attended formal school, but have migrated to urban areas to work in informal sectors, and normally such older persons also are not too poor.

5.3 Level of Financial Satisfaction

The majority of older persons reported that they do not satisfy with their financial situation. Although the proportion between not satisfied and satisfied is not significant, the proportion of not satisfied is higher. When asked the level of financial satisfaction several months before the study, and several months after the study, older persons give almost the same answer (Table 3).

Level of financial satisfaction is how far older persons satisfied with their financial situation. A wide range of study shows age variable as positively correlates with financial satisfaction (see; examples, Hayes, 2014; Stoller and Stoller, 2003; Hansen, Slagsvold, and Moum, 2008). Such results cannot be found in this study. Thus is because older persons normally earn substantially less than midlife persons, and thus, one would expect an inverse relationship between age and financial satisfaction (Hansen, Slagsvold, and Moum, 2008). The strongest

predictor of satisfaction has been the discrepancy between what one wants and what one has (Michalos, 1985, 1991; Plagnol, 2011). Satisfaction with income depends to a large extent on an individual's ability to purchase desired items with that income, and individuals seem to adjust their levels of desires and thus, regulate satisfaction levels (Solberg, Diener, Wirtz, and Lucas, 2002; Plagnol, 2011).

Plagnol (2011) in his explanations of what might influence financial satisfaction over the life course argues that satisfaction depends on the extent to which objective circumstances fulfill one's aspirations. Satisfaction declines when the gap between aspirations and the individual's perception of his own situation increases (Campbell, Converse, and Rodgers, 1976; Plagnol, 2011). Aspirations seem to be lower among the old than among the young, and could thus explain high levels of financial satisfaction in old age (Campbell et al., 1976).

Table 3: Level of Financial Satisfaction

Level of Financial Satisfaction	Number	Per Cent
• Not Satisfied	37	52.9
• Satisfied	33	47.1
Level of Financial Satisfaction Prior the Study		
• Not Satisfied	40	57.1
• Satisfied	30	42.9
Level of Financial Satisfaction in the Future		
• Not Satisfied	38	54.2
• Satisfied	30	42.9
• Very Satisfied	2	2.9

5.4 The Importance of Financial Support

Following the majority of older persons did not satisfied with their financial satisfaction among older persons; we would say that the majority of older persons in this study area will perceive the financial support will be important, or very important. The lower the income of older persons the higher the level of dependency of older persons on their children, and the higher the tendency of these older persons to see that financial support is important. More than two-thirds of older persons perceived financial support from adult children is important, or very important (Table 4). Only 15 of older persons perceived financial support from children is not important.

In Malaysia adult children, particularly adult sons have important responsibilities to support their elderly parents financially. Previous research in Malaysia also show that financial support is crucial to older persons in rural Malaysia (Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014a; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014b; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014c; Wan Ibrahim Wan Ahmad and Zainab Ismail, 2014d). This situation is also observed in many parts of Asian countries where sons have a financial responsibility to elderly parents (Hashimoto and Kendig, 1992). In other words, having children is crucial for old-age security. Parents decide to have children because they expect to receive back a monetary or in-kind transfer from children when they are old (Boldrin and Jones, 2002). Parent in developing countries want many children also because of financial security of older persons is limited. Because the importance of children in financial support in old age, most of older persons in developing countries are expecting children are able to help them in terms of financial when they are too old. This is also the reason why older persons in study area perceived financial support are important.

Table 4: The Importance of Financial Support

The Importance of Financial Support	Number	Per Cent
• Not Important	15	21.4
• Important	33	47.1
• Very Important	22	31.4

6. Conclusion

Most of the analysis on financial satisfaction has consistently documenting that older people are more satisfied financially than younger people. The present paper is concerned with the level of financial satisfaction; that is how far older persons satisfied with their financial situation. The study shows that older persons do not satisfied with their financial satisfaction. Although the proportion between not satisfied and satisfied is not significant, the proportion of not satisfied is higher. When asked the level of financial satisfaction several months before the study, and several months after the study, older persons give almost the same answer. Analyzing on the income of older persons, although most of older persons have a monthly income of above the poverty line income, the majority using all of their monthly income, particularly for basic necessities, showing the majority of older persons in the study area are having low standard of living.

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