



RETIREMENT PREPAREDNESS & PRODUCTIVE AGEING

Among Pre-Retirees & Retirees in the Klang Valley



October 2018



Funding agency:

**Kumpulan Wang Persaraan Diperbadankan
(KWAP)**

Research institute:

**Malaysian Research Institute on Ageing
(MyAgeing) of Universiti Putra Malaysia (UPM)**

DATE: 30 OCTOBER 2018

Section 1:

PRE-RETIREEES DATA

Pre-retirees are in need of financial advise or assistance to help them prepare for retirement.

CONTENTS

- 01** Profile of Respondents
- 02** Aspirations & Attitudes towards Life in Retirement
- 03** Facilitating Environment & Barriers to Active Participation
- 04** Economic Valuation of Productive Activities
- 05** Health and Self-care
- 06** Well-Being

PROFILE OF RESPONDENTS

Pre-Retirees

Levels of education



37.6% Secondary

13.2% College

48.8% Tertiary

Most respondents lived in:



60
years

80% of pre-retirees will retire at the mandatory retirement age of 60 years

Average monthly expenses



Housing =
RM 1,008.39



Instalment payments =
RM 917.13

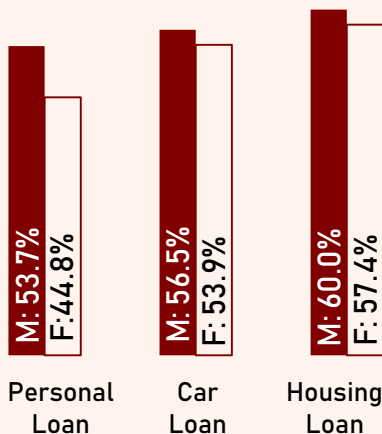


Food =
RM 671.36



Savings =
RM 447.03

Top Three Sources of Debt



ASPIRATIONS & ATTITUDES

Towards Life in Retirement



48%

Of pre-retirees have a **vision** of life in retirement

BUT ONLY



20%

Of pre-retirees had a well-laid out **plan** for retirement

ACTIVITIES LOOKED FORWARD TO THE MOST IN RETIREMENT



Religious activities



Time with family

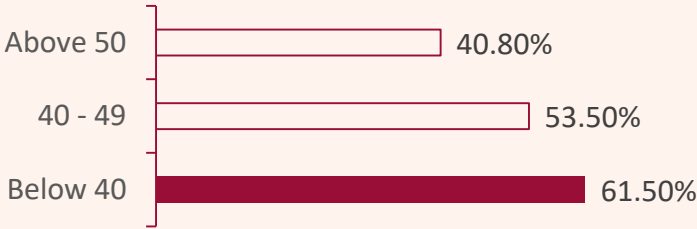


More leisure

☐ NOW
☒ LATER

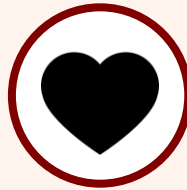
More than half of pre-retirees said they would only set retirement goals when the time comes

Youngest group of pre-retirees were in most need of financial advice for retirement



01

Financial
planning
advice for
retirement



02

Emotional
preparation
for next step
in life



03

Preparation for
social &
interpersonal
needs

TYPES OF ASSISTANCE NEEDED
TO PREPARE FOR RETIREMENT

FACILITATING ENVIRONMENT

And Barriers to Active Participation



Most pre-retirees think health status is the most important **enabler** and **barrier** to active participation

Other barriers cited by pre-retirees:

SORRY, TOO OLD



BUT I CAN STILL WORK!

Age Limit



Unsuitable Work Environment



Personally opt Not to work

ECONOMIC VALUATION

Of Productive Activities

Beyond employment, pre-retirees were contributing to the economy through a range of productive activities.

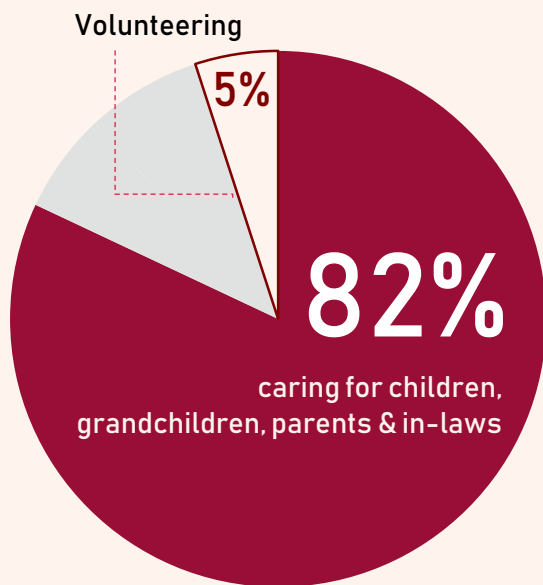
TOTAL ECONOMIC CONTRIBUTIONS OF PRE-RETIREEES

Market
Replacement
Rate (MRR)

RM 11 BIL

Opportunity
Cost Method
(OC)

RM 9.8 BIL

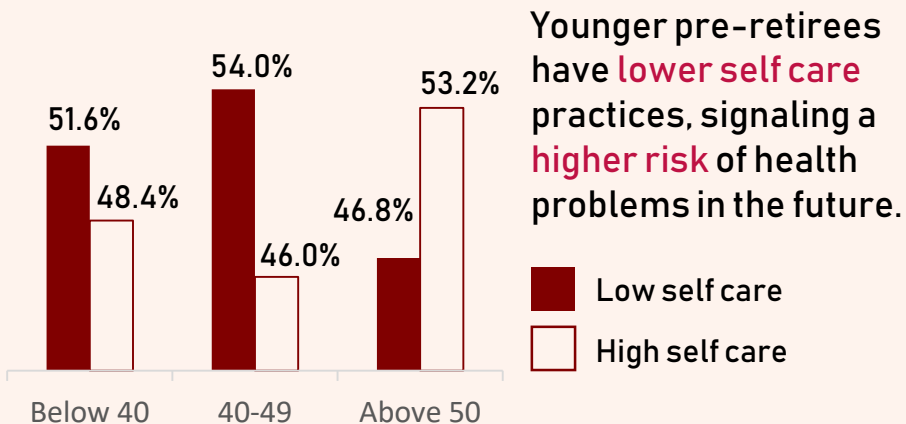
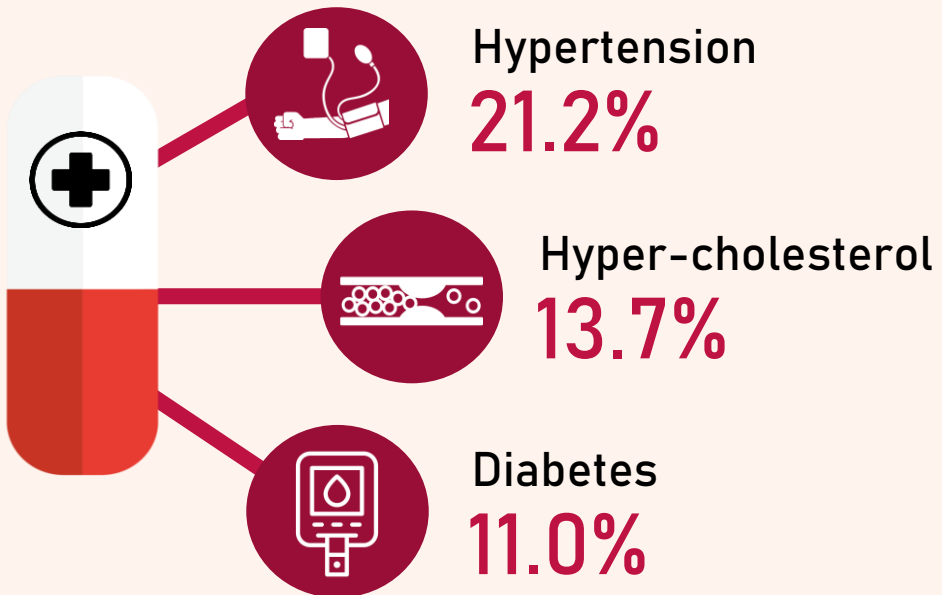


However, economic contributions from pre-retirees were primarily attributed to **caring for family members**.

Little time was spent on more **community-oriented activities**.

HEALTH & SELF-CARE

Top Diagnosed Diseases among Pre-Retirees



WELL-BEING

Of Sampled Pre-Retirees

Financial well-being score



Diploma, secondary and lower education



Less than 18 years of service



Less than 40 years old

Very high financial distress
Average financial distress

Low financial distress
Extremely low financial distress

“ How worried or concerned are you about your personal finances today? ”

LOWEST MEAN SCORE: 5.76

Pre-retirees rarely perceived they had financial problems but continued to be worried about their personal finances. **Their financial insecurity could be due to low levels of retirement preparedness.**



Section 2:

RETIREES DATA

Retirees were generally satisfied with their lives in retirement, but not many are actively contributing to the society at large.

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PROFILE OF RESPONDENTS

Retirees

9.6
years

Mean length
of retirement

Mean pensions received

RM2,174.18

per month



23%

Of respondents who
retired less than 3
years did not own
health insurance.



25%

They also formed the
highest group with
outstanding debts.



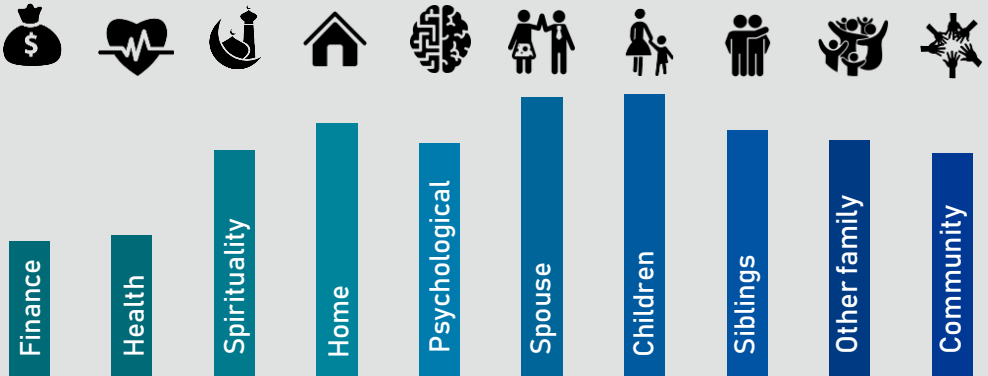
85%

Of surveyed retirees were
married and lived in
two-generation households.



ASPIRATIONS & ATTITUDES

Towards Life in Retirement



Surveyed retirees were highly prepared in almost all aspects when they first retired.



63% M | 67% F

Strongly agreed that they are satisfied with themselves in retirement

92% M | 97% F

Said they were well adjusted to the changes that came with retirement

HOWEVER,

46%

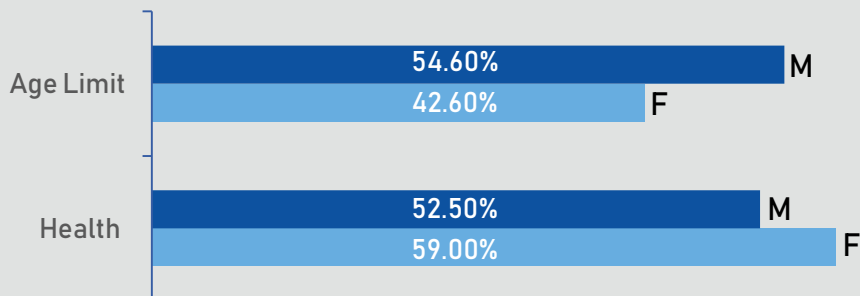


Of respondents reported that their income was just enough to cover their expenses, leaving little for savings

FACILITATING ENVIRONMENT

And Barriers to Active Participation

Top Two Barriers to Re-Employment After Retirement



Other barriers include non-flexible working arrangements and the costs outweighing the benefits of going back to work

Factors that encourage active participation in community:



Maintaining good health



Opportunity to mix with others and share experiences



ECONOMIC VALUATION

Of Productive Activities

Though retirees are commonly viewed as a burden to society, findings showed that they contributed significantly to society especially in care roles.

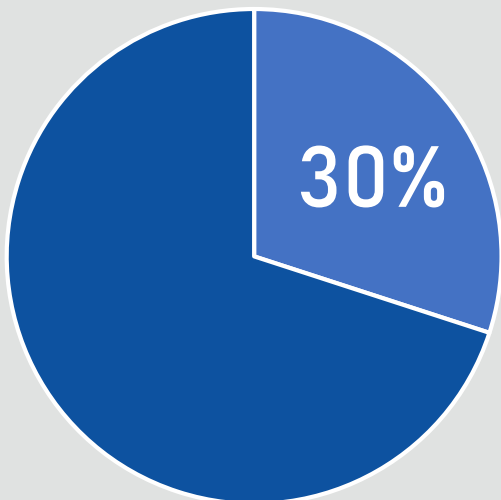
TOTAL ECONOMIC CONTRIBUTIONS OF RETIREES

Market
Replacement
Rate (MRR)

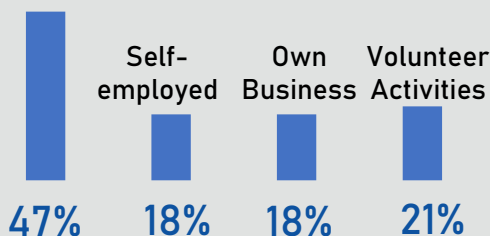
RM 11.7 BIL

Opportunity
Cost Method
(OC)

RM 10.3 BIL



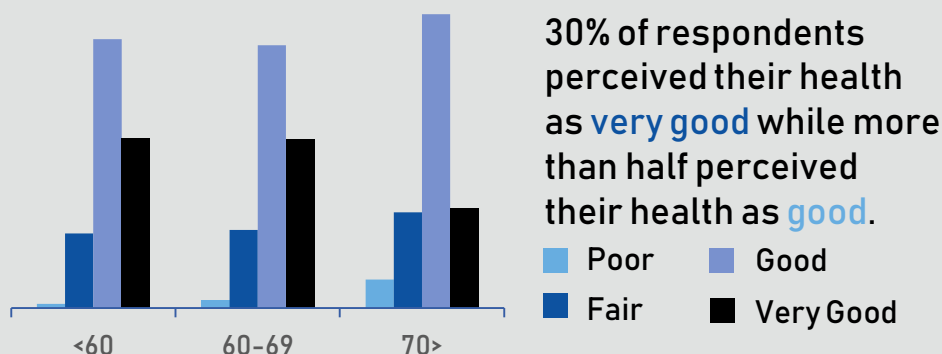
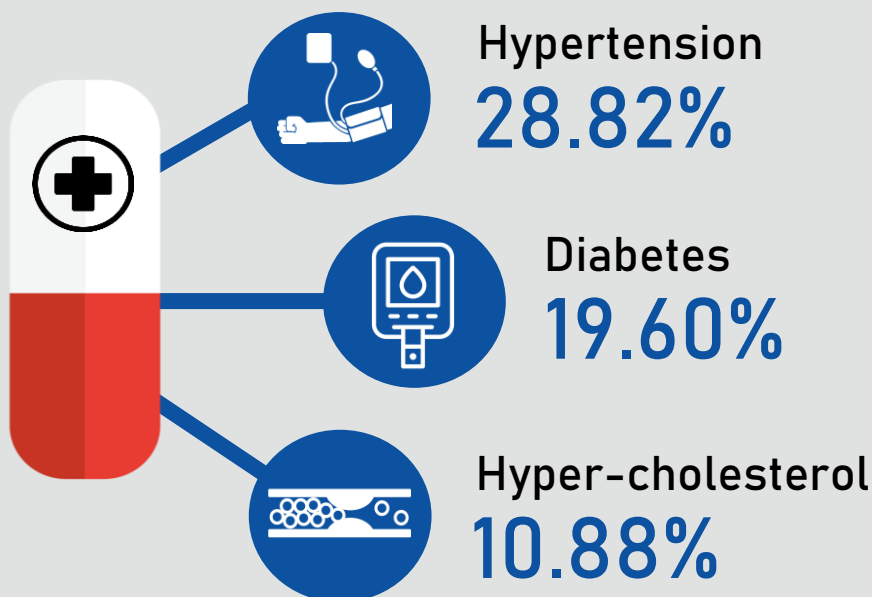
Paid work



Only 30% of retirees chose to **continue working** after retirement.

HEALTH & SELF-CARE

Top Diagnosed Diseases among Retirees



WELL-BEING

Of Sampled Retirees

Health-Related Quality of Life Score

75.53  M  82.97

71.62  F  81.99



Physical
Component
Scale (PCS)

Mental
Component
Scale (MCS)



46.3 %

Of retirees scored a perfect eight on the Lawton IADL scale, suggesting they **maintained their functional skills** in retirement.

4.38 / 5.00

Retirees scored high in terms of life satisfaction in retirement, being **especially content with their spouses and children.**

