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BEQUEST MOTIVES AND DEMOGRAPHIC  
CHARACTERISTICS OF ELDERLY MALAYS IN  
URBAN MALAYSIA

BY

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## LIST OF ABBREVIATIONS

**Abbreviation:**

et al.	and others
SPSS	Statistical Package for Social Sciences
PCA	Principal Component Analysis



## **PREFACE**

We decide to conduct this study as we feel that the increase of ageing population in the world has many parties concerned on an internationally-wide level. Besides that, the number of studies on the elderly Malays in Malaysia has also been scarce. Since Malaysia has a diverse population made up of many races, thus it is important to study each of the different races regarding their bequest motives. For this study, we chose to focus on the elderly Malays in Malaysia as compare to those of the Chinese and Indians. Through this, we hope that further understanding on the elderly Malays can be obtained with conducting this research as this study on the elderly bequest motives is valuable economically and can aid in policy making and decisions by the government.

## ABSTRACT

Malaysia is currently at a demographic window where the aging population is more than the young population. This demography (ageing population) change will bring about challenges to the society, one of which is bequest motives. The objectives of this study are to identify the Malaysians Malays' bequest motives and the relationship between demographic characteristics and bequest motives of the elderly Malays in Malaysia. This research uses both primary and secondary data. A survey was carried out among 280 elderly Malays in urban Selangor, Malaysia.

Three bequest motives, namely the selfish life-cycle model, altruism model and social norms and tradition model have been identified as applicable to the elderly Malays in this study. The social norms and tradition model is the primary model, followed by altruism model and finally selfish life-cycle model. This imply that the elderly Malays in Malaysia will be more likely to practice cultural behavior as their ancestors did the most as compared with altruism and life-cycle model. Using tests, age, educational level, and gender are found to be statistically non-significant to the all three models. Results showed that only health status was statistically significant to the altruism model. The healthier elderly are more likely to practice altruism model.

## **CHAPTER 1: INTRODUCTION**

### **1.1 Background of Study**

The process of world population aging is unavoidable as a result of the increasing longevity, declining fertility and mortality rate. The increasing life expectancy or life spans is caused by the excellent and advance health care services. Due to this, there is a growing number of aging populations that has built up their wealth over the years. Issues related to ageing and elderly has raised attention from all over the world. Aged population is said to have occurred when the proportion of the elderly aged 60 years or above increased together with the declined in the proportion of children below 15 and also with the reduction in the proportions of persons in working ages from 15 to 59 (United Nation, 2007). During the past decade which is in the year 2000, there are 600 million populations with the age of 60 years or more as compared to 205 million elderly populations in 1950. Besides, the number of the elderly had exceeded 700 million in 2006. It is then estimated that the number of elderly will once again increased threefold to 2 billion by 2050 (United Nation, 2007). Aged population all over the world is increasing at 2.6 percent annually and is faster than the growth rate of whole population of 1.1 percent per year (United Nation, 2007). Foundations of society such as intergenerational and intragenerational equity and solidarity will be directly affected by this declining number of children and continual increase of longevity (United Nation, 2007).

According to the Department of Statistics, Malaysia, the proportion of the population of Malaysia below the age of 15 years decreased from 33.3 percent in 2000 to 27.6 percent in 2010. On the contrary, the population of the working group aged between 15 to 65 years increased from 62.8 percent in 2000 to 67.3 percent in 2010 while the proportion of the population aged 65 and above increased to 5.1 percent in 2010 as compared to 3.9 percent in 2000. As a result, the median age increased from 23.6 years in 2000 to 26.2 years in 2010, while the dependency ratio decreased from 59.2 percent to 48.5 percent. Besides, the life

expectancy at birth in Malaysia has increased 1.9 years for males and 2.3 years for females in 2010 as compared to 2000. The trend of these indicates that Malaysia is moving towards ageing phenomenon. The United Nations categorized any country with 10 percent of its population above 60 years old as an aging nation.

There are two types of transfers from parents which are intentional and unintentional transfers. Parents will make transfers to their children in various forms. For instance, parents transfer natural talents and abilities to their children through biological inheritance, spending on education, and invest in other human capital for their children. Besides, parents also transfer tangible property through bequests and inter vivo transfers. The chronological transfers received by children are such that children will first receive human capital investments in their early life, then parents will make inter vivo transfers when the children has their own families, and finally inheritances will be the last transfers from parents (Nordblom and Ohlsson, 2010).

Bequest motive is the intergenerational transfer of wealth or simply put, bequest motive is the reason why people leave their money and property for others once they died. Previous work regarding bequest that has been done on US data indicated that significant cross country differences about bequest do exist. Bequests happen more generally in many European countries than in US even among those with less wealth. For example, Swedes tend to inherit more than Americans (Laitner and Ohlsson, 2001). Various motives for intergenerational transfer had been suggested by few theories. The most common property transfer is the bequests from parents. Bequests can be in several forms such as altruistic, selfish, and exchange motives (Nordblom and Ohlsson, 2010).

Menchick and David (1983), Modigliani (1988), Hurd and Mundaca (1989), Gale and Scholz (1994), and Juster and Laitner (1996) stated that 15 percent to 31 percent of total household wealth go to inherited wealth. Michael Hurd studies that the strength of bequest motive can be determined through the difference between the change in wealth for household either with or without bequest motive (Hurd, 1987 and 1989). Hurd (1987) also proposes that parents with children are more likely to save and to have bequests. But, Hurd (1987) also finds out that parents decumulate their wealth faster than those with no children. According to the panel data that illustrated financial resources of elderly household sample from

Asset and Health Dynamics among the Oldest Old (AHEAD) survey, they are having such a result that around 75 percent of aged population has the intention and wish to transfer their money and property to their children (Kpoczuk and Lupton, 2007). When households have bequest motive, their average personal spending will be reduced by around 25 percent.

In Islam, a bequest is known as wasiyyah (Hussain, 2005). It seems that bequest in Islam has the same meaning as a typical bequest which means as a power appointed through a will on which the transfer of wealth is effective only upon death of the testator (Coulson, 1971). However, it is actually more than that. There is difference between the bequest transfers for non-Muslims and Muslims. Muslims' bequest transfers are subjected to Islamic inheritance law which makes it more complicated than bequest transfers for non-Muslims. When Muslims are alive, they are free to transfer their property as they wish but upon death, the estate transfer is involuntarily subject to faraid and bequest mandatory rules. Faraid has fixed the quantum of shares which legal heirs should receive after deducting burial expenses, debts to Allah and other people, the right of spouse to mutually acquired property, incomplete life-time transfers and bequest (Alma'amun, 2010). Besides that, bequest by Muslims is governed by two principles. Firstly, the amount that the testator is allowed to bequeath is only limited up to one-third and it can only be allocated to non-heirs like adopted children.

In Malaysia, leaving a wasiyyah is very important for Malaysian Muslims because the problem of frozen estate is a common issue due to the absence of wasiyyah. This is seen when there is RM40 billion worth of assets left by Malaysian that have not been claimed by the heirs as most of the deceased died without writing a will (NST online, 2007). And of RM40 billion, RM38 billion are assets unclaimed by the Muslims. Moreover, there will be problems like family disputes, wastage of unclaimed assets and problems related to heirs. Moving on, the population of elderly in Malaysia is indeed growing. Thus, analysis of bequest motives of Malaysian Muslims will serve the objectives right as Malaysia is going to reach aging nation status by the year of 2035 according to United Nation (2006) (Ganesan, 2010).

## 1.2 Problem Statement

According to statistics released by United Nation, Malaysia is likely to be an ageing nation as the proportion of Malaysia population above age 60 is expected to reach at least 15 percent of Malaysia total population. Malaysia is currently in a demographic window where there is a rapid decline in the proportion of the young population (0-14 years) and a low proportion of older population (65 years and over), as compared to the working age population (15-64 years). This change in demography (ageing population) will create challenges to the society and these include bequest motives. Bequest is economically important and essential to government's policy decisions such as pension policy, wealth distribution and holdings, saving behavior, taxation, charitable contributions, and income circulation for next generation (Chong, 2011).

In 1970, the percentage of Malaysian population aged 50 and below is 89.15 percent and population aged 50 and above is 10.85 percent According to statistical publications by Department of Statistics Malaysia. The population aged 50 and below has been decreasing every ten years as shown in Table 1.1. The percentage of population aged 50 and below has reduced by 6.37 percent in 2010. However in year 2010, there has been an increment of population aged 50 and above by 52.35 percent as compared to in 1970. The older Malay, aged 60 years and above accounted for 56.1 percent of the total population in Malaysia according to a census carried out by Department of Statistic, Malaysia (2000) (Sharifah NorAzizan, 2007).

Table 1.1 : Percentage of Total Population by Age Group

<b>AGE GROUP</b>	<b>1970</b>	<b>1980</b>	<b>1991</b>	<b>2000</b>	<b>2010</b>
<b>&lt;50 years old</b>	89.15	88.74	88.08	87.01	83.47
<b>≥ 50 years old</b>	10.85	11.26	11.92	12.99	16.53
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Department of Statistics, Malaysia

Apart from that, the mean age at marriage in Malaysia in between the year 1970 and 2000 had increased from the age of 23.8 in 1970 to the age of 26.9 in 2000. In 1970, males get married at the mean age of 25.6 years whereas females were marrying at average age of 22.1. In 2000, the mean marrying age for males and females are 28.6 and 25.1 respectively (Table 1.2). There are many reasons behind this later marriage. It is mainly due to the rising level of educational attainment and better employment opportunities according to the paper of Marriage and Parenthood Trends in Singapore conducted by National Population and Talent Division. Due to the rising standard of living, pursuing a higher education level is necessarily to stand a better chance to get employed. The increment in average marriage age would be one of the factors contributing to the decrease in fertility rate and indirectly causing the population of elderly to increase.

Table 1.2: Mean Age at Marriage by Sex

<b>Year</b>	<b>Males</b>	<b>Females</b>	<b>Total</b>
<b>1970</b>	25.6	22.1	23.8
<b>1980</b>	26.6	23.5	25.0
<b>1991</b>	28.2	24.7	26.4
<b>2000</b>	28.6	25.1	26.9

Source: Department of Statistics, Malaysia

Besides, the declining in both the crude birth rate and death rate can as well contribute to aging population. It is obvious that in 1970, Malaysia had the age structure of high birth rate and death rate. In 1990, there was a rapid fall in both birth rate and death rate (Table 1.3). This means that, the proportion of young generation was reducing and the proportion of older generation rose. According to the National Population and Family Development Board of Director, General Datuk Aminah Abdul Rahman, low birth rate in Malaysia is caused by the preference of citizen to have fewer children and married at a later age. Besides that, she also commented that Malaysian families are worried about their future and the rising cost of living. They are afraid that they are unable to balance their family responsibility and work. This fall in birth and death rate continued in year 2000.

Table 1.3: Crude Birth Rates (CBR) and Crude Death Rates (CDR)

Year	Crude Birth Rate			Crude Death Rate		
	Total	Male	Female	Total	Male	Female
1960	40.9	40.7	41.0	9.5	10.2	8.7
1970	32.4	32.8	31.9	6.7	7.5	5.8
1980	30.6	31.4	29.9	5.3	6.0	4.5
1990	27.9	28.4	27.4	4.6	5.2	4.1
2000	24.5	25.0	24.0	4.4	5.0	3.8

Source: Department of Statistics, Malaysia

Research on bequests motives have been carried out in other countries but this is still new in Malaysia. In fact, Malaysian Muslims have neglected Islamic estate planning. It is found that a great number of Malaysian Muslims do not have wasiyyah and this is because most of them do not see it seriously and are skeptical about making wasiyyah (Alma'amun, 2010). As reported by Amanah Raya Berhad, Malaysia having a population of 28.31 million in July 2009 (Department of Statistics and Economic Planning Unit, 2009) has only 10% of the eligible population who posses Wills (Habib, 2010).

Table 1.4: The number and percentage of people who made wills

Age Group	Number of people who made wills	Percentage (%)
<30	3,623	3.97
31-40	25,757	28.19
41-50	29,260	32.02
51-60	18,586	20.34
61-70	9,586	10.49
71-80	3,796	4.15
>80	761	0.83
<b>Grand Total</b>	<b>91,369</b>	<b>100.00</b>

Source: Rockwills Corp Sdn Bhd



Besides that, it is found from the available resources that in general, the awareness of wasiyyah practice among Malaysian Muslims is not encouraging (Omar, 2006:17). There are several factors that are found to contribute to such situation which include socio-demographic, economic, health-related factors, knowledge, cultural values, religiosity, institutional and inheritance law (Alma'amun, 2010).

Therefore, it is vital to study on the bequest motives among the elderly Muslims in Malaysia. Most of the research in other countries focused on the motives of the elderly to leave an inheritance bequest and put less attention on the factors that affecting the bequest motives, especially on demographic characteristics. In this research, exploration in this area will be made. Besides, there is scarcity of research regarding the ways demographic characteristics affect bequest motives among the elderly Muslims in Malaysia, thus this research is expected to create and disseminate new knowledge for Malaysia society.

In brief, this study seeks to identify and understand the bequest motives among Malaysian Muslims. Furthermore, this research also aims to identify the significant factors that trigger the wasiyyah practice among Malaysian Muslims. This research paper is to investigate whether demographic characteristics influence bequest motives among the elderly Muslims in Malaysia. Demographic characteristics to be studied in this research paper include gender, age group, education level, and health status.

## **1.3 Research Objectives**

The objectives of the study are as below:

### **1.3.1 General Objective**

- To identify elderly Malays bequest motives in urban Malaysia

- To find out the relationship between demographic characteristics and bequest motives of the elderly Malays in urban Malaysia.

### **1.3.2 Specific Objectives**

- To identify whether elderly Malays in urban Malaysia are selfish, altruistic, or act according to social norms and tradition.
- To determine the relationship between gender and bequest motives of the elderly Malays in urban Malaysia
  - To determine if there is a difference in the bequest motives between male and female of elderly Malays in urban Malaysia..
  - To determine the relationship between age group and bequest motives of the elderly Malays in urban Malaysia.
  - To determine the relationship between education level and bequest motives of the elderly Malays in urban Malaysia.
  - To determine if there is a difference in the bequest motives among different education level among the elderly Malays in urban Malaysia.

## **1.4 Research Questions**

- What is the bequest motive among elderly Malays in urban Malaysia?
- Is there any difference in the bequest motives between male and female of the elderly Malays in urban Malaysia?
- What is the relationship between age and bequest motives of the elderly Malays in urban Malaysia?
- Is there any difference in the bequest motives among different education level among the elderly Malays in urban Malaysia?

- What is the relationship between health status and bequest motives of the elderly Malays in urban Malaysia?

## 1.5 Significances of Research

This research can provide some useful information and a better understanding on how demographic characteristics affect the bequest motives of the elderly. Thus, this aids in contributing to the existing literature because this area has yet to be well explored by researchers in other countries as well as in Malaysia. This research helps to explore the roles of demographic characteristics in affecting the bequest motives of the elderly Malay in Malaysia which will indirectly give us a deep understanding in the area of bequest motive.

Besides, it can expect that the new knowledge gains from this research can thus contribute to the society in terms of economy development. This new knowledge enables the government to have a better understanding on the wealth of the elderly in Malaysia which will then contribute to better resources allocation to the society by government to reduce social inequality. A recent study by the International Monetary Fund showed that some subsidies given by the government are not well-targeted and had greatly benefited the high income group. For instance, the welfare benefits given by government to the senior citizens aged 60 years and above had benefited all senior citizens regardless of their wealth conditions<sup>1</sup>. As a result, the elderly who are poor do not really benefited much from the welfare program as government resources are limited and are diversified towards a wide range of senior citizens population. Instead, the government should focus in helping the elderly without bequest motives because the elderly with bequest motives will have a higher living standard and spending power as compared to those without bequest motives. When government is on the right track in targeting the needy group, social equality can only be achieved.

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<sup>1</sup> From 1 January 2012, all senior citizens aged 60 and above exempted from paying outpatient registration fee in all government hospitals and health clinics including 1 Malaysia clinics and Government dental clinics. Besides, they also entitled to a 50% discount on LRT and monorail fees.

Furthermore, in education aspect, there are 51 public-funded education institutions in Malaysia, including public universities, public colleges, and public polytechnics. The limited resources allocated to the public higher education institutions do not really help the needy students as there are too many public-funded education institutions in Malaysia and government's resources have to be diversified towards a large number of students. Hence, not all students will be supported by government. Thus, the only solution is that government should approve more private university licenses to private education industry instead of opening more public universities. Government can provide assistance such as PTPTN loan<sup>2</sup> to needy students in pursuing their studies in private education institutions instead of providing full subsidies to increasing number of local education institutions. This can ensure equal opportunities for poor students in receiving education. In conclusion, re-diversification can help in achieving social equality and reduce poverty.

Moreover, this research also provides useful information and contributes to the business world. Through this research, businesspeople will be able to imbibe more knowledge on how to penetrate into the market of the elderly. Thus, they will be able to grasp new business opportunities by providing products and services that cater to the preferences, living standards, and demands of the elderly with bequest motives. For instance, Rockwills that specialized in providing services of will write, will custody, trust services, and other estate planning and financial planning support services will be able to grip the opportunity and make profits by providing services to elderly with bequest motives. Other companies such as insurance companies, health product companies and so on are able to penetrate the market of the elderly by offering special plans, services, or products to the targeted elderly people.

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<sup>2</sup> Perbantuan Tabung Pendidikan Tinggi Nasional (PTPTN) loan is the education loan scheme provided by the government institutions to students pursuing their studies in local institutions of higher learning (IPT).

## 1.6 Chapters Layout

This research project comprises of four chapters namely introduction, literature review, research methodology, data analysis and last but not least discussion, conclusion and implications.

Chapter 1 which is the ‘Introduction’ will outline the background study of the research. An overview of this study includes problem statement, research objectives, research questions, and significances of study. This chapter serves as a foundation to facilitate further discussions in the following chapters.

Chapter 2 is the ‘Literature Review’ which talks about previous researches completed by other researchers. This chapter discusses and explains in depth about the literature relevant to the area of bequest motives. It provides the theoretical framework and some theories about bequest motives.

Chapter 3 which is ‘Research Methodology’ discusses about the methods used in conducting the study. It comprises of research method, questionnaire designs, and etc. Theoretical framework is developed and explained in this chapter.

Chapter 4 is the ‘Data Analysis’ of this research paper which presents results from the research. It also examines and analyzes the result to answer the research questions and hypothesis.

Chapter 5 is the ‘Discussion, Conclusion and Implication’ of this research paper which give an overall summary of all the chapters. It also provides the discussion on the findings that certify the research questions, discussion of the implication and limitation of this study.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1 Literature Review**

Literature review is required in research papers as it provides findings and evaluations from previous studies relating to the matter being studied. It gives readers a whole view of what the research of the past have been and can also be used to establish why the research is being pursued in some cases. The literature review is used as a foundation and base for the new insights that the findings will be contributing towards the pool of knowledge. It will serve as a solid background for the investigation.

### **2.2 Bequest**

Bequest is defined as something bequeathed or legacy according to the Merriam-Webster Online Dictionary. People save and earn assets throughout their life time. A bequest or a will allows the individual to leave those assets to anyone, thing, or organization after they have passed on. Leaving a bequest is a choice, some may leave one while some may not.

The accidental bequest motive states that individuals are mainly risks averse, meaning they dislike risk (e.g., Hurd 1987, 1989). As such they are saving up their wealth to deal with the uncertainties in life, either living longer than expected or to deal with large expenses that were unforeseen. Therefore individuals would prefer to save more and consume less during the present so as to be able to have some money ready in case anything unfortunate happens and they would have the money to take care or pay for the expenses incurred themselves. These individuals pass on with their assets that have been saved. They do not leave bequest for their family or anyone else.

If there is no bequest made then the assets will be distributed following the inheritance law of the country. There are laws by the country that states how the assets will be divided if there is no such will. However, sometimes the law is able to overwrite the bequest and only after deducting what is stated in the law only then will the bequest be carried out on the remaining assets. An example of an Inheritance law is the Non Muslim Malaysian inheritance law.

## **2.3 Bequest Motive Models**

Bequest motive is the term that refers to both altruistic and non-altruistic motives, as postulated by Becker (1974) and Bernheim et al. (1985). The term can also be used to refer to the incentives for the want of a person or persons to leave behind their assets to heirs when they pass away for example sons, daughters, spouse, etc.

According to previous studies, of all the bequest motive models that have been put forth, there are mainly four bequest motive models that all of the bequest motive can be separated into. These four bequest motive models are the selfish model, the altruism model, the dynasty model and the social norms and traditional model (Chong, Sia, Lim, and Ooi, 2011).

### **2.3.1 Selfish Model / Strategic bequest model**

In the selfish model or strategic bequest model, individuals are said to be selfish in nature. That is that they care about themselves only. There is no desire to leave a bequest to anyone as they only concern in spending all their wealth on themselves. However if there is a bequest, it is mainly done so with a motive such as they expect to get financial support and help from their family (Yin, 2010). Individuals might also inform their children that they will only a bequest if they follow certain conditions that are set such as providing financial support periodically until they die, if not they will not get any inheritance (Bernheim, Shleifer, and Summers, 1985). Thus the

heirs obey hoping to receive a portion of the inheritance. The heir takes care of the individual because of the promise of receiving an inheritance.

### **2.3.2 The Social Norms and Traditional Model**

The model is about parent-child co-residence where the eldest child is responsible for looking after the aging parents and lives with them (Wakabayashi and Horioka, 2009). According to Stankov (2011), a society or culture standard is what makes up this social norms. In most cases, parents have the responsibility to take care of their children until they are all grown up which then it is the children's turn to be responsible for looking after their aged parents.

### **2.3.3 Altruism Model**

In the altruism model, an individual gives for the betterment of others and not for oneself. The individual has no selfish reasons but rather think for the benefit of his or her future generation in leaving a bequest (Barro, 1974). In this case, the individual gains satisfaction from knowing that his or her heir would be able to enjoy the bequest that is left behind and does so without any other motive in mind. Yin (2010) assumes that parents will leave a bequest for their children despite whatever reasons without having any expectations of return or rewards from their children for doing so. Parents are mainly the example for this model where they feel that it is their responsibility to leave their assets to their children without any other motives and want their children to enjoy the wealth that they have left behind. (Becker, 1974; 1981; 1991; Horioka, 2002).

Besides leaving bequest for family members, there is another kind of altruism which is to give to charity. This is known as the charity giving bequest. This bequest is the giving of assets to charitable organizations or



cause. They are driven by personal attributes, beliefs, and attitudes (Penner, [2004](#)). These personal attributes, beliefs, and attitudes are efficacy motivations, altruistic attitudes, religious and political value motivations, and reputation motivations (James III, 2009a; Madden and Scaife, [2008b](#); Routley *et al.*, [2007](#); Sargeant *et al.*, [2006a](#); Schervish and Havens, [2003](#)). Efficacy motivations refer to the motivation that people get when they know that their bequest will be used efficiently and in line with their intentions (Bekkers, [2006](#); Bowman, [2004](#); Cheung and Chan, [2000](#); Sargeant *et al.*, [2006a](#)). Altruistic attitudes refer to those who have no other motive in leaving a bequest to charity other than the want to provide the public with goods or services (Andreoni, [2004](#); Harbaugh, [1998](#)). Almost all religion in the world teaches kindness to others. Individuals who are devoted to religion want to help others and those who are not as fortunate as themselves. Thus, they leave behind a charitable giving bequest. Political values refer to the extent of the belief of individuals towards the government providing goods and services (Bekkers and Wiepking, [2007](#); Brooks, [2006](#); Koster, [2010](#)). If they do not believe that the government will provide for the people then they would prefer to leave a charitable giving bequest motive to help those that need provision than through the redistribution system through tax. Reputational motivation is explained in such a way that people has more incentive to act altruistically when their good deeds can be noticed and seen by others (Bekkers and Wiepking, [2007](#); Hoffman *et al.*, [1996](#)). Social reputation is an important factor of one's life. However since leaving a bequest means that the act is done only after the individual has passed on, it can be said that the reputation is for that of leaving behind a legacy for the individual or for the family. People place importance on how they are remembered after they have passed away (Sargeant and Shang [2008](#)).

## **2.4 Bequest Motives and Its Effects**

Bequest motives affect a lot of decisions on life. One such affect is bequest motive

and asset management. Bequest motives are prevalent in the United States, this affect the financial management decisions of individuals in the later part of their life. Hurd (2002) found that having a bequest motives affects investment decisions by extending the investment horizons of an individual. The effect is stronger for the elderly than for youngsters. Having a bequest motives slows down the decumulation of wealth (Kopczuk and Lupton, 2004). This is an important role of bequest motive on the financial behavior in later life. Those with bequest motive spend less than those without. The saving rate of the elderly also increased for those having a bequest motive. Those with a desire to leave a bequest motive would increase their savings (Anderson et al. 2004; Dynan et al. 2004).

Bequest motives also affect unemployment. Those with a bequest left for them were likely to choose unemployment as they would have enough to go by without the need to work. Having received an inheritance increases the unemployment supply of labour for male entrepreneurs. However, the effect is decreased when inheritance increases until eventually it becomes negatively related (Faria and Wu, 2010).

## **2.5 Bequest Motives around the World**

### **2.5.1 China**

The bequest motives model in China is mainly the selfish or strategic bequest motive model. This means that individuals leave bequest with the motive of the heir providing care for them in return for getting the inheritance when they die. There is a motive behind the bequest which is to ensure that the individuals are taken care of until they die (Bernheim, Shleifer, and Summers, 1985). The bequest might also be given only when the individual has passed away so as to ensure that those that want to get the bequest must first treat the individual well (Bernheim, Shleifer, and Summers, 1985). The study of Yin (2010) found that in China more than

60 percent of respondents children are more likely co-reside with parents given that a house is in the possession of their parents.

### **2.5.2 United States**

The bequest motives in the United States are very strong. The bequest model in the United States is the altruism model (Lee and Horioka, 2004). The selfish life-cycle model does not apply to the United States. They do not have any motive in leaving a bequest, whether it is for their children to take care or provide financially for them in the future. They feel that it is their responsibility to leave a bequest for their children so as their children may live a good and comfortable life (Becker, 1974; 1981; 1991; Horioka, 2002). Studies has also found that the group that are most likely to leave a bequest compared to the others are those that are older, rich, married, high educated, Caucasian, good health status, and free thinkers.

### **2.5.3 Japan**

The bequest motive model in Japan is that of social norms however it can be considered selfish life-cycle model as there is motive in expecting care from the one in which a bequest is left for. The culture of Japan is that as parents it is their responsibility to look after their children when they are young and it is the responsibility of the children to look after their parents after they have aged. Parents and children commonly co-reside and there is financial transfer between the two (Sakudo, 2007).

### **2.5.4 Malaysia**

The bequest motive model of Malaysia is mainly selfish model (Chong,

Sia, Lim and Ooi, 2011). This means that Malaysians leave bequest with the expectation that their children will take care of them until they are old. They have motives for leaving a bequest in order to sustain themselves and to get others to do what they want. E.g. the individual promises to leave a bequest if the heir promises to look after them until they die. Malaysia has a high co-residence where children stay with their parents and the reason cited for this is that older parents need their children for support financially and mentally (Masitah, 1989). They take care of their children and raise them in hope that as they grow old and weak that their children will be the ones now to take care of them (Berry, 2010). Children are also more likely to stay with their parents that have bequest motive. However, they are not likely to co-reside and care for their parents if they have little or no asset to be bequest. This shows that the children too are selfishly motivated (Chong, Sia, Lim, and Ooi, 2011).

### **2.5.5 Africa**

In Africa, leaving a bequest has begun to become popular. However, there is not enough research as to the bequest motive models that the country fit into. There are also laws that govern the transfer of inheritance. For Africa, there is inheritance tax that is deducted from the inheritance that is left behind before it is being distributed.

## **2.6 Theoretical Models of Household Behavior**

There are three theoretical models which are selfish life-cycle (Modigliani and Brumberg, 1954), social norms and tradition (Wakabayshi and Horioka, 2009) , and altruism (Barro, 1974). Different theoretical models will have different implications on the bequest motives and the bequest divisions (Horioka, Are the Japanese selfish, altruistic, or dynastic?, 2002).

(1) Selfish life-cycle model assumes that people are selfish and they will not leave any bequest to their children. Since they are selfish, they derive utility from their own consumption. The following is the utility function of parents in a static setting (Horioka, Are the Japanese selfish, altruistic, or dynastic?, 2002).

$$U_p = U_p(C_p) \quad (1)$$

where  $U_p$  = the utility of parents

$C_p$  = the consumption of parents,

and parents will maximize their utility subject to the following budget constraint:

$$C_p \leq Y_p, \quad (2)$$

where  $Y_p$  = the income of parents.

Likewise, in a static setting, the utility function of children will be as follows:

$$U_k = U_k(C_k) \quad (3)$$

where  $U_k$  = the utility of children

$C_k$  = the consumption of children,

and children will maximize their utility subject to the following budget constraint:

$$C_k \leq Y_k, \quad (4)$$

where  $Y_k$  = the income of children.

In other words, parents and children act independently to each other because parents' utility does not derive from children's utility.

Under the selfish life cycle model, there are three types of bequests.

**i. Unintended, unplanned or accidental bequests arising from lifespan uncertainty.**

Selfish people will leave significant bequest under certain circumstances as shown by Levhari and Mirman (1977) and Davies (1981). First would be

the uncertainty of one's lifespan. If fair annuities are available, people without bequest motive will leave no bequest at all not considering of when they die. On the other hand, people are forced to save more due to lifespan uncertainty when fair annuities are not available and when their children are not willing to support them. This causes those who died comparatively young to leave accidental bequest. Another condition of unintended bequest comes from the preparation for unpredictable medical and nursing care expenses in the future. People will save in preparation for medical and nursing care expenses when medical and nursing care insurance is not available. When the exact cost incurred is less than what they have saved, then they will leave unplanned bequest (see Kotlikoff (1989) re saving for medical expenses).

**ii. Bequests that are part of an implicit intra-family annuity contract.**

When the fair annuities is not available, people will choose to establish an implicit annuity contract to insure them against lifespan uncertainty risk with their children whereby they agree to leave their entire bequest to their children when they die in return for getting financial support from their children until they die (Kotlikoff and Spivak, 1981).

**iii. Bequests that are a quid pro quo for care during old age**

Selfish individuals will make an agreement with their children whereby their children will take care of them during their old age in return for getting their bequest. The care that they expect from their children will include everything like housework, companionship, visits, transportation, nursing care and phone calls. Individuals will only decide to have such agreements when the market does not provide such services, they prefer to receive such service from their children instead of strangers or/and the services are available in the market but the price is overstated (Cox, 1987).

In the case of (ii) and (iii), there is a quid pro quo because they will only leave their bequest provided that their children provide them financial support in case (ii) or care in case (iii).

(2) Social Norms and Tradition refers to the parent and children co-residence which implies that eldest son to live with their parents (Wakabayashi and Horioka, 2009). It is the norms for the eldest son in the family to take care of their parents even if their parents do not leave a bequest to them. This custom arises from the Confucian teaching in which the children should respect and take care of their parents when they grow up.

(3) Altruism model states that people do care for their children and they will leave their bequest to their children even if they do not provide care or financial support. Their motive is compensatory whereby the children with lesser earnings or higher consumption will receive more bequests, while those with higher earnings will receive less. However, they will not leave their bequest when their children income is higher than them. Since they are altruistic, they derive their utility not only from their own consumption but from the utility of their children. Below is the utility function of the parents in static setting (Horioka, Are the Japanese selfish, altruistic, or dynastic?, 2002).

$$U_p = U_p(C_p, \psi[U_k, C_k]) \tag{5}$$

where  $\psi$  = a positive monotonic transformation.

Parents will normally give bequest to their children because they harbor altruism toward them and derive utility from their utility. Consequently, their budget constraint will be:

$$C_p + T \leq Y_p, \tag{6}$$

where  $T$  = transfers from parents to children,

and they will maximize their utility within this budget constraint. If we further believe that children do not harbor intergenerational altruism toward their parents which the altruism is one-sided, their utility function will be as below:

$$U_k = U_k(C_k), \tag{7}$$

and children will maximize their utility within the following budget constraint:

$$C_k \leq Y_k + T. \tag{8}$$

Barro (1974) and Becker (1974, 1981, 1991) demonstrate that, if children receive their parents' transfers as given, parents and children will take action as if they are maximizing the parents' utility function subject to the combined budget constraint:

$$C_p + C_k \leq Y_p + Y_k = Y^T, \tag{9}$$

where  $Y^T$  = total family income.

Table 2.1: Summary of the Four Theoretical Models of Household Behavior

<b>Model</b>	<b>Assumption</b>	<b>Bequest motives</b>	<b>Bequest divisions</b>
<b>Selfish life cycle model</b>	People are selfish	Leave no bequest to their children, leave only unintended or accidental bequest if the children provide care or financial support.	Leave all to the children that provide financial support or care during their old age.
<b>Altruism model</b>	People harbor intergenerational altruism toward their children.	Leave unconditional bequest.	Divide the bequest among the children and leave more to those who earn less and have a greater need.
<b>Social Norms and Tradition</b>	Parent and children co-residence	Eldest son to live with their parents.	Eldest son to take care of their parents during old age and not necessary received any bequest from their parents.

Source: Chong, 2011; Horioka, 2002

## 2.7 Islamic Inheritance System: Conceptual Definition

The Islamic inheritance system comprises of a number of micro institutions. They



are faraid, bequest and gift (hibah). Faraid is defined as the Islamic law of inheritance or the Islamic law of succession. Bequest and gift are supplementary mechanisms for the devolution of property within the comprehensive Islamic inheritance system.

## **2.7.1 Faraid**

The Islamic fiqh prescribe the eligible heirs in faraid, which are divided into two groups by Coulson (1971:31): the inner and the outer family. Two classifications are used for the inner family. The first classification divides the inner family members into the Qur'anic and agnatic heirs. The second divides the inner family members into the primary, substitute and secondary heirs, three classes. The outer family is made up of distant kindred and Baitul Mal. The faraid has within its own boundaries, determined who are the heirs and their entitlements to the estate. The two essential aspects that should be covered in detail are the classification of the heirs to determine inheritance by which of the relatives of the deceased and the quantum share entitlement concerned of each of the heirs.

### **2.7.1.1 The first classification**

#### **Qur'anic Heirs**

The Qur'anic heirs (Coulson, 1971:35, Rumsey, 1971:15) consist of twelve categories of persons: the husband, the wife, the daughter, the father, the mother, the uterine brother, the germane sister, the uterine sister, the consanguine sister, the son's daughter, the agnatic grandfather and the grandmother. The son's daughter, the agnatic grandfather and the grandmother were added by Sunni jurists into the list of Qur'anic heirs based on the juristic method of analogy (*qiyas*) (Coulson, 1971:35) as they were not specifically designated by the Qur'an as legal heirs.

The rights of inheritance of the Qur'anic heirs is either through marriage (Hasan, 2005f:36; Ullah, 1999:5; Coulson,1971:10 and Al-Khim et al., 2005:1080) or through consanguinity (*nasab*) (Hassan, 2005f:36; Ullah, 1999:5; Coulson, 1971; Al-Khim et al., 2005). In addition, the right of inheritance caused by the institution of patronage (*wala'*) is also recognized by traditional Shari'ah law (Coulson, 1971).

### **Agnatic heirs**

Agnatic heirs or residuaries (*Asabah*) are divided into three sub-groups (Hassan, 2005f: 35-37; Al-Khim et al., 2005:1111):

**(i) The male relations in their own right or residuaries in their own right (*asaba-bi-nafsihi*)**

This group of male agnates or male residuaries are split into four groups : the son and his descendants; the father and his ascendants; the descendents of the father and the descendants of the agnatic grandfather based on order of priority. Another group, which is the lines of descendants of the great agnatic grandfather and higher grandfathers in ascending order, is added by Coulson (1971:33) and Ullah (1999:16).

**(ii) The female relations in the right of another (Hassan, 2005f:36-37) or residuaries in another's right (Ullah, 1999:23) (*asaba-bi-ghayri*)**

Females who are the Qur'anic heirs when they co-exist with one or more male residuaries of the same relationship to the deceased are converted into residuaries. For example, a daughter co-existing with a son is by the latter converted into a residuary (Ullah, 1999:24). A half portion compared to the male heir will always be received by the female heir (Hassan 2005f:37).

The four females in this group are:

- a) Daughter (co-exists with son) (Ullah, 1999:24; Al-Khim et al., 2005:1115)
  - b) Son's daughter (co-exists with equal son's son) (Ullah, 1999:24; Al-Khim et al., 2005:1115)
  - c) Two or more germane sisters (co-exist with germane brother) (Ullah, 1999:24; Al-Khim et al., 2005:1115)
  - d) Two or more consanguine sisters (co-exist with consanguine brother) (Ullah, 1999:24; Al-Khim et al., 2005:1115)
- (iii) The female relations with one another (Hassan, 2005f:37) or residuaries together with another (Ullah, 1999:23) (asabama'aghayrihi)**

Another classification consist of female relations with one nother (Hassan, 2005f:37) or residuaries together with another (Ullah, 1999:23) (asabama'aghayrihi). They are converted into residuaries by other female Qur'anic heirs and inherit together with them.

- (a) Germane sister co-existing with a daughter or son's daughter and not being excluded by any heir becomes residuary together with the daughter or son's daughter (Al-Khim et al., 2005:1116; Ullah, 1999:24)
- (b) Consanguine sister co-existing with a daughter or son's daughter and not being excluded by any heir becomes residuary together with the daughter or son's daughter (Al-Khim et al., 2005:1116; Ullah, 1999:24).

### **2.7.1.2 The Second Classification**

#### **Primary, Substitute and Secondary Heirs**

The Qur'anic and agnatic heirs can be divided into the following sub-groups:

(i) **Primary Heirs**

There are six primary heirs: the husband, wife, son, daughter, father and mother. These six will never be excluded from succession by any other relative of the deceased (Al-Khim et al., 2005:1089; Coulson, 1971:38; Ullah, 1999:31)

(ii) **Substitute heirs**

There are four substitute heirs who take the place of the primary heirs if the latter is absent. They are the son's son, son's daughter, the agnatic grandfather and the grandmother (Coulson, 1971:38; Ullah, 1999:31)

(iii) **Secondary heirs**

The brothers of the deceased, sisters of the deceased and all other male agnate relatives make up this group. Any male blood relative who is primary or a substitute heir will totally exclude the secondary heirs (Coulson, 1971:39)

### **2.7.1.3 Outer Family**

(i) **Distant Kindred**

Those relations who are neither shares nor residuaries of the deceased are classified as distant kindred. They are entitled to take the whole estate

when Qur'anic heirs or residuaries are absent. In the presence of only the husband or wife, distant kindred take the residue after deducting the spouse's share. (Ullah, 1999:3 and 42)

**(ii) Baitul Mal**

In the absence of all the previous classes of heirs, Baitul Mal is then entitled to the remaining estate (Hassan, 2005f:37; Ullah, 1999:3-4).

## 2.7.2 Muslims' Bequest

A bequest in Islam is called wasiyyah (Hussain, 2005:393; Rasban and Mohd, 2006:26) or wasiyya (Couson, 1971:215). There are two principal restrictions imposed on the Muslim testate succession system.

The first restriction is that the maximum a testator can bequest is only one-third of his property (Coulson, 1971:213; Haqq et al., 1995:36) that is after all debts and expenses have been cleared (Haqq et al., 1955:36; Al-Khim et al., 2005:1054-1055; Yanzil-ur-Rahman, 1980:302). A bequest which is less than one-third is supererogatory based on the Shafi'is view (Al-Khin et al., 2005:1053-1054).

Each of the various schools consider the proper time for the calculation of one-third differently. The Shafi'is, Hanbalis and Shi'i justify their say that it should be the time of death of the testator as it is the time when the legal heirs obtain and are able to exercise their rights (Coulson, 1971:235; Al-Khin et al., 2005:1054; Marican, 2008:139). The Malikis say that it should be at the time of the legatee's acceptance; whereas the Hanafis say that the time of the distribution of the estate is the supposed time (Coulson, 1971:236).

The second restriction is that such disposition of the bequest is not allowed to be made in favour of legal heirs (Al-Khin et al., 2005:1056; Coulson, 1971:214; Marican, 2008:132; Tanzil-ur-Rahman, 1980:262). The latest status of the recipient determines whether the ban operates or is removed as the status as an heir may change between the time the bequest is made and the time it becomes into effect. Therefore a bequest in favour of a person who was an heir of the testator at the time the bequest was made does not constitute an ultra vires disposition if due to supervening circumstances he is not an heir at the time of the testator's death (Al-Khin et al., 2005:1057; Coulson, 1971:241; Tanzil-ur-Rahman, 1980:262). Most schools except the Hanbalis allow a legal heir to acquire benefits indirectly through a non-heir who receives the bequest (Coulson, 1971:240).

The bequest is valid if the conditions imposed on the legatee and the bequests are complied with. The legatee should be a person capable of owning property or it must be an institution which actually or legally exists at the time of the testator's death (Coulson, 1971:227-228; Al-Khin et al., 2005:1047; Tanzil-ur-Rahman, 1980:262). There should not be religious or charitable purposes that are opposed to the tenets of Islam with which the bequest is made (Coulson, 1971:227). The existence of the property at the time of the testator's death need not be necessary and can be bequeathed as long as it is legal according to the Shari'ah (Al-Khin et al., 2005:1050; Coulson, 1971:218-220).

## **2.8 Factors Affecting the Bequest Motives**

Bequest motives vary among different countries whether it is a developed or developing countries. Wealth accumulation is used to avoid unpredictable circumstances like to backing health problem, to sustain constant quality of life, and to protect one when they are not getting any support or inadequate financial aid from children (Alessie, Lusardi, and Kapteyn, 1999). There are several factors that affect the bequest motives. They can be grouped in several categories like

economic elements of the countries, cultures, tradition, inheritance laws and last but not least is the demographic variables.

Socio demographic variables that previous researchers had studied previously which are related to bequest motive include age, income status, race, gender, education, health status, family features, religion and others. From the previous research by Goetting and Martin (2001), it was found that the chances of having a will depend on race, education, net worth and the respondent's assessment. Nordblom and Ohlsson (2010) found that those who are rich are more likely to leave a bequest to their children. Moreover, from the past researches by other researchers, it has found out that demographic variables and individual backgrounds affect the bequest motives. For example, income level, health, race, religion, gender, education and cultural background (Hurd and Smith, 1999). All of these variables are believed to have significant impacts on the bequest motives. It is well-documented that both demographic variables (such as age, gender, family size, and education) and background risk factors (such as private business risk and health) are important determinants of households' portfolio decisions (Campbell, 2006).

Firstly, Gender is believed to play a role on bequest motives whereby male and female are found to act differently towards bequests. From the research by Gunther Fink and Silvia Redaelli (2004), it was found that female has a relatively lower tendency to leave bequest than male which then shows that gender does play a role in the bequest motive. In the United States, female is found to be negatively and significantly affects bequest motive which is probably due to the data that most female respondents were single (John Laitner, 2001). The result from Rowlingson and McKay (2005) argues that women are more likely to make a will than men due to their increasing longevity. Nonetheless, Jurges (2001) found that gender does not contribute to be an important factor for bequest motive.

Age was agreed to be the most important factors in influencing will adoption. Will making is found to be very rare among the young people. Older individuals are more likely to make a will compared to those younger one (Lance Palmer, 2006). This is probably because when one person is old, there is a higher chance that they

will die and a will is necessary before death (McGranahan, 2006). If younger people make a will, it will probably because they have children (Rowlingson & McKay, 2005), divorce or due to travelling (Finch & Mason, 2000).

Earlier paper by Gunther Fink and Silvia Redaelli (2004), it implied that individuals background can influence the bequest motives. According to the studies, it was found that more educated households are more likely to leave retirement fund than less educated. Education is one of the factors that have a positive and significant effect on bequest motives in which people who have higher education tend to have bequest (Kao, Hong, Widdows, 1997). Light and McGarry (2004) stated it is not significant although the higher education is associated with higher probability to leave a bequest. However, the research done by Jurges (2001) turns out it has negative effect on bequest instead which is clashing to the existing studies and he himself cannot provide any rationalization for this.

Aside from gender, the health status of households was also tested against the bequest motive. The result shown that the healthier the households, the higher chance that they will leave bequest and vice versa (Kao, Hong, Widdows, 1997). Another research also implies that the possibility that a mother is leaving a bequest is significantly higher when she is in poor health (Light & McGarry 2004).

### **2.8.1 Factors Affecting the Bequest Motives of Muslims**

Muslims' bequest motives are influenced by several factors as well. There was a study conducted by Ahmad and Peyman (2008) to find out more about the practice of making a wassiyah in Malaysian Muslims context. Most respondents of the study were aware of the purpose and objective of making wasiyyah which include protecting the welfare of their adopted children whom is not eligible to receive any assets under faraid law. In addition to that, it was found there are three factors that influence the wasiyyah making of Muslims participants which are the knowledge about



wasiyyah, objective of wasiyyah and benefits of wasiyyah. All these factors have a positive relationship with wasiyyah making (Ahmad & Pyeman, 2008). According to Muda (2008) who also study on the wasiyyah practice in Malaysia stated that demographic, religious, self-interest and awareness, and institutional factors are among the factors that influence the wasiyyah practice in Malaysia.

Since Malaysia consists of citizens who are from different religions and races, it is important to study the differences of their strength and nature of bequest motives and their bequest divisions. The main races in Malaysia comprise of Malays, Chinese and Indian. As previous research implied, race plays an essential role in determining the bequest motives. On the other hand, health status of the aging population can be one of the determinants of bequest motives which this study will determine. Besides that, this study will also find out how gender affects bequest motives.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1 Introduction**

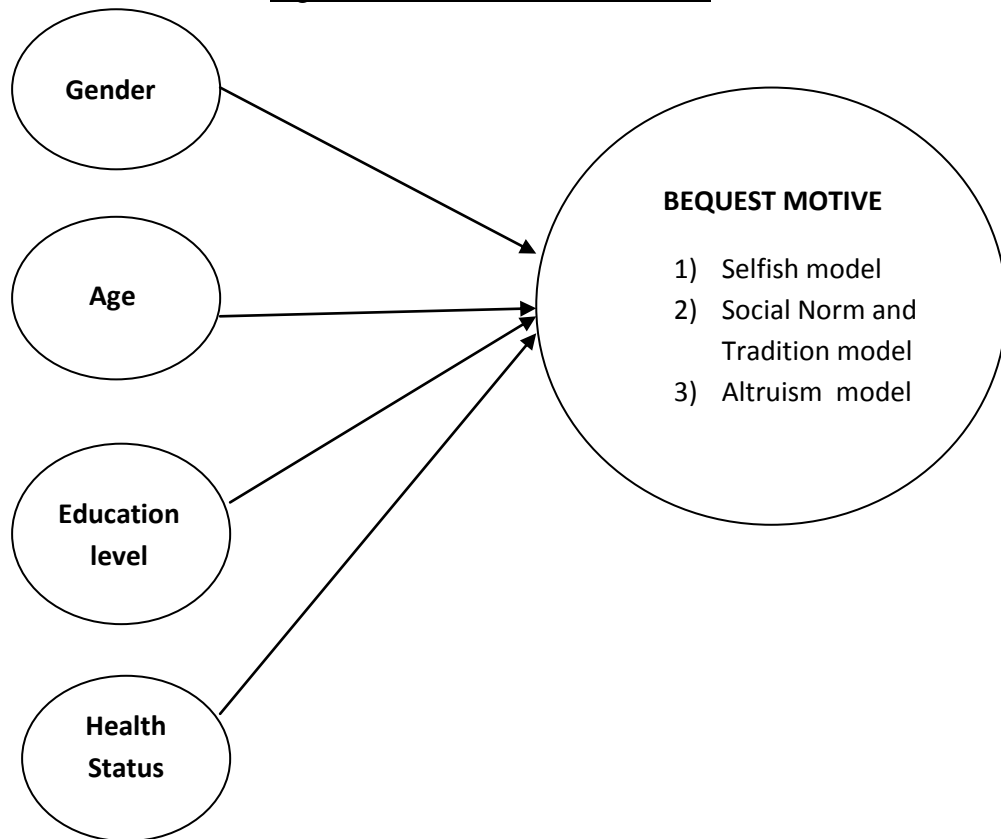
Research methodology is the study of how research is to be done scientifically. Research methodology shows the process of obtaining the result instead of just how to obtain it. It systematically solves the research question through logically adopting various steps. This chapter helps to explain how the research is done so that others that are reading the research paper are able to understand and follow the process that is done by the researcher. It also helps those who are reading to judge and analyze the paper as to how good and accurate it is based on the methodology that was used to do this research.

The purpose of this study was to examine the bequest motive of the Malay elderly in decision making in relation to gender, age, education level and health status. So, this chapter will give full explanation in term of how the study is carried out. There are a total of 8 sub-sections in this research methodology. Section 3.1 is the theoretical framework. In section 3.2, the hypothesis for this research will be stated. In section 3.3, the source of the data that were used for this research will be explained along with the method in which was used to collect it. In section 3.5, the sample design is explained together with the sampling technique that was used in this research. In section 3.6, the questionnaire design is explained according to the different sections and the reasons for such a design to be were selected. In section 3.7, the measurement scales and which measurement scales are used are explained. In section 3.8, data processing was explained. The research design is explained in section 3.9. In section 3.10, the method of analysis used to analyze the data is explained. The test that was run and the reason for choosing these tests are explained here.

## 3.2 Theoretical Framework

The resulting framework for this study is illustrated in the below:

Figure 3.2 Theoretical Framework



The independent variables would be the gender, age, education level, and health status while the dependent variable would be the bequest motives namely selfish life-cycle model, social norms and tradition model, and altruism model. This research is to determine the relationship between gender, age, education level, health status, and bequest motives.

### 3.3 Hypothesis

The hypothesis is to determine the relationship between demographic characteristics and bequest motives of elderly Malays in Malaysia. The hypotheses are as below:

- H<sub>1</sub>: There is a difference in the bequest motives between male and female of elderly Malays in urban Malaysia.
  - H<sub>1a</sub>: There is a difference in the selfish life-cycle model between male and female of elderly Malays in urban Malaysia.
  - H<sub>1b</sub>: There is a difference in social norm and tradition model between male and female of elderly Malays in urban Malaysia.
  - H<sub>1c</sub>: There is a difference in altruism model between male and female of elderly Malays in urban Malaysia.
  
- H<sub>2</sub>: There is a relationship between age and bequest motives of the elderly Chinese in urban Malaysia.
  - H<sub>2a</sub>: There is a relationship between age and selfish life-cycle model of the elderly Malays in Malaysia.
  - H<sub>2b</sub>: There is a relationship between age and social norm and tradition model of the elderly Malays in Malaysia.
  - H<sub>2c</sub>: There is a relationship between gender and altruism model of the elderly Malays in Malaysia.
  
- H<sub>3</sub>: There is a difference in the bequest motives among different education level among the elderly Malays in urban Malaysia.
  - H<sub>3a</sub>: There is a difference in selfish life-cycle model among different education level among the elderly Malays in urban Malaysia.
  - H<sub>3b</sub>: There is a difference social norms and tradition model among different education level among the elderly Malays in urban Malaysia.

- H<sub>3c</sub>: There is a difference in altruism model among different education level among the elderly Malays in urban Malaysia.
- H<sub>4</sub>: There is a relationship between health status and bequest motives of the elderly Malays in urban Malaysia.
  - H<sub>4a</sub>: There is a relationship between gender and selfish life-cycle model of the elderly Malays in Malaysia.
  - H<sub>4b</sub>: There is a relationship between gender and social norm and tradition model of the elderly Malays in Malaysia.
  - H<sub>4c</sub>: There is a relationship between gender and altruism model of the elderly Malays in Malaysia.

### **3.4 Data Collection Methods**

According to Sekaran, U. and Bougie, R. (2010), data collection methods are a vital part of research design. Data collection methods can be in various forms such as interviews, questionnaires, and observation. Data can be obtained from primary or secondary resources or both. In this research, both primary and secondary data were being used.

#### **3.4.1 Primary data**

Primary data is the information obtained first-hand by the researcher. It is collected through the survey questionnaires distributed to respondents. The survey questionnaires are the means to acquire data needed for cross-sectional studies in the area of bequest motives. In this Universiti Tunku Abdul Rahman (UTAR) funded research, survey questionnaires were distributed to 280 elderly Malays who are 50 years old above from April to June 2011 in urban Selangor, Malaysia.

### **3.4.2 Secondary Data**

Secondary data are the information obtained from sources that had already available such as statistics or articles from books, government publications, census data, annual reports, and so on (Sekaran and Bougie, 2010). Secondary data has been collected from articles and journals regarding bequest motives written by scholars from Malaysia as well as other countries. In addition to that, online databases like Science Direct, Proquest and Sage which are subscribed by UTAR were used to find more information regarding bequest motives. Moreover, SPSS reference book was referred to help in data analysis process.

## **3.5 Sample Design**

The process of choosing adequate number of appropriate elements from the population is known as sampling. The main purpose of conducting sampling process is to save time, costs, and other human resources. This is because it is difficult to collect data from, test, or analyze each and every element. Besides, studying on sample can help produce more reliable results. This is because choosing sample rather than the entire population will reduce errors and inaccuracies especially when large number of elements is involved (Sekaran and Bougie, 2010).

### **3.5.1 Target Population**

Target population is a group of objects that contain information and data that are desired by researchers (Malhotra, 2007). It is the combination of elements, geographical boundaries, and time. To identify the target population, it starts by identifying the characteristics of the population. In short, the target population in this research will be the Elderly Malay aged

50 and above who reside in Selangor state and the data were collected from April to June 2011

### **3.5.2 Sampling Frame and Sampling Location**

Sampling frame represents the list of elements in the population from which the sample may be drawn (Sekaran and Bougie, 2010). A sample frame of the Elderly Malay aged 50 and above in each chosen district and area in Selangor was gathered by the Department of Statistics, Malaysia followed by random sampling for the selection of suitable respondents. Then, the questionnaires will then be randomly distributed to a total of nine districts that have been chosen from the Census of Malaysia 2010 which consists of Gombak, Klang, Kuala Langat, Kuala Selangor, Petaling, Sabak Bernam, Sepang, Ulu Langat and Ulu Selangor. To select the sampling location of this study, it was based on the probability proportional to the population size procedure at sub-district level to make sure the sample is representative for elderly. Moving on, the areas are chosen within each sub-district to present sufficient representation of urban areas. Even though the survey was only conducted in Selangor, but it is a good representation of urban Malaysia because Selangor has a highest population in Malaysia in 2000 with a total of 4.2 million of people (Statistic.gov, 2010). In addition to that, Selangor has a net migration (people who moved from other states to stay in Selangor) of 237 thousand in the period of 1995-2000.

### **3.5.3 Sampling Elements**

The elements are the objects that have the information needed by researchers and are usually referring to the respondents. For this research, the sampling element would be the Elderly Malay whose ages are 50 years old and above and live in Selangor state.

### **3.5.4 Sampling Technique**

Sampling technique can be divided into probability and non-probability sampling. This research used probability sampling. In choosing the eligible respondents for the survey, random sampling was used. The selection of the areas of study is based on a probability proportional to population size in each district to ensure a representative sample of the Elderly Malay.

### **3.5.5 Sampling Size**

This survey comprised of 280 respondents. The sample was 280 Malay residents with the age of 50 and above from nine districts in the State of Selangor namely Gombak, Kuala Langat, Petaling, Sabak Bernam, Ulu Selangor, Klang, Kuala Selangor, Sepang, and Ulu Langat.

## **3.6 Research Instrument**

In this research, self-administered questionnaire is the research instrument used. Respondents have to take their responsibility to read and answer the questions without the presence of interviewer in self-administered questionnaires (Zikmund, Babin, Carr, and Griffin, 2010). Researcher has to make sure of the clarity of the words of the questions in the questionnaires.

### **3.6.1 Questionnaire Design**

The questionnaire was created and presented in three versions which are English, Bahasa Melayu, and Chinese versions. This is to ensure respondents can choose the versions of questionnaires in which they are familiar with their particular language. Besides, simple language was used in creating the questions in the survey to prevent any misunderstanding



and leading-loaded questions. Furthermore, close-ended questions were used to enable respondents make quick and clear decisions.

There are five different aspects that the respondents were required to answer in the questionnaire.

- **Section I**

This section was about respondents' background. Nominal scales, ordinal scale, and ratio scale of measurement are used in the questionnaire survey in this section. Questions asked in this section are such as age, gender, religion, housing type, income level, education level, health status, and so on.

- **Section II**

Section 2 comprised of the questions regarding to time transfers. A time transfer primarily explains family support and interactions in terms of time spent among family members and this interaction could be from parents-to-children, children-to-parents or two-way traffic.<sup>3</sup> Nominal scales, ordinal scale, and ratio scale of measurement also used in this section. Examples of questions such as respondents are staying with who, how often their children visit them or how often they visit their children, who they will look for help when they encountered problems such as food, housing, and transportation problems, whether they feel that their children love them, whether they can influence the decisions of their children, and so on.

- **Section III**

This section consisted of questions about financial transfers. A financial transfer covers financial assistance among the family members.<sup>4</sup> Nominal

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<sup>3</sup> Chong S. C., Sia B. K., Lim C. S. and Ooi B. C. (2012). Financial satisfaction and intergenerational resource transfers among urban older Malaysians. *American Journal of Scientific Research*, 43, 32-45.

<sup>4</sup> Chong S. C., Sia B. K., Lim C. S. and Ooi B. C. (2012). Financial satisfaction and intergenerational resource transfers among urban older Malaysians. *American Journal of Scientific Research*, 43, 32-45.

and ordinal scales of measurement are used in this section such as household items owned by respondents, whether they have their bedrooms, whether they satisfy with their house, in what situation their children are supporting their monthly expenditure, how they use the money given by their children and in what situation they will support their children's monthly expenditure.

• **Section IV**

In section 4, the questions were about respondents' financial satisfaction. Besides, bequest motives were also explored in this section such as questions about their perception in which situation children should provide financial support to their elderly parents, their perception in which situation parents should provide financial support to their children, whether they will leave bequest to their children and in what situation, and how they will distribute their bequests based on some reasons such as to those who carry on the business, to those who earn the lesser income, to those who take care of them, to elder son, to either daughters or sons, distribute equally among their children, or never leave any bequest. Only ordinal scale of measurement was used in this section. Likert scales were often used in the questions in this section. Respondent required choosing only one question. Likert scales range from 1 to 7, there are strongly disagree to strongly agree and worst to great.

Table 3.1 Likert scale from Strongly disagree to Strongly Agree and Worst to Excellent

1	Strongly disagree
2	Disagree
3	Somewhat disagree
4	Average
5	Somewhat agree
6	Agree
7	Strongly agree

1	Worst
2	Bad
3	Somewhat bad
4	Average
5	Somewhat good
6	Good
7	Excellent

Likert scale ranges from strongly disagree to strongly agree used in questions such as whether they agree that safety is important than return in term of investment, whether they agree that they have saving plan, whether they agree that they satisfy with their current financial status and so on. On the other hand, likert scale ranges from worst to bad used in asking how respondents perceive their financial management knowledge level.

- **Section V**

Section 5 was about respondent's financial status. Nominal and ratio scales of measurement were used in this section. Questions included are the sources of their income, the types of private assets they own, how much their monthly household expenditure, how much percentage they contribute to their monthly household expenditure, and so on. Besides, there are also some questions about respondents' wills in this section. Questions related to wills such as the minimum amount of money require meeting their retirement plan, the ideal amount of money needed to enjoy an ideal life, how many percentage they have achieve for their ideal life retirement plan, whether they have written will, whether they have bequest distribution plan, how they will distribute the money if they have one hundred token, and much more.

### **3.7 Constructs Measurement (Scale and Operational Definitions)**

Measurement is referred as series of items arranged according to value for the purpose of quantification. There are four levels of measurement scales namely nominal scale, ordinal scale, interval scale, and ratio scale.

#### **3.7.1 Nominal Scale**

The lowest level is nominal scale, which categorical data and numbers are

simply used to identify, classify, or name the attributes or characteristics uniquely, that is each value on the measurement scale has a unique meaning. However, it simply denotes categories that have no set order or hierarchy of value. In other word, there is no order to this scale. Examples of nominal scale used in this questionnaire survey such as gender, race, religion, and marital status.

### **3.7.2 Ordinal Scale**

The next level of scale is ordinal scale. Ordinal scale is a set of categories that satisfy the natural ordering but the distance cannot be quantified. At this level, subjects can be ordered from high to low but the ranks do not tell by how much subjects differ. In other word, whether a subject is greatly superior or slightly superior compare to another not to be known. To measure the amount of difference among subjects, the next levels of measurement are needed, which are interval scale and ratio scale. Likert scale is a type of ordinal scale used in the research survey. Examples of questions in questionnaire survey that used ordinal scales of measurement include health status, financial satisfaction level, saving and expenditure satisfaction level, and financial management knowledge satisfaction level.

### **3.7.3 Interval Scale**

The third highest level of measurement scale is interval scale. An interval scale has order and equal intervals or distances between categories. The distance between numbers does have meaning but it does not have an absolute zero. However, interval scale of measurement was not being used in this questionnaire survey. Example of interval scale used is in Section D regarding financial satisfaction.

### **3.7.4 Ratio Scale**

Ratio scale is the highest level of measurement scale. Ratio scale of measurement is similar to the interval scale that it has order and equal intervals or distances. However, unlike interval scale, ratio scale is an interval that has absolute zero. It means that there is no number exists below zero. Ratio scales of measurement used in this questionnaire survey include age, income level, and monthly household expenditure.

## **3.8 Data Processing**

Data processing is needed before analyzing the data to improve the quality of the data. This is inevitable to ensure the data is accurate and appropriate for the analysis of this research. This process includes checking, editing, coding, transcribing, and cleaning (Malhotra, 2007).

### **3.8.1 Questionnaire Checking**

The first step of data processing is questionnaire checking. Questionnaire checking begins with examining the completeness and quality of acceptable questionnaires (Malhotra, 2007). This is done while fieldwork is still in progress. Questionnaires returned might consists of a few problems such as questionnaires may be unfinished, respondents do not understand the questions and do not follow the instructions given, or there are a few missing pages (Malhotra, 2007).

### **3.8.2 Data Editing**

Data editing is required after data entry. It is a process of reviewing the questionnaires to ensure the data keyed in is accurate. For example, it

involves managing the blank responses and checking for the inconsistent data (Sekaran and Bougie, 2010). Besides that, it also identifies and corrects irrational, incomplete, inconsistent, unclear, or omitted data by respondents. When there is outlier, the data can be illogical. To detect outlier, one can use the methods of finding minimum and maximum values, frequency table, or using visual aids such as scatterplot. There are inconsistent responses when the responses do not match with other information given. To deal with this problem by following up the particular respondents can be rather expensive. Moreover, omission problem exists when some questions are unanswered which might due to respondents do not understand or reject to answer (Sekaran and Bougie, 2010).

### **3.8.3 Data Coding**

In this process, respondents' answers are grouped into related categories and numbers will be allocated to each respondent's answers so that the responses can be entered into database. This enables the data entry process to be easier besides avoiding confusion when the number of questions and questionnaires are high. For example in this research, male is coded as 1 while female is coded as 0.

### **3.8.4 Data Transcribing**

According to Malhotra (2007), the questionnaires' coded data or coding sheets are being transferred directly into computers by keypunching in this process. The type of interviewing method used in the survey and also the availability of equipment determine the type of data-transcription method being used.

### **3.8.5 Data Cleaning**

Data cleaning comprises of consistency checks and treatment of missing responses (Malhotra, 2007). Since the consistency checks now involve the use of computer, they are more thorough and extensive than the checks during editing phase. It is to determine data that is logically inconsistent, out-of-range, or with outliers (Malhotra, 2007). It is unacceptable when there is out-of range data with values that cannot be defined by coding scheme. SPSS and EXCEL are useful in checking the out-of range data.

## **3.9 Research Design**

According to Zikmund, W. G. (2003), research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information. In order to complete the research, research design should be selected appropriately. There are three different types of research which includes the exploratory research, descriptive research, and causal research. Exploratory research is the research conducted to explain and define the nature of a problem. According to Zikmund, W. G. (2003), exploratory research allows greater understanding of a problem or concept but not providing quantification. For descriptive research, it is conducted when the problem is aware. It is to describe characteristics of the population or phenomenon. For causal research, it is conducted to identify cause and effect relationships. Causal hypothesis must have at least two variables and it is expressed as a prediction or expected future outcome.

For this research project, the research design that is the most appropriate is the causal research because the purpose of this research is to determine the relationship between the demographic data and the bequest motives. Under the demographic data, particularly the aspect of health status, gender and race are the independent variables. These are the specific variables that we would like to explore the extent to which it affects the bequest motives. Bequest motives are the dependent variable.

Specifically, several issues will be discussed concerning the causal relationship. The relationship between the bequest motives and health status, the relationship between the bequest motives and gender, the relationship between the bequest motives and race are the relationship that would be determined.

### **3.10 Data analysis**

Different types of test are available for conducting analysis. For this research, SPSS version is used to analyze the data. The Statistical Package for Social Sciences (SPSS) version software consists of several different features and functions such as descriptive statistics and reliability test that are very useful for statistical data analysis. Four tests have been chosen which are frequency analysis, factor analysis, reliability test, and multiple regression.

#### **3.10.1 Descriptive analysis**

Descriptive statistics involves statistical procedure that is used to describe the group that is being studied. This is to provide a more thorough profile and related aspects of the areas of interest. Simply put, it provides a snapshot of the situation under study. For this research, only frequency analysis was being used.

##### **3.10.1.1 Frequency analysis**

Frequency analysis used to analyze the frequency occurrence of an observation. The mean, mode, and median can be determined using frequency analysis. Through these data, probabilities and confident intervals can be obtained. With probability, the chances of an event happening can be known. With confident intervals can be certain about a percentage that the hypothesis is true or untrue. For research on



demographic characteristics and bequest motive specifically gender, age, education level, and health status, it is important to have frequency analysis to find out just how many percentage of the sample is from these demographics. Frequency analysis also gives an overview of the background of the respondents. With this, more detailed information can be found and a better understanding of the respondents is achieved. With this information, it can ensure that all the results are non-biased and fair as well as accurate and complete.

### **3.10.2 Factor Analysis**

Factor analysis is a statistical method used to describe variability among correlated variables that have been observed to a potentially lower the number of unobserved, uncorrelated variables called factors. Factor analysis seeks to find out if the variables can be group into smaller groups which are related called factors. Simply put, it is to determine the underlying factors of a large numbers of variables. For this research, factor analysis was being used to group the variables into factors that affect bequest motives of Malay elderly. Section D5 in the questionnaire contains seventeen variables that were grouped into factor. Seventeen correlated variables were replaced by a set of smaller uncorrelated factors.

### **3.10.3 Scale measurement**

Scale measurement is necessary to assess the reliability of the data before conducting inferential tests.

#### **3.10.3.1 Reliability Test**

Reliability Test is the test to show whether the data or result is reliable.

Validity and Reliability are two important aspects that need to be confirmed. Validity means the degree that the measurement or test that were used to measure truly measures what was intended to be measured. An example would be the validity of a ruler to measure length. It is valid as the centimeter scale on the ruler is truly measuring what it was intended to measure, which is length. Reliability is about the consistency of the test to give us accurate measurements. Without validity, the measurements are all wrong despite it being consistent time after time and again. However, even with a valid measurement, if the measurements are not reliable and consistent then the data is also of no use. The consistency of repeated measurement and over different items can be confirmed with the test on reliability.

There are 3 main reliability tests. They are test-retest reliability, parallel forms reliability and inter-rater reliability. Reliability test is carried out to ensure that the results and data that were collected for this research were reliable and meaningful and that there were not any doubts or question as to the reliability of the result and data. In this study, Cronbach's coefficient alpha was used. The factors would be considered reliable and meaningful if the cronbach's  $\alpha$  is above 0.7. It normally has a positive relationship with the number of items in the scale. When the coefficient is below 0.7, then it is considered unsatisfactory internal consistency reliability.

#### **3.10.4 Inferential Analysis**

From the observation and analysis of sample, it can make prediction about the population using inferential analysis. The result from obtained from the analysis of sample can generalize it on the larger population. For this research, multiple regression was used to find out the relationship between the independent variables (gender, age, education level, and health status) and dependent variables (bequest motives).





deleted or given a score for that variable that is high but not too different from the rest of the scores.

**iv. Normality, linearity, homoscedasticity, independence of residuals**

These assumptions can be checked through the residuals scatterplots. In order for the normality test to be met, the residuals must be normally distributed about the predicted dependent scores. Besides that, for linearity, the residuals should have a linear relationship with the estimated dependent variable score. Last but not the least, the variance of residuals should be constant for all predicted scores to fulfill homoscedasticity.

## **CHAPTER 4: RESULTS AND INTERPRETATION**

### **4.1 Introduction**

The data set used in this paper was collected from the survey carried out on elderly who live in Selangor state, Malaysia, and aged 50 and above. There was a sample of 760 respondents in this survey. Nonetheless, this paper will only be focusing and discussing about the elderly Muslims. Therefore, only Muslims data set will be derived from the entire data set to be analyzed in this paper. Data of 280 respondents will be analyzed in this paper which will make up 36.8 per cent of the total sample size.

The data that was collected comprise of a wide range of information which is extremely rich and useful for this paper. It does not only include information about respondents' bequest motive but also contain information about their socioeconomic background. With such information, the study on the effects of a large set of variables on bequeathing behavior can be carried out.

The purpose to carry out this study is to determine the effects demographic characteristics on the Muslims elderly intention to bequeath. Before the analysis is further carried out, the respondents' background will be discussed in detail to provide a clear overview of this research paper. It was found from the previous research that has been mentioned in chapter two that gender, age, education level and health status significantly affect bequest motives

### **4.2 Respondent Demographic Profile**

In presenting respondents' demographic profile, it will be presented in two tables which are Table 4.4 in the aspect of gender, age, education level, and health status. With such tables, they provide readers a better understanding on the respondents' data.

From table 4.1, it can be seen that male and female respondents represent almost the same percentage. Female respondents are slightly more than male respondents whereby 52.5 per cent are female and 47.5 per cent are male. The almost equal proportion of both genders would be a good representation to study the different behavior of each gender. The slightly higher percentage of female respondents might be explained by the longer average life span of females. Since this survey involved elderly who aged 50 and above, the longevity of females can clarify the bigger proportion of female respondents at old age. Life expectancy of male is 71.28 years while female is 76.99 years according to CIA World Factbook. According to United Nation world data, women are found to live on average 4.5 years longer than men. Women are believed to live longer due to their lifestyle factors. According to Dr Kaysar Mamun, Director and Senior Consultant for Department of Geriatric Medicine at Singapore General Hospital, men are more likely to engage in more risky activities which cause a higher level of stress and mortality. Besides, they also tend to join high risk jobs that lead to early death.

In the aspect of age, the data is represented in such a way that the respondents are grouped into three age groups namely 50 to 59, 60 to 69 and 70 years old and above. It is found that there are 60.7 per cent of the respondents that fall in the age of 50 to 59, followed by 27.9 per cent in the age group of 27.9 per cent. There is only 11.4 per cent of the elderly are 70 years old and above. To explain the generally larger proportion of respondents who are of younger age, one can look at the age structure trend in Malaysia. According to CIA World Factbook, there is 41.2 per cent of population in the age group of 25 to 54, 7.1 per cent in 55 to 64 and 5.1 per cent for 65 years and over in 2012. Population portion generally decrease as age increases.

Table 4.1: Population ('000) by age group, Malaysia

Year	Age Group	
	15-64	65+
2001	15,293.3	950.1
2002	15,845.7	988.8
2003	16,399.9	1,028.7

2004	16,955.0	1,069.2
2005	17,510.3	1,109.8
2006	17,856.9	1,150.7
2007	18,202.8	1,192.7
2008	18,547.2	1,236.0
2009	18,889.7	1,281.5
2010	19,230.1	1,329.8

Source: Department of Statistics Malaysia

Educational level is found to be a significant variable in affecting the intention to leave a bequest. From the data obtained, there are 54.6 per cent of the respondents who attained secondary and above education level. The respondents who have primary education and below make up almost half of the percentage which is 45.4 per cent whereby 33.6 per cent has primary education and 11.8 per cent is illiterate. The illiteracy rate of Malay elderly is rather high. Prior to Malaysia's Independence in 1957, people have less opportunity to receive formal education and thus, the education level attained by these respondents was relatively low. Education in Malay back then was only limited to primary level. Then, the British colonial only provide English medium secondary. This forced primary students who studied in Malay to adjust to English medium secondary school and as a result, many students dropped out. The schools established by British Colonial was never intended to prepare the students to enter to higher institutions of education but they only prepared them for low-level civil servants. Only after independence, Malaysia has opened more education opportunities. Free primary education has been provided and made compulsory for all children in 1961. Besides that, higher education system has been developed. This explained high percentage of elderly who probably comes from the younger group to have secondary and higher education level.

Another variable which is health status is an important variable as from the past research, it is found to exert significant effects on bequest motives. Self-rated health is an indicator of general health and prediction of older population in future health, functional decline, disability, and mortality (Arnadottir, 2011). From the



table 4.1, respondents who rated their health positively are more than those who rated negatively. In total of 70.4 per cent of the respondent perceived their health as fairly good, good and very good which is 32.9 percent, 27.1 per cent and 10.4 per cent respectively. On the other hand, only 27.8 per cent thinks that it is very poor, poor and fairly poor which is 1.4 per cent, 9.6 per cent and 16.8 per cent respectively. There is only 1.8 per cent of the respondents think it is neither good nor poor. Majority of the respondents have a high self rated health status. In other words, most of the elderly think that they are healthy. According to some past researches, most of the older adults will feel younger than they are (Mock & Eibach, 2011). The tendency for them to feel younger exerts some effects on physical and psychological process. Positive self rated health can be an indicator of youthfulness (Westerhof, Barrett, & Steverink, 2003). Thus, favorable health evaluation is closely related with a younger perceived age. When the elderly think that they are younger than their actual age, they will rate highly on their health status.

Table 4.2: Demographic profile

<b>Characteristics</b>	<b>%</b>	<b>n</b>
<b>Gender</b>		
Male	47.5	133
Female	52.5	147
<b>Age Group</b>		
50-59	60.7	170
60-69	27.9	78
70 and above	11.4	32
<b>Educational Level</b>		
No schooling	11.8	33
Primary	33.6	94
Secondary and above	54.6	153
<b>Health Status</b>		

Very Poor	1.4	4
Poor	9.6	27
Fairly Poor	16.8	47
Neither poor nor good	1.8	5
Fairly Good	32.9	92
Good	27.1	76
Very Good	10.4	29
<b>Total</b>	100.0	280

### 4.3 Tests, Results and Interpretation

Principal component analysis (PCA) is used to compress a number of variables into a smaller set of new dimensions known as constructs. Therefore, PCA was used to determine the urban Malays Malaysian bequest motives. Bequest motives that are influencing the urban Malays Malaysian cannot be directly observed. Nonetheless, it can be measured through latent variables. PCA with varimax rotation was used to identify the fundamental structure of the seventeen variables (Section D5 of the questionnaire) that determine the will towards bequest motives. The suitability of the data for factor analysis was conducted before PCA could be carried out.

Kaiser-Meyer-Oklin (KMO) is a measure of whether there are adequate items for each factor. KMO value was found to be 0.764 which is more than the suggested value of 0.6 (Kaiser, 1974). Besides that, Bartlett's Test of Sphericity was significant (significance value of 0.000 which is less 0.001) (Bartlett, 1954)) which means that the variables are highly correlated to support the factor analysis. Results from PCA shown the existence of three components with eigenvalues more than one. After rotation, the components explained 31.39%, 20.63% and 19.06% of variance respectively (Table4.3). In total, three components explained 71.08% of the variance. Items with factor loadings less than 0.50 are omitted to improve clarity.

Based on the result from PCA (Table 4.3), there are three bequest motives models that apply to Malays Malaysian namely selfish life cycle, social norms and tradition and altruism. The first factor which seems to index selfish life-cycle model consisted of four variables and explained 31.39% of the variance. Moving on, the second factor that seems to index social norms and tradition model comprised of three variables and accounted for 20.63% of the variance. Lastly, the last factor that seemed to index altruism model has three variables and accounted for 19.06% of the variance.

To test for the reliability of the data collected, Cronbach’s Alpha test was carried out. It is to test whether the four variables that were summed to create selfish life-cycle model, three variables under social norms and tradition model and another four variables under altruism model formed a reliable scale. Table 4.4 illustrates the Cronbach’s Alpha for the three components which selfish life-cycle is 0.887, social norms and tradition is 0.711 and altruism is 0.731. All the components have Cronbach’s Alpha more than 0.7 which proves that the variables from the scales are of reasonable internal consistency reliability.

Table 4.3: The Results of Principal Component Analysis (PCA)

	Component		
	1	2	3
<b>Selfish Life-cycle</b>			
I want to leave more or all bequest to my child who take care of me	.883		
I plan to leave a bequest only if my child take care of me	.864		
I want to leave more or all bequest to my child who carry on the family business	.852		
I plan to leave a bequest only if my child carry on the family business	.839		
<b>Social Norms and Tradition</b>			
Elderly parents should provide financial assistance		.829	

whenever they can afford it			
Elderly parents should provide financial assistance to help their child become economically independent		.773	
Elderly parents should WILL their properties to their child		.729	
<b>Altruism</b>			
I plan to leave a bequest no matter what			.784
I feel it is necessary to leave a bequest under any circumstances			.779
I want to leave as large a bequest as possible to my child			.749
<b>Eigenvalues</b>	<b>3.424</b>	<b>2.428</b>	<b>1.255</b>
<b>% of variance explained</b>	<b>31.386</b>	<b>20.634</b>	<b>19.059</b>
<b>Cumulative %</b>	<b>31.386</b>	<b>52.02</b>	<b>71.079</b>

Source: Developed for the research

Table 4.4: Descriptive Statistics on the Contracts and Cronbach’s Alpha

Factors	Mean	Standard Deviation	Cronbach’s Alpha	Items
Selfish Life-cycle	3.3438	1.490	0.887	4
Social Norms and Tradition	4.7762	1.323	0.711	3
Altruism	4.6167	1.413	0.731	3

Source: Developed for the research

Besides looking at the Cronbach’s Alpha, it is important to interpret the mean of each factor to see their relative weight. It can be seen from the table 4.4 that social norms and tradition model has the largest mean which is 4.7762. This means that it is the strongest motive among elderly Malay in Malaysia. It then followed by altruism which scored 4.6167 as mean and lastly is the selfish life-cycle model which scored 3.3438. In other words, selfish life-cycle model is the weakest bequest model compared to social norms and tradition, and altruism model. To conclude, various models of bequest motives coexisted in the Malaysian elderly Malay community in different degree, namely social norms and tradition, altruism,

and selfish life-cycle models. This is consistent with the finding of the previous research: Chong, Sia, Lim and Ooi (2011).

Social norms and tradition model was the strongest motive among the elderly Malay.. In other words, this model is the first important motive that drives respondents' bequest transfers decision. In this model, people are assumed to act according to their cultures in intergenerational transfers. It is the mutual understanding of the culture within the family or society. It is the responsibility of the parents to support their children until their children grown up and in return, it is the responsibility of the children to take care of their parents during their old age (Stankov, 2011). It is the tradition that Malay values traditional family values, love, fidelity and faith in God (Zawawi, 2008). Muslims worship their God which is known as Allah. As their tradition, they will follow the Islamic laws. They make a bequest is because Allah encourages it and also because it is their responsibility to help each other (Alma'amun, 2012).

The motive that comes after social norms and tradition model would be the altruism model. In altruism model, parents will leave bequest to their children or family members without expecting anything in return from them (Ramessur, 2009)). They would leave as large bequest as they can. They might bequeath unequal amounts to their children to support those who have lower earnings more. Parents in this model care about the well being of their children and want them to be equally well off. Altruism model is found to be applicable among the Malaysian Malay especially in the case of leaving bequest to their children who are non-Muslims and children who are refrained from inheritance (Alma'mun, 2009). Altruism model is profound because according to the Islamic theory of wealth, Muslims have to leave charity bequest out of the one-third portion. Thus, altruism model explains the charity bequest by Muslims.

The last model would be the selfish life-cycle model. This is one of the significant models that affect the bequest motives. In this model, it is assumed that parents are selfish and they only care for themselves. They have no intention to leave any bequest behind to their children or family members (Yin, 2010). In fact, they accumulate wealth just to secure their retirement, medical expenses and any

uncertainties. In addition to that, they will only leave their bequest provided that their children take care of them during their old age. According to Chong, Sia, Lim and Ooi (2011), selfish life-cycle model applies in Malaysian whereby parents expect their children to take care of them and provide financial support. This is explained by the high parent-child co-residence rate in Malaysia which the main reason is elderly need financial and mental supports from their children (Masitah, 1989). Yet, it is assumed to be the least dominant in Muslims lives if Islamic theory of wealth is adopted (Alma'mun, 2009).

Dynasty model was found to not exist among the Malaysian Malays. This means that their bequest motive is not driven by their wish to transfer their bequest to the children that will take over their business. This result is probably associated with their income level. The income of the respondents in the last 12 months from this research is shown below:

Table 4.5: Income of the respondents in the last 12 months

<b>Income range</b>	<b>Frequency</b>	<b>Percent</b>
Less than RM12000	95	33.9
RM12000-17999	13	4.6
RM18000-23999	9	3.2
RM24000-29000	5	1.8
RM30000-35999	5	1.8
RM36000-47999	4	1.4
RM48000-59999	3	1.1
RM60000-71199	5	1.8
RM72000+	3	1.1
Missing Value	138	49.3
Total	280	100.0

Source: Developed for the research

It is noticed that majority of the respondents have annual income less than RM12000. Having income level of lower than RM12000 might implies that they are of normal employees only. This is probably the reason why they are not dynastic because their income level is low and most probably does not have a business for their children to take over. However, there are missing values from 138 respondents which might due to the respondents' reluctant to disclose this information. It is unable to analyze these missing values. Therefore, this is what can be justified based on the available data.

Multiple regression was conducted to establish the best linear combination of gender, age, education level, and health status for predicting bequest motive. Three multiple regression models were carried out to explore the relationship between the independent variables and three bequest motive models that has been factored out namely selfish life-cycle model, social norms and tradition model, and altruism model.

Preliminary analysis was carried out for all the three regressions to ensure there is no violation of the assumptions of multiple regression which are normality, linearity, no multicollinearity and homoscedasticity for all the three models. Tolerance value for each independent variables are not less than 0.10 while VIF (Variance inflation factor) are all well below the cut off of 10 for all the three regression models (Refer to Appendix C). Thus, there is no multicollinearity problem. Furthermore, the Normal Probability Plot of the Regression Standardised Residual (Appendix C) of all three models are straight diagonal line from the bottom left to top right which suggest that there is no major deviation from normality. Scatterplot of the standardized residuals (Appendix C) showed that the dots are scattered and concentrated in the centre for all the regression models. Thus, the assumptions of the errors being normally distributed and homoscedasticity are met.

First regression is to determine the relationship between gender, age, education level, health status and selfish life-cycle model. The R squared value was 0.024. This indicates that 2.4 per cent of the variance in selfish life-cycle was explained by the model. The combination of variables do not significantly predicted selfish

life-cycle,  $F(5, 274) = 1.361$ ,  $p > 0.01$ . None of the variables are significantly contributing to the equation at neither one per cent nor five per cent significance level.

Table 4.6: Regression Table for selfish life-cycle model as dependent variable

	<b>B</b>	<b>SE B</b>	<b><math>\beta</math></b>
(Constant)	3.073	0.897	
Gender	0.260	0.185	0.087
Age	0.008	0.012	0.040
Primary education	-0.165	0.310	-0.052
Secondary education and above	0.227	0.331	0.076
Health status	-0.078	0.063	-0.081

Note:  $R^2 = 2.4\%$ ,  $F = 1.361$ ,  $*p < 0.05$ ,  $**p < 0.01$

Table 4.7: Summary of results for selfish life-cycle model as dependent variable

Hypothesis	Results
Hypothesis 1	Not Supported
Hypothesis 2	Not Supported
Hypothesis 3	Not Supported
Hypothesis 4	Not Supported

The second regression is to identify the relationship between gender, age, education level, health status and social norms and tradition model. The R squared value was 0.019 which shows that 1.9 per cent of the variance in social norms and tradition was described by the model. The combination of variables do not significantly predicted social norms and tradition model,  $F(5, 274) = 1.041$ ,  $p > 0.01$ . None of the variables are significantly contributing to the equation at neither one per cent nor five per cent significance level.



Table 4.8: Regression Table for Social Norms and Tradition model as dependent variable

	<b>B</b>	<b>SE B</b>	<b>β</b>
(Constant)	5.578	0.798	
Gender	-0.132	0.165	-0.050
Age	-0.012	0.011	-.0074
Primary education	-0.292	0.276	-0.105
Secondary education and above	-0.079	0.294	-0.030
Health status	0.028	0.056	0.033

Note:  $R^2 = 1.9\%$ ,  $F=1.041$ ,  $*p<0.05$ ,  $**p<0.01$

Table 4.9: Summary of results for Social Norms and Tradition model as dependent variable

Hypothesis	Results
Hypothesis 1	Not Supported
Hypothesis 2	Not Supported
Hypothesis 3	Not Supported
Hypothesis 4	Not Supported

The last bequest model that influences the elderly Malay in Malaysia is altruism model. Therefore, the third regression is to find out the relationship between gender, age, education level, health status, and altruism model. No multicollinearity problem was also checked and met when referring to the tolerance and VIF values. The R squared value was 0.086. This means that 8.6 per cent of the variance in altruism was explained by the model. The combination of variables significantly predicted selfish altruism,  $F(5, 274) = 5.152$ ,  $p<0.01$ . Only health status is significantly contributing to the equation at one per cent significance level ( $\beta = 0.172$ ,  $p<0.01$ ). Health status is having a positive relationship with the altruism bequest motive. When the health level of elderly Malay in Malaysia increase, the altruism behavior toward bequest among elderly Malay will have a slight increase of 0.156.

Table 4.10: Regression Table for altruism model as dependent variable

	<b>B</b>	<b>SE B</b>	<b>B</b>
(Constant)	2.944	0.823	
Gender	-0.082	0.170	-0.029
Age	0.014	0.011	0.079
Primary education	-0.251	0.285	-0.084
Secondary education and above	0.384	0.303	0.135
Health status	0.156	0.058	0.172**

Note:  $R^2 = 8.6\%$ ,  $F=5.152^{**}$ ,  $*p<0.05$ ,  $**p<0.01$

Table 4.11: Summary of results for altruism model as dependent variable

Hypothesis	Results
Hypothesis 1	Not Supported
Hypothesis 2	Not Supported
Hypothesis 3	Not Supported
Hypothesis 4	Supported

## 4.4 Conclusion

In conclusion, this study found that three bequest motives models coexisted in urban Malaysian among elderly Malay namely selfish life-cycle model, social norms and tradition model and altruism model.

Besides, this research does not support that gender, age, and education level have a statistically significant relationship with selfish life-cycle, social norms and altruism model. Only health status is statistically significant at 0.01 levels in altruism model but not significant in other model. The results suggest that healthier elderly are more likely to leave a bequest.

In Chapter 5, it will discuss about the summary of the results obtained in this chapter and also the discussion of the results. Besides, it also includes the implications of this research.

## **Chapter 5: Discussion, Conclusion and Implication**

### **5.1 Introduction**

This research aims to find out the bequest motives that exist in the Malaysian Malay community and to determine the relationship of demographic characteristics (Age, Gender, Education Level, and Health Status) with bequest motive of the elderly Malays in Malaysia. This chapter will discuss the summary of each research questions in chapter 1 and the hypothesis stated. There are limitations to the study. However, recommendations will be provided to overcome these limitations. Implications of the study as well as ways to improve future study will also be stated in this chapter.

### **5.2 Summary of Statistical Analyses.**

#### **5.2.1 Descriptive Analysis**

For demographic components in descriptive analysis, of the 280 elderly Malay respondents from the state of Selangor, 47.5 percent are male respondents and 52.5 percent are female respondents. The distribution in term of gender for the respondents is quite equal. There are more than half which is 60.7 percent of the respondents are of the age of 50 to 59. Only 11.4 percent of them are of 70 and above. Moreover, almost half of the respondents have primary education and below only. In addition to that, more than half of the respondents rated their health positively as fairly good, good and very good.

### 5.2.2 Inferential Analysis

Based on the results of factor analysis, the three bequest motive models that are relevant to the elderly Malays in Malaysia are the Selfish model, the Altruism model and the Social Norms model. However the demographic characteristic of age, gender, and education level did not have any significant relationship with all the models. Only health care had a significant relationship but that was also only with Altruism model. The other two, Selfish and Social Norms did not show any significant relationship.

## 5.3 Discussion of Major Findings

### 5.3.1 Hypotheses Testing

To answer the hypothesis proposed in Chapter 1, the results are summarized in Table 5.1

Table 5.1: Summary of the Hypothesis and Their Results Obtained

Research Questions	Hypothesis	Conclusion
Is there any difference in the bequest motives between male and female of elderly Malays in urban Malaysia?	H <sub>1a</sub> : There is a difference in the selfish life-cycle model between male and female of elderly Malays in urban Malaysia.	H <sub>1a</sub> : Not supported
	H <sub>1b</sub> : There is a difference in social norm and tradition model between male and female of elderly Malays in urban Malaysia.	H <sub>1b</sub> : Not supported

	H <sub>1c</sub> : There is a difference in altruism model between male and female of elderly Malays in urban Malaysia.	H <sub>1c</sub> : Not supported
What is the relationship between age and bequest motives of the elderly Malays in urban Malaysia?	H <sub>2a</sub> : There is a significant relationship between age and Selfish life-cycle model.	H <sub>2a</sub> : Not supported
	H <sub>2b</sub> : There is a significant relationship between age and Social Norms and tradition model.	H <sub>2b</sub> : Not supported
	H <sub>2c</sub> : There is a significant relationship between age and Altruism model.	H <sub>2c</sub> : Not supported
H <sub>3</sub> : Is there any difference in the bequest motives among different education level among the elderly Malays in urban Malaysia.	H <sub>3a</sub> : There is a difference in selfish life-cycle model among different education level among the elderly Malays in urban Malaysia.	H <sub>3a</sub> : Not supported
	H <sub>3b</sub> : There is a difference social norms and tradition model among different education level among the elderly Malays in urban Malaysia.	H <sub>3b</sub> : Not supported
	H <sub>3c</sub> : There is a difference in altruism model among different education level among the elderly Malays in urban Malaysia..	H <sub>3c</sub> : Not supported
What is the relationship between health status and bequest	H <sub>4a</sub> : There is a significant relationship between health status and bequest motives in Selfish life-cycle model	H <sub>4a</sub> : Not supported

motives of the elderly Malays in urban Malaysia?	H <sub>4b</sub> : There is a significant relationship between health status and bequest motives in Social Norms and tradition model	H <sub>4b</sub> : Not supported
	H <sub>4c</sub> : There is a significant relationship between health status and bequest motives in Altruism model	H <sub>4c</sub> : Supported (at 0.01 level)

Source: Developed for the research

Thus, based on the hypothesis testing shown in the above table, it can be concluded that there is a relationship between health status and the Altruism model for the elderly Malays in Malaysia. Health status does not have any relationship with the Selfish model and Social Norms model. However, there is no statistical difference between demographic characteristics of age, gender and education level with the three models, the Selfish model, the Altruism model and the Social Norms model for the elderly Malays in Malaysia

### 5.3.2 Discussion

In general, the finding of insignificant relationship between gender and all the three bequest motives was supported by the past research, Finch and Mason (2000) and Juges (2001). In addition that, due to modernization process, men and women has equal opportunities in Malaysia. Malaysian Ministry of Women, Family and Community Development and United Nations Development Programme (UNDP) (2007:17-18), have proven the changes of Malaysian women’s employment and empowerment which showed an increasing trend of female labour force participation. The equal opportunities that reduce the gender inequality might be the reason gender does not affect bequest motive.

Next, the results also showed that education does not influence the bequest motives among elderly Malays. This result is in line with the result by Alma'mun S. and Light and McGarry (2004) which mention that higher education are more likely to have intended bequests but it is not significant. In addition to that, according to Dahan, Ahmad and Basir (2012), education level is not significant in intention to adopt will and possess will.

Age also does not affect bequest motive as mentioned by Fink and Redaelli (2005). Moving on, the findings showed that health status had a significant impact on altruism bequest motive. This finding is backed by the research by Alma'mun S and Kao, Hong, Widdows (1997). which pointed out that people who had a good health status are most likely to have made a wasiyyah compared to others. Besides that, households in poor health are less likely to hold both safe and risky financial assets (Rosen & Wu, 2001). Simply put, healthier households have more financial assets which cause them to have more to bequest.

### **5.3.2.1 Selfish Bequest Motive Model**

According to the research done, the demographic characteristics of age, gender, education level and health level do not have any significant relationship with the selfish bequest motive model. The selfish bequest motive model is explained in that the individual is selfish in that he/she cares only for him/herself and does not plan to leave a bequest but spend it all. The selfish bequest model also includes those that promise to leave a bequest so as to ensure that they are taken care of by those who will be given the bequest. With this two definition of the selfish bequest motive model, age, gender, health level and education level would not affect whether or not they bequest or not as with the motive of being selfish or to ensure that they are taken care of, despite being in the young or old, male or female, highly educated or uneducated, healthy or sickly, they would still leave a bequest or spend all their wealth. Thus, these demographic



characteristics as per results do not have any significant relationship with the selfish bequest motive model.

#### **5.3.2.2 Social Norms Bequest Motive Model**

According to the study, the demographic characteristics of age, gender, education level and health level do not have any significant relationship with the social norms bequest motive model also. The social norms bequest motive model is explained in that the individual follows the social norms, tradition and culture that is commonly practice in that area or region. Thus wanting to follow the way that is acceptable or common in the community there or by peer pressure, the demographic characteristic of age, gender, education level and health level do not have any influence or effect. The individual will continue to bequest according to the way that he/she has been brought up or has seen his/ her seniors, parents, community follow despite whatever age, gender, education level and health level the individual has.

#### **5.3.2.3 Altruism Bequest Motive Model**

According to the study, the demographic characteristics of age, gender and education level do not have any significant relationship with the altruism bequest motive model. The altruism bequest motive model is explained in that an individual is generous and charitable and would wish to leave a bequest to his/her future generation or others (e.g. donations, charity, orphanages) to make them better off and help them to survive or be successful in life. Thus an individual who is generous, charitable and would like to leave a bequest for the benefit of others would do so despite his/her demographic characteristics of age, gender and education level. Health level shows a significant relationship with the altruism bequest motive model. This can be explained in that when an individual is healthy and well, he/she is happier than when he/she is sick and unwell. Thus

he/she is more likely to feel charitable and generous in leaving a bequest to benefit others as well as ensure that others are also able to be healthy and happy too. Besides that, when one is more healthy, they spend less on their medical expenses and thus, more likely to follow the cultural in distributing their bequests to their children. When one health is poor, they may need to spend more on their medical expenses which makes them not being to leave more bequests to support their children.

## **5.4 Implications of the Study**

In Malaysia, the elderly Malays practice Selfish, act according to Social Norms and altruistic. The implication that can be made from this research is that the elderly Malays have a desire to leave bequest for their future generations despite of whatever the motive might be.

### **5.4.1 Provision of Public Goods, Social Security and Welfare System**

Based also on the result that the elderly Malays follow the selfish bequest motive model, parents promising to leave bequest would be taken care of their children. Children are found to be selfish as well whereby they will only take care of their parents if they leave bequest. However, there are a lot of elderly that are not able to leave a bequest, either because their expenses have used up all their wealth or they have accumulated huge debt, they are likely to be neglected and abandoned by their children. The implications would therefore be that there is a need of protection and providence for the elderly. Policy makers need to have long term social security and welfare system to enable the elderly to support and take care of themselves, to be independent. The more generous the provision of public goods and services enables individuals to survive without relying on their children. The government could provide homes, either owned by the

government or private old folks home which are affordable for them to stay and where they will be taken care of.

#### **5.4.2 Revival of Religion, Values and Morals**

Specifically on the results that the elderly Malays follow the Selfish Bequest Motive Models, implications could be that there is a moral / religious / value decline. While it is the normal understanding that Children should be filial to their parents and take care of them when they are old, the selfish model would suggest that there is no value in that people are force to use bequest as a way to ensure that their children take care of them or if they are the definition that have no intention to leave bequest, that parents do not care for their children anymore. Could this then speaks of an era where religion and morality have decline due to modernization until people only think about the well-being of themselves and not others, even though of children and family?

For policy makers, families and religious body, it might imply that there needs to be revival of religion and morality in the society. Have the country been so westernize and modernize as to forget our culture, tradition and the values that has been pass down from generations long ago? Actions that could be taken would be to introduce religion into schools, not just religious schools but to teach and put forth religion and moral values as a subject transparent as it is and allow the freedom of choice whether the students would accept or reject these values that have been shown to them.

To allow students to practice what they believe in schools and understand each other's religion and values that they hold. Parents to bring up their children well with the values and religion that have been passed down from generations to generations, where the family spends quality time together and not where communication is only done through technology

and not face to face. The government could find ways to help families have more time with one another. Holding events as well as regulating work laws. As well as a nation, remind and promote the values that we want to have.

### **5.4.3 Innovation in the Islamic Inheritance System**

The implications that elderly Malays follow the social norms bequest motive model is that the elderly Malays bequest according to their social norms which are their culture, traditions and laws. Faraid fixed the rules of division and favoring male agnatic relatives over female agnates have brought to income and gender inequality. An example would be that if a son and daughter were of the same degree then the son would get double the portion as compared to the daughter. Would this law be promoting inequality between gender? Would it be better if there were gender equality? Policy makers and the government should consider the inheritance laws that are in effect today. Would some parts of the law be obsolete and unreasonable in the world that we are today? Transformation and innovation of the Islamic Inheritance Law should be implemented without challenging the principle. Only by removing traditions and cultures that are holding the people back can only improvements happen.

The implication for policy makers, government and individual then would be to consider and decide for themselves which of these traditions are holding them back and whether or not they are able to decline from following them. For example, according to the Muslim inheritance system, a testator can only bequest up to 1/3 of his property to a non legal heir. Would it be more beneficial if the 1/3 were given back to his own family instead of someone who is not a legal heir?

#### **5.4.4 Imposition of Inheritance Tax**

Since most of the Malaysian Malays have social norms and tradition bequest motive, they would make a bequest because the God encourages it. As most of the time, the sons in the family will get a larger portion of the bequest. Therefore, to ensure that the wealth can be redistributed to the poorer ones, government can impose inheritance tax that is proportional to the bequest wealth that the heirs receive. The inheritance tax should not be based on only the amount of bequest that the heirs receive, it should look at the current income level of the heirs is taken into consideration. For example, those with lower income but a higher bequest would not be taxed so much compared to those with higher income and higher bequest.

#### **5.4.5 Improved Wealth Management / Education**

Being altruistic to want to leave as large bequest to their children, there is a need to have good wealth management for Malaysian Malays. Wealth management for altruistic parents are generally more important because once they mismanage it, he or she might not have any wealth to bequest later on in life. He/she might even be leaving debt instead to his/her future generations. Wealth Management providers should have more marketing programs to raise the awareness of the public regarding the importance of this matter. They should improve on their service to make it more accessible.

Besides that, to ensure that society is adequate in managing their wealth, policy makers, having such a subject being taught in primary and secondary school up till university could bring a difference to the way in

which the next generation generates income, spends and consumes. The credit card has been an invention of convenience. People are able to consume above their means but at the same time this invention has caused many to accumulate debts which cause their ruin in the end.

#### **5.4.6 Focusing on Development**

The study shows that the Altruism bequest motive model applies to the elderly Malays. Since the elderly Malays practice altruism and will unconditionally leave bequest to their children so that their well-being are taken care of, this allows policy makers and the government to focus on other areas instead of the welfare of its citizens. As the children would be taken care of by the bequest left by the parents, the focus can therefore be directed to development. The government could use the budget allocated for welfare to be channeled to development where schools, hospitals, transportation can be improved and built. With the increased funds going into the area of development, it will in the end bring about benefit to everyone, increasing human capital through schools, healthcare through hospitals and productivity through transportation just to name a few. All of these will cause an increase in wealth which will then lead to more bequests to the future generation.

#### **5.4.7 Medical Insurance / Expenses**

The expenses of the elderly that would be occurred at the later stage in life as they have grown old would be their medical bills. If much of their wealth is used to pay for their medical expenses then there would not be much wealth left to be bequest.

#### **5.4.7.1 Policy Makers / Government**

While having good wealth management will enable them to have adequate wealth to cover for their medical expenses, another action that can be taken by policy makers is to ensure that medical insurance could be provided to the elderly at an affordable price. While most insurance company would screen its customers and would decline to insure those that are under the risky column or charge high premium, this does not help those who are in need of insurance. While insurance companies would gladly insure a healthy person, yet it is the sickly and weak that needs the medical insurance and in this case, it includes the elderly. The elderly are charged with high premium if they are to be insured because they are easily sick and requires lots of medicine, medical checks and tests. By ensuring that the elderly gets their insurance at affordable price, they will have a larger portion of wealth to be bequest to their future generations. Instead of medical insurance, another way to help the sick and weak would be to lower the cost of healthcare. If healthcare products are affordably available to the public, then the medical expenses of the elderly would also be reduced. Reducing the medical expenses of the elderly would also reduce the burden of the family members of the elderly as they would have to bear the expenses if the elderly are not able to bear it themselves. Those that cannot afford to bear the expenses of their parents might have to resort to borrowing which will cause them to be in debt.

The government too can do their part to provide healthcare services to the public. In the U.S.A. they provided healthcare social security in the form of Medicare. The government can create some kind of similar system to provide healthcare services as a social security so that the elderly can feel secured. The way that the fund are collected or obtained might be different than that done in the U.S.A. as to ensure a long and sustainable system.

### **5.4.8 Will writing Industry**

This study also provides implication to the will writing industry. As the elderly Malays have a desire to leave bequest to their future generations, this provides a demand for will writing. It is therefore up to those in the will writing industry to meet the demands. In the past, there might not have been much demand for wills but with this study, it is shown that there is a demand for will writing as the elderly Malay respondents shown that they fall into three bequest motive models. Those companies that provide will writing should market and advertise their services so that those that are seeking for their services will be able to find them. They should come out with more creative advertisement and marketing activities to encourage wills writing. Policy makers should bridge the gap between those seeking to write wills and those from the will writing companies, making will writing services more affordable and accessible, helping those that have a desire to bequest to be able to. However, besides just making will writing companies more accessible and services affordable, policy makers should also regulate the industry to protect the interest of those wishing to leave a bequest. With the increase in demand, the number of companies offering will writing services would likely increase. Therefore, there needs to be regulation to ensure that these companies are qualified and that any intent to take advantage of those wishing to bequest should be not allowed. There needs to be clear guidelines as to the way will writing is done operated and provided. This is to ensure that there no fraudulent or scam happens to those seeking to leave a bequest.

### **5.4.9 Health Levels**

The significant relationship between health level and the Altruism model could be justified in that because of the good health level of the respondents, not only are they able to spend less of their wealth on their medical expenses and thus are able to bequest their wealth to their future



generations but because they are healthy, they are more happy and feel more generous, they therefore wish to benefit others as well as to help others to also be healthy and well. Besides just enabling insurance to be affordable and accessible, being healthy and fit could be another aspect in which medical expenses are reduced. Being healthy and fit instead of overweight, unfit and obese requires not only a healthy diet but also exercise. Policy Makers could help improve the overall health level of the citizens by a few ways.

#### **5.4.9.1 Avenues to exercise**

Policy makers could help increase the avenues for which the public can exercise. If more sports facilities could be provided to the public, affordably and conveniently, there might be an increase in the number of people who are exercising. As of now, mostly people exercise by going to the gym, there are many gyms out there. Some of them are famous such as Celebrity Fitness and Jetomi which are found at many places. If these gym facilities could be made available to the public affordably and conveniently, this too will increase the number of people going to the gym which will also lead to an increase of the number of people exercising.

#### **5.4.9.2 Increase awareness of healthcare importance**

Besides creating avenues for people to exercise, it is important to increase and create the awareness of the importance of healthcare. While people might be exposed to the importance of healthcare, not many of them truly have sat down and understand it. What is a balance diet, How should you exercise, How long should a session be and etc. are just some of the questions regarding healthcare that not everyone can answer. The education ministry could include such a subject in school and universities to educate the public about the importance of healthcare and what it is.

### **5.4.9.3 Medical Check-ups**

The third way that can help increase health levels is to have regular check-ups. Often people are not aware of their condition on this the symptoms show up and by then the medical condition of the individual could reach a severe stage. Cancer is an example. Many a times people do not go for regular check-ups and when they are suddenly diagnosed with cancer, they are usually already in the later stages when in actually fact, if they were to have undergone periodic medical check-ups, the cancer would have been detected earlier and more could be done to treat it. To enable more medical check-ups to be done and periodically, policy makers can reduce the cost of medical check-ups and create awareness on the importance of medical check-ups. Some individuals do not go for their periodic check-ups either because they are unaware of it, the cost is too expensive or they think that they would not be the one to fall sick or get the disease. By lowering the cost of medical check-ups, more people will be able to afford it and this in turn will increase overall health levels. Also in educating the public on the importance of medical check-ups, those that have been ignorant will be educated to have medical check-ups.

## **5.5 Limitations of the Study**

The present study has some limitations. The major limitation in this research is of the respondents selected for the study. This research covers only the elderly Malay respondents which are Muslims as per the law of Malaysia which states the religion of Malays to be automatically Muslims. The other races such as Indians and Chinese are not covered in this study. Besides that, the area of coverage is only in the state of Selangor instead of the whole of Malaysia. The response of those from other states might be different given their different living style and culture which might caused the results obtained to differ.

Next, the study may also be limited by the understanding and interpretation of the questions in the questionnaire by the respondents. As the questions are mainly in English, those with poor command over the language might not be able to fully understand the question and might interpret it inaccurately. The illiterate group of respondent might also have some inaccuracies when replying to the questions. Thus, inconsistencies in this study may occur if the real answer that is supposed to be given deviates or has missing values.

Lastly, this research is only the current responses at the time of the study which may change over time. The behavior and thinking of the respondents might change over time due to various factors such as age, environment or health that may cause their thinking to change over time. Since this study was conducted only for a short period of time, just one time survey conducted is the restriction of the behavioral changes over time.

## **5.6 Recommendations for Future Research**

Based on the limitations listed, below are some recommendations provided for better improvement for future studies.

Firstly, the sample size of the study could be broaden to include those from other races, e.g. Indians and Chinese as the research was conducted only to mainly elderly Malay respondents. The study could also be enlarged to include other states in Malaysia or the whole of Malaysia as currently the respondents are from the state of Selangor. This would ensure that a better and thorough result on bequest motive and factors affecting them will be obtained. The level of accuracy of the data obtained will be increased with a larger sample size of respondents and a wider geographical are covered.

Secondly, Interviewers should be trained to be able to clearly and accurately deliver the questions to the respondents so as to ensure that the understanding of respondents and accuracies of the results obtained will be ideal. As increasing the respondent group to include those of other races, a high level of language

proficiently will be needed as the respondents will now be from difference race and ethnic and have a wide difference in language which they are proficient in. The interviewer would have to explain the questions in different languages depending on the languages known by the respondents questioned.

Lastly, this research should be conducted continuously over a period of time (suggestion of four subsequent years) so that it will be able to take into account the changes of behaviors of the respondents. Over a short period of time, plenty of changes could occur and this will affect the answers given by the respondents. Thus, the survey is suggested to continue for four subsequent years to avoid restrictions on the data obtained which might cause the results to be inaccurate and inconsistent. However, the cost of conducting the research for the period of four subsequent years should be considered too.

## **5.7 Conclusion**

In conclusion, this research project has been successful in fulfilling the objectives of determining the relationship between age, gender, education level, health status with bequest motives. The degrees of the significant of the independent variables which are age, gender, education level, health status towards bequest motive have also been identified. The limitations discovered throughout the period of the study have been provided with recommendations for further improvements in future studies. It is hoped that this research can be used as a guideline for future researchers who are interested in this particular research topic.

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## APPENDICES

### APPENDIX A

#### Survey Questionnaire



UNIVERSITI TUNKU ABDUL RAHMAN

FACULTY OF ACCOUNTANCY AND MANAGEMENT

BACHELOR OF ECONOMICS (HONS) GLOBAL ECONOMICS

Dear Respondents:

We are undergraduate students of Bachelor of Economics (Hons) Global Economics from UniversitiTunku Abdul Rahman (UTAR). Currently, we are doing our final year research project using UTAR Research Fund with the research title of “Bequest Motives and Demographic Characteristics of Elderly in Urban Malaysia”.

This questionnaire consists of five sections. In Section A, the questions are about respondents’ demographic profiles. In Section B, it consists of questions regarding time transfer and Section C is about money transfer as in monetary support. In Section D, it consists of questions regarding financial satisfactions whereas Section E consists of questions about financial status.

Your answers will be kept PRIVATE and CONFIDENTIAL and used solely for academic purposes. Thank you for your cooperation and contribution.

Thank you.

Yours sincerely,

Choong Kah Hui

Ng Eng Aun

Bachelor of Economics (Hons) Global Economics

Faculty of Accountancy and Management

UniversitiTunku Abdul Rahman

**Section I: Respondent's Background**

- A1. Gender:** 1. Male 2. Female
- A2. Age:** \_\_\_\_\_ years old
- A3. Ethnic group:** 1. Malays 2. Chinese 3. Indians  
4. Others, please specify \_\_\_\_\_
- A4. Religion:** 1. Islam 2. Christianity 3. Hinduism  
4. Buddhism 5. Taoism  
6. Others, please specify \_\_\_\_\_
- A5. Present marital status:** 1. Never married 2. Currently married  
3. Widowed 4. Divorced/Separated  
5. Others, please specify \_\_\_\_\_
- A6. Educational level:**  
0. No schooling 1. Primary 2. Secondary  
3. Pre-university / Form six / A-level 4. Certificate / Diploma  
5. Degree 6. Others, specify \_\_\_\_\_
- A7. Type of living quarters:**  
1. Attap / Kampung house 2. Terrace house 3. Shophouse  
4. Apartment/Condominium 5. Flat  
6. Semi-detached / Bungalow house 7. Others, specify \_\_\_\_\_



**A8. Ownership of living quarters:**

- |           |                         |                           |
|-----------|-------------------------|---------------------------|
| 1. Own    | 2. Spouse               | 3. Children/Grandchildren |
| 4. Rented | 5. Provided by employer | 6. Others, specify _____  |

**A9. Have you ever worked?**

- |       |             |        |
|-------|-------------|--------|
| 0. No | (Go to A14) | 1. Yes |
|-------|-------------|--------|

**A10. Did you work for money for the last 12 months?**

- |       |             |        |
|-------|-------------|--------|
| 0. No | (Go to A13) | 1. Yes |
|-------|-------------|--------|

**A11. What is your current employment status?**

- |                                     |                                 |
|-------------------------------------|---------------------------------|
| 1. Employed full time               | 2. Employed part time           |
| 3. Retired & employed full time     | 4. Retired & employed part time |
| 5. Retired and not employed         | 6. Employer                     |
| 7. Own account worker/self-employed | 8. Unpaid family worker         |
| 9. Housewife                        | 10. Other, specify _____        |

**A12. Income in the last 12 months:**

- |                       |                      |
|-----------------------|----------------------|
| 1. Less than RM12,000 | 2. RM12,000 – 17,999 |
| 3. RM18,000 – 23,999  | 4. RM24,000 – 29,999 |
| 5. RM30,000 – 35,999  | 6. RM36,000 – 47,999 |
| 7. RM48,000 – 59,999  | 8. RM60,000 – 71,199 |
| 9. RM72,000 and above |                      |

**A13. What was your employment status?**

- 1. Employee (private)
- 2. Employee (government)
- 3. Employer
- 4. Unpaid family worker
- 5. Self-employed
- 6. Housewife
- 7. Retired
- 8. Other, specify \_\_\_\_\_

**A14. How do you perceive your overall health?**

- 1. Very poor
- 2. Poor
- 3. Fairly poor
- 4. Neither poor nor good
- 5. Fairly good
- 6. Good
- 7. Very good

**A15. Do you have any chronic health problem?**

- 0. No
- 1. Yes, please specify \_\_\_\_\_

**A16. Have you been ill during the last six (6) months? 0. No 1. Yes**

**A17. Did you seek treatment for this (last) illness? 0. No 1. Yes**

**A18. Where did you seek treatment for the (last) illness? [Multiple Answers]**

- 1. Government hospital
- 2. Government clinic
- 3. Private hospital
- 4. Private clinic
- 5. Traditional healer
- 6. Others, specify \_\_\_\_\_

**A19. In general, would you say your eyesight or hearing is**

**Eyesight:** 0 1 (very bad) 2 (Bad) 3 (Average) 4 (Good) 5 (Very good)

**Hearing:** 0 1 (very bad) 2 (Bad) 3 (Average) 4 (Good) 5 (Very good)

**Remark:** 0. respondent is blind/deaf

**Section II: Time Transfers**

**B1. Who do you stay with? Please Tick (√)**

Parent	( )	Grandchildren	( )
Spouse	( )	Brothers / Sisters	( )
Children	( )	Relatives	( )
Married children	( )	Friends	( )

**B2. How often have your children/grandchildren visited you and you have visited your children/grandchildren in the past 12 months.**

How many children are:	No of visits a year (your children visit you)	No of visits a year (you visit your children)	Place of Residence #
(i) Under 18 years old			
(ii) Above 18 years old but not married			
(iii) Above 18 years old and married without children			
(iv) Above 18 years old and married with children			

#      **1. same village/town**                      **2. within 100km**  
          **3. 100-200km**                                **4. 200km or more**  
          **5. Overseas**

**B3. If you face any of the following problems/issues, to whom would you go for support.**

<b>Type of problem: Received support from...</b>		<b>[Multiple Answer]</b>									
0. None	1. Own	2. Spouse									
3. Parent	4. Children / Grandchildren	5. Brothers / Sisters									
6. Relatives	7. Neighbours / Friends	8. State institution									
9. Religion institution	10. Others, specify .....										
i.	Housing	1	2	3	4	5	6	7	8	9	10
ii.	Food	1	2	3	4	5	6	7	8	9	10
iii.	Transportation	1	2	3	4	5	6	7	8	9	10
iv.	Financial problem	1	2	3	4	5	6	7	8	9	10
v.	Health problem/sickness	1	2	3	4	5	6	7	8	9	10
vi.	Emotional problem	1	2	3	4	5	6	7	8	9	10
vii.	Problem with spouse/family members	1	2	3	4	5	6	7	8	9	10
viii.	Quarrel/violence with neighbours	1	2	3	4	5	6	7	8	9	10

<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>		<b>5</b>		<b>6</b>		<b>7</b>	
<b>Sure no</b>		<b>No</b>		<b>Somewhat no</b>		<b>Neither no nor yes</b>		<b>Somewhat yes</b>		<b>Yes</b>		<b>Sure yes</b>	
i.	You feel you are loved by your children/grandchildren?						1	2	3	4	5	6	7
ii.	You feel you are listened to by your children/grandchildren?						1	2	3	4	5	6	7
iii.	You feel you can have confidence in your children/grandchildren?						1	2	3	4	5	6	7
iv.	You feel you can help your children/grandchildren?						1	2	3	4	5	6	7
v.	You feel you are useful to your children/grandchildren?						1	2	3	4	5	6	7
vi.	You feel your role is important to your children/grandchildren?						1	2	3	4	5	6	7
vii.	You feel you can influence your children/grandchildren household spending?						1	2	3	4	5	6	7
viii.	You feel you can influence your children/grandchildren in buying properties						1	2	3	4	5	6	7

	decision?							
ix.	You feel you can influence your children/grandchildren in buying vehicles decision?	1	2	3	4	5	6	7
x.	You feel you can influence your children/grandchildren in buying household durable items (such as TV, fridge etc) decision?	1	2	3	4	5	6	7
xi.	You feel you can influence your children about your grandchildren's education decision?	1	2	3	4	5	6	7
xii.	You feel you can influence your children about your grandchildren's insurance policy decision?	1	2	3	4	5	6	7
xiii.	You feel you can influence your children/grandchildren investment decision?	1	2	3	4	5	6	7
xiv.	You feel you have more self-confidence than most people?	1	2	3	4	5	6	7
xv.	You feel you are more independent than most people?	1	2	3	4	5	6	7
xvi.	You feel when you set your mind to achieve something, you usually can achieve it?	1	2	3	4	5	6	7

**B4. Please indicate to what extent your answer is to each of the following statement. CIRCLE one (1) number. The meaning of the scale**

**Section III: Monetary Transfers**

**C1. Do you have the following items within your current living unit?**

List of Assets		Please Tick (√)
i.	Television	( )
ii.	LCD/Plasma	( )
iii.	DVD	( )
iv.	Astro	( )
v.	Hi-Fi	( )
vi.	Sofa	( )
vii.	Air Conditioning	( )
viii.	Fridge	( )
ix.	Washing Machine	( )
x.	Water Heater	( )

**C2. Do you have your own bedroom?                      0. No                      1. Yes**

**C3. Are you happy where you live?**

- 1. Very unhappy                      2. Unhappy
- 3. Fairly unhappy                    4. Neither unhappy nor happy
- 5. Fairly happy                        6. Happy
- 7. Very happy

**C4. How agreeable are you with the following statements? Please CIRCLE**

**the most appropriate number. The meaning of the scale:**

	1 Strongly disagree	2 Disagree	3 Somewhat disagree	4 Neither disagree nor agree	5 Somewhat agree	6 Agree	7 Strongly agree				
i.	My children contribute to my monthly expenses.				1	2	3	4	5	6	7
ii.	No matter what, my children contribute to my monthly expenses.				1	2	3	4	5	6	7
iii.	My children contribute to my monthly expenses, if their can afford it.				1	2	3	4	5	6	7
iv.	My children contribute to my monthly expenses, if I have insufficient incomes for my living.				1	2	3	4	5	6	7

**C5. Please indicate how you spend the money given by your children/grandchildren.**

	No    Item	Please Tick (√)
i.	Housing (Rent / Mortgage payments)	(    )
ii.	Transportation	(    )
iii.	Utilities (Water / Electricity bills)	(    )
iv.	Foods	(    )
v.	Health care (Medical)	(    )
vi.	Telephone, hand phone, internet bills	(    )
vii.	Books, magazines and news paper	(    )
viii.	Recreation and travel	(    )
ix.	Clothing, Footwear & Personal Items	(    )
x.	Nursing home / Assisted living	(    )
xi.	Other specify,	(    )

**C6. How agreeable are you with the following statements? Please CIRCLE the most appropriate number. The meaning of the scale:**

	<b>1 Strongly disagree</b>	<b>2 Disagree</b>	<b>3 Somewhat disagree</b>	<b>4 Neither disagree nor agree</b>	<b>5 Somewhat agree</b>	<b>6 Agree</b>	<b>7 Strongly agree</b>				
i.	I contribute to my children monthly expenses.				1	2	3	4	5	6	7
ii.	No matter what, I contribute to my children monthly expenses.				1	2	3	4	5	6	7
iii.	I contribute to my children monthly expenses, if I can afford it.				1	2	3	4	5	6	7
iv.	I contribute to my children monthly expenses, if they have insufficient income for their living.				1	2	3	4	5	6	7

**Section IV: Financial Satisfaction**

**D1. How agreeable are you with the following statements? Please CIRCLE the most appropriate number. The meaning of the scale:**

	<b>1 Strongly disagree</b>	<b>2 Disagree</b>	<b>3 Somewhat disagree</b>	<b>4 Neither disagree nor agree</b>	<b>5 Somewhat agree</b>	<b>6 Agree</b>	<b>7 Strongly agree</b>				
i.	In term of investing, safety is more important than returns.				1	2	3	4	5	6	7
ii.	I am more comfortable putting my money in a bank account than in the stock market.				1	2	3	4	5	6	7
iii.	I am more comfortable putting my money in a bank account than in the mutual funds.				1	2	3	4	5	6	7
iv.	I am more comfortable putting my money in a bank account than in the bond funds.				1	2	3	4	5	6	7
v.	I am more comfortable investing my money in properties than in the bank account.				1	2	3	4	5	6	7
vi.	When I think of the word "Risk" the term "Loss" comes to mind immediately.				1	2	3	4	5	6	7
vii.	Making money in stocks and bonds is based on luck.				1	2	3	4	5	6	7
viii.	Making money in stocks and bonds is based on strategy.				1	2	3	4	5	6	7
ix.	I am lacking of the knowledge to be a successful investor.				1	2	3	4	5	6	7
x.	Investing is too difficult to understand.				1	2	3	4	5	6	7
xi.	I had a good financial knowledge.				1	2	3	4	5	6	7

**D2. How agreeable are you with the following statements? Please CIRCLE the most appropriate number. The meaning of the scale:**

1 Strongly disagree	2 Disagree	3 Somewhat disagree	4 Neither disagree nor agree	5 Somewhat agree	6 Agree	7 Strongly agree				
i.	I set aside some money for savings.			1	2	3	4	5	6	7
ii.	I set aside some money for use after retirement.			1	2	3	4	5	6	7
iii.	I set aside some money for future purchase (sinking fund).			1	2	3	4	5	6	7
iv.	I had a plan to achieve my financial goals.			1	2	3	4	5	6	7
v.	I had a daily budget that I followed.			1	2	3	4	5	6	7
vi.	I had a weekly budget that I followed.			1	2	3	4	5	6	7
vii.	I had a monthly budget that I followed.			1	2	3	4	5	6	7
viii.	I paid credit card bills in full and avoided finance charges.			1	2	3	4	5	6	7
ix.	I reached the maximum limit on a credit card.			1	2	3	4	5	6	7
x.	I spent more money than I had.			1	2	3	4	5	6	7
xi.	I had to cut my living expenses.			1	2	3	4	5	6	7
xii.	I had to use a credit card because I ran out of cash.			1	2	3	4	5	6	7
xiii.	I had financial troubles because I did not have enough money.			1	2	3	4	5	6	7

**D3. How do you rate your financial knowledge (such as investment, financial management, cash flow management and others) level?**

- 1. Very poor                      2. Poor
- 3. Fairly poor                    4. Neither poor nor good
- 5. Fairly good                    6. Good                    7. Very good

**D4. How satisfied are you with the following statements? Please CIRCLE the most appropriate number. The meaning of the scale:**



	<b>1</b> Very un- satisfactory	<b>2</b> Unsatisfactory	<b>3</b> Fairly un- satisfactory	<b>4</b> Neither unsatisfactory nor satisfactory	<b>5</b> Fairly satisfactory	<b>6</b> Satisfactory	<b>7</b> Very satisfactor y				
i.	How satisfied are you with your current financial situation?				1	2	3	4	5	6	7
ii.	How satisfied are you with your current money saved?				1	2	3	4	5	6	7
iii.	How satisfied are you with your current amount of money owed?				1	2	3	4	5	6	7
iv.	How satisfied are you with your current preparedness to meet emergencies?				1	2	3	4	5	6	7
v.	How satisfied are you with your current financial management skills?				1	2	3	4	5	6	7
vi.	How comfortable and well-off are you financially?				1	2	3	4	5	6	7

**D5. How agreeable are you with the following statements? Please CIRCLE the most appropriate number. The meaning of the scale:**

	<b>1</b> Strongly disagree	<b>2</b> Disagree	<b>3</b> Somewhat disagree	<b>4</b> Neither disagree nor agree	<b>5</b> Somewhat agree	<b>6</b> Agree	<b>7</b> Strongly agree					
i.	I will sell my house to finance retirement.					1	2	3	4	5	6	7
ii.	I had a good financial knowledge.					1	2	3	4	5	6	7
iii.	I had a retirement plan.					1	2	3	4	5	6	7
iv.	Adult children should provide financial assistance to elderly parents.					1	2	3	4	5	6	7
v.	Adult children should provide financial assistance to their elderly parents only if they have good relationship.					1	2	3	4	5	6	7
vi.	Adult children should provide financial assistance to their elderly parents only when they have insufficient income for their living.					1	2	3	4	5	6	7
vii.	Adult children should provide financial assistance only when they can afford it.					1	2	3	4	5	6	7
viii.	Elderly parents should will their properties to their children.					1	2	3	4	5	6	7
ix.	Elderly parents should provide financial assistance to help their children become economically independent.					1	2	3	4	5	6	7
x.	Elderly parents should provide financial assistance whenever they can afford it.					1	2	3	4	5	6	7
xi.	I want to leave as large a bequest as possible to my children.					1	2	3	4	5	6	7
xii.	I plan to leave a bequest no matter what.					1	2	3	4	5	6	7
xiii.	I plan to leave a bequest only if my children take care of me.					1	2	3	4	5	6	7
xiv.	I plan to leave a bequest only if my children carry on the family					1	2	3	4	5	6	7

	business.							
xv.	I do not plan to make special effort to leave behind a bequest but plan to leave behind whatever assets happen to be left over.	1	2	3	4	5	6	7
xvi.	I do not feel it is necessary to leave a bequest under any circumstances.	1	2	3	4	5	6	7
xvii.	I want to leave more or all bequest to my children who take care of me.	1	2	3	4	5	6	7
xviii.	I want to leave more or all bequest to my children who carry on the family business.	1	2	3	4	5	6	7
xix.	I want to leave more or all bequest to my children who are with lower income.	1	2	3	4	5	6	7
xx.	I want to leave more or all bequest to my eldest son regardless whether he takes care of me.	1	2	3	4	5	6	7
xxi.	I want to leave more or all bequest to my sons.	1	2	3	4	5	6	7
xxii.	I want to leave more or all bequest to my daughters.	1	2	3	4	5	6	7
xxiii.	I want to leave my bequest equally to my children.	1	2	3	4	5	6	7

**Section V: Financial Status**

**E1. In the past year, what were your other sources of income? Please Tick (√)**

(i) Salary	( )	(vii) Remittances (e.g. migrant husband)	( )
(ii) Pension fund	( )	(viii) Pocket money from children	( )
(iii) Provident fund / KWSP	( )	(ix) Pocket money from grandchildren	( )
(iv) Rental	( )	(x) Relatives	( )
(v) Saving and fixed deposit (FD)	( )	(xi) Friends	( )
(vi) Dividend and others investment returns	( )	(xii) Other income, specify _____	( )

**E2. What personal assets do you own? Please Tick (√)**

**List of assets**

i. House	( )
ii. Land	( )
iii. Motorcar	( )
iv. Van, Lorry	( )
v. Motorcycle	( )
vi. Jewellery	( )
vii. Cash in bank & fixed deposit (FD) in Malaysia and overseas	( )
viii. Unit Trust (such as ASN, ASB, ASW, Public Mutual, ...)	( )
ix. Company shares	( )

**E3. On average, how much is your monthly household expenditure?**

RM \_\_\_\_\_ per month

**E4. What is your average monthly contribution to household expenditure? Please**  
,

**CIRCLE**

0%   10%   20%   30%   40%   50%   60%   70%   80%   90%   100%

**E5. On average, how much do you spend on the following items per month?**

No	Items	RM/month
i.	Rental / House loan instalment	(     )
ii.	Car instalment / Transportation	(     )
iii.	Water and electricity bills	(     )
iv.	Foods	(     )
v.	Medical	(     )
vi.	Telephone, hand phone, internet bills	(     )
vii.	Books, magazines and news paper	(     )
viii.	Entertainment (Café and others)	(     )
ix.	Clothing, Footwear & Personal Items	(     )
x.	Other specify, _____	

**E6. In your opinion, what is the minimum amount to sustain your retirement plan?**

RM \_\_\_\_\_

**E7. In your opinion, what is the ideal amount to enjoy your retirement life carefree?**

RM \_\_\_\_\_

**E8. To date, how much have you achieved on the ideal amount for your retirement life? Please CIRCLE**

0%   10%   20%   30%   40%   50%   60%   70%   80%   90%   100%

**E9. Do you currently have a ‘WILL’ that is written and witnessed?**

0. No 1. Yes (Go to E12)

**E10. Do you have any plan in connection with your wealth allocation decision (in CASH, HOUSE and other valuables)?**

0. No 1. Yes

**E11. When do you think you are going to make your wealth allocation plan (in CASH, HOUSE and other valuables)?**

0. Definitely, won't plan i. 2 years from now  
 ii. 5 years from now iii. 10 years from now

**E12. At what age your will was done up? \_\_\_\_\_ years old**

**E13. Before this survey, have your transferred your wealth (in CASH, HOUSE and other valuables) to someone else?**

0. No 1. Yes

**E14. Let's say, you have 100 tokens with you. Now, may I know that how are you going to distribute these 100 tokens to the following parties.**

Party	Token
i. Yourself	(         )
ii. Spouse	(         )
iii. Children (Son)	(         )
iv. Children (Daughter)	(         )
v. Grandchildren	(         )
vi. Relatives	(         )
vii. Friends	(         )
viii. Charity parties	(         )
ix. Foundation	(         )
x. Others, specify _____	

## APPENIDX B

## Data Analysis Results

Table 4.2: Demographic profile

Characteristics	%	N
<b>Gender</b>		
Male	47.5	133
Female	52.5	147
<b>Age Group</b>		
50-59	60.7	170
60-69	27.9	78
70 and above	11.4	32
<b>Educational Level</b>		
No schooling	11.8	33
Primary	33.6	94
Secondary and above	54.6	153
<b>Health Status</b>		
Very Poor	1.4	4
Poor	9.6	27
Fairly Poor	16.8	47
Neither poor nor good	1.8	5
Fairly Good	32.9	92
Good	27.1	76
Very Good	10.4	29
<b>Total</b>	100.0	280

Table 4.3: The Results of Principal Component Analysis (PCA)

	Component		
	1	2	3
<b>Selfish Life-cycle</b>			
I want to leave more or all bequest to my child who take care of me	.883		
I plan to leave a bequest only if my child take care of me	.864		
I want to leave more or all bequest to my child who carry on the family business	.852		
I plan to leave a bequest only if my child carry on the family business	.839		
<b>Social Norms and Tradition</b>			
Elderly parents should provide financial assistance whenever they can afford it		.829	
Elderly parents should provide financial assistance to help their child become economically independent		.773	
Elderly parents should WILL their properties to their child		.729	
<b>Altruism</b>			
I plan to leave a bequest no matter what			.784
I feel it is necessary to leave a bequest under any circumstances			.779
I want to leave as large a bequest as possible to my child			.749
<b>Eigenvalues</b>	<b>3.424</b>	<b>2.428</b>	<b>1.255</b>
<b>% of variance explained</b>	<b>31.386</b>	<b>20.634</b>	<b>19.059</b>
<b>Cumulative %</b>	<b>31.386</b>	<b>52.02</b>	<b>71.079</b>

Source: Developed for the research

Table 4.4: Descriptive Statistics on the Contracts and Cronbach's Alpha

Factors	Mean	Standard Deviation	Cronbach's Alpha	Items
Selfish Life-cycle	3.3438	1.490	0.887	4
Social Norms and Tradition	4.7762	1.323	0.711	3
Altruism	4.6167	1.413	0.731	3

Source: Developed for the research

Table 4.5: Regression Table for selfish life-cycle model as dependent variable

	B	SE B	$\beta$
(Constant)	3.073	0.897	
Gender	0.260	0.185	0.087
Age	0.008	0.012	0.040
Primary education	-0.165	0.310	-0.052
Secondary education and above	0.227	0.331	0.076
Health status	-0.078	0.063	-0.081

Note:  $R^2 = 2.4\%$ ,  $F = 1.361$ ,  $*p < 0.05$ ,  $**p < 0.01$

Table 4.6: Summary of results for selfish life-cycle model as dependent variable

Hypothesis	Results
Hypothesis 1	Not Supported
Hypothesis 2	Not Supported
Hypothesis 3	Not Supported
Hypothesis 4	Not Supported

Table 4.7: Regression Table for Social Norms and Tradition model as dependent variable

	<b>B</b>	<b>SE B</b>	<b>β</b>
(Constant)	5.578	0.798	
Gender	-0.132	0.165	-0.050
Age	-0.012	0.011	-.0074
Primary education	-0.292	0.276	-0.105
Secondary education and above	-0.079	0.294	-0.030
Health status	0.028	0.056	0.033

Note:  $R^2 = 1.9\%$ ,  $F=1.041$ ,  $*p<0.05$ ,  $**p<0.01$

Table 4.8: Summary of results for Social Norms and Tradition model as dependent variable

Hypothesis	Results
Hypothesis 1	Not Supported
Hypothesis 2	Not Supported
Hypothesis 3	Not Supported
Hypothesis 4	Not Supported

↓



Table 4.9: Regression Table for selfish altruism model as dependent variable

	<b>B</b>	<b>SE B</b>	<b>B</b>
(Constant)	2.944	0.823	
Gender	-0.082	0.170	-0.029
Age	0.014	0.011	0.079
Primary education	-0.251	0.285	-0.084
Secondary education and above	0.384	0.303	0.135
Health status	0.156	0.058	0.172**

Note:  $R^2 = 8.6\%$ ,  $F=5.152^{**}$ ,  $*p<0.05$ ,  $**p<0.01$

Table 4.10: Summary of results for altruism model as dependent variable

Hypothesis	Results
Hypothesis 1	Not Supported
Hypothesis 2	Not Supported
Hypothesis 3	Not Supported
Hypothesis 4	Supported

APPENDIX C

**Multiple Linear Regression Analysis**

**The results of multiple regression for Selfish life-cycle model as dependent variable**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.156 <sup>a</sup>	.024	.006	1.48529

a. Predictors: (Constant), How do you perceive your overall helath, Gendernew, Age, primary, secondarya

b. Dependent Variable: selfish

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.008	5	3.002	1.361	.239 <sup>b</sup>
	Residual	604.469	274	2.206		
	Total	619.477	279			

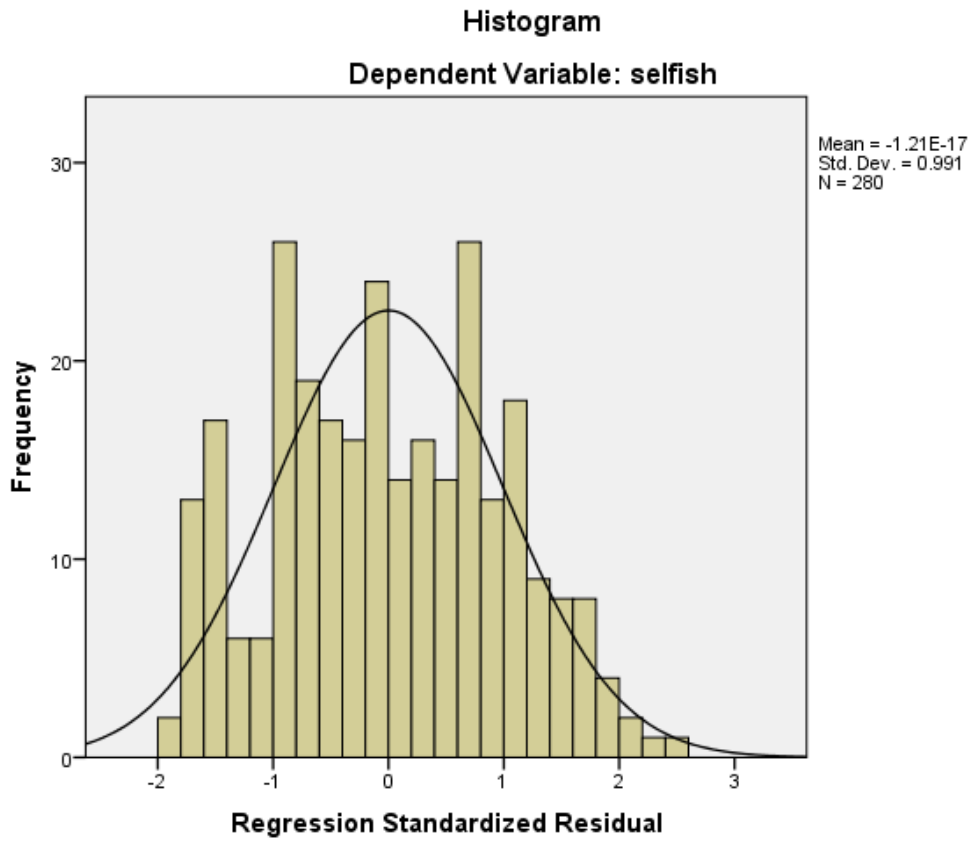
a. Dependent Variable: selfish

**Coefficients<sup>a</sup>**

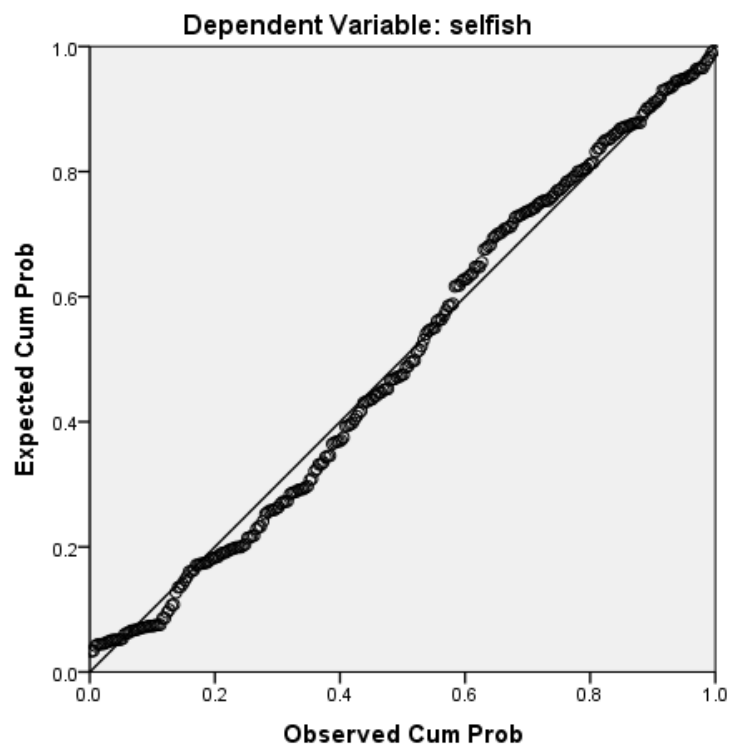
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.073	.897		3.426	.001		
	Gendernew	.260	.185	.087	1.409	.160	.925	1.082
	Age	.008	.012	.040	.611	.541	.832	1.202
	primary	-.165	.310	-.052	-.532	.595	.367	2.722
	secondarya	.227	.331	.076	.687	.492	.291	3.437
	How do you perceive your overall helath	-.078	.063	-.081	-1.228	.221	.816	1.225

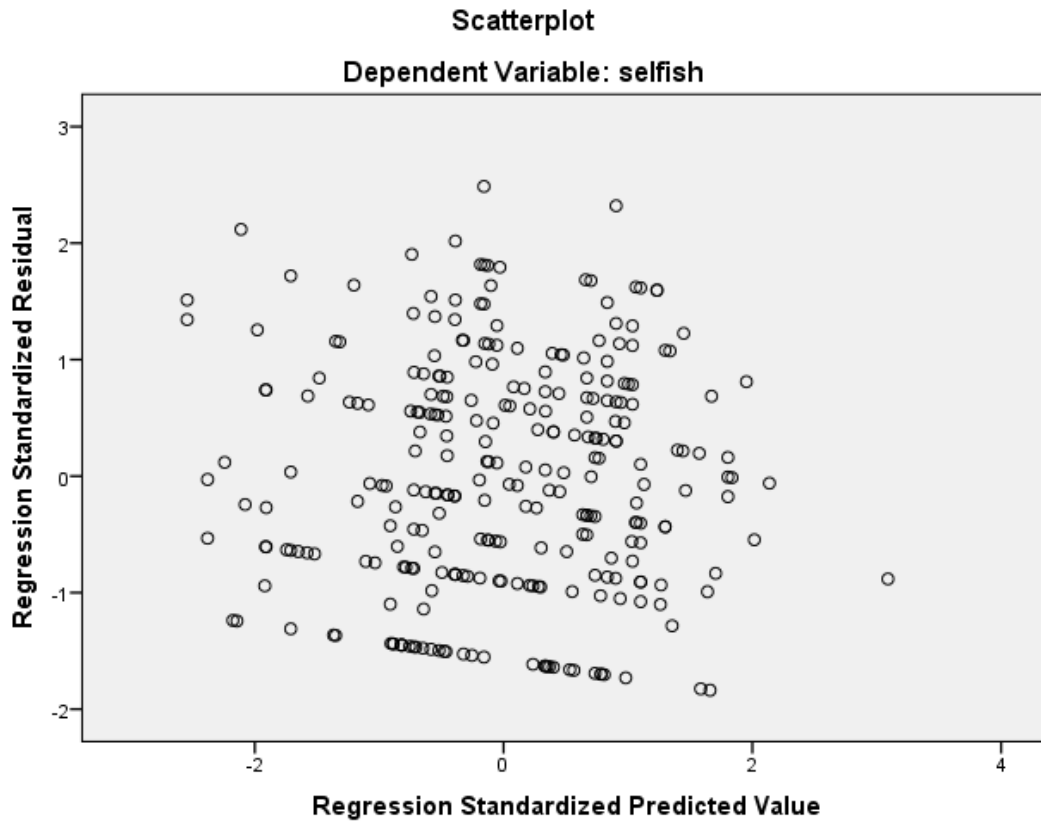
a. Dependent Variable: selfish

b. Predictors: (Constant), How do you perceive your overall helath, Gendernew, Age, primary, secondarya



Normal P-P Plot of Regression Standardized Residual





**The results of multiple regression for social norms and tradition model as dependent variable**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.137 <sup>a</sup>	.019	.001	1.32202

a. Predictors: (Constant), How do you perceive your overall helath, Gendernew, Age, primary, secondarya

b. Dependent Variable: socialno

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.096	5	1.819	1.041	.394 <sup>b</sup>
	Residual	478.878	274	1.748		
	Total	487.975	279			

a. Dependent Variable: socialno

b. Predictors: (Constant), How do you perceive your overall helath, Gendernew, Age, primary, secondarya

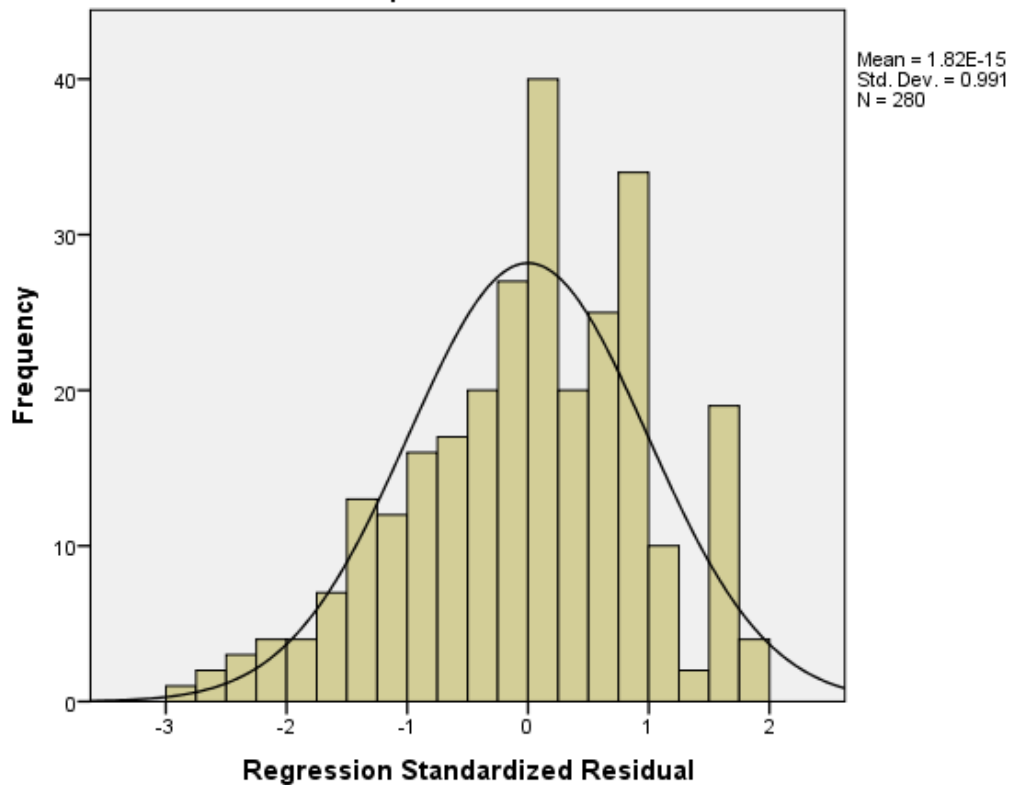
**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	5.578	.798		6.988	.000		
Gendernew	-.132	.165	-.050	-.800	.424	.925	1.082
Age	-.012	.011	-.074	1.121	.263	.832	1.202
primary	-.292	.276	-.105	1.059	.290	.367	2.722
secondarya	-.079	.294	-.030	-.268	.789	.291	3.437
How do you perceive your overall helath	.028	.056	.033	.502	.616	.816	1.225

a. Dependent Variable: social norms

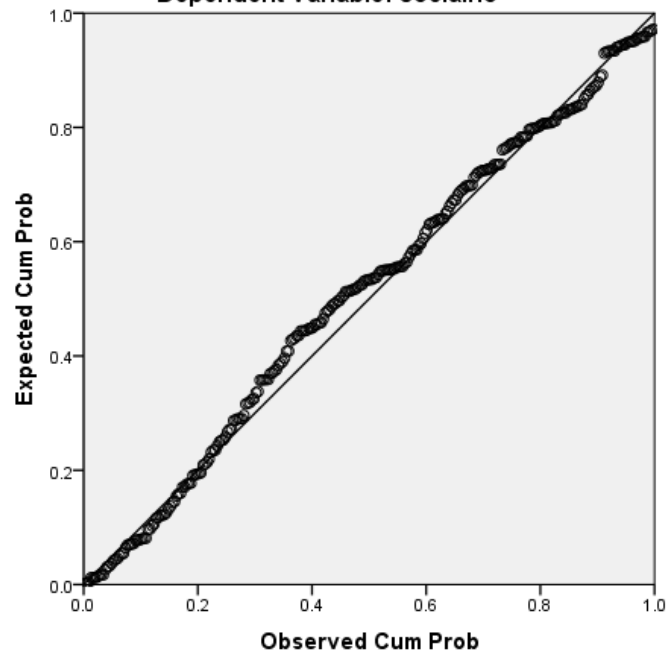
**Histogram**

**Dependent Variable: socialno**



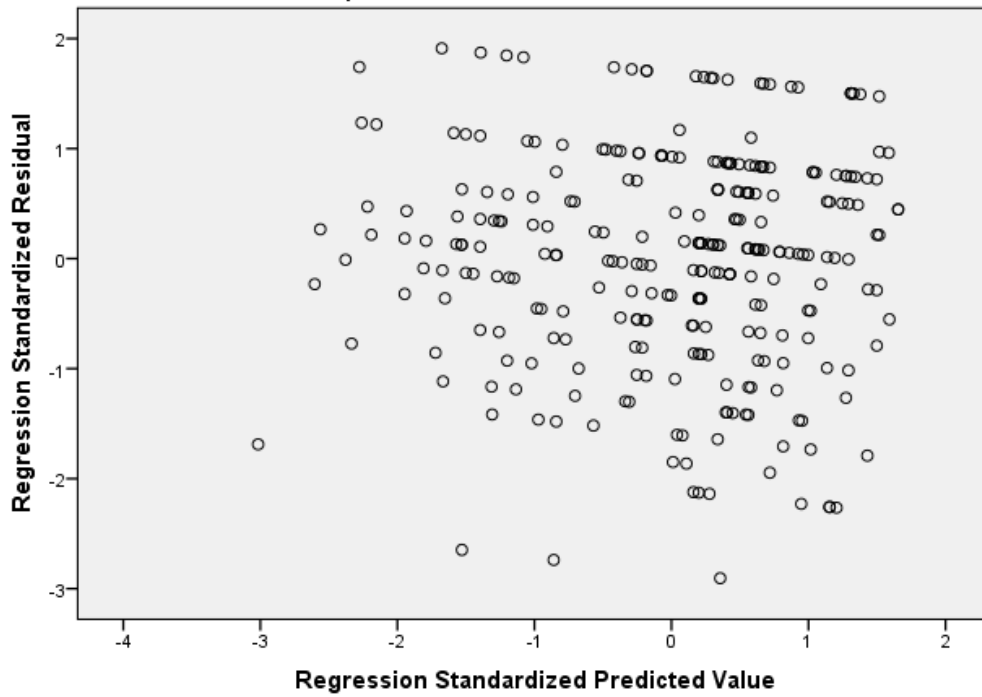
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: socialno



Scatterplot

Dependent Variable: socialno



**The results of multiple regression for altruism model as dependent variable**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.293 <sup>a</sup>	.086	.069	1.36297

a. Predictors: (Constant), How do you perceive your overall helath, Gendernew, Age, primary, secondarya

b. Dependent Variable: altruism

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	47.850	5	9.570	5.152	.000 <sup>b</sup>
	Residual	509.005	274	1.858		
	Total	556.856	279			

a. Dependent Variable: altruism

b. Predictors: (Constant), How do you perceive your overall helath, Gendernew, Age, primary, secondarya

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardize	t	Sig.	Collinearity		
	B	Std. Error	d			Statistics	Toleranc	VIF
			Coefficients			e		
1	(Constant)	2.944	.823		3.577	.000		
	Gendernew	-.082	.170	-.029	-.481	.631	.925	1.082
	Age	.014	.011	.079	1.251	.212	.832	1.202
	primary	-.251	.285	-.084	-.883	.378	.367	2.722
	secondarya	.384	.303	.135	1.265	.207	.291	3.437
	How do you perceive your overall helath	.156	.058	.172	2.688	.008	.816	1.225

a. Dependent Variable: altruism

